PRESS RELEASE

Neuilly-sur-Seine, France – July 28, 2021

Excellent H1 2021 operating and financial performance; 2021 Full Year outlook upgraded

H1 2021 Key figures[1]

- Revenue of EUR 2,418.4 million in the first half of 2021, up 14.3% organically (of which 22.5% in the second quarter) and up 9.9% year on year
- Adjusted operating profit of EUR 378.2 million, with a margin of 15.6%, an increase of 583 basis points versus the prior year, benefiting from operational leverage and cost efficiencies
- Operating profit of EUR 346.1 million versus EUR 59.6 million in H1 2020
- Attributable net profit of EUR 196.9 million versus a loss of EUR 34.1 million in H1 2020
- Adjusted net profit of EUR 214.7 million (EUR 0.48 per share) versus EUR 87.4 million (EUR 0.19 per share) in H1 2020
- Free cash flow of EUR 228.9 million (9.5% of Group revenue), led by a disciplined capex policy (2.2% of Group revenue), despite a working capital requirement increase (7.6% of Group revenue, up 50 basis points year on year) driven by very strong revenue growth
- Adjusted net debt/EBITDA ratio further reduced to 1.30x as of June 30, 2021 versus 2.00x last year

H1 2021 Highlights

- Strong performance of the Group's portfolio of activities, helped by the comparables, with organic revenue growth across the six businesses. Organic revenue up 4.1% versus 2019
- Accelerated momentum for Sustainability and ESG-related solutions across the entire portfolio
- Acquisitions of bolt-on companies in strategic areas (renewables, sustainability certification, cybersecurity and consumer in China) for total revenue of around EUR 25.0 million
- Solid financial position with EUR 1.27 billion of available cash and cash equivalents at the end of June

2021 Outlook Upgraded

Based on the excellent half-year performance, considering tough comparables in the second half, and assuming no severe lockdowns in its main countries of operation due to Covid-19, Bureau Veritas now expects for the full year 2021 to:

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

Didier Michaud-Daniel, Chief Executive Officer, commented:

"The strong half-year growth in margins and cash illustrates an excellent operating and financial performance across the whole of the Group's portfolio. This reflects the benefit of the deep transformation since 2015 that has led Bureau Veritas to become a more diverse, resilient, agile and client-centric company. Our 14.3% organic revenue growth was fueled by improving end markets, accelerated momentum for sustainability-driven services and a strong focus on sales performance across the organization.

In the first half, we continued to see a rising demand towards quality, safety, traceability and environmental stewardship which perfectly positions us for a new step forward in our development. Through our BV Green Line of services and solutions dedicated to sustainability, we are uniquely positioned to help our clients across multiple sectors to implement, measure and monitor their ESG commitments in a more transparent, credible, and data-driven way than self-declaration. We also have the expertise to support them with their energy transition, encouraged notably by large-scale government investment programs around the world.

We now expect strong growth for 2021, and upgrade our full year outlook accordingly."

[1] Alternative performance indicators are presented, defined and reconciled with IFRS in appendices 6 and 8 of this press release.

H1 2021 KEY FIGURES

The Board of Directors of Bureau Veritas met on July 27, 2021 and approved the financial statements for the first half of 2021 (H1 2021). The main consolidated financial items are:

IN EUR MILLIONS	H1 2021	H1 2020	CHANGE	CONSTANT CURRENCY
Revenue	2,418.4	2,200.5	+9.9%	+14.2%
Adjusted operating profit[(a)]	**378.2**	**215.8**	**+75.3%**	**+84.6%**
Adjusted operating margin[(a)]	**15.6%**	**9.8%**	**+583bps**	**+606bps**
Operating profit	346.1	59.6	+480.7%	+514.3%
Adjusted net profit[(a)]	214.7	87.4	+145.7%	+160.4%
Attributable net profit (loss)	196.9	(34.1)	n.m.	n.m.
Adjusted EPS[(a)]	**0.48**	**0.19**	**+152.6%**	**+166.3%**
EPS	0.44	(0.08)	n.m.	n.m.
Operating cash flow	328.9	364.3	(9.7)%	(7.2)%
Free cash flow[(a)]	**228.9**	**269.6**	**(15.1)%**	**(12.3)%**
Adjusted net financial debt[(a)]	1,165.4	1,616.9	(27.9)%	

(a) Alternative performance indicators are presented, defined and reconciled with IFRS in appendices 6 and 8 of this press release

H1 2021 HIGHLIGHTS

Strong organic revenue growth in the first half, driven by the rebound in the second quarter

Revenue in the first half of 2021 increased by 14.3% organically, of which 22.5% in the second quarter, benefiting from improving end markets across most businesses and the return to a more normal operating environment compared to H1 2020.

This is reflected as follows by business:

- more than half of the portfolio (including Certification, Consumer Products and Buildings & Infrastructure) strongly recovered, up 23.2% organically on average. Certification was the best performing activity, up 38.6% in H1 (including 58.5% growth in Q2) benefiting from both catch-up of audits and strong momentum on CSR-related services. Consumer Products strongly returned to growth (up 23.4% in H1, with a 27.3% increase in Q2) fueled by Asia, the resumption of product launches, and helped by favorable comparables. B&I outperformed the Group average with an increase of 19.5% in the first half of the year as it benefited from strong momentum across its three platforms (Americas, Asia and Europe);
- a fifth of the portfolio (Industry) delivered 9.5% organic revenue growth in the first half (including a 20.8% rebound in the second quarter) with strong business activity for the Power & Utilities segment in particular, including renewables, and stabilizing trends for Oil & Gas markets;
- less than a third of the portfolio (Agri-Food & Commodities and Marine & Offshore) grew at 4.4% organically on average. Marine & Offshore was primarily fueled by strong activity levels in the Core In-service activity which benefited from a favorable timing of inspections. In Agri-Food & Commodities, the growth was supported by very favorable market conditions in Metals & Minerals (up 15.5% organically), alongside Government services and Agri-Food, both up high single-digit organically. However, the Oil & Petrochemicals segment continued to suffer from the lower demand for oil and oil products.

Resumption of disciplined bolt-on M&A in 2021

During the first half of 2021, Bureau Veritas resumed its bolt-on M&A activities, completing four transactions in strategic areas, representing around EUR 25.0 million in annualized revenue (or 0.5% of 2020 Group revenue):

	ANNUALIZED REVENUE	COUNTRY	DATE	FIELD OF EXPERTISE
Cybersecurity				
Secura B.V.	c.EUR 10m	Netherlands	Jan. 2021	Security testing, audit, training and certification services covering people, organization, and technology (networks, systems, applications and data)
Consumer Products				
Zhejiang Jianchuang Testing Technology Services Company Limited	c.EUR 1.5m	China	Feb. 2021	Softlines testing focusing on domestic brands and e-shops in China
Renewable energy				
Bradley Construction Management	EUR 11m	United States	Mar. 2021	Provider of construction management services for the renewable energy sector
Sustainability Certification				
HDAA Australia	c.EUR 3m	Australia	Apr. 2021	Auditing and assessment agency focused on the health and human services sector

The pipeline of opportunities is healthy, and the Group will continue to deploy a very selective bolt-on acquisitions strategy, in targeted areas (notably Agri-Food, Buildings & Infrastructure, cybersecurity and renewable energy) and geographies (North America and Asia, particularly China).

