PRESS RELEASE

Neuilly-sur-Seine, France – July 25, 2019

Strong momentum in the First Half, 2019 outlook confirmed

H1 2019 Key Figures

- Revenue of EUR 2,477 million in H1 2019, +5.9% year-on-year of which +5.3% at constant currency (cc). Organic growth[1] reached +4.0% in H1 2019 of which +4.0% in the second quarter
- Adjusted operating profit of EUR 380.5 million (15.4% margin) after applying IFRS 16
- Adjusted operating profit of EUR 375.5 million (15.2% margin) before applying IFRS 16;
  At constant currency and before applying IFRS 16, margin progressed by 25 bps year-on-year to 15.1%
- Adjusted net profit of EUR 206.6 million (EUR 0.47 per share) after applying IFRS 16
- Free cash flow of EUR 140.9 million after applying IFRS 16; Before applying IFRS 16, free cash flow stands at EUR 97.6 million, up 55.2% year-on-year
- Adjusted Net debt / EBITDA ratio reduced from 2.82x at the end of June 2018 to 2.25x at the end of June 2019

H1 2019 Highlights

- Growth Initiatives generated 5.1% organic revenue growth while Base Business was up 3.4%
- 4 transactions closed year-to-date supporting Growth Initiatives in Agri-Food and Buildings & Infrastructure, adding c. EUR 45 million of annualized revenue
- Disposal of the non-strategic North American HSE Consulting business (c. USD 30 million of revenue in 2018)
- Successful dividend payment in shares, opted for by 78% of shareholders

2019 Outlook confirmed

- Solid organic revenue growth
- Continued adjusted operating margin improvement at constant currency
- Sustained strong cash flow generation

Didier Michaud-Daniel, Chief Executive Officer, commented:

“In the first half of 2019, we recorded solid organic revenue growth of 4.0%, building upon the good momentum achieved in 2018. Thanks to the Group’s successful transformation, we are well poised to continue growing at a steady pace and to enhance further our cyclical resilience. We continue to focus on margin improvement and have delivered 15.4% in the first half with a major improvement achieved in Agri-Food & Commodities business.

Our active portfolio management to deliver top line growth, geographical diversification and margin improvement continued in the first half. New acquisitions were focused on our Growth Initiatives in Buildings & Infrastructure and Agri-Food in the US, France and Asia.

In the light of our first half performance, we confirm our 2019 outlook: we expect a solid organic revenue growth with a continued adjusted operating margin improvement at constant currency, and a sustained strong cash flow generation.”

[1] Organic growth represents the percentage of revenue growth, presented at Group level and for each activity, based on constant scope of consolidation (i.e. acquisitions excluded) and exchange rates over comparable periods

H1 2019 KEY FIGURES

The Board of Directors of Bureau Veritas met on July 24, 2019 and approved the financial statements for the first-half of 2019 (H1 2019). The main consolidated financial items are:

IN EUR MILLIONS	H1 2019 AFTER APPLYING IFRS 16	H1 2019 BEFORE APPLYING IFRS 16	H1 2018	CHANGE[a]	CONSTANT CURRENCY[a]
Revenue	2,476.6	2,476.6	2,338.3	+5.9%	+5.3%
Adjusted operating profit[b]	380.5	375.5	348.1	+7.9%	+6.9%
Adjusted operating margin	**15.4%**	**15.2%**	**14.9%**	**+30bps**	**+25bps**
Operating profit	331.2	326.2	291.0	+12.1%	+12.4%
Adjusted net profit[b]	206.6	209.1	189.5	+10.3%	+10.2%
Net profit	171.1	173.6	149.7	+16.0%	+15.8%
Adjusted EPS[b]	**0.47**	**0.48**	**0.44**	**+9.8%**	**+9.6%**
EPS	0.39	0.40	0.34	+17.6%	+17.2%
Operating cash flow[b]	232.3	189.0	165.9	+13.9%	+13.2%
Free cash flow	**140.9**	**97.6**	**62.9**	**+55.2%**	**+54.4%**
Adjusted net financial debt[b]	2,128.1	2,128.1	2,463.0	(13.6)%	

(a) Year-on-year changes are calculated by comparing data for H1 2019 before applying IFRS 16 with data for H1 2018

(b) Financial indicators not defined by IFRS presented in Appendix 4

H1 2019 HIGHLIGHTS

Organic growth driven by both Growth Initiatives and Base Business

The Group delivered 4.0% organic revenue growth in H1 2019, with similar growth in Q1 and Q2. This is explained by:

- Robust growth for the five Growth Initiatives (37% of Group revenue), up 5.1% organically year on year. High single-digit growth was achieved in both Agri-Food and Opex services, and mid-single-digit organic growth for Buildings & Infrastructure and SmartWorld. The Automotive Initiative recorded a high single-digit decline due to the end of revision of standards in the Automotive industry.
- Improving growth for the Base Business (63% of Group revenue), up 3.4% organically in the first half, with organic growth of 4.2% in the second quarter. The Group's activities performed well during the period. Solid growth was recorded by Marine & Offshore (7% of Group revenue) and Oil & Gas Capex related activities (4% of Group revenue), which recovered further during the first half of 2019 with organic growth of 5.4% and 7.8%, respectively. The underlying Certification business continued to develop, even if the headline numbers were down as expected, due to the year-on-year comparison with the one-off standards revision activity last year.

