PRESS RELEASE

Neuilly-sur-Seine, France – July 25, 2024

Early impact of the new LEAP | 28 strategy boosting revenue and improving margins[1] in the first half; 2024 revenue outlook upgraded

H1 2024 Key figures[2]

- Revenue of EUR 3,021.7 million in the first half of 2024, up 4.0% year on year and up 9.2% organically (including 10.4% in the second quarter)
- Adjusted operating profit of EUR 451.9 million, up 4.1% versus EUR 434.2 million in H1 2023, representing an adjusted operating margin of 15.0%, up 29 basis points organically year-on-year
- Operating profit of EUR 388.5 million, up 4.2% versus EUR 372.9 million in H1 2023
- Adjusted net profit of EUR 288.3 million, up 4.3% versus EUR 276.3 million in H1 2023
- Attributable net profit of EUR 234.3 million, up 0.8% versus EUR 232.5 million in H1 2023
- Free cash flow of EUR 189.9 million, up 44% year
- Adjusted net debt/EBITDA ratio kept at a low level of 1.06x as of June 30, 2024, versus 0.95x last year

H1 2024 Highlights

- Ongoing execution of the new strategy LEAP | 28, announced on March 20, 2024. The strategy intends to deliver a step change in growth and performance, built around three pillars: Focused Portfolio, Performance-led Execution and an Evolved People model
- Strong growth recorded in most regions (Americas, Middle East, Africa and Asia-Pacific)
- Growth momentum maintained for sustainability services across the entire portfolio
- Acquisition of four bolt-on companies for a total cumulated annualized revenue of c. EUR 41 million in line with the LEAP | 28 portfolio strategy of creating new strongholds in i) Cybersecurity (one acquisition); ii) Consumer Products Services Technology (three acquisitions)
- Completion of the EUR 200 million share buyback program (c. 1.6% of the Group's shares) announced in March at the Capital Markets Day. The program was executed in two steps (phase one through the Wendel Group market placement and phase two directly on the market)
- Inaugural rated issuance of a EUR 500 million bond following the assignment of the first long-term A3 credit rating for Bureau Veritas (with a "stable" outlook) delivered by Moody's

2024 Outlook upgraded

Leveraging a healthy and growing sales pipeline, high customer demand for 'new economy services' and strong underlying market growth, Bureau Veritas now expects to deliver for the full year 2024:

- High single-digit organic revenue growth (from mid-to-high single-digit previously).
- Improvement in adjusted operating margin at constant exchange rates.
- Strong cash flow, with a cash conversion[3] above 90%.

The Group expects H2 organic revenue growth to be broadly in line with H1.

Hinda Gharbi, Chief Executive Officer, commented:

"In the first half of the year, we kick started the execution of our LEAP I 28 strategy which was launched at the end of March 2024. Our H1 results confirm our commitment to a step change in growth and returns with organic growth of 9.2%, a solid organic margin improvement of 29 basis points and EPS growth of 16% at constant currency. I thank all my colleagues around the world for these excellent results. We are also actively managing our portfolio through an accelerated M&A program with four acquisitions completed since the beginning of the year. In addition, we have completed our EUR 200 million share buyback program announced in March 2024. Finally, in light of our strong first half performance, our robust backlog and considering our focused operational execution, we are upgrading our revenue outlook for 2024."

[1] At constant currency.
[2] Alternative performance indicators are presented, defined and reconciled with IFRS in appendix 2 of this press release.
[3] (Net cash generated from operating activities – lease payments + corporate tax)/adjusted operating profit.

H1 2024 KEY FIGURES

The Board of Directors of Bureau Veritas met on July 25, 2024, and approved the financial statements for the first half of 2024 (H1 2024). The main consolidated financial items are:

IN EUR MILLIONS	H1 2024	H1 2023	CHANGE	CONSTANT CURRENCY
Revenue	3,021.7	2,904.2	+4.0%	+9.3%
Adjusted operating profit[(a)]	**451.9**	**434.2**	**+4.1%**	**+11.6%**
Adjusted operating margin[(a)]	**15.0%**	**15.0%**	**(0)bps**	**+33bps**
Operating profit	388.5	372.9	+4.2%	+12.9%
Adjusted net profit[(a)]	288.3	276.3	+4.3%	+16.1%
Attributable net profit	234.3	232.5	+0.8%	+14.5%
Adjusted EPS[(a)]	**0.64**	**0.61**	**+4.5%**	**+16.3%**
EPS	0.52	0.51	+0.9%	+14.7%
Operating cash-flow	262.4	222.1	+18.1%	+32.6%
Free cash flow[(a)]	**189.9**	**131.9**	**+44.0%**	**+65.0%**
Adjusted net financial debt[(a)]	1,112.2	930.8	+19.5%	

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

H1 2024 HIGHLIGHTS

› Strong organic revenue growth across the board throughout the first half

Group revenue in the first half of 2024 increased by 9.2% organically compared to the first half of 2023, including 10.4% in the second quarter, benefiting from robust underlying trends across businesses and geographies.

This is reflected by business as follows:

- Over a third of the portfolio (Marine & Offshore, Industry, and Certification) achieved robust double-digit organic revenue growth in the first half, ranging from 14.7% to 17.5%. These divisions benefited from sustained trends in decarbonization and the energy transition, particularly for Marine & Offshore and Industry. Additionally, the Certification segment experienced strong demand for sustainability and ESG-driven services.
- An eighth of the portfolio (Consumer Products Services) delivered high single-digit organic revenue growth (up 7.3%). The growth was led by the consumer segment in most geographies and by its strategy of geography, sector, and services diversification.
- Half of the portfolio, including Buildings & Infrastructure and Agri-Food & Commodities, achieved mid-single-digit organic revenue growth (up 4.3% and 4.6% respectively).

› Solid financial position

At the end of June 2024, the Group's adjusted net financial debt increased compared to the level as of December 31, 2023, as a result of the use of cash and cash equivalents linked to the EUR 200 million share buyback program executed in Q2. The Group has a solid financial structure with most of its maturities beyond 2026.

Bureau Veritas had EUR 1.5 billion in available cash and cash equivalents, and EUR 600 million in undrawn committed credit lines as of June 30, 2024. The adjusted net financial debt/EBITDA ratio was maintained at a low level of 1.06x (from 0.95x last year).

The average maturity of the Group’s financial debt was 4.9 years, with a blended average cost of funds over the half year of 2.9% (excluding the impact of IFRS 16), compared to 2.7% at December 31, 2023.

› Bureau Veritas shareholders approved the distribution of a dividend for the 2023 financial year

At the Bureau Veritas Annual Shareholders' Meeting, shareholders approved the distribution of a dividend of EUR 0.83 per share for the 2023 financial year (3rd resolution, approved at 99.99%), paid in cash on July 4, 2024.

