THE ITALIAN SEA GROUP

BERENBERG EUROPEAN CONFERENCE

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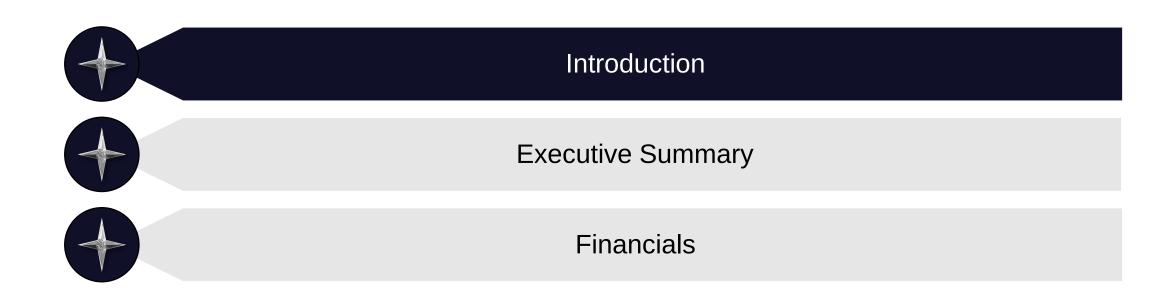




NCA REFIT



AGENDA

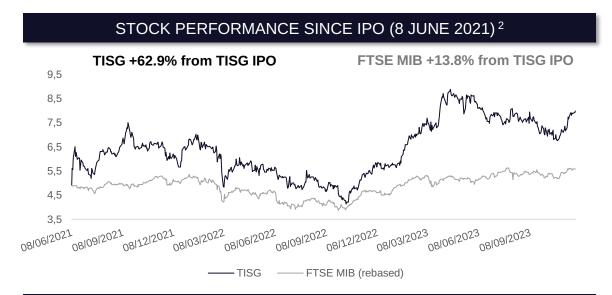


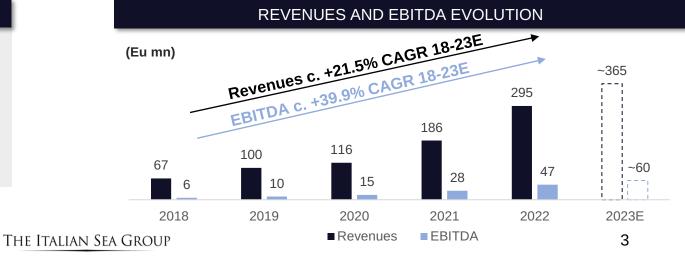
THE ITALIAN SEA GROUP AT A GLANCE

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 metres¹. TISG went public on the Milan Stock Exchange on 8th June 2021.

ADMIRAL Customised motor-yachts above 50mt. Speedy motor-yachts from 37mt to 50mt. Speedy motor-yachts from 47mt. PERINI NAVI Large sailing yachts from 47mt. Gentleman Yachts from 24mt to 55mt. Refit and maintenance of motor and sailing yachts, with a focus on yachts over 60mt. CELI Historical woodworking and furniture company, with expertise in yachting and real estate.

PARTNERSHIPS Limited edition speedy motor-yachts inspired by the Lamborghini Siàn FKP 37. Motor-yachts designed in collaboration with designer Giorgio Armani.





Notes: 1) Ranking based on 2022 yacht sales (source: Boat International, Global Order Book 2022);

2) Last updated on 28/11/2023.











