

## PRESS RELEASE

13/04/2016

### AKKA – 2015 RESULTS

A phase of acceleration

€1 billion threshold crossed

Sustained revenue growth of 13%

Consolidated net income up 20%

At its meeting on Wednesday 30 March 2016, the Board of Directors of AKKA Technologies approved the financial statements for the year ended 31 December 2015. The accounts have been audited, and an unqualified certification report was issued on 31 March.

**Maurice Ricci, Chairman and CEO of the Group, said:** “Akka is in a new phase of acceleration. The 2015 results exceed the objectives communicated to the market early in 2015. In addition to the symbolic crossing of the €1 billion threshold, 2015 was characterised by the faster diversification of high value-added international activities and the reinforcement of the operating skills and performance of the France business unit.

*These successes are owed to the 2018 strategic plan. Combined with the Group’s unique positioning in terms of innovation and project-management capacity, they put us in a favourable position to take advantage of increased demand from major customers. AKKA Technologies will also build on its healthy balance sheet and comfortable cash position to make further targeted acquisitions generating organic growth.”*

(€ million)	2015	2014	
<b>Revenue</b>	<b>1,001.7</b>	<b>885.6</b>	<b>+13.1%</b>
<b>Operating profit from ordinary activities*</b>	<b>60.8</b>	<b>55.1</b>	<b>+10.5%</b>
<i>As a % of revenue</i>	<i>6.1%</i>	<i>6.2%</i>	
<b>Net income</b>	<b>32.6</b>	<b>27.2</b>	<b>+19.8%</b>
<i>As a % of revenue</i>	<i>3.3%</i>	<i>3.1%</i>	

\* Operating profit from ordinary activities is calculated before non-recurring items and expenses relating to stock options and free shares.

## 2015 RESULTS

### KEY FIGURES

- ✓ Strong commercial momentum of the final quarter took the Group across the symbolic threshold of €1 billion in consolidated revenue. **2015 revenue** amounted to €1,001.7 million, an increase of 13.1%, with growth of 3.1% at constant scope and exchange rates (like-for-like).
- ✓ In line with the objectives announced early in 2015, each of the Group's three business units (BU) posted positive organic growth over the full year: +1.0% in France, +2.2% in Germany and +12.4% internationally.
- ✓ **The Group's three main business units posted profit from ordinary activities** of €67.7 million, up from €59.1 million in 2014. Their operating margin was up slightly at 6.8% (6.7% in 2014). This very satisfactory performance was achieved thanks to the ramp-up of international operations, firm margins in France and Germany, and the rapid recovery of Matis, which was consolidated on 1 July 2015. In line with the stated action plan, Matis stabilised its revenue and returned to operating breakeven in the first half of its consolidation.
- ✓ **Operating profit from ordinary activities** was up 10.5% at €60.8 million. The margin was virtually unchanged at 6.1%, and was barely affected by the Group's recent acquisitions. The Group nevertheless recorded a slightly higher level of overheads than in 2014 due to the acquisitions reviewed and investments for future growth made over the year.
- ✓ **Operating income** amounted to €47.9 million. It was impacted by non-recurring expenses attributable chiefly to the completion of the PACT 17 transformation plan and the integration of Matis (€12.8 million in 2015, vs €11.7 million in 2014).
- ✓ **Consolidated net income** was up 20% at €32.6 million. The net margin improved slightly to 3.3%, compared with 3.1% in 2014. Minority interests increased due to the improved performance of 65%-owned MBtech in Germany. Net income Group share accordingly rose by 7%.
- ✓ The Group had **gross cash** of €215 million as of 31 December 2015 (vs €220 million as of 31 December 2014). Operations generated €39 million in cash in 2015, an increase of 11% compared with 2014, which was used to fund most of its 2015 investments.
- ✓ **Net debt** amounted to €94 million as of 31 December 2015, putting gearing at 42% at that date, compared with 23% at the end of 2014. This performance includes the three acquisitions completed over the period (Epsco, Matis et Corialis). This reasonable level gives the Group scope to continue its policy of targeted acquisitions in 2016.

