

GRUPE BENETEAU



FEBRUARY 7, 2018

FINANCIAL INFORMATION MEETING



PRESTIGE



CNB

FOUR WINNS



IRM

O'HARA

Coco
Swift



SGB
FINANCE

CONTENTS

01
_

2018
market
trends

02
_

Transform to
Perform plan
moving forward

03
_

Order book

04
_

2018 trends



01

2018 MARKET TRENDS

Hervé Castinel
Chief Executive Officer

2018 MARKET TRENDS

CHALLENGE OF GROWTH

Today, the environment is positive, with buoyant markets.

2018 MARKET TRENDS

GLOBAL BOAT MARKET



Revenues +3%
Volumes +2%

FRENCH LEISURE HOMES MARKET



Revenues +12%
Volumes +10%

2018 MARKET TRENDS

SAILBOAT MARKET MONOHULL

Revenue trends

Stable global market driven by the renewal of charter fleets.

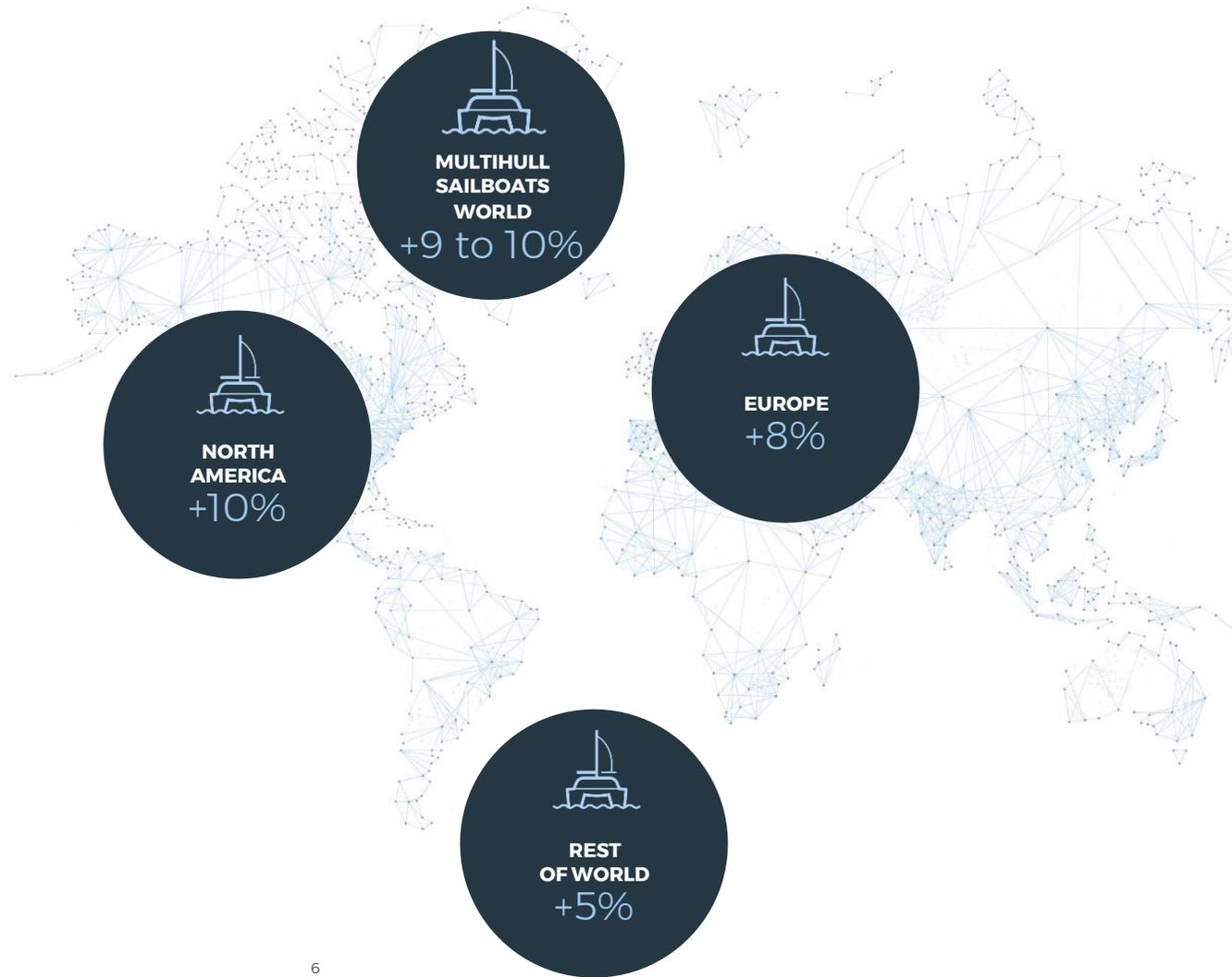


2018 MARKET TRENDS

SAILBOAT MARKET MULTIHULL

Revenue trends

The multihull sailboat market is continuing to see robust growth worldwide.

