PRESS RELEASE

Neuilly-sur-Seine, France – July 28, 2020

Bureau Veritas posts resilient first-half 2020 despite the crisis

H1 2020 Key Figures[1]

- Revenue of EUR 2,200 million in the first half of 2020, down 9.0% organically (down 15.6% in the second quarter), and down 11.1% year on year
- Adjusted operating profit of EUR 216 million, down 43.3% year on year, showing a margin decline to 9.8%; cushioned by cost containment measures
- Operating profit of EUR 60 million, down 82.0% year on year
- Attributable net loss of EUR 34 million, versus a EUR 171 million profit last year
- Adjusted net profit of EUR 87 million (EUR 0.19 per share), down 57.7% year on year
- Free cash flow of EUR 270 million (12.3% of Group revenue), up 91.4% year on year
- Adjusted net debt / EBITDA ratio further reduced to 2.00x as of June 30, 2020 versus 2.25x last year

H1 2020 Highlights

- Portfolio diversification gives overall resilience in the face of the Covid-19 crisis. Around 80% of the Group's revenue has shown a good level of resistance while the rest of the portfolio (c. 20%, namely Certification and Consumer Products) was severely hit by the lockdown measures
- Acceleration of digital solutions for clients: increased use of digital tools to deliver services remotely
- "Restart your business with BV" delivers strong momentum. A suite of solutions to accompany companies in their business resumption with appropriate health, safety and hygiene conditions
- Austerity plan put in place to reduce costs
- Measures successfully implemented to protect the cash position and reduce Working Capital Requirement
- Solid financial position with EUR 2.1 billion of available cash and cash equivalents at the end of June

2020 Outlook

- Given the uncertainty surrounding the Covid-19 pandemic still affecting many of the countries in which the Group operates, Bureau Veritas is considering different scenarios for the full year 2020 – *see page 9*

Didier Michaud-Daniel, Chief Executive Officer, commented:

"Throughout the first half of 2020, Bureau Veritas' whole organization has been mobilized to mitigate the impact of the crisis with three clear actions: ensuring health & safety of all Bureau Veritas employees, protecting the financial solidity of the Group, and ensuring business continuity with and for our clients, both in the field and remotely via digital tools. Bureau Veritas has shown agility, innovation and adaptability. I am very proud of our teams' exemplary efforts and engagement. The successful launch of the "Restart your business with BV" solution in a very short period of time to support our clients across all sectors with their resumption of operations is a good illustration of this mindset.

In H1, our organic revenue proved to be resilient overall despite the pandemic, down 9.0% with around 80% of the portfolio showing a good level of resistance, while 20% was severely impacted by the lockdown measures. It clearly demonstrates the soundness of our ongoing strategy of enhanced resilience through diversification. For the remainder of 2020, given the current uncertainty and poor visibility, we envisage different scenarios."

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

H1 2020 KEY FIGURES

The Board of Directors of Bureau Veritas met on July 28, 2020 and approved the financial statements for the first half of 2020 (H1 2020). The main consolidated financial items are:

IN EUR MILLIONS	H1 2020	H1 2019	CHANGE	CONSTANT CURRENCY
Revenue	2,200.5	2,476.6	(11.1)%	(9.5)%
Adjusted operating profit[a]	**215.8**	**380.5**	**(43.3)%**	**(41.4)%**
Adjusted operating margin[a]	**9.8%**	**15.4%**	**(555) bps**	**(543) bps**
Operating profit	59.6	331.2	(82.0)%	(80.9)%
Adjusted net profit[a]	87.4	206.6	(57.7)%	(55.8)%
Attributable net profit (loss)	(34.1)	171.1	(119.9)%	(119.2)%
Adjusted EPS[a]	**0.19**	**0.47**	**(59.6)%**	**(56.6)%**
EPS	(0.08)	0.39	(120.5)%	(118.8)%
Operating cash flow	364.3	232.3	+56.8%	+61.0%
Free cash flow[a]	**269.6**	**140.9**	**+91.4%**	**+98.5%**
Adjusted net financial debt[a]	1,616.9	2,128.1	(24.0)%	

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

BUREAU VERITAS ACTING PROACTIVELY AGAINST COVID-19

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

In many sectors, Bureau Veritas' services, both in the field and via remote technological channels, contribute to maintaining operational activities that are critical to ensuring people's health and safety. Bureau Veritas has set up a portfolio of dedicated services aimed at helping its clients to face the crisis, including e-learning solutions to enable training to continue during lockdown and for employees working from home, and health & safety rule compliance assessment put in place by health authorities.

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

"RESTART YOUR BUSINESS WITH BV" DELIVERS STRONG MOMENTUM

Since April, Bureau Veritas has been on hand to support business resumption with appropriate health, safety and hygiene conditions across all sectors of the economy. The "Restart Your Business with BV" suite of solutions is enhanced with a comprehensive digital ecosystem providing for traceability and transparency.

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

"Restart Your Business with BV" provides a suite of solutions to the Group's local, national and international clients across all sectors of the economy. Bureau Veritas has supported for example: L'Oréal (cosmetics), Accor (hospitality and restaurants), Meliá Hotels International (hospitality), Preferred Hotels & Resorts (hospitality), Jumeirah Al Naseem (hospitality), Shangri-La Singapore (hospitality), Sodexo (food and facility management services), Grupo Sura (public buildings), Balearia (transport), PONANT (cruises), CroisiEurope (cruises), Europcar Mobility Group (vehicle rental), Unibail-Rodamco-Westfield (shopping centers), Volotea (airlines), Wells Fargo (banks), Turkish Ministry of Tourism (public), Oman airport (transport), Australian Attorney General's Department (public), and many more.

Leveraging Bureau Veritas' expertise in certification processes and management of health, safety and hygiene risks to support economic recovery

"Restart Your Business with BV" has been developed in collaboration with a range of experts and stakeholders. Bureau Veritas' objectives are to:

- Ensure that health, safety and hygiene procedures put in place for the resumption of operations meet local and international regulations, as well as recognized best practices;
- Confirm that the procedures defined are relevant to the specific needs of the company's area of business, and that they are effectively implemented;
- Deliver a certification or a conformity label thanks to its role of trustworthy independent third party.

"Restart Your Business with BV" is designed to address the risks specific to all places where people live and work, from construction sites and factories to offices, hotels, restaurants, shops and public facilities.

A unique digital ecosystem enabling a fully digital process

"Restart Your Business with BV" is delivered through a digital platform and enhanced by a set of applications. The platform includes operational assistance tools for companies that want to reassure stakeholders on their compliance with regulations and recommended protective measures and benefit from a label with online information for end-users and consumers.

Bureau Veritas' digital ecosystem meets two requirements of companies and public authorities:

- Traceability: it provides dashboards that house all the information and KPIs collected in the field as well as an overall view of compliance, at a global level, and at specific location or site level;
- Transparency: it allows members of the general public to check that a facility has a valid label and to locate other sites with valid labels on a map. All information provided can be reused by clients on their own websites and applications, and by third parties according to the open data principles.

In a context where time is of the essence for business resumption, Bureau Veritas also offers companies the ability to register online in order to get their label application process started quickly.

