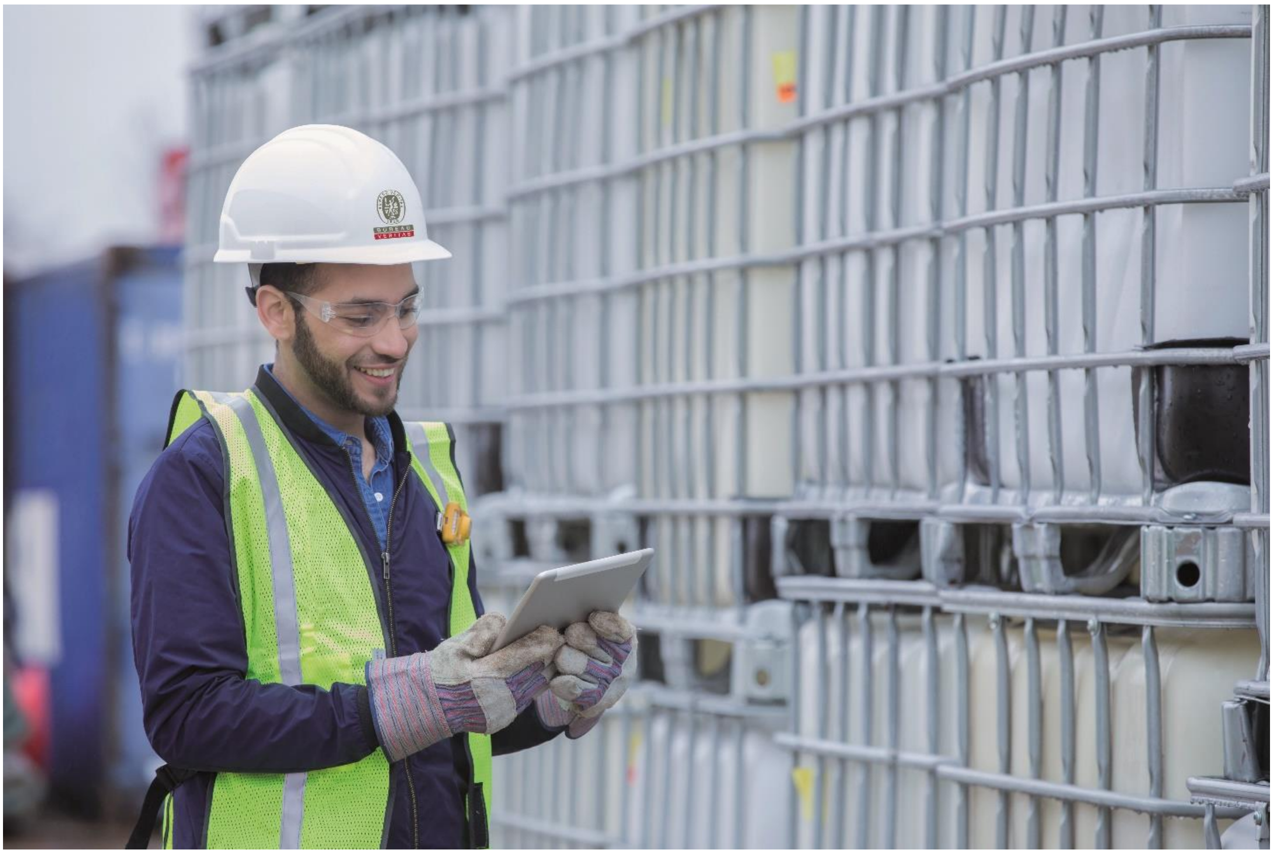
2021

HALF-YEAR FINANCIAL REPORT

This Half-Year Financial Report was prepared in accordance with Article L.451-1-2 (III) of the French Monetary and Financial Code (*Code monétaire et financier*). It includes an activity report for the six months ended June 30, 2021, the condensed half-year consolidated financial statements of the Bureau Veritas Group for the six months ended June 30, 2021, the Statutory Auditors' report and the statement by the person responsible for the Half-Year Financial Report.



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This is a free translation into English of the Bureau Veritas 2021 Half-Year Financial Report issued in French and is provided solely for the convenience of English-speaking readers. In the event of a discrepancy, the French version will prevail.

1. HALF-YEAR ACTIVITY REPORT AT JUNE 30, 2021

1.1. PRELIMINARY NOTE

Readers are invited to refer to the information set out herein on the Group's financial position and results together with the Group's 2021 condensed half-year consolidated financial statements and the notes thereto set out in Chapter 2 of this 2021 Half-Year Financial Report, as well as the Group's 2020 consolidated financial statements and the notes thereto set out in Chapter 6 – Consolidated financial statements, of the 2020 Universal Registration Document.

Pursuant to Regulation (EC) 1606/2002 of July 19, 2002 on the application of international financial reporting standards, the condensed consolidated financial statements of Bureau Veritas for the first half of 2021 and the first half of 2020 were prepared in accordance with IFRS (International Financial Reporting Standards), as adopted by the European Union.

The information presented and discussed in this chapter is financial data resulting from the application of IFRS 16 to the 2021 and 2020 half-year consolidated financial statements.

The alternative performance indicators presented in this chapter are defined and reconciled with IFRS in section 1.9 – Definition of alternative performance indicators and reconciliation with IFRS, of this Half-Year Financial Report.

1.2. FIRST-HALF 2021 HIGHLIGHTS

1.2.1. STRONG ORGANIC REVENUE GROWTH IN THE FIRST HALF, DRIVEN BY THE REBOUND IN THE SECOND QUARTER

Revenue in the first half of 2021 increased by 14.3% organically, of which 22.5% in the second quarter, benefiting from improving end markets across most businesses and the return to a more normal operating environment compared to H1 2020. This is reflected as follows by business:

- more than half of the portfolio (including Certification, Consumer Products and Buildings & Infrastructure) strongly recovered, up 23.2% organically on average. Certification was the best performing activity, up 38.6% in H1 (including 58.5% growth in Q2) benefiting from both catch-up of audits and strong momentum on CSR-related services. Consumer Products strongly returned to growth (up 23.4% in H1, with a 27.3% increase in Q2) fueled by Asia, the resumption of product launches and helped by favorable comparables. B&I outperformed the Group average with an increase of 19.5% in the first half of the year as it benefited from strong momentum across its three platforms (Americas, Asia and Europe);

- a fifth of the portfolio (Industry) delivered 9.5% organic revenue growth in the first half (including a 20.8% rebound in the second quarter) with strong business activity for the Power & Utilities segment in particular, including renewables, and stabilizing trends for Oil & Gas markets;
- less than a third of the portfolio (Agri-Food & Commodities and Marine & Offshore) grew at 4.4% organically on average. Marine & Offshore was primarily fueled by strong activity levels in the Core In-service activity which benefited from a favorable timing of inspections. In Agri-Food & Commodities, the growth was supported by very favorable market conditions in Metals & Minerals (up 15.5% organically), alongside Government services and Agri-Food, both up high single-digit organically. However, the Oil & Petrochemicals segment continued to suffer from the lower demand for oil and oil products.

1.2.2. RESUMPTION OF DISCIPLINED BOLT-ON M&A IN 2021

During the first half of 2021, Bureau Veritas resumed its bolt-on M&A activities, completing four transactions in strategic areas, representing around €25.0 million in annualized revenue (or 0.5% of 2020 Group revenue):

	Annualized revenue	Country	Date	Field of expertise
Cybersecurity				
Secura B.V.	c. €10m	Netherlands	Jan. 2021	Security testing, audit, training and certification services covering people, organization, and technology (networks, systems, applications and data)
Consumer Products				
Zhejiang Jianchuang Testing Technology Services Company Limited	c. €1.5m	China	Feb. 2021[1]	Softlines testing focusing on domestic brands and e-shops in China
Renewable energy				
Bradley Construction Management	€11m	United States	Mar. 2021	Provider of construction management services for the renewable energy sector
Sustainability Certification				
HDAA Australia	c. €3m	Australia	Apr. 2021	Auditing and assessment agency focused on the health and human services sector

[1] Signing on February 4, 2021.

