FY 2020 RESULTS MID & SMALL IN LONDON 2021

E-MARKET SDIR

22 APRIL 2021





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INTRODUCTION TO SANLORENZO E-MARKET Sdir



Solid Leadership in Luxury Yachting



1

Source: Company information and Management assessment.

1. Official retail price Sanlorenzo vs. competitors based on official 2019 retail price as of August 2019.

2 . Source: Superyacht Times – August 2019.



SUPERIOR BUSINESS MODEL

~50 YACHTS PER YEAR

SOPHISTICATED CUSTOMERS, «CONNOISSEURS», «SANLORENZO CLUB», ~900 OWNERS BELONGING TO THE WORLD'S WEALTHIEST FAMILIES

RIGOROUSLY «MADE TO MEASURE»

• TIMELESS DESIGN WITH THE UTMOST CARE FOR DETAILS

FLEXIBLE COST STRUCTURE, ~2,500-UNIT WORK FORCE, ~500 DIRECT¹ VS. ~2,000 INDEPENDENT SPECIALIZED ARTISANS

UNIQUE DIRECT DISTRIBUTION, BRAND REPRESENTATIVE NETWORK, MOSTLY MONOBRAND²

INDUSTRY LEADER FOR INNOVATION WITH TRADITION (40ALLOY, 52STEEL, EXPLORER, SX LINE, SL102 ASYMMETRIC)

STRONG BOND WITH ART AND DESIGN (MILAN DESIGN WEEK, ART BASEL, ARCHISTARS: DORDONI, URQUIOLA, LISSONI, PAWSON, LIAGRE)

EXPERIENCED AND PASSIONATE MANAGEMENT TEAM (MORE THAN 25 MANAGERS WITH TOTAL COMBINED ~600 YEARS OF EXPERIENCE)

2021 GLOBAL ORDER BOOK SANLORENZO THE WORLD'S LEADING SINGLE-BRAND SHIPYARD

TOP BUILDERS BY LENGTH

R



TOP 20 SHIPYARDS BY LENGTH

"Sanlorenzo sits in second Place, both in number of Projects and combined length. This Italian yard's projects are Bigger on average than last year, thanks to the 23 Projects in its Superyacht Division."

– GLOBAL ORDER BOOK 2021

2 0 2 1 R A N K	COMPANY	TOTAL LENGTH (M)	NUMBER OF PROJECTS	AVERAGE LENGTH (M)	NUMBER OF PROJECTS 2020	2 0 2 0 R A N K
1	Azimut-Benetti	3,521	100	35.2	101	1
2	Sanlorenzo	3,089	86	35.9	87	2
3	Feadship	1,162	17	68.4	16	3
4	Ocean Alexander	1,119	35	32.0	31	7
5	Lürssen	1,049	9	116.6	9	5
6	Damen Yachting	1,028	15	68.5	14	6
7	Horizon	721	2 5	28.8	24	9
8	Overmarine	692	16	43.3	12	10
9	The Italian Sea Group	688	12	57.3	5	NEW ENTRY
10	Heesen Yachts	626	11	56.9	13	8
11	Oceanco	566	5	113.2	3	15
12	Bilgin Yachts	499	7	71.3	5	13



ITALY IS NUMBER #1 IN YACHTS >24M WITH ITS YACHT MANUFACTURERS HOLDING HALF OF THE GLOBAL ORDERS

Source: Boat International.





SOLID GROWTH AND STEADY RESILIENCE

FY 2020 RESULTS



PROVEN RESILIENCE

STRONG 2020 RESULTS PROVING ONCE AGAIN THE RESILIENCE AND EFFICACY OF SANLORENZO BUSINESS MODEL, DESPITE THE IMPACT OF COVID-19 AND THE LOCKDOWN IN SPRING

- **NET REVENUES NEW YACHTS**, STANDING AT €457.7M, SUBSTANTIALLY STABLE COMPARED WITH 2019, DRIVEN BY APAC AND THE AMERICAS
- ADJUSTED EBITDA STANDING AT €70.6M¹, 15.4% MARGIN ON NET REVENUES NEW YACHTS VERSUS 14.5% IN 2019
- **GROUP NET PROFIT** AT **€34.5***M*, **+27.7%** VERSUS 2019, 7.5% ON NET REVENUES NEW YACHTS VERSUS 5.9% IN 2019
- **DIVIDEND DISTRIBUTION** OF **€0.30** PER SHARE, 30% OF GROUP NET PROFIT, IN LINE WITH THE POLICY ADOPTED IN 2019 IN VIEW OF THE IPO
- INVESTMENTS FOR €30.8M (6.7% ON NET REVENUES NEW YACHTS VERSUS 11.3% IN 2019), WITH ADDED FOCUS ON NEW PRODUCTS
- Solid Financial Standing, with €3.8m Net Cash as of 31 December
 2020 from €5.1m net debt as of 30 September 2020
- BACKLOG AS OF 15 MARCH 2021 AT €527.6M, COMPARED TO €408.8M AS OF 31 DECEMBER 2020² WITH A STRONG REBOUND STARTED FROM Q4 2020
- GROWTH EXPECTATIONS FOR 2021, SUPPORTED BY MARKET DYNAMICS AND THE LAUNCH OF 5 NEW MODELS DURING THE YEAR



