

ALTEN

2018 First Half Results

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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.”



**ACTIVITY AND HIGHLIGHTS
IN 2018 FIRST HALF**

ALTEN,

LEADER IN ENGINEERING & TECHNOLOGY CONSULTING (ETC)



Revenue

€1,099.9 M

+11%

INTERNATIONAL:

54.2% of revenue

€596.1 M: +13.3%

France :

45.8% of revenue

€503.8 M: +8.4%

Oper. Profit on Activity

€102.7 M

9.3%
of revenue

GEARING: **5.4%**

30,000 employees

26,500
engineers

88% OF TOTAL HEADCOUNT

FOOTPRINT IN OVER
20 COUNTRIES

26,500 ENGINEERS IN OVER 20 COUNTRIES

INCLUDING 60% OVERSEAS



	December 2015	December 2016	June 2017	December 2017	June 2018	Change 6 months 12/17 – 06/18	
France	8,900	9,550	9,950	10,200	10,550	350	3.4%
Europe (excluding France)	7,130	8,195	9,220	10,130	11,030	900	8.8%
Africa & Middle East	220	450	480	450	610	160	27.1%
Asia/China India	1,300	2,155	2,500	2,660	2,850	190	7.1%
Canada USA	450	950	1,050	1,260	1,460	200	15.8%
TOTAL	18,000	21,300	23,200	24,700	26,500	1,800	7.3%

ALTEN'S POSITIONING

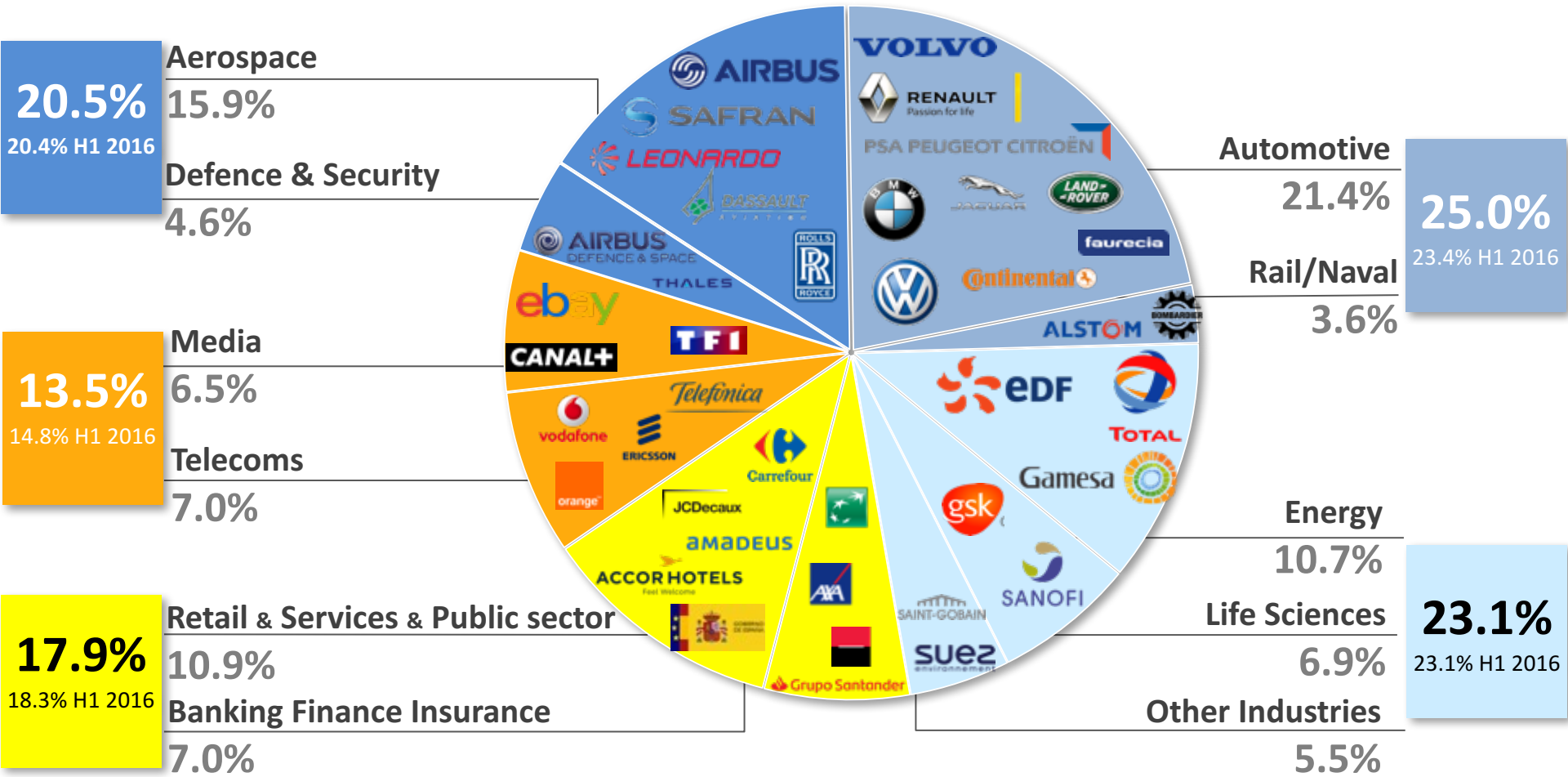


LEVEL	POSITION	GROSS MARGIN
LEVEL 4	IP / High « Capex » / Risk Sharing	Random & long term
LEVEL 3	Workpackages (globalisation, work units or fixed-price projects)	25% to 35%
LEVEL 2	Technological consulting and Time & Material	
LEVEL 1	Staffing	≈ 15%

Services of value-added engineers



A WELL-BALANCED SECTOR DISTRIBUTION



OUR MARKETS



AUTOMOTIVE



21.4%

Sustained investments with manufacturers & equipment manufacturers despite heterogeneous growth depending on the client.

