

Presentation annual results 2011

Okura Hotel, Amsterdam

24 February 2012

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Agenda

1. Accell Group in 2011
2. The Accell Group share
3. Financials
4. Outlook



Increase of turnover and net profit

- Turnover increased 9% to € 628.5 mln.
 - 3.9% autonomous growth
 - 5.0% acquisition growth
- Operating result (EBIT) dropped 9%.
The one time discounts in autumn play an important part in this.
- Net profit increased 11% to € 40.3 mln.
- Earnings per share € 1.93 (2010: € 1.78)



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Key developments in 2011

- Turnover growth Germany
- Sales growth electric bicycles
- Higher discounts at the end of the season due to bad weather conditions in summer
- Book profit on sale 22% stake in Derby Cycle AG
- Definitive ruling NMa fine higher than expected
- Lower tax burden
- Positive development working capital due to a relative reduction of inventories

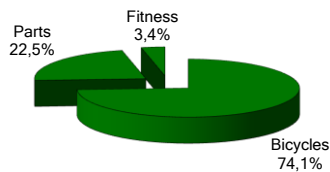


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Turnover segmentation per product group



(x € mln.)	Turnover		10 -> '11
	2010	2011	
Bicycles	425,8	465,6	9%
Parts	122,9	141,3	15%
Fitness	28,5	21,6	(24%)
	<u>577,2</u>	<u>628,5</u>	9%



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Bicycles / bicycle parts & accessories

- Turnover growth bicycles 9% to € 466 mln., of which 4% autonomously
- Increased turnover particularly in Germany
- Increased sales electric and sports bikes, drop in traditional bikes
- Average price dropped to € 417 (2010: € 449) due to acquisition of Accell Bisiklet. Organically the average price increased
- Sales bicycle parts & accessories increased 15% to € 141 mln., of which 12% autonomously, in all countries



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Fitness

- Drop in turnover to € 21.0 mln. (2010: € 28.5 mln.) due to continuous tough market circumstances
- Cost level (excl. non-recurring charges) lower compared to 2010
- Adjustment of organisation:
 - Downsizing the activities in North America
 - Relocation and reorganisation in the Netherlands
 - Full outsourcing to Asia
- A reduction in working capital resulted in a positive cash flow in 2011
- Non-recurring charges € 4.0 mln. due to reduction of inventories and receivables, reorganisation and relocation costs and deferred taxes
- The result from this segment (excl. non-recurring charges) € -1.4 mln. (2010: € -0.4 mln.)

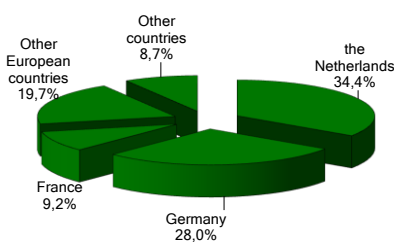


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Geographical distribution of turnover



(x € mln.)	Turnover		10 -> '11
	2010	2011	
the Netherlands	224,9	216,4	<i>(4%)</i>
Germany	144,5	176,3	<i>22%</i>
France	53,7	58,0	<i>8%</i>
Other Europe	110,1	123,4	<i>12%</i>
Other countries	43,9	54,4	<i>24%</i>
	577,2	628,5	<i>9%</i>

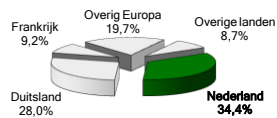


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the Netherlands



- Weak market due to cautious consumer spending
- Turnover growth electric and sports bikes, and specialties
- Many bicycles were sold at a discount in the second half year, because they were not sold before the end of the season in September
- Bicycle parts & accessories continues to grow
- Early 2012 acquisition Van Nicholas; a niche player in titanium bicycles and frames for the top segment

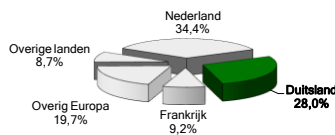


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Germany



- Strong bicycle turnover growth of 26%
- Turnover bicycle parts & accessories increased 16%
- Growth particularly at electric bikes, market estimation 250,000 - 300,000 bikes
- Extra discount due to shift in sales as a result of bad weather conditions in the summer

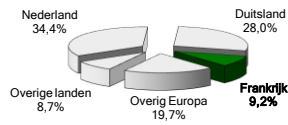


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France



- Turnover bicycles dropped due to weak market
- Continued turnover growth of 26% of bicycle parts & accessories

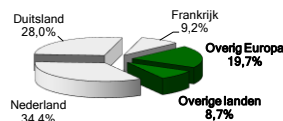


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Other countries



- Turnover increase Turkey, Italy and Finland due to acquisition of Accell Bisiklet (Turkey)
- Turnover increase Sweden due to Vartex acquisition
- Turnover US stable
- Agreement acquisition Currie Technologies, an important supplier of electric bikes and e-steps (mini e-scooters) in the US. The takeover was completed early January 2012
- Limited turnover growth in Asia. The organisation has been strengthened considering expectations for the future



