

SANLORENZO

SANLORENZO S.P.A.:
THE BOARD OF DIRECTORS EXAMINED
THE PRELIMINARY CONSOLIDATED RESULTS AS OF 31 DECEMBER 2020

STEADY NET REVENUES NEW YACHTS AND ADJUSTED EBITDA AT €70.6 MILLION,
UP BY 6.5% COMPARED TO 2019. EBITDA MARGIN INCREASES TO 15.4%,
EXCEEDING OUTLOOK

- Consolidated net revenues from the sale of new yachts (Net Revenues New Yachts) at €457.7 million, up by 0.4% compared to 2019, driven by the significant increase in orders in the APAC area and in the Americas
- Consolidated adjusted EBITDA at €70.6 million, up by 6.5% compared to €66.0 million in 2019, with an incidence of 15.4% on Net Revenues New Yachts (14.5% in 2019)
- Investments of €30.8 million, down by 40.1% compared to €51.4 million in 2019, with an added focus on the new product development
- Group net financial position as of 31 December 2020 of €3.8 million net cash, compared to a net debt position of €9.1 million as of 31 December 2019
- Backlog as of 31 December 2020 at €408.8 million compared to €444.3 million as of 31 December 2019, despite the restrictive measures due to the pandemic, including the 45-day lockdown from 22 March to 5 May, and the cancellation of almost all boat shows globally

Ameglia (SP), 23 February 2021 – The Board of Directors of Sanlorenzo S.p.A. (“Sanlorenzo” or the “Company”), which met on today’s date under the chairmanship of Mr. Massimo Perotti, examined the preliminary consolidated results as of 31 December 2020.

Massimo Perotti, the Company’s Executive Chairman, noted:

«2020 results, exceeding outlook in an extremely complex context, prove once again the efficacy and the resilience of Sanlorenzo’s business model and the strength of the brand; not only the steadiness of revenues, but also and especially the relevant increase in operating margins.

Worth highlighting the substantial stability of the order portfolio, standing at €408.8 million, given the travel restrictions and the cancellation of all boat shows in the world, except Genova and Fort Lauderdale. The solidity of backlog is represented by the sale to final clients accounting for more than 94%.

A further reassuring element for the future is the strong acceleration in the order intake recorded in the last quarter. This, together with the positive market trend and the commercial success of the four new models launched during the year as planned, makes us look forward to 2021 with confidence».

ANALYSIS OF CONSOLIDATED NET REVENUES NEW YACHTS

Net Revenues New Yachts¹ for the financial year ended 31 December 2020 amounted to **€457.7 million**, up by 0.4% compared to €455.9 million as of 31 December 2019, confirming the outlook for the year. A remarkable result in the current situation, also generated from steady selling prices, thanks to the high-end positioning of the brand, and from a shift in product mix towards larger yachts in the Yacht and Bluegame divisions.

In the fourth quarter, Net Revenues New Yachts amounted to €135.1 million, up by 10.4% compared to €122.4 million during the same period of 2019.

Net Revenues New Yachts by division

(€'000)	Year ended 31 December				Change	
	2020	% of total	2019	% of total	2020 vs. 2019	2020 vs. 2019%
Yacht Division	292,790	64.0%	289,945	63.6%	2,845	+1.0%
Superyacht Division	135,794	29.7%	150,016	32.9%	(14,222)	-9.5%
Bluegame Division	29,119	6.4%	15,974	3.5%	13,145	+82.3%
Net Revenues New Yachts	457,703	100.0%	455,935	100.0%	1,768	+0.4%

The **Yacht Division** generated Net Revenues New Yachts of **€292.8 million**, equal to 64.0% of the total, up by 1.0% compared to 2019, driven by sales of larger yachts.

Net Revenues New Yachts for the **Superyacht Division** amounted to **€135.8 million**, equal to 29.7% of total, down by 9.5% compared to 2019, due to the restrictive measures on travel, which have slowed down the validation of production milestones by suveryors and owner's representatives, professional figures typically involved in the superyacht construction process.

The **Bluegame Division** recorded Net Revenues New Yachts of **€29.1 million**, equal to 6.4% of total, up by 82.3% compared to 2019, thanks to the excellent sales results of the new BGX line, with the addition of the second model BGX60, launched in 2020.

Net Revenues New Yachts by geographical area

(€'000)	Year ended 31 December				Change	
	2020	% of total	2019	% of total	2020 vs. 2019	2020 vs. 2019%
Europe	234,090	51.1%	279,578	61.3%	(45,488)	-16.3%
APAC	103,661	22.6%	73,007	16.0%	30,654	+42.0%
Americas	82,807	18.1%	71,744	15.7%	11,063	+15.4%
Middle East and Africa	37,145	8.1%	31,606	6.9%	5,539	+17.5%
Net Revenues New Yachts	457,703	100.0%	455,935	100.0%	1,768	+0.4%

Europe recorded Net Revenues New Yachts of **€234.1 million** (of which €64.0 million generated in Italy), accounting for 51.1% of the total, down by 16.4% compared to 2019, due to the persistence of the restrictive measures.

