

2018 results

- Consolidated revenue up 12.4% to €444.1 million
- EBITA⁽¹⁾: €26.6 million (6.0% of revenue)
- Free cash flow⁽²⁾: €43.8 million (9.9% of revenue)
- Dividend⁽³⁾: €1.0 per share

Paris, 18 March 2019, 5.35 p.m. (CET) – At its meeting on 13 March 2019, the Board of Directors of Assystem S.A. (ISIN: FR0000074148 - ASY), a leading player in engineering, reviewed the Group's financial statements for the year ended 31 December 2018.

Dominique Louis, Assystem's Chairman and Chief Executive Officer, stated:

"2018 was a mixed year for growth and earnings, with a disappointing first half followed by a second half that was satisfactory on both fronts, forming a solid basis for 2019.

Aside from this one-off factor, the figures clearly show that we've got our strategic roadmap right for the nuclear business, with robust sales momentum both in France and our international markets. Underpinning this roadmap are our strong technical, execution and innovation capabilities that are widely acknowledged by the market's main participants.

Nuclear energy is one of the indisputable solutions to the world's growing need for carbon-free electricity. Nuclear engineering – in which our Group is a benchmark player – helps to meet this need, and I am confident in Assystem's performance ability over the short and medium term.

Our prospects in the transport engineering sector are also promising, especially in view of the current heavy capital spending to modernise and densify public transport networks."

Key figures

<i>In millions of euros (€m) – Audited figures</i>	2017	2018	Year-on-year change
Revenue	395.2	444.1	+12.4%
Operating profit before non-recurring items – EBITA⁽¹⁾	26.0	26.6	+2.3%
<i>% of revenue</i>	<i>6.6%</i>	<i>6.0%</i>	<i>-0.6 pt</i>
Consolidated profit for the period	404.6	19.9	-
Free cash flow⁽²⁾	20.8	43.8	-
<i>% of revenue</i>	<i>5.3%</i>	<i>9.9%</i>	-
Net debt/(cash)⁽⁴⁾	(23.9)	31.1	-
Dividend per share (in €)⁽³⁾	1.00	1.00	-

(1) Operating profit before non-recurring items (EBITA) including share of profit of equity-accounted investees (€0.9 million in 2017 and €0.8 million in 2018).

(2) Free cash flow from continuing operations. Corresponding to net cash generated from operating activities less capital expenditure, net of disposals.

(3) For 2018, the figure corresponds to the dividend that will be recommended at the Annual General Meeting.

(4) Debt less cash and cash equivalents and after taking into account the fair value of hedging instruments.

ANALYSIS OF THE 2018 INCOME STATEMENT

• *Revenue*

Assystem's **consolidated revenue** rose by 12.4% in 2018, breaking down as 6.8% in like-for-like growth, a 7.1% increase due to changes in scope of consolidation and a 1.5% negative currency effect. Like-for-like revenue growth was very robust in the second half of the year compared with second-half 2017, coming in at 12.9%.

Revenue generated by the **Energy & Infrastructure** division advanced 14.7% (7.5% like for like) to €391.3 million. Momentum for Nuclear activities was buoyant over the year as a whole, with revenue jumping 22.1% to €251.0 million (including 17.2% like-for-like growth), led by business in France, the Middle East and Turkey. Revenue for Energy Transition & Infrastructures (ET&I) climbed 3.3% to €140.3 million (but decreased 7.5% like for like). In the second half of 2018, ET&I's revenue rose 4.2% against second-half 2017 on a like-for-like basis, marking a clear upswing compared with the first half of 2018. This period-on-period improvement notably stemmed from Radicon's Building Infrastructure activities.

At €44.2 million, revenue for the Staffing division was stable year on year as reported and increased 2.4% at constant exchange rates. Industry activities contributed almost half of the division's 2018 revenue figure, posting a €5.6 million rise which largely offset the €6.5 million revenue contraction for Oil & Gas activities.

