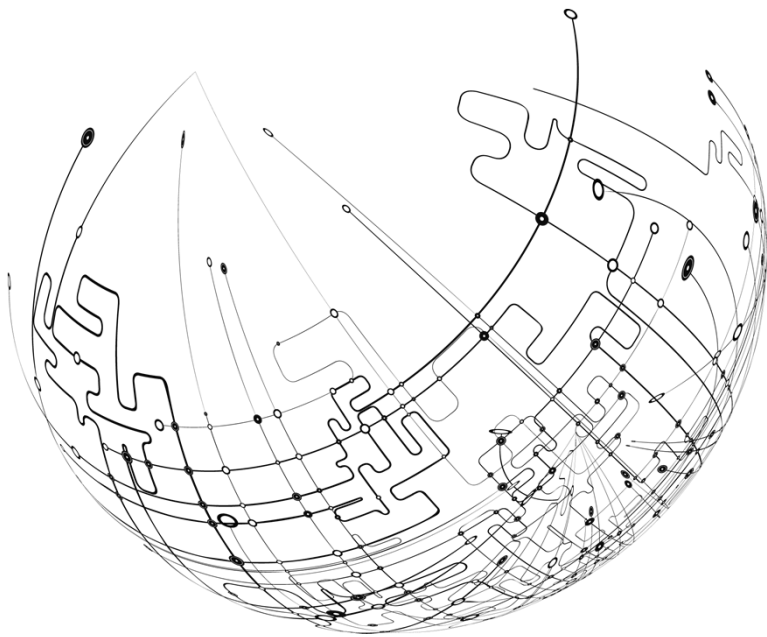


# 2015 First Half Results



**Simon Azoulay**

*Chairman and Chief Executive Officer*

**Bruno Benoliel**

*Deputy Chief Executive Officer*

Paris, September 22, 2015





## DISCLAIMER

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“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](http://www.alten.fr)).”

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# CONTENTS

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- Activity and highlights in the first half of 2015
- Financial results
- Growth strategy



