# THE ITALIAN SEA GROUP

## FY 2023 FINANCIAL RESULTS

MARCH 2024



#### FLOATING MASTERPIECES

+ ADMIRAL

PERINI NAVI





NCA REFIT



 $\frac{\mathsf{C} \mathsf{E} \mathsf{L} \mathsf{I}}{^{1920}}$ 



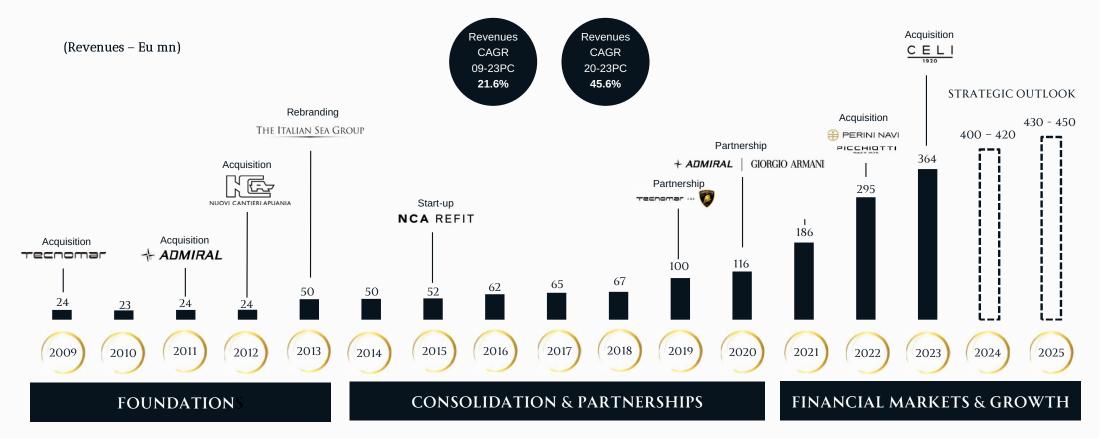




### SUCCESS STORY SINCE 2009

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



MASSIMILIANO PIETRINI TISG TURKEY CO-DIRECTOR



DANIELE PASCUTTI ENGINEERING DIRECTOR



VITTORIO BLENGINI SALES DIRECTOR



MARKETING DIRECTOR

PAOLO MISITANO

QUALITY DIRECTOR





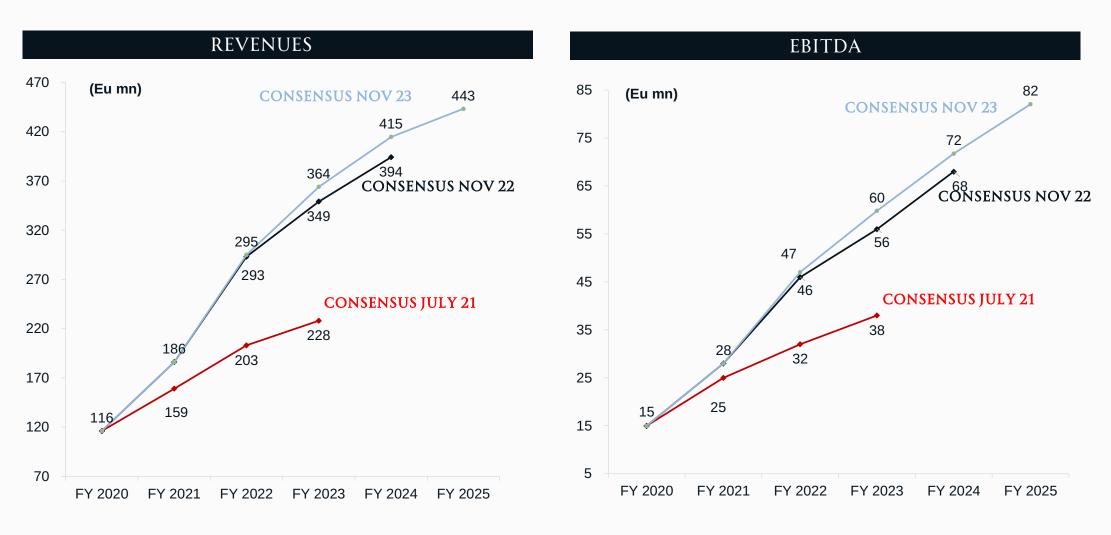
ALBERTO FERRI HR DIRECTOR



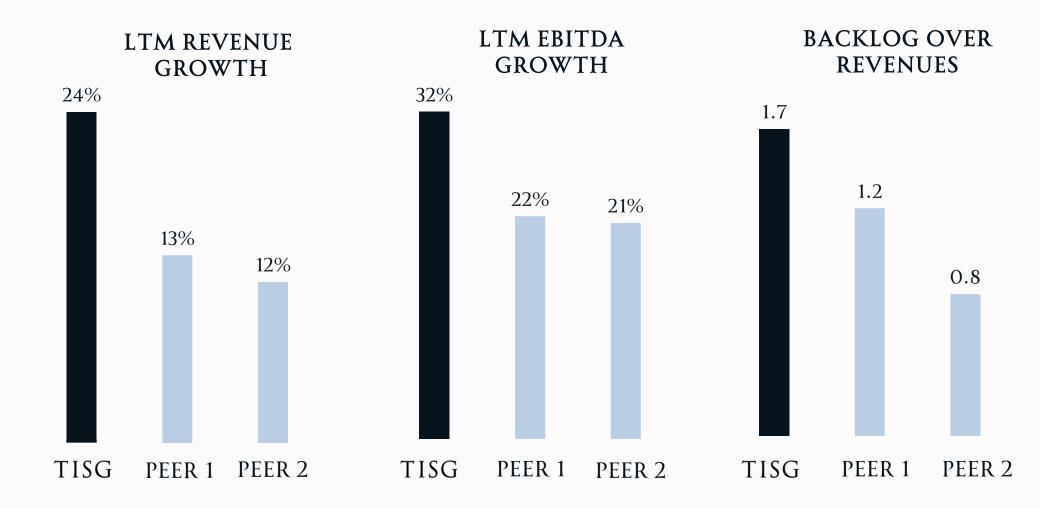
MATTIA PIRO YACHT DESIGN DIRECTOR



#### TRACK RECORD & OVERPERFORMANCE SINCE IPO VS CONSENSUS



#### TOP RANKING PERFORMANCE AMONG LISTED PEERS



Notes: Figures as of 31/12/2023. Peer 1 and 2 Revenues for new yachts only.

### **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 performance was in line with leading luxury brands in 2023.



Source: Factset. Last updated on 25/03/2024 (data is rebased)



## INDUSTRY-WIDE RECOGNITION WITH PRESTIGIOUS AWARDS IN 2023 + Admiral M/Y KENSHŌ

#### MOTOR-YACHT OF THE YEAR 2023



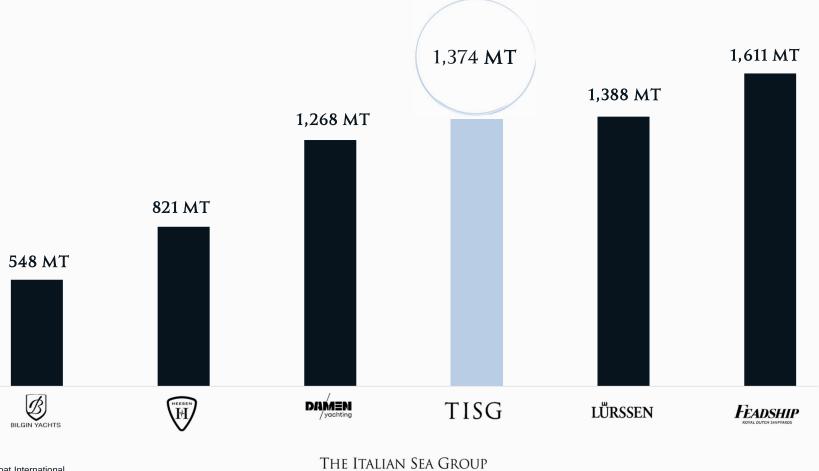






