

# AKKA TECHNOLOGIES

## Passion for technologies

PRESS RELEASE

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## H1 2013 revenues up by 16.5%

**AKKA is selected for large-scale projects thanks to its Global footprint**

**AKKA launches MBtech Services and steps up diversification in Germany**

Consolidated revenues from January 1<sup>st</sup> to June 30<sup>th</sup>

€m (unaudited)	H1 2013	H1 2012	Change
<b>Revenues</b>	<b>435.7</b>	<b>374.0</b>	<b>+16.5%</b>
<i>France</i>	224.3	226.9	- 1.1%
<i>Germany</i>	152.9	98.5	+ 55.2%
<i>Rest of the World</i>	58.4	48.6	+20.3%

H1 2013 consolidated revenues include MBtech since April 1<sup>st</sup>, 2012. Q2 consolidated revenues amounted to €210.3 million.

Like-for-like Group revenues came in up 0.8% in spite of more public holidays and staff holidays. Adjusting for this non-recurring impact, France and all previously consolidated countries posted like-for-like growth.

AKKA deploys its operational plan in its three regions:

- The 2012 change in France's BU governance is starting to bear fruit.
- Germany has become a key market for AKKA, which is now a leading player in the country.
- Rest of the World is set up to enhance growth in China and USA.

### 1. Growth in all the Group's regions

**Germany: €152.9 million in revenues, 35% of Group revenues**

- A rationalization program began in April at MBtech to boost productivity and upgrade operations efficiency to Group standards. This involves rationalizing the company's offering and discontinuing non-strategic and capital-intensive activities while also reducing operating costs, sales and operational overheads.
- Customer, supplier and middle management relations with Daimler are being reorganized and structured by the creation of a new Daimler Key Account Manager position at MBtech.
- As an initial success for the transformation, MBtech and AKKA are working together on the pricing for several major projects with an expected outcome in the next months.



- To step up diversification, MBtech Services is created on the AKKA Germany model. Consisting of business managers, these structures will cover the industrial regions of Bavaria, Hamburg and Baden-Wurttemberg.
- Anticipating a major need for new staff in 2014, AKKA launched an "Automotive Challenge" along the lines of the "Ski Challenge" in France. Over 100 engineering students were interviewed in Munich, Stuttgart, Berlin and Hamburg during the first half.
- AKKA's stand-alone German subsidiaries continue to deliver high growth rates of 7%. 114 employees work in Munich and 155 in Hamburg. These subsidiaries will continue to grow in their markets.

#### **France: Revenues held up well at €224.3 million with a positive trend**

- Excluding the impact of fewer working days and staff holidays in May, France achieved a growth of +2%. During the first half there were 2 fewer working days and 1.8 more holiday days compared to first half 2012.
- One year since the introduction of the new BU governance, France is back on a stable footing and regained its close customer relations. AKKA and Aeroconseil benefit from sales synergies in aeronautics.
- A project called "On Track" has been launched to involve staff in the Company's strategy. The project will allow the Group to post strong growth while observing its fundamentals that underpinned its success.
- In a very competitive market, AKKA continues to focus on a specialist offering rather than a generalist offering based on capacity.

#### **Rest of the World: like-for-like growth of 11.1%, 1,800 engineers**

- Stand-alone subsidiaries are all growing: Italy up by 23%, Belgium by 5%, Spain by 6%, UK by 30%, Canada by 41%, etc. This buoyant growth confirms the AKKA business model that combines local customer relations while enjoying synergies on a Group level.
- The Nearshore business (in the Czech Republic, Morocco and Romania) has grown from 100 employees in 2010 to 750 in 2013. The sharp growth arose from supporting aeronautic and automotive customers in their efforts to improve productivity. The offering is designed to win new customers and projects over time by playing on the complementary features of these countries' strengths.
- The Group's North American entities of 180 employees are focused on meeting the local needs of American customers. The Group has invested in reorganizing the offices and staff, recruiting managers from the American aerospace industry and a sales force to target all manufacturers and suppliers.
- The Group has refocused its Chinese subsidiary to support its European car manufacturer customers. The manufacturer BAIC, a Daimler affiliate, has chosen AKKA for the development of three new Sedans.

