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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 2022**

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 2022 (the “**2022 Third Quarter**” or “**9M 2022**”).

BUSINESS HIGHLIGHTS

- The Company acquired a majority stake in two companies that are part of its supply chain, namely, Il Massello Srl and Fratelli Canalicchio S.p.A.;
- The Group extended the framework agreement with Rolls-Royce for using its *mtu* yacht propulsion systems until the end of 2027;
- The Group presented the following new yachts from July to September 2022:
 - o Riva El-Iseo, the first electric runabout;
 - o From Wally brand, three sailing yachts, namely, wallywind110, wallywind130 and wallywind150;
 - o From Wally brand, one motor yacht, namely, wallywhy150;

- o Ferretti Yachts unveils new range INFYNITO;
- o Custom Line Navetta 50; and
- o CRN M/Y 141;
- The Group successfully hosted its annual private preview in Monaco; and
- The Group attended the major boat shows in Cannes, Genoa and Monaco.

2022 THIRD QUARTER TRADING UPDATE (UNAUDITED)

Order Intake: In the 2022 Third Quarter, the Group collected **€401.3 million** of new orders, compared to **€328.2 million** for the nine months ended 30 September 2021 (“**9M 2021**”) leading to **€1,043.2 million** in 9M 2022, representing an increase of approximately **26.9%** when compared to 9M 2021 (**€821.8 million**) thanks to a strong market demand worldwide.

Order Backlog: Reached **€1,380.3 million** as of 30 September 2022, representing an increase of approximately **35.9%** when compared to 31 December 2021 (**€1,015.8 million**) thanks to a strong order intake during the period.

Order Backlog by Segment:

	31 December 2021	% of total order backlog	30 September 2022	% of total order backlog	Change 31 December 2021 vs 9M 2022
	€ million		€ million		
Composite yachts	366.0	36.0%	435.4	31.5%	19.0%
Made-to-measure yachts	299.0	29.4%	472.3	34.2%	58.0%
Super yachts	293.1	28.9%	416.5	30.2%	42.1%
Other ¹	57.8	5.7%	56.2	4.1%	-2.8%
Total	1,015.8	100.0%	1,380.3	100.0%	35.9%

- Composite yachts reached **€435.4 million** as of 30 September 2022, which is equivalent to approximately 31.5% of total backlog (from **€366.0 million**, which is equivalent to approximately 36.0% of total backlog as of 31 December 2021)

¹ Other including sailing super yachts under Wally (“**Wally Sail**”) and yachts under Ferretti Security Division (“**FSD**”)

- Made-to-measure yachts reached **€472.3 million** as of 30 September 2022, which is equivalent to approximately 34.2% of total backlog (from **€299.0 million**, which is equivalent to approximately 29.4% of total backlog as of 31 December 2021), the increment of which is in line with the Group's strategy to focus on this high-marginality segment
- Super yachts reached **€416.5 million** as of 30 September 2022, which is equivalent to approximately 30.2% of total backlog (from **€293.1 million**, which is equivalent to approximately 28.9% of total backlog as of 31 December 2021)
- Other¹ was at **€56.2 million** as of 30 September 2022, decreasing slightly from approximately 5.7% of total backlog as of 31 December 2021 to approximately 4.1% of total backlog as of 30 September 2022

Revenue: €779.8 million in 9M 2022, representing an increase of approximately **16.5%** when compared to 9M 2021 (**€669.3 million**) attributable to the strong order backlog built during the period.

Revenue by Segment:

	9M 2021	% of total revenue	9M 2022	% of total revenue	Change 9M 2022 vs 9M 2021
	€ million		€ million		
Composite yachts	351.0	52.4%	340.9	43.7%	-2.9%
Made-to-measure yachts	187.4	28.0%	303.7	39.0%	62.1%
Super yachts	56.2	8.4%	72.5	9.3%	29.1%
Other ²	74.7	11.2%	62.7	8.0%	-16.1%
Total	669.3	100.0%	779.8	100.0%	16.5%

- Composite yachts reached **€340.9 million**, which is equivalent to approximately 43.7% of the total revenue in 9M 2022 (from **€351.0 million**, which is equivalent to approximately 52.4% of the total revenue in 9M 2021)
- Made-to-measure yachts reached **€303.7 million**, which is equivalent to approximately 39.0% of the total revenue in 9M 2022 (from **€187.4 million**, which is equivalent to approximately 28.0% of the total revenue in 9M 2021) and is in line with the Group's strategy to focus on this high-marginality segment
- Super yachts reached **€72.5 million**, which is equivalent to approximately 9.3% of the total revenue in 9M 2022 (from **€56.2 million**, which is equivalent to approximately 8.4% of the total revenue in 9M 2021)

² Other including ancillaries, Wally Sail, FSD and pre-owned business

- Other² decreased slightly to **€62.7 million**, which is equivalent to approximately 8.0% of the total revenue in 9M 2022 (from **€74.7 million**, which is equivalent to approximately 11.2% of the total revenue in 9M 2021) due to the scarcity of pre-owned boats to be sold

Revenue by Geographical Region:

	9M 2021	% of total revenue	9M 2022	% of total revenue	Change 9M 2022 vs 9M 2021
	€ million		€ million		
EMEA	268.4	40.1%	292.8	37.5%	9.1%
AMAS	235.4	35.2%	289.7	37.2%	23.1%
APAC	34.5	5.2%	62.1	8.0%	79.7%
Super yachts and Other ²	130.9	19.5%	135.2	17.3%	3.3%
Total	<u>669.3</u>	<u>100.0%</u>	<u>779.8</u>	<u>100.0%</u>	<u>16.5%</u>

- Europe, Middle East and Africa region (“EMEA”) reached **€292.8 million**, which is equivalent to approximately 37.5% of the total revenue in 9M 2022 (from **€268.4 million**, which is equivalent to approximately 40.1% of the total revenue in 9M 2021)
- North America, Central America and South America region (“AMAS”) reached **€289.7 million**, which is equivalent to approximately 37.2% of the total revenue in 9M 2022 (from **€235.4 million**, which is equivalent to approximately 35.2% of the total revenue in 9M 2021)
- Asia-Pacific region (“APAC”) reached **€62.1 million**, which is equivalent to approximately 8.0% of the total revenue in 9M 2022 (from **€34.5 million**, which is equivalent to approximately 5.2% of the total revenue in 9M 2021)
- Super yachts and Other² reached **€135.2 million**, which is equivalent to approximately 17.3% of the total revenue in 9M 2022 (from **€130.9 million**, which is equivalent to approximately 19.5% of the total revenue in 9M 2021)

Adjusted EBITDA³: €106.0 million in 9M 2022, representing an increase of approximately **26.4%** when compared to 9M 2021 (**€83.8 million**) and with a **margin⁴** equivalent to **14.0%** in 9M 2022, representing an increase of 80 basis points when compared to 9M 2021 (**13.2%**). This remarkable improvement is linked to three main reasons:

- **Commercial:** a longer waiting list thanks 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 a more efficient fixed costs absorption

Net Profit: €47.4 million in 9M 2022, representing an increase from 9M 2021 (**€32.1 million**) and with a **margin** equivalent to **6.3%** in 9M 2022, up 120 basis points when compared to 9M 2021 (**5.1%**).

Capex: €67.6 million in 9M 2022, which includes merger and acquisition activities, up **€44.1 million** when compared to 9M 2021.

Net Financial Position: €393.1 million of net cash as of 30 September 2022 improving from **€93.3 million** of net cash as of 31 December 2021 thanks to:

- The operating cash flows contribution equal to **€148.3 million**; and
- The improvement of net working capital from **€-87.8 million** as of 31 December 2021 to **€-138.8 million** as of 30 September 2022.

POSSIBLE CAPITAL MARKET ACTIVITIES

Following the recent listing of the Company in Hong Kong, the Company has been continuously evaluating potential strategic opportunities. The Board has resolved to commence the assessment and preliminary preparatory activities in relation to possible capital market activities in international markets, including but not limited to a potential listing on the Euronext Milan (the “**Potential Listing**”). Further announcement(s) will be made by the Company in relation to the capital market activities and the Potential Listing as and when appropriate.

³ *Adjusted EBITDA equals to EBITDA adding back non-recurring costs*

⁴ *Calculated as adjusted EBITDA/Net Revenue without pre-owned business*

The Board wishes to highlight that the capital market activities and the Potential Listing are only in a preliminary assessment stage and are subject to, among other things, the fulfilment of legal and regulatory requirements, the permission to be obtained from regulators and the final decision of the Board. Asia remains a core strategic market for the Company embedding significant potential to pursue the Company's strategic mission to deliver pure Italian luxury around the world.

COMPANY'S CEO COMMENT

The financial results reported by Ferretti Group for the first nine months of 2022 continue the trend seen in 2021, with double-digit growth and strong cash generation. The main performance indicators confirm expectations for significant growth in the coming quarters too.

Investments in innovation, design and technology have driven the success of the Group's new models. Particularly noteworthy is the launch of RIVA El-Iseo, the first full electric boat in Ferretti Group's new E-Luxury segment and further testimony to its strong commitment to sustainability.

PRESENTATION TO INVESTORS

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

Shareholders and potential investors may access the presentation by clicking "Company Presentation" under the "Investor Relations" section of the Company's website and may attend the conference call at 1:00 pm CET, or 8:00 pm Hong Kong Time, via this link: <https://event.choruscall.com/mediaframe/webcast.html?webcastid=enPRfQk4> (Also available on the Company's website, under the "Investor Relations" section).

The information set out above is based on a preliminary assessment by the Board with reference to the information currently available (including the management accounts of the Group) to the Company's management and is not intended to be a comprehensive statement of the Company's financial or operational result. The said information and data have not been audited or reviewed by the Company's auditors or audit committee and may be subject to change and adjustment.

Shareholders and potential investors of the Company should exercise caution when dealing in or investing in the securities of the Company. Shareholders and potential investors of the Company should also be aware that there is no assurance that the Potential Listing will take place or as to when it may take place.

By order of the Board
Ferretti S.p.A.
Mr. Alberto Galassi
Executive Director and Chief Executive Officer

Hong Kong, 15 November 2022

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