

Presentation first-half results 2010

Okura Hotel, Amsterdam
23 July 2010

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Agenda

1. Accell Group in H1 2010
2. Segments and countries development in first-half 2010
3. Accell Group shares
4. Financials
5. Outlook



Key developments in H1 2010

- Net profit +9% to €24 mln.
- Turnover increased 3% compared to H1 2009 to €342 mln.
 - Long winter and bad weather in May impacted sales
 - Influence of economic developments and FIFA World Cup
 - Total number of bicycles sold stable
 - Increased turnover parts & accessories, partly due to acquisitions in 2009 and 2010
 - Acquisition of Batavus importer in Germany
 - Increased turnover and result fitness



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Summary first-half results 2010

	H1 2009	2009	H1 2010
Turnover (x € mln.)	332.9	572.6	342.4
EBIT (x € mln.)	34.3 10.3%	49.9	35.4 10.3%
Net profit (x € mln.)	22.1	32.7	24.1
Earnings per share (€)	2.25	3.30	2.39
Solvency	40.1%	45.0%	45.4%
Balance sheet total (x € mln.)	354.9	337.3	373.3
Share price (€)	21.88	29.17	34.50



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Bicycles / bicycle parts & accessories

- Turnover growth of +2%, to €328 mln.
- Number of bicycles sold in H1 2010 stable at approximately 580,000
- Average price of bicycles increased to €456 (ex-factory)
- Decrease in traditional bicycles in Europe
- Further sales increase of innovative sports bicycles and bikes for special target groups
- Turnover growth in parts & accessories (+11%)



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Fitness



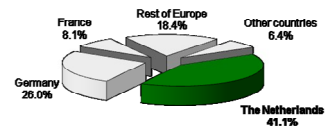
- Turnover up 22% to € 14 mln.
- Higher turnover mainly realised through sales to new distributors replacing existing distributors and in new countries
- Activities of own distributors in UK and Germany transferred to independent third-party distributors
- Reduction of costs and inventories
- Due to adaptation of organisation now own distribution system in the Benelux, Scandinavia and North-America, other countries through third-party distributors

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The Netherlands



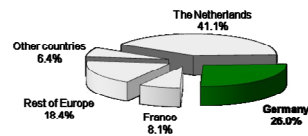
- Turnover in the Netherlands +/- 7% to € 141 mln.
 - Long winter and bad weather in May led to drop in sales of traditional bicycles. A shift to bicycles for special target groups also played a role
 - Sales of electric bicycles in the Netherlands to consumers +10% (source: GfK, own consumer registration)
 - Due to inventory reductions at dealers (restricted financing, increased offering) lower deliveries of in particular E-bikes to dealers
 - Turnover growth parts & accessories, partly due to increased number of repairs
 - Turnover in line with market developments

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Germany



- Turnover in Germany +7% to €89 mln.
 - Increased turnover partly due to acquisition Batavus importer
 - Increased turnover innovative sports bicycles from Winora, Hai Bike, and Ghost
 - Increased turnover E-bikes, product relatively new in comparison to the Netherlands
 - Increased sales of parts & accessories

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France



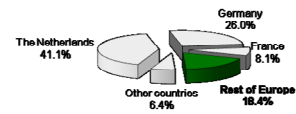
- Turnover in France -/- 6% to €27 mln.
 - Turnover Lapierre grows again, primarily due to export, stable in France
 - Decrease turnover in bicycles and bicycle parts for commercial city project due to limited number of projects
 - Increased turnover of parts & accessories to dealers (including XLC)
 - E-bike market still small

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Rest of Europe



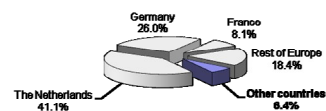
- Turnover other European countries +23% to €63 mln.
 - Significantly increased turnover in:
 - Scandinavia
 - Austria
 - Spain
 - UK
 - Finalisation of integration Tunturi and Hellberg, starting next season also bicycle sales of the acquired brand Nishiki in the Netherlands and Germany

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Other countries



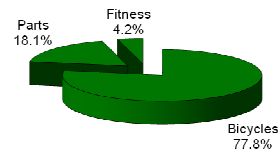
- Turnover other countries +25% to €22 mln.
 - Increased turnover SBS due to more sales of the Redline bicycle brand
 - Increased turnover fitness by new distributors in existing markets and in new countries
 - Sales activities started up for bicycles in various countries in South-East Asia and Australia (Ghost, Lapierre, Koga)

