

Record full-year earnings in 2023

Premiumization, sustainable innovation and new services: the Group is continuing to develop its next growth drivers

- Income from ordinary operations¹ of €246m (+59%)
- Net income¹ of €182m (10.2% of revenues)
- Proposed dividend of €0.73 per share (vs €0.42 paid in 2023)
- Operating margin confirmed at 7% to 10% in 2024

"2023 was a record year for Groupe Beneteau. The Group's 8,000 staff achieved an outstanding collective performance: income from ordinary operations of over €240m, with a double-digit net margin. Our value-driven growth strategy is delivering a range of benefits; it is further strengthening the Group's resilience and enabling it to position the Group's operational profitability within a range that is significantly higher than its pre-Covid levels.

Its continued premiumization and its industrial agility will enable the Boat division to maintain an operating margin of 7% to 10% in 2024, despite the impact of higher interest rates on business.

This financial solidity confirms the Group's strategy for product development and sustainable innovation, combined with growth in new services, such as digital and the sharing economy", confirms Bruno Thivoyon, Groupe Beneteau Chief Executive Officer.

RECORD FINANCIAL PERFORMANCE IN 2023

	Before IFRS 5			After IFRS 5		
	2023 (pro forma)	2022 (reported data)	Change	2023 (reported data)	2022 (pro forma)	Change
Revenues	1,784.6	1,508.1	18.3%	1,465.1	1,250.9	17.1%
EBITDA	306.3	229.2	33.6%	262.4	198.8	32.0%
% of revenues	17.2%	15.2%	+2.0 pts	17.9%	15.9%	+2.0 pts
Income from ordinary operations	246.1	154.7	59.2%	206.8	131.8	56.9%
% of revenues	13.8%	10.3%	+3.5 pts	14.1%	10.5%	+3.6 pts
Net income from operations held for sale				26.0	16.8	55.1%
Net income (Group share)	182.2	103.1	81.4%	185.0	103.1	79.4%
% of revenues	10.2%	6.8%		12.6%	8.2%	+4.4 pts
Free cash flow	81.6	28.3		67.9	21.3	
Net cash	247.3	211.2		233.5	211.2	

¹ Before the application of IFRS 5

Following the announcement of the Housing division's proposed sale, the Group's key figures, before and after restatement linked to the application of IFRS 5², are presented below. The transaction is subject to approval by the French competition authorities, with their response expected during the first half of 2024.

Boat division: value-driven growth strategy delivering a range of benefits

As reported on February 12, the Boat division's revenues came to €1,465m in 2023, up 17.1% from 2022 (+18% at constant exchange rates). The slowdown in demand for the Motor business (-€150m) was more than offset by the value-driven growth strategy across all the segments (+€190m) and the progress made with deliveries of sailing units (+€40m). Sales also benefited from the distribution network's stock replenishment, back up to pre-Covid levels (+€150m), in a context of the normalization of sourcing conditions.

The Sailing business, with 31% full-year growth, was particularly dynamic, reflecting the significant upturn in sales to charter professionals (+68%), the commercial success of the new models released, and the Excess brand's strong penetration on the catamaran market.

For the Motor business, up 9% at constant exchange rates, sales show strong growth for the Real Estate on the Water segments (+17%), thanks in particular to the commercial success of the PRESTIGE brand's first catamaran models. The Dayboating segments recorded a 3% increase in revenues, with a 23% reduction in the number of units delivered. This benefited in particular from the extension of the Merry Fisher and Antares lines, as well as the launch of the DB range.

This excellent performance by the Boat division, outpacing the market on each segment, enabled it to achieve a record level of income from ordinary operations in 2023, up 57% from the previous year (€131.8m) to €206.8m, with an operating margin of over 14% of annual revenues, up €75m year-on-year.

The value creation strategy contributed €22m to this structural progress, while the progress made with operational performance levels represented a further improvement of €3m.

In addition, 2023 income benefited from the Group effectively anticipating the impacts of inflation (+€25m), as well as the stock replenishment seen across the distribution networks, back up to their pre-Covid levels in terms of volumes (+€44m).

Lastly, development costs linked to the new ERP totaled €13m for the year, up €6m from 2022, while the changes in €/€ exchange rates, which had exceptionally contributed to income in 2022, have since normalized (-€12m).

The Boat division's EBITDA³ is up 32% to €262.4m, representing 17.9% of revenues (vs. 15.9% in 2022), up 32%.

