

PRESS RELEASE

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AKKA – FIRST-HALF 2015 RESULTS

Return to growth in France
 Slowdown in Germany in the second quarter
 Launch by Daimler and AKKA Technologies of MBtech 2.0
 Continued strong growth in international activities

Threshold of 1 billion euros revenue crossed with the acquisition of Matis

Maurice Ricci, Chairman and CEO of the Group, said: *“The H1-2015 results benefited from the earlier-than-expected resumption of growth in our French operations. This helped offset the slowdown of the German activities. The Launch by Daimler and AKKA Technologies of MBtech 2.0 integration phase will transform the relationship with MBtech, speed up the diversification of our German operations and thereby achieve the goals of our 2018 strategic plan. With the majority takeover of Matis, the Group will cross the 1 billion euro revenue mark this year.”*

FIRST-HALF 2015 RESULTS

Revenue: €461.6m (+5.3%)
 Recurring operating margin: 4.8%
 Gearing: 53.9%; gross cash: €178.3m

(€ million)	H1-2015	H1-2014
Revenue	461.6	438.4
Recurring operating income	22.0	22.8
<i>As a % of revenue</i>	4.8%	5.2%
Net income	9.8	11.5
Gearing	53.9%	41.3%

▪ Recurring operating income is calculated before non-recurring items.

- ✓ The earlier-than-expected return to growth of the France BU offset the slowdown in Germany, whose governance is to be reformed. This momentum and the persistently fast pace of growth of the international activities resulted in an acceleration of growth in Q2.
- ✓ In total, the AKKA Technologies Group recorded revenue of €461.6 million in H1-2015. Over the half-year, the Group achieved revenue growth of 5.3%, with organic growth of 1.3%.

The recurring operating income was €22.0 million, compared with €22.8 million in the first half of 2014. This slight decline resulted from the less favourable seasonal structure of the research tax credit in H1-2015 compared with H1-2014. Excluding the holding company, the average operating margin of the three BUs firmed from 4.4% in H1-2014 to 5.2% in H1-2015. This improvement is attributable to the initial impact of the transformation plan in France and Germany.

Operating income amounted to €15.9 million. It was impacted by non-recurring expenses in the amount of €6.1 million, stemming mainly from the finalisation of the PACT 17 transformation plan (€3.9m), acquisition expenses and integration costs.

- ✓ In view of the anticipated increase in the consolidated tax rate, the Group's net income was €9.8 million in H1-2015, compared with €11.5 million in H1-2014. The consolidated net profit margin was 2.1%.

H1-2015 REVENUE BY REGION

- ✓ **France** recorded a orderly decline of just 1.8% in its first-half revenue to €220.2 million, given the 7% decline in the average billable workforce in 2014. A return to growth was achieved in Q2. The improved performance came thanks to the PACT 17 transformation plan, which aims to prepare the Group for major international contracts. It is expected to continue in the second half, allowing the Group's French operations to record an increase in revenue over the full year. The recurring operating margin of the French operations increased slightly to 3.0% (2.7% in H1-2014), following their earlier-than-expected resumption of growth. However, the demanding competitive environment is likely to limit the improvement in the BU's margin in 2015.
- ✓ **Germany** recorded a 4.2% increase in revenue to €159.3 million in H1-2015 (stable on an organic basis). The slowdown in growth was attributable chiefly to an unexpected slowdown in orders from our main customer in line with the start of talks in May between Daimler and AKKA Technologies with a view to transforming the relationship with MBtech. The transformation of this relationship will speed up the diversification of our legacy German operations by increasing their potential for growth with our other customers and prospects in the region. The temporary slowdown in growth prevented the margins of the German BU from reaping the full benefit of efforts made to improve competitiveness in recent years. The recurring operating margin rose from 3.7% in H1-2014 to 5.2% in H1-2015.
- ✓ As in earlier half-years, **international activities** (excluding Germany) delivered front-ranking performances, in line with the Group's strategic plan. Their H1-2015 revenue was €82.2 million, an increase of 33.8% compared with H1-2014 (+15.0% organic). In addition to China, which benefited from the start of the contract with BAIC, the vast majority of countries and regions continue to enjoy fast growth, including the Czech Republic, Spain and Italy. Belgium recorded a further acceleration

of growth to 7.3% in H1. Most countries recorded impressive margins of more than 10%, despite continued investment on future growth. In total, international operations generated profit from business operations of €9.1 million in H1-2015, representing a recurring operating margin of 11.1% (vs 12.7% in H1-2014).

- ✓ As of 30 June 2015, the Group had 10,822 employees, of which 5,418 in France, 3,105 in Germany and 2,299 internationally. The activity rate was 87.6% over the first half, an increase of 50bp compared with H1-2014.

CASH-FLOW GENERATION AND NET DEBT

- ✓ The AKKA Technologies Group generated €21.4 million in cash flow in H1-2015, compared with €23.2 million in H1-2014. Given the traditional seasonal structure of working capital, cash flow from operating activities was a negative €33 million over the period, a similar level to H1-2014.
- ✓ After acquisitions, net debt totalled €108.5 million as of 30 June 2015, on shareholders' equity of €201.1 million. This represented gearing of 53.9%, compared with 41.3% as of 30 June 2014 and 23% as of end-2014.
- ✓ At the same time, gross cash increased from €100.4 million as of 30 June 2014 to €178.3 million as of 30 June 2015 (vs €220 million as of 31 December 2014). This increase was notably attributable to the issuance of a €140 million Schuldschein-type bond (private placement subject to German law) in October 2014.
- ✓ The quality of the Group's balance sheet and its gross cash position will enable it to continue to capitalise on its unique positioning to speed up the diversification of its international activities.

