

31 October 2018 after the market close

NINE-MONTH 2018 SALES TOTALLED €799.9 MILLION, UP 4.8%

NON-RECURRING IMPACT OF ADDITIONAL PROVISION ON 2018 INCOME FROM ORDINARY ACTIVITIES

Consolidated sales (1 January to 30 September)

In €m	2018	2017	Chg. in %	Chg. in % like-for-like
1 st half	559.3	534.7	+4.6%	+10.7%
3 rd quarter	240.6	228.9	+5.1%	+11.6%
9-month total	799.9	763.6	+4.8%	+11.0%

Q3 2018 SALES: UP 11.6% LIKE-FOR-LIKE

Akwel achieved sales of €240.6 million in Q3 2018, up 5.1% unadjusted.

During the quarter, the net impact of exchange rate fluctuations remained negative at €-14.8 million, related essentially to translation differences on the Turkish lira. On a like-for-like basis, sales grew by 11.6%, in line with first-half growth of 10.7%.

This favourable quarterly performance reflected record sales in September at five Group sites as well as a tangible increase in production at the Chongqing (China) and Rayong (Thailand) facilities.

Sales of Products & Functions during the quarter totalled €227.4 million, up 3.2% unadjusted.

NINE-MONTH 2018 SALES UP 11.0% LIKE-FOR-LIKE

In a worldwide automotive market up 1.5% over the first nine months of 2018, Akwel achieved sales of €799.9 million during the period, up 4.8% unadjusted. On a like-for-like basis, sales increased by 11.0%.

Nine-month sales of Products & Functions totalled €761.6 million, up 3.5% unadjusted. Tooling sales totalled €33.7 million, up 50.2% unadjusted.

The breakdown of total sales for the period by production region was as follows:

- France: up 0.7% at €274.3 million;
- Rest of Europe, Russia & Africa: up 5.8% at €236.3 million;
- North America: up 5.9% at €186.7 million;
- Asia and the Middle East (incl. Turkey): up 19.5% at €93.5 million;
- South America: down 31.4% at €9.1 million.

The strong growth previously achieved in Asia and the Middle East continued into the third quarter. The Ixtaczoquitlan site (Mexico) gained momentum and the dollar appreciated with respect to the euro in the third quarter; both factors boosted growth in North America over the first nine months of the year. Sales in France remained stable, as a decline at sites manufacturing "SCR" system products held back growth in the third quarter.

Over the first nine months of 2018, the Group posted strong growth in "Cooling systems", with market share gains and more content per vehicle. Similarly, the "Air intake" function accelerated, as new projects came on stream in the third quarter.

NET DEBT DECLINED IN Q3 2018

As of 30 September 2018, Akwel's net financial debt totalled €32.5 million, well below the level of 30 June 2018 (€42.4 million). This is because there was less seasonality than at the half-year mark, while capital expenditure was maintained at the same level as in the first six months of the year.

NON-RECURRING IMPACT OF ADDITIONAL PROVISION FOR WARRANTY RETURN RISK ON 2018 INCOME FROM ORDINARY ACTIVITIES

Following the analysis of the most recent data communicated by one of the Group's carmaker customers, Akwel foresees a higher level of warranty returns over the next few quarters than initially projected. These returns relate to a known deficiency in a product already on the market.

As a result, the Group estimates that it will recognise an additional provision related to these warranty returns of no more than €25 million.

This non-recurring impact does not call into question the outlook for the Akwel Group's medium-term sales revenue, which will continue to benefit from the start-up and ramp-up of new manufacturing operations. Akwel confirms its annual sales objective of approximately €1.2 billion by 2020.

Next press release: 2018 sales, Thursday 14 February 2019 after the market close.

An independent family-owned and operated group listed on Euronext Paris, Akwel is an equipment and systems manufacturer for the car and HGV industry, positioned in two areas of expertise: fluids management and mechanisms. Present in 22 countries on five continents, Akwel had 11,531 employees as of 30 June 2018.

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