PRESS RELEASE

Annual results 2018

STRATEGY 'LEAD GLOBAL. WIN LOCAL' STARTING TO BEAR FRUIT; GROWTH ACCELERATED IN H2 2018 AND STRONG PLATFORM IN PLACE FOR FURTHER GROWTH

FY RESULTS CORE BUSINESS: TURNOVER +6.1% , EBIT € 54 MIO, WORKING CAPITAL -310 BPS

HEERENVEEN (THE NETHERLANDS), 8 MARCH 2019 – Accell Group N.V., the leading European bicycle company with well-known brands such as Haibike, Koga, Batavus and Raleigh, today announces that the 'Lead Global. Win Local' strategy is starting to pay off in its core markets (therefore excluding North America), with H2 2018 net turnover growth accelerating to 10.4%, bringing FY core turnover growth to 6.1%. EBIT core landed at € 54.0 mio, and excluding one-offs at € 58.9 mio.

The non-core North American business ended at € -21.0 mio EBIT bringing total group EBIT at € 33.0 mio. The strategic review with regard to our North American business as announced in December 2018, is in progress and conclusions on the future of the business are expected in Q3 2019 at the latest.

Total net profit for Accell Group increased from € 10.5 mio to € 20.3 mio in 2018.

Accell Group expects continued growth in 2019 in its core business, driven by a strong consumer interest in especially e-bikes and cargo bikes and strong innovations like the winning 'E-bike of the year 2019' in Netherlands with the Sparta M8B.

FINANCIAL HIGHLIGHTS

(Amounts in millions of euro)	Accell Group				Core			
	H1 2018	H2 2018	FY 2018	FY 2017	H1 2018	H2 2018	FY 2018	FY 2017
Net turnover	**635.9**	**458.4**	**1,094.3**	**1,068.5**	**598.1**	**435.2**	**1,033.3**	**973.7**
Net sales growth% vs py	*0.3%*	*5.5%*	*2.4%*	*1.9%*	*3.2%*	*10.4%*	*6.1%*	*4.3%*
Added Value	191.6	132.9	324.5	302.0	184.4	129.1	313.5	288.0
Added value%	30.1%	29.0%	29.7%	28.3%	30.8%	29.7%	30.3%	29.6%
Added value bps vs py	*124*	*159*	*139*	*-177*	*126*	*2*	*76*	*-142*
OPEX	-148.9	-142.7	-291.6	-264.0	-133.2	-126.4	-259.6	-225.6
EBIT	**42.7**	**-9.8**	**33.0**	**38.0**	**51.2**	**2.8**	**54.0**	**62.4**
EBIT%	6.7%	-2.1%	3.0%	3.6%	8.6%	0.6%	5.2%	6.4%
Net Finance costs	-3.6	-4.0	-7.6	-8.2				
Income from equity-accounted investees, net of tax	0.4	10.1	10.5	0.4				
Tax Expense	-14.0	-1.6	-15.6	-19.7				
Net Profit	**25.5**	**-5.2**	**20.3**	**10.5**				

(Amounts in millions of euro)	Accell Group				Core			
	H1 2018	H2 2018	FY 2018	FY 2017	H1 2018	H2 2018	FY 2018	FY 2017
EBIT reported	42.7	-9.8	33.0	38.0	51.2	2.8	54.0	62.4
One off	2.5	2.4	4.9	10.0	2.5	2.4	4.9	-
EBIT excl. One off	**45.2**	**-7.4**	**37.9**	**48.0**	**53.7**	**5.2**	**58.9**	**62.4**
TWC% net sales	34.1%	26.4%	26.4%	29.5%	34.0%	26.3%	26.3%	29.4%
TWC vs bps vs py	*390*	*-305*	*-305*	*26*	*541*	*-310*	*-310*	*50*

The figures in this press release are unaudited.

Performance total group

- Net turnover growth FY for the total group is 2.4%; accelerating from 0.3% H1 to 5.5% H2.
- Total group EBIT FY landed at € 33.0 mio, and excluding one-offs at € 37.9 mio.
- Net profit increased from € 10.5 mio to € 20.3 mio mainly thanks to a € 9.5 mio revaluation gain on the previous held interest in Velosophy.