- 1. Defined as EBIT + D&A, excluding non recurring items. FY 2020 non recurring items of €1.4m, linked to COVID-19 related expenses and non-monetary costs of the stock incentive plans.
- 2. Conventionally cleared from the Net Revenues New Yachts generated during the year.



FINANCIAL HIGHLIGHTS FY 2016-2020













GROUP NET PROFIT



FINANCIAL HIGHLIGHTS FY 2020



+7.0%

M) FY 2019 455.9 +0.4%

457.7

NET REVENUES NEW YACHTS

(€M)

FY 2020

EBIT









ADJUSTED EBITDA





NET REVENUES NEW YACHTS







OPERATING AND NET MARGINS

COMMENTARY		ADJUSTED	EBITDA ¹		E	BIT
ADJUSTED EBITDA ¹ AT €70.6M: +7.0% VERSUS FY 2019, EXCEEDING OUTLOOK	(€M)	+7. 14.5%	0% 15.4%	(€M)	+13	3.8%
EBITDA Margin on Net Revenues New Yachts increasing from 14.5% in 2019 to 15.4% in 2020 (+0.9%) notwithstanding the impact of COVID-19, as a result of:		66.0	70.6		9.5% 43.1	49.0
 STEADY SELLING PRICES AND SHIFT IN PRODUCT MIX TOWARDS LARGER YACHTS (YACHT AND BLUEGAME DIVISIONS) 						
 INCREASED EFFICIENCY THANKS TO A FULLY OPERATIONAL NEW PRODUCTION CAPACITY AND HIGHER ABSORPTION OF FIXED COSTS 	_	FY 2019	FY 2020	_	FY 2019	FY 2020
EBIT AT €49.0M: +13.8% VERSUS FY 2019		DELTA	x Profit		GROUP	Net Profit
 EBIT MARGIN ON NET REVENUES NEW YACHTS INCREASING FROM 9.5% IN 2019 TO 10.7% IN 2020, DESPITE A 19.8% INCREASE IN D&A DUE TO RELEVANT CAPEX 	(€M)	+23				7.7% 7.5%
PRE-TAX PROFIT AT €46.9M: +23.8% VERSUS FY 2019, THANKS TO 58.6% REDUCTION IN NET FINANCIAL EXPENSES		8.3%	46.9		5.9% 27.0	34.5
GROUP NET PROFIT AT €34.5M: +27.7% VERSUS FY 2019		37.9				
 NET PROFIT MARGIN ON NET REVENUES NEW YACHTS INCREASING FROM 5.9% IN 2019 TO 7.5% IN 2020 						
■ EARNINGS PER SHARE: €1.00, COMPARED TO €0.84 IN 2019 ²		EV 2010	EV 2020	_	EV 2010	EV 2020
		FY 2019	FY 2020		FY 2019	FY 2020

2. Calculated as ratio of Group Net Income (as reported) to average number of shares (34,500,000 in 2020 and 32,250,000 in 2019).



CAPEX



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

CAPEX NEW INDUSTRIAL CAPACITY



EXPANSION OF AMEGLIA D2 SHIPYARD

NEW D2 SHIPYARD

- **10.000 SQM** DEDICATED TO THE OUTFITTING OF YACHTS BETWEEN 76 AND 100 FEET
- **24 OUTFITTING STATIONS** IN A COMB LAYOUT
- MORE EFFICIENT LOGISTICS WITH "ISLAND TYPE" OUTFITTING STATIONS AND APPROX. 30% REDUCTION IN LEAD TIMES THANKS TO THE ADOPTION OF THE "OPEN HULL" PROCESS
- PRODUCTION CAPACITY UP TO 45 YACHTS PER YEAR

AMEGLIA SHIPYARD EXPANSION PROJECT – KEY FIGURES

- **TOTAL AREA** FROM 75,000 SQM TO **135,000 SQM**
- TOTAL AREA DEDICATED TO PRODUCTION FROM 15,000 SQM TO 25,000 SQM
- TOTAL AREA DEDICATED TO BUILDINGS AND OFFICES FROM 1,200 SQM TO 2,700 SQM

