

SANLORENZO

SANLORENZO S.P.A.:
THE BOARD OF DIRECTORS EXAMINED
THE PRELIMINARY CONSOLIDATED RESULTS AS OF 31 DECEMBER 2022

Double-digit growth of all metrics, once again exceeding guidance:
Net Revenues New Yachts at €740.7 million (+26.4% YoY),
Adjusted EBITDA at €130.2 million (+36.3% YoY), with a 17.6% margin on revenues,
net cash position of €100.3 million (+€61.3 million YoY)

Net backlog of €1.1 billion, with €452.2 million of orders beyond 2023, the highest level ever

- Net revenues from the sale of new yachts (“Net Revenues New Yachts”) at €740.7 million, +26.4% compared to €585.9 million in 2021, led by the excellent performance in Europe and fostered by the outstanding results of new models
- Adjusted EBITDA at €130.2 million (reported EBITDA at €129.6 million), +36.3% compared to €95.5 million in 2021, margin on Net Revenues New Yachts increasing from 16.3% to 17.6%, up by 130 basis points
- Investments for €59.0 million (€50.0 million on a like-for-like basis), +19.8% compared to €49.2 million in 2021, mainly related to the increase in production capacity and the development of new products
- Net cash position of €100.3 million as of 31 December 2022, compared to €39.0 million as of 31 December 2021, showing a strong cash generation equal to €61.3 million, net of the outflows for investments, shareholding acquisitions and dividends
- Backlog equal to €1,069.6 million as of 31 December 2022, compared to €915.6 million as of 31 December 2021, cleared from Net Revenues New Yachts recorded during the year, of which €617.4 million referring to 2023 and €452.2 million to following years, the highest level ever

(€ million and margin in % of Net Revenues New Yachts)	2020 Actual	2021 Actual	2022 ¹ Guidance	2022 Preliminary
Net Revenues New Yachts	457.7	585.9	720 – 740	740.7
Adjusted EBITDA	70.6	95.5	126 – 130	130.2
Adjusted EBITDA margin	15.4%	16.3%	17.5% – 17.6%	17.6%
Investments	30.8	49.2	48 – 50	50.0
Net financial position	3.8	39.0	96 – 100	100.3

¹ As confirmed by the Board of Directors on 8 November 2022, on a like-for-like basis.

Ameglia (La Spezia), 9 February 2023 – The Board of Directors of Sanlorenzo S.p.A. (“Sanlorenzo” or the “Company”), which met today under the chairmanship of Mr. Massimo Perotti, examined the preliminary consolidated results as of 31 December 2022.

Massimo Perotti, Chairman and Chief Executive Officer of the Company, commented:

«Today we are proud to present extraordinary results, which have been achieved jointly with all the Group’s stakeholders. First, my deepest gratitude goes to the whole Sanlorenzo team for the engagement and determination: without everyone’s contribution, this would have not been possible.

We have managed to convey our passion for success, always offering products of excellence not only for quality and design, but also for their features of high technology and true sustainability. I cannot hide our ambition to act as pioneers in the industry and, as such, we have partnered with the major global players in the field of energy, outlining the path towards carbon neutrality. Our responsibility translates into a tangible 360-degree commitment, with objectives and measurable results which we publicly disclose in our Non-Financial Statement. This has earned us the “2022 Sustainability Excellence Award” and the “Best Performance Award 2022/2023” recognitions.

We completed important transactions, including some strategic acquisitions that enabled us to add significant pieces to the execution of our strategy, which identifies supply chain and services as key drivers of growth to strengthen our business model on the road to 2030. It is just the beginning of a new development phase that will leverage on our consolidated leadership position at international level, a path which will be detailed in the business plan for the next three years we will release in a few weeks.»

ANALYSIS OF NET REVENUES NEW YACHTS

Net Revenues New Yachts² for the year ended 31 December 2022 amounted to **€740.7 million, up by 26.4%** compared to €585.9 million in 2021. In the fourth quarter, Net Revenues New Yachts are equal to €196.6 million, up by 24.9% compared to €157.5 million in the same period of 2021.

