**2021 First-Half Results** Paris, July 27, 2021, 5:45 p.m. CEST

# With its refocused service platform and strengthened financial structure, Nexity returns to pre-Covid profitability levels

- **Strategic review process completed**, with the disposals of Ægide-Domitys and Century 21
  - Service platform refocused on services maximizing **value creation** through **cross-business synergies**
  - Impact of €206m on net income (including capital gains) and €412m on net debt reduction
- **Business activity highly resilient** despite current context of supply shortage
  - 9,088 new home reservations in France (stable in value terms, down 4% by volume), with a strong recovery in retail sales
  - Target of around 20,000 reservations in 2021 confirmed
- **Financial performance reflecting the profitable growth model of Nexity's service platform**
  - Revenue of €2,063m on the new scope[1] excluding disposed activities (+34% from 2020, +26% from 2019)
  - Current operating profit doubling to €136m on the new scope
- **2021 targets confirmed and expressed in terms of the new scope**
  - Revenue of over **€4.4bn** excluding the contribution of disposed activities, **at least equal to 2020** on the new scope
  - Current operating profit of over **€360m** on the new scope, equating to an operating margin above **8%**

## Key figures for the first-half 2021

| BUSINESS ACTIVITY | H1 2021 | Change |
|---|---|---|
| **New home reservations France** | | *vs. H1 20* |
| Volume | 9,088 units | -4% |
| Value | €2,023m | 0% |
| **Commercial Real Estate** | | |
| Order intake | €307m | |
| **Development outlook** | | *vs. Dec-20* |
| Backlog | €6,563m | Stable |

| FINANCIAL RESULTS — NEW SCOPE[1] *(€ m)* | H1 2021 | H1 2020 | H1 2019 | *21 vs 20* | *21 vs 19* |
|---|---|---|---|---|---|
| **Revenue** | **2,063** | 1,537 | 1,643 | +34% | +26% |
| **Operating profit** | **136** | 66 | 112 | x 2 | +21% |
| *Operating margin* | ***6.6%*** | *4.3%* | *6.8%* | | |
| **Net income, Group share** | **77** | 23 | 49 | x 3 | +59% |
| *Net margin* | *3.7%* | *1.5%* | *3.0%* | | |
| **REPORTED DATA** *(m€)* | **jun-21** | **dec-20** | **dec-19** | | |
| **Net Debt[2]** | **690** | 655 | 918 | | |
| *x EBITDA[3] (12 months)* | ***1.7x*** | *1.9x* | *2.3x* | | |

*[1] The new scope of consolidation corresponds to the scope of business excluding the contribution of disposed activities (Century 21 and Ægide-Domitys) and capital gains. Disposed activities have been consolidated until March 31 for Century 21 and until June 30 for Ægide-Domitys. In H1 2019, disposed activities include Guy Hoquet l'Immobilier.*
*[2] Net debt before lease liabilities and IFRS 5 / [3] EBITDA after lease payments*

## Véronique Bedague, Chief Executive Officer, commented:

*"Following the 2020 pandemic crisis and its ongoing consequences, the first-half of 2021 has been a period of intense construction for Nexity including an evolution of its governance framework, the reshuffling of its Executive Committee, the strategic refocus of its portfolio on core activities and unique commitments in – unrivalled in the real estate development sector – to drastically cut its carbon footprint. We are now in great shape to step up the pace of our transformation in order to best serve our clients to support ongoing changes in their business and reinvent the way we live together in the cities of tomorrow.*

*Our integrated real estate operator model has demonstrated its strength and resilience in this first-half, still marked by the pandemic and continuing challenges in our environment. Amid lengthening of building permit time and rising construction costs, our highly engaged teams and our diverse range of **residential real estate development** products kept our commercial activity up at healthy levels, and we continued to adapt our offering to meet growing demand from institutional customers. As a result, we have reported a higher current operating profit than in the first-half 2019. In **commercial real estate**, we achieved a creditable financial performance given the quality of the sales in the backlog; and the range of services that we can now offer our corporate customers, combining our expertise in development with service solutions for workspaces that are either shared, or totally transformed. The launch of Nexity@work puts us at the forefront of efforts to meet the latest types of user needs now emerging for flexible and hybrid spaces. Lastly, our **service platform**, now refocused following the disposals of the Ægide-Domitys senior residences and the Century 21 franchise network, has returned to a growth rate of close to 10% relative to 2019. The platform's profitability has bounced back sharply compared to the first-half 2020, and the transformation plan focused on quality of customer relationships and leadership in energy renovation will keep us on this profitable growth trajectory.*

*Nexity confirms all of its targets for 2021, provided there are no further lockdowns in the second half of the year and despite the uncertainties of the economic environment. We are confident that we will continue to develop our service platform to serve our customers. The Group's strong financial capacity allows us to intensify our ability to intervene in a context of land scarcity."*



*Note: The financial data and indicators used in this press release are based on Nexity's operational reporting with joint ventures proportionately consolidated. The definitions of the indicators used in this press release and their reconciliation with the IFRS-compliant financial statements can be found in the last pages of this document.*

## RESIDENTIAL REAL ESTATE DEVELOPMENT: Healthy business activity, strong earnings rebound

**Reservations:** Reservations recorded by Nexity were up 1.7% by volume and up 4.4% by value compared with the first-half 2020 for its entire scope, including international operations. In France, amid a persistent supply shortage with building permits issued remaining at a low level and project set-up phases taking longer, Nexity's business levels held up well, with **net new home reservations** dipping slightly by volume (down 4% to 9,088 units) and remaining stable by value at €2 billion including VAT, and extended its undisputed market leadership. All the indicators show that pressures are building up in the market, with supply getting scarcer and demand remaining brisk: the **supply for sale** remains low at 7,226 units, down a modest 0.2% compared with at end-December 2020 as the absorption rate remained historically swift, at 4.3 months. That reflects the low level of projects for sale being launched as building permit application periods have lengthened. The **price** of new homes reserved during H1 2021 by retail customers rose by 1.8% relative to H1 2020 to an average of €246,500 including VAT with a positive price effect on the average selling price per square meter (up 2.2%) compensated by a slight negative volume effect on the average surface area per apartment (-0.4%). **Retail sales** grew 31% compared with the first-half 2020, driven by the return in numbers of individual investors looking to capitalize on the still highly attractive borrowing conditions and the additional savings they had built up in recent months. **Bulk sales** dropped 37% compared with the first-half 2020, which had seen a favorable base of comparison given the signature of an exceptional agreement with CDC Habitat (representing 2,686 homes in H1 2020, compared with just 604 reservations in H1 2021). However, bulk sales were up 17% compared with H1 2019, reflecting the growing interest among institutional investors.

| | H1 2021 | H1 2020 | H1 2019 | *H1 21 / H1 20 Change* | *H1 21 / H1 19 Change* |
|---|---|---|---|---|---|
| **Reservations (units)** | **10,518** | **10,347** | **10 476** | **+1.7%** | **+0.4%** |
| Housing (France) | 9,088 | 9,451 | 9,486 | -3.8% | -4.2% |
| *o/w Retail sale* | *5,985* | *4,559* | *6,844* | *+31.3%* | *-12.6%* |
| *o/w Bulk sale* | *3,103* | *4,892* | *2,642* | *-36.6%* | *+17.4%* |
| Subdivisions | 777 | 657 | 817 | +18.3% | -5.0% |
| International | 653 | 239 | 173 | x3 | x4 |
| **Reservations (€m)** | **2,207** | **2,115** | **2,006** | **+4.4%** | **+10.0%** |
| Housing (France) | 2,023 | 2,023 | 1,923 | 0.0% | +5.2% |
| *o/w Retail sale* | 1,455 | 1,083 | 1,516 | +34.3% | -4.1% |
| *o/w Bulk sale* | 568 | 940 | 408 | -39.3% | +39.7% |
| Subdivisions | 71 | 55 | 66 | +27.9% | +6.3% |
| International | 113 | 36 | 16 | x3 | x7 |
| *Data on the new scope (€m)* | H1 2021 | H1 2020 | H1 2019 | | |
| **Revenue** | **1,397.7** | **900.9** | **1,105,0** | **+55.1%** | **+26.5%** |
| Current operating profit | 80.6 | 7.6 | 77.0 | x11 | +4.7% |
| **Margin (% revenue)** | **5.8%** | **0.8%** | **7.0%** | *+500bps* | *-120bps* |
| | H1 2021 | Dec-2020 | Change | | |
| **Working Capital Requirement (WCR)** | 1,130 | 985 | +145 | | |
| *% backlog* | *20.5%* | *17.9%* | *+2.6%* | | |

**Half-year results:** First-half 2021 **revenue** came to €1,398 million, up €497 million (or 55%) relative to H1 2020, a period hit by the complete shutdown of construction projects as the pandemic emerged (impact estimated at around €300 million), and up €293 million (or 27%) relative to H1 2019. **Current operating profit** amounted to €81 million, up more than eleven times from the H1 2020 figure impacted by the temporary halt in business activity, which meant that management costs were not able to be incorporated into operating inventories. The margin rose to 5.8% of revenue (versus 0.8% in H1 2020). This margin, which is always lower in the first-half, is in line with the full-year margin forecast by the Group. The **WCR** was again managed very carefully, with the €145 million increase reflecting the strength of business activity and, to some extent, expenses arising on projects currently being set up, which will pave the way for sales launches over the next quarters. The WCR-to-backlog ratio remained under control at 20.5%, in line with historical levels, reflecting the brisk absorption rate for developments. Unsold completed stock (51 units) as a proportion of the total supply of homes for sale remained very low.

