

Thursday 22 September 2022

PUBLICATION OF RESULTS FOR THE 1ST HALF OF 2022

AKWEL (FR0000053027, AKW, PEA-eligible), the automotive and HGV equipment and systems manufacturer, published its 2022 half-yearly results, as approved by the executive board, on 19 September 2022. Audit reports are in the process of being issued.

| Consolidated data - in € millions | 30.06.2022 | 30.06.2021 | Var. in % |
|-----------------------------------|-------------|------------|-----------|
| Revenue | 491.0 | 487.6 | 0.7% |
| EBITDA | 42.3 | 64.7 | (34.6)% |
| Current operating income | 17.7 | 50.0 | (64.6)% |
| <i>Current operating margin</i> | 3.6% | 10.3% | -6.7 pts |
| Operating income | 17.2 | 50.7 | (66.1)% |
| Financial income | (10.0) | (0.6) | - |
| Net result (group share) | 1.9 | 38.0 | (95.0)% |
| <i>Net margin</i> | 0.4% | 7.8% | -7.4 pts |

INCREASING ACTIVITY IN AN AUTOMOTIVE MARKET THAT REMAINS TURBULENT

In the first half of 2022, AKWEL posted a consolidated turnover of €491.0 m, stable compared to the first half of 2021, but up by 5% on a like-for-like basis, while global vehicle production has remained down over the period (-1.8%¹). For the first time, the posted turnover includes the application of the IAS 29 standard ("*financial reporting in hyperinflationary economies*") impacting the Turkish subsidiaries, generating a readjustment of +€2.9 m compared to the figure posted in July. In a market that remains widely disrupted by supply limitations, the Group has achieved strong growth in North America (+18.4%).

A MARKED DECREASE IN HALF-YEAR RESULTS

As noted by the Group when publishing its half-year turnover, the half-year results have seen a significant drop. They have been affected by the significant price inflation undergone by raw materials, components, energy, transport, and labour. For AKWEL, these substantial rises represent a cost increase of €31.6 m over the half year and are partially and gradually reflected in sales prices in line with negotiation periods and conditions.

In this context, gross operating surplus was down 34.6% to €42.3 m, and current operating income fell by 64.6% to €17.7 m, i.e. a current operating margin of 3.6% of turnover, down by 6.7 points. Financial income fell by €9.4 m as a result of the application of the IAS 29 standard mentioned above. Tax charges accounted for €5.1 m compared to €12.2 m in the first half of 2021, leading to a net income Group share of €1.9 m (net margin of 0.4%).

¹ Source: S&P Global Mobility

Free cash-flow generation was €16.9 m compared to €44.4 m in the first half of 2021. After payment of the dividend and loan repayments totalling €22.1 m, the Group's net cash position (including debts on lease obligations) at 30 June 2022 was €105.7 m, compared with €98.2 m at 31 December 2021.

CREATION OF A THIRD AREA OF EXPERTISE

Among its priorities, the Group has set itself the target of accelerating the development of its product potential in 2022 as part of the transition to new electric- or hydrogen-powered vehicles while also continuing its existing development of the TAMIC brake particle recovery solution. In addition to fluid management and mechanisms, AKWEL also develops structural components for electric vehicles, with examples including electronic modules, battery pack interiors, EV flaps, service battery casings, and cable ducts. As such, the Group will be able to seize the many opportunities linked to the rapid roll-out of electric vehicles while building on its existing technological expertise and resources, resulting in easier management of product and industrial risks.

OUTLOOKS FOR THE 2022 FINANCIAL YEAR

In a global automotive market that continues to be very turbulent, AKWEL confirms its forecast of moderate turnover growth for the 2022 financial year, with the third quarter expected to bring good performance. Against the backdrop of inflation and the continued impact of supply difficulties on manufacturers' activities, the Group nonetheless remains cautious about forecasts for the sector, despite the fact that the first effects of sales price increases should be seen in the second half of the year.

Next press release: *turnover for the third quarter of 2022, 10 November 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, 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 9,700 people worldwide.

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

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