



Annual results Accell Group 2015

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Agenda

1. Accell Group in 2015

2. The Accell Group share

3. Financials

4. Outlook

Main developments 2015

- Net turnover rises 12% to € 986.4 mln. influenced by:
 - Increase in sales electric bikes
 - Strong growing P&A turnover in Europe and growth of own brand
 - Acquisition Comet and CSN
- Operating profit rises 33% to € 58.5 mln.
- Net profit rises 22% to € 32.3 mln.
- Results are influenced by incident Taiwan

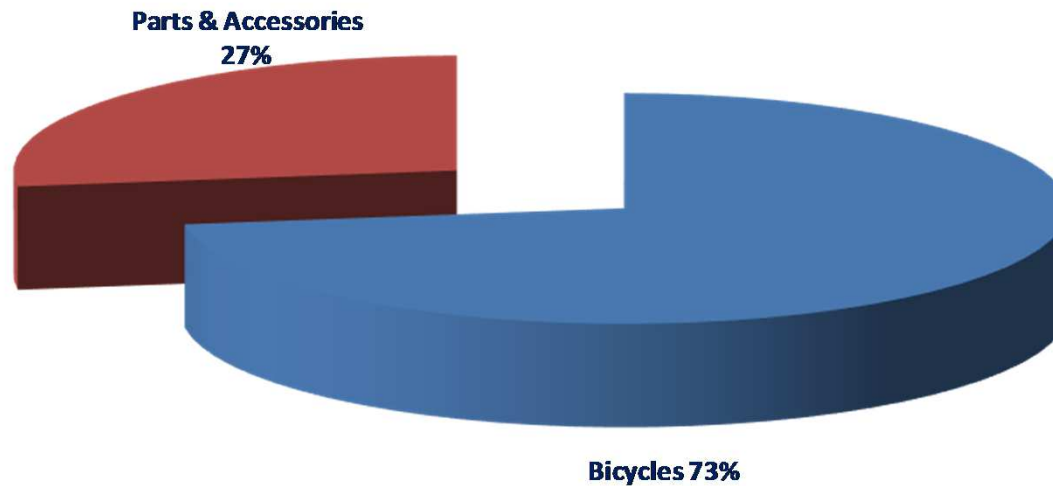


Summary of the results

(x € mln.)	31-12-2014	31-12-2015	Δ
Turnover	882.4	986.4	12%
Operating profit (EBIT)	44.1	58.5	33%
Net profit	26.5	32.3	22%
Earnings per share	1.06	1.29	22%
Solvency rate	44.5%	41.9%	-6%
Total assets	631.8	729.7	16%
Share price	13.60	21.07	55%



Turnover per segment

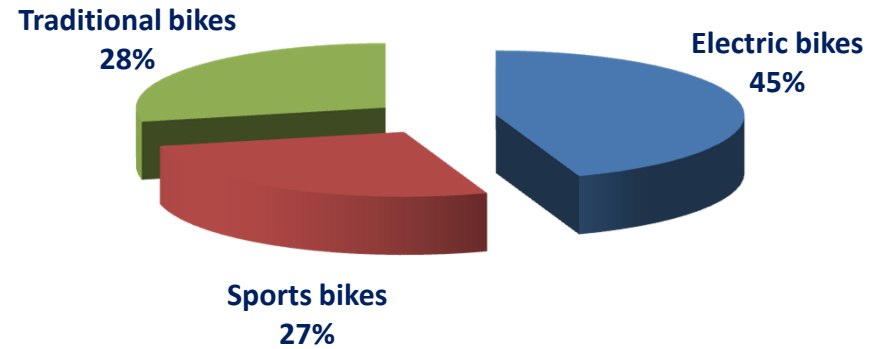


(x € mln.)	Turnover			
	FY 2014	FY2015	<i>difference</i>	<i>organically</i>
Bicycles	658.1	719.0	9%	10%
Parts & Accessories*	224.3	267.4	19%	7%
	<u>882.4</u>	<u>986.4</u>	12%	9%

* Turnover Parts & Accessories including fitness equipment



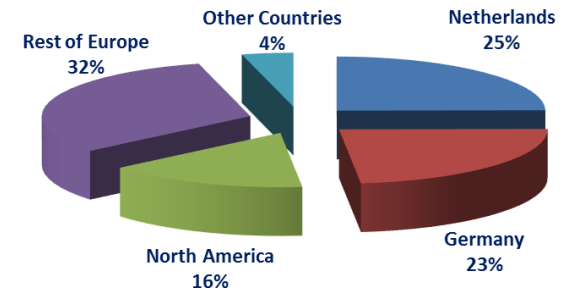
Bicycles



- Turnover bicycles rises 9% to € 719 mln. (2014: € 658 mln.)
- Strong growth sales electric bikes, especially in Germany. Electric bike sales accounts for 45% of overall turnover in bicycle segment (2014: 41%)
- In 2015, over 1.6 mln. bicycles sold (2014: 1.7 mln.)
- Average price per bicycle rises 16% to € 437 (2014: € 377) as electric bike sales accounted for a greater proportion of overall turnover
- Segment result up 22% to € 56.3 mln. (2014: € 46.3 mln.)



