Vélizy-Villacoublay, 27 February 2019

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Sales[1]: €16.6bn (+9.9%)
Operating profit on ordinary activities: €1.9bn (+7.2%)
Net profit Group share[2]: €629m (+22.1%)
Net debt[3] up €169m (after €528m of external growth[4])
Contracting order book: €13.9bn (+15%)
Dividend[5]: €2.4 per share (+20%)

Press release

2018 annual results

- **Confirmation of growth momentum, with a 9.9% increase in sales for the Group:**
    - **Contracting (+10.9%) was buoyed by further strong growth for international activities (+34.2%, with like-for-like growth of 16.1%);**
    - **Motorway traffic increased for heavy goods vehicles (+4.7% on APRR network) and was resilient for light vehicles against the backdrop of the year end perturbations.**
- **Further improvement in profitability:**
    - **Increases in the operating margin at both Contracting (+10bps) and Concessions (+50bps);**
    - **Further increase in net profit Group share (+22.1%).**
- **Proposed dividend per share of €2.4 (+20%).**
- **Strengthened order book (+15%), leading to an anticipation of a new increase in sales and results in 2019.**

The Board of Directors of Eiffage met on 27 February 2019 to approve the financial statements for the year ended 31 December 2018[6], which will be submitted for the shareholders' approval at their next general meeting on 24 April 2019.

Activity

With another upbeat performance in the fourth quarter (+7.9%, of which +8.8% for Contracting and +3.0% for Concessions), consolidated sales in the year ended 31 December 2018 reached almost €16.6bn, up by 9.9% on a reported basis and by 5.8% like-for-like (lfl).

All 2017 comparatives in this press release have been restated to reflect the first-time application of IFRS 15, so that comparisons between 2018 and 2017 take into account these restatements. The impacts of IFRS 15 restatements on the 2017 comparatives are set out in the financial semester report available on the Group internet web site.
(1) Excluding construction revenue of concessions (Ifric 12).
(2) Before the adjustment of non-current deferred tax to reflect the decrease in the corporation tax rate, resulting in additional profit of €33m in 2017 (no impact in 2018).
(3) Excluding mark to market value of the CNA debt and swaps.
(4) Including the acquisition of a 5.03% shareholding in Getlink for €308m.
(5) Dividend for 2018 to be proposed by the Board of Directors to the general meeting convened on 24 April 2019.
(6) The audit procedures have been completed and the auditors' report on the financial statements is in the process of being issued.

Sales contributed by Contracting increased by 10.9% (and by 5.8% lfl) to €13.7bn, buoyed notably by the ramping up of work on the Grand Paris Express project and by the growth of the international activities (34.2% increase to €4.2bn), reflecting acquisitions completed in 2018 (which in total contributed €561m) in Spain (EDS), the Netherlands (Kropman), Switzerland (Priora) and overseas (Eiffage Génie Civil Marine).

In Construction, sales increased by 3.4% to €4.0bn. While there was a 6.9% decrease in France, sales in Europe outside France increased by 53.1% (and by 15.1% without Priora). In property development, reservations for new housing units reached a new record high of 4,694 at 31 December 2018, compared with 4,530 a year before.

In Infrastructures, sales increased by 17.7% to €5.54bn. There was an overall increase of 13.6% in France, growth reaching 8.9% for Road Construction, 24.3% for Civil Engineering and 3.5% for Metal. The division also pressed ahead with the development of its international activities, growth reaching 25.9% on a reported basis and 16.4% lfl.

In Energy Systems, sales increased by 10.0% to €4.16bn, growth reaching 2.4% in France, while for international activities it reached 34.5% on a reported basis and 16.1% lfl.

At Concessions, the growth in motorway traffic (+2.2% for the APRR network, +3.3% for A65 motorway, -2.1% for the Millau viaduct and +39.8% for Autoroute de l'Avenir in Senegal) was affected in the fourth quarter by perturbations in France, but heavy goods vehicle traffic remains strong. The activity of the other concessions and public-private partnerships paved the way for a 5.6% increase in overall revenue to almost €2.9bn.

Further, the acquisition of a 5.03% participation in Getlink at the end of the year strengthened Eiffage Concessions portfolio and lengthened its duration.

Results

Operating profit on ordinary activities came to €1,857m, up 7.2% (12.7% increase for Contracting on a 10.9% increase in sales).

In Contracting, the operating profit increased to €488m (from €433m in 2017), the operating margin improving to 3.6% (from 3.5% in 2017).

