SANLORENZO S.P.A.:

THE BOARD OF DIRECTORS HAS APPROVED THE HALF-YEARLY FINANCIAL REPORT AS AT 30 JUNE 2020

Solid results and an order portfolio at €566 million allow the company to confirm the positive outlook for the current year with Net Revenues New Yachts and EBITDA in line with 2019

The strategy to expand the product ranges and introduce innovations and technologies in the market heavily geared towards sustainability principles continued, with further investments in R&D

THE SHAREHOLDERS' MEETING APPROVED THE AUTHORISATION TO PURCHASE AND DISPOSE OF TREASURY SHARES

- Consolidated net revenues from the sale of new yachts (Net Revenues New Yachts) of €184.1 million: -10.4% compared to €205.4 million in the first half of 2019 (-6.9% on a like-for-like basis)
- Consolidated adjusted EBITDA amounted to €25.8 million: -0.3% compared to €25.8 million in the first half of 2019, corresponding to 14.0% of Net Revenues New Yachts
- Group net profit at €10.5 million: -0.6% compared to €10.6 million in the first half of 2019, corresponding to 5.7% of Net Revenues New Yachts
- Investments of €12.4 million compared to €19.1 million in the first half of 2019
- Group net financial position as at 30 June 2020 of €23.5 million, a clear improvement compared to €60.7 million as at 31 March 2020 (€9.1 million as at 31 December 2019 following the IPO)
- Gross backlog as at 30 June 2020 of €565.6 million, growth of €64.8 million compared to €500.8 million as at 31 March 2020 (€567.6 million as at 30 June 2019)
- Order intake supported by a plan of targeted marketing and commercial initiatives starting from September, including "Sanlorenzo Elite Weekends", private boat shows in the Company's shipyards in La Spezia. Participation to the Genoa Boat Show confirmed
- Outlook confirmed for the current year: Net Revenues New Yachts and EBITDA in line with 2019
- The Ordinary Shareholders' Meeting approved the authorisation to purchase and dispose of treasury shares up to a maximum of 3,450,000 shares

Ameglia (SP), 31 August 2020 – The Board of Directors of Sanlorenzo S.p.A. ("Sanlorenzo" or the "Company"), which met on today's date, examined and approved the Half-yearly Financial Report as at 30 June 2020.

Massimo Perotti, Executive Chairman of the Company, stated:

«The results for the first half of 2020 once again confirm the validity of Sanlorenzo's business model, which has proven its resilience in the different phases of the economic cycle. In particular, the growth in profitability in the first few months of 2020 was extremely positive and solid in the current context, also benefitting from the effects of significant investments already made to increase production capacity, which have enabled a notable increase in the efficiency of all sites.

Important factors in the future stability of these results were Sanlorenzo's ability to respond to the restrictions connected with COVID-19 and the speed with which the measures were adopted. The initiatives which the Company put in place actually made it possible to limit the suspension of activities to just 28 days - partially already recovered in August - and to confirm the current orders, as with the deliveries of yachts in the summer period.

At the same time, the growth trend in the order portfolio continues, which, as at 30 June, reached €566 million - an increase of €65 million compared to March - and is distinguished for being covered almost entirely by end customers. This provides excellent visibility over the coming months and enables us to again confirm the forecasts for the performance of the current year in line with the results in 2019».

ANALYSIS OF CONSOLIDATED NET REVENUES NEW YACHTS

Net Revenues New Yachts[1] for the first half of 2020 amounted to **€184.1 million,** marking a drop of 10.4% compared to €205.4 million as at 30 June 2019, due to the restrictions imposed by Governments to limit the spread of COVID-19. On a like-for-like basis, excluding Net Revenues New Yachts generated by GP Yachts S.r.l., whose equity investment was sold by the Company in July 2019, the downturn in Net Revenues New Yachts came to 6.9%.

