



BEYOND THE POSSIBLE

BEYOND THE POSSIBLE

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The images used in this report have complied with all the requirements of social distancing, from the moment they were made.

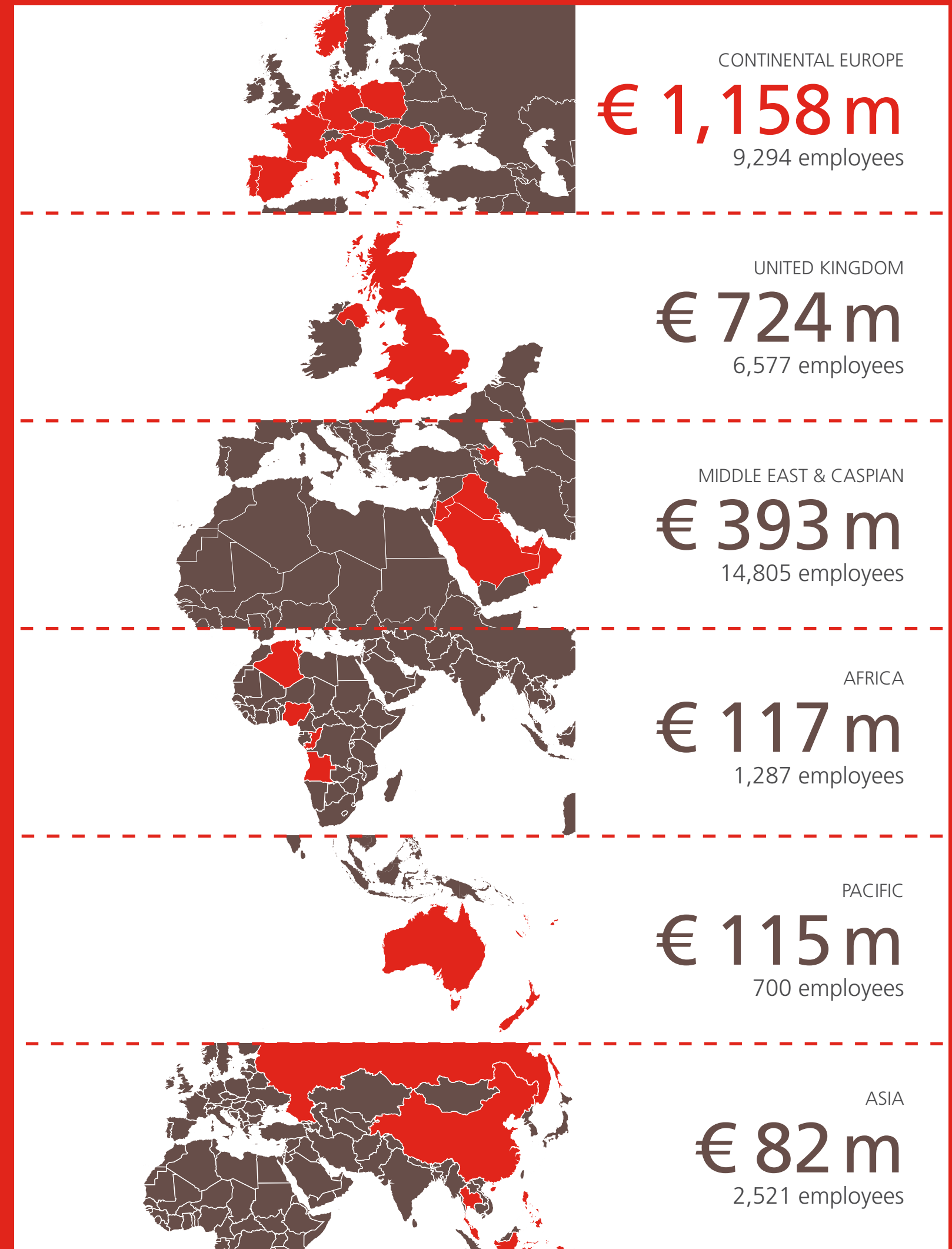


BEYOND THE POSSIBLE



Key figures & achievements

Altrad has demonstrated resilience during an exceptional year which was marked by the Covid-19 pandemic. Its diversification, a product of strategic acquisitions during the last years, together with a dynamic management structure has allowed it to weather the economic risks during H2 2020.



After achieving financial performance in line with the budget for the first half of the financial year (September 2019 - February 2020), the global health crisis had an uneven impact on the second half of the year, depending on geographical area. However, overall, the results for the year show that Altrad's business model is resilient.

Activity was down 19% year-on-year. However, the strong responsiveness of the Group and its management enabled it to maintain a level of operating profitability (EBITDA) that remains high despite the circumstances. Margins were maintained thanks to the rapid implementation of a structured crisis management approach, resulting in action plans and corrective measures in terms of both variable and fixed costs. At the same time, particular attention was paid to cash management in order to maintain the Group's financial equilibrium.

Altrad generated 78% of its sales in Services and 22% in Equipment, a business that continues to perform well, with a recovery beginning to be felt from July 2020.

The Group was able to strengthen its order book over the financial year to €3 billion, thanks to the awarding of major contracts and the preservation of its market share.

The Group's presence in different geographical areas and markets, its strong resilience linked to the nature of its businesses and the operational efficiency of its management are the key assets that have limited the impact of the crisis and now place it in a position to take advantage of growth opportunities.

Presence worldwide

PRESENT IN **50 COUNTRIES**
 OPERATING IN **100 COUNTRIES**
 SCAFFOLDING STOCK OF
547,000 TONNES
 AT A REPLACEMENT VALUE
 OF **€1 BILLION**

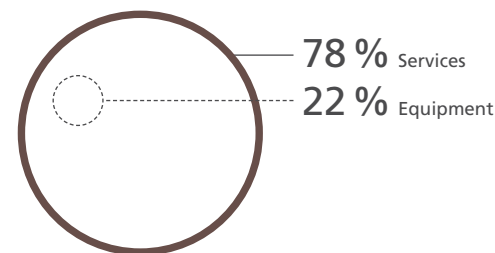
Key financial data 2020

€ 2,589 m	Revenue
€ 394 m	EBITDA
€ 360 m	Net debt (pre-IFRS 16 adoption)
€ 84 m	Net income
€ 997 m	Equity
€ 1,159 m	Cash
€ 501 m	Net debt
€ 394 m	Net debt (pre-IFRS 16 adoption)

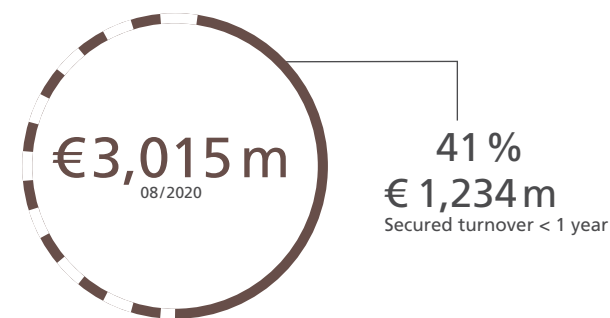
Human capital 2020

35,184 Employees

TURNOVER BY SEGMENT



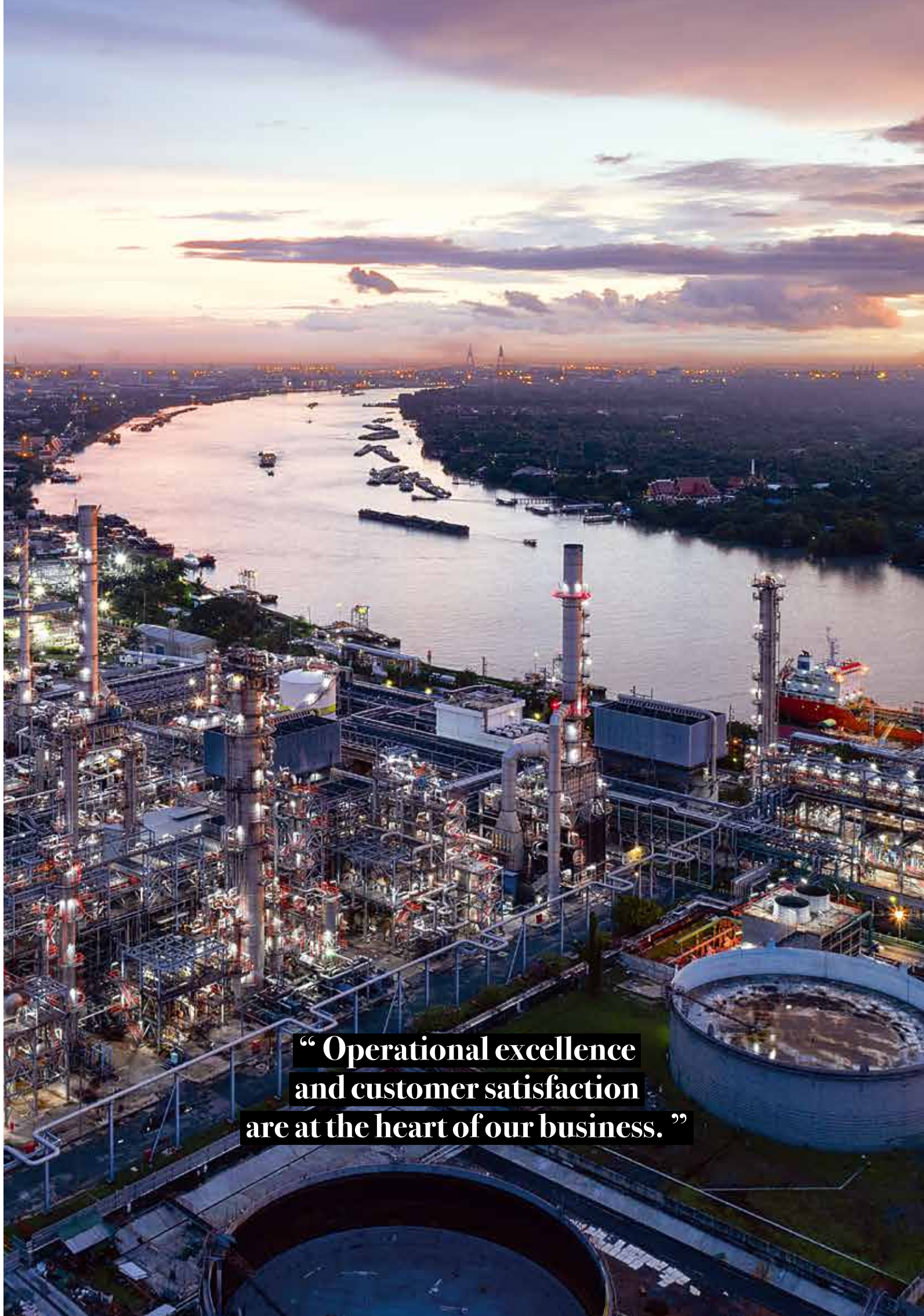
SERVICES ORDER BOOK



The Services order book at the end of August 2020 covers 60% of the volume of forecast activity in the coming year.



