PRESS RELEASE

Full year results 2017

Number of pages: 14

ACCELL GROUP BOOKS HIGHER TURNOVER AND LOWER PROFIT; REFINES STRATEGY, ACCELERATES ROLL-OUT

HEERENVEEN (THE NETHERLANDS), 9 March 2018 – Accell Group N.V. today publishes its annual results for the 2017 financial year and presents a strategy update for the period 2018-2022.

FINANCIAL HIGHLIGHTS

- Adjusted net turnover up 3.7%[1] at € 1,069 million, largely on the back of growth in e-(performance) bikes and strong contributions from Germany, Austria, Switzerland (DACH) and France; turnover increase under pressure from reduced bike sales in North America and the Netherlands
- Operating result 37.1% lower at € 38.0 million, primarily due to (1) weak performance and transformation of the organisation in North America (in total € 10 million) and (2) extra (budgeted) costs for the implementation of the group strategy
- High tax rate due to non-cash write-off of tax assets in North America and Finland resulted in net profit of € 10.5 million; dividend proposal of € 0.50 per share

STRATEGIC HIGHLIGHTS

- Refined strategy with six renewed pillars to form basis for realisation of growth and profit ambitions for 2018-2022; turnover to € 1.5 billion and ROCE above 15%
- Strategy roll-out accelerated with stronger emphasis on reduction of complexity within the group, centralised management of (e-)commerce and innovation, plus use of scale and synergy potential across the value chain and all regions
- Additional expenses of strategy execution amount to a total of € 30 - € 40 million over the next 5 years, on top of the 2017 expenditure
- Anticipated realisation of € 60 - € 80 million in structural savings on an annual basis by 2022
- 2018 will be key transitional year; announcement of changes in board

KEY FIGURES

(in € million unless otherwise stated)	**2017**	**2016**	**Δ**
Net turnover	**1,068.5**	**1,048.2**	**+1.9%**
Added value	*28.3%*	*30.0%*	
Underlying operating result[2]	60.5	73.9	-18.2%
Not-allocated operating expenses[3]	-22.5	-13.5	
Operating result	**38.0**	**60.4**	**-37.1%**
EBIT margin	3.6%	5.8%	
Net profit	**10.5**	**32.3**	**-67.5%**
Working capital	29.5%	29.2%	
Free cash flow	-4.9	61.3	
ROCE	7.8%	12.2%	

[1] Adjusted for the North American P&A activities that were sold in 2016, and calculated at constant exchange rates
[2] Total of the segment result Bicycles and the segment result Parts & Accessories
[3] Including € 7 million extra (budgeted) costs for strategy implementation in 2017
In case of any inconsistencies the Dutch version of this press release is leading.

Ton Anbeek, Chairman of the Board of Directors: "*In 2017, we started the executing of our new strategy in Europe and North America. Unfortunately, the initial results of this strategy were overshadowed by a disappointing performance in North America. Sales via existing distribution channels (IBDs and multi-sport) came under pressure and the contract with a major multi-sport chain was terminated. These developments prompted a restructuring, including the replacement of the local management and an adjustment of the North American organisation which also gave rise to a necessary correction on US import levies for the period 2013-2017.*

In Europe, we benefited from our leading position in the field of e-bikes. Sales of e-performance bikes for active recreation and sports saw a particularly strong increase and we also recorded a further increase in the order file for 2018. Turnover of regular bikes declined but this was compensated by the higher turnover of e-bikes. In addition to e-bikes sales, we also recorded an organic increase in the turnover of parts & accessories, partly on the back of growth in our own XLC brand. The higher turnover in Europe translated into a higher underlying operating result for our European businesses.

In 2017, we incurred extra costs of € 7 million for the roll-out of our strategy. As part of this drive, we raised the supply chain organisation to full capacity and we are making considerable headway in the field of parts & accessories, portfolio management and IT.

We have refined the strategy and translated it into a concrete roadmap for the period 2018 – 2022, including related goals and guidance for required investments and anticipated savings. Our ambition is to become market leader in the mid and high end of the e-bike market in a consumer centric and socially responsible way. For this, 2018 will be an important transitional year. We will accelerate our strategy roll out and reduce the complexity of the group in order to better and faster anticipate changes in the market. As such, we can add more value for dealers and consumers and at the same time realise our ambitions for growth and profitability."