› 2024 share buyback program

The Group executed the EUR 200 million share buyback program announced on March 20, 2024, as follows:

- an acquisition of c. 0.8% of the Group's shares or the equivalent of EUR 100 million on April 5, 2024, completed under the Wendel placement.
- an additional acquisition of the remaining EUR 100 million, completed by the Group through the market in May and June 2024, of an additional c. 0.8% of its shares.

As of June 30, 2024, the entire program had therefore been completed.

In accordance with the purpose of the share buyback program approved by the Annual Shareholders' Meeting, the shares bought back will be used for cancellation purposes and for any other purposes authorized by the Company's shareholders at the Annual Shareholders' Meeting of June 22, 2023.

› First A3 long-term credit rating by Moody's and inaugural A3 rated bond issuance of EUR 500 million with a May 2036 maturity

On April 24, 2024, Bureau Veritas announced that it had been assigned its first long-term credit rating of A3 by Moody's, with a "stable" outlook. This long-term credit rating will help Bureau Veritas in further diversifying its sources of funding, gaining enhanced access to capital markets, and managing debt maturities in line with the Group's strategy. The full rating report is available on moodys.com.

Subsequently, on May 16, 2024, the Group announced the successful completion of a EUR 500 million A3 rated new bond issuance maturing in May 2036 and carrying a coupon of 3.5%. The final orderbook amounted to more than EUR 1.5 billion, which represents three times the targeted amount. Such a high level of oversubscription enabled Bureau Veritas to price with a final spread much below initial price indications. This underlines the strong confidence of investors in Bureau Veritas' business model as well as the quality of its credit profile.

This issuance allows Bureau Veritas to seize attractive market conditions for general corporate purposes, including the refinancing of its bond maturing in January 2025, thereby lengthening the average maturity of its debt.

FOCUSED PORTFOLIO

In line with the LEAP | 28 strategy of active portfolio management and to focus the portfolio on market leadership positions, Bureau Veritas has activated an M&A program to develop new market strongholds:

- **in Cybersecurity**: in July 2024, the Group signed an agreement to acquire Security Innovation, a US-based player specialized in software security services focused on software testing, SDLC advisory (Secure Software Development Lifecycle) and training. It realized revenues of c. EUR 21 million in 2023.
- **in Consumer Technology Testing**: the Group signed definitive agreements to acquire three players in Asia. They will expand its position in testing and certification services for the Electrical and Electronics consumer products segment. The acquired companies' revenue was a combined c. EUR 20 million in 2023.

	ANNUALIZED REVENUE	COUNTRY/ AREA	SIGNING DATE	FIELD OF EXPERTISE
Cybersecurity				
Security Innovation	EUR 21m	USA	July 2024	Software security services company focused on software testing, SDLC advisory & training
Consumer Products Services				
OneTech Corp.	EUR 12m	South Korea	March 2024	Testing and certification services for Electrical and Electronics consumer products
Kostec Co., Ltd	EUR 5m	South Korea	March 2024	Testing and certification services for Electrical and Electronics consumer products
Hi Physix Laboratory India Pvt.	EUR 3m	India	March 2024	Electrical and electronics products testing and certification services laboratory

For more information, the press release is available by clicking here.

As part of its active portfolio management strategy, the Group signed an agreement for the divestment of a non-core technical supervision business on construction projects in China in June 2024. This business represents less than EUR 30 million in annualized revenue.

CORPORATE SOCIAL RESPONSIBILITY COMMITMENTS

› Corporate Social Responsibility (CSR) key indicators

	UNITED NATIONS' SDGS	H1 2024	2023	**2028 TARGET**
ENVIRONMENT / NATURAL CAPITAL				
CO_2 emissions (Scopes 1 & 2, 1,000 tons)[4]	#13	147	149	**107**
SOCIAL & HUMAN CAPITAL				
Total Accident Rate (TAR)[5]	#3	0.25	0.25	**0.23**
Gender balance in senior leadership (EC-II)[6]	#5	28.4%	29.3%	**36%**
Number of learning hours per employee (per year)[7]	#8	13.9	36.1	**40.0**
GOVERNANCE				
Proportion of employees trained to the Code of Ethics	#16	98.8%	97.4%	**99.0%**

› Bureau Veritas joins the United Nations Global Compact

On February 26, 2024, Bureau Veritas announced that it had joined the United Nations Global Compact, the world's largest corporate social responsibility (CSR) initiative. With this move, the Group confirms its commitment to abiding by the Ten Principles of the voluntary initiative, which seeks to advance universal principles on human rights, labor, the environment, and anti-corruption.

› Strong recognition by non-financial rating agencies

On March 7, 2024, the Group was ranked first in its category by Morningstar Sustainalytics. With a 9.1 rating, the Group ranks first in the 'Research and Consulting' category out of 72 companies and is now classified in the "Negligible risk" category.

[4] Greenhouse gas emissions from offices and laboratories, tons of CO_2 equivalent for net emissions corresponding to Scopes 1 and 2 over a period of 12 consecutive months (Q2 2023 to Q1 2024).

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

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

[7] Indicator calculated over a 6-month period for H1 2024, compared to a 12-month period for 2028 target values.

› 2024 Transparency Awards

On July 4, 2024, Bureau Veritas was awarded the 2024 Transparency Award by Labrador in the "*CAC Large 60*" category. This award acknowledges the *CAC Large 60* company with the highest score across 337 evaluation criteria from three public information sources: the Universal Registration Document, the Notice of Meeting for the Annual Shareholders' Meeting and the company website. In addition, the Group made remarkable progress in the overall ranking of the most transparent companies, coming 3rd out of the 121 companies evaluated this year.

OPERATIONAL APPOINTMENTS

› Khurram Majeed appointed Executive Vice-President, Commodities, Industry and Facilities, Middle East, Caspian and Africa

On April 1, 2024, Khurram Majeed became Executive Vice-President, Commodities, Industry and Facilities, for the Middle East, Caspian and Africa. With this role, the Group aims to leverage the full potential of the growing market opportunities in this region. This is a dynamic region undergoing several developments in natural resources, construction and industrial sectors. This new regional organization will also allow Bureau Veritas to strengthen its customer intimacy, to scale solutions faster and to increase resource utilization.

For more information, the press release is available by clicking here.

› Maria Lorente Fraguas to be appointed Executive Vice President and Chief People Officer

On July 25, 2024, the Group announces the appointment of Maria Lorente Fraguas as Executive Vice President and Chief People Officer, effective October 1, 2024.

As Bureau Veritas embarks on a new journey with the recent launch of its strategy LEAP I 28, this appointment will play a key role in evolving the Group's people model, ensuring the development of new strategic skills and developing new ways of working through tech augmentation.

Maria Lorente Fraguas will be a member of the Group Executive Committee. She succeeds Kathryn Dolan who decided to pursue career opportunities outside Bureau Veritas.

