PRESS RELEASE

Toulouse, 29 March 2022 at 7 am

ACTIA GROUP: CONSOLIDATED 2021 RESULTS

Revenue: €462.8 million - EBITDA: €22.1 million - Net income: (€6.4) million

Two disposals underpin the long-term strategy and reinforce the development of embedded electronics in the service of mobility

In 2021, ACTIA Group generated revenue of €462.8 million, representing an annual growth rate of 5.5%. The difficulties in the components market caused production delays evaluated at €28 million at 31 December, with unreceived or unprocessed orders estimated at more than €70 million, of which more than half for telematics for light vehicles. Sales continued on a positive trend with the renewal of existing markets and the winning of new multi-year contracts with major global manufacturers in the Truck, Buses & Coaches, Off-highway and Satellite sectors. The shortage of components reduced the level of activity and created difficulties for the organisations with additional costs partially absorbed by customers in 2021. In this unfavourable environment, ACTIA continued to progress with its R&D work in order to prepare for fresh growth, structure its organisation, and reinforce its capacities. EBITDA declined from €24.2 to €22.1 million, a reflection of the development costs for the Power division estimated at over €12 million.

In order to focus its resources on embedded electronics in the service of mobility and energy management, and to strengthen its financial position, ACTIA Group is finalising the disposal of two non-strategic businesses in the Automotive Division, and this is expected to make it possible to reduce the Group's level of debt by about €70 million.

The first of these two disposals concerns the Technical Inspection and Garage Equipment business: after consultation with the Economic and Social Committee (CSE), the Board of Directors of our subsidiary ACTIA Automotive authorised the sale of the goodwill concerning garage equipment and technical inspection to the BASE Group, a disposal that also included the site in Chartres and 30% of the equity in its subsidiary ACTIA Cz in the Czech Republic, a specialist in gas analysers. This transaction will allow the two groups to join forces in France, and also abroad. The industrial project is based on the MULLER brand owned by ACTIA Group, which is thus transferred to the BASE Group. This business employs 115 people and represents turnover estimated at €21 million in 2021.

The second concerns the disposal of the Power Division: at its meeting held on 28 March, the Board of Directors of ACTIA Group authorised the plan to sell shares in the Power Division to Plastic Omnium. While enabling ACTIA to focus its investments on embedded electronics in the service of mobility and energy management, this disposal also gives its ACTIA Power division, which was finalised on 31 December 2021 and specialises in vehicle electrification, the means to pursue its development within Plastic Omnium, in synergy with the activities of the New Energies and Clean Energy divisions. The process is expected to be completed during the second half and concerns 200 ACTIA employees for 2021 annual turnover estimated at €22.3 million.

These two transactions have now entered into the exclusive discussions phase. They remain subject to negotiations concerning legal documentation and approval by the relevant authorities.

"At a time when our organisations are facing numerous difficulties, these projects have two purposes: on the one hand, industrial consolidation that will allow our teams to turn resolutely to a unifying future, rich in potential, with far greater resources than ACTIA could bring to bear and, on the other hand, ACTIA Group's desire to reinforce its position in electronics in the service of mobility to rise to the many challenges associated with connected electronics, ready to embrace artificial intelligence functions while ensuring the safety and cybersecurity appropriate to a digitised world," states Jean Louis Pech, CEO of ACTIA Group.

SIMPLIFIED CONSOLIDATED RESULTS

IFRS, in € millions	2021[1]	2020	Var. M€	Var. %
Revenue	**462.9**	**438.6**	**+24.2**	**+5.5%**
EBITDA[2]	**22.1**	**24.2**	**(2.1)**	**(8.5%)**
as a % of revenue	*4.8%*	*5.5%*		
Operating profit	**(9.9)**	**(6.9)**	**(3.0)**	**+44.7%**
as a % of revenue	*(2.1%)*	*(1.6%)*		
Financial result	3.6	(12.4)	+16.0	(129.0%)
Net income	(6.1)	(19.4)	+13.4	+68.7%
as a % of revenue	*(1.3%)*	*(4.4%)*		
Net income – Group share	**(6.4)**	**(19.0)**	**+12.7**	**+66.5%**
Debt / Equity	195.3%	174.7%	-	-

(1) The parent company and consolidated financial statements were approved by the Board of Directors at its meeting held on 28 March 2022.