• *Operating profit before non-recurring items (EBITA)*

Consolidated EBITA rose 2.3% to €26.6 million in 2018 from €26.0 million in 2017. Overall, 2018 was a very mixed year for EBITA, with a €2.8 million decrease in the first half followed by a €3.4 million increase in the second half versus the same periods of 2017. EBITA margin represented 6.0% of revenue in 2018 (4.3% in the first half and 7.6% in the second half), down by 60 basis points for the full year but up by 30 basis points in the second half.

EBITA for the Energy & Infrastructure division amounted to €27.3 million (7.0% of revenue), down 2.1% for the full year (but up 21.4% in the second half), reflecting:

- the impact felt in the first six months of the measures undertaken to reorganise Assystem Care, as well as one-off communication costs related to changes in the Group's scope of consolidation;
- the costs of dissynergies arising due to changes in the scope of consolidation, which shaved an estimated €1.5 million off the division's full-year EBITA figure;
- management- and innovation-related investments made during the year to support the division's growth, both in France and internationally.

Staffing EBITA was more or less unchanged year on year, totalling €1.8 million versus €1.9 million in 2017. At 4.0% of revenue, this division's EBITA margin remained satisfactory compared with the sector as a whole.

The Group's "Holding company" expenses, net of the EBITA of the activities classified in the "Other" category, had a €2.5 million negative impact on consolidated EBITA in 2018 versus a €3.8 million negative impact in 2017.

• *Operating profit and other income statement items*

After taking into account €0.9 million in net non-recurring expense (€11.8 million net expense in 2017), **consolidated operating profit** came to €25.7 million in 2018 compared with €14.2 million in 2017.

The contribution to Assystem's consolidated profit by Expleo Group ("Expleo", formerly Assystem Technologies Groupe) – in which Assystem holds a 38.2% interest – was €16.8 million before the impact of the non-recurring expenses recorded by Expleo for 2018. This contribution breaks down as €8.5 million for Assystem's share of Expleo's profit before non-recurring expenses and €8.3 million in coupons on convertible bonds. Assystem's share of Expleo's non-recurring expenses amounted to €14.7 million, including €4.4 million in acquisition costs (primarily related to SQS) and €10.3 million in costs incurred for adapting and restructuring Expleo's operations. Consequently, after the impact of Assystem's share of

Expleo's non-recurring expenses, Expleo's contribution to Assystem's consolidated profit for the period was €2.1 million (including a €6.2 million loss accounted for by the equity method).

Net financial expense and income tax expense came to €1.4 million and €6.2 million respectively.

After deducting a €0.3 million loss from discontinued operations (corresponding to the residual costs incurred for the transfer of control of GPS), **consolidated profit for the period** amounted to €19.9 million, with €0.5 million attributable to non-controlling interests.

• **Information on the revenue and EBITDA⁽⁵⁾ generated in 2018 by Expleo**

Revenue generated by Expleo totalled €1,042.7 million in 2018 compared with €673.6 million in 2017. The 54.8% increase breaks down as 7.7% in like-for-like growth, a 47.5% positive impact from changes in scope of consolidation (chiefly due to the consolidation of SQS since February 2018) and a 0.5% negative currency effect.

Expleo's EBITDA stood at €99.0 million, representing 9.5% of its consolidated revenue, versus €59.3 million⁽⁶⁾ and 8.8% respectively in 2017.

FREE CASH FLOW AND NET DEBT

For the twelve months ended 31 December 2018, **free cash flow** for Assystem's full scope of consolidation amounted to €43.8 million, corresponding to 9.9% of revenue. This exceptionally high level was achieved thanks to:

- a significant improvement in DSO in France;
- the receipt of €3.5 million on overdue invoices in Turkey;
- the receipt of a €7.5 million down payment on the K.A.CARE contract (although this positive cash impact will reverse in 2019).

Assystem had net debt of €31.1 million at 31 December 2018 versus net cash of €23.9 million at 31 December 2017. This €55.0 million swing reflects the following:

- a €43.8 million positive effect from the free cash flow figure for the year;
- €60.7 million related to the Group's additional investment in Expleo Group to participate in financing the acquisition of SQS;
- €4.8 million related to acquisitions of shares and purchased goodwill;
- a €15.1 million dividend payment to Assystem's shareholders;
- €6.5 million for share buybacks and other movements in equity;
- €11.7 million in other movements, including €7.2 million in tax paid on the capital gain generated on the transfer of control of GPS and €3.4 million in costs paid for financial transactions carried out in 2017 (disposal of GPS, share buyback offer and acquisition of Framatome shares).

