



The state of the art of the global yachting market.

Abstract

Milan | 15th July 2024



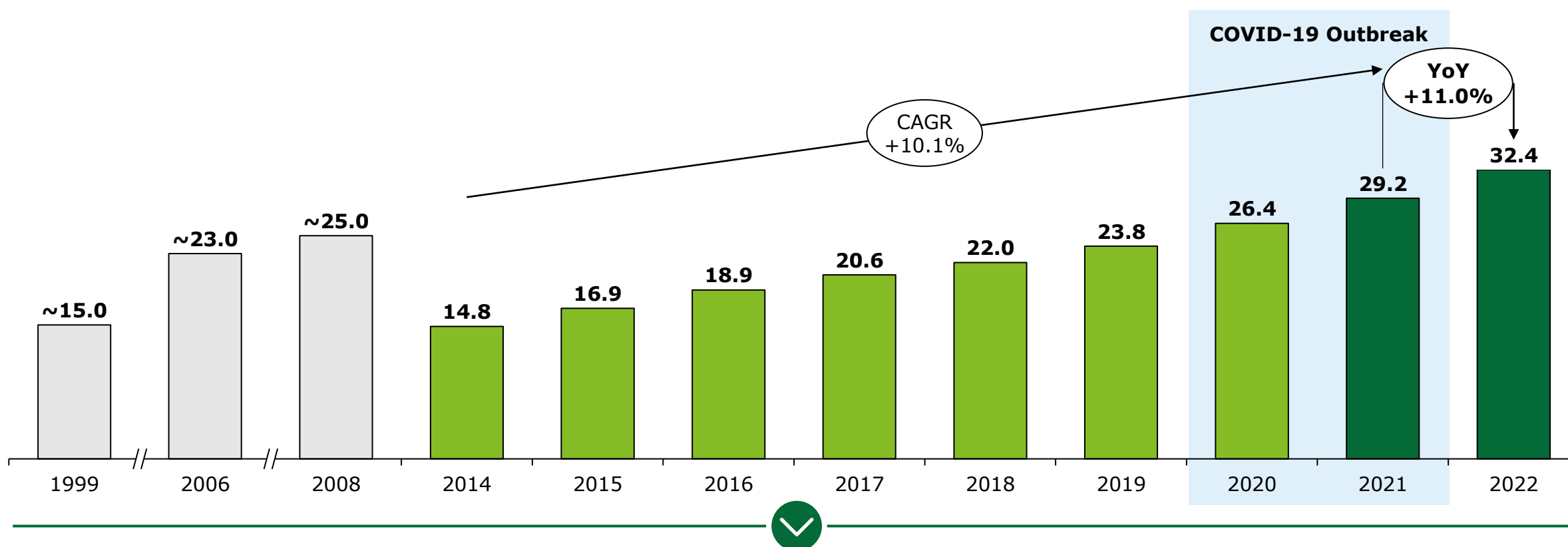
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Global new build retail market capitalized on the positive momentum created by the pandemic, reaching ~32.4B€ in 2022 (+11.0% YoY)

Global new build¹ retail market value evolution (B€)

