



Company Intelligence Report

Azimut-Benetti S.p.A.

2016 Headline Financials

Overview

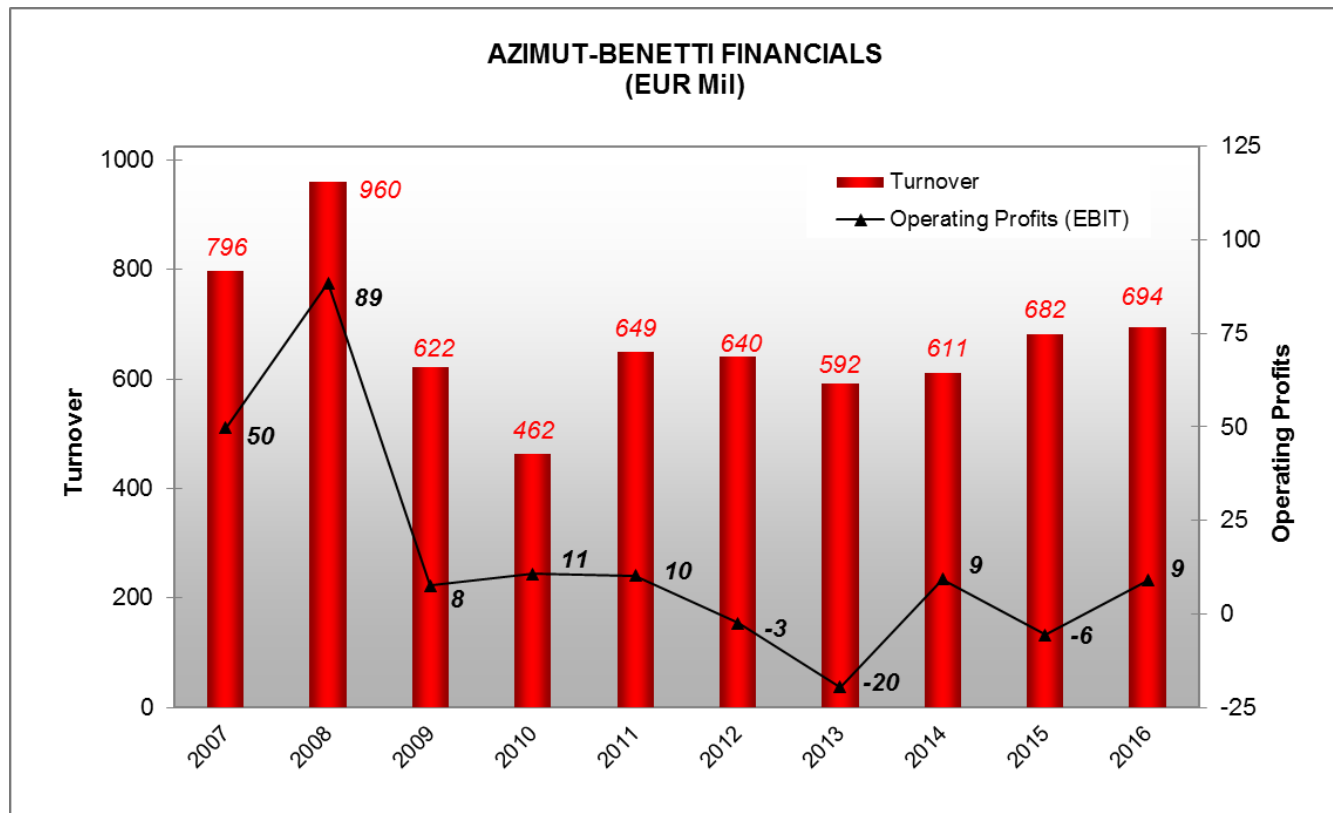
- Italy's Azimut-Benetti Group is a global leader in luxury yacht production and Italy's largest builder in terms of revenues. The Group produces some 45 models from 10 up to 100 meters under the Atlantis, Azimut, Azimut Grande and Benetti brands, including open/sport and flybridge cruisers, semi-custom and custom superyachts.
- Azimut-Benetti has seven production facilities in Italy and one yard in Brazil, opened in 2010. The Group also provides a range of yacht services for owners and operates several marinas. Consolidated results for the company's global businesses are presented below, with the Azimut-Benetti boat production business accounting for more than 90% of Group turnover and assets.
- Head Office Location: Viareggio, Italy
- Latest Accounts: 31/08/2016
- Ultimate Owner: Vitelli family (88%); Tamburi Investment Partners (12%)
- Subsidiaries: Azimut has 20 some subsidiaries including a production plant in Brazil, Fraser Yachts, US offices, 3 marinas in Italy and 1 in Moscow, and service centres around the world.
- Web Address: www.azimutbenetti.it

