

15 MARCH 2023

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# ROAD TO 2030 SANLORENZO'S RESPONSIBLE GROWTH

2023-2025 BUSINESS PLAN

PALAZZO MEZZANOTTE, MILAN

**SANLORENZO**



# Management team



MASSIMO PEROTTI  
Chairman &  
Chief Executive Officer



FERRUCCIO ROSSI  
Executive Director,  
President Superyacht &  
General Manager Sanlorenzo



CARLA DEMARIA  
Executive Director &  
Bluegame Chief Executive Officer



TOMMASO VINCENZI  
Executive Director &  
President Yacht



ATTILIO BRUZZESE  
Group Chief Financial Officer

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# Our strategy in numbers: drivers for superior shareholders' return

1. 2022 record year results and 2023-2025 key targets
2. Road to 2030: the pillars of our quiet luxury
3. Maison Sanlorenzo: pioneering a new language in yachting
4. Our strategy in numbers: drivers for superior shareholders' return
5. Closing remarks

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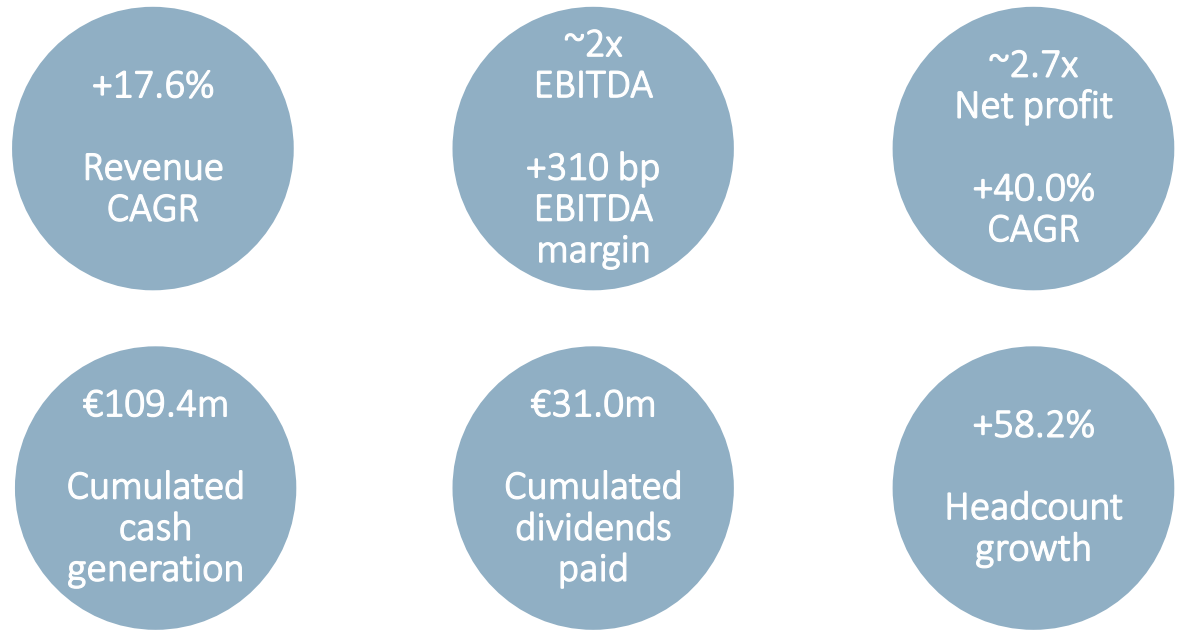
# 10 DECEMBER 2019: IPO on the Milan Stock Exchange



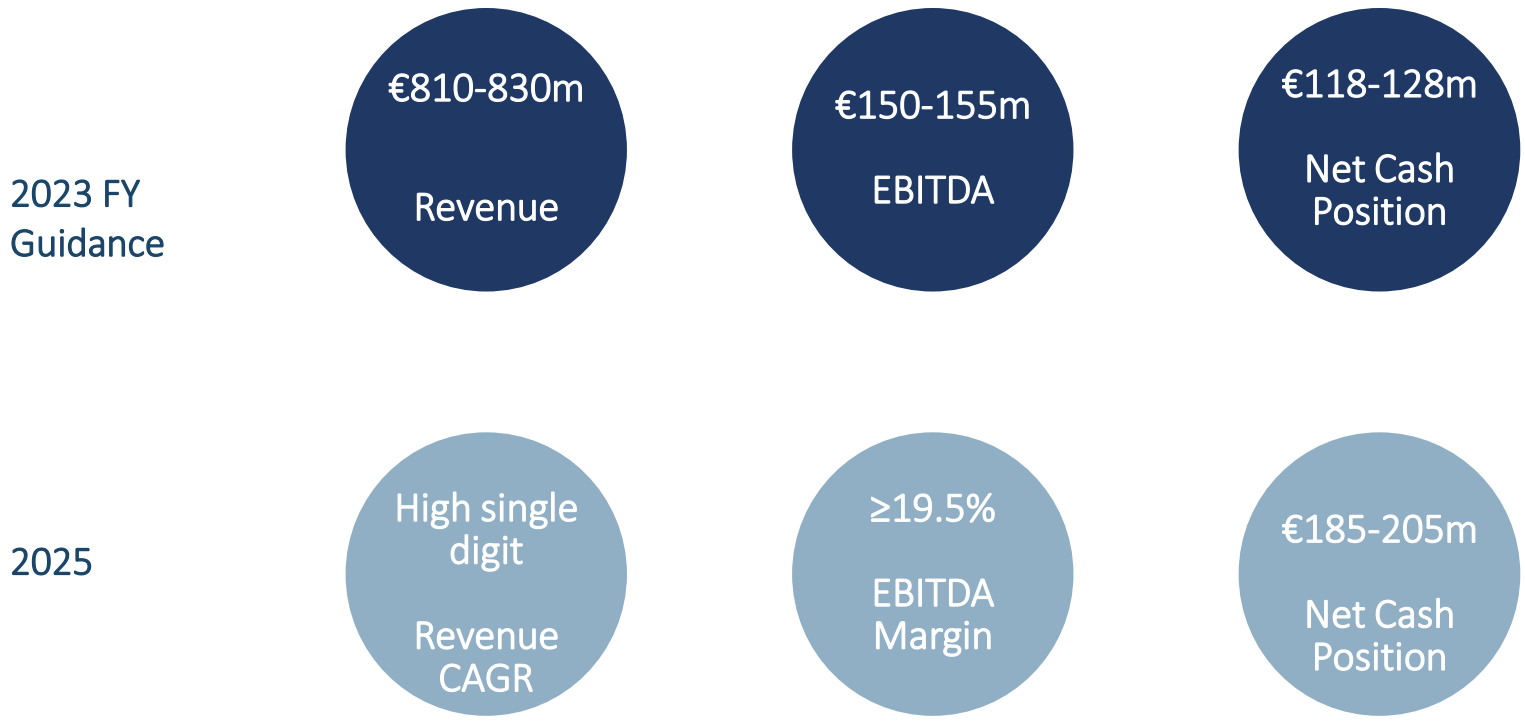
# 2019-2022 results

Our main achievements since the IPO in 2019

Strong performances exceeding all the guidance ranges



# 2023-2025 new and higher financial targets



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## ROAD TO 2030: THE PILLARS OF OUR QUIET LUXURY

