

BUSINESS IN FIRST HALF 2019

- VERY STRONG ORGANIC GROWTH: 12.5%
- SATISFACTORY OPERATING MARGIN ON ACTIVITY: 9.0% OF REVENUE
- SEVEN ACQUISITIONS OVERSEAS SINCE JANUARY 2019

€ million	June 2018	June 2019	Y-o-y change
Revenue	1,099.9	1,292.3	+17.5%
- of which France	503.8	571.2	+13.4%
- of which International	596.1	721.1	+21.0%
Operating Profit on Activity	102.7	116.6	+13.5%
As % of Revenue	9.3%	9.0%	
Operating Profit	100.3	108.9	+8.6%
As % of Revenue	9.1%	8.4%	
Net profit, Group share	75.0	76.4	+1.9%
As % of Revenue	6.8%	5.9%	
Free Cash Flows	10.2	58.9	+477.5%
As % of Revenue	0.9%	4.6%	
Cash flow	-47.7	-17.7	
Headcount	30,000	35,500	+18.3%

SHARP GROWTH IN ACTIVITY AS AT END OF JUNE 2019: + 17.5%

Revenue reaches €1,292.3 M, growing by 17.5% as compared to June 2018. Organic growth was very strong in first half 2019: on a like-for-like basis, business grows by 12.5% (13.4% in France and 11.7% outside France) despite a negative calendar effect (- 1 business day). On constant business days, business would have grown by 13.2%

All business sectors are growing and more specifically Aerospace, Rail/Naval, Defence & Security as well as Life Sciences.

SATISFACTORY OPERATING PROFIT ON ACTIVITY: 9.0% OF REVENUE

Operating Profit on Activity grows by 13.5% reaching €116.6 M despite:

- the continuous investments that are needed to support a strong growth and the expansion outside France;
- a negative calendar effect that have impacted both the activity and the margin.

Productivity gains on projects and control of G&A enabled the operating margin to reach 9% of revenue.

OPERATING PROFIT: +8.6%

Operating profit reaches €108.9 M including €3.2 M of share-based payments and €4.5 M of non-recurring costs mainly associated with acquisition costs as well as several social and tax audits.

NET PROFIT, GROUP SHARE: €76.4 M OR 5.9% OF REVENUE

Financial result reaches €0.1 M. After taking into account tax expenses of €34.9 M, earnings from equity affiliates of €2.8 M, and minority interests of €0.5 M, net income equals €76.4 M.

NET CASH FLOW: - €17.7 M / GEARING: 1.7%

Cash flow (before taking into account IFRS16 effects) reaches €123.1 M and grows by 12% as compared to June 2018. After taking into account IFRS16 standards, cash flow reaches €145.9 M.

Despite a strong organic growth and a seasonal deterioration (structural increase in DSO as at end of June), WCR increase was limited to €27.9 M (€70.4 M in June 2018).

After taking into account paid tax (€29.0 M), Capex (€8.0 M), and IFRS16 flows on leases debts (€22.1 M), free cash flow reaches €58.9 M, growing sharply as compared to 2018 (x 6).

Financial investments (€57.4 M) and dividends (€33.4 M) were financed in part by financial debts. Net cash position equals (€17.7 M) as at end of June 2019, with a gearing of 1.7%.

Therefore, ALTEN can rely on reliable financial resources to pursue its development.

EXTERNAL GROWTH: 7 ACQUISITIONS SINCE JANUARY 2019

ALTEN has consolidated its position abroad by completing 7 acquisitions outside France since the beginning of 2019:

- 2 companies in Germany (annual revenue: €22.5 M, 255 consultants)
- 1 company in Spain (annual revenue: €6 M, 95 consultants)
- 1 company in the UK (annual revenue: €11 M, 170 consultants)
- 1 company in Denmark (annual revenue: €6 M, 50 consultants)
- 1 company in India (annual revenue: €8.5 M, 260 consultants)
- 1 business in the US (annual revenue: €11 M)

OUTLOOK FOR 2019:

Provided similar economic conditions, ALTEN will achieve a satisfactory organic growth in respect of first half 2019. ALTEN will also pursue its plan for external growth and more specifically on an international level.

NEXT PUBLICATION: October 23rd 2019 after market closing: *Q3 2019 Results*

About ALTEN

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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).

PRESS RELEASE

Paris, September 19th 2019
5:40 PM



Appendix to Press Release:

Definition of alternative performance measures and reconciliation with IFRS standards

The ALLEN 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 perimeter on a chosen period.

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

The effects of a perimeter are measured excluding acquisitions, revenue of the period and for transfers, revenue of the previous period, in order to create a perimeter 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.

Evolution of business H1 2019

€M	H1 2018 Revenue	H1 2019 Revenue	% Change
Revenue on a like-for-like basis	1,099.9	1,237.2	12.5%
France	503.8	571.2	13.4%
International	596.1	666.0	11.7%
Scope variation		47.4	4.3%
France		-	-
International		47.4	4.3%
Exchange rate impact		7.7	0.7%
France		-	-
International		7.7	0.7%
Group revenue	1,099.9	1,292.3	17.5%
France	503.8	571.2	13.4%
International	596.1	721.1	21.0%

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 - 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).

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.

IMPLEMENTATION OF IFRS16 STANDARDS

From now on, all lease contracts (simple lease contracts and financial leases) must be recognized following the same process. An asset is recognized as a right of use corresponding to the leased items. On the liability side, a theoretical financial debt corresponding to the net present value of leases is booked.

The Group does not include the lease financial debt in its net cash position.

The implementation of IFRS16 standards on the Group's account have the following impacts:

ASSETS:

- Right of use: €135.2 M

LIABILITIES:

- Lease debt €137.7 M

PROFIT & LOSS ACCOUNT:

Low impact on Operating Profit on Activity:	+ €0.4 M
Low impact on Financial Income:	- €0.7 M
Negligible impact on Net Profit:	+ €0.2 M

NO IMPACT ON NET CASH POSITION