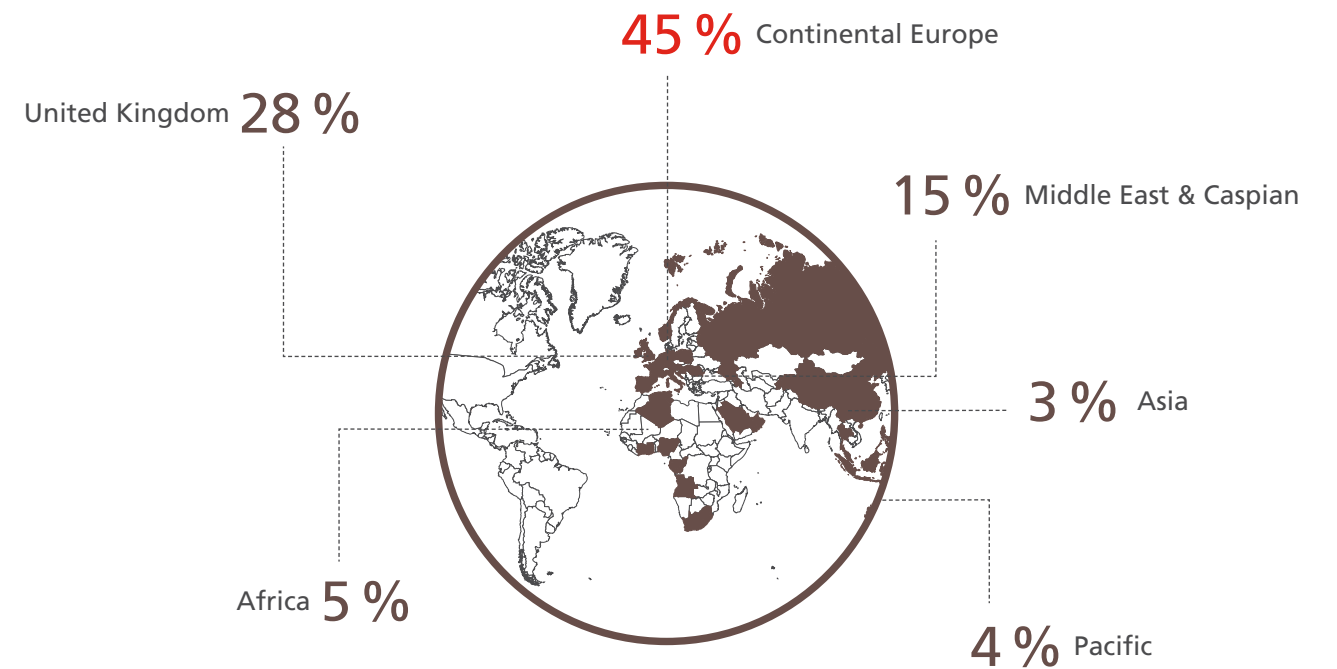
“Going beyond the possible is in a way our job.”



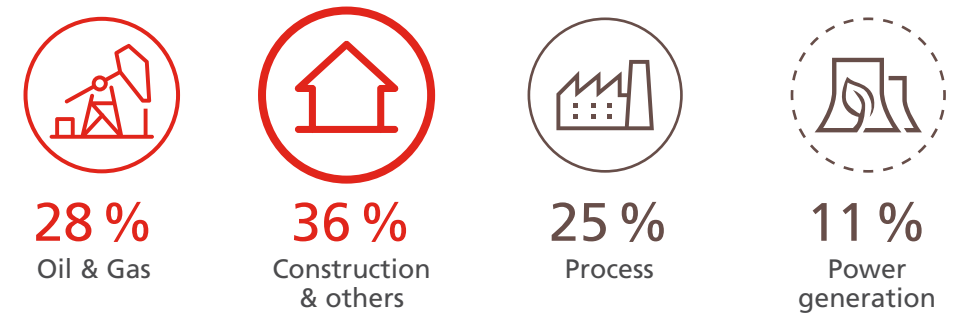
“Operational excellence and customer satisfaction are at the heart of our business.”

KEY FIGURES & ACHIEVEMENTS

TURNOVER BY REGION



TURNOVER BY INDUSTRY



THE GROUP IS CURRENTLY INVOLVED IN SOME OF THE WORLD'S LARGEST INDUSTRIAL PROJECTS. **ALTRAD WORKS WITH WORLD LEADERS** IN SECTORS SUCH AS OIL, GAS, NUCLEAR, CHEMICALS AND PHARMACEUTICALS.



**“Strong values guide our culture
and our ambitions.”**

Beyond the possible

2020 will remain in the memory of humanity. For the first time in its history, the world came to a halt. In order to save lives threatened by a killer virus, almost all of humanity was confined to their homes for several weeks and sometimes months. Never could anyone have imagined such a radical choice...



“2020 will remain in the memory of humanity. For the first time in its history, the world came to a halt...”

And yet, virtually without hesitation, a decision was made by all: to put life before the economy. In 2020, we went *beyond the possible*.

We at Altrad are familiar with this path because it is almost part of our DNA. When I was born, I myself was not promised any possibilities. My horizon was blocked, the future was dark, I was deprived of light. Then, by dint of work, luck, an encounter with a country, France, a city, Montpellier, through self-sacrifice and collaboration, I managed to build a Group that I could never have even dreamed of when I was young. I went *beyond the possible*.

Going beyond the possible is, in a way, our job. When we build cathedrals of scaffolding to renovate a railway station as was the case in Bordeaux, when we defy the elements and gravity to repaint an offshore platform in stormy seas, when we contribute to the construction of an LNG plant in Australia, a masterpiece of technology and industrial architecture, we defy the laws of weightlessness and matter.

And we go even further when we give our clients a timeframe they thought impossible. By renovating their installations, by prolonging their life, by extending the operating life of large industrial units, we enable them to be productive beyond what was thought possible, as in some of the nuclear power plants we work on.

Finally, and this is perhaps the most important thing, I have learned to look deep within myself for resources to surpass myself. And the Group's success is first and foremost this ability that has been transmitted to the entrepreneurs and employees who make up the Group. We have all collectively gone beyond what we thought possible: those who have been with us for thirty years, those who have been with us for twenty years, those who have been with us for five years, have all seen the Group mutate, transform, grow, far beyond what they imagined. And all have, I hope, been raised to a higher level, all have grown up with the Group, all have discovered themselves with the Group, all have exceeded what they could have imagined, *beyond the possible*.

And this self-discovery, the boundaries that each employee manages to push back, is my greatest pride. This is why the Altrad Group has chosen *Beyond the possible* as its *raison d'être*.

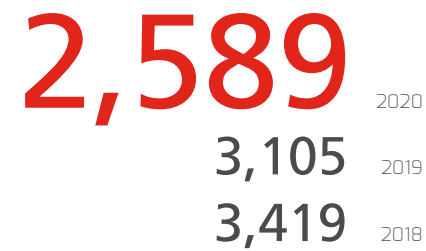
Mohed Altrad



“...we give our clients a timeframe they thought impossible, by prolonging the life of large industrial units...”

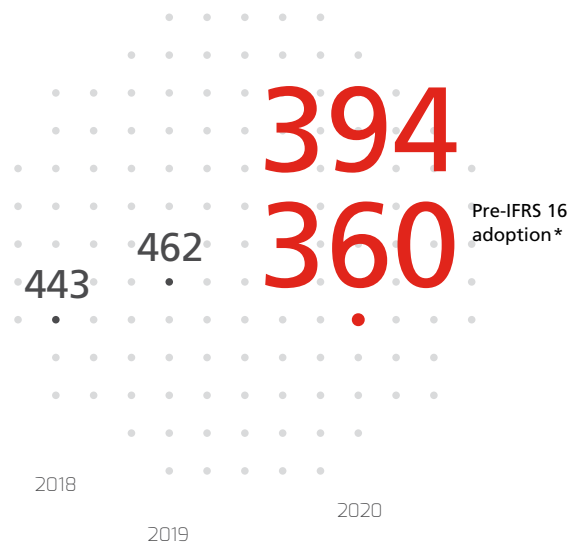
IFRS key figures

In € million



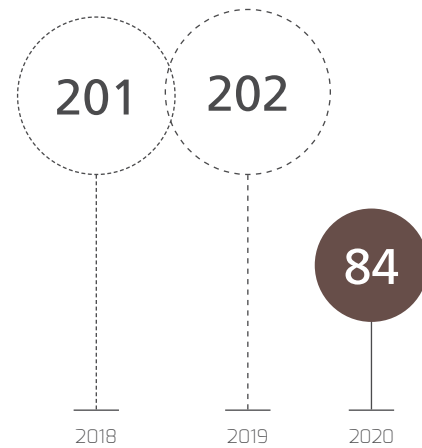
EBITDA

In € million



Net profit

In € million



ROI ratio

(1) EBITDA / (Non current net assets + Working capital)

(1) Return on investment / Pre-IFRS 16 adoption*



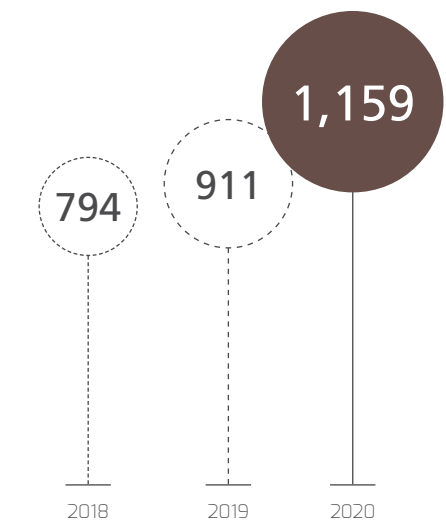
Equity (2)

In € million / (2) Including others funds from shareholders



Cash

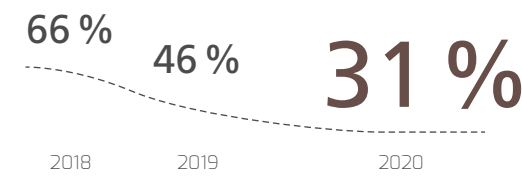
In € million



Cash conversion

Free cash flow (3) / EBITDA

(3) After tax



Net debt [✱] / EBITDA ratio [✱]

* Excluding IFRS 16



Net debt [✱] / Equity ratio

* Excluding IFRS 16



Net debt

In € million



* 2020 data take into account the impact of the new rule IFRS 16 Leases, effective September 1, 2019.

