

2016

Annual results

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Paris, 22 February 2017





DISCLAIMER

“This presentation may contain “forward-looking” statements that are based on trends or targets. Such information should not be considered as a forecast of the Company’s future results or as any other sort of performance indicator. By its very nature, this information is subject to risk and uncertainty and factors that may be outside of the Companies control in certain cases. A more detailed description of these risks and uncertainties is provided in the Company’s Registration document, available on its website at (www.alten.com). ”



Business and highlights in 2016

ALTEN,

LEADER IN ENGINEERING & TECHNOLOGY CONSULTING (ETC)



Revenue €1,748.3M +13.5%	FRANCE: 47.5% <i>€ 830.1 million: +4.4%</i>
	INTERNATIONAL: 52.5% <i>€ 918.2 million: +23.2%</i>
OPA €180.9M +18.6%	10.35% OF REVENUE
	GEARING: -0.62%
24,000 employees	21,300 ENGINEERS (88% OF TOTAL HEADCOUNT)
	FOOTPRINT IN OVER 20 COUNTRIES

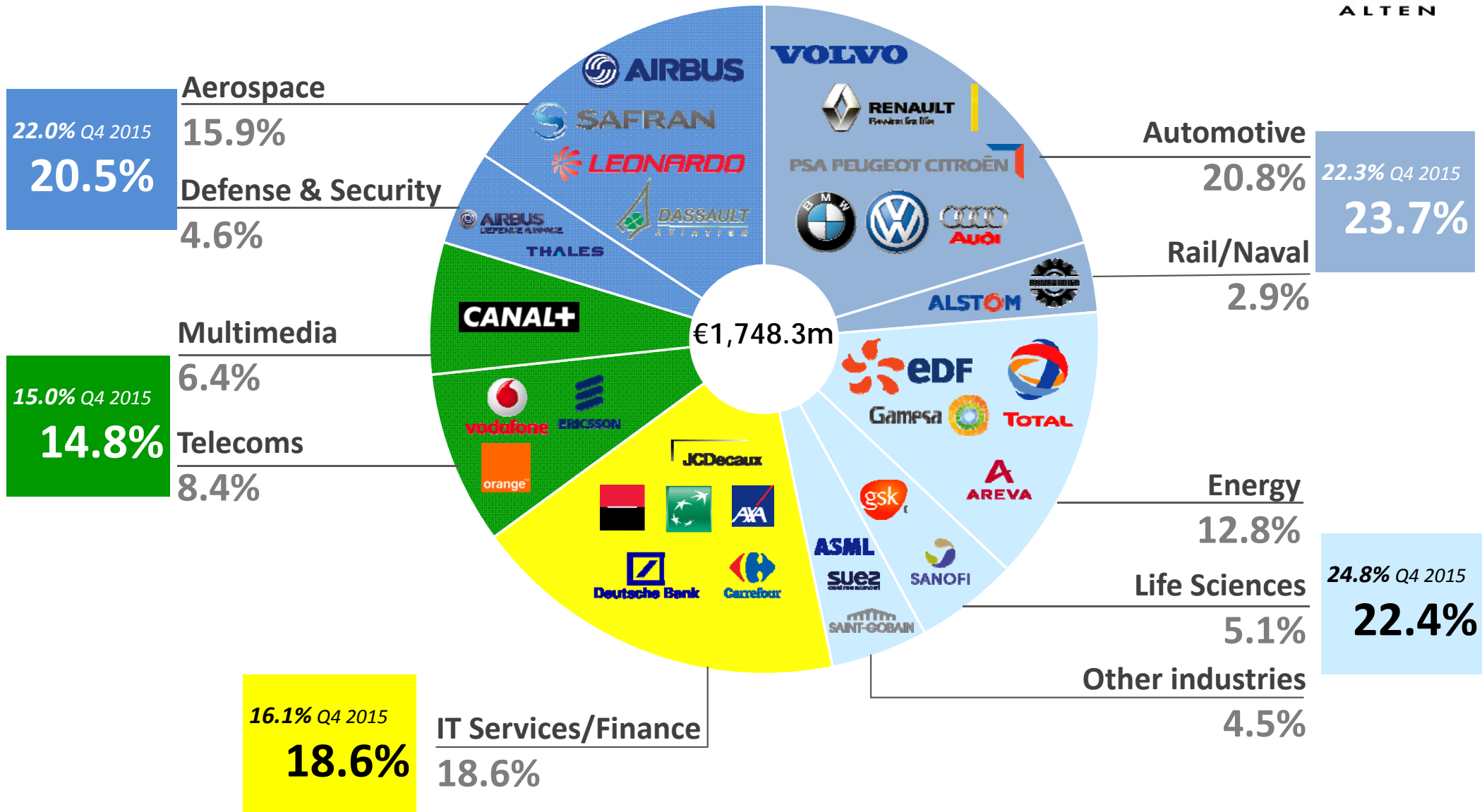
21,300 ENGINEERS IN OVER 20 COUNTRIES

O/W 55% WORKING OUTSIDE FRANCE



	June 2015	December 2015	June 2016	December 2016	<i>Variation 18 months</i>	
France	8,600	8,900	9,200	9,550	950	11.0%
Europe (excl. France)	6,760	7,130	7,815	8,195	1,435	21.2%
Africa & Middle-East	300	220	405	450	150	50.0%
Asia/China India	1,090	1,300	2,020	2,155	1,065	97.7%
Canada USA	450	450	810	950	450	111.1%
TOTAL	17,200	18,000	20,250	21,300	4,100	23.8%

WELL-BALANCED SECTOR-BASED DISTRIBUTION



OUR MARKETS



20.8%



Automotive

Sustained growth in business with French/Swedish equipment manufacturers.
Probable improvement in business with German automakers.
