

The Initiative  
in cycling  
& fitness



# Accell Group

## A brief introduction

London, 12<sup>th</sup> April 2005



## Mission Accell Group

Accell Group wants to be one of the leading players in development and marketing of durable branded consumer goods for short distance mobility, fitness and active recreation (fun, fitness, free time).

Accell Group wishes to realize a healthy and sustainable return on investment for shareholders and provide a stimulating environment for Accell-employees



## Business Profile

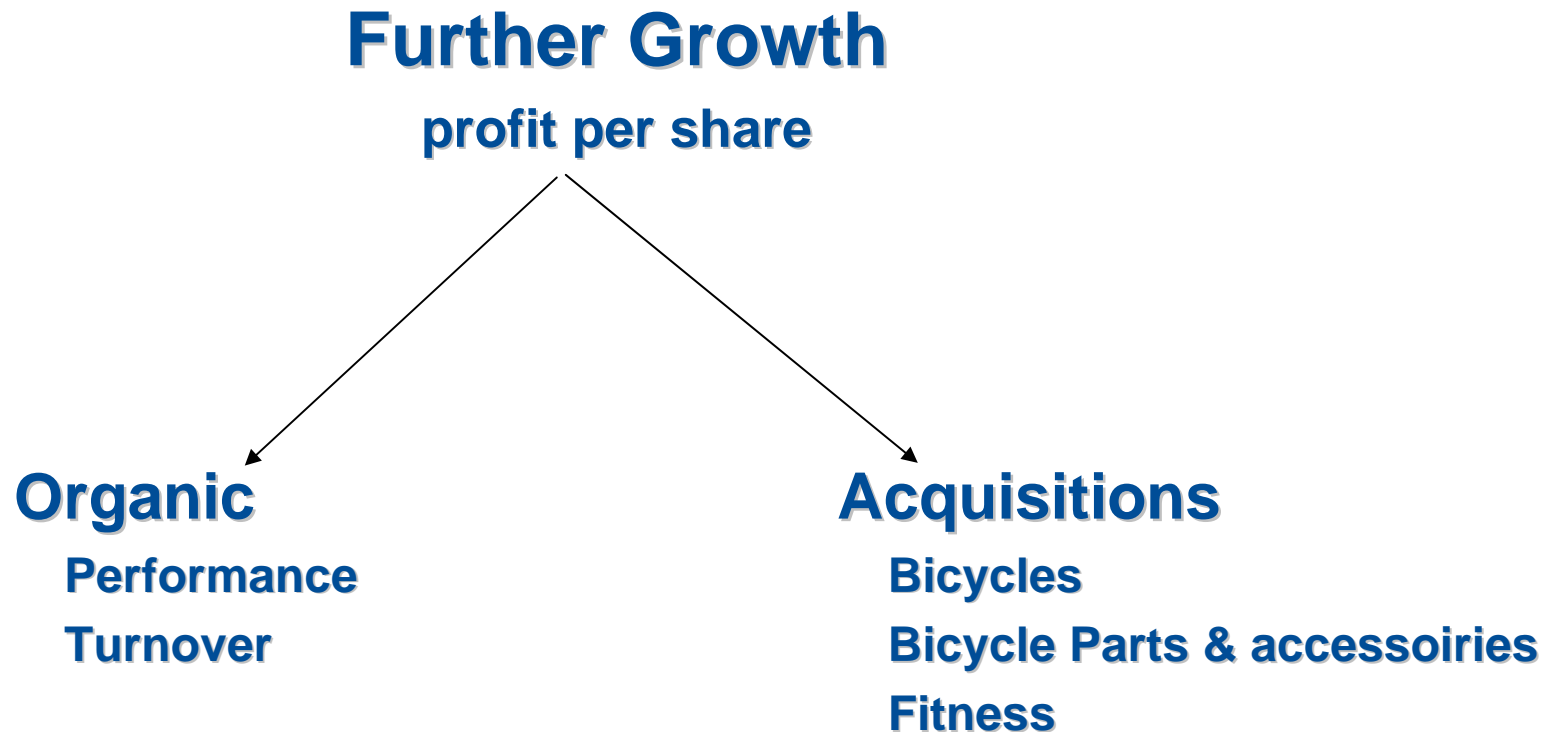
- Three product groups: Bicycles, bicycle parts & accessories, fitness
- Focused marketing of national and international brands
- Innovation and differentiation by way of modern design and product specifications
- Efficient logistics and production
- Effective management of costs and sales prices
- Group synergy



