



FINCANTIERI ITALIAN SUSTAINABILITY WEEK 2021 BORSA ITALIANA

30th June 2021

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.

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Declaration of the Manager responsible for preparing financial reports

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.

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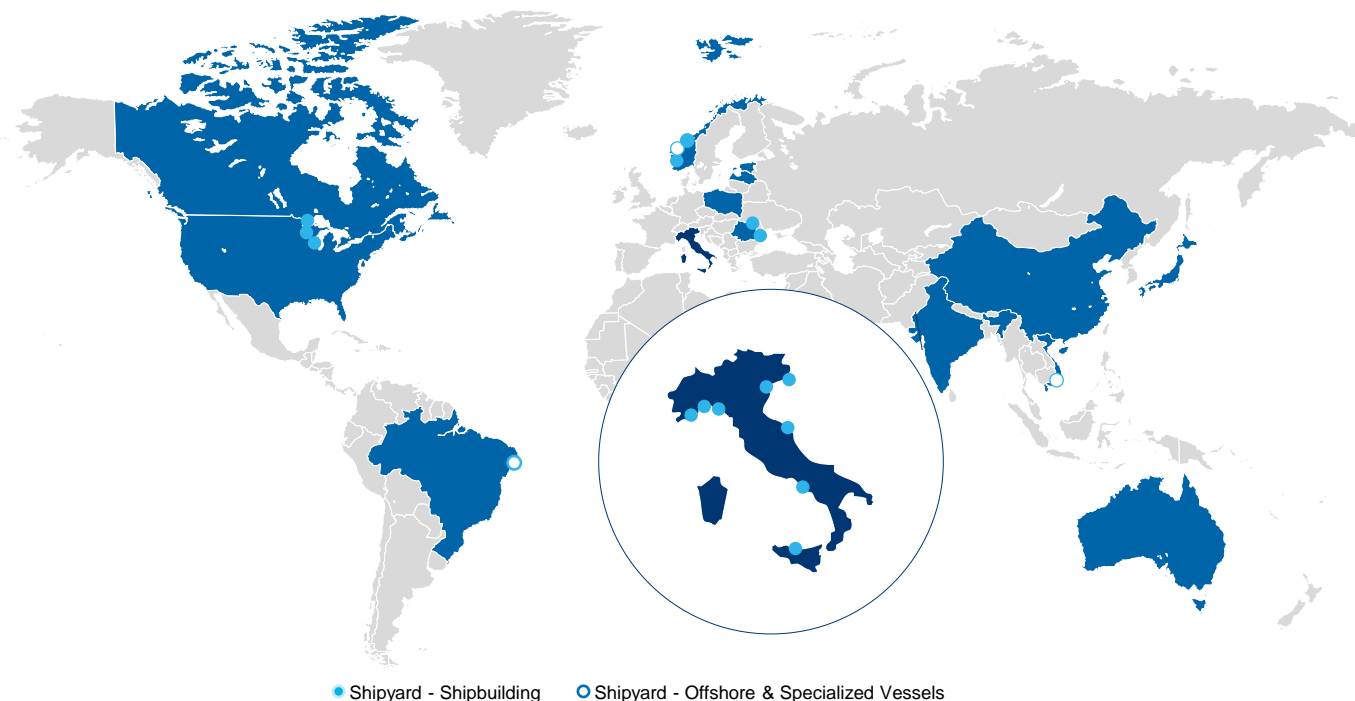
SECTION 1

DESCRIPTION OF THE GROUP

Fincantieri at a glance

We are an Italian Group with a global footprint

49% of our **employees** are based in Italy and **87% of revenues** come from international clients⁽¹⁾



OUR FIGURES

- ~ € 5.9 bn Revenues in FY2020, 87% of which come from international clients
- € 34.4 bn Total Backlog^(2,3)



OUR GLOBAL REACH

- 18 shipyards in 4 continents
- >20,000 employees, 49% of which are based in Italy
- ~ 90,000 including subcontractors



OUR IMPACT

- 4.5x Economic multiplier⁽⁴⁾
- 5.9x Employment multiplier⁽⁵⁾



#1 Western designer & shipbuilder⁽⁶⁾ with 230 years of history and over 7,000 ships built

(1) At December 31, 2020

(2) At March 31, 2021

(3) 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

(4) Value generated for each euro invested in shipbuilding according to the CENSIS "5th Report on the Economy of the Sea" (2015)

(5) Fincantieri valuation according to Censis methodology based on Italian operations

(6) By revenues, excluding naval contractors in the captive military segment. Based on Fincantieri estimates of shipbuilders' revenues in 2016



Products, clients and backlog

One of the most diversified product portfolio in the world combined with a wide client base and a strong backlog

		Main products	Key clients	Revenues 2020 ⁽¹⁾	Backlog ⁽²⁾
Shipbuilding	Cruise	<ul style="list-style-type: none"> All cruise ships: <ul style="list-style-type: none"> Luxury/Niche⁽³⁾ Upper Premium Premium Contemporary 		€3,281 m 50.1 %	€ 24,695 m (75 ships)
	Naval	<ul style="list-style-type: none"> All surface vessels (also stealth) Support & Special vessels Submarines 		€1,938 m 29.6 %	
	Other	<ul style="list-style-type: none"> Similar businesses to our core ones where we operate opportunistically (e.g. Mega Yachts, Ferries...) 		€7 m 0.1 %	
Offshore & Specialized Vessels		<ul style="list-style-type: none"> OSV Fishery Ferries Offshore wind OPV Special vessels 		€389 m 5.9 %	€ 970 m (23 ships)
Equipment, Systems & Services		<ul style="list-style-type: none"> Marine systems, components & turnkey solutions Ship interiors Naval services Ship repairs & conversion Infrastructures 		€937 m 14.3 %	€ 1,822 m

(1) At December 31, 2020, before eliminations and consolidation adjustments

(2) At March 31, 2021





(3) Terminology used in the cruise sector to indicate smaller, more intimate cruises with fewer guests dedicated to more exploratory destinations (e.g. Alaska or polar regions)

(4) Parent company of several brands, among which our clients are: Carnival Cruise Lines, Costa Crociere, Cunard, Holland America Line, P&O Cruises, Princess Cruise Lines and Seabourn Cruise Lines

(5) Parent company of several brands: Norwegian Cruise Line, Oceania Cruises, Regent Seven Seas Cruises

Markets and positioning

Leadership in high-potential reference markets and solid track record

	End markets	Market Trend	Main Drivers	Track Record
Shipbuilding	Cruise 	<ul style="list-style-type: none"> Significant impact of COVID-19, affecting Cruise operators' liquidity and operations 	<ul style="list-style-type: none"> A successful rollout of vaccination campaigns will be key to industry recovery Expected pent-up demand when operations are resumed Disposal of older vessels Environmental regulations 	<ul style="list-style-type: none"> World leader in the design and construction of vessels for all segments of the cruise industry 102 ships delivered from 1990 to 2020
	Naval 	<ul style="list-style-type: none"> Stable high margin business in the low double-digit range Focus on accessible markets Large programs under development (Italian Navy fleet renewal program, LCS program, Qatari Navy program, US Navy FFG-62⁽¹⁾ program) 	<ul style="list-style-type: none"> Defence budgets for accessible markets Global geopolitical situation Naval fleet renewals 	<ul style="list-style-type: none"> 128⁽²⁾ ships delivered from 1990 to 2020 1 vessel delivered in Q1 2021
Offshore & Specialized Vessels		<ul style="list-style-type: none"> O&G sector crisis and postponements of E&P projects caused a slowdown in related equipment industry (PSV, AHTS) Segment diversification strategy (Wind Offshore, Fishery, Aquaculture, OPV, Special vessels, Renewable energies) 	<ul style="list-style-type: none"> Oil price and E&P investments Demand of special purpose vessels for marine infrastructure and exploitation of marine resources Demand for renewable energies 	<ul style="list-style-type: none"> 422⁽³⁾ ships delivered from 1990 to 2020 1 vessel delivered in Q1 2021
Equipment, Systems & Services		<ul style="list-style-type: none"> High potential and high margin business Result of the insourcing of strategic activities A minor, but growing, share of the total company's turnover 	<ul style="list-style-type: none"> Shipbuilding programs ongoing Fleet ageing and development of new technologies Development of national critical infrastructure programs 	<ul style="list-style-type: none"> Strong revenue growth to € 937 m in 2020

(1) Former FFG(X) program

(2) Includes other products delivered by Naval business unit. Includes US subsidiaries pre Fincantieri acquisition, excluding 174 RB-M delivered since 2002

(3) Includes other products delivered by Offshore & Specialized Vessels business unit. Includes VARD and predecessor companies

Key competitive strengths

Consolidated leadership, high diversification and flexible global production network



1.

Consolidated leadership in diversified markets and sizeable backlog

- Leader in cruise market and in naval segment
- Cruise visibility influenced by Covid-19 impacts
- Sizable order book and total backlog⁽¹⁾ amounting to approximatively 6.6 years of work if compared to 2020 revenues



4.

Technological leadership

- High innovation capacity and system integrator capabilities (coordination of whole product lifecycle as prime contractor), with ~ 100 prototypes delivered in the last 15 years
- Strong commitment to R&D and proven track record of on-time and on-budget deliveries, with expenditure ~ € 700 m for the period 2015-2020



2.

High diversification in terms of end market, geography and client portfolio

- Focus on high complexity and high value-added segments
- Most diversified shipbuilder with a broad range of clients with both long-term relationships and strategy of extending its customer base



3.