In Construction, the operating margin inched down by 10bps to 3.9%. In Infrastructures, the operating margin climbed to 2.7% in 2018 (from 2.5% in 2017), buoyed by the strong growth recorded by Civil Engineering and Road Construction. Energy Systems division recorded another good operating performance in France and abroad, the operating margin improving to 4.4% (from 4.2% in 2017).

In Concessions, the operating margin increased to 48.8% (from 48.3% in 2017), with APRR recording another improvement in its Ebitda margin to 73.8% (from 73.2% in 2017).

Finally, the operating result of the Holding reflects a significant, non-recurring item stemming from the decision in 2018 to award an exceptional purchasing power bonus to all eligible employees, these representing 83% of the Group's employees in France.

There follows that the Group's overall operating margin reached 11.2% in 2018 (compared with 11.5% in 2017).

Net finance costs declined for the fourth consecutive year, down to €366m, which represents a decrease of 25% in the year 2018 alone, reflecting both the expiration in June 2018 of the interest rate swaps to which Eiffarie was party and the bond refinancing by APRR in 2017 and 2018.

This reduction in finance costs, along with the further improvement in operating performances, paved the way for a 22.1% increase in net profit Group share to €629m from €515m in 2017 (before the adjustment of non-current deferred tax).

Income tax expense increased to €461m (from €337m in 2017), equivalent to an effective tax rate of 32.5%.

Financial situation

Free cash flow increased to €992m (from €735m in 2017). It reflects an increase in working capital requirements of €125m (€107m in Contracting) as well as the still significant development investments in Concessions (€503m) due to the ramping up of major infrastructure investments by APRR and AREA under their management contracts and further to the motorway investment plans.

In Concessions, Eiffage acquired a 5.03% shareholding in Getlink for €308m. Acquisitions in Contracting amounted to €220m (net of cash of acquired companies).

After taking into account capital transactions and dividend payments, net debt - excluding the mark to market value of the CNA debt and swaps - amounted to €10.5bn at 31 December 2018, having increased slightly by €169m on account of the acquisitions completed during the year, totalling €528m.

The Group's liquidity amounted to €3.4bn at 31 December 2018 (€3.3bn at 31 December 2017). It consists of available net cash of €2.4bn and an undrawn €1bn credit line.

Financing

Eiffage extended by two years its €600m trade receivables securitisation programme, which now runs until March 2023, and put into place a €1bn Neu MTN programme, issuance under this programme starting in January 2019.

A'liénor, which operates the concession for the A65 motorway, completed the refinancing of its €825m debt in July 2018. As for APRR, it staged one bond issue in 2018, placing €500m of bonds maturing in April 2030 and offering a fixed-rate coupon of 1.5%, and another in January 2019, also for €500m, maturing in January 2028 and offering a fixed-rate coupon of 1.25%.

General meeting – Dividend

In its statutory accounts, Eiffage SA recorded a net profit of €494m for the year ended 31 December 2018. At the general meeting convened on 24 April 2019, the Board of Directors will propose distributing a dividend of €2.4 per share up 20%. The coupon would be detached on 21 May 2019, with payment of the dividend taking place on 23 May 2019 on the 98,000,000 shares making up the share capital on 27 February 2019 as well as on the shares to be issued in connection with the capital increase reserved for employees decided by the Board of Directors on 27 February 2019.

The Board of Directors will seek at the annual general meeting of 24 April 2019 the renewal of the terms of office of Benoît de Ruffray, Laurent Dupont and Isabelle Salaün. Subject to approval by the annual general meeting, the ratio of independent directors of 70%, excluding directors representing employee shareholders, and of women directors of 45% would remain unchanged.

Executive remuneration

In accordance with Afep-Medef recommendations, information about the remuneration of Eiffage Chairman and CEO (say on pay ex post and ex ante) including the historical elements for 2018 as well as the prospective items for the 2019-2021 period is released today on the www.eiffage.com web site.

The ordinary and extraordinary general meeting will be held at 10.00 a.m. on 24 April 2019 in Salle Wagram, 39-41 Avenue de Wagram, 75017 Paris, France.

2019 prospects

The Contracting order book stood at €13.9bn at 31 December 2018 (up by 15% over one year), which represents 12.2 months of activity for the Contracting activities. The order book expanded sharply in 2018 thanks to the contracts awarded in respect of the Grand Paris Express projects and to the contribution made by acquisitions, while there was a steady renewal of orders for recurring business.

There follows that Eiffage expects further growth in its activity and profits in 2019.

