

# THE ITALIAN SEA GROUP

## PRESS RELEASE

### **The Italian Sea Group: 2021 guidance exceeded**

### **Preliminary results at December 31<sup>st</sup> 2021 and 2022 Guidance approved**

Main consolidated preliminary results at December 31<sup>st</sup> 2021:

- **Growth of key indicators above 2021 guidance**
- **Net Sales:** 186 million Euros, +60.3% from 116 million Euros in the previous financial year;
- **EBITDA:** 28 million Euros, +100% from 14 million Euros at December 31<sup>st</sup> 2020; **EBITDA margin** reached 15% from 12.5% in 2020;
- **Investments:** 26 million Euros at December 31<sup>st</sup> 2021;
- **Net Financial Position** positive for 41 million Euros, from a net financial debt equal to 8.3 million Euros at December 31<sup>st</sup>, 2021;
- **Net Backlog** at December 31<sup>st</sup> 2021 (Shipbuilding and Refit) is equal to 536 million Euros;
- **Order Book** at December 31<sup>st</sup>, 2021 is equal to 827 million Euros, +37% with respect to December 31<sup>st</sup> 2020;
- There are currently **27** yachts and mega yachts under construction;
- **2022 Guidance: Net Sales expected for 280 – 295 million Euros, increasing by c. 55% with respect to 2021; EBITDA Margin growing up to 15.5%, even with a significant increase in Sales.**

*Marina di Carrara, February 22<sup>nd</sup>, 2022* – **The Italian Sea Group S.p.A.** (“**TISG**” or the “**Company**”), global operator in the luxury yachting industry with the brands Picchiotti, Admiral, Perini Navi, Tecnomar and NCA Refit, announces that the Board of Directors, during today’s meeting, has approved the preliminary consolidated results at December 31<sup>st</sup> 2021, as well as the Guidance for 2022.

The Board of Directors will meet on Thursday March 24<sup>th</sup>, 2022, to examine the Draft Annual Report, which will be submitted to the Shareholders’ Meeting on Friday April 29<sup>th</sup>, 2022.

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*“2021 has represented a particularly significant year for “The Italian Sea Group”.*

*Today’s results represent our proven ability to grow, our willpower and continuous search for excellence, being recognised as a solid Company with high-profile standards” – commented **Giovanni Costantino, The Italian Sea Group Founder & CEO.** – “Our commitment to the realisation of high-quality products, in the respect of the required timing, has allowed us to significantly improve our Order Book, also by strengthening our presence in strategically relevant markets in which we had room for growth, like the US market for larger yachts.*

*The greatest opportunity of this year, represented by the important acquisition of Perini Navi, consolidated our positioning in the large sailing yacht segment, in which we already had a relevant presence ever since the first half of 2021, thanks to the construction in progress of one of the largest sailing catamarans in the world, 4.6 metres in length by 18 meters in width.*

*In December 2021, we underwrote two contracts for two 56-metre ketches: we are therefore certain that our path with Perini Navi will grant us a higher visibility in this market segment in which demand is strong and dynamic.”*

## **ANALYSIS OF THE COMPANY’S ECONOMIC AND FINANCIAL MANAGEMENT**

In FY 2021 The Italian Sea Group achieved **Net Revenues of 186 million Euros**, growing by 60.3% from 116 million Euros recorded in the same period in 2020, surpassing the 170 million Euros indicated in 2021 Guidance.

Such result is due to an increase in the number of contracts, the regular progress of the vessels under construction, and a positive development in sales for *Tecnomar for Lamborghini 63*.

The significant consolidation in the large sailing yacht segment and the strong demand for the NCA Refit division have contributed to a further increase in sales.

NCA Refit has indeed increased its sales by 60% with respect to 2020, despite the reduction in operative spaces due to the expansion works for “TISG 4.0” and “TISG 4.1”.

The **total value of the order book** – that is, the gross value of existing contracts related to yachts not yet delivered to the clients – (**Order Book**) at December 31<sup>st</sup>, 2021, is equal to **827 million Euros**.

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The **total value of existing contracts** related to yachts not yet delivered to the clients, net of the revenues already recorded in the income statement (**Net Backlog**) at December 31<sup>st</sup> 2021 (Shipbuilding and Refit) is equal to **536 million Euros**.

**EBITDA** is equal to 28 million Euros, doubled from the 14 million Euros at December 31<sup>st</sup> 2020, going over the previously indicated Guidance for 26 million Euros.

**EBITDA Margin** is equal to 15% from 12.5% recorded in FY 2020.

Throughout the year, TISG has made **Investments** for 26 million Euros, mainly related to the progress of the two investment plans “**TISG 4.0**” and “**TISG 4.1**” for the expansion of production capacity inside the Marina di Carrara headquarters.