LAUNCH OF "SUPPLY-R", A NEW SOLUTION TO IMPROVE SUPPLY CHAIN RESILIENCE

On July 15, 2020, Bureau Veritas launched "Supply-R", a solution designed to meet companies' new challenges relating to supplier network reliability and ensuring business continuity in all circumstances.

"Supply-R" is a unique solution that brings together a customized risk assessment of the supply chain, based on field data collected from independent on-site verification of critical suppliers.

All information is collected and consolidated using a digital platform, enabling full visibility, at the level of granularity required to support better business decisions and minimize the risk of shortage.

The solution is flexible and agile, enabling it to efficiently meet the specific needs of different clients and business sectors. It offers a customizable modular structure that addresses critical elements for a resilient supply chain, such as business continuity, technical capabilities, HSE, data integrity & information security, and logistics & inventory practices.

"Supply-R" addresses all industry and services sectors, to help companies to ensure business continuity and better manage risks associated with their portfolios of suppliers spread across different geographies.

H1 2020 HIGHLIGHTS

Organic revenue proved to be resilient overall despite the Covid-19 pandemic

On an organic basis, the Group's revenue declined by 9.0% in the first half of 2020 with a mixed situation by business:

- Marine & Offshore (up 3.4% organically led by New Construction) felt only a limited impact from the Covid-19 crisis, with the Group continuing to deliver essential services to its clients across the globe;
- Around three quarters of the portfolio (including Agri-Food & Commodities, Buildings & Infrastructure (B&I) and Industry) showed a good level of resistance overall, down 6.6% organically on average. In Industry, the energy-related activities were resilient as business continuity is critical for a country to function (inspection of electricity systems, electrical grid, nuclear power plants). B&I was affected by the various lockdown measures, although the decline (-5.4%) was cushioned by the benefit of geographical diversification with solid growth in most geographies apart from China in Q1, while the trends reversed in Q2. Agri-Food & Commodities also limited its decline (-7.7% organically) as the main supply chains (Agri-Food, Metal & Minerals, Oil & Petrochemicals) have continued operating with food Safety Services remaining critical to food supply. However, in Q2, the Oil & Petrochemical business suffered from the lower demand for oil. Government services were impacted by the lockdown measures introduced in some African countries;
- A fifth of the portfolio (Consumer Products and Certification) declined sharply due to the impact of the Covid-19 shutdowns, down 21.2% organically on average. Consumer Products was severely affected by the lockdown situation (which started in China in Q1 and expanded to most of the other geographies in Q2) and by low activity levels from US and European clients (with orders cancelled and new product launches put on hold). Certification, perceived as a non-critical business in the short term, was affected by the postponement of audits initially planned during the first half, despite the increased recourse to remote audits during the lockdown period.

In the second quarter, the Group's organic revenue declined 15.6% year on year across the board. All business lines saw their revenue declining double-digit organically apart from Marine & Offshore, which was only slightly down. The various lockdown situations triggered a severe decline in activity. After a low point in April, the activity levels showed gradual improvement towards the end of the quarter.

M&A transactions put on hold

In the first half of 2020, Bureau Veritas put its M&A activity on hold to protect its cash position and reassess potential targets in light of the pandemic.

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

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

Bureau Veritas has put measures in place aimed at maintaining a tight rein on costs and cash, with indicators monitored on a daily basis. These include suspending all non-essential investments and putting in place an austerity plan for its worldwide operations, which includes a freeze in recruitment and salary increases, and minimizing discretionary spending.

The Group has also adjusted its cost base in targeted geographies and focused on some structurally under-performing units, notably in Consumer Products and commodities-related activities. This resulted in a restructuring charge of EUR 21.7 million in H1 2020, compared to EUR 12.1 million in H1 2019. The restructuring charge is expected to be in the range of EUR 25-30 million in the full year 2020.

Cancellation of the dividend for the 2019 financial year

In early April, Bureau Veritas' Board of Directors took the exceptional decision to cancel the dividend (EUR 0.56 per share) due to be proposed to the June 26, 2020[2] Annual General Meeting called to approve the financial statements for the year ended December 31, 2019. As per the latest health recommendations, the Group held its AGM behind closed doors.

This decision maintained cash of around EUR 250 million in the Group, and complies with the French regulatory requirement for the suspension of dividend payments in return for government support (temporary layoffs in France, and the deferral of certain employment contributions and tax payments). It also reiterates the Group's responsibility to all its stakeholders who are making considerable efforts or facing major challenges during this unparalleled crisis.

Reduction in management compensation

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

SOLID FINANCIAL POSITION

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

By April 15, 2020, Bureau Veritas had fully drawn down its EUR 600 million syndicated credit facility. On April 30, 2020, the Group signed an additional liquidity credit line of EUR 500 million, with a one-year maturity and a six-month extension option at Bureau Veritas' discretion. This new credit line strengthens the Group's liquidity position, added to the EUR 600 million syndicated credit facility maturing in May 2025.

At June 30, 2020, the adjusted net financial debt/EBITDA ratio was further reduced to 2.00x (from 2.25x last year) and the EBITDA/consolidated net financial expense ratio was 8.71x. As a precaution against a worsening pandemic, Bureau Veritas obtained a waiver from its banks and USPP noteholders to relax its financial covenants at June 30, 2020, December 31, 2020 and June 30, 2021. As a consequence, the adjusted net financial debt/EBITDA ratio stands at 4.5x, 6.25x and 5.5x versus 3.25x previously at the test dates and for USPP only, the EBITDA/consolidated net financial expense ratio stands at 5.5x (unchanged), 2x and 3x versus 5.5x previously at the same dates.

The Group has a solid financial structure with no maturities to refinance until 2023. At June 30, 2020, Bureau Veritas had EUR 2.1 billion in available cash and cash equivalents and EUR 500 million in undrawn committed credit lines.

The average maturity of the Group's financial debt was 5.6 years[3] with a blended average cost of funds over the first half of the year of 3.0% excluding IFRS 16 impact. The blended average cost of funds was 2.5% excluding IFRS 16 impact and excluding early repayment costs over the first half of the year.

EXECUTIVE COMMITTEE APPOINTMENT

Béatrice Place Faget joins Bureau Veritas Group Executive Committee as Executive Vice-President Group Legal Affairs and Internal Audit

Based at the Group's head office in Neuilly-sur-Seine, France, Béatrice Place Faget will report to Didier Michaud-Daniel, Chief Executive Officer of Bureau Veritas, and join the Group Executive Committee. She will replace Pascal Quint, who decided to exercise his retirement rights at the end of July 2020.

[2] In order to ensure the health and safety of its employees, service providers and shareholders, and also to preserve shareholders' rights to participate in the Annual General Meeting (AGM), Bureau Veritas announced on March 13, 2020, its decision to postpone the date of the AGM initially set on Thursday, May 14, 2020 to Friday, June 26, 2020.

[3] At June 30, 2020, on the basis of the gross debt adjusted for 2020 and 2021 maturities refinanced during 2019, for a total amount of EUR 679 million.

ANALYSIS OF THE GROUP'S RESULTS AND FINANCIAL POSITION

Revenue down 11.1% year on year (down 9.0% on an organic basis)

Revenue in the first half of 2020 amounted to EUR 2,200.5 million, a 11.1% decrease compared with H1 2019. Organic decline was 9.0%, including an organic decline of 15.6% in the second quarter.

