

## 2016 results

### Strong growth and profitability momentum

- Operating profit before non-recurring items (EBITA)<sup>(1)</sup> up 15.7% to €66.9 million
- EBITA margin up 0.6 pt to 7.0%
- Adjusted profit for the period<sup>(2)</sup> up 23.1% to €45.8 million
- Free cash flow<sup>(3)</sup>: €45.3 million, representing 4.7% of revenue

Paris, 8 March 2017, 5.35 p.m. CET – At its meeting on 7 March 2017, the Board of Directors of Assystem S.A. (ISIN: FR0000074148 - ASY), a leading player in engineering, reviewed the Group's financial statements for the year ended 31 December 2016.

#### Dominique Louis, Chairman and Chief Executive Officer of Assystem, stated:

*“2016 was a year of dynamic growth for our three main sectors – Aerospace, Automotive and Nuclear – which drove our operating performance. As a result, we have embarked on 2017 with confidence, which is reflected both in the dividend we will be recommending at our AGM in May and in the targets we have set ourselves for the current year.”*

	2015	2016	Year-on-year change
<b>Revenue</b>	<b>907.7</b>	<b>955.6</b>	<b>+5.3%</b>
<b>Operating profit before non-recurring items – EBITA</b>	<b>57.8</b>	<b>66.9</b>	<b>+15.7 %</b>
% of revenue	6.4%	7.0%	+0.6 pt
<b>Consolidated profit for the period<sup>(4)</sup></b>	<b>27.9</b>	<b>32.1</b>	<b>+15.1%</b>
<b>Adjusted profit for the period</b>	<b>37.2</b>	<b>45.8</b>	<b>+23.1%</b>
<b>Free cash flow</b>	<b>44.8</b>	<b>45.3</b>	<b>+1.1%</b>
% of revenue	4.9%	4.7%	-0.2 pt
<b>Net cash/(debt)<sup>(5)</sup></b>	<b>198.8</b>	<b>(16.1)</b>	<b>-</b>
<b>Adjusted earnings per share<sup>(6)</sup></b>	<b>1.72</b>	<b>2.12</b>	<b>+23.3%</b>
<b>Dividend per share<sup>(7)</sup> (in €)</b>	<b>0.80</b>	<b>1.00</b>	<b>+25.0%</b>

(1) Operating profit before non-recurring items (EBITA) including share of profit of equity-accounted investees (€0.5 million in 2015 and €1.4 million in 2016).

(2) Consolidated profit for the period after deducting (i) profit attributable to non-controlling interests and profit from discontinued operations, and (ii) for 2015, accrued coupons on Odirnane bonds; adjusted for the net of tax amounts of non-recurring income and expenses, and exceptional financial income and expenses (see section 4 of the Appendices).

(3) Net cash generated from operating activities less capital expenditure, net of disposals.

(4) Including profit attributable to non-controlling interests amounting to €0.7 million in 2015 and €0.6 million in 2016. Profit for the period attributable to owners of the parent therefore totalled €27.2 million in 2015 and €31.5 million in 2016.

(5) Cash and cash equivalents less debt and after taking into account the fair value of hedging instruments.

(6) Adjusted profit for the period divided by the weighted average number of diluted shares outstanding (excluding the dilutive impact of the Ornane and Odirnane bonds).

(7) For 2016 the figure corresponds to the dividend that will be recommended at the Annual General Meeting on May 16, 2017.

## ANALYSIS OF THE 2016 INCOME STATEMENT

### • *Revenue*

Assystem's **consolidated revenue** amounted to €955.6 million in 2016, representing a year-on-year increase of 5.3%, which breaks down as 5.4% in organic growth, a 1.2% rise due to changes in scope of consolidation and a 1.3% negative currency effect.

Revenue generated by **Global Product Solutions** came to €577.5 million and accounted for 60.4% of the consolidated total. This 9.3% year-on-year increase – which was driven by Aerospace and Automotive activities – breaks down as 9.7% in organic growth, a 1.3% positive impact from changes in scope of consolidation and a 1.7% negative currency effect.