Cybersecurity

The acquisition of Secura B.V. (starting with a majority stake), an independent service company specializing in cybersecurity services 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, and is active in all sectors, focusing on technology, energy, industrial, automotive, financial, public and healthcare markets. Furthermore, 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.

Renewable energy

Bradley Construction Management was acquired in the United States where it is a leading provider of construction management services for the renewable energy sector. This reinforces Bureau Veritas' diversification and growth in the sector.

Sustainability Certification

Bureau Veritas acquired HDAA Australia Pty Ltd, Australia's leading Human Services Auditing Agency. HDAA is an accredited auditing and assessment agency committed to providing excellence in service delivery for the health and human services sector across a wide range of federal and state-related standards. Through this acquisition, Bureau Veritas reinforces its sustainability offering with best-in-class expertise in social, health and disability auditing and assessment services.

Chinese domestic market and online brands

The Group is accelerating the diversification of its Consumer Products activity on the Chinese domestic market and towards online brands through the acquisition of Zhejiang Jianchuang Testing Technology Services Company Limited[2].

[2] Signing on February 4, 2021.

Indexation of the financial terms and conditions of the syndicated credit facility to Environmental, Social and Governance (ESG) indicators

On February 25, 2021, Bureau Veritas announced the signing of an amendment to the 2018 syndicated credit facility for an amount of EUR 600 million in order to incorporate Environmental, Social and Governance (ESG) criteria. Bureau Veritas' social and environmental performance will now be taken into account in the calculation of the financial costs of the facility, and will be measured in light of the Group's quantitative ESG objectives set for 2025.

The three non-financial criteria selected for inclusion in calculating the cost of financing the syndicated credit facility are:

- Total Accident Rate (TAR): Bureau Veritas aims to reduce its TAR[3] to a level of 0.26 by 2025 (compared with 0.38 in 2019, a decrease of 32%);
- Proportion of women in leadership positions: Bureau Veritas aims to increase the proportion of women in leadership positions[4] to 35% by 2025 (compared with 19.5% in 2019, an 80% increase in the number of leadership positions held by women);
- CO_2 emissions per employee (tons per year): Bureau Veritas aims to reduce its carbon emissions[5] to 2.0 tons per year and per employee by 2025 (compared with 2.85 tons in 2019, a decrease of 30%).

Strong financial position

At the end of June 2021, the Group's adjusted net financial debt decreased compared with the level at December 31, 2020. The Group has a solid financial structure with no maturities to refinance until 2023.

At the end of the first half of 2021, Bureau Veritas had EUR 1.27 billion in available cash and cash equivalents and EUR 600 million in undrawn committed credit lines.

Given the financial strength of the Group, Bureau Veritas allowed the one-year EUR 500 million credit line, put in place in April 2020 during the pandemic, to expire in April 2021.

At June 30, 2021, the adjusted net financial debt/EBITDA ratio was further reduced to 1.30x (from 2.00x last year) and the EBITDA/consolidated net financial expense ratio was 13.13x. As a precaution against a worsening pandemic, Bureau Veritas obtained a waiver from its banks and US Private Placement noteholders to relax its financial covenants at June 30, 2020, December 31, 2020 and June 30, 2021. In May 2021, Bureau Veritas exited early from the amendment negotiated with the USPP holders, allowing a return to the initial banking ratios. As a result, as of June 30, 2021, the ratio of adjusted net financial debt to EBITDA must be less than 3.5x and, only for the US Private Placement, the ratio of EBITDA to consolidated net financial expense must be greater than 5.5x.

The average maturity of the Group's financial debt was 4.8 years with a blended average cost of funds over the half year of 2.4% excluding IFRS 16 impact (compared with 3.0% in the first half of 2020 excluding the impact of IFRS 16).

Bureau Veritas shareholders approved the distribution of a dividend for the 2020 financial year

At the Bureau Veritas Combined Shareholders' Meeting, shareholders approved the distribution of a dividend of EUR 0.36 per share for the 2020 financial year (resolution no. 3, approved by 99.20%), paid in cash on July 7, 2021. This marks the return of a dividend payment after the exceptional cancellation recorded in the previous financial year due to the health crisis.

---

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

[4] Proportion of women from the Executive Committee to Band III (internal grade corresponding to a management or executive management position) in the Group (number of women on a full-time equivalent basis in a leadership position/total number of full-time equivalents in leadership positions).

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

ANALYSIS OF THE GROUP'S RESULTS AND FINANCIAL POSITION

Revenue up 9.9% year on year (up 14.3% on an organic basis)

Revenue in the first half of 2021 amounted to EUR 2,418.4 million, a 9.9% increase compared with H1 2020. Organic increase was 14.3%, of which 22.5% in the second quarter of 2021, benefiting from improving end markets across most businesses and the return to a more normal operating environment compared to H1 2020.

Three businesses delivered very strong organic growth, Certification +38.6%, Consumer Products +23.4%, and Buildings & Infrastructure (B&I) +19.5%. The rest of the portfolio grew at a smaller pace, with Industry up 9.5% organically (helped by a 20.8% recovery in Q2), Marine & Offshore, up 5.3%, and Agri-Food & Commodities, up 4.1%.

By geography, activities in Asia Pacific outperformed the rest of the Group (31% of revenue; up 16.7% organically), led by a 22.7% increase in China (across most businesses) and to a lesser extent Australia (up 9.9% organically) led by the agri-food and commodities markets. Europe (37% of revenue; up 12.5% organically) was primarily led by robust activity levels in Southern Europe as well as France. Activity in the Americas (23% of revenue; up 14.6% organically), benefited from strong growth in Latin America (led by Brazil) as well as robust growth in North America led by Buildings & Infrastructure. Finally, in Africa and the Middle East (9% of revenue), the business increased by 12.8% on an organic basis.

The scope effect was a negative 0.1%, reflecting the impact from prior-year disposals offset by the four bolt-on acquisitions realized in the first half of 2021.

Currency fluctuations had a negative impact of 4.3% (of which -3.6% in Q2), mainly due to the depreciation of some emerging countries' currencies, and the USD and pegged currencies against the euro.

Adjusted operating profit up 75.3% to EUR 378.2 million

Consolidated adjusted operating profit increased by 75.3% to EUR 378.2 million; the half-year 2021 adjusted operating margin rose 583 basis points to 15.6%, including a 23-basis-point negative impact from foreign exchange and a 5-basis point positive impact from scope. On an organic basis, it jumped by 601 basis points to 15.8%.

