



# FINANCIAL RESULTS AT 31 MARCH 2023

10 MAY 2023

THE ITALIAN SEA GROUP

PICCHIOTTI  
SINCE 1876

✦ ADMIRAL

⊕ PERINI NAVI

TECNOMAR

NCA REFIT

# The Italian Sea Group at a Glance

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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<sup>1</sup>. TISG was listed in the Milan Stock Exchange in June 2021.

## BRANDS

 <b>ADMIRAL</b>	<b>Customised motor-yachts</b> above 50mt.
<b>TECNOMAR</b>	<b>Speedy motor-yachts</b> from 37mt to 50mt.
 <b>PERINI NAVI</b>	Large <b>sailing yachts</b> from 47mt.
<b>PICCHIOTTI</b> SINCE 1975	<b>Gentleman Yachts</b> from 24mt to 55mt.
<b>NCA REFIT</b>	<b>Refit and maintenance</b> of motor and sailing yachts, with a <b>focus on yachts over 60mt.</b>

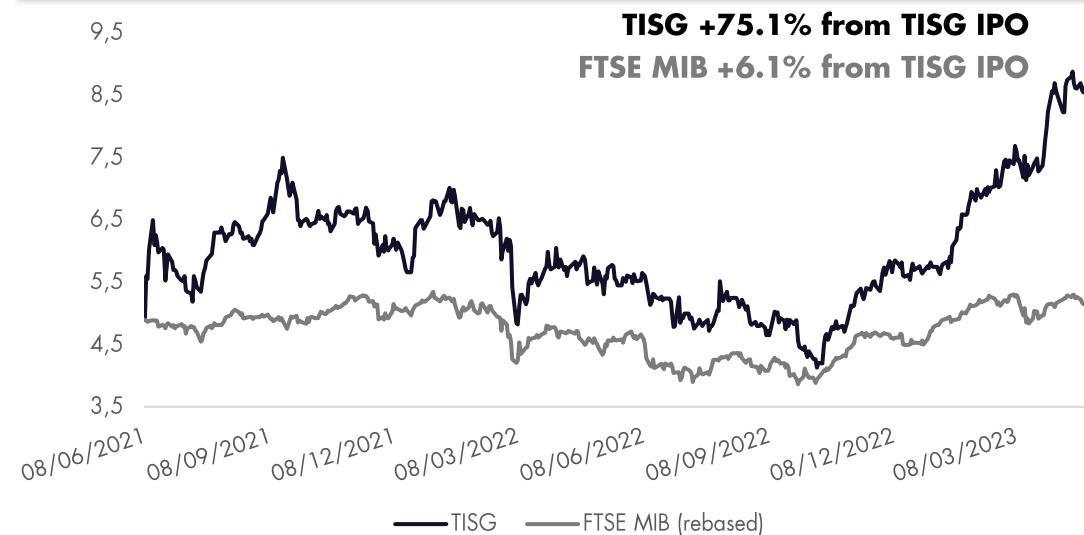
## PARTNERSHIPS

**TECNOMAR** FOR  Limited edition speedy motor-yachts inspired by the **Lamborghini Siàn FKP 37.**

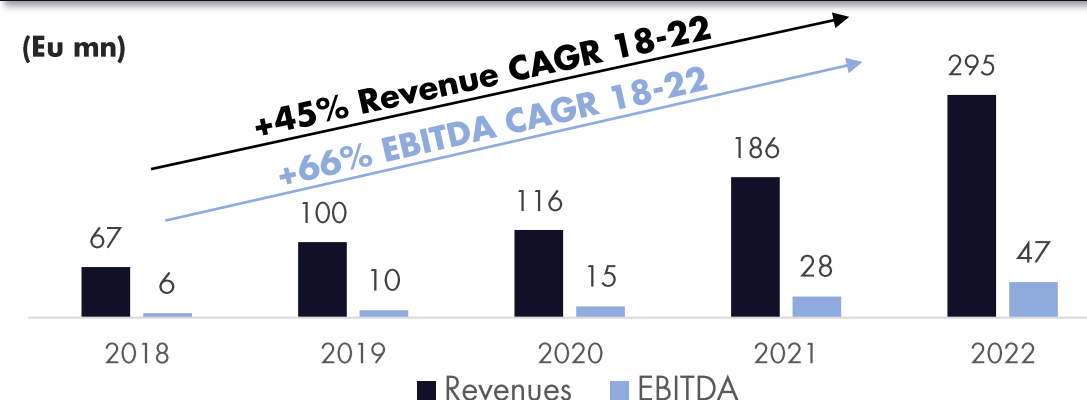
  
