PRESS RELEASE

Neuilly-sur-Seine, France – February 25, 2021

Bureau Veritas resilient business model driving a strong cash flow generation and deleveraging; dividend reinstated

2020 Key figures[1]

- Revenue of EUR 4,601 million in 2020, with organic growth of (6.0)%, of which (2.0)% in Q4 2020
- Operating profit of EUR 407 million
- Adjusted operating profit of EUR 615 million, showing a margin decline to 13.4%; margin significantly higher in the second half at 16.6% following cost reduction measures
- Attributable net profit of EUR 125 million
- Adjusted net profit of EUR 285 million (EUR 0.64 per share)
- Free cash flow of EUR 634 million (13.8% of Group revenue), led by a disciplined capex policy (1.9% of Group revenue) and a significant working capital reduction (6.1% of Group revenue, down 270bps year on year) benefiting from the *Move For Cash* program initiatives
- Adjusted net debt / EBITDA ratio decreased to 1.8x as of December 31, 2020 versus 1.9x last year
- Proposed dividend of EUR 0.36 per share[2], payable in cash

2021 Outlook

The Group remains uniquely positioned with the diversity, the resilience of its portfolio and its numerous growth opportunities. Based on the current uncertainties around the Covid-19 pandemic and assuming no severe lockdowns in its main countries of operation, Bureau Veritas expects for the full year 2021 to:

- Achieve solid organic revenue growth;
- Improve the adjusted operating margin;
- Generate sustained strong cash flow.

Didier Michaud-Daniel, Chief Executive Officer, commented:

"Throughout 2020, Bureau Veritas' whole organization was mobilized to mitigate the impact of the crisis with three actions: ensuring the health & safety of all Bureau Veritas employees, protecting the financial solidity of the Group, and ensuring business continuity with and for our clients, both in the field and remotely via digital tools. I am proud of the ongoing efforts of our 75,000 employees and of their exemplary commitment to our clients notably supporting resumptions of their operations throughout the world with the Restart your Business with BV protocols. I also want to take this opportunity to thank our shareholders for their unwavering support during this crisis.

Our full-year 2020 results underline these efforts together with the great resilience of our business after five years of profound transformation that has repositioned our portfolio of activities. Thanks to our actions on cash, we come out stronger from 2020, with a lower level of debt.

In today's world, most companies are accelerating their efforts to drive quality, safety, traceability and environmental stewardship. With our BV Green Line of services and solutions dedicated to sustainable development, we are perfectly positioned to help all clients and stakeholders, across multiple sectors, to bring transparency and reliability to their ESG commitments. In addition, as a responsible company, we act in order to be a role model for the industry in terms of positive impact on people and the planet.

Bureau Veritas will announce its 2025 strategic plan in Q4 2021, anchored in what we have built over the past 5 years and positioned to fully capture growth from new markets. Through this plan, we are on a journey to execute a value creating strategy for BV and all of its stakeholders going forward."

[1] Alternative performance indicators are presented, defined and reconciled with IFRS in appendices 6 and 7 of this press release.

[2] Proposed dividend, subject to Shareholders' Meeting approval on June 25, 2021.

KEY 2020 FIGURES

The Board of Directors of Bureau Veritas met on February 24, 2021 and approved the financial statements for the full year 2020. The main consolidated financial items are:

IN EUR MILLIONS	2020	2019	CHANGE	CONSTANT CURRENCY
Revenue	4,601.0	5,099.7	(9.8)%	(6.4)%
Adjusted operating profit[(a)]	615.0	831.5	(26.0)%	(21.9)%
Adjusted operating margin[(a)]	**13.4%**	**16.3%**	**(294)bps**	**(271)bps**
Operating profit	407.4	721.3	(43.5)%	(40.4)%
Adjusted net profit[(a)]	285.2	451.0	(36.8)%	(31.6)%
Attributable net profit (loss)	125.3	367.9	(65.9)%	(62.4)%
Adjusted EPS[(a)]	**0.64**	**1.02**	**(37.3)%**	**(32.6)%**
EPS	0.28	0.83	(66.3)%	(62.9)%
Operating cash flow	809.1	820.4	(1.4)%	+2.6%
Free cash flow[(a)]	**634.2**	**617.9**	**+2.6%**	**+7.5%**
Adjusted net financial debt[(a)]	1,329.1	1,813.3	(26.7)%	

(a) Alternative performance indicators are presented, defined and reconciled with IFRS in appendices 6 and 7 of this press release

BUREAU VERITAS ACTING PROACTIVELY AGAINST COVID-19

Ensuring the health and safety of all Bureau Veritas employees

Since the emergence of the outbreak, Bureau Veritas has taken every necessary action to protect the health of its employees and, where possible, of its clients, suppliers, and subcontractors. The Group's businesses around the world activated their business continuity plans and implemented remote working wherever possible, in strict compliance with decisions taken by local governments and World Health Organization recommendations.

Ensure business continuity with and for clients

One of the Group's top priorities during the pandemic is to ensure business continuity with, and for its clients, by accompanying them in managing their risks and restarting their operations. In many sectors, Bureau Veritas' services, both in the field and via remote technological channels, contribute to maintaining operational activities, notably those that are critical to ensuring people's health and safety. Bureau Veritas put together a portfolio of dedicated services aimed at helping its clients to face the crisis, including e-learning solutions to enable training to continue during lockdown and for employees working from home, and health & safety rule compliance assessment put in place by health authorities.

Engage in projects to fight against Covid-19

The Group has also been involved in many Covid-19-related projects around the world: emergency hospital construction in Shenzhen, China; an emergency field hospital in Mulhouse, France; US retail staff safety by installing sneeze guards in retail spaces; and community actions in the different parts of the world where it operates, notably through the donation of Personal Protective Equipment (masks, gloves) to several hospitals.

Demonstrate Bureau Veritas Management's spirit of solidarity and responsibility

During 2020, in order to join with Bureau Veritas' spirit of solidarity and responsibility towards all its stakeholders, both the Chairman of the Board of Directors and the Chief Executive Officer decided to waive 25% of their fixed remuneration during the furlough period for Bureau Veritas employees in France. These sums were donated to the charity "La Fondation Hôpitaux de Paris-Hôpitaux de France".

Assure the complete traceability of the Covid-19 vaccines all along the supply chain

In January 2021, Bureau Veritas and OPTEL, a leading global provider of pharmaceutical supply chain traceability platforms, partnered together to launch V-TRACE, a complete and assured traceability solution for Covid-19 vaccines. V-TRACE is an integrated solution designed to track and trace vaccines, while ensuring risk mitigation thanks to controls and inspections all along the logistics chain. V-TRACE provides a global control of the supply chain thanks to the local presence of inspectors in the field.

DIGITAL AND INNOVATIVE SERVICES & SOLUTIONS LAUNCHED THROUGHOUT 2020

Accelerating the launch of new services and solutions thanks to a digital platform

In 2020, Bureau Veritas accelerated the launch of new services and solutions thanks to a digital platform developed by the Group.

Restrictive measures due to the Covid-19 pandemic limited the Group's ability to deploy certain services physically. In response, the Group capitalized on its digital assets to deploy its resources in a dematerialized way and launch new services adapted to the global crisis context. Existing inspection, audit and distance learning capabilities were deployed and supported more extensively, enabling a wide range of services to be maintained despite the obstacles to traveling to clients' sites.

A digital platform called "Fast Track" was set up to support and enable the rapid deployment (1 to 3 months) of new comprehensive services based on a digital realization model. The "Restart your business with BV" suite of solutions, created to support business resumption with appropriate health, safety and hygiene conditions, was powered by "Fast Track".

In addition to the "Restart your business with BV" initiative, this digital platform supports several new services, including:

- "Supply-R", a solution designed to help all industry and services sector companies to ensure business continuity and better manage risks associated with their portfolios of suppliers spread across different geographies; and
- "ChargeScan by BV", a complete suite of services dedicated to Electric Vehicle Charging Stations (EVCS), covering the full asset lifecycle, from design, construction and commissioning to operations, to ensure the reliability of their EVCS network.

The successful deployment of "Restart Your Business with BV"

In the context of the pandemic, health, safety and hygiene issues have become a top priority. To help companies adopt best practices and provide reassurance to their stakeholders, in spring 2020, Bureau Veritas launched the "Restart Your Business with BV" suite of solutions targeting clients who are resuming their business operations.

Bureau Veritas' geographical presence in 140 countries, unparalleled network of inspectors and auditors, and unrivalled experience in certification processes and management of health, safety and hygiene risks are considerable assets. They enable the Group to provide companies, public authorities and society as a whole with services and in-depth knowledge of local specificities and regulations.

"Restart Your Business with BV" is intended for companies of all sizes and sectors, as well as government agencies. Bureau Veritas supports its local, national and international clients whose businesses have been shut down, including hotels, restaurants, airlines, shipping companies, shopping centers, industrial and construction sites, and premises open to the public.

The "Restart Your Business with BV" suite of solutions is enhanced with a comprehensive digital ecosystem providing traceability and transparency. The platform includes operational assistance tools for companies that want to reassure stakeholders of their compliance with regulations and recommended protective measures and benefit from a label ("SafeGuard" label or client's own label with a dedicated brand) with online information for end-users and consumers. Bureau Veritas grants the label, based on compliance with all requirements, after an independent verification performed by a duly qualified auditor.

BUREAU VERITAS' GREEN LINE OF INDEPENDENT EXPERTISE TO FOSTER A SUSTAINABLE WORLD

In October 2020, the Group launched its "Green Line", a wide range of existing sustainability services that enable clients to address growing challenges in this field.

Empowering organizations to help them execute their sustainability strategies

Through the Green Line of services and solutions, Bureau Veritas partners with organizations to help them execute their sustainability strategies with trust and transparency.

Sustainability – and topics related to CSR or ESG – have become key growth drivers and a catalyst of trust for all economic players. Beyond their financial performance and ability to innovate, companies are now valued and judged on their positive impact on people and the planet.

