

THE ITALIAN SEA GROUP

BERENBERG
EUROPEAN
CONFERENCE
DECEMBER 2023

PICCHIOTTI
SINCE 1875

ADMIRAL

PERINI NAVI

TECNOMAR

NCA REFIT

CELI
1920

AGENDA

-  Introduction
-  Executive Summary
-  Financials

THE ITALIAN SEA GROUP AT A GLANCE

The Italian Sea Group S.p.A. is a global operator in luxury yachting, the first builder in Italy and fourth in the world for yachts over 50 metres¹. TISG went public on the Milan Stock Exchange on 8th June 2021.

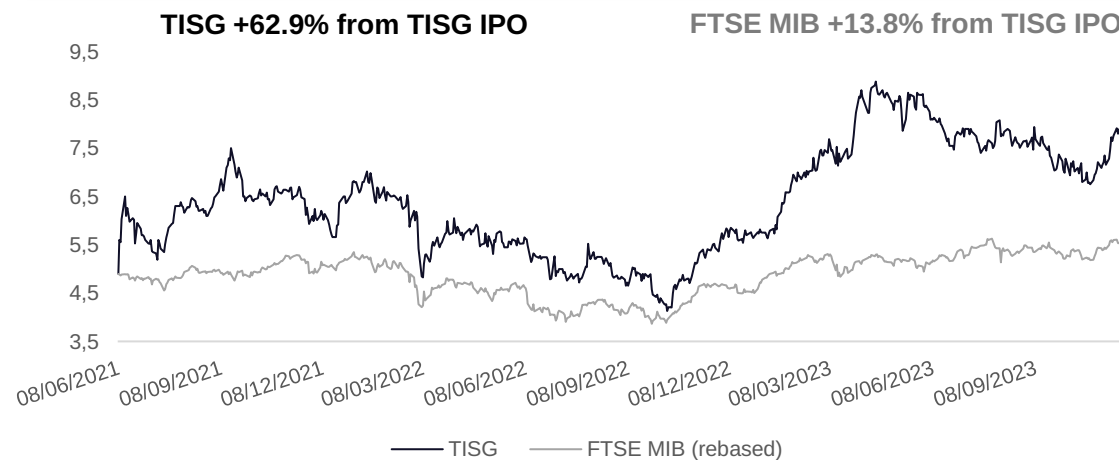
BRANDS

	ADMIRAL	Customised motor-yachts above 50mt.
	TECNOMAR	Speedy motor-yachts from 37mt to 50mt.
	PERINI NAVI	Large sailing yachts from 47mt.
	PICCHIOTTI SINCE 1575	Gentleman Yachts from 24mt to 55mt.
	NCA REFIT	Refit and maintenance of motor and sailing yachts, with a focus on yachts over 60mt.
	CELI 1920	Historical woodworking and furniture company, with expertise in yachting and real estate.

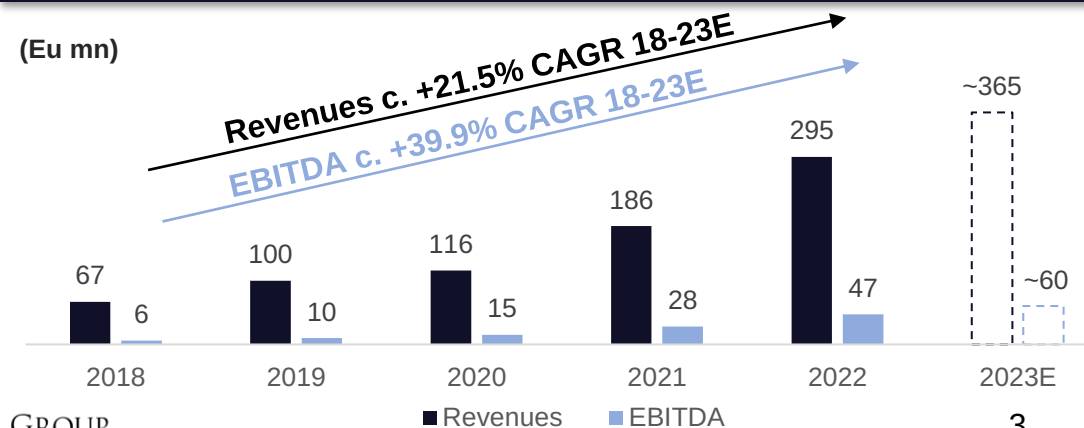
PARTNERSHIPS

	Limited edition speedy motor-yachts inspired by the Lamborghini Siàn FKP 37 .
	Motor-yachts designed in collaboration with designer Giorgio Armani .

STOCK PERFORMANCE SINCE IPO (8 JUNE 2021)²



REVENUES AND EBITDA EVOLUTION



Notes: 1) Ranking based on 2022 yacht sales (source: Boat International, Global Order Book 2022);

2) Last updated on 28/11/2023.

M/Y Kenshō, 75mt



BOAT
WORLD
SUPERYACHT
AWARDS
2023 WINNER

BOAT
DESIGN &
INNOVATION
AWARDS
2023 WINNER

THE INTERNATIONAL
YACHT &
AVIATION
AWARDS
2023
WINNER
designet al

XXXV annual
**BEST
OF THE
BEST**



THE ITALIAN SEA GROUP

M/Y Silver Star, 55mt

ADMIRAL

GIORGIO ARMANI



THE ITALIAN SEA GROUP

Perini Navi Ketch, 56mt



PERINI NAVI



THE ITALIAN SEA GROUP

M/Y Tecnomar This Is It, 43mt

TECNOMAR



THE ITALIAN SEA GROUP

M/Y Tecnomar for Lamborghini 63, 19.8mt

tecnomar FOR



THE ITALIAN SEA GROUP

M/Y Picchiotti Gentleman, 24mt

PICCHIOTTI
SINCE 1575



THE ITALIAN SEA GROUP

NCA REFIT

THE ITALIAN SEA GROUP

C E L I
1920

THE ITALIAN SEA GROUP

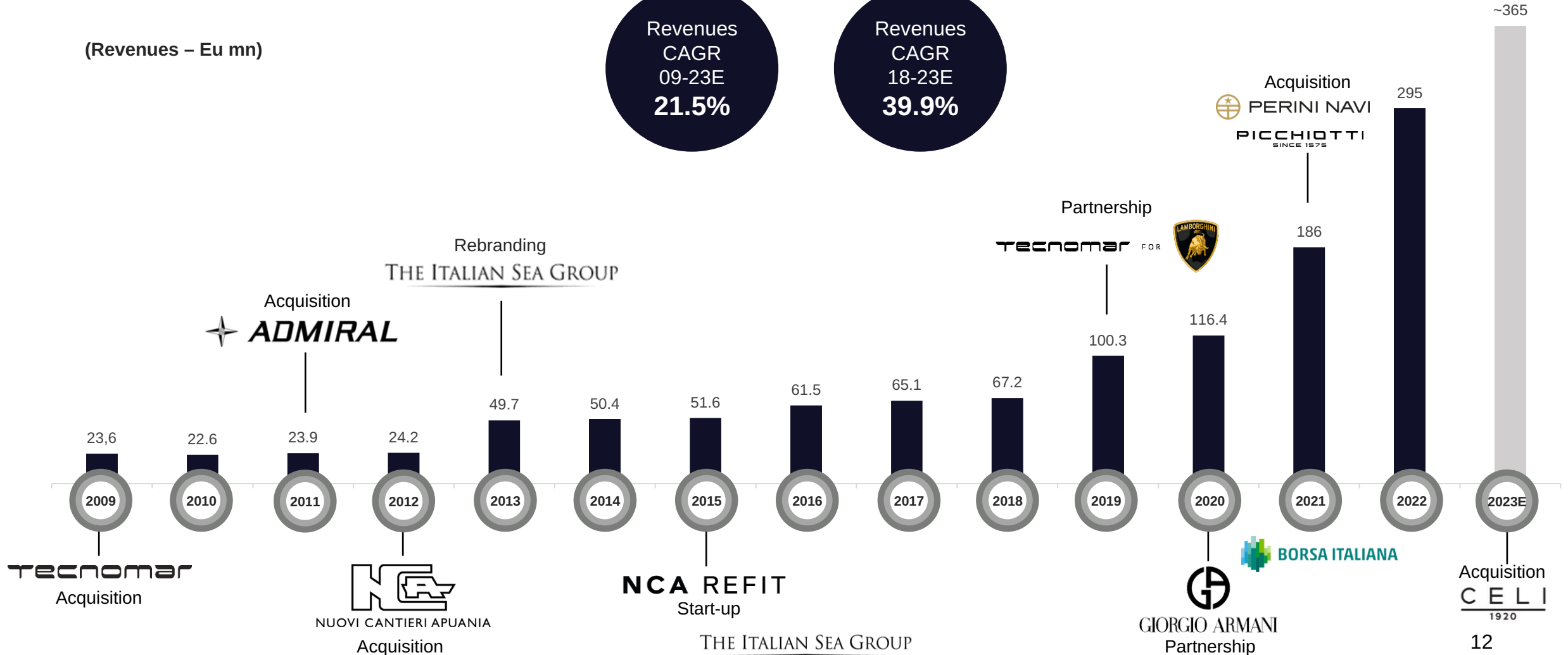
SUCCESS STORY SINCE 2009

TISG'S success story has been characterised by a strong focus on growth, leveraging on product quality, strategic investments on production capacity, and revamping of heritage Italian brands.

