



PASSION FOR
TECHNOLOGIES

Brussels, Belgium

17 March 2021 at 5:45pm

Inside information/regulated information

FY 2020 RESULTS¹

PROFITABILITY² RESTORED IN H2 2020 IN ALL UNITS STRONG CASH FLOW GENERATION IN FY2020

PRESS RELEASE

OPERATING PERFORMANCE

- Sequential improvement in revenue confirmed in Q4
- Full-year revenue of €1.5 billion, down 16.5% vs 2019
- Operating profit down to € (170.5) M, due to the consequences of the COVID situation and its related costs
- FY operating profit (adjusted)¹: €20M
- Cost base reduced by €30M by year-end

FY2020 PERFORMANCE

- Strong Free Cash Flow¹ generation
- Financial debt lower than expected at year end
- Financial structure strengthened following the completion of the reserved capital increase

Mauro Ricci, Chairman and CEO of AKKA, commented:

“2020 was an unprecedented year, in which we carried out immediate actions to protect our employees and partners while continuing to serve our customers effectively. Throughout 2020, AKKA worked hard to accelerate its transformation while strengthening its fundamentals to be better positioned than ever and emerge from the crisis with its agility restored.

We have accelerated our business repositioning with multiple initiatives to leverage our core business, diversifying our capabilities in digital across all our sectors, and in R&D with AKKA Research. On the strength of our work on getting our organisations leaner and tightly managing our cost base with a relentless focus on cash management, we are already bearing the first fruits. The profit² of each and every one of our business units is back in the positive territory, while the revenue growth in Q3 and in Q4 confirm the gradual recovery of the activity.

Looking ahead, we are also prepared for the next cycle as AKKA has also taken adequate measures to strengthen its balance sheet alongside our new strategic investor. We expect the gradual and moderate upturn to continue in H1 2021 and to accelerate in H2 2021 with good momentum in our digital activities and in most of our sectors. Our solid business fundamentals coupled with our wealth of know-how and skills, firmly positions us to capitalize on the recovery in global demand that is sure to materialize.”

¹ Definition and calculation of all Alternative Performance Measures (APM) are provided in the Appendix

² Operating profit (adjusted)

2020 RESULTS SUMMARY

The AKKA Group's Board of Directors met on March 16th, 2021 to approve the financial statements for 2020.

€M	FY2020	FY2019	% CHANGE
REVENUE	1,503.5	1,801.5	-16.5%
EXTERNAL EXPENSES	(365.4)	(388.9)	-6.0%
PERSONNEL EXPENSES	(1,134.0)	(1,222.6)	-7.3%
NET DEPRECIATION & PROVISION	(172.8)	(57.2)	ns
FREE SHARES & STOCK OPTIONS	(1.0)	(3.8)	-74.5%
OTHER OPERATING EXPENSES & INCOME	(0.8)	(7.7)	-89.3%
OPERATING PROFIT	(170.5)	121.2	ns
% REVENUE	-11.3%	6.7%	
OPERATING PROFIT (ADJUSTED)*	19.5	143.7	-86.4%
% REVENUE	1.3%	8.0%	
FINANCIAL RESULT	(27.4)	(17.5)	56.5%
PRE-TAX INCOME	(197.9)	103.7	ns
TAX EXPENSE	30.0	(30.4)	ns
CONSOLIDATED NET INCOME	(167.9)	73.3	ns
MINORITY INTEREST	(0.9)	(0.2)	ns
GROUP NET INCOME	(168.8)	73.0	ns

*The details of adjustments on the operating profit is provided in the Appendix

REVENUE: GRADUAL RECOVERY EXPERIENCED IN Q3 CONFIRMED IN Q4 2020

Q42020 REVENUE

€M	Q3 2020 REVENUE	Q4 2020 REVENUE	Q4 2019 REVENUE	REPORTED GROWTH (%)	ORGANIC GROWTH (%)	PRO FORMA CONSTANT GROWTH (%)	Q4 vs Q3
FRANCE	108.2	115.7	167.2	-30.8%	-30.8%	-30.8%	+6.9%
GERMANY	84.6	83.3	139.7	-40.4%	-40.4%	-40.4%	-1.5%
NORTH AMERICA	60.8	65.9	74.2	-11.2%	-3.8%	-3.8%	+8.4%
INTERNATIONAL*	56.4	61.5	87.9	-30.0%	-28.6%	-28.6%	+9.0%
AKKA LEGACY	309.9	326.4	469.0	-30.4%	-29.3%	-29.3%	+5.3%
DATA RESPONS	41.1	48.0	-	-	-	-1.0%	+16.8%
TOTAL GROUP	351.0	374.5	469.0	-20.2%	-29.3%	-32.5%	+6.7%

