



THE ITALIAN SEA GROUP

---

CAPITAL MARKETS DAY

FEBRUARY 7TH, 2024

# SPEAKERS



GIOVANNI COSTANTINO

FOUNDER & CEO



MARCO CARNIANI

VICE CHAIRMAN & CFO



SIMONA DEL RE

ESG & CORPORATE AFFAIRS  
MANAGER



BENEDETTA DE MAIO

INVESTOR RELATIONS  
SPECIALIST



“

WELCOME TO THE  
ITALIAN FACTORY  
OF EMOTIONS

GIOVANNI COSTANTINO  
FOUNDER & CEO

”

# AGENDA

- 1 EXECUTIVE SUMMARY
- 2 FACILITIES & PRODUCTION CAPACITY
- 3 2024 YACHT DELIVERIES
- 4 NEW SHIPBUILDING PROJECTS
- 5 COMMITMENT TO SUSTAINABILITY
- 6 FINANCIAL SUMMARY

# FLOATING MASTERPIECES

PICCHIOTTI  
SINCE 1575



ADMIRAL



PERINI NAVI



TECNOMAR



NCA REFIT



CELI  
1920



THE ITALIAN SEA GROUP



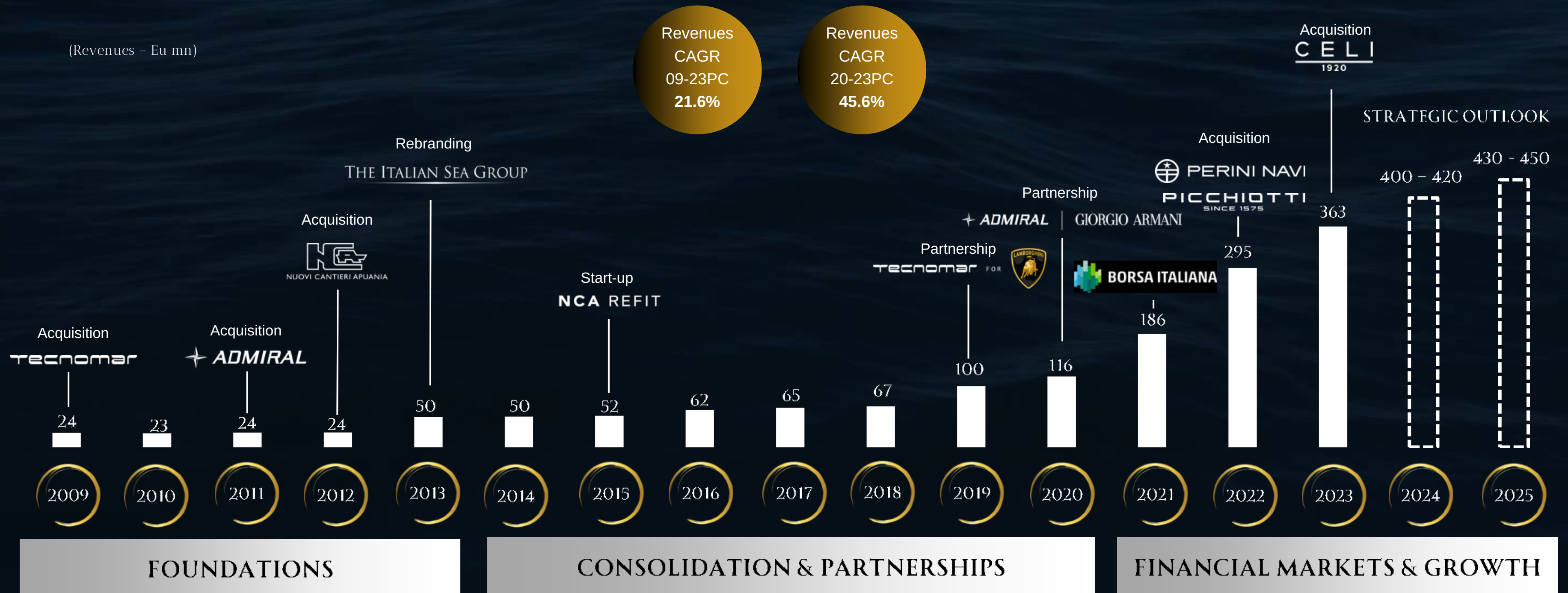
# 1

## EXECUTIVE SUMMARY

# SUCCESS STORY SINCE 2009

Unrivalled success story founded on the revamping of heritage Italian brands, focus on design and product quality, investments on production capacity, and commitment to financial growth and solidity.

The Group's ambition is to exceed Eu 500mn in Revenues.



