



Annual results Accell Group 2014

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Agenda

1. Accell Group in 2014

2. The Accell Group share

3. Financials

4. Outlook

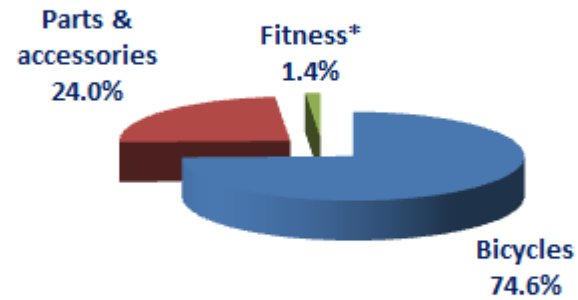
Main developments 2014

- Net profit rises 37% to €26.1 mln.
- Net turnover increases 8% organically to € 882.4 mln, driven by:
 - Higher electric bike sales
 - Strong growth turnover P&A in Europe
- Hercules and fitness activities sold in 2014
- Acquisition Comet (Spain)
- Reorganisations in the Netherlands and North America progress as planned and will be completed in 2015

Main results

(x € mln.)	31-12-2013	31-12-2014	Δ FY
Turnover	849,0	882,4	4%
Operating result (EBIT) Excl. non-recurring income and expenses	36,9	44,3	20%
Net profit	19,0	26,1	37%
Earnings per share	0,79	1,06	34%
Solvency rate	41,4%	44,3%	
Total assets	579,6	622,6	7%
Share price	13,40	13,60	1%

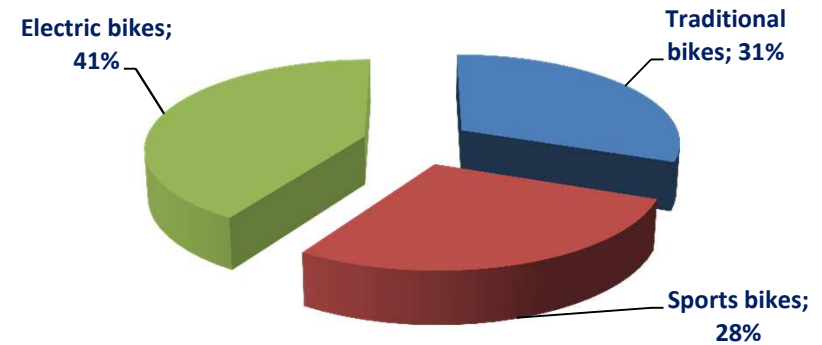
Turnover per segment



(x € mln.)	2013	2014	Δ	<i>organically</i>
Bicycles	626.0	658.1	5%	10%
Parts & accessories	201.5	211.5	5%	3%
Fitness*	21.4	12.7	-	-
	849.0	882.4	4%	8%