- A. Sustainability and technology for a shift in the yachting paradigm
- B. Product pipeline: shaping the future
- C. A new proposition offering high value services to Sanlorenzo's customers
- D. Direct distribution in key markets
- E. Production capacity and supply chain strategy

# Marginal impact of yachting in total GHG shipping emissions

- Shipping: 1.7% of overall emissions
- Yachting: 0.22% of shipping emissions

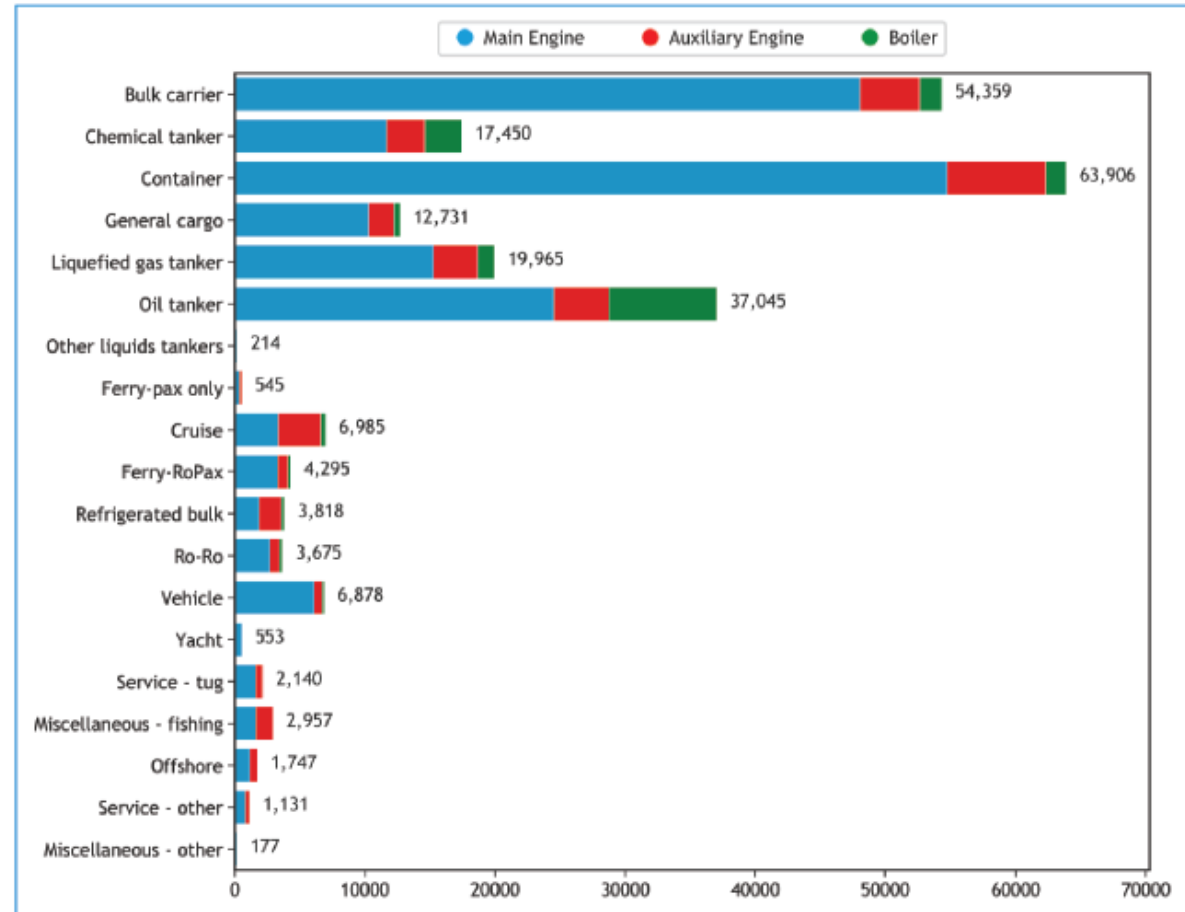
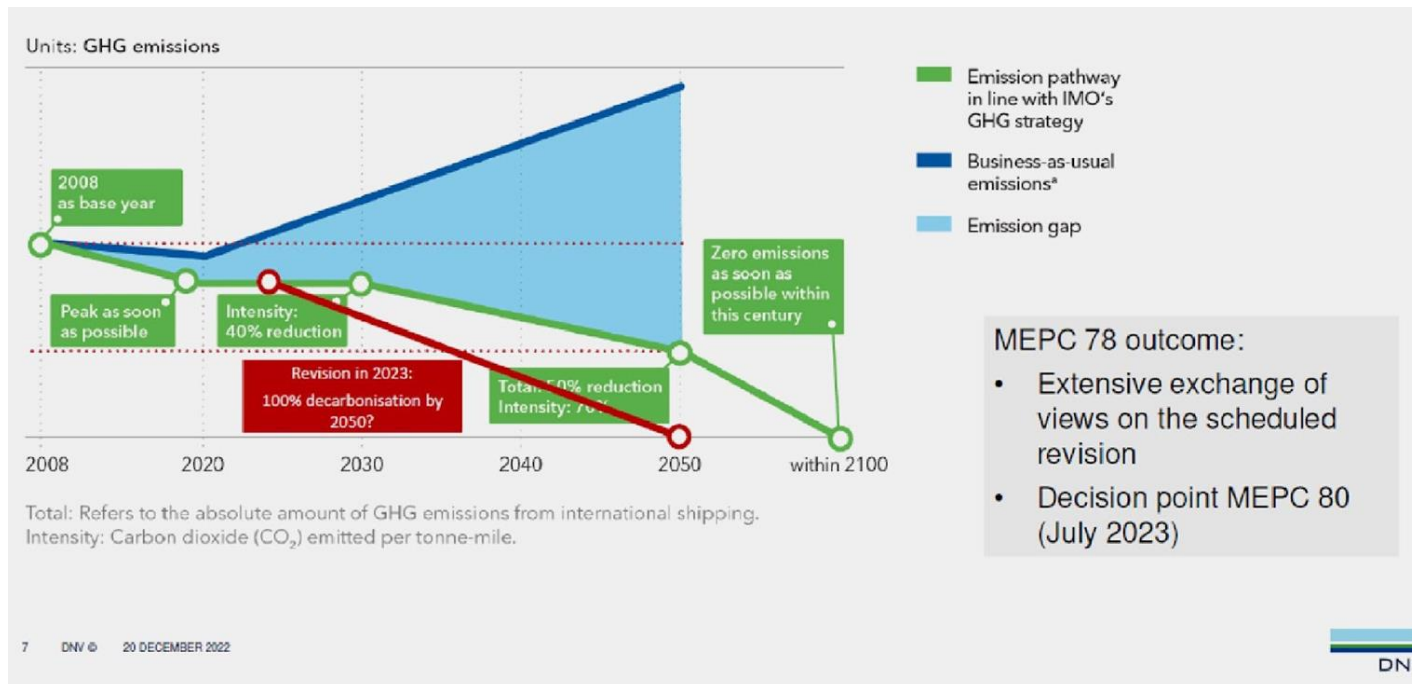


Figure 5 – International, voyage-based allocation, HFO-equivalent fuel consumption (thousand tonnes), 2018, split by main engine, auxiliary engine and boiler. Highlighted values are in thousand tonnes