2024 OUTLOOK UPGRADED

Leveraging a healthy and growing sales pipeline, high customer demand for 'new economy services' and strong underlying market growth, Bureau Veritas now expects to deliver for the full year 2024:

- High single-digit organic revenue growth (from mid-to-high single-digit previously).
- Improvement in adjusted operating margin at constant exchange rates.
- Strong cash flow, with a cash conversion[8] above 90%.

The Group expects H2 organic revenue growth to be broadly in line with H1.

[8] (Net cash generated from operating activities – lease payments + corporate tax)/adjusted operating profit

LEAP | 28 STRATEGY

On March 20, 2024, Bureau Veritas announced its new strategy, LEAP | 28, with the following ambitions:

2024-2028	
GROWTH CAGR	**High single-digit total revenue growth[9]**
With:	*Organic: mid-to-high single-digit*
And:	*M&A acceleration and portfolio high-grading*
MARGIN	**Consistent adjusted operating margin improvement[8]**
EPS CAGR[8] + DIVIDEND YIELD	**Double-digit returns**
CASH	**Strong cash conversion[10]: above 90%**

Over the period of 2024-2028, the use of Free Cash Flow generated from the Group's operations will be balanced between Capital Expenditure (Capex), Mergers & Acquisitions (M&A) and shareholder returns (dividends):

ASSUMPTIONS	
CAPEX	Around 2.5%-3.0% of Group revenue
M&A	M&A acceleration
DIVIDEND	Pay-out of 65% of Adjusted Net Profit
LEVERAGE	Between 1.0x-2.0x by 2028

ANALYSIS OF THE GROUP'S RESULTS AND FINANCIAL POSITION

› Revenue up 4.0% year on year (up 9.2% on an organic basis)

Revenue in the first half of 2024 amounted to EUR 3,021.7 million, a 4.0% increase compared to H1 2023.

The organic increase was 9.2% compared to H1 2023 (including 10.4% in the second quarter of 2024) benefiting from solid underlying trends across most businesses and geographies.

Three businesses delivered very strong organic growth: Marine & Offshore, up 14.7%, Industry, up 17.5%, and Certification, up 16.0%. Consumer Products Services further recovered, up 7.3% organically in the first half (including 8.3% in the second quarter) while both Agri Food & Commodities and Buildings & Infrastructure grew mid-single digits organically, both showing sequential improvement in the second quarter.

By geography, growth in the Americas was strong (27% of revenue; up 10.3% organically), led by a double-digit increase in Latin America and high single-digit growth in Canada. Europe (35% of revenue; up 5.1% organically) benefited from high activity levels in Southern and Eastern parts of the continent. Business in Asia-Pacific (28% of revenue; up 8.7% organically) accelerated in the second quarter (up 10.3% organically) led by China, and thanks to sustained double-digit growth essentially for Australia, India and Vietnam. Finally, Africa and the Middle East were amongst the best performing regions (10% of revenue; up 23.5% organically), supported by Buildings & Infrastructure and energy projects in the Middle East.

The scope effect was a positive 0.1%, reflecting bolt-on acquisitions realized in the past few quarters and offset by the impact of a non-core disposal last year.

Currency fluctuations had a negative impact of 5.3% (including a negative impact of 5.0% in Q2), mainly due to the strength of the euro against most currencies.

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[9] At constant currency.

[10] (Net cash generated from operating activities – lease payments + corporate tax)/adjusted operating profit.

› Adjusted operating profit up 4.1% to EUR 451.9 million (organic margin up 29 bps)

First half adjusted operating profit increased by 4.1% to EUR 451.9 million. This represents an adjusted operating margin of 15.0% stable compared to the first half of 2023. Organically, the Group's margin increased by 29 basis points year on year to 15.3% while scope had a slight positive impact of 4bps. Foreign exchange trends were a negative impact of 33bps on the Group's margin due to the strength of the euro against other currencies.

CHANGE IN ADJUSTED OPERATING MARGIN

IN PERCENTAGE AND BASIS POINTS	
H1 2023 adjusted operating margin	**15.0%**
Organic change	+29bps
Organic adjusted operating margin	**15.3%**
Scope	+4bps
Constant currency adjusted operating margin	**15.3%**
Currency	(33)bps
H1 2024 adjusted operating margin	**15.0%**

The organic adjusted operating margin improved by 29 basis points with revenue growth and operating leverage delivering higher margins in Marine & Offshore, Industry, Consumer Products Services and Certification, partly offsetting lower margins in Agri-Food & Commodities and Buildings & Infrastructure.

Other adjustment items slightly increased to EUR 63.4 million versus EUR 61.3 million in the first half of 2023, and comprised:

- EUR 21.5 million in amortization of intangible assets resulting from acquisitions (from EUR 21.1 million in H1 2023).
- EUR 1.3 million in write-offs of non-current assets mainly linked to the commodities-related activities.
- EUR 7.8 million in restructuring costs, relating chiefly to Consumer Products Services and commodities-related activities (compared to EUR 18.6 million in H1 2023).
- EUR 32.8 million in net losses on disposals and acquisitions (net loss of EUR 0.2 million in H1 2023), mainly linked to the ongoing divestment of non-core B&I activities in China.

Operating profit totaled EUR 388.5 million, up 4.2% compared to EUR 372.9 million in the first half of 2023.

› Adjusted EPS of EUR 0.64, up 4.5% year on year and 16.3% at constant currency

Net financial expense amounted to EUR 25.6 million in the first half of 2024, compared to EUR 15.2 million in the same period one year earlier.

The improvement in net finance costs to EUR 19.8 million in H1 2024 (compared to EUR 24.6 million in H1 2023) is attributable to the impact of the redemption of EUR 500 million in September 2023 of the bond program issued in 2016 partially offset by a bond program of the same amount put in place in mid-2024.

In H1 2024, the Group recorded higher unfavorable exchange rate effects compared to the previous year, with a loss of EUR 5.8 million (compared to a gain of EUR 9.4 million in the first half of 2023).

The interest cost on pension plans amounted to a negative EUR 1.5 million in H1 2024, stable compared to H1 2023.

Consolidated income tax expense stood at EUR 115.9 million for H1 2024, compared to EUR 113.2 million for H1 2023.

This represents an effective tax rate (ETR) of 32.0% for the period, versus 31.6% in H1 2023.

The adjusted effective tax rate decreased by 1.7 percentage points compared to H1 2023, to 29.0%. It corresponds to the effective tax rate adjusted for the tax effect of adjustment items. The decrease is mainly due to a reduction in the amount of withholding taxes incurred over the period.

Attributable net profit for the period was EUR 234.3 million, versus EUR 232.5 million in H1 2023.

Earnings per share (EPS) was EUR 0.52, compared to EUR 0.51 in H1 2023.

Adjusted attributable net profit totaled EUR 288.3 million in H1 2024, up 4.3% versus EUR 276.3 million in H1 2023.