**GIORGIO ARMANI**

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

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## 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 – 265mn** in **2023** / **Eu 400 – 420mn** in **2024**
- ✦ **EBITDA Margin** between **16 – 16.5%** in **2023** / **17 – 17.5%** in **2024**

# First Quarter Highlights

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## ADMIRAL / ARMANI 72 UNVEIL

*February 11<sup>th</sup>, 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 15<sup>th</sup>, 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.

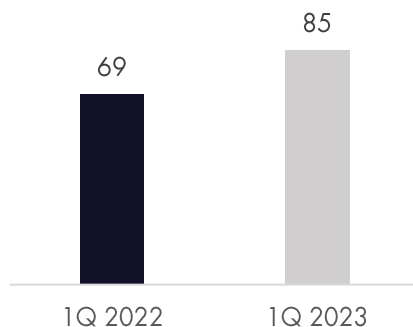
The fleet, called «Genesis», attests Perini Navi's ultra-high-level positioning as global player for large sailing yachts.

# Snapshot of Key Results

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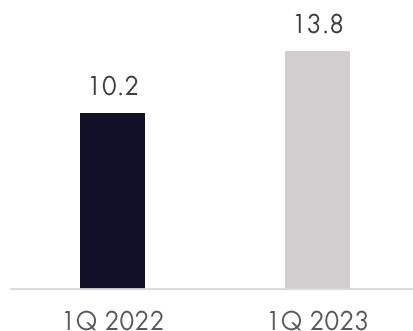
## Revenues 1Q 2023

