



Half year results 2015

Amsterdam, 24 July 2015

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Agenda

1. Accell Group in H1 2015

2. Accell Group share

3. Financials

4. Outlook

Key developments H1 2015

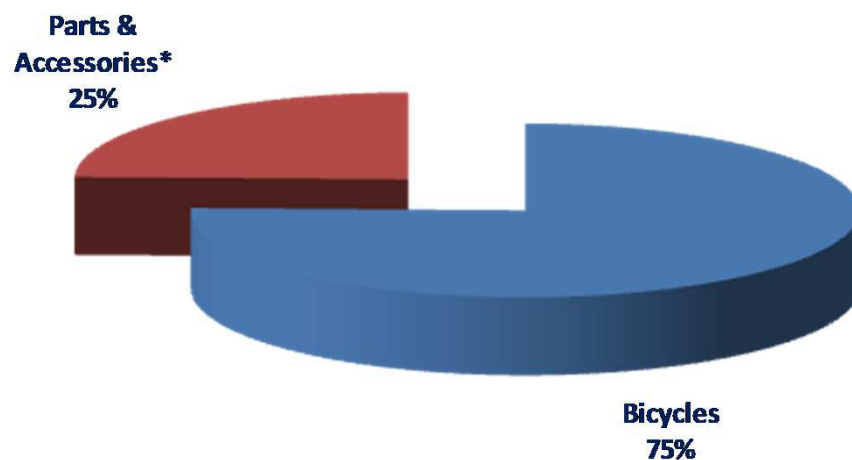
- Turnover increases with 13%:
 - Higher electric bicycles and sports bicycles sales in the high end segment
 - Currency effects 4%
 - Acquisitions CSN & Comet 2%
- Operating profit increases with 29%



Summary of results

(x € mln.)	30-6-2014	30-06-2015	Difference
Turnover	506.2	573.8	13%
Operating profit	38.2	49.1	29%
Net profit (excl. non-recurring income and expenses)	26.3	31.9	21%
Earnings per share	1.12	1.28	14%
Solvency	44.3%	45.1%	2%
Balance sheet total	602.8	671.4	11%
Share price	14.07	16.65	18%

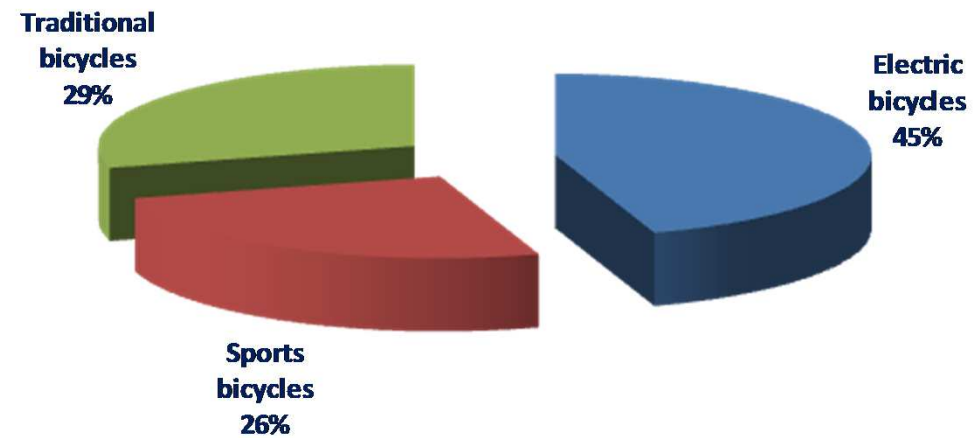
Turnover per segment



(x € mln.)	H1 2014	H1 2015	<i>difference</i>	<i>organic</i>
Bicycles	387.7	432.7	12%	12%
Parts & Accessories*	118.5	141.1	19%	8%
	<u>506.2</u>	<u>573.8</u>	13%	11%

