



ACTIVITY REPORT **2017**

AKWEL

EFFICIENT AUTOMOTIVE
SOLUTIONS



ADAPTING TO A CHANGING ECOSYSTEM... ■■■

In 2017, MGI Coutier consolidated its performance and continued its transformation to align itself with the changes on a market in the midst of a revolution. The group also decided to change its name and take on a new identity to become AKWEL. This new page in its history aims to sustain the development and international footprint of the company.

The MGI Coutier group has significantly evolved in recent years, having doubled in size since 2011, notably through substantial external growth transactions. This international expansion, a real change of dimension, has led the group to redefine its mission and rethink its organisational structure so as to adapt to the profound changes in the car manufacturer ecosystem.

MGI Coutier has decided to mark this transformation process by giving itself a new name as of June 2018: AKWEL. More in tune with our current reality, this new identity will allow us to continue to grow and progress in order to better serve our customers and offer them the appropriate innovative solutions that will allow them to stand out tomorrow.

Beyond this evolution, the review of the year is very positive. Turnover topped the historic mark of €1 billion one year ahead of our forecast. The group continues to outperform the global market and its profitability continues to grow. Record growth momentum was recorded at 19 sites around the world. We can all be proud of these results, which we will maintain by staying focussed on our objectives: personal safety, customer satisfaction and the pursuit of competitiveness and performance.

To this end, international expansion has continued and three new sites have started their activities: Chongqing and Wuhan in China, and Ixtaczoquitlan in Mexico. Other sites will open soon: Rayong (Thailand) in 2018 and Vidin (Bulgaria) in 2020. The priority given to industrial performance over the last two years has also been confirmed, as the regularity, high standards and standardisation of manufacturing are vital to maintaining the trust of our customers and winning new projects.

Boosted by a sustained intake of orders and the commitment of every employee, AKWEL remains confident in its ability to support the evolution of the automotive sector and to drive dynamic developments in the short and medium term. The group hopes to achieve turnover of €1.2bn by 2020.

-
MATHIEU COUTIER
PRESIDENT OF THE EXECUTIVE BOARD

GROUP PROFILE

THE AKWEL GROUP
IS A WORLD-CLASS AUTO-
MOTIVE
EQUIPMENT AND SYSTEMS
SUPPLIER,
POSITIONED TODAY IN
TWO AREAS OF EXPER-
TISE:
FLUID MANAGEMENT
AND MECHANISMS.



AKWEL designs, develops and distributes high-performance products and systems primarily for a homogeneous market of a dozen global strategic customers, automotive and truck manufacturers.

Through its world class industrial and technological know-how in the application and transformation of materials and in mechatronics, it stands as a trusted partner to its customers. The group's expertise brings it a wide range of opportunities to develop the new products that are needed by the rapidly changing automotive market and to help manufacturers build more reliable and environmentally responsible autonomous and connected vehicles at a competitive price.

To better anticipate and more effectively serve the needs of its customers, AKWEL is organised into **product-line departments that ensure innovation and development, regional industrial departments** that manage manufacturing performance and plants by geographical area, **cross-functional departments that optimise resources and ensure strategic coherence**, and an **aftermarket division for after-sales activities**.

As a resolutely independent family group, AKWEL harnesses **four core values** – *simplicity, reliability, teamwork and performance* – to cultivate its long-term ambitions:

- to establish its position as a recognised international player;
- to adapt to the multiple evolutions of its business and its customers;
- to maintain the balance and diversity of its teams.

45 YEARS OF HISTORY

INITIALLY SUBCONTRACTOR AND NOW AN INTERNATIONALLY-RECOGNISED SYSTEMS AND COMPONENTS MANUFACTURER

1972

Founding of Coutier SA, a subcontractor specialising in the manufacture of plastic parts, by the three Coutier brothers, André, Joseph and Roger.

1991 - 1994

Beginning of international expansion in Spain and Turkey followed by China.

1994 - 1998

Continuation of international expansion (Tunisia, Argentina, and Brazil) and strengthening of business activity in France (acquisitions and organic growth).

2004

Deployment in India.

2005

Doubling of production surface area in Turkey (new site) and in Brazil (extension).

2006

Development in Eastern Europe with the opening of a site in Romania.

2011

Strengthening of tooling expertise with the takeover of the mould-manufacturer Deplanche and the implementation of a major external growth transaction through the acquisition of the Avon Automotive components manufacturer in the United States.

2015

The second generation of Coutiers takes the helm with the appointment of Mathieu Coutier as President of the Executive Board.

2018

The MGI Coutier group changes its name and becomes AKWEL.

1988 - 1990

Coutier SA begins its transformation through the takeover of MGI and the establishment of MGI Coutier, a components manufacturer specialising in plastics and metal.

