

Press release

March 10, 2016

Publication of 2015 results

Strong growth in 2015 results and rapid implementation of new Strategic Plan

- **Consolidated revenues:** €1.945bn (+11% on 2014)
- **Operating income on ordinary activities:** €186m (+13% on 2014)
- **Net income:** €101m (+22% on 2014)
- **Free Cash Flow¹:** €92m (equivalent to 4.7% of revenues)
- **Proposed dividend²:** €0.19 per share (+27% on 2014)

Commenting on the Group's 2015 results, Group Chairman and Chief Executive Officer, Dominique Cerutti said, "Altran posted a strong set of results in 2015, with 11% growth and pro forma revenues of €2bn. Net income increased by 22%, despite the negative impact of operations in Germany, where Altran has implemented a recovery plan. With four new acquisitions, the Group gained several strategic assets for its future growth. The Group's robust performance in 2015 combined with positive market trends since the beginning of the year, provides a very solid base to deploy our Altran 2020. Ignition strategic plan".

<i>(in millions of euros)</i>	2015	2014 ³	%
Revenues	1,945.1	1,756.3	+10.7%
Gross margin	558.1	502.9	+11%
As a % of revenues	28.7%	28.6%	
Overheads	(372.2)	(338.5)	+10%
Operating income on ordinary activities	185.9	164.4	+13.1%
As a % of revenues	9.6%	9.4%	
Other non-recurring operating income and expenses	(25.5)	(28.8)	
Amortization of customer-relationship intangible assets and other	(5.4)	(3.8)	
Operating income	155.0	131.8	+17.6%
Financial income / (charges)	(11.1)	(5.7)	
Tax income / (charges)	(43.3)	(43.4)	
Equity share in net income of associates	0.1	(0.3)	
Net income	100.7	82.4	+22.2%
Minority interests	(0.2)		
Net income attributable to Group	100.5	82.4	+22.0%
EPS (in euros)	0.58	0.47	

¹ Free cash flow = (Ebit + depreciation & amortization) - exceptional costs - tax - changes in WCR - Capex

² Share premium distribution

³ 2014 accounts restated for the impact of the interpretation of IFRIC 21

2015: another year of growth

Altran won new contracts and established new partnerships (including with Jaguar Land Rover and General Electric) by focusing on client intimacy (the number of clients > €10 M revenues with the Group increased by 25% in the last 3 years) and becoming more global. The new contract with Nokia exemplifies Altran's Industrialized GlobalShore© model and the transformation of the Group.

Over the period, Altran also completed four **strategic acquisitions** to consolidate its geographic presence and positioning in select verticals:

- ***In the Benelux, with Nspyre** (680 employees), the leading Dutch provider of R&D and high-tech services, Altran becomes number 1 on this market;*
- ***In the Life Sciences sector, with Oxo**, French specialist in quality and standard-compliance, and industrial performance. The Group enhances its positioning in this segment with the company high-value added services;*
- ***In the Semiconductor segment, with SiConTech** (500 employees), Altran now supplies services to 7 of the top 10 players in this industry and has reinforced its presence in India;*
- ***In Big Data, with Tessella** (230 scientists), a leading data analytics specialist with offices in the UK, the Netherlands and the US.*

In addition, further measures were undertaken to organize the return to profit in Germany, with the implementation of a new management team, the closure of several offices, headcount reduction and a program to reduce overheads.

2015: robust results

The 2015 consolidated financial statements were approved by the Board of Directors on March 9, 2016. In accordance with AMF regulation dated February 5, 2010, please note that the consolidated financial statements have been audited and that the certification report is being prepared.

Consolidated 2015 revenues rose to €1,945m (or €2.0bn pro forma, including 2015 acquisitions) This represents reported growth of 10.7% at Group level, with revenues up +4.5% in France, +22% in Europe (excluding France and Germany), down -14% in Germany, and up +51% in the Americas and Asia.

The **consolidated gross margin** expanded to 28.7% from 28.6% in 2014 on the back of sustained growth in the invoicing rate to 87.2%, up 70 basis points on 2014 levels.

Overheads (SG&A) as a percentage of revenues decreased to 19.1% from 19.3% in 2014, as a result of the Group's tight cost management maintained over the period.

Operating income on ordinary activities rose 13.1% year-on-year to €185.9m, equivalent to 9.6% of revenues, vs. 9.4% in 2014. Excluding Germany, operating income on ordinary activities as a percentage of revenues came out at 11.3%.

Operating income increased nearly 18% on 2014 levels. This includes exceptional costs of €25.5m booked over the period, of which €10m in restructuring costs incurred in Germany and a provision of €7m for contingent liabilities related to ongoing disputes.

