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Simon AZOULAY, Chairman and CEO

Hello, everyone and thank you very much for being here for this annual results 2024 web conference. As always, I am with Bruno Benoliel and we will try to be as brief and concise as possible to give you the main highlights of the 2024 performance and our forecast and trends for 2025, especially in a rather complex context.

We have already had the performance for the end of 2024, but before I give you the figures I would like to say that we are not in crisis, the stock market is doing well but the context and the feedback from most of our clients shows they are quite cautious. Our clients asked us to be cautious at the end of 2023, telling us that they were going to slow down, postpone or freeze some of their projects for a variety of reasons. In IT services it was mainly related to increases for a certain number of things, such as licenses and hyperscalers, including the high cost of Cloud migration that come with them, which has led to a major increase in DSI and IT services and we suffered a lot in IT services. As for the industrial sector, for reasons that may not seem logical from an economic standpoint, a lot of clients in Civil Aeronautics really slowed downed and postponed their projects as far as possible.

Thankfully, some sectors have managed to grow and perform quite well and in this context our growth was 1.8%, which is unprecedent outside of a crisis situation, and organic growth is minus 0.2%. Of course, we have had the M&As but it is unprecedented in the last 36 years since the company was created. There was a crisis in 2003, another in 2009, Covid in 2020, which was a really hard one-year crisis with negative growth, and we struggled with 5% EBIT and 10% negative growth. However, then it started up again really strongly and that is what we were hoping for and wanted after the Covid crisis, especially when we saw the incredible recovery in 2022, which gave us an incredible year with organic growth around 18%, I believe, and operating margin above 11%. Unfortunately, it did not last because in 2023 there was a situation that was not a crisis per se but stagnation, it was flat, probably because of different changes and evolutions that I will talk about in Services and Technology more specifically.

1.8% including minus 0.2% of organic growth which breaks down as one-third of the revenue thanks to France and two-thirds abroad and we continue to growth there. In fact, France grew quite a lot, up 4.8% in organic growth, because we had no acquisitions in France in 2024. However, we are struggling more abroad, of course, in Germany, where there is major restructuring in the Automotive sector but also, for rother reasons, the Nordic countries and Southern Europe.

Thankfully, the margins maintained their levels, especially in France in our work package, technical management has put in place quite significant productivity processes. I am not talking about AI for now, which I will talk about later, but these productivity processes have allowed us to improve our margins for our projects, transformed into work packages versus technical assistance. This transformation is already around 72% in France, which is a country of work packages, and the margin mainly comes from the way we are organising our projects and our technical department. Thanks to the fact that the margin has maintained its level we have also managed to achieve an operating profit on activity of 9.1%, which is disappointing because it was 9.4% in 2023. This is in the knowledge that we had a rather favourable calendar compared to 2023, so it is disappointing. Like-for-like on a profitability level we should have done better than we did, especially because we had a good pipeline in 2024, and we should have done better in 2024 than in 2023. This was not the case because margins went down on technical assistance, especially in Europe. Despite an improvement on margin on work packages in France, and a 30 – 40 bips G&A improvement. I think that part of this result is due to our strategy at the beginning of 2024, when we considered we were not in a major crisis mode. Of course, there was war in Ukraine and in the Middle East but there was no major crash, and we did not have any structural reason to be in a crisis, which is why we boosted recruiting a lot and our intracontract rate or bench has been lower than in 2023. For all these reasons, we have an operating profit on activity at 9.1% of the revenue and we will see that the calendar for 2025 will be less favourable, especially for the first semester but hopefully we will catch up in the second.

As for the headcount in terms of engineers, we have been able to maintain for the first semester of 2024 and we had a major slowdown in a number of projects in the last quarter of 2024. In December 2022 we had 47500 engineers and 50 000 in December 2023, and we are starting 2025 with 50 900 engineers. Worldgrid has not yet been integrated but this is also due to the four acquisitions we have made for 1 300 engineers. In terms of organic growth outside the M&As, we have 400 fewer engineers than in January 2024. I hope that is clear. We are now waiting to see what our clients will tell us and if this 2024 situation is over, where everything was sluggish and stagnating, which prevented us from boosting recruitment, which is in our DNA.

Moving on to what has happened in the different geographies where we are present, Northern America and Asia have gone up, thanks to the M&As in Asia and high demand in a low-cost offshore project for India. However, Europe has gone down, not as significantly in France, but nevertheless, IT Services, Banking, Finance, Retail, Luxury and Telecommunications have slowed down significantly. A lot of projects were slowed down because other costs were higher in IT Services, including licenses, so a lot of projects were postponed, which is what we are also doing within our own Information System department at Altern. In the rest of Europe, we really sanctioned negative growth that is unfathomable. Car manufacturers in Germany are struggling with the four largest OEMs, Kontin, Bosch, Zedin reducing their outsourcing activities by 80% to 90% and they have gone from 600 people minus 1 000 on this kind of client in Germany, so it is really tough. This is not the only explanation, there are other geographies, including Southern Europe, where we have had a good performance and where we do have a lot of Banking and Finance, but we have struggled on these segments. This is a quick explanation by geography. At Group level, as I said, if we include the M&As we gained 900 engineers between December 2023 and December 2024 thanks to the M&As, so it has a cost. That does not include Worldgrid, which would add another 1 100 engineers. In organic growth, we would have lost 400 – 450 engineers.

If we look at the breakdown of our two activities in the Group, we show Engineering in blue, including industrial equipment design or deployment of industrial networks, such as telecommunications, energy, public transport. You have R&D, manufacturing, manufacturing plants, deployment infrastructure, such as the different utility networks and support and customers services, and technical documents. This account for 70% of the Group’s activities, of which 50% is R&D and around 20% manufacturing and deployment. IT Services accounts for 30% of the Group, which mainly addresses tertiary accounts, such as Retail Services, Banking, Finance, and Insurance. We have split those into two sections, Applications and Infrastructure & Networks, with cybersecurity, with another part that is Data Analytics. In this 30%, 26% is from tertiary activities and the rest is mainly addressed to the industrial world and engineering. I am happy to answer any questions you may have on this.

Moving to the breakdown per sector of our activity. Again, there is the 26% I mentioned for the tertiary world with a struggle in Banking, Finance, Insurance, Retail Services, Media and Public Sector and where we have struggled the most. I will look at the other sectors one by one but not go into detail, of course, but in the next slides we have looked at every sector and the different events in the market and concerns for Alten sector by sector.

