

Italy – Luxury Boating

The order backlog suggests a business acceleration in H2

27th October 2023

H1-23 RESULTS RELEASE

RIC: BELLN.MI
BBG: BELL IM

H1-23 results were characterised by growing revenues in all the business lines. The Boat Trading division benefitted from the sale of 3 new boats and 5 second-hand boats whereas, with respect to Vintage Riva, the group sold 5 vessels. The order backlog includes 12 boats, 7 of which are to be delivered by year-end 2023. The acquisition of Rimini Yacht creates a key player in the luxury boat trading industry.

Rating:

Buy

Price Target:

€ 3.10

Upside/(Downside): 113.8%

Last Price: € 1.45

Market Cap.: € 9.3m

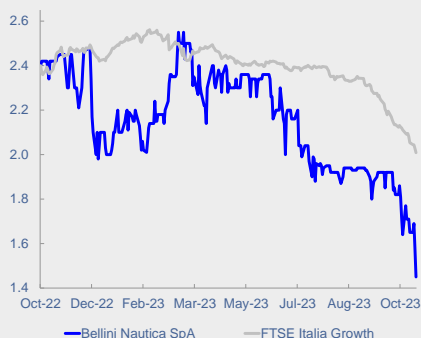
1Y High/Low: € 2.60 / € 1.45

Avg. Daily Turn. (3M, 6M): € 10k , € 15k

Free Float: 21.6%

Major shareholders:

Calypso Srl (Battista Bellini)	40.0%
Romano Bellini	19.6%
Martina Bellini	18.8%



Stock price performance

	1M	3M	12M
Absolute	-24.5%	-24.1%	-39.6%
Rel.to FTSE IT Growth	-16.7%	-7.9%	-23.3%
Rel.to Peers	-18.3%	-5.2%	-40.7%

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Estimates updated: DCF-based PT of € 3.10/s confirmed. Buy

Bellini Nautica reported growing interim results with respect to all the business divisions. Nevertheless, the number of boats sold is lower than expected. As of 27-Sep, the net backlog was € 4.3m and included 12 boats. Furthermore, between the end of June and 27-Sep, Bellini Nautica invoiced 2 Cranchi boats, 3 Vintage Riva and 1 Riva Acquariva, for a total amount of € 1.4m. Following H1-23 results, we have updated our model by factoring in 1) a slower than previously expected organic top line progression, 2) a fine-tuning of profitability, 3) an increase in inventories on the back of the level reached in H1-23, and 4) the consolidation of Rimini Yacht on a pro-forma basis for the entire FY-23. The combined result is an average 32.0% increase in revenues as well as a 2.3% and 26.7% decrease in adjusted EBITDA and Net Profit, in 2023-25. Moreover, CFO has updated the DCF valuation criteria, bringing the Free Risk Rate up-to-date. The combined result is an unchanged DCF-based PT at € 3.10/s, 113.8% upside to current price levels. We confirmed our Buy recommendation on the stock.

Growing revenues driven by all the business divisions

Revenues were € 5.3m, up by 26.2% YoY, mainly driven by the increasing sales in all the business categories. In particular, the Boat Trading division soared by 27.9% YoY to € 2.6m (€ 2.0m in H1-22) thanks to the sale of 3 new Cranchi vessels and 5 second-hand boats. The Vintage Riva division totalled € 1.1m compared to € 1.0m in H1-22 (up by 7.4% YoY) thanks to the sale of 5 boats. Finally, the Services division grew by 44.2% YoY to € 1.6m, € 0.8m of which stemming from refitting and maintenance (€ 0.5m in H1-22), € 0.5m from boat storage (broadly unchanged YoY) and € 0.2m from events (€ 0.1m in H1-22).

Profitability was broadly unchanged YoY in absolute terms

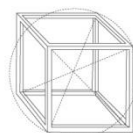
EBITDA was € 0.8m, broadly unchanged YoY. Adjusted EBITDA totalled € 0.6m, 7.2% margin, compared to € 0.7m, 8.3% margin in H1-22. The figure excludes the non-recurrent windfall profits as well as a contingent liability of € 308k linked to a receivable collected (i.e. the difference between the amount collected and the carrying amount). After broadly unchanged D&A, EBIT was € 0.6m, 7.7% margin (€ 0.6m, 6.9% margin in H1-22). Net Profit totalled € 0.4m, 5.5% margin.

Net debt of € 3.5m as a consequence of increased inventories (i.e. Vintage Riva boats)

Net Financial Position increased to € 3.5m debt (€ 2.2m at year-end 2022), mainly as a consequence of the increased NWC as a result of rising inventories on the back of some purchases of Vintage Riva in the first part of the year. As of the end of June, Bellini Nautica had in stock 18 Vintage Riva boats. Furthermore, Bellini Nautica paid some deposits to Cranchi to option some new boats, already sold to customers, to be delivered in 2024.

