

SANLORENZO

SANLORENZO S.P.A.: THE BOARD OF DIRECTORS EXAMINED THE PRELIMINARY CONSOLIDATED RESULTS AS OF 31 DECEMBER 2021

**Exceeded 2021 guidance:
Net Revenues New Yachts at €585.9 million (+28.0% YoY),
adjusted EBITDA at €95.5 million (+35.3%).**

**Double-digit growth of the main metrics envisaged for 2022.
Backlog over 1 billion as of 31 January 2022.**

- Net revenues from the sale of new yachts (“Net Revenues New Yachts”) at €585.9 million, +28.0% compared to €457.7 million in 2020, led by the acceleration in Europe and the Americas
- Adjusted EBITDA at €95.5 million, +35.3% compared to €70.6 million in 2020, margin of 16.3% on Net Revenues New Yachts, up by 90 basis points
- Investments of €49.2 million, +59.7% compared to €30.8 million in 2020, including €26.7 million intended to increase the production capacity and €17.5 million for product development, to support future growth
- Net cash position of €39.0 million as of 31 December 2021, compared to €3.8 million as of 31 December 2020
- Backlog more than doubled at €915.6 million as of 31 December 2021, compared to €408.8 million as of 31 December 2020, cleared from Net Revenues New Yachts recorded during the year
- Further increase in backlog, exceeding €1 billion as of 31 January 2022
- 2022 guidance anticipated, envisaging again a double-digit growth of the main metrics and expected Net Revenues New Yachts covered for about 80% by the current order portfolio

Ameglia (La Spezia), 3 February 2022 – 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 2021 and the full year 2022 guidance.

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

«Today we are proud to present results unique in the sector, with performances that confirm the strength of our brand, in which customers recognize an unprecedented identity and the ability to meet the desire of freedom, an essential value especially in today's context.

These are the pillars behind the successful path of the maison: the vision for the value creation over time; the consistency in pursuing our goals exceeding our expectations; the deep attention to detail and the obsession with the quality and design, also through the continuous research of materials that transform our yachts into works of art. To these factors,

which have always been essential elements of our culture, we have combined, most recently, an acceleration in the identification of new solutions and services able to make our customers' journey even more exclusive and comfortable, in addition to sustainable innovations and technologies. The project of fuel cell systems for the generation of clean electricity that Sanlorenzo pursues along with Siemens Energy is of extreme importance: an avant-garde experimentation to introduce a new paradigm in the contemporary yachting, that will be already implemented in 2024.

These cardinal points will continue to trace the course of our business, on them we set our future promises and we feel deeply responsible. The guidance we present envisages double-digit growth of the main metrics and brings with it the commitment of the whole Sanlorenzo to write another successful chapter of the company. The contracts already signed at the end of January give us a wide confidence in our economic sustainable growth in the long-term.»

ANALYSIS OF NET REVENUES NEW YACHTS

Net Revenues New Yachts¹ for the year ended 31 December 2021 amounted to €585.9 million, up by 28.0% compared to €457.7 million in 2020. In the fourth quarter, Net Revenues New Yachts are equal to €157.5 million, up by 16.6% compared to €135.1 million in the same period of 2020.

In a context of strong market acceleration, this performance is a result of both a rise in volumes due to the high collection of new orders and an increase in average selling prices from the late spring of the year, made possible by the commercial positioning of the Company.

The Yacht Division generated Net Revenues New Yachts of €362.8 million, up by 23.9% compared to 2020, in all lines.

The performance of the Superyacht Divisions is excellent, with Net Revenues New Yachts at €179.0 million up by 31.8% compared to 2020, driven by the Steel line, the range with the largest yachts.

Bluegame's accomplishment continues with Net Revenues New Yachts at €44.1 million, up by 51.5% compared to 2020, particularly thanks to the extremely successful BGX line.

The breakdown by geographical area highlights a significant increase in the Americas, equal to 65.3% compared to 2020, in particular in the United States, strategic market for the Group.

NET REVENUES NEW YACHTS BY DIVISION

(€'000)	Year ended 31 December				Change	
	2021	% of total	2020	% of total	2021 vs. 2020	2021 vs. 2020%
Yacht Division	362,828	62.0%	292,790	64.0%	70,038	+23.9%
Superyacht Division	178,950	30.5%	135,794	29.7%	43,156	+31.8%
Bluegame Division	44,124	7.5%	29,119	6.4%	15,005	+51.5%
Net Revenues New Yachts	585,902	100.0%	457,703	100.0%	128,199	+28.0%

NET REVENUES NEW YACHTS BY GEOGRAPHICAL AREA

(€'000)	Year ended 31 December				Change	
	2021	% of total	2020	% of total	2021 vs. 2020	2021 vs. 2020%
Europa	323,303	55.2%	234,090	51.1%	89,213	+38.1%
Americas	136,885	23.4%	82,807	18.1%	54,078	+65.3%
APAC	89,192	15.2%	103,661	22.6%	(14,469)	-14.0%
MEA	36,552	6.2%	37,145	8.1%	(623)	-1.7%
Net Revenues New Yachts	585,902	100.0%	457,703	100.0%	128,199	+28.0%

¹ Net Revenues New Yachts are calculated as the algebraic sum of revenues from contracts with customers relating to new yachts net of commissions. In accordance with IFRS standards, the calculation of revenues from the sale of new yachts includes the difference between the value contractually attributed to the pre-owned boats traded in and their relative fair value.