## Demo-/Geographical developments

- Strong life-style trends like good health, fitness and stress relief are stimulating market demand for active recreation.
- Double incomes are the fastest growing category who spend a lot of time and money on recreation.
- Growing attention from governments for a safe bicycle infrastructure in cities and in the country.

# Strategy Accell Group next 5 years





## Why we believe in our brands

- A brand is more than just a name
- Long history and well known (brands have emotional value to consumers)
- Every brand has it's own position
- National brands cannot be combined to create global brand:
  - Prohibitively expensive
  - No additional return considering the industry characteristics

## European bicycle market

- 15 million bicycles sold annually in EU-15
- Estimates of main markets are:
  - Germany: 4,5 million sold
  - France 2,0 million sold
  - Italy 2,0 million sold
  - The Netherlands 1,3 million sold
- Fragmented market country by country
  - Type of bicycles sold
  - Average price/quality
  - Look and feel of bicycle
- Way of selling differs per country
  - Independent Bicycle Dealers
  - Sport chain
  - Mass market

## Strategy bicycles

- Increase brand performances
  - Market positions
  - Innovation & differentiation
  - Profitability
- Increase group synergies
  - Production
  - Purchasing
  - Logistics

## Why Parts & Accessories (P&A)?

- Bike owners want to keep their product in good condition and/or improve it
- Turnover parts & accessories becomes increasingly important to independent bicycle dealers
  - Parts for repair
  - Accessories for more comfort and functionality

## Markets & position (P&A)

- Accell Group focuses on Benelux and Germany
  - Market size Benelux and Germany ca. € 600 million
  - Accell group turnover 2004: €45 million
- Full supplier and exclusive distribution rights
- P&A activity Accell Group started with acquisition Winora (2001)



## Strategy P & A

- Consolidate & increase turnover
  - Integrate existing companies
  - Acquire new positions/companies
- Expand European business
  - Accell Group core countries
- Realize group synergies
  - Portfolio management
  - Purchase
  - Logistics

## Why fitness?

- Health consciousness increases and people exercise to keep or recover their good shape
- Depending on weather conditions, people will use outdoor products (eg bicycle) or indoor products (fitness equipment)
- Seasonal patterns of bicycle and fitness are complementary
- Synergy:
  - Marketing
  - Production
  - Distribution
  - R&D



## Markets & Position Fitness

- Concentrating on Home Use segment
- European total market € 1,0 billion
  - € 500 million sold via specialists
- Tunturi focuses on mid and top segment
- Bremshey focuses on mid segment only