1994

Listed on the French Stock Exchange (Paris - Eurolist).

2000

At the start of the new millennium, MGI Coutier implements the SAP management tool in order to efficiently manage its 12 French sites and 9 world-wide subsidiaries.

2014

Acquisition of the Swedish components manufacturer Autotube AB.

2016

The group introduces a new organisation structure with the creation of departments dedicated to product lines and industrial departments by geographical zone which manage the group's plants.

CONTENTS

2017, A YEAR OF STABILISATION
P. 7

A FAMILY GROUP WITH AN INTERNATIONAL DIMENSION
P. 15

OUR BUSINESS LINES AND THEIR EMPLOYEES
P. 19

PLANNING FOR THE FUTURE
P. 27

QSE² POLICY, A SHARED RESPONSIBILITY
P. 32

2017,
A YEAR OF
STABILISATION

In 2017, the group consolidated the performance levels achieved in 2016, a financial year whose context was particularly favourable.

Despite a rise in the prices of raw materials, the environment remained generally favourable in 2017, driven by a global automotive market that grew by 2.3%. The 2017 fiscal year saw the group top the mark of €1 billion in turnover, up 6.3% on 2016. The year ended with delivery volumes of AdBlue® tanks for the SCR system that were well above expectations. The group also benefited from the positive effects of recent production ramp-ups for new vehicles following a good order intake in recent years. Non-financial investments hit a record level and, as in 2016, AKW-EL recorded a strong utilisation of its industrial capacity in 2017. All of the Group's established entities posted positive current operating income (ROC) and all geographic areas experienced growth.

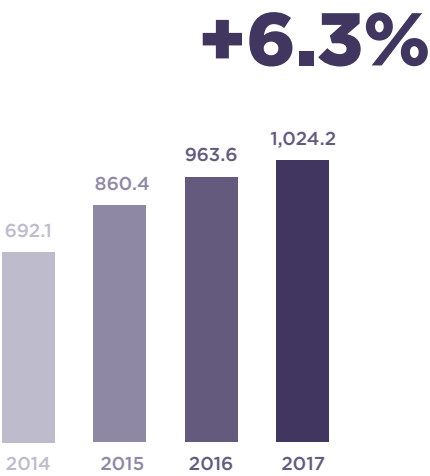
RESULTS AND PERFORMANCE 2017: KEY FIGURES

TURNOVER PRODUCTS AND FUNCTIONS
€983.2M
(+6.1%)

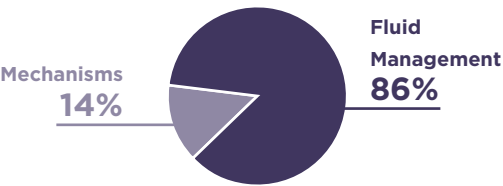
TURNOVER TOOLING
€34.7M
(+2.5%)

CONSOLIDATED TURN-OVER
€1,024.2M
+8.9% AT CONSTANT SCOPE AND EXCHANGE RATES

4-YEAR GROWTH IN PUBLISHED TURNOVER
(in millions of euros)



TURNOVER BY PRODUCT LINE AND FUNCTION



in €m	2017	Change on last year	% of turnover
Engine Management Systems	144.5	-0.2%	14.7%
Fuel and Control	244.9	+4.8%	24.9%
Emission Control Systems	212.6	+11.8%	21.6%
Washing Systems	37.5	+4.0%	3.8%
Coolant	205.1	+6.9%	20.9%
Fluid management	844.6	+6.0%	85.9%
Mechanisms	138.6	+6.9%	14.1%
TOTAL	983.2	+6.1%	100%

AN INTERNATIONAL PRESENCE THAT REMAINS STRONG

NORTH AMERICA

1st site in 2000
5 sites
29.9% of employees
Turnover in 2017: €229.6m (-0.6%)
22.4% of total turnover

FRANCE

17 sites
17.0% of employees
Turnover in 2017: €365.8m (-5.3%)
35.7% of total turnover

EUROPE (EXCLUDING FRANCE), RUSSIA & AFRICA

1st site in 1991
16 sites
36.2% of employees
Turnover in 2017: €304.5m (+28.6%)
29.7% of total turnover

