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The state of the art of the global yachting market.

Abstract

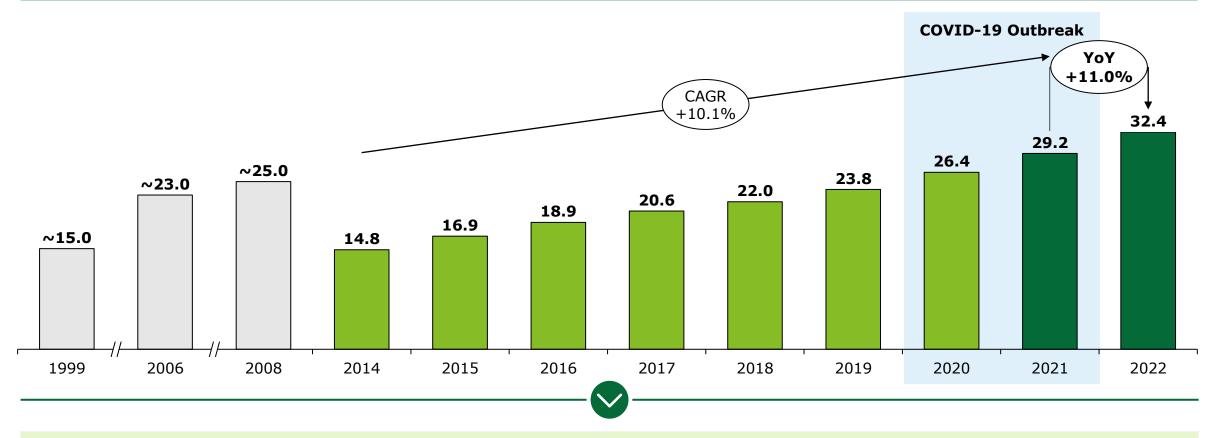


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Global new build retail market capitalized on the positive momentum created by the pandemic, reaching ~32.4B€ in 2022 (+11.0% YoY)

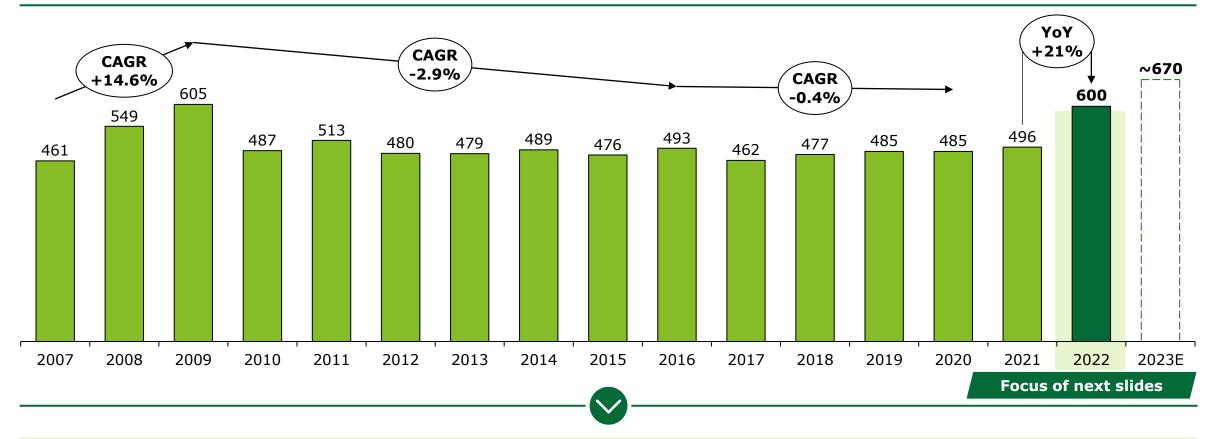
Global new build¹ retail market value evolution (B€)



The increase in 2022 was driven by both the rise in €/GT and the increase in volume due to the demand from newcomers seeking a sense of freedom post-Covid outbreak

SY orders +30mt accelerated during the last 3 years reaching 600 units in 2022 and is expected to further grow in the next year

