

PRESS RELEASE

Toulouse, 28 March 2023 at 7 am

ACTIA GROUP

CONSOLIDATED 2022 RESULTS

REVENUE +12.1% – EBITDA continuing operations +13.7%

In the year of 2022, despite all the challenges it presented, ACTIA consolidated its growth with revenue of €499.8 million, up by 12.1%. The Group's ongoing investments in its businesses and expertise, uninterrupted despite the many crises, has resulted in progress in all of ACTIA's business sectors and enabled it to absorb the end of the significant contract with Volvo Car, with a negative impact of €43.1 million. This was achieved at a time when the supply situation remained difficult, continuing to cause production delays of more than €10 million at the end of the year and increases in inventory.

In 2022, ACTIA Group also disposed of two non-strategic businesses, allowing it to focus its resources on embedded electronics for mobility and power management, and to strengthen its financial position. With improved agility and able to contain the effects of inflation and the supply difficulties, ACTIA achieved EBITDA from continuing operations of €40.8 million, up by 13.7%.

ACTIA Group's customer portfolio and order book over the coming years point to a robust outlook for growth allowing it to set its sights on revenue in excess of €800 million by 2025, in spite of the disposals made in 2022. For 2023, ACTIA might expect to enjoy growth of over 15%.

As in the first half of 2022, the figures for 2021 have been restated, with the Power Division classified under discontinued operations in order to facilitate comparison with the 2022 figures. The explanations given in this press release are based on the restated 2021 figures.

In € millions	FY 2022 (1)	FY 2021 restated	Var. €m	Var. %	FY 2021 as published
Revenue	499.8	445.9	+53.9	+12.1%	462.9
EBITDA continuing operations⁽²⁾	40.8	35.9	+4.9	+13.7%	22.1
as a % of Revenue	8.2%	8.1%	-	-	4.8%
Current operating income	9.6	4.5	+5.1	+114.0%	(11.2)
as a % of Revenue	1.9%	1.0%	-	-	(2.4%)
Operating income	9.8	5.7	+4.1	+71.5%	(9.9)
as a % of Revenue	2.0%	1.3%	-	-	(2.1%)
Financial result	(7.7)	3.8	(11.5)	(304.7%)	3.6
Income from continuing operations	1.8	10.0	(8.2)	(82.2%)	(6.1)
Income from discontinued operations	18.8	(16.1)	+34.9	+217.0%	N/A
Net income	20.6	(6.1)	+26.7	+439 ;5%	(6.1)
as a % of Revenue	4.1%	(1.4%)	-	-	(1.3%)
Net income – Group share	19.9	(6.4)	+26.3	+412 ;7%	(6.4)
Total EBITDA⁽³⁾	59.9	22.1	+37.8	+170.4%	22.1
as a % of Revenue	12.0%	4.8%	-	-	4.8%
Debt/Equity ratio	153.7%	195.3%	-	-	195.3%

(1) The consolidated financial statements for the period 1 January to 31 December 2022 were approved by the Board of Directors at its meeting held on 27 March 2023.

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

(3) Total EBITDA (including continuing and discontinued operations) used as the basis to calculate the leverage ratio.

CONSOLIDATED 2022 RESULTS

2022 revenue and activities by division were given in the press release of 22 February 2023.

At 31 December 2022, ACTIA had achieved total consolidated revenue of €499.8 million, up by 12.1 %. The Automotive Division represented 84.2% of the Group's annual revenues or €420.7 million, a year-on-year increase of 10.0%. The Telecoms Division represented 15.7% of the Group's annual revenues or €78.6 million, up by 24.1%. Thanks to a combative stance that has helped to mitigate the effects of the components crisis, and the ramping up of deliveries against the multi-year contracts signed, then developed over the previous years, ACTIA generated additional revenues of €85 million, taking into account the end of the Volvo Car contract.

Against this background, ACTIA achieved EBITDA from continuing operations of €40.8 million, up by 13.7%. As a percentage, EBITDA stood at 8.2%, representing a return for ACTIA to the levels seen pre-health crisis. This is also evidence of a better sharing of the costs in a high-inflation environment. The adaptation of the pricing policy was made possible by the commitment of the teams to the change management process led by ACTIA with its portfolio of customers. The increase in purchases consumed, at €279.3 million, was thus limited to 15.4%. However, the slowdown experienced throughout the supply chain, caused by the ongoing shortages of components, has meant that the productivity gains expected from the 2015-2019 investment plan have not been captured.

In order to realise the full potential of its position as a leading technological and industrial partner, ACTIA continues to reinforce its operations and its teams. In a job market that remained difficult in 2022, and taking into account salary increases, personnel costs rose by 3.1% to €126.5 million. They are equally spread between France and abroad. In 2022, ACTIA had 3,730 employees spread across 4 production sites in France, Tunisia, the United States and Sweden, as well as its subsidiaries in 16 countries.

