



FINCANTIERI INTERMONTE – VIRTUAL ROADSHOW

October 20, 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

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.



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SECTION 1

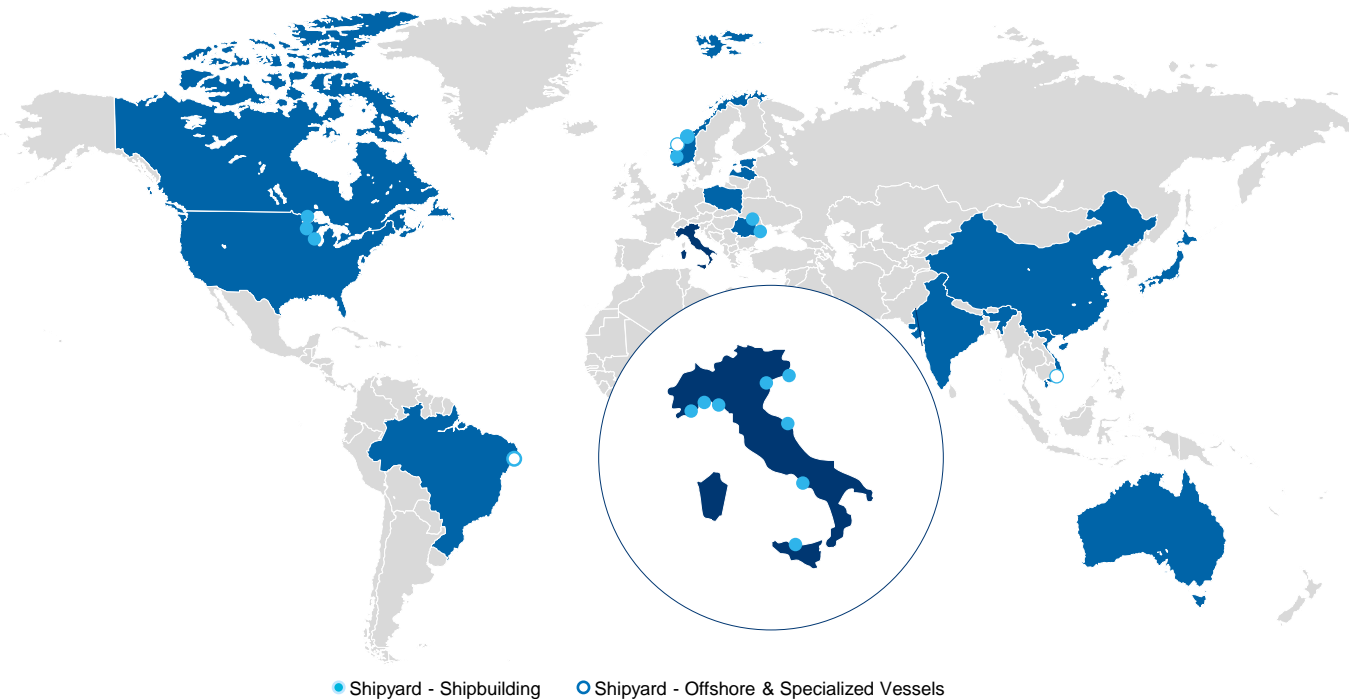
DESCRIPTION OF THE GROUP



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

- € 37.0 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 June 30, 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 	 (4)  (5)      	 €3,281 m 50.1%	€ 24,084 m (71 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%	€ 879 m (22 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%	€ 3,606 m

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

(2) At June 30, 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 3 vessels delivered in 1H 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 2 vessels 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 approximately 7.1 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 June 30, 2021

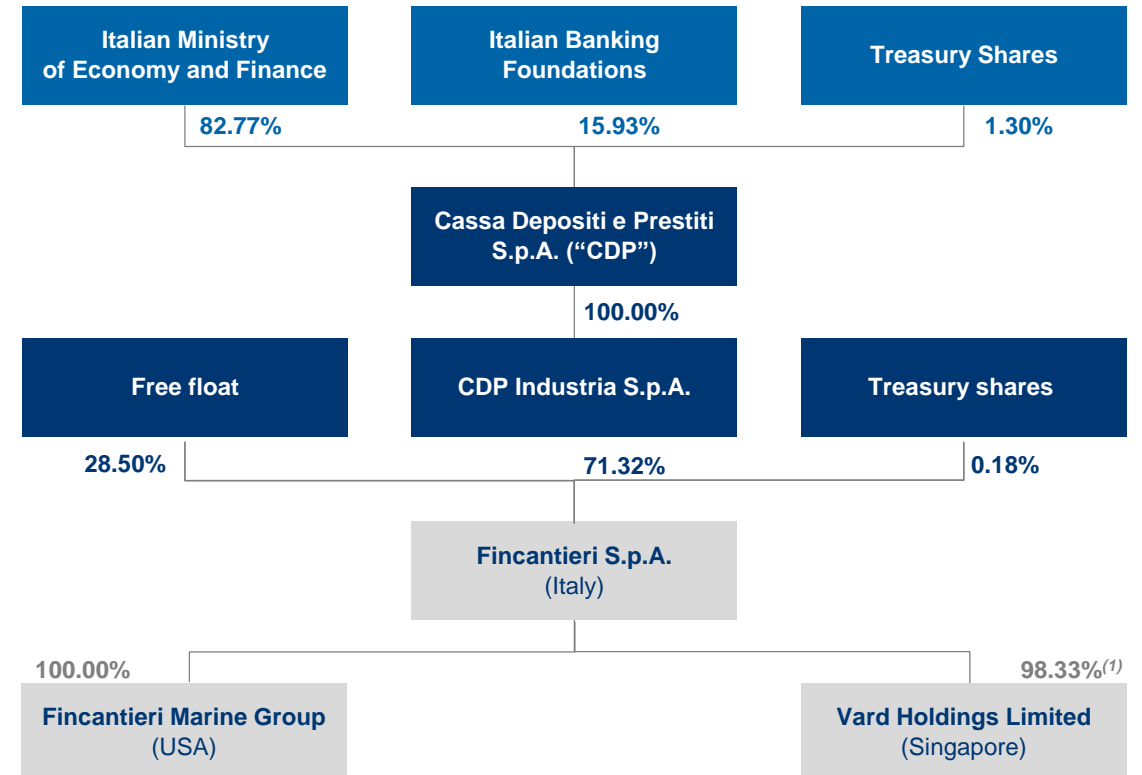


Ownership and Group structure

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



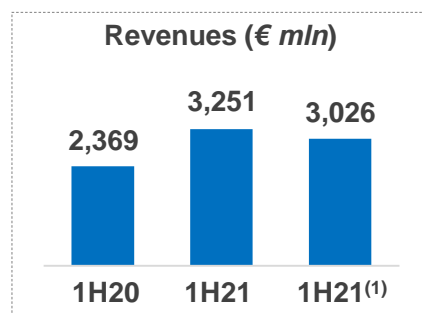
SECTION 2

FINANCIAL OVERVIEW

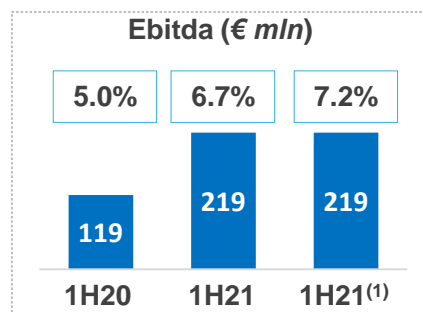


Executive summary

Back to profitability: revenues up 28%, EBITDA +84%, adjusted net income €49 mln, guidance confirmed

