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FERRETTIGROUP

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 FINANCIAL YEAR ENDED DECEMBER 31, 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 financial year ended December 31, 2023 (the “**2023**”).

SIGNIFICANT EVENTS IN 2023

- The Group held its first Capital Markets Day in Milan on March 21, 2023 providing the mid-term outlook;
- The Group reached an agreement with Rosetti Marino S.p.A. for the acquisition of the 70,000-square-meter San Vitale Shipyard in Ravenna; and
- The Company successfully completed its first ever dual-listing on Euronext Milan and The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) on June 27, 2023.

2023 TRADING UPDATE (UNAUDITED)

Order Intake: €1,120.4 million in 2023.

Order Intake by Segment¹:

- Composite yachts segment totaled **€527.2 million** in 2023, which is equivalent to approximately **47.1%** of the total order intake in 2023 (from **€462.8 million**, which is equivalent to approximately 39.8% of the total order intake in 2022)
- Made-to-measure yachts segment totaled **€423.0 million** in 2023, which is equivalent to approximately **37.8%** of the total order intake in 2023 (from **€495.1 million**, which is equivalent to approximately 42.6% of the total order intake in 2022)
- Super yachts segment totaled **€149.5 million** in 2023, which is equivalent to approximately **13.3%** of the total order intake in 2023 (from **€204.6 million**, which is equivalent to approximately 17.6% of the total order intake in 2022)
- Other businesses² totaled **€20.7 million** in 2023, which is equivalent to approximately **1.8%** of the total order intake in 2023

Order Intake by Geographic Area³:

- Europe totaled **€483.6 million** in 2023, which is equivalent to approximately **43.2%** of the total order intake in 2023 (from **€446.5 million**, which is equivalent to approximately 38.4% of the total order intake in 2022)
- Middle East and Africa region (“**MEA**”) totaled **€273.8 million**, which is equivalent to approximately **24.4%** of the total order intake in 2023 (from **€241.8 million**, which is equivalent to approximately 20.8% of the total order intake in 2022)
- Asia-Pacific region (“**APAC**”) totaled **€65.8 million**, which is equivalent to approximately **5.9%** of the total order intake in 2023 (from **€74.7 million**, which is equivalent to approximately 6.4% of the total order intake in 2022)

¹ The Ferretti Yachts 1000 model has been reclassified in the Made-to-measure segment differently from the previous year’s financial statements where it was classified as Composite yacht

² Including Wally sail and FSD

³ The geographical breakdown, differently from the previous year’s financial statements, refers to the dealer’s area of exclusivity or by the customer’s nationality

- North America, Central America and South America region (“AMAS”) accounted for **€297.1 million**, which is equivalent to approximately **26.5%** of the total order intake in 2023 (from **€399.4 million**, which is equivalent to approximately 34.4% of the total order intake in 2022)

Order Backlog: €1,491.1 million as of December 31, 2023, representing an increase of approximately **15.1%** when compared to December 31, 2022 (**€1,295.6 million**) thanks to strong worldwide demand.

Order Backlog by Segment¹:

- Composite yachts reached **€460.9 million** as of December 31, 2023, which is equivalent to approximately **30.9%** of the total backlog as of December 31, 2023 (from **€339.1 million**, which is equivalent to approximately 26.2% of the total backlog as of December 31, 2022)
- Made-to-measure yachts reached **€554.6 million** as of December 31, 2023, which is equivalent to approximately **37.2%** of the total backlog as of December 31, 2023 (from **€517.1 million**, which is equivalent to approximately 39.9% of the total backlog as of December 31, 2022)
- Super yachts reached **€418.0 million** as of December 31, 2023, which is equivalent to approximately **28.0%** of the total backlog as of December 31, 2023 (from **€384.6 million**, which is equivalent to approximately 29.7% of the total backlog as of December 31, 2022)
- Other businesses² reached **€57.7 million**, which is equivalent to approximately **3.9%** of the total backlog as of December 31, 2023 (**€54.8 million**, which is equivalent to approximately 4.2% of the total backlog as of December 31, 2022)

Net Backlog: €858.0 million in 2023, representing an increase of approximately **14.3%** when compared to 2022 (**€750.5 million**).

Net Revenue⁴: €1,110.9 million in 2023, representing an increase of approximately **11.5%** when compared to 2022 (**€996.1 million**) attributable to the strong order intake of 2022 and 2023.