In a positive market dynamic, these important results benefited from a favourable mix linked both to the growth in volumes, also resulting in an increase in the average size of the yachts in each business unit, and the increase in selling prices.

The Yacht Division drove growth with Net Revenues New Yachts at €464.5 million, up by 28.0% compared to 2021, thanks to the highly praised asymmetrical models of the SL and SD lines.

The Superyacht Division generated Net Revenues New Yachts of €200.2 million, up by 11.9% compared to 2021, led by the Steel Line, the range with the largest yachts.

Bluegame keeps growing strongly with Net Revenues New Yachts at €76.0 million, up by 72.2% compared to 2021, supported by the recently introduced BG Line models.

The performance of all divisions benefits from the success of the new products, both those recently launched, in particular the SD90/s and the SP110, and the models that will be presented during 2023, such as the X-Space, the SX100 and the innovative BGM range (Bluegame multi-hull).

In the breakdown by geographical area, Europe is once again the main market, up by 29.1% compared to 2021, with excellent results in Italy, up by 56.8% at €102.4 million. The Americas, specifically the Northern countries, a strategic area for the Group, also reported a double-digit growth (+25.3%), as well as the APAC area (+22.5%), led by the sales in Hong Kong, as a result of the easing of COVID-19 restrictions.

² Net Revenues New Yachts are calculated as the algebraic sum of revenues from contracts with customers relating to the sale of new yachts (recognised over time with the “cost-to-cost” method) and pre-owned yachts, net of commissions and trade-in costs of pre-owned boats.

NET REVENUES NEW YACHTS BY DIVISION

(€'000)	Year ended 31 December				Change	
	2022	% of total	2021	% of total	2022 vs. 2021	2022 vs. 2021%
Yacht Division	464,520	62.7%	362,828	62.0%	101,692	28.0%
Superyacht Division	200,199	27.0%	178,950	30.5%	21,249	11.9%
Bluegame Division	75,960	10.3%	44,124	7.5%	31,836	72.2%
Net Revenues New Yachts	740,679	100.0%	585,902	100.0%	154,777	26.4%

NET REVENUES NEW YACHTS BY GEOGRAPHICAL AREA

(€'000)	Year ended 31 December				Change	
	2022	% of total	2021	% of total	2022 vs. 2021	2022 vs. 2021%
Europe	417,268	56.3%	323,303	55.2%	93,965	29.1%
Americas	171,497	23.2%	136,885	23.4%	34,612	25.3%
APAC	109,273	14.8%	89,192	15.2%	20,081	22.5%
MEA	42,641	5.8%	36,522	6.2%	6,119	16.8%
Net Revenues New Yachts	740,679	100.0%	585,902	100.0%	154,777	26.4%

OPERATING RESULTS

Adjusted EBITDA³ amounted to **€130.2 million**, up by **36.3%** compared to €95.5 million in 2021. The margin on Net Revenues New Yachts is equal to **17.6%**, up by **130 basis points** compared to 2021.

EBITDA⁴, including tiny non-recurring components linked to the non-monetary costs of the 2020 Stock Option Plan and the expenses incurred for COVID-19, amounted to **€129.6 million**, up by **37.0%** compared to €94.6 million in 2021.

The steady increase in operating margins is related to the change in product mix in favour of larger yachts in each business unit (yachts over 100 feet and superyachts of the Steel Line from 50 to 73 metres) and the progressive increase in average selling prices starting from spring 2021. Profitability also benefited from a greater absorption of fixed costs due to the increase in volumes, as well as from the efficiencies related to the implementation of the new production capacity.

The increase in costs of raw materials and energy, which during the fourth quarter was limited and in certain cases showed a trend reversal, had a small impact, more than offset by the rise in selling prices. The procurement of materials and works is managed by diversifying suppliers and favoring multi-year contracts with pre-set prices, also thanks to the optimisation of production planning resulting from the large order backlog and the strategy of verticalisation in key supply chains undertaken since 2022.

INVESTMENTS

Investments amounted to **€50.0 million**, on a like-for-like basis, up by **1.5%** compared to €49.2 million in 2021.