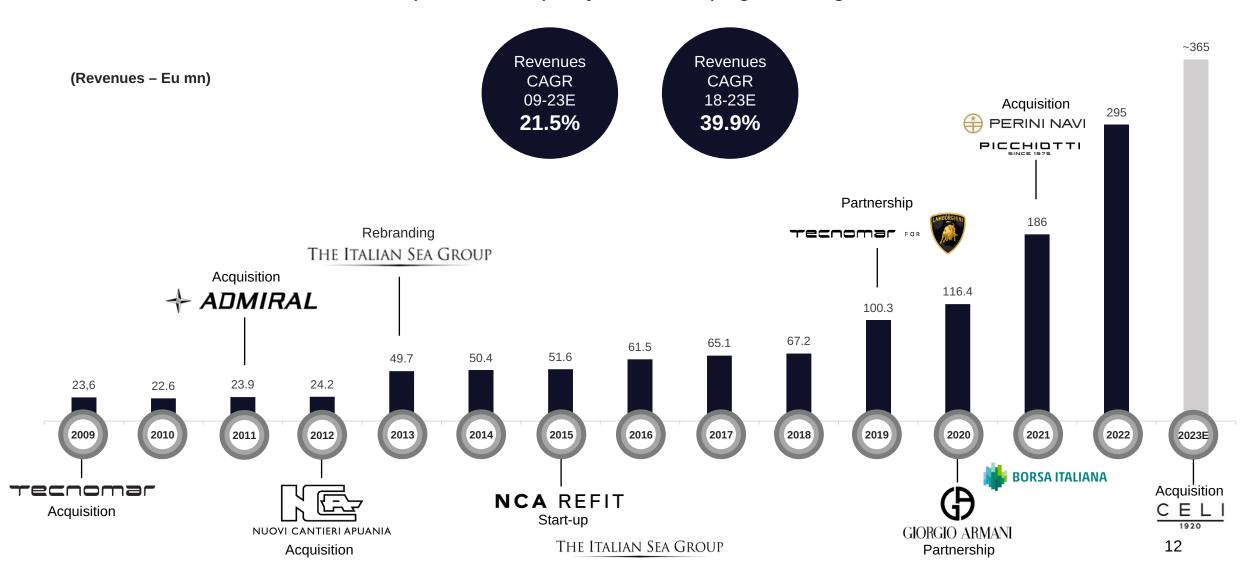






SUCCESS STORY SINCE 2009

TISG'S success story has been characterised by a strong focus on growth, leveraging on product quality, strategic investments on production capacity, and revamping of heritage Italian brands.

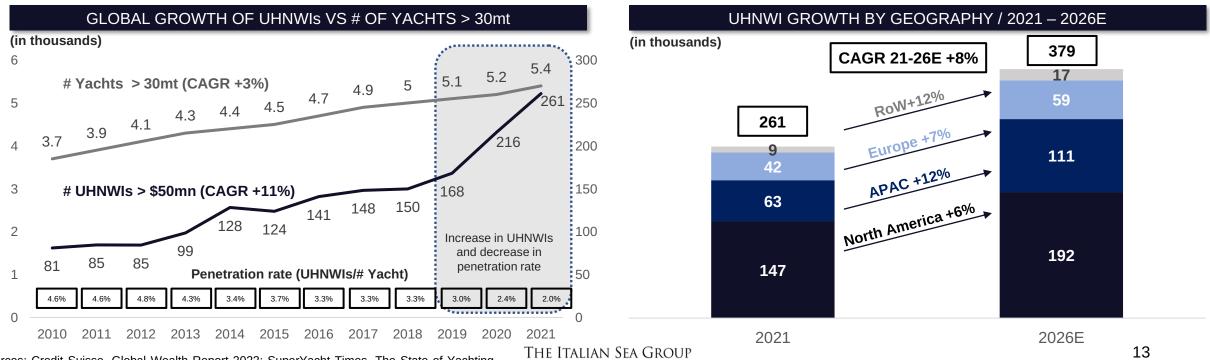


GROWING AND UNPENETRATED CUSTOMER BASE

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).



COMMERCIAL APPROACH & CONTRACT STRUCTURE

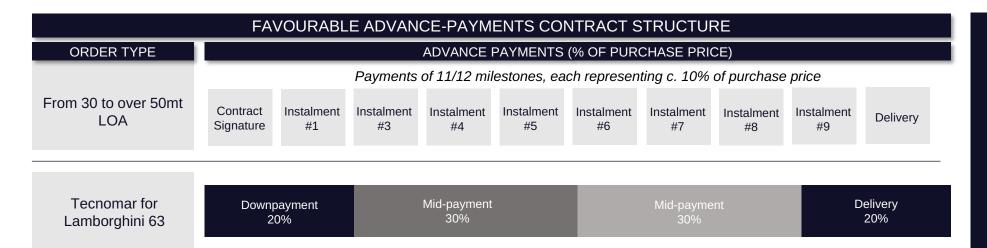
TISG's commercial approach and contract structure aim at limiting risks with respect to inventory, achieve favourable working capital, and lock in expected margins.