Key Financial Results (EUR)

<i>Azimut-Benetti S.p.A. (Consolidated)</i>	2016 € mil	2015 € mil	2015-16 % change
Operating Revenue (Turnover)	694.478	682.170	1.8%
Operating profit (EBIT)	9.015	-5.740	257.1%
EBITDA	26.685	18.026	48.0%
Profit/Loss before tax	0.901	-18.594	104.8%
Profit/Loss for period (Net Income)	-7.918	-19.728	59.9%
Total Assets	885.675	873.168	1.4%
Total Liabilities	750.488	721.949	4.0%
Net Working Capital	72.185	99.693	-27.6%
Ratios			
EBITDA Margin (%)	3.84	2.64	
Profit Margin (%)	0.13	-2.73	
Current Ratio (x)	1.11	1.16	
Interest Coverage (%)	0.98	-0.66	
Employees	1,800	1,913	-5.9%

Historical Trends

- The Azimut-Benetti Group maintained positive operating earnings (before interest and tax) in all but three years following the global recession, while still investing in new product development. Turnover began recovering in 2011, but lost some ground again in 2012 and 2013.
- Turnover grew close to 2% in 2016, following growth of 11.6% the previous year. Profitability (Net Income after taxes) remained negative in 2016 at -€8.9m, but registered a 60% improvement over a net loss of -€19.8m during the 2015 financial year. Profit before taxes was positive at €901,000, a 105% improvement.



Definitions

- **Net Income** – the residual income of a firm after adding total revenue and gains and subtracting all expenses, losses and taxes for the reporting period. Net earnings and net profit are commonly used as synonyms for net income. Typically found on the last line of a company's income statement, net income is also informally referred to as the bottom line.
- **EBIT** – a measure of earnings before interest and tax and very closely related to or equivalent to operating profits. Indicating a company's earning power from ongoing operations, EBIT excludes income and expenditure from unusual, non-recurring or discontinued activities. It is also commonly used to compare performance across companies because it negates the effects of different capital structures and tax rates.
- **EBITDA** – a measure of earnings before interest, taxes, depreciation, and amortization. EBITDA goes a step further than EBIT in isolating the profitability of operations by reversing out the effects of accrual accounting, changes in working capital, tax-jurisdictions and different capital structures on net income. EBITDA is often of particular interest where companies have large amounts of fixed assets subject to heavy depreciation charges (such as manufacturing companies) or a large amount of acquired intangible assets on the books subject to high amortization charges (arising for example from the recent purchase of a brand or a big acquisition).
- **Net Working Capital** – is equivalent to net current assets, calculated as current assets minus current liabilities. It is a measure of a company's short-term financial health and its ability to pay off short-term liabilities with current assets (cash, accounts receivable and inventory). It is also an indication of a company's operational efficiency in managing collections and inventory levels.
- **EBITDA Margin** – a profitability ratio, equal to EBITDA divided by total revenues. EBITDA margin measures the extent to which cash operating expenses use up revenue and thus can be an indicator of efficiency for comparable companies or industries.
- **Profit Margin** – a ratio of profitability calculated as net income (before taxes) divided by revenues, or net profits divided by sales. It measures what portion of sales a company holds onto in earnings. Differences in competitive strategy, product mix and pricing cause profit margin to vary widely among different companies. Profit margin is also an indicator of how well a company controls costs.
- **Current Ratio** – a liquidity ratio that measures a company's ability to pay short-term obligations. It is calculated by dividing current assets by current liabilities. A ratio less than 1.0 suggests a company might be unable to pay off its obligations if they came due immediately.
- **Interest Cover** – a financial indicator of a company's ability to pay the interest charges on its debt from available earnings. It is calculated by dividing a company's earnings before interest and taxes (EBIT) by interest expenses for the period. Adequate interest coverage varies from industry to industry, but as a general rule of thumb, a ratio under 1 means that the company is likely to have problems generating enough cash flow to pay its interest expenses.