Flexible and global production network

- Integrated production model to control entire production process and aftermarket
- Flexible and global integrated network of 18 shipyards and more than 20,000 employees located in both emerging and Western countries

(1) At March 31, 2021

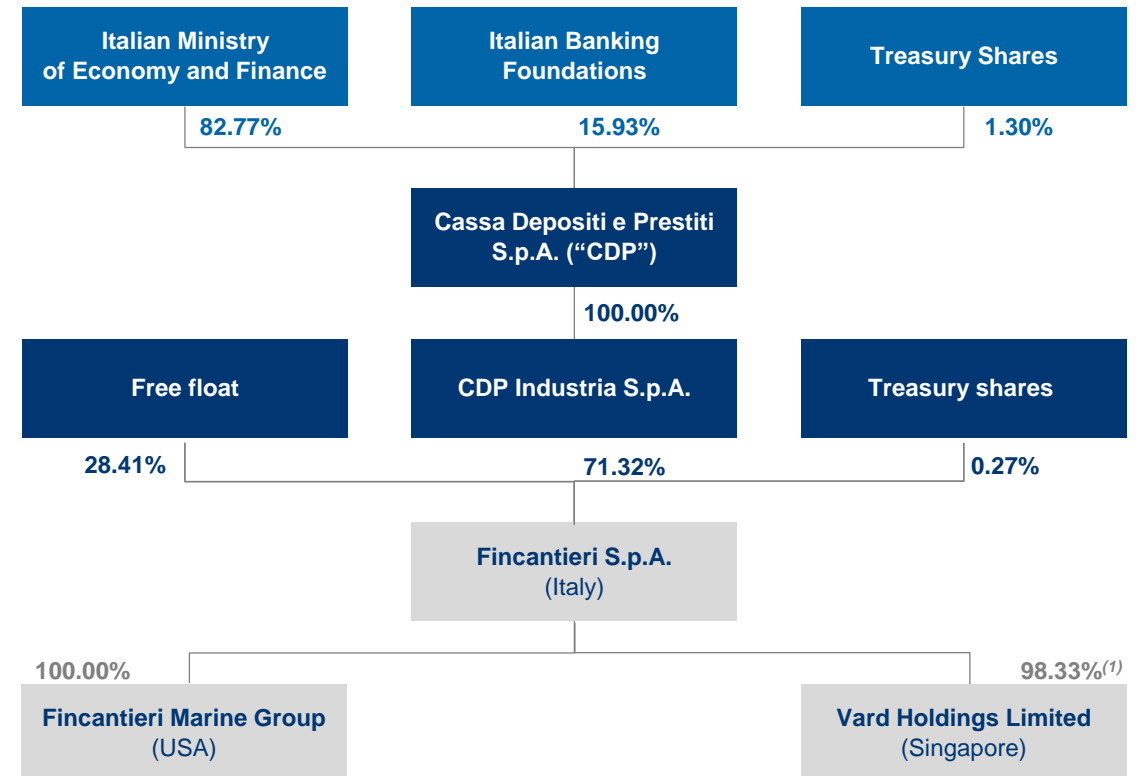


Ownership and Group structure

A listed company with strong reference shareholders

- Fincantieri shares are listed on the Milan Stock Exchange since July 3, 2014
- Fincantieri's reference shareholder is **CDP Industria S.p.A.**, a holding company fully owned by CDP, owning **71.32%** stake
- **CDP** is an Italian state-owned National Development Institution holding major stakes in several listed / non listed strategic Italian companies like ENI, Snam, Terna, Sace, Saipem and Poste Italiane
- **Fincantieri S.p.A.** is the Holding company of the Group
- **Fincantieri Marine Group ("FMG")** is the US subsidiary controlling the three American yards (among them, Marinette Marine participated by Lockheed Martin with a minority stake)
- **Vard Holdings Limited** is the holding company for the VARD Group, delisted from the Singapore Stock Exchange in 2018

Simplified ownership and Group structure



(1) Ownership as of February 2021



SECTION 2

FINANCIAL OVERVIEW



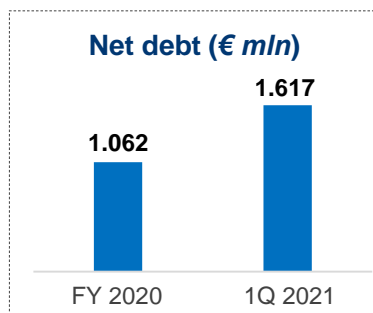
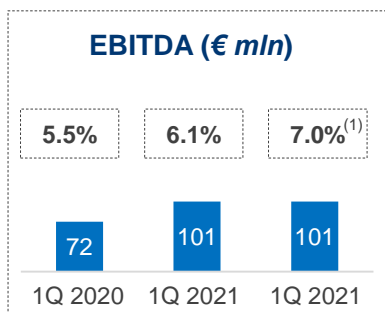
Executive summary

Year-end guidance confirmed, increased revenues and profitability in 1Q 2021

Year-end targets confirmed

- **Guidance for 2021 confirmed:** revenues excluding pass-through activities +25%-30%, EBITDA margin at 7%, and net financial position flat YoY. First quarter performance confirms the targets outlined for year-end
- **Total backlog at € 34.4 bn** including order intake at €0.3 bn: **backlog at €26.5 bn** (98 units) and **soft backlog at €7.9 bn**
- **Two units delivered during the quarter:** LSS «**Vulcano**» to the Italian Navy and expedition cruise vessel «**Coral Geographer**» to Coral Expeditions

Strong top-line and solid profitability



- **Revenues** excluding pass-through activities **up 9.1%** YoY confirming the growth trend outlined in the previous quarter
- **EBITDA margin** at 7.0% improving consistently with year-end target thanks to higher production volumes and sound execution
- **Net debt increase** owing to a delivery schedule concentrated in 3Q - expected to reverse from 3Q
- COVID-19 related extraordinary costs at €14 mln

(1) Excluding pass-through activities

Business update

Leveraging our core competencies, while expanding our strategic capabilities...

CRUISE

- **Delivery schedule carried on as expected**
- **Viking Venus, the first out of five cruise ships to be delivered from Italian shipyards this year**, was successfully handed over to Viking on April 15th in Ancona

DEFENCE

- Fincantieri to officially partake in the **Sea Defence Project**, aimed at providing technologies to be included in the **next generation of naval platforms** and pursued in further European development programmes
- A Memorandum of Understanding was signed between JV **Naviris and Navantia** for an **international industrial cooperation to develop the European Patrol Corvette**, and falling within the PESCO European Program⁽¹⁾

OFFSHORE & SPECIALIZED VESSELS

- VARD to design a **cable repair vessel for Orange Marine**, specifically developed for the maintenance of submarine cables with special attention to **sea-keeping capabilities, maneuverability and low fuel consumption**
- VARD to design and construct **3 Service Operation Vessels for North Star Renewables**: the units will be delivered in 2023 from VARD Vung Tau and will be deployed in the **Dogger Bank Wind Farm**

(1) Permanent Structured Cooperation



Business update

...and gearing up to become a key player within the missions set by the Recovery Plan

DIGITAL TRANSFORMATION AND INNOVATION

- **Cloud computing:** A cooperation agreement was signed with **Amazon Web Services** to accelerate digital innovation and technological development at **national level**, with special focus on cloud computing to provide technological and infrastructural **solutions to institutions, large companies, SMEs, and startups**

GREEN REVOLUTION AND ECOLOGICAL TRANSITION

- **Connected vehicles and smart roads:** an **agreement** was **signed with Almoviva** to support and enhance the digitalisation process in the transportation and logistics sector
- **Innovative projects for reducing emissions:** a Memorandum of Understanding was signed with **Arcelor Mittal and Paul Wurth** to consider drawing up a reconversion plan for the existing integrated cycle of the AMI steel-making plant in Taranto, using eco-friendly technologies
- **Hydrogen.** The first **Zero Emission Ultimate Ship** will be completed in 2021: it is an experimental fuel cell powered marine vessel testifying our commitment to developing **alternative sustainable propulsion systems**

INFRASTRUCTURES FOR A SUSTAINABLE MOBILITY

- **Cold ironing:** a letter of intent was signed with **Enel X** to collaborate on building and running **next-generation port infrastructure** with a **low environmental impact** and developing electricity-powered solutions for ground logistics services



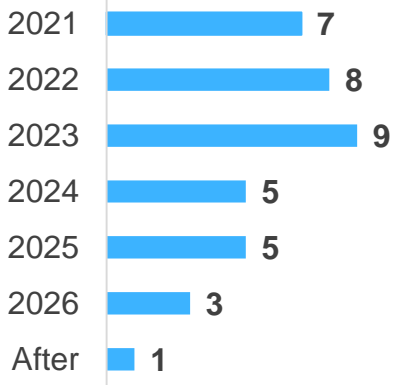
Backlog deployment

Fully preserved order backlog with visibility stretching up to 2029 in Naval

Shipbuilding

ship deliveries

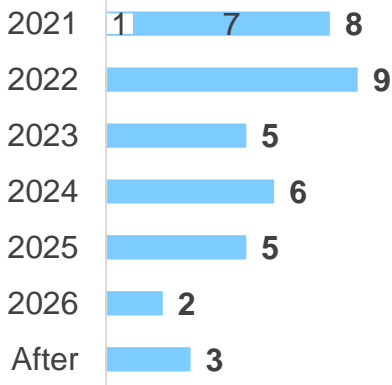
CRUISE



■ Cruise: 38 vessels in backlog

- Visibility up to 2027

NAVAL

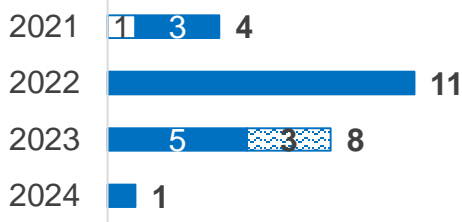


□ Delivered in 1Q 2021 ■ Naval: 37 vessels in backlog⁽¹⁾

- Visibility up to 2029

Offshore & Specialized Vessels

ship deliveries



□ Delivered in 1Q 2021⁽²⁾ ■ New orders in 1Q 2021

■ Offshore & Specialized Vessels: 23 vessels in backlog⁽³⁾

- Wind offshore gaining traction

2 units delivered, 3 new orders, and 98 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) For reasons connected to the organizational responsibility of VARD yards split between Cruise and Offshore, one cruise vessel (for Coral Expeditions) delivered in Q1 2021 is included in the Offshore & Specialized Vessels deliveries
 (3) Offshore & Specialized Vessels business generally has shorter production times and, as a consequence, shorter backlog and quicker order turnaround than Cruise and Naval