Including the effect of the inclusion of Polo Nautico Viareggio, I.C.Y. S.r.l. and Equinoxe S.r.l. in the scope of consolidation, investments in 2022 amounted to **€59.0 million**, up by **19.8%** compared to 2021, of which €34.3 million aimed at increasing production capacity to support growth and €19.5 million for research and product development related to the introduction of new highly sustainable models.

³ Adjusted EBITDA is calculated by adding amortisation/depreciation expenses to operating profit/loss adjusted for non-recurring items. Non-recurring items, mainly related to the non-monetary costs of the 2020 Stock Option Plan and the expenses incurred for COVID-19, were equal to €583 thousand in 2022 and €916 thousand in 2021.

⁴ EBITDA is calculated by adding amortisation/depreciation expenses to operating profit/loss.

NET FINANCIAL POSITION

Net cash position as of 31 December 2022 was equal to **€100.3 million**, up by €61.3 million compared to €39.0 million as of 31 December 2021. The constant strong cash generation was driven by the increase in volumes and the collection of advances related to the significant order intake, notwithstanding the outflows for investments, shareholding acquisitions and dividends.

Cash amounted to €146.3 million (€141.3 million as of 31 December 2021). Starting from the first half of 2022, in view of the continuous strong cash generation, the Group also implemented a prudent and diversified liquidity management strategy, with financial investments totalling €55.5 million as of 31 December 2022.

Financial indebtedness was equal to €101.4 million, of which €52.2 million current and €49.3 million non-current. Lease liabilities, included pursuant to IFRS 16, amounted to €7.8 million.

BACKLOG

The order intake of the fourth quarter, amounting to €159.1 million, added to €735.6 million of the first nine months of the year, totalling **€894.7 million of new orders collected during 2022**. This is an excellent result that confirms the persistence, in the luxury segment, of a very robust demand which seems unaffected by the current geopolitical and macroeconomic scenario and which continues to exceed supply, resulting into the overall extension of delivery dates behind the progressive normalisation in order collection.

Backlog⁵ as of 31 December 2022, cleared from Net Revenues New Yachts recorded during the year, amounted to **€1,069.6 million**, compared to €915.6 million as of 31 December 2021, **93% sold to final clients**.

Even before the beginning of the year, the **amount of backlog referred to 2023**, equal to **€617.4 million**, allows an extremely high cover of the expected revenues in the current year (83.4% if calculated on the revenues of 2022).

The **visibility on revenues related to subsequent years**, with orders for **€452.2 million beyond 2023**, reaches the highest level ever, both in absolute value and in proportion to the total order backlog, thanks to the increase in the average size of the yachts and the overall extension of delivery dates – sold-out until 2026 for superyachts –, a trend that has also spread to the smaller models, as a result of the significant collection of orders in the last two years.

..... (€'000) Year ended 31 December	 Change	
	2022	2021	2022 vs. 2021	2022 vs. 2021%
Gross backlog	1,810,298	1,501,534	308,764	20.6%
Net Revenues New Yachts for the period	740,679	585,902	154,777	26.4%
Net backlog	1,069,619	915,632	153,987	16.8%
Of which 2023	617,394	544,060	73,334	13.5%
Of which subsequent years	452,225	371,572	80,653	21.7%

⁵ 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 backlog refers to the relative share of the residual value from 1 January of the financial year in question until the delivery date. Backlog relating to yachts delivered during the financial year is conventionally cleared on 31 December.

ROAD TO 2030: UPDATE ON SUSTAINABILITY & TECHNOLOGY

On the occasion of the Boot Düsseldorf held from 21 to 29 January 2023, the Company illustrated the progress of the ten-year strategic path that sees in sustainability & technology, alongside supply chain and services, key drivers of development. Despite yachting accounts for only 0.22% of the total GHG emissions of the entire shipping sector⁶, the introduction of innovations and technologies to reduce the environmental impact of yachts is a priority for the Research and Development Department of Sanlorenzo Group, with projects of absolute technological innovation in collaboration with the major players in the energy sector.

