

PERIODIC  
FINANCIAL  
INFORMATION

AS AT 30 SEPTEMBER 2020

**SANLORENZO**

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## LEGAL NOTICE

This report has been translated into English from the original Italian document solely for the convenience of international readers. In case of inconsistency between this document and the original document in Italian, the latter will prevail.

# SANLORENZO GROUP

## CORPORATE DATA

Sanlorenzo S.p.A.

Share Capital €34,500,000 fully paid-in<sup>1</sup>

Tax code and registration number in the Register of Companies of Riviera di Liguria - Imperia La Spezia Savona  
00142240464

Registered office in via Armezzone 3, Ameglia (SP)

Secondary offices:

- viale San Bartolomeo 362, La Spezia;
- via Marina di Levante, Viareggio (LU);
- via Salvatori 56/58, Viareggio (LU);
- via Dorsale 13, Massa.

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

## CORPORATE BODIES

### Board of Directors<sup>2</sup>

Massimo Perotti	Executive Chairperson
Marco Viti	Managing Director
Carla Demaria	Managing Director
Paolo Olivieri	Director and Deputy Chairperson
Cecilia Maria Perotti	Director
Pietro Gussalli Beretta	Independent Director and Lead Independent Director
Silvia Merlo	Independent Director
Licia Mattioli	Independent Director
Leonardo Luca Etro	Independent Director

### Control, Risk and Sustainability Committee

Leonardo Luca Etro	Chairperson
Silvia Merlo	
Cecilia Maria Perotti	

### Remuneration Committee

Silvia Merlo	Chairperson
Paolo Olivieri	
Leonardo Luca Etro	

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<sup>1</sup> 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. This capital increase has not yet been subscribed, even partially.

<sup>2</sup> Appointed by the Ordinary Shareholders' Meeting on 24 June 2019 and supplemented on 24 October 2019; will remain in office until the date of the shareholders' meeting called to approve the separate financial statements as at 31 December 2021.

Nomination Committee	Pietro Gussalli Beretta Licia Mattioli Paolo Olivieri	Chairperson
Related-Party Transactions Committee	Licia Mattioli Silvia Merlo Pietro Gussalli Beretta	Chairperson
Board of Statutory Auditors <sup>3</sup>	Andrea Caretti Margherita Spaini Roberto Marrani Luca Trabattoni Marina Scandurra	Chairperson Standing Auditor Standing Auditor Alternate Auditor Alternate Auditor
Independent Auditing Firm <sup>4</sup>	BDO Italia S.p.A.	
Manager charged with preparing the company's financial reports	Attilio Bruzzese	

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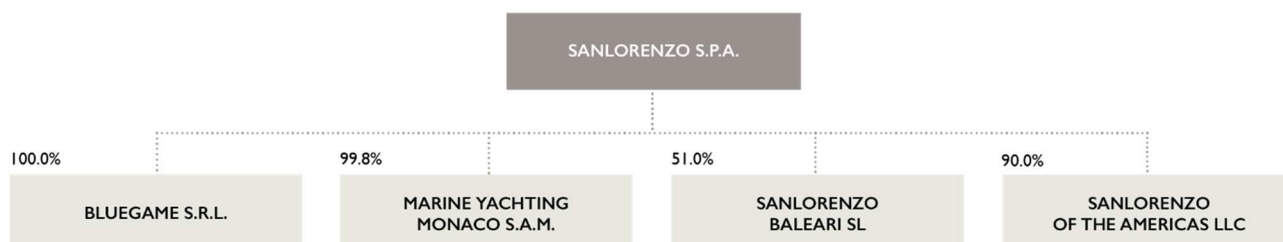
<sup>3</sup> Appointed by the Ordinary Shareholders' Meeting on 24 October 2019; will remain in office until the date of the shareholders' meeting called to approve the separate financial statements as at 31 December 2021.

<sup>4</sup> Appointed by the Ordinary Shareholders' Meeting on 23 November 2019 for nine financial years from 2019 to 2027.

## GROUP STRUCTURE

The consolidated Financial Statements of Sanlorenzo Group as at 30 September 2020 include Sanlorenzo S.p.A. (Parent Company) and four direct subsidiaries of Sanlorenzo S.p.A. (Bluegame S.r.l., Marine Yachting Monaco S.A.M., Sanlorenzo Baleari SL and Sanlorenzo of the Americas LLC).

### Corporate organisational chart of the Group as at 30 September 2020



### Composition of the Group as at 30 September 2020

Company name	Registered office
Sanlorenzo S.p.A.	Ameglia (SP) – Italy
Bluegame S.r.l.	Viareggio (LU) – Italy
Sanlorenzo of the Americas LLC	Fort Lauderdale (FL) – USA
Sanlorenzo Baleari SL	Puerto Portals, Mallorca – Spain
Marine Yachting Monaco S.A.M.	Principality of Monaco

# REPORT ON OPERATIONS

## INTRODUCTION

This periodic financial information as at 30 September 2020 (hereinafter "Periodic Financial Information as at 30 September 2020"), was approved by the Board of Directors of the Company on 9 November 2020 and has not been audited, as it is not required by current regulations.

Sanlorenzo S.p.A., as a company listed on the STAR segment of the Mercato Telematico Azionario (the screen-based market of the Italian Stock Exchange) organised and managed by Borsa Italiana, 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 30 September 2020, which it makes available to the public.

This Report on Operations should be read together with the condensed consolidated financial statements and the related notes, which are an integral part of the Periodic Financial Information as at 30 September 2020.

## GROUP ACTIVITIES

The Group is a global operator 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.

Sanlorenzo is the only company in the sector operating under a single brand name, both in the market for yachts between 24 and 38 metres long, where it has operated since its establishment, and in the market for metal superyachts of more than 40 metres in length.

Group activity is divided into three divisions:

- Yacht Division (dedicated to the design, manufacturing and marketing of composite yachts between 24 and 38 metres long, sold under the Sanlorenzo brand);
- Superyacht Division (dedicated to the design, manufacturing and marketing of superyachts in aluminium and steel between 40 and 68 metres long, sold under the Sanlorenzo brand);
- Bluegame Division (dedicated to the design, manufacturing and marketing, under the Bluegame brand, of composite sport utility yachts between 13 and 22 metres long).

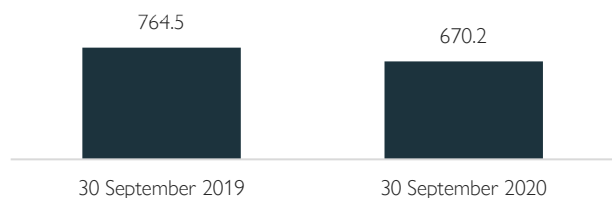
The Group sells yachts both directly (through Sanlorenzo or other Group companies or intermediaries) and through brand representatives, each of which operates in one or more assigned regional zones within the context of the global geographical markets.

Sanlorenzo's production is divided between four production sites located in La Spezia, Ameglia (SP), Viareggio (LU) and Massa. The sites operate within a 50km radius, within the nautical district sandwiched between the Apuan Alps and the Tyrrhenian Sea, between the northern Tuscan coast and the eastern Ligurian coast.

