2018 activity report

Details on figures in the report

To make its performance easier to understand and to improve its presentation, the Group presents operational figures (revenue, EBITDA, operating income) on a "global proportionate" (GP) basis, including the Group's share of joint ventures (mainly in the USA, Colombia, Panama and Smovengo) as if they were consolidated proportionately and not under the equity method applied in accordance with IFRS when preparing the consolidated financial statements.

For the same reason, the Group uses Free Cash Flow – which is a measure of cash flow from recurring operating activities – as a performance indicator. It equals EBITDA less disbursements related to fixed fees as part of concession contracts, change in working capital requirement and current provisions, maintenance expenditure and any other operating items that have a cash impact but that are not included in EBITDA. A reconciliation with the figures in the consolidated cash flow statement is presented in Note 8 "Notes to the cash flow statement" to the consolidated financial statements for the year ended 31 December 2018.

EBITDA (earnings before interest, tax, depreciation and amortisation) is intended to measure the Group's operational performance. It is based on operating income before taking into account net depreciation, amortisation and additions to provisions for the impairment of non-current assets, net additions to non-current provisions, capital gains or losses on disposals of non-current assets, goodwill impairment, income from equity-accounted companies, expense associated with share-based payments (IFRS 2) and income and expense deemed to be non-recurring, material and exceptional.

Finally, the Group adopted IFRS 15 "Revenue from contracts with customers" on 1 January 2018, the date on which the standard came into force in the European Union. IFRS 15 is the new IFRS accounting standard governing revenue recognition. It replaces IAS 11 "Construction Contracts" and IAS 18 "Revenue" and the corresponding interpretations, particularly IFRIC 15 "Agreements for the Construction of Real Estate".

The Group has decided to apply IFRS 15 according to the "full retrospective" transitional approach. Figures for full-year 2017, presented for comparison purposes, have been adjusted and are presented in accordance with IFRS 15 (see Note 4 to the consolidated financial statements for the year ended 31 December 2018).

The total impact of the first-time adoption of IFRS 15 on global proportionate revenue for the year 2018 is a net increase of €33.1 million, equal to around 3.6% of revenue, and a net increase of €32.4 million for the comparable figure for the year 2017.

This change of method has no impact on EBITDA or net income, only on the presentation of the income statement.

The results of the Group's activities in the United Kingdom, Germany, Czech Republic and Slovakia, the disposal of which was agreed in late 2018, are fully consolidated in the Group's 2018 income statement and cash flow statement. The balance-sheet items of the Czech business – the disposal of which was completed in January 2019, after the end of the 2018 financial year – are also included in the Group's 2018 balance sheet.

Summary and key figures

In 2018, Indigo Group bolstered its position as a leading player in parking and individual mobility.

Indigo Group's parking business line, Indigo, strengthened its presence in Europe: it increased its market share in Belgium with the acquisition of Besix Park NV, and in France with the acquisition of four car parks. Indigo also continued to expand by winning long-term contracts, thereby strengthening its infrastructure portfolio.

Indigo has sold its subsidiaries in the United Kingdom, Germany, the Czech Republic, Slovakia and Qatar, along with its operation in Russia, in order to focus on its strategic priority countries as presented in the GOAL 2025 plan.

Streeteo, which manages on-street parking on behalf of local authorities, took full advantage of enforcement activities made possible by France's act of 27 January 2014 on the modernisation of public territorial action and affirmation of metropolitan areas. That business made a significant contribution to Indigo's revenue in France and allows the Group to develop a holistic approach to parking in cities.

Also, in 2018, the MDS (Mobility and Digital Solutions) business line made a greater contribution to Indigo Group revenue. The build-up in that business line has been supported by significant Group investment in both operational and financial terms. Throughout the year, OPnGO (which started operating in 2016), INDIGO® weel (2017) and Smovengo (2018) extended their coverage and achieved considerable growth in customer and transaction numbers.

Key global proportionate figures in Indigo Group's consolidated income statement are as follows:

€ million	2017	2018	Change at current exchange rate (%)	Change at constant exchange rate (%)
Revenue	**929.9**	**961.4**	**+3.4%**	**+6.2%**
EBITDA	**310.0**	**307.7**	**-0.8%**	**+0.1%**
% Margin	*33.3%*	*32.0%*	*-1.3 pts*	
Operating income	**124.1**	**196.3**	**+58.2%**	**+57.8%**
% Margin	*13.3%*	*20.4%*	*+7.1 pts*	
Cost of net financial debt	(41.6)	(61.8)	+48.4%	+48.4%
Other financial income and expense	(6.0)	(6.0)	-0.5%	-0.5%
Net income before tax	**76.4**	**128.5**	**+68.2%**	**+71.8%**
Income tax expense	(16.2)	(45.4)	+180.3%	+180.3%
o/w impact of change in income tax rat	*15.7*		*-100.0%*	*-100.0%*
Net income	**60.2**	**83.2**	**+38.1%**	**+41.8%**
Net income attribuable to non-controlling i	(1.3)	(1.0)	-24.2%	-24.2%
Net income attributable to owners of the	**58.9**	**82.2**	**+39.5%**	**+43.3%**
Net income attributable to owners of the parent - excluding change in income tax rates	**43.2**	**82.2**	**+90.2%**	**+97.4%**

At 31 December 2018, the Group managed 2,287,000 parking spaces across 5,050 facilities (based on a 100% share of operations, including in countries where the Group operates through a joint venture). Of those spaces, 54.6% were in North America, 19.6% in France, 16.7% in the Iberia South America region (Spain, Brazil, Colombia and Panama) and 9.1% in other Continental European countries.

The Group's consolidated global proportionate revenue[1] for 2018 was €961.4 million, up 6.2% on 2017 at constant exchange rates and up 3.4% (up €31.5 million) unadjusted for currency movements. All geographic regions made a considerable contribution to growth at constant exchange rates, with revenue growth of 3.1% in France, 10.9% in other Continental Europe countries, 6.8% in the North America-United Kingdom region and 4.4% in the Iberia South America region. The MDS business line generated revenue of €12.3 million in 2018 versus €1.9 million in 2017.

The Group's consolidated global proportionate EBITDA was €307.7 million in 2018, up 0.1% or €0.2 million at constant exchange rates but down 0.8% or €2.4 million unadjusted for currency movements. EBITDA margin was 32.0%, 1.3 point lower than in 2017 (33.3%). That decrease was mainly related to continued investment in the growth of the MDS business line, ramping-up profitability of the new Streeteo business through 2018 and because of one-off impacts relating to long-standing contracts in Brazil. EBITDA margin was 54.9% in France, 44.2% in other Continental Europe countries, 9.4% in the North America-United Kingdom region and 17.3% in Iberia-South America. These figures reflect the different business models used in the latter two geographical zones which, with the exception of Spain, mainly involve contracts under which the Group bears no traffic-level risk and carries out little investment but in return generates lower margins.