Projects focused on autonomous and electric vehicles, emissions (Nox, Co2), "infotainment" and security.

Forecast for 2017: continued strong momentum



2.9%



Rail / Naval

Improved business in rail sector; business stable in naval sector.

Forecast for 2017: moderate growth



15.9%



**Aerospace/
Space**

New manufacturing engineering projects with Airbus.
Strong growth in "launchers" activity in Space sector.

Forecast for 2017: continued growth

OUR MARKETS



18.6%



**Tertiary /
Services**

Accelerated growth in Banking (UK & Italy) and in Services.

Forecast for 2017: continued growth



17.9%



**Energy & Life
Sciences**

Marked decline (>10%) in business in Oil & Gas and Nuclear. Continued growth in Pharmacy and Medical equipment.

Forecast for 2017: gradual stabilization in Oil & Gas; growth in Life Sciences.



8.4%



Telecoms

Gradual recovery in business with operators and equipment makers in Europe.

Forecast for 2017: very moderate growth in business

ACCELERATED ACQUISITION-BASED GROWTH STRATEGY



ALLEN completed **10 acquisitions, including 9 outside France:**

- ➔ **In France**, Alten acquired a Life Sciences company (estimated annual revenue: €19 million - 190 additional consultants).
- ➔ The Group also completed **9 international acquisitions:**
 - 4 acquisitions in Europe: in Germany, Italy and Romania (annual revenue: €41 million - 450 additional consultants).
 - 5 acquisitions in North America and India (annual revenue: €59 million - 1,065 additional consultants).

Alten continues to expand internationally by deploying a targeted external growth strategy

SHAREHOLDER BASE AT 10 FEBRUARY 2017



Capitalization (at 02/10/17):
€2,353M

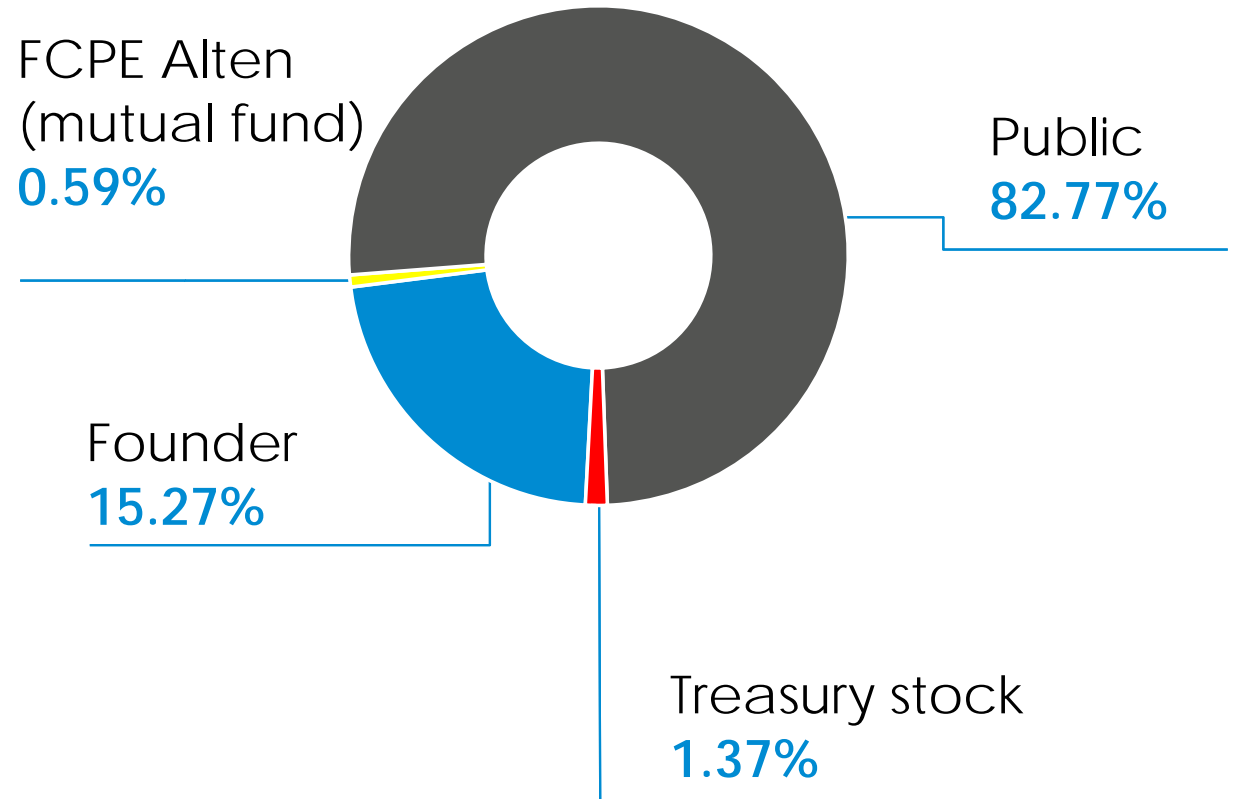
Number of shares (at 02/10/17):
33,688,225