M&A: Four transactions in 2019 YTD, focused on Group Strategic Growth Initiatives

In H1 2019, Bureau Veritas completed four transactions in different countries to strengthen its footprint, representing around EUR 45 million in annualized revenue (or 0.9% of 2018 Group revenue). These supported two of the five Growth Initiatives:

	ANNUALIZED REVENUE	COUNTRY	DATE	FIELD OF EXPERTISE
Buildings & Infrastructure				
Capital Energy	EUR 23m	France	Jan. 2019	Consulting and support services for white certificate projects
Owen Group	EUR 7m	US	Mar. 2019	Asset management and project compliance services
Agri-Food				
BVAQ	Joint-venture created with AsureQuality EUR 4m additional revenue	Singapore	Jan. 2019[2]	Food testing company providing services to South East Asian markets
Shenzhen Total-Test Technology	EUR 10m	China	Apr. 2019	Agricultural products, processed food, additives, baby food, animal feed and non-medical cosmetic testing services

Disposal of the North American HSE Consulting business

On June 28, 2019, Bureau Veritas completed the disposal of its non-strategic consulting business unit providing health, safety and environmental services in North America (HSE Consulting) to Apex Companies, LLC, a North American leader in HSE services. The HSE Consulting business unit in North America, with approximately 170 employees, generated c. USD 30 million in revenue in 2018 (accounted in the Industry business activity) but weighed on the overall divisional margin. It will be deconsolidated from Q3 2019 onwards.

The transaction is part of the Group's active portfolio management and represents a further step towards margin growth in North America. The Group will continue to invest in core strategic activities in providing testing, inspection and certification services for the Buildings & infrastructure, Oil & Gas, food & agriculture, and Power & Utilities markets.

Successful dividend payment in shares, opted for by 78% of shareholders

The combined shareholders' meeting of Bureau Veritas approved the payment of a dividend of EUR 0.56 per share for 2018 with an option for payment in cash or in new shares.

The take-up for payment in shares was a great success with a 78.47% subscription rate (66.45% excluding Wendel). Consequently, 9,943,269 new ordinary Bureau Veritas shares with a nominal value of EUR 0.12 each were issued on June 11, 2019, representing a 2.25% capital increase based on the share capital on May 31, 2019.

[2] Closed on December 28, 2018 and announced on January 3, 2019

ANALYSIS OF THE GROUP'S RESULTS AND FINANCIAL POSITION

The information presented and discussed below consists of financial data before the restatements resulting from the application of IFRS 16 in the half-year consolidated financial statements. The financial data with the impact from the application of IFRS 16 are presented in the Appendix of this press release.

Revenue up 5.9% year-on-year (up 5.3% at constant currency)

Revenue in H1 2019 amounted to EUR 2,477 million, a 5.9% increase compared with the first half of 2018. Organic growth was +4.0%, with 4.0% growth in both Q1 and Q2.

Five out of six businesses posted an average organic growth of 4.7%, with Agri-Food & Commodities (7.9%), Marine & Offshore (5.4%), Industry (4.8%) and Buildings & Infrastructure (3.1%). Consumer Products experienced a slowdown (up 2.2%) mainly due to the phasing of new product launches in the second quarter. Only Certification declined, as anticipated, with a negative 4.1% organic revenue growth in H1 2019 of which a negative 5.9% in the second quarter, which faced challenging comparables following the revision of standards in 2018.

By geography, activities in the Americas (26% of Group revenue) increased by 5.6% organically, primarily driven by Latin America (up 9.4% organically). These are also supported by a solid performance in North America (Canada and US), led by Food and Oil & Gas activities in particular. The growth in Asia Pacific has improved (31% of Group revenue; 4.5% organic growth), driven by China (up 6.5% organically, fueled by Marine & Offshore, Agri-Food & Commodities and Buildings & Infrastructure) and South East Asian countries (up double-digit organically). The growth in Europe (34% of Group revenue; 2.1% organic growth) was held back by the end of the standard revisions in Certification. Market conditions in Europe remained subdued in Buildings & Infrastructure while other businesses performed well. In Africa and the Middle East, growth improved (5.5% organically, of which high single-digit growth in Q2), strongly benefiting from the recovery of government services activities and from buoyant commodities markets.

Net acquisition growth was 1.3%, combining the contribution of acquisitions made in the first half of 2019, notably in the Buildings & Infrastructure and Agri-Food businesses, acquisitions finalized in 2018 and minor divestments.

Currency fluctuations had a positive impact of 0.6%, mainly due to the appreciation of the USD and pegged currencies against the euro partly offset by the depreciation of some emerging countries' currencies. In Q2 the positive impact eased at 0.3%.

Adjusted operating profit up 7.9% to EUR 375.5 million (up 6.9% at constant currency)

The Group half-year 2019 adjusted operating margin gained 25 basis points at constant exchange rates, to 15.1% (of which 20 basis points organic and 5 basis points from scope). On a reported basis, the adjusted operating margin improved by 30 basis points to 15.2% compared to 14.9% in H1 2018.

CHANGE IN ADJUSTED OPERATING MARGIN

IN PERCENTAGE AND BASIS POINTS	
Adjusted operating margin at June 30, 2018	**14.9%**
Organic change	+20bps
Organic adjusted operating margin	**15.1%**
Scope	+5bps
Constant currency adjusted operating margin	**15.1%**
Currency	+5bps
Adjusted operating margin at June 30, 2019	**15.2%**

Three of the six business activities posted stable or improving organic margins, adding 50 basis points to the Group's organic margin. This was driven by a significant organic improvement in Agri-Food &

Commodities and solid underlying performance in Consumer Products. This improvement is the result of a combination of operating leverage, strict cost management, lean efforts and restructuring pay back.

Three business activities showed margin declines: Certification experienced lower margins due to negative operating leverage and mix. Marine & Offshore margin slightly declined due to a one-off positive item recorded last year. Industry was still impacted by a negative mix effect (with large Opex contract ramping up) which offset the restructuring benefit.

Other operating income and expenses decreased to EUR 49.3 million vs. EUR 57.1 million in H1 2018. These include:

- EUR 38.5 million in amortization of intangible assets (EUR 35.8 million in H1 2018);
- EUR 12.1 million in restructuring charges, with actions taken mainly in Industry, Buildings & Infrastructure, and commodities related-activities (EUR 19.5 million in H1 2018);
- EUR 1.3 million in net gains from disposals and acquisitions (net expenses of EUR 1.8 million in H1 2018).