(Revenues – Eu mn)

Revenues
CAGR
09-23E
21.5%

Revenues
CAGR
18-23E
39.9%



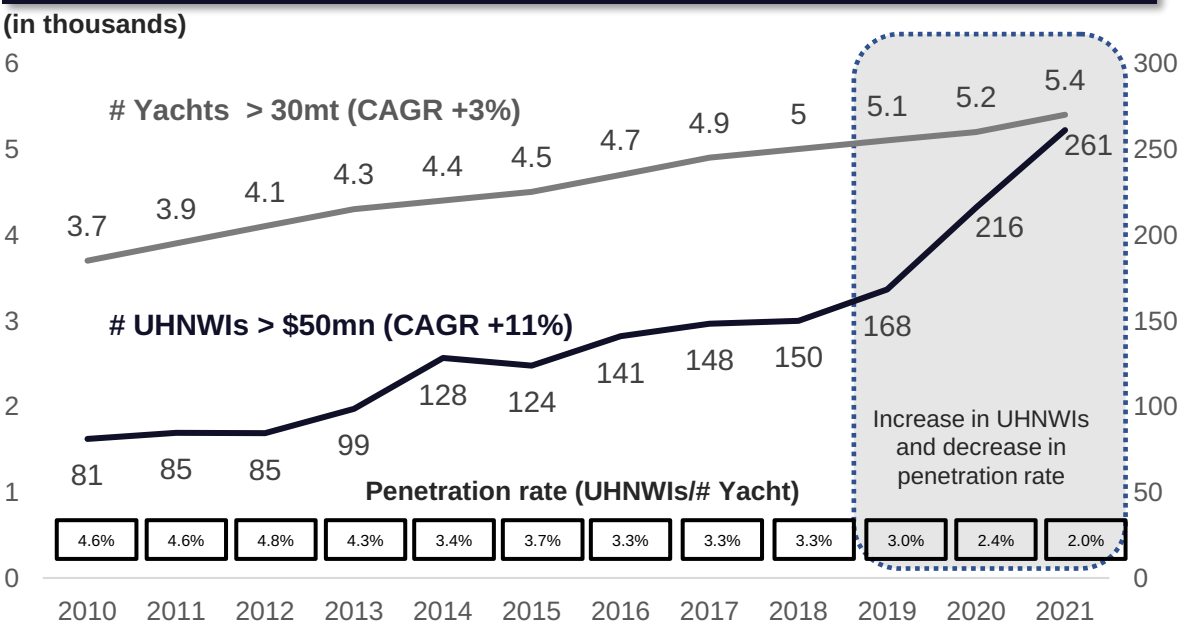
GROWING AND UNPENETRATED CUSTOMER BASE

Strong opportunity due to an unpenetrated customer base, deriving from an exponential increase in the global number of UHNWIs in the past three years.

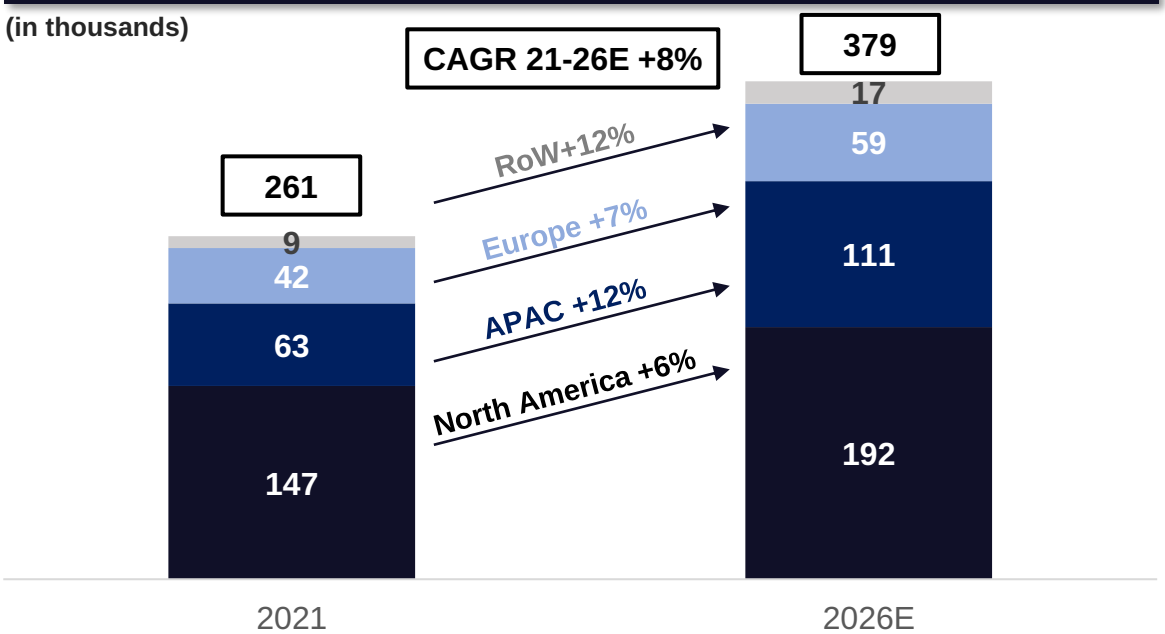
MAIN DRIVERS

- Superyachts above 30mt grew +3% from 2010 to 2021, whereas UHNWIs with **net worth above \$50mn** grew at 11% CAGR, leading to a decline in the penetration rate (c. 2%).
- UHNWIs are expected to increase at a CAGR of **8%** from 2021 to 2026E (+118k).
- The growth is largely driven by North America (6% CAGR, +45k) and APAC (12% CAGR, +48k).

GLOBAL GROWTH OF UHNWIs VS # OF YACHTS > 30mt



UHNWI GROWTH BY GEOGRAPHY / 2021 – 2026E



Sources: Credit Suisse, Global Wealth Report 2022; SuperYacht Times, The State of Yachting 2022.

COMMERCIAL APPROACH & CONTRACT STRUCTURE

TISG's commercial approach and contract structure aim at limiting risks with respect to inventory, achieve favourable working capital, and lock in expected margins.

ORDER-BASED APPROACH & BEST-IN-CLASS CONTROL SYSTEMS

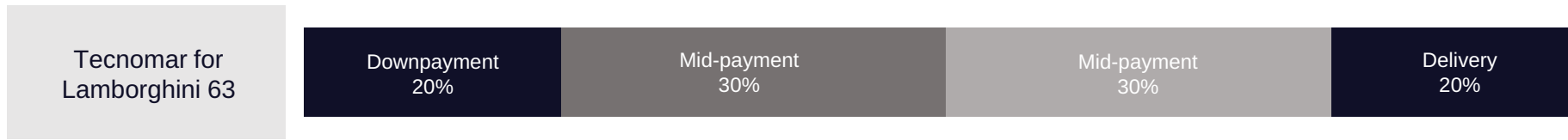
- No speculative production
- Trade-ins are not accepted
- No penalties for delays or quality remarks
- No litigations with clients

No risk of unsold inventory nor write-offs

FAVOURABLE ADVANCE-PAYMENTS CONTRACT STRUCTURE



Favourable working capital management



CAREFUL COST MANAGEMENT

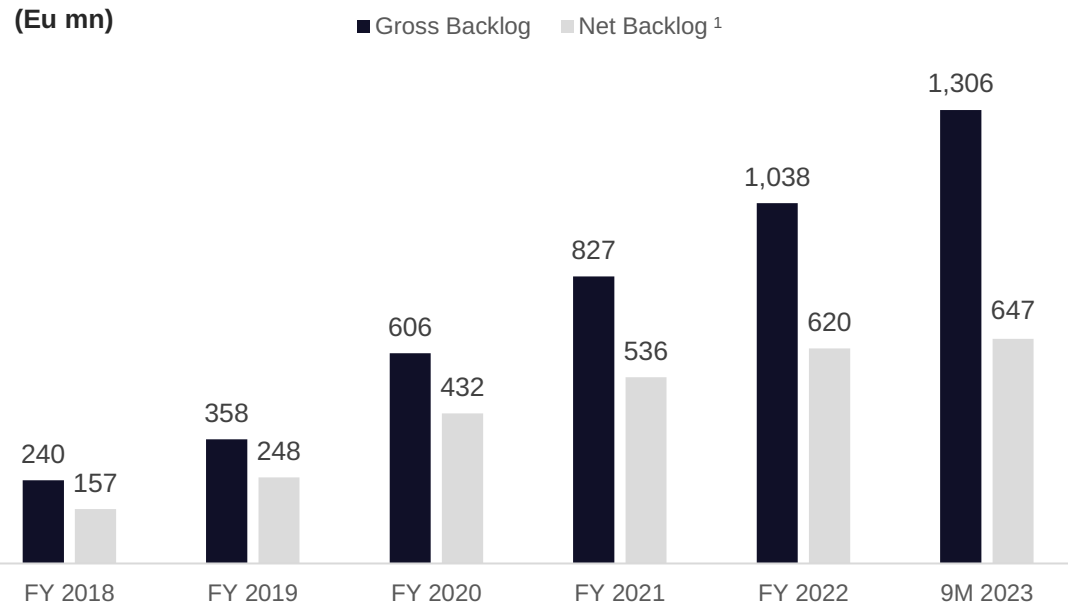
- Approx. **75-80%** of direct costs (raw materials, engine, external suppliers, etc.) are **contractualised at contract signature**.
- The remaining **20-25%** are kept as Variations to Contract, and may lead to a revision of the pricing.

