PRESS RELEASE

Neuilly-sur-Seine, France – February 27, 2020

Bureau Veritas' strong fundamentals driving an excellent set of 2019 results

2019 Key Figures[1]

- Revenue of EUR 5,100 million in 2019, up 6.3% year on year, with organic growth of +4.3%, of which 5.3% in the fourth quarter
- Operating profit of EUR 721 million, up 13.2% year on year
- Adjusted operating profit of EUR 832 million, up 9.7% year on year, showing a margin progression of 50 basis points[2] to 16.3%; at constant currency, before applying IFRS 16, margin rose 20 basis points
- Attributable net profit of EUR 368 million, up 10.6% year on year
- Adjusted net profit of EUR 451 million (EUR 1.02 per share), up 8.1% year on year
- Free cash flow of EUR 618 million (12.1% of Group revenue), up 29.2% year on year
- Adjusted net debt / EBITDA ratio improved from 2.3x as of December 2018 to 1.9x as of December 2019
- Proposed dividend of EUR 0.56 per share[3], payable in cash (payout ratio of 55%)

2020 Outlook

The Group remains uniquely positioned considering the diversity and the resilience of its portfolio. Given the negative impact of the Covid-19 force majeure, Bureau Veritas expects for the full year 2020 to:

- Achieve solid organic revenue growth
- Focus on protecting the adjusted operating margin at constant currency
- Generate sustained strong cash flow

In the current circumstances, Bureau Veritas expects the impact to be primarily in Q1 2020.

Didier Michaud-Daniel, Chief Executive Officer, commented:

"The 2019 numbers illustrate the extent of the transformation of Bureau Veritas since 2015 and are a credit to all the teams across the Group. Exceeding EUR 5 billion in revenues and ending the year with the best quarterly organic growth in seven years shows the resilience and growth potential of our repositioned portfolio. The strong margin, cash performance and net profit prove the strength and the relevance of the Group's new business model which we have successfully refocused over the course of the past 5 years. We are now well positioned to move to a new phase in Bureau Veritas's development which will be announced in a few months.

Since its inception in 1828, the Group's purpose has been to shape a world of trust. In 2019, we have further supported our clients in their Corporate Social Responsibility commitments, and we have taken steps to go beyond CSR regulatory requirements in several areas such as health and safety, inclusion and environmental protection. I believe that Bureau Veritas is uniquely positioned to shape the trust between companies and their clients and help them promote more responsible progress.

Safety is an absolute at Bureau Veritas, and as the world is faced with the Covid-19 crisis, I would like to publicly express once again our full support to our people and our clients affected by these events.

Notwithstanding the significant impact on our business activities that one must assume on the 2020 outlook, the Group's strong fundamentals remain unchanged and clearly demonstrate the soundness of the ongoing strategy. In the forthcoming months we will announce our next strategic plan, anchored in the current trajectory which is proving to be very successful."

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

[2] Including 25 basis point positive impact from IFRS 16.

[3] Proposed dividend, subject to Shareholders' Meeting approval on May 14, 2020.

KEY 2019 FIGURES

The Board of Directors of Bureau Veritas met on February 26, 2020 and approved the financial statements for 2019. The main consolidated financial items are:

IN EUR MILLIONS	2019 AFTER APPLYING IFRS 16	2019 BEFORE APPLYING IFRS 16	2018	CHANGE[a]	CONSTANT CURRENCY[a]
Revenue	5,099.7	5,099.7	4,795.5	+6.3%	+5.5%
Adjusted operating profit[b]	831.5	818.5	758.0	+9.7%	+6.9%
Adjusted operating margin	**16.3%**	**16.1%**	**15.8%**	**+50bps**	**+45bps**
Operating profit	721.3	708.3	637.2	+13.2%	+12.3%
Adjusted net profit[b]	**451.0**	**454.5**	**417.2**	**+8.1%**	**+12.9%**
Net profit	367.9	371.4	332.6	+10.6%	+21.2%
Adjusted EPS[b]	**1.02**	**1.03**	**0.96**	**+6.3%**	**+10.9%**
EPS	0.83	0.84	0.76	+9.2%	+19.9%
Operating cash flow	820.4	711.4	685.5	+19.7%	+18.7%
Free cash flow[b]	**617.9**	**508.9**	**478.4**	**+29.2%**	**+28.1%**
Adjusted net financial debt[b]	1,813.3	1,813.3	2,115.1	(14.3)%	

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

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

2019 HIGHLIGHTS

Continuing steady organic revenue growth throughout the year

Group organic revenue growth amounted to 4.3% in 2019, accelerating to 5.3% in the last quarter after 4.0% growth achieved in the first nine months of the year:

- Five out of six businesses grew organically at 4.8% on average, including Agri-Food & Commodities at 6.7%, Buildings & Infrastructure (B&I) at 3.2% and Consumer Products at 2.3%;
- Marine & Offshore (up 4.9% led by new construction) and Industry (up 6.4% led by Opex diversification and the recovery of Oil & Gas Capex markets) confirmed their recovery;
- Certification declined 1.5%, as expected, a reflection of a transitional year post-revision of standards, cushioned by a return to strong growth in the last quarter.

In the last quarter, the Group's portfolio grew 5.3% on average organically and across the board. Industry was the top performing business at 9.3% delivering the full benefits of the balanced Opex and Capex-related activities. Certification, was up 6.7%, benefiting from strong momentum on new schemes and the development of the business following the revision of standards period.

Continuing disciplined M&A strategy with five transactions in the year

In 2019, Bureau Veritas completed five transactions in different countries to strengthen its footprint, representing around EUR 46 million in annualized revenue (or 0.9% of 2019 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 eligible projects
Owen Group	EUR 7m	United States	Mar. 2019	Asset management and project compliance services
Agri-Food				
BVAQ	Joint venture with AsureQuality EUR 4m in additional revenue	Singapore	Jan. 2019[4]	Food testing company providing services to South East Asian markets
Shenzhen Total-Test Technology	EUR 10m	China	Apr. 2019	Testing services for agricultural, processed food, additives, baby food, animal feed and non-medical cosmetics
Q Certificazioni	c.EUR 2m	Italy	Aug. 2019	Organic certification services for food products against national and international standards

The Group is pursuing a very selective and disciplined strategy in its operations. As at the end of February 2020, Bureau Veritas had completed 33 acquisitions adding more than EUR 410 million of incremental revenue (of which more than EUR 390 million supporting the Group's five Growth Initiatives).

The pipeline of opportunities remains healthy and the Group will continue to deploy a very selective bolt-on acquisitions strategy, in targeted areas and geographies.

An active portfolio management strategy

The Group continued to divest in 2019 non-strategic businesses. It completed the disposal of its health, safety and environmental consulting services in North America in June 2019 (HSE Consulting; USD 30 million in revenue in 2018 and 170 employees).

Elsewhere, a number of laboratories and offices were divested in targeted geographies (North America and Europe notably) and focused on under-performing units, in order to streamline its global organization.

In total the Group divested around EUR 35 million of revenue and reduced its headcount by 250 full-time equivalents in 2019.

