FINANCIAL RESULTS AT 31 MARCH 2023

10 MAY 2023

THE ITALIAN SEA GROUP

PICCHIOTTI SINCE 1575 · ADMIRAL · PERINI NAVI · Tecnomar · NCA REFIT

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 metres[1]. TISG was listed in the Milan Stock Exchange in June 2021.

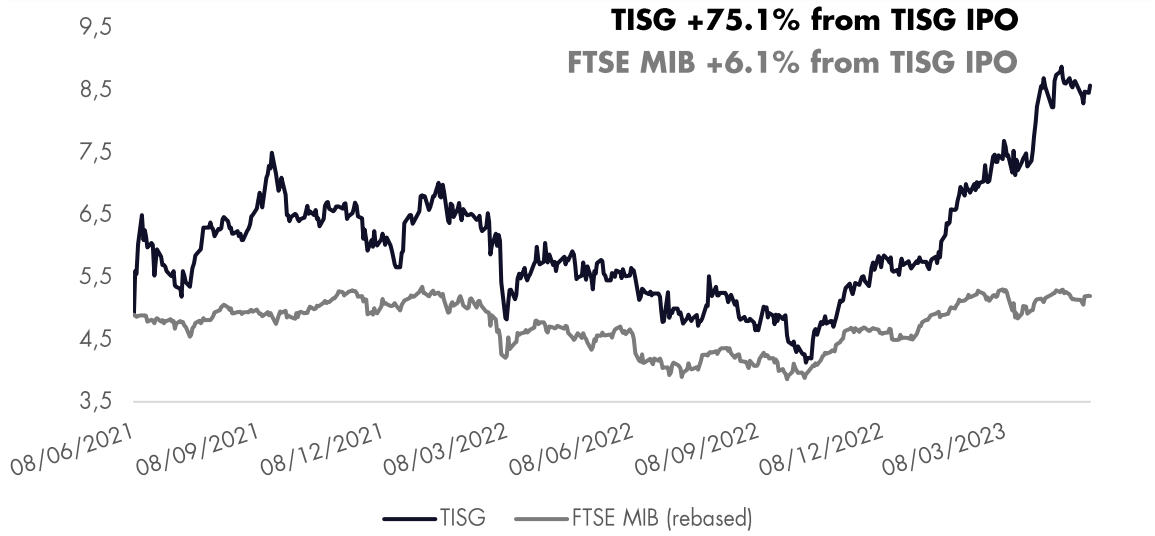
BRANDS

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.**

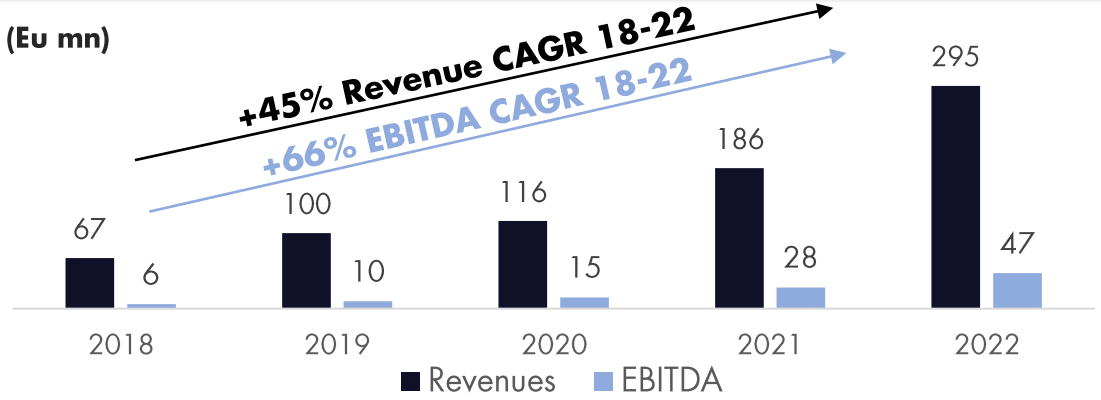
PARTNERSHIPS

tecnomar FOR LAMBORGHINI	Limited edition speedy motor-yachts inspired by the **Lamborghini Siàn FKP 37.**
GIORGIO ARMANI	Motor-yachts designed in collaboration with designer **Giorgio Armani.**

STOCK PERFORMANCE FROM IPO (8 JUNE 2021)



REVENUE AND EBITDA EVOLUTION



Note: 1) Ranking base on 2022 yacht sales (source: Boat International, Global Order Book 2022).