Euronext Paris
Segment A

FR 0000071946
Eligible for Deferred
Settlement Service (SRD)

% of voting rights	
Founder	26.41%
Mutual fund	0.52%
Public	73.07%

% shareholding





2016 annual results

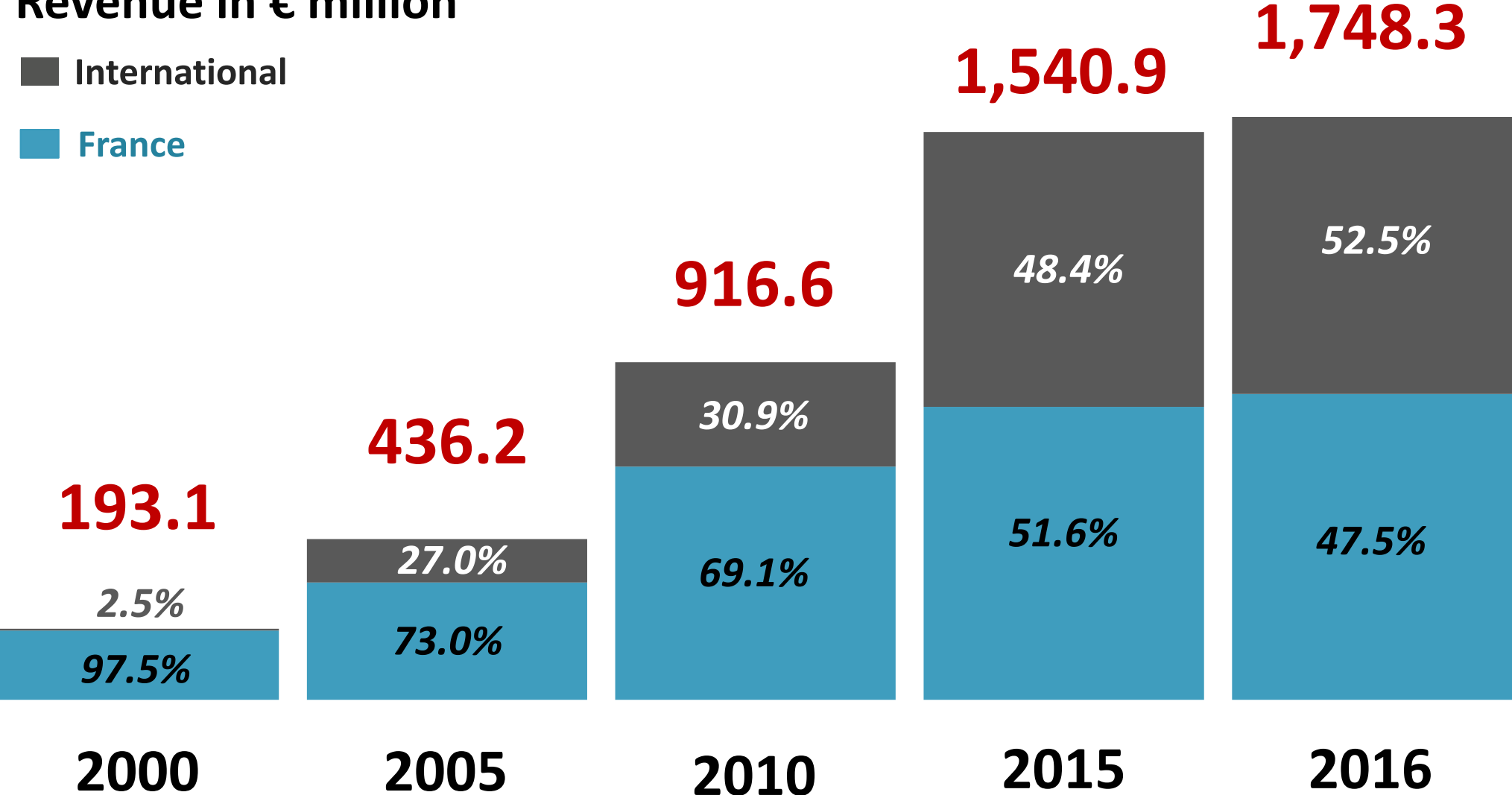
The annual financial statements have been subject to a limited review. This limited review will be issued once all publication procedures for the financial report have been finalized.