Decision-makers face the challenge of building trust with their stakeholders: shareholders, boards, employees, customers and society as a whole. Only an independent, expert third party can help them give credibility to their CSR approaches and provide the proof that their commitments in terms of environmental and social impacts are backed up by facts and actions.

For companies, this also means implementing, monitoring, improving and communicating their commitments to improve their sustainability performance and remain competitive and reliable.

Bureau Veritas is committed to tackling the world's most pressing challenges

As a "Business to Business to Society" company, Bureau Veritas (BV) is committed to tackling the world's most pressing challenges from all sectors of the economy:

- **Resources and production**: a leader in TIC for industrial sectors, BV supports clients in their efforts to reduce their carbon footprint, achieve net zero emissions, implement sustainable resource use and manage the energy transition.
- **Consumption and traceability**: thanks to its expertise in complex supply chains, BV enables companies to ensure responsible and fair sourcing, and to guarantee product traceability.
- **Buildings and Infrastructure**: at every stage, BV offers services for new and ageing assets and contributes to sustainable and smart cities.
- **New mobility**: BV also contributes to the development of electric mobility. Building on its close to 200-year presence in the Marine industry, BV helps ship owners develop the use of alternative fuels – such as LNG – and to ensure compliance with air emission regulations.
- **Social, Ethics and Governance**: in addition to its services to address health, safety and security challenges, BV has developed a full range of solutions focusing on improving and monitoring Diversity & Inclusion, Ethics and Integrity.

With Bureau Veritas, companies can measurably demonstrate the impact of their sustainability and ESG initiatives by making them traceable, visible and reliable.

2020 HIGHLIGHTS

Resilient organic revenue overall despite the Covid-19 pandemic

Group organic revenue was down by 6.0% in 2020, with a 2.0% decline in the last quarter. Revenue improved in the second half, falling 3.2% compared with a revenue decrease of 9.0% in the first half of 2020. This is reflected as follows by business:

- Marine & Offshore (up 2.2% organically, led by New Construction) felt only a limited impact from the Covid-19 crisis, with the Group continuing to deliver essential services to its clients across the globe;
- More than three quarters of the portfolio (including Agri-Food & Commodities, Buildings & Infrastructure (B&I), Certification, and Industry) showed a good level of resistance overall, down 5.1% organically on average. B&I strongly outperformed the average with a decline limited to 1.7% for the full year benefiting from its geographical diversification, the support from energy efficiency programs and improving markets in the second half, notably in Europe. Certification (down 6.2%) was affected by the postponement of audits during the first half but recovered strongly in the second. Industry declined 6.6% with solid business activity for the Power & Utilities segment in particular, (inspection of electricity systems, electrical grids, nuclear power plants). In Agri-Food & Commodities (down 7.4% organically), a stable performance was achieved for both the Agri-Food and Metal & Minerals segments, which continued operating with Food Safety Services remaining critical to food supply notably. However, the Oil & Petrochemicals business suffered from the lower demand for oil and oil products. Government services were impacted by the lockdown measures introduced in some African countries and the associated economic impact.
- Less than one-fifth of the portfolio (Consumer Products) declined sharply due to the impact of the Covid-19 shutdowns, down 15.0% organically. The business was severely affected by the lockdown situations (which started in China in Q1 and expanded to most other geographies in Q2) and by low activity levels from US and European clients (with orders cancelled and new product launches put on hold).

In the fourth quarter, the Group's organic revenue decline was limited to 2.0% year on year. Certification was the top performing business, growing by 10.7%, benefiting from the "Restart Your Business with BV" and "SafeGuard" solutions as well as the catch-up of audits and strong momentum on schemes related to Sustainability.

Acquisition projects were initially put on hold in 2020; activity resumed more recently

Bureau Veritas put acquisitions largely on hold in 2020 to protect its cash position and reassess potential targets in light of the pandemic.

The pipeline of opportunities remains healthy, and the Group will continue to deploy a very selective bolt-on acquisitions strategy in targeted areas (notably in Agri-Food and Buildings & Infrastructure, Cybersecurity) and geographies (North America and Asia including China notably). Discussions resumed during the second half of 2020.

On January 20, 2021, the Group announced that it had completed the acquisition of Secura B.V. (starting with a majority stake), an independent service company specializing in cybersecurity services. Established in 2000 in the Netherlands, Secura has 100 employees located in two technological centers in Eindhoven and Amsterdam. The company posted 2020 revenues slightly below EUR 10 million. While firmly grounded in the European security market, the company now serves a diversified international client base and is active in all sectors, focusing on technology, energy, industrial, automotive, financial, public and healthcare markets.

Secura will be a cornerstone in the cybersecurity strategy of Bureau Veritas. With solid expertise and capabilities, Secura takes a holistic security approach in identifying and assessing cybersecurity risks according to standards, frameworks and certification programs. The company provides security testing, audit, training and certification services covering people, organization, and technology (networks, systems, applications and data). The company holds an extensive range of top-notch accreditations and licenses to operate to offer security testing and certification services according to a number of standards.

On February 4, 2021, the Group announced the signing of Zhejiang Jianchuang Testing Technology Services Company Limited, a softlines testing business focusing on domestic brands and e-shops in China. The company generated around EUR 1.5 million of revenue in 2020. This supports the Group's diversification within its Consumer Products division towards the Chinese domestic market and online brands.

Non-core divestments continued

In 2020, the Group continued to divest non-strategic businesses in targeted markets and geographies.

On September 2, 2020, it divested a non-core business unit from the Industry activity based in the US. The Emissions Monitoring business providing fugitive emissions detection and measurement services on industrial assets, was sold to Alliance Source Testing, LLC (AST), one of the largest air emissions testing companies in the US. The business had 130 employees and generated USD 12 million in revenue in 2019, with margins weighing on the overall divisional performance. It was deconsolidated from Q3 2020 onwards. This transaction is another step in focusing on core quality assurance for Oil & Gas capital projects and asset integrity businesses in North America and investing in the expansion of its Energy business, including renewables.

In addition, the operating footprint continued to be adapted to maximize efficiency and optimize performance with certain laboratory and office facilities streamlined and reorganized (China, Europe and the US).

Over the past two years, in total Bureau Veritas has divested around EUR 65 million of revenue from activities having a negative impact on the Group margin.

Austerity plan put in place to reduce costs and measures taken to protect the cash position

Throughout 2020, Bureau Veritas put measures in place to maintain a tight rein on costs and cash, with indicators monitored on a daily basis. These included suspending all non-essential investments and putting in place an austerity plan for its worldwide operations, which includes a freeze in recruitment and salary increases, and minimizing discretionary spending. This led to around EUR 260 million of total cost reduction in 2020.

The Group benefited from a strong mobilization across the organization on cash metrics, with initiatives under the *Move For Cash* program (aimed at improving the operating working capital requirement) continuing to be deployed in 2020. As an illustration of these initiatives, Bureau Veritas optimized the "invoice to cash" process, accelerated billing and cash collection processes throughout the Group reinforced by a central task force, and monitored cash inflows on a daily basis.

Bureau Veritas also adjusted its cost base in targeted geographies and focused on some structurally under-performing units, notably in Consumer Products (in China) and commodities-related activities (Oil & Petrochemicals activities in both US and Europe) through a rationalization of the laboratory networks. This resulted in a restructuring charge of EUR 26.5 million in the full year 2020, compared to EUR 24.4 million in 2019. The restructuring charge is expected to be at a lower level in 2021.

STRONG FINANCIAL POSITION

Bureau Veritas' financing activity during 2020 demonstrates the strong support and confidence of the Group's banks and credit investor base in the context of the Covid-19 pandemic.

At the end of December 2020, the Group's adjusted net financial debt decreased compared with the level at December 31, 2019. The Group has a solid financial structure with no maturities to refinance until 2023. At the year-end, Bureau Veritas had EUR 1.6 billion in available cash and cash equivalents and EUR 1.1 billion in undrawn committed credit lines.

On April 30, 2020, the Group signed an additional liquidity credit line of EUR 500 million, with a one-year maturity and a six-month extension option at Bureau Veritas' discretion. This new credit line strengthened the Group's liquidity position, added to the EUR 600 million syndicated credit facility maturing in May 2025, undrawn at December 31, 2020.

In April 2020, Bureau Veritas' Board of Directors took the exceptional decision to cancel the dividend (EUR 0.56 per share)[3]. This decision maintained cash of around EUR 250 million in the Group and complies with the French regulatory requirement for the suspension of dividend payments in return for government support (temporary layoffs in France, and the deferral of certain employment contributions and tax payments). It also reiterates the Group's responsibility to all its stakeholders who are making considerable efforts or facing major challenges during this unparalleled crisis.

At December 31, 2020, the adjusted net financial debt/EBITDA ratio was further reduced to 1.80x (from 1.87x last year) and the EBITDA/consolidated net financial expense ratio was 8.16x. As a precaution against a worsening pandemic, Bureau Veritas obtained a waiver from its banks and USPP noteholders to relax its financial covenants at June 30, 2020, December 31, 2020 and June 30, 2021. As a consequence, the adjusted net financial debt/EBITDA ratio must be lower than 4.5x, 6.25x and 5.5x versus 3.25x previously at the test dates and, for USPP only, the EBITDA/consolidated net financial expense ratio must be greater than 5.5x (unchanged), 2x and 3x versus 5.5x previously at the same dates.

The average maturity of the Group's financial debt was 5.2 years[4] with a blended average cost of funds over the full year of 2.6% excluding IFRS 16 impact. The blended average cost of funds was 2.4% excluding IFRS 16 impact and early repayment costs over the year 2020 (compared with 2.8% in 2019).

On February 24, 2021, Bureau Veritas signed an amendment to its EUR 600 million syndicated credit line that links its financial costs with three of its ESG targets (selected amongst its non-financial ambition through 2025): total accident rate, female representation in leadership position and CO_2 equivalent emissions. Bureau Veritas testifies through this initiative its willingness to combine performance and responsibility.