² In accordance with IFRS 5, the Group presented the Housing activity under "Operations held for sale" in its full-year consolidated accounts at December 31, 2023 and restated the data reported for FY 2022.

³ See definition in the glossary

Housing division: continued profitable growth

Benefiting from the sustained trends seen on the camping tourism markets, the Housing division generated €319.6m of revenues in 2023, up 24% year-on-year. This growth, combined with excellent operational management, enabled the division to generate €39.3m of income from ordinary operations over the period, representing 12.3% of revenues, up 72% from 2022. In accordance with IFRS 5, this income is now recognized at Group net income level, after deducting taxes and other non-operating expenses.

Solid financial structure: 10.2% net income and €247m of net cash

Net income (Group share) came to €185m for 2023, up 79% from 2022 (€103m). It includes €6.4m of financial income (vs. -€12.3m in 2022), benefiting from the change in interest rates, while the previous year was affected by currency hedging income and expenses (-€10m).

Over the year, the share of associates is up €2m, driven primarily by growth in the financing activities of its subsidiary SGB.

The Group's free cash flow before IFRS 5 came to €81.6m for the year (€9.5m for the Housing division) compared with €28.3m in 2022. The €55m increase in the Boat division's working capital requirements is linked primarily to the reduced level of client deposits (-€48m) resulting from the normalization of the order book. The Boat division's €72m of net investments is €14m higher than the previous year, linked in particular to the measures rolled out to increase the flexibility of production capacity (+€10m) and improve the environmental impact of the buildings (+€3m).

Alongside this, the changes in scope represented a net investment of €13m. The Group acquired a controlling interest in the Tunisian-based yard Magic Yacht, in which it was a minority shareholder, as well as Wiziboat, a European digital boat club specialist. It also further strengthened its stake in Your Boat Club in the United States (from 40% to 49%) and acquired a 20% interest in YachtSolutions, specialized in supporting owner clients to create custom fit-outs for large units.

After dividend payments and share buybacks for €40m, net cash represented €247m at December 31, 2023, up €36m over the year.

The Group's robust financial position is also illustrated by the €856m increase in its shareholders' equity at December 31, 2023, compared with €706m at December 31, 2022.

Lastly, the return on capital employed (ROCE¹) continued to progress in 2023 to reach 42% at the end of the year (versus 32% at December 31, 2022 and 14% at August 31, 2019). With revenues three times higher than the capital employed (stable between 2022 and 2023), and strong progress with the operating margin, this performance reflects the efficiency and effectiveness of the Group's value-driven growth strategy.

SUSTAINABLE AND ACCESSIBLE BOATING

Strong progress across the three pillars from the B-Sustainable program, in line with the Group's ambition for 2030

Groupe Beneteau ramped up the rollout of its B-Sustainable program, which was launched in 2022. The continued dedication shown by all of the teams made it possible to achieve sustained progress with all three pillars from this initiative.

Illustrating this, the CO2 emission intensity relating to electricity and gas consumption (scopes 1&2) came in 6% lower than 2022, the Boat division accident frequency rate was reduced by more than 9% over the period, and 41% of the Boat division's purchases are now placed with suppliers whose CSR approach has been formally assessed (+17pts vs. 2022).

Moreover, after carrying out life cycle assessments on its main products, the Boat division was able to assess its first carbon footprint covering scope 3, helping set out concrete milestones for the next steps with its program to reduce its carbon intensity by -30% by 2030.

This program is based on continuing to move forward with the industrialization of innovative solutions, through the choice of materials used, integrating biosourced and recyclable elements, as well as the selection of alternative propulsion solutions and the optimization of its boat architecture solutions.

In line with this proactive approach, the Group acquired a stake in the Swedish company Candela, specialized in developing foiling electric boats. This technology aims to reduce energy consumption by 80%, while offering increased stability on the water and doubling or tripling the range levels achieved compared with other electric propulsion solutions. This minority interest will help drive the industrialization of decarbonized solutions for the recreational boat and passenger transport market.

New boating solutions: sharing economy and digital acceleration

Seanapps, Groupe Beneteau's digital solution which connects end customers with their dealer and brand each day, is already fitted on around 8,000 boats. This connected fleet has already covered nearly one million nautical miles, making it the world's most widely-established connected fleet by some distance. Feeding into a groundbreaking database, this app will enable the product teams to develop the next models, while ensuring close alignment with their clients' usage practices.