Operating profit totaled EUR 326.2 million, up 12.1% compared to EUR 291.0 million in H1 2018.

Adjusted EPS of EUR 0.48, up 9.8% year-on-year (up 9.6% at constant currency)

Net financial expense achieved EUR 48.9 million compared with EUR 45.2 million in H1 2018, reflecting mostly slightly higher foreign exchange losses (EUR 4.3 million vs. EUR 2.0 million in H1 2018) due to the appreciation of the euro against the currencies of emerging countries.

Net finance costs slightly increased to EUR 42.2 million (vs. EUR 40.9 million in H1 2018), mainly explained by the increase in average indebtedness.

Other items (including pensions and other finance charges) stood at EUR 2.4 million, stable from EUR 2.3 million in H1 2018.

Income tax expense totaled EUR 90.3 million in H1 2019, compared with EUR 84.4 million in H1 2018. This represents an effective tax rate (ETR) of 32.5% for the period, compared with 34.2% in H1 2018. The adjusted ETR is 31.1%, down 170 basis points compared with H1 2018. The decrease results mainly from the new tax deductibility rules for interest applicable in France as of 2019.

Attributable net profit for the period was EUR 173.6 million, up 16.0% vs. EUR 149.7 million in H1 2018.

Earnings Per Share (EPS) stood at EUR 0.40, compared with EUR 0.34 in H1 2018.

Adjusted attributable net profit increased by 10.3% to EUR 209.1 million, vs. EUR 189.5 million in H1 2018.

Adjusted EPS stood at EUR 0.48, a 9.8% increase vs. H1 2018.

Strong improvement in free cash flow

Half-year 2019 operating cash flow stood at EUR 189.0 million vs. EUR 165.9 million in H1 2018, up 13.9% year-on-year. This increase is primarily driven by the improvement in profit before income tax while the slightly higher working capital outflow against H1 2018 is attributed notably to unfavorable calendar effect (June 29 and 30 were not working days).

The working capital requirement stood at EUR 581.4 million at June 30, 2019, compared to EUR 577.7 million at June 30, 2018. As a percentage of annualized sales, WCR decreased to 11.7%, compared to 12.4% in H1 2018.

Purchases of property, plant and equipment and intangible assets, net of disposals (Net Capex), amounted to EUR 51.3 million in H1 2019, a decrease compared to EUR 59.0 million in H1 2018. This showed disciplined control over the Group's net capex-to-revenue ratio at 2.1%, compared to the level achieved in H1 2018 (2.5%).

Free cash flow (available cash flow after tax, interest expenses and capex) achieved EUR 97.6 million compared to EUR 62.9 million in H1 2018, up 55.2% year-on-year and up 54.4% on a constant currency basis. On an organic basis, free cash flow increased by 59.2% in H1 2019.

CHANGE IN FREE CASH FLOW

IN EUR MILLIONS	
Free cash flow at June 30, 2018	**62.9**
Organic change	+37.2
Organic free cash flow	**100.1**
Scope	(3.0)
Free cash flow at constant currency	**97.1**
Currency	+0.5
Free cash flow at June 30, 2019	**97.6**

At June 30, 2019, adjusted net financial debt was EUR 2,128.1 million, i.e., 2.25x trailing twelve-month EBITDA as defined in the calculation of the bank covenant, compared with 2.82x at June 30, 2018 and 2.34x at December 31, 2018. The slight increase in adjusted net financial debt of EUR 13.0 million vs. December 31, 2018 (EUR 2,115.1 million) reflects:

- Free cash flow of EUR 97.6 million;
- Dividend payments totaling EUR 69.3 million;
- Acquisitions (net of sales), accounting for EUR 39.3 million;
- Other items that increased the Group’s debt by EUR 2.0 million.

H1 2019 BUSINESS REVIEW

The information presented and discussed below consists of financial data before the restatements resulting from application of IFRS 16 in the half-year consolidated financial statements. The financial data with the impact from the application of IFRS 16 are presented in the Appendix of this press release.

MARINE & OFFSHORE

IN EUR MILLIONS	H1 2019	H1 2018	CHANGE	ORGANIC	SCOPE	CURRENCY
Revenue	180.9	170.4	+6.2%	+5.4%	+0.4%	+0.4%
Adjusted Operating Profit	38.2	36.3	+5.2%			
Adjusted Operating Margin	21.1%	21.3%	(20)bps	(25)bps		

The Marine & Offshore business posted robust organic revenue growth of 5.4% in the first-half of 2019 (7.6% in Q2), benefiting from the recovery in new orders. This results mainly from:

- high single-digit growth in New Construction, notably driven by the equipment certification business in North Asia. In Q2, the double-digit growth benefited from a catch-up effect following a timing issue in the scheduling of deliveries by the shipowners in Q1.
- low single-digit growth in Core In-service, a reflection of the fleet's modest growth against continuing price pressure.
- high single-digit growth for Services (including Offshore) primarily fueled by the extension of services provided to customers and the stabilization of risk assessment studies.

New orders totaled 3.5 million gross tons at the end of June 2019, stable year-on-year, reflecting the good dynamic for the Group's Marine & Offshore division against a market being down year-to-date. The Group benefits from its strong positioning on the most dynamic market segments, namely LNG/LPG (as fuel) and passenger ships (particular focus on expedition/polar cruise and eco-friendly concepts).

The order book stood at 14.1 million gross tons at the end of the quarter, broadly stable compared to December 2018 (14.0 million gross tons). The order book remains well diversified, with categories in bulk, dual-fuels and LNG vessels, tankers and passenger ships representing a significant share of the orders.

The adjusted operating margin for H1 2019 came in at 21.1%, slightly down 20 basis points compared to H1 2018, due to negative foreign exchange impact. At constant currency, margin was nearly stable, impacted by a one-off positive item recorded last year.