# Activity and highlights in the first half of 2015





Revenue €764,2m

+12.4%

FRANCE: 51.8%

€396.0m: +3.1%

INTERNATIONAL: 48.2%

€368.2m: +24.5%

19,500 employees

17,200 ENGINEERS  
88% of workforce

PRESENCE IN MORE THAN 20 COUNTRIES

Operating Profit on Activity €67,1m

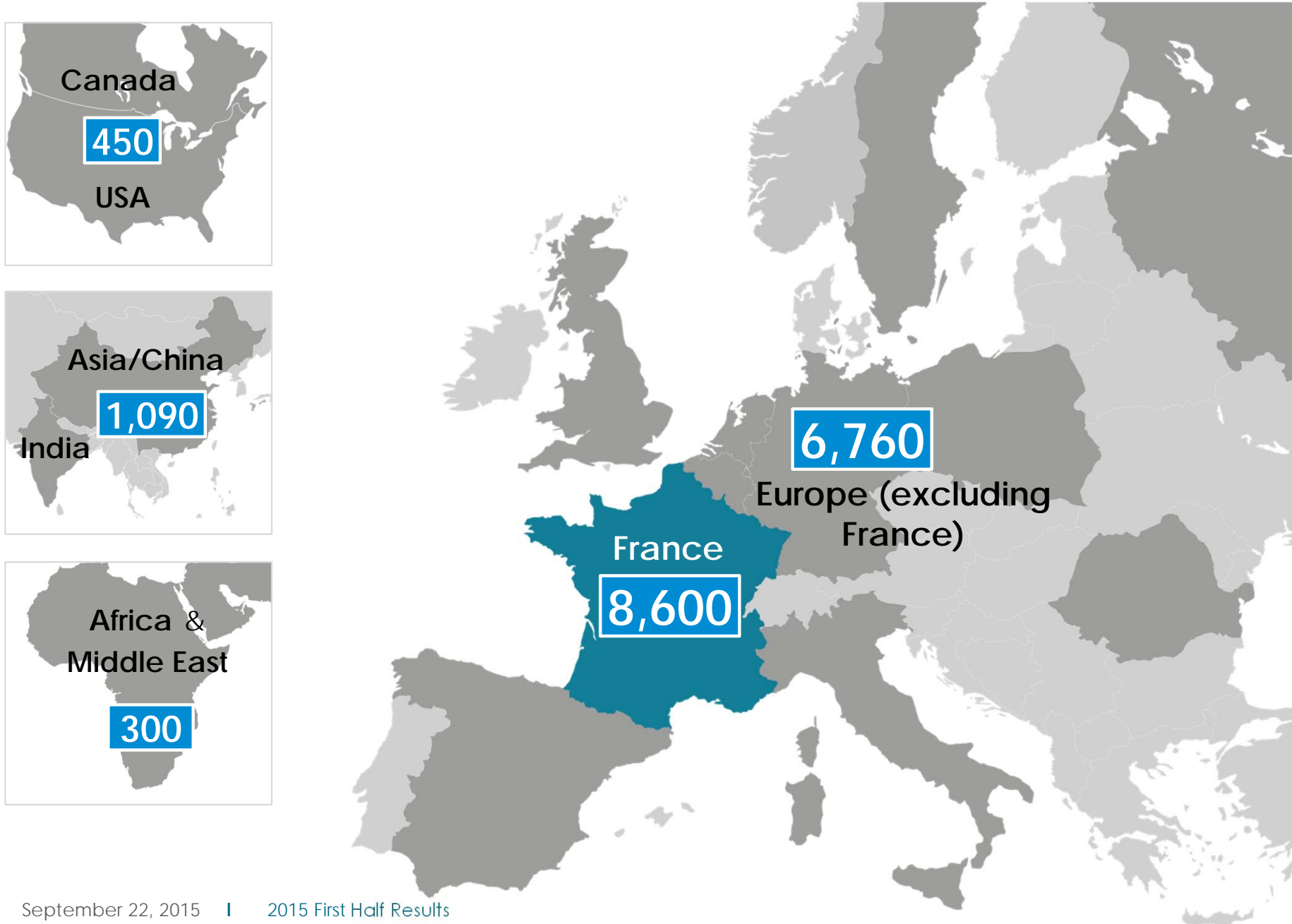
+18.1 %

8.8 % of revenue

Gearing: 3%

# 17,200 ENGINEERS IN 20 COUNTRIES

*INCLUDING 50% OUTSIDE FRANCE*

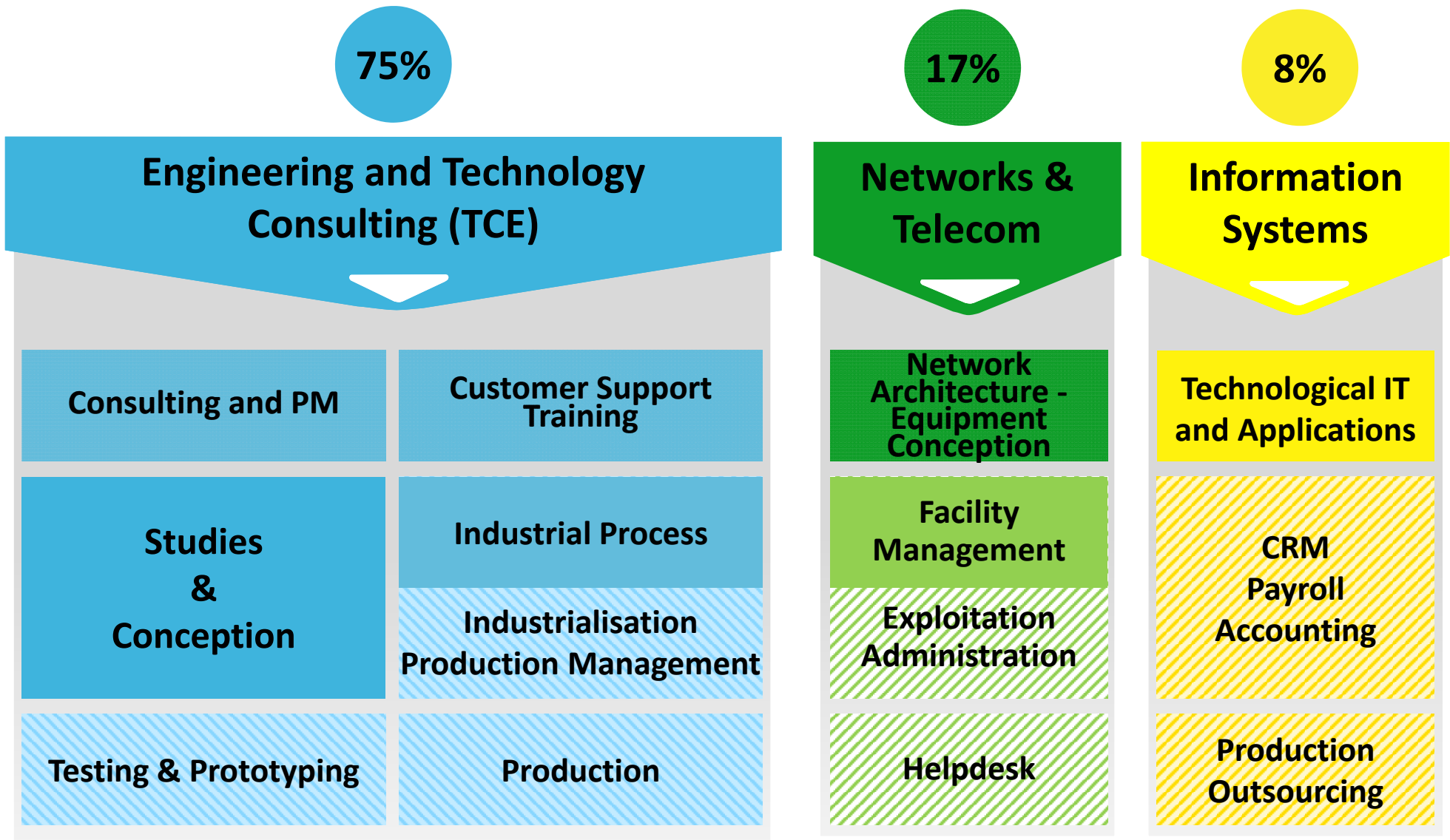


# POSITIONING

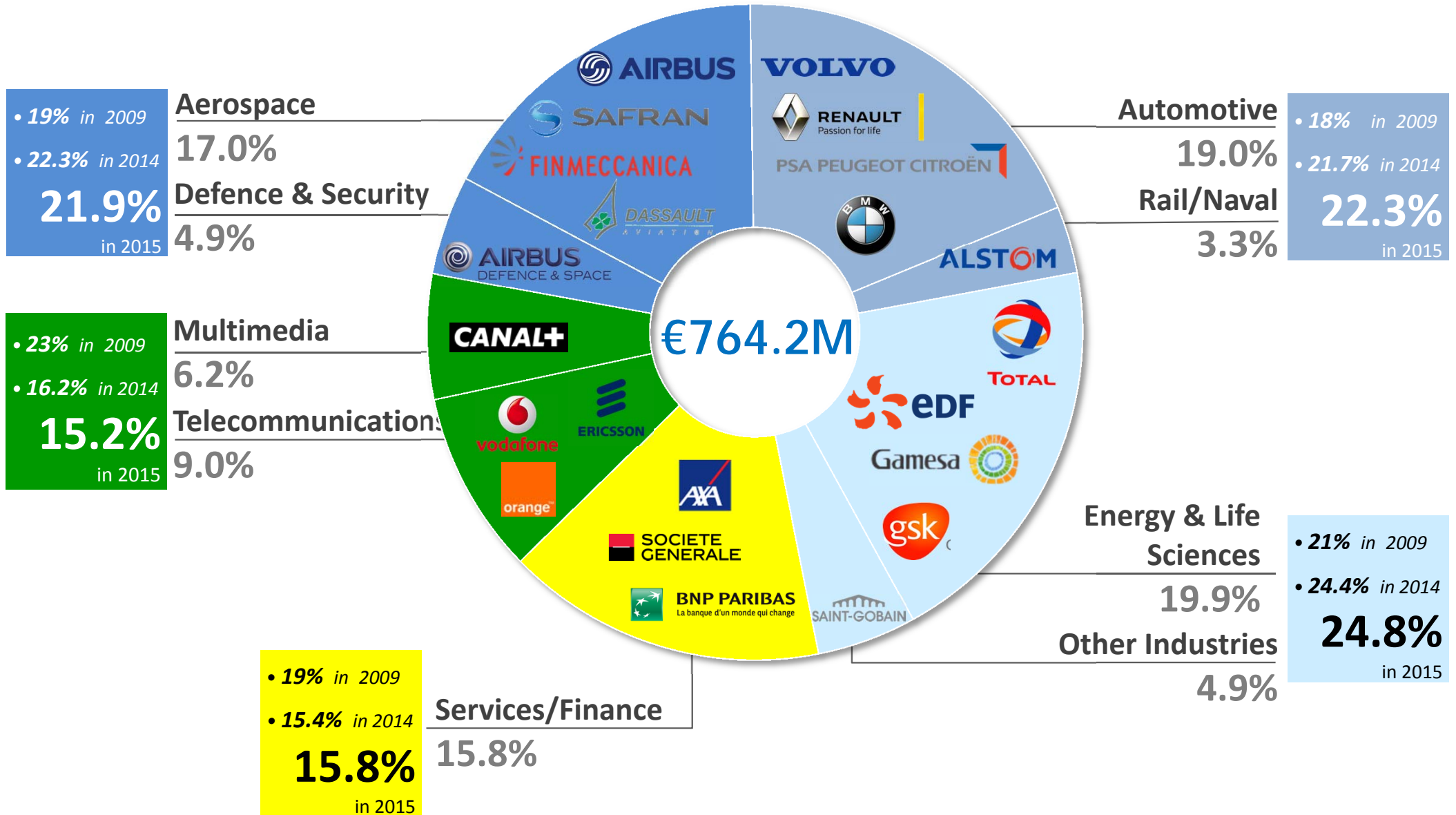
ALLEN'S 3 KEY BUSINESS LINES: *TCE*, *NETWORKS & TELECOMMUNICATIONS*, *IS*



## A POSITIONING STRONGLY FOCUSED ON ENGINEERING



# REVENUE BY BUSINESS SECTOR : A WELL BALANCED DISTRIBUTION





# A MIXED ENVIRONMENT



19.0%



Automotive

- Significant growth among French manufacturers, moderate in Germany and the US
- Difficulties in Sweden



3.3%



Rail / Naval

- Decline at the two main ordering customers in rail
- Stable activity in Naval



17.0%



Aerospace

- Decrease in A350/A380 study programmes
- Satisfactory organic growth, in a declining market environment, thanks to the gain of the ME3S (process engineering short listing) and A330 NEO workpackages

# A MIXED ENVIRONMENT



15.8%



Finance &  
Tertiary

- Activity experiencing growth, mainly in the Bank/Finance sector



19.9%



Energy & Life  
Sciences

- Stability of Oil & Gas activities in a declining market environment
- Decline in nuclear (Areva, etc.)
- Strong growth in equipment for energy industries



9.0%



Telecom

- Significant decline among French operators; other European operators are growing
- Growth among telecom manufacturers

# ACCELERATION OF THE GROWTH STRATEGY THROUGH ACQUISITIONS

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Since the beginning of the year, **ALLEN completed 5 acquisitions.**

- Three companies abroad (Netherlands, Canada, Belgium)  
(245 consultants, 24 M€ Turnover).
- Two companies in France, in Life Sciences and Business Intelligence  
(390 consultants, 38M€ Turnover).
- **ALLEN is accelerating its expansion through a targeted acquisition policy, mainly abroad**