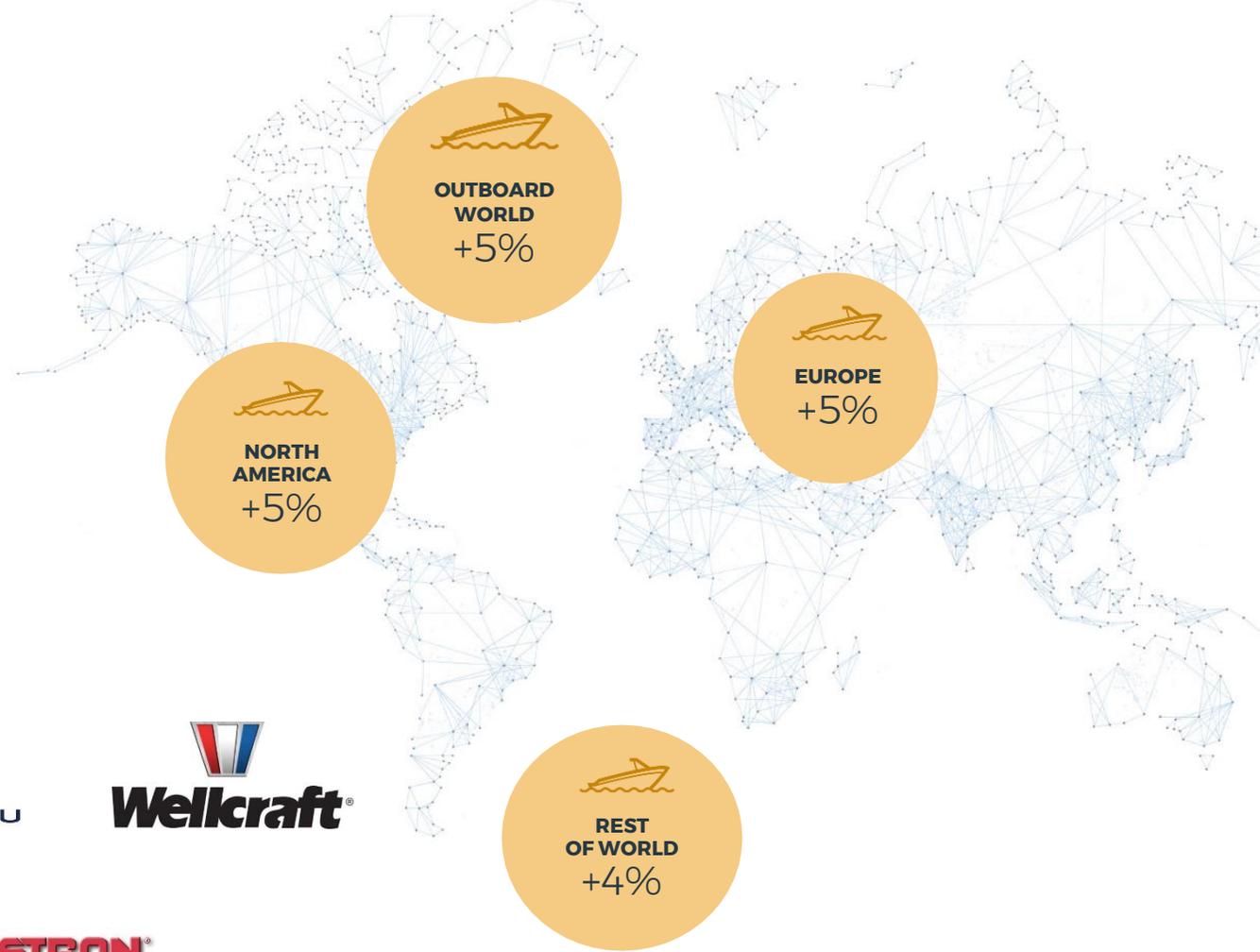


2018 MARKET TRENDS

MOTORBOAT MARKET OUTBOARD

Revenue trends

Dynamic global market, with demand transitioning to larger units and more powerful engines.