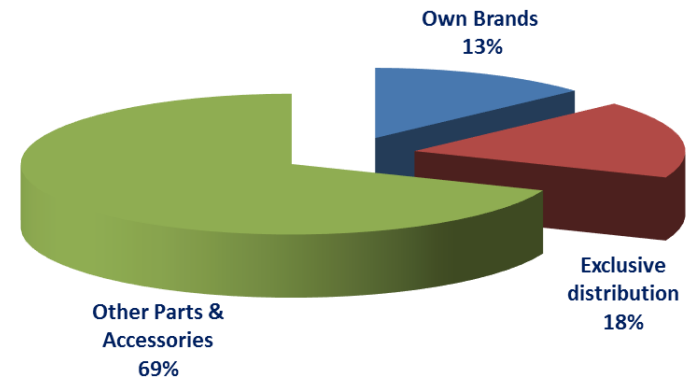
Bicycles per country



- **The Netherlands:** Turnover decreases by 7% largely due to strong competition in E-bikes, rise of other channels and disappearance of company bicycle scheme. Sales fall by 10%
- **Germany:** Increase of turnover by 16% due to strong growth in E-bikes by Haibike, Winora and Ghost. Sales rise by 12%
- **North America:** Growth in multi-sports channel due to introduction of Ghost. Turnover in the traditional bicycle retailers channel (IBD) decreases by 10%. Turnover growth in euro's influenced by exchange rate EUR/USD
- **Rest of Europe:** Turnover growth of 22% in nearly all countries in which Accell Group is active
- **Other countries:** Turnover in Turkey increased and turnover in the Far East remained stable

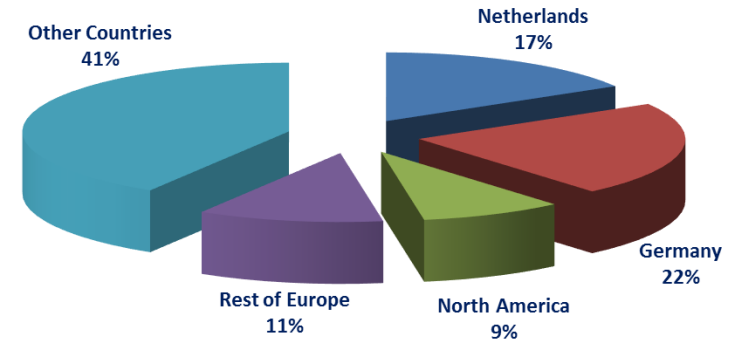


Parts & Accessories



- Turnover of the segment increases 19% to € 267 mln. (2014: € 224 mln.) especially due to the acquisition of Comet and CSN. The organic growth in turnover is 7%
- Strong turnover growth of own brands of 10%. The biggest proportion comes from XLC which is distributed in over 45 countries
- Accell Group has strong positions in especially the Netherlands, Germany, France, Spain, Italy, United Kingdom and Scandinavia
- Segment result rises 46% to € 16.8 mln. (2014: € 11.5 mln.)