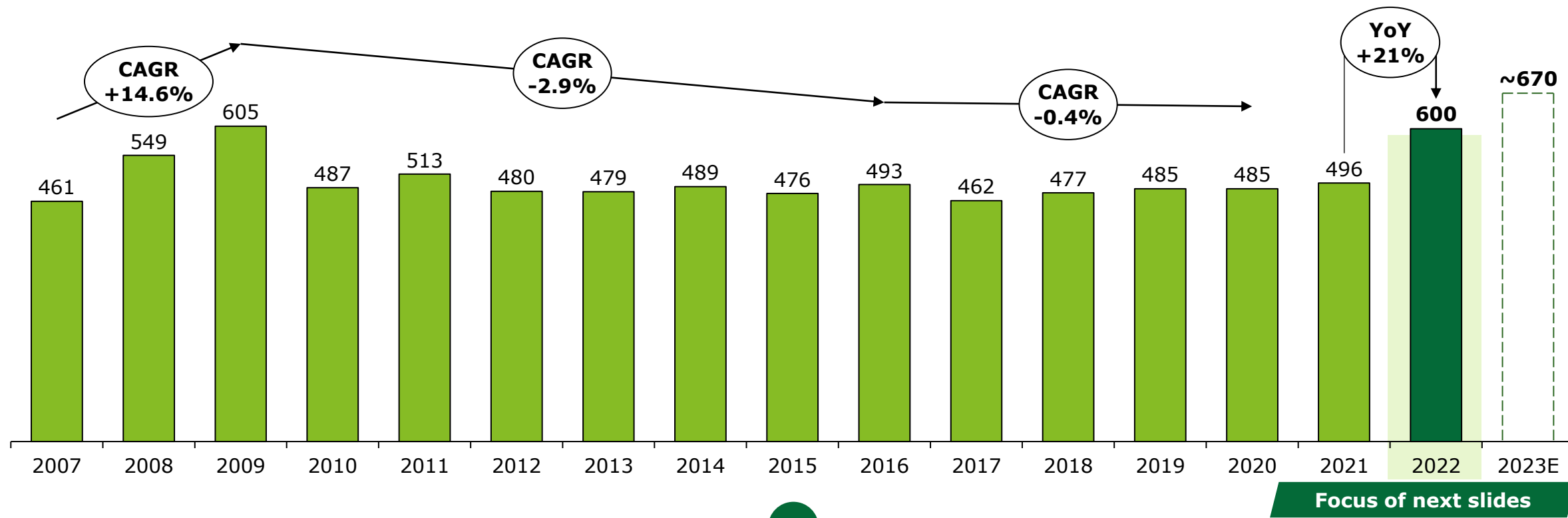


The increase in 2022 was driven by both the rise in €/GT and the increase in volume due to the demand from newcomers seeking a sense of freedom post-Covid outbreak

Notes: (1) Figures exclude PWC and small boats. Values at historical yearly exchange rate. Source: Deloitte Boating Market Monitor – Elaboration on secondary data source, official annual reports, official press release and interviews with business operators. Data gathered were not subject to audit or verification

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

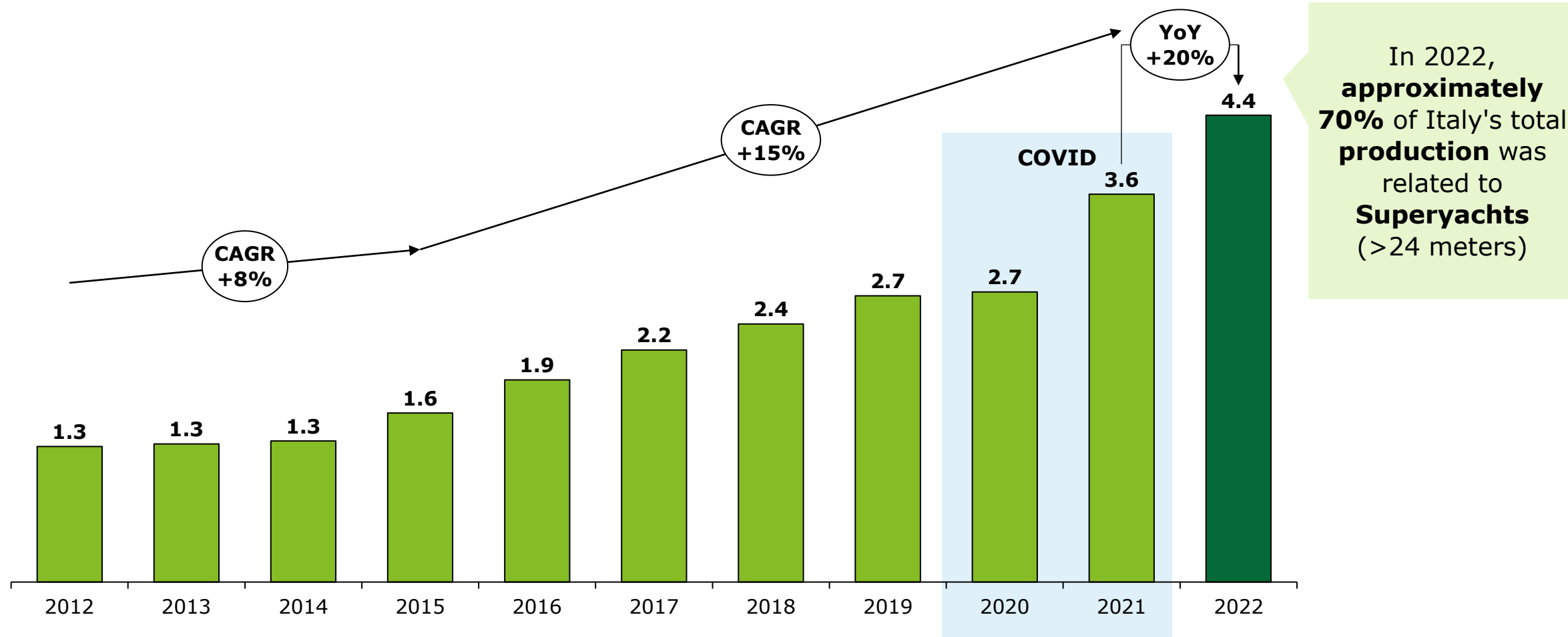
Superyachts Global Order Book evolution (# of projects 30mt+)