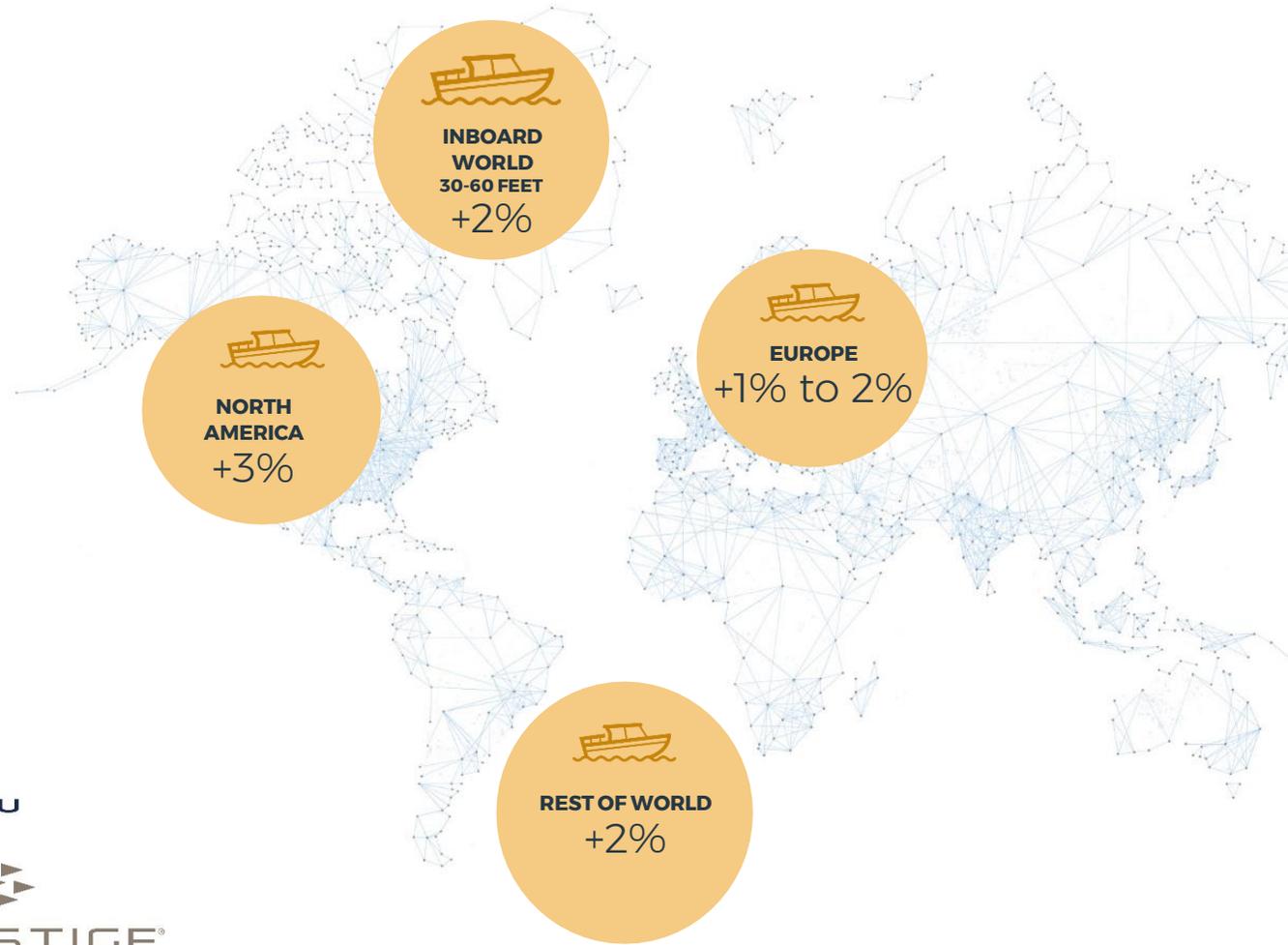


2018 MARKET TRENDS

MOTORBOAT MARKET INBOARD 30-60 feet (9.14-18.28m)

Revenue trends

Core-range global market driven by new models and innovation.

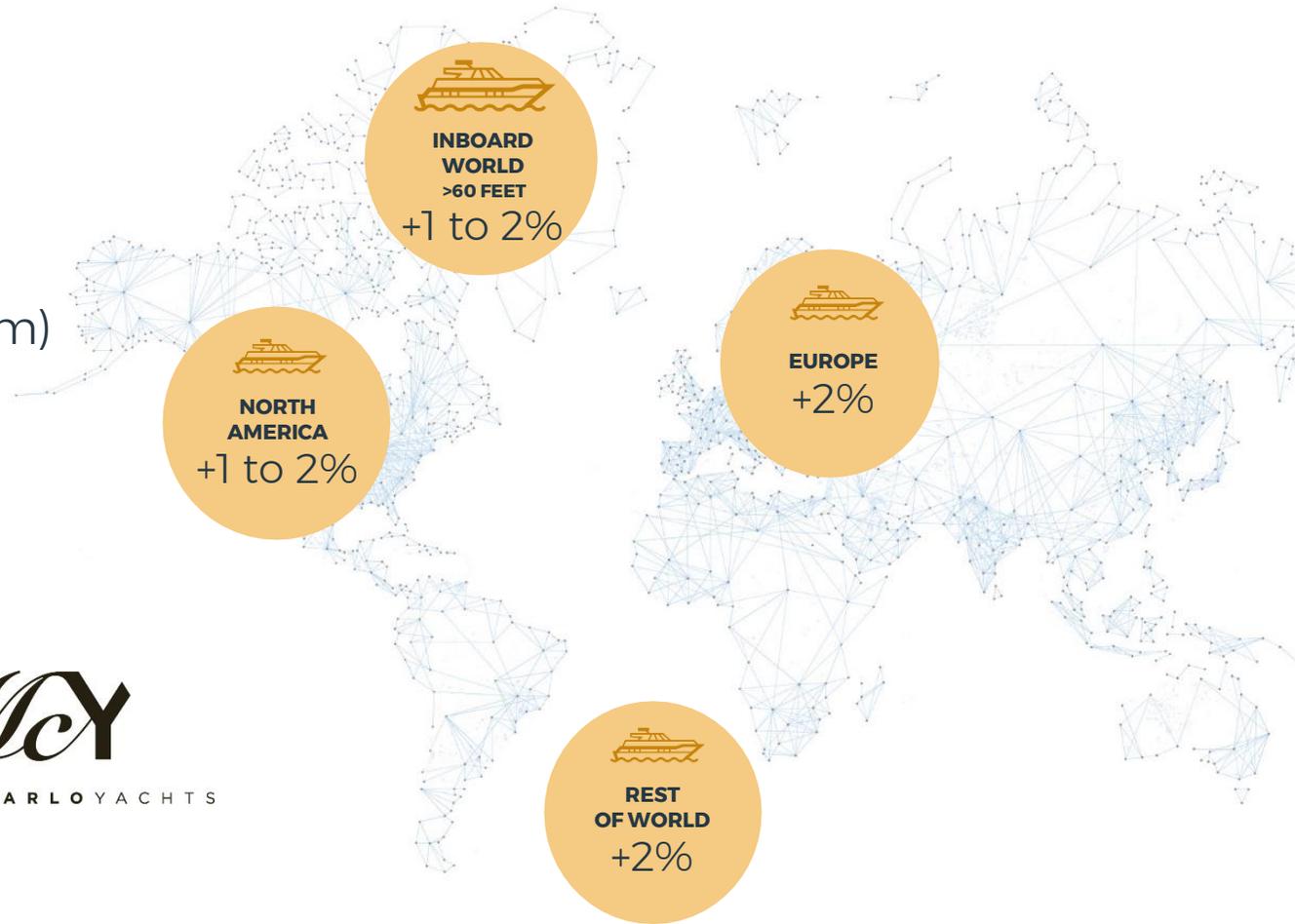


2018 MARKET TRENDS

MOTORBOAT MARKET INBOARD 60-120 feet (18.28-36.56m)

Revenue trends

Fragmented market in terms of volume, but stronger than the core market segment in terms of value.