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



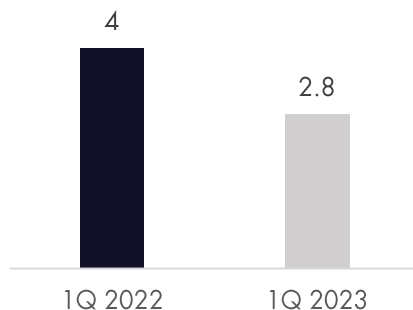
## EBITDA 1Q 2023

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



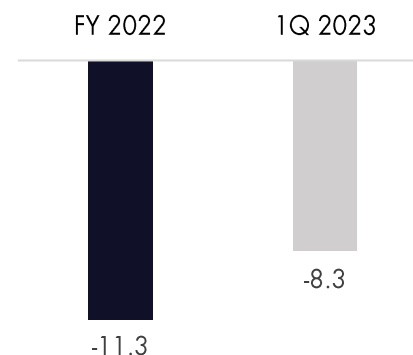
## Investments 1Q 2023

**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.



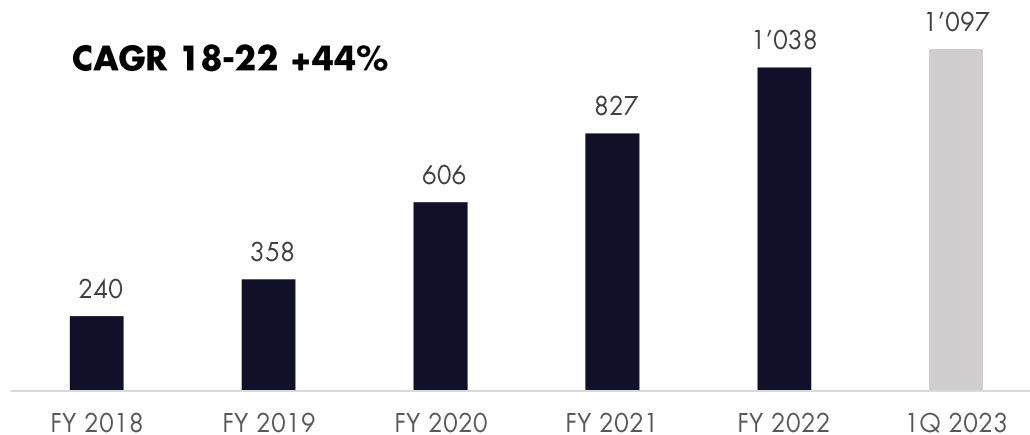
# Quality & Visibility of Order Book

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

(Eu mn)