ACCELERATED INTERNATIONAL GROWTH



Revenue in € million

- International
- France



CONSOLIDATED GROWTH IN BUSINESS (GROUP)



<i>In € million</i>	2015 Revenue	2016 Revenue	YoY change
Revenue on I-f-I basis	1,540.9	1,653.8	+7.35%
Change in scope		103.4	+6.70%
FX impact		-8.9	-0.55%
Consolidated revenue	1,540.9	1,748.3	+13.5%



External growth accounts for 6.7% of total revenue, i.e., 50% of the Group's consolidated growth in 2016.

GROWTH IN FRENCH BUSINESS



<i>In € million</i>	2015 Revenue	2016 Revenue	YoY change
Revenue on I-f-I basis	795.3	822.3	+3.4%
Change in scope		7.8	+1.0 %
France - TOTAL	795.3	830.1	+4.4%

GROWTH IN INTERNATIONAL BUSINESS



<i>In € million</i>	2015 Revenue	2016 Revenue	YoY change
Revenue on I-f-I basis	745.6	831.4	11.5%
Change in scope		95.7	12.8%
FX impact		-8.9	-1.2%
International - TOTAL	745.6	918.2	+23.2%



Organic growth in international business remains strong.
External growth accounts for almost 50% of total growth.

ANALYSIS OF ORGANIC GROWTH IN 2016



<i>In %</i>	<i>Q1</i>	<i>Q2</i>	H1	<i>Q3</i>	<i>Q4</i>	H2	FY
France	2.3%	7.4%	4.8%	1.8%	2.2%	2.0%	3.4%
International	9.1%	13.9%	11.6%	12.2%	10.8%	11.5%	11.5%
GROUP	5.5%	10.6%	8.1%	6.8%	6.4%	6.6%	7.3%



Restated for number of business days Y/Y-1 (+2 days in H1; -2 days in H2) and Forex, organic growth accelerated throughout the year.

CONSOLIDATED REVENUE BY REGION

(€ MILLION)



Country	Full- year				Year-on-year change	
	2015	%	2016	%	YoY change	o/w organic growth, and FX impact
France	795.3	51.6%	830.1	47.5%	4.4%	3.4%
International	745.6	48.4%	918.2	52.5%	23.2%	11.5%
Germany	160.2	10.4%	177.2	10.1%	10.6%	-1.0%
North America	109.6	7.1%	162.9	9.3%	48.6%	15.5%
Scandinavia	121.6	7.9%	136.0	7.8%	11.8%	7.3%
United Kingdom	86.1	5.6%	93.2	5.3%	8.2%	13.5%
Spain	69.8	4.5%	82.9	4.7%	18.7%	18.7%
Italy	56.9	3.7%	74.1	4.2%	30.3%	13.2%
Belgium	52.9	3.4%	61.6	3.5%	16.5%	8.0%
Netherlands	51.8	3.4%	53.8	3.1%	3.9%	3.9%
Other	36.6	2.4%	76.5	4.4%	108.9%	63.3%
TOTAL	1,540.9	100%	1,748.3	100%	13.5%	7.3%

