

ALTEN

2018 Annual results

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Paris, February 20th 2019





DISCLAIMER

“This presentation may contain information that may be considered forward-looking. This information constitutes trends or targets and should not be considered to be a forecast of the Company’s results or any other performance indicator.

By its nature, this information is subject to risk and uncertainty, which may be outside the Company’s control in certain cases. A more detailed description of these risks and uncertainties appears in the Company’s Registration Document, available on its website (www.alten.fr).

2017 Revenue and rates associated with such Revenue are hereby published as restated under IFRS 15, unless otherwise specified.”

BUSINESS AND HIGHLIGHTS IN 2018

ALTEN,

LEADER IN ENGINEERING & TECHNOLOGY CONSULTING (ETC)



REVENUE

+14.4%

2,269.9 M€

INTERNATIONAL:

-  **54.6%** of revenue
-  **€1,240.0 M: +17,1%**

FRANCE:

-  **45.4%** of revenue
-  **€1,029.9 M: +11,3%**

O_{per.} P_{rofit} on A_{ctivity}
9.9% du CA

€224 M

GEARING: -1.3%

EMPLOYEES

33,700

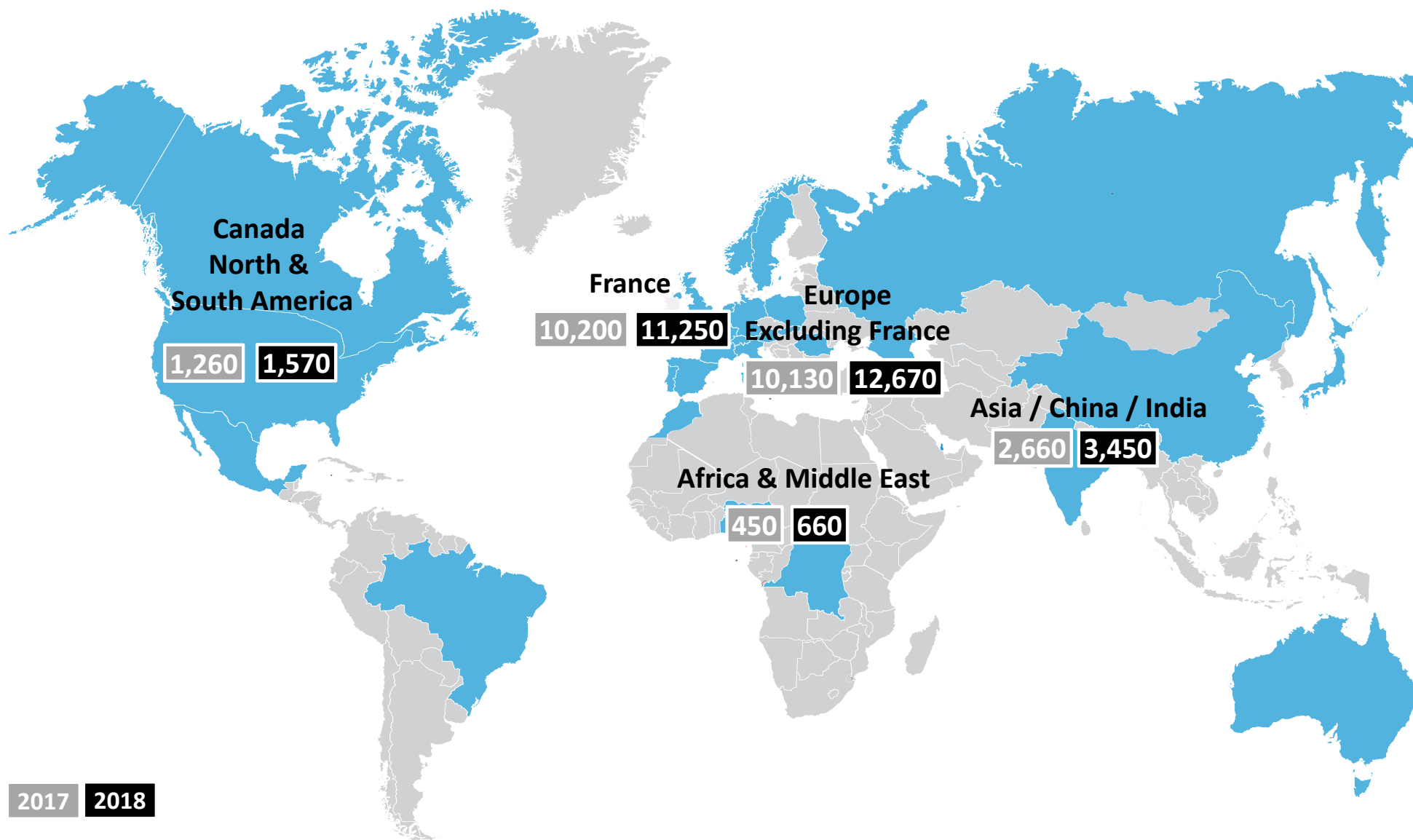
