

The background is a 3D-rendered abstract scene in shades of blue. It features a floor with a grid of large, slightly raised square tiles. In the background, a wall is composed of a dense, repeating pattern of smaller, raised square tiles, creating a textured, acoustic-panel-like appearance. The lighting is soft and even, highlighting the geometric forms.

Altran 2020. Ignition

OUR INDUSTRY



**AN OUTSTANDING
POTENTIAL**

ALTRAN



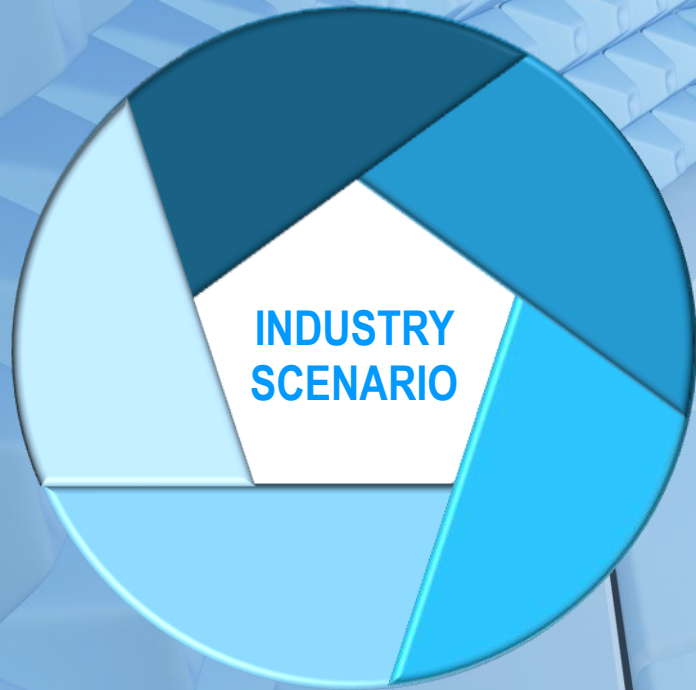
**AN UNDISPUTED
GLOBAL LEADER**

OUR 2020 COMMITMENT

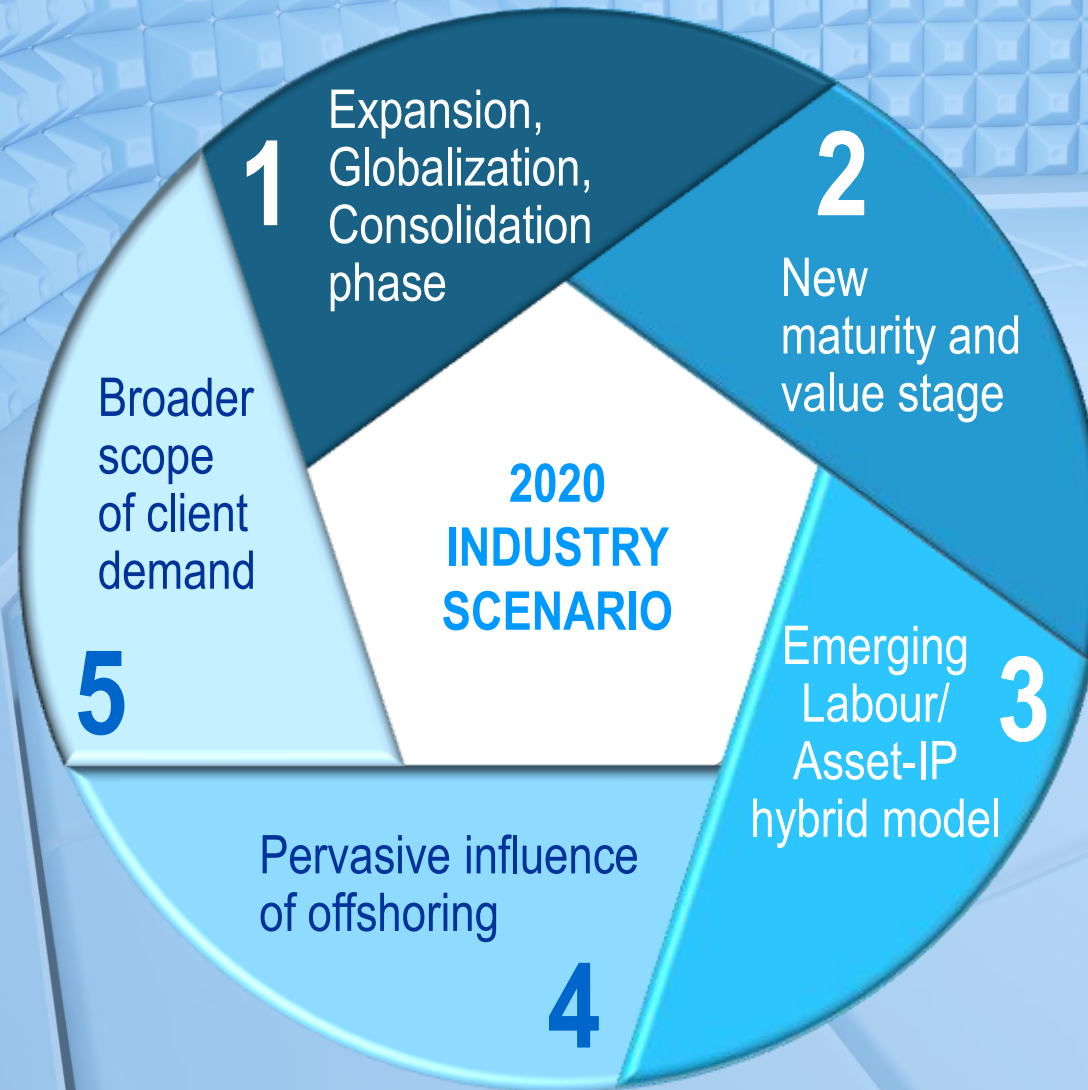


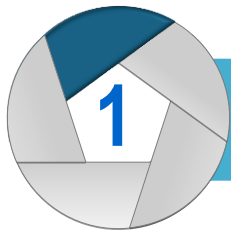
**SUPERIOR
SHAREHOLDER VALUE**

Altran 2020. Ignition



2020 industry scenario

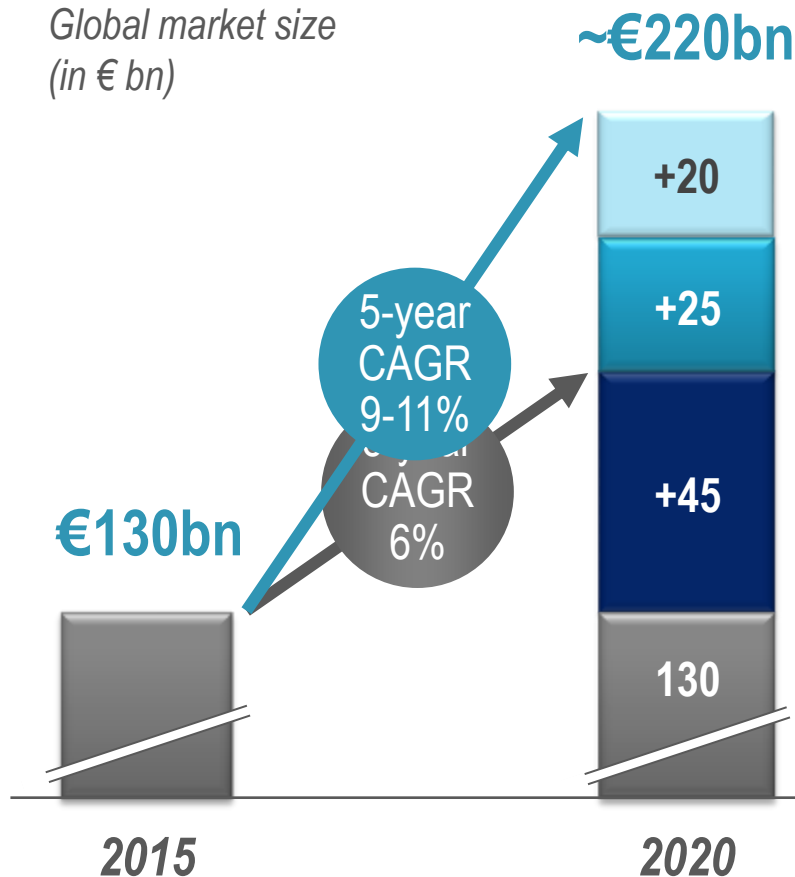




Expansion, Globalization and Consolidation phase

3 LEVERS
WILL BOOST
THE ER&D
SERVICES
INDUSTRY

Global market size
(in € bn)



GROWTH LEVERS

TRANSFORMATIONAL OUTSOURCING ACCELERATION

EXTERNALIZATION RATE INCREASE (+0.5PT P.A.)

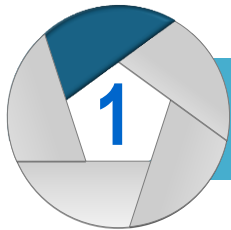
GROWTH OF THE UNDERLYING (R&D SPENDING +6% P.A.)

5-year CAGR by region:

EU: 5% - 7% (FR ~2-3%)

US: 9% - 11%

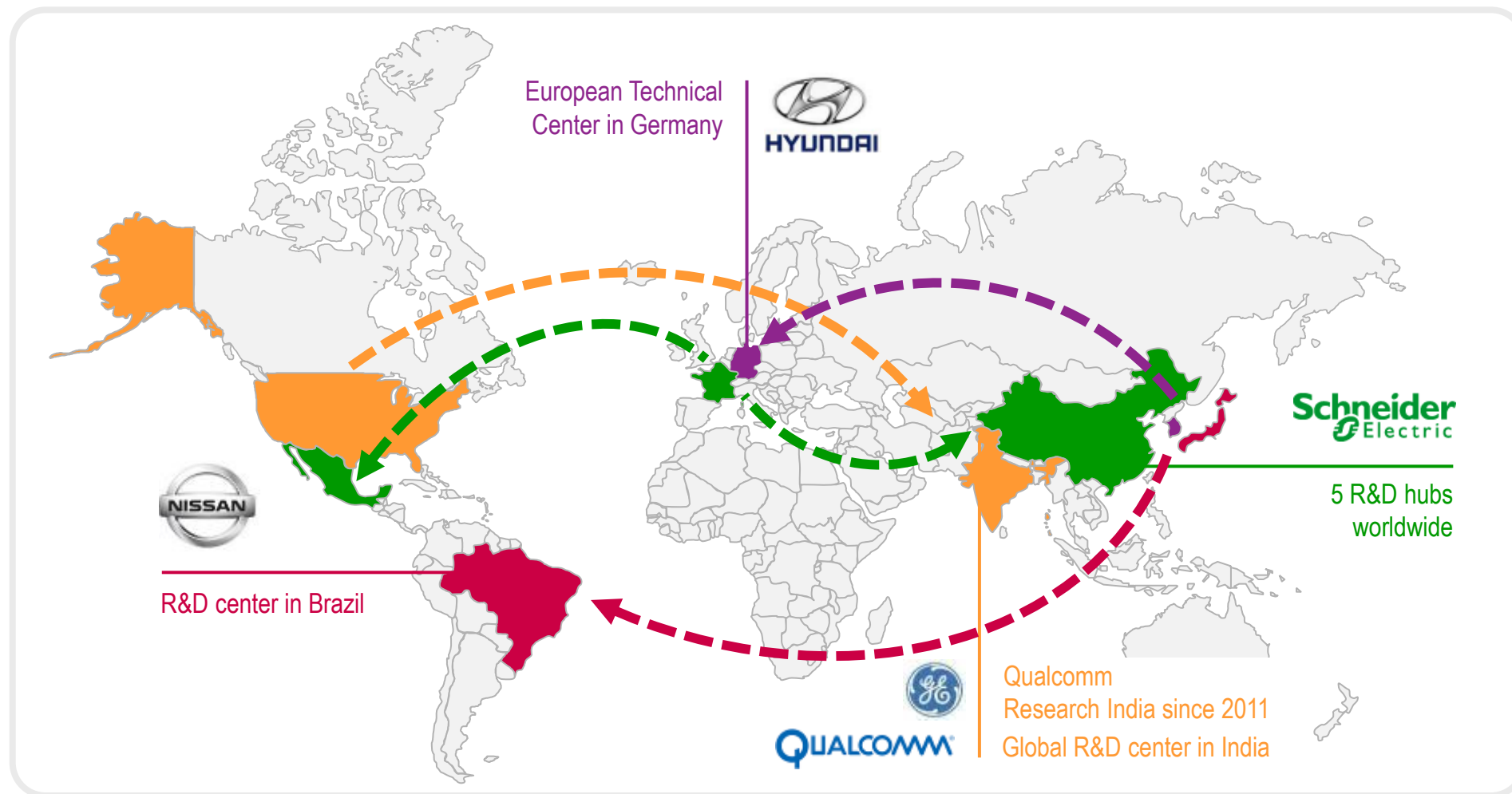
Asia: 13-15%

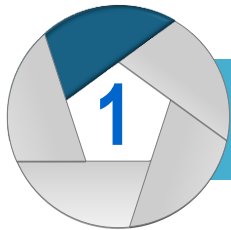


Expansion, Globalization and Consolidation phase

CLIENTS ARE
LEVERAGING
THE BEST OF
THE PLANET...

... AND ARE
SELECTING
PARTNERS
WHO DO THE
SAME



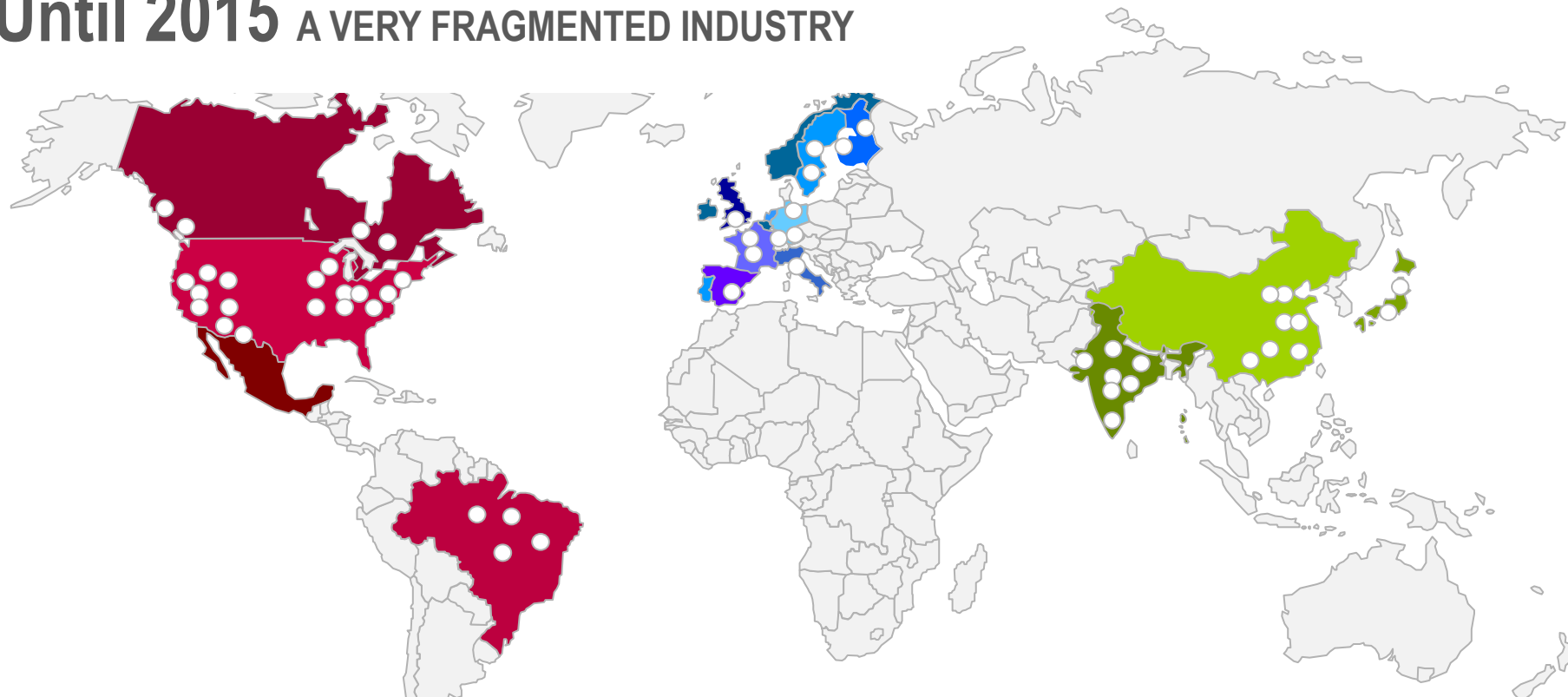


Expansion, Globalization and Consolidation phase

EXPANSION AND
GLOBALIZATION
WILL LEAD
TO AN
ACCELERATED
CONSOLIDATION

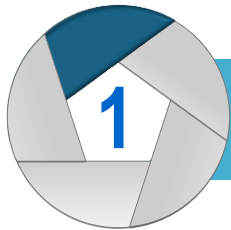
...