Marine & Offshore delivered organic growth of 3.4%. Agri-Food & Commodities, Buildings & Infrastructure and Industry showed a good level of resistance overall, down 6.6% organically on average. Conversely, Consumer Products and Certification declined sharply due to the impact of the Covid-19 shutdowns, down 21.2% organically on average.

By geography, activities in Europe outperformed the rest of the Group (37% of revenue; down 5.3% organically), with notably solid performances in Eastern countries (up 2.0% organically) and near stability achieved in France over the first half. Asia Pacific (30% of revenue; down 13.0% organically) was primarily affected by the lockdown measures in China in Q1 across most businesses, while Australia grew.

Activities in the Americas (24% of revenue) decreased by 9.3% organically, mostly dragged down by North America (the US and Canada), while Latin America showed a good level of resistance (down 3.8% organically), as it continued to benefit from the successful diversification strategy towards Opex, in Power & Utilities notably. Finally, in Africa and the Middle East (9% of revenue), the business declined by 8.1%, driven down by the energy sector.

External growth was a negative 0.5%, reflecting the impact from prior-year disposals (HSE consulting business in the US, in particular), the contribution of acquisitions made in 2019, and the absence of transactions year-to-date.

Currency fluctuations had a negative impact of 1.6%, mainly due to the depreciation of some emerging countries' currencies against the euro partly offset by the appreciation of the USD and pegged currencies.

Adjusted operating profit down 43.3% to EUR 215.8 million

Consolidated adjusted operating profit decreased by 43.3% to EUR 215.8 million; the half-year 2020 adjusted operating margin dropped 555 basis points to 9.8%, including a 12-basis-point negative impact from foreign exchange. On an organic basis, it declined by 545 basis points to 9.9%.

CHANGE IN ADJUSTED OPERATING MARGIN

IN PERCENTAGE AND BASIS POINTS	
H1 2019 adjusted operating margin	**15.4%**
Organic change	(545)bps
Organic adjusted operating margin	**9.9%**
Scope	+2bps
Adjusted operating margin at constant currency	**9.9%**
Currency	(12)bps
H1 2020 adjusted operating margin	**9.8%**

All business activities apart from Marine & Offshore experienced lower margins due to the impact of the Covid-19 shutdowns on activity. This was cushioned by strong cost containment measures (salary & recruitment freeze, reduction of travel costs and non-discretionary spend notably), government aids in some countries (especially the furlough scheme in France) and restructuring.

The most affected divisional margins were those of Certification and Consumer Products, due to a sharp revenue shortfall associated with negative mix effects. Together, they represented around half of the organic decline in the Group's margin in the first half of 2020.

Other operating expenses increased to EUR 156.2 million vs. EUR 49.3 million in the first half of 2019. These include:

- EUR 104.4 million in amortization of intangible assets resulting from acquisitions (EUR 38.5 million in H1 2019) due to the depreciation of intangible assets;
- EUR 22.0 million in write-off of non-current assets related to laboratory consolidations, and business downsizing in Consumer Products (China, Europe and the US essentially) and Agri-Food & Commodities (Australia, Latin America and the US notably);
- EUR 21.7 million in restructuring costs, relating chiefly to Consumer Products and commodities-related activities (EUR 12.1 million in H1 2019);
- EUR 8.1 million in net losses on disposals and acquisitions (net gains of EUR 1.3 million in H1 2019).

Operating profit totaled EUR 59.6 million, down 82.0% from EUR 331.2 million in H1 2019.

Adjusted EPS of EUR 0.19, down 59.6% year on year

Net financial expenses amounted to EUR 66.1 million in H1 2020 compared with EUR 57.4 million in H1 2019.

Net finance costs increased to EUR 60.3 million (vs. EUR 50.2 million in H1 2019), with the rise mainly attributable to the following items: i) a slight increase in the average debt (with the drawdown of CNY 300 million under the “China Facility” in March 2019 and EUR 200 million under the *US Private Placement* in January 2020) and ii) an increase in costs primarily due to the fees arising on the early repayment during the first half of 2020 of the bilateral *US Private Placements* and of the fixed-rate *Schuldschein* tranches.

Other items (including interest cost on pension plans and other financial expenses) stood at EUR 2.6 million, broadly stable from EUR 2.4 million in H1 2019.

Income tax expense totaled EUR 24.3 million in H1 2020, compared with EUR 89.3 million in H1 2019.

The adjusted effective tax rate (ETR) is up 680 basis points at 37.9% for the period, compared with 31.1% in H1 2019. The increase is mainly due to the weight of taxes that are not directly calculated by reference to taxable income, such as withholding taxes and value-added contributions.

Attributable net loss for the period was EUR 34.1 million, vs. a EUR 171.1 million profit in H1 2019.

Earnings per share (EPS) was a negative EUR 0.08 vs. a positive EPS of EUR 0.39 in H1 2019.

Adjusted attributable net profit totaled EUR 87.4 million, down 57.7% vs. EUR 206.6 million in H1 2019.

Adjusted EPS stood at EUR 0.19, a 59.6% decrease vs. H1 2019.

Strong free cash flow at EUR 269.6 million thanks to optimization measures

Half-year 2020 operating cash flow increased by 56.8% to EUR 364.3 million vs. EUR 232.3 million in H1 2019. Despite the decline in profit before income tax, the improvement came from a strong working capital requirement inflow of EUR 113.7 million, compared to a EUR 161.6 million outflow the previous year, as a result of the deferral of cash payments (especially tax payments and payroll charges) and a significant reduction in trade receivables. The *Move For Cash* program continued to have a positive impact on operating working capital and is still ongoing, with initiatives in place throughout the organization.

Working capital requirement (WCR) stood at EUR 320.1 million at June 30, 2020, compared to EUR 581.4 million at June 30, 2019. As a percentage of revenue, WCR decreased by 460 basis points to 7.1%, compared to 11.7% in H1 2019. This improvement reflects the strong mobilization across the organization on cash metrics, with initiatives under the Move For Cash program continuing to be deployed in the first half of the year (optimizing the “invoice to cash” process, accelerating billing and cash collection processes throughout the Group reinforced by a central task force, and monitoring cash inflows on a daily basis).

Purchases of property, plant and equipment and intangible assets, net of disposals (Net Capex), amounted to EUR 41.0 million in the first half of 2020, a decrease compared to EUR 51.3 million in H1 2019.

This showed disciplined control over the Group's net capex-to-revenue ratio at 1.9% (focusing on maintenance essentially), slightly down compared to the level achieved in H1 2019 (2.1%).

Free cash flow (operating cash flow after tax, interest expenses and capex) was EUR 269.6 million, compared to EUR 140.9 million in H1 2019, up 91.4% year on year. On an organic basis, free cash flow reached EUR 277.3m, up 96.8% year on year.

CHANGE IN FREE CASH FLOW

IN EUR MILLIONS	
Free cash flow at June 30, 2019	**140.9**
Organic change	+136.4
Organic free cash flow	**277.3**
Scope	+2.4
Free cash flow at constant currency	**279.7**
Currency	(10.1)
Free cash flow at June 30, 2020	**269.6**

At June 30, 2020, adjusted net financial debt was EUR 1,616.9 million, i.e., 2.00x trailing twelve-month EBITDA as defined in the calculation of the bank covenant, compared with 1.87x at December 31, 2019. The decrease in adjusted net financial debt of EUR 196.4 million vs. December 31, 2019 (EUR 1,813.3 million) reflects:

- Free cash flow of EUR 269.6 million;
- Dividend payments totaling EUR 12.7 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 17.1 million;
- Lease payments (related to the application of IFRS 16), accounting for EUR 52.0 million;
- Other items that decreased the Group's debt by EUR 8.6 million.

