

PERIODIC
FINANCIAL
INFORMATION

AS AT 31 MARCH 2023

SANLORENZO



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SANLORENZO GROUP

CORPORATE DATA

SANLORENZO S.P.A.

Share capital as at 31 March 2023: €34,820,758 fully paid-in¹

Tax code and registration number at the Chamber of Commerce 00142240464

VAT 01109160117

Registered office in via Armezzone 3, 19031 Ameglia (SP)

www.sanlorenzoyacht.com

CORPORATE BODIES

BOARD OF DIRECTORS²	Massimo Perotti	Chairman and Chief Executive Officer
	Carla Demaria	Executive Director
	Ferruccio Rossi	Executive Director
	Paolo Olivieri	Director and Deputy Chair
	Cecilia Maria Perotti	Director
	Silvia Merlo	Director
	Licia Mattioli	Independent Director and Lead Independent Director
	Leonardo Luca Etro	Independent Director
	Francesca Culasso	Independent Director
CONTROL, RISKS AND SUSTAINABILITY COMMITTEE	Marco Francesco Mazzù	Independent Director
	Leonardo Luca Etro	Chair
	Silvia Merlo	
REMUNERATION COMMITTEE³	Francesca Culasso	
	Leonardo Luca Etro	Chair
	Silvia Merlo	
	Francesca Culasso	

¹ On 21 April 2020, the Extraordinary Shareholders' Meeting approved a divisible share capital increase, excluding option rights, pursuant to Article 2441, paragraph 8 of the Italian Civil Code, of a maximum nominal value of €884,615, to be executed no later than 30 June 2029, through the issue of a maximum of 884,615 ordinary shares destined exclusively and irrevocably to service the 2020 Stock Option Plan, approved by the Ordinary Shareholders' Meeting on the same occasion. As at 31 March 2023, this capital increase had been partially subscribed for a total of no. 320,758 shares.

² Appointed by the Ordinary Shareholders' Meeting on 28 April 2022; in office until the date of the Shareholders' Meeting called to approve the separate financial statements as at 31 December 2024. Following the resolution of the Ordinary Shareholders' Meeting held on 27 April 2023, the number of members of the Board of Directors was reduced from twelve to ten, confirming the current Directors and therefore, without proceeding with the replacement of Marco Viti, ceased during 2022, and Pietro Gussalli Beretta, ceased from 27 April 2023.

³ The composition was modified on 17 April 2023 with immediate effect.

NOMINATION COMMITTEE⁴	Licia Mattioli Paolo Olivieri Marco Francesco Mazzù	Chair
RELATED PARTY TRANSACTIONS COMMITTEE⁵	Licia Mattioli Leonardo Luca Etro Francesca Culasso	Chair
BOARD OF STATUTORY AUDITORS⁶	Enrico Fossa Andrea Caretti Margherita Spainì Luca Trabattoni Maria Cristina Ramenzoni	Chair and Statutory Auditor Standing Auditor Standing Auditor Alternate Auditor Alternate Auditor
AUDITING FIRM⁷	BDO Italia S.p.A.	
MANAGER CHARGED WITH PREPARING THE COMPANY'S FINANCIAL REPORTS	Attilio Bruzzese	

⁴ The composition was modified on 17 April 2023, effective 27 April 2023.

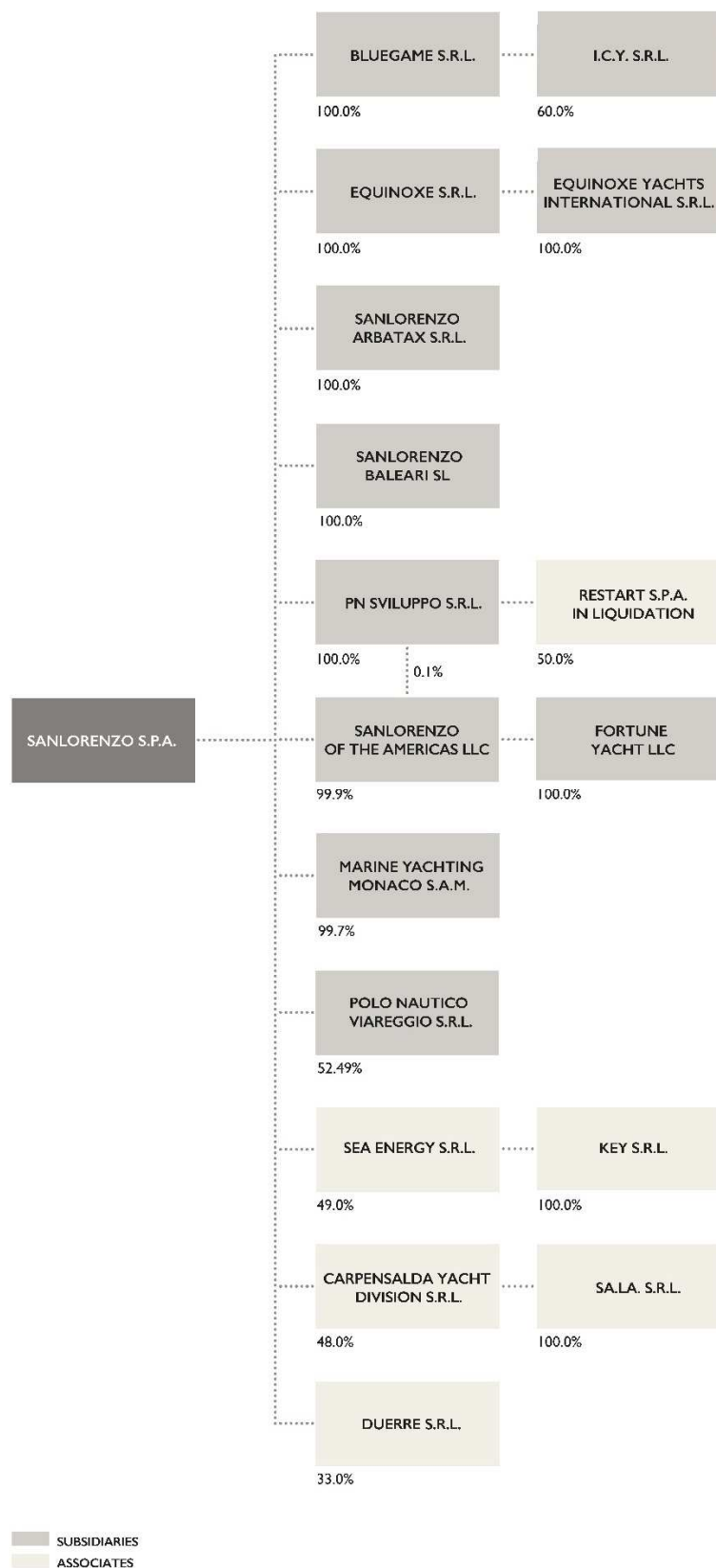
⁵ The composition was modified on 17 April 2023 with immediate effect.

⁶ Appointed by the Ordinary Shareholders' Meeting on 28 April 2022; in office until the date of the Shareholders' Meeting called to approve the financial statements as at 31 December 2024.

⁷ Appointed by the Ordinary Shareholders' Meeting on 23 November 2019 for nine financial years from 2019 to 2027.

GROUP STRUCTURE

CORPORATE ORGANISATIONAL CHART AS AT 31 MARCH 2023



COMPOSITION OF THE GROUP AS AT 31 MARCH 2023

Company name	Registered office
Sanlorenzo S.p.A. – Parent Company	Ameglia (SP) – Italy
Subsidiaries	
Bluegame S.r.l.	Ameglia (SP) – Italy
Equinoxe S.r.l.	Turin (TO) – Italy
Equinoxe Yachts International S.r.l. ⁸	Turin (TO) – Italy
PN Sviluppo S.r.l.	Viareggio (LU) – Italy
I.C.Y. S.r.l.	Adro (BS) – Italy
Polo Nautico Viareggio S.r.l.	Viareggio (LU) – Italy
Sanlorenzo Arbatas S.r.l.	Ameglia (SP) – Italy
Sanlorenzo Baleari SL	Puerto Portals, Mallorca – Spain
Marine Yachting Monaco S.A.M.	Monte-Carlo – Principality of Monaco
Sanlorenzo of the Americas LLC	Fort Lauderdale (FL) – USA
Fortune Yacht LLC	Fort Lauderdale (FL) – USA
Associates	
Carpensalda Yacht Division S.r.l.	Pisa (PI) – Italy
Sa.La. S.r.l.	Viareggio (LU) – Italy
Duerre S.r.l.	Vicopisano (PI) – Italy
Restart S.p.A. in liquidation ⁹	Milan (MI) – Italy
Sea Energy S.r.l. ¹⁰	Viareggio (LU) – Italy
Key S.r.l.	Viareggio (LU) – Italy

⁸ On 12 April 2023, the act of merger by incorporation of Equinoxe Yachts International S.r.l. into Equinoxe S.r.l. was drawn up, the actual effects take effect from 27 April 2023.

⁹ Company put into liquidation on 23 December 2022.