**Outlook:** The **backlog** was stable compared with year-end 2020 (adjusted for the projects developed by Ægide, which was sold at June 30, 2021) at €5.5 billion, i.e 1.7 year of revenue, and the **business potential** stood at €11.4 billion at end-June 2021, or approximately 3.5 years of revenue. Even though the decline in building permits is again expected to curb the pace at which supply for sale is replenished in the second half, **Nexity is reiterating its forecast of around 20,000 new home reservations in France in 2021** given its vibrant portfolio of projects currently being assembled, with a larger share of bulk sales than in the six months to June 30. In the second half, residential real estate revenue is expected to be slightly below H2 2020 levels given forecast construction progress and notarial deeds of sale, amid greater pressure on construction supply chains and longer building permit approval delays. The full-year margin is expected to head back above 8.5%, even factoring in the carefully controlled effects of the increase in construction costs and the shift in the customer mix.

## COMMERCIAL REAL ESTATE DEVELOPMENT: Many deliveries in a wait-and-see market

### New orders and deliveries:

Nexity, France's leading commercial real estate developer both by revenue and by the uniqueness of its range of integrated services meeting the full spectrum of user needs, recorded an **order intake** of €307 million in the first-half 2021, up from €216 million in the first-half 2020. That figure includes €260 million in orders in the Paris region, including for Reiwa, Nexity's future headquarters in Saint-Ouen, and €47 million in orders across France's major regional cities where Nexity continues to build up its presence.

Nine projects have been **delivered** since the beginning of the year, and work on the flagship Olympic Village, France's largest single-site construction project for the 2024 Olympic Games, started in Saint-Ouen (mixed housing and office development, almost all of which have already been sold through bulk sales to institutional investors).

| *Data on the new scope (€m)* | **H1 2021** | **H1 2020** | **H1 2019** | *H1 21/H1 20 change* | *H1 21/H1 19 change* |
|---|---|---|---|---|---|
| **Revenue** | 279.8 | 303.3 | 179.0 | -7.7% | +56.3% |
| **Current operating profit** | 44.3 | 53.8 | 19.8 | -17.7% | x2 |
| *Margin (% revenue)* | *15.8%* | *17.7%* | *11.1%* | *-190bps* | *+470bps* |
| | **H1 2021** | **Dec-2020** | **Change** | | |
| **Working Capital Requirement (WCR)** | (85) | (267) | +181 | | |

### Half-year results:

2020 was a record year for commercial real estate development with the sale of very large commercial projects, including the sale of the Influence 2.0 building occupied by the Paris Regional Council in the first-half for €219 million and the sale of Engie's green business park in La Garenne-Colombes in the fourth quarter (around €1 billion). Given these base effects and the state of progress of the various projects underway, 2021 interim results were naturally lower than in 2020. Nonetheless, the first-half 2021 margin held up at a very high level, well above that anticipated for 2021 and historical levels.

**WCR**, which was highly negative at -€267 million at the end of 2020, due to the first receipts following the marketing of major programmes at the end of the year, including Reiwa in Saint-Ouen and the green business campus to serve as Engie's new headquarters in La Garenne-Colombes, returned to a more normal level as anticipated (up €181 million from December 31, 2020) following payments for VAT and construction work, but remained negative at -€85 million, given that the advances received had not yet been absorbed in full.

### Outlook:

The **backlog** for Commercial Real Estate Development totalled €1 billion at end-June 2021 (up 2.7% relative to end-December 2020), representing almost 2 years of development operations, and **business potential** stood at €1.7 billion (down 8.2% relative to end-December 2020), representing the equivalent of 3.4 years of development operations. Although the Office property market seems to be picking up again with a second quarter showing an increase in take-up, a number of businesses have postponed or are revising their property plans, which is slowing down office project sales.

The Group does not expect further significant order intake in the second half, and based on the outlook for the various projects currently in the structuring phase, the Group is reiterating an **order intake target of €400 million** excluding VAT in 2021, a level more consistent with its past performance and current market conditions. The green business campus in La Garenne-Colombes, currently under construction, will not generate significant revenue in the second half of 2021.

## SERVICES: Platform refocused on services with substantial synergies – Renewed profitable growth

### Half-year results

The highlight of the first-half for the Services segment was the agreement with AG2R-La Mondiale on June 22, 2021 to sell it a majority stake in Ægide-Domitys, France's leader in senior independent living facilities, with 126 serviced residences at end-June. The deal marks Nexity's exit from the operation of senior independent living facilities, while enabling it to reinforce its business in development, a segment with great potential for Nexity, under a long-term agreement with AG2R- La Mondiale. Ægide-Domitys' results have been consolidated to June 30, 2021 (€202.1 million in revenue from the operation of serviced residences). The sale of the Century 21 franchise network during May (operations consolidated until March 31, 2021) marks the completion of the Group's refocusing drive.

| *Data on the new scope (€m)* | H1 2021 | H1 2020 | H1 2019 | *H1 21/H1 20 change* | *H1 21/H1 19 change* |
|---|---|---|---|---|---|
| **Revenue** | 385.3 | 332.6 | 357.9 | +15.9% | +7.7% |
| **Current operating profit** | 25.8 | 13.7 | 26.8 | +88% | -3.6% |
| *Margin (% revenue)* | *6.7%* | *4.1%* | *7.5%* | *+260bps* | *-80bps* |
| | **H1 2021** | **Dec-2020** | **Change** | | |
| **Working Capital Requirement (WCR)** | 26 | 49 | (23) | | |

Services **revenue** for the new scope (i.e., excluding Domitys and Century 21) came to €385 million in the first-half, up 16% relative to the low point of 2020, and up 8% on the pre-Covid business levels of 2019. The growth was driven by all the active business lines on Nexity's service platform.

- In **property management**, first-half revenue rose 5% in the residential segment with the upturn in brokerage and rentals, especially outside the Paris region, and 20% in the commercial real estate segment. At the beginning of 2021, Perial Asset Management selected Nexity Property Management to manage a portfolio totalling nearly 300,000 sq.m for the next three years.
- In **serviced properties**, Nexity Studéa, a leading operator of student residences, recorded revenue growth of 4%, despite the pandemic, with a consistently high average occupancy rate of 93%, albeit slightly below (-1%) the 2020 average occupancy rate given that classes continued online. The activity levels of Morning, leading player in Paris-based coworking spaces, were stable compared with the occupancy rates in H2 2020. A strong acceleration is anticipated in the second half given the expansion in its portfolio (6,000 sq.m added in the second quarter with the opening in early June of its flagship Morning Concorde facility at the historic Hôtel de la Marine building). The average occupancy rate at its established spaces was 80% at end-June and is expected to rise over the remainder of the year.
- **Distribution** activities posted growth of 41% relative to the first-half 2020 as individual investors returned in the first-half 2021.

**Current operating profit** from Services on the new scope nearly doubled with respect to 2020, totalling €26 million, equating to a current operating margin on a like-for-like basis of 6.7% (versus 4.1% in the first-half 2020, on a like-for-like basis). This margin is expected to continue to improve in the upcoming quarters.

## CONSOLIDATED RESULTS – OPERATIONAL REPORTING

| *(in millions of euros)* | H1 2021 | H1 2020 | H1 2019 | H1 21 /H1 20 change | H1 21 /H1 19 change |
|---|---|---|---|---|---|
| Revenue new scope | 2,063.5 | 1,536.8 | 1,643.0 | 34% | 26% |
| Revenue from disposed activities | 211.3 | 179.2 | 197.4 | 18% | 7% |
| **Revenue** | **2,274.8** | **1,716.1** | **1,840.4** | **33%** | **24%** |
| **Current operating profit new scope** | **136.0** | **66.0** | **112.4** | **x2** | **21%** |
| *% of revenue* | *6.6%* | *4.3%* | *6.8%* | | |
| Operating profit from disposed activities | 41.3 | (15.8) | 13.0 | | |
| Capital gains on disposals | 184.7 | | | | |
| Operating profit from disposed activities and capital gains on disposals | **226.0** | **(15.8)** | **13.0** | | |
| **Operating profit** | **362.0** | **50.2** | **125.4** | **x 7** | **x 3** |
| Net financial income/(expense) | (43.7) | (36.0) | (37.4) | | |
| Income tax | (32.2) | (5.8) | (31.9) | | |
| Share of profit/(loss) from equity-accounted investments | (0.9) | (0.3) | | | |
| **Net profit** | **285.2** | **8.2** | **56.0** | | |
| Non-controlling interests | (2.1) | (1.6) | (3.8) | | |
| **Net profit attributable to equity holders of the parent company** | **283.2** | **6.6** | **52.2** | **x 43** | **x 5** |
| Of which net income from non-current items and disposed activities | 206.2 | (16.3) | 3.7 | | |
| **Net profit attributable to equity holders of the parent company, new scope** | **77.0** | **22.9** | **48.5** | **x 3** | **59%** |
| *(in euros)* | | | | | |
| Net earnings per share | 5.11 | 0.12 | 0.93 | | |
| **Net earnings per share, new scope** | **1.39** | **0.41** | **0.86** | | |

## Revenue

**Reported revenue was €2,275 million**, or €2,063 million on the new scope. Reported revenue thus rose 33%, or €559 million, compared with H1 2020, which had seen a revenue shortfall of about €430 million due to the consequences of the Covid-19 health crisis.