Until 2015 A VERY FRAGMENTED INDUSTRY



HISTORICAL FRAGMENTATION

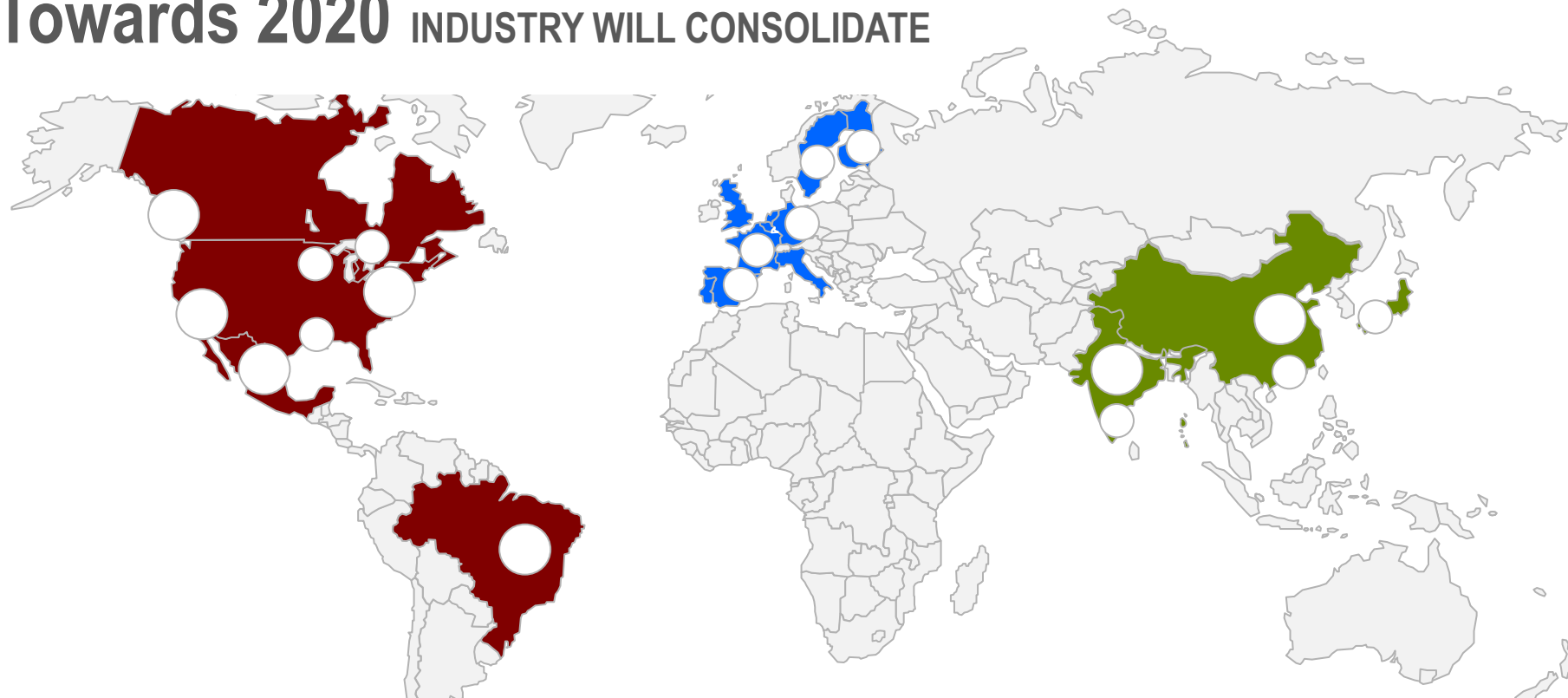
- ▶ Low barriers to entry
- ▶ Low bargaining power of clients
- ▶ Limited economies of scale
- ▶ Local client demand



Expansion, Globalization and Consolidation phase

5 TO 10
GLOBAL
LEADERS
WILL EMERGE,
SERVING ~20%
OF A €220BN
MARKET...

Towards 2020 INDUSTRY WILL CONSOLIDATE

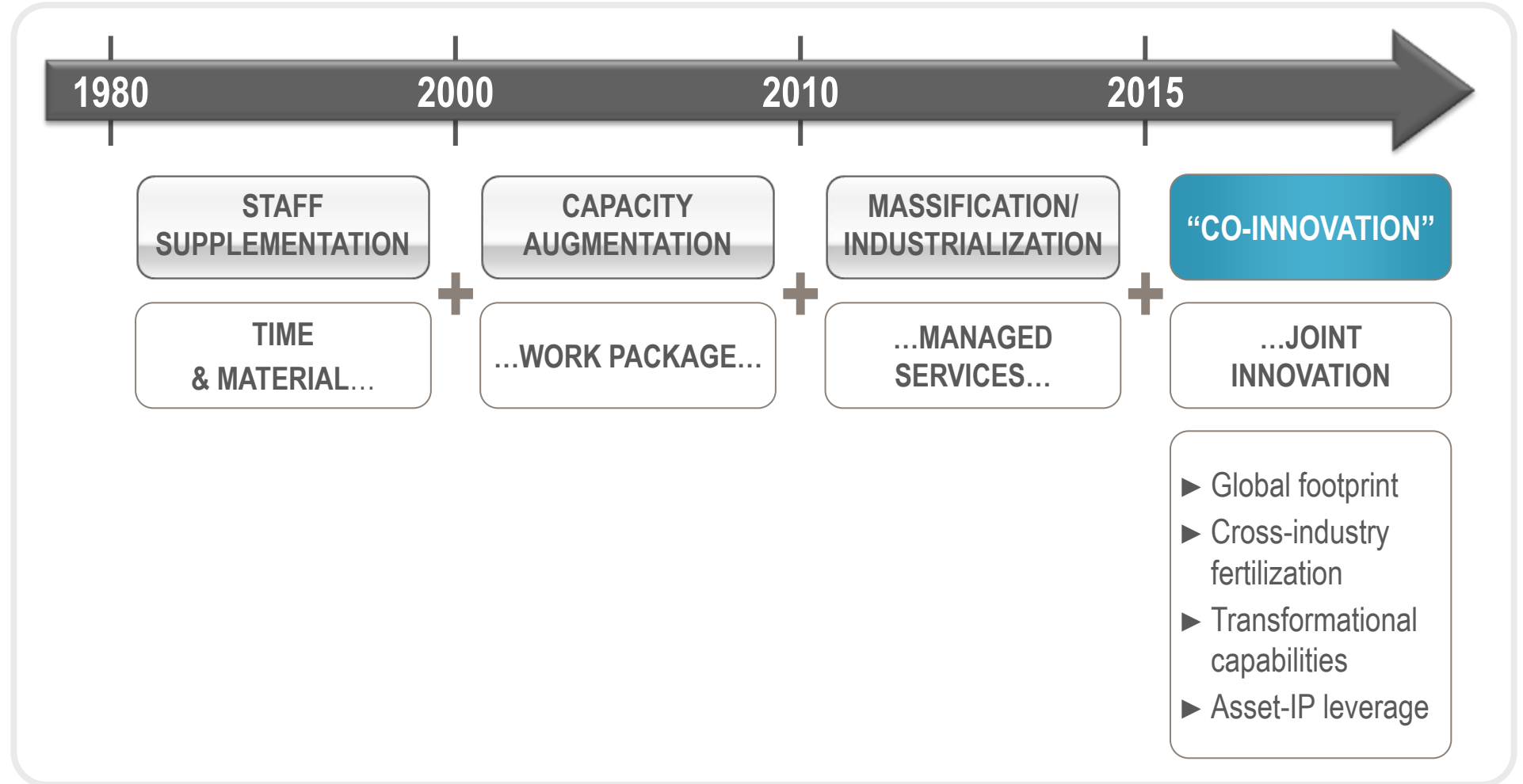


CONSOLIDATION FACTORS

- ▶ Larger Profit Pool
- ▶ Globalization

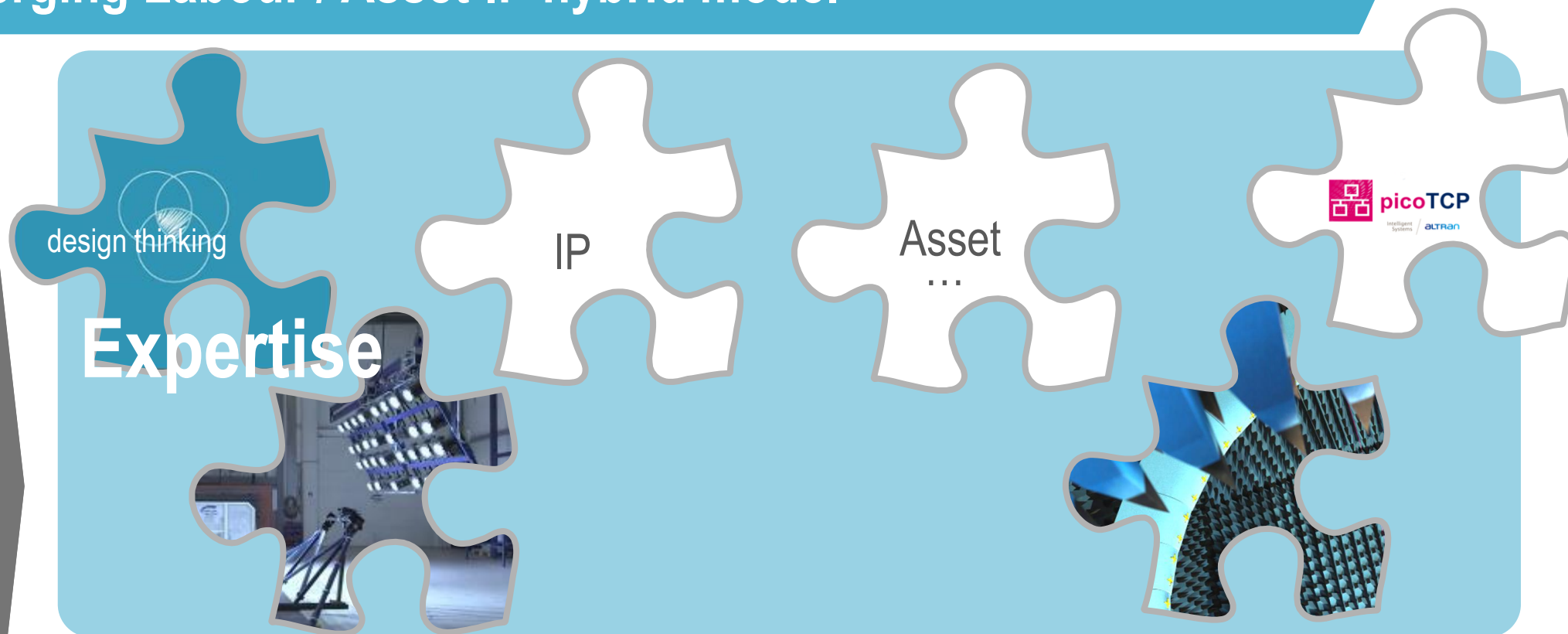
- ▶ Industrialization

CLIENTS AND
ARE NOW
CALLING FOR
“CO-INNOVATION”
AND A NEW
LEVEL OF
VALUE



OUR INDUSTRY
HAS
GENERATED
LOTS OF
ASSET-IP...

...BUT THESE
ARE UNDER-
LEVERAGED...



BENEFITS TO THE CLIENT

- ▶ Time-to-market
- ▶ Cross-industry fertilization
- ▶ Increased efficiency
- ▶ Cost competitiveness

BENEFITS TO THE PROVIDER

- ▶ Reusability/Productivity
- ▶ Barriers to entry
- ▶ Pricing power



Pervasive influence of Offshoring

BY 2020, THE
OFFSHORABLE
MARKET
SHOULD REACH
€150BN

Evolution of the
addressed market
(in €bn)

Total
2015

40

11

Outsourced

29

Global
Captives

Total
2020

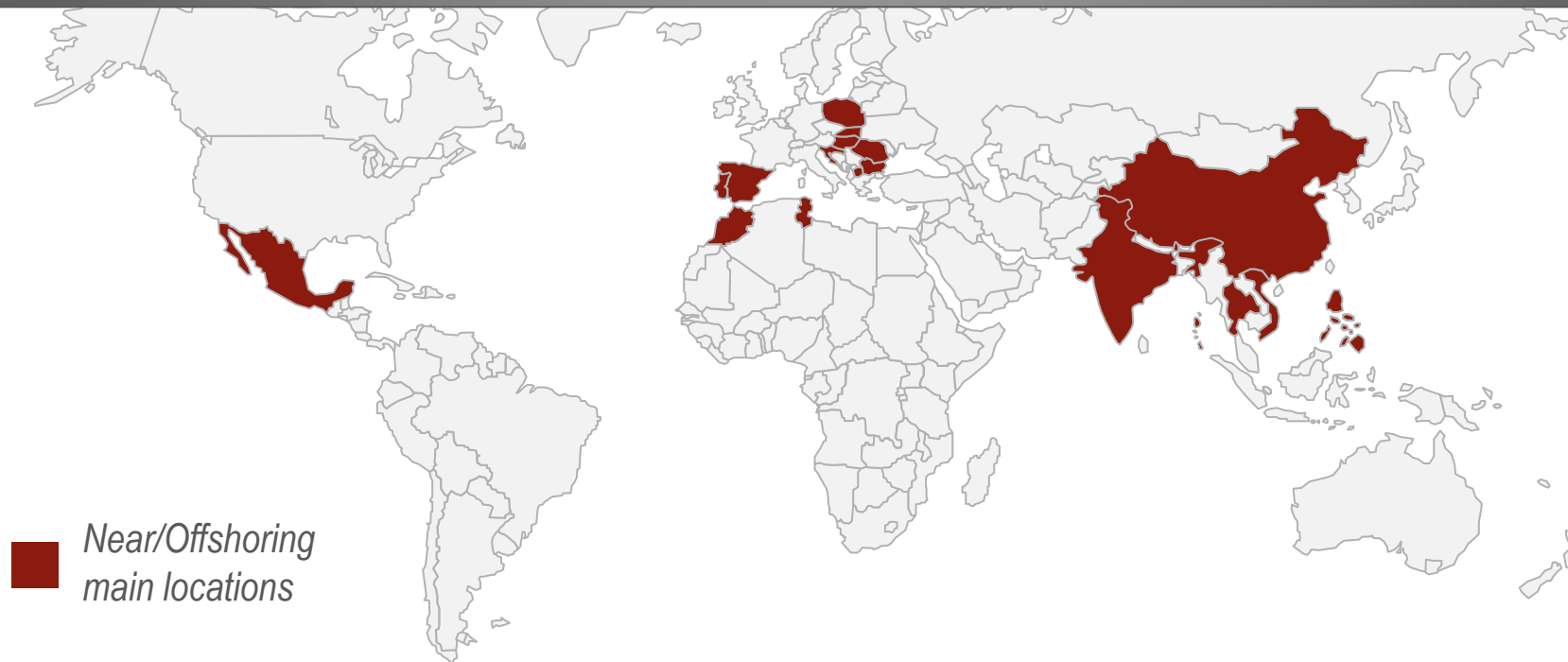
75

?

Outsourced

?

