

First-half 2020 results

- Revenue: €229.5 million
- Operating profit before non-recurring items (EBITA)⁽¹⁾: €9.4 million

Paris La Défense, 21 September 2020, 5.35 p.m. (CEST) – At its meeting held today, the Board of Directors of Assystem S.A. (ISIN: FR0000074148 - ASY), an international engineering group, reviewed the Group's financial statements for the first half of 2020 (i.e. the six months ended 30 June 2020).

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

"The Covid-19 pandemic had a particularly adverse impact on the Group's revenue and earnings during the national lockdown period in France. However, the immediate mobilisation of the Group's Management, operations teams and key clients, combined with governmental furlough and short-time working schemes, helped to limit this impact as far as possible.

This mobilisation also enabled us to rapidly return to normal business levels. We started preparing for this upturn in April and it materialised in June for our core business of nuclear engineering and was largely under way for the rest of our operations by the end of that month. The Group operates in sectors that are not very cyclical in nature and are holding up well in the current crisis. The key factors underlying our rapid business recovery are our effective strategic positioning and the trust of our French and international clients, which we have built up and nurtured over many years thanks to our teams' technical prowess, agility and client-centric mindset.

The Group's current business levels and order book, combined with the numerous requests for proposal it has received offer a promising outlook for 2021."

KEY FIGURES

<i>In millions of euros (€m)</i>	H1 2019	H1 2020
Revenue	246.5	229.5
Operating profit before non-recurring items – EBITA⁽¹⁾	15.6	9.4
<i>% of revenue</i>	<i>6.3%</i>	<i>4.1%</i>
Consolidated profit for the period⁽²⁾	14.3	0.5

<i>In millions of euros (€m)</i>	31 Dec. 2019	30 June 2020
Net debt⁽³⁾	51.6	45.1

(1) Operating profit before non-recurring items (EBITA) including share of profit of equity-accounted investees other than Expleo Group (€0.5 million in both H1 2020 and H1 2019).

(2) Including profit attributable to non-controlling interests: €0.2 million in H1 2019 and €0.4 million in H1 2020. Profit for the period attributable to owners of the parent therefore totalled €14.1 million in H1 2019 and €0.1 million in H1 2020.

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

ANALYSIS OF THE FIRST-HALF 2020 INCOME STATEMENT

The first half of 2020 was marked by the highly negative impact of the Covid-19 pandemic on the Group's revenue, EBITA and EBITA margin (despite governmental support measures put in place, particularly in France, concerning furlough and short-time working schemes and exemptions of corresponding payroll taxes). This impact was particularly significant during the national lockdown in France, but business levels have picked up quickly and strongly since the end of that period. As a result, revenue from nuclear engineering activities (which contributed over 60% of the consolidated total) was slightly higher in June 2020 than in June 2019 based on a constant scope of consolidation.

Revenue

Assystem's consolidated revenue contracted by 6.9% year on year in the first half of 2020, breaking down as a like-for-like decrease of 9.4% and positive impacts of 2.3% and 0.2% respectively from changes in the scope of consolidation and the currency effect.

Revenue from the **Energy & Infrastructure** division declined by 6.2% to €206.2 million, with a 9.0% like-for-like decrease, a 2.6% favourable impact from changes in scope of consolidation⁽⁴⁾ and a 0.2% positive currency effect. The pandemic had less of an impact on Nuclear activities than on ET&I. However, during third-quarter 2020, ET&I is expected to return to at least the same level of business (based on a constant scope of consolidation) as in 2019.

At €20.2 million, revenue for the **Staffing** division was down 11.6% year on year, with a number of international projects affected by the closure of national borders.

- **Operating profit before non-recurring items (EBITA) and EBITDA⁽⁵⁾**

Consolidated EBITA fell by 39.8% to €9.4 million in the first six months of 2020 from €15.6 million in the same period of 2019, and EBITA margin narrowed to 4.1% from 6.3%.

EBITA for the Energy & Infrastructure division totalled €10.7 million, and its EBITA margin was 5.2%, versus €16.4 million and 7.5% respectively in first-half 2019.

Staffing EBITA dropped from €0.8 million to €0.2 million year on year, with an EBITA margin of 1.2%.

The Group's "Holding company" expenses, net of the EBITA of the activities classified in the "Other" category, had a €1.6 million negative impact on consolidated EBITA in first-half 2020, unchanged from first-half 2019.

Excluding the impact of IFRS 16, **consolidated EBITDA⁽⁵⁾** came to €11.4 million in first-half 2020 and EBITDA margin was 5.0%, compared with €17.4 million and 7.1% respectively in the first half of 2019.