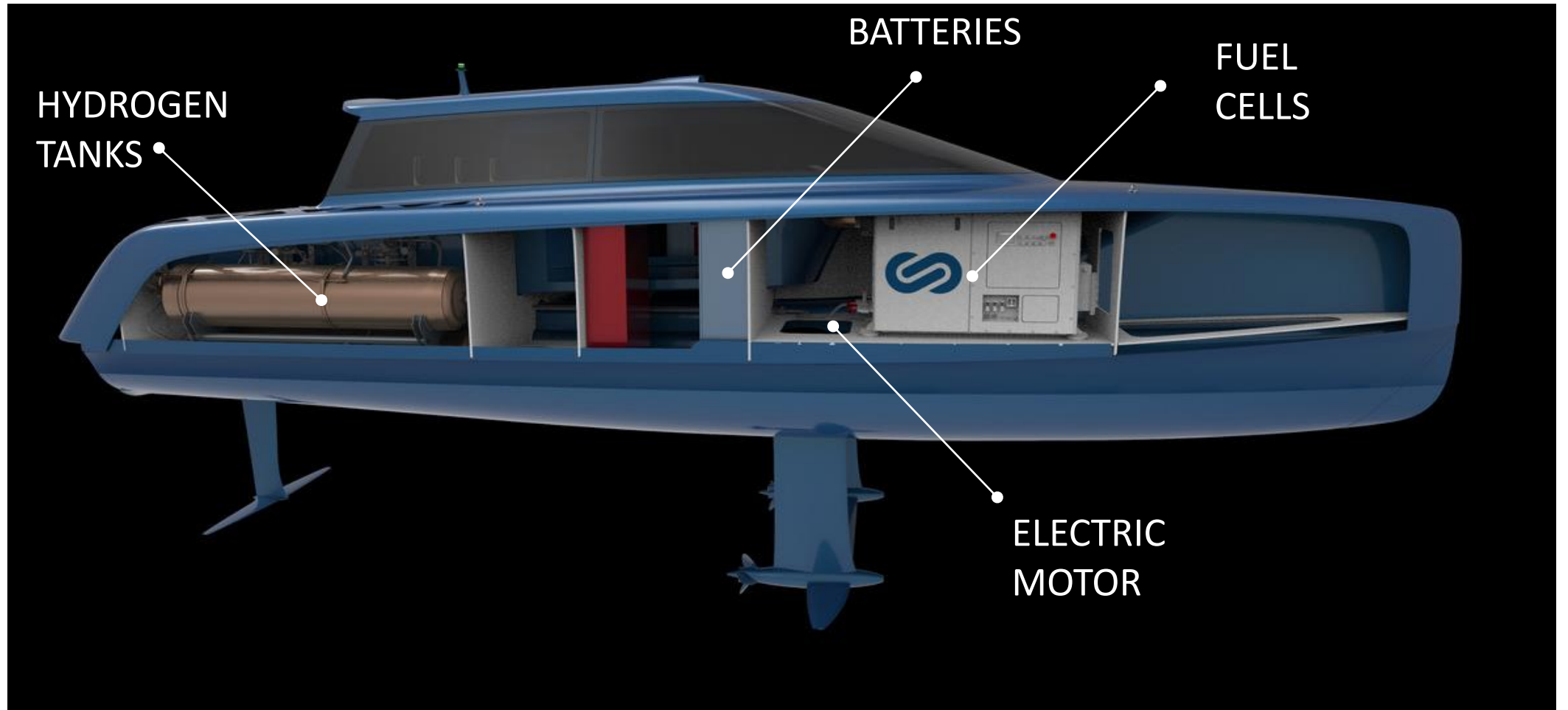
# Sustainability is no longer an option

- Framework is constantly evolving, both from a technological and regulatory standpoint
- Keeping a close eye on IMO and EU regulatory path will be key
- IMO GHG reduction program – New agenda as of 15 December 2022

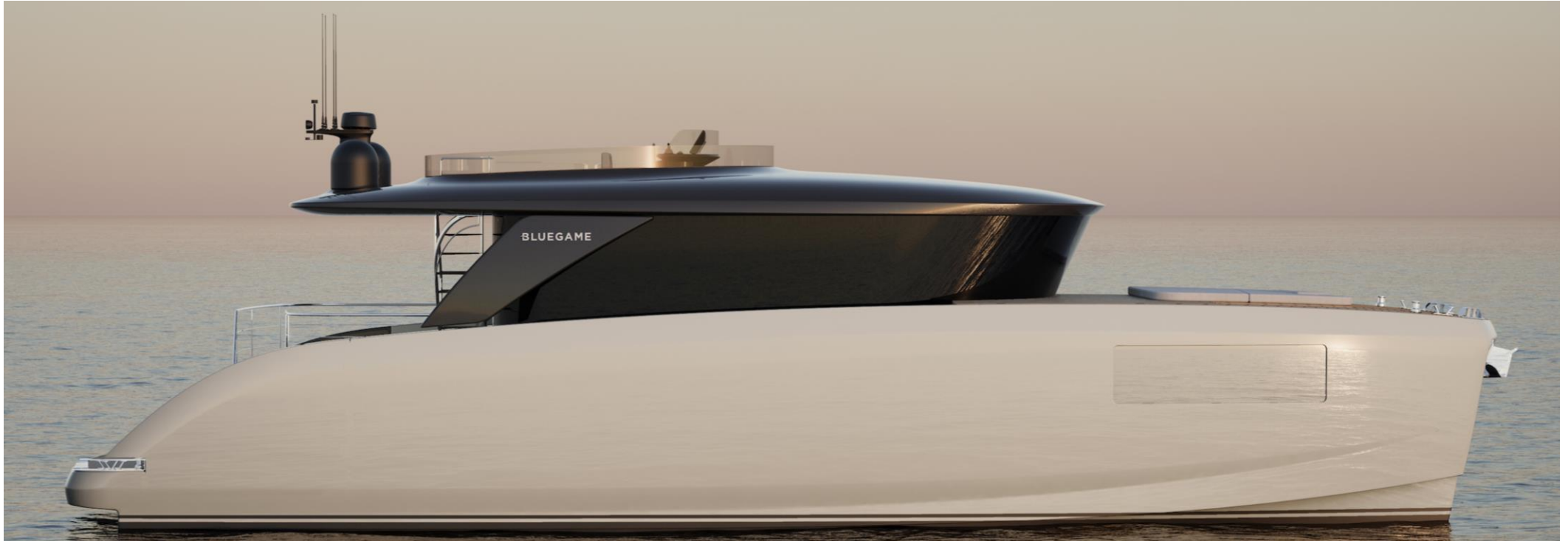


# Bluegame BGH

MAIN SYSTEM LAYOUT



## Bluegame BGM65HH (Hydrogen-hybrid)



### 1. Hybrid cruising mode

#### **ZERO EMISSION AT LOW SPEED**

Cruising 10 hours at 8 kn or 4 hours at 10 kn  
batteries to cover the peaks and achieve 11-  
12 kn

### 2. Traditional cruising mode

#### **HIGH SPEED IN DIESEL MODE** (max 21 kn)

Main engines ON, generator and fuel cells OFF,  
E-motors to manage hotel load and/or fast  
recharge the batteries

