

# PRESS RELEASE

Paris, September 21st 2023  
5:40pm



## 2023 FIRST HALF RESULTS

- **STRONG ORGANIC GROWTH: +11.4%**
- **OPERATING MARGIN ON ACTIVITY: 9.2% OF REVENUE**
- **FIVE OVERSEAS ACQUISITIONS**

€ million	June 2022	June 2023	YoY change
<b>Revenue</b>	<b>1,825.9</b>	<b>2,047.9</b>	<b>+12.2%</b>
▪ France	598.4	654.7	+9.4%
▪ International	1,227.6	1,393.2	+13.5%
<b>Operating Profit on Activity</b>	<b>208.6</b>	<b>188.0</b>	<b>-9.9%</b>
As % of revenue	11.4%	9.2%	
<b>Operating Profit</b>	<b>186.9</b>	<b>156.3</b>	<b>-16.4%</b>
As % of revenue	10.2%	7.6%	
<b>Net profit, Group share</b>	<b>139.0</b>	<b>111.1</b>	<b>-20.1%</b>
As % of revenue	7.6%	5.4%	
<b>Free cash flow</b>	<b>1.1</b>	<b>-22.4</b>	
As % of revenue	0.1%	-1.1%	
<b>Restated Free cash flow *</b>	<b>1.1</b>	<b>14.7</b>	
As % of revenue	0.1%	0.7%	
<b>Net cash position</b>	<b>62.4</b>	<b>340.3</b>	
<b>Headcount</b>	<b>49,600</b>	<b>57,400</b>	

\* FCF restated for exceptional capital gains tax on disposals 2022

### ACTIVITY AT END OF JUNE: +12.2%

Alten's first-half revenue increased 12.2%, including 9.4% growth in France and 13.5% outside France. On a like-for-like basis and at constant exchange rates, revenue grew by 11.4% (9.4% in France and 12.5% outside France).

As expected, second-quarter growth slowed to 8.7%, including 6.7% growth in France and 9.7% outside France. Like-for-like, second-quarter revenue rose by 8.6% (6.7% in France and 9.6% outside France).

Unfavourable seasonal effects (one less business day) compared to 2022 had an adverse impact in the second quarter, in a more complex economic environment.

Almost all business sectors expanded, especially Civil Aeronautics, Automotive, Defense & Security, Industrial Equipment and Electronics.

Most geographic regions posted sharp organic growth.

### OPERATING MARGIN ON ACTIVITY: 9.2% OF REVENUE

Operating Profit on Activity totalled €188m (9.2% of revenue compared to 11.4% in June 2022).

This decline was due to the consolidation of less profitable companies, a lower – albeit satisfactory – activity rate than 2022's exceptional performance, an increase in operating expenses and seasonal effects on business.

Operating Profit on Activity remains satisfactory and comparable to pre-Covid first-half figures.

### OPERATING PROFIT: 7.6% OF REVENUE

Operating Profit totalled €156.3m (i.e. 7.6% of revenue). It includes €16.6m in share-based payments and €15.1m in non-recurring costs (of which €10.2m in acquisition costs and earn-outs).

### NET PROFIT, GROUP SHARE: 5.4% OF REVENUE

Financial income totalled -€2.7m. After taking into account tax expenses of €42.5m, net profit, Group share came out to €111.1m.

### NET CASH POSITION: €340.3M / GEARING: -17.9%

Cash flow (excluding the impact of IFRS 16) totalled €183.4m, i.e., 9% of revenue, in line with OPA. Working Capital Requirement increased by €111.8m due to seasonal effects, strong organic growth and a seasonal increase in Days Sales Outstanding (DSO). Capex remained low at €12.8m (0.6% of revenue).

Tax paid (€81.9m) includes a one-off tax expense of €37.1m on capital gains generated from a disposal in 2022. Restated for this one-off item, reported free cash flow (-€22.4m) would have been €14.7m, i.e., 0.7% of revenue, a substantial increase on June 2022.

After taking into account net cash flows from investing activities (-€53.5m) and other financial investments (-€1.8m), Alten's net cash position stood at +€340.3m at the end of June 2023.

NB: €51.4m in dividends were paid in early July 2023.

Alten has self-financed its internal & external growth. The company has a healthy investment capacity to finance further acquisitions (gearing: -17.9%).

### EXTERNAL GROWTH: FIVE OVERSEAS ACQUISITIONS

Alten has finalised five acquisitions in 2023:

- In the United States/Canada: a company specialised in software testing (€18m in revenue, 185 consultants)
- In Poland: a company specialised in IT and Telecommunications services (€19m in revenue, 350 consultants, of which 50% are external)
- In India/United States/Germany: a company specialised in IT development and engineering services (€9m in revenue, 500 consultants)
- In Spain/Germany: a company specialised in aerospace engineering (€7m in revenue, 130 consultants)
- In Japan: a company specialised in embedded software (€41m in revenue, 720 consultants)

### OUTLOOK FOR 2023:

Alten has achieved satisfactory growth in its business, with most sectors and geographic regions remaining solid. After two years of very strong growth due to the post-Covid catch-up, the slowdown in organic growth was expected and reflects the normalisation of the economy.

Although Alten's growth rate is slowing, the company expects to generate organic growth of around 10% in 2023 and a satisfactory operating margin on activity. Alten will continue to develop its strategy of targeted external growth.

**Next publication:** October 26<sup>th</sup> after market close: *Q3 2023 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).*

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## 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 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 H1 2023

€M	H1 2022 Revenue	H1 2023 Revenue	% Change
<b>Revenue on a like-for like basis</b>	<b>1.753.6</b>	<b>1 954.2</b>	<b>11.4%</b>
France	598.4	654.7	9.4%
International	1 155.2	1 299.5	12.5%
<b>Scope variation</b>	<b>72.3</b>	<b>109.8</b>	<b>1.6%</b>
France		-	-
International	72.3	109.8	2.4%
<b>Exchange rate impact</b>		<b>- 16.1</b>	<b>- 0.9%</b>
France		-	-
International		- 16.1	- 1.4%
<b>Group Revenue</b>	<b>1,825.9</b>	<b>2,047.9</b>	<b>12.2%</b>
France	598.4	654.7	9.4%
International	1,227.6	1,393.2	13.5%

#### 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). This measure is called 'net cash position' when the amount of cash flow or assimilated elements is higher than the financial debt; conversely, it is called 'net debt'.

#### 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.