STRATEGY UPDATE 2018-2022

For 2022 Accell Group has outlined the following financial objectives:

- Net turnover of around € 1.5 billion
- Added value of more than 31%
- EBIT margin of around 8%
- Working capital of less than 25% of turnover
- ROCE of more than 15%

We have built this strategy on six renewed strategic pillars to help us realise these goals: (1) Lead global. Win local.; (2) Winning at the point of purchase; (3) Consumer-centric omni-channel business model; (4) Innovation; (5) Centralised and integrated Parts & Accessories business; and (6) Fit to compete. Within this framework, Accell Group will accelerate roll-out of the following initiatives as of the second quarter of 2018:

- Realisation of central management and coordination of commerce policy, the innovation programme and production allocation within the group
- Focus on large-scale innovations combined with less fragmented and higher marketing budgets
- Determination per country of a strategic brand portfolio for marketing and sales via and with dealers, and with emphasis on avoiding channel conflicts
- Per country, focus on perfect execution of plans geared towards maximisation of customer satisfaction and improved utilisation of opportunities in the local market

- Formation of six key regions (DACH, Benelux, Southern Europe, UK & Ireland, Scandinavia and North America), which together represent almost 100% of turnover
- Focus on e-bikes supported by digital platforms, experience centres and mobile bike service
- Centralisation and increased integration of parts and accessories with bicycle activities in each region
- Accelerated implementation of the centrally-managed supply chain with an emphasis on further rationalisation, standardisation and reduction of complexity

Accell Group expects the investments and costs associated with the implementation of the strategy to total € 30 - € 40 million, on top of the € 7 million spent on this front in 2017. The aim is to realise € 60 - € 80 million in structural savings on an annual basis in 2022.

GROUP PERFORMANCE

(in € million unless otherwise stated)	**2017**	**2016**	**Δ**
Net turnover	1,068.5	1,048.2	+1.9%
Added value	302.0	314.8	-4.1%
As a % of turnover	28.3%	30.0%	

Net turnover came in 1.9% higher at € 1,069 million in 2017 (2016: € 1,048 million). Adjusted for the sale of the parts and accessories activities in North America in 2016, organic turnover growth was 2.7%. Including the adjustment for the effect of currency exchange rates, growth came in at 3.7%.

The **added value** (net turnover less cost of materials and incoming transport costs) as a percentage of turnover came in at 28.3%. The added value was primarily impacted by the increase in the share of e-bikes, reduced margins on regular bikes and higher discounts. Added value was further pressured by overdue US import duties of on average € 0.8 million per year for the period 2013-2017, resulting in a total one-off charge of € 4 million.

During the transformation of the North American organisation, it came to light that the import classification of hybrid bikes (sports bikes combining the properties of both racing bikes and mountain bikes) had not been applied uniformly during the past years. The new local management discovered that insufficient US import duties on these bicycles were paid, because the allocation of classification codes had not been carried out scrupulously enough. The classification codes currently used are correct and the lack of uniform application in the past does not affect the operational developments. Due to the self-correction, fines do not apply. Legal interest will be charged on the amounts to be repaid, which has been included in the one-off charge.

(in € million unless otherwise stated)	**2017**	**2016**	**Δ**
Staff costs	125.8	121.8	+3.3%
As a % of turnover	11.8%	11.6%	
Other operating costs	127.1	122.3	+4.0%
As a % of turnover	11.9%	11.7%	

Operating costs were 3.8% higher at € 264 million. Operating costs as a percentage of turnover came in at 24.7% (2016: 24.3%). The increase in operating costs was due to € 7 million in (budgeted) extra costs related to the implementation of the strategy. These costs are related to the strengthening of the group organisation, IT projects and the hiring of consultancy services. In addition, Accell Group took an extra charge of € 6 million related to the reorganisation and reduction of inventories in North America in the second half of 2017.

The **operating result** declined by 37.1% to € 38.0 million (2016: € 60.4 million). The decline is explained by the events in North America which had a negative impact of € 13.1 million, due to a weak operational performance and the aforementioned one-off charges related to the transformation of the local organisation. The remaining part of the decline in operating result is explained by the lower added value and the extra costs associated with the implementation of the strategy. This resulted in an EBIT margin of 3.6%.