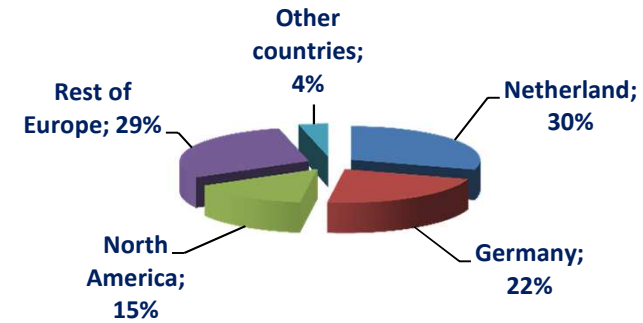
* Fitness divested as of 1 August 2014

Segment Bicycles



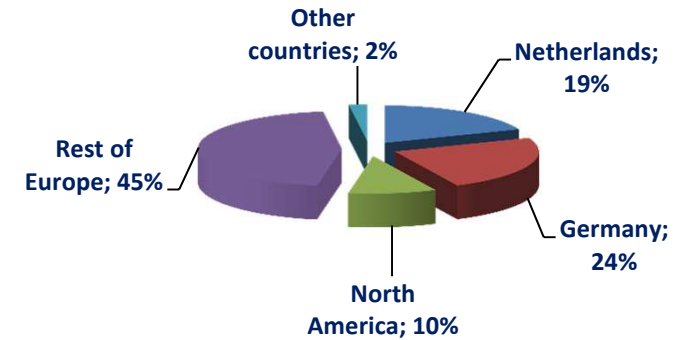
- Turnover segment increased 5% to €658 mln. (2013: €626 mln.)
- Strong growth electric bicycle sales, primarily in the Netherlands and Germany. Electric bike sales accounts for 41% of overall turnover in bicycle segment (2013: 35%)
- In 2014, over 1.7 mln bicycles sold (2013: 1.8 mln.). Organic turnover down by 3% due to the termination of deliveries to the mass market in the United States
- Average price per bicycle rises 12% to €377 (2013: €336) as electric bike sales accounted for a greater proportion of overall turnover
- Segment result up 16% to €46.0 mln. (2013: €39.8 mln.)

Segment Bicycles per country



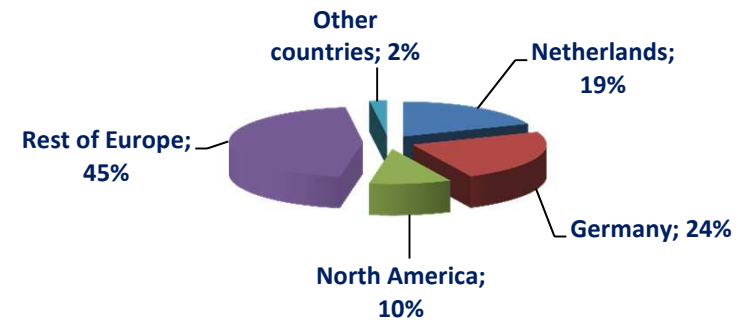
- **The Netherlands:** Turnover rises 12%, largely due to strong increase in electric bike sales. Turnover in traditional bikes is stable
- **Germany:** Lower turnover due to sale Hercules. Organically, turnover up 12%, driven by increase in sales of electric bikes (primarily the E-Mountain bikes by Haibike)
- **North America:** Total bicycle turnover up 4%, in spite of deliveries to the mass market terminated for the most part and sales via traditional bicycle retailers (IBD) lagging expectations. Turnover increased in multi-sports channel in particular
- **Rest of Europe:** Bicycle turnover up 11% largely driven by higher sales in southern Europe, the UK and Scandinavia
- **Other countries:** turnover in Turkey and the Far East remains stable.

Segment Parts & accessories



- Turnover in the segment rose by 5% to €211.5 mln. (2013: €201.5 mln.)
- Strong turnover growth in Europe and decrease of turnover in North America
- Acquisition Comet as of 1 November 2014, accounts for overall turnover in 2014 to a limited extent. CSN in Denmark will be consolidated as of 1 January 2015
- Turnover own brands (largely XLC) increases 17%
- Segment result 11% higher to €11.3 mln. (2013: €10.2 mln.)

Segment Parts & accessories per country

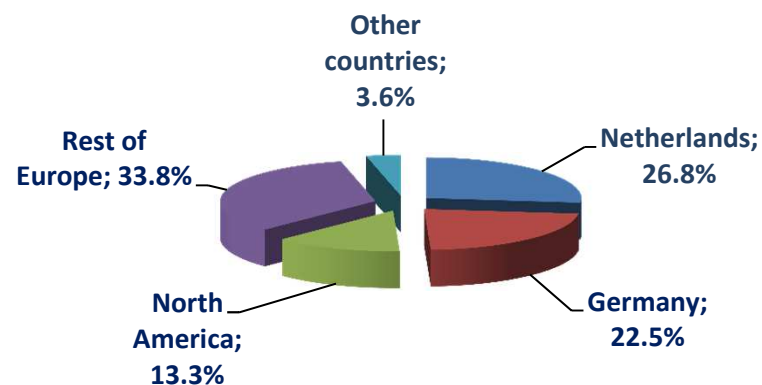


- **The Netherlands:** Higher turnover (28%) partly due to rising sales in battery packs for electric bikes
- **Germany:** Turnover parts up 1% compared to last year
- **North America:** Turnover dropped by 40% due to downward trend in IBD market and the termination of greater part of distribution of Shimano products. Suppliers distribute products directly to dealers and the integration of SBS and Raleigh led to temporary delivery problems
- **Rest of Europe:** Turnover up 11% due to higher turnover in about all European countries. Acquisition Comet accounts for turnover in 2014 limitedly
- **Other countries:** Turnover up 94% due to start P&A sales in Turkey and Asia

Fitness segment

- Segment result -€0.1mln. (2013: -€0.3mln.)
- Fitness operations Tunturi Fitness B.V. sold as of 1 August 2014
 - Turnover to moment of sale at comparable level to previous year's figures
 - One-off charge of €1 mln.

