

Altrad

Coverage Report

Prepared by Buchanan

Date: 23.01.2020

Publication: <https://scaffmag.com>

Another impressive year of trading for the Altrad Group

BY GRAHAME ANDERSON

According to recently published Full-Year Results for the fiscal period ending 31st August 2019, it's been another momentous year for the ever-expanding Altrad Group.

Altrad the global leader in industrial maintenance services across multiple sectors has continued its impressive growth, showcasing a strong net profit of £202m, an increase of £1million from the previous 12 months.

ScaffMag managed to catch up with Altrad Group CEO Louis Huetz to get his thoughts on what has been a very pleasing phase for the group.

Given unsettled financial conditions we wondered how in the case of the Altrad, operational and financial performance surpassed expectations?

Louis said: *"We expected revenue to drop off having completed a number of large scale projects in the period, however, we filled the order book and delivered a strong performance."*

"This is really a function of Altrad delivering operating efficiencies and leveraging the benefits of being a bigger and better business. This was the rationale for the material acquisitions delivered in recent years and it's now beginning to bear fruit, as shown by these results which enabled the Company to grow profits despite lower revenue in the period."

A closer look at the figures for 2019 will reveal 44% of group revenue comes from Europe – as Britain prepares to leave the EU at the end of January, will this have an impact on the company on the UK, European and world stage?

"It has already impacted us to a certain extent in terms of uncertainty impacting client spending, however, we believe that uncertainty is beginning to clear and we predict it will largely be business as normal following Brexit."

"As a global business, we are largely insulated from things like FX movements and the diversity of the business model is structured to provide resilience to fluctuations and market trends in different sectors and markets – with limited Brexit impact being a case in point."

There have been many highlights to savour in 2019, so which one gave cause for particular satisfaction and why?

Louis explained: *"Seeing the efficiencies increasingly come through is satisfying as it supports the strategic rationale for our role as a consolidator in recent years. It is also pleasing to see Altrad Services brand gaining traction with our blue-chip clients in our various markets."*

Major organisations are facing bigger challenges in the form of the climate change debate, and it's a huge responsibility. So in the light of first-class results, we were interested to discover what role Altrad might play going forward with this serious issue in mind?

A thoughtful Louis said: *"We are very mindful of climate change and seek to ensure we operate with a mindset of sustainability. We do have exposure to Energy sectors and focus on delivering value-add, innovative services to our clients in the sector so that they can operate efficiently.*

Essentially we are supporting their efforts to reduce carbon emissions. We also do a lot of work in Nuclear and Renewables, so play a direct role in supporting the Energy Transition."

It's so hard not to compare Altrad with Liverpool Football Club who seem to be taking all before them. So do they have a secret formula for ongoing success?

It was a comment well received by Louis: *"As Liverpool are European champions, we will take that as a compliment! Liverpool FC has a strong culture and history, and the team has great balance and leadership, so there are a lot of parallels with Altrad.*

"I'm not sure there is necessarily a secret to our success, it's more a pure strategic focus on building our business upon the foundations of Excellence and strong founding values. We are very good at what we do, and we try to ensure we maintain exceptionally high standards in all areas of our business."

The group has maintained its services order book for the year of £2.3billion, largely involving blue-chip clients, also keeping net debt at £510m. Cash stands at a cool £911m, and wherever you look, the future looks incredibly bright for this group innovator.

We are of course well into a new reporting year at this stage, so what's the message coming from the Altrad boardroom?

Louis explained: *"We are happy to deliver another set of excellent full-year results reflecting the successful growth strategy that the group has adopted in recent years and our continued focus on building a diverse and stable business underpinned by excellence.*

"We operate in fluid markets and it's important to keep evolving the business organically and inorganically to ensure we maintain a competitive advantage. We are constantly reviewing ways in which we can enhance our business to deliver growth and value for our stakeholders, and be the best Altrad that we can be."

One of the core elements of Altrad's strategy is the "One Altrad" vision which aligns all of the businesses under the Altrad Group, consolidating and involving all subsidiaries to share the same approach focusing on innovation, synergy, sharing and dissemination of best practice.