Bellini Nautica, key financials and ratios

€ m	2021PF	2022	2023e	2024e	2025e
Revenues	10.6	12.1	19.9	24.0	25.5
Value of Production	10.8	15.2	21.9	25.6	27.2
Adj. EBITDA	1.7	1.8	1.9	2.9	3.2
Adj. EBIT	1.3	1.1	1.3	2.4	2.9
Adj. Net Profit	0.9	0.6	0.6	1.3	1.6
NFP (cash)/debt	2.1	2.2	1.9	1.1	(0.4)
Adj. EBITDA margin	15.6%	11.9%	8.7%	11.3%	11.9%
Adj. EBIT margin	12.1%	7.1%	6.0%	9.4%	10.6%
EPS stated FD €	0.25	0.09	0.11	0.18	0.22
EPS growth	-	-62.5%	16.5%	67.4%	19.1%
ROCE	30.4%	12.8%	14.1%	19.8%	21.0%
NWC/Sales	51.6%	45.4%	33.1%	30.8%	29.6%
Free Cash Flow Yield	-11.3%	-39.2%	5.7%	11.3%	20.1%
PER x	0.0	28.6	14.9	7.0	5.9
EV/Sales x	0.20	1.20	0.51	0.41	0.33
EV/EBITDA x	1.3	10.0	5.8	3.6	2.8
EV/EBIT x	1.6	16.9	8.6	4.3	3.1



The company at a glance

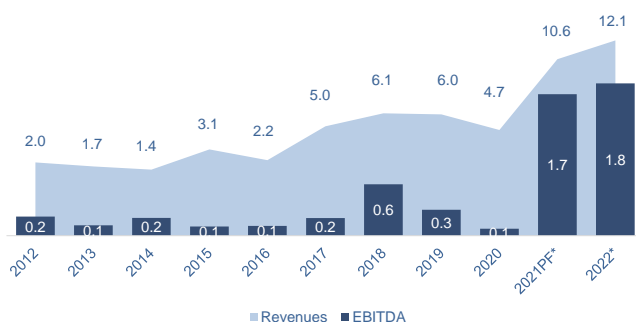
Established in 1967 in Clusane d'Iseo (Brescia) on the shores of Lake Iseo, Bellini Nautica is a leading player operating in the luxury boating sector, providing its customers with 1) restoration and trading of Vintage Riva boats, 2) an integrated offer of services dedicated to the vessels' care and 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:

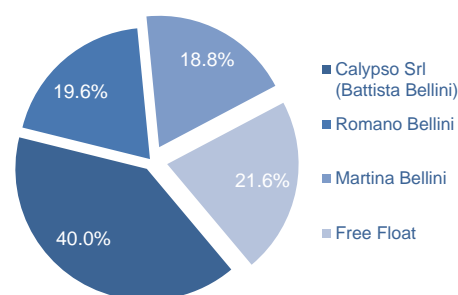
- 1) the Vintage Riva division provides restoration and trading of Vintage Riva iconic boats;
- 2) the Services division, which represents the most recurrent part of the business, provides a multitude of boat care services including storage, refitting and port services such as berths, fuelling, transport, and 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 has unveiled an outstanding growth path since its establishment, with a particular boost in the last ten years, recording a 19.5% sales CAGR₁₂₋₂₂ and a 23.1% EBITDA CAGR in the same period. FY-22 figures show total revenues of € 12.1m, adjusted EBITDA of € 1.8m, 11.9% margin, and Net Profit equal to € 0.7m (4.4% margin). Net Financial Position was € 2.2m, corresponding to 1.2x NFP/adj. EBITDA.

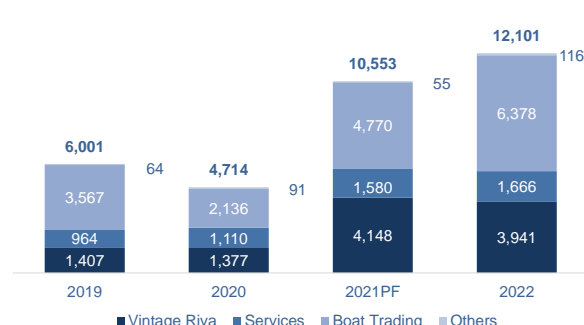
2012-22 top line and EBITDA evolution



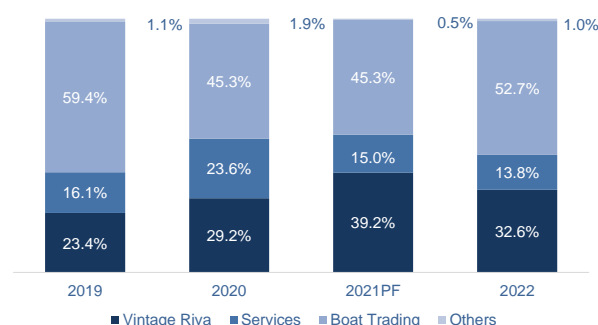
Shareholder Structure



Revenue breakdown by business division...