## 2015 RESULTS BY GEOGRAPHY

- ✓ **France** reported revenue of €470.1 million in 2015, an increase of 6.7%, with organic growth of 1.0%. This performance was achieved notably thanks to strong growth in automotive business. The Group's diversification capacity allowed it to stabilise its revenue with the aerospace sector despite the decline in demand from Airbus. Over the year, the operating margin from ordinary activities of the French operations was stable at 4.6%. Dampened by the impact of the reprofiling of operations under the PACT 17 transformation plan in the first half, the operating margin from activities increased significantly to 5.9% in the second half. This improvement was achieved notably thanks to the acceleration of revenue growth, the initial effects of the PACT 17 plan and those of the margin improvement plan.
- ✓ **German operations** confirmed their recovery in 2015 despite a slight downturn in the second quarter. Over the full year, the business unit reported organic revenue growth of 2.2%, bringing revenue to €336.9 million. The excellent momentum seen in the second half (growth of 7.4%, with organic growth of 4.2%) is the result of improved competitiveness and performance achieved through the PACT 17 transformation plan. This increase was achieved notably thanks to strong momentum in the automotive business, marked by the diversification of the customer portfolio and growth in the software and embedded electronic solutions segments. The operating margin from ordinary activities was a robust 6.5%, and operating income from ordinary activities amounted to €21.9 million. The continued improvement of the utilisation rate, diversification of activities and the implementation of the margin improvement plan should result in further improvement in the BU's margin in the coming half-years.
- ✓ **International operations** (excluding France and Germany) accelerated their profitable growth. They recorded revenue growth of 53.4% to €194.7 million in 2015, with organic growth of 12.4%. Three acquisitions strengthened AKKA's operations internationally, namely Epsco, Matis and Corialis. The Group recorded very strong growth in the vast majority of its host countries or regions, particularly Switzerland, Spain and Italy (+62%, +58% and +104% respectively, with organic growth above 20%), as well as Belgium (+38%, with organic growth of 5%). Most countries generated impressive margins of more than 10%, despite continued investment on future growth. In total, international operations delivered a recurring operating margin of 12.5% in 2015, compared with 13.3% in 2014. The continued diversification of the Group's international operations will be one of the drivers of overall margin improvement going forward.

## 2015 HIGHLIGHTS

### Sales acceleration

- ✓ The Group continued its marketing efforts throughout 2015. Its unique positioning and its capacity for innovation in the service of its clients have enabled it to sign new contracts or enter new supplier panels. The most noteworthy achievements include the renewal of its listing on the E2S panel, its first listing on the Orange Group panel, and its first contracts with the Jaguar, Embraer, and Boeing groups.

## Acceleration of the acquisition programme

The Group returned to the external growth market in late 2014, and strengthened its expertise by acquiring more than 1,350 new talents in sectors with high value added.

- ✓ In December 2014, AKKA Technologies acquired German company **Auronik**, which specialises in the fast-growing areas of infotainment, eMobility and charging optimisation systems for electric batteries.
- ✓ The Group acquired **Matis** in the second half. A French technology consultancy founded in 1994, Matis has a thousand employees. It reported revenue of €82 million in 2014, 65% in France and 35% internationally. Matis is a close fit with AKKA in terms of sectors, geographies and customers, with distinctive positioning in project management assistance and high value added processes.
- ✓ AKKA Technologies' acquisition of Italian company **Epsco** in the first quarter of 2015 rounds out these acquisitions, allowing it to build up its operations in process engineering in Italy, the Middle East and Central Europe. It recorded revenue of €18 million in 2014, with impressive margins. This acquisition will accelerate the diversification of the AKKA Technologies Group's activities in Italy, allowing it to achieve critical mass in that market.
- ✓ AKKA Technologies also acquired **Corialis** during the third quarter of 2015. Corialis, which was founded in 2002, reported revenue of nearly €30 million in 2014 and boasts front-ranking margins. It generates revenue internationally, in the Middle East, Africa and Europe. Its offer fits into the Group's strategy of increasing the proportion of high value-added activities while accelerating its expansion in the processes and commissioning segment, in continuous flow production industries and in the energy sector.

## Increase in the Group's attractiveness

- ✓ As of end-2015, AKKA had human capital comprising more than 12,200 employees, an increase of 15% compared with end-2014.
- ✓ On 1 March 2016, AKKA Technologies received Top Employers certification, which recognises the world's best companies in terms of human resources, for France. Awarded annually by Top Employers Institute after an independent evaluation of HR policies and practices, the Top Employers certification rewards AKKA Technologies' ability to offer its teams a quality work environment, to promote the development of talent at all levels, and to continuously improve its policies in favour of its employees. In addition to its recognition of the Group's human resources policy, the Top Employers certification is an acknowledgement of the values that have guided the company for over 30 years. Important among them is the central place occupied by the Group's employees, creators of innovation on behalf of our customers.

