



2016 Annual Results

Toulouse, 29 March 2017 at 7 am

In € millions	2016*	2015	Var.
Turnover	431.6	381.2	+13.2%
EBITDA	42.3	34.2	+23.6%
<i>as a % of Turnover</i>	<i>9.8%</i>	<i>9.0%</i>	
Operating income	26.4	19.8	+33.5%
<i>as a % of Turnover</i>	<i>6.1%</i>	<i>5.2%</i>	
Financial income	-2.6	-2.1	+24.4%
Net income	21.3	16.2	+31.7%
Net income, Group share	20.9	15.3	+36.8%
Debt / Equity	75.6%	90.1%	

* Audited figures. The consolidated financial statements were approved by the Board of Directors at a meeting held on 27 March 2017 and submitted the same day a meeting of the Supervisory Board.

2016 Turnover reaches €431.6 million, an improvement of 13.2% over 2015.

The trend for ACTIA Group sales was as robust in France as it was in the international markets. The French entities generated turnover of €193.4 million (44.8% of Group turnover, or +7.6%). Sales from the international subsidiaries rose to €238.2 million (55.2% of Group turnover, or +18.3%). Sales to international customers represented 67.7% of the Group's business (compared to 67.0% in 2015).

Automotive Division (€392.3 million, or 90.9% of Group turnover) grew by 12.8% driven by the continuous growth in sales of telematic boxes for premium lightweight vehicles and trucks that began in 2012 and, to a lesser extent, by the strong growth enjoyed by technical inspection solutions in France related to changes in the regulations. Operating income for the Automotive Division grew by 23.6% to €23.3 million, or 5.9% of Automotive turnover. The positive trend for the business and excellent control of costs and production capacity both contributed to higher profitability.

Telecommunications Division (€39.2 million, or 9.1% of Group turnover) showed an increase of 17.7%, related mainly to the incremental performance of the Satcom business and installations for mobile telephony, reflecting the success of the offer devoted to the deployment of 4G networks, while still benefiting from the multi-year contracts for ground stations and energy. Operating income, at €3.3 million (8.4% of Telecommunications turnover) showed very strong growth (+87.0%); it benefited from a threshold effect that largely offset the increase in cost of consumables. The Group also bought out a number of minority shareholders (8.5% of the share capital for €2.5 million) in the Telecommunications Division and aims to accelerate the capture of the available synergies with the Automotive Division.

PRESS RELEASE

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 aerospace 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 2016 turnover: €431.6 million.
- Over 3,250 employees around the world, including 820 engineers and technicians.
- 21 companies across 15 countries.
- 12 to 14% of turnover reinvested every year in R&D.

Stock Markets

- Euronext B
- 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



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It should be noted that the Aeronautic, Defence & Space business, included in the Group's two divisions, saw significant development in 2016 with growth of 19.7% and turnover of €44.0 million.

Good management of the growth opportunities, costs and the manufacturing facilities made it possible to produce an increase in operating income of 33.5% to reach €26.4 million, or 6.1% of Group turnover, compared to 5.2% in 2015. ACTIA contained the increase in its personnel costs (+9.5%) and opted for greater flexibility as reflected in the controlled increase of external charges (+13.0%). The decrease in the portion of R&D re-invoiced (35.7% of re-invoicing as compared to 38.4% at 31/12/2015) and the increase in R&D expenditure (€28.7 million, as opposed to €21.6 million at 31/12/2015) result, on the one hand, from the tendency of customer to contribute less to R&D efforts and, on the other, from the growing portion of self-financed R&D programmes in preparation for the new sources of business in the years to come. At 31 December 2016, headcount stood at 3,268 people (as compared to 3,067 at 31/12/2015), due mainly to the demand for engineers and technicians and the growth in certain geographic areas such as Mexico.

Financial income for 2016 was -€2.6 million: the end of year valuation of foreign exchange hedging instruments masked the lower interest costs (-€0.4 million) made possible by the reduction of Group net debt and the low level of interest rates. It should also be noted that the hedges for foreign exchange undertaken during the year enabled a distinct improvement in Dollar denominated purchasing prices, with a positive effect of €2.9 million on operating income. After an increase in corporate tax, and reclassifying tax losses carried forward, net income showed strong growth (+31.7%) to reach €21.3 million and represents 4.9% of Group turnover as opposed to 4.2% for 2015.

At 31 December 2016, net debt was €94.6 million with a gearing ratio of 75.6%, compared to 90.1% at end 2015. Excluding the mobilisation of credit claims, gearing was 57.7%, compared to 58.4% at end 2015, the Group having less recourse to the mobilisation of customer receivables. The cash flow generated by operational activities was more than positive at €31.7, with good management of inventory, and thus covered capital expenditure (€21.9 million). Thanks to good medium term financing, cash flow for the period improved by over €22.8 million.

For Jean-Louis PECH, Chairman of Executive Board of ACTIA: *"Thanks to an ongoing number of innovative projects supported by regular investments, we continued our growth in France and in the international markets with agility. The €400 million point has now been well and truly crossed and reaching this new critical mass will enable us to consolidate our integrated growth model on a solid and healthy financial base. After this phase of rapid growth, driven mainly by telematics and electric vehicles, we are well positioned to take on the next cycle of innovation."*

"Mobility, energy efficiency, safety and the environment are at the heart of the Group's growth areas and, in the medium term, should enable us to enter new stages of profitable growth founded on our technological expertise, the quality of our solutions and the commitment of our people to the service of our customers."

Outlook

For 2017, ACTIA plans to consolidate the record levels of business it has achieved in line with current cycles, and to maintain its profitability. There is a particular focus on monitoring the market for electronic components where fluctuations could disrupt patterns of supply, for example for batteries for connected objects.

From the sales point of view, the Automotive Division intends to continue with its development in electric vehicles and telematics for industrial vehicles. Advances are also ongoing in rail with, for example, the signing of a framework agreement with Alstom for the supply of solutions for the new generation of trains. New synergies should also emerge between the Automotive and Telecommunications businesses. ACTIA will also make sure that the performance of its manufacturing facilities through fresh investments, which should be rewarded by threshold effects, and good management of margins.

With a solid financial situation going forward and its high added-value positioning in areas of excellence, ACTIA is confident in its ability to continue its strategy of profitable growth over the medium term.

Proposed dividend

At the General Shareholders' Meeting to be held on 30 May 2017, the Supervisory Board plans to propose the distribution of a dividend of €0.15 per share.

NEXT RELEASES

- Q1 turnover 2017: 10 May 2017
- Shareholders' General Meeting: 30 May 2017
- Q2 turnover 2017: 2 August 2017

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Further information on ACTIA Group on www.actia.com

