



Amer Sports Q1/2017

# Market slowdown – we accelerate our transformation

April 27, 2017 – Heikki Takala, President and CEO

## Context: the market is changing

- In 2016, US wholesale slowed down significantly.
- Into 2017, the consumer is active, but the wholesale market remains prudent.
- Consumer driven transformation is a must.
- We are accelerating the transformation of our business models: investment for Sustainable Profitable Growth.

## In Q1, we had solid growth despite the challenging market

- Net sales EUR 661.6 million (635.5), +2%\*
  - Good progress in Apparel, own retail, e-commerce, China, and Winter Sports Equipment; Fitness starting to rebound.
- Gross margin 45.3% (47.4): less favorable USD hedges
- EBIT excl. IAC EUR 38.2 million (46.0)
  - Investments into the company's transformation continued
- Free cash flow EUR 53.9 million (32.8)

\* In local currencies

3 27 April 2017

Amer Sports Interim Report Presentation



## Balance sheet

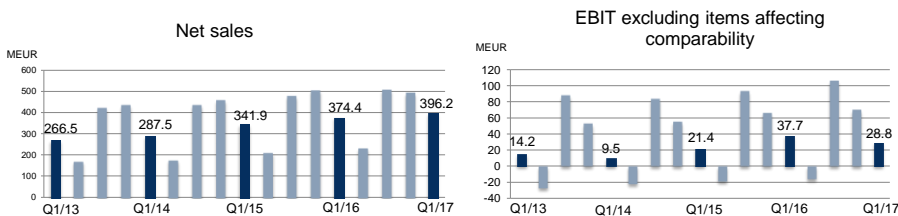
EUR million	Mar. 31, 2017	Mar. 31, 2016	Dec. 31, 2016
Net debt	<b>562.3</b>	538.3	535.9
Shareholder's equity	<b>926.7</b>	857.1	1,003.1
Capital employed	<b>1,489.0</b>	1,395.4	1,539.1
Working capital	<b>452.0</b>	455.0	487.6
Capital turnover	<b>1.77X</b>	1.86X	1.77x
ROCE, %	<b>14.3</b>	16.1	14.9
Net debt/EBITDA LTM	<b>2.0</b>	1.9	1.9
Net debt/equity	<b>0.61</b>	0.63	0.53
Equity ratio, %	<b>36.8</b>	35.6	36.9

4 27 April 2017

Amer Sports Interim Report Presentation



## Outdoor Q1/2017 (Q1/2016)



Net sales EUR 396.2 million, +4%\*

- Market softness especially in the US impacted Footwear (+2%) and Cycling (-6%); own retail and e-commerce performing well
- Apparel 14% driven by Arc'teryx
- Winter Sports Equipment +18% supported by a good winter
- Sports Instruments -26% due to timing of product launches

EBIT EUR 28.8 million (37.7)

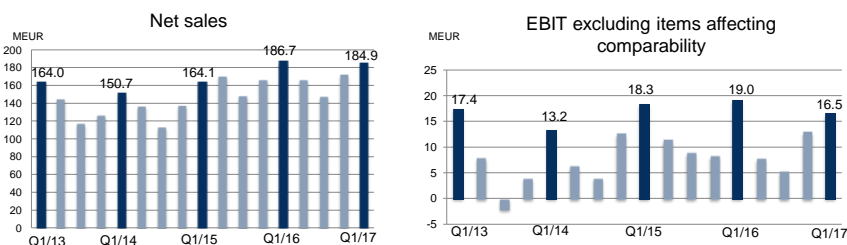
\*In local currencies

5 27 April 2017

Amer Sports Interim Report Presentation



## Ball Sports Q1/2017 (Q1/2016)



Net sales EUR 184.9 million, -4%\*

- US wholesale market soft; baseball de-stocking ahead of changes in bat regulations in early 2018

EBIT EUR 16.5 million (19.0)