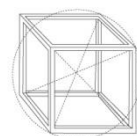
... % on total revenues



Peer group multiples table

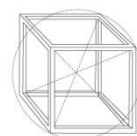
EV & PER multiples x	Sales FY1	Sales FY2	EBITDA FY1	EBITDA FY2	EBIT FY1	EBIT FY2	PER FY1	PER FY2
Beneteau SA	0.38	0.32	2.4	2.0	3.2	2.8	8.5	6.3
Brunswick Corp	1.01	0.97	5.7	5.5	7.3	6.9	7.5	7.4
Catana Group SA	0.60	0.46	3.4	2.3	3.9	2.7	7.4	6.0
Ferretti SpA	0.78	0.49	5.4	3.1	8.4	4.7	11.9	9.7
Fountain Pajot SA	n.a.	0.98	n.a.	5.3	n.a.	6.8	9.0	6.2
HanseYachts AG	0.41	n.a.	6.3	n.a.	20.5	n.a.	28.7	n.a.
Italian Sea Group SpA	0.97	0.75	5.9	4.3	7.3	5.3	10.9	8.7
Sanlorenzo SpA	1.21	1.08	6.5	5.7	8.1	7.0	13.0	11.6
Median Yachting	0.78	0.75	5.7	4.3	7.3	5.3	10.0	7.4
Bellini Nautica SpA	0.51	0.41	5.8	3.6	8.6	4.3	14.9	7.0

Sources: CFO SIM, Refinitiv Eikon





Income statement (€ m)	2021PF	2022	2023e	2024e	2025e
Revenues	10.6	12.1	19.9	24.0	25.5
Value of Production	10.8	15.2	21.9	25.6	27.2
Raw material and processing	(7.2)	(10.6)	(15.0)	(17.9)	(19.1)
Services	(1.1)	(1.7)	(2.2)	(2.6)	(2.7)
Personnel expenses	(0.6)	(0.7)	(1.4)	(1.5)	(1.5)
Other opex	0.2	(0.2)	(1.1)	(0.8)	(0.7)
EBITDA	2.2	2.0	2.1	2.9	3.2
D&A	(0.4)	(0.7)	(0.6)	(0.5)	(0.3)
EBIT	1.8	1.2	1.5	2.4	2.9
Financials	0.0	(0.1)	(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	1.9	1.1	1.4	2.3	2.8
Income taxes	(0.6)	(0.4)	(0.4)	(0.7)	(0.8)
Minorities	0.0	0.0	(0.2)	(0.3)	(0.4)
Net Profit	1.3	0.7	0.8	1.3	1.6
Adjusted EBITDA	1.7	1.8	1.9	2.9	3.2
Adjusted EBIT	1.3	1.1	1.3	2.4	2.9
Adjusted Net Profit	0.9	0.6	0.6	1.3	1.6
Balance sheet (€ m)	2021PF	2022	2023e	2024e	2025e
Net Working Capital	5.6	6.9	7.2	7.9	8.1
Net Fixed Assets	1.2	1.2	1.0	0.6	0.4
Equity Investments	0.0	0.0	0.0	0.0	0.0
Other M/L Term A/L	(1.6)	0.9	1.2	1.5	1.6
Net Invested Capital	5.2	9.0	9.5	10.0	10.1
Net Financial Debt	2.1	2.2	1.9	1.1	(0.4)
Minorities	0.0	0.0	0.2	0.5	0.8
Group's Shareholders Equity	3.1	6.8	7.4	8.4	9.6
Financial Liabilities & Equity	5.2	9.0	9.5	10.0	10.1
Cash Flow statement (€ m)	2021PF	2022	2023e	2024e	2025e
Total net income	1.3	0.7	1.0	1.6	1.9
Depreciation	0.4	0.7	0.6	0.5	0.3
Other non-cash charges	1.3	(3.7)	(0.3)	(0.2)	(0.1)
Cash Flow from Oper. (CFO)	3.0	(2.3)	1.2	1.9	2.2
Change in NWC	(3.3)	(1.3)	(0.3)	(0.7)	(0.2)
FCF from Operations (FCFO)	(0.4)	(3.6)	0.9	1.2	2.0
Net Investments (CFI)	(0.7)	0.0	(0.4)	(0.2)	(0.2)
Free CF to the Firm (FCFF)	(1.0)	(3.6)	0.5	1.0	1.9
CF from financials (CFF)	0.6	3.7	(0.2)	(0.3)	(0.4)
Free Cash Flow to Equity (FCFE)	(0.5)	0.1	0.3	0.8	1.5
Financial ratios	2021PF	2022	2023e	2024e	2025e
Adj. EBITDA margin	15.6%	11.9%	8.7%	11.3%	11.9%
Adj. EBIT margin	12.1%	7.1%	6.0%	9.4%	10.6%
Adj. Net profit margin	8.1%	3.7%	2.8%	5.1%	5.7%
Tax rate	31.9%	39.8%	30.0%	30.0%	30.0%
Op NWC/Sales	51.6%	45.4%	33.1%	30.8%	29.6%
Interest coverage x	(60.73)	10.26	13.16	20.80	25.04
Net Debt/EBITDA x	0.97	1.13	0.90	0.39	n.m.
Debt-to-Equity x	0.69	0.33	0.26	0.14	n.m.
ROIC	24.2%	7.5%	8.3%	13.1%	15.5%
ROCE	30.4%	12.8%	14.1%	19.8%	21.0%
ROACE	40.4%	15.8%	14.8%	21.0%	22.3%
ROE	41.0%	9.9%	10.7%	15.7%	16.3%
Payout ratio	-	0.0%	0.0%	0.0%	0.0%
Per share figures	2021PF	2022	2023e	2024e	2025e
Number of shares # m	5.00	6.38	6.38	6.38	6.38
Number of shares Fully Diluted # m	5.00	7.12	7.12	7.12	7.12
Average Number of shares Fully Diluted # m	5.00	7.12	7.12	7.12	7.12
EPS stated FD €	0.25	0.09	0.11	0.18	0.22
EPS adjusted FD €	0.18	0.08	0.09	0.18	0.22
EBITDA €	0.44	0.28	0.30	0.41	0.45
EBIT €	0.36	0.17	0.21	0.34	0.41
BV €	0.61	0.95	1.06	1.25	1.47
FCFO €	(0.07)	(0.51)	0.13	0.17	0.28
FCFF €	(0.21)	(0.51)	0.07	0.15	0.26
FCFE €	(0.09)	0.01	0.05	0.11	0.21
Dividend €	0.00	0.00	0.00	0.00	0.00



