



VIRTUAL ROADSHOW EQUITA

November 16th, 2020

www.fincantieri.com

FINCANTIERI
The sea ahead



Safe Harbor Statement

This Presentation contains certain forward-looking statements. Forward-looking statements concern future circumstances and results and other statements that are not historical facts, sometimes identified by the words "believes," "expects," "predicts," "intends," "projects," "plans," "estimates," "aims," "foresees," "anticipates," "targets," and similar expressions. The forward-looking statements contained in this Presentation, including assumptions, opinions and views of the Company or cited from third party sources, are solely opinions and forecasts reflecting current views with respect to future events and plans, estimates, projections and expectations which are uncertain and subject to risks. Market data used in this Presentation not attributed to a specific source are estimates of the Company and have not been independently verified. These statements are based on certain assumptions that, although reasonable at this time, may prove to be erroneous. By their nature, forward-looking statements involve a number of risks, uncertainties and assumptions that could cause actual results or events to differ materially from those expressed or implied by the forward-looking statements. If certain risks and uncertainties materialize, or if certain underlying assumptions prove incorrect, Fincantieri may not be able to achieve its financial targets and strategic objectives. A multitude of factors which are in some cases beyond the Company's control can cause actual events to differ significantly from any anticipated development. Forward-looking statements contained in this Presentation regarding past trends or activities should not be taken as a representation that such trends or activities will continue in the future. No one undertakes any obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. Market data used in this Presentation not attributed to a specific source are estimates of the Company and have not been independently verified. Forward-looking statements speak only as of the date of this Presentation and are subject to change without notice. No representations or warranties, express or implied, are given as to the achievement or reasonableness of, and no reliance should be placed on, any forward-looking statements, including (but not limited to) any projections, estimates, forecasts or targets contained herein.

Fincantieri does not undertake to provide any additional information or to remedy any omissions in or from this Presentation. Fincantieri does not intend, and does not assume any obligation, to update industry information or forward-looking statements set forth in this Presentation. This presentation does not constitute a recommendation regarding the securities of the Company.

Declaration of the Manager responsible for preparing financial reports

Pursuant to art. 154-BIS, par. 2, of the Unified Financial Act of February 24, 1998, the executive in charge of preparing the corporate accounting documents at Fincantieri, Felice Bonavolontà, declares that the accounting information contained herein correspond to document results, books and accounting records.



Agenda

▶ SUMMARY & BUSINESS UPDATE

▶ FINANCIAL RESULTS

▶ OUTLOOK

▶ APPENDIX



SUMMARY & BUSINESS UPDATE



Executive summary

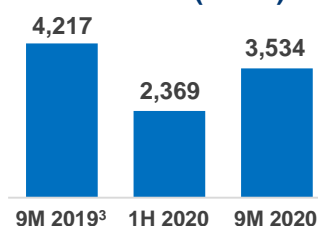
100th cruise ship successfully delivered, revenues at €3.5 bn, and backlog fully preserved

PRESERVING BACKLOG AND PROTECTING OUR PEOPLE

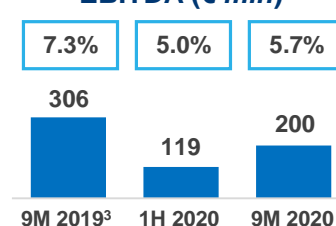
- **No orders cancelled.** Production programs have been rescheduled following the pandemic outbreak
- **«No Sail Order» lifted by the CDC** – no mandatory downtime for cruise operations in Italy
- **2 cruise ships** and 1 expedition cruise vessel successfully **delivered** amid the pandemic. New orders: 1 FFG(X), 2 stern trawlers, 1 SOV for wind offshore maintenance
- **Measures¹ for prevention and mitigation of transmission risk on the workplace have proven effective:** tested positive are only ≈3%, and 91%² of surveyed **employees** are **satisfied** with the Company's **response to COVID-19**. **Production completely resumed**, despite substantially impacted by health & safety protocols
- **VARD Offshore maintains break even.** Encouraging order intake
- **Sound funding capacity, with liquidity and credit lines** to support current and M-T developments (€1.15 bn loan granted by a pool of banks and guaranteed by SACE)
- **Q3 2020 revenues (€1,165 mln), EBITDA (€81 mln) and EBITDA margin (7.0%)** show recovery in production activities, broadly in line with pre COVID-19 performance

9M RESULTS STILL IMPACTED BY COVID-19

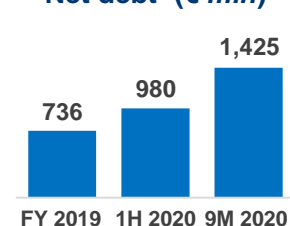
Revenues (€ mln)



EBITDA (€ mln)



Net debt⁴ (€ mln)



- Revenues & EBITDA impacted by production downtime and rescheduling of production programmes
- COVID-19 related extraordinary costs: €149 mln
- Net debt impacted by rescheduling of cruise ship deliveries and expected installments (≈€600 mln)

ENSURING VISIBILITY DESPITE VOLATILE MACRO-ECONOMIC ENVIRONMENT

- **Total backlog⁵ at €36.8 bn** (€32.2 bn in 9M 2019) with record-high soft backlog (mainly due to Naval business)
- **Costa Firenze scheduled for delivery in 4Q** as per new delivery schedule
- **4Q production volumes are expected to be in line with pre COVID-19 levels**
- Continuing commitment on **enhancing business diversification** through **new opportunities** in **naval, electronics & cyber security, infrastructures**
- Keeping up with the **sustainability** shift: 2 new cutting-edge fishery units, 1 SOV for VARD and 1 experimental fuel cell-powered vessel (Zeus)
- **Marine Interiors will supply ≈2,800 cabins** for the first Chinese cruise ship to be built by SWS; JV CSSC will grant the license of the ship platform to SWS, along with further technical services⁶
- **Multi-year agreement⁷ signed by Fincantieri Next Tech (former INSIS), Autostrade Tech and IBM** for an innovative system for the monitoring and safety on the ASPI network