Including 29,600 engineers

88% OF TOTAL HEADCOUNT

**FOOTPRINT IN OVER
25 COUNTRIES**

29,600 ENGINEERS IN OVER 25 COUNTRIES

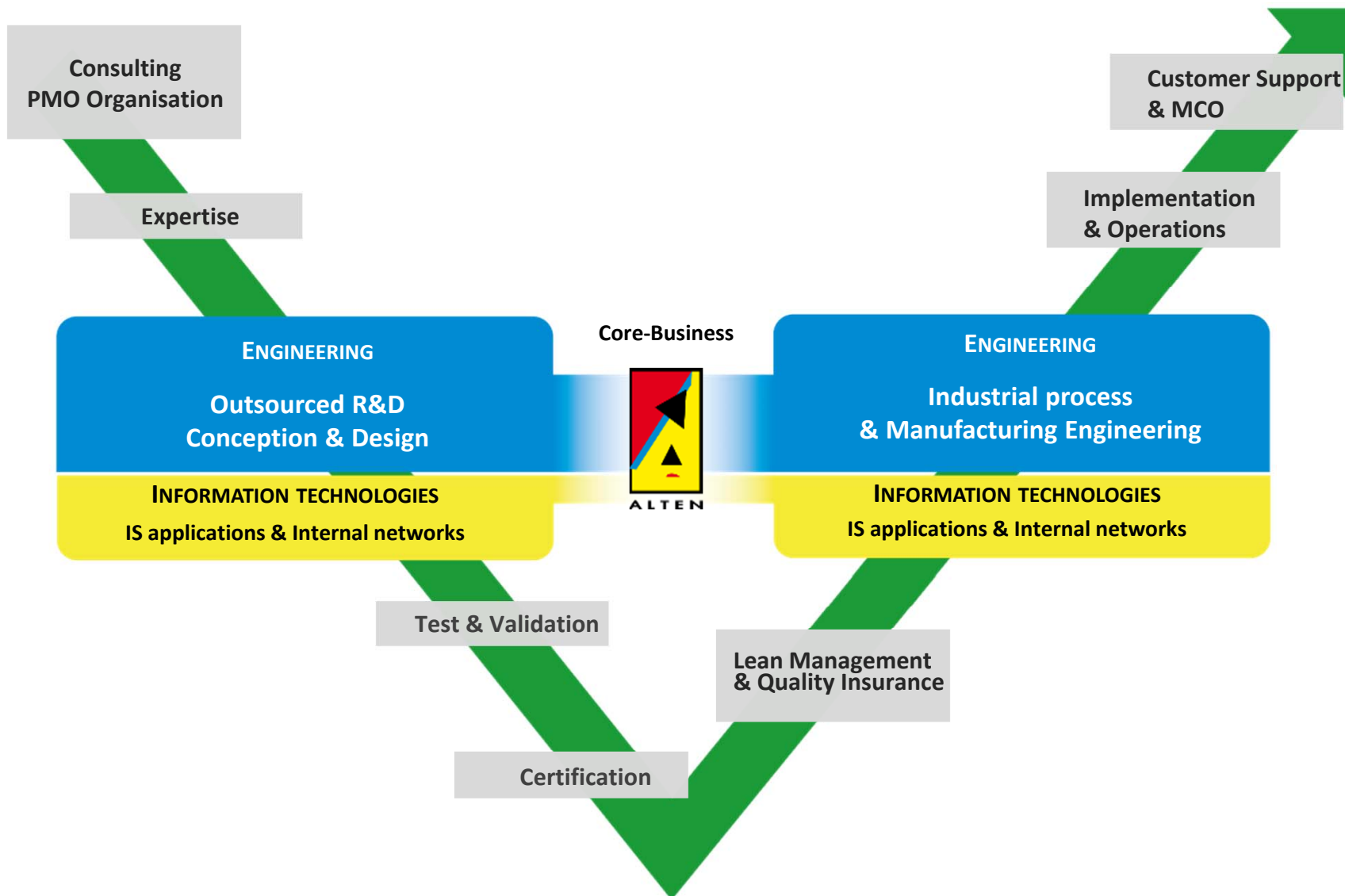
INCLUDING 60% OVERSEAS



2017 2018

ALTEN'S CORE BUSINESS & SOLUTIONS

COVERING THE WHOLE LIFESPAN OF PROJECTS

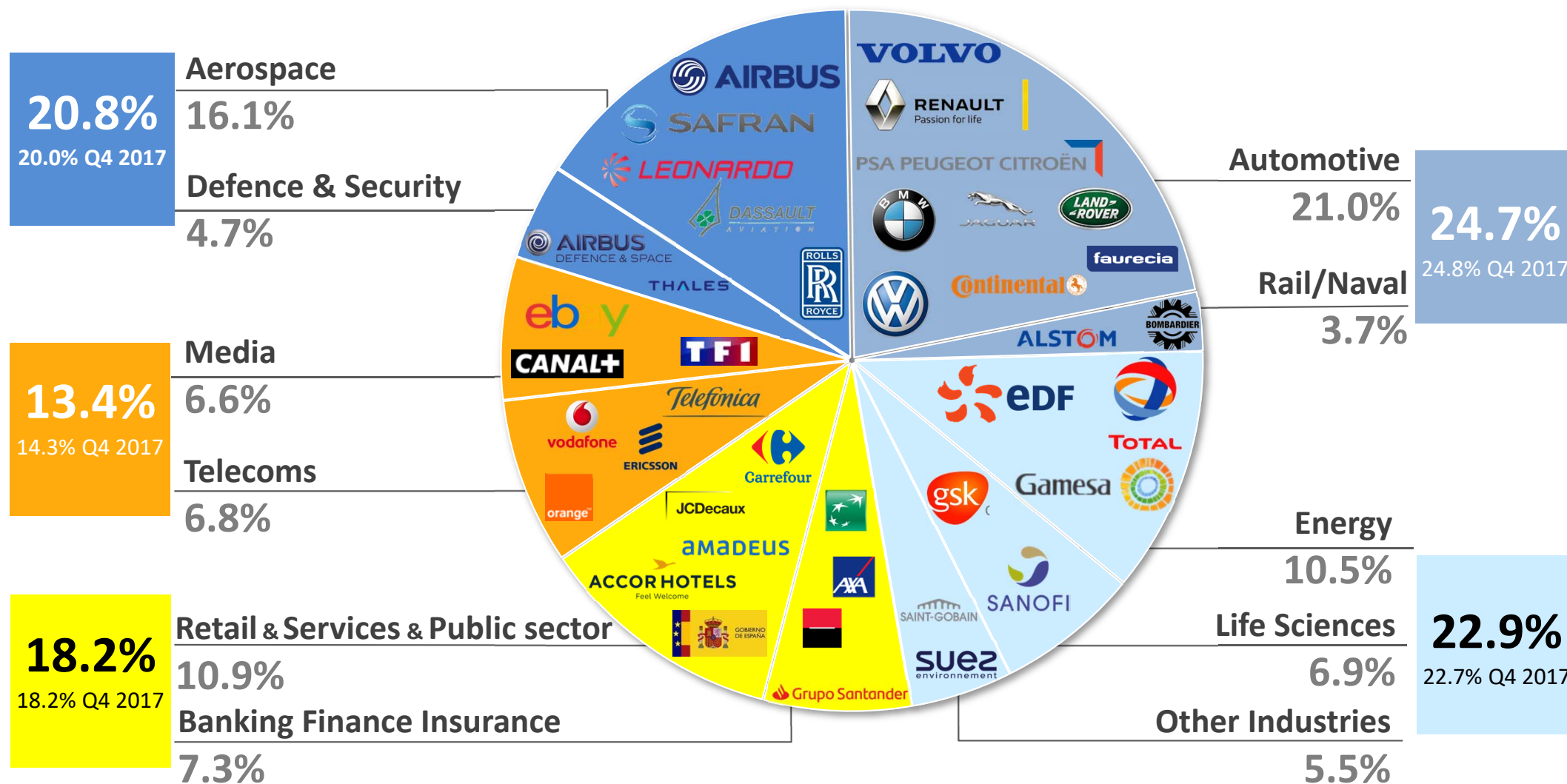


ALTEN'S POSITIONING



LEVEL	POSITION	GROSS MARGIN
LEVEL 4	IP / High « Capex » / Risk Sharing	Random & long term
LEVEL 3	Workpackages (globalisation, work units or fixed-price projects)	Services of value-added engineers 25% to 35%
LEVEL 2	Technological consulting and Time & Material	
LEVEL 1	Staffing	≈ 15%

A WELL-BALANCED SECTOR DISTRIBUTION



OUR MARKETS



AEROSPACE



16.1%



Digital transformation (augmented reality, IOT, Big Data, Industry 4.0, etc.) and manufacturing engineering allow to reduce costs and increase production rates with improved quality. Programmes for predictive maintenance ; new generation engines, (Falcon/FX/A320 Neo etc.) development programmes.

The sectors of launchers (Ariane 6) and communication satellites are experiencing fundamental changes (micro satellites, reduction of launch costs, etc.).