*Excluding France, Germany, North America and Data Respons

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

- **AKKA recorded revenue of €374.5M in Q4 2020**, down -20.2% or -32.5% on pro forma constant basis. As the gradual recovery that started to materialize from Q3 continued in **Q4 2020 as expected**, AKKA revenue **increased by 6.7% in Q4 2020 compared to Q3 2020**. AKKA's mobility sectors confirmed their sequential rebound in Q4 2020 with revenue up 7% compared to 3Q 2020. This was driven by ongoing recovery in the Defence, and Aerospace sectors which posted double digit sequential growth and in Automotive in a lesser extent. **AKKA's diversification sectors** such as Life Sciences and Services continued to perform with revenue up 8% and 32% respectively.
- By BU:
 - In Q4 2020, **France BU** declined 30.8% to €115.7M. The BU was particularly penalised by its exposure to Civil Aeronautics that stabilized at low point (around -50% compared to last year, in line with the market). The BU revenue sequential increase of 6.9% was mainly driven by a rebound in Life Sciences, Defence and Railway programs, and Automotive to a certain extent.
 - In Q4 2020 the **German BU** experience a sequential organic decline of 1.5% compared to Q3 2020 as a direct consequence of the general lockdown measures imposed in Germany in the last quarter of 2020. Considering the lower number of working days in Q4 than in Q3 the German BU recorded broadly stable revenue sequentially.
 - **AKKA North America** revenue declined by 11.2% in Q4 2020, to €65.9M. This represents an 8.4% rebound sequentially compared to Q3 2020 driven by large projects with key customers.
 - The **International BU** Q4 2020 revenue reached €61.5M compared to €87.9M in 2019. The BU rebounded 9% over Q3 2020, driven by improved business environment in particular in Italy, Spain, the Benelux and Eastern Europe countries.
 - As expected, **Data Respons** returned to significant growth in Q4 2020 compared to Q3 2020. Q4 2020 revenue was €48M, up 16.8% over the previous quarter. On a pro forma basis, revenue was down 1% as the positive trend on the engineering business offset most of the ongoing pressure on the delivery of solutions.

2020 RESULTS

FY2020 REVENUE BY BU

En M€	2020	2019	REPORTED GROWTH (%)	ORGANIC GROWTH (%)	PRO FORMA CONSTANT GROWTH (%)
FRANCE	488.1	661.3	-26.2%	-26.2%	-26.2%
GERMANY	349.2	516.6	-32.4%	-32.4%	-32.4%
NORTH AMERICA	264.8	305.0	-13.2%	-11.5%	-11.5%
INTERNATIONAL	248.3	318.6	-22.1%	-21.4%	-21.4%
DATA RESPONS	153.1	-	-	-	6.4%
TOTAL GROUPE	1,503.5	1,801.5	-16.5%	-24.7%	-21.9%

- **AKKA FY 2020 revenue declined 16.5% to €1,503.5M as a direct consequence of the global pandemic and the subsequent lockdown.** With the sharp downturn in all business activity and loss of visibility experienced in the first half year, AKKA carried out immediate action to protect the health of its employees and partners, increase R&D efforts with the support of AKKA Research and continue to serve its customers effectively.
- After the peak of the crisis in May, AKKA's business activity and financial performance gradually **started to recover in most sectors**, except in Civil Aeronautics while the automotive industry saw mixed recovery trends from the summer.
- In FY 2020, **AKKA's French BU** revenue declined 26.2% to €488.1M, impacted by depressed revenue in the civil aeronautics industry that stabilized at a low point during the second semester. **The German BU** was most impacted by the COVID-19 lockdown throughout the year and notably in spring and in December, with revenue down 32.4% to €349.2M. The rebound in Q3 and the subsequent stabilization only partially offset the sharp reduction in activity in automotive in H1. **AKKA North America's** revenue decline was contained to -13.2%, to €264.8M in 2020 thanks to the more balanced revenue mix and a good resilience from Defence activities. The **International BU** FY 2020 revenue reached €248.3M compared to €318.6M in 2019 as some countries have been strongly impacted by the COVID situation. **Data Respons** contributed €153.1M to Group revenues in 2020. This represent a 6.4% increase on 2019 pro forma constant revenue, benefiting from its pure player positioning in digital engineering.