A more detailed presentation of the financial statements for the year ended 31 December 2018, in French and English, is available on the company's website: www.eiffage.com

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APPENDICES

Appendix 1: Sales by division

in millions of euro	2017	2018	% change Actual consolidation scope	% change Like-for-like
Construction	3,868	4,001	*+3.4%*	*-3.1%*
of which Property	*963*	*845*	-	-
Infrastructures	4,704	5,537	*+17.7%*	*+13.4%*
Energy Systems	3,782	4,160	*+10.0%*	*+5.3%*
Sub-total Contracting	12,354	13,698	*+10.9%*	*+5.8%*
Concessions (excluding Ifric 12)	2,727	2,879	*+5.6%*	*+5.9%*
TOTAL GROUP (excluding Ifric 12)	**15,081**	**16,577**	***+9.9%***	***+5.8%***
Of which:				
France	11,911	12,327	*+3.5%*	*+3.0%*
International	3,170	4,250	*+34.1%*	*+16.2%*
Europe (excluding France)	*2,700*	*3,431*	*+27.1%*	*+11.4%*
Rest of the world	*470*	*819*	*+74.3%*	*+43.8%*
Construction revenue of Concessions (IFRIC 12)	313	311	nm	

Sales by division 4th quarter

in millions of euro	Q4 2017	Q4 2018	% change
Construction	1,252	1,222	*-2.4%*
of which Property	*430*	*271*	
Infrastructures	1,317	1,567	*+19.0%*
Energy Systems	1,081	1,181	*+9.3%*
Sub-total Contracting	3,650	3,970	*+8.8%*
Concessions (excluding Ifric 12)	642	661	*+3.0%*
TOTAL GROUP (excluding Ifric 12)	**4,292**	**4,631**	***+7.9%***
Construction revenue of Concessions (Ifric 12)	76	88	nm

Appendix 2: Operating profit on ordinary activities by division

	2017		2018		*% change*
	€m	**% of sales**	**€m**	**% of sales**	
Construction	156	4.0%	155	3.9%	-0.6%
Infrastructures	119	2.5%	151	2.7%	+26.9%
Energy Systems	158	4.2%	182	4.4%	+15.2%
Sub-total Contracting	***433***	***3.5%***	***488***	***3.6%***	***+12.7%***
Concessions	1,317	48.3%	1,404	48.8%	+6.6%
Holding	(18)		(35)		
TOTAL GROUP	**1,732**	**11.5%**	**1,857**	**11.2%**	**+7.2%**

Appendix 3: Consolidated financial statements

Simplified consolidated income statement

in millions of euro	2017	2018	% change
Sales[1]	15,081	16,577	*+9.9%*
Operating profit on ordinary activities	**1,732**	**1,857**	***+7.2%***
(% of sales)	*(11.5%)*	*(11.2%)*	
Other income (expenses) from operations	(56)	(51)	
Operating profit	1,676	1,806	*+7.8%*
Net finance costs	**(490)**	**(366)**	***-25.3%***
Other financial income (expenses)	(20)	(23)	
Net financial expenses	(510)	(389)	*-22.4%*
Share of profit (loss) of equity-method investments	5	9	
Income tax	(336)	(461)	
Profit for the year	835	965	*+15.6%*
Non-controlling interests	(287)	(336)	
Profit attributable to the holders of the parent	548	629	*+14.8%*
Earnings per share	**5.76**	**6.49**	
Profit attributable to the holders of the parent before deferred tax adjustment *	**515***	**629**	**+22.1%**
Earnings per share before deferred tax adjustment*	5.41	6.49	

(1) Excluding construction revenue of concessions (Ifric 12).

* Before the adjustment of non-current deferred tax to reflect the decrease in the corporation tax rate, resulting in additional profit of €33m in 2017.

Simplified consolidated statement of financial position

in millions of euro	2017	2018
Assets	**18,048**	**18,571**
Non-current assets - Concessions	13,497	13,262
Non-current assets - Holding and Contracting	4,551	5,309
Liabilities	**18,048**	**18,571**
Equity	5,137	5,635
o/w capital attributable to the Group	*4,290*	*4,756*
o/w non-controlling interests	*847*	*879*
Net debt excluding MtM value of the CNA debt and swaps	10,374	10,544
Net current liabilities	972	818
Net non-current liabilities including MtM value of the CNA debt and swaps	1,565	1,574