#### KEY PLAYER IN LUXURY YACHTING

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,







FY 2023 FINANCIAL RESULTS

#### EXECUTIVE SUMMARY

#### FY 2023 RESULTS

Revenues amounting EU 364 mn, +24% vs FY2022

EBITDA amounting to Eu 62 mn, +32% vs FY2O22, with a Margin of 17%

Order Book amounting to Eu 1,265 mn

Net Income amounting to Eu 37 mn, +54% vs FY2O22

Net Financial Position amounting to Eu 2 mn from a Net Financial Debt of Eu 11.3 mn at FY2O22

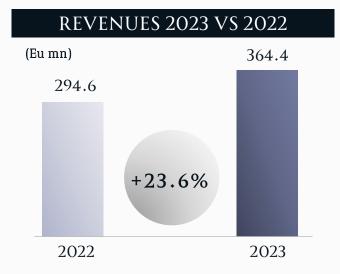
#### CMD AND STRATEGIC OUTLOOK 2024 - 2025

TISG hosted its second Capital Markets Day on February 7<sup>TH</sup>, 2024 at the Armani/Silos in Milan, providing the market with an in-depth view of the next steps of the company and the pipeline of projects

#### AGM 29 APRIL 2024

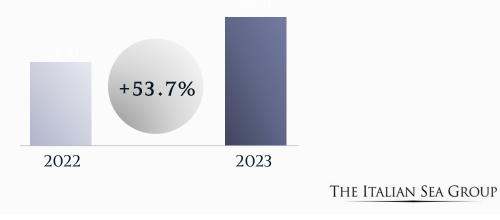
Proposal of an Ordinary dividend of Eu 0.37 per share, for a total of Eu 19.6 mn

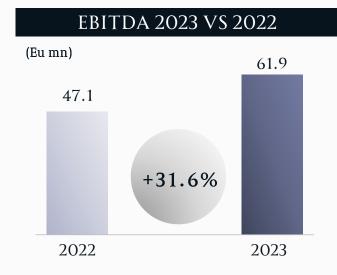
#### SUMMARY OF KEY FY2023 RESULTS



#### NET INCOME 2023 VS 2022

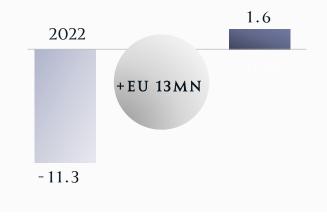
(Eu mn)





#### NET CASH 2023 VS 2022

(Eu mn)