2020 OUTLOOK

Given the uncertainty surrounding the Covid-19 pandemic still affecting many of the countries in which the Group operates, Bureau Veritas is considering different scenarios for the full year 2020:

"Slow & gradual recovery" scenario

Organic revenue	Adjusted operating margin	Net cash generated from operating activities
• Mid to high single-digit decline in 2020 • Improvement from H1 onwards	• Low double-digit margin	• Focus on cash generation • Capex of c. 2% of revenue • Working Capital Requirement (WCR) / revenue ratio of c. 9%

"Muted recovery" scenario

Organic revenue	Adjusted operating margin	Net cash generated from operating activities
• High single-digit decline in 2020 • H2 in negative territory	• Low double-digit margin	• Focus on cash generation • Capex of c. 2% of revenue • WCR / revenue ratio of c. 9%

"Worsening pandemic throughout H2" scenario

Organic revenue	Adjusted operating margin	Net cash generated from operating activities
• Double-digit decline in 2020 • H2 worse than H1	• Low double-digit margin	• Focus on cash generation • Capex below 2% of revenue • WCR / revenue ratio above 9%

H1 2020 BUSINESS REVIEW

MARINE & OFFSHORE

IN EUR MILLIONS	H1 2020	H1 2019	CHANGE	ORGANIC	SCOPE	CURRENCY
Revenue	185.0	180.9	+2.3%	+3.4%	-	(1.1)%
Adjusted operating profit	42.7	38.4	+11.2%			
Adjusted operating margin	23.1%	21.2%	+185bps	+225bps	-	(40)bps

The Marine & Offshore business posted solid 3.4% organic revenue growth in the first half of 2020 as it suffered little impact from the Covid-19 crisis, with the Group continuing to deliver “essential services” which ensure business continuity to its clients across the globe. The 1.5% organic revenue decline in Q2 2020 stems from more challenging comparables compared to the prior year. The half-year organic performance results mainly from:

- Low double-digit growth in New Construction (42% of divisional revenue), notably driven by North East Asia (China and South Korea in particular), benefiting from a healthy backlog;
- Low single-digit growth in the Core In-service activity (42% of divisional revenue), a reflection of the fleet’s modest growth and stable level of laid-up ships. After a strong Q1 benefiting from favorable timing of inspections, Q2 saw a reversal of this trend. At June 30, 2020, the fleet classified by Bureau Veritas comprised 11,393 ships, representing 129.0 million of Gross Register Tonnage (GRT), up 0.6% on a yearly basis (based on the number of ships);
- Mid-single-digit decline for Services (16% of divisional revenue, including Offshore) as they rely more on discretionary spend and as the Offshore business was penalized by lower oil prices. Besides the cyclical Offshore part (8% of divisional revenue), the Group continued to extend its portfolio of resilient services.

New orders continued to show resilience and totaled 3.2 million gross tons at the end of June 2020 (from 3.5 million gross tons in the prior-year period), reflecting the Group’s continued significant outperformance in a market that is being sharply down. This demonstrates Bureau Veritas’ leading position in the LNG-propelled and LNG bunkering vessels segment. The order book stood at 15.0 million gross tons at the end of the quarter, up 5.9% compared to December 31, 2019 (14.2 million gross tons). The book remains well diversified with tankers, bulks, LNG vessels and specialized ships (such as dredging, naval, fishing) representing a significant share of the orders.

During the Covid-19 crisis, Marine & Offshore continued to focus on efficiency levers through digitalization and high added value services. It launched new digital tools, such as e-learning modules. A rising number of occasional surveys were led remotely. In addition, electronic certificates continued to be deployed during the half-year for numerous ship owners, with more than 15,000 electronic certificates issued.

Adjusted operating margin in the first half improved to 23.1%, up 185 basis points compared to H1 2019, of which 225 basis points on an organic basis, benefiting from the operating leverage, positive business and geographical mix as well as operational excellence.

AGRI-FOOD & COMMODITIES

IN EUR MILLIONS	H1 2020	H1 2019	CHANGE	ORGANIC	SCOPE	CURRENCY
Revenue	517.1	574.3	(10.0)%	(7.7)%	+0.3%	(2.6)%
Adjusted operating profit	60.9	79.6	(23.5)%			
Adjusted operating margin	11.8%	13.9%	(209)bps	(161)bps	(30)bps	(18)bps

The Agri-Food & Commodities business held up well with organic revenue decline of 7.7% in the first half of 2020, as the main supply chains (Agri Food, Metal & Minerals and Oil & Petrochemicals) have continued to operate despite the disruption related to the Covid-19 crisis. Q2 recorded a 15.0% decline.

The **Oil & Petrochemicals** (O&P) segment (36% of divisional revenue) recorded a high single-digit organic decline, with better performance in Trade than Upstream activities. Low oil prices have driven much of the crude oil into storage, which, combined with lower fuel consumption, led to a slowdown of demand for TIC services, notably in the second quarter. Competition in the O&P Trade market remained strong. By region, slight growth was achieved in Asia and in Latin America while negative in the other geographies, reflecting the closure of some locations due to Covid-19.

The **Metals & Minerals** segment (27% of divisional revenue) reported a mid-single-digit organic decline overall, dragged down by the Trade activities while the Upstream-related businesses delivered a broadly stable performance. Upstream continued to record solid growth in Africa led by contract wins (including Mozambique) while being slightly down in both Americas and Australia. New mine site outsourcing contract wins (Australia, Americas and West Africa) contributed to growth. Gold continued to perform well while other metals were generally affected by lower metal prices. The exploration drilling activity reached its lowest level in several years during the first half as Capex spend was slashed and key exploration regions implemented restricted access to prevent the spread of Covid-19. Trade activities declined double-digit organically, primarily dragged down by all geographies apart from Australia (which benefited from Chinese stimulus supporting demand for steel and aluminum and driving iron ore/bauxite exports to China). Mine closures and Covid-19 operating restrictions in Africa reduced tonnages available for shipment.

Agri-Food (23% of divisional revenue) recorded a resilient organic performance in the first half, with food activities and Agricultural testing and inspection services remaining critical to the food supply in the current context of Covid-19. High single-digit organic growth was achieved in Asia, while Africa delivered mid-single-digit growth. The Agri Upstream business declined as result of the pandemic with reduced volumes for harvest monitoring services (in Latin America notably), while the Agricultural inspection activities remained strong in Brazil with exports (especially to China) being kept at a high level. The Food business maintained strong trends across most geographies, thanks to the development of several initiatives, the ramp-up of recent lab openings, and the benefits of past acquisitions. Growth was particularly solid in China. Food Safety Services are more than ever considered as critical to the food supply chain in the context of the pandemic.

Government services (14% of divisional revenue) recorded a double-digit organic decline in the first half as a result of the general lockdown in some African countries (South Africa, Senegal and DRC notably), the impact of contract termination (Chad), and due to unfavorable comparables in the prior-year period.