(1) Including: thermal scanners, staggered entry time, remote working, PPE

(2) Survey conducted on June 30, 2020

(3) Restated following the disposal of small fishery and aquaculture support vessels business and the closure of the Aukra yard, as well as the reallocation of VARD Electro from Offshore to Shipbuilding

(4) Excluding Construction loans

(5) Sum of backlog and soft backlog. Soft backlog represents the value of existing contract options and letters of intent as well as contracts in advanced negotiation, none of which yet reflected in the order backlog

(6) SWS is a CSSC subsidiary, while JV CSSC is the joint venture between Fincantieri China and CSSC Cruise Technology Development Co. Ltd (CCTD)

(7) For the implementation, sale, and joint maintenance

Business update

Continuing focus on strategic development



SHIPBUILDING

- **FMM is prime contractor for the first-in-class guided missile frigate** and 9 additional options for the **US Navy's FFG(X)¹**. FMM was also awarded a contract for the design and engineering of the future Large Unmanned Surface Vessel (LUSV)
- Fincantieri, in close cooperation with **ICGEB²**, has developed a cutting-edge **system for air sanitation** ("**Safe Air**") to significantly improve air quality on board. The system will be first installed on the MSC Seashore, to be delivered in 2021



OFFSHORE & SPECIALIZED VESSELS

- **VARD** will design and build a second **cutting-edge stern trawler** for Luntos, to be delivered in 2022. This new order confirms the effectiveness of the **restructuring plan and diversification strategy** implemented to restore VARD back to profitability



INFRASTRUCTURES

- The **opening ceremony of the Genoa bridge was held on August 3**: the structure was completed in one year from the steel-cutting ceremony, with the last steel span raised on April 28
- The partnership agreement between Bologna Stadio and Fincantieri Infrastructure for restyling the **Dall'Ara Stadium and Antistadium** was declared "matter of public interest" by the Municipality of Bologna



DEFENCE

- **Naviris signed a second contract with OCCAR³** to develop the feasibility study for the mid-life upgrade of the 4 Horizon frigates
- **Fincantieri NexTech⁴** awarded European Tender for **programmable EO/IR⁵ seeker emulator** to be supplied to the Italian Ministry of Defence



SUSTAINABILITY

- **Zeus keel-laying ceremony**: Zeus is an experimental fuel cell-powered marine vessel for improving the level of **environmental sustainability** of cruise ships, by reducing GHG emissions, Nox, Sox and particulate
- **MIKE Award**: Fincantieri received the Most Innovative Knowledge Enterprise award in the Global Companies category

(1) Guided-missile frigate

(2) The system was developed with the virology lab of ICGEB (International Centre for Genetic Engineering and Biotechnology)

(3) Organisation for Joint Armament Cooperation

(4) Insis was renamed Fincantieri Next Tech after the full takeover on October, 12

(5) Electro-optical/infrared seeker emulator for assessing the effectiveness of Electronic Defence systems countermeasures

Orders: strong focus on Naval, while shifting away from Oil & Gas

	Segment	Vessel	Client	# of ships	Expected Delivery
Main orders	■ Shipbuilding	FFG(X) first-in-class frigate	US Navy	1	2026
	■ Offshore & Specialized Vessels	Fishing vessel	Framherij	1	2022
		Fishing vessel	Nergard Havfiske	1	2022
		Service operation vessel	Ta San Shang Marine	1	2022

Deliveries: ordinary business in an unprecedented year, 14 ships from 9 shipyards

	Segment	Vessel	Client	# of ships	Shipyard
Main deliveries	■ Shipbuilding	Cruise ship “Seven Seas Splendor”	Regent Seven Seas Cruises	1	Ancona
		Cruise ship “Scarlet Lady”	Virgin Cruises	1	Genova
		Littoral Combat Ship “St. Louis” (LCS 19)	US Navy	1	Wisconsin
		Expedition cruise vessel “Le Bellot”	Ponant	1	VARD Soviknes
		Expedition cruise vessel “Le J. Cartier”	Ponant	1*	VARD Soviknes
		Fishing vessel	Finnmark Havfiske	1	VARD Soviknes
		Washington Island Ferry		1*	Wisconsin
		Cruise ship “Enchanted Princess”	Princess Cruises	1*	Monfalcone
	■ Offshore & Specialized Vessels	Fishing vessel	Nergard Havfiske	1	VARD Brattvaag
		OSCV	Island Offshore XII Ship	1	VARD Brevik
		Aqua	Remøybuen	1	VARD Langsten
		Ferry	Boreal Sjø	2	VARD Langsten
		Fishing vessel	Australian Longline Vessel	1*	VARD Vung Tau