The Automotive sector is a difficult market because right now, beyond the shrinking of the market, the difficulties in the transformation of the sector, including for electric and hybrid cars, there is still a lot of work, but the sector no longer knows any nationality. If you look at Renault and Stellantis, for example, it does not really matter to them whether they roll out a project in France or Europe, in the US with Chrysler or Italy with Fiat. Car manufacturers now have international DNA, which is not the case for other sectors. As a result, for this sector optimising means putting their R&D or support centres in the most appropriate location and if possible, the cheapest location as well. For five years we have been seeing offshoring from France to Morocco when you want French speaking people, or towards Romania or Poland for the German market, as well as Mexico for American clients. Therefore, it is up to Alten to be able to meet this demand and put the research and development centres in these countries, so we are talking about low-cost countries, Morocco, where we have over 2 000 people, Romania where there are 600, India with over 8 000, Mexico with 800. This is to meet the needs of automotive players and if we are able to support this movement we will gain market share. We have actually managed to grow the number of engineers and projects we have within our clients, and we are well-positioned, especially with French clients, in the US and the Nordic countries. This is an important trend, but it only started in 2024 in Germany, so we need to be careful because this is going to be a massive change. I hope we will be able to considerably increase our number of engineers as we did in France, but in terms of revenue you need three engineers working on a project to get the equivalent of one engineer locally in France or Germany, so it is really tough to get revenue growth even though we are increasing our activity volume. It is up to us to make sure we are able to support this trend. Of course, we have different sectors and Accenture and Cap Gemini will be there and there are already big Indian players because most of their troops are already in India. There are also the Indian pure players present there who already have their salesforces in Germany and Northern Europe, not as much in France but we will have to fight against them in Germany, English speaking countries and the US.

When it comes to the Rail sector, it went quite well, we are quite robust, and we had slight growth in this sector.

Regarding the Aerospace sector compared to Civil Aeronautics, of course the biggest player is Airbus and despite their impressive order book they have had to postpone and delay a lot of projects, and we bore the brunt of this because it is our main client. We suffered because we had hoped that we had hit rock bottom in 2024, and we would at least be stable and maybe growing in 2025.

The projects for Defence, Security and Naval are mainly linked to defence and security. We have had good growth, there is strong market demand, and we are a leading position among all the stakeholders in that sector in France and other European countries. We have promising forecasts for this sector.

We were quite present in the Energy sector and even before we bought Worldgrid, we had a significant role in that field. We are going to increase our presence by 50% to get the economic balance that is needed with the nuclear players that also need to choose the EPR 2. The situation in France is not the best to get investment budgets so we need to take several criteria into account, and we can hope for either strong growth in 2025 or a delay up until 2026.

As for Life Science, Alten is very present in the sector, in particular in R&D, processing, analysis, and certification of clinical trials, what we call CRO, which means a lot of data analytics, statistics and regulatory aspects. The main French players are looking for other providers outside France, so the French R&D does not seem as profitable as elsewhere there are many reasons for that. Because of the way medicines are sold, there are two to three times more sales outside France, which means that these study centres are likely to be outsourced to other countries, probably to the US, which is also going to use subcontracting. We are going to have to support the CRO activity and maybe outsource to India for different reasons than the Automobile sector, it is not to find low-cost providers but to be close to the countries where these medicines are going to be sold at the highest prices. Factories remain in Europe for now, and we are very present in the whole process certification follow-up of what is produced in these factories, and we hope this will continue to be the case.

When it comes to Industrial Equipment, we added all the industrial accounts to that [inaudible]. They produce equipment, so everything that is not Automotive, Rail, Aerospace, Defence, Energy or Life Sciences, so it is anything device, IoT, industrial equipment produced. That is ASML Netherlands for electronic components for machines, like Valme, Siemens, Schneider. We are making interesting progress in this field, and we even have strategic partnerships that are very promising.

The last sector I am going to comment on is Telecommunications where we suffered a lot and as with Automotive, everything that can be offshored will be offshored. It could be nearby, such as Morocco where we have a lot of business for the French Telecommunications sector for linguistic reasons, or in India, when it is about exploitation of a telecommunication network that can be done remotely and in English.

Of course, I am available to answer all your questions following our presentation. I am happy to comment on everything and I have already mentioned all these sectors but there are more details in the slides, but you can read through them.

Therefore, I will move straight to slide 21 to comment on our M&A activity. Mergers and acquisitions is one of our biggest disappointments because 75% of companies with more than 300 – 400 engineers are already in the hands of private equity. For the last seven or eight years, these companies have regarded the IT or engineering services sectors as an interesting market with returns of three or four times. They massively prospected all these small companies from 300 to 3 000 people and put in their capital, usually as majority shareholders. You can imagine, that to buy this type of company there is a question of timing, because they buy one and sell it back four or five years later, slowing down investments in the last couple of years to show an EBIT of 11%, 12% or 13%, which is not the norm because G&As are very low. We know that if we were to buy a company like this we would immediately have four or five points of EBIT that we would be scrapped, and they try to have multiples of between 12 – 15. It is impossible to buy these companies because they are being offered at twice their turnover. It is very complicated to negotiate the acquisition of companies we would like to buy that are already in the hands of private equity, which we should buy at 75% or 80% of their revenue rather than double the revenue. That is why M&A is very difficult, but we are still looking, and we go to places where private equity has not got hold of all the companies, such as Asia, Japan, Vietnam and there are still a few available in India, which is why we have managed to complete a few acquisitions there. Except for Worldgrid, which was a lot more significant thanks to Atos, we have had one acquisition each in Vietnam, Japan and Poland, representing between 1 300 – 1 400 engineers, which is the non-organic growth we talked about earlier. We have an extra 1 100 engineers as of 2025 and they have a ratio that is much higher than Alten’s because there are many experts and specialists and they deliver sales worth EUR 170 million of turnover, as well as derivative products. We also consolidated our already significant activities in the nuclear sector with EDF and we are becoming a significant stakeholder in that sector. We have engineering business in Asia, China, Japan and Korea. We divested a very old acquisition with less than 300 people developing software for a Japanese bank because it had no strategic interest for Alten. Of course, we will continue to look at the market and hope to get hold of companies that are not already in the hands of private equity. We are currently looking at six files and I hope that we will buy at least 2 000 – 3 000 engineers in strategic countries in 2025.

A last word on the capital breakdown, which has not changed at all over the last five years. Staff have a small holding because we provide free shares, but it does not make a huge change. I will say what I said last year, the year before and even before that, I want to give at least 5% of my shares to charities but they are not going to keep Alten shares. I was going to do that before Covid but did not do it because of the pandemic and our shares went down and then I prepared to do it before the Ukraine war and did not do it because of the war. I am waiting a little longer and I hope our shares will be at a significant enough level to make this donation.

I will now give the floor to Bruno who will comment on all the figures and results in 2025

Bruno BENOLIEL, Deputy CEO, Alten

Thank you, Simon, and good morning. I will try to comment on these results as briefly as possible because Simon has already provided a lot of information.

We have our usual slide with our business and headcount progress. Our activity went down in 2024 following several years of growth, so our headcount is now 57 700 staff compared to 57 000 in 2023. Worldgrid was consolidated as of 1 January 2025, so it is not taken into account. This headcount includes M&A integration, that is 1 600 people consolidated throughout 2024, and we also divested 230 engineers in China because of LZT, which means a net contribution of 1 350 . We recruited 520 engineers in Q1, stabilised these figures in Q2, we were down 184 engineers in Q3 and then 794 in Q4, with 290 fewer people in France and 450 overall. There are 11 010 engineers in France and 39 290 outside France.

