

Wednesday 5 April 2023

2022 RESULTS IMPACTED BY INFLATIONARY TENSIONS

- **Current operating margin of 3.9%, down sharply**
- **Revenue up by 90%, from €15.5m to €113.7m**
- **Proposed dividend of €0.30 per share**

Akwel (FR0000053027, AKW, PEA-eligible), the automotive and HGV equipment and systems manufacturer specialising in fluid management, mechanisms and structural parts for electric vehicles, posted its 2022 annual results, as approved by the executive board, on 3 April 2023. Audit reports are in the process of being issued.

| Consolidated data - in € millions | 2022 | 2021 | Var. in % |
|-----------------------------------|--------------------|-------|-----------|
| Revenue | 990.5 ¹ | 922.6 | +7.4% |
| EBITDA | 81.3 | 117.1 | -30.6% |
| Current operating income | 38.6 | 75.2 | -48.7% |
| <i>Current operating margin</i> | 3.9% | 8.2% | -4.3 pts |
| Operating income | 37.7 | 70.4 | -46.4% |
| Financial income | (11.4) | (2.2) | - |
| Net result (group share) | 11.1 | 51.2 | -78.3% |
| <i>Net margin</i> | 1.1 % | 5.5% | -4.4 pts |

ACTIVITY UP +7.4%

In an automotive production market that is slightly recovering, although still subject to strong tensions over supplies of raw materials and electronic components, the AKWEL Group ends 2022 with a +7.4% annual increase in turnover compared with 2021. This remains around 10% lower than 2019, the last financial year before the health crisis and the fall in global markets. On a like-for-like basis, the increase in annual turnover was +11.3%.

DELAYED IMPACTS OF INFLATION ON SALE PRICES

The delay in the impacts of increases in purchase prices on sale prices, combined with the additional costs generated by supply pressures, weighed heavily on the Group's results in 2022. Gross operating surplus (GOS) was therefore down by -30.6% to €81.3m. Price increases on the main items (raw materials, components, energy, transport and labour costs) represented an additional cost of nearly €85m. About 55% of these increases were passed on over the course of the year, with an improving trend in the second half (60%).

¹ Posted turnover includes the first application of the IAS 29 standard ("financial reporting in hyperinflationary economies") impacting the Turkish subsidiaries, generating a readjustment of +€2.0m compared to the figure posted in February.

Current operating income amounted to €38.6m, representing a current operating margin of 3.9%, down 4.3 points compared to 2021. As announced in the first half of 2022, the first application of IAS 29 (“Financial Reporting in Hyper-inflationary Economies”) has a significant (non-cash) impact of -€14.3m, for a financial result of -€11.4m. After a tax charge of €14.6m (vs €16.3m in 2021), net income Group share stands at €11.1m.

NET CASH POSITION UP AT €113.7m

With a self-financing capacity of €47.0m and WCR down by €1.9m, the business generated cash-flow of €48.9m. In view of an investment flow of €33.2m (compared with €30.0m in 2021), free cash-flow stood at €15.7m, leading to a positive net cash position of €113.7m at the end of the financial year (including rental obligations), compared with €98.2m at the end of 2021. The distribution of a dividend of €0.30 per share for 2022 will be proposed at the Annual General Meeting of Shareholders to be held on Thursday 25 May 2023.

SLIGHT GROWTH EXPECTED IN 2023

For the 2023 financial year, AKWEL remains cautious with regard to the sector’s recovery forecasts and anticipates a slight increase in turnover, in a continuing context of very limited visibility on the global automotive market due to economic and geopolitical tensions. The Group anticipates continued tension over production costs and will work to continue to improve the rate at which they are passed on to customers.

From an extra-financial perspective, the Group has set itself ambitious objectives for 2028, whether environmental (for example, a 40% reduction in CO2 emissions), social (reduction from 4.09 to 2.8 in the frequency rate of workplace accidents), as well as in terms of customer satisfaction (two-thirds reduction in warranty returns) and responsible purchasing, following increased initiatives undertaken this year.

Next press release: Turnover for the first quarter of 2023, on 04 May 2023, 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, mechanisms, and structural components for electric vehicles. The Group achieves this by relying on state-of-the-art industrial and technological expertise in applying and processing materials (plastics, rubber, metal) and mechatronic integration.

Operating in 20 countries across every continent, AKWEL employs 9,500 people worldwide.

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