AUTOMOTIVE



21.0%



A rapidly expanding market: hybrid and electric vehicles, battery autonomy, autonomous vehicles, infotainment, Big data (design, customer service, predictive maintenance, R&D design).

Depending on clients, growth is heterogeneous.

DEFENCE & SECURITY



4.7%



Expansion of applications for military drones, strong growth of export markets.

Development of European tanks and fighter aircraft, civilian and military cybersecurity.

RAIL/NAVAL



3.7%



- Sharp growth of global rail market
- Digital transformation of flow management, predictive maintenance and industrial IOT
- Modernisation and securing of rail system (automation, signals and traffic management, etc.).
- Design of ships and submarines of the future

OUR MARKETS



ENERGY



10.5%



Business in the Oil & Gas sector has stabilised?

Sharp growth of the nuclear market: EPRs, security, maintenance, extension of the lifespan of nuclear plants.

New technologies for exploration and exploration of resources

LIFE SCIENCES



6.9%



The market is sharply growing:

- Pharmaceuticals, regulatory affairs, Digital & eHealth, CRO and pharmacovigilance, etc.
- Medical equipments

TELECOMS



6.8%



Investments in network infrastructures resume with the development of high speed and fiber optic networks.

Providers are developing digital services (contents, services, etc.)

BFI/SERVICES/PUBLIC SECTOR



18.2%



Cybersecurity, digital transformation, regulatory projects, evolution of Information Systems toward Cloud computing, etc.)

CONTINUED GROWTH STRATEGY THROUGH ACQUISITIONS



ALLEN has completed **ten acquisitions outside France:**

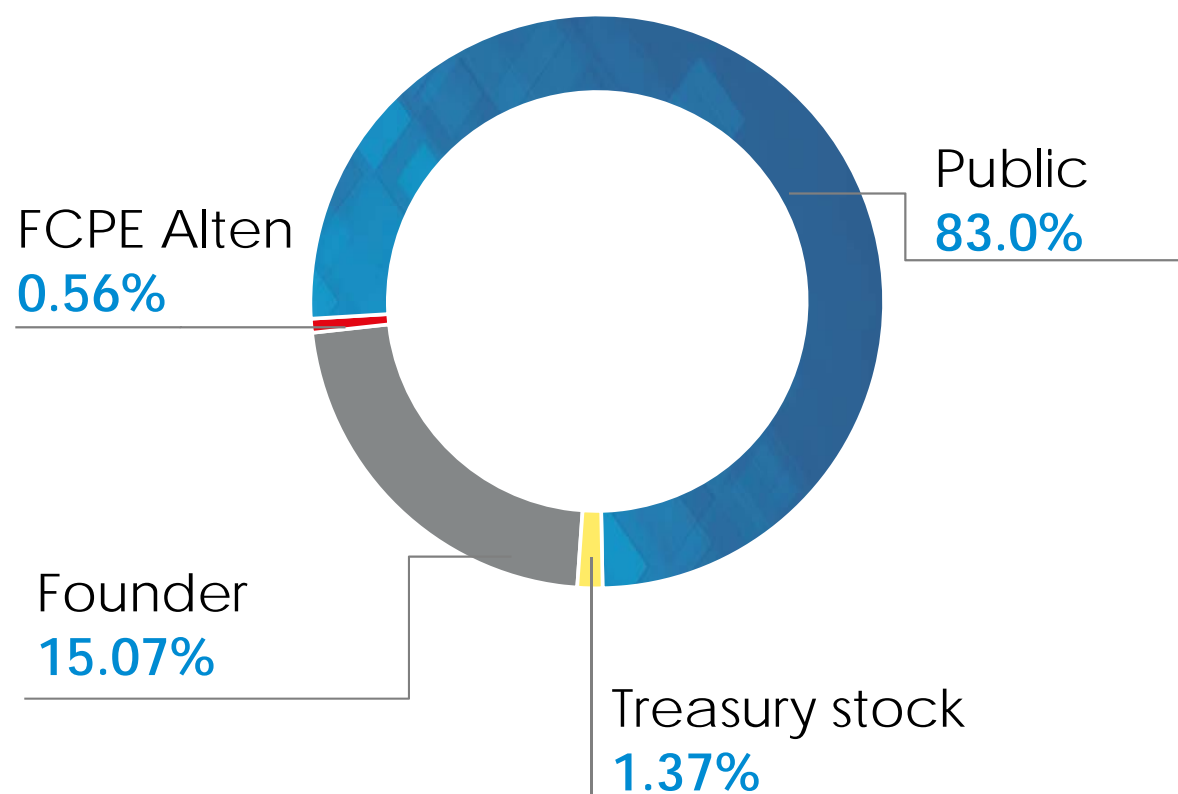
- **3 companies in Germany/Austria** (annual revenue: €21.5 M, 255 consultants)
- **2 companies in Spain** (annual revenue: €27.5 M, 570 consultants)
- **2 companies in Scandinavia** (Sweden/Finland) (annual revenue: €18 M, 155 consultants)
- **1 company in the Netherlands** (annual revenue: €6.5 M, 90 consultants)
- **1 company in China** (annual revenue: €7 M, 160 consultants)
- **1 company in India** (annual revenue: €1.3 M, 100 consultants)

**Thanks to a targeted external growth,
ALLEN pursues its development on an international level.**

SHAREHOLDER BASE AS OF FEBRUARY 12TH, 2019



% shareholding



CAPITALIZATION (as of 12/02/19) :

€3 MM

NUMBER OF SHARES (as of 12/02/19) :

33,830,458

Euronext Paris
Compartment A

FR 0000071946 (SRD)

