

PRESS RELEASE

Toulouse, 20 September 2022, 7 am

ACTIA GROUP: CONSOLIDATED H1 RESULTS 2022

Further to the agreement signed with Plastic Omnium on 26 June 2022 concerning the sale of the Power Division (sold on 1 August 2022), ACTIA applied standard IFRS 5 “Non-current assets held for sale and discontinued operations” on 30 June 2022. Accordingly, this divisions results and cash flow are reported as discontinued operations. **Financial information as of 30 June 2021 is restated by reclassifying the Power Division as a discontinued operation to facilitate comparability with the financial information as of 30 June 2022. The explanations in this press release are based on the restated data as of 30 June 2021.**

€ millions	H1 2022 (1)	H1 2021 restated	Var. € millions	Var. %	H1 2021 published	2021 published
Revenue	248.5	216.3	+32.2	+14.9%	225.4	462.9
EBITDA⁽²⁾	20.0	17.8	+2.2	+12.4%	13.2	22.1
as a % of revenue	8.0%	8.2%	-	-	5.9%	4.8%
Operating income	3.5	3.1	+0.4	+12.2%	(2.5)	(9.9)
as a % of revenue	1.4%	1.4%	-	-	(1.1%)	(2.1%)
Financial result	(0.5)	3.5	(4.0)	NS	3.5	3.6
Income from continuing operations	3.6	4.2	(0.6)	(14.7%)	N/A	N/A
Income from discontinued operations	(11.1)	(5.6)	(5.5)	(97.1%)	N/A	N/A
Net income	(7.5)	(1.4)	(6.1)	(421.4%)	(1.4)	(6.1)
as a % of revenue	(3.0%)	(0.6%)	-	-	(0.6%)	(1.3%)
Net income - Group share	(8.1)	(1.5)	(6.6)	(420.2%)	(1.5)	(6.4)
Debt/Equity	218.4%	N/A	N/A	-	177.3%	195.3%

(1) The audited consolidated financial statements for the first half of 2022 (1 January - 30 June 2022) were approved by the Board of Directors at its meeting on 19 September 2022.

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

CONSOLIDATED H1 RESULTS 2022

Since early 2021, ACTIA has implemented specific organisational measures to minimise the impact of the components crisis on its operations. The Group’s consolidated financial statements thus show turnover of €248.5 million for the first half of 2022, up 14.9%. In the current climate, the Group is constantly striving to maximise its ability to serve its customers while continuing to prepare itself to satisfy its order book (IFRS 15), which grew to €429.8 million as of 30 June 2022, compared to €405.2 million as of 30 June 2021. This does not reflect the reality of multi-year contracts, as 88.9% of them concern deliveries in under one year, a figure that is up compared to 31/12/2021 (€386.0 million including 82.4% in under one year).

In the first half of 2022, the Group's EBITDA grew by 12.4% to €20.0 million, compared to €17.8 million in the first half of 2021 restated. Operating income was €3.5 million (+12.2%) compared to €3.1 million in the first half of 2021 restated, and a negative €2.5 million compared to the published figure, i.e. a clear improvement following the completion of the two sales. Nevertheless, the profitability of operations continues to be penalised by cyclical factors. The components crisis is hindering the efficiency of our production plants and reducing stock rotation, while the restrictive measures related to the COVID-19 pandemic and its consequences are disrupting the labour market and certain sectors. This situation conceals the fruits yielded from investment programmes carried out in previous years, a focus on higher value-added contracts, sale price management and optimisation of operations in general. These efforts can be seen, for example, in the continued rise in customer-funded R&D at the start of contracts, which accounts for 40.3% of expenditure incurred compared to 35.4% as of 30 June 2021 and 30.9% in the first half of 2020.

The short-term strategy of protecting future growth has led to a €15.7 million increase in net debt, which stands at €237.5 million, i.e., a gearing ratio of 218.4%. When adjusted to take account of the impact of trade receivables financing and tax credits (CIR and CICE), the gearing ratio was 194.2%. These figures include the contribution of €12 million for the sale of assets in Vehicle Inspections, but do not take into account the sale of the Power Division. However, the debt figure includes €10.9 million dedicated to this division in the first half of 2022. Alongside the increase in variation of Working Capital Requirements to a negative €4.9 million in the first half of 2022 compared to €7.8 million in the first half of 2021 (restated), cash flow from operations was €4.2 million compared to €17.3 million in the first half of 2021. By way of reminder, ACTIA Group raised financing by issuing bonds for €18 million in late April 2022 under the *Obligations Relance* bond programme for economic recovery put in place by the French Ministry of the Economy. Availing of this financing meant that the use of short-term credit lines was reduced to 40.4% at the end of the half-year. With a cash position of €47.3 million as of 30 June 2022, ACTIA Group is able to meet its accounts payable and has short-term lines available. The Group's financing requirements will continue to be sensitive to the successful delivery of components in the coming months. The sale of the Power Division on 1 August for a business value of €52.5 million provides the financial means necessary to fund projects and working capital requirements in connection with the growth in activity. To support the development of future programmes, ACTIA may continue to avail of medium-term financing, subject to rates remaining low.