SUMMARY OF THE RESULTS

Executive Summary

1Q 2023 Results

- **Revenues** for **Eu 85mn**, **+23%** vs 1Q 2022
- **EBITDA** for **Eu 13.8mn**, **+35%** vs 1Q 2022, with an EBITDA Margin of **16.2**%
- **Order Book (Shipbuilding and Refit)** for **Eu 1'097mn**, with **33** yachts under construction

Resolution of the Annual General Meeting – 27 April 2023

- Renewal of the **Board of Directors** and **Board of Statutory Auditors**
- Approval of the **Stock Option Plan** and **Buyback Plan**
- Approval of the distribution of a dividend of **Eu 0.272** per share

Strategic Outlook 2023 – 2024

- **Revenues** for **Eu 350 – 365mn** in **2023** / **Eu 400 – 420mn** in **2024**
- **EBITDA Margin** between **16 – 16.5%** in **2023** / **17 – 17.5%** in **2024**

First Quarter Highlights

ADMIRAL / ARMANI 72 UNVEIL

February 11th, 2023

An event involving owners, brokers, authorities, celebrities, and press, where Mr. Giovanni Costantino, Founder & CEO of The Italian Sea Group, mapped out the course for the future of Italian yachting, explaining the crucial moments of TISG's success story, its excellences and the objectives for its brands.

A laser mapping show unveiled the mega yacht and left the stage to Giorgio Armani's Spring/Summer 2023 collection, ending with a traditional greeting from the designer.

LAUNCH OF THE NEW PERINI NAVI FLEET: "GENESIS"

March 15th, 2023

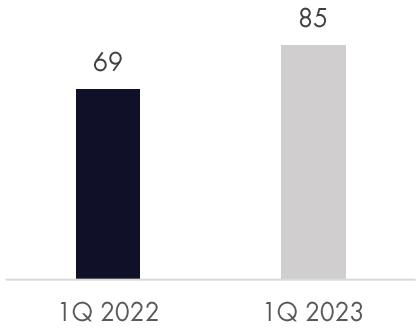
In March 2023, TISG presented the new Perini Navi fleet, having the objective to create a line of vessels with the characteristic and iconic Perini Navi elements revised in a modern fashion, aiming for large spaces, brightness, and comfort during sailing. There three lines of vessels of 48, 56, and 77 metres.

The fleet, called «Genesis», attests Perini Navi's ultra-high-level positioning as global player for large sailing yachts.

Snapshot of Key Results

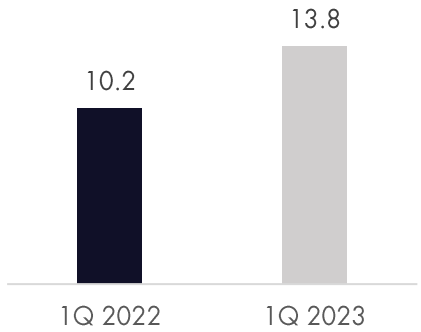
Revenues 1Q 2023

Eu 85mn
(**+23%** vs 1Q 2022)



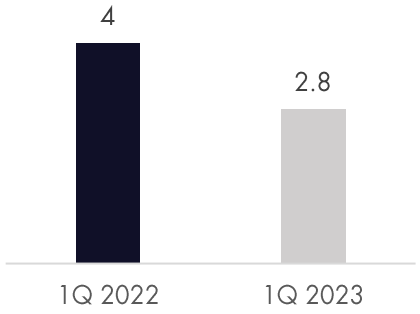
EBITDA 1Q 2023

Eu 13.8mn
Margin: 16.2%
(**+35%** vs 1Q 2022)



