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Building excellence



Building excellence

#1 NEWS

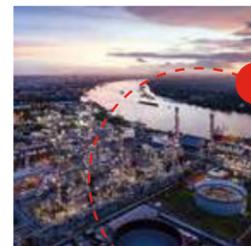
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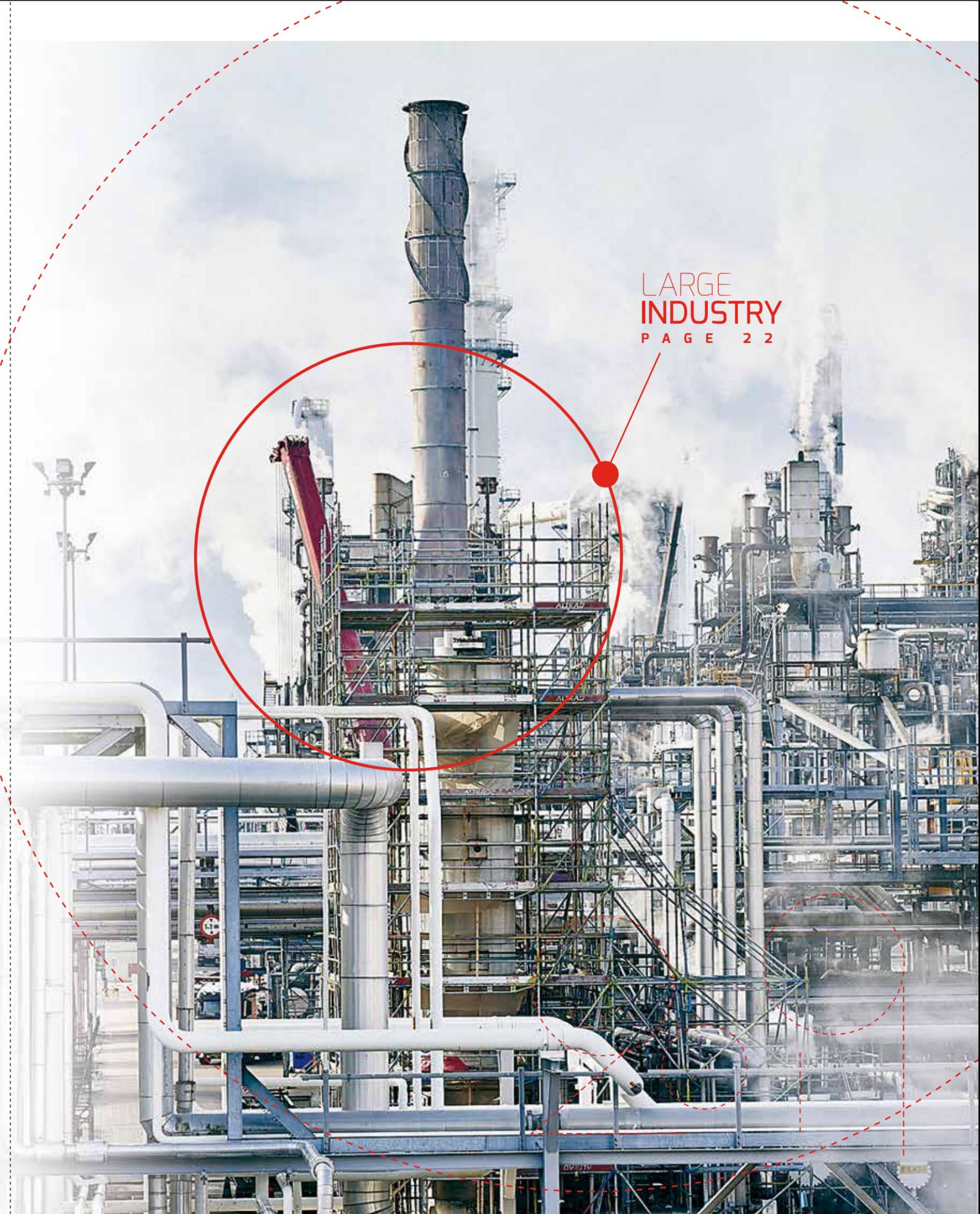
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LARGE
INDUSTRY
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KEY FINANCIALS & MAIN ACHIEVEMENTS

KEY FINANCIALS & MAIN ACHIEVEMENTS

ALTRAD HAS ACHIEVED EXCELLENT OPERATIONAL AND FINANCIAL RESULTS IN THE PAST YEAR. IT HAS CONTINUED TO FOCUS ON INTEGRATING ITS VARIOUS COMPONENTS. THE GROUP HAS REAPED THE BENEFITS OF ITS GROWTH STRATEGY THROUGH ACQUISITIONS, A PROCESS THAT HAS BEEN ESPECIALLY STRONG IN RECENT YEARS.



CONTINENTAL EUROPE

€ 1,363 m

10,565 employees



UNITED KINGDOM

€ 897 m

8,251 employees



MIDDLE EAST & CASPIAN

€ 361 m

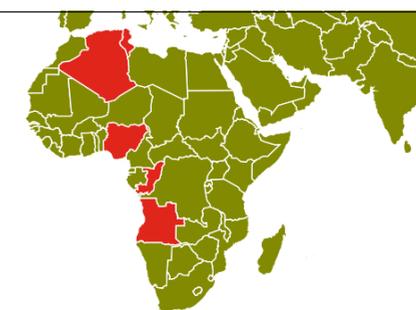
15,167 employees



PACIFIC

€ 206 m

1,233 employees



AFRICA

€ 172 m

2,412 employees



ASIA

€ 107 m

3,009 employees

KEY FINANCIALS & MAIN ACHIEVEMENTS

Altrad has achieved excellent operational and financial results in the past year. It has continued to focus on integrating its various components. The Group has reaped the benefits of its growth strategy through acquisitions, a process that has been especially strong in recent years.

Despite lower projected revenue in the budgets, and related to the two completed projects (Wheastone and Gorgon) in Australia, the EBITDA rate is up 4%.

Altrad generated 78% of revenue in Services, and 22% in Equipment, an activity that continues to perform well, supported by the good results of the construction market, particularly in Continental Europe.

The Group was able to maintain its order book for the year of € 2.3 billion, thanks to the award of important contracts.

Altrad is supported by its presence in many sectors: Oil, Gas, Electricity, Process Industries and Construction. This balance protects the Group from variations in the different sectors and generates opportunities for growth. This is a key factor that differentiates Altrad from many of its competitors.

Presence worldwide

PRESENT IN 49 COUNTRIES
OPERATING IN 100 COUNTRIES
SCAFFOLDING STOCK OF 575,000 TONNES
AT A REPLACEMENT VALUE OF €1.1 BILLION

Key financial data 2019

€ 3,105 m	Revenue
€ 462 m	Ebitda
€ 202 m	Net income
€ 981 m	Equity
€ 911 m	Cash
€ 510 m	Net debt

Human capital 2019

40,637 Employees

TURNOVER BY SEGMENT



SERVICES ORDER BOOK



Order book at the end of August 2019 covers 47% of the volume of forecast activity in the coming year.





KEY FINANCIALS & MAIN ACHIEVEMENTS

TURNOVER BY REGION



- 44 % Continental Europe
- 29 % United Kingdom
- 11 % Middle East & Caspian
- 7 % Pacific
- 6 % Africa
- 3 % Asia

TURNOVER BY INDUSTRY



30 %
Oil & Gas



35 %
Construction
& others



25 %
Process



10 %
Power
generation

THE GROUP IS CURRENTLY INVOLVED IN SOME OF THE WORLD'S LARGEST INDUSTRIAL PROJECTS.
ALTRAD WORKS WITH WORLD LEADERS IN SECTORS SUCH AS OIL, GAS, NUCLEAR, CHEMICALS AND PHARMACEUTICALS.

IFRS KEY FIGURES

TURNOVER
In € million

2019 **3,105**

2018 **3,419**

2017 **2,158**

EBITDA
In € million

2019 **462**
2018 **443**
2017 **325**

NET PROFIT
In € million

2019 **202**

2018 **201**

2017 **138**

ROI RATIO ⁽¹⁾
EBITDA / (NON CURRENT NET ASSETS + WORKING CAPITAL)
(1) return on investment

24.6 %

2019 **22.8 %**
2018 **22.8 %**
2017 **21.4 %**

CASH
In € million

2019 **911**

2018 **794**

2017 **554**

EQUITY ⁽²⁾
In € million

2019 **981**
2018 **801**
2017 **640**

(2) Including others funds from shareholders

NET DEBT
In € million

2019 **510**

2018 **678**

2017 **458**

46 % CASH CONVERSION
(FREE CASH FLOW ⁽³⁾ / EBITDA) (3) After tax

2019 **66 %**
2018 **66 %**
2017 **59 %**

1.10 NET DEBT / EBITDA
RATIO

2019 **1.10**
2018 **1.53**
2017 **1.41**

0.52 NET DEBT / EQUITY
RATIO

2019 **0.52**
2018 **0.85**
2017 **0.71**

THE PURSUIT OF EXCELLENCE

A WORD FROM THE PRESIDENT

EXCELLENCE IS THE AWARENESS OF OUR OWN LIMITS WITHOUT WHICH IT IS IMPOSSIBLE TO IMAGINE THE POSSIBILITY OF SURPASSING OURSELVES IN A CONSCIOUS AND VOLUNTARY WAY. IT IS THE KNOWLEDGE AND RECOGNITION OF WHAT WE HAVE NOT YET BECOME. IT IS PART OF A CONTINUOUS IMPROVEMENT PROCESS AND IMPLIES THE CELEBRATION OF EACH STAGE, ACCOMPLISHED BY AN INDIVIDUAL OR TEAM AT A GIVEN MOMENT OF THEIR DEVELOPMENT.



A WORD FROM THE PRESIDENT

Every life is a journey. A journey with an unknown destination. But it is sometimes possible to shape it to our standard. And our standard, at Altrad, is excellence. As Plato said when he quoted Protagoras: *"Man is the measure of all things"*. In this, he was pre-empting humanism. A movement of elevation, an ambition to push back the boundaries, excellence proceeds from humanist philosophy whereby individuals and groups are invited to fulfil their potential. At Altrad, we are therefore following the prestigious path marked out by the philosophers by stating: *"Excellence is the measure of all things"*.

How can we achieve this? By taking our inspiration from Aristotle, who reminded us that: *"Excellence is an art won by training and habituation. We are what we repeatedly do. Excellence, then, is not an act but a habit"*.

Excellence is the awareness of our own limits without which it is impossible to imagine the possibility of surpassing ourselves in a conscious and voluntary way. It is the knowledge and recognition of what we have not yet become. It is part of a continuous improvement process and implies the celebration of each stage, accomplished by an individual or team at a given moment of their development.

In the construction of our quest for excellence, we must ask ourselves three questions: What elements do we need to take into account to ensure Altrad's growth? How can we assess these elements? How can the evaluation of these elements contribute to their improvement and not be limited to a simple measurement?

To answer the first question, we have defined four categorical requirements: customer satisfaction, the Group's performance and competitiveness, safety of property and people and, finally, the growth of individuals, teams and the company.

In all these areas, we apply a continuous performance assessment policy because, as Peter Drucker so rightfully reminded us, *"what is measurable is manageable"*. And we measure both the performance of organizations and the performance of individuals.

SOMEONE'S INTELLIGENCE CAN BE MEASURED BY THE QUANTITY OF UNCERTAINTIES THAT HE CAN BEAR.

EMMANUEL KANT

Choosing what we want to measure — in this case excellence — and how we want to measure it (tools, indicators, frequency, interpretation of results...) is part of the very definition we intend to give to excellence. Measuring forces us to raise the issue of objectives, in each area.

On the strength of our assessment, we make changes within the Group in the following areas: operational excellence, social and environmental responsibility, relevance of investments, Research & Development / open innovation and matrix organization that specifically requires the creation of human and environmental value. In all cases, we reduce uncertainties by creating new ones. As Kant said, *"someone's intelligence can be measured by the quantity of uncertainties that he can bear"*.

Finally, nothing would be possible without financial excellence, which makes things possible, which liberates us from the constraints of daily life. A Medieval saying claims that *"city air makes you free"*. Today, in business, financial performance makes us free. And that freedom is the pre-requisite of excellence.

MOHED ALTRAD

A WORD FROM THE PRESIDENT

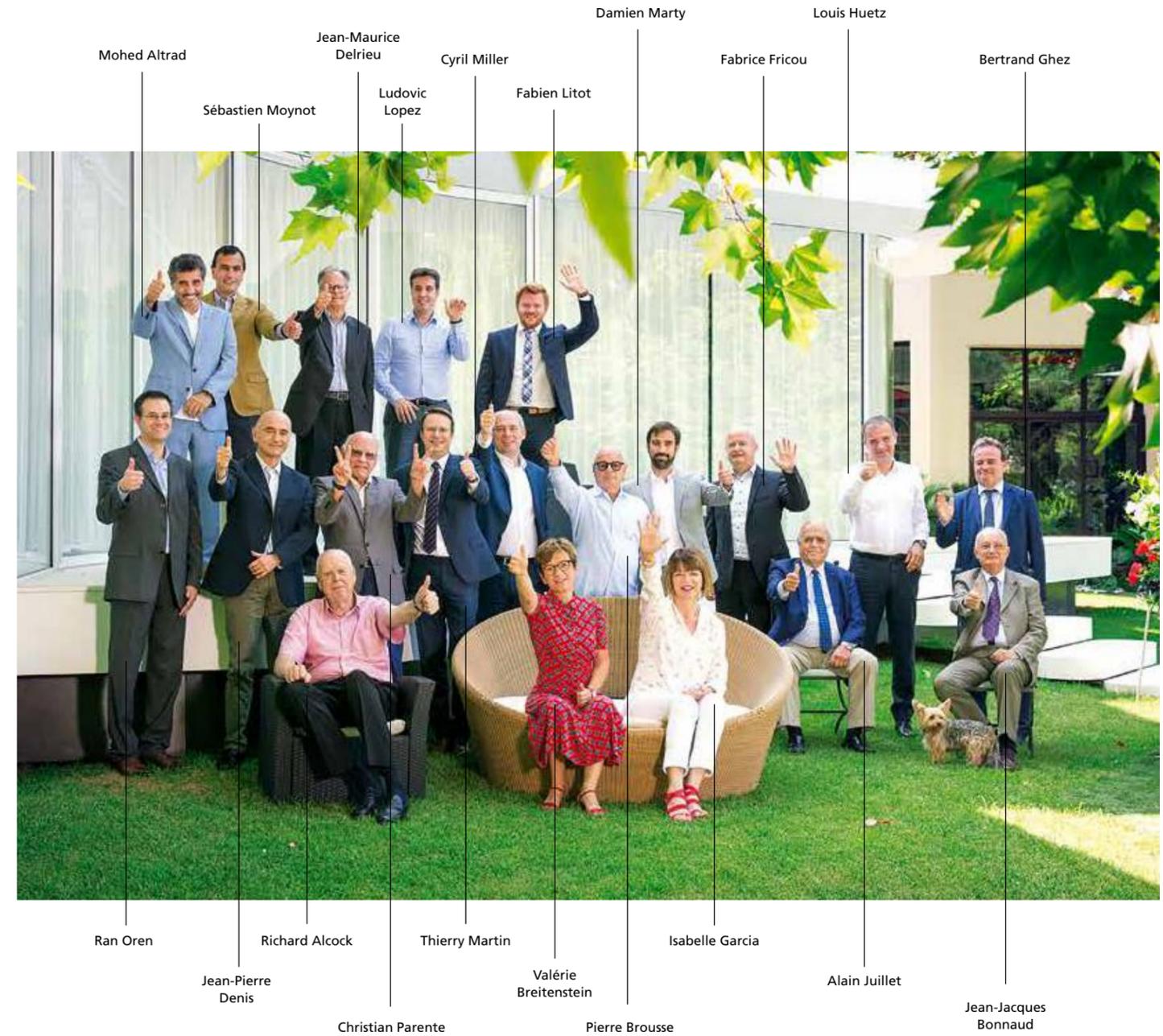


OPERATIONAL EXCELLENCE

GOVERNANCE AT ALTRAD

GOVERNANCE AT ALTRAD

ALTHOUGH THE PARENT COMPANY IS NOT LISTED ON THE STOCK EXCHANGE, ALTRAD GROUP'S COMMITMENT TO THE PRINCIPLES OF GOOD GOVERNANCE TO GUARANTEE ECONOMIC PERFORMANCE, EXEMPLARY ADMINISTRATION AND MANAGEMENT, TRUST AND TRANSPARENCY HAS LED IT TO OPT FOR A GOVERNANCE MODEL THAT RESPECTS THE PRINCIPLES OF THE AUTORITÉ DES MARCHÉS FINANCIERS (FRENCH FINANCIAL MARKETS AUTHORITY).



