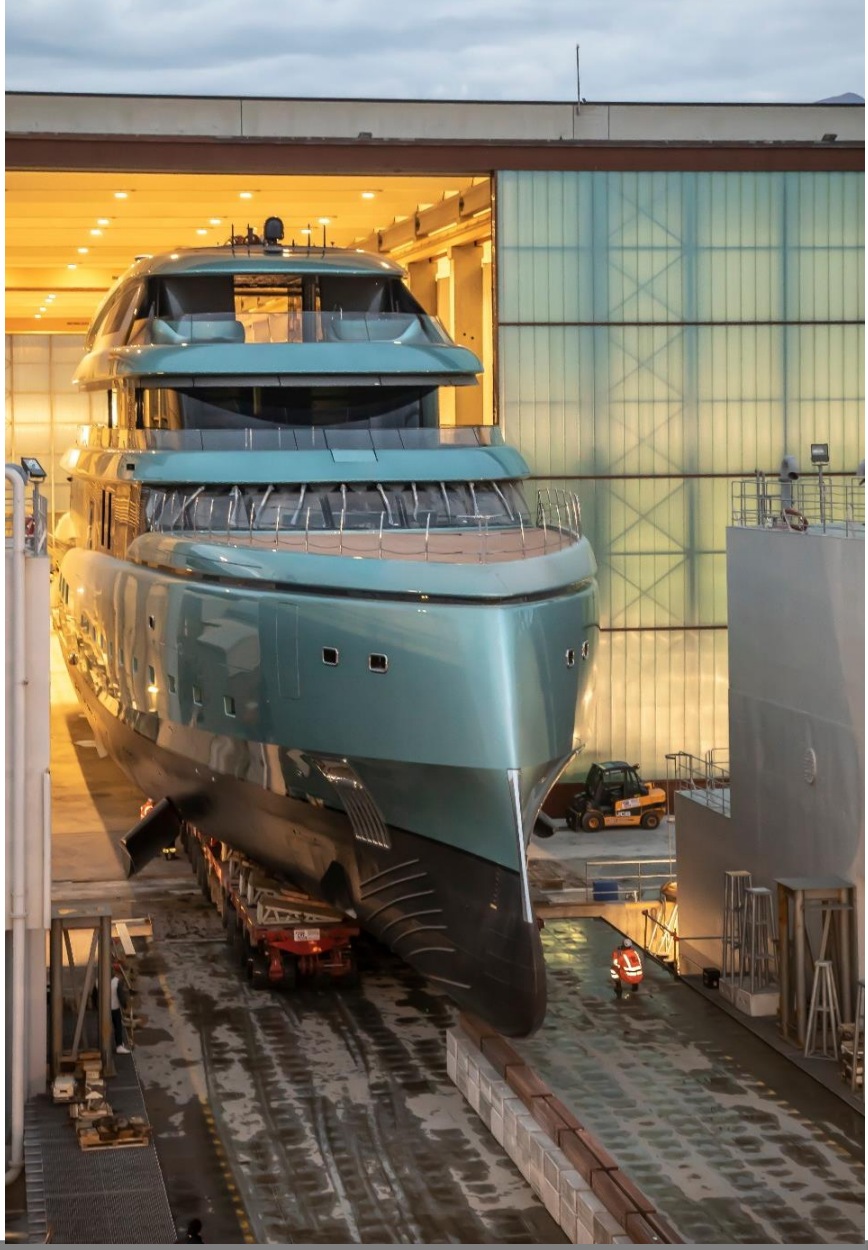
THE ITALIAN SEA GROUP

9M 2021 RESULTS

November 15th, 2021

Major Highlights 9M21

- **Strong EBITDA growth (99,7% YoY)**: to **Eu 17,4 mn** and an **EBITDA margin** equal to **13,6 %**
- **Significant increase in Net Sales (73,9% YoY)**: to **Eu 127,8 mn**
- **Net Backlog** to **Eu 443,3 mn** and **Order Book** to **Eu 654,3** with a boost in **brand awareness** leading to new contracts, especially relating to **Tecnomar for Lamborghini 63**
- **TISG 4.0 on track: Eu 20,1 mn Investments**, with **around 70%** of activities already completed
- **Resilient market** for mega-yachts over 60 mt, backed by increase in global number of **UHNWIs**

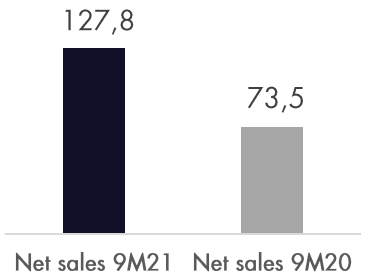


FINANCIALS

9M21, in Numbers (1/2)

