

# PRESS RELEASE

ABOUT ACTIA

## 2020 Annual results

Toulouse, 30 March 2021 at 7 am

In € millions, IFRS, audited	2020 <sup>(1)</sup>			2019	Var.
	H1	H2	Total	Total	2020/2019
<b>Revenue</b>	<b>202.0</b>	<b>236.6</b>	<b>438.6</b>	<b>520.4</b>	<b>(15,7%)</b>
<b>EBITDA<sup>(2)</sup></b>	<b>0.2</b>	<b>24.0</b>	<b>24.2</b>	<b>45.8</b>	<b>(47.1%)</b>
<i>as a % of Revenue</i>	<i>0.1%</i>	<i>10.1%</i>	<i>5.5%</i>	<i>8.8%</i>	
<b>Operating income</b>	<b>(14.3)</b>	<b>7.5</b>	<b>(6.9)</b>	<b>16.3</b>	<b>(142.1%)</b>
<i>as a % of Revenue</i>	<i>(7.1%)</i>	<i>3.2%</i>	<i>(1.6%)</i>	<i>3.1%</i>	
Financial result	(1.7)	<10.7)	(12.4)	(3.9)	218.8%
<b>Net income</b>	<b>(16.3)</b>	<b>(3.2)</b>	<b>(19.4)</b>	<b>8.7</b>	<b>(322.8%)</b>
<i>as a % of Revenue</i>	<i>(8.1%)</i>	<i>(1.3%)</i>	<i>(4.4%)</i>	<i>1.7%</i>	
Net income – Group share	(15.6)	(3.4)	(19.0)	8.6	(321.3%)
<b>Net debt</b>	<b>210.8</b>	<b>202.8</b>	<b>202.8</b>	<b>193.9</b>	<b>+4.6%</b>

(1) The separate and consolidated financial statements were approved by the Board at a meeting held on 29 March 2021.

(2) EBITDA: net income + tax + impairment of goodwill + interest and financial charges + provisions for depreciation +/- financial instruments

For 2020, a year marked by the Covid-19 pandemic, ACTIA's consolidated revenue amounted to €438.6 million, down by 15.7%, but in line with the forecast given in mid-2020. More than three quarters of the decline in revenue occurred in the first half, during the peak of the health crisis and enforcement of the strictest lockdown measures.

Over the second half of 2020, in line with expectations, ACTIA's margins recovered resulting in EBITDA of €24.0 million with a margin of 10.1%, compared to €0.2 million for the first half. Operating income for the second half was €7.5 million, with an operating margin of 3.2%, compared to 3.0% for the same period 2019. Over the full but somewhat unusual financial year, the good second half results, positive for both divisions, were not enough to completely offset the effects of the crisis in the first half and the final operating income for 2020 was a negative €6.9 million. At the end of a 3-year capital expenditure programme, completed at end 2019, the health crisis has delayed the expected growth and obscured the effectiveness of the initiatives deployed by ACTIA to optimize its operations.

### ❖ 2020 ACTIVITIES & RESULTS

The **Automotive Division**, with 89.3% of Group revenue saw a decline of 15.5% to end the full year at €391.5 million. Over the second half the rate of decline slowed to 10.7%. No customers were lost and new contracts were gained, especially in the areas of electrification, power electronics and smart mobility in the Buses & coaches, Rail and Specialist vehicles segments. The coming on stream of a diversified customer base, planned to more than compensate for the end of an historical contract which will occur in 2022, is in line with Group expectations.

Against this background, operating income was a loss of €7.1 million in 2020. It takes into account the decrease in purchases consumed of 17.3% to end the year at €45.6 million and of 13.4% in personnel costs and external charges to finish at €23.0 million, the latter including a provision of €3.0 million for the closure of a subsidiary in India. Over and above strict cost controls, other measures taken by the Group focused on seizing commercial opportunities with a view to offsetting the lower levels of activity of most customers and preserving the Group's capacity for innovation.

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: €438.6 million.
- Nearly 3,720 employees around the world of whom more than 1,000 engineers and technicians working in R&D.
- Present in 16 countries.
- 14 to 18% 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



**The Telecommunications Division**, with 10.7% of Group revenue saw a decline of 17.1% to end the year at €47.1 million. Although turnover rose by 20.9% over the second half, it was not possible to completely eliminate the delays in orders caused by the health crisis. However, the slower pace of production did make it possible to reduce purchases by 34.2%, while personnel costs rose slightly by 2.1% in order to remain in a position to promptly resume the business. The level of external charges, down by 4.7%, benefited from lower travel expenses, whereas the division maintained its external resources in order to be able to respond to ongoing tenders. Operations delivered an operating income for 2020 of €0.8 million, of which €2.6 million, or 8.7% of revenue, in the second half.

