

Tear Sheet:

Altrad Investment Authority S.A.S.

February 5, 2026

This report does not constitute a rating action.

Altrad Investment Authority S.A.S. performed well in fiscal 2025 (ended Aug. 31, 2025) despite the uncertain macroeconomic environment. The company posted revenue of €5.9 billion, above our expectation of €5.8 billion. Results were boosted by the industrial services division, which performed particularly well, while the equipment division saw mixed performance. S&P Global Ratings-adjusted EBITDA reached €658 million, with an 11.1% margin over revenue, up 30 basis points over the fiscal 2024 figure and in line with our expectations. This was despite €66 million of exceptional costs that we account for in our adjusted figure. Working capital inflows of €57 million and contained capital expenditure of €167 million supported strong free operating cash flow (FOCF) of €351 million in fiscal 2025. All in all, the solid operating performance drove S&P Global Ratings-adjusted debt to EBITDA down to 2.3x from 2.5x, and funds from operations (FFO) to debt to 32%, up from 30% one year earlier.

We expect Altrad to remain resilient in fiscal 2026. We forecast 3% organic growth, as most of the group's end sectors continue to show resilience apart from European chemicals' clients. In addition, its industrial services division had a €6 billion backlog to work on at the end of fiscal 2025. We anticipate stable adjusted EBITDA margins of 11%. Cash flow generation in fiscal 2026 may be hit by an installment relating to a settlement with the French tax authorities, the amount of which is not yet agreed. We still expect comfortable FOCF generation of €273 million in fiscal 2026, a reduction in adjusted debt to EBITDA to 2x, and stable FFO to debt of 33%.

The financial policy supports the current rating. Altrad paid a €165 million dividend in August 2025 and €183 million in September 2025 to fund the final repayment of a vendor loan taken by a holding of founder Mohed Altrad in 2023 to buy back shares from some minority investors. From this year, we expect a regular dividend of €60 million. This will free up some capacity for Altrad to accelerate its merger and acquisition (M&A) policy, although our assumption of €130 million yearly spend is unchanged. Nevertheless, we understand Altrad is committed to the current rating level and would accommodate its financial policy as such.

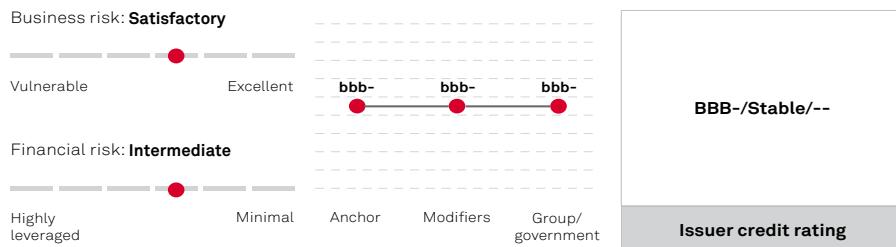
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Ratings Score Snapshot