CONDENSED INCOME STATEMENT



<i>In € million</i>	H1 2015	H2 2015	Full-year	H1 2016	H2 2016	FY 2016	YoY change (%)
Revenue	764.2	776.7	1,540.9	870.5	877.8	1,748.3	+13.5%
Operating profit on Activity <i>As % of revenue</i>	67.1 8.8%	85.4 11.0%	152.5 9.9%	88.5 10.2%	92.4 10.5%	180.9 10.35%	+18.6 %
Share-based payments	0.1	-	0.1	-	-9.0	-9.0	
Non-recurring profit/(loss)	-2.4	-3.1	-5.5	-1.6	-12.9	-14.5	
Operating profit <i>As % of revenue</i>	64.8 8.5%	82.3 10.6%	147.1 9.5%	86.9 10.0 %	70.5 8.0 %	157.4 9.0%	+7.0 %
Financial income / (loss)	2.6	2.3	4.9	-2.6	2.5	-0.1	
Income tax expense	-22.3	-25.3	-47.6	-25.8	-24.1	-49.9	
EMCs and minority interests	0.2	1.7	1.9	2.4	2.6	5.0	
Net earnings, Group share <i>As % of revenue</i>	45.3 5.9%	61.0 7.9%	106.3 6.9%	60.9 7.0%	51.5 5.9%	112.4 6.4%	+5.7%

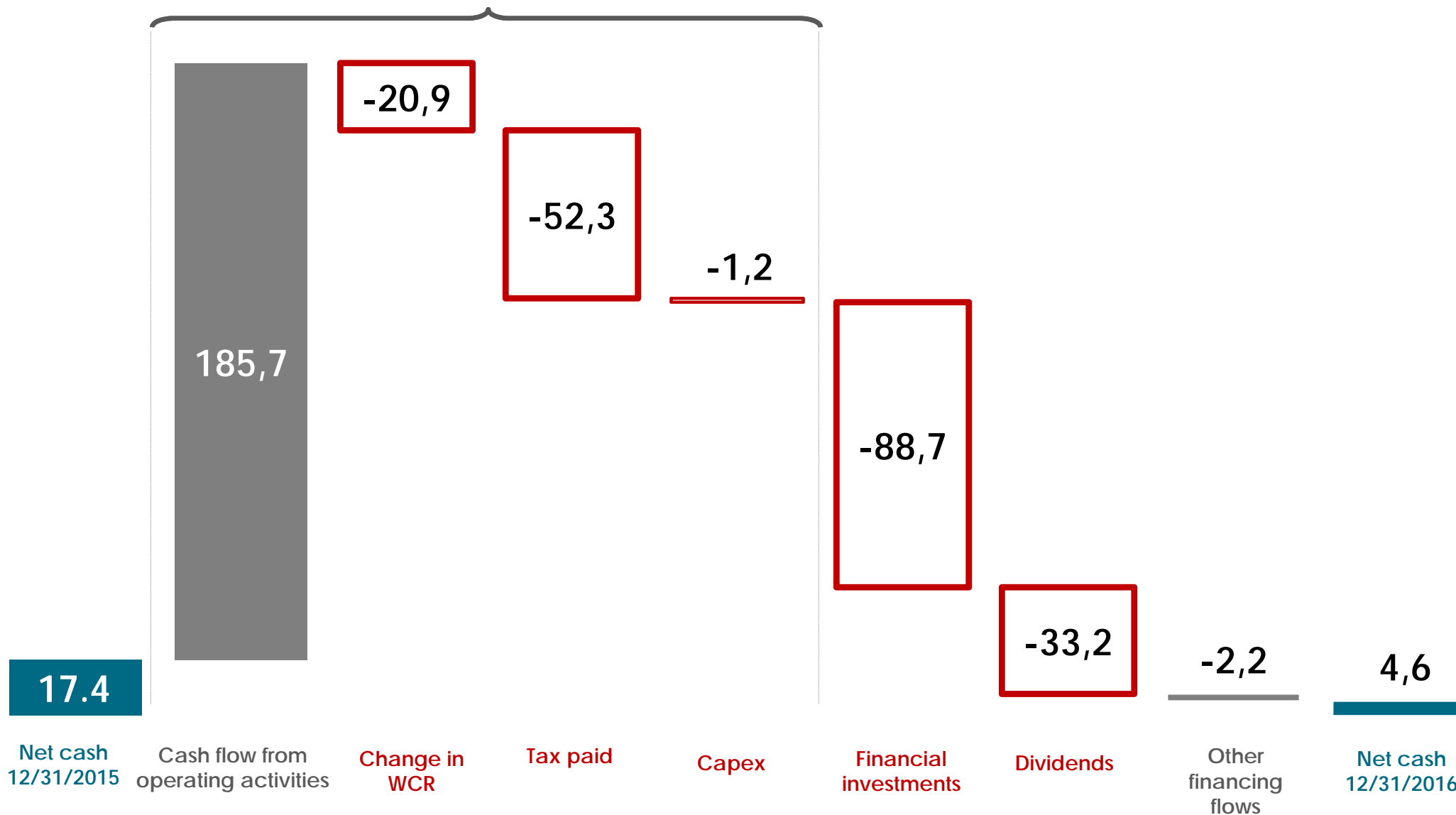


Big increase in operating margin on activity, which continues to be impacted by external growth operations.

