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Oggetto : The Italian Sea Group S.p.A. - The Board
of Directors Approved the Selected
Information for the First Nine Months of
2023

Testo del comunicato

Vedi allegato.

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PRESS RELEASE

THE ITALIAN SEA GROUP S.P.A.

THE BOARD OF DIRECTORS APPROVES SELECTED INFORMATION FOR THE FIRST NINE MONTHS OF 2023

Revenues up by 25%

EBITDA +31% with an EBITDA Margin of 16.5%

Selected information for the first nine months of 2023:

- **Revenues** equal to **EUR 262.2 million**, +25% versus **EUR 210.3 million** in the first nine months of 2022;
- **EBITDA** equal to **EUR 43.2 million**, +31% versus **EUR 33 million** in the first nine months of 2022, with a margin on Revenues of **16.5%** versus 15.7% recorded in the first nine months of 2022;
- **Net Financial Debt** equal to **EUR 31 million** versus a Net Financial Debt of EUR 11.3 million as of December 31st, 2022;
- **Investments** for the period equal to **EUR 8.8 million**;
- The **total value of contracts in progress (Order Book)** is equal to **EUR 1,306 million** as of September 30th, 2023.

Marina di Carrara, Carrara (MS), November 7th 2023 – In today’s meeting, the Board of Directors of **The Italian Sea Group S.p.A.** (“**TISG**” or the “**Company**”), global operator in luxury yachting, approved the selected information related to business performance in the first nine months of 2023¹ (Revenues; EBITDA; Backlog; Net Financial Position; Investments).

¹ Information not subject to audit, not even limited.

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Giovanni Costantino, Founder & CEO of The Italian Sea Group, commented:

“I am extremely satisfied of what we have achieved in the first nine months of the year, as a confirmation of the solidity of our business model and the resilience of our reference segment. We have received extremely positive feedback from our return to the Monaco Yacht Show, and we will continue to invest to carry out the projects and the deliveries we have in pipeline.

Our big Team’s innovative ideas and skills, together with our intense passion for what we do, allow us to overcome even the most complex of challenges, always paying attention to the respect of quality, timing, and care for details, fundamental pillars of our business model.”

REVENUES

Throughout the first nine months of 2023, TISG recorded **Revenues** for EUR 262.2 million, increasing by 25% versus EUR 210.3 million in the same period of 2022.

Operating Revenues, equal to **EUR 259.5 million**, increased by 22.2% versus the same period of 2022.

- **Shipbuilding Revenues** amount to EUR 226.7 million (+22% versus the first nine months of 2022). This result is attributable to the regular progress of existing projects and the signing of new sale contract related to large yachts.
- **Refit Revenues** amount to EUR 32.9 million (+23.5% versus the first nine months of 2022). The increase is due to the extension of production capacity and the strategic scheduling of refitting contracts, more intense in the second part of the year.

EBITDA

EBITDA is equal to EUR 43.2 million, increasing by 31% versus EUR 33 million recorded in the same period of 2022, with an **EBITDA Margin** of 16.5%.

The increase in operative marginality over time is attributable to: (i) strong attention regarding operating cost management, also through the internalisation of key supply chain activities; (ii) growing efficiency of production processes; (iii) benefits coming from investments in production capacity, with advantageous synergies between Shipbuilding and Refit; (iv) increase in product prices, due to strengthening brand awareness; (v) economies of scale.

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BACKLOG

The **total value of the Order Book** – that is, the gross value of existing contract related to new yachts and Refit projects not yet delivered to the client – as of 30th September 2023 (Shipbuilding and Refit) amounts to **EUR 1,306 million**.

The **total value of existing contracts** for yacht not yet delivered to the clients, net of revenues already recorded in the income statement (**Net Backlog**) as of 30th September 2023 (Shipbuilding and Refit) is equal to **EUR 647.5 million**.

There were **36 orders in progress: 24 mega and giga yachts and 12 Tecnomar for Lamborghini 63**, with deliveries scheduled until 2028.

INVESTMENTS

Throughout the first nine months of 2023, TISG has carried out **Investments** for **EUR 8.8 million**, related to the completion of investment plans “**TISG 4.0**” and “**TISG 4.1**”, the investments in the La Spezia shipyard (“**TISG 4.2**”), the expansion of commercial offices in the Marina di Carrara Headquarters, and the interventions on the warehouses and offices of its woodworking company, “**Celi S.r.l.**”.

The portion of investments exclusively related to the third quarter of the year amounts to **EUR 2.7 million**.

NET FINANCIAL DEBT

Net Financial Debt is equal to **EUR 31 million** as of September 30th, 2023, versus a Net Financial Debt of EUR 11.3 million as of December 31st, 2022, and reflects:

- i) Cash out of **EUR 14.4 million** for the payment of dividends;
- ii) Investments carried out in the first nine months of 2023 for **EUR 8.8 million**, concerning the completion of “**TISG 4.0**” and “**TISG 4.1**” investment plans, “**TISG 4.2**” investments on the La Spezia shipyard, and some interventions related to the expansion of commercial offices, and the Celi S.r.l. headquarters;
- iii) Net Working Capital dynamics, which in the first nine months of 2023 generated a cash outflow of approximately EUR 7 million. Such variation of the Net

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Working Capital is due partly to contract business dynamics, which follow the invoicing and revenue plans linked to the state of works contractually scheduled with clients.