ACQUISITION OF MASSA SHIPYARD

- ACQUISITION OF THE SHIPYARD IN MASSA ALREADY OCCUPIED BY VIRTUE OF A LEASE AGREEMENT WITH THE PREVIOUS OWNER IMMOBILIARE FIPA S.R.L.
- TWO BUILDINGS FOR A TOTAL OF **19,000 SQM,** ALREADY ALMOST FULLY REVAMPED
- DEDICATED TO THE LAMINATION OF FIBERGLASS AND THE PRODUCTION OF SEMI-FINISHED COMPONENTS (HULL, DECK AND SUPERSTRUCTURE) TO BE TRANSFERRED TO AMEGLIA AND VIAREGGIO FOR THE SUBSEQUENT PRODUCTION PHASES







CAPEX R&D AND PRODUCT DEVELOPMENT – NEW MODELS INTRODUCED IN 2020

NEW SX112 PRESENTED AT GENOA BOAT SHOW



PROTOTYPE 44ALLOY

NEW BGX60 PRESENTED AT GENOA BOAT SHOW



PROTOTYPE 62STEEL







NET WORKING CAPITAL







NET FINANCIAL POSITION AND LIQUIDITY



ORDER BACKLOG 2020 QUARTERLY EVOLUTION





ORDER BACKLOG EVOLUTION

Conventionally cleared from the Net Revenues New Yachts generated during the year. 1.

Compared to €328.8m related to 2020 out of €444.3m total backlog as of 31 December 2019. 2.

Order Backlog Evolution from 31 December 2020





E-MARKET Sdir

Market Update Yachting Industry is Positioned for Growth



SUPERYACHT INVESTOR



Relief at the success achieved in 2020 and the scent of strong demand this year, partly from new entrants, were the twin themes of Superyacht Investor's inaugural Town Hall online meeting last week.

Despite early industry fears of a disastrous year due to Covid-19, the growing perception of superyachts as a haven from the pandemic drove business in sales – particularly in the second half of the year.

Richard Lambert, senior partner – head of Sales, Burgess Yachts summed up the appeal of yachting to both existing owners and new entrants. *"In effect, yachts are your own luxury floating island, enabling you to move around wherever you want to go, subject to local regulations,"* he told delegates.

The benefits did not go unnoticed. December alone saw the completion of 57 yacht sales in the +30m category compared with 42 in the same month of 2019 and 38 in 2018. *"We probably saw the strongest end to the year since 2015,"* said Lambert. In 2020, total worldwide sales of +30m yachts amounted to 409 compared to 406 in 2019 and 436 in 2018. While the charter market saw some recovery in the second half, the sector ended the year 50% below the business that would have been achieved without Covid-19, said Lambert.

"When the pandemic hit, the industry was incredibly concerned about how the year would pan out," he added. "But the year was a lot more encouraging than any of us had expected."

Picking up the theme of new entrants, Jay Tooker, partner and co-head of Yachts, HFW, said: "I wonder if the pandemic will introduce a lot of new people, who were not previously interested in yachting, who used to spend their money on art, cars and other things. A yacht becomes an even more attractive proposition if you can't go anywhere else or do anything else with your time."

'General increase in boating'

HFW's Hong Kong office confirmed Covid-19 had only a limited impact on the Hong Kong yacht sector. Andrew Charlier, partner and co-head of Yachts, HFW explained: "There has been a general increase in boating in the region." Confirmation came from Sanlorenzo, which had reported that 23.5% of its yacht sales last year were made to the Asian market. "So, certain boat sellers are doing very well indeed in Asia," said Charlier.

Some owners in Hong Kong were even returning their yachts from Europe to home waters, he added. Whether this reflected differences in travel restrictions or the changing use of yachts remains unclear.

One global trend beyond doubt was HFW clients re-investing in boats. "We are seeing clients upgrading their yachts," said Charlier. "The effect is that we have a buoyant second-hand market, as owners trade or sell yachts to upgrade to something bigger and better." Lack of inventory – particularly for the larger-sized yachts – was expected to be one of the challenges of 2021.

Another pipeline was detected by Lambert, of Burgess Yachts. "We have always seen charter as people putting their toe in the water before stepping into purchase," he said. "And we did see a number making the transition from charter to ownership. Part of the reason was the freedom and flexibility that ownership offers – they can go whenever they want." It was a freedom that became increasingly attractive as travel restrictions began to lift. "That attraction to safely go yachting – where you are in control of your environment to a much greater degree – appealed to a lot of people who wanted to spend quality time with their family." Concerns about Brexit were supplanted by Covid-19. HFW's Charlier, who had expected to spend much of the year talking to clients about Brexit but found himself talking about Covid-19 instead. *"Brexit was bringing both opportunity and risks to yachting"*. Lack of clarity on the impact of Brexit on VAT paid yachts is a concern. On a positive note, when cruising the Mediterranean, UK residents with a UK-flagged vessel may be able to apply for temporary admission status, which delivers VAT exemption for private yachts in EU waters. Plus, UK shipyards will offer tax-free refits using inward processing relief for qualifying boats, which they were previously unable to do.