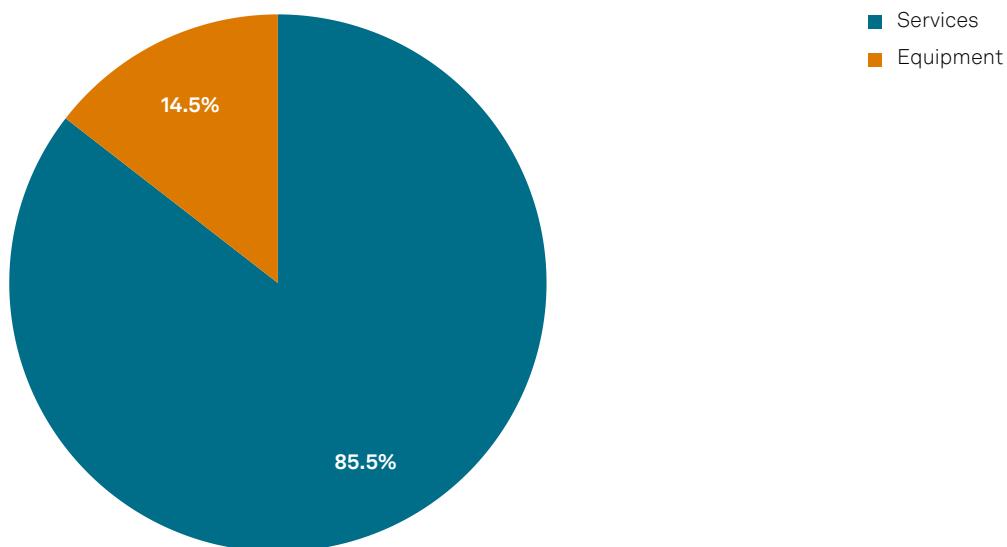
Recent Research

[Research Update: Altrad Investment Authority S.A.S. And Its Senior Unsecured Bonds Rated 'BBB-'; Outlook Stable, June 23, 2026](#)

Company Description

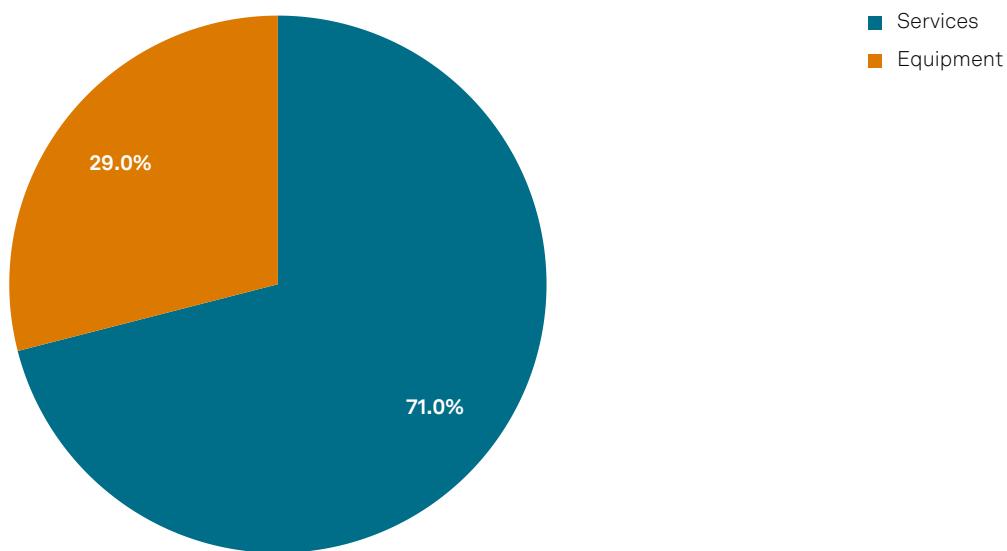
Altrad, headquartered in Montpellier, France, is a leading industrial services provider and equipment manufacturer in terms of market shares where it operates. With its industrial services division, it mainly serves the oil and gas, energy, power generation, process, environment, and construction sectors. Its equipment division manufactures, hires, and sells products for the construction and building markets.

Altrad's Revenue By Division In Fiscal 2025



Source: Company Reports.
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Altrad's EBITDA By Division In Fiscal 2025



Source: Company Reports.

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In fiscal 2025, Altrad generated 41% of its revenue in the U.K. and the Nordics, 32% in continental Europe, 12% in the Middle East and Caspian region, 10% in Asia-Pacific, 2% in Africa, 2% in the Americas, and 1% in Asia.

The company generated €5.9 billion in revenue and €658 million in adjusted EBITDA in fiscal 2025 (running from Sept. 1, 2024 to Aug. 31, 2025).

Altrad's largest owner is its founder and chairman Mohed Altrad, who owns 96.95% of voting rights through holding companies. The remainder (3.05%) is owned by financial investors Arkea Capital and Tikehau Capital.