Global
Captives

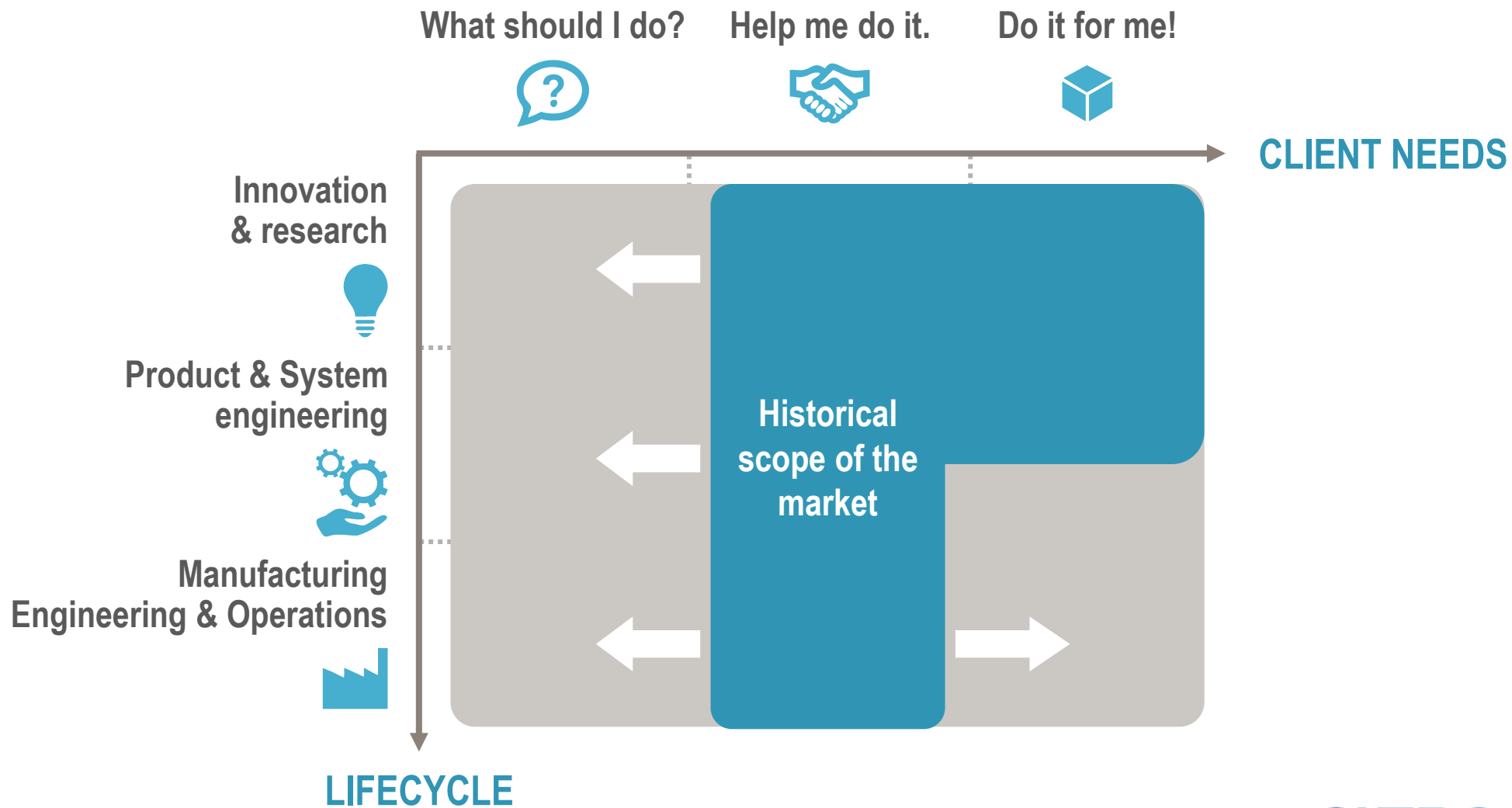




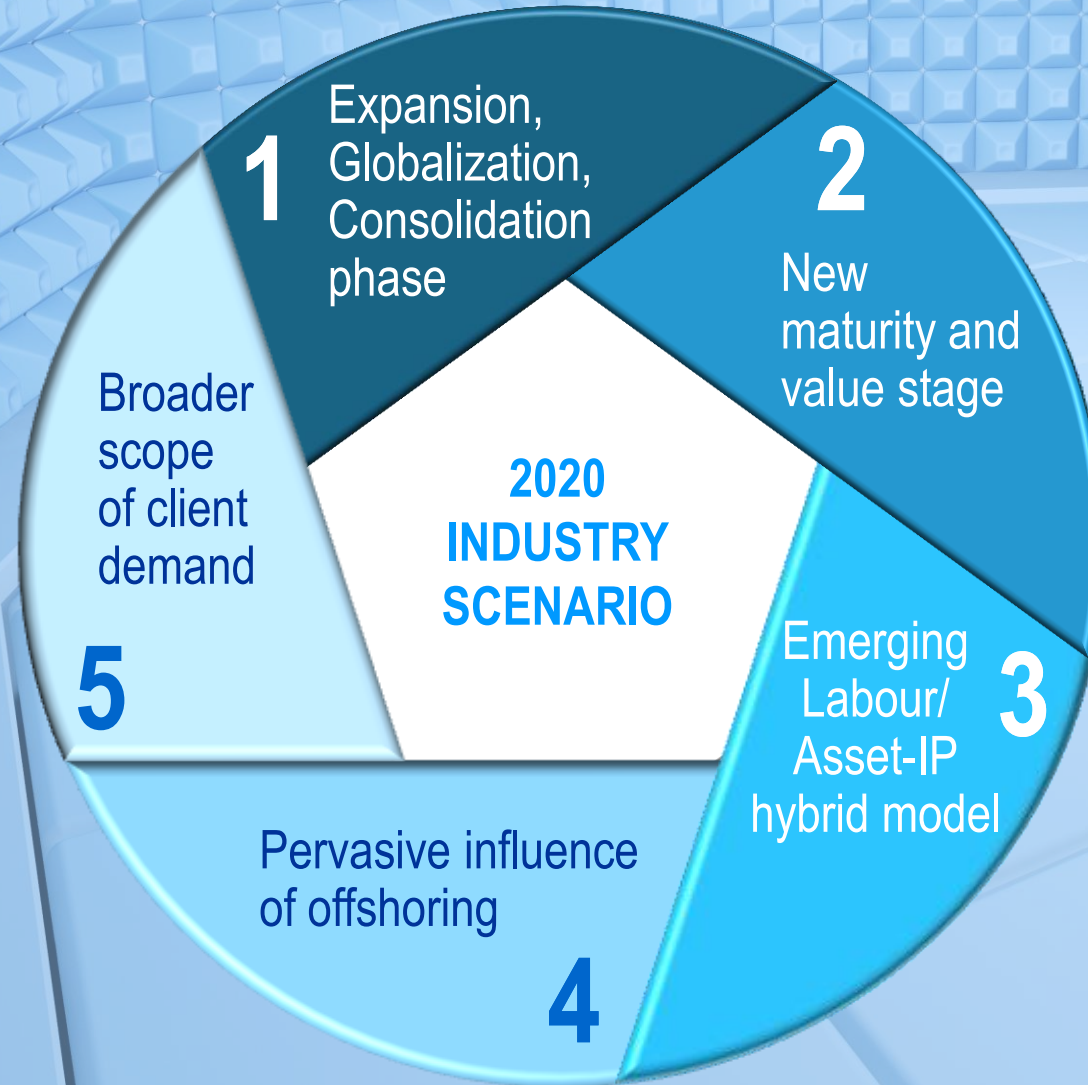
5 Broader scope of client demand

**BROADENING
CLIENT DEMAND
IS BECOMING
MORE
SPECIFIC...**

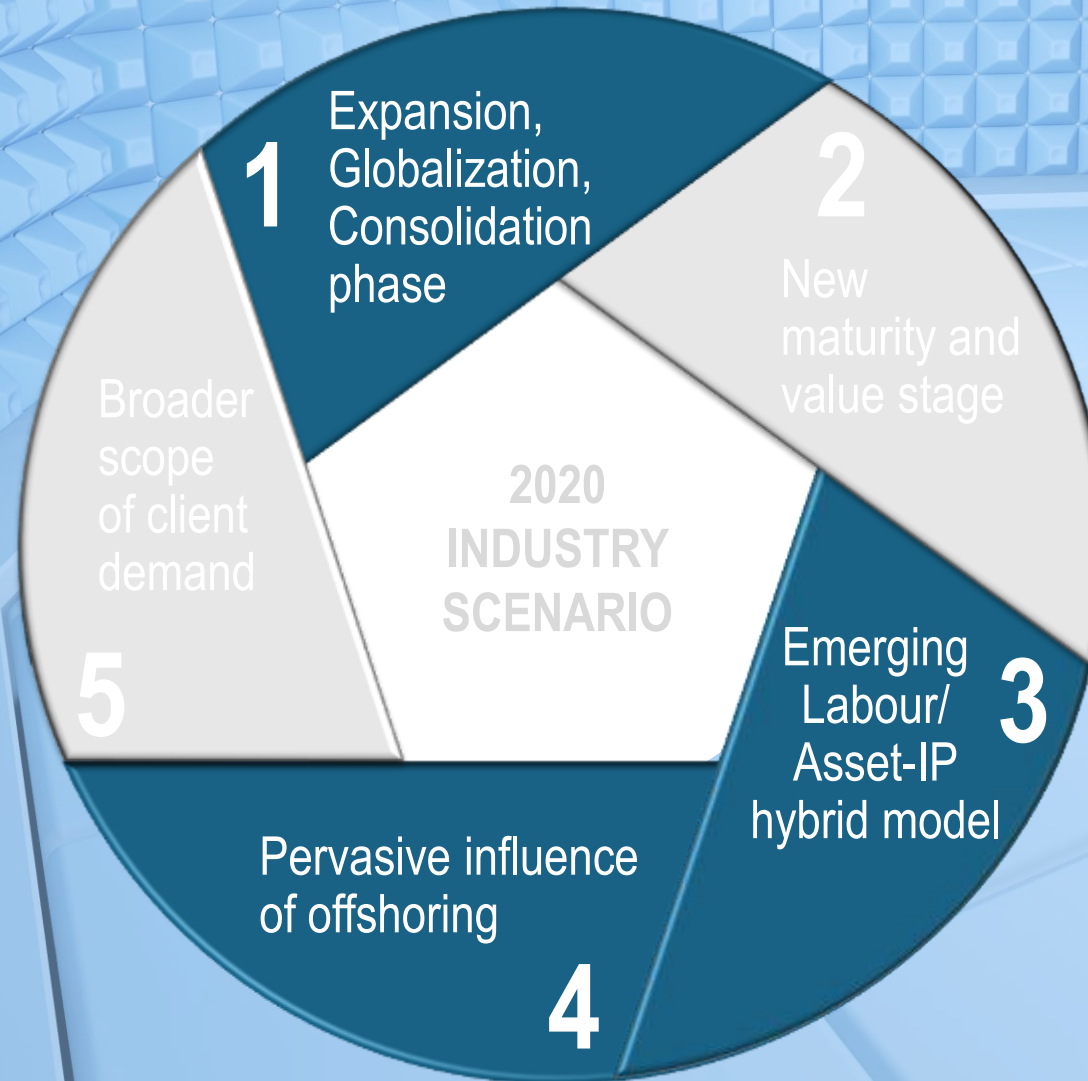
**...THEY EXPECT
MORE SPECIFIC
ANSWERS**

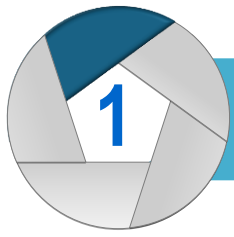


2020 industry scenario



2020 industry scenario: Facts and Figures





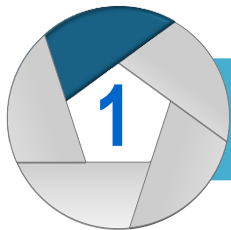
Expansion, Globalization and Consolidation phase

**3 KEY DRIVERS
FOR
SUSTAINED
R&D SPENDING
GROWTH**

Critical need for differentiation

Disruptive horizons provided by technologies

Draconian environmental and safety regulations



Expansion, Globalization and Consolidation phase

**CRITICAL NEED
FOR
DIFFERENTIATION
LEADS
TO MORE
PRODUCTS
AND
TIME-TO-MARKET
PRESSURE**



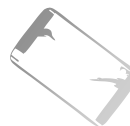
Number of models – BMW*

18 models 2008 $\xrightarrow{+100\%}$ 36 models 2016^e

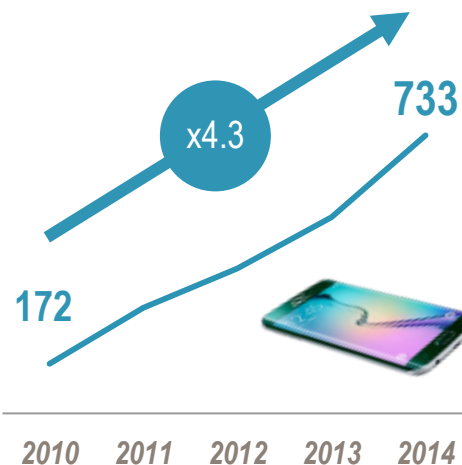


51 months 1990 $\xrightarrow{-55\%}$ 23 months 2010

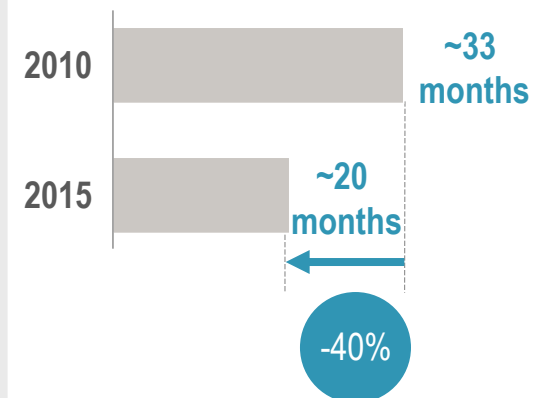
Development time
in the auto industry

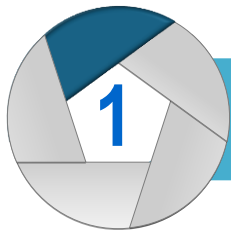


Smartphone models
released / year



Development lead time
of a geostationary satellite





Expansion, Globalization and Consolidation phase

DISRUPTIVE HORIZONS PROVIDED BY TECHNOLOGIES

**Safest transports
will be autonomous**

*Daimler Trucks ran a
real-world automated driving test*



**Humans will live
1 000 years**

*"I just hope to live
long enough not to die"*



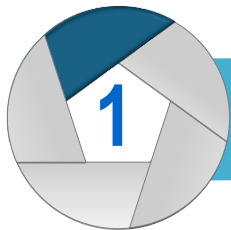
Bill Maris
CEO of Google Ventures

**Each of us
will be a utility**

"With 900 million PowerWall (...) you can make all electricity generation in the world renewable"



Elon Musk
CEO of Tesla

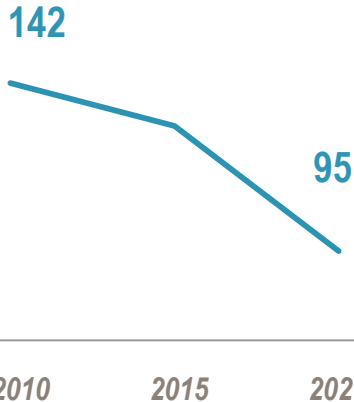


Expansion, Globalization and Consolidation phase

DRACONIAN ENVIRONMENTAL AND SAFETY REGULATIONS

More regulations...

E.U.
2021 objective of CO₂ emissions for passengers cars (gCO₂/km)



Source: International Council on Clean Transportation (ICCT)

...tighter controls...

U.S.
Medical devices
average 510(k) approval time (days)



Source: McKinsey

... social scrutiny

Danone
commitments by 2020

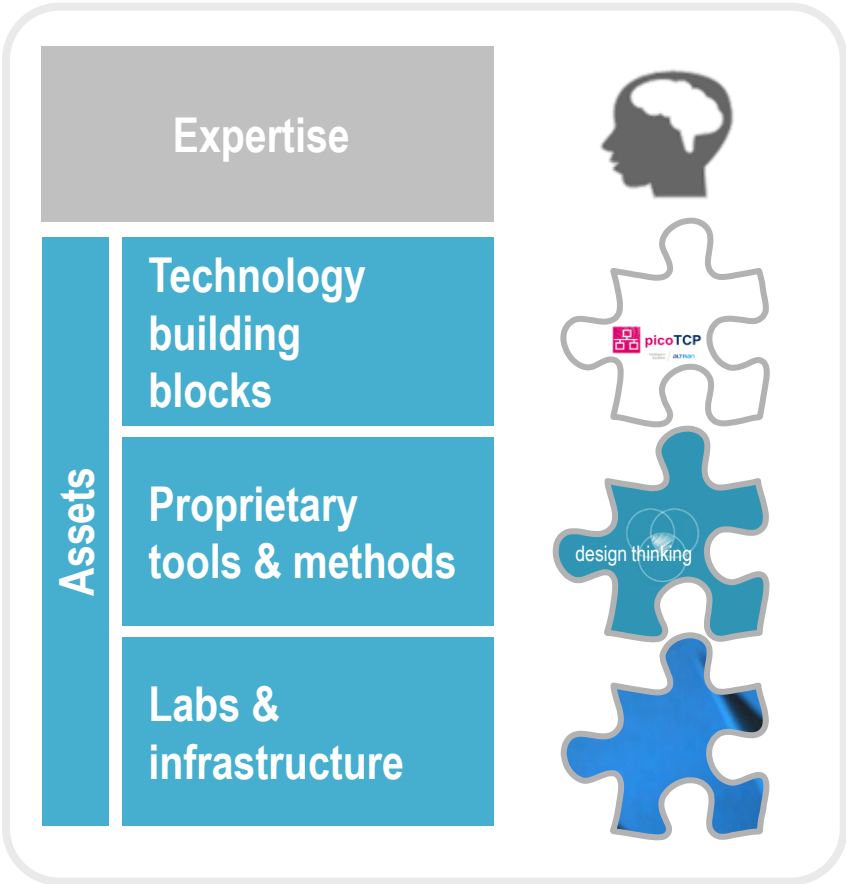
- 25% of bottles sold in recycled packaging
- 50% of greenhouse gas emission reduction (vs. 2007)
- 60% of water consumption reduction (vs. 2014)

Source: Company Website

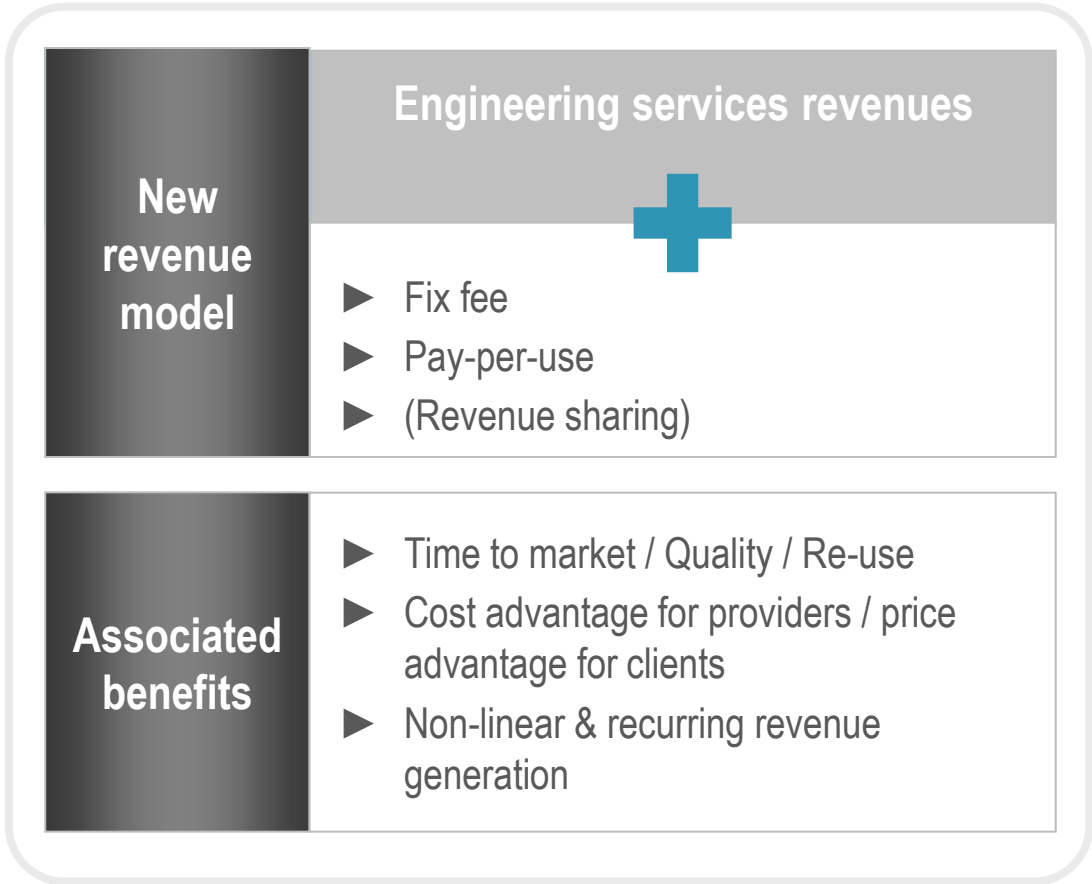


Emerging Labour / Asset-IP hybrid model

Engineering Solutions are emerging...