**In IFRS terms**, reported revenue in the first-half 2021 was €2,099 million, compared with €1,607 million in the year-earlier period, thus an increase of 31%. This figure excludes revenue from joint ventures, in accordance with IFRS 11, which requires joint ventures – proportionately consolidated in the Group's operational reporting – to be accounted for using the equity method.

| *(in millions of euros)* | H1 2021 | H1 2020 | H1 2019 | H1 21/H1 20 change | H1 21/H1 19 change |
|---|---|---|---|---|---|
| **Development** | **1,677.5** | **1,204.2** | **1,284.3** | **+ 39.3%** | **+ 30.6%** |
| Residential Real Estate Development | 1,397.7 | 900.9 | 1,105.2 | + 55.1% | + 26.5% |
| Commercial Real Estate Development | 279.8 | 303.3 | 179.0 | - 7.7% | + 56.3% |
| **Services** | **385.3** | **332.6** | **357.9** | **+ 15.9%** | **+ 7.7%** |
| **Other Activities** | **0.6** | **0.0** | **0.9** | **x 120** | **- 31.6%** |
| **Revenue new scope** | **2,063.5** | **1,536.8** | **1,643.0** | **+ 34.3%** | **+ 25.6%** |
| Revenue from disposed activities | 211.3 | 179.2 | 197.4 | + 17.9% | + 7.1% |
| **Revenue** | **2,274.8** | **1,716.1** | **1,840.4** | **+ 32.6%** | **+ 23.6%** |

*Note: Revenue generated by the development businesses from VEFA off-plan sales and CPI development contracts is recognised using the percentage-of-completion method, i.e. on the basis of notarised sales and pro-rated to reflect the progress of all inventoriable costs.*

## Operating profit

**Operating profit was €362 million**, breaking down into €136 million in current operating profit on the new scope and €226 million in respect of disposed activities.

| *(in millions of euros)* | H1 2021 Current operating profit | H1 2021 *Margin rate* | H1 2020 Current operating profit | H1 2020 *Margin rate* | H1 2019 Current operating profit | H1 2019 *Margin rate* |
|---|---|---|---|---|---|---|
| **Development** | **124.8** | **7.4%** | **61.5** | **5.1%** | **96.8** | **7.5%** |
| Residential Real Estate Development | 80.6 | 5.8% | 7.6 | 0.8% | 77.0 | 7.0% |
| Commercial Real Estate Development | 44.3 | 15.8% | 53.8 | 17.7% | 19.8 | 11.1% |
| **Services** | **25.8** | **6.6%** | **13.7** | **4.1%** | **26.8** | **7.5%** |
| **Other Activities** | **(14.6)** | **na** | **(9.1)** | **na** | **(11.1)** | **na** |
| **Current operating profit new scope** | **136.0** | **6.6%** | **66.0** | **4.3%** | **112.4** | **6.8%** |
| Operating profit disposed activities | 41.3 | 19.6% | (15.8) | -8.8% | 13.0 | 6.6% |
| Capital gains on disposal | 184.7 | | | | | |
| **Operating profit disposed activities and capital gains on disposal** | **226.0** | | **(15.8)** | | **13.0** | |
| **Operating profit** | **362.0** | **15.9%** | **50.2** | **2.9%** | **125.4** | **6.8%** |

**Current operating profit new scope was €136 million** in the first-half 2021, double the €66 million recorded on a comparable basis in the first-half 2020, a period particularly affected by the first lockdown. Following the drop in the current operating margin in the first-half 2020 (to 4.3% on a like-for-like basis), the recovery in business activity in the second half of 2020 continued and fuelled a clear improvement in the current operating margin, which came to 6.6% in the first-half 2021.

**Current operating profit from disposed activities totalled €41 million** in the first-half 2021. This includes the contribution from Century 21 up to March 31, 2021, and from Ægide-Domitys up to June 30, 2021. The positive figure is not comparable with the first-half 2020 (loss of €16 million) because the reclassification under operations held for sale of Ægide-Domitys at December 31, 2020 (IFRS 5) leads to the discontinuation of the accounting of depreciation and amortisation, notably for Domitys' right-of-use assets (estimated at €55 million in H1 2021).

## Other income statement items

**The financial expense was €44 million** in the first-half 2021, versus €36 million in H1 2020, mainly reflecting the rise in rental expense on lease liabilities (including those for the Domitys portfolio, which was not sold until June 30, 2021). The reduction in gross debt following the disposals of Ægide-Domitys and Century 21 will help cut financial expense from the second half of 2021 onwards.

The tax expense (including the CVAE levy, a French business value-added tax), which was €32 million for the period to June 30, 2021 (versus €6 million in the H1 2020), increased, due to a higher tax base, despite the positive impact of the reduction in the effective corporate income tax rate and despite the 50% reduction in the CVAE levy rate. **The effective tax rate was 28% in 2021**, compared with 30% in 2020 (excluding the CVAE levy).

The **Group share of net profit came to €283 million** for the first-half 2021, versus €7 million for H1 2020. On the new scope applied over the three periods, net profit was €77 million in the first-half 2021. That represents a substantial improvement from €23 million in the first-half 2020 and €49 million in the first-half 2019.

# CASH FLOWS AND BALANCE SHEET

## Cash flows

**Cash flow from operating activities after lease payments and before interest and tax expenses** totalled €118 million in the period to end-June 2021, much higher than in the first-half 2020 (€70 million), mainly as a result of the increase in current operating profit, and returned to a level close to the one recorded in the first-half 2019 (€125 million).

**Operating WCR (excluding tax)** rose by €355 million. Of this amount, €238 million reflects the expected increase with the use of the advances paid by investors when they placed major commercial real estate development orders in late 2020. Adjusted for this non-recurring event, the increase in WCR was comparable with that usually recorded in the first-half, reflecting higher spending on construction projects than inflows during the period.

**Nexity's free cash flow** in the period to end-June 2021 was a net outflow of €329 million. The negative free cash flow, a very common feature of the first-half (negative €223 million in H1 2020 and negative €199 million in H1 2019), was accentuated by the rise in the commercial real estate WCR with the consumption of the clients down payments.

| *(in millions of euros)* | H1 2021 | H1 2020 | H1 2019 |
|---|---|---|---|
| **Cash flow from operating activities before interest and tax expenses** | **235** | **160** | **207** |
| Repayment of lease liabilities | (117) | (90) | (82) |
| **Cash flow from operating activities after lease payments but before interest and tax expenses** | **118** | **70** | **125** |
| Change in operating working capital | (355) | (232) | (209) |
| Interest and tax paid | (66) | (30) | (88) |
| **Net cash from/(used in) operating activities** | **(303)** | **(191)** | **(172)** |
| Net cash from/(used in) operating investments | (25) | (32) | (26) |
| **Free cash-flow** | **(329)** | **(223)** | **(199)** |
| Net cash from/(used in) financial investments | 181 | (43) | 14 |
| Dividends paid by Nexity SA | (111) | (110) | (138) |
| Net cash from/(used in) financing activities, excluding dividends | (165) | 140 | 68 |
| **Change in cash and cash equivalents** | **(423)** | **(235)** | **(255)** |

**Net cash from/(used in) financial investments** amounted to a net inflow of €181 million in the first-half 2021, comprising in particular an inflow of €208 million arising from the disposal of 100% of Century 21 and 45% of Ægide-Domitys' capital.

**Net cash flow from/(used in) financing activities** (an outflow of €165 million) mainly comprised the redemption of a €146 million bond, which matured in May 2021.

## Working Capital Requirement

| *(in millions of euros)* | June 30, 2021 | Dec 31, 2020 | Change |
|---|---|---|---|
| **Development** | **1,045** | **718** | **327** |
| Residential Real Estate Development | 1,130 | 985 | 146 |
| Commercial Real Estate Development | (85) | (267) | 181 |
| **Services** | **26** | **49** | **(23)** |
| **Other Activities** | **6** | **(63)** | **69** |
| **Total WCR excluding tax** | **1,077** | **704** | **373** |
| Corporate income tax | 4 | (22) | 26 |
| **Working capital requirement (WCR)** | **1,081** | **682** | **399** |

The **working capital requirement** was €1,081 million at June 30, 2021, an increase of €399 million relative to December 31, 2020. Over half the amount (€181 million in commercial real estate and €56 million in other businesses) derived from the use of the advances paid by investors when they signed major commercial real estate development orders in late 2020 (green business campus in Garenne-Colombes and Reiwa in Saint-Ouen). The change in WCR excluding tax includes the change in WCR shown in the cash flow statement (€355 million) as well as that arising from changes in scope for disposals/acquisitions of companies (€18 million).