ACTIA recorded tax income of €0.6 million compared to a tax charge of a negative €2.5 million in the first half of 2021. The valuation of hedging instruments (+€5.4 million as of 30/06/2021) and a non-recurring bonus that reduced external expenses last year (+€2 million in H1 2021) conceal the ongoing recovery of Group profitability on continuing operations, where net income was down from €4.2 million to €3.6 million. In the absence of these special entries, net income grew by €6.8 million.

H1 RESULTS 2022 PER DIVISION

The Automotive Division generated 86.0% of the Group's revenue for the half year, i.e., €213.8 million. However, at 13.0%, this division's growth remains below its billing potential by about 20 percent due to the component shortage. Nevertheless, business momentum remained strong with responses to many calls for tenders and new contract wins, which further strengthen growth prospects in a context where securing supplies gets back to normal. The OEM* business unit generated turnover of €157.7 million (+6.4%), accounting for 63.4% of the Group's business. All its market segments are growing, with the exception of Light Vehicle manufacturers (-35.0%) with the end of the telematics contract for Volvo Car (-€22.3 million) which was long-anticipated, and the replacement for which is the fruit of various contracts won in recent years, particularly in the field of Telematics or solutions dedicated to the Off Highway** and Heavy Vehicle sectors. Revenue for the Aftermarket*** business unit was €18.2 million as of 30 June 2022 (7.3% of Group revenue) recording a decrease of €1.9 million (-9.4%), due to the sale of the Vehicle Inspection & Garage Equipment businesses in April 2022. Our relations with car manufacturers are now concentrated in our long-established Diagnostics business. The electronics outsourcing business (MDS***, 17.7% of the Automotive Division's turnover, +82.3%) reflects customer confidence in ACTIA's production facilities and the buoyancy of certain sectors, such as Home Automation and Aerospace, which are experiencing good recovery.

The Automotive Division recorded an EBITDA of €17.5 million in the first half of 2022, compared to €15.3 million as of 30 June 2021, i.e., growth of 14.3% despite the difficulties managing stocks and production schedules in a context of supply shortages and the non-recurring bonus of €2 million in the first half of 2021. After a financial result close to zero, compared to €4.1 million in the first half of 2021 (hedging instruments + €5.4 million as of 30/06/2021) and tax income of €0.8 million, the division's net income was €3.5 million compared to €3.7 million in the first half of 2021.

The Telecom Division at €34.6 million (13.9% of the Group's revenue) shows growth of 27.8%. Beyond the time lags caused by the COVID-19 pandemic or by the pace of component supplies, contractual and commercial activity remained strong, in line with expectations, driven by SatCom (€17.6 million, +70.3%) and Energy (€10.8 million, +12.9%). The Railway business recorded a drop of 13.4% over the half year, reflecting the impact of the components crisis, both within our own organisation and at our customers' who are postponing their programme schedules. The strong growth in turnover is reflected in the operating income which was €1.4 million compared to €0.2 million as of 30 June 2021 and in the net income, which was €1.1 million, compared to a negative €0.02 million at the end of June 2021.



2022 OUTLOOK

With an order book geared for growth, which remains strong following the business sales that were completed, ACTIA hopes to exceed 10% growth over the full year, while at the same time aiming to increase this figure. A lack of reliable information on the supply outlook from many component manufacturers restricts visibility for the second half of the year, while various international tensions and health crises could further impact supply chains. ACTIA assessed these constraints to establish its outlook and, drawing on the mobilisation of its teams, intends to ensure the continuity of its deliveries and adapt production rates to support its growth.

Following two years of crisis, ACTIA continues to be vigilant with regard to its cost structure. Some of the increases for 2021 and those announced for 2022 were passed on to customers through price increases at the start of the year. This approach will continue in view of the continued rise in component prices, the sharp increase in energy costs, pressure on wages and the fall of the Euro.

In addition to uncertainties regarding the economic situation, the Group, which is broadly diversified and present internationally, is making every effort, as it has always done, to ensure its long-term development, driven by cutting-edge expertise on major markets. Its customer portfolio and order book for the next few years give us reason to forecast solid growth with the aim of revenue exceeding €800 million within 4 years.

* OEM: Original Equipment Manufacturer

** Off highway: off-road vehicle

*** Aftermarket: Aftermarket sector for maintenance and repairs

*** MDS: Manufacturing Design & Services

ABOUT ACTIA

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ACTIA Group is a mid-market company (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 turnover: €462.8 million.
- More than 3,500 employees worldwide including over 1,200 engineers and technicians working on R&D.
- Established in 16 countries.
- 14 to 18% of turnover invested in R&D each year.

STOCK EXCHANGE

- Euronext C
- ISIN FR0000076655 – Mnémo: 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

Presentation of interim results 2022 (SFAF): Wednesday 21 September 2022 (3.30 pm via video conferencing)

Q3 2022 turnover: Tuesday 15 November 2022 (7 am)