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

A proactive cost management approach

The Group implemented structural margin improvement actions and continued to adjust its cost base, notably in Industry, Buildings & Infrastructure, and commodities related-activities. This resulted in a restructuring charge of EUR 24.4 million in 2019, following EUR 42.1 million in 2018.

Sustained financing activity in favor of lengthening the average maturity and optimizing of the average cost of debt

In November 2019, Bureau Veritas SA successfully issued a EUR 500 million unrated new bond maturity January 2027 and carrying a coupon of 1.125%. This transaction was nearly four times oversubscribed, enabling Bureau Veritas to benefit from a price below initial price indications. It underlines the high confidence of investors in the Bureau Veritas business model as well as the quality of its credit profile.

The Group also successfully launched a USD 200 million 10-year private placement in the US market. This transaction, which was also strongly oversubscribed, comes with a coupon of 3.21%, which is a historic low for the Group on this market. The funds were made available in January 2020.

These issuances allow Bureau Veritas to seize attractive market conditions for general corporate purposes including the refinancing of some of its upcoming maturities, thereby lengthening the average maturity of its debt while optimizing its cost. This helped extend the average maturity of the Group's financial debt to around 5.8 years[5], with a blended average cost of funds over the full year of 2.8%.

EXECUTIVE COMMITTEE APPOINTMENT

Catherine Chen appointed Executive Vice-President of Bureau Veritas Consumer Products Services

On January 1, 2020, Catherine Chen became Executive Vice-President of the Consumer Products Services division. Based in Shanghai, China, Catherine Chen is a member of the Group Executive Committee and reports to Didier Michaud-Daniel, Chief Executive Officer of Bureau Veritas. She brings more than 20 years of global experience in the Consumer Products industry and succeeds Oliver Butler, who has decided to retire from the Group in 2020 after many successful years with Bureau Veritas.

[5] At December 31, 2019, on the basis of the core debt adjusted for 2020 and 2021 maturities partially refinanced during 2019, for a total amount of EUR 678 million.

ANALYSIS OF THE GROUP'S RESULTS AND FINANCIAL POSITION

The information presented and discussed below consists of financial data after the application of IFRS 16 in the full year 2019 consolidated financial statements. The financial data previously to the impact from the application of IFRS 16 are presented in the Appendix of this press release.

Revenue up 6.3% year on year (up 4.3% on an organic basis)

Revenue in 2019 amounted to EUR 5,099.7 million, a 6.3% increase compared with 2018. Organic growth was 4.3%, slightly accelerating in H2 compared with H1 (up 4.7% vs. 4.0% respectively). Q4 2019 saw a 5.3% organic growth rate.

Five out of six businesses delivered organic growth of 4.8% on average, including Agri-Food & Commodities at 6.7%, Industry at 6.2%, Marine & Offshore at 4.9%, Buildings & Infrastructure at 3.2% and Consumer Products at 2.3%. Only Certification revenue slightly declined on a full year basis as expected (down 1.5%) although the trend turned positive in the last quarter as the range of new services, notably those focused on corporate social responsibility continued to gather momentum.

By geography, activities in Europe grew moderately (35% of revenue; 2.6% organic growth), with notably solid performances in Northern Europe while strong in Eastern countries (up double-digit organically). The growth in Asia Pacific (31% of revenue; 4.8% organic growth) was primarily supported by China across most businesses, Southern Asia and Australia. Activities in the Americas (25% of revenue) increased by 5.4% organically, mostly driven by Latin America (up 10.1% organically), which 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 remained well oriented with a 6.6% organic growth, driven notably by the energy sector.

Net acquisition growth was 1.2%, combining the contribution of acquisitions made in 2019, notably in the Buildings & Infrastructure and Agri-Food businesses, acquisitions finalized in 2018 and the reduction following divestment of the HSE consulting business in the US, in particular.

Currency fluctuations had a positive impact of 0.8%, mainly due to the appreciation of the USD and pegged currencies against the euro partly offset by the depreciation of some emerging countries' currencies.

Adjusted operating profit up 9.7% to EUR 831.5 million

Consolidated adjusted operating profit increased by 9.7% to EUR 831.5 million; before applying IFRS 16, it totaled EUR 818.5 million, up 8.0%. The full year 2019 adjusted operating margin gained 50 basis points to 16.3%. Before applying IFRS 16, the margin increased by 25 basis points to 16.1% compared to 15.8% in full year 2018; at constant exchange rates, it progressed by 20 basis points to 16.0% (of which 13 basis points organic and 7 basis points from scope).

CHANGE IN ADJUSTED OPERATING MARGIN

IN PERCENTAGE AND BASIS POINTS	
2018 adjusted operating margin	**15.8%**
Organic change	+13bps
Organic adjusted operating margin	**15.9%**
Scope	+7bps
Constant currency adjusted operating margin	**16.0%**
Currency	+5bps
2019 adjusted operating margin before applying IFRS 16	**16.1%**
IFRS 16 impact	+25bps
2019 adjusted operating margin after applying IFRS 16	**16.3%**

Three out of six business activities posted improving margins, adding 32 basis points to the Group's organic margin. This was driven by a significant improvement in Agri-Food & Commodities, Buildings & Infrastructure and Marine & Offshore. This improvement is the result of a combination of operating leverage, strict cost control, restructuring pay back and active portfolio management.

Both Consumer Products and Certification experienced lower margins due to low or negative organic growth and/or a negative mix.

Other operating expenses decreased to EUR 110.2 million vs. EUR 120.8 million in 2018. These include:

- EUR 79.8 million in amortization of intangibles assets resulting from acquisitions (EUR 75.1 million in 2018);
- EUR 24.4 million in restructuring charges, with actions taken mainly in government services, Buildings & Infrastructure, and commodities related-activities (EUR 42.1 million in 2018);
- EUR 6.0 million in income and expenses relating to acquisitions as well as gains on disposals (EUR 3.6 million in 2018).

Operating profit totaled EUR 721.3 million, up 13.2% compared to EUR 637.2 million in 2018.

Adjusted EPS of EUR 1.02, up 6.3% year on year

Net financial expense totaled EUR 118.6 million compared with EUR 93.2 million in 2018, reflecting the IFRS 16 impact, and a higher negative foreign exchange impact (EUR 10.0 million vs. EUR 5.7 million in 2018) due to the appreciation in the US dollar and the euro against most emerging market currencies.

Net finance costs increased to EUR 100.2 million (vs. EUR 82.5 million in 2018), mainly attributable to the following items: (i) the impact from IFRS 16 (EUR 16.8 million); (ii) a slight increase in average indebtedness, due to anticipating refinancing, cushioned to some extent by the lower average cost of debt (2.8% vs. 3.0%).

Other items (including interest cost on pension plans and other financial expenses) stood at EUR 8.4 million, up from EUR 5.0 million in 2018.

Income tax expense totaled EUR 210.7 million in 2019, compared with EUR 189.3 million in 2018.

This represents an effective tax rate (ETR) of 34.9% for the period, compared with 34.8% in 2018.

The adjusted ETR is 33.1%, down 20 basis points compared with 2018. The decrease results notably from the new tax deductibility rules for interest applicable in France as of 2019.