Outlook

The stable outlook reflects our expectation that Altrad's leading market positions in the multi-technical services market will support organic revenue growth of 3% per year in fiscal years 2026 and 2027 and adjusted EBITDA margins of about 11%. If the group could accelerate its M&A policy, we expect it will maintain S&P Global Ratings-adjusted debt to EBITDA below 3x and FFO to debt above 30%, on a weighted-average basis.

Downside scenario

We could lower the rating if:

- Altrad's credit metrics deteriorate markedly such that adjusted FFO to adjusted debt falls persistently below 30%.
- The company's adjusted debt to EBITDA approaches 3x on a sustained basis.
- We see a notable deterioration of the company's profitability profile and ability to generate sound FOCF, namely FOCF to debt declining to below 15% on a sustained basis.

This could result from large debt-funded acquisitions, higher-than-expected shareholder returns, internal control failures, or a sharp decline in business performance fueling lower margins and revenue growth, notably due to a severe and prolonged economic recession.

Upside scenario

We could raise the rating if Altrad tightens its financial policy to maintain credit metrics commensurate with our modest financial risk category. These metrics include:

- Adjusted FFO to debt above 45%;
- Adjusted debt to EBITDA of less than 2x on a sustained basis; and
- FOCF to debt improving to about 25%.

We believe this would be in line with company-reported debt to EBITDA of below 1.5x, excluding the one-off impact of the potential tax liability.

We could also take a positive rating action if Altrad significantly increases its scale and geographical diversification, alongside higher profitability. We see this scenario as less likely over the next 24 months.

Key Metrics

Altrad Investment Authority S.A.S.--Forecast summary

Industry sector: Facilities services

(Mil. €)	--Fiscal year ended Aug. 31--								
	2022a	2023a	2024a	2025a	2026e	2027f	2028f	2029f	2030f
Revenue	3,824	5,286	5,452	5,942	6,435	6,906	7,392	7,883	8,380
EBITDA (reported)	468	638	617	662	713	765	819	873	928
Plus/(less): Other	1	(9)	(29)	(4)	(3)	(3)	(3)	(3)	(3)
EBITDA	469	629	588	658	710	762	816	870	925
Less: Cash interest paid	(50)	(123)	(87)	(94)	(92)	(95)	(90)	(87)	(71)
Less: Cash taxes paid	(45)	(75)	(54)	(86)	(152)	(159)	(169)	(121)	(136)
Funds from operations (FFO)	374	430	447	479	466	509	556	662	719
Interest expense	48	124	128	109	103	105	100	97	80
Cash flow from operations (CFO)	480	420	511	518	433	470	517	625	686
Capital expenditure (capex)	173	199	197	167	161	155	155	166	176
Free operating cash flow (FOCF)	307	221	313	351	272	314	361	460	510
Dividends	33	30	132	247	220	60	60	60	60
Share repurchases (reported)	--	--	--	--	--	--	--	--	--
Discretionary cash flow (DCF)	275	190	181	103	52	254	301	400	450
Debt (reported)	2,073	1,956	1,771	2,535	2,192	1,991	1,991	1,991	1,991
Plus: Lease liabilities debt	199	228	237	251	263	276	290	305	320
Plus: Pension and other postretirement debt	34	36	35	26	26	26	26	26	26
Less: Accessible cash and liquid Investments	(1,435)	(1,313)	(1,194)	(1,814)	(1,327)	(1,175)	(1,268)	(1,456)	(1,690)
Plus/(less): Other	153	808	647	492	246	183	119	119	119
Debt	1,024	1,715	1,496	1,490	1,401	1,301	1,158	985	766

