

Italy – Luxury Boating

Made in Italy artisanship able to revive the iconic Riva boats

28th October 2022

INITIATION OF COVERAGE

RIC: BELLN.MI
BBG: BELL IM

Bellini Nautica is a rare and unique player, unquestionably the landmark for the restoration and trading of the iconic wooden hulls designed by Carlo Riva thanks to the group's unparalleled expertise in this market niche. Thanks to its extremely asset-light business model and the significantly low amount of capex necessary to run the business, Bellini Nautica shows superior rates of return on capital as well as a massive CF generation.

Rating:

Buy

Price Target:

€ 3.50

Upside/(Downside): 44.6%

Last Price: € 2.42

Market Cap.: € 15.6m

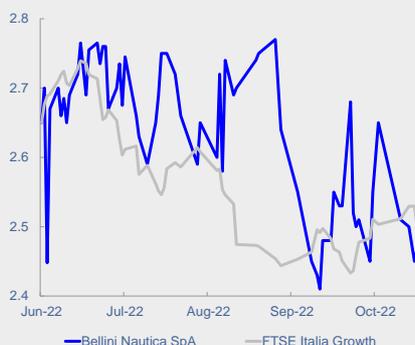
1Y High/Low: € 2.78 / € 2.32

Avg. Daily Turn. (3M, 6M): € 7k , € 23k

Free Float: 21.6%

Major shareholders:

Calypso Srl (Battista Bellini)	40.0%
Romano Bellini	19.6%
Martina Bellini	18.6%



Stock price performance

	1M	3M	12M
Absolute	-2.4%	-10.4%	n.a.
Rel.to FTSE IT Growth	-4.7%	-5.3%	n.a.
Rel.to Peers	-5.7%	-8.4%	n.a.

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PT at € 3.50/s, 44.6% upside: Buy

CFO SIM initiates coverage of Bellini Nautica with a Buy recommendation and a fully-diluted PT of € 3.50/s, 44.6% upside to current prices. CFO SIM believes that the DCF model is the most appropriate methodology to get a reasonable valuation, in order to better factor in the medium-long term value of the stock and to avoid to incorporate the increased volatility of the stock market. The DCF model is based on standard settings for a small-cap, including a prudent $g=1%$, $\beta=1$, $WACC=9.9%$ and a sustainable 20:80 debt/equity balance-sheet structure. As a consequence, it generates an equity value of € 3.50/s for Bellini Nautica.

A leading shipyard, unquestionably the landmark for the iconic Riva boats

Established in 1967 in Clusane d'Iseo (Brescia) on the shores of Lake Iseo, Bellini Nautica is a leading player operating in the luxury boating sector, providing its customers with 1) restoration and trading of Vintage Riva boats, 2) an integrated offer of services dedicated to the vessels' care and 3) the trade of new and second-hand yachts with a size of up to 24 metres. The extensive experience and passion that characterise the Bellini family, who has been taking care of the restoration of Vintage Riva for almost 60 years, allowed the company to establish itself as the largest Italian player in this market niche.

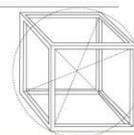
Sales and adj. EBITDA CAGR₂₁₋₂₄ of 21.8% and 24.1%. Net Cash at € 6.0m in 2024

Our estimates show a top line CAGR₂₁₋₂₄ of 21.8%, as a result of 1) the increasing avg. price per Vintage Riva in line with the historic revaluation of the asset coupled with a stable number of boats sold per year, 2) the full utilisation of the group's storage capacity coupled with increasing revenue per boat, providing customers with more sophisticated and value-added services, 3) the increasing of both number of yachts sold and the avg. price per boat. As of the end of Sep-22, the net backlog includes 17 boats (o/w 8 Vintage Riva), for a total of € 8.0m. Adj. EBITDA, EBIT and Net Profit CAGR₂₁₋₂₄ are 24.1%, 30.9% and 31.4%, respectively, as a result of a broadly stable cost structure. EBITDA/FCF conv. stands at 50.9% per year on avg. in 2022-24 and, as a consequence, NFP is projected to reach € 6.0m of net cash in 2024. In 2022-24, ROE is expected to be 20.5%, 16.7% and 16.5%, respectively and ROCE is predicted to be 22.4%, 19.1% and 19.5%, respectively.

Strategy pillars: Vintage Riva, widening of the offer in boat trading and M&A

Bellini Nautica's strategy is mainly focused on: 1) M&As, mainly looking for shipyards based in the main lakes in Northern Italy and Northern Europe, offering storage activity; 2) a further strengthening of the group's competitive positioning with regard to the Vintage Riva division, continuously looking for rare and unique boats to restore and resell; 3) the expansion of the range of boat services provided to customers in order to increase customer loyalty as well as the average revenue per boat; 4) the enlargement of the group's offer by becoming dealer of other yacht brands in addition to Cranchi, as well as by focusing on motor-yachts over 15 metres. The IPO proceeds will be used chiefly to take advantage of M&A opportunities.

€ m	2020	2021PF	2022e	2023e	2024e
Revenues	4.7	10.6	16.0	17.4	19.1
Value of Production	4.5	11.5	16.6	17.7	19.4
Adj. EBITDA	(0.0)	1.7	2.6	2.8	3.2
Adj. EBIT	(0.1)	1.3	2.3	2.5	2.9
Adj. Net Profit	(0.1)	0.9	1.5	1.7	2.0
NFP (cash)/debt	1.4	2.1	(2.5)	(4.2)	(6.0)
Adj. EBITDA margin	-1.1%	14.7%	15.5%	15.8%	16.6%
Adj. EBIT margin	-2.2%	11.5%	13.6%	14.1%	15.2%
EPS stated FD €	-	0.25	0.24	0.24	0.28
EPS growth	-	-	-3.9%	-7.9%	78.3%
ROCE	1.1%	30.3%	22.4%	19.1%	19.5%
NWC/Sales	50.3%	48.4%	38.7%	37.9%	37.2%
Free Cash Flow Yield	-2.8%	-9.9%	6.5%	10.8%	11.7%
PER x	-	17.8	10.5	9.3	7.9
EV/Sales x	-	1.55	0.79	0.65	0.50
EV/EBITDA x	-	10.5	5.1	4.1	3.0
EV/EBIT x	-	13.5	5.8	4.6	3.3



The Company at a Glance

Established in 1967 in Clusane d'Iseo (Brescia) on the shores of Lake Iseo, Bellini Nautica is a leading player operating in the luxury boating sector, providing its customers with 1) restoration and trading of Vintage Riva boats, 2) an integrated offer of services dedicated to the vessels' care and 3) the trade of new and second-hand yachts with a size of up to 24 metres. The extensive experience and passion that characterise the Bellini family, who has been taking care of the restoration of Vintage Riva for almost 60 years, allowed the company to establish itself as the largest Italian player in this market niche.

Bellini Nautica operates three main business divisions:

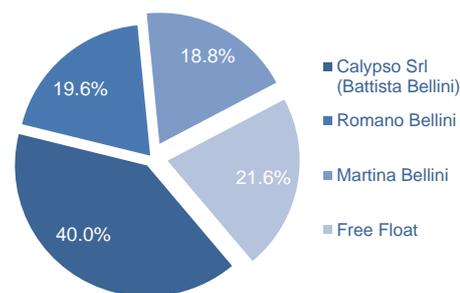
- 1) the Vintage Riva division provides restoration and trading of Vintage Riva iconic boats;
- 2) the Services division, which represents the most recurrent part of the business, provides a multitude of boat care services including storage, refitting and port services such as berths, fuelling, transport, technical assistance. Furthermore, Bellini Nautica offers several experiences aboard various owned Vintage Riva models;
- 3) the Boat Trading division is engaged in the trade of new and second-hand yachts with a size between 6 and 24 metres, assisting customers at all stages.

Bellini Nautica unveiled an outstanding growth path since its establishment, with a particular boost in the last ten years, recording a 20.0% sales CAGR₁₂₋₂₁ (19.7% organically) and a 28.6% EBITDA CAGR in the same period. On a pro-forma basis, FY-21 figures show total revenues of € 10.6m, adjusted EBITDA of € 1.7m, 14.7% margin, and Net Profit equal to € 1.3m (11.0% margin). Net Financial Position was € 2.1m, corresponding to 1.3x NFP/adj. EBITDA.

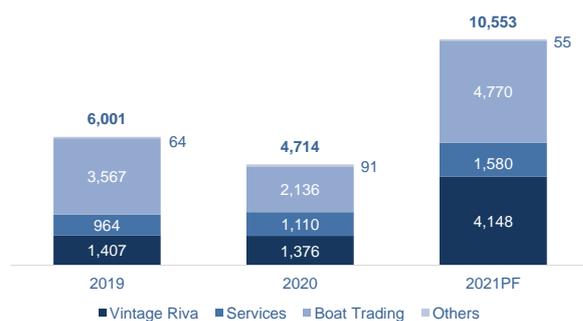
2012-21 top line and EBITDA evolution



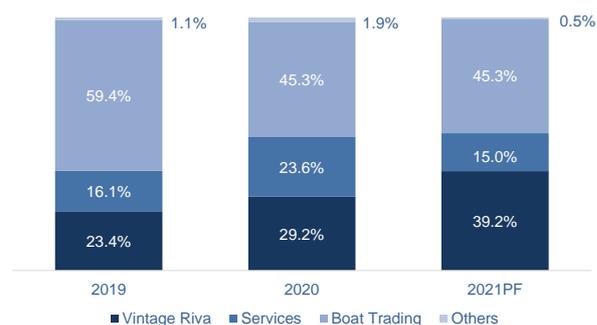
Shareholder Structure



Revenue breakdown by business division...



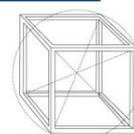
... % on total revenues



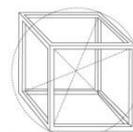
Peer group multiples table

EV & PER multiples x	Sales FY1	Sales FY2	EBITDA FY1	EBITDA FY2	EBIT FY1	EBIT FY2	PER FY1	PER FY2
Beneteau SA	0.47	0.42	3.3	2.9	5.4	4.4	11.0	9.3
Brunswick Corp	1.00	0.90	5.6	5.0	6.6	5.8	7.0	6.6
Catana Group SA	0.83	0.40	3.9	1.7	4.7	1.9	8.2	4.7
Ferretti SpA	0.53	0.42	5.0	3.7	8.9	5.4	19.2	13.3
Fontaine Pajot SA	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	10.1	n.a.
HanseYachts AG	0.37	0.32	5.7	3.9	18.7	8.6	25.5	10.1
Italian Sea Group SpA	0.97	0.75	6.2	4.7	7.6	5.6	10.7	8.2
Sanlorenzo SpA	1.39	1.23	8.2	7.0	10.3	8.8	16.3	14.2
Median Yachting	0.83	0.42	5.6	3.9	7.6	5.6	10.8	9.3
Bellini Nautica SpA	0.79	0.65	5.1	4.1	5.8	4.6	10.5	9.3