Mohed Altrad, Sébastien Moynot, Jean-Maurice Delrieu, Ludovic Lopez, Cyril Miller, Fabien Litot, Damien Marty, Fabrice Fricou, Louis Huetz, Bertrand Ghez, Ran Oren, Richard Alcock, Thierry Martin, Valérie Breitenstein, Isabelle Garcia, Alain Juillet, Jean-Pierre Denis, Christian Parente, Pierre Brousse, Jean-Jacques Bonnaud

THE BOARD OF DIRECTORS

7 DIRECTORS REPRESENTING SHAREHOLDERS, 5 INDEPENDENT DIRECTORS, 1 EMPLOYEE DIRECTOR, 3 OBSERVERS, 1 OVERSEER, 4 MEETINGS DURING THE 2018 /2019 FINANCIAL YEAR, AVERAGE PARTICIPATION RATE 88 %.

GOVERNANCE AT ALTRAD

Although the parent company is not listed on the stock exchange, Altrad Group's commitment to the principles of good governance to guarantee economic performance, exemplary administration and management, trust and transparency has led it to opt for a governance model that respects the principles of the Autorité des Marchés Financiers (French financial markets authority).

The foundations of this governance system are transparency of financial information, risk management in accordance with the highest standards, and ethical rules, strengthening the independence of directors in relation to the President and providing shareholders with the best information and the greatest possible visibility.

Five independent directors sit on the Board of Directors, to guarantee the objectivity of the discussions. Drawing on their experience, they contribute to the relevance of strategic decisions, particularly those relating to investment, restructuring or business takeovers.

Meetings of the Group's Board of Directors are also attended by observers and overseers who participate in deliberations without voting rights.

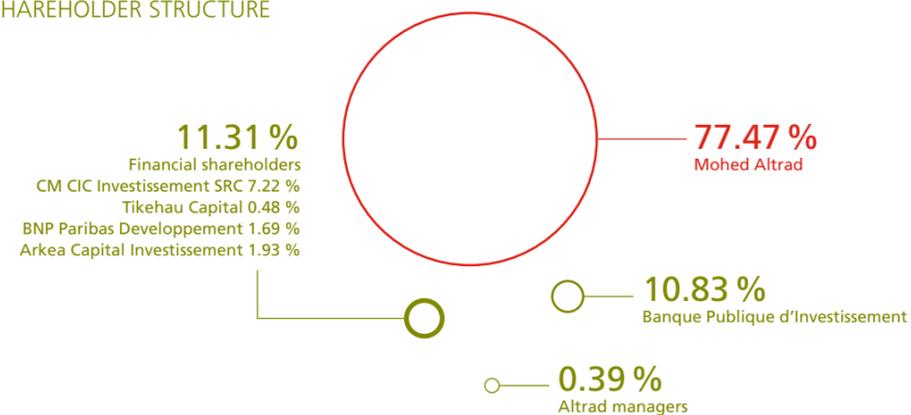
This form of governance with the participation of corporate bodies, as formalised in the Group's governance charter, is characterized by a high level of information and independence, thus enabling Altrad to make informed strategic decisions and helping to ensure the balanced development of its activities.

CAPITAL DISTRIBUTION

	In € million	Number of shares	%
Altrad shareholdings (1)	263	2,625,634	77.47
Banque Publique d'Investissement (2)	37	366,987	10.83
Financial shareholders	38	383,296	11.31
Altrad managers	1	13,286	0.39
Other shareholders	-	8	0.00
Total	339	3,389,211	100.00

(1) M. Altrad 100% (2) French State

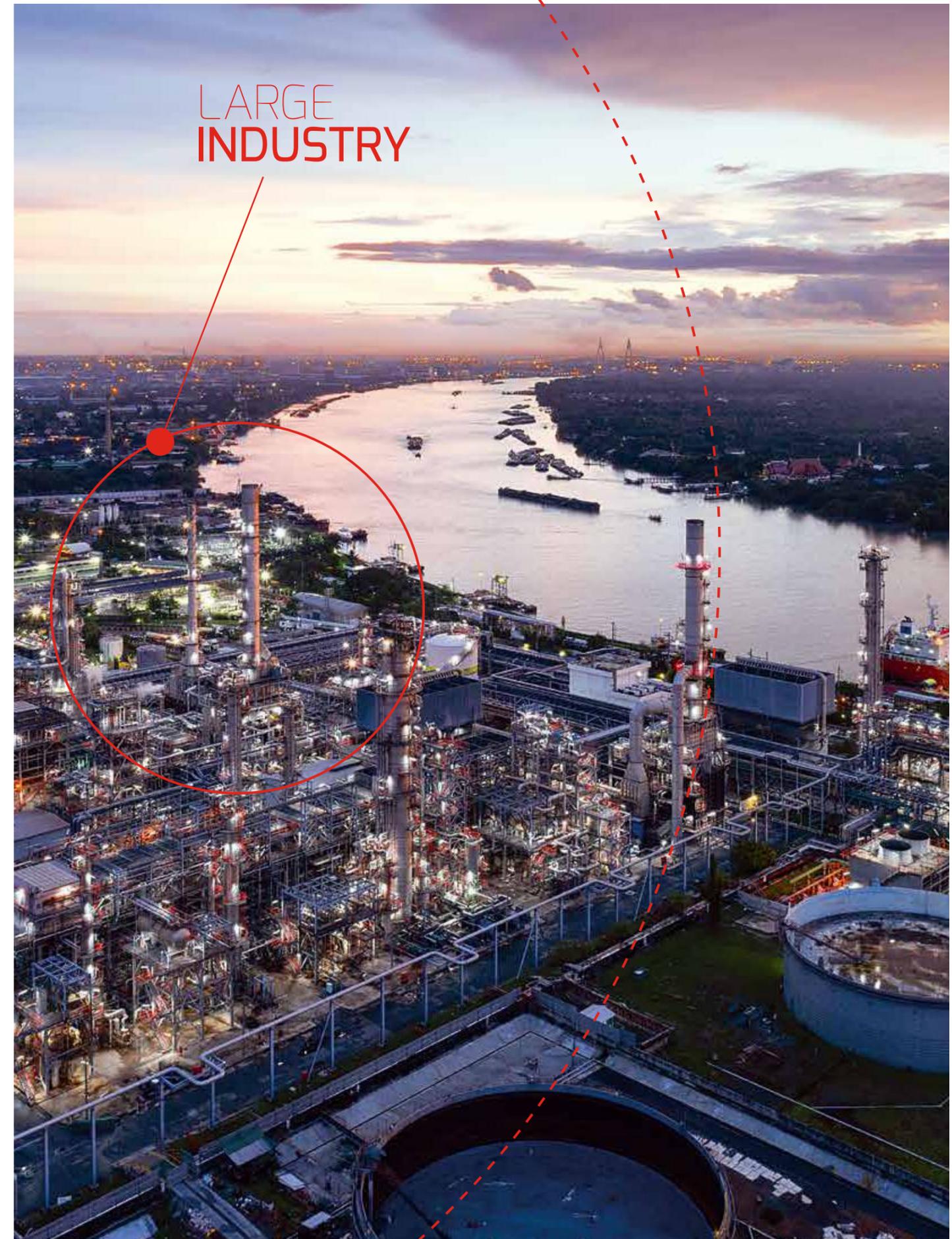
SHAREHOLDER STRUCTURE



THE WORLD LEADER IN SERVICES TO INDUSTRY

N°1 WORLD LEADER IN SERVICES TO INDUSTRY

THE ALTRAD GROUP HAS DEVELOPED ITS BUSINESSES OVER TIME: FROM EQUIPMENT MANUFACTURER, TO HIRE AND SALES. TODAY, IT GENERATES 78 % OF ITS TURNOVER IN INDUSTRIAL SERVICES FOR MAINTENANCE AND CONSTRUCTION.



TURNOVER € 3.1 BILLION
41,000 EMPLOYEES
AN ACTIVE PRESENCE
IN MORE THAN 100 COUNTRIES



GAS

OIL

ONSHORE

OFFSHORE

INDUSTRY
SHIPBUILDING

CONSTRUCTION

ALTRAD'S MARKETS

THROUGH ITS RECENT ACQUISITIONS, THE ALTRAD GROUP HAS SUCCEEDED IN ESTABLISHING ITSELF AS ONE OF THE WORLD'S LEADING GROUPS IN REGULAR INDUSTRIAL SERVICES. IT IS NOT ONLY PRESENT IN THE MOST MATURE MARKETS (CONTINENTAL EUROPE AND THE UNITED KINGDOM), BUT ALSO IN EMERGING COUNTRIES OR COUNTRIES WITH SIGNIFICANT RAW MATERIAL RESOURCES (AFRICA, ASIA, AUSTRALIA, MIDDLE EAST...). ALTRAD PROVIDES SUPPORT IN ALL THESE MARKETS TO MAJORS AND MULTINATIONALS THAT ARE LEADERS IN THEIR RESPECTIVE SECTORS: OIL & GAS, NUCLEAR, CHEMICAL, CONSTRUCTION.

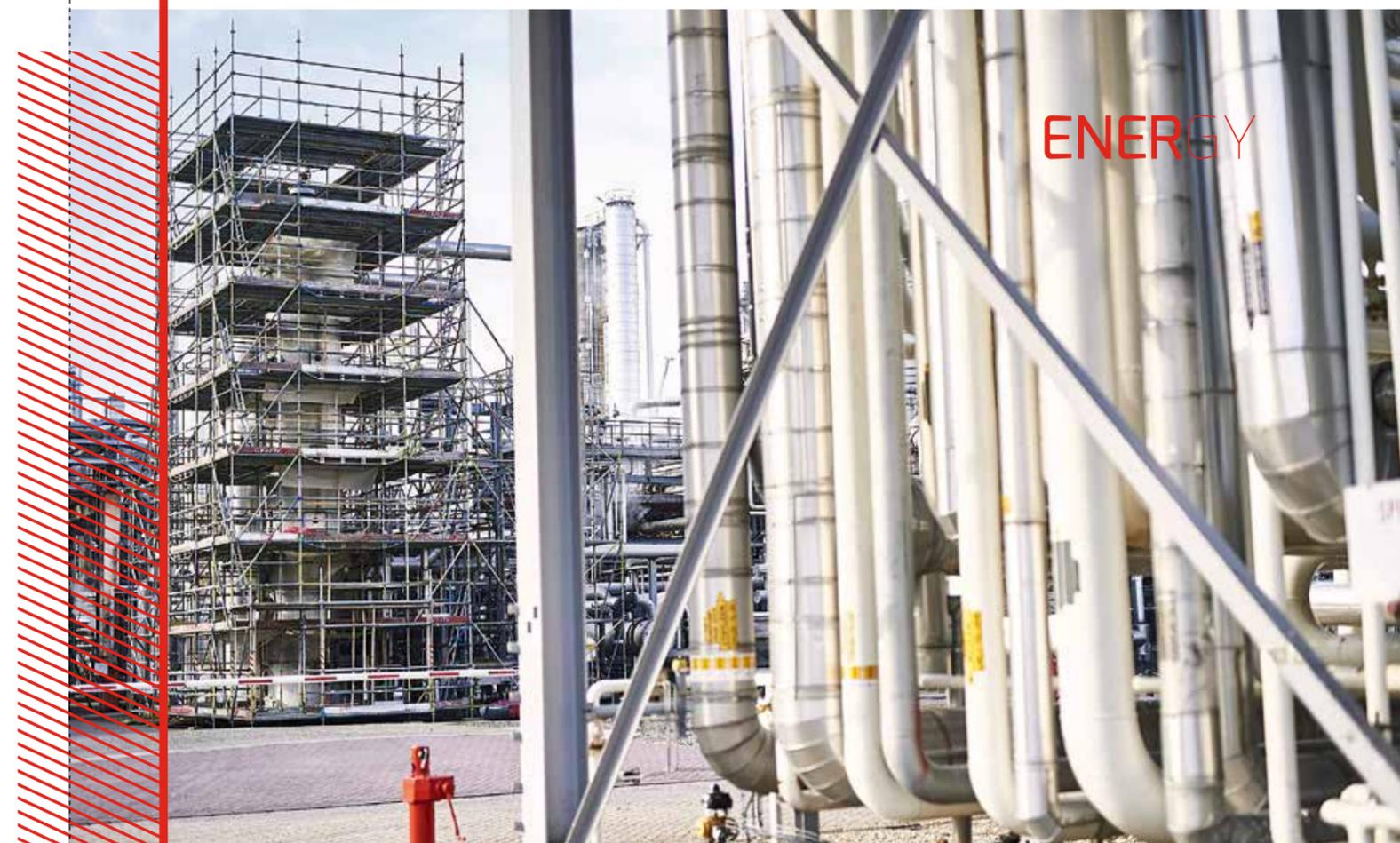
How does Altrad fit into the energy transition?

There has been a dramatic shift in power generation over the past ten years as gas power has rapidly grown its market share. This is set to continue as we see a shift away from coal and oil power plants. Further as renewables grow there is a need for the flexible power generation delivered by gas plants to maintain power generation as the capacity of wind and solar fluctuates. This significant growth in the share of gas has fuelled a global boom in LNG production, with new capacity coming on line in Australia, Asia and the US. Over the next ten years we will see further LNG plants constructed in Africa and Canada, and Altrad will be at the heart of this programme, building on a long heritage in LNG where we have been involved in the construction or maintenance of over two-thirds of the world's LNG plants.

As the world has changed, so too has the Altrad business. Whilst 20, 10 or even 5 years ago we derived significant revenue from the maintenance of coal power generation plants, in some countries such as the UK, this market has almost disappeared overnight. Altrad however reports record revenues. We have achieved this by focusing on diversification and on sustainable markets.

Whilst to some the nuclear sector is viewed with distrust, it will inevitably play an important role

As the world has changed
so too has the Altrad
business.



THE ALTRAD GROUP'S MAIN CUSTOMERS



in meeting our energy demands and a key way of reducing carbon emissions for years to come. Altrad is a major player in this market across Europe and we are now exporting this knowledge to new markets such as the United Arab Emirates.

Longer term, renewables will play an increasingly important role in meeting global electricity demands. Altrad is also developing its offering in these markets with work already underway in the offshore wind sector, where we have transferred our knowledge from working in the offshore oil & gas environment. Inevitably we will further develop in the growing wind, solar, hydro and other renewable sectors.

However despite the accelerating energy transition there will continue to be demand for products derived from natural resources. Global demand for chemicals, pharmaceuticals, aviation fuel will continue to grow and these key maintenance markets for Altrad will remain buoyant for some time. As the world becomes more conscious of environmental legacy, most industrial plants will seek to curb their emissions, modify their facilities to meet demand for new products or expand the life and this all leads to a major driver on Altrad services.

Why aren't you present in the United States and Americas?

The heritage of Altrad has been in Europe, Asia, Africa and the Middle East, and we continue to find good opportunities in these markets, so there has never been the necessity to expand into the Americas. However we are increasingly finding that our global clients are demanding that we support them in their new markets or in their traditional markets where they seek new suppliers that can bring specialist knowledge, innovation or a different business model. We are currently working on a project to establish a business in Canada to address major LNG projects that are coming in the country and it is likely that we will also enter the US in a managed way at some point in the near future.

Altrad's main customers are in the oil and gas, nuclear, shipbuilding and process industries sectors.



PROCESS INDUSTRIES

NEXT TO STRATEGIC INVESTMENTS FOR NEW PRODUCTS, THE INDUSTRY IN EUROPE WAS FOCUSED ON OPERATIONAL EXCELLENCE, ENERGY EFFICIENCY AND HIGHER PLANT AVAILABILITY. THE STRONG DEMAND TO REDUCE CO₂ EMISSIONS HAS LED TO SIGNIFICANT PLANT IMPROVEMENT PROGRAMS AND INTENSIVE MAINTENANCE AND TURNAROUND INITIATIVES.

What are the main trends in the industry?

The process industry is facing some turbulences. Difficulties in global trading and changing markets have dominated the business in the past year. Positive is the strong demand on bulk chemicals in Asia and the relative moderate prices for base materials. The market for special chemicals is constantly growing and more companies are entering into it, due to higher margins.