* Delivered in 3Q



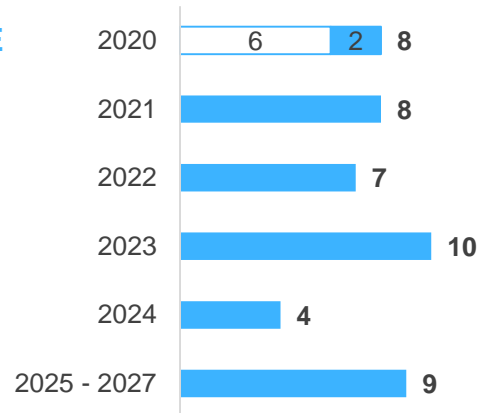
Backlog deployment

Balanced visibility in Cruise and Naval with deliveries stretching up to 2027

Shipbuilding

ship deliveries

CRUISE

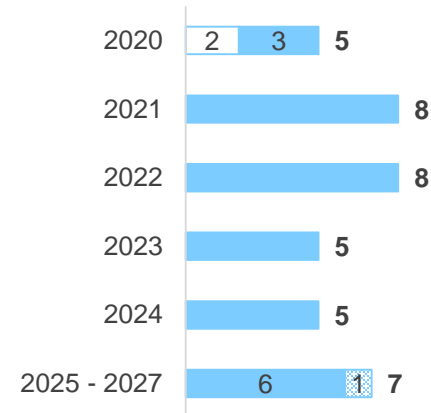


□ Delivered in 9M 2020 ▨ New orders in 9M 2020

■ Cruise: 40 vessels in backlog

- Deliveries up to 2027
- 9 units scheduled after 2024

NAVAL



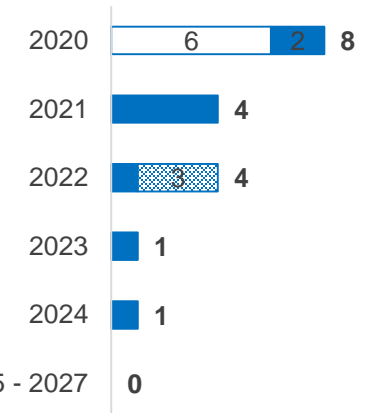
□ Delivered in 9M 2020 ▨ New orders in 9M 2020

■ Naval¹: 36 vessels in backlog

- Deliveries up to 2027
- 7 units scheduled after 2024

Offshore & Specialized Vessels

ship deliveries



□ Delivered in 9M 2020 ▨ New orders in 9M 2020

■ Offshore & Specialized Vessels²: 12 vessels in backlog

- 3 new orders to be delivered in 2022

9M 2020: 14 units delivered, 4 new orders, 88 ships in backlog

(1) Articulated Tug Barge (ATB) is an articulated unit consisting of a barge and a tug, thus being counted as two vessels in one unit

(2) Offshore & Specialized Vessels business generally has shorter production times and, as a consequence, shorter backlog and quicker order turnaround than Cruise and Naval

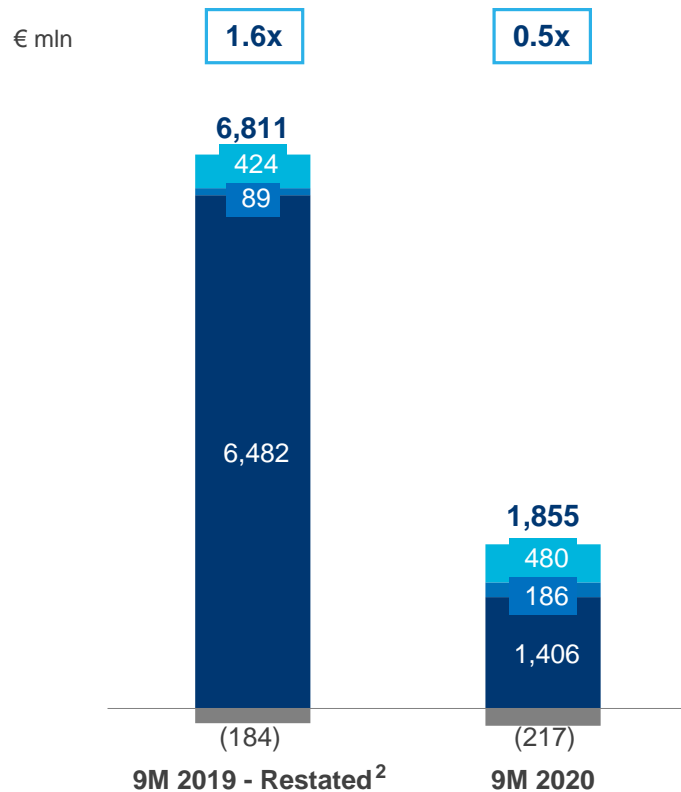
FINANCIAL RESULTS



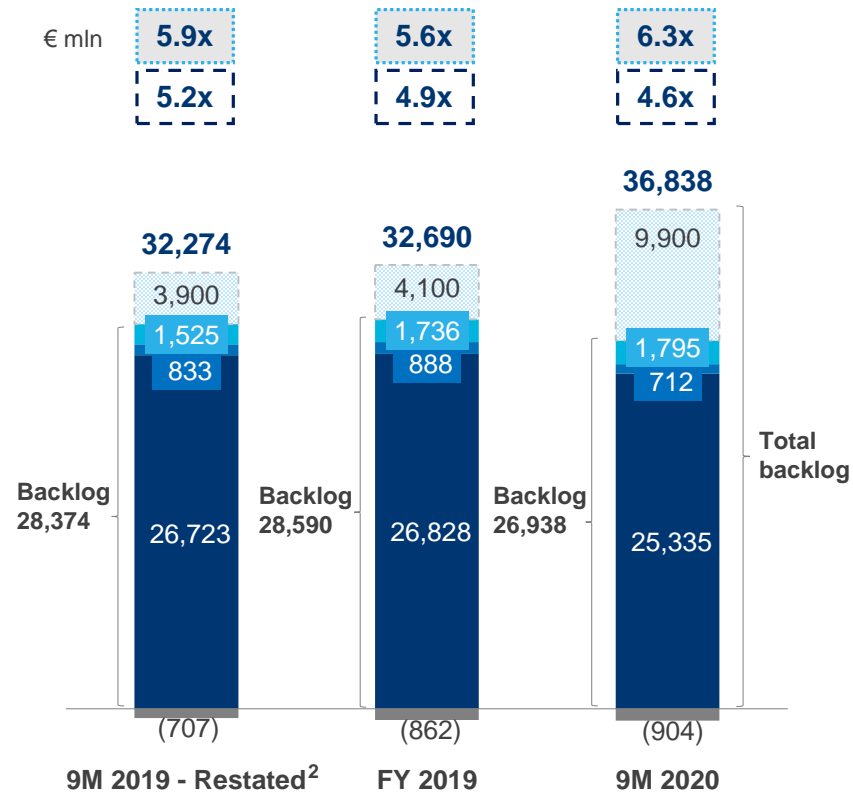
Order intake and backlog

Backlog fully preserved and Offshore order intake gaining momentum

Order intake breakdown by segment



Total backlog breakdown by segment¹



Order intake at €1.9 bn

- Shipbuilding down YoY after past year's record achievements
- Offshore & Specialized Vessels gaining momentum vs. 9M 2019