Meanwhile, Brexit could deliver opportunities for EU member states such as Malta. *"At the end of last year, Malta announced it had 850 yachts over 24m flagged in Malta, making it the largest flag state in the world,"* said Charlier. Malta might consider that Brexit offered the opportunity to attract more yachts that may otherwise have gone to the UK/Isle of Man.

'850 yachts over 24m'

Aside from fuelling demand, Covid-19 also frustrated both sales and deliveries. Prospective buyers, finding it difficult or impossible to conduct visual inspections in person – had to rely on video appraisals. Also, new owners were unable to install their new vessel's crew, creating insurance problems.

Finding it impossible to inspect a yacht in Europe, Florida-based Bob Allen, founder of Robert Allen Law, recruited help from an unexpected source. The prospective buyer was very interested in the yacht's galley, so a local chef was hired to inspect its fittings and equipment. *"While the chef was there and had a great sense of smell, we asked her to smell the whole boat,"* recalled Allen. *"And the deal proceeded on the chef's sense of smell."*

On a less co-operative footing, Allen reported a big rise in litigation, sparked by first-time buyers' who were ill-prepared for the realities of boat ownership. "We have seen a lot more litigation," said Allen. "It's natural when you have first-time boat buyers -they think it is like buying a Rolls-Royce or a Mercedes. They expect it to run perfectly all the time without realising the incredible complexity of running a yacht." Nevertheless, Allen described 2020 as: "The best year we have ever had."



MULTIPLE LEVERS FOR PROFITABLE GROWTH FOCUS ON NEW MODELS – 2021



SD118 (YACHT DIVISION)

SL120 ASYMMETRIC (YACHT DIVISION)



SL90 ASYMMETRIC AND RESTYLING OF SL106A (YACHT DIVISION)



BG72 (BLUEGAME DIVISION)







MULTIPLE LEVERS FOR PROFITABLE GROWTH FOCUS ON NEW MODELS AND RANGES – FROM 2022



SP110 OPEN COUPE' NEW LINE (YACHT DIVISION)

X-SPACE NEW LINE (SUPERYACHT DIVISION)



57STEEL NEW MODEL (SUPERYACHT DIVISION)



BGM NEW LINE (BLUEGAME)





A STUNNING MOTORYACHT WHICH INCIDENTALLY HAS TWO HULLS.

PLEASE BE PATIENT...

Sustainability as a Fundamental Pillar of Sanlorenzo's Strategy 2020 Non-Financial Statement



OVERVIEW OF 2020 NON-FINANCIAL STATEMENT

- FIRST YEAR OF COMPREHENSIVE REPORTING ON ENVIRONMENTAL, SOCIAL AND GOVERNANCE MATTERS RELATED TO SANLORENZO S.P.A. AND PREPARED IN ACCORDANCE WITH GRI STANDARDS
- STARTING POINT OF A PATH AIMED AT PROGRESSIVELY CONSOLIDATING A BUSINESS MODEL CAPABLE OF GENERATING SHARED VALUE FOR STAKEHOLDERS IN THE LONG TERM, WITH AN INCREASING AWARENESS OF THE MOST RELEVANT SUSTAINABILITY ISSUES THAT THE NAUTICAL SECTOR FACE IN THE NEXT YEARS

ENVIRONMENTAL TOPICS	SOCIAL TOPICS	Εςονομις τοριςς
ENERGY CONSUMPTION	HEALTH AND SAFETY PREVENTION	SUPPLY CHAIN MANAGEMENT
Preservation of marine habitat and biodiversity	Human resources management	Sustainability Governance
AIR EMISSIONS	Exclusive relationship with the customer	RESEARCH AND DEVELOPMENT
WASTE MANAGEMENT		
WATER RESOURCE MANAGEMENT	PROMOTION AND DEVELOPMENT OF THE TERRITORY; RELATIONSHIP WITH LOCAL COMMUNITY	FIGHT AGAINST CORRUPTION
Sustainable yacht design		

MATERIAL TOPICS

Our objective is to serve as an example in the industry and promote a "Responsible Development" culture to be shared not ONLY ACROSS OUR GROUP, BUT ALSO OUTSIDE THE COMPANY, ACTING TO RAISE THE AWARENESS THROUGHOUT THE WHOLE VALUE CHAIN

Sustainability as a Fundamental Pillar of Sanlorenzo's Strategy 2020 Non-Financial Statement - Environment