In line with its growth prospects, ACTIA is developing the solutions expected by its customers over the next few years. The state of progress on the customer programmes meant a low level of capitalisation of R&D expenses and a decline in the research tax credit to €5.0 million, from €5.8 million in 2021. The headcount in R&D at 31 December 2022 was 1,342 compared to 1,182 at the end of 2021. The 2022 R&D commitments of €80.3 million (42.2% invoiced, 40.7% expensed, 17.1% capitalised) were stable compared to 2021. They are evidence of the high level of R&D activity resulting from the commercial successes of the past few years that ensure the Group's organic growth, despite the disposals.

Having taken into account depreciation of €29.6 million, a standard level, ACTIA's operating income rose by 71.5% to €9.8 million in 2022, compared to €5.7 million in 2021. The Automotive Division contributed €7.7 million and the Telecoms Division €2.5 million; the operating income of the holding company was a negative €0.5 million related to the costs incurred for the disposals.

The financial result for 2022 was a negative €7.7 million, consisting of €5.0 million in financial interest and charges, the annual rise in which of €1.2 million was due to short-term, variable-rate financing and the medium-term borrowings put in place over the past two years, and 'State Guaranteed Loans' and 'Recovery Bonds' at fixed rates that are higher than for the borrowings made during the health crisis. The balance of €2.7 million in other financial income and expense reflects the unfavourable change in the value of foreign exchange hedging instruments related to the slight strengthening of the euro at the end of 2022.

Net income – Group share for 2022, taking into account the gains realised by the disposals of €35.8 million, and pending arbitration for the Power Division, amounted to €19.9 million. The Automotive Division, which bears the cost of hedging instruments of €4.1 million, contributed €2.0 million from continuing operations, and the Telecoms Division €1.9 million.

DEBT & BALANCE SHEET

Net debt, excluding IFRS 16 lease liabilities, amounted to €187.4 million at end December 2022 compared to €201.1 million at the end of 2021. IFRS 16 lease liabilities was stable at €21.3 million as compared to €20.7 for the previous year. The leverage ratio (net debt to EBITDA excluding hedging instruments) stood at 3.49, a level well below the average of 4.70 for the previous ten years (2012-2021). Gearing at year-end was 153.7%, much improved compared to the situation at 31 December 2021 of 195.3%, but below the level necessary to comply with some covenants. Dispensation was requested in advance and granted in December by the banking partners in question (4.3% of medium-term debt). During 2022, ACTIA also took on new borrowings of €38.7 million, of which €18million in 'Recovery Bonds' to finance growth and innovation for SMEs and mid-caps engaged in the ecological transition.

The Group's financing policy consists of three strands that each serve specific needs. Long-term financing is dedicated to the production facilities and real estate. Medium-term financing is used for structural R&D projects with an average lifetime of four to five years, which can exceptionally reach seven years, and the renewal of materials and equipment necessary to maintain the quality and capacity of production systems. Together, they represented €157.6 million and decreased by €23.4 million. Short-term financing, at €99.5 million, compared to €97.4 million in 2021, cover WCR. The latter increased by €33.2 million due to the needs of the business with a substantial increase in inventory of €38.0 million to €210.7 million, reflecting the effects of the components shortage (higher stocks of components and semi-finished goods in the absence of other components being available). Trade receivables, at €159.8 million, were also up by 10.4% at the end of the period.

2023 OUTLOOK

Taking into account the ongoing pressure on WCR due to the difficulties of procuring components, the disposals made in 2022 and the good level of business, it should be possible to continue the trend towards an improvement in the Group's operating profitability. For 2023, excluding any significant improvement in the supply situation, and leaving to one side social movements that could block the country, ACTIA could see growth of over 15%. Based on its robust order book and its portfolio of multi-year contracts that continues to strengthen, by 2025 ACTIA Group envisages revenue in excess of €800 million. This growth will be associated with a new segmentation of the Group's activities into 4 Divisions (Mobility, Energy, Aerospace, Engineering) in order to provide greater clarity and visibility and, at the same time, a stronger growth trend.

In 2023, ACTIA Group will be offering its shareholders a dividend distribution of 12 euro cents per share, in line with the Group's consolidated results and in accordance with its policy for shareholders' equity which rose by €21.2 million to stand at €134.2 million, equivalent to net assets per share of €6.67.

ABOUT ACTIA

ACTIA Group is a mid-market company (ETI) founded in 1986. It is 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

- 2023 revenue: €499.8 million.
- Over 3,700 employees around the world, including more than 1,200 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 Growth Paris
- ISIN FR0000076655 – Mnemonic: ALATI 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

CONTACTS

ACTIA - Catherine Mallet - Tel: +33 (0)561 176198 – contact.investisseurs@actia.fr
CALYPTUS - Marie Calleux - Tel: +33 (0)153 656868 – actia@calyptus.net

DATES FOR THE DIARY

Presentation of the annual results: Wednesday 29 March 2023 at 10 am by video-conference (register at: actia@calyptus.net)
Publication of 2022 Annual Report: 28 April 2023
Q1 2023 Revenue: Wednesday 17 May 2023 at 7 am