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Oggetto : The Board of Directors Approves the Financial Results for the First Nine Months of 2024 - Co-optation of the Chairman of the Board of Directors

*Testo del comunicato*

Vedi allegato

# THE ITALIAN SEA GROUP

## PRESS RELEASE

### THE ITALIAN SEA GROUP S.P.A.

#### THE BOARD OF DIRECTORS APPROVES THE FINANCIAL RESULTS FOR THE FIRST NINE MONTHS OF 2024

#### CO-OPTATION OF THE CHAIRMAN OF THE BOARD OF DIRECTORS

*Revenues up by +11.4%*

*EBITDA +16% with an EBITDA Margin of 17.2%*

#### Financial results for the first nine months of 2024:

- **Revenues** equal to **EUR 292 million**, +11.4% versus **EUR 262.2 million** in the first nine months of 2023;
- **EBITDA** equal to **EUR 50.1 million**, +16% versus **EUR 43.2 million** in the first nine months of 2023, with a margin on Revenues of **17.2%** versus 16.5% recorded in the first nine months of 2023;
- **Net Financial Debt** equal to **EUR 19.0 million**
- **Investments** for the period equal to **EUR 7.2 million**;
- The **total value of contracts in progress (Order Book)** is equal to **EUR 1,275 million** as of September 30<sup>th</sup>, 2024.

*Marina di Carrara, Carrara (MS), November 12<sup>th</sup> 2024* – The Board of Directors of **The Italian Sea Group S.p.A.** (“TISG” or the “Company” or the “Issuer”), global operator in luxury yachting, today approved the selected information related to the business performance of the first nine months of 2024 (Revenues; EBITDA; Backlog; Net Financial Position; Investments).

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

*“Another positive quarter for The Italian Sea Group, which recorded results in line with expectations. Following the excellent response obtained last September at the Monaco Yacht Show with the presentation of superyachts featuring extremely refined aesthetics and an excellent level of quality, we are working to finalise some important negotiations between the end of 2024 and the beginning of 2025, which will give us further momentum to consolidate the 2025 guidance. The success of the semi-custom lines also continues,*

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*including the Panorama project and the Admiral Quaranta project; of the latter, at the end of October the keel-laying ceremony of the first motoryacht under construction was held, the sale of which was completed in the first half of 2024 and which marked an important development for The Italian Sea Group's fleet. A further confirmation of the solidity and validity of our business model.”*

### REVENUES

Throughout the first nine months of 2024, TISG recorded **Revenues** for EUR 292 million, increasing by 11.4% versus EUR 262.2 million in the same period of 2023.

**Operating Revenues**, equal to **EUR 292.1 million**, increased by 12.5% versus the same period of 2023.

- **Shipbuilding Revenues** amount to EUR 257.3 million (+12.2% versus the first nine months of 2023). This result is attributable to the regular progress of existing projects.
- **Refit Revenues** amounted to EUR 34.8 million (+5.8% compared to the first nine months of 2023).

### EBITDA

**EBITDA** is equal to EUR 50.1 million, up 16% from EUR 43 million recorded in the same period of 2023, with an **EBITDA Margin** of 17.2%.

The increase in operating margin over time is attributable to: (i) a strong focus on operating cost management; (ii) improved efficiency in production processes; (iii) benefits from the investment strategy in production capacity with an optimal mix of synergies between Shipbuilding and Refit activities; (iv) economies of scale.

### 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 clients – as of 30<sup>th</sup> September 2024 (Shipbuilding and Refit) amounts to **EUR 1,275 million**.

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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 30<sup>th</sup> September 2024 (Shipbuilding and Refit) is equal to **EUR 533 million**.

### INVESTMENTS

During the first nine months of 2024, TISG made **investments** for **EUR 7.2 million** aimed at further internalising the high value-added phases of the production process through the creation of the *business unit* dedicated to Steelworks for interiors, as well as general site investments and the expansion of the sales offices at the Marina di Carrara headquarters.