# SHAREHOLDING AS AT 14 SEPTEMBER 2015



Capitalisation (at 14/09/15):  
€1 432m

Numbers of shares (at 14/09/15)  
33 630 975

Euronext Paris  
Compartment A

FR 0000071946  
SRD

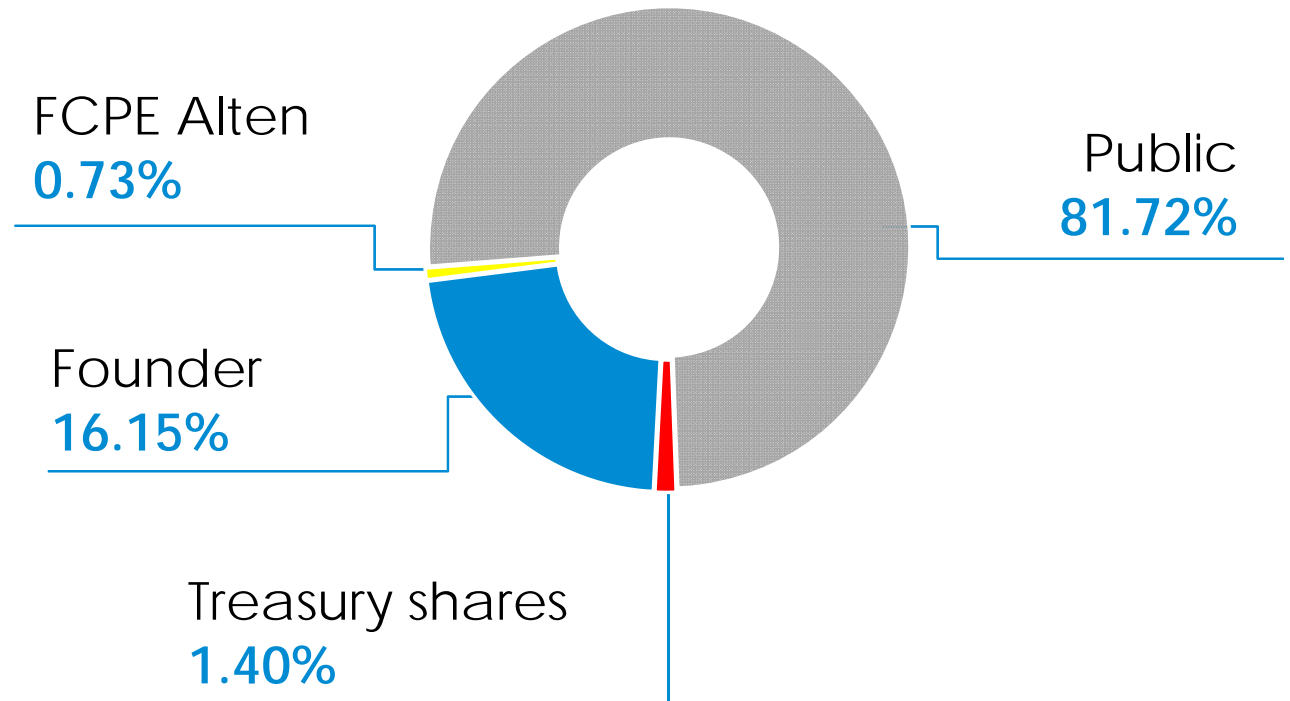
## % of voting rights

Founder 26,03%

FCP 0,65%

Public 73,32%

## % in shares





# 2015 First Half Results

The comparison with 2014 is modified for application of IFRIC 21

*The procedures of limited examination of the half-yearly financial statements have been carried out. The limited examination report will be issued after finalisation of the procedures required for the purpose of publication of the half-yearly financial report.*



# BUSINESS GROWTH - GROUP



<i>In €M</i>	Revenue H1 2014	Revenue H1 2015	Variance
Turnover on a like-for-like basis	667.3	689.6	+3.4 %
Change in scope	12.9	68.5	+8.1 %
Exchange rate effect	-	+6.1	+0.9 %
<b>GROUP TURNOVER</b>	<b>680.1</b>	<b>764.2</b>	<b>+12.4 %</b>



Acquisitions represent 9% of total turnover  
 No impact on the number of business days versus 2014

# BUSINESS GROWTH - FRANCE



<i>In €M</i>	Revenue H1 2014	Revenue H1 2015	Variance
Turnover on a like-for-like basis	371.4	381.8	+2.8%
Change in scope	12.9	14.2	+0.3%
France - TOTAL	384.3	396.0	+3.1%



- No impact on the number of business days versus 2014
- Organic growth accelerated during the first half

# BUSINESS GROWTH - INTERNATIONAL



<i>In €M</i>	Revenue H1 2014	Revenue H1 2015	Variance
Turnover on a like-for-like basis	295.8	307.8	+4.1%
Change in scope	-	54.3	+18.3%
Exchange rate effect	-	+6.1	+2.0%
<b>International - TOTAL</b>	<b>295.8</b>	<b>368.2</b>	<b>+24.5 %</b>



Outside France,  $\frac{3}{4}$  of growth comes from acquisitions



# ORGANIC GROWTH IN THE FIRST HALF OF 2015

(LIKE-FOR-LIKE)



<i>As %</i>	<i>Q1</i>	<i>Q2</i>	<b>H1</b>
France	1.8	3.8	<b>2.8</b>
International	3.9	4.2	<b>4.1</b>
<b>GROUP</b>	<b>2.7</b>	<b>4.0</b>	<b>3.4</b>



Organic growth should continue to accelerate during the second half

# CONSOLIDATED REVENUE BY COUNTRY

(IN €M)



Country	June 2014	% Group	June 2015	% Group	% var	of which organic, excl exchange rates effect
Germany	69.3	10.2 %	78.7	10.3 %	13.6 %	-0.2 %
Scandinavia	54.9	8.1 %	64.0	8.4 %	16.4 %	-4.7 %
North America	24.9	3.7 %	53.9	7.1 %	116.0 %	6.7 %
United Kingdom	36.9	5.4 %	42.2	5.5 %	14.4 %	10.9 %
Spain	30.0	4.4 %	34.2	4.5 %	14.0 %	14.0 %
Italy	21.9	3.2 %	28.0	3.7 %	28.0 %	14.6 %
Netherlands	18.3	2.7 %	25.5	3.3 %	39.6 %	3.7 %
Belgium	22.8	3.4 %	24.0	3.1 %	5.0 %	5.0 %
Others	16.8	2.5 %	17.7	2.3 %	5.7 %	-1.3 %
International	295.8	43.5 %	368.2	48.2 %	24.5 %	4.1 %
France	384.3	56.5 %	396.0	51.8 %	3.1 %	2.8 %
<b>TOTAL</b>	<b>680.1</b>	<b>100%</b>	<b>764.2</b>	<b>100%</b>	<b>12.4 %</b>	<b>3.4 %</b>