For Other Activities, WCR mainly corresponded to that of Nexity Villes & Projets, the Group's urban planning subsidiary, which comprises most of the Group's land bank, and the increase mainly arose from deferred payments (of VAT in particular) following land sales that took place in late 2020. The change in the tax-related WCR (€26 million) reflects the settlement of the corporate income tax due in respect of 2020 in the May tax payment.

## Financial structure

**Nexity's consolidated equity (attributable to equity holders of the parent company)** was €1,909 million at end-June 2021, higher than at end-December 2020 (€1,730 million).

**Net debt excluding lease liabilities** remained very low (€690 million), representing an EBITDA after lease payment ratio (rolling 12-month basis) of 1.7x. At June 30, 2021, the Group had €933 million in total cash, plus €600 million in confirmed undrawn credit lines, providing it with ample liquidity and a substantial investment capacity.

| *(in millions of euros)* | June 30, 2021 | Dec 31, 2020 | Change |
|---|---|---|---|
| Bond issues (incl. accrued interest and arrangement fees) | 809 | 997 | (188) |
| Loans and borrowings | 815 | 910 | (95) |
| Net cash and cash equivalents | (933) | (1,357) | 423 |
| **Net financial debt before lease liabilities** | **690** | **550** | **140** |
| Lease liabilities | 524 | 465 | 59 |
| **Net financial debt including lease liabilities** | **1,214** | **1,015** | **198** |

The €140 million increase in net financial debt before lease liabilities during the first-half 2021 is chiefly attributable to the €329 million negative free cash flow (driven by the €399 million rise in the WCR) and the €111 million dividend payment, offset by €307 million in proceeds from the disposals (proceeds for €200 million and cancellation of the commitment to buy out Ægide-Domitys' minority shareholders for €107 million). Including the IFRS 5 reclassification of Ægide-Domitys' operating liabilities for €105 million at December 31, 2020, the overall debt reduction from disposals amounted to €412 million.

**Lease liabilities (IFRS 16)** amounted to €524 million at June 30, 2021, versus €465 million at December 31, 2020, with this increase arising from new leases entered into and leases renewed by the Group for its corporate purpose, as well as in connection with its coworking activities and management of student residences.

Nexity's financial structure was reinforced in the first-half 2021 through the extension of €240 million in borrowings to 2028 by issuing an OCEANE bond (a bond that may be converted into new shares and/or exchanged for existing shares) on April 19, maturing in April 2028, at a low coupon rate (0.875% per year), and by simultaneously redeeming the 2023 OCEANE bond issued for €270 million. At June 30, 2021, the average maturity of the Group's debt is slightly increasing at 3.3 years (against 2.7 years at the end of 2020), with an average cost of borrowing which remains stable at 2.2%.

At June 30, 2021, Nexity was in compliance with all of its contractual commitments with respect to its bond debt and corporate credit lines. As a precaution during the first lockdown, given the high level of uncertainty as to when the public health crisis would end, Nexity's bank lenders and bondholders agreed to waive the obligation not to exceed a leverage ratio of 3.5 for 2020 and June 2021. Nexity has not had to rely on this covenant waiver because it met all its financial covenants at June 30, 2021.

* * *

A **conference call** will be held in English today at **6:30 p.m. (Paris time)**, which is available on the Group's website: www.nexity.com and may be joined using access code 6458010# by calling one of the following numbers:

- Calling from France +33 (0)1 76 77 25 07
- Calling from elsewhere in Europe +44 (0)330 336 9434
- Calling from the United States +1 646 828 8193

The presentation accompanying this conference will be available on the Group's website from 6:15 p.m. (Paris time) and may be viewed at the following address: https://orange.webcasts.com/starthere.jsp?ei=1480901&tp_key=600fa326f2
The conference call will be available on replay at www.nexity.fr/en/group/finance from the following day.

**Disclaimer:** The information, assumptions and estimates that the Company could reasonably use to determine its targets are subject to change or modification, notably due to economic, financial and competitive uncertainties. Furthermore, it is possible that some of the risks described in Section 2 of the Universal Registration Document filed with the AMF under number D.21-0283 on April 9, 2021, could have an impact on the Group's operations and the Company's ability to achieve its targets. Accordingly, the Company cannot give any assurance as to whether it will achieve its stated targets, and makes no commitment or undertaking to update or otherwise revise this information.

**Contact:** Thierry Cherel – Head of Investor Relations / +33 (0)6 68 31 29 05 – investorrelations@nexity.fr

* * * *

## First-half 2021 highlights

### Change in Nexity's governance and Executive Committee

- As part of the Group's new governance structure, which separates the roles of Chairman of the Board and Chief Executive Officer, **Véronique Bédague** became Chief Executive Officer of Nexity at the Shareholders' Meeting on May 19, 2021. On the same occasion, **Jean-Claude Bassien**, Services Managing Director, has been appointed Deputy Executive Officer. **Alain Dinin, the Chairman,** will continue to support the Executive Management team with regard to major strategic decisions and resource allocation.
- Changes to the Executive Committee with the appointment of **Nadia Ben Salem-Nicolas** as Deputy Managing Director in charge of Finance, **Helen Romano** as Vice President of the Residential Real Estate division, **Stéphane Dalliet** as Deputy CEO in charge of the Residential Real Estate division and **Marjolaine Grisard** as CSR Director.

### Finalising the strategic review

- **Disposal** of **Century 21** (May 2021) and **Ægide-Domitys** (June 2021) to streamline and refocus the platform around its core business: real estate services, thereby fostering synergies.
- Maintain a **reasonable leverage ratio**: 1.7x EBITDA after lease payment on a rolling 12-month basis as of June 2021.

### Business activity

- 9,088 new home reservations in France, two third of which were retail sales, driven in particular by **individual investors**.
- €307 million order intake in Commercial Real Estate, within an **uncertain business environment**.

### Financing

- **Strengthening of Nexity's financial structure** by extending a €240 million debt to 2028 through the issuance, on April 19, of an OCEANE bond (bond that may be converted into new shares and/or exchanged for existing shares) maturing in April 2028 at a low coupon rate (0.875% per year), and by simultaneously repurchasing the 2023 OCEANE bond issued for €270 million.

### Social and environmental responsibility

- **Validation of Nexity's 2030 carbon footprint reduction roadmap** by the independent body SBTi, with a commitment to achieving a temperature increase trajectory well below 2°C by 2050.
- Following the Great Place To Work certification obtained in September 2020, Nexity became in April 2021 **the first real estate developer with more than 2,500 employees in the Great Place To Work® Best Workplaces Ranking**, which is the highest level of recognition of a company's quality of life at work.
- Since the creation of Nexity Non Profit in 2018, **10 boarding houses or emergency shelters** have been opened or are under construction, and approximately 20 applications for new projects, are expected to be submitted by the end of 2021, representing more than 800 homes.

# Glossary

**Absorption rate:** Available market supply compared to reservations for the last 12 months, expressed in months, for new home reservations segment in France

**Business potential:** The total volume of potential business at any given moment, expressed as a number of units and/or revenue excluding VAT, within future projects in Residential Real Estate Development (New homes, Subdivisions and International) as well as Commercial Real Estate Development, validated by the Group's Committee, in all structuring phases, including the programmes of the Group's urban regeneration business (Villes & Projets); this business potential includes the Group's current supply for sale, its future supply (project phases not yet marketed on purchased land, and projects not yet launched associated with land secured through options)

**Current operating profit:** Includes all operating profit items with the exception of items resulting from unusual, abnormal and infrequently occurring transactions. In particular, impairment of goodwill is not included in current operating profit

**Development backlog (or order book):** The Group's already secured future revenue, expressed in euros, for its real estate development businesses (Residential Real Estate Development and Commercial Real Estate Development). The backlog includes reservations for which notarial deeds of sale have not yet been signed and the portion of revenue remaining to be generated on units for which notarial deeds of sale have already been signed (portion remaining to be built)

**EBITDA:** Defined by Nexity as equal to current operating profit before depreciation, amortisation and impairment of non-current assets, net changes in provisions, share-based payment expenses and the transfer from inventory of borrowing costs directly attributable to property developments, plus dividends received from equity-accounted investees whose operations are an extension of the Group's business. Depreciation and amortisation include right-of-use assets calculated in accordance with IFRS 16, together with the impact of neutralising internal margins on disposal of an asset by development companies, followed by take-up of a lease by a Group company

**EBITDA after lease payments:** EBITDA net of expenses recorded for lease payments that are restated to reflect the application of IFRS 16 *Leases*

**Free cash flow:** Cash generated by operating activities after taking into account tax paid, financial expenses, repayment of lease liabilities, changes in WCR, dividends received from companies accounted for under the equity method and net investments in operating assets

**Gearing:** Net debt divided by consolidated equity

**Joint ventures:** Entities over whose activities the Group has joint control, established by contractual agreement. Most joint ventures are property developments (Residential Real Estate Development and Commercial Real Estate Development) undertaken with another developer (co-developments)

**Land bank:** The amount corresponding to acquired land development rights for projects in France carried out before obtaining a building permit or, in some cases, planning permissions

**Net profit before non-recurring items:** Group share of net profit restated for non-recurring items such as change in fair value adjustments in respect of the ORNANE bond issue and items included in non-current operating profit (disposal of significant operations, any goodwill impairment losses, remeasurement of equity-accounted investments following the assumption of control)

**New scope:** Scope of consolidation excluding the contribution of disposed activities (Century 21 and Ægide-Domitys) and capital gains. Disposed activities have been consolidated until March 31 for Century 21 and until June 30 for Ægide-Domitys. In H1 2019, disposed activities include Guy Hoquet l'Immobilier.