CHANGE IN NET CASH POSITION IN 2016 (€ MILLION)



Free cash flow: + 111.2



ANALYSIS OF FREE CASH FLOW



ALLEN

	2015	H1	H2	2016	YoY change
CASH FLOW <i>As % OF REVENUE</i>	160.4 10.4%	91.5 10.5%	94.2 10.7%	185.7 10.6%	+15.8%
Tax paid	(50.7)	(23.6)	(28.7)	(52.3)	
Change in WCR	(4.5)	(56.8)	35.9	(20.9)	
Cash from operations <i>As % OF REVENUE</i>	105.2 6.8%	11.1 1.3%	101.3 11.6%	112.4 6.4%	+6.8%
CAPEX	(11.8)	(5.3)	4.1	(1.2)	
FREE CASH FLOW <i>As % OF REVENUE</i>	93.4 6.1%	5.8 0.7%	105.4 11.5%	111.2 6.4%	+19.1%

ANALYSIS OF FREE CASH FLOW



Cash flow from operations **grew by 16%**, in line with the increase in operating profit from ordinary activities.

Working capital requirements were satisfactory for the year as a whole:

- Additional financing requirements were related to organic growth.
- DSO remained stable between December 2015 (93.5 days) and December 2016 (94 days).

Capital expenditure was carefully controlled and remained stable year on year, at 0.8% of revenue.

SUMMARY



Organic growth accelerated throughout the year, both in France and internationally.

- Operating margin on activity grew across almost all regions.
- The operating margins on acquisitions completed in 2014 and 2015 have improved, adding value to these investments.

- Cash flow from operations is satisfactory and reflects notional levels, i.e. 6.5% of revenue for an operating profit margin on activity of 10%, on a like-for-like basis.
- The Group has self-financed its organic growth, external growth and dividend payments.



Growth strategy

THREE-YEAR DEVELOPMENT STRATEGY



- **Remain focused on high added value engineering skills:**

- Alten Core business: 80% in Studies – Design - Engineering
- Specialized subsidiaries: 20% consulting, training, customer service etc...

- **Roll out our organization to all countries:**

- To achieve managerial and technical maturity and optimize transverse structures.
- To achieve critical mass of 1,500 engineer per country and per zone.

- **The challenges for 2017 - 2019:**

- Strengthen our positions in Eastern Europe, Germany, North America and China.
- Successfully complete the transformation of our businesses in Germany (Technical Organisations/Workpackages) and achieve critical mass in all OEMs to restore operating margin (>10%).

ALTEN – UNIQUE COMPETITIVE MARKET ADVANTAGES



COMPREHENSIVE EXPERTISE IN ALL ENGINEERING FIELDS

- Embedded and Real-Time Systems, MMI
- Mechanical engineering, Scientific Calculation and Design
- Information systems, Networks, Telecoms
- Manufacturing Engineering and Customer Support

COMPREHENSIVE COVERAGE OF ALL KEY MARKET SECTORS

- Aerospace & Defense
- Ground Transport (Automotive, Rail)
- Energy (Nuclear, Oil & Gas, Renewable Energy),
- Life Sciences (Medical, Pharmaceuticals...)
- Networks, Telecoms, Multimedia
- Tertiary, Bank & Finance, Insurance, Retail