### 3. Zero emission at anchor

**ZERO EMISSION AT ANCHOR** (up to 50 hrs)  
fuel cells to provide the average power for  
hotel load (10kw), batteries OFF or in recharge  
mode

# The milestones of our roadmap



# Pioneering the application of green technologies, supported by agreements with major global players



**SANLORENZO**



**SIEMENS  
ENERGY**



A Rolls-Royce  
solution

 EODev

**V O L V O  
P E N T A**

## What's next: product pipeline by Business Units

Significant extension of ranges, increasing average size

BUSINESS UNIT	2022	2023-2025		2025
	#Models	New	Updated	#Models
Yacht	13	4	4	17
Superyacht	7	1	4	8
Bluegame	6	5	1	11
<b>Total</b>	<b>26</b>	<b>10</b>	<b>9</b>	<b>36</b>



# An iconic timeless design

1958



1995



2010



# What's next: product pipeline by Business Units

Yacht – SP110



# What's next: product pipeline by Business Units

Superyacht – 73Steel DE



# What's next: product pipeline by Business Units

Bluegame – BGM75



# Overview of Sanlorenzo High-End Services

## The reason why

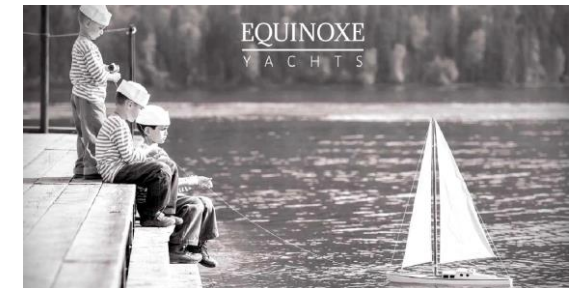
- Add a strong competitive advantage in Sanlorenzo's value proposition
- Increase loyalty of clients who will experience an effectively advantageous and peace-of-mind relationship with the shipyard
- Strengthen the brand positioning in the top end luxury segment

## A 360° premium service package

- Sanlorenzo Charter Fleet, the first monobrand charter fleet ever (Equinoxe acquisition)
- Crew training through Sanlorenzo Academy
- Tailor-made leasing/financing and insurance package
- Maintenance, refit and restyling services through Sanlorenzo Timeless



HIGH-END SERVICES

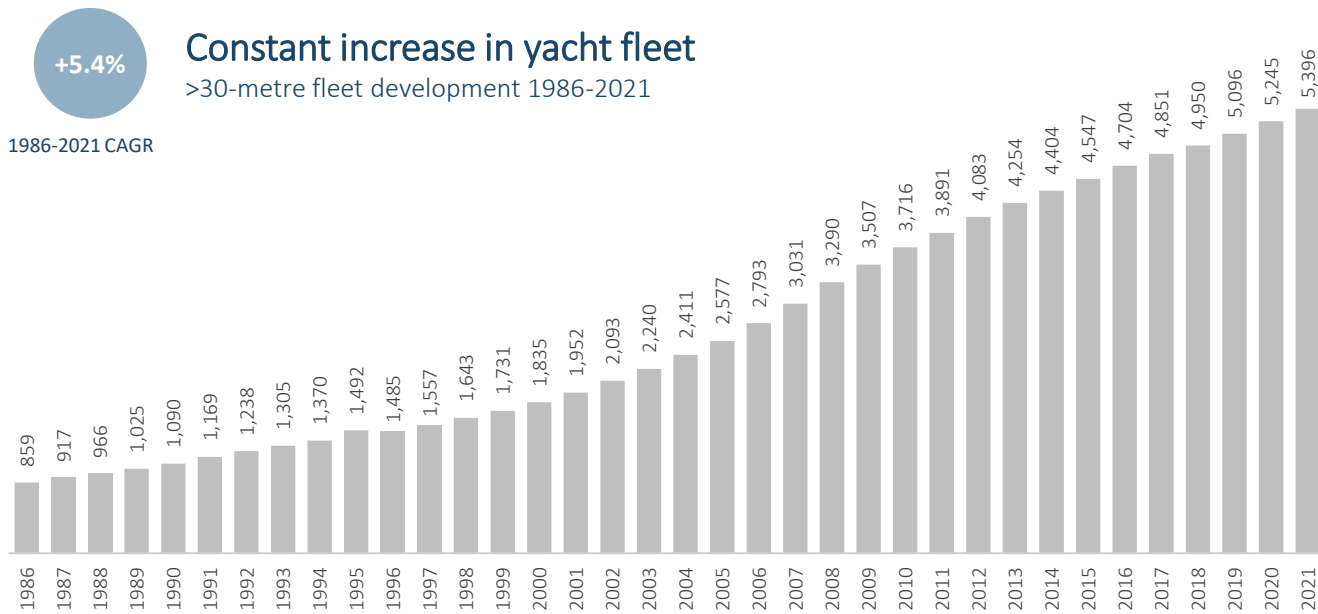


# Maintenance & Refit services

High potential anti-cyclical activities consistently expanding

A Two-step approach:

- Offering a 3-5 year contractual maintenance package, extending the warranty period
- Refit activities, upside in the business plan