(in € million unless otherwise stated)	**2017**	**2016**	**Δ**
Financial expenses (net)	8.2	8.3	-0.8%
Taxes	19.7	20.4	-3.5%
Tax rate	65.2%	38.7%	
Net profit	10.5	32.3	-67.5%

The **financial expenses** of € 8.2 million recorded in 2017 were slightly lower than in the previous year. The extension of the group financing agreed in March 2017 resulted in improved terms and reduced interest expenses. This was offset by the accelerated write-down of the financing costs of the previous refinancing arrangements and a reduced result from the exchange rate differences on positions in foreign currencies.

The **tax rate** was higher in 2017 due to the non-cash write-down of existing tax assets in North America (€ 3.8 million) and Finland (€ 1.9 million) and the non-capitalisation of carry-forward losses in North America.

Net profit declined to € 10.5 million in 2017 (2016: € 32.3 million). This translates into net earnings per share of € 0.40 (2016: € 1.24). Excluding the one-off charges in North America (€ 10 million) and the write-down of tax assets (€ 5.7 million), earnings per share came in at € 1.00.

DEVELOPMENTS PER SEGMENT

Bicycles

(in € million unless otherwise stated)	**2017**	**2016**	**Δ**
Net turnover	812.7	785.5	+3.5%
Segment result	41.1	56.4	-27.1%

Net turnover in the bicycle segment was 3.5% higher compared to 2016, largely on the back of an increase in sales of e-bikes, and in particular the e-MTBs of the brands Haibike, Ghost and Lapierre. Accell Group noted strong growth in turnover of these bikes, especially in Europe. Sales of regular bikes declined compared to the previous year, both in sales volume and in turnover. Driven by this development, the share in turnover accounted for by e-bikes in this segment increased to 63% (2016: 55%).

Partly due to the increased focus on sales of more expensive and high-grade (e-)bikes the number of bicycles sold declined to 1,278,000 in 2017 (2016: 1,457,000). Particularly in North America, sales volumes of (regular) bikes showed a particularly strong decline compared to the previous year. The primary reason for this was the loss of sales volume and turnover from large multi-sports retail chains as well as a slight decline in turnover from the traditional specialist retailers (IBDs) as a consequence of the revised distribution strategy. Accell Group was unable to fully offset this decline in sales volume and turnover through sales via other, new channels in 2017.

The **segment result** was negatively impacted primarily by the weak performance in North America and the transformation of the local organisation in that region. However, the continued growth in e-bikes and positive developments in Germany had a positive impact on the result. Excluding the poorer results in North America, the Bicycles segment result remained stable.

Parts & accessories

(in € million unless otherwise stated)	**2017**	**2016**	**Δ**
Net turnover	255.9	262.6	-2.6%
Segment result	19.4	17.5	+10.8%

Net turnover in parts & accessories declined in 2017 due to the termination of the parts & accessories activities in North America in 2016. Organic net turnover growth in parts & accessories came in at 0.5%. The growth in turnover was booked primarily in Europe, partly driven by the organic growth of our own XLC brand.

The **segment result** of this trading activity increased. The higher share of our own XLC brand (in Europe) in turnover made a positive contribution to the segment result on the back of the improved utilisation of procurement benefits.

DEVELOPMENTS PER REGION

Net turnover			
(in € million unless otherwise stated)	**2017**	**2016**	**Δ**
The Netherlands	203	224	-9.4%
Germany	313	266	+17.6%
Rest of Europe	427	405	+5.4%
North America	102	119	-14.4%
Other countries	25	35	-29.5%

In **the Netherlands**, Accell Group booked lower turnover in both bicycles and parts and accessories. Koga was the only Dutch brand to record growth in 2017. Batavus and Sparta recorded lower turnover in both regular bikes and e-bikes, particularly in the first half of 2017. With the implementation of the refined strategy, a new margin structure and the introduction of a selective distribution system, Accell Group has taken a number of significant steps towards creating a level playing field for all dealers on the basis of which the relationship and cooperation with the specialist retailers can be improved.

