

1 SEPTEMBER 2022

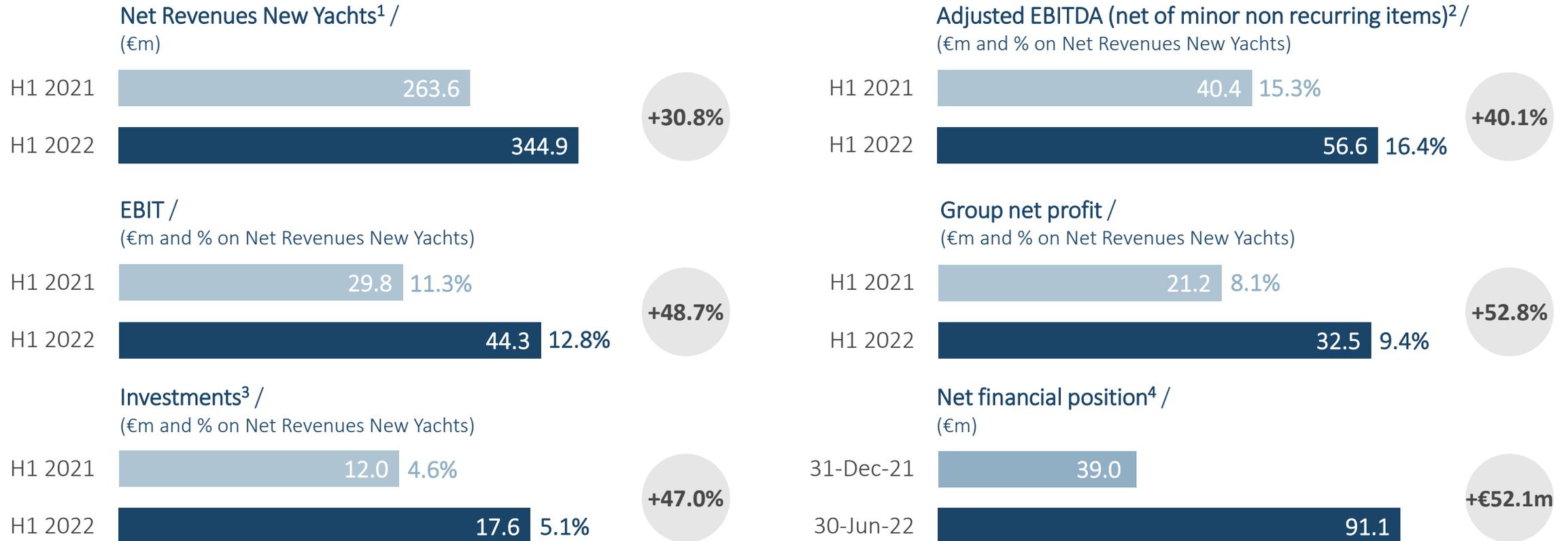
SANLORENZO H1 2022 FINANCIAL RESULTS AND STRATEGY UPDATE



SANLORENZO

Another strong set of results

Growing double digit in all metrics with a further increase in profitability and cash generation



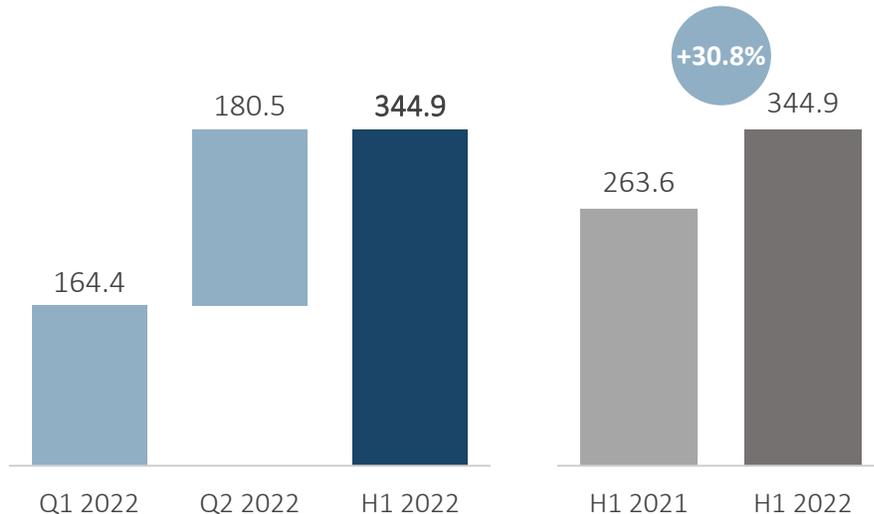
1. Calculated as the sum of revenues from the sale of new yachts (recognised over time with the cost-to-cost method) and pre-owned boats, net of commissions and trade-in costs of pre-owned boats.
 2. Excluding non recurring items, linked to Covid-19 related expenses and non-monetary costs of the stock incentive plans (€350k in H1 2022 and €444k in H1 2021).
 3. Increases in property, plant and equipment and intangible assets, net of the carrying amount of related disposals, at constant perimeter. Reported figure €23.7m.
 4. Calculated in accordance with ESMA document 32-382-1138, 4 March 2021. A positive figure indicates a net cash position.