# FINANCIAL HIGHLIGHTS<sup>5</sup>

## GROSS BACKLOG

(in € million)



## NET REVENUES NEW YACHTS

(in € million)



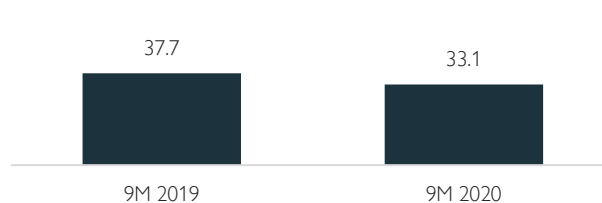
## ADJUSTED EBITDA

(in € million)



## EBIT

(in € million)



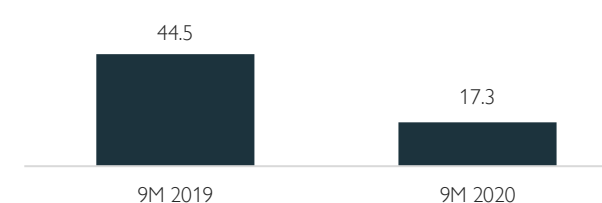
## GROUP NET PROFIT

(in € million)



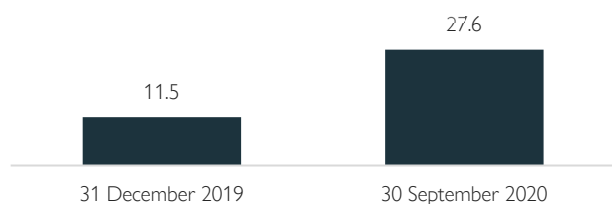
## INVESTMENTS

(in € million)



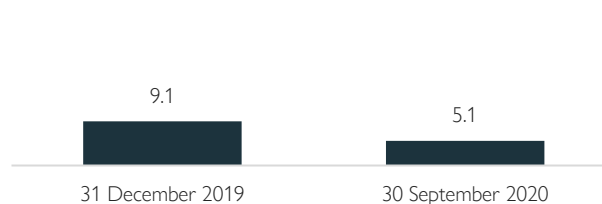
## NET WORKING CAPITAL

(in € million)



## NET FINANCIAL POSITION

(in € million)



<sup>5</sup> For a description of the methods of calculating the indicators presented, please refer to the following paragraphs "Backlog performance" and "Main alternative performance indicators".

## BACKLOG PERFORMANCE

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 year in question until the delivery date. The backlog relating to yachts delivered during the year is conventionally cleared on 31 December.

The table below shows the Group's backlog performance as at 30 September 2020, with the comparative figures as at 30 September 2019:

(€'000)	As at 30 September		Change	
	2020	2019 <sup>6</sup>	2020 vs. 2019	2020 vs. 2019%
<b>Gross backlog</b>	<b>670,218</b>	<b>764,490</b>	<b>(94,272)</b>	<b>-12.3%</b>
<i>Of which current year</i>	<i>440,230</i>	<i>421,960</i>	<i>18,270</i>	<i>+4.3%</i>
<i>Of which subsequent years</i>	<i>229,988</i>	<i>333,620</i>	<i>(103,632)</i>	<i>-31.1%</i>
Net Revenues New Yachts for the period	322,623	325,867	(3,244)	-1.0%
<b>Net backlog</b>	<b>347,595</b>	<b>438,623</b>	<b>(91,028)</b>	<b>-20.8%</b>
<i>Of which current year</i>	<i>117,607</i>	<i>96,093</i>	<i>21,514</i>	<i>+22.4%</i>
<i>Of which subsequent years</i>	<i>229,988</i>	<i>342,530</i>	<i>(112,542)</i>	<i>-32.9%</i>

The gross backlog amounted to €670,218 thousand and €764,490 thousand as at 30 September 2020 and 30 September 2019, respectively. The decrease compared to the same date of the previous year mainly reflects the cancellation of boat shows traditionally scheduled in September, due to restrictive measures related to the COVID-19 health emergency.

Compared to the backlog as at 30 June 2020, equal to €565,596 thousand, the figure as at 30 September 2020 increased by €104,622 thousand, also thanks to the marketing and commercial initiatives promoted by the Company through the "Sanlorenzo Elite Weekends" held beginning in the second half of September.

With respect to the backlog as at 31 December 2019 (the date on which the backlog is traditionally cleared from the Net Revenues New Yachts generated during the year), amounting to €444,307 thousand, the value of the order portfolio increased by €225,911 thousand (50.8%). Excluding the Net Revenues New Yachts generated in the first nine months of the year, the backlog as at 30 September 2020 amounted to €347,595 thousand.

The amount of the net backlog relating to the current year amounts to €117,607 thousand, resulting in good visibility on the coverage of expected revenues for the fourth quarter of the year.

<sup>6</sup> The backlog as at 30 September 2019 does not include amounts for GP Yachts S.r.l., as the equity investment was sold by the Company on 19 July 2019.



## 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, determined in compliance with the Guidelines on Alternative Performance Indicators issued by ESMA/2015/1415 and adopted by Consob by means of communication no. 92543 of 3 December 2015, refer solely to the performance of the period forming the subject of this financial report and the periods being compared and not to the Group's expected performance.

The alternative performance indicators used in this financial report are outlined below:

- Value of production: indicates the algebraic sum of the revenues from contracts with customers net of the commissions paid, the change in inventories of work in progress, semi-finished and finished products, other income and capitalised costs of own work;
- Net Revenues New Yachts: calculated as the algebraic sum of revenues from contracts with customers relating to new yachts net of commissions. Based on the IFRS, the sale price of the new yachts and, therefore, also the calculation of the associated revenues includes the difference between the value attributed contractually to the pre-owned boats subject to exchange and their relative fair value;
- EBITDA: represented by the Operating profit/loss (EBIT) before amortisation/depreciation;
- EBITDA margin: the ratio between EBITDA and Net Revenues New Yachts;
- Adjusted EBITDA: represented by the Operating profit/loss (EBIT) before amortisation/depreciation adjusted for non-recurring items;
- Adjusted EBITDA margin: the ratio between Adjusted EBITDA and Net Revenues New Yachts;
- Net fixed capital: calculated as the sum of goodwill, intangible assets with a definite useful life, property, plant and equipment and net deferred tax assets;
- Net working capital: 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: calculated as the sum of trade receivables, contract assets and inventories, net of trade payables and contract liabilities;
- Net invested capital: calculated as the sum of net fixed capital and net working capital;
- Investments: increases in property, plant and equipment and intangible assets with a definite useful life;
- Net financial position: calculated as the sum of current and non-current bank payables and other current and non-current financial payables including the fair value (if negative) of derivative instruments, net of cash and cash equivalents and other current financial assets, including the fair value (if positive) of hedging derivatives.

# CONSOLIDATED RESULTS

## Reclassified income statement

The table below shows the consolidated income statement for the nine months ending as at 30 September 2020, compared with the data from the same period of the previous year.

(€'000)	Nine months ending as at 30 September				Change	
	2020	% Net Revenues New Yachts	2019	% Net Revenues New Yachts	2020 vs. 2019	2020 vs. 2019%
<b>Net Revenues New Yachts</b>	<b>322,623</b>	<b>100.0%</b>	<b>333,537</b>	<b>100.0%</b>	<b>(10,914)</b>	<b>-3.3%</b>
Net revenues from pre-owned boats, maintenance and other services	42,728	13.2%	19,619	5.9%	23,109	+117.8%
Other income	2,632	0.8%	731	0.2%	1,901	+260.1%
Operating costs	(319,462)	(99.0%)	(305,247)	(91.5%)	(14,215)	+4.7%
<b>Adjusted EBITDA</b>	<b>48,521</b>	<b>15.0%</b>	<b>48,640</b>	<b>14.6%</b>	<b>(119)</b>	<b>-0.2%</b>
Non-recurring costs	(1,098)	(0.3%)	-	-	(1,098)	-
<b>EBITDA</b>	<b>47,423</b>	<b>14.7%</b>	<b>48,640</b>	<b>14.6%</b>	<b>(1,217)</b>	<b>-2.5%</b>
Depreciation and amortisation	(14,314)	(4.4%)	(10,985)	(3.3%)	(3,329)	+30.3%
<b>EBIT</b>	<b>33,109</b>	<b>10.3%</b>	<b>37,655</b>	<b>11.3%</b>	<b>(4,546)</b>	<b>-12.1%</b>
Net financial expense	(1,578)	(0.5%)	(2,932)	(0.9%)	1,354	-46.2%
Adjustments to financial assets	33	0.0%	(291)	(0.1%)	324	-111.3%
<b>Pre-tax profit</b>	<b>31,564</b>	<b>9.8%</b>	<b>34,432</b>	<b>10.3%</b>	<b>(2,868)</b>	<b>-8.3%</b>
Income taxes	(9,435)	(2.9%)	(10,100)	(3.0%)	665	-6.6%
<b>Net profit</b>	<b>22,129</b>	<b>6.9%</b>	<b>24,332</b>	<b>7.3%</b>	<b>(2,203)</b>	<b>-9.1%</b>
Net profit/loss attributable to non-controlling interests <sup>7</sup>	197	0.1%	(17)	(0.0%)	214	-1,258.8%
<b>Group net profit</b>	<b>22,326</b>	<b>6.9%</b>	<b>24,315</b>	<b>7.3%</b>	<b>(1,989)</b>	<b>-8.2%</b>

## Value of production

The following table shows the details of the value of production for the nine months ending as at 30 September 2020, compared to the data relating to the same period of the previous year.