Backlog successfully preserved thanks to solid partnership with clients

- Total backlog at €36.8 bn, approximately 6.3 times 2019 revenues
- 88 units in backlog

■ Shipbuilding ■ Offshore & Specialized Vessels ■ Equipment, Systems & Services ■ Eliminations
□ Book-to-bill³ □ Soft backlog⁴ □ Total backlog / Revenues □ Backlog / Revenues

(1) Total backlog is the sum of backlog and soft backlog

(2) Restated following the reallocation of VARD Electro from Offshore to Shipbuilding

(3) Order intake/revenues

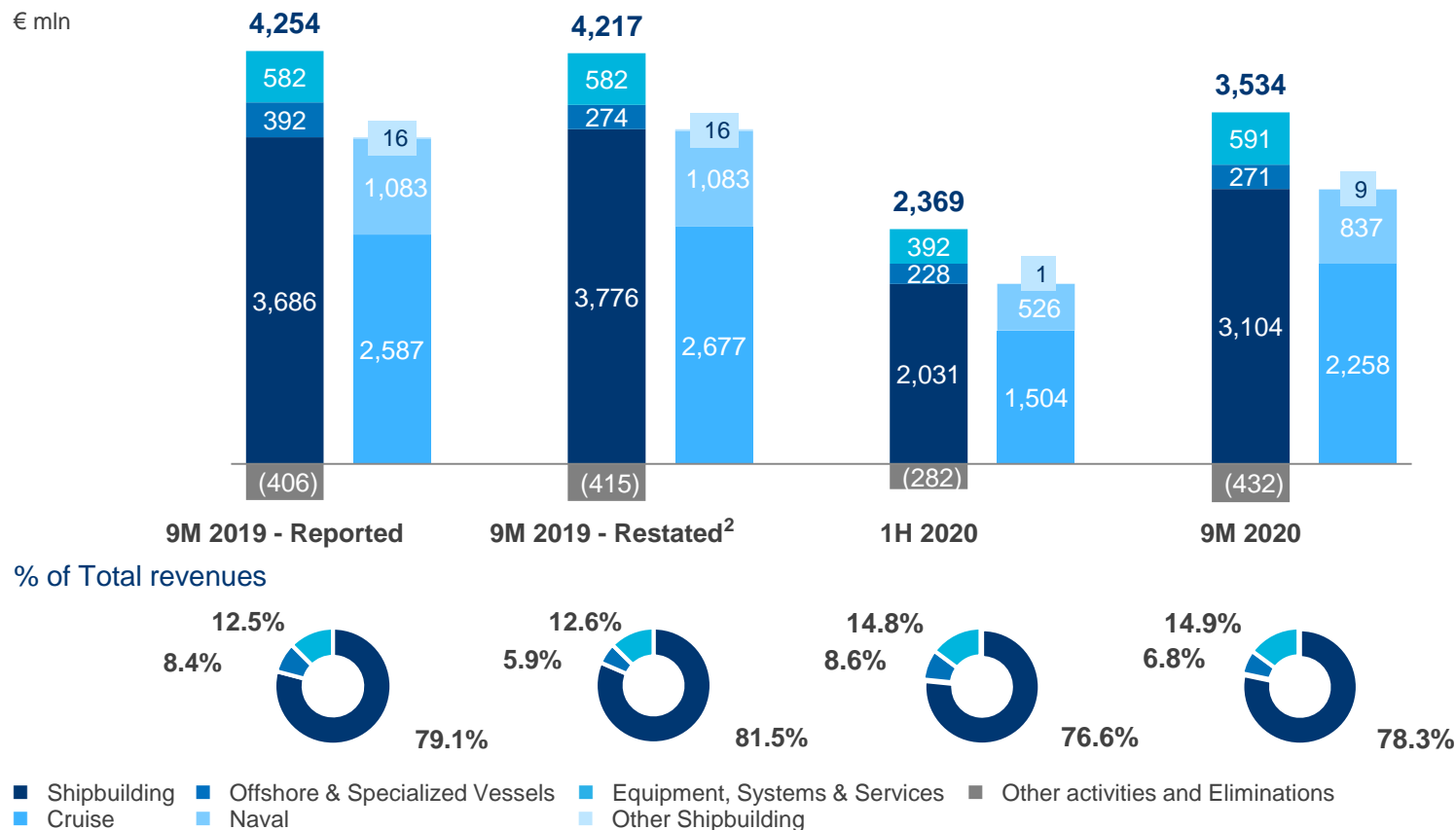
(4) Soft backlog represents the value of existing contract options and letters of intent as well as contracts in advanced negotiation, none of which yet reflected in the order backlog

Revenues

Production volumes down 19% versus pre COVID-19 estimates due to downtime of operations

Revenues breakdown by segment¹

€ mln



Severe effect of the production downtime and gradual resumption of operations. Whilst revenues have decreased 16.2% YoY, real revenues **shortfall** is **€945 mln compared to pre COVID-19 production plan (€790 mln in 1H 2020)**