In **Germany,** turnover was higher on the back of increased sales volumes in electric bikes. Both the sales of Haibike and Ghost e-MTBs and the sales of Winora's traditional e-bikes were higher than in the previous year. Sales of regular bikes also declined in Germany. In addition to the higher sales of e-bikes, turnover in parts and accessories was also higher than in 2016.

In the **Rest of Europe**, increased sales of e-MTBs resulted in higher turnover. The popularity of the e-MTBs of our international brands Haibike, Lapierre and Ghost increased in virtually all European countries, and in particular in France, Austria and Spain. Sales of regular bikes declined in most countries. In virtually all European countries, turnover in parts and accessories was higher than in the previous year. Turnover in Scandinavia and Spain saw a particularly marked increase last year.

In **North America,** turnover declined**.** The lower turnover was primarily due to reduced sales via the multi-sports retail channel and the termination of the parts and accessories activities. Positive developments came in the form of higher turnover via new sales channels and growth in the sales of the Haibike, Raleigh and IZIP brands. In the IBD sales channel, turnover was slightly lower than in the previous year as a result of the change in distribution strategy in 2017. This was caused by a changing sales mix. Dealers bought fewer but more expensive bikes.

Turnover in **Other countries** was limited and declined due to the economic conditions in Turkey, especially in the first half of 2017. Turnover in Asian countries and Australia was more or less unchanged from 2016.

FINANCIAL STRENGTH AND CAPITAL EFFICIENCY

(in € million unless otherwise stated)	**2017**	**2016**	**Δ**
Net working capital (at year-end)	315.0	306.2	+2.9%
% of turnover	29.5%	29.2%	
Investments in tangible fixed assets	8.8	11.6	-24.1%
Free cash flow	-4.9	61.3	
ROCE	7.8%	12.2%	
Net debt / EBITDA (excl. one-off charges)	2.7	1.9	
Solvency[4]	42.4	45.4	

EBITDA (excluding one-off charges) adjusted for one-off charges in North America. For € 10 million in 2017 and for € 5.5 million in 2016

The net **working capital** came in at € 315 million in 2017, 2.9% higher than in 2016. Inventories were up 3.7% at € 334 million. Accounts receivable were € 127 million, compared with € 138 million in 2016. Accounts payable were lower than in the previous year, at € 146 million.

Although working capital was up slightly compared to the previous year, the movements in working capital were positive. As such, the number of bicycles in stock fell by 8% (24,000) compared to the previous year. The fact that the value of inventories was higher in 2017 than in 2016 was due to the higher average cost price per bicycle, which was 11% higher than in the previous year. The higher cost price was due to the greater share of e-bikes in the inventories. The higher inventories are needed to make sure Accell Group can respond to the greater demand for these bicycles in the first quarter of 2018. In conjunction with these higher inventory of e-bikes, the value of inventories of components is also higher, because the company maintains higher inventories of e-bike components and components for more expensive bikes. In addition, accounts receivable were lower than in the previous year despite higher turnover in the fourth quarter. While Accell Group procured less, accounts payable per year-end 2017 were slightly below the level of 2016, due to the longer payment terms negotiated with suppliers.

Total **net debt,** comprising interest-bearing loans, bank credits and cash and cash equivalents, stood at € 161 million at year-end 2017, up from € 147 million at year-end 2016, largely due to the

[4] Solvency is calculated after the netting of the amounts in the notional cash pool arrangement

movements in working capital. Excluding one-off charges, EBITDA declined by 22.5% to € 59.1 million. This resulted in a **net debt / EBITDA** (excl. one-off charges) ratio of 2.7, a worsening compared to the previous year.

Shareholders' equity stood at € 299 million, which resulted in a solvency ratio of 42.4% (2016: 45.4%). The change in the shareholders' equity of € 20.1 million was largely due to the result for the period (+€ 10.5 million), dividend payments (-/- € 6.7 million), the valuation of financial instruments (-/-€ 10.3 million) and currency exchange rate differences (-/-€ 13.5 million).

DEVELOPMENTS AFTER THE BALANCE SHEET DATE

<u>Board changes</u>

Hielke Sybesma (CFO) decided after 23 years to leave the company as of 1 May 2018 and will step down from the Board of Directors as of 25 April. The search for a successor to Hielke Sybesma has started.

Jeroen Snijders Blok (COO) resigns from the Board of Directors at his own request as of 25 April 2018, while retaining his current activities and reporting directly to the CEO. The responsibility for the production sites has recently been transferred to Jeroen Both (CSCO).

