GROUPE BENETEAU

# 2017-18 half-year earnings

- **Good level of business marked by consolidated revenue growth of +10.5% (constant exchange rates) and +8% (reported data)**
- **1-point improvement in operational profitability for the Boat Division at constant exch. rates**

# Outlook

- **Current financial year at constant exchange rates: expected growth of +8% to +10% for revenues and +10% to +12% for income from ordinary operations**
- **2020 target: income from ordinary operations rate raised +0.5% at constant exchange rates**

In a market that has seen positive trends since the autumn shows, the Group's revenues are up +10.5% (constant exchange rates) for the first half of FY 2017-18 thanks to a good level of business and robust growth across both the Boat and the Housing divisions.

The progress made with earnings reflects the strong level of business and the Leisure Homes activity's effective operational performance on buoyant markets. The Boat Division is reporting a 1-point improvement in operational profitability, but its earnings have been penalized by a negative EUR/USD exchange effect of €5.4m, partially offset in financial income and expenses for the first half of the year through currency hedging (+€4.9m).

At February 28, 2018, the order book for the Boat business is up +15.2% at constant exchange rates.

As billing is concentrated primarily over the second half of the year, income from ordinary operations is negative at the end of the first half of this year, as expected in line with previous years, while the net income breaks even.

## 2017-18 first-half earnings (September 1, 2017 - February 28, 2018)

| IN MILLION EUROS | 2017-18 | 2016-17 | Change | |
|---|---|---|---|---|
| | | | (reported data) | (constant exchange rates) |
| Revenues | 464.9 | 430.3 | + 8.0% | + 10.5% |
| - Boats | 378.1 | 351.8 | + 7.5% | + 10.5% |
| - Housing | 86.9 | 78.5 | + 10.6% | + 10.6% |
| Income from ord. operations | - 4.4 | - 6.6 | n/s | |
| EBITDA* | 26.1 | 22.5 | + 19.5% | + 31.9% |
| Net income (Group share) | 0.1 | - 4.0 | n/s | |
| Closing net cash position | - 53.9 | - 141.1 | | |

** 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.*

For the first half of 2017-18, consolidated revenues climbed to €464.9m, up +10.5% at constant exchange compared with the first half of the previous year and +8% based on reported data.

Income from ordinary operations improved by €2.2m to -€4.4m, with net income up €4.1m to €0.1m.

## Boat Division: dynamic business driven by Europe

In the first half of 2017-18, the Boat Division generated revenues of €378.1m, up +10.5% at constant exchange rates compared with the first half of the previous year and +7.5% based on reported data.

The Boat Division's growth is being driven by the good results achieved on European markets. Sales for North and Central America and fleets increased slightly during the first half of the year, while the order book at March 31, 2018 shows +6.4% and +20.7% growth respectively for the two regions at constant exchange rates. New orders for the large motor yacht segment (over 60 feet) have slowed down, coming in below the full-year target. The pace of recruitments (annual plan to recruit 500 permanent staff in France has been 86% completed to date) and the new production capacity starting up have generated temporary operational difficulties, which are currently being addressed.

Income from ordinary operations came to -€11.9m, compared with -€9.6m the previous year. It is penalized primarily by the negative euro/dollar exchange effect (€5.4m), partially offset in financial income and expenses through currency hedging (€4.9m). The Transform to Perform plan is continuing to move forward, reflected in reinforcements for €6.2m, supporting strong business growth.

## Housing Division: dynamic and profitable Leisure Homes business

For the first half of 2017-18, Housing Division revenues totaled €86.9m, up +10.6% from the first half of the previous year. The Housing Division's growth is linked exclusively to strong progress with sales for the Leisure Homes business.

The Leisure Homes business is benefiting from dynamic markets in France and Italy, on which it is achieving good performances. The Division is moving forward with its operational turnaround and is shutting down the Residential Housing business, merging the legal entities BIO Habitat and BH. The shutdown of the Residential Housing business is reflected in a marginal level of revenues and income from ordinary operations.

Income from ordinary operations represents €7.5m, compared with €3m the previous year, up 151.1%. This strong improvement is linked to growth in volumes and the good operational performance for the Leisure Homes business line.

## Outlook for FY 2017-18

The **Boat Division's outlook for full-year revenue growth** can be confirmed, with **+8% to +10% at constant exchange rates**, outpacing the markets, thanks to the sustained level of orders.

**The Housing Division is forecasting full-year revenue growth of between +6% and +8%**, supported by **growth in Leisure Homes (estimated at +11% to +13%)**, benefiting from a favorable market environment in France and Italy. The shutdown of the Residential Housing business and the completion of the projects underway are progressing under the foreseen conditions.

In this market environment, the Group is forecasting **global revenue growth of around +8% to +10% at constant exchange rates**. Income from ordinary operations is expected to be up +10% to +12% at constant exchange rates including the impact of employee profit-sharing (€5.5m) for the Group's main subsidiary, for the first time since 2009.

## 2020 targets revised upwards

In June 2017, during its dedicated investor day, the Group presented its 2020 roadmap for business and earnings.

In a favorable market environment, the Group is raising its revenue target for FY 2019-20 to €1.5bn (versus €1.4bn previously). The current operating margin has also been revised upwards and is expected to reach 8.5% to 9% at constant exchange rates (exchange rate used in the plan presented in June 2017), with around €130m in income from ordinary operations (versus €115m previously).

**A detailed presentation of the half-year earnings is available on the Groupe Beneteau website. The half-year activity report will be available from April 27, 2018.**

The next announcement is scheduled for July 10, 2018, when revenues for the first nine months of FY 2017-18 will be reported.

## FINANCIAL GLOSSARY

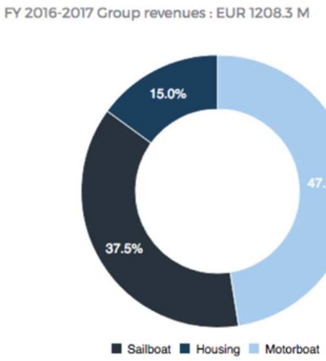
At constant exchange rates: average rate for the previous reporting period.

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.

## ABOUT GROUPE BENETEAU




As the boating industry's global market leader, Groupe Beneteau, through its Boat division's 10 brands, offers over 200 recreational boat models serving its customers' diverse navigational needs and uses, from sailing to motorboating, monohulls and catamarans.

Leading the European leisure homes market, the three brands from the Group's Housing division offer a comprehensive range of leisure homes, lodges and pods that combine eco-design with high standards of quality, comfort and practicality.

With its international industrial capabilities and global sales network, the Group employs 7,000 people, primarily in France, the US, Poland, Italy and China.

CONTACTS – GROUPE BENETEAU

**INVESTORS AND PRESS CONTACT**
Mirna Cieniewicz
m.cieniewicz@beneteau-group.com
Tel: +33 (0)2 51 26 88 50

**SHAREHOLDER CONTACT**
Yannick Coicaud-Thomas
y.coicaud.thomas@beneteau-group.com
Address: 16 bd de la Mer – CS 43319
85803 Saint Gilles-Croix-de-Vie Cedex - France