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 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

QUALITY AND VISIBILITY OF BACKLOG

The Italian Sea Group

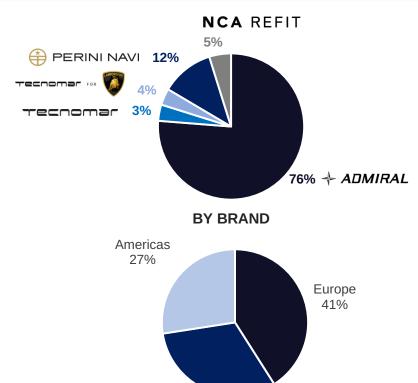
- Industry leading levels of backlog, with visibility until the end of 2027 and balanced breakdown between geographic areas;
- Gross Backlog at 30 September 2023 represents 3.8x LTM Revenues;
- Resilient client base (UHNWI), cash-buyers who do not require any financing to purchase the products;
- Strict commercial policy with no trade-ins or sale of used boats, eliminating inventory risk.

BACKLOG EVOLUTION (GROSS AND NET) (Eu mn) ■ Gross Backlog ■ Net Backlog ¹ 1,306 1,038 827 647 620 606 536 358 240 FY 2018 FY 2019 FY 2020 FY 2021 FY 2022 9M 2023

	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	LTM Revenues
Gross Backlog x LTM Revenues	3.6	3.6	5.2	4.5	3.5	3.8
Net Backlog x LTM Revenues	2.3	2.5	3.7	2.9	2.1	1.9

Notes: 1) Net Backlog refers to the total value of contracts in progress related to yachts not yet delivered to the clients, net of the revenues already recorded in the income statement.