The Supervisory Board would like to thank Hielke and Jeroen for their years of involvement as members of the Board of Directors and is grateful for their contribution to the development of Accell Group for many years.

Jeroen Hubert has been appointed Chief Commercial Officer (CCO) as of 1 March 2018. Jeroen reports to the CEO and is responsible for marketing, innovation, (e)commerce and retail / experience centers. He has previously gained extensive experience in the aforementioned areas at Pepsico, Friesland Campina, Wehkamp and Ikea.

EARNINGS PER SHARE AND DIVIDEND

Earnings per share based on the weighted average number of outstanding shares (year-end 26,101,222 shares) declined by 67% to € 0.40 in 2017 (2016: € 1.24). Earnings per share excluding one-off charges came in at € 1.00. Due to the issuance of 399,871 shares for the payment of the stock dividend for the 2016 financial year, the correction factor for the earnings per share from previous years is 0.98476.

For the 2017 financial year, Accell Group shareholders will be asked to approve the payment of an optional dividend of € 0.50 per share (2016: € 0.72), to be paid out in cash or shares. The dividend proposal is related to the earnings per share excluding one-off charges, which puts the pay-out ratio at 50%. The pay-out ratio based on the reported earnings per share amounts to 124%. The expectations for the coming years as a result of the refined strategy and the incidental nature of the charges in 2017, underpin a dividend that is higher than the reported earnings per share. Based on the closing price at year-end 2017 (€ 23.43), the dividend return amounts to 2.1%.

MANAGEMENT AGENDA AND OUTLOOK

Cycling will remain popular for mobility, recreational and sports purposes in the years to come. Accell Group expects to remain a leader in the market with it high-quality products and to be in a position to continue to add innovations to make cycling even more attractive for various purposes.

In the light of the refined strategy *Lead Global. Win Local*, 2018 will be a key transitional year that will be dominated to a large extent by a reduction in complexity and centralisation of management in areas such as (e-)commerce, innovation, supply chain, human resources and IT. This will accelerate the realisation of a more efficient operational processes, will improve utilisation of scale and synergy potential, and strengthens the execution power in the various regions. In addition, Accell Group will actively seek increases in scale via acquisitions that fit the strategy.

For 2018, Accell Group expects to see an improvement in the results in North America on the back of the omni-channel strategy and the strong growth in the e-bike market. In Europe, we expect continued growth in turnover as a result of higher sales of e-bikes and high-end regular bikes. Based on this and barring unforeseen circumstances, Accell Group expects an increase in group turnover and a higher underlying operating result for 2018.

***** END *****

This is a public announcement by Accell Group N.V. pursuant to section 17 paragraph 1 of the European Market Abuse Regulation (596/2014). This public announcement does not constitute an offer, or any solicitation of any offer, to buy or subscribe for any securities in Accell Group N.V.

ABOUT ACCELL GROUP

Accell Group N.V. focuses internationally on the mid-range and higher segments of the market for bicycles and bicycle parts and accessories. The company has leading positions in the Netherlands, Belgium, Germany, Italy, France, Finland, Turkey, the United Kingdom and the United States. In Europe, Accell Group is market leader in the bicycle market measured in turnover. Accell Group's best known brands are Haibike (Germany), Winora (Germany), Batavus (Netherlands), Sparta (Netherlands), Koga (Netherlands), Lapierre (France), Ghost (Germany), Raleigh and Diamondback (UK, US, Canada), Tunturi (Finland), Atala (Italy), Redline (US), Loekie (Netherlands) and XLC (international). Accell Group and its subsidiaries employ approximately 3,000 people in eighteen countries worldwide. The company has production facilities in the Netherlands, Germany, France, Hungary, Turkey and China. Accell Group products are sold in more than seventy countries. The company's head office is located in Heerenveen (the Netherlands). Accell Group shares are traded on the official market of Euronext Amsterdam and are included in the Amsterdam Small Cap index (AScX). In 2017, Accell Group sold around 1.3 million bicycles and recorded profitable turnover of over € 1 billion. www.accell-group.com

Not for publication

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AGENDA

25 April 2018	General Meeting of Shareholders
20 July 2018	Publication interim results

TRANSPARENCY DIRECTIVE

For the purposes of the Transparency Directive of the European Union (Directive 2004/109/EC, revised), Accell Group N.V.'s home member state is the Netherlands.