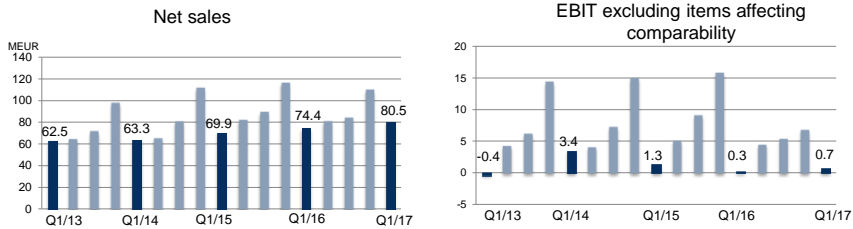
\*In local currencies

6 27 April 2017

Amer Sports Interim Report Presentation



## Fitness Q1/2017 (Q1/2016)



Net sales EUR 80.5 million, +6%\*

- Encouraging signs of Precor reigniting growth.

EBIT EUR 0.7 million (0.3)

\*In local currencies

7 27 April 2017

Amer Sports Interim Report Presentation



## What's working

- Consumer is active and engaged: B2C +27%, e-commerce +43%, same store growth +6%
- Our own building blocks are working: successful e-commerce and own retail expansion, China, Apparel
- Winter Sports Equipment market healthier
- Connected devices: Precor early positive signs as the new products & services gain traction in the market. Suunto pipeline in place for Q2-Q3.
- Performance tennis: market share gains

8 27 April 2017

Amer Sports Interim Report Presentation



## What's not working

- US wholesale market soft
- Opex: Need to invest upfront into omni-channel and digitalization, anticipating accelerating consumer-driven transformation.



## Outlook for 2017

- In 2017, Amer Sports' net sales in local currencies are expected to increase from 2016, despite short-term market softness. EBIT excl. IAC is expected to be approximately at the level of 2016.
- The growth in 2017 is expected to be biased to the second half of the year. EBIT excl. IAC includes further accelerated investment into the company's transformation toward omni-channel and digital to win in the fast changing market place.
- The company will continue to focus on growing the core business and the five prioritized areas: Apparel and Footwear, US, China, Business to Consumer, as well as digitally connected devices and services.



Wilson

ATOMIC



MAVIC

SUUNTO

PRECOR



## Net sales and EBIT breakdown

NET SALES (MEUR)	Q1/ 2017	2016	Q4/ 2016	Q3/ 2016	Q2/ 2016	Q1/ 2016	2015	Q4/ 2015	Q3/ 2015	Q2/ 2015	Q1/ 2015
Outdoor	<b>396.2</b>	1,601.8	490.7	505.7	231.0	374.4	1,530.1	501.9	476.6	209.7	341.9
Ball Sports	<b>184.9</b>	671.1	171.9	147.0	165.5	186.7	647.0	165.7	147.8	169.4	164.1
Fitness	<b>80.5</b>	349.2	109.8	84.1	80.9	74.4	357.3	116.1	89.3	82.0	69.9
<b>Total</b>	<b>661.6</b>	2,622.1	772.4	736.8	477.4	635.5	2,534.4	783.7	713.7	461.1	575.9

EBIT (MEUR)	Q1/ 2017*	2016*	Q4/ 2016*	Q3/ 2016*	Q2/ 2016	Q1/ 2016*	2015*	Q4/ 2015	Q3/ 2015	Q2/ 2015*	Q1/ 2015*
Outdoor	<b>28.8</b>	196.9	69.7	105.5	-16.0	37.7	161.2	65.6	92.9	-18.7	21.4
Ball Sports	<b>16.5</b>	44.8	12.8	5.3	7.7	19.0	46.6	8.2	8.8	11.3	18.3
Fitness	<b>0.7</b>	17.0	6.8	5.4	4.5	0.3	31.2	15.7	9.1	5.1	1.3
Headquarters	<b>-7.8</b>	-37.0	-8.0	-9.7	-8.3	-11.0	-26.9	-5.5	-7.3	-6.7	-7.4
<b>Total</b>	<b>38.2</b>	221.7	81.3	106.5	-12.1	46.0	212.1	84.0	103.5	-9.0	33.6