Lock-in of profitability from order to completion

QUALITY AND VISIBILITY OF BACKLOG

- **Industry leading levels of backlog**, with visibility until the end of 2027 and balanced breakdown between geographic areas;
- **Gross Backlog** at 30 September 2023 represents **3.8x LTM Revenues**;
- Resilient client base (**UHNWI**), **cash-buyers** who do not require any financing to purchase the products;
- Strict commercial policy **with no trade-ins or sale of used boats, eliminating inventory risk.**

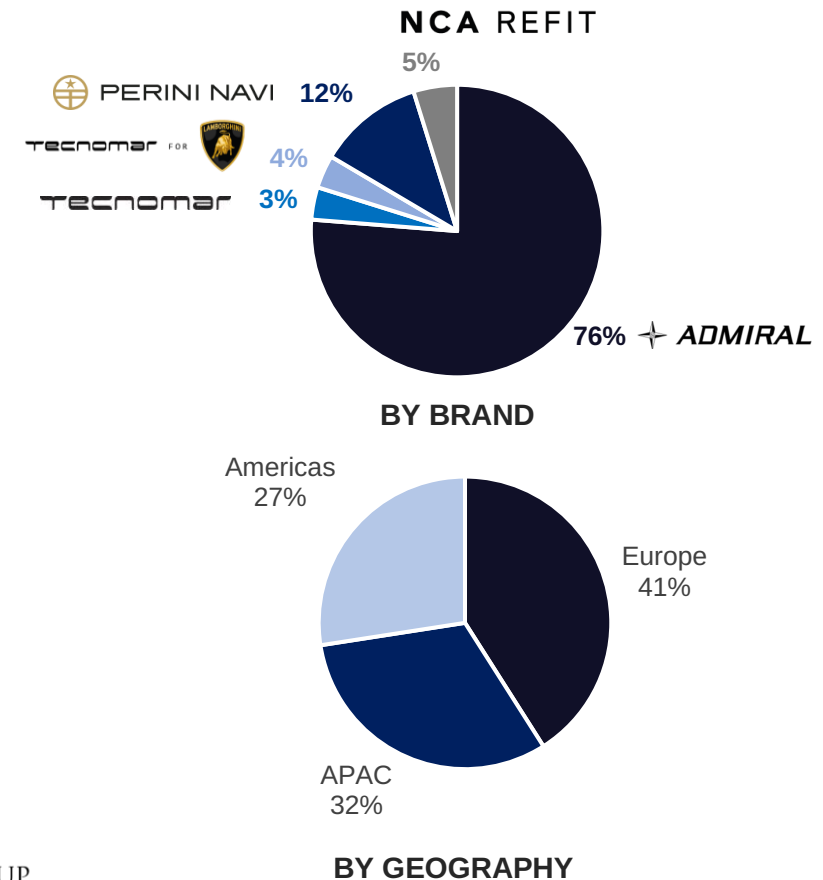
BACKLOG EVOLUTION (GROSS AND NET)



	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	LTM Revenues
Gross Backlog x LTM Revenues	3.6	3.6	5.2	4.5	3.5	3.8
Net Backlog x LTM Revenues	2.3	2.5	3.7	2.9	2.1	1.9

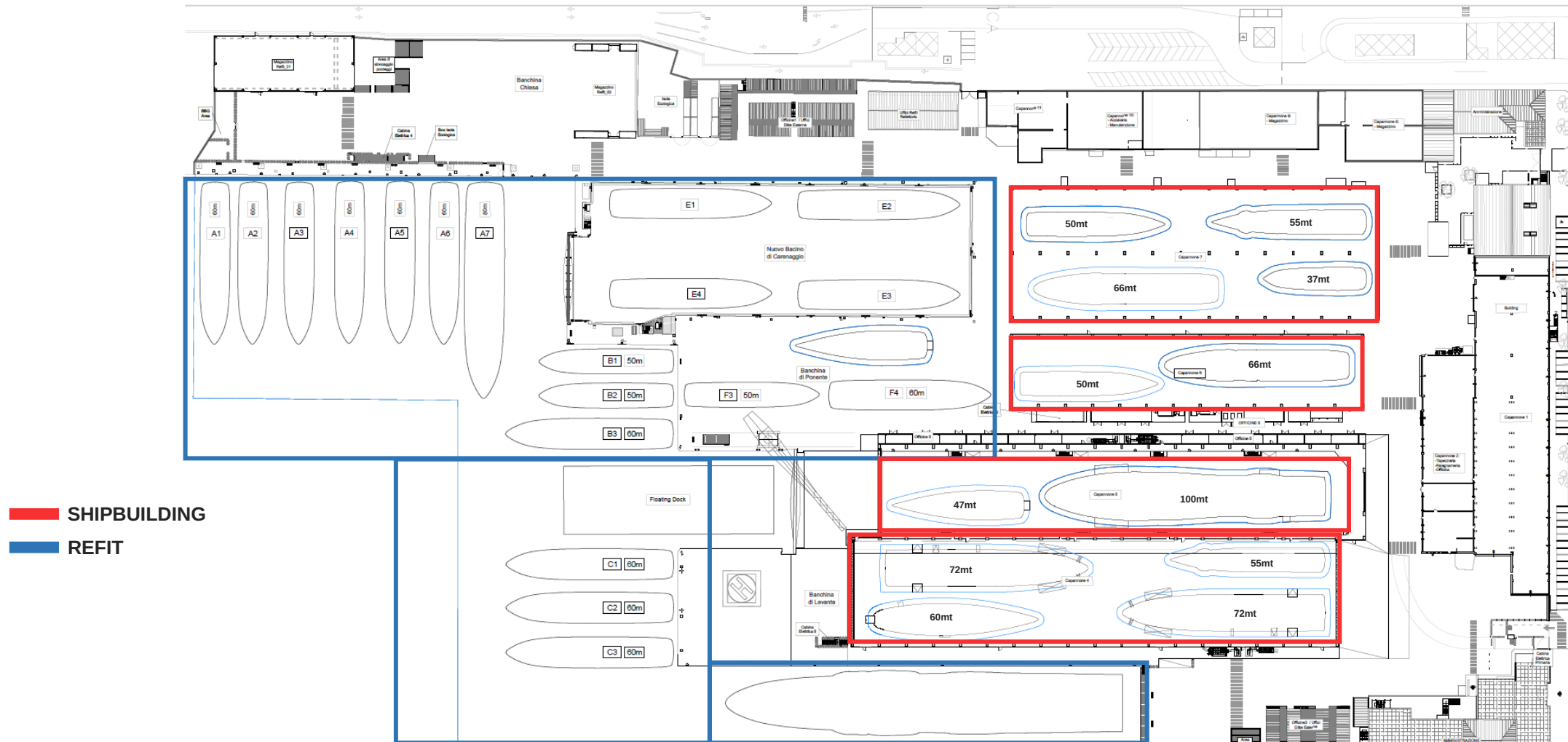
Notes: 1) **Net Backlog** refers to the total value of contracts in progress related to yachts not yet delivered to the clients, net of the revenues already recorded in the income statement.