H1-23 Results

Bellini Nautica unveiled 2023 interim results characterised by growing revenues in all the business lines. The Boat Trading division benefitted from the sale of 3 new boats and 5 second-hand boats while with respect to Vintage Riva, the group sold 5 vessels.

Table 1 – Bellini Nautica, H1-23 results summary

€ m	H1-23	H1-22	% YoY
Vintage Riva	1.1	1.0	7.4
Services	1.6	1.1	44.2
Boat Trading	2.6	2.0	27.9
Others	0.1	0.1	(24.5)
Revenues	5.3	4.2	26.2
Increase in finished products	1.9	3.9	
Other revenues	0.6	0.3	
Value of Production	7.8	8.4	(6.6)
Raw material and processing	(5.2)	(6.2)	
Services	(0.8)	(0.8)	
Personnel expenses	(0.4)	(0.3)	
Other opex	(0.6)	(0.2)	
EBITDA	0.8	0.8	3.6
% margin	10.0	9.0	
D&A	(0.2)	(0.2)	
EBIT	0.6	0.6	4.4
% margin	7.7	6.9	
Financials	(0.0)	(0.1)	
Pre-Tax profit	0.6	0.5	15.1
% margin	7.2	5.9	
Income taxes	(0.1)	(0.2)	
Tax rate	23.6%	34.3%	
Minorities	0.0	0.0	
Net Profit	0.4	0.3	33.9
% margin	5.5	3.9	
Adjusted EBITDA	0.6	0.7	(18.2)
% margin	7.2	8.3	
Net Financial Position *	3.5	2.2	56.7
Net Equity *	7.2	6.8	6.3

Source: Company data * compared to FY-22

Revenues were € 5.3m, up by 26.2% YoY, mainly driven by the increasing sales in all the business categories. In particular, **the Boat Trading division soared by 27.9% YoY to € 2.6m** (€ 2.0m in H1-22) thanks to the sale of 3 new Cranchi vessels and 5 second-hand boats. The **Vintage Riva division totalled € 1.1m** compared to € 1.0m in H1-22 (up by 7.4% YoY) thanks to the sale of 5 boats. Finally, the **Services division grew by 44.2% YoY to € 1.6m**, € 0.8m of which stemming from refitting and maintenance (€ 0.5m in H1-22), € 0.5m from boat storage (broadly unchanged YoY) and € 0.2m from events (€ 0.1m in H1-22).

Value of production declined by 6.6% YoY to € 7.8m as a consequence of higher revenues and lower increase in finished products. Value of Production was affected by some non-recurring items, namely two windfall profits: 1) € 150k related to the release of provisions linked to a few warranties of second-hand boats and Vintage Riva; 2) € 396k related to the release of a bad debt provision following the collection of a receivable stemming from the sale of a Vintage Riva. As a consequence, the **adjusted Value of Production was € 7.3m** (€ 8.2m in H1-22).

EBITDA was € 0.8m, broadly unchanged YoY. **Adjusted EBITDA totalled € 0.6m, 7.2% margin**, compared to € 0.7m, 8.3% margin in H1-22. The figure excludes the non-recurrent windfall profits as well as a contingent liability of € 308k linked to the aforementioned receivable collected (i.e. the difference between the amount collected and the carrying amount).

After broadly unchanged D&A, EBIT was € 0.6m, 7.7% margin (€ 0.6m, 6.9% margin in H1-22). **Net Profit totalled € 0.4m, 5.5% margin**.

