

## 2020 FULL-YEAR RESULTS

- BUSINESS AND OPERATING MARGIN ON ACTIVITY IMPACTED BY THE HEALTH CRISIS
- 10 ACQUISITIONS IN FRANCE AND ABROAD IN 2020 & 2021

€ Million	2019	2020	Y-o-y change
<b>Revenue</b>	<b>2,624.0</b>	<b>2,331.9</b>	<b>-11.1%</b>
▪ of which France	1,134.5	907.5	-20.0%
▪ of which International	1,489.5	1,424.4	-4.4%
<b>Operation Profit on Activity</b>	<b>260.8</b>	<b>142.4</b>	<b>-45.4%</b>
<i>As % of revenue</i>	9.9%	6.1%	
<b>Operating Profit</b>	<b>238.2</b>	<b>119.2</b>	<b>-49.9%</b>
<i>As % of revenue</i>	9.1%	5.1%	
<b>Net profit, Groupe share</b>	<b>164.2</b>	<b>98.0</b>	<b>-40.3%</b>
<i>As % of revenue</i>	6.3%	4.2%	
<b>Free Cash flow</b>	<b>160.3</b>	<b>246.8</b>	<b>+54.0%</b>
<i>As % of revenue</i>	6.1%	10.6%	
<b>Net cash position</b>	<b>74.9</b>	<b>195.6</b>	<b>+161.0%</b>
<b>Headcount</b>	<b>37,200</b>	<b>33,800</b>	<b>-9.1%</b>

*Audit in progress*

### **BUSINESS IN 2020 IMPACTED BY THE HEALTH CRISIS: -11.1%**

Revenue reaches €2,331.9 M decreasing by 11.1% as compared to 2019. On a like-for-like basis, business decreases by 12.9% (-19.5% in France and -7.9% outside France) as it is strongly impacted by the health crisis.

The crisis has mainly impacted the Automotive and Civil aeronautics whereas Rail/Naval, Life Sciences and Energy (Oil & Gas excepted) are strong and still growing.

Therefore business has significantly decreased in 2020 in the countries where the Automotive and Civil aeronautics are predominant – such as France, Germany, Sweden, the US and the UK. On the contrary, performance was satisfactory in Southern Europe, Switzerland and Asia Pacific.

### **OPERATING PROFIT ON ACTIVITY: 6.1% OF REVENUE**

The operating profit on activity reaches €142.4 M (i.e. 6.1% of revenue). Measures such as partial unemployment, cost management – SG&A, near freeze-up on hiring, reduction in workforce, etc. – that were undertaken have helped to limit a further decrease of the operating margin despite some additional costs caused by the pandemic.

### **OPERATING PROFIT:**

Operating profit reaches €119.2 M (i.e. 5.1% of revenue) including €7.9 M of share-based payments and €15.3 M non-recurring costs - mainly restructuration costs (€7.0 M), acquisition costs (€5.8 M) and costs associated with tax adjustments (€2.5 M).

# PRESS RELEASE

---

## NET PROFIT, GROUP SHARE:

Financial result accounts for €14.1 M mainly thanks to gains on investment disposals. After taking into account tax expenses of €36.9 M, earnings from equity affiliates of €1.4 M and minority interests of €0.2 M, net income equals €98.0 M.

## NET CASH: €195.6 M / GEARING: -16.1%

Cash flow reaches €188.7M (including IFRS16 effects), decreasing by 41.1% as compared to 2019, in line with a declining OPA (-45.4%). WCR decrease equals €168.9 M as a result of reduced customer receivables linked to a decreased activity and an improved DSO.

Free cash flow reaches €295.3M as 12.7% of revenue. Without IFRS16 effects operational, free cash flow reaches €246.8 M i.e. 10.6%, increasing by 54.0% as compared to 2019 (€160.3 M).

After taking into account net changes in scope (-€122.2 M), other financial flows (-€3.9 M) and because of the absence of dividend payment this year, net cash position equals €195.6 M at end of December 2020 (€74.9 M in 2019).

