Ferretti Group – Q3 2026 BUSINESS UPDATE
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Elisabetta Cugnasca 00:00
Good morning, everyone. Welcome to the Ferretti Group Nine Months 2026 Results Conference Call and thank you for joining us today and for your continued interest in Ferretti Group. My name is Elisabetta Cugnasca, and I am Head of Investor Relations and Sustainability at Ferretti Group. Let me introduce today's speakers, Mr. Stassi Anastassov, our Chief Executive Officer, and Mr. Marco Zammarchi, our Chief Financial Officer. Today's presentation will cover the key business highlights and financial results and will be followed by a Q&A session. Throughout the presentation, you may submit your written questions using the Q&A function on Zoom. We will address as many questions as possible at the end of the presentation. You may also ask a question live by using the 'raised hand' function. Before handing over to our speaker, I would like to remind you of two points. As usual, please refer to the disclaimer slide in the annex of the presentation, which I hope you were able to download from our website. Second, we kindly ask members of the press to join today's conference call in listen-only mode. With that, we can begin today's presentation. I will now hand over to our chief executive officer, Stassi Anastassov.

Stassi Anastassov 01:42
Good morning, everyone. We are in beautiful Fort Lauderdale. If my voice breaks up, it's because I'm just coming out of a little flu session. But I had a doctor who told me I'll be totally perfect today at 6:55 a.m., and it's 7:01 here in the U.S. So, let's see how it goes. The most important message from our nine-month results. You have a few points on the screen but let me give you my take on those. Ferretti is regaining momentum. I saw that firsthand, having attended every single boat show over the past three months, and now Fort Lauderdale. Our brands are demonstrating their strength. Our commercial recovery is progressing, and we have a clear plan to translate that momentum into stronger and more profitable growth. Our third quarter results demonstrate what Ferretti can deliver. Order intake grew by 6.6%, and revenue increased by 13.6%, even against a strong third quarter last year. This is after a 5.6% revenue decline in the first half, so we have recovered broadly to the same revenue level as last year after the first nine months. This, of course, allows us and gives us confidence to confirm our full-year revenue guidance. This is meaningful progress in context, in the context of what everybody was talking about: the economy, customers, issues, disputes, etc. And I want to recognise the commitment of our people across the group who are making it happen. At the same time, we have further work to do on profitability. I am not shying away from the profit numbers going down from 16.0% to 14.7% compared to last year is not what I wanted, not what none of us feel good about, and clearly not something that we wanted, which is to

revise our full-year adjusted EBITDA guidance to a range of €174 million to €185 million, but we got some bad surprises. Bad news is we were surprised. The good news that I see them much more as one-offs than something structurally wrong with the business. We have a clear understanding of the drivers, and our priority is to turn the recovery in growth into recovering profitability. We are already acting on pricing, product mix, efficiency of our operations, and the way we execute. Looking across our businesses, there are several encouraging signs. The Composite orders increased by 28%. This reflects the strength of our product portfolio, brands, and recent launches. In Europe, the region where I feel we have been the least affected by any economic factors. Order intake grew by 23% on a like-for-like basis. This is really a powerful demonstration of our brands; people love our brands. Next time, let's please have a meeting after one of our boat shows. Our organisation is firing on all cylinders to deliver these boat shows, and the results prove it. And we're looking forward to also great boat shows here in Fort Lauderdale. We want, of course, to replicate that success across all the markets. As I mentioned, we're in Fort Lauderdale, and the Americas and the Middle East are real opportunities that we must fix. Order intake is down approximately 40%. The challenges are different. There are two very different regions. Some of them, like in the Middle East, are due to geopolitical uncertainty, which delays and affects consumer decisions in the Americas. Frankly, we have a lot of self-cooked problems there that we're in the process of fixing, in terms of our strength of commercial organisation, execution, and overall reach of the growing number of billionaires that this country is delivering every week. We're addressing the Americas forcefully with new programmes. We're addressing the Americas with discussions and ways to increase our footprint in this country, and we're going to see the results coming later on because a recovery doesn't happen overnight, and none of us is going to come with promises for something that we're not confident about. In Super Yachts, we have not had an order, and this is one of the big disappointments of the first nine months. It would have been easy to have a couple of 100-million Super Yacht orders on our balance sheet, but what is good is that we have many very interesting and advanced discussions in that segment. Overall, we currently have about 680 million in active negotiations in our group. These, of course, represent opportunities, not yet orders, but they demonstrate the potential ahead of us. And our priority is clear: convert this potential into profitable business. And this brings me to the bigger picture. We're not simply working to improve one quarter or one year. This would be wrong for me, for us, and the wrong message to you- to really deliver, put all stops in, and try to avoid something that we know we want to fix in a more structural way. We are transforming Ferretti, strengthening our products, our design, our portfolio, bringing more ownable innovation in-house, not outsourced. Quality is being fixed, manufacturing is being made more efficient, and a significant improvement of our own experience and organisation. As I've said before, the best way to deliver new sales is to delight our current customers, our current owners, and we have significant work that is in progress in those areas. Our ambition is to create a company whose operational and financial performance consistently matches the great quality of its brand and the outstanding quality of its people. So, my message is: We are confident. We have a great company. We are confident. We have great plans across all vectors of performance. We are determined. We are acting, and we are not complacent. Our revenue recovery is progressing. Our opportunities are now to make sure that our profits progress the same way. We know what we need to improve, and we're building on our strengths and fixing our challenges to create the foundation of a much stronger Ferretti, a much happier organisation, happier shareholders, and happier analysts. Marco, can you build on this, please?