**Order intake – Development for Commercial Real Estate:** The total of selling prices excluding VAT as stated in definitive agreements for Commercial Real Estate Development programmes, expressed in euros for a given period (notarial deeds of sale or development contracts)

**Operational reporting:** According to IFRS but with joint ventures proportionately consolidated. This presentation is used by management as it better reflects the economic reality of the Group's business activities

**Property Management:** Management of residential properties (rentals, brokerage), common areas of apartment buildings (as managing agent on behalf of condominium owners), commercial properties, and services provided to users. The Group's business activities in the management and operation of student residences as well as flexible workspaces are included in this segment.

**Reservations by value (or expected revenue from reservations) – Residential Real Estate:** The net total of selling prices including VAT as stated in reservation agreements for development programmes, expressed in euros for a given period, after deducting all reservations cancelled during the period

# Annex 1: Operational reporting

## Reservations – Residential Real Estate Development

| | 2021 | | 2020 | | | | 2019 | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| *Number of units* | **Q2** | **Q1** | **Q4** | **Q3** | **Q2** | **Q1** | **Q4** | **Q3** | **Q2** | **Q1** |
| New homes (France) | 5,191 | 3,897 | 7,442 | 4,184 | 5,794 | 3,657 | 7,794 | 4,557 | 5,603 | 3,883 |
| Subdivisions | 439 | 338 | 660 | 244 | 297 | 360 | 836 | 435 | 559 | 258 |
| International | 404 | 249 | 503 | 193 | 74 | 165 | 307 | 161 | 137 | 36 |
| **Total (number of units)** | **6,034** | **4,484** | **8,605** | **4,621** | **6,165** | **4,182** | **8,937** | **5,153** | **6,299** | **4,177** |

| | 2021 | | 2020 | | | | 2019 | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| *Value (€m incl. VAT)* | **Q2** | **Q1** | **Q4** | **Q3** | **Q2** | **Q1** | **Q4** | **Q3** | **Q2** | **Q1** |
| New homes (France) | 1,141 | 882 | 1,566 | 925 | 1,231 | 792 | 1,529 | 909 | 1,150 | 773 |
| Subdivisions | 42 | 29 | 57 | 19 | 25 | 30 | 76 | 35 | 46 | 20 |
| International | 72 | 41 | 91 | 29 | 11 | 26 | 47 | 37 | 13 | 3 |
| **Total (€m incl. VAT)** | **1,255** | **952** | **1,713** | **974** | **1,267** | **847** | **1,652** | **981** | **1,209** | **797** |

## Services

| | June 2021 | December 2020 | Change |
|---|---|---|---|
| **Property Management** | | | |
| *Portfolio of managed housing* | | | |
| - Condominium management | 697 | 703 | -0,9% |
| - Rental management | 159 | 173 | -8,2% |
| Restatement of Domitys managed lots | | 13 | |
| - Restated rental management | 159 | 160 | -0.8% |
| *Commercial real estate* | | | |
| - Assets under management (in millions of sq.m) | 20.0 | 19.7 | 1.5% |
| **Serviced properties** | | | |
| *Student residences* | | | |
| - Number of residences in operation | 124 | 125 | -1 |
| - Rolling 12-month occupancy rate | 92.8% | 94.0% | - 1.2 pt |
| *Shared office space* | | | |
| - Number of sites opened | 25 | 25 | 0 |
| - Rolling 12-month occupancy rate | 64% | 69% | - 5.0 pts |
| *Senior residences – Domitys* | | | |
| - Total number of residences in operation | 126 | 113 | 13 |
| o/w: Number of residences opened more than 2 years ago | 84 | 72 | 12 |
| - Rolling 12-month occupancy rate | 83.4% | 84.8% | - 1.4 pt |
| **Distribution** | **H1 2021** | **H1 2020** | |
| - Total reservations | 2,731 | 1,623 | x 1,7 |
| - Reservations on behalf of third parties | 1,770 | 913 | x 1,9 |

## Quarterly figures

# Revenue

| | 2021 | | 2020 | | | | 2019 | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| *(in millions of euros)* | **Q2** | **Q1** | **Q4** | **Q3** | **Q2** | **Q1** | **Q4** | **Q3** | **Q2** | **Q1** |
| **Development** | **826.8** | **850.7** | **1,746.6** | **702.8** | **680.5** | **523.7** | **1,252.4** | **681.7** | **678.7** | **605.6** |
| Residential Real Estate Development | 742.3 | 655.4 | 1,216.1 | 641.7 | 433.7 | 467.2 | 1,151.1 | 585.8 | 594.3 | 510.9 |
| Commercial Real Estate Development | 84.5 | 195.3 | 530.5 | 61.0 | 246.7 | 56.6 | 101.37 | 95.8 | 84.4 | 94.7 |
| **Services** | **209.2** | **176.2** | **236.8** | **198.0** | **161.2** | **171.4** | **259.6** | **189.3** | **184.9** | **173.0** |
| Property Management | *129.1* | *126.5* | 129.3 | *133.3* | *114.2* | *126.1* | 136.8 | *132.9* | *130.2* | *123.1* |
| Distribution | *80.0* | *49.7* | 107.5 | *64.8* | *47.0* | *45.3* | 122.8 | *56.5* | *54.7* | *50.0* |
| **Other Activities** | **0.0** | **0.6** | **0.0** | **(0.0)** | **0.0** | **(0.0)** | **0.0** | **(0.0)** | **0.5** | **0.4** |
| **Revenue new scope** | **1,036.0** | **1,027.5** | **1,983.4** | **900.8** | **841.7** | **695.2** | **1,512.1** | **871.0** | **864.0** | **779.0** |
| Disposed activities | **107.1** | **104.2** | **134.2** | **120.2** | **87.6** | **91.6** | **181.9** | **93.5** | **95.3** | **102.1** |
| **Revenue** | **1,143.1** | **1,131.7** | **2,117.6** | **1,021.0** | **929.3** | **786.8** | **1,694.0** | **964.5** | **959.4** | **881.1** |

# Backlog

| | 2021 | | 2020 | | | | 2019 | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| *(in millions of euros, excluding VAT)* | **H1** | **Q1** | **12M** | **9M** | **H1** | **Q1** | **12M** | **9M** | **H1** | **Q1** |
| Residential Real Estate Development | 5,504 | 5,641 | 5,789 | 5,397 | 5,285 | 4,796 | 4,640 | 4,510 | 4,493 | 4,269 |
| Commercial Real Estate Development | 1,059 | 1,138 | 1,032 | 321 | 373 | 398 | 456 | 401 | 269 | 222 |
| **Total *Backlog*** | **6,563** | **6,778** | **6,820** | **5,719** | **5,659** | **5,194** | **5,095** | **4,911** | **4,762** | **4,491** |
| Restatement of operations carried out directly by Ægide | | 242 | 280 | | | | | | | |
| **Total *restated Backlog*** | **6,563** | **6,536** | **6,540** | | | | | | | |

# Half-year financial figures

## Revenue

| *(in millions of euros)* | 2021 H1 | 2020 12M | 2020 H2 | 2020 H1 | 2019 12M | 2019 H2 | 2019 H1 |
|---|---|---|---|---|---|---|---|
| **Development** | **1,677.5** | **3,653.6** | **2,449.3** | **1,204.2** | **3,218.4** | **1,934.1** | **1,284.3** |
| Residential Real Estate Development | 1,397.7 | 2,758.7 | 1,857.8 | 900.9 | 2,842.1 | 1,736.9 | 1,105.2 |
| Commercial Real Estate Development | 279.8 | 894.8 | 591.5 | 303.3 | 376.2 | 197.2 | 179.0 |
| **Services** | **385.5** | **767.4** | **434.8** | **332.6** | **806.8** | **448.9** | **357.9** |
| Property Management | 255.6 | 502.9 | 262.5 | 240.3 | 522.9 | 269.6 | 253.3 |
| Distribution | 129.7 | 264.6 | 172.3 | 92.3 | 283.9 | 179.3 | 104.6 |
| **Other Activities** | **0.6** | **(0.0)** | **(0.0)** | **0.0** | **0.9** | **(0.0)** | **0.9** |
| **Revenue new scope** | **2,063.5** | **4,421.0** | **2,884.1** | **1,536.8** | **4,026.0** | **2,383.0** | **1,643.0** |
| **Revenue from disposed activities** | **211.3** | **433.6** | **254.4** | **179.2** | **472.8** | **275.4** | **197.4** |
| **Revenue** | **2,274.8** | **4,854.6** | **3,138.6** | **1,716.1** | **4,498.8** | **2,658.4** | **1,840.4** |