€(42) mln from negative EUR/NOK conversion

■ Shipbuilding revenues down 17.8% YoY

- Cruise revenues down 15.7% YoY
- Naval revenues down 22.7% YoY

■ Offshore & Specialized Vessels

revenues down only 1.1% YoY despite €19 mln negative effect from EUR/NOK conversion (+5.8% like for like exchange rate)

■ Equipment, Systems & Services

revenues **up 1.6% YoY**

(1) Breakdown calculated before eliminations

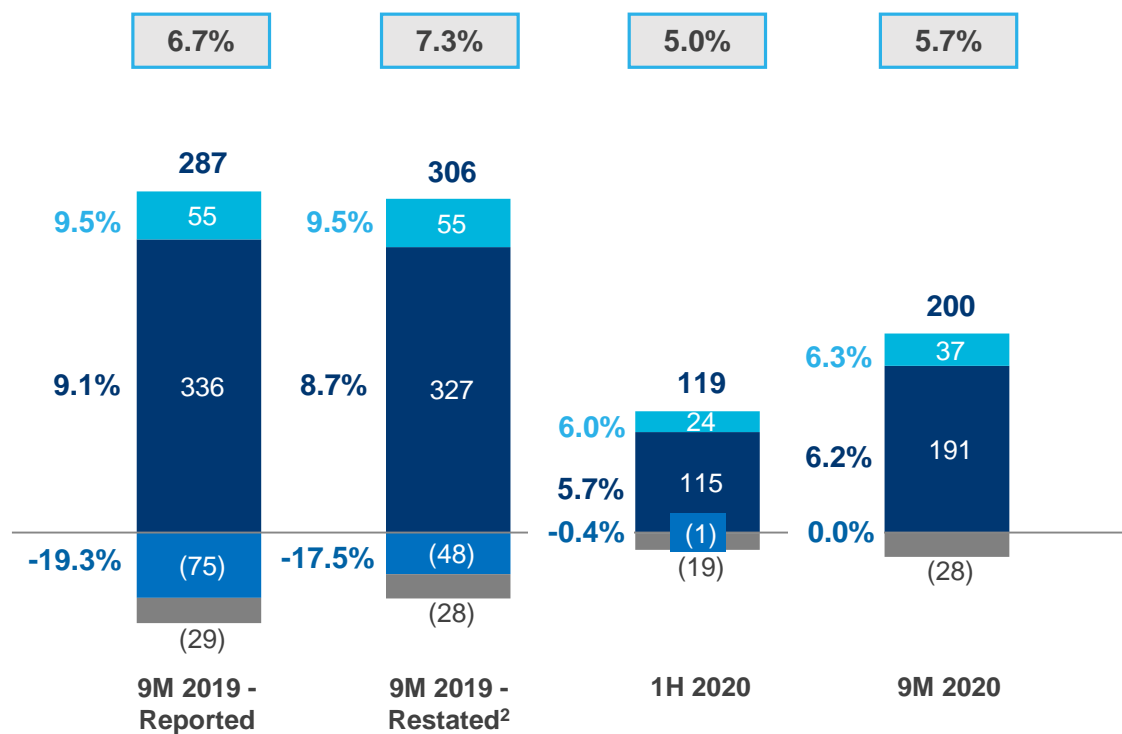
(2) Restated following the disposal of small fishery and aquaculture support vessels business and the closure of the Aukra yard, as well as the reallocation of VARD Electro from Offshore to Shipbuilding

EBITDA

Lost EBITDA contribution of €71 mln as effect of production rescheduling. Breakeven of VARD Offshore

EBITDA breakdown by segment^{1,2}

€ mln



Shortfall in EBITDA of €71 mln (only €6 mln in 3Q) following rescheduling of production programs, with major impact on Shipbuilding

- €51 mln lost EBITDA contribution from Shipbuilding (of which €48 mln in 1H 2020)
- Break-even of the Offshore & Specialized Vessels
- Equipment, Systems & Services margin below average

■ Shipbuilding ■ Offshore & Specialized Vessels ■ Equipment, Systems & Services ■ Other activities and Eliminations
 ■ EBITDA Margin by segment ■ EBITDA Margin as % of total revenues

(1) EBITDA is a Non-GAAP Financial Measure. The Company defines EBITDA as profit/(loss) for the period before (i) income taxes, (ii) share of profit/(loss) from equity investments, (iii) income/expense from investments, (iv) finance costs, (v) finance income, (vi) depreciation and amortization (vii) expenses for corporate restructuring, (viii) accruals to provision and cost of legal services for asbestos claims, (ix) other non recurring items

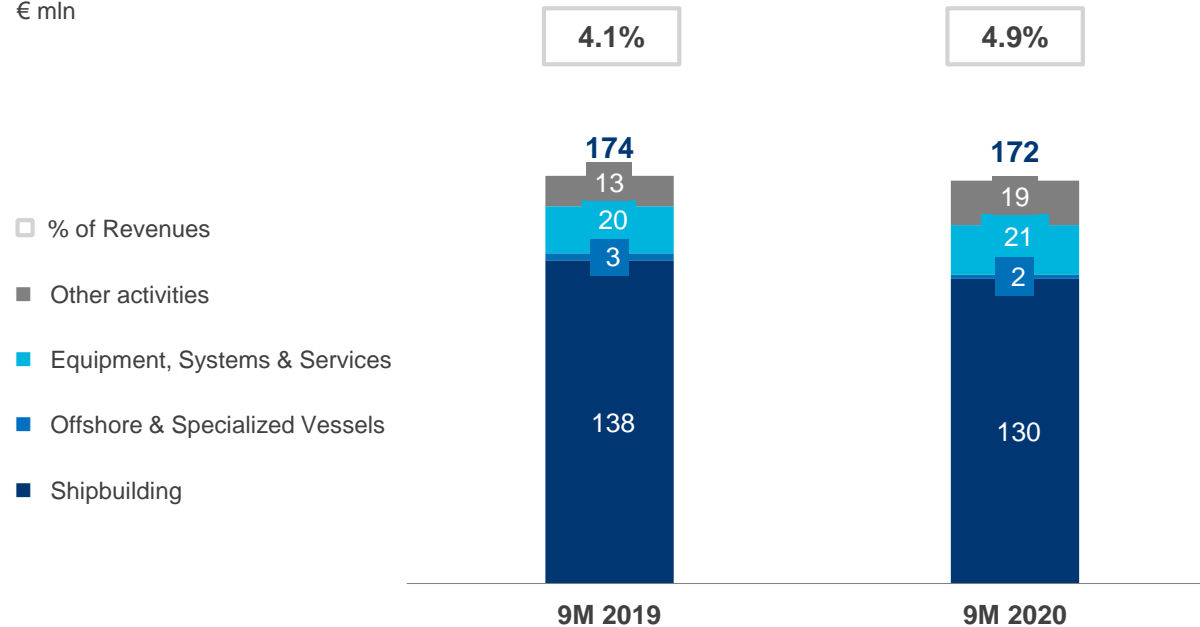
(2) Restated following the disposal of small fishery and aquaculture support vessels business and the closure of the Aukra yard, as well as the reallocation of VARD Electro from Offshore to Shipbuilding