The Group has completed the acquisition of Secura B.V. (starting with a majority stake), an independent service company specializing in cybersecurity services. Established in 2000 in the Netherlands, Secura has 100 employees located in two technological centers in Eindhoven and Amsterdam. While firmly grounded in the European security market, the company now serves a diversified international client base and is active in all sectors, focusing on technology, energy, industrial, automotive, financial, public and healthcare markets.

Secura will be a cornerstone in the cybersecurity strategy of Bureau Veritas. With solid expertise and capabilities, Secura takes a holistic security approach in identifying and assessing cybersecurity risks according to standards, frameworks and certification programs. Furthermore, the company holds an extensive range of top-notch accreditations and licenses to operate to offer security testing and certification services according to a number of standards.

Bureau Veritas also acquired Bradley Construction Management, a US-based leading provider of construction management services for the renewable energy sector. Established in 2013 and headquartered in Dallas, Texas, the company today has 50 employees. The acquisition of Bradley Construction Management reinforces both Bureau Veritas' diversification and growth in the renewable energy sector in the United States.

The Group acquired HDAA Australia Pty Ltd, Australia's leading Human Services Auditing Agency. HDAA is an accredited auditing and assessment agency committed to providing excellence in service delivery for the health and human services sector across a wide range of federal and state-related standards. Through this acquisition, Bureau Veritas reinforces its sustainability offering with best-in-class expertise in social, health and disability auditing and assessment services.

Finally, Bureau Veritas completed the acquisition of Zhejiang Jianchuang Testing Technology Services Company Limited. This supports the Group's diversification within its Consumer Products division towards the Chinese domestic market and online brands.

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

1.2.3. INDEXATION OF THE FINANCIAL TERMS AND CONDITIONS OF THE SYNDICATED CREDIT FACILITY TO ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG) INDICATORS

On February 25, 2021, Bureau Veritas announced the signing of an amendment to the 2018 syndicated credit facility for an amount of €600 million in order to incorporate Environmental, Social and Governance (ESG) criteria. Bureau Veritas' social and environmental performance will now be taken into account in the calculation of the financial costs of the facility, and will be measured in light of the Group's quantitative ESG objectives set for 2025.

The three non-financial criteria selected for inclusion in calculating the cost of financing the syndicated credit facility are:

- Total Accident Rate (TAR): Bureau Veritas aims to reduce its TAR[2] to a level of 0.26 by 2025 (compared with 0.38 in 2019, a decrease of 32%);
- proportion of women in leadership positions: Bureau Veritas aims to increase the proportion of women in leadership positions[3] to 35% by 2025 (compared with 19.5% in 2019, an 80% increase in the number of leadership positions held by women);

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

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

- CO_2 emissions per employee (tons per year): Bureau Veritas aims to reduce its carbon emissions[4] to 2.0 tons per year and per employee by 2025 (compared with 2.85 tons in 2019, a decrease of 30%).

1.2.4. STRONG FINANCIAL POSITION

At the end of June 2021, the Group's adjusted net financial debt decreased compared with the level at December 31, 2020. The Group has a solid financial structure with no maturities to refinance until 2023. At the end of the first half of 2021, Bureau Veritas had €1,267.6 million in available cash and cash equivalents and €600 million in undrawn committed credit lines.

Given the financial strength of the Group, Bureau Veritas allowed the one-year €500 million credit line, put in place in April 2020 during the pandemic, to expire in April 2021.

At June 30, 2021, the adjusted net financial debt/EBITDA ratio was further reduced to 1.30x (from 2.00x last year) and the EBITDA/consolidated net financial expense ratio was 13.13x. As a precaution against a worsening pandemic, Bureau Veritas obtained in June 2020 a waiver from its banks and USPP noteholders to relax its financial covenants at June 30, 2020, December 31, 2020 and June 30, 2021. In May 2021, Bureau Veritas exited early from the amendment negotiated with the US Private Placement holders, allowing a return to the initial banking ratios. As a result, as of June 30, 2021, the ratio of adjusted net financial debt to EBITDA must be less than 3.5x and, only for the US Private Placement, the ratio of EBITDA to consolidated net financial expense must be greater than 5.5x.

The average maturity of the Group's financial debt was 4.8 years with a blended average cost of funds over the half year of 2.4% excluding IFRS 16 impact (compared with 3.0% in the first half of 2020 excluding the impact of IFRS 16).

1.2.5. BUREAU VERITAS SHAREHOLDERS APPROVED THE DISTRIBUTION OF A DIVIDEND FOR THE 2020 FINANCIAL YEAR

At the Bureau Veritas Combined Shareholders' Meeting, shareholders approved the distribution of a dividend of €0.36 per share for the 2020 financial year (resolution no. 3, approved by 99.20%), paid in cash on July 7, 2021. This marks the return of a dividend payment after the exceptional cancellation recorded in the previous financial year due to the health crisis.

[4] Greenhouse gas emissions from offices and laboratories, tons of CO_2 equivalent per employee and per year for Scopes 1, 2 and 3 (emissions related to business travel).

1.3. CHANGE IN ACTIVITY AND RESULTS

(€ millions)	First-half 2021	First-half 2020	Change
Revenue	**2,418.4**	**2,200.5**	**+9.9%**
Purchases and external charges	(674.0)	(663.3)	
Personnel costs	(1,249.2)	(1,182.2)	
Other income and expenses	(149.1)	(295.4)	
Operating profit	**346.1**	**59.6**	**+480.7%**
Share of profit of equity-accounted companies	-	-	
Operating profit after share of profit of equity-accounted companies	**346.1**	**59.6**	**+480.7%**
Net financial expense	(36.9)	(66.1)	
Profit/(loss) before income tax	**309.2**	**(6.5)**	**n.m.**
Income tax expense	(97.1)	(24.3)	
Net profit/(loss)	**212.1**	**(30.8)**	**n.m.**
Non-controlling interests	(15.2)	(3.3)	
ATTRIBUTABLE NET PROFIT/(LOSS)	**196.9**	**(34.1)**	**n.m.**

1.3.1. REVENUE

Revenue in the first half of 2021 amounted to €2,418.4 million, a 9.9% increase compared with H1 2020:

- Organic increase was 14.3%, of which 22.5% in the second quarter of 2021, benefiting from improving end markets across most businesses and the return to a more normal operating environment compared to H1 2020.

  Three businesses delivered very strong organic growth, Certification +38.6%, Consumer Products +23.4%, and Buildings & Infrastructure (B&I) +19.5%. The rest of the portfolio grew at a smaller pace, with Industry up 9.5% organically (helped by a 20.8% recovery in Q2), Marine & Offshore, up 5.3%, and Agri-Food & Commodities, up 4.1%.

  By geography, activities in Asia Pacific outperformed the rest of the Group (31% of revenue; up 16.7% organically), led by a 22.7% increase in China (across most businesses) and to a lesser extent Australia (up 9.9% organically) led by the agri-food and commodities markets. Europe (37% of revenue; up 12.5% organically) was primarily led by robust activity levels in Southern Europe as well as France.

  Activity in the Americas (23% of revenue; up 14.6% organically), benefited from strong growth in Latin America (led by Brazil) as well as robust growth in North America led by Buildings & Infrastructure. Finally, in Africa and the Middle East (9% of revenue), the business increased by 12.8% on an organic basis.