Indigo Group's global proportionate operating income rose sharply to €196.3 million in 2018 as opposed to €124.1 million in 2017, mainly because of capital gains on the disposal of international subsidiaries.

Consolidated net income attributable to owners of the parent amounted to €82.2 million in 2018, up from €58.9 million in 2017. In April 2018, Indigo Group returned to the bond market by issuing €700 million of bonds, the proceeds of which enabled early redemption of €500 million of bonds due to mature in 2020 and the repayment of €100 million of shareholder loans. The early redemption of bonds gave rise to a non-recurring financial expense of €19.8 million. This refinancing extended the maturity of our debt and increased the Group's cash resources, which were also bolstered by the aforementioned disposal of Indigo businesses.

IFRS net financial debt was €1,633.1 million at 31 December 2018, taking into account the €80 million distribution in April 2018, as opposed to €1,665.7 million at 31 December 2017. The fall in debt reflects the positive impact of business disposals in the United Kingdom, Germany, Slovakia and Russia, as well as the Group's sustained investment, both in its parking business and its new MDS activities. Indigo Group's IFRS free cash flow rose to €230.4 million in 2018 from €226.3 million in 2017, with a cash conversion ratio of 78.0% in 2018 as opposed to 76.4% in 2017.

[1] Amounts adjusted in accordance with the change in method relating to revenue recognition as part of the first-time adoption of IFRS 15 from 1 January 2018 (see Note 4 "Change in accounting method" of the consolidated financial statements for the year ended 31 December 2018).

1. Key events

1.1 Key events of the year

- Infra Park becomes Indigo Group

On 15 October 2018, Infra Park S.A.S. adopted the new corporate name "Indigo Group S.A.S." to give greater visibility to its position as a preferred partner of cities.

- Development and contracts

Indigo Group's main successes in 2018 were as follows:

  - In France

Indigo won concession tender procedures in Paris for car parks at the Louvre (24 years) and the Maison de la Radio (10 years), in Saint-Maur-des-Fossés for 4 off-street car parks and on-street parking in partnership with Streeteo (15 years), in Neuilly-sur-Seine for the financing, design, construction and operation of a car park under Avenue Charles de Gaulle (30 years) and in Aigues-Mortes for six enclosed car parks and on-street enforcement activities (10 years).

Indigo also acquired the Plaza car park in Lille, a car park to be built in Nîmes and the Camille Julian and Jardins de l'Ars car parks in Bordeaux. Each of those four acquisitions strengthened Indigo's positions in those cities.

  - Outside France

In Spain, Indigo acquired full ownership of the Jorge Vigon car park in Logroño and confirmed its real-estate strategy in Spain, where the group already has full ownership of four car parks in four different cities (Zaragoza, Logroño, Marbella and Madrid). Indigo acquired Dinercar Atres S.L, the company that owns a long-term concession for the Txaltxa Zelai car park in the city of Eibar in the Basque region of Spain.

In Belgium, as well as the acquisition of Besix (see key events in the period), Indigo renewed numerous contracts that expired in 2018, and was able to achieve early renewal of certain long-term contracts (on-street parking in Diest, parking enforcement in Maldegem, Arlon and Dinant).

In the USA, Indigo, via its Laz Parking LLC subsidiary, scored a number of successes in the airport sector (Oakland in California, Greenville-Spartanburg in South Carolina, T.F Green in Warwick, Rhode Island) and moved into Detroit, where it now manages numerous car parks through a partnership with REDICO (Real Estate Development and Investment Company).

In Canada, Indigo won tender procedures relating to international airports in Winnipeg and Saskatoon. It also won some major contracts in Toronto via its Northern Valet subsidiary, the leading valet parking provider in the Toronto region. Indigo won a five-year contract from Oxford Properties to install its predictive business intelligence and online sales solutions, and to manage day-to-day parking operations at its office and mixed-use complexes.

In Brazil, the Group continued to extend its presence in the cities of Contagem, Novo Hamburgo, Itabuna in Bahia state and Sao Paulo. Indigo also won a 10-year contract to manage the Arena Corinthians car park at the Sport Club Corinthians Paulistas stadium in Sao Paulo. Finally, Indigo signed a 15-year contract with Tenco in November 2018 to manage 10 parks. This partnership is part of Indigo's strategy to extend the average duration of its contracts and allows Indigo to expand into two new Brazilian states (Santa Catarina and Amapá) and eight new cities.

In Colombia, Indigo, via its City Parking Colombia subsidiary, continued to expand in Bogota, Cartagena, Burga, Cali and Baranquilla.

- MDS

OPnGO maintained its development: it now has 50 on-street parking contracts and manages almost 500 car parks.

INDIGO® weel, after launching its bicycle service in Metz in December 2017, expanded into another six cities in 2018 (Tours, Bordeaux, Lyon, Toulouse, Angers and Grenoble), making almost 10,000 bicycles available to users. In December 2018, INDIGO® weel offered its first electric scooters to the inhabitants of Toulouse.

In Paris and the inner suburbs, Smovengo installed more than 1,200 stations and achieved around 930,000 rentals in 2018.

- Geographical refocusing of the business and market consolidation

In accordance with the strategy that was confirmed in March 2018, consisting of focusing its business and taking part in market consolidation in countries where the Group can become a leader or co-leader, the group carried out the following transactions:

- Acquisition of Besix Park NV

In June 2018, Indigo Group formed an agreement to acquire 100% of Besix Park NV, a major player in the Belgian parking market, managing around 17% of Belgium's parking spaces and generating annual revenue of over €12 million. The transaction was completed on 4 July 2018, making the Group the number-one player in the Belgian parking market in terms of the number of spaces managed, and brought it closer to the number-two player in terms of revenue.

- Creation of a joint venture with MOBIMO in Switzerland

On 17 September 2018, Indigo strengthened its position in Switzerland by joining forces with MOBIMO, a leading player in the Swiss real-estate sector, whose head office is in Küsnacht (Zürich canton).

Indigo and Mobimo, already partners in the "Parking du Centre" concession in Lausanne, in the Flon district, took over direct management of this park in September and aim to develop a number of projects in Switzerland.

- Disposal of the Group's businesses in Qatar and Russia

On 7 February 2018, the Group sold all its shares in Qatari company QDVP P.Q.S.C. to its Qatari co-shareholder QDVC Q.S.C. That sale did not have a material impact on the Group's 2018 financial statements. In April 2018, it also sold its Russian car park held indirectly through the Russia Parkinvest joint venture, in which the Group owns 50.13%. That disposal had a positive impact of €2.7 million in 2018, presented under income from companies accounted for under the equity method.

- Disposal of subsidiaries in the United Kingdom, Germany, the Czech Republic and Slovakia

On 11 December 2018, the Group completed the disposal of its subsidiaries in the United Kingdom, Germany, the Czech Republic and Slovakia to SABA Infraestructuras. The disposal was effective immediately in the United Kingdom, Germany and Slovakia, and took place on 24 January 2019 in the Czech Republic. Together, those subsidiaries accounted for less than 6% of the Group's EBITDA in 2017.