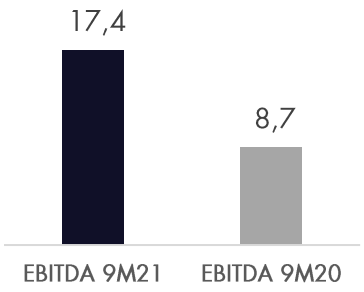
9M21 Net sales

Eu 127,8 mn
(+73,9% vs 9M20)



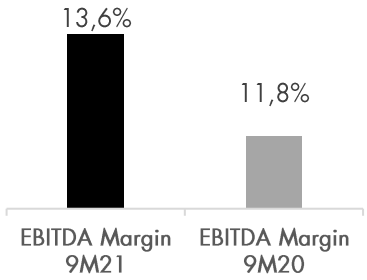
9M21 EBITDA

Eu 17,4 mn
(+99,7% vs 9M20)



9M21 EBITDA Margin

(+180 bps vs 9M20)



Comments

- Substantial increase in **Net Sales** by **73,9%** due to great expansion in international demand and an advancement of production of the orders in progress in line with schedule
- Growth in **EBITDA Margin** is reflective of several strategic interventions carried out by management:
  - Increase in marginality of products, through an excellent positioning in the market especially thanks to partnership agreements with Giorgio Armani and Automobili Lamborghini
  - Operational cost efficiency through investments aimed at increasing the shipyard's production capacity
  - Investments in human capital to develop specialised internal know-how on the most value added phases of the supply chain

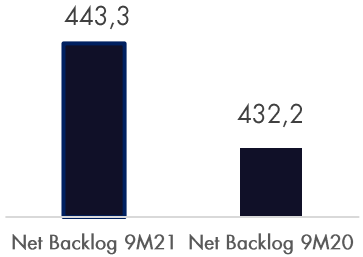
9M21, in Numbers (2/2)

Comments

- Significant increase in **Net backlog** with 23 yachts under construction
- **Positive Net Financial Position (NFP)** reflecting:
  - - Eu 20,1 mn of investments
  - - Eu 6,2 mn of dividends paid
  - + Eu 44,5 mn of capital increase due to the IPO
- **Investments** amount to Eu 20,1 mn with a 201,6% increase related to the "TISG 4.0" investment plan

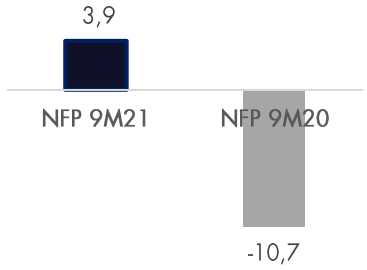
Net Backlog 9M21

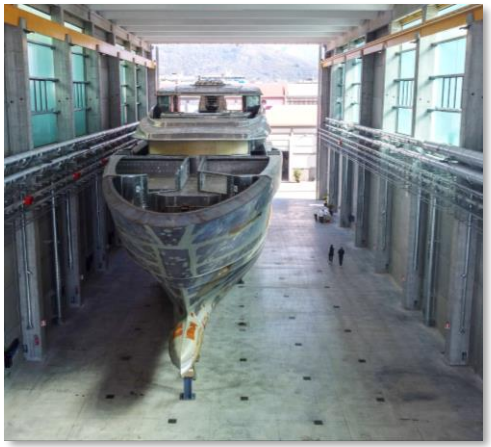
Eu 443,3 mn
(+2,6% vs 9M20)



NFP 9M21

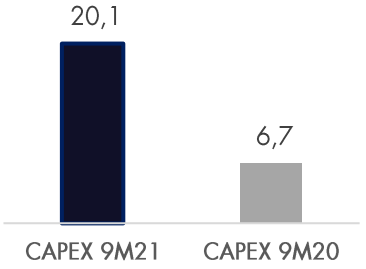
Eu 3,9 mn





Capex 9M21

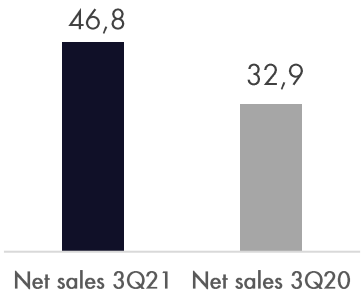
Eu 20,1 mn
(+201,6% vs 9M20)



3Q, in Numbers

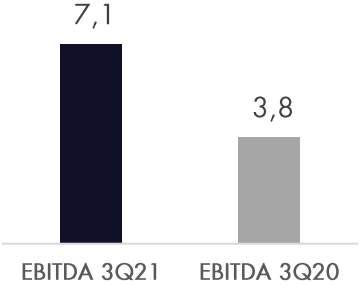
3Q21 Net sales

Eu 46,8 mn
(+42,3% vs 3Q20)



