Actuality: The pandemic has had a devastating effect on tourism, although it has subsided during the summer months. The sector is economically important in many countries, where bathing is a major attraction.

Purpose: The research analyses the economic and financial dynamics of bathing establishments over the last decade in three European nations where bathing tourism is widespread: Italy, Spain, and Portugal.

Research Methods: The financial statements of a sample of 5,382 bathing establishments, mainly Italian, for the decade 2012-2021 were analysed, illustrating the average trend in Profit Margin and Financial Leverage. The data were subjected to statistical processing. The ANOVA and Tukey-Kramer methods were used for cross-country comparisons.

Results: The companies analysed are all small in the number of employees. They have an uneven profit margin, especially in the Iberian nations. Spain was most affected by the pandemic. There are no significant differences between the different geographical areas concerning profitability, which has a more constant trend in Italy. The financial situation is unstable over the decade considered, as the leverage values, expressed in percentage terms, show excessive indebtedness. There are evident significant differences between the countries examined, with Spain being the area most different.

Implications: This study implements the modest economic literature on these companies. Quantitative research highlights the high profits that justify proliferation. Public policies should be attentive to the sector that implements the national GDP. The Italian situation, where establishments are more widespread than in the other two countries, can be a useful reference for all countries that want to exploit their coasts for tourism.

Keywords: bathing establishments, profit margin, financial leverage, Anova test, Tukey-Kramer test

JEL classification: L83, N30, R10, Z33

UDC: 338.46