

PRESS RELEASE

Q4 2020 turnover

Toulouse, 23 February 2021 at 7 am

IFRS, in € millions	2020*	2019	Var.
Q1	117.1	134.4	(12.8%)
Q2	84.9	129.8	(34.6%)
Q3	104.4	117.4	(11.1%)
Q4	132.1	138.8	(4.8%)
o/w: Automotive	112.2	122.5	(8.4%)
Telecommunications	19.9	16.2	+22.7%
2020 Total	438.5	520.4	(15.7%)
o/w Automotive	391.5	463.5	(15.5%)
o/w Telecommunications	47.0	56.8	(17.2%)

* Data pending audit.

For 2020, a year marked by the Covid-19 pandemic, turnover amounted to €438.5 million, down by 15.7%, in line with the forecast provided in mid-2020. More than three quarters of the decline in revenue occurred in the first half at the peak of the health crisis and the height of the strictest lockdown measures. However, no contract was lost or suspended and only the slowdown in the business activities of ACTIA's customers accounts for the sales volumes. Therefore, even though the Covid-19 health crisis hit transport related businesses very hard indeed, ACTIA Group benefited from the diversification of its activities and its positioning in cutting edge solutions that correspond to the technological transformation of the transport and telecommunications industries.

Turnover for the fourth quarter 2020 reached €132.1 million, with a decline that was contained at 4.8% compared to the same period in 2019. A sign of the expected recovery. The slowdown for the Automotive Division was thus limited to 8.4% in relation to the fourth quarter 2019, as opposed to a drop of 20.3% over the first half. The Telecoms Division recovered very well to post significant growth of 22.7% compared to 2019. The Group benefited from the resilience provided by a diverse customer base and its own increased commercial efforts.

From the geographic point of view, sales by the international subsidiaries in 2020 reached €252.5 million, down by 14.1%, while those of the French companies amounted to €186.0 million, a decline of 17.9%. In 2020, due to the impact of the health crisis, lower volumes from the telematics contract for light vehicles in Sweden and lags with the SatCom contract in Egypt explain most of the underperformance outside France, with the international sector accounting for 72.4% of Group sales as opposed to 75.7% in 2019.

In the fourth quarter the **Automotive Division** achieved €112.2 million, down by 8.4%, and generated 84.9% of the Group's quarterly sales. In relation to the third quarter, the business bounced back by 19.1%. The OEM⁽¹⁾ BU (78.7% of the Automotive Division's sales) fell by 5.2% for the quarter and by 15.7% over the full year. In the area of Telematics, even if the year was badly affected by the drop in end-user demand for light vehicles, ACTIA's customers nevertheless demonstrated considerable resilience with the order books gradually filling up again over successive quarters.

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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 2020 figures

- Turnover: €438.5 million.
- Almost 3,650 employees worldwide, including more than 1,000 engineers and technicians working in 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: CAC ALL SHARES – CAC ALL-TRADABLE – CAC INDUSTRIALS – CAC MID&SMALL – CAC SMALL – EN TECH CROISSANCE – GAÏA INDEX

Find further information about ACTIA Group on www.actia.com



Telematics solutions for heavy vehicles benefited from a recovery in the market, which had been declining since the fourth quarter 2019, but showed strong growth at the end of the year. ACTIA equipment for specialist vehicles benefited from sustained activity right across the year. With a lesser contribution to the Group's sales, Diagnostics, after a very good year in 2019, suffered from the steep decline in the automobile sector, with manufacturers reducing their levels of investment, and in the transportation of people in general (Buses & coaches). This trend is also reflected in the area of infotainment, despite the continued progress of customers in the Rail sector.

The Aftermarket⁽²⁾ business (10.5 % of the Automotive Division's sales) fell by 22.8% for the quarter and 13.6% for the full year, suffering from the steep drop-off in demand in the area of Fleet management and a slowdown in Technical Inspection activities, especially in terms of exports. Investment in new equipment has either been put on hold due to the ongoing health crisis, or limited to a strict minimum.