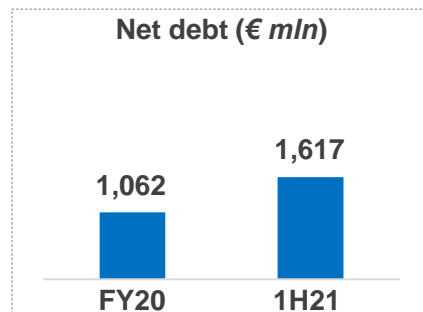


REVENUES EXCLUDING PASS-THROUGH ACTIVITIES +28% YOY



EBITDA AT €219 MLN AND EBITDA MARGIN AT 7.2% EXCLUDING PASS-THROUGH ACTIVITIES

ADJUSTED NET INCOME €49 MLN AND €42 MLN EXTRAORDINARY COSTS



NET DEBT CONSISTENT WITH EXPECTED DELIVERY SCHEDULE AND IN LINE WITH 1Q21 (3 CRUISE SHIPS DELIVERED IN JULY WITH A CUMULATIVE CASH-IN OF €1.5 BN)

NET DEBT €1.2 BN AS OF JULY 2021

- Confirmed **guidance** on **FY 2021** with revenues expected to reach more than +25% YoY and EBITDA margin at 7%, despite increasing commodity prices
- **Total backlog with 111 units** at €37 bn, 7.1x 2020 revenues: backlog with 93 units at €27.6 bn and soft backlog at €9.4 bn
- **Record-high production volumes** (with 8.4 mln production hours at Italian sites, up ~50% YoY) in order to execute the **hefty backlog** and stick to the **planned delivery schedule**
- **Corporate vaccination program** successfully launched in June at Italian yards, addressing both our **employees** and **subcontractors**
- **7 ships** successfully **delivered** from 6 different shipyards and 6 cruise ships to be handed over in the second half of the year (out of which 3 delivered in July)
- Awards: Second FFG-62 frigate for the **US Navy**; prime contractor of the program for 6 frigates for the **Indonesian Navy**; new **MSC cruise terminal** at PortMiami

(1) Excluding the effect of pass-through activities

Business update

Continuous focus on strategic development

CRUISE

- **5 cruise ships successfully delivered, out of which 3 in July:** Viking Venus to Viking Cruises (April), Hanseatic Spirit to Hapag-Lloyd (June), Valiant Lady to Virgin Voyages (July), MSC Seashore to MSC (July), and Rotterdam to Holland America Line (July)
- VARD to build **Somnio**, the world's first yacht liner: with 39 luxurious apartments, it will be sailing the world according to owners' wishes

DEFENCE

- **Prime contractor** of the program for the **supply of 6 FREMM frigates** to the **Indonesian Ministry of Defense** awarded in June
- **Second Constellation-class frigate** ordered by the **US Navy** in May. FMM is currently working on the design of the first-in-class USS Constellation to be delivered in 2026

OFFSHORE AND SPECIALIZED VESSELS

- VARD to provide **North Star Renewables** with **3 SOV** to be deployed in the Dogger Bank Wind Farm
- VARD to supply a **cable repair vessel** to **Orange Marine** (a subsidiary of the Orange Group), specifically developed for the maintenance of **submarine cables**

EQUIPMENT, SYSTEMS AND SERVICES

- **Partner with MSC** for the construction of a new state-of-the-art **cruise terminal** at **PortMiami**
- **Fincantieri NexTech**: ongoing cooperation with **Autostrade Tech** and **IBM** to develop a predictive monitoring system for **infrastructure**



Key strategic initiatives

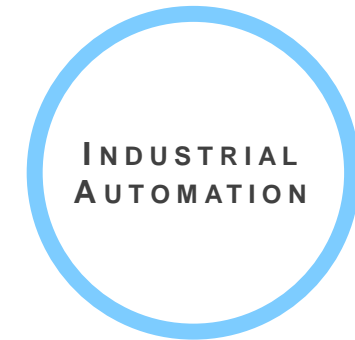
Seizing future opportunities alongside our strategic partners



- Letter of Intent with **Enel X** to build and run next-generation **port infrastructure** with low environmental impact
- JV Power4Future with **Faist Electronics** dedicated to the production and after-sale services of **lithium-ion batteries**
- MoU with **MSC** and **SNAM** for a feasibility study to design and build the first **oceangoing hydrogen-powered cruise ship**



- **Fincantieri NexTech**: agreement with **Almaviva** to develop digitalised solutions in **transportation and logistics**



- Lol with **Comau** to develop prototypes of **robotized steel welding** solutions to be implemented in Fincantieri shipyards



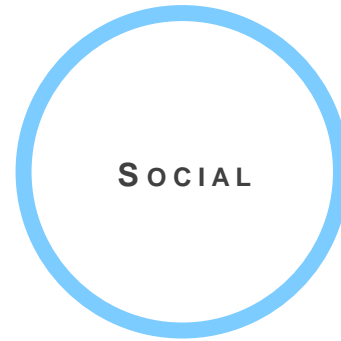
Update on ESG

Our sustainability strategy responds to our mission of representing a global model of excellence



TACKLING CLIMATE CHANGE

- **100% of electricity** needed to satisfy the demand of **Italian and Romanian yards** was purchased **from renewable sources** certified with Guarantees of Origin
- 65% of 2020 Fincantieri S.p.A. R&D budget was devoted to clean technologies



PROTECTING OUR PEOPLE'S HEALTH & SAFETY

- 5 workday shifts implemented to ensure **social distancing**
- **Corporate vaccination program** launched in June at the Sestri Ponente shipyard. The campaign is addressed to Fincantieri's employees and subcontractors'