Geographical distribution of turnover



(x € mln.)	Turnover			
	2013	2014	Δ	<i>organically</i>
The Netherlands	210.0	236.7	13%	15%
Germany	202.1	198.4	(2%)	9%
North America	128.6	117.5	(9%)	(9%)
Rest of Europe	270.7	298.2	10%	13%
Other countries	37.6	31.6	(16%)	(11%)
	849.0	882.4	4%	8%

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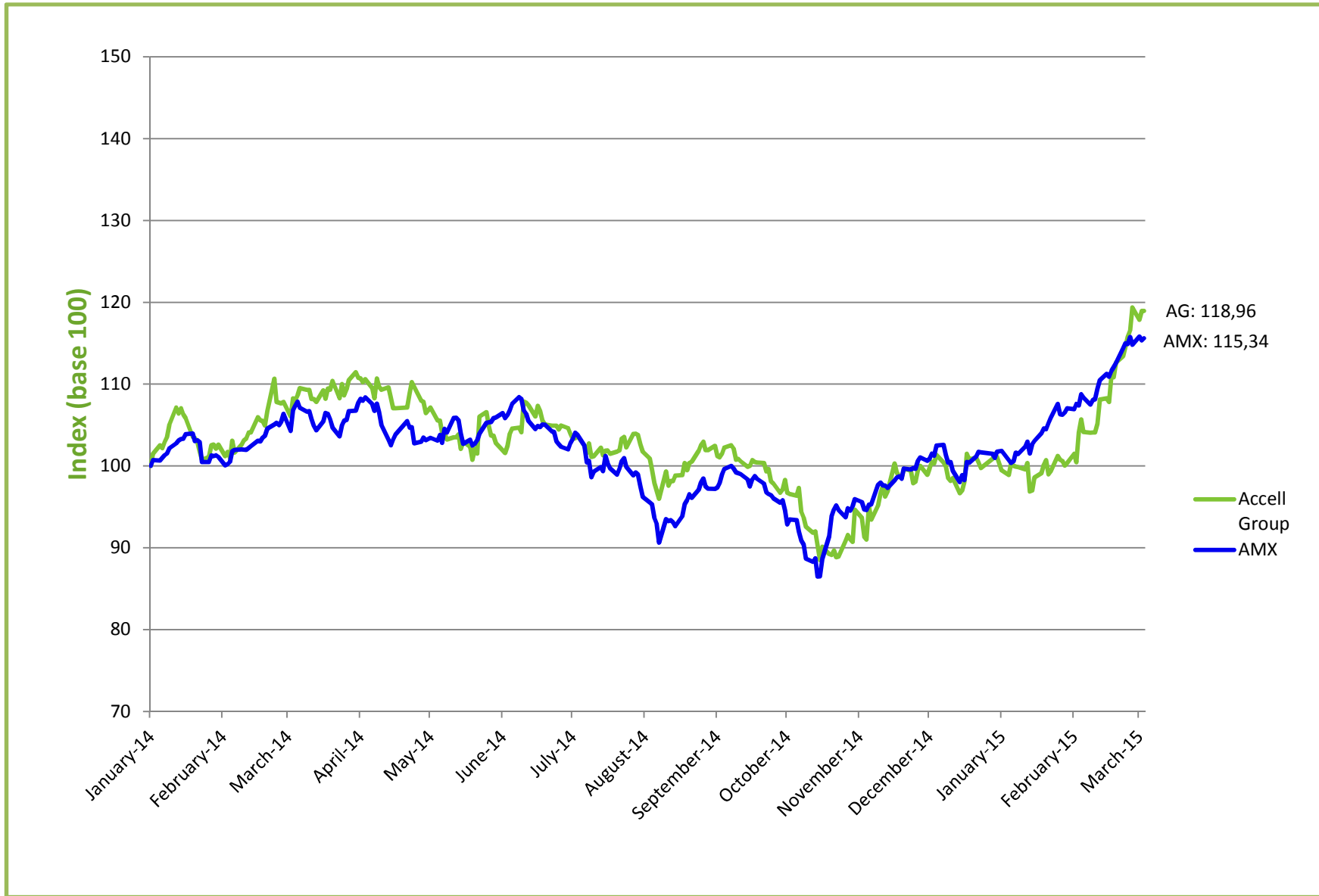
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Share price development Accell Group