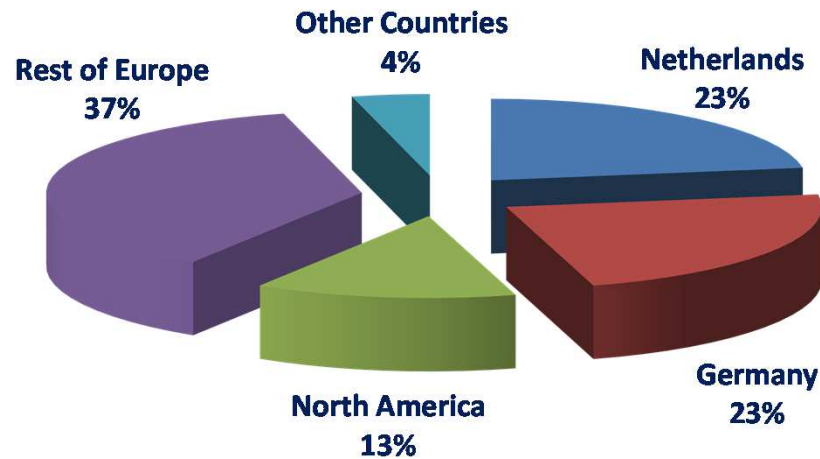
Parts & Accessories per country



- **The Netherlands:** Higher turnover (7%) party due to rising sales for E-bike parts such as batteries
- **Germany:** Turnover rises 11% compared to last year
- **North America:** Turnover decreases partly as a result of several supplies who decided to supply to dealers directly
- **Rest of Europe:** Turnover up 34% due to acquisition of Comet and CSN
- **Other countries:** Turnover grows 30% due to P&A sales in Turkey



Geographical distribution of turnover



(x € mln.)	Turnover			
	FY 2014	FY2015	<i>difference</i>	<i>organically</i>
The Netherlands	236.7	222.4	(6%)	(5%)
Germany	198.4	227.0	14%	16%
North America	117.5	132.1	12%	16%
Rest of Europe	298.2	365.6	23%	14%
Other countries	31.6	39.3	24%	2%
	<u>882.4</u>	<u>986.4</u>	12%	9%



Incident Taiwan

- Investigation by forensic agency concludes isolated incident
- Cause of theft located in circumvention of controls (by abuse of systems, processes and trust) and abuse of available payment facilities
- Expected damage remains € 4 mln.
- Conclusions of investigation are incorporated into plans to further strengthen the system of Internal Controls



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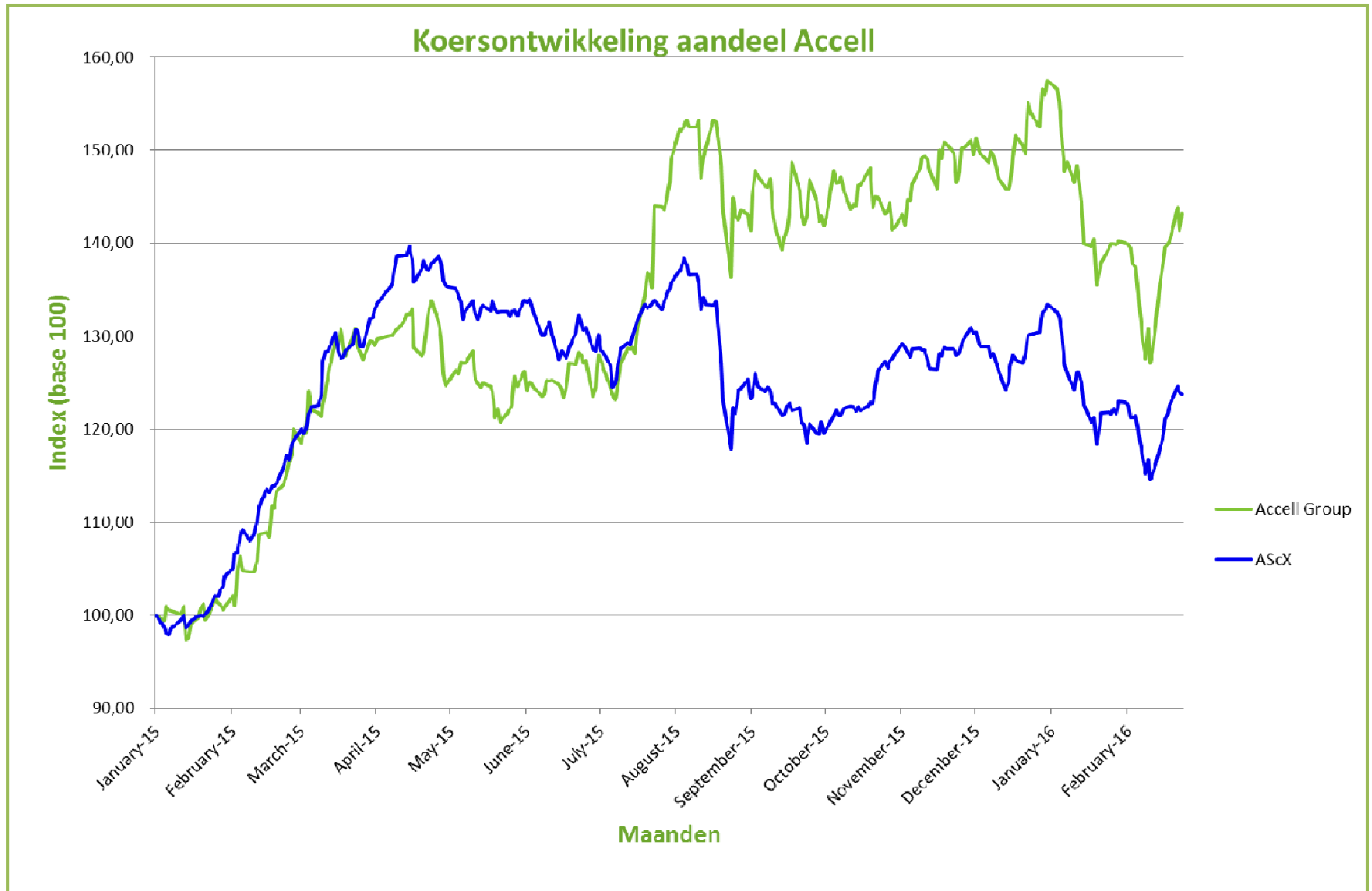
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Share price development Accell Group





