



**BUREAU
VERITAS**

PRESS RELEASE

Neuilly-sur-Seine, France – October 26, 2021

Strong organic revenue performance in the third quarter of 2021; 2021 Full Year outlook confirmed

Q3 2021 Key figures¹

- Revenue of EUR 1,245.7 million in the third quarter of 2021, up 7.5% organically and up 8.5% year on year (of which an external growth of 0.2% and a currency impact of 0.8%)
- 4 businesses delivered strong organic growth: Industry +10.4%, Consumer Products +8.7%, Buildings & Infrastructure (B&I) +8.0%, and Agri-Food & Commodities +7.7%
- Marine & Offshore and Certification grew organically by 2.7% and 0.8% respectively, with solid underlying trends although faced challenging comparables following catch-up of audits

Q3 2021 Highlights

- Organic revenue up 3.5% in Q3 2021 and 3.9% in the first nine months of 2021, compared to 2019
- Growth driven by the whole portfolio across most geographies (Americas, Middle East, Africa and Asia Pacific)
- Strong momentum for Sustainability and ESG-related solutions across all businesses
- Acquisition of AET France, a company specializing in laboratory testing, product development and sustainability testing for consumer goods markets

2021 Outlook Confirmed

Based on the excellent year-to-date performance, considering tough comparables in the fourth quarter, and assuming no severe lockdowns in its main countries of operation due to Covid-19, Bureau Veritas still 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:

“Bureau Veritas’ third quarter performance continues to demonstrate the strong growth dynamics of our businesses. The 7.5% organic revenue was notably led by an excellent performance in Industry, Consumer Products, Buildings & Infrastructure as well as Agri-Food & Commodities.

Our focus on sales performance, together with increased demand from our clients for all companies in the world for ESG-related services, position us to grow in a sustained manner. Thanks to our unrivalled expertise related to Sustainability, through our BV Green Line of services and solutions, we are perfectly positioned to capture the full potential of these growing markets.

Short term wise, whilst the conditions surrounding the delivery of some of our services remain uncertain due to the pandemic still affecting some regions of the world, we reiterate our 2021 outlook.”

¹ Alternative performance indicators are presented, defined and reconciled with IFRS in appendix 4 of this press release.

Q3 2021 KEY REVENUE FIGURES

IN EUR MILLIONS	Q3 2021	Q3 2020	GROWTH			
			CHANGE	ORGANIC	SCOPE	CURRENCY
Marine & Offshore	92.3	89.3	+3.4%	+2.7%	-	+0.7%
Agri-Food & Commodities	273.1	252.5	+8.2%	+7.7%	(0.3)%	+0.8%
Industry	259.1	235.1	+10.2%	+10.4%	+0.3%	(0.5)%
Buildings & Infrastructure	357.0	327.6	+9.0%	+8.0%	-	+1.0%
Certification	92.4	88.5	+4.4%	+0.8%	+2.9%	+0.7%
Consumer Products	171.8	155.3	+10.6%	+8.7%	+0.1%	+1.8%
Total Group revenue	1,245.7	1,148.3	+8.5%	+7.5%	+0.2%	+0.8%

Revenue in the third quarter of 2021 amounted to EUR 1,245.7 million, a 8.5% increase compared with Q3 2020. Organic increase was 7.5%.

Four businesses delivered strong organic growth, Industry +10.4%, Consumer Products +8.7%, Buildings & Infrastructure (B&I) +8.0%, and Agri-Food & Commodities +7.7%. The rest of the portfolio continued to grow, with Marine & Offshore up 2.7% organically, and Certification, up 0.8%, against tough comparables from last year's catch-up audits.

By geography, activities in the Americas strongly outperformed the rest of the Group (25% of revenue; up 21.2% organically), led by a 17.3% increase in North America (Buildings & Infrastructure driven) and by a 28.5% increase in Latin America (primarily fueled by the Power and Utilities segment). Activity in Asia Pacific (32% of revenue; up 4.4% organically) benefited from robust growth in China as well as in Australia. Europe (34% of revenue) delivered broadly stable organic growth with resilient performance in France, solid growth in Italy and the Netherlands while weaker in the UK and in Spain. Finally, in Africa and the Middle East (9% of revenue), the business strongly recovered (up 16.6% on an organic basis) fueled by the commodities markets.