2018 MARKET TRENDS

LEISURE HOMES MARKET

Revenue trends



Positive trends for the Housing Division's 2 core markets

O'HARA
Le plein de vie !

Coco
Sweet®

IRM
IDÉALE RÉSIDENCE MOBILE

FRANCE
+12% market growth
Objective to outperform the market

BENELUX
⬇️ Weaker demand following an average 2016-17 season for campsites

SPAIN
⬇️ Weaker market, political situation in Catalonia

ITALY
⬆️ Dynamic market

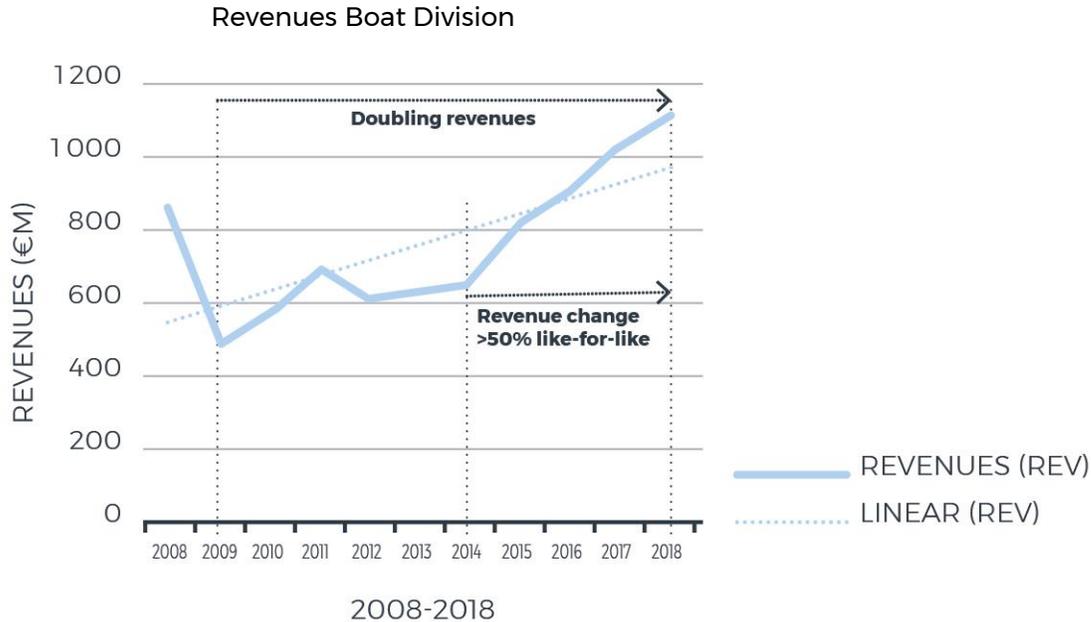
02

*Transform
to perform*

PLAN MOVING
FORWARD



CHALLENGE OF GROWTH

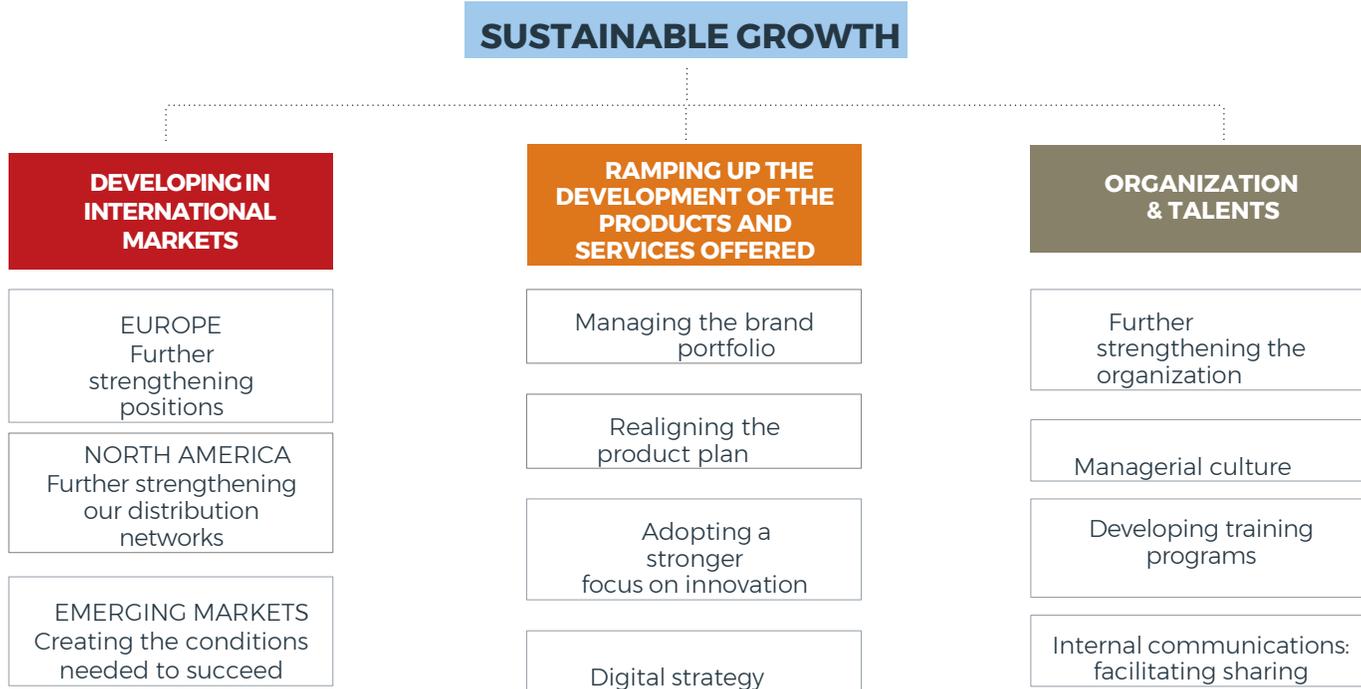


The Transform to Perform plan is enabling the Group to:

- ▶ Respond to the strong market upturn following a significant crisis
- ▶ Grow more quickly than the market
- ▶ Achieve operational performance gains despite the product plan's growing complexity

ENSURE SUSTAINABLE AND PROFITABLE GROWTH





SUSTAINABLE GROWTH

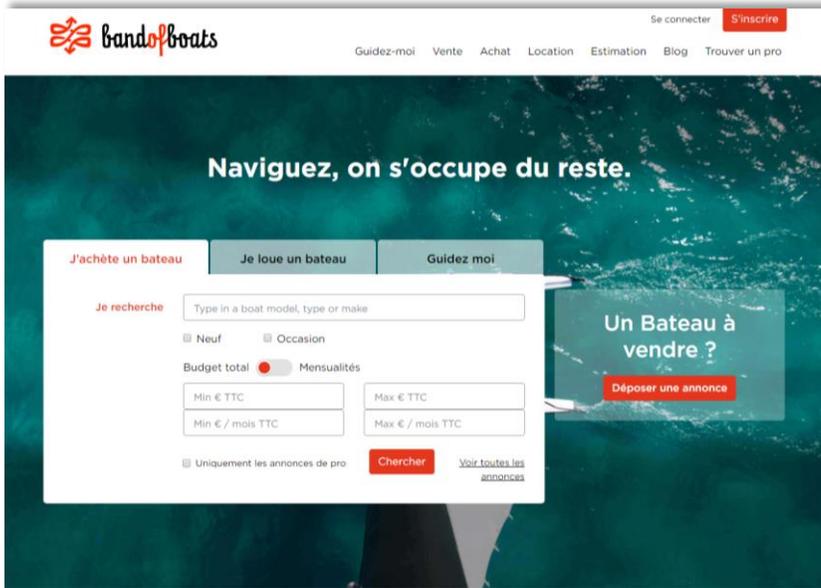
DEVELOPING IN INTERNATIONAL MARKETS

OBJECTIVES	BOAT DIVISION	HOUSING DIVISION
EUROPE Further strengthening positions	<ul style="list-style-type: none"> ▶ Over the past 3 years (2015-2017), +27.5% sales growth ▶ Growth twice as strong as the market 	<ul style="list-style-type: none"> ▶ Over the past 3 years (2015-17), +30% sales growth ▶ Priority focus on development in France and Italy
NORTH AMERICA Further strengthening our distribution networks	<ul style="list-style-type: none"> ▶ Over the past 3 years, +19.1% sales growth ▶ Good integration of the US brands ▶ Market-leading distribution networks put in place ▶ Sales and industrial teams structured under Groupe Beneteau Americas ▶ Range further strengthened with European outboard boats produced in the US 	