EXECUTIVE COMMITTEE APPOINTMENTS

Béatrice Place Faget appointed member of the Bureau Veritas Executive Committee as Executive Vice-President Group Legal Affairs and Internal Audit

In July 2020, Bureau Veritas announced the appointment of Béatrice Place Faget, effective August 3, 2020, as Executive Vice-President in charge of Group Legal Affairs and Internal Audit and a member of the Group Executive Committee.

Based at the Group's head office in Neuilly-sur-Seine, France, Béatrice Place Faget reports to Didier Michaud-Daniel, Chief Executive Officer of Bureau Veritas. Béatrice Place Faget acted previously as Interim General Counsel for Technicolor. Her other experiences include 16 years with CGG in various positions including General Secretary to the Board and Group General Counsel.

Alberto Bedoya appointed member of the Bureau Veritas Executive Committee as Executive Vice-President, Commodities, Industry & Facilities (CIF) Division in Latin America

In December 2020, Bureau Veritas announced the appointment of Alberto Bedoya, effective January 1, 2021, as Executive Vice-President, Commodities, Industry & Facilities (CIF) Division in Latin America and a member of the Group Executive Committee.

Based in Lima, Peru, Alberto Bedoya reports to Didier Michaud-Daniel, Chief Executive Officer of Bureau Veritas. Alberto Bedoya joined Bureau Veritas in Peru in 1998 and has in-depth knowledge of the operations as well as the commercial environment of Bureau Veritas in Latin America. Since 2019, he was Executive Vice-President Latin America, reporting to Eduardo Camargo.

[3] In order to ensure the health and safety of its employees, service providers and shareholders, and also to preserve shareholders' rights to participate in the Annual General Meeting (AGM), Bureau Veritas announced on March 13, 2020, its decision to postpone the date of the AGM initially set on Thursday, May 14, 2020 to Friday, June 26, 2020. As per the latest health recommendations, the Group held its AGM behind closed doors. Dividend was initially due to be proposed to the June 26, 2020 Annual General Meeting called to approve the financial statements for the year ended December 31, 2019

[4] At December 31, 2020, on the basis of the gross debt adjusted for 2021 maturity for an amount of EUR 500 million refinanced during 2019

ANALYSIS OF THE GROUP'S RESULTS AND FINANCIAL POSITION

Revenue down 9.8% year on year (down 6.0% on an organic basis)

Revenue in 2020 amounted to EUR 4,601.0 million, a 9.8% decrease compared with 2019. Organic growth was (6.0)%, improving in H2 compared with H1 (down 3.2% vs. (9.0)% respectively). After a low point in April, the activity levels showed gradual and continuous improvement towards the end of the year. In the last quarter, the Group's portfolio decline reduced to 2.0% on average organically and across the board.

Marine & Offshore delivered organic growth of 2.2%. Agri-Food & Commodities, Buildings & Infrastructure, Certification and Industry showed a good level of resistance overall, down 5.1% organically on average. Conversely, Consumer Products declined sharply due to the impact of the Covid-19 shutdowns, down 15.0% organically (with an improvement throughout the second half of the year).

By geography, activities in Europe strongly outperformed the rest of the Group (37.4% of revenue; down 1.4% organically), with notably solid performances in France (led by Buildings & Infrastructure and notably strong momentum on energy efficiency programs) and Eastern countries. Asia Pacific (31.0% of revenue; down 8.5% organically) was primarily affected by the lockdown measures in China in Q1 2020 across most businesses, while Australia grew over the year.

Activities in the Americas (23.2% of revenue) decreased by 8.5% organically, mostly dragged down by North America (the US and Canada), while Latin America showed strong resistance (down 1.3% organically with a return to growth in the last quarter), as it continued to benefit from the successful diversification strategy towards Opex, in Power & Utilities notably. Finally, in Africa and the Middle East (8.4% of revenue), the business declined by 7.6%, driven down by the energy sector.

External growth was a negative 0.4%, reflecting the impact from prior-year disposals (HSE consulting business in the US, in particular) and recent disposals (with the emissions monitoring business unit in the US) and the absence of transactions year-to-date.

Currency fluctuations had a negative impact of 3.4%, mainly due to the depreciation of some emerging countries' currencies and the USD and pegged currencies against the euro.

Adjusted operating profit down 26% to EUR 615.0 million

Consolidated adjusted operating profit decreased by 26.0% to EUR 615.0 million; the full year 2020 adjusted operating margin dropped 294 basis points to 13.4%, including a 23-basis-point negative impact from foreign exchange and a 7-basis point positive impact from the scope. On an organic basis, it declined by 278 basis points to 13.5%.

CHANGE IN ADJUSTED OPERATING MARGIN

IN PERCENTAGE AND BASIS POINTS	
2019 adjusted operating margin	**16.3%**
Organic change	(278)bps
Organic adjusted operating margin	**13.5%**
Scope	+7bps
Adjusted operating margin at constant currency	**13.6%**
Currency	(23)bps
2020 adjusted operating margin	**13.4%**

All business activities apart from Marine & Offshore experienced lower organic margins due to the impact of the Covid-19 shutdowns on activity. This was cushioned by strong cost containment measures (salary & recruitment freeze, reduction of travel costs and non-discretionary spend notably), government aids in some countries (especially the furlough scheme in France in the first half) and restructuring. Margins recovered well in the second half to 16.6% as many businesses saw improved operating conditions.

The most affected divisional margins were those of Consumer Products and Buildings & Infrastructure, due to a sharp revenue shortfall associated with negative mix effects. Together, they represented more than three quarter of the organic decline in the Group's margin in the full year 2020.

Other operating expenses increased to EUR 207.6 million vs. EUR 110.2 million in 2019. These include:

- EUR 132.8 million in amortization of intangible assets resulting from acquisitions (EUR 79.8 million in 2019) due to the depreciation of intangible assets;
- EUR 34.6 million in write-off of non-current assets related to laboratory consolidations, and business downsizing in Consumer Products (China, Europe and the US essentially) and Agri-Food & Commodities (Australia, Latin America and the US notably);
- EUR 26.5 million in restructuring costs, relating chiefly to Consumer Products and commodities-related activities (EUR 24.4 million in 2019);
- EUR 13.7 million in net losses on disposals and acquisitions (net gains of EUR 6.0 million in 2019).

Operating profit totaled EUR 407.4 million, down 43.5% from EUR 721.3 million in 2019.

Adjusted EPS of EUR 0.64, down 37% year on year

Net financial expenses amounted to EUR 137.8 million in full year 2020 compared with EUR 118.6 million in 2019. It reflects higher finance costs and a higher negative foreign exchange impact (EUR 22.2 million vs. EUR 10.0 million in 2019) due to the depreciation of the US dollar against the euro and the appreciation of the US dollar and the euro against most emerging country currencies.

Net finance costs increased to EUR 108.2 million (vs. EUR 100.2 million in 2019), with the rise mainly attributable to the following items: i) an increase in the average debt (notably due to the November 2019 bond issue to refinance the January 2021 maturity and the drawdown of the Syndicated Loan between April and December 2020) and ii) costs arising from the early repayment during the first half of 2020 of the bilateral *US Private Placements* and of the fixed-rate *Schuldschein* tranches. Cost of debt at 2.4% versus 2.8% in 2019.

Other items (including interest cost on pension plans and other financial expenses) stood at EUR 7.4 million, slightly down from EUR 8.4 million in 2019.

Income tax expense totaled EUR 130.8 million in 2020, compared with EUR 210.7 million in 2019.

This represents an effective tax rate (ETR) of 48.5% for the period, compared with 34.9% in 2019.

The adjusted effective tax rate (ETR) is up 350 basis points at 36.6% for the period, compared with 33.1% in 2019. The increase is mainly due to the weight of taxes that are not directly calculated by reference to taxable income, such as withholding taxes and value-added contributions.

Attributable net profit for the period was EUR 125.3 million, vs. a EUR 367.9 million profit in 2019.

Earnings per share (EPS) stood at EUR 0.28 vs. EUR 0.83 in 2019.

Adjusted attributable net profit totaled EUR 285.2 million, down 36.8% vs. EUR 451.0 million in 2019.

Adjusted EPS stood at EUR 0.64, a 37.3% decrease vs. 2019.

Strong free cash flow at EUR 634.2 million delivered by optimization measures

Full year 2020 operating cash flow slightly decreased by 1.4% to EUR 809.1 million vs. EUR 820.4 million in 2019 (up 2.3% on an organic basis). Despite the decline in profit before income tax, the resilient performance resulted from a strong working capital requirement inflow of EUR 149.0 million, compared to a EUR 17.2 million outflow the previous year, due to a significant reduction in trade receivables notably. The *Move For Cash* program continued to improve operating working capital, with initiatives in place throughout the organization.

The Working capital requirement (WCR) stood at EUR 280.2 million at December 31, 2020, compared to EUR 450.2 million at December 31, 2019. As a percentage of revenue, WCR decreased by 270 basis points to 6.1%, compared to 8.8% in 2019. This improvement reflects the strong mobilization across the organization on cash metrics, with initiatives under the Move For Cash program continuing to be deployed throughout the year (optimizing the "invoice to cash" process, accelerating billing and cash collection processes throughout the Group reinforced by a central task force, and monitoring cash inflows on a daily basis).

Purchases of property, plant and equipment and intangible assets, net of disposals (Net Capex), amounted to EUR 88.3 million in 2020, a decrease compared to EUR 122.7 million in 2019. This showed disciplined control over the Group's net capex-to-revenue ratio at 1.9% (focusing on maintenance essentially), down compared to the level achieved in 2019 (2.4%).

Free cash flow (operating cash flow after tax, interest expenses and capex) was EUR 634.2 million, compared to EUR 617.9 million in 2019, up 2.6% year on year. On an organic basis, free cash flow reached EUR 662.6 million, up 7.2% year on year.

