

14 May 2020

PUBLICATION OF TURNOVER FIGURES FOR THE 1st QUARTER OF 2020

- Turnover down by 6.6%
- Outperforming the market in relation to global automotive production
- A high level of cash flow generation

AKWEL (FR0000053027, AKW, PEA-eligible), the automotive and HGV equipment and systems manufacturer specialising in fluid management and mechanisms, has posted consolidated turnover of €273.5m in the first quarter of 2020, down by -6.6 % compared to the first quarter of 2019.

Consolidated turnover for the 1st quarter of 2020 (from 1 January to 31 March)

In € millions - unaudited	2020	2019	Variation	Like-for-like variation ⁽¹⁾
1 st quarter	273.5	293.0	-6.6 %	-5.9 %

⁽¹⁾ Comparing like-for-like figures.

EXCELLENT MOMENTUM IN THE FIRST TWO MONTHS OF THE YEAR

The turnover for the first quarter of 2020 was down by 5.9% when comparing like-for-like figures, including an exchange rate impact of €2.3 million. This quarterly performance reveals two very contrasting trends: significant growth in business in the first two months of the year (+4.0%) in what is still a difficult environment, followed by a sharp decline in March (-27.5%) with steep falls in the automotive market as a result of the COVID-19 crisis. To be best able to protect all of its staff in those countries in which the group is present and to adapt to the decisions taken by its manufacturer clients, activity on the sites has been suspended or significantly scaled back. Under these exceptional conditions, AKWEL has largely outperformed its market (with global production down by 23.6% over the same period) thanks to its dynamism at the start of the year and its low level of exposure to the Chinese market.

GEOGRAPHICAL BREAKDOWN OF TURNOVER

The geographical breakdown of turnover by production zone was as follows:

- France: €79.8m (-15.1%)
- Europe (excluding France) and Africa: €83.2m (-8.9%)
- North America: €69.8m (+2.4%)
- Asia and the Middle East (including Turkey): €39.0m (+5.0%)
- South America: €1.7m (-28.1%)

Business levels were maintained in North America with an excellent momentum and a favourable exchange rate, and in the Asia and Middle East zone aided by the performance of the two Turkish sites.

EXCELLENT PERFORMANCE BY THE MECHANISMS, AIR AND FUEL ACTIVITIES

Products and Functions turnover was €260.9m, with a posted fall of 7.1%. In these turbulent market conditions, our activities continued to display a high level of dynamism: the Mechanisms product family grew by 0.8% thanks to gains in market share, the Air products line grew by 14.8% as new contracts came on stream and the Fuel products line fell back slightly by 2.5% with continued repositioning in favour of petrol engines.

A REDUCTION IN NET DEBT AND A HIGH LEVEL OF CASH FLOW GENERATION

The net financial debt (excluding IFRS 16) has fallen by €24.2m since 31 December 2019, thanks to record cash flow generation during this quarter. In this time of crisis, AKWEL attaches particular importance to preserving its financial resources and has succeeded in once again generating major cash surpluses during April.

FORECASTS

In view of the total lack of visibility at this stage concerning the way the automotive market is going and its short-term recovery prospects, the group has suspended its growth objectives for the 2020 financial year. It already appears that the second quarter will be more difficult than the first, with more heightened and more global exposure to the crisis except in China, where the group's three sites have already resumed their activities since mid-March. Everywhere else, a slow resumption is underway, pointing to a less favourable environment in the third quarter.

With its capacity for fast decision-making and adaptation, its effective strategic model and a particular its strong financial position, AKWEL is today well placed to come through this unprecedented crisis in the automotive market.

Next press release: half-year turnover for 2020, Thursday 30 July, 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.

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