



Rioz, 13 December 2018

ABEO posts earnings growth in H1 2018/19

- > Recurring EBITDA of €9.9m, up 16.9%
- > Operating income up 23.3%

Very positive outlook for the second half

ABEO, a world leader in sports and leisure equipment, today announces its consolidated results for the first half of 2018/19.

Consolidated H1 2018/19 results (1 April to 30 September 2018) – reviewed – ABEO's Board of Directors met on 12 December 2018 to approve the first half 2018/19 financial statements. First half 2018/19 results include the impact of first-time application of IFRS 9 and IFRS 15 as of 1 April 2018. Comparative periods have not been restated.

€m	30/09/2017 6 months	30/09/2018 6 months	Change
Revenue	88.7	110.0	+24.0%
Recurring EBITDA ¹	8.5	9.9	+16.9%
% revenue	9.6%	9.0%	-0.6pp
Recurring operating income	6.5	7.5	+15.7%
Operating income	5.9	7.3	+23.3%
Net income	3.5	4.3	+22.6%

Sustained business volumes over the first half

ABEO posted H1 2018/19 revenue of €110.0m, up 24% versus the same period last year. Organic growth² amounted to 5.2%, driven by the Sports (up 6.6%) and Climbing (up 18.4%) divisions and a 19.4% consolidation gain arising from the consolidation of Meta GmbH in November 2017, Cannice in January 2018 and Bosan BV in March 2018. Results were slightly curtailed by a 0.6% currency loss.

Improvement in earnings during an active acquisition period

Driven by high levels of business volumes, recurring EBITDA for H1 2018/19 came to €9.9m, up 16.9% from €8.5m last year. The EBITDA margin³ was 9%, down 0.6 bp over H1 2017/18 and down 0.5 bp over the financial year ended 31 March 2018, due to the Sports division.

In the Sports division, first half EBITDA dipped €0.9m from last year's figure to €3.6m, giving an EBITDA margin of 6.3%, reflecting a weak activity at the beginning of the fiscal year, an adverse project mix and the slower-than-expected integration of two acquisitions.

¹ Recurring operating income + depreciation of fixed assets

² Change in revenue over a comparable period at constant consolidation scope, excluding the impact of currency movements

³ Recurring EBITDA/revenue



The Climbing division continued to improve operating performance driven by business volumes and Clip' n Climb sales. Recurring EBITDA came to €2.4m, implying a 4.5 bp improvement in the EBITDA margin.

The Changing Rooms division posted recurring EBITDA of €3.9m, up €1.2m, and maintained a strong EBITDA margin of 12.2%, up 1.5 bp boosted by the acquisition of Meta GmbH.

In line with the increase in EBITDA, recurring operating income amounted to €7.5m, up 15.7% from €6.5m the previous year.

Operating income amounted to €7.3, a sharp increase of 23.3% compared to H1 2017/18.

Lastly, after recording a net financial expense of €0.5m, net income amounted to €4.3m, up 22.6% year-on-year.

Solid balance sheet

ABEO recorded cash and cash equivalents of €44.6m at 30 September 2018. **Net debt stood at €46.7m** compared to €28.3m at 31 March 2018, including a €20m EuroPP-type bond issue.

With equity of €94.8m, ABEO posted a solid gearing ratio⁴ of 0.5.

After the end of the first half, ABEO signed a loan agreement with its banking pool for a total of €125m to support its 2020 strategic development plan. This loan agreement provides for the refinancing of a large part (€55m) of the existing bank loan, a €50m capex facility and €20m financing for Group general expenses.

Strategy and outlook

Backed by a strong first half order intake⁵ totalling €112.7m, up 21.5%, ABEO expects to see sustained growth over the second half of 2018/19.

Furthermore, ABEO will benefit from the integration of Fun Spot Manufacturing, a designer, manufacturer and distributor of equipment for amusement parks consolidated from 1 November 2018. Following this major acquisition, ABEO will set up a *Sportainment & Climbing* division that will bring Fun Spot and the Group's current Climbing division under the same umbrella.

On the basis of annualised revenue from all acquisitions made during the previous year plus Fun Spot Manufacturing, FY 2017/18 revenue would have been over €250m⁶, confirming the Group's revenue target of €300m⁷ by 2020.

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Next releases

11 February 2019 Q3 2018/19 revenue (before start of trading) 20 May 2019 FY 2018/19 revenue (before start of trading)

⁴ Net debt/equity

⁵ 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 during the reporting period, as compared to the same period for the previous financial year.

unaudited
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.



Find out more at www.abeo-bourse.com

ABOUT ABEO

ABEO is a major player in the sports and leisure ("sportainment") market. The Group posted revenue of €187.9 million for the year ended 31 March 2018, 71% of which was generated outside France. At year-end it had 1,600 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 B.

Contacts

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