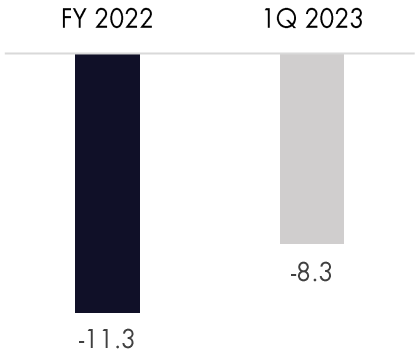
Investments 1Q 2023

Eu 2.8mn



Net Debt 1Q 2023

Eu -8.3mn



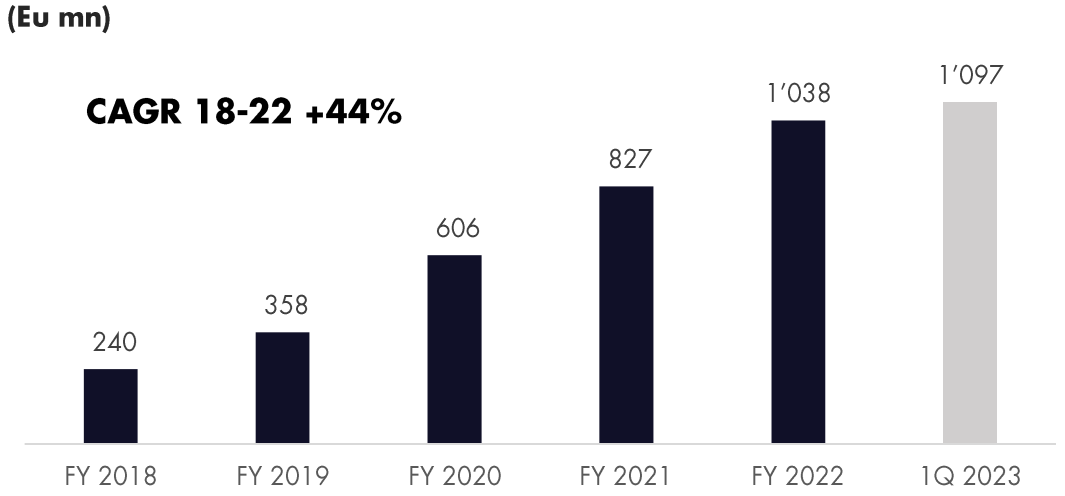
Comments

- **+23%** increase in **Revenues** due to the regular progress of the Shipbuilding and Refit activities, with an increase in order intake.
- Increase in **marginality** over time is mainly attributable to ever-improving cost management and budget control, internalisation of key supply chain activities, and an optimal mix between the Shipbuilding and Refit divisions.
- **Investments** for the period are mainly related to the completion of the «TISG 4.0» and «TISG 4.1» investment plans, and the progress of the works in La Spezia («TISG 4.2»).
- **Net Debt** for **Eu -8.3mn** is improving from a Net Debt of Eu -11.3mn recorded on 31 December 2022.

Quality & Visibility of Order Book

The Italian Sea Group boasts an Order Book in excess of **one billion Euros**, with a **surge in orders** from **North America**, the **Middle East** and **Asia**.