Attributable net profit for the period was EUR 367.9 million, up 10.6% vs. EUR 332.6 million in 2018.

Earnings per share (EPS) stood at EUR 0.83, up 9.2% vs. EUR 0.76 in 2018

Adjusted attributable net profit totaled EUR 451.0 million, up 8.1% vs. EUR 417.2 million in 2018.

Adjusted EPS stood at EUR 1.02, a 6.3% increase vs. 2018.

Strong free cash flow improvement of 29.2% to EUR 617.9 million

Full year 2019 operating cash flow improved by 19.7% to EUR 820.4 million vs. EUR 685.5 million in 2018. Before applying IFRS 16 operating cash flow increased by 3.8% to EUR 711.4 million. This increase is primarily driven by the improvement in profit before income tax. This was cushioned by a working capital requirement outflow of EUR 17.2 million, compared to a EUR 4.1 million inflow the previous year, as a result of accelerating organic revenue growth in Q4 at 5.3%. The Move For Cash program continued to demonstrate positive effects and is still ongoing with actions all across the organization.

Working capital requirement (WCR) stood at EUR 450.2 million at December 31, 2019, compared to EUR 433.1 million at December 31, 2018. As a percentage of sales, WCR decreased to 8.8%, compared to 9.0% in 2018.

Purchases of property, plant and equipment and intangible assets, net of disposals (Net Capex), amounted to EUR 122.7 million in 2019, a decrease compared to EUR 124.1 million in 2018. This showed disciplined control over the Group's net capex-to-revenue ratio at 2.4%, slightly down compared to the level achieved in 2018 (2.6%).

Free cash flow (available cash flow after tax, interest expenses and capex) was EUR 617.9 million compared to EUR 478.4 million in 2018, up 29.2% year-on-year. Before applying IFRS 16, free cash flow reached EUR 508.9 million, up 6.4%. On an organic basis, free cash flow increased by 5.2% in 2019.

CHANGE IN FREE CASH FLOW

IN EUR MILLIONS	
Free cash flow at December 31, 2018	**478.4**
Organic change	+25.1
Organic free cash flow	**503.5**
Scope	+0.1
Free cash flow at constant currency	**503.6**
Currency	+5.3
Free cash flow at December 31, 2019 before applying IFRS 16	**508.9**
IFRS 16 impact	+109.0
Free cash flow at December 31, 2019 after applying IFRS 16	**617.9**

At December 31, 2019, adjusted net financial debt was EUR 1,813.3 million, i.e., 1.87x trailing twelve-month EBITDA as defined in the calculation of the bank covenant, compared with 2.34x at December 31, 2018. The decrease in adjusted net financial debt of EUR 301.8 million vs. December 31, 2018 (EUR 2,115.1 million) reflects:

- Free cash flow of EUR 617.9 million;
- Dividend payments totaling EUR 97.3 million;
- Acquisitions (net) and repayment of amounts owed to shareholders, accounting for EUR 98.5 million;
- Lease payments (related to the application of IFRS 16), accounting for EUR 109.0 million;
- Other items that increased the Group's debt by EUR 11.3 million.

PROPOSED DIVIDEND

Bureau Veritas is proposing a dividend of EUR 0.56 per share for 2019, unchanged compared to 2018. The proposed dividend will be paid in cash. This corresponds to a payout ratio of 55% of adjusted attributable net profit.

This is subject to the approval of the Ordinary Shareholders' Meeting to be held on May 14, 2020 at 3:00pm at Immeuble Newtime, 40-52 Boulevard du Parc, 92200, Neuilly-sur-Seine. The dividend will be paid in cash on May 25, 2020, (shareholders on the register on May 22, 2020 will be entitled to the dividend and the share will go ex-dividend on May 21, 2020).

IMPACT ON THE BUSINESS DUE TO COVID-19

Bureau Veritas is closely monitoring the economic inactivity associated with the Covid-19 outbreak. It is having a direct impact on the Group's operations, primarily in China (17% of Group revenue, 16,461 employees as of December 31, 2019), and potentially elsewhere. Both the Group's testing-driven consumer goods activities and audit and inspections activities are affected.

In the current circumstances, the impact on revenue is expected to be in the range of EUR 60 million to EUR 100 million. The Group will provide further updates on the situation in due course.

The Group is carefully monitoring the situation and has taken the appropriate actions to protect its people.

2020 OUTLOOK

The Group remains uniquely positioned considering the diversity and the resilience of its portfolio. Given the negative impact of the Covid-19 force majeure, Bureau Veritas expects for the full year 2020 to:

- Achieve solid organic revenue growth;
- Focus on protecting the adjusted operating margin at constant currency;
- Generate sustained strong cash flow.

In the current circumstances, Bureau Veritas expects the impact to be primarily in Q1 2020.

2016-2020 AMBITION

Achieving the final year of the 2016-2020 ambition[6] is no longer relevant in the context of the Covid-19 crisis.

The Group's strong fundamentals remain unchanged and clearly demonstrate the soundness of the ongoing strategy. Bureau Veritas will announce its next strategic plan in September 2020, anchored in the current trajectory which is proving to be very successful.

The Group remains committed through 2020 to its non-financial performance and mainly aims to:

- <u>Health and Safety</u>: Reduce accident rates by 50% (TAR, LTR)[7];
- <u>Inclusion</u>: Achieve 25% female representation on the Group's executive management team;
- <u>Environment</u>[8]: Reduce CO_2 emissions by 10% per full-time equivalent; Increase the use of renewable energy by 10%; Achieve 75% of Group activities ISO 14001 certified.

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[6] As a reminder, 2016-2020 financal ambition was as follows: Add EUR 1.5 billion of incremental revenue based on the 2015 plan's initial exchange rates as presented at the October 2015 Investor Days, half organic and half through external growth; Reach 5% to 7% of organic growth by 2020; Achieve above 17% adjusted operating margin in 2020 at the 2015 plan's initial exchange rates as presented at the October 2015 Investor Days; Generate continuous high free cash flow.

[7] TAR: Total Accident Rate, 0.38 in 2019; LTR: Lost Time Rate, 0.23 in 2019; Compared to 2014 consolidated results.

[8] Compared to 2015 consolidated results.

FULL YEAR 2019 BUSINESS REVIEW

MARINE & OFFSHORE

IN EUR MILLIONS	2019	2018	CHANGE	IFRS 16	ORGANIC	SCOPE	CURRENCY
Revenue	368.5	348.6	+5.7%	-	+4.9%	+0.1%	+0.7%
Adjusted Operating Profit	81.5	73.5	+10.9%				
Adjusted Operating Margin	22.1%	21.1%	+104bps	+10bps	+55bps	+35bps	+4bps

The Marine & Offshore business demonstrated a solid 4.9% organic revenue growth in 2019, as it benefited from the recovery in new orders. The 2.4% organic revenue growth in Q4 2019 reflects the recovery already seen in the last quarter of 2018. The full year performance results mainly from:

- High single-digit growth in New Construction, notably driven by the equipment certification business in North East Asia (China and South Korea).
- Low single-digit growth in Core In-service, a reflection of the fleet's modest growth, stabilized pricing and small IMO 2020 benefit. The Group also benefited from a regular stream of class transfers. At December 31, 2019, the fleet classified by Bureau Veritas comprised 11,394 ships, representing 126.6 million of Gross Register Tonnage (GRT), up 0.5% on a yearly basis (based on the number of ships).
- Low single-digit growth for Services (including Offshore) benefiting from the extension of services provided to customers and stabilized Offshore activity (loss adjusting services). In particular, the offshore wind energy provides attractive opportunities, with the awards of two projects with *Jan de Nul*, of which one is a highly sophisticated offshore self-elevating wind farm installation vessel.