Outlook: In 2019, Bureau Veritas expects organic revenue growth in this business to be positive. This reflects (i) a recovery in New Construction attributed to solid new orders won, notably led by North Asia; (ii) resilient In-Service activity including the Offshore-related activities, and limited benefit from IMO 2020 regulation. Profitability wise, the Group expects the adjusted operating margin to improve with the restructuring benefit being mitigated by a negative foreign exchange impact.

AGRI-FOOD & COMMODITIES

IN EUR MILLIONS	H1 2019	H1 2018	CHANGE	ORGANIC	SCOPE	CURRENCY
Revenue	574.3	524.1	+9.6%	+7.9%	+1.1%	+0.6%
Adjusted Operating Profit	77.5	58.6	+32.3%			
Adjusted Operating Margin	13.5%	11.2%	+230bps	+195bps		

In the first half of 2019, revenue increased by 7.9% organically (8.0% in Q2 2019), pursuing the strong trend observed in the first quarter (7.8%), with the following performances across sub-segments:

Oil & Petrochemicals (36% of divisional revenue) reported 1.4% organic growth, due to mixed geographical trends. The Group saw strong growth in Europe thanks to new services (marine fuels testing, growing at double-digit) and new outsourcing contracts (Romania), very high growth in Africa (extension of footprint and services) and a robust performance in Canada (new outsourcing contracts); in contrast, slightly negative growth was achieved in the US as a result of bad weather conditions in the key Gulf Coast area and the challenging competitive environment. Non-trade activities (OCM, Marine fuel) achieved good growth in the first half of 2019.

Metals & Minerals (27% of divisional revenue) achieved a strong performance with a 10.0% organic improvement, led by similar growth for both upstream activities (including Coal) and trade-related activities across most geographies. Upstream continued to record strong growth (9.8%) led notably by Africa, Australia and the Americas, although at a slower pace in Q2 owing to more difficult comparables. Gold and base metals (notably copper and iron ore) continued to be strong performers. Key mine site outsourcing contract wins (Africa and Australia) contributed significantly to growth. Coal activities continued to benefit from a healthy recovery attributed to the development of Bureau Veritas' Mozambique business (following a large contract win) as well as from Australian operations. Trade activities grew 10.4% organically, primarily led by non-coal trade minerals, with particularly high growth in Europe, China and in West Africa.

Agri-Food (22% of divisional revenue) recorded a strong 9.2% organic increase in the first half (with a similar growth in Q2), led by strong performances for both Agri and Food products. The Agri business recovered from last year, benefiting from new contract wins notably in precision farming, new services diversification (Truck Load Inspections in Brazil) and from favorable comparables (following poor weather conditions and external factors in 2018). The Food business maintained strong trends across all geographies, thanks to the development of several growth initiatives and the benefits of past acquisitions.

Government Services (15% of divisional revenue) recorded a strong 20.2% organic growth in the first half, strongly benefiting from the full ramp-up of VOC (Verification of Conformity) and single window contracts in the Democratic Republic of the Congo, Ghana and Ivory Coast. The contracts phasing is expected to moderate growth in the second half.

The adjusted operating margin for the Agri-Food & Commodities business improved strongly to 13.5% in the first half of 2019 (up 230 basis points compared to last year). This reflects a strong organic increase fueled by the operating leverage, a positive mix and the benefit of past restructuring actions, partly offset by a negative foreign exchange.

Outlook: In 2019, the Group expects its Agri-Food & Commodities business to deliver slightly higher organic revenue growth compared to 4.5% in 2018, fueled by solid Metals & Minerals markets, robust Agri-Food businesses, improving Government Services and resilient Oil & Petrochemicals markets. The Group anticipates a margin improvement driven by restructuring benefits and positive mix effects.

INDUSTRY

IN EUR MILLIONS	H1 2019	H1 2018	CHANGE	ORGANIC	SCOPE	CURRENCY
Revenue	534.4	515.2	+3.7%	+4.8%	(0.1)%	(1.0)%
Adjusted Operating Profit	58.1	59.5	(2.4)%			
Adjusted Operating Margin	10.9%	11.5%	(60)bps	(75)bps		

The Industry business confirmed its recovery with a 4.8% organic revenue increase year on year. In Q2 the growth accelerated to 5.8%. This reflects gradual improving market conditions in Oil & Gas alongside the benefits of the strategy of diversification towards Opex and non-Oil & Gas markets.

Part of the Group's strategic plan Growth Initiatives, Opex-related activities registered a robust 7.6% in growth. This was primarily supported by the Power & Utilities segment, for which Opex-related activities grew by 16.8%, with the ramp-up of several contracts in Latin America notably, though cushioned by contracts ending in Europe. The Nuclear segment performed well, notably in the UK.

In Oil & Gas markets (37% of divisional revenue), the situation further improved in the first half: Opex-related activities grew 9.2% organically, benefiting from strong volume increases, across nearly all geographies (notably in Latin America, the Middle East and South & West Europe), against persistent price pressure. Capex-related activities grew by 7.8% organically with Q2 accelerating 11.0% following the positive trend observed since H2 2018. This was fueled by positive developments in the United States, Latin America, Africa and in South Korea, attributed to several Capex projects, while business stabilized in Asia.

During the first half, the Group continued to experience a build-up of predominantly small-sized Capex opportunities in the pipeline.

Overall for the Industry business, growth was strong in Latin America (primarily led by Brazil, Colombia and Argentina), as a result of sector diversification; in the Middle East, growth was led by Qatar, and in South Korea by new Capex contracts. Business remained solid in North America (led by the US), in Australia and in certain European countries (including Italy, Spain, the UK and Eastern countries).

The adjusted operating margin for the first half of 2019 slightly declined year on year at 10.9%, mainly attributed to a negative mix effect with the high growth in Opex-related activities (Power & Utilities and Oil & Gas, notably in Latam), still in a ramp-up/investment phase.