(2) EBITDA: Net income + tax + impairment of goodwill + interest and financial expenses + depreciation +/- derivatives.

2021 ACTIVITIES & RESULTS

Changes to revenue are described in the press release of 22 February 2022. Here is a brief reminder.

The **Automotive Division** enjoyed growth of 2.0% with revenue of €399.5 million, or 86.3% of total Group revenue. The contracts won over recent years in the Trucks, Buses & Coaches, and Specialist vehicles sectors are offsetting the decline in the historic light vehicle contract that will end in early 2022. Excluding this contract, the division saw growth of 14.6 % over the year. It will be replaced by a more diversified customer base, as well as the ramping up of Aeronautics and Space.

The **Telecoms Division** with 13.7% of total Group revenue, enjoyed annual growth of 34.5% driven by successes in SatCom and Power. This level of activity nevertheless remained well below the Group's expectations due to delays in the acceptance of export shipments and the rail markets. These delays do not, however, bring into question the longer term business generated by the contracts, which have been tacitly extended.

The **ACTIA Group 2021 results**, dependent on operations that are designed to generate future growth, were penalised by difficulties in the supply chain that began in March. With the rise in purchasing costs that could only be partially passed on at the end of the year and industrial efficiency that was handicapped by interrupted supplies, operating profit amounted to a negative €9.9 million, compared to a negative €6.9 million in 2020. It also reflects the preservation of a major capacity for innovation and the strengthening of the design and services business where headcount was increased to 1,182 from 1,080 at the end of 2020. The sources of financing (Government guaranteed loans or French 'PGE's) drawn upon by the Group limited the increase in financial expenses to 5.8%, whereas the valuation of hedging instruments, at a positive €8.4 million, made it possible for net income to reach a negative €6.1 million, as opposed to the loss of €19.4 million one year earlier.

The **Automotive Division** has been the most affected by the disruptions to production plans caused by the difficulties in the components market leading to limited industrial efficiency. In line with progress on programmes to serve customers as of 2022, the increase in R&D spending on Automotive in 2021, up to €66.3 from €62.5 million in 2020, was offset by the increase in re-invoicing to customers, which reached 39.5% compared to 33.3% in 2020, and the €1.1 million increase in the research tax credit, reaching a total of €5.1 million. The increase of 7.2% in purchases consumed, to €234.4 million, reflects the higher prices paid for raw materials and components. The repercussions for selling prices were negotiated at the end of the year and will come into effect in 2022. In 2021, headcount stood at 3,347 employees of whom 1,074 worked in R&D (compared to 1,006 at the end of 2020). The Automotive Division operating profit was a negative €13.6 million, following a loss of €7.1 million in 2020. The division also bore the capital expenditure and costs related to the Power business, estimated at more than €12 million over the fully year 2021, and used to create the division designed to address the issue of vehicle electrification. Net income came in at a negative €8.2 million following a negative €18.6 million in 2020, benefiting from the positive effect of the currency hedging instruments used to secure the cost of buying dollars in relation to the selling prices to customers.

The **Telecoms Division** benefited from a growth cycle that began in 2019 and has been less penalised by the shortage of semi-conductors. This enabled it to post an operating profit in 2021 that showed strong growth at €2.9 million, compared to €0.8 million in 2020.It also benefited from lower R&D spending that declined by €4.8 million to €8.6 million in 2021, with a high rate of re-invoicing of 88.2%. Therefore, even with revenue of €16.3 million, which was well below expectations, the division more than absorbed the cost increases (purchases consumed +€4,3 million, personnel costs +€2.6 million, and external charges +€1.4 million). The division's net income amounted to €2.1 million, compared to €0.4 million in 2020.