While the majority of investments for new plants and chemical sites is going to the Far East, significant new builds are happening in India and the US, too. The production capacity in Europe remained more or less at the level of the past year. Next to strategic investments for new products, the industry in Europe was focused on operational excellence, energy efficiency and higher plant availability. The strong demand to reduce CO₂ emissions has led to significant plant improvement programs and intensive maintenance and turnaround initiatives.



PROCESS INDUSTRIES

The key to our success is good people.

Ongoing digitalisation and the shortage of qualified resources have an impact on the way of working and the processes implemented in the industry. Owners are looking more global for industrial cooperation and alliances, optimizing the supply chain to manage the challenges of the future.

How does Altrad's service offer differ from its competitors?

Although the company has grown significantly over the past years, stability (financially and organizationally) is one of the main differences with our competitors. We are a stable and sustainable company who is global and local at the same time. A unique matrix organization, with progress units and COE's (centers of excellence), allows us to combine competence, capacity and continuous improvement for each and every client, no matter what size or location. Altrad offers industrial services on most of the process industry capitals of the world. The product portfolio of Altrad has also grown and will adapt also in the coming years to the needs of our core clients. Altrad tools and procedures are tailored to deliver predictable and repeatable high-quality service.



The key to our success is good people. With the Altrad academy we have educational-, screening- and training programs in place to find, bind and improve new and senior individuals willing to operate as part of the Altrad team and go the extra mile to achieve the set targets.

What is the impact of new technologies and digitalization on our services?

Innovation, optimization and digitalization is the only way forward. In our continuous drive to do things better today than yesterday these 3 elements are key to be fit for the future. Altrad has demonstrated over decades its innovative soul and will continue to do so in a rapid changing world.

These elements will have an effect on all the aspects of our business model: planning & scheduling, safety, training, transparency, follow-up, productivity, response time, predictability, client intimacy, partnership, asset management, tco-reduction...

As part of our business improvement processes, performance units are looking constantly into the needs and developments in the industrial sector. Altrad absolutely sees the need on digitalization and together with its central IT, the company is developing the tools to interact as well as to integrate better into the work chain of our clients, extend the life of client's investments and build a sustainable and better world.



PROCESS INDUSTRIES

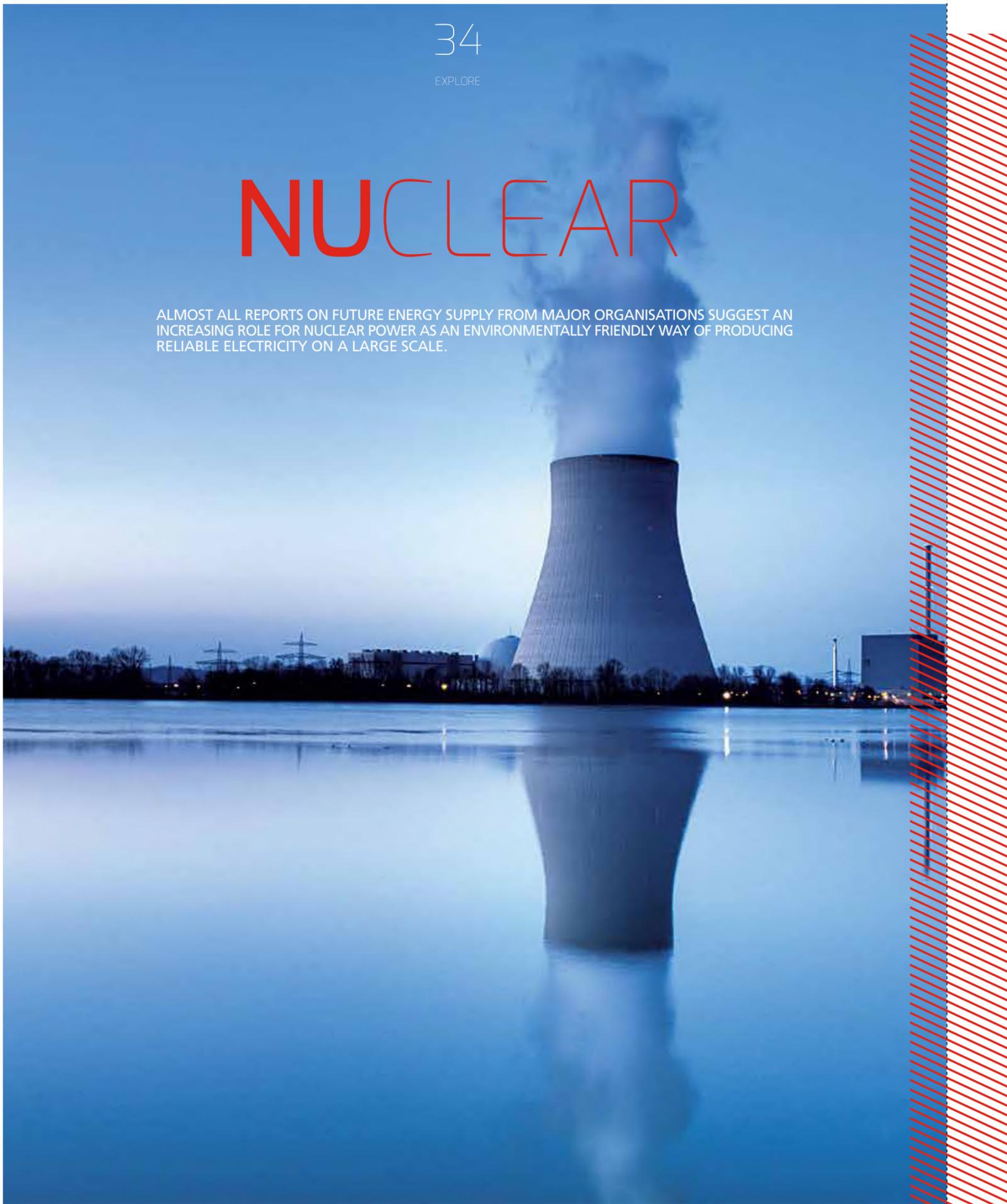


PROCESS INDUSTRIES



NUCLEAR

ALMOST ALL REPORTS ON FUTURE ENERGY SUPPLY FROM MAJOR ORGANISATIONS SUGGEST AN INCREASING ROLE FOR NUCLEAR POWER AS AN ENVIRONMENTALLY FRIENDLY WAY OF PRODUCING RELIABLE ELECTRICITY ON A LARGE SCALE.



What will be the share of nuclear energy in the energy mix in the future?

The world will need significantly increased energy supply in the future, especially cleanly-generated electricity. Electricity demand is increasing about twice as fast as overall energy use and is likely to rise by more than half to 2040. Nuclear power provides over 10% of the world's electricity, and 18% of electricity in OECD countries. Almost all reports on future energy supply from major organisations suggest an increasing role for nuclear power as an environmentally friendly way of producing reliable electricity on a large scale.

In the UK a recent government consultation paper states that the UK "will require" new nuclear and gas-fired power stations with carbon capture and storage (CCS), in order to meet its "net-zero carbon emissions" target by 2050. The UK has 15 reactors generating about 21% of its electricity but almost half of this capacity is to be retired by 2025.



NUCLEAR

The Nuclear market is long term.

In France the Programmation Pluriannuelle de l'énergie (PPE) highlights France's continued pro-nuclear stance for decades to come. After 2035, the share of nuclear in the energy mix of France will stay at about 50% and there are no stated intentions in the current draft PPE to reduce this share further. As such, this would imply that further life extensions to the existing fleet as well as construction of new reactors will be necessary.

In Belgium, there is a stated intention to close all nuclear plants in 2025, but so far a replacement strategy has not been published.

What are the main projects underway and going forward?

The UK Nuclear new build sector is looking very positive at the moment with the 3.2GW Hinkley Point C under construction and expected to be completed in 2025. Altrad have recently signed a contract as part of the MEH JV Alliance to deliver MEH phase (Mechanical, Electrical, HVAC and enabling services). There are also proposals in place to construct 2 further nuclear power stations in the UK, 3.2GW Sizewell C in Suffolk, led by EDF and backed by the Chinese state firm China General Nuclear Power



(CGN), and the 2.3GW, Chinese-led Bradwell B in Essex, which EDF has a one-third stake in.

In France, although the nuclear new build programme is not confirmed, EDF have decided to start the call for tender for the turbo alternators and the civil works for 6 EPR2 (2 + 4 in option) with projects expected to commence 2025. Construction is always ongoing on the worldwide research project for nuclear fusion, ITER located in South of France.

In France and in the UK the life extension, maintenance and decommissioning activities are very positive with strong secured orderbooks and a visible pipeline to deliver further growth.

How is the Altrad group positioned in this industry?

The Nuclear market is long term and our relationships in this sector are based on many years of trusted delivery, as we continue to work with our customers in this sector the future will provide long term opportunity for the Group. We have long-term strategic relationships with the major player such as EDF worldwide, Magnox and Sellafield Limited in UK, Orano and CEA in France, Electrabel in Belgium.

Even as old assets are reaching late life and end of life there is a continuing market in late life extension and decommissioning where the traditional competencies that Altrad subsidiaries possess, such as Insulation, Scaffolding, Asbestos removal, cold cutting, environmental cleaning and access are all required for many years beyond nuclear operation. To complete our solution portfolio, Altrad continue to innovate adding additional services such as fire proofing/caulking, pipe repair, NDT inspection and maintenance engineering to our existing range of services.



Due to our strong relationships with Nuclear customers we have visibility on how the sector is developing not only in our existing markets but across the globe with new entrants, such as Saudi taking steps towards self-sufficiency in producing atomic fuels.

What makes it win?

The Nuclear market is long term and our relationships in this sector are based on many years of trusted delivery, as we continue to work with our customers on in the full lifecycle of facilities. Our customers don't want to hear about our services, they want to have a supplier they can rely. Altrad is a proven deliverer in new build, maintenance and decommissioning phases of nuclear facilities all of which offer year on year growth opportunities for the Altrad Group.

The life of a nuclear plant is now up to 60 years, in this time regulations are updated which is a constant source of opportunity. Where Altrad can exploit

these opportunities is in being able to anticipate new solutions through our investment in R&D in not only the services that support the operating plant, e.g. fireproofing, corrosion protection and radiation protection, but also the investment in the treatment and storage of nuclear waste.

The establishment of our Nuclear Centre of Excellence leverages the Altrad Group's best practices, lessons learned and innovation developed over many years of nuclear experience on new build, maintenance and decommissioning projects. Our teams remain at the forefront of innovation, preparing us for the ever evolving future of the nuclear industry and the challenges it may pose. With the talents of our world-class people and capabilities across a wide array nuclear projects we are confident that we will continue to win in the Nuclear market.



NUCLEAR



LNG

LIQUEFIED NATURAL GAS

THE LNG CENTRE OF EXCELLENCE HAS BEEN ESTABLISHED AND IS POSITIONED TO LEVERAGE OUR GEOGRAPHICAL PRESENCE AND CAPITALIZE ON GREEN FIELD PROJECT OPPORTUNITIES THROUGHOUT THE GLOBE.



How is the Altrad Group positioned in this industry?

2019 has been a positive year for developers. The previous year saw four large LNG projects receive FID including Corpus Christi LNG T3, LNG Canada, Greater Tortue FLNG and Tango FLNG. So far 2019 has seen two long awaited and significant projects receive FID; Mozambique Anadarko LNG & Arctic LNG2. Given there are still a few months to go in 2019, we could still see, Rovuma Exxon Mozambique LNG which has just issued a LNTP (limited notice to proceed) and Qatar North Field Expansion, receive FID which equates to opportunity in the years to come.

In the medium term two additional projects are in prospective FID in the middle of 2020, Pluto 2 LNG expansion and PNG LNG. The future looks bright for LNG and based on the awards of FID which has filled the Asian yards with work, we expect 2020/21 to be a busy year for the industry, with tenders already being received by Altrad.



Current world market deliveries of LNG are 316 MTPA and there is an additional 129.7 MTPA of regasification capacity under construction as of February 2019, which gives great comfort in rising demand as this allows for additional capacity of 40% increase in possible deliveries which signals further increases in production. This increase in regasification includes capacity across several new markets, such as Bahrain, the Philippines, Russia (Kaliningrad), Ghana and Kuwait.

What makes it win?

A vibrant LNG industry, and the increased use of natural gas in general, brings great benefits to society. It improves security of electricity supply and offers opportunities to meet emissions targets and facilitate vital access to energy in diverse markets around the globe.

The Altrad strategic position across the globe and unsurpassed experience in LNG construction ensure that we offer a unique service offering; through our LNG Center of Excellence (CoE) we can complete the work in the Asian yards where most of this awarded work has recently been placed and with the same management group, complete the full delivery of services through to completion at the actual construction site when the modules arrive. We are then able to further make use of this accumulated knowledge in providing world class maintenance services, ensuring our clients significant investments are realized.

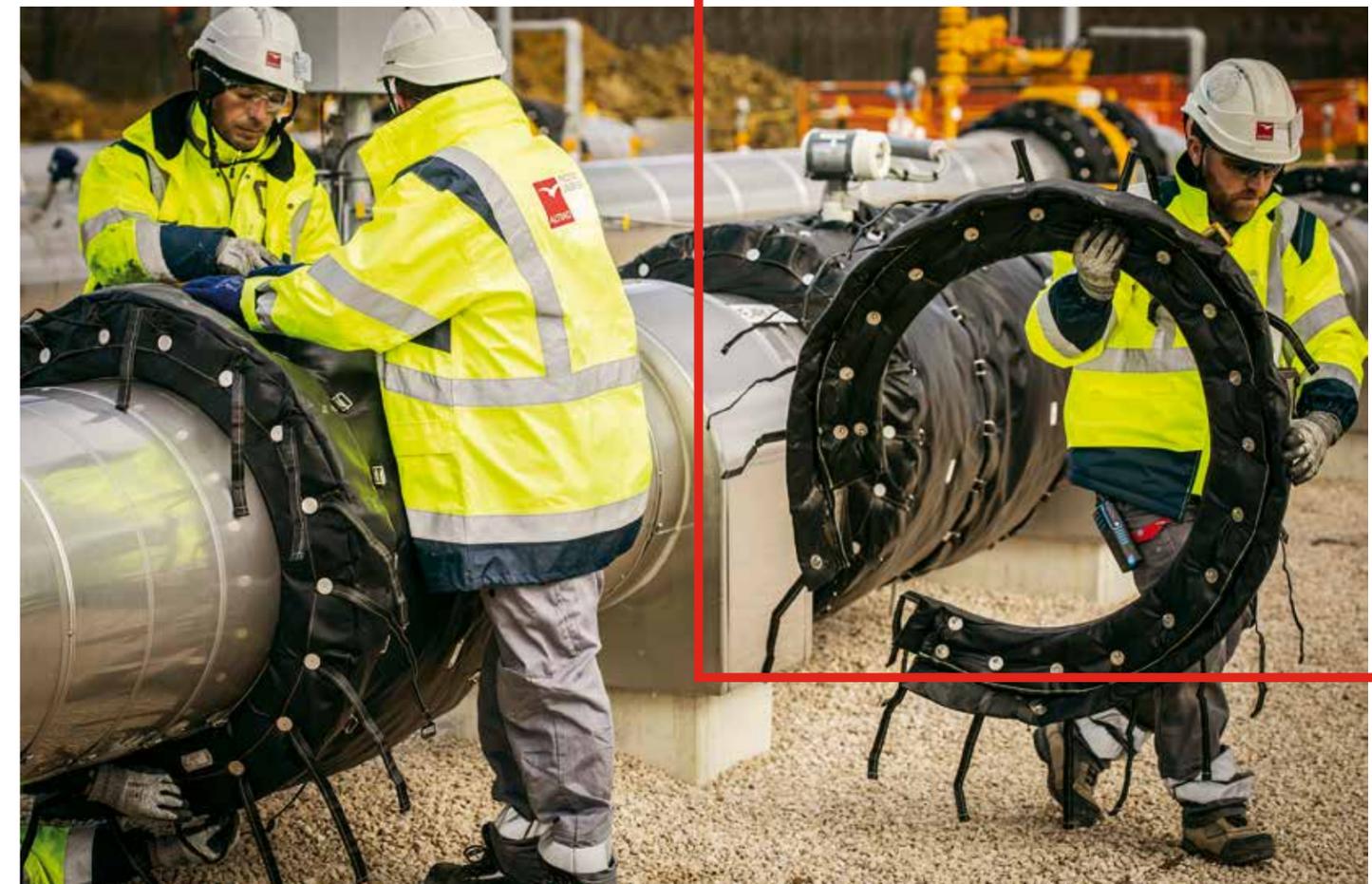
The LNG CoE has been established and is positioned to leverage our geographical presence and capitalize on Green Field project opportunities throughout the Globe.