## **2. Organic growth in all mobility sectors**

- In aeronautics, the success of the A350 and AKKA's heavy involvement in the project opens up the entire American market for the Group. Backed by Bombardier as an existing customer, AKKA recently became a certified supplier for Embraer, the third largest aircraft manufacturer in the world. Mitsubishi Aircraft Corporation has selected Aeroconseil to support certification of its new regional aircraft, the MRJ.



- In the automotive industry and in a depressed French market, AKKA's distinct market offering has led to a pace of growth in line with capacity largely due to a special relationship with Renault and diversification with the French automotive companies, notably Volvo Trucks.
- The Railway business continues its good dynamic backed by 11% growth. Thanks to its long-standing relationship with Alstom, AKKA supports its client in numerous international projects in Morocco, Italy, Spain and Russia. In Kazakhstan, Alstom has selected AKKA on a project to design various items including engine, cabin interior design and electrical harness integration.

### 3. Growth in the Group's financial capacity

- The Group's finances are healthy thanks to the Group's prudent financial management and the €100 million bond issue realised in March 2013. The Group has ample funds to carry out the restructuring of MBtech.
- Gross cash holdings of €90 million remains high and gives the Group means to raise funds in the event of acquisition opportunities. Several potential acquisitions are currently under review, some of which could be completed by the end of the year.
- With gearing at June 30<sup>th</sup>, 2013 of around 40% (vs. 54% at June 30<sup>th</sup>, 2012), the Group has a very solid financial structure. The Group retains full flexibility to grow in line with the medium term prospects for growth.

**AKKA Technologies has doubled in size since 2011. In 2013, the Group's transformation has continued by deploying its fundamentals in all countries. The Group has become a global player and is bidding for many large-scale international tenders. Diversification in Germany is gaining pace by setting up MBtech Services.**

**The €100 million medium term objective for the operating margin is confirmed: the Group will grow strongly and profitably while maintaining tight control over its financial balances.**

**Next update:** Half-year results on September 9<sup>th</sup> in Lyon and September 10<sup>th</sup> in Paris

*"The best way to predict the future is to invent it.  
Let's spread a passion for technology."*

AKKA Technologies, Groupe Européen d'Ingénierie et de Conseil en Technologies, accompagne les grands AKKA Technologies, a European Engineering and Technology Consulting Group, supports large industrial and service companies in the various stages of their projects, from R&D and research to industrialisation. Through its expertise in complementary businesses, AKKA Technologies provides genuine value-added to its customers across all industry sectors, including aeronautics, automotive, space & defence, consumer electronics, telecommunications, chemicals, pharmaceuticals, steel, energy, railways, marine, and services, etc.

As a market leader in the Automotive and Aerospace sectors in France and Germany, and thanks to the mobility of its staff and its international positioning, AKKA Technologies is involved in cutting-edge technology projects throughout the world.

The AKKA Technologies Group has over 11,000 employees and operates in 20 countries, including Germany, Belgium, Canada, China, the UAE, Spain, France, Hungary, Italy, India, Morocco, the Netherlands, the Czech Republic, Romania, the United Kingdom, Russia, Switzerland, Tunisia, Turkey, and the US. AKKA is focusing on building a €1 billion group, where over 50% of the revenues are generated outside France.

AKKA Technologies is listed on Euronext<sup>TM</sup> Paris – Compartment B – ISIN Code: FR0004180537.

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

Further details are available at [www.akka.eu](http://www.akka.eu)

#### Contacts:

##### AKKA Technologies

Nicolas Valtille – Group CFO - Tel: +33 (0)4 78 92 60 83 – [finances@akka.eu](mailto:finances@akka.eu)

Delphine Méric - Investor Relations – Tel: +33 (0)6 81 20 97 14 – [d.meric@akka.eu](mailto:d.meric@akka.eu)

##### Actus Lyon

Amalia Naveira – Investor/analyst relations - Tel: +33 (0)4 72 18 04 97 – [anaveira@actus.fr](mailto:anaveira@actus.fr)

Marie-Claude Triquet – Media Relations– Tel: +33 (0)4 72 18 04 93 – [mctriquet@actus.fr](mailto:mctriquet@actus.fr)

