

09/11/2017

## AKKA GENERATES HISTORIC REVENUE LEVEL OF €977M OVER 9 MONTHS

Year to date revenue amounts to €977 million, an increase of 19%

Success of the €450 million Schuldschein bond

Confirmation of 2017 objectives

### REVENUE FOR THE FIRST NINE MONTHS OF 2017

Revenue (€ million)	YTD 2017	YTD 2016	% change	% change organic*
<b>Total Group</b>	<b>976.8</b>	<b>823.1</b>	<b>+18.7%</b>	<b>+6.7%</b>
France	403.3	376.0	+7.2%	+7.2%
Germany	357.4	278.5	+28.3%	+5.5%
International (excl. Germany)	216.1	168.6	+28.2%	+7.4%

\* change at constant scope and exchange rates

- ✓ The Group had cleared the symbolic threshold of €1 billion in revenue in 2015. Eighteen months onward, with year to date 2017 revenue amounting to €977 million, it nearly reached this threshold in just nine months. This acceleration illustrates the Group's strong growth momentum, which should allow Akka to generate revenues of more than €1.3 billion over 2017 as a whole.
- ✓ The momentum is consistent throughout the business units. Economic growth\*\* was 7.6% for the period from January to September compared to the first nine months of 2016, with +8.4% in France, +6.1% in Germany and +8.2% internationally.

- ✓ Third-quarter revenue amounts to €310.3 million, an increase of 13.7% YoY. Economic growth stands at 5.4%. It was particularly robust in the French (+7.6%) and International (+8.6%) business units. In Germany, growth was temporarily dampened due to a challenging comparative basis and the impact of streamlining loss-making legacy businesses.

## REVENUE BY REGION

- ✓ **France** continued its excellent momentum in the third quarter. Its revenue amounted to €403.3 million over the first nine months, with economic growth of 8.4%. The third quarter saw economic growth of 7.6%. French operations benefited from growth in the automotive, aerospace, rail and life sciences sectors. As in previous quarters, AKKA France gained market share thanks to its strategic positioning in mobility, digital technology and embedded computing. Furthermore, half of the hires of the third quarter were made in those areas. The sustained recruitment momentum holds out the prospect of further strong growth in the fourth quarter.
- ✓ In **Germany**, revenue increased by 28.3% to €357.4 million over the first nine months. Economic growth was 6.1% over the period. Third-quarter revenue amounted to €113.9 million, a total increase of 15.6%. Economic growth of 1.3% reflected the challenging comparative basis (organic growth of 11.7% in Q3 2016), the streamlining of certain loss-making legacy businesses, the closure of which was announced when the interim results were released, as well as the consolidation of GIGATRONIK. GIGATRONIK's activities are being deployed regionally and merged into AKKA Germany's digital activities. This allowed the Group to win its first significant contract in the field of Advanced Driver Assistance Systems for one of its key German customers.
- ✓ The Group's **International operations (excluding Germany)** posted revenue of €216.1 million over the first nine months, an increase of 28.2%, with economic growth of 8.2%. They recorded economic growth of 8.6% in the third quarter, a slightly faster pace than in the first half (+8.0%). Akka believes that its Oil & Gas activities have bottomed out in Q3. Organic growth, excluding Oil & Gas, reached 14.4% over the quarter. Growth in the quarter was predominantly driven by Asia, the Czech Republic, Italy, the Middle East and North America.

## THE SUCCESS OF THE €450 MILLION SCHULDSCHEIN BOND PROVIDES THE GROUP WITH THE MEANS TO FINANCE ITS FUTURE GROWTH

- ✓ At the end of October, the Group placed a €450 million Schuldschein bond (private placement governed by German law). Strong demand among investors reflected their confidence in the Group's strategy, its European identity based on its Franco-German pillar, its international dimension and its medium- and long-term potential.
- ✓ The Schuldschein bond has several tranches, maturing in five, seven and ten years respectively, with an average interest rate of approximately 1.5% per annum. The bond, which is non-dilutive for shareholders and does not affect the Group's net borrowings, reinforces its financial flexibility and diversifies its sources of funding. It also strengthens the Group's financial structure by extending the average maturity of its debt, and reducing its average borrowing costs.

- ✓ The funds raised will, in part, enable the Group to reduce the cost of its debt by reimbursing existing facilities. The balance will give the Group the means to roll out its new strategic plan, CLEAR 2022.