SOUTH AMERICA

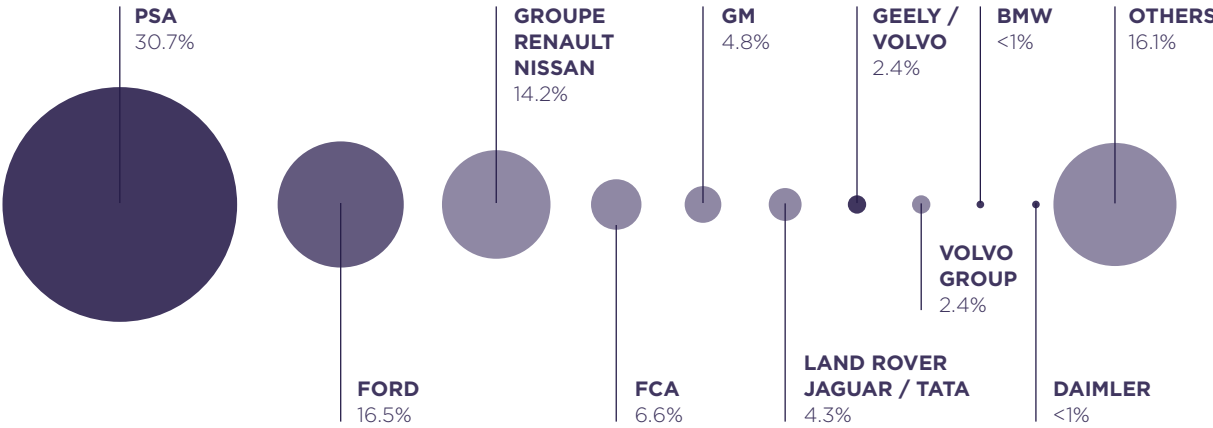
1st site in 1997
2 sites
0.8% of employees
Turnover in 2017: €16.9m (+14.7%)
1.7% of total turnover

ASIA & THE MIDDLE-EAST (INCLUDING TURKEY)

1st site in 1994
12 sites
16.1% of employees
Turnover in 2017: €107.4m (+13.3%)
10.5% of total turnover

IN 2017, 19 SITES POSTED RECORD BUSINESS ACTIVITY (COMPARED WITH 14 IN 2016).

TURNOVER BY CUSTOMER



In 2017, 86.9% of turnover came from our strategic customers (compared with 84.2% in 2016)

STOCK MARKET DATA

- Euronext Paris
- Compartiment B
- ISIN code: FR0000053027
- Share price on 30 March 2018: €30.2
- Total number of shares: 26,741,040
- One year performance: -9.8%
- Market capitalisation: €808m
- Market-making contract: Gilbert Dupont
- Analysts following the stock: Gilbert Dupont / Louis Capital Market / Portzamparc
- Shareholder structure at 31/12/2017:
 - Coutier family: 69.7%
 - Public, treasury shares, employees and managers: 30.3%

5-YEAR SHARE PRICE VARIATION



HIGHLIGHTS IN 2017

THE YEAR WAS MARKED BY NEW SITE OPENINGS, THE FILING OF SOME 30 PATENTS, SEVERAL AWARDS FROM CUSTOMERS, THE LAUNCH OF NEW PRODUCTS AND NUMEROUS INVESTMENTS. A LOOK BACK AT THE MAIN HIGHLIGHTS OF THE YEAR.



COMPLETED SITES AND DEPLOYMENT PROJECTS

Started up in 2017

CHONGQING, CHINA

- **STARTING DATE:** May 2017
- **FLUIDS:** Cooling, Air
- **CUSTOMER:** Ford
- **FLOOR AREA:** 5,000 m²

WUHAN, CHINA

- **STARTING DATE:** November 2017
- **FLUIDS:** Oil, Air
- **MECHANISMS:** Handles
- **CUSTOMERS:** DPCA, Volvo Car, Ford
- **FLOOR AREA:** 5,000 m²

IXTACZOQUITLAN, MEXICO

- **STARTING DATE:** September 2017
- **FLUIDS:** Coolant
- **CUSTOMERS:** FCA, BMW
- **FLOOR AREA:** 16,000 m²

Projects for 2018

RAYONG, THAILAND

- **STARTING DATE:** H1 2018
- **FLUIDS:** Coolant
- **CUSTOMER:** Ford
- **FLOOR AREA:** 4,000 m²

Projects for 2020

VIDIN, BULGARIA

- **FLUIDS:** Fuel, Coolant
- **CUSTOMERS:** Ford, RSA
- **FLOOR AREA:** 7,000 m²

PRODUCTS FOR NEW VEHICLES

In 2017 AKWEL recorded strong order intakes for new vehicles.