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

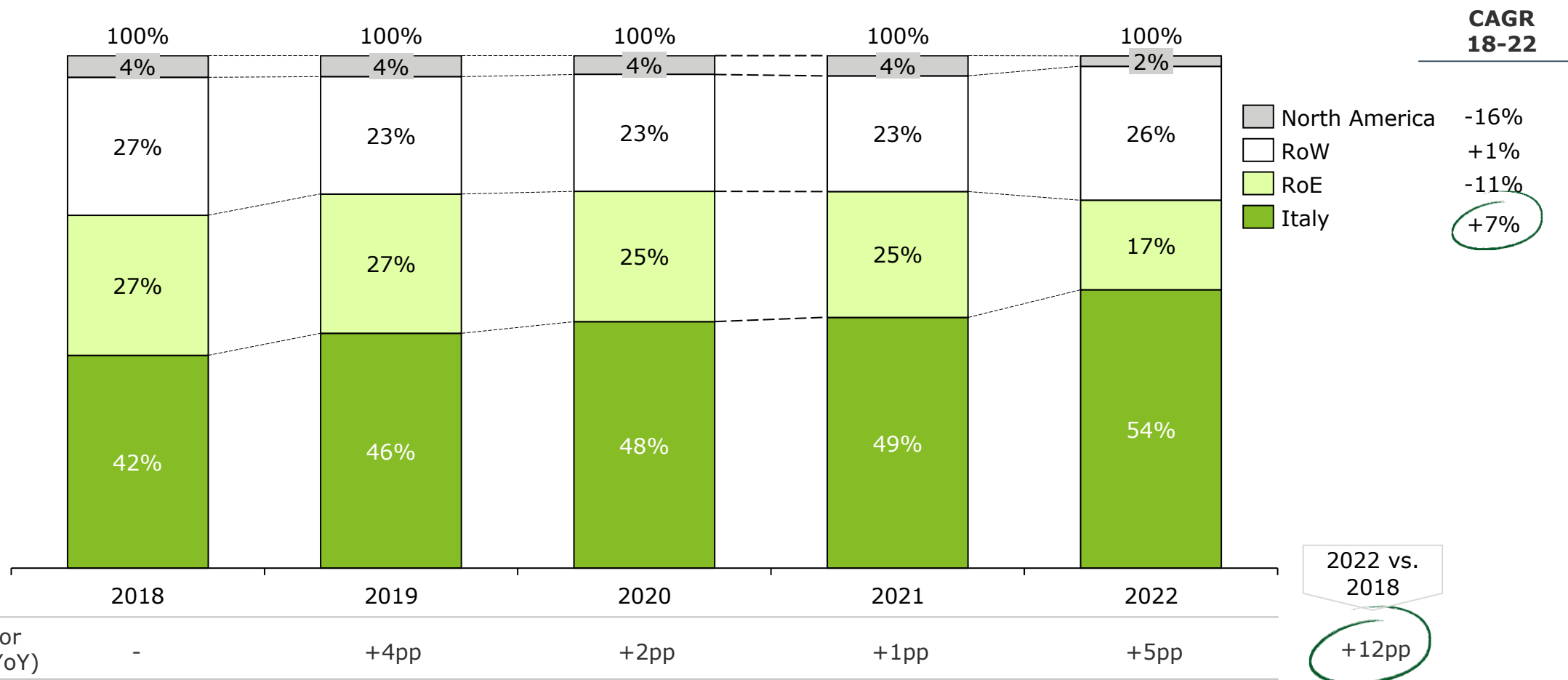
Italian shipyards leveraged the positive pandemic-driven momentum, growing even further to reach 4.4B€ in 2022 (+25% YoY 21-22)