## OUTLOOK

- ✓ Fourth quarter performance is expected to be in line with the previous quarter. This should enable the Group to post full-year revenue and operating income in line with expectations, and slightly above its objectives, which had been raised in July.
- ✓ The successful completion of the transformation in France, the diversification in Germany and the maintenance of high margins internationally will enable the Group to exceed its 2018 revenue targets and deliver an operating margin from ordinary activities\*\*\* of between 8% and 10%.
- ✓ Following the success of its previous PACT 17 strategic plan, and with its unique positioning to support its clients meet the challenges of Industry 4.0, the Group plans to communicate its new CLEAR 2022 strategic plan at the end of January 2018. The new plan is geared towards strengthening AKKA France's leadership, consolidating AKKA Germany's positioning and accelerating the Group's growth internationally.

\* change at constant scope and exchange rates

\*\* growth at constant scope, exchange rates and number of working days

\*\*\* margin based on operating profit from ordinary activities, calculated before non-recurring items and expenses relating to stock options and free shares

### Upcoming events:

Presentation of the CLEAR 2022 strategic plan: Tuesday 30 January 2018

FY 2017 revenue: Wednesday 7 February 2018

2017 results: Tuesday 20 March 2018

### About AKKA Technologies

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

Founded in 1984, AKKA Technologies today ranks as the European leader in engineering consulting and R&D services in the field of mobility. With more than 15,000 talented employees working in more than 20 countries, the Group recorded revenue of €1.1 billion in 2016.

A partner in innovation, AKKA Technologies boasts a prestigious customer portfolio featuring leading companies in the automotive, aerospace and rail sectors, as well as in the life sciences, services, telecommunications and defence. The list includes Airbus Group, Alstom, BMW, Daimler, GlaxoSmithKline, Renault, Safran, Thales, Volkswagen and Volvo.

AKKA Technologies provides technological solutions to these major groups, enabling them to improve their innovation processes, their added value, their productivity and their efficiency when designing new products or processes, right through to the industrial production phase. Its unique geographical positioning around its Franco-German axis, its capacity to deliver cross-sector and transnational solutions and its in-depth expertise in the technologies of the future (AI, ADAS, IoT, Big Data, robotics, embedded computing, machine learning, etc.) allow it to assist its customers in their two key challenges, namely globalisation and digitisation. Digital technologies and the technologies of the future today represent 15% of AKKA's revenue.

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

For more information, please visit [www.akka-technologies.com](http://www.akka-technologies.com)

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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

### REVENUE BY QUARTER

Revenue (€ million)	Q1 2017	Q2 2017	Q3 2017	9 months
<b>France</b>	<b>145.2</b>	<b>132.1</b>	<b>125.9</b>	<b>403.3</b>
<b>Change</b>	<b>+11.4%</b>	<b>+4.3%</b>	<b>+5.9%</b>	<b>+7.2%</b>
<i>Organic change*</i>	+11.4%	+4.3%	+5.9%	+7.2%
<i>Economic growth**</i>	+7.9%	+9.4%	+7.6%	+8.4%
<b>Germany</b>	<b>110.6</b>	<b>132.9</b>	<b>113.9</b>	<b>357.4</b>
<b>Change</b>	<b>+33.4%</b>	<b>+37.0%</b>	<b>+15.6%</b>	<b>+28.3%</b>
<i>Organic change*</i>	+13.1%	+5.2%	-0.5%	+5.5%
<i>Economic growth**</i>	+7.6%	+10.3%	+1.3%	+6.1%
<b>International (excl. Germany)</b>	<b>72.4</b>	<b>73.2</b>	<b>70.5</b>	<b>216.1</b>
<b>Change</b>	<b>+31.7%</b>	<b>+26.0%</b>	<b>+27.0%</b>	<b>+28.2%</b>
<i>Organic change*</i>	+10.6%	+4.4%	+7.2%	+7.4%
<i>Economic growth**</i>	+8.0%	+8.2%	+8.6%	+8.2%
<b>Total Group</b>	<b>328.3</b>	<b>338.2</b>	<b>310.3</b>	<b>976.8</b>
<b>Change</b>	<b>+22.3%</b>	<b>+20.0%</b>	<b>+13.7%</b>	<b>+18.7</b>
<i>Organic change*</i>	+11.7%	+4.6%	+3.8%	+6.7%
<i>Economic growth**</i>	+8.0%	+9.5%	+5.4%	+7.6%

\* Change in revenue by BU at constant scope and exchange rates.

\*\* Growth at constant scope, exchange rates and number of working days