Citroën C3 Aircross

- **FUELS:** Pipes, connectors and filling valves, supply and return (Tunisia)
- **STEERING:** Pipes and brake connections (China)
- **EMISSION CONTROL:** AdBlue® filling pipes and SCR systems (Portugal, Romania)
- **OIL:** Cylinder head covers (France)
- **MECHANISMS:** Door strikers, hood locks (France)

- **MECHANISMS:** Pedal boxes (France)

- **WASHING SYSTEMS:** Tanks, jets, pipes (France)

- **AIR INTAKE:** Pipes (France)

Wrangler Jeep

- **AIR INTAKE:** EGR pipes (Mexico)

- **FUELS:** Petrol vapour pipes and drains (Mexico)

- **COOLANT:** Radiator hoses (Mexico)

- **COOLANT:** Pipes (United Kingdom)

- **FUELS:** Pipes: filling, feeding and return (United Kingdom)

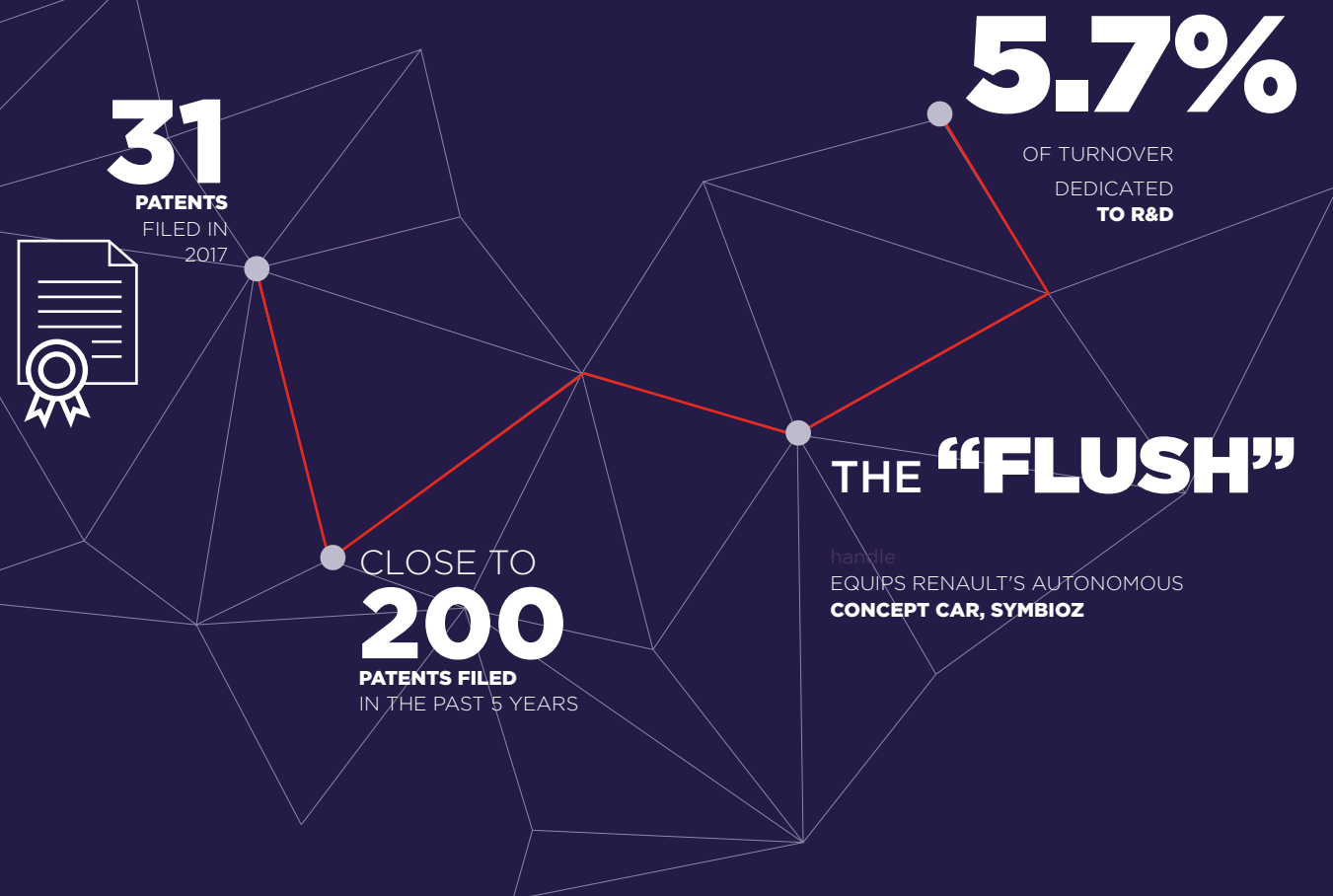
- **WASHING:** Tanks, jets and heating pipes (United Kingdom)

- **AIR INTAKE:** Pipes (France)

