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Half-year results

2022/23

ABÉO 

December 7, 2022

Contents

- 1 > Overview of the Group
- 2 > H1 2022/23 highlights
- 3 > Financial performance
- 4 > Outlook



Management



Olivier ESTÈVES

CEO

Operational supervision of
all divisions

Sports, Sportainment &
Climbing, Changing Rooms

M&A coordination



Jean FERRIER

Deputy CEO

In charge of all the
Group's support functions

IT systems, Industrial
organisation , HR, Finance,
integration of acquisitions
and R&D

ABEO overview





A major player in the sports and leisure market



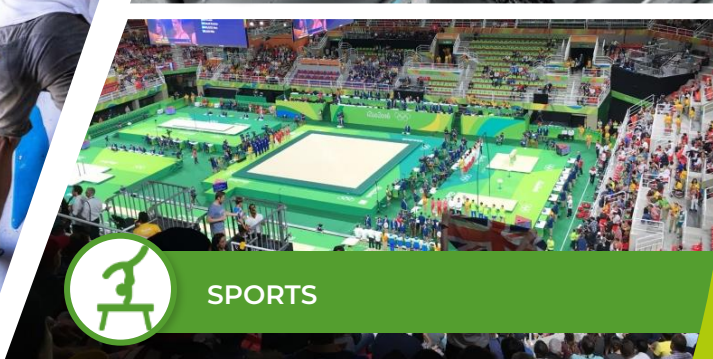
SPORTAINMENT & CLIMBING



CHANGING ROOMS



SPORTS



€205m in revenue¹

74% outside France

12.8% current EBITDA margin²

+1 400 employees

Operations in 12 countries

16 production plants

¹ FY 2021/22 (from 1 April 2021 to 31 March 2022)

² Recurring operating income + depreciation of fixed assets



A unique position with a portfolio of **leading brands**

SPORT (50% of revenue)



Gymnastics
Physical education
Team sports

SPORTAINMENT & CLIMBING (22% of revenue)



Artificial walls
Fun climbing modules
Leisure centers

CHANGING ROOMS (28% of revenue)