The **APAC** area recorded Net Revenues New Yachts of **€103.7 million**, accounting for 22.6% of the total, an increase of 42.0% compared to 2019, thanks to a solid recovery of sales from the second quarter, fostered by the commercial strength of the long-standing brand representative of the Group in the region, the most important yacht distributor in Asia.

The **Americas** recorded Net Revenues New Yachts of **€82.8 million**, accounting for 18.1% of the total and up by 15.4% compared to 2019, boosted by a positive market dynamic during the fourth quarter, promptly seized thanks to the direct presence of the subsidiary Sanlorenzo of the Americas LLC.

The **Middle East and Africa** area recorded Net Revenues New Yachts of **€37.1 million**, accounting for 8.1% of the total, up by 17.5% compared to 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 sales commissions. According to 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

OPERATING RESULTS

Adjusted EBITDA² in the financial year 2020 reached **€70.6 million**, up by 6.5% compared to €66.0 million in 2019. The **margin on Net Revenues New Yachts** increased from 14.5% in 2019 to **15.4%** in 2020, exceeding the outlook. **EBITDA**³, including non-recurring components linked to the non-monetary costs of the 2020 Stock Option Plan and the expenses incurred for COVID-19 for a total of €1.4 million, amounted to **€69.2 million, up by 15.5%** compared to €60.0 million in 2019.

The significant growth in gross operating margin is a result of the efficiencies generated by the full implementation of the new production capacity following the relevant investments of the previous years and the consequent higher absorption of fixed costs.

Key factors for this achievement have been the prompt restart of industrial activities following the halt in March-April and the efficient reorganisation of production in compliance with the safety and prevention protocol, that implied extra working in August.

INVESTMENTS

Investments made during the financial year amounted to **€30.8 million** compared to €51.4 million in 2019, with an incidence on Net Revenues New Yachts down from 11.3% in 2019 to 6.7% in 2020.

In particular, investments for additional production capacity decreased from €29.6 million in 2019 to €11.2 million in 2020, with the completion of the expansion of the Ameglia site in the first months of the year and the acquisition of the Massa shipyard⁴ in December.

The strategy to expand the product ranges, introducing highly sustainable innovations and technologies, has been fully confirmed, with investments of €15.7 million, up by 3.3% compared to 2019. The significant amount dedicated to new product development enabled the launch of four new models during 2020.

NET FINANCIAL POSITION

The Group recorded a **net cash position** of **€3.8 million** as of 31 December 2020, compared to a net debt position of €5.1 million as of 30 September 2020 and €9.1 million as of 31 December 2019, following the IPO.

Cash and cash equivalents as of 31 December 2020 were €94.4 million. At the same date, total available liquidity was €227.3 million, including undrawn credit lines of €132.9 million⁵.

BACKLOG

Backlog⁶ as of 31 December 2020, conventionally cleared from Net Revenues New Yachts recorded during the year, amounted to **€408.8 million**, compared to €444.3 million as of 31 December 2019.

This result has been fostered by a strong acceleration in the order intake in the fourth quarter of the year, which recorded new orders for €196.3 million, thanks to a solid market recovery and to the success of the new models launched in 2020, as well as to the targeted marketing and commercial initiatives undertaken by the Group.

€305.1 million of the backlog relate to 2021, providing good visibility on Net Revenues New Yachts expected for the current year.

² Adjusted EBITDA is calculated by adding amortisation/depreciation expenses to operating profit/loss adjusted for non-recurring items. Non-recurring items for financial year 2020, equal to €1.4 million, are mainly related to the non-monetary costs of the 2020 Stock Option Plan and the expenses incurred for COVID-19. Non-recurring items for financial year 2019, equal to €6.1 million, are entirely related to the costs of the IPO transaction.

³ EBITDA is calculated by adding amortisation/depreciation expenses to operating profit/loss.

⁴ Previously occupied by virtue of a lease agreement with Immobiliare FIPA S.r.l.

⁵ Total available credit lines equal to €134.7 million, excluding credit lines for reverse factoring and confirming.

⁶ 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.

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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 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 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.

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Sanlorenzo S.p.A.

Sanlorenzo is a global leader in terms of number of yachts over 30 metres long. It is the only player in luxury yachting to compete in different segments 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 between 24 and 38 metres long;
- Superyacht Division - superyachts in aluminium and steel of between 40 and 68 metres long;
- Bluegame Division - sport utility yachts between 13 and 22 metres long.

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

www.sanlorenzoyacht.com

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