ALLEN'S STRENGTHS

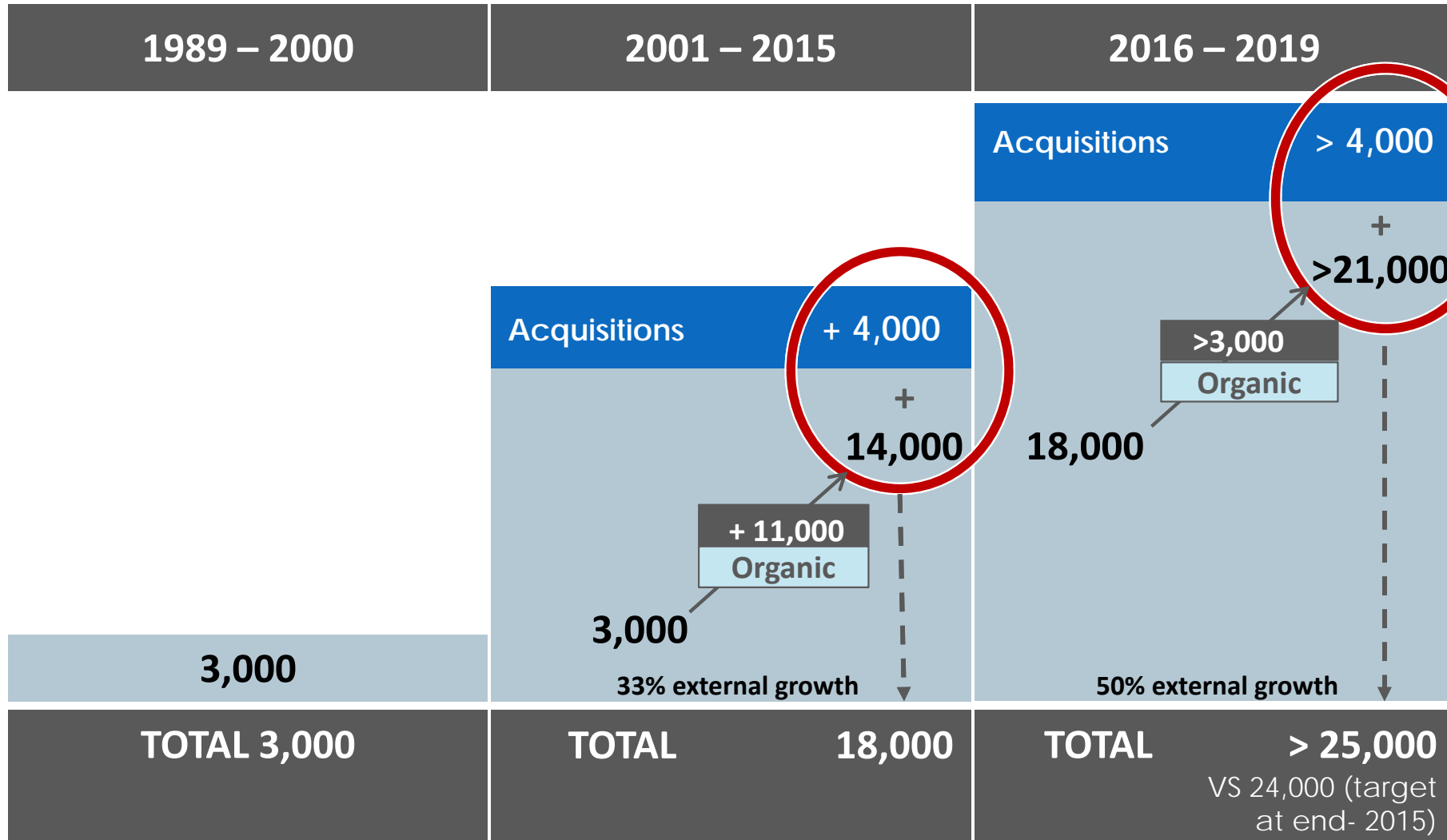
MULTIPLE ENGAGEMENT ARRANGEMENTS AND A PROJECT MANAGEMENT ORGANIZATION

- Consulting, Workpackages, fixed price, PMOs,...
- CMMI3 project management methodology
- 8 Nearshore and offshore technical centers in Romania, Morocco and India.

UNIQUE EXPERTISE IN ENGINEERING HR MANAGEMENT

- Partnerships with top engineering schools and universities
- Elaborated process of Recruitment and HRM practice. From recruitment to career management
- Training University for Technical and Business Managers

BUSINESS GROWTH PLAN



- 3 growth vectors:
- Recruitment
 - Project control
 - Targeted acquisitions

CONCLUSION



- **Alten has already achieved its growth strategy for 2016 – 2019 focusing on its current business model.**

Goal was 24,000 engineers before 2019 ends

- **The Group remains confident on its stable margins – on a like-for-like basis despite pricing pressure from clients, projects globalisation and international development**

- **In 2019 international activity will account for over 60% of revenue with a substantial size and performant HR in every country.**



APPENDICES

BALANCE SHEET - ASSETS (IN THOUSANDS OF EUROS)



ITEM	Dec.2015	Dec. 2016
Goodwills	331 617	411 200
Intangible assets	10 286	11 816
Tangible assets	36 273	23 107
Investments in associates	7 598	12 716
Non-current financial assets	81 311	80 122
Deferred tax assets	13 317	13 368
NON CURRENT ASSETS	480 402	552 329
Trade receivables	499 378	579 164
Other current assets	44 159	43 680
Current tax assets	46 797	58 809
Cash and cash equivalents	91 918	94 986
CURRENT ASSETS	682 253	776 638
TOTAL ASSETS	1 162 655	1 328 967

Audit in progress

BALANCE SHEET - LIABILITIES (IN THOUSANDS OF EUROS)