Lockers
Cubicles
Fit-out

— Worldwide leaders — International scale - - - Local leaders

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International focus*

73% of revenue

H1 2022/23

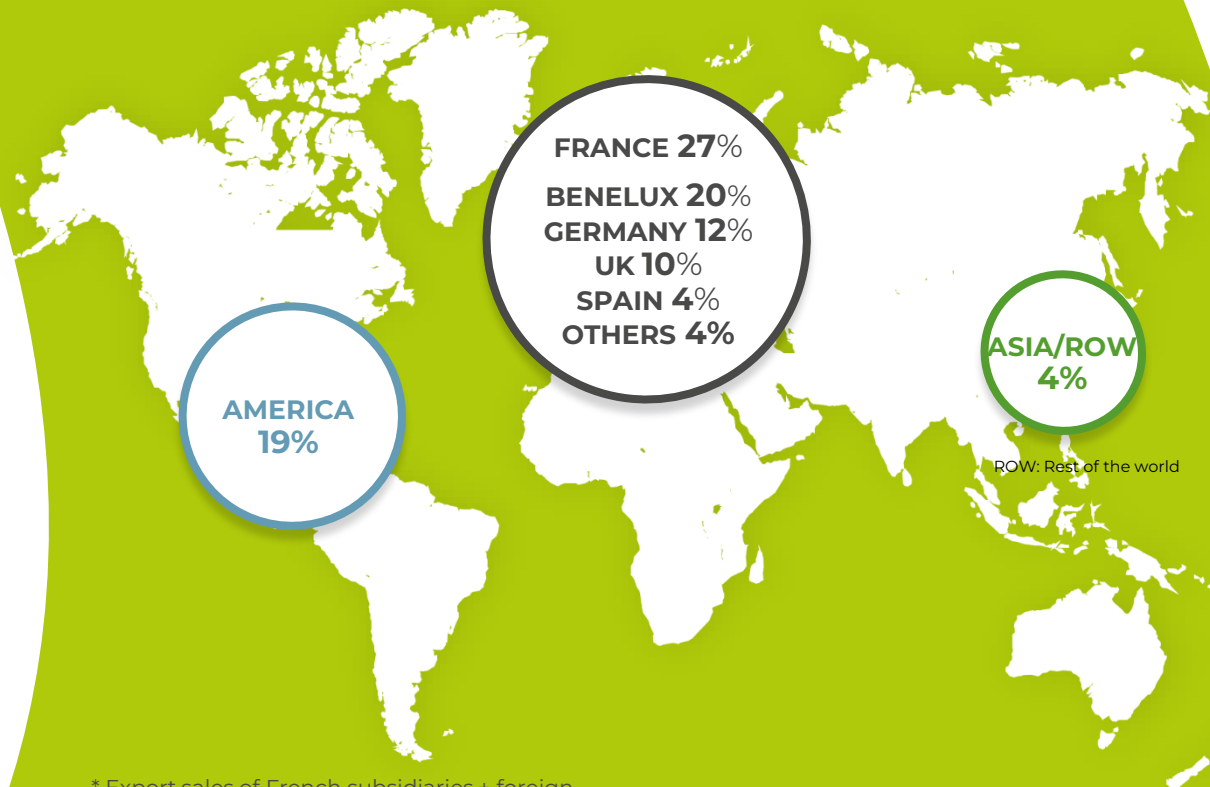
= H1 2021/22

**50% of revenue
generated in Europe** (excl. France)

**23% of revenue
generated outside Europe**

**18% of revenue
generated in North America**

Regional breakdown of H1 2022/23 revenue (% of total revenue)



* Export sales of French subsidiaries + foreign subsidiaries' sales outside France

A man with a beard, wearing a black t-shirt with 'REV. NINE' and 'WOLF' printed on it, grey shorts, blue knee pads, and orange socks, is captured mid-air performing a backflip on a trampoline. In the background, another person is visible on a separate trampoline, also holding red balls. The scene is set in an indoor facility with blue padding and a red mat. A large green diagonal graphic element is on the right side of the image.

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H1 2022/23
highlights





Acquisition of 70%¹ of BIGAIRBAG: ABEO expands its offering and **innovation potential**



BIGAIRBAG COM

Designs, manufactures,
distributes and installs inflatable
landing airbags

Clients : adventure parks and
leisure parks, gyms and ski resorts

3,500 worldwide locations
equipped

Based in Amsterdam with around
a dozen employees with profitable
revenue of around €3m