Marco Zammarchi 09:28

Good morning, everyone. We'll move on to the financial results. So, let me start with an overall picture of the company, and let me repeat a couple of concepts already expressed by Stassi, but I believe they are quite important to understand the current environment in which the company operates. And the first one is regarding the order intake of the last quarter. Because the third quarter marked a clear improvement in commercial momentum, order intake returned to growth, increasing by 6.6%, and revenue also grew by 13.6%. This recovery also translated into greater visibility, with net backlog stabilising during the quarter. 2026 revenue coverage is now above 85%, and approximately 400 million euros of secure revenues extend beyond 2026. Taken together, these elements support our decision to confirm full-year revenue guidance. Let us now look at what drove this improvement, starting with performance by segment. As you can appreciate from this slide, the recovery was primarily driven by Composite, where order intake increased by 28% over the first nine months, supported by the strong reception of both new and existing models. ITAMA is a clear example of the potential created by a successful brand relaunch, with the new ITAMA 70 and 80 contributing to renewed commercial momentum. Made-to-Measure and Super Yacht remain weaker, reflecting a longer and more complex negotiation cycle in the current environment. At the end of September, we had approximately 680 million euros of negotiations underway, with the majority concentrated in a higher-end segment, and among them we have non-refundable LOI that are in progress to be finalised in the current quarter. While these negotiations are not reflected in the order intake, they provide a meaningful indication of the underlying commercial activity and the future order generation potential. Let us now look at how this recovery develops across our key geographies. One of the strengths of our business is its geographic diversification, which helps us balance different market dynamics across the region. For example, Europe returned to growth, supported by the strong performance of the Composite during the summer and the boat show season. Given its scale within the group, Europe was the largest contributor to the improvement in order intake during the quarter. Asia Pacific continued its consistent growth and now represents approximately 8% of group order intake, returning to a level broadly in line with where it was around three years ago. MEA, as we mentioned before, remains affected by geopolitical uncertainty and longer negotiation processes. Instead, in the Americas, we are approaching the beginning of the U.S. boating season, traditionally the most important commercial period for the region. This renewed commercial momentum is also beginning to translate into a more positive backlog trend. So, net backlog increased slightly during the quarter, but the most important message is the change that we are seeing in the total number. If you look carefully at the breakdown, you see different messages. Composite backlog returned to strong growth in absolute terms, reaching levels we have not seen for approximately 10 quarters, and marking a clear change in trend after almost two years of contraction. At the same time, Made-to-Measure and Super Yacht continue to provide significant medium- and long-term visibility. As discussed earlier, the majority of our ongoing negotiations are concentrated in this segment, and once converted into orders, they typically remain in backlog for a much longer period. Taken together, this element gives us increasing confidence that the recent stabilisation of the net backlog can develop into a more positive trend. The improvement in commercial momentum is already reflected, as we mentioned before, in our revenue performance. In fact, the nine-month revenues reached 889 million euros, brought in line with the prior year, and the strongest summer performances allowed us to substantially close the gap accumulated during the first half. Europe and Asia Pacific were the main contributors to growth, while MEA remains affected by the factor already discussed. Overall, the revenue outlook remains solid and