CHANGE IN FREE CASH FLOW

IN EUR MILLIONS	
Free cash flow at December 31, 2019	**617.9**
Organic change	+44.7
Organic free cash flow	**662.6**
Scope	+1.7
Free cash flow at constant currency	**664.3**
Currency	(30.1)
Free cash flow at December 31, 2020	**634.2**

At December 31, 2020, adjusted net financial debt was EUR 1,329.1 million, i.e., 1.80x trailing twelve-month EBITDA as defined in the calculation of the bank covenant, compared with 1.87x at December 31, 2019. The decrease in adjusted net financial debt of EUR 484.2 million vs. December 31, 2019 (EUR 1,813.3 million) reflects:

- Free cash flow of EUR 634.2 million;
- Dividend payments totaling EUR 31.8 million corresponding mainly to dividends paid to non-controlling interests and withholding taxes on intra-group dividends;
- Acquisitions (net) and repayment of amounts owed to shareholders, accounting for EUR 18.0 million;
- Lease payments (related to the application of IFRS 16), accounting for EUR 119.1 million;
- Other items that decreased the Group's debt by EUR 18.9 million.

PROPOSED DIVIDEND

Bureau Veritas is proposing a dividend of EUR 0.36 per share for 2020. The proposed dividend will be paid in cash. Moving forward the Group expects to propose a dividend of around 50% of its adjusted net profit.

This is subject to the approval of the Combined Shareholders' Meeting to be held on June 25, 2021 at 3:00pm at Immeuble Newtime, 40-52 Boulevard du Parc, 92200, Neuilly-sur-Seine. The dividend will be paid in cash on July 7, 2021, (shareholders on the register on July 6, 2021 will be entitled to the dividend and the share will go ex-dividend on July 5, 2021).

2021 OUTLOOK

The Group remains uniquely positioned with the diversity, the resilience of its portfolio and its numerous growth opportunities. Based on the current uncertainties around the Covid-19 pandemic and assuming no severe lockdowns in its main countries of operation, Bureau Veritas expects for the full year 2021 to:

- Achieve solid organic revenue growth;
- Improve the adjusted operating margin;
- Generate sustained strong cash flow.

NEXT STRATEGIC PLAN

In the context of the Covid-19 pandemic, the Group decided to postpone the announcement of its next strategic plan to the fourth quarter of 2021. On this occasion, Bureau Veritas will unveil the components of its financial ambition up to 2025.

The Group's strong fundamentals remain unchanged and clearly demonstrate the soundness of the ongoing strategy. Thus, while awaiting the announcement of its next strategic plan, Bureau Veritas will continue to develop the strategy initiated in 2015, which is proving to be very successful. The major strategic directions identified as growth drivers for the coming years are already the subject of action plans in all Group entities.

2025 CSR STRATEGY

Bureau Veritas remains committed to its non-financial performance. Ahead of the next strategic plan, it presents its strategy for social and environmental responsibility up to 2025. This strategy, aligned with the United Nations' Sustainable Development Goals (UN SDGs), aims at "Shaping a Better World". It is built upon three strategic axes: "Shaping a better workplace", "Shaping a better environment" and "Shaping better business practices"; and three sustainability pillars: "Social & Human capital", "Environment" and "Governance".

Strategic axes	**Shaping a better workplace**			**Shaping a better environment**	**Shaping better business practices**
Sustainability pillars	Social & Human capital			Environment	Governance
UN SDGs	Goal 3: good health and well-being	Goal 5: gender equality	Goal 8: decent work and economic growth	Goal 13: climate action	Goal 16: peace, justice and strong institutions
Bureau Veritas CSR priorities	• Occupational health and safety; • Human rights; • Access to quality essential healthcare services; • Employee volunteering services.	• Equal remuneration for women and men; • Diversity and equal opportunity; • Workplace harassment; • Women in leadership.	• Employment; • Non-discrimination; • Capacity building; • Availability of skilled workforce.	• Energy efficiency; • GHG emissions; • Risk and opportunities due to climate change.	• Effective, accountable and transparent governance; • Anti-corruption; • Product and quality compliance; • Customer privacy & cybersecurity; • Responsible sourcing & Supplier ethics.

Bureau Veritas' non-financial ambition through 2025 will be monitored by 17 key indicators in total, of which 5 will be communicated on a quarterly basis:

- Social & Human capital: Safety is an "absolute": achieve 0.26 accident rate (TAR[5]); reach 35% of female representation in leadership positions[6] and achieve 35 training hours per employee (per annum);
- Environment: Achieve 2 tons of CO_2 emissions[7] per employee (per annum);
- Governance: Reach 99% of employees trained to the Code of Ethics.

[5] TAR: Total Accident Rate (number of accidents with and without lost time x 200,000/number of hours worked).

[6] Proportion of Women from Executive Committee to Band III (internal grade i.e. "management" or "leadership" position) in the Group (number of Women in full-time equivalent in the leadership position scope/total full-time equivalent in leadership position scope).

[7] Greenhouse gas emissions from offices and laboratories, tons of CO_2 equivalent per employee per year for Scope 1, 2 and 3 (emissions related to business travels).

FULL YEAR 2020 BUSINESS REVIEW

MARINE & OFFSHORE

IN EUR MILLIONS	2020	2019	CHANGE	ORGANIC	SCOPE	CURRENCY
Revenue	366.7	368.5	(0.5)%	+2.2%	-	(2.7)%
Adjusted operating profit	80.4	81.5	(1.3)%			
Adjusted operating margin	21.9%	22.1%	(19)bps	+55bps	-	(74)bps

The Marine & Offshore business delivered a remarkable 2.2% organic revenue growth in the full year 2020 despite the Covid-19 crisis. The Group continued to deliver “essential services” which ensure business continuity to its clients across the globe. In the fourth quarter, organic revenue was slightly up (up 0.3%). The full year organic performance results mainly from:

- High single-digit growth in New Construction (42% of divisional revenue), notably driven by North East Asia (China and South Korea in particular);
- Low single-digit growth in the Core In-service activity (43% of divisional revenue), a reflection of the fleet’s modest growth and stable level of laid-up ships. Q4 benefited from a favorable timing of inspections, notably for special surveys. The fleet classified by Bureau Veritas continued to grow in 2020 (up 0.5% on a yearly basis) led by all sectors, confirming the Group's operational excellence. At year end, it comprised 11,456 ships, representing 131,8 million of Gross Register Tonnage (GRT).
- High single-digit decline for Services (15% of divisional revenue, including Offshore) as they rely more on discretionary spend and as the Offshore business was penalized by a freeze in orders for FPSOs and drilling vessels in a lower oil price environment. 2020 was however marked by a significant increase in projects in the wind energy sector, both for onshore and offshore wind turbines. The Group continued to extend its portfolio of non-cyclical services.

In 2020, the shipping market experienced a very sharp slowdown, with a 17% drop in worldwide new orders (in GRT) compared to 2019, although the fourth quarter showed a notable recovery (for container ships and the energy market). In that context, Bureau Veritas continued to grow its market share as it was able to capitalize on its leading position in the LNG field by offering its class services for LNG carriers, LNG refueling tankers and ships using LNG as a fuel. New orders totaled 6.1 million gross tons at December 2020 (from 6.5 million gross tons in the prior-year period). The order book, which remains very diversified, stood at 14.1 million gross tons at the end of the year, stable compared to the end 2019.

During the outbreak, Marine & Offshore continued to focus on efficiency levers through digitalization and high added value services. These include new collaborative platform (3D Class, remote and augmented surveyors) and smart ships solutions.

Adjusted operating margin for the year remained virtually unchanged at 21.9% on a reported basis compared to 2019, negatively impacted by FX (74 basis points). Organically, it rose 55 basis points, benefiting from the operating leverage, positive mix and operational excellence.

Sustainability services

Bureau Veritas delivers services to accompany its clients (shipowner, shipyard and charterer clients) by providing its technical expertise through the entire lifecycle of a vessel from design review during the building phase to classification services of low-noise ships powered by cleaner fuels (liquefied natural gas – LNG/liquefied petroleum gas – LPG). It assists its clients in the choice and the assessment of future propulsion technologies in an increasingly demanding context in terms of reducing greenhouse gas emissions. It also performs ship CO_2 emissions verification and performance assessment as well as environmental inspection services (e.g. water ballast management).

In 2020, the Group has strengthened its range of services related to sustainability with, in particular, the mobile version of its Praxis solution (previously available only on the Internet), which enables Hazardous Materials Inventories to be carried out, but also through the setting up of internal working groups to support the development of innovation in the context of the energy transition.

AGRI-FOOD & COMMODITIES

IN EUR MILLIONS	2020	2019	CHANGE	ORGANIC	SCOPE	CURRENCY
Revenue	1,029.6	1,168.2	(11.9)%	(7.4)%	+0.1%	(4.6)%
Adjusted operating profit	125.0	161.4	(22.6)%			
Adjusted operating margin	12.1%	13.8%	(168)bps	(119)bps	(15)bps	(34)bps

The Agri-Food & Commodities business recorded an organic revenue decrease of 7.4% for the full year 2020, with resilient performance for both Agri-Food and Metal & Minerals. Q4 recorded a 6.9% decline.

The **Oil & Petrochemicals** (O&P) segment (34% of divisional revenue) reported a double-digit organic decline. It stems from a slowdown in demand for TIC services in the Group's main markets as a result of lower fuel consumption (notably for Jet / gasoline) and low oil prices. Competition in the O&P Trade market remained strong. By region, above average performance was achieved in Asia and in Europe while the activity was more severely hit in North America, primarily impacted by the closure of some unprofitable locations. Throughout the year, Bureau Veritas continued its diversification, reinforcing its market share in inspections and testing of marine cargo by deepening its geographic footprint and opening new sites. The Group's strategy is also to develop its laboratory testing for lube oil, marine fuel and natural gas, and to manage laboratories outsourced by clients.

The **Metals & Minerals** segment (29% of divisional revenue) demonstrated a resilient organic performance overall, led by a 2.7% growth for the Upstream-related businesses (65% of M&M). Upstream continued to record solid growth across all geographies with growth acceleration in the last quarter for both Americas (notably in Chile) and Asia Pacific regions. Gold continued to be buoyant and drove the bulk of exploration expenditures while other metals (including copper and iron ore) benefited from higher metal prices. New mine onsite lab projects (in Australia, Latin America and West Africa) came on stream or ramped up in 2020. Trade activities declined mid-single-digit organically, dragged down by all geographies apart from Australia (up double-digit organically), as it benefited from market share gains and Chinese stimulus supporting demand for steel and aluminum and driving iron ore exports to China.