	2019	2020	2021 AND BEYOND
ENERGY CONSUMPTION	 Use of green energy thanks to the installation of photovoltaic panels in the new D2 shipyard in Ameglia 	 INSTALLATION OF THE THERMO-STRIP HEATING SYSTEM IN THE MASSA SHIPYARD 	 5-YEAR INVESTMENT PLAN FOR THE INSTALLATION OF SOLAR PANELS IN ALL OTHER SHIPYARDS
Preservation of Marine Habitat and Biodiversity	 Use of paints and «antifoulding treatments» not damaging marine biological habitat 	 PARTNERSHIP WITH THE WATER REVOLUTION FOUNDATION INVOLVEMENT IN THE «YACHT ENVIRONMENTAL TRANSPARENCY INDEX (YETI)» PROJECT 	 Collaboration with Water Revolution Foundation for the reduction of Underwater noise
AIR EMISSIONS	 «Infusion technique» for the PRODUCTION OF SEMI-FINISHED PRODUCTS IN COMPOSITE 	 LAUNCH OF THE FIRST «LIFE CYCLE ASSESSMENT (LCA)» STUDY 	 IMPLEMENTATION OF LCA ACTIVITIES WITH A «FROM CRADLE TO GRAVE» APPROACH FOR DIFFERENT LINES OF PRODUCTIONS
Waste management	ENVIRONMENTAL MANAGEMENT SYSTEM PROVIDED BY ISO 14001:2015 CERTIFICATION IN AMEGLIA SHIPYARD	 INSTALLATION OF A DISTILLER TO REDUCE THE AMOUNT OF ACETONE HANDLED AS WASTE IN LA SPEZIA SHIPYARD ISO 14001:2015 CERTIFICATION FOR LA SPEZIA AND MASSA SHIPYARDS 	 COMPLETION OF THE CURRENT ISO CERTIFICATION SYSTEM: ISO 14001:2015 FOR VIAREGGIO SHIPYARD AND ISO 50001:2018 («ENERGY MANAGEMENT SYSTEM») FOR ALL THE SHIPYARDS
WATER RESOURCE MANAGEMENT	 PRELIMINARY ACTIVITIES FOR THE CONNECTION TO THE MUNICIPAL SEWER FOR THE DISCHARGE OF CIVIL WASTE AT LA SPEZIA SHIPYARD 	 ISO 14001:2015 CERTIFICATION FOR LA SPEZIA AND MASSA SHIPYARDS 	 Connection to the public sewer for the discharge of civil waste at La Spezia shipyard
Sustainable yacht design	 INSERTION OF «SANDWICH» PANELS TO REPLACE PART OF THE FIBERGLASS IN THE MONOLITHIC LAMINATION PROCESS SELECTION OF THE SOURCE OF MATERIALS (SUCH AS TEAK), FURNITURE AND FLYWOOD (CERTIFIED AS «FORMALDEHYDE-FREE») 	PRELIMINARY STUDY OF «DESIGN FOR DISASSEMBLY» AND «DESIGN FOR RENEWAL»	 FORMAL APPROACH TO «DESIGN FOR DISASSEMBLY» THROUGH THE DRAFT OF A «SUSTAINABLE DESIGN MANUAL» AIMED AT FORMALISING THE RULES AND CRITERIA TO BE FOLLOWED IN THE DESIGN PHASE

SUSTAINABILITY AS A FUNDAMENTAL PILLAR OF SANLORENZO'S STRATEGY 2020 NON-FINANCIAL STATEMENT – WORKPLACE, MARKETPLACE AND LOCAL COMMUNITY