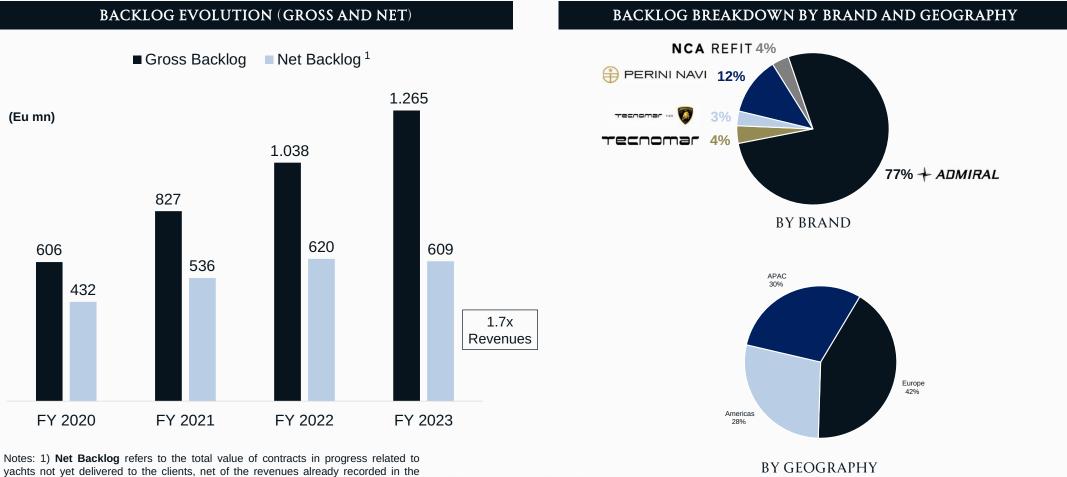
### COMMERCIAL APPROACH & CONTRACT STRUCTURE

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%

### QUALITY & VISIBILITY OF ORDER BOOK

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



THE ITALIAN SEA GROUP

income statement

### 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>
recnomar		1x 📥
+ ADMIRAL 50-70MT	2x 🗾	2x 🦾
<b>→ ADMIRAL</b> 70–90MT	3x	2x
✦ ADMIRAL >90MT		
	1x	1x

#### SUMMARY PROFIT & LOSS

summary p&l (in eu thousand)	2020	2021	2022	2023
REVENUES	116,441	185,556	294,684	364,458
% GROWTH		59.4%	58.8%	23.7%
COSTS FROM OUTSOURCED WORK	-44,703	-71,278	-117,942	-147,906
RAW MATERIAL	-26,423	-46,684	-68,133	-79,342
PERSONNEL COSTS	-16,881	-22,117	-29,562	-38,649
OTHER COSTS	-13,914	-17,523	-31,964	-36,582
EBITDA	14,520	27,954	47,083	61,979
% GROWTH		92.5%	68.4%	31.6%
% OF REVENUES		15.1%	16.0%	17.0%
AMORTISATION, DEPRECIATION, WRITE- Downs and capital losses	-5,090	-6,233	-9,985	-11,518
EBIT	9,430	21,721	37,098	50,461
% OF REVENUES	8.1%	11.7%	12.6%	13.8%
NET INTEREST EXPENSES	-1,963	-3.087	-3,817	-5,527
INCOME FROM EXTRAORDINARY CHARGES	343	481	-3,867	308
TAXATION	-1,575	1.831	-5,368	-8,331
NET INCOME	6,235	20.946	24,046	36,911
% OF REVENUES	5.4%	11.3%	8.2%	10.1%

#### **KEY HIGHLIGHTS**

- Growth in Revenues +24% vs FY 2022, driven by the expansion in Shipbuilding and Refit activities,
- Significant increase in profitability with +32% increase in EBITDA to Eu 61.9 mn and a Margin of 17%, mainly due to:
  - i) Strict cost management and efficiency of production processes;
  - ii) Benefits from completion of investments in production facilities, with synergies between Shipbuilding & Refit;
  - iii) Internalisation of **key supply chain activities**, powered by the acquisition of **Celi S.r.l**.
  - iv) Increase in brand awareness and sale prices;
  - v) Economies of scale.

### NET WORKING CAPITAL

#### **KEY HIGHLIGHTS**

- The trend in Total Net Working Capital reflects a reduction to -9% of Revenues in 2023, 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 <u>Inventories and payments on</u> <u>account does not include trade-ins or used yachts</u>, due to the Group's strict commercial strategy, which effectively eliminates inventory risk.

NET WORKING CAPITAL (IN EU THOUSANDS)	2020	2021	2022	2023
INVENTORIES AND PAYMENTS ON ACCOUNT	2,759	1,250	3,573	10,897
CONTRACT WORK IN PROGRESS AND ADVANCES FROM CUSTOMERS	13,704	24,992	32,667	50,508
TRADE RECEIVABLES	14,616	10,236	21,469	24,007
TRADE PAYABLES	-34,240	-57,146	-78,770	-90,568
OTHER CURRENT ASSETS AND LIABILITIES	-3,526	-6,746	-31,061	-26,184
NET WORKING CAPITAL	-6,687	-27,414	-52,122	-31,341
INVENTORIES AND PAYMENTS ON ACCOUNT	2%	1%	1%	3%
CONTRACT WORK IN PROGRESS AND ADVANCES FROM CUSTOMERS	12%	13%	11%	14%
TRADE RECEIVABLES	13%	6%	7%	7%
TRADE PAYABLES	-29%	-31%	-27%	-25%
OTHER CURRENT ASSETS AND LIABILITIES	-3%	-4%	-11%	-7%
NWC % REVENUES	-6%	-15%	-18%	-9%