GROSS BACKLOG BREAKDOWN



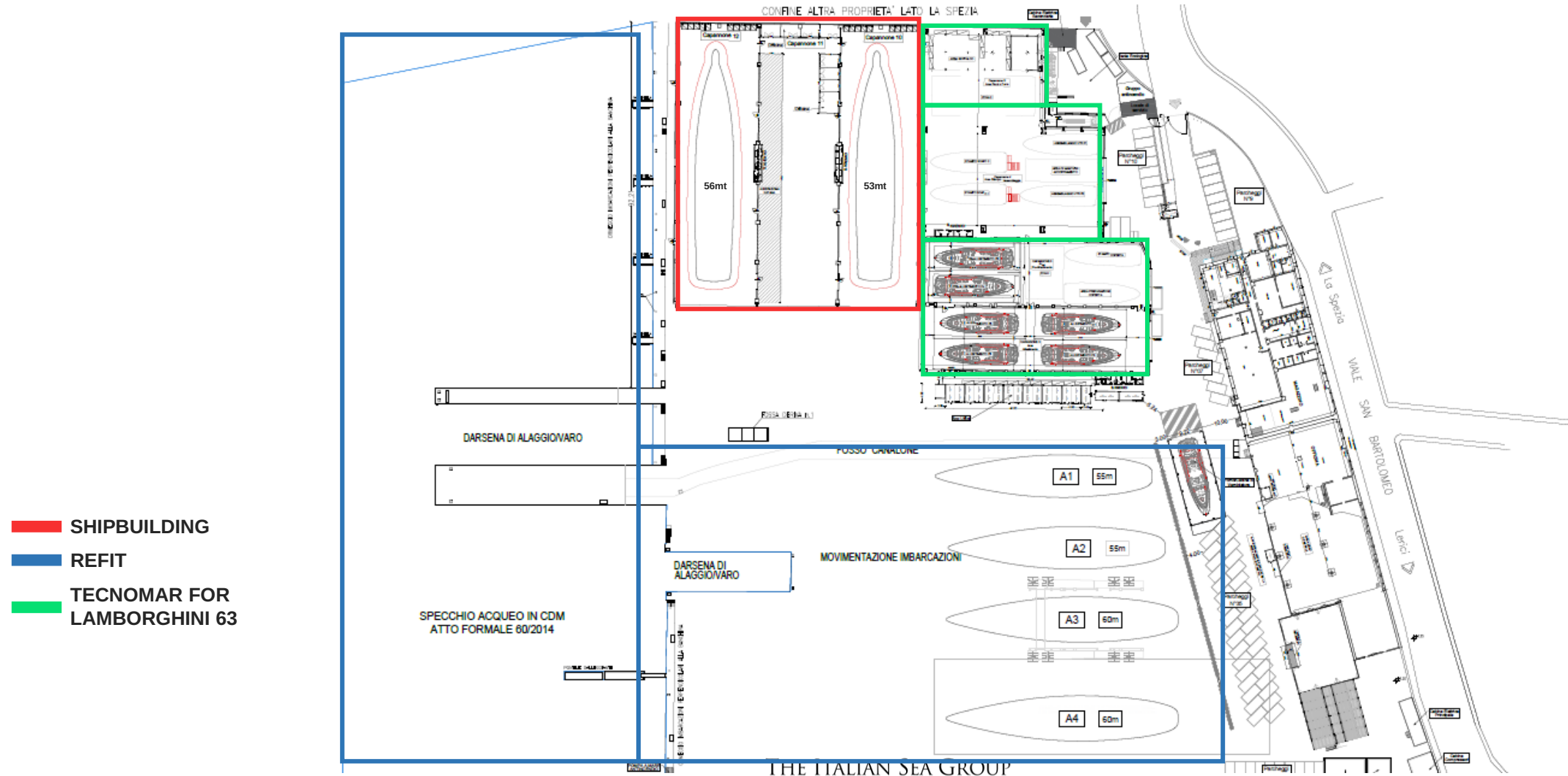
PRODUCTION CAPACITY – MARINA DI CARRARA

Representing **TISG's** Headquarters, the **Marina di Carrara shipyard** covers a total surface of over 100,000sqm, with state-of-the-art facilities and direct access to the sea. At its **maximum capacity**, the shipyard can accommodate up to **12 Shipbuilding projects** in the larger dimensional range, as well as **25 Refit projects** up to 140mt.



PRODUCTION CAPACITY – LA SPEZIA

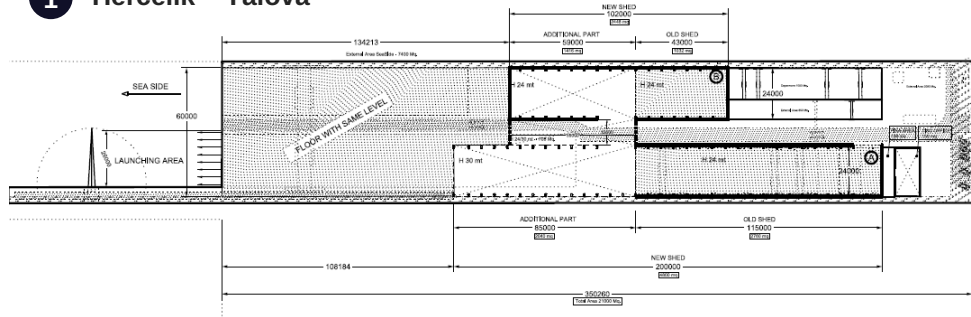
Home of the Tecnomar for Lamborghini 63 production, the La Spezia shipyard covers a total surface of 38,000sqm. At its maximum capacity, the shipyard can manage 3 Shipbuilding projects up to 60mt, as well as c. 16 Refit projects with an average length of 60mt.



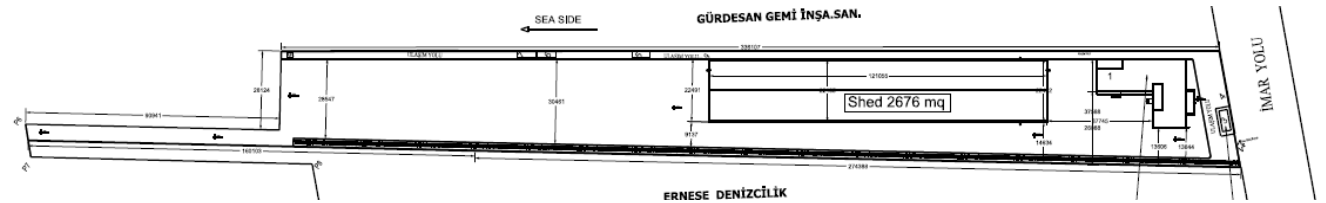
PRODUCTION CAPACITY – TURKEY

In Turkey, TISG operates with a network of partners for the production of the vessels' **hull and superstructure**. The Company rents two **shipyards**, **Hercelik (1)** and **Naveks (2)**, and works with their suppliers in their own shipyards, all located in Yalova, Tuzla, and Antalya, for a total surface of c. 70,000sqm.

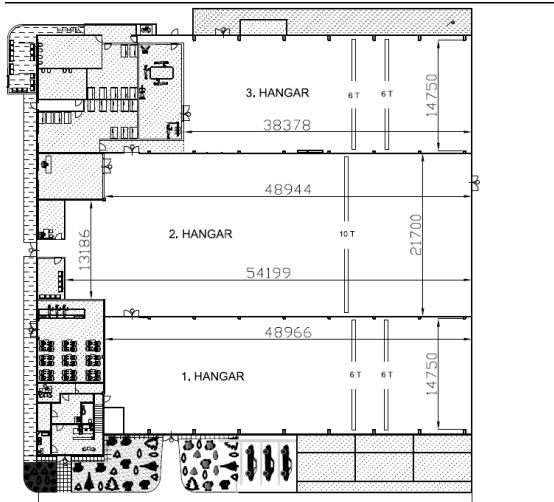
1 Hercelik – Yalova



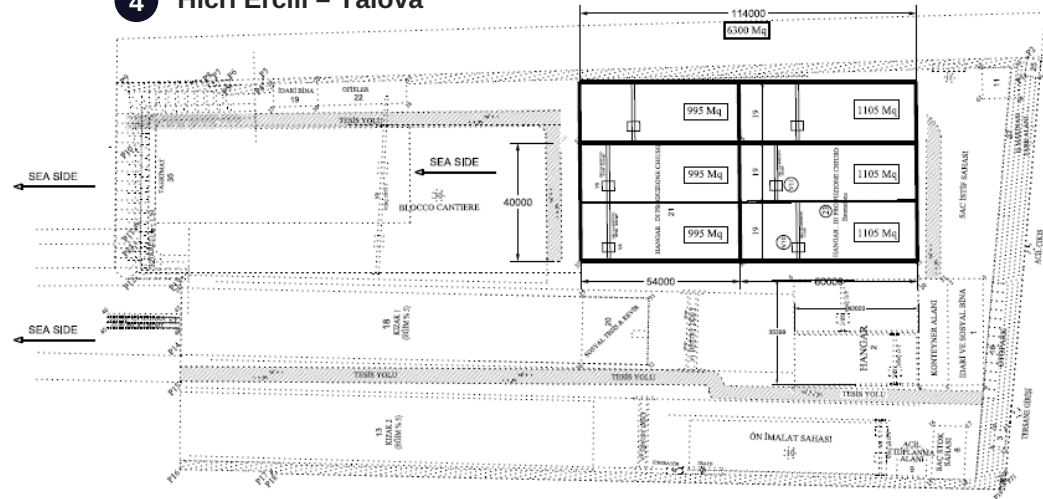
2 Naveks – Yalova



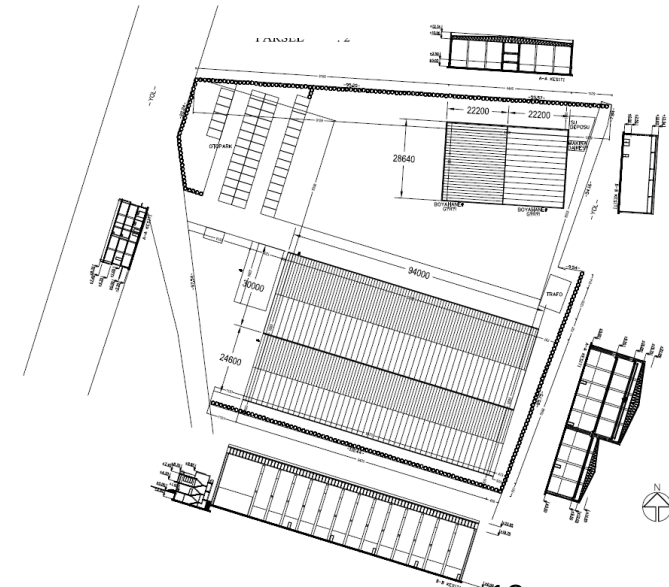
3 Pina Marin – Antalya



4 Hicri Ercili – Yalova



5 Almar – Tuzla



INTERNALISATION OF KEY SUPPLY CHAIN ACTIVITIES

TISG internalises specific phases of the production cycle which require impeccable craftsmanship, in order to maintain control on the quality, the timing, and the costs of these activities in support of marginality and customer satisfaction.