(€'000)	Nine months ending as at 30 September		Change	
	2020	2019	2020 vs. 2019	2020 vs. 2019%
Revenues	379,053	362,732	16,321	+4.5%
Commissions	(13,702)	(9,576)	(4,126)	+43.1%
Change in inventories of work in progress, semi-finished and finished products	25,335	25,386	(51)	-0.2%
Other income	2,632	731	1,901	+260.1%
Capitalised costs for own work	946	1,297	(351)	-27.1%
<b>Value of production</b>	<b>394,264</b>	<b>380,570</b>	<b>13,694</b>	<b>+3.6%</b>

The value of production as at 30 September 2020 amounts to €394,264 thousand, reflecting an increase of 3.6% compared to the same period of 2019, primarily thanks to the increase in revenues from contracts with customers.

<sup>7</sup> (Profit)/loss.

## Net Revenues New Yachts

The following table shows the calculation of Net Revenues New Yachts for the nine months ending as at 30 September 2020, compared to the data relating to the same period of the previous year.

(€'000)	Nine months ending as at 30 September		Change	
	2020	2019	2020 vs. 2019	2020 vs. 2019%
Revenue from contracts with customers (New Yachts)	335,642	342,604	(6,962)	-2.0%
Commissions (New Yachts)	(13,019)	(9,067)	(3,952)	+43.6%
<b>Net Revenues New Yachts</b>	<b>322,623</b>	<b>333,537</b>	<b>(10,914)</b>	<b>-3.3%</b>

Net Revenues New Yachts as at 30 September 2020 recorded a decrease of 3.3% compared to the first nine months of 2019, amounting to €322,623 thousand, compared to €333,537 thousand as at 30 September 2019. In 2020, the Group no longer includes revenues from maintenance services and other services in Net Revenues New Yachts, recognising them in a separate item in order to monitor the performance in more detail. Revenue from maintenance and other services amounted to €2,507 thousand as at 30 September 2019.

With the same scope of consolidation, excluding Net Revenues New Yachts generated by GP Yachts S.r.l., the equity investment in which was sold by the Company in July 2019, as well as the provision of services, the decline in Net Revenues New Yachts came to 0.2%.

The performance of Net Revenues New Yachts during the period was impacted by the restrictive measures imposed by governments to limit the spread of COVID-19.

Commissions for new yachts came to €13,019 thousand as at 30 September 2020, an increase of 43.6% compared to the same period of the previous year, due to the increase in the direct invoicing sales channel.

## Net Revenues New Yachts by division

The table below gives the breakdown of Net Revenues New Yachts of the Group for each division in the nine months ending as at 30 September 2020, compared with the data relating to the same period of the previous year.

(€'000)	Nine months ending as at 30 September				Change	
	2020	% of total	2019	% of total	2020 vs. 2019	2020 vs. 2019%
Yacht Division	202,577	62.8%	208,445	62.5%	(5,868)	-2.8%
Superyacht Division	99,825	30.9%	105,963	31.8%	(6,138)	-5.8%
Bluegame Division	20,221	6.3%	11,459	3.4%	8,762	+76.5%
Other <sup>8</sup>	-	-	7,670	2.3%	(7,670)	-100.0%
<b>Net Revenues New Yachts</b>	<b>322,623</b>	<b>100.0%</b>	<b>333,537</b>	<b>100.0%</b>	<b>(10,914)</b>	<b>-3.3%</b>

In the first nine months of 2020, the Yacht Division generated Net Revenues New Yachts of €202,577 thousand, equal to 62.8% of the total, a decrease of 2.8% compared to the same period of 2019.

Net Revenues New Yachts of the Superyacht Division amounted to €99,825 thousand, equal to 30.9% of the total, down by 5.8% compared to the first nine months of 2019.

Bluegame Division generated Net Revenues New Yachts of €20,221 thousand, up 76.5% compared to the first nine months of 2019 and equal to 6.3% of the total.

<sup>8</sup> The item "Other" includes Net Revenues New Yachts realised by GP Yachts S.r.l., the equity investment in which was sold by the Company on 19 July 2019.

## Net Revenues New Yachts by geographical area

The table below gives the breakdown of Net Revenues New Yachts of the Group for each geographic area in the nine months ending as at 30 September 2020, compared with the data relating to the same period of the previous year.

('000)	Nine months ending as at 30 September				Change	
	2020	% of total	2019	% of total	2020 vs. 2019	2020 vs. 2019%
Europe	186,141	57.8%	204,743	61.4%	(18,602)	-9.1%
APAC	60,114	18.6%	49,166	14.7%	10,948	+22.3%
Americas	46,538	14.4%	46,369	13.9%	169	+0.4%
Middle East and Africa	29,830	9.2%	33,259	10.0%	(3,429)	-10.3%
<b>Net Revenues New Yachts</b>	<b>322,623</b>	<b>100.0%</b>	<b>333,537</b>	<b>100.0%</b>	<b>(10,914)</b>	<b>-3.3%</b>

In the first nine months of 2020, Europe, which is the Group's historic market, recorded Net Revenues New Yachts of €186,141 thousand (of which €27,691 thousand generated in Italy), accounting for 57.8% of the total, marking a decline of 9.1% compared to the same period of 2019.

The APAC area recorded Net Revenues New Yachts of €60,114 thousand, accounting for 18.6% of the total and recording an increase of 22.3% compared to the first nine months of 2019, due to a solid recovery in sales that began in the second quarter and continued in the third quarter.

The Americas recorded Net Revenues New Yachts of €46,538 thousand, accounting for 14.4% of the total and in line with the first nine months of 2019.

The Middle East and Africa area recorded Net Revenues New Yachts of €29,830 thousand, accounting for 9.2% of the total and marking a decline of 10.3% compared to the same period of 2019.

## Operating results

The following table summarises the operating profitability indicators EBITDA and EBIT for the nine months ending as at 30 September 2020, compared to the data relating to the same period of the previous year.

('000)	Nine months ending as at 30 September				Change	
	2020	% Net Revenues New Yachts	2019	% Net Revenues New Yachts	2020 vs. 2019	2020 vs. 2019%
<b>EBIT</b>	<b>33,109</b>	<b>10.3%</b>	<b>37,655</b>	<b>11.3%</b>	<b>(4,546)</b>	<b>-12.1%</b>
+ Amortisation/depreciation	14,314	4.4%	10,985	3.3%	3,329	+30.3%
<b>EBITDA</b>	<b>47,423</b>	<b>14.7%</b>	<b>48,640</b>	<b>14.6%</b>	<b>(1,217)</b>	<b>-2.5%</b>
+ Non-recurring costs <sup>9</sup>	1,098	0.3%	-	-	1,098	-
<b>Adjusted EBITDA</b>	<b>48,521</b>	<b>15.0%</b>	<b>48,640</b>	<b>14.6%</b>	<b>(119)</b>	<b>-0.2%</b>

EBIT as at 30 September 2020 came to €33,109 thousand, a decrease of 12.1% compared to the same period of the previous year, accounting for 10.3% of Net Revenues New Yachts (compared to 11.3% in the first nine months of 2019), due to the higher impact of amortisation/depreciation.