Performance core business

- Growth accelerated from 3.2% in H1 to 10.4% in H2, landing at a FY growth rate of 6.1%.
- Over the last 5 years our core business has grown with 7.5% on average per year.
- Added value as % up 76 bps to 30.3% also as a result of our 'Fit to compete' program where we see supply chain savings coming through.
- EBIT of core business came in at € 54.0 mio (5.2% of net sales), and excluding incidental expenses at € 58.9 mio (5.7% of net sales).
- Working capital year-end improved with 310 bps with strong progress in H2.

Performance non-core business

- Net sales in North America declined by -36%, EBIT came in at € -21.0 mio.
- Strategic study to explore different options in progress; expected to be concluded in Q3 2019 at the latest.

STRATEGIC HIGHLIGHTS

Accell Group has taken important steps in improving its operating model and operational performance, based on the sharpened strategy. 2019 will show continuation on the implementation of this strategy.

'Lead Global. Win Local'

- Central teams now fully in place and operational. Key senior management appointed.
- Further cross-regional roll-out of popular and fast-growing sport brands as Haibike, Ghost and Lapierre.

'Winning at the point of purchase'

- Strategic brand portfolio per region established through 10 sharpened brand positionings.
- Selective distribution contracts rolled out by mid-2019.
- Improvement in availability of products/brands key driver for further growth.

'Consumer centric omni-channel'

- 3-pillar omnichannel strategy with e-commerce platforms and experience centres being rolled-out in 2019.
- First single brand platforms will go live in H1 2019.

'Innovation'

- Focus on e-bikes through further innovation like Haibike Flyon, Sparta M8B and Lapierre E-Zesty.
- Innovation focussed on urban mobility enabled by Velosophy and its main brand Babboe.

'Centralisation and Integrated Parts & Accessories (P&A) business'

- Central organisation established and P&A is integrated in local sales teams, driving XLC brand.

‘Fit to compete’

- Footprint reduction of factories started in 2018 and will be continued.
- Complexity reduction of 30% by SKUs and models delivered by end 2018. Additional reduction of 10% targeted by end 2019.
- Almost € 12 mio contracted savings of which half contributed directly to bottom line. This will continue in 2019.

Ton Anbeek, CEO of Accell Group: “2018 was an important transition year, a year in which a strong foundation for the future of Accell Group was laid. After the announcement of the sharpened strategy 'Lead Global. Win Local’ in March 2018 we changed the structure of our organisation and made additional costs for the further implementation of the strategy, especially investments in e-commerce, marketing, innovation and IT. From August 2018 onwards all regional and central teams have been up to strength and we are rolling out our omni-channel distribution strategy. In the second half of 2018 revenue growth accelerated and we achieved an improvement in the added value margin for the full year. Looking back on the year, we are satisfied with the progress made and the achieved results, strengthening our confidence in the strategy.

The complexity in our assortment has been reduced by approximately 30% in most regions. Next to that a number of smaller and less efficient locations and entities have been divested. Progress has been made on the roll-out of new e-commerce platforms and experience centres, of which the first will go live in the first half of this year. The acquisition of our mobile bike service Beeline and the purchase of the e-cargo brand Babboe perform in line with the business case, with Babboe showing a strong net turnover in 2018.

The introduction of the Haibike Flyon, the Lapierre E-Zesty and Xelius are expected to make a major contribution in 2019. The same goes for the KOGA Pace introduced in November 2018 and the Sparta M8B, elected only last week as winner of the ‘E-bike of the Year 2019’ in the Netherlands.

The decision to focus on our growing core business shows that the strategic and financial targets for 2022 are realistic and within reach. We will finalise our strategic study with regards to North America as soon as possible in order to eliminate profit dilution of the non-core business.’

CORE PERFORMANCE

Net sales for the core businesses ended at 6.1% growth accelerating from 3.2% in H1, to 10.4% in H2.