Agri-Food (23% of divisional revenue) recorded stable organic performance in the full year (including a slight increase in Q4), with food activities as well as agricultural testing and inspection services remaining critical to the food supply in the context of the pandemic. Double-digit organic growth was achieved in Asia, while Australia delivered low single-digit growth thanks to market share gains. The Agri Upstream business slightly declined as result of the pandemic with reduced volumes for harvest monitoring services (in Latin America and also in Europe due to heavy draught), while the Agricultural inspection activities remained strong in Brazil with exports maintained at high level for soybean, corn and sugar. The Food business delivered a solid growth (including 4.1% in the last quarter) primarily fueled by Asia.

Government services (14% of divisional revenue) reported a double-digit organic decline in the full year (of which a mid-single-digit decline in the last quarter) as a result of the Covid-19 pandemic in some African countries (South Africa, Morocco and DRC notably) and in the Middle East (Saudi Arabia, Iraq). This was partially offset by the ramp-up of Single Window contracts and the VOC (Verification of Conformity) in Morocco, Kenya and Zimbabwe notably.

The adjusted operating margin for the Agri-Food & Commodities business declined to 12.1%, down 119 basis points organically compared to last year due to the revenue decline (in Oil & Petrochemicals essentially) cushioned by strong cost containment measures.

Sustainability services

Bureau Veritas promotes transparency of product origins and quality, while supporting sustainable production. Its services provide a vital contribution to the discovery and safe, efficient extraction and distribution of natural resources to supply global needs. The Group is building transparency and promoting sustainability from farm to fork with its global, end-to-end expertise covering inspection, audit & certification, and testing services. The Group is committed to supporting responsible use of natural resources and animal welfare, as well as ensuring the reliability of complex supply chains, enabling end consumers to make informed decisions. Sustainability services notably include precision farming and crop monitoring solutions, organic food certification, responsible metal sourcing, quality assessment of biofuels for the aerospace, marine and automotive sectors.

INDUSTRY

IN EUR MILLIONS	2020	2019	CHANGE	ORGANIC	SCOPE	CURRENCY
Revenue	965.6	1,111.1	(13.1)%	(6.6)%	(0.4)%	(6.1)%
Adjusted operating profit	108.0	141.4	(23.6)%			
Adjusted operating margin	11.2%	12.7%	(153)bps	(144)bps	+7bps	(16)bps

Industry revenue declined by 6.6% organically in the full year 2020. This performance notably reflects the benefits of the strategy of diversification towards Opex and non-Oil & Gas markets. In Q4, the decline limited to 4.5% with noticeable improvement across all end markets apart Oil & Gas.

Market situations were various in the context of the Covid-19 pandemic. The Power & Utilities segment continued to be a key contributor to growth. Conversely, Oil & Gas activities dragged down the divisional performance as many projects were frozen, although their share of Group revenue has significantly reduced to 6%, of which 3% are Capex-related.

By geography, full year growth was solid in China (fueled by a strong H2 recovery), Australia, and in certain European countries, including Italy while both France and Spain recovered in the last quarter. Latin America delivered a very resilient performance led primarily by Argentina, and Chile thanks to strong commercial development (P&U activities notably). The pressures on the oil industry resulted in significant declines in the US (exposed to drilling) and in the Middle East.

Throughout the year, Opex-related activities (65% of divisional revenue) showed their resiliency with ensuring the continuity of services being "business critical". The growth was fueled by the Power & Utilities segment (14%), for which Opex-related activities grew high single-digit organically (and double-digit in Q4), with the ramp-up of several contracts with various Power distribution clients (in Argentina, Brazil and Chile). The Group is now working to replicate its power field services to utilities with first success in Chile.

In Oil & Gas (30% of divisional revenue), the market conditions remained very difficult: Capex-related activities declined double-digit organically, essentially attributed to Asia (with South Korea impacted by a large contract completion) and the Middle East (with projects being put on hold). The business grew however in China, Latin America (led by Peru) and in South & West Europe notably on gas-related projects. Oil opportunities remain muted while the prospects for gas-related projects are materially better.

Elsewhere, business has been impacted in varying degrees. Critical infrastructure projects have continued to progress. "Non-essential" operational monitoring projects were put on hold during the lockdown period and have gradually restarted since restrictions have been lifted. Solid growth was achieved in the Chemicals sector, while Manufacturing and Transportation were slightly down.

In January 2021, Bureau Veritas and the Alternative Energies and Atomic Energy Commission (CEA), executed the first validation of smart contracts by formal proof for the digital solution with the startup ENGIE TEO (The Energy Origin), reinforcing clients' confidence on the origin of the green energy consumed. In the medium term, the Group will strongly benefit from the growth opportunities related to renewables and alternative energies. In Brazil, for instance, the Group won a contract with NEBRAS Power / Canadian Solar to perform owners engineering services for two of their solar power plants. The European Green Deal will accelerate previously identified trends towards energy transition and targets of carbon neutrality.

Adjusted operating margin for the year was 11.2%, down 153 basis points from 12.7% in 2019. It was attributed to the revenue decline (Q2-centric), the continuing negative mix effect with the strong ramp-up of large Opex contracts and mobilization costs, while mitigated by cost actions and the US disposal.

Sustainability services

Bureau Veritas supports its clients to meet today's energy needs while building a low carbon future. Present all along the value chain, from design, construction to operations, the Group helps to ensure quality and integrity, minimize environmental impact, prevent accidents, and protect people and local communities across all sectors. The Group's numerous fields of expertise and knowledge of innovative technologies enables it to help clients assess their current carbon footprint, identify areas for improvement, and monitor, quantify and limit emissions. Sustainability services notably include ageing assets decommissioning environmental control, onshore & offshore wind lifecycle solutions, carbon footprint and fugitive emissions monitoring, power-to-X & hydrogen assurance.

BUILDINGS & INFRASTRUCTURE

IN EUR MILLIONS	2020	2019	CHANGE	ORGANIC	SCOPE	CURRENCY
Revenue	1,314.1	1,379.2	(4.7)%	(1.7)%	(1.5)%	(1.5)%
Adjusted operating profit	144.7	209.7	(31.0)%			
Adjusted operating margin	11.0%	15.2%	(420)bps	(437)bps	+31bps	(14)bps

Buildings & Infrastructure (B&I) revenue declined by 4.7% in the full year 2020 with a 1.5% negative impact from external growth (reflecting the disposal of the US HSE consulting business in June 2019). Organically, despite the Covid-19 related shutdowns across many of the Group's operations, the business proved to be very robust supported by three growth platforms across different geographies (Europe, Asia Pacific and North America). It resulted in an organic revenue decline of 1.7%. In Q4, organic revenue grew 2.8% confirming the gradual recovery of the activity observed since Q3.

Solid growth was achieved for the Buildings In-service activities (60% of divisional revenue), led by France, the US and China, benefiting in the second half from a catch-up of regulatory driven activities not delivered during H1. Conversely, Construction-related activities (40% of divisional revenue) declined significantly across most countries.

In its largest European market (58% of divisional revenue), the Group recorded low single-digit organic revenue growth primarily led by France (46% of divisional revenue, up mid-single-digit organically). It strongly benefited from the execution of its healthy backlog of Opex-related works (around three-quarters of the French business) and growth in energy efficiency programs services. In the second half, it also reflects a catch-up of regulatory-driven business primary led by HSE. Throughout the year Capex-related works remained under pressure, with many projects being paused. Italy and the Netherlands recorded low single-digit growth fueled by specific projects. In the medium term, the Group expects to benefit from the numerous investment programs in the EU (including the Green deal in France and in other European countries sch as Germany) aiming at supporting the green economy.

In Asia Pacific (22% of divisional revenue), revenue declined high single-digit organically, dragged down by the Q1 lockdown in China (with a decline of 46.6%) which led to a full year decline of 6.6% mitigated by improving trends since Q2. Looking forward, Bureau Veritas expects to continue benefiting from the Chinese government's support to the domestic economy through long term infrastructure spending. In Japan, the activity suffered from weak Capex trends in the Covid-19 context despite resilient Opex-related activities.

In the Americas (17% of divisional revenue), a mid-single-digit organic decline was recorded primarily due to Latin America (down double-digit, led by Colombia and Mexico despite resilient performances elsewhere), while the United States (negative 4.5% organic growth) showed good resilience (including return to growth in Q4) as it continued to benefit from strong dynamics in data center commissioning services (up 14.4%), offsetting some weaker markets disturbed by the Covid-19. Since Q2, the Group's clients accelerated data center commissioning requirements to support the increase in homebased working.

The new mobility, in particular electrical vehicles, have created a new area for sustainability services, which is currently growing rapidly. In Q4 2020, the Group launched a full range of services dedicated to Electrical Vehicle Charging Stations, which bring value to owners and operators in terms of quality, safety, security and performance from the design phase and permitting stages to the testing & operation stage. Several contracts were won during the year across many countries (US, UK and France).

Adjusted operating margin for the year declined by 420 basis points to 11.0%, due to revenue decline, in China in Q1 and elsewhere in Q2 (related to the lockdown measures), significant negative mix effects and limited resources adjustments during H1 given the healthy backlog.

Sustainability services

Bureau Veritas helps its clients to ensure that assets are sustainable, sound, efficient, safe and built to last. The Sustainability services developed by Bureau Veritas address the whole value chain: from preliminary studies (environmental impact assessment), through construction (green construction site monitoring, Health and safety coordination at construction), until operations (environmental performance and carbon footprint monitoring). The Group is providing Consulting services for the most widespread Green building labels and schemes (LEED, BREEAM, HQE). It is also present, through its expert network, in all fields related to the environment: air pollution, noise, waste water, solid waste, biodiversity, social impact.

