

FY 2023

THE ITALIAN SEA GROUP

FY 2023 FINANCIAL RESULTS

MARCH 21ST, 2024

AGENDA

- 1 EXECUTIVE SUMMARY
- 2 CMD HIGHLIGHTS
- 3 FY 2023 BUSINESS REVIEW
- 4 FY 2023 FINANCIAL REVIEW

FLOATING MASTERPIECES

PICCHIOTTI
SINCE 1578



ADMIRAL



PERINI NAVI



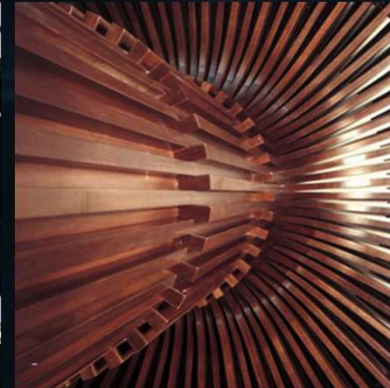
TECNOMAR



NCA REFIT



CELI
1920



THE ITALIAN SEA GROUP



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EXECUTIVE SUMMARY

EXECUTIVE SUMMARY

FY 2023 RESULTS

Revenues amounting EU 364 mn, +24% vs FY2022

EBITDA amounting to Eu 62 mn, +32% vs FY2022, with a Margin of 17%

Order Book amounting to Eu 1,265 mn

Net Income amounting to Eu 37 mn, +54% vs FY2022

Net Financial Position amounting to Eu 2 mn from a Net Financial Debt of Eu 11.3 mn at FY2022

CMD AND STRATEGIC OUTLOOK 2024 - 2025

TISG hosted its second Capital Markets Day on February 7TH, 2024 at the Armani/Silos in Milan, providing the market with an in-depth view of the next steps of the company and the pipeline of projects

AGM 29 APRIL 2024

Proposal of an Ordinary dividend of Eu 0.37 per share, for a total of Eu 19.6 mn

AGM – 29 APRIL 2024

AGENDA

Approval of FY 2023 Annual Report and Dividend

Presentation of the 2023 Non-Financial Report

Approval of Remuneration Policy and Corporate Governance Reports

ORDINARY DIVIDEND

Ordinary dividend of Eu 0.37 per share, for a total of Eu 19.6 mn, proposed by the Board of Directors to the AGM

In line with **Strategic Outlook**, representing 53% of Net Income





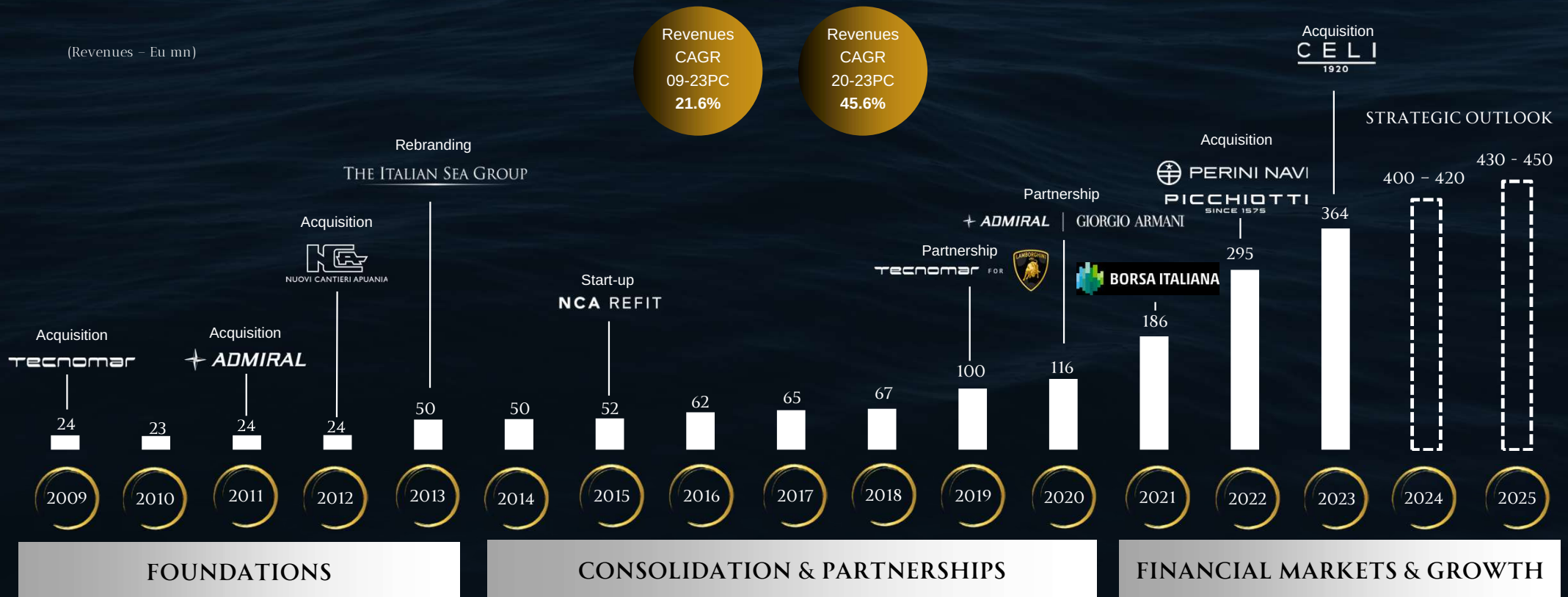
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CMD HIGHLIGHTS

SUCCESS STORY SINCE 2009

Unrivalled success story founded on the revamping of heritage Italian brands, focus on design and product quality, investments on production capacity, and commitment to financial growth and solidity.