- The scope effect was a negative 0.1%, reflecting the impact from prior-year disposals offset by the four bolt-on acquisitions realized in the first half of 2021.

- Currency fluctuations had a negative impact of 4.3% (of which -3.6% in Q2), mainly due to the depreciation of some emerging countries' currencies, and the USD and pegged currencies against the euro.

The bases for calculating components of revenue growth are presented in section 1.9 – Definition of alternative performance indicators and reconciliation with IFRS, of this Half-Year Financial Report.

1.3.2. OPERATING PROFIT

Operating profit totaled €346.1 million, up 480.7% from €59.6 million in first-half 2020 (up 514.3% on a constant currency basis).

1.3.3. ADJUSTED OPERATING PROFIT

Adjusted operating profit is defined as operating profit before the adjustment items described in section 1.9 – Definition of alternative performance indicators and reconciliation with IFRS, and in Note 4 – Alternative performance indicators of section 2.2 – Notes to the condensed half-year consolidated financial statements, of this Half-Year Financial Report.

The table below shows a breakdown of adjusted operating profit in the first half of 2021 and the first half of 2020:

(€ millions)	First-half 2021	First-half 2020	Change
Operating profit	**346.1**	**59.6**	**+480.7%**
Amortization of intangible assets resulting from acquisitions	28.9	104.4	
Impairment and retirement of non-current assets	2.9	22.0	
Restructuring costs	4.4	21.7	
Gains and losses on disposals of businesses and other income and expenses relating to acquisitions	(4.1)	8.1	
ADJUSTED OPERATING PROFIT	**378.2**	**215.8**	**+75.3%**

Adjustment items totaled €32.1 million in first-half 2021, compared with €156.2 million in first-half 2020, and comprised:

- €28.9 million in amortization of intangible assets, down sharply versus first-half 2020 (€104.4 million) due to the writedown of intangible assets;
- €2.9 million in impairment and retirements of non-current assets related to laboratory consolidations and business downsizing in Consumer Products (in China and Europe);
- €4.4 million in restructuring costs, relating chiefly to Consumer Products and commodities-related activities (€21.7 million in first-half 2020);
- €4.1 million in net gains from disposals and acquisitions (net losses of €8.1 million in first-half 2020).

Adjusted operating profit was €378.2 million, up 75.3% compared with first-half 2020 and up 84.6% at constant currency.

Change in adjusted operating profit

(€ millions)	
Adjusted operating profit in first-half 2020	**215.8**
Organic change	+181.2
Organic adjusted operating profit	**397.0**
Scope	+1.4
Adjusted operating profit at constant currency	**398.4**
Currency	(20.2)
ADJUSTED OPERATING PROFIT IN FIRST-HALF 2021	**378.2**

The adjusted operating margin at constant currency was 15.9% in first-half 2021, up 606 basis points on first-half 2020, of which 601 basis points were attributable to an organic increase and 5 basis points to a positive scope effect. On a reported basis, the adjusted operating margin improved 583 basis points to 15.6% compared with 9.8% in first-half 2020.

Change in adjusted operating margin

(in percentage and basis points)	
Adjusted operating margin in first-half 2020	**9.8%**
Organic change	+601bps
Organic adjusted operating margin	**15.8%**
Scope	+5bps
Adjusted operating margin at constant currency	**15.9%**
Currency	(23)bps
ADJUSTED OPERATING MARGIN IN FIRST-HALF 2021	**15.6%**

All business activities experienced higher organic margins due to operational leverage in a context of revenue recovery. This was supported by strong cost containment measures the prior year, and a favorable business mix.

The businesses that saw the best margin improvement were Consumer Products, Certification and Buildings & Infrastructure, that rebounded the most following the lockdown measures in the prior year. Together, they represented the bulk of the organic increase in the Group’s margin in the first half of 2021.

1.3.4. NET FINANCIAL EXPENSE

Consolidated net financial expense essentially includes interest and amortization of debt issuance costs, income received in connection with loans, debt securities or equity instruments, or other financial instruments held by the Group, and unrealized gains and losses on marketable securities, as well as gains or losses on foreign currency transactions and adjustments to the fair value of financial derivatives. It also includes the interest cost on pension plans, the expected income or return on funded pension plan assets and the impact of discounting long-term provisions.

Change in net financial expense

(€ millions)	First-half 2021	First-half 2020
Finance costs, gross	(39.7)	(64.9)
Income from cash and cash equivalents	2.1	4.6
Finance costs, net	**(37.6)**	**(60.3)**
Foreign exchange gains/(losses)	2.4	(3.2)
Interest cost on pension plans	0.7	(0.9)
Other	(2.4)	(1.7)
NET FINANCIAL EXPENSE	**(36.9)**	**(66.1)**

Net financial expense amounted to €36.9 million in first-half 2021, compared with €66.1 million in the same period one year earlier.

The decrease in net finance costs to €37.6 million in first-half 2021 (compared with €60.3 million in first-half 2020) is mainly attributable to (i) the decrease in average debt (notably due to the repayment of the US Private Placements, the *Schuldschein* facilities and the syndicated credit facility in 2020, and to a bond redemption in January 2021), and (ii) costs arising from the early repayment in 2020 of the bilateral US Private Placements and of the fixed-rate *Schuldschein* tranches.

The Group's foreign exchange gains and losses result from the impact of currency fluctuations on the assets and liabilities of subsidiaries denominated in a currency other than their functional currency. In first-half 2021, the Group posted foreign exchange gains of €2.4 million owing to the appreciation of the US dollar and the euro against most emerging market currencies (foreign exchange losses of €3.2 million in first-half 2020).

1.3.5. INCOME TAX EXPENSE

Consolidated income tax expense stood at €97.1 million for first-half 2021, compared with €24.3 million for first-half 2020. The effective tax rate (ETR), corresponding to the income tax expense divided by the amount of pre-tax profit, was 31.4% in first-half 2021, versus a negative 373.8% in first-half 2020.

The adjusted effective tax rate fell 5.7 percentage points compared to the first six months of 2020, at 32.2%. It corresponds to the effective tax rate corrected for adjustment items. The decrease is mainly due to the mechanical impact of the increase in pre-tax profit of tax costs not directly based on taxable income, in particular withholding taxes and value-added contributions (France and Italy), but also to the decrease in the tax rate and value-added contributions in France.

Change in the effective tax rate

(€ millions and as a %)	First-half 2021	First-half 2020
Profit/(loss) before income tax	309.2	(6.5)
Income tax expense	(97.1)	(24.3)
Effective tax rate	31.4%	(373.8)%
ADJUSTED EFFECTIVE TAX RATE	**32.2%**	**37.9%**

1.3.6. ATTRIBUTABLE NET PROFIT

Attributable net profit for the period was €196.9 million, versus an attributable net loss of €34.1 million in first-half 2020.

Earnings per share was a positive €0.44, compared with a negative €0.08 in first-half 2020.

1.3.7. ADJUSTED ATTRIBUTABLE NET PROFIT

Adjusted attributable net profit is defined as attributable net profit adjusted for the adjustment items net of tax described in section 1.9 – Definition of alternative performance indicators and reconciliation with IFRS, and in Note 4 – Alternative performance indicators of section 2.2 – Notes to the condensed half-year consolidated financial statements, of this Half-Year Financial Report.

