

13 February 2020

AKWEL SALES ROSE BY +3.7% IN 2019

- **Outperformance of about 9% compared to global automotive production**
- **Confirmation of the target to increase operating profitability in 2019**
- **Adjustment of the 2020 sales growth target to +5%**

Akwel (FR0000053027, AKW, PEA-eligible), the automotive and HGV equipment and systems manufacturer specialising in fluid management and mechanisms, has posted consolidated turnover of €1,101.2m for 2019, up +3.7% compared to 2018 and up 4.4% like-for-like.

Consolidated turnover (from 1 January to 31 December 2019)

In € millions - unaudited	2019	2018	Variation	Like-for-like variation ⁽¹⁾
1 st half-year	566.5	559.3	+1.3%	+3.4%
3 rd quarter	259.8	240.6	+8.0%	+6.6%
4 th quarter	274.9	262.2	+4.9%	+4.7%
Total for 12 months	1,101.2	1,062.1	+3.7%	+4.4%

⁽¹⁾ Comparing like-for-like figures.

GROWTH OF +4.9% IN Q4 2019

The group's consolidated sales in the fourth quarter confirmed the trend recorded over the first nine months, with growth of +4.9% and +4.7% like-for-like, including a positive currency impact of €0.4m.

FULL-YEAR GROWTH OF +3.7% IN A FALLING GLOBAL MARKET

AKWEL's consolidated sales over the full year 2019 grew by +3.7% and by 4.4% like-for-like, with currency impact for the year limited to -€7.8m. This growth should be seen against the backdrop of a global automotive industry down by about 5% over the year, implying over 9% outperformance for the group in 2019.

CONTINUED GLOBALISATION OF THE GROUP'S PRODUCTION

Around a third of the group's industrial sites posted record activity levels for the year. AKWEL's industrial strategy, namely to produce as close to its manufacturer clients' assembly and delivery sites around the world as possible, is reflected in the changing breakdown of sales by region:

- France: €331.5m (-7.5%)
- Europe (excluding France), Russia and Africa: €335.3m (+5.3%)
- North America: €269.6m (+9.1%)
- Asia and the Middle East (including Turkey): €156.0m (+23.6%)
- South America: €8.8m (-25.9%)

The group's business in China rose by +39.5% despite a severe market slump. This is still marginal in the group's portfolio, accounting for less than 2% of sales.

GROWTH DRIVEN BY COOLING, AIR INTAKE AND FUEL ACTIVITIES

Products and Functions sales climbed +3.6% to €1,048.5m in 2019. The Cooling business continued to grow, at +11.4%, thanks to market share gains and the development of parts for hybrid engines. Air intake products grew +8.2% with the ramp-up of new contracts, and Fuel products (+4.4%) benefited from the successful repositioning towards petrol engines. The Depollution business line is related solely to the diesel trend, with contraction limited to -3.7%. Tooling sales were meanwhile up 4.8% to €46.0m.

CASH FLOW GENERATION AND NET DEBT REDUCTION

After two years of substantial industrial investment, in 2019 AKWEL prioritised optimisation of its operating conditions, particularly given the lack of market visibility with tighter control of WCR. The Group thereby generated positive free cash flow of €24.2m over the financial year and significantly reduced its net financial debt to €24.6m at the end of December 2019, excluding the impact of IFRS 15/16, compared with €40.6m a year earlier and €27.5m as of 30 June 2019. This was achieved despite a negative one-off impact of €20m for a provisional indemnity advance in Q4 2019 for a strategic client in the context of guaranteed returns (cash impact only, as the corresponding charge had already been provisioned).

GROUP OUTLOOK AND TARGETS

In view of its performance, AKWEL confirms its target of increasing operating profitability for 2019, and forecasts a further increase in consolidated revenue for 2020. However, with the global market expected to decline for the third year in a row, with vehicle production expected to contract by between -2% and -3% and visibility getting poorer, AKWEL is adjusting its sales forecast for 2020 and anticipates growth of around +5%.

Next press release: full year 2019 results, Wednesday 08 April 2020, after market 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

Contacts

AKWEL

Jean-Louis Thomasset – Vice-President of the Executive Board/Financial VP – Tel.: +33 4 50 56 99 25

EKNO – Press Relations

Christine Savoie – Jean-Marc Atlan – christine.savoie@ekno.fr – Tel.: +33 6 46 90 34 23/+33 6 07 37 20 44

CALYPTUS – Investor Relations

Mathieu Calleux – Gregory Bosson – akwel@calyptus.net – Tel.: +33 1 53 65 68 68