

2017 Annual results

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Paris, February 21st, 2018





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 Company’s 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). ”



ALLEN

BUSINESS AND HIGHLIGHTS IN 2017

ALTEN,

LEADER IN ENGINEERING & TECHNOLOGY CONSULTING (ETC)



Revenue **€1,975.4M**

+13.0%

FRANCE: 46.3%
€ 914.4 million: +10.1%

INTERNATIONAL: 53.7%
€ 1,061.1 million: +15,6%

Oper. Profit on Activity **€194,2M**

+7.4%

9.8% OF REVENUE

GEARING: - 3,2%

28,000 employees

24,700 ENGINEERS (88% OF TOTAL HEADCOUNT)

FOOTPRINT IN OVER 20 COUNTRIES

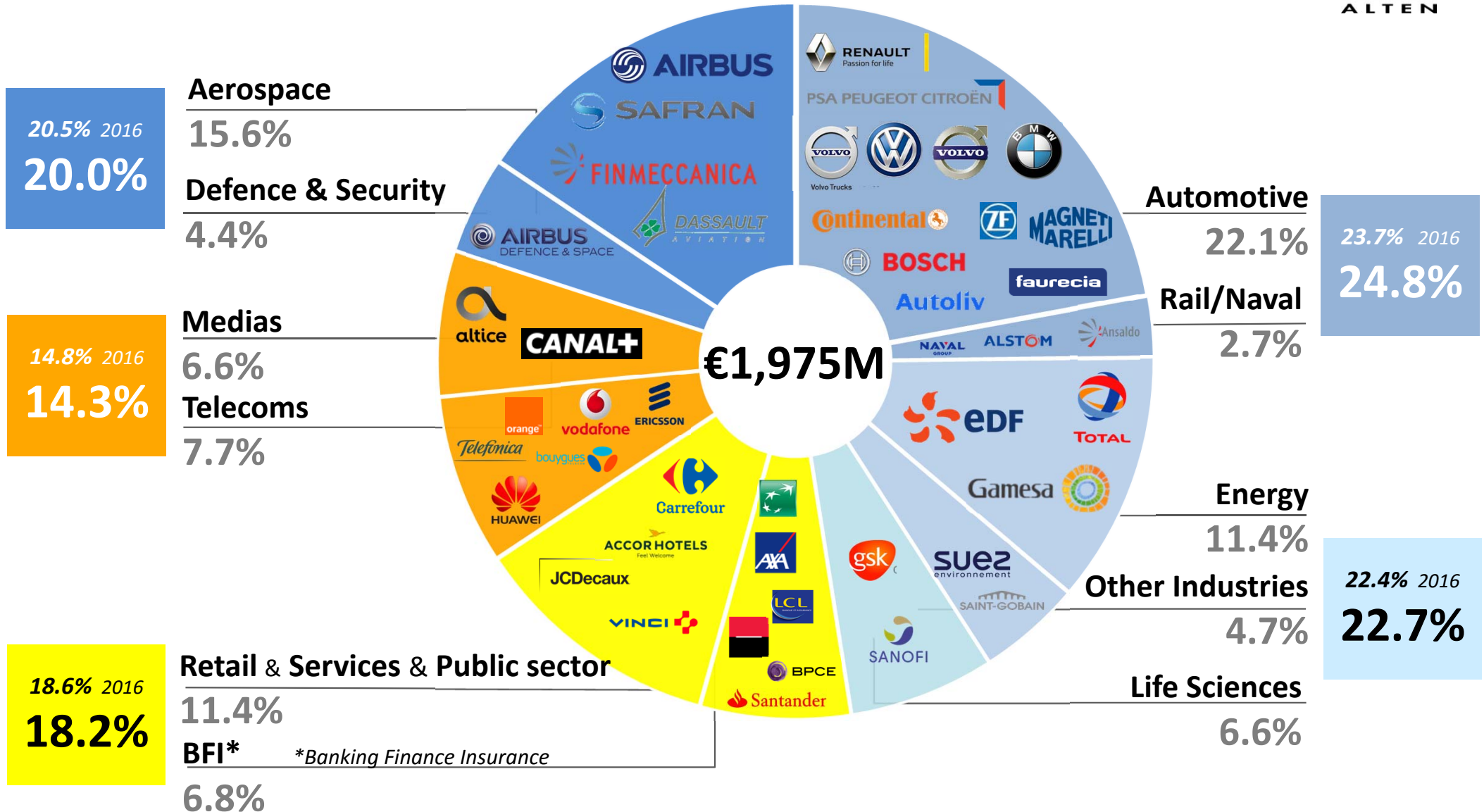
24,700 ENGINEERS IN OVER 20 COUNTRIES

O/W 59% WORKING OUTSIDE FRANCE

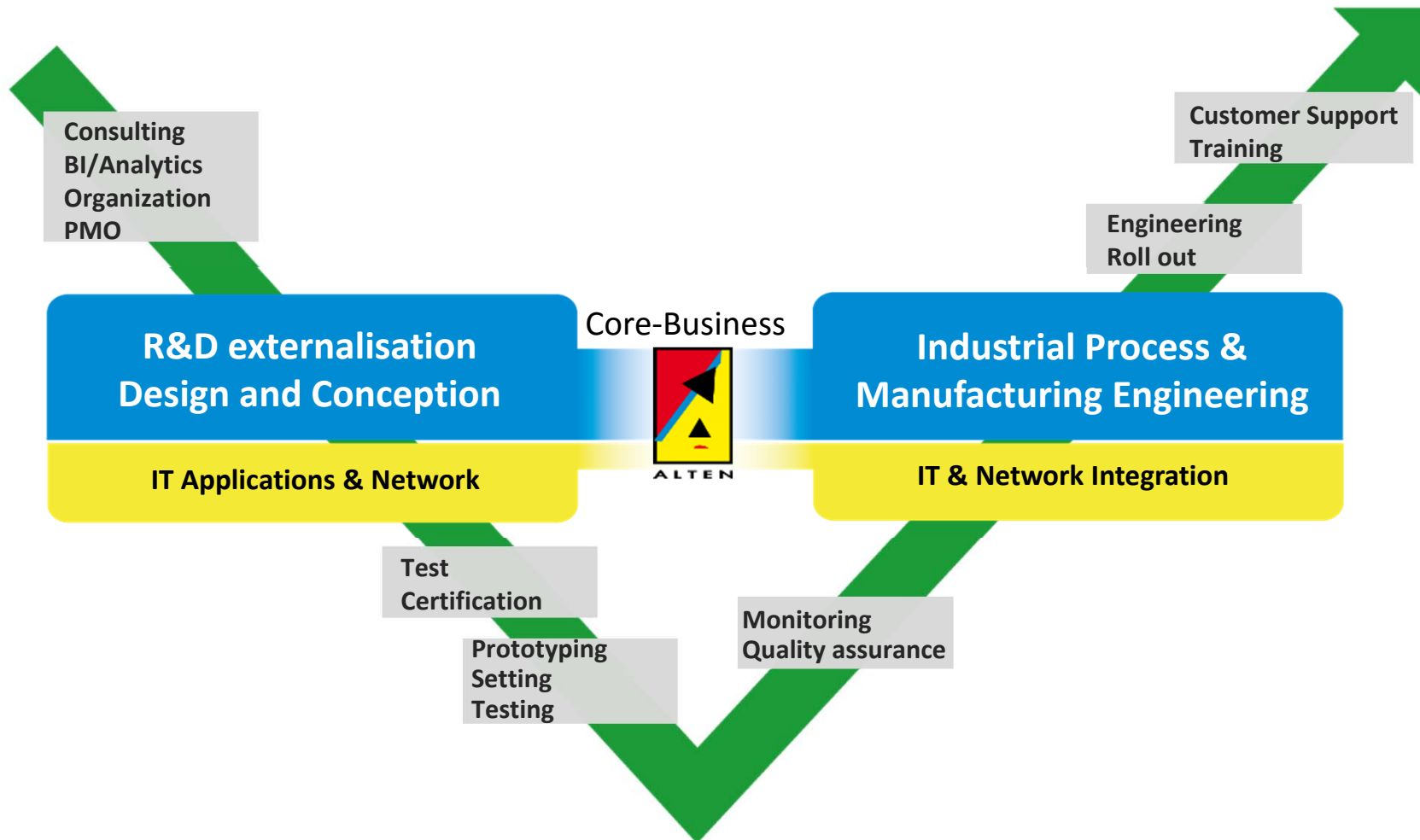


	December 2015	December 2016	June 2017	December 2017	<i>Variation 12 months</i>	
FRANCE	8,900	9,550	9,950	10,200	650	6.8%
EUROPE (excl. France)	7,130	8,195	9,220	10,130	1,935	23.6%
AFRICA & MIDDLE-EAST	220	450	480	450	0	0%
ASIA INDIA/CHINA	1,300	2,155	2,500	2,660	505	23.4%
USA CANADA	450	950	1,050	1 260	310	32.6%
TOTAL	18,000	21,300	23,200	24,700	3,400	16.0%

Well-balanced sector-based distribution



ALTEN Covering the whole product life-cycle



ALTEN'S POSITIONNING



LEVEL	POSITION	GROSS MARGIN
LEVEL 4	IP / Investments / 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 & Time & Material	
LEVEL 1	Interim & Staffing	≈ 15%

OUR MARKETS



AUTOMOTIVE



22.1%



Sustained investments with manufacturers & equipment manufacturers in the fields of propulsion, autonomous & connected vehicles, emissions, and electric vehicles. Changes in value chain contributors, introduction of new market players, economic pressures: this sector is undergoing major changes.

DEFENCE & SECURITY



4.4%



Government investments resume.
Various projects linked to Cyber Security.
Favourable outlook for the next few years.

RAIL/NAVAL



2.7%



- In France: “Grand Paris” Plan. Exports: dynamic markets. Opportunities enhanced by the merge process of Alstom and Siemens.
- Growth of submarine and large ship markets (Naval Group-STX).

AEROSPACE/SPACE



15.6%



Digital transformation (Customer service, Big data, Virtual reality, Industry 4.0, etc.) Increased speed and transformation of the industrial tool, predictive maintenance, clean and economical engines, new development programmes (Falcon/FX/A320 Neo Plus, etc.): this sector is changing, consolidating and remains a promising market. The sectors of launchers (Ariane 6) and communication satellites are in sustained growth.