New orders grew 7.3% to 6.5 million gross tons at the end of December 2019 (from 6.1 million gross tons in the prior year period). The Group's significant outperformance in a market down double-digit in 2019 illustrates its strong positioning in the most dynamic segments and confirms its leading position in the LNG-propelled and LNG bunkering vessels. The order book stood at 14.2 million gross tons at the end of the year, up 1.2% compared to December 2018. It is well diversified with containers, bulk, tankers and LNG vessels gas and passenger ships representing a significant share of the orders.

In 2019, Marine & Offshore continued to focus on efficiency levers through digitalization and high added value services. It launched new digital tools, such as *Veristar Equipment*, a platform to simplify the equipment certification process and *Optimum Survey Planning*, a tool that optimizes the booking of inspections and visits by the customer. In addition, electronic certificates were deployed during the year for numerous ship owners, with more than 1,500 electronic certificates issued.

During the year, Bureau Veritas Solutions gained traction amongst the Group's customers as shipowners and operators seek expertise to increase the performance of their assets. It was launched in 2018 in order to support the Group's customers in the context of tightening environmental regulatory requirements.

Adjusted operating margin for the year improved to 22.1%, up 104 basis points compared to 2018, of which 55 basis points on an organic basis, benefiting from the operating leverage, positive mix and operational excellence. The Group saw notably the effect from the successful transformation of the operating model of its In-Service activity.

Outlook: In 2020, Bureau Veritas expects organic revenue growth in this business to be positive. This reflects (i) a good momentum in New Construction thanks to its healthy backlog; (ii) resilient Core In-Service activity; (iii) improving Offshore-related activities.

AGRI-FOOD & COMMODITIES

IN EUR MILLIONS	2019	2018	CHANGE	IFRS 16	ORGANIC	SCOPE	CURRENCY
Revenue	1,168.2	1,074.5	+8.7%	-	+6.7%	+1.2%	+0.8%
Adjusted Operating Profit	161.4	132.0	+22.3%				
Adjusted Operating Margin	13.8%	12.3%	+153bps	+40bps	+79bps	+39bps	(5)bps

The Agri-Food & Commodities business achieved strong organic growth of 6.7% in 2019, driven by Metals & Minerals, Agri-Food and Government Services. Q4 2019 recorded a 6.6% organic growth.

Oil & Petrochemicals (O&P) segment (36% of divisional revenue) reported low single-digit organic growth (including in Q4 2019), with similar growth in both trade and upstream activities. The Group recorded strong growth in Europe driven by new services and outsourcing contracts, as well as a very high growth in Africa thanks to its extension of footprint and services; in contrast, slightly negative growth was achieved in the US, where competitive dynamics remained difficult. Non-trade activities (OCM, Marine fuels) achieved double-digit growth. IMO 2020 provided additional push in the market with strong demand for compatibility testing as ship owners make the transition.

Metals & Minerals segment (28% of divisional revenue) continued to deliver a strong performance with organic growth high single-digit in 2019 (including in Q4), led by both Trade and Upstream activities across most geographies. Upstream continued to record strong growth led notably by Africa, Australia and the Americas. The Group experienced good results from its continued strategy of development in Africa with new contracts and lab facilities servicing a range of projects – including bauxite and gold. Key mine site outsourcing contract wins (Africa and Australia) contributed significantly to growth. Trade activities grew high single-digit organically, primarily led by Asia and Americas. They benefited from favorable market conditions and continued strong performance winning market share.

Agri-Food (22% of divisional revenue) recorded a very strong double-digit organic growth for the full year, (including in Q4) driven by both Food activities and Agricultural testing and inspection activities. The Agri business recorded double-digit growth across all geographies apart from Europe. It benefited from new contract wins notably in precision farming (in Africa, Latin America and Eastern Europe notably), favorable comparables (following poor weather conditions and external factors in 2018) and new services covering traceable sustainability programs offered to the grower, trade and retail industry. The Food business also maintained strong trends across all geographies, above the market growth, thanks to the development of several initiatives, new labs openings (US and Asia) and the benefits from past acquisitions (DTS in Australia or Labomag in Morocco). In 2019, the creation of the Bureau Veritas Asure Quality joint-venture allowed to consolidate the leading position of the company in South East Asia, thanks to a highly integrated network of labs in Singapore, Malaysia, Vietnam and Thailand.

Government Services (14% of divisional revenue) recorded double-digit organic growth in the year, (of which high single-digit in Q4), benefiting from the full ramp-up of VOC (Verification of Conformity) and single window contracts in several African countries (the Democratic Republic of the Congo, Ghana, Ivory Coast and Tanzania notably).

The adjusted operating margin for the Agri-Food & Commodities business strongly improved to 13.8%, up 153 basis points compared to last year. This reflects a strong organic increase (up 79 basis points) fueled by the operating leverage, a positive mix and the benefit of past restructuring actions.

Outlook: In 2020, the Group expects its Agri-Food & Commodities business to deliver solid organic revenue growth albeit at a slower rate compared to 2019, fueled by strong Agri-Food businesses, solid Metals & Minerals markets and resilient Oil & Petrochemicals activities.

INDUSTRY

IN EUR MILLIONS	2019	2018	CHANGE	IFRS 16	ORGANIC	SCOPE	CURRENCY
Revenue	1,111.1	1,052.8	+5.5%	-	+6.4%	(0.1)%	(0.8)%
Adjusted Operating Profit	141.4	131.1	+7.9%				
Adjusted Operating Margin	12.7%	12.5%	+26bps	+32bps	(9)bps	(5)bps	+8bps

Industry revenue accelerated to 6.4% organically in the full year 2019 from +3.5% in 2018, confirming the recovery observed over the past year. In Q4 2019 the business delivered a strong +9.3% organic growth. This reflects the benefits of the strategy of diversification towards Opex and non-Oil & Gas markets together with improving market conditions in Oil & Gas throughout 2019.

Part of the Group's strategic plan Growth Initiatives, Opex-related activities maintained a strong performance in 2019. Low double-digit growth was mostly supported by the Power & Utilities segment (13% of divisional revenue, P&U), primarily led by Latin America along with a solid momentum in North America. During the year, the Group successfully expanded its Opex Grid platform across different Latin American countries (Brazil, Colombia, Peru, Argentina, Panama), capitalizing on its recognized expertise. Several large contracts with various Power distribution clients were signed in Chile and Argentina. P&U is expected to remain one of the growth engines of the Group and to further improve the recurring nature of its businesses.