Our organic growth in 2024 slowed down in almost all geographies throughout the year going from 6% at the beginning of the year to 2% in France between the first and the last quarter, from minus 1.9% in France to 1.6% in the last quarter, and 4% in the first quarter to minus 1.7% in Asia Pacific. Our business remained stable in North America, there was an increase but then a lot of projects in Automotive and Life Sciences were postponed. Overall, our organic growth for the Group was 0.8% in the first quarter and minus 2.7% in Q4, so an average over the year of minus 0.2%. The first quarter was not as bad as expected, our parameter variations allowed us to have positive growth nonetheless and the change effect is very low this year because it represents 0.007% of our turnover.

In terms of the geographic breakdown, we commented on these figures in January, but I will go over them quickly and talk about the different dynamics. France had a satisfactory performance in 2024, and we had an extra business day, and all sectors grew except for BFA and Telecommunications but there was a significant and surprising decline in the third quarter, particularly in the Aerospace and Automotive industries. Life Sciences, Defence and Energy remained dynamic in France

In the Iberic area, 16% of Portugal and Spain, our business stabilised at about 10%, all sectors were sensitive except for Bank, Finance and Life Sciences. For the first time in five years, growth slowed throughout the whole year in Italy at 9% on average over the year for all sectors.

Simon has already mentioned the situation in Germany, our business has declined throughout the year to reach 14% in cumulated data at the end of the year. The Automotive sector, which represents about half our business in Germany, is struggling and declined by 18% overall. Two-thirds of our turnover comes from Automotive manufacturers in Germany, and they are growing but, as Simon mentioned, there is significant decline in the business of OEMs, at more than 45% of their cumulated turnover but we have a decline of about 60% on sequential data. Civil Aviation in Germany, which is 20% of turnover, is stable but went down in the last quarter because of postponed projects.

We have two main businesses in the UK, one in the Public Sector, which represents 45% of our turnover, has declined significantly by more than 12%, with a constant decline in 2024 that even reached 22% at the end of the year. Civil Aviation is 18% of our turnover, which is the engineering part, declined by 8% but stabilised in the second quarter. On the other hand, the Automotive sector, which represents 15% of our turnover in the UK, also saw declining growth but remains significant since organic growth has reached 15%.

Activity was stable in BENELUX but declined in the second quarter because of Belgium, which was hit significantly in Life Sciences because of GSK. Our business is stable in the Netherlands and our semiconductor business at ASML started to grow again in the last quarter.

Scandinavia is similar to Germany, so our business has decline constantly throughout the year and reached 20% over the last quarter. The Automotive sector has been hard hit by cancelled or postponed projects and the Tertiary sector, as well as Tools and Equipment sectors have been strongly impacted.

There was a 5.5% decrease in Eastern Europe. Poland, which represents two-thirds of the area, is growing while Romania is declining because of significant struggles in the Automotive and Tertiary sectors.

We had a 1% decline in Switzerland.

In North America, two-thirds of our business comes from the US, so 75% of our turnover and there was a decline of 3.5% because of a decline in business in the Automotive sector, particularly Stellantis, at the end of the year, and in Life Sciences activities. Canada is 20% of the area and saw strong growth in all sectors, while activities in Mexico, 5% of the area, grew by more than 20%, including the Automotive, Bank and Finance sectors.

Last, the Asia Pacific area was stable, but a lot of projects were still halted last year, in particular in Singapore. If we removed Singapore we would have 3% growth in that region, and I think we should bear this in mind because it is the economic activity of this area. There was 5% growth in China, which is two-thirds of the area, but growth declined in the Automotive and Telecommunications sectors, which represent 60% of our business there. India, 30% of the area, saw 8% growth but it slowed down towards the end of the year because of the Automotive and Electronics sector. Japan, 20% of the area, was stable at the end of the year with a slight improvement in Tertiary sector business. Korea, 10% of the area, saw a slight decline of minus 3% because of the Automotive sector.

In 2024, Alten had an activity operating margin of 9.1% of the revenue, which was a satisfactory level considering the economic context and a better level than expected, which I think was 8.9% of revenue. Over the year, the opening days compared to [inaudible] were about 2%, 1.7% to be precise, which improved our revenue, and the activity revenue went from 91.8% to 91.2%. Productivity and the ratio between wages and revenue remained stable, with a better margin on French projects. Given this mix effect, the gross margin of the Group has gone down by 10 bips and as assessed in the first quarter, the technical management has continued to work outside France. We also wanted to manage our costs better and the SG&A ratio in relative value went from 30 bips in Q1 to 15 bips over the year. If you look at the semester, it is no surprise that the margin was higher than the first quarter, as anticipated, despite the activity shrinking, mainly because of the calendar with 127 working days in this quarter and fewer in the first quarter and work on the SG&A bore fruit in the first quarter. The M&As had no effect on the margin but lower profitability in some geographies impacted the margin [inaudible]. The non-cash payments were EUR 20 million lower than last year because some significant plans initiated in 2019 ended in 2023 and that may also be the cause of the decline in the share price. We had a favourable calendar, and the net recurring result is close to the previous year, even though it is higher than we are used to at EUR 5 million in acquisition fees and EUR 3.7 million acquisition-related costs, additional earn-outs paid or bonuses. There was also EUR 8.5 million for tax audits and restructuring costs, half of which are for Germany, and EUR 3.2 million for an activity we sold in China, which was mentioned earlier. Therefore, there is a decline in the activity in Germany and the performance is not as good as expected and we have reduced the goodwill for Methods, the public company, by EUR 44 million. We know that depreciation on goodwill is irreversible, which means that even though the performance improves we cannot backtrack, but we wanted to take this into account. The operating result is EUR 277 million, down 13% compared to 2023. Before tax, with a tax rate of 27.24%, [inaudible] income went from 0.8 to 1.9 in 2024, and we have also improved our other net financial income from minus EUR 2.6 to EUR 1 million. If we factor in IFRS 16, we have gone from EUR 41 million to EUR 7.7 million.

In terms of geographies, France had a very good performance in 2024 with an operating profit on activity up 7.6%, of course you have to remove the non-affected corporate costs, which would bring this up to 9.5%. The SG&A ratio in France improved by 35% and the non-recurring result is mainly due to restructuring and acquisition costs, with EUR 20 million for taxes at an effective tax rate of 22.05%. The operating margin in Germany was down almost 2%. In the UK in the Public Sector we are at 0%, so these two activities that have led to the depreciation of goodwill have punished the operating margin and we would otherwise have reached 9.6%. In North America, Eastern Europe and the Nordic countries, operating margin was down but remained at between 7% - 8%. BENELUX, the UK outside public services and Southern Europe, had operating margins over 10%. The APAC region was slightly down an operating margin slightly under 10%. The non-recurring result is mainly abroad, where we have structuring and acquisition costs and the EUR 76.8 million in taxes was a result of a 29.10% effective tax rate abroad, mainly because of non-activated tax deficits, taxes were cancelled and the US bit over tax.