The scope effect was a positive 0.2%, reflecting the five bolt-on acquisitions realized since the beginning of 2021.

Currency fluctuations had a positive impact of 0.8%, mainly due to the appreciation of the USD and pegged currencies against the euro, which was partly offset by the depreciation of some emerging countries' currencies.

DISCIPLINED BOLT-ON M&A IN 2021 YEAR-TO-DATE

In the third quarter of 2021, Bureau Veritas continued its selective and disciplined M&A activity with:

Acquisition of AET France, a company specializing in laboratory testing, product development and sustainability testing

On September 1, 2021, Bureau Veritas announced the acquisition of AET France, a France-based testing company providing product development, project management, and user experience testing services for consumer goods markets. This acquisition reinforces BV position in the European consumer goods retail market. AET France, founded in 2010, has 25 employees and posted revenues of EUR 2 million in 2020.

The company serves start-ups as well as large companies worldwide, by offering a suite of innovative solutions:

- **Laboratory Testing beyond compliance:** AET France specializes in consumer experience testing with a strong understanding of human machine interfaces and ergonomics, leveraging collaborative robotics solutions and fully automated ageing protocols for life testing;
- **Product Development:** AET France supports product developers with design and functional specifications, competition analysis, industry trend analysis and user behavior;
- **Sustainability & Performance Testing:** AET France supports its clients in creating tailor-made protocols and transforming assessments into recommendations for improvement.

Since the beginning of 2021, Bureau Veritas resumed its bolt-on M&A activities, completing five transactions in strategic areas, representing around EUR 27.0 million in annualized revenue (or 0.6% 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
AET France	EUR 2m	France	Sep. 2021	Laboratory testing, product development and sustainability testing for consumer goods markets
Renewable energy				
Bradley Construction Management	EUR 11m	United States	Mar. 2021	Construction management services for the renewable energy sector
Sustainability Certification				
HDAA Australia	c.EUR 3m	Australia	Apr. 2021	Auditing and assessment expertise focused on the health and human services sector

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

BUREAU VERITAS' CSR COMMITMENT RECOGNIZED BY NON-FINANCIAL RATING AGENCIES AND EURONEXT

Bureau Veritas helps companies, governments and public authorities reduce their risks in terms of health, quality, safety, environmental protection and social responsibility. Those challenges are central to societal aspirations. Being a *Business to Business to Society* company comes with a duty: to be exemplary in terms of sustainability internally, and to be a role model for industry in terms of positive impact on people and the planet.

The Group's commitment is to act responsibly in order to Shape a Better World.

This commitment was again recognized by several non-financial rating agencies during the third quarter. This is a testament to Bureau Veritas constant efforts regarding sustainability. Since September 17, 2021, Bureau Veritas joined the Euronext CAC 40 ESG Index, which identifies the 40 companies that demonstrate the best Environmental, Social and Governance (ESG) practices.

The non-financial ratings updated during the third quarter are as follows:

- Vigeo-Eiris (V.E), one of the leading European ESG rating agencies and part of the Moody's Group, has rated Bureau Veritas with a score of 66/100, according to 38 ESG criteria. With this result, Bureau Veritas ranks fourth in its industry sector, among more than 100 companies;
- EcoVadis, one of the world's largest and most trusted providers of business sustainability ratings, has granted Bureau Veritas a Platinum medal, the highest sustainability level assigned to a company, with a score of 78/100 in 2021. This result places Bureau Veritas among the top 1% of companies assessed by EcoVadis;

- ISS ESG, one of the world's leading ratings agencies for sustainable investments, has awarded Bureau Veritas a C+ score in its 2021 assessment, and the Group has again achieved a "Prime" company rating. The "Prime" status signifies that Bureau Veritas fulfills ISS ESG's demanding sustainability performance requirements in its sector.

Amongst other non-financial ratings of the Group: MSCI AA rating; CDP B rating, and Gold Class and Industry Mover membership in the S&P Global - Dow Jones Sustainability Indices (DJSI) 2021 Sustainability Yearbook.

In addition to the actions deployed in its own operations, through its BV Green Line of services and solutions, Bureau Veritas is empowering organizations - both private and public - to implement, measure and achieve their sustainability objectives. The BV Green Line scope of expertise covers ESG topics in 5 specific areas:

- Resources & Production;
- Consumption & Traceability;
- Buildings & Infrastructure;
- New mobility;
- Social, Ethics & Governance.

