



PRESS RELEASE

BERETTA HOLDING APPROVES 2016 CONSOLIDATED RESULTS

- **Strong increase of the EBITDA (+13%), of the operating income (+19%) and of the net income (+26%)**
- **Consolidated turnover to 679.4 million (+3%): USA on 2015 levels (52% of total); also Europe grows**
- **Additional development of the optics and of the clothing and accessories divisions**
- **Investments in plants and in research & development amount to approx. 54 million (8% of the turnover)**

Gardone Valrompia (BS), 22 May, 2017 - The general meeting of shareholders of Beretta Holding S.p.A. has approved the Group consolidated financial statements for 2016.

The financial year closes with **consolidated net sales** amounting to 679.4 million Euro, an increase of 3% in comparison to 660.8 million Euro in 2015.

The **EBITDA** is equal to 117 million of Euro (17% of the consolidated turnover) compared to 103.7 million in 2015 (+13%); the **operating income** is equal to 85.1 million Euro compared to 71.4 million in 2015 (+19%) and the **net income** amounted to 59.6 million Euro compared to 47.4 million in 2015 (+26%), after income taxes of 26.9 million Euro (23.9 million in 2015).

In the civil and sports sector, with differentiated trends in the various geographic areas, the business turnover achieved last year is confirmed, while in the defense and law enforcement sector, accounting for about 15% of the total, there was a partial recovery of sales compared to 2015.

The Group's important international presence is confirmed with the **foreign market turnover** representing **94% of the total**; the share realized in the United States is approximately 52%.

The financial year is characterized by the confirmation of the strong **demand from the civilian market in the United States** and by the good growth recorded in **Europe**, while it has been stable the business turnover in the other areas of the world.

With regard to **non firearms products**, which represent **30% of the total turnover**, there is **growth in both the optics division**, which has exceeded 106 million Euro of turnover (+14%), and the **clothing and accessories division**, which records sales for 35.5 million Euro (+5%).

The current financial year also confirms the importance of the **Group's direct sales to the consumer**: in addition to the network of the exclusive and prestigious Beretta Galleries, there is a growing contribution from online sales as well as outlets managed by the group.

While not reaching the 2015 peak, also linked to the new Tennessee manufacturing site, the commitment to **new investments** was still very significant, amounting to 35.9 million Euro (5.2% of turnover) compared to 41.2 million in 2015, bringing the three-year period to exceed 113 million. Significantly increasing the number of interventions in the *Internet of Things* area, with a further boost to the automation and digital transformation of the processes that are linked with important training and retraining plans for the staff.

Investments in **research & development**, totally charged to the income statement for the year, are equal to 18.8 million Euro (2.8% of the turnover), slightly increased compared to 2015.

The average workforce for the year features a slightly decline, passing from 2.977 to 2.962. The **net financial position** at year end was **positive** for 140.5 million Euro.

The group's products have gained in 2016 brilliant results also in the sporting disciplines at the **Rio Olympics**, where the athletes of the Beretta teams from six different nationalities have won ten **medals**.

In regards to the current financial year, **a turnover above 700 million Euro** has been forecasted along with higher profit margins; the exhibition events at the beginning of the year have confirmed the growing appreciation of customers for the wide range of proposals and innovations presented and there are no significant changes in the economic situation in the areas where the Group operates. In the USA, the fundamentals of the economy seem to be substantially solid; the outcome of the presidential election seems to have alleviated the livelihood that has been in demand for certain product categories over the last few years, and the benefits of new products should also be counted together with the possible re-addressing of demand for hunting and sporting, where the product range the Group can offer is more complete. For the rest, the crisis in Russia seems far from a clear trend reversal, while in Europe the situation should confirm the improvement of the most advanced countries and the stabilization of the weaker ones in the Mediterranean area.

Pietro Gussalli Beretta, Chairman and CEO of Beretta Holding, stated: "In 2016 the Group has continued to grow its turnover while achieving margins of significant importance. We will in 2017 continue our process of internationalization and of investments in production and in research & development, with special attention to the strategic plans we are developing in all the world in order to further increase the automation and the digital transformation of the manufacturing processes of the group. Furtherly increases our solid financial position which allows us to continue assessing possible acquisitions of companies that may reinforce and integrate our product range and our world manufacturing and commercial presence".

Beretta Holding

Beretta Holding SpA is an international industrial group (95% of turnover is made abroad), with approximately 3,000 employees, active in the production and distribution of light firearms, used for sports, hunting and self-protection, clothing, accessories and advanced systems in the field of electro-optics. It is based in Gardone Val Trompia (Brescia) and coordinates the activities of 26 companies operating in the main European countries, the United States (where it accounts for about 50% of sales) and in the major countries of other continents. Since inception to date the turnover and the number of subsidiaries is growing as a result of a careful policy of investments and strategic acquisitions, carried out in order to gradually expand the range of products offered and to ensure a direct commercial presence in the most important markets where it operates. Consolidated revenues in 2016 amounted to Euro 679.4 million, EBITDA to Euro 117 million and net income to Euro 59.6 million.

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