The Group's ambition is to exceed Eu 500mn in Revenues.



2023 STOCK PERFORMANCE VS INDEX AND PEERS

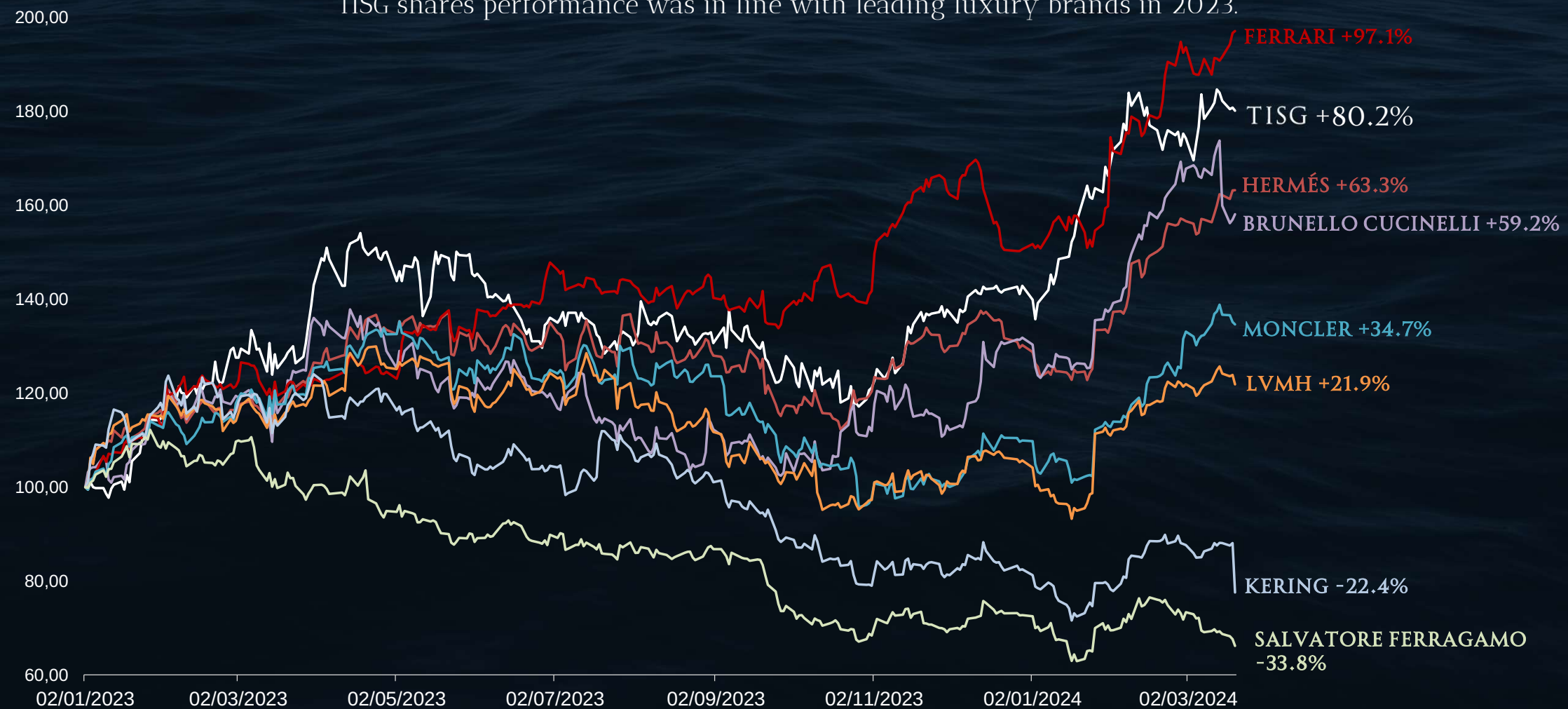
Impressive share price performance on the Milan Stock Exchange since January 2023, well above the reference FTSE MIB Index and other leading sector players.



