

Q1 2021
Highlights

- Business dynamics continue to improve, set to continue
- Sequential revenue growth for the third consecutive quarter
- Focus on diversification bears fruits with non-mobility sectors growing by more than 10% sequentially

2021 OUTLOOK

- Revenue expected to grow organically in Q2 vs. Q2 2020
- Full-year cost reduction expectations confirmed
- Strong focus on profitability (operating profit adjusted)

Q1 2021 REVENUE – SEQUENTIAL RECOVERY CONFIRMED

€M	Q4 2020 REVENUE	Q1 2021 REVENUE	Q1 2020 REVENUE	REPORTED GROWTH (%)	ORGANIC GROWTH (%)	PRO FORMA CONSTANT GROWTH *** (%)	REPORTED GROWTH Q1 2021 vs Q4 2020 (%)
FRANCE	115.7	123.1	152.8	-19.4%	-19.4%	-19.4%	+6.4%
GERMANY	83.3	83.7	106.8	-21.6%	-21.6%	-21.6%	+0.5%
NORTH AMERICA	65.9	61.3	77.5	-20.8%	-13.6%	-13.6%	-6.8%
INTERNATIONAL*	61.5	65.1	70.7	-7.9%	-6.4%	-6.4%	+5.9%
AKKA LEGACY	326.4	333.2	407.8	-18.3%	-16.7%	-16.7%	+2.1%
DATA RESPONS**	48.0	52.0	18.2	ns	-9.5%	-4.8%	+8.3%
TOTAL GROUP	374.4	385.2	425.9	-9.6%	-16.4%	-15.3%	+2.9%

* Excluding France, Germany and North America

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

*** Pro-forma constant = Organic + Data Respons revenue

- **AKKA recorded revenues of €385.2M in Q1 2021**, down -9.6% or -15.3% on a pro forma constant basis. This represents a **strong improvement** on the -26.6% quarter on quarter pro forma constant decrease recorded in Q4 2020, although the basis of comparison being was still challenging this quarter. **The sequential revenue growth since Q3 2020 that reflects the gradual improvement in the business continued this quarter, with revenues up 2.9% compared to Q4 2020.** As expected, North America recorded a -6.8% decrease in sales sequentially due to the strategic repositioning initiated to drive the business towards high value-added projects.
- **AKKA legacy business increased by 2.1% in Q1 2021** compared to Q4 2020, while Data Respons recorded an 8.3% increase in revenue sequentially, benefiting from a **bolt-on acquisition this quarter.**

- **AKKA's mobility sectors were generally stable in Q1 2021** compared to Q4 2020. The automotive sector was steady thanks to the good dynamism in France, North America and International BUs, offsetting a conversion of the order book into production which is slow to materialize in Germany BU. Aeronautics is stable overall sequentially, and the Space and Defense sectors are still growing by more than 20% compared to the same period last year. Finally, Railways is experiencing a weaker growth cycle.
- **The non-mobility sectors, accounting for 30.7% of Group revenue for Q1 2021, show a sequential growth in excess of 10% compared to Q4 2020.** Services, Life sciences, Energy have fuelled this growth. The intense focus on the diversification towards mid-size clients in a variety of other sectors is bearing fruits.

SEQUENTIAL IMPROVEMENT ACROSS UNITS – BUSINESS REPOSITIONING IN NORTH AMERICA

- **The French BU posted revenue of €123.1m in Q1 2021**, down by -19.4% compared to the same quarter in 2020. The weakness of the aeronautics sector continues to prevail while Defense, Life Sciences, and Telecom are benefiting from strong momentum. Sequentially, the growth continues with revenue increasing +6.4%, reflecting the improvement in most sectors.
- **Revenue in the German BU was €83.7m in Q1 2021, down -21.6% compared to Q12020.** The positive momentum that materialized in the second half of 2020 has resulted in a **very strong order book**, which bodes well for future production; timing is however difficult to estimate precisely. Sequentially, revenue growth was limited, as this phase of transforming projects into production resulted in a slight drop in revenues in Automotive while the **other sectors recorded very good growth**.
- **North America recorded revenue of €61.3m, down -20.8% or -13.6% on an organic pro forma base.** This BU was impacted by a marked negative exchange rate effect and by our strategic shift. The repositioning of the business towards sales of higher value-added engineering solutions and digital solutions has indeed been initiated as expected and will continue. Our engineering activities in sectors where we have historical expertise, such as the automotive industry, are growing very well.
- **The International BU posted Q1 revenue of €61.5m**, a decline limited to -7.9% compared to the challenging basis of comparison that was Q1 2020, or a -6.4% on a pro forma constant base. Revenues increased 5.9% sequentially, thanks to the **strong momentum in Life Sciences and automotive** (respectively up 15% and 12% compared to Q4 2021), among others.
- **Data Respons revenue was €52.0m in Q1 2021** compared to €18.2m in Q1 2020 when Data Respons had contributed only from 1st March 2020. On a pro forma constant base, revenue decreased 4.8%, as its computer solution business is suffering from the global shortage of chips, while the growth profile of its engineering and solutions business remains strong. In addition, Data Respons **acquired a small digital solutions company** in the finance sector (banks, financial service providers and insurance companies) in northern Germany (90 people – 2020 revenue: €14m), reinforcing its portfolio with this bolt-on acquisition.

BUSINESS TRENDS AND OUTLOOK FOR THE REMAINDER OF 2021

- In Q1 2021, the business momentum has enabled AKKA to achieve **sequential revenue growth for the third consecutive quarter**¹. These dynamics are expected to continue, leading to Group revenue growing organically as early as in Q2 2021 and the basis of comparison will become comparable.
- The roll-out of our Fit-2-Clear transformation plan is ongoing. **AKKA confirms its full year expectations in terms of cost reductions** and AKKA's management across all BUs remains strongly **focused on recovering pre-crisis profitability (operating profit (adjusted)) as swiftly as possible**.

Next events:

Half-year 2021 results: Press release on September 8th, 2021, 5.45pm
 Analyst meeting on September 9th, 2021, 9.30am

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 onwards, the Group will publish its interim and annual financial results in one go and will no longer pre-publish its revenues. As a result, revenues for the second quarter of 2021 will be published together with the 2021 half-year results.

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

WEBCAST – THURSDAY, MAY 6th, 2021 – 6.30 pm CET

Nathalie Buhnemann, Chief Financial Officer

and

Stephanie Bia, Group Communications & Investor Relations Director,

are pleased to invite you to a webcast dedicated to the publication of 1st quarter 2021 revenue

[Click here to join the meeting](#)

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 21,000 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/>

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GLOSSARY

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

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 for the scope of consolidation as of March 31st, 2021.

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.