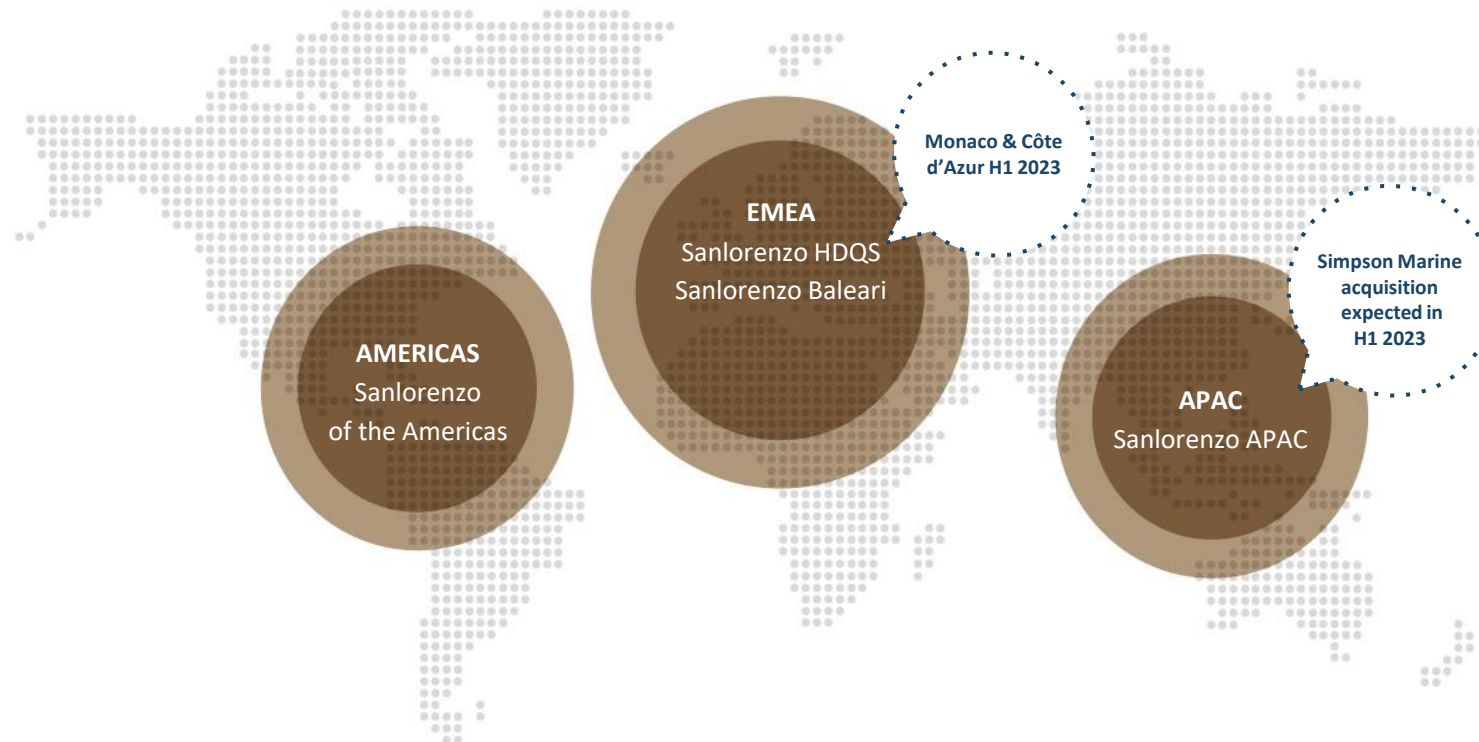


Source: The State of Yachting 2022, SuperYacht Times.



## Direct global coverage strategy

Extension of direct distribution in key markets – Americas, APAC, EMEA (Monaco/Côte d'Azur, Balearic Islands) so as to increase profitability, to enhance value proposition and to facilitate cross selling in high end services



# Acquisition of Simpson Marine

2023: extensive direct coverage of Asian countries

12 sales showrooms

10 service points





# Acquisition of Simpson Marine

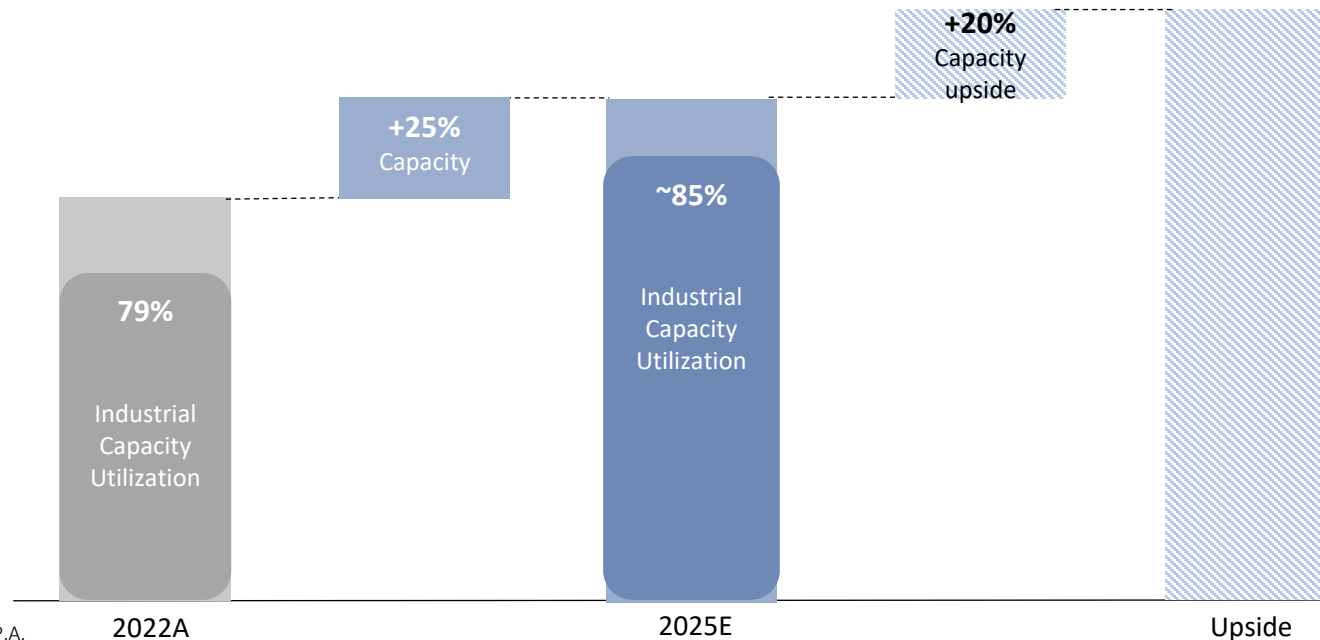
Singapore



# Increasing production capacity to support revenue growth

## Progressive investments to enhance capacity increase

- Production capacity 2022 of ~100K square meters, 79% utilized
- +25% increase in production capacity in the 2023-2025 period along with optimization of current industrial facilities to target ~85% utilization by the end of 2025
- Additional ~20% industrial capacity (on properties already owned) to support potential upside in production volumes





## Equity investments in strategic supply chain players

Disciplined investments in vertical integration of key manufacturing processes through partnerships and minority equity stakes in strategic suppliers

### Objectives:

- Secure procurement of key materials and making
- Add new production capacity
- Increase agility and flexibility in manufacturing processes
- Ensure direct quality control over production
- Extend Sanlorenzo's sustainable standards to the supply chain
- Arbatax: new site dedicated to the production of small/medium-size composite semi-finished parts, expected to be fully operational in 1H2023, with further potential of expansion

		<b>DUERRE</b>		<b>ARBATAX</b>
<b>Activity</b>	<b>Metal carpentry</b>	<b>Furnishings</b>	<b>Electrical system</b>	<b>Composite parts</b>
<b>Stake</b>	48%	33%	49%	100%

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## Maison Sanlorenzo: Pioneering a new language in yachting

- A. Maison Sanlorenzo
- B. From sustainability to responsibility

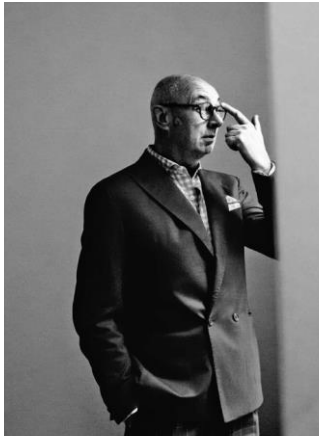
# Maison Sanlorenzo since 1958





# Interior design

Bringing on board for the first time interior design archistars



PIERO LISSONI



STUDIO LIAIGRE – G. ROLLAND



JOHN PAWSON



STUDIO CITTERIO



DORDONI ARCHITETTI



PATRICIA URQUIOLA

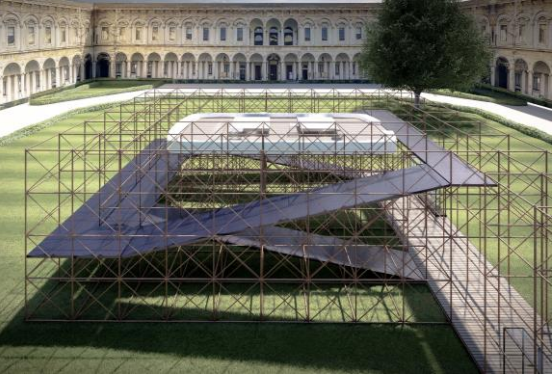
# Design beyond interiors





# Docking in art

The contamination of interior design and architecture has naturally led Sanlorenzo into the world of art