Capex

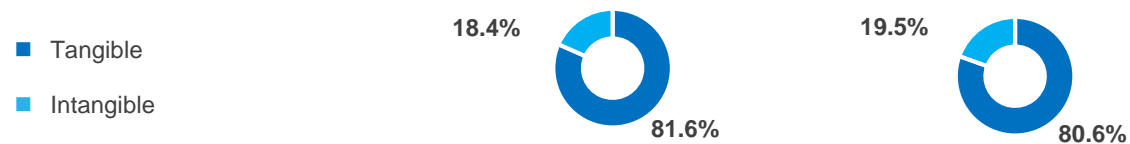
Capital expenditures broadly in line with 2019

Capex by segment

€ mln



% of Total Capex



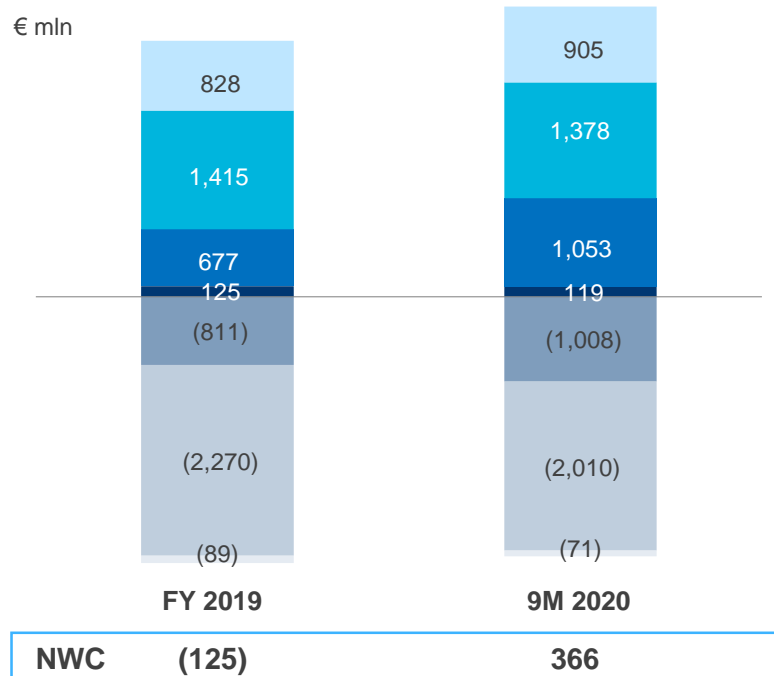
Capex broadly in line with 9M 2019:

- Improving efficiency at Italian yards
- Adjusting VARD Tulcea and VARD Braila production capacity
- Enhancing general safety and environmental conditions

Net Working Capital and Net Financial Position

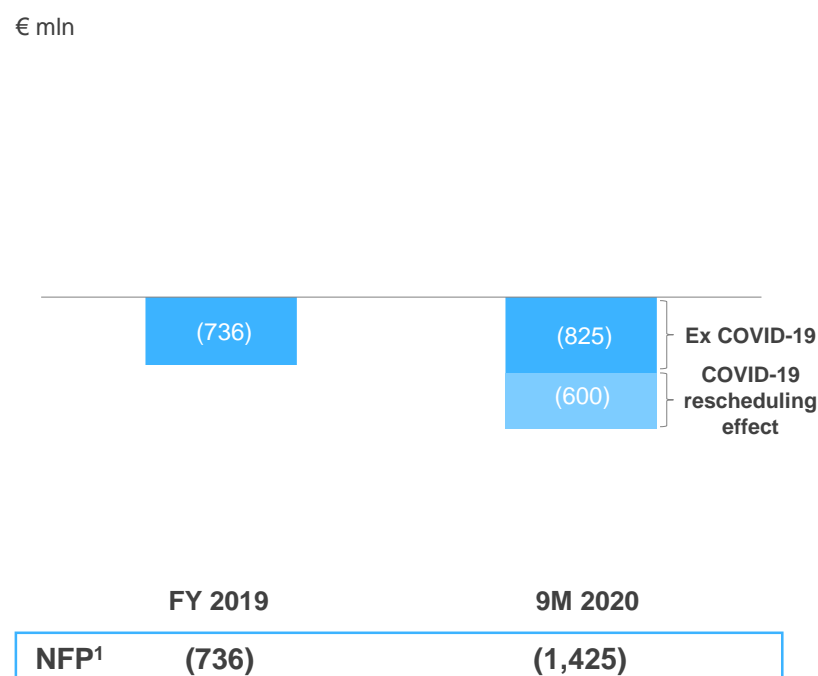
Impact from slowdown in production schedule with cash-ins skewed towards 4Q

