

H1 2020 performance

- Low point in activity reached in May
- Solid performance of Data Respons
- Accelerated diversification
- Important Free-Cash Flow despite the important drop in revenue

H1 2020 REVENUE

(€ million)	H1 2020	H1 2019	Change %	Organic growth	H1 2020 Pro-forma Constant***	H1 2019 Pro-forma Constant***	Change %
Group	778.0	891.4	-12.7%	-20.3%	810.3	978.0	-17.1%
France	264.2	330.8	-20.1%	-20.1%	264.2	330.8	-20.1%
Germany	181.3	254.3	-28.7%	-28.7%	181.3	254.3	-28.7%
North America	138.1	152.4	-9.4%	-11.6%	138.1	156.3	-11.6%
International*	130.4	153.9	-15.3%	-15.4%	130.4	154.2	-15.4%
Data Respons**	64.0	-	-	-	96.3	82.5	+16.8%

* Excluding Germany and North America

** Data Respons has been consolidated since March 1st, 2020

*** Pro-forma constant = Organic + Data Respons revenue since 1st Jan 2019

H1 2020 REVENUE SLIGHTLY BELOW EXPECTATIONS

- **AKKA revenue was down 12.7% in the first half of 2020, or 20.3% organically.** The negative impact of lower demand due to the COVID-19 situation which materialized in March continued into the second quarter of the year. The peak of the crisis occurred in May at Group level despite being expected in April. This translated in Q2 revenues being slightly below expectations.
- **Activity has been particularly low in the Automotive and Aeronautic sectors** as most customers' sites remained closed for a large part of the quarter. Revenues from these sectors thus decreased respectively by 26% and 13% for the first half of the year. However, thanks to a positive trend in Defence and Railways, decrease in Mobility related revenue was limited to 20% in the first half compared to the same period last year. AKKA is confident that it will be able to bounce back in Mobility when the upturn in customer demand materializes, thanks to the Group's strong and long-standing relationships with its customers.
- **AKKA has accelerated its diversification.** The non-Mobility sectors, which now account for 26% of Group revenue compared to 19% in H1 2019, recorded pro forma constant growth of 16% (decline limited to -3% in organic terms). Demand was less affected in these sectors (Telecommunications, Energy, Life Sciences, among others). Data Respons has proven resilient as demand for digital services continues to fuel the business despite the crisis, and the relevance of this acquisition is further strengthened.

- **France and Germany were both significantly impacted by the low demand in R&D in Automotive and Aerospace sectors.** The International and North America BUs were in a slightly stronger situation, benefiting from the fact that they operate within a variety of different industries. Energy, Naval and Railway activities remained robust in North America while the Defence, Industry and Energy businesses showed good traction in the International BU. The various BUs of the Group, whose low points have sometimes occurred at different times, are seeing the recovery of their activity intervene in a heterogeneous way.

FIRST-HALF 2020: OPERATING INCOME WILL BE IMPACTED

- Due to the decline in revenue in the first half, the **Group's profit from ordinary operations will be negative.**
- As a direct consequence of the **COVID-19 situation**, AKKA incurred non-recurring costs for more than €40 million which will impact the Group's operating income. These costs include IT spending related to the deployment of home office, costs resulting from furlough measures, the cost of the sanitary measures implemented group-wide to ensure the safety of our people and clients, and provisions for trade receivables.
- The roll-out of our performance-boosting initiative, **Fit-2-Clear Now**, will also incur some additional costs (around €10 million). This initiative aims at improving the Group's performance and strengthening local leadership to improve the agility of the largest BUs. Fit-2-Clear Now relies on two pillars: rightsizing the organization, notably in Germany where a significant restructuring is being envisaged, combined with an upskilling program targeted at digital skills to seize new business opportunities and driving operational excellence to improve the Group's margins. This plan will result into a drastic reduction of the Group's cost base.