Investments made in the third quarter of the year amounted to **EUR 2.2 million**.

### NET FINANCIAL DEBT

Net Financial Debt is equal to **EUR 19.0 million** as of September 30<sup>th</sup>, 2024, versus a Net Financial Debt of EUR 1.5 million as of December 31<sup>st</sup>, 2023, and reflects:

- i) Cash out of **EUR 19.6 million** for the payment of dividends;
- ii) Investments carried out in the first nine months of 2024 for **EUR 7.2 million**;
- iii) The receipt of **EUR 21 million** from the sale of the Viareggio shipyard.

In accordance with IAS/IFRS accounting standards, the Net Financial Position includes the discounted value of the fees due to the Port Authorities for the state-owned concessions of the Marina di Carrara, La Spezia and Viareggio shipyards, which, as of 30 September 2024, amounted to €8.2 million, to be paid according to the duration of the relevant concessions.

During the first nine months of 2024, the production activities of ongoing orders resulted in a working capital utilisation of EUR 14 million, which allowed for significant work progress.

### STRATEGIC OUTLOOK 2024 – 2025

In light of the results of the first nine months of 2024, the Company confirms the 2024 **Guidance** and the 2025 **Strategic Outlook**, previously communicated to the market.

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### **BUSINESS OUTLOOK**

Following the great success achieved last September at the Monaco Yacht Show, in particular with the MY Admiral 66m JAS and MY Admiral 78m Platinum, the Company is working on several negotiations for large yachts, which it believes will be finalised between late 2024 and early 2025.

In this perspective, TISG recently presented to the market some details of its newest project in the Admiral fleet, **ADM 75m**, a response to the growing industry demands in the 70m+ segment, redefining the concept of elegance and comfort at sea. TISG Style Centre and the technical department have in fact developed an innovative project that aims to redefine the standards of liveability and comfort on board, starting from a consolidated platform and optimising the use of both interior and exterior spaces. The ADM 75m features an innovative diesel-electric propulsion system, which confirms the Group's commitment to reducing environmental impact and to sustainability, as well as its focus on constant technological innovation.

The success of the semi-custom lines also continues, including the Panorama project and the Admiral Quaranta project, product lines that allow production capacity to be optimised without burdening the technical and design areas of the company, reducing customer waiting times.

### **OTHER RESOLUTIONS OF THE BOARD OF DIRECTORS**

#### **CO-OPTATION OF THE CHAIRMAN OF THE BOARD OF DIRECTORS**

Following the resignation of Simona Del Re - communicated on 6 November 2024 - The Board of Directors, after receiving the favourable opinion of the Appointments and Remuneration Committee, which met today, resolved to co-opt Mr. Filippo Menchelli onto the Board of Directors, pursuant to and in accordance with Article 2386 of the Italian Civil Code, until the next Shareholders' Meeting appointing him as Chairman of the Board of Directors of the Company.

The Board of Directors co-opted and appointed Dr Filippo Menchelli as Chairman, who had already held the same position from May 2020 to June 2024.

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In June 2024, as already communicated, due to the general company evolution and the important growth of the group, and in view of his great experience and competence, he had been asked for a greater focus and greater operativeness on the business. Following the achievement of greater efficiency in production processes, the Board of Directors co-opted him and appointed him Chairman. Filippo Menchelli was conferred certain proxies relating to the management of employees and safety in the workplace, and he was also appointed as Employer. In view of this, the powers conferred on the CEO Giovanni Costantino were consequently reshuffled in order to avoid the overlapping of the powers attributed to the aforementioned directors.

Filippo Menchelli, who joined the Group in 2012, held the role of Administration Manager of the companies Tecnomar S.p.A. and Nuovi Cantieri Apuania S.p.A. and was then promoted in 2014 to the role as Chief Financial Officer and Head of Legal Affairs. He was Director of the Issuer from 2018 to June 2024 and Chairman from May 2020 to June 2024.