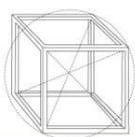
Sources: CFO Sim, Thomson Reuters Eikon



Income statement (€ m)	2020	2021PF	2022e	2023e	2024e
Revenues	4.7	10.6	16.0	17.4	19.1
Value of Production	4.5	11.5	16.6	17.7	19.4
Raw material and processing	(3.0)	(7.2)	(10.6)	(11.5)	(12.5)
Services	(0.8)	(1.1)	(1.8)	(2.0)	(2.1)
Personnel expenses	(0.4)	(0.6)	(0.6)	(0.7)	(0.7)
Other opex	(0.3)	(0.5)	(0.8)	(0.8)	(0.9)
EBITDA	0.1	2.2	2.9	2.8	3.2
D&A	(0.1)	(0.4)	(0.3)	(0.3)	(0.3)
EBIT	0.0	1.8	2.6	2.5	2.9
Financials	(0.0)	0.0	(0.1)	(0.1)	(0.1)
Re/(Devaluation) of financial assets	0.0	0.0	0.0	0.0	0.0
Forex gain/(loss)	0.0	0.0	0.0	0.0	0.0
Pre-Tax profit	0.0	1.9	2.4	2.4	2.8
Income taxes	(0.0)	(0.6)	(0.7)	(0.7)	(0.9)
Minorities	0.0	0.0	0.0	0.0	0.0
Net Profit	(0.0)	1.3	1.7	1.7	2.0
Adjusted EBITDA	(0.0)	1.7	2.6	2.8	3.2
Adjusted EBIT	(0.1)	1.3	2.3	2.5	2.9
Adjusted Net Profit	(0.1)	0.9	1.5	1.7	2.0
Balance sheet (€ m)	2020	2021PF	2022e	2023e	2024e
Net Working Capital	2.3	5.5	6.4	6.7	7.2
Net Fixed Assets	1.1	1.2	1.7	1.6	1.5
Equity Investments	0.0	0.0	0.0	0.0	0.0
Other M/L Term A/L	(0.6)	(1.6)	(2.3)	(2.4)	(2.6)
Net Invested Capital	2.7	5.2	5.9	5.9	6.1
Net Financial Debt	1.4	2.1	(2.5)	(4.2)	(6.0)
Minorities	0.0	0.0	0.0	0.0	0.0
Group's Shareholders Equity	1.3	3.1	8.4	10.1	12.0
Financial Liabilities & Equity	2.7	5.2	5.9	5.9	6.1
Cash Flow statement (€ m)	2020	2021PF	2022e	2023e	2024e
Total net income	(0.0)	1.3	1.7	1.7	2.0
Depreciation	0.1	0.4	0.3	0.3	0.3
Other non-cash charges	0.2	0.5	0.7	0.2	0.2
Cash Flow from Oper. (CFO)	0.3	2.1	2.7	2.1	2.5
Change in NWC	0.3	(3.3)	(0.9)	(0.3)	(0.5)
FCF from Operations (FCFO)	0.5	(1.2)	1.8	1.8	2.0
Net Investments (CFI)	(1.0)	(0.4)	(0.8)	(0.2)	(0.2)
Free CF to the Firm (FCFF)	(0.4)	(1.5)	1.0	1.7	1.8
CF from financials (CFF)	1.1	1.1	3.6	0.0	0.0
Free Cash Flow to Equity (FCFE)	0.7	(0.4)	4.6	1.7	1.8
Financial ratios	2020	2021PF	2022e	2023e	2024e
Adj. EBITDA margin	-1.1%	14.7%	15.5%	15.8%	16.6%
Adj. EBIT margin	-2.2%	11.5%	13.6%	14.1%	15.2%
Adj. Net profit margin	-2.3%	7.6%	8.9%	9.5%	10.3%
Tax rate	162.5%	31.9%	30.0%	30.0%	30.0%
Op NWC/Sales	50.3%	48.4%	38.7%	37.9%	37.2%
Interest coverage x	1.33	(60.73)	23.86	23.43	27.53
Net Debt/EBITDA x	16.90	0.97	n.m.	n.m.	n.m.
Debt-to-Equity x	1.05	0.69	n.m.	n.m.	n.m.
ROIC	Neg.	24.2%	29.1%	28.5%	32.9%
ROCE	1.1%	30.3%	22.4%	19.1%	19.5%
ROACE	1.3%	40.3%	29.4%	20.5%	20.9%
ROE	Neg.	41.0%	20.5%	16.7%	16.5%
Payout ratio	-	-	0.0%	0.0%	0.0%
Per share figures	2020	2021PF	2022e	2023e	2024e
Number of shares # m	-	5.00	6.38	6.38	6.38
Number of shares Fully Diluted # m	-	5.00	7.07	7.07	7.07
Average Number of shares Fully Diluted # m	-	5.00	7.07	7.07	7.07
EPS stated FD €	-	0.25	0.24	0.24	0.28
EPS adjusted FD €	-	0.18	0.21	0.24	0.28
EBITDA €	-	0.44	0.41	0.40	0.46
EBIT €	-	0.36	0.36	0.35	0.42
BV €	-	0.61	1.18	1.42	1.70
FCFO €	-	(0.23)	0.26	0.26	0.28
FCFF €	-	(0.31)	0.14	0.24	0.26
FCFE €	-	(0.09)	0.65	0.24	0.26
Dividend €	-	0.00	0.00	0.00	0.00



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1. Investment Summary

Bellini Nautica is a rare and unique domestic shipyard, unquestionably the **landmark for the restoration and trading of the iconic Vintage Riva** boats thanks to its unparalleled expertise and a deep knowledge of this market segment. Thanks to its extremely asset-light business model and the significantly low amount of capex necessary to adequately run the business, Bellini Nautica shows **superior rates of return on capital** as well as a **massive cash flow generation**.

Established in 1967 in Clusane d'Iseo (Brescia) on the shores of Lake Iseo, **Bellini Nautica is a leading player operating in the luxury boating sector**, providing its customers with 1) restoration and trading of Vintage Riva boats, 2) an integrated offer of services dedicated to the vessels' care and 3) the trade of new and second-hand yachts with a size of up to 24 metres. The extensive experience and passion that characterise the **Bellini family, who has been taking care of the restoration of Vintage Riva for almost 60 years**, allowed the company to establish itself as the largest Italian player in this market niche.

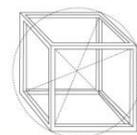
Bellini Nautica went public to fuel and accelerate its development and growth.

In detail, Bellini Nautica's strategy is focused on: 1) **external growth**, mainly looking for **shipyards offering storage activity** positioned on the main lakes in Northern Italy (Garda, Como, Maggiore) and Northern Europe (Lake of Constance); 2) a further strengthening of the group's competitive positioning with regard to the **Vintage Riva division**, continuously looking for rare and unique boats to restore and resell; 3) the **expansion of the range of boat services** provided to customers in order to increase customers' loyalty as well as, by means of cross-selling activities, the average revenue per boat; 4) the enlargement of the group's offer by **becoming dealer of other yacht brands** in addition to Cranchi, as well as by focusing on motor-yachts over 15 metres; 5) **marketing activities** to strengthen Bellini Nautica's brand awareness. The IPO proceeds will be used chiefly to exploit M&A opportunities.

Our estimates show a top line CAGR₂₁₋₂₄ of 21.8%, as a result of 1) the increasing average price per Vintage Riva in line with the historic revaluation of the asset coupled with a stable number of boats sold per year, 2) the full utilisation of the group's storage capacity coupled with increasing revenue per boat, providing customers with more sophisticated and value-added services, 3) the increasing of both number of yachts sold and the average price per boat. **As of the end of Sep-22, the net backlog includes 17 boats (o/w 8 Vintage Riva), for a total of € 8.0m**, 86% of which billable by the end of 2022. **Adj. EBITDA, EBIT and Net Profit CAGR₂₁₋₂₄ are 24.1%, 30.9% and 31.4%, respectively**, as a result of a broadly stable cost structure. **EBITDA/FCF conversion stands at 50.9% per year on average in 2022-24** and, as a consequence, **NFP is projected to reach € 6.0m of net cash in 2024**. In 2022-24, ROE is expected to be 20.5%, 16.7% and 16.5%, respectively and ROCE is predicted to be 22.4%, 19.1% and 19.5%, respectively.

CFO SIM initiates coverage of Bellini Nautica with a Buy recommendation and a fully-diluted PT of € 3.50/s, 44.6% upside. CFO SIM believes that the DCF model is the most appropriate methodology to get a reasonable valuation, in order to better factor in the medium-long term value of the stock and to avoid to incorporate the increased volatility of the stock market. The DCF model is based on standard settings for a small-cap, including a prudent $g=1%$, $\beta=1$, $WACC=9.9%$ and a sustainable 20:80 debt/equity balance-sheet structure.

The principal investment **risks** associated with Bellini Nautica include: 1) few key relevant people represent a vital asset for the company; 2) a limited M&A track record; 3) impact on the P&L and balance sheet profiles triggered by a deep decline in global economic growth; 4) low visibility, mainly with regard to the boat trading activity.

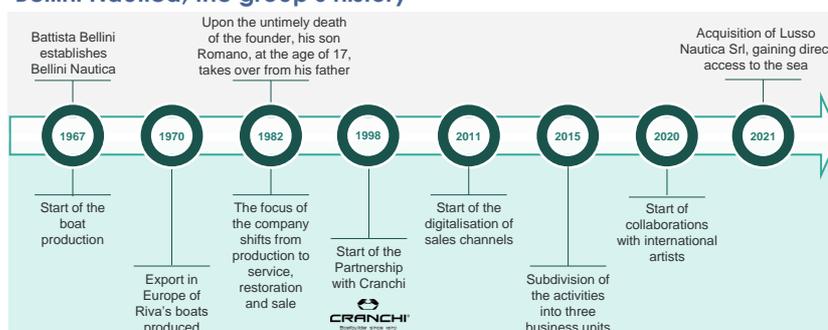


2. Bellini Nautica in a Nutshell

Established in 1967 in Clusane d'Iseo (Brescia) on the shores of Lake Iseo, **Bellini Nautica is a leading player operating in the luxury boating sector**, providing its customers with 1) restoration and trading of Vintage Riva boats, 2) an integrated offer of services dedicated to the vessels' care and 3) the trade of new and second-hand yachts with a size of up to 24 metres. The extensive experience and passion that characterise the **Bellini family, who has been taking care of the restoration of Vintage Riva for almost 60 years**, allowed the company to establish itself as the largest Italian player in this market niche.

The group runs its operations **through two different companies**: 1) the parent **Bellini Nautica**, headquartered in Clusane d'Iseo (Brescia), is focused on Vintage Riva restoration activity, boat storage, refitting and port services, along with the operations related to the boat trading activities; 2) **Lusso Nautica**, acquired in Oct-21 and located in Marina di Varazze (Savona), is engaged in the trade of new and second-hand motor-yachts and offering storage and refitting services.

Chart 1 – Bellini Nautica, the group's history



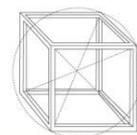
Source: Analyst Presentation

Since 1967, Bellini Nautica has been taking care of wooden vessels: originally the company was producing own-branded boats. Later, in 1982, Bellini Nautica shifted from a production to a service-oriented business model, chiefly focusing on both the **restoration of the iconic wooden hulls designed by Carlo Riva**, thanks to a valuable know-how accumulated over years of experience, and the **sale of new and second-hand yachts**. The latter activity, in particular, expanded in 1998 when the company entered into a **partnership with Cranchi**, an Italian shipyard synonymous with technological excellence in the motor yachting sector. Over the last ten years, Bellini Nautica began a reorganisation process in particular with regard to the digitalisation of sales channels and the subdivision of the activities into three business units. Furthermore, the **acquisition of Lusso Nautica in 2021** allowed the company to obtain a direct access to the sea, with the possibility to significantly widen its operations and customer base.

Chart 2 – Bellini Nautica, 2012-21PF top line and EBITDA evolution - € m



Source: CFO SIM elaboration on AIDA and Company data

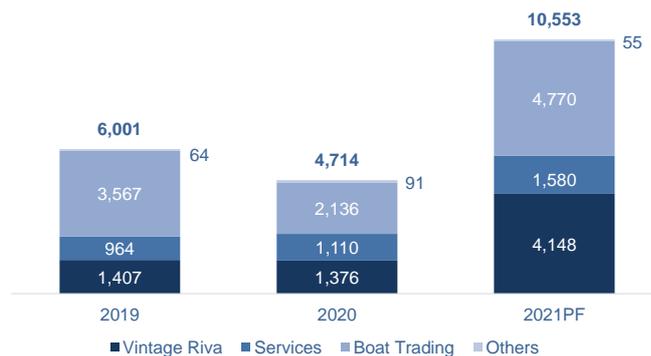


Bellini Nautica unveiled an outstanding growth path since its establishment, with a particular boost in the last ten years, recording a **20.0% sales CAGR₁₂₋₂₁** (19.7% organically) and a **28.6% EBITDA CAGR** in the same period.

Bellini Nautica operates three main business divisions:

- 1) The **Vintage Riva division (39.2% of FY-21PF revenues, +71.7% CAGR₁₉₋₂₁)** provides restoration and trading of Vintage Riva iconic boats.
- 2) The **Services division (15.0% of FY-21PF revenues, +28.0% CAGR₁₉₋₂₁)**, which represents the most recurrent part of the business, provides a multitude of boat care services including storage, refitting and port services such as berths, fuelling, transport, technical assistance. Furthermore, Bellini Nautica offers several experiences aboard various Vintage Riva models of its property.
- 3) The **Boat Trading division (45.3% of FY-21PF revenues, +15.6% CAGR₁₉₋₂₁)** is engaged in the trade of new and second-hand yachts with a size of between 6 and 24 metres, assisting customers at all stages.

