



Q2 2020 Turnover

Toulouse, 5 August 2020 at 7 am

| IFRS, in € millions | 2020* | 2019 | Var. |
|------------------------------|--------------|--------------|----------------|
| Q1 | 117.1 | 134.4 | (12.8%) |
| Q2 | 84.9 | 129.8 | (34.6%) |
| Of which: Automotive | 76.6 | 117.7 | (34.9%) |
| Telecommunications | 8.3 | 12.1 | (31.6%) |
| H1 2020 total | 202.0 | 264.2 | (23.5%) |
| Of which: Automotive | 185.1 | 232.3 | (20.3%) |
| Of which: Telecommunications | 16.9 | 31.9 | (46.8%) |

* H1 2020 data pending audit.

Against the backdrop of the situation created by the global health crisis, turnover in the second quarter 2020 was €84.9 million, down by 34.6%. Over the full first half 2020, ACTIA's revenues dropped by 23.5%, amounting to €202.0 million. The low point for the period was reached in April and the gradual recovery that began in May carried on into June.

ACTIA is now forecasting a decline in revenue in the order of 20% for 2020, due exclusively to the health crisis and the economic situation. The Group is implementing all necessary measures to protect its financial resources and to adapt its development programmes so that it will be capable of pursuing its growth strategy in the years to come.

In the second quarter, the sales of foreign subsidiaries reached €51.1 million, down by 31.0%. Revenues from the French companies amounted to €33.8 million, a decline of 39.4%, exacerbated by the unfavourable basis of comparison due to the telecommunications export contract. In view of the limitations on international transport preventing shipments and the stoppages of many customers' factories, the decline in sales was more marked for international customers who represented 73.2% of sales for the quarter, down by 36.9% to €62.3 million.

Therefore, for the first half, revenues from the French companies fell by 32.3% to €80.7 million, while those generated by international customers fell by 25.7%, together representing 74.2% of consolidated turnover. No contracts were stopped or suspended: only the reduced levels of activity of customers accounted for the impact on sales volumes. ACTIA is actively pursuing its commercial operations by responding to tenders that correspond to its long-term growth targets and is on the lookout for short-term opportunities that can help to mitigate the effects of the crisis. Commercial successes have been forthcoming, particularly in the area of vehicle electrification, but these will not make a contribution to sales until about two years from now.

The **Automotive Division**, at €76.6 million, generated 90.2% of the Group's quarterly turnover, with a 34.9% decline resulting directly from production being suspended by manufacturers during the health crisis. The OEM⁽¹⁾ business, at 76.7% of the division's turnover, was almost entirely halted for several weeks (Q2 down by 37.7% and H1 by 22.9%) adversely affecting the Telematics and Infotainment solutions. The HGV segment, the market for which was already in decline at end 2019, saw the trend further accelerate, whereas the Off-highway market, initially expected by ACTIA to show strong growth, held up better. Concerning the Aftermarket⁽²⁾ business, at 12.0% of the division's turnover (Q2 down by 16.5% and H1 by 2.9%), the low level of investment in Garage Equipment was offset by the strong international performance of Technical Inspection.

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.

Consolidated 2019 figures

- Turnover €520.4 million.
- Over 3,800 employees around the world, of whom more than 1,000 engineers and technicians at the service of R&D.
- Present in 16 countries.
- 14 to 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 MDS⁽³⁾ business, at 11.3% of the division's turnover (Q2 down by 29.9% and H1 by 16.9%), responded to lockdown measures by stopping production for most industrial segments. ACTIA is actively seeking new commercial outlets in order to make better use of its production facilities.

Over the first half, with the global market for automobile production down by about 28%*, the Automotive Division declined by 20.3% to €185.1 million, buoyed up by the diversification of its lines of business and its positioning in cutting edge solutions.

The **Telecoms Division** represented 9.7% of the Group's quarterly turnover, down by 31.6% to €8.3 million. Over and above the effect of the basis of comparison (the contract in Egypt), which had been expected for SatCom at the start of the year (Q2 down by 46.5% and H1 by 63.3%), this essentially export driven business was also affected by border closures, and restrictions on international transport blocking shipments. For these customers with multi-year commitments, such delays are managed over the full duration of the contract. The crisis resulted in similar consequences being felt by the Energy business (Q2 down by 9.5% and H1 by 31.7%), but a recovery is expected to partially offset this in the second half. Telecommunications solutions for Rail held up better (Q2 down by 4.5% and H1 up overall by 19.4%), thanks to ongoing development programmes being continued. At the time of writing, the majority of Telecommunications operations have resumed, but the second half performance will nevertheless remain dependent on the ability of goods and people to travel.

❖ 2020 OUTLOOK

The global Covid-19 pandemic has severely restricted the Group's operations. After a month of April almost at a standstill, the various Group companies have gradually resumed their activities. As things stand, the forecast drop in sales has been revised downwards to about 20% compared to 2019. It will be recalled that the Group had anticipated moderate growth prior to the pandemic.

The presence of employees on-site and working methods are organised as a function of development of the pandemic around the world. Whereas in France about 75% of employees are operational on-site, 15% are teleworking and 4% have been furloughed (the balance being for various other reasons), certain countries such as Brazil have no other choice but to limit access to the site (30%) and continue with teleworking for 70% of the personnel. As part of the ongoing requests for 'State Guaranteed Loans' made in April, the Group has received the agreement of all of its partner banks in support of the initial request for the equivalent of 45% of the amount authorised by law. The Group therefore has no liquidity problems but remains vigilant concerning the funding of capital expenditure and a return to growth in 2021. The health crisis will result in additional debt and the available assistance will not entirely offset the losses caused by the slowdown in business or avoid breaking some covenants. Initial discussions with ACTIA's financial partners show that the latter fully understand the situation and are willing to provide support.

Measures to adapt the commercial strategy and save costs have been put in place, particularly in the area of R&D where the priority is customer development programmes, but without compromising the medium-term ability to innovate. Use of resources outside the Group has been reduced to a minimum. The Group is examining various scenarios for adapting to current and future changes; the situation of each entity is being assessed on a case by case basis, taking into account changes made by the customers to the order book, the ability to generate new commercial opportunities and the overall forecasts for the markets in question.

The Group, widely diversified and international, is gearing up to move forward with contracts that are either signed or pending signature, and the most promising R&D projects, in order to be in the best possible shape at the end of the crisis and make the most of its positions in the mobility and telecommunications markets, whose long-term potential is not in question.

(1) OEM: Original Equipment Manufacturers – (2) Aftermarket: aftermarket, maintenance, and repairs – (3) Manufacturing Design & Services

() Source: Renault Group, changes to the global market for all brands indicates the annual change in sales volumes of private and utility vehicles in major countries, including the USA and Canada, as provided, depending on the country, by either the official authorities or statistics bodies and consolidated by the Renault Group to reflect this global market.*

UPCOMING DATES

- **2020 Half-yearly results:** Tuesday 22 September 2020 (before trading)
- **SFAF Briefing:** Wednesday 23 September 2020 (timing and arrangements TBC)

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