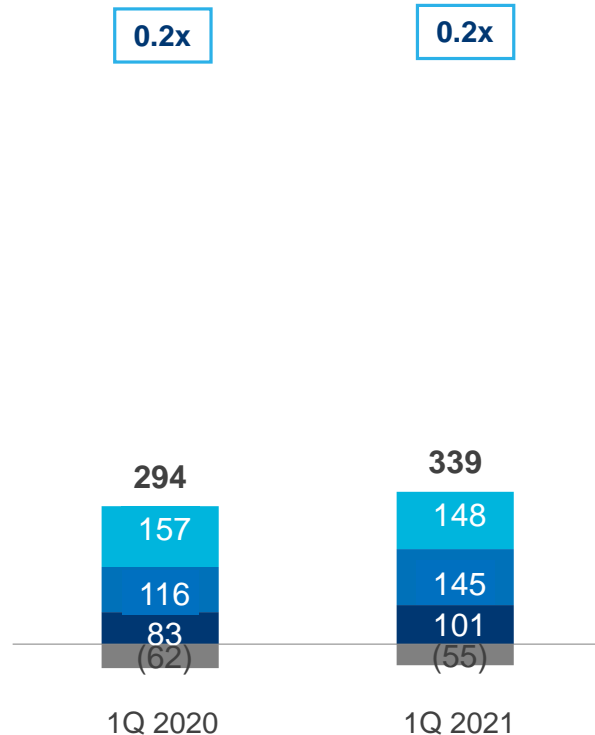


Order intake and backlog

Order intake is still limited but long-term visibility is confirmed

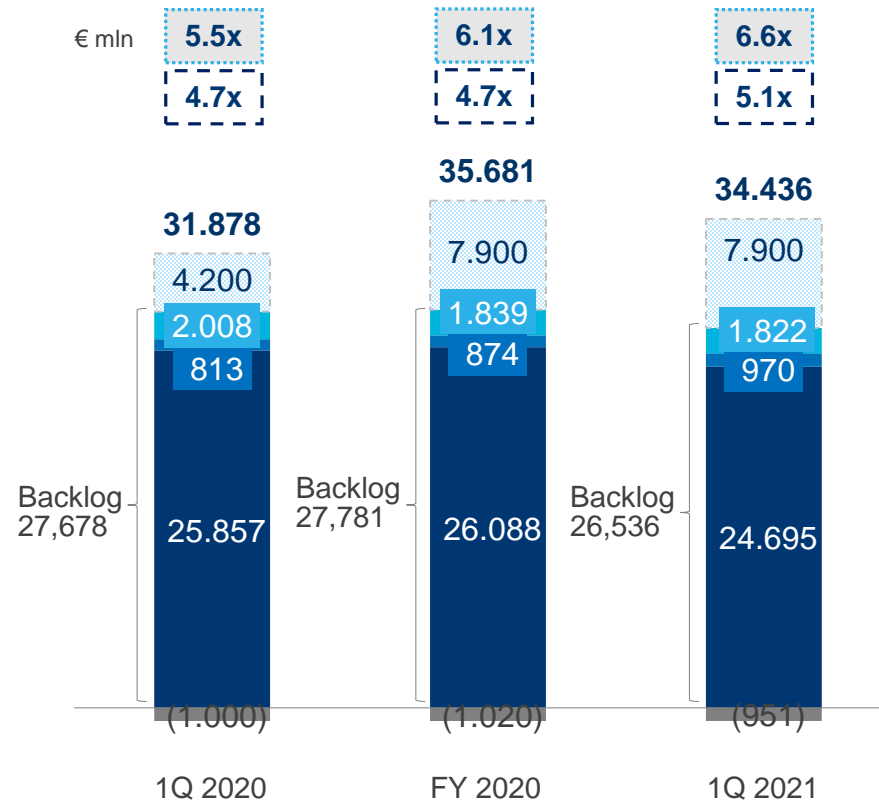
Order intake breakdown by segment

€ mln



Total backlog breakdown by segment⁽¹⁾

€ mln



- **Limited order intake in Shipbuilding** with a wait-and-see attitude on the restart of cruise operations
- **3 Service Operation Vessels** acquired in the Wind Offshore segment
- **Total backlog** at €34.4, approximately 6.6x 2020 revenues

■ Book-to-bill⁽²⁾
■ Total backlog / Revenues⁽³⁾
■ Backlog / Revenues⁽³⁾
■ Shipbuilding
 ■ Offshore & Specialized Vessels
 ■ Equipment, Systems & Services
 ■ Eliminations
 ■ Soft backlog⁽⁴⁾

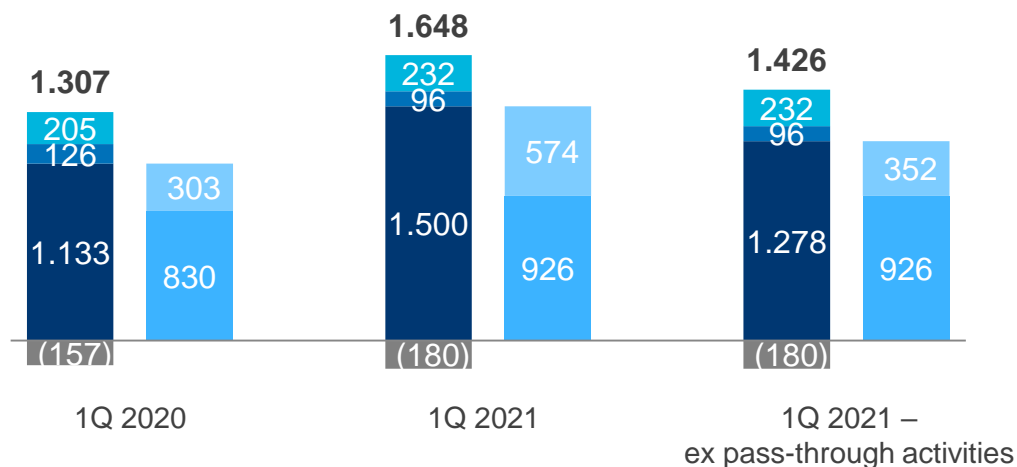
(1) Total backlog is the sum of backlog and soft backlog
 (2) Order intake/revenues excluding pass-through activities
 (3) Excluding pass-through activities
 (4) Soft backlog represents the value of existing contract options and letters of intent as well as contracts in advanced negotiation, none of which yet reflected in the order backlog

Revenues

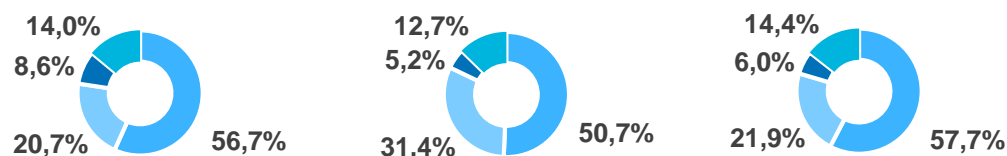
Top-line growth on the right track: full swing of production programmes driving revenues up 9.1% YoY

Revenues breakdown by segment⁽¹⁾

€ mln



% of Total revenues



■ Shipbuilding
 ■ Offshore & Specialized Vessels
 ■ Equipment, Systems & Services
 ■ Other activities and Eliminations
■ Cruise
 ■ Naval

(1) Breakdown calculated before eliminations

Revenues excluding pass-through activities **up 9.1% YoY** thanks to resumption of operations and full swing of production programmes