GROSS BACKLOG BREAKDOWN

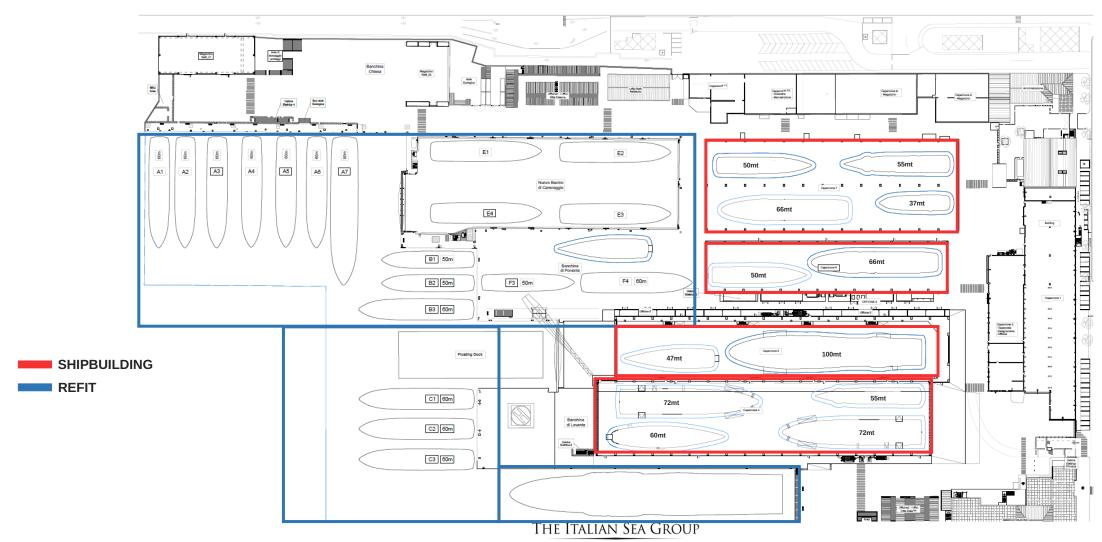


BY GEOGRAPHY

APAC 32%

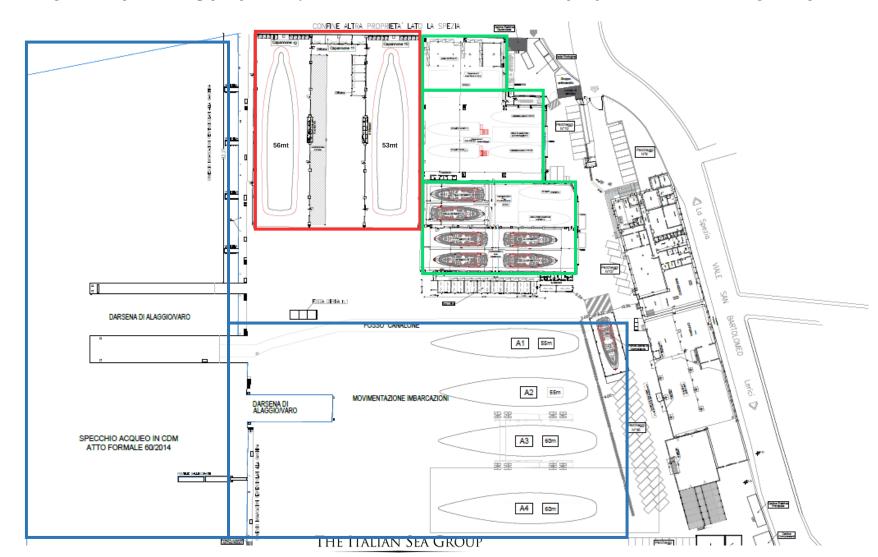
PRODUCTION CAPACITY – MARINA DI CARRARA

Representing **TISG**'s Headquarters, the **Marina di Carrara shipyard** covers a total surface of over 100,000sqm, with state-of–the-art facilities and direct access to the sea. At its **maximum capacity**, the shipyard can accommodate up to **12 Shipbuilding projects** in the larger dimensional range, as well as **25 Refit projects** up to 140mt.



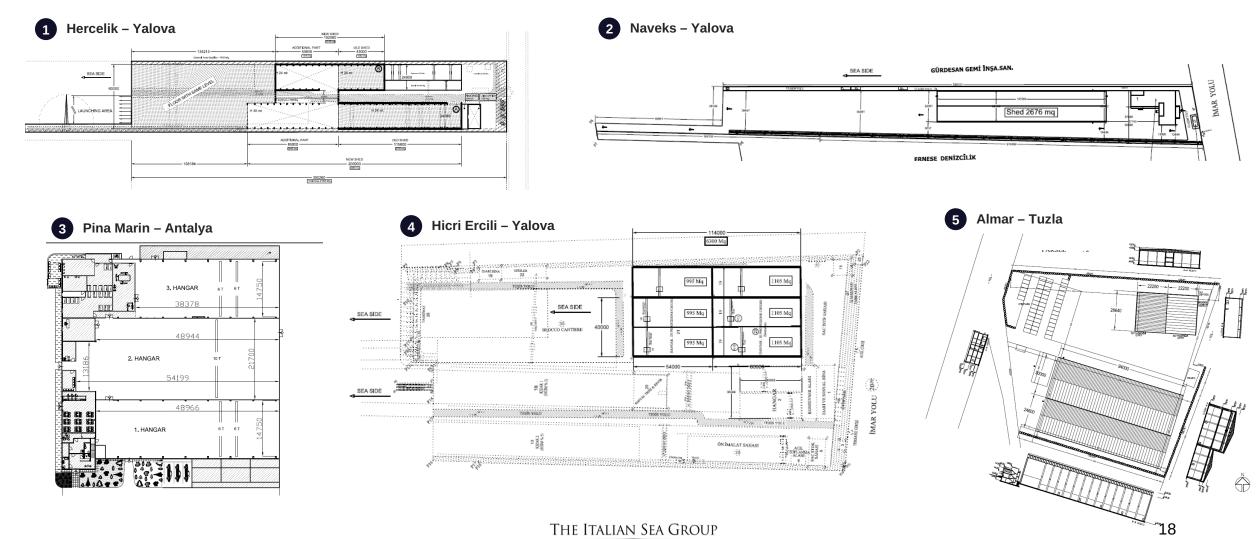
PRODUCTION CAPACITY - LA SPEZIA

Home of the **Tecnomar for Lamborghini 63 production**, the **La Spezia shipyard** covers a total surface of 38,000sqm. At its **maximum capacity**, the shipyard can manage **3 Shipbuilding projects** up to 60mt, as well as **c. 16 Refit projects** with an average length of 60mt.