Oil & Gas markets (36% of divisional revenue) continued to recover throughout the year including in the last quarter: Capex-related activities grew low double-digit organically, led by strong developments in the United States, Latin America (apart from Brazil) and Africa. The business further stabilized in Asia. During the year, the Group continued to experience a build-up of predominantly small-sized capex opportunities in the pipeline, notably on Gas and for LNG related projects. Opex-related activities grew mid-single-digit organically compared to last year, benefiting from the recovery of large key accounts. Growth was primarily fueled by Latin America (Argentina and Colombia notably) and South & West Europe.

By geography, growth was very strong in all the main Latin America countries thanks to sector diversification (P&U activities and O&G Opex), in the US (led by international oil companies and LNG projects) and in certain European countries (including Italy, the UK and Eastern countries).

During the year the Group continued to deliver progress on its digital transformation. Drone inspections have been multiplied in many sectors and countries, leading to better efficiency and greater safety for inspectors. The Group signed three new partnerships: i) with Ergoss for a flight data analysis service for aviation security; ii) with Cornis for advanced inspection services for wind turbine blade, based on Cornis artificial intelligence technology iii) with OSMOS (EREN Group) for integrated inspection and structural monitoring services, based on the unique technology of OSMOS deformation sensors.

Adjusted operating margin for the year was 12.7%, up 26 basis points from 12.5% in 2018. Organically the margin declined by 9 basis points due to continuing negative mix effect with the strong ramp-up of large Opex contracts and mobilization costs which offset the operational leverage and the benefits of the restructuring actions.

Outlook: In 2020, Bureau Veritas expects its Industry business to deliver solid organic revenue growth, fueled by the pursuit of its successful Opex services diversification alongside further improvement in Oil & Gas Capex markets.

BUILDINGS & INFRASTRUCTURE

IN EUR MILLIONS	2019	2018	CHANGE	IFRS 16	ORGANIC	SCOPE	CURRENCY
Revenue	1,379.2	1,275.7	+8.1%	-	+3.2%	+3.6%	+1.3%
Adjusted Operating Profit	209.7	188.2	+11.4%				
Adjusted Operating Margin	15.2%	14.8%	+45bps	+9bps	+38bps	(8)bps	+6bps

The Buildings & Infrastructure business posted strong revenue growth of 8.1% in 2019 with a 3.6% impact from external growth due notably to the acquisition of Capital Energy in France and Owen Group in the US.

Organically, growth amounted to 3.2% for the year (of which 2.8% in the last quarter) spread across Asia and Americas. Mid-single-digit organic growth was delivered in Construction-related activities (44% of divisional revenue) while a low single-digit organic growth was reached in the Buildings In-service activities (56% of divisional revenue).

The Group achieved high single-digit organic growth in Asia Pacific (23% of divisional revenue). It was fueled by China (9.5% organic growth), representing 15% of Buildings & Infrastructure revenue, which remains supported by strong growth in energy and infrastructure project management assistance. Japan also delivered robust organic growth thanks to good development in Capex-related services.

In the Americas (19% of divisional revenue), mid-single-digit growth was achieved primarily led by the United States (7.7% organic growth), benefiting from strong dynamics in data center commissioning services (Primary Integration acquisition) and solid trends for code compliance services. The acquisition of Owen Group (around EUR 7 million in revenue) positioned the Group in buildings and infrastructure compliance services in the US including ADA accessibility compliance, deferred maintenance compliance, commissioning, and code compliance. In Latin America, the activity suffered from the end of contracts and the lack of new investments in Brazil and Mexico notably. The sales pipeline however improved by year end.

Growth in Europe (55% of divisional revenue) was slightly up. France (42% of divisional revenue) was broadly stable with some improvement in Q4 (2.6%) reflecting some growth for Opex-related activities (around three-quarter of the French business) while Capex-related works were slightly down, reflecting the market dynamics. During the year, several initiatives were launched as well as more value added package offers: they rely on BV Solutions which encompasses a large range of new services including project management leveraging EMG Ageing & Risk Predictive asset management or energy audit /energy efficiency programs capitalizing on the expertise of Capital Energy (EUR 23 million in revenue, acquired in 2019), providing consulting and support services for white certificate eligible projects in France.

During the year, the project management assistance of large construction works, which was developed in Brazil based on PRIManager software, was deployed in more than ten countries. The recent deployment in China should further accelerate the growth in revenue associated with these services.

Adjusted operating margin for the year improved by 45 basis points to 15.2%, of which 38 basis points organic due to efficiency gains and geographical mix effects.

Outlook: In 2020, the outlook for the business is expected to improve overall thanks to the recovery of France, backed by the delivery of its healthy backlog of Opex-related services, mitigated by the negative impact of Covid-19 on its operations.

CERTIFICATION

IN EUR MILLIONS	2019	2018	CHANGE	IFRS 16	ORGANIC	SCOPE	CURRENCY
Revenue	370.5	373.7	(0.9)%	-	(1.5)%	+0.2%	+0.5%
Adjusted Operating Profit	64.5	66.4	(2.9)%				
Adjusted Operating Margin	17.4%	17.8%	(34)bps	+14bps	(50)bps	+2bps	-

The Certification business recorded, as expected, a slightly negative organic growth of 1.5% for the full year 2019, after the exceptionally high level of activity in 2018 with the end of the three-year standards revision period. In the last quarter, the growth resumed with a strong organic performance of 6.7%.

As expected QHSE and Transportation Certification markets declined significantly as a result of the absence of transition man-days in the first nine months of the year. This mainly impacted the countries which are highly dependent on QHSE and Transportation standards, namely Germany, the US, Canada, Brazil and Japan.

Growth was strong elsewhere supported by new products which address the overall rising customer demand for brand protection and traceability all along the supply chain. In 2019, the Group achieved high double-digit growth in Health & Safety Management (with the new ISO 45001 standard), Social & Customized audits (on both clients' supply and operations sides), Sustainability and Corporate Social responsibility audits. In particular, the GreenHouseGas and CO_2 Emissions business delivered stellar growth this year.

In Sustainability, Bureau Veritas provides companies with solutions to measure and verify the different aspects of their climate change, social responsibility commitments and objectives:

- Airline industry: Bureau Veritas has been one of the first Certification bodies accredited by UKAS for the CORSIA program (Carbon Offsetting & Reduction Scheme for International Aviation) developed by the United Nations Agency ICAO (International Civil Aviation Organization) to reduce CO_2 emissions linked to air traffic by around 2.5 billion tons. This accreditation allows the Group to support airlines in verifying their carbon emissions levels from 2020;
- Circular Economy: Bureau Veritas launched Circular+, in 2019, a suite of audit and certification services dedicated to natural resource conservation, waste recycling, environmental management, optimization of energy consumption and reduction of greenhouse gas emissions.

Food Management Systems and Food Certification continued to deliver strong growth, notably fueled by organic products, up double-digit organically. In August 2019, the Group completed the acquisition of Italy-based Q Certificazioni S.r.l., an independent certification body specializing in Organic certification (c.EUR 2 million of revenue in 2018). This acquisition enables the Group to enter the Organic Food certification market in Italy, one of Europe's leading countries in the production of organic food and one of the leading exporting countries of organic produce.