## EBITDA

| *(in millions of euros)* | 2021 H1 | 2020 12M | 2020 H2 | 2020 H1 | 2019 12M | 2019 H2 | 2019 H1 |
|---|---|---|---|---|---|---|---|
| **Development** | **137.6** | **307.2** | **229.9** | **77.3** | **326.8** | **215.1** | **111.7** |
| Residential Real Estate Development | 93.0 | 233.7 | 211.5 | 22.2 | 282.0 | 191.2 | 90.7 |
| Commercial Real Estate Development | 44.5 | 73.5 | 18.4 | 55.1 | 44.8 | 23.8 | 21.0 |
| **Services** | **76.3** | **153.0** | **97.7** | **55.3** | **156.9** | **91.0** | **65.8** |
| Property Management | 63.3 | 127.9 | 79.3 | 48.6 | 124.3 | 67.7 | 56.5 |
| Distribution | 13.1 | 25.1 | 18.4 | 6.7 | 32.6 | 23.3 | 9.3 |
| **Other Activities** | **(0.7)** | **(7.1)** | **(6.3)** | **(0.7)** | **(20.6)** | **(15.2)** | **(5.4)** |
| **EBITDA new scope** | **213.2** | **453.1** | **321.3** | **131.8** | **463.0** | **290.9** | **172.2** |
| **EBITDA from disposed activities** | **41.3** | **96.7** | **65.0** | **31.7** | **109.8** | **55.6** | **54.2** |
| **EBITDA** | **254.5** | **549.7** | **386.3** | **163.5** | **572.9** | **346.5** | **226.4** |

## Current operating profit

| *(in millions of euros)* | 2021 H1 | 2020 12M | 2020 H2 | 2020 H1 | 2019 12M | 2019 H2 | 2019 H1 |
|---|---|---|---|---|---|---|---|
| **Development** | **124.8** | **274.9** | **213.4** | **61.5** | **294.7** | **197.9** | **96.8** |
| Residential Real Estate Development | 80.6 | 202.6 | 195.0 | 7.6 | 252.0 | 175.0 | 77.0 |
| Commercial Real Estate Development | 44.3 | 72.3 | 18.4 | 53.8 | 42.7 | 22.9 | 19.8 |
| **Services** | **25.8** | **40.9** | **27.2** | **13.7** | **80.7** | **54.0** | **26.8** |
| Property Management | 13.6 | 20.0 | 11.9 | 8.1 | 44.5 | 25.8 | 18.7 |
| Distribution | 12.2 | 20.9 | 15.3 | 5.6 | 36.2 | 28.2 | 8.0 |
| **Other Activities** | **(14.6)** | **(27.9)** | **(18.8)** | **(9.1)** | **(36.0)** | **(24.9)** | **(11.1)** |
| **Current operating profit new scope** | **136.0** | **287.9** | **221.9** | **66.0** | **339.4** | **227.0** | **112.4** |
| **Current operating profit from disposed activities** | **41.3** | **(2.6)** | **13.1** | **(15.8)** | **13.8** | **0.8** | **13.0** |
| **Current operating profit** | **177.4** | **285.3** | **235.0** | **50.2** | **353.2** | **227.8** | **125.4** |

# Consolidated income statement – June 30, 2021

| *(in millions of euros)* | 30/06/2021 IFRS | Restatement of joint ventures | 30/06/2021 Operational reporting | Restatement of disposed activities | Restatement of non-recurring items | 30/06/2021 Operational reporting before non-recurring items on the new scope |
|---|---|---|---|---|---|---|
| Revenue | 2 099.0 | 175.8 | 2,274.8 | (211.3) | | 2,063.5 |
| Operating expenses | (1,864.1) | (156.2) | (2,020.3) | 169.9 | | (1,850.4) |
| Dividends received from equity-accounted investments | 2.5 | (2.5) | - | - | | - |
| EBITDA | 237.4 | 17.1 | 254.5 | (41.4) | | 213.1 |
| Lease payments | (116.7) | - | (116.7) | 55.9 | | (60.8) |
| EBITDA after lease payments | 120.7 | 17.1 | 137.8 | 14.5 | | 152.4 |
| Restatement of lease payments | 116.7 | - | 116.7 | (55.9) | | 60.8 |
| Depreciation of right-of-use assets | (59.4) | - | (59.4) | 0.0 | | (59.3) |
| Depreciation, amortisation and impairment of non-current assets | (16.0) | 0.0 | (16.0) | 0.4 | | (15.6) |
| Net change in provisions | 4.9 | (0.1) | 4.8 | (0.7) | | 4.1 |
| Share-based payments | (6.6) | - | (6.6) | 0.3 | | (6.3) |
| Dividends received from equity-accounted investments | (2.5) | 2.5 | | - | | - |
| Current operating profit | 157.9 | 19.5 | 177.4 | (41.4) | | 136.0 |
| Capital gains on disposal | 184.7 | - | 184.7 | | (184.7) | - |
| Operating profit | 342.5 | 19.5 | 362.0 | (41.4) | (184.7) | 136.0 |
| Share of net profit from equity-accounted investments | 13.3 | (13.3) | | | | - |
| Operating profit after share of net profit from equity-accounted investments | 355.8 | 6.2 | 362.0 | (41.4) | (184.7) | 136.0 |
| Cost of net financial debt | (24.2) | (0.8) | (25.0) | 2.2 | | (22.8) |
| Other financial income/(expenses) | (2.0) | (0.4) | (2.4) | - | | (2.4) |
| Interest expense on lease liabilities | (16.3) | - | (16.3) | 10.4 | | (5.9) |
| Net financial income/(expense) | (42.5) | (1.2) | (43.7) | 12.6 | | (31.2) |
| Pre-tax recurring profit | 313.3 | 5.0 | 318.3 | (28.8) | (184.7) | 104.8 |
| Income tax | (27.2) | (5.0) | (32.2) | 7.2 | | (24.9) |
| Share of profit/(loss) from other equity-accounted investments | (0.9) | - | (0.9) | - | | (0.9) |
| Consolidated net profit | 285.2 | - | 285.2 | (21.6) | (184.7) | 79.0 |
| Attributable to non-controlling interests | 2.1 | - | 2.1 | - | | 2.1 |
| **Attributable to equity holders of the parent company** | **283.2** | **-** | **283.2** | **(21.6)** | **(184.7)** | **76.9** |
| *(in euros)* | | | | | | |
| **Net earnings per share** | **5.11** | | **5.11** | | | **1.39** |

## Simplified consolidated statement of financial position – June 30, 2021

| ASSETS *(in millions of euros)* | 30/06/2021 IFRS | Restatement of joint ventures | 30/06/2021 Operational reporting | 31/12/2020 Operational reporting |
|---|---|---|---|---|
| Goodwills | 1,417.5 | - | 1,417.5 | 1,484.0 |
| Other non-current assets | 731.5 | 0.1 | 731.7 | 667.1 |
| Equity-accounted investments | 119.9 | (56.4) | 63.4 | 1.0 |
| Total non-current assets | 2,268.9 | (56.3) | 2,212.6 | 2,152.1 |
| Net WCR | 972.7 | 108.4 | 1 081.1 | 681.8 |
| Net assets held for sale | - | | - | 73.3 |
| **Total Assets** | **3,241.6** | **52.1** | **3,293.7** | **2,907.2** |

| Liabilities and equity *(in millions of euros)* | 30/06/2021 IFRS | Restatement of joint ventures | 30/06/2021 Operational reporting | 31/12/2020 Operational reporting |
|---|---|---|---|---|
| Share capital and reserves | 1,625.9 | (0.0) | 1,625.9 | 1,611.7 |
| Net profit for the period | 283.2 | (0.0) | 283.2 | 118.1 |
| Equity attributable to equity holders of the parent company | 1,909.1 | (0.0) | 1,909.1 | 1,729.7 |
| Non-controlling interests | 16.5 | (0.0) | 16.5 | 9.2 |
| Total equity | 1,925.6 | (0.0) | 1,925.6 | 1,739.0 |
| Net debt | 1 172.4 | 41.2 | 1 213.7 | 1,015.4 |
| Provisions | 101.3 | 1.8 | 103.0 | 106.5 |
| Net deferred tax | 42.3 | 9.1 | 51.4 | 46.3 |
| **Total Liabilities and equity** | **3,241.6** | **52.1** | **3,293.7** | **2,907.2** |