Outlook: In 2019, Bureau Veritas expects Industry to deliver slightly higher organic revenue growth compared to 3.5% in 2018, fueled by the pursuit of its successful Opex services diversification, alongside improving Oil & Gas Capex markets. The Group anticipates a margin improvement driven by restructuring benefits and positive mix effects.

BUILDINGS & INFRASTRUCTURE

IN EUR MILLIONS	H1 2019	H1 2018	CHANGE	ORGANIC	SCOPE	CURRENCY
Revenue	664.7	613.9	+8.3%	+3.1%	+4.0%	+1.2%
Adjusted Operating Profit	88.6	83.0	+6.7%			
Adjusted Operating Margin	13.3%	13.6%	(30)bps	(5)bps		

The Buildings & Infrastructure business posted good revenue growth of 8.3% in H1 2019 (including 6.5% in Q2) versus last year, with a 4.0% impact from external growth due notably to the completion of the acquisition of EMG in the US and Capital Energy in France.

Organically, growth amounted to 3.1% for the first half (including 3.2% in Q2) spread across selective geographies. Stronger organic growth was recorded in Construction-related activities (43% of divisional revenue) than in the Buildings In-service activities (57% of divisional revenue).

High single-digit organic growth was experienced in Asia Pacific (23% of divisional revenue) in H1, including 10.4% organic growth for operations in China (15% of Buildings & Infrastructure revenue). China continued to benefit from healthy growth in energy and infrastructure project management assistance. Australia also recorded double-digit organic growth, benefiting from the McKenzie acquisition.

In the Americas (21% of divisional revenue), mid-single-digit growth was achieved with a recovery of Brazil, strong growth in Colombia and solid growth in the United States, in particular for code compliance services and in data center commissioning (Primary Integration acquisition). In Q1 2019, the Group announced the acquisition of Owen Group, a US regional leader in buildings and infrastructure compliance services including ADA accessibility compliance, deferred maintenance compliance, commissioning, and code compliance (revenue of around EUR 7 million in 2018).

Growth in Europe (53% of divisional revenue) was stable, mainly due to negative performances in both Spain and in the UK (project-led growth) as well as limited growth in France (40% of revenue), due to subdued conditions in the Capex-related activities and a weak start to the year for Opex-related works (on negative calendar effects and recruiting issues).

The adjusted operating margin for the first half of 2019 was down slightly (30 basis points) to 13.3%, primarily due to negative impact from acquisitions (30 basis points) partly offset by positive foreign exchange impact. On organic basis margin was nearly stable compared to last year.

Outlook: In 2019, the Group expects its Buildings & Infrastructure business to deliver slightly lower organic revenue growth compared to 4.3% in 2018, led by both Capex and Opex related services. Profitability wise, the Group expects its margin to slightly improve year on year.

CERTIFICATION

IN EUR MILLIONS	H1 2019	H1 2018	CHANGE	ORGANIC	SCOPE	CURRENCY
Revenue	182.6	190.5	(4.1)%	(4.1)%	-	-
Adjusted Operating Profit	30.6	34.2	(10.5)%			
Adjusted Operating Margin	16.8%	17.9%	(110)bps	(110)bps		

As anticipated, the Certification business recorded negative organic growth of (4.1)% in the first half of 2019, of which (5.9)% in Q2 2019, against very challenging comparables. This is attributed to the end of the three-year revision period on QHSE and Transportation standards.

As anticipated, QHSE and Transportation Certification markets declined significantly as a result of the absence of transition man-days, notably in the second quarter. This mainly impacted the countries which are highly dependent on QHSE and Transportation certification, namely Germany, the US, Canada, Japan and to some extent Spain.

Growth was achieved elsewhere. Double-digit organic growth was recorded in Social & Customized audits, Sustainability & CSR and Food Certification. High double-digit growth was also delivered in the Enterprise Risk Management offering, including anti-bribery, business continuity, cybersecurity and GDPR Data privacy certification. The Group's portfolio diversification is key contributor to the growth, with new products development being up 22.1% in the first-half of 2019.

By geography, growth was achieved in the Group's three largest countries (representing all together a third of divisional revenue), which benefiting from their diversified portfolios: France (notably led by Enterprise Risk, Supplier audits and Organic Food schemes), Italy (led by Social & Ethical audits, Food safety, Training and Personnel Certification) and China (led by Customized audits, Forestry, CSR and Sustainable Development); while the other geographies showed negative growth as a result of the three-year standards revision period ending.

The adjusted operating margin for the first half of 2019 declined to 16.8% (110 basis points) due to the impact of negative revenue growth associated with negative mix effect.

Outlook: In 2019, the Certification business is expected to deliver negative organic revenue growth. This reflects: (i) the impact of the QHSE and Transportation transition which ended in September 2018 creating challenging comparables for the first nine months of the year; (ii) solid growth elsewhere primarily driven by Food schemes, Sustainability, Training and Customized audits. Profitability wise, the Group will focus on margin protection.

CONSUMER PRODUCTS

IN EUR MILLIONS	H1 2019	H1 2018	CHANGE	ORGANIC	SCOPE	CURRENCY
Revenue	339.7	324.2	+4.8%	+2.2%	-	+2.6%
Adjusted Operating Profit	82.5	76.5	+7.8%			
Adjusted Operating Margin	24.3%	23.6%	+70bps	+60bps		

The Consumer Products business experienced a 2.2% organic revenue growth in the first half. In Q2, as anticipated, the growth marked a slowdown at 0.8%, mainly due to the phasing of new product launches. By region, growth was notably driven by a strong performance in Europe, in South and South East Asia, as well as in North East Asia. In the meantime, the performance was slightly negative in China, in line with the trend observed in the previous quarters.

Electrical & Electronics (34% of divisional revenue) posted low single-digit organic revenue growth driven by mid-single-digit growth in Mobile testing primarily in South Asia, South East Asia and Europe. This reflects a temporary slowdown for new products development ahead of the 5G launch by year end. Automotive also faced challenging comparables in the first half.

