

Thursday 7 April 2022

AKWEL POSTS NET EARNINGS OF €51.2 M IN 2021

- **Current operating margin of 8.2%**
- **Gross cash flow of €167.4 M**
- **Proposition to maintain dividend at €0.45 per share**

Akwel (FR0000053027, AKW, PEA-eligible), the automotive and HGV equipment and systems manufacturer specialising in fluid management and mechanisms, posted its 2021 annual results, as approved by the executive board, on 04 April 2022. Audit reports are in the process of being issued.

Consolidated data - in € millions	2021	2020	Var. in %
Revenue	922.5	937.2	-1.6%
EBITDA	117.1	175.3	-33.2%
Current operating income	75.2	113.7	-33.8%
<i>Current operating margin</i>	8.2%	12.1%	-3.9 pts
Operating income	70.4	107.0	-34.2%
Financial income	(2.2)	(1.9)	-
Net result (group share)	51.2	85.5	-40.2%
<i>Net margin</i>	5.5%	9.1%	-3.6 pts

BUSINESS GROWTH AT CONSTANT SCOPE AND EXCHANGE RATES

In 2021, production levels in the global automotive industry remained low, growing slowly (+2.5%, *source IHS Markit*), in an environment still characterised by strong pressure on the supply of raw materials and electronic components. Against this difficult backdrop, AKWEL managed to achieve its objective of increasing business, with reported revenue down 1.6% but up 2.8% at constant scope and exchange rates. Given the low visibility, and the highly volatile production levels of manufacturers, the Group's ability to adapt and its traditionally conservative inventory management enabled it to meet customer demand.

ONE OF THE HIGHEST CURRENT OPERATING MARGINS IN THE SECTOR

Disrupted production conditions as well as the partial and delayed impact of increases in purchasing prices naturally weighed on the Group's cost structure in 2021. Gross operating surplus (EBITDA) was down 33.2%, also including an unfavourable base effect of the change in presentation of provisions for warranty returns (+€19m on 2020 EBITDA related to this change), with no impact on current operating income. This amounted to €75.2m, down 33.8%, as expected at the time of the publication of annual revenue, including an additional provision for a warranty returns of €7.3m, representing a current operating margin of 8.2%, comparable to pre-crisis results. This level of profitability continues to position AKWEL as one of the best-performing European auto parts manufacturers. The recognition of an impairment loss of €3.7m on Swedish activities led to operating income of €70.4m, and after a tax expense down to €16.3m, net income Group share came to €51.2m, representing a net margin of 5.5% of revenue.

GROSS CASH POSITION OF €167.4 M AT CLOSING

Given the change in the Group's operating performance, its self-financing capacity was down to €92.5m. With WCR up €6.8m and €30m in investments made during the financial year, AKWEL generated a free cash flow of €57.1m in 2021, leading to a positive net cash position of €98.2m (including lease obligations) and gross cash flow of €167.4m at the close, compared with €175.1m at the end of 2020. The distribution of a dividend maintained at €0.45 per share for 2021 will be proposed at the Annual General Meeting of Shareholders to be held on Wednesday 25 May 2022.

REMAIN AGILE IN 2022 AND CONTINUE TO PREPARE FOR THE FUTURE

While the global automotive market is expected to rise in 2022, production uncertainties remain high, with continued tensions on commodities and components and an inflationary global environment reinforced by the current geopolitical situation. Against this backdrop, AKWEL, which has no direct exposure to the Ukraine-Russia region, anticipates a moderate increase in its business, with profitability likely to continue to be penalised by the lack of visibility on customer needs, rising purchasing prices, and the difficulty of quickly passing on major increases in energy and transport costs. With a particularly robust financial position, the Group will increase its investments once again from 2022 to optimise the competitiveness of its sites, and to give itself the means to make the most of all the opportunities identified in terms of product potential as part of the transition from thermal combustion engines to electricity and hydrogen.

Next press release: Turnover for the first quarter of 2022, on 05 May 2022, 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 9,700 people worldwide.

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

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