The division remained active mainly in cutting edge technologies in the area of SatCom in France and abroad. It was awarded new contracts, notably in France and Egypt, and was also able to respond to new tenders for major, multi-year projects in three operational areas (SatCom, Power and Rail).

#### ❖ CONSOLIDATED RESULTS AND FINANCIAL POSITION

In 2020, ACTIA managed its operations to limit the impact of the health crisis on its future business or, in other words, without compromising its capacity for innovation (with €76.0 million spent on R&D in 2020 as compared to €83.2 million in 2019), and its ability to serve current and future customers.

The chosen strategy thus resulted in a limited impact on personnel costs, slightly down by 2.6% at €120.0 million from €123.1 million in 2019, including €4.7 million in aid that helped to limit redundancies and a decrease of €53.5 million or 18.6% in purchases and of €19.3 million or 24.8% in external charges. Apart from lower travel expenses, these figures take into account a decline in outsourcing, an improvement in transport costs following the measures taken at end 2019 and also include the provision for the closure of ACTIA India. In line with the measures and tools deployed to improve their management, stocks declined by €11.6 million.

The Group was thus able to generate EBITDA of €24.2 million, representing 5.5% of 2020 revenue, compared to 8.8% in 2019. After taking into account provisions for depreciation of €30.9 million, up by 5.3% following on from the increase in 2019 due to the capital expenditure programme, the Group's operating income was a loss of €6.9 million. Group headcount decreased by 3.5% from 3,854 at end 2019 to 3,718 at end 2020, due to the effect of adjustments made mainly outside France.

The level of interest and financial charges, down by 5.9% to €3.7 million, reflects the use of a total €41.4 million in State guaranteed loans, less than half of the total possible amount. The recovery of the dollar seen since April caused an €8.8 million drop in the value of the hedging instruments, in contrast to a favourable exchange rate for dollar-denominated purchases in 2020. These items bring the net income for the period to (19.4) million.

Group operations generated a cash flow of €24.6 million in 2020, compared to €44.0 million at end 2019, while capital expenditure, at €22.8 million as opposed to €43.5 million in 2019, declined in accordance with the finalisation of the capital expenditure programme. Financing measures produced €24.4 million to offset the lower level of business.

On the balance sheet, stocks of €149.6 million at end 2020 had dropped by 7.2%, while receivables were stable at €141.4 million and trade payables declined by 18.0% to €69.9 million. WCR, down by €1.8 million, did not materially affect the financial position.

At end 2020, the rise in net debt had been limited to 4.6% or €8.9 million, giving a final figure of €202.8 million. €21.5 million in medium-term loans was repaid over the period, while €58.8 was borrowed, including the State guaranteed loans. The request to suspend some covenants at 31 December 2020 was accepted by all the banking partners who were asked. The strategy adopted in anticipation of the economic recovery was to boost available cash by 14.7% to €53.3 million.

For 2020, free cash flow was a negative €0.4 million, compared to a positive €0.1 million in 2019.

#### ❖ 2021 OUTLOOK

Driven by a strong entrepreneurial spirit and looking resolutely to the future, ACTIA aims at remaining on a long-term growth trajectory with an historical AAGR for the period 2010-2019 of 8.6% and a capacity to serve leading edge technological markets stimulated by the digital and energy transition.

In 2021, ACTIA will continue to deploy its modern production facilities that meet the highest standards of quality and safety, and use its latest generation industrial management solutions (PLM, ERP, NPI) to drive operational and financial effectiveness.

Pending the economic recovery, the Group maintains a strict control over expenditure and long-term short-time working arrangements have been negotiated and implemented for some of the French sites as of early 2021.

The shortage of electronic components, which is affecting all technology-based industries, has not spared the Group. It is doing everything it can to limit the impact on production as far as possible. The peak of the shortage is expected to occur in the second quarter. To stimulate the recovery, ACTIA will make use of the new tranche of State guaranteed loans. ACTIA is also registered with a number of recovery programmes, which should enable it to benefit from almost €8 million over the next 2 to 4 years. In a short-term environment that remains uncertain, the Group will provide its financial forecast for 2021 once the components crisis has been resolved.

Apart from the uncertainty currently affecting the global economy, the Group, with its well diversified and international business, is acting as it has always done to ensure its long-term growth, driven by its cutting-edge expertise in its major markets. Its portfolio of customers and its order book for the coming years clearly point to a solid outlook for growth, which should enable ACTIA, over the next 4 to 5 years, to exceed turnover of €800 million.

#### DATES FOR THE DIARY

Q1 2021 turnover: Thursday 20 May 2021

General meeting: Thursday 20 May 2021

#### CONTACTS

ACTIA - Catherine Mallet - Tel: +33 (0)561 176198 - contact.investisseurs@actia.fr

CALYPTUS - Marie Calleux - Tel: +33 (0)153 656868 - actia@calyptus.net

Find further information about ACTIA Group on [www.actia.com](http://www.actia.com)