The table below shows a breakdown of adjusted attributable net profit in the first half of 2021 and the first half of 2020:

(€ millions)	First-half 2021	First-half 2020
Attributable net profit/(loss)	**196.9**	**(34.1)**
EPS[(a)] (in € per share)	*0.44*	*(0.08)*
Adjustment items	32.1	156.2
Net profit/(loss) from discontinued operations	-	-
Tax impact on adjustment items	(12.8)	(32.4)
Non-controlling interests	(1.5)	(2.3)
ADJUSTED ATTRIBUTABLE NET PROFIT	**214.7**	**87.4**
ADJUSTED EPS[(a)] *(in € per share)*	**0.48**	**0.19**

(a) Calculated using the weighted average number of shares: 449,836,389 shares in first-half 2021 and 448,056,073 shares in first-half 2020.

Adjusted attributable net profit amounted to €214.7 million in first-half 2021, up sharply on the first-half 2020 figure (€87.4 million). Adjusted earnings per share came out at €0.48, a sharp rise of 152.6% on first-half 2020 and of 166.3% based on constant currencies.

Change in adjusted attributable net profit

(€ millions)	
Adjusted attributable net profit in first-half 2020	**87.4**
Organic change and scope	+140.2
Adjusted attributable net profit at constant currency	**227.6**
Currency	(12.9)
ADJUSTED ATTRIBUTABLE NET PROFIT IN FIRST-HALF 2021	**214.7**

1.3.8. RESULTS BY BUSINESS

Change in revenue by business

(€ millions and as a %)	First-half 2021	First-half 2020	Growth			
			Total	Organic	Scope	Currency
Marine & Offshore	189.2	185.0	+2.3%	+5.3%	-	(3.0)%
Agri-Food & Commodities	518.0	517.1	+0.2%	+4.1%	(0.0)%	(3.9)%
Industry	487.2	473.6	+2.9%	+9.5%	(0.8)%	(5.8)%
Buildings & Infrastructure	709.2	611.4	+16.0%	+19.5%	(0.5)%	(3.0)%
Certification	196.5	142.0	+38.4%	+38.6%	+3.7%	(3.9)%
Consumer Products	318.3	271.4	+17.3%	+23.4%	-	(6.1)%
TOTAL	**2,418.4**	**2,200.5**	**+9.9%**	**+14.3%**	**(0.1)%**	**(4.3)%**

Change in adjusted operating profit by business

(€ millions and as a %)	Adjusted operating profit			Adjusted operating margin					
	First-half 2021	First-half 2020	Change	First-half 2021	First-half 2020	Total change (bps)	Organic	Scope	Currency
Marine & Offshore	44.4	42.7	+4.0%	23.5%	23.1%	+36	+115	-	(79)
Agri-Food & Commodities	66.1	60.9	+8.5%	12.8%	11.8%	+97	+108	+4	(15)
Industry	53.7	35.1	+53.0%	11.0%	7.4%	+363	+376	+9	(22)
Buildings & Infrastructure	104.1	42.1	+147.3%	14.7%	6.9%	+782	+794	+11	(23)
Certification	38.1	10.9	+249.5%	19.4%	7.7%	+1,162	+1,222	(34)	(26)
Consumer Products	71.8	24.1	+197.9%	22.6%	8.9%	+1,366	+1,373	-	(7)
TOTAL	**378.2**	**215.8**	**+75.3%**	**15.6%**	**9.8%**	**+583**	**+601**	**+5**	**(23)**

MARINE & OFFSHORE

(€ millions)	First-half 2021	First-half 2020	% change	Organic	Scope	Currency
Revenue	189.2	185.0	+2.3%	+5.3%	-	(3.0)%
Adjusted operating profit	44.4	42.7	+4.0%			
Adjusted operating margin	23.5%	23.1%	+36bps	+115bps	-	(79)bps

The Marine & Offshore business posted solid 5.3% organic revenue growth in the first half of 2021. In the second quarter, organic revenue was up 7.3%. The half-year organic performance results mainly from:

- a stable performance in New Construction (40% of divisional revenue), reflecting the slowdown in the new orders intake in the prior year (notably in Asia, considering the lead time), and against more challenging comparables;
- double-digit growth in the Core In-service activity (45% of divisional revenue), which benefited from a very favorable timing of inspections with i) a catch-up of postponed surveys in 2020; ii) the anticipation by shipowners in the first half of some inspections normally scheduled in the second half of the year; alongside the fleet's modest growth and a declining level of laid-up ships. The fleet classed by Bureau Veritas continued to grow in the first half (up 1.2% year on year), led by all sectors, confirming the Group's operational excellence. At end June, it comprised 11,530 ships, representing 136.4 million of Gross Register Tonnage (GRT);
- low single-digit decline for Services (15% of divisional revenue, including Offshore) as the Offshore business remained impacted by a lack of orders in the Oil & Gas market, although an oil price rebound triggered renewed activity for risk assessment services. The first half of 2021 was also marked by a significant increase in projects in the wind energy sector, both for onshore and offshore wind turbines.

In the first half of 2021, the shipping market experienced a very sharp rebound, with a three-fold increase in worldwide new orders (in GRT) compared to H1 2020, driven by container ships and the energy market. Bureau Veritas new orders achieved 4.8 million gross tons in June 2021, up 50.0% from 3.2 million gross tons in the prior-year period. As a result, the order book, stood at 15.3 million gross tons at the end of the quarter, up 1.7% year on year and compared to 14.1 million gross tons in December 2020. It remains well diversified and composed of LNG fueled ships, container ships and specialized vessels.

Marine & Offshore continued to focus on efficiency levers through digitalization and high added-value services. These include new collaborative platform (3D Class, remote and augmented surveyors) and smart ship solutions. In Q2, the Group introduced an online platform, VeriSTAR Green, to enable all shipowners to assess their compliance with new IMO carbon intensity regulations ahead of the 2023 deadline.

Adjusted operating margin for the half year improved by 36 basis points to 23.5% on a reported basis compared to H1 2020, negatively impacted by foreign exchange (79 basis points). Organically, it rose by 115 basis points, benefiting from operating leverage, a positive mix and operational excellence.

Sustainability achievements

The Group continued to address the challenges of sustainability and the energy transition by providing rules and guidelines for the safety, risk and performance requirements for innovation in future fuels and propulsion systems. In the second quarter of 2021, the Group released an Ammonia-Prepared notation and developed a rule note for ammonia as fuel to support shipowners, designers, shipyards and charterers in advancing their journeys toward using ammonia and a zero-carbon future.

The Group has also signed a commercial agreement with the shipbroker Barry Rogliano Salles (BRS) and ship designers and engineers company Deltamarin to provide effective ship performance and energy transition solutions for the world's shipowners (both for specific energy efficiency compliance requirements and broader Environmental, Social and Governance (ESG) and financial targets).

AGRI-FOOD & COMMODITIES

(€ millions)	First-half 2021	First-half 2020	% change	Organic	Scope	Currency
Revenue	518.0	517.1	+0.2%	+4.1%	(0.0)%	(3.9)%
Adjusted operating profit	66.1	60.9	+8.5%			
Adjusted operating margin	12.8%	11.8%	+97bps	+108bps	+4bps	(15)bps

The Agri-Food & Commodities business delivered organic revenue growth of 4.1% in the first half of 2021, with strong growth for Agri-Food, Metal & Minerals and Government services, partly offset by a decline in the Oil & Petrochemicals segment. In Q2, the Group recorded a 12.6% increase against favorable comparables.

The **Oil & Petrochemicals** segment (O&P, 31% of divisional revenue) reported a double-digit organic decline (with some improvement in Q2). The O&P Trade market continued to suffer from reduced testing volumes due to lower fuel consumption (notably for aviation fuel/gasoline), which was combined with intense price pressure. All regions were impacted apart from the Middle East and Africa. The activity in the US was particularly hit by the closure of some unprofitable locations as well as adverse weather conditions (Texas freeze in Q1). Throughout the first half, Bureau Veritas continued its diversification towards non-trade related activities and value-added segments, which may bring superior growth opportunities: they include biofuels, Liquified Natural Gas, Oil Condition Monitoring, as well as the management of outsourced laboratories by clients. Several Sustainability-driven initiatives are underway such as Carbon 14 traceability.