In case of any inconsistencies the Dutch version of this press release is leading.

FORWARD-LOOKING STATEMENTS

This document contains forward-looking statements regarding Accell Group's results, capital and liquidity positions. In addition, forward-looking statements may include, but are not limited to, phrases such as "intends", "expects", "is taking into account", "targets", "plans", "estimates" and words with a similar meaning. These statements pertain to or may have an effect on future events, such as Accell Group's future financial results, company plans and strategies. Forward-looking statements are subject to certain risks and uncertainties, which may lead to material differences between the actual results and performances, and the expected future results or performances implicitly or explicitly contained in said forward-looking statements. Factors that may cause actual results to differ from current expectations include but are not limited to developments in legislation, technology, taxes, jurisprudence and regulations, stock exchange fluctuations, legal procedures, investigations by regulatory bodies, competition and general economic conditions. These and other factors, risks and uncertainties, which may have an effect on any forward-looking statement or the actual results of Accell Group, are discussed in Accell Group' annual report. The forward-looking statements contained in this document refer exclusively to statement from the date of this document and Accell Group does not accept any liability for or obligation to amend the forward-looking statements contained in this document, regardless of whether these pertain to new information, future events or otherwise, unless Accell Group is under a legal obligation to do so.

ANNEXES

- Condensed consolidated income statement
- Condensed consolidated balance sheet
- Condensed consolidated statement of comprehensive income
- Condensed consolidated statement of changes in equity
- Condensed consolidated statement of cash flows
- Condensed information about reportable segments

FINANCIAL STATEMENTS

The financial information 2017 in the primary statements as enclosed in this press release is derived from the annual report 2017. This annual report is approved for publication. The publication as prescribed by law has not yet taken place. The annual report and the adoption are to be effectuated at the Annual General Meeting of shareholders on 25 April 2018. In accordance with article 393, Part 9, Book 2 of the Netherlands Civil Code has KPMG Accountants N.V. provided an unqualified audit opinion on the annual financial statements.

The full annual report can be consulted and is available for download from 13 March 2018 on the Accell Group website (www.accell-group.com)

Condensed consolidated income statement

(in thousands of euro) For the twelve months ending 31 December

	2017	2016
Net turnover	**1,068,473**	**1,048,152**
Costs of raw materials and components	-766,464	-733,347
Personnel costs	-125,785	-121,781
Depreciation, amortization and (reversal of) impairment losses	-11,073	-10,340
Other operating expenses	-127,142	-122,287
Operating result	**38,009**	**60,397**
Net finance cost	**-8,209**	**-8,273**
Income from equity-accounted investees, net of tax	385	571
Profit before taxes	**30,185**	**52,695**
Income tax expense	-19,684	-20,403
Net profit	**10,501**	**32,292**
Earnings per share (in euro)		
Earnings per share	0.40	1.24
Weighted average number of issued shares	26,101,222	25,623,405
Earnings per share (diluted)	0.40	1.23
Weighted average number of issued shares (diluted)	26,266,976	25,790,571
Adjustment factor according to IAS 33	1.00000	0.98476

Condensed consolidated balance sheet

(in thousands of euro)

	31 December 2017	31 December 2016
ASSETS		
Property, plant & equipment	69,373	71,672
Intangible assets	98,889	103,959
Net defined benefit asset	14,960	14,489
Deferred tax assets	3,437	7,142
Financial fixed assets	11,136	7,485
Non-current assets	**197,795**	**204,747**
Inventories	333,564	321,553
Trade receivables	127,128	137,855
Other receivables	22,668	22,188
Other financial instruments	-	6,049
Cash and cash equivalents	24,123	49,421
Current assets	**507,483**	**537,066**
Total assets	**705,278**	**741,813**