Client benefits of Altrad LNG CoE:

- World Class delivery at all stages of the project;
- Consistency of approach and results;
- Resources, materials and logistics locally sourced to provide cost competitiveness;
- Modalized training schools set up in country to provide consistency and the replication of our unsurpassed experience and project knowledge for the upskilling of local labour;
- The use of proven management systems to positively influence successful project execution and reduce operational risk;
- Deployment of experienced key management mobilised from the CoE to any region;
- Providing clients globally with certainty of outcome;
- Ensuring lessons learnt stay within the business to benefit customers;
- Maintaining and growing important relationships to the betterment of project outcomes.

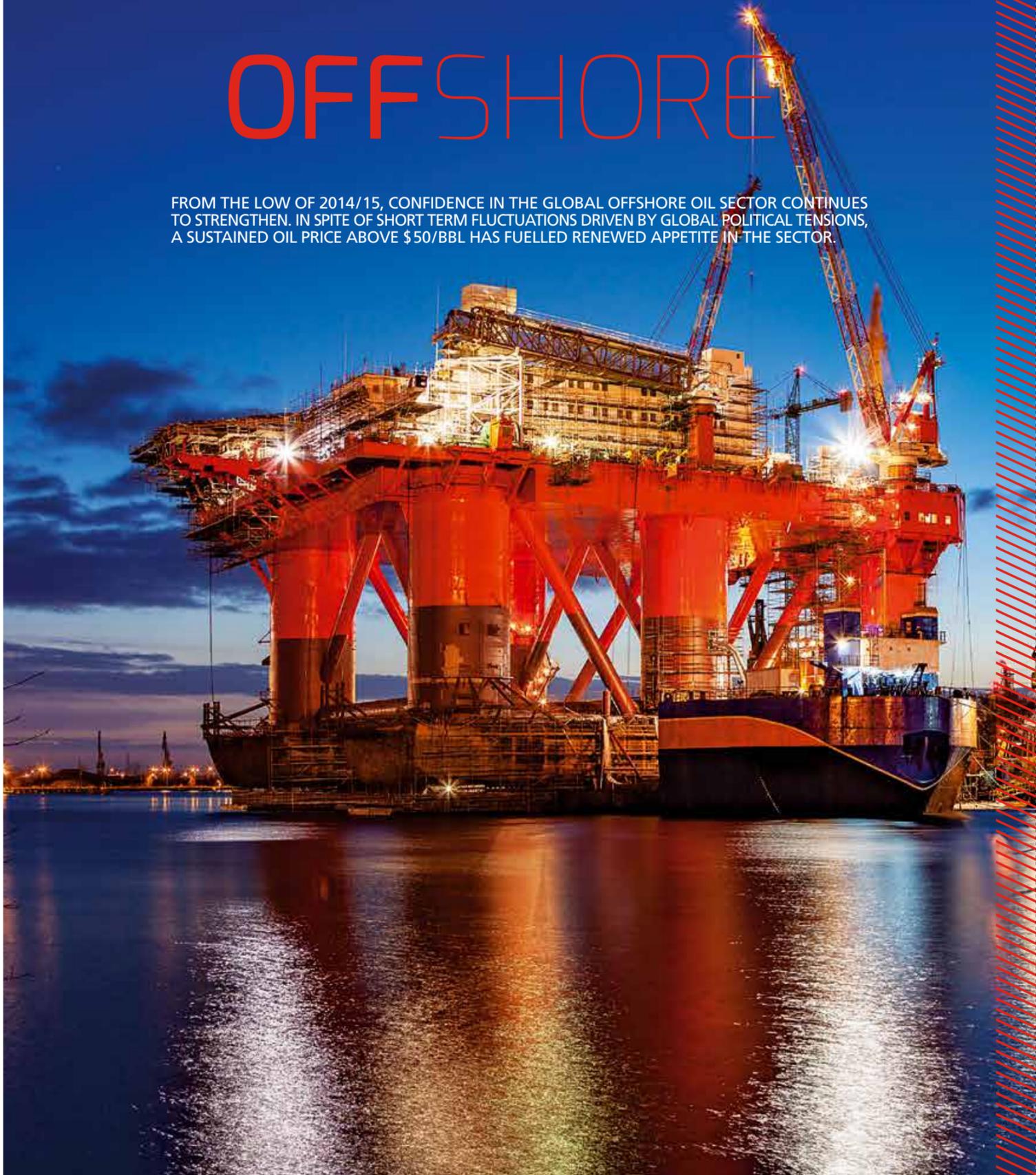
This is achieved via:

- **Centralised Project Governance:** non-negotiable imperatives that govern all project Practices from a centralised management and governance team;
- **Risk and Opportunity Management:** methodologies to specifically identify and control project risk and optimise project opportunities;
- **Consistent Approach and Delivery:** systems, delegations, tools, procedures and resources focused on excellence in project delivery;
- **Incorporation of Lessons Learnt:** ongoing capture, analysis and incorporation of lessons from previous projects in to the delivery system;
- **Stakeholder Alignment:** transparency and visibility of projects through clear and consistent reporting and communication.



OFFSHORE

FROM THE LOW OF 2014/15, CONFIDENCE IN THE GLOBAL OFFSHORE OIL SECTOR CONTINUES TO STRENGTHEN. IN SPITE OF SHORT TERM FLUCTUATIONS DRIVEN BY GLOBAL POLITICAL TENSIONS, A SUSTAINED OIL PRICE ABOVE \$50/BBL HAS FUELLED RENEWED APPETITE IN THE SECTOR.



What is the impact of fluctuations in crude oil prices on the sector?

From the low of 2014/15, confidence in the global offshore oil sector continues to strengthen. In spite of short term fluctuations driven by global political tensions, a sustained oil price above \$50 / BBL has fuelled renewed appetite in the sector. The ultimate measure of this is the level of wells drilled (exploration, appraisal and production), which is at its highest level since the global downturn. With the sustainment of the necessary production cost efficiencies, put in place during the lean period, the sector now offers good prospects for investors.

Geographies are witnessing differing investment strategies. The supermajors are increasingly exiting the mature basin such as the North Sea in favour of larger, global opportunities. Their high overhead commitments means they find it increasingly difficult to make the required returns where production



OFFSHORE



Geographies are witnessing differing investment strategies.

volumes are dwindling. In turn this has led to the emergence of the specialist, PE backed, late life operators. These smaller enterprises keep their fixed cost low and can exploit the opportunities presented whilst operating mature assets. This transfer of assets strategy has been prevalent in the Gulf for many years but is now the norm in the UK and is increasingly the case in the Norwegian sector. All of which presents opportunities for Altrad.

How has Altrad enriched its offshore services offer?

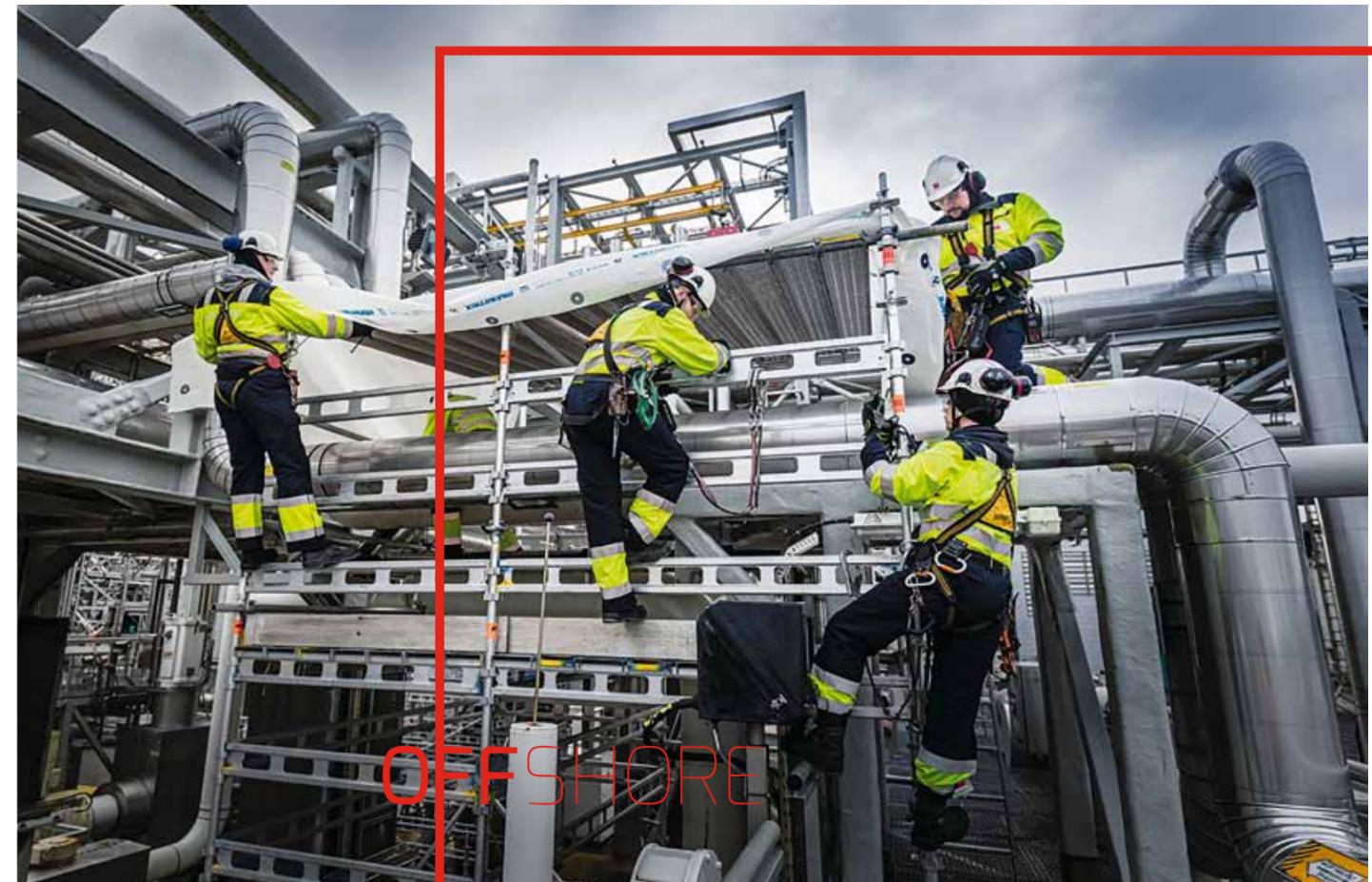
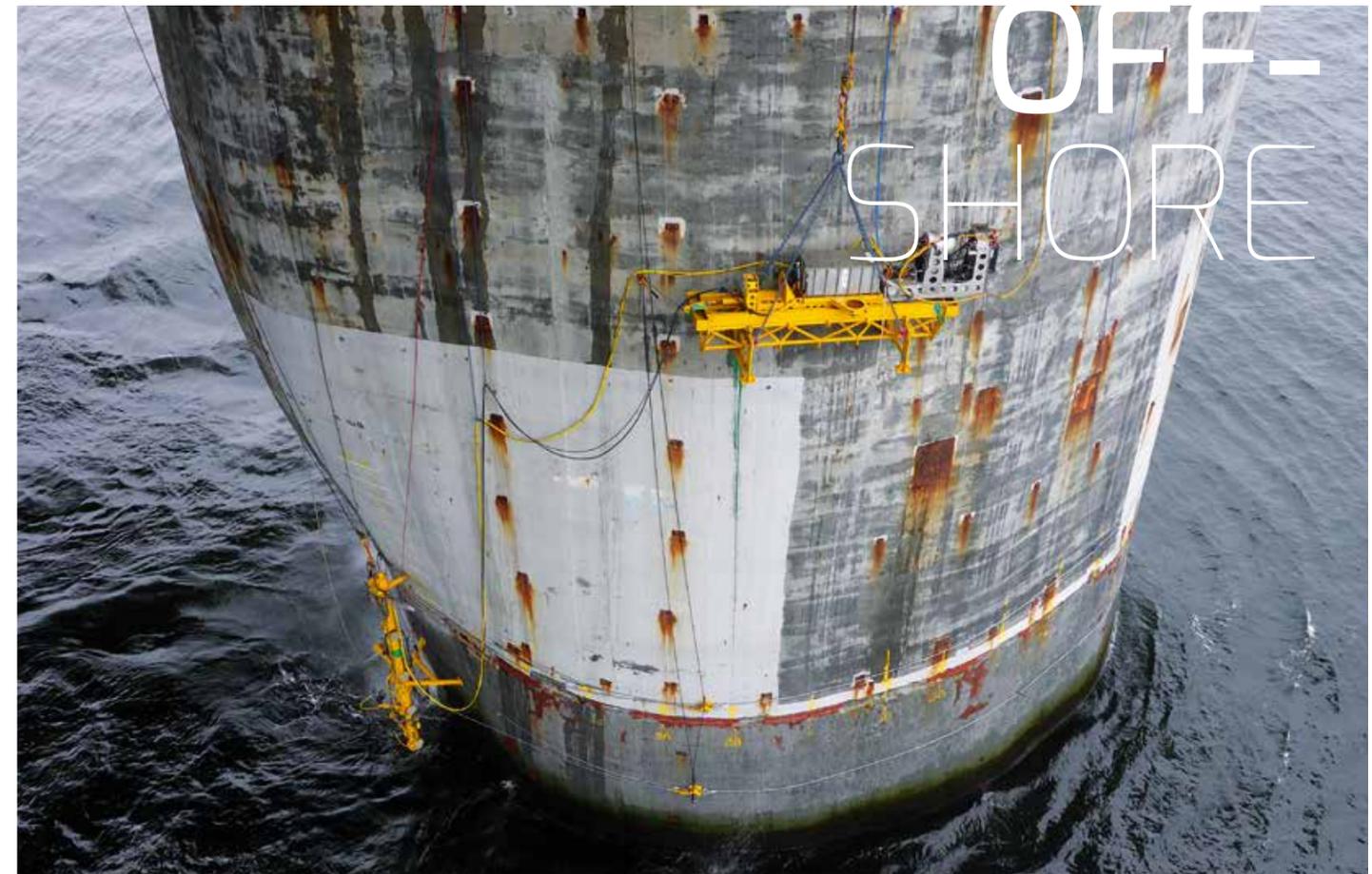
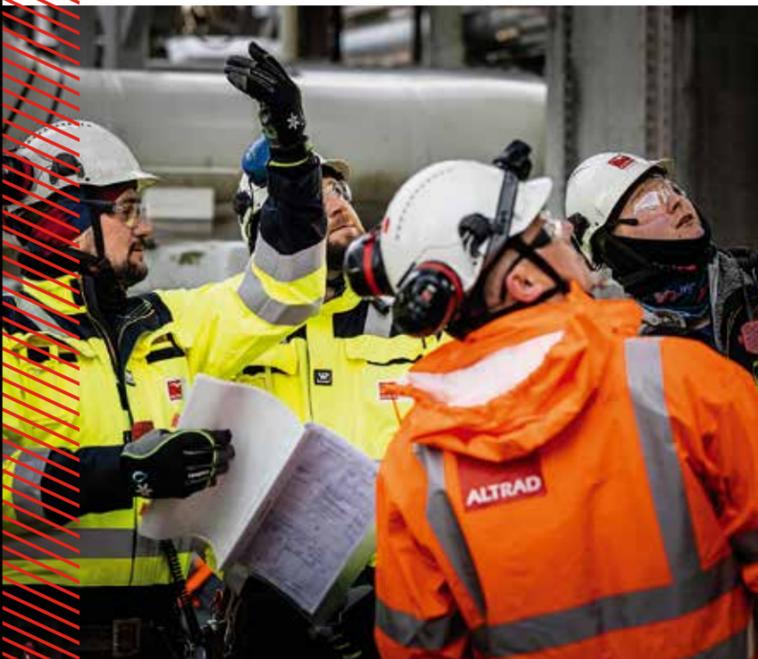
Aside from the normal Fabric Maintenance service offering, Altrad has some unique, specialist services which traditionally were only offered in selected regions. Capabilities such as on-line de-sanding of separators, torpedo cleaning of caissons and specialist environmental chemical cleaning, rope access on off shore assets and storage tank mechanical maintenance are recognised by clients as adding significant value to their businesses. In turn they provide greater returns to Altrad. During 2019, we have committed a great deal of time in engaging with more clients in a wide variety of geographies. We are now beginning to see orders for these services globally.