The **Metals & Minerals** segment (M&M, 31% of divisional revenue) recorded double-digit organic growth overall, across the entire value chain. Upstream (nearly two-thirds of M&M) continued to deliver strong growth (up 17.7% organically), led by the Americas (Canada, US, Chile and Peru) and Asia Pacific regions. It benefited from a strong exploration market across all the major commodities (with gold, copper and iron ore leading the way) and the continuing success of the Group's on-site laboratories strategy (with key wins including a potash mine in Australia, gold and base metals labs in Africa, Latin America, etc.). Trade activities grew double-digit organically partly due to a strong rebound in Q2 from weak 2020 comparables. It was fueled by the main metals, with strong trade volumes for copper and iron ore across all geographies. Copper demand remained strong notably driven by electrification trends in several economies.

Agri-Food (24% of divisional revenue) achieved a high single-digit organic performance in the first half (including a double-digit increase in Q2), led by both Food and Agricultural products. The Agri Upstream business recorded strong growth benefiting from higher volumes for field and harvest monitoring in Brazil, with exports at a record level for soybean, corn and sugar. Conversely, the agricultural inspection activities were impacted by reduced trading volumes in both Europe (including Ukraine) and Asia and a more challenging competitive environment. The Food business delivered strong 11.4% organic revenue growth primarily fueled by its platforms in North America and Latin America. Rising concern for more traceability and sustainability all along the food supply chain remains a key growth driver of the business.

Government services (14% of divisional revenue) reported a high single-digit organic increase in the first half (of which a double-digit increase in the second quarter) led by all geographies except the Middle East (Saudi Arabia, Iraq). Strong growth was delivered in African countries led by the ramp-up of VOC (Verification of Conformity) in Morocco, Kenya, Tanzania, Zimbabwe, and Single Window (Togo) contracts. In the context of the pandemic, a rising number of inspections were performed remotely in the first half, with, in particular, a significant percentage achieved for VOC contracts in Africa.

The adjusted operating margin for the Agri-Food & Commodities business increased to 12.8%, up 97 basis points compared to last year, of which 108 basis points organically. This was led by topline recovery, a positive business mix and cost actions.

Sustainability achievements

The Group is currently working on several opportunities for clients to reach their sustainable development goals. Clients through the entire agri-food chain, including farmers and traders, recognize supply chain transparency and traceability as additional key enablers of sustainable food and agricultural markets. For instance, a key focus is the responsible sourcing of cotton in Latin America, palm oil in South East Asia, as well as niche vegoils such as avocado oil. In Government services, the Group has set up an eco-tax system in Tanzania to collect taxes for the recycling of products.

INDUSTRY

(€ millions)	First-half 2021	First-half 2020	% change	Organic	Scope	Currency
Revenue	487.2	473.6	+2.9%	+9.5%	(0.8)%	(5.8)%
Adjusted operating profit	53.7	35.1	+53.0%			
Adjusted operating margin	11.0%	7.4%	+363bps	+376bps	+9bps	(22)bps

Industry revenue increased by 9.5% organically in the first half, across the board. In Q2, growth accelerated to 20.8% with a noticeable improvement across all end markets helped by the comparables.

By geography, most regions delivered growth in the half year, with Latin America leading the way (led by Peru and Argentina) alongside Asia (driven by China), Africa, Europe (fueled by France and Eastern European countries) and Canada. Conversely, the activity declined in some countries (Japan, South Korea and the UK) due to contract terminations as well as in the US.

The Power & Utilities segment (14% of divisional revenue) continued to be a key driver of growth for the portfolio with a double-digit organic performance achieved for the half year. Growth came mainly from Latin America (Peru and Argentina) thanks to the ramp-up of large contract wins with various Power Distribution clients, and increasing volumes for existing contracts, along with a solid momentum in Europe (led by France, Spain and Portugal related to power generation) thanks to strong commercial development. In Latin America, the Group is now working to replicate its power field services to utilities (with first successes in Chile) as well as in the Telecom end market (with services including asset conformity, technical control and connectivity performance for telecom antennas). Several contracts have already been signed in Colombia, Chile and Mexico with the first benefits expected from H2 2021 onwards.

In the medium term, the Group will significantly benefit from the growth opportunities related to renewables and alternative energies. Across most geographies, Bureau Veritas is currently bidding for several wind and solar power generation projects (in Europe, Asia and the Americas) with a good level of signing in the first half (the US, the UK, Nordics). The acquisition of US-based Bradley Construction Management (€11 million in annual revenue; a provider of construction and site management assistance, owner's representation, and QA/QC technical services for wind, solar and energy storage projects) has strengthened the Group’s positioning in the renewable energy sector.

In Oil & Gas (29% of divisional revenue), the performance improved as it started to benefit from the restart of many projects which were put on hold and from favorable comparables. Opex-related activities (representing nearly two-third of the Oil & Gas business) grew double-digit organically as activity levels have restarted since restrictions have been lifted. Growth was particularly good in Europe. Capex-related activities grew mid-single-digit organically, driven by a pick-up in Q2, essentially attributable to Latin America (led by Brazil and Peru), Asia (led by China) and the Middle East (with projects resuming in the United Arab Emirates). Business opportunities in Capex services remain subdued although the sales pipeline improved in the period, notably in Asia and in North America. As of today, the share of Oil & Gas in Group revenue has significantly reduced to 6%, of which 2% is Capex-related.

Adjusted operating margin for the half year was 11.0%, up 363 basis points (up 376 basis points organically) from 7.4% in H1 2020. It is attributable to the revenue increase (Q2-centric), cost actions and a positive business mix.

Sustainability achievements

In the first half of 2021, the Group was selected to undertake project certification for the Moray West offshore windfarm in Scotland. Under the plan, up to 85 wind turbines are being built, as well as two offshore substation platforms and offshore export cable circuits. Bureau Veritas will be providing independent verification and will deliver full project certification including design review, manufacturing surveillance, transport and installation surveillance, and commissioning surveillance.

Bureau Veritas and Shell announced the successful completion of their *Supply-R* pilot project, conducted during the first quarter of 2021, which involved defining the company's specific risk profile and audit checklist. Bureau Veritas conducted independent on-site verification at factories in different countries across several product lines supplied to Shell. The pilot resulted in a tailored risk index and an online dashboard to visualize the risk profiles of each supplier and provide an overall rating via a resilience index.

BUILDINGS & INFRASTRUCTURE

(€ millions)	**First-half 2021**	**First-half 2020**	**% change**	**Organic**	**Scope**	**Currency**
Revenue	709.2	611.4	+16.0%	+19.5%	(0.5)%	(3.0)%
Adjusted operating profit	104.1	42.1	+147.3%			
Adjusted operating margin	14.7%	6.9%	+782bps	+794bps	+11bps	(23)bps

The Buildings & Infrastructure (B&I) business posted strong double-digit organic revenue growth (up 19.5%) in the first half of 2021, fueled by all regions and notably the Americas. In Q2, revenue grew 26.3% on an organic basis.

Similar double-digit organic revenue growth was delivered in both Buildings In-service activities (49% of divisional revenue) and in Construction-related activities (51% of divisional revenue).

In Europe (57% of divisional revenue), the Group recorded double-digit organic revenue growth primarily led by Southern Europe (Spain and Italy both up around 30%) thanks to large contract wins. France (45% of divisional revenue), its largest contributor, grew 13.2% (including 25.5% in the second quarter) and benefited from the catch-up of regulatory-driven inspections for Opex-related activities (around three quarters of the French business) in Q1 as well as solid momentum for energy efficiency program services. Capex-related works rebounded, skewed to Q2 in a stabilizing new build market. The pipeline of sales related to the Green Deal in France continued to grow with opportunities mainly focused on energy efficiency programs.