supports the decision to confirm the full-year revenue guidance. Let me now turn to the evolution of the adjusted EBITDA. Now in this slide, we decided to provide the full visibility of what happened in during the last in in the first nine months of this year because we believe it is good for everyone to understand what the rationale behind most of them are temporary one and so on. So let me illustrate a little bit what's happened. So, as we said, the adjusted EBITDA declined from 141.7 million to 130.6 million, with a margin decrease from 16 to 14.7 percent. This deterioration reflects a combination of factors. First, a less favourable sales mix reflecting the temporary lower contribution from the Made-to-Measure segment during this period. Second, some of our vertically integrated activities were affected by some temporary operational issues during this period, resulting in additional costs and delays. Third, increased competitive pressure across the industry, which resulted in a more challenging pricing and discounting environment. Fourth, we highlighted the short-term economic impact of a long-term initiative designed to strengthen our competitive position and customer experience. Finally, higher revenues during the summer improved fixed cost absorption and partially reduced the pressure experienced during the first half, although not enough to offset them completely. While profitability remains our main area of focus, the group continues to maintain a disciplined approach to investment and a solid financial profile. During the first nine months, Capex declined by about 30% compared with the prior year. This reflects the benefit of the significant production capacity investments completed in recent years; the group is now benefiting from a production platform operating at close to 80% utilisation, excluding the Super Yacht division. This explains the lower level of expansion Capex compared with the prior year. We continue to invest in a selective way in product development and innovation, with R&D remaining the main focus of investment. In fact, you see that more than 60% of our Capex is in this area. A specific highlight is the Super Yacht division, because it is already operating at a significantly higher utilisation level, and we think that we may require additional investment to support future growth. In line with this, we have already communicated this in yesterday's press release. This disciplined investment approach is also reflecting our financial position and working capital evolution. The group closed September with a solid net financial position of approximately 42 million euros, despite the normal seasonal increase in working capital. The higher working capital absorption mainly reflects two factors. On the one hand, the normal seasonality ahead of the U.S. boating season, and on the other hand, the lower contractual advances from Made-to-Measure and Super Yacht projects. In other words, the company and, in general, the industry received a lot of boosts in terms of cash generation when they get the order, because many of the orders are according to our production approach. We are not starting production until the order arrives, so that means that when we get an order, we have a big impact on our net financial result. So, it's something linked to this current slowdown in the order intake in this new segment. The second one, and we wanted to highlight at this point, is that the value of a finished yacht and the unit under construction on speculation decreased compared with the prior year. That means that we are quite we are managing in a quite efficient way the inventories. So, the increase in working capital is mainly driven by this business mix and the different profile of customer advances rather than higher inventory. Overall, our financial position remains solid and provides the group with significant financial flexibility. With all this background, let me now turn to our updated 2026 guidance. Based on the performance of the first nine months and the improvement in commercial activity during the third quarter, we confirm our full-year revenue guidance. At the same time, we are revising our profitability guidance to reflect the margin performance seen year to date. The revised range provides a more realistic view of the expected full-year outcome, and more importantly, the factors behind the margin deterioration that we shared with the financial community are clearly identified, and

actions are already underway. Our focus is on the areas that we can directly influence, so pricing discipline, product competitiveness, performance of our vertically integrated activities, strategic partnership with the supplier, product development, and operational execution. Our objective is straightforward: stop deterioration and progressively rebuild profitability, while preserving at the same time the commercial momentum achieved in this very good third quarter. With that, let me hand over to Stassi for some additional consideration.