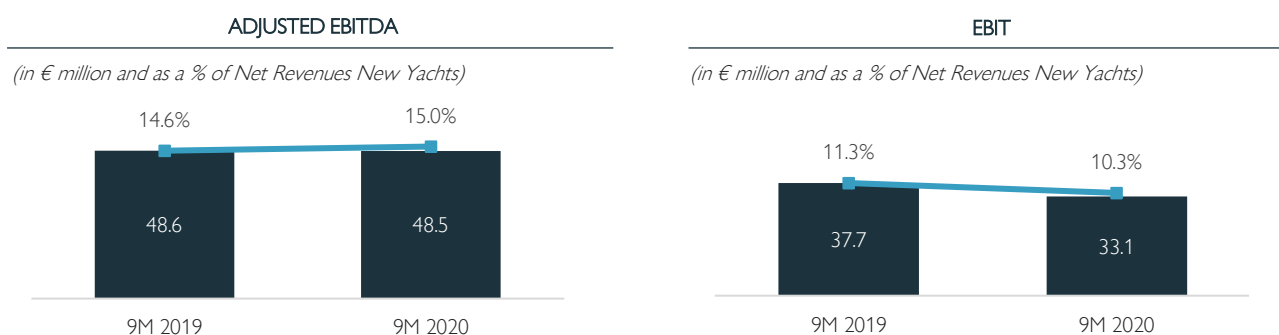
Amortisation/depreciation, amounting to €14,314 thousand, rose by 30.3% compared to the same period of 2019, in relation to significant investments made in 2018 and 2019, targeted primarily at increasing production capacity and developing new products.

EBITDA stood at €47,423 thousand, marking a decrease of 2.5% compared to the first nine months of 2019, against a margin on Net Revenues New Yachts of 14.7%, in line with the same period of the previous year.

<sup>9</sup> Non-recurring components for the first half of 2020 are primarily linked to the portion of non-monetary costs for stock incentive plans attributable to the period and expenses incurred for COVID-19.

EBITDA adjusted for non-recurring items of €1,098 thousand, mainly represented by the portion of non-monetary costs for stock incentive plans attributable to the period and expenses incurred for COVID-19, reached €48,521 thousand, with a margin on Net Revenues New Yachts of 15.0% (Adjusted EBITDA margin), up by 0.4% compared to the first nine months of 2019.

The increase in margins is linked to the progressive increase in prices of new orders due to the improved commercial positioning of the Company 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.



## Net profit

('000)	Nine months ending as at 30 September				Change	
	2020	% Net Revenues New Yachts	2019	% Net Revenues New Yachts	2020 vs. 2019	2020 vs. 2019%
<b>EBIT</b>	<b>33,109</b>	<b>10.3%</b>	<b>37,655</b>	<b>11.3%</b>	<b>(4,546)</b>	<b>-12.1%</b>
Net financial expense	(1,578)	(0.5%)	(2,932)	(0.9%)	1,354	-46.2%
Adjustments to financial assets	33	0.0%	(291)	(0.1%)	324	-
<b>Pre-tax profit</b>	<b>31,564</b>	<b>9.8%</b>	<b>34,432</b>	<b>10.3%</b>	<b>(2,868)</b>	<b>-8.3%</b>
Income taxes	(9,435)	(2.9%)	(10,100)	(3.0%)	665	-6.6%
<b>Net profit</b>	<b>22,129</b>	<b>6.9%</b>	<b>24,332</b>	<b>7.3%</b>	<b>(2,203)</b>	<b>-9.1%</b>
Net profit/loss attributable to non-controlling interests <sup>10</sup>	197	0.1%	(17)	(0.0%)	214	-1,258.8%
<b>Group net profit</b>	<b>22,326</b>	<b>6.9%</b>	<b>24,315</b>	<b>7.3%</b>	<b>(1,989)</b>	<b>-8.2%</b>

Net financial expense as at 30 September 2020 came to €1,578 thousand, compared to €2,932 thousand as at 30 September 2019, with a margin on Net Revenues New Yachts of 0.5%. The reduction compared to the same period of 2019, amounting to €1,354 thousand (46.2%), is due to better financial conditions applied to the Company by credit institutions and the reduction in debt compared to the first nine months of 2019, achieved also thanks to the proceeds from the share capital increase connected to the IPO.

The pre-tax profit came to €31,564 thousand, with a margin on Net Revenues New Yachts of 9.8%.

Income taxes, recognised based on management's best estimates, were down from €10,100 thousand as at 30 September 2019 to €9,435 thousand in the first nine months of 2020. Income taxes for the period represent 30.0% of the pre-tax profit.

In light of the above, the Group's net profit for the nine months ending as at 30 September 2020 came to €22,326 thousand, compared to €24,315 thousand as at 30 September 2019. Expressed as a percentage of Net Revenues New Yachts, the figure passed from 7.3% as at 30 September 2019 to 6.9% as at 30 September 2020.

<sup>10</sup> (Profit)/loss.

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

## Statement of financial position reclassified according to sources and uses

The table below shows the consolidated statement of financial position reclassified by sources and uses as at 30 September 2020, compared with that as at 31 December 2019.

<i>(€'000)</i>	30 September	31 December	Change	
	2020	2019	2020 vs. 2019	2020 vs. 2019%
<b>USES</b>				
Net fixed capital	150,907	148,347	2,560	+1.7%
Net working capital	27,589	11,547	16,042	+138.9%
<b>Net invested capital</b>	<b>178,496</b>	<b>159,894</b>	<b>18,602</b>	<b>+11.6%</b>
<b>SOURCES</b>				
Net financial position	5,088	9,063	(3,975)	-43.9%
Equity	173,408	150,831	22,577	+15.0%
<b>Total sources</b>	<b>178,496</b>	<b>159,894</b>	<b>18,602</b>	<b>+11.6%</b>

## Net fixed capital and investments

### Net fixed capital

The detailed breakdown of net fixed capital as at 30 September 2020 is reported below, compared with that as at 31 December 2019.

<i>(€'000)</i>	30 September		31 December		Change	
	2020	% of total assets	2019	% of total assets	2020 vs. 2019	2020 vs. 2019%
Goodwill	8,667	1.7%	8,667	2.0%	-	-
Intangible assets with a finite useful life	34,898	6.8%	35,404	8.2%	(506)	-1.4%
Property, plant and equipment	106,100	20.6%	102,598	23.7%	3,502	+3.4%
Equity investments and other non-current assets	409	0.1%	379	0.1%	30	+7.9%
Net deferred tax assets	2,723	0.5%	3,008	0.7%	(285)	-9.5%
Non-current employee benefits	(908)	(0.2%)	(796)	(0.2%)	(112)	+14.1%
Non-current provisions for risks and charges	(982)	(0.2%)	(913)	(0.2%)	(69)	+7.6%
<b>Net fixed capital</b>	<b>150,907</b>	<b>29.3%</b>	<b>148,347</b>	<b>34.2%</b>	<b>2,560</b>	<b>+1.7%</b>

Net fixed capital as at 30 September 2020 amounted to €150,907 thousand, an increase of €2,560 thousand compared to the close of 2019, mainly due to the investments made during the period. The incidence on total assets as at 30 September 2020 came to 29.3%, compared to 34.2% at the close of 2019.

## Investments

The table below shows the increases in property, plant and equipment and in assets with a definite useful life recorded by the Group in the nine months ending as at 30 September 2020, compared with the data relating to the same period of the previous year.

(€'000)	30 September		Change	
	2020	2019 <sup>11</sup>	2020 vs. 2019	2020 vs. 2019%
Land and buildings	890	1,970	(1,080)	-54.8%
Industrial equipment	5,282	2,046	3,236	+158.2%
Plant and equipment	1,183	973	210	+21.6%
Other assets	1,528	1,546	(18)	-1.2%
Fixed assets in progress	4,519	17,283	(12,764)	-73.9%
<b>Total increases in property, plant and equipment</b>	<b>13,402</b>	<b>23,818</b>	<b>(10,416)</b>	<b>-43.7%</b>
Concessions, licences, trademarks and similar rights	149	346	(197)	-56.9%
Other assets	-	3	(3)	-100.0%
Development costs	1,612	1,028	584	+56.8%
Fixed assets in progress	2,170	2,432	(262)	-10.8%
<b>Total increases in intangible assets with a definite useful life</b>	<b>3,931</b>	<b>3,809</b>	<b>122</b>	<b>+3.2%</b>
Consolidation of Polo Nautico Viareggio S.r.l.	-	16,841	(16,841)	-100.0%
<b>Investments in the period</b>	<b>17,333</b>	<b>44,468</b>	<b>(27,135)</b>	<b>-61.0%</b>

The investments made in the first nine months of 2020 amounted to €17,333 thousand, compared to €44,468 thousand in the same period of 2019. The investments as at 30 September 2019 included the amounts relating to Polo Nautico Viareggio S.r.l., which was subsequently excluded from the scope of consolidation.