PROMOTING AN EFFECTIVE TAX RISK CONTROL SYSTEM

- In February the BoD approved the **Group tax strategy** in compliance with the **GRI Standards** in order to enhance transparency of information and increase compliance with tax laws, while preserving the Group's reputation in the interest of shareholders and other stakeholders



SPOTLIGHT ON SUSTAINABILITY ACHIEVEMENTS

- Score of **85/100 by Gaia rating**, ranking 2nd out of 512 companies
- "**Green Star 2021**" Seal from the German Institute of Quality (score 100)
- **Excellence in Safety** and **Improvement in Safety** awarded to FMM by SCA (Shibuilders' Council of America)



New orders

New orders received across all segments with a cumulative value of €1.7 bn

Segment	Vessel	Client	Expected Delivery
Specialized Vessels	FFG-62 frigate ⁽¹⁾	US Navy	-
	Somnio ⁽¹⁾	Somnio Superyachts	2024
	3 Service Operation Vessels	North Star Renewables	2023

Main deliveries

7 ships successfully delivered from 6 different shipyards

Segment	Vessel	Client	Shipyard
Specialized Vessels	Viking Venus ⁽²⁾	Italian Navy	Muggiano
	Hanseatic Spirit ⁽²⁾	Viking Cruises	Ancona
	LCS21 USS Minneapolis St. Paul ⁽²⁾	Hapag-Lloyd Cruises	Langsten
	FREMM ⁽²⁾	US Navy	Wisconsin
			Riva Trigoso
	Cruise ship“ Coral Geographer” ⁽³⁾	Coral Expeditions	Vung Tau
	Fishing Vessel ⁽²⁾	Luntos	Vung Tau

(1) Ordered in Q2

(2) Delivered in Q2

(3) For reasons connected to the organizational responsibility of VARD yards split between Cruise and Offshore, “Coral Geographer” for Coral Expeditions delivered in Q1 2021 is included in the Offshore & Specialized Vessels deliveries

Backlog deployment

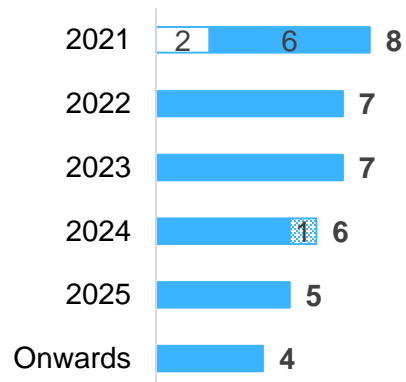
Well-balanced visibility both in Cruise and Naval, 3 new orders in Offshore and Specialized Vessels

Shipbuilding

ship deliveries

CRUISE

35 VESSELS
IN BACKLOG

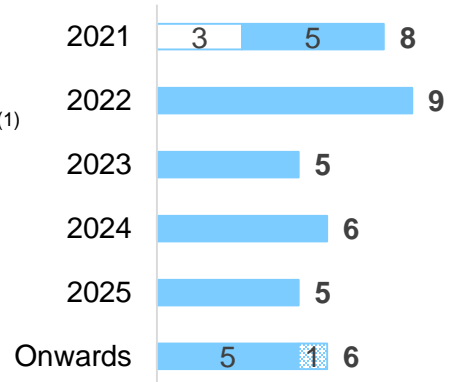


□ Delivered in 1H 2021 ■ New orders in 1H 2021

- 1 new unit ordered in 1H
- Visibility up to 2027

NAVAL

36 VESSELS
IN BACKLOG⁽¹⁾



□ Delivered in 1H 2021 ■ New orders in 1H 2021

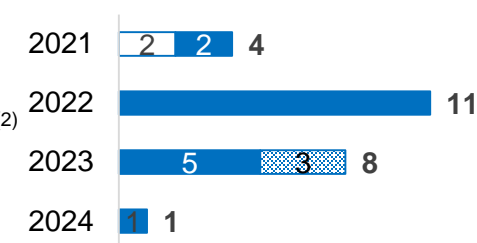
- 1 new unit ordered in 1H
- Visibility up to 2029

Offshore & Specialized Vessels

ship deliveries

OSV

22 VESSELS
IN BACKLOG⁽²⁾



□ Delivered in 1H 2021 ■ New orders in 1H 2021

- 3 new units ordered in 1H
- Visibility up to 2024

7 units delivered, 5 new units, 93 ships in backlog and 111 ships including soft 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

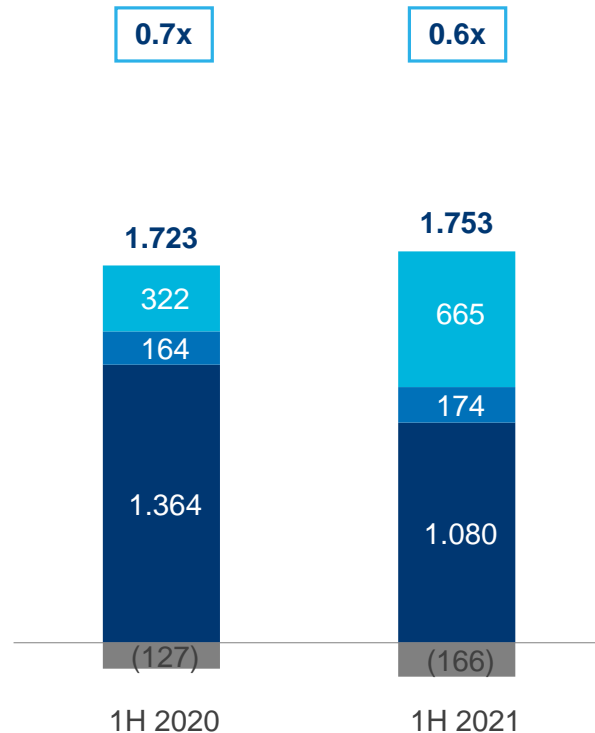
(2) The Offshore & Specialized Vessels business generally has shorter production times and, as a consequence, shorter backlog and quicker order turnaround than Cruise and Naval

