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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 THREE MONTHS ENDED MARCH 31, 2024**

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 three months ended March 31, 2024 (the “**2024 First Quarter**” or “**Q1 2024**”).

**SIGNIFICANT EVENTS IN Q1 2024**

- The Group announced the launch of the second model of Ferretti Yachts INFYNITO range, the INFYNITO 80;
- The Company signed an agreement for the acquisition of an additional 30,000 square meters adjacent to the San Vitale Shipyard in Ravenna, bringing the entire new production area of the Ferretti Yachts and Wally brands to approximately 100,000 square meters; and
- The Group participated in the main boat shows worldwide including the boot Düsseldorf, Miami International Boat Show, Dubai International Boat Show and Palm Beach International Boat Show.

## Q1 2024 TRADING UPDATE (UNAUDITED)

**Order Intake: €266.6 million** in Q1 2024, representing a slight decrease of approximately 13.3% when compared to Q1 2023 (€307.5 million) mainly due to the impacted business performance in the North America, Central America and South America region (“AMAS”), in particular the presidential election and the high interest rates in the United States.

### Order Intake by Segment<sup>1</sup>:

- Composite yachts segment totaled **€103.9 million** in Q1 2024, which is equivalent to approximately **39.0%** of the total order intake in Q1 2024 (from **€170.7 million**, which is equivalent to approximately 55.5% of the total order intake in Q1 2023)
- Made-to-measure yachts segment totaled **€98.6 million** in Q1 2024, which is equivalent to approximately **37.0%** of the total order intake in Q1 2024 (from **€118.9 million**, which is equivalent to approximately 38.7% of the total order intake in Q1 2023)
- Super yachts segment totaled **€64.0 million** in Q1 2024, which is equivalent to approximately **24.0%** of the total order intake in Q1 2024 (from **Nil**, as there was no order intake in Q1 2023)
- Other businesses<sup>2</sup> did not collect any order in Q1 2024

### Order Intake by Geographic Area<sup>3</sup>:

- Europe totaled **€122.0 million** in Q1 2024, which is equivalent to approximately **45.8%** of the total order intake in Q1 2024 (from **€145.7 million**, which is equivalent to approximately 47.4% of the total order intake in Q1 2023)
- Middle East and Africa region (“MEA”) totaled **€102.8 million** in Q1 2024, which is equivalent to approximately **38.6%** of the total order intake in Q1 2024 (from **€66.4 million**, which is equivalent to approximately 21.6% of the total order intake in Q1 2023)
- Asia-Pacific region (“APAC”) totaled **€0.8 million** in Q1 2024, which is equivalent to approximately **0.3%** of the total order intake in Q1 2024 (from **€19.6 million**, which is equivalent to approximately 6.4% of the total order intake in Q1 2023)

<sup>1</sup> The Ferretti Yachts 1000 model that was originally under the composite yachts segment had been reclassified under the made-to-measure yachts segment

<sup>2</sup> Including Wally sail and FSD

<sup>3</sup> The geographical breakdown refers to breakdown by the dealer’s area of exclusivity or by the customer’s nationality, which is different from the previous year’s financial statements

- AMAS totaled **€40.9 million** in Q1 2024, which is equivalent to approximately **15.3%** of the total order intake in Q1 2024 (from **€75.8 million**, which is equivalent to approximately 24.7% of the total order intake in Q1 2023)

**Order Backlog: €1,643.4 million** as of March 31, 2024, representing an increase of approximately **10.2%** when compared to December 31, 2023 (**€1,491.1 million**) thanks to the orders collected over the last year.

#### **Order Backlog by Segment<sup>1</sup>:**

- Composite yachts reached **€505.2 million** as of March 31, 2024, which is equivalent to approximately **30.7%** of the total backlog as of March 31, 2024 (from **€460.9 million**, which is equivalent to approximately 30.9% of the total backlog as of December 31, 2023)
- Made-to-measure yachts reached **€596.0 million** as of March 31, 2024, which is equivalent to approximately **36.3%** of the total backlog as of March 31, 2024 (from **€554.6 million**, which is equivalent to approximately 37.2% of the total backlog as of December 31, 2023)
- Super yachts reached **€485.6 million** as of March 31, 2024, which is equivalent to approximately **29.5%** of the total backlog as of March 31, 2024 (from **€418.0 million**, which is equivalent to approximately 28.0% of the total backlog as of December 31, 2023)
- Other businesses<sup>2</sup> reached **€56.7 million** as of March 31, 2024, which is equivalent to approximately **3.5%** of the total backlog as of March 31, 2024 (from **€57.7 million**, which is equivalent to approximately 3.9% of the total backlog as of December 31, 2023)

**Net Backlog: €828.7 million** as of Q1 2024, representing a slight decrease of approximately **3.4%** from **€858.0 million** as of December 31, 2023 and an increase of approximately **2.8%** from **€805.9 million** as of Q1 2023.

**Net Revenue of New Yachts<sup>4</sup>: €313.0 million** in Q1 2024, representing an increase of approximately **11.7%** when compared to Q1 2023 (**€280.3 million**) attributable to the strong order backlog built in 2023.