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Share price development in 2011



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Profit & loss statement

Operating costs	(158,6)	(167,6)	
Operating result before non-recurring profits/losses	44,8	40,7	<i>6%</i> <i>(9%)</i>
Non-recurring profits/losses *	1,6	(5,9)	
Operating result (EBIT)	46,4	34,8	
Result of participations	0,0	16,1	
Result of associates	0,1	0,4	
Interest costs (incl. interest NMa-fine)	(4,2)	(7,8)	
Taxes	(5,8)	(3,1)	
Net profit	36,4	40,3	<i>11%</i>

* non-recurring profit 2010: release provision acquisition € 1.6 mln.; non-recurring loss 2011: fitness € 3.6 mln. and NMa fine € 2.3 mln.



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Net operating result

(x € mln.)	2010	2011	10 -> '11
Net profit	36,4	40,3	11%
Innovation box	2,7	0,8	
Release tax deferral (13c)	1,6		
Release provision acquisition	1,6		
Book profit participation		16,1	
NMa fine/interest (after tax)		(4,3)	
Non-recurring loss Fitness *		(4,0)	
Net operating result	<u>30,5</u>	<u>31,7</u>	4%

* of which € 0.4 mln. tax deferral

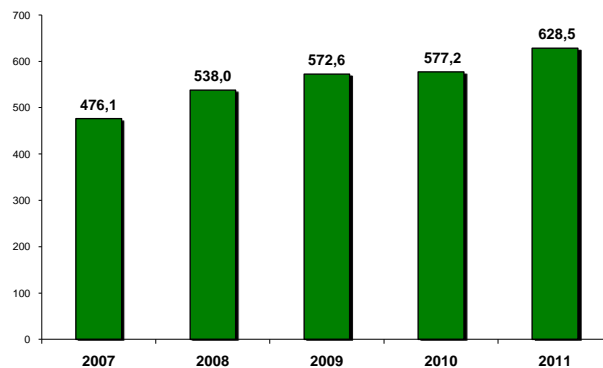


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Turnover development last 5 years



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Cost of materials

(x € mln.)	2010	% omzet	2011	% omzet
Turnover	577,2	100%	628,5	100%
Materials	<u>(373,9)</u>	64,8%	<u>(420,2)</u>	66,9%
Added value	<u>203,4</u>	35,2%	<u>208,2</u>	33,1%

- Lower logistics costs
- Unusual high discounts due to slow progress of the season
- Impact acquisition slightly positive
- Increased guarantee costs
- Added value parts stable (but lower than on average with bicycles)



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Operating expenses (excl. Non-recurring profits/losses)

(x € mln.)	2010	% omzet	2011	% omzet
Staffing costs	(76,6)	13,3%	(80,6)	12,8%
Depreciation & amortisation	(7,5)	1,3%	(7,4)	1,2%
Other operating costs	(74,5)	12,9%	(79,6)	12,7%
Total	<u>(158,6)</u>	27,5%	<u>(167,6)</u>	26,7%

- Staffing costs increased due to acquisitions
- Besides acquisition effect at other operating costs, there is also an autonomous increase in line with turnover growth.



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Segment overview

Bicycles and bicycle parts	548,7	607,6	11%
Fitness	28,5	21,0	(26%)
Elimination	0,0	(0,1)	
Total	<u>577,2</u>	<u>628,5</u>	9%
Result per segment			
Bicycles and bicycle parts	55,5	52,8	(5%)
Fitness	(0,4)	(1,4)	(274%)
Total	<u>55,1</u>	<u>51,3</u>	(7%)



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Results per half year

(x € mln.)	H1 2010	H1 2011	H2 2010	H2 2011	FY 2010	FY 2011
Net turnover	342,4	373,0	234,8	255,5	577,2	628,5
Material costs	(218,6)	(243,0)	(155,3)	(177,3)	(373,9)	(420,2)
Operating expenses	(88,4)	(93,5)	(70,1)	(74,0)	(158,6)	(167,6)
Operating result before non-recurring profits/losses	35,4	36,5	9,4	4,1	44,8	40,7
	10,3%	9,8%	4,0%	1,6%	7,8%	6,5%
Non-recurring profits/losses *	-	-	1,6	(5,9)	1,6	(5,9)
Operating result (EBIT)	35,4	36,5	11,0	(1,7)	46,4	34,8
	10,3%	9,8%	4,7%	(0,7%)	8,0%	5,5%
Result of participation	0,0	0,0	0,0	16,1	0,0	16,1
Result of associates	0,0	0,3	0,1	0,1	0,1	0,4
Interest costs (incl. interest NMa fine)	(2,5)	(2,9)	(1,7)	(5,0)	(4,2)	(7,8)
Taxes	(8,8)	(6,7)	3	3,5	(5,8)	(3,1)
Net profit	24,1	27,3	12,3	13,0	36,4	40,3
	7,0%	7,3%	5,2%	5,1%	6,3%	6,4%