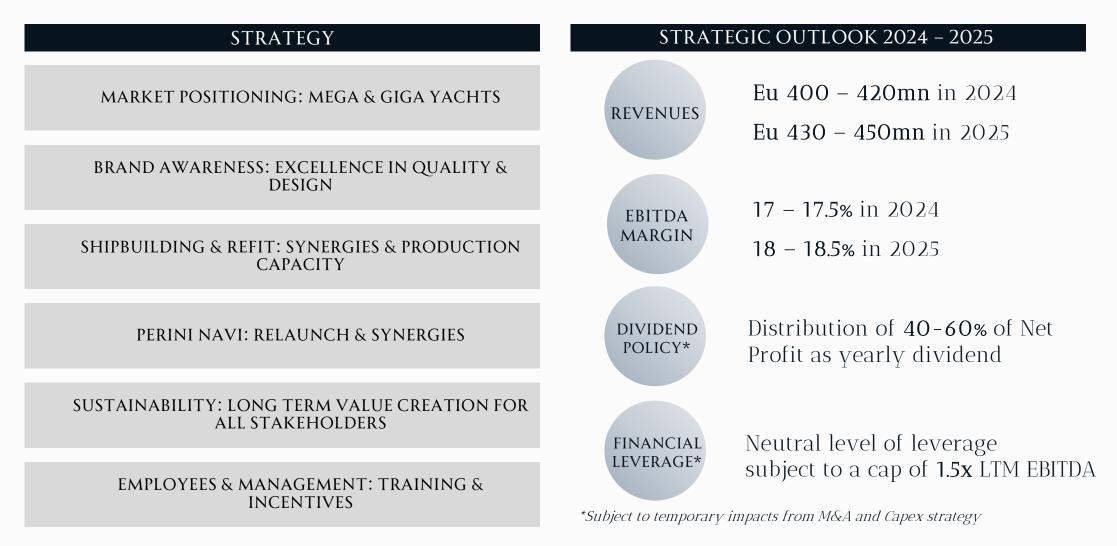
#### NET FINANCIAL POSITION

NET CASH POSITION (IN EU THOUSANDS)	2020	2021	2022	2023
A. CASH	17,943	85,615	80,725	29,897
B. CASH EQUIVALENTS	0	0	592	46,516
C. OTHER CURRENT FINANCIAL ASSETS	0	0	0	0
D. LIQUIDITY $(A)+(B)+(C)$	17,943	85,615	81,317	76,413
E. CURRENT FINANCIAL DEBT (INCLUDING DEBT INSTRUMENTS, BUT EXCLUDING THE CURRENT PORTION OF NON-CURRENT FINANCIAL DEBT)	-259	-34	-34	-2
F. CURRENT PORTION OF NON-CURRENT FINANCIAL DEBT	-2,237	-7,574	-14,163	-11,661
F.1 OTHER CURRENT FINANCIAL PAYABLES	-3,891	-2,009	-2,292	-1,111
G. CURRENT FINANCIAL DEBT (E+F)	-6,387	-9,617	-16,490	-12,774
H. NET FINANCIAL DEBT (G+D)	11,556	75,998	64,827	63,639
I. NON-CURRENT BANK DEBT (EXCLUDING THE CURRENT PORTION OF DEBT INSTRUMENTS)	-7,757	-23,863	-66,287	-54,591
J. DEBT INSTRUMENTS	0	0	0	0
K. TRADE AND NON-CURRENT PAYABLES	-8,967	-7,951	-9,912	-7,460
K.1 PAYABLES TO OTHER LENDERS	-3,095	-3,161	0	0
L. NON-CURRENT FINANCIAL DEBT (I+J+K)	-19,819	-34,975	-76,198	-62,051
M. TOTAL FINANCIAL POSITION (H+L)	-8,263	41,023	-11,371	1,587

#### **KEY HIGHLIGHTS**

- Net Financial Position of Eu 1.6 mn at 31 December 2023 includes:
  - i) Dividends paid for Eu 14.4 mn
  - ii) Capex of Eu 10.9 mn during the year
  - iii) Cash inflows for Eu 10.6 mn for the disposal of an office building in Viareggio
- Long term financial facilities amount to Eu 66 mn 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.

