

GRADUAL RECOVERY MATERIALIZING AS EXPECTED  
DESPITE STRONG DIFFERENCES ACROSS INDUSTRIES

PRESS RELEASE

Q3 2020  
Highlights

- Sequential improvement in activity as expected
- Positive impact from the recovery of the Automotive sector
- Aeronautics market remains under pressure

2020 OUTLOOK

- Recent governmental measures do not question full year expectations
- Sequential revenue growth to continue in Q4 2020
- Operating margin from ordinary operations:  $\geq 0\%$
- Financial debt to be broadly stable at year-end and cash preserved

Q3 2020 REVENUE – GRADUAL BUSINESS RECOVERY

(€ million)	Q3 2020	Q3 2019	Change %	Organic growth	Q3 2020 vs Q2 2020 Change %	Q3 2019 Pro-forma Constant***	Change %
<b>Group</b>	<b>351.0</b>	<b>441.1</b>	<b>-20.4%</b>	<b>-28.9%</b>	<b>-0.3%</b>	<b>479.1</b>	<b>-26.8%</b>
<b>France</b>	<b>108.2</b>	<b>163.3</b>	<b>-33.8%</b>	<b>-33.8%</b>	<b>-2.9%</b>	<b>163.3</b>	<b>-33.8%</b>
<b>Germany</b>	<b>84.6</b>	<b>122.7</b>	<b>-31.1%</b>	<b>-31.1%</b>	<b>+13.6%</b>	<b>122.7</b>	<b>-31.1%</b>
<b>North America</b>	<b>60.8</b>	<b>78.4</b>	<b>-22.4%</b>	<b>-18.2%</b>	<b>+0.3%</b>	<b>74.3</b>	<b>-18.2%</b>
<b>International*</b>	<b>56.4</b>	<b>76.7</b>	<b>-26.5%</b>	<b>-25.5%</b>	<b>-5.5%</b>	<b>75.7</b>	<b>-25.5%</b>
<b>Data Respons**</b>	<b>41.1</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-10.3%</b>	<b>43.1</b>	<b>-5.1%</b>

\* Excluding France, Germany and North America

\*\* Data Respons has been consolidated since March 1<sup>st</sup>, 2020

\*\*\* Pro-forma constant = Organic + Data Respons revenue

- **AKKA recorded revenues of €351.0M in Q3 2020**, down -20.4% or -28.9% on organic basis. Revenue from AKKA legacy business increased organically by 1.2% in Q3 2020 compared to Q2 2020, while Data Respons recorded a 10.3% decrease in sales sequentially, due to the postponement of some solution deliveries, as expected and previously announced.
- Excluding Civil Aeronautics, **AKKA legacy revenue increased by 9.3% in Q3 2020** compared to Q2 2020, while Q3 2019 revenues had been 2% below those of Q2 2019, in line with the usual seasonality. This sequential growth this quarter was driven by the Automotive sector which is recovering gradually (+7% in Q3 compared to Q2 2020), as well as from Railways, Life Sciences and Telecommunications.

- **The global Aeronautics sector further deteriorated in Q3** and segment revenue decreased by more than 10% sequentially, or by 38% compared to the same quarter in 2019. However, within the sector, military activities continued their positive trend in Q3 2020.
- **Revenues from diversification segments proved more resilient and continue to expand.** The non-Mobility sectors, which accounted for 26% of Group revenue for the first nine months of 2020 compared to 20% for the same period in 2019, continued to perform in line with expectations.