Digitisation is another area where the group is investing heavily. The known productivity benefits of these strategies will be just as tangible on and off shore.

What are the plans to extend beyond Altrad's traditional geographical areas of the North Sea and Gulf of Guinea?

Altrad currently provide services to Oil and Gas clients, both on and Offshore, in four of the seven continents. The business is particularly strong in Europe, the Middle East including Azerbaijan, South East Asia, Africa and Australia. As our traditional client base turn towards providing more environmental friendly energy solutions, and the offshore wind market another area where we see potential for growth.



MIDDLE EAST & NORTH AFRICA

THE ALTRAD BUSINESSES HAVE OPERATED IN THE AREA FOR OVER 40 YEARS AND HAVE VAST EXPERIENCES WITH LONG TERM LOCAL PARTNERS; THESE RELATIONSHIP PLAY A VITAL ROLE IN UNDERSTANDING THE COMPLEXITIES OF MANAGING THE REGION.

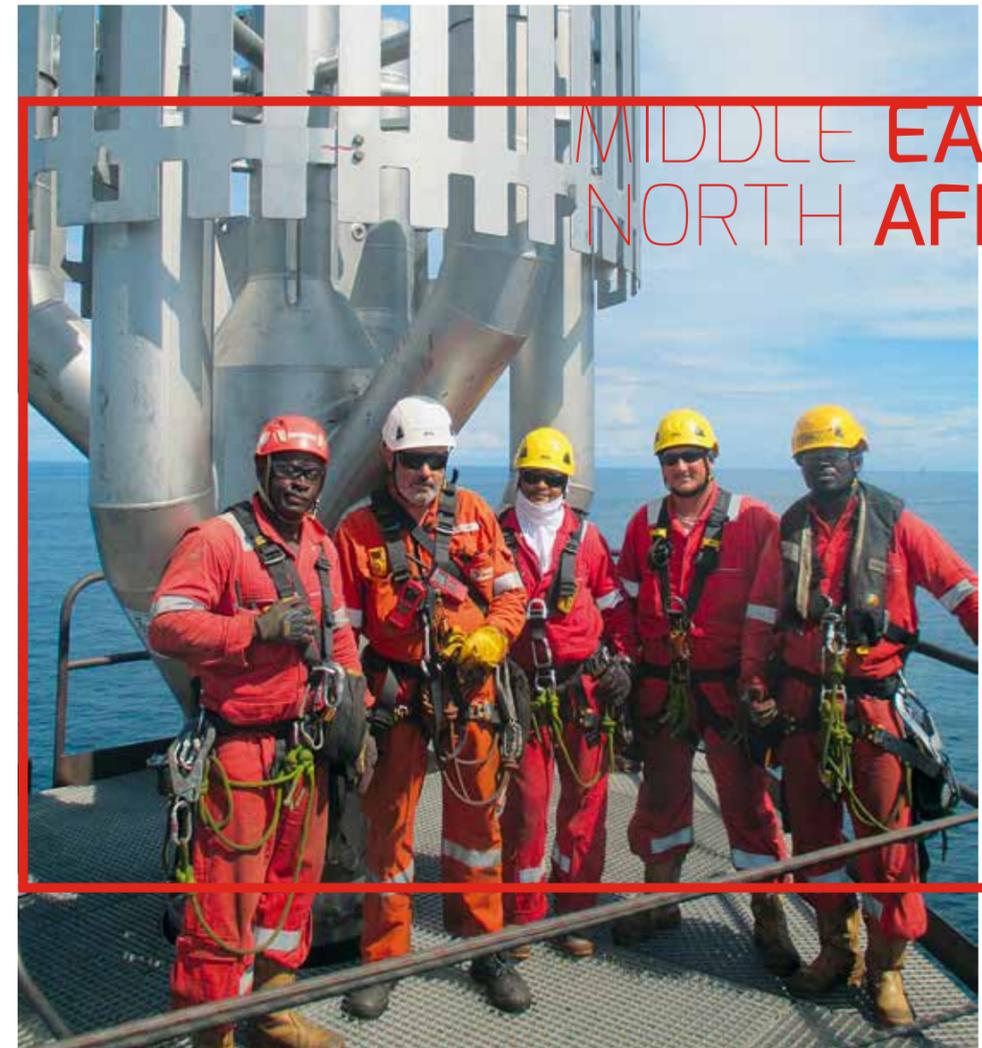
What are the significant investments planned in the region?

The Middle East and Caspian remain buoyant in terms of planned investment throughout the region. There is significant contract opportunity's within KSA with several in the final stages of an award, the Saudi ARAMCO Marjan Field Development Project, Berri Field Development project and the Jafurah Gas process facility project remain key targets for Altrad within 2020 and 2021.

We still see significant growth opportunities elsewhere across the region with the Qatar LNG expansion being fast-tracked, and also sizable volumes expected in UAE and Oman with the progression of the ADNOC "2022 Vision" and the new Dukham refinery. We have excellent visibility of the forthcoming project pipeline in Azerbaijan, and the business is well placed to support BP, SOCAR and BOS Shelf with their future workloads.



MIDDLE EAST & NORTH AFRICA



The Altrad group is well-positioned to support the anticipated upturn in activities.



How is the Altrad group positioning itself?

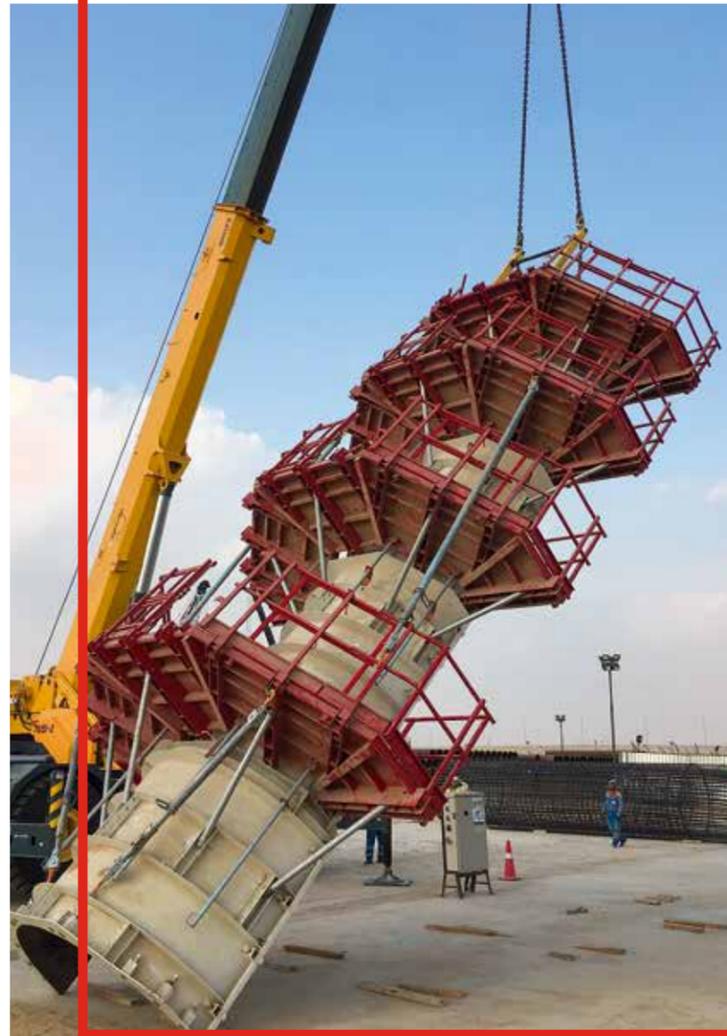
The Altrad group remains the market leader in the Middle East and Caspian and is well-positioned to support the anticipated upturn in activities. Altrad has a well-established shutdown and maintenance businesses across all territories with a significant resource and expertise. Having a presence on all the major Oil and Gas facilities allows us to have a vital understanding of the volumes of projects earmarked for the region. With a workforce of over 15,000 employees, we have the flexibility to support all the major EPC's that operate within the region and have successfully delivered major projects in the area for over 40 years.

What is the impact of political instability on our business?

The instability has so far had little impact on the Altrad activities, we still, however, maintain a close watching brief on the political and security landscape. The Altrad businesses have operated in the area for over 40 years and have vast experiences with long term local partners; these relationship play a vital role in understanding the complexities of managing the region.

What are the Altrad group's development plans in this area (Egypt, Lebanon, Iraq, Jordan...)?

The Middle East and Caspian, in general, is going through significant developments and the Altrad group are always looking to grow market share while expanding our regional footprint. Last year we focused on steadily building a business in Iraq where the teams have done an excellent job in penetrating the market. Going forward, we continue to explore growing our emerging Jordan business while exploring the potential opportunity to support the development of the East Mediterranean Gas Fields, where we have recently set up offices in Cyprus and Lebanon. Also, within the Caspian, Turkmenistan and Uzbekistan remain a watching brief for potential growth with our joint venture partner SOCAR.



MIDDLE
EAST &



NORTH
AFRICA

MIDDLE EAST &
NORTH AFRICA

EQUIPMENT

EQUIPMENT IS PART OF THE GROUP'S HISTORICAL ACTIVITIES. IT NOW REPRESENTS 22% OF ITS TURNOVER. MARGINS REMAIN WELL ORIENTED AND THERE ARE SIGNIFICANT SYNERGIES WITH THE SERVICE ACTIVITIES.

This activity is mainly European. Are there any plans to expand outside Europe?

In a generally favourable environment, Equipment (scaffolding, formwork and shoring, construction equipment and products for local authorities) recorded satisfactory results with +2.4% on the budget and +5.4% up on the previous year. Only uncertainties linked to Brexit have negatively impacted UK activities over the past six months of the year.

These concerns will continue at the start of the financial year and the forecast slowdown in the European economy will lead to a more difficult situation in FY 2020, while sales remain strongly focused on Europe.

The Group has however continued to develop sales on other continents.

Construction equipment (cement mixes, wheelbarrows, compacting equipment, etc.) are distributed



EQUIPMENT

Synergies between Services and Equipment are strengthening.

In most African and Middle Eastern countries and sales are rising on the American and Canadian markets through the British Belle subsidiary. However long-distance exports are penalized by high transport costs. External growth remains an option for stronger development in these zones.

The scaffolding, formwork and shoring activities have also met with success in the growth of export business, in particular on the Australian and Israeli markets for the German subsidiary, APA, in Chile for the Polish subsidiary, Mostostal and in Cuba for the French subsidiary, ACE. Our Sales are in fact already guaranteed in North America, South America, in a number of African and Middle Eastern markets. Expected growth on the Brazilian market should also allow these activities to grow in the largest South American country.



Here again, and namely due to major obstacles preventing access to markets, external growth through mergers and acquisitions in targeted geographic areas with major players, capable of completing the Group's range of products and services, remains a particularly appealing option to gear up our international deployment.

Organic growth by creating subsidiaries, based on the Group's experience on the Qatari market for instance, is another possible option but is time- and personnel-consuming in other ways (it is estimated that it takes between 2 and 3 years to conclude such an operation).

How does the group develop synergies between services and equipment?

Synergies between Services and Equipment are strengthening. These synergies have been traditionally high in scaffolding. They are more complicated to implement for other products (concrete mixers, wheelbarrows, etc.). The Services branch is, for example, a customer of Altrad plettac asco GmbH and they constantly discuss the product range and improvement possibilities. Beyond the customer-supplier relationship (service companies being big consumers of scaffolding) joint management of large industrial projects, for which both branches respond to calls to tender, is starting to be set up. The first milestones have in fact been positioned to make sure that the contacts of the Services branch become customers of the Equipment branch, in an inclusive logic to offer the most comprehensive service possible to the Group's customers. The teamwork set up for the construction of the Hinkley



Point nuclear plant in the UK or the wind turbine project in Fécamp are good illustrations of this. We must extend joint project management.

However much remains to be done in terms of setting up cooperation. The strong presence of subsidiaries of the Services branch on some continents — Middle East, Asia, Pacific — must act as a springboard to develop sales in those areas.

What services are related to our product range (financing solutions, planning software, after-sales, etc.)?

The Equipment branch deploys major efforts to optimize its range of services. Beyond sales, rentals, assembly, after-sales services, we are increasingly developing the management of our customers' equipment and buy-back offers and supporting our partners in the implementation of financing solutions.

The Group's entities support our customers' projects by proposing software solutions and financing options through banks.

How are you moving forward on the subject of digitization?

Digital development is a major issue. Due to its international presence and ongoing rapid transformation,

Altrad cannot afford to ignore this trend. Yet digital technology cannot replace the relationship between customer and supplier which is particularly sensitive and important, especially in B-to-B. The construction of long-term relations requires frequent exchanges and strong presence in order to win mutual trust.

Firstly, to give substance to synergies, joint software solutions are currently being set up between the Service and Equipment branches. For scaffolding, monitoring procedures have also been implemented and presented to the Group's senior management.

Local initiatives and solutions have also been rolled out: at Altrad Belle, in the UK, where an online system allows each external customer to order and pay for spare parts 24/7. Other Altrad companies can also use the same platform to place orders for spare parts. Work is currently in progress to digitize Altrad Belle's catalogue in the UK on its web portals. Several projects are actively ongoing to set up unique Altrad 3D software that performs prior scaffold assembly studies and should be integrated into our customers' BIM software.

We are also continuing to move forward in the deployment and optimization of CRM tools in paperless invoicing, improving our websites and setting up e-learning platforms.



EQUIPMENT



Innovation plays an essential role in the growth of our business and the strengthening of the Group's image.

What innovations has the group recently developed and on what new products are you currently working?

Innovation plays an essential role in the growth of our business and the strengthening of the Group's image. It is part of our genetic make-up. Several projects are ongoing.

It is necessary to state that innovation comes from each individual company but also the combination of R&D efforts by the different companies or activities (scaffolding, concrete mixer, wheelbarrow projects). For concrete mixers and wheelbarrows, there have been several innovations in the past, leaving little room for improvement (besides the optimizations implemented).

Scaffolding innovations include the launch of the Escapulus site staircase, the new lightweight modular scaffolding system, and the project for the super-light composite flooring which will be launched in 2021.