Net Revenues New Yachts by division

(€'000)	Six months ending as at 30 June				Change	
	2020	% of total	2019	% of total	2020 vs. 2019	2020 vs. 2019%
Yacht Division	109,994	59.7%	124,429	60.6%	(14,435)	-11.6%
Superyacht Division	59,113	32.1%	65,911	32.1%	(6,798)	-10.3%
Bluegame Division	15,038	8.2%	7,396	3.6%	7,642	+103.3%
Other[2]	-	-	7,670	3.7%	(7,670)	-100.0%
Net Revenues New Yachts	**184,145**	**100.0%**	**205,406**	**100.0%**	**(21,261)**	**-10.4%**

In the first half of 2020, the Yacht Division generated Net Revenues New Yachts of **€110.0 million**, equal to 59.7% of the total, down by 11.6% compared to the same period of 2019.

The Superyacht Division generated Net Revenues New Yachts of **€59.1 million**, corresponding to 32.1% of the total, down by 10.3% compared to the first half of 2019.

The Bluegame Division generated Net Revenues New Yachts of **€15.0 million**, corresponding to 8.2% of the total, up by 103.3% compared to the first half of 2019.

[1]Net Revenues New Yachts are calculated as the algebraic sum of revenues from contracts with customers relating to new yachts net of relative fees. In accordance with IFRS standards, the selling price of new yachts and therefore also the calculation of the related revenues reflects the difference between the contractually attributed value of the pre-owned boats subject to exchange and their relative fair value.

[2]The item "Other" includes Net Revenues New Yachts realised by GP Yachts S.r.l., whose equity investment sold by the Company on 19 July 2019.

Net Revenues New Yachts by geographical area[3]

(€'000)	Six months ending as at 30 June				Change	
	2020	% of total	2019	% of total	2020 vs. 2019	2020 vs. 2019%
Europe	112,628	61.2%	128,301	62.46%	(15,673)	-12.2%
APAC	34,456	18.7%	35,470	17.27%	(1,014)	-2.9%
Americas	19,851	10.8%	30,503	14.85%	(10,652)	-34.9%
Middle East and Africa	17,210	9.3%	11,132	5.42%	6,078	+54.6%
Net Revenues New Yachts	184,145	100.0%	205,406	100.0%	(21,261)	-10.4%

In the first half of 2020, Europe, which is the Group's historic market, recorded Net Revenues New Yachts of €112.6 million (of which €19.8 million generated in Italy), accounting for 61.2% of the total, marking a decline of 12.2% compared to the same period of 2019.

The APAC area recorded Net Revenues New Yachts of €34.5 million, accounting for 18.7% of the total and essentially stable compared to the first half of 2019, thanks to a solid recovery of sales in the second quarter.

The Americas recorded Net Revenues New Yachts of €19.9 million, a decrease of 34.9% compared to the first half of 2019, accounting for 10.8% of the total, a result more impacted by the pandemic.

Significant growth was recorded in the Middle East and Africa, with Net Revenues New Yachts up by 54.6%, reaching €17.2 million, corresponding to 9.3% of the total, mainly thanks to the growth of the Superyacht Division.

ANALYSIS OF CONSOLIDATED OPERATING RESULTS AND NET PROFIT

Adjusted EBITDA[4] in the first half of 2020 stood at €25.8 million, essentially stable with respect to the result in the first half of 2019, showing an increase of the margin as a percentage of Net Revenues New Yachts, sitting at 14.0%, compared to 12.6% in the same period in 2019.

The significant increase in operating margins is linked to the progressive increase in prices of new orders thanks to the strengthening of the Company's commercial positioning and the efficiencies generated by the implementation of new production capacity following the investments made in the course of 2019 and the early months of 2020.