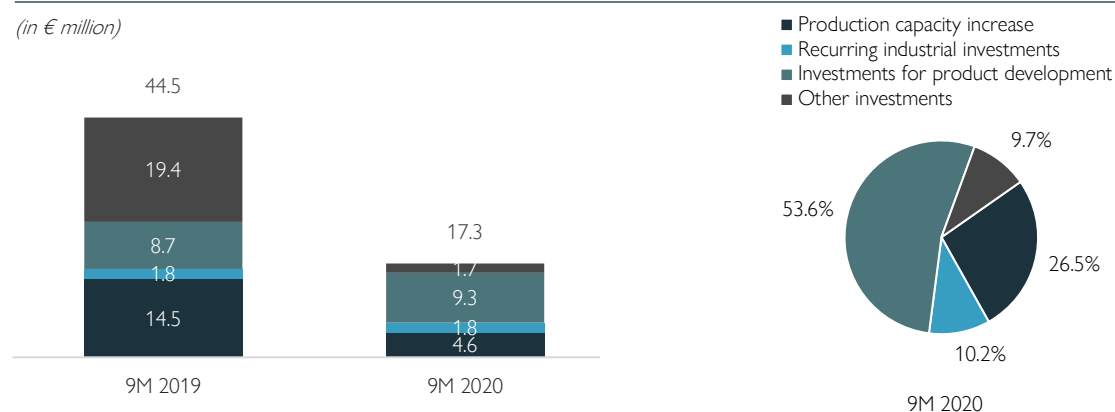
The increases in the first nine months of 2020 include:

- €9,285 thousand for investments for product development and the creation of models and moulds;
- €4,600 thousand connected to the programme to increase production capacity launched in 2017;
- €1,772 thousand linked to recurring industrial investments (equipment and plant);
- €1,676 thousand relating to other investments.

The decrease in investments during the period compared to the previous year, equivalent to 37.3% with the same scope of consolidation, is mainly linked to the impending completion of the project to increase production capacity that began in 2017. In particular, in January the new Ameglia production complex was inaugurated, consisting of two buildings for outfitting yachts and four floors of offices, for a total surface area of 135,000 m<sup>2</sup>.

### BREAKDOWN OF INVESTMENTS BY TYPE

(in € million)



<sup>11</sup> The value of €274 thousand relating to rights of use as at 30 September 2019 was reallocated to the specific investment accounts.

## Net working capital

The table below shows the detailed breakdown of net working capital as at 30 September 2020, compared with 31 December 2019.

(€'000)	30 September		31 December		Change	
	2020	% of total assets	2019	% of total assets	2020 vs. 2019	2020 vs. 2019%
Inventories	93,151	18.6%	62,311	14.4%	30,840	+49.5%
Trade receivables	16,193	3.2%	20,269	4.7%	(4,076)	-20.1%
Contract assets	104,018	20.8%	87,889	20.3%	16,129	+18.4%
Trade payables	(124,449)	(24.9%)	(152,189)	(35.1%)	27,740	-18.2%
Contract liabilities	(59,570)	(11.9%)	(19,442)	(4.5%)	(40,128)	+206.4%
Other current assets	32,268	6.5%	46,007	10.6%	(13,739)	-29.9%
Current provisions for risks and charges	(8,438)	(1.7%)	(9,299)	(2.1%)	861	-9.3%
Other current liabilities	(25,584)	(5.1%)	(23,999)	(5.5%)	(1,585)	+6.6%
<b>Net working capital</b>	<b>27,589</b>	<b>5.5%</b>	<b>11,547</b>	<b>2.7%</b>	<b>16,042</b>	<b>+138.9%</b>

Net working capital as at 30 September 2020 was positive for €27,589 thousand, compared to €11,547 thousand as at 31 December 2019, marking an increase of €16,042 thousand. The change was essentially attributable to the combined effect of the following factors:

- inventories recorded a balance of €93,151 thousand as at 30 September 2020, an increase of €30,840 thousand compared to 31 December 2019, as shown in the detailed table below;
- trade receivables recorded a balance of €16,193 thousand as at 30 September 2020, a decrease of €4,076 thousand compared to 31 December 2019;
- trade payables recorded a balance of €124,449 thousand as at 30 September 2020, a decrease of €27,740 thousand compared to 31 December 2019;
- contract assets, relative to ongoing contracts measured using the cost-to-cost method as the contract terms have already been finalised with the customer, show a balance of €104,018 thousand as at 30 September 2020 and increased by €16,129 thousand compared to 31 December 2019 reflecting progress in the production status for boats under construction during the period;
- contract liabilities, referring to ongoing contracts for which the advances received from customers are higher than the relative contract assets, and advances received from customers on orders to be launched in production, showed a balance of €59,570 thousand as at 30 September 2020, up €40,128 thousand compared to 31 December 2019;
- other current assets recorded a balance of €32,268 thousand as at 30 September 2020, a decrease of €13,739 thousand compared to 31 December 2019;
- provisions for risks and charges amounted to €8,438 thousand as at 30 September 2020, an increase of €861 thousand compared to 31 December 2019;
- other current liabilities recorded a balance of €25,584 thousand as at 30 September 2020, a decrease of €1,585 thousand compared to 31 December 2019.

The performance of net working capital is consistent with trends relating to sector seasonality, entailing the concentration of yacht deliveries in the summer months and the subsequent increase in production activities on orders for the following seasons.



Therefore, the details of net trade working capital are provided below.

(€'000)	30 September		31 December		Change	
	2020	% of total assets	2019	% of total assets	2020 vs. 2019	2020 vs. 2019%
Trade receivables	16,193	3.2%	20,269	4.7%	(4,076)	-20.1%
Contract assets	104,018	20.8%	87,889	20.3%	16,129	+18.4%
Inventories	93,151	18.6%	62,311	14.4%	30,840	+49.5%
Trade payables	(124,449)	(24.9%)	(152,189)	(35.1%)	27,740	-18.2%
Contract liabilities	(59,570)	(11.9%)	(19,442)	(4.5%)	(40,128)	+206.4%
<b>Net trade working capital</b>	<b>29,343</b>	<b>5.9%</b>	<b>(1,162)</b>	<b>-0.3%</b>	<b>30,505</b>	<b>+2,625.2%</b>

Net trade working capital as at 30 September 2020 was positive €29,343 thousand, compared to a negative balance of €(1,162) thousand as at 31 December 2019, posting an increase that reflects the trends previously noted for net working capital.

The table below shows the breakdown of inventories as at 30 September 2020 and 31 December 2019.

(€'000)	30 September		31 December		Change	
	2020	% of total assets	2019	% of total assets	2020 vs. 2019	2020 vs. 2019%
Raw materials and consumables	6,648	1.3%	6,117	1.4%	531	+8.7%
Work in progress and semi-finished products	43,728	8.5%	32,928	7.6%	10,800	+32.8%
Finished products net of the allowance for inventory write-down	42,775	8.3%	23,266	5.4%	19,509	+83.9%
<b>Inventories</b>	<b>93,151</b>	<b>18.1%</b>	<b>62,311</b>	<b>14.4%</b>	<b>30,840</b>	<b>+49.5%</b>

The balance of inventories as at 30 September 2020 was €93,151 thousand, an increase of €30,840 thousand compared to 31 December 2019.

In particular, 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 2019 and 30 September 2020, equal to €10,800 thousand, reflects the seasonal trends in the collection of orders and progress in the production status that is typical of this sector.

Inventories of finished products amounted to €42,775 thousand as at 30 September 2020, an increase of €19,509 thousand compared to 31 December 2019. Inventories of pre-owned yachts amounted to €42,775 thousand (of which €10,838 thousand refers to the subsidiary Sanlorenzo of the Americas LLC) and include yachts already sold at the close of the period for delivery in subsequent months for a value of €9,695 thousand. The increase compared to 31 December 2019, which includes the withdrawals of pre-owned boats in the summer months against the delivery of new yachts, is consistent with planned volumes.

## Net financial position

The breakdown of net financial position as at 30 September 2020, 31 December 2019 and 30 September 2019 is reported hereunder.