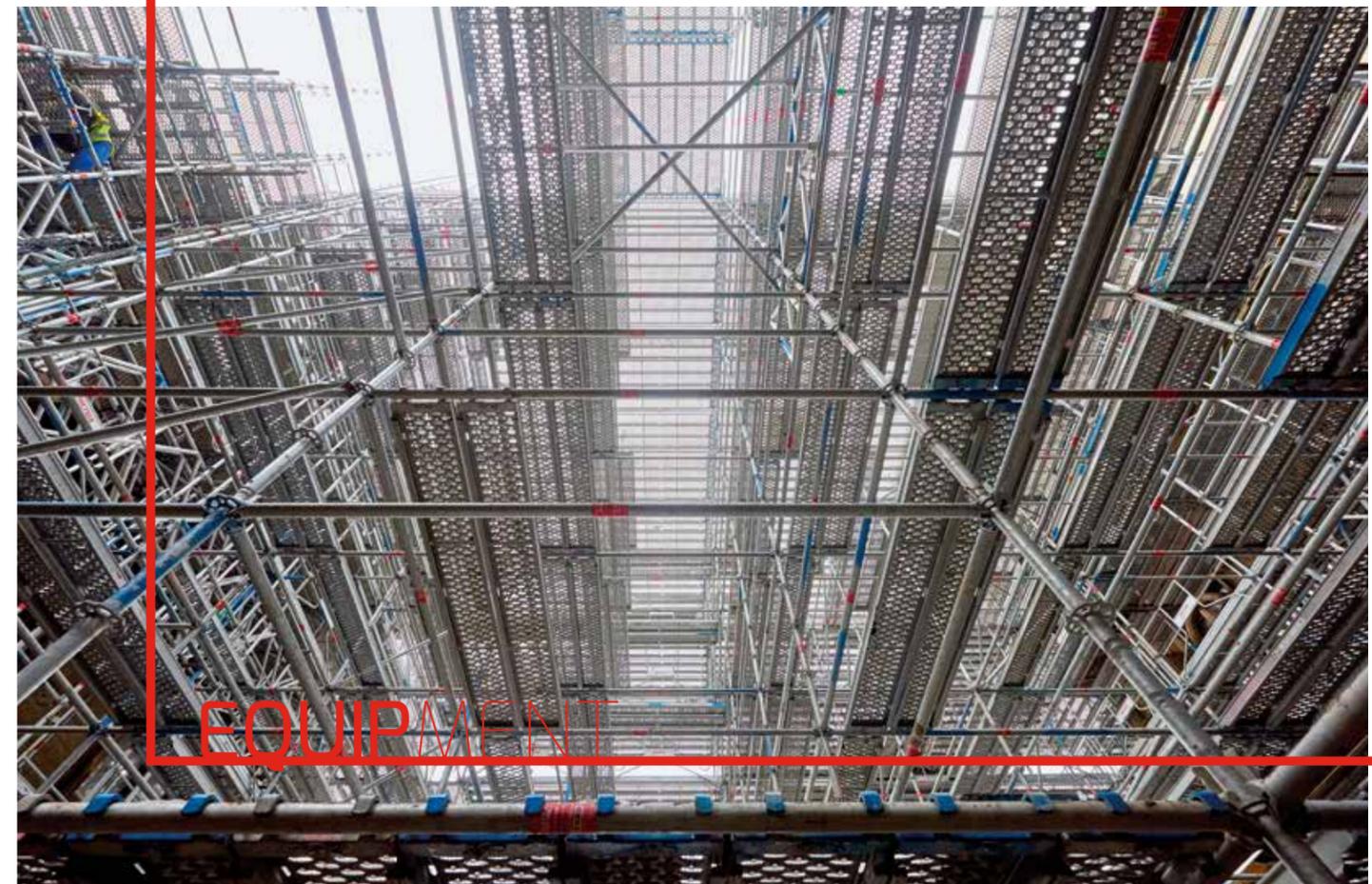
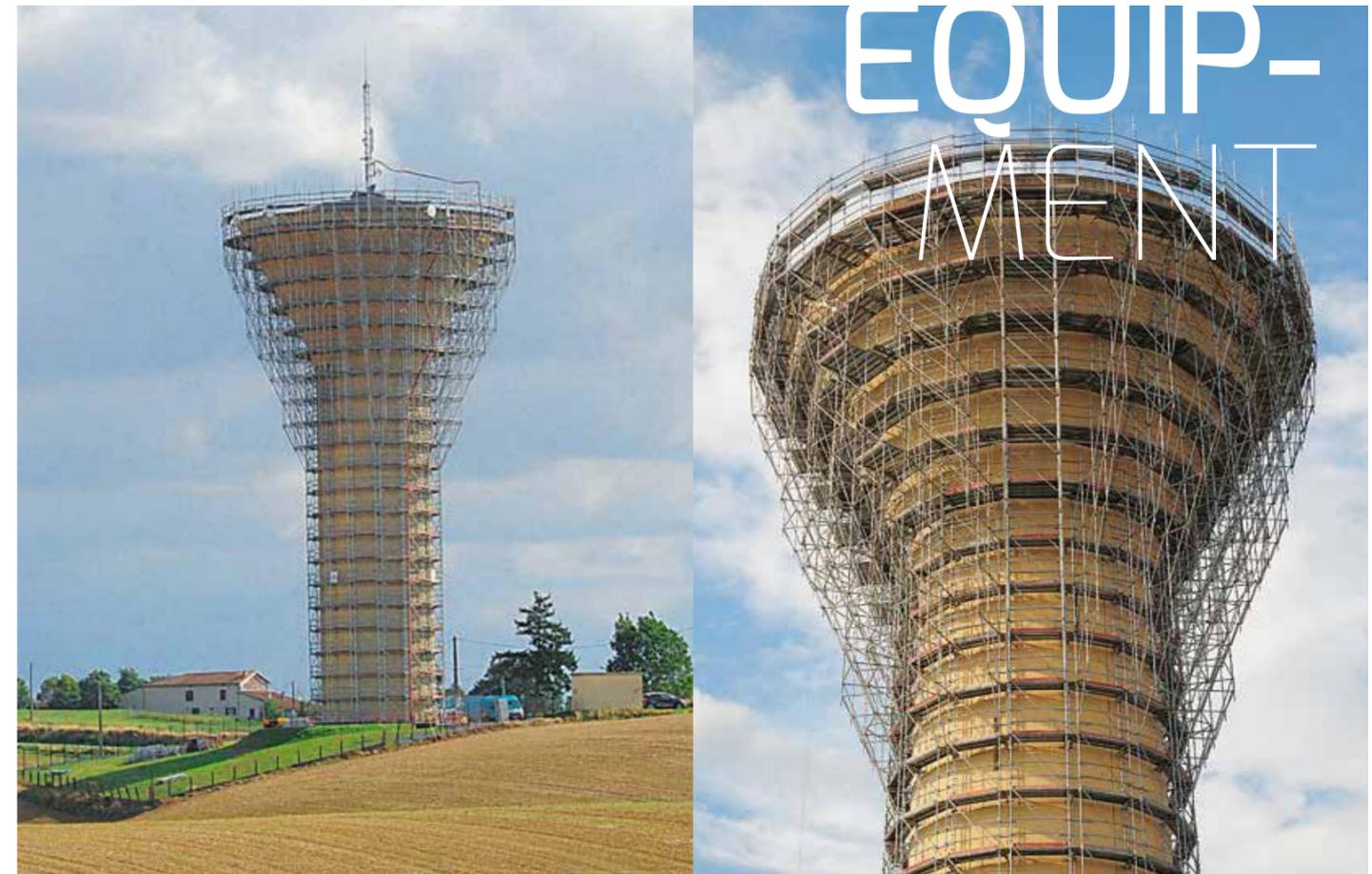


For formwork and shoring, the brand new HD320 steel shoring tower was successfully launched in early 2019 on Bouygues sites in London and Paris. A similar aluminium tower, the Altralight, is currently being developed. A patent has been filed for it and it will be previewed at the Batimat show in Paris in November 2019.

For construction equipment, products are being improved and ranges renewed. The most attractive products include the new dumper, capable of transporting one metric ton, and the new range of Belle reversible plates, launched in Spring 2019, the range of Atika wireless gardening products, which will be launched in spring 2020, and the "Mammoth Brace" and "Mini Mammoth" trench reinforcement systems, developed by Generation. Optimizing safety on our different sites remains a major priority with the implementation of action plans in the different subsidiaries supported by the HUB. Compliance with ethical values and environmental protection are also cross-cutting communication topics.

Two major projects will be embraced by subsidiary managers of the Equipment branch in 2020: the optimization of cross-selling, an additional growth factor, and the choice of the most suitable digital strategy to develop sales on internet platforms for construction equipment sales.

Innovation can in fact be completed by a smart acquisitions policy to complete the Group's current range.



ALTRAD'S STRATEGY

Loyal to the principles that have governed its own development, the Altrad Group has defined its whole strategy around the priority given to long-term value. Altrad thinks big and far. The Group has therefore set itself ambitious goals, while continuing its growth in such a way as to strengthen its solidity, growing jointly and rationally, with the constant concern to uphold respect for people and the environment.

This determination is firstly expressed by the acquisition of entities and integration of activities that allow it to cover a very wide value chain in its markets, thus ensuring simultaneous internal and external growth. Altrad's activities currently range from project engineering through to installation maintenance in such varied sectors as oil and gas, electrical energy, the environment and construction, including the production of wheelbarrows, cement mixers and scaffolding which are sold but also rented. This vertical integration gives the group more effective control of its margins. These acquisitions complete the Group's range of products and services and allow it to better anticipate and satisfy customer requirements.

The Group is also a global leader in the production of equipment dedicated to the construction market. At the same time, it now stands as a leader in industrial services, which represent 78% of its revenue (with equipment taking up the remaining 22%). It therefore draws on a vision that covers a very wide spectrum of issues and is capable of being fully useful to its customers through its full understanding and concrete, extensive and practical knowledge of their issues.

The Group is thereby ideally positioned to gradually add new services on the strength of its relationship with its customers who also expect an increasingly integrated approach: the industrial giants Altrad serves want to work with service providers capable of covering an increasingly wide range of activities, with an ever higher level of requirement, quality and safety.

The Group anticipates changes on the energy market. A certain number of hypotheses are studied to make sure that the Group is well prepared for all outcomes and can leverage and take additional opportunities from such preparation to increase its growth. We know that the energy sector will experience strong growth, mainly due to the increase in the standard of living of developing countries and emerging economies, primarily in India and China. A second defining trend is the development of LNG and renewable energy on which the Group is strongly positioned, against a background of very progressive change of the mix which leaves room for traditional energy sources.

Altrad strives to establish a culture of excellence that not only allows its employees to fully achieve their potential but the Group to fulfil its ambitions.



SERVICE

EQUIPMENT

MAINTENANCE

Altrad also protects itself from risks. Since its foundation, the Group has always aimed to offer a balanced sales mix as a safeguard from cyclical effects. As 70 % of its revenue is covered by recurring maintenance contracts, its order books shield it from market risks.

Altrad has also defended itself from economic difficulties, crises and decelerations that could weaken it by its strong international presence, in particular on its main markets of interest (Europe and North Sea, Middle East, Africa, Australia and Asia). It can thus better control any risks due to an effective geographic mix: the Altrad group is present in 49 countries and is represented in a hundred or so others.

The Group is also seeking to develop synergies between its different components and decompartmentalize them so that all their successes may benefit the whole, in line with the "One Altrad" leitmotiv. This firstly allows it to make economies of scale as part of an overall strategic concern to control costs, which is necessary to be competitive. Secondly, this is expressed by organic growth generated by crossed actions between the different subsidiaries. These synergies, for example, are already operating between the Group's Equipment and Services branches.

Altrad strives to establish a culture of excellence that not only allows its employees to fully achieve their potential but the Group to fulfil its ambitions, in particular by anticipating its customers' needs and responding to them as comprehensively as possible. The Group is therefore a player that aims to strengthen its activity. This requires ever efficient, high value-added solutions, designed in partnership with customers and taking into account innovations made by each subsidiary in order to anticipate future needs in an increasingly demanding context, namely in the technological, social and environmental areas.

Consequently, communication between the different parts of the Group has become a crucial issue. The Group's leading position is strengthened by a strategy based on solid foundations that allow it to maintain and reinforce its position in an increasingly competitive economic environment, more and more governed by technological innovation.

With this in mind, the Group has conceived the Altrad 2020 strategy at the centre of which is deployed the Business Development function, capable of making innovation and the search for performance growth drivers for the Group and bonding factors for its collective identity.

The Business Development function must thus identify new business opportunities, new processes, techniques and ideas in a collaborative spirit involving employees, customers and competitors to fuel and drive the Group's strategic orientations. Once again, the logic behind Business Development is to decompartmentalize and link up the different functions and subsidiaries within the Group while promoting growth based on the spirit of business and entrepreneurship, a culture of excellence and innovation and an ability to anticipate risks and identify opportunities.

TO SUMMARIZE ALTRAD'S STRATEGY

a vision based on sustainability, solidity and the ability to permanently reinvent itself.

70 % of Revenue comes from recurring maintenance contracts allowing the Group to secure a large proportion of its activity.

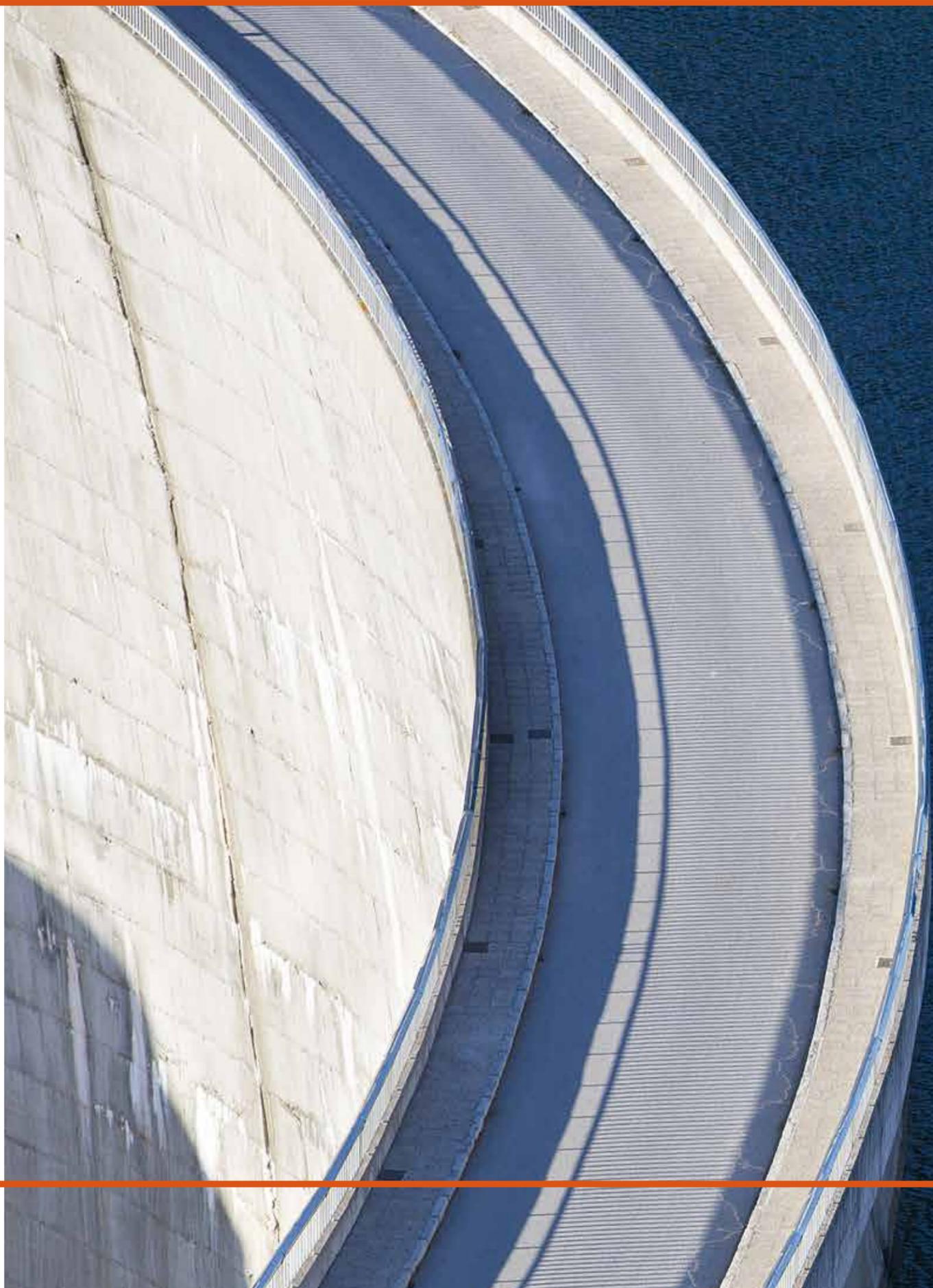
The **One Altrad** leitmotiv illustrates the determination that drives the Group to move forward together and involve all the subsidiaries and employees in the same approach focusing on innovation, synergy, sharing and dissemination of best practices.

Business Development, at the heart of the Altrad 2020 strategy, aims to anchor and consolidate the conquering spirit, initiative and innovation that is a distinctive, characteristic and fundamental characteristic of the Group's collective identity.

A **multidisciplinary and integrated** approach that focuses strongly on **innovation** and the corporate spirit to strengthen the Group's shared culture and leading position in one momentum.

Geographic, energy, and, more generally, product and service mixes protect the Group from cyclical and boom/bust effects and strengthen its position as leader.

INNOVATION



LIFE CYCLE EXTENSION

RISK MANAGEMENT

Operating in particular on sensitive industrial sites in countries with different legislative and regulatory, economic and geopolitical environments, serving the extractive, hydrocarbon and power generation industries, and employing a large number of employees, the Group has integrated risk management into its business model to reduce the impact as

much as possible in the event of an incident. In its day-to-day operations and in the design and implementation of strategy, it takes into account the risks that need to be assessed, controlled and managed to ensure the sustainability of its activities and the opportunity to continue to pursue its ambitious deployment policy.

TYPE OF RISK	DESCRIPTION	SOLUTIONS PROPOSED
Political and macro-economic environment	<ul style="list-style-type: none"> Variations in hydrocarbon prices Currency fluctuations Acts of state / political instability / war / legislative and regulatory risk. 	<ul style="list-style-type: none"> Reduced dependence on Oil & Gas (43 % of activities). Presence primarily in Maintenance (70 % of the Services business), less dependent on price variations. Plural geographical location. Contracts concluded mainly in foreign currencies.
Customer concentration	<ul style="list-style-type: none"> Impact of the loss of a client on the activity. 	<ul style="list-style-type: none"> No excessive dependence on a customer, the first customer representing less 3 % of turnover. Diversification of the type of services, markets, geographical areas. Most long-term interest-rate contracts of high renewal rate.
Information systems and cybersecurity	<ul style="list-style-type: none"> Risks of piracy. Regulatory obligations in terms of data and network protection. Obsolescence of systems. Back-up solutions. 	<ul style="list-style-type: none"> Cyber essentials certification. Patch used on IT equipment. Use of the latest antivirus and URL filters. Establishment of a procedure for validation of double payments electronic signature.
Competition	<ul style="list-style-type: none"> The scaffolding, props, shoring, concrete mixers & wheelbarrows market is subject to particularly intense competition. 	<ul style="list-style-type: none"> Strategic shift towards services to companies, through the acquisition of major groups. Continued innovation on products from the equipment division, in order to create a differentiation.