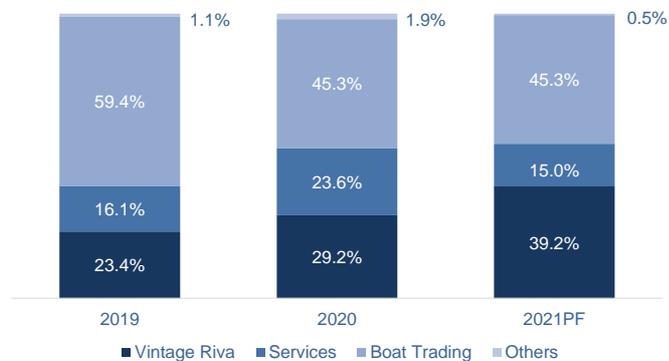
Chart 3 – Bellini Nautica, 2019-21PF revenues breakdown by business division - € k



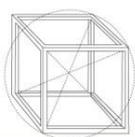
Source: CFO SIM elaboration on company data

On a pro-forma basis, FY-21 figures show **total revenues of € 10.6m, adjusted EBITDA of € 1.7m, 14.7% margin**, and Net Profit equal to € 1.3m (11.0% margin). **Net Financial Position was € 2.1m**, corresponding to 1.3x NFP/adj. EBITDA.

Chart 4 – Bellini Nautica, 2019-21PF revenues breakdown by business division - % on total



Source: CFO SIM elaboration on company data

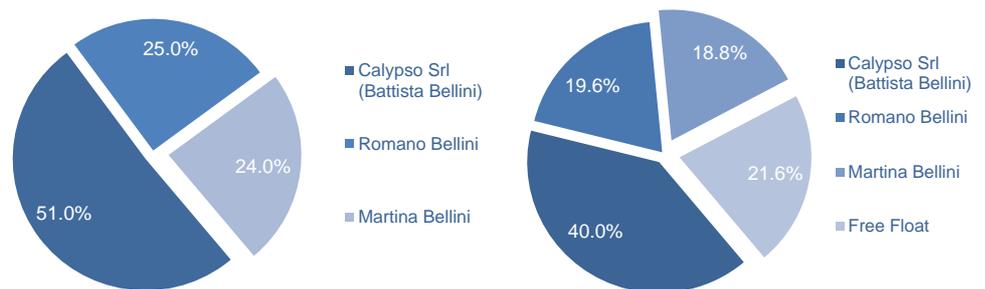


3. IPO Structure & Governance

The IPO encompassed a **primary offering for a total amount of € 3.5m**, coupled with the exercise of an overallotment **green-shoe option** through capital increase for about **€ 90k**.

At the pre-IPO stage, Bellini Nautica was fully owned by the Bellini's family: Calypso Srl (Battista Bellini) owned a 51.0% stake, Romano Bellini a 25.0% stake while Martina Bellini held the remaining 24.0%.

Chart 5 – Bellini Nautica, pre- and post-IPO shareholder structure (after green-shoe)

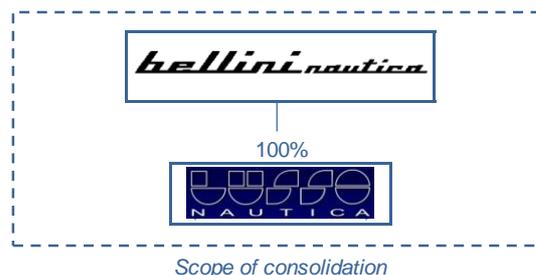


Source: CFO SIM elaboration on company data

Bellini Nautica went public on Euronext Growth Milan on 15-Jun-22 at € 2.60 per share, corresponding to a market capitalisation of € 16.5m. The **free float** was equal to 21.2%, raised to **21.6%** after the exercise of the green-shoe option. Pre-IPO shareholders and the Issuer have an 18-month lock-up period.

Moreover, **1,379,500 warrants were assigned free of charge**, one for every share subscribed at the time of the IPO. The warrant exercise periods run between mid-May to end-May in 2023, 2024 and 2025, respectively. The exercise price will be € 2.86/s for the first exercise period, € 3.14/s for the second one and € 3.46/s for the third one, with a **conversion ratio of 1 share every 2 warrant held**. Thus, the maximum dilution effect is to the tune of 9.8%.

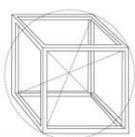
Chart 6 – Bellini Nautica, group structure



Source: CFO SIM elaboration on company data

The consolidation scope includes:

- **Bellini Nautica SpA**, the Issuer, carries out restoration and trading of Vintage Riva, refitting and storage of boats, as well as trading of new and second-hand yachts.
- **Lusso Nautica Srl**, based in Marina di Varazze (Savona), focused on the buying and selling of new and second-hand boats, refitting and storage activities.



Bellini Nautica has a **structured management team** composed of several key people:

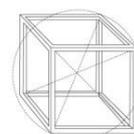
- **Romano Bellini** serves as **Chairman** of Bellini Nautica. He took over the company from his father, the founder, in 1982 when he was 16 years old. He has one of the largest collections of Vintage Riva boats in the world and today is responsible for the restoration activity.
- **Battista Bellini** has served as **CEO & CFO** of Bellini Nautica since 2018. He graduated in Economics and Business Law from Bocconi University. Afterwards, he joined Bellini Nautica, working as Sales Manager from 2010 to 2018 and as Head of the 'Vintage Riva Museum' project in the 2014-16 period.
- **Andrea Olivari** joined Bellini Nautica in 2022 to serve as **Chief Operating Officer**. He graduated in Cultural Heritage from Cattolica University. Before joining Bellini Nautica, he gained significant experience in Marketing & Visual Merchandising in various roles at Ikea Italia from 1999 to 2018.
- **Alessandro Faccenda** serves as **Head of Sales & CEO of Lusso Nautica**. After graduating in Administration, Finance and Control from University of Turin, he worked as an Auditor at KPMG from 2014 to 2018 and as Financial Controller at Arol SpA in the 2018-20 period. Before joining Bellini Nautica, he also served as Finance & Operation Manager at Crea.Re Group Srl.
- **Martina Bellini** serves as **Chief Marketing Officer** of Bellini Nautica. After studies in Law, she obtained a Master in Digital Marketing from Talent Garden Innovation School and a Master in Growth Hacking from Lacerba.io, as well as an Executive Master in Luxury Management from SDA Bocconi School of Management. She joined Bellini Nautica in 2016 as General Manager of the Vintage Riva Collection.
- **Giuseppe Pievani** has served as **Head of Shipyard** at Bellini Nautica since 2018. He is a computer expert and web developer with a diploma from technical college. After working as an Assistant at Gewiss SpA, he joined Bellini Nautica and worked from 2011 to 2015 in Customer Care. From 2015 to 2018, he was responsible for the management and control of the refitting and marine department.

The **Board of Directors** is composed of **5 members, one of whom being an independent director**. The independent director is **Gabriella Lojacono**, Associate Professor in the Department of Management and Technology at Bocconi University and Director of the Executive Master in Luxury Management at SDA Bocconi School of Management.

Chart 7 – Bellini Nautica, Board of Directors

Name	Role	
Romano Bellini	Chairman	Executive
Battista Bellini	Chief Executive Officer	Executive
Martina Bellini	Director	Executive
Andrea Olivari	Director	Executive
Gabriella Lojacono	Independent Director	Non-executive

Source: CFO SIM elaboration on company data



4. The Reference Market

Bellini Nautica operates in the luxury boating sector, providing its customers with 1) restoration and trading of Vintage Riva boats, 2) an integrated offer of services dedicated to the vessels' care, and 3) the trade of new and second-hand yachts. The company is aimed at a wealthy customer base, made up of collectors passionate when it comes to Vintage Riva boats, along with yachtsmen looking for customised services distinguished by care and professionalism.

4.1. Vintage Riva: a highly sought-after luxury item

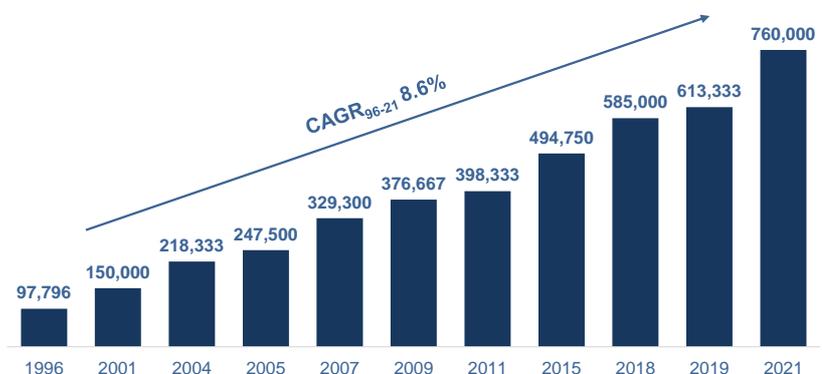
Riva SpA is an Italian luxury boat manufacturer founded in 1842 in Sarnico (Bergamo), on the shores of Lake Iseo (which still today is the heartbeat of the Riva story) and has been part of the Ferretti group since 2000. Among the iconic models born from the vision and ingenuity of Engineer Carlo Riva, the elegant and fascinating Aquarama model is undoubtedly considered the most famous, becoming over the decades a nautical cult model and is perceived today as a symbol of luxury and exclusivity in boating. As a proof of this, a survey conducted in the 90s by an English magazine revealed that its name represents the most famous boat in the world.

The production of Riva Aquarama occurred between 1962 and 1996, with three different models:

- **Aquarama**, produced between 1962 and 1972
- **Super Aquarama**, produced between 1963 and 1971
- **Aquarama Special**, produced between 1972 and 1996

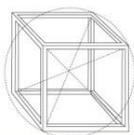
Overall, **Riva SpA produced 491 Aquarama/Super Aquarama and 277 Aquarama Special**, for a total of 768 Aquarama. By also considering the other wooden Riva models, namely Tritone/Super Tritone, Ariston/Super Ariston, Florida/Super Florida and Junior, 3,792 boats were produced. **In the last 25 years the Riva Aquarama models benefited from a constant revaluation with a CAGR₉₆₋₂₁ of 8.6%**, reaching in 2021 an average trading value of € 760k, also in light of the several efforts in promoting the Riva brand carried out by the Ferretti group.

Chart 8 – Bellini Nautica, Riva Aquarama models' revaluation trend - € k



Source: Analyst Presentation

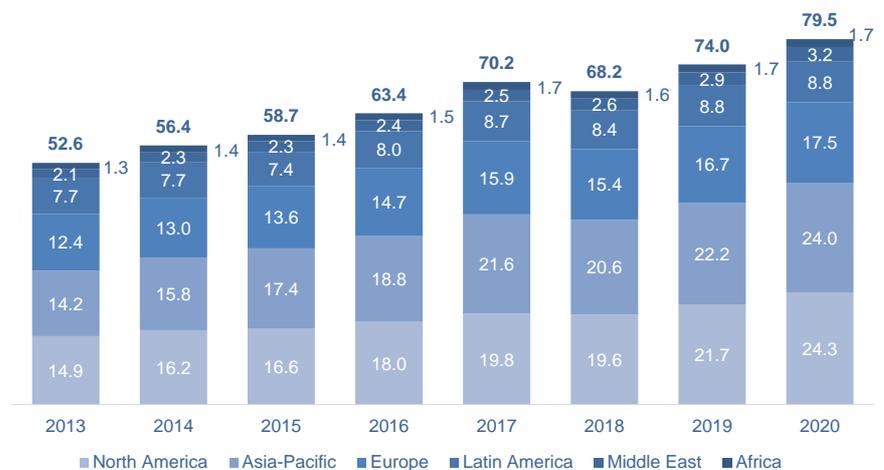
In the 2012-21 period Bellini Nautica purchased 88 Vintage Riva boats (24 of which Aquarama) **and sold 71** (17 of which Aquarama). The buoyant result is propelled by the company's profound knowledge of its reference market, where it is able to intercept Vintage Riva in excellent condition, intended for restoration and resale thanks to a rich customer database built over time along with a network comprising highly specialised brokers.



4.2. HNWI's drive demand for luxury vessels

Demand for recreational luxury vessels is primarily driven by HNWI's (High Net Worth Individuals, namely people or households who own liquid assets valued between \$ 1m and \$ 5m). According to Capgemini's World Wealth Report, in 2021 the **global HNWI's population hit a record high, increasing by 6.3% YoY**, in the wake of stock market solid gains in 2020 amid a volatile environment caused by the pandemic. Furthermore, in Europe, the region comprising most of Bellini Nautica's customer base, HNWI's wealth grew by 4.5% YoY to \$ 17.5tn (5.0% CAGR₁₃₋₂₀), outpacing HNWI's population growth (2.8%).