Hardlines (31% of divisional revenue) performed slightly below the divisional average, driven by new contract wins in Europe (Turkey, Germany and Italy notably); Toys was stable compared to last year while Cosmetics achieved high double-digit growth.

Lastly, **Softlines** (35% of divisional revenue) grew in line with the divisional average, reflecting a contrasted situation by geography: solid growth in Europe as well as strong momentum in South and South East Asia (notably Vietnam and India), which continued to benefit from the sourcing shift out of China; in contrast, weak trading conditions in the US.

The adjusted operating margin for the first half improved to a healthy 24.3% (70 basis points) thanks to efficiency gains, despite a slower organic revenue growth, notably in Q2.

Outlook: In 2019, the Group expects slightly slower organic growth compared to 4.3% in 2018, with gradual improvement in the second half, which will benefit from a solid backlog and more favorable comparables. By region, it expects strong momentum in South Asia and South East Asia, solid growth in Europe, resilient performance in China while more challenging in the US. Profitability wise, the Group will focus on margin protection.

CONFIRMED 2019 OUTLOOK

For full-year 2019, the Group expects:

- solid organic revenue growth
- continued adjusted operating margin improvement at constant currency
- sustained strong cash flow generation

PRESENTATION

- H1 2019 results will be presented on Thursday, July 25, 2019, at 3:00 p.m. (Paris time).
- An audio-conference will be webcast live. Please connect to: Link to webcast
- The presentation slides will be available on: https://group.bureauveritas.com
- All supporting documents will be available on the website.
- Live dial-in numbers:
  - France: +33 (0)1 70 37 71 66
  - UK: +44 (0)20 3003 2666
  - US: +1 212 999 6659
  - Password: Bureau Veritas

2019 FINANCIAL CALENDAR

- September 24, 2019: 2019 Field Trip in Paris: "Bureau Veritas' Global Buildings & Infrastructure platform @ the digital era" - **CLICK TO REGISTER**
- 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 more than 77,000 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.
Bureau Veritas is listed on Euronext Paris and belongs to the Next 20 index.
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 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: Q2 AND H1 2019 REVENUE BY BUSINESS

IN EUR MILLIONS	Q2 / H1 2019	Q2 / H1 2018	CHANGE	ORGANIC	ACQUIS.	CURRENCY
Marine & Offshore	93.6	86.8	+7.9%	+7.6%	+0.5%	(0.2)%
Agri-Food & Commodities	299.4	273.8	+9.4%	+8.0%	+1.0%	+0.4%
Industry	278.6	267.0	+4.4%	+5.8%	(0.1)%	(1.3)%
Buildings & Infrastructure	340.9	320.0	+6.5%	+3.2%	+2.3%	+1.0%
Certification	99.4	105.8	(6.0)%	(5.9)%	-	(0.1)%
Consumer Products	189.7	184.5	+2.8%	+0.8%	-	+2.0%
Total Q2 revenue	**1,301.6**	**1,238.0**	**+5.1%**	**+4.0%**	**+0.8%**	**+0.3%**
Marine & Offshore	180.9	170.4	+6.2%	+5.4%	+0.4%	+0.4%
Agri-Food & Commodities	574.3	524.1	+9.6%	+7.9%	+1.1%	+0.6%
Industry	534.4	515.2	+3.7%	+4.8%	(0.1)%	(1.0)%
Buildings & Infrastructure	664.7	613.9	+8.3%	+3.1%	+4.0%	+1.2%
Certification	182.6	190.5	(4.1)%	(4.1)%	-	-
Consumer Products	339.7	324.2	+4.8%	+2.2%	-	+2.6%
Total H1 revenue	**2,476.6**	**2,338.3**	**+5.9%**	**+4.0%**	**+1.3%**	**+0.6%**

Revenue by business for Q2 and H1 2018 have been restated due to some reclassification between business activities from the Commodities, Industry & Facilities division (Buildings & Infrastructure, Industry, Agri-Food & Commodities and Certification)

APPENDIX 2: ADJUSTED OPERATING PROFIT AND MARGIN BY BUSINESS

BEFORE APPLYING IFRS 16	ADJUSTED OPERATING PROFIT			ADJUSTED OPERATING MARGIN		
IN EUR MILLIONS	H1 2019	H1 2018	CHANGE (%)	H1 2019	H1 2018	CHANGE (BASIS POINTS)
Marine & Offshore	38.2	36.3	+5.2%	21.1%	21.3%	(20)
Agri-Food & Commodities	77.5	58.6	+32.3%	13.5%	11.2%	+230
Industry	58.1	59.5	(2.4)%	10.9%	11.5%	(60)
Buildings & Infrastructure	88.6	83.0	+6.7%	13.3%	13.6%	(30)
Certification	30.6	34.2	(10.5)%	16.8%	17.9%	(110)
Consumer Products	82.5	76.5	+7.8%	24.3%	23.6%	+70
Total Group	**375.5**	**348.1**	**+7.9%**	**15.2%**	**14.9%**	**+30**

AFTER APPLYING IFRS 16	ADJUSTED OPERATING PROFIT			ADJUSTED OPERATING MARGIN		
IN EUR MILLIONS	H1 2019	H1 2018	CHANGE (%)	H1 2019	H1 2018	CHANGE (BASIS POINTS)
Marine & Offshore	38.4	36.3	+5.8%	21.2%	21.3%	(10)
Agri-Food & Commodities	79.6	58.6	+35.8%	13.9%	11.2%	+270
Industry	59.3	59.5	(0.3)%	11.1%	11.5%	(40)
Buildings & Infrastructure	88.6	83.0	+6.7%	13.3%	13.6%	(30)
Certification	30.9	34.2	(9.6)%	16.9%	17.9%	(100)
Consumer Products	83.7	76.5	+9.4%	24.6%	23.6%	+100
Total Group	**380.5**	**348.1**	**+9.3%**	**15.4%**	**14.9%**	**+50**

APPENDIX 3: EXTRACTS FROM THE HALF-YEAR CONSOLIDATED FINANCIAL STATEMENTS

Extracts from the half-year consolidated financial statements audited and closed on July 24, 2019 by the Board of Directors. The limited review procedures for the half-year accounts have been undertaken and the Statutory Auditor's report has been published.