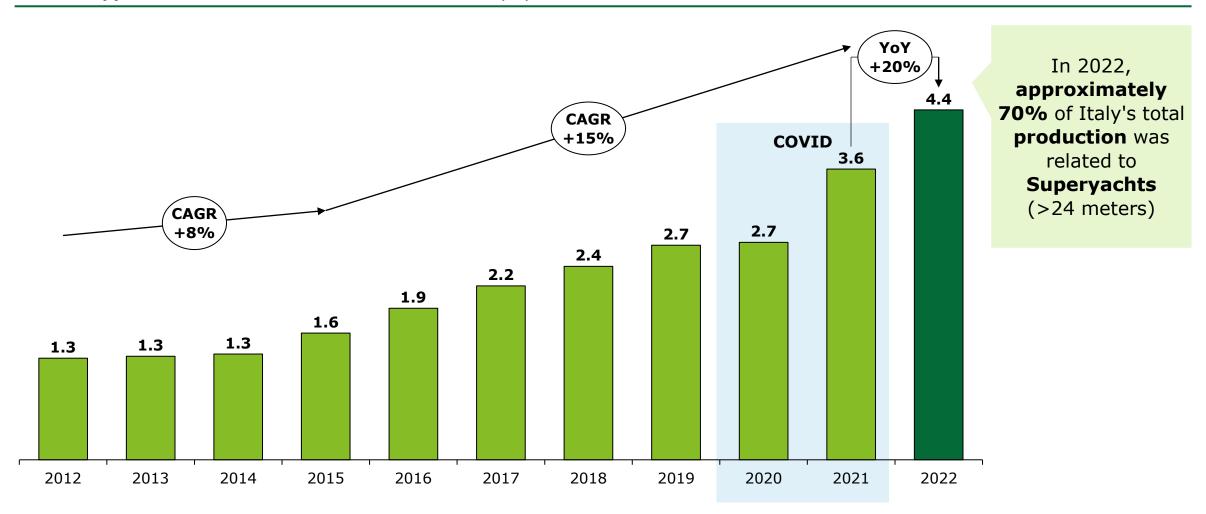
Superyachts Global Order Book evolution (# of projects 30mt+)



The ratio of orders between motor and sailboats remained unchanged from 2021, with over 90% of projects in the Global Order Book being motorboats

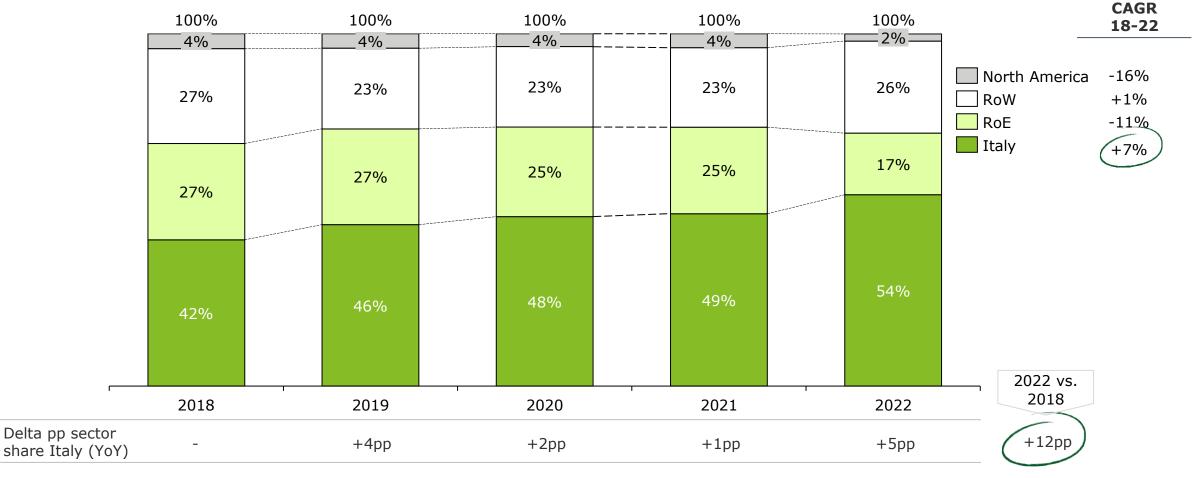
Italian shipyards leveraged the positive pandemic-driven momentum, growing even further to reach 4.4B€ in 2022 (+25% YoY 21-22)