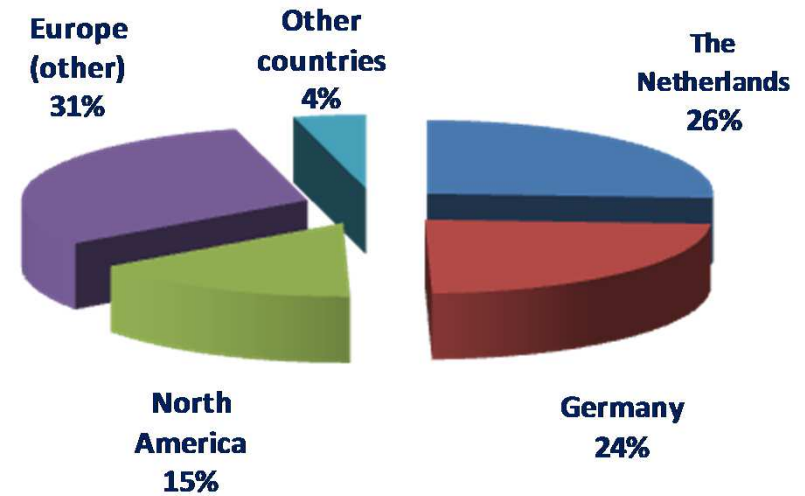
* Turnover Parts & Accessories including Fitness

Segment Bicycles



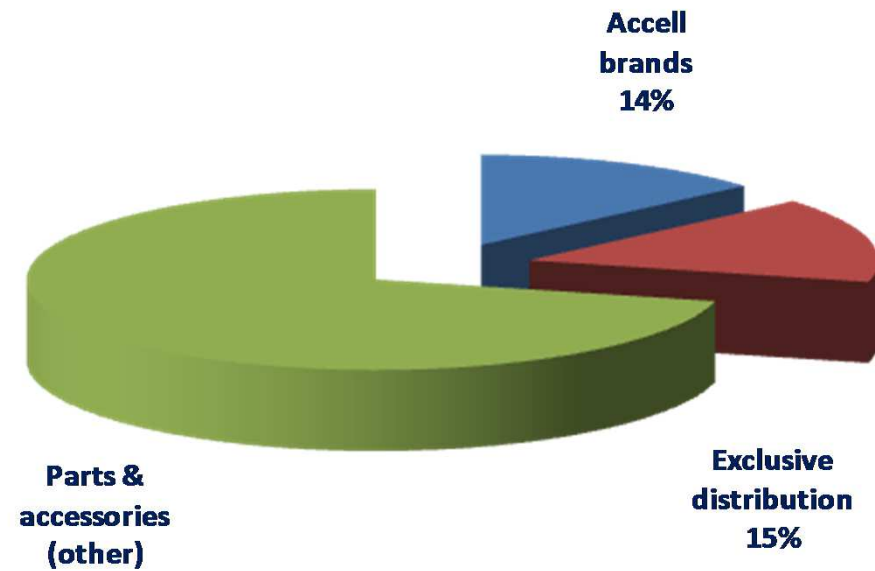
- Turnover segment increased with 12% to €433 mln. (2014: €388 mln.)
- Growth in electric, sports and traditional bicycles
 - Electric bicycles : +20%
 - Traditional bicycles : +4%
 - Sports bicycles : +8%
- Average price per bicycle rises with 16% to €439 (2014: €380) as electric bicycles and high end sports bicycles accounted for a larger proportion in overall turnover
- Number of total bicycles sold in H1 2015 is 985,000 (2014: 1,018,000)