Revenue for the **Energy & Infrastructure** business rose 1.5% to €315.7 million and represented 33.0% of the consolidated total. Organic growth and changes in scope of consolidation each added 1.3% to revenue in 2016 whereas the currency effect was a negative 1.1%. Excluding the impact of the revenue decline posted by the Saudi Arabia-based company, Radicon, organic growth was 5.3%.

At €53.2 million (accounting for 5.6% of the consolidated total), revenue for the **Staffing** business decreased by 11.4%, as the positive effects of diversifying into the industrial sector only partially offset the revenue drop seen in the Oil & Gas sector.

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

**Consolidated EBITA** advanced 15.7% to €66.9 million in 2016 from €57.8 million the previous year, and EBITA margin represented 7.0% of revenue, up 0.6 of a point on the 6.4% recorded for 2015.

**Global Product Solutions** EBITA rose by €8.2 million to €47.0 million, representing an EBITA margin of 8.1% versus 7.3% in 2015. Both the Aerospace and Automotive sectors saw a sharp increase in their EBITA and EBITA margin figures.

EBITA for the **Energy & Infrastructure** business contracted by €1.6 million to €24.1 million, representing an EBITA margin of 7.6% compared with 8.3%. Radicon's contribution to EBITA was a negative €1.2 million, versus a positive €3.7 million in 2015. Excluding Radicon, consolidated EBITA increased by €3.3 million to €25.3 million, representing an EBITA margin of 8.5% versus 7.8% in 2015.

**Staffing** EBITA came to €2.4 million compared with €1.4 million in 2015, and EBITA margin rose to 4.6% from 2.3%. These year-on-year increases stemmed from a reduction in the business's cost base and the collection of receivables that had previously been written down as bad debt.

### • *Non-recurring income and expenses*

This item represented a net expense of €13.5 million in 2016, breaking down as:

- a €7.0 million impairment loss recognized for assets used by the Staffing business;
- €3.5 million in restructuring costs; and
- a €3.0 million net expense related to acquisitions and disposals and awards of free shares and performance shares.

- **Operating profit, consolidated profit for the period and adjusted profit for the period**

After deducting the net non-recurring expense for the year, **consolidated operating profit** came to €53.4 million, up 35.2% on the €39.5 million reported for 2015.

After taking into account €3.6 million in net financial expense and a €17.7 million income tax expense, **consolidated profit for the period** amounted to €32.1 million, of which €0.6 million was attributable to non-controlling interests.

**Adjusted profit for the period** totalled €45.8 million, up 23.1% year on year.

## **FREE CASH FLOW AND NET DEBT**

**Consolidated free cash flow** amounted to €45.3 million, representing 4.7% of revenue. Excluding the one-off impact of a change in the rules for paying certain payroll taxes in France, it came to €50.3 million, representing 5.3% of revenue and 75% of consolidated operating profit. DSO was unchanged at 78 days, following a 5-day reduction in 2015.

The Group had **net debt of €16.1 million** at 31 December 2016, versus net cash of €198.8 million one year earlier. The majority of the year-on-year change was due to the fact that in 2016 the Company bought back 91.2% of its Odirnane bonds and reclassified under financial liabilities the Odirnane bonds that were still outstanding at 31 December 2016. These remaining Odirnane bonds have been redeemed since that date.

In January 2017, the Group entered into a new bank financing arrangement comprising an €80 million term loan<sup>(6)</sup> and a €200 million revolving credit facility<sup>(7)</sup> under financial and contractual conditions that reflect the current liquidity of the bank lending market.

## **RECOMMENDED DIVIDEND FOR 2016**

At the Annual General Meeting to be held on 16 May 2017, Assystem will recommend the payment of a dividend of €1.00 per share for 2016. If this dividend is approved by shareholders it would represent a total payout of €21.1 million<sup>(8)</sup>, corresponding to 46% of adjusted profit for the period.