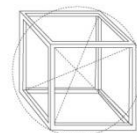


Table 2 – Bellini Nautica, Op. Net Working Capital

€ m	H1-23	FY-22	Δ
Inventories	7.2	5.3	1.9
Receivables	4.3	5.6	(1.3)
Payable	(1.2)	(4.0)	2.8
Op. Net Working Capital	10.3	6.9	3.4

Source: Company data

Net Financial Position increased to € 3.5m debt (€ 2.2m at year-end 2022), mainly as a consequence of the increased NWC as a result of rising inventories on the back of some purchases of Vintage Riva in the first part of the year. As of the end of June, Bellini Nautica had in stock 18 Vintage Riva boats. Furthermore, Bellini Nautica paid some deposits to Cranchi to option some new boats, already sold to customers, to be delivered in 2024.

Net Equity was € 7.2m compared to € 6.8m in FY-22.

Rimini Service Yacht & Sail

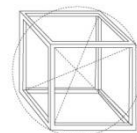
Bellini Nautica announced the **acquisition of Rimini Service Yacht & Sail** through Lusso Nautica, namely Bellini Nautica's fully-owned subsidiary based in Marina di Varazze (Savona) and focused on the buying and selling of new and second-hand boats, refitting and storage activities.

Lusso Nautica will buy 100% of Rimini Service Yacht & Sail from Blue Luxury and, following the acquisition, **Lusso Nautica will be owned 60% by Bellini Nautica whereas the remaining 40% will be held by Blue Luxury**. In addition, Bellini Nautica will provide Blue Luxury with a cash adjustment of € 250k.

Rimini Service Yacht & Sail is an official dealer of Cranchi based in Rimini, where it has 622 berths and a dedicated marina of over 100,000 sqm. The company is located at a strategic point in the Adriatic Sea, a destination for sailing and yachting lovers. **In 2022, Rimini Service Yacht & Sail reported revenues of € 8.4m, EBITDA of € 145k and NFP of € 10k cash.**

The deal is aimed at **strengthening the group's positioning in the luxury boating industry** by aggregating some key players in the sector. Following the deal, Lusso Nautica will be entirely dedicated to the boat trading business, focusing on the sale of new and second-hand boats. Thus, Lusso Nautica boasts a **capillary presence on both Italian lakes and seas**, consequently being able to meet the requests of different types of yacht lovers.

By rudimentary aggregating 2022 figures of Bellini Nautica and Rimini Service Yacht & Sail, we calculated that **the combined entity has a pro-forma turnover of approximately € 20m, with EBITDA of ca. € 2m, 10% margin**. Moreover, on a pro-forma basis, the Boat Trading division totals ca. € 14.5m, 72% of the total turnover.



Estimates, Valuation & Risks

Bellini Nautica reported growing interim results with respect to all the business divisions. Nevertheless, the number of boats sold is lower than expected, both with regard to Vintage Riva as well as new and second-hand boats.

As of 27 September, the net backlog was € 4.33m, including 12 boats (5 vintage Riva, 1 Riva Aquariva and 6 Cranchi boats, 4 of which are new and 2 second-hand). Bellini Nautica collected advance payments of € 330k with respect to these 12 boats, 7 of which are expected to be delivered by the end of 2023. Furthermore, between the end of June and 27 September, Bellini Nautica invoiced 2 Cranchi boats (1 new and 1 second-hand), 3 Vintage Riva and 1 Acquariva, for a total amount of € 1.4m.

Following H1-23 results, **we have updated our model** by factoring in 1) a slower than previously expected organic top line progression, 2) a fine-tuning of profitability, 3) an increase in inventories on the back of the level reached in H1-23, and 4) the **consolidation of Rimini Yacht on a pro-forma basis for the entire FY-23**. The combined result is an average **32.0% increase in revenues as well as a 2.3% and 26.7% decrease in adjusted EBITDA and Net Profit, in 2023-25**.

Table 3 – Bellini Nautica, 2023e new/old estimates

€ m	New	Old	% Diff.	€ m Diff.
Value of Production	21.9	16.8	30.4	5.1
EBITDA	2.1	2.3	(6.8)	(0.2)
% margin	9.7	13.6		
EBIT	1.5	1.8	(14.2)	(0.3)
% margin	6.9	10.5		
Net Profit	0.8	1.2	(32.1)	(0.4)
% margin	3.6	6.9		
Y/E net debt (net cash)	1.9	1.2	57.7	0.7

Source: CFO SIM

Table 4 – Bellini Nautica, 2024e new/old estimates

€ m	New	Old	% Diff.	€ m Diff.
Value of Production	25.6	19.0	34.6	6.6
EBITDA	2.9	2.7	5.9	0.2
% margin	11.3	14.3		
EBIT	2.4	2.4	1.7	0.0
% margin	9.4	12.4		
Net Profit	1.3	1.6	(16.1)	(0.3)
% margin	5.1	8.2		
Y/E net debt (net cash)	1.1	0.3	n.m.	0.8