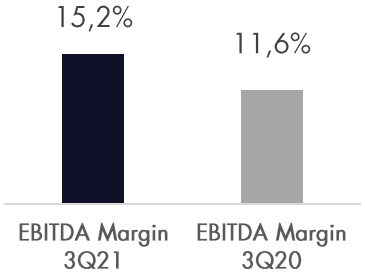
3Q21 EBITDA

Eu 7,1 mn
(+87,0% vs 3Q20)



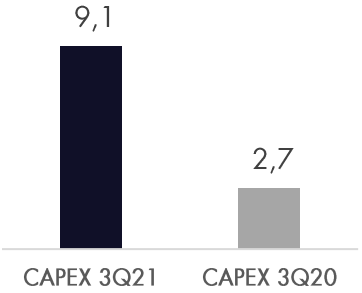
3Q21 EBITDA Margin

(+360 bps vs 3Q20)



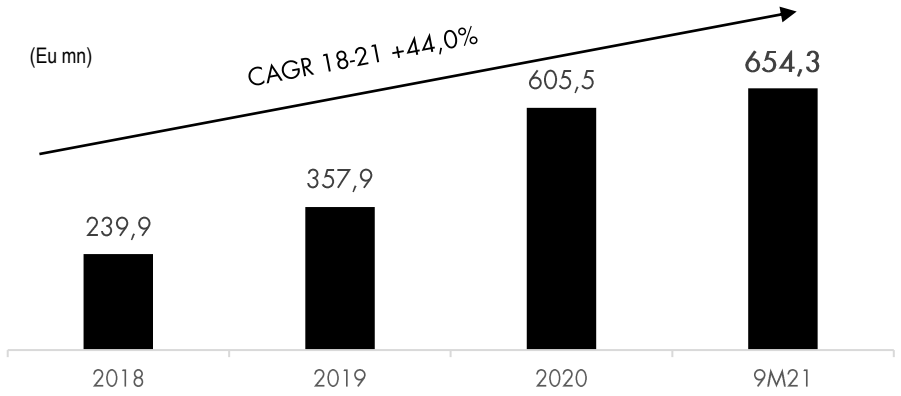
3Q21 Capex

Eu 9,1 mn
(+232,5% vs 3Q20)

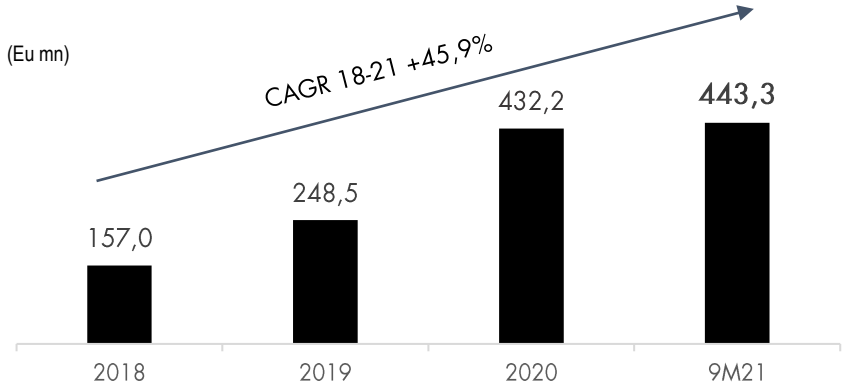


Growing Order Book

Order Book[1]

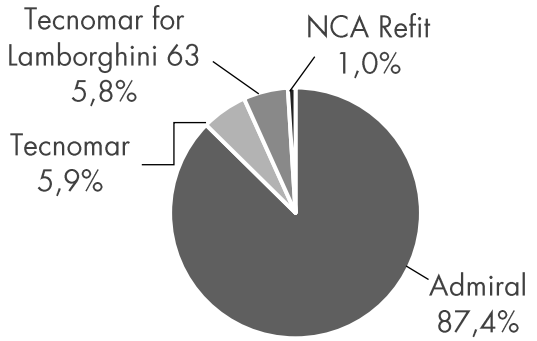


Net backlog[2]



Net backlog 9M21

Breakdown by brand



Comments

23 yachts currently in production including:

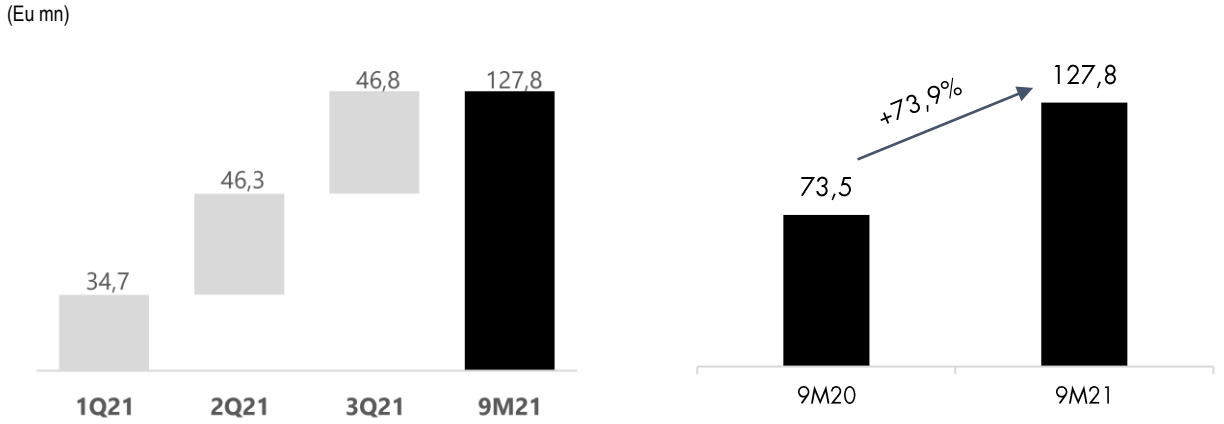
- 9 Admiral
- 2 Tecnomar
- 12 Tecnomar for Lamborghini 63

Notes: 1) Order Book is equal to the sum of all contract values related to shipbuilding orders in progress; 2) Net Backlog takes into account the contract values net of related revenues already recorded.

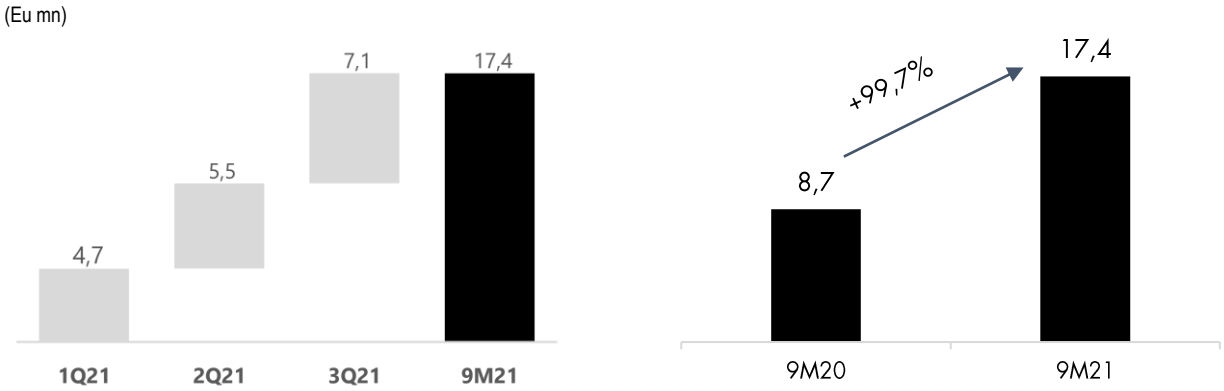
Net Sales and EBITDA Evolution

Strong focus on the higher dimensional range for yachts > 70 metres

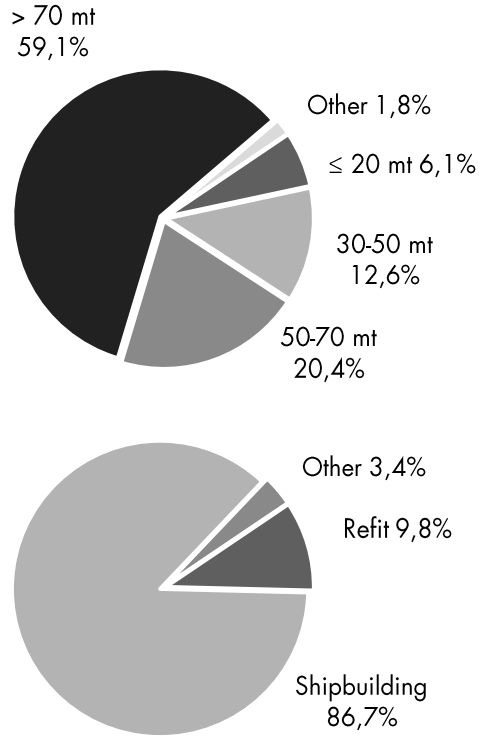
Net Sales Evolution



EBITDA Evolution



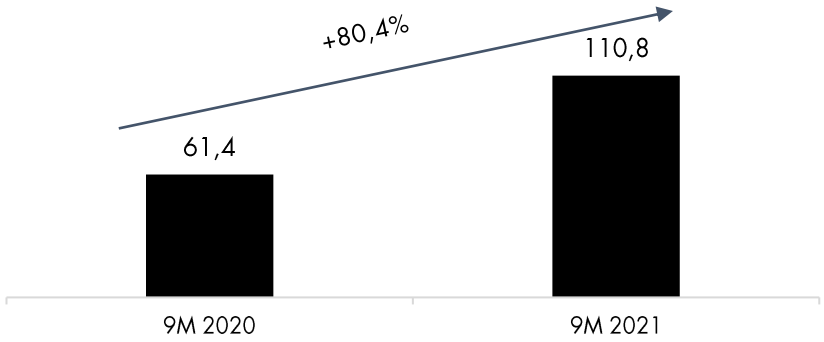
Revenues 9M21 breakdown by LOA and division