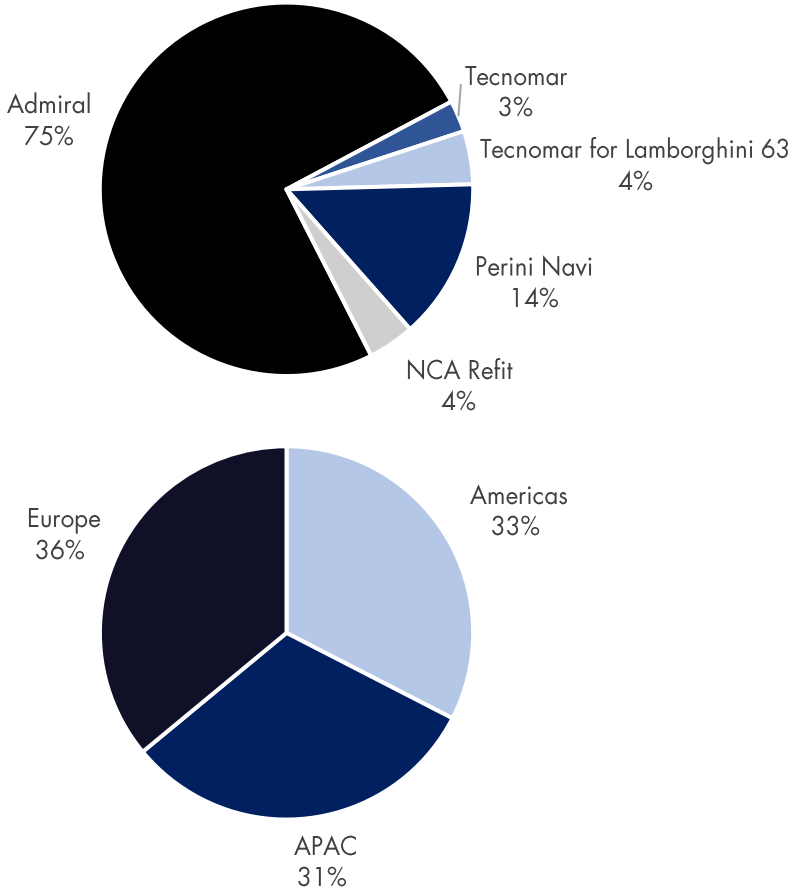
ORDER BOOK EVOLUTION



ORDER BOOK COMPOSITION

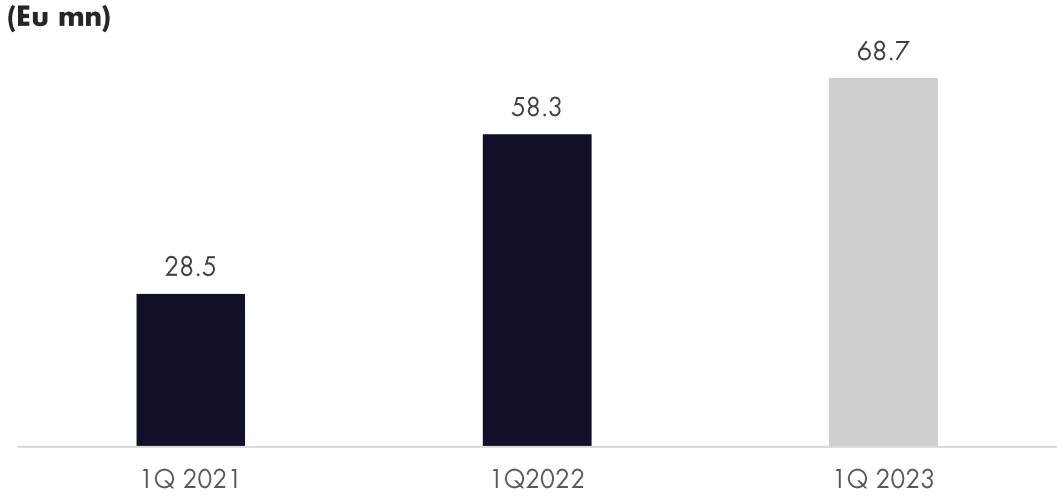
- Growth in demand from **Americas** and **APAC region** (from a total of 37% in FY 2020 to 64% in 1Q 2023).
- Growth in the **Order Book** with visibility up to **2027**.