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Profit & loss statement

(x € mln.)	FY 2014	FY2015	Δ
Net turnover	882.4	986.4	12%
Costs of materials	(614.1)	(673.4)	10%
Other costs	(223.5)	(250.5)	12%
Operating profit (EBIT)	44.8	62.5	40%
Non-recurring income & expenses	(0.7)	(4.0)	
Result of participations	0.4	(0.9)	
Financial income & expenses	(8.8)	(9.1)	4%
Taxes	(9.3)	(16.2)	74%
Net profit	26.5	32.3	22%



Added value

(x € mln.)	FY 2014	FY 2015	Δ FY
Net turnover	882.4	986.4	12%
Cost of materials	(614.1)	(673.4)	10%
Added value	268.3	313.0	17%
	30.4%	31.7%	

- In relative terms, added value rises 1.3% points:
 - Improved underlying margins and fewer discounts
 - Improved sales mix due to more electric bikes
 - Positive contribution acquisition Comet and CSN

Operational costs

(x € mln.)	FY 2014	% turnover	FY2015	% turnover	Δ
Staffing costs	(107.4)	12.2%	(119.3)	12.1%	11%
Depreciation & amortization	(8.9)	1.0%	(10.1)	1.0%	13%
Other operating costs	(107.2)	12.1%	(121.1)	12.3%	13%
Operating costs	(223.5)	25.3%	(250.5)	25.4%	12%

- In relative terms operational costs rise by 0.1% point:
 - Staffing costs decrease to 12.1% of turnover (2014: 12.2%)
 - Other operating costs increase to 12.3% of turnover (2014: 12.1%)
 - Total operating costs increase to 25.4% of turnover (2014: 25.3%)

Net profit

(x € mln.)	FY 2014	FY2015	Δ
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- Non-recurring loss 2015: incident in Taiwan (€ 4 mln.)
- Financial costs € 0.3 mln. higher
- Taxes rise to 33.5% (2014: 25.9%) due to:
 - Incident in Taiwan
 - Increase of results in Germany
 - Not capitalizing unused tax losses in North America

Results per half year

(x € mln.)	HY1 2014	HY1 2015	HY2 2014	HY2 2015	FY 2014	FY2015
Net turnover	506.2	573.8	376.2	412.6	882.4	986.4
Costs of materials	(351.4)	(393.8)	(262.7)	(279.6)	(614.1)	(673.4)
Added value %	30.6%	31.4%	30.2%	32.2%	30.4%	31.7%
Depreciation and amortization	(4.3)	(5.2)	(4.6)	(4.9)	(8.9)	(10.1)
Staff costs	(55.9)	(62.0)	(51.5)	(57.3)	(107.4)	(119.3)
Other operating costs	(56.4)	(63.7)	(50.9)	(57.4)	(107.3)	(121.1)
Operating costs	(116.6)	(130.9)	(107.0)	(119.6)	(223.5)	(250.5)
Operating result before non-recurring income & expenses	38.2	49.1	6.6	13.4	44.8	62.5
	7.5%	8.6%	1.8%	3.2%	5.1%	6.3%
Non-recurring income & expenses	1.2	0.0	(1.9)	(4.0)	(0.7)	(4.0)
Operating profit (EBIT)	39.4	49.1	4.7	9.4	44.1	58.5
	7.8%	8.6%	1.3%	2.3%	5.0%	5.9%
Result of participations	0.0	0.0	0.4	(0.9)	0.4	(0.9)
Financial profits and losses	(5.1)	(5.6)	(3.7)	(3.5)	(8.8)	(9.1)
Taxes	(6.8)	(11.7)	(2.5)	(4.6)	(9.3)	(16.2)
Net profit	27.5	31.9	(1.0)	0.4	26.5	32.3
	5.4%	5.6%	(0.3%)	0.1%	3.0%	3.3%