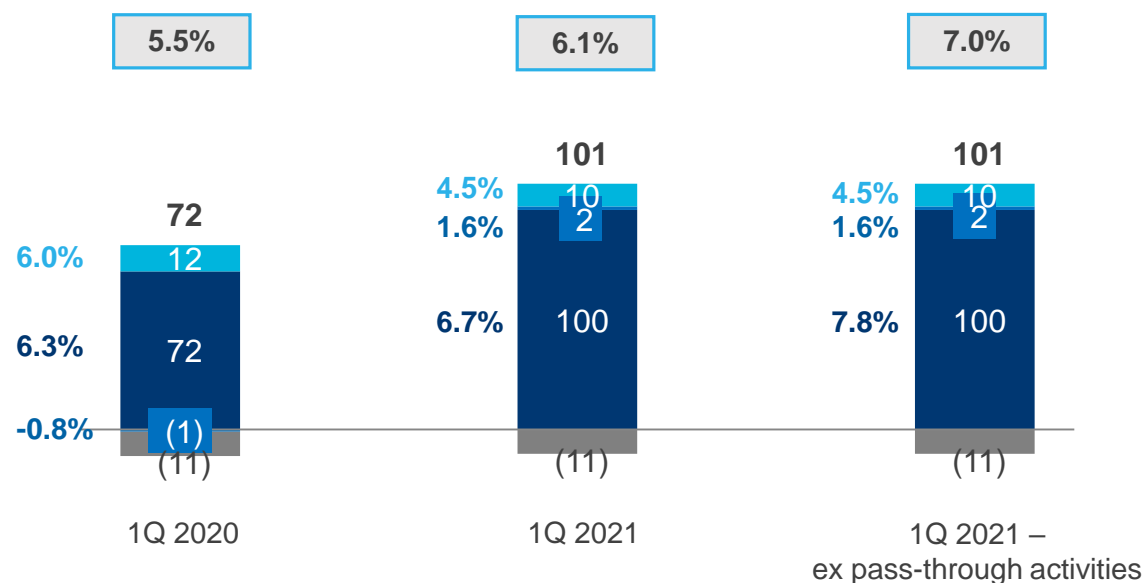
- **Shipbuilding** up 12.8% YoY excluding pass-through activities
- **Offshore & Specialized Vessels** down 23.5% due to (i) disposal of Brevik shipyard (ii) effects of market repositioning on higher-value added segments still to unwind
- **Equipment, Systems & Services:** up 13.4%

EBITDA

Operating profitability at 7.0% is in line with 4Q 2020 performance and 2021 guidance

EBITDA breakdown by segment⁽¹⁾

€ mln



Significantly improved profitability on track with previous quarter positive performance and guidance for 2021

- **Shipbuilding** up 39% YoY with margin at 7.8% confirming good backlog profitability
- **Offshore & Specialized Vessels** up to € 2 mln from negative €1 mln as a result of the successful turnaround strategy implemented in 2019 and market repositioning
- **Equipment, Systems & Services** down 16.7% YoY due to lower profitability in Ship Repair and Conversion

□ EBITDA Margin as % of total revenues

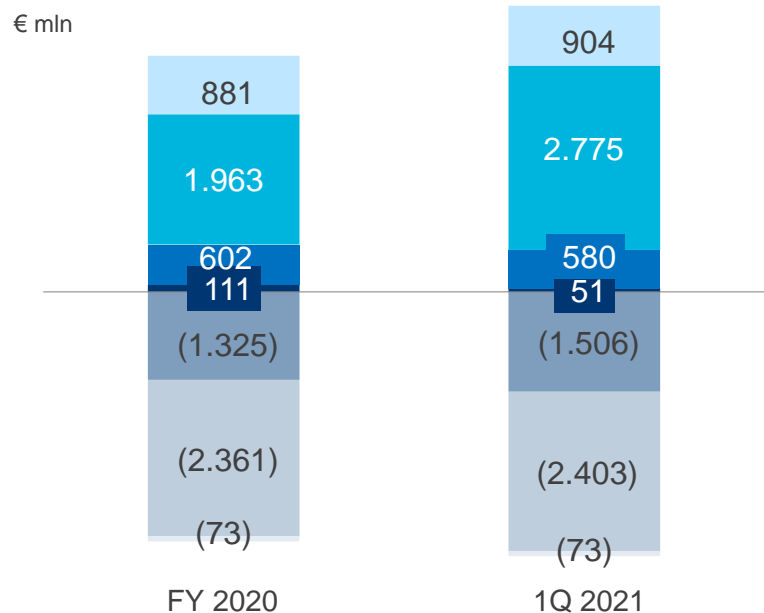
■ Shipbuilding ■ Offshore & Specialized Vessels ■ Equipment, Systems & Services ■ Other activities and Eliminations

(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

Net working capital and net financial position

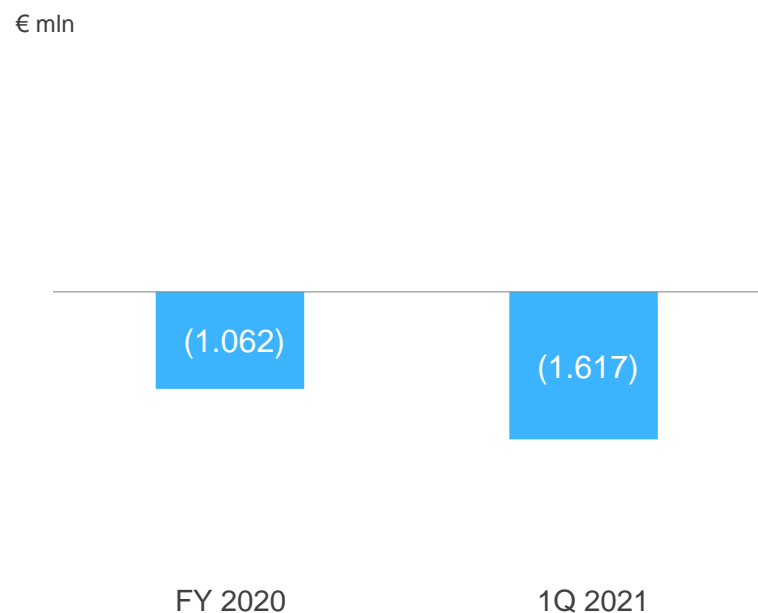
NWC and net debt increase are consistent with the delivery schedule: deleveraging expected by year-end

Net Working Capital breakdown by component



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

Net Financial Position



NFP⁽¹⁾	(1,062)	(1,617)
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- NFP

- Net debt mirrors net working capital dynamics driven by a **concentrated delivery schedule**
- Deleveraging starting from 3Q

(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

SECTION 3

SUSTAINABILITY

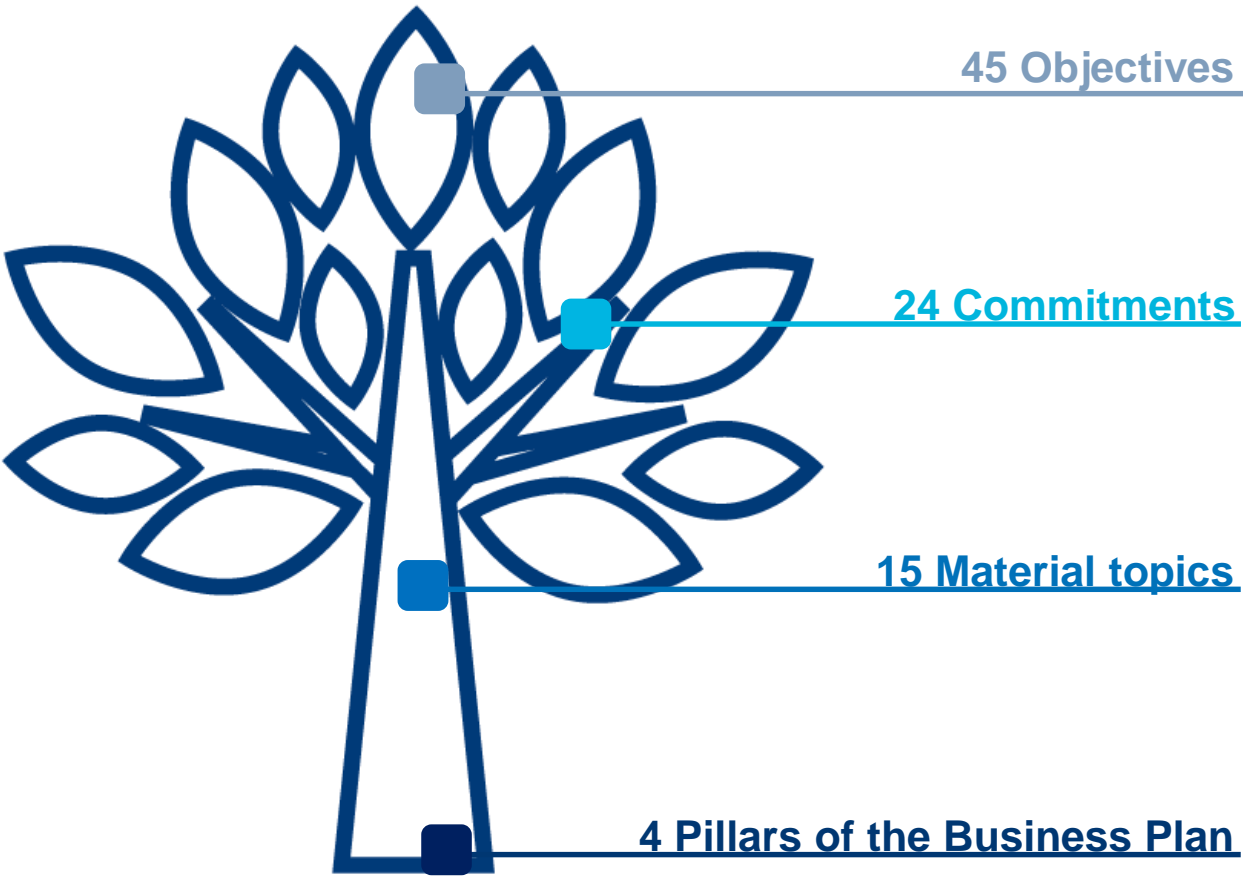


Cruising to sustainability: a long term commitment that is driving our business

Our attention to sustainability is rooted at the very core of our business – however, in the last 5 years we formalized our commitment with a fast-paced governance evolution