Governance at Altrad

**7 directors representing shareholders,
5 independent directors, 1 employee director,
3 observers, 1 overseer,
10 meetings during the 2019 / 2020 financial year,
average participation rate 97%.**



BEYOND THE
POSSIBLE



BEYOND THE
POSSIBLE

Although the parent company is not listed on the stock exchange, Altrad Group's commitment to the principles of good governance to guarantee economic performance, exemplary administration and management, trust and transparency has led it to opt for a governance model that respects the principles of the *Autorité des Marchés Financiers* (French financial markets authority).

The foundations of this governance system are transparency of financial information, risk management in accordance with the highest standards, and ethical rules, strengthening the independence of directors in relation to the President and providing shareholders with the best information and the greatest possible visibility.

5 independent directors sit on the Board of Directors, to guarantee the objectivity of the discussions. Drawing on their experience, they contribute to the relevance of strategic decisions, particularly those relating to investment, restructuring or business takeovers.

7 directors representing the shareholders also sit on the Board of Directors, which is also characterised by the presence of observers and overseers who attend meetings and take part in deliberations without voting rights.

10 Board meetings were held this year with an attendance rate of 97% of directors.

This form of governance with the participation of corporate bodies, as formalised in the Group's Governance Charter, is characterised by a high level of information and independence, enabling Altrad to make informed strategic decisions and helping to ensure the balanced development of its activities.

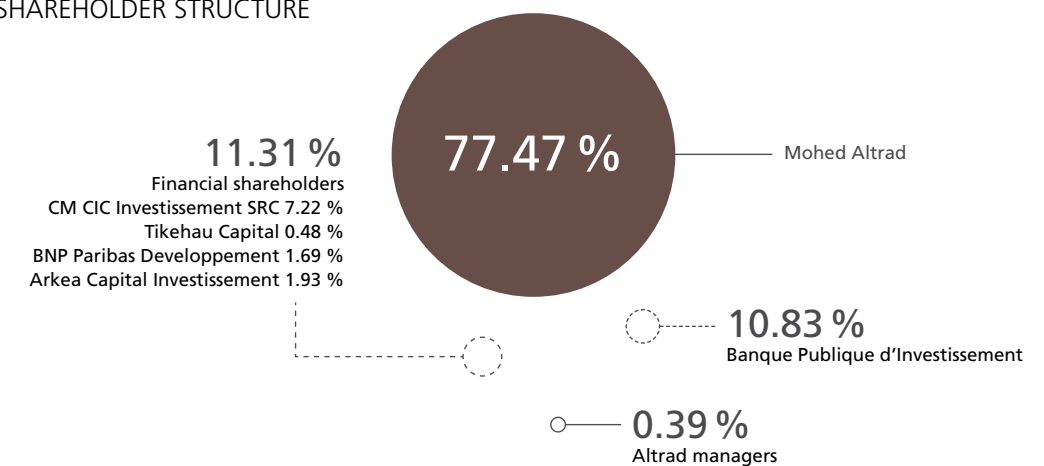
The responsibilities of General Management are divided between Mr Ran Oren and Mr Jan Vanderstraeten as Co-Chief Executive Officers of the Group. The former holds corporate responsibility and the latter holds operational responsibility.

CAPITAL DISTRIBUTION

	In € million	Number of shares	%
Altrad shareholdings (1)	263	2,625,634	77.47
Banque Publique d'Investissement (2)	37	366,987	10.83
Financial shareholders	38	383,296	11.31
Altrad managers	1	13,286	0.39
Other shareholders	-	8	0.00
Total	339	3,389,211	100.00

(1) M. Altrad 100% (2) French State

SHAREHOLDER STRUCTURE



Giving your best

Covid-19 presented an unprecedented challenge to both the Altrad Group and the communities in which we operate. Altrad's set of values guides our decisions and indeed personifies our culture. During the pandemic we have been served by these values and the culture which they have fashioned.



Merci!



The challenges presented by Covid-19, national as well as local lockdowns, and the sharp drop in oil & gas prices, were confronted with courage and a strong sense of solidarity. Whilst the challenges were tough and rapid, the response of the Group was decisive and consistent, in the best interests of all stakeholders and with every effort made to provide a sense of certainty to our people during very uncertain times.

The Group's unique ability to federate its management allowed it to react quickly and decisively. Five key stages were designed by the senior management team to guide it through the first wave of the crisis to coming out as a reformed and resilient organisation.

Different forms of crisis management structures were implemented throughout the Group. Some involved members of the Holding team, whilst others were local and independent. From daily crisis cells, to the development of fitness-for-work Covid apps, we witnessed the embodiment of our values of safety, solidarity and courage.

In seeking to protect staff and communities, we provided facemasks not only in our workplace but also to hospitals, the care sector and the wider communities. Vulnerable staff were identified and provided additional protection. Migrant workers were assured full welfare and medical care, with tremendous efforts made to repatriate despite border controls and additional support provided to enable them to access information and maintain regular contact with families and loved ones. The Group's internal app provided regular contact with our colleagues, while managers throughout the world increased communications with their teams to safeguard, among other matters, their continued wellbeing. Altrad's Group HSEQ department issued up to date alerts, safety guidelines and support to ensure we implemented internationally recognised best practice in sanitation and wellbeing.

Altrad's mission was clear: to ensure the wellbeing of its staff and community, to guarantee continuity

of services — often supporting the delivery of critical national infrastructure — and to secure its financial outlook.

This leadership, based on regular and transparent dialogue, was key to unlocking the Group's agile response. Our response was far beyond the immediate; it was an opportunity to undertake a wholesale review of the business model in order to deliver a new model which is simpler, nimble and better placed to address the markets which we serve. This, in turn, has provided greater job security to our staff, increased confidence from our clients and protected the interests of our other stakeholders.

In all of our operations, the unique challenges posed by the pandemic also demonstrated the strength of our client and supplier relationships. Client relationships remained a critical factor throughout this pandemic, with stakeholder engagement at all levels becoming more important than ever in order to remain relevant to our clients, to understand what was important to them and to offer our support in any areas where we could assist. The overall result is a stronger relationship — a stronger partnership — with

our clients. Altrad is fortunate to benefit from exceptional client and supplier loyalty. We do not take this for granted.

Moving forward we will continue to draw on the resilience, adaptability, determination and sheer hard work of our people as we work together to not only manage the effects of Covid-19 but to

Whilst the challenges were tough and rapid, the response of the Group was decisive and consistent, in the best interests of all stakeholders.

find new and innovative ways to prosper. Through investment in technology, investment in the development of our people, and staying true to our values, our business will remain resilient over the long term. In so many respects, the impossible has become possible.



Giving your best

Moving forward we will continue to draw on the resilience, adaptability, determination and sheer hard work of our people.



"PERSONAL MESSAGE"
by MOHED ALTRAD

Since the beginning of lockdown, Mohed Altrad has invited you to discover, through video clips, the Group's ability to handle the situation, which will ultimately enable it to overcome the difficulties.

[Find them here... >](#)



N°1 Worldwide in services to industry

The Altrad Group has developed its businesses over time:
from equipment manufacturer, to hire and sales.
Today, it generates 78 % of its turnover
in industrial services.



**“ Today, Altrad generates 78 % of its turnover
in industrial services. ”**

TURNOVER €2.6 BILLION



Gas



Offshore



Nuclear



Construction



**Process industries
& Shipbuilding**



Onshore

35,184 EMPLOYEES

**AN ACTIVE
PRESENCE
IN MORE THAN
100 COUNTRIES**

Planet Altrad



Altrad's strategy

In all areas of the Altrad Group's activity, the year was clearly marked by the crisis triggered by Covid. However, the crisis did not fundamentally change Altrad's strategic orientations.



Of course, some Business Units and some countries suffered more than others. The Group's overall turnover fell, as did the volume of EBITDA, but the margin was virtually unchanged. And debt leverage has always remained very reasonable (1.1 times EBITDA in 2020).

Crisis or no crisis, the Altrad Group's strategy remains the same: to bring value to its customers by providing diversified, high-quality services, with high ethical and safety standards, in several sectors, with a concern for operating margins and a long-term vision of the market and its prospects.

Altrad's activities today range from project engineering to plant maintenance in sectors as varied as oil and gas (28% of sales), electrical energy (11%), process industries (25%) and construction (36%), including the manufacture of wheelbarrows and concrete mixers as well as scaffolding, for both sale and rental.

Altrad is committed to creating a culture of excellence that not only enables employees to reach their full potential but also enables the Group to live up to its ambitions.

For several years now, we have been engaged in a form of vertical integration which offers several advantages: ensuring the availability of equipment for our customers, wherever they are, with a capacity for rapid response to orders placed, while at the same time allowing us to control our margins effectively by avoiding wastage due to the accumulation of intermediaries.

