

PRESS CUTTINGS

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Journalist: Grahame Anderson

Altrad post outstanding results despite Covid-19

By Grahame Anderson



Despite the trials and tribulations of 2020 global leaders, Altrad have released another set of outstanding results, proving it hasn't all been bad news for business and the services sector in particular – Grahame Anderson has been taking a closer look at the detail.

Outstanding fiscal results from the past year has once again shown global leaders Altrad to be a company clearly helping to build a sustainable future. Given the world pandemic and the uncertainty of another controversial American election, their achievements are even more staggering.

Significant Savings

At years end Altrad's Services order book stood at €3,015 million, with €1,234 million to be delivered in the current financial year providing 60% coverage on the 2021 financial year revenue budget. A net income of £84million is impressive enough set against debt of £394million, with a cash figure of £1,159million. All made possible by the introduction of resizing and stronger discipline to deliver significant structural savings. This meant they could maintain gross margins and EBITDA percentages at the same level as pre-COVID.

Altrad benefitted from a balanced sales mix between Oil and Gas (28%), Construction (36%), Process Industries (25%) and Power Generation (11%), providing protection from any downturns in each sector. This financial year, 78% of revenue was generated from the Group's Services businesses, with 22% being generated from its Equipment division.

Rapidly Changing Market

Joint CEO, Ran Oren told me: *"We are delighted to deliver such a robust set of full-year results, especially considering the challenging market conditions faced throughout the second half of the fiscal year. In the first half we displayed a solid performance in line with our expectation. However, in mid-March, like most companies throughout the world, we were faced with an unprecedented challenge in the form of the pandemic and were required to take swift and decisive action to adapt our business to a rapidly changing market."*

"We've accepted these results with good humility and a positive outlook in a year that's seen us all come together as human beings to help each other. Back in March we were preparing for the worst, but now thanks to some amazing teamwork across the world, our debt is low and cash flow is strong. Thankfully, the pandemic hasn't affected us as much as we were expecting in terms of the business."

“There has however been a price to pay having suffered a number of deaths across our incredible workforce, and there isn’t a day when I don’t think of the special people we’ve lost and those who have suffered due to coronavirus. I’m passionate about people and this continues to lead our drive forward. The pandemic has drawn us all closer together and we value this greatly.”



Rebound Effect

It seems the rebound effect has been firm across all sectors of expertise at Altrad especially in the equipment division with the healthy hire and sale of scaffolding and light construction equipment. With continued investment, these activities will provide a positive contribution to EBITDA and free cash generation in 2021.

With emerging international markets in mind, *Scaffmag* has learned Altrad continues to benefit from The Australian approach to defence in the shape of working frigates for the navy in the South. Add to this the fact countries like Canada and Mozambique have continued to thrive, and the strong effect Asian countries have on the market, and you can see why Altrad play such an important role providing services across the globe embracing many different challenges and opportunities along the way.

The theme of Energy Transition is also gaining momentum, with opportunities available to Altrad to assist clients with their transition, and their growing expertise in LNG, Renewables and Nuclear. They remain fully committed to climate change.

During the year Altrad acquired Adyard, one of the United Arab Emirates' (UAE) leading providers of services to the oil and gas, power and water industries. This acquisition exemplified their approach to opportunistic growth, as the acquisition was completed on compelling terms and further diversifies the Group's service offering in an area seeing strong demand.

Altrad's multidisciplinary services range from engineering and technical provision to maintenance, access solutions and specialised services for industry leaders. The Group, headquartered in France, employs around 36,000 people and owns established international brands including Cape, Hertel and Prezioso Linjebygg.

Good Brexit Deal Required

Though it will not have a big impact on the company Ran says we need to strike a Brexit deal that's good for everyone, with an economic upturn on the way. He added: *"We remain hopeful and optimistic without being complacent as we strive to be a good corporate citizen to help build a sustainable world."*

The bottom line is with a recovery in commodity prices and initial signs of renewed investment activities the outlook for services remains strong in the short and medium term. This all makes positive reading not just for world leaders Altrad, but the industry generally.

