

GROUPE  BENETEAU

# 2018-19 HALF-YEAR EARNINGS

April 29, 2019



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# GROUP OVERVIEW

**Hervé Gastinel**  
Chief Executive Officer

## GROUP KEY FIGURES

FIRST HALF OF 2018-19 (September 1, 2018 - February 28, 2019)

€m	H1 2018-19	H1 2017-18	Change	
			(reported data)	(constant exchange rates)
Revenues	495.9	464.9	+6.7%	+5.6%
- Boats	403.8	378.0	+6.8%	+5.6%
- Housing	92.1	86.9	+6.0%	+6.0%
EBITDA	32.5	26.1	+24.5%	+13.9%
Income from ordinary operations	-3.4	-4.4	ns	
Net income (Group share)	-1.6	0.1	ns	

- ▶ Satisfactory progress with first-half revenues, with this period's significance still relatively limited due to seasonality
- ▶ Progress with EBITDA against a backdrop of sustained investment
- ▶ Income from ordinary operations traditionally negative for this period of the year
- ▶ Deterioration in net income, affected by currency hedging



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# BUSINESS REVIEW

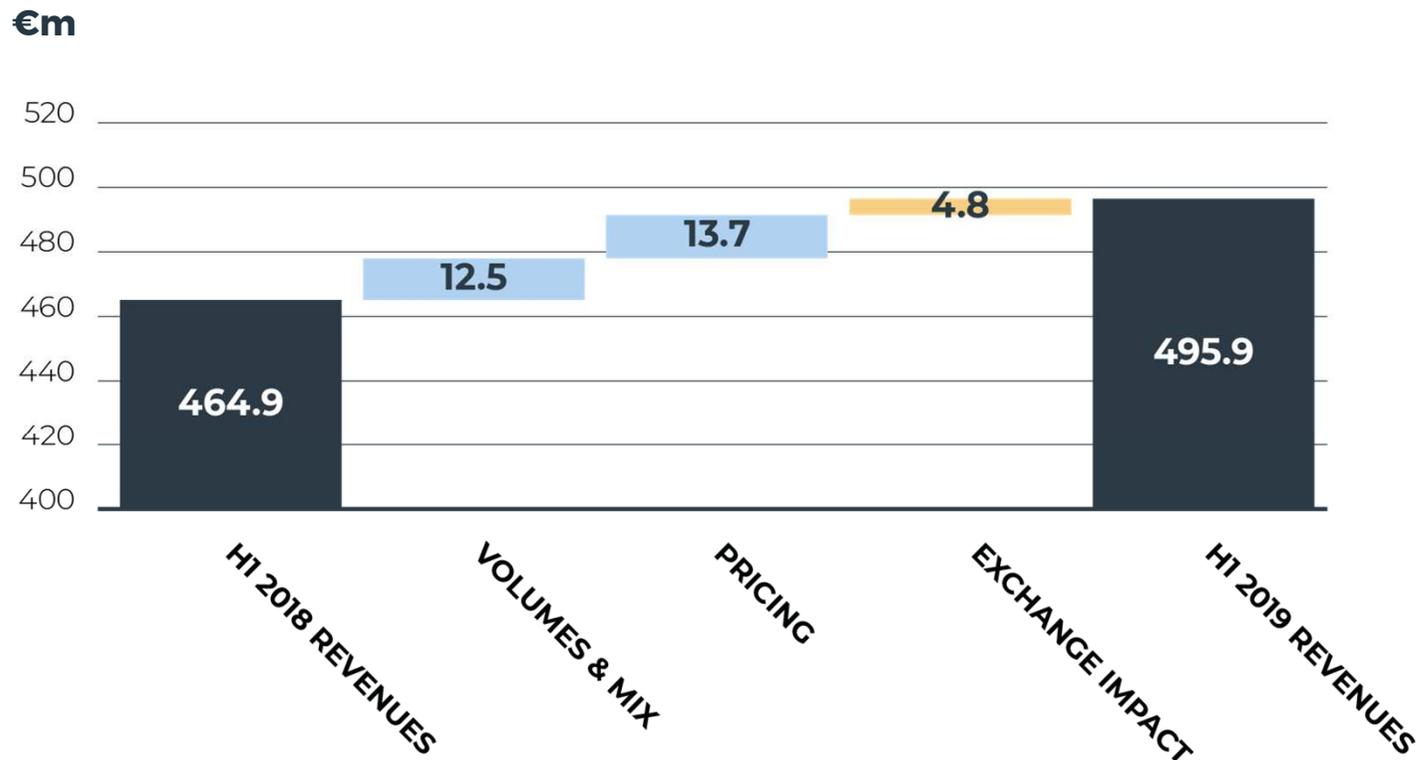
## H1 2018-19

## SATISFACTORY GROWTH FOR GROUP REVENUES IN H1 2019

### Increase in revenues

+6.7% on a reported basis

+5.6% at constant exchange rates



The euro-dollar foreign exchange impact was favorable during the first half of the year