EBITDA[5], including the non-recurring items mostly relating to the portion of non-monetary costs for the period of the 2020 Stock Option Plan and the expenses incurred due to COVID-19, amounted to €25.1 million, down by 2.9% compared to €25.8 million in the first half of 2019, against an improvement in the incidence on Net Revenues New Yachts, which went from 12.6% as at 30 June 2019 to 13.6% as at 30 June 2020.

EBIT amounted to €15.9 million, down by 14.6% compared to €18.7 million in the first half of 2019, corresponding to 8.7% of Net Revenues New Yachts, mainly due to the growth in amortisation/depreciation, which rose from €7.2 million in the first half of 2019 to €9.1 million in the first half of 2020 as a result of the implementation of investments targeted at increasing production capacity and developing new products.

Net financial expenses amounted to €1.1 million, marking a decrease of 50.5% compared to €2.2 million in the first half of 2019. The reduction compared to the same period of 2019 is linked to the better financial conditions applied to the Company by credit institutions and the reduction in debt compared to the first half of 2019, achieved also thanks to proceeds from the share capital increase connected to the IPO.

[3] On the basis of the nationality of the final customer.

[4] Adjusted EBITDA is calculated by adding amortisation/depreciation expenses to operating profit/loss adjusted for non-recurring items.

[5] EBITDA is calculated by adding amortisation/depreciation expenses to operating profit/loss.

Income taxes fell from €5.8 million as at 30 June 2019 to €4.6 million in the first half of 2020, corresponding to 30.9% of the pre-tax result.

Group net profit for the first half of 2020 amounted to €10.5 million, essentially stable with respect to the figure in the first half of 2019, amounting to €10.6 million. The incidence on Net Revenues New Yachts rose from 5.2% as at 30 June 2019 to 5.7% as at 30 June 2020.

ANALYSIS OF CONSOLIDATED BALANCE SHEET AND FINANCIAL RESULTS

Net working capital as at 30 June 2020 was positive for €31.3 million, compared to €11.5 million as at 31 December 2019 and €66.7 million as at 31 March 2020. The decrease compared to the figure as at 31 March 2020 amounted to €35.4 million.

Net trade working capital as at 30 June 2020 was positive for €41.0 million, compared to €(1.2) million as at 31 December 2019. Compared to the figure as at 31 March 2020, amounting to €56.6 million, net trade working capital recorded a decrease of €15.6 million.

Net financial position as at 30 June 2020 was €23.5 million, compared to €9.1 million as at 31 December 2019 and €60.7 million as at 31 March 2020. The reduction in net financial position compared to 31 March 2020 was €37.2 million.

Cash and cash equivalents as at 30 June 2020 came to €80.7 million, an increase of €20.5 million compared to 31 December 2019 (€60.2 million) and €17.4 million compared to 31 March 2020 (€63.3 million), leading net current financial debt to show a net cash position of €30.1 million.

The changes in net working capital and the net financial position compared to the first quarter were positively influenced by the trends relating to the seasonal nature of orders typical of the industry, which see deliveries of yachts concentrated in the summer months.

As at 30 June 2020, the Group also had bank credit facilities to cover its liquidity requirements of €110.4 million[6], showing an increase of €28.5 million compared to 31 December 2019 and of which €92.3 million available.

Investments made in the first half of 2020 amounted to €12.4 million compared to €19.1 million in the first half of 2019, of which €6.6 million were dedicated to product development and to the creation of models and moulds, and €3.4 million linked to the programme to increase production capacity launched in 2017.

The strategy to expand the product ranges and introduce innovations and technologies in the market heavily geared towards sustainability principles was reconfirmed. Investments in research and development and the creation of new products actually rose by 13.8% compared to €5.8 million in the first half of 2019.

BACKLOG

The backlog[7] as at 30 June 2020 amounted to €565.6 million (€381.5 million net of production increases recorded as revenue during the period), growth of €64.8 million compared to €500.8 million as at 31 March 2020 and in line with the figure as at 30 June 2019, €567.6 million.

[6] Not inclusive of credit lines for reverse factoring and confirming.