FY2020 OPERATING PROFIT AFFECTED BY THE ACCELERATED TRANSFORMATION AND COVID CRISIS

- **AKKA's operating profit decreased to € (170.5)M in 2020**, impacted by the consequences of the COVID situation and its related costs, notably in the French and German BUs. This figure includes all costs that were reported as "Non-operating costs" in previous years.
- To **streamline its financial communication** and in full alignment with the IFRS rules, the Group no longer reports on the "Operating profit from Ordinary operations" nor on "Non-recurring costs". AKKA from now on publishes its Operating profit which includes costs previously reported as "Non-recurring costs". **However, for comparability purposes**, the Group also publishes an "**Operating profit (adjusted)**"¹, the aim is this is to underline the performance from operations irrespective of some events that can occur during a specific year. The calculation of the Operating profit (adjusted)¹ is provided in the appendix for both 2019 and 2020.
- The **adjustments for the full-year of 2020** comprise mostly the COVID related expenses (€59.2M), the costs related to the implementation of Fit-2-Clear (€41.9M), the provisions for the restructuring plans in Germany and France (€79.6M as previously announced) and the amortization of the intangibles arising from the allocation of Data Respons purchase price (€9.0M).
- Therefore, the **Group's adjusted operating profit was €19.5M for FY 2020**, remaining positive as expected, compared to €143.7M in FY2019 thanks to the early adoption and rapid implementation of significant cost reduction measures. The Group decided to accelerate its transformation and took important steps to emerge from the crisis with a streamlined organisation, more agile BUs and significantly lighter corporate organisation. The transformation plan is already yielding results with a reduction of the Group's cost base of €30M by year-end 2020.

- Analysing the sequential dynamic in 2020, important is to note **each and any of the BUs of the Group were back to profitability³ in H2 2020**. The **International** BU even achieved a margin rate exceeding that for the full year of 2019 in H2 2020, while **Data Respons** delivered on expectations, with a margin of 12.8% in H2. Details of the profitability by BU are provided in the Appendix.
- The **financial result** was a negative €27.4M in FY2020 (versus a negative €17.5M in FY2019). This includes €19.1M of interest on borrowings, stable compared to 2019 on an organic basis. The tax item in FY2020 is a credit of €30.0M, compared to a negative amount of €30.4M in FY2019. Therefore, the Group's consolidated net loss was €168.8M in 2020, compared to a profit of €73.0M in FY2019.

A SUCCESSFUL CASH PROTECTION

- Protecting AKKA's financial health has been a key priority throughout the COVID crisis, enabling the Group to generate a **very strong Free Cash Flow of €142M**, up 6.9% compared to 2019 despite the significant decrease in operating profit. The immediate measures the Group took enabled a **positive change in working capital** of €224M mostly due to €147M of social and fiscal tax payments being deferred in most countries where the Group operates and to a reduction in net customer receivables.
- In addition, in October 2020, AKKA announced its decision to strengthen its shareholder equity through a **€197M net reserved capital increase**, to provide the Group with greater agility in the aftermath of the crisis.
- Despite the disbursement of the acquisition of Data Respons during the year, the **cash position at year end 2020 was €468M, stable compared to year end 2019 (€469M)**. With €470M of undrawn credit facility, the financing capacity at year end is intact compared to a year ago.

