

### H1 2019 PRFORMANCE

- Strong growth fuelled by acceleration in digital
- Successful integration of PDS Tech
- Accelerated development in the United States
- Confirming all the Group's 2019 objectives



**Innovation highlight:** Link & Fly, successful first flight of the 1:13 scale prototype turbine-jet drone. AKKA thus validates the design, the aerodynamic simulations and the behaviors in real conditions of flight of its Link & Fly concept ... a step towards the future [Read more.](#)

## H1 2019 REVENUE

(€ million)	H1 2019	H1 2018	Change	Change Pro-forma
<b>Group</b>	<b>891.4</b>	<b>711.9</b>	<b>25.2%</b>	<b>8.3%</b>
<b>France</b>	<b>330.8</b>	<b>306.0</b>	<b>8.1%</b>	<b>8.1%</b>
<b>Germany</b>	<b>255.4</b>	<b>252.0</b>	<b>1.4%</b>	<b>1.4%</b>
<b>North America*</b>	<b>152.4</b>	<b>10.1</b>	<b>1,414.2%</b>	<b>26.1%</b>
<b>International**</b>	<b>152.8</b>	<b>143.8</b>	<b>6.2%</b>	<b>6.2%</b>

\* PDS Tech has been consolidated since 1 November 2018

\*\* Excluding Germany and North America

- The Group's revenue **increased by 25.2%** in the first half of 2019 thanks to strong growth in the BU France and AKKA North America. The mobility sector remains buoyant, generating a revenue increase of 29% over the first half.
- The successful integration of PDS Tech is confirmed by the signing in Q2 of a multi-year contract valued at \$ 300 million in the aerospace sector, thus strengthening the growth potential and margin improvement of the North America Business Unit.

- The deployment of **CLEAR 2022 is a success**. The establishment of a Strategic Customers Department has enabled us to leverage AKKA's unique expertise in engineering and digital, as illustrated by the commercial successes of large, high value-added contracts.

## PRO-FORMA GROWTH AMOUNTED TO 8.3% IN THE FIRST HALF WITH AN ECONOMIC GROWTH OF 6.0%. PER BU, ECONOMIC GROWTH IS:

- **9.0% in France.** In Q2, the pace of growth accelerated again to reach 11%. Demand is strong across all business segments. Growth was given a major boost by the array of digital projects won in the automotive, aerospace and rail sectors and is expected to continue over the next few quarters. After having significantly improved its H1 utilisation rate excluding paid leave (93% in May), the BU is once again accelerating its recruitment drive to support future growth.
- **In Germany**, the growth of 2.1% in the first half of the year does not reflect the expected growth momentum, particularly in digital. Seasonal effects were strong this year due to the lower number of working days in H1, and the activity has been impacted by the establishment of the new organization and the adoption of the AKKA unique brand. The BU should progressively benefit from the first-class relationship built with OEMs and the future in digital in the second semester.
- **Increase of 17.8% in North America (including PDS Tech) and 48.2% for AKKA legacy activities.** AKKA North America captured the strong demand from its US and European clients in the United States across the entire mobility sector. Strong growth with Boeing, Honeywell, United Technologies, Daimler and Porsche, demonstrates the relevance of the Group's offer to its US and European clients.
- **Sales growth of 5.8% in the International BU.** The major divisions that make up the International BU, Northern Europe, Southern Europe and Asia are growing strongly. This growth was offset by some temporary issues that arose during Q2 in Switzerland and in the Energy sector in Italy. Belgium, the Group's leading European country outside France and Germany (3.9% of the Group's total sales), recorded a 7.1% increase in sales in Q2 with a strong pipeline in the Flanders region. Excluding Switzerland and the energy division in Italy, the International BU recorded 10% revenue growth, in line with its previous track record.

## HIGHLIGHTS

### INTEGRATION OF PDS TECH

- AKKA's North America business strategy is being implemented at rapid pace and presented solid second-quarter performance. It is in line with the first quarter, highlights the pace of PDS Tech's integration and the initial commercial synergies.
- Besides the strong organic growth of both AKKA North America and PDS Tech the signing of a multi-year contract in Q2 valued at \$ 300 million in the aerospace sector strengthens the growth potential and margin improvement of the North America Business Unit.

### MAJOR CONTRACTS

- **The CLEAR 2022 strategic plan intends to develop strong relationships with the Groups 20 key accounts to win large contracts that provide greater visibility and**

**higher margins. The Strategic Customers Department announced in April is now active and is accelerating this process:**

1/ March 2019: Contract of € 60 million with the VW Group in digital and autonomous driving

2/ June 2019: Contract with Daimler to optimize the electric battery production logistics

3/ July 2019: Framework contract valued at € 100 million with Thales

2/ June 2019: Contract valued at \$ 300 million in the aerospace sector

- By combining both engineering and digital expertise, AKKA offers a unique value proposition to its customers. CLEAR 2022 strategic plan will rely on the Strategic Customers Department to achieve between € 100 million and € 300 million in revenue with each of the main OEM customers and up to € 100 million with Tier 1 players.