SHAWN TILL APPOINTED EXECUTIVE VICE-PRESIDENT OF BUREAU VERITAS COMMODITIES, INDUSTRY AND FACILITIES DIVISION IN NORTH AMERICA

On September 1, 2021, Shawn Till became Executive Vice-President of Commodities, Industry and Facilities (CIF), North America. Based in New York City, USA, Shawn Till is a member of the Group Executive Committee and reports to Didier Michaud-Daniel, Chief Executive Officer. Shawn Till brings a wealth of experience including 13 years of experience in the heavy civil construction materials and manufacturing industries sector. In 2006, he co-founded Primary Integration, which was acquired by Bureau Veritas in 2017.

FINANCIAL POSITION

At the end of September 2021, the Group's adjusted net financial debt slightly increased compared with the level at June 30, 2021 due to the payment of the dividend in July 2021. The Group has a solid financial structure with no maturities to refinance until 2023. At September 30, 2021, Bureau Veritas had EUR 1.2 billion in available cash and cash equivalents and EUR 600 million in undrawn committed credit lines.

2021 OUTLOOK CONFIRMED

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

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

Q3 2021 BUSINESS REVIEW

MARINE & OFFSHORE

IN EUR MILLIONS	2021	2020	CHANGE	ORGANIC	SCOPE	CURRENCY
Q3 revenue	92.3	89.3	+3.4%	+2.7%	-	+0.7%
9M revenue	281.5	274.3	+2.6%	+4.4%	-	(1.8)%

The Marine & Offshore business recorded a 2.7% organic revenue increase in the third quarter with the following trends:

- A mid-single-digit decline 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;
- A mid-single-digit growth in the Core In-service activity (44% of divisional revenue), fueled by the fleet's modest growth and a continued decline in laid-up ships. In the quarter, the activity level was back to more normal patterns following the anticipation by shipowners in the first half of some inspections normally scheduled in the second half of the year. A reversing trend of the strong H1 is expected in the fourth quarter. At September 30, 2021, the fleet classified by Bureau Veritas comprised of 11,528 ships, representing 137.4 million of Gross Register Tonnage (GRT), up 0.7% year on year (based on the number of ships);
- Double-digit growth for Services (16% of divisional revenue, including Offshore), a combination of improving end markets and favorable comparables. The expansion of the portfolio of services (i.e. cybersecurity, water ballast management, inventory of hazardous materials) also contributed to the growth.

In the third quarter of 2021, the shipping market continued to experience a very sharp rebound, driven by the demand for container ships and the energy market. Bureau Veritas' new orders achieved 6.6 million gross tons in September 2021, up 60.8% from 4.1 million gross tons in the prior-year period. This brings the order book to 16.0 million gross tons at the end of the quarter, up 13.0% compared to December 31, 2020 (14.1 million gross tons). It remains well diversified and composed of LNG fueled ships, container ships and specialized vessels.

Sustainability achievements

The Group continues to pursue its strategy 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 third quarter of 2021, Bureau Veritas delivered an Approval in Principle (AiP) to Hyundai Heavy Industries Co., Ltd. (HHI) and Korea Shipbuilding & Offshore Engineering Co., Ltd. (KSOE) for its innovative design and development of an ammonia carrier with ammonia-fueled propulsion. Ammonia is one of the main alternative fuel options currently considered by shipping for net zero operations, in line with the targets set up by the International Maritime Organization (IMO) to reduce greenhouse gas (GHG) emissions in the maritime sector by 2030 and 2050.

The Group has also delivered an Approval in Principle (AiP) to Dutch renewable energy company, SolarDuck, for its offshore floating solar solution "King Eider". This is the first time such an approval has been granted to an offshore floating solar technology, marking the beginning of a new era for this form of renewable energy.

AGRI-FOOD & COMMODITIES

IN EUR MILLIONS	2021	2020	CHANGE	ORGANIC	SCOPE	CURRENCY
Q3 revenue	273.1	252.5	+8.2%	+7.7%	(0.3)%	+0.8%
9M revenue	791.1	769.6	+2.8%	+5.2%	(0.1)%	(2.3)%

The Agri-Food & Commodities business delivered a strong organic revenue growth of 7.7% in the third quarter of 2021, led notably by buoyant Metal & Minerals and improving Oil & Petrochemicals markets.