# TOP MANAGEMENT



FILIPPO MENCHELLI  
CHAIRMAN



MARCO CARNIANI  
VP & CFO



ANDREA BIGAGLI  
STRATEGY DIRECTOR



MARCO FIGARA  
COO



GIULIO PENNACCHIO  
NCA REFIT GENERAL DIRECTOR



SALVATORE GRECO  
COO – TISG TURKEY



DANIELE PASCUTTI  
ENGINEERING DIRECTOR



PAOLO MISITANO  
QUALITY DIRECTOR



MATTIA PIRO  
YACHT DESIGN DIRECTOR



MASSIMILIANO PIETRINI  
TISG TURKEY CO-DIRECTOR



VITTORIO BIENGINI  
SALES DIRECTOR

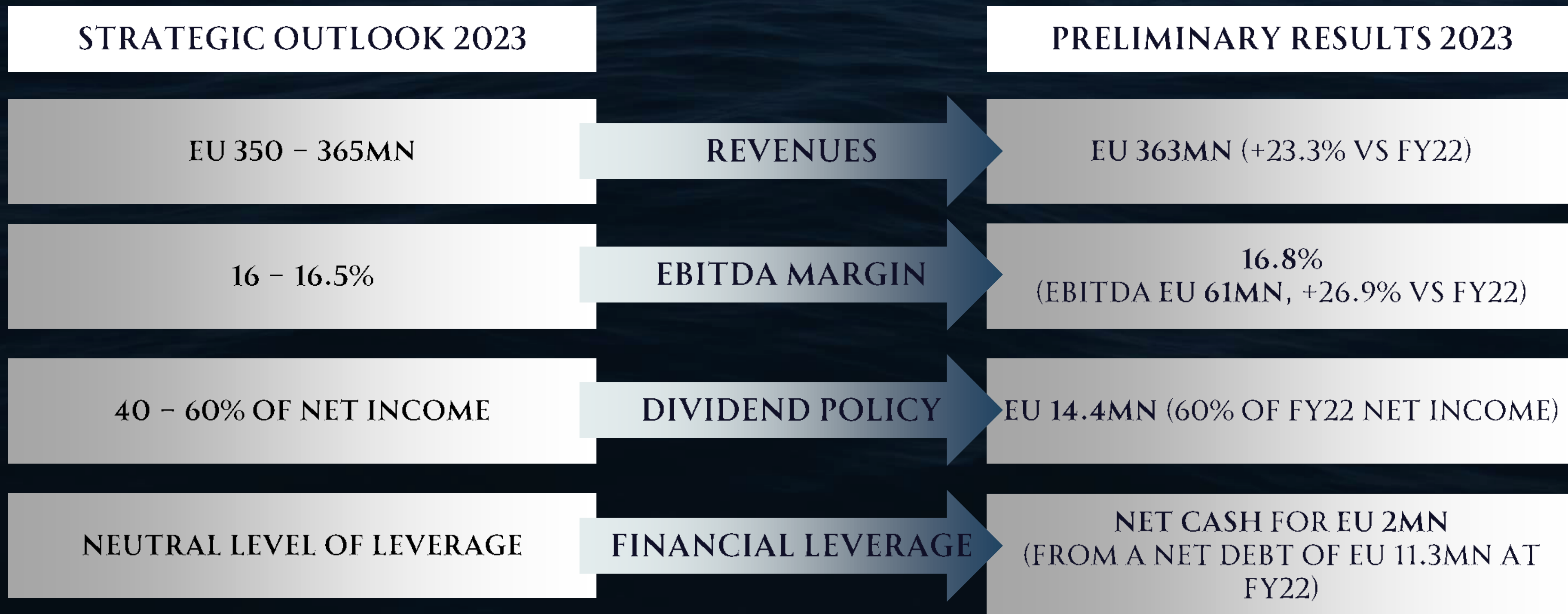


MARIANNA FERRANTE  
MARKETING DIRECTOR



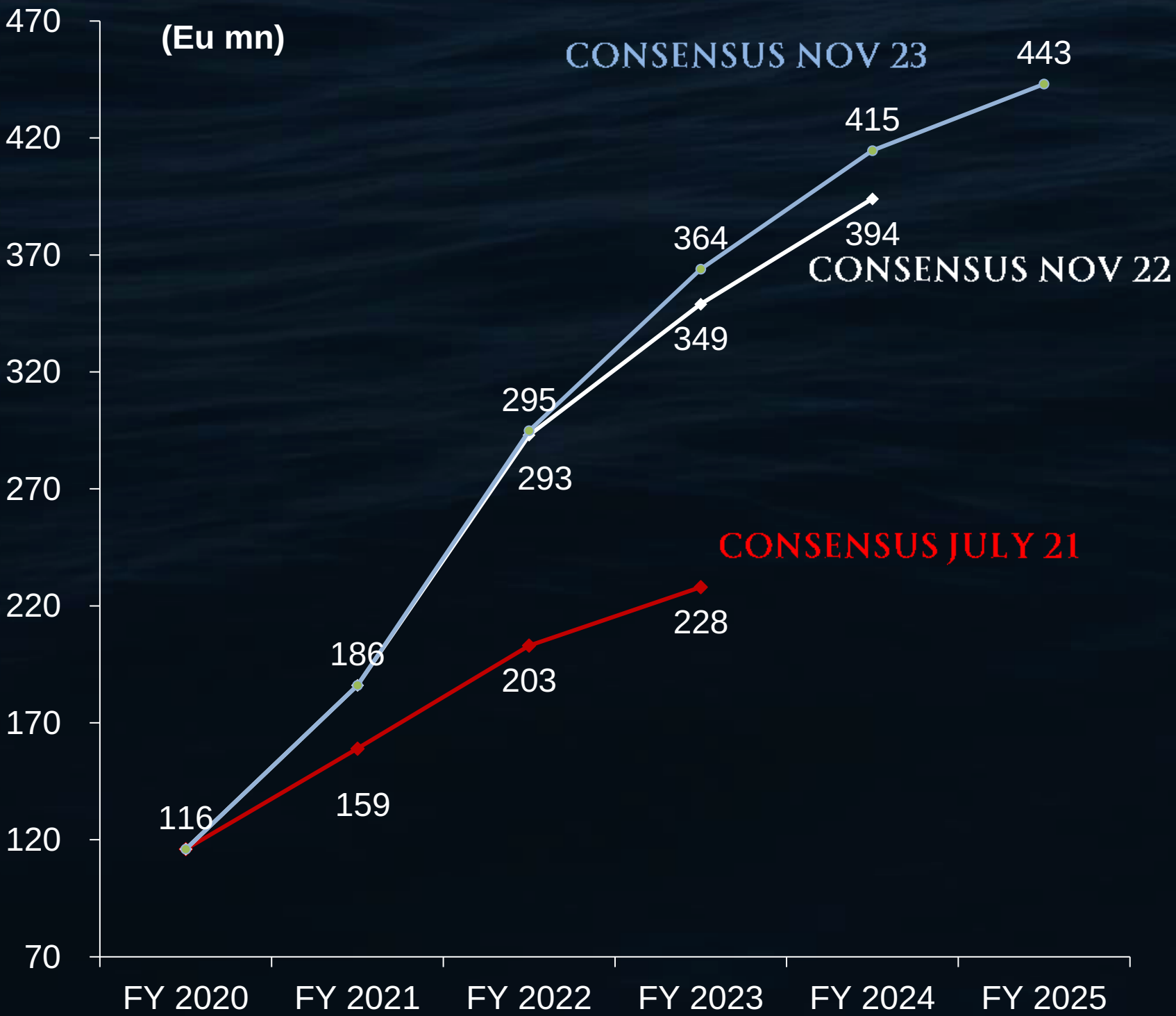
ALBERTO FERRI  
HR DIRECTOR

# ALL 2023 FINANCIAL TARGETS ACHIEVED

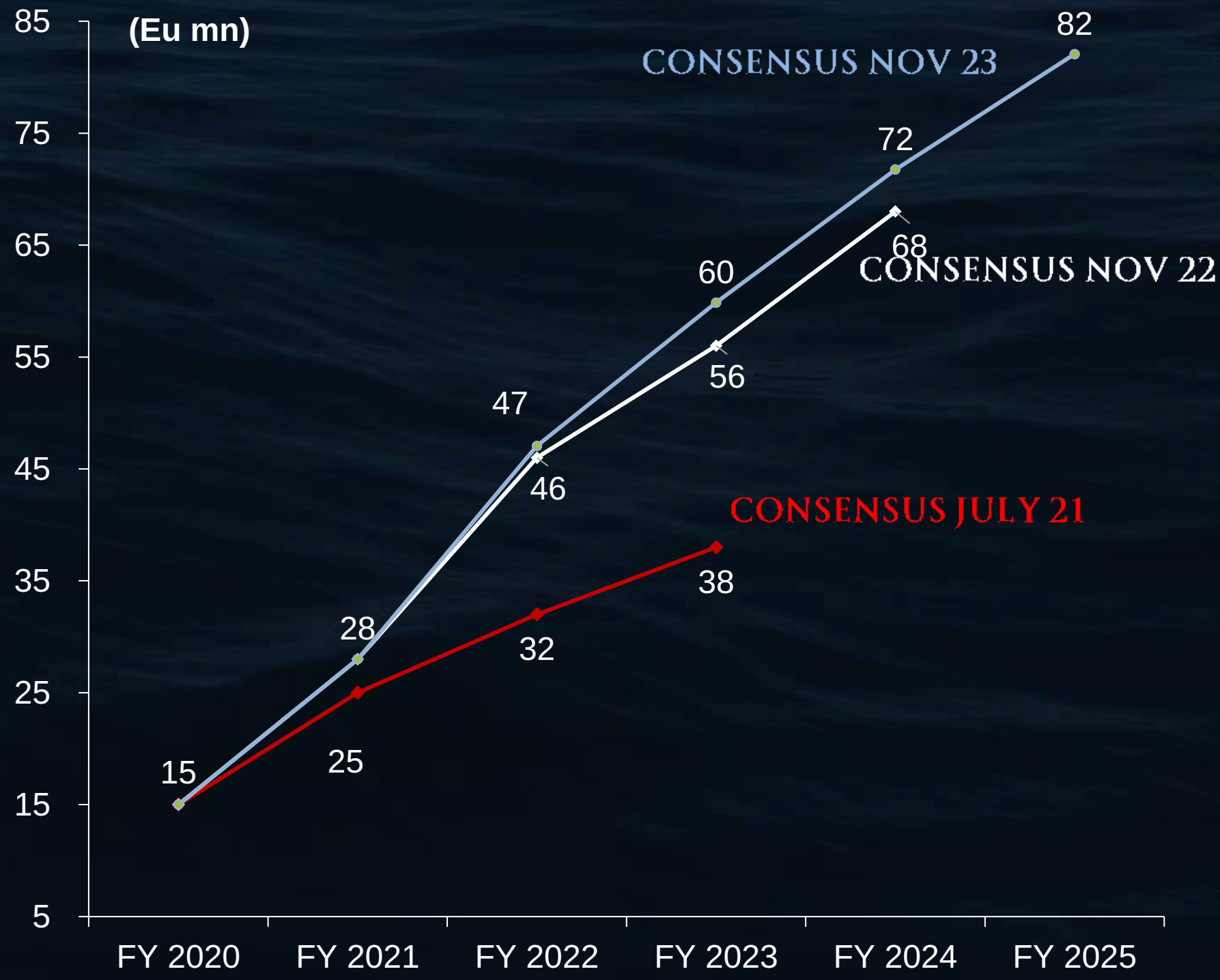


# TRACK RECORD & OVERPERFORMANCE SINCE IPO VS CONSENSUS

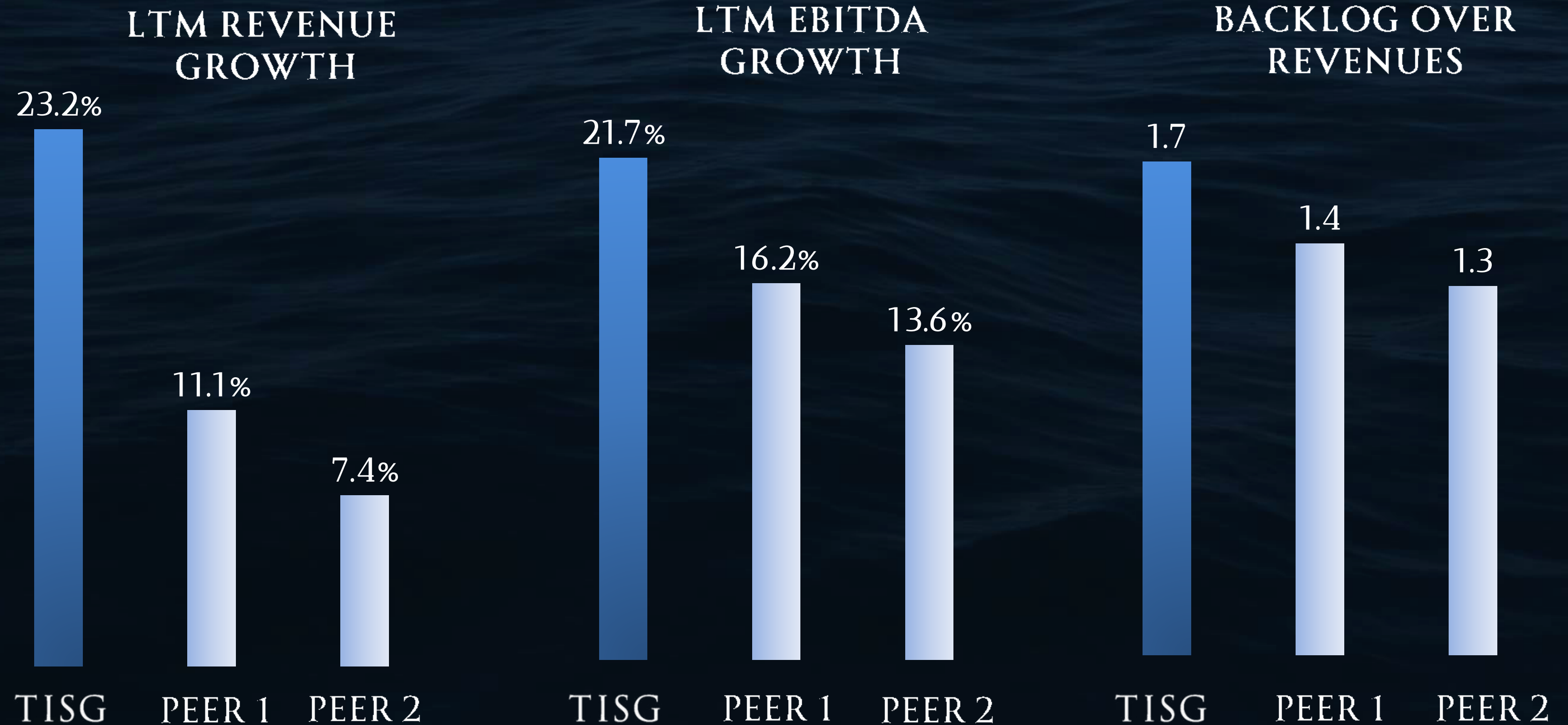
REVENUES



EBITDA



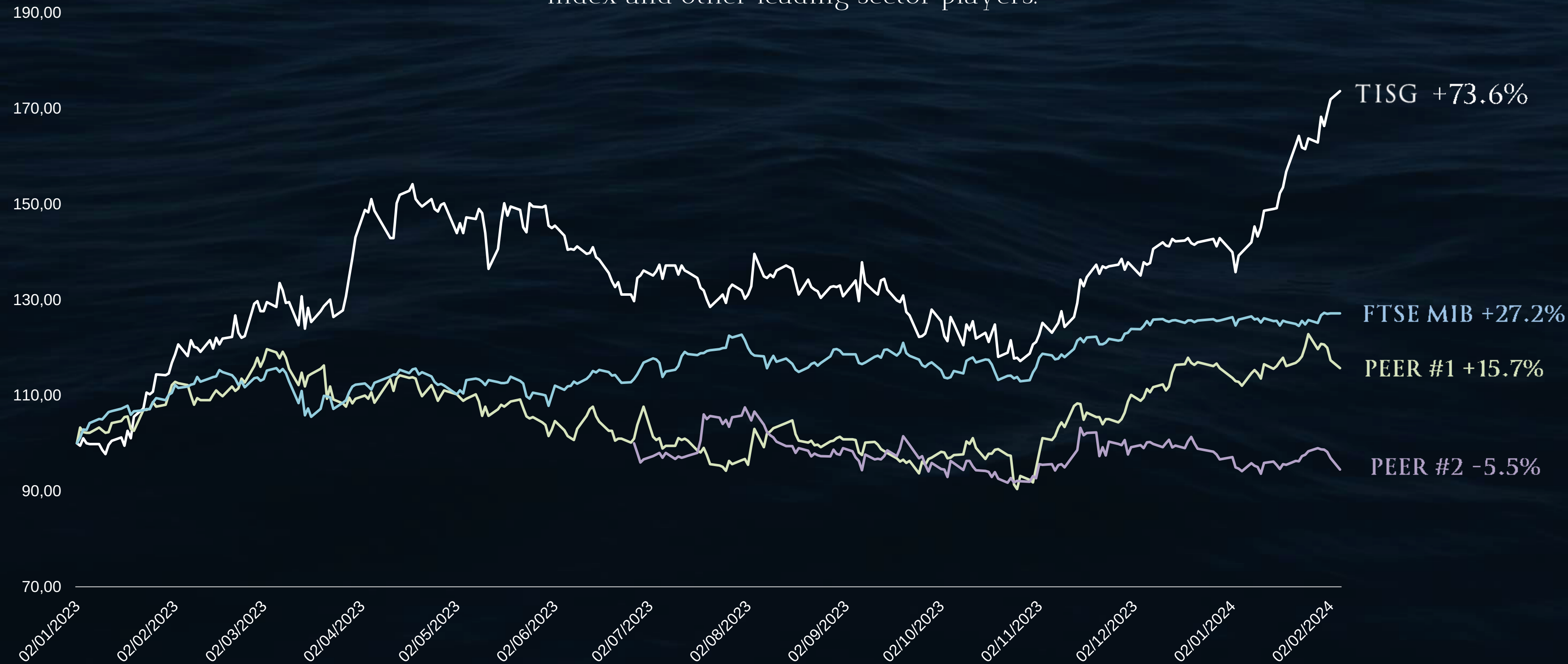
# TOP RANKING PERFORMANCE AMONG LISTED PEERS



Notes: (1) Revenue and EBITDA growth are LTM 31/12/2023 vs 31/12/2022 for TISG, and LTM 30/09/2023 vs 30/09/2022 for Peer 1 and Peer 2. Backlog data refers to Revenues and Backlog as of 31/12/2023 for TISG, and LTM Revenues and Backlog as of 31/12/2022 for Peer 1 and Peer 2; (2) Backlog over Revenues for TISG in 2022 was 2,1x; (3) For Peer 1, Backlog relating to yachts delivered during the year is conventionally cleared on 31 December.