Solid revenue growth fuelled by new products

Net Revenues New Yachts at €344.9m, +30.8% YoY

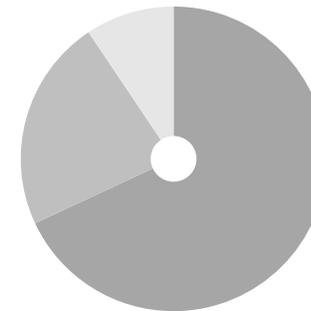
- Higher volumes and increase in average selling prices
- Shift in product mix towards larger yachts in each division
- Excellent results of SL Line asymmetric models (Yacht Division)
- Europe confirmed core market, significant growth in the Americas continues, APAC impacted by Covid-19 restrictions

Quarterly evolution / (€m)



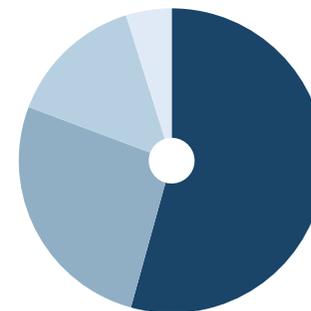
YoY comparison / (€m)

Breakdown by division



68.0%	Yacht Division €234.7m +36.5% YoY
22.6%	Superyacht Division €77.8m +9.6% YoY
9.4%	Bluegame Division €32.4m +56.7% YoY

Breakdown by geography



54.3%	Europe €187.2m +35.0% YoY
26.4%	Americas €91.1m +71.0% YoY
14.5%	APAC €49.9m -7.8% YoY
4.8%	MEA €16.7m -5.4% YoY

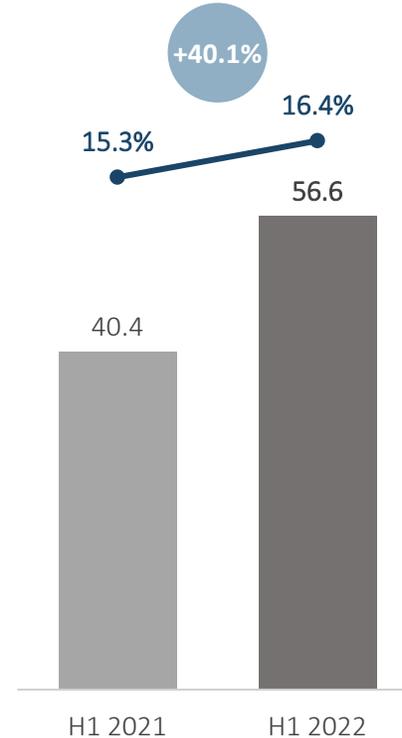
Net Revenues New Yachts are calculated as the sum of revenues from the sale of new yachts (recognised over time with the cost-to-cost method) and pre-owned boats, net of commissions and trade-in costs of pre-owned boats.

Steady increase in profitability

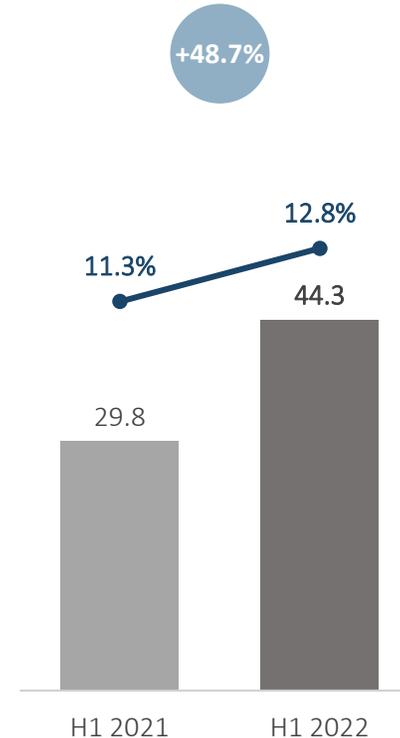
Adjusted EBITDA margin at 16.4%, +110bps YoY, thanks to price increases and operating efficiencies

- Reported EBITDA €56.3m, +40.8% YoY
- Progressive increase in average selling prices more than offsetting cost inflation
- Benefits from shift in product mix towards larger yachts in each division
- Increase in costs of energy and raw materials has been managed, limited impact
- Procurement of key materials and components at a pre-agreed price through multi-year contracts
- Backlog visibility allowing efficient production planning, limiting impact of supply chain disruptions
- Cost efficiencies from optimisation of new production capacity (expansion of fiberglass plant and progressive internalisation of Bluegame)