Adjusted EPS stood at EUR 0.64, a 4.5% increase versus H1 2023 (EUR 0.61 per share).

› Strong Free Cash Flow at EUR 189.9 million

The half-year 2024 operating cash flow increased by 18.1% to EUR 262.4 million versus EUR 222.1 million in H1 2023. This was fueled by a lower working capital requirement outflow of EUR 168.1 million, compared to a EUR 196.2 million outflow in the previous year, despite strong revenue growth delivered in the second quarter (up 10.4% organically).

The working capital requirement (WCR) stood at EUR 540.6 million as of June 30, 2024, compared to EUR 517.6 million as of June 30, 2023. As a percentage of revenue, WCR slightly increased by c.20 basis points to 9.0%, compared to 8.8% at the end of H1 2023.

Purchases of property, plant and equipment and intangible assets, net of disposals (Net Capex), amounted to EUR 59.9 million in the first half of 2024, down 21.6% compared to the H1 2023 figure of EUR 76.4 million. The Group’s net capex-to-revenue ratio decreased to 2.0% as the growth was mainly fueled by non-laboratory driven activities. It is down 60 basis points from the higher level of H1 23 (2.6%).

Free cash flow (operating cash flow after tax, interest expenses and capex) was EUR 189.9 million, compared to EUR 131.9 million in H1 2023, up 44% year on year. On an organic basis, free cash flow reached EUR 204.1 million.

CHANGE IN FREE CASH FLOW

IN EUR MILLIONS	
Free cash flow for the period ending on June 30, 2023	**131.9**
Organic change	+72,2
Organic free cash flow	**204.1**
Scope	+13.5
Free cash flow at constant currency	**217.6**
Currency	(27.7)
Free cash flow for the period ending on June 30, 2024	**189.9**

As of June 30, 2024, adjusted net financial debt was EUR 1,112.2 million, i.e. 1.06x trailing twelve-month EBITDA, compared to 0.92x at December 31, 2023. The increase in adjusted net financial debt of EUR 176 million versus December 31, 2023 (EUR 936.2 million) reflects:

- free cash flow of EUR 189.9 million.
- dividend payments totaling EUR 9.1 million corresponding mainly to dividends paid to non-controlling interests and withholding taxes on intra-group dividends.
- acquisitions (net) and repayment of amounts owed to shareholders, accounting for EUR 76.9 million.
- net share buyback totaling EUR 199.1 million, as part of the Group’s LEAP | 28 strategy
- lease and interest payments (related to the application of IFRS 16), accounting for EUR 60.9 million.
- other items that increased the Group's debt by EUR 19.0 million.

H1 2024 BUSINESS REVIEW

MARINE & OFFSHORE

IN EUR MILLIONS	H1 2024	H1 2023	CHANGE	ORGANIC	SCOPE	CURRENCY
Revenue	251.3	228.6	+9.9%	+14.7%	-	(4.8)%
Adjusted Operating Profit	61.6	56.5	+9.1%			
Adjusted Operating Margin	24.5%	24.7%	(20)bps	+88bps	-	(108)bps

Marine & Offshore was among the strongest performing businesses within the Group's portfolio in the first half of 2024 with organic growth of 14.7% (including 15.8% in the second quarter), with the following trends:

- A strong double-digit increase in **New Construction** (41% of divisional revenue), in a buoyant construction market, supported by the conversion of the acceleration of new orders in Q1 and Q2 despite some capacity constraints in shipyards.
- Double-digit growth in **Core In-service** activity (46% of divisional revenue), benefiting from volume growth led by the increase in the number of classed vessels, coupled with the retrofitting/upgrading activities to address the new coming environmental regulations. On June 30, 2024, the fleet classed by Bureau Veritas included 11,894 ships, up 2.7% year on year and representing 151.7 million of Gross Register Tonnage (GRT).
- Mid-single-digit growth **in Services** (13% of divisional revenue, including Offshore), benefiting from good commercial development of non-class services, including consulting services around ship energy efficiency.

The division continues to benefit from multi-year growth momentum as the maritime industry decarbonizes, renews its fleet and becomes more energy efficient. The Group secured 7.4 million gross tons at the end of June 2024, bringing the order book to 26.0 million gross tons, up 27.5% compared to 20.4 million gross tons at end-June 2023. This is driven by LNG fueled ships and specialized vessels.

The adjusted operating margin for the half year was maintained at a healthy 24.5% on a reported basis compared to 24.7% in H1 2023, negatively impacted by foreign exchange effects (108 basis points). Organically, it rose by 88 basis points, benefiting from pricing, operating leverage and a positive mix.

Sustainability achievements

During the second quarter of 2024, Bureau Veritas issued an Approval in Principle (AiP) to China Ship Design & Research Centre (CSDC) for its latest ammonia-fueled medium-range chemical tanker design, leading the sector towards a greener and more sustainable future.

AGRI-FOOD & COMMODITIES

IN EUR MILLIONS	H1 2024	H1 2023	CHANGE	ORGANIC	SCOPE	CURRENCY
Revenue	613.9	611.5	+0.4%	+4.6%	-	(4.2)%
Adjusted Operating Profit	75.6	82.3	(8.2)%			
Adjusted Operating Margin	12.3%	13.5%	(115)bps	(90)bps	-	(25)bps

The Agri-Food & Commodities business delivered 6.0% organic revenue growth in the second quarter of 2024, thus achieving 4.6% revenue growth on an organic basis in the first half of the year.

The **Oil & Petrochemicals** segment (O&P, 32% of divisional revenue) recorded a high-single-digit increase in organic revenue in the first half of the year, with the second quarter growth primarily stemming from focused business development with key accounts in North America and the Middle East. Strong momentum was also maintained in Europe, where the Group saw market share gains. Asian activities are gradually recovering, with favorable perspectives in the non-trade activities such as Oil Condition Monitoring-related services.

After a stable performance in the first quarter, the **Metals & Minerals** segment (M&M, 31% of divisional revenue) showed signs of recovery in the second quarter with low–single-digit organic revenue growth. The Upstream business (which represents more than two-thirds of the divisional revenue) has been facing a slow start to the year on the back of a challenging macro environment. Early signs of recovery have been observed with high gold prices stimulating a pickup in exploration drillings. The Group continued to execute its on-site laboratory development strategy, with double-digit growth achieved in the first half and new contracts secured in Chile and West Africa. Trade activities delivered mid-to-high single-digit growth in the first half, with good traction in the second quarter especially in China and India.

In the first half of 2024**, Agri-Food** (23% of divisional revenue) posted high–single-digit growth on an organic basis. The Agri sub-segment was boosted by growth in both Upstream and Trade activities. The growth was particularly strong in the Middle East in the second quarter, owing to sustained business development and key contract wins in many countries. Additionally, the Americas benefited from excellent crop yields despite floods in Brazil. The Food business grew mid-single digits organically, owing to the continued recovery of the Australian activities from the diversification strategy and price increases.