- Successful refinancing and hedging transaction

On 19 April 2018, Indigo Group launched a new €700 million issue of bonds with a 10-year maturity (April 2028) and a fixed coupon of 1.625%.

The order book exceeded €1.4 billion, meaning the offer was twice oversubscribed, confirming the market's confidence in the long-term strength of Indigo Group's business model.

The funds raised allowed Indigo Group to repay early, in May 2018, €500 million of bonds due to mature in 2020 by exercising its "make whole" clause, as well as the €100 million shareholder loan from its parent company Infra Foch Topco.

That transaction was followed in November 2018 by derivatives contracts allowing the Group to convert €150 million of its debt to floating rate, thereby reducing its cost of debt.

- Distributions

In 2018, the Company distributed a total of €80 million to its shareholders: a €43.2 million repayment of contributions paid out of share premiums, and €36.8 million of dividends, paid out of retained earnings.

- Confirmation of the Group's BBB credit rating

On 10 April 2018, Standard & Poor's confirmed Indigo Group's BBB rating, and adjusted its outlook from positive to stable.

The confirmation of the BBB rating emphasises the Group's good performance in 2018 as well as the strength of its infrastructure model and its credit ratios, and takes into account the consequences of the aforementioned refinancing transaction.

On 24 July 2018, Standard & Poor's confirmed Indigo Group's BBB rating and stable outlook.

- Indigo Group's extra-financial rating

In March 2018, extra-financial rating agency Vigeo awarded Indigo Group a score of 61/100, making the Group the leading European company in its sector. This rating reflects the Group's workforce-related, social and environmental commitments.

- Purchase of an additional 10% stake in AGE

On 11 October 2018, in accordance with its previous undertakings, Indigo Group acquired, via its Indigo Estacionamento Ltda subsidiary, an additional 10% stake in its Brazilian subsidiary AGE, taking its interest to 80%.

- Mobility and Digital Solutions: strategic discussions aimed at boosting growth

Indigo Group's MDS (Mobility and Digital Solutions) business line, which includes OPnGO (digital parking platform) and INDIGO® weel (dockless, self-service, and shared soft mobility solutions), has experienced very fast growth since its launch. Building on this success, on 18 December 2018 the Group initiated a strategic review of the various options that could accelerate the MDS business line's development, including efforts to find new financial and/or strategic partners.

This confirms the Group's ambition to be a leading digital and shared mobility player through its two flagship digital brands: OPnGO, launched in June 2016, and INDIGO® weel, launched in December 2017.

- OPnGO: joint venture with Banrisul

On 27 November 2018, OPnGO Group BV, announced the formation of a joint venture with Banrisul (Banco do Estado do Rio Grande do Sul S.A), Banrisul Cartões (a Banrisul group company) and OPnGO Brazil Tecnologia S.A.

This joint venture aims to offer Brazilian shopping centres a car parking payment and customer loyalty solution that is the only one of its kind in the world and resulted in the creation of a new company named VeroGo, in which OPnGO Group BV will own a non-controlling interest of 6.0%.

1.2 Key events in the previous period

- Discontinuation of the disposal process

On 23 November 2017, Indigo Group's owners decided to discontinue the disposal process they had started in early 2017. As a result, the acquisition of an additional 40% in LAZ Parking, which was contingent on a change of control over Indigo Group, did not take place and Indigo Group maintained its indirect 50% stake in LAZ Parking.

- Two successful new bond issues

Indigo Group carried out two new bond issues in July 2017 in the form of private placements: on 6 July 2017, €100 million of 12-year bonds with a coupon of 2.000%, and on 27 July 2017, €125 million of 20-year bonds with a coupon of 2.951%.

Those two bond issues confirmed Indigo Group's status as a regular issuer in the bond markets, as well as extending the average maturity of its debt and giving it the resources it needs to continue its development.

The two bond issues were rated BBB by Standard & Poor's.

- Acquisition of the Alpha Park contract portfolio

On 4 January 2017, Indigo Group acquired the portfolio of contracts operated by Alpha Park in Denver via its indirect subsidiary LAZ Parking. The acquisition added 49 new car parks to LAZ Parking's portfolio, making it one of Denver's largest parking operators with 80 locations and more than 125 employees in the city.

- Purchase of an additional 10% stake in AGE

On 28 August 2017, in accordance with its previous undertakings and via its Indigo Estacionamento Ltda subsidiary, Indigo Group acquired an additional 10% stake in its Brazilian subsidiary AGE, taking its interest to 70% at 31 December 2017 and 30 June 2018.

- Significant contract wins in French on-street parking

With respect to the on-street enforcement activity in France, effective from 1 January 2018, Indigo Group set up a dedicated organisation called Streeteo. By anticipating this development and with the expertise it has acquired in countries such as Spain and Belgium, the Group has been able to win a large proportion of the related tenders, including two out of three contracts in Paris.

- Launch of a business line focusing on shared individual mobility

In July 2017, the Group set up an organisation focusing on shared individual mobility solutions, in order to offer services including free-floating bike sharing in cities in which the Group operates. The business line's first project began in Metz in December 2017.

In late 2017, this new business line was combined with the Digital business line within a new business line called Mobility and Digital Solutions (MDS).

On 24 March 2017, via its NOW! Innovations Solutions BV subsidiary, Indigo Group also purchased a 12.60% stake in sPARK, which develops the Polly app, and increased its stake to 22.01% on 20 November 2017, for a total investment of €0.8 million.

Polly is a predictive navigation app that guides drivers to parking spaces (on- or off-street). The acquisition allows Indigo Group to broaden the functions offered to OPnGO customers and to optimise the user experience, from searching for a parking space to payment.

- Smovengo

In early May 2017, the Smovengo consortium, consisting of Indigo Infra (an Indigo Group subsidiary), Mobivia, Moventia and Smoove, signed a new 15-year self-service bicycle operation contract in the city of Paris with the Autolib' et Velib' Metropole association starting on 1 January 2018. Indigo Infra owns a 35% stake in Smovengo.

1.3 Events taking place after 31 December 2018

- Disposal of Indigo Group's subsidiary in the Czech Republic

On 24 January 2019, Indigo Group completed the disposal of its subsidiary in the Czech Republic to SABA Infraestructuras.

- Acquisition of Spie Autocité

On 16 January 2019, Indigo Group entered into an agreement to acquire the parking division of Spie Batignolles Concessions, operated in France under the Spie Autocité brand. This acquisition will allow the Group to achieve denser coverage in France in the cities in which it is already present.

The agreement is aligned with Indigo's Goal 2025 strategy announced in March 2018 to focus on countries in which it is has leadership or joint leadership.