We have maintained our historical activities, the manufacture of equipment based on tubular structures (wheelbarrows, concrete mixers, scaffolding). We started out by selling the products, then we developed the rental business before adding services via this equipment. Today, we continue to develop the range of services and we are thinking big about our future.

The Group has established itself as a leader in services to industry, which now account for 78% of its turnover, with the equipment branch accounting for the remaining 22%. The Group is gradually adding new services thanks to the strength of its relationship with its customers, who are themselves demanding an increasingly integrated approach: the industrial giants that Altrad serves want service providers capable of covering an increasingly broad spectrum of activities, with an ever higher level of requirements, quality and safety. They also want to work with a Group that offers them a good level of financial security.

Today, the Group is a world leader in the manufacture, rental and sale of equipment for the construction market.

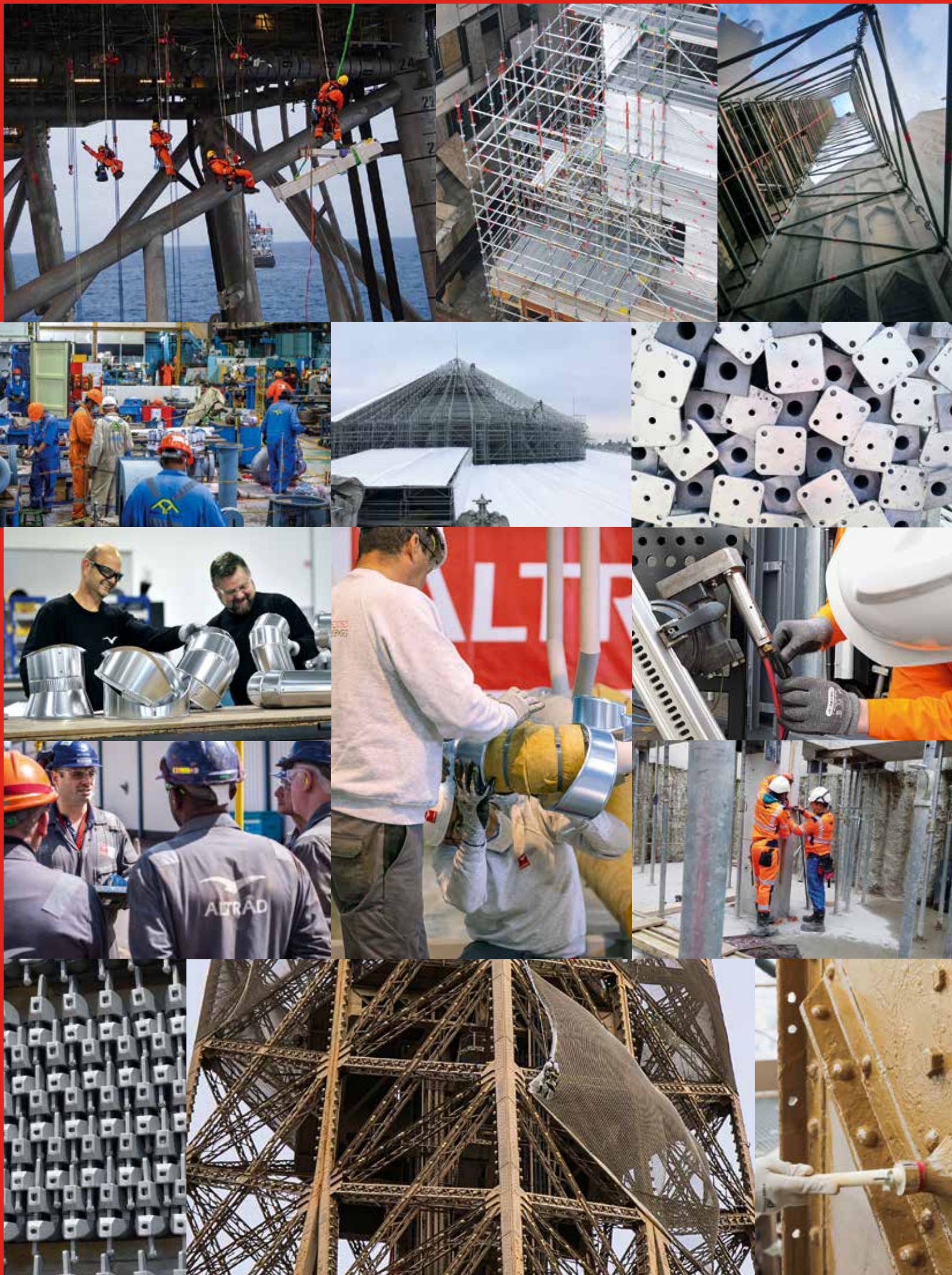
The energy sector is important to Altrad. It has been considerably shaken up this year with a major drop in prices and rapid changes to promote carbon-free energy. Our major energy customers are diversifying. We are following them, notably by developing our upstream activity in project engineering and maintenance. This is the purpose of our acquisition of Adyard. The aim is to provide the customer with the most comprehensive solution possible. In addition to renewable energies, we are aware that the energy sector is set to experience significant growth, mainly due to the rise in living standards in developing countries and emerging economies, particularly in India and China. A third structuring trend is the development of LNG, in Qatar, Mozambique or Canada, for example, where we are very well positioned.

Altrad also protects itself from risks. Since its foundation, the Group has always been careful to offer a balanced sales mix as a safeguard against cyclical effects. In recent years, the Services division has generated an average of 70% of its revenue from recurring maintenance contracts, which means that its order book is well protected against market risks. The Covid crisis has raised this proportion to 75%.

With the Covid crisis, geographical diversification, which was a way of sharing risks and safeguarding against local crises, has served less as a shock absorber than in recent economic crises, such as in 2009. The Group generates 45% of its turnover in continental Europe, 28% in the United Kingdom, 15% in the Middle East and around the Caspian Sea and the remainder in Africa and Asia/Pacific. Nevertheless, some markets have been less affected than others. We will therefore continue to expand geographically in the future to capture new markets and protect ourselves from localised shocks.



“The Group is gradually adding new services thanks to the strength of its relationship with its customers, who are themselves demanding an increasingly integrated approach.”



**TO SUMMARIZE
ALTRAD'S
STRATEGY**

The year was marked by the need to control costs but also by the search for commercial synergies between entities. More than ever, we are moving towards integrated offers that break down the barriers that could have arisen from the acquisition of several companies. We have encouraged the managers of the different entities and Business Units to work together, to get to know each other's commercial offer better, and to build IT tools to disseminate information in real time. We have also developed the sharing of know-how and expertise, notably through internal staff movements to disseminate knowledge.

The crisis has been a key moment in human resources management: many managers have revealed their skills. We had to act quickly and effectively. In some cases, it was necessary to reduce the size of the teams, this having become essential for the Group and for the continued activity of tens of thousands of employees. We thank those who left the Group for the excellence of their past work. With regard to the teams, suppliers and customers: more than ever before, the Group's culture of excellence has been called upon. More than ever, some went beyond what they thought possible, for themselves, for their company.

Finally, we have continued to invest in innovation and technology to maintain our offer at the highest market standards in terms of quality and responsiveness to our customers' demands.

75 % of revenue from Services is derived from recurring maintenance contracts, enabling the Group to secure a significant portion of its business. The "One Altrad" leitmotiv illustrates the Group's desire to move forward in solidarity and to involve all subsidiaries and employees in the same approach to innovation, synergies and the sharing and dissemination of best practices. A multidisciplinary, integrated approach with a strong emphasis on innovation and entrepreneurship to strengthen the common corporate culture and world leadership in one movement. Geographic, energy and, more generally, product and service mixes, that protect the Group from cyclical and boom/bust effects and strengthen its leadership position.





Ethics

One cannot build a sustainable world without a strong ethical culture. As a leading global organisation, Altrad has a responsibility in the global fight against bribery and corruption. These damage our societies and economies, with harmful effects on criminality and fair competition. In this context, Altrad operates a zero tolerance approach to unethical business conduct.

Our business ethics and integrity framework provide a structured and effective means of managing ethical risks through controls, systems, training and audit programmes.

The two-year monitoring programme by the French anti-corruption authority of one of our French subsidiaries completed in June 2020. The outcome is awaited but in the meantime we have been praised for our very positive interactions and the efforts made to implement a world-leading business integrity and ethics framework.

The Group's stated aspiration is to deliver a deep sense of integrity in the conduct of our business in all corners of the world. We deliver this through regular reminders to all managers, as well as in our written publications, of the necessity to conduct our business ethically. We recognise that the tone from the top is one of the essential pillars of a good compliance culture. Having a very mature safety culture, we have been able to transpose many processes into our ethics culture, whether by way of initiating compliance moments into our business, the risk mapping methodology and even our internal audit processes.

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1. Major projects

Altrad is present in the world's largest industrial projects. The values, spirit of conquest, ethics, performance and rigour that drive the Group have made it a reliable partner for the biggest industrial sites and the largest groups, on sites representing considerable economic stakes not only for the clients, but also for the regions, and even the States that host them.

Altrad takes an important step in supporting the UK marine energy market, United Kingdom.



Exxon Mobil, Port-Jérôme, France.



Shutdown on the FPU NKP, Total E&P Congo.

Shutdown and maintenance contract on the NKP FPU, Total's first floating production unit in Congo.

Client

- Total E&P Congo.

Market

- Oil and gas offshore.

Scope

- Change of numerous piping networks and revamping of a large part of the FPU installation.
- Scaffolding, insulation and cladding work, painting.

Key figures

- 7 months of preparation.
- 26 days of intervention.
- Erection/dismantling of 20,000m³ of scaffolding.
- Application of 4,000m² of coatings.
- 500m² of insulation.
- During the month of shutdown, deployment of a team of 40 to 50 operators.

Major dates

- June: start of activities (preliminary studies)
- Shutdown of the FPU on 1 November, 2020, for 33 «oil-to-oil» days (i.e. 4 days of availability, 26 days of work and 3 days of tests and surveys).

Key features

- Consortium work with Friedlander.





Contract for corrosion protection at the Karara mine, Australia.

Scaffolding at the Hes Hartel tank terminal, Benelux.