## OUTLOOK

- ✓ **2015:** The Group's operating performance exceeded the objectives communicated to the market early in 2015. Each of the Group's three business units (BU) posted positive organic growth over the full year: +1.0% in France, +2.2% in Germany and +12.4% internationally.

Combined with faster organic growth, the resumption of the acquisition policy took the Group across the symbolic threshold of €1 billion in consolidated revenue in 2015, thereby achieving the first goal of its 2018 strategic plan.

As such, the Board of Directors of AKKA Technologies, at its meeting of 30 March 2016, decided to propose to the Shareholders' Meeting of 16 June 2016 the payment of a dividend of €0.50 per share (unchanged compared with the dividend paid in 2015 in respect of 2014).

- ✓ **2016:** The acceleration of growth in the second half in France and Germany was driven by early signs of improved demand in our markets in both countries, and by our ability to gain market share. This trend appears to be enduring despite the macroeconomic uncertainty prevailing early in 2016. Against this backdrop, the Group is anticipating organic revenue growth in each of its three business units in 2016, combined with a further improvement in margins.

The Group also aims to pursue its external growth strategy through targeted acquisitions with its usual financial discipline criteria.

- ✓ **2018:** The return to organic growth in France and Germany, the pursuit of international business development and recent acquisitions constitute a solid base for growth for the coming half-years. Margins are expected to improve at the same time, under the combined effect of this growth, the PACT 17 transformation plan and the margin improvement plan.

The Group accordingly confirms its 2018 objectives:

- Revenue: €1.2 billion,
- Operating profit from ordinary activities\* of €100 million,
- Operating margin from ordinary activities of between 8% and 10%,
- Control of financial equilibrium.

*\*Operating profit from ordinary activities is calculated before non-recurring items and expenses relating to stock options and free shares.*

### Upcoming events:

Q1 2016 revenue on 11 May 2016

Combined shareholders' meeting on 16 June 2016

Q2 2016 revenue on 27 July 2016



#### About AKKA Technologies

***“The best way to predict the future is to invent it. Let’s share our passion for technology.”***

An engineering and technology consultancy and European leader in the mobility segment, AKKA Technologies operates in 20 countries through 21 centres of excellence building on expertise and synergies forged across the entire Group. Driven by a determination to innovate and a passion for technology, it combines an entrepreneurial spirit with a consistent and visionary strategy. Its understanding of the challenges facing its customers and its positioning across the entire product life cycle enable it to assist major customers on high value-added turnkey projects. With a differentiating positioning symbolised above all by the AKKA Research in-house research centre and a broad international footprint around its unique Franco-German base, AKKA Technologies is poised to become the best in class in large transnational contracts.

With more than 12,000 talented employees, AKKA Technologies delivered revenue of more than €1 billion in 2015, more than 50% of which internationally. It aims to lift this to €1.2 billion by 2018.

AKKA Technologies is listed on Euronext Paris TM – Segment B – ISIN code: FR0004180537.

CAC® Small, CAC® Mid & Small, CAC® All-Tradable, CAC® All-Share indices

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*In case of discrepancy between the French and English versions of this press release, only the French version should be deemed valid.*

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## ANNEXE 1

### KEY 2015 FIGURES

(€ million)	2015	2014
<b>Revenue</b>	<b>1,001.7</b>	<b>885.6</b>
<b>Operating profit from ordinary activities</b>	<b>60.8</b>	<b>55.1</b>
<i>As a % of revenue</i>	<i>6.1%</i>	<i>6.2%</i>
Non-recurring income and expenses	-12.8	-11.8
<b>Operating income</b>	<b>47.9</b>	<b>43.3</b>
Pre-tax income	41.4	33.6
<b>Net income</b>	<b>32.6</b>	<b>27.2</b>
<i>As a % of revenue</i>	<i>3.3%</i>	<i>3.1%</i>
<b>EPS</b>	<b>1.47</b>	<b>1.37</b>
<b>Net debt</b>	<b>94.4</b>	<b>45.7</b>
<b>Gearing</b>	<b>41.9%</b>	<b>23.0%</b>

- *The Board of Directors approved the financial statements on Wednesday 30 March. They have been audited, and an unqualified certification report was issued on 31 March*
- *Change in revenue by BU at constant scope and exchange rates*
- *Operating profit from ordinary activities is calculated before non-recurring items and expenses relating to stock options and free shares*
- *EPS has been adjusted for the distribution of new shares allocated free of charge to shareholders at the rate of 1 new share for every 10 AKKA Technologies shares held*