OPERATING RESULTS

Adjusted EBITDA² amounted to **€95.5 million, up by 35.3%** compared to €70.6 million in 2020. The **margin on Net Revenues New Yachts** is equal to **16.3%, up by 90 basis points compared to 2020**.

EBITDA³, including non-recurring components linked to the non-monetary costs of the 2020 Stock Option Plan and the expenses incurred for COVID-19, amounted to €94.6 million, up by 36.7% compared to €69.2 million in 2020.

The constant increase in operating profits is related to the shift in product mix towards larger yachts in all divisions and the increase in average selling prices.

Even in the presence of an inflationary scenario in the last months of the year, the impact of the increase in raw material prices is limited, also due to prevalence of labour in the production costs' structure. The Group intensified its partnerships with the suppliers, to secure the procurement of materials and key components at a pre-set price through to the subscription of multiannual contracts.

The operating results also benefited the efficiencies generated by the optimisation of the new production capacity and the resultant greater absorption of fixed costs.

INVESTMENTS

Investments amounted to **€49.2 million, up by 59.7%** compared to €30.8 million in 2020, including €26.7 million intended to increase in production capacity and €17.5 million for product development and the introduction of innovations and technologies to reduce the environmental impact of yachts.

In particular, during the third quarter, three acquisitions of industrial facilities located next to the Company's shipyards of Viareggio, Massa and La Spezia were concluded, for a total consideration of €19.2 million⁴, which will result in a significant increase in production capacity to respond to an acceleration in sales.

NET FINANCIAL POSITION

Net financial position⁵ as of 31 December 2021 was positive and equal to **€39.0 million**, compared to €3.8 million as of 31 December 2020. The strong cash generation, also in the presence of significant investments and dividends paid, is mainly due to the increase in volumes and the advances related to the robust collection of orders.

Cash as of 31 December 2021 amounted to €141.6 million (€95.0 million as of 31 December 2020). As of 31 December 2021, total available liquidity amounted to €272.0 million, including unused bank credit lines equal to €130.4 million⁶.

Financial indebtedness was equal to €102.6 million, of which €33.5 million current and €69.1 non-current. Lease liabilities, included pursuant to IFRS 16, amounted to €4.8 million.

² 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 €916 thousand in 2021 and €1.4 million in 2020.

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

⁴ Including transaction costs.

⁵ Pursuant to the Consob communication no. DEM/6064293/2006, the calculation was adjusted to reflect the updates in the ESMA document 32-382-1138 of 4 March 2021.

⁶ Not including lines of credit for reverse factoring and confirming.

BACKLOG

The order intake of the fourth quarter equal to €309.6 million added to €738.1 million of the first nine months of the year, for a total amount of **€1,092.8 million of new orders collected during 2021**.

As of 31 December 2021, the backlog⁷, cleared from Net Revenues New Yachts recorded during the year, amounted to **€915.6 million**, more than doubled compared to €408.8 million as of 31 December 2020.

The weight of superyachts in the order portfolio is increased, as a result of the subscription of contracts in the second semester, including the sale in November of 72Steel, the new flagship, and 6 units of the new X-Space line, which was extremely well received even before its launch.

Also, the new models introduced in 2021 (SL90 Asymmetric, SL120 Asymmetric, SD118 for the Yacht Division and BG72 for Bluegame) received extremely positive feedback.

Year ended 31 December	Year ended 31 December		Change	
	2021	2020	2021 vs. 2020	2021 vs. 2020%
(€'000)				
Gross backlog	1,501,534	866,464	635,070	+73.3%
Net Revenues New Yachts for the period	585,902	457,703	128,199	+28.0%
Net backlog	915,632	408,761	506,871	+124.0%
Of which 2022	544,060	305,072	238,988	+78.3%
Of which subsequent years	371,572	103,689	267,883	+258.4%

2022 GUIDANCE

The positive trend in the order portfolio continued in 2022, with a backlog €1,002.6 million as of 31 January 2022, covered by over 90% of final clients.

The amount of the backlog for 2022, equal to €579.5 million, covers about 80% of Net Revenues New Yachts envisaged for the current year. **The visibility on subsequent years is also significant, totalling €423.1 million**, fostered by an increased incidence of larger yachts.

In light of the preliminary consolidated results as of 31 December 2021 and taking into account the subsequent evolution of the order collection, the Company anticipates the guidance for the year 2022⁸, envisaging again a double-digit growth of the main metrics.