Altrad Services Benelux wins a scaffolding contract at the Hes Hartel tank terminal (October 2020, Benelux).

Client

- Stork Technical Services.

Market

- Tank storage.

Scope

- Scaffolding construction for HES Hartel Tank Terminal.
- Application of smart and insightful technology virtual reality (VR) to establish the scaffolding construction plan.

Key figures

- Value of contract: €500 k to €1,500 k (still under progress).
- Average of 15 men operating on site.

Major dates

- September 2020: establishing the 1st scaffolding constructions (30,000 m³).
- Dismantling: scheduled for the end of 2021.

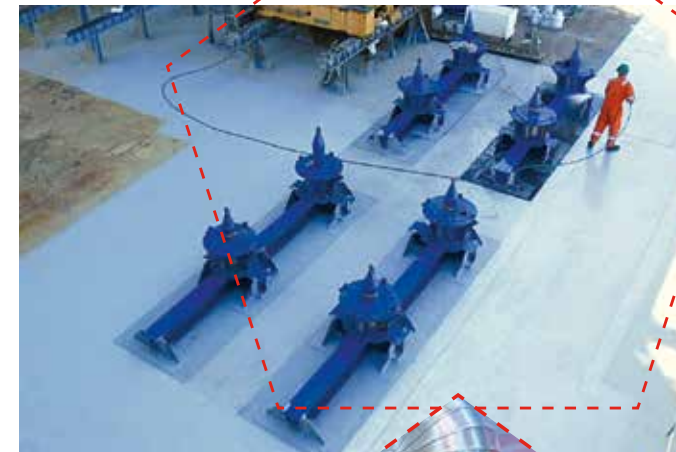
Key features

- HES is constructing a new state of the art tank terminal in the port of Rotterdam.
- 1.3 million m³ storage capacity, i.d.: 54 tanks.
- 30 pumps and 25 loading arms.

Multi-year contract at the Fawley ExxonMobil refinery, United Kingdom.



Finalisation of the coatings on the MODU drilling rig of Maersk Drilling, Australia.



Multidisciplinary services at Solvay Solutions, Netherlands.



Multidisciplinary services by WesCEF, Australia.



Contract awarded for multi-disciplinary services for WesCEF (June 2020, Australia).

Client

- Wesfarmers Chemical, Energy & Fertilisers (WesCEF) Group.

Market

- Energy and chemicals.

Scope

- Panel contract for the provision of maintenance services to multiple locations as part of routine maintenance and shutdowns.

Key figures

- 3-year term contract with 2 times one-year extension options.

Major dates

- June 2020: Contract award.

Key features

- Services include supply and installation of scaffolding, insulation, coating and painting, rope access and mechanical services.



EDF, United Kingdom.



Altrad awarded **£350m contract from EDF** (January 2020, United Kingdom).

Client

- EDF Energy.

Market

- Nuclear energy.

Scope

- Altrad will provide the following services as part of the delivery of this contract: access, insulation, coatings, tanks and building facades to the existing fleet of eight nuclear power stations in the United Kingdom.

Key figures

- Nine-year contract.
- Valued at £350million.
- Around 550 people employed to support the contract.

Major dates

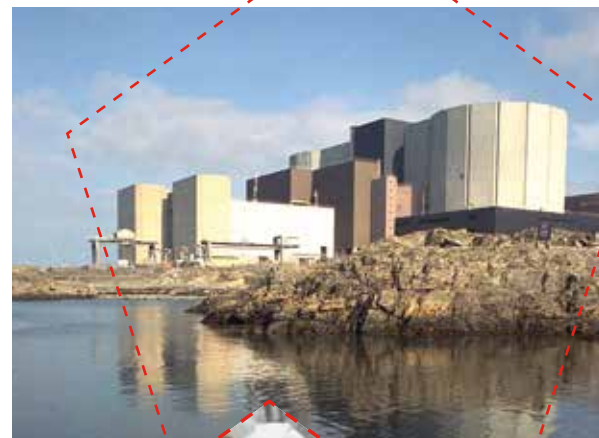
- Contract commenced on the 1st January 2020.

Key features

- Introduction of *Human behaviours awareness* Programme.
- Digital Innovation rolling out tablets to all supervisors enabling live data capture.
- Providing 22 different services, delivered using existing site management teams, providing better economies of scale.



Magnox nuclear decommissioning, United Kingdom.



Stripping and painting of the Helideck of the ENI Blacktip platform, Timor Sea.



Contribution to the successful delivery of the HMAS Sheean, Australia.



Painting of the Suffren nuclear submarine, France.



Altrad awarded a **painting contract on the Suffren nuclear submarine** (Barracuda programme) in Cherbourg, for Naval Group (June 2020, France).

Client

- Naval Group.

Market

- Naval activity.

Scope

- Surface preparation and painting works contract for the military submarines of the Barracuda programme.
- In 2020, surface preparation and painting work on the Suffren (first nuclear attack submarine in the Barracuda series, Cherbourg).
- Altrad teams are working in parallel on the 2nd and 3rd submarines in this series.

Key figures

- Budget (Suffren): €13million.
- Workforce: Between 80 and 130 people mobilised since 2018.
- Surface area: 23,000 m².

Major dates

- 2011: Start of the partnership with Naval Group on the Barracuda programme.
- From 2011 to 2018: Integration and assembly of the Suffren.
- 2013: Start of painting work.
- 2019: Suffren completion phase.
- April 2020: Departure of the Suffren to Toulon and delivery after 6 months of tests.

Key features

- Barracuda programme: consortium of companies, with SN-SGC and HEMPEL.
- "Industrial" type of programme.
- A three-shift work system.



Painting the Eiffel Tower, France.



Outstanding scaffolding seen on the forecourt of the Eiffel tower as part of the monument's 20th painting campaign (November 2020, France).

Client

- SETE, Société d'Exploitation de la Tour Eiffel.

Market

- Construction, heritage and monuments.

Scope

- 20th painting campaign of the monument.
- Monument structural repairs and associated access schemes (scaffolding and rope access work).

Key figures

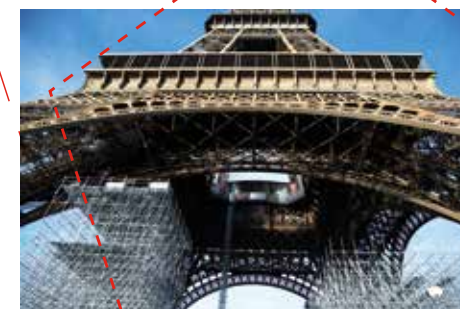
- Painting: 250,000m² for 60 tons of paint.
- Blasting and cleaning: 4,500 m².
- Forecourt scaffolding: 7 months of assembly by 35 operators mobilised to build 450 tonnes of material spread over two slabs/height of 58m, with a ground clearance of 12x15m for each pile.
- Budget: €50million.

Major dates

- Project running over 3 years, from 2019 to 2022.

Key features

- Continuity of site operations during the maintenance work period.
- Lead construction site.
- One specific part of the monument (area: south east decorative arch) treated through a shot-blasting stripping process.



SETE / Linda Töle

TRUS

26 Trust...





Notre-Dame de Paris, France.



C. Audebert photo - Europe Echaffaudage erection / APM supply

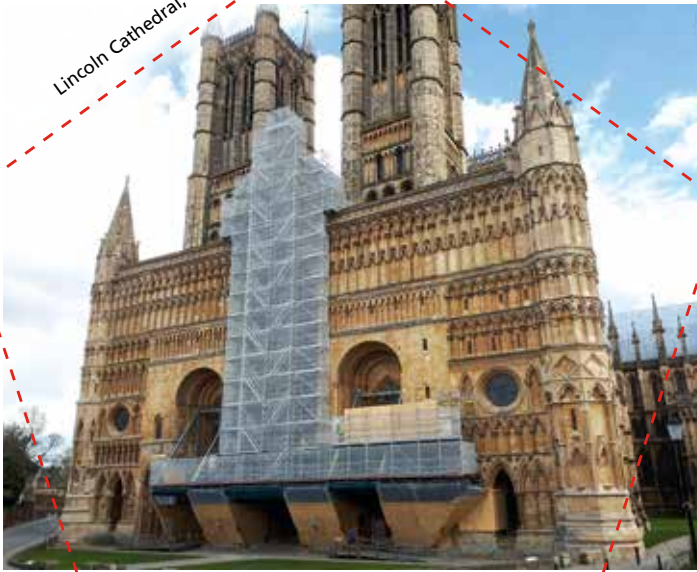
Brighton, United Kingdom.



Troyes railway station, renovation of engineering structures and transport infrastructure, France.



Lincoln Cathedral, United Kingdom.



Metrix

C. Audebert photo - Europe Echaffaudage erection / APM supply





Nottingham Castle, United Kingdom.



2. The Group's CSR policy

express commitment, inspire, enable and challenge to assure complete dedication to our people; this has been continually demonstrated during the current Covid-19 pandemic. These beliefs, behaviours and attitudes are integral to our safety model and intrinsically linked to accomplishing optimal safety performance.

To realise and achieve the Altrad safety vision of being a generative organisation, we remain receptive and responsive to our business needs both internally and externally. This acumen permits us to remain agile, dynamic, innovative and to continually evolve. We realise that our strength comes from within and that collaboration and shared learning are paramount to drive optimal safety performance. This utopia requires a strong ethical synergy through inclusion, diversity and opportunity of all our stakeholders.

We appreciate that we are a unique and diverse business and understand that one size does not fit all. Therefore, we engage, communicate and consult with our workforce; which creates an openness towards safety identification, reporting and innovative solutions. This enables us to design, develop and deliver ambitious, bespoke safety strategies using an evidence-based approach; which contributes towards creating a safe working environment. We adopt a back to basics approach; placing a strong focus on the fundamentals and Altrad core values towards becoming proficient in everything we do and creating a solid foundation for success.

At Altrad, health and safety is everyone's responsibility...