Order intake and backlog

Sizeable order intake in ESS and hefty soft backlog

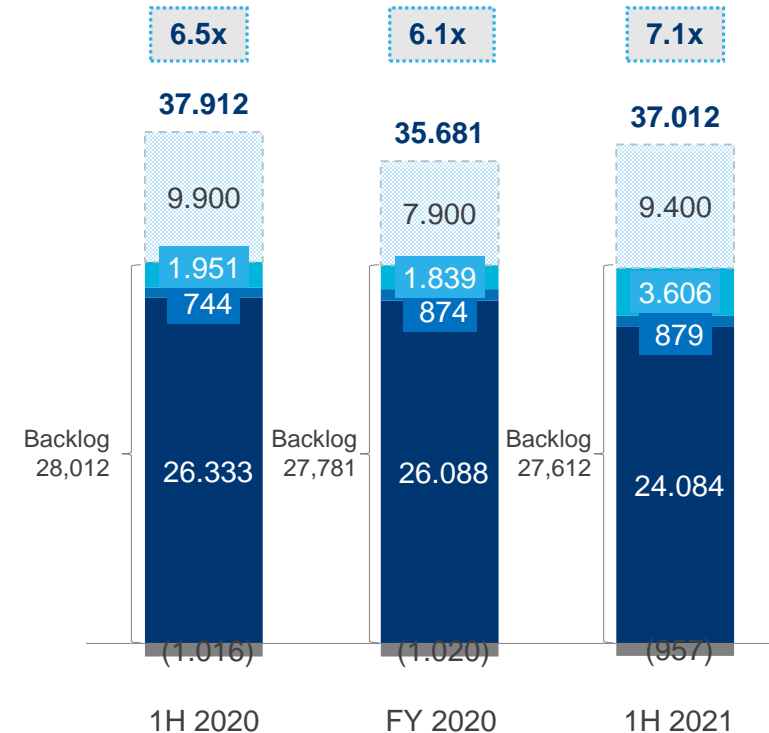
Order intake breakdown by segment

€ mln



Total backlog breakdown by segment⁽¹⁾

€ mln



- **Stable order intake** at €1.8 bn, thanks to the positive impact of ESS
- **Soft backlog** keeps momentum thanks to recent achievements in defence – i.e. Indonesian program
- **Total backlog** represents 7.1x 2020 revenues

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

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

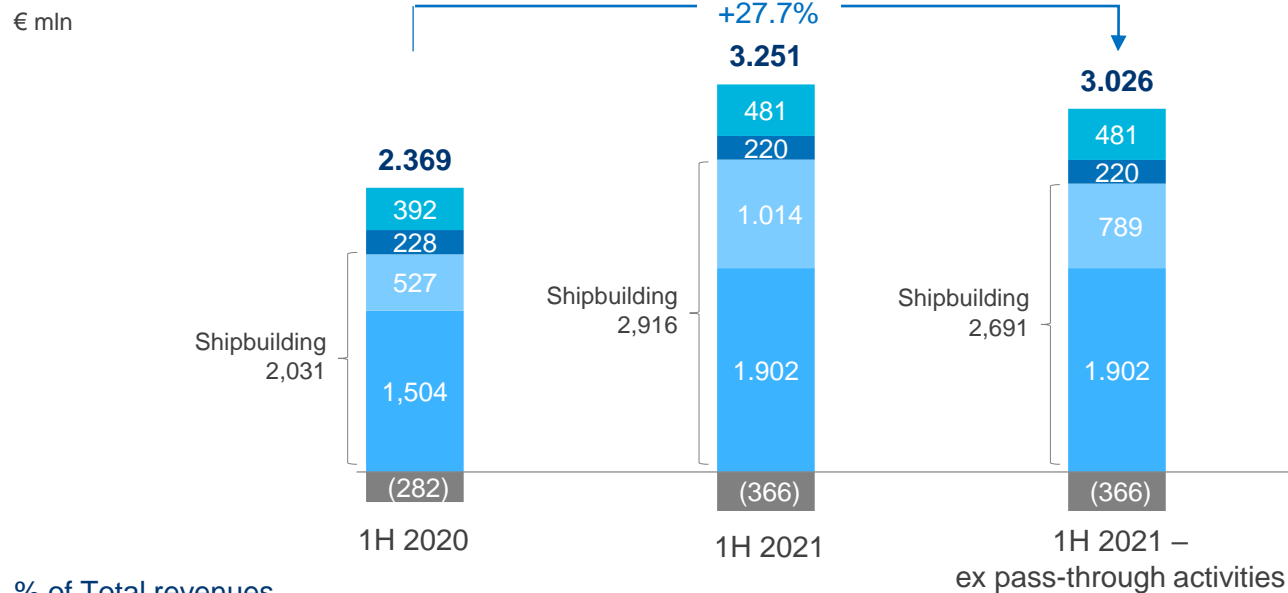
(2) Order intake/revenues

(3) 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

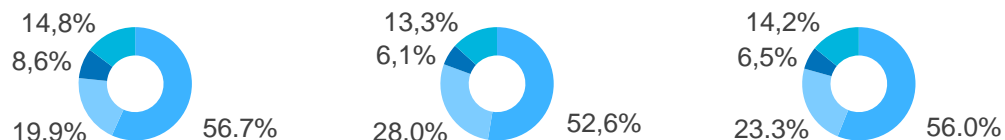
Revenues

Record-high production volumes in shipbuilding drive robust revenue performance in line with guidance on 2021

Revenues breakdown by segment⁽¹⁾



% 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 are up 27.7% YoY thanks to record-high production volumes in the semester (8.4 mln production hours)

programmed production ramp-up

3.5% YoY

YoY mainly attributable to the complete accommodation business

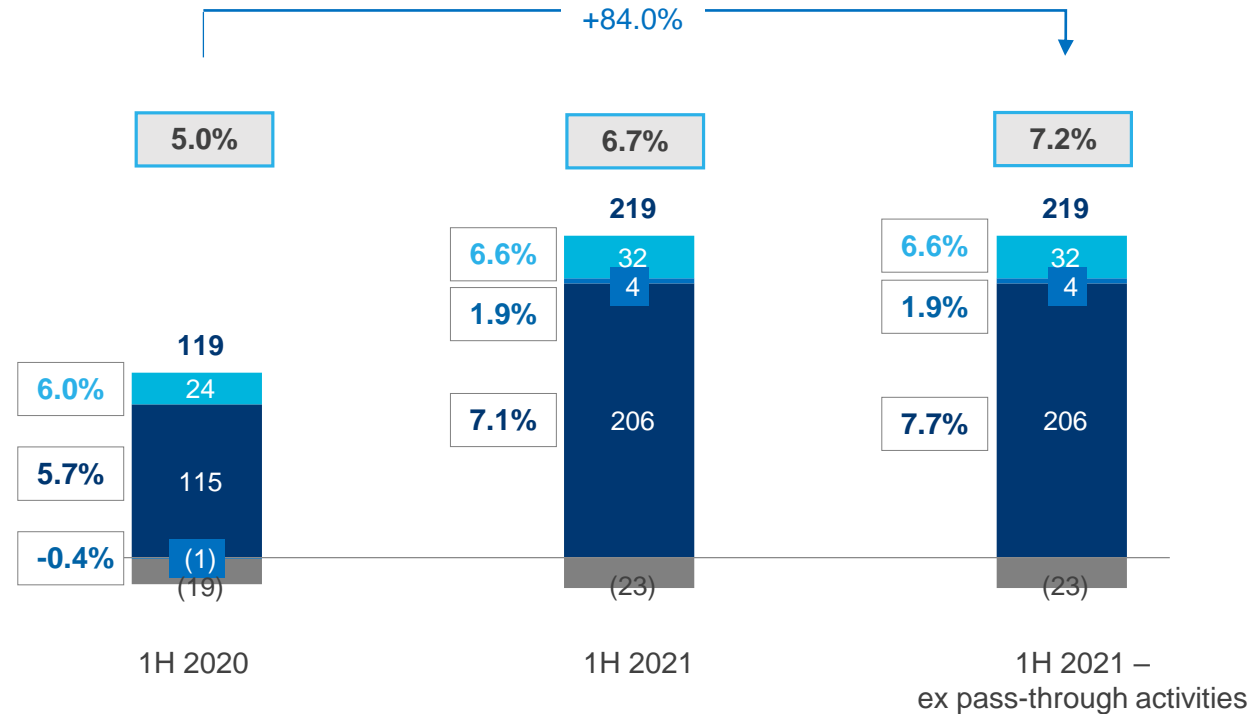
88% of revenues from international clients