The **Oil & Petrochemicals** segment (O&P, 31% of divisional revenue) recorded low single-digit organic growth overall. The O&P Trade market showed some improvement due to higher fuel consumption. Growth was achieved in the Americas (led by the slow US recovery although the Ida storm weighted on the refinery activity in September), the Middle East and Africa. In the meantime, the activity slightly declined in both Asia Pacific and Europe. Strong demand was recorded for non-trade related activities and value-added segments including sustainability-driven solutions, such as Carbon 14 analysis for Biofuels, biodiesel made from UCO (Used Cooking oil), Plastic to oil analysis, and services for SAF (sustainable aviation fuel).

The **Metals & Minerals** segment (M&M, 33% of divisional revenue) delivered double-digit organic growth overall, across the entire value chain. The Upstream business (two-thirds of M&M) continued to record strong growth (up 23.3% organically), led by most geographies, and notably the Americas (Canada, the US, Chile and Peru) and Asia Pacific regions (driven by Australia). Exploration drilling activity stayed strong in the quarter for all major commodities in a context of high metals and minerals prices. In addition, the Group's successful strategy for on-site laboratories outsourcing (with key wins in Africa and Latin America) and the expansion of services also contributed to the growth. Trade activities grew 16.2% organically, supported by a strong demand for all the main metals (copper, lead, zinc, coal and precious metals). Growth is however expected to moderate in the last quarter on slowing growth in China and supply chain shocks disrupting the major industrial economies.

Agri-Food (23% of divisional revenue) recorded slight organic revenue growth in the third quarter, with better growth for Agricultural products than for Food. The Agri Upstream business recorded double-digit growth led by Brazil operations throughout all agri-commodities, from cotton to oilseeds. Conversely, the agricultural inspection activities were impacted by reduced trading volumes in both Europe and Asia. This was due to lower barley, corn and wheat harvest as well as a continued challenging competitive environment. The Food business saw better resilience of the testing activities over inspection; it reflected a mixed situation by geography: strong growth in Africa, solid growth in Canada and the US while weak growth in Asia Pacific, which was primarily impacted by the restrictions measures. The activity was disrupted by the lockdown measures in the main locations of the Group's large Australian operations, of which Melbourne in the first place.

Government services (13% of divisional revenue) recorded mid-single-digit organic growth in the quarter led by all geographies except the Middle East (Saudi Arabia, Iraq). Robust growth was delivered in African countries led by the ramp-up of VOC (Verification of Conformity) in Kenya and the increased value of inspected goods on existing contracts (Single Window and VOC contracts in DRC essentially). The number of inspections performed remotely in the third quarter remained high with, in particular, a significant percentage for VOC contracts in Africa.

Sustainability achievements

The Group is 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, the Group is offering a full supply chain traceability solution to the cotton market. In the third quarter of 2021, together with its partner Optel, Bureau Veritas has created "The Traceable Network", a solution to trace verifiable data on cotton production from farms to the end product.

INDUSTRY

IN EUR MILLIONS	2021	2020	CHANGE	ORGANIC	SCOPE	CURRENCY
Q3 revenue	259.1	235.1	+10.2%	+10.4%	+0.3%	(0.5)%
9M revenue	746.3	708.7	+5.3%	+9.8%	(0.5)%	(4.0)%

Industry was the best performing business within the Group's portfolio in the third quarter of 2021, with organic growth of 10.4%, across the board helped by the comparables.

By geography, most regions delivered growth in the quarter with Latin America leading the way alongside North America (driven by both Canada and the US), Middle East, Africa, and Asia Pacific. Conversely, the activity declined in part of Europe (East European countries and the UK) due to contracts terminations.

The Power & Utilities segment (15% of divisional revenue) remained a growth driver of the portfolio with a mid-single-digit organic performance achieved in the third quarter against unfavorable comparables. The activity was particularly strong in the Middle East (led by capex projects), Europe (driven by the UK, and France thanks to nuclear power generation), and in Latin America (Argentina, Brazil and Colombia notably). Regarding Opex-related services, Latin America, which represents the largest P&U business, continues to benefit from the ramp-up of large contract wins with various Power Distribution clients alongside increasing volumes for existing contracts. The replication of its power grid platform to Utilities and Telecom end markets (with services including site survey of radio base installations, asset integrity management, signal drive test) is progressing well and counts already several contract wins.