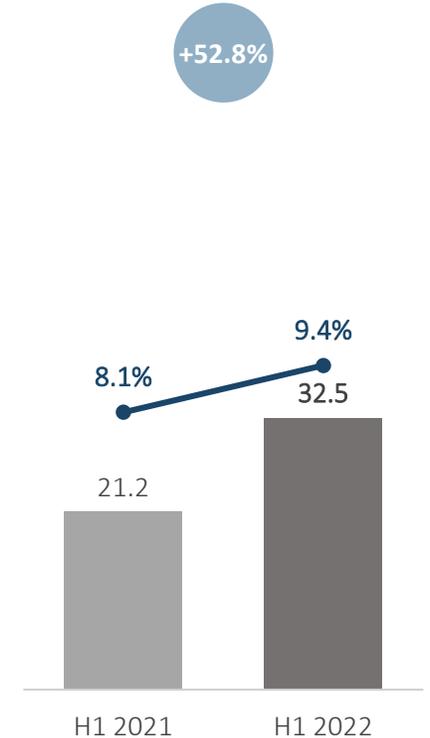
Adjusted EBITDA
(net of minor non recurring items) /
(€m and margin % on Net Revenues New Yachts)



EBIT /
(€m and margin % on Net Revenues New Yachts)



Group net profit/
(€m and margin % on Net Revenues New Yachts)



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

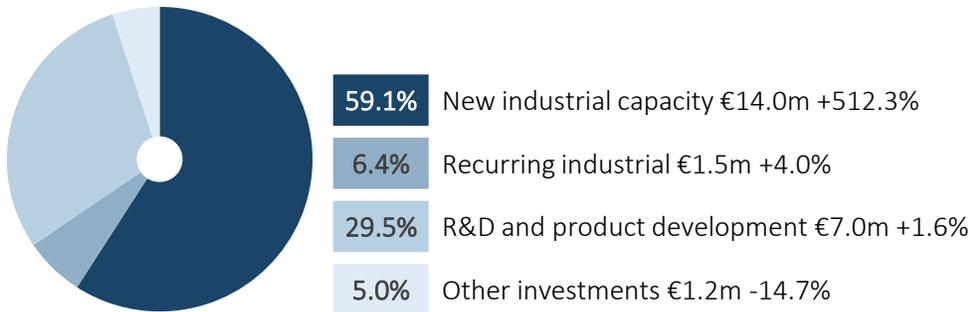
Adjusted EBITDA excludes non recurring items, linked to Covid-19 related expenses and non-monetary costs of the stock incentive plans (€350k in H1 2022 and €444k in H1 2021).

Investments in new production capacity to support growth

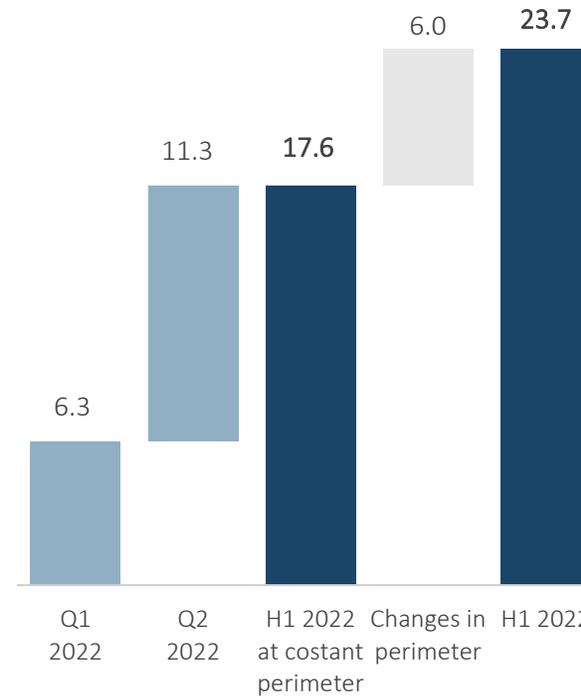
Net capex at €17.6m at constant perimeter, +47.0% YoY, 5.1% on Net Revenues New Yachts

- Capex at €23.7m, of which €6.0m impact from the consolidation of Polo Nautico Viareggio
- Investments in new production capacity at €14.0m – €8.0m on a like-for-like basis – supporting expected revenue growth
- R&D, sustainability and product development investments substantially in line with H1 2021

Breakdown by nature / (reported figure)

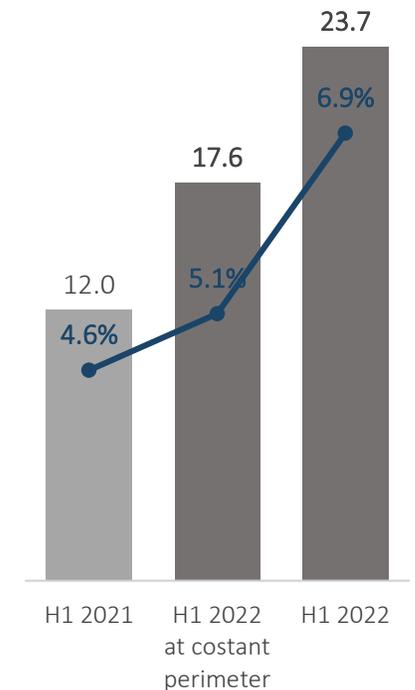


Quarterly evolution / (€m)



YoY comparison /

(€m and % on Net Revenues New Yachts)