Last year Altrad successfully completed the integration of its three major industrial services groups, being Cape, Hertel and Prezioso Linjebygg, under the newly formed brand Altrad Services.

Following a successful period of strategic integration, Altrad Services now benefits from a collaborative knowledge-share and expanding network of customers providing further growth opportunities.

Press Coverage

Date: 17.01.2020

Publication: Construction News

Altrad boss talks up UK rebound as uncertainty ends

BY DAVID PRICE

Demand in the UK construction market is set to pick up thanks to the Conservative Party's decisive election win, according to Altrad chief executive Louis Huetz.

The clear result has removed much of the uncertainty that has dogged the UK market and will lead to more clients going ahead with jobs, Huetz told *Construction News*.

"In a sense, it's the end of the uncertainty, and the worst thing for a business is uncertainty," he said.

Last week, France-based Altrad published its results for the financial year ending 31 August 2019. Its revenue declined to €3.11bn (£2.65bn) from €3.42bn (£2.92bn) in 2018, but the company's profit margin increased slightly from 7.3 per cent to 7.7 per cent. The fall in revenue was attributed to some major projects being completed the previous year along with the effects of a slowdown in the UK construction market. Huetz said: "The impact [of the UK slowdown] was limited to operations related to construction: Trad, Generation and Altrad Belle."

The three businesses were affected by a decline in renovation work, which creates the main demand for construction scaffolding. "There was a slowdown of renovation projects in London due to the lack of visibility for the developers," he said.

Huetz said the uncertainty also prompted some clients to rent scaffolding rather than make the bigger commitment of buying it. Profit margins were not especially affected by the switch, but turnover did drop as a result. Altrad also had to invest more to increase its stock of equipment to meet rental demand.

The UK is Altrad's most important market by revenue stream, contributing almost €900m (£767m). The group's main work is in the industrial services market for oil and gas companies. Huetz told *CN* that he expected strong demand for nuclear, oil and gas projects in the UK over the next few years. For the general construction market, the level of demand depends heavily on Brexit, which Huetz said he hoped would be friendly.

"The scenario is clear: there will be a Brexit. It will probably be a friendly Brexit over time. For me that's the best possible scenario we could have at this stage. We are confident that investors and developers will regain trust and projects can resume," he said.

"The UK is good and we expect it to get even better," he added.

Altrad has made significant UK acquisitions over the past decade, including the £332m takeover of Cape PLC in 2017. Huetz said the company will always consider opportunities. "We are open to some possibilities if they arise, but that's not our priority," he said. If Altrad does make an acquisition it would most likely be in the industrial services arena rather than construction, he added.

Altrad's €900m (£767m) UK network

The Altrad Group is headquartered in France, but its biggest market by revenue is the UK. Its network of companies in this country is split into four divisions:

- Altrad Services: Hertel UK, NSG (Cape was subsumed by this division)
- Scaffolding hire and sales: Generation, Beaver, Dessa
- Trad Group: Trad Hire & Sales, Trad Safety Systems, Trad Group contracting
- Altrad Belle: Light construction equipment manufacturer

Date: 17.01.2020

Publication: Upstream (print copy)

EUROPE

Oil sector key to Altrad boost

Industrial maintenance specialist increased its profitability in 2019 in the face of declining revenues

ANAMARIA DEDULEASA

London

FRENCH industrial services player Altrad is confident it can deliver a strong financial performance this year, after it surpassed expectations in 2019 with steady profits, despite a revenue drop.

Altrad's revenues fell last year to €3.1 billion (\$3.4 billion) compared with €3.5 billion in 2018.

According to the company, over 70% of the services revenue, which represents 78% of the group revenue, is a recurring revenue profile from multi-year maintenance contracts.

Earnings before interest, tax, depreciation and amortisation increased to €462 million compared to €443 million.

Profit for the Montpellier-based company remained steady, with Altrad reporting a net profit of €202 million compared to a profit of €201 million in the previous year.

Nearly one third of Altrad's activity took place outside Europe, which gave the group exposure to both mature and emerging markets in regions including the Middle East, Asia and Africa.

