

CATANA Group

2022/2023 FINANCIAL YEAR

- Growth of 39%
- Net profit, Group share up 21%
- Proposed dividend of 0.15 euro cents
- Committed growth drivers

<i>In M€</i>	2022/2023	2021/2022
Sales	207.3	148.6
Purchases	- 118.3	- 71.2
Staff costs	- 21.9	- 14.9
External expenses	- 56.0	- 39.3
Taxes	- 1.7	- 1.3
Depreciation, amortisation and provisions	- 7.2	- 5.5
Changes in inventories	+ 23.2	+ 7.0
Other current operating income and expenses	+ 0.2	+ 0.1
Current operating profit	+ 25.6	+ 23.5
Other operating income and expenses	- 0.2	+ 0.3
Operating profit	+ 25.6	+ 23.8
Financial result	+ 1.4	- 0.4
Tax charge or credit	- 6.9	- 6.1
Consolidated net profit	+ 20.0	+ 17.3
Group share of net profit	+ 19.3	+ 15.9
Cash flow	+ 30.5	+ 25.7
Investments	- 9.8	- 5.5
Net cash (+)	+ 37.7	+ 42.8
of which free cash flow	+ 63.1	+ 67.2
of which financial debt	- 25.4	- 24.4
Shareholders' Equity, Group Share	72.8	59.2

CATANA GROUP's Board of Directors, which met on the 5th of December 2023 under the chairmanship of Aurélien Poncin, approved the consolidated financial statements for the 2022/2023 financial year.

In addition to the great success taking on its market since the launch of the BALI range in 2014, CATANA GROUP has doubled its business in the space of two financial years, taking timely advantage of the post-pandemic upturn and clearly strengthening its position in the global cruising catamaran market. The company's profitability is solid, despite margins being impacted by the consequences of parts shortages over the past two years and the repercussions of inflation. The company's financial fundamentals are in the black as it embarks on a new stage of its development and the launch of the "YOT" motorboat project.

Success in conquering the sailing multihull market

Fully refocused on the multihull market for the past 10 years, CATANA GROUP has succeeded in exploiting the slightest opportunity in this sector, something which has become increasingly essential following the crises of 2008 and 2010.

With a great deal of innovation and boldness, epitomised by the launch of the BALI concept in 2014, CATANA GROUP has demonstrated its ability to provide solutions tailored to the new ways in which recreational boating is consumed.

On the strength of its unique concept, the Group embarked on a process of intensive development of new models and continuous input of innovations that have enabled it not only to consistently achieve above-market growth, but also to withstand the violent effects of the health crisis of 2020.

With an increasingly comprehensive BALI range that is constantly on the move, CATANA GROUP has also taken full advantage of the upturn in demand post-COVID, demonstrating its great qualities of industrial agility.

With growth of 46% in the 2021/2022 financial year and 39% in 2022/2023, **CATANA GROUP will have doubled in size in two years and significantly strengthened its market position.**

Solid results, despite shortages and inflation

While the last two financial years will go down as milestones, having witnessed record growth, industrial conditions over the period have been particularly difficult, given:

- Major recruitment and training plans made necessary by the doubling of production and causing major disruption in France, with associated labour shortages and turnover implications.
- A very high and violent level of inflation, difficult to manage when you have a deep order book and price commitments. Although all the increases in materials prices were passed on in sales prices, there was still a time lag (material price increases were almost immediate, whereas boats had been sold 1 or 2 years earlier at fixed prices). This friction is particularly visible in the 2022/2023 financial year, with the Group's gross margin eroding by 3 points from 57% to 54%.
- Substantial parts shortages in a manufacturing world totally destabilised by the pandemic and the consequences of the war in Ukraine.

At a time when the Group was doubling its production output, these parts shortages impacted industrial organisations, which were subjected to a great deal of turbulence, necessitating permanent adaptations, often accompanied by losses in efficiency and therefore productivity.

In concrete terms, while the Group had previously been accustomed to very fluid production and delivery of boats, it had to finish some boats off the production line as and when it received missing parts.