The adjusted operating margin for the Agri-Food & Commodities business declined to 11.8%, down 161 basis points organically compared to last year. This reflects the impact from the revenue decline and a negative mix cushioned by strong cost containment measures.

INDUSTRY

IN EUR MILLIONS	H1 2020	H1 2019	CHANGE	ORGANIC	SCOPE	CURRENCY
Revenue	473.6	534.4	(11.4)%	(6.8)%	(0.1)%	(4.5)%
Adjusted operating profit	35.1	59.3	(40.8)%			
Adjusted operating margin	7.4%	11.1%	(368)bps	(349)bps	+2bps	(21)bps

Industry revenue declined by 6.8% organically in the first half of 2020. This resilience notably reflects the benefits of the strategy of diversification towards Opex and non-Oil & Gas markets. In Q2, the decline reached 15.8% due to the disruption related to the Covid-19 shutdowns across many of the Group's operations.

By geography, performance was very mixed with growth maintained in most Latin American countries thanks to strong commercial development (P&U activities and O&G Opex), and in certain European countries, including Spain. Conversely revenue declined double-digit in the Middle East and Africa (despite the contract ramp-up in Qatar) and in North America, as these regions were strongly affected by the current context in the Oil & Gas industry. In the meantime, revenue was down high single-digit in Asia Pacific (China was down double-digit in H1 despite growth in Q2, and South Korea was down double-digit due to a contract termination).

Part of the Group's strategic plan Growth Initiatives, Opex-related activities delivered a resilient performance in H1 2020. Overall, the inspection of energy assets (inspection of electricity systems, electrical grid, nuclear power plants) has seen limited disruption as ensuring the service is business critical in the current circumstances.

The Power & Utilities segment (13% of divisional revenue) was down mid-single-digit in H1 2020, whereas P&U Opex-related activities were broadly stable, primarily led by Latin America thanks to the ramp-up of large contract wins with various Power distribution clients (notably in Argentina and Chile). The successful expansion of the Opex Grid platform across Latin America continued. At the end of June 2020, the Group signed a large P&U contract in Brazil with a new client to deliver electrical integral services in three regions over five years. Elsewhere, a solid revenue stream was achieved in Europe (nuclear power plants).

Oil & Gas markets declined slightly, reflecting various situations geographically. A double-digit organic decline was recorded for Capex-related activities (15% of divisional revenue), resulting from the steep decline in Asia (with China severely being impacted by Covid-19 shutdowns and South Korea by a large contract completion), despite solid performances achieved in Africa, Latin America (apart from Brazil) and Europe, notably on gas-related projects. The pipeline of O&G Capex opportunities is muted, and reflects the low oil prices environment. Opex-related activities (18% of divisional revenue) grew low single-digit organically compared to last year (including in Q2), with strong developments in Africa, being cushioned by the other geographies. Business opportunities in Opex services remain good overall.

Elsewhere, business has been impacted in varying degrees. Critical infrastructure projects have continued to progress. "Non-essential" operational monitoring projects were put on hold during the lockdown period and have gradually restarted since restrictions have been lifted. Growth was achieved in Manufacturing sectors (11% of divisional revenue), while Transportation was slightly down.

During the first half of 2020, the Group continued to deliver progress on its digital transformation. Digital tools have been extensively used during the Covid-19 crisis (e.g. digital twins, assets monitoring through sensors) and new ones are under development (e.g. Training). Drone inspections or via smartphones have been multiplied in many sectors and countries, leading to improved efficiency and safety for inspectors.

Adjusted operating margin for the half-year was 7.4%, down 368 basis points from 11.1% in H1 2019 due to the revenue decline (Q2-centric), the continuing negative mix effect with the strong ramp-up of large Opex contracts and mobilization costs, although mitigated by cost actions.

BUILDINGS & INFRASTRUCTURE

IN EUR MILLIONS	H1 2020	H1 2019	CHANGE	ORGANIC	SCOPE	CURRENCY
Revenue	611.4	664.7	(8.0)%	(5.4)%	(2.2)%	(0.4)%
Adjusted operating profit	42.1	88.6	(52.5)%			
Adjusted operating margin	6.9%	13.3%	(644)bps	(667)bps	+27bps	(4)bps

The Buildings & Infrastructure business (B&I) posted a revenue decline of 8.0% in the first half of 2020 with a 2.2% negative impact from external growth notably due to the disposal of the US HSE consulting business in June 2019.

Organically, despite the Covid-19 related shutdowns across many of the Group's operations, the business proved to be resilient, and posted an organic revenue decline of 5.4% in H1 2020. In Q2, organic revenue declined 10.5% as the recovery of the Chinese operations mitigated the effect of the lockdowns elsewhere (Europe, the US and Latin America essentially).

While double-digit organic revenue decline was recorded in the Construction-related activities (41% of divisional revenue) as a consequence of the lockdown situations, the performance was materially better for the Buildings In-service activities (59% of divisional revenue), which were slightly up.

In its largest European market (58% of divisional revenue), the Group recorded slight organic revenue growth led by France (45% of divisional revenue) despite the Covid-19 lockdown which started to impact the activity mid-March. In the first quarter, the Group strongly benefited from new services launched (related to energy efficiency programs following the acquisition of Capital Energy) and the execution of its healthy backlog for Opex-related activities (around three-quarters of the French business). In the second quarter, the lockdown triggered reduced activity with closures of client sites and postponement of works, notably for the regulatory driven business. Capex-related works have been under pressure with a large part of the projects being stopped during Q2. Other countries' performances were weak due to the general lockdowns.

The Group recorded a major organic decline in Asia Pacific (22% of divisional revenue) due to the Q1 lockdown in China (decline of 17.4% in Q1 alone). In Q2, the business restarted and led the country to deliver 8.6% organic revenue growth supported by positive prospects in energy and transport infrastructure project management assistance (with increasing public opportunities). During Q1, Bureau Veritas engineers provided essential engineering, consulting and safety management services for the Shenzhen emergency hospital which was built in only 20 days. As far as Japan is concerned, it performed above the divisional average thanks to robust development in Capex-related services.

In the Americas (18% of divisional revenue), a double-digit organic decline was recorded primarily dragged down by Latin America (down 22.3% led by Colombia, Brazil and Mexico), while the United States (negative 7.3% organic growth) showed good resilience as it continued to benefit from strong dynamics in data center commissioning services offsetting some weaker end markets. In H1, the Group's clients accelerated data center commissioning requirements to support the increase in remote workforces.

Adjusted operating margin for the half-year declined by 644 basis points to 6.9%, due to revenue decline, in China in Q1 and elsewhere in Q2 (related to the lockdown measures), and significant negative mix effects which were business- and geography-led. Given the healthy backlog, limited resources adjustments were made during H1.

CERTIFICATION

IN EUR MILLIONS	H1 2020	H1 2019	CHANGE	ORGANIC	SCOPE	CURRENCY
Revenue	142.0	182.6	(22.2)%	(21.9)%	+0.5%	(0.8)%
Adjusted operating profit	10.9	30.9	(64.7)%			
Adjusted operating margin	7.7%	16.9%	(922)bps	(908)bps	+3bps	(17)bps

Certification was the most affected business within the Group's portfolio as the result of the Covid-19 crisis and the associated general lockdowns observed in multiple countries, starting from March. It recorded an organic decline of 21.9% in the first half of 2020, including -33.5% in the second quarter as many audits were postponed.