- **Operating profit and other income statement items**

After taking into account €0.9 million in net non-recurring expense for the period and €0.6 million in share-based payments, **consolidated operating profit** amounted to €7.9 million, compared with €14.1 million in the first six months of 2019.

Expleo Group – in which Assystem holds 38.2% of the capital as well as quasi-equity instruments issued by that company (convertible bonds with capitalised coupons) – contributed a negative €5.6 million to consolidated profit, including Assystem's €10.5 million share of Expleo Group's loss for the period and €4.9 million in coupons on the convertible bonds.

(4) Mainly relating to Asco, which has been consolidated since 1 October 2019.

(5) EBITA excluding the impact of IFRS 16 (i.e. €9.1 million in first-half 2020) and before net additions to provisions for recurring operating items and net depreciation and amortisation expense.

Assystem recorded **net financial income** of €0.8 million for the six months ended 30 June 2020. This amount includes a €3.1 million dividend receivable from Framatome and a €0.9 million expense recognised for the buyout of the remaining 49% interest in the Turkish company, Assystem Envy, that was not already owned by the Group.

After deducting an income tax expense of €2.6 million (versus €4.5 million in first-half 2019), **consolidated profit** totalled €0.5 million for the first half of 2020, compared with €14.3 million in first-half 2019.

• **Information about Expleo Group**

Revenue generated by Expleo Group came to €488.4 million in first-half 2020 compared with €544.2 million in the first six months of 2019, representing a 10.3% decrease. The full amount of this year-on-year contraction was concentrated in the second quarter, as the revenue figure for the first quarter of 2020 was slightly up on first-quarter 2019.

Expleo Group's EBITDA (excluding the IFRS 16 impact) amounted to €24.2 million for the period, representing 5.0% of its consolidated revenue, versus €47.5 million and 8.7% respectively in first-half 2019. The bulk of the first-half 2020 figure was recorded in the first quarter.

In 2019, Expleo Group generated approximately 36% of its revenue in the aeronautical sector and 30% in the automotive sector. These two sectors were badly hit by the impacts of the Covid-19 pandemic and therefore considerably reduced their business volumes with companies specialised in outsourced research and development, including Expleo Group. This is having a significant and lasting effect on Expleo Group's revenue and earnings.

To address this situation, Expleo Group has decided to restructure its operations, primarily in France. The costs of the corresponding adaptation measures had not been determined at the date on which Assystem's consolidated interim financial statements were approved for issue.

FREE CASH FLOW⁽⁶⁾ AND NET DEBT

Free cash flow for first-half 2020 totalled €21.3 million (excluding the IFRS 16 impact). Before the €29.1 million positive effect of income and payroll tax holiday schemes put in place by national governments (mainly in France), the figure was a negative €7.8 million, in line with the usual seasonal pattern of the Group's working capital requirement. Out of the overall amount of postponed tax payments, €18.8 million is payable in the second half of 2020 and the remainder in the first half of 2021.

The Group had **net debt of €45.1 million at 30 June 2020** versus €51.6 million at 31 December 2019. The €6.5 million decrease breaks down as follows:

- €(21.3) million from the first-half 2020 free cash flow⁽⁶⁾ figure;
- €8.7 million paid for acquisitions of shares (acquisition of Corporate Risks Associates and buyout of the minority interests in Assystem Envy) and purchased goodwill;
- €6.1 million in other movements, including €3.6 million for purchases of Assystem shares.

SIGNIFICANT EVENTS AFTER THE REPORTING DATE

At Assystem's Annual General Meeting held on 26 June 2020, the Company's shareholders approved a dividend of €1.0 per share. This dividend payment was made on 10 July, representing a total payout of €15.0 million.

On 7 July 2020, the Group sold to its joint shareholder its 50.04% majority stake in Eurosyn Développement for €2.5 million, generating a €1.9 million net-of-tax disposal gain. Eurosyn Développement was classified in Assystem's "Other" category of businesses and contributed the entire amount of that category's revenue in 2019 and first-half 2020. It has been deconsolidated since 1 July 2020.

⁽⁶⁾ Corresponding to net cash generated from operating activities less capital expenditure, net of disposals. Free cash flow including the IFRS 16 impact amounted to €26.7 million.

TARGETS FOR FULL-YEAR 2020 AND OUTLOOK

Assystem's targets for full-year 2020 are as follows:

- consolidated revenue of €485 million⁽⁷⁾, i.e. over €255 million generated in the second half of the year compared with €251 million in second-half 2019 (with the net impact on the period-on-period comparison caused by changes in scope of consolidation expected to be very limited).
- EBITA margin of 5.0%.

These targets do not take into account the consequences of any further national lockdowns in France due to Covid-19. They are based on current business levels and a solid order book. This order book, combined with the numerous requests for proposal received by the Group to date, offer a good outlook for 2021.