Renewable energies are providing significant medium to long-term growth opportunities for the business. Oil & Gas companies, that are currently accelerating the shift towards cleaner energies (solar, wind, hydrogen), aim at meeting ambitious decarbonization targets. During the third quarter, Bureau Veritas participated in bidding for numerous wind and solar power generation projects (in Europe, Asia and the Americas) with a good level of signing. This includes Bradley Construction Management, acquired by the Group in Q1 2021, which was awarded several contracts for solar energy construction projects in the US.

In Oil & Gas (28% of divisional revenue), the performance further improved as many projects which were put on hold finally resumed. Opex-related activities (representing nearly two-third of the Oil & Gas business) grew double-digit organically, supported by the end of the pandemic-related restrictions. Growth was particularly strong in the Middle East, Latin America (Colombia and Argentina) and in some European countries (Spain and Italy). Capex-related activities, including Procurement Services, grew mid-single-digit organically, essentially attributable to Latin America, the US (with drilling activity resuming), Asia (led by India) and the Middle East. The sales pipeline in Capex services improved, notably in Asia and in North America, although many projects are being delayed (due to health and resources constraints). As of today, the share of Oil & Gas Capex in Group revenue has significantly reduced to 2%.

In Automotive (5% of divisional revenue), the activity suffers from the mobility restrictions and the supply chain disruption (related to the shortage of materials).

Sustainability achievements

In the third quarter of 2021, the Group has been awarded the Driftwood LNG contract, which supports the transition into the new fuels market. Driftwood LNG is an integrated LNG project that includes the construction of pipelines from gas production areas in Louisiana, US and a low-cost modular liquefaction plant.

In the renewables space, the Group is currently working with its Global Service Line to expand the offering (in addition to the already established services delivered) to support its customers with owner's engineering services in the offshore wind market.

In the US, a dedicated sales team within the industrial inspection's business is working to promote the Group's Hydrogen capabilities. Services are in support of the Hydrogen validation, code compliance and risk and reliability services.

BUILDINGS & INFRASTRUCTURE

IN EUR MILLIONS	2021	2020	CHANGE	ORGANIC	SCOPE	CURRENCY
Q3 revenue	357.0	327.6	+9.0%	+8.0%	-	+1.0%
9M revenue	1,066.2	939.0	+13.5%	+15.5%	(0.3)%	(1.7)%

The Buildings & Infrastructure (B&I) business posted a strong organic revenue growth of 8.0% in the third quarter of 2021, driven by the Americas as well as the Middle East and Africa.

Double-digit organic revenue growth was delivered in Construction-related activities (54% of divisional revenue), while Buildings In-service activities (46% of divisional revenue) achieved low single-digit growth.

The Group recorded a major organic growth increase in the Americas (21% of divisional revenue), led primarily by the US, in the continuity of the previous quarter. Bureau Veritas US operations achieved a stellar performance (up 34.3% organically), a combination of improving market conditions, strong commercial development and favorable comparables. Growth was primarily driven by the data center commissioning services business, where the Group has a leading expertise; it was backed by a strong staff recruitment in the prior year to support the backlog delivery in both the US and in other geographies (Europe, Asia). In addition, a strong momentum was maintained in project management assistance and transactional activity for Opex-related services, thanks to numerous wins across all sectors (essentially in the Retail market). In Latin America, the activity continued to benefit from the strong recovery of Brazil (up 40.3% led by both Opex and Capex-related services) thanks to the conversion of an important sales pipeline while other countries (Argentina and Colombia notably) also contributed to the performance.

Growth in Europe (53% of divisional revenue) was robust overall. The Group achieved double-digit organic revenue growth in East European countries and mid-single-digit growth elsewhere, apart from France. The UK and Italy notably benefited from large In-service verification contract wins. France (41% of divisional revenue) grew 1.1% organically in the quarter, against tough comparables following a strong catch-up of regulatory-driven business in the prior year. Energy efficiency programs (including the white certificates for eligible projects) continued to fuel the growth. Capex-related works showed some improvement with a stabilizing new build market and a backlog on improving trend. In the medium term, the Group expects to benefit from the numerous investment programs in the EU (including the Green Deal in France) aiming at supporting the development of a greener economy. The pipeline of sales is promising.