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2023 STOCK PERFORMANCE VS LUXURY INDUSTRY PEERS

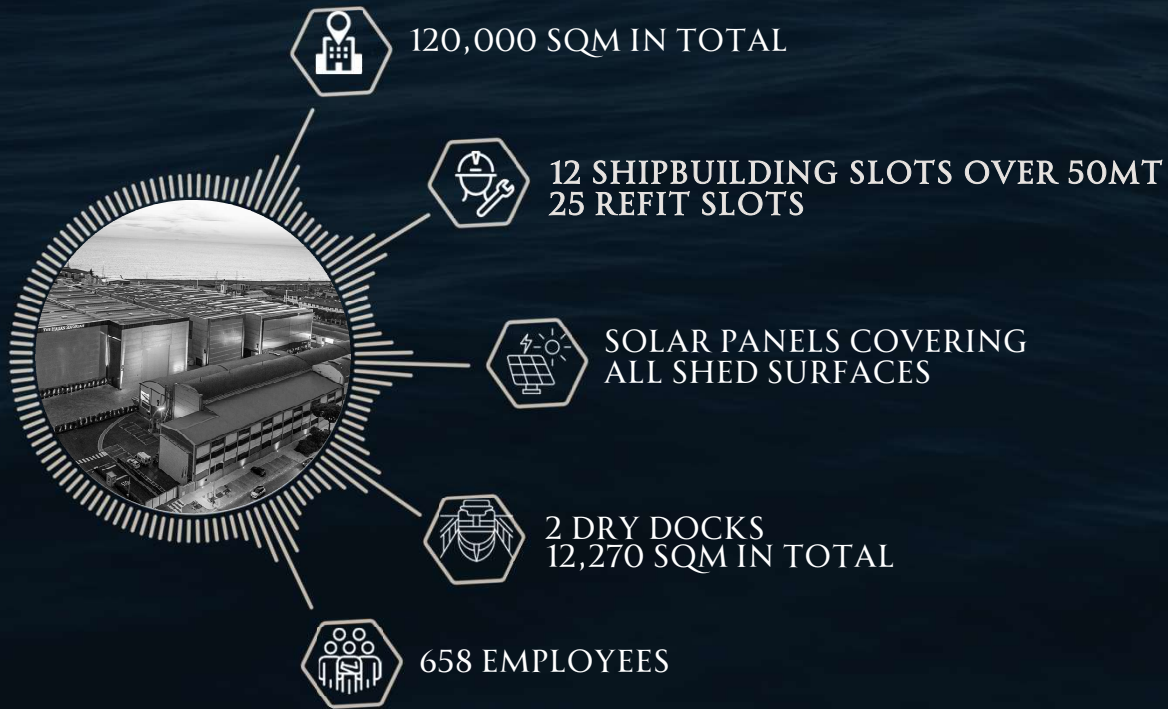
TISG shares performance was in line with leading luxury brands in 2023.



Source: Factset. Last updated on 20/03/2024 (data is rebased)

MARINA DI CARRARA

STATE CONCESSION RENEWED UNTIL 2072



LA SPEZIA FORMER PERINI NAVI FACILITIES



THE ITALIAN SEA GROUP



VIAREGGIO

FORMER PERINI NAVI FACILITIES





COMMERCIAL FLAGSHIP IN VIAREGGIO- EXTERIOR



COMMERCIAL FLAGSHIP IN VIAREGGIO - INTERIOR



WOODWORKING HUB IN VIAREGGIO

CELI 1920 WOODWORKS



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CELI NEW FACILITIES



CELI NEW FACILITIES

TISG TURKEY



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NAVEKS - YALOVA



HERÇELİK - YALOVA



HICRI ERCILI- YALOVA

STRATEGY & 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 2024 - 2025

REVENUES

Eu 400 – 420mn in 2024

Eu 430 – 450mn in 2025

EBITDA
MARGIN

17 – 17.5% in 2024

18 – 18.5% in 2025

DIVIDEND
POLICY*

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

FINANCIAL
LEVERAGE*

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

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

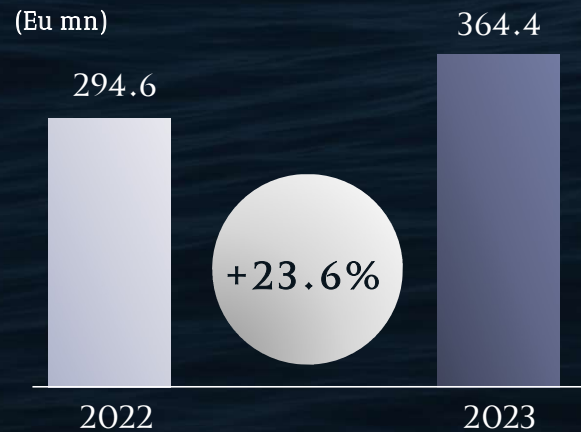


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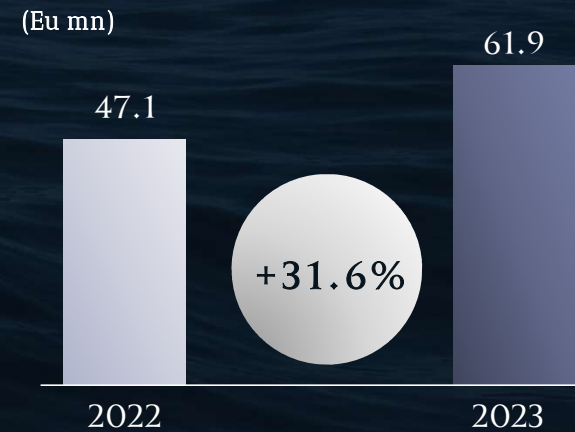
FY 2023 BUSINESS REVIEW