CERTIFICATION

IN EUR MILLIONS	2020	2019	CHANGE	ORGANIC	SCOPE	CURRENCY
Revenue	339.6	370.5	(8.3)%	(6.2)%	+0.3%	(2.4)%
Adjusted operating profit	53.7	64.5	(16.7)%			
Adjusted operating margin	15.8%	17.4%	(161)bps	(132)bps	-	(29)bps

Certification activity recorded an organic decline of 6.2% in the full year 2020, with a strong pick up in the second half (up 9.0% including 10.7% in the fourth quarter), partly offsetting the severe decline experienced in the first half (down 21.9%) due to the Covid-19 outbreak impact.

First half was heavily impacted by the lockdown measures and travel restrictions imposed in many countries which led to many audits' postponements and class-room training cancellations. Thanks to the implementation of remote audits and virtual training, the Group has been able to limit the impact of the Covid-19 crisis. Remote audits represented on average 15% of the audits delivered during the year (with a peak to 33% in March and April 2020).

Activity levels strongly recovered in the second half as they mainly benefited from a catch-up of H1 postponed audits (notably for QHSE, Food and Transportation schemes) and also from the success of new services developed including "Restart Your Business with BV". In the second quarter, the Group has developed a "BioSafety" Management System and a "Safeguard" Label to demonstrate that the companies have defined the processes to manage biohazard risks and implemented the measures to protect their clients and employees. Many contracts were signed with clients across different sectors, including hospitality and restaurants, airlines, banks, shopping centers or the public sector. This suite of solutions saw a strong momentum since Q2.

In 2020, most geographies experienced negative organic trends with few exceptions (Argentina, Canada, Vietnam and Australia). Europe performed above the divisional average (led by the Nordics and Southern Europe) while Americas and Africa were below. In the last quarter, most countries delivered growth with double-digit growth experienced in Latin America (led by Argentina, Brazil and Columbia), Canada, Australia and most Asian countries (of which Japan) as well as European countries (including Germany).

Within the Group's portfolio, Supplier audits were severely hit due to postponements from clients as audits were postponed and certificates validity was delayed. Training services were the most severely impacted with the cancellation of face-to-face training sessions, replaced in some cases by virtual training. Double-digit organic growth was achieved in Client Operations Audits and Organic Food certification while Food Safety, Automotive & Railways, Sustainability & CSR services, Wood management and Service certification showed strong resilience (fueled by a stellar recovery in the fourth quarter). The Group's portfolio diversification continued with new products development stable in the full year 2020 compared to the prior year. The Group's new offerings in the digital field include Information security and Data protection linked to the European GDPR and the ISO 27701:2019 standard on privacy information management.

Adjusted operating margin for the full year declined to 15.8%. This reflects a 132 basis points organic decrease led by negative growth and mix (solely in H1) cushioned by both a flexible cost base and a strong H2 recovery (with very healthy margin reaching 21.6%).

Sustainability services

Bureau Veritas helps companies verify their energy efficiency, carbon and environmental footprint, greenhouse gas emissions, social responsibility commitments and sustainability reports. To demonstrate companies' contribution to the fight against climate change, Bureau Veritas offers Certification services for renewable and bio energy and Energy Management Systems and verifies the greenhouse gas emissions to demonstrate the companies' carbon footprint, carbon offsetting and Net Zero Emissions target achievement. To support companies' responsible supply chain, the Group has a large portfolio of services for responsible sourcing in food and seafood, forestry and wood, metals and minerals, pharmaceuticals and biomaterials. Bureau Veritas has also developed responsible production services for raw materials, water and waste management, to help companies evolve toward a Circular Economy model. Sustainability services notably include supplier audits and risk mapping analysis, responsible sourcing assessment (biofuel, agri-food, forestry, metals, minerals, etc.), environmental & energy management systems certification, social accountability audits, assurance of CSR & sustainability reporting.

CONSUMER PRODUCTS

IN EUR MILLIONS	2020	2019	CHANGE	ORGANIC	SCOPE	CURRENCY
Revenue	585.4	702.2	(16.6)%	(15.0)%	+0.1%	(1.7)%
Adjusted operating profit	103.2	173.0	(40.3)%			
Adjusted operating margin	17.6%	24.6%	(701)bps	(685)bps	+2bps	(18)bps

The Consumer Products business was the most affected business within the Group's portfolio as the result of the Covid-19 crisis and the associated general lockdowns observed in multiple countries, starting in China in Q1 2020. It recorded organic revenue down by 15.0% in the full year 2020, strongly impacted in the first half (down 20.8%) while improving in the second half (down 9.6%). Q4 organic revenue declined by 8.1% and confirmed the gradual improvement seen in Q3, with better trends for Electrical & Electronics notably.

By geography, robust growth was achieved in South East Asia (led by Vietnam, Cambodia, Indonesia and Thailand essentially) and strong in Middle East & Africa. Conversely, activity levels remained weak in China, Europe and the US.

Softlines (33% of divisional revenue) performed below the divisional average, dragged down by most geographies apart some countries in South East Asia. Activity levels were impacted by the disruption caused by the lockdown measures in China in Q1 and elsewhere in Q2, notably in South Asia and South East Asia while it saw some improvement towards the end of the year. The activity in China continued to suffer from difficult trading conditions with large US retailers, and the effects of further bankruptcies.

In the long run, the Group expects to continue to benefit from an accelerated sourcing shift out of China as well as solid momentum in South and South East Asia and from new geographies (including Latin America). In February 2021, the Group signed the acquisition of a Chinese softlines testing business focusing on domestic brands and e-shops. This supports its aim to accelerate its development in the Chinese market.

Hardlines (12% of divisional revenue) performed below the divisional average, with a mixed performance by region: strong growth in South Asia and South East Asia (fueled by Vietnam and India) benefiting from the sourcing shift out of China for small apparels and do-it-yourself products, and very weak trends in China and in the US due to a reduced level of new product launches. Toys (7% of divisional revenue) remained under pressure owing to reduced activity amongst key clients. Conversely, inspection and Audit services (13% of divisional revenue) proved to be very resilient with solid growth in Asia notably, benefiting from increased demand for social and safety inspection and audit services to ensure supply chain compliance with regulations in force, but also the commitments made by brands in terms of social and environmental responsibility.

Lastly, **Electrical & Electronics** (35% of divisional revenue, E&E) performed better than the divisional average, with more resilient performance in Mobile testing (wireless technologies / Internet of Things (IoT) products) while very challenging in Automotive (reliability testing and homologation services), dragged down by China. Growth was achieved in South Korea and Latin America while it was significantly negative in the US, China and in Europe. In Asia, 5G-related products/infrastructures showed good momentum with the Group's Asian test platforms (South Korea and Taiwan in particular) fully operational since the first half of 2020 and supplemented by capacities in the US in H2. In 2021, Bureau Veritas will continue to invest in 5G technology test equipment to take full advantage of this development opportunity.

Adjusted operating margin for the full year strongly decreased to 17.6% (down 701 basis points) attributed to the effect of high revenue decline and limited cost adjustment in Q1 mitigated by restructuring measures from Q2 2020. H2 margin strongly recovered to 25.2% (up 56 basis points) led by several cost reduction actions.

Sustainability services

Bureau Veritas helps its clients to provide high quality, safe, sustainable and compliant products (toys, softlines, hardlines), connected devices and electrical & electronics products. The Group helps both online and traditional retailers, as well as brands, to manage their risks all along the supply chain, and to validate and improve product performance. The Group offers various services to its clients, such as assistance in managing chemical waste throughout their supply chain. It also supports its clients by offering product life cycle analyses and eco-design. To this end, the Group issues the "Footprint Progress" certification label to distinguish eco-designed products. Sustainability services notably include social and ethical audits of supply chains, supply chain quality improvement program, regulatory compliance and verification of product performance.

PRESENTATION

- Full year 2020 results will be presented on Thursday, February 25, 2021, at 3:00 p.m. (Paris time)
- A video conference will be webcast live. Please connect to: Link to video conference
- The presentation slides will be available on: https://group.bureauveritas.com
- All supporting documents will be available on the website
- Live dial-in numbers:

  - France: +33 (0)1 70 37 71 66

  - UK: +44 (0)33 0551 0200

  - US: +1 212 999 6659

  - International: +44 (0)33 0551 0200

  - Password: Bureau Veritas

2021 FINANCIAL CALENDAR

- Q1 2021 revenue: April 22, 2021
- Shareholders' Meeting: June 25, 2021
- H1 2021 Results: July 28, 2021
- Q3 2021 revenue: October 26, 2021
- Digital Investor Day: Q4 2021

About Bureau Veritas

Bureau Veritas is a world leader in laboratory testing, inspection and certification services. Created in 1828, the Group has 75,000 employees located in more than 1,600 offices and laboratories around the globe. Bureau Veritas helps its clients improve their performance by offering services and innovative solutions in order to ensure that their assets, products, infrastructure and processes meet standards and regulations in terms of quality, health and safety, environmental protection and social responsibility.
Bureau Veritas is listed on Euronext Paris and belongs to the Next 20 index.
Compartment A, ISIN code FR 0006174348, stock symbol: BVI.
For more information, visit www.bureauveritas.com, and follow us on Twitter (@bureauveritas) and LinkedIn.

Our information is certified with blockchain technology.
Check that this press release is genuine at www.wiztrust.com.