Year ended 31 December	Year ended 31 December		Change	
	2020	2021	2022	Change
(€ million and margin in % of Net Revenues New Yachts)	Actual	Preliminary	Guidance	2022 vs. 2021 ⁹
Net Revenues New Yachts	457.7	585.9	700 – 740	+23%
Adjusted EBITDA	70.6	95.5	122 – 130	+32%
Adjusted EBITDA margin (in % of Net Revenues New Yachts)	15.4%	16.3%	17.4% – 17.6%	+120 bps
Investments	30.8	49.2	45 – 48	-6%
Net financial position	3.8	39.0	62 – 66	+25m

⁷ Backlog is calculated as the sum of the value of all orders and sales contracts signed with customers or brand representatives relating to yachts for delivery or delivered in the current financial year or for delivery in subsequent financial years. For each year, the value of the orders and contracts included in the backlog refers to the relative share of the residual value from 1 January of the financial year in question until the delivery date. The backlog relating to yachts delivered during the financial year is conventionally cleared on 31 December.

⁸ On a like-for-like basis and excluding potential extraordinary transactions or business combinations.

⁹ Calculated on the average figure of guidance range.

STRATEGY UPDATE

The strong expansion dynamic of the yachting sector continues to be supported, in the luxury segment, by the constant growth of Ultra High Net Worth Individuals (UHNWI), in terms of both number and wealth, particularly in the North America and APAC. The extension of potential customers is combined with a significant increase in the propensity to purchase, driven by renewed attention to the quality of life, and the pursuit of freedom and safety, needs that a yacht can meet.

Sanlorenzo continues to benefit from the unique characteristics of its business model: high-end positioning of the brand, exclusive yachts always at the forefront of innovation, rigorously made-to-measure, close liaison with art and design, distribution through a limited number of brand representatives, flexible cost structure.

The Group's strategy, in order to continue to create value responsibly, is based on the following development guidelines.

Strengthening the presence in North America and APAC. Areas with strong potential thanks to the expected high growth of UHNWI, North America and APAC are strategic markets for the Group's future growth. In the United States through its subsidiary Sanlorenzo of the Americas with yachts designed and built for the American market, Sanlorenzo intends to strengthen its presence with dedicated commercial and marketing initiatives and a local after-sale service. This direct presence model will be able to be replicated in APAC in the medium-term, with the establishment of Sanlorenzo APAC.

Evolution of the superyachts' selling prices. In the light of an unprecedented 2021 and in a segment in strong acceleration, in the Superyacht Division, Sanlorenzo intends to align selling prices to those of the best shipyards of North-Europe, in particular in the segment above 500GT.

Enhancing the High-End Services offer. Consistent with the philosophy of pursuing the maximum excellence and in line with its market positioning, the Group is strengthening the offer of High-End Services, a division created in 2020, entirely focused on the proposal of a package of services intended exclusively for Sanlorenzo customers, including tailor-made leasing and financing, the first monobrand charter program (Sanlorenzo Charter Fleet), maintenance, refit and restyling services (Sanlorenzo Timeless) and crew training at the Sanlorenzo Academy. The enhancement of value proposition in services aims to increase the loyalty of existing customers and attract new ones, with a 360° tailor-made approach, in which the excellence of manufacturing, high quality, innovation and design is combined with the exclusivity of the relationship with the customer.

Constant expansion of the product portfolio, with the introduction of sustainable innovations and technologies. The robust product pipeline includes the launch of three new lines, with which Sanlorenzo tap into new highly potential market sectors, with novel functions and strongly inspired by sustainability criteria. The introduction of innovations and technologies aimed at reducing the environmental impact of yachts is at the core of Research and Development, focused today on the marine application of fuel cells, activity in strong acceleration thanks to the exclusive strategic agreement with Siemens Energy.

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Today at 2:00PM CET, the Sanlorenzo's management team will hold a conference call to present to the financial community and the press the 2021 preliminary consolidated results and the guidance for the year 2022. The conference call can be followed live at the following link: <https://us02web.zoom.us/j/87990910838>

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.

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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 2021 at the meeting scheduled for the next 10 March.

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Sanlorenzo S.p.A.

Sanlorenzo is a worldwide leader in terms of number of yachts over 30 metres long. It is the only player in luxury 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 – yachts in composite between 24 and 38 metres;
- Superyacht Division – superyachts in aluminium and steel between 40 and 72 metres;
- Bluegame Division – sport utility yachts between 13 and 23 metres.

Sanlorenzo's production is articulated over four production sites located in La Spezia, Ameglia (SP), Viareggio (LU) and Massa. The sites are strategically located near to each other, so allowing significant operational efficiencies. The Group employs around 500 people and cooperates with a network of 1,500 qualified craft enterprises. It can rely on an international distribution network and a widespread service network for customers all over the world. In 2020, the Group generated net revenues from the sale of new yachts of around €458 million, adjusted EBITDA of €71 million and a Group net profit of €35 million.

www.sanlorenzoyacht.com

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