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



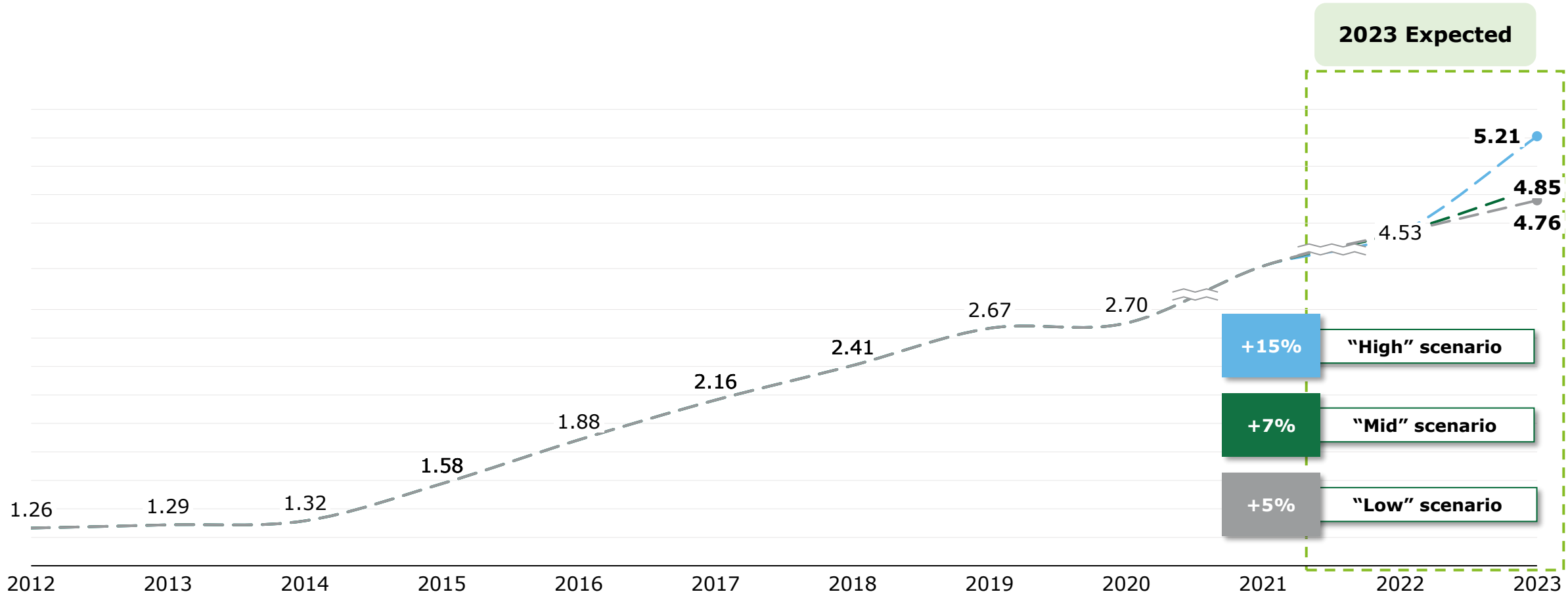
Italy represents the leading country within the Superyachts Global Order Book in terms of share and historical growth