Milan Design Week – FABBRICA (2022)



Milan Design Week - THE ARK (2019)



Milan Design Week - LA MACCHINA IMPOSSIBILE (2023)



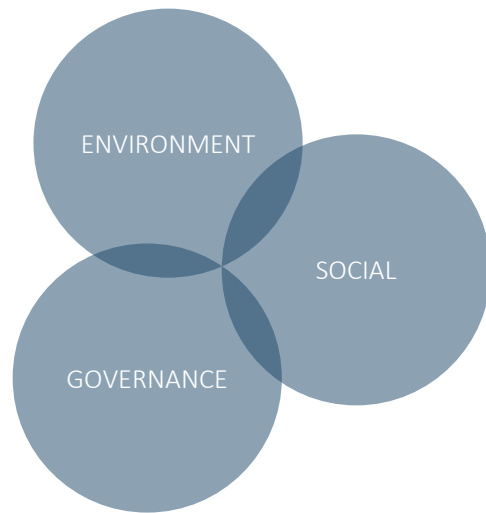
Art Basel, exclusive partner since 2018



Art Basel Miami Beach (2022)

# Outgrowing our DNF commitments

A new culture that embraces all stakeholders in a common journey



- 50-60 target graduates per year
- 60% of the graduates hired



- Access to SL Academy
- Access to Sanlorenzo's structured financial platform



- Foster young people's educational path
- Support and promote the development of the Italian minor Islands
- Promote Art and Culture
- Headquarters in a Venice historical building

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## Our strategy in numbers: drivers for superior shareholders' return

A. Market scenario

B. 2023-2025 solid growth profile

# Increase in UHNWIs underpinning the yachting market growth

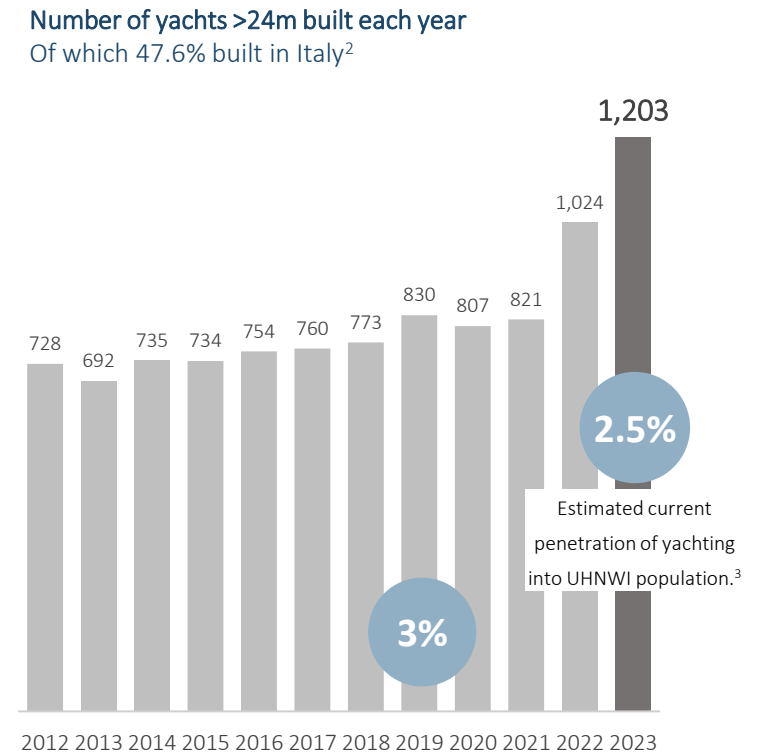
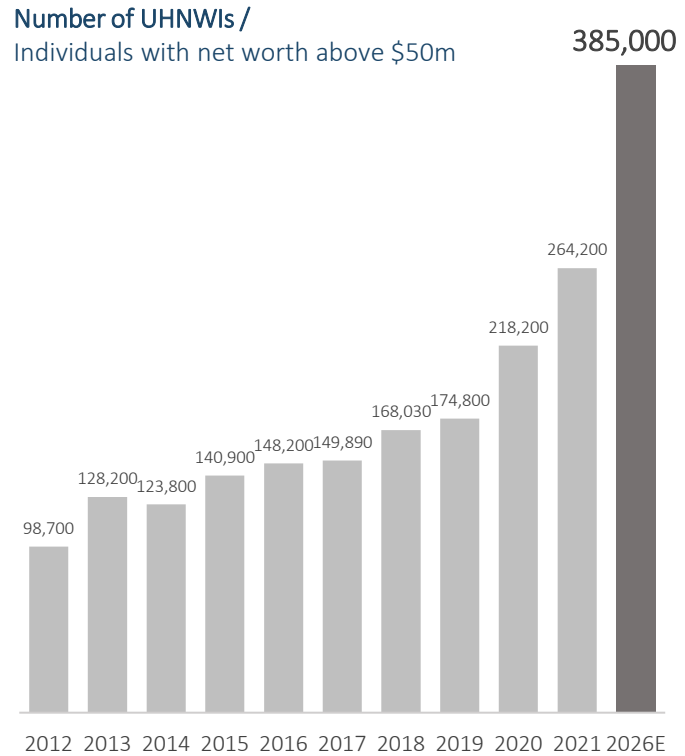
Growth of target customers in key geographies and a penetration rate of luxury yachting estimated below 3% testify to a large untapped potential client base

+18k

Average annual increase in UHNWIs between 2012 and 2021<sup>1</sup>

+24k

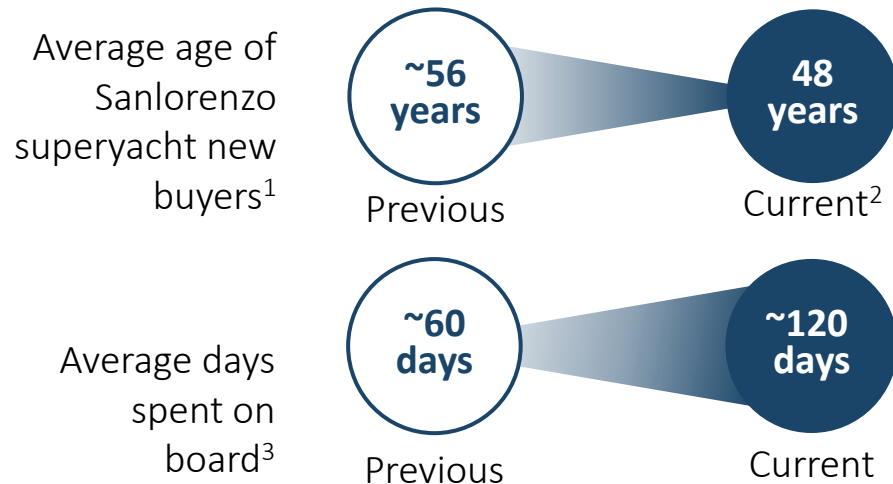
Expected average annual increase in UHNWIs from 2021 to 2026<sup>1</sup>



1. Source: Credit Suisse Global Wealth Report 2022.  
 2. Source: Global Order Book 2023 – BOAT International, December 2022. The Global Order Book counts all projects over 24 metres length overall on order or in build signed with a minimum 10% deposit received, on 1 September each year  
 3. Source: Deloitte Boating Market Monitoring 2023