PRODUCTION CAPACITY – TURKEY

In Turkey, TISG operates with a network of partners for the production of the vessels' **hull and superstructure**. The Company rents two **shipyards**, **Hercelik (1)** and **Naveks (2)**, and works with their suppliers in their own shipyards, all located in Yalova, Tuzla, and Antalya, for a total surface of c. 70,000sqm.



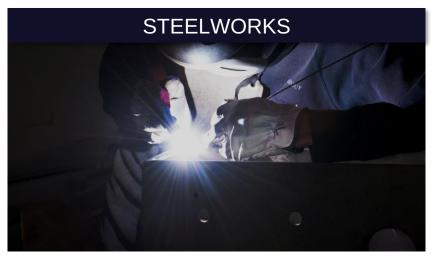
INTERNALISATION OF KEY SUPPLY CHAIN ACTIVITIES

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.









ESG ACHIEVEMENTS SO FAR



Reverse factoring agreements to support suppliers' liquidity



Adhesion to UN Global Compact



Publication of first Non Financial Report compliant with GRI



Photovoltaic systems installed on production facilities



100% residual energy consumption deriving from renewable sources for the Marina di Carrara facilities



universities for the

training of

employees and

students



Appointment of a new Board of **Directors with strong female**

presence





Obtainment of ISO 14001:2015 certification for Environmental **Management Systems**



Neutralisation of Scope 1 and Scope 2 emissions for FY 2022



Best Practice Policies and Certifications



Appointment of a Sustainability Committee



Delivery of 75-mt motoryacht Admiral Kensho, winner of 2023 Motor-yacht of the year, a benchmark for sustainable yachting



AGENDA



EXECUTIVE SUMMARY



9M 2023 RESULTS

- Order Book of Eu 1.3bn, +33% vs 9M 2022
- Revenues of Eu 262.2mn, +25% vs 9M 2022
- EBITDA of Eu 43.2mn, +31% vs 9M 2022, with a margin of 16.5%
- Investments of Eu 8.8 mn
- Net Financial Debt of Eu 31mn vs Eu 11.3mn at FY 2022

RELEVANT EVENTS AND BUSINESS OUTLOOK

- Obtainment of ISO 14001:2015 certification for Environmental Management Systems
- Participation at the 2023 Monaco Yacht Show with the worldwide preview of three new yachts, new product lines, and strategic partnerships
- **Deliveries** of **three large yachts** scheduled within the end of the year

STRATEGIC OUTLOOK

- 2023 Guidance confirmed in the high end of the value range: Revenues for Eu ~365mn and EBITDA Margin of ~16.5%
- 2024 Strategic Outlook confirmed: Revenues between Eu 400 420mn and EBITDA Margin between 17 17.5%

2023 MONACO YACHT SHOW HIGHLIGHTS

THE ITALIAN SEA GROUP

♦ ADMIRAL



M/Y Admiral Kenshō (75mt)



GIORGIO ARMANI



M/Y Admiral | Armani Silver Star (55mt)





S/Y Perini Navi Art Explorer (47mt)





M/Y Tecnomar This Is It (43mt)





M/Y Tecnomar for Lamborghini 63 (20mt)

NEW ICONIC MODELS



In occasion of the **2023 Monaco Yacht Show** opening, TISG announced three new iconic product lines during an exclusive press conference detailing the Company's next strategic steps.

