



PRESS RELEASE

Q4 and full 2019 financial year turnover

Toulouse, 19 February 2020, at 7 am

IFRS, in € millions	2019*	2018	Var.
Q1	134.4	106.9	+25.7%
Q2	129.8	119.7	+8.5%
Q3	117.4	104.0	+13.0%
Q4	138.8	146.0	-4.9%
of which: Automotive	122.5	116.2	+5.5%
Telecommunications	16.2	29.8	-45.6%
2019 FY	520.4	476.5	+9.2%
of which: Automotive	463.5	418.1	+10.9%
Telecommunications	56.8	58.3	-2.5%

* Data pending audit.

In 2019, turnover exceeded €500 million for the first time, reaching €520.4 million, an improvement of €43.9 million or 9.2%, in line with the annual objective of €520 million. In a market for automobiles and commercial vehicles that declined in 2019, ACTIA Group benefited from the diversification of its automotive activities and achieved a similar level of business for telecommunications as it did in 2018.

For the fourth quarter 2019, sales reached €138.8 million, a drop of 4.9% compared to the same period 2018. However, the business was buoyed up by growth in all 3 segments of the Automotive Division, thus offsetting the unfavourable basis of comparison for the Telecommunications Division.

For this fourth quarter, international sales represented 73.8% of Group revenue, which continued to be driven, apart from the telecommunications contract in Egypt, by the growth in the automotive business in China, the Philippines and Germany. The sales achieved by foreign subsidiaries stood at €79.9 million, up by 11.4%, and revenue generated by the French companies reached €58.9 million, a decline of 20.7%. Across the full year, international sales accounted for 75.7% of the total.

The **Automotive Division**, at €122.5 million, generated 88.3% of the Group's quarterly revenues and grew by 5.5% year on year. At the end of the year, progress in the Original Equipment Manufacturers (OEM) segment, which accounts for 68.1% of automotive sales, slowed due to a drop in the commercial vehicles market (buses & coaches, HGVs) and the difficult start for new technologies in the rail segment. These issues hide the growth of 6.4% delivered by telematics, which was driven by solutions for light vehicles and offset the slowdown seen over the past two quarters for HGVs. The manufacturer diagnostics business continued to enjoy a high level of shipments related to the seasonality of renewal campaigns and the success of the new software solutions. Other commercial successes were seen in the Man Machine Interface (MMI) technologies and the powertrains developed by the Group, with a special mention for a slight upturn in sales for light electric vehicles.

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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.

Consolidated key figures

- 2019 turnover: €520.4 million.
- More than 3,800 employees around the world, including over 1,000 engineers and technicians working in R&D.
- Present in 16 countries.
- Between 14 and 17% of turnover reinvested every year in R&D.

Stock Markets

- 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 – TECH 40 – Gaïa-Index



The increase in the Aftermarket segment (12.3% of the Automotive Division) further accelerated at year end with growth of 22.9%. The impetus is coming from technical inspection products that have benefited from the usual effect of sales concluded following the EquipAuto Trade Fair and a new contract in the Philippines. This offsets the downturn in garage equipment in the second quarter and the slow implementation of the commercial successes in aftermarket telematics.

The **Telecommunications Division** represented 11.7% of the Group's quarterly revenues with €16.2 million. The level of business in the fourth quarter takes into account the breakdown of sales in 2018, whereby the fourth quarter was equivalent to 51.1% of annual turnover following the Egyptian contract coming on stream. The SatCom segment remained dominant and this reconfirms the progress made by ACTIA in this field: after the success of the tender in the French market in the third quarter, new opportunities have been seized in the Egyptian market. Concerning Energy (smart grid), new contracts finally came on stream in the fourth quarter, but this was not enough to offset the rest of the year. The same applies to Rail, which nevertheless put in its best performance in the final quarter, but remained adversely affected by the complexity of the programmes in this sector. With the end of the deployment of 4G and also the end of the contract with the main operator in France, the Infrastructure Networks Telecom (IRT) business is becoming insignificant in terms of contribution (less than 10% of telecommunications revenues) and in relation to strategic and technological issues.

❖ OUTLOOK

ACTIA continued to grow in 2019 and achieved its revenue objective in an unstable international environment. Given the situation, the strategy that has now been pursued for some years to ensure diversification into complementary businesses and an international positioning in high added value equipment and solutions, is a distinct advantage and a source of resilience.

In accordance with the objectives, the operating result will show an increase and the terms governing bank borrowings will be met. ACTIA has continued to compensate for the continuation of the historically low margin automobile contract by focusing on ramping up new, higher added value contracts, despite a more sluggish market in the fourth quarter for commercial vehicles. The situation in the components market has nevertheless remained tense with lead times for resupply continuing to be long, resulting in higher WCR (inventory). A return to normal would obviously create far greater room for manoeuvre.

With regards to the situation in China, and more specifically the challenges created by the Coronavirus, ACTIA has not, at this stage, experienced any particular difficulties or delays. The Group is exposed to the same supply risks as its partners and customers and continues to exercise extreme vigilance. The evolution of the epidemic and the attitude of the Chinese authorities will be crucial over coming weeks. ACTIA has therefore decide not to make any premature announcements concerning its business objectives for 2020. On the basis of its order book and commercial successes, ACTIA should continue to grow in 2020. This growth will, however, be less sustained than in 2019 and remains contingent upon the international situation, market trend forecasts and a rapid return to business as usual in Asia.

FUTURE DATES

2019 Annual Results: Tuesday 31 March 2020 (7 am)

SFAF briefing: Wednesday 1 April 2020 (10 am)

Q1 2020 turnover: Wednesday 13 May 2020 (7 am)

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Further information about ACTIA Group on www.actia.com

