

**PRESS RELEASE**

Toulouse, 26 March 2024 at 7 am

# ACTIA GROUP

## CONSOLIDATED 2023 RESULTS

### REVENUE UP 15.9% - FREE CASH FLOW €45.5m

With consolidated 2023 revenues of €579.3m, ACTIA Group has achieved an historic high with growth of 15.9% compared to 2022. In line with the annual objective of 15% growth, this acceleration, following on from 5.5% in 2021 and 12.1% in 2022, sees the direct and indirect consequences of the health crisis well and truly left in the past, with 2019 revenues having amounted to €520.4m. The Group is thus entering a new phase thanks to the success of the development strategy embarked on several years ago. This strategy is based on a solid value proposition that combines technological expertise and cutting-edge industrial facilities with a cleverly diversified customer base.

ACTIA Group generated EBITDA<sup>(1)</sup> from continuing operations of €42.8m, equivalent to 7.4% of revenue. The 4.7% improvement was hindered by the euro/dollar exchange rate, the use of subcontractors in a tight job market, and non-recurrent costs. Current operating income grew by 61.6%, reaching €15.5m, equivalent to 2.7% of the current operating margin in 2023, compared to €9.6m, for a current operating margin of 1.9% in 2022. 2023 net income from continuing operations showed robust growth rising to €8.7m from €1.8m in 2022. Continuing operations generated free cash flow<sup>(2)</sup> of €45.5m in 2023, compared to a negative €18.5m in 2022, in line with better results, an improvement in WCR, and CAPEX that was almost flat. The ongoing agile approach taken and the return to normal at the end of the year in terms of supply gives ACTIA a solid improvement in its operational structure and financial position.

In € millions	FY 2023 <sup>(3)</sup> (IFRS 5)	FY 2022 (IFRS 5)	Var. €m	Var. %	H1 2023
<b>Revenue</b>	<b>579.3</b>	<b>499.8</b>	<b>+79.5</b>	<b>+15.9%</b>	<b>288.7</b>
<b>EBITDA - continuing operations<sup>(1)</sup></b>	<b>42.8</b>	<b>40.8</b>	<b>+1.9</b>	<b>+4.7%</b>	<b>20.7</b>
<i>as a % of revenue</i>	<i>7.4%</i>	<i>8.2%</i>			<i>7.2%</i>
<b>Current operating income</b>	<b>15.5</b>	<b>9.6</b>	<b>+5.9</b>	<b>+61.6%</b>	<b>8.1</b>
<i>as a % of revenue</i>	<i>2.7%</i>	<i>1.9%</i>			<i>2.8%</i>
<b>Operating income</b>	<b>15.4</b>	<b>9.8</b>	<b>+5.6</b>	<b>56.6%</b>	<b>7.6</b>
<i>as a % of revenue</i>	<i>2.7%</i>	<i>2.0%</i>			<i>2.6%</i>
<b>Financial result</b>	<b>(5.9)</b>	<b>(7.7)</b>	<b>+1.8</b>	<b>+23.6%</b>	<b>(1.5)</b>
<b>Income - continuing operations</b>	<b>8.7</b>	<b>1.8</b>	<b>+6.9</b>	<b>+387.2%</b>	<b>2.3</b>
Income – discontinued operations	(0.4)	18.8	(19.3)	(102.3%)	(0.5)
<b>Net income</b>	<b>8.2</b>	<b>20.6</b>	<b>(12.4)</b>	<b>(60.0%)</b>	<b>1.8</b>
<i>as a % of revenue</i>	<i>1.4%</i>	<i>4.1%</i>			<i>0.6%</i>
<b>Net income – Group share – continuing operations</b>	<b>8.0</b>	<b>1.1</b>	<b>+6.8</b>	<b>+613.8%</b>	<b>1.9</b>
<i>as a % of revenue</i>	<i>1.4%</i>	<i>0.2%</i>			<i>0.6%</i>
<b>Total EBITDA<sup>(4)</sup></b>	<b>42.0</b>	<b>59.9</b>	<b>(17.8)</b>	<b>(29.8%)</b>	<b>19.9</b>
<i>as a % of revenue</i>	<i>7.3%</i>	<i>12.0%</i>			<i>6.9%</i>
<b>Dent/Equity (Gearing)</b>	<b>132.5%</b>	<b>153.7%</b>	<b>-</b>	<b>-</b>	<b>156.1%</b>

<sup>(1)</sup> EBITDA: Net income + taxes + impairment of goodwill + interest and finance costs + depreciation +/- derivatives.

<sup>(2)</sup> Free cash flow: EBITDA - taxes +/- changes in WCR – CAPEX.

<sup>(3)</sup> The consolidated 2023 accounts (1 January – 31 December 2023) were approved by the Board of Directors on 26 March 2024.

<sup>(4)</sup> Total EBITDA (including continuing and discontinued operations) used as the basis for calculating the gearing ratio.

## CONSOLIDATED 2023 RESULTS

Revenue for the period and activity by division were provided in the press release of 21 February 2024.

In 2023, ACTIA achieved total consolidated revenue of €579.3m, up 15.9% compared to 2022. With the exception of the SatCom and Aftermarket businesses (disposal in April 2022 of the Technical Inspection and Garage Equipment businesses), all segments showed progress. The **Automotive Division** represented 85.0% of the Group's 2023 turnover at €492.5m, up by 21.5%. It generated EBITDA of €36.8m (margin of 7.5%) of which the growth of 4.7% takes into account the use of subcontracting to address growth in the context of a difficult labour market. The **Telecoms Division** represented 15.0% of the Group's turnover at €86.6m, up by 10.2% compared to 2022. It generated EBITDA of €4.7m, down by 19.8% in line with the costs associated with the launch of new SatCom production.