## EXTERNAL GROWTH: 9 ACQUISITIONS ET 3 COMPANIES SOLD IN 2020 – 1 ACQUISITION IN 2021

ALTEN has consolidated its external development by carrying out 10 acquisitions (9 in 2020 and 1 in 2021):

- In Asia: 2 companies – one specialised in IT and the other one in Software development (Revenue: €34.5 M, 580 consultants).
- In US/Ukraine: 1 company specialised in Software development (Revenue: €7.5 M, 110 consultants).
- In Germany: 2 companies in Engineering Consulting (Revenue: €43 M, 400 consultants).
- In Italy: 2 companies – one specialised in Data science and Data management, the other one in IT Infra and Digital services (Revenue: €97 M, 1,185 consultants).
- In France: 2 companies – one specialised in IT infrastructures (Revenue: €32 M, 180 consultants), the other one in Information Systems Transformation (Revenue: €38 M, 280 consultants), in February 2021.
- In Portugal: 1 company specialised in IT infra and Digital services (Revenue: €27 M, 400 consultants).

ALTEN has meanwhile sold 3 non-strategic companies in 2020:

- 1 company in China specialised in the Automotive industry (Revenue: €6 M, 160 consultants).
- 2 companies in France specialised in Support and Network maintenance & Manufacturing (Revenue: €21 M, 360 consultants).

## OUTLOOK FOR 2021:

The crisis has more durably affected the sectors of Automotive, Heavy trucks, Aerospace & Civil aeronautics. However, contrary to Civil aeronautics, Automotive should resume activity in 2021. Other sectors will also get back to a standard pace of growth.

Business is expected to resume more sharply in 2021.

Depending on the evolution of the health crisis, we foresee a resuming activity and a rebound of organic growth in the second half of 2021.

## PRESS RELEASE

---

To improve its development and consolidate its position in strategic sectors and activities, ALTEN will pursue a targeted strategy of external growth.

**Next publication:** Avril 26<sup>th</sup> after market closing: 2021 Q1 Results

---

### **About ALTEN**

***For more information: [www.alten.com/investisseurs/](http://www.alten.com/investisseurs/) / Journalists' details: [alten@hopscotch.fr](mailto:alten@hopscotch.fr)***

*As a European Leader in Engineering and Technology Consulting (ETC), ALTEN carries out design and research projects for Technical and IT divisions of major clients in industry, telecoms and services.*

*ALTEN's stock is listed in compartment A of the Euronext Paris market (ISIN FR000001946); it is part of the SBF 120, the IT CAC 50 index and MIDCAP100, and is eligible for the deferred Settlement Service (SRD).*

## Appendix to Press Release :

### Definition of alternative performance measures and reconciliation with IFRS standards

The ALTEN 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 scope on a chosen period.

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

Scope variation impacts are measured excluding acquisitions, revenue of the period and for transfers, revenue of the previous period, in order to create a scope 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.

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

### Evolution of business in 2020

€M	2019 Revenue	2020 Revenue	% Change
<b>Revenue on a like-for-like basis</b>	<b>2,613.4</b>	<b>2,276.5</b>	<b>-12.9%</b>
France	1,127.7	907.5	-19.5%
International	1,485.7	1,369.0	-7.9%
<b>Scope variation</b>	<b>10.6</b>	<b>66.6</b>	<b>2.2%</b>
France	6.8	-	-0.5%
International	3.8	66.6	4.2%
<b>Exchange rate impact</b>		<b>-11.1</b>	<b>-0.4%</b>
France		-	-
International		-11.1	-0.7%
<b>Group revenue</b>	<b>2,624.0</b>	<b>2,331.9</b>	<b>-11.1%</b>
France	1,134.5	907.5	-20.0%
International	1,489.5	1,424.4	-4.4%

#### 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 (net debt)**

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 indicator is called “net cash position” when the amount of cash flow or assimilated element of cash flow are higher than gross financial debt (or “net debt” in the opposite case).

### **Free Cash-Flow**

Free cash flow corresponds to net cash flow from operating activities minus net operating investments and net cash flow from financing activities related to payments of leasing debts.