Oil and gas sector clients include Total, Shell, BP, ExxonMobil, Chevron, Equinor, Samsung Heavy Industries, Sonatrach and Saudi Aramco.

Chief executive Louis Huetz said: "We anticipated a lower revenue this year on account of completion of a number of large projects, however the operational and financial performance surpassed

expectation resulting in enhanced profitability." Huetz said the results were due to the group's ability to "maintain a strong order book", which was reported at €2.3 billion. The order book at the end of the previous fiscal year stood at €2.5 billion.

The group expects to secure 50% of the turnover from major services orders in less than a year to provide more orderbook cover and stronger visibility on revenue, it said.

"This year we secured important contracts with a variety of blue-chip clients across our various sectors and geographies, and we expect to grow the orderbook further with some key renewals this fiscal year," Huetz said.

"We are confident that Altrad's 2020 multi-year strategic plan will enable the group to deliver sustainable long-term organic growth. Our near-term outlook for the group as a whole looks solid and we aim to further strengthen our strategic positioning to enable us to increase in scale and profitability next year."

Altrad's financial performance was also due to the company completing the integration of its three major industrial services groups — Cape, Hertel and Prezioso Linjebbygg — under the Altrad Services brand.

The newly formed brand said a number of material maintenance contracts are up for renewal this fiscal year.



Report: Altrad chief executive Louis Huetz de Lempis

Photo: ALTRAD

Date: 10.01.20

Upstream (online)

France's Altrad keeps profit steady despite sales drop

French services player reports steady profits despite slight drop in revenues

French services player Altrad managed to keep net profit steady last year despite a revenue drop.

Altrad's revenues fell last year to €3.1 billion (\$3.4 billion) compared to €3.5 billion in 2018, reflecting the completion of some material project work .

According to the company, over 70% of the services revenue, which represents 78% of the group revenue, is a recurring revenue profile from multi-year maintenance contracts.

Earnings before interest, tax, depreciation and amortisation increased to €462 million compared to €443 million year-on-year, while profit remained steady, with the company reporting a net profit of €202 million compared to a profit of €201 million in the previous year.

Chief executive Louis Huetz de Lemps said: "We anticipated a lower revenue this year on account of completion of a number of large projects, however the operational and financial performance surpassed expectation resulting in enhanced profitability."

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Altrad's financial performance was also due to the company completing the integration of its three major industrial services groups - Cape, Hertel and Prezioso Linjebygg - under the newly formed brand Altrad Services.

Altrad Services said a number of material maintenance contracts are up for renewal this fiscal year which, if secured, will further strengthen the group in the near-medium term outlook.

Date: 10.01.2020

Publication: KHL

Brexit boost for Altrad's scaffolding rental

Brexit uncertainty has given a boost to France-based Altrad's scaffold rental business over the past year.

The company's CEO Louis Huetz told *IRN*, "Even during the uncertainty caused by Brexit, it did not really affect our rental business in the UK. In fact, people made a switch from buying more to hiring more because they didn't want to be too committed, so they chose to hire solutions."

The company has an Equipment business that operates only in Europe and accounts for about 20% of total group revenues. The other 80% is generated by Altrad's global Industrial Services business.

As part of the Equipment business, Altrad rents scaffolding in the UK, Germany, France, Poland and the Netherlands.

"The UK is the main market for scaffolding rental because British companies tend to hire more than they buy, whereas on the continent companies tend to buy more than they hire," said Huetz.

Before the turmoil caused by Brexit, the split between the sale and rental of scaffolding in the UK was 70/30, according to Huetz. Over the past year, as the Brexit turbulence reached a climax, that split shifted to about 60/40.

This change happened quite quickly in early 2019, so the company had to quickly invest more in its rental fleet to respond to the higher demand; "There was no problem with storage; it was more a problem of demand for additional CapEx because we needed to have more hire equipment, so that means purchasing more," said Huetz.

Without putting an exact figure on it, Huetz said the company invested several tens of millions of euros.

Although the rental business across Europe is not fast-growing, it is stable, according to Huetz.