\* Excl. IAC

## Net sales by Business Unit

MEUR	Q1/2017	Q1/2016	Ch %	Ch %*	2016
Footwear	156.6	152.5	3	2	490.5
Apparel	124.4	104.5	19	14	431.1
Winter Sports Equipment	52.1	43.4	20	18	388.5
Cycling	37.7	39.7	-5	-6	150.2
Sports Instruments	25.4	34.3	-26	-26	141.5
Individual Ball Sports	88.4	89.2	-1	-3	299.8
Team Sports	96.5	97.5	-1	-4	371.3
Fitness	80.5	74.4	8	6	349.2

\*In local currencies



## Net sales by region

MEUR	Q1/ 2017	2016	Q4/ 2016	Q3/ 2016	Q2/ 2016	Q1/ 2016	2015	Q4/ 2015	Q3/ 2015	Q2/ 2015	Q1/ 2015
EMEA	<b>289.5</b>	1,133.7	<b>345.3</b>	334.7	174.8	278.9	1,114.7	356.8	319.3	168.0	270.6
Americas	<b>276.0</b>	1,116.0	<b>314.5</b>	304.6	229.8	267.1	1,070.1	313.2	302.0	224.7	230.2
Asia Pacific	<b>96.1</b>	372.4	<b>112.6</b>	97.5	72.8	89.5	349.6	113.7	92.4	68.4	75.1
<b>Total</b>	<b>661.6</b>	2,622.1	<b>772.4</b>	736.8	477.4	635.5	2,534.4	783.7	713.7	461.1	575.9

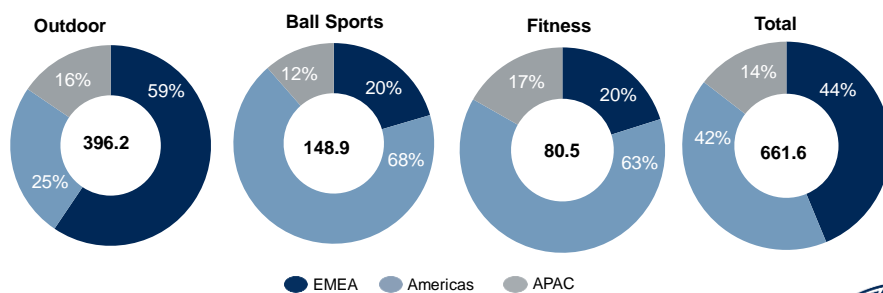




## Sales development by region in Q1/2017

	EMEA		Americas		APAC		Total	
	MEUR	Ch, %*	MEUR	Ch, %*	MEUR	Ch, %*	MEUR	Ch, %*
Outdoor	235.5	4	99.3	4	61.4	3	396.2	4
Ball Sports	37.8	-3	125.9	-5	21.2	5	184.9	-4
Fitness	16.2	16	50.8	2	13.5	10	80.5	6
<b>Total</b>	<b>289.5</b>	<b>3</b>	<b>276.0</b>	<b>-1</b>	<b>96.1</b>	<b>5</b>	<b>661.6</b>	<b>2</b>