¹⁰ On 23 March 2023, Sanlorenzo S.p.A. acquired a 49.0% stake in Sea Energy S.r.l., which in turn controls Key S.r.l. with a 100% stake. For more details, please refer to the paragraph "Significant events occurring during the quarter".

REPORT ON OPERATIONS

INTRODUCTION

This periodic financial information as at 31 March 2023 (hereinafter "Periodic Financial Information as at 31 March 2023") was approved by the Board of Directors of the Company on 11 May 2023 and has not been audited, as it is not required by current regulations. Sanlorenzo S.p.A., as company listed on Euronext STAR Milan segment of the Italian Stock Exchange, is subject to the provisions of Article 2.2.3 of the Stock Exchange Regulations. On the basis of such regulations, the Company has prepared the Periodic Financial Information as at 31 March 2023, which it makes available to the public.

This report on operations must be read together with the condensed consolidated financial statements and the related notes.

GROUP ACTIVITIES

The Group is a leading global brand in the luxury yachting, specialised in the design, production and sale of custom-made yachts, superyachts and sport utility yachts, which are fitted out and customised according to the needs and desires of exclusive customers.

Group activities are divided into three business units:

- the Yacht Division – dedicated to the design, manufacturing and marketing of composite yachts between 24 and 38 metres long, under the Sanlorenzo brand;
- the Superyacht Division – dedicated to the design, manufacturing and marketing of superyachts in aluminium and steel between 40 and 73 metres long, under the Sanlorenzo brand;
- the Bluegame Division – dedicated to the design, manufacturing and marketing of composite sport utility yachts between 13 and 23 metres long, under the Bluegame brand.

The sale of yachts is carried out both directly (through Sanlorenzo, other Group companies or intermediaries) and through brand representatives, each of which operates in one or more assigned regional zones.

Through the activities of High-End Services launched in 2020, the Group also offers an exclusive range of services dedicated only to Sanlorenzo and Bluegame customers, including training at the Sanlorenzo Academy for crew members of Sanlorenzo yachts, maintenance, restyling and refitting of Sanlorenzo yachts, as well as charter services offered through the newly acquired company Equinoxe S.r.l.

MAIN ALTERNATIVE PERFORMANCE INDICATORS

In order to allow a better evaluation of its operating performance, Sanlorenzo Group uses some alternative performance indicators.

The indicators represented are not identified as accounting measures by the IFRS and, therefore, must not be considered alternative measures to those provided by the financial statements for assessing the Group's economic performance and the relevant financial position. The Group believes that the financial information reported below is an important additional parameter for evaluating its performance, allowing its economic and financial performance to be monitored in more detail. Since these financial data do not constitute measures that can be determined through the reference accounting standards for the preparation of the consolidated financial statements, the method applied for the associated calculation may not be consistent with the one adopted by other groups and, therefore these data may not be comparable with those presented by said groups.

These alternative performance indicators, calculated in compliance with the Guidelines on Alternative Performance Indicators issued by ESMA/2015/1415 and adopted by Consob in its communication no. 92543 of 3 December

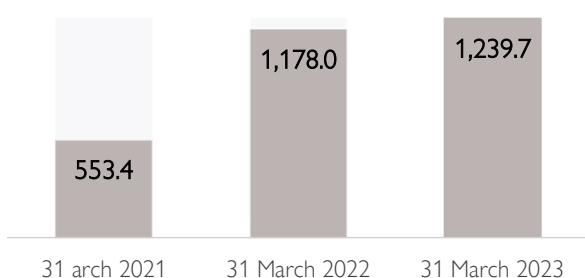
2015, refer solely to the performance of the period forming the object of this Financial Report and the periods being compared and not to the Group's expected performance.

The following table shows the definitions of the relevant Alternative Performance Indicators of the Group and the relative indication of the items in the adopted financial statements.

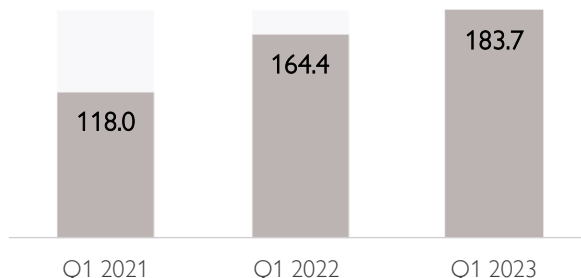
BACKLOG	It is calculated as the sum of the value of the orders and sales contracts signed with customers or brand representatives relating to yachts for delivery or delivered in the current financial year or for delivery in subsequent financial years. For each period, the value of the orders and contracts included in the backlog refers to the relative share of the residual value from 1 January of the year in question until the delivery date. The backlog related to the revenues recognised during the year is conventionally cleared on 31 December.
NET REVENUES NEW YACHTS	They are calculated as the algebraic sum of revenues from contracts with customers relating to the sale of new yachts (recognised over time with the "cost-to-cost" method) and pre-owned yachts, net of selling expenses related to commissions and trade-in costs of pre-owned boats.
EBITDA	It is the Operating profit/loss (EBIT) before amortisation/depreciation.
EBITDA MARGIN	Indicates the ratio of EBITDA to Net Revenues New Yachts.
ADJUSTED EBITDA	It is the Operating profit/loss (EBIT) before amortisation/depreciation adjusted for non-recurring items.
ADJUSTED EBITDA MARGIN	It is the ratio of Adjusted EBITDA to Net Revenues New Yachts.
NET FIXED CAPITAL	It is calculated as the sum of goodwill, intangible assets, property, plant and equipment and net deferred tax assets, net of the corresponding non-current provisions.
NET WORKING CAPITAL	It 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.
NET TRADE WORKING CAPITAL	It is calculated as the sum of trade receivables, contract assets and inventories, net of trade payables and contract liabilities.
NET INVESTED CAPITAL	It is calculated as the sum of net fixed capital and net working capital.
INVESTMENTS	They refer to increases in property, plant and equipment and intangible assets, net of the carrying amount of related disposals.
NET FINANCIAL POSITION	It 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.

FINANCIAL HIGHLIGHTS¹¹

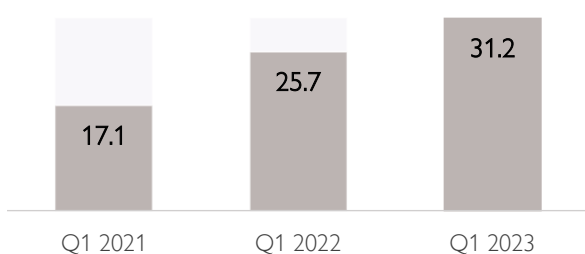
Gross backlog / (€m)



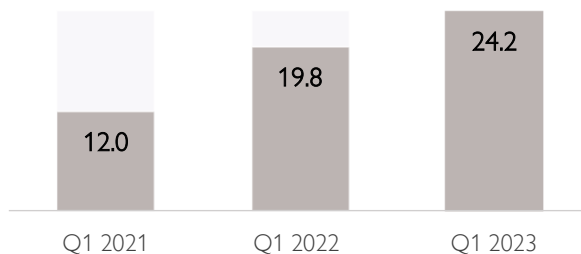
Net Revenues New Yachts / (€m)



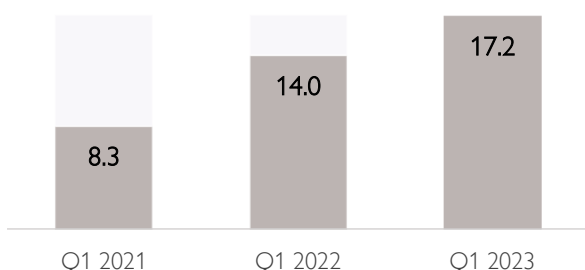
EBITDA / (€m)



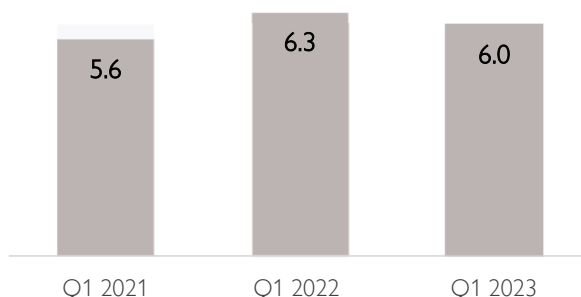
EBIT / (€m)



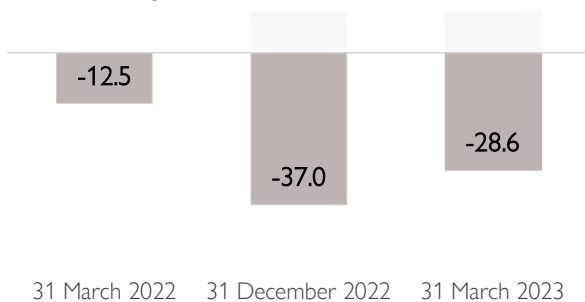
Group net profit / (€m)



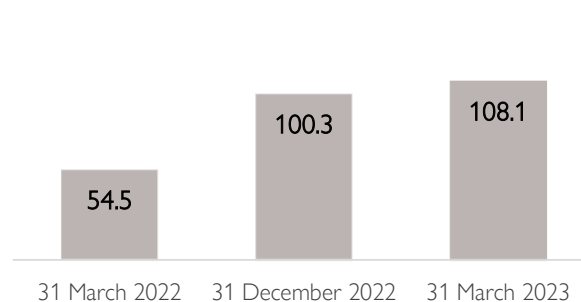
Investments / (€m)



Net working capital / (€m)



Net financial position / (€m)



¹¹ For a description of the methods of calculating the indicators presented, please refer to the following paragraph "Main alternative performance indicators".