### **VERIFICATION OF INDEPENDENCE REQUIREMENTS FOR INDEPENDENT DIRECTORS**

The Board of Directors assessed the independence of its non-executive directors pursuant to Recommendation 6 of the Corporate Governance Code and - with the abstention of the director personally involved each time - deemed that the directors Antonella Alfonsi, Laura Angela Tadini and Fulvia Tesio met the independence requirement pursuant to Article 148, paragraph three, of the TUF, as referred to in Article 147-ter, paragraph four, of the TUF.

### **DECLARATION PURSUANT TO ARTICLE 154-BIS, PARAGRAPH 2, LEGISLATIVE DECREE 58/1998 ("TUF")**

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

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forward-looking statements, by nature, contain an element of risk and uncertainty, as they rely on the occurring of future events and developments.

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

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### ***Conference call in Webcast***

The financial results for the first nine months of 2024 will be presented today, Tuesday November 12<sup>th</sup> at 4:00PM CEST during a Conference Call held by the Company's Top Management and webcast at the following link:

<https://b1c-co-uk.zoom.us/meeting/register/tZMlduitqzoqHt03F0jyv1k1TPMI-ng291ST#/registration>

The presentation by the Top Management will be available from the beginning of the conference call at the website [investor.theitalianseagroup.com](https://investor.theitalianseagroup.com) in the “**Financial Documents**” section.

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

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# THE ITALIAN SEA GROUP

## The Italian Sea Group

**The Italian Sea Group** is a global operator in luxury yachting, listed on Euronext STAR Milan and active in the construction and refit of motor yachts and sailing yachts up to 140 metres. The Company, led by Italian entrepreneur Giovanni Costantino, operates on the market with the brands Admiral, renown 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. According to the Global Order Book 2024, international ranking by Boat International, The Italian Sea Group is the first Italian superyacht builder for yachts over 50 metres. The Italian Sea Group is the first Italian producer of superyachts over 50 metres, according to the 2024 Global Order Book, the global ranking by Boat International.

## For more information:

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## THE ITALIAN SEA GROUP

### RECLASSIFIED CONSOLIDATED INCOME STATEMENT

<i>in thousands of Euros</i>	<b>30/09/2024</b>	<b>30/09/2023</b>
Operating Revenues	292,135	259,554
Other revenues and income	1,346	7,524
Commissions	(1,434)	(4,841)
<b>Total Revenues</b>	<b>292,046</b>	<b>262,237</b>
Costs for raw materials	(68,361)	(56,610)
Cost for outsourced work	(111,447)	(109,362)
Technical Services and consultancy	(17,072)	(13,652)
Other costs for services	(10,287)	(9,996)
Personnel costs	(31,753)	(25,837)
Other operating costs	(3,023)	(3,604)
<b>EBITDA</b>	<b>50,103</b>	<b>43,177</b>
<i>Percentage on total revenues</i>	<i>17.2%</i>	<i>16.5%</i>
Amortisation, depreciation, write-downs	(8,021)	(7,604)
<b>EBIT</b>	<b>42,082</b>	<b>35,573</b>
<i>Percentage on total revenues</i>	<i>14.41%</i>	<i>13.57%</i>
Net financial charges	(5,056)	(3,360)
Income from extraordinary charges	16,535	(621)
<b>EBT</b>	<b>53,561</b>	<b>31,591</b>
Taxes for the period	(15,868)	(7,065)
<b>CONSOLIDATED PROFIT</b>	<b>37,692</b>	<b>24,527</b>
<i>Percentage on total revenues</i>	<i>12.9%</i>	<i>9.4%</i>