Government services (14% of the divisional revenue) delivered a stable year –on year organic growth in the first half of the year, due mainly to unfavorable comparables and expected contract cycles. These were partly offset by the good performance of Verification of Conformity contracts in some Middle East countries in the second quarter of 2024, with a promising pipeline of new opportunities for Q3 onwards.

The adjusted operating margin for the Agri-Food & Commodities business declined to 12.3%, down 115 basis points compared to last year. This was attributed to a negative business mix effect (due to the soft performance of Metals & Minerals) and negative forex impact.

Sustainability achievements

In the first half of 2024, Bureau Veritas delivered several sustainability services to its customers, ranging from services around fugitive emissions commodities, and Green Objects such as sustainable aviation fuel or traceability for wood products.

INDUSTRY

IN EUR MILLIONS	H1 2024	H1 2023	CHANGE	ORGANIC	SCOPE	CURRENCY
Revenue	624.0	617.4	+1.1%	+17.5%	(2.4)%	(14.0)%
Adjusted Operating Profit	79.3	76.1	+4.2%			
Adjusted Operating Margin	12.7%	12.3%	+38bps	+92bps	+14bps	(68)bps

Industry achieved a strong organic revenue increase of 17.5% in the first half of 2024, including 18.2% growth in the second quarter led by most businesses and geographies.

Customer spending remains strong in all energy sectors, driven by energy security and transition needs. Across all industrial sectors, the Group sees good growth momentum.

By market, the stability in **Power & Utilities** (13% of divisional revenue) continued to reflect the business transformation undertaken in Latin America, where the decision was made last year to exit low-profitability contracts. In Europe, the stable growth in the nuclear power generation reflects the ramp-up of QA/QC inspection projects in the UK and France offsetting the completion of the French EPR (European pressurized reactor) Flamanville 3 project.

Within Power & Utilities, Renewable Power Generation activities (solar, wind, hydrogen) continued their growth momentum with double-digit organic performance in most geographies. The US led the growth with the execution of a large number of solar projects. China Renewables spending remains strong driving a sustained growth dynamic.

In **Oil & Gas** (32% of divisional revenue), activity remained strong, with double digits organically in the first half. Both Capex and Opex services increased substantially across most geographies as they continued to capitalize on a favorable investment cycle, the Group's recognized expertise and its global capabilities. The growth was broad across the United States, Latin America, the Middle East, and Asia.

Industry Products Certification (18% of divisional revenue) grew double-digits organically. This growth was driven by price increases and increased activity in Pressure & Welding and Electromechanical & Advanced Technologies sub-segments. Growth was particularly strong in the Asia Pacific and Middle East regions.

Elsewhere, the **Environmental Testing** business (10% of divisional revenue) grew high-single digits organically. In Canada, the remediation works benefited from favorable weather conditions during the first quarter, further bolstering the segment's performance.

Industry's adjusted operating margin for the half year increased by 38 basis points to 12.7%. Organically, it rose by 92 basis points benefiting from operational leverage and more selectivity when it comes to profitability.

Sustainability achievements

In the second quarter of 2024, the Group was awarded a contract in California (USA) to deliver Project Management services for the removal of obsolete wind turbine generators and the installation with 25 new ones as well as a new battery energy storage system. The Group was also selected for an offshore wind farm certification in Taiwan for a large French electricity producer. Lastly, the Group is expected to deliver a third-party evaluation of two hydrogen locomotive projects, capable of supplying power in the absence of a catenary for a large rail manufacturer.

BUILDINGS & INFRASTRUCTURE

IN EUR MILLIONS	H1 2024	H1 2023	CHANGE	ORGANIC	SCOPE	CURRENCY
Revenue	896.7	869.7	+3.1%	+4.3%	-	(1.2)%
Adjusted Operating Profit	104.3	106.4	(2.0)%			
Adjusted Operating Margin	11.6%	12.2%	(60)bps	(53)bps	-	(7)bps

The Buildings & Infrastructure (B&I) business recorded organic revenue growth of 4.3% in the first half (including 4.9% growth in the second quarter), with growth in most geographies.

During the period, **the construction-related activities** outperformed the **building-in service activity**.

The Americas region (27% of divisional revenue) recorded solid growth with noticeable improvement in the second quarter. The US platform delivered mid-single-digit organic revenue growth and continued to capitalize on its diversified portfolio of activities. The data center commissioning business maintained strong double-digit organic growth thanks to an uplift in demand for its services from both new and existing clients in most regions globally, combined with pricing initiatives. This is due to the ongoing growth in data generation, cloud computing and AI. Double-digit growth was also achieved in both Opex-related services and the Capex-infrastructure business. Code compliance maintained robust activity thanks to housing expansion in central and east regions. In Latin America, the strong growth in both Brazil and Chile was mitigated by contracts termination in Argentina.

Business in **Europe** (50% of divisional revenue) was robust overall. Most countries contributed to the growth, with a leading Italy's performance from continued infrastructure spending of the National Recovery and Resilience Plan (NRRP). France continues to grow with Capex-related activities outperforming thanks to the group's wins in infrastructure and public works (including the 2024 Paris Olympic Games), which largely offset the declining residential market segment. Opex services, representing three quarters of the country's revenue, was resilient and grew from positive pricing and an uptake of new services.

The **Asia Pacific region** (19% of divisional revenue) achieved a high single-digit organic revenue increase led by high growth in South and Southeastern Asian countries and Australia. China had a stable performance driven by energy-related construction activity. Weak public spending remains a constraint for growth in transport infrastructure.

Lastly, in the **Middle East & Africa** region (4% of divisional revenue), the Group maintained its strong momentum, delivering double-digit organic revenue growth primarily driven by the performance in Saudi Arabia, where it benefited from the development of numerous megaprojects.

Adjusted operating margin for the half year slightly eroded by 60 basis points to 11.6% from 12.2% in the prior year. This reflects the impact of low activity in China which was not fully offset by the US improvement.

Sustainability achievements

In the second quarter of 2024, in France, the Group signed an exclusive contract with the French National Housing Agency / ANAH (Agence Nationale de l'Habitat) to deliver energy performance and efficiency checks on projects financed under the French Energy management subsidies scheme, "Ma Prime Rénov'". The Group was also selected for a multi-year program by the California Olympics Committee to provide project management services for the rollout of fast EV charging stations.

CERTIFICATION

IN EUR MILLIONS	H1 2024	H1 2023	CHANGE	ORGANIC	SCOPE	CURRENCY
Revenue	255.3	227.9	+12.0%	+16.0%	-	(4.0)%
Adjusted Operating Profit	50.0	41.7	+19.9%			
Adjusted Operating Margin	19.6%	18.3%	+128bps	+154bps	-	(26)bps

With another stellar performance in the second quarter of 2024, the Certification business posted a strong double-digit organic growth in the first half of the year at 16.0%, with a strong performance across all geographies. This was led by increasing volumes and robust price escalations.