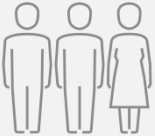

Plan ahead: in 2018 the BoD approved the first Group Sustainability Plan



SUSTAINABLE DEVELOPMENT GOALS



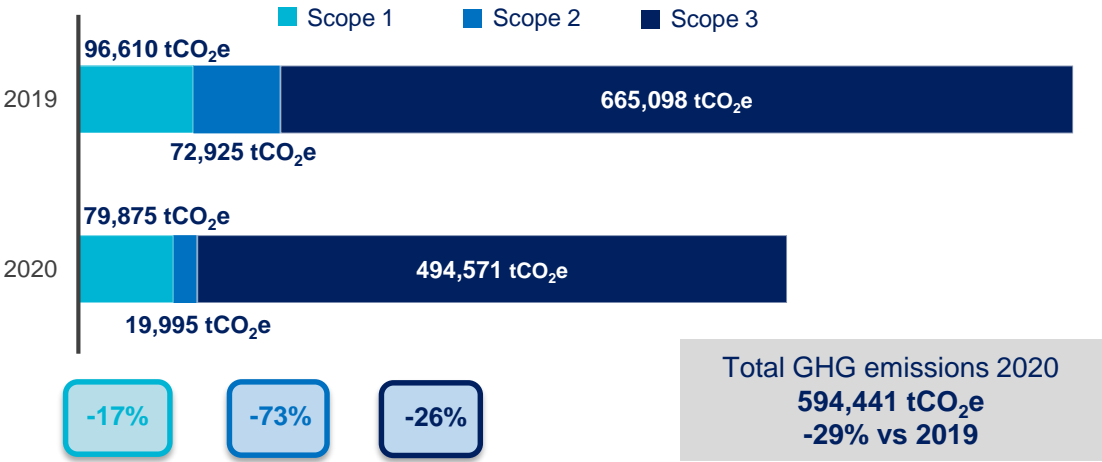
Focus on our Environmental strategy and main commitments

<div>  </div> <div> <p>Environmental</p> </div> <div>  </div> <div> <p>Social</p> </div> <div>  </div> <div> <p>Governance</p> </div>	<div> <p>COMMITMENTS TO REDUCE IMPACT ON THE ENVIRONMENT</p> </div> <ul style="list-style-type: none"> • Tackling climate change through the reduction of carbon dioxide (CO₂) and other pollutant emissions • Projects to improve energy efficiency and preserve natural resources, protect biodiversity and reduce environmental impact to prevent soil, air, and water pollution • Conservation of natural resources, biodiversity, and reduction of environmental impact • Support research to improve analysis and management of risks associated with climate change 	<div> <p>TARGET</p> </div> <ul style="list-style-type: none"> ● 50% reduction of Scope 2 GHG emissions by 2022 (versus 2017) ● Increase the percentage of electricity from renewable sources (100% in Italy and Romania by 2020) ● Consolidation of the share of waste to be recycled between 80% and 90% in Italy by 2020 ● ISO 50001 – Energy Management System certification for the Italian shipyards by 2021 ● Conduct a climate change scenario analysis by 2021 ● Promotion of 5 research projects to develop new solutions for energy savings or reduction of emissions in collaboration with research institutes / universities on issues associated with climate risks by 2030 ● Promote studies and initiatives on the circular economy by 2025 	<div> <p>COMMITMENTS TO REDUCE IMPACT ON OUR PRODUCTS</p> </div> <ul style="list-style-type: none"> • Development of ecologically sustainable products and services contributing to a circular and low carbon economy 	<div> <p>TARGET</p> </div> <ul style="list-style-type: none"> ● Develop technologies to increase energy savings in ships with equal features (green ships), along with: <ul style="list-style-type: none"> - 30% increase in ship efficiency by 2030 - Eliminate ship emissions in ports and halve navigation emissions by 2030 ● Definition of an eco-design system to promote the development of environmentally sustainable ships by 2020
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Environmental KPIs



GHG emissions

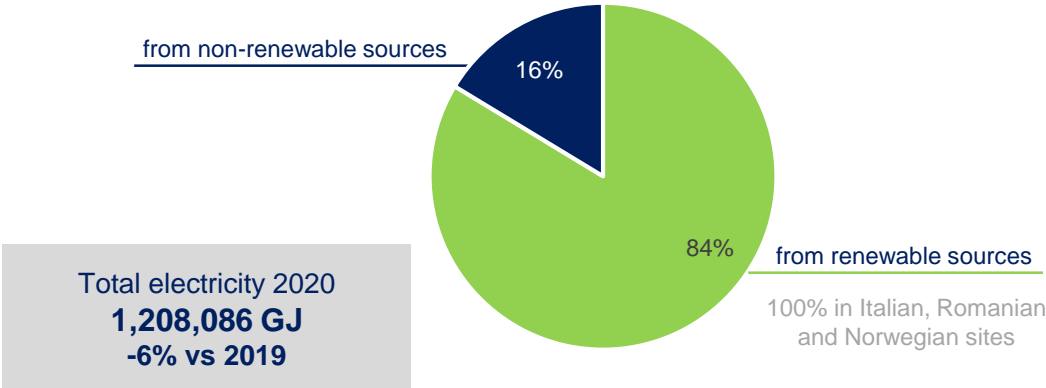


Scope 1: Direct emissions from sources owned by or under the control of the Group
Scope 2: Indirect emissions from electricity consumption
Scope 3: Other indirect emissions from: raw materials, raw material procurement chain, employee mobility, water consumption and waste production

Waste















Renewable electricity



Eco-design initiatives

8 new environmentally friendly initiatives for the Merchant Shipping Division
10 new initiatives for the Naval Shipping Division

Focus on our main social commitments

 Environmental	COMMITMENTS TO OUR EMPLOYEES	TARGET	COMMITMENTS TO OUR CLIENTS	TARGET
	<ul style="list-style-type: none">• Promotion of growth, training, and enhancement of human capital• Promotion of programs offering equal opportunities to all employees in order to promote diversity and inclusion within the Group• Increase the wellbeing of our people through innovative solutions• Continuous improvement of workers' health and safety conditions	<ul style="list-style-type: none"> Keep the percentage of hires of under-35s above 40% of all new hires per year in Italy by 2022 Conduct a gender pay equality survey for Fincantieri S.p.A. by 2021 Structure the remote working tool in general and as a support to special needs by 2021 ISO 45001 Health and Safety at Work Management System certification in the Italian sites by 2020 Improvement of health and safety at work with 15% reduction of severity index¹ and 5% reduction of frequency rate² compared to 2017 in Italy by 2022 Define an action plan to increase employee awareness of diversity and inclusion for Fincantieri S.p.A. by 2021	<ul style="list-style-type: none">• Listen to needs and expectations to maximize customer satisfaction• Continuous improvement of quality and safety of products and services in compliance with technical standards, in all phases of the production process to meet the high standards required by the business	<ul style="list-style-type: none"> Develop a Customer Satisfaction Index (CSI) plan by 2020 Increase product health and safety with the definition of a list of actions to be carried out to reduce health risk on board ships by 2021
	COMMITMENTS TO THE COMMUNITIES	TARGET		
 Social	Collaboration with governments, national and international associations to adopt policies and strategies to contribute to a healthy, inclusive, resilient and sustainable society for everyone	<ul style="list-style-type: none"> Enter into agreements with food associations, on the basis of the local requests, redirecting food surplus from Fincantieri canteens by 2020		
	 Governance			

● Target achieved

◐ Target in progress

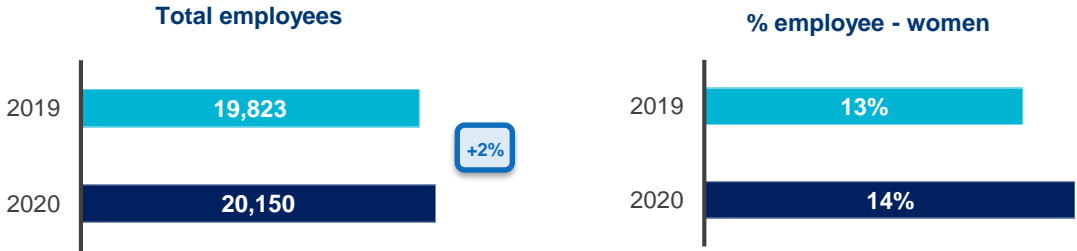
(1) no. of days lost due to injury / hours worked x 1,000

