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INCREASE IN TURNOVER OF 4.6% IN THE 1ST QUARTER OF 2019

AKWEL (FR0000053027, AKW, PEA-eligible), the equipment and systems manufacturer for the automotive and heavy goods industries, a specialist in fluid management and mechanisms, has recorded consolidated turnover of €293.0m in the first quarter of 2019, an increase of 4.6% compared to the first quarter of 2018.

2019 1st quarter consolidated turnover (1 January to 31 March)

| In million € - not audited | 2019 | 2018 | Change | PCC change ⁽¹⁾ |
|----------------------------|-------|-------|--------|---------------------------|
| Quarter 1 | 293.0 | 280.2 | +4.6% | +6.6% |

⁽¹⁾ With constant exchange rates and scope.

6.6% GROWTH AT CONSTANT EXCHANGE RATES AND SCOPE

Taking exchange rates and scope as constants, turnover in the 1st quarter of 2019 increased by 6.6%. The negative impact from foreign exchange rates was down €5.6m against €16.1m in the first quarter of 2018, mainly due to conversion differences with the Turkish lira and partially offset by growth in the American dollar. AKWEL's business growth this quarter was achieved in an automotive sector that is still experiencing difficulties, with a worldwide drop in production of around 7%, particularly in China, the world's largest market, which is still in sharp decline.

SUSTAINED GROWTH OUTSIDE OF FRANCE

The geographical breakdown of turnover by production area is as follows:

- France: €94.1m (-8.0%)
- Europe (excluding France) and Africa: €91.3m (+9.5%)
- North America: €68.2m (+12.9%)
- Asia and the Middle East (including Turkey): €37.1m (+21.0%)
- South America: €2.3m (-32.5%)

Business improved in North America, Europe (excluding France) and Africa, particularly in Morocco and Portugal, as well as in Asia and the Middle East, despite the ongoing weak demand in China. Seven sites achieved monthly records this quarter, notably in Eastern Europe and Turkey, and two factories continued to ramp up production in Morocco and Mexico. On the other hand, business in France remains on a downward trajectory and now accounts for less than a third of the total figures.

GROWTH IN THE COOLING AND AIR INTAKE BUSINESS

Products and Functions turnover was up 4.2% at €281.0m. Our Cooling product line saw accelerated growth with a 22.1% increase, now accounting for more than a quarter of the Group's business. New product launches reinforced growth within the Air Intake division (+7.5%). Emission Control products, the only part of the Group's operations fully related to diesel, recorded their first decline this quarter, but remained under control nevertheless with turnover down just 1.4%.

NET DEBT DOWN TO €32.9m BY 31 MARCH 2019

The Group's net debt as of 31 March 2019 stood at €32.9m, a reduction of €7.7m compared to 31 December 2018, owing to a less significant industrial investment package than in the previous two years, as announced, and better-managed WCR growth.

The start of the year, in line with forecasts, has confirmed expectations of new growth in AKWEL's business in 2019, with a return to positive free cash flow, and remains in line with the target of achieving a turnover in the region of €1.2 billion by 2020.

Next press release: 2019 half-year turnover update on Thursday, 25 July, after the markets close.

An independent, family-owned group listed on the Euronext Paris stock exchange, AKWEL is an equipment and systems manufacturer for the automotive and heavy goods industries, a specialist in fluid management and mechanisms, with leading industrial and technological expertise in applying and transforming materials (including plastics, rubber and metal) and mechatronics integration.

Operating in 20 countries on five continents, AKWEL employs approximately 12,000 people around the world.

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