Goodwill on the balance sheet has increased due to the acquisitions of Worldgrid, VMO and Vietnam, [inaudible] in Poland and the valuation of goodwill labelled as forex in Alten's accounts. Provisioned earn-out debts continued to go down from EUR 36 million at the end of 2023 to EUR 18.6 million at the end of 2024, EUR 1 million for only one year. Cash generation was satisfactory and the free cash flow, operating cash flow if we remove IFRS 16, represented 8.9% of the revenue, that is EUR 370.7 million. We paid more taxes because of the calculation and the working capital variation allowed us to generate cash flow and unfortunately, cash generation is due to organic decline. There was an improvement in our DSO of five days from 94 days in 2023 to 89 days in 2024, which of course, is due to the stability of the situation. Globally speaking, there was an improvement in working capital, mainly related to the DSO, EUR 30 million related to organic decline and EUR 60 million because of DSO. Capex remained low at 0.4% of revenue and our free cash flow was EUR 333.2 million, so 8% of our revenue. M&A for acquisitions [inaudible] and earn-outs, EUR 1.50 per share is the return for investors, which has not changed for many years, for EUR 51.1 million. Then we have the forex impact on the work we do in different currencies.

As we often say, free cash flow analysis over 12 months and here we have a slide analysing our free cash flow situation.

Finally, before I give the floor to Simon to talk about CSR, there is a recap of our activity. You need to understand that there is a more pronounced slowdown in activity that was more pronounced than anticipated, particularly in the second half of the year due to certain geographies, the UK, Germany, and Scandinavia, or different sectors, Automotive, Tertiary and Civil Aeronautics, as well as Banking and Finance.

Therefore, operating margin was penalised by a slightly lower than normal activity rate and by lower coverage of structural costs. France achieved a good performance, and it was actually the difficulties encountered in the UK and Germany that weighed on our operating profitability. Thanks to a favourable calendar and measures to reduce structural costs, operating profitability remained satisfactory at 9.1% of the revenue.

The significant decline in sales and profitability in the UK and German led the Group to write-down part of the related goodwill.

The free cash flow was very satisfactory, up by 81%, mainly thanks to the improvement in DSO, which despite the acquisition, has allowed us to continue to finance our external growth, our dividends and the year with a net cash flow level almost unchanged compared to the previous year.

I will talk a bit about the CSR policy of the Group. As you probably know, Alten has a CSR commitment, and has had one for several years. Even before it became important for investors, we had programme starting in 2010 on gender balance, reducing carbon footprint, and we have had Gaia, Ageo and EcoVadis assess our performance for a number of years now. We have a detailed CSR plan with three pillars, human, environment and sustainable innovation. Alten is regularly assessed by different rating agencies, and we are making progress year on year, and we are among the top 2% for all the rating agencies, which makes Alten amongst the most recognised companies in terms of ESG performance. This is actually a message we get a lot from our customers who, as you know, pay close attention to that in calls for tenders and we usually get congratulations following our audits.

Moving on to the 2024 roadmap and all our scores. We took part in drafting the new ISO 56001 standard on innovation management. Of course, we will be impacted by the CSRD regulations, so we have worked on our double materiality analysis and strategy, and it has confirmed the changes the Group needs to make. CSRD will be enforced by publication of the different indicators starting this year, a reassessment of our EcoVadis and CDP assessments and we plan to have our integrated management system recertified given the more recent standards. You will find our achievements on the indicators in the URD. We reached our objectives in terms of carbon emission reductions, improved our collaboration with our suppliers and clients as part of the taxonomy and Scope ! and 2, and soon Scope 3. We have already started to put into place to tackle the Group's material challenges as per the double materiality analysis and finally, we have partnered with different players to drive sustainable innovation.

Over to you. Simon, for the development strategy for 2025 and beyond and then we will answer your questions.

Simon AZOULAY

Thank you, Bruno. To conclude this presentation, I just wanted to let you know about our main challenges for the direction of Alten for the three years to come. We have reached a size of about 60 000 people now and international deployment, and we can improve that in many countries. This makes Alten one of the main service providers throughout the world and it requires new structures to be implemented and a change in mindset in the way we are organised. What matters is changing our organisation, and this is what we are trying to implement at the moment, which is very important and no mean feat. Up to now, and for those of you have known us for 20 years or more, Alten has been an excellent company, best-in-class for the local services we provided in engineering and IT services, R&D products, etc., and our organisation was through country managers, which made it important to have a critical size in all these countries. Today, markets are changing, and all our clients are cross-border players, which was not the case 15 years ago. They want us to answer work packages quickly and prepare them for several countries, offer new technologies, including AI solutions, and this changes the way we work within our Group.

We are in the top five worldwide with Accenture, Capgemini and a couple of Indian players about the same size but to remain there we must not be an Indian pure player because we want to have this local proximity culture. We also do not want to be a technical assistance company, we need to change our mindset to provide a work package that is partly low-cost in India or elsewhere. This all comes from a vertical organisation in countries and because of this organisation we have a lot of costly expensive structures, including HR. Clearly, if we want to deploy our model in the US, India, Japan and China, we need to export our know-how. We are not going to hire people locally and they are not going to know our business model overnight because there are no similar players in these countries, so we have to train people and adapt. We want to target the US, and we have deployed six directors there, it does not work every time, but we have to do it. The first challenge is to carry out HR work to create management mobility and to stop working in silos and vertical organisations in each country. We must help our clients who want a cross-border international player. We do not want to have one for an Automotive or Aviation account, we need to have worldwide players including for big Aviation and Automobile players who are present in 12 or 13 countries and want to have a single point of contact. We started doing key account management four years ago and they are also becoming international, rarely national, and they represent about 60% of our turnover. We need to develop that model for cross-border management of key accounts.

Lastly, Alten has a wide array of impressive skills shared among different countries and each country only exploits locally what they know how to do. Now we want to market an offer to all players in all countries worldwide, regardless of skills and let me tell you, our skills are much more impressive than offered by other players, in the engineering sector in particular. Of course, this represents a lot of work, and we also need to support our AI upskilling, which we have been working on for four years and stepped-up last year. We have a significant team in charge of this to identify the added value AI can provide in realising our projects. We have observed that out of 1 000 projects, 30 000 people in Europe, 30% of the bids we take part in should include the new AI capacities, either GenAI for developing software or automation AI for everything linked to testing and support, and analytics AI for data analysis, for example, for preventive maintenance, Life Sciences analytics, etc. For these three types of AI, 30% of our projects or the bids we take part in, already include AI skills. With our own [inaudible], we trained our technical directors, invested in our innovation direction and productivity rates or performance improvements thanks to AI and got improvements of between 15% to 50% depending on the item. It is mostly automation, so testing and support, everything generative in the very specific studies we carry out, where it is between 15% and 20%. We have to market our know-how and ensure that all our managers in all countries stop looking only at what they have locally and start looking at our Group's entire offer, which is the third piece of work we are trying to do.

Lastly, and I mentioned this earlier, we have to try to buy skills or extra positions in M&A and I will explain why. We need to continue to do this even it if is complicated, to include 3 000 engineers, excluding Worldgrid which has been consolidated since January. Therefore, new engineers and new clients for this critical size of 5 000 people per country; 10 000 people between India, Morocco, Mexico and Germany, mainly, as well as Vietnam, to improve our offshore delivery capacity it is, so going from 10 000 to 20 000; and skill centres. These are the four goals, and I have summed this up on the last slide.

