



GRUPE BENETEAU

2017-18 FULL-YEAR EARNINGS

October 30, 2018



2017-18 FULL-YEAR EARNINGS | October 30, 2018

01

GROUP OVERVIEW BUSINESS REVIEW



Hervé Gastinel

CHIEF EXECUTIVE OFFICER

PERFORMANCES HIGHER THAN FORECAST

EXCELLENT OPERATIONAL EXECUTION IN THE 4TH QUARTER

REVENUES

€1287.2m

+8.5%

at constant exchange
rates

GROUP INCOME FROM
ORDINARY OPERATIONS

€87.6m

(7.5% of rev at constant exchange
rates)

+15.3%

at constant exchange rates

PRE-TAX INCOME

€88.6m

+17.7%

NET CASH

€161.9m

+47.7%

- Group revenue growth slightly higher than the forecasts from July and twice as high as the markets
- Growth in the operating margin at constant exchange rates thanks to the increase in volumes and good operational execution (recruitment plan completed, product transfers, acceleration of production speeds)
- Significant increase in net cash thanks to the effective management of working capital requirements
- First tangible results of the Transform to Perform plan and confirmation of the targets for 2020

02

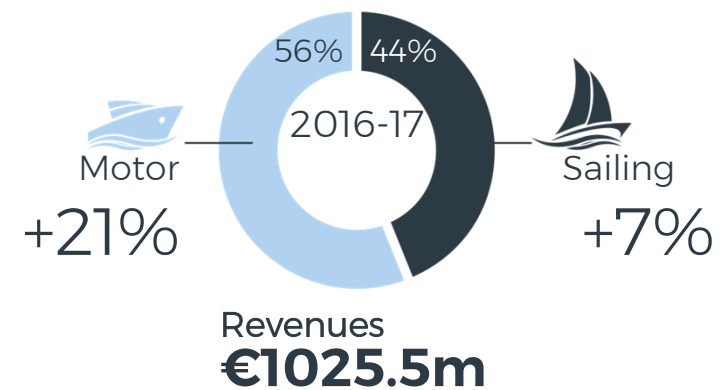
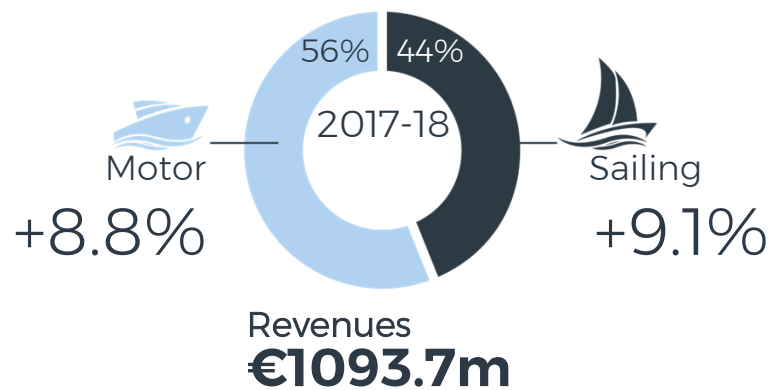
BUSINESS REVIEW BOATS 2017-18

BOAT BUSINESS

2017-18 KEY FIGURES

€ MILLION	2017-18	2016-17	Change	
			(reported data)	(constant exchange rates)
Revenues	1093.7	1025.5	+6.7%	+9.0%
EBITDA	135.1	140.3	-3.7%	+4.5%
Income from ordinary operations	73.2	78.9	-7.2%	+6.9%

- The dynamic development of multihull sailing and outboard / inboard motorboat sales has offset the contraction in sales of large motor yachts
- Good execution in Q4 and delivery delays from Q3 caught up
- Contraction in income from ordinary operations due to the foreign exchange effect (€11m) and the return to profit-sharing in the main subsidiary (€6m)