This situation led to the following two consequences:

- Longer delivery times, and therefore a greater number of “almost” finished products in the factory (awaiting parts), resulting in billing delays and a significant cash outflow. It should be noted that these boats are, without exception, boats that have been ordered.
- A significant loss of productivity, mainly due to the dispersal of resources to assemble missing parts outside the production lines, often under quite trying conditions.

This year, CATANA GROUP’s accounts also include the Portuguese company COMPOSITE SOLUTIONS, which the Group took control of in February 2023 with a view to shortly launching its new motorboat division.

After the initial industrial costs arising from the development of the YOT motorboat range and some balance sheet adjustments resulting from the change in the scope of COMPOSITE SOLUTIONS’ business, the company posted a loss of € 0.7m.

Against this backdrop, and after taking into account the loss from COMPOSITE SOLUTIONS, **CATANA GROUP’s Operating Profit will be €25.6m, compared to €23.8m in 2022.**

After taking into account the financial result and income tax, **the Group’s share of net profit will continue to rise to €19.3m**, compared with €15.9m in 2022.

The next Annual General Meeting will be held on 29th February 2024, at which time a dividend of €0.15 per share will be proposed.

Robust financial structure

With this new profitable financial year, **the company has positive cash flow of €30.5m**, up 18% on the previous year.

Cash flow from operating activities was exceptionally reduced by the €17m change in WCR, due to the €30m increase in inventories of finished products and semi-finished products. As a reminder, this situation is the consequence of shortages of parts, which have led to boats being tied up ahead of delivery for longer than they would have been in a normal logistical context.

Cash flow from investing activities amounted to €9.8m, compared with €5.5m for the 2021/2022 financial year, and takes into account €2.1m of investments made in connection with the acquisition of COMPOSITE SOLUTIONS and the initial development costs of the “YOT” motorboat division.

Net cash flow from financing activities represents an outflow of **€7.6m**, after €4.5m in dividend payments, €2.2m in share buybacks, and a net disbursement of €0.9m between new loans and repayments.

The annual change in CATANA GROUP's cash position was therefore negative by €4m, while the Group's cash position was positive by €63m.

The company's net cash position is **€37.7m** (€63.1m in cash compared with €25.4m in borrowings), compared with €42.8m in the 2021-2022 financial year.

Lastly, the Group has significantly strengthened its **equity**, which stands **at €79.4m for the consolidated total and €72.4m for the "Group share" on a total balance sheet of €210m.**

Significant development potential, a committed growth driver

Following a level of excess demand in the post-COVID period, the business climate has gradually started to become more complex in recent months.

The steady rise in boat prices over the past two years, rising interest rates, more difficult access to credit, and uncertain economic and geopolitical conditions have all led to a "wait-and-see" attitude which has slowed the euphoric demand.

While the autumn's order intake remained healthy, uncertainty is still a factor. This means that we need to be very cautious about commercial activity in 2024 and its possible impact on the pace of business for subsequent financial years. There is still plenty of potential for development in all the Group's operating sectors, and the visibility of the order book, although reduced, is still sufficient to enable the industrial organisations to be properly managed.

Finally, the successful commercial launch of the first outboard-powered model from the new "YOT" motorboat brand bodes very well. It reinforces the Group's confidence in its future ability to maintain a strong and profitable growth profile. A second model will be presented during the current financial year.

At the end of this financial year, Aurélien PONCIN, Chairman and CEO of CATANA GROUP stated: **"In a world that is decidedly not a long, tranquil river, CATANA GROUP is continuing its conquest based on boldness and innovation. Our Group enjoys a high degree of industrial agility, the result of a short management style and teams that are fully united around the project of a family business committed to the long term. Although the market appears to be becoming more complex, the Group has not lost its serenity and knows that it still has many opportunities for growth with the continued development of the BALI and CATANA brands, but also and above all strong ambitions in the consequent motorboat sector. The first commercial presentations of the new YOT brand have confirmed this potential. Our financial structure is excellent, and we still have a number of growth drivers on which we will be focusing through the coming months."**

The 2022/2023 annual financial report will be available at the end of December 2023 on the Investors' Area of the CATANA GROUP website, www.catanagroup.com (Financial Information section, in the Financial Reports section).

CATANA Group specialises in the design, construction and marketing of leisure craft.

CATANA Group is listed on Compartment C of Euronext Paris.

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Brokerage firm: Kepler

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