CONSOLIDATED INCOME SATEMENT

IN EUR MILLIONS	H1 2019 AFTER APPLYING IFRS 16	FIRST TIME APPLICATION OF IFRS 16	H1 2019 BEFORE APPLYING IFRS 16	H1 2018
Revenue	**2,476.6**		**2,476.6**	**2,338.3**
Purchases and external charges	(690.6)	42.1	(732.7)	(689.8)
Personnel costs	(1,294.6)		(1,294.6)	(1,243.9)
Taxes other than on income	(24.0)		(24.0)	(23.3)
Net (additions to)/reversals of provisions	(1.3)		(1.3)	(0.3)
Depreciation and amortization	(142.2)	(37.1)	(105.1)	(98.1)
Other operating income and expense, net	7.3		7.3	8.1
Operating profit	**331.2**	**5.0**	**326.2**	**291.0**
Share of profit of equity-accounted companies	0.5		0.5	0.7
Operating profit after share of profit of equity-accounted companies	**331.7**	**5.0**	**326.7**	**291.7**
Income from cash and cash equivalents	0.9		0.9	1.0
Finance costs, gross	(51.1)	(8.0)	(43.1)	(41.9)
Finance costs, net	(50.2)	(8.0)	(42.2)	(40.9)
Other financial income and expense, net	(7.2)	(0.5)	(6.7)	(4.3)
Net financial expense	**(57.4)**	**(8.5)**	**(48.9)**	**(45.2)**
Profit before income tax	**274.3**	**(3.5)**	**277.8**	**246.5**
Income tax expense	(89.3)	1.0	(90.3)	(84.4)
Net income from continuing operations	185.0	(2.5)	187.5	162.1
Net income (loss) from discontinued operations	-		-	-
Net profit	**185.0**	**(2.5)**	**187.5**	**162.1**
Non-controlling interests	(13.9)	0.1	(14.0)	(12.4)
Attributable net profit	**171.1**	**(2.5)**	**173.6**	**149.7**
Earnings per share (in euros):				
Basic earnings per share	0.39		0.40	0.34
Diluted earnings per share	0.39		0.39	0.34

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

IN EUR MILLIONS	H1 2019 AFTER APPLYING IFRS 16	FIRST TIME APPLICATION OF IFRS 16	H1 2019 BEFORE APPLYING IFRS 16	DEC. 2018
Goodwill	2,056.6		2,056.6	2,011.6
Intangible assets	644.3		644.3	634.6
Property, plant and equipment	445.7		445.7	471.1
Right-of-use assets	301.5	301.5	-	-
Other non-current financial assets	115.9		115.9	114.8
Deferred income tax assets	135.4	10.4	125.0	135.3
Total non-current assets	**3,699.4**	**311.9**	**3,387.5**	**3,367.4**
Trade and other receivables	1,492.9	(1.8)	1,494.7	1,409.0
Contract assets	236.7		236.7	206.9
Current income tax assets	56.5		56.5	49.8
Current financial assets	23.2		23.2	13.1
Derivative financial instruments	1.9		1.9	3.8
Cash and cash equivalents	804.8		804.8	1,046.3
Total current assets	**2,616.0**	**(1.8)**	**2,617.8**	**2,728.9**
Assets held for sale	-		-	-
TOTAL ASSETS	**6,315.4**	**310.1**	**6,005.3**	**6,096.3**

Share capital	54.2		54.2	53.0
Retained earnings and other reserves	981.8	(29.3)	1,011.1	906.3
Equity attributable to owners of the Company	1,036.0	(29.3)	1,065.3	959.3
Non-controlling interests	63.5	(1.0)	64.5	48.3
Total equity	**1,099.5**	**(30.2)**	**1,129.7**	**1,007.6**
Non-current borrowings and financial debt	2,691.6		2,691.6	2,655.7
Non-current lease debt	277.3	277.3	-	-
Derivative financial instruments	6.4		6.4	6.7
Other non-current financial liabilities	98.8	(12.0)	110.8	125.0
Deferred income tax liabilities	125.0		125.0	127.4
Pension plans and other long-term employee benefits	203.5		203.5	185.6
Provisions for other liabilities and charges	83.2		83.2	105.1
Total non-current liabilities	**3,485.8**	**265.3**	**3,220.5**	**3,205.5**
Trade and other payables	1,148.2	(0.2)	1,148.4	1,182.8
Current income tax liabilities	153.3		153.3	71.2
Current borrowings and financial debt	234.9		234.9	499.0
Current lease debt	75.2	75.2	-	-
Derivative financial instruments	4.5		4.5	4.4
Other current financial liabilities	114.0		114.0	125.8
Total current liabilities	**1,730.1**	**75.0**	**1,655.1**	**1,883.2**
Liabilities held for sale	-		-	-
TOTAL EQUITY AND LIABILITIES	**6,315.4**	**310.1**	**6,005.3**	**6,096.3**