CHANGE IN ADJUSTED OPERATING MARGIN

IN PERCENTAGE AND BASIS POINTS	
H1 2020 adjusted operating margin	**9.8%**
Organic change	+601bps
Organic adjusted operating margin	**15.8%**
Scope	+5bps
Adjusted operating margin at constant currency	**15.9%**
Currency	(23)bps
H1 2021 adjusted operating margin	**15.6%**

All business activities experienced higher organic margins due to operational leverage in a context of revenue recovery. This was supported by strong cost containment measures the prior year, and a favorable business mix.

The businesses that saw the best margin improvement were Consumer Products, Certification and Buildings & Infrastructure, that rebounded the most following the lockdown measures in the prior year. Together, they represented the bulk of the organic increase in the Group's margin in the first half of 2021.

Other operating expenses decreased to EUR 32.1 million versus EUR 156.2 million in the first half of 2020. These include:

- EUR 28.9 million in amortization of intangible assets resulting from acquisitions (EUR 104.4 million in H1 2020);
- EUR 2.9 million in write-offs of non-current assets related to laboratory consolidations, and business downsizing in Consumer Products (China and Europe);
- EUR 4.4 million in restructuring costs, relating chiefly to Consumer Products and commodities-related activities (EUR 21.7 million in H1 2020);
- EUR 4.1 million in net gains on disposals and acquisitions (net losses of EUR 8.1 million in H1 2020).

Operating profit totaled EUR 346.1 million, up 480.7% from EUR 59.6 million in the first half of 2020.

Adjusted EPS of EUR 0.48, up 152.6% year on year

Net financial expense amounted to EUR 36.9 million in H1 2021 compared with EUR 66.1 million in H1 2020. It reflects much lower finance costs and a foreign exchange gain of EUR 2.4 million, attributable to the appreciation of the US dollar and the euro against most emerging countries' currencies, compared with a foreign exchange loss of EUR 3.2 million in H1 2020.

Net finance costs decreased to EUR 37.6 million (versus EUR 60.3 million in H1 2020), with a decrease in the average debt and a decrease in costs due, in particular, to the repayment of the US Private Placements, the *Schuldschein* loans and the Bond in early 2021.

Other items (including interest cost on pension plans and other financial expenses) stood at EUR 1.7 million, slightly down from EUR 2.6 million in H1 2020.

Income tax expense totaled EUR 97.1 million in H1 2021, compared with EUR 24.3 million in H1 2020.

This represents an effective tax rate (ETR) of 31.4% for the period, compared with a negative 373.8% in H1 2020.

The adjusted effective tax rate (ETR) is down 570 basis points at 32.2% for the period, compared with 37.9% in H1 2020. The decrease is mainly due to the mechanical impact of the increase in pre-tax profit of tax costs not directly based on taxable income, in particular withholding taxes and value-added contributions (France and Italy), but also to the decrease in the tax rate and value-added contributions in France.

Attributable net profit for the period was EUR 196.9 million, versus a EUR 34.1 million loss in H1 2020.

Earnings per share (EPS) stood at EUR 0.44 versus negative EUR 0.08 in H1 2020.

Adjusted attributable net profit totaled EUR 214.7 million, up 145.7% versus EUR 87.4 million in H1 2020.

Adjusted EPS stood at EUR 0.48, a 152.6% increase versus H1 2020 (EUR 0.19 per share).

Strong free cash flow at EUR 228.9 million

Half-year 2021 operating cash flow decreased by 9.7% to EUR 328.9 million versus EUR 364.3 million in H1 2020 (down 8.2% on an organic basis). The increase in profit before tax was largely offset by a strong working capital requirement outflow of EUR 68.5 million, compared to a EUR 113.7 million inflow the previous year. The change is explained by the very strong growth delivered in the second quarter (+22.5% organically), despite continuing initiatives throughout the organization to improve the operating working capital in a structural way.

Working capital requirement (WCR) stood at EUR 367.2 million at June 30, 2021, compared to EUR 320.1 million at June 30, 2020. As a percentage of revenue, WCR slightly increased by 50 basis points to 7.6%, compared to 7.1% in H1 2020. In a context of strong topline growth, which consumes working capital, the strong mobilization across the organization on cash metrics, with initiatives under the *Move For Cash* program continuing to be deployed throughout the first half (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), helped to contain the increase.

Purchases of property, plant and equipment and intangible assets, net of disposals (Net Capex), amounted to EUR 52.6 million in the first half of 2021, an increase compared to EUR 41.0 million in H1 2020. This showed disciplined control over the Group's net capex-to-revenue ratio at 2.2% (focusing on maintenance essentially), slightly up, as expected, compared to the level achieved in H1 2020 (1.9%).

Free cash flow (operating cash flow after tax, interest expenses and capex) was EUR 228.9 million, compared to EUR 269.6 million in H1 2020, down 15.1% year on year. On an organic basis, free cash flow reached EUR 233.0 million, down 13.6% year on year.

CHANGE IN FREE CASH FLOW

IN EUR MILLIONS	
Free cash flow at June 30, 2020	**269.6**
Organic change	(36.6)
Organic free cash flow	**233.0**
Scope	+3.5
Free cash flow at constant currency	**236.5**
Currency	(7.6)
Free cash flow at June 30, 2021	**228.9**

At June 30, 2021, adjusted net financial debt was EUR 1,165.4 million, i.e. 1.30 trailing twelve-month EBITDA as defined in the calculation of the bank covenant, compared with 1.80x at December 31, 2020. The decrease in adjusted net financial debt of EUR 163.7 million versus December 31, 2020 (EUR 1,329.1 million) reflects:

- Free cash flow of EUR 228.9 million;
- Dividend payments totaling EUR 8.4 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 35.3 million;
- Lease payments (related to the application of IFRS 16), accounting for EUR 55.3 million;
- Other items that decreased the Group's debt by EUR 33.8 million.

2021 OUTLOOK UPGRADED

Based on the excellent half-year performance, considering tough comparables in the second half, and assuming no severe lockdowns in its main countries of operation due to Covid-19, Bureau Veritas now expects for the full year 2021 to:

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

H1 2021 BUSINESS REVIEW

MARINE & OFFSHORE

IN EUR MILLIONS	H1 2021	H1 2020	CHANGE	ORGANIC	SCOPE	CURRENCY
Revenue	189.2	185.0	+2.3%	+5.3%	-	(3.0)%
Adjusted operating profit	44.4	42.7	+4.0%			
Adjusted operating margin	23.5%	23.1%	+36bps	+115bps	-	(79)bps

The Marine & Offshore business posted solid 5.3% organic revenue growth in the first half of 2021. In the second quarter, organic revenue was up 7.3%. The half-year organic performance results mainly from:

- A stable performance in New Construction (40% of divisional revenue), reflecting the slowdown in the new orders intake in the prior year (notably in Asia, considering the lead time), and against more challenging comparables;
- Double-digit growth in the Core In-service activity (45% of divisional revenue), which benefited from a very favorable timing of inspections with i) a catch-up of postponed surveys in 2020; ii) the anticipation by shipowners in the first half of some inspections normally scheduled in the second half of the year; alongside the fleet's modest growth and a declining level of laid-up ships. The fleet classed by Bureau Veritas continued to grow in the first half (up 1.2% year on year), led by all sectors, confirming the Group's operational excellence. At end June, it comprised 11,530 ships, representing 136.4 million of Gross Register Tonnage (GRT);
- Low single-digit decline for Services (15% of divisional revenue, including Offshore) as the Offshore business remained impacted by a lack of orders in the Oil & Gas market, although an oil price rebound triggered renewed activity for risk assessment services. The first half of 2021 was also marked by a significant increase in projects in the wind energy sector, both for onshore and offshore wind turbines.