Source: CFO SIM

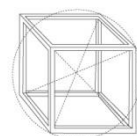
Table 5 – Bellini Nautica, 2025e new/old estimates

€ m	New	Old	% Diff.	€ m Diff.
Value of Production	27.2	20.8	31.3	6.5
EBITDA	3.2	3.1	3.5	0.1
% margin	11.9	15.0		
EBIT	2.9	2.8	1.8	0.1
% margin	10.6	13.6		
Net Profit	1.6	1.9	(17.7)	(0.3)
% margin	5.7	9.2		
Y/E net debt (net cash)	(0.4)	(1.2)	(69.5)	0.8

Source: CFO SIM

Moreover, CFO has updated the DCF valuation criteria, bringing the Free Risk Rate up-to-date. The combined result is an **unchanged DCF-based PT at € 3.10/s**, 113.8% upside to current price levels.

We confirmed our Buy recommendation on the stock.



DCF

In applying the DCF valuation method, we have made explicit estimates until 2027 and assumed a conservative long-term growth rate of 1.0%. Cash flows are discounted back at a weighted average cost of capital calculated according to the following parameters:

Table 6 – WACC derived from:

Interest costs, pre-tax	3.5%
Tax rate	30.0%
Int. costs, after taxes	2.5%
Risk premium, incl. small size premium	9.0%
Risk-free (10Y Gov. Bond 200dd mov. avg.)	4.20%
Beta levered (x)	1.00
Required ROE	13.2%

Source: CFO SIM, Refinitiv Eikon

Risk premium at 9.0% factors in the minute size of the company and basically all the concerns related to the Euronext Growth Milan market segment 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 7 – Bellini Nautica, DCF model

€ m	2023e	2024e	2025e	2026e	2027e	Term. Val.
EBIT	1.5	2.4	2.9	3.5	4.2	
Tax rate	30.0%	30.0%	30.0%	30.0%	30.0%	
Operating profit (NOPAT)	1.1	1.7	2.0	2.4	2.9	
Change working capital	(0.3)	(0.7)	(0.2)	(0.1)	(0.0)	
Depreciation	0.6	0.5	0.3	0.2	0.2	
Investments	(0.4)	(0.2)	(0.2)	(0.2)	(0.2)	
Free Cash Flows	0.9	1.4	2.0	2.4	2.9	29.2
Present value	0.9	1.2	1.6	1.7	1.9	18.9
WACC	11.1%	11.1%	11.1%	11.1%	11.1%	
Long-term growth rate	1.0%					

Source: CFO SIM

Table 8 – Bellini Nautica, DCF derived from:

€ m	
Total EV present value € m	26.2
thereof terminal value	72.0%
NFP last reported	(2.2)
Pension provision	(0.1)
Minorities (valued @ 10x PER)	(2.0)
Equity value € m	22.0
#m shares FD	7.12
Equity value €/s	3.10
% upside/(downside)	113.8%

Source: CFO SIM

The application of our DCF model generates an equity value of € 3.10/s for Bellini Nautica, 113.8% 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 € 2.88-3.32/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 € 2.86-3.33/s (free risk range between 4.95% and 3.45%) and 3) if compared to changes in the risk premium, including small size premiums, it results in an equity value of € 2.67-3.61/s (risk premium range between 10.50% and 7.50%).

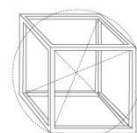




Table 9 – Bellini Nautica, equity value sensitivity to changes in terminal growth rate

€ m	0.25%	0.50%	0.75%	1.00%	1.25%	1.50%	1.75%
Present value of CF	7.4	7.4	7.4	7.4	7.4	7.4	7.4
PV of terminal value	17.4	17.9	18.4	18.9	19.4	20.0	20.6
Total value	24.8	25.2	25.7	26.2	26.8	27.3	27.9
NFP last reported	(2.2)	(2.2)	(2.2)	(2.2)	(2.2)	(2.2)	(2.2)
Pension provision	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)
Minorities	(2.0)	(2.0)	(2.0)	(2.0)	(2.0)	(2.0)	(2.0)
Equity value	20.5	21.0	21.5	22.0	22.5	23.0	23.6
Equity value/share €	2.88	2.95	3.01	3.10	3.16	3.24	3.32

Source: CFO SIM

Table 10 – Bellini Nautica, equity value sensitivity to changes in free risk rate

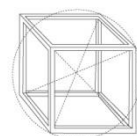
€ m	3.45%	3.70%	3.95%	4.20%	4.45%	4.70%	4.95%
Present value of CF	7.5	7.4	7.4	7.4	7.3	7.3	7.3
PV of terminal value	20.5	20.0	19.4	18.9	18.4	17.9	17.4
Total value	28.0	27.4	26.8	26.2	25.7	25.2	24.7
NFP last reported	(2.2)	(2.2)	(2.2)	(2.2)	(2.2)	(2.2)	(2.2)
Pension provision	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)
Minorities	(2.0)	(2.0)	(2.0)	(2.0)	(2.0)	(2.0)	(2.0)
Equity value	23.7	23.1	22.5	22.0	21.4	20.9	20.4
Equity value/share €	3.33	3.24	3.16	3.10	3.01	2.93	2.86