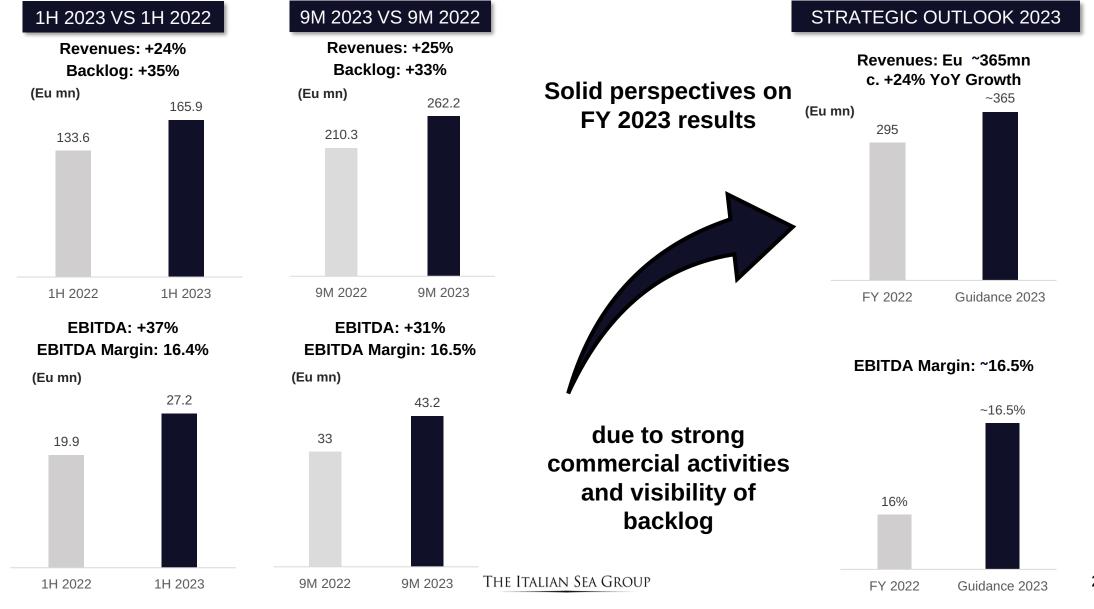
In particular:

- M/Y Admiral Project Adventure, a 50mt Explorer super-yacht;
- M/Y Tecnomar Project Cat 133, a motor catamaran inspired by the lines of the acclaimed M/Y Tecnomar This Is It;
- M/Y Tecnomar Project EVO 155, 46mt speedy motor-yacht, the newest evolution of the successful Tecnomar EVO 120 model.

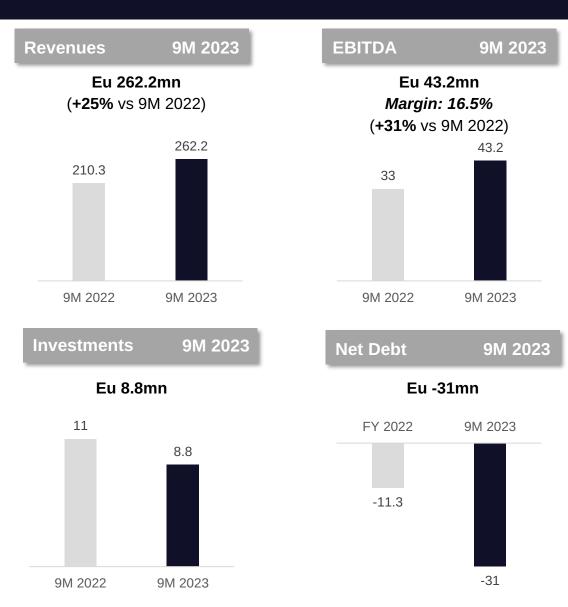
AGENDA



2023 GUIDANCE CONFIRMED IN THE HIGH END OF THE VALUE RANGE



SUMMARY OF KEY 9M 2023 RESULTS



KEY HIGHLIGHTS

- 25% increase in Revenues due to the positive development of the Shipbuilding division, as well as an increase in Refit activities due to the seasonality of the business
- The increase in marginality over time is due to a careful management of operating costs, a better efficiency of production processes, and the internalisation of the most value-added phases of the supply chain;
- Investments for the first nine months of 2023 are related to the closing of the «TISG 4.0» and «TISG 4.1» investments related to «TISG 4.2», the expansion of commercial offices in Marina di Carrara and the development on production capacity for subsidiary Celi.
- Net Financial Debt for Eu 31mn vs Eu 11.3mn on FY 2022.