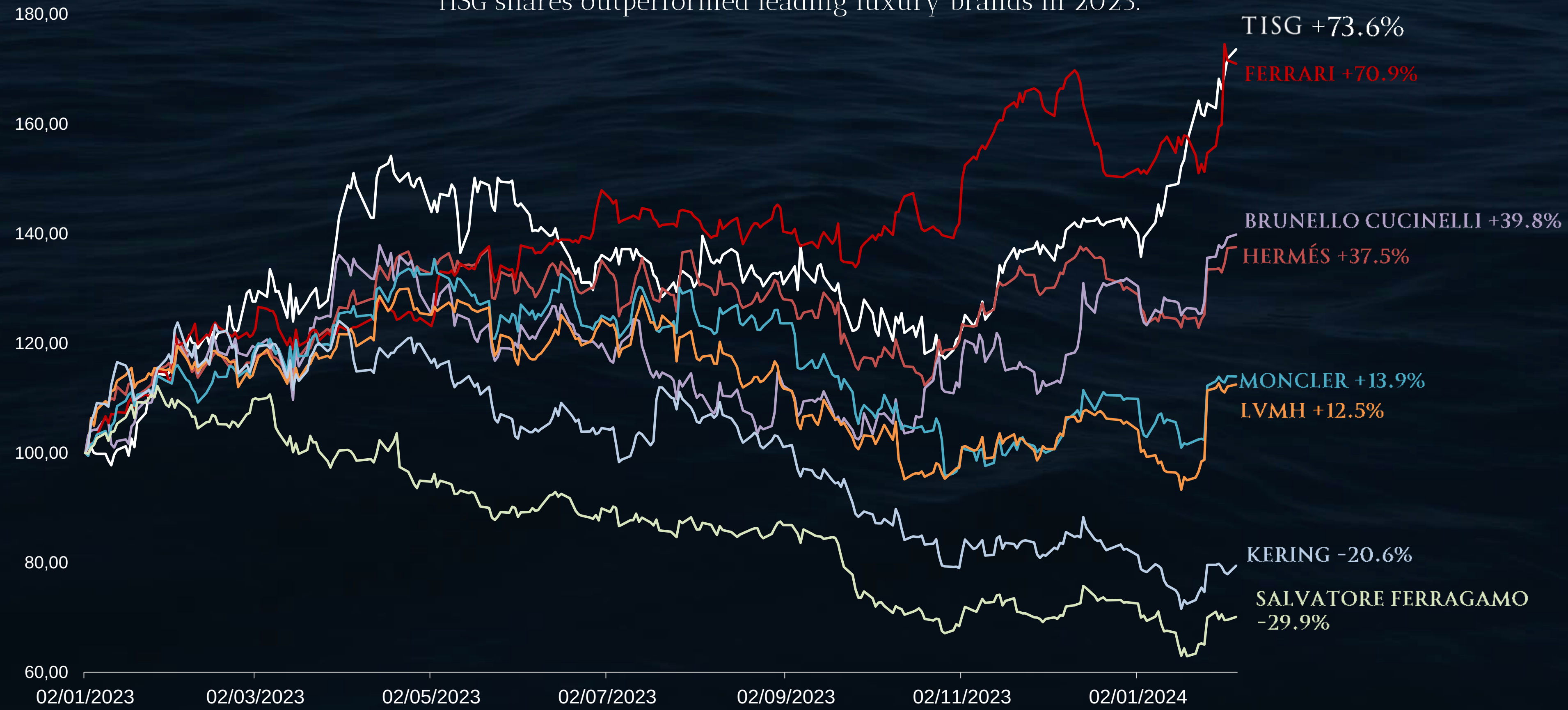
# 2023 STOCK PERFORMANCE VS INDEX AND PEERS

Impressive share price performance on the Milan Stock Exchange since January 2023, well above the reference FTSE MIB Index and other leading sector players.



# 2023 STOCK PERFORMANCE VS LUXURY INDUSTRY PEERS

TISG shares outperformed leading luxury brands in 2023.



THE ITALIAN SEA GROUP

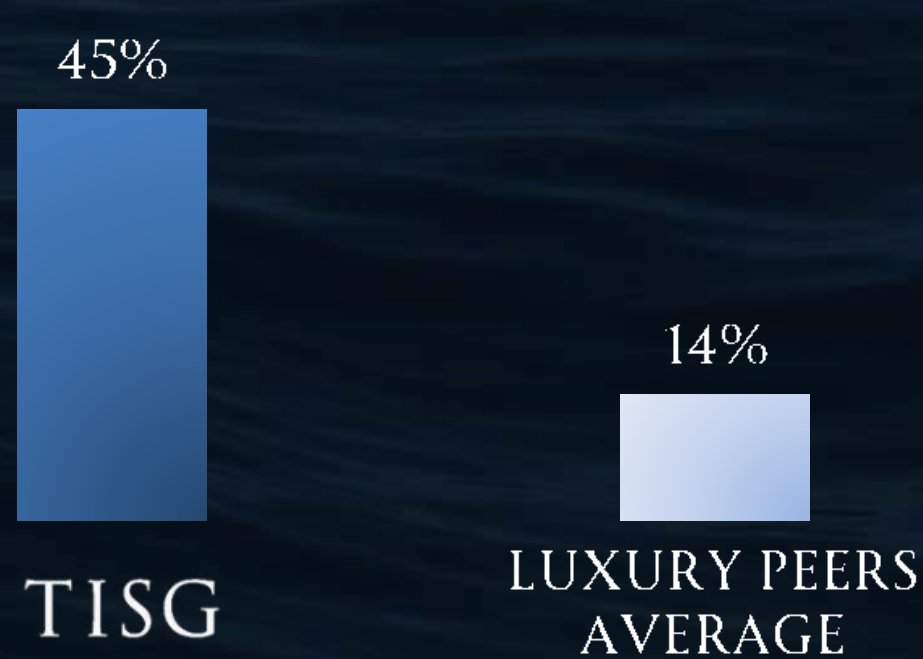
# MARKET VALUATION VS LUXURY PEERS

Despite boasting significantly higher Revenues and EBITDA growth, TISG's shares are trading at significantly lower multiples.

LTM REVENUE GROWTH



LTM EBITDA GROWTH



EV/REVENUES 2024



EV/EBITDA 2024





# INDUSTRY-WIDE RECOGNITION WITH PRESTIGIOUS AWARDS IN 2023

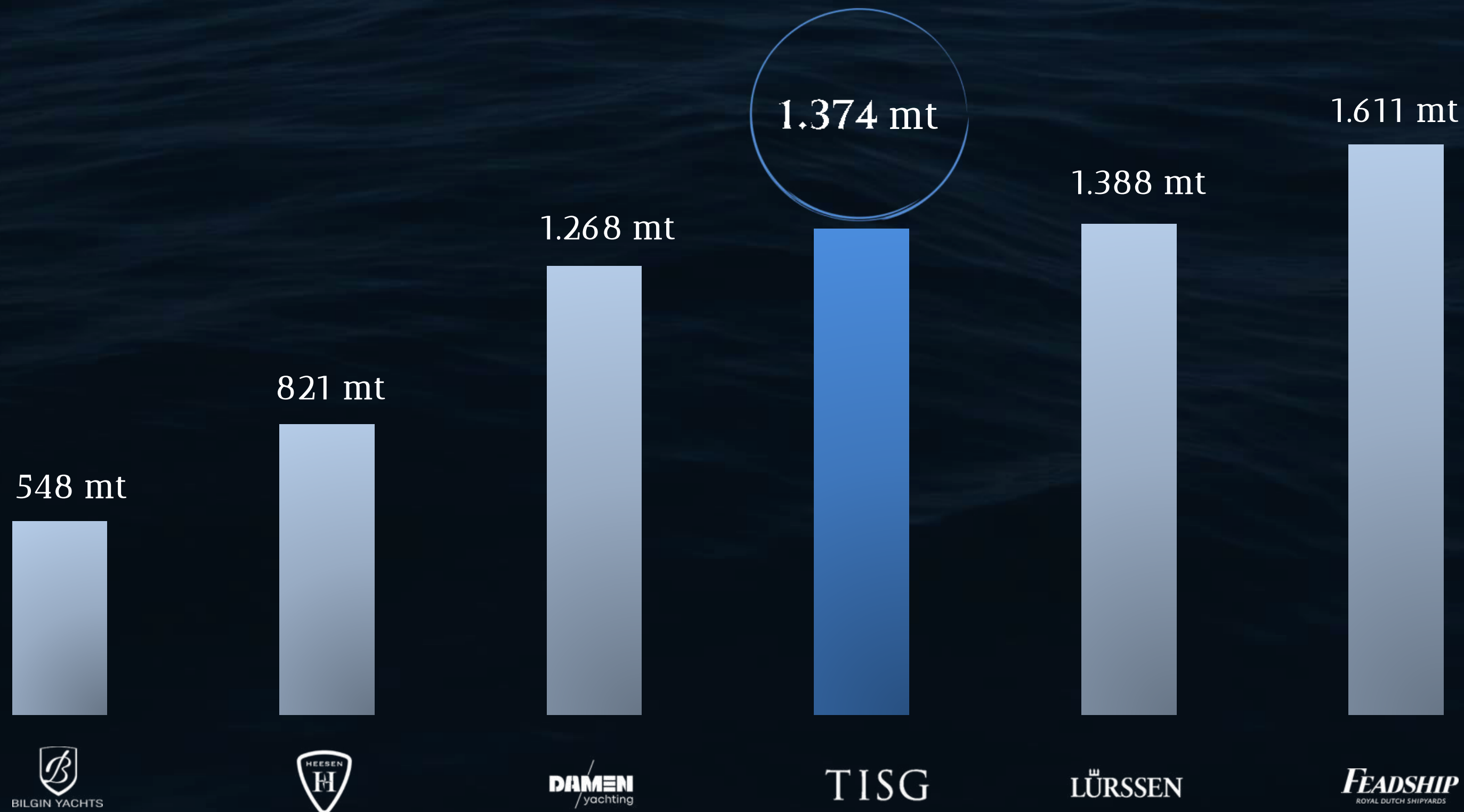
✦ *ADMIRAL*  
M/Y KENSHŌ



THE ITALIAN SEA GROUP

# KEY PLAYER IN LUXURY YACHTING

Third shipyard globally and first in Italy in terms of total project length for yachts >50mt.  
This segment has demonstrated the highest level of growth and resilience over the last 20 years,