# CONDENSED INCOME STATEMENT



<i>In €M</i>	H1 2014 *	H1 2015	Var %
<b>Revenue</b>	<b>680.1</b>	<b>764.2</b>	+ 12.4 %
<b>Operating Profit on Activity</b> <i>As % of revenue</i>	<b>56.8</b> <i>8.4%</i>	<b>67.1</b> <i>8.8%</i>	+ 18.1 %
Share-based payment	0.1	0.1	-
Non-recurring profit (loss)	-7.2	-2.4	
<b>Operating Profit</b> <i>As % of revenue</i>	<b>49.7</b> <i>7.3%</i>	<b>64.8</b> <i>8.5%</i>	+ 30.4 %
<b>Net Financial Income</b>	-	<b>2.6</b>	
Corporate income tax	-16.9	-22.3	
EMCs and minority interests	0.9	0.2	
<b>Net profit, Group share</b> <i>As % of revenue</i>	<b>33.7</b> <i>5.0%</i>	<b>45.3</b> <i>5.9%</i>	+ 34.4 %

\* Modified for application of IFRIC 21



An operating margin sharply up, but still impacted by acquisitions, which have improving margins.

# CONDENSED INCOME STATEMENT BY REGION



<i>In €M</i>	H1 2014* France	H1 2014* Interna.	H1 2014* Group	H1 2015 France	H1 2015 Interna.	H1 2015 Group
Revenue	384.3	295.8	680.1	396.0	368.2	764.2
Operating Profit on Activity <i>As % of revenue</i>	33.4 8.7 %	23.4 7.9 %	56.8 8.4 %	37.5 9.4 %	29.6 8.0 %	67.1 8.8 %
Share-based payments	0.1	-	0.1	0.1	-	0.1
Non-recurring profit (loss)	-5.1	-2.0	-7.2	-0.7	-1.7	-2.4
Operating Profit <i>As % of revenue</i>	28.3 7.4 %	21.4 7.2 %	49.7 7.3 %	36.8 9.3 %	27.9 7.6 %	64.8 8.5 %
Net Financial Income	-	-	-	1.6	1.0	2.6
Corporate income tax	-9.6	-7.3	-16.9	-13.4	-8.9	-22.3
EMCs and minority interests	0.9	-	0.9	0.3	-0.1	0.2
<b>Net profit, Group share</b> <i>As % of revenue</i>	19.6 5.1 %	14.1 4.8 %	33.7 5.0 %	25.4 6.4 %	19.9 5.4 %	45.3 5.9 %

\* Modified for application of IFRIC 21

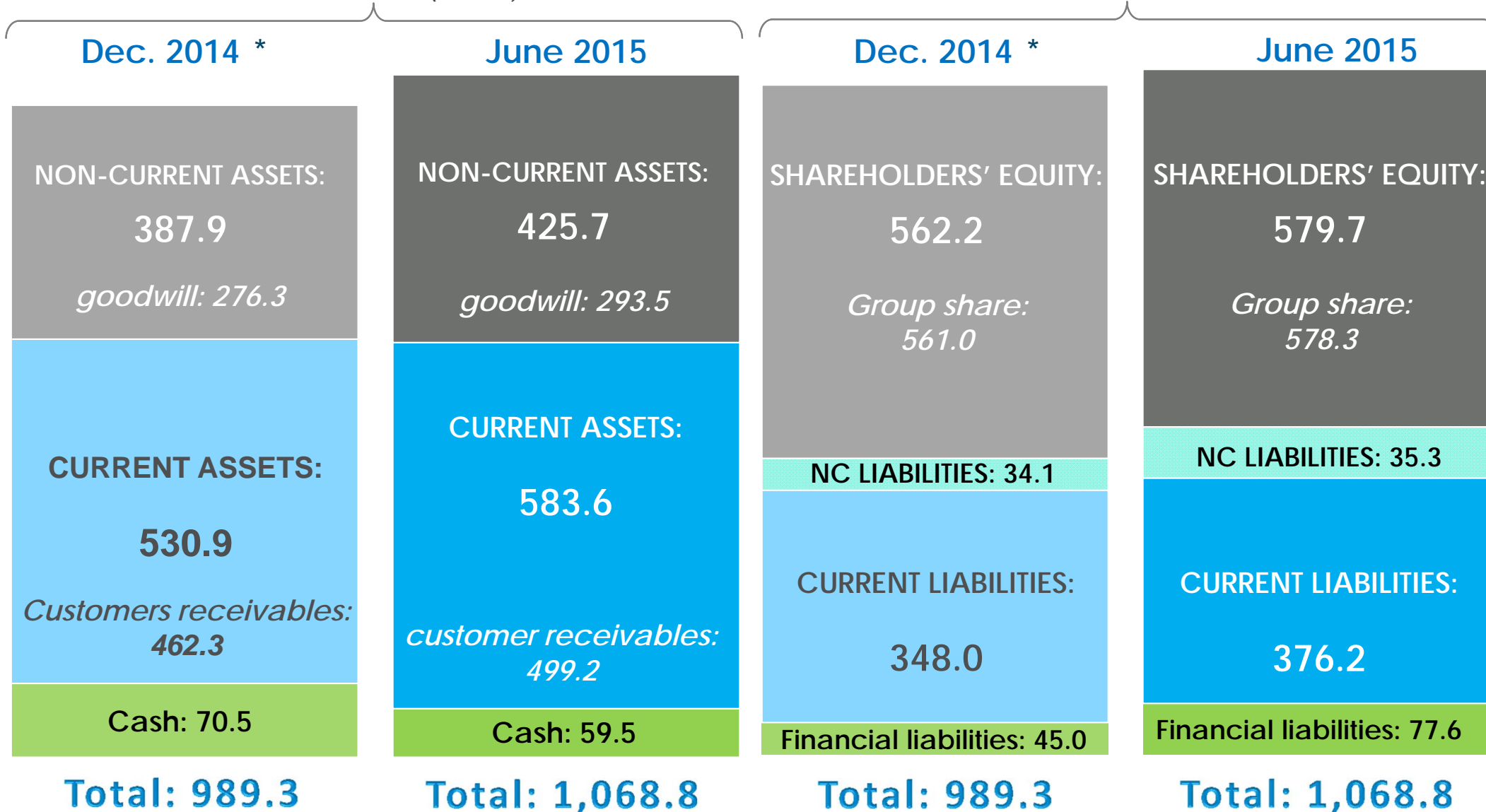
- Improvement of the operating margin in France.
- International business is still impacted by acquisitions and the seasonality of the margin in Germany.