OUR MARKETS



ENERGY



11.4%

Business seems to have stabilised in the Oil&Gas sector since the end of 2017. The upstream market, i.e. geosciences, seismic studies, exploratory drilling programmes, etc. should resume growth (provided bbl > US\$ 60). No new major projects in the nuclear sector: ongoing restructuration (Advanced & Areva). Security and MOC in nuclear power stations are stable.

LIFE SCIENCES



6.6%

Strong growth in the pharmaceuticals and medical equipment sectors.

TELECOMS



7.7%

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

BFI/SERVICES/PUBLIC SECTOR



18.2%

The main challenges of this sector are Cyber security, digital transformation, regulatory projects, evolution of Information systems in Cloud computing, etc.



ALLEN completed **six acquisitions outside France in 2017:**

- Two acquisitions in Germany and Switzerland (revenue: €20M - 170 additional consultants)
- Four acquisitions in the United States (revenue: €32M - 205 additional consultants)

➤ **Various projects of external growth initiated in 2017 should be completed in H1 2018.**

SHAREHOLDER BASE AT FEBRUARY 13TH, 2018



- Capitalization (at 02/13/18):
€2,585M
- Number of shares (at 02/13/18):
33,828.497

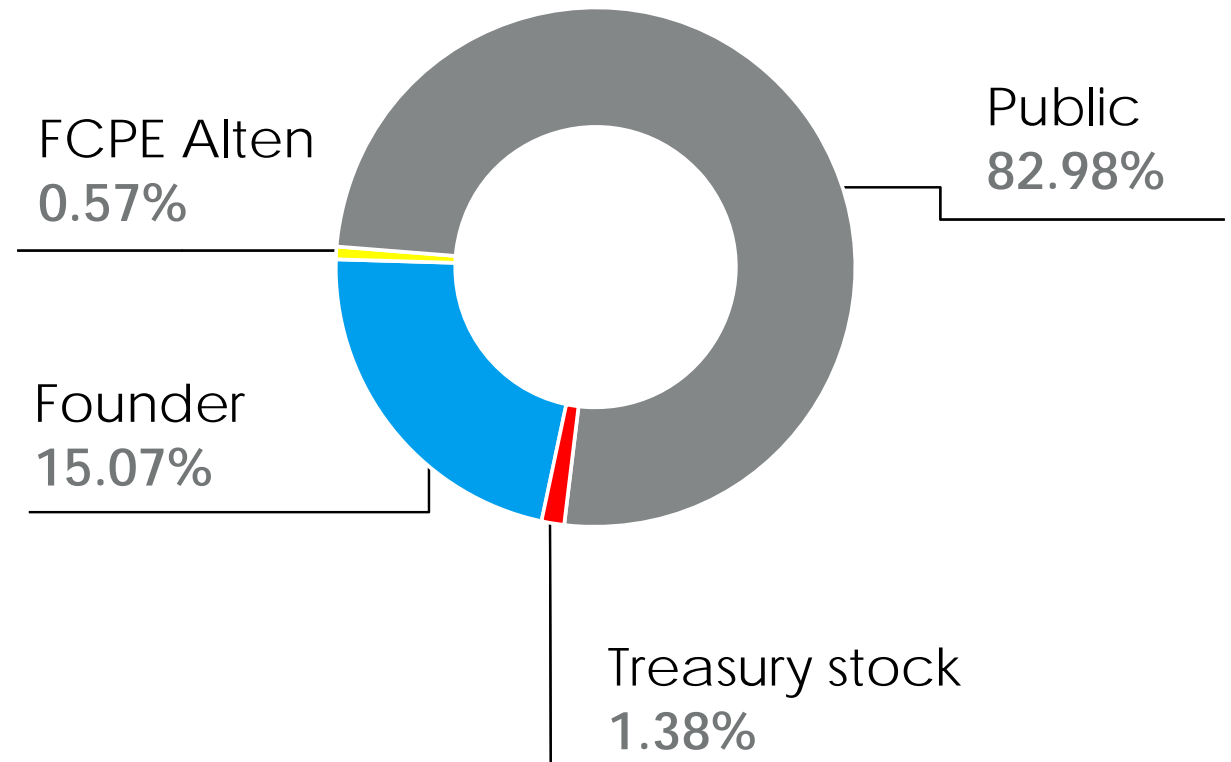
Euronext Paris
Segment A

FR 0000071946
Eligible for Deferred
Settlement Service(*SRD*)