**Net Financial Position** at December 31<sup>st</sup>, 2021 is positive for 41 million Euros, with respect to a net financial debt of 8.3 million Euros at December 31<sup>st</sup>, 2020. This result is reflective of an important cash generation due to the advancement of orders in progress in the last quarter of the year.

## **RELEVANT EVENTS AT DECEMBER 31<sup>ST</sup> 2021 AND SUBSEQUENT EVENTS**

2021 has been an important year for The Italian Sea Group, both from a production perspective and on the consolidation of important partnership, as well as for the listing on the Italian Stock Exchange, which has allowed the Company to consolidate its positioning.

The Company is listed on Euronext Milan (“EXM”) from **June 8<sup>th</sup>** 2021, with a collection of 44.5 million Euros in proceeds.

On December 22<sup>nd</sup>, 2021, The Italian Sea Group S.p.A., through the 100% subsidiary New Sail S.r.l., has acquired **Perini Navi** from the bankruptcy auction for a total value of **80 million Euros**, operation financed by cash availability and long-term bank credit lines.

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## **GUIDANCE 2022**

The guidance for FY 2022 foresees an increase in **Net Sales**, which will position in a range from 280 to 295 million Euros, an increase of about 55% with respect to 2021, with an expected EBITDA Margin of 15.5%.

This Guidance reflects the contribution of the Perini Navi acquisition in terms of increase in Sales; the additional increase in marginality expresses the expectation to achieve healthy returns, due to the speedy start-up of the new production sites with limited Investments.

In 2022 there are Investments expected for 9 million Euros dedicated to the completion of the “**TISG 4.0**” investment plan, and 10 million Euros for “**TISG 4.1**”.

Additionally, 1.8 million Euros will be invested in the 2022-2023 period for the fine-tuning of the two production sites in Viareggio and La Spezia, acquired in the auction and already in operation.

On the basis of the strong conviction to be able to exploit the entire production capacity of the two shipyards, on February 17<sup>th</sup> 2022 the Board of Directors of “The Italian Sea Group” has approved the merger plan for the subsidiary New Sail S.r.l..

Having clearly defined the integration projects of the acquisition and the set up of the production sites, the Company’s Management is therefore fully focused on their execution.

## **BUSINESS OUTLOOK**

The focus segment for The Italian Sea Group concerns yachts with length ranging from 50 metres and up to over 100 metres, which represent around 80% of vessels under construction by the Company.

*Increase in dimensions of the vessels*

In light of such demand, TISG will continue to concentrate its efforts in the construction of mega and giga yachts, leveraging on the consolidated brand reputation and on the

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renown skills, recognised by the clients and the major brokers in the international yachting industry.

### *Consolidated positioning in the sailing yacht segment*

An additional element which is significant to the Company's strategy is the consolidation in the sailing yacht segment, which is experiencing a strong increase in demand also thanks to the increasing interest from Owners towards sustainability and the environment.

Confirming TISG's positioning in the US also for the sailing yacht segment, the Company has undertaken the completion of a 60-metre sailing yacht for a US client (order originally acquired from the previous Perini Navi property).

### *Starting Up Perini Navi*

Following the Perini Navi S.p.A. acquisition, TISG has already integrated the majority of the employees coming from the acquisition and activated the necessary procedures to start-up the two production sites in La Spezia and Viareggio.

### *New partnerships with leading luxury brands*

Collaborations with brands such as Giorgio Armani and Automobili Lamborghini have contributed to the strengthening of the Company's luxury positioning and, confirming what had been previously announced during the Road Show (June 2021), the Company is completing the agreement for another important partnership.

### *ESG Strategy*

In terms of sustainability, the Company has adopted the better ESG strategy by utilising 100% recyclable materials for the construction of the hulls and the outfitting of the yachts.

The Company's path for ecologic transition has been foreseen and carried out through energy efficiency for all its production sites with the installation of an avant-garde photovoltaic plant on all available surfaces inside the shipyards of Marina di Carrara, La Spezia and Viareggio.

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An in-depth study is currently in progress for a new propulsion alternative to diesel, with a particular attention to hydrogen, through the commitment of internal specialists and industry experts.

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The Press Release is available in the Investor section of our website at the following link <https://investor.theitalianseagroup.com/en/press-releases/>.

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

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## **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 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 of its yachts, Perini Navi, excellence in the engineering and design of large sailing yachts, and Picchiotti, historical brand in the Italian yachting industry; the Company has a business unit, NCA Refit, that manages the maintenance and refit services for yachts and mega yachts with a length over 60 metres. The Italian Sea Group is the first Italian superyacht maker for vessels over 50 metres.

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