

ADMIRAL TECNOMAR / N.C. APUANIA THE BIG GROUP

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Photo, by courtesy
of Admiral
Tecnomar

Admiral Tecnomar completed NCA's acquisition between the end of the past year and the beginning of this one from Invitalia which promotes inviting business opportunities embodying a single and reliable national reference point for investors eager to expand or set up new businesses in Italy.

This new group is the result of Giovanni Costantino's acquisitions and mergers who's already Natuzzi's Product & Retail Development General Manager, a 48 year old who is accustomed to working and negotiating in a multinational environment made up of

President Giovanni Costantino Admiral Tecnomar's dynamic President is at the helm of the newly formed group: "the Italian Sea Group" following the acquisition of NCA – Nuovi Cantieri Apuania which represent the largest shipyard on the west coast of Italy after Fincantieri. This newly formed group will build mega and giga yachts, will refit them and will build high-tech ships.

24 companies based in Europe, Italy, Belgium, Denmark, Germany, Great Britain, Holland, Romania, Sweden, Switzerland, and beyond in Brazil, China, Japan and the USA.

In 2009, having left the furniture group he went on to acquire Tecnomar where he held 51% of the company siding with a private equity fund, Venice of the Palladio Finanziaria. A short lived experience as the world's difficult/unstable condition called for medium to long term strategies which could clash against the private equity fund's short term budget and profit requirements.

A break off from the fund would guarantee greater freedom of action, and little budget imposed constraints. So the entrepreneur's route and the private equity fund's routes went off in different directions and Mr Costantino preferred to carry on alone and invested 30 million euro becoming the owner of the Admiral brand winning the auction against Mr Gavio, and Chinese buyers from Nauticstar.



The Italian Sea Group stems out of all this, comprising a work force of 200 (55 from Admiral Tecnomar and 146 from NCA) and more than a hundred thousand square metres and with considerable know-how from Tecnomar's successful track record with more than 270 units sold and Admiral's with 130 ships built and all of this, in itself a significant factor was self financed with no external help. "We'd been thinking of an acquisition along those lines for some time and we also gave it a try with Baglietto" – is what Giovanni Costantino remarked. "We really needed more room and access to the sea. The opportunity arose we worked at it for six months and in the end we figured it was something worthwhile taking".

The group reports to Admiral Tecnomar which is currently responsible for the construction of mega motor yachts and sailing ones, while NCA is responsible for high-tech, value naval units and NCA Refit will carry out refits on large ships and yachts. In a naval sense these are the only activities the Italian market can still make their own in consideration of the fact that today nearly all traditionally built merchant ships come from Asia (South Korea, China and Japan). The military /naval segment won't close down so the group will be guaranteed with a flow of diversified activities to keep away from any crisis. Up until now this policy seems to have worked successfully, considering the turnover has remained quite steady around the 25 million euro mark while profits have grown.

The board of directors namely, President Giovanni Costantino, Vice President Giuseppe Taranto and MD Stefano Pacciani explained the details of a plan which foresees an eight million euro investment, the employment of all the NCA work force plus the use of the Marina basin for the construction of nine new mega superyachts requested by owners that did not feel the pinch of the recession like Arabs, Russians but also Indians Brazilians and Chinese. The board of Directors from Admiral Tecnomar went on to explain – "Considering that the naval sector cannot guarantee the company's survival over a long period since competition from Countries that have other rules concerning work is very strong, even when wanting to maintain what the market can take, we wish to promote and carry out a polyhedral plan which will allow us to share and spread the risks involved over several activities".

"Italian Sea Group's industrial plan – reportedly said Mr Costantino – is characterised by three axis for development: the consolidation of our core business, the construction of aluminium and steel megayachts; the development of naval shipbuilding, with special emphasis on the production of hi-tech units; the development of the refitting business which is very promising as well as services aimed at large ships and yachts in partnership with highly qualified international brokers with whom Admiral