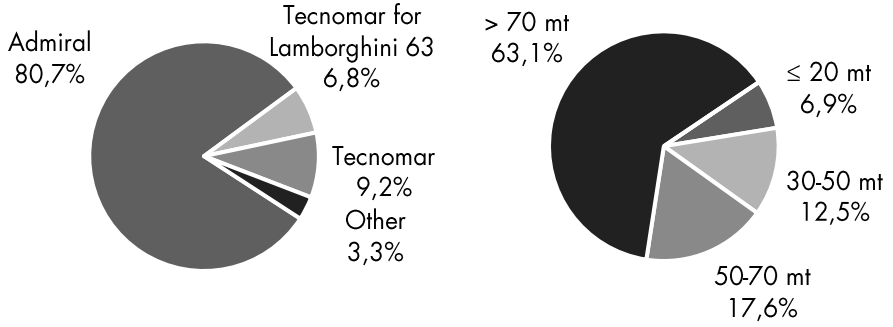
9M Shipbuilding Division

Revenues

(Eu mn)



2021 Revenues breakdown

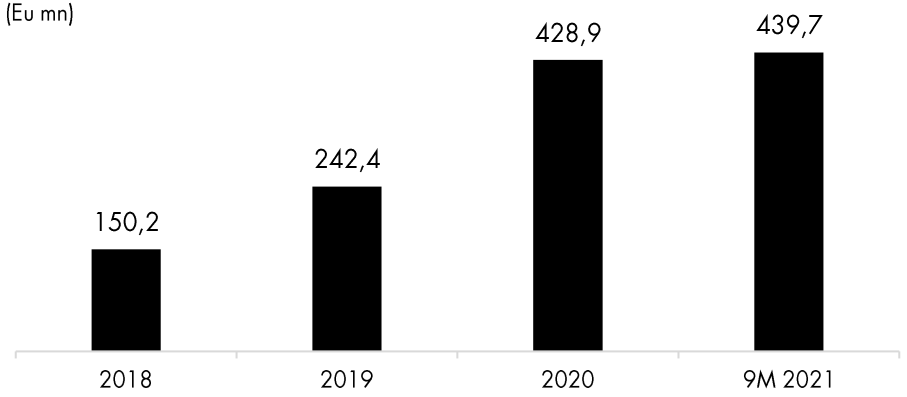


Comments

- Revenue growth driven by several factors, mainly:
  - Focus on yachts over 70 mt (63,1% of revenues)
  - New contracts signed related to Tecnomar for Lamborghini 63
- Net Backlog granting high visibility over next years
- Reduction in price gap with Northern European Shipyards

Net Backlog

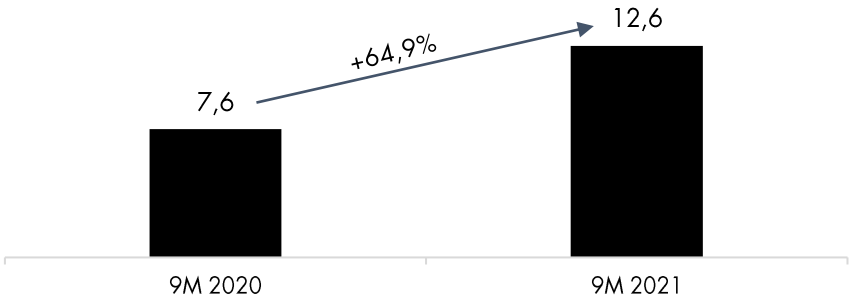
(Eu mn)



9M Refitting Division

Revenues

(Eu mn)

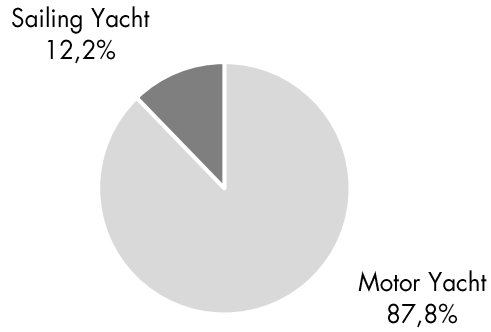


Comments

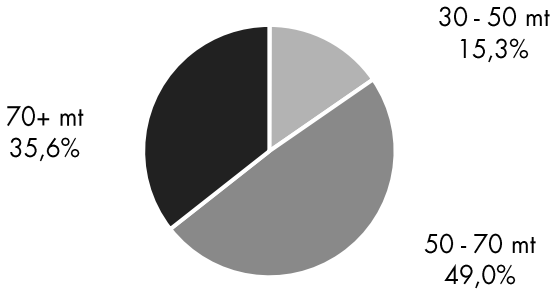
- Increase in demand for Refit activities driven by market growth
- Segment characterised by resilience and low cyclicality
- Main focus on yachts over 50 mt (82% of refitting revenues)
- Consolidated know-how for both Sailing and Motor Yachts

