



Rioz on December 5th, 2023

ABEO: despite a complex economic environment, solid H1 2023/24 performance

- › Revenue up 5.3% like-for-like to €123.5m
- › Gross margin up 2.1 percentage points to 61.5%
- › Recurring EBITDA¹ €13.7m, EBITDA margin 11.1%
- › Growth upside expected in H2 2023/24

ABEO, a leading global supplier of sports and leisure equipment, today announces its consolidated earnings for the first half of 2023/24.

- › **Consolidated first half 2023/24 earnings** (1 April to 30 September 2023) reviewed – ABEO’s Board of Directors met on December 5th, 2023, to approve the first half 2023/24 financial statements. The half-year financial report will be made available to the public and filed with the French Financial Markets Authority (AMF) in the next few days. The report will also be published on the Company website.

€ million	30.09.2022 6 months	30.09.2023 6 months	Change
Revenue	117.8	123.5	€+5.7m
Current EBITDA ¹	13.8	13.7	-
% revenue	11.7%	11.1%	-0.6 pt
Recurring operating income	8.1	7.8	€-0.3m
Operating income	7.9	6.5	€-1.4m
Net income	5.2	2.3	€-2.9m
Net income – Group share	5.4	2.5	€-2.9m

ABEO Group CEO Olivier Estèves made the following comments: *“Despite the persisting uncertainties affecting the global economy - tense geopolitical situation, inflation, tightening monetary and financing conditions and tensions on the employment market - we reported solid results for the first half. We are once again demonstrating our ability to combine steady growth with control of financial balances through a consistent and rigorous management. Backed by our positioning in structurally buoyant markets and a dynamic order intake, we are confident in our ability to achieve another year of growth after the expected acceleration in sales during the second half.”*

¹ Recurring operating income + depreciation of fixed assets

› First half growth in line with Group expectations

ABEO first half 2023/24 consolidated revenue totalled €123.5m, up 5.3% like-for-like (up 4.8% as reported) and fully in line with expectations. After 3.0% organic growth at the beginning of the financial year, business momentum accelerated in the second quarter with revenue up 7.4% at constant consolidation perimeter and exchange rates. This performance was driven by the Gymnastics business in Europe and North America and favourable demand in the Changing Rooms division.

› Double-digit recurring EBITDA margin of 11.1%

Recurring EBITDA was stable at €13.7m², representing a solid margin of 11.1% of revenue, slightly down by 0.6 percentage points year-on-year. Compared to the first half of 2019/20, before the Covid crisis, the recurring EBITDA margin improved by 1.5 percentage points, confirming ABEO's focus on performance.

The EBITDA margin reflects:

- › a 2.1 percentage point increase in the gross margin due to the pass-through of inflation into sale prices and a tight control of its purchasing policy;
- › increasing staff costs in a challenging recruitment market (28.8% of revenue compared to 27.6% year-on-year);
- › a limited increase in other operating expenses to support business growth.

The **Sports** division recurring EBITDA totalled €7.7m representing 12.0% of revenue, down 0.7 percentage points from the same period last year. This decline was limited thanks to a 1.2 percentage point improvement in the gross margin to 59.2% and a controlled increase in overheads against a backdrop of growth (division revenue up 11% year-on-year).

The **Sportainment & Climbing** division reported a recurring EBITDA of €0.7m representing 2.7% of division revenue, down 3.7 percentage points versus the first half of 2022/23, when the division benefited from Covid support measures totalling €0.9m. Excluding this support, the EBITDA margin was down only 0.2 percentage points.

The **Changing Rooms** division delivered a recurring EBITDA of €5.3m resulting in an EBITDA margin rate at 15.6%, up 1.2 percentage points versus the same period of the previous year. The 2.5 percentage point gross margin improvement and tight control of overheads enabled the division to reap the full benefit of business volumes.

After depreciation of fixed assets (€5.9m, including €2.8m related to IFRS 16), recurring operating income amounted to €7.8m in the first half of 2023/24 (versus €8.1m the previous year), representing a 6.3% of revenue (down 0.6 percentage points year-on-year).

Non-recurring operating income and expenses amounted to €-1.2m (compared to a €-0.2m in the first half of 2022/23), mainly in restructuring costs for the Sportainment & Climbing division. Accordingly, first half operating income reached a €6.5m amount.

As a result, after the deduction of a cost of debt of €2.0m, a €0.4m foreign exchange gain and a €2.4m tax charge, net income Group share for the period amounted to €2.5m.

› Financial structure under control

First half cash flow from operations (after tax) improved to an €8.1m outflow (compared to an €11.8m outflow for the same period in 2022/23), resulting from a €13.3m positive cash flow from operations before change in working capital and tax and a €19.3m outflow from change in working capital (compared to a €22.2m outflow in the first half of 2022/23). This change in working capital is mainly due to recurring adverse seasonal effect during the first half.

Cash flow related to investing activities amounted to a €10.1m outflow, €5.9m of which was allocated to the acquisition of a stake in VOGO and the completion of the BigAirBag acquisition.

Improving free cash flow is a priority for the second half of 2023/24, with an expected return to a more standard level of working capital.

² Excluding IFRS 16, H1 2023/24 current EBITDA was €10.5m, or 8.5% of revenue



Cash and cash equivalents amounted to €13.0m at 30 September 2023. Net debt stood at €111.1m (€78.3m excluding IFRS 16) and Group shareholders' equity amounted to €111.9m.

› Trends and outlook

In the second half of 2023/24, ABEO will benefit from the **solid €122.1m order intake³ achieved in the first half of 2023/24, up 8.1% like-for-like** compared to the same period in 2022/23 (up 7.3% as reported).

ABEO is therefore confident in its ability to maintain a virtuous growth trajectory and **aims to step up growth towards the end of the financial year** while continuing to consolidate operating performance.

Lastly, all ABEO's teams are ready to meet the challenge of the Paris 2024 Olympic and Paralympic Games in order to contribute our finest expertise in gymnastics, basketball and climbing equipment to this unique and historic event in France.

Next releases

6 February 2024 – Q3 2023/24 revenue (after close of trading)

14 May 2024 – 2023/24 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 € 238.8 million for the year ended 31 March 2023, 74% of which was generated outside France, and has 1,446 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.



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³ 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.