EMERGING MARKETS Creating the conditions needed to succeed	<ul style="list-style-type: none"> ▶ Over the past 3 years, +29.1% sales growth ▶ Asia-Pacific sales teams structured under Groupe Beneteau Asia Pacific ▶ Production shut down in Brazil and review carried out looking into an industrial presence in Asia 	

SUSTAINABLE GROWTH

RAMPING UP THE DEVELOPMENT OF THE PRODUCTS AND SERVICES OFFERED

OBJECTIVES	BOAT DIVISION	HOUSING DIVISION
Managing the brand portfolio	<ul style="list-style-type: none"> ▶ Steering and coordination by the Group Product Strategy Committee 	<ul style="list-style-type: none"> ▶ IRM range repositioned in relation to O'HARA
Realigning the product plan	<ul style="list-style-type: none"> ▶ Acceleration of the product plan: +€4M for the current financial year / 38 new models launched in 2018 (+30%) ▶ Capacity investments for the multihull / outboard segments and production in the US: €20M for the current financial year 	<ul style="list-style-type: none"> ▶ Premiumization with O'HARA's hotel-style Key West range ▶ Development of an Italian range
Adopting a stronger focus on innovation	<ul style="list-style-type: none"> ▶ Connected boat: SHIP CONTROL ▶ Performance sailing yachts: Figaro 3 foils ▶ Uses: boat clubs 	<ul style="list-style-type: none"> ▶ 2017 SETT d'Or Innovation Award for Easy Clean
Digital strategy	<ul style="list-style-type: none"> ▶ Boat services platform: launch March 2018 ▶ 2017-18 OPEX: €1.7M out of a total of €3-5M 	<ul style="list-style-type: none"> ▶ Digital platform: leisure homes guide