2021 Revenues breakdown

Revenues 9M 2021 by Technology



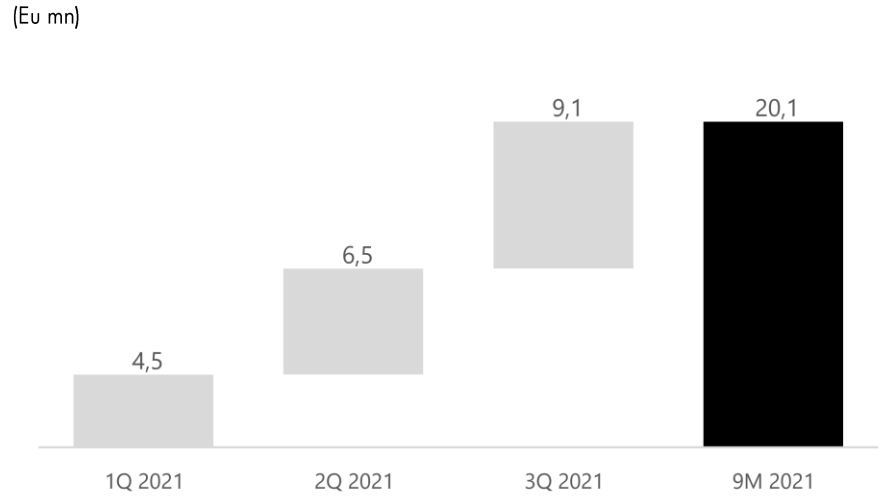
Revenues 9M 2021 by LOA



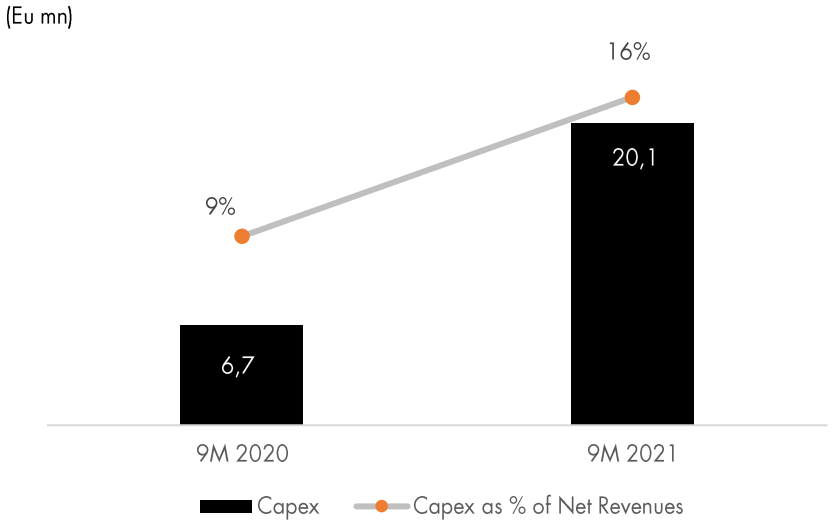
Significant investments to expand production capacity

Investment plan "TISG 4.0" on track to increase by 40% the capacity of the Marina di Carrara Shipyard

CAPEX EVOLUTION



CAPEX



Comments

Investments for Eu 20,1 mn were made for the expansion of the Marina di Carrara shipyard, which involved the completion of a new shed and the construction of a new dry dock, now completed.

STRATEGY

Update on Perini Navi

- **Perini Navi** declared bankruptcy on **January 29th, 2021**
- TISG has presented an irrevocable proposal for **Eu 47 mn** on **October 26th, 2021**
- Third auction scheduled for **December 22nd, 2021**

Perini «*Maltese Falcon*» in **The Italian Sea Group Shipyard** undergoing refit activities