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### CONSOLIDATED RECLASSIFIED STATEMENT OF FINANCIAL POSITION

<i>in thousands of Euros</i>	30/09/2024	31/12/2023
<b>ASSETS</b>		
Intangible assets	35,268	35,625
Property, plant, and equipment	122,687	126,533
Equity investments	43	43
Net deferred tax assets and liabilities	(526)	3,035
Other non-current assets and liabilities	1,988	1,630
Provisions for non-current risks and charges	(4,775)	(4,335)
Provision for employee benefits	(886)	(959)
<b>Net fixed capital</b>	<b>153,798</b>	<b>161,572</b>
Inventories and payments on account	8,459	10,897
Contract work in progress and advances from customers	81,677	50,508
Trade receivables	39,095	24,007
Trade payables	(90,553)	(90,568)
Other current assets and liabilities	(24,439)	(26,867)
<b>Net working capital</b>	<b>14,239</b>	<b>(32,024)</b>
<b>Total ASSETS - NIC</b>	<b>168,038</b>	<b>129,548</b>
<b>SOURCES</b>		
Share capital	(26,500)	(26,500)
Share premium reserve	(45,431)	(45,399)
Reserves and other retained earnings	(39,392)	(22,409)
Currency translation reserve	0	83
Consolidated profit (loss)	(37,692)	(36,911)
<b>Shareholders' Equity</b>	<b>(149,016)</b>	<b>(131,136)</b>
Net financial indebtedness	(19,022)	1,587
<b>Total SOURCES</b>	<b>(168,038)</b>	<b>(129,548)</b>

### CONSOLIDATED CASH FLOW STATEMENT

## THE ITALIAN SEA GROUP

<i>In thousands of Euros</i>	<b>30/09/2024</b>	<b>30/09/2023</b>
<b>INCOME MANAGEMENT ACTIVITIES</b>		
Consolidated profit before taxes	53,561	31,591
Net interest	5,056	3,360
Provision for charges and risks	809	759
Provision for severance indemnity	1,347	1,146
Adjustments for:		
Amortisation, depreciation, and write-downs of fixed assets	7,727	7,604
Capital gains/(losses)	(18,416)	
Other provisions and write-downs (revaluations)	350	100
<b>Changes in assets and liabilities:</b>		
Receivables from customers	(15,439)	(41,859)
Inventories and contract work in progress	(28,731)	(1,071)
Other management activities	1,848	(6,051)
Payables to suppliers	(15)	8,379
Other operating payables	(2,140)	(3,334)
Severance indemnity	(1,420)	(1,247)
Provisions for risks and charges	157	1,871
Taxes paid	(15,868)	(7,064)
Interest paid	(5,056)	(3,360)
<b>Cash flow from income management activities</b>	<b>(16,230)</b>	<b>(9,176)</b>
<b>INVESTMENT ACTIVITIES</b>		
Purchase of tangible assets	(2,689)	2,735
Disposal of tangible assets	21,000	
Purchase of intangible assets	(52)	(366)
Purchase of equity investments		
Others	2,474	245
<b>Cash flow from investing activities</b>	<b>20,733</b>	<b>2,614</b>
<b>FINANCING ACTIVITIES</b>		
Capital contributions		
Payment of Share Premium Reserve		
Change in reserves	0	0
Payment of IPO Charges		
Payment of dividends	(19,610)	(14,364)
Raising M/L term loans		
Repayment of M/L term loans	(7,646)	(9,993)
Raising loans to others	0	0
Repayment of loans to others	(1,029)	(1,306)
Net change in other sources of short-term financing		
<b>Cash flow from financing activities</b>	<b>(28,285)</b>	<b>(25,663)</b>
<b>TOTAL CASH FLOWS FOR THE PERIOD</b>	<b>(23,782)</b>	<b>(32,225)</b>
<b>OPENING CASH AND CASH EQUIVALENTS</b>	<b>76,413</b>	<b>81,317</b>
<b>CLOSING CASH AND CASH EQUIVALENTS</b>	<b>52,631</b>	<b>49,092</b>

Fine Comunicato n.2378-55-2024

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