A SRENGTHENED BALANCE SHEET WITH A REDUCED NET DEBT VERSUS JUNE 2020

- **AKKA's balance sheet structure is solid**. Covenant net debt post IFRS16 stood at €309M at 31st December 2020. The Group's shareholder equity increased to €493M from €478M corresponding to a gearing of 63% and leverage of 3.44 times (net debt / EBITDA), below the 4.5 times covenant. This net debt position does not take into account the €175 M ODIRNANE bonds, which are accounted for in equity. For more information on the definition and details of the calculation of the net debt, leverage and gearing, refer to the Appendix.
- From the outset of the crisis AKKA intensified its **discussions with its lenders** on the conditions attached to its funding instruments. It resulted in the banks in the RCF giving their consent for (i) a Covenant Holiday for the Leverage covenant on 31 December 2020 and(ii) a reset at 6x for the Leverage covenant to be tested on 30 June 2021. In addition, 80% of the Schuldschein (SSD) investors gave their consent for a Covenant Holiday for the Leverage covenant on 31 December 2020. As a reminder the testing for the SSD occurs on an annual basis at year-end.

³ Operating profit (adjusted)

TRANSFORMING AKKA

- After a long period of sustained growth through acquisitions, AKKA streamlined operations both in the different BUs and at corporate level. In order to prepare for the next cycle, the Group accelerated the deployment of Fit2Clear to become more agile and to better adapt to the demand evolution in terms of industries and skills. **The objective is to lower the Group's breakeven point and increase the operational leverage ahead of the major clients' re-launch of major programmes.**
- The costs related to **Fit2Clear implementation** are estimated at around €100m, of which €41.9m was booked and cash-out in 2020. The remainder will be accounted for in 2021. As already mentioned, AKKA's streamlining of its organisation began to bear fruits in 2020, with a cost base reduction of €30M. On a full year basis, **the measures implemented should lead to a €60 to €65M cost base reduction, with full impact expected from 2022, representing an 18-month payback.**

PERSPECTIVES & OUTLOOK

- Business momentum continues to improve in early 2021, however visibility remains limited due to the ongoing COVID crisis. As a consequence, AKKA currently expects 2021 to be back-end loaded, with Q1 being the latest declining quarter due to a strong comparison basis pre-COVID and due to a particular selection of high margin projects, especially in North America.
- As already communicated in the second half of 2020, AKKA's management across all BUs is **strongly focused on profitability over revenue expansion.**
- The additional cost reductions derived from the Fit-2-Clear transformation plan, together with the first savings linked to the implementation of the restructuring plans to adapt our capacities to the foreseen demand in our largest BUs should allow for a sequential **reduction in the Group's cost base of about €70 to €75M compared to 2020.**
- **The Free Cash Flow for the year is expected to be significantly negative in 2021** due to around €200M of one-off cash outflows arising from the restructuring plans, Fit2Clear implementation costs that will be spread over the fiscal years 2021 and 2022, and the social and fiscal payments deferred that have been rescheduled over 2021 to 2023. Due to the seasonality of the working capital at AKKA, and with about two-thirds of the expected one-off cash outflows for 2021 to be paid in the first semester, the net debt should increase significantly in the first half of the year 2021 and improved at the end of the year.

COST BASE	<ul style="list-style-type: none"> • Reduced by €70 – 75M
NON-OPERATING COSTS	<ul style="list-style-type: none"> • Implementation of F2C c. €60M • Other <1% of revenue • PPA Data Respons
FREE CASH FLOW	<ul style="list-style-type: none"> • To be significantly negative due to one-off cash outflows



PASSION FOR
TECHNOLOGIES

PRESS RELEASE

AUDITORS REPORT

The statutory auditor, EY Réviseurs d'Entreprises SRL, has confirmed that their audit procedures, which are substantially complete, have not revealed material correction which would have to be made to the accounting information presented in the condensed income statement, condensed balance sheet and condensed cash flow statement included in appendix of this press release.

Upcoming events:

Q1 2021 revenue: Thursday, 6th May 2021

H1 2021 results: Wednesday, 8th September 2021

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 a European leader in engineering consulting and R&D services. Our comprehensive portfolio of digital solutions combined with our expertise in engineering, uniquely positions us to support our clients by leveraging the power of connected data to accelerate innovation and drive the future of smart industry. AKKA accompanies leading industry players across a wide range of sectors throughout the life cycle of their products with cutting edge digital technologies (AI, ADAS, IoT, Big Data, robotics, embedded computing, machine learning, etc.) to help them rethink their products and business processes. Founded in 1984, AKKA has a strong entrepreneurial culture and a wide global footprint. Our 20,000 employees around the world are all passionate about technology and share the AKKA values of respect, courage and ambition. The Group recorded revenues of €1.5 billion in 2020. AKKA Technologies (AKA) is listed on Euronext Paris and Brussels – segment B – ISIN code: FR0004180537.