QHSE & Specialized Schemes solutions (50% of the divisional revenue) posted double-digit growth in the first half of the year, with strong traction from the recertification year occurring for several schemes across different industries. The certification market benefits from a dynamic of innovation in response to consumers' needs for customized and voluntary schemes. As an example, Bureau Veritas recently delivered the "Origine France Garantie" label for two car models produced by the French car manufacturer Renault, making them the first full electric vehicles to obtain this certification.

Sustainability-related solutions & Digital (Cyber) certification activities (31% of divisional revenue) also recorded very strong double-digit organic growth, with excellent ongoing momentum around carbon services. With double-digit growth in the second quarter of the year, the suite of services and solutions delivered by Bureau Veritas on forestry-related topics is developing strongly. This performance is driven by market share gains, primarily in the US and in China, as well as a favorable regulatory environment. For example, the soon-to-be implemented EUDR regulation is creating new business opportunities at the European level. Finally, cybersecurity certification and assurance services are still benefiting from excellent market traction driving double-digit growth in the first half of the year.

Other solutions, including Training (19% of the divisional revenue) recorded broadly stable revenue growth in the first half of 2024.

The adjusted operating margin for the half year strongly increased by 128 basis points to 19.6%, compared to 18.3% in the prior year. This reflects sound operational leverage and a favorable business mix.

Sustainability achievements

In the first half of 2024, Bureau Veritas continued to grow its assurance of sustainability reporting activities. In France, it helped an IT services provider to prepare for CSRD reporting, and to identify material sustainability issues associated with the firm's activities, thus measuring gaps and developing mitigation plans for compliance. The Group was also selected by a global dairy products company to carry out ethical trade and responsible sourcing audits in 125 sites in Mexico.

CONSUMER PRODUCTS SERVICES

IN EUR MILLIONS	H1 2024	H1 2023	CHANGE	ORGANIC	SCOPE	CURRENCY
Revenue	380.5	349.1	+9.0%	+7.3%	+4.9%	(3.2)%
Adjusted Operating Profit	81.1	71.2	+13.9%			
Adjusted Operating Margin	21.3%	20.4%	+92bps	+134bps	(31)bps	(11)bps

The Consumer Products Services division delivered a 7.3% organic growth performance over the first half of 2024, (including 8.3% in the second quarter), led by all sub-segments excluding Technology.

By geography, Asia showed good improvement led by China and Southeast and South Asian countries such as Vietnam and Bangladesh. The Americas also continued to benefit from the geographical, sector and services diversification strategy.

The Softlines, Hardlines & Toys segment (accounting for 48% of divisional revenue) delivered double-digit organic growth in the first half of 2024. This growth was driven by a recovery in volumes, which was attributed to the end of destocking and early shipments in response to logistics delays from the Red Sea shipping disruption. The growth was led by China and South East Asian countries exporting to the American market. The Hardlines business was particularly strong, benefiting from a global recovery and an increase in Stock Keeping Units (SKUs).

Healthcare (including Beauty and Household) (8% of divisional revenue) posted solid double-digit organic growth during the first half of the year led by the US operations. This was driven by the performance of global accounts, particularly the recently acquired Advanced Testing Laboratory (ATL) which benefited from pricing initiatives and an expanded scope of services.

Supply Chain & Sustainability services (14% of divisional revenue) delivered a very good double-digit performance with CSR audits and transition services leading, thanks to a global strong momentum around social audits and green claim verification services.

Technology (30% of divisional revenue) saw a mid-single-digit contraction in the first half of 2024, still affected by a global decrease in demand for electronics, wireless products and new mobility equipment (electrical vehicles, notably in China). The second quarter showed an increase in the development and manufacturing of servers' technologies to respond to AI market needs. Additionally, electrical appliances performed well and benefited from improved consumer spending.

In line with LEAP I 28 strategy, the Group continued to invest in the new stronghold of Consumer Technology, with the closing of three acquisitions - OneTech Corp., Kostec Co. in Korea and Hi Physix Laboratory in India - to bolster its presence in Electrical and Electronics consumer products testing in the key markets of South Korea and India.

Adjusted operating margin for the half year increased by 92 basis points to 21.3% from 20.4% in the prior year. Organically it rose by 134 basis points thanks to good operational leverage, offset by a negative scope (31bps) and limited forex effects.

Sustainability achievements

During the first half of 2024, Transition Services continued to grow as the Group accompanied clients' ESG transformation. Services provided covered a wide range, including traceability Audits, Responsible Chemicals Testing, Materials Testing and Eco-Design to name a few. The Group was also awarded a contract with a DIY company in Portugal to deliver Sustainable Claims Certification services. It also secured several chemical RSL (Restricted Substances List) testing programs for different luxury brands.

PRESENTATION

- H1 2024 revenue will be presented on Thursday, July 25, 2024, 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/investors/financial-information/financial-results
- 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
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  - International: +44 (0) 33 0551 0200
  - Password: Bureau Veritas

2024 & 2025 FINANCIAL CALENDAR

- Q3 2024 Revenue: October 23, 2024 (post market)
- FY 2024 Results: February 25, 2025 (pre market)
- Q1 2025 Revenue: April 24, 2025 (pre market)

ABOUT BUREAU VERITAS

Bureau Veritas is a world leader in inspection, certification, and laboratory testing services with a powerful purpose: to shape a world of trust by ensuring responsible progress. With a vision to be the preferred partner for customers' excellence and sustainability, the company innovates to help them navigate change.

Created in 1828, Bureau Veritas' 83,000 employees deliver services in 140 countries. The company's technical experts support customers to address challenges in quality, health and safety, environmental protection, and sustainability.

Bureau Veritas is listed on Euronext Paris and belongs to the CAC 40 ESG, CAC Next 20, SBF 120 indices and is part of the CAC SBT 1.5° index. Compartment A, ISIN code FR 0006174348, stock symbol: BVI.

For more information, visit www.bureauveritas.com, and follow us on LinkedIn and X/Twitter.