Segment Bicycles per country



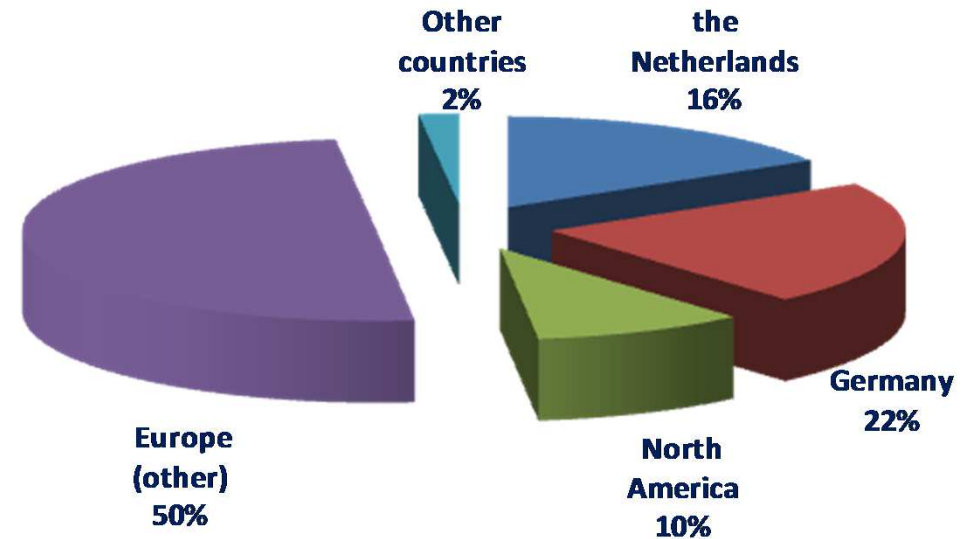
- In the Netherlands, turnover for the overall bicycle market slowed down by 7%, according to GFK Vakhandel. Bicycle turnover for Accell Group in the Netherlands dropped 5%
- In Germany, turnover organically increased by 22%. This can be attributed to strong sales in performance e-bikes by Haibike and Ghost sports bikes
- In North America turnover in US dollars increased by 2% which can be attributed to increased sales for the Diamondback brand and the introduction of the Ghost brand
- In Europe (other) increased turnover can be attributed to growth of the Haibike brand

Segment Parts & Accessories



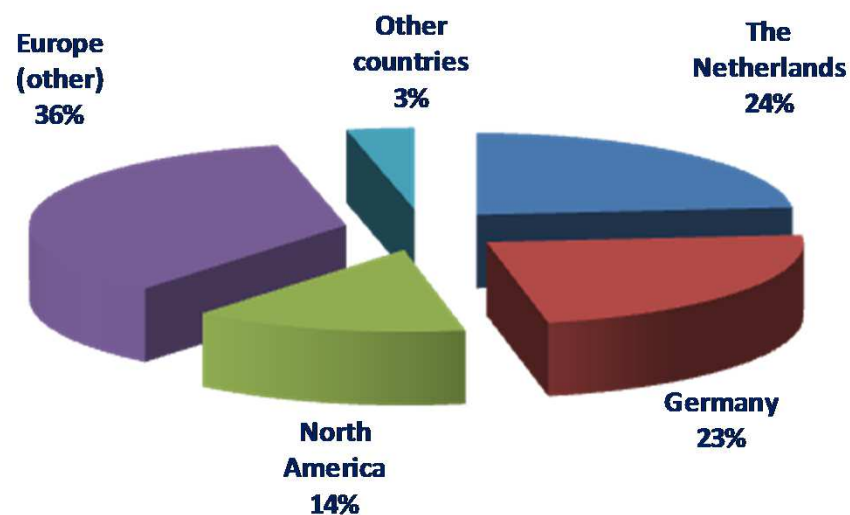
- Turnover increased with 19% to €141 mln. (2014: €119 mln.)
- Turnover in Accell Group owned brands gained 17%
- Turnover growth related to the acquisitions of Comet and CSN is 11%

Segment Parts & Accessories per country



- Turnover in the Netherlands increased due to growth in Accell Group owned brands and stronger demand in parts & accessories for electric bicycles
- Strong position in Germany for Wiener Bike Parts
- Turnover in parts of North America slowed down slightly
- In Europe (other) the for Accell Group most important countries are the United Kingdom and France

Geographic turnover



(x € mln.)

