Press release

March 24th 2020

2019: solid results

Operating margin improvement

The Board of Directors meeting on march 24, 2020 approved the financial statements for 2019.

€m	2018	2019 comparable	2019 IFRS 16 *	change
Revenues	2 498.2	**2 488.5**	2 488.5	(0.4)%
EBITDA (1)	149.0	**152.5**	170.1	+14.1%
% of revenues	*6.0%*	**6.1%**	*6.8%*	
Current operating income	125.7	**127.8**	128.3	2.1%
Net financial income/(expense)	3.8	**0.1**	(0.8)	NA
Profit before tax	129.6	**128.3**	127.9	(1.3)%
Income tax	(38.8)	**(54.9)** **	(54.8)**	NA
Net profit	90.8	**73.4**	73.2	NA
net profit Group share	90.9	**73.3**	73.0	NA

The audit procedures have been completed and the auditor's report on the financial statements is in the process of being issued.

*IFRS 16 "Leases" is applicable from 1 January 2019. Groupe CRIT elected to apply this standard using the simplified retrospective approach which does not require restatement of the previous financial year.
**The increase in tax expense includes the impact of the abolition of the CICE tax credit.

Groupe CRIT achieved a solid performance with a high level of activity despite the slowdown in the staffing market in the second half of the year. In terms of results, EBITDA reached an historic level of € 170.1 million, up more than 14% (after IFRS 16 impact).

Staffing & recruitment division: strong resilience in a more demanding environment

In 2019, Staffing & recruitment division (81.8% of total revenue) posted YTD revenue of € 2 034 million (2) (down 1.4%).

In France (75.6% of staffing division), YTD revenue amounted to € 1 537 million, decreasing by 1.7 % organically and working days adjusted. This is a favorable evolution given the slowdown in the market observed in recent months and the drop in demand in the automotive sector which had a negative impact of 2.7% on revenue.

International YTD revenue amounted to € 497.3 million up 0.9% benefiting from favourable forex impacts. At constant perimeter and exchange rate, international activity decreased by 2.5%.

Multi-services: strong growth

Multi-services division achieved a sustained YTD growth with revenue of € 480.3 million (2) up 4.5%.
In Airport services (more than three-quarters of Multi-services division), YTD revenue increased by 7.1% to € 381.1 million (up 5.6% at constant perimeter and exchange rate), driven by the French activities rising by 9%.

Strong growth in EBITDA

EBITDA for the year (incl. IFRS 16) amounted to €170.1 million and the Ebitda margin reached 6.8%. Excluding IFRS 16 and despite the impact of the end of the CICE tax credit, the EBITDA margin was 6.1% (up 10 basis points).

The staffing & recruitment division posted an EBITDA (incl. IFRS 16) of €119.4 million.
On comparable basis (excl. IFRS 16) EBITDA amounted to € 110.3 million and the EBITDA margin was 5.4% (vs. 5.2% in 2018) up 20 basis points, despite the impact of the end of the CICE tax credit (50 bps on French margin). International activity also contributed to this strong performance with an improvement of EBITDA margin of 60 basis points in the United States.

Multiservices division, posted an EBITDA (including IFRS 16) of € 50.6 million.
Airport activities posted an EBITDA of € 43.0 million (€ 35.4 million excl. IFRS 16). On a comparable basis (excl. IFRS 16), the decline of 50 bps in EBITDA margin was due to the bankruptcy of Jet Airways airlines, the impact of the end of the CICE and change in business mix.
Other activities, driven by engineering and industrial maintenance, posted an EBITDA of € 7.6 million (€ 6.7 million excluding IFRS 16 impact).

Current operating income amounted to €128.3 million (€127.8 million excl. IFRS 16)

Net profit Group share amounted to €73,0 million, including a €16.6 million additional tax expense related to the end of the CICE tax credit. As a result, the tax rate rose from 29.9% in 2018 to 42.7% in 2019.

A solid financial structure

At the end of 2019, with cash flow of € 211.8 million, an equity of € 622.3 million and net cash of € 222million (after inclusion of € 68.2 million of liabilities related to IFRS 16), the Group has a strong financial position.

2020: H1 impact by Covid-19

The expansion of the coronavirus and the containment measures taken by French and foreign governments affect all economic and commercial activities on a global scale, without the extent and duration of the effects being yet to be measured reliably.

In the Staffing & recruitment activity, after a 6.3% drop in temp. workers in the first two months of the year, the French market is currently recording decreases of 60 to 80% in certain sectors of activity (source Prism'emploi). After a -6.2% drop in activity over the first 2 months of the year in France (+ 0.5% excluding the automotive sector), the latest trend observed at the end of March was a 75% decline in Crit's staffing & recruitment division.

Airport activity achieved a good start to the year with revenue up 6.6% in January and February in France. The almost stop of air traffic since mid-March and closure of runways and airport platforms led the group to face at the end of March a downward trend of 90% in its airport activity in France. In this context, the group had to take partial unemployment measures for all the employees concerned.

To date, it is impossible to accurately measure the impact on the group's results. In fact, if the various measures (expansion of partial unemployment, suspension or delay in the payment of certain contributions, guarantee funds, etc.) taken by the governments of the different areas where the group operates should contribute to financially support the group, too many uncertainties remain to accurately assess the financial consequences of the pandemic.

In this context, the Group immediately initiated the measures at its disposal to adapt to the situation (partial unemployment, deferral of payments of certain charges, securing recoveries and credit insurance guarantees, etc.)

Finally, with more than € 600 million in available funds, the group has significant resources to deal with the current situation.

Dividend 2019 : maintaining the dividend at 1€ per share

Confident in the Group's ability to get through the crisis, the Board of Directors has decided to maintain the dividend and will propose to the General Meeting of June 05, 2020 a net dividend per share of € 1.

Detailed analysis of foreign exchange and consolidation scope impacts

	2018	2019	***change 2019/2018***	*Organic change[4]*	*Forex Impact [3]*	*Change in scope [4]*
Staffing & recruitment	2 062.4	2 034.4	*(1.4)%*	*(2.2)%*	*0.8%*	*0.0%*
Airport services	355.9	381.1	*7.1%*	*5.6%*	*0.3%*	*1.2%*
Others	103.7	99.2	*(4.4)%*	*1.8%*	*0.0%*	*(6.2)%*
Inter-segment	(23.8)	(26.2)	*10.0%*	*10.5%*	*0.0%*	*(0.5)%*
Total Group	2 498.2	2 488.5	*(0.4)%*	*(1.0)%*	*0.7%*	*(0.1)%*

(1) Current operating income before depreciation and amortisation
(2) Excluding inter-segment eliminations
(3) The exchange rate impact is calculated by applying the previous year's exchange rates to current-year revenue denominated in foreign currencies.
(4) Changes in consolidation scope are calculated by restating revenues for:
- the contribution of entities acquired during the current year and the contribution of entities acquired the previous year until the anniversary date of their acquisition,
- for entities sold during the current year, the contribution to revenues during the months of the previous year for which the entities are no longer consolidated in the current year and, for entities sold the previous year, the contribution to revenues of the previous year until the date of their sale.

Next release:

2020 Q1 revenue : 22 April after closing of trading

Groupe CRIT is a leading company in staffing and airport assistance in France and abroad. The Group is listed on Euronext Paris (Compartment B FR0000036675) and is included in the CAC All-tradable, CAC All-shares, CAC Mid&Small, Euronext Family Business and Gaïa indices.

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