PRESS RELEASE

Toulouse, 21 September 2021 at 7 am

ACTIA GROUP: CONSOLIDATED H1 RESULTS 2021

ACTIA's revenue for the first half of 2021, at €225.4 million, was up by 11.6%. Growth, however, remains severely handicapped by the shortage of electronic components. It is particularly acute for the Automotive Division and international customers against a backdrop of the unavoidable slowdown in global production. The cost structure, less burdensome than in the first half of 2020, was able to absorb a part of the additional expenses caused by interruptions to supplies and price increases for some raw materials: ACTIA achieved an EBITDA of €13.2 million, compared to €0.2 million for the same period 2020. Management of expenditure and the R&D effort, focused on achieving future growth, are reflected in the operating income which amounted to a negative €2.5 million, as opposed to a negative €14.3 million for the first half of 2020. On the commercial front, the renewal of existing, and the winning of new, multi-year contracts with major global manufacturers in the Trucks, Buses & coaches, Off-highway and Satellite segments, but also the ramping up of cutting-edge technological solutions in a variety of complementary areas, provide reinforcement for the objective of exceeding €800 million in revenue within the next 4 to 5 years. In this context, the return to normal for the components market, expected to occur in 2023, will mean a strong acceleration in growth for ACTIA.

€ millions	H1 2021(1)	H1 2020	Var. € millions	Var. %	2020
Revenue	**225.4**	**202.0**	**+23.5**	**+11.6%**	**438.6**
EBITDA(2)	**13.2**	**0.2**	**+13.0**	**+6,045%**	**24.2**
as a % of revenue	*5.9%*	*0.1%*			*5.5%*
Operating income	**(2.5)**	**(14.3)**	**+11.8**	**+82.6%**	**(6.9)**
as a % of revenue	*(1.1%)*	*(7.1%)*			*(1.6%)*
Financial result	3.5	(1.7)	+5.2	+301.3%	(12.4)
Net income	(1.4)	(16.3)	+14.8	+91.1%	**(19.4)**
as a % of revenue	*(0.6%)*	*(8.1%)*			*(4.4%)*
Net income – Group share	**(1.5)**	**(15.6)**	**+14.1**	**+90.1%**	(19.0)
Debt / Equity	177.3%	176.0%	-	-	174.7%

(1) The audited consolidated financial statements for the first half of 2021 (1 January - 30 June 2021) were approved by the Board of Directors at its meeting on 20 September 2021.

(2) EBITDA: Net income + taxes + impairment of goodwill + financial interest and charges + depreciation +/- financial derivatives.

BUSINESS OVERVIEW AND RESULTS H1 2021

The Automotive Division generated 88.0% of the Group's revenue for the half year, a total of €198.3 million. At 7.2%, growth was hampered by the components crisis, even if the effective contribution made by the crisis management unit and the agility applied to production planning enabled ACTIA to limit the impact on its customers and ensure growth of 7.3% in the OEM* business (78.2% of the division's sales). The Aftermarket** business (10.7% of the division's sales) improved by 5.5%, benefiting from a favourable basis of comparison and the resumption of investments by players in the sector. MDS*** (11.0% of the division's sales) grew by 3.2 %, reflecting the effectiveness of the sales activities and the strategy deployed by the Group since the beginning of the health crisis to ensure maximum possible use of its production facilities.

The Automotive Division achieved EBITDA of €10.7 million for the first half of 2021, compared to €0.8 million for the same period in 2020. Lower external charges and personnel costs, down by 1.6%, resulted from the measures taken in 2021 despite the cessation of most of the aid received in 2020 as part of the response to COVID-19 (€3.9 million at 30/06/20) and a high level of ongoing R&D activity, the source of accelerated growth in the years to come. At end June 2021, the global headcount for the Automotive Division was 3,287, compared to 3,403 at end December 2020. At the time of writing, the long-term short-time working scheme is still being applied to 10% of the working hours of the headcount at the main French subsidiary. After taking into account depreciation of €14.5 million, operating income for the first half was a negative €3.6 million, compared to a negative €12.4 million for the same period in 2020. The state guaranteed loans used by the Group contributed to the stability of financial charges at (0.6%), while the valuation of the hedging instruments, at a positive €5.4 million, reduced the net loss for the Automotive Division to €2.0 million.

The Telecom Division, at €27.1 million, represented 12.0% of the Group's revenue for the half year. The growth of 60.1%, due to the effect of a favourable basis of comparison and the ramping up of solutions for the Rail and Power markets, was nevertheless significantly below the Group's expectations. Capped by the lack of components, the level achieved above all reflects delays in the acceptance of export shipments due to the health crisis, which in turn can be seen in terms of inventory, up by 6.3% to €31.4 million. With modest increases in external charges and personnel costs, compared to the growth achieved of 9.6%, the division generated EBITDA of €1.5 million, compared to a negative €0.7 million for the same period in 2020, equivalent to 0.8% of revenue. Taking into account depreciation of €1.3 million due to the 2018-2020 capital expenditure programme, operating income of the Telecom Division amounted to €0.2 million for the first half of 2021, compared to a negative €1.8 million at 30 June 2020. At end June 2021, the headcount of the division stood at 310, compared to 301 at the end of 2020. Taxation brought the net income to breakeven, while there was a loss of €2.1 million for the first half of 2020.

