

Q3 2018 revenue grows 8.6% at constant currency Organic revenue growth accelerates to +4.8% in Q3 2018 FY 2018 outlook confirmed

Revenue of EUR 1.20 billion in Q3 2018, +8.6% at constant currency vs. Q3 2017

- ▶ **Organic growth¹ of +4.8%**
 - ◆ All 6 businesses grew, notably Certification +14.9%, Agri-Food & Commodities +5.3% and Buildings & Infrastructure +4.6%
 - ◆ Industry further accelerated (+3.5%) with an improving situation in Oil & Gas Capex
 - ◆ Marine & Offshore returned to positive growth (+1.0%) reflecting the improving shipping industry
 - ◆ The 5 Growth Initiatives generated 7.9% organic revenue growth
- ▶ **External growth of +3.8%**
 - ◆ 6 acquisitions closed year-to-date supporting the Buildings & Infrastructure, Agri-Food and Opex Growth Initiatives, adding c.EUR 85 million of annualized revenue
- ▶ **Currency impact of (2.9)%**
 - ◆ Appreciation of the Euro against USD and pegged currencies as well as the depreciation of several emerging countries' currencies

Didier Michaud-Daniel, Chief Executive Officer, commented:

“The diversification of our portfolio through our Growth Initiatives and the Group’s enhanced resiliency are paying off as demonstrated by the step-up in our organic growth. We are now building a solid momentum in the transformation of Bureau Veritas and towards delivering our 2020 ambition.

All our six businesses grew organically during the quarter. The return to positive growth in Marine & Offshore after 2 years of decline confirms the expected recovery by the end of 2018. Our Industry business further improved benefiting from the success of the Opex Growth Initiative and the return to growth for Oil & Gas Capex activities. Certification was again our top organic performer, strongly benefiting from the revision of standards period which ended mid-September.

In light of our first nine months performance, we confirm our 2018 outlook: the acceleration of organic revenue growth versus last year with an adjusted operating margin slightly up at constant currency, as well as a higher cash flow compared to 2017 at constant currency.”

Revenue by business <i>In EUR millions</i>	Growth					
	Q3 2018	Q3 2017	Total	Organic	Acquis.	Currency
Marine & Offshore	84.8	85.8	(1.2)%	+1.0%	+0.2%	(2.4)%
Agri-Food & Commodities	272.8	265.7	+2.7%	+5.3%	+1.0%	(3.6)%
Industry	265.7	265.9	(0.1)%	+3.5%	+1.3%	(4.9)%
Buildings & Infrastructure	311.4	266.8	+16.7%	+4.6%	+13.1%	(1.0)%
Certification	88.6	79.5	+11.4%	+14.9%	0.0%	(3.5)%
Consumer Products	173.4	169.0	+2.6%	+3.2%	+0.8%	(1.4)%
Total Group revenue	1,196.7	1,132.7	+5.7%	+4.8%	+3.8%	(2.9)%

¹ Organic growth is the increase in revenue versus last year, at constant currency and scope (i.e. acquisitions excluded).

MARINE & OFFSHORE

<i>In EUR millions</i>	2018	2017	Change	Organic	Acquis.	Currency
Q3 revenue	84.8	85.8	(1.2)%	+1.0%	+0.2%	(2.4)%
9M revenue	255.2	276.6	(7.7)%	(3.4)%	+0.1%	(4.4)%

In Q3 2018, the business turned positive with 1.0% organic growth, starting to benefit from the recovery in new orders. This is mainly driven by:

- a mid single-digit growth in New Construction, led by the pick up of the Certification equipment business in Asia (primarily China).
- a slight decline in Core In-service, due to tough comparables, the unfavorable timing of inspections (expected to recover in Q4 2018) and continuing price pressure while the level of laid-up ships was stable.
- A mid single-digit growth in Services (including Offshore-related activities) driven by an expansion of the services offering and a stabilization of risk assessment studies.

New orders achieved 4.8 million gross tons at the end of September 2018, up from 4.1 million gross tons in the prior year period. The order book, which stood at 14.0 million gross tons at the end of the quarter is up compared to 13.0 million at the end of September 2017.

Outlook: For the full year 2018, Bureau Veritas expects organic revenue growth in this business to remain slightly negative despite the recent rebound in New Construction and resilient In-Service activity.

AGRI-FOOD & COMMODITIES

<i>In EUR millions</i>	2018	2017	Change	Organic	Acquis.	Currency
Q3 revenue	272.8	265.7	+2.7%	+5.3%	+1.0%	(3.6)%
9M revenue	796.5	806.6	(1.3)%	+4.4%	+1.0%	(6.7)%

Revenue accelerated +5.3% organically from +4.0% in the first half of 2018, with the following performances across sub-segments:

Oil & Petrochemicals (37% of divisional revenue) reported +2.4% organic growth: robust performance in Europe thanks to market share gains and new services (Verifuel growing double digit), strong growth in Africa, good growth in Canada (led by Maxxam Analytics) and stable growth in the US in the context of a challenging competitive environment.