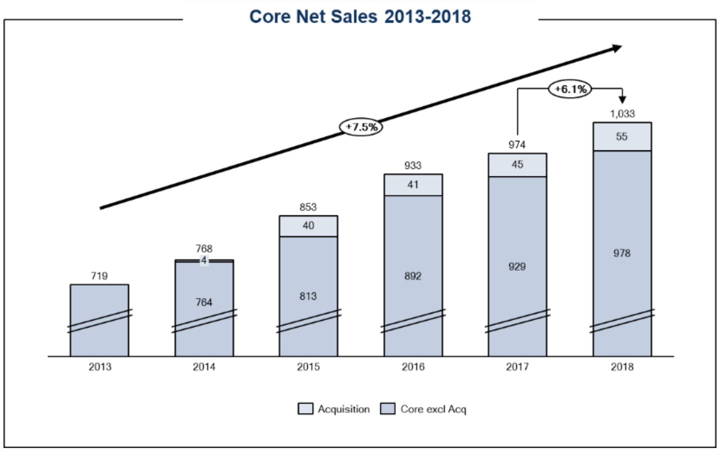
(Amounts in millions of euro)	Net sales HY1			Net sales HY2			Net sales FY		
	2018	2017	Δ	2018	2017	Δ	2018	2017	Δ
Accell - Bicycles Core	471.5	453.3	4.0%	313.1	283.4	10.5%	784.6	736.7	6.5%
Benelux	*124.7*	*136.2*	*-8.5%*	*80.8*	*80.7*	*0.1%*	*205.4*	*216.9*	*-5.3%*
DACH	*268.8*	*237.3*	*13.3%*	*152.4*	*139.6*	*9.2%*	*421.2*	*377.0*	*11.7%*
Other Core	*78.0*	*79.8*	*-2.3%*	*79.9*	*63.0*	*26.8%*	*157.9*	*142.9*	*10.5%*
Accell - Parts	126.6	126.3	0.2%	122.1	110.7	10.3%	248.7	237.0	4.9%
Accell Group - Core	**598.1**	**579.7**	**3.2%**	**435.2**	**394.0**	**10.4%**	**1,033.3**	**973.7**	**6.1%**

Based on physical location of entity

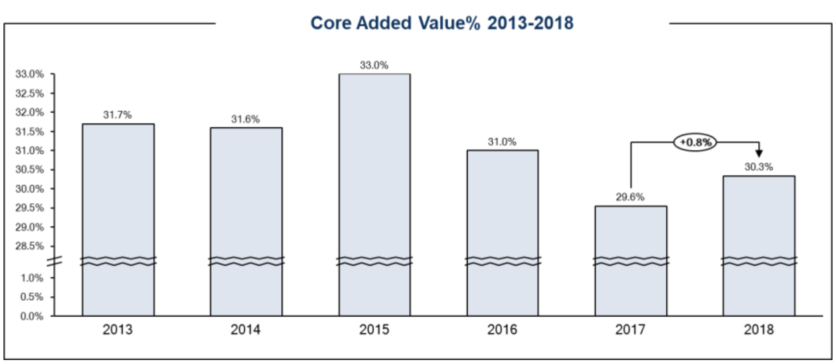
For Accell Benelux 2018 was a year of transition where we ended the contract with one big internet player. This impacted especially turnover in H1, with sales levels returning to flat in HY2. Performance in our German, Austria & Swiss (DACH) markets continued to be very strong mainly due to growth of both sports brands, Haibike and Ghost. Other core recovered well in H2. This was driven by growth of Lapierre and stabilisation of our UK Raleigh business in H2. Other core also includes the Velosophy acquisition which performed well and in line with its business case, delivering € 10 mio in net turnover over the last 5 months.

A now more integrated and centralised Parts & Accessories business has started to drive strong sales with growth accelerating from flat in H1 to 10.3% in H2, ending FY at a 4.9% turnover growth.

The average growth on the core business in the last 5 years was 7.5%, reaching € 1,033 mio in 2018.



Added value % core increased with 76 bps to 30.3%. The added value % is partly impacted by an accounting move of 40 bps to operating expenses. The underlying main driver is supply chain savings.