## BOAT DIVISION: CONTRASTING MARKET SITUATIONS

### FIRST HALF OF 2018-19

€m	H1 2018-19	H1 2017-18	Change (reported data)	Change (constant exchange rates)
Europe	176.9	182.5	-3.0%	-3.1%
North and Central America	121.3	100.0	+21.3%	+16.7%
South America	2.7	5.7	-52.0%	-52.2%
Asia-Pacific	22.4	34.9	-35.9%	-36.1%
Rest of world	14.6	13.0	+12.1%	+11.5%
Fleets	65.9	41.9	+57.4%	+57.4%
<b>TOTAL REVENUES</b>	<b>403.8</b>	<b>378.0</b>	<b>+6.8%</b>	<b>+5.6%</b>

#### ► Europe

Good trends on Continental European markets  
Significant drop in sales for Turkey and the UK

#### ► North and Central America

Increase in sales for European brands

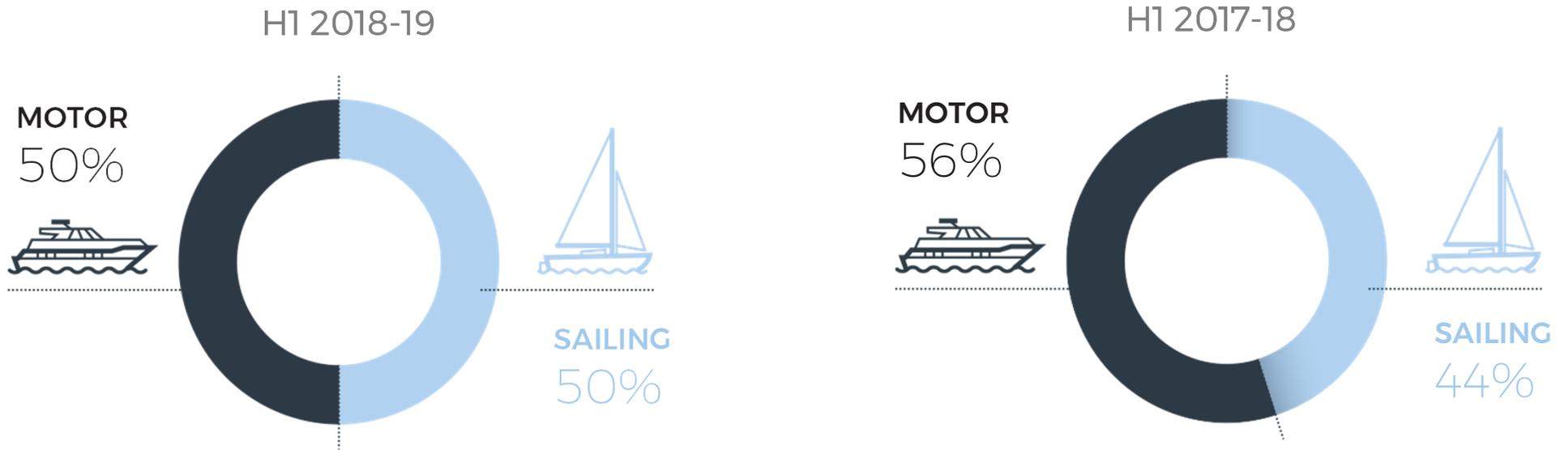
#### ► Asia-Pacific

Contraction in sales in a market with low activity levels

#### ► Fleets

Sales driven by demand for multihulls

## PROGRESS FOR THE SAILING AND MOTORBOAT BUSINESS LINES



Growth in fleet sales for charter firms and the Figaro Beneteau 3 effect (over 50 boats sold in H1) are reflected in a 6-point increase in the percentage of sailing yachts.