The Spie Batignolles group has been operating car parks since 2000 under the Spie Autocité brand, with 14 contracts under which it operates 29 car parks of which one is under construction, and two on-street parking operations, together totalling around 20,000 parking spaces. The car parks are located in Paris, primarily on the outskirts of central Paris (Porte de Saint Cloud, Porte d'Auteuil, Porte de St Ouen), and in suburban areas (La Garenne Colombes, Montrouge, Conflans-Sainte-Honorine, Achères), as well as in Lille and Lyon. In 2017, these parking activities generated revenues of around €32 million.

The operational staff of Spie Autocité, which comprises approximately 60 people, will be taken over by Indigo in France.

The transaction, subject to conditions precedent, should be finalised by the end of the first half of 2019.

- Business development in China

On 25 March 2019, Indigo Infra S.A. announced the launch of a joint venture ("JV") with Sunsea Parking, China's leading parking management company. The JV will focus initially on China to assist the municipalities in their optimization of mobility to prepare the smart city of tomorrow.

The JV will focus on the on- and off-street parking markets, establishing long-term contracts with public sector providers and utilizing the combined local expertise, innovation and global experience and scale brought by Sunsea and Indigo.

Sunsea and Indigo will make an initial investment of nearly €30 million which, together with debt and further capital from local investors, will enable the joint venture to invest in tens of thousands of modern car parking spaces.

Sunsea has a 60% stake in the JV, with Indigo holding the remaining 40%. It is structured to allow the potential for third-party investment through special purpose vehicles.

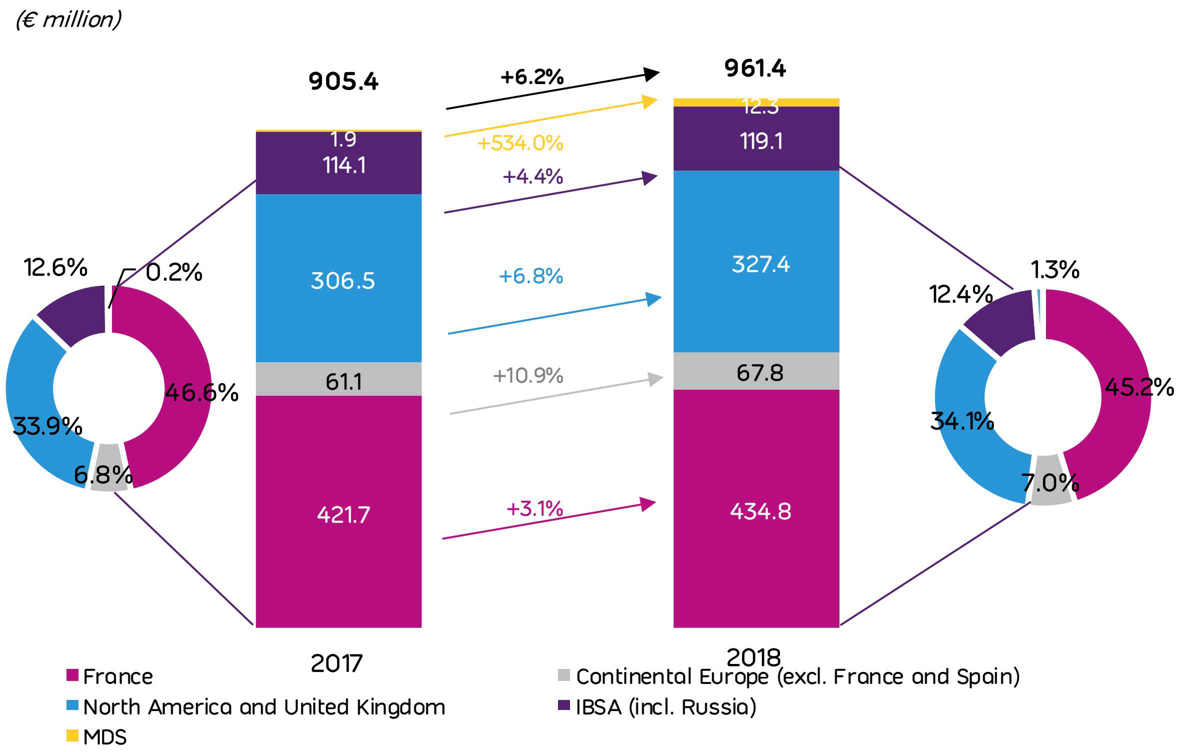
- Evolution of the shareholding structure

On 27 March 2019, Ardian, a 49.2% shareholder in Infra Foch Topco, which owns 100% of Indigo Group, announced that it had entered an exclusive negotiation with a view to selling its stake to funds managed by responsible investment manager Mirova and Meag, the asset manager of Munich Re and Ergo. This agreement remains subject to the information and consultation of the French Social and Economic Committee of Indigo, as well as approval from competent anti-trust authorities.

2. Revenue (GP)

In 2018, the Group's consolidated global proportionate revenue was €961.4 million, up 6.2% on 2017 at constant exchange rates and up 3.4% (up €31.5 million) unadjusted for currency movements, taking into account a negative exchange difference of €24.5 million.

Revenue by region at constant exchange rates



Revenue grew at constant exchange rates in all regions, both in France and abroad.

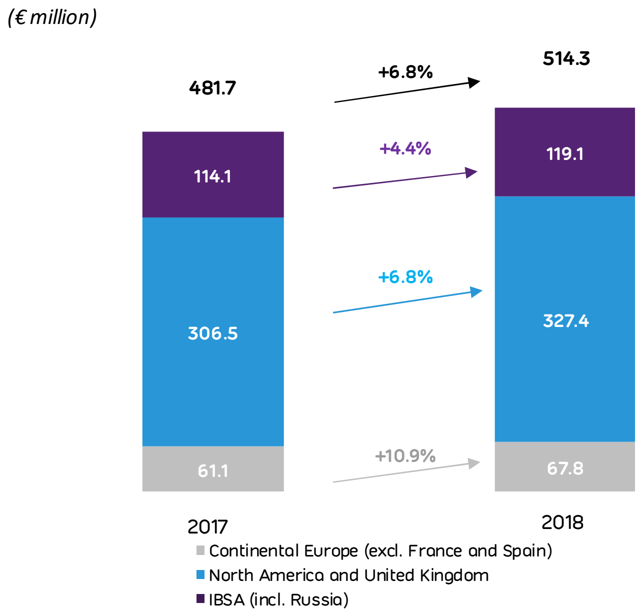
In France, revenue was up 3.1% (up €13.1 million). Based on facilities in operation in both periods, revenue was up 1.2% (up €4.5 million), comprising a €1.0 million decrease in revenue from hourly customers, a €2.3 million increase from subscribers and a €3.2 million increase from on-street customers, leased facilities and revenue guarantees.

Contracts won and lost between 2017 and 2018 had a €10.1 million net positive impact on revenue. The Group won some on-street parking enforcement contracts in Paris, while new contracts in Strasbourg, Bordeaux and Paris continued to ramp up, although the Group also stopped operating certain facilities, particularly in Paris and Nancy.