## **OUTLOOK FOR 2017**

In view of the favourable market trends in the Automotive, Aerospace and Nuclear sectors, Assystem has set itself the following targets for 2017:

- for organic growth at constant exchange rates to be at least the same as in 2016;
- a further increase in EBITA margin;
- free cash flow representing more than 5% of revenue.

<sup>(6)</sup> 5-year maturity, redeemable at maturity in January 2022.

<sup>(7)</sup> Maturing in January 2022, with two options to extend for further one-year terms (subject to the lenders' agreement).

<sup>(8)</sup> Corresponding to €1.00 multiplied by the 21,149,774 outstanding ordinary shares carrying dividend rights at 31 December 2016.

## FINANCIAL CALENDAR FOR 2017

- 27 April: Press release for first-quarter 2017 revenue.
- 16 May: Annual General Meeting.

**Assystem** is an international group specialised in engineering. As a key participant in the industry for 50 years, Assystem supports its clients in developing their products and managing their capital expenditure throughout the product life cycle. Assystem employs some 12,500 people worldwide and generated €956 million in revenue in 2016. Assystem SA is listed on Euronext Paris.

For more information please visit [www.assystem.com](http://www.assystem.com)

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## APPENDICES

### 1/ REVENUE AND EBITA BY DIVISION

#### • REVENUE

In millions of euros	2015	2016	Total year-on-year change	Organic year-on-year change
<b>Group</b>	<b>907.7</b>	<b>955.6</b>	<b>+5.3%</b>	<b>+5.4%</b>
Global Product Solutions	528.6	577.5	+9.3%	+9.7%
Energy & Infrastructure	311.1	315.7	+1.5%	+1.3%
Staffing	60.1	53.2	-11.4%	-11.4%
Holding company and Other	7.9	9.2	-	-

#### • EBITA<sup>(1)</sup>

In millions of euros	2015	% of revenue	2016	% of revenue
<b>Group</b>	<b>57.8</b>	<b>6.4%</b>	<b>66.9</b>	<b>7.0%</b>
Global Product Solutions	38.8	7.3%	47.0	8.1%
Energy & Infrastructure	25.7	8.3%	24.1	7.6%
Staffing	1.4	2.3%	2.4	4.6%
Holding company and Other	(8.1)	-	(6.6)	-

(1) Operating profit before non-recurring items (EBITA) including share of profit of equity-accounted investees (€0.5 million in 2015 and €1.4 million in 2016).

## 2/ CONSOLIDATED FINANCIAL STATEMENTS

### • CONSOLIDATED STATEMENT OF FINANCIAL POSITION

<i>In millions of euros</i>	31 Dec. 2015	31 Dec. 2016
<b>Assets</b>		
Goodwill	147.2	184.8
Intangible assets	3.7	3.6
Property, plant and equipment	17.5	17.9
Investment property	1.4	1.4
Equity-accounted investees	0.7	0.9
Available-for-sale financial assets	0.2	0.2
Other non-current financial assets	11.8	13.7
Deferred tax assets	10.5	17.0
<b>Non-current assets</b>	<b>193.0</b>	<b>239.5</b>
Trade receivables	298.2	320.1
Other receivables	66.3	70.9
Income tax receivable	1.1	1.5
Other current assets	0.5	0.3
Cash and cash equivalents	233.8	85.4
<b>Current assets</b>	<b>599.9</b>	<b>478.2</b>
<b>TOTAL ASSETS</b>	<b>792.9</b>	<b>717.7</b>
<b>Equity and liabilities</b>	<b>31 Dec. 2015</b>	<b>31 Dec. 2016</b>
Share capital	22.2	22.2
Share premium	80.3	80.3
Consolidated reserves	144.6	106.7
Equity instruments <sup>(1)</sup>	158.4	-
Profit for the period	27.2	31.5
<b>Equity attributable to owners of the parent</b>	<b>432.7</b>	<b>240.7</b>
Non-controlling interests	(0.1)	0.3
<b>Total equity</b>	<b>432.6</b>	<b>241.0</b>
Long-term bond debt	26.4	-
Other long-term debt and non-current financial liabilities	4.5	4.4
Fair value of derivatives	2.1	-
Pension and other employee benefit obligations	23.5	26.4
Liabilities related to share acquisitions	1.0	14.1
Long-term provisions	7.3	7.6
Other non-current liabilities	-	5.9
<b>Non-current liabilities</b>	<b>64.8</b>	<b>58.4</b>
Short-term bond debt	-	14.4
Other short-term debt and current financial liabilities	2.2	82.7
Trade payables	55.3	66.4
Due to suppliers of non-current assets	0.9	1.5
Accrued taxes and payroll costs	180.0	186.7
Income tax liabilities	3.9	3.8
Liabilities related to share acquisitions	3.6	4.4
Short-term provisions	7.0	7.2
Other current liabilities	42.6	51.2
<b>Current liabilities</b>	<b>295.5</b>	<b>418.3</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>792.9</b>	<b>717.7</b>