[7] Backlog is calculated as the sum of the value of all 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 year, 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 financial year in question until the delivery date. The backlog relating to yachts delivered during the financial year is conventionally cleared on 31 December.

BUSINESS OUTLOOK

The actions undertaken to handle the restrictive measures linked to COVID-19 and the commercial and operational initiatives intended to rapidly restore activities, in the absence of any additional interruptions, will enable the Company to make up for the period during which activities were suspended, limiting the impact on results, also thanks to the operations of the sites in August. This, along with the current order portfolio, makes it possible to confirm the estimates of substantial stability in Net Revenues New Yachts for 2020 with respect to the 2019 result. The backlog as at 30 June 2020 actually amounts to roughly 90% of Net Revenues New Yachts forecast for 2020.

The order intake is supported by a plan of targeted marketing and commercial initiatives starting from September, including "Sanlorenzo Elite Weekends", private boat shows arranged in the Company's shipyards in La Spezia. The participation of the Company to the Genoa Boat Show scheduled for 1 to 6 October 2020 is also confirmed. During this event, the new SX112 and BGX60 models are expected to be presented.

Forecasts relating to EBITDA are also confirmed in line with the previous year, thanks to the plan for an additional cut of operating costs, enacted since the emergence of the current circumstances, the effects of which are partially already reflected in the results for the first half of 2020. This plan kept investments referring to the development of new products, innovation and sustainability unchanged, while postponing further initiatives not deemed priorities or necessary at this time.

ORDINARY SHAREHOLDERS' MEETING

The Ordinary Shareholders' Meeting of the Company was held on first call on today's date. Considering the current health emergency situation linked to COVID-19, as set forth in the "Cura Italia" (Heal Italy) Decree, participation in the Shareholders' Meeting was permitted exclusively through the designated shareholders' representative Spafid S.p.A..

The Ordinary Shareholders' Meeting approved the request for the authorisation, pursuant to the combined provisions of articles 2357 and 2357-ter of the Italian Civil Code, as well as of article 132 of Legislative Decree no. 58 of 24 February 1998 and the associated implementing provisions, to purchase and dispose of Company treasury shares.

The authorisation to purchase and dispose of treasury shares is targeted at allowing the Company to purchase and dispose of ordinary shares for the following purposes:

(i) operating on the market with a view to medium and long-term investment;
(ii) investing excess liquid resources;
(iii) optimising the capital structure;
(iv) having a "securities depositary" to be used as part of extraordinary transactions in Sanlorenzo's interest;
(v) having shares to service any future management equity incentive plans approved by the Company.

The authorisation was approved for the purchase, including in several tranches, of ordinary shares with no nominal value, up to a maximum of 3,450,000 shares.

The treasury shares can be purchased at a price that is no more than 10% higher or lower than the reference price recorded on the Mercato Telematico Azionario (the screen-based equity market of the Italian Stock Exchange) organised and managed by Borsa Italiana S.p.A. in the trading session prior to each individual transaction, in observance, in any case, with the terms and conditions established by the legislation in force and the permitted market practices, where applicable. The authorisation to purchase treasury shares was approved for a period of 18 months from the date of the relevant authorisation resolution of the Ordinary Shareholders' Meeting.

Disposals of treasury shares will be carried out according to the methods deemed most appropriate by the Board of Directors in the Company's interest, on and off the stock exchange, and in any case, in observance of the legislation in force and the permitted market practices, where applicable. The authorisation to dispose of treasury shares was approved with no time limits.

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The manager responsible for preparing the corporate accounts, Attilio Bruzzese, pursuant to article 154-bis, paragraph 2, of Italian Legislative Decree n. 58 of 1998 ("Consolidated Finance Law - TUF") states that the information in this communication correspond to the records, ledgers and accounting entries.