DEBT & BALANCE SHEET

Net debt stood at €221.8 million at the end of December 2021, compared to €202.8 million a year earlier (respectively €201.1 and €184.0 million excluding IFRS 16 lease liabilities). It can be broken down into 3 parts, each of which serves a specific purpose in terms of the Group's financing strategy. Long-term financing is devoted to the means of production and real estate, medium-term financing is used for structural R&D projects with an average life of 4 to 5 years and for the renewal of the materials and equipment needed to maintain the required quality and capacity of the means of production. Lastly, short-term financing, at €97.4 million in short-term liabilities (compared to €97.9 million in 2020) corresponds to WCR. This item saw a decline related to activity levels of €4.4 million, with higher inventories being partially offset by those of the suppliers. It should also be noted that in December ACTIA obtained the agreement of its banking partners to waive the application of covenants (less than 20% of total debt).

Disposals are expected to significantly reduce the Group's net debt and so allow ACTIA Group to more effectively allocate its resources to ensure the success of its many projects in electronics in the service of mobility. Furthermore, in order to spread its debt more effectively, ACTIA Group is planning to set up 'recovery bonds' (French "Obligations Relance"), dedicated to financing the growth and innovation of SMEs and mid-caps, especially those engaged in the ecological transition.

2022 OUTLOOK

Reassured by the ongoing growth in its order book, ACTIA Group is aiming at revenue of over €800 million in 4 years' time. The two disposals presented here in no way cast doubt on this objective. They will also result in focusing the Group's investments on its technological activities, while allowing ACTIA to enjoy more resources to pursue its policy of innovation while accompanying its customers through the many challenges faced by the world of electronics, while also creating the conditions needed to drive growth.

For 2022, ACTIA Group still has a full order book enabling it to vigorously pursue growth, but which nevertheless remains dependent on the difficulties in the components market that are expected to continue into 2023. It should be noted that ACTIA Group has no activity in Russia or Ukraine.

The General Meeting will be held on Tuesday 24 May 2022 at the head office and no distribution of dividends will be proposed.

ABOUT ACTIA

ACTIA Group is a mid-cap (ETI) founded in 1986. It is at once family-owned and international and its head office is located in France. The family aspect guarantees the long-term future of the Group and its independence with an ever-present entrepreneurial spirit. ACTIA's business is to design and produce electronics to control systems in the particularly demanding fields of the automotive, rail, aeronautics, space, defence, power and telecommunications industries.

The commitments made by ACTIA are reflected in the Group's ambitious contributions to addressing societal issues: mobility, connectivity, safety and the environment. Control over the design and production of products bearing the ACTIA signature is a true guarantee of quality. Without exception, all Group employees share this belief in quality in a fully certified environment.

KEY FIGURES

- 2021 revenue: €462.9 million.
- Nearly 3,700 employees globally, of whom 1,100 engineers and technicians working in R&D.
- Present in 16 countries.
- 14 to 18% of revenue reinvested every year in R&D.

STOCK MARKETS

- Euronext C
- ISIN FR0000076655 – Mnemonic: ATI Reuters: MRSP.PA – Bloomberg: AIELF: FP
- Indices: CAC ALL SHARES – CAC ALL-TRADABLE – CAC INDUSTRIALS – CAC MID&SMALL – CAC SMALL – EN TECH CROISSANCE – GAÏA INDEX

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DATES FOR THE DIARY

SFAF briefing: Wednesday 30 March 2022 at 11:30 am by video-conference (registration with Calyptus)
Q1 2022 revenue: Thursday 19 May 2022 (7 am)
General Meeting: Tuesday 24 May 2022 at 5 pm at the head office