

## Press release

4 September 2014

### Publication of H1 2014 results

#### Sharp improvement in profitability and free cash flow<sup>1</sup>

Commenting on Altran's interim results, Group Chairman and Chief Executive Philippe Salle stated, "Altran's H1 2014 results reflect a sharp improvement in profitability and free cash flow. This performance underscores the relevance of measures undertaken since 2011 within the context of the 2011–2015 Strategic Plan which was designed to reinforce the Group's leading positions both at the operating and financial levels. We also strengthened our strategic positioning in our Innovative Product Development and Intelligent Systems global solutions with the acquisitions of Foliage, Scalae and TASS. These interim results make us confident in the Group's ability to attain its 2015 objectives and will serve as a solid base in the preparation of Altran's ambitious growth-oriented 2016 – 2020 Strategic Plan which will be presented in H2 2015".

(€m)	H1 2014	H1 2013
<b>Revenues</b>	<b>861.8</b>	<b>809.2</b>
Gross margin	225.6	207.7
<b>As % of revenues</b>	<b>26.2%</b>	<b>25.7%</b>
Indirect costs	(165.6)	(157.6)
<b>Operating income on ordinary activities</b>	<b>60.0</b>	<b>50.1</b>
<b>As % of revenues</b>	<b>7.0%</b>	<b>6.2%</b>
Other non-recurring operating income and expenses	(14.4)	(23.1)
Amortisation of customer-relationship intangible assets	(1.2)	
<b>Operating income</b>	<b>44.4</b>	<b>27.0</b>
Financial expenses	(3.5)	(4.2)
Tax income/charges	(11.9)	(7.7)
<b>Net income before discontinued operations</b>	<b>29.0</b>	<b>15.1</b>
Net income of discontinued operations		
Minority interests	0.1	
<b>Net profit/(loss)</b>	<b>29.1</b>	<b>15.1</b>

<sup>1</sup> Free cash flow: (Ebit + depreciation and amortisation) - exceptional costs - tax - changes in WCR - Capex +/-WCR  
In case of discrepancy between the French version and the English version of this press release, the French version shall prevail.

## Results

Altran reported H1 2014 **revenues** of €862m, up +6.5 % on H1 2013 levels (€809m). On a like-for-like, and a constant forex and working-day basis, economic growth stood at 2.7%.

The H1 2014 consolidated **gross margin** came out at €225.6m, equivalent to 26.2% of sales, vs. the year-earlier level of 25.7%. This improvement was driven essentially by the sharp increase in the Group's invoicing rate (+1.5% over the period to reach 86.7% in 2Q 2014) but was nevertheless partially impacted by 0.7 less working days than in 2013. On a constant working-day basis, the gross margin gained 1.0% on H1 2013.

**Indirect costs**, at €165.6m, continued to narrow as a percentage of revenues (19.2% vs. 19.5% in H1 2013) on the back of the Group's tight cost management and optimisation strategy which was maintained over the period.

**Operating income on ordinary activities** increased to €60m, (equivalent to 7.0% of H1 2014 revenues), from €50.1m in the year-earlier period (6.2%), despite the unfavourable working-day impact in H1 2014.

**Non-recurring expenses** narrowed sharply to €14.4m over the period from €23m in H1 2013. Charges related to the productivity-improvement plan, which was implemented at the beginning of 2013 and is now in its final stages, accounted for €12.8m of these costs.

On the back of these favourable elements, **consolidated net income** practically doubled on year-earlier levels coming out at €29.1m at end-June 2014.

## Cash and debt

On the back of increased profitability coupled with the steady narrowing in DSO levels (87.3 days at the end of the period vs. 89.1 days at 30 June 2013), free cash flow generation at end-June 2014 improved by €24m on H1 2013 levels (-€0.9m, vs. -€25m, respectively).

In the past twelve months, Altran generated positive free cash flow of €73.8m, equivalent to 4.4% of revenues over the period. As such, the Group has achieved one of the key financial objectives set forth in its 2011- 2015 strategic plan, 1 year ahead of schedule.

Consolidated net financial debt was €155m at end-June 2014 compared with €201 at end-June 2013 and €25m at end-December 2013. The principal change since December 2013 was due notably to the H1 2014 acquisitions of Foliage, Scalae and TASS, the €0.11/share payout distributed in June 2014, and a lower amount of factoring deconsolidation booked at H1 2014 than at the end of 2013.

## New Euro PP

Regarding the private placement (Euro PP) mentioned in the 29 July press release, this operation was finalised over the summer raising a total of €115m for the Group. This capital increase comprises two tranches; one for €10m, maturing in 6 years and bearing a coupon of 2.8%, and the other for €105m, maturing in 7 years with a coupon of 3%.

## Outlook

Based on the information currently available to the Group, management has confirmed that Altran's financial performance in 2014 should be in line with the financial targets set out in the 2011-2015 Strategic Plan.

## Additional information

Altran's Board of Directors met on Wednesday, 3 September 2014 to approve the H1 2014 financial statements.

The Statutory Auditors have performed a limited review of the Group's H1 2013 and H1 2014 financial data.

## Financial Calendar

31 October 2014	2014 3 <sup>rd</sup> quarter revenues
30 January 2015	2014 4 <sup>th</sup> quarter revenues
12 March 2015	2014 full-year results
30 April 2015	2015 1 <sup>st</sup> quarter revenues
30 April 2015	Annual General Meeting
30 July 2015	2015 2 <sup>nd</sup> quarter revenues
3 September 2015	2015 Half-year results
29 October 2015	2015 3 <sup>rd</sup> quarter revenues

## About Altran

As global leader in innovation and high-tech engineering consulting, Altran accompanies its clients in the creation and development of their new products and services. Altran's Innovation Makers<sup>[1]</sup> have been providing services for thirty years to key players in the Aerospace, Automotive, Energy, Railways, Finance, Healthcare and Telecoms sectors. Covering every stage of project development from strategic planning to manufacturing, the Altran offers capitalise on the Group's technological know-how in five key areas: Innovative Product Development, Intelligent Systems, Lifecycle Experience, Mechanical Engineering, and Information Systems.

In 2013, the Group generated revenues of €1,633m. Altran now has a staff of over 21,000 employees in more than 20 countries.

[www.altran.com](http://www.altran.com)

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