We are getting there, and we are optimistic that we are going to maintain and improve our ranking in the top five thanks to these four items and, despite the difficulties we have mentioned in the current weird context, reaching 70 000 engineers, which will prove that we now have our new organisation. 70 000 engineers represents a success, and I hoped it would be next year but that is going to be complicated but hopefully, it will happen quickly and, of course, getting back to our 10% ROA or more.

Thank you for your attention, we are available for any questions.

Nicolas DAVID, Oddo BHF

Good morning. Congratulations for the management of this company in this difficult environment. My first question is on the outlooks you described in your press release and of course, Q1 is difficult but you seem optimistic for the second semester, and you talk about growth that should be positive with the improvement of your macro management. Can you give us a bit more detail about this positive growth, does it mean growth as early as Q3 or through the entire semester, or because Q4 is going to be much better? What are the quality items that allow you to remain optimistic? Will there be further deterioration in the Automotive sector? Is it just a feeling or because of what you have heard from clients?

On the operating results you mentioned, there was restructuring in Germany in 2024 but is the accounting impact is included in the 2024 figures or is it something that is going to have a positive impact in the 2025 results as people start to leave?

When you published the Q4 turnover, you said that if margins are stable in 2025 it would be good, or do you think these margins might improve thanks to restructuring?

Bruno BENOLIEL

Let me answer your first question. Right now, we notice stabilisation of our business following months or quarters where business has declined and this deterioration did not accelerate in the second semester of last year, although it was not as stable. In terms of the number of projects managed we no longer see any deterioration so that is good news. Let me explain that when talking about growth we are talking about sequential growth, so when growth starts again. If we start having renewed growth before obtaining positive growth it means that we would have compensated the embedded growth; I do not know if my explanation is clear or not. It does not mean that we expect positive organic growth in the second semester, if business is stable we expect this second semester to stabilise if the macro environment improves. That should be the case for interest rates, at least, and if some clients in the Aviation sector, for example, who currently made some encouraging comment, start investing again we hope that we will buck the trend and start having sequential growth again. For now, we have no idea if that means we could have positive published growth, not only embedded growth.

Regarding Germany in particular, but also in general, when we talk about restructuring costs I should say that when it comes to non-recurring that is exactly what it is. In our business model we have people who leave every year and also sometimes coming from the employer and these are costs in the growth margin that are not non-recurring, only the non-normative parts, that is the ones linked to decision-making aimed at reducing costs and managing intracontracts or lack of activity. It is an adaptation of our structure to this activity, which means that in 2025, unless business deteriorates in Germany, we should stabilise our intracontract rate, which means that we should have a normal business level. I do not know if this answers your question.

Nicolas DAVID

Yes. This is really for Germany, and at Group level it sounds as though…

Bruno BENOLIEL

No, it is not conservative. You have to bear in mind that the calendar is less favourable in 2025 compared to 2024 because we will lose slightly more than 1.5 business days in France and 2 days worldwide, especially in Europe, so the mix affect is also not neutral. We are going to lose it mostly in Q1 because it is more or less stable from Q2 compared to 2024, which means that, as you know, we are going to have a declining margin, so if we manage to maintain a margin at the same level as March 2024 it means that we would have improved our company's margin economically. Since, we will have a more favourable calendar for S2 identical to last year's, of course the improvement in profitability will be visible. Just to give you some figures, we are at 8.4% operating margin and this year, with 3.5 fewer days in S1 the margin will probably be below 8%.

Nicolas DAVID

Okay. This is important information, thank you, it is very clear.

Simon AZOULAY

To go back to what Bruno was saying, overall the perception we have of the market is that we have hit rock bottom but that means that we have lower headcount in January compared to September 2024, for instance. 2024 was not all rosy, we lost 300 – 400 project engineers, which was compensated for by external growth, but it was not satisfactory, so at effective ISO we would not be doing as well because we have a lower level in 2024 as in 2025. We do not know if we are going to have renewed growth, but it is stable for now and our clients are making a lot of promises that there will be projects, and we are seeing bids for more and more massified projects. Alten is a major player, we are no longer a local player, we have calls for tender on much bigger volumes and references and most small companies are not a reference. We need to be able to bid against Cap and Accenture and win these bids, and that is why clients like us, they know that we now have the means to respond abroad, even if we are still a small player outside France, in India, for instance. We are rather optimistic that we are not going to decline, and we are now looking for signs that things will pick up again.

Nicolas DAVID

Thank you very much.

Laurent DAURE, Kepler Cheuvreux

Good morning, Bruno and Simon. I have several questions, first on the margin performance last year [inaudible] compared to the margin at 8.5% - 8.7% were one point above that. How can you explain this gap because your Q4 turnover was slightly over the low bracket, do you know where these good surprises come from? Second point on turnover and the sequential recovery of business in S2, can you give us a bit more information because seasonality means that Q4 is always better than Q3? Is it just because of that or is it because there is an improvement over H1 that is higher than H2? Third, on your recruitment strategy, we hear in your narrative today that there is a demand for offshore, does that mean you are going to be cautious about recruitment? We have seen this in the past, maybe we need to buy a company in India even if the price is higher than normal?

Bruno BENOLIEL

I am not going to take the question on the margin. I talked about a margin of 8.7% or more in the knowledge that we were 8.7% - 8.9% before and we did do a little better and it can be explained quite easily. First, the gross margin did well in Q4 and better than anticipated, which is in line with the bracket we gave of minus 0.4 to minus 0.9, and we did minus 0.2 in the end. Mechanically the volume in gross margin reflected an activity that did not erode as much as anticipated in the contributive Q3. We are quite cautious in the way we manage our project, so project productivity was made final at the end of the year and SG&A ratios proved to be better to actions that accelerated during Q4. That explains the fact that we did slightly better than anticipated.

Laurent DAURE

Is there a country in particular where you were pleasantly surprised or is it really across the organisation?

Bruno BENOLIEL

It is really across the organisation. The management is granular and done company by company on a decentralised basis with each company managing its own results, and we then reanalyse and challenge everything, as everywhere. There is not one country or region where we had a very good surprise, but it could just be a little bit better everywhere to get a much better result at the end of the day. France is one-third of the Group’s revenues and so is represented more but the pressure we have applied in the first quarter to reduce the intracontract rate and improve the occupation rate has avoided an increase in SG&A because the revenue did not go up. We did not have to recruit anyone in business, support functions, back office, etc., knowing that when we are used to growing heads of department will tend to continue on this trend, so we froze that. This has helped more than we would have expected in the first quarter. Of course, we are still working hard on 2025, but I must emphasise that the headcount is lower than September if we do not take the M&As into account, which means that at the end of the day we will be slightly down in the first quarter of 2025 compared to the second semester of 2024. I am talking about non-organic growth here because with two M&As we will have global growth at the end of the day, but there is no specific sign telling us that we are going to be able to catch up with the 300 – 400 engineers we have lost in the second half of 2024 and get back to that level. However, we feel safe enough to think we have hit rock bottom, it is not great, but it could not get worse, which in a way is almost comforting. It means that the recruiting strategy will be decentralised for the Group’s BUs and of course, we are very cautious.