For more information, please visit: <https://www.akka-technologies.com/>

Contact

Stephanie Bia - Group Director for Communications & Investor Relations

Tel. +33 6 4785 9878

Stephanie.bia@akka.eu

GLOSSARY

ECONOMIC GROWTH:

Growth at constant scope, exchange rate and number of working days.

ORGANIC GROWTH:

Growth at constant scope and exchange rate.

PRO FORMA CONSTANT GROWTH:

Organic growth based on proforma figures as if Data Respons had been consolidated from 1st January 2019.

COMPARABILITY ADJUSTMENTS:

Expenses and income related to significant acquisitions, reorganizations, litigations, transformation, amortization of intangibles identified as part of business combinations, stock options and free shares, costs related to COVID crisis.

OPERATING PROFIT ADJUSTED:

Operating profit increased by comparability adjustments.

OPERATING MARGIN ADJUSTED:

Rate of adjusted operating profit in proportion of Revenue.

EBITDA ADJUSTED:

Operating profit (adjusted) increased by net adjusted depreciation and provisions.

NET DEBT:

Financial liabilities reduced by Cash and cash equivalents. It does not include the ODIRNANE, equity accounted under IFRS (€175m first call in 2025).

NET DEBT FOR COVENANTS:

Net debt reduced by value of own shares at year-closing market price. It does not include the ODIRNANE, equity accounted under IFRS (€175m first call in 2025).

LEVERAGE:

Net debt divided by EBITDA adjusted.

GEARING:

Net debt divided by Shareholders' equity.

FREE CASH FLOW:

Net cash flow from operating activities decreased by acquisitions of fixed assets and increased by disposal of fixed assets.

* Unless defined in this section, financial aggregates used in the current press-release are directly derived from the Group consolidated financial statements

APPENDIX

REVENUE BY QUARTER

Revenue (€ million)	Q1 2020	Q2 2020	Q3 2020	Q4 2020	FY 2020
France	152.8	111.4	108.2	115.7	488.1
<i>% change</i>	-9.7%	-31.1%	-33.8%	-30.8%	-26.2%
<i>Organic growth</i>	-9.7%	-31.1%	-33.8%	-30.8%	-26.2%
<i>Pro forma constant growth</i>	-9.7%	-31.1%	-33.8%	-30.8%	-26.2%
Germany	106.8	74.5	84.6	83.3	349.2
<i>% change</i>	-14.9%	-42.1%	-31.1%	-40.4%	-32.4%
<i>Organic growth</i>	-14.9%	-42.1%	-31.1%	-40.4%	-32.4%
<i>Pro forma constant growth</i>	-14.9%	-42.1%	-31.1%	-40.4%	-32.4%
North America	77.5	60.6	60.8	65.9	264.8
<i>% change</i>	2.5%	-21.1%	-22.4%	-11.2%	-13.2%
<i>Organic growth</i>	-0.7%	-22.5%	-18.2%	-3.8%	-11.5%
<i>Pro forma constant growth</i>	-0.7%	-22.5%	-18.2%	-3.8%	-11.5%
International	70.7	59.7	56.4	61.5	248.3
<i>% change</i>	-6.9%	-23.4%	-26.5%	-30.0%	-22.1%
<i>Organic growth</i>	-7.6%	-23.1%	-25.5%	-28.6%	-21.4%
<i>Pro forma constant growth</i>	-7.6%	-23.1%	-25.5%	-28.6%	-21.4%
Data Respons	18.2	45.8	41.1	48.0	153.1
<i>% change</i>	n/a	n/a	n/a	n/a	n/a
<i>Organic growth</i>	n/a	n/a	n/a	n/a	n/a
<i>Pro forma constant growth</i>	+17.0%	+16.5%	-5.1%	-0.9%	6.4%
Total Group	425.9	352.0	351.0	374.5	1503.5
<i>% change</i>	-4.5%	-20.9%	-20.4%	-20.2%	-16.5%
<i>Organic growth</i>	-9.2%	-31.4%	-28.9%	-29.3%	-24.7%
<i>Pro forma constant growth</i>	-6.9%	-27.5%	-26.8%	-26.6%	-21.9%

ALTERNATIVE PERFORMANCE MEASURES

Definition of alternative performance measures and reconciliation with IFRS

The Group uses alternative performance measures (APM) aimed to provide a broader view of the Group financial performance which is complementary to IFRS aggregates. These APM are not audited, and their calculations are based on both IFRS and non IFRS figures.

