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F E R R E T T I G R O U P

Ferretti S.p.A.

(Incorporated under the laws of Italy as a joint-stock company with limited liability)

(Stock Code: 09638)

**INSIDE INFORMATION ANNOUNCEMENT
UNAUDITED COMMERCIAL AND FINANCIAL UPDATE FOR
THE NINE MONTHS ENDED 30 SEPTEMBER 2023**

This announcement is made by Ferretti S.p.A. (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571, Laws of Hong Kong).

The board of directors (the “**Board**”) of the Company is pleased to provide a commercial and financial update of the Group for the nine months ended 30 September 2023 (the “**2023 Third Quarter**” or “**9M 2023**”).

BUSINESS HIGHLIGHTS

- The Group successfully hosted its annual private preview in Monaco;
- The Group attended the major boat shows in Cannes, Genoa and Monaco;
- The Group presented the following new yachts from July to September 2023:
 - o From Riva brand, the first unveiling of Riva 82’ Diva;
 - o From Wally brand, the first unveiling of wallypower50 and wallyrocket51 projects; and
 - o From Ferretti Yachts, the first unveiling of INFYNITO 90 in the new sustainable INFYNITO range;

- The Group obtained a certification from RINA for two technical architectures to be implemented on CRN's future Super yachts.

2023 THIRD QUARTER TRADING UPDATE (UNAUDITED)

Order Intake: €875.0 million in 9M 2023.

Order Backlog: €1,471.7 million as of September 30, 2023, representing an increase of approximately **6.6%** when compared to September 30, 2022 (**€1,380.3 million**) thanks to strong worldwide demand.

Order Backlog by Segment:

- Composite yachts accounted for **€434.2 million** as of 30 September 2023, which is equivalent to approximately **29.5%** of total backlog as of 30 September 2023 (compared to **€435.4 million**, which is equivalent to approximately 31.5% of total backlog as of 30 September 2022)
- Made-to-measure yachts reached **€556.0 million** as of 30 September 2023, which is equivalent to approximately **37.8%** of total backlog as of 30 September 2023 (from **€472.3 million**, which is equivalent to approximately 34.2% of total backlog as of 30 September 2022)
- Super yachts reached **€424.7 million** as of 30 September 2023, which is equivalent to approximately **28.9%** of total backlog as of 30 September 2023 (from **€416.5 million**, which is equivalent to approximately 30.2% of total backlog as of 30 September 2022)
- Other businesses¹ reached **€56.9 million**, which is equivalent to approximately **3.9%** of total backlog as of 30 September 2023 (from **€56.2 million**, which is equivalent to approximately 4.1% of total backlog as of 30 September 2022)

Revenue: €856.4 million in 9M 2023, representing an increase of approximately **9.8%** when compared to 9M 2022 (**€779.8 million**) attributable to the strong order backlog built in 2022.

¹ Other businesses including Wally Sail and FSD

Revenue by Segment:

- Composite yachts reached **€376.6 million**, which is equivalent to approximately **44.0%** of the total revenue in 9M 2023 (from **€340.9 million**, which is equivalent to approximately 43.7% of the total revenue in 9M 2022)
- Made-to-measure yachts reached **€313.7 million**, which is equivalent to approximately **36.6%** of the total revenue in 9M 2023 (from **€303.7 million**, which is equivalent to approximately 38.9% of the total revenue in 9M 2022)
- Super yachts reached **€96.7 million**, which is equivalent to approximately **11.3%** of the total revenue in 9M 2023 (from **€72.5 million**, which is equivalent to approximately 9.3% of the total revenue in 9M 2022)
- Other businesses² reached **€69.3 million**, which is equivalent to approximately **8.1%** of the total revenue in 9M 2023 (from **€62.7 million**, which is equivalent to approximately 8.0% of the total revenue in 9M 2022)

Revenue by Geographical Region:

- Europe, Middle East and Africa region (“EMEA”) reached **€357.3 million**, which is equivalent to approximately **41.7%** of the total revenue in 9M 2023 (from **€292.8 million**, which is equivalent to approximately 37.5% of the total revenue in 9M 2022)
- North America, Central America and South America region (“AMAS”) accounted for **€229.2 million**, which is equivalent to approximately **26.8%** of the total revenue in 9M 2023 (compared to **€289.7 million**, which is equivalent to approximately 37.2% of the total revenue in 9M 2022)
- Asia-Pacific region (“APAC”) reached **€103.8 million**, which is equivalent to approximately **12.1%** of the total revenue in 9M 2023 (from **€62.1 million**, which is equivalent to approximately 8.0% of the total revenue in 9M 2022)
- Other and Super yachts³ reached **€166.0 million**, which is equivalent to approximately **19.4%** of the total revenue in 9M 2023 (from **€135.2 million**, which is equivalent to approximately 17.3% of the total revenue in 9M 2022)

² Including ancillary activities, FSD, Wally sail and pre-owned business

³ Including ancillary activities, FSD, Wally sail and pre-owned business

Adjusted EBITDA⁴: €124.8 million in 9M 2023, representing an increase of approximately **17.7%** when compared to 9M 2022 (**€106.0 million**) and with a **margin⁵** equivalent to **15.0%** in 9M 2023, representing an increase of 100 basis points when compared to 9M 2022 (**14.0%**). This remarkable improvement is linked to three main reasons:

- **Commercial:** a longer waiting list due to the high order backlog, reflecting a higher pricing power.
- **Strategic positioning:** a larger presence in the most profitable segment, such as Made-to-measure yachts.
- **Industrial:** economy of scale in purchasing and more efficient absorption of fixed costs.

