

Thursday 08 April 2021

A STRONG IMPROVEMENT IN PROFITABILITY IN 2020

- **Current operating margin up 3.7 pts to 12.1%**
- **Operating income up by 20.3% to €107.0m**
- **Free cash-flow of €128.2m**

Akwel (FR0000053027, AKW, PEA-eligible), the automotive and HGV equipment and systems manufacturer specialising in fluid management and mechanisms, posted its 2020 annual results, as approved by the executive board, on 29 March 2021. Audit processes have taken place and the certifying audit report is currently being issued.

Consolidated data - in € millions	2020	2019	Var. in %
Revenue	937.2	1,101.2	-14.9%
EBITDA	175.3	130.3	+34.6%
Current operating income	113.7	92.2	+23.4%
<i>Current operating margin</i>	12.1%	8.4%	+3.7 pts
Operating income	107.0	88.9	+20.3%
Financial income	(1.9)	(2.4)	-
Net result (group share)	85.5	62.7	+36.4%
<i>Net margin</i>	9.1%	5.7%	+3.4 pts

AN UPTURN IN ACTIVITY DURING THE SECOND HALF OF THE 2020 FINANCIAL YEAR

Thanks to the upturn in activity during the last four-month period, after a first half-year severely affected by the global pandemic the annual fall in turnover was -14.9% and -10.9%, at a constant exchange rate and comparable perimeter. Against the backdrop of this exceptional crisis, the group continued to outperform global automotive production trends, which saw a fall of 16.2% in 2020. The gains in market share in strategic accounts, particularly as a result of the PSA-OPEL tie-up, the upturn in activity in China and the success of the models manufactured in the USA in addition to atypical Aftermarket business for the SCR tanks were the main factors bolstering the group's performance during this period.

A STRONG IMPROVEMENT IN OPERATING RESULTS

The EBITDA increased by 34.6%, demonstrating the group's ability to manage and quickly adapt its cost structure under crisis conditions. This performance also results from the work focusing on profitability carried out by the teams since 2019 and the levels of operational maturity achieved on the new sites. This year, the increase in EBITDA also includes the insurance claims receivable for the provisions for warranty returns, totalling €19m. This re-categorisation has no impact on the current operating income. This was up by 23.4% to €113.7m, producing a current operating margin of 12.1% of turnover, up by 3.7 points over the financial year. After accounting for a loss of value of €6.8m for the Swedish activities, the operating income was €107.0m, a rise of 20.3%. After tax charges down by €3.1m at €20.2m, the net income group share was €85.5m, a net margin of 9.1%.

A HIGH LEVEL OF FREE CASH FLOW GENERATION

The group's operational performance has enabled it to achieve an increase in its self-financing capacity of €47.1m, with this now standing at €154.4m, of which €135.4m is unaffected by the insurance claims receivable. The improvement in working capital requirements, down by €7.7m, and the management of the investment budgets (€34m) resulted in free cash flow generation of €128.2m during the financial year. With a positive net cash position of €60.6m and a gross cash position of €175.1m on 31 December 2020, AKWEL enjoys a particularly solid financial situation enabling it to come through this crisis and to exploit new opportunities. During the annual shareholders' meeting to be held on Wednesday 26 May 2021, the payment of a dividend of €0.45 per share will be proposed for the 2020 financial year.

MANAGING THE CRISIS WITH AGILITY AND PREPARING FOR THE FUTURE

Visibility in the global automotive market remains extremely limited in 2021, including significant tensions concerning the supply and the prices of raw materials and electronic components. In such a context, AKWEL is forecasting an increase in activity over the financial year underway but at this stage is not anticipating a level of profitability and cash generation comparable to that seen during the 2020 financial year. The group will continue to draw upon the solidity of its operational and financial model to strengthen its position with its strategic accounts and adapt its product portfolio to meet the manufacturers' emerging needs and expectations. The outlook for new mobility solutions - and particularly the development of hydrogen - and increasing demands in the Corporate Social Responsibility field will be key areas on which we will be focusing in 2021. AKWEL will also be in a position to seize external growth opportunities offering the potential to extend its product range beyond combustion engines or to improve its geographical position.

Next press release: Turnover for the first quarter of 2021, on 06 May 2021, after markets close.

An independent, family-owned 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 every continent, AKWEL employs almost 11,200 people worldwide.

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

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