AKKA'S FINANCIAL CAPACITY PROTECTED AND SOLID FINANCIAL STRUCTURE

- **AKKA has been successful in protecting its financial capacity** from the outset of the crisis, as the Group took immediate measures. The Group paid crucial attention to cash collection and benefited from the charge deferral measures which were implemented in most of the countries in which the Group operates. As a result, the Group generated a significant amount of Free Cash-Flow in the first half of the year despite the very significant drop in revenue.
- **Despite the acquisition of Data Respons being cashed out in the first half of the year, the deterioration of the net debt over the past six months has been contained** and the leverage ratio for the Group as of 30 June 2020 should be around 4 times (net debt to EBITDA).
- Although AKKA's business visibility is improving slightly thanks to continuous engagement with our clients, the worldwide health situation has not yet fully stabilized. Therefore, **AKKA is working proactively on various options to benefit from the soundest possible balance sheet structure**, and either fully leverage a faster than expected recovery or deal with lower demand for the long haul.

BUSINESS TRENDS AND OUTLOOK FOR THE REMAINDER OF 2020

- As of today, AKKA considers that a low point was reached in May 2020 and is still expecting a gradual recovery in Q3 and Q4.

- Although visibility is gradually improving, the Group should be able to provide additional information with the publication of the H1 2020 results in September.

Next events:

Half-year 2020 results: Tuesday, 10th September 2020

Q3 2020 Revenue: Thursday, 5th November 2020

During its Annual General Meeting held on June 16th, 2020, AKKA informed its shareholders that it intends to change the format of the publication of its financial results to adopt best-in-class communication standards. From 2021, the Group will publish its interim and annual financial results all at once and will no longer pre-publish its revenues. The Group will continue to publish its first and third quarter revenues as it does currently. The financial calendar for 2021 will be published accordingly in the course of the fourth quarter of 2020.

In case of discrepancies between the French and English versions of the press release, only the English 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 22,000 employees, who are passionate about technology and dedicated to advancing the future of industry, the Group recorded revenues of €1.8 billion in 2019.

Following the completion of the friendly take-over bid of Data Respons launched in January 2020, AKKA now holds 100% of the company's shares; with the success of this operation, AKKA leverages the most comprehensive portfolio of digital solutions in Europe to harness the growing demand from its customers in the mobility sector.

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

For more information, please visit www.akka-technologies.com

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APPENDIX - REVENUE BY QUARTER

Revenue (€ million)	Q1 2020	Q2 2020	H1 2020
France	152.8	111.4	264.2
<i>% change</i>	-9.7%	-31.1%	-20.1%
<i>Organic growth¹</i>	-9.7%	-31.1%	-20.1%
<i>Pro forma constant growth²</i>	-9.7%	-31.1%	-20.1%
Germany	106.8	74.5	181.3
<i>% change</i>	-14.9%	-42.1%	-28.7%
<i>Organic growth¹</i>	-14.9%	-42.1%	-28.7%
<i>Pro forma constant growth²</i>	-14.9%	-42.1%	-28.7%
North America	77.5	60.6	138.1
<i>% change</i>	2.5%	-21.1%	-9.4%
<i>Organic growth¹</i>	-0.7%	-22.5%	-11.6%
<i>Pro forma constant growth²</i>	-0.7%	-22.5%	-11.6%
International	70.7	59.7	130.4
<i>% change</i>	-6.9%	-23.4%	-15.3%
<i>Organic growth¹</i>	-7.6%	-23.1%	-15.4%
<i>Pro forma constant growth²</i>	-7.6%	-23.1%	-15.4%
Data Respons	18.2	45.8	64.0
<i>% change</i>	n/a	n/s	n/s
<i>Organic growth¹</i>	n/a	n/a	n/a
<i>Pro forma constant growth²</i>	+17.0%	+16.5%	+16.8%
Total Group	425.9	352.0	778.0
<i>% change</i>	-4.5%	-20.9%	-12.7%
<i>Organic growth¹</i>	-9.2%	-31.4%	-20.3%
<i>Pro forma constant growth²</i>	-6.9%	-27.5%	-17.1%

¹ Growth at constant scope and exchange rates.

² Organic + Data Respons revenue since 1st Jan 2019.