Laurent DAURE

Are you sending messages around to foster offshore recruiting or not yet?

Bruno BENOLIEL

We are recruiting a lot offshore, and we know that we are going to have to grow significantly in all the offshore geographies, not only in terms of volume, but we also need to organise and send our technical management there, which large Indian players already have. Our technical managers, etc., are all in Europe, in the Western world, so we need to train Indian managers, which is no mean feat in France, especially because we are French, but we are doing it. We are recruiting because we know that no matter what, even if we have the same level of activity, the level of projects in Europe moving to low-cost countries is going to go up. That is why we are recruiting and, to be really clear on what you were saying earlier, we are extremely cautious when it comes to recruiting locally. We used to have a quota for France, for instance, where we would say we would recruit 4 000 engineers to include turnover and diluted growth, now we have recruitment based on the projects we are winning, which is also new.

Laurent DAURE

Does that mean you might make an exceptional effort, not buying a company for several billions, but would you consider acquiring an offshore company for several million euros to accelerate this growth?

Bruno BENOLIEL

Let me give you an example of a competitor that has bought out a company of, I think, 12 000 people for EUR 2 billion. We will not do that because we have identified Indian targets with between 5 000 – 15 000 people that exist but are worth three times the revenue. The pure Indian player model, remember it is a 20 point EBIT model because all the SG&A is based in India, they do not spend anything in the Western world, so they are saving 10 points on costs compared to Alten. We know that and our customers know it, which is why we are not on the equivalent EBIT level compared to Indian pure players. Then they have five or six captive customers in the US, everyone is Indian with Indian salespeople who travel to the US every other week, so of course the SG&A is below 10% and their gross margin is slightly higher, allowing them to be profitable. However, these companies are going to buy them at between two or three times the revenue, which is not sustainable in the long-term.

The kind of clients these companies bring in is also a good question. They are not going to bring us customers like Airbus, Renault, Stellantis, or General Motors, they bring in different kind of clients, which are mainly American. When you look at the example I just mentioned, you have to ask what the actual synergies when it comes to the transformation needs of our clients, and they are actually really low. Right now, we are betting more on the growth of what we have in India, we want to go from 15 000, maybe by acquiring companies between 200 – 300 employees, but that will be enough, and we already have two or three companies like that in mind. We would only buy a company in India for several billion euros if they had clients, we find interesting because I do not know of any company with 5 000 people working in American Aeronautics or Automotive and we have screened the whole market, they may have European clients but not American ones. There is one that has a slight presence in North America, but it has already floated really high on the stock market, so we will not try to buy it.

Aditya BUDDHAVARAPU, Bank of America

I just have a few questions. Could you clarify the working day impact on your growth in H1 and H2, which I may have missed? Second, on the improvement on the structural costs on SG&A you mentioned for 2024, what further efficiencies do you have for 2025? Can you also talk about how much you are going to reinvest that into some of the initiatives you talked about on internationalising the salesforce and the offshore exposure? Finally, on AI you mentioned that you are seeing efficiencies of 15% to 50% on projects, can you talk about whether some of that is being passed on to clients or can you keep some of that in terms of better budgets?

Bruno BENOLIEL

I will answer the question about our AI deployment first. We are more or less ready to integrate all the AI capacities we can implement in most of the kind of projects we are working on with customers. As I said before, we have three kinds of AI, and we have identified and talking to customers about that. There are two situations, there are the existing projects that are already signed on the traditional technology so we have to deliver but to continue to work with such customers we have to continuously propose the integration of AI capacity and to evaluate what levels of economy we can provide by doing this. We are obviously fighting the big Indian players, Capgemini and Accenture on these proposals and we cannot integrate all the investment we need internally on top buying specific licenses or partnerships with hyperscalers, etc. This will be an additional cost that will not really be reflected on the first margin negotiations we have with customers but today, it is impossible to win a project without negotiating the level of economy we have made of between 15% to 50%, as I told you, depending on the topic. Fortunately, for us, most of the projects involved are R&D, so embedded software and mechanical design, where the AI expectation and reduction is not 50% but closer to 20%. However, it can be an opportunity for us because if we take market shares from small players who cannot make these kinds of offers we can increase our revenue with such customers and the market will be split between big and smaller players who will suffer or die. I hope I have answered your question about what will happen with AI. We do not expect a decrease in revenue.

Aditya BUDDHAVARAPU

My question was more about efficiency, are you going to share those efficiencies with the client or do you think that part will be on your own margins?

Bruno BENOLIEL

It is difficult to hear you, Aditya, because the sound is very bad

Simon AZOULAY

If I understood your question, AI has an impact on our margin and when we negotiate an RFQ project with customers we obviously try to bid and win it with always the same level of margin, more or less around 35% before bench. We are not involved in the projects where you can get 50% or 70% sold with AI, like in testing or customer technical support, call services, etc. We cannot sell a reduction to 30% to customers but in reality, we are realising a 50% economy in our business of engineering design for industrial products because it does not work like that. Prices will decrease a little, but the daily rate will increase a bit because we will have to integrate higher costs for people, tools and [inaudible] so, in the end, we do not think AI will decrease revenue in our specific business.

Aditya BUDDHAVARAPU

Okay, got it. My other question was you talked about the improvement on structural costs and the SG&A efficiencies. Can you do more on that in 2025 and how much of that do you need to reinvest in the business in terms of the international strategy, etc.?

Bruno BENOLIEL

As Simon explained, we need to hire people to manage transversal organisations to cope with the desire of worldwide customers to have worldwide supplier organisations. We are currently hiring people for sales, technical divisions, etc., so that we can manage those worldwide accounts, for example, Airbus, Stellantis, etc., and this is an additional cost that is absolutely necessary if we want to continue to grow and address international projects. On the other hand, we are reducing and trying to reduce SG&A costs as far as possible at local level in order to support twice the same costs. I do not think we will go much further in 2025, at least as a percentage of the revenue, because as you saw, at least our H1 revenue will decline because of the embedded growth, so our target is to maintain or slightly improve overall efficiency on structuring costs and SG&A.

Aditya BUDDHAVARAPU

Finally, can you just repeat what you said about the working day impact on growth in H1 and H2?

Bruno BENOLIEL

In H2 we are going to lose about 1.5 days and there will be the same number of working days at Group level in H2 so you can calculate the impact as above 1% in H1.

Aditya BUDDHAVARAPU

Thank you very much.

Valentin-Paul JAHAN, CFA

Good morning everyone. I have two things, one on solutions and the other on Germany. Can you give us more granularity on the 2024 trend per type of projects, so technical assistance compared to work packages, so the growth or decline rate and maybe if things are very different depending on the country or sector? I feel there are different types of activities with different margins and maybe also different competitors, and I would like to understand if technical assistance is dropping more than work packages and if there is an impact on gross margin. Does it not also explain that in Q4 you had a good surprise on margins.