During the year, the Group also further strengthened its positioning on various activities relating to the sharing economy. Thanks to the development of Your Boat Club's activity in the United States and the acquisition of Wiziboat in Europe, the Group will now operate a fleet of over 500 boats, spread across around 50 bases. It expects to see double-digit business growth in 2024.

The weekly charter companies in which the Group acquired interests in 2021 returned to their pre-Covid levels of business from 2023 and now represent a fleet of over 1,000 boats. They will continue to turn around their profitability in 2024.

OUTLOOK

While the various premium segments continue to see very sustained levels of demand, the changes in interest rates are causing certain recreational boat owners to adopt a wait-and-see approach and encouraging dealers to scale back their stock coverage in 2024. As announced previously, the Group expects to see dealer inventory levels contract by around €100m to €150m in 2024, while 2023 benefited from a reverse phenomenon for around €240m, linked to the normalization of sourcing conditions.

Despite the scale of these differences in activity levels, the many different flexibility measures already anticipated, such as the adjustment of working times at certain French sites, will enable the Boat division to maintain an ordinary operating margin of 7% to 10% in 2024. While these significant variations in inventory levels are expected to be canceled out in 2025, the growth drivers put in place and the further structural efficiency gains to be rolled out will enable the Group to return to a double-digit operating margin within this timeframe.

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PROPOSED DIVIDEND

Groupe Beneteau's Board of Directors has decided to submit a dividend of €0.73 per share for approval at the Combined General Meeting on June 4, 2024, delivering strong growth compared with the dividend of €0.42 per share paid in 2023.

Groupe Beneteau will report its 2024 first-quarter revenues on May 6 (after close of trading).

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A detailed presentation of the full-year business and financial results is available on the Groupe Beneteau website.

The annual and consolidated financial statements presented here, as reviewed by the Board of Directors on March 18, 2024, are currently being audited and will be definitively approved for the publication of the annual financial report by the end of April. The Board of Directors will approve the accounts on April 23, 2024.

FINANCIAL GLOSSARY

At constant exchange rates: change calculated based on figures for the period from January 1 to December 31, 2023 converted at the exchange rate for the same period in 2022 (January 1 – December 31, 2022).

EBITDA: Earnings before interest, taxes, depreciation and amortization, and IFRS 2 and IAS 19 adjustments following IFRS GAAP, i.e. income from ordinary operations restated for allocation / reversal of provisions for liabilities and charges, depreciation charges and IFRS GAAP (IFRS 2 and IAS 19).

ROCE: Return on capital employed, i.e. the ratio between income from ordinary operations and the level of capital employed (net fixed assets including goodwill + working capital requirements).

Free cash flow: Cash generated by the company during the reporting period before dividend payments, changes in treasury stock and the impact of changes in scope.

Net cash: Cash and cash equivalents after deducting financial debt and borrowings, excluding financial debt with floor plan-related financing organizations.

ABOUT GROUPE BENETEAU

A global market leader, Groupe Beneteau, thanks to its Boat Division's nine brands, offers nearly 150 recreational boat models serving its customers' diverse navigational needs and uses, from sailing to motorboating, monohulls and catamarans.

Through its Boating Solutions division, the Group is also present in the boat club, charter, marina, digital and financing sectors.

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 around 8,000 people, primarily in France, the US, Poland, Italy and Portugal.

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APPENDICES

EBITDA RECONCILIATION

€m	2023	2022
Group income from ordinary operations*	246.1	154.7
Current depreciation	58.6	59.9
Provisions	(4.0)	8.7
Other	5.6	6.0
Group EBITDA*	306.3	229.2

* Before the application of IFRS 5

Consolidated financial statements after IFRS 5

P&L

€'000	2023	2022 proforma
Revenues	1,465,089	1,250,909
Change in inventories of finished products and work-in-progress	20,917	77,501
Other income from operations	2,205	1,596
Purchases consumed	(632,956)	(614,188)
Staff costs	(414,984)	(377,116)
External expenses	(160,674)	(132,674)
Tax	(17,443)	(17,251)
Depreciation	(53,600)	(54,529)
Other current operating expenses	(9,055)	(6,814)
Other current operating income	7,292	4,388
Income from ordinary operations	206,790	131,823
Other income and expenses	(32)	2,449
Operating income	206,757	134,273
Income from cash and cash equivalents	8,085	1,630
Gross finance costs	(6,054)	(3,652)
Net finance costs	2,031	(2,022)
Other financial income	5,326	1,834
Other financial expenses	(433)	(12,028)
Financial income and expenses	6,924	(12,216)
Share in income of associates	(538)	(2,386)
Corporate income tax	(54,211)	(33,277)
Income from discontinued operations	25,987	16,759
Consolidated net income	184,920	103,152
Non-controlling interests	(72)	15
Net income (Group share)	184,993	103,137