## Strategy Fitness

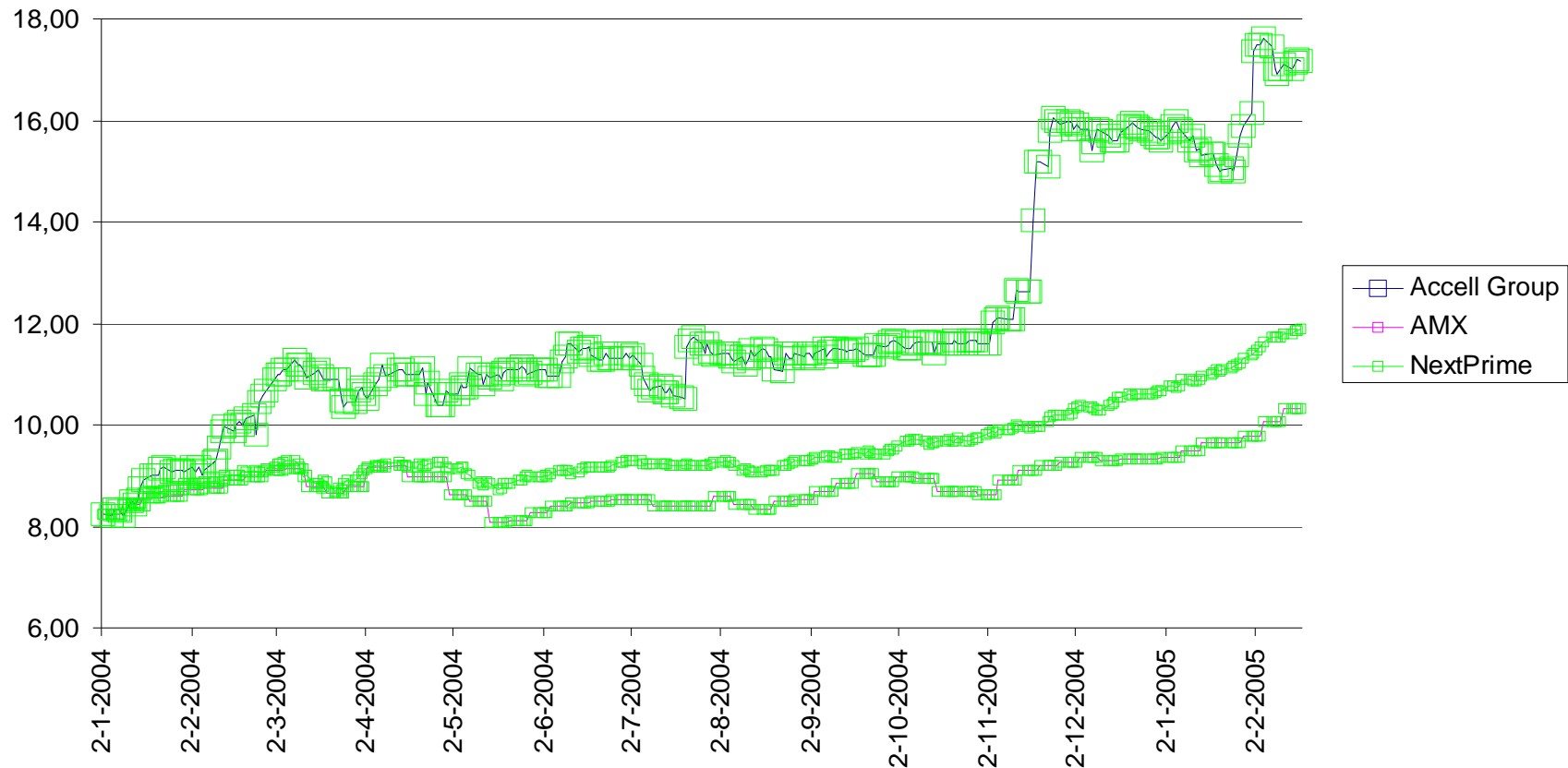
- Improve portfolio
  - More price points
  - More types of fitness equipment and accessories
- Increase distribution power

## Group financials

	2003	2004	03 ->'04
<b>Net turnover</b>	289,6	<b>341,1</b>	18%
Cost of components	184,8	<b>210,8</b>	14%
Other operating costs	88,2	<b>107,8</b>	22%
<b>Operating profit (EBIT)</b>	<u>16,6</u>	<u><b>22,5</b></u>	36%
Income minority shares	0,1	<b>0,2</b>	
Interest costs	2,6	<b>2,8</b>	8%
Taxes	4,9	<b>7,0</b>	43%
<b>Net profit</b>	<u>9,2</u>	<u><b>13,0</b></u>	42%
<b>EPS</b>	1,10	<b>1,52</b>	38%
<b>Dividend</b>	0,52	<b>0,72</b>	38%
<b>EBIT%</b>	5,7%	<b>6,6%</b>	