... generating new revenue streams



Altran 2020. Ignition

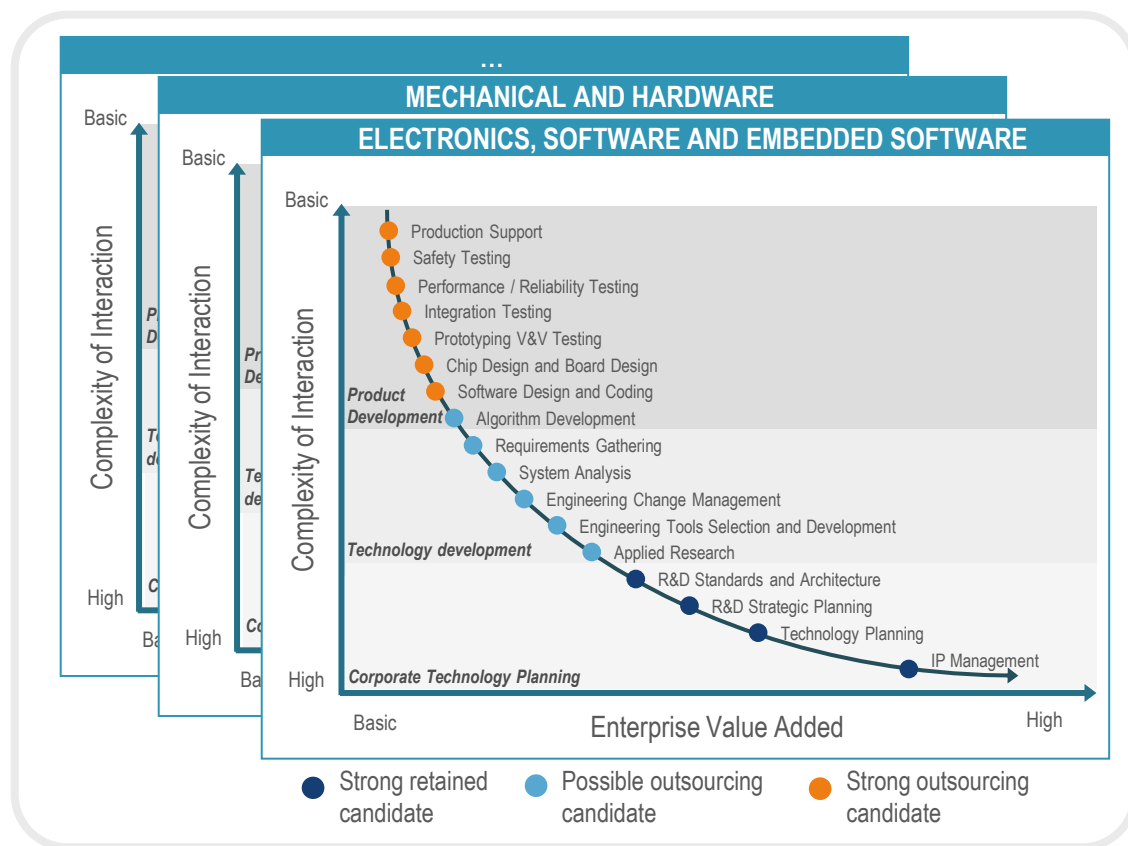
CO-INNOVATION WITH JAGUAR LAND ROVER





Pervasive influence of Offshoring

Activities suitable for offshoring



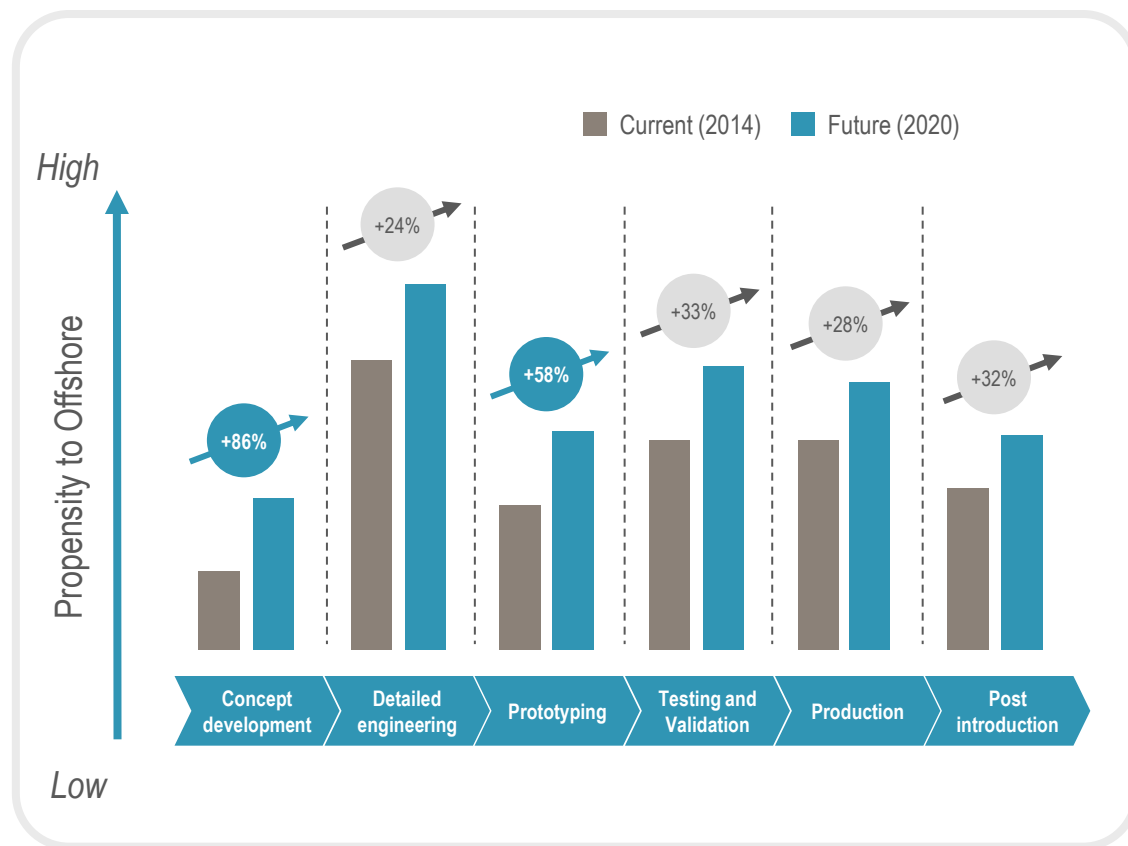
1/3rd of the ER&D activities are **strong candidates for offshoring**



Pervasive influence of Offshoring

Propensity to offshore will
increase by 40 to 50%
by 2020

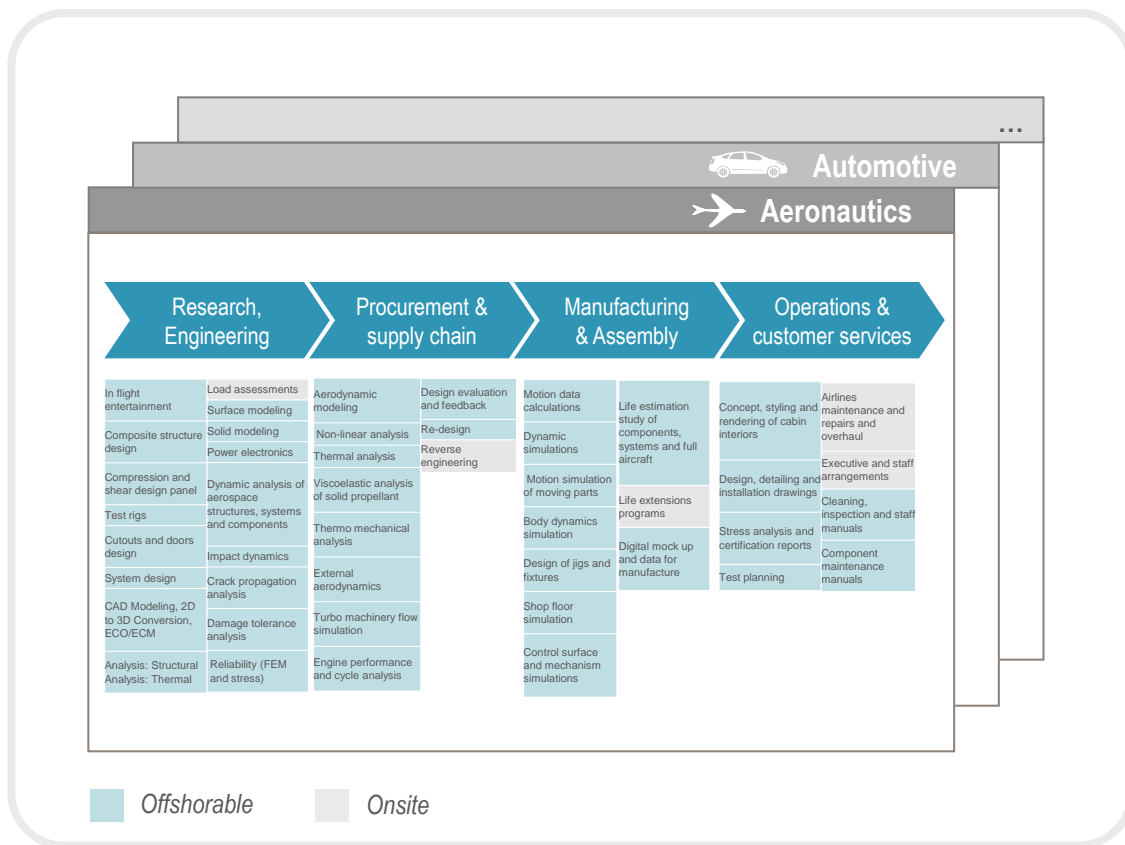
Propensity to offshore



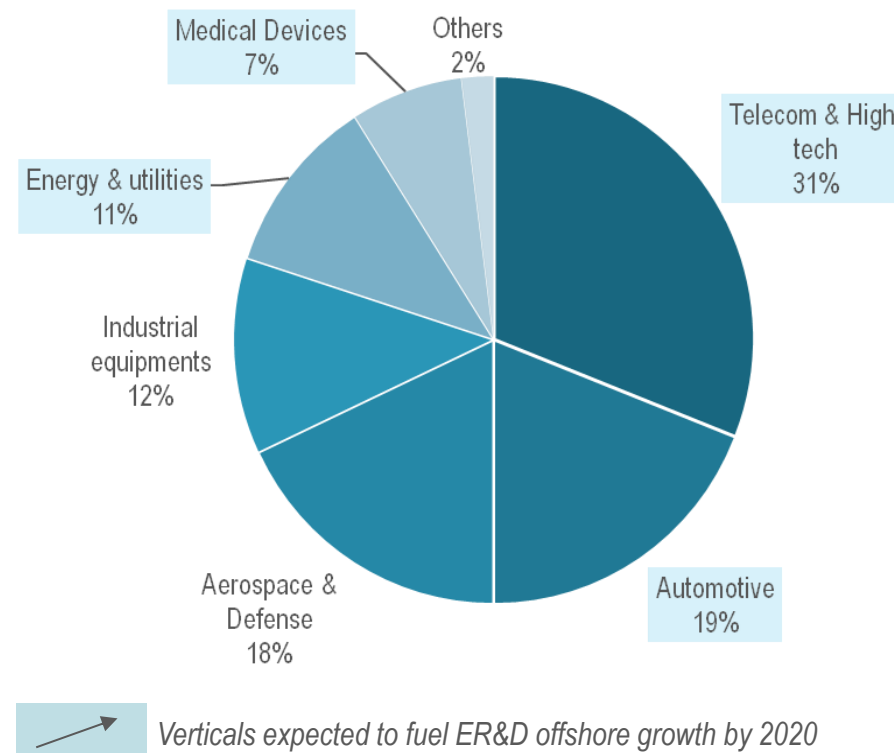


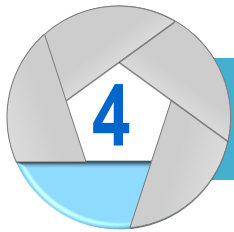
Pervasive influence of Offshoring

Each vertical presents offshorable activities



2015 offshore per vertical and expected growth



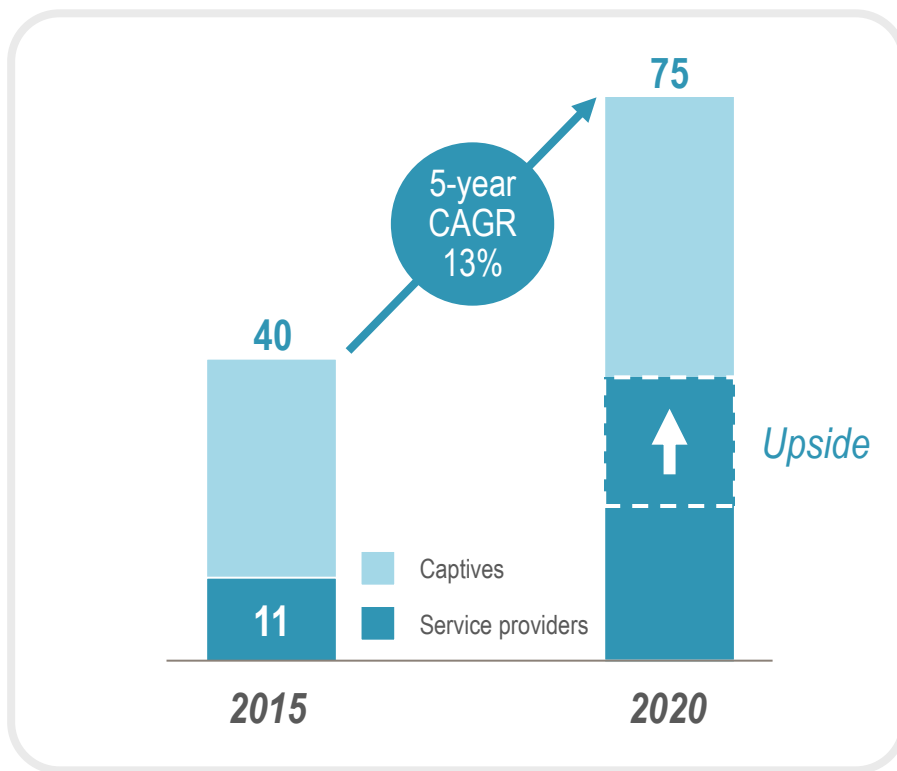


Pervasive influence of Offshoring

ENGINEERING
AND R&D
OFFSHORING IS
EXPECTED TO
REACH €75BN
BY 2020

Maturing
demand

ER&D offshore market (€bn)