Net Working Capital breakdown by segment



- Inventories and advances to suppliers
- Work in progress net of advances from customers
- Trade receivables
- Other current assets and liabilities
- Construction loans
- Trade payables
- Provisions for risks & charges

Net Financial Position breakdown by segment¹



- Net Financial Position
- COVID-19 rescheduling effect

Main drivers:

- Cruise-specific financial dynamics
- Postponed cash-in of the final payments of 2 deliveries rescheduled to 4Q
- Net debt impacted by rescheduling of cruise ship deliveries and expected installments (≈€600 mln)

(1) Construction loans are committed working capital financing facilities, treated as part of Net working capital, not in Net debt, as they are not general purpose loans and can be a source of financing only in connection with ship contracts

OUTLOOK



Focus on Cruise

Enhanced health & safety protocols on board could reshape global cruise industry with an eye to sustainability

UPDATE ON OPERATIONS

- **EU operations:** temporary suspension as **new travel restrictions** are being reintroduced amid second wave of COVID-19
- **US operations:** **CDC** lifted the no-sail order and issued a **framework for conditional sailing** for **responsible resumption** of cruising
- **CLIA** announced **voluntary suspension** through December 31 to meet the health & safety requirements set by the CDC

RESPONSIBLE RESUMPTION

- Major cruise operators are implementing **rigorous safety protocols** while preparing for a gradual resumption:
 - **Reduced occupancy rates**
 - **100% testing** of passengers and crew members both at embarkation and disembarkation
 - **Increased onboard testing and improved ship medical facilities**
 - **Enhanced air sanitation** standards

NEW STANDARDS

- The effectiveness of **timely clinical developments** and of the new **health & safety protocols** implemented on board will be **key to** industry **recovery**, with a gradual resumption of activities expected next year
- **Enhanced health & safety standards may be key to driving technological innovation:** e.g. onboard contact tracing, improved air sanitation, and enhanced onboard medical capability
- **New ships are more appealing:** new health & safety measures, greater ROIs (through optimization of operating expenses), compliance with increasingly stringent environmental regulations



Company outlook



PRODUCTION VOLUMES

- Solid backlog ensures future visibility despite volatile macroeconomic environment
- All production workers safely back to shipyards, though **operations** are still **impacted by health & safety protocols**
- 4Q production volumes are expected to be back at pre COVID-19 levels



CRUISE

- Enchanted Princess and Silver Moon – **the first two ships to be delivered amid the pandemic** – successfully handed over to Princess Cruises and Silversea Cruises respectively
- **Costa Firenze** is scheduled for delivery before year-end



NAVAL

- Further intake of new projects expected in the near term
- Planning to catch up with production delays caused by suspension of operations
- Progress of the orders for the **Qatari Ministry of Defence** and for the fleet renewal of the **Italian Navy**



FINANCIAL SOUNDNESS

- **Financially robust with adequate liquidity and credit lines** to face current and M-T challenges (€1.15 bn loan granted by a pool of banks and guaranteed by SACE), with 2-year grace period and 2-year amortization

Investor Relations contacts

INVESTOR RELATIONS TEAM

Caterina Venier-Romano

+39 040 319 2229

caterina.venierromano@fincantieri.it

Valentina Fantigrossi

+39 040 319 2243

valentina.fantigrossi@fincantieri.it

INSTITUTIONAL INVESTORS

investor.relations@fincantieri.it

INDIVIDUAL SHAREHOLDERS

azionisti.individuali@fincantieri.it

www.fincantieri.com



Q&A



APPENDIX

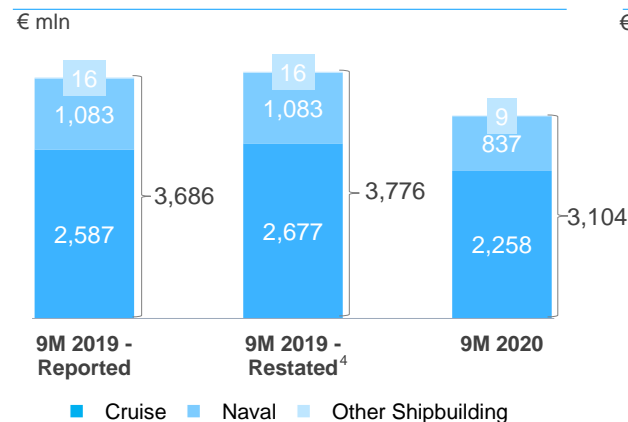


Financial overview – Shipbuilding

Orders, backlog and deliveries

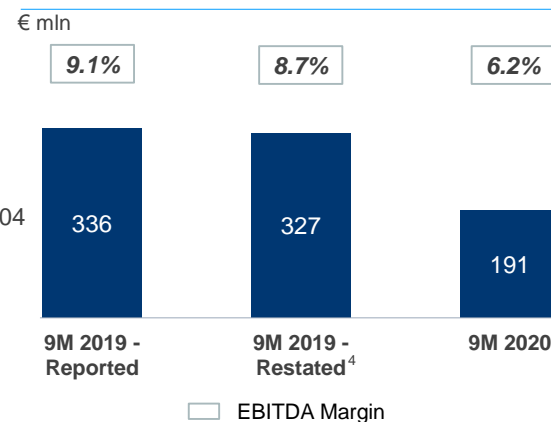
- **Orders:** €1,406 mln (€6,482 mln in 9M 2019)
 - 1 guided-missile frigate¹
 - Lengthening project²
- **Backlog:** €25,335 mln (€26,723 mln in 9M 2019)
- **Deliveries³:**
 - 3 cruise ships
 - 1 Littoral Combat ship
 - 2 expedition cruise vessels
 - 1 fishing vessel
 - 1 ferry