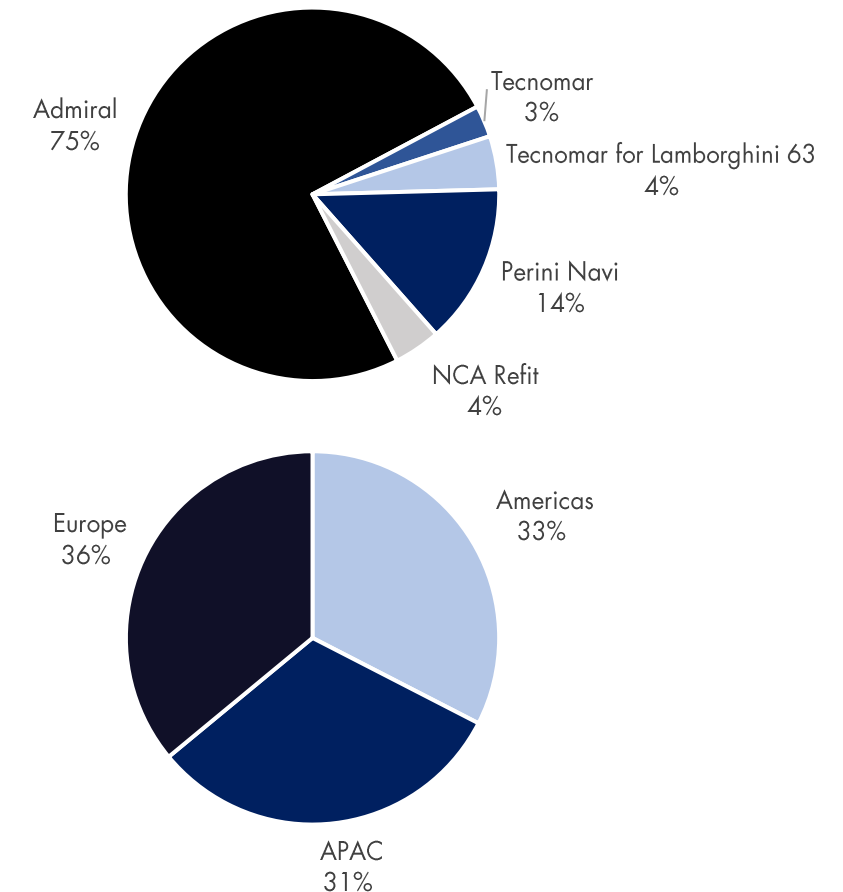
**CAGR 18-22 +44%**



## ORDER BOOK COMPOSITION

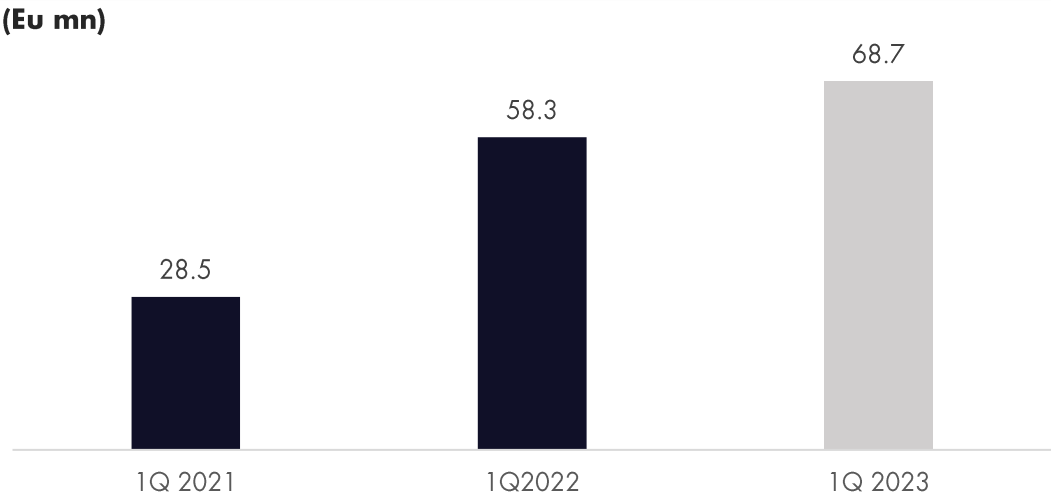
- Growth in demand from **Americas** and **APAC region** (from a total of 37% in FY 2020 to 64% in 1Q 2023).
- Growth in the **Order Book** with visibility up to **2027**.