CSR

Altrad wholeheartedly acknowledges its obligation to be a responsible global corporate citizen. Beyond economic and financial objectives, we have moral, ethical, sustainability, and reputational commitments towards the social wellbeing of all our stakeholders. This belief is reinforced by our Altrad core values and more recently, our increased awareness of our impact on our local and global communities.

In recent years, we have heightened our awareness and conscience towards our accountability on the environmental, social and governance practices of Altrad through engagement in CSR initiatives. We acknowledge that in order to have a real impact, any true CSR requires systemic change, with a need

to determine the why, what, where and how we positively influence the most.

This year, Altrad has identified 138 individual CSR projects across the Group. These have provided multiple common themes, such as: poverty, health & wellbeing, responsible consumption & reduction, sustainable communities and accessible education to name a few. As part of its engagement with the global movement, the Group shall seek an alignment with certain of the UN's Sustainable Development Goals.

We remain proactive with the integration of social initiatives into our strategy. The Covid-19 pandemic witnessed a responsive agility to support local communities and government organisations through support of frontline healthcare workers, donations and distribution of time and provisions to local communities.

As an organisation, we intertwine with the communities in which we operate, providing people with employment and infrastructure, to produce a healthy societal impact which sustains the provision of a capable workforce. Partnerships were forged to provide access to educational and vocational training pathways to individuals from low socioeconomic backgrounds.

We aim to leave a legacy with a sustainable impact for future generations through the responsible consumption and reduction of waste. For example; recycling and the removal of single use plastics, carbon offset through reduction in travel and commuting, development of community woodlands and the use of electric vehicles.

Social and gender diversity is just as important to the Group and work is being undertaken to objectively analyse the depth and breadth of diversity within our organisation.

We are also acutely aware of our responsibilities in respect of the eradication of modern slavery in all its forms and have reinforced our work in this respect. We carry out detailed audits and have initiated a programme of improvement to ensure we monitor not only our own activities but also those of our supply chain.

The aim for 2021 is to evolve the strategy to identify further commitment, clarity and congruence to improve Altrad's impact. This will be achieved through improved reporting and measuring of the societal and sustainable measures, with the objective to have a long-lasting impact in the local communities in which we operate.



23 Responsibility...





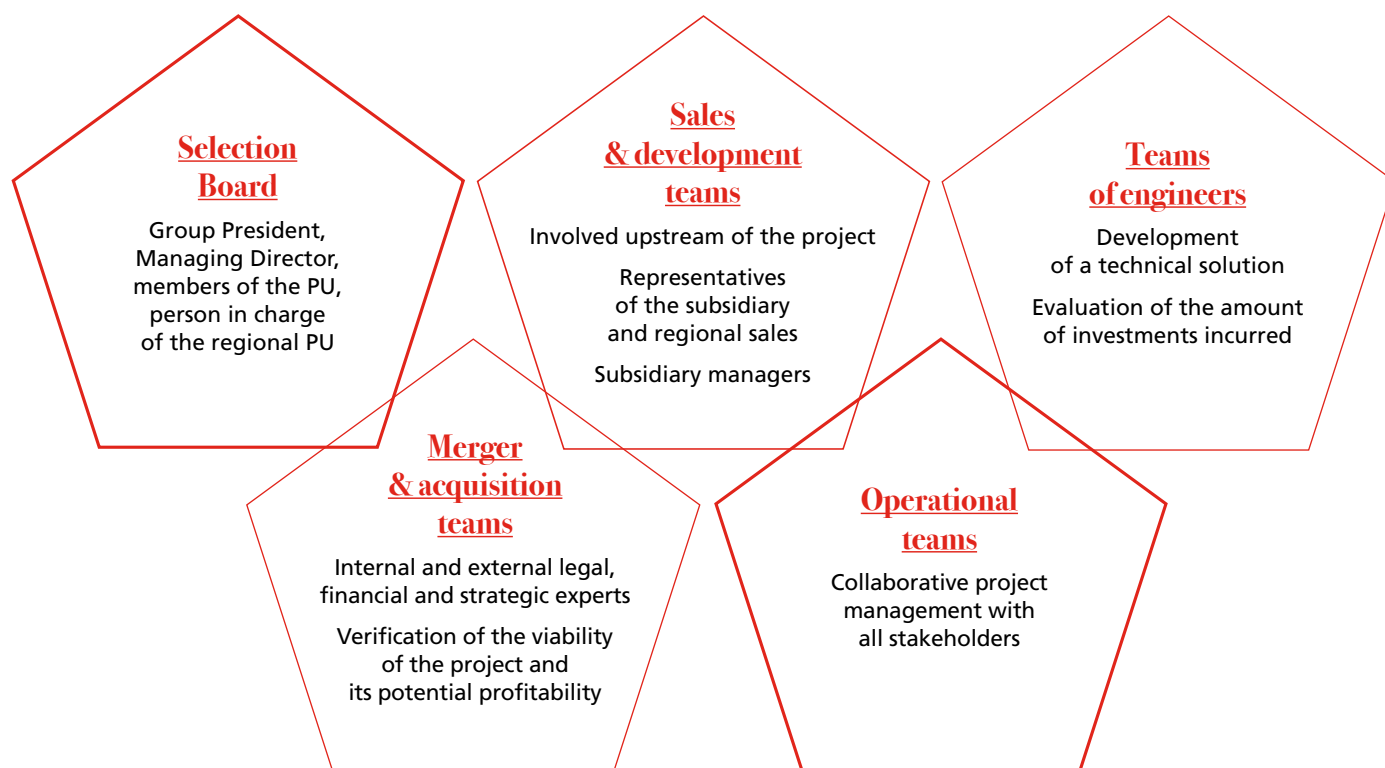
3. Growth and investment

The acquisitions of Hertel in 2015, Prezioso in 2016 and Cape in 2017 marked a radical change in the Group's size, a leap forward in terms of both quality and quantity, and a major evolution in the Group's business lines. With these acquisitions, we have gone beyond the possible in terms of speed of execution, transformation of the Group and realisation of potential synergies between entities.

The process of selecting investment opportunities is carried out in accordance with a rigorous and collaborative method, with a focus on centralising information, close collaboration between stakeholders, and the relevance of the investment in relation to the target objective, to ensure its sustainability, timeliness and financial soundness.

The Business Development function plays an important role in this context. It is not only present centrally (Progress Unit Business Development) but also locally throughout the Group's sales network. It must allow the Group as a whole to remain constantly alert to detect opportunities and strengthen its position in volatile contexts and sectors.

A true pillar of its strategy and a characteristic of the Group's identity as well as its ambition, Altrad's investment strategy is at the heart of its vision, "beyond the possible". In terms of acquisitions, the pro-active approach is limited only by the rigour required in selecting the targets, the quality of the information concerning them and their potential for synergies with the Group. Based on this rigorous analysis of the opportunities that have presented themselves, the Altrad Group has made a rapid series of acquisitions, enabling it to accelerate external growth. The Group's size, weight and morphology have thus been radically transformed on several occasions, and it has thus become a global, multidisciplinary leader in services and equipment for large industry.



3. Growth and investment

The assessment is based on a number of points which help to evaluate and establish the merits of an investment:

- Strategy: to ensure that the investment fits well into the strategy of a subsidiary (in terms of geographical expansion, conquest and positioning on a new segment, market, etc.);
- Size of investment: the opportunities most often considered are generally in excess of €50million, but some smaller investments with high value creation potential may also be pursued;
- Geography: for example, to cover the activities of a key client with whom the Group has relations in a country where it is already present;
- Type of service: painting, scaffolding, insulation, electrical, mechanical etc.
- Type of product: light construction tools or machines;
- Other criteria: complete adherence and commitment to the Group's ethical standards and compliance with the law.



Strategy Consistency with the strategic plans of each subsidiary (for example, geographic expansion, new segment, etc.).

Size Does the target require an investment of over €50million? (lower figures are only considered if the potential value creation justifies it).

Geography The Group wants to build on countries where it is already present, but following a customer into a new market can justify an investment.

Service proposal Scaffolding, insulation, painting, mechanical, etc.

Product type Light construction tools or machinery.

Other criteria Understanding of and total adherence to the Group's ethical standards in accordance with the law.

These points are reviewed to ensure that the investment will benefit the Group at various levels, by creating a stronger, more sustainable entity, more likely to achieve growth by gaining in solidity, competitiveness and skills.

1. Investment logic

Relevance of the targeted acquisition with respect to the Group's strategy (acquisition of necessary skills, companies that are complementary to the Group's activities).

Points to watch:

- Timing;
- Integration of the new entity into the Group's strategy.

2. Geographical location

Opportunity to strengthen existing positioning or entry into a new territory.

3. Innovative activity

Identification of a business, service or product that may add value to the Group's portfolio of activities.

Points to watch:

- Possible synergies;
- Avoid internal competition or excessive reliance on existing activities.

4. Investment quality

Evaluation of the target and total costs of the operation through precise analysis of financial indicators (profitability, Group's financial elements, etc.).

Points to watch:

- Definition of a fair price;
- The right financial measures to reduce financial pressure (debt, cashflow, etc.).

5. Social, safety and ethical responsibility

Absolute obligation to uphold the Group's principles and legal values.



The investment is then examined and brought to completion through a rigorous process that should result, in particular, in facilitated integration into the Altrad Group, and thus successful integration into its value system and solidarity-based, multi-disciplinary and integrated approach.

1. Identifying the opportunity

By a subsidiary or an external source.

2. First evaluation

The decision to go ahead with the investment or not depends on preliminary selection criteria.

3. Proposal

Request for basic information and meetings with the target's management.

4. Evaluation by the holding

The proposal is presented to the President and the CEO for validation of non-binding bid.

5. Submission of the bid

The offer is made to the sellers — the main points of attention are valuation, the scope of due diligence and the timetable.

6. Agreement to terms

Signature of the final terms.

7. Due Diligence

A combination of internal and external reports particularly focusing on the financial audit, ethics, contracts and commercial review.

8. Final review and approval by the Board

The summary of due diligence, the commercial agreement with the seller and the integration plan are submitted to the Altrad Board for final approval.

9. Integration

The process to integrate the company into the Altrad Group begins.

10. Conclusion of the Contract

The contract is signed for the acquisition of the company.