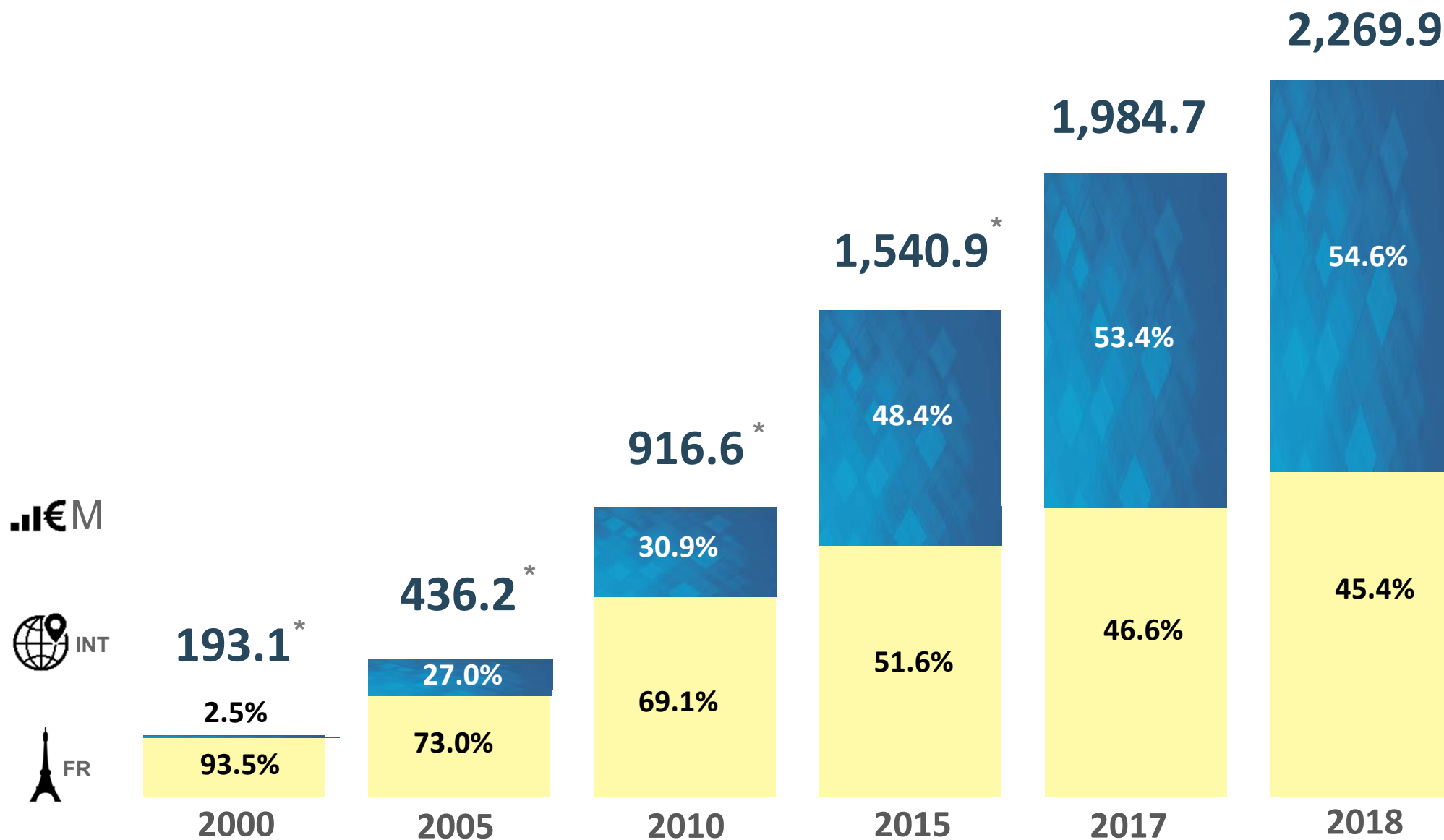
% of voting rights

Founder	26.46%
FCP ALTEN	0.49%
Public	73.05%

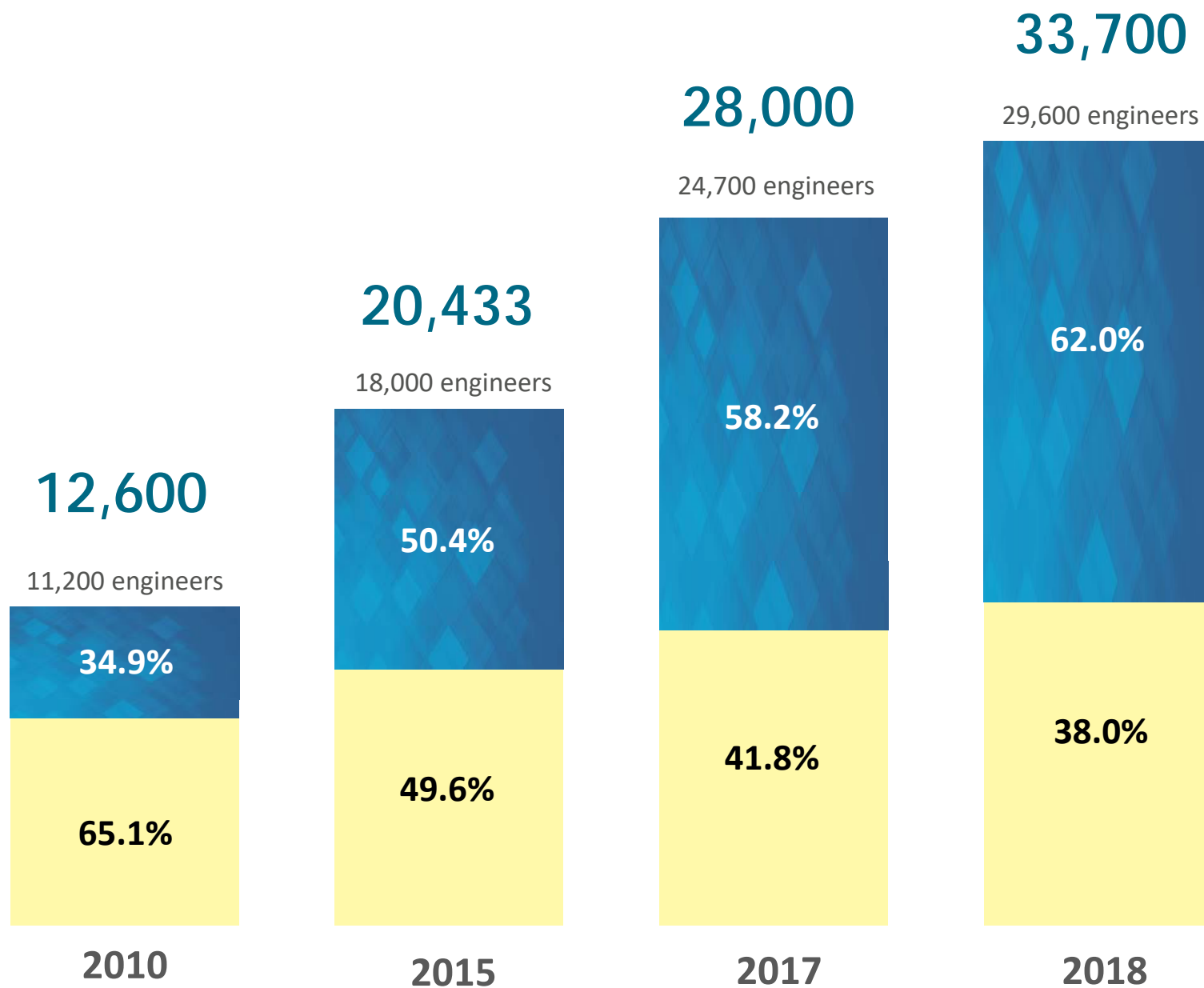
The background of the slide is a solid blue color with a subtle, repeating geometric pattern of overlapping squares and rectangles in various shades of blue, creating a textured, crystalline effect.

2018 Annual results

ONGOING INTERNATIONAL GROWTH



HEADCOUNT PROGRESSION



GROWTH IN BUSINESS - GROUP



<i>€ million</i>	2017 revenue	2018 revenue	YoY change
Revenue on I-f-I basis	1,984.7	2,223.1	+ 12.0 %
Change in scope		70.6	+ 3.6 %
FX impact		-23.8	- 1.2 %
Consolidated revenue	1,984.7	2,269.9	+ 14.4 %



Organic growth is strong and accounts for 75% of the Group's growth.