ACTIA Group generated EBITDA from continuing operations of €42.8m, an improvement of 4.7%, for an EBITDA margin of 7.4%. Purchases consumed, at 54.0 % of production for the period, as opposed to 54.8% in 2022, were well under control. Faced with the growing needs in terms of foreign currency due to the growth in the business, the rising dollar had a negative impact of €3.7m, a cost that was limited by the "natural hedging" strategy. Personnel costs rose by 16.4% in line with salary increases and the headcount: 4,092 at the end of 2023 compared to 3,729 at the end of 2022, or +9.7%. Recruitment slowed down for a number of months against the backdrop of a job market that continued to be tight in certain of the Group's key regions. The increased use of subcontracting for a substantial part of 2023 helped to rise to the challenge posed by growth and resulted in an increase in external charges of 18.6% to €79.2m. Restated for €2.4m in non-recurrent costs related to the old telematics contract for light vehicles, the increase was 15.2%, a level slightly below that of the rate of growth of the business. Lastly, the gradual improvement in the supply difficulties made it possible at the end of the year to make more efficient use of the production facilities.

R&D commitments in 2023, at €84.7m, of which 44.8% re invoiced as compared to 42.2% in 2022, were up by 5.5% or €4.4m compared to 2022. The Research Tax Credit rose by 8.7% to €5.4m. The R&D headcount at the end of December had risen by 8.3% to 1,453 from 1,342 at the end of December 2022. Strong R&D activity, a result of the commercial successes of the past few years, will continue to ensure the Group's organic growth and bears witness to the success of the redesigns used to adapt to the components market.

The depreciation charge decreased by €2.3m to €27.3m, mainly due to the end of the period of depreciation for the facilities invested in during the 2017-2019 CAPEX programme. After €0.1m in non-current charges, ACTIA's operating income grew by 56.6% to €15.4m in 2023.

The financial result for 2023 was a negative €5.9m. It consisted of €8.0m in interest and finance costs, the €3.0m increase in which was due to the variable rates on short-term financing and the medium-term loans set up 2 years before (average interest rate: 1.95% at the end of 2022 vs. 3.44%, including government-backed loans and "recovery bonds" – "Obligations Relance" – at the end of 2023). The balance of €2.1m in other financial income/(expense) reflects the positive valuation of the interest rate hedging instruments over the period. Net income – Group share from continuing operations thus reached €8.0m in 2023, compared to €1.1m in 2022.

## DEBT, CASH & BALANCE SHEET

Net debt excluding IFRS 16 lease liabilities was €167.7m, compared to €187.4m at the end of December 2022. IFRS 16 lease liabilities were €20.2m. Gearing was 132.5%, compared to 153.7% in 2022 and 195.3% in 2021, before the disposals of non-strategic businesses. Financing in the amount of €59.2m was repaid, while new financing of €25.5m was raised.

The Group generated free cash flow<sup>(2)</sup> from continuing operations (excluding hedging instruments) of €45.5m, compared to a negative €18.5m at the end of 2022. The business generated cash of €35.1m. WCR had a positive impact of €25.4m taking into account the decrease in inventories and receivables, as the supply situation started to return to normal at the end of the year. Operating cash flow reached €62.8m, compared to a negative €10.4m in 2022. This change was also linked to the disposal on 1 August 2022 of the Power business that was a net consumer of cash. The operating cash flow covered the capital investment requirements, mainly €21.8m for fixed assets and costs of €5.2m related to the disposal of the Power Division.

ACTIA had cash of €43.6m at 31 December 2023 to support the growth of the and 49.4% of its short-term credit lines (excluding the deconsolidation factor) had been used at that date.

## 2024 OUTLOOK

The economic climate in the early part of this year, marked by the lower volumes forecast by certain customers, particularly in the areas of trucks and specialist vehicles, has resulted in a reduction in the short-term portion of the order book, whereas it is nevertheless up by 16.8% compared to the situation at 31 December 2022. However, the strategy of diversification of our target markets that has been implemented over a number of years, with a balanced spread over different types of customers, and the success of the drive to acquire new business, will help to offset this trend. Therefore, the entry into production of new product families will enable ACTIA to achieve slight revenue growth in 2024 of between 3 and 5%. Taking into account its production capacity and current customer forecasts, the revenue objective of €800m is now expected to be reached in 2027. The Group is also counting on the ongoing return to normal of the supply situation and the effectiveness of its strategic initiatives to continue to improve its financial structure.

The new segmentation of its activities around four divisions (Mobility, Energy, Aerospace and Engineering Services) will be presented for the first time on 30 June 2024. It is expected to contribute to the Group's development in the years to come by further reinforcing its close links to all of its markets and improving the visibility of its future activities.

The Annual General Meeting will be called to convene on 28 May 2024 at its head office and it will propose the distribution of a dividend of €0.12 per share.

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### ABOUT ACTIA

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, energy 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. All Group employees share this belief in quality in a fully certified environment.

### KEY FIGURES

- 2023 turnover: €579.3m.
- More than 4,000 employees around the world, including about 1,450 engineers and technicians working in R&D.
- Present in 17 countries.
- 14 to 18% of revenue reinvested every year in R&D.

### STOCK EXCHANGES

- Euronext Growth Paris
- ISIN FR0000076655 – Mnemonic: ALATI Reuters: MRSP.PA – Bloomberg: AIELF: FP
- Indices: Euronext Growth All Shares – Euronext Tech Croissance – Euronext Helios Space – Enternext PEA-PME 150 – GAIA index

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### DATES FOR THE DIARY

- Presentation** of 2023 results: Wednesday 27 March 2024 at 11:30 am
- Q1 2024 turnover:** Wednesday 15 May 2024 at 7 am