Italian shipyards' Value of Production historical evolution (B€)



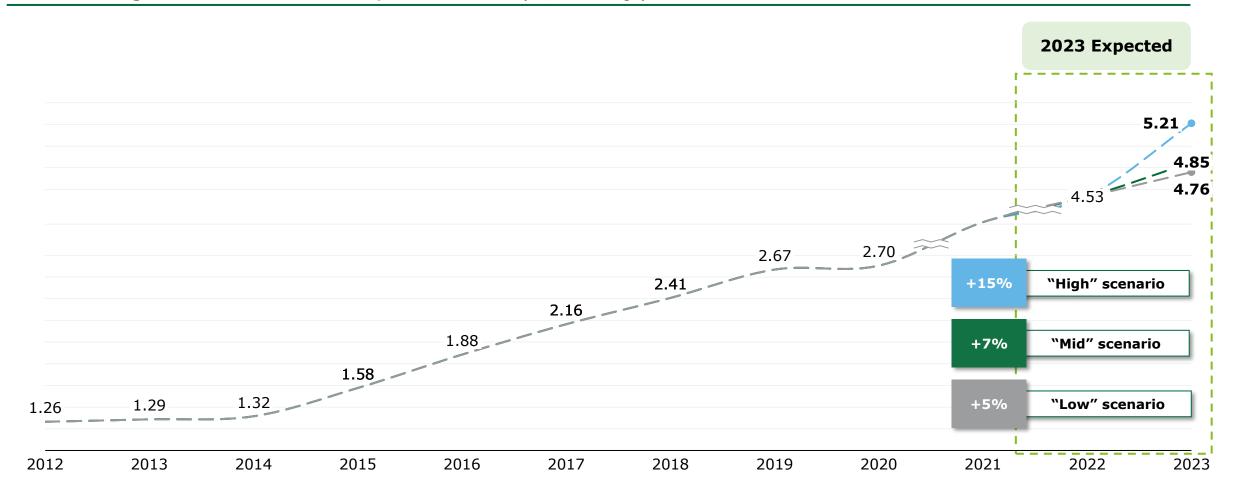
Italy represents the leading country within the Superyachts Global Order Book in terms of share and historical growth

Superyachts Global Order Book evolution by Region (# of projects; percentage)



According to main market operators and analyst estimates, Italian yachting production could reach ~5.2B€ by 2023 (high scenario)

Italian Yachting Production Value evolution | 2023 Estimates (B€; Percentage)



The shift in customer base toward millennials is shaping yacht design, prioritizing a higher connection with nature and greater eco-friendliness

Emerging trends shaping the recreational boating market



Superyacht Design Evolution

The design of superyachts is evolving with a harmonious fusion with nature, characterized by large windows, living areas extending outdoors, and open terraces. However, this trend raises concerns regarding privacy and comfort, elements traditionally central in this sector



Eco friendly yacht

Shipyards are **embracing sustainability** through innovative practices such as using **recycled components**, adopting **eco-friendly materials**, and **developing greener propulsion** technologies (mainly like **hydrogen cells fueled by methanol** and **hybrid engines**), in response to the growing environmental concern



Superyacht customer base shift

The superyacht landscape is rapidly evolving as **Millennials** increasingly dominate in the luxury market. With projections indicating that **60% of luxury superyacht** owners will soon belong to this demographic



Consolidation in the marina industry

The port and maritime industry is consolidating through numerous acquisitions and the development of specialized tourist marinas, both in emerging regions (e.g., the Middle East - NEOM) and established areas like the Mediterranean (e.g., Greece and Italy)



Supply Chain Issues & M&A

Despite the pandemic and inflation easing, the nautical industry still faces shortages of components and skilled labor. To tackle this, many shipyards are implementing vertical integration strategies to ensure timely production and reasonable prices



Return in yacht show event

With the decline of the global impact of COVID-19, the yachting industry is witnessing a significant increase in participation in events, reaching almost pre-COVID levels. This underlines the industry's dependence on personal connections

Key Takeaways (1/3)