\* Change in local currencies



17 27 April 2017

Amer Sports Interim Report Presentation



## Foreign currency translation difference

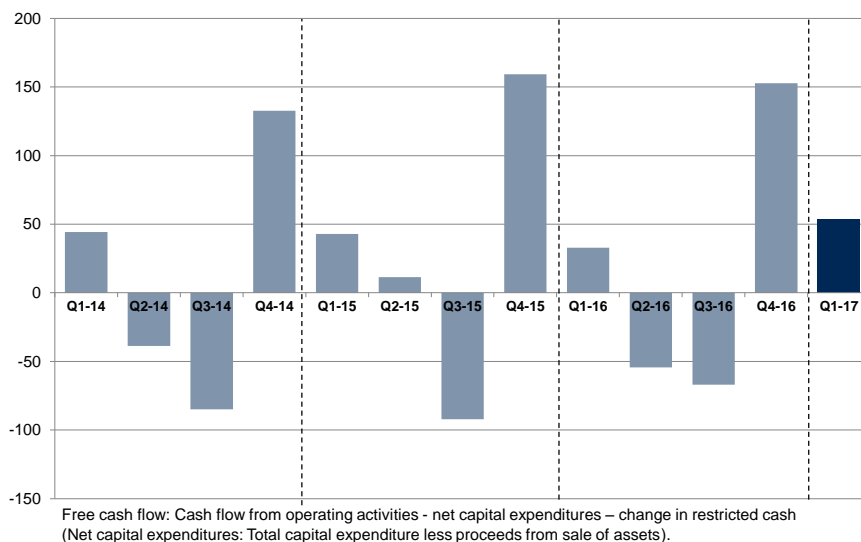
EUR million	Q1 2017		Q1 2016	
Business Area	Reported	Reported	Local Currency	Translation Difference
Footwear	156.6	152.5	154.1	1.6
Apparel	124.4	104,5	109.1	4.6
Winter Sports Equipment	52.1	43.4	44.3	0.9
Cycling	37.7	39.7	40.2	0.5
Sports Instruments	25.4	34.3	34.6	0.3
<b>Outdoor</b>	<b>396.2</b>	<b>374.4</b>	<b>382.2</b>	<b>7.8</b>
Individual Ball Sports	88.4	89.2	90.9	1.7
Team Sports	96.5	97.5	101.0	3.5
<b>Ball Sports</b>	<b>184.9</b>	<b>186.7</b>	<b>191.9</b>	<b>5.2</b>
Fitness	80.5	74.4	75.7	1.3
<b>Total</b>	<b>661.6</b>	<b>635.5</b>	<b>649.8</b>	<b>14.3</b>

18 27 April 2017

Amer Sports Interim Report Presentation



## Free cash flow



19 27 April 2017

Amer Sports Interim Report Presentation



## Next 12 months net cash flows and related hedges, main FX pairs

Main FX pairs	Hedge %	Next 12mth flow (EURm)	ECB Fixing rate (@31.3.16)	Hedge FX '17	Hedge FX '18
USD purchases against EUR	100%	-410	1.07	1.14	1.11
USD sales against EUR	100%	+74	1.07	1.11	1.09
GBP sales against EUR	100%	+95	0.86	0.83	0.86
CHF sales against EUR	100%	+52	1.07	1.08	1.06
USD (net)purchases against CAD	100%	-94	1.33	1.31	1.31

20 27 April 2017

Amer Sports Interim Report Presentation



## Contact information

- Heikki Takala, President and CEO  
Tel. +358 20 712 2510
- Jussi Siitonen, CFO  
Tel. +358 20 7122511
- Päivi Antola, Director, Corporate Communications and IR  
Tel. +358 20 712 2537

➤ [www.amersports.com](http://www.amersports.com)



# [www.amersports.com](http://www.amersports.com)

#### Disclaimer

Statements in this presentation, which are not historical facts, such as expectations, anticipations, beliefs and estimates, are forward-looking statements within the meaning of the United States Private Securities Litigation Reform Act of 1995. Such statements involve risks and uncertainties which may cause actual results to materially differ from those expressed in such forward-looking statements.

Amer Sports assumes no responsibility to update any of the forward-looking statements contained herein.

No representation or warranty, express or implied, is made or given by or on behalf of Amer Sports or its employees or any other person as to the accuracy, completeness or fairness of the information or opinions contained in this presentation.



