



Rioz, 18 May 2020

## ABEO: 2019/2020 revenue up 2.3% Q4 business significantly impacted by the Covid-19 public health crisis

ABEO, a world leader in sports and leisure equipment, today announces its revenue and order intake for the financial year ended 31 March 2020.

| €m<br>Unaudited                             | 2019/2020    | 2018/2019    | Change        | Change<br>(LFL) <sup>1</sup> |
|---|--------------|--------------|---------------|------------------------------|
| <b>Q4 revenue</b>                           | <b>54.0</b>  | 61.4         | <b>-12.0%</b> | <b>-12.3%</b>                |
| Sports                                      | 26.0         | 30.5         | -14.7%        | -15.0%                       |
| Sportainment & Climbing                     | 14.9         | 15.1         | -1.6%         | -2.0%                        |
| Changing Rooms                              | 13.1         | 15.8         | -16.7%        | -16.9%                       |
| <b>Revenue for year ended 31/03</b>         | <b>235.7</b> | 230.4        | <b>+2.3%</b>  | <b>-3.0%</b>                 |
| Sports                                      | 112.1        | 115.8        | -3.2%         | -3.6%                        |
| Sportainment & Climbing                     | 61.5         | 51.9         | +18.6%        | -3.7%                        |
| Changing Rooms                              | 62.1         | 62.8         | -1.1%         | -1.2%                        |
| <b>YTD order intake (31/03)<sup>2</sup></b> | <b>242.0</b> | <b>237.1</b> | <b>+2.1%</b>  | <b>-4.4%</b>                 |

<sup>1</sup>: refers to the change in revenue over a comparable period and at constant consolidation scope, excluding the impact of currency fluctuations.

<sup>2</sup>: non-financial 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 relevant period, as compared to the same period for the previous financial year.

### 2019/20 Q4 business

The development of business activity during the fourth quarter of the 2019/20 period is highly impacted by the Covid-19 crisis and by the lockdown measures imposed by governments of countries in which the Group operates.

The beginning of the fourth quarter was marked by a step-up in organic growth which reached 5.5% cumulatively for January and February, then business slowed sharply in March following the spread of the Covid-19 crisis from Asia to the rest of the world.

Within the context of an unprecedented public health crisis, ABEO thus recorded a fall in business volumes of almost 40% in March and posted Q4 2019/20 revenue of €54.0m, down 12% from the same period a year earlier (-12.3% like-for-like with a positive currency effect of 0.3%).

The **Sports Division**, which was progressing well until mid-March despite the crisis that impacted its business in China from January onwards, fell 15.0% (like-for-like) over the quarter due to the impact of the lockdown measures implemented by the authorities, particularly in Europe.

The **Sportainment & Climbing Division**, despite a positive trend at the start of the year, ultimately ended the period down 2.0% (like-for-like).

The quarterly revenue of the **Changing Rooms Division** continued to achieve sustained growth during the first two months of the quarter before ending down 16.9% (like-for-like).

## 2019/20 full-year business

For the 11-month period from 1 April 2019 to 29 February 2020, ABEO posted a 7.3% growth in business (+1.3% like-for-like) despite the impact of Cannice's repositioning in China, the slowdown in demand due to Brexit in the UK subsidiaries, and, above all, the level of business at its US subsidiary Fun Spot (slow conversion of open orders into revenue).

Following a sudden downturn in March, 2019/20 annual revenue amounted to €235.7m, as indicated in the 20 April 2020 release, up 2.3% (-3.0% like-for-like with a positive currency effect of 0.4%).

Recurring EBITDA margin<sup>1</sup> (excluding IFRS 16) in March was directly impacted by the fall in business activity during that month. However, excluding the Covid-19 effect, ABEO forecasts an improvement in recurring EBITDA margin between the first and second halves of the year, as a result of the performance optimisation initiatives implemented since the start of the fiscal year.

**The order intake amounted to €242m at 31 March 2020, up 2.1%** (-4.4% like-for-like, +6.0% external growth and +0.4% currency gain) and reflect a challenging economic environment caused by the uncertainties related to the Covid-19 crisis. However, it should be noted that the level of order intake remains €6.3m higher than 2019/20 revenue (order intake/revenue ratio of 103%).

## Covid-19: gradual resumption of business

The ABEO Group is organised into different regions worldwide, with production units in Europe (France, Germany, Spain, Netherlands and UK), China, Canada, USA and New Zealand. This organisational structure helps the Group provide locally based supply services to customers.

After the widespread enforcement of lockdown measures throughout the world affecting the Group's business, health and safety measures have been introduced to help prepare for the resumption of economic activity. In France, business has gradually been returning since mid-April after slowing significantly or being suspended in March with the tightening of lockdown measures. In Northern Europe and Germany, where the impact of government restrictions was lower, the Group is running at almost full capacity. In the other regions, ABEO's activities are gradually resuming.

The impact of the ongoing public health crisis on the start of the 2020/21 period is clearly significant, as the situation related to Covid-19 has continued to weigh considerably on the Group's activity, particularly in April.

## Developments

The uncertainties related in particular to the duration of the crisis and its consequences, do not currently enable us to make medium-term forecasts about Group revenue and profitability. With the exception of a few cancellations, ABEO retains a solid order book and has been forced simply to delay project roll-outs in view of the restrictions on movement and site closures.

The Group's management is closely following the situation, adapting its organisation, and implementing working time reduction measures (partial unemployment or the equivalents in other countries) and an external cost reduction plan (marketing, projects, etc.). Furthermore, all the financial support measures offered by the public authorities are currently being implemented, in particular with BPI France, in order to compensate the impact of the reduction in business volumes and to preserve resources during this period.

Confident in the proven and rapid adaptability of its teams and business fundamentals, ABEO is facing up to this crisis with a desire to protect its employees, safeguard its industrial assets and pursue long-term development and value creation, all whilst working to secure its financial position.