# A new client mindset is shaping the yachting industry

The willingness to enjoy intimate and safe stays is attracting a new generation of yacht buyers



- Search for a well-balanced life with **freedom, safety and privacy**
- **New technologies** for connectivity, significantly extending the time spent on board
- Sanlorenzo is still leveraging on its high **customer retention**, benefitting from clients' trading-up

**4.5 years**

Frequency with which a SL repeat client changes yacht<sup>4</sup>

**+ 68.6%**

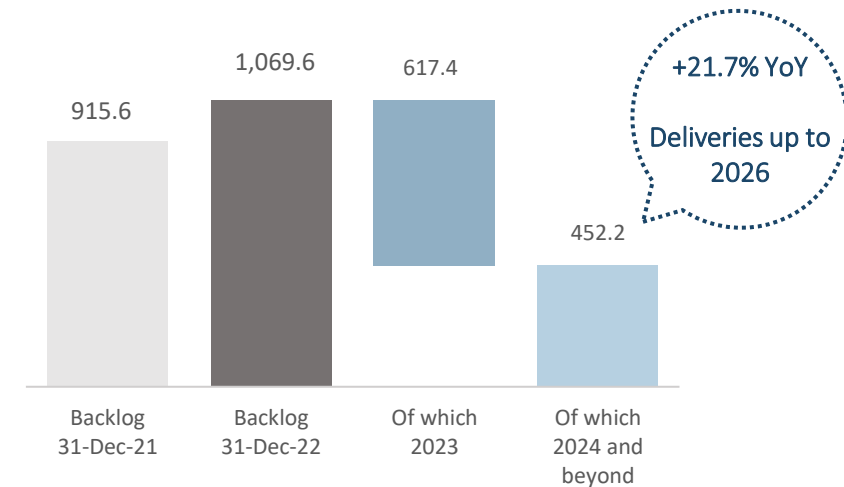
Average increase in value of the latest yacht bought by a SL repeating client versus the previous one<sup>4</sup>

1. Based on the contracts for the sale of superyachts signed between 2016 and 2020  
 2. Based on the contracts for the sale of superyachts signed in 2021 and H1 2022  
 3. Based on discussions with clients  
 4. Based on the contracts signed with repeat clients from 2012 to H1 2022

## Visibility on coming years persistently increasing

- A robust, growing backlog boosted by a continuously increasing high demand
- €1.1bn backlog cleared from FY 2022 Net Revenues New Yachts, +16.8% YoY, 93% sold to final clients
- Approx. 75% 2023 revenue coverage, plus €450m revenue in 2024 and beyond
- Very limited stock available in our brand representatives network
- Extremely low availability of second hand yachts in the market

Order backlog composition / (€m)



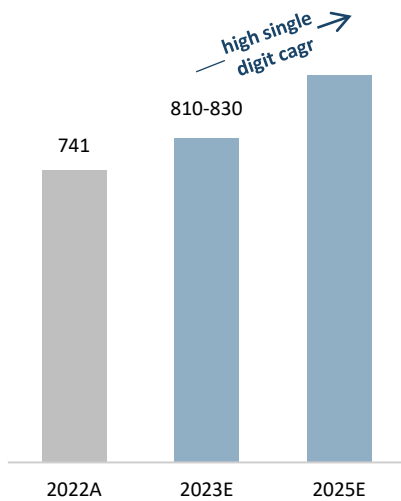
# Steady top line increase

High single digit revenue growth driven by price and product mix

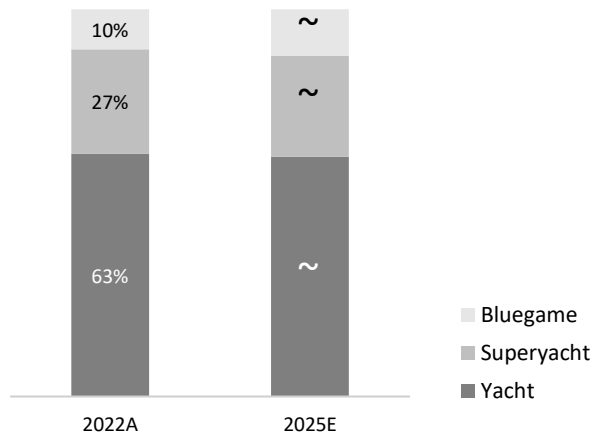
High single digit CAGR

- ~3% price increase per year
- Shift towards larger yachts in each business unit
- Consistent organic growth

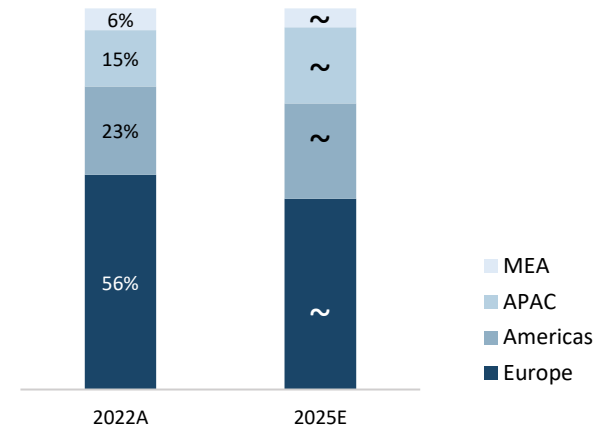
Evolution / (€m)



Breakdown by division



Breakdown by geography



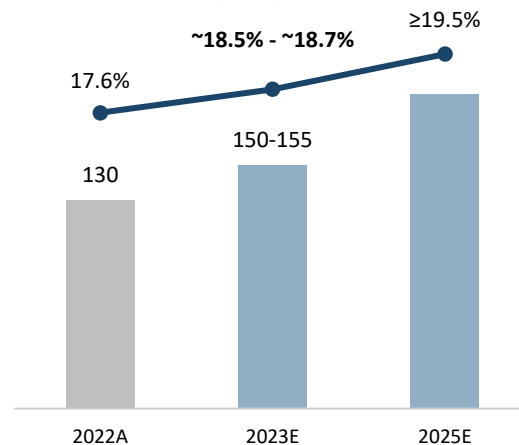


## Strong focus on profitability: continued expansion of margins

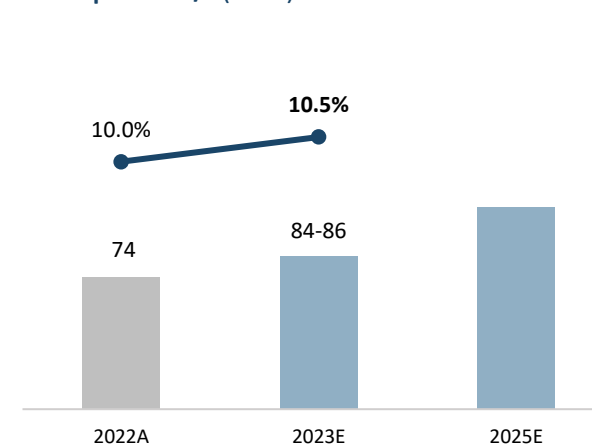
EBITDA margin equal to or above 19.5% in 2025

- '22-'25 CAGR acceleration in profitability key metrics
- Shift towards larger yachts in each business unit
- Direct distribution in key markets and verticalization in strategic supply chain
- Higher absorption of fixed costs and operating efficiencies
- Consistent and progressive increase in superyacht margins