Fields: Infotainment/connectivity/autonomous vehicles/security/engines/emissions/manufacturing engineering.

DEFENCE & SECURITY



4.6%

Growth in Defence activities (Digital, international environment, export markets). Various projects linked to Cyber Security.

RAIL/NAVAL



3.6%

- Opportunities enhanced by the merge process of Alstom and Siemens. Increasing investments in the rail sector both in France and export markets.
- Growth of submarine and large ship markets (Naval Group-STX).

AEROSPACE



15.9%

Challenges in digital transformation (Virtual reality/Industry 4.0, etc.) and in manufacturing engineering to fulfil productivity needs, predictive maintenance, clean and economical engines, new development programmes (Falcon/FX/A320 Neo Plus, etc.), and Airbus/Bombardier rapprochement.

The sectors of launchers (Ariane 6) and communication satellites are in sustained growth; Space market is rapidly changing.

OUR MARKETS



ENERGY



10.7%



Business in the Oil & Gas sector has stabilised. Majors announced they will resume their investments with 1 bbl = US\$80 (geosciences, seismic studies, exploratory drilling programmes, etc.).

The nuclear sector resumes growth: projects for new EPRs and nuclear plants, security, maintenance, extension of operation programmes, etc.

LIFE SCIENCES



6.9%



Strong growth in the pharmaceuticals and medical equipment sectors.

TELECOMS



7.0%



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

BFI/SERVICES/PUBLIC SECTOR



17.9%



Cyber security, digital transformation, regulatory projects, evolution of Information Systems in cloud computing, etc.

CONTINUED GROWTH STRATEGY THROUGH ACQUISITIONS



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

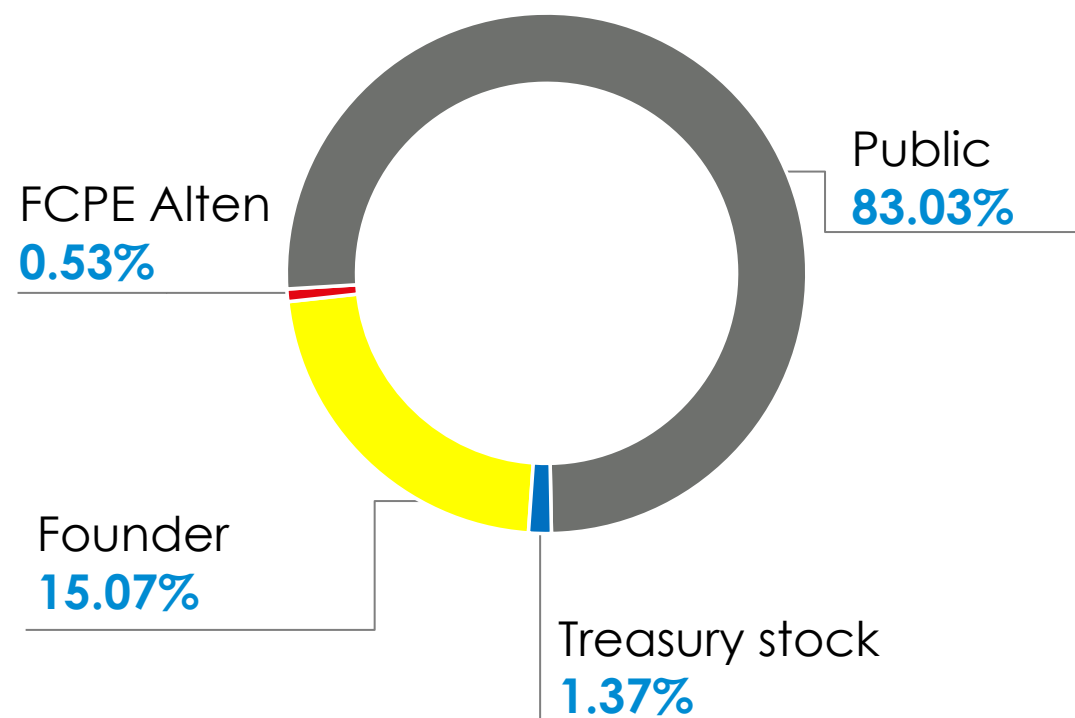
- Two companies in the Germany/Austria area
(annual revenue: €15.5M, 175 consultants)
- Two companies in Spain
(annual revenue: €27.5M, 570 consultants)
- One company in China
(annual revenue: €7M, 160 consultants)

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

SHAREHOLDER BASE AS OF 14 SEPTEMBER 2018



% shareholding



- Capitalization (as of 14/09/18):
€3.022 M
- Number of shares (as of 14/09/18):
33.829,958