(2) no. of injuries / hours worked x 1,000,000

Social KPIs



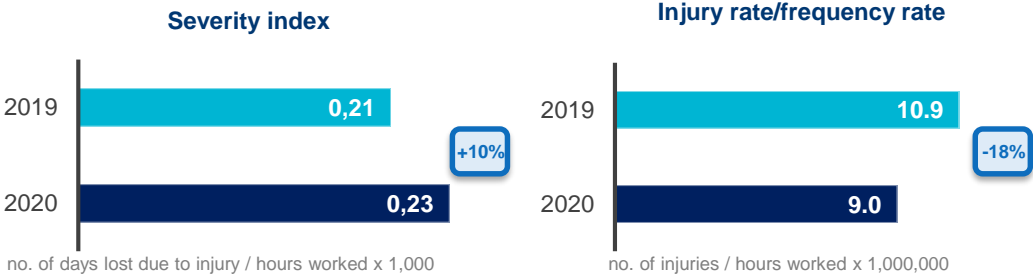
Diversity and equal opportunity



Community Investments



Health & safety

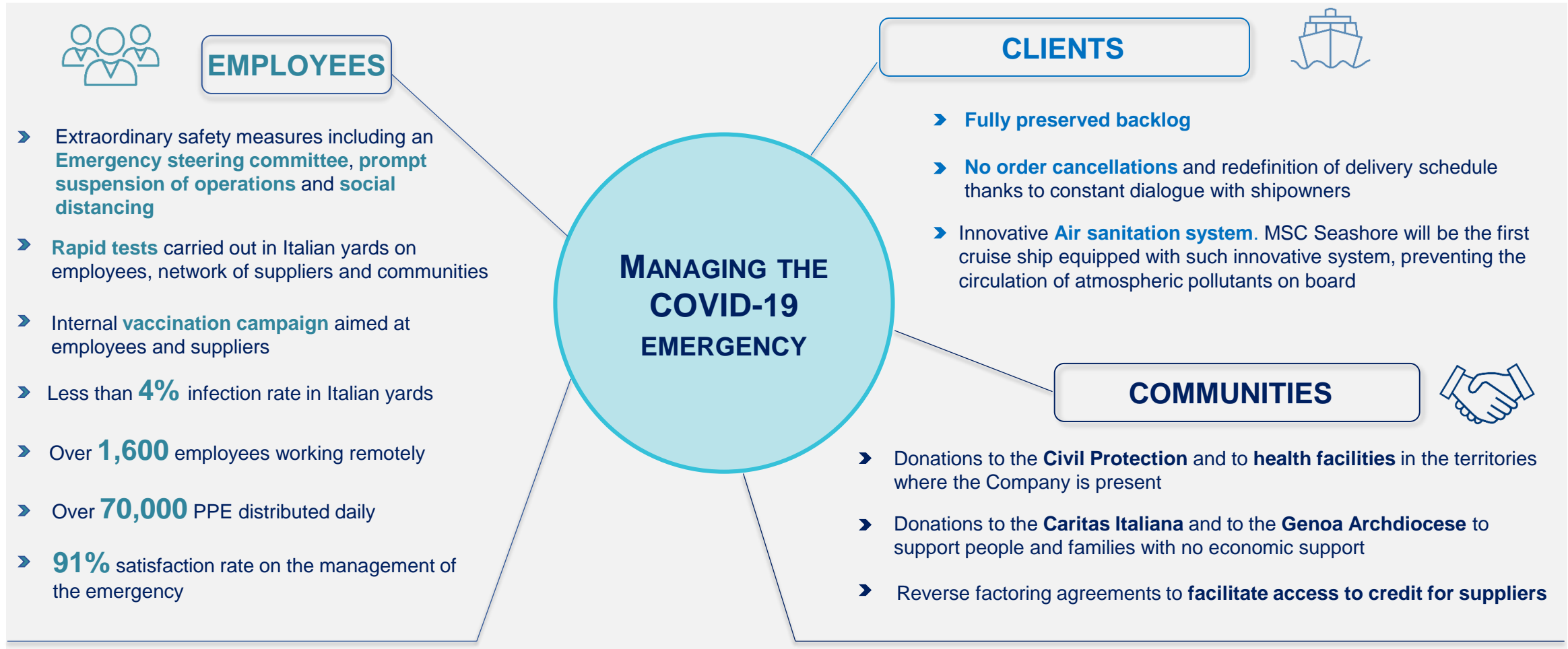


Health & safety costs


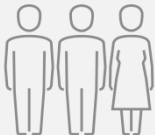



In 2020, all the Italian sites completed the migration process to the new **ISO 45001** standard, which defines the requirements for certifying the Health and Safety at Work Management System

Focus on the COVID-19 emergency



Focus on our main Governance topics

 Environmental	OUR COMMITMENTS TO GOVERNANCE AND BUSINESS ETHICS	TARGET	OUR COMMITMENTS TO SUSTAINABLE SUPPLY CHAIN	TARGET
	<ul style="list-style-type: none">Promotion of a sustainability culture in line with the Group's Values, encouraging managers to think sustainably within their sphere of actionAdoption of pre-emptive measures and policies geared towards the prevention of corruption in all spheres of influence	<ul style="list-style-type: none">Over 15% of the addressable workforce has sustainability targets in its variable remunerationISO 37001 Anti-Corruption Management System certification for Fincantieri S.p.A. by 2020Definition of the Group's tax strategy by 2021	<ul style="list-style-type: none">Promotion and support of a responsible supply chain that shares our values and is based on long-lasting relationships founded on integrity, transparency and respectCommitment to creating the socio-economic conditions to ensure respect for human rights throughout the value chain	<ul style="list-style-type: none">Organize workshops involving a panel of at least 40 suppliers out of 200 considered strategic to share a path of sustainability, training and discussion on ESG issues by 2020Launch of the Sustainable Supply Chain project for Fincantieri S.p.A. by 2021Conduct annual audits to assess and monitor the most critical suppliers in terms of human rights, health and safety and environment by 2023
 Social				
 Governance	OUR COMMITMENTS TO INNOVATION	TARGET		
	Investments in research and innovation to develop sustainable, efficient, safe and competitive products and processes with particular reference to the technologies needed to reduce their environmental impact and increase their digitalization	<ul style="list-style-type: none">Keep a spending budget in R&D (costs and investments) for Fincantieri S.p.A. above € 90 mln/year (of which 60% in clean technologies) by 2020Development of intelligent ships and platforms (smart ships / smart offshore infrastructure) and autonomous ships. Development of innovative solutions for yards (smart yards) by 2030		



Target achieved

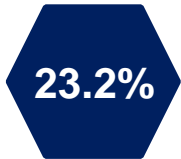


Target in progress

Governance KPIs



Variable remuneration



of MBO Plan recipients received at least one sustainability target

Anticorruption

In 2020 Fincantieri S.p.A. obtained **ISO 37001** certification for its anticorruption management systems

Sustainable supply chain

Workshop on sustainability issues

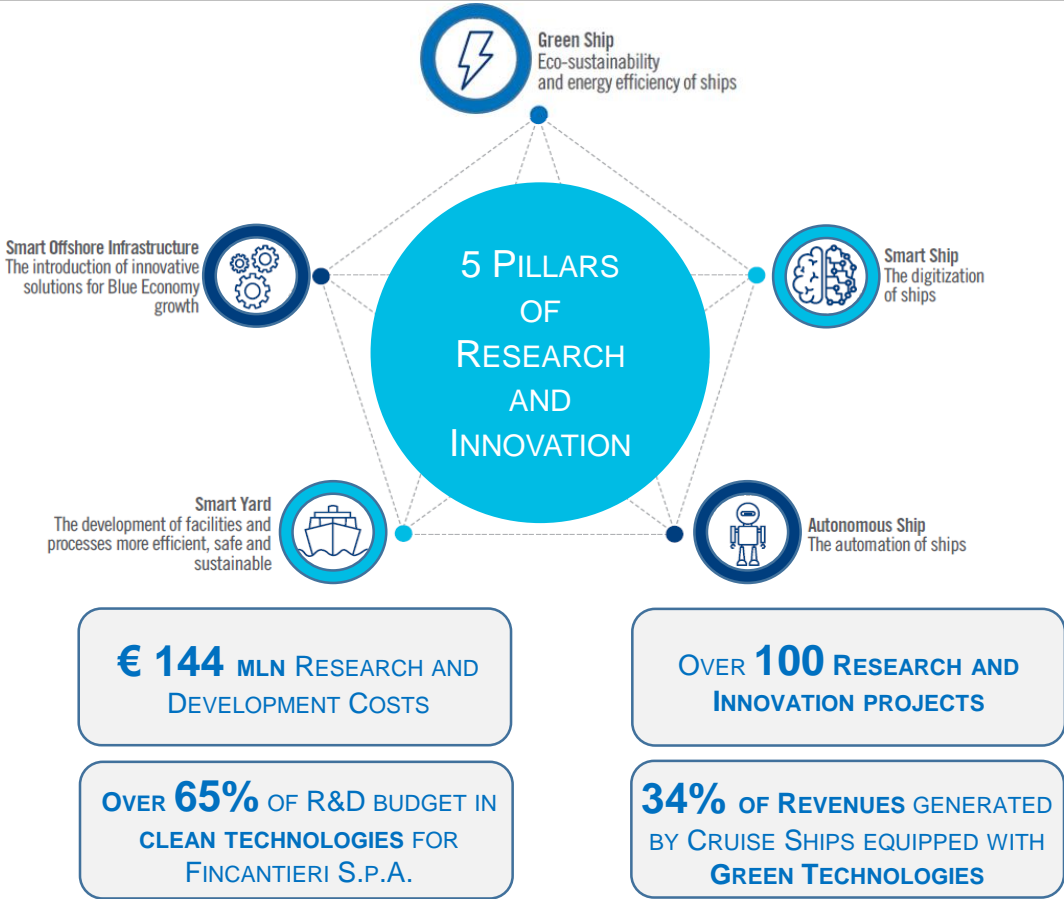


Sustainability audits



ON HUMAN RIGHTS, ENVIRONMENT, HEALTH AND SAFETY ASPECTS*

Research & Innovation



*The decrease in audits compared to the previous year (35 audits in 2019) is due to the COVID-19 pandemic and the resulting travel restrictions, preventing staff from going to supplier premises.



Our commitment to sustainability is internationally recognized

RATINGS



- **2016:** Fincantieri joined the CDP, addressing the challenges of **climate change** and limiting its impact through eco-sustainable behaviour. CDP provides investors with information on environmental strategies and performances of companies in which they invest or intend to invest. In 2020 Fincantieri achieved an **A-** score (B in 2019) and also achieved a **Leader score (A)** in the Supplier Engagement Rating survey⁽¹⁾.