EBITDA

Better operating margin thanks to higher production volumes and marginality despite higher steel prices

EBITDA breakdown by segment⁽¹⁾

€ mln



EBITDA margin at 7.2% excluding pass-through activities mainly thanks to the positive contribution from Shipbuilding despite the impact from increased steel prices

YoY with margin at 7.7%

mln YoY) thanks to the effective restructuring strategy implemented

despite the effect of the Ship repair and conversion business

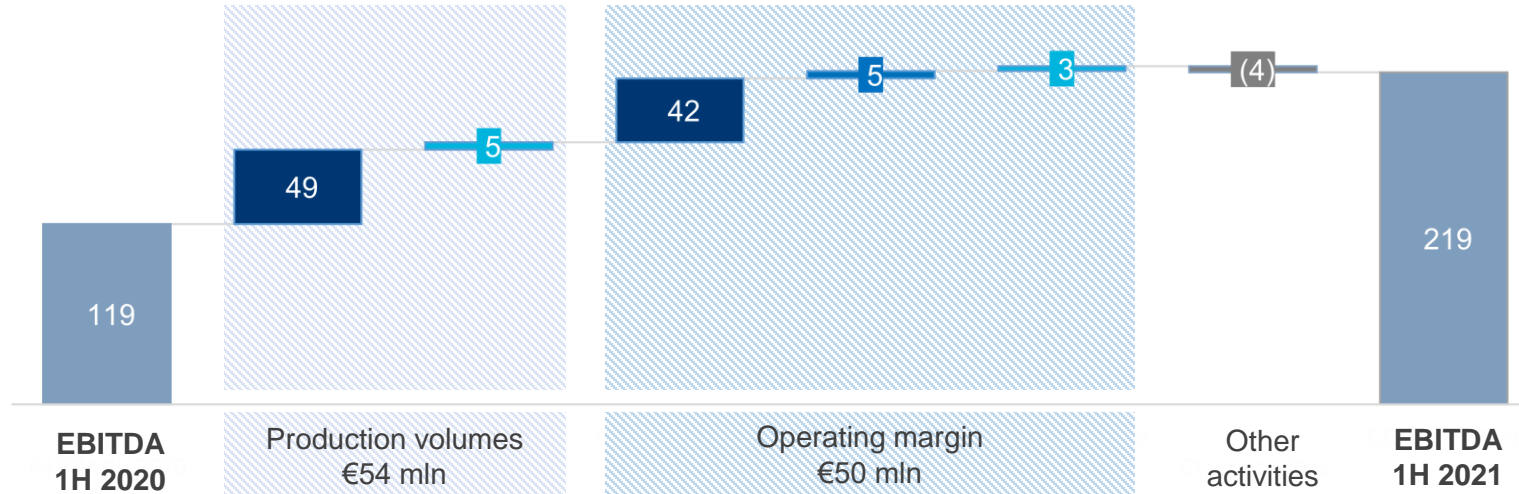
- EBITDA Margin as % of total revenues
- Shipbuilding
- Offshore & Specialized Vessels
- Equipment, Systems & Services
- Other activities and Eliminations

(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

EBITDA growth

Better operating margin thanks to higher production volumes and improved marginality

EBITDA breakdown by segment



mainly driven by higher production volumes and improved operating margin

increased operating profitability despite lower production volumes

higher production volumes and better marginality

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

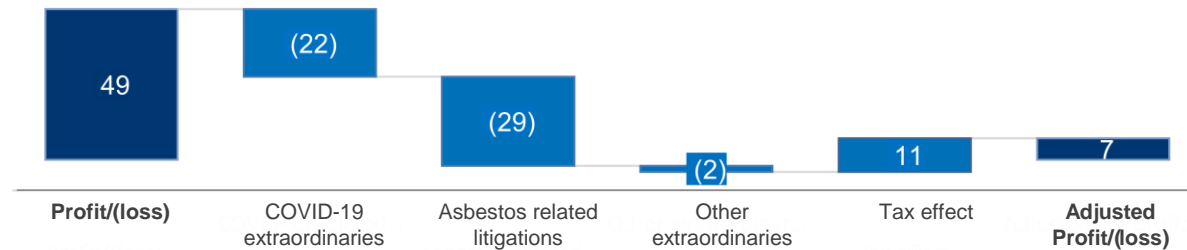


Net result

Back on track towards profitability despite €42 mln extraordinary items weighting on the bottom line

1H 2021 net result and adjusted net result⁽¹⁾

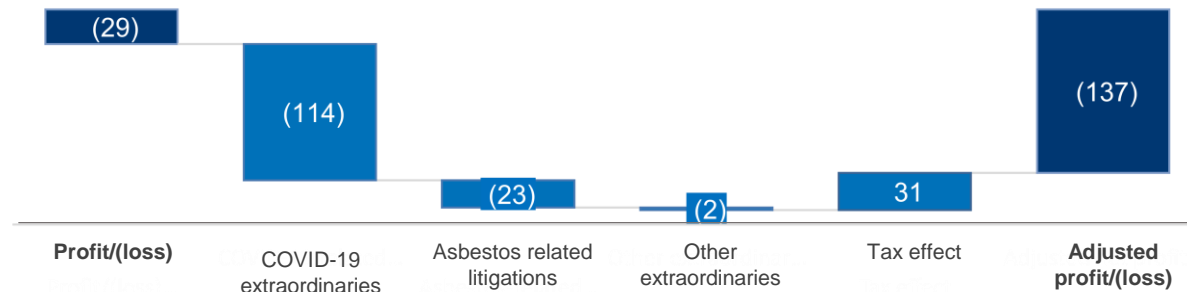
€ mln



- **Adjusted net profit at €49 mln** (€49 mln excluding minorities)
- **Net profit at €7 mln** (€6 mln excluding minorities)