## ORDER BOOK BREAKDOWN

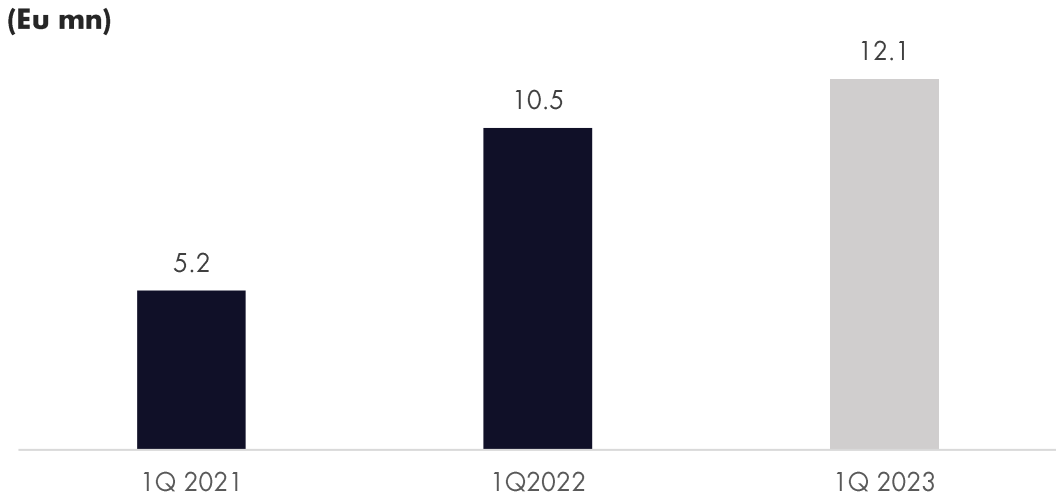


# Shipbuilding & Refit – Revenues

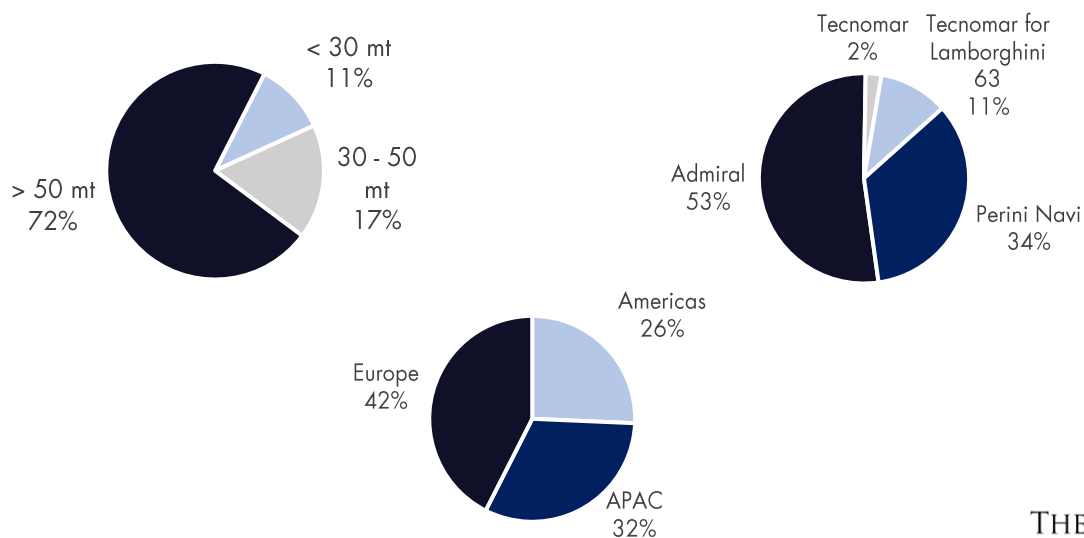
SHIPBUILDING REVENUE EVOLUTION / 1Q 2021 – 1Q 2023



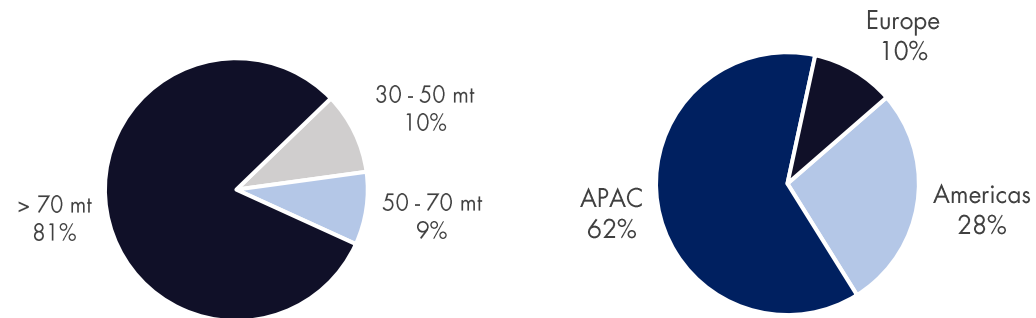
REFIT REVENUE EVOLUTION / 1Q 2021 – 1Q 2023



SHIPBUILDING REVENUES BY LOA, BRAND, AND GEOGRAPHY



REFIT REVENUES BY LOA AND GEOGRAPHY







# STRATEGY HIGHLIGHTS

# Commercial Approach & Contract Structure

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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)