BACKLOG PERFORMANCE

(€'000)	31 March		Change	
	2023	2022	2023 vs. 2022	2023 vs. 2022%
Gross backlog	1,239,731	1,178,029	61,702	+5.2%
of which current year	696,478	628,110	68,368	+10.9%
of which subsequent years	543,253	549,919	(6,666)	-1.2%
Net Revenues New Yachts for the period	183,726	164,389	19,337	+11.8%
Net backlog	1,056,005	1,013,640	42,365	+4.2%
of which current year	512,752	463,721	49,031	+10.6%
of which subsequent years	543,253	549,919	(6,666)	-1.2%

As at 31 March 2023, gross backlog amounted to €1,239,731 thousand, up by €61,702 thousand compared to €1,178,029 thousand as at 31 March 2022.

Visibility on revenues of future years is high both in 2023, with a backlog of €696,478 thousand, and in the following years, with a backlog of €543,253 thousand.

(€'000)	Backlog		Change (order intake)
	1 January ¹²	31 March	Q1
Backlog 2023	1,069,619	1,239,731	170,112
of which current year	617,394	696,478	79,084
of which subsequent years	452,225	543,253	91,028
Backlog 2022	915,632	1,178,029	262,397
of which current year	544,060	628,110	84,050
of which subsequent years	371,572	549,919	178,347

The order intake in the first three months of 2023 was equal €170,112 thousand, a physiological normalisation compared to the value of the first three months of 2022 equal to €262,397 thousand, partly due to (i) a return to the typical seasonality of demand, compared to the extraordinary trend of the first quarter of 2022, (ii) longer waiting times for yachts delivery, given the high stock of already acquired orders and (iii) a slowdown in demand from the Americas, as a result of the increasing uncertainty of the current macroeconomic scenario.

¹² Opening the reference year with the net backlog at 31 December of the previous year.

CONSOLIDATED ECONOMIC RESULTS

RECLASSIFIED INCOME STATEMENT

(€'000)	Three months ended 31 March				Change	
	2023	% Net Revenues New Yachts	2022	% Net Revenues New Yachts	2023 vs. 2022	2023 vs. 2022%
Net Revenues New Yachts	183,726	100.0%	164,389	100.0%	19,337	+11.8%
Revenues from maintenance and other services	2,489	1.4%	1,189	0.7%	1,300	+109.3%
Other income	2,549	1.4%	1,536	0.9%	1,013	+66.0%
Operating costs	(157,508)	(85.7)%	(141,220)	(85.9)%	(16,288)	+11.5%
Adjusted EBITDA	31,256	17.0%	25,894	15.8%	5,362	+20.7%
Non-recurring costs	(97)	-	(189)	(0.1)%	92	-48.7%
EBITDA	31,159	17.0%	25,705	15.7%	5,454	+21.2%
Amortisation/depreciation	(6,984)	(3.8)%	(5,889)	(3.6)%	(1,095)	+18.6%
EBIT	24,175	13.2%	19,816	12.1%	4,359	+22.0%
Net financial expense	76	-	(205)	(0.1)%	281	-137.1%
Adjustments to financial assets	(294)	(0.2)%	28	-	(322)	-1,150.0%
Pre-tax profit	23,957	13.0%	19,639	12.0%	4,318	+22.0%
Income taxes	(6,741)	(3.6)%	(5,413)	(3.3)%	(1,328)	+24.5%
Net profit	17,216	9.4%	14,226	8.7%	2,990	+21.0%
Net (profit)/loss attributable to non-controlling interests	(8)	-	(241)	(0.2)%	233	-96.7%
Group net profit	17,208	9.4%	13,985	8.5%	3,223	+23.0%

NET REVENUES NEW YACHTS

(€'000)	Three months ended 31 March		Change	
	2023	2022	2023 vs. 2022	2023 vs. 2022%
Revenues from the sale of boats	200,738	169,866	30,872	+18.2%
Selling expenses	(17,012)	(5,477)	(11,535)	+210.6%
Net Revenues New Yachts	183,726	164,389	19,337	+11.8%

Net Revenues New Yachts in the first three months of 2023 were €183,726 thousand, a 11.8% increase on the €164,389 thousand recorded in the same period of 2022, led by the excellent performance of Superyacht and Bluegame Divisions and, in general, the results achieved in Europe.

These important results continue to benefit from a favourable mix linked both to the growth in volumes, also resulting in an increase in the average size of the yachts in each business unit, and the increase in selling prices.

Net Revenues New Yachts by division

(€'000)	Three months ended 31 March				Change	
	2023	% of total	2022	% of total	2023 vs. 2022	2023 vs. 2022%
Yacht Division	117,417	63.9%	117,239	71.3%	178	+0.2%
Superyacht Division	46,425	25.3%	32,832	20.0%	13,593	+41.4%
Bluegame Division	19,884	10.8%	14,318	8.7%	5,566	+38.9%
Net Revenues New Yachts	183,726	100.0%	164,389	100.0%	19,337	+11.8%

The Yacht Division generated Net Revenues New Yachts of €117,417 thousand, or 63.9% of the total, an increase of 0.2% compared to the first three months of 2022. Sales revenues covered all the product ranges, in particular the asymmetrical models of the SD Lines, with an increasing incidence of the new SP Line.

The Superyacht Division generated Net Revenues New Yachts of €46,425 thousand, accounting for 25.3% of the total, a 41.4% increase on the first three months of 2022. These outstanding results are driven by the Steel Line, the range with the largest yachts, the Alloy and the new X-Space.

The Bluegame Division also generated excellent results with Net Revenues New Yachts of €19,884 thousand, equal to 9.6% of the total, up by 38.9% compared to the first three months of 2022, thanks to the recently introduced BGM Line models and, in particular, to the launch of the BGM75, the first model of an innovative and multi-hull range.

Net Revenues New Yachts by geographical area

(€'000)	Three months ended 31 March				Change	
	2023	% of total	2022	% of total	2023 vs. 2022	2023 vs. 2022%
Europe	119,205	64.9%	79,310	48.3%	39,895	+50.3%
Americas	30,484	16.6%	54,100	32.9%	(23,616)	-43.7%
APAC	20,111	10.9%	23,890	14.5%	(3,779)	-15.8%
MEA	13,926	7.6%	7,089	4.3%	6,837	+96.4%
Net Revenues New Yachts	183,726	100.0%	164,389	100.0%	19,337	+11.8%

Europe is once again the main market, accounting for 64.9% of the total, with Net Revenues New Yachts up by 50.3% compared to the first three months of 2022 and equal to €119,205 thousand. In particular, the result achieved in Italy was excellent, with Net Revenues New Yachts of €30,090 thousand recorded in the first three months of 2023, up by 21.4% compared to the same period of the previous year.

The Americas recorded Net Revenues New Yachts of €30,484 thousand, accounting for 24.6% of the total, down by 43.7% compared to the three months of 2022.

The APAC area recorded Net Revenues New Yachts of €20,111 thousand, accounting for 10.9% of the total, up by 15.8% compared to the first three months of 2022.

The MEA area recorded Net Revenues New Yachts of €13,926 thousand, accounting for 7.6% of the total, down by 96.4% compared to the three months of 2022.

OPERATING RESULTS

(€'000)	Three months ended 31 March				Change	
	2023		2022		2023 vs. 2022	2023 vs. 2022%
	% Net Revenues New Yachts		% Net Revenues New Yachts			
EBIT	24,175	13.2%	19,816	12.1%	4,359	+22.0%
+ Amortisation/depreciation	6,984	3.8%	5,889	3.6%	1,095	+18.6%
EBITDA	31,159	17.0%	25,705	15.7%	5,454	+21.2%
+ Non-recurring costs	97	-	189	0.1%	(92)	-48.7%
Adjusted EBITDA	31,256	17.0%	25,894	15.8%	5,362	+20.7%

EBIT amounted to €24,175 thousand, an increase of 22.0% compared to the first three months of 2022, accounting for 13.2% of Net Revenues New Yachts, compared to 12.1% in the same period of 2022.

Amortisation/depreciation, equal to €6,984 thousand, rose by 18.6% on the first three months of 2022, as a result of the coming on stream of major investments made to develop new products and to increase production capacity. EBITDA stood at €31,159 thousand, up by 21.2% on the first three months of 2022, with a margin on Net Revenues New Yachts equal to 17.0%.

EBITDA adjusted for non-recurring components of €97 thousand, consisting of non-monetary costs for the 2020 Stock Option Plan and expenses incurred for COVID-19, was equal to €31,256 thousand, up by 20.7% on the first three months of 2022, with a margin on Net Revenues New Yachts equal to 17.0%, increasing by 120 basis points compared to 15.8% in the same period of 2022.