Source: Construction News

Date: 06 January 2021

Altrad eyes UK acquisitions

 [constructionnews.co.uk/financial/altrad-eyes-uk-acquisitions-06-01-2021](https://www.constructionnews.co.uk/financial/altrad-eyes-uk-acquisitions-06-01-2021)

By David Price 6 January 2021



Altrad is preparing to make further acquisitions as it looks to grow in the UK.

The French-based access group has made a number of significant purchases in recent years, including UK firm Cape in 2017, Prezioso in France in 2016, as well as Hertel in the Netherlands in 2015. Co-chief executive Ran Oren (pictured) told *Construction News* that, after a period of consolidation, it is ready to expand in the UK again.

"We always look to expand, it's in our DNA," Oren said. "We went through three years of exponential growth with Hertel, Prezioso and Cape. They've integrated really well, and so we are going to continue to expand. The market brings opportunities and threats, but that [acquisition] is something we're following

closely. We will look to expand and we hope to be able to bring some news in the months to come."

Oren said the company considers itself to be strong in the UK civils market, providing access and equipment, but said formwork and falsework are areas where the company could improve. "We've got the money and we will invest when there's the right business case to invest," Oren said.

The Altrad Group ended its last financial year on 31 August 2020 with cash reserves of €1.17bn (£1.06bn). The group reported a pre-tax profit of €116.7m (£105.3m) on revenue of €2.59bn (£2.34bn), with the UK its single largest market, contributing revenue of €724m (£653.5m). Its three UK brands are Trad, Generation and Altrad Belle.

Given the emergence of the pandemic during the year, Oren said the results were good. "We are extremely pleased to be where we are today," he said. "In March, we thought it would be a lot worse. I think we all did." In its pandemic response, Altrad cut around 6,000 jobs across the group. Oren insisted that the profit for 2020 was not just down to the cuts, calling it "a necessity for the group, because we didn't know what was to come", and added that recruitment had now restarted.

Despite the stronger-than-expected performance, Oren, who is co-chief executive with Jan Vanderstraeten, said a return to pre-pandemic levels of trading was some way off, and told *CN* he hoped to reach those levels were back "by the end of 2022".

Publication: Construction News

Date: 18/12/2020

Journalist: Belinda Smart

Altrad results show resilience despite Covid-19

By Belinda Smart
18 December 2020

Scaffolding, industrial services and equipment supplier Altrad reported a 17% decline in revenues to €2.59 billion for the year to 31 August. EBITDA profit was €360 million, down 22% on the previous year.

Altrad joint-CEO Ran Oren told *International Rental News (IRN)* the Group had performed in line with expectations during the first half, but was down 18 to 19% on expectations in the second half, due to the impact of Covid-19.

The pandemic had resulted in the postponement or cancellation of projects in Altrad's markets, and European lockdowns had impacted its manufacturing and hire sales division.

Of Altrad's revenues, 78% come from services, with equipment sales representing 22%. It operates in Europe, Africa, the Middle East, Asia, China and Australia.

The France-based company's oil and gas related operations, which account for 28% of the business, had been adversely affected in the early stages of the pandemic. However, commodity prices had stabilised, allowing projects to progress. "With the price of oil now back at around \$50 a barrel, confidence is returning," Oren said.

Despite the second half decline in revenue and resulting margin pressure, "We feel fortunate to have come through the year better than anticipated in March when the impact of Covid-19 began", he added.

Restructuring and cost management helped reduce the Group's operating costs, enabling it to maintain its gross margins and EBITDA percentages at pre-Covid levels. The Group made redundancies, reducing staff numbers by around 6,000 to 35,000, he told *IRN*.

The scaffolding and equipment business had been resilient, with scaffolding hire remaining on par with the previous year, while sales also held firm, buoyed by access to low-cost credit.

The rental sector remains an "essential" part of Altrad's activities, he told *IRN*. "Rental provides a strong and steady income stream, with loyal long-term customers. As our customer relationships and products continue to develop, we expect to be able to bring more solutions to the market at competitive prices, helping our customers grow their own businesses." He added that the group anticipates a rebound in equipment sales in 2021.