Section

Key Takeaways

Global Boating Industry

- The new-build retail market in 2022 reached approximately 33B€, with a +11% YoY 21-22, demonstrating sustained expansion (+10% CAGR 2014-2021)
- The market is predominantly concentrated in North America and Europe, which collectively comprise about 70% of the global market share. Motor-boats represent approximately 90% of this market share
- Despite its niche status within the broader luxury market (~1%), the Luxury Yacht segment has shown notable growth compared to other luxury segments in recent years. It faces challenges in terms of profitability margins, with Luxury Yacht EBITDA margins lagging behind the average of experiential luxury segments (11 vs. 15%). However, its recovering profitability level (+5.5 p.p. from 20215-2022)
- The market observed an **increase in dealers' stock**, which could potentially impact the collection of new orders in the coming years, particularly in the medium/small boat segment
- In contrast, the **pre-owned boating sector** experienced a **-7% decline YoY 21-22**, attributed to subdued demand and an increase in average selling prices

Super Yacht Market

- The Superyachts GOB for vessels +30mt has demonstrated positive performance in recent years, reaching 600 units in 2022 (+21% YoY 21-22), with a cumulative value of 25.3 B€, nearly five times the value of delivered superyachts in the market
- The demand for new orders is primarily driven by the 30-40 meters segment in steel and composite, due to an
 increased penetration of "new-buyers"

Key Takeaways (2/3)

Section

Key Takeaways

Positioning in the luxury market

- Despite the superyacht and high-end boat segment representing **a niche within the luxury market** (~1%), it has experienced **notable growth** in recent years (+5.4% CAGR 19-22)
- In terms of margins, yachting positions below the average of other luxury sectors (~11% vs. 15% Experiential Luxury EBITDA margin 2022), but it has shown a **continuous recovery in profitability** in recent years (+5.5 p.p 2015-2022)

Industry consolidation & M&A

- From 2021 to 2023, the boating market witnessed approximately **400 M&A**, predominantly focusing on **downstream** segments (**~57%**) and primarily occurring in North America (**~58%**).
- Yachting operators accounted for approximately **60% of these M&A** transactions, while financial investors contributed around **20%**, marking a slight increase from the previous period (**+3 p.p. 21-22**)
- In **Italy**, 2022 witnessed **~30 M&A transactions**, of which ~50% related to components/accessories and ~40% involving shipyards active in boat construction

Ownership & market penetration

- In 2022, there was a **modest contraction in target demand** (-4% 2022 vs 2021 in number of billionaires); however, the **superyacht order book showed an opposite trend** (+21% 2022 vs 2021)
- The superyacht market continues to show limited penetration relative to target demand (~3%), indicating significant untapped potential
- For the coming years, growth forecasts for UHNWIs are positive (+5% CAGR 23-28), mainly driven by emerging markets

Key Takeaways (3/3)

Section

Key Takeaways

Italian Shipyard Industry

- In 2022, the production value of the Italian boating industry is approximately €4.4B, +20% compared to 2021. 70% of total is generated by shipyards also active in the superyacht production
- Italian shipyards are primarily focused on the production and sale of **inboard** boats (91% vs 52%), recording a 15.6% CAGR in the 2017-2022 period
- The sector is **highly fragmented**, with 90% of players generating only 17% of the national production, while top 10 represent 83% of the sector
- The Italian shipyard industry is the world's second largest, with almost ~15% market share in global boating production, reaching 25% share in regard to inboard boats.
- Italy leads in superyachts segment with 54% of market share by volume and 31% by order value.
- Furthermore, the Italian superyacht industry experienced market share growth by 5 p.p. from 2021 to 2022, holding strong presence in the 30-60mt segment

Forecasts on Italian shipbuilding

• For 2023, the production value of the **Italian boating industry (new-build) is expected to increase between**+5% and 15%, partly driven by the delivery of orders collected during COVID period

Global boating market forecast

• For 2023, the new build retail market is expected to **grow by +8%**, then **normalize over the next three years** (6% CAGR from 2024 to 2026). Large yachts will be the main driver of market growth, while a **slowdown is expected in the craft boats segment**. Sailing will continue its evolutionary trend with a growth rate of around ~+3/+5%

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