ORDER BOOK BREAKDOWN

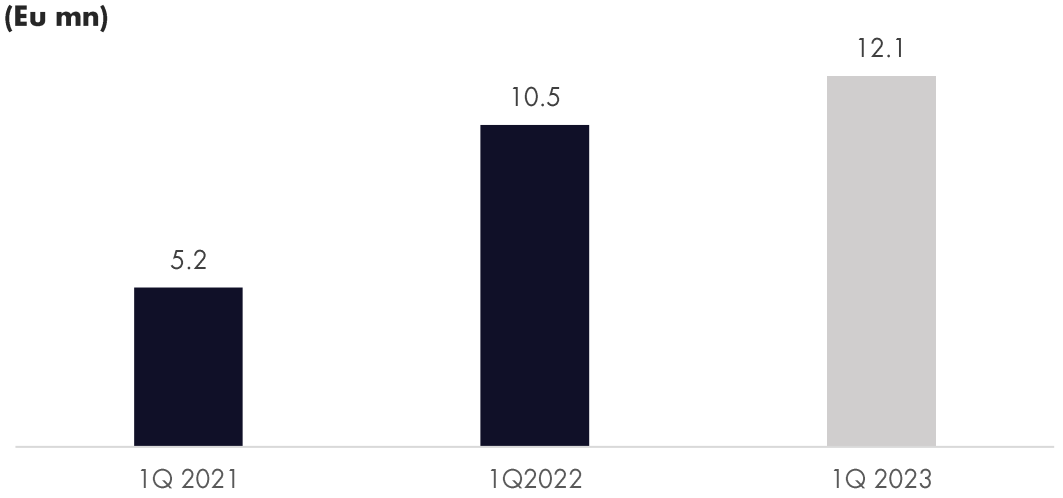


Shipbuilding & Refit – Revenues

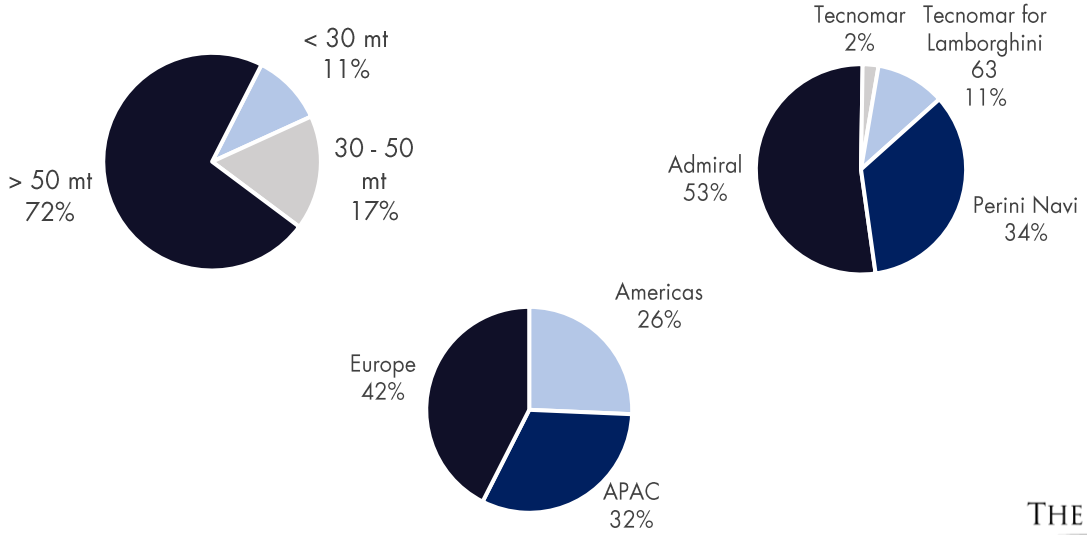
SHIPBUILDING REVENUE EVOLUTION / 1Q 2021 – 1Q 2023



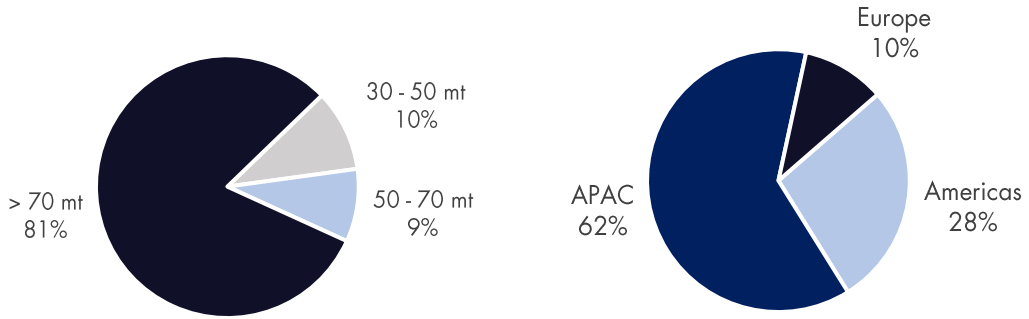
REFIT REVENUE EVOLUTION / 1Q 2021 – 1Q 2023



SHIPBUILDING REVENUES BY LOA, BRAND, AND GEOGRAPHY



REFIT REVENUES BY LOA AND GEOGRAPHY



STRATEGY HIGHLIGHTS

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

ORDER TYPE	ADVANCE PAYMENTS (% OF PURCHASE PRICE)
From 30 to over 50 mt LOA	*Payment of 11/12 milestones, each worth c.10% of purchase price*
Tecnomar for Lamborghini 63	Downpayment 20% / Mid Payment 30% / Mid Payment 30% / Delivery 20%

Sale contract signature | Instalment #1 | Instalment #2 | Instalment #3 | Instalment #4 | Instalment #5 | Instalment #6 | Instalment #7 | Instalment #8 | Delivery

