

Q3 2018 PERFORMANCE

- Revenue growth of **+12.7%**
- Acceleration in demand and strong recruitment activity
- Robust growth in all three Business Units across all mobility sectors
- Regulatory approval from US authorities to acquire PDS Tech

2018 OUTLOOK

- **2018 growth target increased to 9%**
- Operating margin of at least **8%**
- Free Cash Flow \geq **4.5%**

2018 THIRD QUARTER REVENUE

In millions of Euros	Q3 2018	Q3 2017	Growth %
Revenue	349.8	310.3	+12.7%
France	150.6	125.9	+19.6%
Germany	120.6	113.9	+5.9%
International (Excl. Germany)	78.5	70.5	+11.5%

- **The Group's expertise in future mobility technologies, digital and industry 4.0 has enabled AKKA to deliver excellent third quarter results.** AKKA's three Business Units benefit from a strong increase in demand, particularly in all mobility sectors supported by a double-digit growth in the aerospace, automotive and railway sectors.
- **This strong momentum allows the Group to increase its 2018 growth targets.** AKKA anticipates an organic growth of 9%, an 8% margin from ordinary activities with a free cash flow of 4.5%.

KEY FIGURES Q3 2018: VERY STRONG GROWTH IN MOBILITY

- The group's revenue **increased by 12.7%** in the third quarter to € 349.8M. Organic growth increased to 12.8% (8.3% in Q1 and 6.2% in Q2). For the first nine months, organic growth stood at 9.0%.
- **The organic growth momentum is strong in all three Business Units.** In the third quarter, growth amounts to 19.6% in France, 5.9% in Germany and 12.0% Internationally. Organic growth remained high for the first nine months of 2018, reaching 9.0% for the whole group, of which 12.1% in France, 4.2% in Germany and 11.3% Internationally.
- Growth is supported by the strong demand in the mobility sector with numerous projects in hybrid, autonomous vehicles, electric engines, connectivity and digital.

- **The Group continues to recruit at a steady momentum** to support the strong business growth. As at September 30th, 2018, AKKA recorded 17,144 employees, an increase of 12.9% compared to the end of September 2017. It includes 7,806 talents in France (+14.9%), 5,003 in Germany (+7.2%) and 4,248 Internationally (+15.9%).

ACTIVITY BY BUSINESS UNIT

- **The French Business Unit** recorded revenues of **€ 150.6M in Q3 2018**, delivering **excellent organic growth of 19.6%** (8.7% in H1 2018). This performance was driven by the numerous contracts signed in the mobility sector, particularly for autonomous vehicles with strong growth in connectivity. AKKA also benefited from a non-recurring equipment delivery contract in the aerospace sector amounting to nearly € 6M. Excluding this contract, the organic revenue growth of the French BU amounted to 15.1% in the third quarter.
- **The German Business Unit** posted a **good performance in Q3 2018 with € 120.6M in revenues**, delivering an **organic growth of 5.9%** in sales (vs. 3.5% in H1 2018). Growth is driven by successful ongoing sectorial and client diversification. In particular, the Group recorded double-digit growth with Volkswagen, Bosch, BMW, Airbus and Continental.
- **The Group's international operations** (excluding Germany) posted **revenues of € 78.5M in Q3 2018**, an organic increase of 12.0% (vs. 11.0% in H1 2018). After an excellent first half year, the third quarter was marked by an additional boost in sales driven by activities in North America, Italy, Spain and the United Kingdom. Overall, the revenue of international activities increased by 11.3% over the first nine months of the year.