Stassi Anastassov 24:30
I wanted to take this slide myself because I having been there every day with our salespeople, with brokers, with agents, with owners, and remember, this was my first boat show season. I am blown away by the power of our brands, and you should have been there. And I hope that we can arrange a conference next time next year. Because the stands will fuel the interest for our business, for our brands, all our seven brands. Because I'm also, obviously, with my background, looking at whether we have too many brands or too few brands, etc. And I was frustrated. I didn't see any huge opportunities because the interest was as big for ITAMA, which had a wonderful sales season, as it was for Riva, which has always been our most prestigious brand. And when you look at these levels of growth, on one hand, I'm happy about the 23% growth and the revenue driving nicely towards delivering our forecast. The one number I'm not happy about is 58% share of group orders, because this leads me to the other slide: the Americas. I have never been in a company where the U.S. has not been at least 40% of the global business, and I'm struggling to understand why the Americas should not be much stronger, much bigger, and this is why we're here. And the minute we finish our call, we have very important meetings with external partners, really focusing on what we can do in terms of driving our brands, making them stronger here, increasing our footprint. But don't think that it's only about sales. There are areas that we internally need to do better. We cannot sell Italian brands and force them onto American habits. We need to sell amazing Italian brands that are perfect for the way Americans want to use their yachts and their specific ways of enjoying time with their families. So, there is some work to be done also internally to make our great brands even more attractive and better for this region. In the Super Yacht division, you will be surprised when I tell you that this is one of my most positive impressions. I have been personally with a team involved in multiple discussions, some very early, some more advanced, even some where we were expecting to potentially announce something earlier than we can. But the number zero is grossly misleading relative to what I believe we can achieve and what we will achieve, and you'll be surprised if I tell you that here again, the brands have the power, to some extent, over the super division. People come to me and ask me; hey, can you do something like Riva? Can you do one of these 80 metres or 88 even? Somebody asked. So, the brands we have, oh wally, somebody comes and says, "Wow, this is amazing!" But why don't you have a 50-60-meter wally?" You know, we should talk about that next time, and I would love to have the opportunity to host you in Ancona, where we can present to you what we're doing on Super Yachts, but there is a reason why: if you move to the next slide, we're looking at securing not only the ability to move to 100 metres from our current limitations, but also we're in pretty advanced negotiations to increase our overall capacity of Super Yachts. So, the zero is today, but the ambition is much, much bigger than that. Now, lastly, when I said that we're rebuilding Ferretti, it's not because Ferretti is a bad business. It's because Ferretti is a good business, but it's not yet the best business in your team, and it probably never will be because no company is ever the best. That's why many of you may have read in academia the book that's called 'Good to Great', and that's what we always will have with every company, with every business. But the important thing is not to

come up with slogans. It is about sharpening the axe in every area that can actually affect our current business and the returning customers. We're moving into a much more brand-focused operation, where we'll have people who live and die with the success of each brand. We are expanding and refining our dealer operations across the world, now focusing on the U.S. We're expanding great relationships with brokers, and I have to admit we have been less broker-focused than many of our competitors. We will have dedicated programmes with leadership reporting straight to me on each region, and each region will have its own specific agenda and will have its own specific organisation to deliver the results. We actually completed our board meeting that we held here in Fort Lauderdale, and a big part of the agenda was our Americas general manager presenting to the team, and this is the type of thing we are going to do much more often: putting people on the spot, showing what they're doing, showing what the opportunities are, and importantly, coming forward with what they need to make their regions grow faster. I did the same thing last week in Hong Kong with our APAC leader that also didn't do that before but will now report straight into me. We're reworking our supply network design. We're looking at efficiencies. I mentioned to you one of the disappointments around profits. There was a very bad surprise with one of our internal suppliers, and we discovered things we couldn't flow down into the profits, and we are fixing that decisively. And lastly, no business is better than its organisation. We are putting in place great talent development programmes to enhance further performance. This goes on all the way to the artisans building and polishing our boats. We're even working with the authorities to support and strengthen artisans in Italy, because we want to have the best artisans working for us and not for anybody else, and we need to invest and make sure that we can develop these people. So, there will be much more to come because we're not talking about improving the company; we're doing it. We are addressing each of these elements one by one to make sure we have the best brands, best technologies, and happiest owners. So, I'm very convinced that we're on the right path. Thank you.

Elisabetta Cugnasca 32:55
Thanks to you, Mr. Anastassov. Now, thanks also to you for listening to our nine-month 2026 results conference presentation. We are now ready for the Q&A session. We will start with live questions and later move on to the written questions. The first question came from Emanuele Gallazzi from Equita.