(€'000)	30 September 2020	31 December 2019	30 September 2019
A Cash and cash equivalents	(100,876)	(60,186)	(43,245)
B Other cash flows	-	-	-
C Securities held for trading	-	-	-
<b>D Cash</b>	<b>(100,876)</b>	<b>(60,186)</b>	<b>(43,245)</b>
<b>E Current financial receivables</b>	<b>(674)</b>	<b>(6,654)</b>	<b>(6,500)</b>
F Current bank payables	1,290	370	2,148
G Current portion of debt	33,374	17,394	23,537
H Other current financial payables	5,658	1,530	3,489
<b>I Current financial debt (F + G + H)</b>	<b>40,322</b>	<b>19,294</b>	<b>29,174</b>
<b>J Net current financial debt (I + E + D)</b>	<b>(61,228)</b>	<b>(47,546)</b>	<b>(20,571)</b>
K Non-current bank payables	64,100	54,706	106,023
L Bonds issued	-	-	-
M Other non-current payables	2,216	1,903	1,458
<b>N Non-current financial debt (K + L + M)</b>	<b>66,316</b>	<b>56,609</b>	<b>107,481</b>
<b>O Net financial position (J + N) with ESMA Recommendation</b>	<b>5,088</b>	<b>9,063</b>	<b>86,910</b>

As at 30 September 2020, the Group's net financial position came to €5,088 thousand, compared to net financial position of €9,063 thousand as at 31 December 2019 and €86,910 thousand as at 30 September 2019, prior to the increase in share capital associated with the IPO.

In particular, the current financial debt as at 30 September 2020 was €40,322 thousand, an increase compared to €19,294 thousand as at 31 December 2019 and €29,174 thousand as at 30 September 2019, mainly due to the higher current portion of medium/long-term debt, including following the refinancing and positive renegotiation of several loans.

Cash and cash equivalents as at 30 September 2020 came to €100,876 thousand, an increase of €40,690 thousand compared to 31 December 2019 and €57,631 thousand from 30 September 2019, resulting in net current financial debt showing a net cash position of €61,228 thousand. The increase in cash and cash equivalents reflects the generation of cash associated with yacht deliveries made during the summer.

The trend in net financial position in the first nine months of 2020 is consistent with sector dynamics. The concentration of the collection of orders and deliveries in specific periods of the year, against the constant flow of payments to Group suppliers and contractors, has an impact on liquidity, normally higher between April and July and less so in the initial months of the year, the period in which short-term financial debt is higher as a result of the lower flow of collections. The Group therefore performs careful financial planning in order to reduce liquidity risk and has significant bank credit facilities, whose use is planned on the basis of the trend in financial requirements. As at 30 September 2020, the Group had bank credit facilities to meet its liquidity requirements of €121,821 thousand<sup>12</sup>, an increase of €39,921 thousand compared to 31 December 2019, of which €117,549 thousand available for utilisation, in addition to €100,876 thousand in cash.

The decrease in current financial receivables from €6,654 thousand as at 31 December 2019 to €674 thousand as at 30 September 2020 is primarily linked to the release of an escrow account of €6,500 thousand, pledged as guarantee for a loan with Credit Agricole, in the first few days of the year.

<sup>12</sup> Not including lines of credit for reverse factoring and confirming.

## Reclassified consolidated statement of cash flows

The table below shows the reclassified statement of cash flows for the nine months ended 30 September 2020 compared with the data for the same period of the previous year, which show the details of the change in Net financial position during the period.

(€'000)	30 September 2020	30 September 2019
EBITDA	47,423	48,640
Taxes paid	(3,859)	(4,891)
Changes in inventories	(30,840)	(44,737)
Change in net contract assets and liabilities	23,999	(6,651)
Change in trade receivables and payments on account to suppliers	3,932	13,400
Change in trade payables	(27,740)	32,633
Change in provisions and other assets and liabilities	9,472	(3,650)
<b>Operating cash flow</b>	<b>22,387</b>	<b>34,744</b>
Change in non-current assets (Capex)	(17,333)	(27,352)
Business acquisitions (Enterprise Value)	0	(17,116)
<b>Free cash flow</b>	<b>5,054</b>	<b>(9,724)</b>
Net financial income and expense	(1,545)	(2,932)
Change in net financial position due to transactions under joint control	0	(52,500)
Other changes	465	1,209
<b>Change in net financial position</b>	<b>3,975</b>	<b>(63,947)</b>
Net financial position at the beginning of the period	9,063	22,963
Net financial position at the end of the period	5,088	86,910

## Equity

The breakdown of equity as at 30 September 2020 and as at 31 December 2019 is reported hereunder.

(€'000)	30 June 2020	31 December 2019
Share Capital	34,500	34,500
Reserves	119,364	91,756
Group profit	22,326	27,030
<b>Group equity</b>	<b>176,190</b>	<b>153,286</b>
Equity attributable to non-controlling interests	(2,782)	(2,455)
<b>Equity</b>	<b>173,408</b>	<b>150,831</b>

The Parent Company's share capital as at 30 September 2020 amounts to €34,500 thousand, fully paid-in, and is composed of 34,500,000 ordinary shares, unchanged compared to 31 December 2019.

On 21 April 2020, the Extraordinary Shareholders' Meeting of Sanlorenzo S.p.A. 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 Sanlorenzo shares destined exclusively and irrevocably to service the 2020 Stock Option Plan. This capital increase has not yet been subscribed, even partially.

On 24 September 2020, the Company launched the treasury share buy-back programme pursuant to the authorisation resolution approved by the Ordinary Shareholders' Meeting of 31 August 2020. As a result of the share purchases since the programme launch, the Company held 3,231 treasury shares as at 30 September 2020, equal to 0.009% of the subscribed and paid-in share capital.

## HUMAN RESOURCES

As at 30 September 2020, Sanlorenzo Group employed a total of 502 employees, of which 93.6% at the Parent Company.

The following table shows the number of total employees employed by the Group as at 30 September 2020, compared with 30 September 2019, broken down by company.

	30 September		Change	
	2020	2019	2020 vs. 2019	2020 vs. 2019%
Sanlorenzo S.p.A.	470	434	36	+8.3%
Bluegame S.r.l.	22	14	8	+57.1%
Sanlorenzo of the Americas LLC	9	9	-	-
Sanlorenzo Baleari SL	1	1	-	-
Marine Yachting Monaco S.A.M.	-	-	-	-
<b>Group employees</b>	<b>502</b>	<b>458</b>	<b>44</b>	<b>+9.6%</b>

At category level, white collar workers recorded a bigger increase during the period, with an increase of 37 staff members.

	30 September		Change	
	2020	2019	2020 vs. 2019	2020 vs. 2019%
Managers	32	30	2	+6.7%
White collars	378	341	37	+10.9%
Blue collars	92	87	5	+5.7%
<b>Group employees</b>	<b>502</b>	<b>458</b>	<b>44</b>	<b>+9.6%</b>

The distribution by geographical area shows the highest number of employees in Italy, equal to 98.0% of the Group total as at 30 September 2020.

	30 September		Change	
	2020	2019	2020 vs. 2019	2020 vs. 2019%
Italy	492	448	44	+9.8%
Rest of Europe	1	1	-	-
United States	9	9	-	-
<b>Group employees</b>	<b>502</b>	<b>458</b>	<b>44</b>	<b>+9.6%</b>

## MAIN RISKS AND UNCERTAINTIES TO WHICH THE GROUP IS EXPOSED

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.

### Operational 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 facilities 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.

For more details on the risks to which the Group is exposed, please refer to the Annual Financial Report as at 31 December 2019, 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.

Excluding unexpected and relevant factors of discontinuity, the main uncertainties that could have an impact on the results of the fourth quarter regard the evolution of the current health situation linked to COVID-19 and its effects on the international economic situation and on the market in which the Group conducts business.

## ADDITIONAL 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.

On 24 September 2020, the Company launched the treasury share buy-back programme pursuant to the authorisation resolution from the Ordinary Shareholders' Meeting of 31 August 2020. As a result of the share purchases since the programme launch, the Company held 3,231 treasury shares as at 30 September 2020, equal to 0.009% of the subscribed and paid-in share capital.