In the first half of 2021, the shipping market experienced a very sharp rebound, with a three-fold increase in worldwide new orders (in GRT) compared to H1 2020, driven by container ships and the energy market. Bureau Veritas new orders achieved 4.8 million gross tons in June 2021, up 50.0% from 3.2 million gross tons in the prior-year period. As a result, the order book, stood at 15.3 million gross tons at the end of the quarter, up 1.7% year on year and compared to 14.1 million gross tons in December 2020. It remains well diversified and composed of LNG fueled ships, container ships and specialized vessels.

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 ship solutions. In Q2, the Group introduced an online platform, VeriSTAR Green, to enable all shipowners to assess their compliance with new IMO carbon intensity regulations ahead of the 2023 deadline.

Adjusted operating margin for the half year improved by 36 basis points to 23.5% on a reported basis compared to H1 2020, negatively impacted by foreign exchange (79 basis points). Organically, it rose by 115 basis points, benefiting from operating leverage, a positive mix and operational excellence.

Sustainability achievements

The Group continued to address the challenges of sustainability and the energy transition by providing rules and guidelines for the safety, risk and performance requirements for innovation in future fuels and propulsion systems. In the second quarter of 2021, the Group released an Ammonia-Prepared notation and developed a rule note for ammonia as fuel to support shipowners, designers, shipyards and charterers in advancing their journeys toward using ammonia and a zero-carbon future.

The Group has also signed a commercial agreement with the shipbroker Barry Rogliano Salles (BRS) and ship designers and engineers company Deltamarin to provide effective ship performance and energy transition solutions for the world's shipowners (both for specific energy efficiency compliance requirements and broader Environmental, Social and Governance (ESG) and financial targets).

AGRI-FOOD & COMMODITIES

IN EUR MILLIONS	H1 2021	H1 2020	CHANGE	ORGANIC	SCOPE	CURRENCY
Revenue	518.0	517.1	+0.2%	+4.1%	(0.0)%	(3.9)%
Adjusted operating profit	66.1	60.9	+8.5%			
Adjusted operating margin	12.8%	11.8%	+97bps	+108bps	+4bps	(15)bps

The Agri-Food & Commodities business delivered organic revenue growth of 4.1% in the first half of 2021, with strong growth for Agri-Food, Metal & Minerals and Government services, partly offset by a decline in the Oil & Petrochemicals segment. In Q2, the Group recorded a 12.6% increase against favorable comparables.

The **Oil & Petrochemicals** segment (O&P, 31% of divisional revenue) reported a double-digit organic decline (with some improvement in Q2). The O&P Trade market continued to suffer from reduced testing volumes due to lower fuel consumption (notably for aviation fuel/gasoline), which was combined with intense price pressure. All regions were impacted apart from the Middle East and Africa. The activity in the US was particularly hit by the closure of some unprofitable locations as well as adverse weather conditions (Texas freeze in Q1). Throughout the first half, Bureau Veritas continued its diversification towards non-trade related activities and value-added segments, which may bring superior growth opportunities: they include biofuels, Liquified Natural Gas, Oil Condition Monitoring, as well as the management of outsourced laboratories by clients. Several Sustainability-driven initiatives are underway such as Carbon 14 traceability.

The **Metals & Minerals** segment (M&M, 31% of divisional revenue) recorded double-digit organic growth overall, across the entire value chain. Upstream (nearly two-thirds of M&M) continued to deliver strong growth (up 17.7% organically), led by the Americas (Canada, US, Chile and Peru) and Asia Pacific regions. It benefited from a strong exploration market across all the major commodities (with gold, copper and iron ore leading the way) and the continuing success of the Group's on-site laboratories strategy (with key wins including a potash mine in Australia, gold and base metals labs in Africa, Latin America, etc.).Trade activities grew double-digit organically partly due to a strong rebound in Q2 from weak 2020 comparables. It was fueled by the main metals, with strong trade volumes for copper and iron ore across all geographies. Copper demand remained strong notably driven by electrification trends in several economies.

Agri-Food (24% of divisional revenue) achieved a high single-digit organic performance in the first half (including a double-digit increase in Q2), led by both Food and Agricultural products. The Agri Upstream business recorded strong growth benefiting from higher volumes for field and harvest monitoring in Brazil, with exports at a record level for soybean, corn and sugar. Conversely, the agricultural inspection activities were impacted by reduced trading volumes in both Europe (including Ukraine) and Asia and a more challenging competitive environment. The Food business delivered strong 11.4% organic revenue growth primarily fueled by its platforms in North America and Latin America. Rising concern for more traceability and sustainability all along the food supply chain remains a key growth driver of the business.

Government services (14% of divisional revenue) reported a high single-digit organic increase in the first half (of which a double-digit increase in the second quarter) led by all geographies except the Middle East (Saudi Arabia, Iraq). Strong growth was delivered in African countries led by the ramp-up of VOC (Verification of Conformity) in Morocco, Kenya, Tanzania, Zimbabwe, and Single Window (Togo) contracts. In the context of the pandemic, a rising number of inspections were performed remotely in the first half, with, in particular, a significant percentage achieved for VOC contracts in Africa.

The adjusted operating margin for the Agri-Food & Commodities business increased to 12.8%, up 97 basis points compared to last year, of which 108 basis points organically. This was led by topline recovery, a positive business mix and cost actions.

Sustainability achievements

The Group is currently working on several opportunities for clients to reach their sustainable development goals. Clients through the entire agri-food chain, including farmers and traders, recognize supply chain transparency and traceability as additional key enablers of sustainable food and agricultural markets. For instance, a key focus is the responsible sourcing of cotton in Latin America, palm oil in South East Asia, as well as niche vegoils such as avocado oil. In Government services, the Group has set up an eco-tax system in Tanzania to collect taxes for the recycling of products.

INDUSTRY

IN EUR MILLIONS	H1 2021	H1 2020	CHANGE	ORGANIC	SCOPE	CURRENCY
Revenue	487.2	473.6	+2.9%	+9.5%	(0.8)%	(5.8)%
Adjusted operating profit	53.7	35.1	+53.0%			
Adjusted operating margin	11.0%	7.4%	+363bps	+376bps	+9bps	(22)bps

Industry revenue increased by 9.5% organically in the first half, across the board. In Q2, growth accelerated to 20.8% with a noticeable improvement across all end markets helped by the comparables.