# CONDENSED BALANCE SHEET



## ASSETS (in €M)

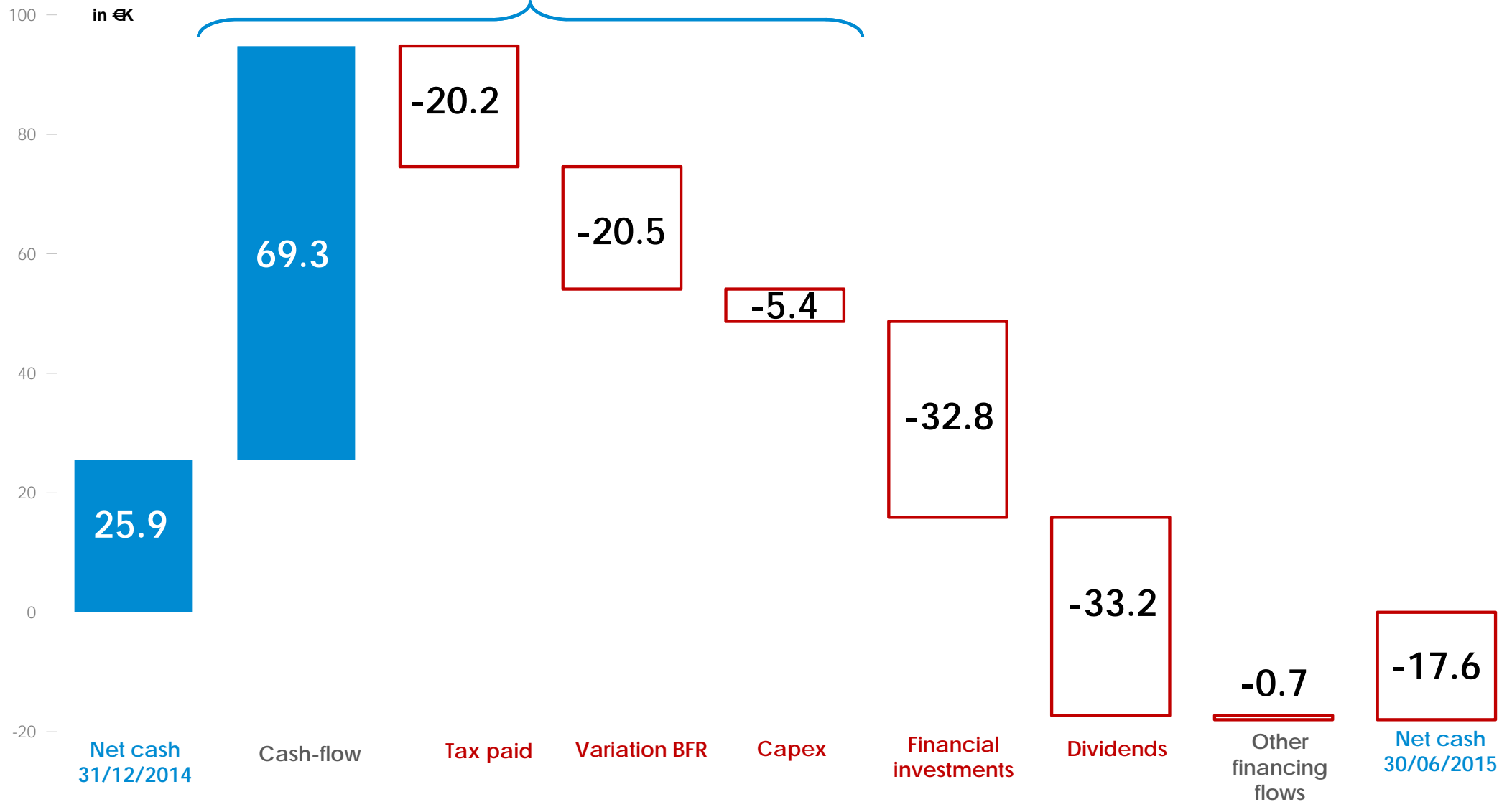
## LIABILITIES (in €M)



# CHANGE IN CASH POSITION - H1 2015



*Free cash flow: + 23.2*



# ANALYSIS OF FREE CASH FLOW



	YTD 2014*	H1 2014*	H1 2015
<b>CASH FLOW</b> <i>As % of turnover</i>	131.9 9.6%	58.7 8.6%	69.3 9.1%
<b>Taxes paid</b>	(40.7)	(17.6)	(20.2)
<b>Change in WCR</b>	(42.9)	(38.2)	(20.5)
<b>Cash from operations</b> <i>As % of turnover</i>	48.3 3.5%	3.0 0.4%	28.6 3.7%
<b>CAPEX</b>	(7.4)	(3.1)	(5.4)
<b>FREE CASH FLOW</b>	41.0	(0.1)	23.2

\* Modified for application of IFRIC 21

# ANALYSIS OF FREE CASH FLOW



Cash flow up 18%, consistent with the increase in Operating Profit on Activity.