ITEM	Dec. 2015	Dec. 2016
Capital	34 215	34 240
Premiums	46 272	46 749
Consolidated reserves	461 286	545 353
Consolidated earnings	106 262	112 405
SHAREHOLDERS' EQUITY	648 034	738 747
MINORITY INTERESTS	1 777	374
Employee benefits	17 600	21 622
Provisions	2 914	2 098
Non-current financial liability	18 735	9 766
Other non-current liabilities	8 173	18 418
Deferred tax liabilities	1 995	1 091
NON CURRENT LIABILITIES	49 417	52 995
Provisions	6 860	11 263
Current financial liabilities	56 181	80 971
Trade payables	55 904	67 844
Other current liabilities	339 757	372 451
Current tax liabilities	4 725	4 322
CURRENT LIABILITIES	463 427	536 851
TOTAL LIABILITIES	1 162 655	1 328 967

Audit in progress

INCOME STATEMENT (IN THOUSANDS OF EUROS)



ITEM	2015	2016
NET REVENUE	1 540 906	1 748 306
Purchase consumed	-126 811	-164 940
Payroll expenses	-1 091 738	-1 214 756
External charges	-148 944	-159 029
Taxes other than on income	-8 255	-9 516
Depreciation and amortisation	-11 326	-11 788
Other operating income and expenses	-1 346	-7 347
OPERATING PROFIT ON ACTIVITY	152 486	180 930
Share based payments	74	-9 004
OPERATING PROFIT ON ACTIVITY BEFORE EXCEPTIONALS	152 560	171 925
Non recurrent profit	-5 491	-14 536
OPERATING PROFIT	147 068	157 389
Net borrowing costs	-1 099	-1 366
Other financial income and expenses	5 993	1 268
FINANCIAL INCOME	4 894	-98
Share of earning of equity affiliates	2 374	5 310
Income tax expense	-47 592	-49 854
NET OVERALL EARNINGS	106 744	112 746
PROFIT ATTRIBUTABLE TO MINORITY INTERESTS	-482	-342
PROFIT ATTRIBUTABLE TO THE GROUP	106 262	112 405

Audit in progress

CASH FLOW STATEMENT (IN THOUSANDS OF EUROS)



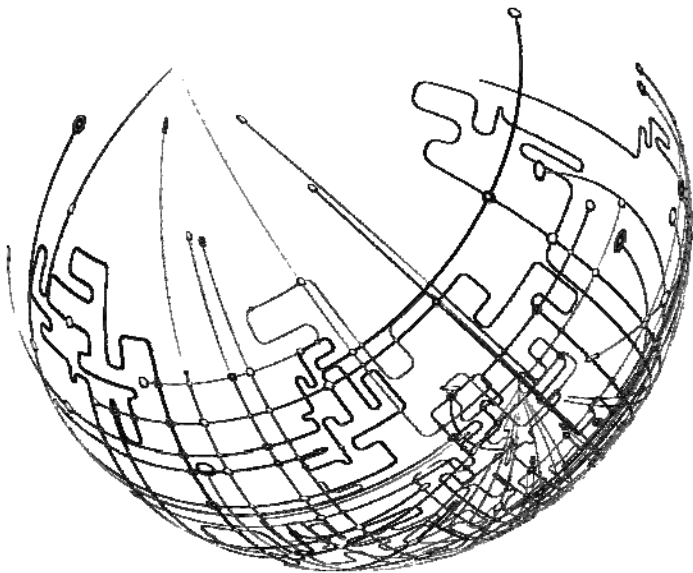
ITEM	2015	2016
CASH FLOW	160 356	185 660
Consolidated net earnings	106 744	112 746
Earnings from associates	-2 374	-5 310
Depreciation, provisions and other calculated expenses	11 481	18 723
Share-based payments	-74	9 004
Income tax expense	47 592	49 854
Capital gains or losses from disposal	-1 556	40
Net borrowings costs	1 099	1 366
Financial cost on update and provisions	-2 557	-763
Tax paid	-50 715	-52 309
Change in working capital requirements	-4 525	-20 946
NET CASH FLOW GENERATED BY ACTIVITY	105 116	112 405
Acquisition / Disposal on fixed assets	-5 904	500
Impact of change in scope of consolidation and earn-outs paid	-58 645	-86 611
NET CASH FLOW ON INVESTMENTS	-64 549	-86 111
Net financial interest paid	-2 857	-945
Dividends paid to shareholders	-33 160	-33 224
Capital increase	1 366	503
Buy back of shares	-132	201
Repayment of long-term financial debt	-302	-11 546
Change in current financial liabilities	16 056	22 577
NET CASH FLOW FROM FINANCING OPERATIONS	-19 029	-22 433
CHANGE IN CASH RELATED TO FOREIGN EXCHANGE POSITION	-87	-794
CHANGE IN CASH POSITION	21 451	3 068
Cash on hand	91 918	94 986
Bank loans	-23 695	-2 133
Overdrafts	-50 834	-88 275
NET CASH POSITION	17 390	4 578

Audit in progress

ALLEN

2016

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