"The rental business in France and Benelux is doing well, and Poland also. But in Germany there has been a slowdown over the past six months, but it is more on the sales side than the hire side because Germans tend to buy their own equipment," said Huetz, attributing this to a slowing German economy, which is impacting the construction sector.

Looking ahead at how the market for scaffolding rental might develop in the future, Huetz said, "It's an interesting market. We are also developing in other countries, especially Italy. Also in Eastern Europe."

Altrad intends to continue expanding its rental business, with an estimated CapEx figure of at least €10 million annually, according to Huetz; "We will see how things develop, but we are prepared to invest in the region as much as we need to increase our market share."

Date: 13.01.2020

Publication: Energy Voice

Cape integration sees drop in Altrad's pre-tax profits

by Allister Thomas

French industrial services giant Altrad saw pre-tax earnings drop last year as it fully integrated UK firm Cape into its business.

Altrad bought Cape for £332million in 2017 as part of a series of deals including Dutch firm Hertel and French group Prezioso Linjebygg, combining the three under a single banner in September 2018.

Although it was the second year Cape was under the Altrad name, managing director Louis Huetz said 2019 was when the firm "completed the integration of Cape" into the wider group.

As a result, non-recurring costs related to that integration saw pre-tax profits drop from £213m in 2018 to £202m last year.

Meanwhile revenue also dropped from £2.9bn in 2018 to £2.6bn, partly due an expected completion of contracts for large liquefied natural gas (LNG) projects in Australia.

However the Cape integration still helped propel EBITDA (Earnings Before Interest, Tax, Depreciation and Amortisation) to £392.5m, up from £376m the previous year.

Mr Huetz said: "Due to the effects and synergies of the integration we were able to increase our EBITDA in absolute terms which exceeded our expectations.

"The integration gave us a very wide range of services, a very good geographical footprint.

"Today our position in the oil and gas industry is very satisfactory. We are in a good position to take advantage of developments in the industry worldwide."

The Montpellier-based firm provides a host of services across the oil and gas, construction, process industries and power sectors, employing nearly 42,000 people worldwide.

Altrad Group CEO Louis Huetz

Altrad said it sees “significant long-term opportunities” in the oil and gas sector, which makes up around 30% of sales, particularly in regions like Australia and the Middle East where it has won major contracts.

The firm employs around 600-700 people in the North Sea and East Irish Sea as part of a wider group of 8,000 across the UK.

The main activity offshore is maintenance of mature oil and gas assets, which Mr Huetz said has been steady in recent years.

He added: “The UK offshore sector remains important for us.

“We didn’t really experience instability during the last two to three years in the UK North Sea.

“There are some ups and downs, we lose contracts and win some others but I believe the general trend is positive.

“Just before we bought Cape, during the sharp decrease in oil price in 2015 there was some really big cuts in spending offshore, but we arrived after this and since then the volume has been constant and the contribution has been quite constant.”

Date: 10.01.2020

Publication: Bloomberg

Business

Altrad Group Full-Year results

January 10, 2020, 8:00 AM GMT

Altrad Group Full-Year results

A year of further growth building on Altrad's foundations of Excellence

Altrad Group, a global leader in industrial maintenance services across multiple sectors, is pleased to report its Full-Year Results for the fiscal year ended 31 August 2019.

HIGHLIGHTS

- * A year of solid financial and operational performance resulting in earnings growth
- * Revenue at €3,105m (2018: €3,419m)
- * EBITDA of €462m (2018: €443m)
- * Net profit of €202m (2018: €201m)
- * The Group has maintained its Services order book for the year of €2.3 billion
- * Cash of €911m (2018: €794m)
- * Net Debt at €510m (2018: €678m)

Commenting on the Results, CEO Louis Huetz said:

"We are happy to deliver another set of excellent full-year results reflecting the successful growth strategy that the group has adopted in recent years and our continued focus on building a diverse and stable business underpinned by Excellence. We anticipated a lower revenue this year on account of completion

of a number of large projects, however the operational and financial performance surpassed expectation resulting in enhanced profitability. By leveraging our established reputation as a global leader, as well as our scale and capabilities to meet client expectations, it has enabled us to maintain a strong order book that enables good visibility on revenue for years to come. This year we secured important contracts with a variety of blue-chip clients across our various sectors and geographies, and we expect to grow the order book further with some key renewals this fiscal year. We are confident that Altrad's 2020 multi-year strategic plan will enable the Group to deliver sustainable long-term organic growth. Our near-term outlook for the Group as a whole looks solid and we aim to further strengthen our strategic positioning to enable us to increase in scale and profitability next year."