Emanuele Gallazzi from Equita 33:30
Thank you for taking my question. I have two questions. I will focus on the commercial strategy, which seems to me to be, let's say, a material change versus your previous approach, and starting with pricing, can you quantify the average discount rate currently offered to new customers? I presume in the Composite segment versus perhaps last year or versus the level assumed in your initial budget for 2026, and still on the commercial strategy on the extension of the warranty period by one additional year. Can you quantify the expected incremental cash cost or the impact on EBITDA on a full-year basis from these commercial initiatives? And the last one is on the guidance. Can you help us understand the moving parts, as there is just one quarter left, and there is still a difference between the lower and upper part of the guidance? Just to understand the moving parts there, and if you can, an indication of the net working capital of sales expectations for the end of the year.

Stassi Anastassov 34:57
Okay, many questions. Remind me if I miss one, okay? Commercial strategy. My plea is; let's not read too much into the tea leaves. We're talking about 2 million against a 324 million order intake, and we're not talking about changing commercial structure, increasing discounts, etc. That's why I said that the impact on the margin that you see is much more of a one-off nature and much easier to fix than you would expect. It's about 2 million. There were some opportunistic opportunities that we did not want to give up, and that's the impact. But the answer is there is no change in commercial strategy, nor is there any plan to go and start giving discounts to take every order and to meet competitive pricing. As a matter of fact, yesterday we said no to a deal based on a very, I would say, modest need to go down in price, and we said no, we're not going to do that on our brand because that's not the game we want to be in. On the impact of the one-year Ferretti 'Quality Promise', I have to say, Marco and I had a long discussion, several discussions. Marco, correct? Going back and forth. So, this slide has had that impact included, and we have the same variation of the slide without that impact because this is a bit of funny money. Nothing has really happened. It's an accounting principle of a potential increase based on a three-year promise because it's going from two years to three years- and what, potentially, do we need to, from an accounting correction standpoint, put into our profits already today? So, this is something that has not actually happened, but it's also something that we're totally committed to eliminating because we're working on further improvements in quality. And when I say further improvements in quality, I'm actually talking about the suppliers because the majority of the warranty actually affects the supplier base, we have that is delivering to us, and we are working very diligently with all our suppliers, and the majority are jumping on board with us on increasing their warranties. So, I don't believe that you are going to see any impact of this long term. What was the third question?

Emanuele Gallazzi from Equita 38:11
Guidance and the gap between the lower and the upper part of the guidance, and if possible, indication and net working capital and sales by the end of the year.

Marco Zammarchi 38:25
Okay, the guidance. First, the rationale behind the third-quarter result is taking into consideration some factor that we already considered for the full year estimation. In other words, some operational issue that we describe has been already factorised in our number. We believe that if we simply maintain the path that we have had in the first nine months, we are quite confident we will stay in this range between 14.5 and 14.9%. So, it's just a reflection of what we experience now. We don't see any reason to modify the impact of discounting sales mix as we mentioned before; it was the temporary absence of Super Yachts and given the significant number of negotiations. In place, we believe that can be restored. So, taking into consideration all these factors, we are confident we can stay in this range. In terms of net working capital, you know that the fourth quarter is a quarter where we usually generate cash. This industry generates cash. According to our estimation, we should be in a range of 60- 65 million euros, and the impact on the net working capital will be of more or less of the same the same magnitude, because as I mentioned before, what we miss in our net working capital is the contribution from the contractual advances. The management of the stock has improved versus the prior year, and I believe it will continue to be under control. I don't know, Emanuele, if everything is clear.

Elisabetta Cugnasca 41:19
The next question came from Adrien Duverger of Goldman Sachs.

Adrien Duverger from Goldman Sachs 41:42
Thank you very much for taking my questions. Good afternoon, Mr. Anasstasov, Mr. Zammarchi, and Elisabetta. So, my first question would be on the performance by production type. If you could please help us understand the performance of each of the different ones. So, what has supported the return to growth of the Composite segment, and conversely, what could explain the Made-to-Measure slowdown? Is it mainly the regional split, as in the U.S. and the Middle East are slowing down? And finally, for Super Yachts, do I understand correctly that the clients are a bit less prompt to act because of the waiting times to manufacture them? And my second question would be on your EBITDA guidance. I understood the different moving parts with the product mix and the additional warranty, as well as the operational efficiencies. But if you could please expand on the impact of discounting in the market and how you are thinking about incentives for clients.