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APPENDIX 1: Q2 AND H1 2024 REVENUE BY BUSINESS

IN EUR MILLIONS	Q2/H1 2024	Q2/H1 2023	CHANGE	ORGANIC	SCOPE	CURRENCY
Marine & Offshore	129.2	115.6	+11.8%	+15.8%	-	(4.0)%
Agri-Food & Commodities	316.6	308.9	+2.5%	+6.0%	-	(3.5)%
Industry	328.4	322.4	+1.9%	+18.2%	(2.3)%	(14.0)%
Buildings & Infrastructure	455.7	437.8	+4.1%	+4.9%	-	(0.8)%
Certification	137.9	120.9	+14.1%	+18.0%	-	(3.9)%
Consumer Products	214.4	194.2	+10.4%	+8.3%	+4.4%	(2.3)%
Total Q2 revenue	**1,582.2**	**1,499.8**	**+5.5%**	**+10.4%**	**+0.1%**	**(5.0)%**
Marine & Offshore	251.3	228.6	+9.9%	+14.7%	-	(4.8)%
Agri-Food & Commodities	613.9	611.5	+0.4%	+4.6%	-	(4.2)%
Industry	624.0	617.4	+1.1%	+17.5%	(2.4)%	(14.0)%
Buildings & Infrastructure	896.7	869.7	+3.1%	+4.3%	-	(1.2)%
Certification	255.3	227.9	+12.0%	+16.0%	-	(4.0)%
Consumer Products	380.5	349.1	+9.0%	+7.3%	+4.9%	(3.2)%
Total H1 revenue	**3,021.7**	**2,904.2**	**+4.0%**	**+9.2%**	**+0.1%**	**(5.3)%**

[(a)] Q2 and H1 2023 figures by business have been restated following a reclassification of activities impacting mainly the Industry and Buildings & Infrastructure businesses (c. €0.9 million in H1)

APPENDIX 2: HALF-YEAR 2024 REVENUE BY QUARTER

	2024 REVENUE BY QUARTER	
IN EUR MILLIONS	Q1	Q2
Marine & Offshore	122.1	129.2
Agri-Food & Commodities	297.3	316.6
Industry	295.6	328.4
Buildings & Infrastructure	441.0	455.7
Certification	117.4	137.9
Consumer Products	166.1	214.4
Total revenue	**1,439.5**	**1,582.2**

APPENDIX 3: ADJUSTED OPERATING PROFIT AND MARGIN BY BUSINESS

	ADJUSTED OPERATING PROFIT			ADJUSTED OPERATING MARGIN		
IN EUR MILLIONS	H1 2024	H1 2023	CHANGE (%)	H1 2024	H1 2023	CHANGE (BASIS POINTS)
Marine & Offshore	61.6	56.5	+9.1%	24.5%	24.7%	(20)
Agri-Food & Commodities	75.6	82.3	(8.2)%	12.3%	13.5%	(115)
Industry	79.3	76.1	+4.2%	12.7%	12.3%	+38
Buildings & Infrastructure	104.3	106.4	(2.0)%	11.6%	12.2%	(60)
Certification	50.0	41.7	+19.9%	19.6%	18.3%	+128
Consumer Products	81.1	71.2	+13.9%	21.3%	20.4%	+92
Total Group	**451.9**	**434.2**	**+4.1%**	**+15.0%**	**+15.0%**	**+0**

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

Extracts from the half-year consolidated financial statements audited and approved on July 25, 2024 by the Board of Directors. The audit procedures for the half-year financial statements have been undertaken and the Statutory Auditors' report has been published.

CONSOLIDATED INCOME STATEMENT

IN EUR MILLIONS	H1 2024	H1 2023
Revenue	**3,021.7**	**2,904.2**
Service costs rebilled to clients	94.9	88.0
Revenue and services costs rebilled to clients	**3,116.6**	**2,992.2**
Purchases and external charges	(948.8)	(916.9)
Personnel costs	(1,598.7)	(1,532.6)
Taxes other than on income	(23.3)	(29.1)
Net (additions to)/reversals of provisions	(8.4)	(11.1)
Depreciation and amortization	(127.2)	(135.4)
Other operating income and expense, net	(21.7)	5.8
Operating profit	**388.5**	**372.9**
Share of profit of equity-accounted companies	(0.2)	0.3
Operating profit after share of profit of equity-accounted companies	**388.3**	**373.2**
Income from cash and cash equivalents	22.6	22.4
Finance costs, gross	(42.4)	(47.0)
Finance costs, net	**(19.8)**	**(24.6)**
Other financial income and expense, net	(5.8)	9.4
Net financial expense	**(25.6)**	**(15.2)**
Profit before income tax	**362.7**	**358.0**
Income tax expense	(115.9)	(113.2)
Net profit	**246.8**	**244.8**
Non-controlling interests	(12.5)	(12.3)
Attributable net profit	**234.3**	**232.5**
Earnings per share (in euros):		
Basic earnings per share	0.52	0.51
Diluted earnings per share	0.51	0.51

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

IN EUR MILLIONS	JUNE 30, 2024	DEC. 31 2023
Goodwill	2,181.7	2,127.4
Intangible assets	366.6	360.0
Property, plant and equipment	418.4	389.0
Right-of-use assets	372.0	391.5
Non-current financial assets	99.3	108.9
Deferred income tax assets	125.9	136.6
Total non-current assets	**3,563.9**	**3,513.4**
Trade and other receivables	1,664.9	1,584.5
Contract assets	323.5	325.9
Current income tax assets	78.5	33.5
Derivative financial instruments	3.3	4.1
Other current financial assets	7.1	9.1
Cash and cash equivalents	1,522.4	1,173.9
Total current assets	**3,599.7**	**3,131.0**
Assets held for sale	38.0	-
TOTAL ASSETS	**7,201.6**	**6,644.4**

Share capital	54.6	54.5
Retained earnings and other reserves	1,575.4	1,881.6
Equity attributable to owners of the Company	1,630.0	1,936.1
Non-controlling interests	67.8	57.7
Total equity	**1,697.8**	**1,993.8**
Non-current borrowings and financial debt	2,098.9	2,079.7
Non-current lease liabilities	302.5	319.7
Other non-current financial liabilities	59.7	73.7
Deferred income tax liabilities	89.9	85.0
Pension plans and other long-term employee benefits	143.8	147.2
Provisions for other liabilities and charges	71.1	72.2
Total non-current liabilities	**2,765.9**	**2,777.5**
Trade and other payables	1,178.8	1,273.4
Contract liabilities	269.0	257.2
Current income tax liabilities	126.6	98.5
Current borrowings and financial debt	535.4	31.2
Current lease liabilities	109.0	107.5
Derivative financial instruments	3.6	3.3
Other current financial liabilities	480.1	102.0
Total current liabilities	**2,702.5**	**1,873.1**
Liabilities held for sale	35.4	-
TOTAL EQUITY AND LIABILITIES	**7,201.6**	**6,644.4**