GROWTH IN BUSINESS - FRANCE



<i>€ million</i>	2017 revenue	2018 revenue	YoY change
Revenue on I-f-I basis	925.6	1,029.9	+ 11.3 %
Change in scope			
France - TOTAL	925.6	1,029.9	+ 11.3 %



In France, organic growth increased in second half, thus reaching the overall growth of the Group.

GROWTH IN BUSINESS - INTERNATIONAL



<i>€ million</i>	2017 revenue	2018 revenue	YoY change
Revenue on I-f-I basis	1,059.1	1,193.2	+ 12.7 %
Change in scope		70.6	+ 6.7 %
FX impact		- 23.8	- 2.3 %
International - TOTAL	1,059.1	1,240.0	+ 17.1 %



- Organic growth on an international level is sustained;
- In 2018: strong negative FX impact;
- External growth accounts for one third of total growth.

PROGRESSION OF ORGANIC GROWTH IN 2018

<i>In %</i>	<i>Q1</i>	<i>Q2</i>	H1	<i>Q3</i>	<i>Q4</i>	H2	FY
France	7.7%	9.0%	8.4%	14.3%	14.1%	14.2%	11.3%
International	9.3%	13.5%	11.4%	14.6%	13.3%	13.9%	12.7%
GROUP	8.5%	11.4%	10.0%	14.5%	13.7%	14.1%	12.0%
Growth on constant business days	10.2%	11.2%	10.7%	13.5%	12.1%	12.9%	11.7%



Restated from constant business days as compared to 2017 (-1 business day in H1; +1,4 business day in H2) and Forex, organic growth would have reached 11.7% in 2018.

CONSOLIDATED REVENUE BY REGION

(€M)



	FY				Change			
COUNTRY	2017	%	2018	%	Released	Change in scope	Forex	Organic. excluding Forex effect
France	925.6	46.6%	1.029.9	45.4%	11.3%	0.0%	0.0%	11.3%
International	1.059.1	53.4%	1.240.0	54.6%	17.1%	6.7%	-2.2%	12.7%
North America	201.2	10.1%	257.7	11.4%	28.1%	17.0%	-4.6%	15.7%
Germany	207.4	10.5%	222.0	9.8%	7.0%	4.0%	0.0%	3.1%
Scandinavia	157.6	7.9%	166.9	7.4%	5.9%	0.0%	-5.5%	11.5%
Spain/Portugal	93.7	4.7%	122.8	5.4%	31.1%	12.1%	0.0%	19.0%
Italia	76.6	3.9%	87.3	3.8%	13.9%	0.0%	0.0%	13.9%
UK	84.2	4.2%	82.0	3.6%	-2.7%	0.0%	-0.7%	-1.9%
Belgium	65.1	3.3%	73.0	3.2%	12.1%	0.0%	0.0%	12.1%
Netherlands	58.9	3.0%	70.9	3.1%	20.3%	0.0%	0.0%	20.3%
Asia Pacific	40.6	2.0%	61.0	2.7%	50.4%	8.8%	-7.6%	49.2%
Others	73.8	3.7%	96.5	4.3%	30.8%	18.1%	-2.8%	15.5%
TOTAL	1,984.7	100.0%	2,269.9	100.0%	14.4%	3.6%	-1.2%	12.0%

CONDENSED INCOME STATEMENT



€ million	H1 2017	H2 2017	Full year 2017	H1 2018	H2 2018	Full year 2018	YoY change 2017/2018 %
Revenue	990.9	993.7	1,984.7	1,099.9	1,169.9	2,269.9	+14.4%
Operating Profit on Activity <i>As % of Revenue</i>	92.6 9.3%	101.6 10.2%	194.2 9.8%	102.7 9.3%	121.3 10.4%	224.0 9.9%	+ 15.3%
Share-based payments	-10.0	-2.8	-12.8	-0.9	-5.2	-6.2	
Non- recurring profit	0.5	-5.3	-4.8	-1.5	-2.2	-3.7	
Operating Profit <i>As % of Revenue</i>	82.1 8.3%	93.5 9.4%	176.6 8.9%	100.3 9.1%	113.9 9.7%	214.2 9.4%	+21.3 %
Financial Income	18.3	-2.1	16.2	0.1	-1.5	-1.5	
Income tax expense	-28.5	-21.7	-50.2	-28.9	-32.3	-61.2	
EMCs and minority interests	1.4	3.0	4.4	3.5	2.8	6.4	
Net income, Group share <i>As % of Revenue</i>	73.3 7.5%	72.7 7.3%	147.0 7.4%	75.0 6.8%	82.9 7.1%	157.9 7.0%	+7.4%



The operating margin slightly improves

FINANCIAL INCOME ANALYSIS



	2017	2018
Cost of net financial debt	-0.8	-1.2
Foreign exchange result	-4.1	1.1
Other net financial profits	21.1	-1.4
FINANCIAL INCOME	16.2*	-1.5