(1) Odirnane bonds

- **CONSOLIDATED INCOME STATEMENT**

	<b>2015</b>	<b>2016</b>
<i>In millions of euros</i>		
<b>Revenue</b>	<b>907.7</b>	<b>955.6</b>
Payroll costs	(644.8)	(662.4)
Other operating income and expenses	(193.8)	(217.6)
Taxes other than on income	(1.5)	(1.3)
Depreciation, amortisation and provisions for recurring operating items, net	(10.3)	(8.8)
<b>Operating profit before non-recurring items (EBITA)</b>	<b>57.3</b>	<b>65.5</b>
Share of profit of equity-accounted investees	0.5	1.4
<b>EBITA including share of profit of equity-accounted investees</b>	<b>57.8</b>	<b>66.9</b>
Non-recurring income and expenses	(18.3)	(13.5)
<b>Operating profit</b>	<b>39.5</b>	<b>53.4</b>
Net financial income (expense) on cash and debt	4.0	(0.8)
Other financial income and expenses	(3.0)	(2.8)
<b>Profit from continuing operations before tax</b>	<b>40.5</b>	<b>49.8</b>
Income tax expense	(13.1)	(17.7)
<b>Profit from continuing operations</b>	<b>27.4</b>	<b>32.1</b>
Profit from discontinued operations	0.5	-
<b>Consolidated profit for the period</b>	<b>27.9</b>	<b>32.1</b>
<b>Attributable to:</b>		
Owners of the parent	27.2	31.5
Non-controlling interests	0.7	0.6

• **CONSOLIDATED STATEMENT OF CASH FLOWS**

	<b>2015</b>	<b>2016</b>
<i>In millions of euros</i>		
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
EBITDA	68.1	75.7
Change in operating working capital requirement	6.0	(3.4)
Income tax paid	(9.5)	(12.8)
Other movements	(12.3)	(5.8)
<b>Net cash generated from operating activities</b>	<b>52.3</b>	<b>53.7</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Capital expenditure, net	(7.5)	(8.4)
Acquisitions of shares in consolidated companies, net of disposals	(34.0)	(26.4)
Movements in loans to non-consolidated companies	0.1	-
<b>Net cash used in investing activities</b>	<b>(41.4)</b>	<b>(34.8)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Net financial income received (expenses paid)	3.9	(1.5)
Proceeds from new borrowings	-	80.0
Repayments of borrowings and movements in other financial liabilities <sup>(1)</sup>	(1.7)	(32.3)
Dividends paid <sup>(2)</sup>	(16.2)	(17.9)
Buyback of equity instruments <sup>(3)</sup>	-	(176.9)
Coupon paid on equity instruments <sup>(3)</sup>	(7.2)	(7.2)
Other movements in equity of the parent company	(6.3)	(9.8)
<b>Net cash used in financing activities</b>	<b>(27.5)</b>	<b>(165.6)</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(16.6)</b>	<b>(146.7)</b>
<b>Cash and cash equivalents at beginning of year</b>	<b>250.5</b>	<b>233.4</b>
Effect of non-monetary items and changes in exchange rates	(0.5)	(2.3)
Net decrease in cash and cash equivalents	(16.6)	(146.7)
<b>Cash and cash equivalents at year-end</b>	<b>233.4</b>	<b>84.4</b>

(1) Including €31.5 million related to the buyback of Orname bonds in 2016.

