

Rioz, 6 December 2016

ABEO: strong growth of first half 2016/2017 results

- > Current EBITDA of €7.7m, up 27%
- > Net income of €3.9m, a 4.5-fold increase

Development plan rolled out

The ABEO Board of Directors met today and approved the first half 2016/2017 financial statements.

ABEO, a designer of sports and leisure equipment, announces sharp growth in first half 2016/2017 earnings¹.

Olivier Estèves, Group CEO, said: "The start of the year saw us continue to grow as in recent years. Like-for-like sales surged while profit margins also increased. Results are sustained by the Group's positioning on the buoyant and resilient sportainment market and our active strategy abroad."

- > **Consolidated H1 2016/2017 results** (1 April - 30 September 2016) – audited

€m	30/09/2015 6 months	30/09/2016 6 months	Change
Revenue	75.4	82.3	+9.1%
EBITDA current	6.1	7.7	+26.6%
<i>% revenue</i>	8.1%	9.4%	+1.3bp
Recurring operating income	4.4	6.1	+38.8%
Operating income	3.2	5.4	+70.6%
Net income	0.9	3.9	x4.5

First half reported revenue jumped 9.1% while like-for-like revenue surged 11.1%. The Group continued to step up international growth during the first half: international revenue currently accounts for over 68% of total revenue, up from 66% last financial year.

Business was particularly strong in the Climbing and Sports divisions, which posted double-digit growth driven primarily by international markets. In the Locker Rooms division, international markets are buoyant, although first half France revenue was slightly down due to some projects being postponed until the second half.

¹ Year ending 31 March 2017

The Group contributed to a number of major international events during the period, the most notable being the Rio Olympic Games.

The gross margin on products and projects sold during the first half held up well at 57.9% of revenue, down marginally (-0.4bp) compared to first half 2015/16 largely due to an adverse mix variance in the Sports and Climbing divisions while the Locker Rooms gross margin improved.

Current EBITDA came in at €7.7m, up €1.6m over the period. The operating margin on revenue² rose to 9.4%, up 1.3bp year-on-year boosted by revenue growth and tight control over staff costs and other fixed costs.

On a division-by-division basis, EBITDA for Sports came in at €4.8m, up €1.2m due to strong sales; Climbing continued to turn around and posted EBITDA of €24,0K compared to a €0.8m loss in H1 2015/2016. Lastly, Locker Rooms posted first half EBITDA of €2.9m, down from €3.4m in the previous half. This decline reflects some projects being pushed back to the second half and a fall in volumes at Sanitec, a business acquired in April 2015. A two-pronged recovery plan is currently being rolled out. This includes both cuts in overhead costs in line with the fall in volumes and the overhaul and optimisation of production facilities.

Net income amounted to €3.9m, up €3.0m over H1 2015/16. This sharp growth is primarily explained by a €1.6m increase in current EBITDA, a €0.6m decrease in non-recurring expenses and a €0.3m increase in the net income contribution from the fun climbing Clip'n Climb equity affiliate.

A robust balance sheet bolstered by €22.2m share capital issued for the IPO

Group net debt stood at €38.1m as at 30 September 2016, compared to €33.8m as at 31 March 2016. Compared to first half 2015/16, net debt was down €3.1m due to a reduction in medium and long-term debt. The debt does not yet include €22.2m of funds raised from the IPO, which were received after the first half was closed.

The increase in net debt over 31 March 2016 is primarily due to an increase in working capital due to seasonal fluctuations in some businesses and is in line with the strong growth for the first half. The debt increase is under control given that, compared to debt at 30 September 2015, the Group has reduced trade accounts receivable DSO and inventory levels.

Strategy and outlook

Following the Euronext IPO in October this year, the company is now backed by funds to achieve its target to double revenue by 2020 via both organic growth and targeted acquisitions.

The Group's healthy order backlog will enable it to continue its sustained growth during the second half of 2016/2017.

In November 2016 the Group announced the acquisition of Erhard Sport, a leading German sports equipment brand founded in 1880. ABEO is also engaged in exclusive negotiations with a view to purchasing two companies, one in Europe and one in Asia, for the Sports division. These acquisitions could be closed by the end of the financial year (31 March 2017), subject to due diligence procedures currently under way.



Half-year financial report

In accordance with the Transparency Directive, the company hereby notes that it has published and filed its financial report for the first half ended 30 September 2016 with the AMF (French Financial Markets Authority). The report may be viewed at www.abeo-Bourse.com in the Documents section.

² Recurring EBITDA/revenue

> **Next release**

9 February 2017 after market close

Q3 2016/2017 revenue

Translation for information purposes only. In case of discrepancy between the French and English versions, the French version shall prevail.

Read more at www.abeo-bourse.com

ABOUT ABEO

ABEO is a major player in the sports and leisure (“sportainment”) market. The Group posted turnover of €148 million for the year ended 31 March 2016, 66% of which was generated outside France, and has around 1,000 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 locker 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.

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