¹ Consolidated in Sport division on 01/06/22

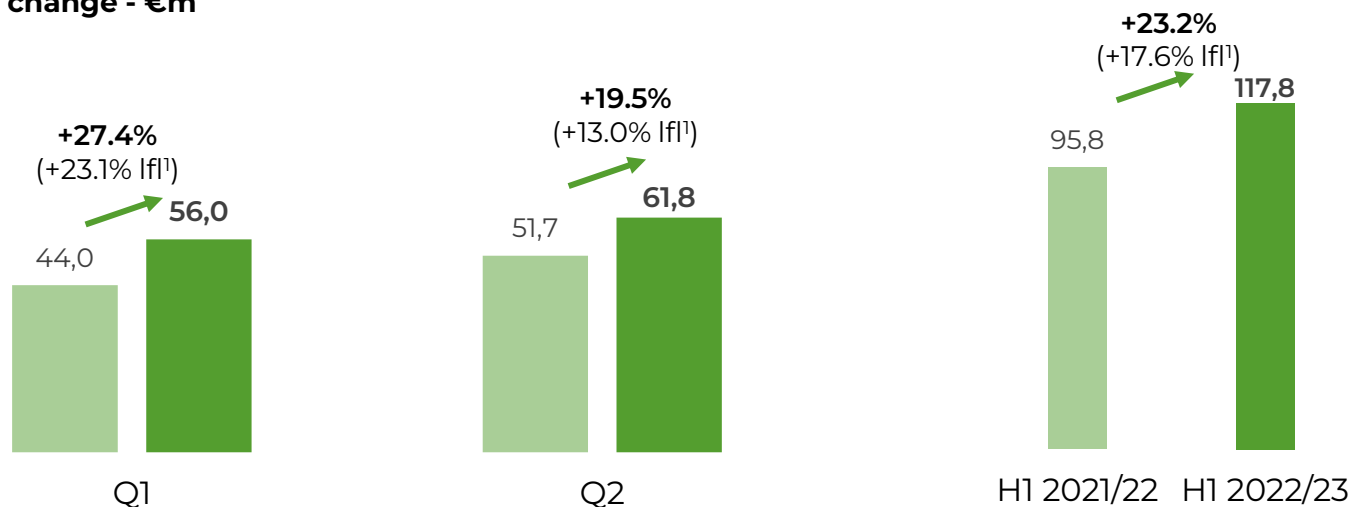


H1 2022/23: revenue growth of 23.2%

H1 revenue change - €m

2021/22

2022/23

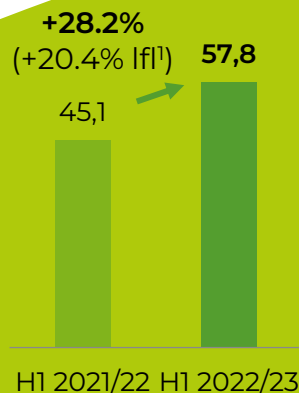


- > **Sustained growth** in all three divisions: **+€22.1m in revenue**
- > **Activity in Asia** still hampered by the constraints imposed by the pandemic

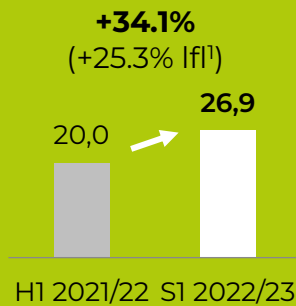
¹ like-for-like: at constant consolidation scope and exchange rates (consolidation in Sport division of Eurogym on 01/11/21 and BigAirBag on 01/06/22)



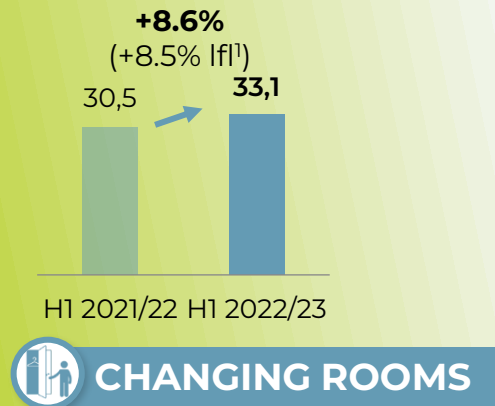
Dynamic growth in all 3 divisions



- | Strong gymnastics business
- | Strong momentum in US business
- | Positive contribution of scope change +2.7%



- | Sportainment: market ramping up in the US
- | Core business: well on track apart from the Asian market



- | A buoyant business, particularly in France and Germany

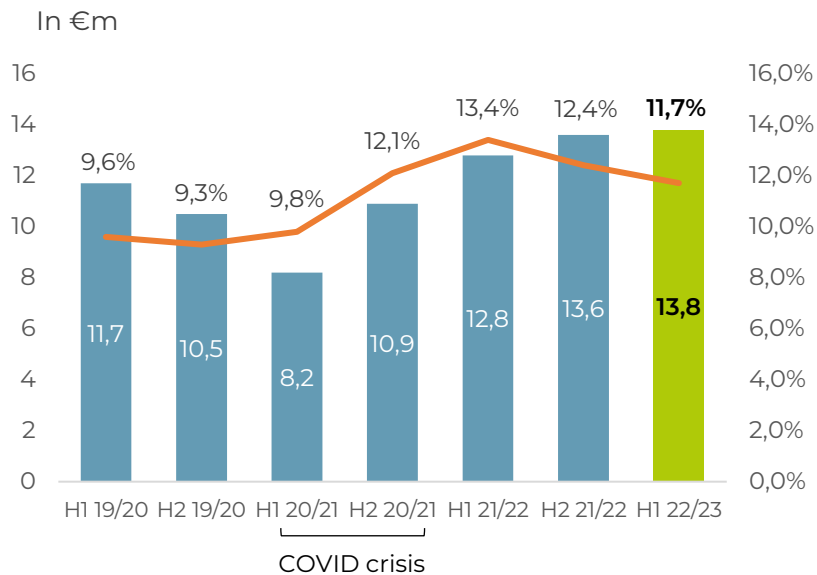
¹ like-for-like: at constant consolidation scope and exchange rates (consolidation in Sport division of Eurogym on 01/11/21 and BigAirBag on 01/06/22)