<sup>4</sup> Calculated without pre-owned business

## Net Revenue of New Yachts by Segment<sup>1</sup>:

- Composite yachts reached **€145.0 million**, which is equivalent to approximately **46.3%** of the total net revenue of new yachts in Q1 2024 (from **€147.3 million**, which is equivalent to approximately 52.6% of the total net revenue of new yachts in Q1 2023)
- Made-to-measure yachts reached **€120.1 million**, which is equivalent to approximately **38.4%** of the total net revenue of new yachts in Q1 2024 (from **€99.9 million**, which is equivalent to approximately 35.6% of the total net revenue of new yachts in Q1 2023)
- Super yachts reached **€36.1 million**, which is equivalent to approximately **11.5%** of the total net revenue of new yachts in Q1 2024 (from **€18.1 million**, which is equivalent to approximately 6.5% of the total net revenue of new yachts in Q1 2023)
- Other businesses<sup>5</sup> reached **€11.8 million**, which is equivalent to approximately **3.8%** of the total net revenue of new yachts in Q1 2024 (from **€15.0 million**, which is equivalent to approximately 5.4% of the total net revenue of new yachts in Q1 2023)

## Net Revenue of New Yachts by Geographical Region<sup>3</sup>:

- Europe reached **€163.0 million**, which is equivalent to approximately **52.1%** of the total net revenue of new yachts in Q1 2024 (from **€127.0 million**, which is equivalent to approximately 45.3% of the total net revenue of new yachts in Q1 2023)
- MEA reached **€63.9 million**, which is equivalent to approximately **20.4%** of the total net revenue of new yachts in Q1 2024 (from **€46.0 million**, which is equivalent to approximately 16.4% of the total net revenue of new yachts in Q1 2023)
- APAC reached **€12.7 million**, which is equivalent to approximately **4.1%** of the total net revenue of new yachts in Q1 2024 (from **€25.1 million**, which is equivalent to approximately 9.0% of the total net revenue of new yachts in Q1 2023)
- AMAS reached **€73.3 million**, which is equivalent to approximately **23.4%** of the total net revenue of new yachts in Q1 2024 (from **€82.2 million**, which is equivalent to approximately 29.3% of the total net revenue of new yachts in Q1 2023)

<sup>5</sup> Including ancillary activities, FSD, Wally sail

**Adjusted EBITDA<sup>6</sup>: €48.2 million** in Q1 2024, representing an increase of approximately **20.5%** when compared to Q1 2023 (**€40.0 million**) and with a **margin<sup>7</sup>** equivalent to **15.4%** in Q1 2024, representing an increase of 110 basis points when compared to Q1 2023 (**14.3%**).

This excellent performance confirms the strength of the commercial and industrial strategy employed by the Group. This strategy has enabled the Group to maintain strong negotiating power over prices, consolidate the most profitable made-to-measure segment, and absorb fixed costs more efficiently, in addition to greater procurement economies of scale capacity.

**Net Profit: €22.2 million** in Q1 2024, representing an increase of approximately 19.4% from Q1 2023 (**€18.6 million**).

**Investment in Tangible and Intangible Assets: €58.9 million** as of Q1 2024, of which approximately **€6.0 million** of maintenance for operations and product portfolio innovation and approximately **€52.8 million** for business expansion, mostly for the commissioning of the Ravenna shipyard.

**Net Financial Position: €205.7 million** of net cash as of March 31, 2024, representing a decrease of €75.4 million from **€281.1 million** of net cash as of December 31, 2023.

**Net Working Capital: Positive €27.7 million** of net working capital as of March 31, 2024, representing an increase of €57.4 million compared to December 31, 2023, as a result of the order intake slowdown and the increase of inventories for the products on display in AMAS market and to be able to meet the next upcoming summer season's deliveries in Europe and Middle East.

## **CONFIRMATION OF 2024 GUIDANCE AND THE MID-TERM TARGET**

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

- **Net Revenue of New Yachts:** approximately €1,220 million to €1,240 million (which is equivalent to an increase of approximately 9.8% to 11.6%) for 2024. For the mid-term c.10% CAGR organic with further upside from M&A.

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

<sup>7</sup> Calculated as EBITDA adj./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.
- **Adjusted 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. For the mid-term greater than 18.5%.
- **Cash Conversion Rate:** for the mid-term greater than 85%.

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 will 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 the 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, attributable 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 both 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 will keep investing in the internalization of high value-added activities to support its future growth and product portfolio expansion.

## **COMPANY’S CEO COMMENT**

*“We open the new year reporting extremely positive results across all key economic and financial indicators. Q1 2024 testifies to the effectiveness of the Group’s strategy, consolidating and improving on Ferretti Group’s already excellent performance in 2023.*

*With revenues of €313 million, up 11.7% on the first three months of the previous year, and margins constantly rising to 15.4%, Ferretti Group confirms its profitability and financial solidity, as well as recording an all-time high order backlog of €1.6 billion, up 10.2%.*

*These highlights are the result of a meticulously planned commercial and industrial strategy that allows us to maintain our high-level performance and also capture new emerging high-growth market areas to add to the traditional high-value sectors where we already have a presence”.*

## **PRESENTATION TO INVESTORS**

Immediately after publication of this announcement, the Company will publish a presentation on the Company’s website: [www.ferrettigroup.com](http://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 4:30 p.m. CEST, or 10:30 p.m. Hong Kong Time, via this link: <https://streamstudio.world-television.com/CCUIv3/registration.aspx?ticket=1440-2720-39650&target=en-default-&status=preview&browser=ns-0-1-0-0-0> (Also available on the Company’s website, under the “IR Calendar” 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, May 16, 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, Ms. Jiang Lan (Lansi) and Mr. Zhang Quan as non-executive Directors; and Mr. Stefano Domenicali, Mr. Patrick Sun and Ms. Zhu Yi as independent non-executive Directors.*