For more details on the shareholders' resolution, please refer to the paragraph "Significant events that occurred during the third quarter".

## SIGNIFICANT EVENTS OCCURRING DURING THE THIRD QUARTER

### Ordinary Shareholders' Meeting of 31 August 2020 and launch of the treasury share buy-back programme

On 31 August 2020, the Ordinary Shareholders' Meeting was held, which approved the requested authorisation to purchase and dispose of treasury shares for the following purposes:

- to operate on the market from a medium- and long-term investment perspective;

- to use excess liquidity;
- to optimise the share capital structure;
- to have a securities portfolio to be used in the context of extraordinary operations of interest to Sanlorenzo;
- to dispose of shares to service any future management stock incentive plans approved by the Company.

Purchases of treasury shares were authorised for up to a maximum of 3,450,000 shares (equal to 10% of the current share capital), including in more than one tranche, until 28 February 2022 (18 months from the date of the shareholders' resolution). Treasury shares may be purchased at a price that is not more than 10% above or below the reference price recorded on the Mercato Telematico Azionario organised and managed by Borsa Italiana S.p.A. in the trading session prior to each individual transaction.

The disposal of treasury shares is permitted in the manner deemed most appropriate by the Board of Directors in the Company's interest, on or off the stock exchange.

Based on this authorisation resolution, the Company launched the treasury share buy-back programme on 24 September 2020. As a result of the share purchases since the programme launch, the Company held 3,231 treasury shares as at 30 September 2020, equal to 0.009% of the subscribed and paid-in share capital.

## Acquisition of a minority equity investment in Marine Yachting Monaco S.A.M.

On 28 September 2020, Sanlorenzo S.p.A. acquired an equity investment equivalent to 40.0% in Marine Yachting Monaco S.A.M. from two private parties, for a total value of €125 thousand. Following the transaction, Sanlorenzo S.p.A. holds 99.8% of the share capital of Marine Yachting Monaco.

## SIGNIFICANT EVENTS AFTER THE CLOSE OF THE PERIOD

No significant events occurred after 30 September 2020.

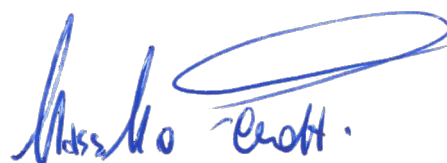
## BUSINESS OUTLOOK

The actions that were swiftly implemented beginning in March to manage the effects of the COVID-19 pandemic have enabled the Company to limit the impact on results for the current year, also due to the operations of the sites in August and the commercial initiatives in September and October. This, along with the current order portfolio, makes it possible to confirm once again the estimates of stability in Net Revenues New Yachts and EBITDA for 2020 compared to the figure for 2019, assuming there are no significant impacts from additional restrictions associated with the COVID-19 epidemic.

Moreover, investments referring to the development of new products, innovation and sustainability are confirmed, while additional initiatives not deemed priorities or necessary at this time have been postponed.

Ameglia, 9 November 2020

For the Board of Directors  
Executive Chairperson  
Mr Massimo Perotti



# CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS AT 30 SEPTEMBER 2020

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

<i>(€'000)</i>	30 September 2020	31 December 2019
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	106,100	102,598
Goodwill	8,667	8,667
Intangible assets with a finite useful life	34,898	35,404
Equity investments and other non-current assets	409	379
Net deferred tax assets	2,723	3,008
<b>Total non-current assets</b>	<b>152,797</b>	<b>150,056</b>
<b>Current assets</b>		
Inventories	93,151	62,311
Contract assets	104,018	87,889
Other financial assets, including derivatives	674	6,654
Trade receivables	16,193	20,269
Other current assets	32,268	46,007
Cash and cash equivalents	100,876	60,186
<b>Total current assets</b>	<b>347,180</b>	<b>283,316</b>
<b>TOTAL ASSETS</b>	<b>499,977</b>	<b>433,372</b>

(€'000)	30 September 2020	31 December 2019
<b>EQUITY AND LIABILITIES</b>		
<b>EQUITY</b>		
Share capital	34,500	34,500
Share premium	76,549	76,549
Other reserves	42,815	15,207
Profit/(loss) for the period	22,326	27,030
<b>Equity attributable to the owners of the holding company</b>	<b>176,190</b>	<b>153,286</b>
Equity attributable to non-controlling interests	(2,782)	(2,455)
<b>Total equity</b>	<b>173,408</b>	<b>150,831</b>
<b>Non-current liabilities</b>		
Non-current financial liabilities	66,316	56,609
Non-current employee benefits	908	796
Non-current provisions for risks and charges	982	913
<b>Total non-current liabilities</b>	<b>68,206</b>	<b>58,318</b>
<b>Current liabilities</b>		
Current financial liabilities, including derivatives	40,322	19,294
Current provisions for risks and charges	8,438	9,299
Trade payables	124,449	152,189
Contract liabilities	59,570	19,442
Other current liabilities	16,926	18,615
Other current tax liabilities	498	2,205
Net current tax liabilities	8,160	3,179
<b>Total current liabilities</b>	<b>258,363</b>	<b>224,223</b>
<b>TOTAL LIABILITIES</b>	<b>326,569</b>	<b>282,541</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>499,977</b>	<b>433,372</b>



## CONDENSED CONSOLIDATED STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME

<i>(€'000)</i>	30 September 2020	30 September 2019
Revenues	379,053	362,732
Commissions	(13,702)	(9,576)
<b>Net revenues</b>	<b>365,351</b>	<b>353,156</b>
Other income	2,632	731
<b>Total net revenue and income</b>	<b>367,983</b>	<b>353,887</b>
Increases in internal work	946	1,297
Raw materials, consumables and finished products	(152,175)	(144,416)
Outsourcing	(125,445)	(117,550)
Change in work in progress, semi-finished and finished products	25,335	25,386
Other service costs	(33,147)	(40,246)
Personnel expenses	(27,616)	(24,785)
Other operating costs	(2,766)	(2,564)
Accruals to provisions for risks and charges	(5,692)	(2,369)
<b>Total operating costs</b>	<b>(320,560)</b>	<b>(305,247)</b>
<b>Operating profit before amortisation and depreciation</b>	<b>47,423</b>	<b>48,640</b>
Amortisation, depreciation and impairment losses	(14,314)	(10,985)
<b>Operating profit</b>	<b>33,109</b>	<b>37,655</b>
Financial income	22	24
Financial expense	(1,600)	(2,956)
<b>Net financial expense</b>	<b>(1,578)</b>	<b>(2,932)</b>
Share of profit/(loss) of equity-accounted investees, net of tax	33	-
Adjustments to financial assets	-	(291)
<b>Pre-tax profit</b>	<b>31,564</b>	<b>34,432</b>
Income taxes	(9,435)	(10,100)
<b>PROFIT/(LOSS) FOR THE PERIOD</b>	<b>22,129</b>	<b>24,332</b>
<b>Attributable to:</b>		
Owners of the parent company	22,326	24,315
Non-controlling interests	(197)	17

<i>(€'000)</i>	30 September 2020	30 September 2019
<b>Other comprehensive income</b>		
<b>Other comprehensive income that will not be subsequently reclassified to net profit</b>		
Actuarial change in provisions for employee benefits	39	23
Income taxes relating to actuarial changes in provisions for employee benefits	(11)	(6)
<b>Total</b>	<b>28</b>	<b>17</b>
<b>Other comprehensive income that will be subsequently reclassified to net profit</b>		
Changes in the cash flow hedge reserve	519	(1,306)
Income taxes related to changes in the cash flow hedge reserve	(145)	364
Change in the translation reserve		(43)
<b>Total</b>	<b>374</b>	<b>(985)</b>
<b>Other comprehensive income for the year, net of tax effect</b>	<b>402</b>	<b>(968)</b>
<b>COMPREHENSIVE NET PROFIT FOR THE PERIOD</b>	<b>22,531</b>	<b>23,364</b>
<b>Attributable to:</b>		
Owners of the parent company	22,728	23,347
Non-controlling interests	(197)	17
<hr/>		
<i>(in Euro)</i>	30 September 2020	30 September 2019
Net profit for the period attributable to the owners of the parent company	22,325,546	10,614,539
Average number of shares	34,500,000	30,000,000
<b>Earnings per share</b>	<b>0.65</b>	<b>0.35</b>