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Turnover segmentation per product group



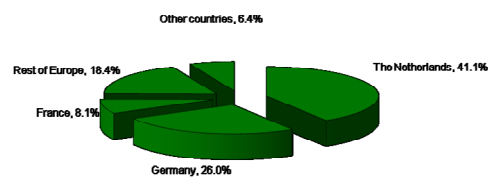
(x € mln.)	Turnover		change	turnover
	H1 2009	H1 2010		
Bicycles	263.3	264.1	0.3%	77.1%
Parts	57.9	64.0	10.5%	18.7%
Fitness	11.7	14.2	21.5%	4.2%
	<u>332.9</u>	<u>342.4</u>	2.9%	

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Geographical distribution of turnover



(x € mln.)	Turnover		change	turnover
	H1 2009	H1 2010		
The Netherlands	151.0	140.7	(6.8%)	41.1%
Germany	83.7	89.1	6.5%	26.0%
France	29.4	27.6	(6.0%)	8.1%
Rest of Europe	51.3	63.0	22.9%	18.4%
Rest of the World	17.6	21.9	24.8%	6.4%
	<u>332.9</u>	<u>342.4</u>	2.9%	

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Share price 1 January '09 –21 July '10



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Profit & loss statement

(x € mln.)	H1 2009	2009	H1 2010	
Net turnover	332.9	572.6	342.4	3%
Cost of materials	(210.3)	(366.9)	(218.6)	4%
Other costs	(88.3)	(155.8)	(88.4)	0%
Operating profit (EBIT)	34.3	49.9	35.4	3%
Result of participations	-	0.2	-	
Interest	(3.5)	(5.5)	(2.5)	(29%)
Taxes	(8.6)	(11.8)	(8.8)	2%
Net profit	22.1	32.7	24.1	9%

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Results development

- Turnover up 3% compared to the first half of 2009, of which 1% organic
- Added value at 36.2% (H1 2009: 36.8%); influence of increased freight costs
- Operating result increases from € 34.3 mln. to € 35.4 mln; stable relative to turnover at 10.3%
- Other (operational) costs in relation to turnover further decreased to 25.8% (H1 2009: 26.5%)
- Interest costs decreased 29% due to lower interest rates and less use of credit
- Average tax burden decreased to 26.7% (H1 2009: 28.0%)

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Cost of materials

(x € mln.)	H1 2009	2009	H1 2010	Δ H1
Net turnover	332.9	572.6	342.4	3%
Cost of materials	(210.3)	(366.9)	(218.6)	4%
Added value	<u>122.6</u>	<u>205.6</u>	<u>123.8</u>	1%
	36.8%	35.9%	36.2%	

- Relative material costs slightly higher than in H1 2009 partly due to higher freight costs

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Operating expenses

(x € mln.)	H1 2009	%	2009	%	H1 2010	%
Staff costs	(41.1)	(12%)	(73.5)	(13%)	(43.1)	(13%)
Depreciations	(3.9)	(1%)	(7.4)	(1%)	(3.8)	(1%)
Other operating costs	(43.3)	(13%)	(74.8)	(13%)	(41.6)	(12%)
Other costs	<u>(88.3)</u>	(27%)	<u>(155.8)</u>	(27%)	<u>(88.4)</u>	(26%)

- Further decrease in operational costs:
 - Staff costs from 12.3% to 12.6% of turnover
 - Other operating costs from 13.0% to 12.2% of turnover

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Balance sheet, assets

(x € mln.)	30-6-2009	31-12-2009	30-6-2010
Fixed assets			
Tangible fixed assets	60.7	61.2	60.0
Intangible fixed assets	41.7	42.4	43.2
Financial fixed assets	9.5	10.1	8.5
	<u>111.9</u>	<u>113.7</u>	<u>111.8</u>
Current assets			
Inventories	143.5	137.8	144.2
Trade receivables	89.2	74.7	103.4
Other receivables	10.1	10.3	12.4
Liquid assets	0.2	0.8	1.5
	<u>243.0</u>	<u>223.6</u>	<u>261.5</u>
Total assets	<u><u>354.9</u></u>	<u><u>337.3</u></u>	<u><u>373.3</u></u>