CONSOLIDATED STATEMENT OF CASHFLOWS

IN EUR MILLIONS	H1 2019 AFTER APPLYING IFRS 16	FIRST TIME APPLICATION OF IFRS 16	H1 2019 BEFORE APPLYING IFRS 16	H1 2018
Profit before income tax	**274.3**	**(3.5)**	**277.8**	**246.6**
Elimination of cash flows from financing and investing activities	67.2	9.7	57.5	44.0
Provisions and other non-cash items	(6.5)		(6.5)	3.9
Depreciation, amortization and impairment	142.2	37.1	105.1	98.1
Movements in working capital requirement attributable to operations	(161.6)		(161.6)	(148.8)
Income tax paid	(83.3)		(83.3)	(77.9)
Net cash generated from operating activities	**232.3**	**43.3**	**189.0**	**165.9**
Acquisitions of subsidiaries	(55.9)		(55.9)	(122.7)
Proceeds from sales of subsidiaries and businesses	16.6		16.6	-
Purchases of property, plant and equipment and intangible assets	(56.4)		(56.4)	(63.1)
Proceeds from sales of property, plant and equipment and intangible assets	5.1		5.1	4.1
Purchases of non-current financial assets	(8.4)		(8.4)	(14.8)
Proceeds from sales of non-current financial assets	8.4		8.4	10.6
Change in loans and advances granted	(11.4)		(11.4)	(1.9)
Dividends received from equity-accounted companies	1.4		1.4	0.5
Net cash used in investing activities	**(100.6)**		**(100.6)**	**(187.3)**
Capital increase	0.7		0.7	2.6
Purchases/sales of treasury shares	2.8		2.8	(26.7)
Dividends paid	(69.3)		(69.3)	(254.8)
Net increase (decrease) in borrowings and other debt	(219.8)		(219.8)	258.0
Increase in borrowings and other debt	204.9		204.9	263.8
Repayment of borrowings and other debt	(424.7)		(424.7)	(5.7)
Repayment of amounts owed to shareholders	(3.2)		(3.2)	-
Repayment of lease liabilities	(43.3)	(43.3)	-	-
Interest paid	(40.1)		(40.1)	(44.0)
Net cash generated from (used in) financing activities	**(372.2)**	**(43.3)**	**(328.9)**	**(64.8)**
Impact of currency translation differences	(0.2)		(0.2)	(7.2)
Impact of changes in accounting method	-		-	-
Net increase (decrease) in cash and cash equivalents	**(240.7)**		**(240.7)**	**(93.4)**
Net cash and cash equivalents at beginning of the period	1,034.6		1,034.6	354.5
Net cash and cash equivalents at end of the period	**793.9**		**793.9**	**261.1**
o/w cash and cash equivalents	804.8		804.8	286.7
o/w bank overdrafts	(10.9)		(10.9)	(25.6)

APPENDIX 4: FINANCIAL INDICATORS NOT DEFINED BY IFRS ACCOUNTING RULES

ADJUSTED OPERATING PROFIT

IN EUR MILLIONS	H1 2019 AFTER APPLYING IFRS 16	H1 2019 BEFORE APPLYING IFRS 16	H1 2018
Operating profit	331.2	326.2	291.0
Amortization of acquisition intangibles	38.5	38.5	35.8
Restructuring costs	12.1	12.1	19.5
Acquisition and disposals	(1.3)	(1.3)	1.8
Impairment of goodwill	-	-	-
Total adjustment items	49.3	49.3	57.1
Adjusted operating profit	**380.5**	**375.5**	**348.1**

NET FINANCIAL EXPENSES

IN EUR MILLIONS	H1 2019 AFTER APPLYING IFRS 16	H1 2019 BEFORE APPLYING IFRS 16	H1 2018
Net financial charges	(50.2)	(42.2)	(40.9)
Foreign exchange gain/loss	(4.8)	(4.3)	(2.0)
Interest charge on pension plans	(1.4)	(1.4)	(1.1)
Other	(1.0)	(1.0)	(1.2)
Net financial expenses	**(57.4)**	**(48.9)**	**(45.2)**

ADJUSTED EFFECTIVE TAX RATE[a]

IN EUR MILLIONS	H1 2019 AFTER APPLYING IFRS 16	H1 2019 BEFORE APPLYING IFRS 16	H1 2018
Profit before Tax	274.3	277.8	246.5
Tax	(89.3)	(90.3)	(84.4)
ETR[b]	32.5%	32.5%	34.2%
Adjusted ETR	**31.1%**	**31.1%**	**32.8%**

(a) Adjusted ETR = Income tax expense adjusted for tax effect on adjustment items / Profit before tax adjusted for adjustment items

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

ATTRIBUTABLE NET PROFIT

IN EUR MILLIONS	H1 2019 AFTER APPLYING IFRS 16	H1 2019 BEFORE APPLYING IFRS 16	H1 2018
Attributable net profit	171.1	173.6	149.7
EPS[(a)] (€ per share)	*0.39*	*0.40*	*0.34*
Adjustment items	47.0	47.0	54.3
Net income from operations to be sold	-	-	-
Tax effect on adjustment items	(11.5)	(11.5)	(14.5)
Adjusted attributable net profit	**206.6**	**209.1**	**189.5**
Adjusted EPS[(a)] (€ per share)	*0.47*	*0.48*	*0.44*

(a) Calculated using the weighted average number of shares of 437,222,344 in H1 2019 and 435,410,677 in H1 2018

FREE CASH FLOW

IN EUR MILLIONS	H1 2019 AFTER APPLYING IFRS 16	H1 2019 BEFORE APPLYING IFRS 16	H1 2018
Net cash generated from operating activities (operating cash flow)	232.3	189.0	165.9
Purchases of property, plant and equipment and intangible assets net of disposals	(51.3)	(51.3)	(59.0)
Interest paid	(40.1)	(40.1)	(44.0)
Free cash flow	**140.9**	**97.6**	**62.9**

ADJUSTED NET FINANCIAL DEBT

IN EUR MILLIONS	JUNE 2019 AFTER APPLYING IFRS 16	JUNE 2019 BEFORE APPLYING IFRS 16	DEC. 2018
Gross financial debt	2,926.5	2,926.5	3,154.7
Cash and cash equivalents	804.8	804.8	1,046.3
Consolidated net financial debt	**2,121.7**	**2,121.7**	**2,108.4**
Currency hedging instruments	6.4	6.4	6.7
Adjusted net financial debt	**2,128.1**	**2,128.1**	**2,115.1**