By geography, most regions delivered growth in the half year, with Latin America leading the way (led by Peru and Argentina) alongside Asia (driven by China), Africa, Europe (fueled by France and Eastern European countries) and Canada. Conversely, the activity declined in some countries (Japan, South Korea and the UK) due to contract terminations as well as in the US.

The Power & Utilities segment (14% of divisional revenue) continued to be a key driver of growth for the portfolio with a double-digit organic performance achieved for the half year. Growth came mainly from Latin America (Peru and Argentina) thanks to the ramp-up of large contract wins with various Power Distribution clients, and increasing volumes for existing contracts, along with a solid momentum in Europe (led by France, Spain and Portugal related to power generation) thanks to strong commercial development. In Latin America, the Group is now working to replicate its power field services to utilities (with first successes in Chile) as well as in the Telecom end market (with services including asset conformity, technical control and connectivity performance for telecom antennas). Several contracts have already been signed in Colombia, Chile and Mexico with the first benefits expected from H2 2021 onwards.

In the medium term, the Group will significantly benefit from the growth opportunities related to renewables and alternative energies. Across most geographies, Bureau Veritas is currently bidding for several wind and solar power generation projects (in Europe, Asia and the Americas) with a good level of signing in the first half (the US, the UK, Nordics). The acquisition of US-based Bradley Construction Management (EUR 11 million in annual revenue; a provider of construction and site management assistance, owner's representation, and QA/QC technical services for wind, solar and energy storage projects) has strengthened the Group’s positioning in the renewable energy sector.

In Oil & Gas (29% of divisional revenue), the performance improved as it started to benefit from the restart of many projects which were put on hold and from favorable comparables. Opex-related activities (representing nearly two-third of the Oil & Gas business) grew double-digit organically as activity levels have restarted since restrictions have been lifted. Growth was particularly good in Europe. Capex-related activities grew mid-single-digit organically, driven by a pick-up in Q2, essentially attributable to Latin America (led by Brazil and Peru), Asia (led by China) and the Middle East (with projects resuming in the United Arab Emirates). Business opportunities in Capex services remain subdued although the sales pipeline improved in the period, notably in Asia and in North America. As of today, the share of Oil & Gas in Group revenue has significantly reduced to 6%, of which 2% is Capex-related.

Adjusted operating margin for the half year was 11.0%, up 363 basis points (up 376 basis points organically) from 7.4% in H1 2020. It is attributable to the revenue increase (Q2-centric), cost actions and a positive business mix.

Sustainability achievements

In the first half of 2021, the Group was selected to undertake project certification for the Moray West offshore windfarm in Scotland. Under the plan, up to 85 wind turbines are being built, as well as two offshore substation platforms and offshore export cable circuits. Bureau Veritas will be providing independent verification and will deliver full project certification including design review, manufacturing surveillance, transport and installation surveillance, and commissioning surveillance.

Bureau Veritas and Shell announced the successful completion of their ***Supply-R*** pilot project, conducted during the first quarter of 2021, which involved defining the company’s specific risk profile and audit checklist. Bureau Veritas conducted independent on-site verification at factories in different countries across several product lines supplied to Shell. The pilot resulted in a tailored risk index and an online dashboard to visualize the risk profiles of each supplier and provide an overall rating via a resilience index.

BUILDINGS & INFRASTRUCTURE

IN EUR MILLIONS	H1 2021	H1 2020	CHANGE	ORGANIC	SCOPE	CURRENCY
Revenue	709.2	611.4	+16.0%	+19.5%	(0.5)%	(3.0)%
Adjusted operating profit	104.1	42.1	+147.3%			
Adjusted operating margin	14.7%	6.9%	+782bps	+794bps	+11bps	(23)bps

The Buildings & Infrastructure (B&I) business posted strong double-digit organic revenue growth (up 19.5%) in the first half of 2021, fueled by all regions and notably the Americas. In Q2, revenue grew 26.3% on an organic basis.

Similar double-digit organic revenue growth was delivered in both Buildings In-service activities (49% of divisional revenue) and in Construction-related activities (51% of divisional revenue).

In Europe (57% of divisional revenue), the Group recorded double-digit organic revenue growth primarily led by Southern Europe (Spain and Italy both up around 30%) thanks to large contract wins. France (45% of divisional revenue), its largest contributor, grew 13.2% (including 25.5% in the second quarter) and benefited from the catch-up of regulatory-driven inspections for Opex-related activities (around three quarters of the French business) in Q1 as well as solid momentum for energy efficiency program services. Capex-related works rebounded, skewed to Q2 in a stabilizing new build market. The pipeline of sales related to the Green Deal in France continued to grow with opportunities mainly focused on energy efficiency programs.

In Asia Pacific (21% of divisional revenue), the Group recorded a major organic growth increase led by the recovery of the Chinese operations (up 24.1% organically, skewed to Q1) which benefited from the restart of large infrastructure projects in the field of energy and transportation. 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 improved throughout the first half with a rebound in Q2 attributable to a catch-up of regulatory-driven activities and code compliance services as travel restrictions were gradually lifted.

In the Americas (19% of divisional revenue), very strong double-digit growth was achieved thanks to a stellar performance in the United States (up 42.4% organically), where the Group benefited from a combination of improving market conditions, strong commercial development and favorable comparables. Growth was primarily driven by large project management assistance for Opex-related services across all sectors (Retail essentially), and strong dynamics for data center commissioning services to support the increase in remote workforces. In Latin America, the activity benefited from the strong recovery of Brazil (up 44.9%) thanks to the conversion of a strong sales pipeline while both Chile and Argentina were impacted by the end of contracts.

The Middle East & Africa region (3% of divisional revenue) experienced a very strong recovery led by Saudi Arabia, and by the United Arab Emirates (UAE) in the second quarter, benefiting from the development of numerous projects as oil prices rebounded.

New mobility, in particular electrical vehicles, has created a new area for sustainability services, which is currently growing rapidly. Numerous tenders are ongoing, and the Group was awarded multiple contracts for technical control and station product conformity during the first half across many countries (Spain, Italy, the US, Denmark, and France).

Adjusted operating margin for the half year jumped by 782 basis points (up 794 basis points organically) to 14.7% from 6.9% in the prior year. This was due to strong operational leverage, fueled by the growth recovery against very low levels in the prior year.

Sustainability achievements

During the first half of 2021, the Group was awarded a project management assistance contract for the Nefes Assos Village project, Turkey’s first sustainable village. The village is designed to be a sustainable, self-sufficient, self-farming settlement (with zero waste and carbon targets and water recycling systems, and completely powered by solar energy). Bureau Veritas is providing project management assistance, contributing to the project design process, in-office activities and field assignments, and the management of staff from different disciplines for each project phase.