% of voting rights

Founder	26.15%
FCP ALTEN	0.50%
Public	73.35%

% shareholding





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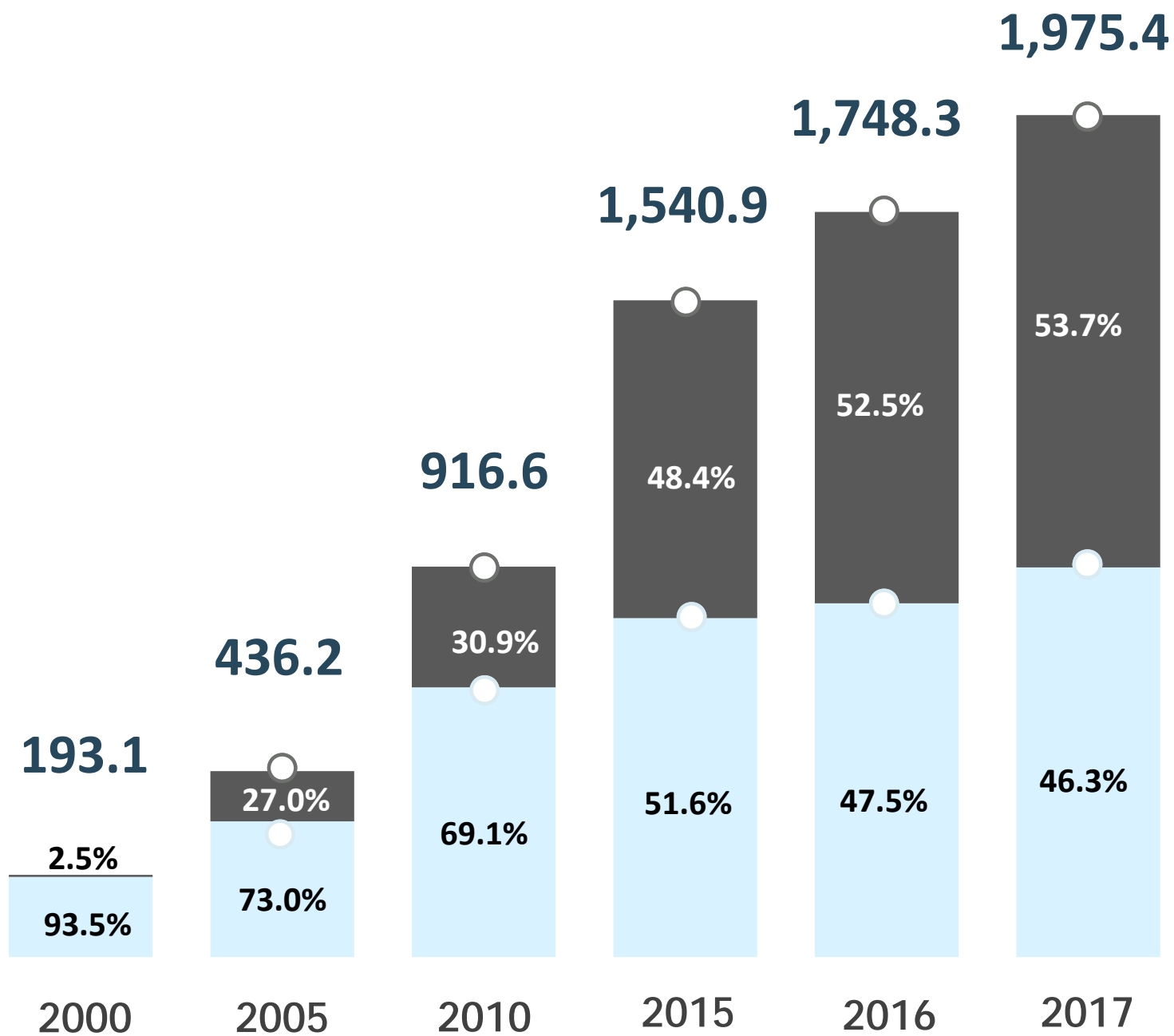
2017 Annual results

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

ACCELERATED INTERNATIONAL GROWTH



€M



CONSOLIDATED GROWTH IN BUSINESS - GROUP



<i>In € million</i>	2016 revenue	2017 revenue	YoY change
Revenue on I-f-I basis	1,748.3	1,885.8	+7.9%
Change in scope		100.3	+5.7%
FX impact		-10.7	-0.6%
Consolidated revenue	1,748.3	1,975.4	+ 13.0%



Organic growth is sustained and accounts for almost 60% of the Group's growth in 2017, in spite of 2 less business days vs. 2016.

GROWTH IN FRENCH BUSINESS



<i>In € million</i>	2016 revenue	2017 revenue	YoY change
Revenue on I-f-I basis	830.1	889.1	+7.1%
Change in scope		25.3	+3.0%
France - TOTAL	830.1	914.4	+10.1%

 France has returned to a sustained organic growth in 2017.

GROWTH IN INTERNATIONAL BUSINESS



<i>In € million</i>	2016 revenue	2017 revenue	YoY change
Revenue on I-f-I basis	918.2	996.7	+8.5%
Change in scope		75.1	+8.2%
FX impact		-10.7	-1.1%
International - TOTAL	918.2	1,061.1	+15.6%



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

CONSOLIDATED REVENUE BY REGION

(€ MILLION)



