

PRESS RELEASE

2017 Annual Results

Toulouse, 26 March 2018 at 6 pm

In € millions	2017	2016	Var.
Revenue	436.1	431.6	1.0%
EBITDA ⁽¹⁾	29.6	42.3	(29.9)%
<i>as a % of revenue</i>	6.8%	9.8%	
Operating income	19.8	26.4	(24.9)%
<i>as a % of revenue</i>	4.5%	6.1%	
Financial result	(9.0)	(2.6)	243.9%
Net income	8.5	21.3	(60.0)%
Net income Group share	8.2	20.9	(60.5)%
Debt / Equity	87.9%	75.6%	
EBITDA excl. hedging instruments	35.6	42.5	(16.2)%
<i>as a % of revenue</i>	8.2%	9.9%	

⁽¹⁾ EBITDA: net income + taxation + impairment of goodwill + interest and finance costs + depreciation charge

Audited data: the consolidated financial statements were approved by the Board of Directors at the Board meeting held on 26 March 2018 and submitted to the Supervisory Board the same day.

❖ OPERATING PROFIT RESTORED IN H2

❖ IMPACT OF FOREIGN CURRENCY VALUATION AT YEAR END

❖ RETURN TO GROWTH IN 2018

Following a first half whose results were affected by supply difficulties for batteries, ACTIA succeeded in securing adequate supplies as of July and, in the second half, returned to a level of operating margin in line with that achieved in the previous year. To assist with understanding of the accounts, ACTIA has provided the following financial indicators for the second half.

In € millions	H2 2017	H2 2016	Var.
Revenue	218.0	209.9	3.9%
EBITDA ⁽¹⁾	18.6	21.2	(12.6)%
<i>as a % of revenue</i>	8.5%	10.1%	
Operating income	13.5	13.1	3.1%
<i>as a % of revenue</i>	6.2%	6.2%	
Financial result	(5.3)	(1.5)	257.2%
Net income	6.1	10.4	(41.3)%
Net income Group share	6.0	10.3	(42.0)%
EBITDA excl. hedging instruments	21.9	21.6	1.7%
<i>as a % of revenue</i>	10.1%	10.3%	

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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.

Key figures:

- Consolidated 2017 turnover: €436.1 million.
- More than 3,450 employees globally including 930 engineers and technicians.
- Present in 16 countries.
- 13 to 15% of turnover invested 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 – TECH 40 – Gaia-Index



❖ 2017 RESULTS

In line with the objectives announced in early 2017, annual revenue of €436.1 million, up by 1.0%, was maintained at around the record level of 2016. ACTIA has accelerated the renewal of its portfolio of customers and brought to bear the growth drivers it has been preparing for some years now.

International customers represented 70.9% of revenue and geographic variances as well as any changes across the customer portfolio were in line with expectations.

The **Automotive Division** (€396.2 million, 90.8% of Group revenue) was up by 1.0%. The Group stuck to its delivery timetable despite the supply difficulties encountered and the non-recurring transport costs gradually returned to normal as of end July. ACTIA was also able to compensate for the planned end of a major contract for telematic boxes for premium lightweight vehicles with the start-up of production for new contracts it had won, especially in the areas of heavy and specialist vehicles.

Operating income for the Automotive Division amounted to €16.4 million (4.1% of Automotive revenue), down by 29.7%, adversely affected by all the supply difficulties and the non-recurring delivery costs. Operational profitability has now been restored.

The **Telecommunications Division** (€39.8 million, 9.1% of Group turnover) was up by 1.5% over the year. The 2017 contracts, orders and tenders and the strong growth shown in the fourth quarter (+31.9% over Q4 2016) bear witness to the strong development potential of this division. Operating income amounted to €3.7 million, an increase of 13.3%. The rail segment, which benefits from the synergies put in place between the two divisions of the Group, showed significant growth of 11.2% and looks set to continue with that trend.

❖ RESULTS AND FINANCIAL SITUATION

Group operating income for 2017 amounted to €19.8 million, which compares to €26.4 million for the previous year, a decline of 24.9%. The principal reason for the decline was the non-recurring transport costs incurred to resolve the supply difficulties and be able to honour orders. Personnel expenses remained under control, with an increase of 3.5%, for a workforce that grew from 3,268 at 31/12/2016 to 3,459 at end 2017, a rise of 5.8%.

The 2017 financial result of (€9.0) million is explained by the valuation of exchange rate hedging instruments during a year in which the dollar constantly depreciated against the euro. The hedging strategy, which aims to secure purchases over time, remained effective: the average rate for buying dollars was 1.1616, compared to an average rate across the year in the markets of 1.1297. The increase in interest charges of €0.4 million was mainly the result of the cost of putting in place a bond issue by private placement (EuroPP) that had been announced in November and consisted of two long-maturity tranches: €15 million at 7 years and €5 million at 9 years. The income from this issue made it possible to extend the maturity of the Group's debt and will create more favourable conditions for external growth transactions, or to reinforce ACTIA's presence in buoyant markets. Following a decline in income tax of €0.7 million, net income came in at €8.5 million; equivalent to 2.0% of Group revenue.

At 31 December 2017, net debt stood at €112.1 million, compared to €94.6 million one year earlier, with a gearing ratio of 87.9%, versus 75.6% at end 2016. The increase was due to the capital expenditure programme to modernise and / or enlarge company facilities, while also seizing the opportunity to become the owner of certain infrastructures.

The cash generated by ongoing operations fell due partly to income levels for the period and partly due to the increase in inventories of raw materials that have been created in view of the difficulties being forecast in the components market in 2018. However, the financing operations undertaken in 2017 helped to raise €25.3 million in cash over the period and cover capital expenditure for the year of €26.5 million.

For Jean-Louis PECH, Chairman of the Board of Directors of ACTIA: *"the challenges of 2017 were met with energy, combativity and creativity by our teams. Forever seeking excellence in our long-cycle business, we have once again demonstrated our ability to be masters of our own development, with agility and anticipation. We have continued to prepare for our future by pursuing our strategy of innovation and investing in our production facilities, which gives us integrated resources on a large scale. After a year of consolidation following robust growth, we are well set to make further progress in 2018".*

❖ 2018 OUTLOOK

For 2018, ACTIA has set itself the objective of moderate growth with a return to greater profitability.

The Automotive Division will continue to replace (nearly 10% of its turnover) historic contracts by developing new contracts in the various market segments (both geographic and in terms of business lines), in order to reduce its exposure to trading risks. Elsewhere, the reinforcing of partnerships with Alstom and Airbus bodes well for the Group's prospects in Rail and Aeronautics. Finally, the Telecommunications Division is in good shape to show strong growth over the coming year.

With high-performance industrial facilities, greater potential internationally, a solid financial situation and a widely acknowledged capacity for innovation in its fields of strategic excellence, ACTIA is confident in its ability to continue with its strategy of profitable growth.

❖ PROPOSED DIVIDEND

The Supervisory Board will propose the distribution of a dividend of €0.12 per share to the Annual General meeting of shareholders on 30 May 2018.

FUTURE DATES

- Q1 2018 turnover: 15 May (before trading hours)
- Ordinary General Meeting: 30 May 2018
- Q2 2018 turnover: 1 August (before trading hours)

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