BREAKDOWN BETWEEN SAILBOATS AND MOTORBOATS**BREAKDOWN STILL STABLE THANKS TO AN EFFECTIVE SAILING / MOTOR PRODUCT MIX**

Balanced and robust sales growth across the 2 sailing and motor segments

BOAT BUSINESS: 2017-18 HIGHLIGHTS

MARKET SEGMENT	GROUP PERFORMANCE	SALES GROWTH
Monohull sailboats	+	+9.1% at constant exchange rates
Multihull sailboats	++	
Outboard motorboats	++	+8.8% at constant exchange rates
Inboard motorboats 30-60 feet	++	
Large motor yachts > 60 feet	-	
Multihull motor yachts	+	

RANGE AND SALES

- Product range aligned with customers' needs, particularly in the dynamic segments
- Record year with 38 new models for the season (vs 18 the previous year)

LARGE YACHTS > 60 FEET

- Stable market
- Increased competition, particularly in North America

- Good sales performance across all market segments, with the exception of large motor yachts (>60 feet)
- Renewal of 44% of the product range over 3 years (88 new models out of 200)

BOAT BUSINESS

BREAKDOWN OF REVENUES BY REGION

€ MILLION	2017-18	2016-17	Change	
			(reported data)	(constant exch. rates)
Europe	560.4	497.9	+12.5%	+12.7%
North and Central America	298.1	306.7	-2.8%	+4.4%
South America	10.9	19.7	-44.8%	-43.8%
Asia-Pacific	96.6	76.3	+26.6%	+27.3%
Rest of world	28.2	46.4	-39.2%	-38.7%
Fleets	99.5	78.5	+26.8%	+26.8%
TOTAL REVENUES	1093.7	1025.5	+6.7%	+9.0%

- Solid underlying market trends for Europe, North America and fleets
- Excellent performances on European markets
- Contrasting situation for sales in North America depending on the market segments
- Impact of the contraction in large yacht sales for the Rest of the World region

BOAT BUSINESS: 2017-18 HIGHLIGHTS

OPERATIONS AND INDUSTRY

- Demanding year for the Operations Division, which has successfully responded to the challenges of growth and transformation:
 - Doubling the number of new models launched over the year (38 vs 18 the previous year)
 - Ramping up production speeds
 - Starting up new production capacity
 - Integrating new recruits

ORGANIZATION

- 500 Permanent Contracts Plan completed in France in May 2018, 200 jobs created internationally
- Rate maintained with 25% temporary staff for production
- Internal training centers set up in Bordeaux, Poland and the US

- Continued deployment of the Transform to Perform plan
- Resolution of temporary operational difficulties enabling good operational execution in Q4



BOAT BUSINESS: 2017-18 HIGHLIGHTS

DEVELOPMENT OF THE RANGE OF SERVICES

- Challenge: respond to changing consumption trends by offering new ways of enjoying boats
- Ambition: become the global benchmark for all boating experiences.
- Achievements this year:
 - Leasyboat all-inclusive financing offer (France)
 - Launch of the European digital platform Band of Boats
 - Launch of the Beneteau and Jeanneau boat clubs (France, Italy, Spain and Croatia)
 - Expansion of the Sailtime partnership (shared ownership) from North America to Europe (Italy and France)



One ambition: becoming the global benchmark for all boating experiences

BOAT BUSINESS: 2017-18 HIGHLIGHTS

ACQUISITION OF SEASCAPE

- Further strengthening the range on the segment for mini-performance cruisers
- Integration of the 4 models into Beneteau's First range
- Revenues generated over 2 months in FY 2017-18: €0.3m

ACQUISITION OF DELPHIA YACHTS

- Acquisition closing expected before end-2018, effective in FY 2018-19
- Strengthening of sailing / motor production capacity and R&D in Poland
- Complementary motorboat products (lake and river boats)

Bolt-on acquisitions further strengthening the product range, R&D and production capacity