Renault Alpine

Range Rover Velar

PATENTS, AWARDS AND INNOVATION

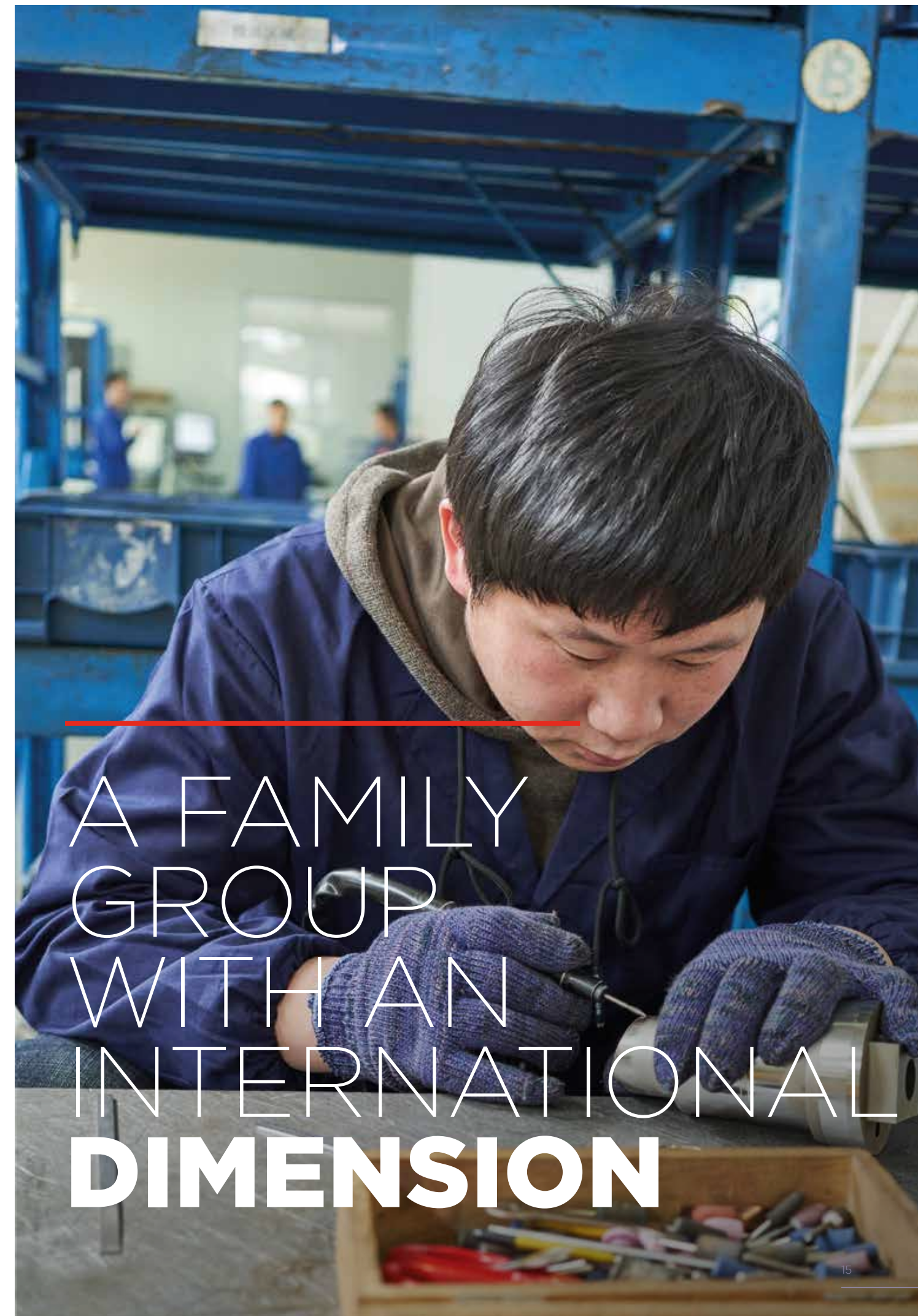


AWARDS

- **FORD:**
 - "Quality Award" Finalist, Ford Dearborn (US)
 - South America Top Supplier Awards 2017, Cordoba (Argentina)
 - "Zero Defects" award, Monteux (France)
- **PSA:**
 - "Best Plant" Award, Romans (France) and Vigo (Spain)
- **OYAK/RENAULT:**
 - "Supplier success award" Oyak/Renault, Bursa (Turkey)

INVESTMENTS

- A record level of investment was reached in 2017, totalling **€148.10m**. AKWEL's non-financial investments stood at **€87.3m**. For the group they represent a total amount of **€240m** over the past five years.
- Research and development accounted for **5.9%** of turnover.
 - More than **280** robots have been installed, including **129** new ones during 2017, as part of the "Plant 4.0" project.
 - The AKWEL group continued its external growth activities in 2017, taking over part of the assets of Frank & Pignard, a specialist in fluid management and engine components, as well as Precialp, specialised in turbo-compressor components and the world leader in bearings and stops. These acquisitions allow the group to safeguard the supply of certain components.