RECOMMENDED DIVIDEND FOR 2018

At the Annual General Meeting to be held on 16 May 2019, Assystem will recommend the payment of a dividend of €1.00 per share for 2018. If this dividend is approved by the shareholders it would represent a total pay-out of €15.0 million⁽⁷⁾.

OUTLOOK FOR 2019

In 2019, the Group expects to see further very solid like-for-like growth for Nuclear activities, which will be led, as in 2018, by operations in France, as well as by a faster pace of international business thanks to the contracts with K.A.CARE and Rosatom and the ramp-up of activities with the UAE-based operator, ENEC. In view of its strong second-half performance in 2018 and a favourable basis of comparison in the first six months of 2019, ET&I is also expected to deliver robust like-for-like growth in 2019.

(5) EBITA before the net depreciation expense and net additions to provisions for recurring operating items.

(6) Pro forma data, taking into account the full-year cost of the corporate structure put in place by Expleo to manage a stand-alone group.

(7) Corresponding to €1.00 multiplied by the 15,000,880 outstanding shares carrying dividend rights at 31 December 2018.

On a consolidated basis, the Group's targets are as follows for 2019:

- Approximately 10% growth in consolidated revenue, based on the scope of consolidation at 31 December 2018, with a much higher increase in the first half than the second in view of the bases of comparison with 2018.
- EBITA margin at least equal to the 2017 figure (which was 6.6% of 2017 consolidated revenue), with a marked rise in EBITA in both absolute value and percentage terms in first-half 2019 compared with first-half 2018.
- Free cash flow representing more than 6% of revenue for the 24-month period covering fiscal 2018 and 2019 (excluding the impact of the first-time application of IFRS 16 as from 1 January 2019).

2019 FINANCIAL CALENDAR

- 29 April: First-quarter 2019 revenue release
- 16 May: Annual General Meeting
- 30 July: First-half 2019 revenue release
- 9 September: First-half 2019 results release – Presentation meeting on 10 September at 8.30 a.m. (CET)
- 30 October: Third-quarter 2019 revenue release

Assystem is an international engineering group. As a key participant in the industry for over 50 years, the Group supports its clients in managing their capital expenditure throughout their asset life cycles. Assystem S.A. is listed on Euronext Paris.

For more information please visit www.assystem.com / Follow Assystem on Twitter: @Assystem

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APPENDICES

1/ REVENUE AND EBITA BY DIVISION

• REVENUE

In millions of euros	2017	2018	Total year-on-year change	Like-for-like change*
Group	395.2	444.1	+12.4%	+6.8%
Energy & Infrastructure	341.3	391.3	+14.7%	+7.5%
Staffing	45.1	44.2	-2.1%	+2.4%
Other	8.8	8.6	-	-

* Based on a comparable scope of consolidation and constant exchange rates.

• EBITA⁽¹⁾

In millions of euros	2017	% of revenue	2018	% of revenue
Group	26.0	6.6%	26.6	6.0%
Energy & Infrastructure	27.9	8.2%	27.3	7.0%
Staffing	1.9	4.2%	1.8	4.0%
Holding company and Other	(3.8)	-	(2.5)	-

(1) Operating profit before non-recurring items (EBITA) including share of profit of equity-accounted investees (€0.9 million in 2017 and €0.8 million in 2018).