Purpose of Acquisition

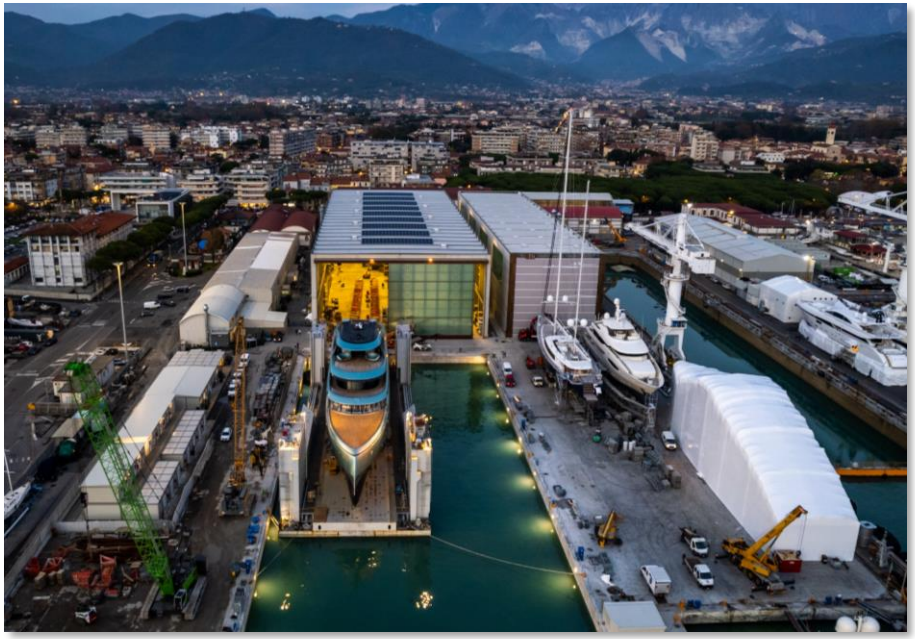
- Increasing the spaces dedicated to new constructions and refitting
- Bringing into the Group another internationally renowned brand
- Expanding to the sailing yachting world

TISG's Strenghts

- Internalisation of technical Perini know-how from recent hires
- Construction in progress of a Sailing Catamaran, one of the biggest in the world
- Consolidated ability to relaunch heritage brands (Admiral, Tecnomar)
- Already refitted most vessels from Perini's fleet

Update on Investment Plans – TISG 4.0 and TISG 4.1

- TISG 4.0 **Investment plan** deliberated in 2020 with **c. Eu 40 mn** to expand production capacity by **40%**
- Deliberation on **November 4th, 2021** of a new investment plan, **TISG 4.1** for **Eu 14 mn** inside the Marina di Carrara shipyard



The completed new dry dock, part of **TISG 4.0 investment plan**

Main Steps of TISG 4.0

- On **March 22nd, 2021** TISG completed the construction of a new Shed (126x80 mt), able to accommodate vessels up to 80 mt
- **Completion of a new dry dock** (147x48 mt) with an entrance door of c. 30 mt and a surface of 6.500 sqmt with a max capacity of 5 yachts between 60 and 70 mt and vessels up to a maximum dimension of 140 mt

Main Objectives of TISG 4.1

- Expansion of the shed on the original dry dock, plus a series of facilities and service plants
- Increase in contemporaneity of vessels in built by **4 units**
- Shift in the shipyard's construction limit from **100** to **140 mt**

Main Pillars

Business outlook

- **Resilient market** for mega-yachts over 60 mt, backed by increase in global number of **UHNWIs**
- **Upward** trend in **prices** through recognized brand allure and luxury positioning, reducing the **price gap** with Northern-European Shipyards

Operational Capacity

- **Backlog based business** granting exceptional visibility and optimised control over operations
- **Investment plans TISG 4.0 and TISG 4.1** aimed at increasing production capacity and allowing for a higher contemporaneity between projects, both for Shipbuilding and Refit

ESG Initiatives

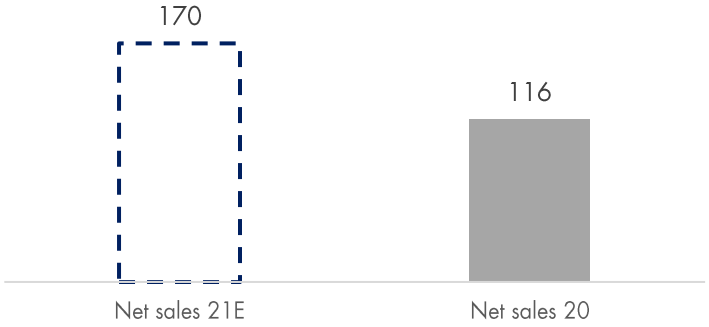
- **Sustainable materials** (aluminium and steel), **innovation** (e.g. diesel-electric propulsion) and **investments on sustainable energy sources** (e.g. photovoltaic plants)
- **TISG Academy:** training programs for employees and graduating students in collaborations with the Universities of Genoa, La Spezia, and Trieste