	2019	2020	2021 AND BEYOND
HEALTH AND SAFETY PREVENTION	 OCCUPATIONAL HEALTH AND SAFETY MANAGEMENT SYSTEM (OHSMS) PROVIDED BY UNI EN ISO 45001:2018 STANDARD INFUSION TECHNIQUE EXTENSIVE TRAINING COURSES 	 INSTALLATION OF AN «EXTRACTION SYSTEM» TO AVOID DISPERSION OF STYRENE EMISSIONS IN THE AIR AT MASSA SHIPYARD 	 To be defined
Human resources Management	 SANLORENZO'S «WELFARE MODEL» INCENTIVE TO PARTICIPATION IN TRAINING COURSES OFFERED BY CISITA NUMEROUS CHANNELS FOR RECRUITING, INCLUDING PARTICIPATION AT ORIENTATION DAYS OF VARIOUS UNIVERSITIES EMPLOYEE DEVELOPMENT PATHS WELCOME KIT FOR NEW HIRES 	 IMPLEMENTATION OF «CONSTRUCTIVE LISTENING» INITIATIVES WITH PRAXI MENTORING PROGRAM FOR NEW HIRES UPGRADE OF «MANAGEMENT BY OBJECTIVES (MBO)» POLICIES NEW SECOND LEVEL EMPLOYMENT AGREEMENT WITH IMPROVED CONDITIONS «QUALITATIVE ASSESSMENT» OF TURNOVER THROUGH EXIT INTERVIEWS 	 IMPLEMENTATION OF A STRUCTURED SYSTEM FOR PERFORMANCE EVALUATION OPENING OF A «HR INFORMATION DESK» IN ALL THE SHIPYARDS PROGRAM FOR SOCIAL ASSISTANCE AND PSYCHOLOGICAL SUPPORT FOR EMPLOYEES INTRODUCTION OF ESG OBJECTIVES IN THE MBO SYSTEM
PROMOTION AND DEVELOPMENT OF THE TERRITORY	 Contribution to the construction of the «defense embankment» on the Magra river Events in partnership with the «Lerici Pea» association 	 Events in partnership with the «Lerici Pea» association (e.g. «Lerici Pea – Golfo dei Poeti», «Career award» to the Russian poetess Ol'ga Aleksandrovna Sedakova) 	 Additional intervention on the Magra riverside (Ameglia shipyard) Enlargement on the Tellara land – growth opportunity for Sanlorenzo with positive impact on the territory
Exclusive relationship with the customer	 SYSTEMATIC INVOLVEMENT OF CUSTOMERS – THROUGH CONTINUOUS DIALOGUE, ELITE DAYS AND INITIATIVES IN CONNECTION WITH ART, CULTURE AND DESIGN ACCESS TO «SANLORENZO TIMELESS» SERVICE AND INSTALLATION OF «WOSA YACHT SURVEYOR (WYSR)» APPLICATION ON EACH YACHT TRAINING COURSES TO SERVICE POINTS AND CREWS THROUGH SANLORENZO ACADEMY DELIVERY OF «QUALITY BOOKLETS» TO CLIENTS 	 FIRST STEP FOR THE IMPLEMENTATION OF «HIGH- END SERVICES» PACKAGES IN COLLABORATION WITH «HILL ROBINSON» FOR RECRUITING AND TRAINING OF CREWS FOR THE HIGHEST STANDARDS IN TERMS OF SERVICE, SAFETY AND LEISURE ON BOARD 	 TRAINING COURSES TO BRAND REPRESENTATIVES IMPLEMENTATION OF FURTHER INNOVATIVE REMOTE ASSISTANCE SOLUTIONS (E.G. SMART HELMET) COMPLETION OF «HIGH-END SERVICES» OFFER: SANLORENZO CHARTER FLEET, CREWS RECRUITED AND TRAINED BY HILL ROBINSON, EVOLUTION OF «SANLORENZO TIMELESS» SERVICE



SUSTAINABILITY AS A FUNDAMENTAL PILLAR OF SANLORENZO'S STRATEGY 2020 NON-FINANCIAL STATEMENT – R&D, SUPPLY CHAIN AND SUSTAINABILITY GOVERNANCE



	2019	2020	2021 AND BEYOND
Research and Development	 DEVELOPMENT OF HYBRID AND DIESEL/ELECTRIC PROPULSIVE SOLUTIONS IN PARTNERSHIP WITH MAJOR PLAYERS RESEARCH FOR THE INTRODUCTION OF SUSTAINABLE ALTERNATIVE MATERIALS (E.G. TO TEAK) 	 RESEARCH FOR THE IMPLEMENTATION OF SOLUTIONS TO REDUCE NOX EMISSIONS DUE TO ENGINE COMBUSTION STUDY ON THE IMPACT OF THE HYBRID SYSTEM IN TERMS OF WEIGHT, COST, SAFETY AND SPACE ON BOARD 	 PARTNERSHIP WITH THE UNIVERSITY OF PISA FOR THE STUDY OF ALTERNATIVE OR COMPLEMENTARY SOLUTIONS TO SELECTIVE CATALYTIC REDUCTION DESIGN AND IMPLEMENTATION OF «ZERO EMISSIONS» SOLUTIONS AT ANCHOR FOR SOME MODELS
Supply chain management	 TRAINING TO SUPPLIERS AND CONTRACTORS WITH SANLORENZO ACADEMY STRUCTURED SELECTION PROCESS IN COMPLIANCE WITH THE LAW AND SANLORENZO'S HEALTH, SAFETY AND ENVIRONMENTAL REQUIREMENTS STRICT CONTROLS OVER THE CORRECT AND TIMELY PAYMENT OF WAGES AND CONTRIBUTIONS BY SUPPLIERS AND COMPLIANCE WITH ACCIDENT PREVENTION REGULATION AND STANDARDS 	 CONTINUOUS MONITORING ACTIVITIES PARTICIPATION TO THE «TABLE FOR THE PREVENTION AND FIGHT AGAINST ILLEGAL HIRING» SET UP BY CONFINDUSTRIA NAUTICA UPDATE OF THE GENERAL TERMS AND CONDITIONS OF THE CONTRACTS WITH STRICTER REQUIREMENTS REGARDING PAYMENT OF SOCIAL CONTRIBUTIONS SUPPLY CHAIN FINANCE SOLUTIONS WITH PRIMARY FINANCIAL INSTITUTIONS 	 IMPOSITION OF CHARGES AND STRICTER OBLIGATIONS ON SUPPLIERS AND CONTRACTORS REGARDING COMPLIANCE WITH LABOUR REGULATION AND PREVENTION OF ACCIDENTS STRENGTHENING OF THE TRAINING ACTIVITIES THROUGH SANLORENZO ACADEMY EXTENSION OF SUPPLY CHAIN FINANCE SOLUTIONS
Sustainability governance	 ESTABLISHMENT OF THE CONTROL, RISK AND SUSTAINABILITY COMMITTEE AND FORMAL INTEGRATION OF SUSTAINABILITY IN THE GOVERNANCE STRUCTURE AND PROCESSES ESTABLISHMENT OF INTERNAL CONTROL AND RISK MANAGEMENT SYSTEM (SCIGR) AND INTERNAL AUDIT FUNCTION 	 New organisational structure with management figures dedicated to sustainability reporting to the Sustainability Officer Completion of «Risk Control Matrix» 	 IMPROVEMENT OF THE QUANTITATIVE DATA COLLECTION SYSTEM FOR NON-FINANCIAL REPORTING
FIGHT AGAINST CORRUPTION	 STRUCTURED APPROACH TO POTENTIAL CORRUPTIVE RISK: MODEL PURSUANT TO D.LGS. 231/01; CODE OF ETHICS, WHISTLEBLOWING PROCEDURE, OFAC COMPLIANCE POLICY AUDIT ACTIVITIES BY INTERNAL AUDIT 	 Adoption Code of Conduct at Group level Adoption of Antitrust compliance program Audit activities by Internal Audit 	 Continuous monitoring and updating of the Company's procedures