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Profit & loss statement

(x € mln.)	2013	2014	Δ FY
Net turnover	849,0	882,4	4%
Costs of materials	(589,4)	(614,1)	4%
Other costs	(222,6)	(224,0)	1%
Operating result (EBIT) excl. non-recurring income and expenses	36,9	44,3	20%
Non-recurring income and expenses	(3,0)	(0,7)	
Result of participations	0,5	0,4	
Financial income and expenses	(11,7)	(8,8)	(25%)
Taxes	(3,7)	(9,2)	146%
Net profit	19,0	26,1	37%

Added value

(x € mln.)	2013	2014	Δ FY
Net turnover	849.0	882.4	3.9%
Cost of materials	(589.4)	(614.1)	4.2%
Added value	259.5	268.3	3.4%
	30.6%	30.4%	

- In relative terms, added value slightly lower than last year, in spite of strong second half-year:
 - Improved sales mix due to more electric bicycles
 - Discounts in second half-year below 2013 level
 - Warranty costs higher in 2014

Operating expenses

(x € mln.)	2013	% turnover	2014	% turnover	Δ FY
Personnel costs	(106,6)	13%	(107,4)	12%	1%
Depreciation	(8,7)	1%	(8,9)	1%	2%
Other operating costs	(107,3)	13%	(107,7)	12%	0%

- In relative terms, operating costs fell by 1%-point:
 - Lower staffing costs in the Netherlands and North America due to reorganisations
 - Lower costs of sales result in relative decrease of other operating expenses

Net result

(x € mln.)	2013	2014	Δ FY
Operating result (EBIT) excl. non-recurring income and expenses	36,9	44,3	20%
Non-recurring income and expenses	(3,0)	(0,7)	
Result of participations	0,5	0,4	
Financial income and expenses	(11,7)	(8,8)	(25%)
Taxes	(3,7)	(9,2)	146%
Net profit	19,0	26,1	37%

- Financial costs €3 mln. lower:
 - Lower credit take-up as a result of lower working capital
 - No use of factoring in 2014
- Tax rate negatively impacted by:
 - No longer recognising deferred tax assets related to integration of Currie Tech in Accell North America
 - Not recognising deferred tax assets as a result of reorganisation losses in Canada
 - Fully utilising effects of tax rate in Germany
- Non-recurring income and expenses consist of book profit on sale of Hercules, reorganisation expenses in the Netherlands and North America, one-off costs for the sale of Tunturi Fitness and acquisition costs related to Comet

Results per half year

(x € mln.)	H1 2013	H1 2014	H2 2013	H2 2014	FY 2013	FY 2014
Net turnover	503,8	506,2	345,2	376,2	849,0	882,4
Costs of materials	(344,7)	(351,4)	(244,8)	(262,7)	(589,5)	(614,1)
Added value %	31,6%	30,6%	29,1%	30,2%	30,6%	30,4%
Depreciation	(4,6)	(4,3)	(4,1)	(4,6)	(8,7)	(8,9)
Personnel costs	(59,4)	(55,9)	(47,2)	(51,5)	(106,6)	(107,4)
Other operating costs	(59,6)	(56,4)	(47,7)	(51,3)	(107,3)	(107,7)
Operating costs	(123,6)	(116,6)	(99,0)	(107,4)	(222,6)	(224,0)
Operating result before non-recurring income and expenses	35,5	38,2	1,4	6,1	36,9	44,3
	7,0%	7,5%	0,4%	1,6%	4,3%	5,0%
Non-recurring income and expenses	-	1,2	(3,0)	(1,9)	(3,0)	(0,7)
Operating result (EBIT)	35,5	39,4	(1,6)	4,2	33,9	43,6
	7,0%	7,8%	-0,5%	1,1%	4,0%	4,9%
Result of participations	0,0	0,0	0,5	0,4	0,5	0,4
Financial income and expenses	(6,6)	(5,1)	(5,1)	(3,7)	(11,7)	(8,8)
Taxes	(4,4)	(6,8)	0,7	(2,4)	(3,7)	(9,2)
Net profit	24,5	27,5	(5,5)	(1,5)	19,0	26,1
	4,9%	5,4%	(1,6%)	(0,4%)	2,2%	3,0%