Guidance and Concluding Remarks

- **Guidance 2021** confirmed, positioning on the higher part of the indicated value range
- **Expected 2021 EBITDA Margin: c. 15%** with strong cash generation
- Evaluation of a new partnership with a luxury brand having the same prestige as the two existing collaborations, **Giorgio Armani** and **Automobili Lamborghini**, to reinforce high end positioning in the market

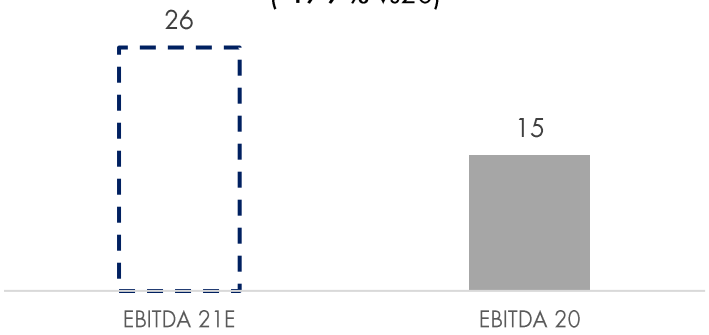
Net sales 21E

Eu 170 mn
(~+47 % vs20)



EBITDA 21E

Eu 26 mn
(~+79 % vs20)



Disclaimer

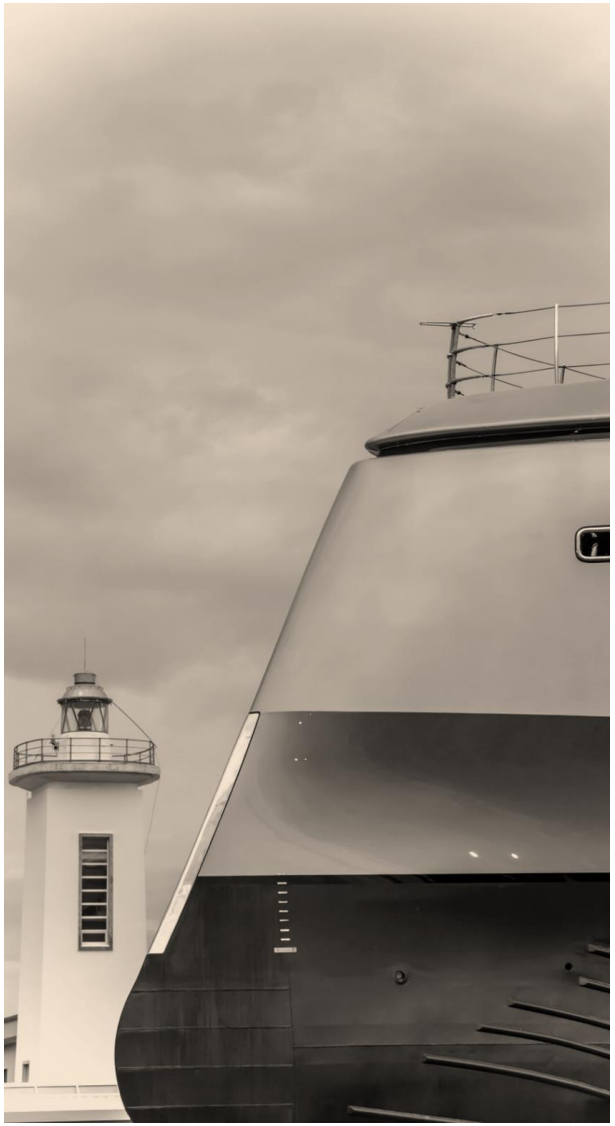
This document has been prepared by The Italian Sea Group S.p.A. ("TISG" or the "Company") for use during meetings with investors and financial analysts and is solely for information purposes. This presentation does not constitute a recommendation regarding the securities of the Company. This presentation does not contain an offer to sell or a solicitation of any offer to buy any securities issued by TISG.

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.

Because these forward-looking statements are subject to risks and uncertainties, actual future results or performance may differ materially from those expressed in or implied by these statements due to any number of different factors, many of which are beyond the ability of TISG to control or estimate precisely, including changes in the regulatory environment, future market developments, fluctuations in the price, and other risks. You are cautioned not to place undue reliance on the forward-looking statements contained herein, which are made only as of the date of this presentation. TISG does not undertake any obligation to publicly release any updates or revisions to any forward-looking statements to reflect events or circumstances after the date of this presentation.

Figures as absolute values and in percentages are calculated using precise financial data. Some of the differences found in this presentation are due to rounding of the values expressed in millions of Euro. This document may not be reproduced or distributed, in whole or in part, by any person other than the Company.

The Manager in Charge of preparing the Corporate accounting documents, Marco Carniani, declares pursuant to and to the effects of article 154-bis, paragraph 2 of Legislative Decree no. 58 of 1998, as amended, that the disclosures included in this document correspond to document results, books and accounting records.



NCA REFIT