Operating expenses core increased € 34 mio. This increase can be broken down into:

- Accounting effects € 6 mio. Offset in added value of around € 5 mio (see above). Next to that extra pension costs in the UK of around € 1 mio (see below at one-offs).
- Footprint and restructuring € 3 mio, mainly as a result of closing down locations and entities.
- Strategy related costs regarding digital and IT platforms € 12 mio.
- Investment related to growth and acquisitions € 6 mio.
- Inefficiencies in one of our factories: € 3 mio.
- Inflation and other costs: € 4 mio.

EBIT core landed at € 54.0 mio. Excluding one-offs EBIT came in at € 58.9 mio. One-offs are:

- € 1.4 mio additional pension costs in the United Kingdom as a result of landmark judgement of UK High Court (Lloyds Bank; 26 October 2018) requiring equalisation of guaranteed minimum pension for men and women.
- € 1.0 mio mainly related to footprint optimisation.
- € 2.5 mio other elements mainly as a result of restructuring costs.

Trade Working Capital core improved with 310 bps, mainly driven by creditors also as a result of changed payment terms.

(Trade Working Capital as % of net sales)	Core	
	2018	2017
Trade Working Capital	**26.3%**	**29.4%**
Inventory	31.0%	31.0%
Trade receivables	11.7%	12.1%
Trade liabilities	16.5%	13.7%

NON-CORE PERFORMANCE

(Amounts in millions of euro)	US	
	FY 2018	FY 2017
Net turnover	61.0	94.8
Net sales growth% vs py	*-35.6%*	*-17.6%*
Added Value	11.0	14.0
Added value%	18.0%	14.7%
Added value bps vs py	*328*	*-745*
OPEX	-32.0	-38.4
EBIT	**-21.0**	**-24.4**
EBIT%	-34.4%	-25.8%

(Amounts in millions of euro)	US	
	FY 2018	FY 2017
EBIT reported	-21.0	-24.4
One off	-	10.0
EBIT excl. One off	**-21.0**	**-14.4**
TWC% net sales	47.6%	49.0%
TWC bps vs py	-142	-290

Financial highlights

- Net turnover declined by -36% to € 61 mio, representing 5.6% of total group net turnover.
- Added value improved 328 bps, mainly driven by a high amount of write offs in the previous year.
- OPEX decreased by € 6 mio as a result of savings in logistics as well as overhead reduction.
- EBIT came in at € - 21 mio; this includes € 2.5 mio corporate allocated charges.
- TWC % decreased by 142 bps to 47.6%.

Update strategic study North America

- A strategic study has started, as announced in the press release dated 18 December 2018.
- All options to eliminate profit dilution are being explored.
- Outcome of this study is expected in Q3 2019 latest.

COVENANTS

Accell Group was in compliance with all its bank covenants in 2018. In the annexes to this release an outline of the covenants is given including an overview of year-end 2018 vs year-end 2017. After balance sheet date, Accell Group decided and communicated to its syndicate banks that it will repay € 25 mio on the term loan in Q1 2019. This will give approximately 0.5 additional headroom on the term loan leverage ratio going forward (assuming same normalised 2018 EBITDA level).

EARNINGS PER SHARE AND DIVIDEND

Earnings per share based on the weighted average number of outstanding shares (year-end 26.474.308) increased with 93% to € 0.77. Earnings per share excluding one-off charges as communicated above and corrected for the revaluation gain related to Velosophy came in at € 0.60. Due to the issuance of 314.480 shares for the payment of stock dividend for the 2017 financial year, the correction factor for the earnings per share from previous years is 0.98816.

For the 2018 financial year, Accell Group shareholders will be asked to approve the payment of a dividend of € 0.50 per share (2017: € 0.50 per share), to be paid out in cash or shares. The dividend proposal is 65% of reported earnings per share and 83% of earnings per share excluding one-offs. Accell Group's dividend policy aims to pay out at least 40% of its net profit.