Chart 9 – Bellini Nautica, HNWI's wealth by region in 2013-20, \$ tn



Source: 2021 World Wealth Report - Capgemini

4.3. Recreational boating market

Recreational boating can be defined as boating performed for recreational purposes which include many activities such as sailing, yachting, fishing and boat racing. Various types of recreational boats are used for this activity including runabouts, yachts, towboats, fishing boats, sailboats, pontoon boats, sterndrive powerboats, jet boats, as well as personal watercraft.

According to preliminary data provided by Confindustria Nautica, **in 2021 the Italian nautical industry's revenues totalled € 6.0bn, up by 28.8% YoY (CAGR₁₃₋₂₁ of 12.0%), returning to the maximum levels already achieved by the sector in the biennium 2007-2008**. This brilliant outcome was a combination of several factors, including 1) solid growth of the shipbuilding production export, which reached a record high of € 3.0bn in the year ended in Oct-21, 2) the order book for yachts and superyachts which, according to the operators, covers the next 3 years and, 3) the strong performance by both the marine accessories and nautical engines compartments, notwithstanding the critical issues related to logistics and availability of raw materials.

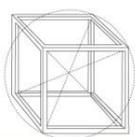
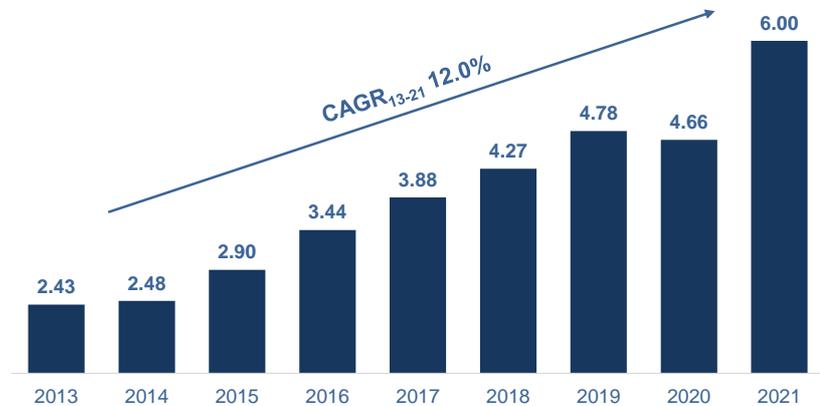


Chart 10 – Bellini Nautica, Italian nautical industry trend 2013-21, € bn



Source: 'La Nautica in cifre' – Confindustria Nautica, March 2022

According to the 2022 Confindustria Nautica report, **in Italy there were 95,029 registered pleasure boats** in 2020, 6,808 and 18,849 of which moored in the Lombardy and Liguria region, respectively, accounting for 27% of total. The latter region, where Bellini Nautica gained access to the sea thanks to the recent acquisition of Lusso Nautica, represents the first in terms of registered boats and the second in terms of berths, behind Sardinia.

The recreational boating market is experiencing increasing demand not only in Italy. Globally, **the market has reached a value of \$ 21.3bn in 2021 and is anticipated to further grow to \$ 28.8bn by 2027, exhibiting a 5.6% CAGR in the 2022-27 period** (Source: Global Recreational Boating Market Report 2022, Business Wire). In 2020 global luxury boating, although severely hit by the pandemic outbreak, proved its resilience. In fact, according to Deloitte, the yachting asset class grew by 1-2% against an average decrease of 20% experienced by the luxury goods industry as a whole, mainly thanks to the customers' need for outdoor recreation activities for respecting social distancing measures.

In addition to the increasing disposable income of HNWIs, **growth in recreational boating is also driven by changing consumer attitudes**, showing a marked inclination towards **marine tourism and leisure activities**, among which jet skiing, sailing, yachting and sport fishing. Moreover, the improved participation among all age groups, including both the adult and millennial population, fostered the development of recreational boating facilities across the globe and, as a consequence, the market prosperity.

4.4. Port services

Port services are all those operations aimed at taking care of the vessels and provide marine operators with stable and recurring revenues. Main port services dedicated to recreational vessels include 1) mooring facilities, 2) sheds for boat storage, 3) refuelling, 4) ordinary maintenance, 5) boat lifting and 6) ancillary services, such as general cleaning, winterising, de-winterising, technical assistance etc.

With regard to port services related to tourism, Assomarinas foresees **a solid turnover increase in 2021 on all the reference activities in Italy, in a range between 2.0% for berths sales and 7.0% for permanent moorings**, which represent the most significant line in total turnover. Moreover, in-transit moorings (+6.5%) showed a strong result after the setback in 2020 due to the pandemic. **The uptrend trajectory is set to continue in 2022, thanks to the continued recovery of tourism.** In particular, a growth of between +2.5% for the sales of equipment and +5.0% for both the permanent and in-transit moorings is expected, while all the other items point to an increase of +4.0%.

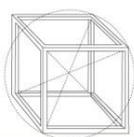
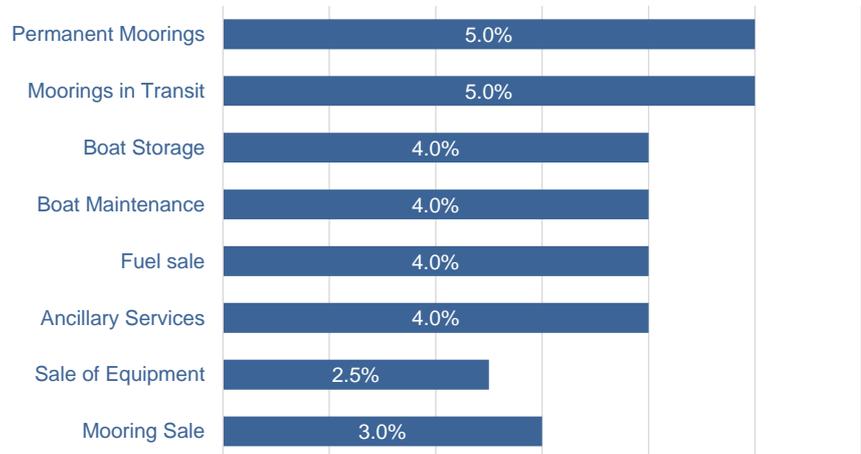


Chart 11 – Bellini Nautica, Italian port services' growth trend in 2022 vs. 2021



Source: 'La Nautica in cifre' – Confindustria Nautica, March 2022

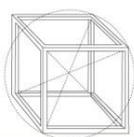
4.5. Competitive Arena

The market niche of restoration and trading of Vintage Riva boats is characterised by small players located primarily in Italy, predominantly on the main Italian lakes. **Bellini Nautica is amongst the very few players able to offer both restoration and trading of Vintage Riva boats**, thanks to its unparalleled expertise accumulated in almost 60 years of activity and a deep market knowledge. Furthermore, **the company is by far the largest player**, more than two times its closest competitor RAM (a Ferretti Group company). **In the 2012-21 period Bellini Nautica purchased 88 Vintage Riva boats** (24 of which Aquarama) **and sold 71** (17 of which Aquarama).

Chart 12 – Bellini Nautica, competitive arena

Company	Country	Restoration activity	Boat trading activity	Value of Production (2020; €/000)	EBITDA Margin % (2020)
				4,505	1.8%
				1,882	1.2%
				228	neg.
				n.a.	n.a.
				296	8.6%
				48	neg.

Source: Analyst Presentation



5. Business Model

Bellini Nautica operates in the **luxury boating** sector, providing its customers with several activities, namely 1) restoration and trading of Vintage Riva boats, 2) an integrated offer of services dedicated to the vessels' care and 3) the trade of new and second-hand yachts. **In almost 60 years of history, the company has developed invaluable expertise in restoration, particularly with regard to the iconic wooden boats designed by Carlo Riva.** Indeed, Bellini Nautica has always stood out for its ability to combine cutting-edge technology with a high degree of craftsmanship, which has allowed it to become **the largest Italian player as well as a reference point in this market niche.**

The group runs its operations through two different companies:

- the parent **Bellini Nautica**, headquartered in Clusane d'Iseo (Brescia), focused on Vintage Riva restoration activity, boat storage, refitting and port services, along with the operations related to the boat trading activities;
- **Lusso Nautica**, acquired in Oct-21 and located in Marina di Varazze (Savona), engaged in the trade of new and second-hand motor-yachts and offering storage and refitting services.

The company's business model comprises three divisions:

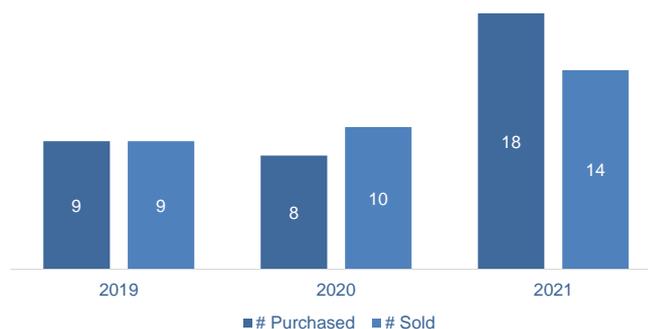
- 1) **The Vintage Riva division (39.2% of FY-21PF revenues, c. 38% gross margin)** is focused on the purchase, restoration and resale of Vintage Riva boats. In addition, restoration services are provided to customers who already own a Vintage Riva. The rationale behind this specific activity is that **Vintage Riva boats are extremely sought-after luxury assets**, which benefit from a **constant revaluation over time**. Their restoration is an artisanal activity that requires patience, meticulousness, experience and, most importantly, a high level of expertise.



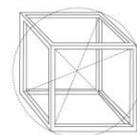
Bellini Nautica's team responsible for the restoration is made up of former Riva employees, highly-specialised in the restoration of the wooden parts, engines and systems. The whole process is carried out using only original materials and finishes purchased from the same Riva's suppliers, in order to preserve the authenticity and value of the boats while the upholstery and chrome plating activities are entrusted to local artisans, with whom Bellini Nautica has long-standing relationships. By way of example, **a complete restoration of a Riva Aquarama model lasts between 7 and 9 months.**

To better understand the huge commitment and dedication in this high value-added activity, it is worth noting that **in the 2012-21 period Bellini Nautica purchased 88 Vintage Riva** (24 of which Aquarama) **and sold 71** (17 of which Aquarama). Moreover, the group has constantly increased revenues stemming from the restoration activity, totalling € 677k in 2021. **Currently, Bellini Nautica has 20 Vintage Riva boats in stock for an estimated total market value of € 6.1m.**

Chart 13 – Bellini Nautica, Vintage Riva boats purchased and sold per year



Source: CFO SIM elaboration on company data

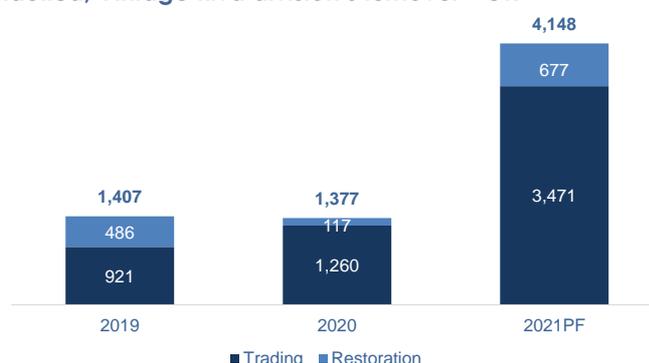




The digitisation process started over a decade ago has prompted Bellini Nautica to start a few **partnerships with international artists** aimed at creating unique Vintage Riva boats. By way of example, it is worth noting the unique piece created in collaboration with **Mr. Brainwash**, a famous French street and pop artist. It was a Riva Aquarama fully restored with the upholstery realised ad hoc by the artist. The boat was auctioned off with a considerable premium price compared to its market value.

In 2021, Bellini Nautica sold two **Vintage Riva 'Premium'** for a total of € 1.8m, including that realised in collaboration with Mr. Brainwash. 'Premium' means rare or unique pieces which can be sold at a premium price.

Chart 14 – Bellini Nautica, Vintage Riva division's turnover - € k

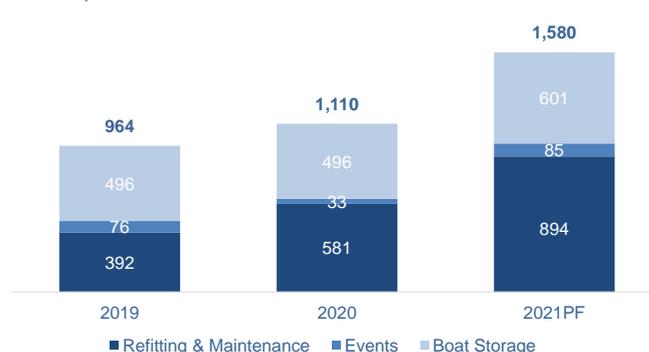


Source: CFO SIM elaboration on company data

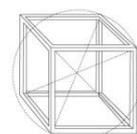
As for the purchase phase, Bellini Nautica constantly searches for Vintage Riva through three main channels: 1) a proprietary database in which the company registered around 350 Vintage Riva and their owners, 2) a network comprising highly specialised brokers and, 3) sectoral online marketplaces. Once the restoration is complete, the company makes use of a **multi-channel marketing strategy for the resale activity** that includes the use of social media, proprietary website and both online and offline press.