The Group's portfolio diversification continued to be a key contributor to the growth, with new products development being up more than 25% in the full year 2019. In risk management, Bureau Veritas continued to develop the portfolio of solutions dedicated to companies around Anti-bribery, Asset Management, and Business Continuity. In digital, the new offers related to the protection of private data within the framework of the recent European general regulation on data protection (GDPR) or the new ISO 27701: 2019 standard on the protection of life, privacy and personal data.

Adjusted operating margin for the year eroded 34 basis points to a healthy 17.4%. This reflects a 50 basis points organic decrease led by negative growth and mix cushioned by margin initiatives.

Outlook: In 2020, the Certification business is expected to deliver solid organic revenue growth, led by Sustainability & CSR, Food schemes and specialized standards related to Risk Management, Cybersecurity and Medical Device, as well as new products development overall.

CONSUMER PRODUCTS

IN EUR MILLIONS	2019	2018	CHANGE	IFRS 16	ORGANIC	SCOPE	CURRENCY
Revenue	702.2	670.2	+4.8%	-	+2.3%	-	+2.5%
Adjusted Operating Profit	173.0	166.8	+3.7%				
Adjusted Operating Margin	24.6%	24.9%	(26)bps	+35bps	(53)bps	-	(8)bps

The Consumer products business delivered moderate organic growth of 2.3% in the full year. Growth was led by a strong performance in South Asia and South East Asia, resilience in China, solid growth in Europe and overall challenging in the US. Q4 2019 revenue increased by 2.8% on an organic basis.

Softlines (35% of divisional revenue) grew low single-digit organically, with very strong momentum in South Asia and South East Asia (notably Vietnam, Cambodia and India), continuing to benefit from an accelerated sourcing shift out of China. A new laboratory was opened in Vietnam in 2019. South Asia and South East Asia now represent a significant proportion of the Consumer Products business. The growth was solid in Europe (led by Turkey and Italy notably), broadly stable in China while weak in the US.

Hardlines (32% of divisional revenue) performed below the divisional average, compared to the strong growth in the same period last year; growth was led by South East Asia and Europe; Toys remained broadly stable compared to last year. Cosmetics experienced double-digit growth as well as social and CSR audits across all regions. The new international e-commerce platform for mass market supplier audits (inSpec-bv.com), which was launched in Q4 2018, gained traction amongst the Group customers during the year, allowing its customers to strengthen their confidence in their supplies through supplier inspections.

Lastly, **Electrical & Electronics** (33% of divisional revenue) organic growth was flat. The activity suffered from difficult trading conditions with large US retailers and the effects of several bankruptcies. In Europe, the growth was supported by Germany notably and strong development in Mobile testing.

In the second half of the year, Bureau Veritas invested in 5G to support the development of its activities in wireless technologies / from SmartWorld and their dissemination in all categories of Internet of Things (IoT) products. The Asian test platforms (China, South Korea) are being fitted out and will be operational from the first half of 2020. This will gradually support the growth of the Electrical & Electronics segment.

Throughout 2019 the uncertainty on the tariffs increase continued to trigger a “wait & see attitude” from some customers delaying new product launches. The Group sees no change in trends as of today.

Adjusted operating margin for the year decreased by 26 basis points to 24.6% including a 53 basis point organic decline attributed to the effect of lower growth, negative mix (business and geographic led).

Outlook: In 2020, the Group expects positive organic growth, with strong momentum in South Asia and South East Asia, moderate growth in Europe, and more challenging conditions in both the US and China.

As regards Covid-19, the Group is carefully monitoring the situation. In the current circumstances, it expects the growth of its Consumer Products business to be negatively impacted in Q1 2020 due to containment measures.

PRESENTATION

- Full year results will be presented on Thursday, February 27, 2020, at 3:00 p.m. (Paris time).
- A video conference will be webcast live. Please connect to: Link to video conference
- The presentation slides will be available on: https://group.bureauveritas.com
- 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
  - International: +44 (0)20 3003 2666
  - Password: Bureau Veritas

2020 FINANCIAL CALENDAR

- April 23, 2020: Q1 2020 revenue
- May 14, 2020: Shareholders' Meeting
- July 28, 2020: H1 2020 results
- September 29, 2020: Investor Day in Paris, France
- October 22, 2020: Q3 2020 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 78,000 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.
For more information, visit https://group.bureauveritas.com

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APPENDIX 1: Q4 AND FULL YEAR 2019 REVENUE BY BUSINESS

IN EUR MILLIONS	Q4 / FY 2019	Q4 / FY 2018	CHANGE	ORGANIC	SCOPE	CURRENCY
Marine & Offshore	96.2	93.4	+3.0%	+2.4%	(0.3)%	+0.9%
Agri-Food & Commodities	300.6	277.4	+8.4%	+6.6%	+1.0%	+0.8%
Industry	295.3	273.9	+7.8%	+9.3%	-	(1.5)%
Buildings & Infrastructure	377.0	348.5	+8.2%	+2.8%	+4.3%	+1.1%
Certification	102.4	94.8	+8.0%	+6.7%	+0.5%	+0.8%
Consumer Products	180.9	172.6	+4.8%	+2.8%	-	+2.0%
Total Q4 revenue	**1,352.4**	**1,260.6**	**+7.3%**	**+5.3%**	**+1.4%**	**+0.6%**
Marine & Offshore	368.5	348.6	+5.7%	+4.9%	+0.1%	+0.7%
Agri-Food & Commodities	1,168.2	1,074.5	+8.7%	+6.7%	+1.2%	+0.8%
Industry	1,111.1	1,052.8	+5.5%	+6.4%	(0.1)%	(0.8)%
Buildings & Infrastructure	1,379.2	1,275.7	+8.1%	+3.2%	+3.6%	+1.3%
Certification	370.5	373.7	(0.9)%	(1.5)%	+0.2%	+0.5%
Consumer Products	702.2	670.2	+4.8%	+2.3%	-	+2.5%
Total Full Year revenue	**5,099.7**	**4,795.5**	**+6.3%**	**+4.3%**	**+1.2%**	**+0.8%**

APPENDIX 2: 2019 REVENUE BY QUARTER

	2019 REVENUE BY QUARTER			
IN EUR MILLIONS	Q1	Q2	Q3	Q4
Marine & Offshore	87.3	93.6	91.4	96.2
Agri-Food & Commodities	274.9	299.4	293.3	300.6
Industry	255.8	278.6	281.4	295.3
Buildings & Infrastructure	323.8	340.9	337.5	377.0
Certification	83.2	99.4	85.5	102.4
Consumer Products	150.1	189.7	181.6	180.9
Total revenue	**1,175.1**	**1,301.6**	**1,270.7**	**1,352.4**

APPENDIX 3: ADJUSTED OPERATING PROFIT AND MARGIN BY BUSINESS

AFTER APPLYING IFRS 16 IN EUR MILLIONS	ADJUSTED OPERATING PROFIT			ADJUSTED OPERATING MARGIN		
	2019	2018	CHANGE (%)	2019	2018	CHANGE (BASIS POINTS)
Marine & Offshore	81.5	73.5	+10.9%	22.1%	21.1%	+104
Agri-Food & Commodities	161.4	132.0	+22.3%	13.8%	12.3%	+153
Industry	141.4	131.1	+7.9%	12.7%	12.5%	+26
Buildings & Infrastructure	209.7	188.2	+11.4%	15.2%	14.8%	+45
Certification	64.5	66.4	(2.9)%	17.4%	17.8%	(34)
Consumer Products	173.0	166.8	+3.7%	24.6%	24.9%	(26)
Total Group	**831.5**	**758.0**	**+9.7%**	**16.3%**	**15.8%**	**+50**