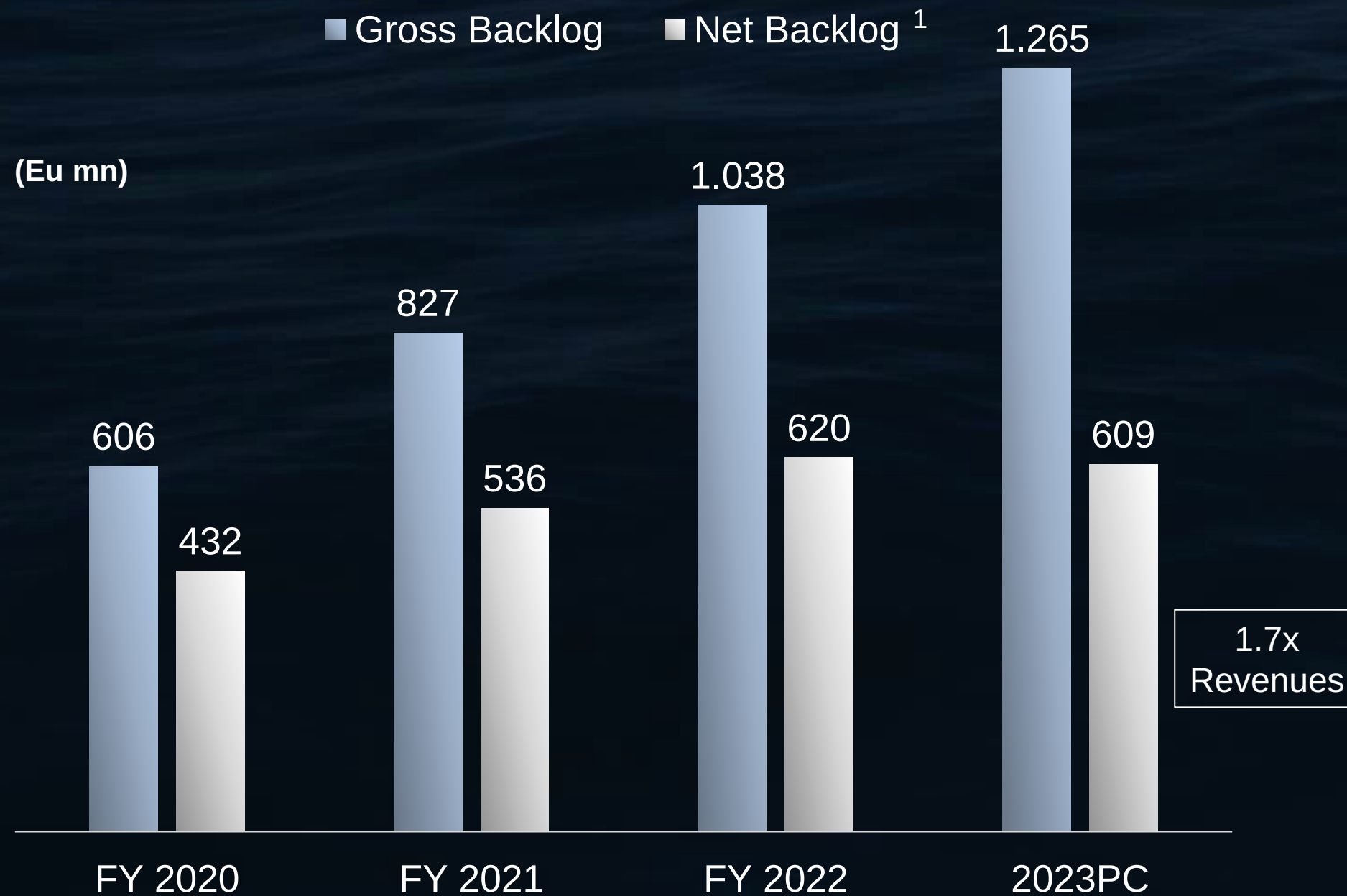


THE ITALIAN SEA GROUP

# QUALITY & VISIBILITY OF ORDER BOOK

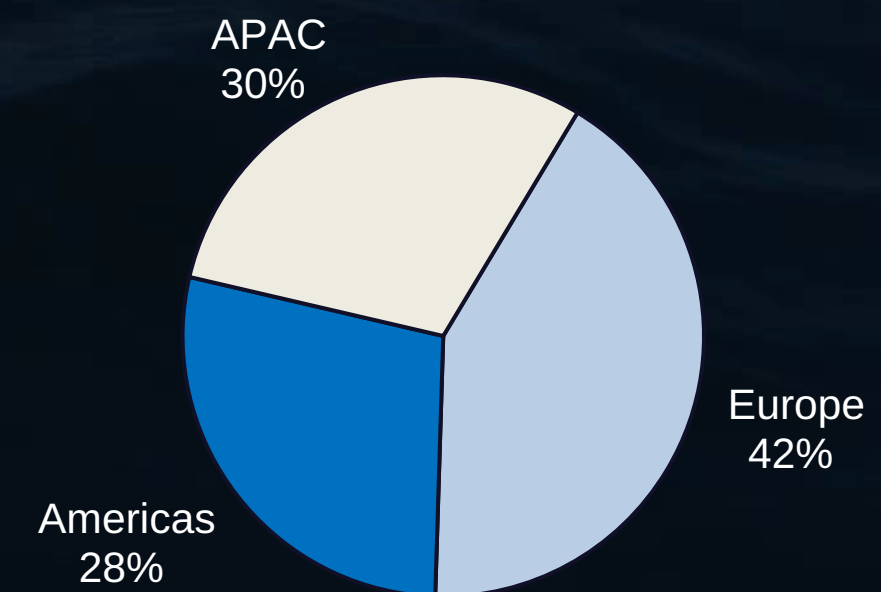
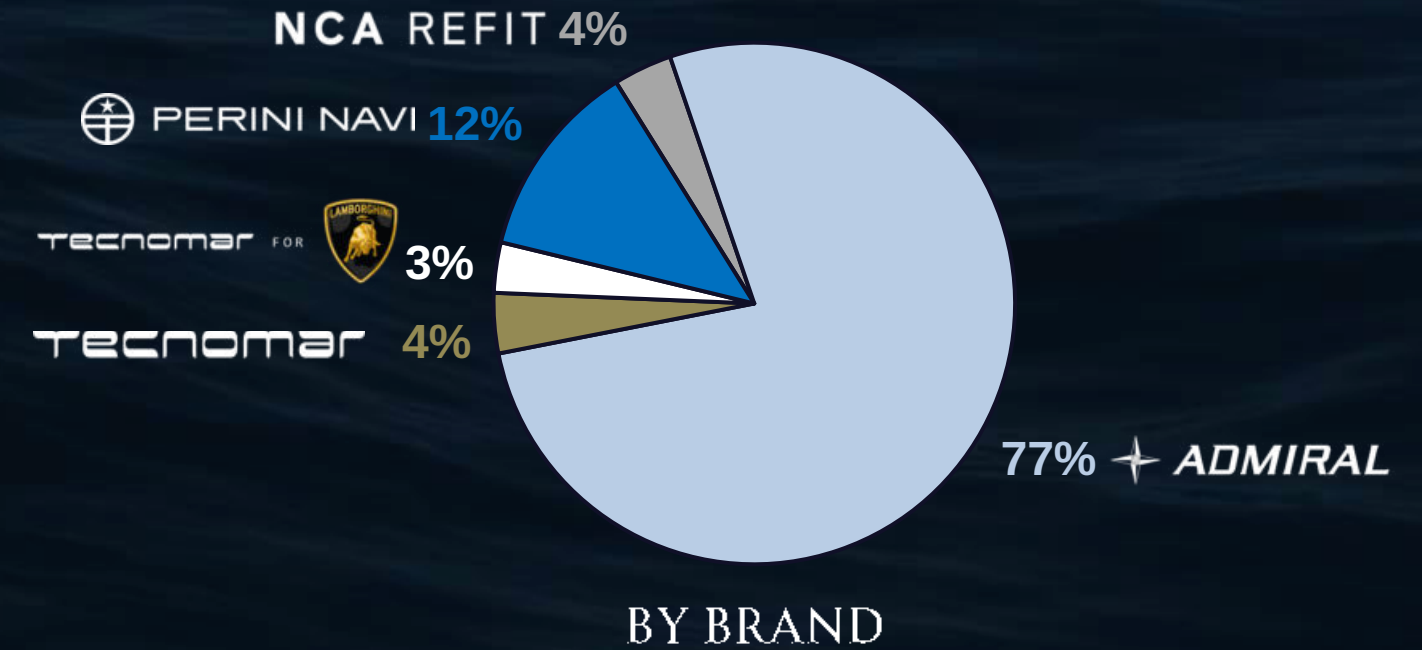
Resilient client base (UHNWI), cash-buyers who do not require any financing to purchase the products. Strict commercial policy with no trade-ins or sale of used boats, eliminating inventory risk.

## BACKLOG EVOLUTION (GROSS AND NET)




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

## BACKLOG BREAKDOWN BY BRAND AND GEOGRAPHY



# DELIVERIES SCHEDULED WITH LONG VISIBILITY

2024 deliveries **on track** with client expectations, benefitting from completion of **capex plan** and internalisation of key supply chain activities. **No remarks policy** coupled with track record of zero penalties at delivery.


	2024	2025
		1x <sup>1</sup> 
		1x 
 <b>ADMIRAL</b> 50-70MT	2x 	2x 
 <b>ADMIRAL</b> 70-90MT	3x 	2x 
 <b>ADMIRAL</b> >90MT		
 <b>PERINI NAVI</b>	1x 	1x 

Notes: 1) Build «on spec»

