

Marseilles, 20 September 2019

2019 first-half results

Revenue: €124.3m, +7.7% (+5.1% LFL*)
Net Profit attributable to the Group: €2.5m, +4.4%

| IFRS (€m) | H1 2019** | H1 2018 | Change | IFRS 16 impact |
|--|--------------|--------------|---------------|----------------|
| Revenue | 124.3 | 115.3 | +7.7% | |
| Cost of sales | (54.9) | (49.5) | | 0.0 |
| Staff costs | (41.0) | (38.9) | | 0.0 |
| External charges | (16.8) | (16.6) | | 2.2 |
| Taxes other than on income | (3.2) | (3.5) | | 0.0 |
| Allowances for depreciation and amortisation, provisions | (3.2) | (1.4) | | (2.1) |
| Current operating profit (EBIT) | 5.1 | 5.4 | -6.2% | 0.1 |
| Operating profit | 4.7 | 5.4 | -11.9% | 0.1 |
| Net financial expense | 0.1 | (0.2) | | (0.2) |
| Corporate income tax | (2.0) | (2.4) | | 0.0 |
| Consolidated net profit | 2.8 | 2.7 | +3.4% | (0.1) |
| Net profit attributable to the Group | 2.5 | 2.4 | +4.4% | (0.1) |

* Like-for-like: defined as at constant structure and exchange rates

**The Board of Directors met on 19 September 2019 to approve the Group's financial statements for the six-month period, ending 30 June 2019. The statutory auditors have completed their audit procedures for these accounts and the issuance of their report is pending.

For the first time, the Group has applied IFRS 16, the modified retrospective method, without restatement of the financial statements of prior periods. All impacts linked to this standard are detailed in the appendix.

Reinforced governance

The Group's corporate governance was strengthened by two high-level appointments, Denis Gasquet as special advisor to Régis Arnoux and Yannick Morillon as Deputy Chief Executive Officer.



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Press release

Commercial momentum confirmed

Group revenue grew in the first half of 2019 from 7.7% to €124.3 million. This dynamic growth continued in the second quarter which showed a gain of 15.6% from last year's same period.

CIS' robust commercial momentum has been solidified by the signature of new contracts totalling €160 million since the beginning of 2019. These commercial successes are highlighted notably by the opening of new operating countries, which include Senegal and Malawi.

The period was also marked by the completion of a strategic acquisition in Brazil, reinforcing CIS' position as one of the leaders in the Brazilian offshore market.

Half-year results

Current operating profit amounted to €5.1 million compared to €5.4 million in the first half of 2018. Profitability was impacted in particular by the loss of a major contract in Algeria at the beginning of H2 2018 and by an increase in consumed products due to the start of new contracts.

Net profit increased by 3.4% to €2.8 million, benefiting from a positive contribution from the financial results and the favourable change in tax rates.

Net profit attributable to Group shareholders reached €2.5 million, a 4.4% increase from one year earlier, despite the negative €0.1 million impact from IFRS 16's application.

Financial position

On 30 June 2019, shareholders' equity amounted to €59.1 million (compared to €59.4 million at 31/12/18). The Group posted net cash of €43.9 million (compared to €48.4 million at 31/12/18).

Financial debt amounted to €37.8 million (compared to €17.8 million at 31/12/18) after taking into account the application of IFRS 16 resulting in the recognition of a non-cash lease liability in the amount of €10.8 million and bank borrowings to finance external growth in the amount of €7.3 million.

Outlook

Based on the new commercial successes of the third quarter (*press release "[CIS: sustained commercial momentum in Q3 2019](#)" published on 2 September*) with a gain of €136 million in new contracts, the opening of two new subsidiaries in sub-Saharan Africa (Gabon and Cameroon) and the high volume of ongoing tenders CIS confirms its confidence to achieve double-digit growth in the second half of 2019 (at constant exchange rates).



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Press release

Next press release: 23/10/2019 after the close of trading: Q4 2019 sales

About CIS

CIS Group supports the major players in the hydrocarbon, mining, construction and defence sectors at every stage of their projects, either in urban, industrial, offshore and onshore most isolated environments. As a provider of integrated services, CIS has developed a complete range of services (catering, living accommodations, facility management and support services) to bring comfort and safety to residents, and contribute to the performance of our customers through the daily management of their sites.

Present in 21 countries with more than 220 operating sites and a worldwide staff today numbering more than 11,800, CIS has a strong commitment to contributing to the economic and social development of the local populations and countries where it operates.

