

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 worldwide, of whom 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

Q3 2020 turnover

Toulouse, 12 November 2020 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%)
o/w: Automotive	94.2	108.7	(13.3%)
Telecommunications	10.2	8.7	+17.1%
9 month total	306.4	381.6	(19.7%)
o/w: Automotive	279.3	341.0	(18.1%)
Telecommunications	27.1	40.6	(33.1%)

* Data from 1 July to 30 September - unaudited.

For this third quarter of 2020, the consolidated revenue of ACTIA reached €104.4 million, up by 23.0% compared to the second quarter 2020, the quarter worst affected by the health crisis. Over 9 months, the weighted decline in revenue has been 19.7%, resulting in a total of €306.4 million, in line with the Group's expectations, with an objective of limiting the annual decline in revenue to about 15% compared to the full year 2019 and rebuilding operating income in the second half of 2020.

In the third quarter, as in the first, no contracts were lost or suspended and only the lower levels of activity of the customers continued to adversely affect sales volumes. However, against a backdrop of a weaker global economy, particularly for the automobile and aeronautical industries, the resilience of its customers and ACTIA's responsiveness have succeeded in offsetting the worst effects of the crisis. Sales of the foreign subsidiaries reached €60.5 million, down by 12.6%, while the revenue generated by the French companies fell by 8.9% to €43.9 million. 72.5% of the Group's third quarter revenue was achieved in international markets, versus 76.0% in the same quarter 2019. This was mainly a result of lower customer volumes, especially in Sweden, and the effect on the basis of comparison of the Egyptian contract. Sales in France rose by an annualised 3.7% over this the quarter, driven by dynamic sales in the Telecoms business.

The Group remains focused on the full resumption of the business and all the teams are hard at work. ACTIA is actively pursuing its commercial operations with ongoing tenders corresponding to its long-term growth objectives and is also seeking shorter term opportunities. Commercial successes have been forthcoming, particularly in automobile diagnostics, ACTIA's original trade.

The **Automotive Division**, at €94.2 million, produced 90.2% of the Group's quarterly revenues with a contained decline of 13.3%, as compared to a drop of 20.3% in the first half 2020. The OEM⁽¹⁾ business unit, which represented 77.5% of the division's turnover (down by 12.7% in Q3 and 19.3% for the full 9 months), demonstrated the solid resilience of the main customers, along with a gradual rebuilding of the order book. Although there are still considerable difficulties in terms of resupply, ACTIA's positioning in terms of products of the future (telematics, electrification, infotainment, etc.) corresponds to the current transformation of industry (cleaner, more connected and more innovative vehicles) and makes it generally easier to resist the marked contraction in various business segments (Light Vehicles, HGVs, Buses and Coaches, Off-highway) within the industry.



The Aftermarket⁽²⁾ business unit, which represented 11.1% of the division's turnover (down by 13.7% in Q3 and 10.1% for the full 9 months), suffered from the steep decline in demand in the area of Fleet Management and the slowdown in the export business for Technical Inspection, with investment decisions in new equipment being put on hold due to the health crisis. On the other hand, there was renewed investments by Garage Equipment customers over the quarter.

The MDS⁽³⁾ business unit, which represented 11.5% of the division's turnover (down by 16.9% in Q3 and 17.0% for the full 9 months) remained adversely affected by suspended production in customers' factories due to lockdowns and by the probable long-term slowdown in the aeronautics industry as a whole. ACTIA maintains a very active drive for sales in order to gradually return to better use of the capacity of its production facilities.

The **Telecommunications Division** represented 9.8% of the Group's quarterly revenues, up by 17.1% to €10.2 million, marking the end of the unfavourable basis of comparison for the SatCom business due to the Egyptian contract. As forecast in the first half, the business lost due to the stoppage in the second quarter, with the first lockdown and border closures, is being offset by extending the duration of contracts. The growth is therefore being driven by progress in the areas of Power and Rail. These 2 sectors represent strategic areas of investment in France, a situation that certainly helps to limit ACTIA's exposure to the risk of international borders once again being closed. For Power, which since end 2019 has included the now marginal IRT business, the Group also benefits from opportunities related to the strengthening of telecommunications networks.

❖ 2020 OUTLOOK

Following recent developments in the health crisis, ACTIA is gearing up to maintain activity wherever it is present, with local adaptation plans. Currently, the three production facilities (France, Tunisia and the United States) are operating almost normally, with the American site continuing to ramp up after opening in 2019. With the exception of some very rare essential travel undertaken to comply with contractual commitments, all members of staff are either teleworking or working on-site, depending on local conditions, and strictly respecting the usual preventive measures. The Group, which remains very vigilant over the resupply situation and international logistics processes, is maintaining the financial objectives stated following the first half results: an estimated 15% decline in turnover compared to 2019, and a rebuilding of operating income during the second half 2020.

The sales strategy continues to be adapted and cost saving measures continue to be taken, particularly in the area of R&D where priority is given to customers' development programmes, but without diminishing the capacity for innovation in the medium-term. Recourse to resources outside the Group remains reduced to a minimum. The Group intends to adapt to current and future changes: the situation of each entity is examined on a case-by-case basis, taking into account the order books, the ability to generate new commercial opportunities and the expected changes to the markets they address. Concerning the ability to finance and the potential breaking of covenants in 2020, discussions with partner banks remain positive and the prospect of the government guaranteed loans scheme (PGE) being extended, with 45% of the authorised amount having been used, will allow further room for manoeuvre, as required.

The Group, highly diversified and international, is working on driving forward with contracts already signed or pending signature, as well as the most promising R&D projects, in order to best prepare for the end of the crisis and so benefit from its positioning in the mobility and telecommunications markets whose long-term potential remains intact.

❖ CHANGE OF GOVERNANCE (reminder)

In its press release of 4 November 2020, ACTIA announced the approval of its General Meeting of Shareholders of changes to the governance of the Company, moving from a Limited Liability Company with Executive Board and Supervisory Board to a Limited Liability Company with a Board of Directors. The Company then presented its new Board of Directors, consisting of 10 members, and the appointment as Chairman and Chief Executive of Jean-Louis Pech, as well as those of 3 Deputy Chief Executives. The full press release is available here: <https://www.actia.com/fr/investisseurs/actualites-investisseurs/item/evolution-de-la-gouvernance-et-point-actualite>.

⁽¹⁾ OEM: Original Equipment Manufacturers

⁽²⁾ Aftermarket: including maintenance and repairs

⁽³⁾ Manufacturing Design & Services

NEXT PUBLICATION: the 2021 financial calendar will be published in December.

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Further information about ACTIA Group on www.actia.com