CERTIFICATION

IN EUR MILLIONS	H1 2021	H1 2020	CHANGE	ORGANIC	SCOPE	CURRENCY
Revenue	196.5	142.0	+38.4%	+38.6%	+3.7%	(3.9)%
Adjusted operating profit	38.1	10.9	+249.5%			
Adjusted operating margin	19.4%	7.7%	+1,162bps	+1,222bps	(34)bps	(26)bps

Certification was the best performing business within the Group's portfolio in the first half of 2021 with organic growth of 38.6%, including stellar 58.5% growth in the second quarter, against favorable comparables. The level of activity strongly recovered as it benefited in H1 from a catch-up of 2020 postponed audits (notably for QHSE, Food and Transportation schemes) and from the effect related to a year of recertification (ending in Q4) as regards several schemes (three-year cycle for ISO 9001, 14001 and Transportation schemes, accounting for approximately a third of the portfolio).

All geographies experienced double-digit organic growth. The countries that were the most impacted in the prior year due to extreme travel restrictions recovered strongly in the first half. The Americas, Africa and the Middle East performed above the divisional average (led by Canada and Latin America) while Europe (primarily led by France, Spain, the UK) and Asia (led by China and Japan) were at par.

Within the Group's portfolio, Transportation and Customized Audits rebounded the most. Transportation schemes strongly benefited from the restart of the three-year cycle (implying the delivery of the recertification audits) following the revision of standards (IATF in the Automotive sector notably) which occurred in 2018. The Group achieved a very high renewal rate. Customized Audits (on clients' supply, operations and distribution sides), which were the most hit by cancellation or postponements in H1 2020, benefited from a strong rebound in the activity.

After declining in Q1 2021, Training services recovered as they benefited from the economic recovery and the possibility of rescheduling face-to-face training sessions. A similar pattern of growth was observed for Food Certification (including Organic Food products) which strongly rebounded in Q2.

During H1, Bureau Veritas Sustainability services grew by more than 25% (of which 32.1% in Q2), driven notably by buoyant demand for Greenhouse gas emission verification services related to Carbon footprint assessments, Offsetting & removals projects and Neutrality or net zero goals.

Divisional growth also continued to be supported by new products during the first half, addressing the overall rising client demand for brand protection and traceability all along the supply chain. This was particularly supported by Enterprise Risk, Business Continuity, Cybersecurity and IT management systems solutions.

Adjusted operating margin for the half year returned to a very healthy 19.4%, compared to 7.7% in the prior year. This reflects a 1,162-basis-point increase (up 1,222 basis points organically) led by strong operational leverage, the mix and the benefit of remote audits.

Sustainability achievements

During the first half, Bureau Veritas and the Fondation de la Mer, together with the French Ministry of the Sea, launched "Ocean Approved®", the first label in the world recognizing companies that are committed to understanding and improving their impact on the ocean. An audit is carried out by an independent third-party body, for example Bureau Veritas or other companies, which have been approved by the Fondation de la Mer for their expertise and know-how, to guarantee the truth and accuracy of the company's statements.

The Group has also joined the OCARA project, an initiative spearheaded by Carbone 4. The OCARA project aims to set up a benchmark for analyzing the resilience of companies to the impacts of climate change. It will enable companies to question their vulnerabilities, identify the points of vigilance to be observed, and implement an ad hoc climate resilience action plan.

CONSUMER PRODUCTS

IN EUR MILLIONS	H1 2021	H1 2020	CHANGE	ORGANIC	SCOPE	CURRENCY
Revenue	318.3	271.4	+17.3%	+23.4%	-	(6.1)%
Adjusted operating profit	71.8	24.1	+197.9%			
Adjusted operating margin	22.6%	8.9%	+1,366bps	+1,373bps	-	(7)bps

The Consumer Products business strongly recovered in the first half of 2021 with organic growth of 23.4%, primarily led by a large pick-up of activity in Asia, across all product categories. This reflected the ramp-up of many operations which were in lockdown for much of H1 2020. Testing activities rebounded the most (up 31.3%) while Inspection and Audit services grew 24.1%. Q2 organic revenue increased by 27.3% and confirmed the improvement seen in Q1.

By geography, the growth was widespread, with Asia overperforming (led by China and South East Asian countries) whereas activity levels grew at low to mid double-digit elsewhere (Europe, Latin America and North America).

Softlines (36% of divisional revenue) performed better than the divisional average, with a very strong second quarter, led by a stellar performance in both China and the US as some product launches resumed. Strong momentum in South East Asia (Vietnam, Indonesia, Bangladesh and Sri Lanka essentially) was maintained as these countries continue to benefit from an accelerated sourcing shift out of China. Some countries in Southern Asia (and India notably) have started to be impacted by the disruption caused by the lockdown measures. In the first half of 2021, the acquisition of a Chinese softlines testing business focusing on domestic brands and e-shops enabled the Group to accelerate its development in the domestic Chinese market.

Hardlines (31% of divisional revenue) performed above the divisional average led by all product categories, and notably small appliances and do-it-yourself products. Toys rebounded driven by China, also helped by the performance recorded in the United States in the second quarter. Cosmetics, Health & Beauty continued to gain traction in Asia while luxury products were led by Italy. Inspection and Audit services grew faster than the average, as they continued to benefit from strong demand for Social & CSR audits. These services help to ensure supply chain compliance with the regulations in force, but also the commitments made by brands in terms of social and environmental responsibility.

Lastly, **Electrical & Electronics** (E&E, 34% of divisional revenue) performed below the divisional average, with double-digit organic performance in both Wireless Testing (wireless technologies/Internet of Things (IoT) products) and in Automotive (reliability testing and homologation services). Strong growth was achieved in both China and Europe while Japan suffered from lockdown measures and South Korea from contract terminations. In Asia, 5G-related products/infrastructure continued to show very good momentum with the Group's test platforms (Taiwan, South Korea and China in particular) running at full capacity. In the first half, the Group continued to invest in 5G technology testing equipment to take full advantage of this development opportunity. This includes the start of operation of a wireless testing lab to address the Chinese domestic market.

Overall, the Group made further progress in its diversification strategy towards online clients. It was also supported by capex and acquisition spends in the first half of 2021.

Adjusted operating margin for the half year strongly increased to 22.6% (up 1,366 basis points, of which 1,373 basis points organically), attributable to the effect of a high revenue increase and the benefit of several cost reduction actions from the prior year.

Sustainability achievements

In the first half of 2021, Bureau Veritas supported 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. Amongst its clients, Walmart launched ECO Records, an automated platform that focuses on more sustainable claims. The platform will provide a centralized location to accelerate the more sustainable claim submission and review process. The document review for this eco claim will be performed by Bureau Veritas. As far as Sustainable Chemical Management is concerned, H&M has expanded its environmental chemical management beyond apparel products. It included Bureau Veritas BVE3, an online environmental emissions evaluator, in accessories and footwear in the first half. The tool helps the brand to contribute to efforts to reduce the apparel and footwear industry's hazardous chemical footprint.