Country	YTD				Var.	
	2016	%	2017	%	Var.	of which organic. excl forex
France	830.1	47.5%	914.4	46.3%	10.2%	7.1%
International	918.2	52.5%	1,061.1	53.7%	15.6%	8.5%
North America	162.9	9.3%	217.4	11.0%	33.4%	16.3%
Germany	177.2	10.1%	206.5	10.5%	16.5%	1.6%
Scandinavia	136.0	7.8%	156.3	7.9%	15.0%	16.7%
Spain	82.9	4.7%	92.2	4.7%	11.2%	11.2%
United-Kingdom	93.2	5.3%	79.0	4.0%	-15.2%	-12.0%
Italy	74.1	4.2%	76.2	3.9%	2.8%	2.8%
Belgium	61.6	3.5%	64.9	3.3%	5.4%	5.4%
Netherlands	53.8	3.1%	58.8	3.0%	9.3%	9.3%
Asia-Pacific	25.8	1.5%	40.0	2.0%	54.8%	46.0%
Others	50.7	2.9%	69.7	3.5%	37.6%	11.6%
TOTAL	1,748.3	100%	1,975.4	100.0%	13.0%	7.9%

CONDENSED INCOME STATEMENT



<i>In € million</i>	H1 2016	H2 2016	YTD	H1 2017	H2 2017	YTD 2017	YoY change 2016/2017 %
Revenue	870.5	877.8	1 748.3	983.7	991.7	1 975.4	+ 13.0%
Operating profit on Activity <i>As % of revenue</i>	88.5 10.2%	92.4 10.5%	180.9 10.35%	92.6 9.4%	101.6 10.2%	194.2 9.8%	+ 7.4%
Share-based payments	-	-9.0	-9.0	-10.0	-2.8	-12.8	
Non-recurring profit/(loss) & impairment	-1.6	-12.9	-14.5	0.5	-5.3	-4.8	
Operating profit <i>As % of revenue</i>	86.9 10.0 %	70.5 8.0 %	157.4 9.0%	82.1 8.3%	93.5 9.4%	176.6 8.9%	+ 12.2%
Financial income / (loss)	-2.6	2.5	-0.1	18.3	-2.1	16.2	
Income tax expense	-25.8	-24.1	-49.9	-28.5	-21.7	-50.2	
EMCs and minority interests	2.4	2.6	5.0	1.4	3.0	4.4	
Net earnings, Group share <i>As % of revenue</i>	60.9 7.0 %	51.5 5.9%	112.4 6.4%	73.3 7.5%	72.7 7.3%	147.0 7.4%	+30.7%



The operating margin - penalised by a negative calendar effect (-2 business days), is nevertheless satisfactory and has increased in H2 2017.

CONDENSED INCOME STATEMENT BY REGION



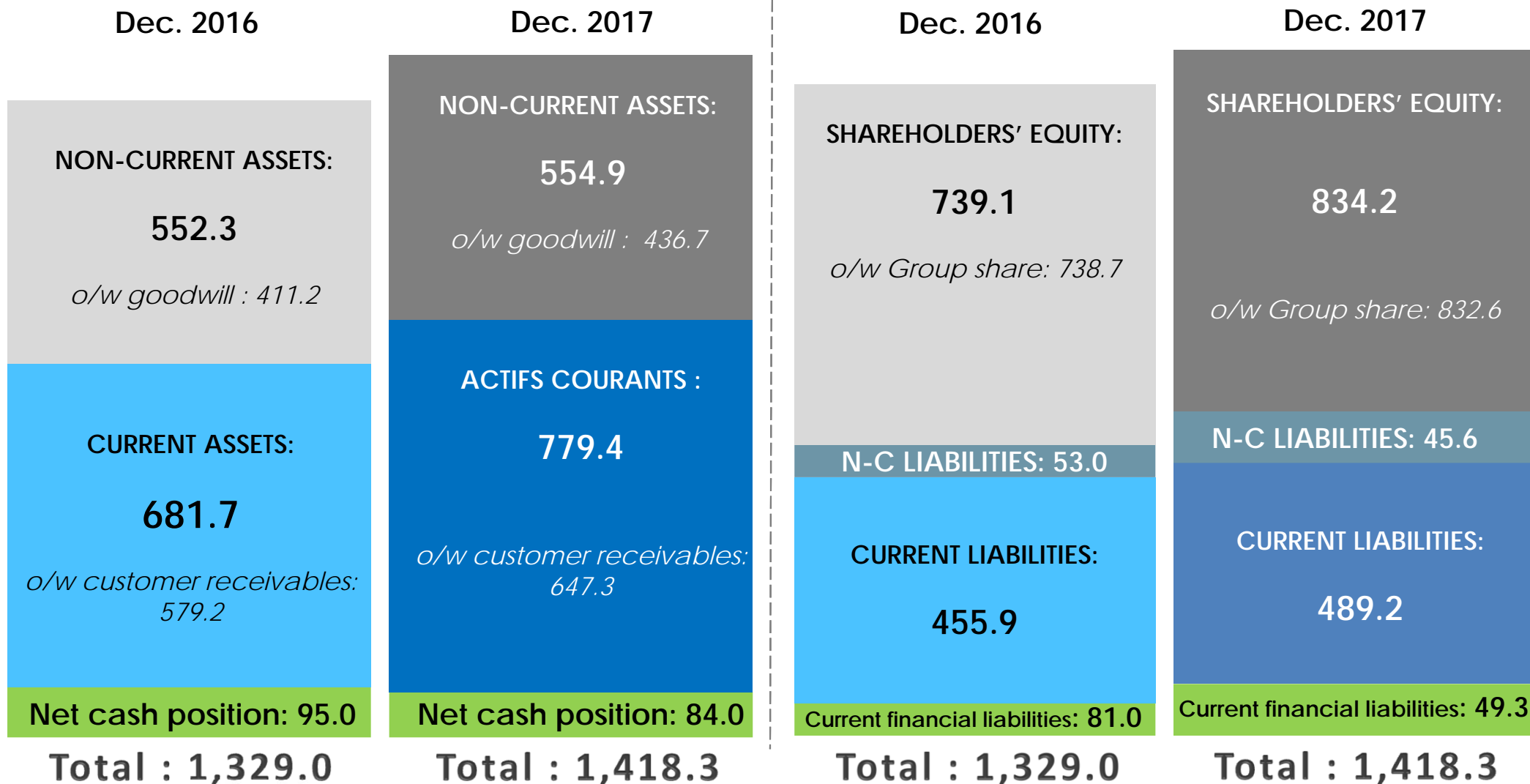
<i>In € million</i>	2016 France	2016 International	2016 Full-year	2017 France	2017 International	2017 Full-year
Revenue	830.1	918.2	1,748.3	914.4	1,061.1	1,975.4
Operating profit on Activity <i>As % of revenue</i>	92.9 11.2%	88.0 9.6%	180.9 10.3%	99.5 10.9%	94.8 8.9%	194.2 9.8%
Share-based payments	-8.2	-0.8	-9.0	-10.7	-2.1	-12.8
Non-recurring profit/(loss) & impairment	-11.5	-3.0	-14.5	0.4	-5.2	-4.8
Operating profit <i>As % of revenue</i>	72.4 8.7%	85.0 9.3%	157.4 9.0%	89.2 9.8%	87.5 8.2%	176.6 8.9%
Financial income / (loss)	3.9	-4.0	-0.1	15.6	0.6	16.2
Income tax expense	-25.5	-24.4	-49.9	-25.8	-24.4	-50.2
EMCs and minority interests	5.0	-0.1	5.0	5.5	-1.1	4.4
Net earnings, Group share <i>As % of revenue</i>	55.9 6.7%	56.5 6.2%	112.4 6.4%	84.5 9.2%	62.6 5.9%	147.0 7.4%