# 2023 CMD INVESTMENT HIGHLIGHTS FULLY CONFIRMED



STRONG  
FINANCIAL  
PERFORMANCE




KEY PLAYER IN  
CUSTOMISED  
LUXURY  
SUPERYACHTS AND  
MEGAYACHTS



GROWING AND  
UNDERPENETRATED  
CUSTOMER BASE



GROWTH  
POTENTIAL FROM  
PERINI NAVI  
ACQUISITION



PRODUCTION  
CAPACITY AND  
STATE OF THE ART  
FACILITIES



FOCUS ON ESG  
WITH AMBITIOUS  
TARGETS



QUALITY &  
VISIBILITY OF  
ORDER BOOK



STRATEGY &  
STRATEGIC  
OUTLOOK

# STRATEGY & 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 2024 – 2025

REVENUES

Eu 400 – 420mn in 2024

Eu 430 – 450mn in 2025

EBITDA  
MARGIN

17 – 17.5% in 2024

18 – 18.5% in 2025

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*

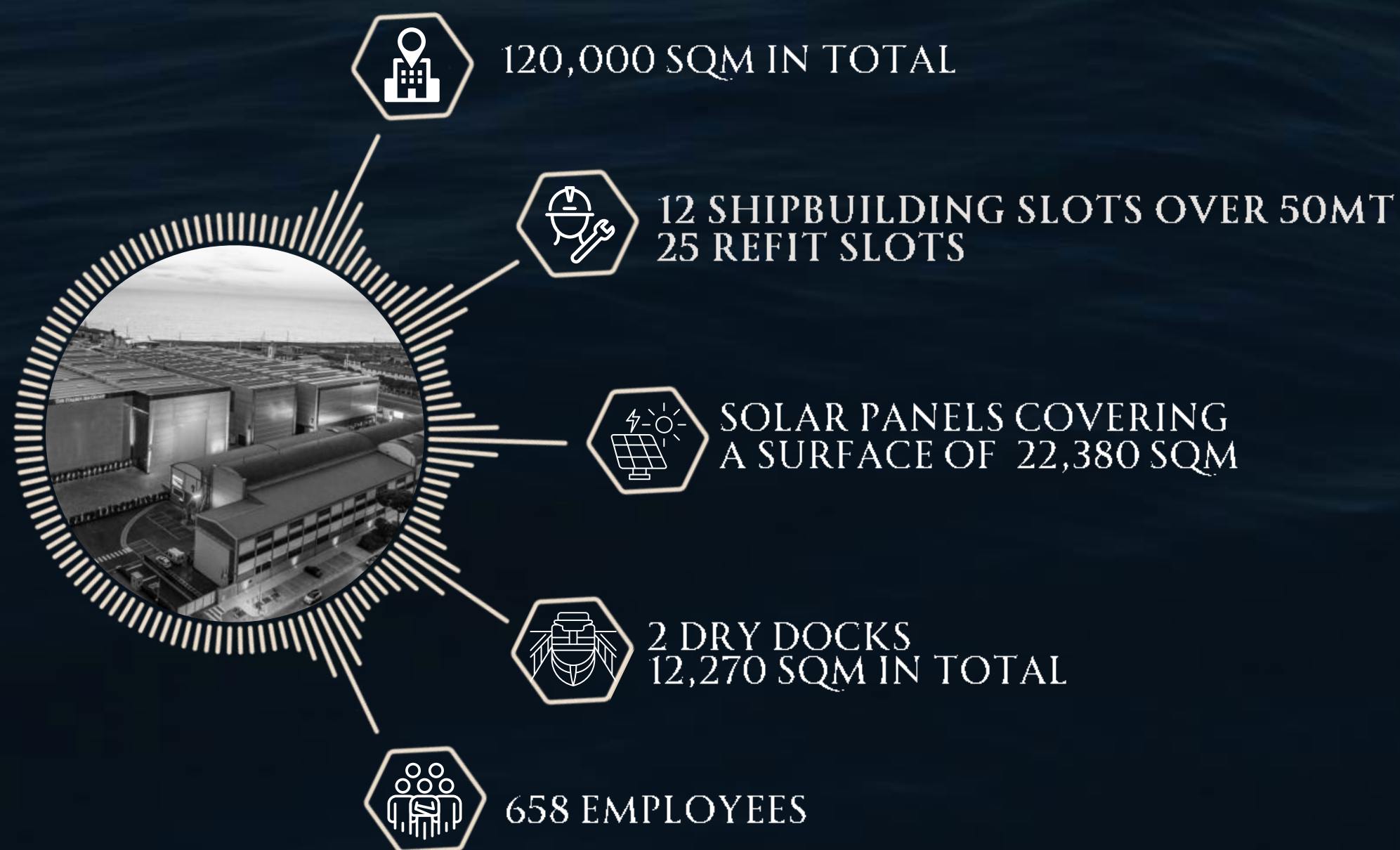


# 2

FACILITIES &  
PRODUCTION  
CAPACITY

# MARINA DI CARRARA

## STATE CONCESSION RENEWED TO 2072





# HEADQUARTERS “NEW ERA”

+3,500 SQM

EXPANSION

IN MARINA DI CARRARA



# CONTEMPORARY ART GALLERY



# OWNER PRIVATE LOUNGE BAR



## VIRTUAL ROOM & NEW OFFICES



TISG MUSEUM

# LA SPEZIA

## FORMER PERINI NAVI FACILITIES



THE ITALIAN SEA GROUP





LA SPEZIA

# VIAREGGIO

## FORMER PERINI NAVI FACILITIES





# PERINI NAVI HUB

+2,400 SQM  
OF  
NEW WOODWORKING  
HUB IN VIAREGGIO



FLAGSHIP LOCATION IN VIAREGGIO

# CELI 1920 WOODWORKS





CELI NEW FACILITIES



# CELI NEW FACILITIES

# CELI 1920 TERNI FACILITIES EXPANSION

**A** INITIAL CAPACITY  
(ACQUIRED APR 23)

**B** NEW FACILITIES  
(COMPLETED JAN 24)

**C** NEW FACILITIES  
(COMPLETED JAN 24)

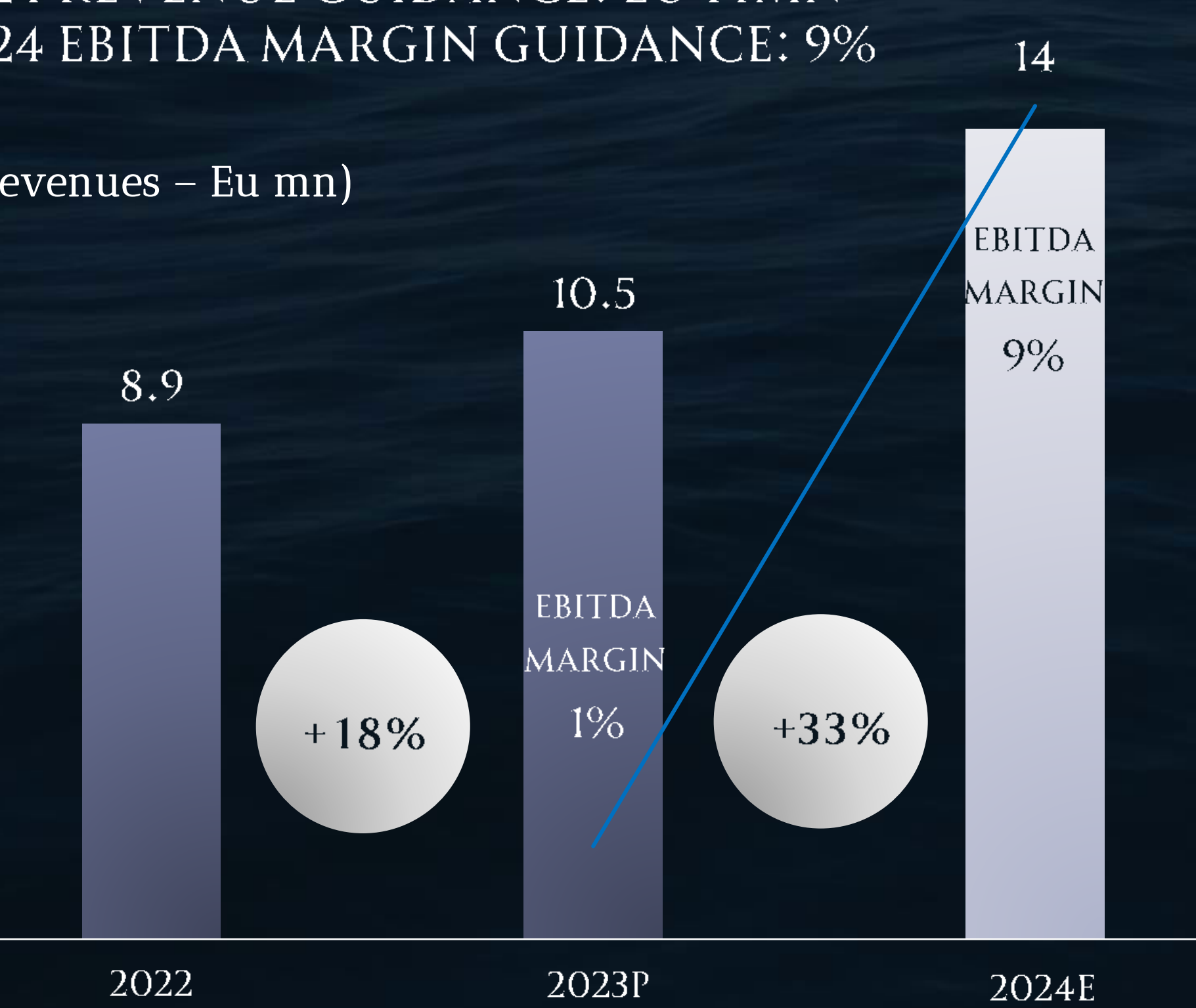
**TOTAL CAPACITY  
AFTER INVESTMENTS  
APPROX. 30,000 SQM**



# CELI 1920 – KEY FIGURES

2024 REVENUE GUIDANCE: EU 14MN  
2024 EBITDA MARGIN GUIDANCE: 9%

(Revenues – Eu mn)



Notes: (1) 100% of Celi Revenues are generated with TISG.