PRESENTATION

- H1 2021 results will be presented on Wednesday, July 28, 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

- 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 close to 78,000 employees located in more than 1,600 offices and laboratories around the globe. Bureau Veritas helps its 400,000 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

Caroline Ponsi Khider
+33 (0)7 52 60 89 78
caroline.ponsi-khider@bureauveritas.com

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

APPENDIX 1: Q2 AND HALF-YEAR 2021 REVENUE BY BUSINESS

IN EUR MILLIONS	Q2/H1 2021	Q2/H1 2020	CHANGE	ORGANIC	SCOPE	CURRENCY
Marine & Offshore	95.1	90.6	+5.0%	+7.3%	-	(2.3)%
Agri-Food & Commodities	268.8	244.4	+10.0%	+12.6%	-	(2.6)%
Industry	254.7	220.3	+15.6%	+20.8%	(0.3)%	(4.9)%
Buildings & Infrastructure	362.0	293.2	+23.5%	+26.3%	-	(2.8)%
Certification	104.6	65.4	+59.9%	+58.5%	+5.0%	(3.6)%
Consumer Products	178.5	147.1	+21.3%	+27.3%	-	(6.0)%
Total Q2 revenue	**1,263.7**	**1,061.0**	**+19.1%**	**+22.5%**	**+0.2%**	**(3.6)%**
Marine & Offshore	189.2	185.0	+2.3%	+5.3%	-	(3.0)%
Agri-Food & Commodities	518.0	517.1	+0.2%	+4.1%	(0.0)%	(3.9)%
Industry	487.2	473.6	+2.9%	+9.5%	(0.8)%	(5.8)%
Buildings & Infrastructure	709.2	611.4	+16.0%	+19.5%	(0.5)%	(3.0)%
Certification	196.5	142.0	+38.4%	+38.6%	+3.7%	(3.9)%
Consumer Products	318.3	271.4	+17.3%	+23.4%	-	(6.1)%
Total H1 revenue	**2,418.4**	**2,200.5**	**+9.9%**	**+14.3%**	**(0.1)%**	**(4.3)%**

APPENDIX 2: HALF-YEAR 2021 REVENUE BY QUARTER

	2021 REVENUE BY QUARTER	
IN EUR MILLIONS	Q1	Q2
Marine & Offshore	94.1	95.1
Agri-Food & Commodities	249.2	268.8
Industry	232.5	254.7
Buildings & Infrastructure	347.2	362.0
Certification	91.9	104.6
Consumer Products	139.8	178.5
Total revenue	**1,154.7**	**1,263.7**

APPENDIX 3: ADJUSTED OPERATING PROFIT AND MARGIN BY BUSINESS

	ADJUSTED OPERATING PROFIT			ADJUSTED OPERATING MARGIN		
IN EUR MILLIONS	H1 2021	H1 2020	CHANGE (%)	H1 2021	H1 2020	CHANGE (BASIS POINTS)
Marine & Offshore	44.4	42.7	+4.0%	23.5%	23.1%	+36
Agri-Food & Commodities	66.1	60.9	+8.5%	12.8%	11.8%	+97
Industry	53.7	35.1	+53.0%	11.0%	7.4%	+363
Buildings & Infrastructure	104.1	42.1	+147.3%	14.7%	6.9%	+782
Certification	38.1	10.9	+249.5%	19.4%	7.7%	+1,162
Consumer Products	71.8	24.1	+197.9%	22.6%	8.9%	+1,366
Total Group	**378.2**	**215.8**	**+75.3%**	**15.6%**	**9.8%**	**+583**

APPENDIX 4: EXTRACTS FROM THE HALF-YEAR CONSOLIDATED FINANCIAL STATEMENTS

Extracts from the half-year consolidated financial statements audited and approved on July 27, 2021 by the Board of Directors. The audit procedures for the half-year financial statements have been undertaken and the Statutory Auditors' report has been published.

CONSOLIDATED INCOME STATEMENT

IN EUR MILLIONS	H1 2021	H1 2020
Revenue	**2,418.4**	**2,200.5**
Purchases and external charges	(674.0)	(663.3)
Personnel costs	(1,249.2)	(1,182.2)
Taxes other than on income	(23.0)	(22.0)
Net (additions to)/reversals of provisions	(13.2)	(44.4)
Depreciation and amortization	(129.0)	(212.4)
Other operating income and expense, net	16.1	(16.6)
Operating profit	**346.1**	**59.6**
Share of profit of equity-accounted companies	-	-
Operating profit after share of profit of equity-accounted companies	**346.1**	**59.6**
Income from cash and cash equivalents	2.1	4.6
Finance costs, gross	(39.7)	(64.9)
Finance costs, net	(37.6)	(60.3)
Other financial income and expense, net	0.7	(5.8)
Net financial expense	**(36.9)**	**(66.1)**
Profit/(loss) before income tax	**309.2**	**(6.5)**
Income tax expense	(97.1)	(24.3)
Net income/(loss) from continuing operations	212.1	(30.8)
Net income/(loss) from discontinued operations	-	-
Net profit	**212.1**	**(30.8)**
Non-controlling interests	(15.2)	(3.3)
Attributable net profit	**196.9**	**(34.1)**
Earnings per share (in euros):		
Basic earnings per share	0.44	(0.08)
Diluted earnings per share	0.43	(0.08)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

IN EUR MILLIONS	JUNE 30, 2021	DEC. 31 2020
Goodwill	2,017.7	1,942.9
Intangible assets	428.2	427.3
Property, plant and equipment	351.3	348.8
Right-of-use assets	363.5	375.7
Non-current financial assets	108.9	105.7
Deferred income tax assets	126.1	136.6
Total non-current assets	**3,395.7**	**3,337.0**
Trade and other receivables	1,379.3	1,332.7
Contract assets	272.2	232.1
Current income tax assets	41.2	46.1
Derivative financial instruments	4.1	6.7
Other current financial assets	12.4	17.0
Cash and cash equivalents	1,267.6	1,594.5
Total current assets	**2,976.8**	**3,229.1**
Assets held for sale	-	-
TOTAL ASSETS	**6,372.5**	**6,566.1**

Share capital	54.3	54.2
Retained earnings and other reserves	1,303.0	1,183.8
Equity attributable to owners of the Company	**1,357.3**	**1,238.0**
Non-controlling interests	60.7	47.7
Total equity	**1,418.0**	**1,285.7**
Non-current borrowings and financial debt	2,400.0	2,376.2
Non-current lease liabilities	305.3	320.4
Derivative financial instruments	-	-
Other non-current financial liabilities	113.9	91.4
Deferred income tax liabilities	90.5	84.4
Pension plans and other long-term employee benefits	189.1	197.7
Provisions for other liabilities and charges	95.4	92.5
Total non-current liabilities	**3,194.2**	**3,162.6**
Trade and other payables	1,068.1	1,089.6
Contract liabilities	216.1	194.9
Current income tax liabilities	119.2	125.8
Current borrowings and financial debt	31.7	550.5
Current lease liabilities	100.8	99.3
Derivative financial instruments	5.3	3.6
Other current financial liabilities	219.1	54.1
Total current liabilities	**1,760.3**	**2,117.8**
Liabilities held for sale	-	-
TOTAL EQUITY AND LIABILITIES	**6,372.5**	**6,566.1**