BEFORE APPLYING IFRS 16 IN EUR MILLIONS	ADJUSTED OPERATING PROFIT			ADJUSTED OPERATING MARGIN		
	2019	2018	CHANGE (%)	2019	2018	CHANGE (BASIS POINTS)
Marine & Offshore	81.2	73.5	+10.5%	22.0%	21.1%	+94
Agri-Food & Commodities	156.6	132.0	+18.6%	13.4%	12.3%	+113
Industry	137.7	131.1	+5.0%	12.4%	12.5%	(6)
Buildings & Infrastructure	208.4	188.2	+10.7%	15.1%	14.8%	+36
Certification	64.0	66.4	(3.6)%	17.3%	17.8%	(48)
Consumer Products	170.6	166.8	+2.3%	24.3%	24.9%	(61)
Total Group	**818.5**	**758.0**	**+8.0%**	**16.1%**	**15.8%**	**+25**

APPENDIX 4: EXTRACTS FROM THE FULL YEAR CONSOLIDATED FINANCIAL STATEMENTS

Extracts from the full year consolidated financial statements audited and approved on February 26, 2020 by the Board of Directors. The audit procedures for the full year accounts have been undertaken and the Statutory Auditors' report has been published.

CONSOLIDATED INCOME STATEMENT

IN EUR MILLIONS	2019 AFTER APPLYING IFRS 16	FIRST TIME APPLICATION OF IFRS 16	2019 BEFORE APPLYING IFRS 16	2018
Revenue	**5,099.7**		**5,099.7**	**4,795.5**
Purchases and external charges	(1,438.3)	107.4	(1,545.7)	(1,418.0)
Personnel costs	(2,596.8)		(2,596.8)	(2,507.1)
Taxes other than on income	(45.8)		(45.8)	(46.2)
Net (additions to)/reversals of provisions	(9.2)		(9.2)	(11.8)
Depreciation and amortization	(305.3)	(94.4)	(210.9)	(200.3)
Other operating income and expense, net	17.0		17.0	25.1
Operating profit	**721.3**	**13.0**	**708.3**	**637.2**
Share of profit of equity-accounted companies	0.6		0.6	0.4
Operating profit after share of profit of equity-accounted companies	**721.9**	**13.0**	**708.9**	**637.6**
Income from cash and cash equivalents	2.1		2.1	1.8
Finance costs, gross	(102.3)	(16.8)	(85.5)	(84.3)
Finance costs, net	(100.2)	(16.8)	(83.4)	(82.5)
Other financial income and expense, net	(18.4)	(1.1)	(17.3)	(10.7)
Net financial expense	**(118.6)**	**(17.9)**	**(100.7)**	**(93.2)**
Profit before income tax	**603.3**	**(4.9)**	**608.2**	**544.4**
Income tax expense	(210.7)	1.3	(212.0)	(189.3)
Net income from continuing operations	392.6	(3.6)	396.2	355.1
Net income (loss) from discontinued operations	-		-	-
Net profit	**392.6**	**(3.6)**	**396.2**	**355.1**
Non-controlling interests	24.7	(0.1)	24.8	22.5
Attributable net profit	**367.9**	**(3.5)**	**371.4**	**332.6**
Earnings per share (in euros):				
Basic earnings per share	0.83		0.84	0.76
Diluted earnings per share	0.83		0.83	0.76

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

IN EUR MILLIONS	2019 AFTER APPLYING IFRS 16	FIRST TIME APPLICATION OF IFRS 16	2019 BEFORE APPLYING IFRS 16	2018
Goodwill	2,075.1		2,075.1	2,011.6
Intangible assets	611.1		611.1	634.6
Property, plant and equipment	444.9		444.9	471.1
Right-of-use assets	369.0	369.0	-	-
Other non-current financial assets	118.3		118.3	114.8
Deferred income tax assets	132.1	9.9	122.2	135.3
Total non-current assets	**3,750.5**	**378.9**	**3,371.6**	**3,367.4**
Trade and other receivables	1,520.0	(2.0)	1,522.0	1,409.0
Contract assets	226.0		226.0	206.9
Current income tax assets	47.0		47.0	49.8
Current financial assets	23.4		23.4	13.1
Derivative financial instruments	4.4		4.4	3.8
Cash and cash equivalents	1,477.8		1,477.8	1,046.3
Total current assets	**3,298.6**	**(2.0)**	**3,300.6**	**2,728.9**
Assets held for sale	-		-	-
TOTAL ASSETS	**7,049.1**	**376.9**	**6,672.2**	**6,096.3**

Share capital	54.2		54.2	53.0
Retained earnings and other reserves	1,209.6	(40.4)	1,250.0	906.3
Equity attributable to owners of the Company	1,263.8	(40.4)	1,304.2	959.3
Non-controlling interests	58.3	(1.0)	59.3	48.3
Total equity	**1,322.1**	**(41.4)**	**1,363.5**	**1,007.6**
Non-current borrowings and financial debt	2,918.5		2,918.5	2,655.7
Non-current lease debt	326.0	326.0	-	-
Derivative financial instruments	-		-	6.7
Other non-current financial liabilities	115.7		115.7	125.0
Deferred income tax liabilities	122.9		122.9	127.4
Pension plans and other long-term employee benefits	192.8		192.8	185.6
Provisions for other liabilities and charges	72.2		72.2	105.1
Total non-current liabilities	**3,748.1**	**326.0**	**3,422.1**	**3,205.5**
Trade and other payables	1,098.6	(0.3)	1,098.9	1,024.8
Contract liabilities	197.2		197.2	158.0
Current income tax liabilities	137.4		137.4	71.2
Current borrowings and financial debt	369.0		369.0	499.0
Current lease debt	92.6	92.6	-	-
Derivative financial instruments	4.9		4.9	4.4
Other current financial liabilities	79.2		79.2	125.8
Total current liabilities	**1,978.9**	**92.3**	**1,886.6**	**1,883.2**
Liabilities held for sale	-		-	-
TOTAL EQUITY AND LIABILITIES	**7,049.1**	**376.9**	**6,672.2**	**6,096.3**

