



Brexit statement

1 February 2019

Introduction

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, hire and sale of equipment dedicated to the Construction and Building market. Approximately one third of the Group's revenues are generated in the UK.

The impact of the United Kingdom's decision to leave the European Union ("Brexit") has been considered by a dedicated team at Altrad. At the time of this statement, there still remains a significant amount of uncertainty surrounding the terms and timing of Brexit, although we expect the position to become clearer in the near future.

Brexit impact

The key areas in which Brexit may have an impact on the Group include:

- Supply chain, including customs complexities and border delays
- Financial impact of tariffs
- Currency and exchange rate fluctuations
- Employees and mobility
- Regulatory changes

A considerable proportion of the Group's UK turnover is generated with UK clients and from a UK supply chain, therefore reducing risks for our UK business.

Our most significant supplies outside of the UK consist of end products from our own manufacturing operations in Europe and our procurement from Asia. We have significant experience in import and export procedures which we are confident will allow us to manage any additional supply chain complexities without any undue impact on our business. Our businesses in the UK and in Continental Europe are closely monitoring their stock levels to be able to react and adapt to the eventual legal and political Brexit outcome.

We will continue to closely monitor Brexit developments and review our position. However, we believe that Brexit will have minimal impact on the Altrad Group.