In Asia Pacific (23% of divisional revenue), a slight organic revenue decline was recorded due to China as a result of very tough comparables following the restart of large infrastructure projects last year, once travel restrictions were lifted. The underlying trends in China are unchanged with organic growth up 6.2% versus Q3 2019. In China, the Group is solely focused on large infrastructure projects in the field of energy and transportation that continue benefiting from the Chinese government's support to the domestic economy through long-term spending. Its exposure to the high-rise buildings (which includes residential projects) represents less than 5% of the Chinese revenue. Elsewhere, the activity strongly recovered in India (up 50.6% organically) as lockdown measures were removed, while Japan continued to improve gradually in a difficult operating environment due to the pandemic.

The Middle East & Africa region (3% of divisional revenue) delivered a stellar organic performance (up 40.1% organically): it was primarily led by Saudi Arabia, benefiting from the development of numerous projects supported by the rebound in oil prices. Africa also experienced a strong organic recovery (up 32.5%).

Sustainability achievements

During the third quarter of 2021, the Group was awarded a 3-year contract with the UK Air Quality Management Unit for environmental compliance reporting. On behalf of the UK national Environmental Agency, Bureau Veritas is monitoring national air quality for the public good.

The Group continues to experience a strong momentum for its portfolio of services dedicated to Electric Vehicle Charging Stations (EVCS), covering the full lifecycle – from design, construction and commissioning to operations. The Group was awarded new contracts for technical control and station product conformity during the quarter in the US with Electrify America.

CERTIFICATION

IN EUR MILLIONS	2021	2020	CHANGE	ORGANIC	SCOPE	CURRENCY
Q3 revenue	92.4	88.5	+4.4%	+0.8%	+2.9%	+0.7%
9M revenue	288.9	230.5	+25.3%	+24.0%	+3.4%	(2.1)%

The Certification business achieved an organic growth of 0.8% in the third quarter of 2021, against very challenging comparables following the catch-up in Q3 2020 of postponed audits during the lockdown period and the success of new services developed such as “Restart Your Business with BV”.

This performance reflected very contrasted situation by country: while double-digit organic growth was achieved in the Americas (led by Latin America), the Middle East and Africa (supported by strong sales development), the growth was muted in Asia Pacific, disrupted by mobility restrictions and new lockdown measures (Vietnam, Thailand). In the meantime, Certification activities declined in Europe (primarily led by France, Spain and Italy), which faced tough comparables against last year’s catch-up audits.

The third quarter benefited from the effect related to a year of recertification as regards several schemes (three-year cycle for ISO 9001, 14001 and Transportation schemes, accounting for approximately a third of the portfolio). As the deadline was September 2021, this will disappear as from Q4 2021 onwards and implies tough comparables next year. The activity was also supported by the transition of OSHAS 18001 scheme towards ISO 45001, which implied an increase of the man days.

Within the Group’s portfolio, double-digit growth was achieved in Corporate Responsibility & Sustainability, Organic Food products certification as well as for Supplier audit; growth was delivered elsewhere in QHSE, Transportation, Training services.

Transportation schemes benefited from the restart of the three-year cycle (implying the delivery of the main recertification audits) following the revision of standards (all IATF certificates in the Automotive sector particularly) which occurred in 2018. This notably supported the activity in Germany, Spain, Italy and the US. The Group achieved a very high renewal rate.

During the third quarter, Bureau Veritas’ Sustainability services grew double-digit, still 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), CSR Assurance and Wood Management Systems Certification.

The Group’s portfolio diversification continued with a very strong organic performance and increased momentum on solutions dedicated to companies around Anti-bribery, Asset Management, IT Service Management Information Security, and Business Continuity.

Sustainability achievements

During the third quarter, Bureau Veritas has certified Expo 2020 Dubai Event Sustainability Management System according to ISO 20121:2012. The standard describes a management system for organizers to identify the negative social, economic and environmental impacts of events. It is aligned with United Nations’ Sustainable Development Goals in terms of well-being, equality, clean water, clean energy, economic growth, sustainable cities, responsible consumption, climate, reduced inequalities and inclusive societies.