The year also included wins, including a £350m renewal contract with French energy company EDF on its eight nuclear power stations in the UK for the next nine years.

It also saw the acquisition of construction company Adyard in Abu Dhabi. Adyard “will bring new expertise to the Altrad portfolio, along with potential for expansion plans further into the Middle East,” Oren told *IRN*.

UK business Altrad Belle, which makes light construction equipment, remained an “excellent fit” within the company, Oren told *IRN*, because it gave access to markets through its international sales channels.

Regarding Brexit, Oren said the main impact on Altrad would be currency uncertainty; “If Brexit leads to a reduction in the UK’s GDP and an impact on currency, that would be a concern for us.”

On Altrad’s longer term plans, particularly regarding expansion into new markets such as North America, “We don’t set limits on these things,” he told *IRN*. “However, Altrad has many implantations in established markets, meaning it’s always been easier to grow our channels and businesses there.” The Group was open to North American opportunities should they arise, he said.

During the fiscal year, Altrad grew its services order book to €3,015 million from €2,316 million in 2019. It holds cash of €1,159 million compared to €911m in 2019 and net debt of €394 million compared to €510 million in 2019.

Publication: Energy Voice

Date: 18/12/2020

Journalist: Mark Lammey

Altrad boss sees light at end of tunnel as ‘painful’ 2020 nears end

A boss at industrial services giant Altrad Group said yesterday that 2020 had been a “painful” year for the business on a human level.



An Altrad employee on a North Sea installation.

A boss at industrial services giant Altrad Group said yesterday that 2020 had been a “painful” year for the business on a human level.

But co-chief executive Ran Oren stressed a significant uptick in activity from the low levels experienced in spring meant there was “light at the end of the tunnel”.

Mr Oren conceded Altrad “had to” reduce its headcount in the face of strong headwinds.

In the UK, its workforce shrank to 4,900 from 5,300 between the start of the pandemic and the end of August, but has since gone back up to 5,500.

In April, Altrad reinstated 80 workers it had just laid off at Grangemouth refinery and put them on the UK Government's furlough scheme.

The Montpellier-headquartered group currently employs around 36,000 people worldwide, compared with the 41,000 stated at the start of 2020.

Mr Oren said agency and temporary staff bore the brunt of the cuts.

"It has been painful and we empathise with everyone affected," he said.

"The light at end of tunnel is that we are recruiting strongly in many places because activity has picked up."

Altrad's UK North Sea business, which has a base in Dyce, was impacted by Covid-19 and the oil price slump, he said.

The division's workload is "picking up", but Mr Oren remains "cautious" in his outlook.

Altrad, which took on hundreds of Aberdeen oil workers through its 2017 acquisition of Cape, does remain "committed" to the North Sea market, he said.

At the start of this month, Altrad announced it had clinched a renewed contract for the provision of maintenance services in the UK southern North Sea.

Under the contract, which runs until December 2021, the firm is providing deck operations, mechanical, access and scaffolding, thermal insulation and corrosion protection services "in support of 45 offshore platforms and two onshore terminals".

Altrad was not permitted to name the client.

Perenco owns and operates 45 offshore platforms and onshore terminals at Bacton and Dimlington, according to the Anglo-French oil and gas firm's website.

Mr Oren comments followed the release of Altrad's results for the 12 months to August 31 2020, which showed revenues of £2.3 billion, down 17% on 2018-19.

Pre-tax profits were halved to £105m and earnings before interest, taxes, depreciation and amortisation dropped 22% year-on-year to £325m.

Mr Oren said he was "proud" of the business for producing "solid" results.

“We take it all with a sense of humility – it could have been worse,” he said.

“In March we all feared the worst but we’re very satisfied with the results.”

Altrad has maintained a “strong and healthy” order book of £2.7bn, buoyed by some big wins during the year, including a £350m renewal contract to support EDF at its eight nuclear sites in the UK.