SUMMARY OF KEY FY2023 RESULTS

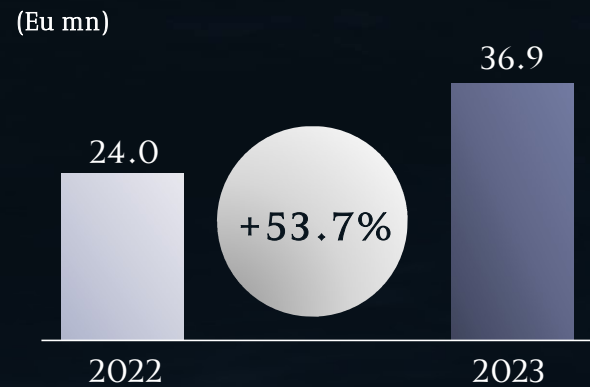
REVENUES 2023 VS 2022



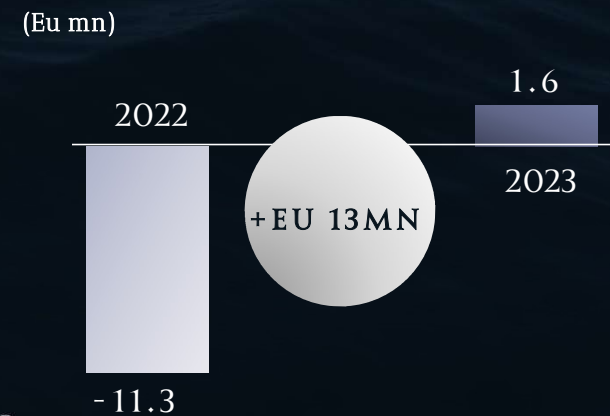
EBITDA 2023 VS 2022



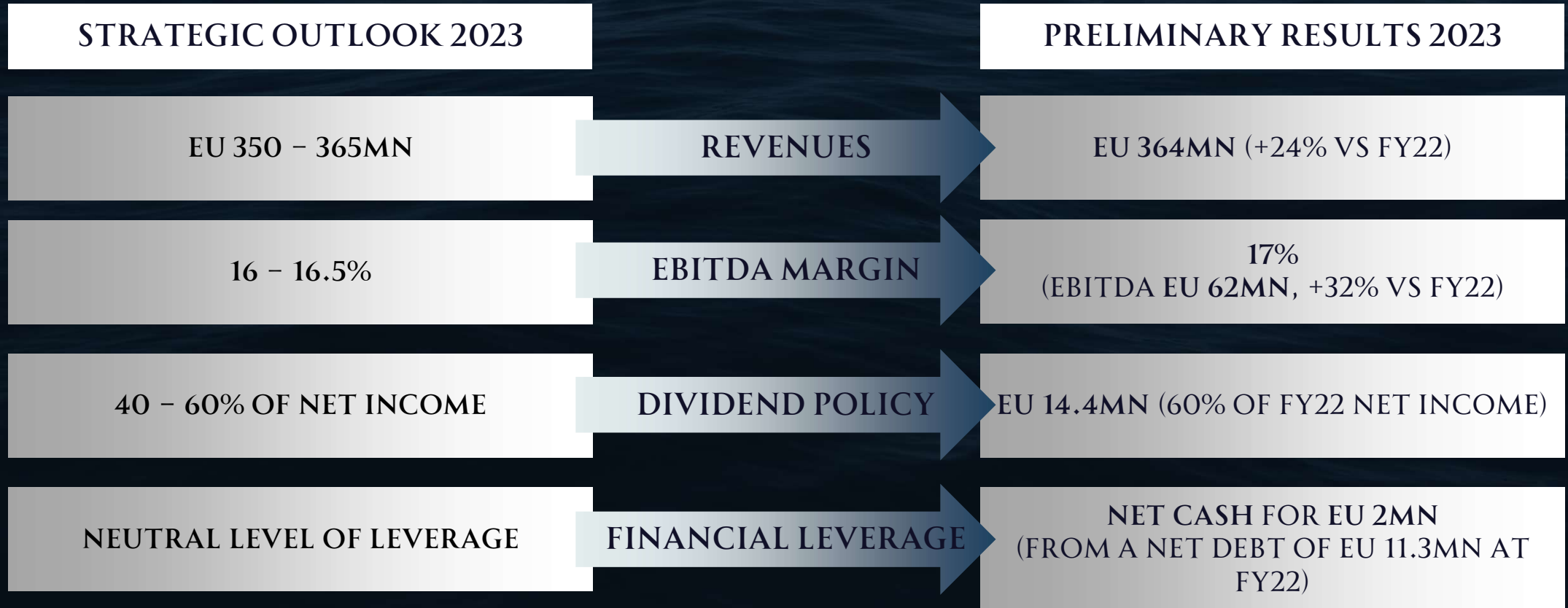
NET INCOME 2023 VS 2022