The change in the working capital requirement, significantly improved compared with the first half of 2014, results from:

- the seasonality of business between December and June, offset in part by
- the decline in DSO between June 2014 (100d) and June 2015 (97d)

➡ Flows from operations at the end of June represent 3.7% of turnover, which is their normative level at the end of June



# SUMMARY

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ALLEN achieved **satisfactory organic growth** despite the decline in certain business sectors.

The **operating margin on activity** improved significantly thanks to:

- an increase in margins on acquisitions (10% of turnover), which, nevertheless, continue to negatively affect the consolidated margin,
- rigorous management of SG&A.

➡ On a like-for-like basis, operating margin for the first half of the year was up compared with the first half of 2014.

The Group's free cash flow is up sharply.

# 2015 OUTLOOK

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Taking into account:

- ✓ rigorous management of the business,
- ✓ seasonality related to the calendar,
- ✓ continued improvement of margins,
- ✓ business development prospects,

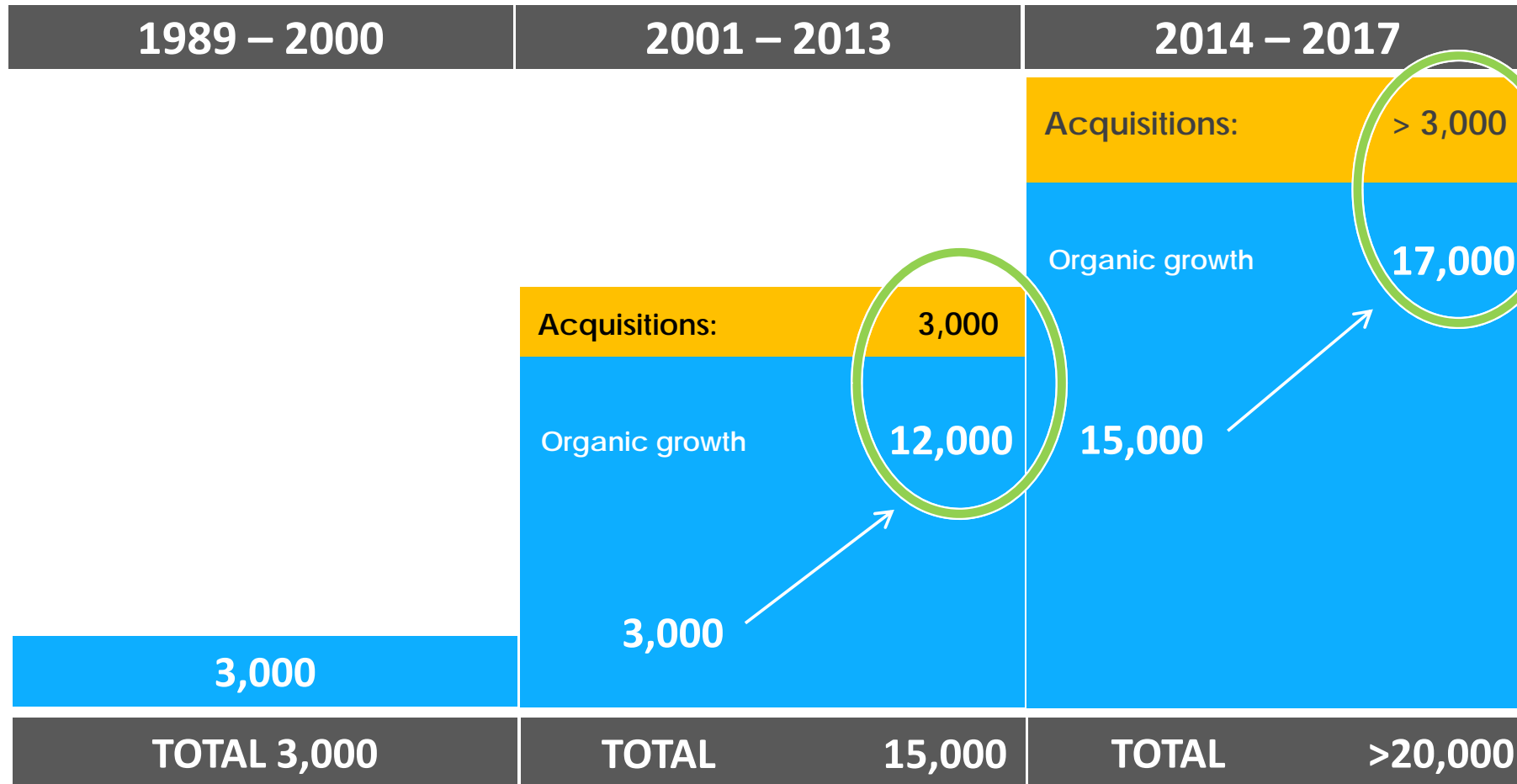
⇒ Organic growth should continue to accelerate in the second half, and the operating margin should increase significantly.



# Growth strategy



# ORGANIC GROWTH AT THE HEART OF THE GROUP'S STRATEGY



→ The 3 keys to growth:

- Recruitment
- Project control
- Targeted acquisitions

# GROWTH STRATEGY

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➤ Continue our policy of sustained development based on organic growth and accretive acquisitions in order to:

- ✓ Reach the **critical size** of at least **1,500 engineers** in all strategic countries,
- ✓ Succeed in the **transformation of the offering** in Germany to confirm ALLEN as a **key partner for the main ordering customers** and improve the operating margin.