The MDS⁽³⁾ business (10.8% of the Automotive Division's sales) fell by 14.1% for the quarter and 16.3% for the full year. It is still being affected by customers' factories being shut down due to the series of lockdowns in France and abroad, and by the depressed aeronautical sector. ACTIA maintains a very active sales drive in a bid to gradually return to a better usage of existing production capacity.

Lastly, the Automotive Division continued to work on the development of the new Power Division, set to emerge in 2021, by preparing for the grouping together of all electrification related activities, including the production of batteries. It should be noted that the effort invested in terms of both sales and technology continued unabated in 2020 in order to preserve this important source of growth for the Group in the years to come.

The **Telecoms Division** represented 15.1% of the Group's quarterly turnover, a total of €19.9 million, up by 22.7%. It enjoyed a sustained level of business towards the end of the year, but without entirely making up for the ground lost due to the health crisis. However, important milestones were reached and additional orders were received. These factors, as well as the start of a new SatCom contract in France, will ensure that the business does well in 2021. Driven respectively by the changing landscape of power and the modernisation of rail infrastructure, the underlying trends remain positive in the fields of Power and Rail.

❖ 2021 OUTLOOK

In an automotive market that has been deeply affected by the health crisis, ACTIA has shown agility and resilience and benefited from the breadth of its customer portfolio, and of its solutions and diverse markets. While research and development activities have remained focused on the challenging of future orders over the coming years, commercial efforts have been stepped up to both convert short-term opportunities to fill the gaps where end-customer businesses have been dealing with the crisis, and also to pursue the longer term strategy of diversification and the search for added value as seen in the fields of Aeronautics and Space. The Group has also continued to pursue its modernisation, following on from the major capital expenditure programme undertaken between 2017 and 2019. With modern industrial facilities that meet the highest quality and safety standards, the deployment of latest generation industrial management solutions (PLM, ERP and NPI), enablers of operational and financial efficiency, continued in 2020 and into 2021.

At the same time, the Group has maintained a tight control over expenditure and has sized each entity on a case-by-case basis. Over the year, headcount was reduced by more than 200, mainly outside France. Long-term short-time working arrangements have been negotiated and put in place at some sites in France in early 2021. The reconstruction of operational profitability that began in the third quarter was further boosted by a robust business in the final quarter. With the prospect of the ACTIA India subsidiary closing, a provision of €3 million was made on 31 December 2020. With a very strong dollar at the end of the year favouring the Group's purchases, the valuation at 31 December of the forex hedging instruments contributed €8.7 million to the results. Concerning the financial situation, the request to suspend covenants at 31 December 2020 was accepted by all the partner banks in question. At the end of the year, the cash situation remained favourable and did not require any further use of new government backed loans (PGE).

In 2021, ACTIA hopes that the business will return to 2019 levels. This could be achievable if the supply difficulties do not get any worse. Apart from the uncertainties that currently weigh upon the global economy, the Group, very diversified and international, continues as it always has to focus on its long-term development, driven by cutting edge expertise in major markets.

❖ CSR CERTIFICATIONS AND INDICATORS: GAIA RATING 2020

In this difficult period, ACTIA Group obtained the renewal of all its certifications with the deployment of ISO 27001 certification for cyber-security. It also continued with its CSR programme. ACTIA Group thus remains on the Gaïa Index in 47th position in the overall ranking (out of 230 companies), 37th position in its revenue category (out of 81 companies with revenues of between €150 and 500 million) and 23rd position among the 121 companies in the Industry category. Published in January 2021 by Ethifinance, the results are based on analysis of 2019 data and do not take into account the changes made to Group governance in October 2020 (score of 68 compared to 71 in 2018): they show an improvement in "social" (78 compared to 75), a stable but high score in "environmental" (91) and a lower score in "external stakeholders" (64 compared to 71).

⁽¹⁾ OEM: Original Equipment Manufacturers - ⁽²⁾ Aftermarket: including maintenance and repairs - ⁽³⁾ Manufacturing Design & Services

DATES FOR THE DIARY

2020 Annual Results: Tuesday 30 March 2021 (7 am)

SFAF Briefing: Wednesday 31 March 2021

Q1 2021 Turnover: Thursday 20 May 2021

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