The Group has also enabled the Singapore Changi Airport to become the first airport in the Asia-Pacific region to comply with the Airport Health Measures Audit program developed in partnership with Airports Council International (ACI) based on BV’s SafeGuard™ standards and aligned with the recommendations of national and international authorities. The onsite audits conducted by Bureau Veritas enabled Changi Airport to demonstrate that all appropriate health and safety measures of staff and travelers are in place.

CONSUMER PRODUCTS

IN EUR MILLIONS	2021	2020	CHANGE	ORGANIC	SCOPE	CURRENCY
Q3 revenue	171.8	155.3	+10.6%	+8.7%	+0.1%	+1.8%
9M revenue	490.1	426.7	+14.9%	+18.1%	+0.1%	(3.3)%

The Consumer Products business continued its recovery in the third quarter of 2021, with organic growth of 8.7%, primarily led by a pick-up of activity in China, across most product categories. Testing activities grew strongly while Inspection and Audit services have declined.

By geography, the growth was primarily led by North East Asia (with China growing double-digit organically) and to a less extent by South Asia (including India and Sri Lanka). Both Turkey and Mexico delivered very high growth and illustrated the first benefit of the Group's geographic diversification strategy. Conversely, activity levels were under pressure in South East Asian countries, led by Vietnam essentially, facing lockdown measures since the end of August.

Softlines (34% of divisional revenue) performed better than the divisional average, with a contrasted situation by geography: strong momentum in China and to lesser extent in India (recovering from the lockdown measures which came to an end), Cambodia and Indonesia; weak performances in South East Asia (Vietnam, Singapore and Japan essentially), which have started to be impacted by the disruption caused by the lockdown measures and the difficulty to operate laboratory testing services in normal conditions.

Hardlines (31% of divisional revenue) performed in line with the divisional average led by all products categories, and notably small appliances and do-it-yourself products. Toys rebounded driven by China, ahead of the Christmas period. Cosmetics, Health & Beauty performed in line with the divisional average while luxury products continued to be driven by Italy. Inspection and Audit services were under pressure, with many countries in Asia being disrupted by lockdown measures and restrictions on mobility (Vietnam, Thailand, Japan notably), and shipping shortage issues. Elsewhere the demand for Social & CSR audits remained strong.

Lastly, **Technology**² (35% of divisional revenue) performed slightly below the divisional average, with double-digit organic performance in both Electrical & Electronics and in Automotive (reliability testing and homologation services). Wireless Testing (wireless technologies/Internet of Things (IoT) products) grew low single-digit, fueled by Asia (Taiwan, China and Japan) and Mexico; this was explained by more challenging comparables and a minor impact related to the supply chain disruption and shortage issues. Bureau Veritas is paying close attention to the issue of chip shortages, which if prolonged could have an impact on the launch of new products. 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. The Group continues to invest in 5G technology testing equipment to answer to the strong demand.

Sustainability achievements

In the third quarter of 2021, Bureau Veritas won a large social compliance contract from one of the Middle East's largest online retailers selling a wide range of consumer categories - from softlines to hard goods and electronics as well as second-hand products. This strengthens Bureau Veritas leading role as a provider of ESG/Sustainability solutions to online retailers.

To answer the call from one of the world's leading outdoor brands, Bureau Veritas has also developed a solution to help their supply chain improve their energy efficiency and reduce their carbon footprint. The Group's Energy Diagnosis is a project catering to the needs of those facilities. By a combination of on-site and off-site "diagnosis", Bureau Veritas' specialists identify the root causes leading to high energy consumption and carbon emissions. With a full year facility management and representative engagement, the Group's specialists work in collaboration with the facility, map out a practical 3-year plan with targets set and agreed with regards to energy improvement and GHG (Greenhouse Gaz) performance.

² Technology segment comprises Electrical & Electronics, Wireless testing activities and Automotive connectivity testing activities.

PRESENTATION

- Q3 2021 revenue will be presented on Tuesday, October 26, 2021, at 6:00 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 & 2022 FINANCIAL CALENDAR

- Investor Day: December 3, 2021 (morning, virtual)
- Full-Year 2021 Results: February 24, 2022
- Q1 2022 revenue: April 21, 2022
- H1 2022 Results: July 28, 2022

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](#).