Altrad Investment Authority S.A.S.--Forecast summary

Industry sector: Facilities services

(Mil. €)	--Fiscal year ended Aug. 31--								
	2022a	2023a	2024a	2025a	2026e	2027f	2028f	2029f	2030f
FOCF (adjusted for lease capex)	256	156	226	293	185	222	265	358	403
Cash and short-term investments (reported)	1,435	1,313	1,194	1,814	1,327	1,175	1,268	1,456	1,690
Adjusted ratios									
Debt/EBITDA (x)	2.2	2.7	2.5	2.3	2.0	1.7	1.4	1.1	0.8
FFO/debt (%)	36.6	25.1	29.9	32.1	33.3	39.1	48.0	67.3	93.8
FFO cash interest coverage (x)	8.5	4.5	6.1	6.1	6.1	6.4	7.2	8.6	11.2
EBITDA interest coverage (x)	9.8	5.1	4.6	6.0	6.9	7.2	8.2	9.0	11.5
CFO/debt (%)	46.9	24.5	34.1	34.8	30.9	36.1	44.6	63.5	89.5
FOCF/debt (%)	30.0	12.9	20.9	23.6	19.5	24.2	31.2	46.7	66.6
DCF/debt (%)	26.8	11.1	12.1	6.9	3.7	19.5	26.0	40.6	58.8
Lease capex-adjusted FOCF/debt (%)	25.0	9.1	15.1	19.7	13.2	17.1	22.8	36.4	52.6
Annual revenue growth (%)	41.8	38.2	3.2	9.0	8.3	7.3	7.0	6.6	6.3
EBITDA margin (%)	12.3	11.9	10.8	11.1	11.0	11.0	11.0	11.0	11.0
EBITDA/cash interest (x)	9.4	5.1	6.8	7.0	7.7	8.1	9.0	10.0	13.1
Debt/debt and equity (%)	47.1	60.9	57.0	57.2	55.0	49.0	42.1	34.7	26.2

All figures include S&P Global Ratings adjustments' unless stated as reported. a--Actual. e--Estimate. f--Forecast. *We subtract the income of unconsolidated equity affiliates.** Mainly relates to a vendor loan between fiscal 2023 and fiscal 2025 taken at holding level above Altrad's Investment Authority S.A.S. to buy back minority shareholders and to a tax litigation with French Authorities. It also includes provisions for occupational illness.

Rating Component Scores

Foreign currency issuer credit rating	BBB-/Stable/--
Local currency issuer credit rating	BBB-/Stable/--
Business risk	Satisfactory
Country risk	Low
Industry risk	Intermediate
Competitive position	Satisfactory
Financial risk	Intermediate
Cash flow/leverage	Intermediate
Anchor	bbb-
Modifiers	
Diversification/portfolio effect	Neutral (no impact)
Capital structure	Neutral (no impact)
Financial policy	Neutral (no impact)
Liquidity	Adequate (no impact)
Management and governance	Moderately Negative (no impact)
Comparable rating analysis	Neutral (no impact)
Stand-alone credit profile	bbb-

Related Criteria

- [Criteria | Corporates | General: Sector-Specific Corporate Methodology](#), Jul. 07, 2025
- [Criteria | Corporates | General: Methodology: Management And Governance Credit Factors For Corporate Entities](#), Jan. 7, 2024
- [Criteria | Corporates | General: Corporate Methodology](#), Jan. 7, 2024
- [General Criteria: Environmental, Social, And Governance Principles In Credit Ratings](#), Oct. 10, 2021
- [General Criteria: Group Rating Methodology](#), July 1, 2019
- [Criteria | Corporates | General: Corporate Methodology: Ratios And Adjustments](#), April 1, 2019
- [Criteria | Corporates | General: Reflecting Subordination Risk In Corporate Issue Ratings](#), March 28, 2018
- [Criteria | Corporates | General: Methodology And Assumptions: Liquidity Descriptors For Global Corporate Issuers](#), Dec. 16, 2014
- [General Criteria: Methodology: Industry Risk](#), Nov. 19, 2013
- [General Criteria: Country Risk Assessment Methodology And Assumptions](#), Nov. 19, 2013
- [General Criteria: Principles Of Credit Ratings](#), Feb. 16, 2011

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