

Paris, February 19th 2019

5:40pm

FULL-YEAR 2018 RESULTS

- STRONG GROWTH IN ACTIVITY: +14.4%
- SLIGHT INCREASE IN OPERATING MARGIN: 9.9%
- 10 ACQUISITIONS ABROAD SINCE JANUARY 2018

€ million	Dec 2017 IFRS 15	Dec 2018 IFRS 15	YoY change
Revenue	1,984.7*	2,269.9	+14.4%
<i>* of which France</i>	925.6	1,029.9	+11.3%
<i>* of which International</i>	1,059.1	1,240.0	+17.1%
Operating Profit on Activity	194.2	224.0	+15.3%
<i>As % of revenue</i>	9.8%	9.9%	
Share-based payments	-12.8	-6.2	
Non-recurring profit	-4.8	-3.7	
Operating Profit	176.6	214.2	21.3%
<i>As % of revenue</i>	8.9%	9.4%	
Net profit, Group share	147.0	157.9	+7.4%
<i>As % of revenue</i>	7.4%	7.0%	
Net cash flow on activity	91.3	99.3	8.8%
<i>As % of revenue</i>	4.6%	4.4%	
Net cash position	27.2	12.5	
Headcount	28,000	33,700	+20.4%

(*) Revenue published in 2017 – IAS 18 standards: €1,975.4 M

Audit in progress

SHARP BUSINESS GROWTH IN 2018: +14.4%

Revenue reaches €2,269.9 M with an increase of 14.4% as compared to 2017. On a like-for-like basis and constant exchange rate, the activity increases by 12% (11.3% in France and 12.7% outside France), experiencing sharp growth in the second half of 2018. In all geographical areas – Germany excluded, organic growth has been exceeding 10%. All business sectors, more especially Aerospace, Automotive, Life Sciences, Defence/Security and Rail/Naval have contributed to accelerate growth.

OPERATING PROFIT ON ACTIVITY: 9.9% OF REVENUE

The operating profit on activity reaches €224 M and accounts for 9.9% of revenue, up by 15.3% as compared to 2017 (9.8% of revenue). Despite significant efforts to strengthen to the Group organizations and the management teams to support its development, ALLEN improved its operating margin.

It increased in the second half to reach 10.4% of revenue.

OPERATING PROFIT: +21.3%

Operating profit reaches €214.2 M with €6.2 M of IFRS costs dedicated to the implementation of free-share allocations plans (no cash impact). Non-recurring profit equals -€3.7 M, mainly accounting for acquisition fees, costs linked to tax/social audits and the restructuring of newly acquired companies.

NET PROFIT, GROUP SHARE: +7.4%

The financial result is -€1.5 M as opposed to €16.2 M in 2017 (2017 was not standard since it was impacted by the capital gain on the disposal of Ausy shares). After taking into account tax expenses (€61.2 M), as well as the results of earnings from associated companies (€9.1 M) and minority interests (€2.7 M), net profit reaches €157.9 M, accounting for 7% of revenue.

NET CASH POSITION: €12.5 M / GEARING: -1.3%

Cash flow reaches €242 M (10.7% of revenue), increasing by 18.5% as compared to 2017. Increase in Working Capital Requirement equals €82.2 M, mainly caused by a sharp organic growth, more precisely the growth from the fourth quarter of 2018 that led to an increase in trade receivables of €77 M. After taking into account paid income tax and Capex (steady and equaling 0.7% of revenue), free cash-flow reaches €82.5 M accounting for 3.6% of revenue. This enabled self-financing financial investments and dividends. Net cash position remains positive at end December 2018, reaching €12.5 M.

EXTERNAL GROWTH: 10 ACQUISITIONS SINCE JANUARY 2018

ALTEN has consolidated its external growth and international footprint with 10 acquisitions outside France (8 in Europe, 2 in Asia).

- 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)

OUTLOOK FOR 2019:

Provided similar economic conditions, ALTEN will continue to grow in 2019, supported by a satisfactory organic growth and a targeted plan for external growth.

Next release: April 24th 2019 after market closing – Q1 2019 revenue

PRESS RELEASE



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Definition of alternative performance measures and reconciliation with IFRS standards

The ALLEN Group uses alternative performance measures especially selected to follow up on its operational activities. The Group has chosen these measures as they supply additional information allowing the users of periodic financial information to have a comprehensive understanding of the Group's performance. Such alternative performance measures are complementary to IFRS standards.

Revenue growth on a like-for-like basis (i.e. organic growth)

Growth on a like-for-like basis (and constant exchange rate) is calculated excluding the effects of exchange rate variations and the variations of the consolidation perimeter on a chosen period.

The effects of exchange impacts are measured by converting the revenue of the period with the average exchange rate from the previous period.

The effects of a perimeter are measured excluding acquisitions, revenue of the period and for transfers, revenue of the previous period, in order to create a perimeter which is identical to the previous period.

This alternative measure enables to identify the real performance of the Group in terms of activity on the chosen period.

Evolution of business in 2018

€M	2017 Revenue as released	2017 Revenue restated of IFRS 15	2018 Revenue	% Change
Revenue on a like-for-like basis	1,975.4	1,984.7	2,223.1	12.0%
France	914.4	925.6	1,029.9	11.3%
International	1,061.1	1,059.1	1,193.2	12.7%
Scope variation			70,6	3.6%
France				
International			70,6	6.7%
Exchange rate impact			-23,8	-1.2%
France				
International			-23,8	-2.2%
Group revenue	1,975.4	1,984.7	2,269.9	14.4%
France	914.4	925.6	1,029.9	11.3%
International	1,061.1	1,059.1	1,240.0	17.1%

Operating Profit on Activity

Operating Profit on Activity is the operating income before taking into account the costs on share-based payments, results from significant transfers of assets, goodwill impairment, as well as other significant and uncommon elements considered as miscellaneous fees and operational activities.

Since payments on share-based compensation have noticeable heterogeneous annual changes, the tables included in our financial statements show the operational performance of the Group and make it possible to compare with previous or selected periods.

Net cash position (or net borrowing)

Net debt - as defined and used within the Group, stands for cash flow and assimilated elements of cash flow less gross financial debt (bank loans and other assimilated financial debts). This measure is called “net cash position” when the amount of cash flow and assimilated elements of cash flow is higher than gross financial debt, or “net borrowing” when the amount is lower.