The steady increase in operating margins is related to the change in product mix in favour of larger yachts in each business unit and the progressive and reasoned increase in average selling prices.

The impact of the increase in prices of raw materials and energy related to the current inflationary scenario is controlled and decreasing as well as more than offset by the rise in sales lists. The procurement of materials and works is managed by diversifying suppliers and favoring multi-year contracts with pre-set prices, also thanks to the optimisation of production planning resulting from the large order backlog and the strategy of verticalization in key supply chains undertaken from 2022.

The increase in EBITDA margin substantially shifted to the level of operating margins, despite the significant investments made during 2022 to support growth.

NET PROFIT

(€'000)	Three months ended 31 March				Change	
	2023	% Net Revenues New Yachts	2022	% Net Revenues New Yachts	2023 vs. 2022	2023 vs. 2022%
EBIT	24,175	13.2%	19,816	12.1%	4,359	+22.0%
Net financial expense	76	-	(205)	(0.1)%	281	-137.1%
Adjustments to financial assets	(294)	(0.2)%	28	-	(322)	-1.150.0%
Pre-tax profit	23,957	13.0%	19,639	12.0%	4,318	+22.0%
Income taxes	(6,741)	(3.6)%	(5,413)	(3.3)%	(1,328)	+24.5%
Net profit	17,216	9.4%	14,226	8.7%	2,990	+21.0%
Net (profit)/loss attributable to non-controlling interests	(8)	-	(241)	(0.2)%	233	-96.7%
Group net profit	17,208	9.4%	13,985	8.5%	3,223	+23.0%

Net financial expense amounted to €76 thousand, while adjustments to financial assets, mainly related to the equity valuation of associates, amounted to €(294) thousand.

Pre-tax profit for the period was €23,957 thousand, up by €4,318 thousand from €19,639 thousand in the first three months of 2022. The margin on Net Revenues New Yachts reached 13.0%, compared to 12.0% in the first three months of 2022.

Income taxes, calculated as management's best estimate, were equal to €6,741 thousand, against €5,413 thousand in the first three months of 2022. Income taxes for the period were 28.1% of the pre-tax profit.

The Group's net profit for the period was €17,208 thousand, up significantly by €3,223 thousand in the first three months of 2022. The margin on Net Revenues New Yachts increased from 8.5% in the first three months of 2022 to 9.4% in the same period of 2023.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

BALANCE SHEET RECLASSIFIED ACCORDING TO SOURCES AND USES

(€'000)	31 March	31 December	31 March	Change	
	2023	2022	2022	31 March 2023 vs. 31 December 2022	31 March 2023 vs. 31 March 2022
USES					
Net fixed capital	228,834	226,708	203,076	2,126	25,758
Net working capital	(28,554)	(36,964)	(12,539)	8,410	(16,015)
Net invested capital	200,280	189,744	190,537	10,536	9,743
SOURCES					
Equity	308,393	290,081	245,057	18,312	63,336
(Net financial position)	(108,113)	(100,337)	(54,520)	(7,776)	(53,593)
Total sources	200,280	189,744	190,537	10,536	9,743

NET FIXED CAPITAL AND INVESTMENTS

Net fixed capital

(€'000)	31 March	31 December	31 March	Change	
	2023	2022	2022	31 March 2023 vs. 31 December 2022	31 March 2023 vs. 31 March 2022
Goodwill	10,756	10,756	8,667	-	2,089
Other intangible assets	51,665	51,374	45,513	291	6,152
Property, plant and equipment	157,453	158,710	135,181	(1,257)	22,272
Equity investments and other non-current assets	13,818	11,426	10,915	2,392	2,903
Net deferred tax assets	6,224	5,495	5,597	729	627
Non-current employee benefits	(1,385)	(1,109)	(1,313)	(276)	(72)
Non-current provisions for risks and charges	(9,697)	(9,944)	(1,484)	247	(8,213)
Net fixed capital	228,834	226,708	203,076	2,126	25,758

Net fixed capital as at 31 March 2023 amounted to €228,834 thousand, up by €2,126 compared to the end of 2022 and up by €25,758 thousand compared to 31 March 2022, as a result of industrial and product development investments carried out during the period, the change in the scope of consolidation due to the acquisition of control of Polo Nautico Viareggio S.r.l. and I.C.Y. S.r.l., the merger by incorporation of Mediterranea Real Estate S.r.l. and Cantiere Tomei 1811 S.r.l., as well as the acquisition of a minority interest in Carpensalda Yacht Division S.r.l., Duerre S.r.l. and Sea Energy S.r.l., and some loans granted to associates, the effects of which are included in "Equity investments and other non-current assets".

Investments

(€'000)	Three months ended 31 March		Change	
	2023	2022	2023 vs. 2022	2023 vs. 2022%
Land and buildings	260	(742)	1,002	n.s.
Industrial equipment	978	1,300	(322)	-24.8%
Plant and equipment	344	797	(453)	-56.8%
Other assets	1,933	2,643	(710)	-26.9%
Assets under development	343	516	(173)	-33.5%
Total changes in property, plant and equipment	3,858	4,514	(656)	-14.5%
Concessions, licences, trademarks and similar rights	774	88	686	+779.5%
Other fixed assets	-	-	-	-
Development costs	1,075	1,244	(169)	-13.6%
Assets under development	314	496	(182)	-36.7%
Total changes in intangible assets	2,163	1,828	335	+18.3%
Total investments on a like-for-like basis	6,021	6,342	(321)	-5.1%
Changes in the scope of consolidation	-	-	-	-
Net investments in the period	6,021	6,342	(321)	-5.1%

Investments in the first three months of 2023 amounted to €6,021 thousand, a decrease of 5.1% compared to the same period of the previous year, and are mainly related to the increase in production capacity to support growth.

The following table shows the breakdown of investments by destination.

(€'000)	Three months ended 31 March		Change	
	2023	2022	2023 vs. 2022	2023 vs. 2022%
R&D, product development and production of models and moulds	2,400	3,171	(771)	-24.3%
Increase in production capacity	2,846	1,995	851	+42.7%
Recurring industrial investments for equipment and facilities	434	666	(232)	-34.8%
Other investments	341	510	(169)	-33.1%
Net investments in the period	6,021	6,342	(321)	-5.1%

NET WORKING CAPITAL

(€'000)	31 March	31 December	31 March	Change	
	2023	2022	2022	31 March 2023 vs. 31 December 2022	31 March 2023 vs. 31 March 2022
Inventories	69,834	53,444	73,609	16,390	(3,775)
Trade receivables	20,406	21,784	4,988	(1,378)	15,418
Contract assets	180,108	168,635	121,876	11,473	58,232
Trade payables	(175,189)	(155,979)	(98,689)	(19,210)	(76,500)
Contract liabilities	(132,718)	(132,369)	(129,293)	(349)	(3,425)
Other current assets	65,428	60,388	51,008	5,040	14,420
Current provisions for risks and charges	(7,195)	(8,039)	(12,230)	844	5,035
Other current liabilities	(49,228)	(44,828)	(23,808)	(4,400)	(25,420)
Net working capital	(28,554)	(36,964)	(12,539)	8,410	(16,015)

Net working capital as at 31 March 2023 was equal to €(28,554) thousand, against €(36,964) as at 31 December 2022 and €(12,539) thousand as at 31 March 2022.

(€'000)	31 March	31 December	31 March	Change	
	2023	2022	2022	31 March 2023 vs. 31 December 2022	31 March 2023 vs. 31 March 2022
Inventories	69,834	53,444	73,609	16,390	(3,775)
Trade receivables	20,406	21,784	4,988	(1,378)	15,418
Contract assets	180,108	168,635	121,876	11,473	58,232
Trade payables	(175,189)	(155,979)	(98,689)	(19,210)	(76,500)
Contract liabilities	(132,718)	(132,369)	(129,293)	(349)	(3,425)
Net trade working capital	(37,559)	(44,485)	(27,509)	6,926	(10,050)

Net trade working capital as at 31 March 2023 was equal to €(37,559) thousand, compared to €(44,485) thousand as at 31 December 2022 and €(27,509) thousand as at 31 March 2022.

The trend in net working capital was positively affected by the cash generation related to the continuous growth of the order backlog, especially with regard to assets and liabilities arising from contracts.

(€'000)	31 March	31 December	31 March	Change	
	2023	2022	2022	31 March 2023 vs. 31 December 2022	31 March 2023 vs. 31 March 2022
Raw and ancillary materials and consumables	12,962	10,968	9,290	1,994	3,672
Work in progress and semi-finished products	39,243	34,254	36,528	4,989	2,715
Finished products	17,629	8,222	27,791	9,407	(10,162)
Inventories	69,834	53,444	73,609	16,390	(3,775)

Inventories as at 31 March 2023 were equal to €69,834 thousand, up by €16,390 compared to 31 December 2022 and down by €3,775 thousand compared to 31 March 2022.

Work in progress and semi-finished products refer to those orders whose contract with the customer has not yet been finalised at the close of the period. The increase recorded between 31 December 2022 and 31 March 2023, equal to €4,989 thousand, reflects the progressive increase in business volumes.