ANALYST/INVESTOR CONTACTS

Laurent Brunelle
+33 (0)1 55 24 76 09
laurent.brunelle@bureauveritas.com

Florent Chaix
+33 (0)1 55 24 77 80
florent.chaix@bureauveritas.com

MEDIA CONTACTS

Véronique Gielec
+33 (0)1 55 24 76 01
veronique.gielec@bureauveritas.com

DGM Conseil
+33 (0)1 40 70 11 89
thomasdeclimens@dgm-conseil.fr
quentin.hua@dgm-conseil.fr

APPENDIX 1: Q4 AND FULL YEAR 2020 REVENUE BY BUSINESS

IN EUR MILLIONS	Q4 / FY 2020	Q4 / FY 2019	CHANGE	ORGANIC	SCOPE	CURRENCY
Marine & Offshore	92.4	96.2	(4.0)%	+0.3%	-	(4.3)%
Agri-Food & Commodities	260.0	300.6	(13.5)%	(6.9)%	-	(6.6)%
Industry	256.9	295.3	(13.0)%	(4.5)%	(0.9)%	(7.6)%
Buildings & Infrastructure	375.1	377.0	(0.5)%	+2.8%	(0.7)%	(2.6)%
Certification	109.1	102.4	+6.5%	+10.7%	-	(4.2)%
Consumer Products	158.7	180.9	(12.3)%	(8.1)%	+0.1%	(4.3)%
Total Q4 revenue	**1,252.2**	**1,352.4**	**(7.4)%**	**(2.0)%**	**(0.4)%**	**(5.0)%**
Marine & Offshore	366.7	368.5	(0.5)%	+2.2%	-	(2.7)%
Agri-Food & Commodities	1,029.6	1,168.2	(11.9)%	(7.4)%	+0.1%	(4.6)%
Industry	965.6	1,111.1	(13.1)%	(6.6)%	(0.4)%	(6.1)%
Buildings & Infrastructure	1,314.1	1,379.2	(4.7)%	(1.7)%	(1.5)%	(1.5)%
Certification	339.6	370.5	(8.3)%	(6.2)%	+0.3%	(2.4)%
Consumer Products	585.4	702.2	(16.6)%	(15.0)%	+0.1%	(1.7)%
Total Full Year revenue	**4,601.0**	**5,099.7**	**(9.8)%**	**(6.0)%**	**(0.4)%**	**(3.4)%**

APPENDIX 2: 2020 REVENUE BY QUARTER

	2020 REVENUE BY QUARTER			
IN EUR MILLIONS	Q1	Q2	Q3	Q4
Marine & Offshore	94.4	90.6	89.3	92.4
Agri-Food & Commodities	272.7	244.4	252.5	260.0
Industry	253.3	220.3	235.1	256.9
Buildings & Infrastructure	318.2	293.2	327.6	375.1
Certification	76.6	65.4	88.5	109.1
Consumer Products	124.3	147.1	155.3	158.7
Total revenue	**1,139.5**	**1,061.0**	**1,148.3**	**1,252.2**

APPENDIX 3: ADJUSTED OPERATING PROFIT AND MARGIN BY BUSINESS

	ADJUSTED OPERATING PROFIT			ADJUSTED OPERATING MARGIN		
IN EUR MILLIONS	2020	2019	CHANGE (%)	2020	2019	CHANGE (BASIS POINTS)
Marine & Offshore	80.4	81.5	(1.3)%	21.9%	22.1%	(19)
Agri-Food & Commodities	125.0	161.4	(22.6)%	12.1%	13.8%	(168)
Industry	108.0	141.4	(23.6)%	11.2%	12.7%	(153)
Buildings & Infrastructure	144.7	209.7	(31.0)%	11.0%	15.2%	(420)
Certification	53.7	64.5	(16.7)%	15.8%	17.4%	(161)
Consumer Products	103.2	173.0	(40.3)%	17.6%	24.6%	(701)
Total Group	**615.0**	**831.5**	**(26.0)%**	**13.4%**	**16.3%**	**(294)**

APPENDIX 4: EXTRACTS FROM THE FULL YEAR CONSOLIDATED FINANCIAL STATEMENTS

Extracts from the full year consolidated financial statements audited and approved on February 24, 2021 by the Board of Directors. The audit procedures for the full year accounts have been undertaken and the Statutory Auditors' report has been published.

CONSOLIDATED INCOME SATEMENT

IN EUR MILLIONS	2020	2019
Revenue	**4,601.0**	**5,099.7**
Purchases and external charges	(1,350.3)	(1,438.3)
Personnel costs	(2,343.5)	(2,596.8)
Taxes other than on income	(45.0)	(45.8)
Net (additions to)/reversals of provisions	(72.5)	(9.2)
Depreciation and amortization	(362.9)	(305.3)
Other operating income and expense, net	(19.4)	17.0
Operating profit	**407.4**	**721.3**
Share of profit of equity-accounted companies	0.1	0.6
Operating profit after share of profit of equity-accounted companies	**407.5**	**721.9**
Income from cash and cash equivalents	7.1	2.1
Finance costs, gross	(115.3)	(102.3)
Finance costs, net	(108.2)	(100.2)
Other financial income and expense, net	(29.6)	(18.4)
Net financial expense	**(137.8)**	**(118.6)**
Profit before income tax	**269.7**	**603.3**
Income tax expense	(130.8)	(210.7)
Net income (loss) from continuing operations	-	-
Net income (loss) from discontinued operations	-	-
Net profit	**138.9**	**392.6**
Non-controlling interests	13.6	24.7
Attributable net profit	**125.3**	**367.9**
Earnings per share (in euros):		
Basic earnings per share	0.28	0.83
Diluted earnings per share	0.28	0.83

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

IN EUR MILLIONS	DEC. 31, 2020	DEC. 31, 2019
Goodwill	1,942.9	2,075.1
Intangible assets	427.3	611.1
Property, plant and equipment	348.8	444.9
Right-of-use assets	375.7	369.0
Non-current financial assets	105.7	118.3
Deferred income tax assets	136.6	132.1
Total non-current assets	**3,337.0**	**3,750.5**
Trade and other receivables	1,332.7	1,520.0
Contract assets	232.1	226.0
Current income tax assets	46.1	47.0
Derivative financial instruments	6.7	4.4
Other current financial assets	17.0	23.4
Cash and cash equivalents	1,594.5	1,477.8
Total current assets	**3,229.1**	**3,298.6**
Assets held for sale	-	-
TOTAL ASSETS	**6,566.1**	**7,049.1**

Share capital	54.2	54.2
Retained earnings and other reserves	1,183.8	1,209.6
Equity attributable to owners of the Company	1,238.0	1,263.8
Non-controlling interests	47.7	58.3
Total equity	**1,285.7**	**1,322.1**
Non-current borrowings and financial debt	2,376.2	2,918.5
Non-current lease liabilities	320.4	326.0
Derivative financial instruments	-	-
Other non-current financial liabilities	91.4	115.7
Deferred income tax liabilities	84.4	122.9
Pension plans and other long-term employee benefits	197.7	192.8
Provisions for other liabilities and charges	92.5	72.2
Total non-current liabilities	**3,162.6**	**3,748.1**
Trade and other payables	1,089.6	1,098.6
Contract liabilities	194.9	197.2
Current income tax liabilities	125.8	137.4
Current borrowings and financial debt	550.5	369.0
Current lease liabilities	99.3	92.6
Derivative financial instruments	3.6	4.9
Other current financial liabilities	54.1	79.2
Total current liabilities	**2,117.8**	**1,978.9**
Liabilities held for sale	-	-
TOTAL EQUITY AND LIABILITIES	**6,566.1**	**7,049.1**

CONSOLIDATED STATEMENT OF CASH FLOWS

IN EUR MILLIONS	2020	2019
Profit before income tax	**269.7**	**603.3**
Elimination of cash flows from financing and investing activities	140.1	134.9
Provisions and other non-cash items	48.7	(13.4)
Depreciation, amortization and impairment	362.9	305.2
Movements in working capital requirement attributable to operations	149.0	(17.2)
Income tax paid	(161.3)	(192.4)
Net cash generated from operating activities	**809.1**	**820.4**
Acquisitions of subsidiaries	(20.8)	(69.9)
Proceeds from sales of subsidiaries and businesses	4.5	7.9
Purchases of property, plant and equipment and intangible assets	(98.4)	(127.9)
Proceeds from sales of property, plant and equipment and intangible assets	10.1	5.2
Purchases of non-current financial assets	(25.2)	(18.3)
Proceeds from sales of non-current financial assets	29.5	12.8
Change in loans and advances granted	2.7	(5.3)
Dividends received from equity-accounted companies	0.1	1.3
Net cash used in investing activities	**(97.5)**	**(194.2)**
Capital increase	2.7	3.1
Purchases/sales of treasury shares	8.8	14.5
Dividends paid	(31.8)	(97.3)
Increase in borrowings and other debt	790.5	719.9
Repayment of borrowings and other debt	(1,123.5)	(608.5)
Repayment of amounts owed to shareholders	(1.7)	(36.5)
Repayment of lease liabilities and interest	(119.1)	(109.0)
Interest paid	(86.6)	(79.8)
Net cash generated from (used in) financing activities	**(560.7)**	**(193.6)**
Impact of currency translation differences	(29.6)	(1.5)
Impact of changes in accounting method	-	-
Net increase (decrease) in cash and cash equivalents	**121.3**	**431.1**
Net cash and cash equivalents at beginning of the period	1,465.7	1,034.6
Net cash and cash equivalents at end of the period	**1,587.0**	**1,465.7**
o/w cash and cash equivalents	1,594.5	1,477.8
o/w bank overdrafts	(7.5)	(12.1)

APPENDIX 5: DETAILED NET FINANCIAL EXPENSE

NET FINANCIAL EXPENSE

IN EUR MILLIONS	2020	2019
Finance costs, net	**(108.2)**	**(100.2)**
Foreign exchange gains/(losses)	(22.2)	(10.0)
Interest cost on pension plans	(2.9)	(4.4)
Other	(4.5)	(4.0)
Net financial expense	**(137.8)**	**(118.6)**

APPENDIX 6: ALTERNATIVE PERFORMANCE INDICATORS

ADJUSTED OPERATING PROFIT

IN EUR MILLIONS	2020	2019
Operating profit	**407.4**	**721.3**
Amortization of intangible assets resulting from acquisitions	132.8	79.8
Impairment and retirement of non-current assets	34.6	-
Restructuring costs	26.5	24.4
Acquisitions and disposals	13.7	6.0
Impairment of goodwill	-	-
Total adjustment items	207.6	110.2
Adjusted operating profit	**615.0**	**831.5**