# TISG TURKEY



THE ITALIAN SEA GROUP





NAVEKS- YALOVA



HERÇELİK - YALOVA



HICRI ERCILI- YALOVA



3

2024 YACHT  
DELIVERIES



 **ADMIRAL**  
M/Y 78MT

EXTERIOR DESIGN BY  
LOBANOV

THE ITALIAN SEA GROUP



✦ **ADMIRAL**  
M/Y 78MT

THE ITALIAN SEA GROUP

EXTERIOR DESIGN BY





✦ *ADMIRAL* | GIORGIO ARMANI  
M/Y 72MT

EXTERIOR DESIGN BY  
GIORGIO ARMANI

THE ITALIAN SEA GROUP



 **ADMIRAL**  
M/Y 66MT

THE ITALIAN SEA GROUP

EXTERIOR DESIGN BY

**R&D**  
CENTROSTILE



 **ADMIRAL**  
M/Y 55MT

THE ITALIAN SEA GROUP

EXTERIOR DESIGN BY

**R&D**  
CENTROSTILE



PERINI NAVI

S/Y 60MT

THE ITALIAN SEA GROUP



4


NEW  
SHIPBUILDING  
PROJECTS



 **ADMIRAL**  
M/Y 50MT

THE ITALIAN SEA GROUP




 **ADMIRAL**  
M/Y 43MT

THE ITALIAN SEA GROUP



ELEGANCE OF THE LINES

 **ADMIRAL**  
M/Y 40MT

THE ITALIAN SEA GROUP



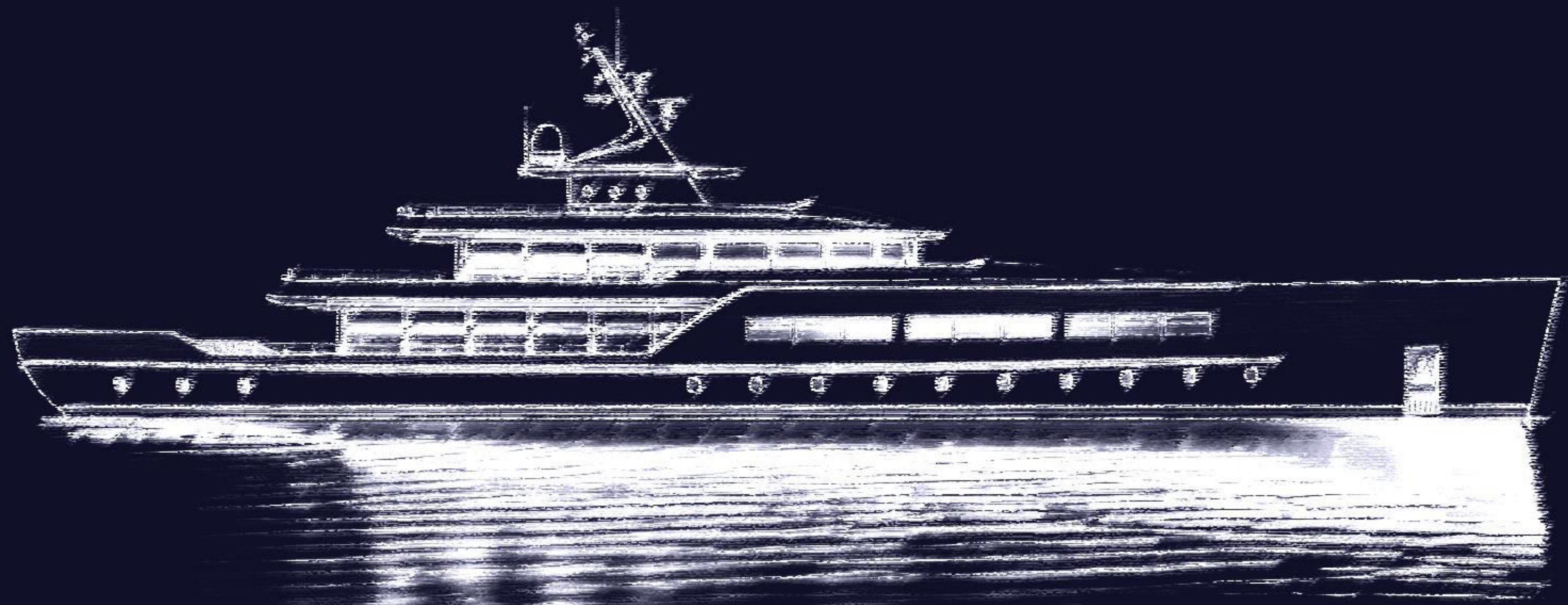
TECNOMAR  
M/Y 46MT

THE ITALIAN SEA GROUP



TECNOMAR  
M/Y 40MT

THE ITALIAN SEA GROUP



PICCHIOTTI  
SINCE 1575

M/Y 60MT

THE ITALIAN SEA GROUP



SOON-TO-BE UNVEILED:  
NEW SAILING CATAMARAN  
499GT



5

COMMITMENT  
TO  
SUSTAINABILITY

# 2023 ESG STRATEGY DELIVERED

## ENVIRONMENTAL



Focus on fighting climate change through an effective environmental management system and making concrete moves towards decarbonisation



Sustainable management of the supply chain and conscious commitment to increase employee well-being and development



Build on solid governance and promote internally and externally business ethics and sustainable values

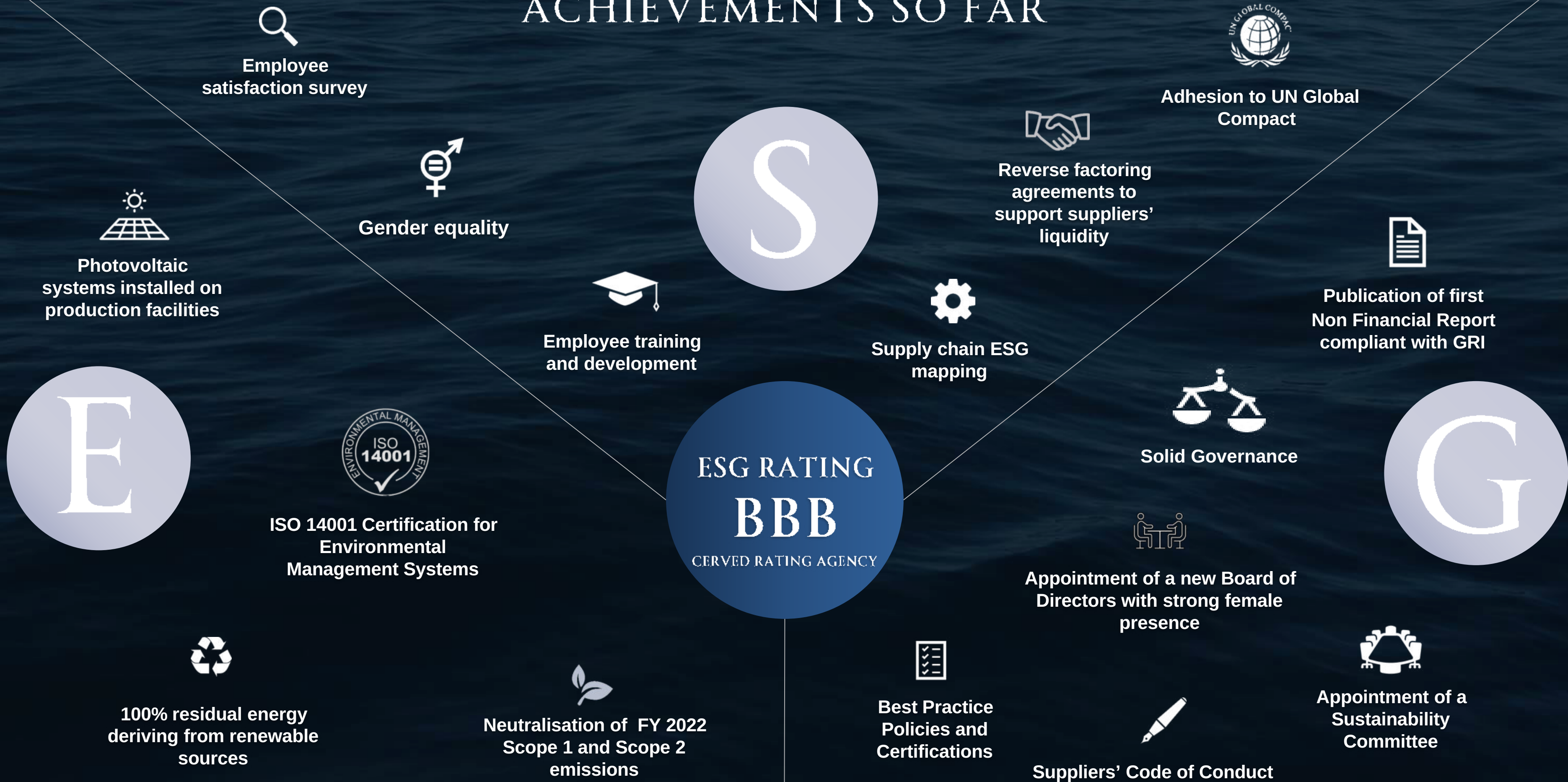
## GOVERNANCE

FIRST ESG RATING

BBB

IN THE HIGH  
PERFORMANCE  
RANGE

# ACHIEVEMENTS SO FAR



# BEST-IN-CLASS COMPLIANCE AND CERTIFICATIONS

## POLICIES

HUMAN  
RIGHTS

DIVERSITY &  
INCLUSION

ENVIRONMENTAL

SHAREHOLDER  
ENGAGEMENT

CONFLICT OF  
INTEREST

SUPPLIERS' CODE  
OF CONDUCT

## FOUNDATIONS

CODE OF  
ETHICS

ORGANISATIONAL &  
MANAGEMENT  
MODEL (LD 231)

WHISTLEBLOWING  
PROCEDURE

PRIVACY

## CERTIFICATIONS



Quality



Occupational  
Health & Safety



Environmental

JH-143

Risk assessment  
and control

AEO

Authorised Economic  
Operator (WIP)

# PRODUCT SUSTAINABILITY

## PIONEER IN HYBRID PROPULSION

- M/Y Quinta Essentia 55mt (2016) was the biggest hybrid yacht in the world at her delivery
- Today, offering the best alternative propulsion options upon clients' requests

## KEY SUSTAINABLE PRODUCT FEATURES

- Voluntary "green class" notation
- DPF and catalytic filters
- Solar panels installed on the deck-house
- Battery pack allowing for 6h full-load at anchor and 4h sailing at **zero emissions**
- Manoeuvres in port and protected areas in **full electric mode**





# FINANCIAL SUMMARY

# COMMERCIAL APPROACH & CONTRACT STRUCTURE

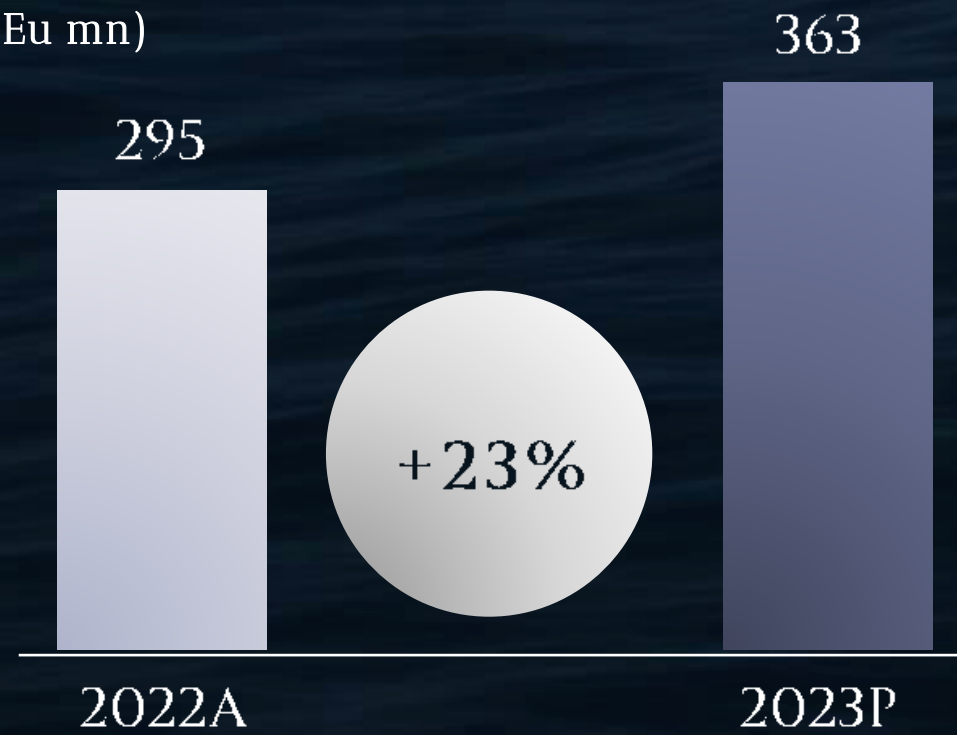
TISG's commercial approach and contract structure aim at eliminating risks with respect to inventory, achieving favourable working capital dynamics, and locking in contractual margins.