All geographies experienced high double-digit negative organic trends with the exception of a few countries that were less affected by lockdown measures (UAE, Vietnam). The most impacted countries were the US, Canada, the UK, Germany (impacted by the automotive industry) and Brazil. France performed in line with the divisional average. China, which was strongly impacted in Q1 due to extreme restrictions on mobility (down high double-digit), did stabilize in Q2.

Within the Group's portfolio, Social and Customized audits and Automotive (IATF) were the most hit due to postponements from clients as remote audits were not authorized and certificates validity was delayed. Training services were also impacted with the cancellation of face-to-face training sessions, replaced in some cases by digital training.

The decline was cushioned in countries or segments where the Group was authorized to deliver the service remotely through digital solutions. In many countries, the national accreditation bodies have allowed remote audits for some ISO standards and activities apart in some segments (Food, Automotive or social audits). Some of the QHSE and Information Security Management System audits were delivered remotely during the second quarter with mixed situations by country (good take-up rate in Spain, Italy, India, Brazil, Thailand and Denmark, while weak in others). While remote solutions are developed and promoted to each client, they are not becoming the norm as they are difficult to implement at the client's end. In early July, Sedex (Supplier Ethical Data Exchange), one of the world's leading ethical trade service providers, working to improve working conditions in global supply chains, opened for virtual assessments. Selected for a pilot program, Bureau Veritas was authorized, amongst the six Affiliate Audit Companies (AACs) approved by Sedex, to deliver Sedex Virtual Assessments (SDA).

Growth was achieved in Certification of Organic Food products while Sustainability & CSR services, Wood management systems certification, Client Operations audits and Personnel Certification showed strong resilience. The Group's portfolio diversification continued with new products development being down by only 6.1% in the first half of 2020 compared to the prior year. As an example, new training-related products were developed in Chile.

In the context of Covid-19, the Group has worked on business continuity solutions by promoting remote audits and virtual classrooms. It prepared the crisis exit with initiatives related to restarting the business at the end of the lockdown ("Restart Your Business with BV") and from which it is currently seeing strong momentum. Many contracts were signed with clients across very different sectors, including hospitality and restaurants, airlines, banks, shopping centers or the public sector. This suite of solutions is expected to contribute to the gradual improvement of the business from Q3 onwards.

Adjusted operating margin for the half-year strongly declined to 7.7%. This reflects a 908-basis-point organic decrease led by a sharp decline in revenue, notably in Q2, partly cushioned by a flexible cost base.

CONSUMER PRODUCTS

IN EUR MILLIONS	H1 2020	H1 2019	CHANGE	ORGANIC	SCOPE	CURRENCY
Revenue	271.4	339.7	(20.1)%	(20.8)%	+0.1%	+0.6%
Adjusted operating profit	24.1	83.7	(71.2)%			
Adjusted operating margin	8.9%	24.6%	(1,576)bps	(1,593)bps	+3bps	+14bps

The Consumer Products business recorded organic revenue down by 20.8% in the first half of 2020, strongly impacted by the Covid-19 shutdowns across most geographies and product categories. In Q2, as anticipated, revenue further deteriorated (down 22.8%), mainly due to the multiplication of lockdown measures across the Group's operations and due to persistent low activity levels from US and European clients (canceled orders and product launches on hold). Testing activities were severely hit (down 26.7%) while the Inspection and Audit services proved to resist better (down 4.5%) during the first half.

By geography, while activity levels in Greater China improved sequentially throughout the first half (after a very weak Q1), they deteriorated in most other geographies and in South Asia and South East Asia notably.

Softlines (33% of divisional revenue) performed below the divisional average, heavily impacted by the disruption caused by the lockdown measures in China in Q1 and elsewhere in Q2, notably in South Asia and South East Asia (India and Bangladesh were highly impacted). The activity also strongly suffered from difficult trading conditions with large US retailers and the effects of continuing bankruptcies.

In the long run, the Group expects to continue to benefit from an accelerated sourcing shift out of China as well as solid momentum in South and South East Asia and from new geographies (Eastern Europe and Africa in particular).

Hardlines (31% of divisional revenue) performed in line with the divisional average, dragged down by most geographies, China and the US in particular. Toys was under pressure and Cosmetics experienced a double-digit decline despite a good performance in South Korea. Inspection and Audit services (12% of divisional revenue) showed a good level of resilience during the first half, notably fueled by high single-digit organic growth in China. This includes social and CSR audits for which the momentum is gathering. This is illustrated by the contract signed with UK clothing brand Boohoo to lead an independent review of its supply chain (following allegations of poor working conditions at its suppliers' factories in the UK).

Lastly, **Electrical & Electronics** (36% of divisional revenue) performed better than the divisional average, reflecting a contrasted situation by sub-segment: more resilient performance in Mobile testing while very challenging in Electrical Automotive (reliability testing and homologation services), led by China. The activity suffered from difficult trading conditions with large US retailers and the effects of the Covid-19 shutdowns. Growth was achieved in South Korea and Latin America while it was significantly negative in the US and in Europe as well. In Asia, 5G-related products/infrastructures continue to show good momentum with the Group's Asian test platforms (South Korea and Taiwan in particular) now being fully operational.

Throughout 2020 the uncertainty relating to the economic conditions from Covid-19 and continuing discussions on trade tariffs is expected to continue triggering a "wait & see" attitude in some clients with delays or cancellations of new product launches. The Group sees no change in trends as of today and remains very cautious as regards the second half of the year.

Adjusted operating margin for the half-year strongly decreased to 8.9% (down 1,576 basis points) attributed to the effect of high revenue decline and limited cost adjustment in Q1. Restructuring measures were implemented in Q2 2020.

PRESENTATION

- H1 2020 results will be presented on Tuesday, July 28, 2020, at 6:00 p.m. (Paris time - CEST)
- A video conference will be webcast live. Please connect to: Link to video conference
- The presentation slides will be available on: https://group.bureauveritas.com
- All supporting documents will be available on the website
- Live dial-in numbers:

  - France: +33 (0)1 70 99 47 40

  - UK: +44 (0)20 3003 2666

  - US: +1 212 999 6659

  - International: +44 (0)20 3003 2666

  - Password: Bureau Veritas

2020 FINANCIAL CALENDAR

- Q3 2020 revenue: October 22, 2020 (after market close)
- Full-Year 2020 Results: February 25, 2021
- Q1 2021 revenue: April 22, 2021
- H1 2021 Results: July 18, 2021
- Q3 2021 revenue: October 26, 2021

Investor Day (to be held in Paris, France), initially planned on September 29, 2020 is postponed to 2021 (the exact date is still to be confirmed).

