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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 SEPTEMBER 30, 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 nine months ended September 30, 2024 (“**9M 2024**”).

**SIGNIFICANT EVENTS IN THE THIRD QUARTER OF 2024**

The Group attended the main boat shows worldwide: the Sydney International Boat Show in August 2024, the Cannes Yachting Festival in September 2024, the Salone Nautico di Genova in September 2024 and the Monaco Yacht Show in September 2024.

**9M 2024 TRADING UPDATE (UNAUDITED)**

**Order Intake: €736.9 million** in 9M 2024, representing a slight decrease of approximately 15.8% when compared to the nine months ended September 30, 2023 (“**9M 2023**”) (€875.0 million) mainly due to the performance of the composite yachts segment that has been the most impacted by the market normalization, despite the increase in the third quarter of 2024, and to the made-to-measure segment impacted by challenging year-over-year comparison, with exceptional performance of made-to-measure segment in Middle East and Africa region (“**MEA**”) in the third quarter of 2023.

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

- Composite yachts segment totaled **€294.7 million** in 9M 2024, which is equivalent to approximately **40.0%** of the total order intake in 9M 2024 (from **€395.0 million**, which is equivalent to approximately 45.1% of the total order intake in 9M 2023)
- Made-to-measure yachts segment totaled **€315.0 million** in 9M 2024, which is equivalent to approximately **42.7%** of the total order intake in 9M 2024 (from **€379 million**, which is equivalent to approximately 43.3% of the total order intake in 9M 2023)
- Super yachts segment totaled **€127.3 million** in 9M 2024, which is equivalent to approximately **17.3%** of the total order intake in 9M 2024 (from **€83.1 million**, which is equivalent to approximately 9.5% of total order intake in 9M 2023)
- Other businesses<sup>2</sup> did not collect any new order in 9M 2024 (from **€17.9 million**, which is equivalent to approximately 2.0% of total order intake in 9M 2023)

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

- Europe totaled **€286.6 million** in 9M 2024, which is equivalent to approximately **38.9%** of the total order intake in 9M 2024 (from **€361.4 million**, which is equivalent to approximately 41.3% of the total order intake in 9M 2023)
- MEA totaled **€237.2 million** in 9M 2024, which is equivalent to approximately **32.2%** of the total order intake in 9M 2024 (from **€253.7 million**, which is equivalent to approximately 29.0% of the total order intake in 9M 2023)
- Asia-Pacific region (“APAC”) totaled **€14.2 million** in 9M 2024, which is equivalent to approximately **1.9%** of the total order intake in 9M 2024 (from **€58.4 million**, which is equivalent to approximately 6.7% of the total order intake in 9M 2023)
- North America, Central America and South America region (“AMAS”) totaled **€198.9 million** in 9M 2024, which is equivalent to approximately **27.0%** of the total order intake in 9M 2024 (from **€201.6 million**, which is equivalent to approximately 23.0% of the total order intake in 9M 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

**Order Backlog: €1,326.3 million** as of September 30, 2024, representing a decrease of approximately **9.9%** when compared to September 30, 2023 (**€1,471.7 million**) mainly due to the order intake normalization in 2024.

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

- Composite yachts reached **€302.4 million** as of September 30, 2024, which is equivalent to approximately **22.8%** of the total backlog as of September 30, 2024 (from **€384.5 million**, which is equivalent to approximately 26.1% of the total backlog as of September 30, 2023)
- Made-to-measure yachts reached **€455.7 million** as of September 30, 2024, which is equivalent to approximately **34.4%** of the total backlog as of September 30, 2024 (from **€605.7 million**, which is equivalent to approximately 41.2% of the total backlog as of September 30, 2023)
- Super yachts reached **€531.5 million** as of September 30, 2024, which is equivalent to approximately **40.1%** of the total backlog as of September 30, 2024 (from **€424.7 million**, which is equivalent to approximately 28.9% of the total backlog as of September 30, 2023)
- Other businesses<sup>2</sup> reached **€36.8 million** as of September 30, 2024, which is equivalent to approximately **2.8%** of the total backlog as of September 30, 2024 (from **€56.9 million**, which is equivalent to approximately 3.9% of the total backlog as of September 30, 2023)

**Net Backlog: €780.0 million** as of September 30, 2024, representing a decrease of approximately **9.4%** from **€860.7 million** as of September 30, 2023.

**Net Revenue of New Yachts: €865.3 million** in 9M 2024, representing an increase of approximately **3.8%** when compared to 9M 2023 (**€833.9 million**) thanks to the order backlog built in 2023 and 2024.

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

- Composite yachts reached **€390.3 million**, which is equivalent to approximately **45.1%** of the total net revenue of new yachts in 9M 2024 (from **€353.0 million**, which is equivalent to approximately 42.3% of the total net revenue of new yachts in 9M 2023)
- Made-to-measure yachts reached **€313.5 million**, which is equivalent to approximately **36.2%** of the total net revenue of new yachts in 9M 2024 (from **€337.3 million**, which is equivalent to approximately 40.4% of the total net revenue of new yachts in 9M 2023)

- Super yachts reached **€116.8 million**, which is equivalent to approximately **13.5%** of the total net revenue of new yachts in 9M 2024 (from **€96.7 million**, which is equivalent to approximately 11.6% of the total net revenue of new yachts in 9M 2023)
- Other businesses<sup>4</sup> reached **€44.7 million**, which is equivalent to approximately **5.2%** of the total net revenue of new yachts in 9M 2024 (from **€46.9 million**, which is equivalent to approximately 5.6% of the total net revenue of new yachts in 9M 2023)