TYPE OF RISK	DESCRIPTION	SOLUTIONS PROPOSED
Raw materials	<ul style="list-style-type: none"> The Group's operations require the acquisition of raw materials such as steel, aluminium and zinc. These metals are subject to strong fluctuations. 	<ul style="list-style-type: none"> Management of forward purchases by a specialized team. Competition between producers and sellers. Contract negotiations to obtain price revision clauses from customers.
Health, safety and environment	<ul style="list-style-type: none"> Risk to reputation and commercial risk in the event of accident. 	<ul style="list-style-type: none"> Safety is an absolute priority for the Group, which has launched numerous initiatives in this field to make it a deep-rooted mind set among employees and in the company's practices and policies.
Interest and exchange rates	<ul style="list-style-type: none"> Foreign exchange and interest rate risks. 	<ul style="list-style-type: none"> The foreign exchange risk for subsidiaries is limited because cash flows are in the same currency for a given subsidiary. The majority of financial debt is at a fixed rate, with the implementation of credit hedges. Payments in Dollar or Euro are requested from customers, in countries where the currency is not convertible.
Credit	<ul style="list-style-type: none"> Counterparty risk related to commercial activities, particularly in emerging economies. 	<ul style="list-style-type: none"> Prior authorization required for opening customer accounts. Monitoring of customer ratings and their evolution. Monitoring of customer receivables and coverage amounts. Regular control of the work to be re-invoiced.
Liquidity	<ul style="list-style-type: none"> Debt repayment. Financing of the operating cycle. 	<ul style="list-style-type: none"> The Group's global debt is centralised within the holding company which negotiates financing with the subsidiaries in the medium and short term. Diversification of debt contracts. Negotiation of maturities of over 5 years and credits in fine. Maintaining a cash position in the order of 500 million euros.
External growth	<ul style="list-style-type: none"> Since its creation, the Group has made more than 100 acquisitions These acquisitions lead to significant investments requiring sustained profitability 	<ul style="list-style-type: none"> The Group maintains net debt / EBITDA ratios below 1.2. The Group has developed expertise in the acquisition of entities: Rapid generation of synergies to achieve objectives and the release of cash flow while respecting the cultures of the acquired companies. All Group managers are aware of the risks associated with growth.
Ethics	<ul style="list-style-type: none"> Risk of bribery, corruption and unethical conduct Criminal and financial penalties, reputational damage 	<ul style="list-style-type: none"> Implement a Code of Conduct. Risk mapping, training and audit of compliance processes and culture.

ALTRAD'S 5 PILLARS

1. Operational excellence

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2. Corporate Social Responsibility at Altrad

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3. Innovation

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4. Matrix organization

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5. Investment

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1. Operational excellence

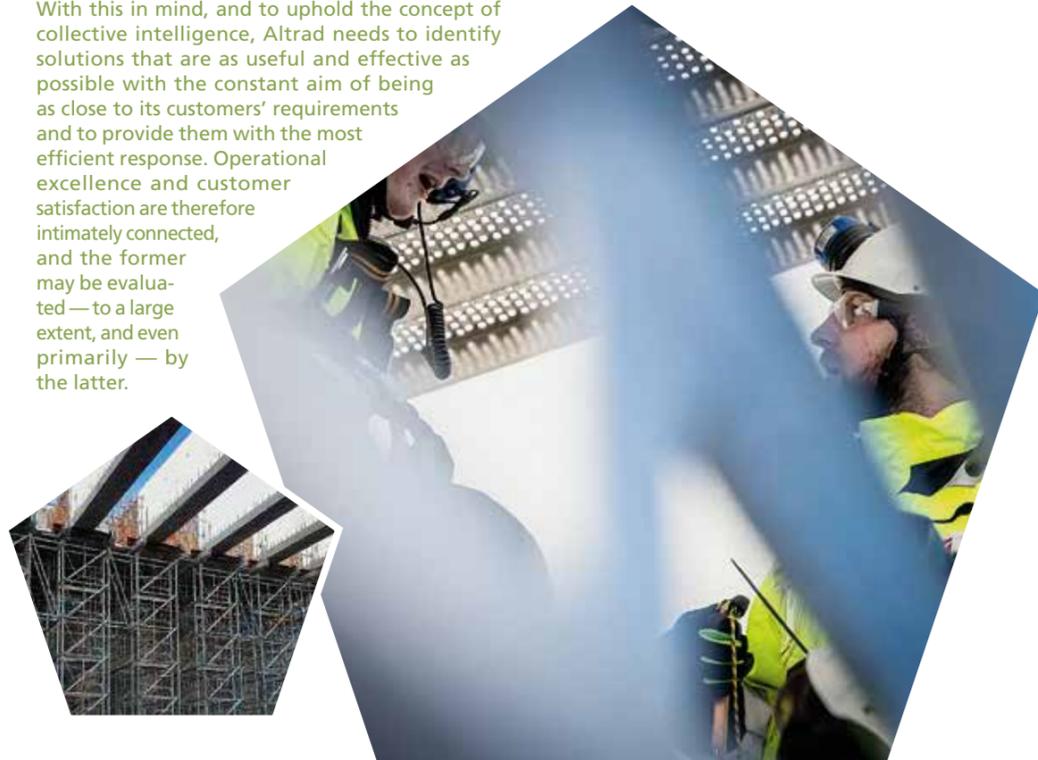
Customer requirements may be satisfied in particular by the constantly improved quality of the Group's products and services, by good value for money compared to market prices and competitors' offers or by the ability — at different levels of the value chain, in compliance with deadlines set — to regularly provide the level of services and goods that can be expected from suppliers.

In this context, the Group must always ensure a good balance between its search for operational excellence and a CSR policy that constantly strives to make a positive impact for all stakeholders, in a comprehensive, partnership-driven approach.

Operational excellence is therefore an objective claimed and pursued by the Group and is part of a more general approach to integrate the viewpoints of all stakeholders. It implies an ability to be watchful, receptive to trends and changes in the Group's market. The analysis and precise identification of risks and opportunities, the understanding of the issues facing all stakeholders, the intelligence of relations between them all and the elimination of stumbling blocks and tensions in the defined system are all stages the Group needs to process in order to achieve the objectives set.

To give substance to the One Altrad vision and to ensure strong and sustainable growth, the Group is aware that it is necessary for all its components to work together harmoniously and intelligently. The efficiency of a company indeed always depends on the ability of its employees and its customers to coordinate their action with a view to achieving common goals and finding solutions to the challenges that face them simultaneously.

With this in mind, and to uphold the concept of collective intelligence, Altrad needs to identify solutions that are as useful and effective as possible with the constant aim of being as close to its customers' requirements and to provide them with the most efficient response. Operational excellence and customer satisfaction are therefore intimately connected, and the former may be evaluated — to a large extent, and even primarily — by the latter.



“Customer requirements may be satisfied in particular by the constantly improved quality of the Group's products and services.”



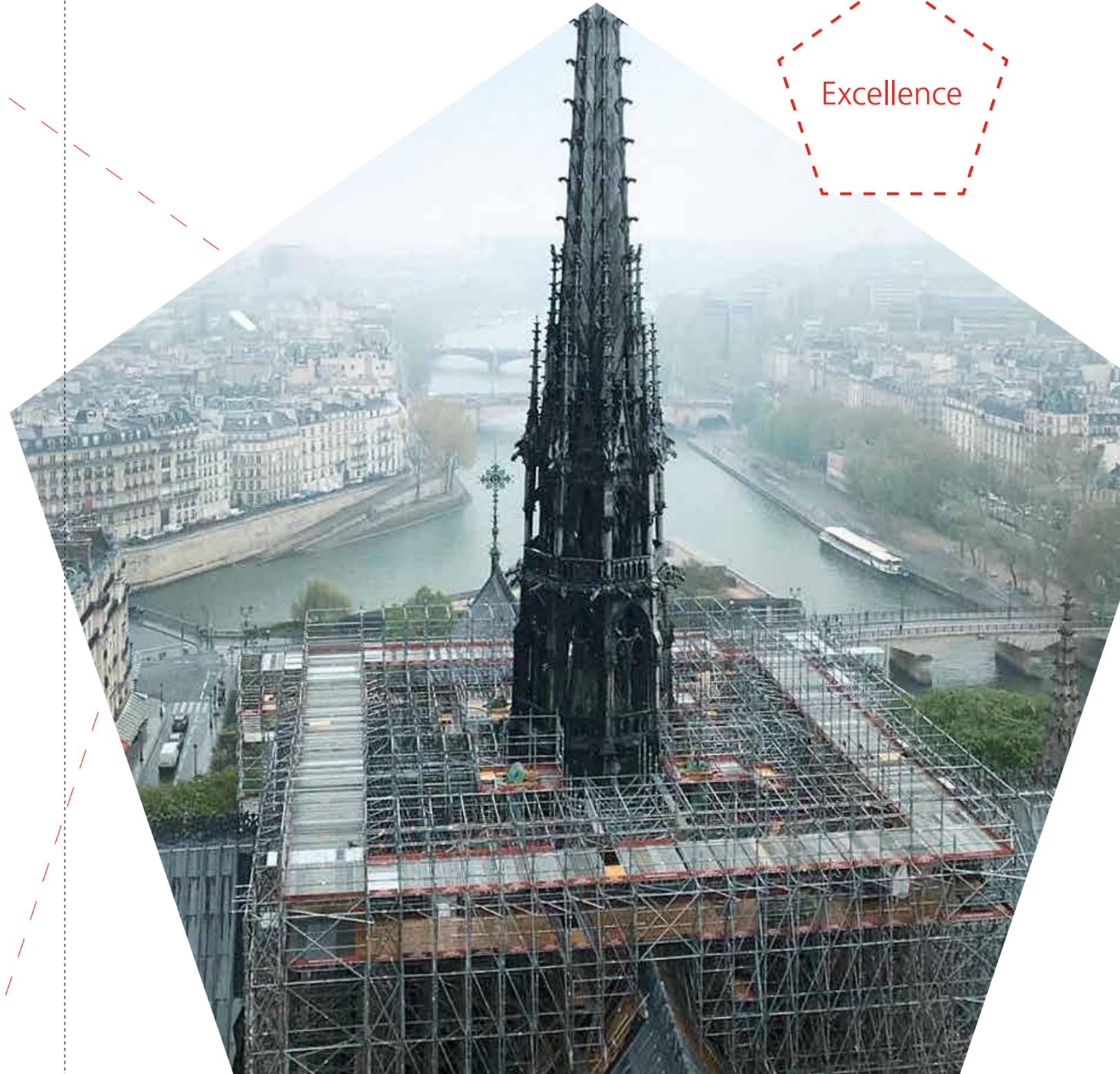
“Operational excellence is therefore an objective claimed and pursued by the Group.”



Objective



Excellence



CSR at Altrad: more than a legal obligation, a way of working.

The values and commitments that define and underpin Altrad's policies and ethics have naturally led the Group to pursue an ambitious Corporate Social Responsibility (CSR) policy.

Beyond economic performance and the culture of responsiveness, attention and excellence placed at the service of customers, Altrad is driven by the conviction that every human organization is made by and for men and women. Even more, the active contribution to

the Group's general interest is part of its culture of excellence, making its reputation, increasing its economic performance, cementing solidarity and enhancing cooperation within the Group.

Altrad's CSR approach is based on five pillars:

The development and enhancement of human capital

The Altrad business is about people. People are centric to the groups performance, reputation and success. The development of people/human capital has remained a key topic throughout 2019 and will be a key focus for the Altrad Seminar in December in Montpellier, with the ability to retain, attract and develop the best people across the globe being a priority for Group. The opportunity to enhance the skills of our teams and to work closely across geographical boundaries is recognised as a cornerstone of the Altrad Vision 2020.

Reducing the impact of the Group's activities on the environment

Altrad has implemented a series of global initiatives throughout 2019, with one in particular topic of global interest being the reduction and elimination of single use plastics. This has been championed in particular by the Middle East & Caspian business unit. The team took the decision to eliminate the use across the whole region, with a significant impact from over 15,000 employees using the strap line "what difference can one person make? said 15,000 people". The support from the teams was unprecedented as they actively sought alternatives, not just for water bottles but all food packing, cutlery, cups etc. The UAE and Oman business units embraced this further by undertaking coordinated beach cleans, with a zero plastic environment now being a reality and part of the business culture.



Altrad Fort
2820 Solar panels
Total power: 804 kW.
Yield: 717 kW/year.
±60% of total consumption/year.
Consumption: 577 kW/year.
Return to grid: 140 kW/year.

2. Corporate Social Responsibility at Altrad

"The active contribution to the Group's general interest is part of its culture of excellence."



Safety culture and risk management

It goes without saying that Altrad's ultimate priority is Safety; simply put, it is how we do business. This is a value that is shared by all Altrad Group stakeholders. We are continually enhancing the development of our safety culture, embracing and embodying the existing Altrad core values. As a Group we understand that the commitment to safety is a continuous process, and evolution of innovative programmes and techniques are paramount to the success of our safety performance.

Action to promote inclusion, education, employability and diversity

The Group is committed to promoting strong social values, with each of our subsidiaries taking proactive measures.

Within our Middle East & Caspian region we celebrate the employment of women within our Saudi Arabian business unit. The sweeping reforms within the Kingdom has allowed Altrad to embrace and support the change in womens rights and tap into what is a wealth of knowledge with the introduction of Saudi women into our business.

Elsewhere Altrad chose to support two Nepalese Charities in recognition of the critical contribution that the Nepalese community make to the Altrad Group. The Altrad Group now fully funds a Girls Refuge in Kathmandu which rescues young girls from the risks of sexual exploitation, giving them a safe and loving environment and also a high quality education. Many of these girls become valuable members of the community, aspiring to work in the health and education sectors.

In Kathmandu, Altrad work with Planete des Enfants who operate a preschool in the Gongabu district. Altrad employees have also actively supported the charity. The charity supports young children of women working in the "leisure industry" and targets breaking the cycle of exploitation and giving the women and children the opportunity to change their futures through education.

Throughout Asia-Pacific, the Middle East, Europe and Africa Altrad actively promotes social and humanitarian causes, mental health, indigenous employment opportunities and education through work and apprenticeship programmes, charitable giving and community engagement.

Scrpuous monitoring of ethical rules

Compliance with Altrad's business ethics rules is reflected in the Group's active fight against bribery and corruption (whether direct or indirect, active or passive, or consisting of a failure to prevent or report acts of corruption), both within the Group and in the conduct and practice of business and negotiations with potential customers and suppliers. The Group therefore offers all its new employees training in this area, particularly for managers, so that they can be attentive to the issue and increase their vigilance in this area. A comprehensive compliance framework has been established to promote Altrad's culture of integrity in all business conduct.



3. Innovation

For too long the industry has relied upon paper based systems in the delivery of work within high hazard environments, making teams inherently inefficient. Altrad has chosen to remove those blockers and frustrations, embracing advanced technology and create a workplace where data becomes the ally of our teams to drive contractor and customer performance, making tasks simpler to perform, easier to understand, and free up those involved in delivery to focus on the delivery of work programmes.

Over the last 12 months Altrad has continued to invest in new fit for purpose systems to enhance and simplify our operations, to ensure we embrace our digital future, with our customers. We have been providing our in-field operatives with mobile and available systems to ensure that they can scope, manage performance, capture data and all the other associated variables that take place as part of work delivery. This technology in turn is linked to newly implemented ERP systems, in order to make all relevant data available for our teams in the field, but also to our management teams in back-office environments.



Altrad has chosen to install Performance Hubs to centre this data which allows us to measure, translate and act in a productive and structured manner.