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Working capital

(x € mln.)	30/06/2009	31/12/2009	30/06/2010	Δ H1
Inventories	143.5	137.8	144.2	1%
Accounts receivable	89.2	74.7	103.4	16%
Accounts payable	(44.7)	(43.6)	(49.4)	11%
Total	<u>188.0</u>	<u>168.9</u>	<u>198.2</u>	5%

- Inventories in line with turnover development
- Accounts receivable increased primarily due to increased delivery of bicycles in June
- Accounts payable increase due to goods in transit
- Bäumker acquisition effect on working capital was € 3.3 mln.

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Balance sheet, liabilities

(x € mln.)	30/06/2009	31/12/2009	30/06/2010
Group equity	142.4	151.8	169.4
Provisions	32.1	33.1	34.5
Long-term loans	62.1	59.8	58.3
Bank credit	43.1	25.8	26.3
Trade payables	44.7	43.6	49.4
Other short-term debts	30.5	23.1	35.4
Total liabilities	<u>354.9</u>	<u>337.3</u>	<u>373.3</u>

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Cash flow

(x € mln.)	H1 2009	H1 2010
Cash flow from operations		
Net profit	22.1	24.1
Depreciations	3.9	3.8
Share-based payments	0.2	0.2
Movements in provisions	1.7	1.5
Operational cash flow before working capital	27.9	29.6
Movements in working capital	(14.6)	(13.6)
Net cash flow operational activities	13.4	16.0
Cash flow from investment activities		
Movements in fixed assets	(2.8)	(1.5)
Acquisition of subsidiary companies	(4.3)	(0.1)
Net cash flow from investment activities	(7.0)	(1.6)
Free cash flow	6.4	14.4
Cash flow from financing activities		
Movements bank loans and bank credit	2.0	(6.6)
Share- and option-based payments	0.0	0.4
Dividends	(8.7)	(7.6)
Net cash flow from financing activities	(6.8)	(13.8)

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Exercise optional dividend

Outstanding number of shares at 01-01-2010:	10,017,084
Issue of shares as a consequence of option exercise:	16,200
Optional dividend	
47% of dividend rights exercised as stock dividend:	251,322
Number of outstanding share at 30-06-2010:	10,284,606
Weighted average number of outstanding shares at 30-06-2010:	10,087,175

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Ratios

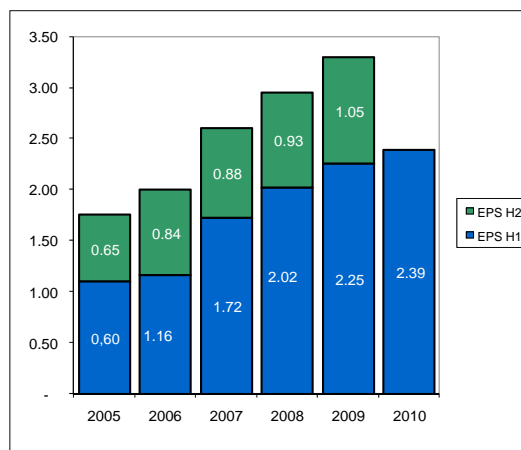
	H1 2009	H1 2010
ROCE	17.7%	17.6%
Operating profit / turnover	10.3%	10.3%
Solvency	40.1%	45.4%
Net debt / EBITDA	1.8	1.4
Average number of employees (FTE's)	1,748	1,821

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Earnings per share development



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Strategy Accell Group



- Creating innovative, high-quality and recognisable products
- Positioning, promoting and expanding the brand portfolio, targeted marketing and intensive cooperation with and support for the specialist trade
- Expansion of activities in electric and sports bicycles
- Continuous cost control, inventory management, portfolio management, and further exploitation of synergies
- Active search for possible acquisitions

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Outlook 2010



- Economic developments are hard to predict
- Governments stimulate health, recreation and the increasing use of the bicycle as an alternative form of transport
- Moreover, cycling and fitness are popular and will lead to an increasing demand for our products
- Further strong positioning in the sales of E-bikes and sports bicycles in the middle and higher segment
- Based on this, Accell Group expects a higher turnover and an increase in net result by approximately 5% - 10% for the year 2010, barring further economic developments and unforeseen circumstances

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