- 2) **The Services division (15.0% of FY-21PF revenues, c. 52% gross margin)**, provides a multitude of **boat care services** including 1) boat storage, 2) refitting, maintenance and port services such as berths, fuelling, transport, technical assistance and, 3) exclusive experiences aboard various Vintage Riva models. **Revenues here are almost entirely recurrent.**

Chart 15 – Bellini Nautica, Services division revenues breakdown - € k



Source: CFO SIM elaboration on company data



In detail, Services division's activities can be furtherly broken down as follows:

- **Boat storage services:** at the end of the summer season, owners may resort to storage services with the aim of preserving the vessel from weather events and possible theft. Pre-storage activities, called also winterising activities, include desalination, lubrication, removal of water from the engine, hull cleaning and removal of the battery. After the winter period, all the de-winterising activities are carried out, including engine inspection, battery reinsertion and polishing. Finally, the boat is ready to be put back into the water for the annual service.

Bellini Nautica is equipped with three sheds for winter storage, with a maximum capacity of 270 places, 93% of which used. The storage can be annual, monthly, seasonal or only for winter, according to customers' need. In the last two years, **the company unveiled remarkable growth in revenues related to boat storage, which soared with a 10.1% CAGR₁₉₋₂₁**, thanks to an effective strategy focused on offering services to more valuable vessels, which allowed for better profitability.

- **Refitting and maintenance**, consist in the vessel's refurbishment depending on specific customer's priorities and needs. Usually, refitting activities include hull painting (Bellini Nautica is equipped with six next-generation painting furnaces suitable for yachts up to 24 metres), upholstery substitution, revision of electronics and mechanics.
- **Port services**, comprising: 1) over 80 berths at Bellini Nautica's port in Clusane d'Iseo, each of which equipped with electricity and drinking water; 2) fuelling; 3) boat transportation and, 4) advisory to support customers own yachts' evaluation and choice of equipment.
- **Riva Experience:** Bellini Nautica offers a broad range of unique experiences, including the rental with driver of a Riva Aquarama and a guided tour to the rare high-valued Vintage Riva's collection.

- 3) **The Boat Trading division (45.3% of FY-21PF revenues, c. 9% gross margin)** is engaged in the trade of new and second-hand yachts with a size of between 6 and 24 metres. Bellini Nautica deals with several prestigious brands in the luxury recreational boating arena and for over 20 years has been an **official dealer of Cranchi**, an Italian shipyard producing highly technological motor yachts. In the last three years, **Bellini Nautica has unveiled strong growth in the Boat Trading division, showing a 15.6% CAGR₁₉₋₂₁**, considering the sale of both new and second-hand boats. The result is due to a larger number of vessels sold, mostly second-hand, with a consequent increase in the average revenue per boat.

One of the strengths of the company is the assistance of its customers throughout the whole procedure, from the yacht's choice and negotiation to all the after-sale services, with the clear purpose of encouraging customer loyalty. From an operational standpoint, **Bellini Nautica purchases the vessel only after it has received the order from the customer and the related advance payment**, without exposing itself to the volatility of the boats' price and with a low impact on net working capital.

With regard to second-hand boats, Bellini Nautica deals only with boats that are easy to sell or with an already-identified potential buyer.

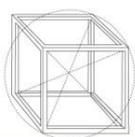
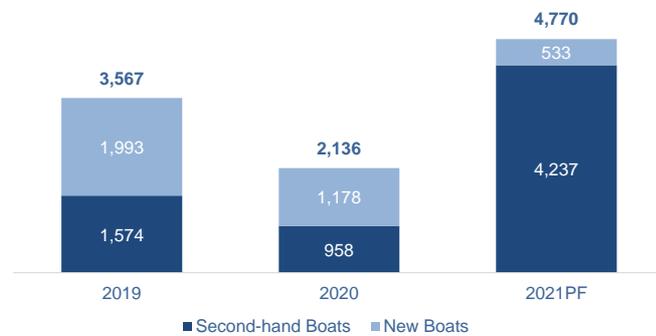


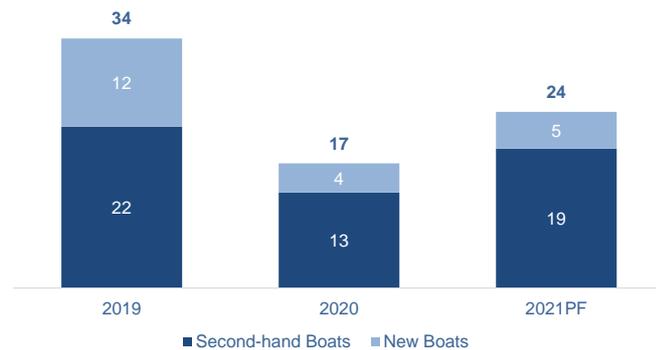
Chart 16 – Bellini Nautica, Boat Trading division revenues breakdown - € k



Source: CFO SIM elaboration on company data

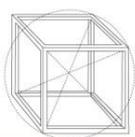
In the near future, Bellini Nautica intends to extend its product portfolio by obtaining the authorisation directly from shipyards with a specific focus on motor-yachts above 15 metres. Furthermore, through the recent acquisition of Lusso Nautica, the company has gained direct access to the sea and will be able to make contact with new potential customers and marketing larger yachts.

Chart 17 – Bellini Nautica, Boat Trading division number of boats sold – number #



Source: CFO SIM elaboration on company data

In addition, **Bellini Nautica has recently launched '12-mile', a platform offering a long-term boat rental service**, which aims to be an alternative to leasing. The service envisages the option to rent a new Cranchi yacht among those available, upon payment of a monthly fee that includes insurance, maintenance expenses and other paperwork fees. At the end of the minimum rental period of 36 months, the customer has the right to take ownership of the yacht.



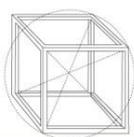
6. Strategy – Use of IPO Proceeds

Following the outstanding growth path unveiled since its establishment, Bellini Nautica is now ready to strengthen its competitive positioning in the restoration of Vintage Riva boats and expanding the boat trading activity by adding new yacht brands to its product portfolio. Bellini Nautica's growth strategy is based on external growth too, mainly in order to boost the storage activity. **The € 3.6m proceeds collected with the IPO will be used chiefly to take advantage M&A opportunities.**

In detail, Bellini Nautica's strategy is focused on:

- **M&A opportunities:** the group plans to invest about 70% of IPO proceeds in external growth, mainly looking for **shipyards offering storage activity:** Bellini Nautica has already identified 10 potential targets with turnover ranging between € 1.5m and € 2.0m, namely small shipyards **positioned in the main lakes in Northern Italy (Garda, Como, Maggiore) and Northern Europe (Lake of Constance)** having a similar business model to Bellini Nautica and, possibly, owning Vintage Riva boats. The opportunities will be evaluated considering the number of storable boats and the margins per storage with the aim of gaining access to new territories, increasing the number of places for storage as well as enlarging the customer portfolio.
- **Organic growth:** Bellini Nautica expects to invest about 20% of IPO proceeds in order to boost the group's organic growth. The main growth strategies for the three business divisions are the following:
 - ✓ **Vintage Riva division:** for the next years, the company plans to enlarge its purchasing capabilities chasing rare Vintage Riva boats to restore and resell.
 - ✓ **Services division:** Bellini Nautica's goal is to further expand the range of services provided to customers in order to increase customers' loyalty as well as, by means of cross-selling activities, the average revenue per boat.
 - ✓ **Boat trading division:** the company has been an official dealer of Cranchi for over 20 years and intends to enlarge its offer by becoming dealer also of other yacht brands. The specific focus will be on motor-yachts of over 15 metres. Furthermore, the acquisition of Lusso Nautica (the official Cranchi dealer for Piedmont and Liguria) in 2021 will allow Bellini Nautica to make contact with new potential customers, also trading larger boats, up to 24 metres.
- **Marketing activities to strengthen the group's brand awareness:** about 10% of IPO proceeds will be allocated to reinforce the group's brand awareness, primarily through marketing activities such as the organisation of temporary installations, sector events and new collaborations with internationally renowned artists.

Assuming a sustainable 2.5x NFP/EBITDA ratio, based on CFO SIM's EBITDA₂₂ estimate, **we think the group might be able to invest about € 10m in acquisitions, including the IPO proceeds.**



7. SWOT Analysis

The SWOT analysis, also known as SWOT Matrix, is a structured planning method used to evaluate the strengths, weaknesses, opportunities and threats involved in a project or in a business venture. A SWOT analysis can be carried out with regard to a product, place, industry or person. It involves specifying the objective of the business venture or project and identifying the internal and external factors that are favourable and unfavourable to achieving that objective.

- **Strengths:** characteristics of the business that give it an advantage over others.
- **Weaknesses:** characteristics that place the business at a disadvantage vs. others.
- **Opportunities:** elements that the project could use to its advantage.
- **Threats:** elements in the environment that could cause harm or be detrimental for the business or project.

The technique is credited to Albert Humphrey, who led a research project at Stanford University between the 60s/70s using Fortune 500 data.

S.W.O.T. ANALYSIS

STRENGTHS

- By far the largest worldwide player** in a fragmented market niche
- Unparalleled experience** in restoration activity
- The **landmark for the Vintage Riva** boats
- Ability to offer a wide range of **customised services**

WEAKNESSES

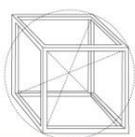
- Few key relevant people** represent a vital asset for the company
- Limited **M&A track record**
- Low visibility**, mainly with regard to the boat trading activity

OPPORTUNITIES

- Expanding the group's presence in the **main lakes in Northern Italy**
- M&A** aimed at enlarging the boat storage activity and the customer portfolio: **cross-selling and upselling synergies**
- Constant **reevaluation of the Vintage Riva** boats as luxury asset class

THREATS

- Highly-skilled labour force is a scarce resource**
- Difficulty in **finding rare Vintage Riva** boats at the right price



8. Recent Results

Bellini Nautica has almost doubled in size in the last three years, reaching € 10.6m in revenues in FY-21 (CAGR₁₉₋₂₁ of 32.6%). The increase in revenues and margins was driven by growing sales in all the business divisions and a better revenue mix, thanks to the focus on premium boats and yachts.

FY-21 results were elaborated on a pro-forma basis as in Oct-21 Bellini Nautica acquired Lusso Nautica Srl, a small player based in Marina di Varazze (Savona), which allowed the company to have a direct access to the sea and to reinforce its positioning as Cranchi's dealer. In 2021, Lusso Nautica reached € 0.3m in revenues, with almost zero EBITDA.

Table 1 – Bellini Nautica, FY 2019-21PF results summary

€ m	2021PF	2020	2019	% CAGR ₁₉₋₂₁
Vintage Riva	4.1	1.4	1.4	71.7
Services	1.6	1.1	1.0	28.0
Boat Trading	4.8	2.1	3.6	15.6
Others	0.1	0.1	0.1	(6.6)
Revenues	10.6	4.7	6.0	32.6
Value of Production	11.5	4.5	6.2	
EBITDA	2.2	0.1	0.3	> 100
% margin	19.1	1.8	5.0	
Adjusted EBITDA	1.7	(0.0)	0.3	> 100
% margin	14.7	(1.1)	5.0	
EBIT	1.8	0.0	0.3	> 100
% margin	15.9	0.7	4.5	
Net Profit	1.3	(0.0)	0.2	> 100
% margin	11.0	(0.1)	2.6	
Net Financial Position	2.1	1.4	1.8	8.7

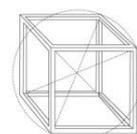
Source: Company data

The **Vintage Riva division** grew at a **CAGR₁₉₋₂₁ of 71.7%**, totalling **€ 4.1m in 2021**. The increase was driven by a growing number of Vintage Riva sold (14 in 2021, 10 in 2020 and 9 in 2019) coupled with increasing revenues stemming from the restoration activity (from € 486k in 2019 to € 677k in 2021).