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This press release (including the appendices) contains forward-looking statements, which are based on current plans and forecasts of Bureau Veritas' management. Such forward-looking statements are by their nature subject to a number of important risk and uncertainty factors such as those described in the Universal Registration Document ("*Document d'enregistrement universel*") filed by Bureau Veritas with the French Financial Markets Authority ("AMF") that could cause actual results to differ from the plans, objectives and expectations expressed in such forward-looking statements. These forward-looking statements speak only as of the date on which they are made, and Bureau Veritas undertakes no obligation to update or revise any of them, whether as a result of new information, future events or otherwise, according to applicable regulations.

APPENDIX 1: Q3 AND 9M 2021 REVENUE BY BUSINESS

IN EUR MILLIONS	Q3/9M 2021	Q3/9M 2020	CHANGE	ORGANIC	SCOPE	CURRENCY
Marine & Offshore	92.3	89.3	+3.4%	+2.7%	-	+0.7%
Agri-Food & Commodities	273.1	252.5	+8.2%	+7.7%	(0.3)%	+0.8%
Industry	259.1	235.1	+10.2%	+10.4%	+0.3%	(0.5)%
Buildings & Infrastructure	357.0	327.6	+9.0%	+8.0%	-	+1.0%
Certification	92.4	88.5	+4.4%	+0.8%	+2.9%	+0.7%
Consumer Products	171.8	155.3	+10.6%	+8.7%	+0.1%	+1.8%
Total Q3 revenue	1,245.7	1,148.3	+8.5%	+7.5%	+0.2%	+0.8%
Marine & Offshore	281.5	274.3	+2.6%	+4.4%	-	(1.8)%
Agri-Food & Commodities	791.1	769.6	+2.8%	+5.2%	(0.1)%	(2.3)%
Industry	746.3	708.7	+5.3%	+9.8%	(0.5)%	(4.0)%
Buildings & Infrastructure	1,066.2	939.0	+13.5%	+15.5%	(0.3)%	(1.7)%
Certification	288.9	230.5	+25.3%	+24.0%	+3.4%	(2.1)%
Consumer Products	490.1	426.7	+14.9%	+18.1%	+0.1%	(3.3)%
Total 9M revenue	3,664.1	3,348.8	+9.4%	+11.9%	-	(2.5)%

APPENDIX 2: 9M 2021 REVENUE BY QUARTER

IN EUR MILLIONS	2021 REVENUE BY QUARTER		
	Q1	Q2	Q3
Marine & Offshore	94.1	95.1	92.3
Agri-Food & Commodities	249.2	268.8	273.1
Industry	232.5	254.7	259.1
Buildings & Infrastructure	347.2	362.0	357.0
Certification	91.9	104.6	92.4
Consumer Products	139.8	178.5	171.8
Total revenue	1,154.7	1,263.7	1,245.7

APPENDIX 3: CORPORATE SOCIAL RESPONSIBILITY (CSR) KEY INDICATORS

	UNITED NATIONS' SDGS	9M 2021	FY 2020	2025 TARGET
SOCIAL & HUMAN CAPITAL				
Total Accident Rate (TAR) ³	#3	0.27	0.26	0.26
Proportion of women in leadership positions ⁴	#5	21.0%	19.8%	35%
Number of training hours per employee (per year) ⁵	#8	21.6	23.9	35.0
ENVIRONMENT				
CO ₂ emissions per employee (tons per year) ⁶	#13	N/A	2.44	2.00
GOVERNANCE				
Proportion of employees trained to the Code of Ethics ⁷	#16	N/A ⁷	98.5%	99%

APPENDIX 4: 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.

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

⁴ Proportion of women in leadership positions (number of women on a full-time equivalent basis in a leadership position/total number of full-time equivalents in leadership positions).

⁵ Indicator calculated over a 9-month period compared to a 12-month period for FY 2020 and 2025 target values.

⁶ Greenhouse gas emissions from offices and laboratories, tons of CO₂ equivalent per employee and per year for Scopes 1, 2 and 3 (emissions related to business travel).

⁷ A new training, following the update of the Code of Ethics, was rolled out in the third quarter. The coverage rate of employees trained in the Code of Ethics, after approximately 6 months of training campaign (compared to the usual 12 months), will be available and communicated in the 2021 annual results. As a reminder the proportion of employees trained to the Code of Ethics reached 97.6% at the end of H1 2021.

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.