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Rioz, 8 December 2021

ABEO POSTS EXCELLENT FIRST HALF 2021/22 RESULTS

- Rebound in sales, up 14.1%
- Marked improvement in profit margins: recurring EBITDA[1] up 55.3% and EBITDA margin up 3.6 pp to 13.4%
- Robust financial structure
- Strong sales momentum, order intake up 25.7%

ABEO, a world leader in sports and leisure equipment, today announces its consolidated earnings for the first half of 2021/22.

- **Consolidated H1 2021/22 earnings** (1 April to 30 September 2021) reviewed – ABEO's Board of Directors met on 8 December 2021 to approve the first half 2021/22 financial statements. The half-year financial report is made available to the public and filed with the French Financial Markets Authority (AMF) on this day. It may be consulted on the company's website.

€m	30.09.19 6 months	30.09.20 6 months	30.09.21 6 months	Change 2021 vs 2020
Revenue	121.9	83.8	95.6	+14.1%
Recurring EBITDA[1]	11.7	8.2	12.8	+55.3%
% revenue	*9.6%*	*9.8%*	*13.4%*	*+3.6 pp*
Recurring operating income	4.8	2.6	7.2	+174.3%
% revenue	*3.9%*	*3.2%*	*7.6%*	*+4.4 pp*
Operating income	4.0	0.1	6.8	+€6.7m
Net income / loss	0.3	-2.3	3.1	+€5.4m
Group net income / loss	0.4	-2.3	3.1	+€5.4m

Strong start to the year

Driven by a recovery in business, particularly in the Sports and Changing Rooms divisions, Group first half revenue rose 14.1% (up 13.8% at constant exchange rates) to €95.6m.

Sharp improvement in operating earnings: recurring EBITDA margin up 3.6 percentage points

Driven by the upturn in business and the ongoing impact of the performance plan, which reduced the Group's breakeven point by over 20% on the previous year, recurring EBITDA for the first half of 2021/22 amounted to €12.8m, up from €8.2m the previous year, pushing the EBITDA margin up 3.6 percentage points to 13.4% of revenue.

[1] Recurring operating income + depreciation of fixed assets

This excellent operating margin reflects sustained commercial margins despite pressure on raw material prices and tight control of overheads against a backdrop of business recovery.

Accordingly, in line with the previous financial year, the Group continued its rigorous management policy, which resulted in:

- a €7.1m increase in the gross margin and a stable margin rate (down only 0.2 percentage points) amid a challenging environment in terms of purchase prices;
- a 4 percentage points decrease in staff costs (excluding government aid schemes) in proportion to revenue following on from the significant progress made under the performance plan during the first half of 2020/21,
- obtaining government aid totalling €1.5m over the period, mainly in France and the United States, versus €3.3m the previous year;
- a limited increase in other operating expenses, up 4.3% or €0.9m but down 2 percentage points in proportion to revenue despite the business recovery.

In accordance with the objectives announced, the performance plan set up during the previous financial year continues to bear fruit. As a result, the first half EBITDA margin was up 3.8 percentage points compare to the pre-crisis margin generated in H1 2019/20 before the outbreak of the global pandemic.

The **Sports** division posted recurring EBITDA of €6.2m and an EBITDA margin of 13.8%, up 0.7 percentage points. This performance reflects the improvement in the division's gross margin rate (up 0.6 percentage points), driven by the gymnastics business, and tight control of operating expenses in line with the performance plan.

The **Sportainment & Climbing** division posted recurring EBITDA of €1.0m and an EBITDA margin of 5.0%, up 5.6 percentage points from H1 2020/21. Accordingly, the division succeeded in turning around its operating margins under the full impact of the performance plan and the government aid received in the United States, France and Spain.

The **Changing Rooms** division posted recurring EBITDA of €5.6m giving an EBITDA margin of 18.3%, up 5.1 percentage points from H1 2020/21. This excellent performance was driven by brisk sales, a 0.6 percentage point gross margin rate improvement and prudent management of overheads.

After depreciation of fixed assets (€5.5m, including €2.5m related to IFRS 16), recurring operating income amounted to €7.2m, up 174.3% from €2.6m the previous year. The margin rate more than doubled from 3.2% last year to 7.6%.

Non-recurring operating income and expenses amounted to a €0.4m expense compared to a €2.5m expense in H1 2020/21, mainly comprising the remaining costs of the performance plan launched the previous year. Accordingly, operating income increased by €6.7m to €6.8m for the period.

After a €2.3m net financial expense and a €1.4m income tax charge, first half net income Group share came to €3.1m, up sharply by €5.4m from the previous period's net loss.

Financial structure remains strong

Group cash flow from operations before change in working capital and taxes was well into positive territory at €11.5m, while free cash-flows amounted to a €4.8m inflow compared to a €8.0m outflow in H1 2020/21, mainly driven by tight control of working capital amid business recovery and a challenging supply situation.

Cash and cash equivalents amounted to €70.3m at 30 September 2021. Net debt stood at €89.3m (€58.5m excluding IFRS 16), down €1.6m from €90.9m at 31 March 2021 (€58.9m excluding IFRS 16).

Strong sales momentum

Second half business will be fuelled by a healthy order backlog with €104.4m order intake[2] at 30 September 2021, up 25.7%, bolstered by all divisions and a sharp upswing in the US sportainment market.

Following the November acquisition of Belgian gymnastics equipment distributor Eurogym[3], ABEO is resuming its targeted acquisition strategy in order to expand its brand portfolio, penetrate new markets and consolidate more mature markets.

Amid global economic recovery, the Group remains vigilant with regard to developments in the health crisis, pressure on raw material prices and improvements in the supply situation.

On the strength of its first half results, high level of order intake and the ensuing improvement in visibility, ABEO moves forward with renewed confidence in its ability to maintain strong business momentum and a solid operating performance.

> **Next release**

10 February 2022 after close of trading Q3 2021/22 revenue

Find more information at www.abeo-bourse.com

ABOUT ABEO

ABEO is a major player in the sports and leisure market. The Group posted turnover of € 174 million for the year ended 31 March 2021, 73% of which was generated outside France, and has 1,339 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**

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[2] 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.

[3] Consolidated from 1 November 2021