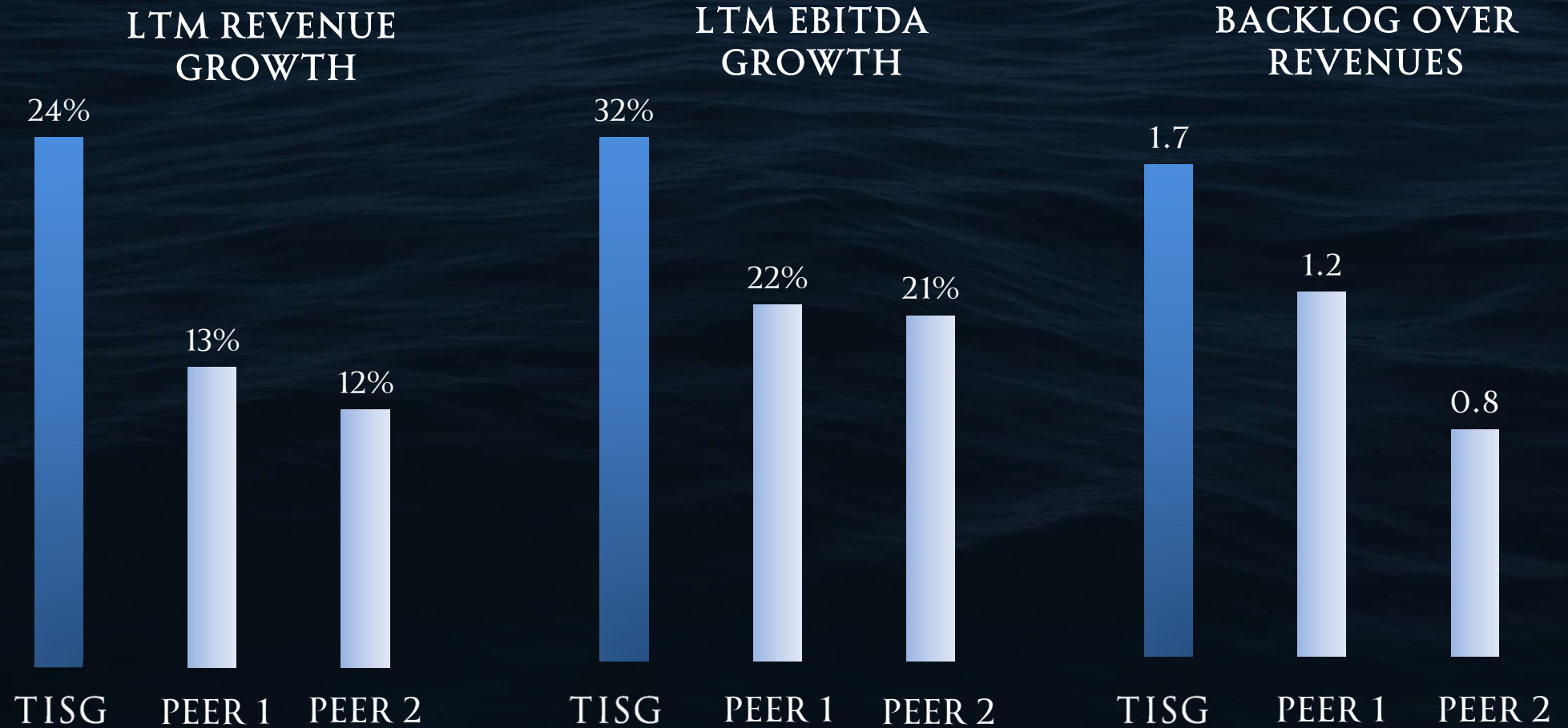
NET CASH 2023 VS 2022



ALL 2023 FINANCIAL TARGETS ACHIEVED



TOP RANKING PERFORMANCE AMONG LISTED PEERS



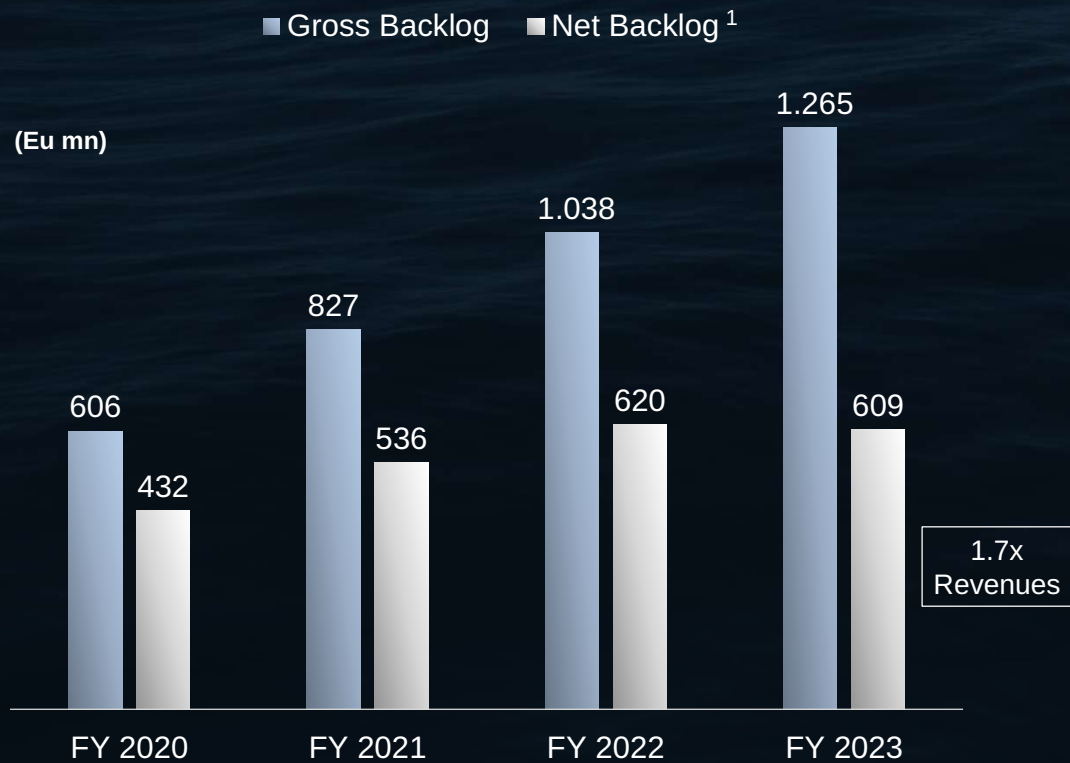
Notes: Figures as of 31/12/2023. Peer 1 and 2 Revenues for new yachts only.