*Payment of 11/12 milestones, each worth c.10% of purchase price*

From 30 to  
over 50 mt LOA

Sale contract  
signature

Instalment #1

Instalment #2

Instalment #3

Instalment #4

Instalment #5

Instalment #6

Instalment #7

Instalment #8

Delivery

**Favourable  
working  
capital  
management**

Tecnomar for  
Lamborghini 63

Downpayment  
20%

Mid Payment  
30%

Mid Payment  
30%

Delivery  
20%

## 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.

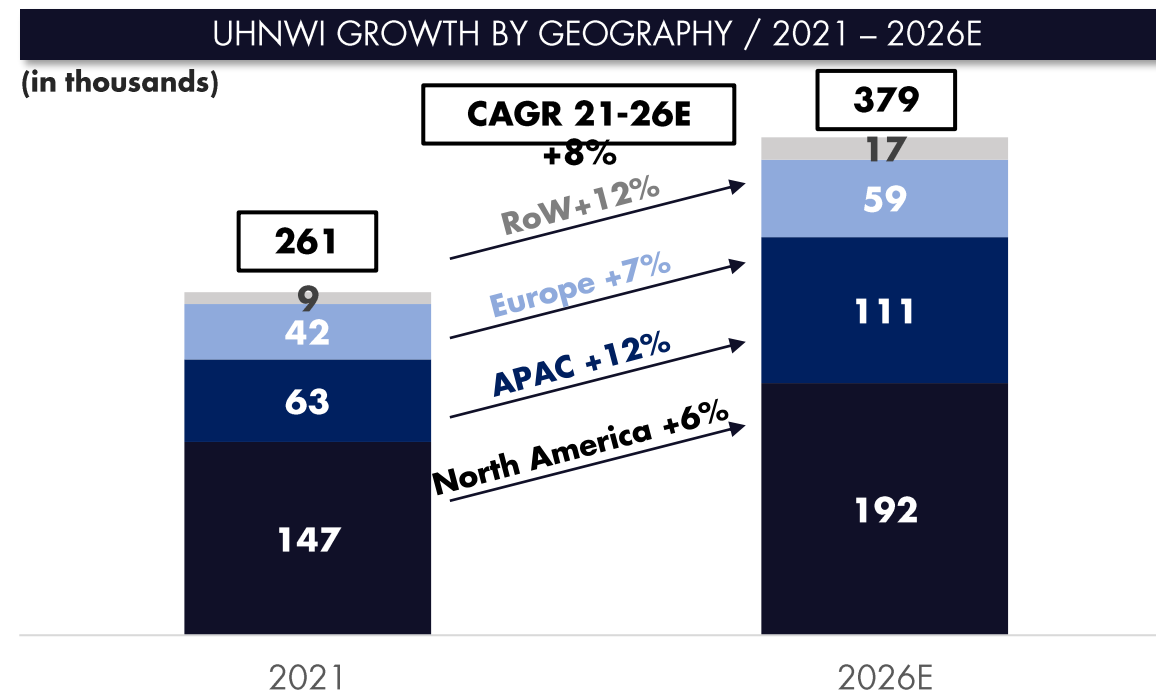
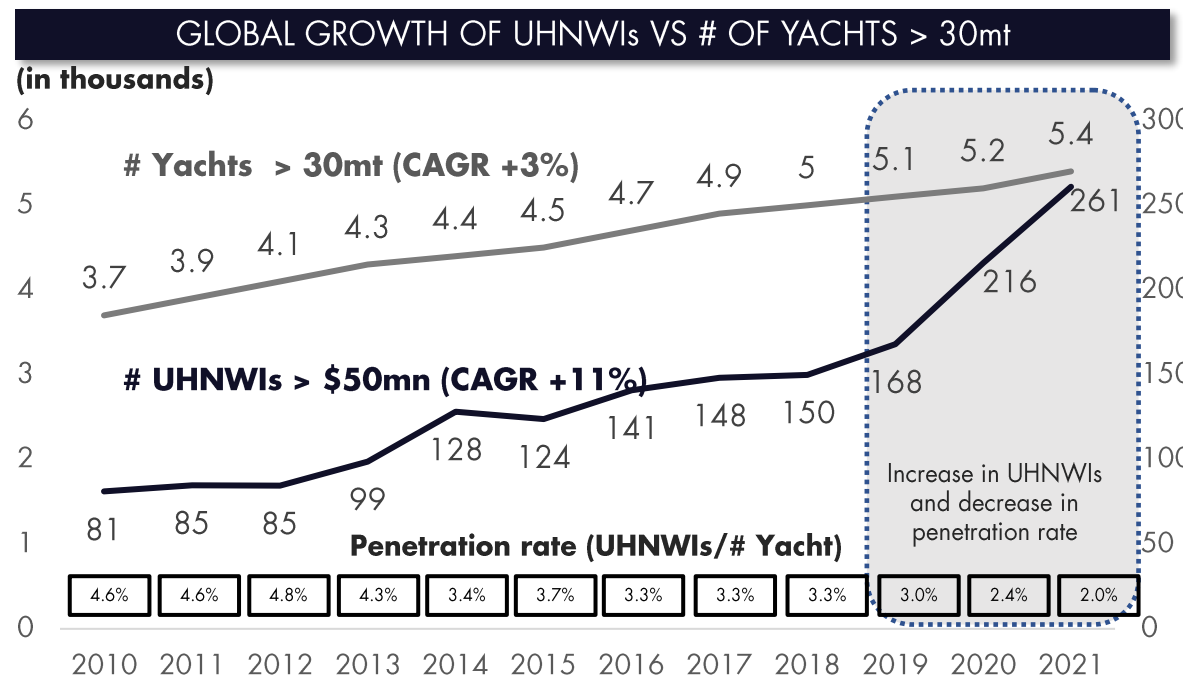
**Lock-in of  
profitability  
from order to  
completion**