In Asia Pacific (21% of divisional revenue), the Group recorded a major organic growth increase led by the recovery of the Chinese operations (up 24.1% organically, skewed to Q1) which benefited from the restart of large infrastructure projects in the field of energy and transportation. Looking forward, Bureau Veritas expects to continue benefiting from the Chinese government's support to the domestic economy through long-term infrastructure spending. In Japan, the activity improved throughout the first half with a rebound in Q2 attributable to a catch-up of regulatory-driven activities and code compliance services as travel restrictions were gradually lifted.

In the Americas (19% of divisional revenue), very strong double-digit growth was achieved thanks to a stellar performance in the United States (up 42.4% organically), where the Group benefited from a combination of improving market conditions, strong commercial development and favorable comparables. Growth was primarily driven by large project management assistance for Opex-related services across all sectors (Retail essentially), and strong dynamics for data center commissioning services to support the increase in remote workforces. In Latin America, the activity benefited from the strong recovery of Brazil (up 44.9%) thanks to the conversion of a strong sales pipeline while both Chile and Argentina were impacted by the end of contracts.

The Middle East & Africa region (3% of divisional revenue) experienced a very strong recovery led by Saudi Arabia, and by the United Arab Emirates (UAE) in the second quarter, benefiting from the development of numerous projects as oil prices rebounded.

New mobility, in particular electrical vehicles, has created a new area for sustainability services, which is currently growing rapidly. Numerous tenders are ongoing, and the Group was awarded multiple contracts for technical control and station product conformity during the first half across many countries (Spain, Italy, the US, Denmark, and France).

Adjusted operating margin for the half year jumped by 782 basis points (up 794 basis points organically) to 14.7% from 6.9% in the prior year. This was due to strong operational leverage, fueled by the growth recovery against very low levels in the prior year.

Sustainability achievements

During the first half of 2021, the Group was awarded a project management assistance contract for the Nefes Assos Village project, Turkey's first sustainable village. The village is designed to be a sustainable, self-sufficient, self-farming settlement (with zero waste and carbon targets and water recycling systems, and completely powered by solar energy). Bureau Veritas is providing project management assistance, contributing to the project design process, in-office activities and field assignments, and the management of staff from different disciplines for each project phase.

CERTIFICATION

(€ millions)	First-half 2021	First-half 2020	% change	Organic	Scope	Currency
Revenue	196.5	142.0	+38.4%	+38.6%	+3.7%	(3.9)%
Adjusted operating profit	38.1	10.9	+249.5%			
Adjusted operating margin	19.4%	7.7%	+1,162bps	+1,222bps	(34)bps	(26)bps

Certification was the best performing business within the Group's portfolio in the first half of 2021 with organic growth of 38.6%, including stellar 58.5% growth in the second quarter, against favorable comparables. The level of activity strongly recovered as it benefited in H1 from a catch-up of 2020 postponed audits (notably for QHSE, Food and Transportation schemes) and from the effect related to a year of recertification (ending in Q4) as regards several schemes (three-year cycle for ISO 9001, 14001 and Transportation schemes, accounting for approximately a third of the portfolio).

All geographies experienced double-digit organic growth. The countries that were the most impacted in the prior year due to extreme travel restrictions recovered strongly in the first half. The Americas, Africa and the Middle East performed above the divisional average (led by Canada and Latin America) while Europe (primarily led by France, Spain, the UK) and Asia (led by China and Japan) were at par.

Within the Group's portfolio, Transportation and Customized Audits rebounded the most. Transportation schemes strongly benefited from the restart of the three-year cycle (implying the delivery of the recertification audits) following the revision of standards (IATF in the Automotive sector notably) which occurred in 2018. The Group achieved a very high renewal rate. Customized Audits (on clients' supply, operations and distribution sides), which were the most hit by cancellation or postponements in H1 2020, benefited from a strong rebound in the activity.

After declining in Q1 2021, Training services recovered as they benefited from the economic recovery and the possibility of rescheduling face-to-face training sessions. A similar pattern of growth was observed for Food Certification (including Organic Food products) which strongly rebounded in Q2.

During H1, Bureau Veritas Sustainability services grew by more than 25% (of which 32.1% in Q2), driven notably by buoyant demand for Greenhouse gas emission verification services related to Carbon footprint assessments, Offsetting & removals projects and Neutrality or net zero goals.

Divisional growth also continued to be supported by new products during the first half, addressing the overall rising client demand for brand protection and traceability all along the supply chain. This was particularly supported by Enterprise Risk, Business Continuity, Cybersecurity and IT management systems solutions.

Adjusted operating margin for the half year returned to a very healthy 19.4%, compared to 7.7% in the prior year. This reflects a 1,162-basis-point increase (up 1,222 basis points organically) led by strong operational leverage, the mix and the benefit of remote audits.

Sustainability achievements

During the first half, Bureau Veritas and the Fondation de la Mer, together with the French Ministry of the Sea, launched "Ocean Approved®", the first label in the world recognizing companies that are committed to understanding and improving their impact on the ocean. An audit is carried out by an independent third-party body, for example Bureau Veritas or other companies, which have been approved by the Fondation de la Mer for their expertise and know-how, to guarantee the truth and accuracy of the company's statements.

The Group has also joined the OCARA project, an initiative spearheaded by Carbone 4. The OCARA project aims to set up a benchmark for analyzing the resilience of companies to the impacts of climate change. It will enable companies to question their vulnerabilities, identify the points of vigilance to be observed, and implement an ad hoc climate resilience action plan.

CONSUMER PRODUCTS

(€ millions)	First-half 2021	First-half 2020	% change	Organic	Scope	Currency
Revenue	318.3	271.4	+17.3%	+23.4%	-	(6.1)%
Adjusted operating profit	71.8	24.1	+197.9%			
Adjusted operating margin	22.6%	8.9%	+1,366bps	+1,373bps	-	(7)bps

The Consumer Products business strongly recovered in the first half of 2021 with organic growth of 23.4%, primarily led by a large pick-up of activity in Asia, across all product categories. This reflected the ramp-up of many operations which were in lockdown for much of H1 2020. Testing activities rebounded the most (up 31.3%) while Inspection and Audit services grew 24.1%. Q2 organic revenue increased by 27.3% and confirmed the improvement seen in Q1.

By geography, the growth was widespread, with Asia overperforming (led by China and South East Asian countries) whereas activity levels grew at low to mid double-digit elsewhere (Europe, Latin America and North America).

Softlines (36% of divisional revenue) performed better than the divisional average, with a very strong second quarter, led by a stellar performance in both China and the US as some product launches resumed. Strong momentum in South East Asia (Vietnam, Indonesia, Bangladesh and Sri Lanka essentially) was maintained as these countries continue to benefit from an accelerated sourcing shift out of China. Some countries in Southern Asia (and India notably) have started to be impacted by the disruption caused by the lockdown measures. In the first half of 2021, the acquisition of a Chinese softlines testing business focusing on domestic brands and e-shops enabled the Group to accelerate its development in the domestic Chinese market.

Hardlines (31% of divisional revenue) performed above the divisional average led by all product categories, and notably small appliances and do-it-yourself products. Toys rebounded driven by China, also helped by the performance recorded in the United States in the second quarter. Cosmetics, Health & Beauty continued to gain traction in Asia while luxury products were led by Italy. Inspection and Audit services grew faster than the average, as they continued to benefit from strong demand for Social & CSR audits. These services help to ensure supply chain compliance with the regulations in force, but also the commitments made by brands in terms of social and environmental responsibility.