METAL CARPENTRY



UPHOLSTERY



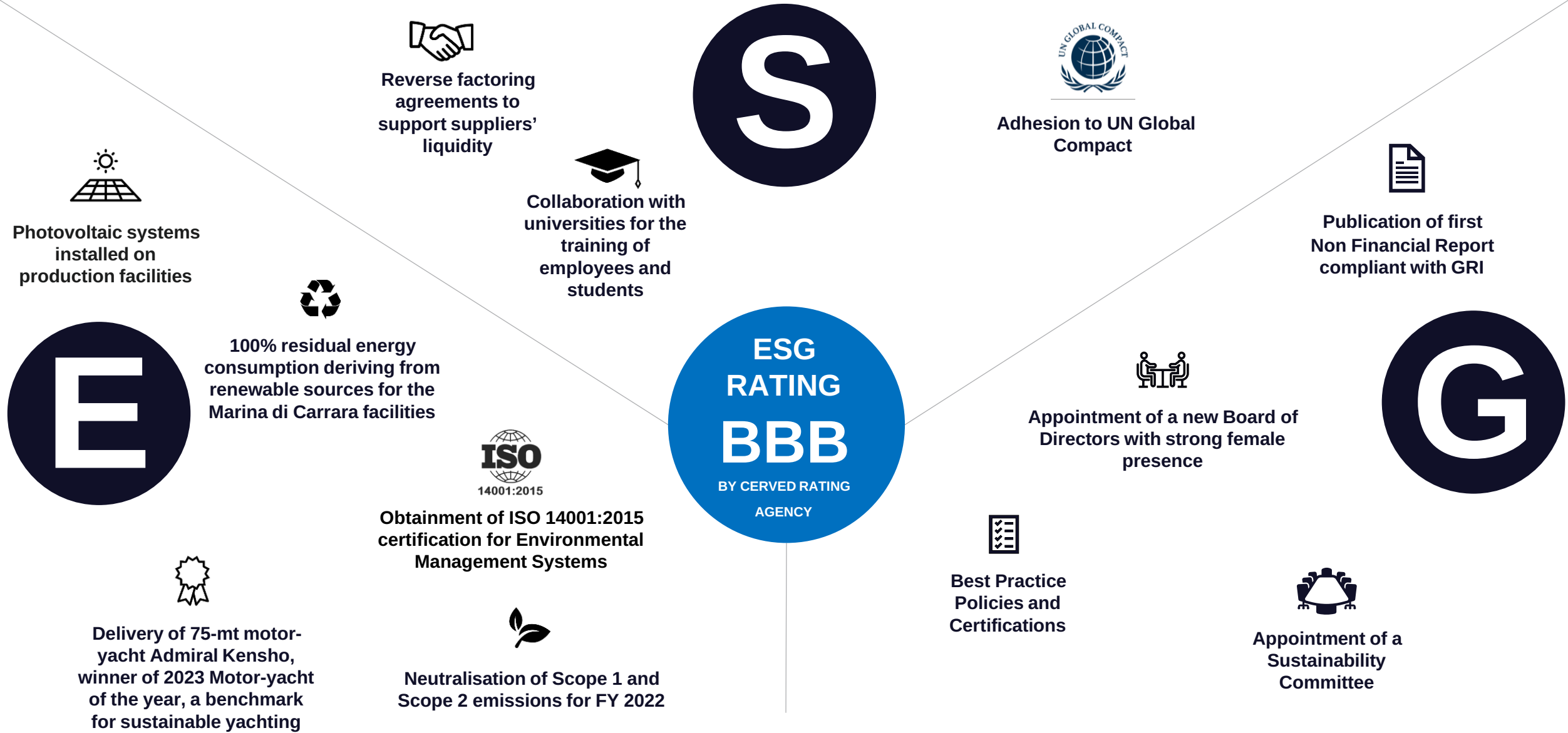
WOODWORKS



STEELWORKS



ESG ACHIEVEMENTS SO FAR



AGENDA



Introduction



Executive Summary



Financials

EXECUTIVE SUMMARY



S/Y Perini Navi Art Explorer, 47mt

9M 2023 RESULTS

- **Order Book of Eu 1.3bn, +33% vs 9M 2022**
- **Revenues of Eu 262.2mn, +25% vs 9M 2022**
- **EBITDA of Eu 43.2mn, +31% vs 9M 2022, with a margin of 16.5%**
- **Investments of Eu 8.8 mn**
- **Net Financial Debt of Eu 31mn vs Eu 11.3mn at FY 2022**

RELEVANT EVENTS AND BUSINESS OUTLOOK

- **Obtainment of ISO 14001:2015 certification for Environmental Management Systems**
- **Participation at the 2023 Monaco Yacht Show** with the worldwide preview of three new yachts, new product lines, and strategic partnerships
- **Deliveries of three large yachts** scheduled within the end of the year

STRATEGIC OUTLOOK

- **2023 Guidance** confirmed in the high end of the value range: **Revenues for Eu ~365mn and EBITDA Margin of ~16.5%**
- **2024 Strategic Outlook** confirmed: **Revenues between Eu 400 – 420mn and EBITDA Margin between 17 – 17.5%**

2023 MONACO YACHT SHOW HIGHLIGHTS

mys | THE ITALIAN SEA GROUP

✦ ADMIRAL

✦ ADMIRAL | GIORGIO ARMANI

⊕ PERINI NAVI

TECNOMAR

TECNOMAR FOR 



M/Y Admiral
Kenshō (75mt)



M/Y Admiral | Armani
Silver Star (55mt)



S/Y Perini Navi
Art Explorer (47mt)

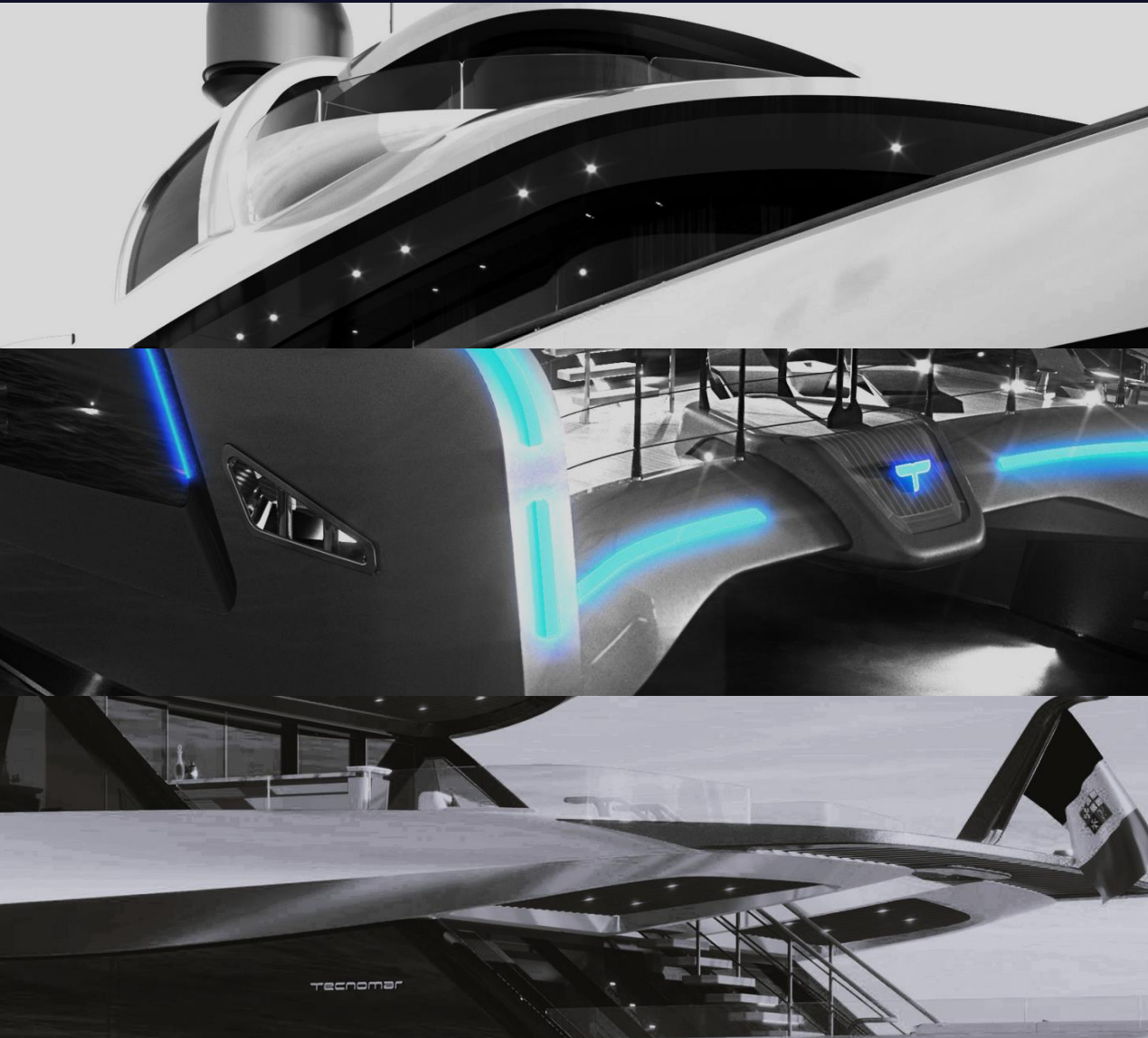


M/Y Tecnomar
This Is It (43mt)



M/Y Tecnomar for
Lamborghini 63 (20mt)

NEW ICONIC MODELS



In occasion of the **2023 Monaco Yacht Show** opening, TISG announced three new iconic product lines during an exclusive press conference detailing the Company's next strategic steps.