A fundamental issue, throughout the investment process, is to allow the acquired entity to integrate the Group and make a positive contribution to strengthening it on the human, technical, operational and economic levels. This is ensured by the successive work of the various teams involved.

Management of the local subsidiary	— Manager of the subsidiary and Regional Director	— Finding the opportunity — First contact with the owners of the target company — Obtaining of preliminary information
Team working on the proposal	— Central Director of Business Development — Regional director — Progress Unit Manager	— Creation of the business case and valuation
Review committee	— President, CEO, Board of Directors	— Initial go/no-go — Validation of the possibility of presenting a non-binding offer — Valuation decision — Final Investment decision
Team in charge of the acquisition	— Central Business Development Director — Legal counsel to the Group + members of the operational and functional teams — Reporting to the Managing Director	— Implementation of Due Diligence — Negotiation of the acquisition agreement
Team in charge of integration	— Subsidiary manager — Regional director — Progress Unit Manager — Central Business Development Director	— Preparation of the integration plan — Implementation of the plan





4. Giving your best

The Altrad Group owes its success to its ability to express, clarify, refine and develop its values in an evolutionary manner throughout its history, while remaining true to the principles that have been its own from the beginning of the adventure. Altrad's values are not just a matter of communication; the Group has always endeavoured to fulfil them, to bring them to life and make them a real part of the daily lives of its employees.

The role of managers is essential in disseminating these values. Through his or her words and behaviour, the manager must be the ambassador of the Group. To ensure that the Group's values are disseminated, managers are presented with the company charter entitled " *Pathways to the possible* ", summarising the management philosophy practised within the Group.

Courage is a key value, especially in these times of health and economic crisis. How do we resist the temptation to flee or give up? How can we avoid being stunned by shock and loss? How can I wager on someone else when that someone else might be dangerous to me? Taking the first step is the act of courage. The " *brave are those who possess the art of beginning* ". In this sense, courage is a consequence of will. Courage is already about willpower, deciding to want.

Courage is not the preserve of leaders and managers. It is everyone's affair, each of us exposed to our own reality and difficulties. But can the organisation be supportive in this process? By creating the

right conditions for courage to be expressed, not only by exceptional (and strong) personalities, but generalised within the company by developing a culture of courage.

The culture of courage means being able to question oneself, to set goals that might seem unattainable, to give more than you think is possible, to demand that others don't just content themselves with a little but seek a lot, from themselves and from others.

The culture of courage is what makes it possible to exceed one's limits, to surpass oneself, to go beyond the possible. The entire history of the Group is based on this culture of surpassing oneself. The sum of its success is proof that this surpassing is possible. And that, together, we can go beyond the limits we believe to be insurmountable.



Giving your best: management reaching " *beyond the possible* " of employees. The Group has always maintained at the core of its identity a strong attachment to the values that form the common framework and foundation for both its economic activity and the human activities of its employees.

Indeed, the Group carries in its genes the awareness and conviction that, like any organisation, it is first and foremost a human community at the service of people. Hence, this community must be driven, governed, motivated and united by the conviction of participating in a common project and sharing common values, so that the community can prosper and all those who are part of it can fulfil themselves.



5. Risk management

In view of the nature of the Group's activities, the macro-economic context in which we operate and the significant international footprint, the Group is determined to successfully manage its existing and emerging risks. This is a prerequisite to ensure the long-term sustainable development of its activities and strategic objectives. Risk management involves an acceptance a reasonable degree of risk, which no entrepreneurial business is without, within a governance framework that manages the risks to reduce the potential impact.

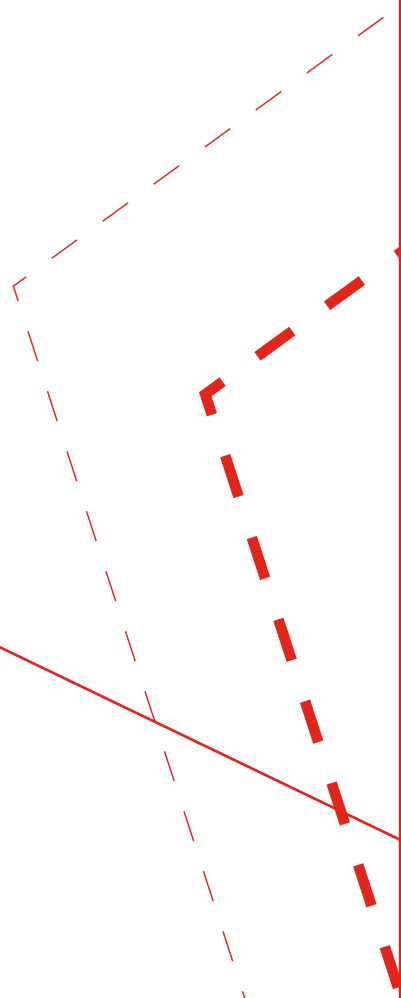
The Group's risk management system is regularly reviewed as it matures and penetrates deeper into the organisation. Key business risks are monitored through our matrix organisational structure with several levels of control and management. Given the Group's lean management structure, open lines of communication and daily transversal interactions, the flow of relevant

information is assessed throughout the year to take into account the evolution of risks and remedial plans.

While the Group maintains a global risk governance framework, our operational subsidiaries also have their individual risk management plans. This duplication enables a holistic, Group approach in combination with localised, country or market-specific, assessments.

The Group risk governance framework is set by its Executive committee. They have an overall responsibility for risk management and determine the Group's approach to risk, including its risk appetite. They direct the method by which risks are managed, monitored and mitigated while being responsible for reviewing the effectiveness of the Group's risk management system. The Executive committee is supported by its internal audit function, the Group controlling function, legal and compliance as well as the Group treasury team. Its objective is to ensure the risk appetite of the Group, weighed against its strategic and long-term objectives, is set at an appropriate level. The Executive committee is mindful of the history of the Group and the conservative approach adopted by the Board of Directors and shareholders, adopting a cautious risk policy particularly in matters that are identified as high risk, notably reputational and ethical risks; client, geographic and sector diversification; treasury management and conservative debt ratios. Risk owners are assigned within the organisation and risk reduction and assurance structures are implemented where management consider further action is required to manage the risks.

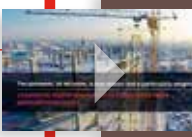
The table below identifies key risks faced by the Group alongside the risk mitigation and assurance actions.



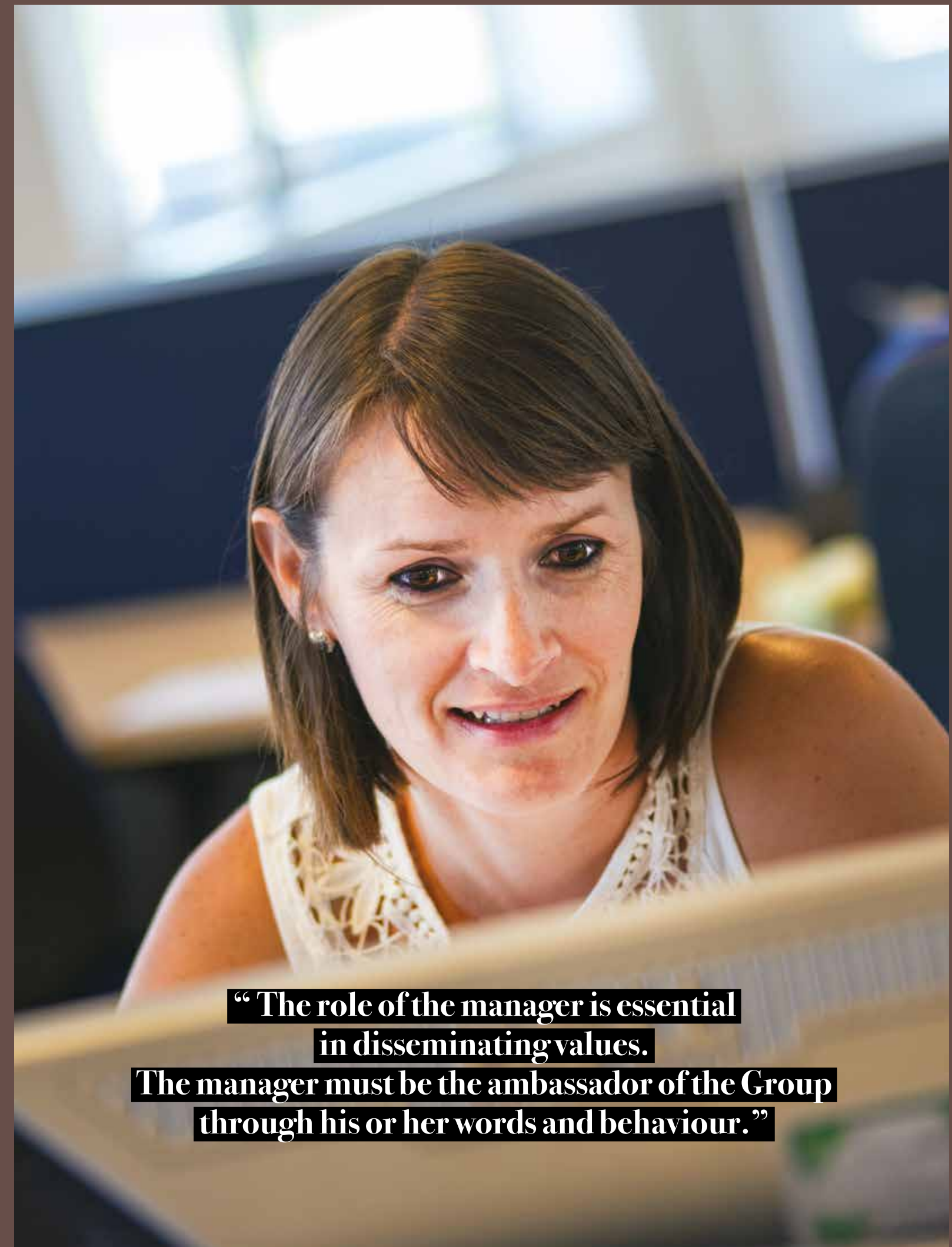
TYPE OF RISK	DESCRIPTION	RISK REDUCTION AND ASSURANCE
Competition	<ul style="list-style-type: none"> Intense competition in both Equipment and Services markets, becoming more acute during economic downturns. Reduction of margins. Loss of contracts and market share. 	<ul style="list-style-type: none"> Strategic focus on long term recurring contracts Evolve multi-disciplinary service offering, innovate products, in order to differentiate. Strong cost control to pass savings to customers.
Corporate social responsibility	<ul style="list-style-type: none"> Growing importance of CSR in client tenders and in financial markets. Reputational damage. 	<ul style="list-style-type: none"> Strong emphasis on the Group's <i>raison d'être</i>: building a sustainable world. Ongoing development of CSR strategy and importance of good corporate citizenship.
Credit	<ul style="list-style-type: none"> Counterparty credit risk related to commercial activities, particularly in emerging economies or during economic downturns. 	<ul style="list-style-type: none"> Credit checks carried out as part of customer onboarding. Monitoring of customer credit ratings. Strong monitoring of aged debtors, with proactive debtor management.
Customer dependency	<ul style="list-style-type: none"> Reliance on low customer numbers with impact of the loss of key clients. 	<ul style="list-style-type: none"> Strategy of customer diversification, across countries, markets and services. Key account management programmes to maintain strength and depth of relationship. Long-term relationships with many long-term contracts. Positioning as Tier 1 suppliers to key customers.