- V.E. is a leading agency in assessing the integration of Social, Environmental and Governance factors into business strategies, with a focus on performance and sustainable value creation. In 2020, Fincantieri achieved a score of **68/100**, holding its position in the "**Advanced**" range and it was ranked **first** among its peers in the Mechanical Components & Equipment sector.



- Gaia Rating, a French sustainability rating agency, part of Ethifinance, assigned to Fincantieri the overall score of **85 points** out of 100, ranking it **2nd** out of the 512 companies evaluated.

AWARDS

- **2020 EDITION OF THE OSCAR DI BILANCIO**, the award organised by Ferpi⁽²⁾ and promoted together with Borsa Italiana and Bocconi University
- **NATIONAL AND GLOBAL SECTION OF THE MIKE AWARD** (Most Innovative Knowledge Enterprise), singling out the best practices that allow for the transformation of corporate knowledge into innovation
- **GREEN STAR 2021 AWARD** by the German Institute of Quality in collaboration with the Institute of Management and Economic Research of Hamburg. Fincantieri is now one of Italy's 200 Green Stars, **ranked first** in the "Engineering, Construction and Infrastructure" sector

⁽¹⁾ Rating related to the engagement of the supply chain on sustainability and climate change topics

⁽²⁾ Federazione Relazioni Pubbliche Italiana (Italian Public Relations Federation)



SECTION 4

STRATEGY & OUTLOOK



2021 Company outlook

-
- In the US, the **CDC** may reportedly be open to **lift or modify the Conditional Sailing Order** - in Europe cruise operations are about **to be resumed starting from late spring/early summer**
 - **Strong 2022 booking volumes for cruises** are ahead of pre COVID-19 levels and are driven by pent-up demand
-
- **Operations to run at full swing** with a **production ramp-up** expected to bridge the gap experienced in 2020
-
- Long-term growth and profitability are ensured by a **fully preserved order portfolio in Cruise** and a **highly diversified backlog**
-
- Sound revenue growth expected to accelerate in the remaining part of the year
-
- **Increase in net financial position** (owing to a delivery schedule concentrated in 3Q) expected to rapidly reverse in the second half of 2021
-
- **Confirmed guidance on year-end:**
 - Revenues excluding pass-through activities will be up 25%-30% and EBITDA margin is expected at ~7.0%
 - Net financial position is expected to come in broadly in line with 2020
-





APPENDIX



Overview of financial performance indicators⁽¹⁾

€ mln	FY 2017 ⁽²⁾	FY 2018 ⁽²⁾	FY 2019 ⁽²⁾	FY 2020
Order intake	8,554	8,617	8,692	4,526
Total backlog	26,153	33,824	32,690	35,681
<i>Of which backlog</i>	22,053	25,524	28,590	27,781
<i>Of which soft backlog</i>	4,100	8,300	4,100	7,900
Revenues	5,020	5,416	5,849	5,879
EBITDA	341	421	320	314
<i>As a % of revenues</i>	6.8%	7.8%	5.5%	5.3%
EBIT	221	285	153	148
<i>As a % of revenues</i>	4.4%	5.3%	2.6%	2.5%
Adjusted profit/loss ⁽³⁾	91	114	(71)	(42)
<i>Attributable to Group</i>	95	117	(64)	(37)
Net result for the period	53	69	(148)	(245)
<i>Attributable to Group</i>	57	72	(141)	(240)
Net fixed assets	1,743	1,703	1,905	2,035
Net working capital ⁽⁴⁾	(120)	44	(125)	(202)
<i>Of which construction loans</i>	(624)	(632)	(811)	(1,325)
Equity	1,309	1,253	1,050	777
Net financial position <i>Net cash/ (Net debt)</i>	(314)	(494)	(736)	(1,062)
Employees	19,545	19,274	19,823	20,150

(1) With the aim to provide a meaningful index to measure the Group financial results, the Group adopts an EBITDA definition which normalizes the trend of results over time, and increases the level of comparability of the same results by excluding the impact of non recurring and extraordinary operating items; for the same reason, the Group also monitors Net Income before non recurring and extraordinary items (both operating and financials)

(2) Comparative figures in 2017, 2018, and 2019 are shown restated

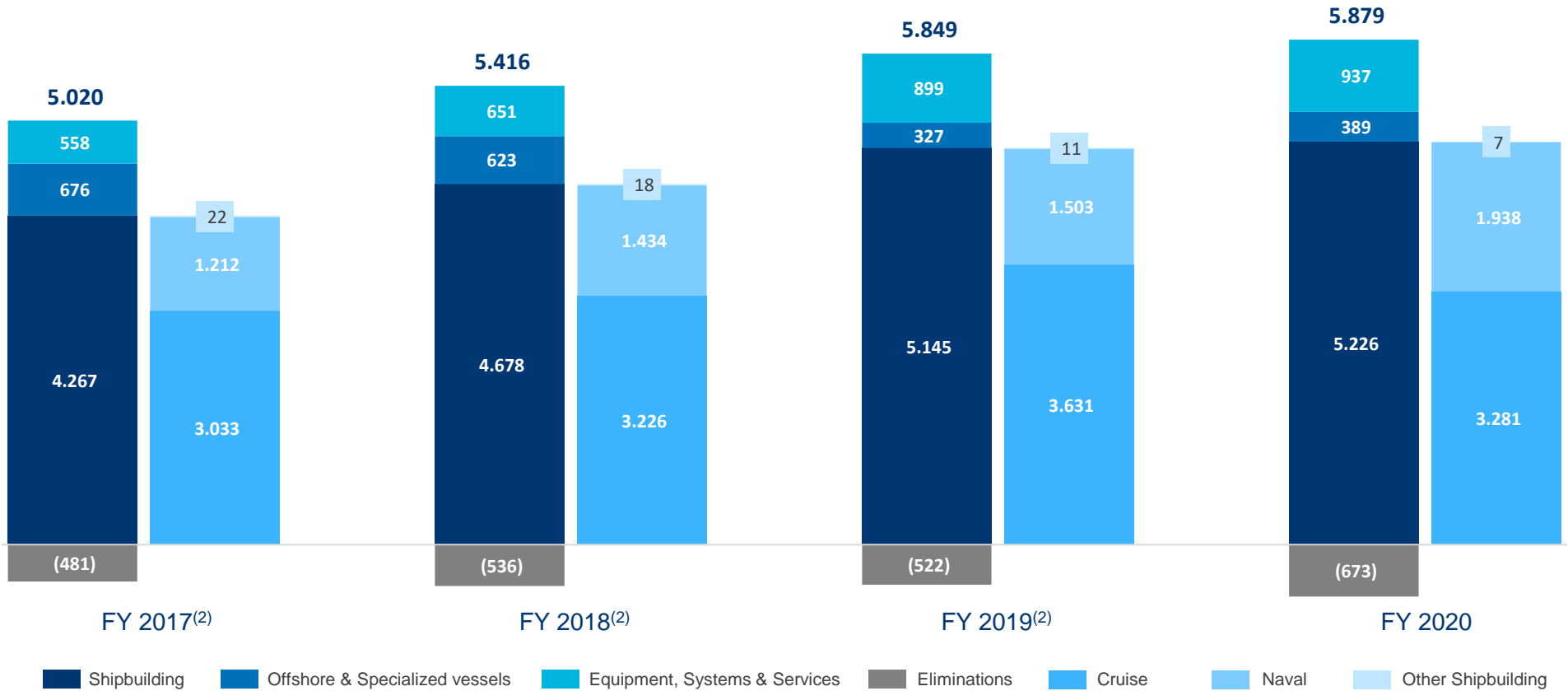
(3) Excluding extraordinary and Non Recurring Items net of tax effect

(4) Construction loans are accounted for in Net working capital, not Net financial position, as they are not general purpose loans and can be a source of financing only in connection with ship contracts

Financial performance: Historical revenues

Revenues breakdown by segment⁽¹⁾

€ mln



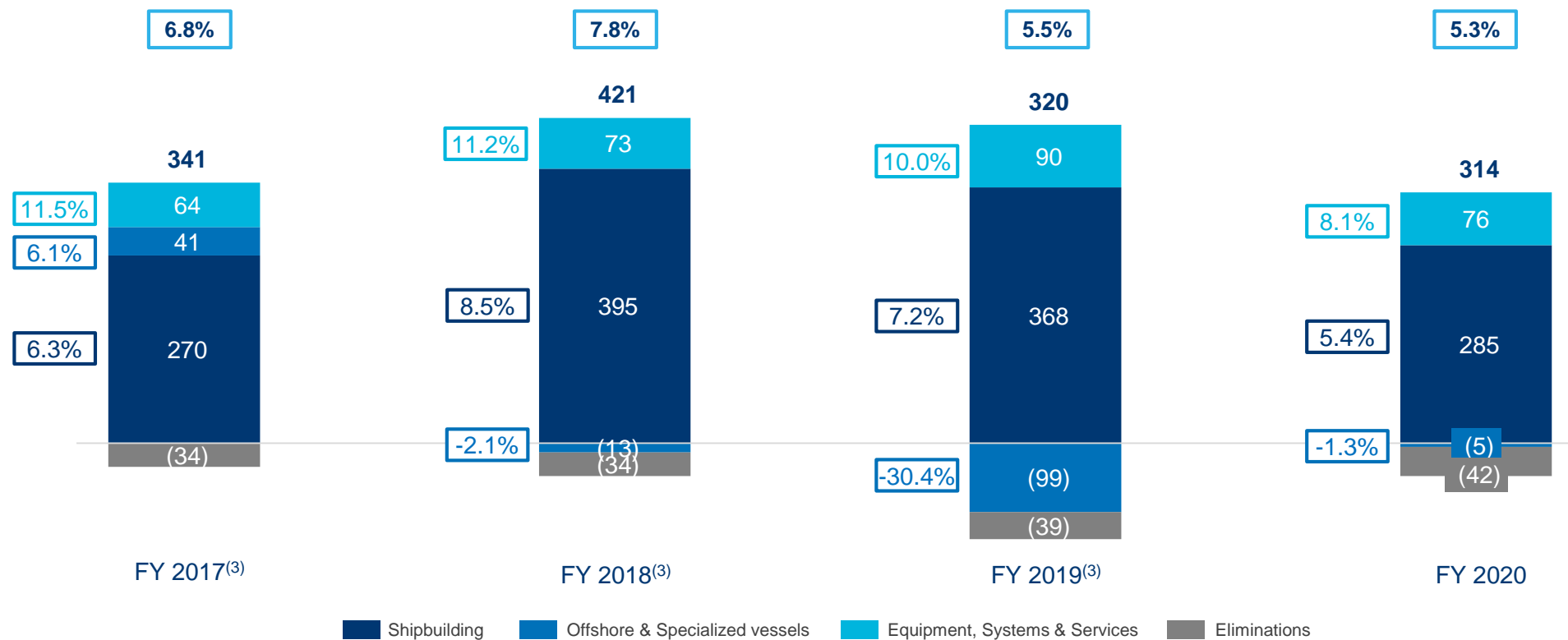
(1) Breakdown calculated gross of consolidation effects
 (2) Comparative numbers of 2017, 2018, and 2019 are shown restated