Overall, **net income came out at €100.7m**, up +22% on 2014, and +50% on 2013. EPS increased to €0.58 from €0.47 in 2014.

In case of discrepancy between the French version and the English version of this press release, the French version shall prevail.

Financial headroom

Free Cash Flow⁴ generation is one of the Group's three key financial objectives. In 2015, Altran generated free cash flow of €92m, equivalent to 4.7% of revenues, thus surpassing the 4% objective set out in the 2012/2015 Strategic Plan. This full-year performance, with a particularly strong improvement in the second half, was achieved on the back of increased profitability over the period, coupled with a sustained reduction in DSO levels, which narrowed from 81 days in 2014 to 77.5 in 2015.

As such, at the end of 2015, Altran maintained **net debt at a low level** even after investing a total of €168m in acquisitions (Nspyre, SiConTech, Tessella, Oxo), as well as financing a €26m dividend payout⁵, and share buybacks in the amount of €11m. At end-December 2015, Altran reported net financial debt of €138m (vs. €37m at end-2014), implying leverage of 0.63. This, coupled with the Group's solid cash position, gives the Company a solid financial base to implement the *Altran 2020. Ignition* strategic plan.

Proposed shareholder payout

At the General Shareholders Meeting on April 29, 2016, the Altran Technologies Board of Directors will propose the **distribution of an €0.19 per-share payout** to be financed from the share premium account. This represents a 27% increase on the 2014 payout of €0.15 per-share.

Altran 2015-2016, Ignition “in motion”

In 2015, the Group also focused on the launch of the *Altran 2020. Ignition* strategic plan.

At a time of strong growth in **Engineering and Outsourced R&D services**, Altran has positioned itself as global leader in this market by adopting an ambitious transformation **strategy**.

New Executive Committee

Since the launch of the plan on November 23, 2015, Altran has reinforced the **Executive Committee**. To achieve a more operational form of governance, the Group has appointed an Executive Vice President in charge of transformation, another one in charge of the Americas and Asia region and four new members from the Group's largest operating countries (France, Germany, Italy and Spain).

In 2016, Altran will launch the transformation process in the four areas that represent the **key levers** of the Strategic Plan, focused on providing augmented value services, building the “Industrialized Globalshore®” supply chain, carrying out geographic expansion in targeted markets (US, Germany and India), and pursuing continuous operational-excellence improvement.

⁴ Free cash flow = (Ebit + depreciation & amortization) – exceptional costs – tax – changes in WCR – Capex

⁵ financed from the share premium account

Delivering augmented value

In 2016, Altran will focus on **delivering augmented value** to its clients. In this respect, 5 “World Class Centers” are already up and running, and 5 new ones will be launched before the end of 2016. Examples of Altran achievements include the 6 contracts signed at the beginning of 2016 for the implementation of the VueForge® platform, the deployment of CohérenSE® (a unique software platform designed to reduce the complexity of distributed architectures), and the success of the portable 3D onboard printer developed in conjunction with Thales Alenia Space.

Industrialized GlobalShore®

In 2016, Altran will also speed up the implementation of its Industrialized GlobalShore® concept. The objective here is to create an industrialized network of Global Delivery Centers involving more than 10,000 people worldwide, by 2020.

Outlook for 2016

On the basis of the information currently at its disposal, Management expects **2016 to be another year of profitable growth** for the Group.

Financial calendar

April 28, 2016: Publication of Q1 2016 revenues
April 29, 2016: Shareholders' Annual General Meeting
July 28, 2016: Publication of Q2 2016 revenues
September 8, 2016: Publication of H1 2016 results
October 27, 2016: Publication of Q3 2016 revenues

About Altran

As a global leader in innovation and high-tech engineering consulting, Altran offers its clients a new way to innovate by developing the products and services of tomorrow. Altran works alongside its clients on every link in the value chain of their project, from conception to industrialization. For over thirty years, the Group has provided its expertise to key players in the Aerospace, Automotive, Defence, Energy, Finance, Life Sciences, Railway, and Telecoms sectors, among others. In 2015, the Altran group generated revenues of €1.945bn. With a headcount of nearly 26,000 employees, Altran has a presence in more than 20 countries.

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Altran contacts

Altran Group

Olivier Aldrin

Executive Vice-President and CFO

Tel.: + 33 (0)1 46 41 71 89

comfi@altran.com

Financial Press Relations

Shan

Diane de Brisis, Senior Consultant

Tel.: +33 (0)1 47 03 47 36

diane.debrisis@shan.fr

Anne Vernois, Associate Director

Tel.: + 33 (0)1 44 50 51 75

anne.vernois@shan.fr

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