Sustaining a double-digit EBITDA margin

Structural
costs
Still under
control

H1 change in EBITDA¹ and EBITDA margin



H1 2022/23, good margin resistance in an inflationary environment

- › Sequencing between supply costs increases and sales prices effects
- › Tight control of operational costs (+17.7%) which fell by 2 points as a percentage of revenue (42.5% versus 44.5% in H1 2021/22);
- › An energy-efficient sector and controlled increases in energy costs

¹ Operating income + depreciation of fixed assets - non-recurring income and expenses

² of which staff costs excluding government grants

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Financial
performance





Recurring EBITDA¹ of €13.8m, up 8%

30.09.2022 - IFRS In €m	TOTAL	SPORT	SPORTAINMENT & CLIMBING	CHANGING ROOMS
Revenue	117.8	57.8	26.9	33.1
<i>Change</i>	<i>+23.2%</i>	<i>+28.2%</i>	<i>+34.1%</i>	<i>+8.6%</i>
Gross profit²	70.0	33.6	16.8	19.6
% of revenue	59.4%	58.1%	62.5%	59.2%
<i>Change vs H1 2021/22</i>	<i>-2.2 pp</i>	<i>-2.7 pp</i>	<i>+0.8 pp</i>	<i>-3.5 pp</i>
Recurring EBITDA	13.8	7.3	1.7	4.8
% of revenue	11.7%	12.6%	6.4%	14.4%
<i>Change vs H1 2021/22</i>	<i>-1.7 pp</i>	<i>-1.2 pp</i>	<i>+1.4 pp</i>	<i>-3.9 pp</i>
Recurring EBITDA excl. IFRS 16	10.9	5.5	1.1	4.4
% of revenue excl. IFRS 16	9.3%	9.5%	4.0%	13.2%
<i>Change vs S1 2021/22</i>	<i>-1.2 pp</i>	<i>-0.4 pp</i>	<i>+2.1 pp</i>	<i>-3.9 pp</i>

High level of gross margin in volume

- | Rate temporarily affected by increases in sales prices which partly offset increases in supply costs
- | Product mix effect in the US (indirect sales)

Recurring EBITDA up 8%

- | Fun Spot returns to positive operating performance
- | Tight control of costs thanks to the lasting effects of the performance plan

An optimised
cost structure
maintained

**Record
EBITDA³ in
absolute terms**

¹ Operating income + depreciation of fixed assets - non-recurring income and expenses

² Margin on cost of sales

³ Since the IPO on 11/10/2016 - on a half-year basis



Recurring operating income +11.6%

Net income (Group share) of €5.4m

Net income
Group share
margin of
4.6% up
1.3 pp

IFRS, in €m	30.09.21 6 months	30.09.22 6 months	Change
Revenue	95,6	117,8	+23,2%
Recurring EBITDA*	12,8	13,8	+8,0%
% of revenue	13,4%	11,7%	-1,7 pt
Recurring operating income	7,2	8,1	+11,6%
Non-recurring income and expenses	(0,4)	(0,2)	
Operating income	6,8	7,9	+15,2%
Cost of debt	(2,3)	(1,9)	
Currency gains and losses	0,1	1,0	
Other financial income and expenses	(0,1)	-	
Earnings before tax	4,5	6,9	+53,3%
Tax	(1,4)	(1,7)	
Total net income	3,1	5,2	+68,0%
Net income, Group share	3,1	5,4	+71,1%
% of revenue	3,3%	4,6%	+1,3 pt

