

PRESS RELEASE

First half results 2016

Toulouse, 21 September 2016 at 7 am

In € millions	H1 2016*	H1 2015	Var.
Turnover	221.8	183.0	+ 21.2%
EBITDA	21.0	12.9	+ 62.7%
<i>as a % of turnover</i>	<i>9.5%</i>	<i>7.1%</i>	
Operating Income	13.3	7.5	+ 76.4%
<i>as a % of turnover</i>	<i>6.0%</i>	<i>4.1%</i>	
Financial Result	(1.1)	(2.2)	-49.4%
Net Income	10.9	4.7	+133.2%
Group share of Net Income	10.6	4.2	+149.9%
Gearing	80.5%	93.5%	

*Audited data

Turnover for the first half of 2016 reached €221.8 million, an increase of 21.2% compared to the same period 2015.

ACTIA Group sales were robust both in France and internationally. The French entities generated turnover of €106.4 million (48.0% of Group turnover or +21.2%). The international subsidiaries generated sales of €115.3 million (52.0% of Group turnover or +21.2%). Sales to international customers represented 64.5% of the Group's revenues.

Automotive Division (90.2% of Group turnover): showed growth of 20.5%. This reflects the ongoing positive trend for sales of telematic boxes for lightweight premium vehicles, the sales performance of powertrains for lightweight electric vehicles, as well as strong growth in the area of Technical Inspection in France linked to ongoing changes to the standards. Operating Income for the Automotive Division progressed by 56.1% to €11.7 million (5.8% of divisional turnover): good cost control was further assisted by buoyant sales volumes.

Telecommunications Division (9.8% of Group turnover) ; showed growth of 28.1%, due mainly to additional business in the area of Satcom and installations for mobile telephony, reflecting the success of the offer dedicated to the deployment of 4G networks. Operating Income, at €1.9 million (9.0% of divisional turnover), showed strong growth (x 3.9); it also had the one-off benefit of a threshold effect that substantially offset the increased cost of materials and supplies. The Group also bought out the stakes held by minority shareholders (8.5% of the capital for €2.5 million) in the Telecommunications Division with a view to accelerating the capture of synergies with the Automotive Division.

ABOUT ACTIA

ACTIA Group is a mid-market company (ETI) founded in 1986. It is at once a family and an international business whose head office is located in France. This 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 the electronics that control systems in the particularly demanding fields of the automotive industry, rail, aeronautics, the space industry defence, energy and telecommunications.

The commitments made by ACTIA can be seen in the Group's ambitious contributions to tackling challenges that currently face society: 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 demanding approach to quality in an environment that is fully certified.

Key figures:

- Consolidated 2015 turnover: €381.2 million.
- Over 3,000 employees around the world, including 750 engineers and technicians.
- 21 companies in 15 countries.
- 12 to 14% of revenue reinvested every year in R&D.

Stock exchange:

- Euronext C
- ISIN FR0000076655 – Mnemonic: ATI
- Reuters: MRSP.PA – Bloomberg : AIELF:FP
- Indices: ENT PEA-PME150 – CAC PME – CAC Small – CAC Mid & Small – CAC Industrials – CAC EL.&EL.EQ – GAIA Index.





PRESS RELEASE

Strong growth in all the Group's businesses and the rigorous management of costs and the industrial base were instrumental in producing an Operating Income that rose by 76.4% compared to H1 2015 to reach €13.3 million, equivalent to 6.0% of Group turnover. ACTIA succeeded in limiting the increase in personnel related costs (+8.2%) in favour of the flexibility which is reflected in the controlled increase in external charges (+18.3%). The lower proportion of re-invoiced R&D expenses (24.7% re-invoicing as compared to 34.1% as at 30/06/2015) and the higher costs of R&D (€18.1 million as opposed to €11.6 million as at 30/06/2015) is partly a result of the state of progress of ongoing programmes and partly due to the stepping up of self-funded research programmes intended to prepare the way for new sources of growth over the coming years. As at 30 June 2016, headcount was 3,093 (compared to 2,921 as at 30/06/2015, with the main difference being due to the needs of the production facility in Tunisia).

The Financial Result for the first half was €(1.1). The improvement was due to a combination of the reduction in financial interest (renewal of financing at ever lower rates of interest) and a neutral valuation of foreign exchange hedges. Following an increase in Corporation Tax, with no update of losses carried forward, Net Income showed very strong growth to reach €10.9 million (4.9% of Group turnover).

As at 30 June 2016, net debt stood at €94.0 million with gearing of 80.5% as opposed to 93.5% in H1 2015. The cash flow generated by operational activities was very largely positive at €20.6 million, thanks to effective management of stocks, and therefore covered the costs of investment (€12.5 million) and financing (€1.2 million). As at 30 June 2016, the closing cash position was €(25.3) million, compared to €(42.0) million as at 30 June 2015.

On the basis of the strong operational and financial performance, ACTIA Group raises its annual objectives. Revenue growth is expected to reach at least 10% and the Group is now aiming for a level of operating profitability at least equal to that of 2015. Indeed, an expected slowdown in the Telecommunications business in H2 and a more stable trend for the Automotive business against a background in which a significant proportion of production will now be linked to the commercial performance of the end customers, when spread across the full year, will weigh on the level of profitability enjoyed in the first half.

ACTIA prepares for the future and the pursuit of long term growth. The Automotive Division intends, for example, to extend its acknowledged expertise in electric vehicles and telematics for heavy goods vehicles to buses and off-road vehicles. Progress is also being made in the area of rail with, for example, the signing of a framework agreement with Alstom to supply solutions for future generations of trains. This will also help to produce and capture new synergies between the Automotive and Telecommunications businesses. Elsewhere, ACTIA has acquired a minority stake (20%) in an internet start-up specialising in urban carpooling, Coovia, for a total investment of €1 million, which will be gradually allocated between now and end 2017. This initiative is part of a long term process, with other opportunities being explored by R&D in urban mobility, including fleet management and new forms of transport, which could well be the object of targeted offers.

Distribution of the dividend

The dividend for the 2015 Financial Year will be distributed on Friday 30 September after ex-dividend trading of the shares on 28 September and suspension on 29 September.

NEXT RELEASE:

- Q3 2016 turnover: 10 November 2016

CONTACTS:

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

