

## TACKLING THE CURRENT CRISIS & PAVING THE WAY FOR THE FUTURE

### Q1 2020 PERFORMANCE

- Q1 revenue down by 4.5% at €425.9 M
- Strong resilience of digital activities and AKKA North America
- Robust financial situation

### 2020 FIRST QUARTER REVENUE

(€ million)	Q1 2020	Q1 2019	Growth	Organic Growth
<b>Group</b>	<b>425.9</b>	<b>446.3</b>	<b>-4.5%</b>	<b>-9.2%</b>
<b>France</b>	<b>152.8</b>	<b>169.1</b>	<b>-9.7%</b>	<b>-9.7%</b>
<b>Germany</b>	<b>106.8</b>	<b>125.6</b>	<b>-14.9%</b>	<b>-14.9%</b>
<b>North America</b>	<b>77.5</b>	<b>75.6</b>	<b>2.5%</b>	<b>-0.7%</b>
<b>International*</b>	<b>70.7</b>	<b>76.0</b>	<b>-6.9%</b>	<b>-7.6%</b>
<b>Data Respons**</b>	<b>18.2</b>	<b>-</b>	<b>-</b>	<b>-</b>

\* Excluding Germany and North America

\*\* Data Respons is consolidated since 1<sup>st</sup> March

### Q1 2020 PERFORMANCE IMPACTED BY LOW Q4 GROWTH AND COVID-19 SITUATION

- AKKA has been impacted in Q1 by low Q4 2019 growth due to key automotive customers' transition, B737 Max program's impact on aerospace suppliers and a lack of commercial performance. Combined with the impact of the COVID-19 situation that started to materialize in March, Group revenue was down 4.5% in the first quarter of 2020 and 9.2% organically.
- Digital, Telecommunications, Energy, Defense, Railway and Life Sciences remained resilient, whereas Automotive and Aerospace suffered from the temporary closure of their production sites and from certain projects being postponed.
- France and Germany were impacted by the drop in automotive and aerospace R&D whereas International and North Americas BUs proved to be resilient.

### AN AGILE AND SUSTAINABLE RESPONSE TO THE CURRENT CRISIS

- **Launch of Fit2Clear.** Performance in Q4 2019 came as a disappointment to the Group after recording 8 years of strong growth with revenue increasing from €400M in 2012 to €1.8bn in 2019. At the beginning of the year AKKA started to develop a performance-boosting initiative called Fit2Clear, aimed at further enhancing performance through a reduction of central costs, an acceleration of the nearshoring strategy for certain activities and the deployment of lean management structures to improve both net and operating margins. The implementation of this

program has been accelerated by the COVID-19 crisis and is expected to start bearing fruit as early as H2 2020.

- **Proactively navigating COVID-19 and beyond.** AKKA reacted swiftly to address the COVID-19 crisis. In order to protect the health of its employees and continue to support its clients' activity, the Group diligently and successfully took decisive steps:
  - Setting up a secure and efficient system of remote working
  - Re-insourcing of subcontracting and deciding of a temporary hiring freeze
  - Taking key actions on its cost base, using all available levers from technical unemployment to SG&A reductions & capex freeze
  - Actively managing its cash collection through an accelerated invoicing process.
- **Active Cash Management allows the Group's financial situation to remain strong.** The Group is confident it will comply with all of its covenants at the end of June 2020 and has been successfully working towards protecting its financial capacity.

## PAVING THE WAY TO EMBRACE FUTURE GROWTH

- AKKA's willingness to expand its digital activity resulted in the **acquisition of Data Respons**. The rationale of the Data Respons acquisition, now complete, is further strengthened by the resilience of digital activities. Despite the crisis, Data Respons is still working at full capacity to propose solutions to its customers and grew 8% organically in Q1. **The Group believes that innovation spurred by digital, mobility, electrification and ADAS will continue to drive demand.** Consequently, the Group is **accelerating the deployment of its digital strategy** to emerge as a leading player in the post-crisis era.
- AKKA has massively scaled up its training program **with the objective of keeping onboard its highly experienced engineers** to work alongside its clients when they will reaccelerate their R&D programs after the crisis. Additionally, AKKA Research has launched several **R&D programs** to enhance its leadership in tomorrow's technologies and to offer innovative solutions as the crisis ends.

## 2020 OUTLOOK

- The Group expects, based on the information currently available, the second quarter to be challenging, and anticipates pro-forma decline in revenue at CER of about -15% for the first half of the year.
- The Group is preparing itself to benefit from the economic recovery, hopefully due to commence in September, and therefore expects, to the best of its knowledge, a gradual recovery in Q3 and Q4.

## MID TERM OUTLOOK - ALLOCATION OF 1 SHARE FOR EVERY 10 SHARES HELD

- AKKA continues to build on its strengths, including its financial position and long-term management approach, to emerge as a leading player in the post-crisis era.
- In order to encourage long-term shareholding, the Group wishes to reward shareholder loyalty by allocating them one new share for every 10 shares held. The allocation has no impact on the cash the Group dedicates to its operations and post-crisis opportunities.

- 2,029,199 new shares will be allotted, which will be assimilated to existing shares (ISIN code FR0004180537) as of 18 May 2020 (Ex-date). According to European regulation, the operation will be the subject of a document specifying the reasons for and the details of the allotment. Fractional shares will be compensated in cash to each account holder on their shareholders' account.
- The Group is willing to continue this strategy over the long term. It will therefore propose an amendment to its Articles of Association at its next Annual General Meeting on 16 June 2020 to offer its loyal shareholders the possibility of receiving one share for every 10 shares held for at least 24 months.

**Next events:**

Half-year 2020 revenue: Monday, 27 July 2020

Half-year 2020 results: Tuesday, 15 September 2020

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

**About AKKA**

AKKA is the European leader in digital solutions, engineering consulting and R&D services in the mobility segment. As an innovation accelerator for its clients, AKKA supports leading industry players throughout the life cycle of their products with cutting edge digital technologies (AI, ADAS, IoT/IIOT, Big Data, robotics, embedded computing, machine learning, etc.). With approximately 22,000 technology-passionate employees and half a billion Euros digital platform, AKKA is dedicated to advancing the future of industry and supporting the digital transition of its clients. The Group recorded revenues of €1.8 billion in 2019.

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**

**Investor Relations**

Dov Levy  
VP Investor Relations  
Tel: +32(0) 2 712 61 24  
[dov.levy@akka.eu](mailto:dov.levy@akka.eu)

**Media Relations**

Markus Leutert  
Group Head of Communications  
Tel.: +32(0) 4 96 26 27 55  
[markus.leutert@akka.eu](mailto:markus.leutert@akka.eu)

**FTI Consulting**

[akka@fticonsulting.com](mailto:akka@fticonsulting.com)  
**Media Relations, France**  
Léa Truchetto  
Tel.: +33(0) 1 47 03 68 15



PASSION FOR  
TECHNOLOGIES

PRESS RELEASE

## GLOSSARY\*

Organic growth:

- Growth at a constant scope and exchange rate