## IMPROVING PERFORMANCE IN THE BUSINESS UNITS WITH LIMITED EXPOSURE TO AERONAUTICS

- **The recovery in the German BU was significant quarter on quarter**, with revenue increasing by 13% compared to Q2 2020. This step-up in the recovery pattern has been driven by the positive trend from automotive OEMs and suppliers. Therefore, Q4 2020 activity is expected to stabilize from Q3 2020. In Q3 2020, the Railway segment's strong momentum continued, and diversification segments continued to perform in line with expectations.
- **The performance of the French BU has been impacted by the weight of the Aeronautics sector**, which remains under significant pressure, and whose recovery is hard to predict. At this stage, AKKA has informed the trade unions that it plans to begin an information / consultation procedure with employee representatives that could lead to the implementation of a restructuring plan adapted to the company's current workload in an Aeronautics sector where the recovery is not materializing. The legal process may begin in the coming weeks. Excluding revenues from the Aeronautics sector, France BU recorded a 5% growth in revenues sequentially as the Automotive sector showed signs of recovery and the diversification sectors continued their good momentum, as was the case for the German BU.
- **North America proved resilient**, with stable revenue performance quarter on quarter. The trend noted previously that military aeronautics activities offset the weakness of the civil ones has been confirmed this quarter.
- The **International BU** Q3 performance slightly deteriorated compared to Q2 2020, due to Civil Aeronautics, notably in Japan which suffered from the abrupt shutdown of activities (Mitsubishi). Excluding revenues from the Aeronautics sector, the International BU recorded a sequential 1% growth in revenues.
- As expected, **Data Respons** revenue decreased in Q3 2020 due to the postponement of solution deliveries. However, this has not impacted AKKA's growth and margin expectations: Data Respons should return to significant growth in Q4 2020. The launch of Data Respons activities in France, where, like in Germany, business is very dynamic and has recorded double-digit growth since the beginning of 2020, is aimed at accelerating its development and providing AKKA's customers with new services around their products, processes and business models.

## BUSINESS TRENDS AND OUTLOOK FOR THE REMAINDER OF 2020

- **The gradual business recovery that AKKA has been expecting since Q2 is materializing across all sectors except Aeronautics.** Overall, Q4 2020 should further improve over Q3 2020, but will not be as significant as previously expected due to the uncertainties related to the evolution of the sanitary situation, which hinders global travel.

- **The deployment of our Fit-2-Clear transformation program has been further enhanced and accelerated and will bear fruit in H2 2020.** The Group's operating result from ordinary activities is expected to be positive for the full year 2020. Although the profitability of the French BU should be restored in the course of H1 2021, the outlook in terms of profitability for the other BUs is confirmed for H2 2020. Germany will be breakeven in Q4, North America should improve slightly compared to H1 while the International BU as well as Data Respons will deliver a positive double-digit profitability margin in H2.
- As Aeronautics is not expected to recover in the foreseeable future, **AKKA has informed the trade unions that it plans to begin an information / consultation procedure with employee representatives** that could lead to the implementation of a restructuring plan in France, where this sector represents close to 30% of the BU activity. The associated one-off cost is expected to be accounted for in 2020, as well as the one-off cost related to the restructuring plan that will be implemented in Germany in Q4, as planned. Therefore, the non-recurring costs for H2 2020 are expected to be materially higher than for H1 2020.

## AKKA'S FINANCIAL HEALTH AND BALANCE SHEET STRUCTURE

- **The Board of Directors approved a €200M reserved capital increase** with a subscription price of €22.50 per share (a premium of 43% over the last quoted price on October 5<sup>th</sup>, 2020). This reserved capital increase will be subscribed for €150M by the Belgian group Compagnie Nationale à Portefeuille SA (CNP) and €50M by the Ricci family group.
- Applications for the regulatory approvals required to complete this transaction have been submitted, and AKKA is confident that they will be obtained swiftly, allowing for a **completion of this transaction before year end.**
- As previously announced, AKKA's net debt is expected to be at year-end in line with the level recorded at the end of H1 2020, **enabling the Group to comply with its financial commitments for the full year of 2020.**

### Next event:

Full-year 2020 results: Press release on March 17<sup>th</sup>, 2021, 5.45pm  
Analyst meeting on March 18<sup>th</sup>, 2021, 9.30am

During its Annual General Meeting held on June 16<sup>th</sup>, 2020, AKKA informed its shareholders that it intends to change the format of the publication of its financial results to adopt best-in-class communication standards. From 2021, the Group will publish its interim and annual financial results all at once and will no longer pre-publish its revenues. The Group will continue to publish its first and third quarter revenues as it does currently. The financial calendar for 2021 will be published accordingly before the end of 2020.

*In case of discrepancies between the French and English versions of the press release, only the English version shall be deemed valid.*

**CONFERENCE CALL**

***Nathalie Buhnemann, Chief Financial Officer and  
Stephanie Bia, Group Communications & Investor Relations Director,***

*are pleased to invite you to a webcast dedicated to our 3<sup>rd</sup> quarter Revenue*

**Tuesday, October 29<sup>th</sup>, 2020 at 6:00 PM (CET)**

Belgium Toll: +32 24035816 PIN: 58491906#

France Toll: +33 172727403 PIN: 58491906#

United Kingdom Toll: +44 2071943759 PIN: 58491906#

United States Toll: +1 6467224916 PIN: 58491906#

Please connect a few minutes in advance to register

**About AKKA**

AKKA is the European leader in engineering consulting and R&D services in the mobility segment. As an innovation accelerator for its clients, AKKA supports leading industry players in the automotive, aerospace, rail and life sciences sectors throughout the life cycle of their products with cutting edge digital technologies (AI, ADAS, IoT, Big Data, robotics, embedded computing, machine learning, etc.).