In particular:

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

AGENDA



Introduction



Executive Summary

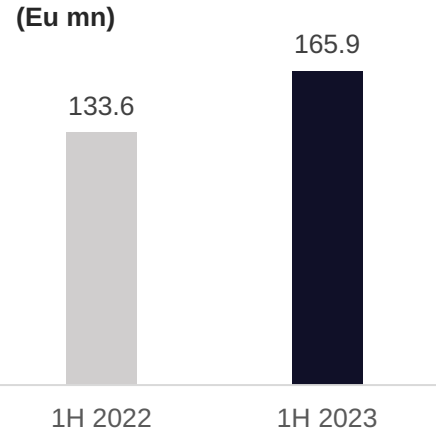


Financials

2023 GUIDANCE CONFIRMED IN THE HIGH END OF THE VALUE RANGE

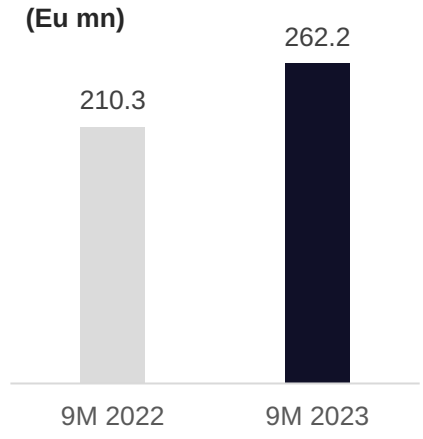
1H 2023 VS 1H 2022

Revenues: +24%
Backlog: +35%



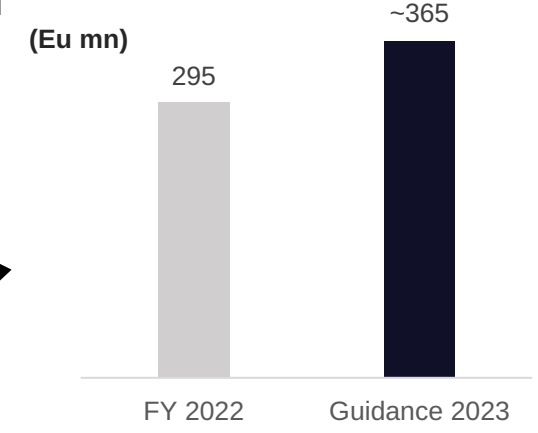
9M 2023 VS 9M 2022

Revenues: +25%
Backlog: +33%

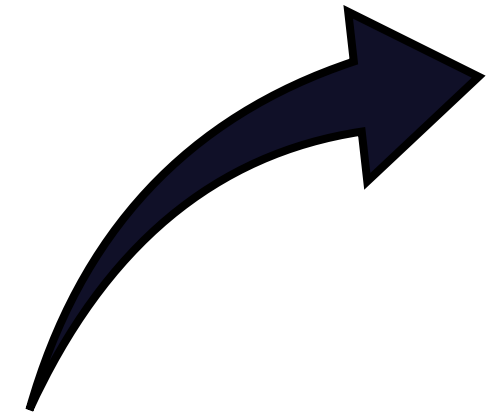


STRATEGIC OUTLOOK 2023

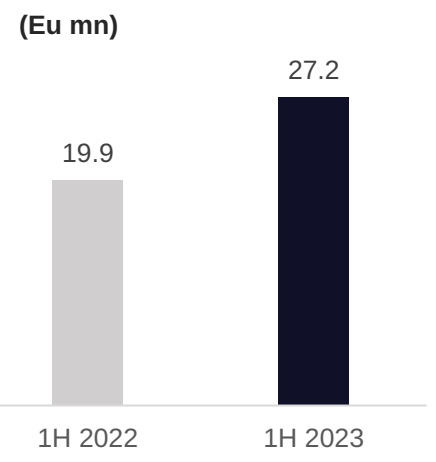
Revenues: Eu ~365mn
c. +24% YoY Growth



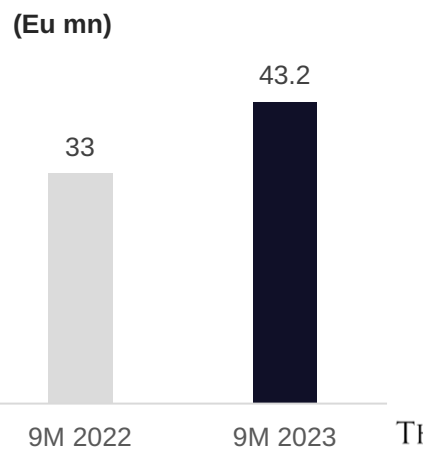
Solid perspectives on
FY 2023 results



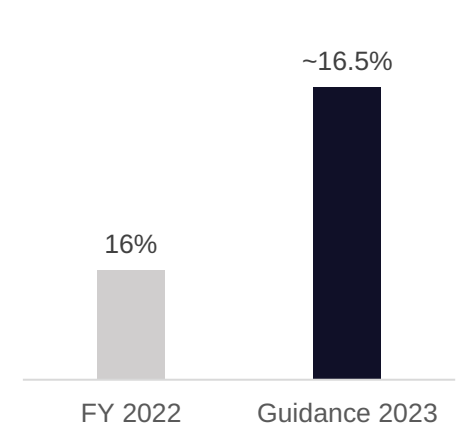
EBITDA: +37%
EBITDA Margin: 16.4%



EBITDA: +31%
EBITDA Margin: 16.5%



EBITDA Margin: ~16.5%

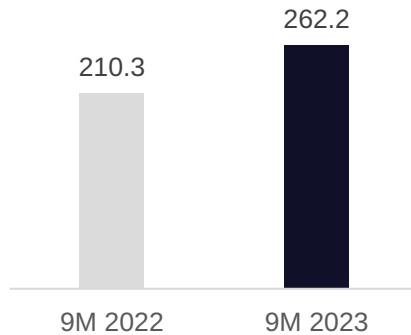


due to strong
commercial activities
and visibility of
backlog

SUMMARY OF KEY 9M 2023 RESULTS

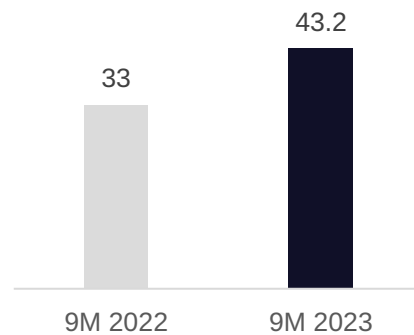
Revenues 9M 2023

Eu 262.2mn
(+25% vs 9M 2022)



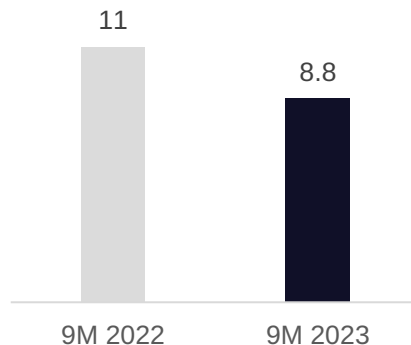
EBITDA 9M 2023

Eu 43.2mn
Margin: 16.5%
(+31% vs 9M 2022)



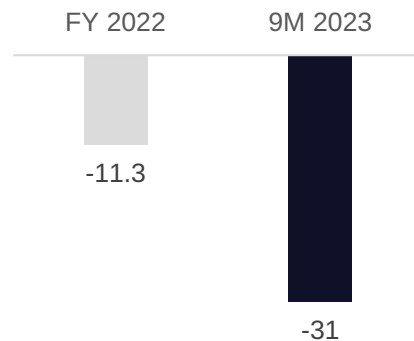
Investments 9M 2023

Eu 8.8mn



Net Debt 9M 2023

Eu -31mn



KEY HIGHLIGHTS

- **25% increase in Revenues** due to the positive development of the Shipbuilding division, as well as an increase in **Refit** activities due to the seasonality of the business
- The **increase in marginality** over time is due to a careful management of operating costs, a better efficiency of production processes, and the internalisation of the most value-added phases of the supply chain;
- **Investments** for the first nine months of 2023 are related to the closing of the «**TISG 4.0**» and «**TISG 4.1**» investments related to «**TISG 4.2**», the expansion of commercial offices in Marina di Carrara and the development on production capacity for subsidiary **Celi**.
- **Net Financial Debt** for **Eu 31mn** vs Eu 11.3mn on FY 2022.