## Net debt – June 30, 2021

| *(in millions of euros)* | 30/06/2021 IFRS | Restatement of joint ventures | 30/06/2021 Operational reporting | 31/12/2020 Operational reporting |
|---|---|---|---|---|
| Bond issues (incl. accrued interest and arrangement fees) | 808.6 | - | 808.6 | 997.0 |
| Loans and borrowings | 766.6 | 37.9 | 804.5 | 917.2 |
| **Loans and borrowings** | **1,575.2** | **37.9** | **1,613.1** | **1,914.2** |
| **Other financial receivables and payables** | **(96.6)** | **106.7** | **10.1** | **(7.3)** |
| Cash and cash equivalents | (870.7) | (118.1) | (988.7) | (1,427.5) |
| Bank overdraft facilities | 40.8 | 14.7 | 55.5 | 71.0 |
| **Net cash and cash equivalents** | **(829.8)** | **(103.4)** | **(933.2)** | **(1,356.5)** |
| **Total net financial debt before lease liabilities** | **648.8** | **41.2** | **690.0** | **550.4** |
| **Lease liabilities** | **523.7** | **-** | **523.7** | **465.0** |
| **Total net debt** | **1,172.4** | **41.2** | **1,213.7** | **1,015.4** |

## Simplified statement of cash flows – June 30, 2021

| *(in millions of euros)* | 30/06/2021 IFRS (12-month period) | Restatement of joint ventures | 30/06/2021 Operational reporting | 30/06/2020 Operational reporting |
|---|---|---|---|---|
| Consolidated net profit | 285.2 | - | 285.2 | 8.1 |
| Elimination of non-cash income and expenses | (136.8) | 13.4 | (123.5) | 111.3 |
| Cash flow from operating activities after interest and tax expenses | 148.4 | 13.4 | 161.8 | 119.4 |
| Elimination of net interest expense/(income) | 40.5 | 0.8 | 41.3 | 36.2 |
| Elimination of tax expense, including deferred tax | 26.8 | 5.0 | 31.8 | 4.6 |
| Cash flow from operating activities before interest and tax expenses | 215.7 | 19.2 | 234.9 | 160.2 |
| Repayment of lease liabilities | (116.7) | - | (116.7) | (90.1) |
| Cash flow from operating activities after lease payments but before interest and tax expenses | 99.0 | 19.2 | 118.2 | 70.1 |
| Change in operating working capital | (333.1) | (22.1) | (355.2) | (231.5) |
| Dividends received from equity-accounted investments | 2.5 | (2.5) | - | - |
| Interest paid | (14.7) | (0.8) | (15.5) | (18.0) |
| Tax paid | (45.3) | (5.5) | (50.9) | (11.8) |
| **Net cash from/(used in) operating activities** | **(291.7)** | **(11.7)** | **(303.3)** | **(191.2)** |
| Net cash from/(used in) net operating investments | (25.2) | - | (25.2) | (31.7) |
| Free cash flow | (316.9) | (11.7) | (328.6) | (222.9) |
| Acquisitions of subsidiaries and other changes in scope | 208.2 | (0.2) | 208.1 | (40.3) |
| Other net financial investments | (23.5) | (3.9) | (27.4) | (2.4) |
| **Net cash from/(used in) investing activities** | **184.7** | **(4.1)** | **180.7** | **(42.7)** |
| Dividends paid to equity holders of the parent company | (110.6) | - | (110.6) | (109.8) |
| Other payments to/(from) minority shareholders | (6.3) | - | (6.3) | (9.5) |
| Net disposal/(acquisition) of treasury shares | 2.0 | | 2.0 | (22.7) |
| Change in financial receivables and payables (net) | (176.8) | 16.0 | (160.8) | 173.1 |
| **Net cash from/(used in) financing activities** | **(291.8)** | **16.0** | **(275.8)** | **31.1** |
| Impact of changes in foreign currency exchange rates | 0.3 | 0.0 | 0.4 | (0.7) |
| **Change in cash and cash equivalents** | **(423.5)** | **0.2** | **(423.3)** | **(235.3)** |

## Capital employed

| *(in millions of euros)* | | | June 30, 2021 | | | |
|---|---|---|---|---|---|---|
| | Total excl. right-of-use assets | Total incl. right-of-use assets | Non-current assets | Right-of-use assets | WCR | Goodwill |
| Development | **1,076** | **1,116** | 31 | 40 | 1,045 | - |
| Services | **125** | **562** | 99 | 437 | 26 | - |
| Other Activities and not attributable | **1,604** | **1,615** | 177 | 11 | 10 | 1,417 |
| **Group capital employed** | **2,806** | **3,294** | **307** | **488** | **1,081** | **1,417** |

| *(in millions of euros)* | | | December 31, 2020 | | | |
|---|---|---|---|---|---|---|
| | Total excl. right-of-use assets | Total incl. right-of-use assets | Non-current assets | Right-of-use assets | WCR | Goodwill |
| Development | **752** | **795** | 33 | 43 | 718 | |
| Services | **150** | **521** | 101 | 371 | 49 | |
| Other Activities and not attributable | **1,502** | **1,519** | 103 | 17 | (85) | 1,484 |
| **Capital employed before IFRS 5** | **2,403** | **2,834** | **237** | **431** | **682** | **1,484** |

# Consolidated income statement at 30/06/2020 on the new scope

| *(in millions of euros)* | 31/12/2020 IFRS | Restatement of joint ventures | 30/06/2020 Operational reporting | Restatement of non-recurring items | Restatement of non-recurring items | 30/06//2020 Operational reporting before non-recurring items on the new scope |
|---|---|---|---|---|---|---|
| Revenue | 1,606.8 | 109.3 | 1,716.1 | (179.2) | - | 1,536.8 |
| Operating expenses | (1,453.6) | (99.0) | (1,552.6) | 147.5 | - | (1,405.1) |
| Dividends received from equity-accounted investments | 1.6 | (1.6) | - | | - | - |
| EBITDA | 154.7 | 8.7 | 163.5 | (31.7) | - | 131.8 |
| Lease payments | (90.1) | - | (90.1) | 44.8 | | (45.4) |
| EBITDA after lease payments | 64.6 | 8.7 | 73.3 | 13.1 | - | 86.4 |
| Restatement of lease payments | 90.1 | - | 90.1 | (44.8) | | 45.4 |
| Depreciation of right-of-use assets | (82.3) | - | (82.3) | 41.2 | - | (41.2) |
| Depreciation, amortisation and impairment of non-current assets | (23.9) | - | (23.9) | 5.8 | - | (18.2) |
| Net change in provisions | 0.7 | (0.0) | 0.6 | 0.3 | - | 0.9 |
| Share-based payments | (7.6) | - | (7.6) | 0.2 | - | (7.4) |
| Dividends received from equity-accounted investments | (1.6) | 1.6 | | | - | - |
| Operating profit | 40.0 | 10.2 | 50.2 | 15.8 | - | 66.0 |
| Share of net profit from equity-accounted investments | 4.2 | (4.2) | | | | - |
| Operating profit after share of net profit from equity-accounted investments | 44.2 | 6.0 | 50.2 | 15.8 | - | 66.0 |
| Cost of net financial debt | (22.8) | (1.0) | (23.9) | 1.9 | - | (22.0) |
| Other financial income/(expenses) | 2.3 | (2.1) | 0.3 | 0.2 | (2.0) | (1.6) |
| Interest expense on lease liabilities | (12.4) | - | (12.4) | 8.4 | | (4.0) |
| Net financial income/(expense) | (32.9) | (3.1) | (36.0) | 10.4 | (2.0) | (27.6) |
| Pre-tax recurring profit | 11.4 | 2.9 | 14.3 | 26.1 | (2.0) | 38.4 |
| Income tax | (2.9) | (2.9) | (5.8) | (8.4) | - | (14.3) |
| Share of profit/(loss) from other equity-accounted investments | (0.3) | - | (0.3) | | - | (0.3) |
| Consolidated net profit | 8.2 | 0.0 | 8.2 | 17.7 | (2.0) | 23.9 |
| Attributable to non-controlling interests | 1.6 | - | 1.6 | (0.5) | - | 1.1 |
| | | | | | | |
| **Attributable to equity holders of the parent company** | **6.6** | **0.0** | **6.6** | **18.2** | **(2.0)** | **22.8** |
| *(in euros)* | | | | | | |
| **Net earnings per share** | **0.12** | | **0.12** | | | **0.41** |