Marco Zammarchi 42:43
First, the performance amongst the various segments. What we'd like to highlight, we have not to blame the Composite segment. We are quite happy with what's happened in the Composite segment, and because it was really an exceptional quarter for the order intake in this area, and you know that the conversion of the order intake of the Composite into revenues is quite quick, so we see an immediate effect. What we are really missing in our order intake is that it was the Made-to-Measure segment, the most profitable segment in the industry. So, we believe that this is the rationale behind the 40 basis points that we highlight as one of the causes behind the guidance revision.

Stassi Anastassov 43:57
But if I may, if I may, the while the negative is the relative, you know, the so-called hit because of the profitability. I mean, just read this: we went from 118 million to 187 million, and this is where you read in the power of the brands, because these are branded superior products. People come to buy Riva, wally, Pershing, ITAMA, and I don't have the competitive figures, but I really do not think that anybody can boast of having had such growth in that segment, and it could have been a great, even greater quarter by having been able to book one of our discussions we have on the larger yachts. But let's not miss what really happened here. We really crushed it on our ability to drive forward our brands and to drive the demand for what Ferretti stands for. Now we need to make sure we can move that love for those brands and showing that we can even translate those strengths into Made-to-Measure and even Super Yachts, as I mentioned to you, my opening behind our brands, that is a significant, in my view, competitive edge that we have that very few people can boast with. Please continue, Marco.

Marco Zammarchi 45:35
Then the second part of your question is about the Super Yacht division order intake. Yes, that is correct. The waiting time was affecting the order intake because you know, for example, a few days ago, one 80 metres left the shed, but from next week, this shed will be occupied again by another Super Yacht that was under construction. So that means that we are at full capacity. So, on top of the construction time that you know is over 24 months for the branded super yacht till five years for the full custom one. We must add something, but we are also working on increasing the production capacity, and we have a lot of negotiations that we hope

to finalise by the year-end, also because a couple of them are under a non-refundable LOI. And in terms of guidance, if I'm not wrong, you were asking about discounting. I believe, I believe we Stasi has answered before about discounting. So, for clarity, we prefer to provide the full picture of the variances between last year and this year. But 20 basis points in terms of competitive dynamics is about 2 million euros, roughly something slightly less. And so, in our business, providing 2 million euros to get a good achievement of order intake in the last quarter is something that we can live with. For sure, we are not ready to sell the boat at whatever price because we believe in the power of our brands. So, it's something that we wanted to highlight because the market now is quite aggressive, and we must react in order to maintain our market share. Was this, okay?

Adrien Duverger from Goldman Sachs 48:23
Yes, thank you very much.

Stassi Anastassov 48:27
Okay, thanks. Thanks again.

Elisabetta Cugnasca 48:30
Okay, next question came from Mrs. Chiara Tomesani of UBS.

Chiara Tomesani from UBS 48:44
Hello, can you hear me?

Elisabetta Cugnasca 48:46
Yes, thank you.

Chiara Tomesani from UBS 48:47
Thank you for taking my question. I like to ask three clarifications. The first one is on the Ancona expansion, and I like to better understand what the potential Capex impact would be and the timing of Capex there. My second question is on leadership changes, and I was wondering whether you've seen any senior leaders departing the company in like recent times, and whether you're planning any leadership changes, especially on the sales side, going forward, just to like further support the commercial strategy. Lastly, I like to ask whether you have any visibility on the CMD and the possibility of like presenting to the market a structured commercial plan with the KPIs that we can track. Thank you so much.

Marco Zammarchi 50:07
Okay, I take the first one, and I believe the second one is up to Stassi. Okay, the Capex. Now we are talking about a shipyard that, in total, contributes to generating more than 40% of the total revenues of the group between Made-to-Measure provided by the Custom Line and Super Yacht division. And the utilisation of this site is over 90%. So, within the boundaries of the 80,000 square metres of the Ancona shipyard, we are trying to find additional room to fulfil customer demand, so that's the reason why we are expanding the shed, and we are talking about not a big amount of money. We are talking about a few million euros; that is just the technical cost of expanding the shed. On top of that, we know that is one of the points that we had to take care of. We are evaluating some solutions. We do not think that we are significantly impacted from a cash point of view, because we are looking at something in collaboration with

the government. So, we cannot elaborate now on anything more. Maybe in the next couple of weeks, we could be clearer on it. But again, we are not talking about big money.