## FIRST-HALF KEY DEVELOPMENTS

### Numerous investments for the future - PRODUCTS

#### ► Product plan: launch of the new EXCESS brand

Development of the range (5 models) and construction of 2 prototypes to be presented at the Cannes Yachting Festival in September 2019

#### ► Acceleration of innovation

Development of the flight feature on the prototype motor foiler  
Launch of the Sun Loft 47, a monocat for cabin cruising

#### ► Award-winning new models in Europe, North America and Asia-Pacific

European Yacht of the Year 2019 – Beneteau Oceanis 46.1  
US Sailing World Boat of the Year 2019 – Figaro Beneteau 3  
US Cruising World Boat of the Year 2019 – Jeanneau Sun Odyssey 410 & 490  
Best Sailing Yacht in Asia 2019 – Jeanneau Sun Odyssey 410  
Asia Boating Award 2019 Sailing Multihull up to 50ft – Lagoon 46  
Asia Boating Award 2019 – Sailing Monohull over 50ft – CNB 66  
Asia Boating Award 2019 Sport Cruiser up to 55ft – Prestige 520S  
Asia Boating Award 2019 Best Flybridge Yacht 55-80ft – MCY 70

32 new models launched in the 2018-19 season



Motor foiler



Sun Loft 47



Excess 12 and 15

## FIRST-HALF KEY DEVELOPMENTS

### Numerous investments for the future - USES AND SERVICES

► **Innovative uses:**  
**DockSense assisted docking**

Joint development by Raymarine and Prestige

► **Development of offers adapted for new forms of consumption**

Beneteau Boat Club: 17 bases being set up in Europe (France, Spain, Norway) and member community being developed

Freedom Boat Club x Jeanneau: 3 bases opened in France and around 10 openings to come (France, UK, Italy, Spain)

► **Development of the Band of Boats platform**

250k unique visitors / month  
>10k boats for sale  
16k boats to rent  
450 professionals

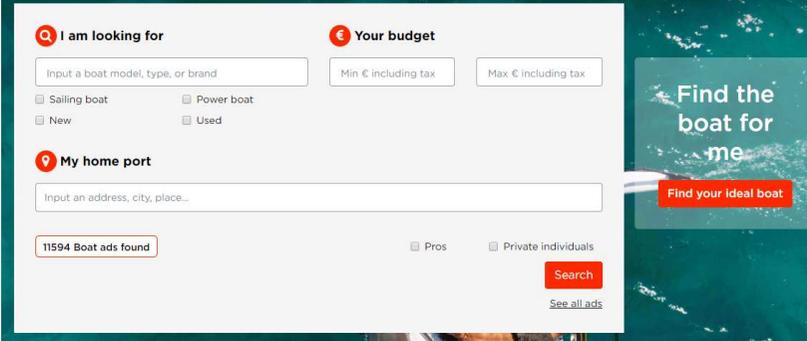
DockSense



Boat clubs



### Thousands of boat ads: sailboats, yachts, motorboats, catamarans



**Q I am looking for**  
Input a boat model, type, or brand  
 Sailing boat  Power boat  
 New  Used

**€ Your budget**  
Min € including tax Max € including tax

**📍 My home port**  
Input an address, city, place...

11594 Boat ads found  Pros  Private individuals

[Search](#)  
[See all ads](#)

Find the boat for me  
[Find your ideal boat](#)

## FIRST-HALF KEY DEVELOPMENTS

### Numerous investments for the future - OPERATIONS

#### ► Optimization of industrial operations

Group	Christophe Caudrelier appointed to head up Boat operations in Europe
USA	Yannick Madiot appointed as COO for the US
France	Renovation and extension of the St Gilles Croix de Vie site Continuation of the plan aiming to double multihull production capacity
Poland	Integration of Delphia moving forward

C. Caudrelier, Boat Division Europe



Renovation and extension - St Gilles Croix de Vie



Y. Madiot, new COO in the US



## LEISURE HOMES BUSINESS DYNAMIC, BUT NOT VERY REPRESENTATIVE FOR THE YEAR

### H1 2018-19

€m	February 2019	February 2018	Change (reported data)	Change (constant exchange rates)
<b>Revenues</b>	<b>92.1</b>	<b>86.9</b>	<b>+6.0%</b>	<b>+6.0%</b>
- Leisure homes	92.1	86.4	+6.6%	+6.6%
- Residential housing	0	0.5	ns	

▶ First-half revenue growth linked primarily to a slight time-lag effect with seasonality, reflected in orders and deliveries completed earlier in the year.