UPDATE ON PERINI NAVI

SITUATION UPDATE

- PERINI NAVI DECLARED BANKRUPT ON 29 JANUARY 2021
- DEBTOR-IN-POSSESSION STATUS (ITALIAN "ESERCIZIO PROVVISORIO")
 WITH NEXT COURT HEARING SCHEDULED ON 22 JUNE 2021 AND
 BIDDING PROCEDURE TO BE OPENED IN THE COMING MONTHS
- FENIX S.R.L. (PREVIOUS OWNER OF PERINI NAVI) FILED AN APPEAL AGAINST THE BANKRUPTCY, WITH COURT HEARING HELD ON 16 APRIL 2021. COURT DECISION EXPECTED IN THE NEXT FEW DAYS
- SANLORENZO AND FERRETTI GROUP ANNOUNCED THE CREATION OF A 50-50 JOINT VENTURE TO TAKE OVER PERINI NAVI, ALSO PRELIMINARILY THROUGH A BUSINESS BRANCH LEASE



"Maltese Falcon", 88 metres yacht, first owner: Tom Perkins

RATIONALE BEHIND A POTENTIAL COMBINATION

- BRAND AFFINITY
 - SANLORENZO AND PERINI NAVI BOTH EXCEL IN PURSUING QUALITY AND DESIGN AS WELL AS MANUFACTURING KNOW-HOW
 - COMPLEMENTARY PRODUCT OFFERING (NO OVERLAP) CATERING TO THE SAME SOPHISTICATED CUSTOMER BASE
- POTENTIAL TO UNLOCK RELEVANT INDUSTRIAL SYNERGIES
- THE PERINI NAVI SAILING YACHTS EXPRESS THE MAXIMUM POSSIBLE SUSTAINABILITY, AND THE SYNERGIES REPRESENT FOR SANLORENZO A GREAT OPPORTUNITY TO ACCELERATE ITS RESPONSIBLE DEVELOPMENT PATH UNDERTAKEN WITH THE 2020 NON-FINANCIAL STATEMENT

RATIONALE BEHIND THE JOINT VENTURE WITH FERRETTI GROUP

- JOIN FORCES (MANAGEMENT CAPABILITIES AND FINANCIAL RESOURCES) OF TWO MAJOR PLAYERS IN THE YACHTING INDUSTRY TO RESCUE THE COMPANY
- FOSTER A QUICKER RECOVERY OF PRODUCTION THROUGH THE PROPOSED BUSINESS BRANCH LEASE AND MAINTAIN EMPLOYMENT LEVELS
- PAVE THE WAY TO FURTHER POTENTIAL COOPERATION INITIATIVES (I.E. R&D)



