

PRESS RELEASE

Toulouse, 24 September 2024 at 7 am

ACTIA GROUP FIRST HALF 2024 RESULTS

Over the first half of 2024, ACTIA Group generated consolidated revenue of €279.5m, slightly down by 3.2%. Buoyed up by the strategic transactions completed during the period, consolidated EBITDA was €35.2m, up by 70.0%. Free cash flow reached €21.8m, while net debt, at €176.9m, dropped by €11.0m compared to 31 December 2023. Although growth was hindered by the slowdown in certain target sectors, the strengthening of the operational and financial structure has continued in line with the Group's intentions.

You will recall that as of 1 January 2024, ACTIA had implemented a new segmentation of its activities around four business divisions: Mobility, Aerospace, Energy and Engineering Services. In keeping with the global markets addressed by the Group, 60.2% of whose consolidated revenue for the period was generated by international customers, the new segmentation provides a more comprehensive approach to the various areas of expertise required and contributes towards greater clarity for the Group's growth strategy.

In € millions	H1 2024 ⁽³⁾	H1 2023	Var. €m	Var. %	FY 2023
Revenue	279.5	288.7	(9.2)	(3.2%)	579.3
EBITDA - continuing operations⁽¹⁾	35.2	20.7	+14.5	+70.0%	42.8
<i>as a % of revenue</i>	<i>12.6%</i>	<i>7.2%</i>	<i>-</i>	<i>-</i>	<i>7.4%</i>
Current operating income	1.9	8.1	(6.2)	(76.6%)	15.5
<i>as a % of revenue</i>	<i>0.7%</i>	<i>2.8%</i>	<i>-</i>	<i>-</i>	<i>2.7%</i>
Operating income	21.6	7.6	+13.9	+183%	15.4
<i>as a % of revenue</i>	<i>7.7%</i>	<i>2.6%</i>	<i>-</i>	<i>-</i>	<i>2.7%</i>
Financial result	(2.5)	(1.5)	(1.1)	+70.8%	(5.9)
Income – continuing operations	12.5	2.3	+10.3	+452.0%	8.7
Income – discontinued operations	0	(0.5)	(0.5)	-100.0%	(0.4)
Net income	12.5	1.8	+10.7	+594.0%	8.2
<i>as a % of revenue</i>	<i>4.5%</i>	<i>0.6%</i>	<i>-</i>	<i>-</i>	<i>1.4%</i>
Net income - Group share – continuing operations	12.2	1.9	+10.3	+557.9%	8.0
<i>as a % of revenue</i>	<i>4.4%</i>	<i>0.6%</i>	<i>-</i>	<i>-</i>	<i>1.4%</i>
Free cash flow ⁽²⁾ – continuing operations	21.8	7.5	+14.3	+189.4%	45.5
Debt / Equity (Gearing)	116.4%	156.1%	-	(25.4%)	132.6%

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

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

⁽³⁾ The interim financial statements (1 January – 30 June 2024) were approved by the Board of Directors at a meeting held on 23 September 2024. They were subjected to a limited review by the Statutory Auditors.

H1 2024 CONSOLIDATED RESULTS

Revenue for the period and by division was discussed in full in the press release of 7 August 2024.

In the first half of 2024, ACTIA achieved consolidated revenue of €279.5m, slightly down by €9.2m or 3.2% in line with the worsening economic climate in some of the Group's target sectors. This trend was particularly evident for the Mobility Division, whose sales⁽¹⁾ of €238.3m represented approximately 80% of the Group's total sales, with sales to customers of Specialised vehicles and Trucks down respectively by 28.0 and 7.7%, while those of Light Vehicles were stable at +0.4%. However, these figures were partially offset by growth in the areas of Buses & Coaches of 13.2%, Rail with growth of 9.1% and Others (two-wheelers, boats, etc.), once again underlining the relevance of the Group's diversification strategy.

(1) Sales including intra-group invoicing, which amounted to a total in the first half of 2024 of €22.3m (see press release of 7 August 2024).

Commercial activity remained lively with numerous tenders, with ACTIA winning a major contract in the area of trucks with production due to start in 2028-2029. It will be worth several tens of millions of euros over about 5 years, thanks to the success of a new family of solutions. The Aerospace and Energy Divisions, with sales of respectively €31.3 and €12.0m over the first half were victims of unfavourable seasonal factors and shipments for both are expected to improve over the second half. The integration of STEEL Electronique⁽²⁾ (Aerospace Division) will also further reinforce the strategy in the area of aerospace. As a result of the widespread recognition of ACTIA's high level of expertise, the Engineering Services Division, with sales of €18.3m, saw sales grow by 34.4%.