- › Depreciation in line with N-1 IFRS 16 impact of €2.7m (+€0.2m vs N-1)
- › Recurring operating income: 6.9% of revenue vs 7.6%
- › Cost of financial debt excluding IFRS 16 €1.5m down €0.4m vs H1 2020/21
- › Currency gains from USD revaluation
- › Effective tax rate: 24.4%

* Operating income + depreciation of fixed assets - non-recurring income and expenses



Change in cash flow

IFRS, in €m	30.09.21 6 months	30.09.22 6 months
Cash-flows from operations before change in working capital and tax	11.5	13.9
Change in working capital	(4.8)	(22.2)
Tax paid	0.4	(3.5)
Cash-flows from operations after tax	7.1	(11.8)
Capex	(2.2)	(2.8)
M&A	-	(0.3)
Cash-flows from investing activities	(2.2)	(3.0)
Free cash-flows	4.8	(14.8)
Dividends	-	(3.0)
New borrowings	-	-
Repayment of borrowings etc.	(4.6)	(6.3)
Net interest paid	(2.0)	(1.8)
Cash-flows from financing activities	(6.6)	(11.1)
Currency translation difference	(0.1)	0.1
Change in cash and cash equivalents	(1.7)	(25.9)

- › Increase in WCR mainly due to:
 - | strong business growth (+€22.1m of revenue)
 - | the constitution of contingency inventories in an inflationary environment to deliver the order backlog
 - | catching up on social security charges, deferred during the COVID-19 pandemic
- › Acquisition of BigAirBag
- › Resumption of dividend policy
- › Repayment of bank loans: €3.4m
- › Payment of IFRS 16 lease liabilities: €2.9m

Increase in WCR to finance growth and deliver the order backlog



Balance sheet structure in line with the development plan

IFRS, in €m	31.03.22 12 months	30.09.22 6 months
ASSETS		
Goodwill & trademarks	122.5	129.7
Other non-current assets	64.1	62.9
Total non-current assets	186.5	192.6
Gross inventories	38.0	45.3
Gross trade receivables	43.5	47.6
Trade payables	(49.0)	(43.4)
Operating working capital	32.5	49.5
Other working capital	(23.1)	(14.2)
Total working capital	9.4	35.3
EQUITY & LIABILITIES		
Equity	105.8	115.5
Net debt	80.5	99.0
Capital employed	186.3	214.6
Provisions, DT & other non-current liabilities	(9.6)	(13.4)

› Consolidation of BigAirBag

› Operating working capital excluding factoring : 24% of revenue with a controlled increase of 3 pp vs N-1
Unfavourable seasonal effect on H1

› Cash and cash equivalents of €37.8m, €20m short-term facility not drawn

› Net debt excluding IFRS 16 of €67.5m i.e. +€19.9m vs 31/03/22 and +€9.0m on 12 months

Controlling financial balances in a growth phase

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Outlook





2022/23 outlook confirmed

Robust order intake¹

at 30/09/2022

€113.8m, +9%

(+4.3% lfl²)

Confidence in the 2022/23 outlook

Double-digit organic growth expected



Secured organic growth

¹: Non-financial and unaudited data – to measure the sales momentum of its business activities, the Group uses the quantified amount of its order intake over a given period, *inter alia*. The sales momentum indicator represents the aggregate value of all orders booked over the period from 1 April 2022 to 30 June 2022 compared to the same period for the previous financial year.

² like-for-like: at constant consolidation scope and exchange rates



Background and priorities for H2 2022/23

BACKGROUND

Monitoring development of
in the global economy

Caution in the face of global
inflationary pressure

OUR PRIORITIES

Supporting growth

Preserving operational
performance

Generation of free-cash flows
Control of working capital
Control of capital expenditure

Achieve a solid
performance
against a
backdrop of
growth



A new **value creation** cycle

OUR ADVANTAGES

Highly robust financial
position at 31/03/2022

- › Gearing¹ of 0.5
- › Leverage² of 2.3

OUR DNA

Dynamic development
combining organic
growth and targeted
acquisitions

OUR FOCUS

Consolidating more mature markets
Expanding the brand portfolio
Conquering new market segments
Boosting the CSR strategy