#### STRATEGY & STRATEGIC OUTLOOK

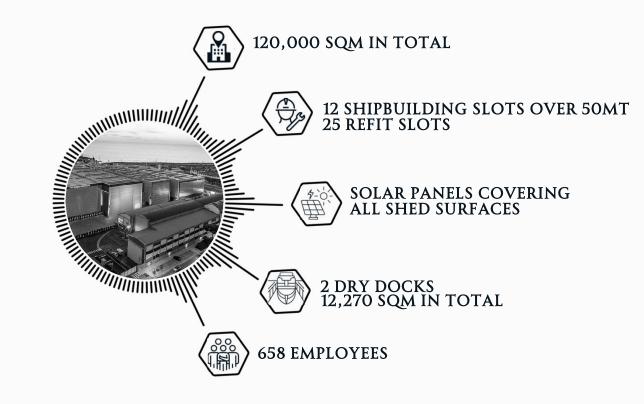






FACILITIES & PRODUCTION CAPACITY

## MARINA DI CARRARA State concession renewed until 2072



The Italian Sea Group

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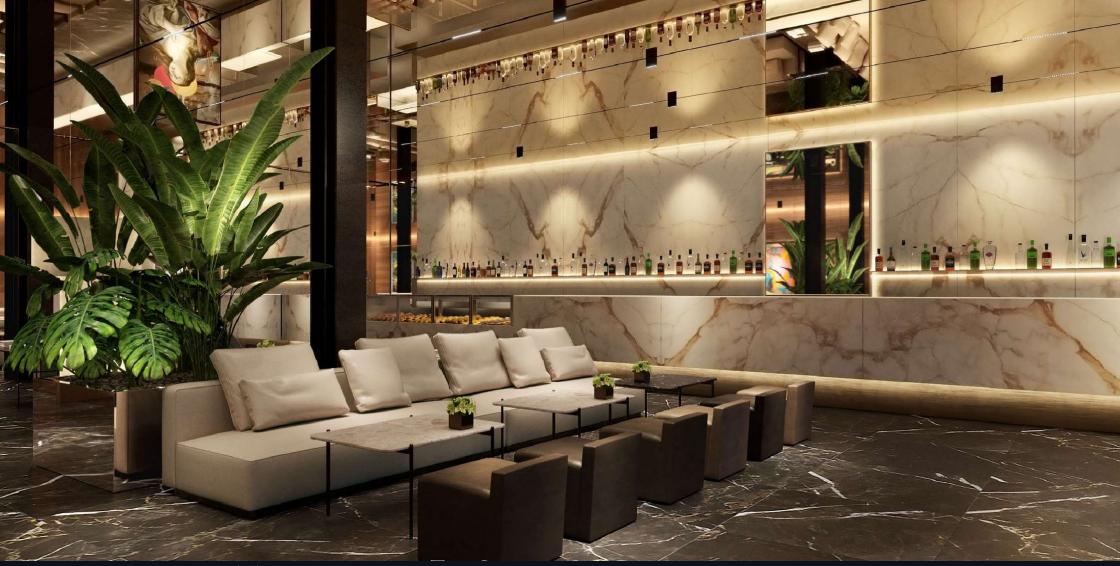