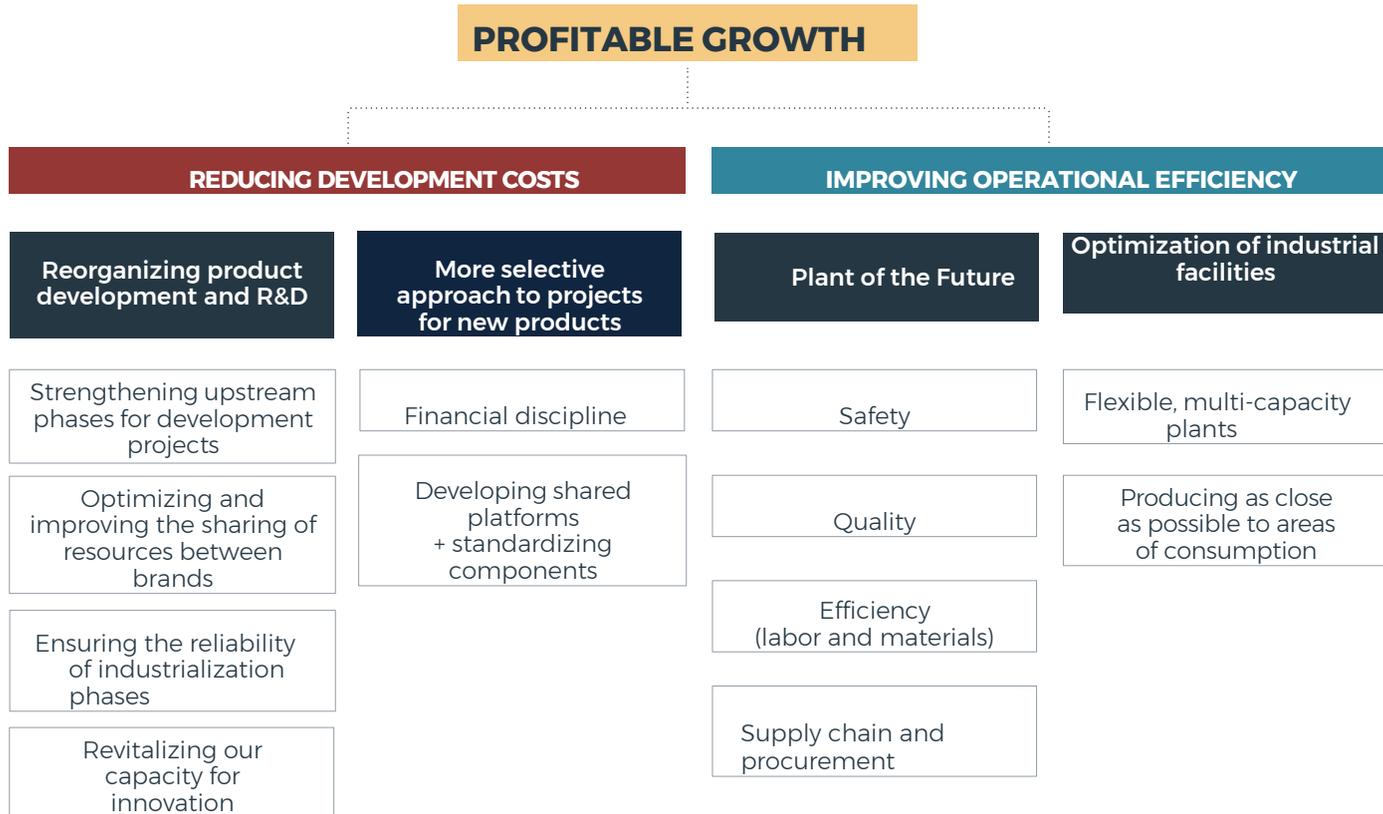
DIGITAL STRATEGY BOATS & HOUSING



SUSTAINABLE GROWTH

ORGANIZATION AND TALENTS

OBJECTIVES	GROUP
<p>Further strengthening the organization</p>	<ul style="list-style-type: none"> ▶ Boat Division: plan to recruit 450 permanent staff in France and 100 positions internationally (1/3 retirements) ▶ Housing Division: plan to recruit 50 permanent staff in France (1/3 retirements), reorganization completed and BIO and BH legal entities merged ▶ Teams further strengthened (indirect workforce, R&D, sales / marketing and support): €10-12M for the current financial year
<p>Managerial culture</p>	<ul style="list-style-type: none"> ▶ First in-house opinion poll conducted and managerial action plan defined ▶ Managerial training programs: Executive MBA, Visa Manager, BIO2020
<p>Developing training programs</p>	<ul style="list-style-type: none"> ▶ In-house technical training center: nearly 2,000 staff trained in 2017 ▶ Integration of temporary staff further strengthened ▶ In-house training centers set up in the US and Poland
<p>Internal communications: facilitating sharing</p>	<ul style="list-style-type: none"> ▶ Deployment of collaborative tools, teambuilding and sports events, BCOM internal newsletter, new intranet design