The system provides management dashboards as well as presenting data to other business dashboard tools that our clients may wish to use. These dashboards are configurable for each application and could form part of the systems and processes transformation at the start of any contract. Additionally, a key attraction to this system is its ability to offer full functionality within both mobile and office environments, meaning we are able to maximise the time our personnel are in the field managing and directing work, providing real time data, estimating work, capturing change et cetera. Altrad has the added benefit of being in the unique position of being able to ensure that all the systems are linked and talking to each other, allowing the data to flow seamlessly from a site operation which could be in the middle of the sea or at any process facility, back to a regionally based planning performance hub anywhere within the region or country.

Creating a workplace where our people and decisions can be more agile and focussed, will improve our service delivery and enrich the experience for our people and customers. Altrad's investment in digitalisation will create a more efficient operating rhythm focused on improvement and fit-for-purpose digital solutions for our clients. Furthermore, our cost efficiency will continue to evolve through innovation and digitisation resulting in greater transparency and an environment in which we can not only demonstrate but drive performance that will result in future savings and cost reductions.

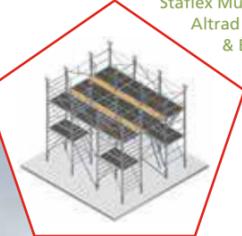


Our quest for innovation will deliver real time benefits to our customers and our employees as digitisation allows us to:

- Ensure more time is available for in-field management, i.e. keeping supervisors at the workplace longer;
- Control task order/project information in "real time";
- Improve task order/project information accessibility for in-field operations;

- Reduce data duplication realising prelims savings as a direct result;
- Provide greater connectivity between in-field operations and other project functions.

"Innovation is an instrument for anticipating customer needs."



Staflex Multidynamic,
Altrad Coffrage
& Étaisements.



Head office project, Altrad Hertel - Rotterdam.

4. Matrix organization



The Altrad Group is convinced that, to consolidate its leading position, all the values and requirements it upholds, including maintaining an innovation culture, the focus on sustainability, the robustness of the Group's activity, compliance with the principle of operational excellence and the application of a CSR policy in line with the highest standards, demand efficient Group cohesion. This implies setting up a matrix organization to allow concrete and effective cohesion of the Altrad Group, parallel to a permanent connection with customer.

Matrix organization thus means that each Group level must communicate with the others. The local level and the different subsidiaries must therefore move forward together and coordinate their ideas and action with the country and regional level, the Progress Units and central level. Managers responsible for these different levels (company managers, country or regional managers, PU managers, central business development managers) must be in constant contact with each other.

In terms of functions, by steering the organization away from silos, no longer relevant to today's economic realities, the matrix organization also provides an appropriate solution. In particular, the conventional corporate functions, through a matrix organization, are in contact with Business Development, CSR, Operational Excellence and R&D/Innovation.

Matrix organization is therefore tasked with facilitating and making the sharing of information and best practices more fluid within the different components of the Group. Due to this, a positive momentum is created in which consistency, cohesion and reactivity within the Group are not affected by Altrad's growth — even external — and actually become foundations and tools to build its collective success.



“Matrix organization is therefore tasked with facilitating and making the sharing of information and best practices more fluid within the different components of the Group.”



- Classic functions (finance, legal, sales & marketing, purchasing, logistics, IT, HR...)
- Business development
- Operational excellence
- Open R&D/innovation
- CSR

- Annual meeting
- Quaterly/biannual meeting
- - - Monthly meeting
- Frequent meetings

5. Investment

Investment is a genuine pillar of the Group's strategy and a marker of its ambition. Altrad's investment strategy expresses concerns and values that are part of its genetic make-up: determined action, desire for growth, integration of energies, consultation and sharing of information, strict selection, caution and attention paid to financial health, consistency and solidity of the whole edifice, winning new markets and extending the scope of activities, while always bearing in mind the need to be innovative, relevant and useful to anticipate and satisfy customer needs.

Altrad's investment strategy is what allowed the Group to reach its current size. It was first expressed by the rapid rate of acquisitions which helped achieve strong external growth. The size, weight and morphology of the Group have thus been radically transformed as it has become a global and multidisciplinary leader, constantly seeking new opportunities and new synergies.

In particular, the acquisitions of Hertel in 2015, Prezioso in 2016 and Cape in 2017 increased the size of the Group and represent a leap forward in terms of quality and quantity. These acquisitions are part of a confirmed movement of integration and consolidation, which has punctuated the Group's development.



The process of selecting investment opportunities follows a rigorous and collaborative method, aimed at centralizing information, ensuring close collaboration between the stakeholders and the relevance of the investment with respect to the targeted aim in order to ensure sustainability, opportunity and financial strength.

The Business Development function plays an important role in this context. It is not only present centrally (Progress Unit Business Development) but also locally through all the Group's sales network. It must maintain the Group's watchfulness in order to detect opportunities and its strength in volatile environments and sectors.

1985 Creation with the takeover of Mefran



1987 Start of equipment manufacturing for local authorities



1990-1997 Development of activities on French territory



2011-2014 Activity-based development and services in Europe



2016 Acquisition of the Prezioso Linjebygg Group (France)



1985 / Mefran / Mefran Collectivités / 1988 / Ateliers de Saint-Denis / 1993 / Mefran / Mefran Collectivités / 1997 / Mefran / Mefran Collectivités / 1998 / Mefran / Mefran Collectivités / 1999 / Mefran / Mefran Collectivités / 2000 / Spomasz / Altrad Tunisie / 2001 / Altrad Groupe Logistics / Altrad Dis / Altrad International / 2002 / Baumann / Mostostal / Altrad Baumann / Altrad Baumann / 2003 / Arnholdt / 2004 / Plettac / Plettac / 2005 / Famea ECA / Vedif / Fort / Fort Canada / Alucon / Baumann-Mostostal / Richard and Fraise Industry / Altrad Industrie / Altrad Financement, Altrad Color Evolution / 2006 / Vabor // Balliauw / Faradit / Altrad Asia / Shandong Altrad Zhongyuan Trade co / 2007 / Guy Noël / 2008 / Groupe Belle / Belle UK / Belle Poland / Belle Inc / Limex / Limex Hongrie / Limex Allemagne / Altrad / 2009 / Altrad / 2010 / Irbal / Agrimotor / AND / NSG / Hofmaning / MTD / Bragagnoli / Cor / 2011 / Trad / 2012 / Trad / 2013 / Trad / 2014 / Trad / 2015 / Hertel / 2016 / Gro / 2017 / Mu

1989 Takeover of the Ateliers de Saint-Denis (ASD) concrete mixer manufacturer



1997-2005 Development of activities in Europe



2006 Development of the service business with the takeover of Balliauw (Belgium, France, Netherlands)



2015 Acquisition of the Hertel Group (Netherlands)



2017 Acquisition of the Cape Group (United Kingdom)



The evaluation is based on several points that assess and establish the validity of an investment:

- The strategy: ensuring that the investment fits well into the subsidiary's strategy (in terms of geographical expansion, conquest and positioning on a new segment, market, etc.);
- The investment size: the opportunities most often considered are usually in excess of €50 million, but some lower investments, with high value-creating potential, may also be pursued;
- The geography: for example, to cover the activities of an existing key customer in a country where it is already present;
- The type of services: painting, scaffolding, insulation, painting, electrical, mechanics, etc.
- The type of products: light building tools or machines;
- Other criteria: compliance with and an absolute commitment to the ethical standards of the Group and compliance with the law.

STRATEGY Consistency with the strategic plans of each subsidiary (for example, geographic expansion, new segment, etc.).

SIZE Does the target require an investment of over € 50 million? (lower figures are only considered if the potential value creation justifies it).

GEOGRAPHY The Group wants to build on countries where it is already present, but following a customer into a new market can justify an investment.

SERVICE PROPOSAL Scaffolding, insulation, painting, mechanics, etc.

PRODUCT TYPE Light construction tools or machinery.

OTHER CRITERIA Understanding of and total adherence to the Group's ethical standards in accordance with the law.

These points must be reviewed to ensure that, at different levels, the investment will benefit the Group by creating a stronger, more sustainable entity, more likely to achieve growth by gaining strength, competitiveness and skills.

1. Investment logic

Relevance of the targeted acquisition with respect to the Group's strategy (acquisition of necessary skills, companies that are complementary to the Group's activities).

Points to watch:

- Timing;
- Integration of the new entity into the Group's strategy.

2. Geographical location

Opportunity to strengthen existing positioning or entry into a new territory.

3. Innovative activity

Identification of a business, service or product that may add value to the Group's portfolio of activities.

Points to watch:

- Possible synergies;
- Avoid internal competition or excessive reliance on existing activities.

4. Investment quality

Evaluation of the target and total costs of the operation through precise analysis of financial indicators (profitability, Group's financial elements, etc.).

Points to watch:

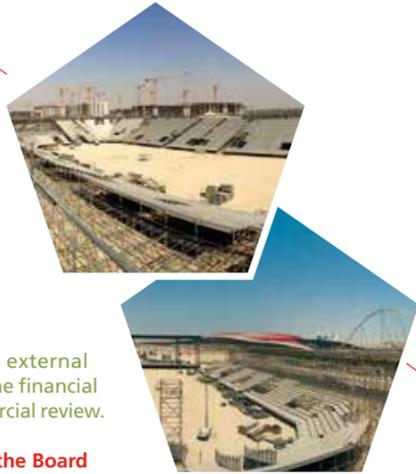
- Definition of a fair price;
- The right financial measures to reduce financial pressure (debt, cashflow, etc.).

5. Social, safety and ethical responsibility

Absolute obligation to uphold the Group's principles and legal values.



Strategy



The investment is then examined and completed through a rigorous process that must ensure smooth integration into the Altrad Group, and therefore successful integration into its value system and supportive, multidisciplinary and integrated approach.

1. Identifying the opportunity

By a subsidiary or an external source.

2. First evaluation

The decision to go ahead with the investment or not depends on preliminary selection criteria.

3. Proposal

Request for basic information and meetings with the target's management.

4. Evaluation by the holding

The proposal is presented to the President and the CEO for validation of non-binding bid.

5. Submission of the bid

The offer is made to the sellers, the main points of attention are valuation, the scope of due diligence and the timetable.

6. Agreement to terms

Signature of the final terms.

7. Due Diligence

A combination of internal and external reports particularly focusing on the financial audit, ethics, contracts and commercial review.

8. Final review and approval by the Board

The summary of due diligence, the commercial agreement with the seller and the integration plan are submitted to the Altrad Board for final approval.

9. Integration

The process to integrate the company into the Altrad Group begins.

10. Conclusion of the contract

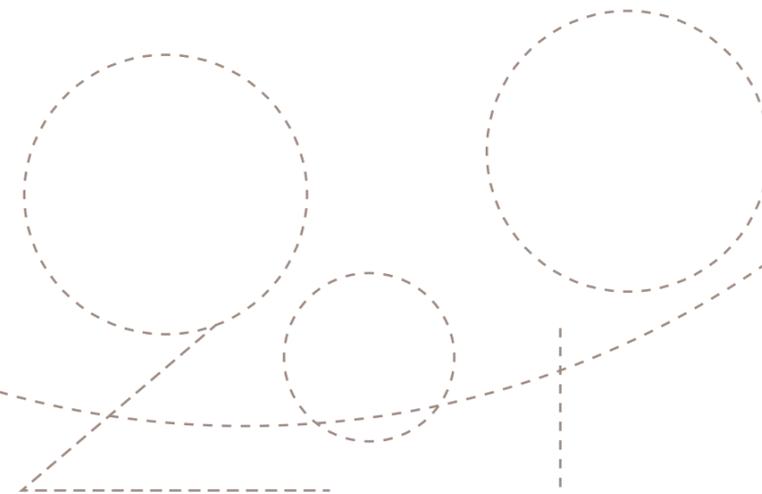
The contract is signed for the acquisition of the company.

A fundamental issue, throughout the investment process, is to allow the acquired entity to integrate the Group and make a positive contribution to its reinforcement on the human, technical, operation and economic levels. This is ensured by the successive work of the various teams.

Management of the local subsidiary	— Manager of the subsidiary and Regional Director	— Finding the opportunity — First contact with the owners of the target company — Obtaining of preliminary information
Team working on the proposal	— Central Director of Business Development — Regional Director — Progress Unit Manager	— Creation of the business case and valuation
Review committee	— President, CEO, Board of Directors	— Initial go/no-go — Validation of the possibility of presenting a non-binding offer — Valuation decision — Final Investment decision
Team in charge of the acquisition	— Central Business Development Director — Legal counsel to the Group + members of the operational and functional teams — Reporting to the Managing Director	— Implementation of Due Diligence — Negotiation of the acquisition agreement
Team in charge of integration	— Subsidiary manager — Regional Director — Progress Unit Manager — Central Business Development Director	— Preparation of the integration plan — Implementation of the plan



ALTRAD'S PERFORMANCE IN 2018 / 2019



CONSOLIDATED
PROFIT AND LOSS ACCOUNT
In € million

	Net amount 31 August 2019	Net amount 31 August 2018
Revenue from current activities	3,105.4	3,419.1
Cost of raw materials and merchandises	-601.0	-597.7
Personnel costs	-1,412.0	-1,724.6
Other external expenses	-631.5	-668.8
Depreciations and amortizations	-110.2	-96.8
Share of results of associates	0.1	4.2
Current operating profit	350.8	335.4
EBITDA*	461.5	442.6
Other revenues and expenses	-40.6	-15.9
Restructuring and underactivity costs	-25.9	-29.8
Operating profit	284.3	289.7
Cost of net financial debt	-36.2	-34.9
Other financial products & charges	-10.0	-4.3
Profit before taxes	238.1	250.5
Taxes	-33.1	-48.9
Net profit	205.0	201.6
Group net profit	201.9	201.4
Minority interests	3.1	0.2

* Including 100 % Socar Cape EBITDA.

CONSOLIDATED
CASH FLOW STATEMENT
In € million

	Net amount 31 August 2019	Net amount 31 August 2018
Net profit	205.0	201.6
Non-cash adjustments	177.9	174.7
Working capital adjustments	9.5	136.1
Net income taxes paid	-26.1	-47.7
Net cash flow from operating activities	366.3	464.7
Capex movements	-111.1	-128.7
Acquisition and disposal of subsidiaries, net of cash acquired/disposed of	7.4	-277.7
Net cash flow from investing activities	-103.7	-406.4
Dividends paid to shareholders	-30.5	-20.3
Change in loans	-69.6	226.0
Other financing activities	-46.4	-42.1
Net cash flow used in financing activities	-146.5	163.6
Net effect of currency in cash	-5.0	-23.4
Net increase in cash and cash equivalents	111.1	198.5
Cash and cash equivalents start of period	752.2	553.7
Cash and cash equivalents end of period	863.3	752.2

Key figures available on www.altrad.com

CONSOLIDATED
BALANCE SHEET, ASSETS
In € million

	Net amount 31 August 2019	Net amount 31 August 2018
NON CURRENT ASSETS		
Goodwill	1,331.7	1,336.7
Intangible assets	70.4	71.3
Tangible assets	427.8	420.9
Non-current financial assets and other non-current assets	4.7	26.4
Deferred tax assets	65.9	72.1
Total non current assets	1,900.5	1,927.4
CURRENT ASSETS		
Inventories	162.2	176.3
Trade receivables	661.5	723.4
Current taxes	6.6	10.6
Other receivables	98.3	103.3
Cash, restricted cash and cash equivalents	929.6	807.2
Total current assets	1,858.2	1,820.8
Assets held for sale	0.3	2.4
Total assets	3,759.0	3,750.6

CONSOLIDATED
BALANCE SHEET, LIABILITIES
In € million

	Net amount 31 August 2019	Net amount 31 August 2018
Total equity	868.8	705.6
Others funds from shareholders	112.6	95.5
Financial debt LT	1,228.3	1,396.1
Reserve for risks and social engagement LT	282.2	309.2
Other non current liabilities	30.7	38.1
Deferred tax liabilities	19.8	14.7
Total non current liabilities	1,673.6	1,853.6
Financial debt ST	211.1	89.1
Reserve for risks and social engagement ST	53.0	54.7
Trades payables	514.7	563.0
Others current liabilities	437.8	484.6
Total current liabilities	1,216.6	1,191.4
Total equity & liabilities	3,759.0	3,750.6

Key figures available on www.altrad.com

Altrad Investment Authority

Simplified joint stock company - With a capital of €338,921,100
Head office: 16, Avenue de la Gardie - 34510 Florensac - France - RCS BÉZIERS B 529 222 879

Auditors

Ernst & Young Audit : 1025, Rue Henri Becquerel - CS 39520 - 34961 Montpellier - cedex 2 - France
Grant Thornton : Cité Internationale - 44, Quai Charles de Gaulle - CS 60095 - 69463 Lyon - cedex 06 - France



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