## ANNEXE 2

### QUARTERLY REVENUE IN 2015

Revenue (€ million)	Q1 2015	Q2 2015	Q3 2015	Q4 2015	2015
<b>France</b>	<b>108.9</b>	<b>111.3</b>	<b>115.4</b>	<b>134.5</b>	<b>470.1</b>
<i>Of which Matis</i>			<b>12.2</b>	<b>13.2</b>	<b>25.3</b>
<b>Change</b>	<b>-3.7%</b>	<b>+0.3%</b>	<b>+14.3%</b>	<b>+16.7%</b>	<b>+6.7%</b>
<i>Organic change*</i>	<b>-3.7%</b>	<b>+0.3%</b>	<b>+2.2%</b>	<b>+5.3%</b>	<b>+1.0%</b>
<b>Germany</b>	<b>80.4</b>	<b>78.9</b>	<b>85.0</b>	<b>92.6</b>	<b>336.9</b>
<b>Change</b>	<b>+6.4%</b>	<b>+2.1%</b>	<b>+5.8%</b>	<b>+8.8%</b>	<b>+5.9%</b>
<i>Organic change*</i>	<b>+2.1%</b>	<b>-2.1%</b>	<b>+2.0%</b>	<b>+6.4%</b>	<b>+2.2%</b>
<b>International (excl. Germany)</b>	<b>36.8</b>	<b>45.4</b>	<b>53.9</b>	<b>58.5</b>	<b>194.7</b>
<i>Of which Matis</i>			<b>8.3</b>	<b>8.3</b>	<b>16.6</b>
<b>Change</b>	<b>+24.4%</b>	<b>+42.5%</b>	<b>+73.0%</b>	<b>+70.7%</b>	<b>+53.4%</b>
<i>Organic change*</i>	<b>+18.1%</b>	<b>+12.2%</b>	<b>+10.0%</b>	<b>+9.6%</b>	<b>+12.4%</b>
<b>Total Group</b>	<b>226.1</b>	<b>235.6</b>	<b>254.4</b>	<b>285.6</b>	<b>1001.7</b>
<i>Of which Matis</i>			<b>20.5</b>	<b>21.4</b>	<b>41.9</b>
<b>Change</b>	<b>+3.6%</b>	<b>+7.0%</b>	<b>+19.7%</b>	<b>+21.7%</b>	<b>+13.1%</b>
<i>Organic change*</i>	<b>+1.4%</b>	<b>+1.2%</b>	<b>+3.3%</b>	<b>+6.3%</b>	<b>+3.1%</b>

\* change at constant scope and exchange rates

## ANNEXE 3

### REVENUE AS OF END-DECEMBER 2015 (12 MONTHS)

Revenue (€ million)	2015	2014	% change	% organic change*
France	470.1	440.5	+6.7%	+1.0%
Germany	336.9	318.2	+5.9%	+2.2%
International (excl. Germany)	194.7	126.9	+53.4%	+12.4%
<b>Total Group</b>	<b>1,001.7</b>	<b>885.6</b>	<b>+13.1%</b>	<b>+3.1%</b>

\* change at constant scope and exchange rates

## ANNEXE 4

### HEADCOUNT AS OF 31 DECEMBER 2015 (12 MONTHS)

Headcount	2015	2014	% change
France	6,106	5,436	+12.3%
Germany	3,266	3,003	+8.8%
International (excl. Germany)	2,850	2,166	+31.6%
<b>Total Group</b>	<b>12,222</b>	<b>10,605</b>	<b>+15.2%</b>

## ANNEXE 5

### OPERATING PROFIT FROM ORDINARY ACTIVITIES BY BU

(€ million)	2015	2014
France	21.4	20.8
	4.6%	4.7%
Germany	21.9	21.5
	6.5%	6.8%
International (excl. Germany)	24.4	16.8
	12.5%	13.3%
<b>Total BUs</b>	<b>67.7</b>	<b>59.1</b>
	<b>6.8%</b>	<b>6.7%</b>
Other	-6.9	-4.1
<b>Total Group</b>	<b>60.8</b>	<b>55.1</b>
	<b>6.1%</b>	<b>6.2%</b>
Matis	1.0	
% Revenue	2.4%	
<b>Total Group excluding Matis</b>	<b>59.8</b>	
	<b>6.2%</b>	

\* Operating profit from ordinary activities is calculated before non-recurring items and expenses relating to stock options and free shares.