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QUALITY & VISIBILITY OF ORDER BOOK

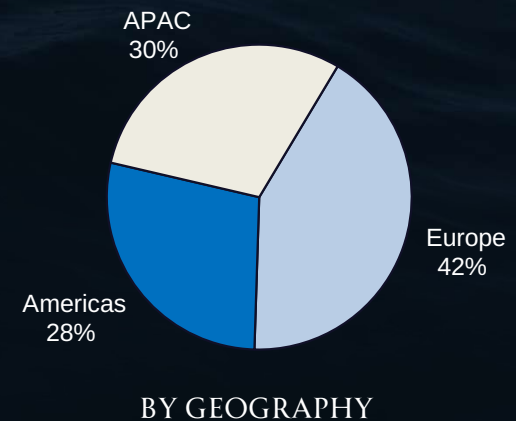
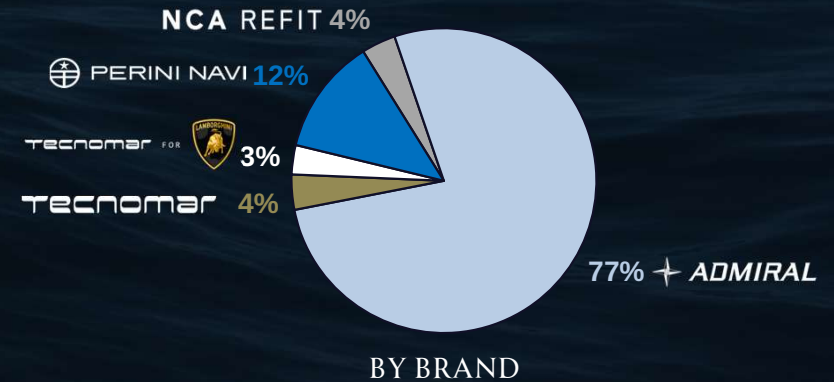
Resilient client base (UHNWI), cash-buyers who do not require any financing to purchase the products. Strict commercial policy with no trade-ins or sale of used boats, eliminating inventory risk.

BACKLOG EVOLUTION (GROSS AND NET)



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

BACKLOG BREAKDOWN BY BRAND AND GEOGRAPHY



DELIVERIES SCHEDULED WITH LONG VISIBILITY

2024 deliveries **on track** with client expectations, benefitting from completion of **capex plan** and internalisation of key supply chain activities. **No remarks policy** coupled with track record of zero penalties at delivery.

	2024	2025
 PICCHIOTTI SINCE 1575		1x ¹ 
 TECNOMAR		1x 
 ADMIRAL 50-70MT	2x 	2x 
 ADMIRAL 70-90MT	3x 	2x 
 ADMIRAL >90MT		
 PERINI NAVI	1x 	1x 

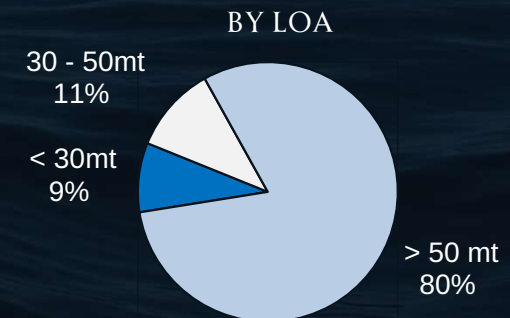
Notes: 1) Build «on spec»

SHIPBUILDING REVENUES

KEY HIGHLIGHTS

- Shipbuilding Revenues amount to **Eu 318 mn** at 31 December 2023, +25% vs FY 2022;
- This result is due to the **regular progress** of yachts in build and the **signing** of new contracts in the big dimensional range;
- The **breakdown by geography** highlights the expansion in the **Americas**, which grew by +136% vs the previous year

BY LOA AND GEOGRAPHY

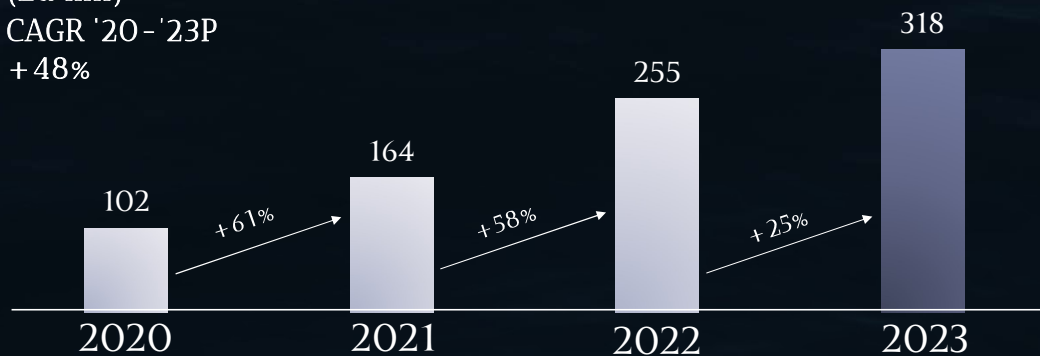


2023P Shipbuilding Revenues

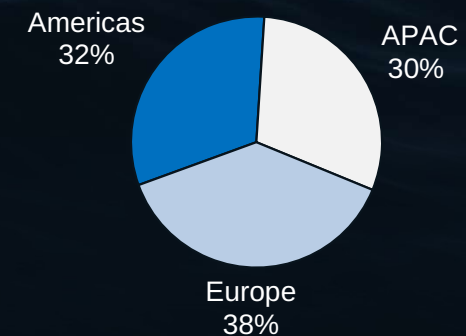
(Eu mn)