In 2021, Bellini Nautica sold two **Vintage Riva 'Premium'** for a total of € 1.8m. 'Premium' means rare or unique pieces which can be sold with a premium price. By way of example, it is worth noting the unique piece created in collaboration with **Mr. Brainwash**, a famous French street and pop artist. It was a Riva Aquarama fully restored with the upholstery realised ad hoc by the artist. The boat was auctioned off with a considerable premium price compared to its market value.

The **Services division reached € 1.6m in 2021**, growing with a **CAGR₁₉₋₂₁ of 28.0%**, thanks to the increase in both the number of boats in storage (251 in 2021 compared to 240 in 2019) and average revenue per boat, as a result of a greater focus on boats with higher value.

The **Boat Trading division** rose at a **CAGR₁₉₋₂₁ of 15.6%**, totalling **€ 4.8m in 2021**. Growth was mainly driven by the increasing average price per boat also thanks to the acquisition of Lusso Nautica, focused on the trading of yachts over 15 metres long. In 2021, Bellini sold 24 boats (vs 16 in 2020 and 34 in 2019), 5 of which new and 19 second-hand.



8.1. FY-21 Pro-Forma Results

In 2021, Bellini Nautica more than doubled in revenues thanks to massive organic growth and to a lesser extent to the consolidation of Lusso Nautica Srl acquired in Oct-21, which contributed € 305k for the whole year. Margins grew more than proportionately to top line thanks to the substantial increase in volumes coupled with a better revenue mix.

Table 2 – Bellini Nautica, FY 2021-20 results summary and FY-21 pro-forma figures

€ m	2021	2020	% YoY	2021PF
Vintage Riva	4.1	1.4	201.5	4.1
Services	1.4	1.1	21.6	1.6
Boat Trading	4.7	2.1	119.7	4.8
Others	0.1	0.1	(39.4)	0.1
Revenues	10.2	4.7	117.4	10.6
Increase in finished products	0.1	(0.4)		0.1
Other revenues	0.7	0.2		0.8
Value of Production	11.1	4.5	146.8	11.5
Raw material and processing	(7.1)	(3.0)		(7.2)
Services	(0.9)	(0.8)		(1.1)
Personnel expenses	(0.5)	(0.4)		(0.6)
Other opex	(0.4)	(0.3)		(0.5)
EBITDA	2.2	0.1	<i>n.m.</i>	2.2
% margin	19.5	1.8		19.1
D&A	(0.3)	(0.1)		(0.4)
EBIT	1.8	0.0	<i>n.m.</i>	1.8
% margin	16.4	0.7		15.9
Financials	0.0	0.0		0.0
Pre-Tax profit	1.9	0.1	<i>n.m.</i>	1.9
% margin	16.8	1.4		16.2
Income taxes	(0.6)	(0.0)		(0.6)
Tax rate	31.7%	<i>n.m.</i>		31.9%
Minorities	0.0	0.0		0.0
Net Profit	1.3	0.0	<i>n.m.</i>	1.3
% margin	11.4	1.1		11.0
Adjusted EBITDA	1.7	(0.0)	<i>n.m.</i>	1.7
% margin	15.2	(1.1)		14.7
Net Financial Position	2.2	1.4	53.7	2.1
Net Equity	2.6	1.3	<i>n.m.</i>	3.1

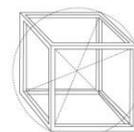
Sources: Company data, CFO SIM analysis

FY-21 pro-forma revenues reached € 10.6m, more than doubling YoY, thanks to increasing turnover in all the business divisions. In particular, the Vintage Riva and Boat Trading divisions benefited from the higher number of boats sold while the Services division was positively affected by the increase in both the number of boats in storage and average revenue per boat, as a result of a greater focus on boats with higher value. Other revenues include windfall profits for € 0.6m. Lusso Nautica contributed € 305k to 2021 pro-forma revenues (of which € 229k related to refitting and maintenance activities and € 77k to second-hand boats trading).

EBITDA adjusted for non-recurring items stood at € 1.7m, 14.7% margin. The significant improvement in margins is mainly related to increasing volumes in particular in the Vintage Riva division. It is worth noting that in 2020, despite the pandemic, the group did not interrupt the purchase of Vintage Riva and raw materials related to the restoration activity (i.e. wood).

EBIT totalled € 1.8m after D&A of € 0.4m. The increase in D&A compared to 2020 is entirely ascribable to the revaluation of two Vintage Riva included in the group's inventories performed in 2020. **Net Profit stood at € 1.3m, 11.0% margin.**

Net Financial Position was € 2.1m compared to € 1.4m at the end of 2020. The increase in net debt was due to 1) the acquisition of Lusso Nautica in Oct-21 for € 0.3m and 2) a certain NWC increase as a result of growing receivables stemming from a certain concentration of turnover in Q4-21.



8.2. H1-22 Results

Bellini Nautica reported 2022 interim results characterised by growing revenues driven by increasing sales of new and second-hand boats as well as turnover stemming from recurring services, i.e. boat storage, refitting and maintenance. Margins soared more than proportionately to top line thanks to the progressively make use of operating leverage.

Table 3 – Bellini Nautica, H1-22 results

€ m	H1-22	H1-21PF	% YoY
Vintage Riva	1.0	1.6	(36.8)
Services	1.1	0.6	80.7
Boat Trading	2.0	1.1	80.1
Others	0.0	0.0	24.2
Revenues	4.1	3.3	24.0
Increase in finished products	3.9	1.3	
Other revenues	0.4	0.2	
Value of Production	8.4	4.8	72.8
Raw material and processing	(6.2)	(3.3)	
Services	(0.8)	(0.5)	
Personnel expenses	(0.3)	(0.3)	
Other opex	(0.2)	(0.3)	
EBITDA	0.8	0.5	62.8
% margin	9.0	9.5	
D&A	(0.2)	(0.1)	
EBIT	0.6	0.4	52.1
% margin	6.8	7.8	
Financials	(0.1)	0.1	
Pre-Tax profit	0.5	0.4	10.1
% margin	5.8	9.2	
Income taxes	(0.2)	(0.2)	
Tax rate	34.4%	34.2%	
Minorities	0.0	0.0	
Net Profit	0.3	0.3	9.9
% margin	3.8	6.0	
Adjusted EBITDA	0.7	0.3	n.m.
% margin	8.3	6.1	
Net Financial Position *	(0.3)	2.1	n.m.
Net Equity *	6.9	3.1	n.m.

Sources: Company data, CFO SIM analysis * compared to FY-21PF

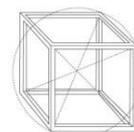
Total revenues were € 4.1m, up by 24.0% YoY, thanks to increasing sales of new and second-hand boats as well as turnover stemming from services, namely boat storage, refitting, maintenance and port services. Value of Production reached € 8.4m compared to € 4.8m in H1-21, mainly due to increasing inventories as a consequence of the purchase of a boat "Cranchi Sessantasette" for € 2.65m expected to be sold in H2-22.

Other revenues include a capital gain of € 199k related to the sale of a Riva Acquarama for € 725k (registered among tangible assets with a residual value of € 526k). This boat was revaluated in 2020 for € 650k but this year the company decided to withdraw the revaluation, waiving both civil law and fiscal effects. As a consequence, Bellini Nautica may report a capital gain of € 725k in FY-22, instead of € 199k reported in H1.

Adjusted EBITDA for non-recurring items totalled **€ 0.7m, 8.3% margin**, compared to € 0.3m, 6.1% margin in H1-21. If we consider also the aforementioned potential capital gain, adjusted EBITDA would be € 1.2m.

EBIT was € 0.6m, 6.8% margin, up by 52.1% YoY, while **net profit reached € 0.3m**, broadly in line compared to H1-21.

Net Financial Position declined to € 0.3m cash from € 2.1m debt at the end of 2021, mainly as a result of the fresh resources collected with the IPO (€ 3.6m).



9. Financial Forecasts

Established in 1967 in Clusane d'Iseo (Brescia) on the shores of Lake Iseo, **Bellini Nautica is a leading player operating in the luxury boating sector**, providing its customers with restoration and trading of Vintage Riva boats, an integrated offer of services dedicated to the boats' care, as well as the trade of new and second-hand yachts with size of up to 24 metres.

Our estimates include the injection of the IPO fresh resources (€ 3.6m), which will mainly be employed in new developments and potential acquisitions, as well as IPO expenses (€ 700k, € 650k of which capitalised while the remainder expensed into P&L in 2022).

Top line estimates are based on different assumptions for each of the group's divisions:

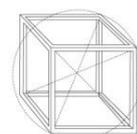
- The **Vintage Riva division** is expected to grow at a **CAGR₂₁₋₂₄ of 12.4%**, driven by the **increasing average price per boat** in line with the historic revaluation of the asset (i.e. 8.6% CAGR₉₆₋₂₁) coupled with a stable number of boats sold (i.e. 15 Vintage Riva per year, 2 of which as '**Riva Premium**', namely rare or unique pieces which can be sold with a premium price). With regard to the restoration activity, we expected revenues to grow with a 11.0% CAGR₂₁₋₂₄.
- The **Services division** is anticipated to rise with a **CAGR₂₁₋₂₄ of 10.0%**, thanks to the **full utilisation of the group's storage capacity** (max. 270 spots for boat storage, almost 93% of which already occupied) coupled with an **increasing average revenue per boat**. The goal is to focus on boats with high market value in order to be able to offer customers more sophisticated and value-added services as well as refitting activities and extraordinary maintenance, mainly with regard to yachts with over 15 metres long. It is worth remembering that the Services division's visibility is extremely high, as **revenues are almost entirely recurring**.
- The **Boat Trading division** is expected to grow at a **CAGR₂₁₋₂₄ of 32.1%**, on the back of the **increasing number of yachts sold** as well as the **growing average price per boat**. In particular, the acquisition of Lusso Nautica allowed the group to have access to a customer base primarily oriented to yachts with over 15 metres long. Furthermore, the group shall definitely benefit from the Cranchi's strategic decision to progressively focus its offer on larger and more expensive yachts.

Overall, **CFO SIM expects revenues to show a 21.8% CAGR₂₁₋₂₄**.

Table 4 – Bellini Nautica, 2021PF-24e top line growth evolution breakdown

€ m	2021PF	2022e	2023e	2024e	% CAGR ₂₁₋₂₄
Revenues	10.6	16.0	17.4	19.1	21.8
Vintage Riva	4.1	5.1	5.5	5.9	12.4
Services	1.6	1.8	2.0	2.1	10.0
Boat Trading	4.8	9.0	10.0	11.0	32.1
Others	0.1	0.1	0.1	0.1	0.0
% YoY					
Revenues	-	51.3	9.2	9.3	
Vintage Riva	-	23.2	6.8	8.0	
Services	-	14.5	7.8	7.9	
Boat Trading	-	88.4	10.9	10.3	
Others	-	0.0	0.0	0.0	
% on total					
Revenues	100.0	100.0	100.0	100.0	
Vintage Riva	39.3	32.0	31.3	31.0	
Services	15.0	11.3	11.2	11.0	
Boat Trading	45.2	56.3	57.2	57.7	
Others	0.5	0.3	0.3	0.3	

Sources: Company data, CFO SIM estimates



As of Sep-22, **the net backlog** (i.e. the total amount of orders net of sales already invoiced) includes **17 boats (o/w 8 Vintage Riva), for a total of € 8.0m, 86% of which billable by the end of 2022**. Furthermore, between 30-Jun and 30-Sep 2022, the group sold two new boats for overall € 825k (not included in the aforementioned backlog) as well as a Riva Acquarama for € 550k (not yet delivered to the customer, thus included in the net backlog as of Sep-22).

Table 5 – Bellini Nautica, 2021PF-24e profitability evolution

€ m	2021PF	2022e	2023e	2024e	% CAGR ₂₁₋₂₄
Revenues	10.6	16.0	17.4	19.1	21.8
Increase in finished products	0.1	0.2	0.2	0.2	
Other revenues	0.8	0.5	0.1	0.1	
Value of Production	11.5	16.6	17.7	19.4	19.1
Raw material and processing	(7.2)	(10.6)	(11.5)	(12.5)	
Services	(1.1)	(1.8)	(2.0)	(2.1)	
Personnel expenses	(0.6)	(0.6)	(0.7)	(0.7)	
Other opex	(0.5)	(0.8)	(0.8)	(0.9)	
EBITDA	2.2	2.9	2.8	3.2	13.6
% margin	19.1	17.3	15.8	16.6	
D&A	(0.4)	(0.3)	(0.3)	(0.3)	
EBIT	1.8	2.6	2.5	2.9	17.4
% margin	15.9	15.4	14.1	15.2	
Adjusted EBITDA	1.7	2.6	2.8	3.2	24.1
% margin	14.7	15.5	15.8	16.6	
Adjusted EBIT	1.3	2.3	2.5	2.9	30.9
% margin	11.5	13.6	14.1	15.2	

Sources: Company data, CFO SIM estimates

The group's cost structure is anticipated to be broadly stable at **10-90 fixed-variable costs**, thus the **operating leverage effect is rather low here**. In other words, the increase of top line drives the progression of variable costs too. Gross margin is predicted to the tune of 20.0% on average in the 2022-24 period.