Stassi Anastassov 52:05
Okay, very good question on the organisation. And if you allow me, let me start by how I shall say, Chiara, giving you my organisation philosophy, and that, hopefully, in a way, may give away some of what I plan to do that I cannot necessarily talk about in detail. The first simple question: nobody at senior level has left Ferretti today. That wanted to leave the company voluntarily. People are very motivated and want to have a great career here. The second one: if you look at our publicly published organisation charts on websites and so on, you will see that there is, in some areas, a concentration of power, and this is not the way I typically like to run businesses. That's where we come into philosophy. I have, throughout my career, always wanted to be much closer to the business, and that in itself has led to many more direct reports to me, because that gives me visibility, that gives me the ability to influence, and that gives me the ability to react very quickly, versus multiple layers getting up to a few people having access to me, and by the time any news or any vision or any bad thing happening has been worked and reworked, and people have been running around trying to fix things before I can get involved. So clearly, I am moving Ferretti to a flatter organisation where I can have personal involvement, as I mentioned to you, also directly with the regions versus regional needs being filtered through corporate needs, and I have always one message to the team: do not filter. I'm an adult. I've been running businesses for 40 years. I know what's important. I know what's less important, and I know usually what the best way is forward corporately, versus just being scared that, oh, if he hears this too early, he may want to impose a decision on us. But that's not the way I work. I am democratic up to a point, and then I make decisions. Once I've heard all points of view, but importantly, I want to hear all points of view. And the only way to hear more points of views and to be faster, more agile, and stronger is to have a flatter organisation with more direct reports to me who are absolute top-tier talent. And we're looking at this. I'm working with a great team of people, and this is something that you will see over the coming months.

Marco Zammarchi 55:37
And about the last question about CMD. We expect the new business plan to be approved by the board in connection with the approval of the 2026 financial results. And once approved, we expect to be able to share it with the financial community and our investors. The current business plan remains a solid foundation, and we expect many of its strategic priorities to continue into the new plan. Some will be confirmed, while others may evolve, so it's just a matter of time. We are working on it.

Chiara Tomesani from UBS 56:31
Thank you. Appreciate.

Marco Zammarchi 56:34
You're welcome.

Elisabetta Cugnasca 56:34
Okay. Next question, please, from Anna Frontani of Berenberg.

Anna Frontani of Berenberg 56:47

Hello, can you hear me?

Stassi Anastassov 56:49
Yes, Anna, go ahead.

Anna Frontani of Berenberg 56:52
Hi, hi. Thank you for the presentation, and thanks for taking my question. Just one on my side. Thank you very much for the profitability bridge, which is very helpful. I was keen to understand, given that you rebased the guidance in July, and basically now three months later the EBITDA range has come down again. Which of that effect was the main one that you hadn't anticipated in July, and more importantly, how confident are you that the new range now fully reflects it?

Stassi Anastassov 57:32
Can I take this, Marco? Look, Anna, you are asking the question I hate because how do you think it feels to sit here and take down the guidance again? And that is exactly what I was telling Marco. Marco, promise me we will not have to take the guidance. And I'm not blaming anybody, but I would have done the same because we did not have visibility for the internal subsidiary that revealed things we didn't know, and I hate myself for that because, but I don't know really what I or Marco could have done, and that is the single biggest issue. I can tell you, had that not happened, we could have swung it. You know, we could have taken away the three-year potential impact of the warranty. We could have maybe, you know, pushed it harder on something like that and assumed more things in quarter four. But that was the killer news that came in, so that tilted the balance.

Anna Frontani of Berenberg 58:50
That was very clear. Thank you very much.

Stassi Anastassov 58:53
Thank you.

Elisabetta Cugnasca 59:03
Okay, thank you very much. There are no other questions. Therefore, we are thanking you again for your interest in our group, and we hope that you will go on follow us with the same passion that we are working on our company. Thank you. Bye.