About Bureau Veritas

Bureau Veritas is a world leader in laboratory testing, inspection and certification services. Created in 1828, the Group has more than 75,000 employees located in more than 1,500 offices and laboratories around the globe. Bureau Veritas helps its clients improve their performance by offering services and innovative solutions in order to ensure that their assets, products, infrastructure and processes meet standards and regulations in terms of quality, health and safety, environmental protection and social responsibility.
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Compartment A, ISIN code FR 0006174348, stock symbol: BVI.
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This press release (including the appendices) contains forward-looking statements, which are based on current plans and forecasts of Bureau Veritas' management. Such forward-looking statements are by their nature subject to a number of important risk and uncertainty factors such as those described in the Universal Registration Document ("*Document d'enregistrement universel*") filed by Bureau Veritas with the French Financial Markets Authority ("AMF") that could cause actual results to differ from the plans, objectives and expectations expressed in such forward-looking statements. These forward-looking statements speak only as of the date on which they are made, and Bureau Veritas undertakes no obligation to update or revise any of them, whether as a result of new information, future events or otherwise, according to applicable regulations.

APPENDIX 1: Q2 AND HALF-YEAR 2020 REVENUE BY BUSINESS

IN EUR MILLIONS	Q2 / H1 2020	Q2 / H1 2019	CHANGE	ORGANIC	SCOPE	CURRENCY
Marine & Offshore	90.6	93.6	(3.2)%	(1.5)%	-	(1.7)%
Agri-Food & Commodities	244.4	299.4	(18.4)%	(15.0)%	+0.1%	(3.5)%
Industry	220.3	278.6	(20.9)%	(15.8)%	(0.1)%	(5.0)%
Buildings & Infrastructure	293.2	340.9	(14.0)%	(10.5)%	(2.7)%	(0.8)%
Certification	65.4	99.4	(34.2)%	(33.5)%	+0.5%	(1.2)%
Consumer Products	147.1	189.7	(22.5)%	(22.8)%	+0.1%	+0.2%
Total Q2 revenue	**1,061.0**	**1,301.6**	**(18.5)%**	**(15.6)%**	**(0.6)%**	**(2.3)%**
Marine & Offshore	185.0	180.9	+2.3%	+3.4%	-	(1.1)%
Agri-Food & Commodities	517.1	574.3	(10.0)%	(7.7)%	+0.3%	(2.6)%
Industry	473.6	534.4	(11.4)%	(6.8)%	(0.1)%	(4.5)%
Buildings & Infrastructure	611.4	664.7	(8.0)%	(5.4)%	(2.2)%	(0.4)%
Certification	142.0	182.6	(22.2)%	(21.9)%	+0.5%	(0.8)%
Consumer Products	271.4	339.7	(20.1)%	(20.8)%	+0.1%	+0.6%
Total H1 revenue	**2,200.5**	**2,476.6**	**(11.1)%**	**(9.0)%**	**(0.5)%**	**(1.6)%**

APPENDIX 2: HALF-YEAR 2020 REVENUE BY QUARTER

	2020 REVENUE BY QUARTER	
IN EUR MILLIONS	Q1	Q2
Marine & Offshore	94.4	90.6
Agri-Food & Commodities	272.7	244.4
Industry	253.3	220.3
Buildings & Infrastructure	318.2	293.2
Certification	76.6	65.4
Consumer Products	124.3	147.1
Total revenue	**1,139.5**	**1,061.0**

APPENDIX 3: ADJUSTED OPERATING PROFIT AND MARGIN BY BUSINESS

	ADJUSTED OPERATING PROFIT			ADJUSTED OPERATING MARGIN		
IN EUR MILLIONS	H1 2020	H1 2019	CHANGE (%)	H1 2020	H1 2019	CHANGE (BASIS POINTS)
Marine & Offshore	42.7	38.4	+11.2%	23.1%	21.2%	+185
Agri-Food & Commodities	60.9	79.6	(23.5)%	11.8%	13.9%	(209)
Industry	35.1	59.3	(40.8)%	7.4%	11.1%	(368)
Buildings & Infrastructure	42.1	88.6	(52.5)%	6.9%	13.3%	(644)
Certification	10.9	30.9	(64.7)%	7.7%	16.9%	(922)
Consumer Products	24.1	83.7	(71.2)%	8.9%	24.6%	(1,576)
Total Group	**215.8**	**380.5**	**(43.3)%**	**9.8%**	**15.4%**	**(555)**

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

Extracts from the half-year consolidated financial statements audited and closed on July 28, 2020 by the Board of Directors. The limited review procedures for the half-year accounts have been undertaken and the Statutory Auditors' report has been published.

CONSOLIDATED INCOME SATEMENT

IN EUR MILLIONS	H1 2020	H1 2019
Revenue	**2,200.5**	**2,476.6**
Purchases and external charges	(663.3)	(690.6)
Personnel costs	(1,182.2)	(1,294.6)
Taxes other than on income	(22.0)	(24.0)
Net (additions to)/reversals of provisions	(44.4)	(1.3)
Depreciation and amortization	(212.4)	(142.2)
Other operating income and expense, net	(16.6)	7.3
Operating profit	**59.6**	**331.2**
Share of profit of equity-accounted companies	-	0.5
Operating profit after share of profit of equity-accounted companies	**59.6**	**331.7**
Income from cash and cash equivalents	4.6	0.9
Finance costs, gross	(64.9)	(51.1)
Finance costs, net	(60.3)	(50.2)
Other financial income and expense, net	(5.8)	(7.2)
Net financial expense	**(66.1)**	**(57.4)**
Profit before income tax	**(6.5)**	**274.3**
Income tax expense	(24.3)	(89.3)
Net income (loss) from continuing operations	(30.8)	185.0
Net income (loss) from discontinued operations	-	-
Net profit	**(30.8)**	**185.0**
Non-controlling interests	(3.3)	(13.9)
Attributable net profit	**(34.1)**	**171.1**
Earnings per share (in euros):		
Basic earnings per share	(0.08)	0.39
Diluted earnings per share	(0.08)	0.39

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

IN EUR MILLIONS	JUNE 30, 2020	DEC. 31, 2019
Goodwill	2,009.1	2,075.1
Intangible assets	479.3	611.1
Property, plant and equipment	390.6	444.9
Right-of-use assets	356.4	369.0
Non-current financial assets	112.0	118.3
Deferred income tax assets	156.6	132.1
Total non-current assets	**3,504.0**	**3,750.5**
Trade and other receivables	1,340.3	1,520.0
Contract assets	242.4	226.0
Current income tax assets	45.4	47.0
Derivative financial instruments	3.0	4.4
Other current financial assets	18.0	23.4
Cash and cash equivalents	2,120.5	1,477.8
Total current assets	**3,769.6**	**3,298.6**
Assets held for sale	-	-
TOTAL ASSETS	**7,273.6**	**7,049.1**

Share capital	54.2	54.2
Retained earnings and other reserves	1,070.2	1,209.6
Equity attributable to owners of the Company	**1,124.4**	**1,263.8**
Non-controlling interests	51.1	58.3
Total equity	**1,175.5**	**1,322.1**
Non-current borrowings and financial debt	2,967.8	2,918.5
Non-current lease liabilities	310.8	326.0
Other non-current financial liabilities	104.4	115.7
Deferred income tax liabilities	96.7	122.9
Pension plans and other long-term employee benefits	196.0	192.8
Provisions for other liabilities and charges	90.8	72.2
Total non-current liabilities	**3,766.5**	**3,748.1**
Trade and other payables	1,058.3	1,098.6
Contract liabilities	204.3	197.2
Current income tax liabilities	136.9	137.4
Current borrowings and financial debt	763.2	369.0
Current lease liabilities	94.0	92.6
Derivative financial instruments	14.6	4.9
Other current financial liabilities	60.3	79.2
Total current liabilities	**2,331.6**	**1,978.9**
Liabilities held for sale	-	-
TOTAL EQUITY AND LIABILITIES	**7,273.6**	**7,049.1**