Source: CFO SIM

Table 11 – 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	7.6	7.5	7.4	7.4	7.3	7.2	7.2
PV of terminal value	22.4	21.1	20.0	18.9	17.9	17.0	16.1
Total value	30.0	28.6	27.4	26.2	25.2	24.2	23.3
NFP last reported	(2.2)	(2.2)	(2.2)	(2.2)	(2.2)	(2.2)	(2.2)
Pension provision	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)
Minorities	(2.0)	(2.0)	(2.0)	(2.0)	(2.0)	(2.0)	(2.0)
Equity value	25.7	24.4	23.1	22.0	20.9	19.9	19.0
Equity value/share €	3.61	3.42	3.24	3.10	2.93	2.80	2.67

Source: CFO SIM



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.

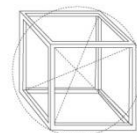
Ferretti SpA is an Italy-based company engaged in the global industry and production of luxury yachts belonging to heritage brands, such as Riva, Wally, Ferretti Yachts, Pershing, Itama, CRN and Custom Line. The company designs, manufactures and sells luxury composite yachts, made-to-measure yachts and 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 Privilege. 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 Sales, EBITDA and EBIT CAGR higher than peers' median.**

Table 12 – Bellini Nautica, peer group summary table

€ m	Country	Mkt Cap	Sales FY1	EBITDA FY1	EBITDA % CAGR ₂₂₋₂₅	Sales CAGR ₂₂₋₂₅	EBITDA CAGR ₂₂₋₂₅	EBIT CAGR ₂₂₋₂₅	Net Profit CAGR ₂₃₋₂₅	NFP/ EBITDA FY1
Beneteau SA	FR	929	1,732	272	15.7%	7.1%	9.7%	11.5%	18.4%	n.m.
Brunswick Corp	US	4,492	6,225	1,095	17.6%	0.8%	0.7%	0.0%	3.8%	1.6
Catana Group SA	FR	172	205	36	17.6%	6.4%	n.a.	n.a.	17.5%	n.m.
Ferretti SpA	IT	930	1,135	165	14.5%	8.5%	-6.4%	-13.6%	14.6%	n.m.
Fontaine Pajot SA	FR	150	220	38	17.2%	9.3%	17.7%	21.5%	33.6%	n.a.
HanseYachts AG	DE	51	151	10	6.5%	n.a.	n.a.	n.a.	n.a.	1.1
Italian Sea Group SpA	IT	360	361	59	16.4%	14.5%	23.5%	27.4%	19.7%	n.m.
Sanlorenzo SpA	IT	1,156	837	155	18.5%	5.7%	10.9%	14.4%	11.0%	n.m.
Median Yachting		645	599	107	16.8%	7.1%	10.3%	13.0%	17.5%	1.4
Bellini Nautica SpA	IT	9	22	2	8.7%	21.5%	21.2%	38.8%	58.8%	1.0

Sources: CFO SIM, Refinitiv Eikon

Table 13 – Bellini Nautica, peer group EV multiple table

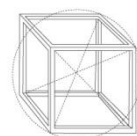
x	Sales FY1	Sales FY2	Sales FY3	EBITDA FY1	EBITDA FY2	EBITDA FY3
Beneteau SA	0.38	0.32	0.28	2.4	2.0	1.8
Brunswick Corp	1.01	0.97	0.89	5.7	5.5	5.0
Catana Group SA	0.60	0.46	0.34	3.4	2.3	1.6
Ferretti SpA	0.78	0.49	0.41	5.4	3.1	2.5
Fontaine Pajot SA	n.a.	0.98	0.90	n.a.	5.3	4.5
HanseYachts AG	0.41	n.a.	n.a.	6.3	n.a.	n.a.
Italian Sea Group SpA	0.97	0.75	0.61	5.9	4.3	3.3
Sanlorenzo SpA	1.21	1.08	0.98	6.5	5.7	5.0
Median Yachting	0.78	0.75	0.61	5.7	4.3	3.3
Bellini Nautica SpA	0.51	0.41	0.33	5.8	3.6	2.8
% premium/(discount) to peers' median	(34.3)	(45.9)	(46.9)	2.1	(17.0)	(17.4)