E-MARKI SDIR



YOUR VISION, OUR CRAFT

APPENDIX

YACHTS DELIVERED IN 2020





NET REVENUES NEW YACHTS AND ADJUSTED EBITDA QUARTERLY EVOLUTION







Reclassified Consolidated Income Statement

(€′000)		Year ended 3	Change			
	2020	% Net Revenues New Yachts	2019	% Net Revenues New Yachts	2020 vs. 2019	2020 vs. 2019%
Net Revenues New Yachts	457,703	100.0%	455,935	100.0%	1,768	+0.4%
Net revenues from pre-owned boats, maintenance and other services	69,765	15.2%	50,309	11.0%	19,456	+38.7%
Other income	5,728	1.3%	3,445	0.8%	2,283	+66.3%
Operating costs	(462,561)	(101.1)%	(443,671)	(97.3)%	(18,890)	+4.3%
Adjusted EBITDA	70,635	15.4%	66,018	14.5%	4,617	+7.0%
Non-recurring costs	(1,399)	(0.3)%	(6,054)	(1.3)%	4,655	-76.9%
EBITDA	69,236	15.1%	59,964	13.2%	9,272	+15.5%
Depreciation and amortisation	(20,208)	(4.4)%	(16,868)	(3.7)%	(3,340)	+19.8%
EBIT	49,028	10.7%	43,096	9.5%	5,932	+13.8%
Net financial expense	(2,174)	(0.5)%	(5,251)	(1.2)%	3,077	-58.6%
Adjustments to financial assets	34	0.0%	32	0.0%	2	+6.3%
Pre-tax profit	46,888	10.2%	37,877	8.3%	9,011	+23.8%
Income taxes	(12,480)	(2.7)%	(11,059)	(2.4)%	(1,421)	+12.8%
Net profit	34,408	7.5%	26,818	5.9%	7,590	+28.3%
Net (profit)/loss attributable to non-controlling interests	100	0.0%	212	0.0%	(112)	-52.8%
Group net profit	34,508	7.5%	27,030	5.9%	7,478	+27.7%



Reclassified Consolidated Statement of Financial Position

(€′000)	31 December	31 December	Char	ge
	2020	2019	2020 vs. 2019	2020 vs. 2019%
USES				
Goodwill	8,667	8,667	-	-
Intangible assets with a finite useful life	36,434	35,404	1,030	+2.9%
Property, plant and equipment	112,491	102,598	9,893	+9.6%
Other equity investments and other non-current assets	412	379	33	+8.7%
Net deferred tax assets	6,538	3,008	3,530	+117.4%
Non-current employee benefits	(845)	(796)	(49)	+6.2%
Non-current provisions for risks and charges	(1,389)	(913)	(476)	+52.1%
Net fixed capital	162,308	148,347	13,961	+9.4%
Inventories	82,214	62,311	19,903	+31.9%
Trade receivables	17,233	20,269	(3,036)	-15.0%
Contract assets	112,938	87,889	25,049	+28.5%
Trade payables	(137,238)	(152,189)	14,951	-9.8%
Contract liabilities	(46,156)	(19,442)	(26,714)	+137.4%
Other current assets	30,434	46,007	(15,573)	-33.8%
Current provisions for risks and charges	(12,679)	(9,299)	(3,380)	+36.3%
Other current liabilities	(27,492)	(23,999)	(3,493)	+14.6%
Net working capital	19,254	11,547	7,707	+66.7%
NET INVESTED CAPITAL	181,562	159,894	21,668	+13.6%

SOURCES				
Net financial position	(3,829)	9,063	(12,892)	-142.2%
Equity	185,391	150,831	34,560	+22.9%
TOTAL SOURCES	181,562	159,894	21,668	+13.6%



CONSOLIDATED CASH FLOW STATEMENT AND NET FINANCIAL POSITION

RECLASSIFIED CASH FLOW STATEMENT

(€′000)	31 December 2020	31 December 2019
EBITDA	69,236	59,964
Taxes paid	(11,288)	(8,788)
Changes in inventories	(19,903)	(22,988)
Change in net contract assets and liabilities	1,665	(26,610)
Change in trade receivables and payments on account to suppliers	1,648	8,689
Change in trade payables	(14,951)	38,870
Change in provisions and other assets and liabilities	19,592	4,051
Operating cash flow	45,999	53,187
Change in non-current assets (Capex)	(30,821)	(51,447)
Business acquisitions and other changes	(251)	201
Free cash flow	14,926	1,941
Net financial expense	(2,187)	(5,292)
Other changes in Shareholders' Equity	152	17,251
Change in net financial position	12,892	13,900
Beginning net financial position	9,063	22,963
Ending net financial position	(3,829)	9,063

NET FINANCIAL POSITION

(€'000)	31 December 2020	31 December 2019
Cash and cash equivalents	(94,359)	(60,186)
Other liquid assets	-	-
Securities held for trading	-	-
Cash	(94,359)	(60,186)
Current financial receivables	(647)	(6,654)
Current bank payables	218	370
Current portion of debt	25,572	17,394
Other current financial payables	2,642	1,530
Current financial debt	28,432	19,294
Net current financial debt	(66,574)	(47,546)
Non-current bank payables	57,932	54,706
Bonds issued	-	-
Other non-current payables	4,813	1,903
Non-current financial debt	62,745	56,609
Net financial position	(3,829)	9,063





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