2/ CONSOLIDATED FINANCIAL STATEMENTS

• CONSOLIDATED STATEMENT OF FINANCIAL POSITION

In millions of euros

	31 Dec. 2017	31 Dec. 2018
ASSETS		
Goodwill	81.5	82.8
Intangible assets	1.6	4.7
Property, plant and equipment	6.7	7.6
Investment property	1.4	1.4
Equity-accounted investees	0.7	0.7
Expleo Group shares	64.7	88.1
Expleo Group convertible bonds	63.6	102.2
Expleo Group shares and convertible bonds	128.3	190.3
Other non-current financial assets ⁽¹⁾	128.6	129.1
Deferred tax assets	4.5	4.7
Non-current assets	353.3	421.3
Trade receivables	160.0	150.8
Other receivables	47.5	40.6
Income tax receivables	0.5	1.1
Other current assets	0.5	0.5
Cash and cash equivalents ⁽²⁾	28.2	32.4
Current assets	236.7	225.4
Total assets	590.0	646.7

	31 Dec. 2017	31 Dec. 2018
EQUITY AND LIABILITIES		
Share capital	15.7	15.7
Consolidated reserves	(28.4)	351.6
Profit for the period attributable to owners of the parent	404.1	19.4
Equity attributable to owners of the parent	391.4	386.7
Non-controlling interests	0.3	0.1
Total equity	391.7	386.8
Long-term debt and non-current financial liabilities ⁽²⁾	3.6	63.1
Pension and other employee benefit obligations	13.7	14.7
Liabilities related to share acquisitions	9.1	4.6
Long-term provisions	16.4	16.6
Other non-current liabilities	1.8	1.3
Non-current liabilities	44.6	100.3
Short-term debt and current financial liabilities ⁽²⁾	1.0	0.4
Trade payables	32.8	31.0
Due to suppliers of non-current assets	0.2	0.8
Accrued taxes and payroll costs	85.9	89.1
Income tax liabilities	7.2	2.2
Liabilities related to share acquisitions	-	1.1
Short-term provisions	8.2	3.7
Other current liabilities	18.4	31.3
Current liabilities	153.7	159.6
TOTAL EQUITY AND LIABILITIES	590.0	646.7

⁽¹⁾ Including Framatome shares amounting to €124.3 million at 31 December 2018 as well as at 31 December 2017.

⁽²⁾ Net debt totalled €31.1 million at 31 December 2018, breaking down as:

- Short and long-term debt and current and non-current financial liabilities: €63.5 million
- Cash and cash equivalents: €32.4 million

• **CONSOLIDATED INCOME STATEMENT**

In millions of euros	2017	2018
Revenue	395.2	444.1
Payroll costs	(277.7)	(322.0)
Other operating income and expenses	(88.6)	(91.0)
Taxes other than on income	(0.8)	(0.9)
Depreciation, amortisation and provisions for recurring operating items, net	(3.0)	(4.4)
Operating profit before non-recurring items (EBITA)	25.1	25.8
Share of profit of equity-accounted investees	0.9	0.8
EBITA including share of profit of equity-accounted investees	26.0	26.6
Non-recurring income and expenses	(11.8)	(0.9)
Operating profit	14.2	25.7
Share of profit/(loss) of Expleo Group ⁽¹⁾	2.3	(6.2)
Income from Expleo Group convertible bonds	1.5	8.3
Net financial income/(expense) on cash and debt	(2.7)	(1.4)
Other financial income and expenses	2.8	-
Profit from continuing operations before tax	18.1	26.4
Income tax expense	(4.8)	(6.2)
Profit from continuing operations	13.3	20.2
Profit/(loss) from discontinued operations	391.3	(0.3) ⁽²⁾
Consolidated profit for the period	404.6	19.9
Attributable to:		
Owners of the parent	404.1	19.4
Non-controlling interests	0.5	0.5

(1) Including, for 2018, €(4.4) million for the Group's share of acquisition costs (primarily related to SQS) and €(10.3) million in costs incurred for adapting and restructuring Expleo's operations, making a total of €(14.7) million.

(2) Residual costs incurred for the transfer of control of GPS.