03

BUSINESS REVIEW HOUSING 2017-18

HOUSING BUSINESS

2017-18 KEY FIGURES

€ MILLION	2017-18	2016-17	Change	
			(reported data)	(constant exch. rates)
Revenues	193.4	182.8	+5.8%	+5.8%
- Leisure homes	192.8	173.8	+11.0%	+11.0%
- Residential housing	0.6	9.1	-93.7%	-93.7%
EBITDA	17.7	12.6	+40.4%	+40.4%
Income from ordinary operations	14.4	6.7	+115.7%	+115.7%
- Leisure homes	14.5	9.2	+56.9%	+56.9%
- Residential housing	0.1	-2.5	-98.8%	-98.8%

- Leisure Homes business growth at the top end of the forecasts with +11%
- Continued improvement in margins thanks to the volume / product mix effect and operational improvements
- Residential Housing business fully shut down without any arrears

HOUSING BUSINESS: 2017-18 HIGHLIGHTS

LEISURE HOMES: GOOD SEASON FOR CAMPSITES

RANGE AND SALES

- Good trends in France and Italy supported by a buoyant market, with business growth in Germany and Benelux
- Delivery delays from Q3 caught up in Q4

OPERATIONS AND INDUSTRY

- Good operational execution in Q4
- Completion of the plan to recover excess costs linked to the ERP's launch (efficiency and trade-ins, transport and materials, non-recurring structural costs), which represented €6.2m in FY 2015-16