CONDENSED BALANCE SHEET



ASSETS (€ million)

Equity & LIABILITIES (€ million)



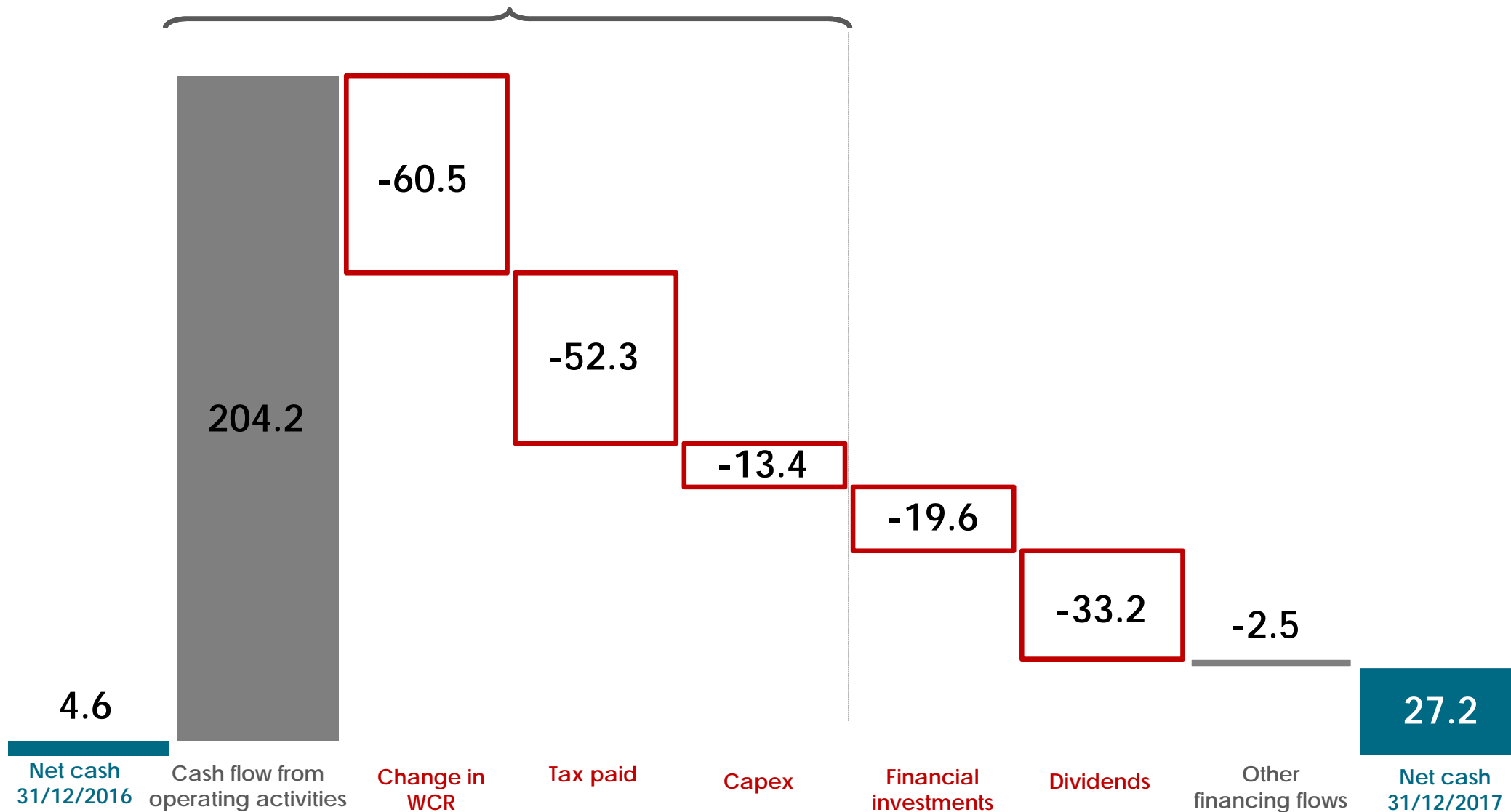
A healthy balance sheet; gearing of -3.2%