1H 2020 net result and adjusted net result⁽¹⁾

€ mln



■ Attributable to owners of the parent ■ Attributable to non-controlling interests □ Adjusted net income margin

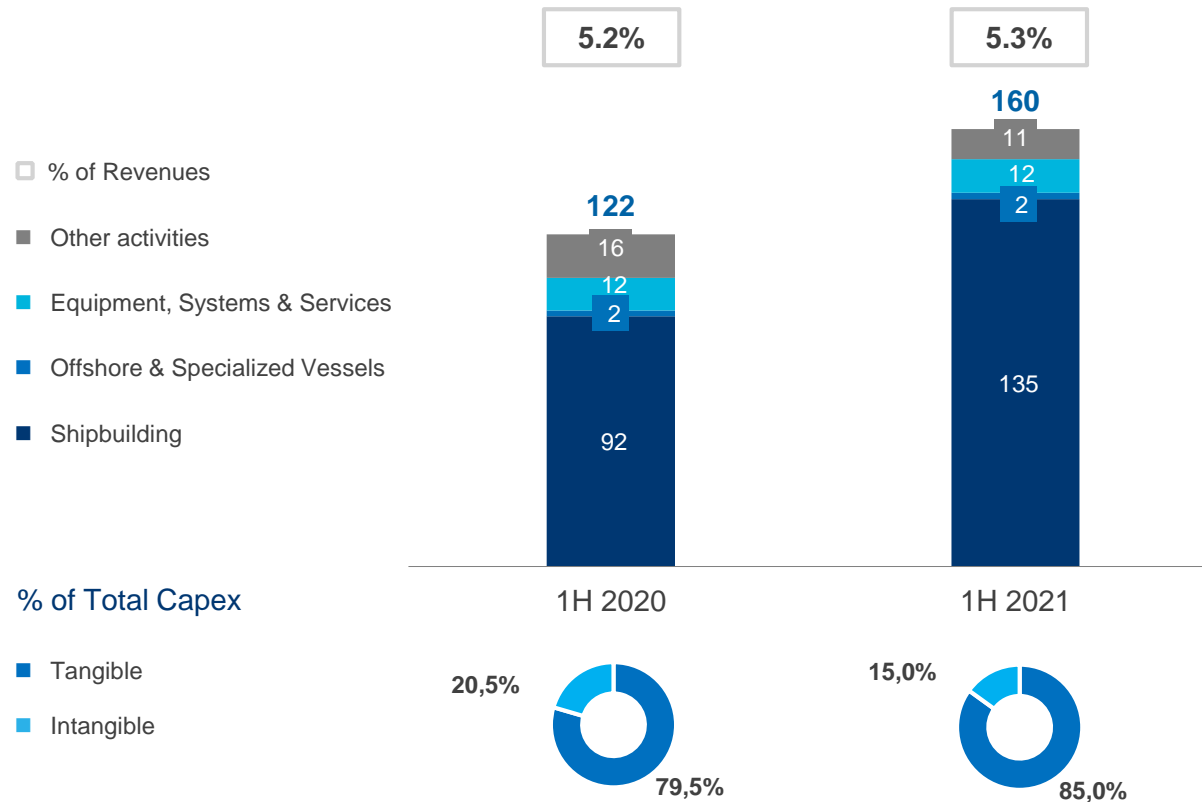
(1) Net result before extraordinary and non-recurring items

Capex

Investments aimed at strengthening our execution capabilities at global level

Capex by segment

€ mln



- Scale up of European and US shipyards in order to compress lead times and improve efficiency, including completion of the upgrade program at Marghera shipyard and revamping of US shipyards before the start of the construction phase of the FFG-62 program

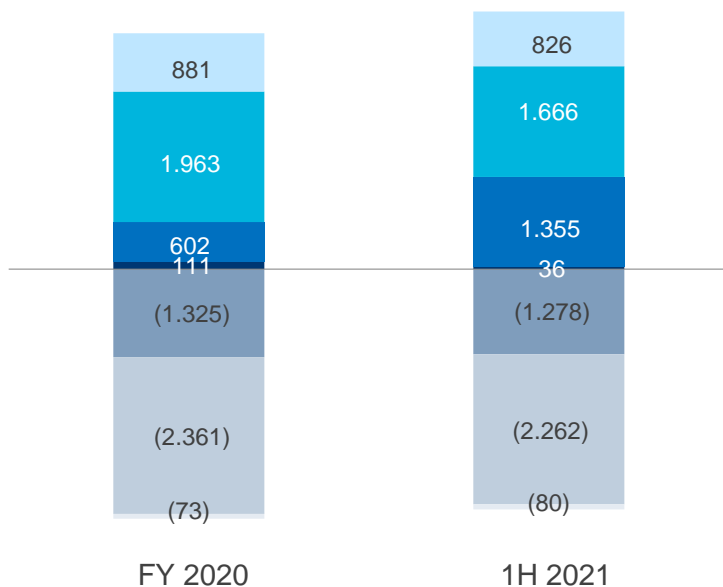


Net working capital and net financial position

With 6 cruise ships being delivered in 2H, cash-in is skewed towards the second half of the year

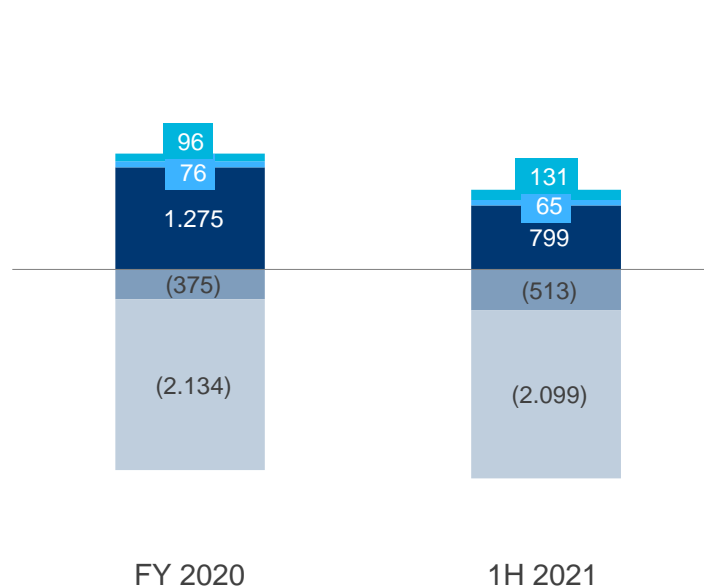
Net Working Capital breakdown by component