Metals & Minerals (28% of divisional revenue) achieved +8.8% organic growth, led by double-digit growth for Upstream activities (including Coal), across most geographies, with a number of key wins in Africa and North America. Base metals, especially copper, continued to be strong performers. Gold was a key driver in the upstream minerals segment. Trade activities were stable in the quarter, due to a combination of very strong comparables in Q3 2017 and weaker trading conditions, notably for coal.

Agri-Food (19% of divisional revenue) recorded a +0.5% organic increase in the quarter, with mixed situation by sub-segment: strong performance for Food activities which grew at double-digit; weaker performance for Agri products, which suffered from continued poor market conditions in Europe while the growth resumed in Brazil following the truckers' strike which disrupted the export supply chain.

Government Services (16% of divisional revenue) achieved +12.6% organic growth in the quarter after recording -1.5% in the first half. It notably benefited from the ramp-up of VOC (Verification of Conformity) and single window contracts in Africa.

Outlook: For the full year 2018, the Group expects its Agri-Food & Commodities business to deliver improved organic revenue growth compared to 2017, fueled by recovering Metals & Minerals markets, healthy Agri-Food businesses and stabilizing Government Services due to the ramp-up of several contract wins.

INDUSTRY

<i>In EUR millions</i>	2018	2017	Change	Organic	Acquis.	Currency
Q3 revenue	265.7	265.9	(0.1)%	+3.5%	+1.3%	(4.9)%
9M revenue	785.2	825.5	(4.9)%	+2.6%	0.0%	(7.5)%

Organic growth in Industry confirmed its gradual recovery, up +3.5% in the third quarter, following a 2.2% growth in the first half of 2018. This reflects the benefits of the strategy of diversification towards Opex and non-Oil & Gas markets alongside improving market conditions in Oil & Gas.

The Group registered strong growth in Opex-related activities (+15.1%), being part of the Group's strategic plan Growth Initiatives. Power & Utilities Opex-related activities grew by 16.9%, with the ramp up of large contracts in Latin America.

In Oil & Gas markets (37% of divisional revenue), the situation improved on all fronts: Opex-related activities grew double digit, benefiting notably from the start of the large Qatargas contract. Capex-related activities recorded a slight positive organic growth for the first time since end 2015, fueled by positive trends in the United States and in South Korea, thanks to some Capex projects. The group is experiencing a build up of predominantly small-sized capex opportunities in the pipeline.

For the overall industry business, growth was strong in Latin America (led notably by Argentina and Colombia) owing to country and sector diversification, solid in Northern America, Australia and in some European countries (including France).

Outlook: For the full year 2018, Bureau Veritas expects a positive organic revenue growth overall as the diversification strategy continues to pay off, together with the bottoming out of Oil & Gas Capex markets.

BUILDINGS & INFRASTRUCTURE

<i>In EUR millions</i>	2018	2017	Change	Organic	Acquis.	Currency
Q3 revenue	311.4	266.8	+16.7%	+4.6%	+13.1%	(1.0)%
9M revenue	921.0	814.3	+13.1%	+4.3%	+11.4%	(2.6)%

Revenue increased by +4.6% organically with mid single-digit organic growth in both Construction-related activities (65% of divisional revenue), and in the Buildings in-service activities (35% of divisional revenue).

Growth in Europe (52% of divisional revenue) was above the divisional average, led by high single-digit growth in France (39% of revenue). Opex-related activities performed particularly well in France benefiting from one additional working day.

The Group recorded good organic growth in the Americas (22% of divisional revenue), thanks to solid performance in the code compliance market in the US as well as in South America. In the US, the integration of EMG progressed on plan with several synergies opportunities identified. The new platform, which has been built over the past years within the framework of the Buildings & Infrastructure Growth Initiative, will support next year's organic growth.

In Asia (23% of divisional revenue), the pace of growth was solid, against a particularly strong Q3 2017. China's growth remains fueled by strong prospects in infrastructure project management, where Bureau Veritas has built a leading position.

Outlook: For the full year 2018, Bureau Veritas expects sustained solid growth in both Capex and Opex related services. This reflects the expectation of solid growth in Asia, North America as well as in Europe.

CERTIFICATION

<i>In EUR millions</i>	2018	2017	Change	Organic	Acquis.	Currency
Q3 revenue	88.6	79.5	+11.4%	+14.9%	0.0%	(3.5)%
9M revenue	279.5	268.2	+4.2%	+12.0%	0.0%	(7.8)%

The Certification business recorded strong organic growth of +14.9% in Q3 2018, with growth spread across all regions and most service categories.

This strong growth was driven by the revision of standards (ISO 9001, ISO 14001, AS 9100 in the Aerospace and IATF in the Automotive sectors) in the quarter, as in Q2 2018, ahead of the transition deadline on September 15, 2018. This triggered double-digit growth in Europe (notably Germany, Italy, France and Spain), Americas (notably Canada and Latam) and in Asia.

The growth was particularly strong for Supply Chain led by Automotive and Aeronautics, while solid for Sustainability, led by Wood Management Systems Certification. Food certification schemes continued to grow at high single digit driven by the certification of organic food products.

Global Certification contracts grew by 18% organically, as a results of the ramp-up of several new contracts signed with international companies in various sectors.