Net Profit: €61.9 million in 9M 2023, representing an increase of approximately 30.6% from 9M 2022 (**€47.4 million**) and with a **margin⁶** equivalent to **7.4%** in 9M 2023, up **90** basis points when compared to 9M 2022 (**6.3%**).

Capex: €107.4 million, which was mainly dedicated to the innovation of the product portfolio and the acquisition and putting in operation the Ravenna shipyard by year end. These activities will enhance production capacity satisfying the Group's growth.

Net Financial Position: €288.0 million of net cash as of 30 September 2023 from **€365.0 million** of net cash as of 31 December 2022. Such result is attributable to the acceleration and further growth of the investments in the Ravenna shipyard and the increase in the inventory levels aimed at satisfying the increasing market demand.

⁴ Adjusted EBITDA equals to EBITDA adjusted by adding back certain special items including listing expenses, Management Incentive Plan, litigations and other minor non-recurring events

⁵ Calculated as adjusted EBITDA/Net Revenue without pre-owned business

⁶ Calculated as Net Profit/Net Revenue without pre-owned business

FINAL REMARKS

The global luxury yacht industry has continued to grow solidly throughout 2022 and 2023, despite a slowdown in growth in 2022 of the very-high-net-worth-individual and ultra-high-net-worth-individual (“UHNWI”) population. Recent estimates, however, point to an increase in the UHNWI population over the next five years. Once again, the global luxury yacht industry has proven to be resilient in the face of geopolitical uncertainty, underscoring its stability and strength. In this context, the Group has continued to deliver outstanding performance, consistently gaining market share and reinforcing its strategic position not only in high-value segments but also in new emerging and high-growth segments. To continue building on the expected growth trends of the global luxury yacht industry, enhancing its value proposition and strengthening its overall resilience, the Group’s future plans are based on the following strategic pillars:

- The Group aims to enhance and expand its product offering and product mix ahead of evolving market trends and customer expectations, with the aim to consolidate its market leadership position in both Composite and Made-to-measure segments, focusing on the segments with the highest growth potential and marginality.
- The Group will continue to invest in innovation, technologies, and products with the aim of providing a more environmentally responsible yachting experience, thanks to the skillful use of more sustainable materials and processes aimed at reducing the environmental impact of the products.
- The Group will expand its Made-to-measure offering into larger alloy yachts, developing new alloy-hulled super yacht models under its iconic Riva, Wally, Pershing, and Custom Line brands.
- The Group will also broaden its yacht brokerage, chartering and management services and its after-sales and refitting services, extend its brand extension and licensing activities and further expand into the security and patrolling market.
- Finally, the Group intends to continue investing in the internalization of high value-added activities to support its future growth and product portfolio expansion.

The Group’s performance is not subject to seasonality, except for the concentration of deliveries in the summer season in the Northern Hemisphere (May-August) and, to a lesser extent, in the summer season in the Southern Hemisphere (November-January), especially for Composite yachts.

COMPANY'S CEO COMMENT

The positive trend in fiscal 2023 is confirmed by the financial results reported for the first three quarters of the year, and particularly by even better margins and the sustained growth of the order backlog. The huge success achieved by Ferretti Group at this season's boat shows in the Mediterranean and Fort Lauderdale again demonstrates that our ongoing efforts are being rewarded by excellent sales results. This is one of the reasons for our focus on the Group's shipyards, and on Ravenna in particular, in order to expand Ferretti Yachts' new sustainable "INFYNITO" range and to increase production capacity, reacting promptly to market expectations.

PRESENTATION TO INVESTORS

Immediately after publication of this announcement, the Company will publish a presentation on the Company's website: www.ferrettigroup.com and will host a live presentation.

Shareholders and potential investors may access the document by clicking "Financial Results & Reports" under the "Investor Relations" section on the home page of the Company's website and may attend the conference call at 05:45 p.m. CET, or 00:45 a.m. Hong Kong Time, via this link: <https://streamstudio.world-television.com/1440-2720-38461/en> (Also available on the Company's website, under the "Investor Relations" section).

Shareholders and potential investors of the Company should exercise caution when dealing in or investing in the securities of the Company and should not rely solely on such information.

By order of the Board

Ferretti S.p.A.

Mr. Alberto Galassi

Executive Director and Chief Executive Officer

Hong Kong, November 7, 2023

As at the date of this announcement, the Board comprises Mr. Alberto Galassi and Mr. Xu Xinyu as executive directors; Mr. Tan Xuguang, Mr. Piero Ferrari, Mr. Li Xinghao and Ms. Jiang Lan (Lansi) as non-executive directors; and Mr. Hua Fengmao, Mr. Stefano Domenicali and Mr. Patrick Sun as independent non-executive directors.