CAGR '20-'23P

+48%



BY GEOGRAPHY

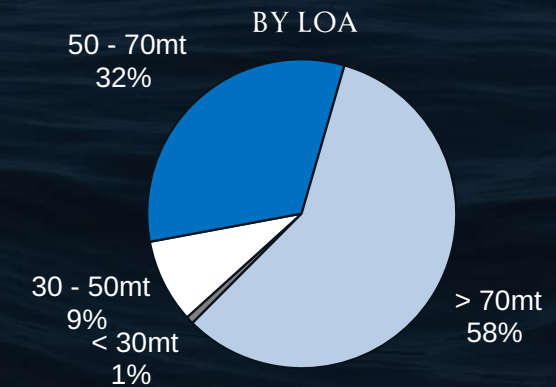


REFIT REVENUES

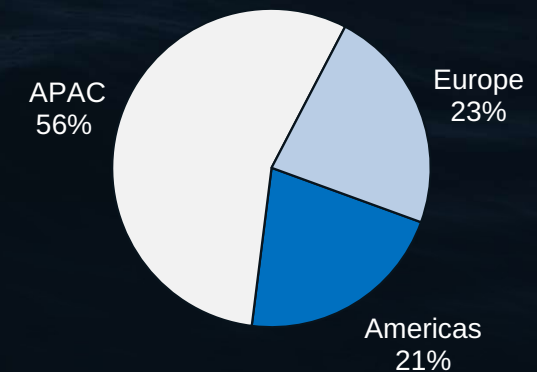
KEY HIGHLIGHTS

- Refit Revenues amount to **Eu 42 mn** at 31 December 2023, **+17%** vs FY2022;
- This increase is due to the utilisation of the **additional production capacity**, thanks to the investments completed at the beginning of the year, in particular regarding facilities in the La Spezia shipyard and the expansion on the **Chiesa Dock** in Marina di Carrara.

BY LOA AND GEOGRAPHY

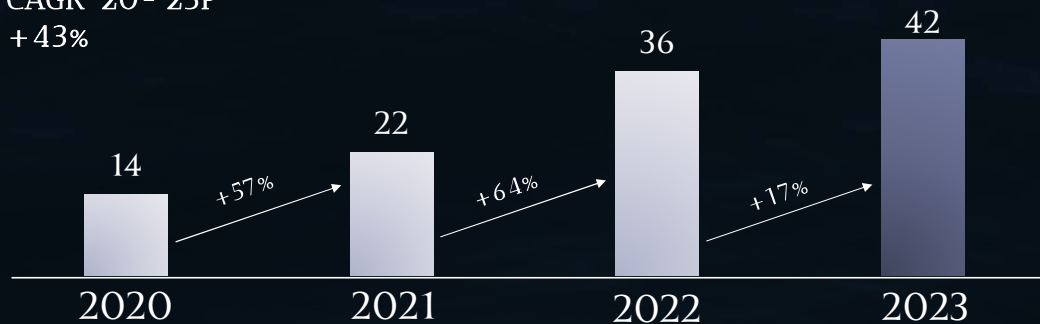


BY GEOGRAPHY



2023P Refit Revenues

(Eu mn)
CAGR '20-'23P
+43%





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FY 2023 FINANCIAL REVIEW

COMMERCIAL APPROACH & CONTRACT STRUCTURE

TISG's commercial approach and contract structure aim at eliminating risks with respect to inventory, achieving favourable working capital dynamics, and locking in contractual margins.

ORDER TYPE	ADVANCE PAYMENTS CONTRACT STRUCTURE (% OF PURCHASE PRICE)			
OVER 30 MT LOA	CONTRACT SIGNING 10%	FROM 8 TO 10 INSTALMENTS REPRESENTING 80% IN TOTAL		DELIVERY 10%
TECNOMAR FOR LAMBORGHINI 63	CONTRACT SIGNING 10%	MID-PAYMENT 30%	MID-PAYMENT 30%	DELIVERY 30%

SUMMARY PROFIT & LOSS

SUMMARY P&L (IN EU THOUSAND)	2020	2021	2022	2023
REVENUES	116,441	185,556	294,684	364,458
<i>% GROWTH</i>		59.4%	58.8%	23.7%
COSTS FROM OUTSOURCED WORK	-44,703	-71,278	-117,942	-147,906
RAW MATERIAL	-26,423	-46,684	-68,133	-79,342
PERSONNEL COSTS	-16,881	-22,117	-29,562	-38,649
OTHER COSTS	-13,914	-17,523	-31,964	-36,582
EBITDA	14,520	27,954	47,083	61,979
<i>% GROWTH</i>		92.5%	68.4%	31.6%
<i>% OF REVENUES</i>		15.1%	16.0%	17.0%
AMORTISATION, DEPRECIATION, WRITE-DOWNS AND CAPITAL LOSSES	-5,090	-6,233	-9,985	-11,518
EBIT	9,430	21,721	37,098	50,461
<i>% OF REVENUES</i>	8.1%	11.7%	12.6%	13.8%
NET INTEREST EXPENSES	-1,963	-3,087	-3,817	-5,527
INCOME FROM EXTRAORDINARY CHARGES	343	481	-3,867	308
TAXATION	-1,575	1,831	-5,368	-8,331
NET INCOME	6,235	20,946	24,046	36,911
<i>% OF REVENUES</i>	5.4%	11.3%	8.2%	10.1%

KEY HIGHLIGHTS

- Growth in Revenues **+24%** vs FY 2022, driven by the expansion in Shipbuilding and Refit activities,
- Significant increase in **profitability** with **+32% increase in EBITDA** to Eu 61.9 mn and a **Margin of 17%**, mainly due to:
 - i) Strict **cost management** and **efficiency of production processes**;
 - ii) Benefits from **completion of investments** in production facilities, with **synergies between Shipbuilding & Refit**;
 - iii) Internalisation of **key supply chain activities**, powered by the acquisition of **Celi S.r.l.**
 - iv) Increase in **brand awareness** and sale prices;
 - v) Economies of scale.