() including gains from Ausy shares: €21.5 M*

CONDENSED INCOME STATEMENT BY REGION



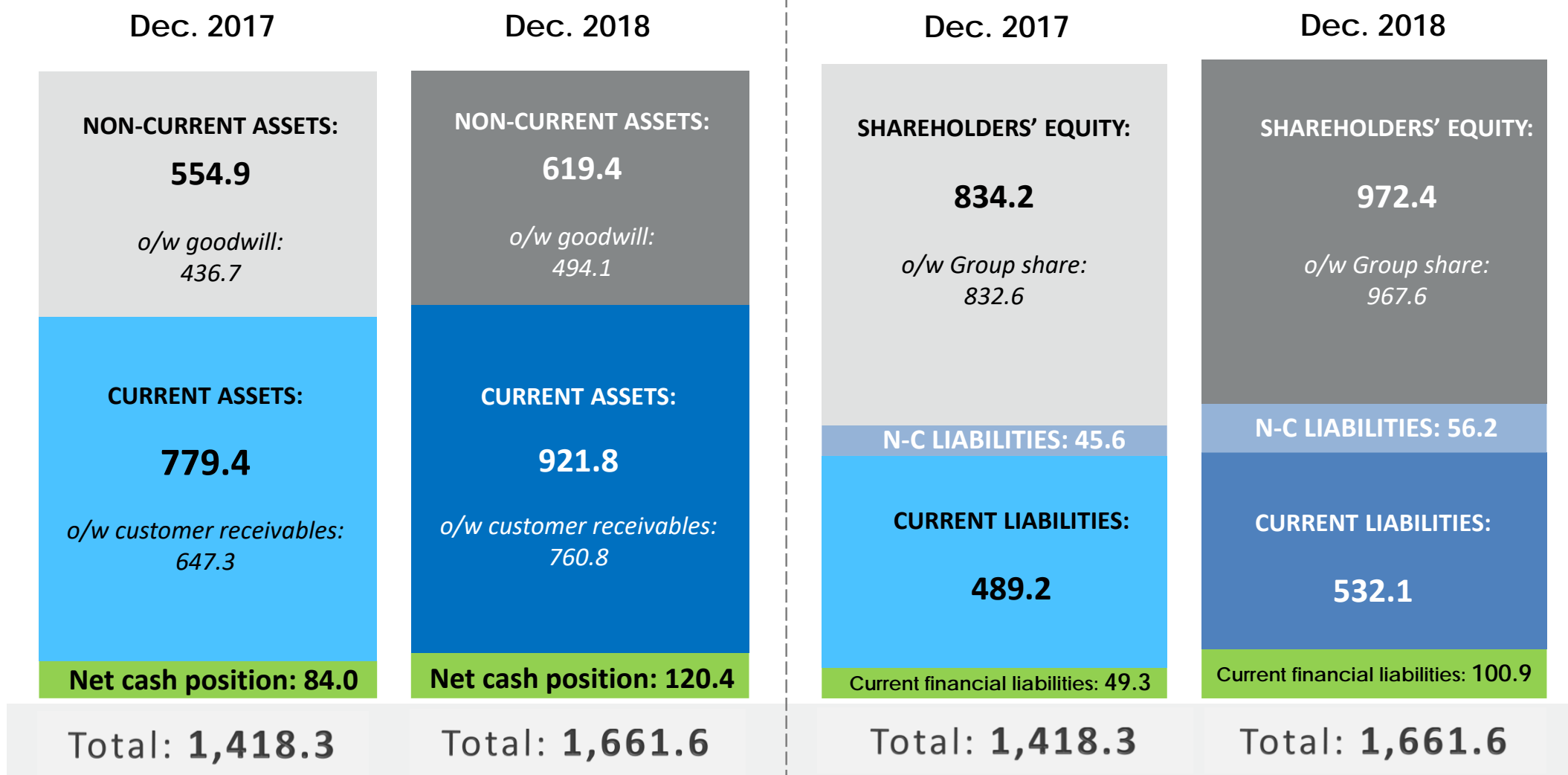
€ million	2017 France	2017 Interna.	2017 Group	2018 France	2018 Interna.	2018 Group
Revenue	925.6	1,059.1	1,984.7	1,029.9	1,240.0	2,269.9
Operating Profit on Activity <i>As % of Revenue</i>	99.5 10.5%	94.8 8.9%	194.2 9.8%	113.3 11.0%	110.7 8.9%	224.0 9.9%
Share-based payments	-10.7	-2.1	-12.8	-5.8	-0.4	-6.2
Non-recurring profit	0.4	-5.2	-4.8	-	-3.7	-3.7
Operating Profit <i>As % of Revenue</i>	89.2 9.8%	87.5 8.2%	176.6 8.9%	107.6 10.4%	106.6 8.6%	214.2 9.4%
Financial income	15.6	0.6	16.2	-1.0	-0.4	-1.5
Income tax expense	-25.8	-24.4	-50.2	-31.3	-29.9	-61.2
EMCs and minority interests	5.5	-1.1	4.4	9.0	-2.6	6.4
Net income, Group share <i>As % of Revenue</i>	84.5 9.2%	62.6 5.9%	147.0 7.4%	84.2 8.2%	73.6 5.9%	157.9 7.0%

A VERY HEALTHY BALANCE SHEET



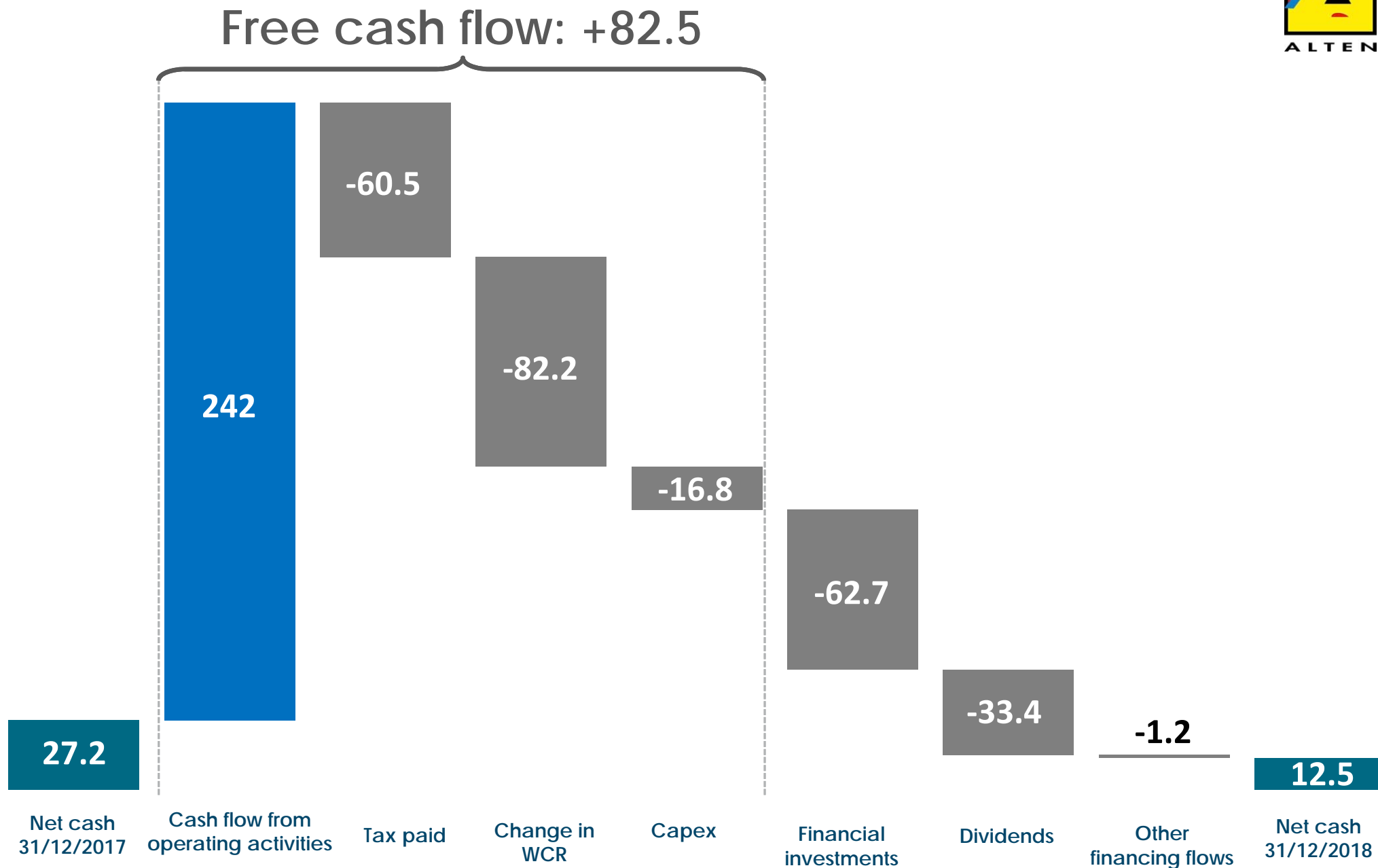
ASSETS (€M)

