



sport > sportainment

Rioz, 6 December 2022

ABEO: Solid H1 2022/23 earnings amid complex economic environment

- > Revenue up 23.2%
- > Recurring EBITDA¹ up 8% to €13.8m, with an EBITDA margin of 11.7%
- > Increase in operating income (up 15.2%) and net income, Group share (up 71.1%)
- > Positive outlook with double-digit organic growth forecast for 2022/23

ABEO, a world leader in sports and leisure equipment, today announces its consolidated earnings for the first half of 2022/23.

- > **Consolidated H1 2022/23 earnings** (1 April to 30 September 2022) reviewed – ABEO’s Board of Directors met on 6 December 2022 to approve the first half 2022/23 financial statements. The half-year financial report will be made available to the public and filed with the French Financial Markets Authority (AMF) on 7 December 2022 and will be accessible on the company’s website.

€ m	30.09.2021 6 months	30.09.2022 6 months	Change 2022 vs 2021
Revenue	95.6	117.8	+23.2%
Recurring EBITDA ¹	12.8	13.8	+8.0%
% revenue	13.4%	11.7%	-1.7 pp
Recurring operating income	7.2	8.1	+11.6%
Operating income	6.8	7.9	+15.2%
Net income	3.1	5.2	+68.0%
Group net income	3.1	5.4	+71.1%

ABEO Group CEO Olivier Estèves made the following comments: *"This good H1 2022/23 performance despite a challenging environment marked by inflationary pressures, raw material shortages, and lockdown measures in China confirms our ability to overcome the major challenges of the period and reflects the daily commitment of our teams. Thanks to our strong positioning in structurally buoyant markets, we remain confident in our ability to achieve another year of growth while maintaining a high EBITDA margin."*

¹ Recurring operating income + depreciation of fixed assets

› **Strong growth across all three divisions**

ABEO's revenue rose sharply by 23.2% (17.6% like-for-like) to €117.8m in H1 2022/23, in line with its projections. Growth was driven by all regions and North America in particular, where the Group successfully increased its market share.

› **Continued double-digit recurring EBITDA margin: 11.7%**

Recurring EBITDA came to €13.8m² in H1 2022/23, up 8% from H1 2021/22, representing a margin of 11.7% of revenue, a limited contraction of 1.7 percentage points from H1 2021/22. Compared to the 2019/20 pre-crisis financial year, the H1 2022/23 recurring EBITDA margin improved by 2.4 percentage points, thanks to the lasting effects of the performance plan.

The resistance of the EBITDA margin in an inflationary environment reflects:

- › a limited decline of 2.2 points in the gross margin rate thanks to increases in sales prices, which partly offset increases in supply costs;
- › a tight control of operational costs³ (+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.

The **Sports** division and the **Changing Rooms** division are experiencing temporary inflationary effects while maintaining an optimised cost structure. The Sports division posted recurring EBITDA of €7.3m, representing 12.6% of revenue (down 1.2 percentage points from H1 2021/22) while the Changing Rooms division posted recurring EBITDA of €4.8m, representing 14.4% of revenue (down 3.9 percentage points from H1 2021/22).

The **Sportainment & Climbing** division posted recurring EBITDA of €1.7m, representing 6.4% of revenue, up 1.4 percentage points from H1 2021/22. The 0.8 percentage point increase in gross margin and tight control of overheads enabled the division to benefit from the full impact of the business recovery, particularly in North America.

After depreciation of fixed assets (€5.7m, including €2.7m related to IFRS 16), recurring operating income amounted to €8.1m in the first half of 2022/2023 (€7.2m the previous year) up 11.6% and representing 6.9% of revenue (down 0.7 percentage points from H1 2021/22).

Finally, operating income amounted to €7.9m in H1 2022/23, a sharp 15.2% improvement compared to the same period last year, and net income, Group share for the period rose sharply to €5.4m (up 71.1%).

› **Financial structure in line with the development plan**

First half cash flow from operations resulted in an outflow of €11.8m, the result of positive cash flow from operations after tax of €13.9m, up €2.4m, and an increase in working capital of €22.2m. This change in working capital is mainly due to:

- › an unfavourable seasonality effect over the period;
- › strong business growth (€22.1m increase in 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.

Cash and cash equivalents amounted to €37.8m at 30 September 2022. Net debt stood at €99.0m (€67.5m excluding IFRS 16) and Group shareholders' equity amounted to €115.5m.

² H1 2022/23 recurring EBITDA excl. IFRS 16: €10m, 9.3% of revenue

³ of which staff costs excluding government grants

› **Trends and outlook**

Despite an uncertain environment regarding changes in the global economy, ABEO will benefit from the solid⁴ €113.8m order intake achieved in H1 2022/23, up 9.0% (4.3% like-for-like, 2.7% from acquisitions and a 2.1% currency gain).

A significant improvement in free cash-flows will be a priority in H2 2022/23, with an expected return to a more standard level of working capital.

Finally, at the end of H1 2022/23, ABEO confirms its objective to achieve a solid operating performance against a forecast backdrop of double-digit organic growth.

Next releases

7 February 2023 – Q3 2022/23 revenue (after close of trading)

16 May 2023 - 2022/23 revenue (after close of trading)

Find more at www.abeo-bourse.com

ABOUT ABEO

ABEO is a major player in the sports and leisure market. The Group posted turnover of €205.3m for the year ended 31 March 2022, 74% of which was generated outside France, and has 1,413 employees.

ABEO is a designer, manufacturer and distributor of sports and leisure equipment. It also provides assistance in implementing projects to professional customers in the following sectors: specialised sports halls and clubs, leisure centres, education, local authorities, construction professionals, etc.

ABEO has a unique global offering, and operates in a wide variety of market segments, including gymnastics apparatus and landing mats, team sports equipment, physical education, climbing walls, leisure equipment and changing room fittings. The Group has a portfolio of strong brands which partner sports federations and are featured at major sporting events, including the Olympic Games.

ABEO (ISIN code: FR0013185857, ABEO) is listed on Euronext Paris – Compartment C.



Contacts

For any questions relating to this press release or the ABEO Group, please contact **ACTUS finance & communication**

Investor relations – Corinne Puissant investor@beo.fr

Tel: +33 (0)1 53 67 36 77

Press relations – Serena Boni presse@beo.fr

Tel: +33 (0)4 72 18 04 92

⁴ 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.