Revenues



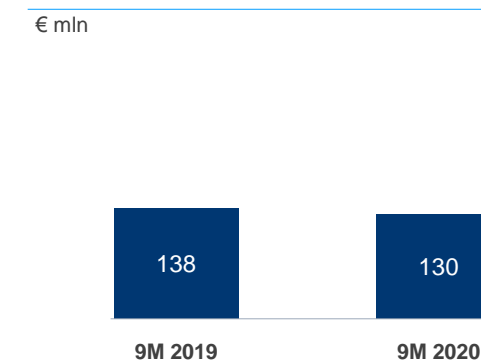
- **Revenues:** €3,104 mln, representing 78.3% of total revenues before eliminations
- Lower volumes both in Cruise (-15.7% YoY) and in Naval (-22.7% YoY) due suspension and gradual resumption of production activities

EBITDA



- **EBITDA:** €191 mln, with margin at 6.2%
- Estimated shortfall in Shipbuilding EBITDA of €51 mln due to the slowdown of production activities
- VARD Cruise at break even

Capex



- **Capex:** €130 mln

(1) First-in-class guided missile frigate of the "FFG(X)" program for the US Navy

(2) Lengthening project Norwegian Cruise Line

(3) "Seven Seas Splendor" for Regent Seven Seas Cruises; "Scarlet Lady" for Virgin Voyages; "Enchanted Princess" for Princess Cruises; LCS 19 "St. Louis" for the US Navy; "Le Bellot" and "Le Jacques Cartier" for Ponant; fishing vessel for Finnmark HAVfiske; ferry for Washington Island

(4) Restated following the disposal of small fishery and aquaculture support vessels business and the closure of the Aukra yard, as well as the reallocation of VARD Electro from Offshore to Shipbuilding

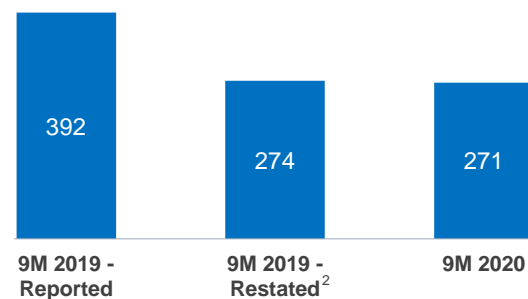
Financial overview – Offshore & Specialized Vessels

Orders, backlog and deliveries

- Orders: €186 mln (€89 mln in 9M 2019) including 2 fishing vessels and 1 SOV scheduled for delivery in 2022
- Backlog: €712 mln (€833 mln in 9M 2019)
- Deliveries¹:
 - 2 fishing vessels
 - 1 OSCV
 - 1 Aqua
 - 2 ferries

Revenues

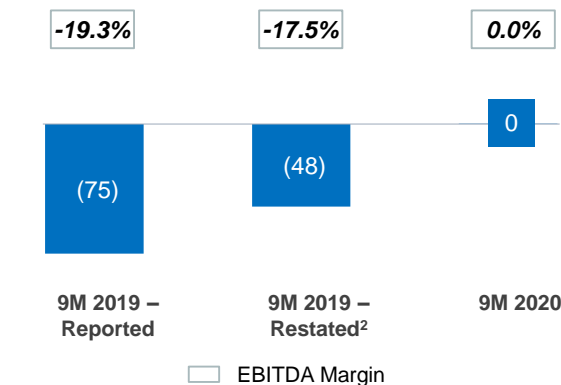
€ mln



- Revenues: €271 mln, broadly in line with 9M 2019 and despite negative EUR/NOK conversion (€19 mln)
- Offshore & Specialized Vessels revenues represent 6.8% of total revenues before eliminations

EBITDA

€ mln



- EBITDA: €0 mln with margin at break even
- Positive effect of the restructuring plan

Capex

€ mln



- Capex: €2 mln

(1) 1 fishing vessel for Nergard Havfiske and 1 for Australian Longline Vessel; 1 OSCV for Island Offshore XII Ship; 1 aqua for Remøbuyen; 2 ferries for Boreal Sjø

(2) Restated following the disposal of small fishery and aquaculture support vessels business and the closure of the Aukra yard, as well as the reallocation of VARD Electro from Offshore to Shipbuilding

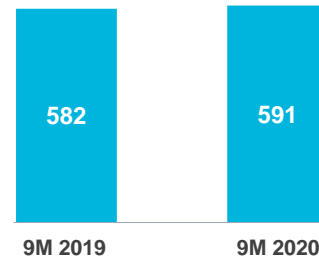
Financial overview – Equipment, Systems & Services

Orders, backlog and deliveries

- Orders: €480 mln vs €424 mln in 9M 2019
- Backlog: €1,795 mln vs €1,525 mln in 9M 2019

Revenues

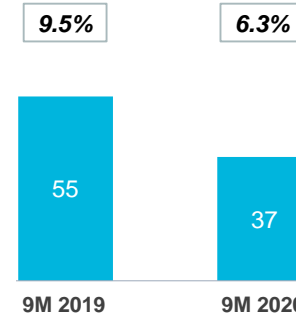
€ mln



- Revenues: €591 mln vs €582 mln in 9M 2019
- ESS revenues represent 14.9% of total revenues
- Confirmed growth trend despite the negative impact of the production downtime

EBITDA

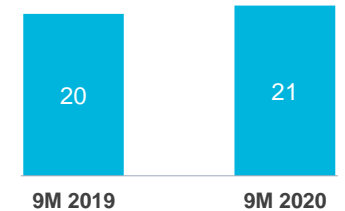
€ mln



- EBITDA: €37 mln with margin at 6.3%
- Major contribution of projects with strategic importance but limited margins

Capex

€ mln



- Capex: €21 mln