¹ Net debt to equity ratio (excluding IFRS 16)

² Net debt to recurring EBIDTA ratio (excluding IFRS 16)



ABEO and FIBA, a cooperation until 2032 for FIBA 3x3 basketball competitions



ABEO, remain the official global backstop supplier for FIBA 3x3 basketball competitions until 2032 including 3 Olympic cycles



Bram Jacobs, Manager of Schelde Sports (left side) and Hamane Niang FIBA President (right side)



Appendices

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A structured CSR strategy

CREATION OF A BOARD CSR COMMITTEE (DEC, 2021)

Manuela Borella
Chairwoman of the Committee
Independent Director

Jean Ferrier
CEO Deputy

Marc-Olivier Strauss-Kahn
Independent Director

Agnès Tixier
Crédit Mutuel Equity SCR
representative

A 3-STEP PROCESS

PHASE 1
Assessment & diagnostics

PHASE 2
Identification of priority
measures & CSR commitments

PHASE 3
Definition of operational
roadmap

STRENGTHENING OUR COMMITMENT BASED ON 3 PILLARS

Promoting physical activity
for the well-being of as many
people as possible

Develop and propose
sustainable products and
solutions

Promote diversity, team
development and respect for
stakeholders

Appointment of
CSR Director



Governance and shareholder structures

Board of Directors

30 SEPTEMBRE 2022

Olivier Estèves
CEO

Jacques Janssen
Janssen Fritsen founder

Jean Ferrier
Deputy CEO

Agnès Tixier
Crédit Mutuel Equity SCR
Representative

Emmanuelle Gervais
Bpifrance Representative

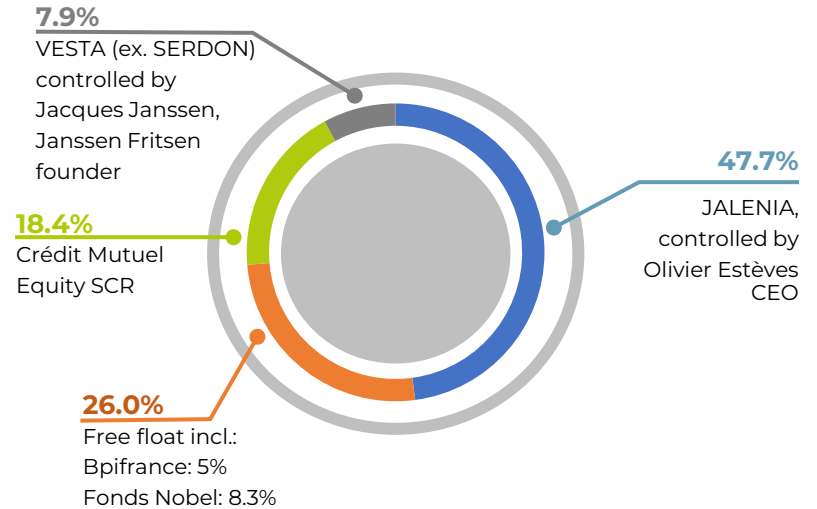
Manuela Borella
Indépendant Director

Marine Charles
Indépendant Director

Marc-Olivier Strauss-Kahn
Indépendant Director

Shareholders structure

30 SEPTEMBRE 2022