⁴ Calculated without pre-owned business

Net Revenue by Segment¹:

- Composite yachts reached **€491.8 million**, which is equivalent to approximately **44.3%** of the total revenue in 2023 (from **€412.1 million**, which is equivalent to approximately 41.3% of the total revenue in 2022)
- Made-to-measure yachts reached **€440.3 million**, which is equivalent to approximately **39.6%** of the total revenue in 2023 (from **€433.0 million**, which is equivalent to approximately 43.5% of the total revenue in 2022)
- Super yachts reached **€117.6 million**, which is equivalent to approximately **10.6%** of the total revenue in 2023 (from **€95.4 million**, which is equivalent to approximately 9.6% of the total revenue in 2022)
- Other businesses⁵ reached **€61.3 million**, which is equivalent to approximately **5.5%** of the total revenue in 2023 (from **€55.6 million**, which is equivalent to approximately 5.6% of the total revenue in 2022)

Net Revenue by Geographical Region³:

- Europe reached **€480.1 million**, which is equivalent to approximately **43.2%** of the total revenue in 2023 (from **€468.2 million**, which is equivalent to approximately 47.0% of the total revenue in 2022)
- MEA reached **€212.3 million**, which is equivalent to approximately **19.1%** of the total revenue in 2023 (from **€87.2 million**, which is equivalent to approximately 8.8% of the total revenue in 2022)
- APAC reached **€98.2 million**, which is equivalent to approximately **8.8%** of the total revenue in 2023 (from **€72.1 million**, which is equivalent to approximately 7.2% of the total revenue in 2022)
- AMAS accounted for **€320.4 million**, which is equivalent to approximately **28.9%** of the total revenue in 2023 (from **€368.6 million**, which is equivalent to approximately 37.0% of the total revenue in 2022)

⁵ Including ancillary activities, FSD, Wally sail and pre-owned business

Adjusted EBITDA⁶: €169.2 million in 2023, representing an increase of approximately **20.9%** when compared to 2022 (**€140.0 million**) and with a **margin⁷** equivalent to **15.2%** in 2023, representing an increase of 110 basis points when compared to 2022 (**14.1%**). 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: €83.5 million in 2023, representing an increase of approximately 38.0% from 2022 (**€60.5 million**).

Investment in Tangible and Intangible Assets: €147.1 million in 2023, of which **€22.9 million** of maintenance for operations and product portfolio innovation and **€124.2 million** for business expansion, mostly for the acquisition and commissioning of the Ravenna shipyard.

Net Financial Position: €281.1 million of net cash as of December 31, 2023 from **€365.0 million** of net cash as of 31 December 2022.

Net Working Capital: Negative €29.7 million of net working capital as of December 31, 2023, an increase compared to 2022, to be able to meet the next season's deliveries in Europe and Middle East.

2024 GUIDANCE

The Group has established the following aspirational financial guidance (“**Guidance**”) for 2024, which it aims to achieve by executing its strategies.

- **Net Revenue:** approximately €1,220 million to €1,240 million (which is equivalent to an increase of approximately 9.8% to 11.6%) for 2024

⁶ Excluding listing expenses and related costs, Management Incentive Plan and other minor non-recurring events

⁷ Calculated as adjusted EBITDA/Net Revenue without pre-owned business

- **Adjusted EBITDA:** approximately €195 million to €200 million (which is equivalent to an increase of approximately 15.2% to 18.2%) for 2024
- **EBITDA Margin:** approximately 16.0 to 16.1% (which is equivalent to an increase of approximately 80 basis points to 90 basis points) for 2024

The Guidance should not be read as forecasts and should not be read as indicating that the Group will achieve such performances, but are merely objectives that result from the Group's pursuit of its strategy. The Group's ability to meet these objectives is based upon the assumption that it will be successful in executing its strategy and is also dependable on the accuracy of a number of assumptions involving factors that are significantly or entirely beyond its control. The objectives are also subject to known and unknown risks, uncertainties and other factors that may result in the Group being unable to achieve them.

FINAL REMARKS

The global luxury yacht industry has continued to grow solidly throughout 2022 and 2023. 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 improves and expands its offering and product mix in anticipation of evolving market trends and customer expectations, with the aim of consolidating its market leadership that in 2023 grew further moving from 14.9% in 2022 to 15.8% in 2023 in both the Composite yachts and Made-to-measure yachts segments, focusing on the segments with the highest growth and margin potential.
- 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

2023 was an extraordinary year for Ferretti Group in terms of both the results and goals achieved. I would like to emphasise the great importance of the listing on Euronext Milan in June and its very positive reception from the financial community.

The results we are presenting today highlight remarkable growth in the main economic and financial indicators and two absolute records in our recent history: an order backlog of €1.5 billion and a margin of 15.2%, confirming the solidity of the commercial and industrial strategy announced in March 2022.

These extremely positive numbers will give substance and quality to a further strengthening of our brands, with investments in research, innovation and sustainability. At the Düsseldorf Boat Show we presented Riva El-Iseo, the brand's first full-electric powerboat that launches the new E-Luxury segment, testifying to Ferretti Group's commitment to increasingly sustainable yachting.

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 3:30 p.m. CET, or 10:30 p.m. Hong Kong Time, via this link: https://streamstudio.worldtelevision.com/CCUIv3/registration.aspx?ticket=1440-2720-39093&target=en-default-&status=preview&browse_r=ns-0-1-0-0-0 (Also available on the Company’s website, under the “Financial Results” 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, February 19, 2024

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. Stefano Domenicali, Mr. Hua Fengmao and Mr. Patrick Sun as independent non-executive directors.