Bruno BENOLIEL

That is not where the surprise came from and it is not a huge surprise either, it came from good management of intracontracts and good control of SG&A. This is the cause of the main difference, not so much the improvement of margins on contracts for either technical assistance or projects. Just to give you a few elements, first, we really need to divide the Engineering sector from IT Services, IT directions that need IT Services for administration, so the industrial versus the administrative services. In the industry the migration towards projects or work packages was quite slow from 2005 – 2025 and the level of maturity varies depending on the country. France is pretty mature since we are around 70%, as I said, which is work packages in engineering and everything else will always be at 25% - 30% of technical assistance for specific projects, so we have reached a good balance. This is the most interesting maturity point with an offshoring rate that is going to increase towards low-cost for France and there are sectors starting to do that, such as Telecommunications, or at least some businesses, others have already moved to Morocco, Senegal or elsewhere.

Regarding margins, offshore or not, we are doing slightly better than technical assistance in the work package mode by two to three points on margins. That is because technical assistance is a proximity business that is highly competitive because there is a large array of small companies with 200 – 300 people and we always have to fight these countries, which have sometimes entered contracts and are dumping people contracting parties make the most of that. Our competition internationally means that there are not as many small players to fight against, Cap, Accenture and the big Indian players are looking for 15% - 20% margins and sometimes they do that at a lower cost than we do. Prices are more logical, so we manage to get two or three extra points if our technical management is at the right level, and we have excellent management that is deployed 80% worldwide today. They have been taking over a few countries year after year, and the only ones they do not yet have are China and Japan, and they are capitalising on our whole organisation and methodology, so we have a margin that is slightly better for work packages.

Regarding maturity in engineering, a lot of countries have not yet reached that maturity yet, we have it more or less but that is offshore in the UK and the US because they are used to doing business with the Indians because of the language barrier, of course. By contrast, the Germans have not yet developed that, so they are going to go through a brutal change in 2025 towards offshore and work packages. For instance, in Germany we are at 50:50 and we have countries, such as the Nordics, where we have about 50% of technical assistance and they are going to go through a big change. It is the same in Italy, where they almost only had technical assistance and they are changing significantly, they do not have to change as quickly as we do because they already have a lot of offshore, but they no longer have any choice, and they want to go to India or Morocco to save 30% - 40% or even more. Looking at work packages worldwide, we are at about 50:50 for engineering with France as a model, which is about 75% and this is going to continue and maybe margins will improve. Of course, we are going to change the existing business in technical assistance and the margins are going to go down. I do not know if this is going to mean an increase in margins, but I hope that at least, we are going to maintain our recurrent margins because technical assistance usually means we are going to decrease margins. Even in countries like Germany, where we consider technical assistance as staffing, which is not true, all the German engineers are employees with permanent contracts and they have social rules, sometimes it costs more than in France, and there are intracontracts. Sometimes we tend to think that technical assistance is staffing but this is not the case, we hire people, train them, integrate them and margins decrease. To give you a clear example, one of the main German manufacturers in Munich imposed 18% margins on the Group, so not even only 30% anymore, so it is urgent that we change things there. It is not the case in France and other countries so that movement is going to continue.

It is a different story for IT services where there are two types of businesses. You have the big BPOs when an IT department outsources payment or support for most of their apps for six years. Alten is not involved in that at all, it is not our job to do BPOs of IT services, we are not [inaudible] Capgemini or Accenture, we do not do this. We have specific developments and skills with different offers, software development, testing, Cloud migration, cybersecurity, infra network and strategic projects and contracting support. We sometimes use Portugal for offshoring or Morocco, Senegal or Mauritius for language reasons and we do not go to India as much. We will still provide a lot of technical assistance because it is really specific and tailored, it is the new projects, not the six-year BPO management maintained by big service companies, we are not in that type of product. I do not know if that answers your question.

Valentin-Paul JAHAN

It is very clear, but do you have the work package growth rate for 2024?

Bruno BENOLIEL

I would say that we have probably had less than a 5% growth in work packages compared to technical assistance for all sectors. If it is 5% a year, one day we will reach 70%, which we are slightly below at the moment, but it is not homogeneous depending on whether it is engineering.

Valentin-Paul JAHAN

Is it 50% of externalised R&D?

Bruno BENOLIEL

It is 50% of the whole Group, slightly better for outsourced R&D and slightly less for IT services.

Valentin-Paul JAHAN

Thank you very much. The last topic is Germany, where you were saying that they are stopping outsourcing in the Automotive sector because there is a decrease of less than 80% in some topics and you have said several times that you are expecting massive movement. Do you think that your clients have already gone to India? Would you share your vision of the evolution of your market share?

Bruno BENOLIEL

We have two types of clients in Germany and the Automotive sector. We have BMW, Audi, Volkswagen, Daimler, with their software apps as well, so we have the manufacturers and OEMs. The OEMs have reduced their outsourcing by almost 80% and they are big players, bigger than the French ZF, Franci, Bosch, etc.

Valentin-Paul JAHAN

Have these people stopped outsourcing to you, or have they gone to companies that are more low-cost?

Bruno BENOLIEL

No, they have stopped outsourcing, fired people and significantly reduced their costs.

Valentin-Paul JAHAN

You do not think you have lost market share in these areas? Overall, if we look at the competitive environment do you think that the fact it is the first time in your history you have had a business decline other than at times of crisis, could also be linked to fiercer competition and maybe the fact that you are slightly behind on offshoring?

Bruno BENOLIEL

Of course, we have asked ourselves this question and it is very precise and relevant, but we have measured this, and we are not losing market share. When I give you the example of OEMs, which is very brutal and none of our competitors has done better than we have in Germany, everything has stopped and that is it. They do not even say that they are going to offshore because they are in competition for ADAS, infotaintment, mobility, all these apps, where they are fighting against Indian players. There is a company offering specific apps that had a savage decrease in fees for electric and hybrid cars, all the onboard car IT systems. I would rather keep our people in Germany and tell them that our competitors are doing better but there is a market. However, we are constantly checking this OEM market, because it was savage, and it is the same for everyone, if you look at all the players in the Automotive sector, whether Indian or Western players, they have all suffered the same way.

The situation is not the same for manufacturers and we cannot say that there is a decrease in fees, but the same thing is happening in Germany as happened in France seven or eight years ago where there was strong demand for offshoring. On some projects we want to decrease costs and do things ourselves rather than buying from the main OEMs and they have massive bids where we are in competition with big stakeholders such as Indian players, who are really present there. However, we have our share their and we have even massively increased our market share among French OEMs. Our goal, which we will talk about again in six months or a year, is not to miss the turn that German OEMs are taking and part of it should be in India, Morocco or Romania, so we are going to lose business locally and transform it. To maintain to the same turnover, we currently have we have to reach 50% or 100% more volume because the prices are lower in such low-cost, which is what we have managed to do with Renault and Stellantis. We are betting on Germany and Sweden, but we also have to conquer the US, where we are behind with General Motors or Ford, but we are going to kick out the Indians ourselves because there is bad feedback on some of them. If Western companies such as Alten have references in that sector in Europe and elsewhere they are always welcomed with open arms. Of course, there is the price question, and we are negotiating with a big player in the UK right now and facing two Indian players, but we will get our share.