MANAGEMENT AGENDA AND OUTLOOK

Accell Group management continues to see strong market growth in the cycling industry. Consumers are choosing bicycles as a sustainable solution for mobility. Especially interest in electric bikes and cargo bikes will continue to grow fast. Consumers will continue to look for more convenient and digital solutions in finding, researching, buying and servicing their bikes. The strategy 'Lead Global. Win Local' remains key to position ourselves at the centre of these trends. Successful innovations and improved availability of our products will continue to drive growth. This through more connected and more digital platforms. The now centralised Parts & Accessories business will drive further roll out of the XLC brand expanding into new channels. We expect our 'Fit to compete' program to continue driving cost savings next to strict cost control on all our discretionary expenditure.

Based on our management agenda and barring unforeseen circumstances Accell Group expects continued turnover growth and an increase in EBIT of our core business for the year 2019.

The strategic review for the North American business will be concluded in Q3 2019 latest and subsequently be executed. Any potential consequences of this strategic study are excluded from the above outlook.

***** END *****

ABOUT ACCELL GROUP

Accell Group focuses on the mid-range and higher segments of the market for bicycles and bicycle parts and accessories. We are the European market leader in e-bikes and the European number two player in bicycle parts and accessories. Well-known bicycle brands in our portfolio include Babboe, Batavus, Daimondback, Ghost, Haibike, Koga, Lapierre, Raleigh, Sparta and Winora. XLC is our exclusive brand for bicycle parts and accessories. Spread over 18 countries, we employ approximately 3,000 people who are active in such areas as development and design, logistics and assembly and marketing and sales. Our bicycles and related products are sold to dealers and consumers in more than eighty countries. In 2018, we sold around 1.1 million bicycles and recorded a turnover of over € 1 billion. Our headquarters are located in Heerenveen (the Netherlands). Accell Group shares are traded on the official market of Euronext Amsterdam and are included in the Amsterdam Small Cap index (AScX). www.accell-group.com

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ANALYST MEETING

Today, Accell Group will host an analyst meeting beginning at 11.00 CET in Amsterdam to discuss the company's strategy, 2018 results and 2019 outlook. The presentation materials will be available on our corporate website before the meeting begins. A replay of the analyst meeting will also be made available on the website.

AGENDA

12 March 2019	Publication annual report 2018
24 April 2019	General Meeting of Shareholders
19 July 2019	Publication interim results

TRANSPARENCY DIRECTIVE

For the purposes of the Transparency Directive of the European Union (Directive 2004/109/EC, revised), Accell Group N.V.'s home member state is the Netherlands.

This is a public announcement by Accell Group N.V. pursuant to section 17 paragraph 1 of the European Market Abuse Regulation (596/2014).

FINANCIAL STATEMENTS

The financial information 2018 in the primary statements as included and enclosed in this press release is derived from the annual report 2018. This annual report is approved for publication. The publication as prescribed by law has not yet taken place. The annual report and the adoption are to be effectuated at the Annual General Meeting of shareholders on 24 April 2019. In accordance with article 393, Part 9, Book 2 of the Netherlands Civil Code has KPMG Accountants N.V. provided an unqualified audit opinion on the annual financial statements. The full annual report can be consulted and is available for download from 12 March 2019 on the website of Accell Group (www.accell-group.com)

FORWARD-LOOKING STATEMENTS

This document contains forward-looking statements regarding Accell Group's results, capital and liquidity positions. In addition, forward-looking statements may include, but are not limited to, phrases such as "intends", "expects", "is taking into account", "targets", "plans", "estimates" and words with a similar meaning. These statements pertain to or may have an effect on future events, such as Accell Group's future financial results, company plans and strategies. Forward-looking statements are subject to certain risks and uncertainties, which may lead to material differences between the actual results and performances, and the expected future results or performances implicitly or explicitly contained in said forward-looking statements. Factors that may cause actual results to differ from current expectations include but are not limited to developments in legislation, technology, taxes, jurisprudence and regulations, stock exchange fluctuations, legal procedures, investigations by regulatory bodies, competition and general economic conditions. These and other factors, risks and uncertainties, which may have an effect on any forward-looking statement or the actual results of Accell Group, are discussed in Accell Group' annual report. The forward-looking statements contained in this document refer exclusively to statement from the date of this document and Accell Group does not accept any liability for or obligation to amend the forward-looking statements contained in this document, regardless of whether these pertain to new information, future events or otherwise, unless Accell Group is under a legal obligation to do so.