Stassi Anastassov 59:28
No. I must have a closing statement. Okay.

Elisabetta Cugnasca 59:32
Ah, you're right. I apologise.

Stassi Anastassov 59:36
No, don't apologise. Ah, okay. First of all, thanks for all the questions, and it feels strange to be sitting here having this call and having somehow to have a in some areas a negative discussion because we're taking our guidance and until a few weeks ago, we felt incredibly good about the way things were going, the demand for our Composite business, for our branded business, the very advanced negotiations on Super Yachts, and then came the cold

shower, the negative cold shower of having to take down our profit guidance, but let's try to keep a positive big picture here. We have shown that we have great brands; we have a solid business. We have good visibility on being able not only to deliver 2026, but also go into 2027, and we believe that quarter four will be in our books to further provide clarity on this. You, however, should not forget that we're living in an environment in a market that has some characteristics. For example, the timing of a single Super Yacht contract or a handful of owners taking longer to make decisions can really swing our company from delivering a fantastic quarter or a modest quarter, even a fantastic year. You know, we're talking about a couple of orders in Super Yachts, three or four orders, three or four orders in Custom Line. So, there is a level of volatility, including when we're recording the quarter three 2026 results. At the last minute, we had one of our buyers for a significant, you know, order not being able to get the money in, so we decided not to count it. So those are the type of things that happen. Those are the type of things that happen to the industry, not only to us. On the geopolitics, the issues in the Middle East are real, but the business we have in the Middle East, the demand we have in the Middle East, the inherent brand strength is very strong. Conversely, the business in the Americas is a different animal. The economy is not fantastic, but to be able to grow, we don't necessarily need a much stronger economy in the Americas because the ways to fix the Americas are much more in our control. But as I've said before, I don't like to be a CEO talking about geopolitics and talking about the economy because we need to be good in good times and we need to be good in less good times, and we cannot be surprised that Christmas Eve is on the 24th of December every year. So, we need to expect that there will always be turbulence. What we can, what we can absolutely influence to secure growth, is to improve our products even more, drive our specific brand design to become even more appealing, and make sure that when somebody wants to buy a Riva, or a Ferretti, or a Pershing, or ITAMA, or a Custom Line, that it's not a matter of a competitor offering a bigger discount, but because they want to buy our brand. I'm sorry to you know take analogies, but you know, if you want to buy, I don't know, Rolex, you don't go and buy Hublot or a Panerai because it's 20% cheaper or 30% cheaper. You want to buy that brand, and that should be the same thing, and that will be the same thing when you want to have to buy a Riva, a Pershing, a wally, ITAMA, Custom Line, and Ferretti. So, we have a lot of work to do. We're reinforcing our brands. We're reinforcing our designs. We're making significant changes and improvements in the way we manage quality controls, innovation, in-house innovation, and R&D. Every single element of what we're doing is being revised. Commercial organisation agents, brokers, everything-nothing goes outside of that lens of making sure we go from what I call good to great. So, we're not going to build. Quarter four, or even 2027, we're building the company for the next 2,3,4,5 years, and this is what I'm committed to. And I don't know if our results are going to be immediately recovering, but what I can say is that what is within our areas of control is going to be improved, and 2027 Ferretti is going to be an even better company. 2028 even better, and 2028 29 even better because we will focus on what makes us better and makes us more attractive to our future owners, and ultimately should deliver better profitability, better visibility, higher return on capital, higher shareholder return, and you will have to judge when you look at that company and assess our investment grade. The results will prove it, but to get the results, we're focusing now on getting the actions. Thank you very much, and I look forward to talking to you. And don't forget, I said I really want to see many of you in our plants. I want you to come to Ancona, where we can talk to you much more about our Super Yachts and Made-to-Measure. I want you to come and visit us, and I really want you to also come in during some of the boat shows that we have. Unfortunately, my next invitation would be to Dubai, where I'm going on November 24. I'm not sure how many of you want to come, but we're not

leaving any stone unturned to deliver great results. Thank you so much, and looking forward to speaking to you again soon.

Elisabetta Cugnasca 1:06:54
Thank you. Bye, and have a nice afternoon.

Marco Zammarchi 1:06:57
Thank you. Goodbye.