DIVERSIFICATION – ACQUISITIONS

- ✓ AKKA Technologies returned to the acquisition market in late 2014 to accelerate the deployment of its international diversification strategy.
- ✓ After the acquisition of German company Auronik in late 2014, the Group acquired Italian company Epsco, which specializes in processes, during the first half of 2015. With revenue of €18 million in 2014 and impressive margins, Epsco will give the AKKA Technologies Group critical mass in Italy (€35 million in revenue with 420 employees). These two acquisitions demonstrate the Group's determination to accelerate the diversification of its activities.
- ✓ AKKA Technologies has also acquired 80% of Matis. This French technology consulting company, founded in 1994, has over 1,000 employees. It reported revenue of €82.5 million in 2014, 65% in France and 35% internationally. Matis is truly a complementary fit with the AKKA Technologies Group in terms of sectors, geographies and customers. It holds significant positions in Belgium and Spain. Besides sharing a passion for technology with AKKA Technologies, Matis has acknowledged expertise in the businesses of process support, industrialisation and quality, renewable energy and embedded computing. Leveraging its strong technological positioning, Matis derived 30% of its 2014 revenue

from the aerospace sector, 20% from the auto sector, 10% from energy and health, and 7% from transport. The objective is to sustain Matis's activities and support its growth. The majority takeover of Matis will take the Group across the 1 billion euro mark this year.

OBJECTIVES – SHORT- AND MEDIUM-TERM OUTLOOK

- ✓ International operations continued to record stellar operating performances. The resumption of growth of the French operations has come earlier than anticipated. It offset the slowdown in growth of the German activities.
- ✓ On this basis, the Group can confirm its objective of organic revenue growth in 2015 under its 2018 strategic plan.
- ✓ The transformation of MBtech's management will result in an improved operating performance in Germany. The continued rollout of the Group's business model internationally and in Germany will accelerate its organic growth, which will in turn be reinforced by the recent acquisitions of Auronik, Epsco and Matis.
- ✓ The Group confirms its 2018 objectives:
 - Revenue of €1.2 billion,
 - Recurring operating income* of €100 million,
 - Recurring operating margin of between 8% and 10%,
 - Control of financial equilibrium.

* Recurring operating income calculated before non-recurring items.

Upcoming events: Q3-2015 revenue on 9 November 2015

KEY H1-2015 FIGURES

(€ million)	H1-2015	H1-2014
Revenue	461.6	438.4
Profit from business operations	22.0	22.8
<i>As a % of revenue</i>	<i>4.8%</i>	<i>5.2%</i>
Non-recurring income and expenses	-6.1	-7.3
Operating income	15.9	15.5
Pre-tax income	11.1	11.8
Net income	9.8	11.5
<i>As a % of revenue</i>	<i>2.1%</i>	<i>2.6%</i>
EPS	0.47	0.64
Net debt	108.4	76.1
Gearing	53.9%	41.3%

- *The Board of Directors approved the financial statements on Thursday 17 September. The financial statements have been audited, and the certification report has been issued.*
- *Profit from business operations is calculated before non-recurring items.*
- *H1-2014 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 in May 2015.*

REVENUE BY QUARTER

Revenue (€ million)	Q1-2015	Q2-2015	H1-2015	Q1-2014	Q2-2014	H1-2014
France	108.9	111.3	220.2	113.1	111.0	224.2
Change	-3.7%	+0.3%	-1.8%			
<i>Organic change</i>	<i>-3.7%</i>	<i>+0.3%</i>	<i>-1.8%</i>			
Germany	80.4	78.9	159.3	75.6	77.2	152.8
Change	+6.4%	+2.1%	+4.2%			
<i>Organic change</i>	<i>+2.0%</i>	<i>-2.1%</i>	<i>0.0%</i>			
International (excluding Germany)	36.8	45.4	82.2	29.6	31.8	61.4
Change	+24.4%	+42.5%	+33.8%			
<i>Organic change</i>	<i>+18.1%</i>	<i>+12.2%</i>	<i>+15.0%</i>			
Total Group	226.1	235.6	461.6	218.3	220.1	438.4
Change	+3.6%	+7.0%	+5.3%			
<i>Organic change</i>	<i>+1.3%</i>	<i>+1.2%</i>	<i>+1.3%</i>			

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

RECURRING OPERATING MARGIN BY BU

(€ million)	H1-2015	H1-2014
France	6.6	6.0
	3.0%	2.7%
Germany	8.3	5.7
	5.2%	3.7%
International (excluding Germany)	9.1	7.8
	11.0%	12.7%
Other	-2.0	+3.3
Total Group	22.0	22.8
	4.8%	5.2%

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 nearly 11,000 talented employees, AKKA Technologies delivered revenue of €885.6 million in 2014, 50% of which internationally. It aims to lift this to €1.2 billion by 2018.

AKKA Technologies is listed on Euronext™ Paris – 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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