EBITDA <sup>(1)</sup> / (€m)



Net profit / (€m)



(1) The figure in 2022A refers to Adjusted EBITDA; the figure in 2023E refers to reported EBITDA, which differs from Adjusted EBITDA for less than 0.5%. On a like-for-like basis, excluding the contribution from extraordinary transactions or business combinations. Refer to notes in the appendix regarding forward-looking statements

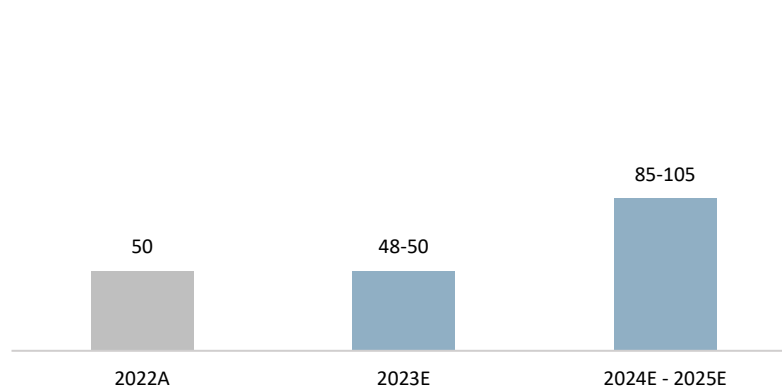
## Remarkable cash generation and sound balance sheet

Net cash position expected to more than double in three years

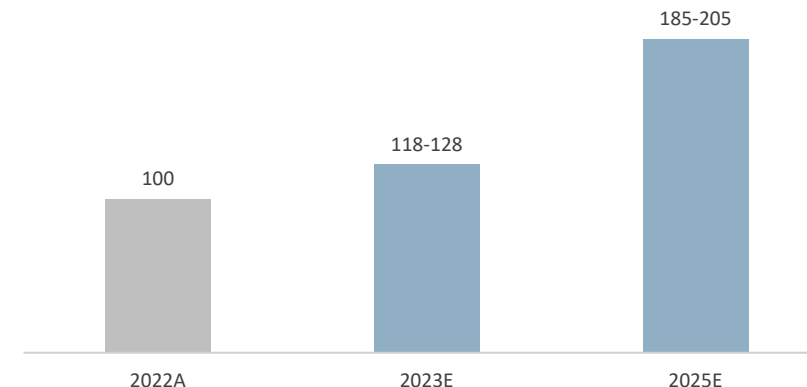
- Disciplined approach to capex, mainly dedicated to boost R&D and production capacity
- Continued sustained cash conversion
- Neutral net working capital thanks to a unique business model
- 30-40% dividend pay-out expected

€100m+  
cash  
generation

Capex (€m)



Net cash position (€m)



## 2023-2025 solid growth profile focused on margin expansion and cash generation

€m						
Margin as % of Net Revenues New Yachts	2019 Actual	2020 Actual	2021 Actual	2022 Actual	2023 Guidance	2025 <sup>5</sup> Outlook
Net Revenues New Yachts <sup>1</sup> YoY GROWTH %	455.9	457.7 +0.4%	585.9 +28.0%	740.7 +26.4%	810-830 +11%	HIGH SINGLE-DIGIT <i>Revenue CAGR '23-'25</i>
EBITDA <sup>2</sup> YoY GROWTH %	66.0	70.6 +7.0%	95.5 +35.3%	130.2 +36.3%	150-155 +17%	
EBITDA Margin <sup>2</sup> YoY GROWTH %	14.5%	15.4% +0.9%	16.3% +0.9%	17.6% +1.3%	18.5%-18.7% +1.0%	≥19.5%
Group Net Profit YoY GROWTH %	27.0	34.5 +27.7%	51.0 +47.8%	74.2 +45.5%	84-86 +15%	
Capex <sup>3</sup> YoY GROWTH %	51.4	30.8 -40.1%	49.2 +59.7%	50.0 +1.6%	48-50 -2%	95-105 Cumulated '24-'25
Net Cash Position <sup>4</sup> CASH GENERATION	(9.1)	3.8 +12.9	39.0 +35.2	100.3 +61.3	118-128 +18-28	185-205 100+ cash generation

1. Calculated as the sum of revenues from the sale of new yachts (recognised over time with the cost-to-cost method) and pre-owned boats, net of commissions and trade-in costs of pre-owned boats.
2. The figures from 2019 to 2022 refer to Adjusted EBITDA; the figures from 2023 to 2025 refer to reported EBITDA, which differs from Adjusted EBITDA for less than 0.5%
3. Increases in property, plant and equipment and intangible assets, net of the carrying amount of related disposals, at constant perimeter. FY 2022 reported figure €59.0m, including the consolidation of Polo Nautico Viareggio S.r.l., I.C.Y. S.r.l. and Equinoxe S.r.l..
4. Calculated in accordance with ESMA document 32-382-1138, 4 March 2021. A positive figure indicates a net cash position.
5. For the guidance range, annual growth is calculated on the average figure.

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## Closing Remarks

- Strong acceleration of UHNWIs matched with low penetration in the potential market
- Leaders in the sustainable journey to carbon neutrality in yachting
- Progressive expansion in industrial capacity to support growth
- Solid visibility of future performances
- Strategic decisions driven by profitability
- Confirmed resilience of the excellent business model in a new scenario
- Robust cash conversion
- Sound use of cash:
  - 30-40% dividend pay-out expected, excluding extraordinary capex and M&A
  - M&A based on selected criteria consistent with our brand positioning
  - Infrastructure capex to further develop the High-end Services business

# Q&A

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## Contacts

[www.sanlorenzoyacht.com](http://www.sanlorenzoyacht.com)

[investor.relations@sanlorenzoyacht.com](mailto:investor.relations@sanlorenzoyacht.com)



# Alternative performance indicators: definitions

<b>Net Revenues New Yachts</b>	Net Revenues New Yachts are calculated as the sum of revenues from the sale of new yachts (recognised over time with the cost-to-cost method) and pre-owned boats, net of commissions and trade-in costs of pre-owned boats.
<b>EBITDA</b>	EBITDA is calculated by adding amortisation/depreciation expenses to operating profit/loss. EBITDA margin is calculated on Net Revenues New Yachts.
<b>Adjusted EBITDA</b>	Adjusted EBITDA is calculated by adding amortisation/depreciation expenses to operating profit/loss, excluding minor non recurring items. Adjusted EBITDA margin is calculated on Net Revenues New Yachts.
<b>Investments or capex</b>	Investments refer to increases in property, plant and equipment and intangible assets, net of the carrying amount of related disposals.
<b>Net working capital</b>	Net working capital is calculated as the sum of trade receivables, contract assets, inventories and other current assets, net of trade payables, contract liabilities, provisions for current risks and charges and other current liabilities.
<b>Net cash position</b>	Net financial position is calculated on the basis of guidelines issued by ESMA and reported in ESMA document 32-382-1138 of 4 March 2021 (Consob Warning Notice no. 5/21 for Consob Communication DEM/6064293, 28 July 2006), as the sum of liquidity (including cash equivalents and other current financial assets), net of current and non-current financial indebtedness, including the fair value of hedging derivatives. If positive, it indicates a net cash position.