Founded in 1984, AKKA has a strong entrepreneurial culture and is pursuing its fast-paced growth and international development in line with its CLEAR 2022 strategic plan. With 22,000 employees, who are passionate about technology and dedicated to advancing the future of industry, the Group recorded revenues of €1.8 billion in 2019.

Following the completion of the friendly take-over bid of Data Respons launched in January 2020, AKKA now holds 100% of the company's shares; with the success of this operation, AKKA leverages the most comprehensive portfolio of digital solutions in Europe to harness the growing demand from its customers in the mobility sector.

AKKA Technologies is listed on Euronext Paris and Brussels – Segment A – ISIN code: FR0004180537.

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

Follow us on: [twitter.com/AKKA\\_Tech](https://twitter.com/AKKA_Tech)

**AKKA Contacts**

Stephanie Bia  
Group Communications & Investor Relations Director  
Tel: +33(0) 6 47 85 9878  
[stephanie.bia@akka.eu](mailto:stephanie.bia@akka.eu)

## APPENDIX - REVENUE BY QUARTER

Revenue (€ million)	Q1 2020	Q2 2020	Q3 2020	YTD 2020
<b>France</b>	<b>152.8</b>	<b>111.4</b>	<b>108.2</b>	<b>372.4</b>
<i>% change</i>	-9.7%	-31.1%	-33.8%	-24.6%
<i>Organic growth<sup>1</sup></i>	-9.7%	-31.1%	-33.8%	-24.6%
<i>Pro forma constant growth<sup>2</sup></i>	-9.7%	-31.1%	-33.8%	-24.6%
<b>Germany</b>	<b>106.8</b>	<b>74.5</b>	<b>84.6</b>	<b>265.9</b>
<i>% change</i>	-14.9%	-42.1%	-31.1%	-29.5%
<i>Organic growth<sup>1</sup></i>	-14.9%	-42.1%	-31.1%	-29.5%
<i>Pro forma constant growth<sup>2</sup></i>	-14.9%	-42.1%	<b>-31.1%</b>	-29.5%
<b>North America</b>	<b>77.5</b>	<b>60.6</b>	<b>60.8</b>	<b>198.9</b>
<i>% change</i>	2.5%	-21.1%	-22.4%	-13.8%
<i>Organic growth<sup>1</sup></i>	-0.7%	-22.5%	-18.2%	-13.7%
<i>Pro forma constant growth<sup>2</sup></i>	-0.7%	-22.5%	<b>-18.2%</b>	-13.7%
<b>International</b>	<b>70.7</b>	<b>59.7</b>	<b>56.4</b>	<b>186.8</b>
<i>% change</i>	-6.9%	-23.4%	-26.5%	-19.0%
<i>Organic growth<sup>1</sup></i>	-7.6%	-23.1%	-25.5%	-18.7%
<i>Pro forma constant growth<sup>2</sup></i>	-7.6%	-23.1%	<b>-25.5%</b>	-18.7%
<b>Data Respons</b>	<b>18.2</b>	<b>45.8</b>	<b>41.1</b>	<b>105.0</b>
<i>% change</i>	n/a	n/a	n/a	n/a
<i>Organic growth<sup>1</sup></i>	n/a	n/a	n/a	n/a
<i>Pro forma constant growth<sup>2</sup></i>	+17.0%	+16.5%	<b>-5.1%</b>	9.3%
<b>Total Group</b>	<b>425.9</b>	<b>352.0</b>	<b>351.0</b>	<b>1129.0</b>
<i>% change</i>	-4.5%	-20.9%	-20.4%	-15.3%
<i>Organic growth<sup>1</sup></i>	-9.2%	-31.4%	-28.9%	-23.1%
<i>Pro forma constant growth<sup>2</sup></i>	-6.9%	-27.5%	<b>-26.8%</b>	-20.3%

<sup>1</sup> Growth at constant scope and exchange rates.

<sup>2</sup> Organic + Data Respons revenue since 1st Jan 2019.