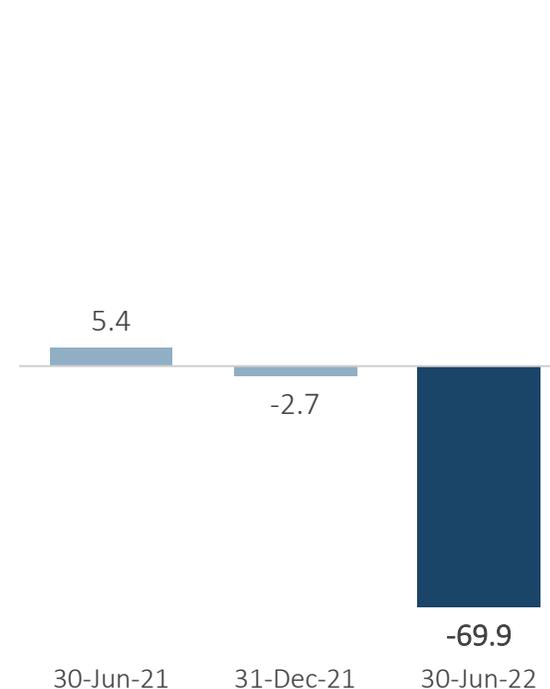
Investments refer to increases in property, plant and equipment and intangible assets, net of the carrying amount of related disposals (sale of office building in Massa for a net book value of €2.1m in Q1 2022).

Strong cash generation sustained by advances on new orders

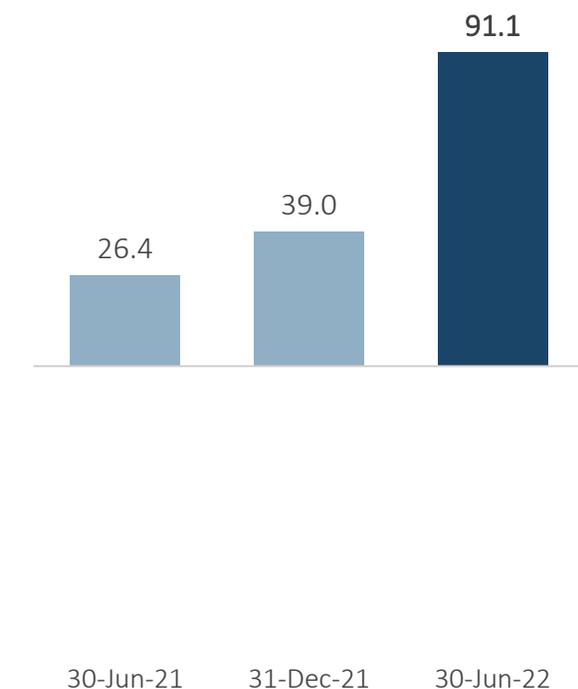
Further significant improvement in financial position reaching €91.1m net cash, after payment of €20.3m dividends

- Strong operating cash flow generation, driven by increase in volumes and collection of advances on new orders
- Negative net working capital at -€69.9m, -€67.2m compared to 2021 YE and -€75.3m YoY
- Limited stock of pre-owned boats at €15.0m
- €91.1m net cash position, +€52.1m compared to 2021 YE and +€64.7m YoY, notwithstanding payment of €20.3m dividends
- €182.6m liquidity, +€41.0m compared to €141.6m as at 2021 YE, in addition to €25.9m financial investments¹ and €136.2m unused credit lines²
- €103.0m financial indebtiness³ including €88.9m bank financing at favourable conditions

Net working capital / (€m)



Net financial position / (€m)



Net Financial Position calculated in accordance with ESMA document 32-382-1138, 4 March 2021. A positive figure indicates a net cash position.

1. Of which €16.0m non-current.

2. Excluding credit lines for reverse factoring and confirming

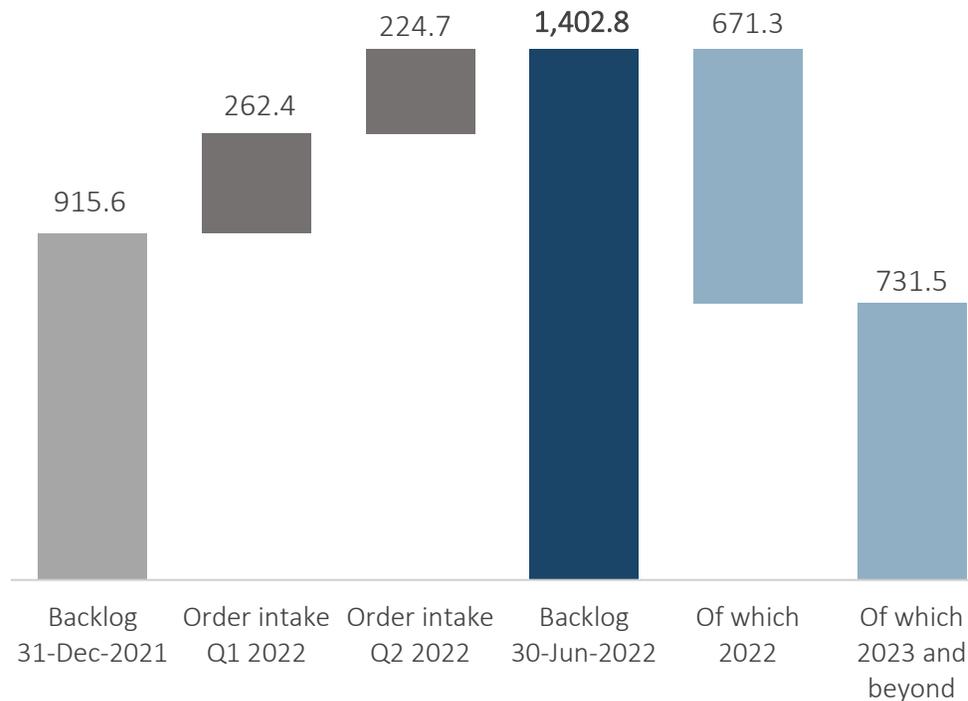
3. Including €6.9m IFRS 16 liabilities.