As part of the exclusive agreement signed with **Siemens Energy** for the development and integration of combined reformer/fuel cell modules for on-board utilities on yachts between 24 and 80 metres in length, the testing phase of the first reformer/fuel cell modules has begun. At present, the components of the complete system that will be installed on board the first 50Steel unit at the beginning of 2024 are under preparation. This innovative application will represent the **first concrete step in the generation of carbon neutral power from next generation fuels** (e-methanol and bio-methanol) for the entire yachting industry.

The **second step** is to develop a carbon-neutral power generation system that will enable **low-speed and wide-range navigation in carbon neutrality conditions** through the hybrid propulsion system.

The final goal for Sanlorenzo is a **superyacht powered solely by green methanol**, the true answer to demand for sustainability in the yachting sector. The generation of the power needed to sail at maximum speed will therefore no longer be tied to diesel engines, but rather will be based on a combination of fuel cells and internal combustion engines powered by green methanol.

Bluegame, in parallel, is moving forward on two revolutionary projects based on the use of hydrogen: BGH, to be launched in summer 2023, and BGM65HH.

BGH has been chosen by the New York Yacht Club as chase boat alongside American Magic during the 37th America's Cup to be held in Barcelona in 2024. BGH will fly at 50 knots on foils propelled by an exclusively hydrogen-powered propulsion system, therefore with zero emissions exactly like the very fast racing boat it will accompany, but without the need for wind.

The BGM65HH (hydrogen-hybrid) model, to be launched in 2026, thanks to the agreement with Volvo Penta, will install the new pilot IPS hybrid propulsion system, which will be combined with hydrogen fuel cells developed from the America's Cup chase boat project.

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Today at 3:30PM CET, the management team of Sanlorenzo will hold a conference call to present FY 2022 preliminary results and the latest Company's updates to the financial community and the press.

The conference call can be followed by connecting to the following link:

<https://us02web.zoom.us/j/88450358532?pwd=QzFObEVpaV2L1JzNIR2eEVjdINwZz09>

The supporting documentation will be published in the "Investors/Events and presentations" section of the Company's website (www.sanlorenzoyacht.com) before the conference call.

⁶ Source: International Maritime Organization, 2020.

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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 no. 58 of 1998 (“Consolidated Law on Finance - 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 believes that these indicators are a significant parameter for the assessment of the Group's economic and financial performance.

The preliminary consolidated results in this document are not subject to audit.

The Board of Directors will examine and approve the consolidated financial statements and the draft separate financial statements for the year ended 31 December 2022 at the meeting scheduled for the next 14 March.

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Sanlorenzo S.p.A.

Sanlorenzo is a leading global brand in the luxury yachting which builds “made-to-measure” yachts and superyachts customized for each client, characterized by a distinctive and timeless design.

Founded in 1958 in Limite Sull'Arno (FI), the cradle of Italian shipbuilding, Sanlorenzo has excelled in carving out a clear identity and a high-end brand positioning over time. In 1974, Giovanni Jannetti acquired the company and created Sanlorenzo legend, producing every year a limited number of yachts characterized by a unique, highly recognizable style, comfort, safety and focusing on a sophisticated customer base. In 2005, Massimo Perotti, Executive Chairman, acquired the majority of Sanlorenzo, driving its growth and development on international markets, while preserving the heritage of the brand.

Today, manufacturing activities are carried out in four shipyards in La Spezia, Ameglia (SP), Viareggio (LU) and Massa, synergistically and strategically located within a 50 kilometres radius, in the heart of the nautical district.

The production is articulated into three business units: Yacht Division (composite 24-38 metres yachts); Superyacht Division (40-73 metres aluminium and steel superyachts); Bluegame Division (13-23 metres sports utility yachts in composite). Through the High-End Services Division, Sanlorenzo offers an exclusive range of services dedicated to its clients.

The Group employs over 700 people and cooperates with a network of thousands of qualified artisan companies. In addition, the Group leverages on an international distribution network, a widespread service network for customers worldwide, close collaborations with world-renowned architects and designers and a strong liaison with art and culture.

In 2021, the Group generated net revenues from the sale of new yachts of €586 million, adjusted EBITDA of €96 million and a Group net profit of €51 million.

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