This document includes forward-looking statements relating to future events and operational, economic and financial results of Sanlorenzo Group. These forecasts, by their nature, contain an element of risk and uncertainty, as they depend on the occurrence of future events and developments.

This document makes use of some alternative performance indicators. The represented indicators are not identified as accounting measurements in the context of IFRS standards and, therefore, must not be viewed as alternative measurements to those included in the financial statements. The management team retains that these indicators are a significant parameter for the assessment of the Group's economic and financial performance. The reclassified accounting statements in this document have not been audited by the independent auditors.

The condensed half-yearly consolidated financial statements as at 30 June 2020 are currently being audited, to date, in the course of being completed.

The half-yearly financial report as at 30 June 2020 will be made available to the public, in accordance with current provisions,, at the Company's registered office in via Armezzone 3, Ameglia (SP), in the "Investor Relations"/Results and financial documents" of the Company's website (www.sanlorenzoyacht.com) and on the eMarket STORAGE mechanism (www.emarketstorage.com).

The summary report of votes and the minutes of the Ordinary Shareholders' Meeting will be made available to the public in the way and within the terms provided for by the applicable law.

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Sanlorenzo S.p.A.

Sanlorenzo is a worldwide leader in terms of number of yachts over 30 metres long. It is the only player in luxury boats to compete in different sectors with a single brand, producing yachts and superyachts tailored to every boat owner, characterised by a distinctive and timeless design.

Sanlorenzo's production is broken down into three divisions:

- Yacht Division - composite yachts of a length between 24 and 38 metres;
- Superyacht Division - superyachts in aluminium and steel of between 40 and 68 metres long;
- Bluegame Division - sport utility yachts of length between 13 and 22 metres;

Sanlorenzo's production is articulated over four production sites located in La Spezia, Ameglia (SP), Viareggio (LU) and Massa. The sites are strategically located near to each other, so allowing significant operational efficiencies.

The Group employs around 500 people and cooperates with a network of 1,500 qualified craft enterprises. It can rely on an international distribution network and a widespread service network for customers all over the world.

In 2019, net revenues from the sale of new yachts amounted to around €456 million, adjusted EBITDA of €66 million and a Group net profit of €27 million.

www.sanlorenzoyacht.com

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SANLORENZO GROUP

RECLASSIFIED INCOME STATEMENT AS AT 30 JUNE 2020

(€'000)	Six months ending as at 30 June				Change	
	2020	% Net Revenues New Yachts	2019	% Net Revenues New Yachts	2020 vs. 2019	2020 vs. 2019%
Net Revenues New Yachts	**184,145**	**100.0%**	**205,406**	**100.0%**	**(21,261)**	**-10.4%**
Net revenues from pre-owned boats, maintenance and other services	23,219	12.6%	19,695	9.6%	3,524	+17.9%
Other income	1,989	1.1%	1,054	0.5%	935	+88.7%
Operating costs	(183,596)	-99.7%	(200,322)	-97.5%	16,726	-8.3%
Adjusted EBITDA	**25,757**	**14.0%**	**25,833**	**12.6%**	**(76)**	**-0.3%**
Non-recurring costs	(679)	-0.4%	-	-	(679)	-
EBITDA	**25,078**	**13.6%**	**25,833**	**12.6%**	**(755)**	**-2.9%**
Depreciation and amortisation	(9,140)	-5.0%	(7,178)	-3.5%	(1,962)	+27.3%
EBIT	**15,938**	**8.7%**	**18,655**	**9.1%**	**(2,717)**	**-14.6%**
Net financial expense	(1,091)	-0.6%	(2,203)	-1.1%	1,112	-50.5%
Adjustments to financial assets	30	-	-	-	30	-
Pre-tax profit	**14,877**	**8.1%**	**16,452**	**8.0%**	**(1,575)**	**-9.6%**
Tax expense	(4,600)	-2.5%	(5,837)	-2.8%	1,237	-21.2%
Net profit	**10,277**	**5.6%**	**10,615**	**5.2%**	**(338)**	**-3.2%**
Profit (loss) attributable to non-controlling interests[8]	271	+0.1%	(1)	-	272	-
Group net profit	**10,548**	**5.7%**	**10,614**	**5.2%**	**(66)**	**-0.6%**

[8] (Profit)/loss.