Equity & Liabilities (€M)



Gearing is -1.3 %

CHANGE IN NET CASH POSITION 2018 (€M)



FREE CASH FLOW ANALYSIS



	2017	H1	H2	2018	YoY change
CASH FLOW <i>As % OF REVENUE</i>	204.2 10.3%	110.0 10.0%	132.0 11.3%	242.0 10.7%	+18.5%
Tax paid	(52.3)	(20.7)	(39.8)	(60.5)	
Change in WCR	(60.5)	(70.4)	(11.8)	(82.2)	
Cash from operations <i>As % OF REVENUE</i>	91.3 4.6%	18.8 1.7%	80.5 6.9%	99.3 4.4%	+8.8%
CAPEX	(13.4)	(8.6)	(8.2)	(16.8)	
FREE CASH FLOW <i>As % OF REVENUE</i>	77.9 3.9%	10.2 0.9%	72.3 6.2%	82.5 3.6%	+5.9%

ANALYSIS OF FREE CASH FLOW



Cash flow improves more rapidly than OPA

Change in WCR is caused mainly by the following:

- Organic growth, generates huge cash requirements and led to an increase in trade receivables for €77 M;
- DSO increased by one day (93 days at end 2018 vs. 92 days at end 2017).

Capex accounts for more than 0.7% of revenue, almost reaching its standard level (from 0.8 to 0.9% of revenue).

SUMMARY



Organic growth has sharply accelerated in the second half of 2018, both in France and on an international level.

- The operating margin on activity has slightly improved as compared to the end of 2017 because of various mix effects canceling one another.
- Free cash flow is impacted by the financing of organic growth - which is highly cash consuming ;
- Net cash position is positive at the end of 2018 = gearing: -1,3%;
- ALTEN has fully self-financed its organic and external growth, as well as the payment of dividends.

Growth strategy

THREE-YEAR DEVELOPMENT STRATEGY

Strengthen our positioning and business model:

- Maintain our positioning on high value-added services, ie. Consulting/Workpackages;
- Use ALTEN branding for Core Business only (outsourced R&D, Manufacturing Engineering, Information Technology) whilst our specialised subsidiaries cover the remainder of the V cycle (consulting, expertise, training, customer support, etc...).

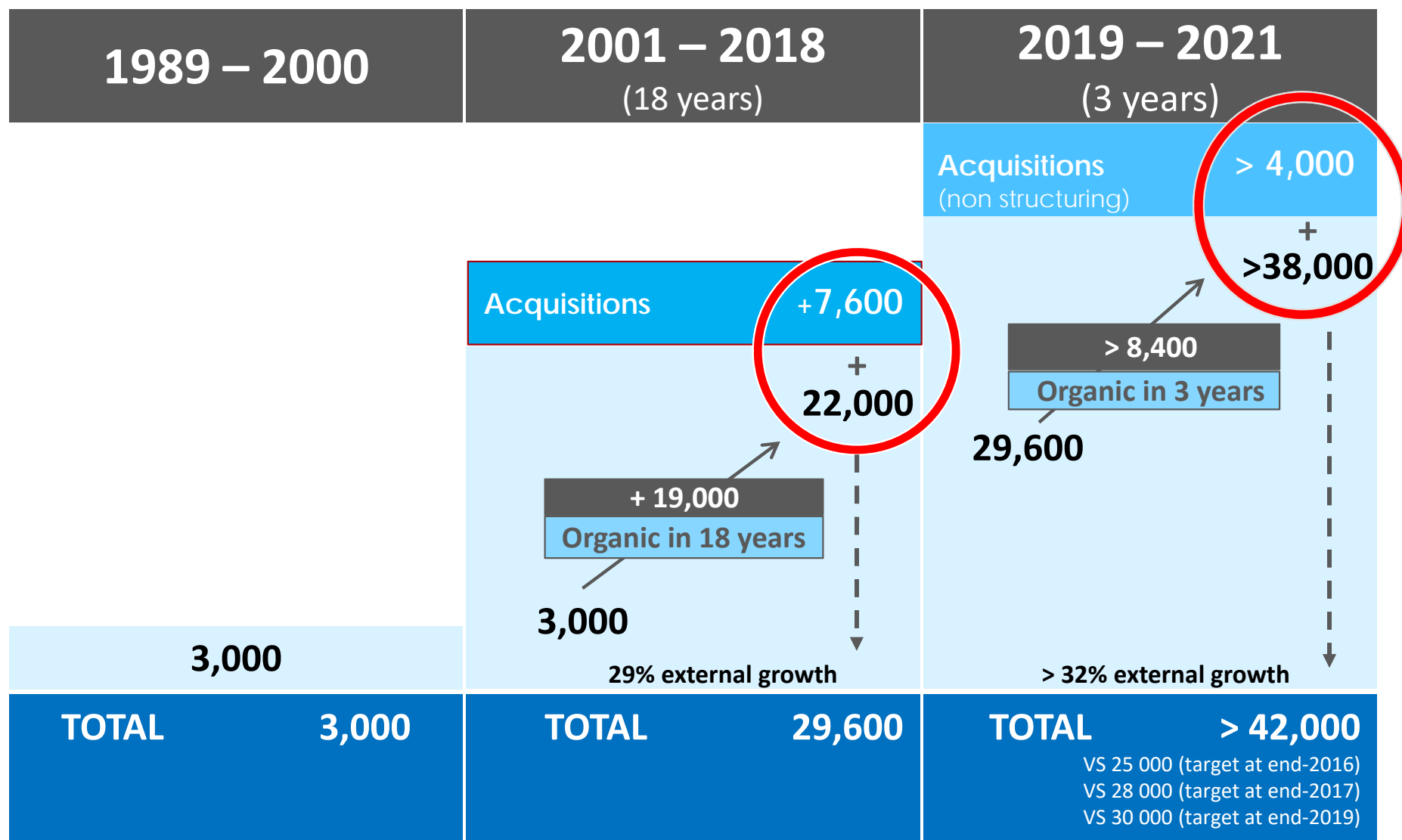
Optimise our international organisation:

- Increase investments on recruitment and training to generate more technical and business managers;
- Complete the implementation of our management teams for Technical and Strategical Development, aiming to better fulfil the needs of our clients for globalisation and transformation.

Our challenges for 2019 - 2021:

- Outgrow the critical size of 4,000 engineers in Germany, India and North America, as well as over 2,000 engineers in the other 10 major countries;
- Develop our nearshore and offshore delivery centers in 4 countries (over 1,500 engineers for each country);
- Pursue our targeted plan for external growth, whilst remaining aware of potential acquisitions that could be structuring ones.


BUSINESS GROWTH PLAN



→ 3 growth vectors :

- Recruitment
- Project and HR Management
- Targeted acquisitions

CONCLUSION



ALTEN has reassessed its previous PLAN for 2017 – 2019, being already ahead of previsions. It now foresees a headcount of more than 42,000 engineers at the end of 2021 - without structuring acquisitions.