CONSOLIDATED STATEMENT OF CASH FLOWS

IN EUR MILLIONS	H1 2024	H1 2023
Profit before income tax	**362.7**	**358.0**
Elimination of cash flows from financing and investing activities	7.9	16.1
Provisions and other non-cash items	53.7	13.2
Depreciation, amortization and impairment	127.3	135.3
Movements in working capital requirement attributable to operations	(168.1)	(196.2)
Income tax paid	(121.1)	(104.3)
Net cash generated from operating activities	**262.4**	**222.1**
Acquisitions of subsidiaries and activities, net of acquired cash	(70.0)	(14.0)
Purchases of property, plant and equipment and intangible assets	(61.6)	(79.8)
Proceeds from sales of property, plant and equipment and intangible assets	1.7	3.4
Purchases of non-current financial assets	(4.8)	(5.2)
Proceeds from sales of non-current financial assets	4.3	5.1
Change in loans and advances granted	0.2	1.8
Net cash used in investing activities	**(130.2)**	**(88.7)**
Capital increase	12.5	2.9
Purchases/sales of treasury shares	(199.2)	(1.1)
Dividends paid	(9.1)	(13.3)
Increase in borrowings and other debt	492.0	-
Repayment of borrowings and other debt	(6.2)	(0.1)
Repayment of amounts owed to shareholders	(6.9)	(0.2)
Repayment of lease liabilities and interest	(60.9)	(63.9)
Interest paid	(12.6)	(13.8)
Net cash generated from/(used in) financing activities	**209.6**	**(89.5)**
Impact of currency translation differences	6.2	(16.5)
Net increase/(decrease) in cash and cash equivalents	**348.0**	**27.4**
Net cash and cash equivalents at beginning of the period	1,170.1	1,655.7
Net cash and cash equivalents at end of the period	**1,518.1**	**1,683.1**
o/w cash and cash equivalents	1,522.4	1,687.7
o/w bank overdrafts	(4.3)	(4.6)

APPENDIX 5: BREAKDOWN OF NET FINANCIAL EXPENSE

NET FINANCIAL EXPENSE

IN EUR MILLIONS	H1 2024	H1 2023
Finance costs, net	**(19.8)**	**(24.6)**
Foreign exchange gains	8.5	14.2
Interest cost on pension plans	(1.5)	(1.5)
Other	(12.8)	(3.3)
Net financial expense	**(25.6)**	**(15.2)**

APPENDIX 6: ALTERNATIVE PERFORMANCE INDICATORS

ADJUSTED OPERATING PROFIT

IN EUR MILLIONS	H1 2024	H1 2023
Operating profit	388.5	**372.9**
Amortization of intangible assets resulting from acquisitions	21.5	21.1
Impairment and retirement of non-current assets	1.3	21.4
Restructuring costs	7.8	18.6
Gains and losses on disposals of businesses and other income and expenses relating to acquisitions	32.8	0.2
Total adjustment items	63.4	61.3
Adjusted operating profit	451.9	**434.2**

CHANGE IN ADJUSTED OPERATING PROFIT

IN EUR MILLIONS	
H1 2023 adjusted operating profit	**434.2**
Organic change	+49.1
Organic adjusted operating profit	**483.4**
Scope	+1.5
Constant currency adjusted operating profit	**484.9**
Currency	(32.9)
H1 2024 adjusted operating profit	**451.9**

ADJUSTED EFFECTIVE TAX RATE

IN EUR MILLIONS	H1 2024	H1 2023
Profit before income tax	362.7	358.0
Income tax expense	(115.9)	(113.2)
ETR[(a)]	32.0%	31.6%
Adjusted ETR[(b)]	**29.0%**	**30.7%**

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

(b) Adjusted ETR = Income tax expense adjusted for tax effect on adjustment items/Profit before tax and before taking into account adjustment items.

ATTRIBUTABLE NET PROFIT

IN EUR MILLIONS	H1 2024	H1 2023
Attributable net profit	234.3	232.5
EPS[(a)] (€ per share)	0.52	*0.51*
Adjustment items	63.4	61.3
Tax impact on adjustment items	(7.7)	(15.6)
Non-controlling interest on adjustment items	(1.7)	(1.9)
Adjusted attributable net profit	**288.3**	**276.3**
Adjusted EPS[(a)] (€ per share)	*0.64*	*0.61*

(a) Calculated using the weighted average number of shares: 451,680,634 in H1 2024 and 452,412,873 in H1 2023.

CHANGE IN ADJUSTED ATTRIBUTABLE NET PROFIT

IN EUR MILLIONS	
H1 2023 adjusted attributable net profit	**276.3**
Organic change and scope	+44.4
Adjusted attributable net profit at constant currency	**320.7**
Currency	(32.4)
H1 2024 adjusted attributable net profit	**288.3**

FREE CASH FLOW

IN EUR MILLIONS	H1 2024	H1 2023
Net cash generated from operating activities (operating cash flow)	262.4	222.1
Net purchases of property, plant and equipment and intangible assets	(59.9)	(76.4)
Interest paid	(12.6)	(13.8)
Free cash flow	**189.9**	**131.9**

CHANGE IN NET CASH GENERATED FROM OPERATING ACTIVITIES

IN EUR MILLIONS	
Net cash generated from operating activities at June 30, 2023	**222.1**
Organic change	+65.2
Organic net cash generated from operating activities	**287.3**
Scope	+7.1
Net cash generated from operating activities at constant currency	**294.4**
Currency	(32.0)
Net cash generated from operating activities at June 30, 2024	**262.4**

ADJUSTED NET FINANCIAL DEBT

IN EUR MILLIONS	JUNE 30, 2024	DEC. 31 2023
Gross financial debt	2,634.3	2,110.9
Cash and cash equivalents	(1,522.4)	(1,173.9)
Consolidated net financial debt	**1,111.9**	**937.0**
Currency hedging instruments	0.3	(0.8)
Adjusted net financial debt	**1,112.2**	**936.2**

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

The management process used by Bureau Veritas is based on a series of alternative performance indicators, as presented below. These indicators were defined for the purposes of preparing the Group's budgets and internal and external reporting. Bureau Veritas considers that these indicators provide additional useful information to financial statement users, enabling them to better understand the Group's performance, especially its operating performance. Some of these indicators represent benchmarks in the testing, inspection and certification ("TIC") business and are commonly used and tracked by the financial community. These alternative performance indicators should be seen as complementary 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, also known as organic growth. Determining organic growth enables the Group to monitor trends in its business excluding the impact of currency fluctuations, which are outside of Bureau Veritas' control, as well as scope effects, which concern new businesses or businesses that no longer form part of the business portfolio. Organic growth is used to monitor the Group's performance internally.

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

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

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

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

Scope effect

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

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

Currency effect

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

ADJUSTED OPERATING PROFIT AND ADJUSTED OPERATING MARGIN

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

Adjusted operating profit

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

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

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

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

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

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

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

Adjusted operating margin

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

Service costs rebilled to clients, that were previously included under the "Purchases and external charges" line item, are now presented separately, with no impact on operating profit and net profit in the first half of 2024 and 2023.

ADJUSTED EFFECTIVE TAX RATE

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

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

ADJUSTED NET PROFIT

Adjusted attributable net profit

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

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

Adjusted attributable net profit per share

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

FREE CASH FLOW

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

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

- interest paid.

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

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

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

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

FINANCIAL DEBT

Gross debt

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

Net debt

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

Adjusted net debt

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

CONSOLIDATED EBITDA

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