



PRESS RELEASE

Number of pages: 2

Accell Group records rise in turnover in third quarter

Heerenveen (the Netherlands), 15 November 2016 – Accell Group N.V. realised higher turnover in the third quarter of 2016 compared to the same period of 2015, primarily driven by a higher contribution from E-bikes. Higher discounts to reduce seasonal inventories of regular bikes put downward pressure on third quarter results. For the full year 2016, Accell Group expects an increase in turnover and profit around the same level as 2015.

René Takens, Chairman of the Accell Group Board of Directors: *“The market conditions for bicycle sales in the third quarter were comparable to those in the first half of the year. Weather conditions had a negative impact on bike sales in many countries. Turnover in E-bikes continued to increase, in particular E-performance bikes. The strong growth of E-performance bikes is partly at the cost of sports bikes, which is a trend we are seeing in most of our sales markets. This development contributed to the decline in turnover from regular bikes. The order intake for the new 2017 collection is positive, once again in particular for our sports brands. In the US, we implemented the omni-channel strategy and continued to adapt our organisation. The Raleigh brand is now sold via specialist retailers, as well as via online retailers and direct online sales. We are working with a mobile services provider for some of our direct deliveries in the US. The first effects of our new supply chain organisation have become visible in greater delivery reliability and reduced working capital.”*

Turnover in both bicycles and bicycle parts increased in the third quarter. Virtually all countries in Europe contributed to the turnover growth. In the US, turnover declined due to difficult conditions in the specialist retail trade, the loss of sales via two large multi-sports chains (due to bankruptcy) and the divestment of the bicycle parts activities. Accell Group is now seeing the first effects of the new omni-channel strategy. This strategy is expected to compensate for the reduced sales via the specialist retail trade in the US. Turnover in the UK was down in the third quarter, partly as a result of the decline of the British pound following the Brexit vote.

Due to lower sales in the summer months a greater number of bikes was sold at a discount at the end of the season, which had a negative impact on the added value. In addition, the cost of materials was impacted by higher guarantee costs (primarily related to electric bikes) and a stronger Yen, which raised the purchase prices of gear group sets and electric motors.

Other operating costs continued to decline as a percentage of turnover in the third quarter, despite higher marketing and consultancy expenses. The higher consultancy costs are largely related to the organisational changes in the supply chain and the tightening of the group strategy. In terms of the latter, the organisation will in future be more geared towards (direct) sales to consumers, while Accell Group is developing and implementing omni-channel strategies for its operating companies in various countries. In terms of the sales of bicycle parts and accessories, Accell Group is looking to intensify the cooperation between its various operating companies and will integrate certain activities.

The working capital was down both as a percentage of turnover and in absolute terms. This is partly due to the newly-founded supply chain organisation at group level. Accell Group expects this positive trend to continue in the coming months.



Taking into account the normal effects related to seasonal sales, there were no significant changes in Accell Group's financial position over the past months. Due to the seasonal nature of the company's activities, profit is generally substantially lower in the second half of the year than in the first half.

One-off costs as a result of the write-down of bad debts due to two bankruptcies and the reorganisation in the US will have a negative impact on the results in 2016. Barring unforeseen circumstances and based on the developments in the past few months, Accell Group expects an increase in turnover for the full year 2016 and a result around the same level as 2015.

/ / / / / / /

About Accell Group

Accell Group N.V. focuses internationally on the mid-range and higher segments of the market for bicycles and bicycle parts & accessories. The company has leading positions in the Netherlands, Belgium, Germany, Italy, France, Finland, Turkey, the United Kingdom and the United States. In Europe, Accell Group is the market leader in the bicycle market in terms of turnover. Accell Group's best known brands are Batavus (Netherlands), Sparta (Netherlands), Koga (Netherlands), Loekie (Netherlands), Ghost (Germany), Haibike (Germany), Winora (Germany), Raleigh and Diamondback (UK, US, Canada), Lapierre (France), Tunturi (Finland), Atala (Italy), Redline (US) and XLC (international).

Accell Group and its subsidiaries employ approximately 3,000 people in eighteen countries worldwide. The company has production facilities in the Netherlands, Germany, France, Hungary, Turkey and China. Accell Group products are sold in more than seventy countries. The company's headquarters are located in Heerenveen (the Netherlands). Accell Group shares are traded on the official market of Euronext Amsterdam and included in the Amsterdam Small Cap index (AScX). In 2015, Accell Group recorded profitable turnover of € 986 million.

For further information:

Accell Group N.V.

René Takens, Chairman of the Board of Directors (CEO) +31 (0)513 638701

Hielke Sybesma, member of the Board of Directors (CFO) +31 (0)513 638702

Website: www.accell-group.com

This is a translation, in case of any inconsistencies the Dutch version of this press release is leading.