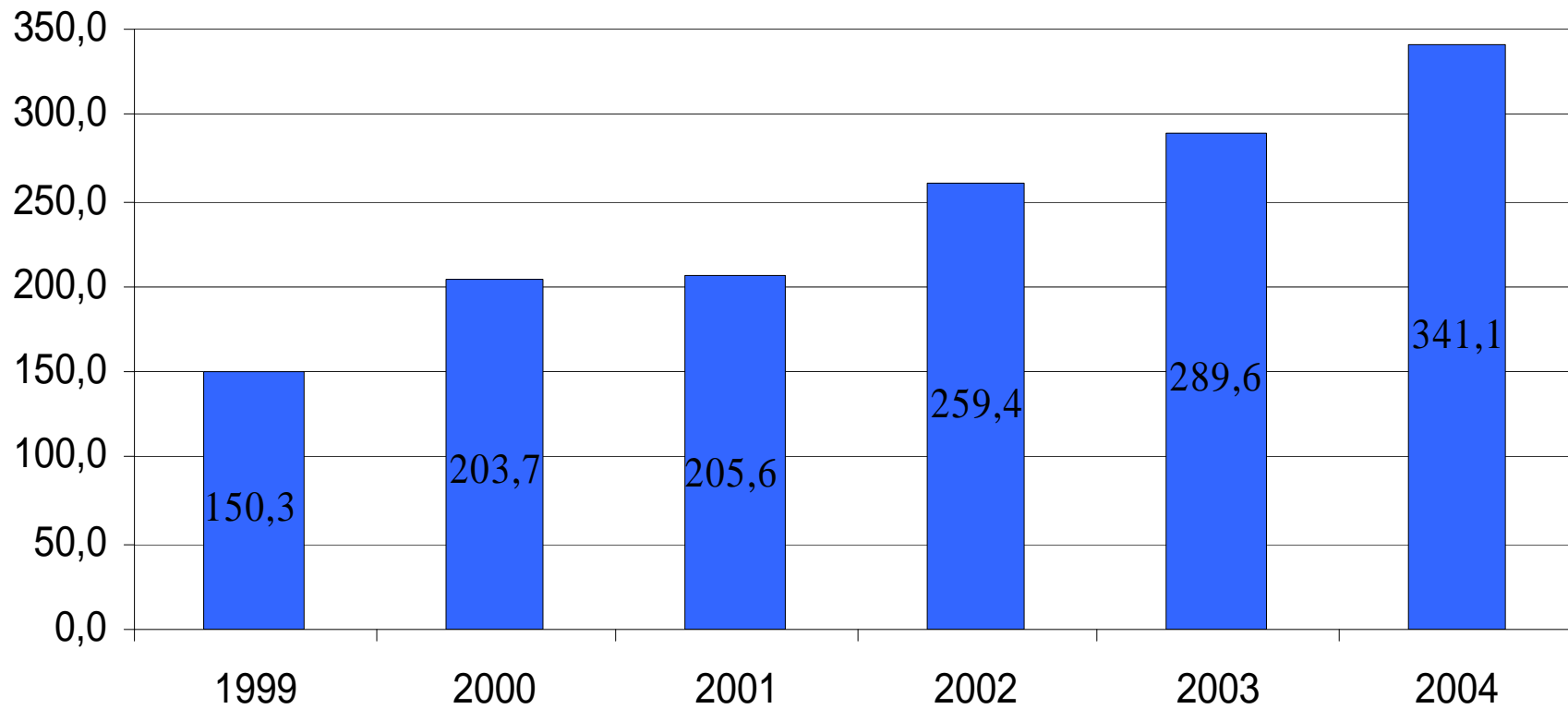


# Share price development



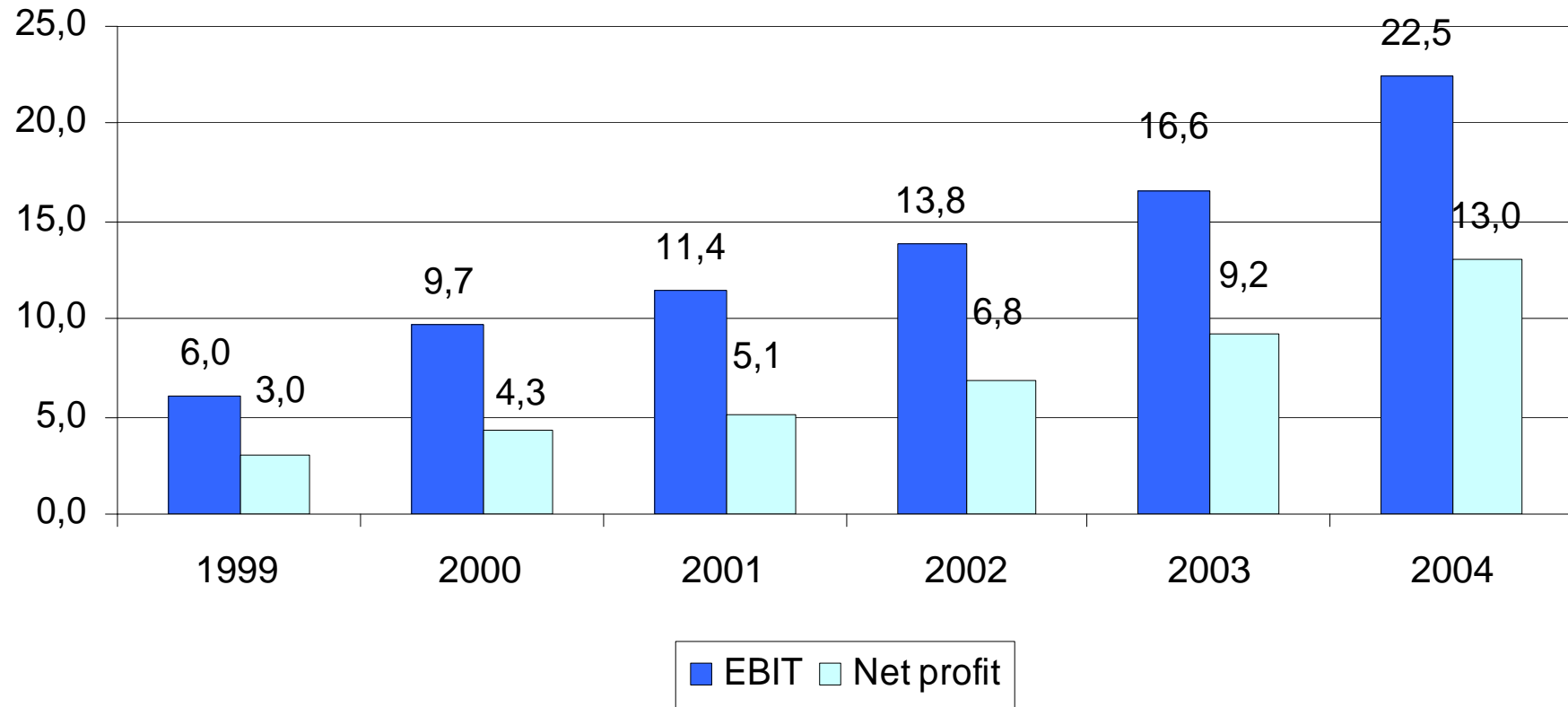


## Development turnover



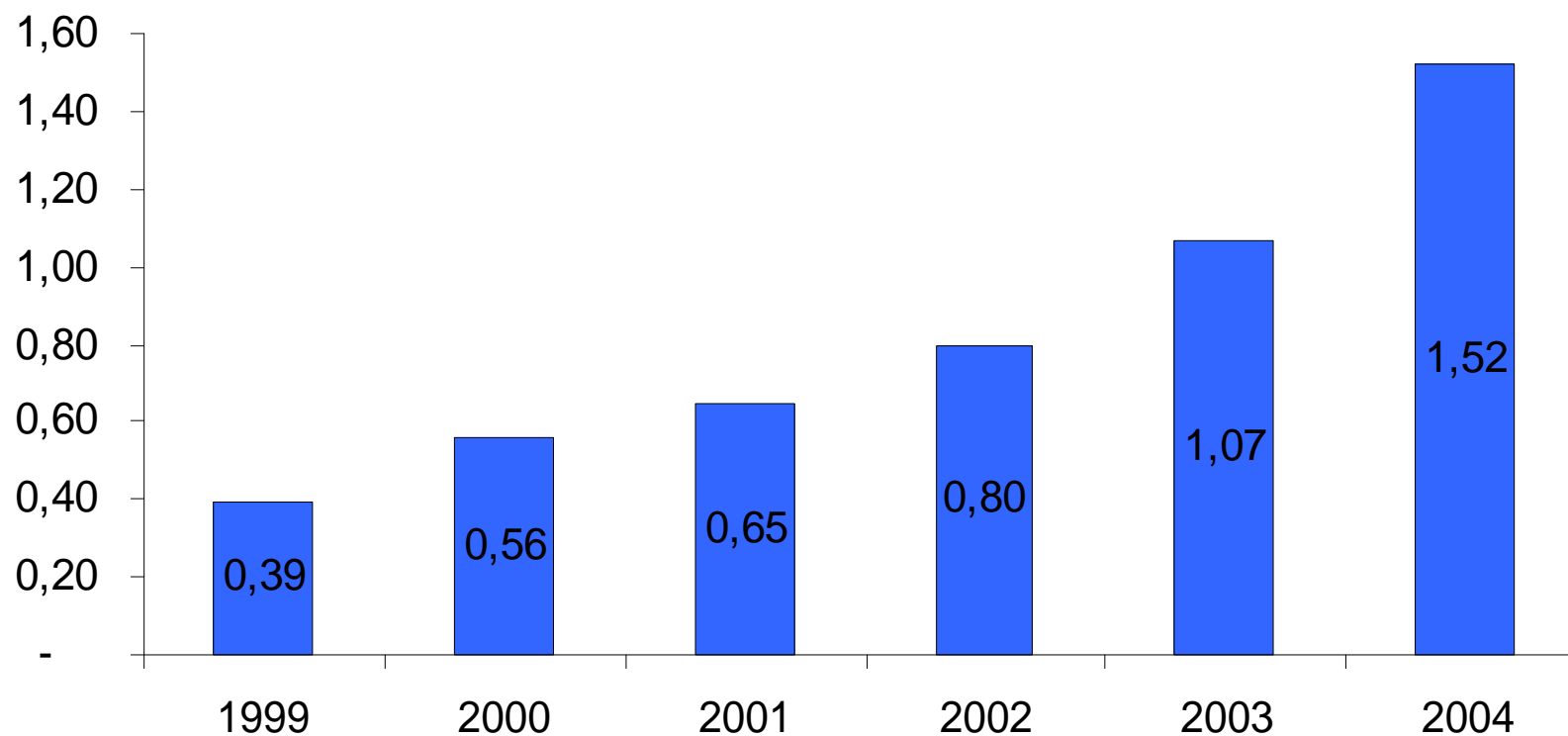


## Profit development





## Earnings per share \*

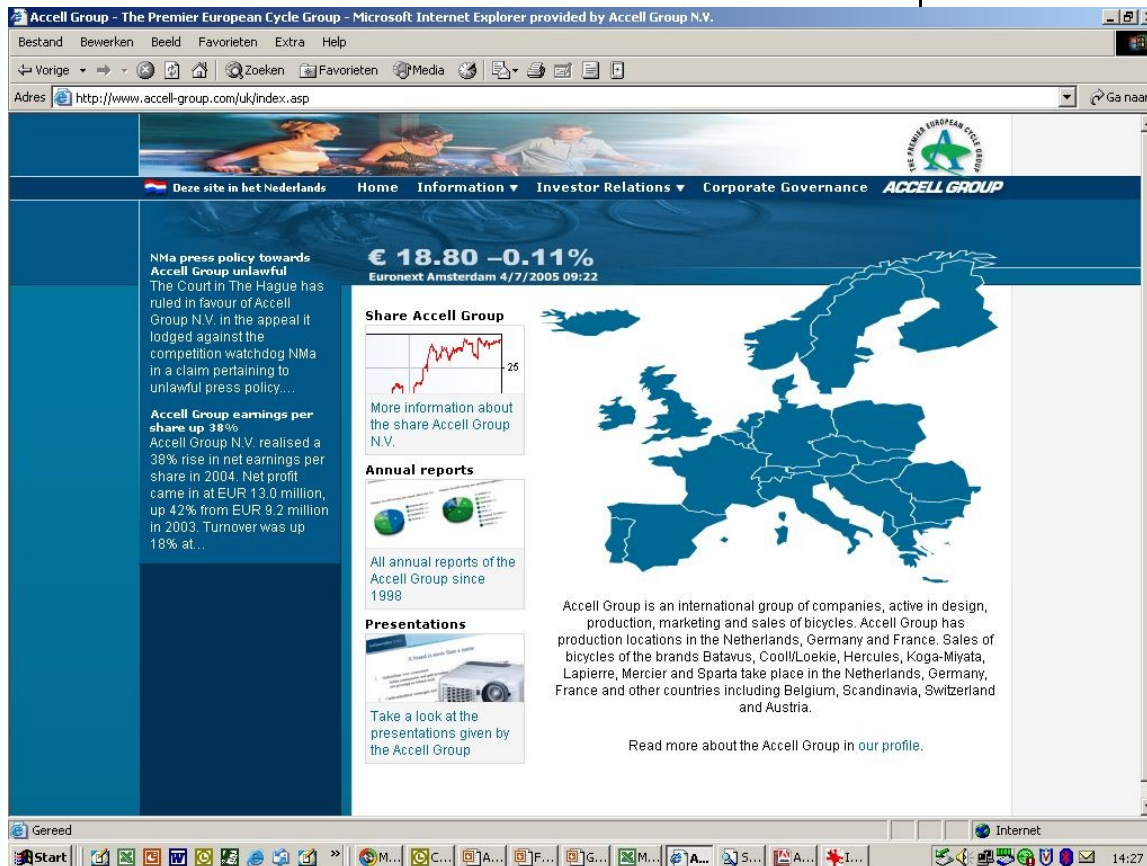


\* Corrected for dilution due to issuance of stock dividends

## Outlook

- Continuation current strategy
  - Organic growth
  - Acquisitions
  - Realization synergy
- Trends European markets are expected to remain virtually unchanged
- Further increase turnover and earnings per share
  - (barring unforeseen circumstances)

# Investor Relations



Accell Group - The Premier European Cycle Group - Microsoft Internet Explorer provided by Accell Group N.V.

