

14 November 2019

TURNOVER INCREASES +3.3% IN THE FIRST NINE MONTHS OF 2019

Akwel (FR0000053027, AKW, PEA-eligible), the automotive and HGV equipment and systems manufacturer specialising in fluid management and mechanisms, has posted consolidated turnover of €826.3m in the first nine months of 2019, up +3.3% compared to the same period in 2018.

Consolidated turnover (1 January to 30 September 2019)

In € millions - unaudited	2019	2018	Variation	Like-for-like variation ⁽¹⁾
1 st quarter	293.0	280.3	+4.6%	+6.6 %
2 nd quarter	273.5	279.0	-2.0 %	+0.2 %
3 rd quarter	259.8	240.6	+8.0 %	+6.6 %
Total for 9 months	826.3	799.9	+3.3 %	+4.3 %

⁽¹⁾ Comparing like-for-like figures.

8% GROWTH IN THE THIRD QUARTER OF 2019

Consolidated turnover in the third quarter of 2019 was up by +8% and +6.6% when comparing like-for-like figures, after a positive exchange rate impact of +€3.4m this quarter despite continued highly adverse foreign-exchange differences with the Turkish lira. Over and above the dynamic activity levels seen since the start of the year, performance in the third quarter was also partially boosted by the deferral of deliveries seen at the end of the second quarter, with some clients seeking to keep stocks down in late June.

In the first nine months of 2019, Akwel recorded turnover up +4.3% when comparing like-for-like figures. This performance was achieved against the backdrop of a global automotive industry in which conditions are still difficult, with a drop in product volumes of around -7%.

THE CONTINUED DYNAMISM OF THE COOLING PRODUCTS LINE

By late September, the Products and Functions turnover stood at €785.7m, up by +3.1%, whilst Tooling turnover was €36.0m (+6.9%). The Cooling products line remains dynamic, with a nine-month turnover up by 13.4%. Linked exclusively to developments in the diesel sector, the Depollution product line limited its contraction to -2.2%.

GROWTH IN ALL GEOGRAPHICAL AREAS IN THE THIRD QUARTER OF 2019

All geographical areas enjoyed growth in the third quarter, with four record activity levels achieved in September alone at Bursa in Turkey, at Ixtac in Mexico, at Wuhan in China and at Villieu in France.

Over the nine-month period, the trends seen in the first part of the year continued with turnover by production zone broken down as follows:

- France: €253.6m (-7.5%)
- Europe (excluding France) and Africa: €250.8m (+6.2%)
- North America: €202.0m (+8.2%)
- Asia and the Middle East (including Turkey): €112.8m (+20.7%)
- South America: €7.1m (-22.5%)

Although volumes still remain low in China in view of the significant slowdown in the local market, the group's Chinese factories are continuing to grow, with a rise of +33.5% over the nine months.

A HIGH LEVEL OF CASH FLOW GENERATION

With an investment budget more in line with normality this year and the efforts made to manage working capital requirements more effectively, the group generated a positive free cash-flow of €38.6m over the first nine months and achieved a reduction in its net financial debts of €30.6m (excluding the impact of IFRS 16) compared to the situation on 31 December 2018, of which €12.6m came in the third quarter alone.

CONFIRMING ALL 2019 AND 2020 TARGETS

Based on the performance achieved in the first nine months, AKWEL can confirm all of the targets announced for the 2019 and 2020 financial years: growth in turnover, growth in operating profit and a return to a positive free cash flow in 2019, with a turnover of around €1.2 billion in 2020.

Next press release: turnover for 2019, Thursday 13 February 2020, after markets close.

An independent family group, listed on the Euronext Paris Stock Exchange, AKWEL is an automotive and HGV equipment and systems manufacturer specialising in fluid management and mechanisms, offering first-rate industrial and technological expertise in applying and processing materials (plastics, rubber, metal) and mechatronic integration.

Operating in 20 countries across five continents, AKWEL employs almost 12,000 people worldwide.

Euronext Paris – Compartiment B – ISIN: FR0000053027 – Reuters: AKW.PA – Bloomberg: AKW:FP

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