According to IAS/IFRS Accounting Principles, Net Financial Position includes the current values of fees due to the Port Authorities for the state concessions of the shipyards in Marina di Carrara and La Spezia, which as of September 30th, 2023 amount to EUR 5.9 million, which will be repaid throughout the duration of the related concessions.

The calculation of the Net Financial Debt includes the disposal of an office building in the Viareggio production site, which generated a net cash-in of EUR 10.6 million.

STRATEGIC OUTLOOK 2023 – 2024

Considering the results for the first nine months of 2023, the Company reaffirms 2023 Guidance, positioning in the high end of the value range, with **Revenues** for **EUR 365 million** and **EBITDA Margin** of **16.5%**.

Furthermore, The Italian Sea Group confirms its **Strategic Outlook** for **2024**, already announced to the market at the beginning of the year, which implies **Revenues** between **EUR 400 and 420 million** and an **EBITDA Margin** between **17 and 17.5%**.

BUSINESS OUTLOOK

ISO 14001:2015 Certification

In the month of October, TISG obtained the ISO 14001:2015 certification, confirming its commitment towards environmental sustainability and pursuing the implementation of its ESG roadmap.

Issued by RINA, a highly distinguished certifications authority on an international level, the certification has been obtained for the Marina di Carrara and La Spezia shipyards, reaffirming the adoption of an **efficient environmental management system** by the Company, which has always paid the utmost attention to the reduction of the environmental impacts generated by the business, promoting a conscious and efficient consumption of resources and a thorough policy of waste reduction.

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New projects and strategic partnerships

During the press conference held in occasion of the 2023 Monaco Yacht Show, The Italian Sea Group announced some of its future projects, once again proving its ability to create products with great stylistic and technical innovation, conveying a new approach towards luxury yachting.

In particular, during the press conference, the Company presented three new product lines:

- **M/Y Admiral Project Adventure**, 50-metre Explorer super-yacht;
- **M/Y Tecnomar Project Cat 133**, motor catamaran inspired by the lines of the acclaimed M/Y Tecnomar This Is It;
- **M/Y Tecnomar Project Evo 155**, 46-metre speedy motor-yacht, the evolution of the successful Tecnomar Evo 120 model.

In line with its business strategy, TISG has also presented a new partnership with **Studio Fuksas** and **Luca Dini** for the design of **Sea Flower**, an 80-metre Admiral motor-yacht. The collaboration, unique for the sector, aims to look at yacht design from a civilian architecture point of view, a challenge which the shipyard had already successfully faced with the build of **Admiral Keshō**, awarded motor-yacht of the year 2023 at the World Superyacht Awards by Boat International.

Deliveries scheduled for the year

Within the end of the year, TISG will have carried out the delivery of **three large yachts**, including:

- **Perini Navi Art Explorer**, 47-metre sailing catamaran among the largest in the world;
- **Tecnomar This Is It**, 43-metre motor catamaran with a futuristic design;
- **Admiral Silver Star**, 55-metre with interiors by Giorgio Armani.

DECLARATION EX ART. 154-BIS, SECOND PARAGRAH, LEGISLATIVE DECREE 24 FEBRUARY 1998, N. 58

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The Management in charge of preparing the corporate Accounting Books, Mr. Marco Carniani, declares, pursuant to art. 154-*bis*, paragraph 2, of Legislative Decree 24 February 1998, n. 58, that the information contained in this press release conforms with corporate accounting documents, records, and books.

This document contains forward-looking statements related to future events and operational, economic, and financial results of The Italian Sea Group S.p.A.. Such forward-looking statements, by nature, contain an element of risk and uncertainty, as they rely on the occurring of future events and developments.

The press release is available in the Investor section of the Company's website <https://investor.theitalianseagroup.com/en/press-releases/>.

Conference call in Webcast

The financial results for the first nine months of 2023 will be presented today, Tuesday November 7th at 3:00PM CEST during a Conference Call held by the Company's Top Management.

The Conference Call will be broadcasted through the following link: <https://b1c-co-uk.zoom.us/meeting/register/tZAvfuGhrzkjG9aK4ovZgqEa8x7ExH7BzGef#/registration>

The presentation by the Top Management will be available from the beginning of the conference call at the website investor.theitalianseagroup.com in the "Financial Documents" section.

This document is an English translation from Italian. The Italian original shall prevail in case of differences in interpretation and/or factual errors.

The Italian Sea Group

The Italian Sea Group is a global operator in the luxury yachting industry, listed on Euronext Milan ("EXM") and active in the construction and refit of motoryachts and sailing yachts up to 140 metres. The Company, led by Italian entrepreneur Giovanni Costantino, operates on the market with the brands Admiral, renowned for elegant and prestigious yachts, Tecnomar, known for its sporty features, cutting-edge design and high performance, Perini Navi, excellence in the design and construction of large sailing yachts, and Picchiotti, historical brand in the Italian yachting industry featuring classic and elegant lines. The Company also has a business unit named NCA Refit that manages the maintenance and refit services for yachts over 60 metres. In line with its strategic positioning, The Italian Sea Group has partnered with important Italian luxury brands: Giorgio Armani – to develop yachts penned by the designer, highlighting the merger of two excellence Ambassadors of Italian style in fashion and yachting – and Automobili Lamborghini – to design and produce "Tecnomar for Lamborghini 63", a limited-edition motor yacht featuring extraordinary performances and quality beyond limits.

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The Italian Sea Group is the first Italian producer of superyachts over 50 metres, according to the 2023 Global Order Book, the global ranking by Boat International.

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