Euronext Paris
Segment A

FR 0000071946
Eligible for Deferred Settlement
Service(SRD)

% of voting rights

Founder	26.16%
FCP ALTEN	0.47%
Public	73.37%

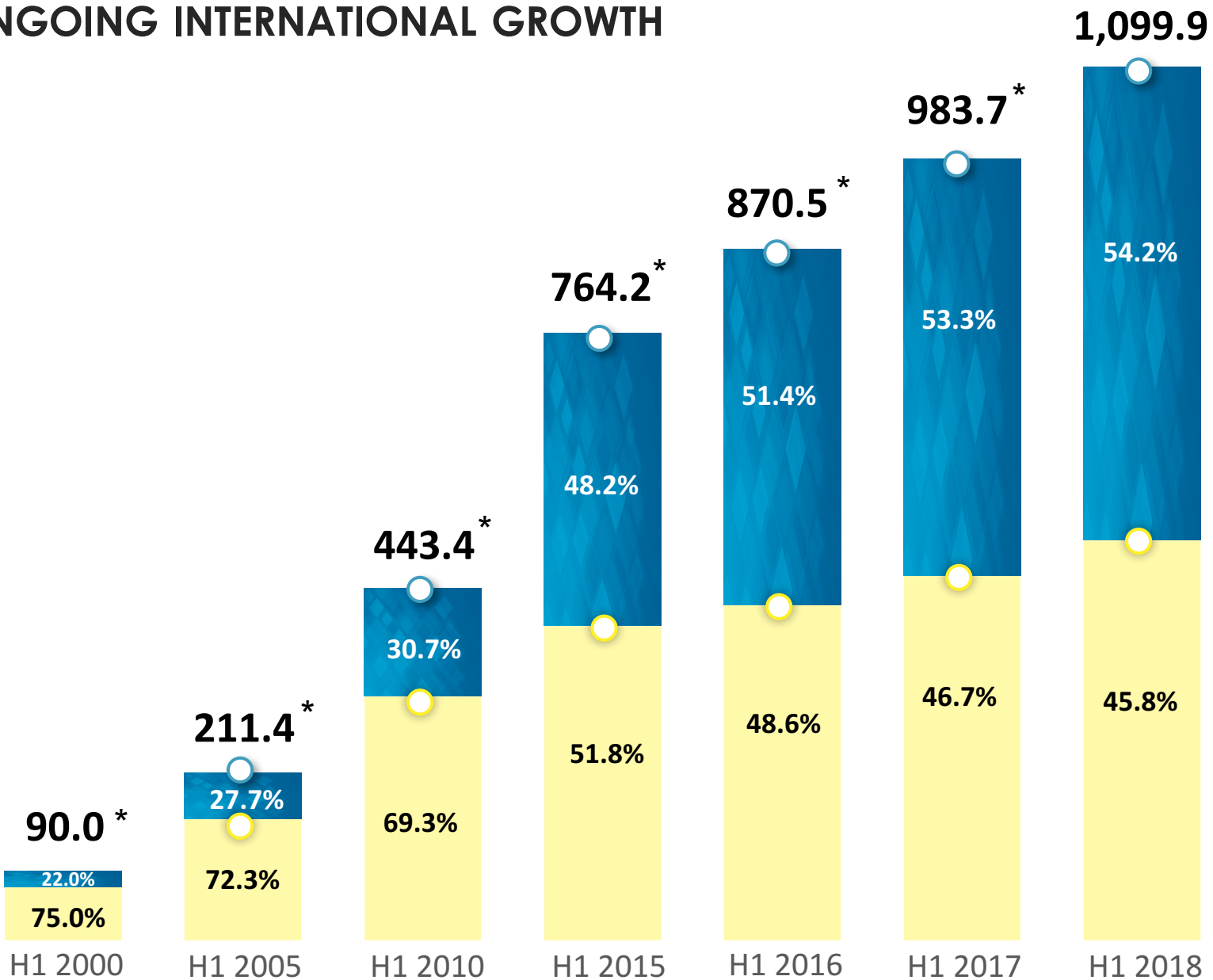


2018 First Half Results

ONGOING INTERNATIONAL GROWTH



||€M



* Data is not restated under IFRS 15

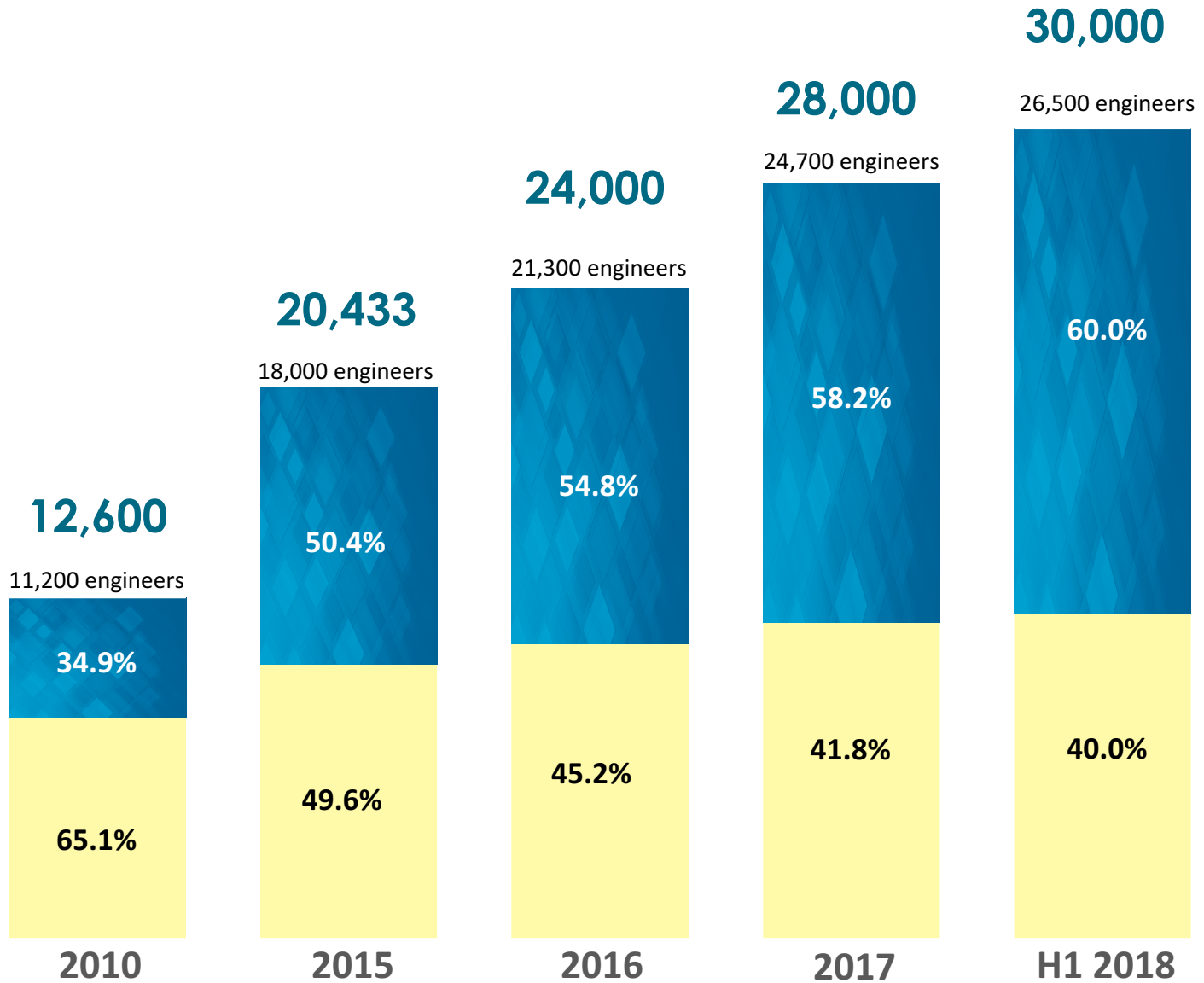
HEADCOUNT PROGRESSION



INT



FR



GROWTH IN BUSINESS - GROUP



€ million

H1 2017 Revenue

H1 2018 Revenue

YoY change

Revenue on I-f-I basis

990.9

1,089.6

+10%

Change in scope

29.7

+3%

FX impact

-19.4

-2%

Consolidated revenue

990.9

1,099.9

+11%



Organic growth is sustained and accounts for 75% of the Group's growth despite a negative calendar effect (-1 business day)

GROWTH IN BUSINESS - FRANCE



€ million

H1 2017 Revenue

H1 2018 Revenue

Yoy change

Revenue on I-f-I basis

464.9

503.8

+8.4%

Change in scope

France - TOTAL

464.9

503.8

+8.4%



Organic growth in France accelerates
(+9.1% on constant business days).

GROWTH IN BUSINESS – INTERNATIONAL



€ million

H1 2017 Revenue

H1 2018 Revenue

YoY change

Revenue on I-f-I basis

526

585.8

+11.4%

Change in scope

29.7

+5.6%

FX impact

-19.4

-3.7%

International - TOTAL

526

596.1

+13.3%




- International organic growth remains stable (12% on constant business days) despite a negative calendar effect.
- Strong negative FX impact on this first half.

PROGRESSION OF ORGANIC GROWTH IN 2018



%	Q1	Q2	H1
France	7.7%	9.0%	8.4%
International	9.3%	13.5%	11.4%
GROUP	8.5%	11.4%	10.0%
Growth on constant business days	10.2%	11.2%	10.7%

 Restated from constant business days as compared to 2017 (-1 business day in Q1; +0.1 business day in Q2) and Forex, organic growth would have reached 10.7% on this first half.