# HEADQUARTERS "NEW ERA"





CONTEMPORARY ART GALLERY



OWNER PRIVATE LOUNGE BAR

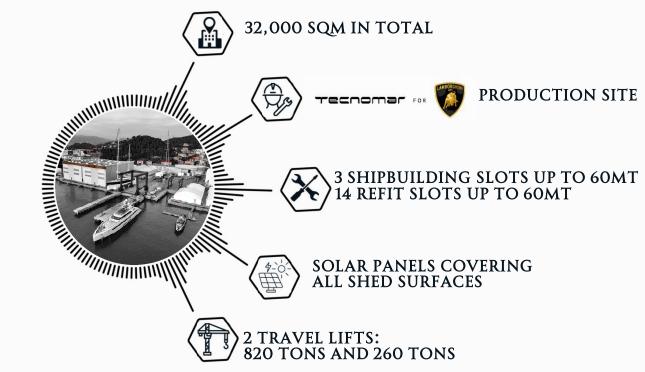


VIRTUAL ROOM & NEW OFFICES

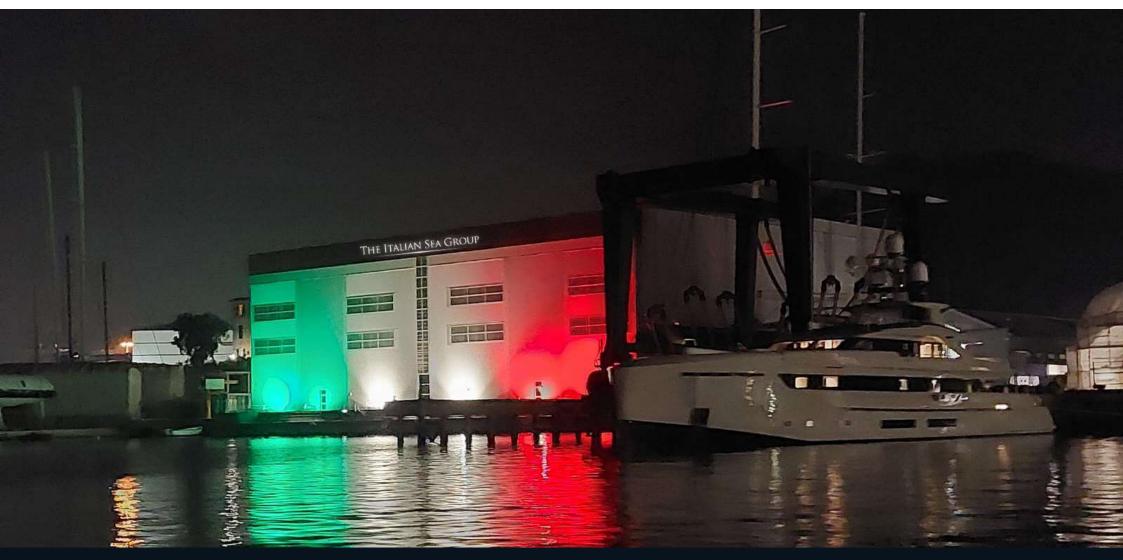


## TISG MUSEUM

## LA SPEZIA Former perini navi facilites

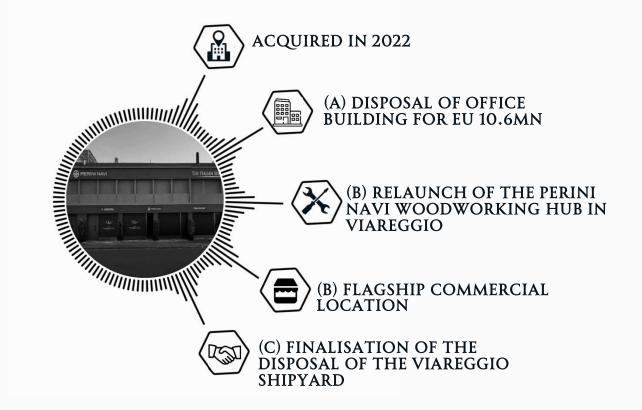






## LA SPEZIA

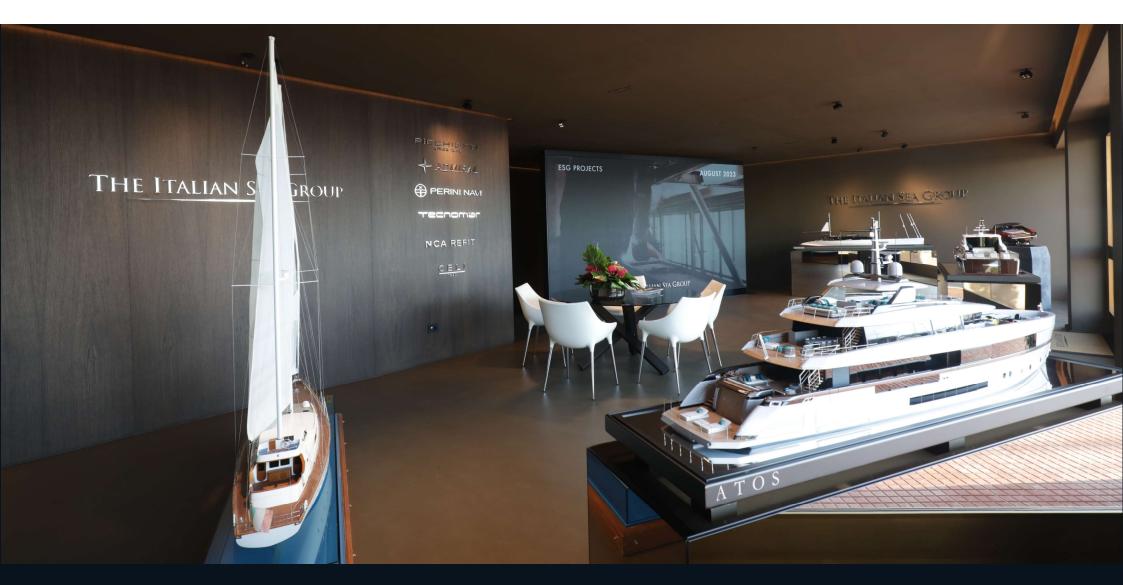
## VIAREGGIO Former perini navi facilities



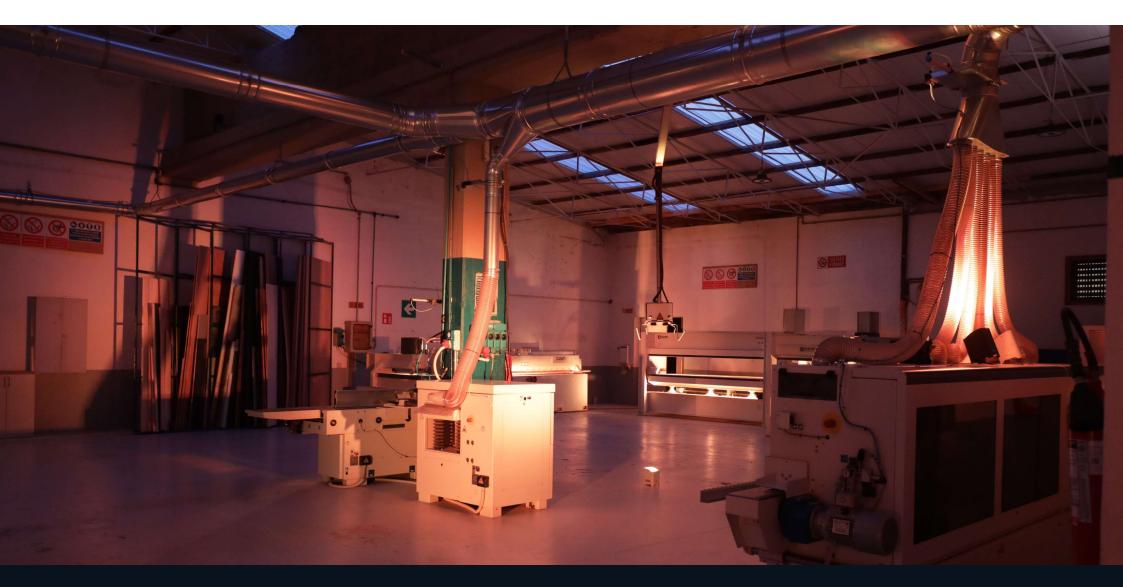
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### COMMERCIAL FLAGSHIP IN VIAREGGIO – EXTERIOR