Balance sheet, assets

(x € mln.)	31-12-2013*	31-12-2014
Non-current assets		
Intangible assets	93,7	106,6
Property, plant and equipment	66,8	68,1
Financial fixed assets	19,8	17,1
	180,3	191,8
Current assets		
Inventories	251,2	244,5
Receivables	132,2	172,9
Cash and cash equivalents	15,9	13,5
	399,3	430,9
Total assets	579,6	622,6

*¹) 2013 figures incl. Hercules

Working capital

(x € mln.)	31-12-2013	31-12-2014	Δ FY
Inventories	251.2	244.5	(3%)
Accounts receivable	104.7	133.3	27%
Accounts payable	(71.8)	(108.5)	51%
Total	284.1	269.2	(5%)

- Inventories component lower due to lower number of bicycles in stock
 - Significantly lower number of bicycles in stock
 - Average cost price per bicycle increased due to larger share of electric bikes
 - Higher inventories of goods in transit
- Higher balance of accounts receivable due to higher turnover in fourth quarter
 - In 2013 cash flow from working capital decreased by €11 mln due to factoring
- Use of longer payment terms and higher inventories of goods in transit led to higher balance of accounts payable

Balance sheet, liabilities

(x € mln.)	31-12-2013*	31-12-2014
Group equity	240,0	275,9
Provisions	30,3	30,1
Non-current loans	103,3	70,9
Bank overdrafts	96,2	95,0
Current liabilities	109,8	150,8
Total liabilities	579,6	622,6

*) 2013 figures incl. Hercules

Group equity

(x € mln.)

Total equity on January 1, 2014	240,0
Net profit	26,1
Paid dividend 2013	(7,2)
Other changes	17,1
Increase	35,9
Total equity on 31 december 2014	275,9

- Other changes include:
 - Processing of financial instruments due to hedging activities
 - Currency effects due to foreign activities

Cash Flow

	2013	2014
Cash flows from operating activities		
Operating result	33,9	43,6
Depreciation	8,7	8,9
Share-based payments	0,3	0,3
Operating cash flows before working capital and provisions	42,9	52,8
Changes in working capital and provisions	(53,7)	3,4
Interest paid	(9,9)	(9,2)
Income taxes paid	(2,5)	(8,8)
Net cash flows from operating activities	(23,2)	38,2
Cash flows from operating activities		
Interest received	0,6	0,3
Changes in non-current assets	(6,9)	(9,6)
Sale of business activities	0,0	23,4
Business Combinations	(1,4)	(14,0)
Net cash flows from investing activities	(7,7)	0,1
Free cash flow	(30,9)	38,3
Cash flows from financing activities		
Changes in bank loans and bank overdrafts	51,9	(34,2)
Stock and option plans	(0,4)	(0,1)
Cash dividend	(10,8)	(7,2)
Net cash flows from financing activities	40,670	(41,5)
Net cash flow	9,8	(3,2)

Ratios

	2013	2014
EPS	€ 0.79	€ 1.06
ROCE	8.3%	9.8%
Operating result / Turnover	4.3%	5.0%
Solvability	41.4%	44.3%
Net debt / EBITDA	4.0	2.9
Average amount of employees (FTE)	2.926	2.796

Dividend proposal

	2013	2014
EPS	€ 0,79	€ 1,06
Proposed dividend	€ 0,55	€ 0,61
Pay out ratio	70%	58%
Share price at year-end	€ 13,40	€ 13,60
Dividend yield	4,1%	4,5%

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Strategy Accell Group

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



Outlook 2015

- Cycling to become increasingly popular, especially among youngsters who see bicycles as a lifestyle product
 - New collections with numerous innovations both in design and mechanically
 - Growth through product development leading to new (alternative) uses and by entering new markets
 - Continuing favourable underlying trends
- Further increase in both turnover, barring unforeseen circumstances



6 March 2015

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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