▶ First-half revenue growth does not reflect the state of the order book, which is down.

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# FINANCIAL RESULTS

## H1 2018-19

**Christophe Caudrelier**

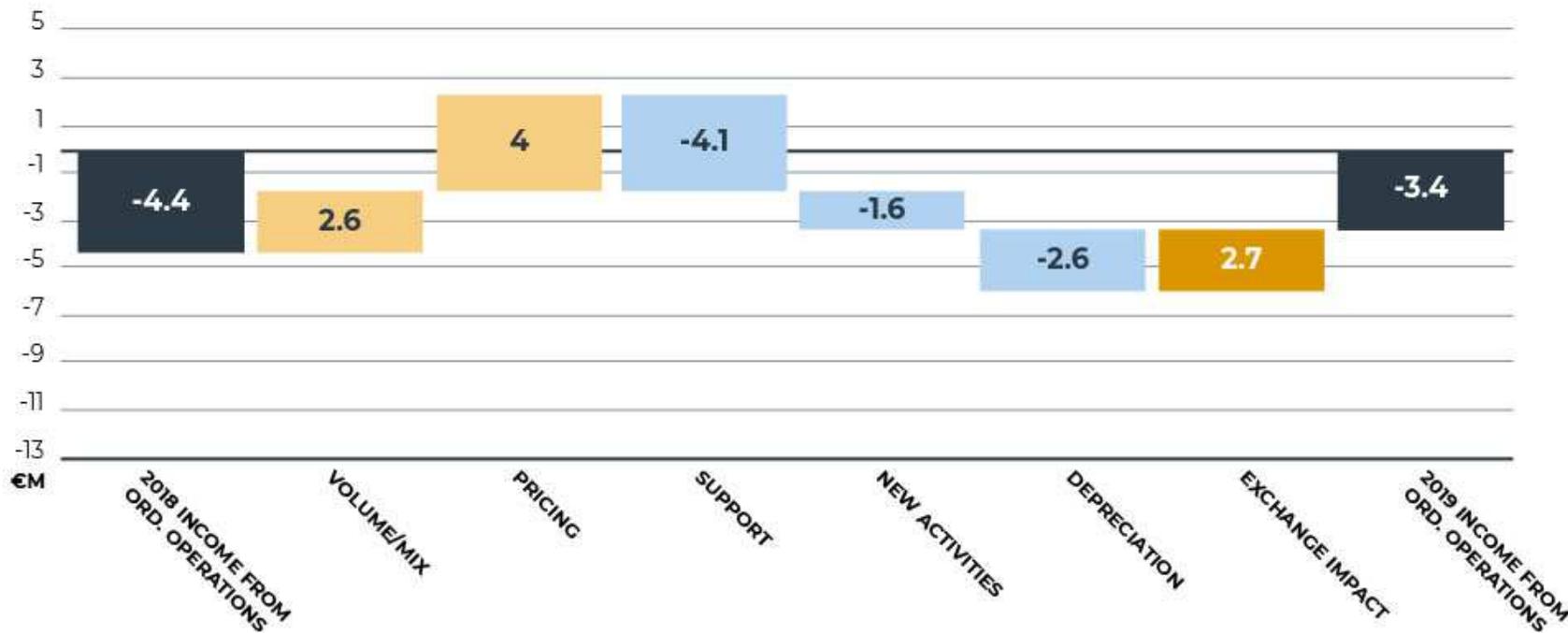
Group Deputy Managing Director  
Group Chief Financial Officer



## INCOME FROM ORDINARY OPERATIONS

€m	H1 2018-19	H1 2017-18	Change (reported data)	Change (constant exchange rates)
Revenues	495.9	464.9	+6.7%	+5.6%
- Boats	403.8	378.0	+6.8%	+5.6%
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<b>EBITDA</b>	<b>32.5</b>	<b>26.1</b>	<b>+24.5%</b>	<b>+13.9%</b>
- Boats	22.6	17.0	+32.5%	+16.4%
- Housing	9.9	9.1	+9.3%	+9.3%
<b>Income from ordinary operations</b>	<b>-3.4</b>	<b>-4.4</b>	ns	
- Boats	-11.0	-11.9	ns	
- Housing	7.7	7.5	+2.3%	+2.3%

## BREAKDOWN OF INCOME FROM ORDINARY OPERATIONS FOR H1 2018-19 vs. H1 2017-18



- ▶ Income from ordinary operations penalized by the negative impact of additional support costs (indirect production labor, R&D and sales costs), costs linked to the launch of new activities (including Band of Boats and Beneteau Boat Club), and allocations for investments (linked primarily to product development for the new catamaran brand Excess and the Sun Loft 47).