Maturing
supply

SEIZABLE UPSIDES

► Size and pace of
transformational deals

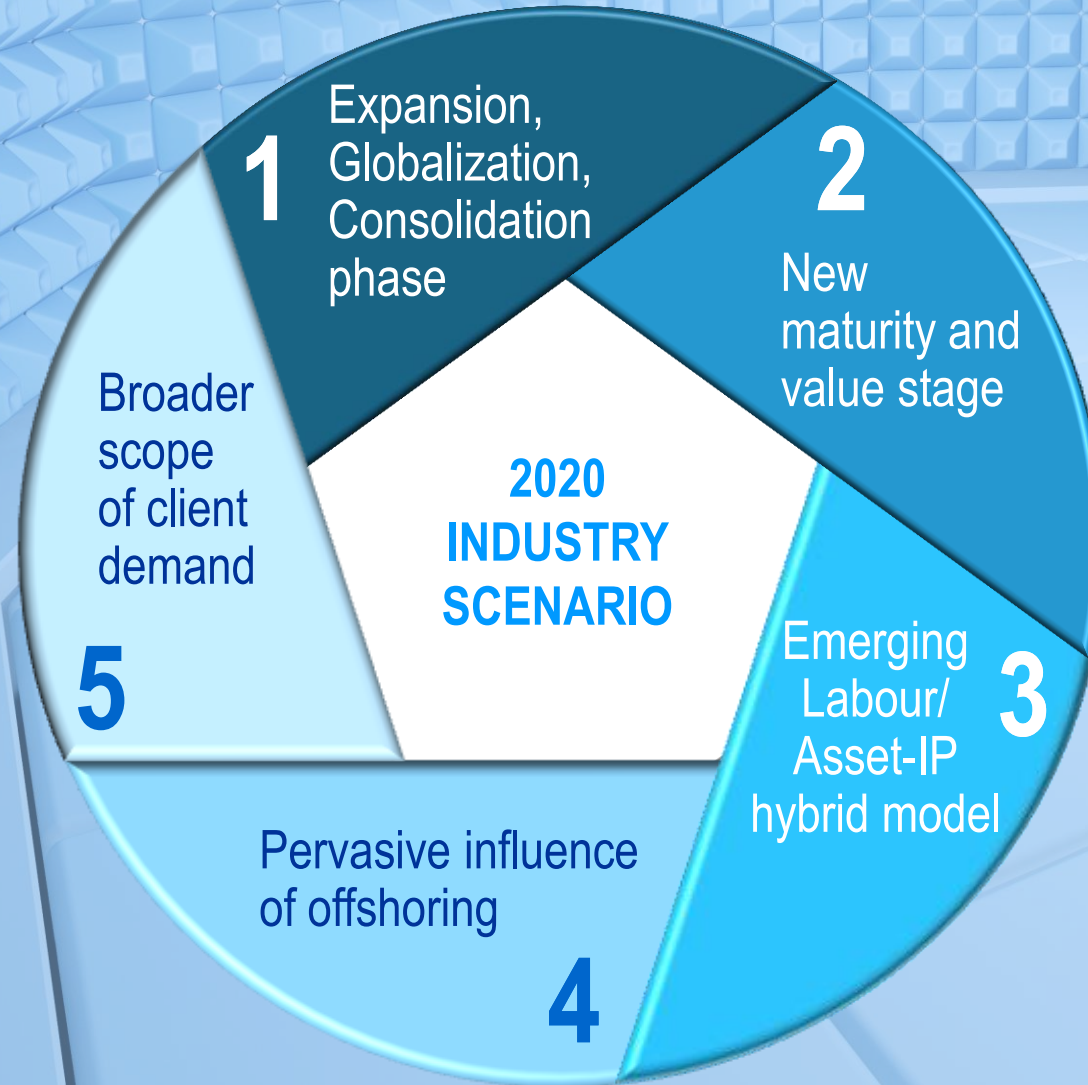
► Captive vs. externalization
arbitrage

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TOWARD A NEW COLLABORATION MODE: GE AND AIRBUS

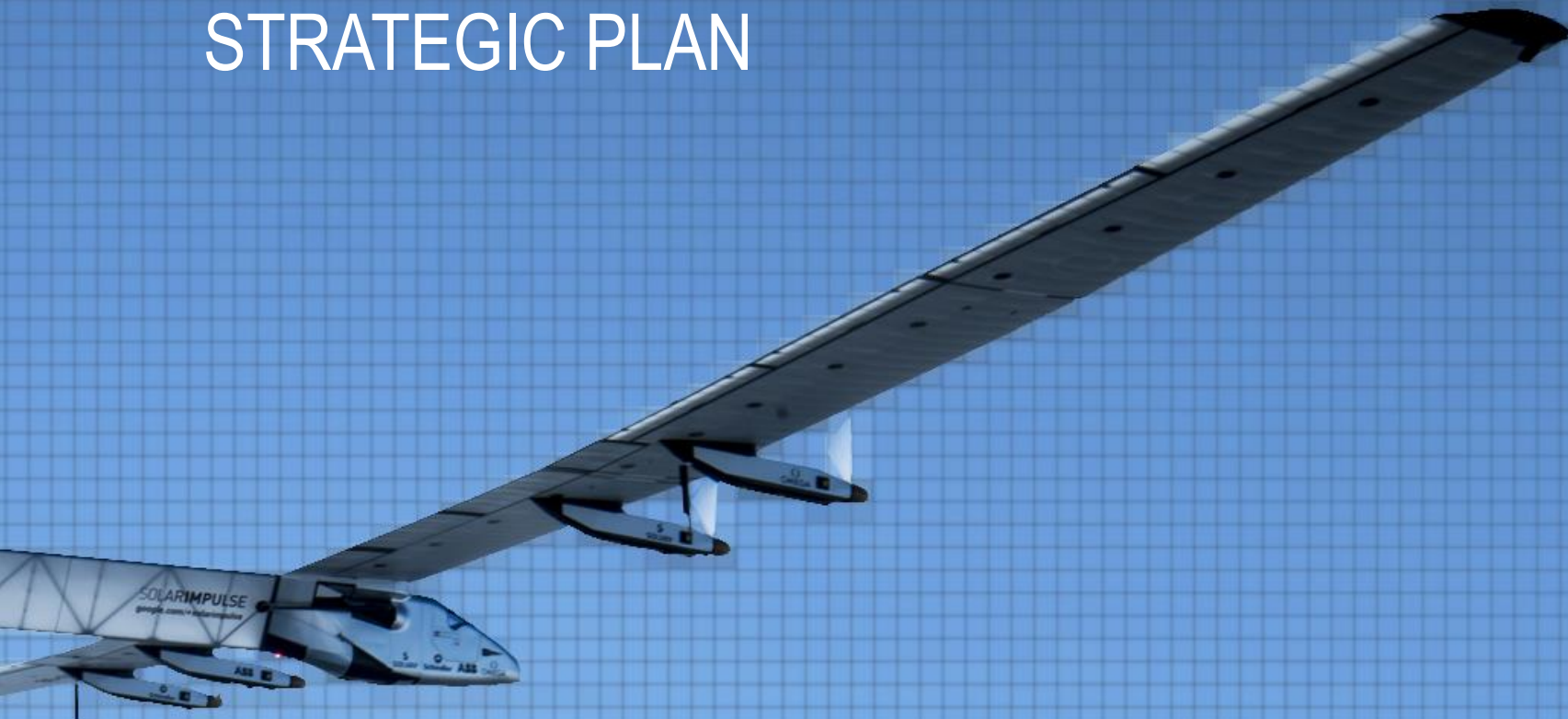


2020 industry scenario

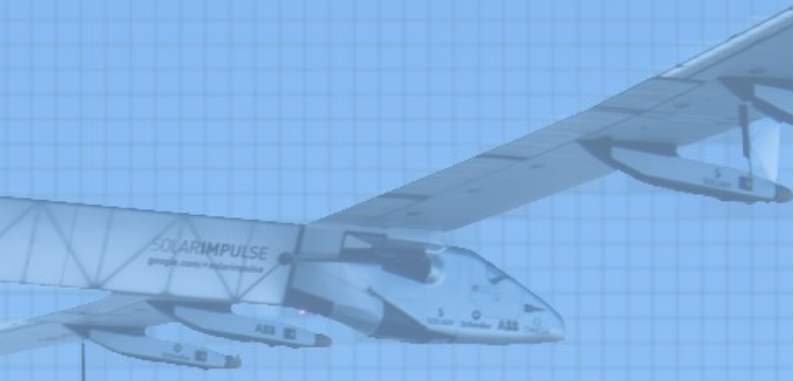
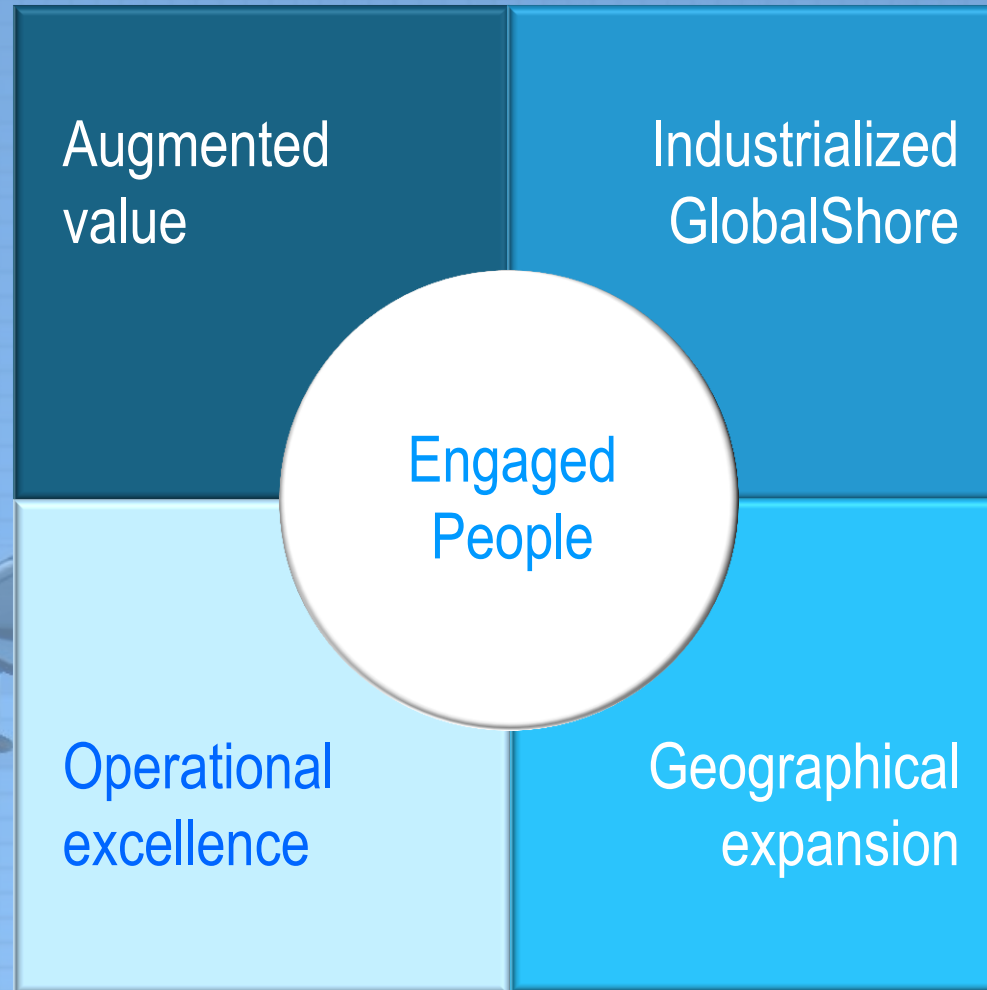


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STRATEGIC PLAN



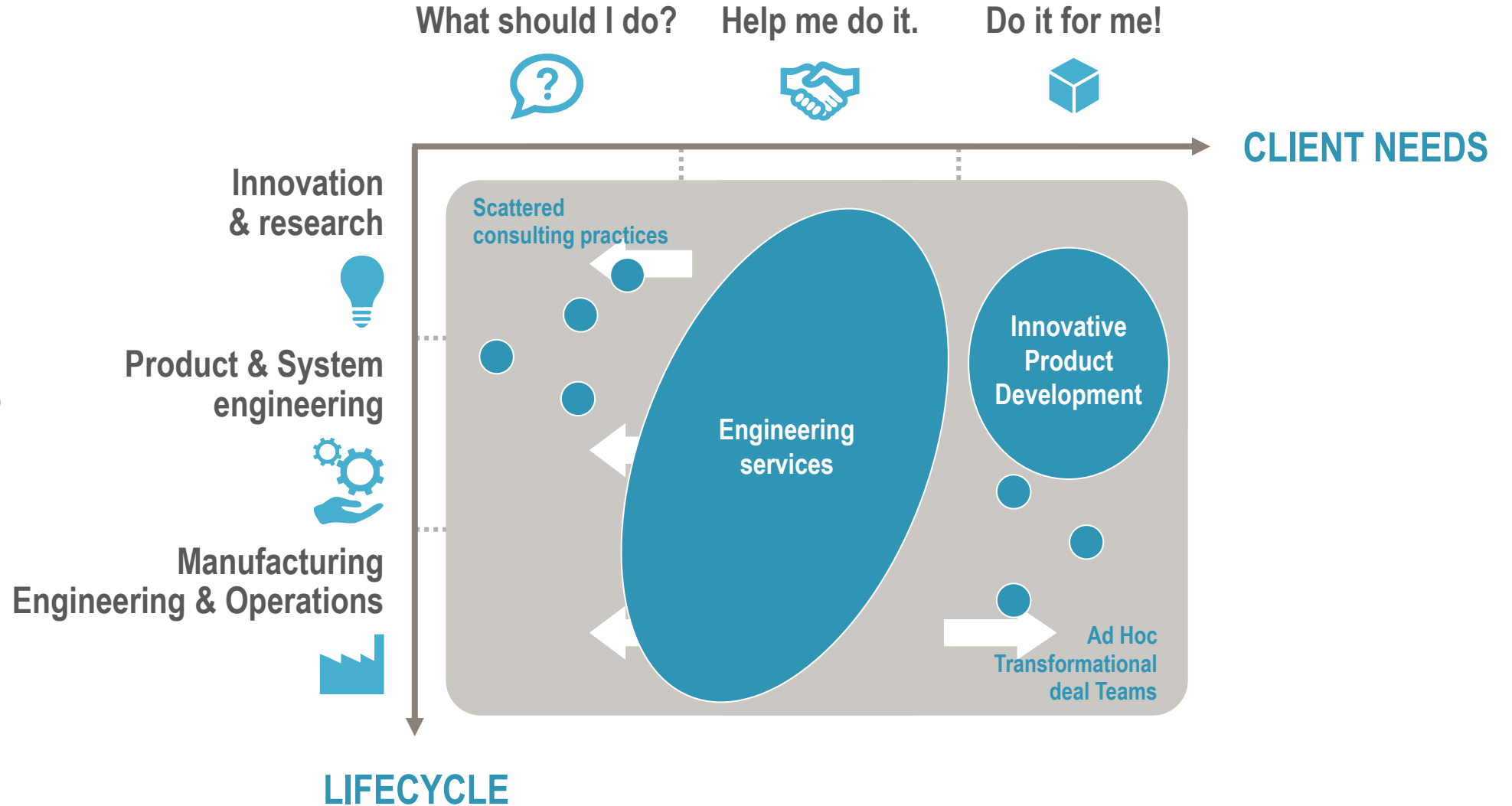
The four engines of the Altran 2020 strategy



1

Augmented Value

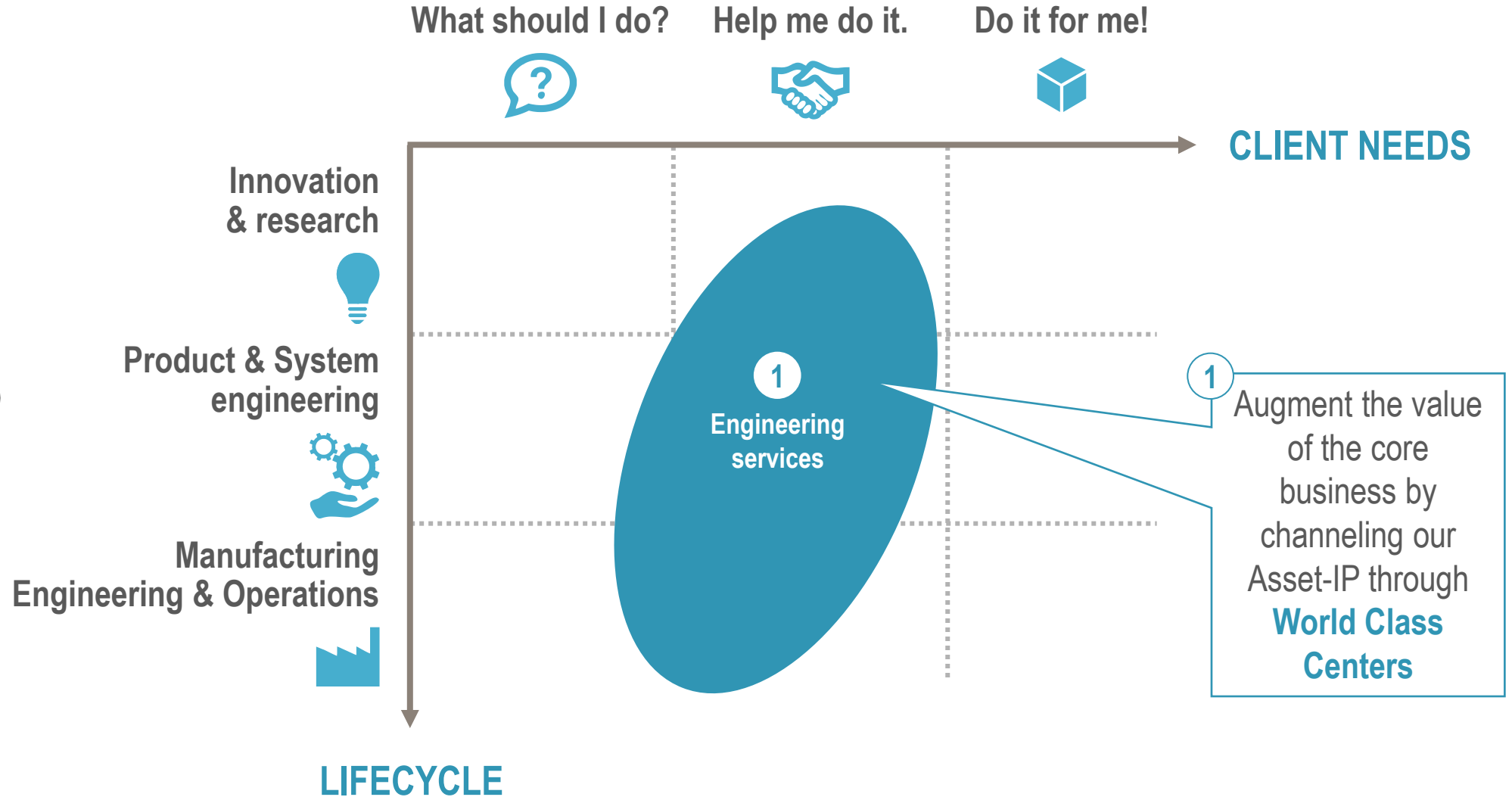
HISTORICAL
ADAPTATION
TO BROADER
AND MORE
SPECIFIC
CLIENT
DEMAND...