ANNEXES

1. **Condensed balance sheet**
2. **Condensed cash flow statement**
3. **Bank covenants**

ANNEXES

1. Condensed balance sheet

(Amounts in millions of euro)	Accell Group	
	2018	2017
Non-current assets	236.2	197.8
Inventory	340.0	333.6
Receivables	159.0	149.8
Bank balances and cash	26.7	24.1
Total assets	**761.9**	**705.3**
Total equity	**322.4**	**299.3**
Deferred tax liabilities	18.9	11.8
Provisions	17.0	12.8
Deferred revenue	1.2	1.2
Other Non-current liabilities	100.2	100.5
Current liabilities	302.2	279.6
Total equity and liabilities	**761.9**	**705.3**

Net debt	151.8	161.0
Capital Employed	513.7	486.2
ROCE	6.4%	7.8%

2. Condensed cash flow statement

(Amounts in millions of euro)	Accell Group	
	2018	2017
Operating profit (EBIT)	**33.0**	**38.0**
Depreciation and amortisation	12.3	11.1
Share based payments	-0.6	-0.1
Operating cash flow before changes in working capital	**44.7**	**49.0**
Movement in working capital	19.4	-10.3
Movement in provisions and deferred revenue	2.8	-0.9
Interest paid	-8.0	-6.8
Income taxes paid/received	-16.3	-23.4
Net cash flows from operating activities	**42.7**	**7.5**
Interest received	1.7	0.6
Dividend received	0.2	0.1
Movements in PP&E	-6.2	-8.3
Movements in intangible assets	-4.2	-0.8
Movements in financial assets	-0.7	-4.1
Business combinations	-17.6	-
Net cash flows from investing activities	**-26.8**	**-12.5**
Free cash flow	**15.9**	**-4.9**

The figures in this press release are unaudited.

3. Bank covenants

Accell Group has a financing agreement with a syndicate of six banks for a total group financing. The financial covenants in the financing agreement are:

- The Term loan leverage ratio, which is determined by dividing the designated outstanding loans under the financing agreement by the normalized EBITDA. The Term loan leverage ratio may not exceed 2.5 (tested on a quarterly basis over the previous 12 months).
    - Designated outstanding loans are:
        - the term loans (including Schuldschein)
        - the working capital financing in so far as used for acquisitions of companies (excluding the acquired working capital)
    - Normalized EBITDA means that the EBITDA is adjusted for, on indication of Accell Group, extraordinary costs as well as adjusted for acquisitions and divestments by in- or excluding their EBITDA contributions on a 12-month basis.

- The solvency ratio is determined by the net assets divided by the balance sheet total, both adjusted for intangible fixed assets and the related deferred taxes. The solvency ratio may not be lower or equal to 25% (tested on a half-yearly basis over the previous 12 months).

In addition, a 'borrowing reference' is applicable, being a dynamic limit on the working capital financing. Net debt, after deduction of the outstanding amounts under the € 100 million term loan (including Schuldschein) and the working capital financing used for approved acquisitions, may not exceed the lowest of the reference amount (based on working capital position) and the available revolving credit facility. At 31st December 2018 the borrowing reference headroom was EUR 117 mio (2017: EUR 112 mio).

Development of the covenant ratios 2018-2017

(Amounts in millions of euro)	Accell Group	
	2018	**2017**
Term loan	85.0	85.0
Schuldschein	15.0	15.0
Permitted acquisitions	15.8	-
Outstandings	**115.8**	**100.0**
EBITDA reported	45.3	49.1
Non-consolidated	1.3	0.4
EBITDA covenants	**46.6**	**49.5**
Exceptional items	4.9	10.0
Acquisitions	2.3	-
Disposals	-	-1.4
Normalised EBITDA	**53.8**	**58.1**
Outstandings / EBITDA	**2.2**	**1.7**

	2018	**2017**
Consolidated Tangible Net Worth	183.7	200.4
Balance Sheet Total (adjusted)	623.2	606.4
Solvency	**29%**	**33%**

In Q1 2019 an € 25 million will be repaid on the term loans.