Inventories of finished products as at 31 March 2023 were €17,629 thousand, an increase of €9,407 thousand compared to 31 December 2022.

NET FINANCIAL POSITION

(€'000)	31 March	31 December	31 March	Change	
	2023	2022	2022	31 March 2023 vs. 31 December 2022	31 March 2023 vs. 31 March 2022
A Cash	152,945	146,317	151,037	6,628	1,908
B Cash equivalents	-	-	-	-	-
C Other current financial assets	60,228	55,459	1,643	4,769	58,585
D Liquidity (A + B + C)	213,173	201,776	152,680	11,397	60,493
E Current financial debt	(36,609)	(28,307)	(3,012)	(8,302)	(33,597)
F Current portion of non-current financial debt	(22,223)	(23,873)	(29,076)	1,650	6,853
G Current financial indebtedness (E + F)	(58,832)	(52,180)	(32,088)	(6,652)	(26,744)
H Net current financial indebtedness (G + D)	154,341	149,596	120,592	4,745	33,749
I Non-current financial debt	(46,228)	(49,259)	(66,072)	3,031	19,844
J Debt instruments	-	-	-	-	-
K Non-current trade and other payables	-	-	-	-	-
L Non-current financial indebtedness (I + J + K)	(46,228)	(49,259)	(66,072)	3,031	19,844
M Total financial indebtedness (H+L)	108,113	100,337	54,520	7,776	53,593

The net financial position of the Group as at 31 March 2023 shows a net cash equal to €108,113, compared to a net cash equal to €100,337 thousand at 31 December 2022 and of €54,520 thousand as at 31 March 2022.

The constant improvement in net financial position is a consequence of the strong operating cash generation resulting from the increase in volumes and advances related to the significant order intake, notwithstanding the outflows for investments and shareholding acquisitions.

Cash as at 31 March 2023 amounted to €152,945 thousand, an increase of €6,628 thousand compared to 31 December 2022, and of €1,908 thousand as at 31 March 2022.

As at 31 March 2023, the Group had €60,228 thousand of other current financial asset, of which €55,955 thousand as investments in excess liquidity. In addition, the Group had bank credit lines to meet its liquidity needs of €135.950 thousand¹³, of which €120,432 thousand unused.

Among financial liabilities, lease liabilities included pursuant IFRS 16 totalled €8,699 thousand, of which €5,940 thousand non-current and €2,759 thousand current.

¹³ Not including lines of credit for reverse factoring and confirming.

Reclassified consolidated statement of cash flows

(€'000)	31 March 2023	31 March 2022	Change
EBITDA	31,159	25,705	5,454
Taxes paid	-	(7,653)	7,653
Change in inventories	(16,390)	(5,340)	(11,050)
Change in net contract assets and liabilities	(11,124)	21,663	(32,787)
Change in trade receivables and advances to suppliers	(1,569)	12,204	(13,773)
Change in trade payables	19,210	(21,436)	40,646
Change in provisions and other assets and liabilities	(6,009)	5,522	(11,531)
Operating cash flow	15,277	30,665	(15,388)
Change in non-current assets (investments)	(6,021)	(6,342)	321
Business acquisitions and other changes	1,926	(3,682)	5,608
Free cash flow	11,182	20,641	(9,459)
Interest and financial charges	(352)	(216)	(136)
Other cash flows and changes in equity	(3,054)	(4,911)	1,857
Change in net financial position	7,776	15,514	(7,738)
Net financial position at the beginning of the period	100,337	39,006	61,331
Net financial position at the end of the period	108,113	54,520	53,593

EQUITY

(€'000)	31 March 2023	31 December 2022
Share capital	34,821	34,597
Reserves	255,556	196,127
Group profit	17,208	13,985
Group equity	307,585	244,709
Equity attributable to non-controlling interests	808	348
Equity	308,393	245,057

The Parent Company's share capital as at 31 March 2023 amounts to €34,821 thousand fully paid-in, and is composed of no. 34,820,758 ordinary shares. Share capital increased by no. 36,669 shares compared to 31 December 2022, due to the subscription of the capital increase to service the 2020 Stock Option Plan.

On 21 April 2020, the Extraordinary Shareholders' Meeting of Sanlorenzo had in fact approved a divisible share capital increase, excluding option rights, pursuant to Article 2441, paragraph 8 of the Italian Civil Code, of a maximum nominal value of €884,615, to be executed no later than 30 June 2029, through the issue of a maximum number of 884,615 ordinary shares destined exclusively and irrevocably to service the 2020 Stock Option Plan. As at 31 March 2023 this capital increase has been partially subscribed for no. 320,758 shares.

On 2 September 2022, the Company launched the treasury share buy-back program based on the authorisation resolution from the Ordinary Shareholders' Meeting of 28 April 2022. As at 31 March 2023, the Company held no. 123,202 treasury shares, representing 0.354% of the subscribed and paid-in share capital.

HUMAN RESOURCES

	31 March 2023		31 December 2022		Change	
	Units	% of total	Units	% of total	2023 vs. 2022	2023 vs. 2022%
Sanlorenzo S.p.A.	651	82.7%	636	83.2%	15	+2.4%
Bluegame S.r.l.	60	7.6%	56	7.3%	4	+7.1%
Polo Nautico Viareggio S.r.l.	18	2.3%	18	2.4%	-	-
I.C.Y. S.r.l.	38	4.8%	35	4.6%	3	+8.6%
Sanlorenzo Baleari SL	2	0.3%	2	0.3%	-	-
Sanlorenzo of the Americas LLC	12	1.5%	11	1.4%	1	+9.1%
Sanlorenzo Arbatax S.r.l.	1	0.1%	-	-	1	-
Equinox S.r.l.	5	0.6%	5	0.7%	-	-
Equinox Yachts International S.r.l.	1	0.1%	1	0.1%	-	-
Group employees	788	100%	764	100%	24	+3.1%

As at 31 March 2023, the Group employed a total of 788 employees, of which 82.7% at the Parent Company, an increase of 24 individuals or 3.1% compared to 31 December 2022.

	31 March 2023		31 December 2022		Change	
	Units	% of total	Units	% of total	2023 vs. 2022	2023 vs. 2022%
Managers	39	4.9%	35	4.6%	4	+11.4%
White collars	623	79.1%	608	79.6%	15	+2.5%
Blue Collars	126	16.0%	121	15.8%	5	+4.1%
Group employees	788	100%	764	100%	24	+3.1%

At category level, white collar workers recorded a bigger increase during the period, with an increase of 15 individuals compared to 31 December 2022.

	31 March 2023		31 December 2022		Change	
	Units	% of total	Units	% of total	2023 vs. 2022	2023 vs. 2022%
Italy	774	98.2%	751	98.3%	23	+3.1%
Rest of Europe	2	0.3%	2	0.3%	-	-
United States	12	1.5%	11	1.4%	1	+9.1%
Group employees	788	100%	764	100%	24	+3.1%

The distribution by geographic area sees the largest number of employees employed in Italy, equal to 98.2% of the Group's total as at 31 March 2023.

MAIN RISKS AND UNCERTAINTIES TO WHICH THE GROUP IS EXPOSED

The Group's activities are exposed to a series of risks and uncertainties that may affect its financial position, results of operations and cash flows, summarily presented below.

For more details on the risks to which the Group is exposed, reference should be made to the Annual Financial Report as at 31 December 2022, as there have been no changes compared to what was described therein concerning the risks to which the Group is exposed and how they are handled by management.

Market and operating risks

The Group is exposed to risks linked to the general or specific macroeconomic scenario of the sector in which it conducts business, operational risks connected to relations with suppliers, contractors and brand representatives, uncertainties linked to extraordinary events that may trigger interruptions in the activities of production shipyards and risks related to the evolution of the reference regulatory framework.

Financial risks

The Group is exposed to credit risk, deriving from commercial transactions, liquidity risk and risks linked to disputes and tax assessments. Furthermore, the Group is exposed to fluctuations in interest rates on its variable rate debt instruments and fluctuations in exchange rates, primarily on sales of yachts in US dollars, and hedges such exposures with derivative instruments.

OTHER INFORMATION

The Company is not subject to management and coordination activities pursuant to Articles 2497 et seq. of the Italian Civil Code, in consideration of the fact that the presumption set forth in Article 2497-sexies of the Italian Civil Code does not apply.

SIGNIFICANT EVENTS OCCURING DURING THE QUARTER

Acquisition of a stake in Sea Energy S.r.l.

On 23 March 2023, Sanlorenzo S.p.A. acquired a 49.0% stake in Sea Energy S.r.l., its strategic partner in the design, production and installation of electronics and electrical systems for the yachting sector, for an amount of €2,648,500. The acquisition was entirely financed by its own resources.

Sea Energy S.r.l. holds a 100% stake in Key S.r.l., operating in the same economic sector. On 17 April 2023, the Boards of Directors of the two companies approved the merger by incorporation of Key S.r.l. into Sea Energy S.r.l.

This operation is aimed at increasing the Group's production capacity to support growth.