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RECLASSIFIED BALANCE SHEET AS AT 30 JUNE 2020

(€'000)	30 June 2020	31 December 2019	Change 2020 vs. 2019	Change 2020 vs. 2019%
USES				
Goodwill	8,667	8,667	-	-
Intangible assets with a finite useful life	35,596	35,404	192	+0.5%
Property, plant and equipment	105,692	102,598	3,094	+3.0%
Equity investments and other non-current assets	409	379	30	+7.9%
Net deferred tax assets	5,020	3,008	2,012	+66.9%
Non-current employee benefits	(821)	(796)	(25)	+3.1%
Non-current provisions for risks and charges	(991)	(913)	(78)	+8.5%
Net fixed capital	153,572	148,347	5,225	+3.5%
Inventories	81,830	62,311	19,519	+31.3%
Trade receivables	21,794	20,269	1,525	+7.5%
Contract assets	110,167	87,889	22,278	+25.3%
Trade payables	(103,399)	(152,189)	48,790	-32.1%
Contract liabilities	(69,423)	(19,442)	(49,981)	+257.1%
Other current assets	32,261	46,007	(13,746)	-29.9%
Current provisions for risks and charges	(9,911)	(9,299)	(612)	+6.6%
Other current liabilities	(31,998)	(23,999)	(7,999)	+33.3%
Net Working Capital	31,321	11,547	19,774	+171.2%
Net invested capital	184,893	159,894	24,999	+15.6%
SOURCES				
Net Financial Position	23,506	9,063	14,443	+159.4%
Equity	161,387	150,831	10,556	+7.0%
Total sources	184,893	159,894	24,999	+15.6%

SANLORENZO GROUP

NET FINANCIAL POSITION AS AT 30 JUNE 2020

(€'000)		30 June 2020	31 December 2019
A	Cash and cash equivalents	(80,716)	(60,186)
B	Other cash flows	-	-
C	Securities held for trading	-	-
D	Cash	(80,716)	(60,186)
E	Current financial receivables	(171)	(6,654)
F	Current bank payables	18,299	370
G	Current portion of debt	30,111	17,394
H	Other current financial payables	2,410	1,530
I	Current financial debt (F + G + H)	50,820	19,294
J	Net current financial debt (I + E + D)	(30,067)	(47,546)
K	Non-current bank payables	50,540	54,706
L	Bonds issued	-	-
M	Other non-current payables	3,033	1,903
N	Non-current financial debt (K + L + M)	53,573	56,609
O	Net financial position (J + N) with ESMA Recommendation	23,506	9,063

SANLORENZO GROUP

RECLASSIFIED STATEMENT OF CASH FLOWS AS AT 30 JUNE 2020

(€'000)	30 June 2020	30 June 2019
EBITDA	25,078	25,833
Taxes paid	-	(86)
Changes in inventories	(19,519)	(12,817)
Change in net contract assets and liabilities	27,703	(6,597)
Change in trade receivables and payments on account to suppliers	(1,771)	8,640
Change in trade payables	(48,790)	3,090
Change in provisions and other assets and liabilities	16,090	(3,622)
Operating cash flow	(1,209)	14,441
Change in non-current assets (Capex)	(12,446)	(19,062)
Business acquisitions (Enterprise Value)	-	(224)
Free cash flow	(13,655)	(4,845)
Net financial interest	(1,091)	(2,203)
Other changes	303	(3,985)
Change in Net Financial Position	(14,443)	(11,033)
Net financial position at the beginning of the period	9,063	75,444
Net financial position at the end of the period	23,506	86,477