The market has changed but we have to be good with OEMs and everyone is on standby for the manufacturers.

Valentin-Paul JAHAN

Very clear, thank you.

Derric MARCON, Société Générale

I have three questions, the first on the use rate in a more stable environment for Alten. Is this use rate back to historic levels and if I go even further with the organisational change, pooled service centres and nearshore/offshore delivery centres that provide better management of engineers, could there be a use level higher than 92%? Second, with you mentioned strategic partnerships with companies such as Siemens and Schneider. Are you enthusiastic about these clients because you have got on to a list of preferred suppliers you were not on before or because you intend to do what some Indian companies doing and create joint venture service centres dedicated to clients? What volume of business could that represent in a few years compared to today? Third, do you know how much it would cost you if the tax rate increases in France?

Simon AZOULAY

The last question is a painful one.

Derric MARCON

Do not worry, it is for Bruno.

Bruno BENOLIEL

With regards to the activity rate, we are one point below the norm, and we improved that rate in the second semester of 2024 so theoretically, compared to the use rate in a normal context we could gain an extra point. Unfortunately, it is going to be difficult to get it back in the current context because we are not going to fire people, when we have people, we try to keep them busy, so we are at around 91.5% and going above 92% would be excellent news and would improve our 2025 results. When we look at January and February it is never as good at the beginning of the year so we have not got that point back, we were slightly below 91% and we should do the same as S2 2024 and get back to the norm in 2019, even if we try our best.

On the second point, on potential partnerships or JVs, you should not confuse partnerships with clients and partnerships with competitors. We now have to talk to clients and show that we are a global player, and it is sometimes in our interest to find a complementary partner, which we did in Germany for Renault. When we were in partnership with HCl it was for a big market, France and Canada, where we are quite complementary and both have a presence. It is a contextual partnership that allows us to introduce ourselves as a complete Group because we do not have everything and neither does our partner, so it is a win-win partnership. Alten has not been used to doing that but now we have two or three partnerships of this type, and we might have other types of partnerships with consultants, which could give us the change support part that we do not have. We have R&D and Capgemini knows how to do that so we could partner with some of them when we need end-to-end complete projects, that is for JVs, partnerships or a global reference partnership over three years. Then we have partnerships with clients, and we manage to have more value in our innovation branch with clients where we can provide the innovation aspects they lack and that helps us consolidate our relationship with them. This is completely different, sometimes they ask us for that, for example, Schneider, Siemens, Thales, who do not want to consider us as subcontractors, say we have a bid in India, please give us your best offer. We are among the top 10 suppliers, and they ask for particular skills and innovation. We have 70 people in our innovation department, and we are asked to put it in the topic and to help them change. This is part of a client/provider relationship and there is going to be more and more of that, which we did not five years ago.

With regard to the tax rate, we believe that there is going to be a EUR 100 million tax cut in France, so it is going to be an extra tax of EUR 10 million. Is that what you mean or slightly less? This will have an impact of EUR 7 million – EUR 8 million our cash flow because it only applies to France.

Derric MARCON

Simon, you were talking about being involved in big calls for tender and you mentioned Volkswagen and two clients in the UK. Could you provide a figure, or do you have stats you can share with us from the systems you use to track business regarding the commitments you have with clients and what it represents in terms of volume? Your counterpart in Germany mentioned that the number of calls for tender they have worked on was skyrocketing compared to last year, which does not mean they are going to sign everything, but it gives us an idea of the activity they have on future projects, and you used to have this type of statistic.

Simon AZOULAY

You have to be careful about this type of statistic because we have to see if it is part of a transformation of an existing business. That was the case for us on a Volkswagen project where our client asked us to bid on several projects, each about 150 FTEs, when it is usually 20 or 30, which rules out a lot of players who cannot provide this sort of manpower. Then it does not say what part of business we would have done if it had remained a local player that we will no longer have so it can be huge but not necessarily. The decrease of what we could have done locally might also have been new, so we have to be careful about that. If it means that we take market shares from small players then it is an opportunity if I bid on a project in Germany where a small player with 100 people is likely to be ruled out, so we are taking market share here if we win. It is not a matter of engineer volumes, unfortunately it is not extra business, there are no technological demands that mean we are going to do new things and need thousands more engineers, it is just moving from local projects, offshore projects and the players who win might not be the same. This is where we have to take a part and this is why the Indians for that, and I consider Capgemini and Accenture to be Indian players as well, they want to do everything in India and we are now also looking at this closely and we are up against [inaudible] on these topics, for instance.

Derric MARCON

Very clear, thank you very much, Simon.

Laurent DAURE

Just two quick follow-ups. First one, Bruno, you were supposed to tell us a bit more about the margins and outlooks for Worldgrid for 2025. Second, you were talking about the decrease in headcount and embedded growth, and there are a few countries, such as France and Spain, where it is not the case. These areas did well in 2024, in particular France but also Spain, should we expect growth, or could we consider that there is a delay in this decrease for a country like France?

Bruno BENOLIEL

That is a good question. When we look at headcount in France it went down last year, especially towards the end of the year, even though the level of activity has decreased, because there are a lot of projects in France being done offshore. I think that growth should remain positive in France even if it is going to slow down significantly in S1, and we still have positive growth in Spain.

To answer your first question on Worldgrid, I did say that I would give more information but unfortunately, I cannot do that today because we do not have a budget for Worldgrid yet. We know that they are going to have the same turnover as in 2024 at around EUR 170 million and its margins will remain the same as in 2024. Without going into too much detail because it is not just about Alten, these margins are based on standard costs and it is difficult to see the real situation on results, even at the end of January. The 2024 results do not mean much because we are reinvoicing Atos and this is in Worldgrid’s results and it all has to be cleaned up. As you know, Worldgrid is a company that is completely managed by Atos, so we have 150 TSAs in place that we have to unplug little by little and that is not going to happen before

September. Therefore, our cost structure for 2025 will not be the reality for Worldgrid, which will be completely integrated into the Alten organisation in terms of business model, process and tools and its running costs will be lower. I am sorry I cannot answer your question, but I cannot say much more for now. On the business plan, the most important thing to remember for most of Worldgrid's business, for the strategic part in any case, is that it has about three equivalent businesses, everything to do with control and command of nuclear powerplants, including EPRs and the evolution of the system towards EPR2. Then there is also the management and processing of the grid with all the supervision software, what we call the grid, as well as everything to do with SAP and Sales for billing B2B and B2C for energy operators such as EDF. There are these three businesses, of course the one we are most interested in is the pure R&D part, the control command and network exploitation and it will depend on one thing, which is the discussions between EDF and the government to know when the budgets will be approved for deployment in the new EPR2 structure. That could be 2025 and happen very fast, or it will be 2026 and it does not depend on us, in any case, it remains the same as now.

Laurent DAURE

Thank you very much, that was clear.

Bruno BENOLIEL

Thank you, everyone. As you know, we remain available at any time if you have any additional questions.

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2025 4
Ageo 7
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M&A for acquisitions 7
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