DETAIL OF CALCULATIONS

- OPERATING PROFIT (Adjusted)

In M€	FY 2020			FY 2019		
	REPORTED	COMPARABILITY ADJUSTMENTS	ADJUSTED	REPORTED	COMPARABILITY ADJUSTMENTS	ADJUSTED
REVENUE	1,503.5		1,503.5	1,801.5		1,801.5
OPERATING EXPENSES BEFORE NET DEPRECIATION AND PROVISIONS	(1,501.8)	82.7	(1,419.1)	(1,621.7)	18.7	(1,603.0)
NET DEPRECIATION AND PROVISIONS	(172.8)	106.3	(66.4)	(57.2)		(57.2)
INCOME FROM EQUITY METHOD	1.6		1.6	2.5		2.5
FREE SHARES AND STOCK OPTIONS	(1.0)	1.0	0.0	(3.8)	3.8	0.0
OPERATING PROFIT	(170.5)	190.0	19.5	121.2	22.5	143.7

- COMPARABILITY ADJUSTMENTS 2020

€M	H1 2020	H2 2020	FY 2020
OPERATING PROFIT	(66.1)	(104.4)	(170.5)
COVID RELATED EXPENSES	46.2	13.0	59.2
FIT 2 CLEAR IMPLEMENTATION COSTS	6.8	35.1	41.9
COSTS FOR RESTRUCTURING PLANS	-	79.6	79.6
DATA RESPONSP PPA INTANGIBLES AMORTIZATION	1.0	8.0	9.0
FREE SHARES & STOCK OPTIONS	1.1	(0.1)	1.0
OTHER INCOME & EXPENSE*	(1.5)	0.8	(0.7)
ADJUSTED OPERATING PROFIT	(12.5)	32.0	19.5

*Including €10 million income from R&D Tax credit related to 2008-2013 and other individually non materal items

- COMPARABILITY ADJUSTMENTS 2019

FY2019	FY2019
OPERATING PROFIT	121.2
TRANSFORMATION AND STRATEGIC PROGRAMS	9.6
ACQUISITIONS / INTEGRATIONS	1.4
NEW ACTIVITIES	7.1
FREE SHARES & STOCK OPTIONS	3.8
OTHERS	0.6
ADJUSTED OPERATING PROFIT	143.7

*Including €13.3 million income from R&D Tax income related to 2008-09 and other individually non material items

- OPERATING PROFIT BY BU

(€M)	REVENUE				OPERATING PROFIT				OPERATING PROFIT (ADJUSTED) ¹			
	H1 2020	H2 2020	FY 2020	FY 2019	H1 2020	H2 2020	FY 2020	FY 2019	H1 2020	H2 2020	FY 2020	FY 2019
FRANCE	264.2	223.9	488.1	661.4	(34.7)	(64.1)	(98.8)	54.1	(8.6)	4.8	(3.8)	74.1
MARGIN (%)									-3.3%	2.1%	-0.8%	11.2%
GERMANY	181.3	167.9	349.2	516.6	(33.5)	(40.5)	(74.0)	36.9	(13.4)	7.6	(5.8)	47.8
MARGIN (%)									-7.4%	4.5%	-1.7%	9.3%
NORTH AMERICA	138.1	126.7	264.8	305.0	2.8	3.5	6.3	11.8	2.1	4.4	6.5	13.2
MARGIN (%)									1.5%	3.5%	2.5%	4.3%
INTERNATIONAL	130.4	117.9	248.3	318.6	7.4	9.1	16.5	34.6	11.9	13.7	25.6	36.6
MARGIN (%)									9.1%	11.6%	10.3%	11.5%
DATA RESPONS	64.0	89.1	153.1	0.0	6.9	2.9	9.8		7.9	11.4	19.3	0.0
MARGIN (%)									12.3%	12.8%	12.6%	na
OTHERS	-	-	-	-	(15.0)	(15.3)	(30.3)	(16.1)	(12.5)	(9.8)	(22.3)	(28.0)
GROUP	778.0	725.4	1,503.5	1,801.6	(66.1)	(104.4)	(170.5)	121.2	(12.6)	32.1	19.5	143.7
MARGIN (%)									-1.6%	4.4%	1.3%	8.0%

¹The Operating Profit (Adjusted) results from the comparability adjustments for each BU with R&D tax credits allocated to the originating BU.