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

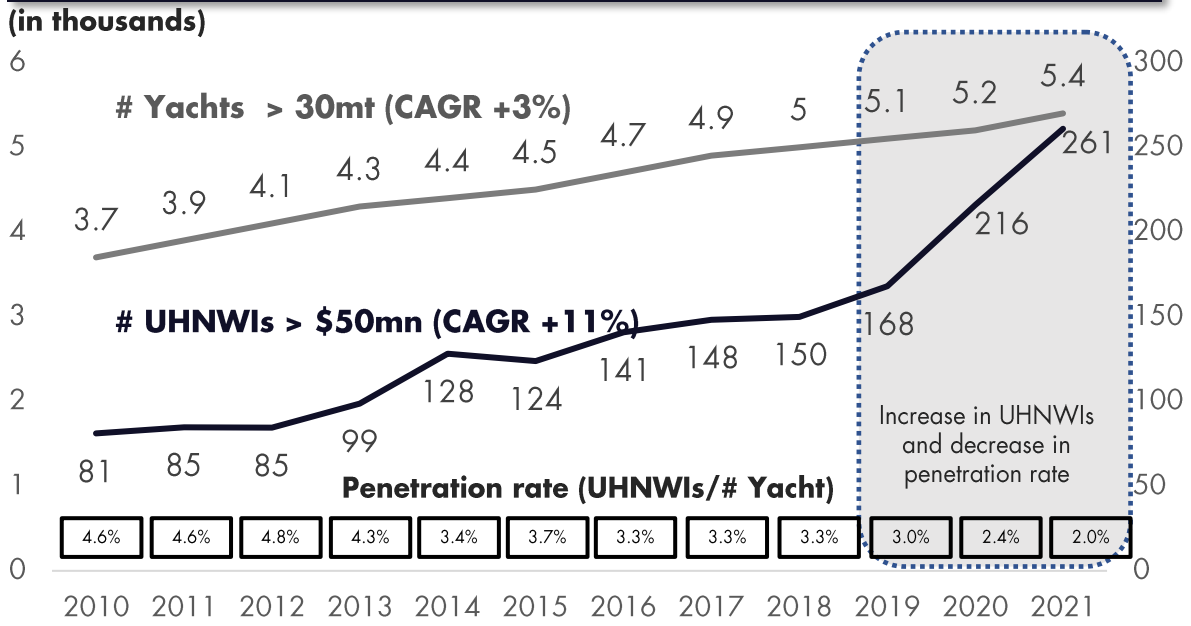
Growing and Unpenetrated Customer Base

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

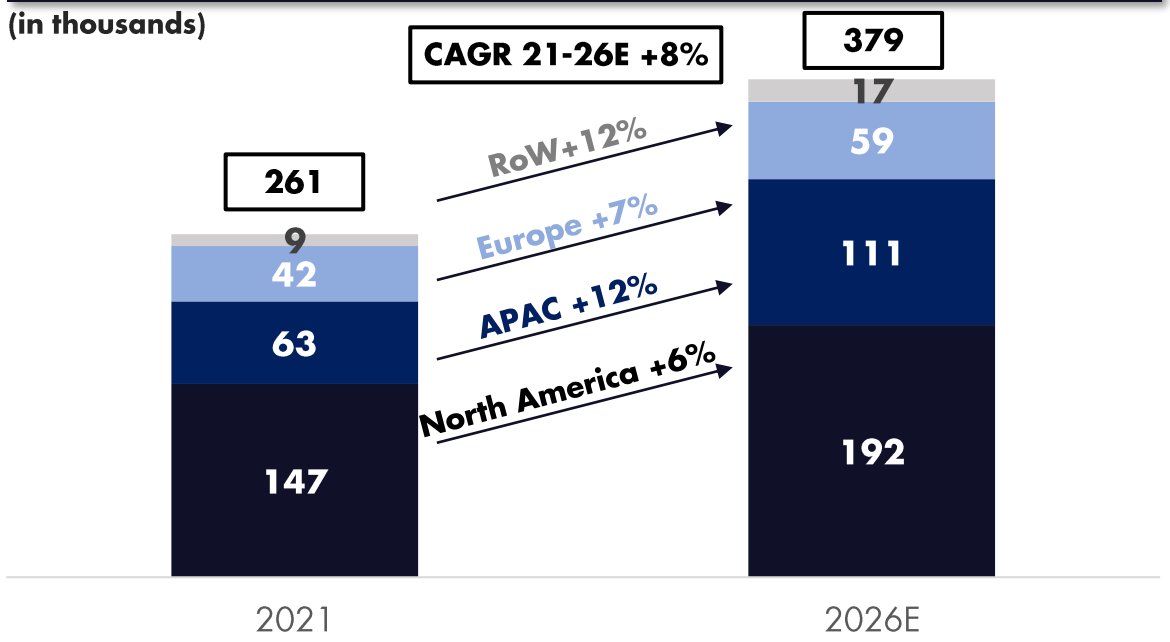
MAIN DRIVERS

- 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.