Lastly, **Electrical & Electronics** (E&E, 34% of divisional revenue) performed below the divisional average, with double-digit organic performance in both Wireless Testing (wireless technologies/Internet of Things (IoT) products) and in Automotive (reliability testing and homologation services). Strong growth was achieved in both China and Europe while Japan suffered from lockdown measures and South Korea from contract terminations. In Asia, 5G-related products/infrastructure continued to show very good momentum with the Group's test platforms (Taiwan, South Korea and China in particular) running at full capacity. In the first half, the Group continued to invest in 5G technology testing equipment to take full advantage of this development opportunity. This includes the start of operation of a wireless testing lab to address the Chinese domestic market.

Overall, the Group made further progress in its diversification strategy towards online clients. It was also supported by capex and acquisition spends in the first half of 2021.

Adjusted operating margin for the half year strongly increased to 22.6% (up 1,366 basis points, of which 1,373 basis points organically), attributable to the effect of a high revenue increase and the benefit of several cost reduction actions from the prior year.

Sustainability achievements

In the first half of 2021, Bureau Veritas supported its clients by offering product life cycle analyses and eco-design. To this end, the Group issues the "Footprint Progress©" certification label to distinguish eco-designed products. Amongst its clients, Walmart launched ECO Records, an automated platform that focuses on more sustainable claims. The platform will provide a centralized location to accelerate the more sustainable claim submission and review process. The document review for this eco claim will be performed by Bureau Veritas. As far as Sustainable Chemical Management is concerned, H&M has expanded its environmental chemical management beyond apparel products. It included Bureau Veritas BVE3, an online environmental emissions evaluator, in accessories and footwear in the first half. The tool helps the brand to contribute to efforts to reduce the apparel and footwear industry's hazardous chemical footprint.

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1.4. CASH FLOWS AND SOURCES OF FINANCING

1.4.1. CASH FLOWS

(€ millions)	First-half 2021	First-half 2020
Profit/(loss) before income tax	**309.2**	**(6.5)**
Elimination of cash flows from financing and investing activities	19.0	46.6
Provisions and other non-cash items	23.7	60.4
Depreciation, amortization and impairment	129.0	212.4
Movements in working capital attributable to operations	(68.5)	113.7
Income tax paid	(83.5)	(62.3)
Net cash generated from operating activities	**328.9**	**364.3**
Acquisitions of subsidiaries	(35.9)	(17.1)
Proceeds from sales of subsidiaries and businesses	0.6	-
Purchases of property, plant and equipment and intangible assets	(56.4)	(44.9)
Proceeds from sales of property, plant and equipment and intangible assets	3.8	3.8
Purchases of non-current financial assets	(8.6)	(11.0)
Proceeds from sales of non-current financial assets	7.7	11.8
Change in loans and advances granted	(0.8)	(2.5)
Dividends received from equity-accounted companies	-	0.1
Net cash used in investing activities	**(89.6)**	**(59.7)**
Capital increase	6.1	2.2
Purchases/sales of treasury shares	13.7	3.0
Dividends paid	(8.4)	(12.7)
Increase in borrowings and other financial debt	5.7	782.7
Repayment of borrowings and other financial debt	(484.7)	(321.2)
Repayment of amounts owed to shareholders	-	-
Repayment of lease liabilities and interest	(55.3)	(52.0)
Interest paid	(47.4)	(53.6)
Net cash generated from/(used in) financing activities	**(570.3)**	**348.6**
Impact of currency translation differences	5.2	(12.2)
Impact of changes in accounting policy	-	-
Net increase/(decrease) in cash and cash equivalents	**(325.8)**	**640.9**
Net cash and cash equivalents at beginning of period	1,587.0	1,465.7
Net cash and cash equivalents at end of period	**1,261.2**	**2,106.6**
of which cash and cash equivalents	*1,267.6*	*2,120.5*
of which bank overdrafts	*(6.4)*	*(13.9)*

Net cash generated from operating activities

Net cash generated from operating activities (operating cash flow) amounted to €328.9 million in first-half 2021, down 9.7%. The increase in pre-tax profit was more than offset by significant changes in working capital requirement (WCR), which represented an outflow of €68.5 million in the period, compared to an inflow of €113.7 million in first-half 2020. The change results from very strong second-quarter growth (up 22.5% on an organic basis), despite the ongoing initiatives taken across the organization to achieve a structural improvement in working capital attributable to operations.

At June 30, 2021, working capital requirement was €367.2 million, or 7.6% of annualized revenue, compared with €320.1 million, or 7.1% of revenue, at June 30, 2020. In a context of strong topline growth, which consumes working capital, the strong mobilization across the organization on cash metrics, with initiatives under the Move For Cash program continuing to be deployed throughout the first half (optimizing the "invoice to cash" process, accelerating billing and cash collection processes throughout the Group reinforced by a central task force, and monitoring cash inflows on a daily basis), helped to contain the increase in working capital requirement.

Change in net cash generated from operating activities

(€ millions)

Net cash generated from operating activities in first-half 2020	**364.3**
Organic change	(29.9)
Organic net cash generated from operating activities	**334.4**
Scope	+3.6
Net cash generated from operating activities at constant currency	**338.0**
Currency	(9.1)
NET CASH GENERATED FROM OPERATING ACTIVITIES IN FIRST-HALF 2021	**328.9**

The table below shows a breakdown of free cash flow in the first half of 2021 and the first half of 2020:

(€ millions)	**First-half 2021**	**First-half 2020**
Net cash generated from operating activities	**328.9**	**364.3**
Net purchases of property, plant and equipment and intangible assets	(52.6)	(41.0)
Interest paid	(47.4)	(53.6)
FREE CASH FLOW	**228.9**	**269.6**

Free cash flow (net cash flow generated from operating activities after tax, interest expense and purchases of property, plant and equipment and intangible assets) was €228.9 million in first-half 2021, down 15.1% on the first-half 2020 figure of €269.6 million (down 12.3% at constant currency). On an organic basis, free cash flow declined by 13.6% during first-half 2021.

Change in free cash flow

(€ millions)

Free cash flow at June 30, 2020	**269.6**
Organic change	(36.6)
Organic free cash flow	**233.0**
Scope	+3.5
Free cash flow at constant currency	**236.5**
Currency	(7.6)
FREE CASH FLOW AT JUNE 30, 2021	**228.9**

Purchases of property, plant and equipment and intangible assets

The Group's Inspection and Certification activities are fairly non-capital intensive, whereas its laboratory testing and analysis activities require investment in equipment. These investments concern the Consumer Products and Agri-Food & Commodities businesses and certain customs inspection activities (Government services, included within the Agri-Food & Commodities business) requiring scanning equipment and information systems.

The Group's total capital expenditure (net of disposals) in property, plant and equipment and intangible assets was €52.6 million in first-half 2021, up from €41.0 million in first-half 2020. The Group recognized €3.8 million in disposal gains during the period, the same as in first-half 2020.

The Capex-to-revenue ratio came out at approximately 2.2%, higher than the first-half 2020 figure of 1.9%.

Interest paid

Interest paid fell to €47.4 million from €53.6 million in first-half 2020.

The decrease in interest paid chiefly reflects the repayment of the US Private Placements and of the *Schuldschein* facilities in 2020, which in some cases gave rise to early repayment fees. Note that interest paid in first-half 2021 includes the January 2021 payment of a first long coupon on bonds issued in November 2019.

Net cash used in investing activities

Acquisitions and disposals of companies

A brief description of the main acquisitions carried out in the first half of the year is set out in section 1.2 – First-half 2021 highlights.