CONSOLIDATED STATEMENT OF CASH FLOWS

IN EUR MILLIONS	2019 AFTER APPLYING IFRS 16	FIRST TIME APPLICATION OF IFRS 16	2019 BEFORE APPLYING IFRS 16	2018
Profit before income tax	**603.3**	**(4.9)**	**608.2**	**544.4**
Elimination of cash flows from financing and investing activities	134.9	17.9	117.0	87.4
Provisions and other non-cash items	(13.4)		(13.4)	25.8
Depreciation, amortization and impairment	305.2	94.4	210.8	200.3
Movements in working capital requirement attributable to operations	(17.2)	1.6	(18.8)	4.1
Income tax paid	(192.4)		(192.4)	(176.5)
Net cash generated from operating activities	**820.4**	**109.0**	**711.4**	**685.5**
Acquisitions of subsidiaries	(69.9)		(69.9)	(141.5)
Proceeds from sales of subsidiaries and businesses	7.9		7.9	-
Purchases of property, plant and equipment and intangible assets	(127.9)		(127.9)	(130.9)
Proceeds from sales of property, plant and equipment and intangible assets	5.2		5.2	6.8
Purchases of non-current financial assets	(18.3)		(18.3)	(18.6)
Proceeds from sales of non-current financial assets	12.8		12.8	9.9
Change in loans and advances granted	(5.3)		(5.3)	(0.8)
Dividends received from equity-accounted companies	1.3		1.3	0.2
Net cash used in investing activities	**(194.2)**		**(194.2)**	**(274.9)**
Capital increase	3.1		3.1	2.6
Purchases/sales of treasury shares	14.5		14.5	(30.9)
Dividends paid	(97.3)		(97.3)	(277.7)
Increase in borrowings and other debt	719.9		719.9	833.4
Repayment of borrowings and other debt	(608.5)		(608.5)	(166.4)
Repayment of amounts owed to shareholders	(36.5)		(36.5)	-
Repayment of lease liabilities	(109.0)	(109.0)	-	-
Interest paid	(79.8)		(79.8)	(83.0)
Net cash generated from (used in) financing activities	**(193.6)**	**(109.0)**	**(84.6)**	**278.0**
Impact of currency translation differences	(1.5)		(1.5)	(8.5)
Impact of changes in accounting method	-		-	-
Net increase (decrease) in cash and cash equivalents	**431.1**		**431.1**	**680.1**
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	**1,465.7**		**1,465.7**	**1,034.6**
o/w cash and cash equivalents	1,477.8		1,477.8	1,046.3
o/w bank overdrafts	(12.1)		(12.1)	(11.7)

APPENDIX 5: DETAILED NET FINANCIAL EXPENSE

NET FINANCIAL EXPENSE

IN EUR MILLIONS	2019 AFTER APPLYING IFRS 16	2019 BEFORE APPLYING IFRS 16	2018
Net financial charges	**(100.2)**	**(83.4)**	**(82.5)**
Foreign exchange gains/(losses)	(10.0)	(8.9)	(5.7)
Interest cost on pension plans	(4.4)	(4.4)	(2.3)
Other	(4.0)	(4.0)	(2.7)
Net financial expense	**(118.6)**	**(100.7)**	**(93.2)**

APPENDIX 6: ALTERNATIVE PERFORMANCE INDICATORS

ADJUSTED OPERATING PROFIT

IN EUR MILLIONS	2019 AFTER APPLYING IFRS 16	2019 BEFORE APPLYING IFRS 16	2018
Operating profit	721.3	708.3	637.2
Amortization of intangible assets resulting from acquisitions	79.8	79.8	75.1
Restructuring costs	24.4	24.4	42.1
Acquisition and disposals	6.0	6.0	3.6
Impairment of goodwill	-	-	-
Total adjustment items	110.2	110.2	120.8
Adjusted operating profit	**831.5**	**818.5**	**758.0**

CHANGE IN ADJUSTED OPERATING PROFIT

IN EUR MILLIONS	
2018 adjusted operating profit	**758.0**
Organic change	+39.4
Organic adjusted operating profit	**797.4**
Scope	+12.7
Constant currency adjusted operating profit	**810.1**
Currency	+8.4
2019 adjusted operating profit before applying IFRS 16	**818.5**
IFRS 16 impact	+13.0
2019 adjusted operating profit after applying IFRS 16	**831.5**

ADJUSTED EFFECTIVE TAX RATE[(a)]

IN EUR MILLIONS	2019 AFTER APPLYING IFRS 16	2019 BEFORE APPLYING IFRS 16	2018
Profit before Tax	603.3	608.2	544.4
Tax	(210.7)	(212.0)	(189.3)
ETR[(b)]	34.9%	34.9%	34.8%
Adjusted ETR	**33.1%**	**33.1%**	**33.3%**

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

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

ATTRIBUTABLE NET PROFIT

IN EUR MILLIONS	2019 AFTER APPLYING IFRS 16	2019 BEFORE APPLYING IFRS 16	2018
Attributable net profit	367.9	371.4	332.6
EPS[(a)] (€ per share)	*0.83*	*0.84*	*0.76*
Adjustment items	110.2	110.2	120.8
Tax impact on adjustment items	(25.4)	(25.4)	(32.1)
Non-controlling interest on adjustment items	(1.7)	(1.7)	(4.1)
Adjusted attributable net profit	**451.0**	**454.5**	**417.2**
Adjusted EPS[(a)] (€ per share)	*1.02*	*1.03*	*0.96*

(a) Calculated using the weighted average number of shares of 442,259,428 in FY 2019 and 435,786,895 in FY 2018

CHANGE IN ADJUSTED ATTRIBUTABLE NET PROFIT

IN EUR MILLIONS	
2018 adjusted attributable net profit	**417.2**
Organic change and scope	+53.7
Constant currency adjusted attributable net profit	**470.9**
Currency	(16.4)
2019 adjusted attributable net profit before applying IFRS 16	**454.5**
IFRS 16 impact	(3.5)
2019 adjusted attributable net profit after applying IFRS 16	**451.0**

FREE CASH FLOW

IN EUR MILLIONS	2019 AFTER APPLYING IFRS 16	2019 BEFORE APPLYING IFRS 16	2018
Net cash generated from operating activities (operating cash flow)	820.4	711.4	685.5
Purchases of property, plant and equipment and intangible assets net of disposals	(122.7)	(122.7)	(124.1)
Interest paid	(79.8)	(79.8)	(83.0)
Free cash flow	**617.9**	**508.9**	**478.4**

CHANGE IN NET CASH GENERATED FROM OPERATING ACTIVITIES

IN EUR MILLIONS	
Net cash generated from operating activities at December 31, 2018	**685.5**
Organic change and scope	+19.0
Net cash generated from operating activities at constant currency	**704.5**
Currency	+6.9
Net cash generated from operating activities at December 31, 2019 before applying IFRS 16	**711.4**
IFRS 16 impact	+109.0
Net cash generated from operating activities at December 31, 2019 after applying IFRS 16	**820.4**

ADJUSTED NET FINANCIAL DEBT

IN EUR MILLIONS	DEC. 2019 AFTER APPLYING IFRS 16	DEC. 2019 BEFORE APPLYING IFRS 16	DEC. 2018
Gross financial debt	3,287.5	3,287.5	3,154.7
Cash and cash equivalents	1,477.8	1,477.8	1,046.3
Consolidated net financial debt	**1,809.7**	**1,809.7**	**2,108.4**
Currency hedging instruments	3.6	3.6	6.7
Adjusted net financial debt	**1,813.3**	**1,813.3**	**2,115.1**

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 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) represent bank loans and borrowings plus bank overdrafts.

Net debt

Net debt (or net finance costs/financial debt) as defined and used by the Group represent 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.