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AKWEL REPORTS SALES OF €1,062.1 MILLION IN 2018

AKWEL (FR0000053027, AKW, PEA eligible), an equipment and systems manufacturer for the automotive and heavy-goods-vehicle industry specialising in fluid and mechanism management, reported record annual sales of €1,062.1 million in 2018, up 3.7% on a reported basis and 9.4% on a like-for-like basis.

2018 consolidated sales (January 1 to December 31)

In €m - non-audited	2018	2017	Change %	Change % LFL ⁽¹⁾
H1	559.3	534.7	+4.6%	+10.7%
Q3	240.6	228.9	+5.1%	+11.6%
Q4	262.2	260.6	+0.6%	+5.0%
12-month total	1,062.1	1,024.2	+3.7%	+9.4%

⁽¹⁾ On a like-for-like basis.

FOURTH-QUARTER SALES UP 5.0% ON A LIKE-FOR-LIKE BASIS

The AKWEL group posted sales of €262.2 million in fourth-quarter 2018, up 0.6% on a reported basis and 5.0% like-for-like. The net currency impact remained negative for the quarter at -€11.3 million, of which -€10.2 million stemming from translation differences with the Turkish lira. Business activity grew at a more modest pace in the fourth quarter than in previous quarters owing to the downturn in the Chinese automotive market and production adjustments by some carmakers in Europe.

FULL-YEAR BUSINESS ACTIVITY HITS A RECORD €1,062.1 MILLION

AKWEL reported sales of €1,062.1 million in 2018, up 3.7% on a reported basis and 9.4% like-for-like. The negative currency impact for the year as a whole was -€58.8 million, of which -€36.6 million resulting from translation differences with the Turkish lira and -€12.2 million with the US dollar.

This sales growth was achieved against the backdrop of the automotive market's first annual decrease (-0.3%) since the 2008 crisis, impacted by business activity in the fourth quarter.

The breakdown of 2018 sales by production region is as follows:

- France: €385.5m (-2.0%)
- Europe and Africa excluding France: €318.4m (+4.6%)
- North America: €247.1m (+7.6%)
- Asia and Middle East (including Turkey): €126.2m (+17.5%)
- South America: €11.9m (-29.4%)

Consistent with AKWEL's strategy of establishing presence as close as possible to production sites and customer delivery areas, the share of Asia and the Middle East, where a new plant was opened in November in Thailand, increased significantly. Fifteen of the group's industrial sites posted record activity in 2018, including two sites in China and two in Mexico.

STRONG UPTURN IN COOLING

Products and Functions sales topped the one-billion mark for the first time in 2018, rising 2.9% to €1,012.0 million. Cooling, up 17.5%, became the group's largest product line with sales of €240.4 million. Sales of the Decontamination product line increased 3.7% to €219.2 million, of which €177.0 million for Adblue® tanks and SCR systems, down 2.0% as forecast. The Air Intake and Oil product line grew 6.1% to a total €73.9 million. Lastly, Tooling sales rose a full 26.6% to €43.9 million.

NET DEBT OF €41 MILLION AT DECEMBER 31, 2018, IN LINE WITH INVESTMENTS

The group's net debt totalled €41 million at December 31, 2018, stable compared with June 30, 2018 (€42.3 million) and up €16.0 million for the year. This should be put in perspective with total own funds of €442.4 million at June 30, 2018.

Consistent with the investment program led by the Group since 2017, AKWEL finalised the acquisition of the building in Vigo, Spain in fourth-quarter 2018. Previously leased, this strategic site is the group's second largest in terms of activity. AKWEL now owns 36 of its 41 production sites worldwide.

OUTLOOK

AKWEL anticipated in its 2018 accounts an exceptional provision of a maximum €25 million relating to a level of warranty returns superior to forecasts and a decrease in operating income in 2018 compared with 2017, taking account of the performance in the first half of the year and the efforts involved in the development and industrialisation of new projects.

The group is forecasting a further increase in business activity in 2019 and is confirming its guidance on sales of around €1.2 billion by 2020.

Contacts

AKWEL

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