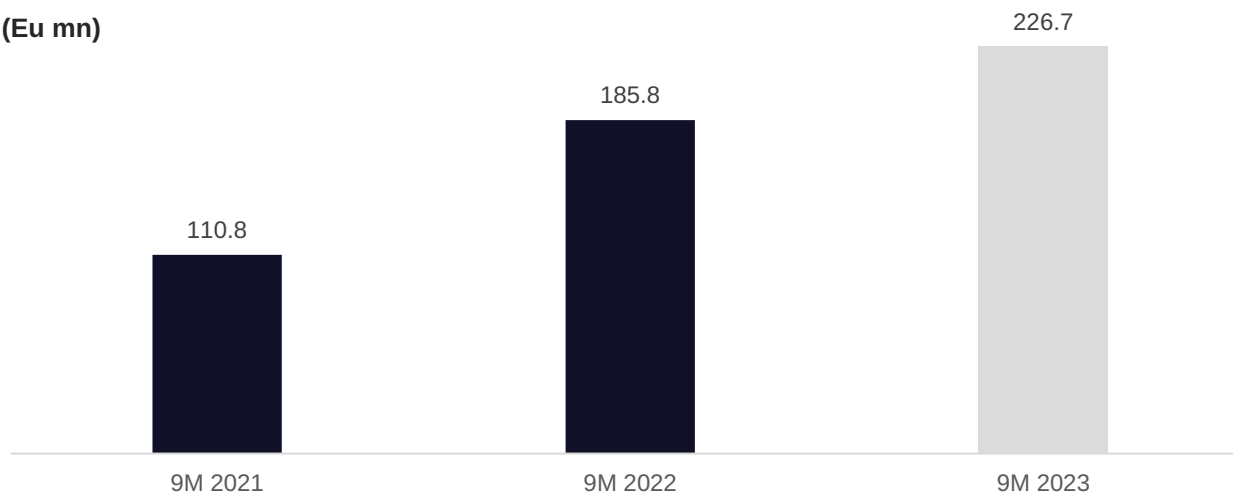
SHIPBUILDING REVENUES

KEY HIGHLIGHTS

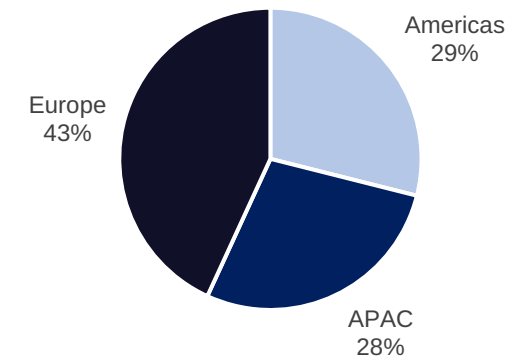
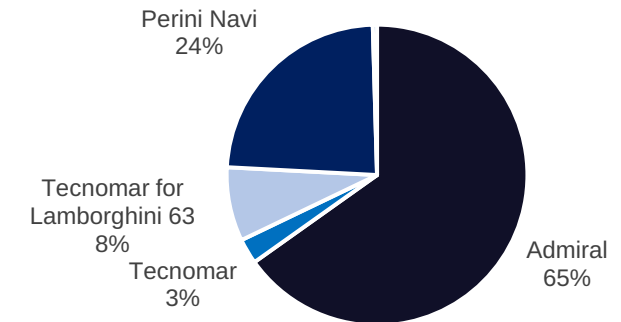
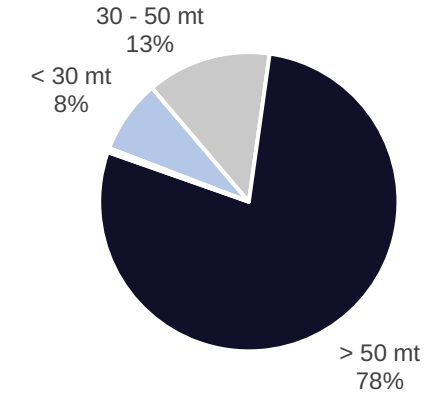
- **Shipbuilding Revenues** amount to **Eu 226.7mn** (+22% vs 9M 2022).
- This result is attributable to:
 - i) The regular progress of existing orders;
 - ii) The signing of new sale contracts.

SHIPBUILDING REVENUES 9M 2021 – 9M 2023

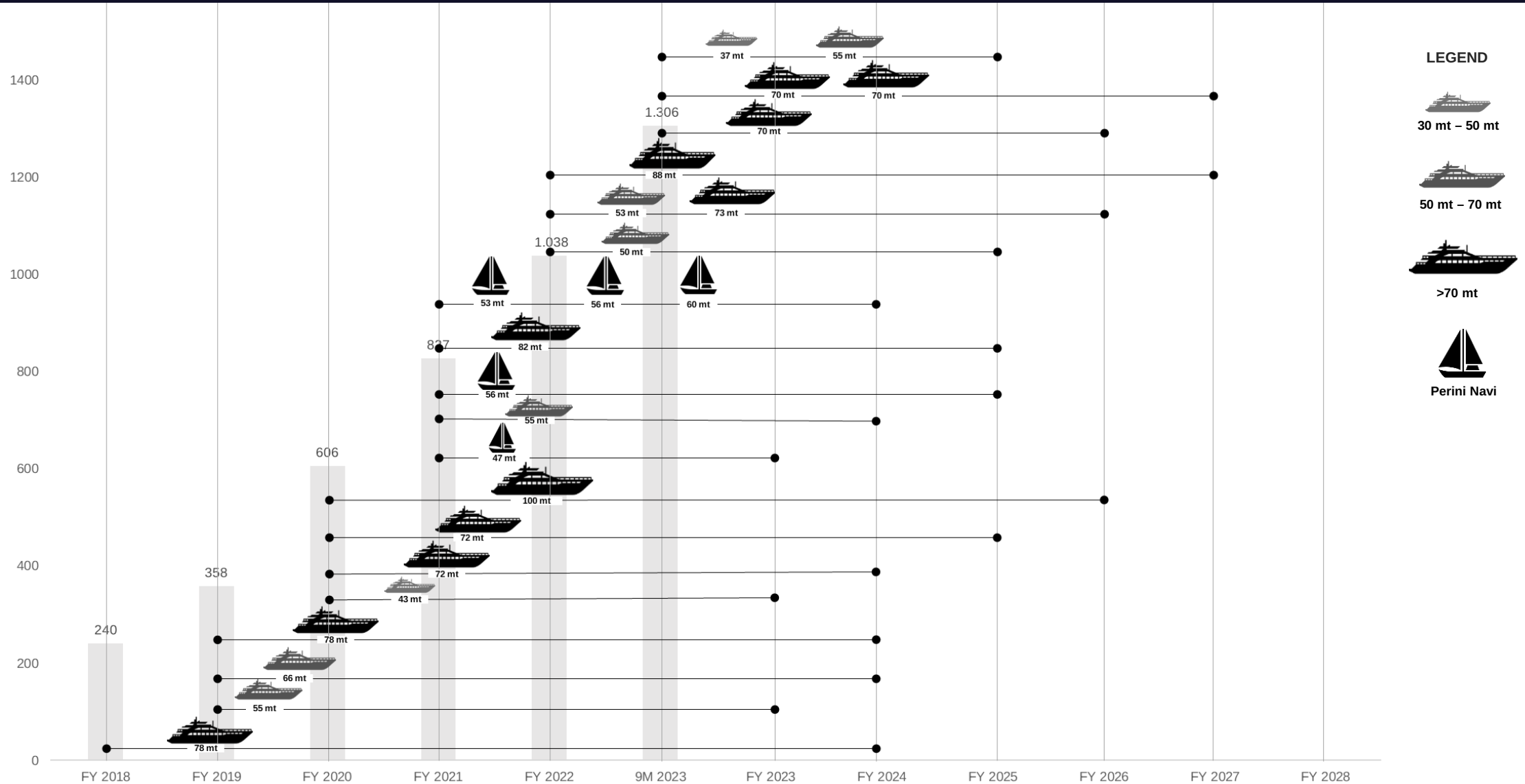
(Eu mn)



BREAKDOWN BY LOA, BRAND, AND GEOGRAPHY



SHIPBUILDING ORDER BOOK – BY PROJECT AND SCHEDULED DELIVERY

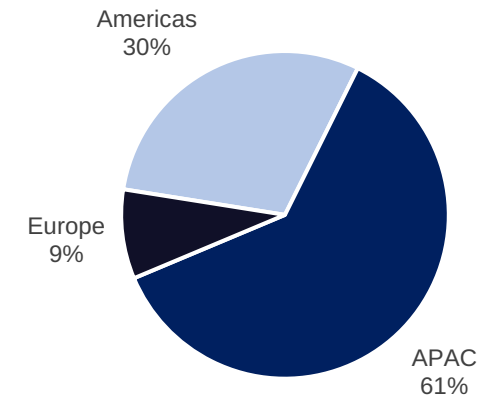
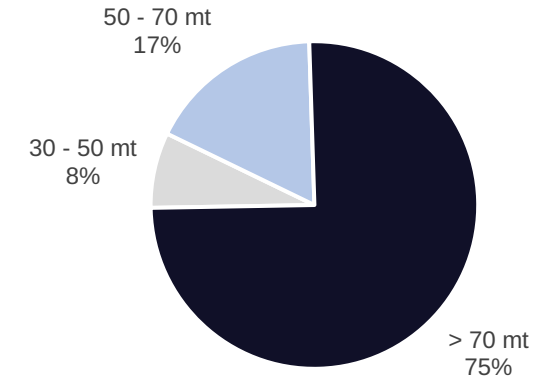


REFIT REVENUES

KEY HIGHLIGHTS

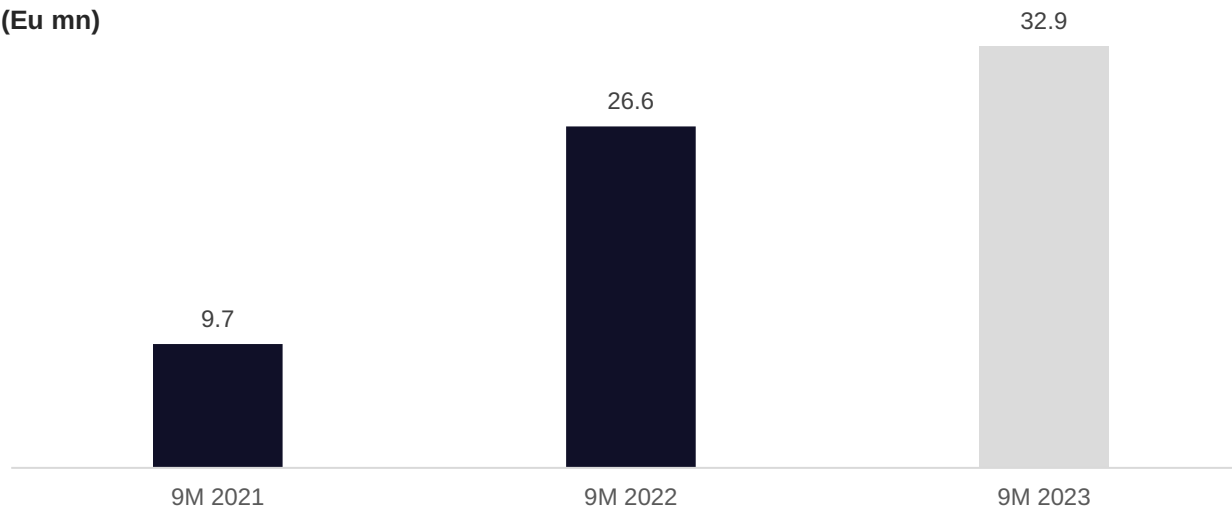
- **Refit Revenues** amount to **Eu 32.9mn** (+23.5% vs 9M 2022).
- This result is attributable to the use of the new spaces in Marina di Carrara and La Spezia, as well as the strategic scheduling of refit activities, which are more intense in the second part of the year.