1

Augmented Value

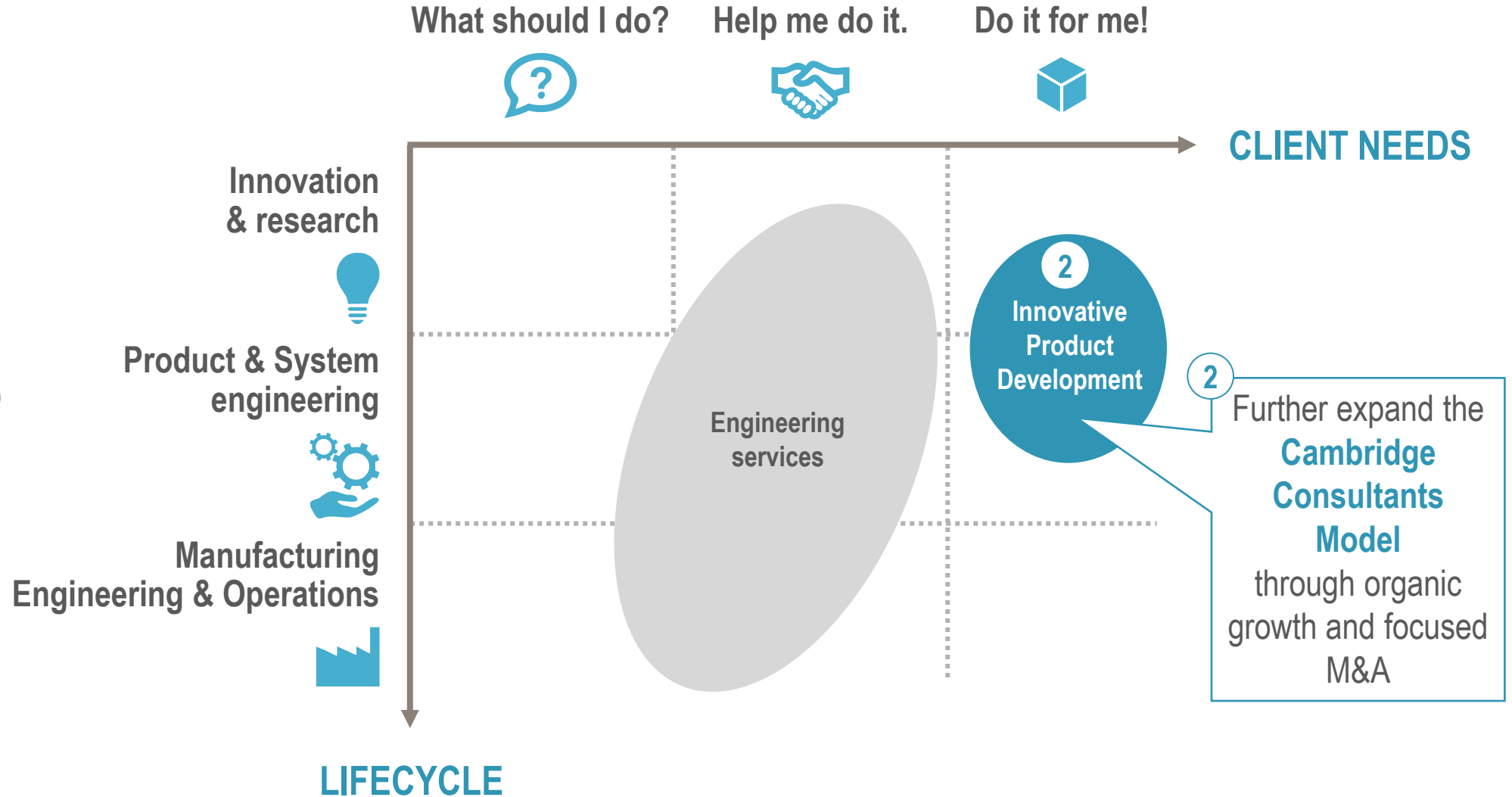
ALTRAN WILL
SHARPEN ITS
VALUE
CREATION
MODELS



1

Augmented Value

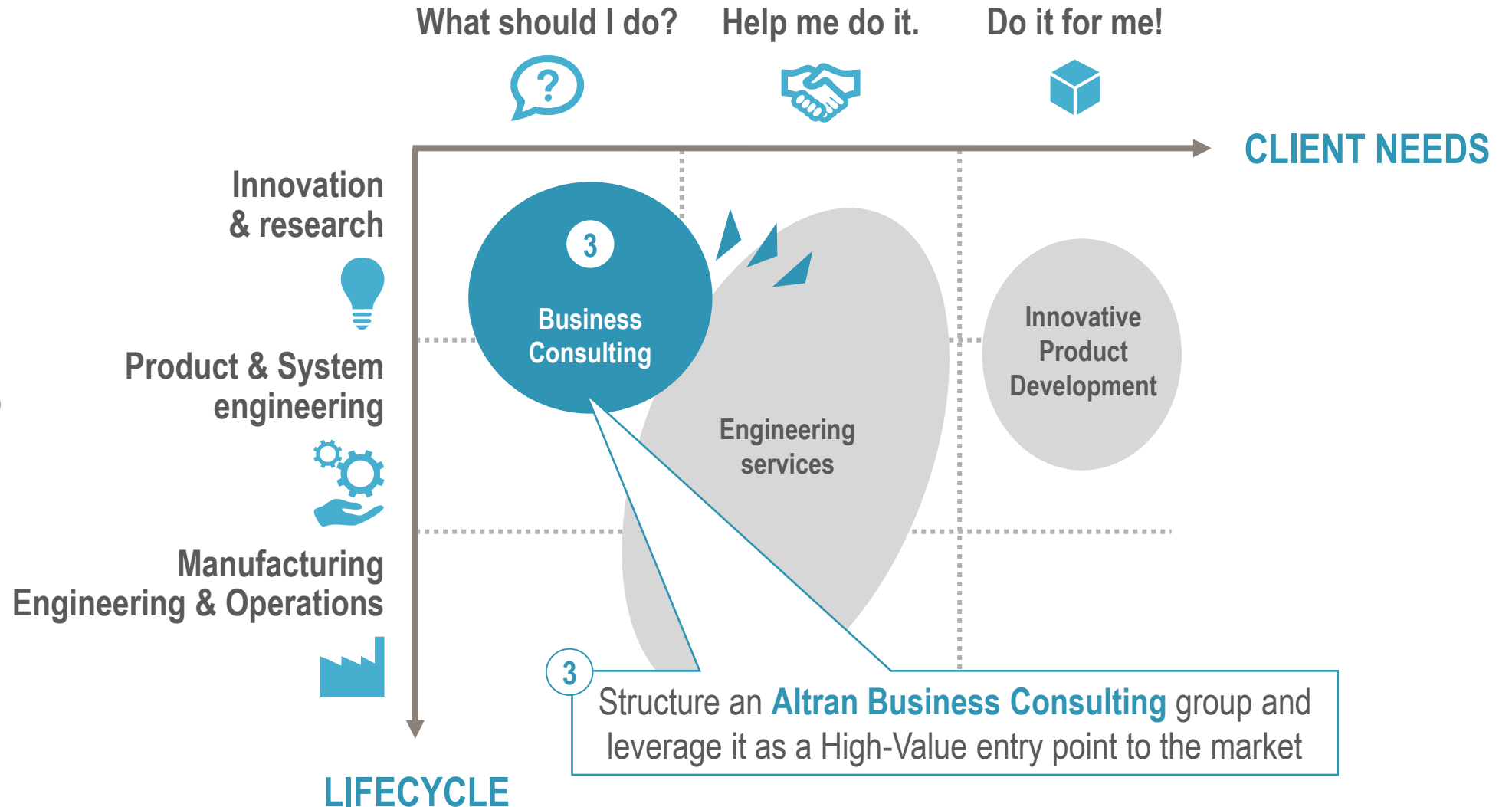
ALTRAN WILL
SHARPEN ITS
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MODELS



1

Augmented Value

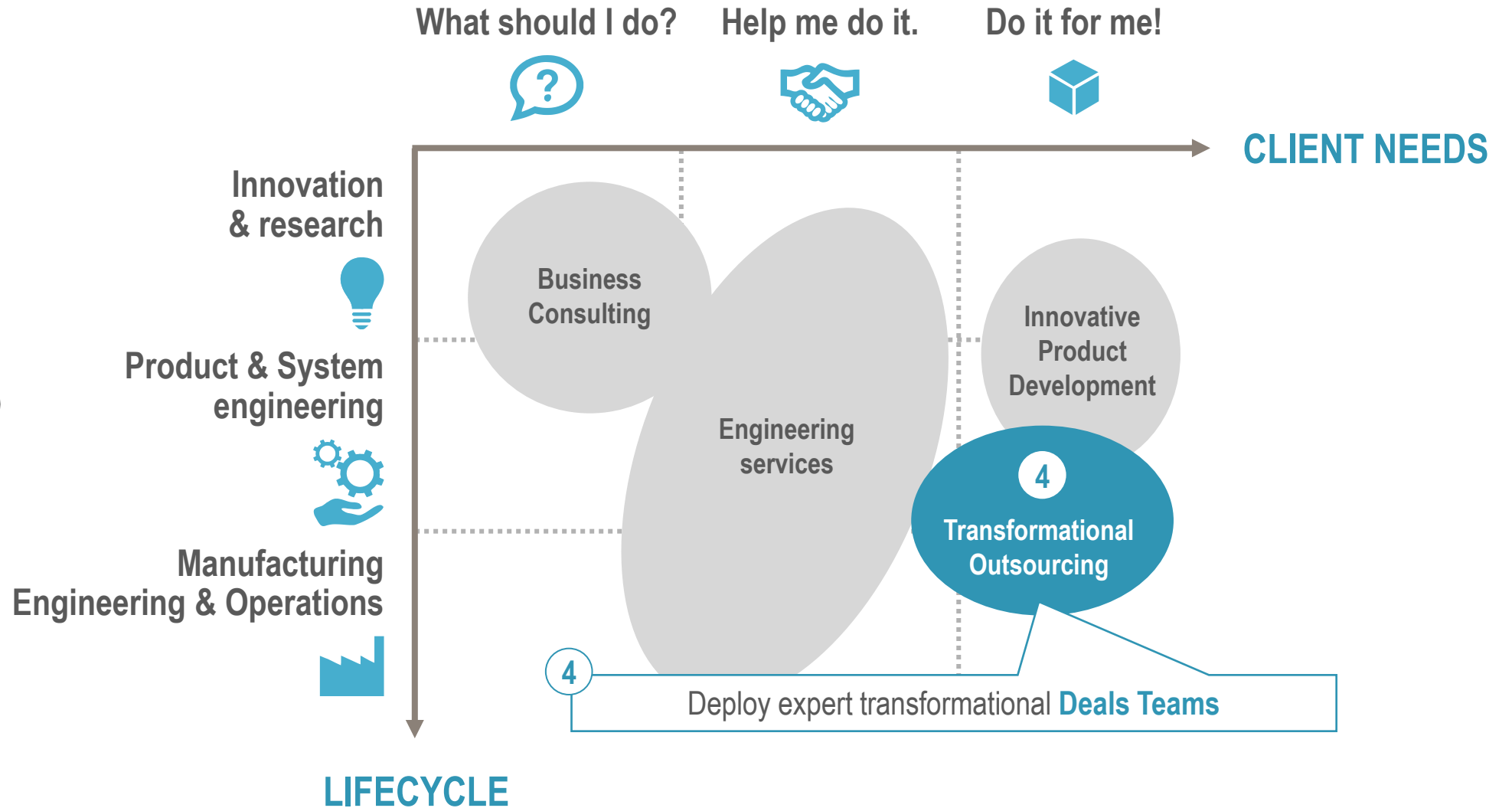
ALTRAN WILL
SHARPEN ITS
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MODELS



1

Augmented Value

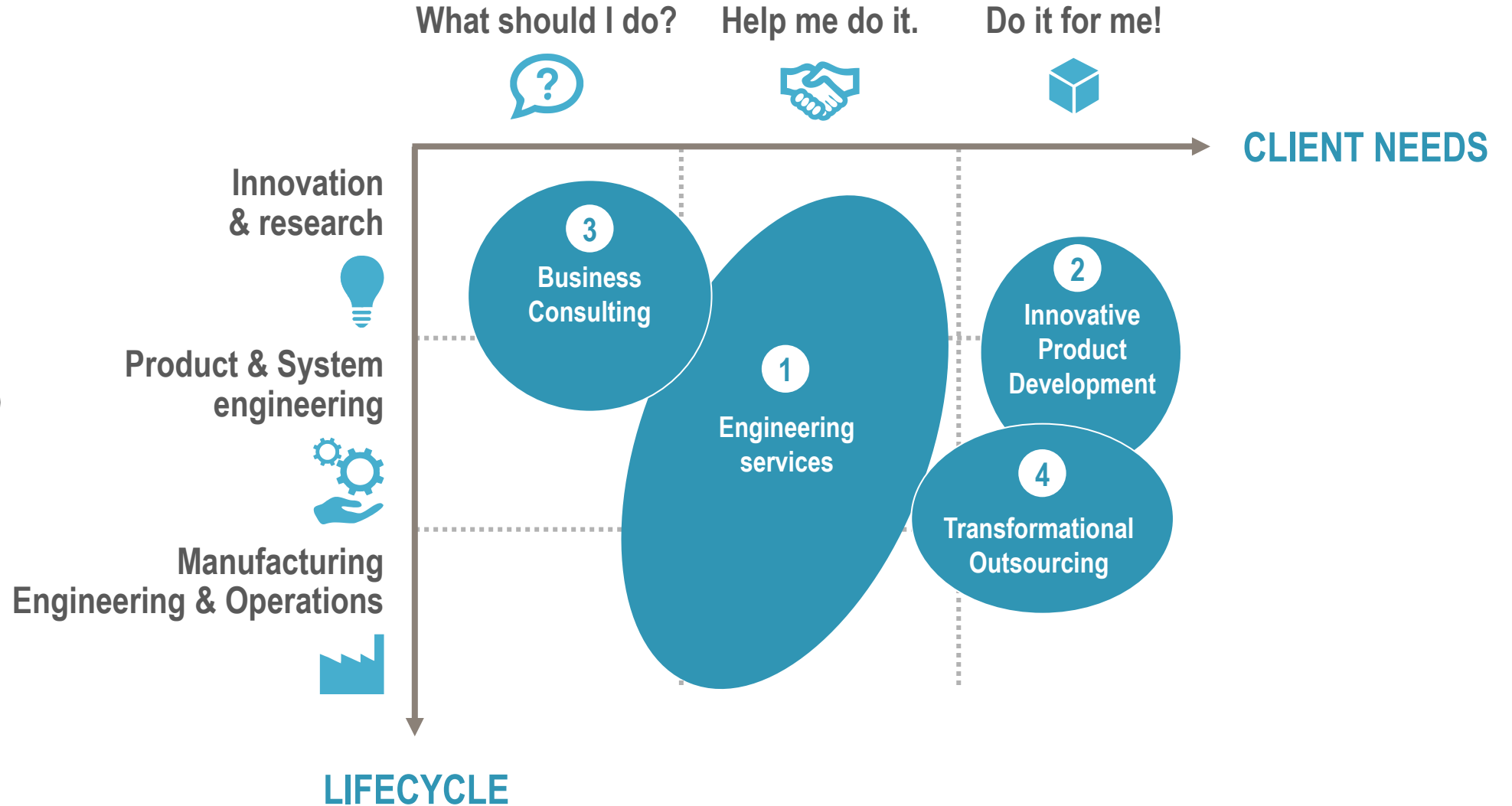
ALTRAN WILL
SHARPEN ITS
VALUE
CREATION
MODELS



1

Augmented Value

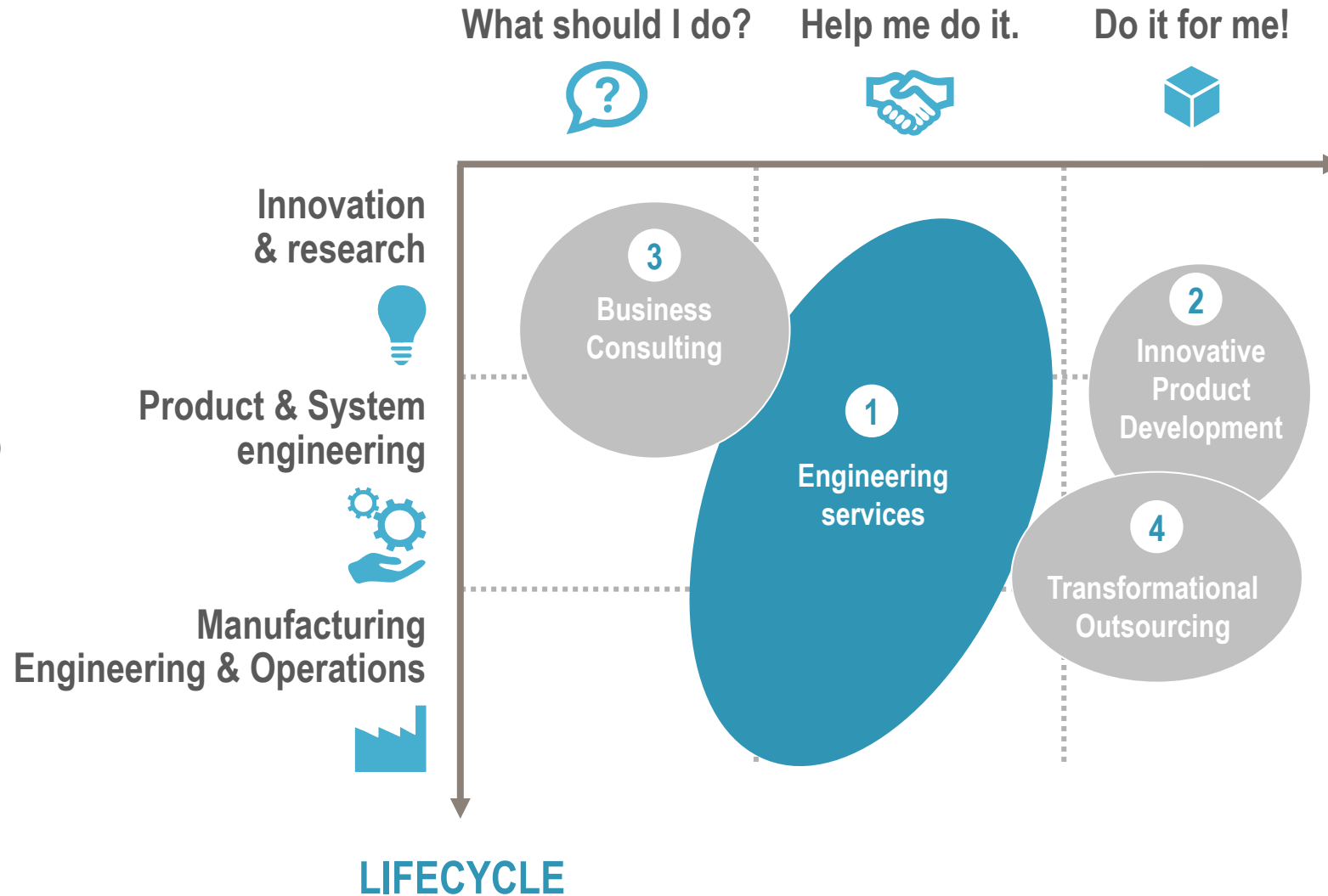
ALTRAN WILL
SHARPEN ITS
VALUE
CREATION
MODELS



1

Augmented Value

AUGMENTING THE VALUE OF ENGINEERING SERVICES

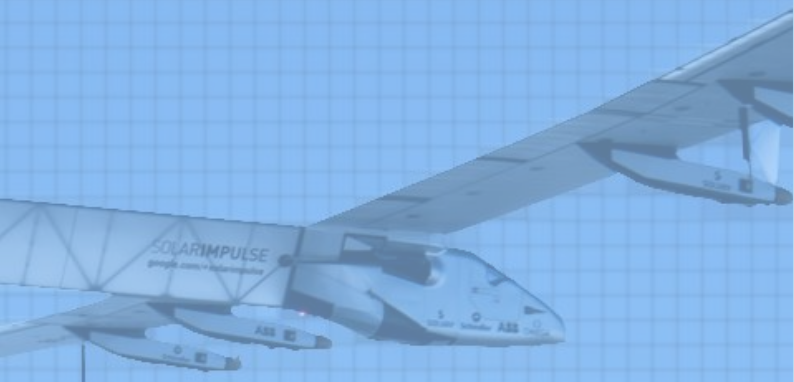
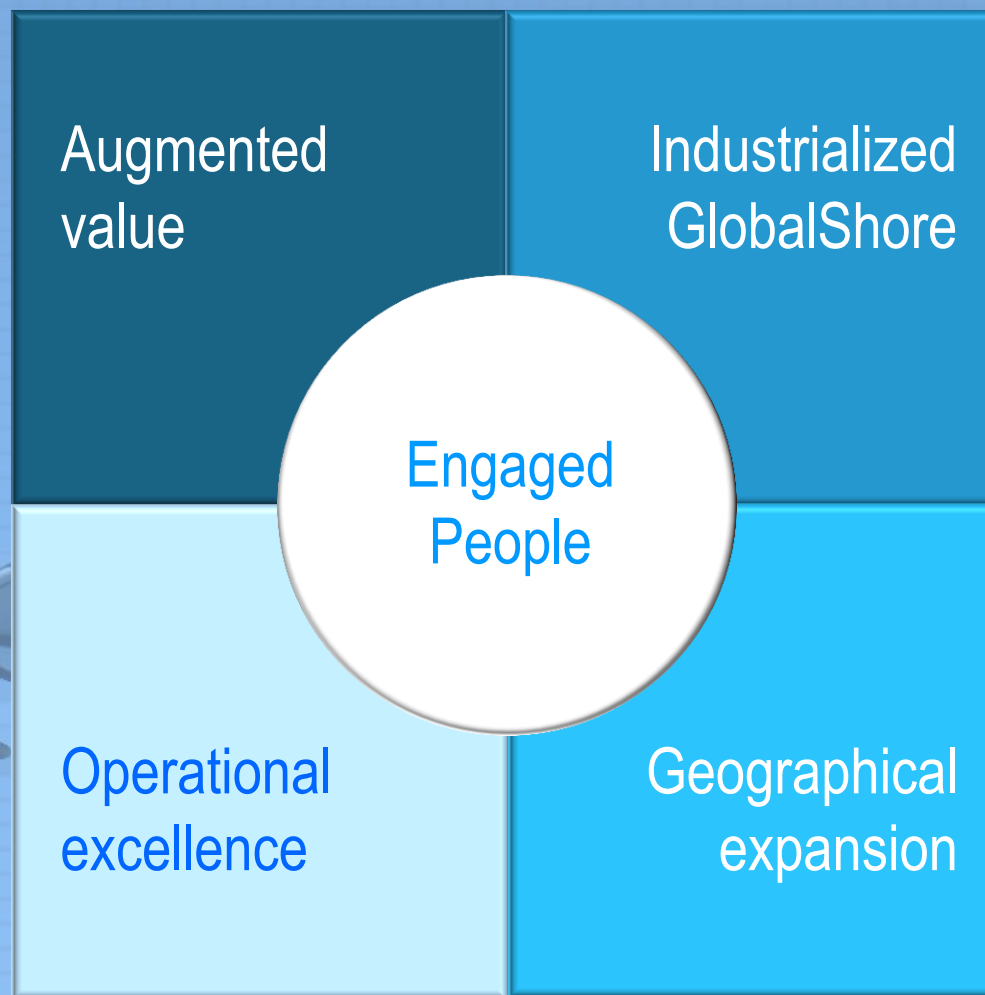