PROFITABLE GROWTH

REDUCING DEVELOPMENT COSTS

OBJECTIVES	BOAT DIVISION
<p>Strengthening upstream phases for development projects</p> <p>Optimizing and improving the sharing of resources between brands</p>	<ul style="list-style-type: none"> ▶ Transformation of design teams completed to guarantee: <ul style="list-style-type: none"> - Robust and reliable pre-project scoping upstream - Smooth transition from prototypes to large-scale production downstream ▶ Pooling of the Architecture, Calculation, Digital Modelling, Design Technician teams
<p>Ensuring the reliability of industrialization phases</p>	<ul style="list-style-type: none"> ▶ Strengthening of product development / plant interfaces ▶ Creation of joint sailboat / motorboat design teams and a central Methods unit
<p>Revitalizing our capacity for innovation</p>	<ul style="list-style-type: none"> ▶ Integrated management of R&D with 5 indicators / ratios ▶ Organization of Tech Days and Symposium for architects and designers
<p>Developing shared platforms + standardizing components</p>	<ul style="list-style-type: none"> ▶ Development of new features within and between the Group's brands based on shared platforms and standardized components
<p>Financial discipline</p>	<ul style="list-style-type: none"> ▶ 3 project selection criteria: margin on direct costs, impact on income from ordinary operations, ROI/ROCE ratio

PROFITABLE GROWTH

IMPROVING OPERATIONAL EFFICIENCY

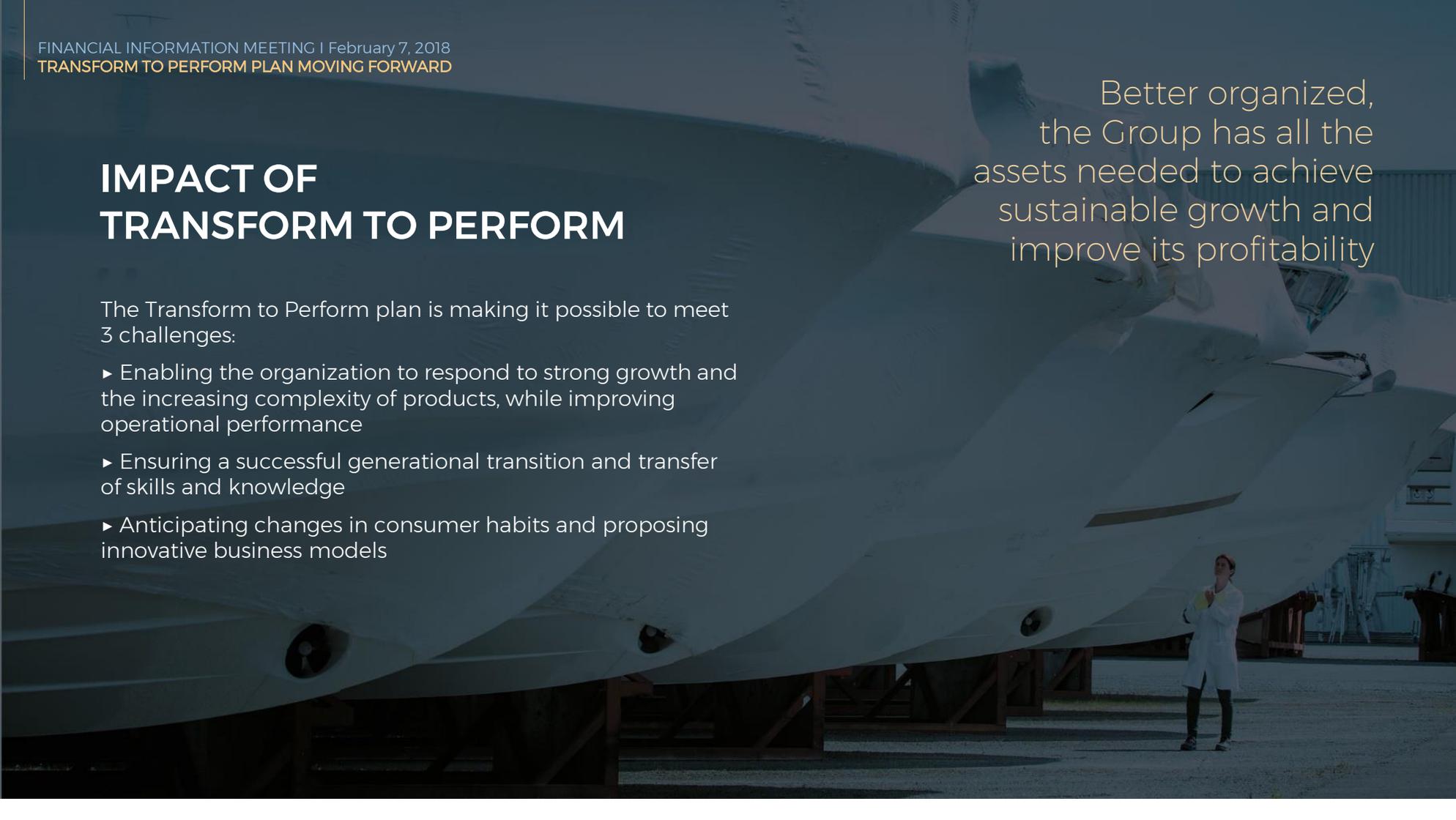
OBJECTIVES	BOAT DIVISION	HOUSING DIVISION
Safety Dividing the frequency rate by 2 in 2 years	<ul style="list-style-type: none"> ▶ Global BSAFE plan: -27% reduction in accidents resulting in time off work (2017) ▶ 3,500 safety dialogue reviews carried out in 2017 	
Quality 2018 customer complaints Boats: -10% Housing: -10%	<ul style="list-style-type: none"> ▶ Improvement plan focused on 3 key areas for quality: development, suppliers, production ▶ ISO 9001/14001/50001 	<ul style="list-style-type: none"> ▶ -30% reduction in customer complaints in 2017
Efficiency (labor and materials) 0.5 pts 2020 income from ordinary operations	<ul style="list-style-type: none"> ▶ Plant of the Future plan: direct workforce efficiency gains for the 19 production sites ▶ SPBI target for 2018: +3 productivity pts 	
Supply chain and procurement	<ul style="list-style-type: none"> ▶ Reorganization and specialization of logistics platforms in Vendée ▶ Project procurement function set up (design to cost) 	<ul style="list-style-type: none"> ▶ Logistics platform project ▶ Optimization of the supply chain post-ERP
Flexible, multi-capacity plants	<ul style="list-style-type: none"> ▶ Adaptation of a monohull production site for mono and multihull production in 2017 	<ul style="list-style-type: none"> ▶ Industrial roadmap in place ▶ Transformation of BH industrial facilities
Producing as close as possible to areas of consumption	<ul style="list-style-type: none"> ▶ Strengthening and ramping up of production sites in line with local demand (adding new products, e.g. European outboards built in the US and US boats in Poland) 	