Outside France, revenue rose 6.8% (up €32.5 million) at constant exchange rates year-on-year in 2018, while unadjusted for exchange-rate movements it grew 1.6%

(up €8.0 million). Movements in revenue in the various geographical zones were as follows:

Movements in revenue at constant exchange rates



Continental Europe (excluding France and Spain)
At constant exchange rates, revenue rose 10.9% (up €6.6 million) while, unadjusted for exchange-rate movements, it was up 10.5% compared with 2017. It included a €5.7 million contribution from Besix Park NV, consolidated since 1 July 2018, an increase of 8.4% (€2.2 million) in Belgium (excluding Besix Park NV), with €0.4 million attributable to the existing portfolio and €1.8 million to the commencement or revision of several contracts, an increase of 3.0% (€0.3 million) in Luxembourg, with €1.0 million attributable to the existing portfolio and a €0.8 million negative impact from the closure of a car park, and a decrease of 41.1% (€1.5 million) in the Czech Republic following the scheduled end of the on-street parking contract in Prague.

North America-United Kingdom
Revenue in this region rose 6.8% (€20.9 million) at constant exchange rates in 2018 and 2.9% (€9.2 million) unadjusted for exchange-rate movements, with a negative exchange difference of €11.7 million. Revenue in the United Kingdom fell 8.4% at constant exchange rates (€4.9 million) to €52.6 million, due to a €1.2 million negative effect attributable to the existing portfolio along with the loss or expiry of several contracts. Revenue in Canada (up 7.6% at constant exchange rates to €76.5 million) was boosted by €0.3 million from net contract wins and renewals, while revenue from the existing portfolio grew €5.3 million. Finally, revenue from the LAZ Parking joint venture in the United States, in which the Group owns a 50% stake, grew 11.4% at constant exchange rates, resulting in revenue of €198.2 million. There was very strong growth in the Connecticut, Massachusetts, New York New Jersey, Southeast, Southwest and Northern California regions.

IBSA (Spain and South America)
Revenue rose 4.4% (€5.0 million) at constant exchange rates in 2018 but fell 6.0% (€7.6 million) unadjusted for exchange-rate movements, with a negative exchange difference of €12.6 million. Brazil contributed €66.4 million to revenue, up 6.4% year-on-year at constant exchange rates. Revenue from Spain rose 4.7%, with a €1.1 million increase from the existing portfolio and a €0.6 million positive effect from

movements in contracts. Revenue in Colombia rose by 12.8% at constant exchange rates to €8.3 million.

The business in Qatar (sold in February 2018) generated €1.6 million of revenue in 2017.

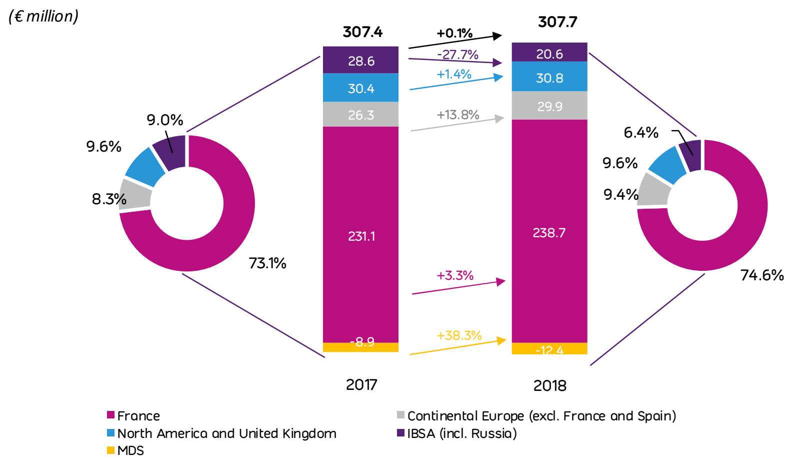
The MDS (Mobility and Digital Solutions) business line generated revenue of €12.3 million in 2018 as opposed to €1.9 million in 2017, including €9.5 million from its 36% stake in Smovengo. At the end of 2017, the Group launched its new free-floating bike-sharing service under the INDIGO® weel brand, and by 31 December 2018 had introduced almost 10,000 bicycles in seven French cities.

3. Earnings

3.1 EBITDA (GP)

In 2018, global proportionate consolidated EBITDA rose slightly (by 0.1% or €0.2 million) at constant exchange rates compared with 2017 and fell 0.8% (€2.4 million) unadjusted for exchange-rate movements, because of a negative exchange difference of €2.6 million.

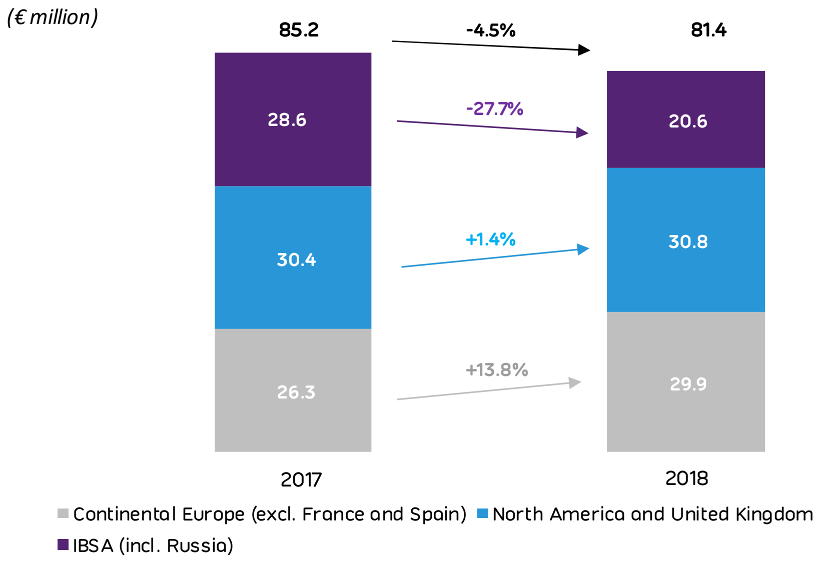
EBITDA by region at constant exchange rates



In France, EBITDA equalled 54.9% of revenue in 2018 as opposed to 54.8% in 2017, with EBITDA rising by 3.3% or €7.5 million year-on-year. The increase in EBITDA between 2017 and 2018 included the effect of starting up the Streeteo business (negative impact of €1.8 million), increased business levels (positive impact of €1.1 million), the resolution of several legal disputes (positive impact of €4.1 million), and a €4.1 million decrease in professional fees in 2018.