ORDER TYPE	ADVANCE PAYMENTS CONTRACT STRUCTURE (% OF PURCHASE PRICE)			
OVER 30 MT LOA	CONTRACT SIGNING 10%	FROM 8 TO 10 INSTALMENTS REPRESENTING 80% IN TOTAL		DELIVERY 10%
TECNOMAR FOR LAMBORGHINI 63	CONTRACT SIGNING 10%	MID-PAYMENT 30%	MID-PAYMENT 30%	DELIVERY 30%

# SUMMARY OF KEY PRELIMINARY 2023 RESULTS

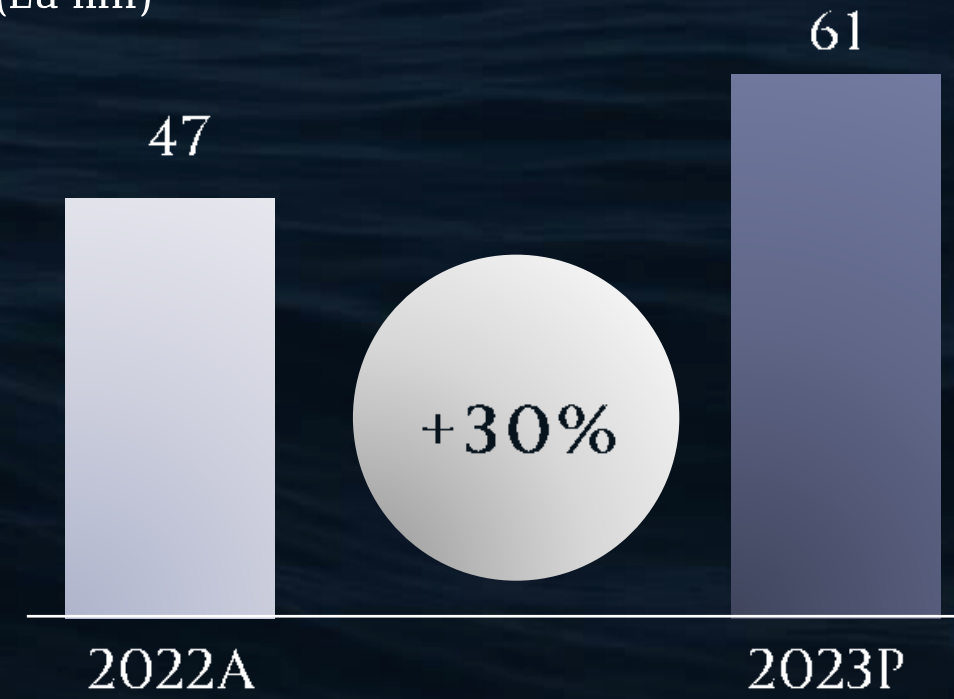
## REVENUES 2023P VS 2022A

(Eu mn)



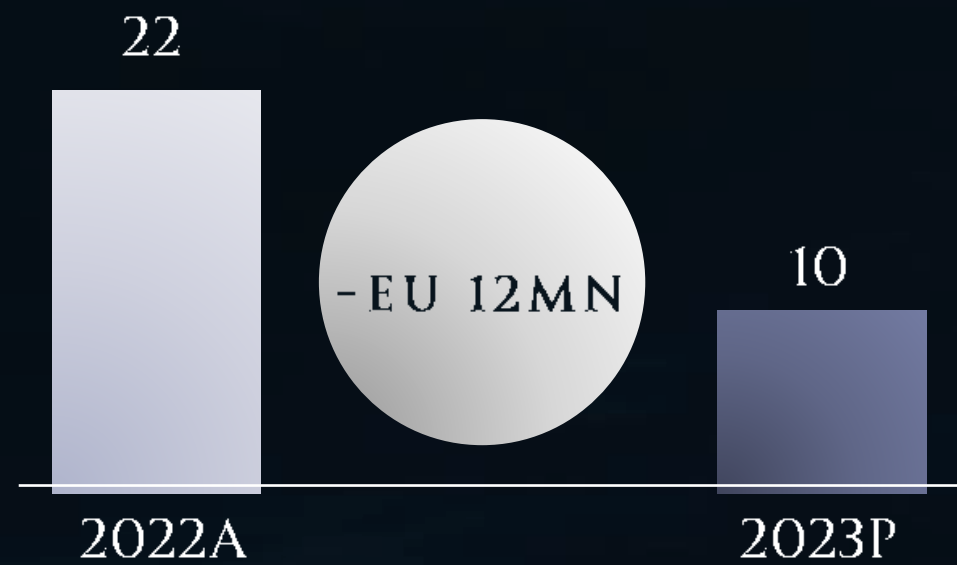
## EBITDA 2023P VS 2022A

(Eu mn)



## INVESTMENTS 2023P VS 2022A

(Eu mn)



## NET CASH 2023P VS 2022A

(Eu mn)



# REVENUE EVOLUTION – SHIPBUILDING & REFIT

Revenues grew at a 46% CAGR from 2020 to 2023P with strong contribution from both the **Shipbuilding division** (46% CAGR) and the **Refit division** (49% CAGR).

## HISTORICAL TRENDS

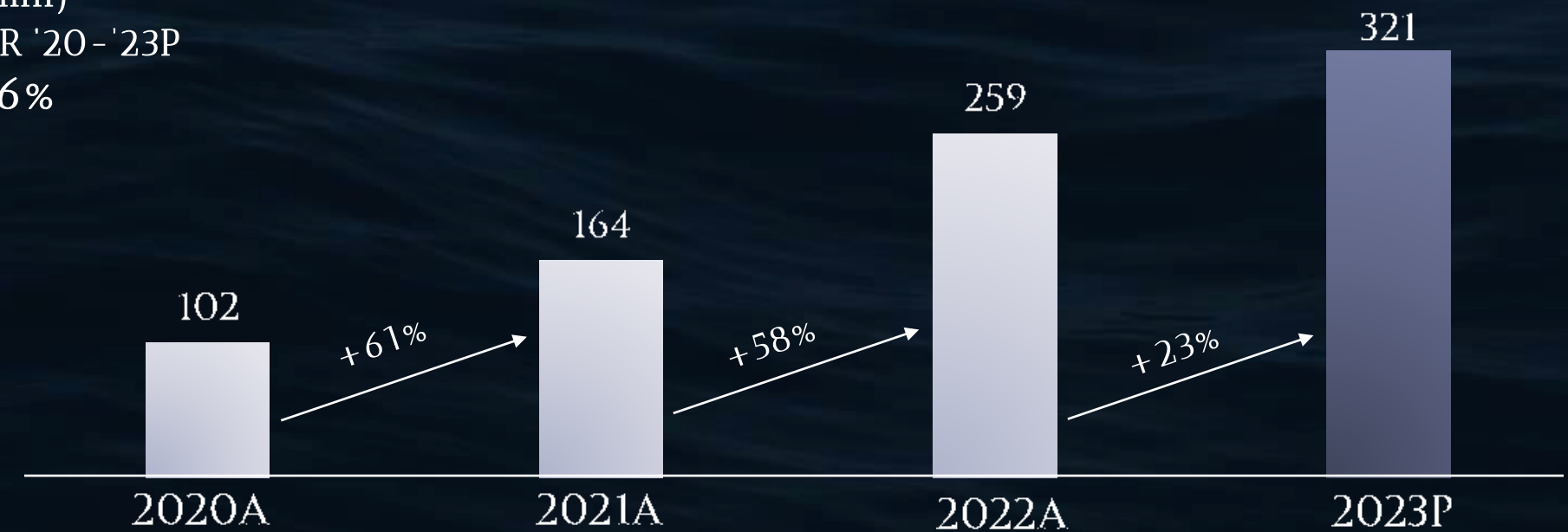
- **Shipbuilding Revenues** grew +23% in 2023P, mainly driven by the Admiral brand, which accounted for 66% of Revenues in 2023. The Perini brand generated 21% of Revenues, driven by **5 projects in progress**
- **Refit Revenues** in 2023P grew +17% vs 2022A, benefiting from higher refit capacity pursuant to the expansion and refurbishment of the group's shipyards

## TRENDS FOR 2024 AND 2025

- Within the **Strategic Outlook for 2024-25**, both divisions are expected to grow at a similar pace.
- **Shipbuilding Revenue** growth is largely driven by the **delivery schedule and the underlying backlog**,
- **Refit Revenues** reflect the high competitiveness of TISG's services, coupled with the increase in refit spaces.

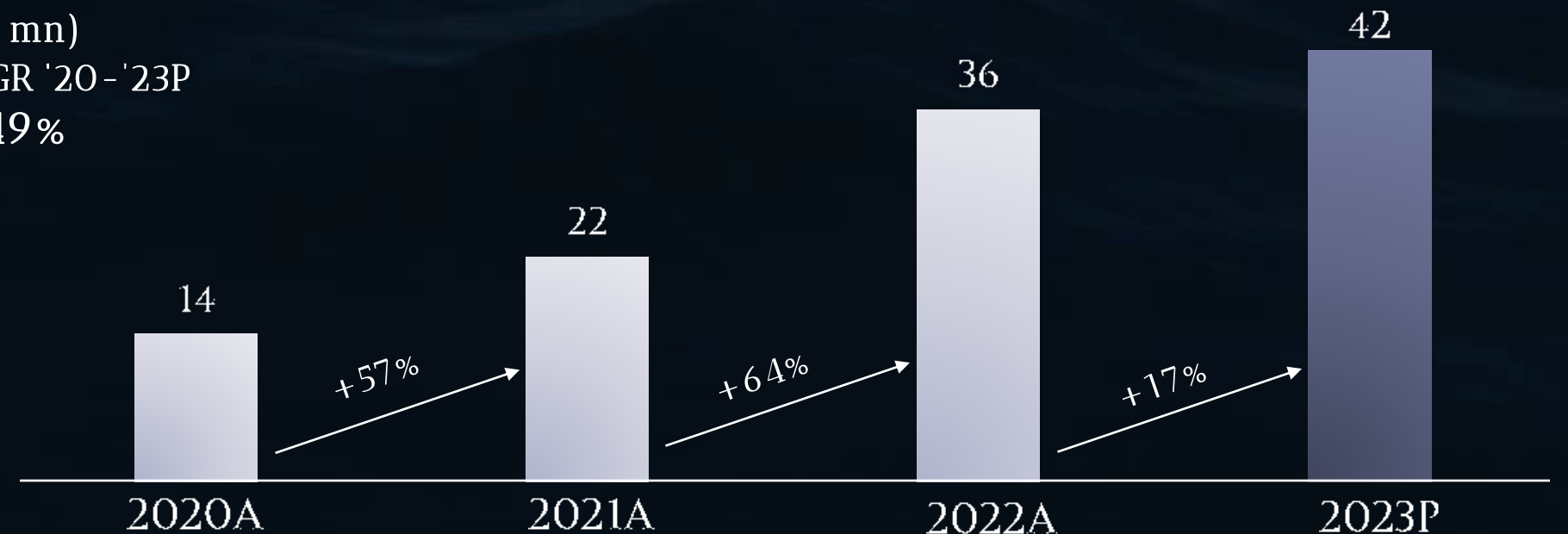
## 2023P Shipbuilding Revenues

(Eu mn)  
CAGR '20-'23P  
+46%



## 2023P Refit Revenues

(Eu mn)  
CAGR '20-'23P  
+49%



# OPERATING COSTS & EBITDA

The EBITDA margin expanded from 15.9% in 2022 to 16.8% in 2023P and is expected to further expand as per Strategic Outlook to 2025.

## HISTORICAL TRENDS

- The group's EBITDA margin further improved from 15.9% in 2022A to 16.8% in 2023P, despite impact of inflation on the underlying cost base, demonstrating TISG's capability of locking in costs at the time of the order.
- The EBITDA Margin breakdown between Shipbuilding and Refit is not relevant due to the high level of shared costs between divisions.

## TRENDS FOR 2024 AND 2025

Further margin expansion to up 18.0%-18.5% in 2025 as per the Strategic Outlook attributable to:

- Continuing attention to cost management, efficiency gains, benefits from capex, and economies of scale;
- Continuing benefits from internalisation of key value-added phases of the production cycle, for instance Celi with respect to woodworking activities.