**Significant, controlled growth at the business' highest level of profitability**



# *APPENDICES*

The comparison with 2014 is modified for application of IFRIC 21

# APPENDICES – BALANCE SHEET - ASSETS

(IN THOUSAND OF EUROS)



ITEM	Dec.2014	June 2015
GOODWILL	276 259	293 530
INTANGIBLE FIXED ASSETS	9 122	10 098
TANGIBLE FIXED ASSETS	18 145	34 876
EQUITY AFFILIATES	3 644	3 987
NON CURRENT FINANCIAL ASSETS	67 920	68 534
DEFERRED TAX ASSETS	12 791	14 661
<b>NON CURRENT ASSETS</b>	<b>387 881</b>	<b>425 686</b>
TRADE DEBTORS	462 256	499 174
OTHERS RECEIVABLES	68 696	84 460
CASH AND EQUIVALENTS	70 467	59 487
<b>CURRENT ASSETS</b>	<b>601 419</b>	<b>643 121</b>
<b>TOTAL ASSETS</b>	<b>989 299</b>	<b>1 068 808</b>

# APPENDICES – BALANCE SHEET - LIABILITIES (IN THOUSAND OF EUROS)



ITEM	Dec.2014	June 2015
Capital	34 140	34 180
Premiums	44 981	45 714
Consolidated reserves	402 466	453 138
Consolidated net profit	79 363	45 279
<b>SHAREHOLDERS' EQUITY</b>	<b>560 950</b>	<b>578 311</b>
<b>MINORITY INTERESTS</b>	<b>1 281</b>	<b>1 381</b>
Contingency provisions	18 673	19 439
Non current financial debts	6 194	15 764
Other non current liabilities	15 429	15 910
<b>NON CURRENT LIABILITIES</b>	<b>40 296</b>	<b>51 113</b>
Provisions	6 482	4 689
Currents financial debts	38 814	61 803
Trade and other account payable	47 972	55 509
Other current liabilities	293 503	316 000
<b>CURRENT LIABILITIES</b>	<b>386 771</b>	<b>438 001</b>
<b>TOTAL LIABILITIES</b>	<b>989 299</b>	<b>1 068 808</b>



# APPENDICES – INCOME STATEMENT (IN THOUSAND OF EUROS)



ITEM	June 2014	June 2015
NET REVENUE	680 069	764 174
PURCHASES	-55 830	-61 914
PERSONNEL COSTS	-493 971	-552 939
EXTERNAL CHARGES	-64 373	-73 722
TAXES OTHER THAN ON NET INCOME	-5 266	-4 968
DEPRECIATION, AMORTISATION and PROVISIONS	-4 687	-5 615
OTHER CHARGES AND INCOME	849	2 043
OPERATING CHARGES	-623 278	-697 115
<b>OPERATING PROFIT ON ACTIVITY</b>	<b>56 791</b>	<b>67 059</b>
Payment in shares	76	135
<b>OPERATING PROFIT ON ACTIVITY BEFORE EXCEPTIONALS</b>	<b>56 867</b>	<b>67 194</b>
Non recurrent profit	-7 168	-2 425
<b>OPERATING PROFIT</b>	<b>49 699</b>	<b>64 769</b>
Net financial cost on net debt	-231	-410
Other financial income and expenses	189	2 987
<b>FINANCIAL INCOME</b>	<b>-42</b>	<b>2 577</b>
SHARE IN NET INCOME OF EQUITY AFFILIATES	1 002	343
CORPORATE INCOME TAX	-16 870	-22 294
<b>CONSOLIDATED NET PROFIT</b>	<b>33 789</b>	<b>45 395</b>
PROFIT ATTRIBUTABLE TO MINORITY INTERESTS	-111	-116
<b>PROFIT ATTRIBUTABLE TO THE GROUP</b>	<b>33 678</b>	<b>45 279</b>

# APPENDICES – CASH FLOW STATEMENT (IN THOUSAND OF EUROS)



ITEM	June 2014	June 2015
<b>CASH FLOW</b>	<b>58 731</b>	<b>69 289</b>
Consolidated Net Profit	33 789	45 395
Net contribution of associated companies (equity method)	-1 002	-343
Amortisation and Provisions	8 856	3 463
Payment in shares	-76	-135
Corporate income tax	17 139	22 294
Capital gain or loss	129	-1 728
Net borrowings income / loss	231	410
Cost on debt present value	-334	-67
Income tax paid	-17 550	-20 243
Change in Working Capital Requirements	-38 204	-20 451
<b>NET CASH FLOW GENERATED BY ACTIVITY</b>	<b>2 977</b>	<b>28 595</b>
Acquisition / Disposal on fixed assets	-1 953	-4 090
Impact of change in scope of consolidation and earn-outs paid	-25 472	-22 881
<b>NET CASH FLOW ON INVESTMENTS</b>	<b>-27 425</b>	<b>-26 971</b>
Net financial cost	-412	-971
Dividends paid to shareholders	-33 013	-33 160
Capital increase	6 523	773
Buy back of shares	79	-281
Changes in long term debt	-403	-1 728
Changes in short term financial debts	20 031	22 585
<b>NET CASH FLOW FROM FINANCING OPERATIONS</b>	<b>-7 195</b>	<b>-12 782</b>
<b>CHANGE IN CASH RELATED TO FOREIGN EXCHANGE POSITION</b>	<b>81</b>	<b>180</b>
<b>CHANGE IN CASH POSITION</b>	<b>-31 562</b>	<b>-10 978</b>
Cash on hand	65 388	59 487
Overdrafts	-10 747	-57 262
Bank loans	-39 094	-19 766
<b>NET CASH POSITION</b>	<b>15 547</b>	<b>-17 541</b>

# 2015 First Half Results



## Contact

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