A FAMILY
GROUP
WITH AN
INTERNATIONAL
DIMENSION

PANORAMA

A world-class Tier 1 equipment manufacturer specialised in fluid management (86% of 2017 turnover) and mechanisms (14%), AKWEL boasts an extensive international presence. The group is present in 22 countries on 5 continents, with 42 industrial sites and 8 representative offices. It currently employs nearly 10,900 people worldwide.

THE GROUP'S TWELVE STRATEGIC CUSTOMERS WORK IN THREE MARKET SEGMENTS:

GENERAL PURPOSE LIGHT VEHICLE MANUFACTURERS

65% PEUGEOT, CITROËN, OPEL, DONGFENG, FORD, CHANG'AN, GEELY, GENERAL MOTORS, CHRYSLER, FIAT, RENAULT, DACIA, NISSAN, SAMSUNG

PREMIUM LIGHT VEHICLE MANUFACTURERS

8% JAGUAR, LAND-ROVER, VOLVO, DS AUTOMOBILE, BMW, MERCEDES-BENZ, INFINITI

UTILITY VEHICLE AND TRUCK MANUFACTURERS

11% RENAULT TRUCKS, VOLVO TRUCKS, MACK, UD, EICHER, DAIMLER, MITSUBISHI

OPERATING INCOME 2017
€115.4M

2017 TURNOVER
€1,024.2m

AKWEL IS AN
INDEPENDENT FAMILY GROUP,
OWNED **69.7%**
BY
THE COUTIER FAMILY.

TWO AREAS OF EXPERTISE
+ A DEDICATED AFTER-SALES DIVISION

FLUID MANAGEMENT:

86%
OF 2017
TURNOVER

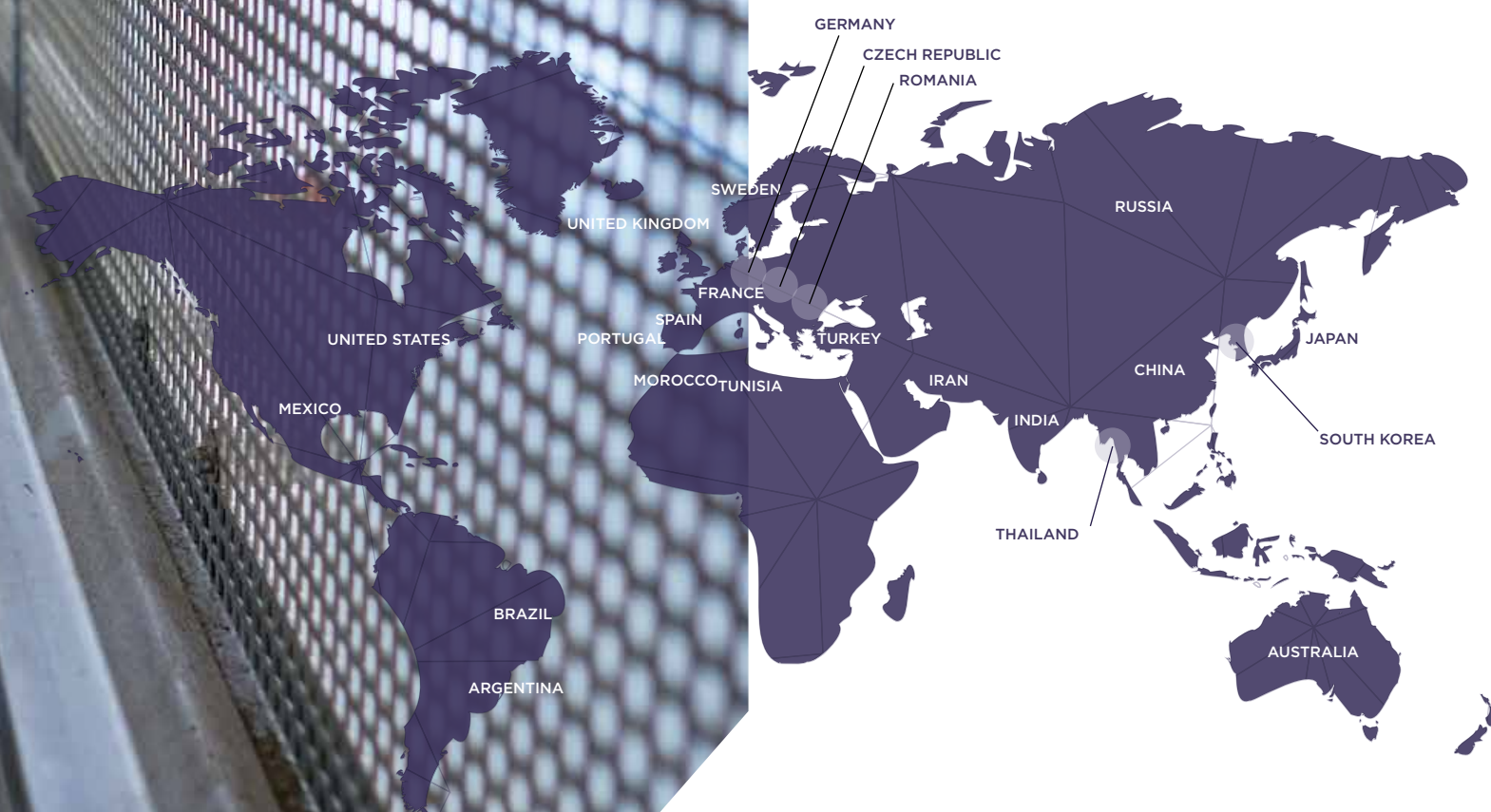
STORAGE, TRANSFER,
COOLING, HEATING,
DOSING, SEPARATION,
MIXING, FILTRATION,
TEMPERATURE AND
PRESSURE MEASURE-
MENT