SHIPBUILDING REVENUES

KEY HIGHLIGHTS

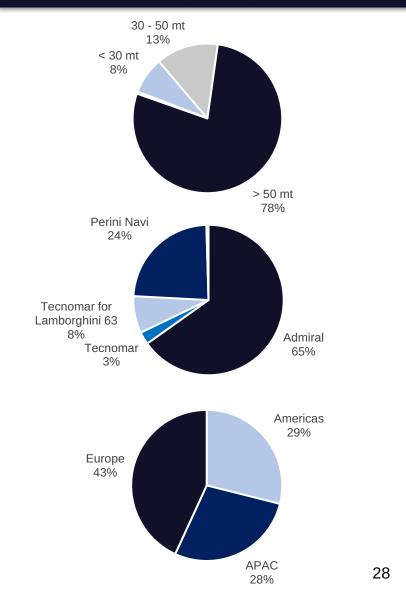
- Shipbuilding Revenues amount to Eu 226.7mn (+22% vs 9M 2022).
- This result is attributable to:
 - i) The regular progress of existing orders;
 - ii) The signing of new sale contracts.

SHIPBUILDING REVENUES 9M 2021 – 9M 2023

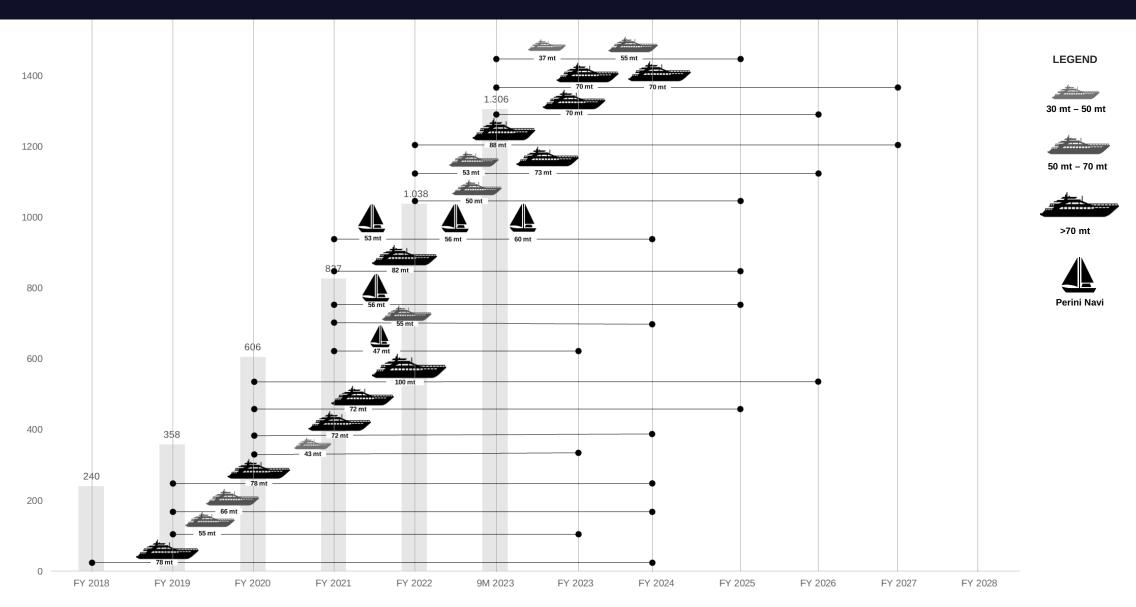


The Italian Sea Group

BREAKDOWN BY LOA, BRAND, AND GEOGRAPHY



SHIPBUILDING ORDER BOOK – BY PROJECT AND SCHEDULED DELIVERY

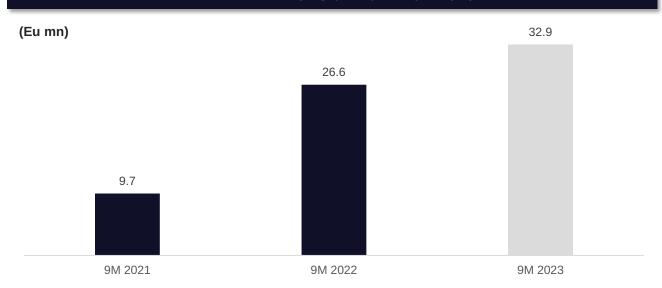


REFIT REVENUES

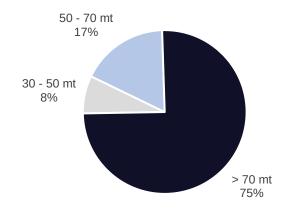
KEY HIGHLIGHTS

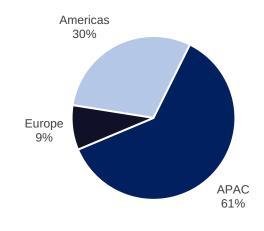
- Refit Revenues amount to Eu 32.9mn (+23.5% vs 9M 2022).
- This result is attributable to the use of the new spaces in Marina di Carrara and La Spezia, as well as the strategic scheduling of refit activities, which are more intense in the second part of the year.

REFIT REVENUES 9M 2021 – 9M 2023

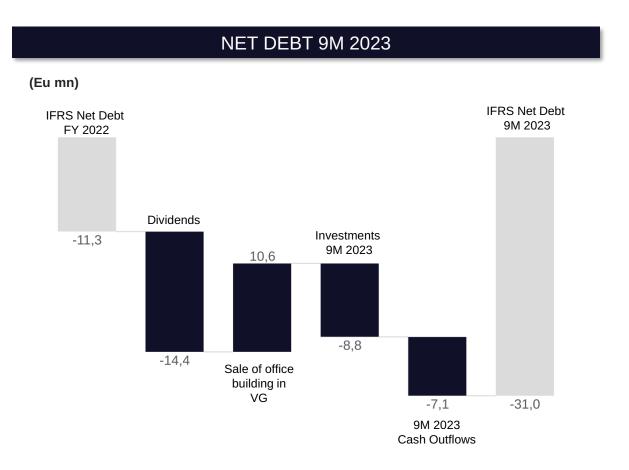


BREAKDOWN BY LOA AND GEOGRAPHY





SOLID AND FLEXIBLE FINANCIAL STRUCTURE



KEY HIGHLIGHTS

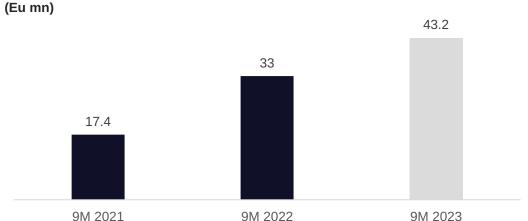
- Net Debt is equal to Eu 31mn in 9M 2023, vs Eu 11.3mn at FY 2022.
- Cash outflows for:
 - (i) Dividends for Eu 14.4mn;
 - (ii) Investments for the period for Eu 8.8mn;