OVERVIEW

Altrad has delivered a strong financial performance this fiscal year by building on the robust and diversified service offering assembled through organic and acquisitive means in recent years. The strength of operational and financial performance reflects the Group's status as a global leader with diversity of value-add services and established positions in multiple markets and sectors.

Consistent with the previous year, nearly one third of Altrad's activity takes place outside of Europe, giving the Group exposure to both mature and emerging markets in regions including Pacific, Middle East, Asia and Africa.

Continental Europe represents 44% of group revenue, and the UK represents 29%.

Altrad provides support in all these markets to majors and multinationals that are leaders in their respective sectors including EDF, SNCF, Total, Shell, BP, ExxonMobil, Chevron, Equinor, Dow, Samsung Heavy Industries, Sonatrach and Saudi Aramco.

Altrad also benefits from a balanced sales mix between Oil and Gas (30%), Construction (35%), Process Industries (25%) and Power (10%), providing protection from any downturns that may occur in each sector.

One of the core elements of Altrad's strategy is the "One Altrad" vision which aligns all of the businesses under the Altrad Group, consolidating and involving all subsidiaries to share the same approach focusing on innovation, synergy, sharing and dissemination of best practice. This year Altrad successfully completed the integration of its three major industrial services groups, being Cape, Hertel and Prezioso Linjebygg, under the newly formed brand Altrad Services. Following a successful period of strategic integration, Altrad Services now benefits from a collaborative knowledge-share and expanding network of customers providing further growth opportunities.

FINANCIALS

The Group generated strong revenue of €3,105 million during the fiscal year, ahead of expectation at the Half Year and reflecting the completion of some material project work. Of note, over 70% of the Services revenue, which represents 78% of the Group revenue, is a recurring revenue profile from multi-year maintenance contracts.

The Group achieved an impressive level of profitability, with EBITDA margin of

14.9% trending positively from 13.2% figure at Half Year, resulting in EBITDA of €462 million with a net profit of €202 million.

At year end, Altrad Services' order book stood at €2.3 billion, providing decent coverage for the anticipated activity for the coming year. The Group expects to secure 50% of the turnover from major services orders in less than a year to provide more order book cover and stronger visibility on revenue.

Net debt at period end was €510 million, significantly less than last year, resulting in a net debt to EBITDA ratio of 1.1x, compared with 1.53x the previous year, demonstrating the strength of the Group's free cash flow generation.

MARKET CONDITIONS

Oil & Gas represents a material sector for Altrad in terms of revenue, making up 30% of the Group's turnover. The acquisitions of Hertel (2015), Prezioso (2016) and Cape (2017), which have subsequently formed Altrad Services, have profoundly transformed the Group's profile into a leader in the sector.

Altrad sees significant long-term opportunities in the Oil and Gas sector and has recently been awarded a number of material contracts. These include contracts with Woodside Energy Ltd, ADNOC Fertilizers Ruwais, KLNG and DOOSAN.

With the current oil price above \$65/bbl, confidence in the global offshore oil sector continues to strengthen and a drive to broaden the geographical reach of the Group's diverse service offering is resulting in new orders and opportunities.

The LNG market continues to grow, with strong opportunities in China fabrication yards. Altrad has worked on 70% of the world's LNG plants and is well positioned to leverage its unique expertise to provide world class maintenance activities to completed projects and capitalise on new Green Field

project opportunities.

Altrad is now the world leader in services to industry, providing the petrochemical and energy infrastructure sectors with streamlined and dynamic solutions for projects, maintenance, modifications and overhauls.