Growing order portfolio on the back of robust demand

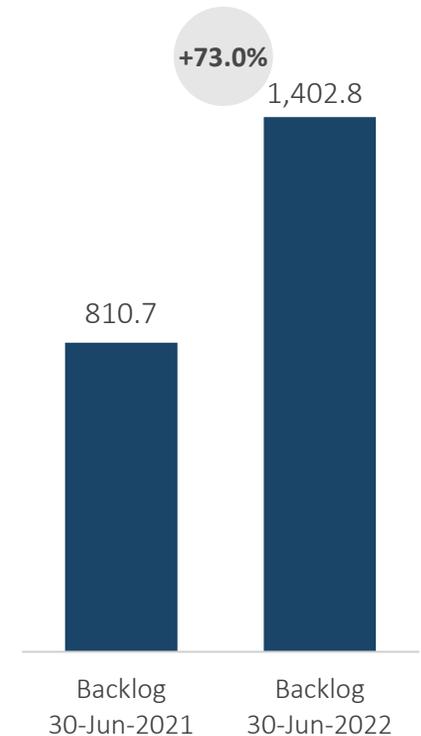
Sound backlog at €1.4bn, +73.0% YoY

- **€487.1m order intake in H1 2022** (vs €401.9m in H1 2021) confirms solid and stable growth, driven by new mindset
- Adjustment in demand to long waiting times offset by great commercial success of new highly-innovative models
- New orders benefitting from higher average selling prices, with greater increases according to the delivery date
- Significant visibility on coming years, thanks to increasing weight of larger yachts and deliveries up to 2026
- Robust order portfolio, **~92% covered by final clients**
- Exposure to Russian customers marginal and spread over three years

Order backlog composition / (€m)



YoY comparison / (€m)

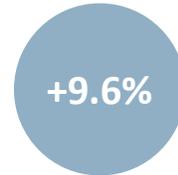


Backlog is calculated as the sum of the value of all orders and sales contracts signed with customers or brand representatives relating to yachts for delivery or delivered in the current year or for delivery in subsequent years. For each year, the value of the orders and contracts included in the backlog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

Market growth driven by new mindset

Increase in target customers wealth in key geographies, together with a penetration rate of luxury yachting below 5%, underpinning market growth

- **Potential demand is still significantly higher than yacht offer, a large untapped potential:** the number of UHNWIs and their wealth is still growing, against a number of yachts >24 metres in construction in 2022 slightly above 1 thousand units¹
- Target customers are driven by a **new mindset**, looking for quality of life with **freedom, safety and privacy**
- **New technologies** for connectivity allow to work and significantly extend the time spent on board, attracting a **new generation of yacht owners**
- Sanlorenzo is still leveraging on its high **customer retention**, benefitting from clients' trading-up



Increase in UHNWI population in 2021²



Increase in UHNWI wealth in 2021²



Expected average annual increase of UHNWI population 2020-2025³



Average age of Sanlorenzo superyacht buyers⁴



Frequency with which a SL repeat client changes yacht⁵



Average increase in value of the latest yacht bought by a SL repeat client versus the previous one⁵

1. Source: Global Order Book 2021 – Boat International. The Global Order Book counts all projects over 24 metres length overall under construction or ordered, with a deposit taken, on 1 September each year. Total number of yachts >24 metres of 1,024 units (excluding Ferretti Group brands), of which 51% built in Italy.
2. Source: Capgemini World Wealth Report 2022.
3. Source: Credit Suisse Global Wealth Report 2021.
4. Based on the contracts for the sale of superyachts signed in 2021 and 2022 to date.
5. Based on the contracts signed with repeat clients from 2012 to 2022 to date.

Upward revision of guidance on the back of strong order portfolio

2022 targeting solid double digit growth of all metrics, in line with H1 results:
net profit expected to double and ~€100m cash, net of dividends, to be generated in two years (2020A-2022E)

(€m and margin as % of Net Revenues New Yachts)	2019 Actual	2020 Actual	2021 Actual	2022 Previous Guidance	2022 Upward Revised Guidance	YoY Growth ¹
Net Revenues New Yachts	455.9	457.7	585.9	700 – 740	720 – 740	+25%
Adjusted EBITDA	66.0	70.6	95.5	122 – 130	126 – 130	+34%
Adjusted EBITDA Margin	14.5%	15.4%	16.3%	17.4% – 17.6%	17.5% – 17.6%	+120bps
Group Net Profit	27.0	34.5	51.0	66 – 70	68 – 70	+35%
Investments	51.4	30.8	49.2	45 – 48	48 – 50	-1%
Net Financial Position ²	-9.1	3.8	39.0	62 – 66	96 – 100	+59m

~92% covered
by current backlog
as of 30 June 2022

On a like-for-like basis, excluding the contribution from extraordinary transactions or business combinations.
Refer to notes in the appendix regarding forward-looking statements.