- Autonomous turnover growth: H1 + 3%, H2 + 5%
- Explanation tax: innovation box in the Netherlands € 0.8 mln. And positive impact legal restructuring German activities



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Balance sheet, assets

Intangible fixed assets	42,2	50,0
Tangible fixed assets	59,6	64,1
Financial fixed assets	9,7	11,9
	<u>111,5</u>	<u>126,1</u>
Currents assets		
Inventories	178,9	189,1
Receivables	92,2	114,6
Liquid assets	1,3	4,3
	<u>272,4</u>	<u>307,9</u>
Total assets	<u>383,9</u>	<u>434,0</u>



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Working capital

(x € mln.)	31-12-2010	31-12-2011	10 -> '11
Inventories	178,9	189,1	6%
Accounts receivable	76,4	85,6	12%
Accounts payable	(55,5)	(52,7)	(5%)
Total	<u>199,8</u>	<u>222,0</u>	11%

- Inventories:
 - Growth by acquisitions € 14 mln.
 - Autonomously, inventories dropped 2%, in spite of autonomous increase of average price
- Accounts receivable:
 - Growth by acquisitions € 4 mln.
 - Autonomous growth accounts receivable in line with turnover growth
- Accounts payable:
 - Lower as a result of adjustment production pattern during the season



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Balance sheet, liabilities

(x € mln.)	31-12-2010	31-12-2011
Group equity	180,4	214,6
Provisions	23,3	22,5
Long-term debts	51,7	48,0
Credit institutions	50,1	71,9
Short term debts	78,4	76,9
Total liabilities	<u>383,9</u>	<u>434,0</u>

- Provisions are affected by payment NMa fine on the one hand and making provisions for acquisitions on the other hand
- Increase bank credit due to acquisition effect and autonomous growth of working capital



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Group equity

(x € mln.)	
Balance on 1 January 2011	180,4
Net profit	40,3
Dividend payment 2010	(9,9)
Other movements	<u>3,9</u>
Increase in 2011	34,3
Balance on 31 December 2011	<u>214,6</u>

- Dividend: 56% cash / 44% stock
- Other movements among others financial instruments



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Cash flow from operating activities

Movement in working capital and provisions	(37,3)	(6,5)
Paid interest and taxes	<u>(13,7)</u>	<u>(12,8)</u>
Net cash flow from operating activities	3,3	39,4

(x € mln.) 2010 2011

Cash flow from investment activities

Received interest	0,3	0,3
Movement in fixed assets	(4,6)	(8,1)
Acquisitions subsidiary companies	<u>(0,1)</u>	<u>(14,7)</u>
Net cash flow from investment activities	(4,4)	(22,5)



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Cash flow from investment and financing activities

(x € mln.) 2010 2011

Cash flow from investment activities

Received interest	0,3	0,3
Movement in fixed assets	(4,6)	(8,1)
Acquisitions subsidiary companies	<u>(0,1)</u>	<u>(14,7)</u>
Net cash flow from investment activities	(4,4)	(22,5)

Free cash flow (1,1) 16,9

Cash flow from financing activities

Movements in bank loans and bank credits	8,4	(4,0)
Dividends	(7,6)	(9,9)
Share- and option-based payments	<u>1,0</u>	<u>(0,1)</u>
Net cash flow from financing activities	1,8	(14,0)



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Ratios

	2010	2011
EPS	€ 1,78	€ 1,93
ROCE*	15,3%	14,4%
Operating result before non-recurring profits and losses/turnover	7,8%	6,5%
Net debt/EBITDA*	1,9	2,0
Solvency	47,0%	49,5%
Interest coverage*	10,6	6,5
Average number of employees (FTE's)	1.877	2.234

* including participation Derby Cycle AG and NMa fine



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Dividend proposal

	2010	2011
EPS	€ 1,78	€ 1,93
Dividend proposal	€ 0,86	€ 0,92
Pay-out ratio	48%	48%
Year end share price	€ 18,90	€ 14,10
Dividend yield	4,5%	6,5%



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Trends and expectations

- Social and demographic trends do not change
 - Mobility
 - Environment
 - Ageing
 - Health
 - Sustainability
 - Governments stimulate health, recreation and the increasing use of the bicycle as an alternative form of transport
- So...



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Trends and expectations

- Increase in bicycle use
 - More exercise, healthier lifestyle
 - As a replacement for the car or public transport
 - Health and relaxation
 - Active recreation and sports



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Strategy Accell Group

- Creating innovative, high-quality and recognisable products
- Anticipating with strong brands on the constant demand for high added value products, with distinctive ability in innovation and modern design
- Positioning, promoting and expanding the brand portfolio, targeted marketing and intensive cooperation with and support for the specialist trade
- Continuous cost control, inventory management, portfolio management, and further exploitation of synergies
- Active search for possible acquisitions



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Outlook 2012

Based on the trends and strategy an increase of turnover and net operating result is expected for 2012 compared to 2011*.

* Barring unforeseen circumstances



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