CHANGE IN ADJUSTED OPERATING PROFIT

IN EUR MILLIONS	
2019 adjusted operating profit	**831.5**
Organic change	(182.2)
Organic adjusted operating profit	**649.3**
Scope	(0.3)
Adjusted operating profit at constant currency	**649.0**
Currency	(34.0)
2020 adjusted operating profit	**615.0**

ADJUSTED EFFECTIVE TAX RATE

IN EUR MILLIONS	2020	2019
Profit before income tax	269.7	603.3
Income tax expense	(130.8)	(210.7)
ETR[(a)]	48.5%	34.9%
Adjusted ETR	**36.6%**	**33.1%**

(a) Effective tax rate (ETR) = Income tax expense / Profit before income tax

ATTRIBUTABLE NET PROFIT

IN EUR MILLIONS	2020	2019
Attributable net profit	125.3	367.9
EPS[(a)] (€ per share)	*0.28*	*0.83*
Adjustment items	207.6	110.2
Net profit (loss) from operations to be sold	-	-
Tax impact on adjustment items	(43.8)	(25.4)
Non-controlling interest on adjustment items	(3.9)	(1.7)
Adjusted attributable net profit	**285.2**	**451.0**
Adjusted EPS[(a)] (€ per share)	*0.64*	*1.02*

(a) Calculated using the weighted average number of shares: 448,616,542 in 2020 and 442,259,428 in 2019

CHANGE IN ADJUSTED ATTRIBUTABLE NET PROFIT

IN EUR MILLIONS	
2019 adjusted attributable net profit	**451.0**
Organic change and scope	(142.7)
Adjusted attributable net profit at constant currency	**308.3**
Currency	(23.1)
2020 adjusted attributable net profit	**285.2**

FREE CASH FLOW

IN EUR MILLIONS	2020	2019
Net cash generated from operating activities (operating cash flow)	809.1	820.4
Net purchases of property, plant and equipment and intangible assets	(88.3)	(122.7)
Interest paid	(86.6)	(79.8)
Free cash flow	**634.2**	**617.9**

CHANGE IN NET CASH GENERATED FROM OPERATING ACTIVITIES

IN EUR MILLIONS	
Net cash generated from operating activities at December 31, 2019	**820.4**
Organic change	+19.0
Organic net cash generated from operating activities	**839.4**
Scope	+2.2
Net cash generated from operating activities at constant currency	**841.6**
Currency	(32.5)
Net cash generated from operating activities at December 31, 2020	**809.1**

ADJUSTED NET FINANCIAL DEBT

IN EUR MILLIONS	DEC. 31, 2020	DEC. 31, 2019
Gross financial debt	2,926.7	3,287.5
Cash and cash equivalents	1,594.5	1,477.8
Consolidated net financial debt	**1,332.2**	**1,809.7**
Currency hedging instruments	(3.1)	3.6
Adjusted net financial debt	**1,329.1**	**1,813.3**

APPENDIX 7: DEFINITION OF ALTERNATIVE PERFORMANCE INDICATORS AND RECONCILIATION WITH IFRS

The management process used by Bureau Veritas is based on a series of alternative performance indicators, as presented below. These indicators were defined for the purposes of preparing the Group's budgets and internal and external reporting. Bureau Veritas considers that these indicators provide additional useful information to financial statement users, enabling them to better understand the Group's performance, especially its operating performance. Some of these indicators represent benchmarks in the testing, inspection and certification ("TIC") business and are commonly used and tracked by the financial community. These alternative performance indicators should be seen as a complement to IFRS-compliant indicators and the resulting changes.

GROWTH

Total revenue growth

The total revenue growth percentage measures changes in consolidated revenue between the previous year and the current year. Total revenue growth has three components:

- organic growth;
- impact of changes in the scope of consolidation (scope effect);
- impact of changes in exchange rates (currency effect).

Organic growth

The Group internally monitors and publishes “organic” revenue growth, which it considers to be more representative of the Group’s operating performance in each of its business sectors.

The main measure used to manage and track consolidated revenue growth is like-for-like, or organic growth. Determining organic growth enables the Group to monitor trends in its business excluding the impact of currency fluctuations, which are outside of Bureau Veritas’ control, as well as scope effects, which concern new businesses or businesses that no longer form part of the business portfolio. Organic growth is used to monitor the Group’s performance internally.

Bureau Veritas considers that organic growth provides management and investors with a more comprehensive understanding of its underlying operating performance and current business trends, excluding the impact of acquisitions, divestments (outright divestments as well as the unplanned suspension of operations – in the event of international sanctions, for example) and changes in exchange rates for businesses exposed to foreign exchange volatility, which can mask underlying trends.

The Group also considers that separately presenting organic revenue generated by its businesses provides management and investors with useful information on trends in its industrial businesses, and enables a more direct comparison with other companies in its industry.

Organic revenue growth represents the percentage of revenue growth, presented at Group level and for each business, based on constant scope of consolidation and exchange rates over comparable periods:

- constant scope of consolidation: data are restated for the impact of changes in the scope of consolidation over a 12-month period;
- constant exchange rates: data for the current year are restated using exchange rates for the previous year.

Scope effect

To establish a meaningful comparison between reporting periods, the impact of changes in the scope of consolidation is determined:

- for acquisitions carried out in the current year: by deducting from revenue for the current year revenue generated by the acquired businesses in the current year;
- for acquisitions carried out in the previous year: by deducting from revenue for the current year revenue generated by the acquired businesses in the months in the previous year in which they were not consolidated;
- for disposals and divestments carried out in the current year: by deducting from revenue for the previous year revenue generated by the disposed and divested businesses in the previous year in the months of the current year in which they were not part of the Group;
- for disposals and divestments carried out in the previous year, by deducting from revenue for the previous year revenue generated by the disposed and divested businesses in the previous year prior to their disposal/divestment.

Currency effect

The currency effect is calculated by translating revenue for the current year at the exchange rates for the previous year.

ADJUSTED OPERATING PROFIT AND ADJUSTED OPERATING MARGIN

Adjusted operating profit and adjusted operating margin are key indicators used to measure the performance of the business, excluding material items that cannot be considered inherent to the Group’s underlying intrinsic performance owing to their nature. Bureau Veritas considers that these indicators, presented at Group level and for each business, are more representative of the operating performance in its industry.

Adjusted operating profit

Adjusted operating profit represents operating profit prior to adjustments for the following:

- amortization of intangible assets resulting from acquisitions;
- impairment of goodwill;
- impairment and retirement of non-current assets;
- gains and losses on disposals of businesses and other income and expenses relating to acquisitions (fees and costs on acquisitions of businesses, contingent consideration on acquisitions of businesses);
- restructuring costs.

When an acquisition is carried out during the financial year, the amortization of the related intangible assets is calculated on a time proportion basis.

Since a measurement period of 12 months is allowed for determining the fair value of acquired assets and liabilities, amortization of intangible assets in the year of acquisition may, in some cases, be based on a temporary measurement and be subject to minor adjustments in the subsequent reporting period, once the definitive value of the intangible assets is known.

Organic adjusted operating profit represents operating profit adjusted for scope and currency effects over comparable periods:

- at constant scope of consolidation: data are restated based on a 12-month period;
- at constant exchange rates: data for the current year are restated using exchange rates for the previous year.

The scope and currency effects are calculated using a similar approach to that used for revenue for each component of operating profit and adjusted operating profit.

Adjusted operating margin

Adjusted operating margin expressed as a percentage represents adjusted operating profit divided by revenue. Adjusted operating margin can be presented on an organic basis or at constant exchange rates, thereby, in the latter case, providing a view of the Group's performance excluding the impact of currency fluctuations, which are outside of Bureau Veritas' control.

ADJUSTED EFFECTIVE TAX RATE

The effective tax rate (ETR) represents income tax expense divided by the amount of pre-tax profit.

The adjusted effective tax rate (adjusted ETR) represents income tax expense adjusted for the tax effect on adjustment items divided by pre-tax profit before taking into account the adjustment items (see adjusted operating profit definition).

ADJUSTED NET PROFIT

Adjusted attributable net profit

Adjusted attributable net profit is defined as attributable net profit adjusted for adjustment items (see adjusted operating profit definition) and for the tax effect on adjustment items. Adjusted attributable net profit excludes non-controlling interests in adjustment items and only concerns continuing operations.

Adjusted attributable net profit can be presented at constant exchange rates, thereby providing a view of the Group's performance excluding the impact of currency fluctuations, which are outside of Bureau Veritas' control. The currency effect is calculated by translating the various income statement items for the current year at the exchange rates for the previous year.

Adjusted attributable net profit per share

Adjusted attributable net profit per share (adjusted EPS or earnings per share) is defined as adjusted attributable net profit divided by the weighted average number of shares in the period.

FREE CASH FLOW

Free cash flow represents net cash generated from operating activities (operating cash flow), adjusted for the following items:

- purchases of property, plant and equipment and intangible assets;
- proceeds from disposals of property, plant and equipment and intangible assets;
- interest paid.

Net cash generated from operating activities is shown after income tax paid.

Organic free cash flow represents free cash flow at constant scope and exchange rates over comparable periods:

- at constant scope of consolidation: data are restated based on a 12-month period;
- at constant exchange rates: data for the current year are restated using exchange rates for the previous year.

The scope and currency effects are calculated using a similar approach to that used for revenue for each component of net cash generated from operating activities and free cash flow.

FINANCIAL DEBT

Gross debt

Gross debt (or gross finance costs/financial debt) represents bank loans and borrowings plus bank overdrafts.

Net debt

Net debt (or net finance costs/financial debt) as defined and used by the Group represents gross debt less cash and cash equivalents. Cash and cash equivalents comprise marketable securities and similar receivables as well as cash at bank and on hand.

Adjusted net debt

Adjusted net debt (or adjusted net finance costs/financial debt) as defined and used by the Group represents net debt taking into account currency and interest rate hedging instruments.

CONSOLIDATED EBITDA

Consolidated EBITDA represents net profit before interest, tax, depreciation, amortization and provisions, adjusted for any entities acquired over the last 12 months. Consolidated EBITDA is used by the Group to track its bank covenants.