On the cost side, ACTIA has as ever sought to continue to adapt to its environment without compromising its ability to innovate and drive forward its business, thanks in particular to the Group's emphasis on its technological expertise. In the first half of 2024, purchases were down by 12.0%, meaning a rate of consumption of 51.8%, as opposed to 55.4% in the same period of 2023. This was made possible by the return to normal of the supply situation for electronic components following several difficult years. Personnel costs, at €83.2m, were up by 16.5% reflecting the salary increases made in 2023 as a result of inflation and a higher headcount. At 30 June 2024, the Group employed 4,210 people, compared to 4,092 at 31 December 2023 and 3,953 at 30 June 2023. The integration of STEEL Electronique accounts for 63 people. As a profitable concern, the company was integrated into the accounts as of 1 June 2024. Given the current situation, hiring is strictly controlled while, with the return to normal of supplies, ACTIA is gradually able to organise its factories more in line with production volumes. At the same time, a lesser degree of outsourcing and lower transport costs resulted in a reduction of external charges of 4.5% to €36.2m over the first half. Depreciation over the first half was stable, while R&D expenditure on developments arising from commercial successes was down by €2.6m to €39.8m, or 14.2% of Group revenue compared to 14.7% at 30 June 2023. The Group's current operating income thus amounted to €1.9m, compared to €8.1m at 30 June 2023, a decline of €6.2m.

The transfer of an ACTIA software solution for embedded systems for vehicles at the end of March 2024⁽³⁾ generated proceeds of €20m. Operating income reached €21.6m, as compared to €7.6m at 30 June 2023. This collaboration also calls for the development of a team, currently housed by ACTIA, but intended to be transferred to the partner by the end of the year, providing that the forecast size is achieved. Progress is currently in line with expectations.

In the first half of 2024, ACTIA produced EBITDA of €35.2m for an EBITDA margin of 12.6%. This compares to €20.7m and 7.2% for the same period in 2023. Every division has made a positive contribution and ACTIA has therefore demonstrated its ability to use its expertise to finance its medium- and long-term growth.

The financial result for the first half of 2024 amounted to a negative €2.5m, compared to a negative €1.5m for the same period in 2023. It includes interest expense of €4.4m, compared to €3.5m a year earlier. The average interest rate rose to 4.00% from 2.97% at 30 June 2023. It further takes into account the setting up of factoring solutions at variable rates during the second half of 2023 and new lines of medium-term financing for €25.4m on a rolling twelve-month basis. Changes in the fair value of financial instruments was insignificant at €1.8m on 30 June 2024 and €2.0m for the same period in the previous year. Net income – Group share was €12.2m for the first half of 2024, compared to €1.9m for the first half of 2023.

DEBT, CASH & BALANCE SHEET

The Group produced free cash flow (excluding hedging instruments) of €21.8m in the first half of 2024, as opposed to €7.5m for the same period in the previous year.

ACTIA produced operating cash flow of €19.4m during the first half of 2024. It benefited from a decline in WCR of €3.7m, in line with the actions taken to reduce inventories of raw materials, which were abnormally high following the shortages of components. Cash flow from investment activities was a positive €13.3m in line, on the one hand, with the proceeds from the transfer of an ACTIA software solution and, on the other, with the entry into the ACTIA scope of STEEL Electronique on 23 May 2024, with a positive impact of €3.7m. Cash flow from financing activities was stable at a negative €31.5m.

The decrease in debt continued with net debt brought down to €176.9m at 30 June 2024, compared to €187.9m at 31 December 2023, a reduction of €11.0m, and €210.8m at 30 June 2023, an improvement of €33.9m. Lease liabilities under IFRS 16 were €20.7m at 30 June 2024. Repayments of borrowings amounted to €22.5m, or €20.8m net of new borrowings, which amounted to €1.7m. Gearing for the first half thus stood at 116.4%, compared to 132.5% at end 2023 and 156.1% at end June 2023.

(2) See press release of 24 May 2024.

(3) See press release of 29 March 2024.

At 30 June 2024, ACTIA had cash of €44.0, up from €43.6m at 31 December 2023. 50.6% of its short-term lines (excluding deconsolidating factoring) had been used at that date.

2024 OUTLOOK

The worsening economic situation in the first part of the year affected several areas of activity, with the decreases already forecast for many customers being exceeded, especially in the field of specialised vehicles (plant and agricultural equipment). However, it also affected new sectors such as manufacturers of light vehicles and trucks. The diversity of ACTIA's businesses and the start of production of new solutions has helped to limit the impact of the decreases seen in orders for the full year, but limited visibility for the second half leads the Group to expect revenue to be somewhere between flat and -5%.

The Group is also counting on continuity of supplies and the ongoing effectiveness of its initiatives to continue to improve its financial structure. This year's partnerships and areas of strategic growth, particularly the Aerospace and Engineering Services Divisions, are expected to make significant contributions in this respect.

Based on the contracts won over the past few years, as well as the commercial successes of the first half, ACTIA maintains its medium-term roadmap, namely an objective of €800m in revenue in 2027.

PUBLICATION OF THE 2024 INTERIM FINANCIAL REPORT

The 2024 interim financial report for the accounts closed on 30 June 2024, is published today, 24 September 2024. It is available on <https://investors.actia.com/rapport-financier-semestriel/>. It has been subjected to a limited review by the Statutory Auditors.

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 4,200 employees around the world, of whom approximately 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 – Entemext PEA-PME 150 – GAÏA index

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DATES FOR THE DIARY

- Presentation** of 2024 interim results: Wednesday 25 September 2024 at 3 pm
- Q3 2024 turnover**: Wednesday 20 November 2024 at 7 am