



Rioz, 7 June 2018

ABEO: Improvement in 2017/18 operating performance

- > Recurring EBITDA of €17.9m, up 18.5%
 - > Recurring operating income up 16.9%
- ### Strengthened financial structure

ABEO, a world leader in sports and leisure equipment, today announces its consolidated results for the 2017/18 financial year.

- > **Consolidated 2017/18 results** (1 April 2017 to 31 March 2018) – audited. ABEO's Board of Directors met on 6 June 2018 to approve the 2017/18 financial statements.

| €m | 31/03/2018 12 months | 31/03/2017 12 months | Change |
|-------------------------------|-------------------------|-------------------------|--------|
| Revenue | 187.9 | 167.1 | +12.4% |
| Recurring EBITDA ¹ | 17.9 | 15.1 | +18.5% |
| % revenue | 9.5% | 9.0% | +0.5bp |
| Recurring operating income | 13.6 | 11.6 | +16.9% |
| Operating income | 12.0 | 12.5 | -3.7% |
| Net income | 7.0 | 9.6 | -27.2% |

Robust external growth

ABEO posted 2017/18 full-year revenue of €187.9m, up 12.4% from the previous year. Organic growth amounted to 2.8%, thus consolidating the exceptional 13.1% organic growth achieved last year. The Group posted a particularly strong consolidation gain of 11.1% driven by acquisitions made in accordance with the 2020 strategic plan: Meta GmbH in November 2017, Cannice (Shandong Kangnas Sports Co) in January 2018 and Bosan BV in March 2018. Allowing for full-year consolidation of the acquisitions made during the year, revenue would have come close to €215m², confirming that the Group is well on course to achieve the 2020 plan.

Lastly, revenue was impacted by a 1.4% currency loss recognised as at 31 March 2018, primarily due to the depreciation of the British pound and US dollar.

Improved operating performance

Recurring EBITDA came to €17.9m, up 18.5% from €15.1m the previous year. The EBITDA margin³ was 9.5%, up 0.5 bp from the previous year, reflecting tight control of fixed costs against a backdrop of revenue growth driven by acquisitions.

The Sports division posted recurring EBITDA of €10.5m, very close to last year's figure, giving an EBITDA margin of 10.4% despite the dilutive effect of acquisitions.

¹ Recurring operating income + depreciation of fixed assets

² unaudited

³ Recurring EBITDA/revenue

Ongoing optimisation initiatives in the Climbing division enabled the division to confirm the upward trend in **its EBITDA margin, which improved by 5.5 bp** with recurring EBITDA of €3.0m.

The Changing Rooms division posted recurring EBITDA of €4.4m, up €0.6m, and an EBITDA margin of 8.5%, up 0.7 bp. This performance was driven by the acquisition of Meta against a backdrop of deferred projects in the Swimming Pool business.

In line with this increase in recurring EBITDA, **recurring operating income amounted to €13.6m, up 16.9%** from €11.6m the previous year.

Operating income came to €12.0m, including restructuring costs and acquisition expenses totalling €1.6m, versus €12.5m in the previous year, when the Group had posted a €2.6m gain resulting from the revaluation of Clip'n Climb International shares.

Lastly, after a €1.6m deterioration in net financial items mainly due to adverse currency movements, **net income amounted to €7.0m**, down €2.6m from the previous year.

Strengthened financial structure to drive the 2020 strategic plan

Group shareholders' equity amounted to €93.5m as at 31 March 2018, up from €64.2m the previous year as a result of the share issue carried out in February 2018.

As at 31 March 2018, ABEO held cash and cash equivalents of €42.5m. Group cash was strengthened in April 2018 via a €20m EuroPP-type bond issue, which will allow the Group to quickly seize targeted acquisition opportunities in line with the 2020 strategic plan. Group net debt stood at €28.3m as at 31 March 2018, resulting in a highly satisfactory gearing⁴ ratio of 0.3.

Proposed dividend payment of €0.31 per share

ABEO will propose the payment of a dividend of €0.31 per share in respect of 2017/18 fiscal year at its Annual General Meeting on July 18, 2018.

Strategy and outlook

ABEO was particularly active in signing partnerships for major sports events, thus generating a steady order backlog over the long term. In fact, the Group was named the official supplier for the 2017 World Women's and 2019 World Men's Handball Championships in Germany, the 49th Artistic Gymnastics World Championships in Stuttgart, Germany in 2019, the Basketball World Cup in China in September 2019 and the 2020 Tokyo Olympic and Paralympic Games. Furthermore, Entre-Prises, Spieth Gymnastics and Schelde Sport were chosen to supply the Summer Youth Olympic Games to be hosted by Buenos Aires in October 2018.

Encouraged by a 14% increase in order intake to €195.4m during the 2017/18 financial year, ABEO is confident in its ability to sustain buoyant growth during the current financial year, with results boosted by the full-year consolidation of recent acquisitions.

Lastly, ABEO will continue to implement its 2020 strategic plan aimed at ramping up global expansion via targeted acquisitions. Accordingly, it reaffirms its target of generating revenue of €300m by 2020⁵.

⁴ Net debt/equity

⁵ This target, which was set at the time of the 2016 IPO, aims at annual organic growth of 7% and external growth of 12% between 1 April 2016 and 31 March 2020, without accounting for potential future currency effects.