CONSOLIDATED REVENUE BY REGION

(€M)



COUNTRY	H1 2018				Change			
	H1 2017	%	H1 2018	%	Released	Change in scope	Forex	Organic, excluding Forex effect
France	464.9	46.9%	503.8	45.8%	8.4%	0.0%	0.0%	8.4%
International	526.0	53.1%	596.1	54.2%	13.3%	5.6%	-3.7%	11.4%
North America	96.4	9.7%	121.5	11.0%	26.0%	22.0%	-11.5%	15.5%
Germany	104.3	10.5%	106.6	9.7%	2.2%	0.0%	0.0%	2.2%
Scandinavia	80.6	8.1%	85.0	7.7%	5.5%	0.0%	-5.0%	10.4%
Spain/Portugal	46.5	4.7%	55.7	5.1%	19.7%	0.0%	0.0%	19.7%
Italia	38.6	3.9%	42.8	3.9%	11.0%	0.0%	0.0%	11.0%
UK	43.7	4.4%	40.7	3.7%	-6.8%	0.0%	-1.6%	-5.2%
Belgium	32.9	3.3%	37.6	3.4%	14.3%	0.0%	0.0%	14.3%
Netherlands	29.0	2.9%	34.3	3.1%	18.0%	0.0%	0.0%	18.0%
Asia Pacific	19.1	1.9%	25.6	2.3%	33.7%	0.1%	-9.9%	43.5%
Others	34.8	3.5%	46.3	4.2%	33.0%	24.4%	-4.9%	13.5%
TOTAL	990.9	<i>100.0%</i>	1,099.9	<i>100.0%</i>	11.0%	3.0%	-2.0%	10.0%

CONDENSED INCOME STATEMENT



€ million	H1 2017	H1 2018	Yoy Change 2017/2018 %
Revenue	990.9	1,099.9	+11.0%
Operating Profit on Activity <i>As % of Revenue</i>	92.6 9.3%	102.7 9.3%	+10.9%
Share-based payments	-10.0	-0.9	
Non-recurring profit	-0.5	-1,5	
Operating Profit <i>As % of Revenue</i>	82.1 8.3%	100.3 9.1%	22.2%
Financial Income	18.3	0.1	
Income tax expense	-28.5	-28.9	
EMCs and minority interests	1.4	3.5	
Net income, Group share <i>As % of Revenue</i>	73.3 7.4%	75.0 6.8%	+2.3%



Stable operating margin on activity

FINANCIAL INCOME ANALYSIS



	H1 2016	H1 2017	H1 2018
Cost of net financial debt	-0.5	-0.4	-0.4
Foreign exchange result	-2.1	-2.7	0.6
Other net financial profits	-	21.4 [*]	-0.1
FINANCIAL INCOME	-2.6	18.3	0.1

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

CONDENSED INCOME STATEMENT BY REGION



€ million	H1 2017 France	H1 2017 Intl.	H1 2017 Group	H1 2018 France	H1 2018 Intl.	H1 2018 Group
Revenue	464.9	526.0	990.9	503.8	596.1	1,099.9
Operating Profit on Activity <i>As % of Revenue</i>	46.8 10.1%	45.8 8.7%	92.6 9.3%	50.5 10.0%	52.2 8.8%	102.7 9.3%
Share-based payments	-8.4	-1.6	-10.0	-0.7	-0.2	-0.9
Non-recurring profit	0.1	-0.6	-0.5	-	-1.5	-1.5
Operating Profit <i>As % of Revenue</i>	38.3 8.3%	43.6 8.3%	82.1 8.3%	49.8 9.9%	50.5 8.5%	100.3 9.1%
Financial income	17.8	0.5	18.3	1.1	-1.0	0.1
Income tax expense	-16.0	-12.5	-28.5	-13.9	-15.0	-28.9
EMCs and minority interests	1.7	-0.3	1.4	4.8	-1.3	3.5
Net income, Group share <i>As % of Revenue</i>	42.0 9.0%	31.3 6.0%	73.3 7.4%	41.8 8.3%	33.2 5.6%	75.0 6.8%

A VERY HEALTHY BALANCE SHEET



ALLEN

ASSETS (€M)

Equity & LIABILITIES (€M)

Dec. 2017

June 2018

Dec. 2017

June 2018

NON-CURRENT ASSETS:

554.9

o/w goodwill: 436.7

NON-CURRENT ASSETS:

602.0

o/w goodwill: 475.2

SHAREHOLDERS' EQUITY:

834.2

*o/w Group share:
832.6*

SHAREHOLDERS' EQUITY:

881.5

*o/w Group share:
877.8*

CURRENT ASSETS:

779.4

*o/w customer receivables:
647.3*

CURRENT ASSETS:

867.9

*o/w customer receivables:
706.5*

N-C LIABILITIES: 45.6

CURRENT LIABILITIES:

489.2

Current financial liabilities: 49.3

N-C LIABILITIES: 51.4

CURRENT LIABILITIES:

498.5

Current financial liabilities: 128.1

Net cash position: 84.0

Net cash position: 89.6

Total: **1,418.3**

Total: **1,559.5**

Total: **1,418.3**

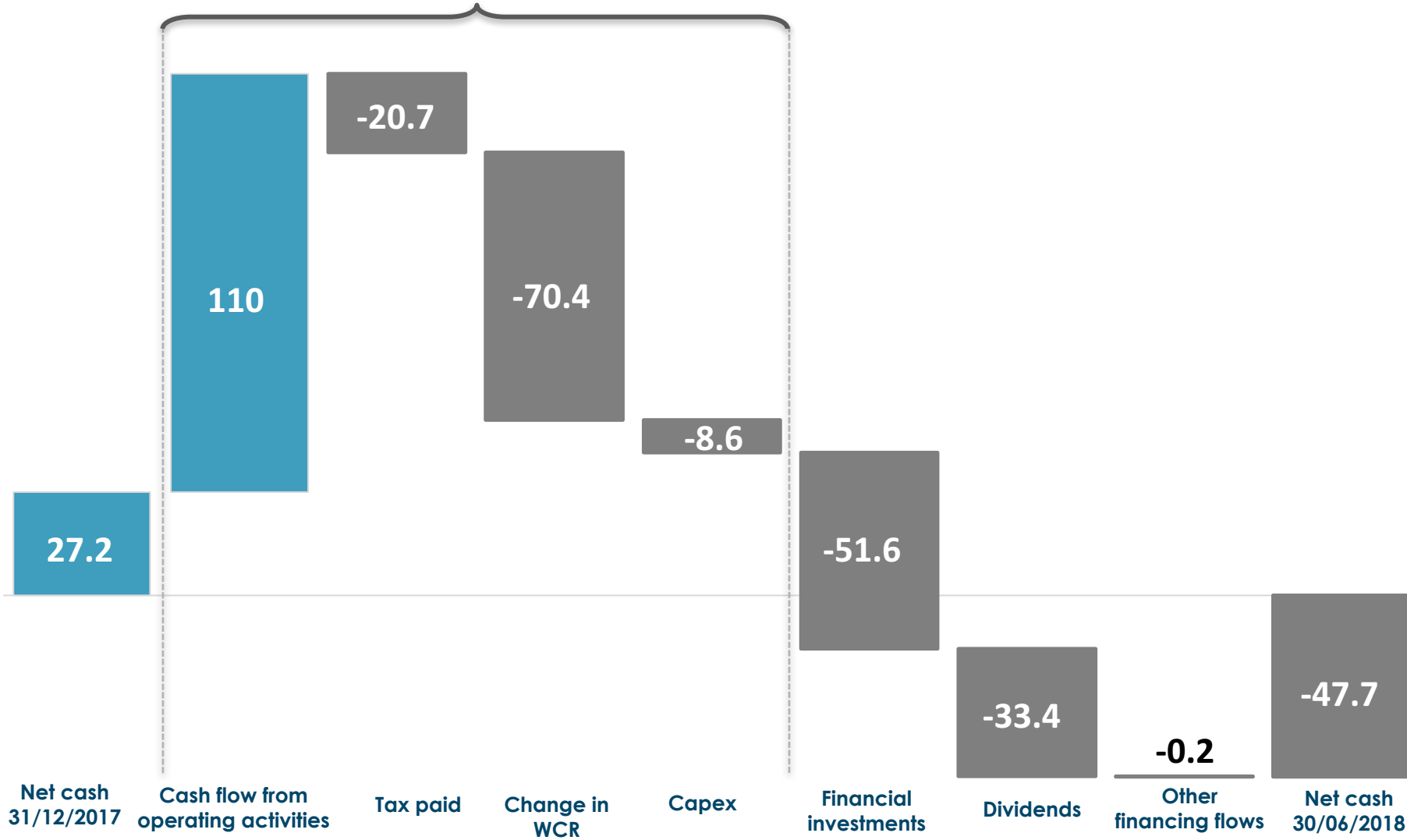
Total: **1,559.5**

 **Gearing is + 5.4%**

CHANGE IN NET CASH POSITION H1 2018 (€M)



Free cash flow :+10.2



FREE CASH FLOW ANALYSIS



6 months

12 months

H1 2017

H1 2018

2017
12 months

H1 2018
12 months

CASH FLOW (*)
As % OF REVENUE

94.4
9.5%

110
10%

204.2
10.3%

219.8
10.5%

Tax paid

(24.5)

(20.7)

(52.3)

(48.5)

Change in WCR

(46.3)

(70.4)

(60.5)

(84.6)

Cash from operations
As % OF REVENUE

23.6
2.4%

18.8
1.7%

91.3
4.6%

86.7
4.1%

CAPEX

(5.0)

(8.6)

(13.4)

(17.0)

FREE CASH FLOW
As % OF REVENUE

18.6
1.9%

10.2
0.9%

77.9
3.9%

69.5
3.3%

(*) Gross operating cash flow



Cash flow improves in proportion with Op. Profit on Activity

Change in WCR is mainly impacted by the following:

- A sharp organic growth, requiring cash, as DSO is over 90 days;
- An increase in DSO from December 2017 (92 days) to June 2018 (98 days), (95.5 days in June 2017), resulting from both the usual seasonal rise and the behaviour of some clients.

Capital expenditure remains low (0.8% of revenue)

SUMMARY



The strong organic growth has accelerated again in the first half of 2018, both in France and on an international level.

- The operating margin on activity has remained stable as compared to the first half of 2017 because of various mix effects cancelling one another.
- Free cash flow progression has been impacted by the financing of organic growth as well as seasonal working capital requirements.
- The Group gearing remains low: 5.4%. At the end of 2018, ALLEN will hold a positive net cash position, except if further significant acquisitions are completed by year end.



Growth strategy

THREE-YEAR DEVELOPMENT STRATEGY



■ Remain focused on high added-value engineering skills:

- Alten Core business 80% in Studies – Design - Engineering
- Specialised subsidiaries 20% Consulting, Training, Customer support, etc.