CHANGE IN NET CASH POSITION IN 2017 (€ MILLION)



Free cash flow: +77.9



ANALYSIS OF FREE CASH FLOW



	2016	H1	H2	2017	YoY change
CASH FLOW * <i>As % OF REVENUE</i>	185.7 10.6%	94.4 9.6%	109.8 11.1%	204.2 10.3%	+10.0%
Tax paid	(52.3)	(24.5)	(27.8)	(52.3)	
Change in WCR	(20.9)	(46.3)	(14.2)	(60.5)	
Cash from operations <i>As % OF REVENUE</i>	112.4 6.4%	23.6 2.4%	67.7 6.8%	91.3 4.6%	-18.7%
CAPEX	(1.2) **	(5.0)	(8.4)	(13.4)	
FREE CASH FLOW <i>As % OF REVENUE</i>	111.2 6.4%	18.6 1.9%	59.3 6.0%	77.9 3.9%	-30.0%

* Gross operating cash flow

** includes a disinvestment of €12,6M

ANALYSIS OF FREE CASH FLOW



Cash flow increases at a higher speed than OPA on account of reduced tax expenses (extraordinary items elements).

Variation on working capital requirements is satisfactory;

This variation is impacted by the following:

- Sharp growth in Q4 2017,
- Improvement of DSO in 2017: 92 days versus 94 days at end 2016,
- Increase in net tax & social receivables (CIR & CICE).

**CAPITAL EXPENDITURE IS CONTROLLED
AND ACCOUNTS FOR ALMOST 0.7% OF REVENUE.**

SUMMARY



- The organic growth of the Group accelerated throughout 2017, both in France and on an international level, more particularly in Q4.
- The operating margin on activity, although penalised by a negative calendar effect, has remained satisfactory.
- It has increased in H2 to reach 10.2% of total revenue.
- Free cash flow has improved: restated for the funding of organic growth as well as the increase of net tax & social receivables, cash flow would have reached 7% of revenue, i.e. its normative level (6.5% - 7%) with an OPA of 10%.
- After it self-financed its organic growth, external growth and dividend payments, ALLEN holds a net cash position of €27M.



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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 ...

- **Confirm ALTEN as the essential player of our clients' transformation programmes (Big data/industry 4.0/digital transformation etc.)**

- **Our Challenges for 2018 - 2020:**

- Strengthen our positions in Eastern Europe, North America, and China thanks to organic and external growth in order to reach more than 2,000 engineers per geographical area.
- Follow on and complete the workpackage transformation in Germany; achieve critical mass of 4,000 engineers and restore operating margin ($\geq 10\%$).

CONCLUSION



- **ALLEN Group is optimistic about the implementation of its three-year development strategy in all regions on account of:**
 - Its technical skills to fulfill the challenges of clients;
 - Its HR policies and its business plan;
 - The professional maturity of its Technical Department and its workpackage offer;
 - Its delivery centers (offshore and nearshore);
 - Its financial structure and its plans for external growth.

- **ALLEN will succeed in:**
 - Maintaining an EBIT of around 10% despite wage pressures;
 - Reach 60% of revenue outside France with more than 28,000 engineers at end 2019.