MECHANISMS:

14%
OF 2017
TURNOVER

HINGES,
LOCKS,
OPENING
CONTROLS,
PEDAL BOXES

AFTERMARKET - MANUFACTURER REPLACEMENT AND DISTRIBUTION (VIA THE SEIM BRAND).



A GOVERNANCE THAT GUARANTEES INDEPENDENCE

AKWEL is one of the few equipment manufacturers of its size to retain a family-based structure. A full 69.7% of the company's capital is owned by the Coutier family, the second generation of which is now in command. The group places great stock in maintaining its independence and reflecting its values in its organisation structure. AKWEL's legal structure is built around a small executive body composed of a supervisory board and an executive board.

THE EXECUTIVE BOARD MANAGES:

- the Executive Committee: this committee assists the Executive Board by formulating opinions and recommendations and encourages dialogue and the cross-cutting dissemination of best practices throughout the group's areas of activity;
- the cross-functional departments, which provide assistance and uniformity, guarantee the consistency of strategies, and optimise resources, including the Business Development department which manages the product lines – coolant, emission control, air and oil intake, fuel and control, mechanisms and washing systems – as well as innovation and material and product development;
- the regional industrial departments, under which the plants are grouped by geographical zone;
- an aftermarket division dedicated to the after-sales market;
- joint ventures.



THE EXECUTIVE BOARD

From left to right:

Jean-louis Thomasset,
Finance Director
Nicolas Coutier,
Director of Industrialisation
and Standardisation
Mathieu Coutier,
President
Benoit Coutier,
Legal Director
Frédéric Marier,
Director of
Industrial Performance

THE SUPERVISORY BOARD

From left to right:

Christophe Besse,
Christophe Coutier,
Emilie Coutier,
André Coutier,
Geneviève Coutier,
Nicolas Job.



OUR BUSINESS LINES AND THEIR EM- PLOYEES

SKILLS IN TWO FIELDS

THE AKWEL GROUP HAS LONG BEEN POSITIONED IN TWO FIELDS OF EXPERTISE, IN WHICH IT MASTERS THE ENTIRE RANGE OF KNOW-HOW AND THE PRODUCTION CHAIN.

FLUID MANAGEMENT

for which AKWEL is able to provide a complete management capability in terms of storage, treatment, distribution, transfer, cooling, reheating, dosing, separation, mixing and filtration, as well as temperature and pressure measurement...



MECHANISMS

in many application areas: opening, closing and articulations.



OIL
CYLINDER HEAD COVERS, PIPING AND BLOW-BY HEATING CONNECTORS...

COOLING
PIPES, CONNECTORS, DEGASSING TANKS, WATER INLET/OUTLET VALVES...

LOCKS & STRIKERS
HOODS, TRUNKS, SWINGING AND SLIDING DOORS...

AIR INTAKE
DISTRIBUTORS, TURBO INLET DUCTS, TURBO AND INTERCOOLER OUTPUT DUCTS, BATTERY COMPARTMENT VENTILATION SOLUTIONS, COOLANTS, LOW-PRESSURE DIESEL ENGINE COMMON RAIL CIRCUITS...

AIR VACUUM
CONTROL PIPING FOR EGR BYPASS, BRAKE ASSISTANCE AND EXHAUST AIR INJECTION, TURBO...

FUELS
RESERVOIR PIPING, UNDERBODY PIPING, ENGINE PIPING...

OPENING CONTROLS
OPENING CONTROLS FOR THE INTERIOR, EXTERIOR, TRUNK...

EMISSION CONTROL ADDITIVES
TANKS, DOSING PUMPS, PROTECTIVE CASINGS FOR ADDITIVE SYSTEMS (PF AND SCR)...