The nuclear industry is currently providing a strong pipeline of long-term opportunities with a series of projects underway, as well as extension, maintenance and decommissioning activities in the core markets of France and UK. Altrad is part of the UK Hinkley Point C MEH alliance, which composes of four major UK contactors to work together on the complex installation of cabling and pipework in the power station's 2,500 rooms. This 7-year contract not only provides a long-term income but also is a prestigious alliance with other leaders in the sector.

The Group's Equipment business, representing 22% of Group turnover, has performed well supported by robust appetite for the rental of Altrad's equipment throughout Europe. Whilst uncertainties associated with Brexit have resulted in a slowdown and reduced budget for the current fiscal year, the Group continues to develop wider synergistic collaboration between Services and Equipment by leveraging the strong presence of Services in Middle East and APAC to create further growth opportunities for this division across the Group's global footprint.

OUTLOOK

The Group's exposure to multiple sectors creates a compelling differentiating factor and strengthens its position as a true industry leader in its chosen markets. The newly formed Altrad Services sees a robust pipeline of opportunities from both existing and prospective targets, and the Group

continues to leverage its reputation for delivering innovative, value-add services to its blue-chip customers.

The vast majority of the Group's income is generated from recurring maintenance contracts, providing solid visibility on long term sustainable income for the business. A number of material maintenance contracts are up for renewal this fiscal year which, if secured, will further strengthen the Group's visibility and confidence in the near-medium term outlook.

The Group is continuously improving its collaboration between Services and Equipment in order to provide greater opportunity for growth within each division.

The Group continuously screens opportunities in line with its inorganic growth strategy and remains well positioned to consider compelling and value accretive acquisition targets.

Overall, the Group's near-term outlook is solid based on the strength of its order book and business development activities across its core markets.

ANNUAL REPORT

For further detail on the Group's activities and operations, please access the Annual Report from the following link:

<https://www.altrad.com/en/newsreader/annual-report-2019.html>

ABOUT ALTRAD GROUP

Altrad is a global leader in the provision of industrial services, generating high added value solutions principally for the Oil & Gas, Energy, Power Generation, Process, Environment and Construction sectors. The group is also a recognised leader in the manufacturing of equipment dedicated to the Construction and Building market. Altrad's multidisciplinary services range

from engineering and technical services to maintenance, access solutions and specialised services for industry leaders. The Group, headquartered in France, employs around 41,000 people and owns established international brands including Cape, Hertel and Prezioso Linjebygg.

View source version on [businesswire.com](https://www.businesswire.com):

<https://www.businesswire.com/news/home/20200110005014/en/>

Date: 10.01.2020

Publication: Reuters

Reuters

Altrad Group Full-Year results - Business Wire

10-Jan-2020 08:00:00

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- The Group has maintained its Services order book for the year of €2.3 billion
- Cash of €311m (2018: €794m)
- Net Debt at €510m (2018: €678m)

Commenting on the Results, CEO Louis Huetz said:

"We are happy to deliver another set of excellent full-year results reflecting the successful growth strategy that the group has adopted in recent years and our continued focus on building a diverse and stable business underpinned by Excellence. We anticipated a lower revenue this year on account of completion of a number of large projects, however the operational and financial performance surpassed expectation resulting in enhanced profitability. By leveraging our established reputation as a global leader, as well as our scale and capabilities to meet client expectations, it has enabled us to maintain a strong order book that enables good visibility on revenue for years to come. This year we secured important contracts with a variety of blue-chip clients across our various sectors and geographies, and we expect to grow the order book further with some key renewals this fiscal year. We are confident that Altrad's 2020 multi-year strategic plan will enable the Group to deliver sustainable long-term organic growth. Our near-term outlook for the Group as a whole looks solid and we aim to further strengthen our strategic positioning to enable us to increase in scale and profitability next year."

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Published 10 Jan 2020 - 08:00

A year of further growth building on Altrad's foundations of Excellence

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--LONDON--Business Wire--

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Date: 10.01.2020

Publication: Dow Jones

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10 Jan 2020 08:00 GMT **Altrad Group Full-Year results**

A year of further growth building on Altrad's foundations of Excellence

LONDON--(BUSINESS WIRE)--January 10, 2020--

Altrad Group, a global leader in industrial maintenance services across multiple sectors, is pleased to report its Full-Year Results for the fiscal year ended 31 August 2019.