EBITDA (EU MN)	2020A	2021A	2022A	2023P
OPERATING COSTS	-102	-158	-248	-302
% REVENUES	87%	85%	84%	83%
EBITDA	14	28	47	61
% Y-O-Y GROWTH	50%	92%	68%	30%
% REVENUES	12,5%	15,1%	15,9%	16,8%

OPERATING COSTS (EU MN)	2020A	2021A	2022A	2023P
COSTS FROM OUTSOURCED WORK & RAW MATERIALS	-71	-118	-186	-230
PERSONNEL COSTS	-17	-22	-30	-35
OTHER COSTS	-14	-17	-32	-37
TOTAL COSTS	-102	-158	-248	-302
COSTS FROM OUTSOURCED WORK & RAW MATERIALS	61%	64%	63%	63%
PERSONNEL COSTS	14%	12%	10%	10%
OTHER COSTS	12%	9%	11%	10%
% REVENUES	87%	85%	84%	83%

# NET WORKING CAPITAL

Net Working Capital in 2023 returned to approx. -7% of Revenues, in line with industry standards.

## KEY HIGHLIGHTS

- The trend in **Total Net Working Capital** reflects a reduction to -7% of Revenues in 2023P, mainly due to a decline in **Other Current Assets and Liabilities**, and an increase in **Contract Work in Progress**
- **Contract Work in Progress** and **Trade Receivables** increase due the expected delivery of **6 new yachts in 2024**, and conversely **Trade Payables** expand reflecting the growth of the business
- The growth in **Inventories and Payments on Account** grew mainly due to the on spec construction of a Picchiotti 24mt yacht, for an amount of Eu 3mn, to facilitate the marketing of the Picchiotti line
- **Other Current Assets and Liabilities** declines largely due to lower advance payments for Tecnomar for Lamborghini 63 yachts, pursuant to a normalisation of orders following the peak in 2022
- It is important to note that **Inventories and payments on account does not include trade-ins or used yachts**, due to the Group's strict commercial strategy, which effectively eliminates inventory risk.

OPERATING COSTS (EU MN)	2020A	2021A	2022A	2023P
INVENTORIES AND PAYMENTS ON ACCOUNT	3	1	4	8
CONTRACT WORK IN PROGRESS AND ADVANCES FROM CUSTOMERS	14	25	33	47
TRADE RECEIVABLES	15	10	21	32
TRADE PAYABLES	-34	-57	-79	-97
OTHER CURRENT ASSETS AND LIABILITIES	-4	-7	-31	-15
NET WORKING CAPITAL	-7	-27	-52	-25
INVENTORIES AND PAYMENTS ON ACCOUNT	2%	1%	1%	2%
CONTRACT WORK IN PROGRESS AND ADVANCES FROM CUSTOMERS	12%	13%	11%	13%
TRADE RECEIVABLES	13%	6%	7%	9%
TRADE PAYABLES	-29%	-31%	-27%	-27%
OTHER CURRENT ASSETS AND LIABILITIES	-3%	-4%	-11%	-4%
NWC % REVENUES	-6%	-15%	-18%	-7%

# CASH FLOW & NET FINANCIAL POSITION

**Operating Cash Flows** expected to significantly increase in 2024 and 2025 thanks to growth in EBITDA and the projected stabilisation of Net Working Capital and reduction of Capex.

## HISTORICAL TRENDS

- Despite the **normalisation** of Working Capital in 2023, the group reached a **Net Cash position** of **Eu 2mn** at FY2023P, improving from Net Debt of **Eu 11.3mn** at FY2022A
- **Long term financial facilities** amount to **Eu 66mn** and have a final maturity date on **31/12/2028**.
- **Net Financial Position** includes the indebtedness for the right of use of the shipyards, in application of IFRS 16, to be reviewed for the **extension** of the **Marina di Carrara** concession from 2043 to 2072.
- Capex of **Eu 10mn** in 2023 includes **Eu 5.6mn** for Celi.

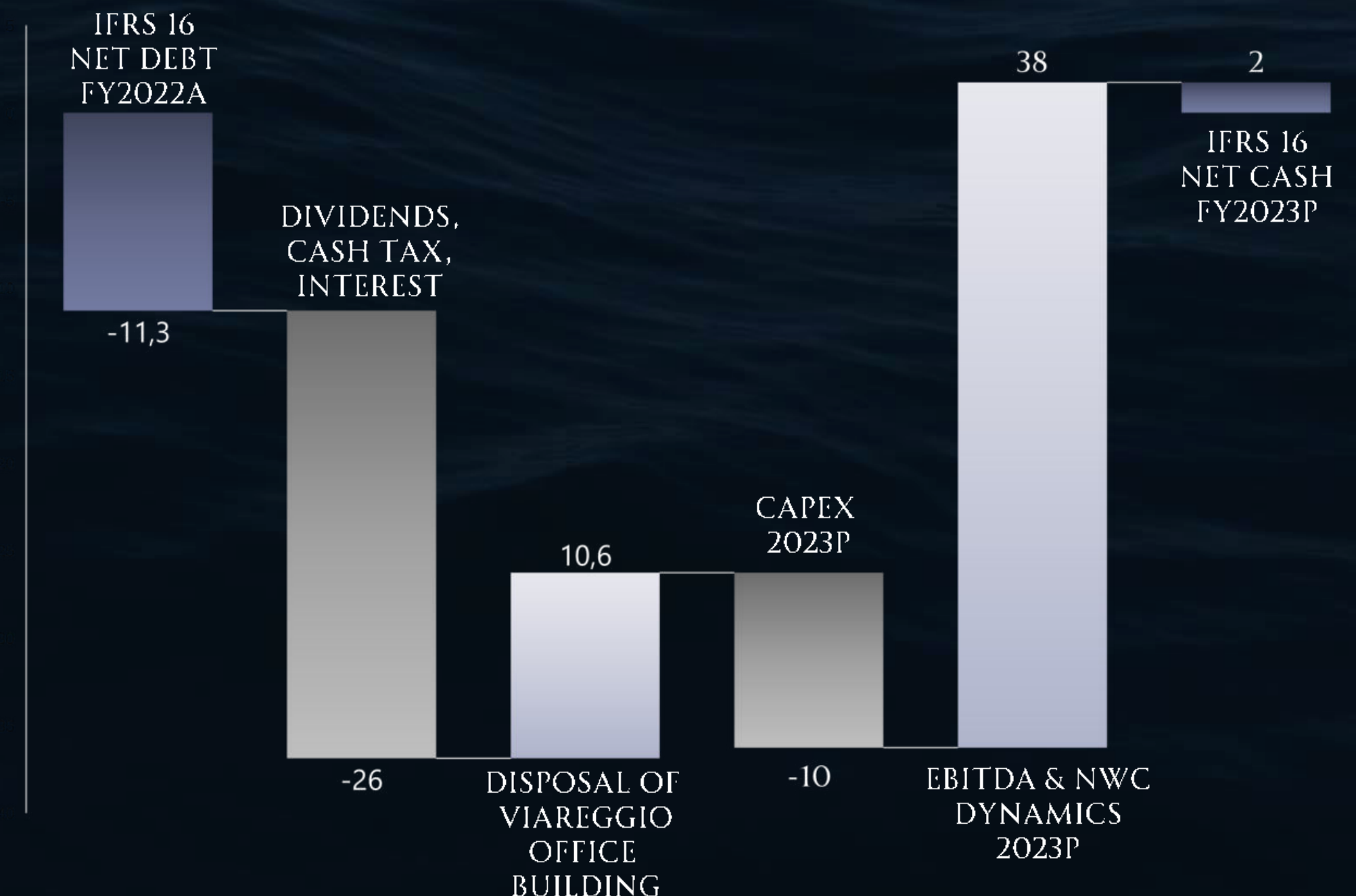
## TRENDS FOR 2024 AND 2025

Strong increase in Operating Cash Flow thanks to:

- **EBITDA growth** as per Strategic Outlook to 2025;
- A **decline in Capex**;
- **Net Working Capital** as a percentage of Revenues close to 2023 levels.

## IFRS16 Net Financial Position Breakdown

(Eu mn)



# EQUITY CAPITAL MARKETS

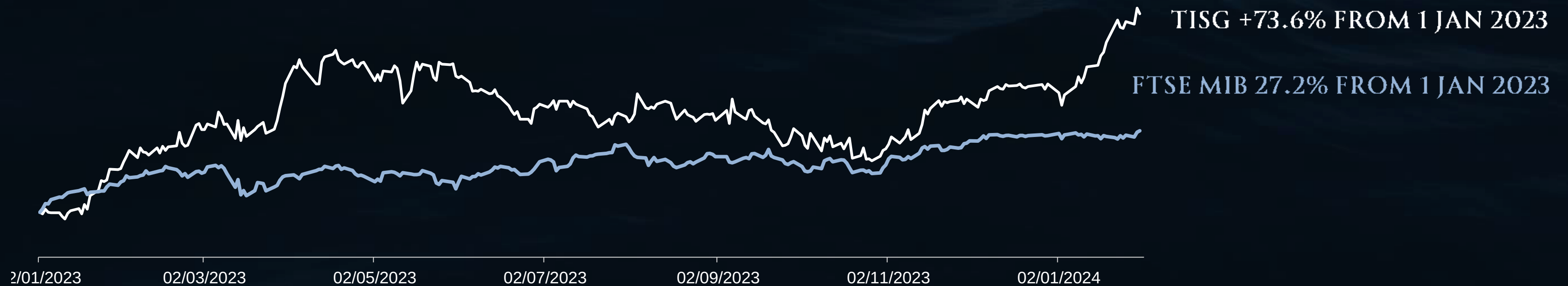
TISG has significantly upgraded its appeal to investors and analysts since January 1<sup>st</sup> (+66%), analyst price target (+20%) and daily trading volumes (+204%).

## STATUS QUO

- 4 brokers currently cover TISG: Intermonte, Berenberg, MidCap, Kepler Cheuvreux
- All have a "Buy" recommendation with an average Target Price of Eu 11.6 (upside of c. 20%), compared to Eu 9.5 at the time of the 2023 CMD.
- Average daily trading volume (3M) of 82k shares, compared to 27k shares at the time of the 2023 CMD.

BROKER	ANALYST	TARGET PRICE	RECOMMENDATION
BERENBERG	ANNA FRONTANI	€ 12.50	BUY
INTERMONTE	FRANCESCO BRILLI	€ 11.00	BUY
KEPLER CHEUVREUX	NICCOLÒ STORER	€ 11.00	BUY
TP ICAP   MIDCAP	FILIPPO MIGLIORISI	€ 12.00	BUY

## Stock price performance since January 1<sup>st</sup>, 2023





# STRATEGIC OUTLOOK TO 2025

## STRATEGIC OUTLOOK 2024 – 2025

### REVENUES

Eu 400 – 420mn in 2024

Eu 430 – 450mn in 2025

### EBITDA MARGIN

17 – 17.5% in 2024

18 – 18.5% in 2025

### 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*



# THE ITALIAN SEA GROUP

---

CAPITAL MARKETS DAY

FEBRUARY 7TH, 2024

# 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.

PICCHIOTTI  
SINCE 1575

ADMIRAL

PERINI NAVI

TECNOMAR

NCA REFIT

CELI  
1920