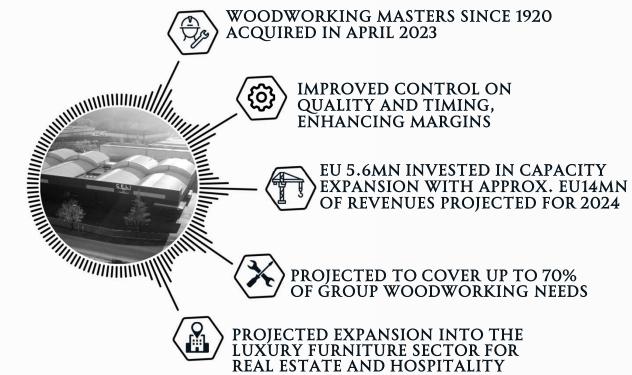


### COMMERCIAL FLAGSHIP IN VIAREGGIO - INTERIOR

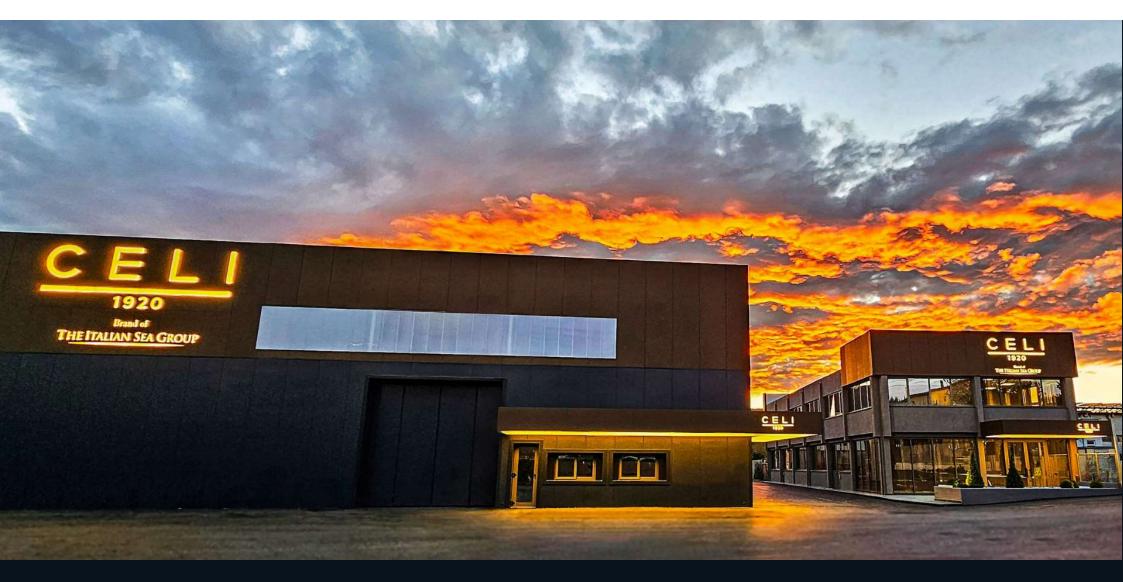


## WOODWORKING HUB IN VIAREGGIO

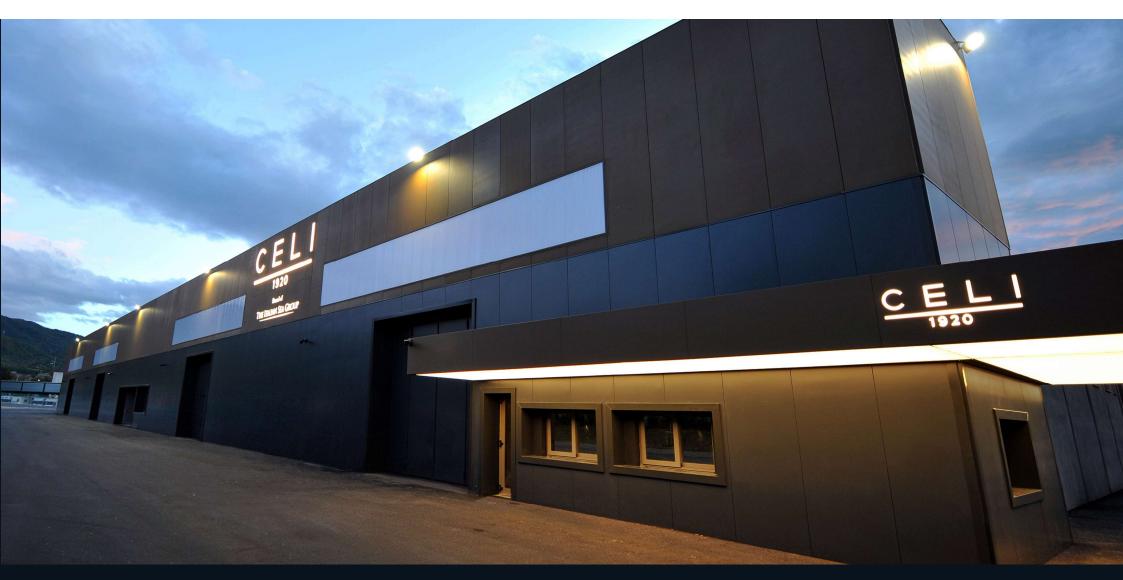
## CELI 1920 WOODWORKS





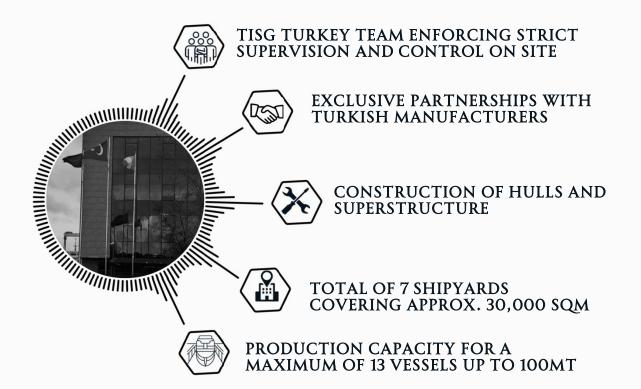


## CELI NEW FACILITIES



CELI NEW FACILITIES

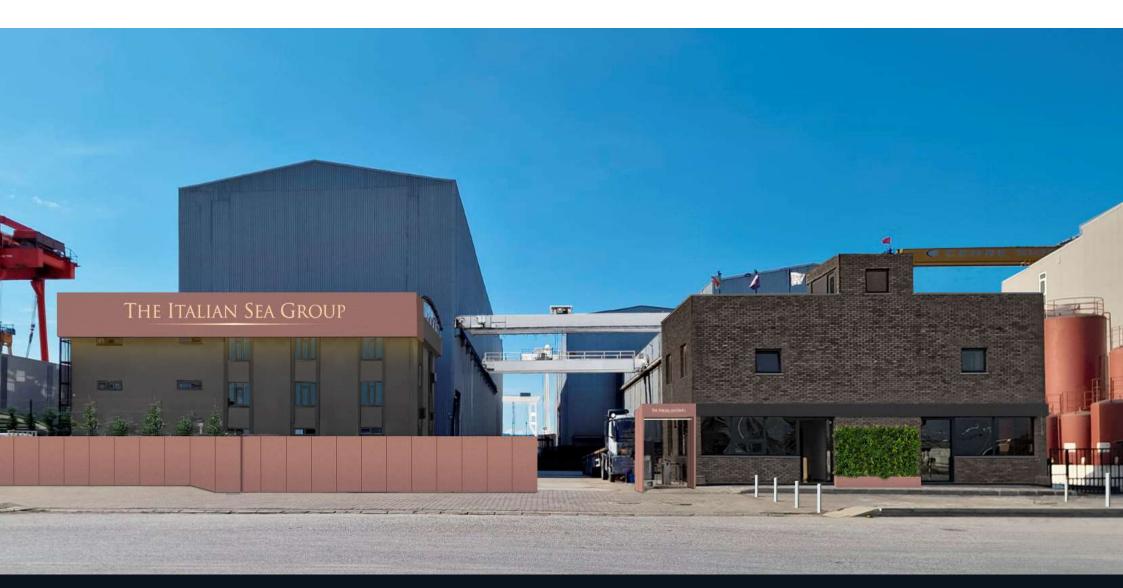








## NAVEKS - YALOVA



## HERÇELIK - YALOVA



## HICRI ERCILI- YALOVA





## 2024 YACHT DELIVERIES



### ADMIRAL M/Y 78MT

EXTERIOR DESIGN BY

## + ADMIRAL | GIORGIO ARMANI M/Y 72MT

EXTERIOR DESIGN BY GIORGIO ARMANI

THE ITALIAN SEA GROUP











## NEW Shipbuilding Projects

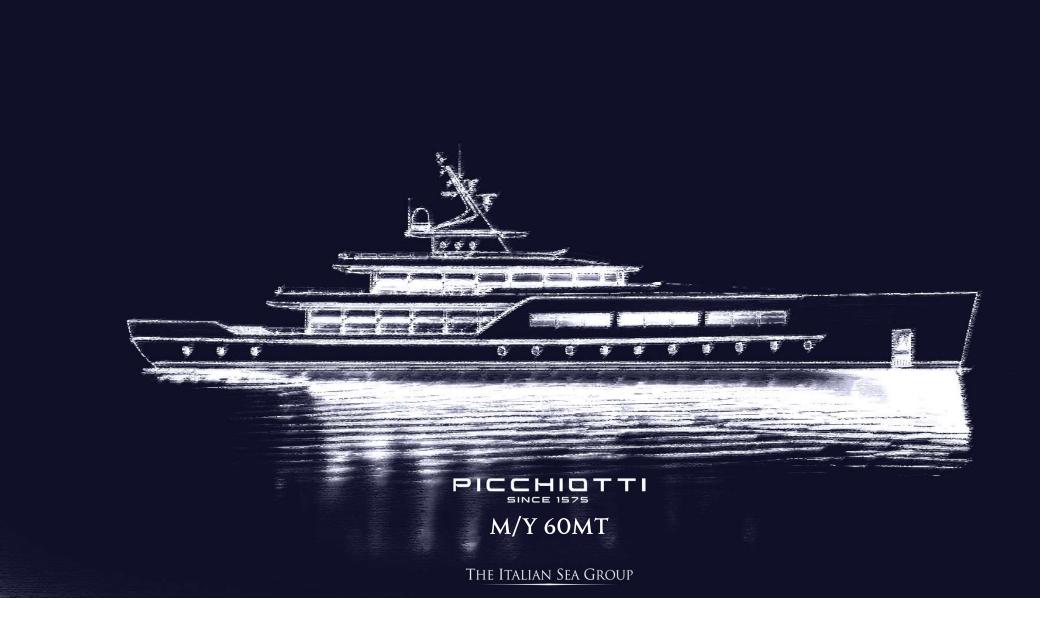














# SOON-TO-BE UNVEILED: NEW SAILING CATAMARAN 499GT





## COMMITMENT To Sustainability

### 2023 ESG STRATEGY DELIVERED



13 CLIMATE ACTION

#### ENVIRONMENTAL

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



#### SOCIAL

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



#### GOVERNANCE

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





### **BEST-IN-CLASS COMPLIANCE AND CERTIFICATIONS**

#### POLICIES

9001:2015

Quality

45001

Occupational

Health & Safety



The Italian Sea Group

14001:2015

Environmental

Risk assessment Authorised Economic

Operator (WIP)

and control

## 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



# THE ITALIAN SEA GROUP

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