HIGHLIGHTS

- A year of solid financial and operational performance resulting in earnings growth
- Revenue at EUR3,105m (2018: EUR3,419m)
- EBITDA of EUR462m (2018: EUR443m)
- Net profit of EUR202m (2018: EUR201m)
- The Group has maintained its Services order book for the year of EUR2.3 billion
- Cash of EUR11m (2018: EUR79m)
- Net Debt at EUR510m (2018: EUR670m)

Commenting on the Results, CEO Louis Huetz said:

"We are happy to deliver another set of excellent full-year results reflecting the successful growth strategy that the group has adopted in recent years and our continued focus on building a diverse and stable business underpinned by Excellence. We anticipated a lower revenue this year on account of completion of a number of large projects, however the operational and financial performance surpassed expectation resulting in enhanced profitability. By leveraging our established reputation as a global leader, as well as our scale and capabilities to meet client expectations, it has enabled us to maintain a strong order book that enables good visibility on revenue for years to come. This year we secured important contracts with a variety of blue-chip clients across our various sectors and geographies, and we expect to grow the order book further with some key renewals this fiscal year. We are confident that Altrad's 2020 multi-year strategic plan will enable the Group to deliver sustainable long-term organic growth. Our near-term outlook for the Group as a whole looks solid and we aim to further strengthen our strategic positioning to enable us to increase in scale and profitability next year."

OVERVIEW

Altrad has delivered a strong financial performance this fiscal year by building on the robust and diversified service offering assembled through organic and acquisitive means in recent years. The strength of operational and financial performance reflects the Group's status as a global leader with diversity of value-add services and established positions in multiple markets and sectors.

Consistent with the previous year, nearly one third of Altrad's activity takes place outside of Europe, giving the Group exposure to both mature and emerging markets in regions including Pacific, Middle East, Asia and Africa. Continental Europe represents 44% of group revenue, and the UK represents 29%.

Altrad provides support in all these markets to majors and multinationals that are leaders in their respective sectors including EDF, SNCF, Total, Shell, BP, ExxonMobil, Chevron, Equinor, Dow, Samsung Heavy Industries, Sonatrach and Saudi Aramco.

Altrad also benefits from a balanced sales mix between Oil and Gas (30%), Construction (35%), Process Industries (25%) and Power (10%), providing protection from any downturns that may occur in each sector.

One of the core elements of Altrad's strategy is the "One Altrad" vision which aligns all of the businesses under the Altrad Group, consolidating and involving all subsidiaries to share the same approach focusing on innovation, synergy, sharing and dissemination of best practice. This year Altrad successfully completed the integration of its three major industrial services groups, being Cape, Hertel and Prezioso Linjebbygg, under the newly formed brand Altrad Services. Following a successful period of strategic integration, Altrad Services now benefits from a collaborative knowledge-share and expanding network of customers providing further growth opportunities.

FINANCIALS

The Group generated strong revenue of EUR3,105 million during the fiscal year, ahead of expectation at the Half Year and reflecting the completion of some material project work. Of note, over 70% of the Services revenue, which represents 78% of the Group revenue, is a recurring revenue profile from multi-year maintenance contracts.

The Group achieved an impressive level of profitability, with EBITDA margin of 14.9% trending positively from 13.2% figure at Half Year, resulting in EBITDA of EUR462 million with a net profit of EUR202 million.

At year end, Altrad Services' order book stood at EUR2.3 billion, providing decent coverage for the anticipated activity for the coming year. The Group expects to secure 50% of the turnover from major services orders in less than a year to provide more order book cover and stronger visibility on revenue.

Net debt at period end was EUR510 million, significantly less than last year, resulting in a net debt to EBITDA ratio of 1.1x, compared with 1.53x the previous year, demonstrating the strength of the Group's free cash flow generation.

MARKET CONDITIONS