Acquisition of 10% stake in Sanlorenzo of the Americas LLC

On 16 February 2023, Sanlorenzo S.p.A. and PN Sviluppo S.r.l. closed the acquisition, of 9.9% and 0.1% respectively, of the stake held by Marco Segato in Sanlorenzo of the Americas LLC. The consideration amount defined between the parties, in accordance with the fairness opinion prepared, was equal to €990 thousand, for the 9.9% stake acquired by Sanlorenzo S.p.A., and €10 thousand, for the 0.1% stake acquired by PN Sviluppo S.r.l. Following the closing of this transaction, Sanlorenzo S.p.A. holds a 99.9% stake in Sanlorenzo of the Americas LLC.

SIGNIFICANT EVENTS AFTER THE CLOSE OF THE PERIOD

Memorandum of Understanding to acquire the Simpson Marine Group

In April, Sanlorenzo and Michael Rowland Simpson signed a non-binding Memorandum of Understanding to evaluate the entry of Sanlorenzo S.p.A. into the Simpson Marine Group and other associates. The Simpson Marine Group has been operating for 40 years as the main retailer and service company in APAC. The acquisition will allow the Sanlorenzo Group to have a direct presence in a highly strategic market.

Merger by incorporation of Equinoxe Yachts International S.r.l. into Equinoxe S.r.l.

On 12 April 2023, the merger by incorporation of Equinoxe Yachts International S.r.l. into Equinoxe S.r.l. was drawn up. The actual effects of the merger begin from 27 April 2023, while the accounting and tax effects starting from 1 January 2023.

Ordinary Shareholders' Meeting

On 27 April 2023, the Ordinary Shareholders' Meeting of Sanlorenzo was held on first call and issued the following main resolutions:

- approval of the financial statements as at 31 December 2022 and the proposal for the allocation of profit which made provision, inter alia, for the distribution of a dividend of €0.66 per share, with payment as at 4 May 2023;
- approval of the "First section" of the Remuneration Report, related to the remuneration policy for members of administrative bodies, general managers and managers with strategic responsibilities, and resolved in favourable sense on the "Second section" of this report;
- reduction of the size of Board of Directors from twelve to ten Directors.

Acquisition of a further 33% stake in Duerre S.r.l.

On 3 May 2023, Sanlorenzo S.p.A. closed the purchase of a further 33% stake in Duerre S.r.l., for a total consideration of €2 million, a company with a strong heritage since 1940s in the field of artisanal production of high-end furniture mainly for superyachts, as well as for residential real estate, offices, hospitality, and commercial buildings, reaching a 66% majority stake, given the previous acquisition of a 33% stake closed on 29 April 2022.

BUSINESS OUTLOOK

The luxury yachting industry continues to benefit from the growth recorded by the Ultra High Net Worth Individuals (UHNWIs), defined as individuals with net worth above USD 50 million, even in a not easily predictable context both at geopolitical and macroeconomic level. The penetration rate of yachting among UHNWIs, which was less than 5%, is even down compared to 2019 and estimated to be 2.5% in 2023, representing a key driver of growth for luxury yachting. According to Credit Suisse Global Wealth Report 2022, in fact, the CAGR of UHNWIs is expected to be 7.8% between 2021 and 2026.

The growth in the potential customer base is also combined with a variety of reasons behind the propensity to purchase, and hence new types of customer needs, as well as new lifestyles for yachting. It will therefore be important to catch these new types of demand and increase the penetration rate among UHNWIs over time. By way of example, the new technologies for satellite connectivity even in the open sea, such as Starlink, allow to work on board thus creating a "Work-from-Yachting" phenomenon, similar to the more known "Work-from-Home". The average time that the yacht owner can spend on board is therefore extended, allowing in fact to increase the attractiveness towards younger customers. The analysis of clientele evidences a reduction in the average age of the Sanlorenzo superyachts buyers, from 56 years (in the period 2016-2020) to 48 years, a trend that, if confirmed, will create the premise for a new generation of yachtsmen to be included within the highly loyal client base.

In terms of market dynamics, it should be noted a realignment to the typical seasonality of the sector, which sees January and February as months relatively slower in terms of volumes.

Geographically, the Americas recorded a slowdown compared to the first quarter of 2022, a trend that the Company will continue to closely monitor in the coming months, most likely due to (i) a more uncertain macroeconomic situation than in the past, and (ii) a high level of interest rates, to which US customers are typically more sensitive. Amidst this scenario, Sanlorenzo maintains its competitive advantage deriving from a unique business model: high-end positioning of the brand, exclusive yachts, always at the forefront of sustainable innovation, rigorously made-to-measure and distributed through a limited number of brand representatives, flexible cost structure, close liaison with art and design and a highly loyal and sophisticated clientele (the "Sanlorenzo Club" of about 1,000 yacht owners).

Strengthened by its leadership, the Group has defined the roadmap for the decade 2021-2030, enriching its strategy with three additional drivers: sustainability and technology, services and supply chain are the key themes to ensure continuity, in the long term, of the virtuous dynamics experienced so far.

Constant expansion of the product portfolio, with the introduction of innovations and sustainable technologies

Alongside the continuous expansion of the existing ranges, the robust product pipeline of the Sanlorenzo Group includes two new lines (X-Space for the Superyacht Division and BGM – Bluegame Multi-Hull – for Bluegame), in addition to the Yacht Division's SP Line (Smart Performance – open coupé) introduced in the second half of 2022, with which Sanlorenzo enters new high-potential market segments with novel products and primarily inspired by sustainability criteria, which are extremely well-received.

Sustainability is at the heart of the new product development strategy, which envisages an ambitious program that sees, for the first time in the nautical sector, the application of technologies focused on the marine use of methanol fuel cells, that will allow the progressive reduction of the environmental impact until carbon neutrality, the true answer to the demand for sustainability in the yachting industry.

The combined pressure resulting from the customer requests, increasingly focused to sustainability issues and responsible, and a more restrictive regulatory framework in terms of shipping emissions, ensures that a serious and long-term strategy on the sustainability of luxury yachting is no longer an option. In fact, although the yachting represents only 0.2% approximately of shipping emissions, the responsibility of UHNWIs is perceived to be far greater, as it relates to discretionary luxury product.

Thanks to the exclusive agreement signed in 2021 with Siemens Energy, the segment of yachts above 40 metres in length will initially see the integration of fuel cells powered by hydrogen obtained from methanol through a reformer for the generation of electricity on board on a 50Steel superyacht scheduled for delivery in 2024, reducing emissions related to the use of on-board facilities for hotellerie, which is the primary use in terms of time spent on board, as the yacht spends most of the time at anchor.

Just two years later, in 2026, Sanlorenzo is planning to develop its first superyacht between 50 and 60 metres in which, on-board electricity generation through the fuel cells will be combined with propulsion using bi-fuel main engines which can be powered also by methanol. This cutting-edge system will therefore allow the propulsion in electric mode with the help of fuel cell, completely carbon-neutral, for short distances, but at the same time with the possibility of using the internal combustion engine powered by both diesel and green methanol for long-haul routes, allowing the Atlantic crossing.

The chosen fuel is green methanol, produced by combining green hydrogen that stores energy from renewable sources with CO₂ captured from the atmosphere with carbon capture systems. The quantity of CO₂ released in the atmosphere in the combustion process is therefore equal to the quantity of CO₂ captured from the environment to produce methanol, allowing a circular system and completely carbon-neutral.

Green methanol is a strong candidate to become the sustainable fuel chosen in the shipping in general, and in luxury yachting in particular, compared to pressurised hydrogen, liquid hydrogen or electric propulsion powered by lithium-ion batteries, as it has some indisputable advantages, among which: (i) it is liquid at room temperature, bio-degradable, and safe to handle and transport, (ii) logistics can be supported by the existing infrastructure linked to grey methanol, (iii) is considered the best compromise among green fuels between occupied volume and energy density, (iv) is not risky for the environment as can be instead green ammonia.

An encouraging sign on the correctness of the path undertaken by Sanlorenzo Group comes also from the world of the shipping, since the giant Maersk, which alone is worth a 15% market share, has declared in more resumptions, since autumn 2021, significant investments both in the fleet and in the production of green methanol to feed it.

The segment of the yachts below 24 metres in length will see Bluegame engaged in the design and construction of the first chase boat with exclusive hydrogen propulsion and use of foils to reach 50 knots of speed and zero emissions, alongside American Magic, challenger in the 37th edition of the prestigious America's Cup in 2024 with the New York Yacht Club.

Capitalising on the experience in this extremely complex project, today the highest possible expression of sustainable technology on board a boat, Bluegame is working on the multi-hull model BGM65HH (hydrogen-hybrid), which will combine the new IPS propulsion pilot system currently being developed by Volvo Penta with hydrogen fuel cells.

Guidance for 2023

In light of the results as at 31 March 2022 and in particular the soundness of the order backlog – 92% of which is sold to final clients – which covers approximately 87% of Net Revenues New Yachts envisaged for the current year¹⁴, while constantly monitoring the evolution of the general environment, the Company confirms its expectations of double-digit growth in the main metrics and the following guidance for 2023¹⁵.

¹⁴ Calculated on the average of the guidance interval.

¹⁵ On a like-for-like basis and excluding potential extraordinary transactions.