It also clinched a shutdown and maintenance contract with Total for a floating production unit in the Congo and won a deal to support the Eiffel Tower’s repainting.

Altrad was also active on the M&A front, snapping up Adyard, a UAE-based service provider to the oil and gas, power and water industries.

The group founded and led by Syrian-born, rugby-mad billionaire Mohed Altrad.

Initially it focused on equipment manufacturing but has diversified through acquisitions over the years.

Seventy-eight percent of its revenues now come from service.

In terms of geography, 28% of group revenues are generated in the UK.

Work in the oil and gas sector comprises 28% of turnover at the group, which also has clients in the power generation, process, environment and construction sectors.

Publication: City AM

Date: 17/12/2020

Journalist: Edward Thicknesse

Industrial services firm Altrad hails 'robust' year



Industrial services giant Altrad said that it was optimistic about its future prospects after a “robust” financial performance in 2020.

The Montpellier-based group, which provides services for the oil, gas, and petrochemicals sectors, said that it had managed to maintain profitability despite intense pressure from the pandemic.

Over the year revenue dropped a sixth, from €3.1bn to €2.5bn, while earnings slipped back from €462m to €360m.

Altrad said that the sudden spread of the virus back in March had forced it to cancel or postpone a number of its projects.

A wider shutdown in construction products hit its sales and hire division, while closures also knocked its manufacturing division.

Despite the financial pressure, the firm managed to reduce its net debt to €394m, down from €510m at the end of last year.

Looking ahead, the firm said that its order book was “healthy”, with a number of contract wins such as a €350m deal with EDF.

Chief executive Ran Oren said: “We are delighted to deliver such a robust set of full-year results, especially considering the challenging market conditions faced throughout the second half of the fiscal year.

“The sudden impact of the pandemic across our markets and sectors resulted in the postponement or cancellation to numerous projects, as clients responded to an uncertain outlook.

“The European lockdowns also impacted our manufacturing and hire & sales division. This led to a sharp decline in revenue and resulted in margin pressure.

“The fact that we were able to maintain our profitability and gross margin despite these material headwinds shows the genuine resilience of our business, and the effectiveness of the measures taken to respond to these pressures.”

Publication: Energy Voice

Date: 17/12/2020

Journalist: Mark Lammey

Altrad confident of long-term growth after ‘resizing’ exercise

Bosses at Altrad Group said today the industrial services giant remained “uniquely placed” to maintain its long-term growth momentum.



Bosses at Altrad Group said today the industrial services giant remained “uniquely placed” to maintain its long-term growth momentum.

Co-chief executive Ran Oren said the Montpellier-headquartered business managed to maintain its profitability in the face of challenging market conditions brought on by the pandemic.

Mr Oren attributed Altrad’s “robust” financial results for 2019-20 to the group’s diversity, cost discipline and flexibility, as well as its “swift and decisive” response to recent “material headwinds”.

The company took steps to “resize” the business and make “meaningful” operating cost reductions.

Altrad currently employs around 36,000 people worldwide, compared to the 41,000 stated at the beginning of 2020.

The firm couldn’t prevent a sharp decline in revenue and margin pressure amid the pandemic, which led to the postponement and cancellation of numerous projects.

Revenue totalled £2.3 billion for the 12 months to August 31 2020, down 17% on 2018-19, while pre-tax profits were halved to £105m. Ebitda dropped 22% year-on-year to £325m.

Altrad has maintained a “strong and healthy” order book of £2.7bn, buoyed by some big wins during the year, including a [£350m renewal contract](#) to support EDF at its eight nuclear sites in the UK.

It also clinched a shutdown and maintenance contract with Total for a floating production unit in the Congo and won a deal to support the Eiffel Tower’s repainting.

Altrad was also active on the M&A front, snapping up Adyard, a UAE-based service provider to the oil and gas, power and water industries.

Mr Oren added: “Our corporate focus for the current year and beyond will be continued cost discipline, as well as enhancing the sustainability of the group in line with stakeholder expectations.”