HINGES
SIDE DOORS, SWINGING DOORS, TAILGATES, TRUNKS...

PEDAL BOXES
PEDAL BOXES FOR RIGHT-HAND DRIVE, LEFT-HAND DRIVE AND DUAL-CONTROL VEHICLES...

WASHING SYSTEMS
TANKS, PUMPS, JETS, TELESCOPIC JETS, PIPING AND RAPID CONNECTORS...

AN ORGANISATION SYSTEM CENTRED AROUND **PRODUCTS** **AND PERFORMANCE**



Quality and performance are key to the satisfaction of AKWEL's customers. To safeguard their trust, the group has organised itself around the quality and development of its products, from design through to after-sales service.

The cross-functional **Business Development department** monitors all product lines, from innovation up to project completion. A specific department is dedicated to research. New products and processes are developed by international project teams, assisted by industrial development teams based at the production sites. The group equips them with world-class communication, laboratory, testing, validation and prototyping resources. Five product lines are linked to this department (fuel and control, cooling, mechanisms and washing systems, emission control and air/oil intake), the aim being to permanently offer reliable and competitive solutions for tomorrow's mobility.

The **marketing** of AKWEL products is organised according to proximity. To be as close as possible to markets and customer needs, the group's sales teams are divided by geographic area and by customer.

In the same way as marketing, **operational activity** is organised by geographical area. Forty-two plants are divided into five regional industrial departments. Each production site is managed by a plant manager.

Finally, an aftermarket **division** is entirely dedicated to after-sales activities, manufacturers or independents.

These entities are supported by the centralised and international management of purchasing, quality, human resources, industrial performance and standardisation.

... BACKED BY LEADING-EDGE INDUSTRIAL AND MATERIALS EXPERTISE

To further enhance its products and its two areas of expertise, AKWEL organises all of its know-how in the fields of **plastic**, **rubber**, **metal** and **mechatronics**. This cross-functional expertise is indispensable for the transformation of raw materials. Upstream and downstream, the group also incorporates state-of-the-art tooling skills (design, production, development), in **complex assembly** (welds, couplings, collars, overmouldings, snap-fasteners) and **electronic hardware expertise** (innovation, development, prototyping) and **software** (development and validation).



PLASTIC

INJECTION, BLOW MOULDING,
EXTRUSION, FORMING

22,000 TONNES
OF PROCESSED MATERIALS

MORE THAN **350 PRESSES**,
BLOW MOULDERS AND EXTRUDERS

RUBBER

INJECTION, EXTRUSION, MOULDING

32,000 TONNES
OF PROCESSED MATERIALS

MORE THAN **100 PRESSES**,
BLOW MOULDERS AND EXTRUDERS

METAL

MACHINING, CUTTING, STAMPING,
BENDING, SHAPING

23,500 TONNES
OF PROCESSED MATERIALS

MORE THAN **40 PRESSES**
AND BENDING MACHINES

MECHATRONICS

20% OF TURNOVER

21 MILLION

PARTS, FROM SWITCHES
TO ELECTRONIC BOARDS

280 ROBOTS INSTALLED,

INCLUDING **129 NEW ONES** IN 2017,
AS PART OF THE "PLANT 4.0" PROJECT

OUR TEAMS, A TRUE WEALTH

A FAMILY-OWNED AND INDEPENDENT GROUP, AKWEL HAS ALWAYS PLACED ITS EMPLOYEES AT THE FOREFRONT OF ITS VALUES, ALONG WITH LOYALTY AND FAIRNESS. 2017 WAS NO EXCEPTION TO THIS RULE, GIVING AKWEL THE OPPORTUNITY TO REAFFIRM ITS GOAL OF BEING A GROUP WHERE IT IS A GREAT PLACE TO WORK TOGETHER, WHERE COLLABORATION AND TEAM-WORK ARE PRIORITIES.

PROMOTING EMPLOYEE COMMITMENT

The success of the AKWEL group's business plan is based on the motivation of all employees, on the ability of its staff to move forward together, galvanised by the desire to achieve a common goal. To this end, each service manager at the group presents the company project to his team, the aim being to lend meaning to its work so as to harness energies and stimulate the involvement of everyone to create a bright future. To assess the effectiveness of its HR policy, in 2017 AKWEL initiated a continuous improvement policy on the subject. The first phase took the form of an internal audit at the "Europe" sites. The project will continue throughout 2018.





EFFICIENT AUTOMOTIVE
SOLUTIONS

AKWEL HEADQUARTERS

975, route des Burgondes
01410 Champfromier, France
Tel: +33 (0)4 50 56 98 98
Fax: +33 (0)4 50 56 95 45
akwel-automotive.com