New services launched continued to be a contributor to growth. This includes the Group's offering addressing Enterprise Risks: information safety, GDPR data protection, anti-bribery and business continuity, which together grew at double digit.

Outlook: For the full year 2018, the Certification business is expected to deliver robust organic revenue growth but with a second-half at a much slower pace than during the first-half (implying negative growth in Q4) due to the revised standards transition which ended in September 2018.

CONSUMER PRODUCTS

<i>In EUR millions</i>	2018	2017	Change	Organic	Acquis.	Currency
Q3 revenue	173.4	169.0	+2.6%	+3.2%	+0.8%	(1.4)%
9M revenue	497.6	501.4	(0.8)%	+4.4%	+0.7%	(5.9)%

Revenue increased during Q3 by 3.2% organically, with growth across all major service categories.

Softlines (34% of divisional revenue) delivered mid single-digit growth led by the ramp-up of new contract wins in Europe (Turkey, Germany and Italy notably).

Hardlines achieved growth below the divisional average, in the context of more challenging comparables versus last year.

The Electrical & Electronics sub-segment (34% of divisional revenue) grew low single-digit, primarily driven by Automotive and by South Asia, South-East Asia and Europe ; conversely the classical electrical products experienced a slowdown both in China and in the US. The implementation of tariffs increases has led to a 'wait-and-see' approach by some customers and to the postponement of some product launches. China's domestic market continues to develop steadily.

As regards the consequences of escalating tariffs increases, assuming current market conditions, the Group estimates that around 5% of the Consumer Products business is within the scope of tariffs increases, and is closely monitoring the situation. Bureau Veritas is engaging proactively with customers and is ideally positioned to follow any manufacturing relocation with its wide geographical network of laboratory capabilities. In this context, the Group has further accelerated development in the Chinese domestic market and outside of the US (notably in South-East Asia and Europe).

Outlook: For the full year 2018, the Group still expects mid-single digit organic revenue growth, reflecting strong momentum in South-East Asia and Europe while deteriorated situation in the US and China.

Financial position

At the end of September 2018, the Group's adjusted net financial debt has decreased compared with the level at June 30, 2018.

On October 4, 2018, Bureau Veritas successfully issued a EUR 500 million non-rated bond with a maturity January 2025 and a coupon of 1.875%. With this issuance Bureau Veritas seized attractive market conditions to anticipate the refinancing of its 2019 maturities and allows to lengthen the average maturity of its debt while optimizing its cost.

Confirmed 2018 outlook

For full-year 2018, the Group expects:

- An acceleration in organic revenue growth compared to full-year 2017
- A slightly improved adjusted operating margin at constant currency compared to full-year 2017
- An improved cash flow generation at constant currency compared to full-year 2017

Conference call

Thursday, October 25, 2018 at 6:00 p.m. CET

The conference call in English will be broadcast live ([link to webcast](#)) and available after the event on the Group's website (<https://group.bureauveritas.com/investors>).

The presentation document will also be available on the website.

Live dial-in numbers:

For French users: +33 (0) 1 76 70 07 94

For UK users: +44 (0) 207 192 8000

For US users: +1 631 510 7495 / +1 866 966 1396

International: +44 (0) 207 192 8000

Confirmation code (ID number): 5329649

2019 financial calendar

February 28, 2019: FY 2018 results

April 25, 2019: Q1 2019 revenue

May 14, 2019: Shareholders' meeting

July 25, 2019: H1 2019 results

October 24, 2019: Q3 2019 revenue

About Bureau Veritas

Bureau Veritas is a world leader in laboratory testing, inspection and certification services. Created in 1828, the Group has around 75,000 employees located in more than 1,400 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.

Bureau Veritas is listed on Euronext Paris and belongs to the Next 20 index.

Compartment A, ISIN code FR 0006174348, stock symbol: BVI.

For more information, visit <https://group.bureauveritas.com>

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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 registration document filed by Bureau Veritas with the French Financial Markets Authority that could cause actual results to differ from the plans, objectives and expectations expressed in such forward-looking statements. These forward-looking statements speak only as of the date on which they are made, and Bureau Veritas undertakes no obligation to update or revise any of them, whether as a result of new information, future events or otherwise, according to applicable regulations.

Appendix 1: Q3 and 9M 2018 Revenue by business

<i>In EUR millions</i>	2018	2017	Change	Organic	Acquis.	Currency
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Consumer Products	497.6	501.4	(0.8)%	+4.4%	+0.7%	(5.9)%
Total 9M revenue	3,535.0	3,492.8	+1.2%	+3.9%	+3.0%	(5.7)%

Appendix 2: organic revenue growth by nature

<i>Year-on-year change, in percentage</i>	Q3 2018	9M 2018
Opex Services	+15.1%	+7.7%
Buildings & Infrastructure	+5.7%	+8.3%
Agri-Food	+1.9%	+2.8%
Automotive	+9.9%	+8.0%
SmartWorld	+0.9%	+7.4%
Growth Initiatives	+7.9%	+7.0%
Base Business	+3.2%	+2.4%
Total organic growth	+4.8%	+3.9%