Balance sheet, assets

(x € mln.)	31/12/2014	31/12/2015
Fixed assets		
Intangible fixed assets	98.5	103.2
Tangible fixed assets	68.1	69.8
Financial fixed assets	34.3	31.8
	200.9	204.8
Current assets		
Inventories	244.5	338.7
Receivables	172.9	172.0
Cash and cash equivalents	13.5	14.2
	430.9	524.9
Total assets	631.8	729.7



Working capital

(x € mln.)	31-12-2014	31-12-2015	Δ
Inventories	244.5	338.7	39%
Accounts receivable	133.3	134.6	1%
Accounts payable	(108.5)	(135.6)	25%
Total	269.2	337.7	25%
<i>Working capital as % of net turnover</i>	<i>30.5%</i>	<i>34.2%</i>	

- Inventories are increasing, both in number and value:
 - Higher cost price per bicycle due to growing E-bike proportion
 - More bikes in stock due to expected turnover growth in the coming season
 - Higher stock components by bringing forward production
- Higher accounts receivable balance due to higher sales:
 - Accounts receivable decrease by 1.4% as percentage of turnover
- Accounts payable increase due to higher inventories and increase in cost prices of goods in transit

Balance sheet, liabilities

(x € mln.)	31-12-2014	31-12-2015
Group equity	281.1	305.9
Provisions	34.0	31.2
Long-term debts	70.8	59.0
Credit institutions	95.0	155.2
Short term debts	151.0	178.4
Total liabilities	631.8	729.7



Group equity

(x € mln)

Total equity on January 1, 2015	281.1
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Net profit	32.3
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Paid dividend 2014	(8.7)
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Other changes	1.2
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Growth	24.8
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Total equity on December 31, 2015	305.9
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- Other changes include:
 - Processing of financial instruments due to hedging activities
 - Currency effects of foreign activities

Cash flow

(x € mln.)	31-12-2014	31-12-2015
Cash flow from operating activities		
Operating Profit	44,1	58,5
Depreciation	8,9	10,1
Share-based payments	0,3	0,4
Operating cash flow for working capital and facilities	53,3	68,9
Changes in working capital and provisions	2,8	(68,3)
Cash flow from operating activities	56,1	0,7
Interest paid and banking costs	(9,2)	(10,0)
Income taxes paid	(8,7)	(9,8)
Net cash flow from operating activities	38,2	(19,0)
Cash flow from investment activities		
	0,3	0,7
Changes in fixed assets	(9,6)	(10,9)
Sale of business activities	23,4	0,0
Business combinations	(14,0)	(1,8)
Net cash flow from investment activities	0,1	(12,0)
Free cash flow	38,3	(31,1)
Cash flow from financing activities		
Changes in bank loans and bank overdrafts	(34,2)	39,7
Cash dividend	(7,2)	(8,7)
Stock and option plans	(0,1)	(0,1)
Net cash flow from financing activities	(41,5)	31,0
Net cash flow	(3,2)	(0,1)

Ratios

	FY 2014	FY2015
EPS	€ 1.06	€ 1.29
ROCE	9.6%	11.0%
Operating profit* / Turnover	5.1%	6.3%
Solvency	44.5%	41.9%
Net debt / EBITDA	2.9	2.9
Average number of employees (FTE)	2,796	3,037

* Excluding non-recurring profits and losses

Proposed dividend

	FY 2014	FY2015
Reported EPS	€ 1.06	€ 1.29
Incident Taiwan	-	€ 0.16
Total	€ 1.06	€ 1.44
Pay out ratio	58%	50%
Proposed dividend	€ 0.61	€ 0.72
Share price (years end)	€ 13.60	€ 21.07
Dividend yield	4.5%	3.4%





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Strategy Accell Group

- Creating innovative, high-quality and recognisable products with strong brands
- Positioning, promoting and expanding the brand portfolio, targeted marketing on points-of-sale and consumers while intensively cooperating and supporting specialised retailers
- Continuous cost control, inventory management and portfolio management while expanding the exploitation of synergies
- Actively looking for possible acquisitions



Outlook 2016

- New collections with many innovations in the field of technology and design
- Through product development, creating new usages and entering new markets, the sale of bicycles will continue to grow
- Continuing favourable underlying trends
- Growth of both turnover and results, barring unforeseen circumstances



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- ▶ 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