€ mln



Net Financial Position breakdown by component⁽¹⁾

€ mln



- Net debt dynamics are consistent with production volumes and delivery schedule
- Net debt impacted by the postponement of cruise ships expected installments (€423 mln)
- **6 cruise ships to be delivered in 2H 2021** (3 already delivered in July)

NWC	(202)	263
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NFP¹	(1,062)	(1,617)
------------------------	----------------	----------------

- 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

- Non-current financial receivables
- Current financial receivables
- Cash & cash equivalents
- Short-term financial liabilities
- Long-term financial liabilities

(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

STRATEGY & OUTLOOK



Update on cruise

141 ocean ships should enter service by the end of July with 50 brands already operating at global level

CRUISE RESTART

- From May 2021 **Europe has pioneered the cruise restart** on national routes and with enhanced safety protocols
- In the UK, the cruise ban was lifted on 17 May. Domestic cruises are allowed to sail at 50% capacity with fully vaccinated passengers/crew members
- In the US, a Conditional Sailing Order is still in place. **Major cruise lines** received an authorisation for **fully vaccinated sailings on specific routes**

FINANCIAL MARKETS RESPONSE

- **Carnival:** Successful closing of private offering of secured notes⁽³⁾ of \$~2.4 bn at 4% due 2028, replacing existing debt of \$~2.0 bn at 11.5% due 2023 (savings up to \$135 mln interest/year)
- **TUI Group** has extended the maturity of its revolving credit facilities totaling €4.7 bln by two years to summer 2024, allowing more time to implement planned refinancing steps in view of ongoing Corona restrictions, with the Group's objective remaining a rapid repayment of government loans

FORECASTS

- The **big 3 cruise groups** should have roughly **45% of their capacity back in operation by the end of 2021**⁽¹⁾
- Carnival: about 75% of total operating capacity back in service by year-end, with full fleet sailing by spring 2022⁽²⁾.
- Booking trends for 2022 are in line with 2019 levels, and for some operators even higher

(1) Maritime Strategies International analysis

(2) Carnival Corporation to Operate up to 75% of Fleet Capacity by End of 2021 (www.carnivalcorp.com/news-releases/news-release-details/carnival-corporation-operate-75-fleet-capacity-end-2021)

(3) First-Priority Senior Secured Notes

Business outlook

Confirmed FY 2021 guidance despite increasing steel prices

REVENUES & OPERATING MARGIN

- FY 2021 **revenues** expected at above **+25% YoY** and **EBITDA margin 70%** despite increasing trend in commodity prices
- **1 H 2021 results** already include estimates for increased steel prices - **Management is closely monitoring** further evolution on commodity prices

NET DEBT

- **Net debt at €1.2 bn as of July 2021** (3 cruise ships delivered in July with cumulative cash-in ~€1.5 bn)
- FY 2021 net debt expected to be in line with FY 2020 levels

CRUISE

- **3 cruise ships** handed over in July, and 1 to be delivered in 4Q from Italian yards
- **2 luxury-niche units** to be delivered in 2H (to Ponant and Viking) from VARD Cruise

NAVAL

- **3 units** to be delivered from Italian shipyards and 2 units from US shipyards
- The construction phase of the **FFG-62** first-in-class frigate to the US Navy is expected to start in 4Q

OFFSHORE

- **Ramp-up of production volumes** in 2H
- 2 units to be delivered

ESS

- Strong focus on **backlog execution** on all business areas

APPENDIX

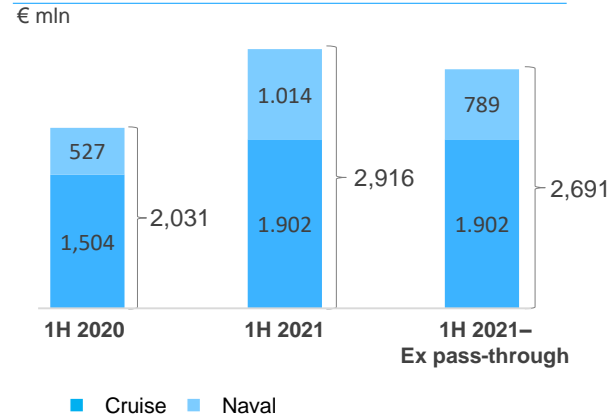


Financial overview – Shipbuilding

Orders, backlog and deliveries

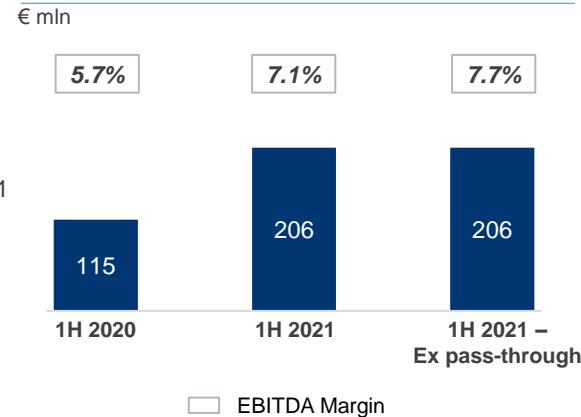
- **Orders:** €1,080 mln (€1,364 mln in 1H 2021)
 - Residential yacht Somnio
 - Second Constellation-class frigate to the US Navy
- **Backlog:** €24,084 mln (€26,333 mln in 1H 2020)
- **Deliveries⁽¹⁾:**
 - 1 Logistic Support Ship (LSS)
 - 1 cruise ship
 - 1 Littoral Combat Ship (LCS)
 - 1 FREMM frigate
 - 1 luxury-niche unit

Revenues



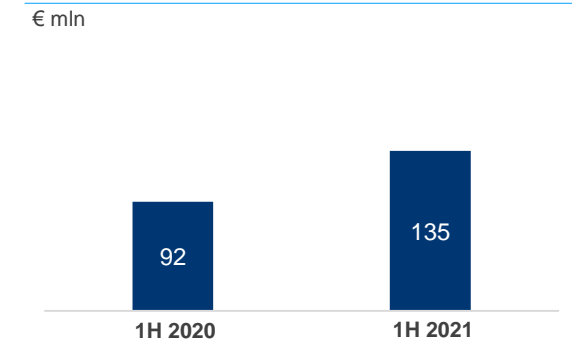
- **Revenues:** ~€225 mln pass-through activities are included in 1H 2021 Naval revenues.