• **CONSOLIDATED STATEMENT OF CASH FLOWS**

<i>In millions of euros</i>	2017	2018
EBITA including share of profit of equity-accounted investees	62.6	26.6
Depreciation, amortisation and provisions for recurring operating items, net	7.1	4.4
EBITDA	69.7	31.0
Change in operating working capital requirement	(33.2)	31.5
Income tax paid	(14.0)	(4.8)
Other cash flows	(4.6)	(7.4)
Net cash generated from operating activities	17.9	50.3
<i>O/w related to continuing operations</i>	<i>23.2</i>	<i>51.7</i>
<i>O/w related to discontinued operations</i>	<i>(5.3)</i>	<i>(1.4)</i>
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisitions of property, plant and equipment and intangible assets, net of disposals, o/w:		
<i>Acquisitions of property, plant and equipment and intangible assets</i>	<i>(10.3)</i>	<i>(7.9)</i>
<i>Proceeds from disposals of property, plant and equipment and intangible assets</i>	<i>(11.0)</i>	<i>(8.1)</i>
	<i>0.7</i>	<i>0.2</i>
Free cash flow	7.6	42.4
<i>O/w related to continuing operations</i>	<i>20.8</i>	<i>43.8</i>
<i>O/w related to discontinued operations</i>	<i>(13.2)</i>	<i>(1.4)</i>
Acquisitions of shares and purchased goodwill	(161.7)	(4.8)
Sales of shares, net of the reinvestment in Expleo Group in 2017	444.7	-
Investment in Expleo Group in 2018	-	(60.7)
Other movements, net ⁽¹⁾	-	(7.9)
Net cash generated from (used in) investing activities	272.7	(81.3)
<i>O/w related to continuing operations</i>	<i>(141.8)</i>	<i>(81.3)</i>
<i>O/w related to discontinued operations</i>	<i>414.5</i>	<i>-</i>
CASH FLOWS FROM FINANCING ACTIVITIES		
Net financial income received (expenses paid)	(3.6)	(1.1)
Proceeds from new borrowings	102.9	59.7
Repayments of borrowings and movements in other financial liabilities	(200.2)	(0.1)
Dividends paid	(22.9)	(15.7)
Other movements in equity of the parent company	(225.1)	(5.9)
Net cash generated from (used in) financing activities	(348.9)	36.9
Net increase (decrease) in cash and cash equivalents	(58.3)	5.9
Net cash and cash equivalents at beginning of year	84.4	27.3
Effect of non-monetary items and changes in exchange rates	1.2	(1.1)
Net increase (decrease) in cash and cash equivalents	(58.3)	5.9
Net cash and cash equivalents at year-end	27.3	32.1

(1) "Other movements, net" primarily correspond to a portion of the income tax due on the capital gain recognised in 2017 on the transfer of control of GPS, amounting to €7.2 million.

3/ CHANGES IN NET DEBT/(CASH)

<i>In millions of euros</i>		
Net (cash) at 31 Dec. 2017	(23.9)	
Free cash flow from continuing operations	(43.8)	
Additional investment in Expleo Group	60.7	
Acquisitions of shares and purchased goodwill	4.8	
Dividends paid to shareholders of Assystem	15.1	
Share buybacks and other movements in equity	6.5	
Other movements	11.7	<i>Including €7.2 million in tax on the capital gain generated on the transfer of control of GPS and €3.4 million paid out in expenses on financial transactions carried out in 2017 (disposal of GPS, share buyback offer and acquisition of Framatome shares)</i>
Net debt at 31 December 2018	31.1	

4/ INFORMATION ABOUT THE COMPANY'S CAPITAL

NUMBER OF SHARES	At 31 Dec. 2017	At 31 Dec. 2018
Ordinary shares outstanding	15,668,216	15,668,216
Treasury shares	509,153	667,336
Free shares and performance shares outstanding	253,190	256,380
Weighted average number of shares outstanding	20,910,097	15,089,319
Weighted average number of diluted shares	21,163,287	15,345,699

OWNERSHIP STRUCTURE AT 28 FEBRUARY 2019

In %	Shares	Exercisable voting rights
HDL Development ⁽¹⁾	61.34%	77.40%
Free float ⁽²⁾	34.40%	22.60%
Treasury shares	4.26%	-

(1) HDL Development is a holding company controlled by Dominique Louis (Assystem's Chairman and Chief Executive Officer), notably through HDL, which itself holds 0.35% of Assystem's capital.

(2) Including 0.35% held by HDL.