IMPACT OF TRANSFORM TO PERFORM

The Transform to Perform plan is making it possible to meet 3 challenges:

- ▶ Enabling the organization to respond to strong growth and the increasing complexity of products, while improving operational performance
- ▶ Ensuring a successful generational transition and transfer of skills and knowledge
- ▶ Anticipating changes in consumer habits and proposing innovative business models

Better organized,
the Group has all the
assets needed to achieve
sustainable growth and
improve its profitability





03
-

ORDER BOOK

BOAT BUSINESS

At Dec 31, 2017 vs Dec 31, 2016



SAILING SEGMENT

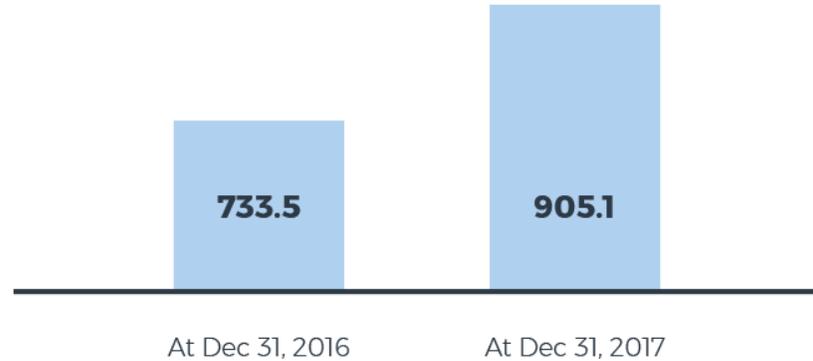
+ 25.1%



MOTOR SEGMENT

+ 21.9%

Order book growth in €M
+ 23.4%



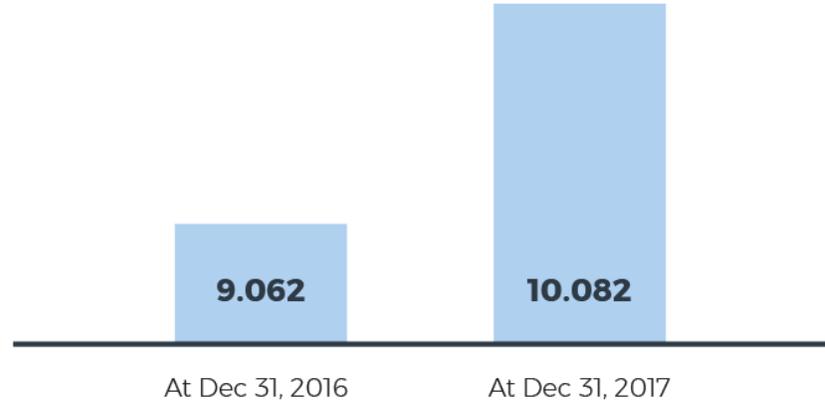
The growth in the order book at December 31, 2017 is not reflected in an increase on the same scale in full-year revenues.

LEISURE HOMES BUSINESS

At Dec 31, 2017 vs Dec 31, 2016



Order book growth in units
+11.3%



The order book position does not reflect the change in revenues

04
-

2018 TRENDS

YEAR FOCUSED ON CONQUEST

	AT AUG 31, 2017	2018 TRENDS	COMMENTS
REVENUES	€1,208.3 M	+6-8% reported revenues +8-10% revenues at constant exchange rates	<ul style="list-style-type: none"> ▶ Boat business +5.5% to +7.5% (outpacing the markets) ▶ Leisure homes business: +11% to +13% (market share growth in a buoyant environment) ▶ Residential housing business shut down and ongoing projects completed under good conditions
INCOME FROM ORDINARY OPERATIONS	€85.6 M (7.1%)	Income from ordinary operations stable as % of revenues (reported data)	<ul style="list-style-type: none"> ▶ Rate for income from ordinary operations 1 year ahead of the Transform to Perform plan at constant exchange rates ▶ Negative impact of EUR/USD exchange rate: €8-11 M Plan adopted with measures to minimize this ▶ Return to employee profit-sharing for the Group's main subsidiary after clearing losses carried forward: €8-9 M for this year (including €3 M increase in performance-related bonus); impact already integrated into the 2020 target for income from ordinary operations
INVESTMENT	€78.8 M	Around +20%	<ul style="list-style-type: none"> ▶ Acceleration of the development of new products to capture market growth (high point) ▶ Development of production capacity for multihulls and outboards (completion of the industrial plan)



QUESTIONS & ANSWERS



GRUPE BENETEAU

beneteau-group.com