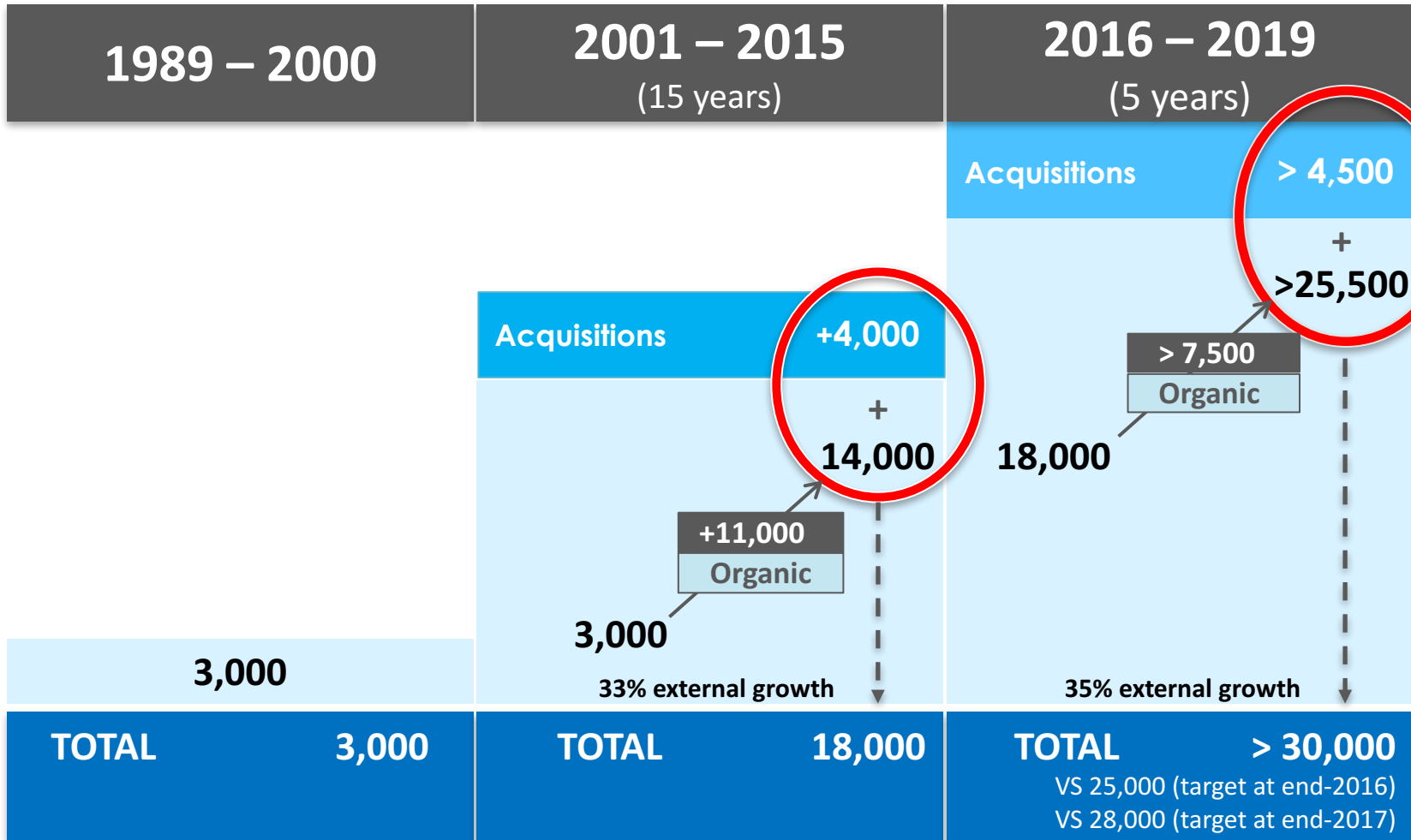
■ Implementation of our technical and commercial model:

- Capitalise on our know how and offers to deliver an essential added-value to our clients.
- Confirm ALLEN as the key player of our clients' globalisation and transformation programmes (Digital, Industry 4.0, Transnational and Offshore, etc...).

■ Our challenges for 2018 - 2020:

- Strengthen our positions in Germany, North America and Asia.
- Achieve critical mass in all countries with a potential market to optimise our organisation.

BUSINESS GROWTH PLAN



→ 3 growth vectors:

- Recrutement
- Project and HR Management
- Targeted acquisitions

CONCLUSION



ALLEN has reassessed the targets of its strategic plan for 2017 – 2019 by remaining focused on its business model. The company foresees a headcount of 30,000 engineers at the end of 2019 (vs. 28,000 at end 2017 and 25,000 at end 2016).



APPENDICES

BALANCE SHEET – ASSETS (IN THOUSANDS OF EUROS)



ITEM	June 2018	Dec.2017 (IFRS 15)	Dec.2017 released
Goodwills	475 201	436 740	436 740
Intangible assets	10 548	10 970	10 970
Tangible assets	26 735	24 631	24 631
Investments in associates	24 580	19 136	19 136
Non-current financial assets	52 804	50 454	50 454
Deferred tax assets	12 132	12 930	12 930
NON CURRENT ASSETS	601 999	554 860	554 860
Trade receivables	525 589	528 461	647 287
Assets associated with client agreements	180 945	118 826	
Other current assets	75 210	50 514	50 514
Current tax assets	86 141	81 686	81 686
Cash and cash equivalents	89 607	83 966	83 966
CURRENT ASSETS	957 492	863 453	863 453
TOTAL ASSETS	1 559 491	1 418 313	1 418 313