Bestand Bewerken Beeld Favorieten Extra Help

Vorige Zoeken Favorieten Media

Adres <http://www.accell-group.com/uk/index.asp> Ga naar

Deze site in het Nederlands Home Information Investor Relations Corporate Governance **ACCELL GROUP**

NMA press policy towards Accell Group unlawful  
The Court in The Hague has ruled in favour of Accell Group N.V. in the appeal it lodged against the competition watchdog NMa in a claim pertaining to unlawful press policy...

Accell Group earnings per share up 38%  
Accell Group N.V. realised a 38% rise in net earnings per share in 2004. Net profit came in at EUR 13.0 million, up 42% from EUR 9.2 million in 2003. Turnover was up 18% at...

€ 18.80 -0.11%  
Euronext Amsterdam 4/7/2005 09:22

Share Accell Group

More information about the share Accell Group N.V.

Annual reports

All annual reports of the Accell Group since 1998

Presentations

Take a look at the presentations given by the Accell Group

Accell Group is an international group of companies, active in design, production, marketing and sales of bicycles. Accell Group has production locations in the Netherlands, Germany and France. Sales of bicycles of the brands Batavus, Cool/Loekie, Hercules, Koga-Miyata, Lapierre, Mercier and Sparta take place in the Netherlands, Germany, France and other countries including Belgium, Scandinavia, Switzerland and Austria.

Read more about the Accell Group in our profile.

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All relevante information on [www.accell-group.com](http://www.accell-group.com):

- Press releases
- Presentations
- Financial calendar
- Share price
- Corporate Governance information

## Why to invest in Accell Group

- Interesting market positions in bikes, bike parts & accessories and fitness with growth potential
- Sustainable growth of earnings per share
- Modest price/earnings ratio (2004: ca 10 \*)
- Above average dividend return (2004: 4,6% \*)

\* Based on share price and EPS ultimo 2004

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***ACCELL GROUP***