Simplified consolidated statement of cash flows

in millions of euro	**2017**	**2018**
Cash flows from operations before interest and taxes	1,679	1,800
Change in working capital requirements	(99)	(125)
Other[1]	(246)	(76)
Net cash from operating activities	**1,334**	**1,599**
Net cash used in investing activities	(599)	(607)
Free cash flow	735	**992**
Acquisitions and disposals	(84)	(528)
Dividends	(265)	(519)
Capital transactions	146	(9)
Capital and other flows	**(119)**	**(1,056)**
Change in net bank debt	532	(64)
Items not involving a flow of funds	316	(105)
Change in net financial debt[2]	**838**	**(169)**
o/w Concessions	*426*	*209*
o/w Holding and Contracting	*412*	*(378)*
[1]) Difference in interest and tax between amounts paid and amounts recognised		
[2] Excluding MtM value of the CNA debt and swaps	*226*	*158*

Appendix 4: Order book by division

in billions of euro	31/12/2017	31/12/2018	*% change 12 months*	*% change 3 months*
Construction	4.3	4.4	*+3%*	*+2%*
Infrastructures	4.9	6.3	*+29%*	*-2%*
Energy Systems	2.9	3.2	*+9%*	*+3%*
Total Contracting	**12.1**	**13.9**	***+15%***	**=**
Property	0.7	0.6	*-16%*	*-2%*
Concessions	1.1	1.1	*-4%*	=

Appendix 5: 2017 tables pro forma IFRS 15

Sales

in millions of euro	Q4 2017 Reported	Q4 2017 Pro-forma	Total 2017 Reported	Total 2017 Pro-forma
Construction	1,156	1,252	3,750	3,868
of which Property	*334*	*430*	*845*	*963*
Infrastructures	1,317	1,317	4,704	4,704
Energy Systems	1,081	1,081	3,783	3,782
Sub-total Contracting	**3,554**	**3,650**	**12,237**	**12,354**
Concessions (excluding Ifric 12)	646	642	2,739	2,727
TOTAL GROUP (excluding Ifric 12)	**4,200**	**4,292**	**14,976**	**15,081**
Of which:				
France			11,806	11,911
International			3,170	3,170
Europe (excluding France)			*2,700*	*2,700*
Rest of the world			*470*	*470*
Construction revenue of Concessions (Ifric 12)	76	76	313	313

Operating profit on ordinary activities and margins

in millions of euro	2017 Reported		2017 Pro-forma	
Construction	153	4.1%	156	4.0%
Infrastructures	119	2.5%	119	2.5%
Energy Systems	158	4.2%	158	4.2%
Sub-total Contracting	**430**	**3.5%**	**433**	**3.5%**
Concessions	1,317	48.1%	1,317	48.3%
Holding	(18)	-	(18)	-
Total Group	**1,729**	**11.5%**	**1,732**	**11.5%**

Order book

in billions of euro	31/12/2017 Reported	31/12/2017 Pro-forma
Construction	4.9	4.3
Infrastructures	5.0	4.9
Energy Systems	2.9	2.9
Total Contracting	**12.9**	**12.1**
Property	**-**	0.7
Concessions	**-**	1.1

Appendix 6: Glossary

Contracting activities order book	Portion of signed contracts not executed
MtM value of the CNA debt and swaps	Mark to market value of the loans provided by Caisse Nationale des Autoroutes (CNA) and of the swaps
Current operating margin	Operating profit on ordinary activities expressed as a percentage of sales
Like-for-like (lfl) Constant consolidation scope and constant exchange rates	Constant consolidation scope: calculated by neutralising: - the 2018 contribution made by companies consolidated for the first time in 2018; - the 2018 contribution made by companies consolidated for the first time in 2017, for the period equivalent to that in 2017 before they were consolidated for the first time; - the 2017 contribution made by companies deconsolidated in 2018, for the period equivalent to that in 2018 after they were deconsolidated; - the 2017 contribution made by companies deconsolidated in 2017. Constant exchange rates: 2017 exchange rates applied to 2018 local currency sales.

Financial calendar 2019

	Eiffage	**APRR**
Quarterly information and turnover for the 1st quarter 2019		23.04.2019
General Meeting of shareholders	24.04.2019	
Quarterly information and turnover for the 1st quarter 2019	14.05.2019	
Quarterly information and turnover for the 2nd quarter 2019		23.07.2019
2019 half-year results and Analysts presentation	28.08.2019	28.08.2019
Quarterly information and turnover for the 3rd quarter 2019	06.11.2019	22.10.2019

During the 15-day black out period preceding the publication of the quarterly trading statements and the 30-day quiet period preceding the publication of the half-year and annual results, Eiffage will not comment on its financial performances.