Internalisation of Key Supply Chain Activities

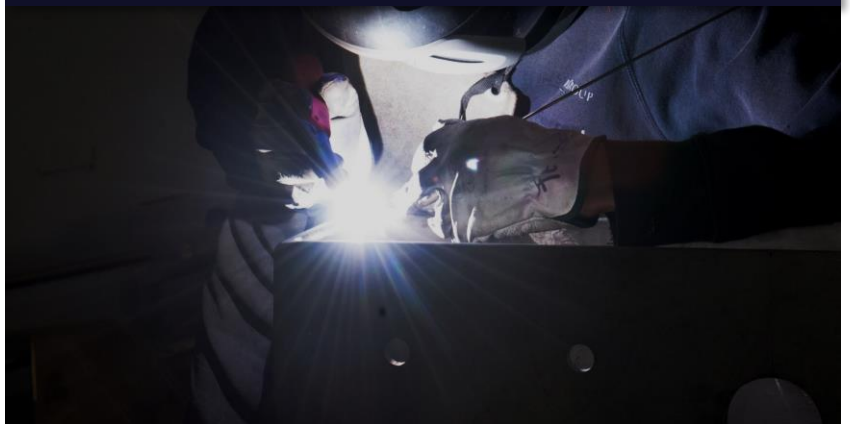
TISG internalises specific phases of the production cycle which require impeccable craftmanship, in order to maintain control on the quality, the timing, and the costs of these activities in support of marginality and customer satisfaction.