- EBITDA (Adjusted)

In M€	FY 2020	FY2019
Operating Profit (Adjusted)	19.5	143.7
Adjusted Net depreciation and provisions	66.4	57.2
Proforma adjustment	4.1	0.0
EBITDA (Adjusted)	90.0	200.9

- EBITDA PRE IFRS 16 (Adjusted)

In M€	FY 2020	FY2019
EBITDA (Adjusted)	90.0	200.9
IFRS 16 impacts	(38. 6)	(31. 5)
EBITDA pre-IFRS 16 (Adjusted)	51.4	169.4

- NET DEBT

In M€	31-12-20		31-12-19	
	Published	Pre-IFRS 16	Published	Pre-IFRS 16
Non-current financial liabilities	635.5	635.5	467.7	467.7
Current financial liabilities	10.1	10.1	74.8	74.8
Lease liability (IFRS 16) - non current	114.7	0.0	123.4	0.0
Lease liability (IFRS 16) - current	33.6	0.0	29.7	0.0
Cash and cash equivalents	(468. 0)	(468. 0)	(469. 2)	(469. 2)
Net debt	325.9	177.7	226.4	73.3

It does not include the ODIRNANE, equity accounted under IFRS (€175m first call in 2025).

- NET DEBT COVENANT

In M€	31-12-20		31-12-19	
	Published	Pre-IFRS 16	Published	Pre-IFRS 16
Net debt	325.9	177.7	226.4	73.3
Own shares	(16. 5)	(16. 5)	(29. 1)	(29. 1)
Net debt for covenants	309.4	161.1	197.3	44.2

It does not include the ODIRNANE, equity accounted under IFRS (€175m first call in 2025).

- LEVERAGE

In M€	31-12-20		31-12-19	
	Published	Pre-IFRS 16	Published	Pre-IFRS 16
Covenants net debt	309.4	161.1	197.3	44.2
Adjusted EBITDA	90.0	51.4	200.9	169.4
Leverage	3.44	3.13	0.98	0.26

- GEARING COVENANT

In M€	31-12-20		31-12-19	
	Published	Pre-IFRS 16	Published	Pre-IFRS 16
Covenants net debt	309.4	161.1	197.3	44.2
Equity	492.6	498.1	478.2	481.5
Gearing	0.63	0.32	0.41	0.09

- FREE CASH FLOW

In M€	2020	2019
Net income	(167.9)	73.3
Non cash and non operational items	128.0	89.6
Cash flow before net interest borrowing costs and tax	(39.9)	162.9
Tax paid	(14.9)	(21.0)
Change in net working capital	224.4	19.1
Aquisitions of fixed assets net of disposals	(27.9)	(30.3)
Free cash flow	141.8	130.7

CONDENSED INCOME STATEMENT

(In m€)	2020	2019	Change (m€)	Change (%)
Revenue	1,503.5	1,801.5	(298.0)	-16.5%
External expenses	(365.4)	(388.9)	23.5	-6.0%
Taxes and duties	(10.9)	(12.7)	1.8	-14.1%
Personnel expenses	(1,134.0)	(1,222.6)	88.6	-7.3%
Net depreciation and provisions	(172.8)	(57.2)	(115.6)	ns
Other current expenses	(10.7)	(10.0)	(0.6)	6.3%
Other current income	19.2	12.5	6.7	53.4%
Income from equity affiliates	1.6	2.5	(0.9)	-37.1%
Free shares and stock options	(1.0)	(3.8)	2.8	-74.5%
OPERATING PROFIT	(170.5)	121.2	(291.7)	-240.6%
COST OF NET FINANCIAL DEBT	(19.1)	(16.2)	(2.9)	18.0%
Other financial income and expenses	(8.3)	(1.3)	(7.0)	ns
PROFIT BEFORE TAX	(197.9)	103.7	(301.6)	ns
Tax expenses	30.0	(30.4)	60.4	ns
CONSOLIDATED NET INCOME	(167.9)	73.3	(241.2)	ns
Non-controlling interests	(0.9)	(0.2)	(0.6)	ns
GROUP SHARE OF NET INCOME	(168.8)	73.0	(241.8)	ns