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

<i>(€'000)</i>	Share capital	Share premium	Total other reserves	Profit for the period	Total equity attributable to the owners of the parent company	Total equity attributable to non-controlling interests	Total equity
<b>Value as at 31 December 2019</b>	34,500	76,549	15,207	27,030	153,286	(2,455)	150,831
Allocation of profit for the period	-	-	27,030	(27,030)	-	-	-
Effect of cash flow hedge reserve	-	-	519	-	519	-	519
Other changes	-	-	59	-	59	(130)	(71)
Profit for the period	-	-	-	22,326	22,326	(197)	22,129
<b>Value as at 30 September 2020</b>	34,500	76,549	42,815	22,326	176,190	(2,782)	173,408

# CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

(€'000)	30 September 2020	30 September 2019
<b>Cash flows from operating activities</b>		
Profit for the period	22,129	24,332
<b>Adjustments for:</b>		
Depreciation	9,876	7,657
Amortisation	4,438	3,328
Impairment losses on intangible assets and goodwill	-	-
Impairment losses on financial assets (other equity investments)	(33)	291
Net financial expense	1,578	2,932
Gain on sale of property, plant and equipment	(24)	(13)
Impairment losses on trade receivables	-	-
Income taxes	9,435	10,100
<b>Changes in:</b>		
Inventories	(30,840)	(44,737)
Contract assets	(16,129)	8,038
Trade receivables	4,075	17,086
Other current assets	13,739	(6,179)
Trade payables	(27,740)	32,638
Contract liabilities	40,128	(20,983)
Other current liabilities	(3,704)	4,782
Provisions for risks and charges and employee benefits	(681)	363
<b>Cash flows generated by operating activities</b>	<b>26,247</b>	<b>39,635</b>
Taxes paid	(3,859)	(4,891)
<b>Net cash flows from operating activities</b>	<b>22,388</b>	<b>34,744</b>
<b>Cash flows from investing activities</b>		
Interest received	22	24
Proceeds from sale of property, plant and equipment	36	-
Proceeds from disposal of property, plant and equipment	-	303
Proceeds from disposal of intangible assets	-	(24)
Change in other equity investments and other non-current assets	13	(159)
Acquisition of subsidiaries or business units, net of cash acquired	-	-
Acquisition of property, plant and equipment	(13,402)	(23,544)
Acquisition of intangible assets with a finite useful life	(3,931)	(3,808)
<b>Net cash flows used in investing activities</b>	<b>(17,262)</b>	<b>(27,208)</b>

<i>(€'000)</i>	30 September 2020	30 September 2019
<b>Cash flows from financing activities</b>		
Financial income and expense paid	(1,600)	(2,956)
Proceeds from the issue of share capital	-	-
New loans	53,488	6,098
Repayment of loans	(27,084)	(11,349)
Changes in other financial assets and liabilities including derivatives	5,867	(3,964)
New finance leases	4,839	-
Repayment of finance leases	(395)	(864)
Assumption of new loans	-	-
Other changes in equity	497	-
Purchase of treasury shares	(48)	-
Dividends paid	-	(15)
<b>Net cash flows from/(used in) financing activities</b>	<b>35,564</b>	<b>(13,050)</b>
<b>Net change in cash and cash equivalents</b>	<b>40,690</b>	<b>(5,514)</b>
Cash and cash equivalents at the beginning of the period	60,186	48,759
<b>Cash and cash equivalents at the end of the period</b>	<b>100,876</b>	<b>43,245</b>

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

## BASIS OF PREPARATION

### Introduction

This periodic financial information as at 30 September 2020 (hereinafter "Periodic Financial Information as at 30 September 2020"), was approved by the Board of Directors of the Company on 9 November 2020 and has not been audited, as it is not required by current regulations.

Sanlorenzo S.p.A., as a company listed on the STAR segment of the Mercato Telematico Azionario (the screen-based market of the Italian Stock Exchange) organised and managed by Borsa Italiana, 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 30 September 2020, which it makes available to the public.

This Periodic Financial Information as at 30 September 2020 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 30 September 2020, 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 30 September 2020 are consistent with those used for the preparation of the consolidated financial statements as at 31 December 2019 to which reference should be made.

The Periodic Financial Information as at 30 September 2020 includes the economic results of the Parent Company and its subsidiaries. These notes to the condensed consolidated financial statements have been prepared by the Board of Directors on the basis of the accounting and consolidation entries updated to 30 September 2020.

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 2019 and with the data in the consolidated statement of profit or loss for the year and other comprehensive income, as well as the consolidated statement of cash flows, as at 30 September 2019.

### Basis of preparation

The Periodic Financial Information as at 30 September 2020 includes the consolidated statement of the financial position, consolidated statement of profit and loss for the year and the other comprehensive income, consolidated statement of cash flows and consolidated statement of changes in equity for the period from 1 January 2020 to 30 September 2020.

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 30 September 2020 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 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 30 September 2020 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 30 September 2020 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 2019 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 as at 31 December 2019.

## Consolidation scope and criteria

The Periodic Financial Information as at 30 September 2020 includes the interim financial statements as at 30 September 2020 of the Parent Company and those of 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 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 30 September 2020 are the same as those adopted and reported in the consolidated financial statements as at 31 December 2019.

## Summary of accounting standards applied

In the preparation of this Periodic Financial Information as at 30 September 2020, the same accounting principles and preparation criteria were applied as those used in the preparation of the consolidated financial statements as at 31 December 2019, to which reference should be made.

## Impairment testing

The Company decided to perform the impairment test on goodwill and on development expenditure at the end of the year (31 December).

For the preparation of the Periodic Financial Information as at 30 September 2020, the Company assessed, on the basis of information from external and internal sources, whether there were indications of impairment of assets. At Group level, the existence of indicators of impairment was assessed as required by paragraph 12 of IAS 36. In assessing the results as at 30 September 2020, the Company considered that there were no trigger events and it was not necessary to carry out impairment testing; these trends will be carefully monitored in the coming months in order to promptly identify elements that may determine the need to carry out the aforementioned tests.

## 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 30 September 2020 does not include all information on risk management. There were no changes with reference to the consolidated financial statements as at 31 December 2019 regarding the risks to which the Group is exposed and their management.

## GROUP STRUCTURE

### Subsidiaries

The Periodic Financial Information as at 30 September 2020 includes Sanlorenzo S.p.A. (Parent Company) and four direct subsidiaries of Sanlorenzo S.p.A. (Bluegame S.r.l., Marine Yachting Monaco S.A.M., Sanlorenzo Baleari SL and Sanlorenzo of the Americas LLC).

The Periodic Financial Information as at 30 September 2020 has been prepared on the basis of the accounting positions of the Parent Company and its subsidiaries, adjusted accordingly to ensure they conform to the IFRS.

The following table summarises information, as at 30 September 2020, concerning the name and registered office of all subsidiaries, as well as Sanlorenzo Group's direct or indirect holding in their share capital.

Company name	Registered office	Currency	Share (currency unit)	Holding	
				Direct	Indirect
Bluegame S.r.l.	Viareggio (LU) – Italy	Euro	100,000	100.0%	-
Sanlorenzo of the Americas LLC	Fort Lauderdale (FL) – USA	USD	2,000,000	90.0%	-
Sanlorenzo Baleari SL	Puerto Portals, Mallorca – Spain	Euro	500,000	51.0%	-
Marine Yachting Monaco S.A.M.	Principality of Monaco	Euro	150,000	99.8%	-



## Associated companies

The Parent Company also holds an equity investment of 49.81% in the associated company Polo Nautico Viareggio S.r.l., a limited liability consortium ("Polo Nautico"), which manages, for consortium companies, a yard of around 7,000 square metres on the sea front complete with mooring quays and the relevant accessories, equipment and services in Viareggio. This equity investment in Polo Nautico is booked in the Company's financial statements with the equity method.

Ameglia, 9 November 2020

For the Board of Directors  
Executive Chairperson  
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 30 September 2020 corresponds to the documented results, books and accounting records.

Ameglia, 9 November 2020

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

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