AVAILABILITY OF THE FIRST-HALF 2020 INTERIM FINANCIAL REPORT

Assystem's first-half 2020 interim financial report has been published and filed with the Autorité des Marchés Financiers (AMF) today. This report, as well as the presentation of the Group's first-half 2020 results, can be viewed and downloaded on Assystem's website (www.assystem.com) in the "Finance/Regulated Information" section.

2020 FINANCIAL CALENDAR

- **21 September: First-half 2020 results release – Presentation meeting on 22 September 2020 at 8.30 a.m. (CEST)**
- 27 October: Third-quarter 2020 revenue release

ABOUT ASSYSTEM

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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⁽⁷⁾ Versus €497.5 million in 2019.

APPENDICES

1/ REVENUE AND EBITA BY DIVISION

• REVENUE

In millions of euros	H1 2019	H1 2020	Total year-on-year change	Like-for-like change*
Group	246.5	229.5	-6.9%	-9.4%
Energy & Infrastructure	219.9	206.2	-6.2%	-9.0%
Staffing	22.7	20.2	-11.1%	-11.7%
Other	3.9	3.1	-	-

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

• EBITA⁽¹⁾

In millions of euros	H1 2019	% of revenue	H1 2020	% of revenue
Group	15.6	6.3%	9.4	4.1%
Energy & Infrastructure	16.4	7.5%	10.7	5.2%
Staffing	0.8	3.4%	0.2	1.2%
Holding company and Other	(1.6)	-	(1.6)	-

(1) Operating profit before non-recurring items (EBITA) including share of profit of equity-accounted investees other than Expleo Group (€0.5 million in both H1 2019 and H1 2020).

2/ CONSOLIDATED FINANCIAL STATEMENTS

• CONSOLIDATED STATEMENT OF FINANCIAL POSITION

<i>In millions of euros</i>	31 Dec. 2019	30 June 2020
ASSETS		
Goodwill	84.6	85.8
Intangible assets	12.2	15.1
Property, plant and equipment	10.5	10.7
Right-of-use assets	34.4	39.5
Investment property	1.4	1.4
Equity-accounted investees	1.0	1.3
Expleo Group shares	91.2	77.8
Expleo Group convertible bonds	111.4	116.3
Expleo Group shares and convertible bonds	202.6	194.1
Other non-current financial assets ⁽¹⁾	143.8	144.0
Deferred tax assets	4.5	5.8
Non-current assets	495.0	497.7
Trade receivables	160.8	165.3
Other receivables	30.0	32.1
Income tax receivables	1.6	0.9
Other current assets	0.5	3.3
Cash and cash equivalents ⁽²⁾	29.2	33.6
Current assets	222.1	235.2
TOTAL ASSETS	717.1	732.9
EQUITY AND LIABILITIES	31 Dec. 2019	30 June 2020
Share capital	15.7	15.7
Consolidated reserves	353.7	358.8
Profit for the period attributable to owners of the parent	27.0	0.1
Equity attributable to owners of the parent	396.4	374.6
Non-controlling interests	0.3	0.2
Total equity	396.7	374.8
Long-term debt and non-current financial liabilities ⁽²⁾	80.5	78.3
Lease liabilities	27.1	32.1
Pension and other employee benefit obligations	18.4	18.7
Liabilities related to share acquisitions	4.4	-
Long-term provisions	17.2	17.3
Other non-current liabilities	0.8	-
Non-current liabilities	148.4	146.4
Short-term debt and current financial liabilities ⁽²⁾	0.3	0.4
Lease liabilities	7.7	8.0
Trade payables	32.7	31.2
Due to suppliers of non-current assets	1.2	0.5
Accrued taxes and payroll costs	95.4	118.9
Income tax liabilities	2.7	1.9
Short-term provisions	3.0	3.0
Other current liabilities	29.0	47.8
Current liabilities	172.0	211.7
TOTAL EQUITY AND LIABILITIES	717.1	732.9

(1) Including Framatome shares representing €136.7 million at 30 June 2020.