Earnings per share (€)	-8.26	3.38
Diluted earnings per share (€)	-8.26	3.36
Weighted average number of shares outstanding	21,160,146	21,448,362
Weighted average number of ordinary shares plus potential dilutive shares	23,873,294	21,764,895

CONDENSED BALANCE SHEET

In million euros	2020	2019	Change (m€)	Change (%)
Goodwill	691.4	367.7	323.7	88%
Intangible assets	112.5	24.7	87.7	355%
Tangible assets	75.7	91.9	(16.3)	-18%
Rights of use - IFRS 16	141.8	149.7	(7.9)	-5%
Non-current financial assets	49.9	44.9	5.0	11%
Securities of affiliated companies and joint ventures	48.2	47.9	0.3	1%
Deferred tax assets	80.0	32.8	47.2	144%
Other non current assets	30.1	27.2	2.8	10%
Total Non Current Assets	1,229.5	786.9	442.6	56%
Trade receivables	192.0	224.8	(32.8)	-15%
Other current assets	85.7	124.4	(38.7)	-31%
Cash and cash equivalents	468.0	469.2	(1.3)	0%
Total Current Assets	745.6	818.4	(72.7)	-9%
TOTAL ASSETS	1,975.2	1,605.3	369.9	23%

(In m€)	2020	2019	Change (m€)	Change (%)
Group Share of Equity before equity instruments	314.2	304.7	9.5	3%
Odinane bonds	176.0	172.9	3.1	2%
Non controlling interests	2.4	0.4	2.0	490%
Shareholders' equity	492.6	478.0	14.6	3%
Earnings per share (€)	36.9	29.0	7.9	27%
Diluted earnings per share (€)	635.5	467.7	167.8	36%
Non-current IFRS 16 lease liabilities	114.7	123.4	(8.7)	-7%
Non-current earn-out liabilities	10.8	0.0	10.8	ns
Non-current tax and social security liabilities	31.6	12.9	18.6	144%
Deferred tax liabilities	67.0	0.0	67.0	ns
Total Non current Liabilities	896.5	633.0	263.5	42%
Current provisions	65.1	2.5	62.6	2484%
Current financial liabilities	10.1	74.8	(64.7)	-86%
Current IFRS 16 lease liabilities	33.6	29.7	3.9	13%
Trade payables	125.4	114.6	10.8	9%
Tax and social security liabilities - current	285.7	228.7	57.0	25%
Current earn-out liabilities	11.6	2.3	9.3	401%
Other current liabilities	54.5	41.7	12.9	31%
Total Current Liabilities	586.0	494.2	91.8	19%
TOTAL LIABILITIES	1,975.2	1,605.3	369.9	23%

CONDENSED CASH FLOW STATEMENT

(In m€)	2020	2019
Net income	(167.9)	73.3
Adjustments for non cash and non operating items	128.0	89.6
Cash flow before net interest borrowing costs and tax	(39.9)	162.9
Tax paid	(14.9)	(21.0)
Change in net working capital	224.4	19.1
Net cash flow from operating activities	169.7	161.1
Acquisition of fixed assets net of disposals	(27.9)	(30.3)
Change in financial assets	(6.4)	(5.3)
Impact of changes in the scope of consolidation	(369.9)	(20.7)
Net cash flow from investing activities	(404.1)	(56.4)
Dividends paid to shareholders of the parent company	0.0	(14.0)
Issuance of Odirnane bonds	0.0	172.5
Increase in Capital	196.7	0.0
Purchase of treasury shares	(2.4)	(15.3)
Proceeds from new borrowings net of repayments	96.2	(8.5)
Repayment of IFRS 16 lease liabilities	(34.8)	(28.6)
Net interest disbursed	(21.4)	(16.1)
Net cash from financing activities	234.3	89.9
Impact of changes in foreign currency exchange rates	(1.1)	2.7
Change in cash position	(1.3)	197.3