CONSOLIDATED STATEMENT OF CASH FLOWS

IN EUR MILLIONS	H1 2020	H1 2019
Profit before income tax	**(6.5)**	**274.3**
Elimination of cash flows from financing and investing activities	46.6	67.2
Provisions and other non-cash items	60.4	(6.5)
Depreciation, amortization and impairment	212.4	142.2
Movements in working capital attributable to operations	113.7	(161.6)
Income tax paid	(62.3)	(83.3)
Net cash generated from operating activities	**364.3**	**232.3**
Acquisitions of subsidiaries	(17.1)	(55.9)
Proceeds from sales of subsidiaries and businesses	-	16.6
Purchases of property, plant and equipment and intangible assets	(44.9)	(56.4)
Proceeds from sales of property, plant and equipment and intangible assets	3.8	5.1
Purchases of non-current financial assets	(11.0)	(8.4)
Proceeds from sales of non-current financial assets	11.8	8.4
Change in loans and advances granted	(2.5)	(11.4)
Dividends received from equity-accounted companies	0.1	1.4
Net cash used in investing activities	**(59.7)**	**(100.6)**
Capital increase	2.2	0.7
Purchases/sales of treasury shares	3.0	2.8
Dividends paid	(12.7)	(69.3)
Increase in borrowings and other debt	782.7	204.9
Repayment of borrowings and other debt	(321.2)	(424.7)
Repayment of amounts owed to shareholders	-	(3.2)
Repayment of lease liabilities and interest	(52.0)	(43.3)
Interest paid	(53.6)	(40.1)
Net cash generated from (used in) financing activities	**348.6**	**(372.2)**
Impact of currency translation differences	(12.2)	(0.2)
Impact of changes in accounting method	-	-
Net increase (decrease) in cash and cash equivalents	**640.9**	**(240.7)**
Net cash and cash equivalents at beginning of the period	1,465.7	1,034.6
Net cash and cash equivalents at end of the period	**2,106.6**	**793.9**
o/w cash and cash equivalents	2,120.5	804.8
o/w bank overdrafts	(13.9)	(10.9)

APPENDIX 5: DETAILED NET FINANCIAL EXPENSE

NET FINANCIAL EXPENSE

IN EUR MILLIONS	H1 2020	H1 2019
Finance costs, net	**(60.3)**	**(50.2)**
Foreign exchange gains/(losses)	(3.2)	(4.8)
Interest cost on pension plans	(0.9)	(1.4)
Other	(1.7)	(1.0)
Net financial expense	**(66.1)**	**(57.4)**

APPENDIX 6: ALTERNATIVE PERFORMANCE INDICATORS

ADJUSTED OPERATING PROFIT

IN EUR MILLIONS	H1 2020	H1 2019
Operating profit	**59.6**	**331.2**
Amortization of intangible assets resulting from acquisitions	104.4	38.5
Impairment and retirement of non-current assets	22.0	-
Restructuring costs	21.7	12.1
Acquisitions and disposals	8.1	(1.3)
Impairment of goodwill	-	-
Total adjustment items	156.2	49.3
Adjusted operating profit	**215.8**	**380.5**

CHANGE IN ADJUSTED OPERATING PROFIT

IN EUR MILLIONS	
H1 2019 adjusted operating profit	**380.5**
Organic change	(155.9)
Organic adjusted operating profit	**224.6**
Scope	(1.8)
Adjusted operating profit at constant currency	**222.8**
Currency	(7.0)
H1 2020 adjusted operating profit	**215.8**

ADJUSTED EFFECTIVE TAX RATE

IN EUR MILLIONS	H1 2020	H1 2019
Profit before income tax	(6.5)	274.3
Income tax expense	(24.3)	(89.3)
ETR[(a)]	(373.8)%	32.5%
Adjusted ETR	**37.9%**	**31.1%**

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

ATTRIBUTABLE NET PROFIT

IN EUR MILLIONS	H1 2020	H1 2019
Attributable net profit	(34.1)	171.1
EPS[(a)] (€ per share)	*(0.08)*	*0.39*
Adjustment items	156.2	49.3
Net profit (loss) from operations to be sold	-	-
Tax impact on adjustment items	(32.4)	(11.5)
Non-controlling interest on adjustment items	(2.3)	(2.3)
Adjusted attributable net profit	**87.4**	**206.6**
Adjusted EPS[(a)] (€ per share)	*0.19*	*0.47*

(a) Calculated using the weighted average number of shares: 448,056,073 in H1 2020 and 437,222,344 in H1 2019

CHANGE IN ADJUSTED ATTRIBUTABLE NET PROFIT

IN EUR MILLIONS	
H1 2019 adjusted attributable net profit	**206.6**
Organic change and scope	(115.2)
Adjusted attributable net profit at constant currency	**91.4**
Currency	(4.0)
H1 2020 adjusted attributable net profit	**87.4**

FREE CASH FLOW

IN EUR MILLIONS	H1 2020	H1 2019
Net cash generated from operating activities (operating cash flow)	364.3	232.3
Net purchases of property, plant and equipment and intangible assets	(41.0)	(51.3)
Interest paid	(53.6)	(40.1)
Free cash flow	**269.6**	**140.9**

CHANGE IN NET CASH GENERATED FROM OPERATING ACTIVITIES

IN EUR MILLIONS	
Net cash generated from operating activities at June 30, 2019	**232.3**
Organic change and scope	+141.7
Net cash generated from operating activities at constant currency	**374.0**
Currency	(9.7)
Net cash generated from operating activities at June 30, 2020	**364.3**

ADJUSTED NET FINANCIAL DEBT

IN EUR MILLIONS	JUNE 30, 2020	DEC. 31, 2019
Gross financial debt	3,731.0	3,287.5
Cash and cash equivalents	2,120.5	1,477.8
Consolidated net financial debt	**1,610.5**	**1,809.7**
Currency hedging instruments	6.4	3.6
Adjusted net financial debt	**1,616.9**	**1,813.3**

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

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

GROWTH

Total revenue growth

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

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

Organic growth

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

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

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

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

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

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

Scope effect

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

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

Currency effect

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

ADJUSTED OPERATING PROFIT AND ADJUSTED OPERATING MARGIN

Adjusted operating profit and adjusted operating margin are key indicators used to measure the recurring performance of the business, excluding material items that cannot be considered inherent to the Group's underlying intrinsic performance owing to their unusual 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 and retirement of non-current assets;
- impairment of goodwill;
- fees and costs on acquisitions of businesses;
- contingent consideration on acquisitions of businesses;
- gains and losses on disposals of businesses;
- restructuring costs.

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

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

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

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

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

Adjusted operating margin

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

ADJUSTED EFFECTIVE TAX RATE

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

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

ADJUSTED NET PROFIT

Adjusted attributable net profit

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

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

Adjusted attributable net profit per share

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

FREE CASH FLOW

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

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

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

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

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

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

FINANCIAL DEBT

Gross debt

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

Net debt

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

Adjusted net debt

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