CONSOLIDATED STATEMENT OF CASH FLOWS

IN EUR MILLIONS	H1 2021	H1 2020
Profit/(loss) before income tax	**309.2**	**(6.5)**
Elimination of cash flows from financing and investing activities	19.0	46.6
Provisions and other non-cash items	23.7	60.4
Depreciation, amortization and impairment	129.0	212.4
Movements in working capital requirement attributable to operations	(68.5)	113.7
Income tax paid	(83.5)	(62.3)
Net cash generated from operating activities	**328.9**	**364.3**
Acquisitions of subsidiaries	(35.9)	(17.1)
Proceeds from sales of subsidiaries and businesses	0.6	-
Purchases of property, plant and equipment and intangible assets	(56.4)	(44.9)
Proceeds from sales of property, plant and equipment and intangible assets	3.8	3.8
Purchases of non-current financial assets	(8.6)	(11.0)
Proceeds from sales of non-current financial assets	7.7	11.8
Change in loans and advances granted	(0.8)	(2.5)
Dividends received from equity-accounted companies	-	0.1
Net cash used in investing activities	**(89.6)**	**(59.7)**
Capital increase	6.1	2.2
Purchases/sales of treasury shares	13.7	3.0
Dividends paid	(8.4)	(12.7)
Increase in borrowings and other debt	5.7	782.7
Repayment of borrowings and other debt	(484.7)	(321.2)
Repayment of amounts owed to shareholders	-	-
Repayment of lease liabilities and interest	(55.3)	(52.0)
Interest paid	(47.4)	(53.6)
Net cash generated from/(used in) financing activities	**(570.3)**	**348.6**
Impact of currency translation differences	5.2	(12.2)
Impact of changes in accounting method	-	-
Net increase/(decrease) in cash and cash equivalents	**(325.8)**	**640.9**
Net cash and cash equivalents at beginning of the period	1,587.0	1,465.7
Net cash and cash equivalents at end of the period	**1,261.2**	**2,106.6**
o/w cash and cash equivalents	1,267.6	2,120.5
o/w bank overdrafts	(6.4)	(13.9)

APPENDIX 5: DETAILED NET FINANCIAL EXPENSE

NET FINANCIAL EXPENSE

IN EUR MILLIONS	H1 2021	H1 2020
Finance costs, net	**(37.6)**	**(60.3)**
Foreign exchange gains/(losses)	2.4	(3.2)
Interest cost on pension plans	0.7	(0.9)
Other	(2.4)	(1.7)
Net financial expense	**(36.9)**	**(66.1)**

APPENDIX 6: ALTERNATIVE PERFORMANCE INDICATORS

ADJUSTED OPERATING PROFIT

IN EUR MILLIONS	H1 2021	H1 2020
Operating profit	**346.1**	**59.6**
Amortization of intangible assets resulting from acquisitions	28.9	104.4
Impairment and retirement of non-current assets	2.9	22.0
Restructuring costs	4.4	21.7
Acquisitions and disposals	(4.1)	8.1
Impairment of goodwill	-	-
Total adjustment items	32.1	156.2
Adjusted operating profit	**378.2**	**215.8**

CHANGE IN ADJUSTED OPERATING PROFIT

IN EUR MILLIONS	
H1 2020 adjusted operating profit	**215.8**
Organic change	+181.2
Organic adjusted operating profit	**397.0**
Scope	+1.4
Adjusted operating profit at constant currency	**398.4**
Currency	(20.2)
H1 2021 adjusted operating profit	**378.2**

ADJUSTED EFFECTIVE TAX RATE

IN EUR MILLIONS	H1 2021	H1 2020
Profit/(loss) before income tax	309.2	(6.5)
Income tax expense	(97.1)	(24.3)
ETR[(a)]	31.4%	(373.8)%
Adjusted ETR	**32.2%**	**37.9%**

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

ATTRIBUTABLE NET PROFIT

IN EUR MILLIONS	H1 2021	H1 2020
Attributable net profit/(loss)	196.9	(34.1)
EPS[(a)] (€ per share)	*0.44*	*(0.08)*
Adjustment items	32.1	156.2
Net profit/(loss) from operations to be sold	-	-
Tax impact on adjustment items	(12.8)	(32.4)
Non-controlling interest on adjustment items	(1.5)	(2.3)
Adjusted attributable net profit	**214.7**	**87.4**
Adjusted EPS[(a)] (€ per share)	*0.48*	*0.19*

(a) Calculated using the weighted average number of shares: 449,836,389 in H1 2021 and 448,056,073 in H1 2020

CHANGE IN ADJUSTED ATTRIBUTABLE NET PROFIT

IN EUR MILLIONS	
H1 2020 adjusted attributable net profit	**87.4**
Organic change and scope	+140.2
Adjusted attributable net profit at constant currency	**227.6**
Currency	(12.9)
H1 2021 adjusted attributable net profit	**214.7**

FREE CASH FLOW

IN EUR MILLIONS	H1 2021	H1 2020
Net cash generated from operating activities (operating cash flow)	328.9	364.3
Net purchases of property, plant and equipment and intangible assets	(52.6)	(41.0)
Interest paid	(47.4)	(53.6)
Free cash flow	**228.9**	**269.6**

CHANGE IN NET CASH GENERATED FROM OPERATING ACTIVITIES

IN EUR MILLIONS	
Net cash generated from operating activities at June 30, 2020	**364.3**
Organic change	(29.9)
Organic net cash generated from operating activities	**334.4**
Scope	+3.6
Net cash generated from operating activities at constant currency	**338.0**
Currency	(9.1)
Net cash generated from operating activities at June 30, 2021	**328.9**

ADJUSTED NET FINANCIAL DEBT

IN EUR MILLIONS	JUNE 30, 2021	DEC. 31 2020
Gross financial debt	2,431.7	2,926.7
Cash and cash equivalents	1,267.6	1,594.5
Consolidated net financial debt	**1,164.1**	**1,332.2**
Currency hedging instruments	1.3	(3.1)
Adjusted net financial debt	**1,165.4**	**1,329.1**

APPENDIX 7: CORPORATE SOCIAL RESPONSIBILITY (CSR) KEY INDICATORS

	UNITED NATIONS' SDGS	H1 2021	FY 2020	2025 TARGET
SOCIAL & HUMAN CAPITAL				
Total Accident Rate (TAR)[6]	#3	0.25	0.26	0.26
Proportion of women in leadership positions[7]	#5	20.3%	19.8%	35%
Number of training hours per employee (per year)[8]	#8	11.7	23.9	35.0
ENVIRONMENT				
CO_2 emissions per employee (tons per year)[9]	#13	N/A	2.44	2.00
GOVERNANCE				
Proportion of employees trained to the Code of Ethics	#16	97.6%	98.5%	99%

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

[7] Proportion of women from the Executive Committee to Band III (internal grade corresponding to a management or executive management position) in the Group (number of women on a full-time equivalent basis in a leadership position/total number of full-time equivalents in leadership positions).

[8] Indicator calculated over a 6-month period compared to a 12-month period for FY 2020 and 2025 target values.

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

APPENDIX 8: 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.