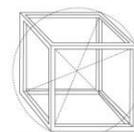
The current operating structure is adequate to sustain the expected organic growth. As a consequence, we estimate **personnel expenses only to slightly increase** from € 0.6m in 2021 to € 0.7m in 2024. Furthermore, **D&As are seen to be stable in the 2022-24 period**, on the back of the low amount of capex necessary to run the business.

FY-22 EBITDA was adjusted for non-recurring costs related to the IPO process (€ 50k) as well as for an expected € 350k tax credit equal to 50% of listing costs. **Adjusted EBITDA and EBIT are projected to grow at a CAGR₂₁₋₂₄ of 24.1% and 30.9%**, respectively, vs 21.8% of revenues.

Table 6 – Bellini Nautica, 2021PF-24e below EBIT evolution

€ m	2021PF	2022e	2023e	2024e	% CAGR ₂₁₋₂₄
EBIT	1.8	2.6	2.5	2.9	17.4
% margin	15.9	15.4	14.1	15.2	
Financials	0.0	(0.1)	(0.1)	(0.1)	
Re/(Devaluation) of financial assets	0.0	0.0	0.0	0.0	
Forex gain/(loss)	0.0	0.0	0.0	0.0	
Pre-Tax profit	1.9	2.4	2.4	2.8	15.3
% margin	16.2	14.7	13.5	14.7	
Income taxes	(0.6)	(0.7)	(0.7)	(0.9)	
Tax rate	31.9%	30.0%	30.0%	30.0%	
Minorities	0.0	0.0	0.0	0.0	
Net Profit	1.3	1.7	1.7	2.0	16.4
% margin	11.0	10.3	9.5	10.3	
Adjusted Net Profit	0.9	1.5	1.7	2.0	31.4
% margin	7.6	8.9	9.5	10.3	

Sources: Company data, CFO SIM estimates



Below EBIT, CFO SIM expects stable financial costs in the coming years and the tax burden is predicted to be steady at a 30.0% rate. As a result, **adjusted Net Profit is anticipated to show a 31.4% CAGR₂₁₋₂₄**.

Table 7 – Bellini Nautica, 2021PF-24e Net Financial Position and financial solidity

€ m	2021PF	2022e	2023e	2024e
Year-end NFP (Cash)/Debt	2.1	(2.5)	(4.2)	(6.0)
Average (Cash)/debt	1.8	(0.2)	(3.3)	(5.1)
Gross debt	2.7	2.7	2.7	2.7
EBITDA	2.2	2.9	2.8	3.2
Shareholders' equity	3.1	8.4	10.1	12.0
Minorities	0.0	0.0	0.0	0.0
Interest charges	0.0	(0.1)	(0.1)	(0.1)
NFP/Equity	0.7	(0.3)	(0.4)	(0.5)
NFP/EBITDA	1.0	(0.9)	(1.5)	(1.9)
EBITDA/charges	(73.1)	26.8	26.1	30.0
Debt/Equity	0.9	0.3	0.3	0.2

Sources: Company data, CFO SIM estimates

Bellini Nautica has an extremely asset light business model, with low requirement of capex to properly run the business. **Over the 2022-24 period, CFO SIM forecasts cumulated capex for € 1.1m**, € 650k of which related to the capitalisation of IPO costs and the remainder related to the ordinary maintenance of the existing operating structure (i.e. € 150k per year). As a consequence, **EBITDA free cash flow conversion stands at 50.9% per year on average in 2022-24** and **Net Financial Position is projected to decline** in the same period, reaching € 6.0m of net cash in 2024, also thanks to the **IPO proceeds to the tune of € 3.6m**. ROE is expected to be 20.5%, 16.7% and 16.5% in 2022-24, respectively. ROCE is predicted to be 22.4%, 19.1% and 19.5% in 2022-24, respectively.

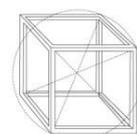
We expect the **Op. NWC/Sales ratio to decrease in 2022-24 period**, passing from 48.4% in 2021 to 37.2% in 2024, as a result of a better NWC management, mainly in terms of credit collection.

It is worth noting that as of Dec-21, Bellini Nautica has **20 Vintage Riva included in inventories** with a book value significantly below their **market value** (estimated at **€ 6.1m**), in addition to 3 second-hand boats. Usually, **inventories do not include any new boats**, as they are purchased only upon receiving the order and the advance payment by the customer and then immediately sold.

Table 8 – Bellini Nautica, 2021PF-24e Net Financial Position and financial solidity

€ m	2021PF	2022e	2023e	2024e
Op NWC	5.5	6.4	6.7	7.2
Inventories	3.0	4.6	4.9	5.3
Receivables	3.9	4.3	4.5	4.8
Payables	(1.3)	(2.4)	(2.7)	(2.9)
Op. NWC/Sales	48.4%	38.7%	37.9%	37.2%
Capital Employed	6.0	11.4	13.1	15.1
Capital Employed turnover x	0.5	0.7	0.7	0.8
NFP debt/(cash)	2.1	(2.5)	(4.2)	(6.0)
NFP repayment YoY	-	(4.6)	(1.7)	(1.8)
ROACE%	40.3	29.4	20.5	20.9
ROCE %	30.3	22.4	19.1	19.5
ROE %	41.0	20.5	16.7	16.5
EBITDA - FCF Conversion %	(70.5)	35.6	60.3	56.9
Free Cash Flow	(1.5)	1.0	1.7	1.8
EBITDA	2.2	2.9	2.8	3.2
Capex	0.38	0.80	0.15	0.15

Sources: Company data, CFO SIM estimates



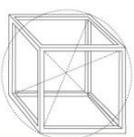
10. Valuation & Risks

CFO SIM initiates coverage of Bellini Nautica with a Buy recommendation and a fully-diluted PT of € 3.50/s, 44.6% upside to current price levels. CFO SIM believes that the DCF model is the most appropriate methodology to get a reasonable valuation, in order to better factor in the medium-long term value of the stock and to avoid to incorporate the increased volatility of the stock market.

The DCF model is based on standard settings for a small-cap, including a prudent $g=1\%$, $\beta=1$, $WACC=9.9\%$ and a sustainable 20:80 debt/equity balance-sheet structure. In accordance with the DCF model, we obtain a valuation of Bellini Nautica of € 3.50/s.

We also run a market multiples analysis, although **the company does not present comparable listed companies**: Bellini Nautica is a rare and unique player, unquestionably the landmark in the restoration activity of Vintage Riva boats. We set up a peer group composed of companies operating in the yachting sector, producing luxury yachts and boats as well as being dealers of major brands. The goal is to obtain an overview of the yachting sector, namely expected growth, profitability profile and financial structure.

It is worth mentioning that the conflict between Russia and Ukraine caused geopolitical uncertainty globally and a consequent high volatility with regard to the stock market, thus making it particularly difficult to perform a fair appraisal of Bellini Nautica using the market multiples approach.



10.1. DCF

In applying the DCF valuation method, we assess explicit estimates until 2026 and a cautious long-term growth of 1.0%. Cash flows are discounted back at a weighted average cost of capital calculated according to the following parameters:

Table 9 – WACC derived from:

Interest costs, pre-tax	2.5%
Tax rate	30.0%
Int. costs, after taxes	1.8%
Risk premium, incl. small size premium	9.0%
Risk-free (10Y Gov. Bond 200dd mov. avg.)	2.99%
Beta levered (x)	1.00
Required ROE	12.0%

Source: CFO SIM, Thomson Reuters Eikon

Risk premium at 9.0% factors in the minute size of the company and basically all Euronext Growth Milan market segment related concerns and disquiet that an investor might have. **Beta at 1.00** is a usual conservative value for a small cap. The WACC is computed using a sustainable **20:80 debt/equity** balance-sheet structure.

Table 10 – Bellini Nautica, DCF model

€ m	2022e	2023e	2024e	2025e	2026e	Term. Val.
EBIT	2.6	2.5	2.9	3.2	3.4	
Tax rate	30.0%	30.0%	30.0%	30.0%	30.0%	
Operating profit (NOPAT)	1.8	1.8	2.1	2.3	2.4	
Change working capital	(0.9)	(0.3)	(0.5)	(0.3)	(0.1)	
Depreciation	0.3	0.3	0.3	0.2	0.2	
Investments	(0.8)	(0.2)	(0.2)	(0.2)	(0.2)	
Free Cash Flows	0.4	1.6	1.7	2.0	2.3	25.8
Present value	0.4	1.4	1.4	1.5	1.5	17.4
WACC	9.9%	9.9%	9.9%	9.9%	9.9%	
Long-term growth rate	1.0%					

Source: CFO SIM

Table 11 – Bellini Nautica, DCF derived from:

€ m	
Total EV present value € m	23.6
<i>thereof terminal value</i>	73.5%
NFP last reported + IPO Proceeds	1.5
Pension provision	(0.1)
Equity value € m	25.0
#m shares FD	7.07
Equity value €/s	3.50
<i>% upside/(downside)</i>	44.6%

Source: CFO SIM

The application of our DCF model generates an equity value of € 3.50/s for Bellini Nautica, 44.6% upside to current price levels.

The fully diluted number of shares includes the maximum amount of newly-issued shares which can derive from the warrants exercise.

The following tables illustrate that sensitivity, 1) compared to changes in the terminal growth rate, produces an equity value of € 3.33-3.78/s (perpetuity range between 0.25% and 1.75%), while 2) if compared to changes in the free risk rate it produces an equity value of € 3.31-3.78/s (free risk range between 3.74% and 2.24%) and 3) if compared to changes in the risk premium, including small size premiums, it results in an equity value of € 3.12-4.07/s (risk premium range between 10.5% and 7.50%).

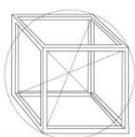


Table 12 – Bellini Nautica, equity value sensitivity to changes in terminal growth rate

€ m	0.25%	0.50%	0.75%	1.00%	1.25%	1.50%	1.75%
Present value of CF	6.3	6.3	6.3	6.3	6.3	6.3	6.3
PV of terminal value	15.9	16.4	16.9	17.4	17.9	18.5	19.1
Total value	22.2	22.6	23.1	23.6	24.2	24.7	25.3
NFP last reported + IPO Proceeds	1.5	1.5	1.5	1.5	1.5	1.5	1.5
Pension provision	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)
Equity value	23.5	24.0	24.5	25.0	25.5	26.1	26.7
Equity value/share €	3.33	3.39	3.46	3.50	3.61	3.69	3.78

Source: CFO SIM

Table 13 – Bellini Nautica, equity value sensitivity to changes in free risk rate

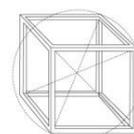
€ m	2.24%	2.49%	2.74%	2.99%	3.24%	3.49%	3.74%
Present value of CF	6.3	6.3	6.3	6.3	6.2	6.2	6.2
PV of terminal value	19.0	18.5	17.9	17.4	16.9	16.4	15.9
Total value	25.4	24.8	24.2	23.6	23.1	22.6	22.1
NFP last reported + IPO Proceeds	1.5	1.5	1.5	1.5	1.5	1.5	1.5
Pension provision	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)
Equity value	26.7	26.1	25.5	25.0	24.4	23.9	23.4
Equity value/share €	3.78	3.70	3.61	3.50	3.46	3.38	3.31

Source: CFO SIM

Table 14 – Bellini Nautica, equity value sensitivity to changes in risk premium

€ m	7.50%	8.00%	8.50%	9.00%	9.50%	10.00%	10.50%
Present value of CF	6.4	6.4	6.3	6.3	6.2	6.1	6.1
PV of terminal value	21.0	19.7	18.5	17.4	16.4	15.5	14.6
Total value	27.4	26.0	24.8	23.6	22.6	21.6	20.7
NFP last reported + IPO Proceeds	1.5	1.5	1.5	1.5	1.5	1.5	1.5
Pension provision	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)
Equity value	28.8	27.4	26.1	25.0	23.9	23.0	22.1
Equity value/share €	4.07	3.87	3.70	3.50	3.38	3.25	3.12

Source: CFO SIM



10.2. Market Multiples

Bellini Nautica operates in the luxury boating sector, providing its customers with several activities, namely 1) restoration and trading of Vintage Riva boats, 2) an integrated offer of services dedicated to the vessels' care and 3) the trade of new and second-hand yachts: **the company does not present comparable listed companies.**

We set up a peer group composed of companies operating in the yachting sector, producing luxury yachts and boats as well as being dealers of major brands. The goal is to obtain an overview of the yachting sector, namely expected growth, profitability profile and financial structure.