## INCOME FROM ORDINARY OPERATIONS ADJUSTED FOR CURRENCY HEDGING

€m	H1 2018-19	H1 2017-18
Revenues	495.9	464.9
Income from ordinary operations	- 3.4	- 4.4
<b>Financial income and expenses</b>	<b>- 3.6</b>	<b>1.3</b>
Of which:		
Currency hedging	- 2.0	2.5
Interest costs net of investment income	- 1.6	- 1.2
<b>Income from ordinary operations adjusted for currency hedging</b>	<b>- 5.4</b>	<b>- 1.9</b>
<b>Adjusted income from ordinary operations as % of revenues</b>	<b>ns</b>	<b>ns</b>

► Deterioration in financial income and expenses following the negative impact of currency hedging

## NET INCOME

€m	H1 2018-19	H1 2017-18
Income from ordinary operations	-3.4	-4.4
Other operating income and expenses	0	0
Operating income	-3.4	-4.4
Financial income and expenses	-3.6	1.3
Associates	1.9	1.4
Tax	2.1	1.0
Consolidated net income	-2.9	-0.6
<b>Net income (Group share)</b>	<b>-1.6</b>	<b>0.1</b>

► Deterioration in net income due to the impact of financial income and expenses

## CASH

€m	HI 2018-19	HI 2017-18	FY 2017-18
Income from ordinary operations	-3.4	-4.4	87.6
Depreciation	35.3	32.4	65.7
Provisions	0.6	-1.6	-0.3
Financial income and expenses	-3.6	1.3	1.0
Tax	-0.7	-2.5	-35.8
Other	0.4	0	2.9
<b>Operating cash flow</b>	<b>28.8</b>	<b>25.2</b>	<b>121.2</b>
Net cash flow from investments	-46.7	-42.1	-81.3
Change in working capital	-192.5	-129.2	33.6
Other	-1.3	2.3	-0.9
<b>Free cash flow</b>	<b>-211.7</b>	<b>-143.9</b>	<b>72.6</b>
Dividends / treasury stock	-23.1	-20.4	-18.4
Change in scope	-26.0	0	0
<b>CHANGE IN NET CASH</b>	<b>260.8</b>	<b>-163.5</b>	<b>52.2</b>
Opening net cash position	161.9	109.6	109.7
Closing net cash position	-98.9	-53.9	161.9

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# OUTLOOK

## FULL-YEAR OUTLOOK CONFIRMED FOR 2018-19

### BOAT BUSINESS



- ▶ Performance in line with forecasts on markets with slight growth
- ▶ Satisfactory growth in North America
- ▶ Continued growth for fleets
- ▶ Estimated full-year revenue growth of 4% to 6% (reported data)

### HOUSING BUSINESS



- ▶ Order book down for the Leisure Homes business
- ▶ Slight contraction expected for full-year revenues

### OUTLOOK FOR THE GROUP UNCHANGED

- ▶ Expected global revenue growth of around 3% to 5% based on reported data and 2% to 4% at constant exchange rates
- ▶ Income from ordinary operations stable based on reported data

# APPENDICES

<b>AT CONSTANT EXCHANGE RATES</b>	Change in an item calculated by converting the figures for the first half of 2018-19 based on the rates for FY 2017-18.
<b>EBITDA</b>	Earnings before interest, taxes, depreciation and amortization, i.e. operating income restated for allocation / reversal of provisions for liabilities and charges and depreciation charges.
<b>FREE CASH FLOW</b>	Cash generated by the company during the reporting period before dividend payments and changes in treasury stock.
<b>NET CASH</b>	Cash and cash equivalents after deducting financial debt and borrowings.
<b>INCOME FROM ORDINARY OPERATIONS ADJUSTED FOR CURRENCY HEDGING</b>	<p>Income from ordinary operations after taking into account currency hedging income and expenses.</p> <p>Income from ordinary operations adjusted for currency hedging is an alternative performance 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.</p>

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