Outside France, EBITDA fell 4.5% (€3.8 million) at constant exchange rates and 7.3% (€6.4 million) unadjusted for exchange-rate movements in 2018, including a negative exchange difference of €2.6 million. Movements in the various geographical zones were as follows:

EBITDA growth at constant exchange rates



Continental Europe (excluding France and Spain):
EBITDA amounted to €29.9 million in 2018, up from €26.4 million in the year-earlier period, i.e. an increase of 13.8% (€3.6 million) at constant exchange rates and 13.3% (€3.5 million) unadjusted for exchange rates. EBITDA included a €2.7 million contribution from Besix Park NV, consolidated since 1 July 2018, an increase of 5.1% (€0.7 million) in Belgium (excluding Besix Park NV) due to revenue growth, a 22.3% (€1.0 million) increase in Switzerland resulting mainly from cost savings, and a 10.9% (€0.3 million) increase in Luxembourg. However, EBITDA in the Czech Republic fell by 56.3% (€1.0 million) after the scheduled loss of an on-street parking contract in Prague.

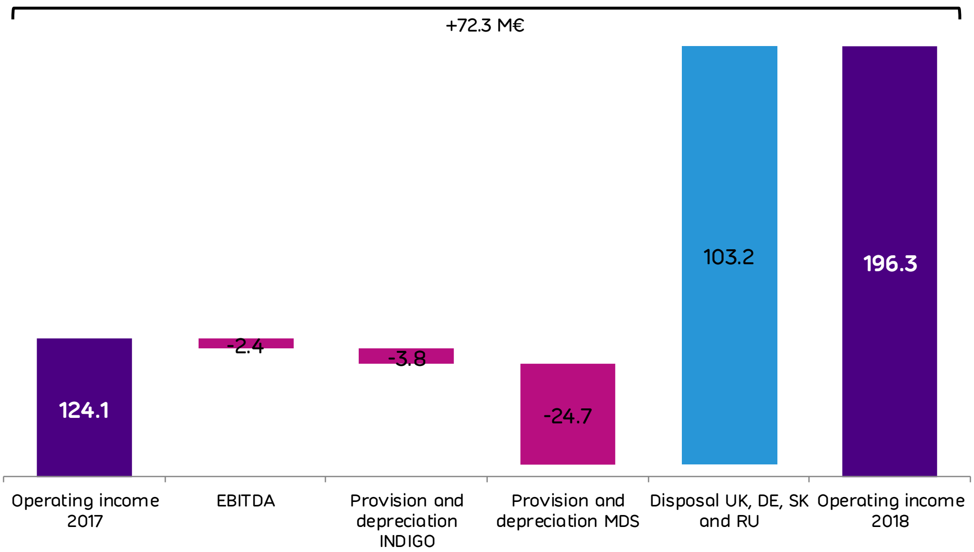
North America-United Kingdom:
EBITDA rose 1.4% (€0.4 million) at constant exchange rates, but fell 1.4% (€0.4 million) unadjusted for exchange-rate movements, because of a €0.9 million negative exchange difference. EBITDA in the United Kingdom fell €1.5 million (down 10.8% at constant exchange rates to €12.2 million) due to a €4.9 million decline in revenue. At constant exchange rates, EBITDA in Canada rose 6.1% year-on-year to €7.8 million, driven in particular by revenue growth in the existing portfolio. EBITDA at the LAZ Parking joint venture in the United States, which is 50%-owned by the Group, rose 15.7% or €1.5 million at constant exchange rates year-on-year, due in particular to an 11.4% increase in revenue.

IBSA (Spain and South America):
EBITDA fell 27.7% (€7.9 million) at constant exchange rates between 2017 and 2018. Unadjusted for exchange-rate movements, EBITDA fell 31.6% (or €9.5 million) to €20.6 million. EBITDA in Brazil fell by €8.9 million at constant exchange rates, resulting in a loss of €0.8 million, because of one-off impacts relating to long-standing contracts. EBITDA in Spain rose 5.1% (€1.0 million) compared with 2017, partly due to a €0.7 million increase from the existing portfolio.

The Mobility and Digital Solutions business line made a loss of €12.4 million at the EBITDA level in 2018 compared with a loss of €8.9 million in the year-earlier period. Although OPnGO and INDIGO® weel increased their revenue year-on-year, their EBITDA was similar because operating costs rose in line with the build-up of the business. In its first full year of operation, Smovengo made a €4.8 million loss at the EBITDA level, as opposed to a loss of €1.4 million in 2017.

3.2 Operating income (GP)

The Group's operating income amounted to €196.3 million in 2018, up from €124.1 million in 2017, an increase of 58.2% or €72.3 million.



That increase factors in depreciation, amortisation and provision charges on the MDS business line's new activities and disposal gains on the Group's subsidiaries and businesses in the United Kingdom, Germany, Slovakia and Russia.

The GP operating income figure of €196.3 million works out as €192.4 million under IFRSs, up 56.7% or €69.6 million relative to 2017.

3.3 Net financial income/expense (IFRS)

The cost of net financial debt rose from €40.9 million in 2017 to €60.6 million in 2018. The increase was mainly caused by the cost of exercising the make-whole clause as part of the early redemption of €500 million of bonds due to mature in 2020 (impact of €19.8 million).

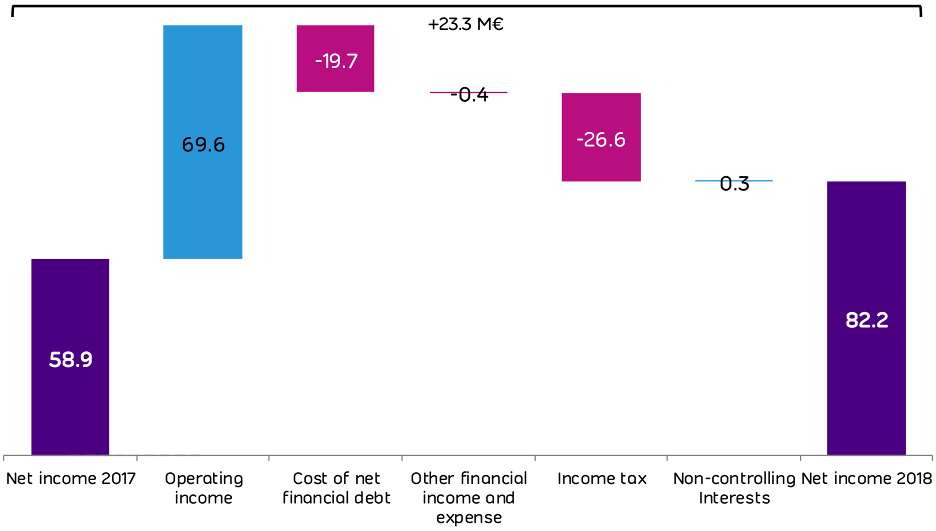
In 2018, the average interest rate on gross long-term financial debt after adjusting for non-recurring costs was 2.4%[2], stable compared with 2017.

Other financial income and expense resulted in a net expense of €6.3 million in 2018, slightly higher than the 2017 figure of €5.9 million.

[2] Adjusted for the impact of exercising the make-whole clause, the balance of costs to be amortised on the 2020 bonds and the one-off payment related to the early termination of a €150 million swap. The cost of gross financial debt includes the cost of the shareholder loan (over part of the year) and excludes the fixed fee accretion expense.