1. Annual growth calculated on the average figure of guidance range.
2. A positive figure indicates a net cash position.

The road to 2030

The drivers of this decade in Sanlorenzo's vision

- Sanlorenzo's ability to read the context and anticipate changes is key in constantly adapting strategies to scenario evolutions
- Design, Art, Innovation within tradition translated into the current luxury brand positioning and resulted in last 10 years impressive growth
- Sustainability & Technology, Services and Supply Chain are new essential pillars on which Sanlorenzo will focus its strategy on the road to 2030



Hydrogen fuel cells as the real answer to demand for sustainability in yachting

Major global players are choosing Sanlorenzo as partner in the development of technological solutions to reduce environmental impact of yachts, as a confirmation of the company's recognised track record in technological innovation

Siemens Energy

- **Exclusive agreement** signed in August 2021 for the joint development of solutions for the integration of fuel cells in 24-80 metre yachts
- Sanlorenzo to build a 50-metre superyacht (50Steel), equipped with **fuel cells for generating electricity on board using hydrogen, continuously reformed from methanol, with delivery expected in 2024**

Rolls-Royce (MTU)

- **Exclusive agreement** signed in August 2022 which will allow the integration of a **MTU traditional internal combustion propulsion system, also powered by methanol, with Siemens Energy's methanol powered fuel cell systems (through a reformer), in 40-75 metre yachts**
- First application on a Sanlorenzo 50-60 metre prototype with **delivery expected in 2026**

Volvo Penta

- **Agreement** with Bluegame for the installation of a **pilot hybrid IPS propulsion system** currently under development which will be combined with fuel cells systems derived from America's Cup Bluegame project
- First application on **BGM65HH (hydrogen-hybrid)** to be launched in **2026**

The use of **green methanol**, produced with solar or wind power and CO₂ captured from the atmosphere, is **carbon-neutral**

The quantity of CO₂ released in the air during combustion is equal to the quantity of CO₂ captured from the atmosphere to produce methanol

Fuelling a low-carbon future with methanol as a marine fuel

The implementation of green methanol as marine fuel is expected to play a key role in the decarbonisation of shipping industry

08/30/2022 12:05:48 [BN] Bloomberg News

Bill Gates-led Fund Backs Methanol as Green Shipping Fuel

Methanol could help giant cargo vessels that power world trade cut climate-warming emissions.

By Will Mathis and Akshat Rathi

(Bloomberg) -- Green fuels and new engines to consume them could help limit climate-warming emissions from giant ships that keep the world economy moving.

The shipping industry emitted a record 936 million metric tons of carbon dioxide in 2021, according to data from BloombergNEF. That's less than 3% of global CO2 emissions, but still more than what Germany – Europe's biggest industrial economy – produces in a year.

Shipbuilders have tried to tackle the problem by making bigger and more efficient boats, but the sector's carbon footprint has continued rising as global trade has grown.

While some companies are now considering imaginative fixes such as installing giant kites to capture wind and propel their cargo ships, another potential solution on the horizon is a cleaner-burning fuel called methanol, which can be produced from natural gas or biomass, or even by combining carbon dioxide with hydrogen. The Danish startup Blue World Technologies has just raised €37 million (\$36.9 million) from investors including Breakthrough Energy Ventures, which is backed by Bill Gates, to help it scale up production of a new system that could power large ships using methanol.

It's possible to simply burn methanol in an engine like petroleum-based fuels – and some cars do just that. But it's more efficient to extract the hydrogen molecules from methanol and run them through a fuel cell. Blue World estimates that using a fuel cell can save as much as 30% of the fuel compared to a combustion engine.



BLUEGAME FLIES TO THE 37th AMERICA'S CUP.

Wind? No need. Our BGH will use hydrogen to foil at 50 knots and zero emissions
alongside the legendary American Magic challenger.
Right in the wake of Sanlorenzo sustainability leadership.