REGULATORY APPROVAL GRANTED BY THE AMERICAN AUTHORITIES TO ACQUIRE PDS TECH

- AKKA just received regulatory approval from the American authorities in view to acquire PDS Tech, an American leader in the engineering and R&D segment specialized in the aerospace sector. AKKA and PDS Tech are now working on finalizing the transaction, which should take place in the coming weeks.
- The completion of this transaction is an important step in the Group's growth strategy in the United States and is in line with its CLEAR 2022 strategic plan.
- **The US market is valued at \$ 295 Billion¹ and is expected to double in the coming years.** The trend towards concentration of supplier panels has begun among major manufacturers. This is a market signal indicating the development of outsourcing of engineering activities. **With PDS Tech, AKKA will be ideally positioned** to benefit from the strong growth in US demand for outsourced R&D services, accompany the market evolution of R&D outsourcing practices for large industrial companies **and take advantage of the increased demand within the aerospace sector.**
- PDS Tech already benefits from the strong market demand and **is expected to generate organic growth of 15% in 2018, totalling 300 M\$,** compared to \$260M in 2017.

¹ Source Zinnov

- In anticipation of completing the acquisition, AKKA is actively preparing the integration of PDS Tech pursuing the dual objective of rapidly deploying synergies with AKKA's existing clients in the US market on the one hand, and to support the high demand from PDS Tech clients on the other. Mr. Cash Nickerson, current President and Partner at PDS Tech will lead this project which will bring promising opportunities in the US market. Mr. Benjamin Ricci, who recently set up the AKKADEMY, will work alongside him. The operational management will be led by one of AKKA's historic managers from the Aerospace Sector.

2018 OUTLOOK

- All of the above factors enable the Group to raise once again its objectives for the 2018 financial year. AKKA now anticipates organic growth of 9% (6% previously). The Group confirms its objective to deliver an operating margin of 8% with free cash flow of 4.5%.
- In the mid-term, AKKA will continue to benefit from its strategic positioning in next generation technologies to generate greater growth than its underlying markets.
- **CLEAR 2022** will enable the company to capture growth from the digital revolution and sustainably enhance the Group's financial performance in order to achieve:
 - **€ 2.5 Billion** in Revenue
 - **€ 250M** Operating Profit from Ordinary Activities²
 - **€ 150M** of Free Cash Flow

Next Event:

Publication of Q4 2018 Revenue: Thursday, February 7, 2019

In case of discrepancies between the English and the French versions, the French version prevails.

² Operating income calculated before non-recurring items and costs related to stock options and free shares

APPENDIX

REVENUE BY QUARTER

Revenue (in millions of Euros)	Q1 2018	Q2 2018	Q3 2018	YTD 2018
France	158.0	143.3	150.6	451.9
<i>Growth</i>	+8.9%	+8.5%	+19.6%	12.1%
<i>Organic Growth***</i>	+8.9%	+8.5%	+19.6%	12.1%
<i>Economic Growth**</i>	+10.6%	+8.5%	+17.7%	12.1%
Germany	118.6	133.3	120.6	372.6
<i>Growth</i>	+7.2%	+0.3%	+5.9%	4.2%
<i>Organic Growth***</i>	+7.2%	+0.3%	+5.9%	4.2%
<i>Economic Growth**</i>	+5.3%	+2.0%	+5.6%	4.3%
International (Excl. Germany)	77.3	81.3	78.5	237.1
<i>Growth</i>	+6.7%	+11.1%	+11.5%	9.7%
<i>Organic Growth***</i>	+8.9%	+13.0%	+12.0%	11.3%
<i>Economic Growth**</i>	+11.0%	+12.3%	+11.7%	11.7%
Total Group	353.9	358.0	349.8	1061.7
<i>Growth</i>	+7.8%	+5.8%	+12.7%	8.7%
<i>Organic Growth***</i>	+8.3%	+6.2%	+12.8%	9.0%
<i>Economic Growth**</i>	+10.2%	+5.5%	+12.0%	9.1%

* Change at constant scope and exchange rates

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

*** Growth at constant scope, exchange rates and number of working days and adjusted for the seasonal impact of GIGATRONIK in H1 2017



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PRESS RELEASE

About AKKA

AKKA ranks as the European leader in engineering consulting and R&D services in the mobility sector. 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 1984, AKKA has a strong entrepreneurial culture and is pursuing fast-paced growth and international development in line with its strategic plan CLEAR 2022. With 17,100 employees, who are passionate about technology and dedicated to advancing the future of industry, the Group recorded revenues of €1.3 billion in 2017.

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

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