Altran 2020. Ignition

AUGMENTED VALUE



The four engines of the Altran 2020 strategy



ROLLING-OUT
A PREMIER
X-SHORE
CAPABILITY



■ Near/Offshoring
main locations

► Build and deploy a scalable and industrialized supply chain

► Globally standardize our delivery models

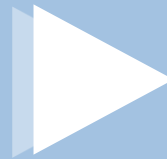
► Specialize our centers to create differentiated capabilities

► Co-construct focused capabilities with clients

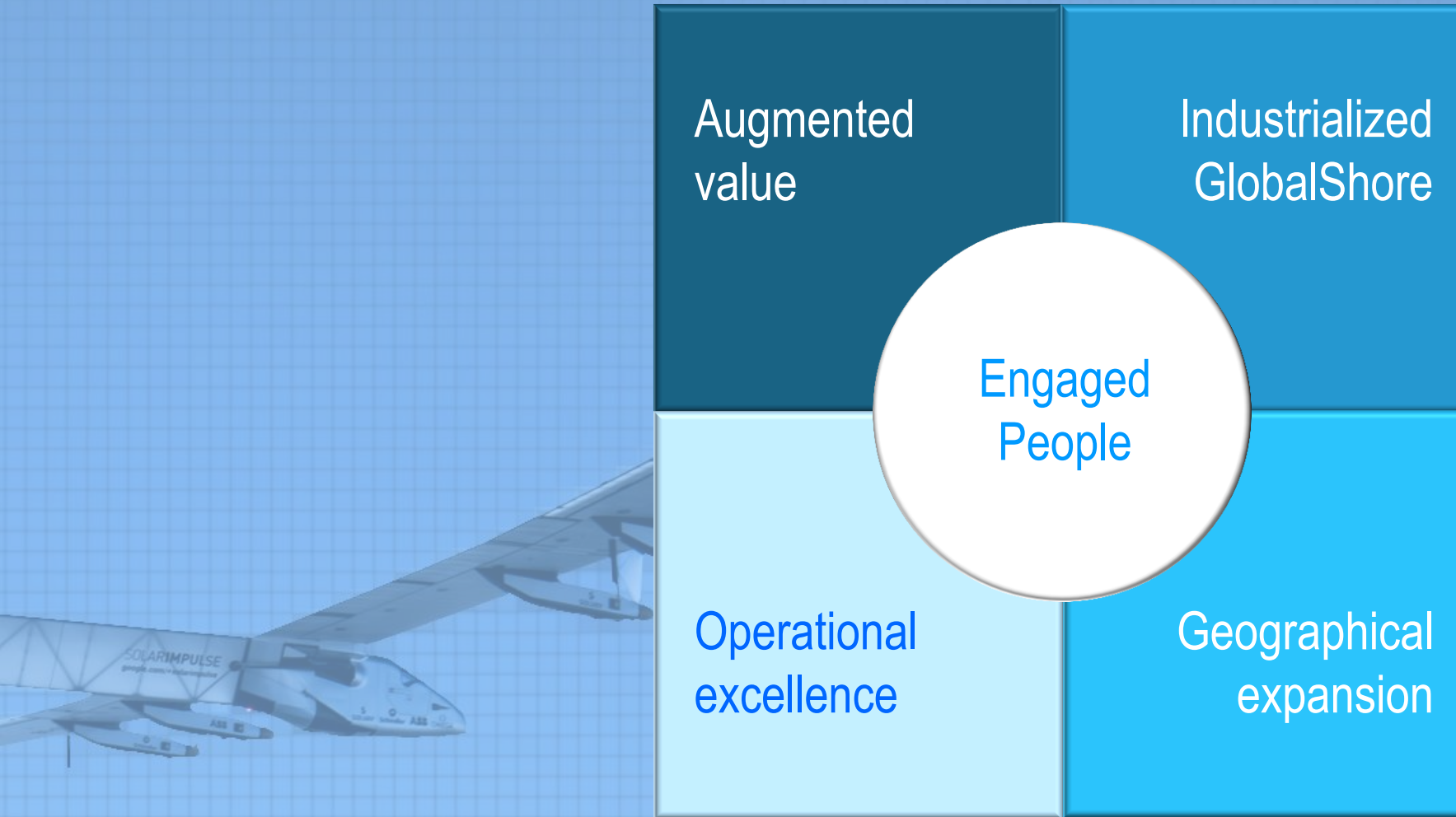


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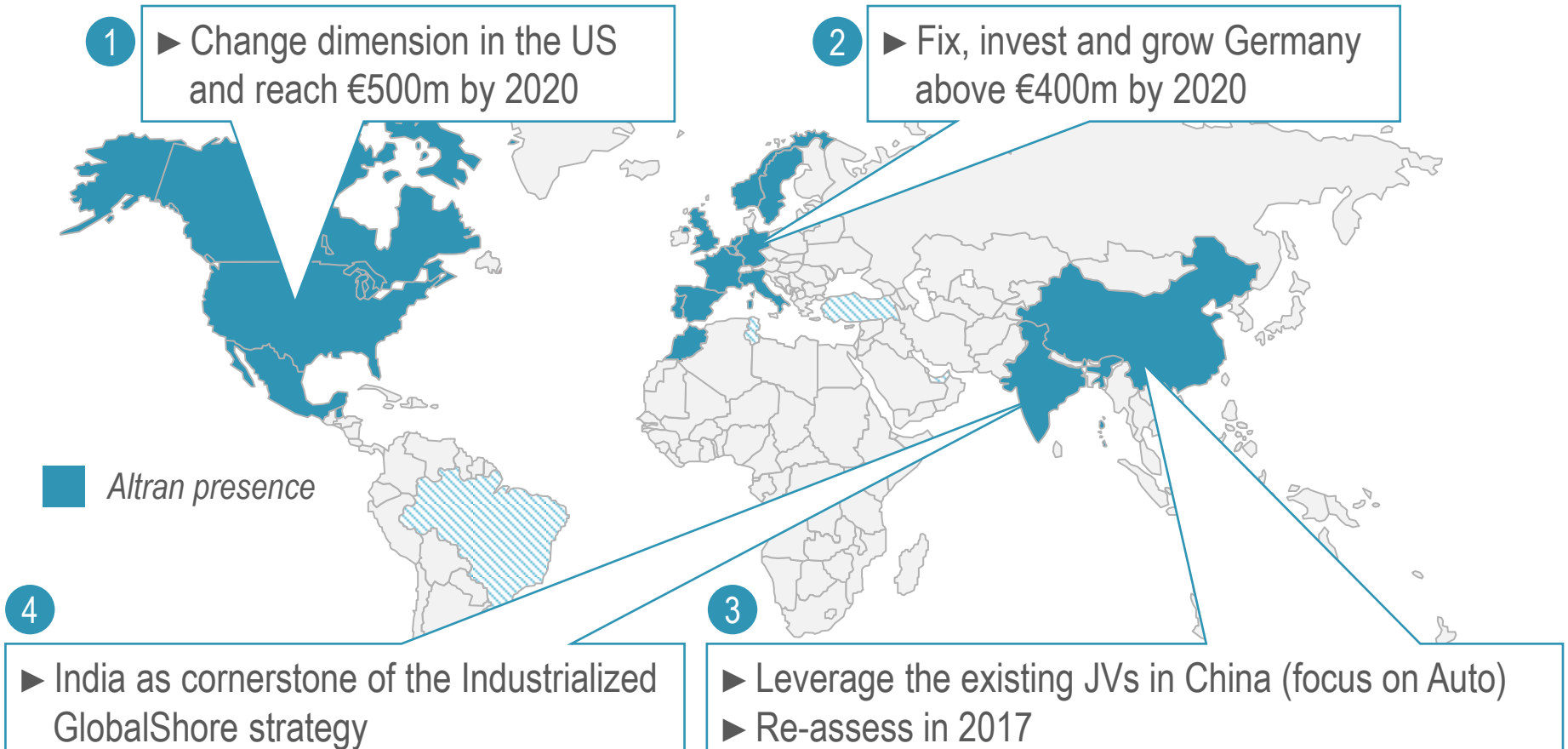
INDUSTRIALIZED GLOBALSHORE



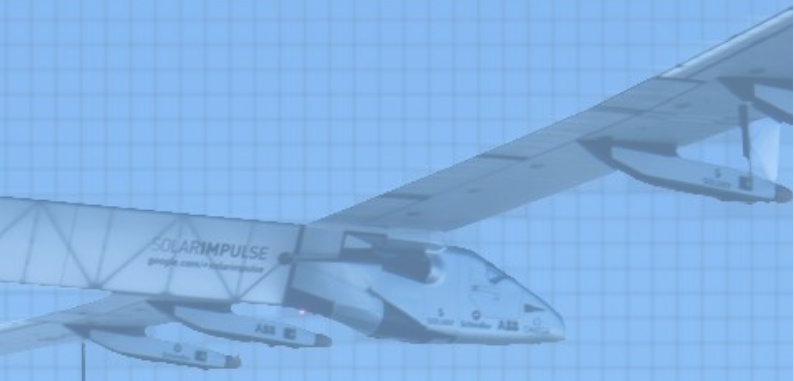
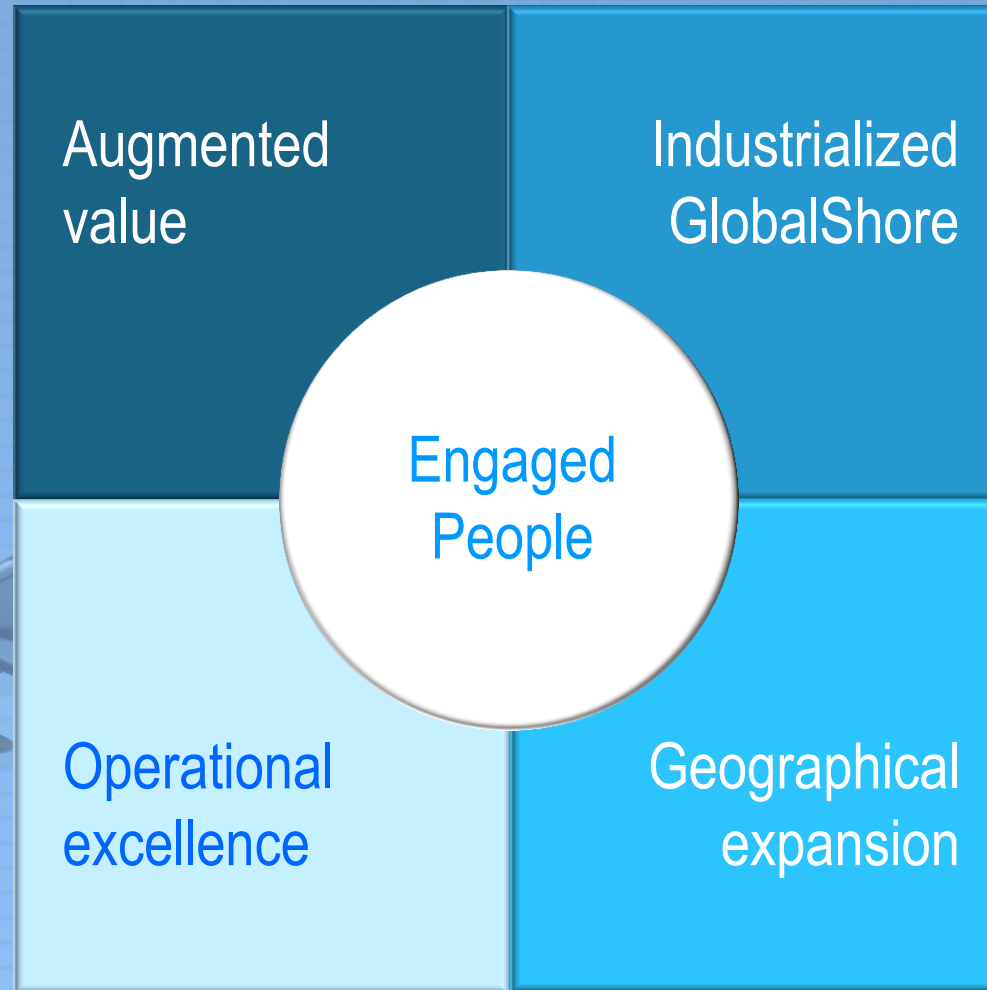
The four engines of the Altran 2020 strategy



ALTRAN WILL
EXPAND ITS
LEADERSHIP IN
KEY SELECTED
MARKETS



The four engines of the Altran 2020 strategy



Principles of operations

- ▶ Articulate **strategy**
/ **align** organization
- ▶ Leverage **action oriented culture / accountability**
- ▶ **Define, measure, monitor** performance
- ▶ Involve **clients**
- ▶ **Focus** on what matters

Business KPIs

- ▶ **Global** Accounts **growth**
- ▶ Average **deals size**
- ▶ Customer Satisfaction (**NPS**)
- ▶ **GlobalShore** mix
- ▶ Delivery > ADM2
- ▶ **Invoicing ratio**
- ▶ **DSO**

Financial outcomes

Revenues

Gross Margin

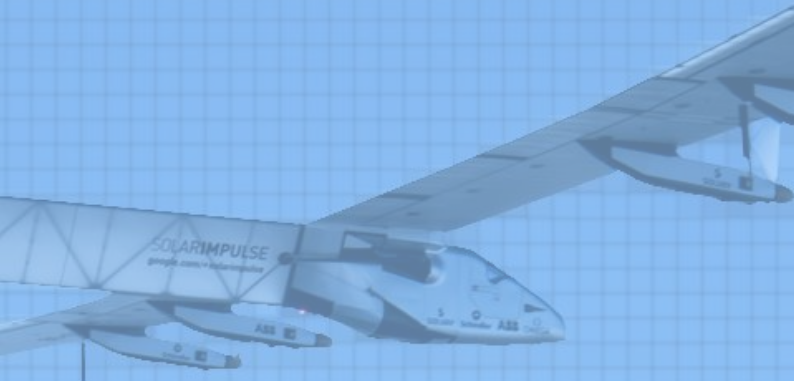
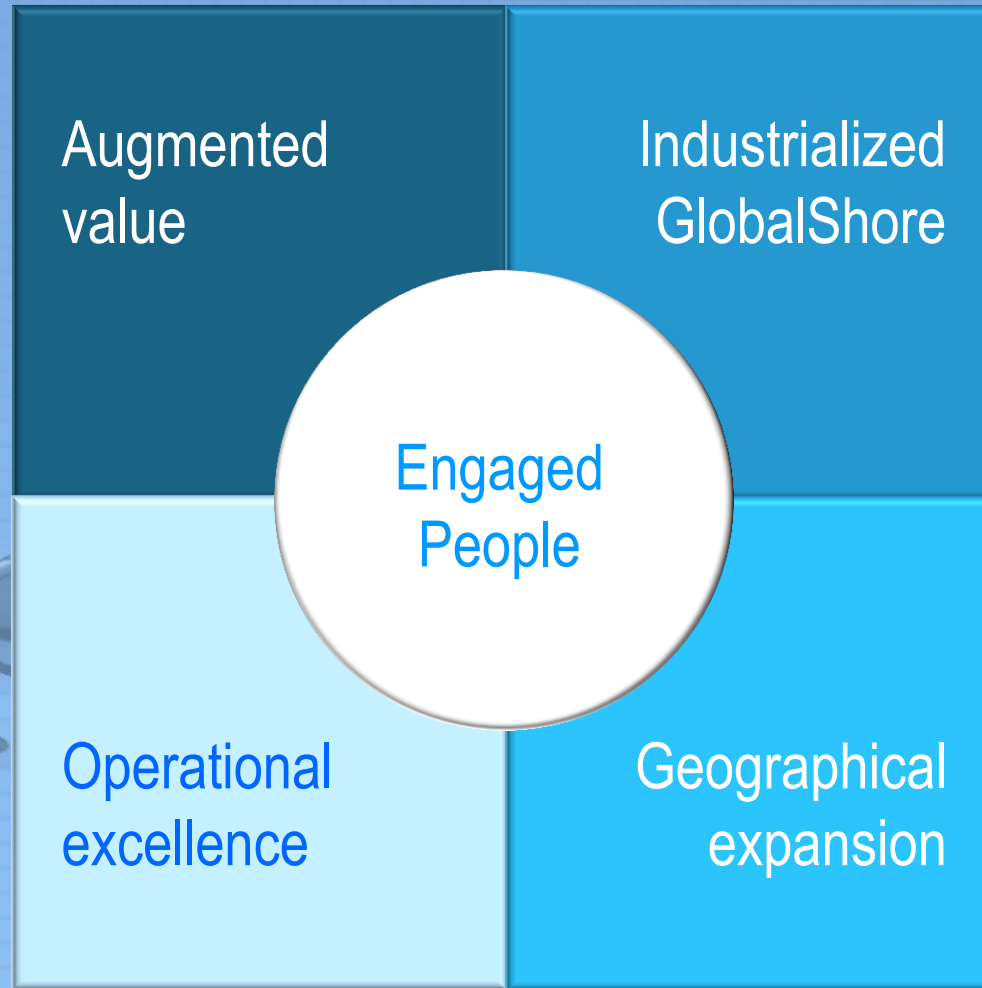
SG&A