METAL CARPENTRY

UPHOLSTERY

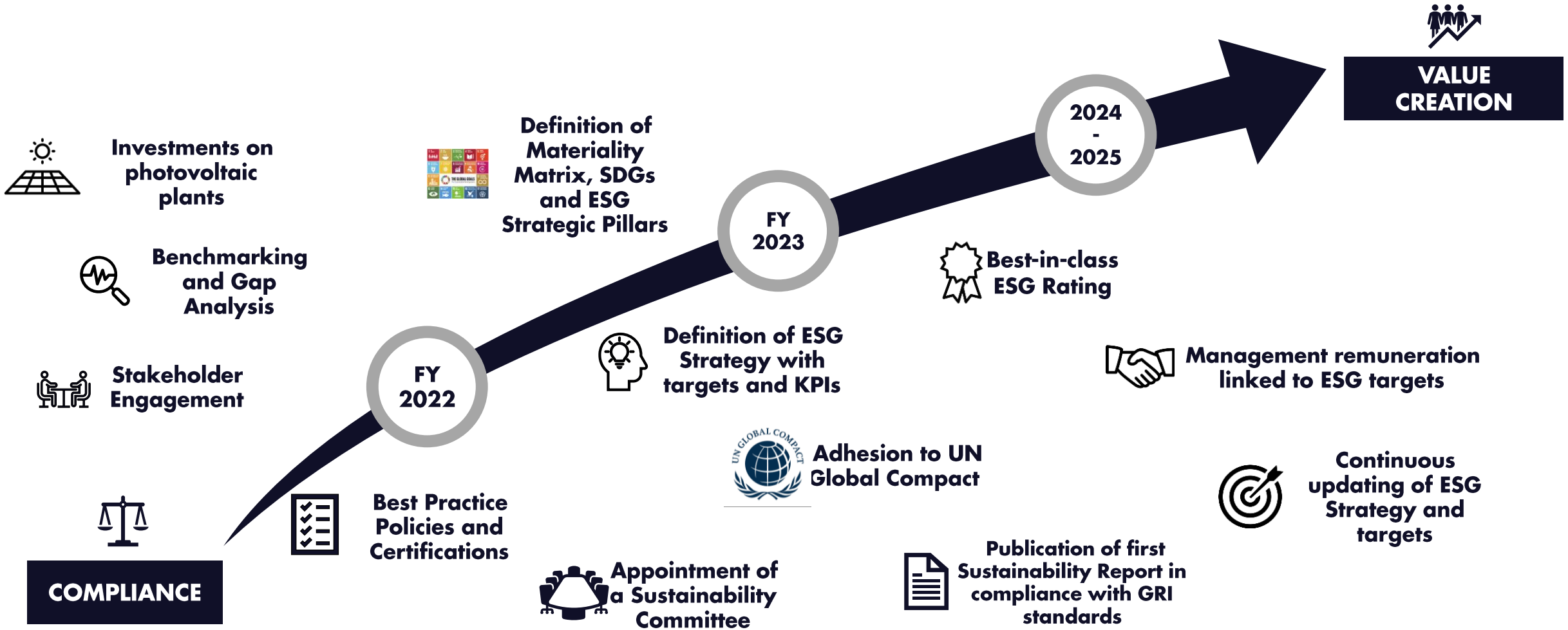
WOODWORKS

STEELWORKS



ESG Roadmap

TISG has a clear roadmap to drive Sustainability with the objectives of creating long-term value for all Stakeholders and establishing itself as a benchmark for the shipbuilding sector.



Strategy and 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

Revenues	**Eu 350 – 365mn** in 2023 **Eu 400 – 420mn** in 2024
EBITDA Margin	**16 – 16.5%** in 2023 **17 – 17.5%** in 2024
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*

Q&A
THE ITALIAN SEA GROUP
PICCHIOTTI
SINCE 1575
ADMIRAL
PERINI NAVI
Tecnomar
NCA REFIT

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