37th
AMERICA'S CUP

BLUEGAME

Enhancement of High-End Services proposal

A turnkey premium service package dedicated to Sanlorenzo clients only, offered through a dedicated company to be established by the end of 2022

The reason why

- Add a strong competitive advantage in Sanlorenzo's value proposition
- Increase the loyalty of clients who will experience an effectively advantageous and problem-free relationship with the shipyard
- Strengthen the brand's positioning in the top end luxury segment

A 360° premium service package

- Sanlorenzo Charter Fleet, the first monobrand charter fleet ever
- Crew training through Sanlorenzo Academy
- Tailor-made leasing/financing and insurance packages
- Maintenance, refit and restyling services through Sanlorenzo Timeless



HIGH-END SERVICES

SANLORENZO

Development of Sanlorenzo Charter Fleet with Equinoxe

Profound changes in the perception of yacht owners, charter has become a smart decision.
An activity in constant expansion, especially during downturns

As a guarantee of its standards of quality and excellence, Sanlorenzo has selected Equinoxe S.r.l., a historical company with a very high reputation in the sector

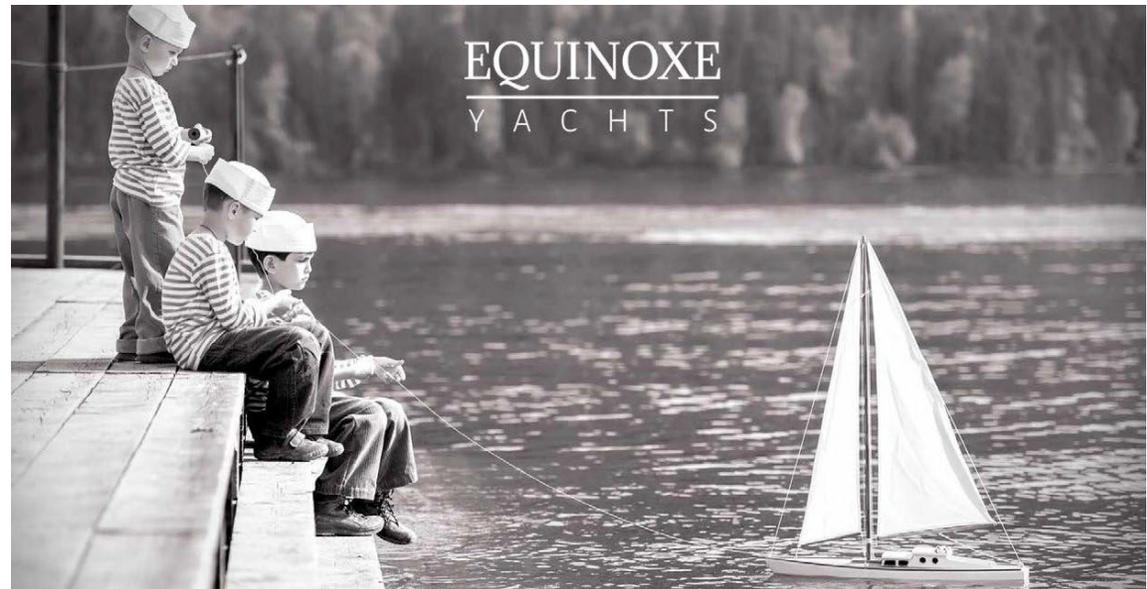
Signed a letter of intent for the acquisition of 100% of the company, closing expected by the end of 2022

The reason why

- Awareness that keeping the boat always in use is the best way to ensure it always in pristine working order
- Significant offset of operating costs (up to 70%)
- Increased attractiveness for professional crews

The offer

- A peace-of-mind charter operation
- Careful selection of the requests of potential charter customers
- Constant and professional maintenance
- Access to an exclusive program of unique benefits



Strengthening key supply chains

Craftmanship model is at the hearth of Sanlorenzo excellence

Disciplined investments in vertical integration of key manufacturing processes through partnerships and minority equity investments in strategic suppliers and in additional production capacity

Objectives

- Secure procurement of key materials and works
- Grow available production capacity
- Increase agility and flexibility in manufacturing processes
- Ensure strict quality control over production
- Extend Sanlorenzo's responsible and sustainable standards to the supply chain

Activities carried out in 2022

- Minority investments in Carpensalda Yacht Division (metal carpentry) and Duerre (furnishings)
- Acquisition a majority stake in I.C.Y. S.r.l., historical partner of Bluegame, and Polo Nautico Viareggio S.r.l.
- Over 3,500 sqm added year to date through the acquisition of three industrial infrastructures in Viareggio



New products 2022: SP110, Smart Performance (Open Coupé – Yacht)

SP
110/



New products 2022: SD90 (Yacht), to be followed by SD90/s

SD
90/



New products 2022: BG54 (Bluegame)

BG54



New models 2023: SX100 (Yacht)

SX
100/



New ranges 2023: X-Space (Superyacht)

XSP
ACE/



New ranges 2023: BGM (Bluegame multi-hull)

BGM75



Ultimate sustainability platform - Impressive results of comparison

BGM75 (2x600 hp Volvo) vs Semi-displacement 90 ft (2x1200 hp MTU)

Consumption @ 18 knots:

BGM 180 litres/hour vs Semi-displacement 90 ft 400 litres/hour

Saving for a typical season (300 hours @ 18 knots):