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Tecnomar has already been working with for some time. We have concluded this acquisition with no financial assistance which is a tangible sign of how concrete our approach has been and of the sort of solidity which highlights our accomplishments. Positive and strong industrial synergies will come of this acquisition specially in terms of production, logistics, and project work but also technical know-how'. 'The decision to acquire NCA – said President Costantino as he took the floor – is based on careful evaluation of the company's structural/financial worth. Admiral Tecnomar's increase of production capacity will allow us to seize every arising opportunity specially in the over 50 metre segment of yachts. Obviously from a purely viable view point we'll operate on two separate markets but thanks to such an in depth competence in the naval field we also wish to confer Admiral Tecnomar with greater authority to further consolidate its current leading position in the megayacht segment. Investing in NCA represents an opportunity to follow up on the project work taken on in this sector which



started in 2009. We needed more room and access to the sea. This will allow us to proceed with the orders we have currently and to increase them growing therefore, not only in terms of sales but also in terms of size'. Therefore the yards in Viale Colombo will be producing hi-tech and high quality yachts to offer that high quality the Countries with low cost job markets cannot guarantee. Preliminary phase work foresaw the construction of a sinkable platform and a tug both deemed necessary to better handle the construction of superyachts but which could also be deployed for yacht refits up to 90 metres. For this very reason data gathering work was carried out during the latest Monaco Yacht show. Crew and technical teams from the owner companies could be channelled towards existing structures which in the given period autumn-winter are normally empty. The production site in Carrara is undergoing thorough renewal.

Following a thorough clean up where old hangars were demolished and the best were restored to house the construction of megayachts and to provide areas for high level clients that are there to order new ones. 'Visiting clients – specified Costantino – will be able to visit the yard with a golf buggy in a new NCA structure where areas and hangars are spotless like operating theatres and welcoming like golf clubs. The roads inside the premises will be upgraded and improved to this effect'. 'Elegant furniture for the offices, with glazed window panelling and marble flooring in every floor of the administrative department and reception areas. Tecnomar attended a dedicated auction held in Carrara offering marble blocks in support of those citizens that lost their homes to the floods. 'We did this

– Costantino remarks – non only as a contribution to the city but also because the marble blocks we purchased for about seventy thousand euro will provide floors to our offices even if they aren't enough and we'll have to buy more. The reception area which will be accessed by the entrance gate in Viale Colombo will also lead off to an art gallery. The ground floor below the tower hosting the offices will sport an exclusive restaurant open to clients. Eight rooms of the first floor will be taken up by works of art, four rooms will be available to hold meetings with our suppliers and a further four will host our client meetings. The top two floors will contain offices overlooking the sea'. NCA's industrial development plan will also include artistic events as well as a post graduate centre for additional courses. According to Admiral Tecnomar the organisation of artistic events periodically held every three months which will be called 'Art-on-waves' will generate more added value and would encourage the involvement of local citizens. The liking for art is not a novelty at Admiral Tecnomar and for which Giovanni Costantino has a passion and has given the Massa Carrara offices, where they will be moving to shortly, an artistic touch with works in animalier style by the Cracking Art Group which can be seen in the hall leading to the offices.

Post graduate Masters residential courses will be held in collaboration with the Universities of Pisa and Genoa. The yearly courses will cover a range of topics from engineering to stylistic creative



ones. This initiative might bring in 60 to 70 participants each year from abroad as well.

With a view to optimise and consolidate relations with the surrounding territory and to further make rational use of NCA's structures, Giovanni Costantini has opened the yard's gates and has made available a service that being the launching and hauling out of boats from the territory's yards. 'We're set to modify our logistics policy- President Costantino went on to explain during the latest Seatec held in Marina di Carrara at the beginning of February last – in order to give a service to the territory and to give us another business opportunity'.

February 7th at 10 pm there was a large hull secured to its cradle placed on a multi wheeled trolley being slowly towed by a lorry in Admiral Tecnomar' premises near Massa Carrara towards Nuovi Cantieri Apuania. The hull is the Admiral Maxima's 47 full displacement one with a steel hull and aluminium superstructures which is scheduled for delivery in June 2014. 'This transportation of the second hull from the Admiral Tecnomar premises in Via Massa Avenza to the shipyard in Marina di Carrara has been very significant, is the comment volunteered by the President – which marks the beginning of a new course and brings to two the number of constructions underway in the Viale Cristoforo Colombo yard in Marina di Carrara which goes to add on to the order already in production directly in NCA's yard. By February another yacht has been scheduled to be moved from Admiral Tecnomar's yards in Massa, which is the first order for an aluminium yacht bearing Tecnomar's brand name'.