3.4 Net income (IFRS)

Consolidated net income attributable to owners of the parent amounted to €82.2 million in 2018, up from €58.9 million in 2017.



Net income rose €23.3 million year-on-year in 2018 to €82.2 million, with a €69.6 million increase in IFRS operating income, a €20.1 million increase in the cost of net financial debt and other financial income and expense – mainly because of the aforementioned make-whole transaction – and a €26.6 million increase in the net income tax expense.

The 2018 net income tax expense was €42.3 million as opposed to €15.7 million in 2017 (which included tax income of €15.7 million because of changes in tax rates in France, Belgium, Switzerland and the United States).

The effective tax rate in 2018 was 29.9%, as opposed to 23.1% (46.2% excluding changes in corporate income tax rates) in 2017. Adjusted for the impact of the Group selling its businesses in the United Kingdom, Germany and Slovakia, the effective tax rate for the period was 94.3%. The increase in that rate compared with 2017 was mainly caused by a substantial increase in unused tax losses at Indigo Group during the period, particularly as a result of expenses relating to the make-whole transaction, along with the non-use of tax losses in certain countries in which the Group operates, such as Brazil, and in the Mobility and Digital Solutions business line.

Consolidated net income attributable to owners of the parent figure excludes €1.0 million of income attributable to non-controlling interests in 2018 as opposed to €1.3 million in 2017.

4. Investments (IFRS)

Investments, net of disposals, amounted to €73.5 million in 2018 (€246.6 million excluding proceeds from disposals in Germany, the United Kingdom and Slovakia), after taking into account the impact relating to the accounting treatment of fixed fees (IFRIC 12), which represented net expenditure of €58.8 million.

TOTAL IFRS (€ million)	FY 2017 Paid	FY 2017 Undertaken	FY 2018 Paid	FY 2018 Undertaken
France	1.1	1.1	46.3	46.3
Disposal of DE, UK and SK	-	-	(173.2)	(173.2)
International	9.5	8.3	7.7	7.7
MDS	0.8	0.8	1.0	1.0
Financial investments	**11.4**	**10.1**	**(118.3)**	**(118.3)**
France	98.3	91.5	88.9	79.0
International	47.4	47.2	39.0	38.7
MDS	2.7	3.4	5.0	4.6
Operational investments	**148.5**	**142.1**	**132.9**	**122.3**
France	99.4	92.5	(38.0)	(47.9)
International	56.8	55.5	46.7	46.4
MDS	3.5	4.2	6.0	5.6
Net investments	**159.8**	**152.2**	**14.7**	**4.0**
Fixed royalties (IFRIC12)	30.5	30.5	60.4	60.4
IFRIC 12 Modification of contract	(17.7)	(17.7)	(1.6)	(1.6)
Net investments including impact of fixed royalties	**172.6**	**165.0**	**73.5**	**62.8**

The main expenditure on investments in France during 2018 related to work under the contract with the city of Toulouse, the purchase of the Plaza car park in Lille, the development of car parks in Bordeaux (Gare Saint-Jean and Jardins de l'Ars) and Neuilly, and ongoing car park equipment upgrades.

Outside France, expenditure on investments totalled €39.0 million in 2018 and included the outright purchase of the Jorge Vigon car park in Logroño, Spain, along with investments in new contracts in Brazil.

Maintenance expenditure was lower than in 2017 after heavy technical upgrading investment in previous years.

When monitoring performance, the Group now distinguishes between maintenance and growth investments.

Maintenance investments mainly include investments intended to keep assets in line with current standards and technologies. Growth investments correspond to the acquisition, construction or renewal of car parks.

In 2018, those investments broke down as follows:

(€ million)	FY 2017 Paid	FY 2017 Undertaken	FY 2018 Paid	FY 2018 Undertaken
Development investments	113.4	113.4	97.2	97.2
Car park maintenance investments	25.9	25.9	20.9	20.9
Other maintenance investments	2.7	2.7	3.9	3.9
Variation of debts	6.4	-	10.9	
Net operational investments excluding impact of fixed royalties	**148.5**	**142.1**	**132.9**	**122.3**

5. Cash flows (IFRS)

5.1 Consolidated cash flow statement (IFRS)

In 2018, cash flow from operations before tax and financing costs amounted to €294.2 million, slightly lower than the €296.2 million generated in 2017 (down 0.7%).

Changes in the operating working capital requirement and current provisions produced a cash inflow of €13.8 million (inflow of €8.6 million in 2017), and the working capital surplus rose to €158.8 million.

Net financial interest payments amounted to €39.8 million in 2018, very slightly higher than the year-earlier figure (€38.2 million), while tax paid amounted to €48.6

million, higher than the €38.9 million paid in 2017, which included the positive impact of corporate income tax rebates in France.

Dividends received from equity-accounted companies totalled €11.9 million, a large proportion of which came from 50%-owned US subsidiary LAZ Parking and from a 50%-owned subsidiary in Switzerland.

Cash flow from operating activities totalled €231.6 million in 2018 versus €238.1 million in 2017.

Operating investments (net of disposals) and net financial investments led to a net cash outflow of €73.5 million. They included the impact of the Group's disposal of subsidiaries in the United Kingdom, Germany and Slovakia for a total of €173.2 million. After taking into account the Group's share of financing provided to Smovengo (€35.5 million in 2018), the net cash outflow relating to investing activities amounted to €109.7 million, down €66.1 million compared with 2017.

Cash flow from financing activities produced an inflow of €29.8 million as opposed to €66.0 million in 2017. It included cash inflows from a new €700 million bond issue in April 2018, the net proceeds from which amounted to €688.2 million. It also included cash outflows related to the early redemption, in May 2018, of the €500 million of bonds due to mature in 2020 and the cost of exercising the make-whole clause (€19.8 million), along with the repayment of a €100 million shareholder loan granted to Indigo Group by its parent company Infra Foch Topco.

Taking into account all of these cash flows, the Group's cash position increased by €155.7 million in 2018 as opposed to €131.0 million in 2017.

5.2 *Free cash-flow* (IFRS)

For performance monitoring purposes, the Group uses free cash flow as a measure of cash flow from recurring operating activities. It equals EBITDA less disbursements related to fixed fees as part of concession contracts, changes in the working capital requirement and changes in payables and receivables on non-current assets, maintenance expenditure and other operating items that have a cash impact but that are not included in EBITDA.

In 2018, free cash flow amounted to €230.4 million as opposed to €226.3 million in the year-earlier period. The reconciliation between that figure and the consolidated cash flow statement analysed above is as follows:

(€ million)	**31/12/2017**	**31/12/2018**
EBITDA	**296.3**	**295.5**
Cash element from operating activities without impact on EBITDA	(0.1)	(1.3)
Cash-Flow from operating activities (before tax and financing cost	**296.2**	**294.2**
Change in WCR and current provision	8.6	13.8
Fixed fees	(52.6)	(56.7)
Car park maintenance investments (undertaken)	(25.9)	(20.9)
Free Cash-Flow	**226.3**	**230.4**

The cash conversion ratio (free cash flow as a proportion of EBITDA) remained high and even rose by 1.6 points to 78.0% in 2018, as opposed to 76.4% in 2017.