APPENDICES

BALANCE SHEET – ASSETS (IN THOUSANDS OF EUROS)

ITEM	2018	Dec.2017 (IFRS 15)	Dec.2017 released
Goodwills	494 125	436 740	436 740
Intangible assets	9 703	10 970	10 970
Tangible assets	28 267	24 631	24 631
Investments in associates	28 901	19 136	19 136
Non-current financial assets	45 930	50 454	50 454
Deferred tax assets	12 435	12 930	12 930
NON CURRENT ASSETS	619 361	554 860	554 860
Trade receivables	626 641	528 461	647 287
Assets associated with client agreements	134 142	118 826	
Other current assets	67 174	50 514	50 514
Current tax assets	93 891	81 686	81 686
Cash and cash equivalents	120 372	83 966	83 966
CURRENT ASSETS	1 042 220	863 453	863 453
TOTAL ASSETS	1 661 581	1 418 313	1 418 313

Audit in progress

BALANCE SHEET - LIABILITIES (IN THOUSANDS OF EUROS)

ITEM	2018	Dec.2017 (IFRS 15)	Dec.2017 released
Capital	35 522	34 383	34 383
Premiums	54 375	54 375	54 375
Consolidated reserves	719 804	596 796	596 796
Consolidated earnings	157 869	147 025	147 025
SHAREHOLDERS' EQUITY	967 571	832 580	832 580
MINORITY INTERESTS	4 863	1 653	1 653
Employee benefits	22 778	23 081	23 081
Provisions	5 889	1 866	1 866
Non-current financial liability	7 246	8 063	8 063
Other non-current liabilities	19 878	12 537	12 537
Deferred tax liabilities	425	83	83
NON CURRENT LIABILITIES	56 216	45 631	45 631
Provisions	7 565	9 572	9 572
Current financial liabilities	100 881	49 283	49 283
Trade payables	79 045	63 662	63 662
Other current liabilities	346 427	320 486	409 241
Assets associated with client agreements	92 568	88 755	
Current tax liabilities	6 446	6 694	6 694
CURRENT LIABILITIES	632 932	538 451	538 451
TOTAL LIABILITIES	1 661 581	1 418 313	1 418 313

Audit in progress

INCOME STATEMENT (IN THOUSANDS OF EUROS)



ITEM	2018	Dec.2017 (IFRS 15)	Dec.2017 released
NET REVENUE	2 269 885	1 984 689	1 975 427
Purchase consumed	-188 923	-163 389	-183 603
Payroll expenses	-1 615 171	-1 417 105	-1 417 105
External charges	-212 720	-184 157	-154 681
Taxes other than on income	-10 285	-10 578	-10 578
Depreciation and amortization	-15 315	-13 031	-13 031
Other operating income and expenses	-3 466	-2 190	-2 190
OPERATING PROFIT ON ACTIVITY	224 005	194 240	194 240
Share based payments	-6 173	-12 848	-12 848
OPERATING PROFIT ON ACTIVITY BEFORE EXCEPTIONALS	217 833	181 392	181 392
Non recurrent profit	-3 680	-4 779	-4 779
OPERATING PROFIT	214 153	176 613	176 613
Net borrowing costs	-1 150	-847	-847
Other financial income and expenses	-312	17 014	17 014
FINANCIAL INCOME	-1 462	16 167	16 167
Share of earning of equity affiliates	9 117	5 735	5 735
Income tax expense	-61 200	-50 196	-50 196
NET OVERALL EARNINGS	160 608	148 320	148 320
PROFIT ATTRIBUTABLE TO MINORITY INTERESTS	-2 739	-1 295	-1 295
PROFIT ATTRIBUTABLE TO THE GROUP	157 869	147 025	147 025

Audit in progress

CASH FLOW STATEMENT (IN THOUSANDS OF EUROS)

ITEM	2018	2017
CASH FLOW	242 033	204 186
Consolidated net earnings	160 608	148 320
Earnings from associates	-9 117	-5 735
Depreciation, provisions and other calculated expenses	19 990	18 331
Share-based payments	6 173	12 848
Income tax expense	61 200	50 196
Capital gains or losses from disposal	352	-21 141
Net borrowings costs	1 150	847
Financial cost on update and provisions	1 677	521
Tax paid	-60 505	-52 331
Change in working capital requirements	-82 228	-60 521
NET CASH FLOW GENERATED BY ACTIVITY	99 300	91 335
Acquisition / Disposal on fixed assets	-15 273	10 924
Impact of change in scope of consolidation and earn-outs paid	-63 389	-43 305
NET CASH FLOW ON INVESTMENTS	-78 662	-32 380
Net financial interest paid	-1 207	-321
Dividends paid to shareholders	-33 365	-33 233
Capital increase	11	239
Buy back of shares	-226	-632
Repayment of long-term financial debt	-421	-1 607
Change in current financial liabilities	50 315	-31 575
NET CASH FLOW FROM FINANCING OPERATIONS	15 107	-67 128
CHANGE IN CASH RELATED TO FOREIGN EXCHANGE POSITION	662	-2 847
CHANGE IN CASH POSITION	36 407	-11 020
Cash on hand	120 372	83 966
Bank loans	-6 182	-10 919
Overdrafts	-101 734	-45 826
NET CASH POSITION	12 456	27 221

Audit in progress

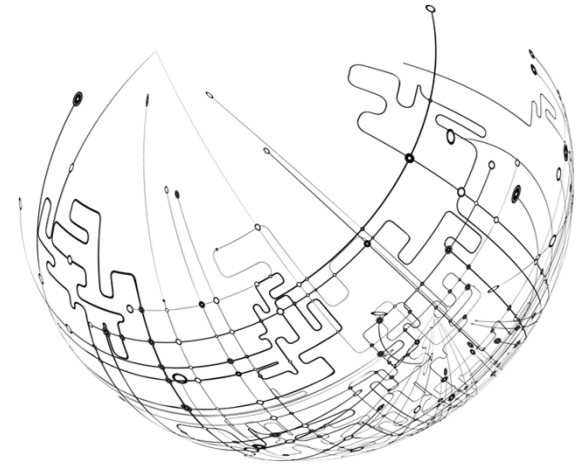
2017 REVENUE AS RELEASED AND RESTATED UNDER IFRS 15



€ million	Q1 2017	Q2 2017	H1 2017	Q3 2017	Q4 2017	H2 2017	2017
CONSOLIDATED REVENUE AS RELEASED	497.2	486.4	983.7	469.0	522.7	991.8	1,975.4
Restatment of re invoiced charges	7.4	7.7	15.0	5.6	8.1	13.7	28.7
Restatment of licenses	-3.0	-4.7	-7.8	-6.5	-5.1	-11.7	-19.4
CONSOLIDATED REVENUE restated under IFRS 15	501.6	489.4	990.9	468.1	525.7	993.8	1,984.7

ALTEN

2018 Annual results



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