 - (iii) Net Working Capital dynamics, generating a cash outflow of **c. Eu 7mn**
- Cash inflows for:
 - (i) Disposal of the office building in Viareggio, for **Eu 10.6mn**.

EBITDA & CAPEX

EBITDA

- Significant increase in **marginality** over time is attributable to:
 - Strong attention to operating cost management.
 - Growing efficiency of production processes.
 - Benefits coming from investments in production capacity, with advantageous synergies between Shipbuilding and Refit.
 - (iv) Increase in product prices, due to strengthening brand awareness.
 - Economies of scale.

43.2 33

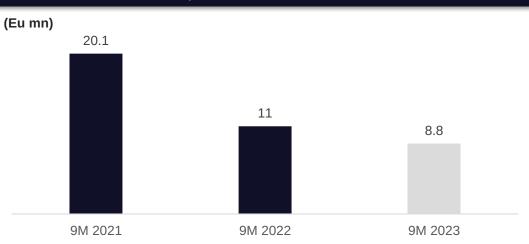


EBITDA 9M 2021 - 9M 2023

CapEx

- Throughout the first nine months of 2023, TISG made **Investments** for:
 - Completion of «TISG 4.0» and «TISG 4.1» investment plans;
 - Improvements on the La Spezia Shipyard («TISG 4.2»);
 - Expansion of commercial offices in Marina di Carrara;
 - Investments related to the increase in the production capacity of Celi S.r.l.

CapEx 9M 2021 - 9M 2023



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



Eu ~365mn in 2023

Eu 400 - 420mn in 2024



~16.5% in 2023

17 - 17.5% in 2024



Distribution of **40-60%** of Net Profit as yearly dividend



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

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