(€ million and margin in % of Net Revenues New Yachts)	2021 Actual	2022 Actual	2023 Guidance	Change 2023 vs. 2022 ¹⁶
Net Revenues New Yachts	585.9	740.7	810-830	+11%
EBITDA ¹⁷	95.5	130.2	150-155	+17%
EBITDA margin	16.3%	17.6%	18.5%-18.7%	+100 bps
Group net profit	51.0	74.2	84-86	+15%
Investments	49.2	50.0	48-50	-2%
Net financial position	39.0	100.3	118-128	+23m

Ameglia, 11 May 2023

On behalf of the Board of Directors
Chairman and Chief Executive Officer
Mr. Massimo Perotti

¹⁶ Calculated on the average of the guidance interval.

¹⁷ The figures from 2019 to 2022 referred to Adjusted EBITDA, which differed from reported EBITDA by less than 0.5%.



CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS AT 31 MARCH 2023

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(€'000)	31 March 2023	31 December 2022
ASSETS		
Non-current assets		
Property, plant and equipment	157,453	158,710
Goodwill	10,756	10,756
Other intangible assets	51,665	51,374
Equity investments and other non-current assets	13,818	11,426
<i>of which investments measured using the equity method</i>	9,633	7,241
Net deferred tax assets	6,224	5,495
Total non-current assets	239,916	237,761
Current assets		
Inventories	69,834	53,444
Contract assets	180,108	168,635
Other financial assets, including derivatives	60,228	55,459
Trade receivables	20,406	21,784
Other current assets	65,428	60,388
Cash and cash equivalents	152,945	146,317
Total current assets	548,949	506,027
TOTAL ASSETS	788,865	743,788

(€'000)

31 March 2023 31 December 2022

EQUITY AND LIABILITIES

PATRIMONIO NETTO

EQUITY	34,821	34,784
Share capital	81,841	81,236
Share premium reserve	173,715	98,357
Other reserves	17,208	74,154
Profit/(loss) for the period	307,585	288,531
Equity attributable to the shareholders of the Parent Company	808	1,550
Equity attributable to non-controlling interests	308,393	290,081
TOTAL EQUITY	34,821	34,784

Non-current liabilities

Non-current financial liabilities	46,228	49,259
Non-current employee benefits	1,385	1,109
Non-current provisions for risks and charges	9,697	9,944
Total non-current liabilities	57,310	60,312

Current liabilities

Current financial liabilities, including derivatives	58,832	52,180
Current provisions for risks and charges	7,195	8,039
Trade payables	175,189	155,979
Contract liabilities	132,718	132,369
Other current liabilities	31,300	31,859
Other current tax liabilities	1,326	3,021
Net income tax liabilities	16,602	9,948
Total current liabilities	423,162	393,395

TOTAL LIABILITIES	480,472	453,707
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TOTAL EQUITY AND LIABILITIES	788,865	743,788
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CONSOLIDATED STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME

(€'000)	31 March 2023	31 March 2022
Revenues	203,227	171,055
Selling expenses	(17,012)	(5,477)
Net revenues	186,215	165,578
Other income	2,549	1,536
TOTAL NET REVENUE AND INCOME	188,764	167,114
Increases in assets for internal work	478	460
Raw materials, consumables and finished products	(62,596)	(57,860)
Outsourcing	(66,102)	(55,231)
Change in inventories of work in progress, semi-finished and finished products	5,000	4,928
Other service costs	(15,715)	(14,317)
Personnel expenses	(14,613)	(12,582)
Other operating costs	(1,511)	(1,863)
Accruals to provisions for risks and charges	(2,546)	(4,944)
Total operating costs	(157,605)	(141,409)
OPERATING RESULT BEFORE AMORTISATION/DEPRECIATION	31,159	25,705
Amortisation, depreciation and impairment of fixed assets	(6,984)	(5,889)
OPERATING RESULT	24,175	19,816
Financial income	428	11
Financial expense	(352)	(216)
Net financial income/(expenses)	76	(205)
Income/(expenses) from equity investments	(257)	28
Adjustments to financial assets	(37)	-
PRE-TAX PROFIT	23,957	19,639
Income taxes	(6,741)	(5,413)
PROFIT/(LOSS) FOR THE PERIOD	17,216	14,226
Attributable to:		
Shareholders of the Parent Company	17,208	13,985
Non-controlling interests	8	241

(€'000)	31 March 2023	31 March 2022
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OTHER COMPREHENSIVE INCOME

Other comprehensive income that will not be subsequently reclassified to net profit

Actuarial change in provisions for employee benefits	-	-
Income taxes relating to actuarial changes in provisions for employee benefits	-	-
Total	-	-

Other comprehensive income which will be subsequently reclassified to net profit

Changes in the cash flow hedge reserve	1,150	1,365
Income taxes related to changes in the cash flow hedge reserve	(276)	(328)
Change in the translation reserve	9	-
Total	883	1,037

Total other comprehensive income for the year, net of tax effect	883	1,037
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COMPREHENSIVE NET PROFIT FOR THE PERIOD	18,099	15,263
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Attributable to:

Shareholders of the Parent Company	18,091	15,022
Non-controlling interests	8	241

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(€'000)	Share capital	Share premium reserve	Other reserves	Profit for the period	Equity attributable to the shareholders of the Parent Company	Equity attributable to non-controlling interests	Total Equity
Value as at 31 December 2021	34,539	77,197	66,295	51,007	229,038	103	229,141
Allocation of profit for the year	-	-	51,007	(51,007)	-	-	-
Dividends distributed	-	-	(1)	-	(1)	-	(1)
Stock option exercise	58	951	(86)	-	923	-	923
Other changes	-	-	(273)	-	(273)	4	(269)
Profit for the period	-	-	-	13,985	13,985	241	14,226
Other comprehensive income	-	-	1,037	-	1,037	-	1,037
Value as at 31 March 2022	34,597	78,148	117,979	13,985	244,709	348	245,057
Value as at 31 December 2022	34,784	81,236	98,357	74,154	288,531	1,550	290,081
Allocation of profit for the year	-	-	74,154	(74,154)	-	-	-
Dividends distributed	-	-	(76)	-	(76)	-	(76)
Stock option exercise	37	605	(55)	-	587	-	587
Other changes	-	-	452	-	452	(750)	(298)
Profit for the period	-	-	-	17,208	17,208	8	17,216
Other comprehensive income	-	-	883	-	883	-	883
Value as at 31 March 2023	34,821	81,841	173,715	17,208	307,585	808	308,393

CONSOLIDATED STATEMENT OF CASH FLOWS

(€'000)	31 March 2023	31 March 2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit for the period	17,216	14,226
Adjustments for:		
Depreciation of property, plant and equipment	5,129	4,291
Amortisation of intangible assets	1,855	1,598
Impairment on intangible assets and goodwill	-	-
Adjustments to financial assets (other equity investments)	294	(28)
Net financial expense	(76)	205
Gain on sale of property, plant and equipment	(32)	(124)
Impairment losses on trade receivables	-	-
Income taxes	6,741	5,413
Changes in:		
Inventories	(16,390)	(5,340)
Contract assets	(11,473)	(4,682)
Trade receivables	1,378	13,322
Other current assets	(5,040)	3,329
Trade payables	19,210	(21,436)
Contract liabilities	349	26,345
Other current liabilities	(3,069)	44
Provisions for risks and charges and employee benefits	(815)	1,155
Cash flow generated/(absorbed) by operating activities	15,277	38,318
Income taxes paid	-	(7,653)
Net cash flow generated/(absorbed) by operating activities	15,277	30,665
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	428	11
Proceeds from sale of property, plant and equipment	32	28
Proceeds from disposal of intangible assets	-	-
Change in other equity investments and other non-current assets	39	(6,481)
Acquisition of subsidiaries or business units, net of cash acquired	(2,723)	(3,840)
Acquisition of property, plant and equipment	(3,858)	(4,514)
Purchase of intangible assets	(2,163)	(1,828)
Net cash flow generated/(absorbed) by investing activities	(8,245)	(16,624)
CASH FLOWS FROM FINANCING ACTIVITIES		
Financial interest and expense paid	(352)	(216)
Proceeds from the issue of share capital	642	1,009
Proceeds from loans	9,001	17
Repayment of loans	(8,547)	(6,019)
Changes in other financial assets and liabilities including derivatives	(2,454)	(1,459)
New finance leases	856	1,791
Repayment of finance leases	(4)	(80)
Assumption of new loans	-	-
Other changes in equity	530	682
Share buy-back	-	-
Dividends paid	(76)	(1)
Net cash flow generated/(absorbed) by financing activities	(404)	(4,276)

(€'000)	31 March 2023	31 March 2022
NET CHANGE IN CASH AND CASH EQUIVALENTS	6,628	9,765
Cash and cash equivalents at the beginning of the period	146,317	141,272
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	152,945	151,037



NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

BASIS OF PREPARATION

INTRODUCTION

This periodic financial information as at 31 March 2023 (hereinafter "Periodic Financial Information as at 31 March 2023") was approved by the Board of Directors of the Company on 11 May 2023 and has not been audited, as it is not required by current regulations.