	H1 2014	H1 2015	<i>difference</i>
The Netherlands	140.1	135.3	(3%)
Germany	116.2	133.8	15%
North America	65.0	80.5	24%
Europe (other)	164.8	204.4	24%
Other countries	20.2	19.8	(2%)
	<u>506.2</u>	<u>573.8</u>	13%

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1. Accell Group in H1 2015

2. The Accell Group share

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Share price development Accell Group



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Income statement

(x € mln.)	H1 2014	H1 2015	Δ HY
Net turnover	506.2	573.8	13%
Material costs	(351.4)	(393.8)	12%
Other costs	(116.5)	(130.9)	12%
Operating profit (EBIT)	38.2	49.1	29%
Income from non-consolidated companies	0.0	0.0	
Financial income and expenses	(5.1)	(5.6)	9%
Taxes	(6.8)	(11.7)	72%
Net operating profit	26.3	31.9	21%
Non-recurring income and expenses	1.2	0.0	
Net profit	27.5	31.9	16%

Added value

(x € mln.)	H1 2014	H1 2015	Δ HY
Net turnover	506.2	573.8	13%
Material costs	(351.4)	(393.8)	12%
Added value	154.7	180.0	16%
	30.6%	31.4%	

- Added value increased with 16% to €180 mln (2014: €155 mln)
- Added value as a percentage of net turnover increased to 31.4% from 30.6% due to:
 - Improved underlying margins and sales mix
 - During 2015 first six months, less bicycles were sold with a discount compared to the same period in 2014
 - Less adverse currency effects

Operating expenses

(x € mln.)	H1 2014	% turnover	H1 2015	% turnover	Δ HY
Personnel costs	(55.9)	11.0%	(62.0)	10.8%	11%
Depreciation	(4.3)	0.9%	(5.2)	0.9%	20%
Other operating expenses	(56.4)	11.1%	(63.7)	11.1%	13%
Operating expenses	(116.5)	23.0%	(130.9)	22.8%	12%

- Operating expenses increased by 12% to €131 mln.
4% of the increased costs were caused by currency effects and 3% by acquisitions
- As a percentage of turnover operating expenses dropped to 22.8% (2014: 23.0%)
- Increased expenses are partially explained by increased turnover and partially due to increased expenses for marketing and product development

Net profit

(x € mln.)	H1 2014	H1 2015	Δ HY
Operating result (EBIT)	38.2	49.1	29%
Income from non-consolidated companies	0.0	0.0	
Financial income and expenses	(5.1)	(5.6)	9%
Taxes	(6.8)	(11.7)	72%
Net operating result	26.3	31.9	21%
Non-recurring income and expenses	1.2	0.0	
Net profit	27.5	31.9	16%

- Financing costs increased due to currency effects and a slight increase in used credit facilities
- Total tax expenses rose to € 12 mln caused by strong growth in Germany and limited tax deferrals in North America
- Earnings per share gained 14% to € 1,28 (2014: € 1,12)

Balance sheet, assets

(x € mln.)	30-6-2014	31-12-2014	30-6-2015
<i>Non-current assets</i>			
Intangible assets	93.0	106.6	113.4
Property, plant & equipment	65.5	68.1	67.5
Financial fixed assets	17.8	17.1	17.5
	176.3	191.8	198.4
<i>Current assets</i>			
Inventories	227.4	244.5	251.8
Receivables	183.1	172.9	203.0
Cash and cash equivalents	16.0	13.5	18.2
	426.4	430.9	473.0
Total assets	602.8	622.6	671.4

- Growth in balance sheet total is caused by currency effects (6%) and the acquisitions of Comet and CSN (4%)
- Increase in intangible assets attributed to acquisitions about €11 mln.