BALANCE SHEET - LIABILITIES (IN THOUSANDS OF EUROS)



ITEM	June 2018	Dec.2017 (IFRS 15)	Dec.2017 released
Capital	34 383	34 383	34 383
Premiums	54 375	54 375	54 375
Consolidated reserves	714 033	596 796	596 796
Consolidated earnings	75 019	147 025	147 025
SHAREHOLDERS' EQUITY	877 810	832 580	832 580
MINORITY INTERESTS	3 705	1 653	1 653
Employee benefits	24 352	23 081	23 081
Provisions	3 231	1 866	1 866
Non-current financial liability	9 537	8 063	8 063
Other non-current liabilities	14 005	12 537	12 537
Deferred tax liabilities	292	83	83
NON CURRENT LIABILITIES	51 418	45 631	45 631
Provisions	8 561	9 572	9 572
Current financial liabilities	128 054	49 283	49 283
Trade payables	74 219	63 662	63 662
Other current liabilities	335 564	320 486	409 241
Assets associated with client agreements	69 692	88 755	
Current tax liabilities	10 468	6 694	6 694
CURRENT LIABILITIES	626 558	538 451	538 451
TOTAL LIABILITIES	1 559 491	1 418 313	1 418 313

INCOME STATEMENT (IN THOUSANDS OF EUROS)



ITEM	June 2018	Dec.2017 (IFRS 15)	Dec.2017 released
NET REVENUE	1 099 936	990 943	983 668
Purchase consumed	-91 435	-85 538	-92 936
Payroll expenses	-791 693	-710 610	-710 610
External charges	-100 402	-91 621	-76 949
Taxes other than on income	-5 137	-5 540	-5 540
Depreciation and amortization	-7 161	-6 150	-6 150
Other operating income and expenses	-1 396	1 121	1 121
OPERATING PROFIT ON ACTIVITY	102 713	92 604	92 604
Share based payments	-939	-10 032	-10 032
OPERATING PROFIT ON ACTIVITY BEFORE EXCEPTIONALS	101 774	82 572	82 572
Non recurrent profit	-1 490	-462	-462
OPERATING PROFIT	100 284	82 109	82 109
Net borrowing costs	-375	-360	-360
Other financial income and expenses	456	18 695	18 695
FINANCIAL INCOME	81	18 336	18 336
Share of earning of equity affiliates	4 782	1 859	1 859
Income tax expense	-28 895	-28 545	-28 545
NET OVERALL EARNINGS	76 252	73 759	73 759
PROFIT ATTRIBUTABLE TO MINORITY INTERESTS	-1 233	-459	-459
PROFIT ATTRIBUTABLE TO THE GROUP	75 019	73 300	73 300

CASH FLOW STATEMENT (IN THOUSANDS OF EUROS)



ITEM	June 2018	June 2017
CASH FLOW	109 990	94 443
Consolidated net earnings	76 252	73 759
Earnings from associates	-4 782	-1 859
Depreciation, provisions and other calculated expenses	7 950	4 807
Share-based payments	939	10 032
Income tax expense	28 895	28 545
Capital gains or losses from disposal	-22	-21 445
Net borrowings costs	375	360
Financial cost on update and provisions	382	243
Tax paid	-20 727	-24 480
Change in working capital requirements	-70 439	-46 326
NET CASH FLOW GENERATED BY ACTIVITY	18 824	23 637
Acquisition / Disposal on fixed assets	-11 407	19 999
Impact of change in scope of consolidation and earn-outs paid	-48 013	-11 300
NET CASH FLOW ON INVESTMENTS	-59 419	8 699
Net financial interest paid	-675	64
Dividends paid to shareholders	-33 364	-33 232
Capital increase	0	76
Buy back of shares	665	-26
Repayment of long-term financial debt	-394	7
Change in current financial liabilities	80 118	-9 810
NET CASH FLOW FROM FINANCING OPERATIONS	46 351	-42 921
CHANGE IN CASH RELATED TO FOREIGN EXCHANGE POSITION	-114	-1 277
CHANGE IN CASH POSITION	5 642	-11 862
Cash on hand	89 607	83 124
Bank loans	-118 101	-69 305
Overdrafts	-19 221	-10 985
NET CASH POSITION	-47 715	2 833

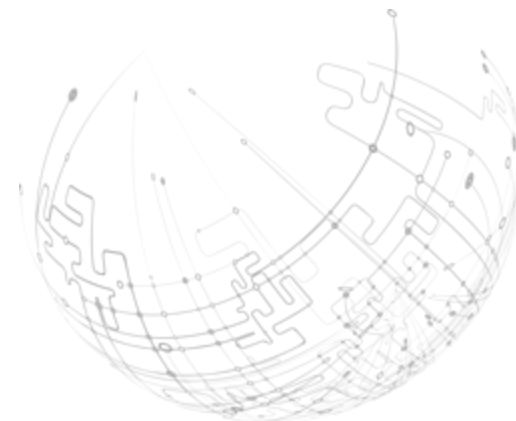
2017 REVENUE AS RELEASED AND RESTATED UNDER IFRS 15



€ 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
Restatement of invoiced charges	7.4	7.7	15.0	5.6	8.1	13.7	28.7
Restatement 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 First Half Results



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