## Consolidated income statement at 31/12/2020 on the new scope

| *(in millions of euros)* | **31/12/2020 IFRS** | **Restatement of joint ventures** | **31/12/2020 Operational reporting** | **Restatement of non-recurring items** | **Restatement of non-recurring items** | **31/12/2020 Operational reporting before non-recurring items on the new scope** |
|---|---|---|---|---|---|---|
| Revenue | 4,511.6 | 343.0 | 4,854.6 | (433.6) | - | 4,421.0 |
| Operating expenses | (3,997.0) | (307.9) | (4,304.9) | 336.4 | - | (3,968.5) |
| Dividends received from equity-accounted investments | 17.8 | (17.8) | - | | - | - |
| EBITDA | 532.5 | 17.3 | 549.7 | (97.2) | - | 452.6 |
| Lease payments | (206.8) | - | (206.8) | 93.1 | | (113.7) |
| EBITDA after lease payments | 325.7 | 17.3 | 343.0 | (4.1) | - | 338.9 |
| Restatement of lease payments | 206.8 | - | 206.8 | (93.1) | | 113.7 |
| Depreciation of right-of-use assets | (196.0) | - | (196.0) | 86.7 | - | (109.3) |
| Depreciation, amortisation and impairment of non-current assets | (50.6) | - | (50.6) | 11.2 | - | (39.4) |
| Net change in provisions | (6.6) | 0.3 | (6.2) | 0.7 | - | (5.5) |
| Share-based payments | (11.7) | - | (11.7) | 0.7 | - | (11.0) |
| Dividends received from equity-accounted investments | (17.8) | 17.8 | | | - | - |
| Operating profit | 249.8 | 35.4 | 285.3 | 2.1 | - | 287.4 |
| Share of net profit from equity-accounted investments | 28.7 | (28.7) | | | | - |
| Operating profit after share of net profit from equity-accounted investments | 278.6 | 6.7 | 285.3 | 2.1 | - | 287.4 |
| Cost of net financial debt | (49.5) | (2.3) | (51.8) | 4.6 | - | (47.2) |
| Other financial income/(expenses) | (3.6) | (0.7) | (4.3) | 0.2 | (2.0) | (6.1) |
| Interest expense on lease liabilities | (29.5) | - | (29.5) | 17.6 | | (11.9) |
| Net financial income/(expense) | (82.5) | (3.0) | (85.5) | 22.4 | (2.0) | (65.1) |
| Pre-tax recurring profit | 196.0 | 3.7 | 199.8 | 24.5 | (2.0) | 222.3 |
| Income tax | (69.9) | (3.7) | (73.6) | (2.5) | - | (76.1) |
| Share of profit/(loss) from other equity-accounted investments | (1.9) | - | (1.9) | | - | (1.9) |
| Consolidated net profit | 124.3 | 0.0 | 124.3 | 22.0 | (2.0) | 144.3 |
| Attributable to non-controlling interests | 6.2 | 0.0 | 6.2 | (1.3) | - | 4.9 |
| **Attributable to equity holders of the parent company** | **118.1** | **0.0** | **118.1** | **23.3** | **(2.0)** | **139.4** |
| *(in euros)* | | | | | | |
| **Net earnings per share** | **2.14** | | **2.14** | | | **2.52** |

# Annex 2: IFRS

## Consolidated income statement – June 30, 2021

| *(in millions of euros)* | 30/06/2021 IFRS | 30/06/2020 IFRS |
|---|---|---|
| Revenue | 2,099.0 | 1,606.8 |
| Operating expenses | (1,864.1) | (1,453.6) |
| Dividends received from equity-accounted investments | 2.5 | 1.6 |
| EBITDA | 237.4 | 154.7 |
| Lease payments | (116.7) | (90.1) |
| EBITDA after lease payments | 120.7 | 64.6 |
| Restatement of lease payments | 116.7 | 90.1 |
| Depreciation of right-of-use assets | (59.4) | (82.3) |
| Depreciation, amortisation and impairment of non-current assets | (16.0) | (23.9) |
| Net change in provisions | 4.9 | 0.7 |
| Share-based payments | (6.6) | (7.6) |
| Dividends received from equity-accounted investments | (2.5) | (1.6) |
| Current operating profit | 157.9 | 40.0 |
| Capital gains on disposal | 184.7 | - |
| Operating profit | 342.5 | 40.0 |
| Share of net profit from equity-accounted investments | 13.3 | 4.2 |
| Operating profit after share of net profit from equity-accounted investments | 355.8 | 44.2 |
| Cost of net financial debt | (24.2) | (22.8) |
| Other financial income/(expenses) | (2.0) | 2.3 |
| Interest expense on lease liabilities | (16.3) | (12.4) |
| Net financial income/(expense) | (42.5) | (32.9) |
| Pre-tax recurring profit | 313.3 | 11.3 |
| Income tax | (27.2) | (2.9) |
| Share of profit/(loss) from other equity-accounted investments | (0.9) | (0.3) |
| Consolidated net profit | 285.2 | 8.1 |
| Attributable to non-controlling interests | 2.1 | 1.6 |
| | | |
| **Attributable to equity holders of the parent company** | **283.2** | **6.5** |
| *(in euros)* | | |
| **Net earnings per share** | **5.11** | **0.12** |

## Simplified consolidated statement of financial position – June 30, 2021

| **ASSETS** *(in millions of euros)* | **30/06/2021 IFRS** | **31/12/2020 IFRS** |
|---|---|---|
| Goodwill | 1,417.5 | 1,484.0 |
| Other non-current assets | 731.5 | 666.4 |
| Equity-accounted investments | 119.9 | 57.8 |
| Total non-current assets | 2,268.9 | 2,208.2 |
| Net WCR | 972.7 | 591.3 |
| Net assets held for sale | - | 73.3 |
| **Total assets** | **3,241.6** | **2,872.8** |

| **LIABILITIES AND EQUITY** *(in millions of euros)* | **30/06/2021 IFRS** | **31/12/2020 IFRS** |
|---|---|---|
| Share capital and reserves | 1,625.9 | 1,611.7 |
| Net profit for the period | 283.2 | 118.1 |
| Equity attributable to equity holders of the parent company | 1,909.1 | 1,729.8 |
| Non-controlling interests | 16.5 | 9.2 |
| Total equity | 1,925.6 | 1,739.0 |
| Net debt | 1,172.4 | 991.3 |
| Provisions | 101.3 | 104.8 |
| Net deferred tax | 42.3 | 37.7 |
| **Total liabilities and equity** | **3,241.6** | **2,872.8** |

## Consolidated net debt – June 30, 2021

| *(in millions of euros)* | **30/06/2021 IFRS** | **31/12/2020 IFRS** |
|---|---|---|
| Bond issues (incl. accrued interest and arrangement fees) | 808.6 | 997.0 |
| Loans and borrowings | 766.6 | 877.6 |
| **Loans and borrowings** | **1,575.2** | **1,874.7** |
| **Other financial receivables and payables** | **(96.6)** | **(95.0)** |
| Cash and cash equivalents | (870.7) | (1,305.1) |
| Bank overdraft facilities | 40.8 | 51.7 |
| **Net cash and cash equivalents** | **(829.8)** | **(1,253.4)** |
| **Total net financial debt before lease liabilities** | **648.8** | **526.3** |
| **Lease liabilities** | **523.7** | **465.0** |
| **Total net debt** | **1,172.4** | **991.3** |

## Simplified statement of cash flows – June 30, 2021

| *(in millions of euros)* | 30/06/2021 IFRS | 30/06/2020 IFRS |
|---|---|---|
| Consolidated net profit | 285.2 | 8.1 |
| Elimination of non-cash income and expenses | (136.8) | 107.2 |
| Cash flow from operating activities after interest and tax expenses | 148.4 | 115.3 |
| Elimination of net interest expense/(income) | 40.5 | 35.2 |
| Elimination of tax expense, including deferred tax | 26.8 | 1.8 |
| Cash flow from operating activities before interest and tax expenses | 215.7 | 152.3 |
| Repayment of lease liabilities | (116.7) | (90.1) |
| Cash flow from operating activities after lease payments but before interest and tax expenses | 99.0 | 62.2 |
| Change in operating working capital | (333.1) | (189.4) |
| Dividends received from equity-accounted investments | 2.5 | 1.6 |
| Interest paid | (14.7) | (16.9) |
| Tax paid | (45.3) | (13.1) |
| **Net cash from/(used in) operating activities** | **(291.7)** | **(155.6)** |
| Net cash from/(used in) net operating investments | (25.2) | (31.7) |
| Free cash flow | (316.9) | (187.3) |
| Acquisitions of subsidiaries and other changes in scope | 208.2 | (39.8) |
| Other net financial investments | (23.5) | (1.7) |
| **Net cash from/(used in) investing activities** | **184.7** | **(41.5)** |
| Dividends paid to equity holders of the parent company | (110.6) | (109.8) |
| Other payments to/(from) minority shareholders | (6.3) | (9.5) |
| Net disposal/(acquisition) of treasury shares | 2.0 | (22.7) |
| Change in financial receivables and payables (net) | (176.8) | 144.3 |
| **Net cash from/(used in) financing activities** | **(291.8)** | **2.2** |
| Impact of changes in foreign currency exchange rates | 0.3 | (0.7) |
| **Change in cash and cash equivalents** | **(423.5)** | **(227.3)** |