EBITDA



- **EBITDA:** €206 mln (versus €115 mln in 1H 2021)
- EBITDA margin 7.7% excluding pass-through activities and 7.1% including pass-through activities (versus 5.7% in 1H 2020)

Capex



- **Capex:** €135 mln

(1) LSS "Vulcano" to the Italian Navy, "Viking Venus" to Viking, LCS 21 "USS Minneapolis St. Paul" to the US Navy, 1 FREMM frigate to the Egyptian Navy, "Hanseatic Spirit" to Hapag-Lloyd

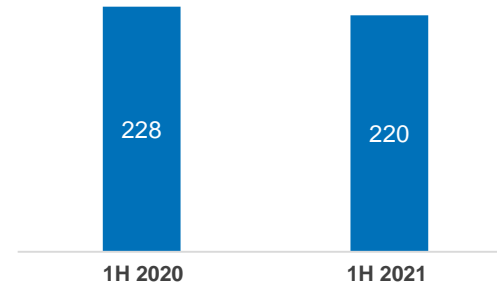
Financial overview – Offshore & Specialized Vessels

Orders, backlog and deliveries

- Orders: €174 mln (€164 mln in 1H 2020)
- Backlog: €879 mln (€744 mln in 1H 2020)
- Deliveries⁽¹⁾:
 - 1 expedition cruise vessel
 - 1 fishery unit

Revenues

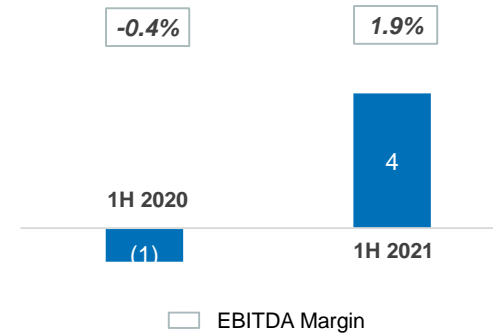
€ mln



- Revenues: €220 mln, i.e. -3.5% YoY
- Offshore & Specialized Vessels revenues represent 6.5% of total revenues excluding pass-through activities

EBITDA

€ mln



- EBITDA: €4 mln with margin

Capex

€ mln



- Capex: €2 mln

(1) Expedition cruise to Coral Expedition; fishery unit to Luntos

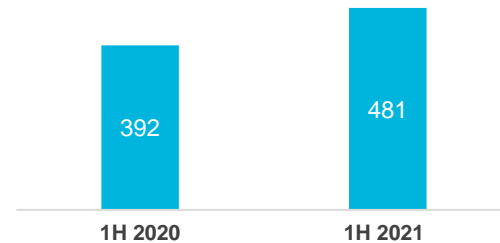
Financial overview – Equipment, Systems & Services

Orders, backlog and deliveries

- Orders: €481 mln including new MSC cruise terminal at PortMiami (vs €392 mln in 1H 2020)
- Backlog: €3,606 mln vs €1,951 mln in 1H 2020

Revenues

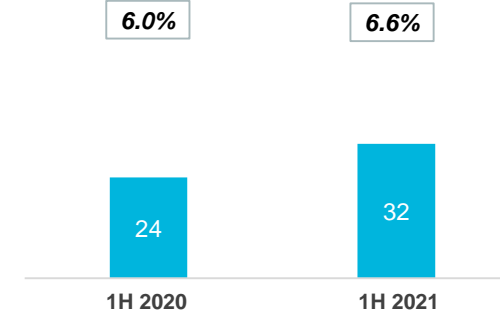
€ mln



- Revenues: €481 mln vs €392 mln in 1H 2020
- ESS revenues represent 14.2% of total revenues

EBITDA

€ mln



- EBITDA: €32 mln (vs. EUR 24 mln in 1H 2020) with margin at 6.6%

Capex

€ mln



- Capex: €12 mln

Financial overview – Profit & Loss and Cash flow statement

€ mln

	1H 2020	1H 2021	
Revenues	2,369	3,251	3,026
Materials, services and other costs	(1,810)	(2,472)	(2,247)
Personnel costs	(432)	(546)	(546)
Provisions	(8)	(14)	(14)
EBITDA	119	219	219
Depreciation, amortization and impairment	(65)	(96)	(96)
EBIT	54	123	123
Finance income / (expense)	(63)	(45)	-
Income / (expense) from investments	(3)	-	-
Income taxes ⁽²⁾	(17)	(29)	-
Adjusted Net result⁽³⁾	(29)	49	-
<i>Attributable to Group</i>	(27)	49	-
Extraordinary and non recurring items ⁽⁴⁾	(139)	(53)	-
<i>of which COVID-19 related extraordinary costs</i>	(114)	(22)	-
<i>of which asbestos-related litigation</i>	(23)	(29)	-
<i>of which other non-recurring costs</i>	(2)	(2)	-
Tax effect on extraordinary and non recurring items	31	11	-
Net result for the period	(137)	7	-
<i>Attributable to Group</i>	(135)	6	-
	1H 2020	1H 2021	1H 2021
Beginning cash balance	382	1,275	-
Cash flow from operating activities	(177)	(392)	-
Cash flow from investing activities	(117)	(141)	-
Cash flow from financing activities	814	50	-
Net cash flow for the period	520	(483)	-
Exchange rate differences on beginning cash balance	(5)	7	-
Ending cash balance	897	799	-



Financial overview – Balance sheet

€ mln

	FY 2020	1H 2021
Intangible assets	629	628
Right-of-use asset	85	106
Property, plant and equipment	1,301	1,390
Investments	105	119
Other non-current assets and liabilities	(25)	(25)
Employee benefits	(60)	(60)
Net fixed assets	2,035	2,158
Inventories and advances	881	826
Construction contracts and advances from customers	1,963	1,666
Construction loans	(1,325)	(1,278)
Trade receivables	602	1,355
Trade payables	(2,361)	(2,262)
Provisions for risks and charges	(73)	(80)
Other current assets and liabilities	111	36
Net working capital	(202)	263
Assets held for sale including related liabilities	6	-
Net invested capital	1,839	2,421
Share capital	863	863
Reserves and retained earnings attributable to Group	(101)	(76)
Non-controlling interests in equity	15	17
Equity	777	804
Cash and cash equivalents	1,275	799
Current financial receivables	76	65
Non-current financial receivables	96	131
Short-term financial liabilities	(375)	(513)
Long-term financial liabilities	(2,134)	(2,099)
Net debt / (Net cash)	1,062	1,617
Sources of financing	1,839	2,421