# 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).



# Internalisation of Key Supply Chain Activities

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TISG internalises specific phases of the production cycle which require impeccable craftsmanship, 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



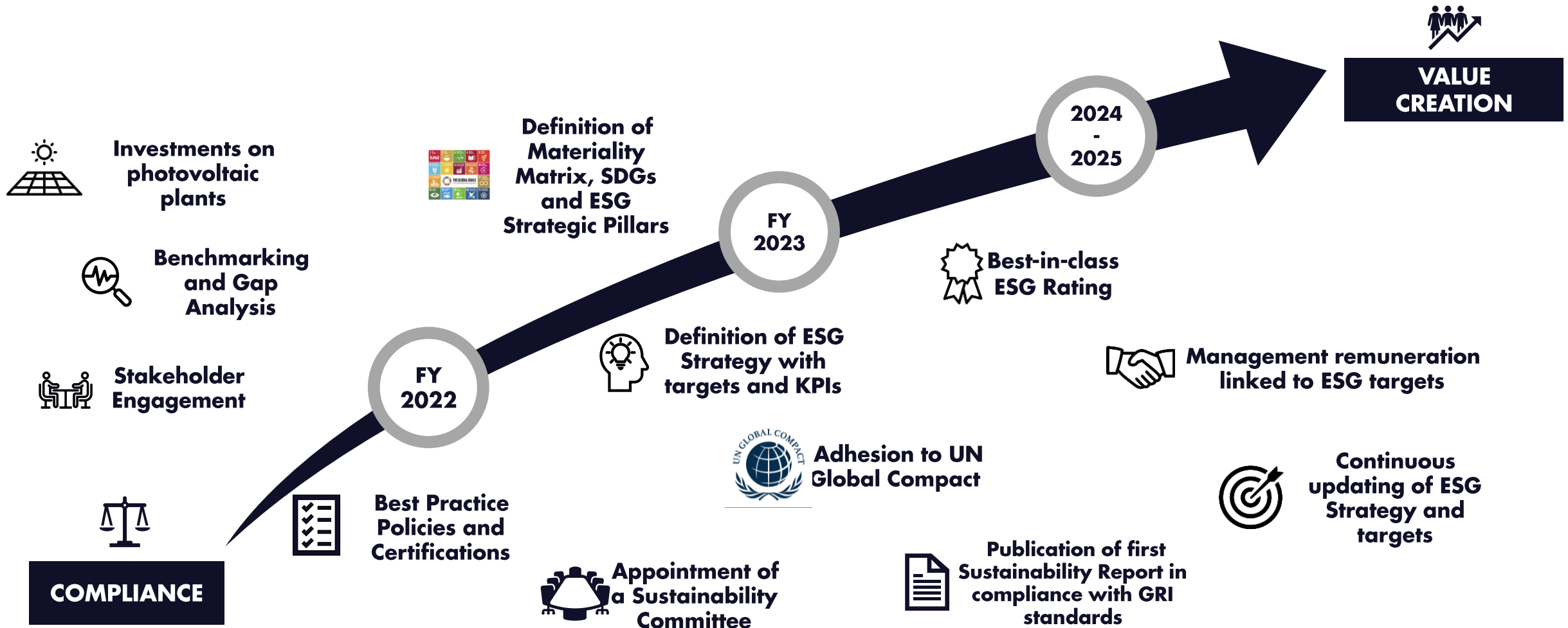
STEELWORKS





# 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



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

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SINCE 1975

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