## **AKKA REAFFIRMS ITS GERMAN AMBITIONS**

- **The CEO Régis Sandrin** has successfully implemented the Group's business model, adopted the "One AKKA" brand and bought the remaining 35% of MBTech at the end of 2018. He will continue to strengthen the management of the BU to accelerate AKKA's digital roll-out in Germany and Central Europe, while reinforcing existing partnerships with manufacturers and OEMs in the sector.
- **The German BU will open an AKKADEMY in Leipzig** during the fourth quarter. This reflects the Group's high level of diversification in Germany as well as the very strong growth with Daimler in digital activities.
- The goal is to create a specialized **centre of digital expertise in Magdeburg** with 2,000 digital engineers to meet the strong demand from the German automotive clients, particularly in ADAS, connectivity systems and electric vehicles.

## **FINANCING FUTURE GROWTH**

- The group is currently reorganizing its financing to benefits from the favorable interest rate and financing conditions. The group is finalizing the setting up of new credit lines for an amount of nearly € 400 million over an initial period of 5 years which can be extended to 7 years.
- Considering its gross cash position, existing unused financing and these new lines of credit, the Group will have increased resources to finance its future growth. In line with its strategy, the latter will come from the combination of strong organic growth in digital and targeted acquisitions, particularly in the United States.

## HEADCOUNT AT 30 JUNE

- As of June 30, 2019, AKKA had 20,624 employees, an increase of 24.1% compared to the first half of 2018, including 7,721 talents in France (+ 1.7%), 4,911 in Germany (+0.6%), 3,991 in North America (+ 1765.0%) and 3,907 internationally (+ 1.6%).

## THE SOLID START TO THE YEAR UNDERPINS OUR 2019 AND 2022 OBJECTIVES

### OUTLOOK FOR 2019

- All objectives for 2019 confirmed
- Organic growth  $\geq$  6%
- Operating margin from ordinary activities  $\geq$  8%
- Free cash flow  $\geq$  5%

#### Next event:

First-half 2019 results: Tuesday, 10 September 2019

Earnings presentation: Wednesday, 11 September 2019

*In case of discrepancy between the French and English versions of the press release, only the French version shall be deemed valid.*

## ABOUT AKKA

AKKA is the European leader in engineering consulting and R&D services in the mobility segment. As an innovation accelerator for its clients, AKKA supports leading industry players in the automotive, aerospace, rail and life sciences sectors throughout the life cycle of their products with cutting edge digital technologies (AI, ADAS, IoT, Big Data, robotics, embedded computing, machine learning, etc.).

Founded in 1984, AKKA has a strong entrepreneurial culture and is pursuing its fast-paced growth and international development in line with its CLEAR 2022 strategic plan. With 21,000 employees, who are passionate about technology and dedicated to advancing the future of industry, the Group recorded revenues of €1.5 billion in 2018.

AKKA Technologies is listed on Euronext Paris – Segment A – ISIN code: FR0004180537.

For more information, please visit [www.akka-technologies.com](http://www.akka-technologies.com)

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## APPENDIX

### REVENUE BY QUARTER

Revenue (€ million)	Q1 2019	Q2 2019	H1 2019
<b>France</b>	<b>169.1</b>	<b>161.7</b>	<b>330.8</b>
<i>Change</i>	5.4%	11.0%	8.1%
<i>Organic growth*</i>	5.4%	11.0%	8.1%
<b><i>Economic growth**</i></b>	<b>7.1%</b>	<b>11.0%</b>	<b>9.0%</b>
<b>Germany</b>	<b>126.2</b>	<b>129.2</b>	<b>255.4</b>
<i>Change</i>	6.4%	-3.1%	1.4%
<i>Organic growth*</i>	6.4%	-3.1%	1.4%
<b><i>Economic growth**</i></b>	<b>6.4%</b>	<b>-1.6%</b>	<b>2.1%</b>
<b>North America</b>	<b>75.6</b>	<b>76.8</b>	<b>152.4</b>
<i>Change</i>	1,433.1%	1,392.7%	1,414.2%
<i>Organic growth*</i>	35.9%	60.1%	48.2%
<b><i>Economic growth**</i></b>	<b>35.7%</b>	<b>60.3%</b>	<b>48.2%</b>
<b>International (excluding Germany)</b>	<b>75.4</b>	<b>77.4</b>	<b>152.8</b>
<i>Change</i>	7.7%	4.9%	6.2%
<i>Organic growth*</i>	7.3%	4.4%	5.8%
<b><i>Economic growth**</i></b>	<b>7.3%</b>	<b>4.4%</b>	<b>5.8%</b>
<b>Group total</b>	<b>446.3</b>	<b>445.2</b>	<b>891.4</b>
<i>Change</i>	26.1%	24.4%	25.2%
<i>Organic growth*</i>	6.6%	5.1%	5.9%
<b><i>Economic growth**</i></b>	<b>7.3%</b>	<b>4.8%</b>	<b>6.0%</b>

\* Growth at constant scope and exchange rates

\*\* Growth at constant scope, exchange rates and number of working days



PASSION FOR  
TECHNOLOGIES

PRESS RELEASE

## H1 2019 REVENUE BROKEN DOWN BY BU

(€ million)	H1 2019	H1 2018	% Change
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