Amongst the companies operating in the **yachting industry**, we have selected the following:

Beneteau SA is a French-based market leader in design, production and sale of both motor and sail boats. The company also manufactures and markets mobile homes for campsites and tour operators, and timber-frame homes. With its international production capacities and global sales networks, the group employs 7,600 people in France, the US, Poland, Italy, Portugal and China.

Brunswick Corp is engaged in designing, manufacturing, and marketing recreational marine products, including marine propulsion products and boats, as well as parts and accessories for the marine and recreational vehicle markets. Brunswick has operations in 29 countries and its products are sold in over 170 markets around the globe.

Catana Group SA is a France-based company engaged in the construction and sale of sail and leisure boats. It operates two production sites, located in Canet en Roussillon and in Marans. The company also provides services, including maintenance of boats, sails and engines, garage rental, port security services, as well as a yacht brokerage service that sells new and second-hand boats.

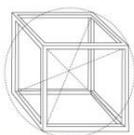
Ferretti SpA is an Italy-based company engaged in the global industry and production of luxury yachts belonging to heritage brands, such as Riva, Wally, Ferretti Yachts, Pershing, Itama, CRN and Custom Line. The company designs, manufactures and sells luxury composite yachts, made-to-measure yachts and superyachts, offering a variety of features and a range of ancillary services. The company owns and operates six shipyards and a production plant for interior fittings and furnishings.

Fountaine Pajot SA is a France-based company engaged in designing, manufacturing and selling of cruise catamarans and motor yachts. The company's activity is organised into two business segments: sale of catamarans and motorised catamarans and services, primarily consisting of after-sale services.

HanseYachts AG is a Germany-based manufacturer and marketer of seagoing sailing and motor yachts featuring the brands Hanse, Dehler, Moody, Sealine, Fjord and Privilège. The company's business is organised into two segments: Sailing Yachts and Motor Yachts. The Sailing Yachts segment offers cruising yachts, deck-salon or classically designed cruisers, as well as cruiser-racers. The Motor Yacht segment manufactures motor yachts, sport coupe and classic fly bridge models.

Italian Sea Group SpA is a global operator in the luxury yachting industry active in the construction and refit of motor yachts and vessels of up to over 100 metres. In the shipbuilding unit, the company operates with two historical and complementary brands, Admiral and Tecnomar, positioned in the high-end segment of the luxury yachting industry.

Sanlorenzo SpA is active in the luxury market as a shipyard specialised in the design, manufacturing and distribution of yachts and superyachts of over 30 metres. It manufactures tailor-made yachts and superyachts under the Sanlorenzo and Bluegame brands. The company's manufacturing activities are carried out through four shipyards located in La Spezia, Ameglia, Viareggio and Massa.



Based on CFO SIM estimates, entailing only organic growth, **Bellini Nautica shows EBITDA margin broadly in line with peers' median but higher Sales, EBITDA and EBIT CAGR.**

Table 15 – Bellini Nautica, peer group summary table

€ m	Country	Mkt Cap	Sales FY1	EBITDA FY1	EBITDA %	Sales CAGR ₂₁₋₂₄	EBITDA CAGR ₂₁₋₂₄	EBIT CAGR ₂₁₋₂₄	Net Profit CAGR ₂₂₋₂₄	NFP/EBITDA FY1
Beneteau SA	FR	940	1,408	200	14.2%	9.0%	12.6%	17.3%	11.3%	n.m.
Brunswick Corp	US	5,263	6,974	1,258	18.0%	14.8%	16.1%	17.3%	5.9%	1.4
Catana Group SA	FR	156	148	31	20.9%	20.0%	n.a.	n.a.	50.4%	n.m.
Ferretti SpA	IT	845	1,055	112	10.6%	14.4%	-11.7%	-16.8%	30.3%	n.m.
Fontaine Pajot SA	FR	158	226	38	16.7%	11.5%	14.9%	16.8%	n.a.	n.a.
HanseYachts AG	DE	46	151	10	6.5%	17.8%	n.m.	n.m.	116.1%	1.1
Italian Sea Group SpA	IT	261	295	46	15.6%	30.1%	33.7%	36.1%	29.3%	0.5
Sanlorenzo SpA	IT	1,135	749	127	16.9%	7.1%	17.5%	19.7%	13.0%	n.m.
Median Yachting		553	522	79	16.1%	14.6%	15.5%	17.3%	29.3%	1.1
Bellini Nautica SpA	IT	16	17	3	15.5%	19.1%	24.1%	30.9%	15.8%	n.m.

Sources: CFO SIM, Thomson Reuters Eikon

Table 16 – Bellini Nautica, peer group EV multiple table

x	Sales FY1	Sales FY2	Sales FY3	EBITDA FY1	EBITDA FY2	EBITDA FY3
Beneteau SA	0.47	0.42	0.34	3.3	2.9	2.3
Brunswick Corp	1.00	0.90	0.79	5.6	5.0	4.4
Catana Group SA	0.83	0.40	0.12	3.9	1.7	0.5
Ferretti SpA	0.53	0.42	0.33	5.0	3.7	2.7
Fontaine Pajot SA	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
HanseYachts AG	0.37	0.32	0.24	5.7	3.9	2.4
Italian Sea Group SpA	0.97	0.75	0.58	6.2	4.7	3.4
Sanlorenzo SpA	1.39	1.23	1.17	8.2	7.0	6.3
Median Yachting	0.83	0.42	0.34	5.6	3.9	2.7
Bellini Nautica SpA	0.79	0.65	0.50	5.1	4.1	3.0
% premium/(discount) to peers' median	(4.3)	53.3	45.8	(8.1)	5.7	8.8

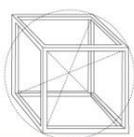
Sources: CFO SIM, Thomson Reuters Eikon

Table 17 – Bellini Nautica, peer group EV & price multiple table

x	EBIT FY1	EBIT FY2	EBIT FY3	PER FY1	PER FY2	PER FY3
Beneteau SA	5.4	4.4	3.5	11.0	9.3	8.9
Brunswick Corp	6.6	5.8	5.2	7.0	6.6	6.2
Catana Group SA	4.7	1.9	0.5	8.2	4.7	3.6
Ferretti SpA	8.9	5.4	4.1	19.2	13.3	11.3
Fontaine Pajot SA	n.a.	n.a.	n.a.	10.1	n.a.	n.a.
HanseYachts AG	18.7	8.6	4.5	25.5	10.1	5.5
Italian Sea Group SpA	7.6	5.6	3.9	10.7	8.2	6.4
Sanlorenzo SpA	10.3	8.8	7.9	16.3	14.2	12.8
Median Yachting	7.6	5.6	4.1	10.8	9.3	6.4
Bellini Nautica SpA	5.8	4.6	3.3	10.5	9.3	7.9
% premium/(discount) to peers' median	(23.6)	(18.2)	(21.3)	(2.6)	0.0	23.3

Sources: CFO SIM, Thomson Reuters Eikon

It is worth mentioning that the conflict between Russia and Ukraine caused geopolitical uncertainty globally and a consequent high volatility with regard to the stock market, thus making it particularly difficult to perform a fair appraisal of Bellini Nautica using the market multiples approach.



10.3. Peer Stock Performance

Bellini Nautica was listed on Euronext Growth Milan on 15th June 2022 at € 2.60/share, corresponding to a market capitalisation post money of € 16.5m. Adopting the same approach used in setting up the peer sample for the market multiple analysis, we selected companies operating in the yachting sector, producing luxury yachts and boats as well as being dealers of major brands.

Table 18 – Bellini Nautica, peer group and index absolute performance

	1D	1W	1M	3M	6M	YTD	1Y
Beneteau SA	-	5.5	6.5	7.7	(5.7)	(21.2)	(14.1)
Brunswick Corp	(2.2)	6.8	6.3	(8.6)	(7.7)	(30.0)	(22.0)
Catana Group SA	(2.3)	5.7	(6.9)	(29.7)	(36.6)	(23.7)	(20.8)
Ferretti SpA	0.7	(2.4)	(3.4)	1.1	(21.9)	-	-
Fountaine Pajot SA	(0.8)	(5.1)	10.2	(8.7)	(17.0)	(34.3)	(22.2)
HanseYachts AG	(2.8)	(7.9)	(7.0)	(1.8)	(26.7)	(47.2)	(39.9)
Italian Sea Group SpA	1.7	4.4	6.7	1.6	(10.9)	(23.8)	(27.2)
Sanlorenzo SpA	(0.2)	2.2	0.2	(2.1)	(3.0)	(14.8)	(11.3)
Median Yachting	(0.5)	3.3	3.2	(1.9)	(13.9)	(23.8)	(22.0)
Bellini Nautica SpA	0.8	(6.9)	(2.4)	(10.4)	-	-	-
MSCI World Index	(0.5)	3.9	5.1	(6.9)	(11.8)	(21.9)	(19.9)
EUROSTOXX	(0.1)	3.1	9.2	(2.8)	(7.2)	(18.0)	(16.5)
FTSE Italia All Share	0.8	4.0	10.9	2.1	(6.7)	(18.1)	(16.6)
FTSE Italia STAR	(1.3)	2.5	9.1	(8.9)	(14.1)	(31.8)	(30.3)
FTSE Italia Growth	(1.3)	(0.5)	2.3	(5.0)	(11.0)	(21.8)	(19.6)

Source: Thomson Reuters Eikon

Table 19 – Bellini Nautica, relative performances

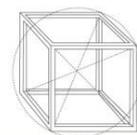
	1D	1W	1M	3M	6M	YTD	1Y
to MSCI World Index	1.3	(10.8)	(7.5)	(3.5)	-	-	-
to EUROSTOXX	1.0	(10.0)	(11.7)	(7.6)	-	-	-
to FTSE Italia All Share	0.1	(11.0)	(13.4)	(12.4)	-	-	-
to FTSE Italia STAR	2.1	(9.4)	(11.5)	(1.5)	-	-	-
to FTSE Italia Growth	2.1	(6.4)	(4.7)	(5.3)	-	-	-
to Yachting Median	1.3	(10.2)	(5.7)	(8.4)	-	-	-

Source: Thomson Reuters Eikon

10.4. Risks

The principal investment **risks** associated with Bellini Nautica include:

- few key relevant people represent a vital asset for the company;
- a limited M&A track record;
- impact on the P&L account and balance sheet profiles triggered by a sharp decline in global economic growth and/or geopolitical instability;
- low visibility, mainly with regard to the boat trading activity.



ANALYST CERTIFICATION

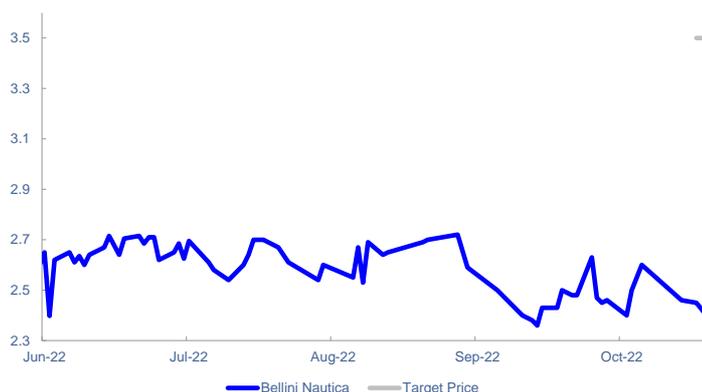
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DATE	TARGET PRICE	RATING
28/10/2022	€3.50	BUY

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- a **NEUTRAL** rating is assigned if the difference between the current price and target price lies within the +/- 15% range identified using the preceding criteria.

The rating is determined on the basis of the **expected absolute return over a 12-month period** and not on the basis of the estimated outperformance or underperformance relative to a market index. Thus, the rating can be directly linked to the estimated percentage difference between current and target prices. The prices of the financial securities mentioned in the report (also used for the calculation of market capitalisation and market multiples) are the reference prices of the stock market trading day preceding the publication date of the report, otherwise stated.