(2) Net debt totalled €45.1 million at 30 June 2020, breaking down as:

- Short- and long-term debt and current and non-current financial liabilities: €78.7 million
- Cash and cash equivalents: €33.6 million

• **CONSOLIDATED INCOME STATEMENT**

<i>In millions of euros</i>	Six months ended 30 June 2019	Six months ended 30 June 2020
Revenue	246.5	229.5
Payroll costs	(177.0)	(174.6)
Other operating income and expenses	(47.6)	(38.0)
Taxes other than on income	(0.4)	(0.6)
Depreciation, amortisation and provisions for recurring operating items, net	(6.4)	(7.4)
Operating profit before non-recurring items (EBITA)	15.1	8.9
Share of profit of equity-accounted investees	0.5	0.5
EBITA including share of profit of equity-accounted investees	15.6	9.4
Non-recurring income and expenses	(1.2)	(0.9)
Share-based payments	(0.3)	(0.6)
Operating profit	14.1	7.9
Share of profit/(loss) of Expleo Group	(0.3)	(10.5)
Income from Expleo Group convertible bonds	4.4	4.9
Net financial expense on cash and debt	(1.0)	(0.5)
Other financial income and expenses	1.6	1.3
Profit from continuing operations before tax	18.8	3.1
Income tax expense	(4.5)	(2.6)
Profit from continuing operations	14.3	0.5
Profit from discontinued operations	-	-
Consolidated profit for the period	14.3	0.5
Attributable to:		
Owners of the parent	14.1	0.1
Non-controlling interests	0.2	0.4

• CONSOLIDATED STATEMENT OF CASH FLOWS

<i>In millions of euros</i>	Six months ended 30 June 2019	Six months ended 30 June 2020
CASH FLOWS FROM OPERATING ACTIVITIES		
EBITA including share of profit of equity-accounted investees	15.6	9.4
Depreciation, amortisation and provisions for recurring operating items, net	6.4	7.4
EBITDA	22.0	16.8
Change in operating working capital requirement	(18.2)	20.4
Income tax paid	(3.2)	(3.3)
Other cash flows	(1.9)	(1.4)
Net cash generated from/(used in) operating activities	(1.3)	32.5
<i>O/w related to continuing operations</i>	(1.3)	32.5
<i>O/w related to discontinued operations</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>	(5.4)	(5.8)
<i>Proceeds from disposals of property, plant and equipment and intangible assets</i>	(5.4)	(5.8)
	-	-
Free cash flow	(6.7)	26.7
<i>O/w related to continuing operations</i>	(6.7)	26.7
<i>O/w related to discontinued operations</i>	-	-
Acquisitions of shares, net of proceeds from sales	(9.3)	(8.7)
Net cash generated from/(used in) investing activities	(14.7)	(14.5)
<i>O/w related to continuing operations</i>	(14.7)	(14.5)
<i>O/w related to discontinued operations</i>	-	-
CASH FLOWS FROM FINANCING ACTIVITIES		
Net financial income received/(expenses paid)	(0.9)	(1.1)
Proceeds from new borrowings	24.0	-
Repayments of borrowings and movements in other financial liabilities	-	(2.2)
Repayments of lease liabilities*	(4.6)	(5.4)
Dividends paid	(16.3)	(1.0)
Other movements in equity of the parent company	0.5	(3.6)
Net cash generated from/(used in) financing activities	2.7	(13.3)
Net increase/(decrease) in cash and cash equivalents	(13.3)	4.7
Net cash and cash equivalents at beginning of period	32.1	29.2
Effect of non-monetary items and changes in exchange rates	(0.2)	(0.3)
Net increase/(decrease) in cash and cash equivalents	(13.3)	(4.7)
Net cash and cash equivalents at period-end	18.6	33.6

* Including interest paid.

3/ MOVEMENTS IN NET DEBT

<i>In millions of euros</i>		
Net debt at 31 Dec. 2019	51.6	
Free cash flow from continuing operations	(21.3)	<i>Excluding impact of IFRS 16</i>
Acquisitions of shares and purchased goodwill	8.7	
Treasury share transactions	(3.6)	
Other movements	(2.5)	<i>Including cash outflows of €1.0 million for dividends paid to minority shareholders and €1.1 million for net financial expenses paid</i>
Net debt at 30 June 2020	45.1	

4/ INFORMATION ABOUT THE COMPANY'S CAPITAL

NUMBER OF SHARES	At 31 Dec. 2019	At 31 Aug. 2020
Ordinary shares outstanding	15,668,216	15,668,216
Treasury shares	670,640	613,505
Free shares and performance shares outstanding	303,715	182,175
Weighted average number of shares outstanding	15,004,957	N/A
Weighted average number of diluted shares	15,308,672	N/A

OWNERSHIP STRUCTURE AT 31 AUGUST 2020

In %	Shares	Exercisable voting rights
HDL Development ⁽¹⁾	57.14%	73.99%
Free float ⁽²⁾	38.94%	26.01%
Treasury shares	3.92%	-

(1) HDL Development is a holding company that is 88.3%-controlled by Dominique Louis (Assystem's Chairman and Chief Executive Officer), notably through HDL, which itself holds 0.85% of Assystem's capital.

(2) Including 0.85% held by HDL.