BREAKDOWN BY LOA AND GEOGRAPHY



REFIT REVENUES 9M 2021 – 9M 2023

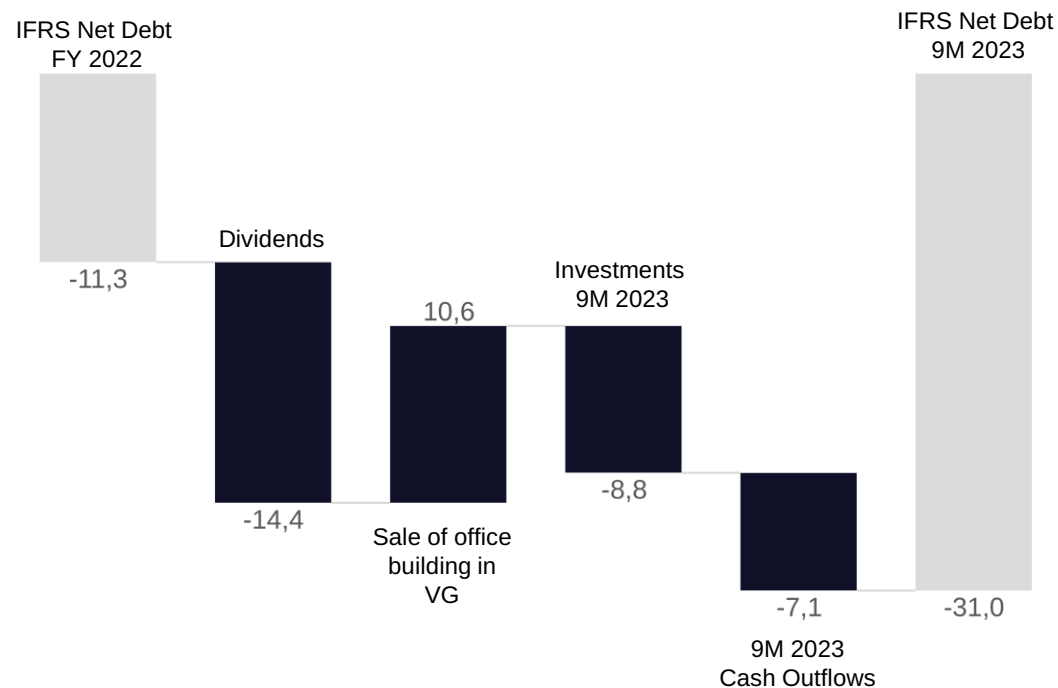
(Eu mn)



SOLID AND FLEXIBLE FINANCIAL STRUCTURE

NET DEBT 9M 2023

(Eu mn)



KEY HIGHLIGHTS

- **Net Debt** is equal to **Eu 31mn** in 9M 2023, vs Eu 11.3mn at FY 2022.
- Cash outflows for:
 - (i) Dividends for **Eu 14.4mn**;
 - (ii) Investments for the period for **Eu 8.8mn**;
 - (iii) Net Working Capital dynamics, generating a cash outflow of **c. Eu 7mn**
- Cash inflows for:
 - (i) Disposal of the office building in Viareggio, for **Eu 10.6mn**.

EBITDA & CAPEX

EBITDA

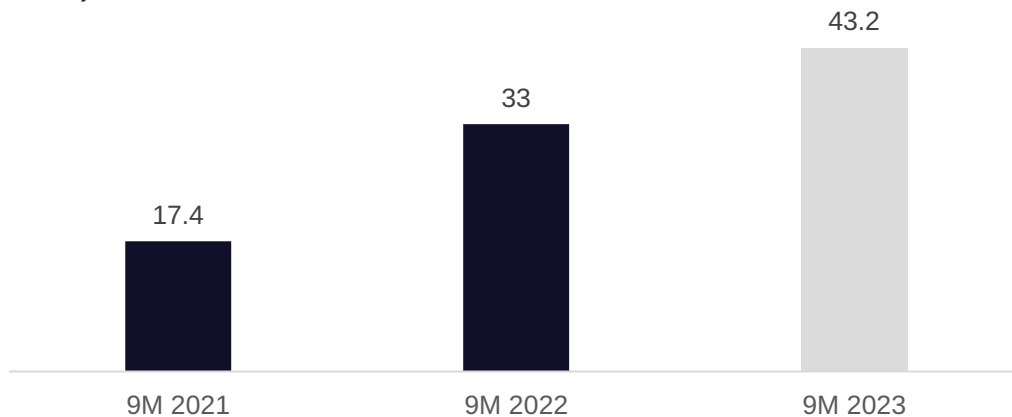
- Significant increase in **marginality** over time is attributable to:
 - (i) Strong attention to operating cost management.
 - (ii) Growing efficiency of production processes.
 - (iii) Benefits coming from investments in production capacity, with advantageous synergies between Shipbuilding and Refit.
 - (iv) Increase in product prices, due to strengthening brand awareness.
 - (v) Economies of scale.

CapEx

- Throughout the first nine months of 2023, TISG made **Investments** for:
 - (i) Completion of «**TISG 4.0**» and «**TISG 4.1**» investment plans;
 - (ii) Improvements on the La Spezia Shipyard («**TISG 4.2**»);
 - (iii) Expansion of commercial offices in **Marina di Carrara**;
 - (iv) Investments related to the increase in the production capacity of **Celi S.r.l.**

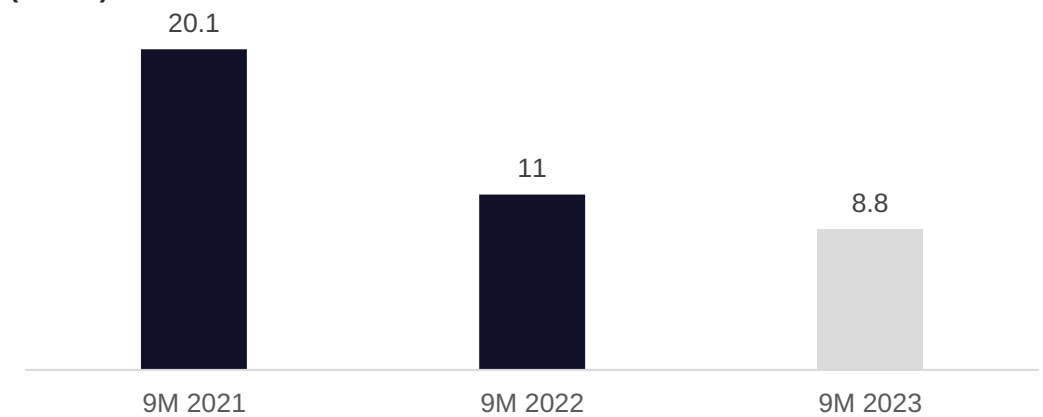
EBITDA 9M 2021 – 9M 2023

(Eu mn)



CapEx 9M 2021 – 9M 2023

(Eu mn)



STRATEGIC OUTLOOK

STRATEGY



Market Positioning: Mega & Giga Yachts



Brand Awareness: Excellence in Quality & Design



Shipbuilding & Refit: Synergies & Production Capacity



Perini Navi: Relaunch & Synergies

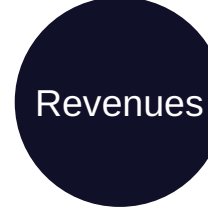


Sustainability: Long Term Value Creation for All Stakeholders



Employees & Management: Training & Incentives

STRATEGIC OUTLOOK 2023 - 2024



Eu ~**365mn** in 2023
Eu **400 – 420mn** in 2024



~**16.5%** in 2023
17 – 17.5% in 2024



Distribution of **40-60%** of Net Profit
as yearly dividend



Neutral level of leverage
subject to a cap of **1.5x** LTM EBITDA

**Subject to temporary impacts from M&A and Capex strategy*

Q&A

THE ITALIAN SEA GROUP

PICCHIOTTI
SINCE 1875

 ADMIRAL

 PERINI NAVI

TECNOMAR

NCA REFIT

C E L I
1920

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This presentation may contain forward looking statements which reflect Management's current views with respect to future events and financial and operational performance of the Company and estimates. These forward-looking statements are based on TISG's current expectations and projections about future events.

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PICCHIOTTI
SINCE 1875

ADMIRAL

PERINI NAVI

TECNOMAR

NCA REFIT

CELI
1920