- 175 Tons of CO₂ | - 210 litres/hour | - 66,000 litres | - 120,000 €



Reclassified consolidated income statement

(€'000)	Six months ended 30 June				Change	
	2022	% Net Revenues New Yachts	2021	% Net Revenues New Yachts	2022 vs. 2021	2022 vs. 2021%
Net Revenues New Yachts	344,866	100%	263,624	100%	81,242	+30.8%
Revenues from maintenance and other services	5,405	1.6%	4,137	1.6%	1,268	+30.7%
Other income	2,628	0.8%	2,160	0.8%	468	+21.7%
Operating costs	(296,289)	(85.9)%	(229,523)	(87.1)%	(66,766)	+29.1%
Adjusted EBITDA	56,610	16.4%	40,398	15.3%	16,212	+40.1%
Non-recurring costs	(350)	(0.1)%	(444)	(0.2)%	94	-21.2%
EBITDA	56,260	16.3%	39,954	15.2%	16,306	+40.8%
Depreciation and amortisation	(11,973)	(3.5)%	(10,167)	(3.9)%	(1,806)	+17.8%
EBIT	44,287	12.8%	29,787	11.3%	14,500	+48.7%
Net financial expense	(274)	0.0%	(616)	(0.2)%	342	-55.5%
Adjustments to financial assets	99	0.0%	1	0.0%	98	+9,800.0%
Pre-tax profit	44,112	12.8%	29,172	11.1%	14,940	+51.2%
Income taxes	(11,186)	(3.3)%	(7,825)	(3.0)%	(3,361)	+43.0%
Net profit	32,926	9.5%	21,347	8.1%	11,579	+54.2%
Net (profit)/loss attributable to non-controlling interests	(463)	(0.1)%	(108)	0.0%	(355)	+328.7%
Group net profit	32,463	9.4%	21,239	8.1%	11,224	+52.8%

FINANCIAL STATEMENTS

Reclassified statement of financial position

(€'000)	30 June	31 December	30 June	Change	
	2022	2021	2021	30 June 2022 vs. 31 December 2021	30 June 2022 vs. 30 June 2021
USES					
Goodwill	8,667	8,667	8,667	-	-
Other intangible assets	46,766	45,276	41,410	1,490	5,356
Property, plant and equipment	145,312	134,988	112,832	10,324	32,480
Equity investments and other non-current assets	26,561	446	437	26,115	26,124
Net deferred tax assets	7,556	5,963	6,221	1,593	1,335
Non-current employee benefits	(842)	(1,058)	(942)	216	100
Non-current provision for risks and charges	(14,933)	(1,434)	(1,159)	(13,499)	(13,774)
Net fixed capital	219,087	192,848	167,466	26,239	51,621
Inventories	76,086	68,269	80,504	7,817	(4,418)
Trade receivables	9,297	18,310	12,095	(9,013)	(2,798)
Contract assets	98,501	117,194	88,186	(18,693)	10,315
Trade payables	(141,945)	(120,125)	(126,567)	(21,820)	(15,378)
Contract liabilities	(127,721)	(102,948)	(44,331)	(24,773)	(83,390)
Other current assets	60,771	54,337	33,990	6,434	26,781
Current provisions for risks and charges	(4,819)	(11,380)	(14,608)	6,561	9,789
Other current liabilities	(40,078)	(26,370)	(23,863)	(13,708)	(16,215)
Net working capital	(69,908)	(2,713)	5,406	(67,195)	(75,314)
Net invested capital	149,179	190,135	172,872	(40,956)	(23,693)
SOURCES					
Equity	240,301	229,141	199,306	11,160	40,995
(Net financial position)	(91,122)	(39,006)	(26,434)	(52,116)	(64,688)
Total sources	149,179	190,135	172,872	(40,956)	(23,693)

FINANCIAL STATEMENTS

Net financial position and reclassified cash flow statement

(€'000)	30 June	31 December	30 June
	2022	2021	2021
Cash	182,601	141,272	116,956
Cash equivalents	-	-	-
Other current financial assets	11,480	317	-
Liquidity	194,081	141,589	116,956
Current financial debt	(13,658)	(3,824)	(4,609)
Current portion of non-current financial debt	(29,767)	(29,651)	(21,320)
Current financial indebtedness	(43,425)	(33,475)	(25,929)
Net current financial indebtedness	150,656	108,114	91,027
Non-current financial debt	(59,534)	(69,108)	(64,593)
Debt instruments	-	-	-
Non-current trade and other payables	-	-	-
Non-current financial indebtedness	(59,534)	(69,108)	(64,593)
Net financial position	91,122	39,006	26,434

(€'000)	30 June		Change
	2022	2021	
EBITDA	56,260	39,954	16,306
Taxes paid	(9,221)	(13,389)	4,168
Changes in inventories	(7,817)	1,710	(9,527)
Change in net contract assets and liabilities	43,467	22,927	20,540
Change in trade receivables and advances to suppliers	7,144	8,638	(1,494)
Change in trade payables	21,820	(10,671)	32,491
Change in provisions and other assets and liabilities	12,126	(3,012)	15,138
Operating cash flow	123,779	46,157	77,622
Change in non-current assets (investments)	(17,634)	(11,998)	(5,636)
Business acquisitions and other changes	(28,645)	636	(29,281)
Free cash flow	77,500	34,795	42,705
Interest and financial charges	(318)	(684)	366
Other financial cash flows and changes in equity	(25,066)	(11,506)	(13,560)
Change in net financial position	52,116	22,605	29,511
Net financial position at the beginning of the period	39,006	3,829	35,177
Net financial position at the end of the period	91,122	26,434	64,688

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