Sanlorenzo S.p.A., as a company listed on Euronext STAR Milan segment of the Italian Stock Exchange, is subject to the provisions of Article 2.2.3 of the Stock Exchange Regulations. On the basis of these regulations, the Company has prepared the Periodic Financial Information as at 31 March 2023, which it makes available to the public.

BASIS OF PREPARATION

The Periodic Financial Information as at 31 March 2023 has been prepared in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board and endorsed by the European Union, including all interpretations of the International Financial Reporting Interpretations Committee (IFRIC), previously known as the Standing Interpretations Committee (SIC).

For the purposes of preparing Periodic Financial Information as at 31 March 2023, the provisions of IAS 34 ("Interim Financial Reporting"), relating to infra-annual financial reporting, were not adopted, given that the Group applies this standard to half-yearly financial reports and not to quarterly reports.

The accounting principles and criteria adopted for the preparation of the Periodic Financial Information as at 31 March 2023 are consistent with those used for the preparation of the consolidated financial statements as at 31 December 2022, to which reference should be made for more details.

The Periodic Financial Information as at 31 March 2023 has been prepared on the basis of the accounting positions of the Parent Company and its subsidiaries and associates, adjusted accordingly to ensure they conform to the IFRS.

The Periodic Financial Information as at 31 March 2023 includes the consolidated statement of the financial position, consolidated statement of profit and loss and the other comprehensive income, consolidated statement of cash flows and consolidated statement of changes in equity for the period from 1 January to 31 March 2023.

For comparative purposes, the financial statements present a comparison with the statement of financial position data in the consolidated financial statements as at 31 December 2022 and with the data in the consolidated statement of profit or loss and other comprehensive income, and the consolidated statement of cash flows, as at 31 March 2022.

As regards the statement of financial position, the presentation format adopted provides for a distinction between current and non-current assets and liabilities, according to paragraphs 60 et seq. of IAS 1.

The presentation of the consolidated income statement adopts a classification of costs based on the type of expense.

The consolidated statement of cash flows was prepared based on the indirect method and is presented in compliance with IAS 7, classifying the financial flows between operating, investment and financing activities.

BASIS OF MEASUREMENT

The Periodic Financial Information as at 31 March 2023 was prepared using the historical cost method, with the exception of derivative financial instruments, which were recognised at fair value as required by IFRS 9 – "Financial Instruments", and on a going concern basis. The Directors, in fact, have checked that there are no material uncertainties (as defined in IAS 1.25) in relation to the going-concern assumption.

FUNCTIONAL AND PRESENTATION CURRENCY

The Periodic Financial Information as at 31 March 2023 is presented in Euro, the functional currency of the Parent Company. All amounts have been rounded to the nearest thousand, unless otherwise indicated.

USE OF JUDGEMENTS AND ESTIMATES

The preparation of the Periodic Financial Information as at 31 March 2023 in application of the IAS/IFRS requires the Directors to apply accounting standards that may sometimes be affected by complex and subjective judgements and estimates, based on past experience and assumptions deemed reasonable and realistic in the circumstances.

The application of these estimates and assumptions affects the reporting amounts in the financial statements, such as the statement of financial position, the statement of profit and loss and other comprehensive income, the statement of cash flows and the disclosures included herein.

Reference should be made to the consolidated financial statements as at 31 December 2022 in relation to the main areas requiring the use of judgements and estimates, specifying that there are no changes in the main sources of uncertainty of estimates compared to those reported in the consolidated financial statements relating to the period ending 31 December 2022.

CONSOLIDATION CRITERIA

The Periodic Financial Information as at 31 March 2023 includes, by applying the "line-by-line" consolidation method, the interim financial statements as at 31 March 2023 of the Parent Company and the Italian and foreign subsidiaries specifically prepared.

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and, in the same time, has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

The consolidation criteria adopted in the preparation of this Periodic Financial Information as at 31 March 2023 are the same as those adopted and reported in the consolidated financial statements as at 31 December 2022.

SUMMARY OF ACCOUNTING STANDARDS APPLIED

In the preparation of this Periodic Financial Information as at 31 March 2023, the same accounting principles and preparation criteria were applied as those used in the preparation of the consolidated financial statements as at 31 December 2022, to which reference should be made.

IMPAIRMENT TESTING

At the date of condensed interim financial statements, the Group assessed, on the basis of information from external and internal sources, whether there were indications of impairment of the assets.

For this analysis, reference was made to the results achieved as at 31 March 2023, which are consistent and in line with the assumptions and data used for the preparation of the plans approved for the verification of the recoverability of the net invested capital, carried out at the time of approval of the Annual Financial Report as at 31 December 2022.

Therefore, there were no indicators of impairment that required an impairment testing as at 31 March 2023 on the value of goodwill, trademarks and other tangible and intangible assets allocated to the identified Cash Generating Unit.

INFORMATION ON RISKS AND FINANCIAL INSTRUMENTS

The Group's activities are exposed to a series of risks and uncertainties that could influence its financial position, results of operations and cash flows. In particular, the Group is exposed to credit risk, arising from commercial transactions, liquidity risk, risks arising from changes in the regulatory framework and risks connected with litigation and tax assessments. Furthermore, the Group is exposed to fluctuations in interest rates on its variable rate debt instruments and fluctuations in exchange rates, primarily on sales of yachts in US dollars, and hedges such exposures with derivative instruments.

The Periodic Financial Information as at 31 March 2023 does not include all information on risk management. There were no changes with reference to the consolidated financial statements as at 31 December 2022 and as at 31 March 2023 regarding the risks to which the Group is exposed and their management.

COMPOSITION OF THE GROUP

SUBSIDIARIES

The Periodic Financial Information as at 31 March 2023 was prepared on the basis of the financial statements of the Parent Company and its subsidiaries, adjusted accordingly to comply with IFRS.

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the moment the Parent Company begins to exercise control until the date on which such control ceases.

The following table provide information, as at 31 March 2023, concerning the name, registered office, currency and share capital of all subsidiaries, as well as the percentage of ownership held directly and indirectly by the Parent Company.

Company name	Registered office	Currency	Share capital (currency unit)	Percentage of ownership	
				Direct	Indirect
Bluegame S.r.l.	Ameglia (SP) – Italy	Euro	100,000	100.0%	-
PN Sviluppo S.r.l.	Viareggio (LU) – Italy	Euro	40,000	100.0%	-
Sanlorenzo Arbatax S.r.l.	Ameglia (SP) – Italy	Euro	10,000	100.0%	-
Equinoxe S.r.l.	Turin (TO) – Italy	Euro	184,536	100.0%	-
Equinoxe Yachts International S.r.l.	Turin (TO) – Italy	Euro	200,000	-	100.0%
Polo Nautico Viareggio S.r.l.	Viareggio (LU) – Italy	Euro	667,400	52.49%	-
I.C.Y. S.r.l.	Adro (BS) – Italy	Euro	100,000	-	60.0%
Sanlorenzo Baleari SL	Puerto Portals, Mallorca – Spain	Euro	500,000	100.0%	-
Marine Yachting Monaco S.A.M.	Monte-Carlo – Principality of Monaco	Euro	150,000	99.7%	-
Sanlorenzo of the Americas LLC	Fort Lauderdale (FL) – USA	USD	2,000,000	99.9%	0.1%
Fortune Yacht LLC	Fort Lauderdale (FL) – USA	USD	1,000	-	100.0%

ASSOCIATES

As at 31 March 2023, the Parent Company holds the following equity investments in associates, which are reported in the financial statements using the equity method.

Company name	Registered office	Currency	Share capital (currency unit)	Percentage of ownership	
				Direct	Indirect
Carpensalda Yacht Division S.r.l.	Pisa (PI) – Italy	Euro	8,000,000	48.00%	-
Sa.La. S.r.l. (through Carpensalda Yacht Division S.r.l.)	Viareggio (LU) – Italy	Euro	50,000	-	48.00%
Duerre S.r.l.	Vicopisano (PI) – Italy	Euro	1,000,000	33.00%	-
Restart S.p.A. (through PN Sviluppo S.r.l.) in liquidation	Milan (MI) – Italy	Euro	50,000	-	50.00%
Sea Energy S.r.l.	Viareggio (LU) – Italy	Euro	25,000	49.00%	-
Key S.r.l. (through Sea Energy S.r.l.)	Viareggio (LU) – Italy	Euro	10,000	-	49.00%

Ameglia, 11 May 2023

On behalf of the Board of Directors
Chairman and Chief Executive Officer
Mr. Massimo Perotti



DECLARATION OF THE MANAGER CHARGED WITH PREPARING THE COMPANY'S FINANCIAL REPORTS PURSUANT TO ARTICLE 154-BIS, PARAGRAPH 2, OF ITALIAN LEGISLATIVE DECREE NO. 58 OF 24 FEBRUARY 1998

The undersigned Attilio Bruzzese, Chief Financial Officer of the Sanlorenzo Group, in his capacity as Manager charged with preparing the company's financial reports, declares that the Periodic Financial Information as at 31 March 2023 corresponds to the documented results, books and accounting records.

Ameglia, 11 May 2023

Attilio Bruzzese
Manager charged with preparing
the company's financial reports

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