EBIT

DSO

FCF

The four engines of the Altran 2020 strategy



Engaged people

25,000

EMPLOYEES

80

NATIONALITIES

90%

ENGINEERS

34 years

AVERAGE AGE



RECRUITMENTS

MORE THAN

4500

CONSULTANTS RECRUITED
PER YEAR

OF WHICH

95%

HAVING 5 YEARS+
OF STUDIES

Altran 2020. Ignition

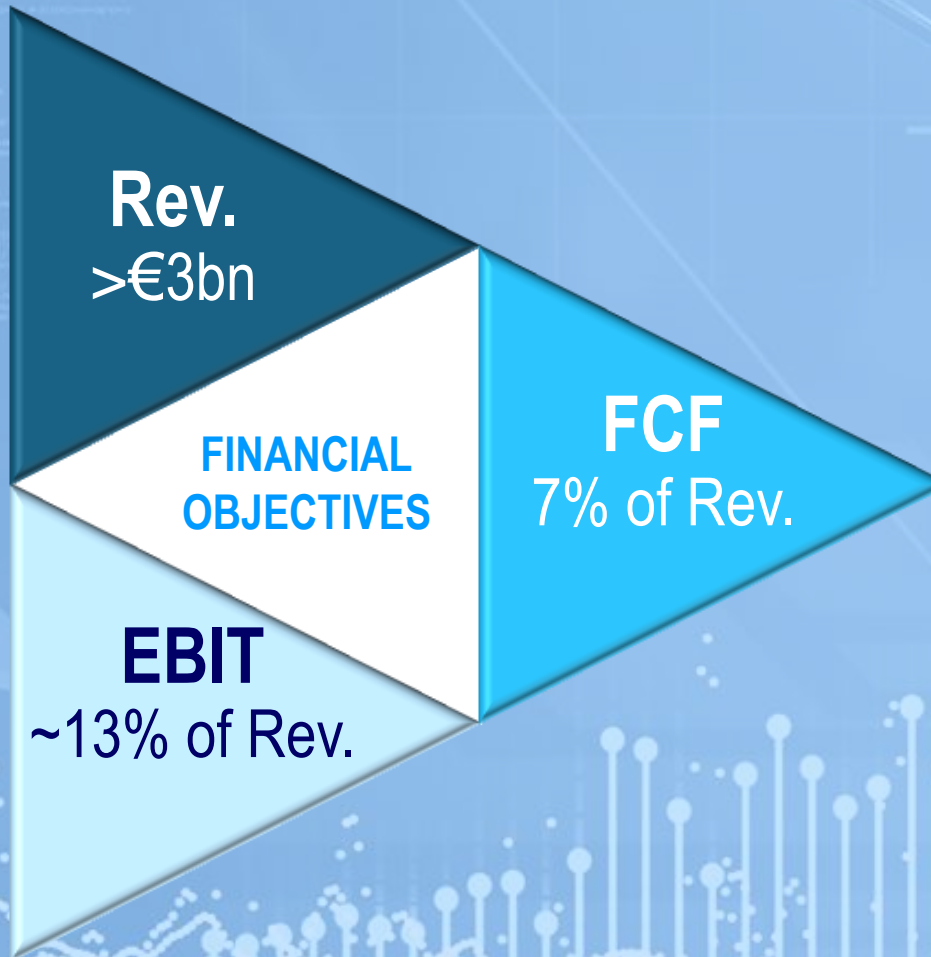
*Reveal our future, make it attractive and
connect our people emotionally*



Altran 2020. Ignition

FINANCIAL OBJECTIVES

Altran 2020: Financial objectives



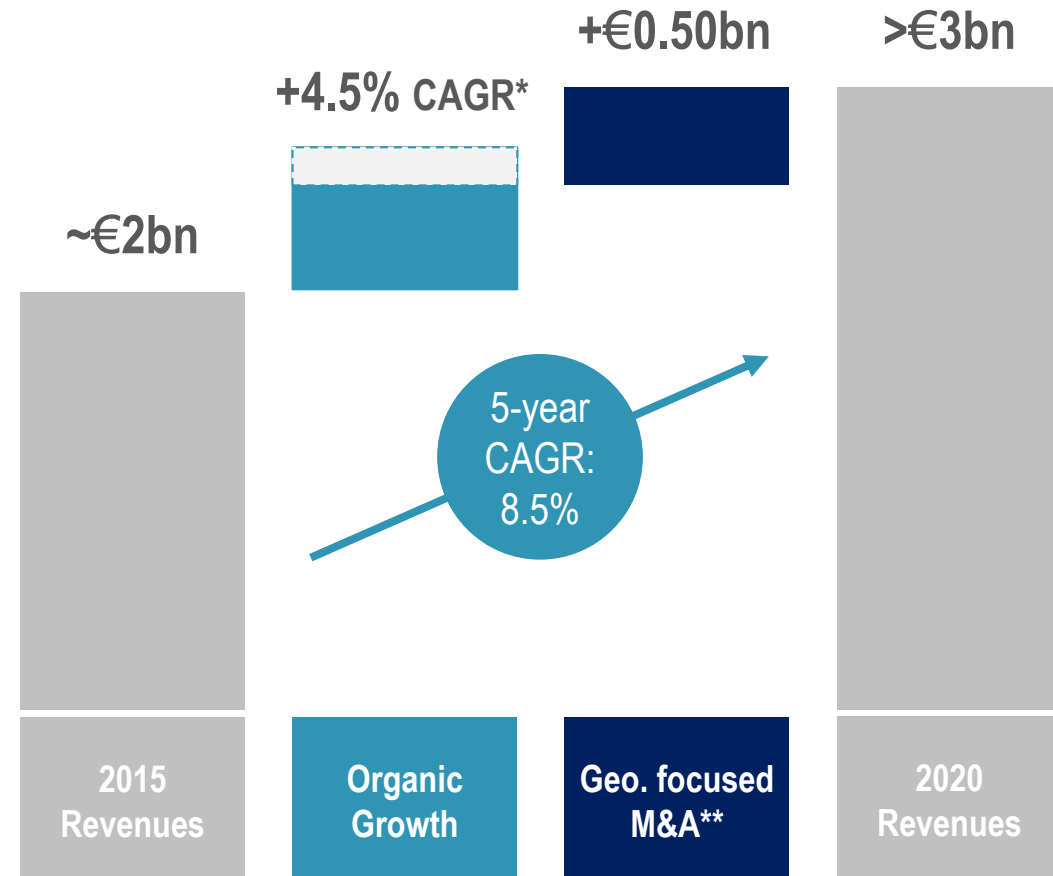


Our 2020 Commitment

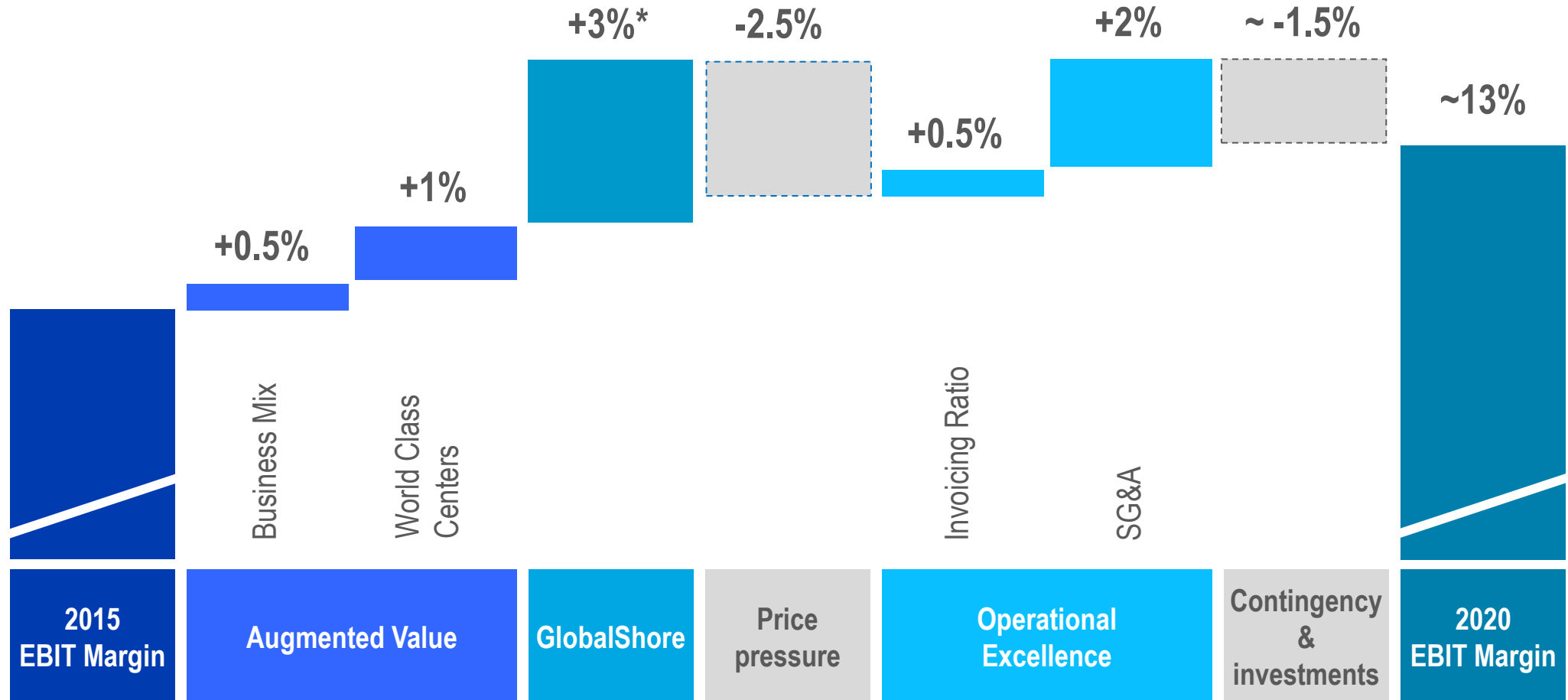
- 1. Revenues:** **> €3bn**
- 2. EBIT Margin:** **~ 13% of Revenues**
- 3. Free Cash-Flow:** **7% of Revenues**
- 4. EPS Growth:** **> 100% over the period**

2015 - 2020 Revenue bridge

- ▶ Revenue CAGR 8.5% (organic 4.5%)
- ▶ Acquisitions in selected geographies (US, India, Germany)



2015 - 2020 EBIT margin bridge





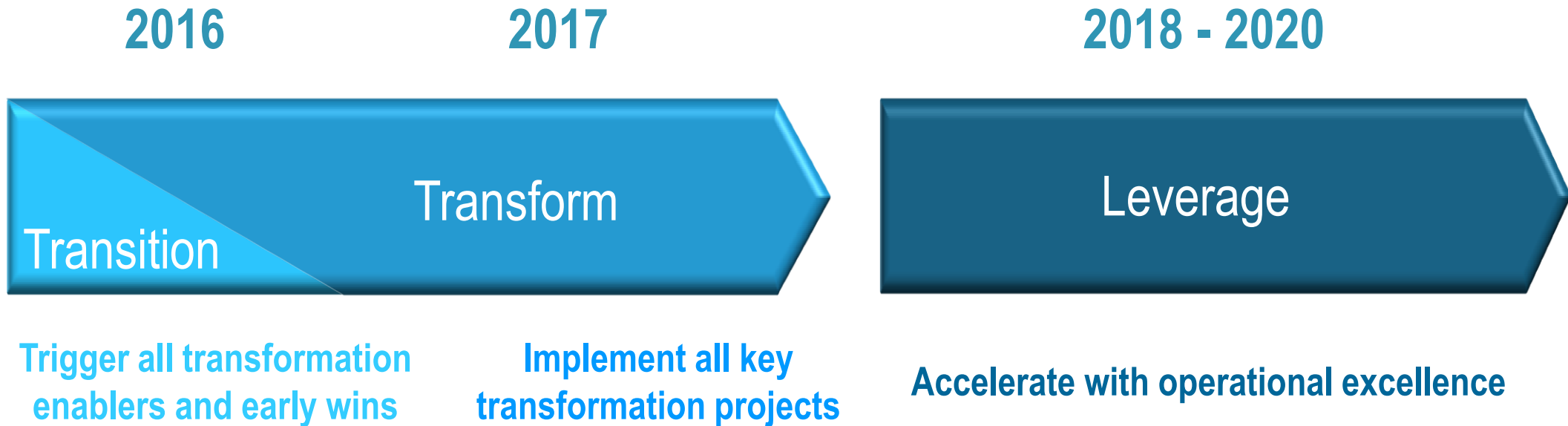
Solid Free Cash-Flow progression and healthy Balance Sheet

- ▶ Leverage $<1.5x$ EBITDA at the end of each year (including M&A activity)
- ▶ Free Cash-Flow : 7% of Sales in 2020

Conclusion

The background is an abstract 3D rendering in shades of blue. It features a curved wall on the left and back, covered in a repeating pattern of small, raised, diamond-shaped tiles. The floor in the foreground is composed of larger, flat, rectangular tiles arranged in a grid. A bright light source from the upper right creates a strong highlight on the floor tiles, casting a soft glow across the scene.

A phased transformation...

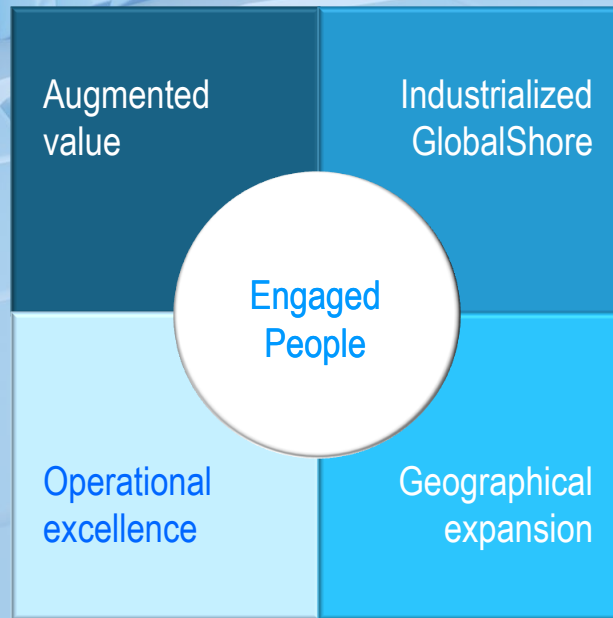


Altran 2020. Ignition

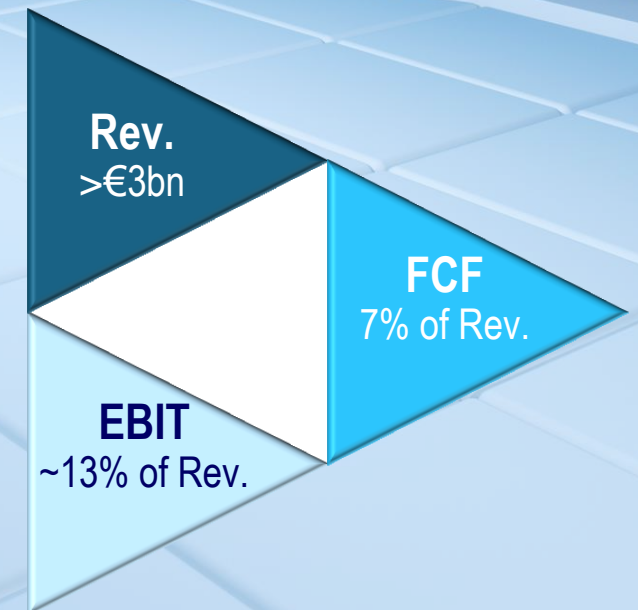
INDUSTRY SCENARIO



STRATEGIC PLAN



FINANCIAL OBJECTIVES



The background is a 3D-rendered abstract scene in shades of blue. It features a floor with a grid of large, slightly raised square tiles. In the background, a wall is composed of a dense, repeating pattern of small, three-dimensional cubes or pyramids, creating a textured, acoustic-panel-like appearance. The lighting is soft and even, highlighting the geometric forms.

Altran 2020. Ignition

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The strategic plan disclosed on November 23rd, 2015 could eventually be subject to changes / adjustments depending on the result of discussion to be lead between the Board of Directors and the Central Works Council which will be consulted on this draft strategic plan.

The background is a 3D-rendered abstract scene in shades of blue. It features a floor with a grid of large, slightly raised square tiles. In the background, a wall is composed of a dense, repeating pattern of small, three-dimensional cubes or pyramids, creating a textured, acoustic-panel-like appearance. The lighting is soft and even, highlighting the geometric forms.

Altran 2020. Ignition