Euronext Paris Compartment C - ISIN FR0000064446 - CAC All-Tradable, CAC Mid & Small

Reuters CTRG.PA - Bloomberg CTRG: FP

For additional information: www.cis-integratedservices.com

Contacts:

CIS - Communications Department +33 (0)4 91 16 53 00

communication@cis-integratedservices.com

ACTIFIN - Victoire Demeestere+33 (0)1 56 88 11 11

vdemeestere@actifin.fr



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Appendix 1: Application of IFRS 16

General Principles

- The new standard for the treatment of leases entered into effect for periods beginning on or after 1 January 2019.
- In the consolidated income statements, lease expenses are replaced by depreciation and interest expense.
- In the balance sheet, recognition of a non-current asset corresponding to the right to use the leased asset during the period selected ("right-of-use" assets) in exchange for a non-cash financial liability corresponding to the present value of lease payments remaining to be paid over the same duration.

Information relating to the application of IFRS 16 in the CIS accounts:

- Application of the modified retrospective method without restatement of previous financial statements.
- **The Group has elected to not apply IFRS 16 to:**
 - leases with terms of less than 12 months
 - leases for assets of limited value (less than US\$5,000)
- **Main assets concerned by the standard:**
 - Offices, vehicles and equipment
- **Lease periods adopted** (based on the expected periods of use of the underlying assets) :
 - the fixed duration of a customer contract which requires the lease
 - 3 years if the property concerns the management structure of the country or headquarters in France
 - the fixed term of the lease agreement, if this it is superior
- **Debt discount rate:**
 - the incremental borrowing rate of the legal entity
 - if the structure is without debt, the interest rate in the country in the concerned market
 - if information about the market rate is not available, the weighted average cost of capital of CIS Group (WACC)
- **Foreign exchange rate:**
 - At the opening of the reporting period on 01/01/N the year-end exchange rate for the N-1 consolidation
 - the year-end exchange rate for fiscal N for balance sheet line items & the average exchange rate for income statement line items

the resulting difference between the balance sheet and the P&L are recorded in equity (consolidated reserves)

Press release

Impact of IFRS 16 on the income statement

| € millions | H1 2019 (before IFRS 16) | IMPACTS (IFRS 6) | H1 2019 (with IFRS 16) |
|--|-----------------------------|---------------------|---------------------------|
| REVENUE | 124.3 | 0.0 | 124.3 |
| Cost of sales | (54.9) | 0.0 | (54.9) |
| Staff costs | (41.0) | 0.0 | (41.0) |
| External charges | (19.0) | 2.2 | (16.8) |
| Taxes other than on income | (3.2) | 0.0 | (3.2) |
| Allowances for depreciation and amortisation, provisions | (1.2) | (2.1) | (3.2) |
| CURRENT OPERATING PROFIT (EBIT) | 5.0 | 0.1 | 5.1 |
| OPERATING PROFIT | 4.6 | 0.1 | 4.7 |
| Net financial expense | 0.3 | (0.2) | 0.1 |
| Profit before tax | 4.9 | (0.1) | 4.8 |
| Corporate income tax | (2.0) | 0.0 | (2.0) |
| CONSOLIDATED NET PROFIT | 2.9 | (0.1) | 2.8 |
| Attributable to non-controlling interests | (0.3) | 0.0 | (0.3) |
| NET PROFIT ATTRIBUTABLE TO GROUP SHAREHOLDERS | 2.6 | (0.1) | 2.5 |

Impact of IFRS 16 on the balance sheet

| € millions | H1 2019 (before IFRS 16) | IMPACTS (IFRS 6) | H1 2019 (with IFRS 16) |
|--|-----------------------------|---------------------|---------------------------|
| TOTAL BALANCE SHEET | 155.2 | 10.7 | 165.9 |
| Non-current assets | 23.7 | 10.7 | 34.4 |
| Current assets | 87.0 | 0.0 | 87.0 |
| Cash and cash equivalents | 44.5 | 0.0 | 44.5 |
| Equity | 59.2 | (0.1) | 59.1 |
| Long-term provisions | 1.4 | 0.0 | 1.4 |
| Short-term & long-term financial liabilities | 27.0 | 10.8 | 37.8 |
| Other liabilities | 67.5 | 0.0 | 67.5 |
| NET CASH | 43.9 | 0.0 | 43.9 |