Financial performance: EBITDA

EBITDA breakdown by segment⁽¹⁾/margin⁽²⁾

€ mln



(1) Breakdown calculated gross of consolidation effects

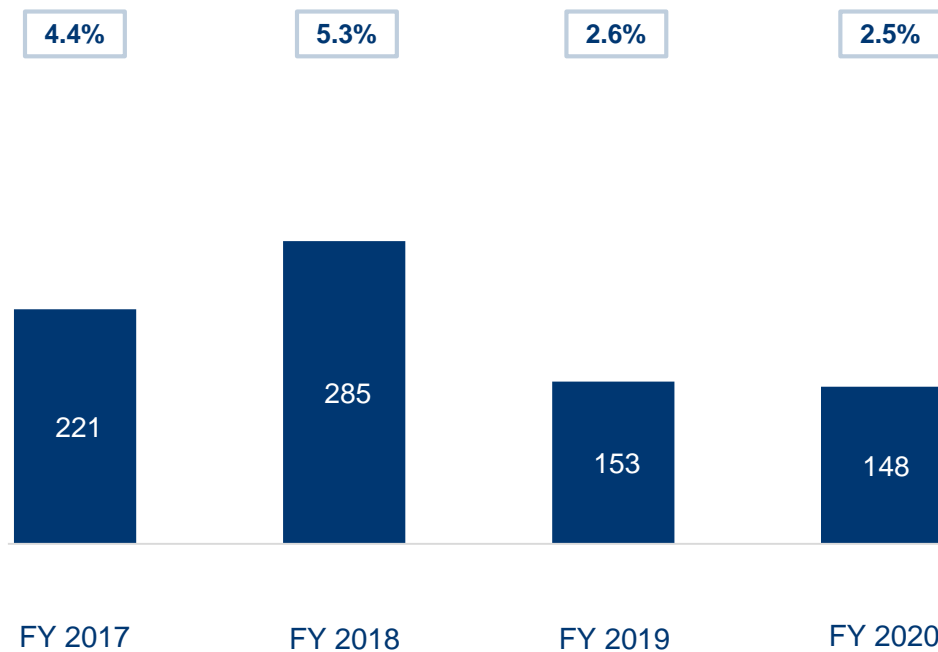
(2) EBITDA is a Non-GAAP Financial Measure. The Company defines EBITDA as profit/(loss) for the period before (i) income taxes, (ii) share of profit/(loss) from equity investments, (iii) income/expense from investments, (iv) finance costs, (v) finance income, (vi) depreciation and amortization, (vii) extraordinary wages guarantee fund – Cassa Integrazione Guadagni Straordinaria, (viii) expenses for corporate restructuring and other non-recurring personnel costs, (ix) accruals to provision and cost of legal services for asbestos claims, (x) other non recurring items. EBITDA breakdown are referred only to operating segments

(3) Comparative numbers of 2017, 2018, and 2019 are shown restated

Financial performance: historical EBIT and Net result

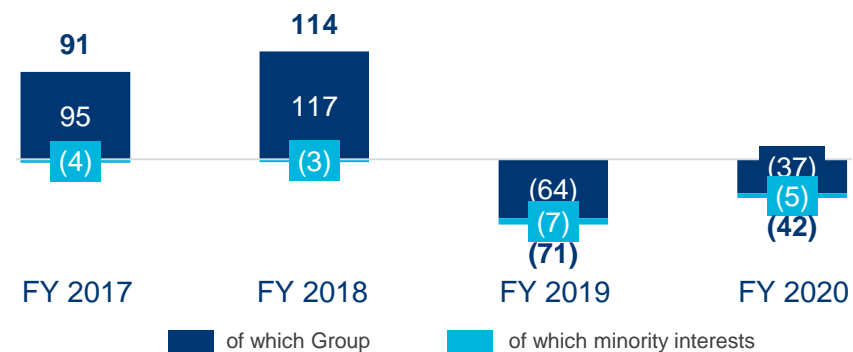
EBIT / margin

€ mln



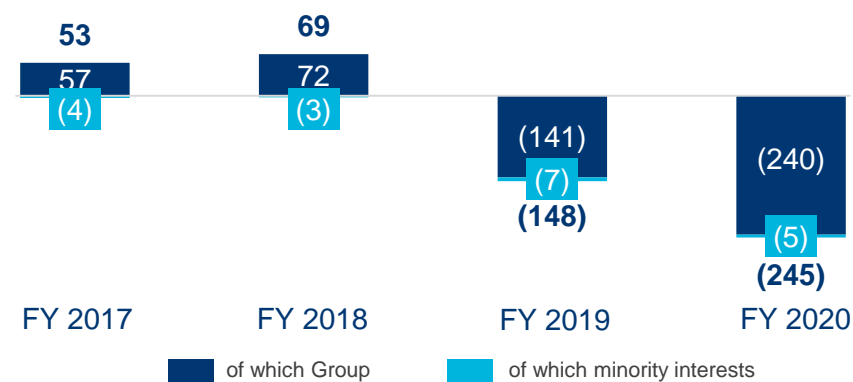
Net result before extraordinary and non recurring items⁽¹⁾

€ mln



Net result

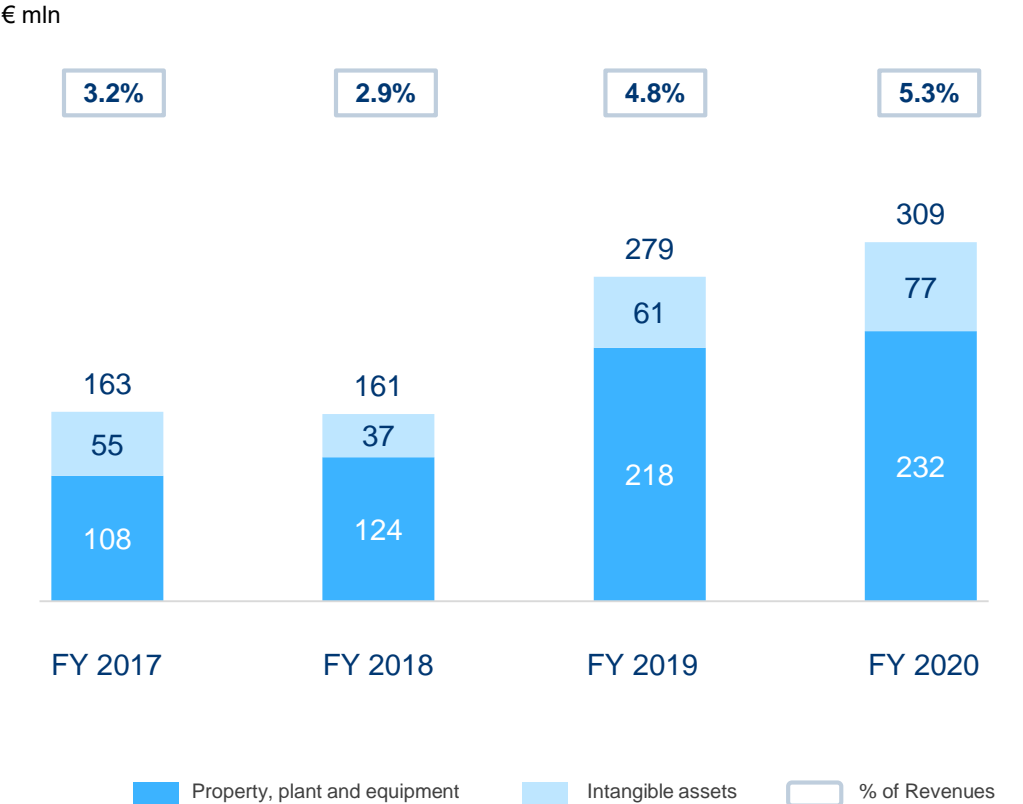
€ mln



(1) Extraordinary and non recurring costs net of tax effect amounted to € 37 mln in 2015, € 46 mln in FY 2016, € 38 mln in 2017, € 39 mln in 2018, € 53 mln in 2019, and € 203 mln in 2020

Capex: historical trend

Capex evolution



Capex by segment