TYPE OF RISK	DESCRIPTION	RISK REDUCTION AND ASSURANCE
Ethics	<ul style="list-style-type: none"> Risk of bribery, corruption, anti-competitive and unethical conduct. Risk of modern slavery in our workforce and supply chain. Criminal and financial penalties, reputational damage. 	<ul style="list-style-type: none"> Full review of Group's Business Integrity & Ethics framework. Risk mapping, training and audit of compliance processes and culture. Targeted modern slavery and anti-bribery and corruption audits. KPIs set in annual performance reviews.
External growth	<ul style="list-style-type: none"> The Group's strategic growth plans require sustained profitability and maintenance of debt ratios. Paradox of growth, with growth being a necessity but carrying integration and operational risks. 	<ul style="list-style-type: none"> The Group maintains net debt/EBITDA ratios below 1.2. The Group has developed expertise in the acquisition of entities through: <ul style="list-style-type: none"> Rapid generation of synergies to achieve objectives and the release of cash flow while respecting the cultures of the acquired companies. Aligning Group managers to the success of integrations and the sustainable development of the Group.
Health, safety and environment	<ul style="list-style-type: none"> Harm or injury to our workforce. Risk to reputation and commercial risk in the event of accident. Civil or criminal risks to directors. 	<ul style="list-style-type: none"> Safety teams in all business units, with a dedicated Group HSEQ function to audit, coach, train and ensure a strong safety culture in the Group Environmental policies and audits to minimise impact on environment through activities.
Information systems and cybersecurity	<ul style="list-style-type: none"> Risks of fraud. Regulatory obligations in terms of data and network protection. Obsolescence of systems. Back-up solutions. 	<ul style="list-style-type: none"> Cyber essentials certification. Patch used on IT equipment. Use of the latest antivirus and URL filters. Establishment of appropriate procedures for validation of payments.
Interest and exchange rates	<ul style="list-style-type: none"> Foreign exchange and interest rate risks. 	<ul style="list-style-type: none"> The foreign exchange risk is limited with most income in same currency as subsidiary cash flow requirements. The majority of financial debt is at a fixed rate or in stable markets with reduced risk of material fluctuations. Payments in Dollar or Euro are requested and are prioritised in countries where the currency is not readily convertible or subject to significant depreciation risk.
Liquidity	<ul style="list-style-type: none"> Ability to fund all debt repayment obligations. Necessity to finance the operating cycles of the Group. Ensuring liquidity is maintained in the holding company and not in subsidiary entities. 	<ul style="list-style-type: none"> The Group's global debt is centralised within the holding company which negotiates financing with the subsidiaries in the medium and short term. Debt instruments managed carefully to ensure a spread of maturities, with regular reviews of debt structures. Conservative treasury policy, maintaining available cash in the order of 500 million euros. Strong focus on cash pooling and repatriation of cash to the holding company.
Pandemics	<ul style="list-style-type: none"> Economic impact reducing demand for services and products. Quarantine impacts productivity and availability of workforce. Health and safety of our workforce. 	<ul style="list-style-type: none"> Monitoring of key financial indicators and being able to respond to market conditions. Negotiations with clients on cost of idle time; forward planning for mobilisation requirements. Maintain health and safety culture, follow sanitary guidelines including quarantine, work from home where appropriate.
Political and macro-economic environment	<ul style="list-style-type: none"> Variations in commodity pricing impacting demand and customer spend. Currency fluctuations. Acts of state / political instability / war / legislative and regulatory risk. 	<ul style="list-style-type: none"> Strategy of diversification of customer base, sector and geography. Strategic focus on mandatory recurring maintenance spend, less dependent on price variations. Contracts concluded mainly in local currencies and/or dollars, against local costs. Regular reviews of political risks and alert during periods of instability or war.
Raw materials	<ul style="list-style-type: none"> Strong price fluctuations in raw material prices including steel, aluminium and zinc. 	<ul style="list-style-type: none"> Management of forward purchases by a specialized team. Dedicated procurement function to optimise purchasing Ensure product pricing adjusts according to fluctuations.

Beyond the possible



Performance



“ The role of the manager is essential in disseminating values. The manager must be the ambassador of the Group through his or her words and behaviour. ”

Consolidated profit and loss account

In € million

	Net amount 31 August 2020	Net amount 31 August 2019
Revenue from current activities	2,589.0	3,105.4
Cost of raw materials and merchandises	-510.5	-601.0
Personnel costs	-1,182.4	-1,412.0
Other external expenses	-503.6	-631.5
Depreciations and amortizations	-153.2	-110.2
Share of results of associates	-0.2	0.1
Current operating profit	239.1	350.8
EBITDA	393.7*	461.5
Other revenues and expenses	-43.4	-40.6
Restructuring and underactivity costs	-38.0	-25.9
Operating profit	157.7	284.3
Cost of net financial debt	-41.8	-36.2
Other financial products & charges	0.8	-10.0
Profit before taxes	116.7	238.1
Taxes	-29.4	-33.1
Net profit	87.3	205.0
Group net profit	84.0	201.9
Minority interests	3.3	3.1

* Including an improvement of €34 million in EBITDA resulting from the first adoption of IFRS 16 Leases as of September 1, 2019.

Consolidated cash flow statement

In € million

	Net amount 31 August 2020	Net amount 31 August 2019
Net profit	87.2	205.0
Non-cash adjustments	215.3	177.9
Working capital adjustments	23.2	9.5
Net income taxes paid	-32.7	-26.1
Net cash flow from operating activities	293.0*	366.3
Capex movements	-87.3	-111.1
Acquisition and disposal of subsidiaries, net of cash acquired/disposed of	-2.4	7.4
Net cash flow from investing activities	-89.7	-103.7
Dividends paid to shareholders	0.0	-30.5
Change in loans	96.9	-69.6
Other financing activities	-33.1	-46.4
Net cash flow used in financing activities	63.8**	-146.5
Net effect of currency in cash	-19.0	-5.0
Net increase in cash and cash equivalents	248.1	111.1
Cash and cash equivalents start of period	863.3	752.2
Cash and cash equivalents end of period	1,111.4	863.3

* Including an improvement of €34 million in cash flow generated by activity resulting from the first adoption of IFRS 16 Leases as of September 1, 2019.

** Including €34 million in repayments of rental liabilities resulting from the first adoption of IFRS 16 Leases as of September 1, 2019.

Key figures available on www.altrad.com

Consolidated balance sheet, assets

In € million

	Net amount 31 August 2020	Net amount 31 August 2019
Non current assets		
Goodwill	1,348.8	1,331.7
Intangible assets	70.3	70.4
Tangible assets	492.0 *	427.8
Non-current financial assets and other non-current assets	5.7	4.7
Deferred tax assets	65.0	65.9
Total non current assets	1,981.8	1,900.5
Current assets		
Inventories	132.7	162.2
Trade receivables	562.4	661.5
Current taxes	8.1	6.6
Other receivables	81.6	98.3
Cash, restricted cash and cash equivalents	1,172.5	929.6
Total current assets	1,957.3	1,858.2
Assets held for sale	0.1	0.3
Total assets	3,939.2	3,759.0

* Including €107.3 million in rights of use resulting from the first adoption of IFRS 16 Leases as of September 1, 2019.

Consolidated balance sheet, liabilities

In € million

	Net amount 31 August 2020	Net amount 31 August 2019
Total equity	818.9	809.1
Others funds from shareholders	178.2	172.3
Financial debt LT	1,311.0 *	1,228.3
Reserve for risks and social engagement LT	286.5	282.2
Other non current liabilities	58.5	30.7
Deferred tax liabilities	25.3	19.8
Total non current liabilities	1,859.5	1,733.3
Financial debt ST	362.5 **	211.1
Reserve for risks and social engagement ST	40.5	53.0
Trades payables	389.6	514.7
Others current liabilities	468.2	437.8
Total current liabilities	1,260.8	1,216.6
Total equity & liabilities	3,939.2	3,759.0

* Including €77.9 million of rental liabilities resulting from the first adoption of IFRS 16 Leases as of September 1, 2019.

** Including €29.4 million in rental liabilities resulting from the first adoption of IFRS 16 Leases as of September 1, 2019.

Key figures available on www.altrad.com

Altrad Investment Authority

Simplified joint stock company - With a capital of €338,921,100
Head office: 16, Avenue de la Gardie - 34510 Florensac - France - RCS BÉZIERS B 529 222 879

Auditors

Ernst & Young Audit : Immeuble Le Blasco - 966, Avenue Raymond Dugrand - CS 66014 - 34060 Montpellier - France
Grant Thornton : Cité Internationale - 44, Quai Charles de Gaulle - CS 60095 - 69463 Lyon - cedex 06 - France



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