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

- Europe reached **€438.5 million**, which is equivalent to approximately **50.7%** of the total net revenue of new yachts in 9M 2024 (from **€359.1 million**, which is equivalent to approximately 43.1% of the total net revenue of new yachts in 9M 2023)
- MEA reached **€165.6 million**, which is equivalent to approximately **19.1%** of the total net revenue of new yachts in 9M 2024 (from **€159.5 million**, which is equivalent to approximately 19.1% of the total net revenue of new yachts in 9M 2023)
- APAC reached **€33.8 million**, which is equivalent to approximately **3.9%** of the total net revenue of new yachts in 9M 2024 (from **€76.4 million**, which is equivalent to approximately 9.2% of the total net revenue of new yachts in 9M 2023)
- AMAS reached **€227.4 million**, which is equivalent to approximately **26.3%** of the total net revenue of new yachts in 9M 2024 (from **€238.9 million**, which is equivalent to approximately 28.6% of the total net revenue of new yachts in 9M 2023)

**Adjusted EBITDA: €138.2 million** in 9M 2024, representing an increase of approximately **10.7%** when compared to 9M 2023 (**€124.8 million**) and with a **margin<sup>5</sup>** equivalent to **16.0%** in 9M 2024, representing an increase of 100 basis points when compared to 9M 2023 (**15.0%**).

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: €62.2 million** in 9M 2024, representing an increase of approximately 0.5% from 9M 2023 (**€61.9 million**).

<sup>4</sup> Including ancillary activities, FSD, Wally sail

<sup>5</sup> Calculated as EBITDA adj./revenue without pre-owned business

**Investment in Tangible and Intangible Assets: €113.1 million** as of 30 September 2024, of which approximately **€22.1 million** of maintenance for operations and the existing product portfolio and approximately **€90.9 million** for business expansion, mostly for the commissioning of the Ravenna shipyard.

**Net Financial Position: €149.6 million** of net cash as of September 30, 2024, representing a decrease of €87.4 million from **€237.0 million** of net cash as of June 30, 2024.

**Net Working Capital: Positive €83.0 million** of net working capital as of September 30, 2024, representing an increase of €113.7 million compared to June 30, 2024, primarily due to reasons of seasonality typical of the third quarter, during which, on the one hand, the production in speculations of composite products has increased in preparation for the opening of the American season, and on the other hand, there have not been numerous deliveries that normally take place near the summer season for the Mediterranean and the winter season for AMAS.

## **MID-TERM GUIDANCE CONFIRMED AND 2024 GUIDANCE UPDATED**

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 €1,155 million to €1,180 million (which is equivalent to an increase of approximately 4.0% to 6.2%) for 2024. For the mid-term c.10% CAGR organic with further upside from M&A.
- **Adjusted EBITDA:** approximately €185 million to €190 million (which is equivalent to an increase of approximately 9.3% to 12.3%) 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 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**

*“With the closure of this quarter, we have achieved a new record in profitability, reaching 16%, confirming the strength and effectiveness of our strategy.*

*In the third quarter of 2024, we observed a significant increase in order intake from the super yachts segment, confirming the success of our positioning in this market through the enhancement of our brands. We are also seeing excellent signs from the composite yachts segment, which we expect will provide a new boost to order intake. Additionally, the strong results from our participation in the major Mediterranean boat shows and the opening of the American season further contribute to our outlook, being activities that could bring concrete benefits in the short term.*

*The order backlog as of September 30 stands at €1.3 billion, and by adding the orders received after the close of the quarter, the value is in line with that recorded in the first nine months of 2023.*

*On the production side, we are continuing at a rapid pace with the construction of the Ravenna shipyard, which will soon allow us to expand and further improve our offering, optimizing the product mix and consolidating our position in segments with high growth and profitability potential.”*

## **PRESENTATION TO INVESTORS**

The results as of September 30, 2024 will be presented to through a conference call to be held on 13 November 2024 at 11:30 a.m. CET, or 6:30 p.m. HKT.

To attend the webcast meeting, shareholders and potential investors can register at this link: <https://streamstudio.world-television.com/1440-2720-40627/en>.

The presentation of the management will be available a few minutes before the starting of the conference call on the website <https://www.ferrettigroup.com/en-us/Investor-relations-Milan/Information-disclosure-Milan> in the section “Financial Results & Reports”.

## SHAREHOLDERS' MEETING

The Board has also resolved to convene the shareholders' meeting of the Company, in a single call, granting the executive directors severally and with the right to sub-delegate, the powers to define the date, place, time and manner of holding the aforesaid meeting as well as to carry out the relative formalities within the terms of the laws and regulations.

The shareholders' meeting of the Company will be called to resolve, among other things, on the attribution of the mandate for the certification of the compliance of sustainability reporting, on the determination of the relative fee and the criteria for the adjustment of said fee during the mandate.

The information and documentation that the Company must make available to the shareholders for the shareholders' meeting according to the Listing Rules will be published and dispatched in due course.

**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 13, 2024

*As at the date of this announcement, the Board comprises Mr. Alberto Galassi and Mr. Xu Xinyu as executive Directors; Mr. Jiang Kui, 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.*