2017-18 FULL-YEAR EARNINGS | October 30, 2018

04

FINANCIAL RESULTS 2017-18



Christophe Caudrelier

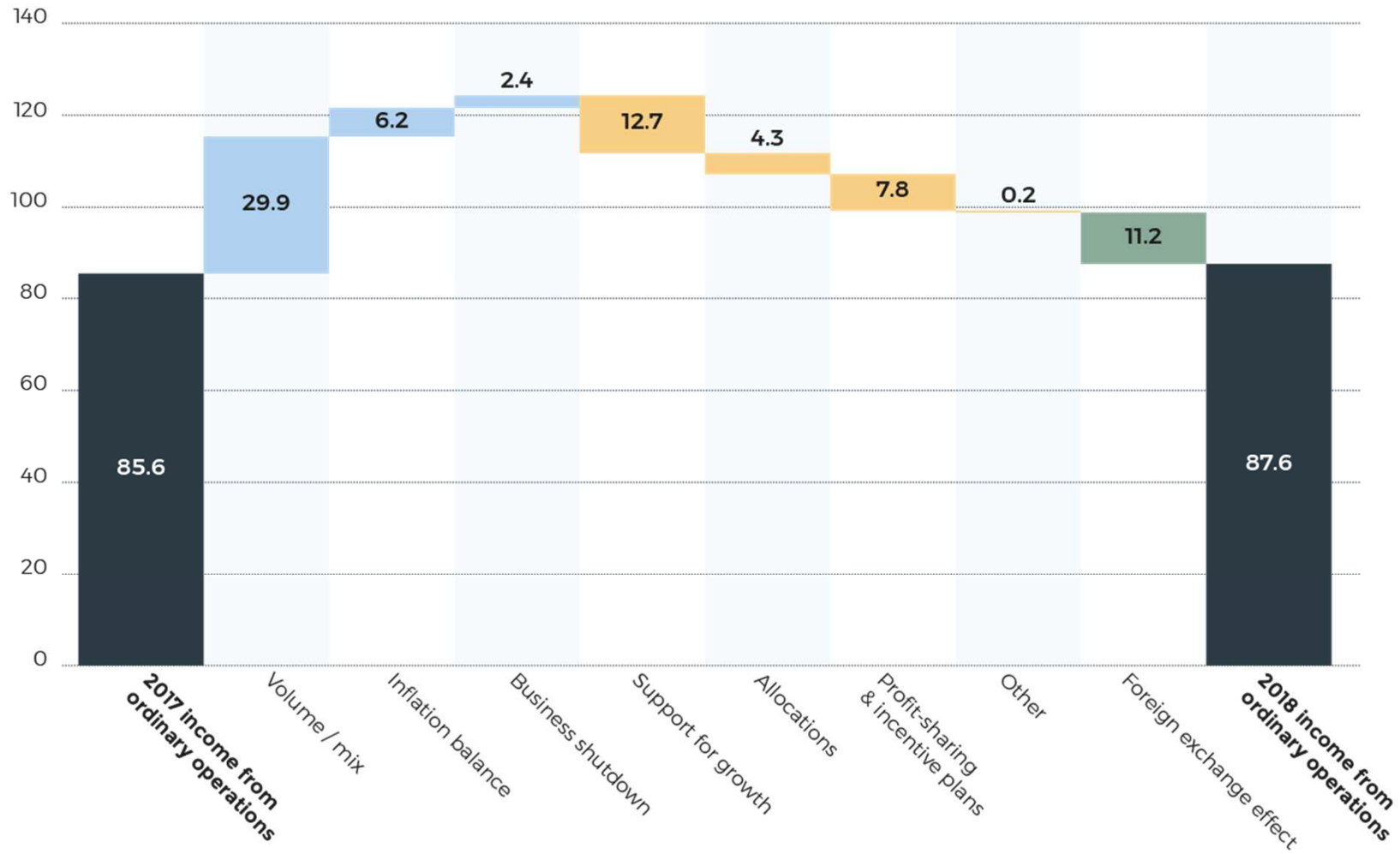
GROUP CHIEF FINANCIAL OFFICER
MANAGEMENT BOARD MEMBER

INCOME FROM ORDINARY OPERATIONS

€ MILLION	2017-18	2016-17	Change (reported data)	Change (constant exch. rates)
Revenues	1287.2	1208.3	+6.5%	+8.5%
EBITDA	152.8	152.9	+0.0%	+7.5%
Income from ordinary operations	87.6	85.6	+2.4%	+15.3%

Operating margin of 6.8% vs 7.1% the previous year,
despite the foreign exchange effect and the return to profit-sharing in the main French subsidiary

BREAKDOWN OF INCOME FROM ORDINARY OPERATIONS FOR 2017-18



INCOME FROM ORDINARY OPERATIONS ADJUSTED FOR CURRENCY HEDGING

€ MILLION	2017-18	2016-17	Change
Revenues	1287.2	1208.3	+6.5%
Income from ordinary operations	87.6	85.6	+2.4%
Financial income and expenses	1.0	-4.4	-
Of which:			
Currency hedging	3.1	-2.5	
Interest costs net of investment income	-2.1	-1.9	
Income from ordinary operations adjusted for currency hedging	90.7	83.1	+9.2%
Adjusted income from ordinary operations as % of revenues	7.0%	6.9%	-

Increase in the operating margin adjusted for currency hedging

NET INCOME

€ MILLION	2017-18	2016-17	Change (reported data)	Change (constant exch. rates)
Income from ordinary operations	87.6	85.6	+2.4%	+15.3%
Other operating income and expenses	0.0	-5.9		
Operating income	87.6	79.7	+9.9%	-
Financial income and expenses	1.0	-4.4		
Associates	4.2	4.7	-10.5%	-
Corporate income tax	-32.4	-19.9	+63.0%	-
Consolidated net income	60.4	60.1	+0.5%	-
Net income (Group share)	61.3	59.7	+2.7%	
Net earnings per share	0.74	0.72	+2.5%	

Significant increase in tax linked primarily to the non-recurring 5% contribution on corporate income tax in France