CONSOLIDATED RESULTS H1 2021

At the start of 2021, based on its experience during the components crisis of 2017-2018 and its management of the pandemic in 2020, the Group put in place a team to specifically manage the components shortage. The team, which includes purchasing, supply chain, production, R&D, legal and sales expertise, is in permanent contact with suppliers and customers and is devoted exclusively to finding and implementing solutions. By being able to propose alternative options to the stakeholders, the decisions subsequently taken jointly help to limit any exceptional expenses for ACTIA. This approach helps to minimise the impact on the way the company operates, even if the current shortages hinder its ability to fully satisfy its order book, which continues to fill up. Against this background, the Group's revenue amounted to €225.4 million, an improvement of 11.6%, whereas it could have exceeded the level achieved in 2019 of €264.2 million; at the same time, customer receivables rose by 20.3% to €139.9 million at 30 June 2021.

While taking care not to jeopardies future growth and while maintaining strict control of costs, ACTIA Group produced EBITDA of €13.2 million, equivalent to 5.9% of revenue. After taking into account depreciation charges of €15.8 million, compared to €14.4 million for the same period in the previous financial year, operating income for the first half was a negative €2.5 million, compared to a negative €14.3 million at 30 June 2020. With stable financial interest and charges, and benefiting from the state guaranteed loans scheme, as well as the positive €5.4 million valuation of the hedging instruments, net income remained a slight loss of €1.4 million.

Group operations generated €12.3 million in cash over the first 6 months of 2021, compared to €3.7 million for the same period in 2020. Capital expenditure, at €10.4 million, compared to €12.3 million at end June 2020, continues to decline in line with the finalisation of the investment programme and progress on the R&D programmes, for which the re-invoicing rate increased to 35.4% from 30.9% for the first half of 2020. Furthermore, the cash flow from financing operations was a negative €10.6 million, resulting in an outlay of €7.8 million in cash over the period. In addition to having benefited from a number of programmes under the "Recovery Plan", with financing of more than €9 million granted over 2 to 4 years (subsidies, repayable advances, loans at preferential rates), in early September the Group received almost all the responses (89.2%) from its partner banks for the state guaranteed loans sought in 2020; a total of €50.7 million, thus securing its financial position with a view to the recovery and the ongoing increases in its order book.

The effects of the components shortage can be seen on the balance sheet, where there is an increase in WCR of €2.7 million, caused by an increase in inventory, to €159.0 million, compared to €149.6 at end 2020 and trade payables of €73.8 million, up by 5.6% from €69.9 million at the end of 2020. Over the 6 months, the stability of customer receivables attests to the continuation of the current situation.

2021 OUTLOOK

ACTIA Group continues to adapt to the rate of delivery of electronic components in order to limit the impact on its operations and those of its customers. In the short term, the overriding issue is the management, throughout the ACTIA ecosystem, of the shortages and the necessary redistribution of the additional expenses they create. In this respect, ACTIA benefits from trusting relationships with its customers, which have developed thanks to its acknowledged technological and industrial know-how and its agility.

In the medium term, ACTIA's strategy has two objectives: to increase the economic performance of its products and improve its technical capabilities in order to better control the cycles and achieve enhanced competitiveness. Through this strategy, based on technological innovation, quality and competitiveness, ACTIA will continue to pursue the diversification of its customer base while focusing on more profitable markets, driven by the digital and energy transformation.

With modern industrial facilities that meet the highest standards of quality and safety, ACTIA is also rolling out latest generation industrial management solutions (PLM, ERP) to drive operational and financial efficiency. Furthermore, ACTIA continues to structure its new Power Division which should be finalised for 31 December 2021, thus reinforcing visibility for its vehicle electrification related activities. The Group, well diversified and international, has a growing order book and portfolio of customers for the coming years, which will enable it to achieve revenues of over €800 million within the next 4 to 5 years. In this respect, the return to normal of the components market, expected in 2023, will mean a strong acceleration of the Group's growth which should be reflected in its financial ratios.

** OEM: Original Equipment Manufacturer*
*** Aftermarket: aftermarket, including maintenance and repairs*
**** MDS: Manufacturing Design & Services*

ABOUT ACTIA

ACTIA Group is a mid-market company (ETI) founded in 1986. It is at once family-owned and international and its head office is located in France. The 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 electronics to control systems in the particularly demanding fields of the automotive, rail, aeronautics, space, defence, power and telecommunications industries.

The commitments made by ACTIA are reflected in the Group's ambitious contributions to addressing societal issues: mobility, connectivity, safety and the environment. Control over the design and production of products bearing the ACTIA signature is a true guarantee of quality. Without exception, all Group employees share this belief in quality in a fully certified environment.

KEY FIGURES

- 2020 turnover: €438.6 million.
- Nearly 3,600 employees worldwide, including almost 1,100 engineers and technicians working in R&D.
- Present in 16 countries.
- 14 to 18% of revenue reinvested each 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

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DATES FOR THE DIARY

Presentation of interim results 2021 (SFAF): Wednesday 22 September 2021 (4 pm)
Q3 2021 turnover: Tuesday 16 November 2021 (7 am)