	31 December 2017	31 December 2016
EQUITY	**299,321**	**319,380**
LIABILITIES		
Interest-bearing loans (non-current)	100,533	47,173
Net defined benefit liability and other long-term employee benefits	8,531	8,861
Deferred tax liabilities	11,820	13,334
Provisions	4,267	4,044
Other non-current liabilities	1,190	1,201
Non-current liabilities	**126,341**	**74,613**
Interest-bearing loans and revolving credit facility	40,008	61,619
Bank overdrafts	44,630	87,901
Current tax liabilities	412	9,879
Trade payables	145,740	153,198
Provisions	4,291	4,826
Other current liabilities	35,005	28,635
Other financial instruments	9,530	1,762
Current liabilities	**279,616**	**347,820**
Total equity & liabilities	**705,278**	**741,813**

Condensed consolidated statement of comprehensive income

(in thousands of euro)

For the twelve months ending 31 December

	2017	2016
Net profit	**10,501**	**32,292**
Items that will never be reclassified to profit or loss		
Remeasurement of the defined benefit liability (asset)	326	-3,675
Related tax	-129	-1,798
Items that are or may be reclassified subsequently to profit or loss		
Foreign operations - foreign currency translation differences	-13,651	-6,359
Cash flow hedges	-13,719	2,848
Related tax	3,430	-712
Total comprehensive income	**-13,242**	**22,596**

Condensed consolidated statement of changes in equity

(in thousands of euro)

	Total equity 2017	Total equity 2016
Balance at 1 January	**319,380**	**305,941**
Net profit	10,501	32,292
Other comprehensive income	-23,743	-9,696
Total comprehensive income	**-13,242**	**22,596**
Dividends paid	-18,616	-18,215
Stock dividends	11,876	9,422
Other	-77	-364
Balance at 31 December	**299,321**	**319,380**

Condensed consolidated statement of cash flows

(in thousands of euro)	For the twelve months ending 31 December	
	2017	2016
Cash flow from operating activities		
Net profit for the period	10,501	32,292
Adjustments for:		
- Depreciation and amortization	11,073	10,348
- Net finance cost	8,209	8,273
- Share of profit from equity-accounted investees, net of tax	-385	-571
- Equity-settled share-based payment transactions	-71	-61
- Gain on sale of property, plant and equipment	-	-8
- Tax expense	19,684	20,403
	49,011	**70,676**
Change in:		
- Inventories, trade receivables/payables and other receivables/payables	-10,342	26,156
- Provisions, employee benefits and deferred revenue	-906	7,149
Cash generated from operating activities	**37,763**	**103,981**
Interest paid	-6,800	-9,342
Taxes paid	-23,449	-19,162
Net cash from operating activities	**7,514**	**75,477**
Cash flow from investing activities		
Interest received	622	556
Dividends received	99	218
Acquisition of a subsidairy, net of cash acquired	455	111
Acquisition and disposal of fixed assets	-13,627	-15,101
Net cash used in investing activities	**-12,451**	**-14,216**
Free cash flows[1]	**-4,937**	**61,261**
Cash flow from financing activities		
Proceeds from (repayment of) interest-bearing loans	39,669	-12,632
Dividends paid	-6,740	-8,793
Proceeds from (repayment of) revolving credit facility	-9,050	-65,950
Net cash from (used in) financing activities	**23,879**	**-87,375**
Net increase (decrease) in cash and bank overdrafts	**18,942**	**-26,114**
Cash and bank overdrafts at 1 January	-38,480	-13,365
Effect of exchange rate fluctuations on cash and bank overdrafts held	-969	999
Cash and bank overdrafts at 31 December	**-20,507**	**-38,480**

[1] Free cash flows is defined as the balance of net cash flows from operating activities and net net cash used in investment activities

Condensed information about reportable segments

(in thousands of euro) For the twelve months ending 31 December

	Bicycles		**Parts & accessories**	
	2017	**2016**	**2017**	**2016**
External revenues	812,687	785,536	255,786	262,616
Segment profit (loss) before interest and tax	41,079	56,385	19,376	17,493

Reconciliation of reportable segment profit or loss

(in thousands of euro) For the twelve months ending 31 December

	2017	**2016**
Profit before tax		
Total profit before interest and tax of reportable segments [1]	60,455	73,878
Unallocated amounts:		
- Net finance cost	-8,209	-8,273
- Other operating expenses	-22,061	-12,910
Consolidated profit (loss) before tax	**30,185**	**52,695**

[1] As of 2016 equity-accounted investees and the related income are allocated to the operational segments.