Working capital

(x € mln.)	30-6-2014	31-12-2014	30-6-2015	Δ HY
Inventories	227.4	244.5	251.8	11%
Trade receivables	153.7	133.3	172.7	12%
Trade payables	(106.8)	(108.5)	(110.9)	4%
Total	274.2	269.2	313.7	14%
<i>Working capital in % of net turnover</i>	33%	31%	33%	

- Inventories increased by € 24 mln mainly due to currency effects (€ 10 mln.) and acquisitions (€ 11 mln.)
- Trade receivables increased by € 19 mln due to turnover growth, acquisitions (€ 5 mln.) and currency effects (€ 7 mln.)
- Trade payables increased with € 4 mln.

Inventories

(x € mln.)	30-6-2014	31-12-2014	30-6-2015	Δ HY
Goods in transit	25.5	45.7	24.6	(3%)
Components	65.8	72.8	73.9	12%
Trading and finished products	136.1	125.9	153.4	13%
Total	227.4	244.5	251.8	11%

- By the end of June a similar number of bicycles were in stock compared to last year
- The increase in finished goods can be attributed to the increased average cost price, caused by:
 - Sales mix
 - Rise in cost price due to more expensive US dollar

Balance sheet, liabilities

(x € mln.)	30-6-2014	31-12-2014	30-6-2015
Equity	267.0	275.9	302.8
Provisions	28.7	30.1	29.6
Long-term debts	80.3	70.9	64.9
Credit institutions	70.0	95.0	112.9
Other current liabilities	156.7	150.8	161.2
Total liabilities	602.8	622.6	671.4

- Total bank credit* rose to €160 mln. (2014: € 134 mln.).
This increase is mainly caused by currency effects

* Long-term debts + credit institutions – cash and cash equivalents

Group equity

(x € mln.)

Total equity on 1 January 2015	275.9
Net profit	31.9
Cash dividend 2014	(8.7)
Other mutations	3.7
Additions	26.9
Total equity on 30 June 2015	302.8

- Other mutations mainly include:
 - Processing of financial instruments due to hedging activities
 - Currency effects

Cash Flow

(x € mln.)	30-6-2014	30-6-2015
Cash flows from operating activities		
Net profit	27.5	31.9
Depreciation	4.3	5.2
Share-based payments	0.1	0.2
Operating cash flows before working capital and provisions	32.0	37.3
Changes in working capital and provisions	4.6	(21.8)
Net cash flows from operating activities	36.6	15.5
Cash flows from investing activities		
Changes in non-current assets	(3.6)	(4.0)
Disposals of assets held for sale	21.0	0.0
Business combinations	0.0	(1.8)
Net cash flows from investing activities	17.5	(5.8)
Free cash flows	54.1	9.7
Cash flows from financing activities		
Changes in bank loans and bank overdrafts	(46.8)	3.0
Stock and option plans	(0.1)	(0.0)
Cash dividend	(7.2)	(8.7)
Net cash flows from financing activities	(54.1)	(5.7)
Net cash flows	0.0	4.0

Ratios

	H1 2014	H1 2015
EPS	€ 1.12	€ 1.28
ROCE	9.3%	11.4%
Operating result / Turnover	7.5%	8.6%
Solvency	44.3%	45.1%
Net debt / EBITDA	2.8	2.5
Average number of employees (FTE's)	2,803	3,070

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Strategy Accell Group

- Creating innovative, high-quality and distinctive products with strong brands
- Positioning, promoting and further developing the brand portfolio, targeted marketing on retailers and consumers and intensive cooperation with and support for the expert dealer
- Consistently managing costs, inventory management, portfolio management and further exploitation of synergies
- Actively seeking possible acquisitions



Outlook 2015

- New collections with many innovations in technology and design
 - The sale of bicycles will continue to grow as a result of product development, the creation of new usage possibilities, and access to new markets
 - Continuation of positive underlying trends
- Increase of turnover and net result, barring any unforeseen circumstances



Disclaimer

- ▶ This presentation may contain forward-looking statements. These are based on our current plans, expectations and projections about future events
- ▶ Any forward looking statements are subject to risks, uncertainties and assumptions and speak only as of the date they are made. Our results could differ materially from those anticipated in any forward-looking statements