NET WORKING CAPITAL

KEY HIGHLIGHTS

- The trend in **Total Net Working Capital** reflects a reduction to -9% of Revenues in 2023, mainly due to a decline in **Other Current Assets and Liabilities**, and an **increase in Contract Work in Progress**
- **Contract Work in Progress** and **Trade Receivables** increase due the expected delivery of **6 new yachts in 2024**, and conversely **Trade Payables** expand reflecting the growth of the business
- The growth in **Inventories and Payments on Account** grew mainly due to the on spec construction of a Picchiotti 24mt yacht, for an amount of Eu 3mn, to facilitate the marketing of the Picchiotti line
- **Other Current Assets and Liabilities** declines largely due to lower advance payments for Tecnomar for Lamborghini 63 yachts, pursuant to a normalisation of orders following the peak in 2022
- It is important to note that **Inventories and payments on account does not include trade-ins or used yachts**, due to the Group's strict commercial strategy, which effectively eliminates inventory risk.

NET WORKING CAPITAL (IN EU THOUSANDS)	2020	2021	2022	2023
INVENTORIES AND PAYMENTS ON ACCOUNT	2,759	1,250	3,573	10,897
CONTRACT WORK IN PROGRESS AND ADVANCES FROM CUSTOMERS	13,704	24,992	32,667	50,508
TRADE RECEIVABLES	14,616	10,236	21,469	24,007
TRADE PAYABLES	-34,240	-57,146	-78,770	-90,568
OTHER CURRENT ASSETS AND LIABILITIES	-3,526	-6,746	-31,061	-26,184
NET WORKING CAPITAL	-6,687	-27,414	-52,122	-31,341
<i>INVENTORIES AND PAYMENTS ON ACCOUNT</i>	<i>2%</i>	<i>1%</i>	<i>1%</i>	<i>3%</i>
<i>CONTRACT WORK IN PROGRESS AND ADVANCES FROM CUSTOMERS</i>	<i>12%</i>	<i>13%</i>	<i>11%</i>	<i>14%</i>
<i>TRADE RECEIVABLES</i>	<i>13%</i>	<i>6%</i>	<i>7%</i>	<i>7%</i>
<i>TRADE PAYABLES</i>	<i>-29%</i>	<i>-31%</i>	<i>-27%</i>	<i>-25%</i>
<i>OTHER CURRENT ASSETS AND LIABILITIES</i>	<i>-3%</i>	<i>-4%</i>	<i>-11%</i>	<i>-7%</i>
<i>NWC % REVENUES</i>	<i>-6%</i>	<i>-15%</i>	<i>-18%</i>	<i>-9%</i>

NET FINANCIAL POSITION

NET CASH POSITION (IN EU THOUSANDS)	2020	2021	2022	2023
A. CASH	17,943	85,615	80,725	29,897
B. CASH EQUIVALENTS	0	0	592	46,516
C. OTHER CURRENT FINANCIAL ASSETS	0	0	0	0
D. LIQUIDITY (A)+(B)+(C)	17,943	85,615	81,317	76,413
E. CURRENT FINANCIAL DEBT (INCLUDING DEBT INSTRUMENTS, BUT EXCLUDING THE CURRENT PORTION OF NON-CURRENT FINANCIAL DEBT)	-259	-34	-34	-2
F. CURRENT PORTION OF NON-CURRENT FINANCIAL DEBT	-2,237	-7,574	-14,163	-11,661
F.1 OTHER CURRENT FINANCIAL PAYABLES	-3,891	-2,009	-2,292	-1,111
G. CURRENT FINANCIAL DEBT (E+F)	-6,387	-9,617	-16,490	-12,774
H. NET FINANCIAL DEBT (G+D)	11,556	75,998	64,827	63,639
I. NON-CURRENT BANK DEBT (EXCLUDING THE CURRENT PORTION OF DEBT INSTRUMENTS)	-7,757	-23,863	-66,287	-54,591
J. DEBT INSTRUMENTS	0	0	0	0
K. TRADE AND NON-CURRENT PAYABLES	-8,967	-7,951	-9,912	-7,460
K.1 PAYABLES TO OTHER LENDERS	-3,095	-3,161	0	0
L. NON-CURRENT FINANCIAL DEBT (I+J+K)	-19,819	-34,975	-76,198	-62,051
M. TOTAL FINANCIAL POSITION (H+L)	-8,263	41,023	-11,371	1,587

KEY HIGHLIGHTS

- **Net Financial Position** of **Eu 1.6 mn** at 31 December 2023 includes:
 - i) Dividends paid for **Eu 14.4 mn**
 - ii) Capex of **Eu 10.9 mn** during the year
 - iii) **Cash inflows** for **Eu 10.6 mn** for the disposal of an office building in Viareggio
- **Long term financial facilities** amount to **Eu 66 mn** and have a final maturity date on **31/12/2028**.
- **Net Financial Position** includes the indebtedness for the right of use of the shipyards, in application of IFRS 16, to be reviewed for the **extension of the Marina di Carrara concession from 2043 to 2072**.

STRATEGIC OUTLOOK TO 2025

STRATEGIC OUTLOOK 2024 - 2025

REVENUES

Eu 400 – 420mn in 2024

Eu 430 – 450mn in 2025

EBITDA MARGIN

17 – 17.5% in 2024

18 – 18.5% in 2025

DIVIDEND POLICY*

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

FINANCIAL LEVERAGE*

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

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



THE ITALIAN SEA GROUP

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SINCE 1875

ADMIRAL

PERINI NAVI

TECNOMAR

NCA REFIT

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