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APPENDICES

BALANCE SHEET – ASSETS (IN THOUSANDS OF EUROS)



ITEM	Dec. 2016	Dec. 2017
Goodwills	411 200	436 740
Intangible assets	11 816	10 970
Tangible assets	23 107	24 631
Investments in associates	12 716	19 136
Non-current financial assets	80 122	50 454
Deferred tax assets	13 368	12 930
NON CURRENT ASSETS	552 329	554 860
Trade receivables	579 164	647 287
Other current assets	43 680	50 514
Current tax assets	58 809	81 686
Cash and cash equivalents	94 986	83 966
CURRENT ASSETS	776 638	863 453
TOTAL ASSETS	1 328 967	1 418 313

Audit in progress

BALANCE SHEET - LIABILITIES (IN THOUSANDS OF EUROS)



ITEM	Dec. 2016	Dec. 2017
Capital	34 240	34 383
Premiums	46 749	54 375
Consolidated reserves	545 353	596 796
Consolidated earnings	112 405	147 025
SHAREHOLDERS' EQUITY	738 747	832 580
MINORITY INTERESTS	374	1 653
Employee benefits	21 622	23 081
Provisions	2 098	1 866
Non-current financial liability	9 766	8 063
Other non-current liabilities	18 418	12 537
Deferred tax liabilities	1 091	83
NON CURRENT LIABILITIES	52 995	45 631
Provisions	11 263	9 572
Current financial liabilities	80 971	49 283
Trade payables	67 844	63 662
Other current liabilities	372 451	409 241
Current tax liabilities	4 322	6 694
CURRENT LIABILITIES	536 851	538 451
TOTAL LIABILITIES	1 328 967	1 418 313

Audit in progress

INCOME STATEMENT (IN THOUSANDS OF EUROS)



ITEM	2016	2017
NET REVENUE	1 748 306	1 975 427
Purchase consumed	-164 940	-183 603
Payroll expenses	-1 214 756	-1 417 105
External charges	-159 029	-154 681
Taxes other than on income	-9 516	-10 578
Depreciation and amortization	-11 788	-13 031
Other operating income and expenses	-7 347	-2 190
OPERATING PROFIT ON ACTIVITY	180 930	194 240
Share based payments	-9 004	-12 848
OPERATING PROFIT ON ACTIVITY BEFORE EXCEPTIONALS	171 925	181 392
Non recurrent profit	-14 536	-3 456
Capital loss on asset disposal	0	0
Goodwill impairment test	0	-1 323
OPERATING PROFIT	157 389	176 613
Net borrowing costs	-1 366	-847
Other financial income and expenses	1 268	17 014
FINANCIAL INCOME	-98	16 167
Share of earning of equity affiliates	5 310	5 735
Income tax expense	-49 854	-50 196
NET OVERALL EARNINGS	112 746	148 320
PROFIT ATTRIBUTABLE TO MINORITY INTERESTS	-342	-1 295
PROFIT ATTRIBUTABLE TO THE GROUP	112 405	147 025

CASH FLOW STATEMENT (IN THOUSANDS OF EUROS)

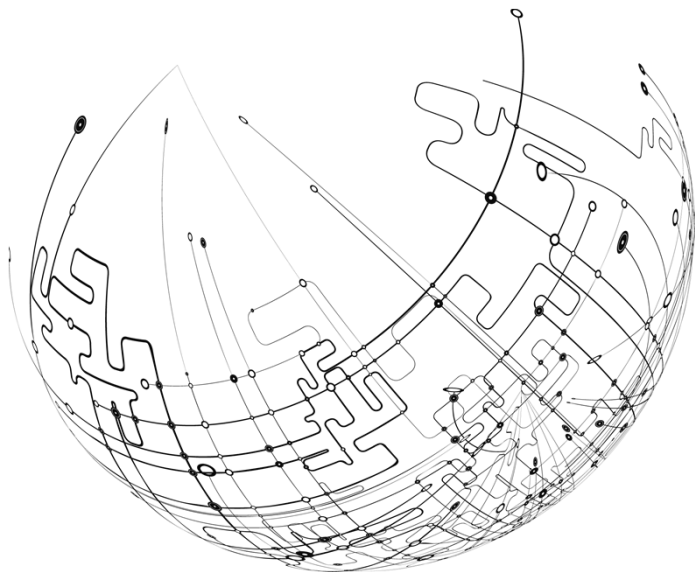


ITEM	2016	2017
CASH FLOW	185 660	204 186
Consolidated net earnings	112 746	148 320
Earnings from associates	-5 310	-5 735
Depreciation, provisions and other calculated expenses	18 723	18 331
Share-based payments	9 004	12 848
Income tax expense	49 854	50 196
Capital gains or losses from disposal	40	-21 141
Net borrowings costs	1 366	847
Financial cost on update and provisions	-763	521
Tax paid	-52 309	-52 331
Change in working capital requirements	-20 946	-60 521
NET CASH FLOW GENERATED BY ACTIVITY	112 405	91 335
Acquisition / Disposal on fixed assets	500	10 924
Impact of change in scope of consolidation and earn-outs paid	-86 611	-43 305
NET CASH FLOW ON INVESTMENTS	-86 111	-32 380
Net financial interest paid	-945	-321
Dividends paid to shareholders	-33 224	-33 233
Capital increase	503	239
Buy back of shares	201	-632
Repayment of long-term financial debt	-11 546	-1 607
Change in current financial liabilities	22 577	-31 575
NET CASH FLOW FROM FINANCING OPERATIONS	-22 433	-67 128
CHANGE IN CASH RELATED TO FOREIGN EXCHANGE POSITION	-794	-2 847
CHANGE IN CASH POSITION	3 068	-11 020
Cash on hand	94 986	83 966
Bank loans	-2 133	-10 919
Overdrafts	-88 275	-45 826
NET CASH POSITION	4 578	27 221

Audit in progress

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