7,543,305 SHARES

EURONEXT Paris

Compartment C
FR0013185857
ABEO

Market cap: **€147m** as of 6/12/22

ANALYSTS

CIC Market Solutions
Emmanuel Chevalier

Kepler Chevreux
Fabien Ledisert

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Next releases

2022/23 Q3 revenue

7 February 2023 after close of trading

2022/23 revenue

16 May 2023 after close of trading

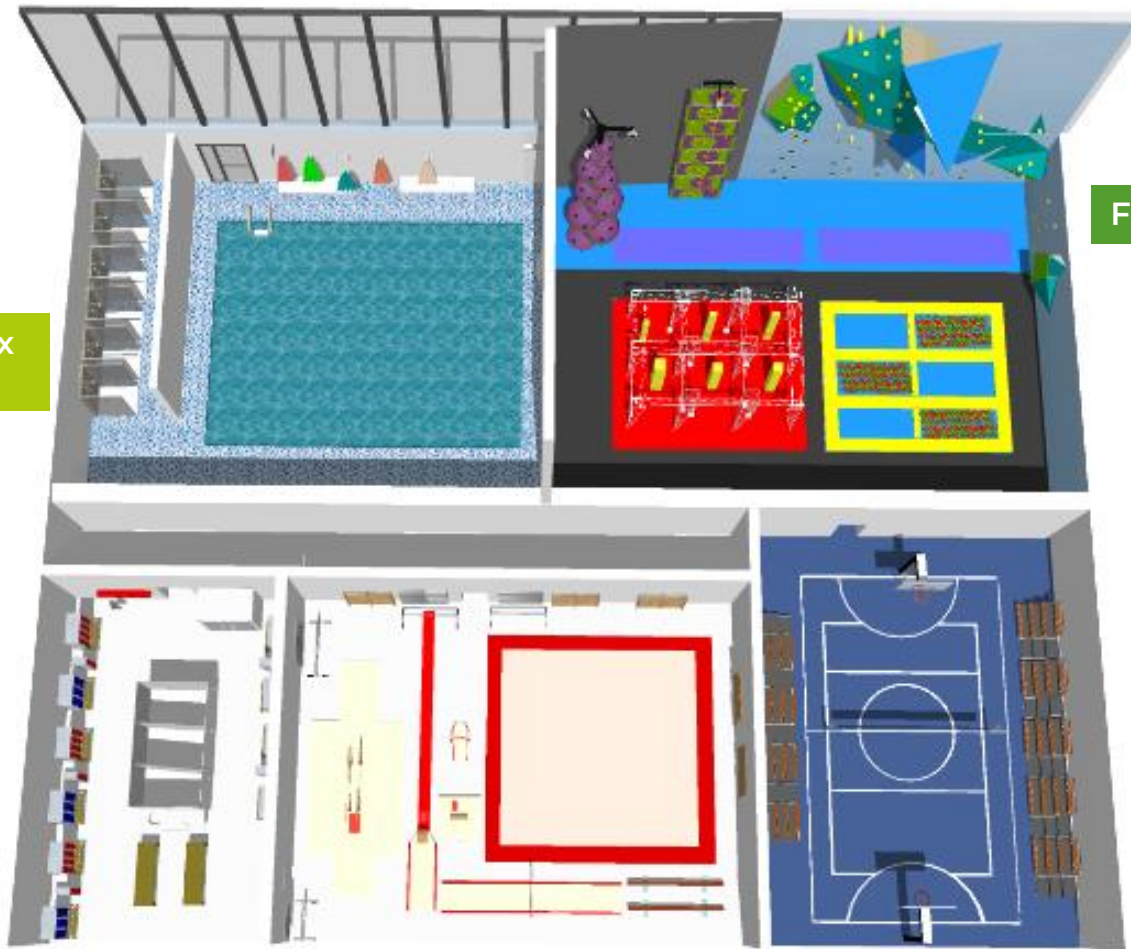


ABEO, a leading player

Equipment or complex turnkey projects

Designing and equipping specialized sports facilities, leisure centers, gymnasia, indoor climbing walls, changing rooms, schools, etc.

Designer, manufacturer
and distributor



Firm structural growth

Increased emphasis by governments on sport as forging a social bond and promoting health

A strongly-expanding middle class with access to sports facilities in the emerging countries

Growing urbanization and democratization of sports pursuits, with increased participation by women and seniors

Construction and renewal of ageing infrastructures in Western countries

Development of new activities:
e.g. Sportainment



ABEO strengthens its position in Belgium



Acquisition of 100% of Eurogym, specialized in the distribution of leisure and competition gymnastics equipment

- | Official Gymnova distributor for 25 years
- | Control of the entire value chain in Belgium/Benelux
- | Significant synergies across the Group, in particular with Bosan, a sports equipment specialist in the Netherlands
- | With no material impact on the Group's net financial debt
- | Integrated into the Sports division and consolidated from 1 November 2021



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