6. Balance sheet and net financial debt (IFRS)

Consolidated non-current assets were €2,706.9 million at 31 December 2018 as opposed to €2,760.9 million at 31 December 2017. They included concession intangible assets of €1,051.4 million, including €316.6 million in respect of the adjustment of fixed fees on the consolidated balance sheet, along with total goodwill of €772.4 million versus €797.8 million at 31 December 2017.

Consolidated equity was €648.1 million at 31 December 2018, including €636.6 million attributable to owners of the parent, versus €634.7 million at 31 December 2017. The share capital consisted of 160,044,282 shares at 31 December 2018, the same number as at 31 December 2017.

Consolidated net financial debt was €1,633.1 million at 31 December 2018 (€1,665.7 million at 31 December 2017), breaking down as follows:

€ million	31/12/2017	31/12/2018
Obligations	1 377.9	1 566.5
Revolving credit Facility	(0.6)	-0.5
Other external debts	23.5	42.7
Shareholder's loan	104.2	0.0
Accrued interests	13.7	21.3
Long-term financial debt excl. fixed royalties	**1 518.8**	**1 630.0**
Financial debt related to fixed royalties	323.7	333.4
Total long-term financial debt	**1 842.5**	**1 963.4**
Net cash (incl. overdraft)	(174.2)	(329.0)
Hedging instruments FV	(2.6)	(1.2)
Net financial debt	**1 665.7**	**1 633.1**

Group liquidity amounted to €629.0 million at 31 December 2018 (€474.2 million at 31 December 2017). It consisted of €329.0 million of managed net cash and a confirmed bank credit facility of €300 million that was unused at 31 December 2018. That facility was initially due to expire in October 2021, with two options to extend it by one year each. The final extension request was accepted by all banks in the consortium, and so this €300 million facility is now due to expire in October 2023.

Based on consolidated equity attributable to owners of the parent amounting to €636.6 million at 31 December 2018 (€623.5 million at 31 December 2017), gearing (net debt/equity) was 2.57x at 31 December 2018 as opposed to 2.67x at 31 December 2017. The IFRS leverage ratio (net debt/EBITDA ratio) was 5.53x at end-December 2017, slightly lower than the 5.62x figure at end-December 2017. The global proportionate leverage ratio was 5.32x at end-December 2018 versus 5.41x at end-December 2017. That ratio includes the proceeds from selling Indigo's businesses in the United Kingdom, Germany and Slovakia.

7. Main transactions with related parties

The nature of the main transactions with related parties are described in Note 11.1 to the consolidated financial statements for the year 2018.

8. Risk factors

The main risk factors to which the Indigo group might be exposed are set out in the "Risk Factors" section on pages 1-20 of the prospectus filed with the AMF in April 2018, and in Note 9.16 "Financial risk management" to the consolidated financial statements for the year 2018.

9. IFRS data

Revenue, EBITDA and operating income figures presented above are global proportionate figures. Global proportionate figures are IFRS consolidated figures presented in the Group's consolidated financial statements adjusted for the Group's share of joint ventures (mainly in the USA, Colombia, Panama and Smovengo) as if they were consolidated proportionately and not under the equity method applied in accordance with IFRSs when preparing the consolidated financial statements.

The IFRS consolidated revenue and EBITDA figures and joint venture items included in global proportionate figures are shown below:

		REVENUE	
(€ million)	Actual H1-17	Actual H1-18	Var 2018-2017
France	421.7	434.8	*+3.1%*
Europe	57.1	64.1	*+12.2%*
NAUK	129.5	125.5	*-3.1%*
IBSA	116.0	109.7	*-5.4%*
MDS	1.9	2.8	*+46.4%*
REVENUE IFRS	**726.3**	**737.0**	***+1.5%***
- USA	185.9	198.2	*+6.6%*
- Colombia - Panama	9.1	9.4	*+3.8%*
- Smovengo	-	9.5	-
- Autres	8.5	7.3	*-14.7%*
REVENUE co-entreprises	**203.5**	**224.4**	***+10.2%***
France	421.7	434.8	*+3.1%*
Europe	61.3	67.8	*+10.5%*
NAUK	318.2	327.4	*+2.9%*
IBSA	126.7	119.1	*-6.0%*
MDS	1.9	12.3	*+534.0%*
REVENUE Global Proportionat	**929.9**	**961.4**	***+3.4%***

		EBITDA	
(€ million)	Actual H1-17	Actual H1-18	Var 2018-2017
France	231.2	238.7	*+3.3%*
Europe	23.9	27.5	*+14.8%*
NAUK	19.4	17.2	*-11.3%*
IBSA	29.3	19.8	*-32.6%*
MDS	(7.5)	(7.6)	*+0.8%*
EBITDA IFRS	**296.2**	**295.5**	***-0.2%***
- USA	11.3	12.9	*+14.4%*
- Colombia - Panama	0.8	1.0	*+20.6%*
- Smovengo	(1.4)	(4.8)	*+239.3%*
- Autres	3.1	3.0	*-1.4%*
EBITDA co-entreprises	**13.8**	**12.2**	***-11.7%***
France	231.1	238.7	*+3.3%*
Europe	26.4	29.9	*+13.3%*
NAUK	31.2	30.8	*-1.4%*
IBSA	30.1	20.6	*-31.6%*
MDS	(8.9)	(12.4)	*+38.3%*
EBITDA Global Proportionate	**310.0**	**307.7**	***-0.8%***

10. Outlook

At constant scope, the Group is expecting continued growth in revenue in 2019 across its two business lines:

1) Car parks, on-street parking and related activities (car, district and personal services), with the ambition of offering cities a comprehensive solution,
2) Mobility and Digital Solutions (MDS), with the aim of offering digital parking solutions (OPnGO), providing shared and individual mobility solutions (bicycles, scooters, motorbikes and cars) using a shared platform and shared batteries (INDIGO® weel) as well as offering shared mobility solutions to cities (Smovengo)

With these two business lines, Indigo Group is positioning itself clearly as a key partner for cities regarding individual mobility solutions, as outlined by its GOAL 2025 strategic plan

The main strategic aims of the Goal 2025 plan are to:

- Strengthen our model around facilities operated under long term concession and ownership through organic growth in key countries, in order to ensure recurring cash flow over the long term,
- Step up acquisitions in "major countries" to allow us to maintain or gain a position as leader or co-leader,
- Use our expertise in international markets, supported by our three existing platforms (Europe, North America and South America), to move into the Asian market,
- Continue our policy of customer-focused innovation and quality,
- Become a leading player in digital and individual mobility services, based on our two main entities of OPnGO and INDIGO® weel.

We will continue to invest in our car parks to prepare them for the arrival of electric, smart and self-driving cars, which is likely to cause a positive shift in our business model.