(2) Including €17.0 million in 2016 and €16.2 million in 2015 paid to shareholders of Assystem SA.

(3) Odirnane bonds.

### 3/ CHANGES IN NET CASH/(DEBT)

<i>In millions of euros</i>		
<b>Net cash/(debt) at 31 December 2015</b>	<b>198.8</b>	
<b>EBITDA</b>	<b>75.7</b>	
Change in operating working capital requirement	(3.4)	
Income tax paid	(12.8)	
Capital expenditure, net	(8.4)	
Other movements	(5.8)	
<b>FREE CASH FLOW</b>	<b>45.3</b>	
Acquisitions, net of disposals	(26.4)	<i>Envy, Aerotec Concept, Onyx Promavi, Bâtir Group and Edison</i>
Buybacks/reclassifications of Odirnane and Ornane bonds	(195.1)	
Dividends, share buybacks and other	(38.7)	<i>Including €17.0 million in dividends paid to Assystem shareholders, €7.2 million in coupons on Odirnane bonds, and €9.8 million related to share buybacks</i>
<b>Net cash/(debt) at 31 December 2016</b>	<b>(16.1)</b>	

### 4/ ADJUSTED PROFIT FOR THE PERIOD

<i>In millions of euros</i>	<b>2015</b>	<b>2016</b>
<b>Consolidated profit for the period</b>	<b>27.9</b>	<b>32.1</b>
Profit attributable to non-controlling interests	(0.7)	(0.6)
Profit from discontinued operations	(0.5)	-
Coupon on equity instruments <sup>(1)</sup>	(7.2)	-
Non-recurring income and expenses not deductible for tax purposes	13.1	7.8
Non-recurring income and expenses deductible for tax purposes, net of income tax <sup>(2)</sup>	3.7	3.9
Exceptional financial income and expenses (Ornane bonds and refinancing), net of income tax	0.9	2.6
<b>Adjusted profit for the period<sup>(3)</sup></b>	<b>37.2</b>	<b>45.8</b>

(1) *Accrued coupon on Odirnane bonds for the year.*

(2) *Tax effect calculated using the effective tax rate for the year, excluding the impact of the impairment of Staffing assets, i.e. 27.9% in 2015 and 32.0% in 2016.*

(3) *Attributable to owners of the parent.*

### 5/ INFORMATION ABOUT THE COMPANY'S CAPITAL

<b>NUMBER OF SHARES</b>	<b>2015</b>	<b>2016</b>
Number of ordinary shares outstanding (at 31 December)	22,218,216	22,218,216
Number of treasury shares (at 31 December)	680,149	1,068,442
Number of free shares and performance shares outstanding (at 31 December)	39,150	313,300
Weighted average number of shares outstanding	21,595,143	21,258,072
Weighted average number of diluted shares <sup>(1)</sup>	21,634,293	21,571,372

(1) *Excluding the dilutive impact of the Ornane and Odirnane bonds.*

#### **OWNERSHIP STRUCTURE AT 28 FEBRUARY 2017**

<b>%</b>	<b>Shares</b>	<b>Voting rights</b>
HDL Development <sup>(1)</sup>	60.66%	77.25%
Free float <sup>(2)</sup>	34.57%	22.75%
Treasury shares	4.77%	-

(1) *HDL Development is a holding company controlled by Dominique Louis (Assystem's Chairman and Chief Executive Officer), notably through HDL, which itself holds 0.23% of Assystem's capital.*

(2) *Including 0.23% held by HDL.*