Sources: CFO SIM, Refinitiv Eikon

Table 14 – Bellini Nautica, peer group EV & price multiple table

x	EBIT FY1	EBIT FY2	EBIT FY3	PER FY1	PER FY2	PER FY3
Beneteau SA	3.2	2.8	2.4	8.5	6.3	6.1
Brunswick Corp	7.3	6.9	6.3	7.5	7.4	6.9
Catana Group SA	3.9	2.7	2.0	7.4	6.0	5.4
Ferretti SpA	8.4	4.7	3.9	11.9	9.7	9.1
Fontaine Pajot SA	n.a.	6.8	5.6	9.0	6.2	5.0
HanseYachts AG	20.5	n.a.	n.a.	28.7	n.a.	n.a.
Italian Sea Group SpA	7.3	5.3	4.0	10.9	8.7	7.6
Sanlorenzo SpA	8.1	7.0	6.1	13.0	11.6	10.6
Median Yachting	7.3	5.3	4.0	10.0	7.4	6.9
Bellini Nautica SpA	8.6	4.3	3.1	14.9	7.0	5.9
% premium/(discount) to peers' median	17.6	(18.1)	(22.1)	49.7	(4.4)	(14.6)

Sources: CFO SIM, Refinitiv Eikon



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 15 – Bellini Nautica, peer group and index absolute performance

	1D	1W	1M	3M	6M	YTD	1Y
Beneteau SA	1.8	(5.1)	(2.6)	(23.7)	(22.6)	(20.7)	-
Brunswick Corp	(1.2)	(6.6)	(14.0)	(20.6)	(20.3)	(5.8)	(5.8)
Catana Group SA	1.6	(1.1)	(6.7)	(22.1)	(15.0)	(4.8)	8.9
Ferretti SpA	(2.2)	(3.5)	(5.1)	(17.1)	(1.8)	10.4	15.1
Fountaine Pajot SA	-	(10.9)	(12.6)	(24.7)	(20.0)	(20.8)	(5.1)
HanseYachts AG	3.0	5.4	23.4	17.1	7.0	(4.5)	(4.9)
Italian Sea Group SpA	0.1	(5.6)	(5.8)	(10.9)	(21.3)	19.8	41.6
Sanlorenzo SpA	(1.0)	(8.3)	(6.5)	(6.1)	(17.8)	(10.4)	2.3
Median Yachting	0.1	(5.3)	(6.2)	(18.9)	(18.9)	(5.3)	1.2
Bellini Nautica SpA	(8.2)	(15.2)	(24.5)	(24.1)	(37.5)	(27.5)	(39.6)
MSCI World Index	(1.1)	(3.0)	(4.0)	(9.7)	(2.7)	5.3	8.1
EUROSTOXX	(0.5)	(1.2)	(3.5)	(9.9)	(8.0)	3.3	7.7
FTSE Italia All Share	0.2	(1.0)	(2.5)	(7.5)	(0.3)	13.7	20.1
FTSE Italia STAR	(0.3)	(2.8)	(5.0)	(15.4)	(17.9)	(14.8)	(11.6)
FTSE Italia Growth	(0.9)	(3.5)	(7.8)	(16.2)	(17.6)	(17.7)	(16.3)

Source: Refinitiv Eikon

Table 16 – Bellini Nautica, relative performances

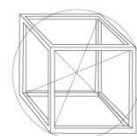
	1D	1W	1M	3M	6M	YTD	1Y
to MSCI World Index	(7.1)	(12.2)	(20.5)	(14.4)	(34.8)	(32.8)	(47.7)
to EUROSTOXX	(7.8)	(14.0)	(21.0)	(14.2)	(29.5)	(30.8)	(47.3)
to FTSE Italia All Share	(8.4)	(14.2)	(22.0)	(16.5)	(37.2)	(41.2)	(59.7)
to FTSE Italia STAR	(7.9)	(12.4)	(19.5)	(8.6)	(19.6)	(12.7)	(28.0)
to FTSE Italia Growth	(7.3)	(11.7)	(16.7)	(7.9)	(19.9)	(9.8)	(23.3)
to Yachting Median	(8.3)	(9.9)	(18.3)	(5.2)	(18.6)	(22.2)	(40.7)

Source: Refinitiv Eikon

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.



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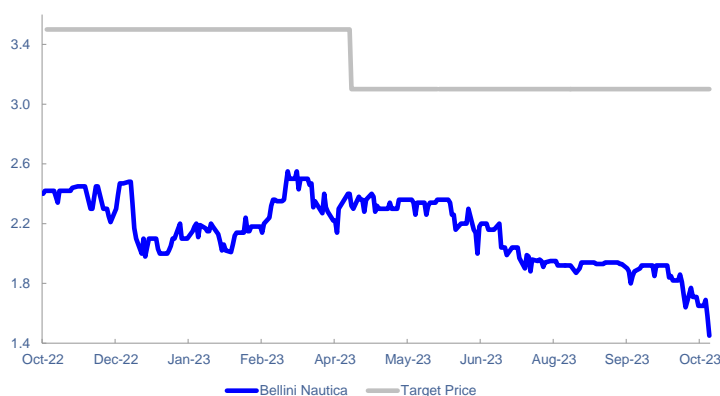
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DATE	TARGET PRICE	RATING
27/10/2023	€3.10	BUY
12/04/2023	€3.10	BUY
28/10/2022	€3.50	BUY

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- ☐ a **SELL** rating is assigned if the target price is at least 15% lower than the market price;
- ☐ 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.