The group was founded and led by Syrian-born, rugby-mad billionaire Mohed Altrad.

It used to focus on equipment manufacturing but has diversified through acquisitions over the years.

Seventy-eight percent of its revenues now come from services.

In terms of geography, 28% of group revenues are generated in the UK.

Work in the oil and gas sector comprises 28% of turnover at the group, which also has clients in the power generation, process, environment and construction sectors.

Altrad acquired energy service firm Cape for £332m [in 2017](#) and the following year merged it with scaffolder NSG and maintenance firm Hertel under the Altrad Services brand, which it described as the UK’s largest industrial services provider to the petrochemical, energy and infrastructure sectors.

As of mid-2019, the business had about 600-700 staff members in the UK North Sea and East Irish Sea.

It has a North Sea base in Dyce.

Publication: Upstream

Date: 17/12/2020

Journalist: Eoin O’Cinneide

Altrad stays in black despite Covid-19 pressure on revenues

French services player also boosts cash and cuts debt, with orderbook growing

French services player Altrad managed to stay in the black in the latest financial year despite a drop in revenues as key markets entered Covid-19-related lockdowns.

The company — which has a significant presence in oil and gas as well as the power market — posted a net profit of €84 million (\$102.8 million) in the 12 months to the end of August as compared with €202 million a year earlier.

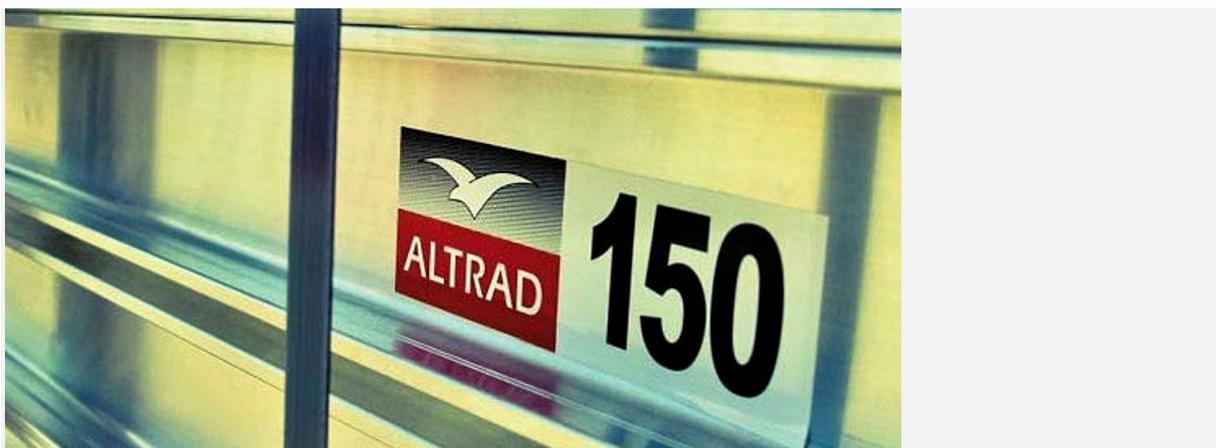
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Revenues slid to €2.59 billion from €3.11 billion, while earnings before interest, tax depreciation and amortisation was €360 million as compared with €462 million.

Oil and gas accounted for 28% of sales, with 36% in the construction industry, 25% in process industries and 11% in power generation.

Lockdowns in Europe following the onset of the coronavirus at the end of March led to a sharp decline in revenues and margin pressure, Altrad said, with the company responding by cutting jobs, among other cost controls.



Nevertheless, Altrad boosted its orderbook to €3.02 billion from €2.32 billion at the end of the previous financial year, with €1.23 billion of the larger number falling in the current 2021 financial year.

Among the contracts secured was a maintenance and shutdown deal from French supermajor Total for a floater in Congo-Brazzaville.

At the end of the reporting period, Altrad had €1.16 billion of cash, up from €911 million, while debt had been cut to €394 million from €510 million. [\(Copyright\)](#)