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



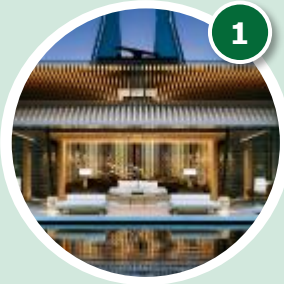
According to main market operators and analyst estimates, Italian yachting production could reach ~5.2B€ by 2023 (high scenario)

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



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

Emerging trends shaping the recreational boating market



1

Superyacht Design Evolution

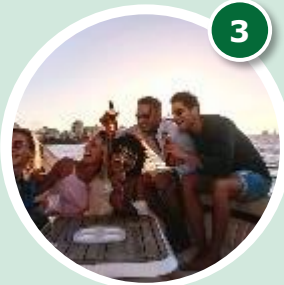
The design of superyachts is evolving with a harmonious **fusion with nature**, characterized by **large windows, living areas extending outdoors, and open terraces**. However, this trend raises concerns regarding privacy and comfort, elements traditionally central in this sector



2

Eco friendly yacht

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



3

Superyacht customer base shift

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



4

Consolidation in the marina industry

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



5

Supply Chain Issues & M&A

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



6

Return in yacht show event

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

Key Takeaways (1/3)

Section

Key Takeaways

Global Boating Industry

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

Super Yacht Market

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

Key Takeaways (2/3)

Section	Key Takeaways
Positioning in the luxury market	<ul style="list-style-type: none">• Despite the superyacht and high-end boat segment representing a niche within the luxury market (~1%), it has experienced notable growth in recent years (+5.4% CAGR 19-22)• In terms of margins, yachting positions below the average of other luxury sectors (~11% vs. 15% Experiential Luxury EBITDA margin 2022), but it has shown a continuous recovery in profitability in recent years (+5.5 p.p 2015-2022)
Industry consolidation & M&A	<ul style="list-style-type: none">• From 2021 to 2023, the boating market witnessed approximately 400 M&A, predominantly focusing on downstream segments (~57%) and primarily occurring in North America (~58%).• Yachting operators accounted for approximately 60% of these M&A transactions, while financial investors contributed around 20%, marking a slight increase from the previous period (+3 p.p. 21-22)• In Italy, 2022 witnessed ~30 M&A transactions, of which ~50% related to components/accessories and ~40% involving shipyards active in boat construction
Ownership & market penetration	<ul style="list-style-type: none">• In 2022, there was a modest contraction in target demand (-4% 2022 vs 2021 in number of billionaires); however, the superyacht order book showed an opposite trend (+21% 2022 vs 2021)• The superyacht market continues to show limited penetration relative to target demand (~3%), indicating significant untapped potential• For the coming years, growth forecasts for UHNWIs are positive (+5% CAGR 23-28), mainly driven by emerging markets

Key Takeaways (3/3)

Section	Key Takeaways
Italian Shipyard Industry	<ul style="list-style-type: none">• In 2022, the production value of the Italian boating industry is approximately €4.4B, +20% compared to 2021. 70% of total is generated by shipyards also active in the superyacht production• Italian shipyards are primarily focused on the production and sale of inboard boats (91% vs 52%), recording a 15.6% CAGR in the 2017-2022 period• The sector is highly fragmented, with 90% of players generating only 17% of the national production, while top 10 represent 83% of the sector• The Italian shipyard industry is the world's second largest, with almost ~15% market share in global boating production, reaching 25% share in regard to inboard boats.• Italy leads in superyachts segment with 54% of market share by volume and 31% by order value.• Furthermore, the Italian superyacht industry experienced market share growth by 5 p.p. from 2021 to 2022, holding strong presence in the 30–60mt segment
Forecasts on Italian shipbuilding	<ul style="list-style-type: none">• For 2023, the production value of the Italian boating industry (new-build) is expected to increase between +5% and 15%, partly driven by the delivery of orders collected during COVID period
Global boating market forecast	<ul style="list-style-type: none">• For 2023, the new build retail market is expected to grow by +8%, then normalize over the next three years (6% CAGR from 2024 to 2026). Large yachts will be the main driver of market growth, while a slowdown is expected in the craft boats segment. Sailing will continue its evolutionary trend with a growth rate of around ~+3/+5%

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