BALANCE SHEET

ASSETS (€'000)	at Dec 31, 2023	at Dec 31, 2022
Goodwill	32,082	91,047
Other intangible assets	18,566	18,640
Property, plant and equipment	310,679	317,501
Investments in associates	74,347	74,026
Non-current financial assets	853	1,664
Deferred tax assets	23,025	15,755
Non-current assets	459,551	518,633
Inventories and work-in-progress	400,962	450,297
Trade receivables and related	25,679	80,464
Other receivables	49,458	52,019
Floor plan-related dealer receivables	387,666	267,184
Current tax assets	2,422	729
Cash and cash equivalents	398,377	356,204
Current assets	1,264,564	1,206,897
Assets held for sale	285,732	0
Total assets	2,009,847	1,725,530

SHAREHOLDERS' EQUITY AND LIABILITIES (€'000)	at Dec 31, 2023	at Dec 31, 2022
Share capital	8,279	8,279
Additional paid-in capital	27,850	27,850
Treasury stock	(20,290)	(25,273)
Consolidated reserves	655,078	592,505
Consolidated income	184,993	103,137
Shareholders' equity (Group share)	855,911	706,498
Non-controlling interests	111	(14)
Total shareholders' equity	856,021	706,484
Provisions	5,990	4,600
Employee benefits	21,244	23,933
Financial liabilities	21,911	27,975
Deferred tax liabilities	1,547	2,471
Non-current liabilities	50,692	58,979
Short-term loans and current portion of long-term loans	142,941	117,063
Floor plan-related financial debt with financing organizations	387,666	267,184
Trade payables and related	107,945	164,773
Other liabilities	295,361	352,581
Other provisions	45,762	53,611
Current tax liabilities	661	4,856
Current liabilities	980,336	960,067
Liabilities held for sale	122,798	0
Total shareholders' equity and liabilities	2,009,847	1,725,530

CASH POSITION

€'000	2023	2022 proforma
Net income for the year	155,718	96,031
<i>Consolidated net income</i>	184,920	103,152
<i>Share in income of associates (restated for dividends received)</i>	(3,215)	12,665
Elimination of income and expenses without any impact on cash flow or unrelated to operations	49,533	54,166
<i>Depreciation and provisions</i>	56,285	60,433
<i>Capital gains or losses on disposals</i>	1,684	(2,709)
<i>Deferred tax</i>	(8,436)	(3,558)
Operating cash flow	205,251	150,197
Change in working capital requirements	(83,447)	(66,083)
<i>Inventories and work-in-progress</i>	(10,624)	(108,668)
<i>Receivables</i>	(67,443)	(8,360)
<i>Current tax</i>	(5,931)	6,114
<i>Payables</i>	551	44,831
Change in floor plan-related dealer receivables	(126,893)	(123,930)
Cash flow from operating activities for discontinued operations	22,215	15,594
Total 1 - Cash flow from operating activities	17,126	(24,222)
Fixed asset acquisitions	(86,244)	(63,494)
Fixed asset disposals	(625)	3,010
Fixed asset-related receivables - payables	6,319	2,793
Impact of changes in scope	(6,766)	(101)
Cash flow from investment activities for discontinued operations	(7,930)	(11,713)
Total 2 - Cash flow from investment activities	(95,246)	(69,506)
Change in share capital	0	0
Other cash flow from financing activities	0	0
Treasury stock	(148)	(14,249)
Dividends paid to shareholders	(34,166)	(24,250)
Issuing of financial debt	9,618	14,407
Repayment of financial debt	(9,831)	(11,246)
Change in floor plan-related financial debt with financing organizations	126,886	123,917
Cash flow from financing activities for discontinued operations	(778)	2,474
Total 3 - Cash flow from financing activities	91,581	91,053
CHANGE IN CASH POSITION (1+2+3)	13,461	(2,675)
Opening cash position	306,469	308,489
Closing cash position (1)	320,496	306,469
Impact of changes in exchange rates	566	655