GROUP FINANCIAL RESULTS FOR 2017-18

CASH

€ MILLION	2017-18	2016-17	Change (reported data)
Income from ordinary operations	86.7	85.6	+2.4%
Depreciation and provisions	65.4	73.5	-11.0%
Non-current operating income	0.0	-5.9	
Financial income and expenses	1.0	-4.4	
Tax	-35.8	-18.7	+90.9%
Other	2.9	1.3	+125.2%
Operating cash flow	121.2	131.4	-7.7%
Net cash flow from investments	-81.3	-78.8	+3.2%
Change in working capital	33.6	49.9	-32.7%
Other	-0.9	1.7	
Free cash flow	72.6	104.2	-30.4%
Dividends / treasury stock	-18.4	-8.2	+124.5%
CHANGE IN SCOPE	-1.9	0.0	
CHANGE IN NET CASH	52.2	96.0	-45.6%
Opening net cash position	109.7	13.6	+705.4%
Closing net cash position	161.9	109.6	+47.7%

Positive cash position making it possible to invest in product development and industrial facilities and capitalize on opportunities for growth

05

OUTLOOK 2018-19



INITIAL TRENDS - AUTUMN SHOWS

BOATS

- Positive atmosphere in Europe, to be confirmed in the US with the upcoming shows
- Integration of Seascope models into Beneteau's first range
- Launch of the new modern sport catamaran brand Excess, whose first models will be available for sale in September 2019
- The new production capacity and quicker production speeds are making it possible to respond to market demand

LEISURE HOMES

- Positive trends at the shows



CONTINUED PROGRESS WITH THE TRANSFORM TO PERFORM PLAN COMPREHENSIVE AND INNOVATIVE RANGE OF PRODUCTS AND SERVICES

- **PRODUCTS** – Continued investment policy to ensure a stronger and innovative product range aligned with buoyant market segments
- 32 new models expected for FY 2018-19
- **SERVICES** – Strengthening of the range of services to respond to changing consumption patterns:
 - Band of Boats platform and exclusive negotiations underway with a boating startup
 - Beneteau and Jeanneau boat clubs
 - Sailtime shared ownership
 - Leasyboat all-inclusive financing offer



CONTINUED PROGRESS WITH THE TRANSFORM TO PERFORM PLAN INDUSTRIAL ORGANIZATION EFFECTIVELY POSITIONED TO RESPOND TO GROWTH

- **INDUSTRY** - Launch of the latest phase in the industrial transformation plan, focused in particular on:
 - A site in France (Vendée)
 - Reopening of the Sport Plant in Cadillac (US), with capacity for over 1000 boats
 - Integration of Delphia Yachts into Ostroda Yachts in Poland
- On track to achieve the target to double multihull production capacity (50% already completed at end of FY 2017-18)
- Increase in production transfers between EUR and USD regions to limit currency effects



Construction Navale Bordeaux - June 2017



NEXT DATE

- Wednesday February 6, 2019
- Press release followed by a conference call
- Outlook for the current financial year



APPENDICES

AT CONSTANT EXCHANGE RATES Average rate for the previous reporting period.

EBITDA Earnings before interest, taxes, depreciation and amortization, i.e. operating income restated for allocation / reversal of provisions for liabilities and charges and depreciation charges.

FREE CASH FLOW Cash generated by the company during the reporting period before dividend payments and changes in treasury stock.

NET CASH Cash and cash equivalents after deducting financial debt and borrowings.

INCOME FROM ORDINARY OPERATIONS ADJUSTED FOR CURRENCY HEDGING Income from ordinary operations after taking into account currency hedging income and expenses.
Income from ordinary operations adjusted for currency hedging is an alternative indicator that makes it possible to measure the Group's performance after the impact of foreign exchange hedging. Since 2016, income and expenses from currency hedging primarily reflect the difference between forward purchase / sales positions and the accounting exchange rate for recording transactions in currencies (USD, PLN). The Group hedges its commercial currency risk based exclusively on currency forwards.

GRUPE  ENETEAU

www.beneteau-group.com