(€ millions)	First-half 2021	First-half 2020
Purchase price of acquisitions	(30.7)	(1.7)
Remeasurement of securities at fair value (step acquisition)	-	-
Cash and cash equivalents of acquired companies	2.6	0.1
Purchase price outstanding at June 30 in respect of acquisitions in the period	-	-
Equity-settled payments	-	-
Purchase price in relation to acquisitions in prior periods	(7.4)	(15.3)
Impact of acquisitions on cash and cash equivalents	**(35.5)**	**(16.9)**
Acquisition fees	(0.4)	(0.2)
ACQUISITIONS OF SUBSIDIARIES	**(35.9)**	**(17.1)**

Net cash generated from/(used in) financing activities

Capital transactions (capital increases/reductions and share buybacks)

In first-half 2021, purchases and sales of the Company's own shares, notably used to cover stock option and performance share plans, led to net cash inflows of €13.7 million, plus €6.1 million in capital increases.

Dividends

In first-half 2021, the "Dividends paid" item totaling €8.4 million (€12.7 million in first-half 2020) mainly comprised dividends paid to non-controlling shareholders and withholding tax on intra-group dividends.

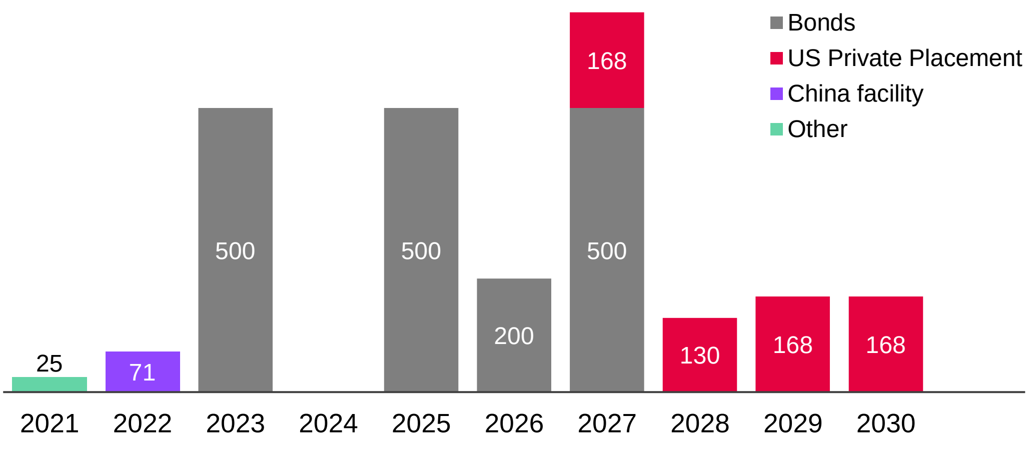
As described in section 1.2 – First-half 2021 highlights, shareholders at the Bureau Veritas Combined Shareholders' Meeting approved the distribution of a dividend of €0.36 per share for the 2020 financial year, paid in cash on July 7, 2021.

Financial debt

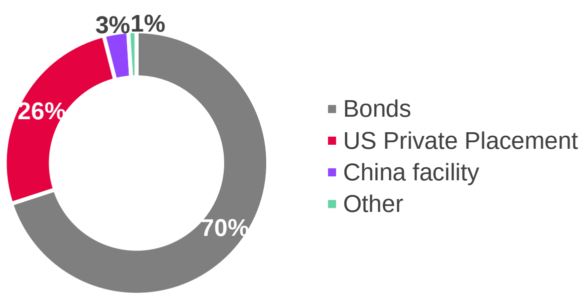
Gross financial debt on the statement of financial position decreased by €494.9 million compared with December 31, 2020.

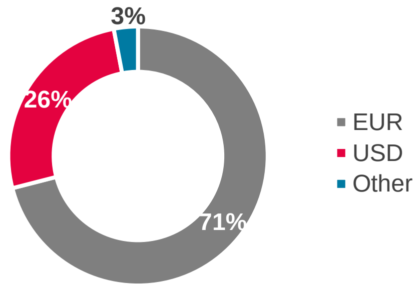
1.4.2. FINANCING

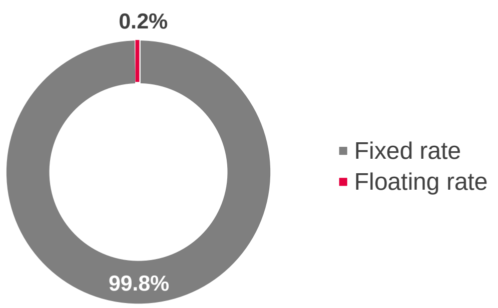
Debt maturity profile at June 30, 2021



Breakdown of debt







Sources of Group financing

Main sources of financing

At June 30, 2021, the Group's gross debt totaled €2,431.7 million, comprising:

- Non-bank financing:
  - 2017 US Private Placement (€298.7 million) carried on the books of Bureau Veritas Holdings, Inc.;
  - 2018 US Private Placement (€168.3 million) carried on the books of Bureau Veritas Holdings, Inc.;
  - 2019 US Private Placement (€168.3 million);
  - 2016, 2018 and 2019 bond issues (€1.7 billion).
- Bank financing:
  - 2018 syndicated credit facility (undrawn);
  - bank financing (€71.0 million) carried on the books of Bureau Veritas Investment Shanghai Co., Ltd.;
  - other bank debt (€4.8 million);
  - bank overdrafts (€6.4 million).
- Other bank debt and accrued interest (€14.1 million).

The change in the Group's gross debt is shown below:

(€ millions)	**June 30, 2021**	**Dec. 31, 2020**
Bank borrowings due after one year	2,400.0	2,376.2
Bank borrowings due within one year	25.3	543.0
Bank overdrafts	6.4	7.5
GROSS DEBT	**2,431.7**	**2,926.7**

The table below shows the change in cash and cash equivalents and net debt:

(€ millions)	**June 30, 2021**	**Dec. 31, 2020**
Marketable securities	379.2	524.0
Cash at bank and on hand	888.4	1,070.5
Cash and cash equivalents	**1,267.6**	**1,594.5**
Gross debt	2,431.7	2,926.7
NET DEBT	**1,164.1**	**1,332.2**
Currency hedging instruments	1.3	(3.1)
ADJUSTED NET FINANCIAL DEBT	**1,165.4**	**1,329.1**

Adjusted net financial debt (net financial debt after currency hedging instruments as defined in the calculation of covenants) amounted to €1,165.4 million at June 30, 2021, compared with €1,329.1 million at December 31, 2020.

Bank covenants[5]

Some of the Group's financing requires compliance with certain bank covenants and ratios.

In June 2020, in the context of the Covid-19 pandemic, the Group's banking partners and the investors for its US Private Placements (USPP) granted a covenant waiver for the June 30, 2020, December 31, 2020 and June 30, 2021 test dates. In May 2021, the Group terminated the amendment agreed with the USPP investors ahead of term, allowing the initially agreed covenants to apply once again.

The Group complied with all such commitments at June 30, 2021. The commitments can be summarized as follows:

- the first covenant is defined as the ratio of adjusted net financial debt divided by consolidated EBITDA (earnings before interest, tax, depreciation, amortization and provisions), adjusted for any entity acquired over the last 12 months. This ratio should be less than 3.5x. At June 30, 2021, it stood at 1.30;
- the second covenant applies to the USPP only and represents consolidated EBITDA (earnings before interest, tax, depreciation, amortization and provisions), adjusted for any acquisitions over the last 12 months, divided by consolidated net financial expense. This ratio should be higher than 5.5x. At June 30, 2021, it stood at 13.13.

Main terms and conditions of financing

2017 US Private Placement

In July 2017, the Group set up two US Private Placements (2017 USPP) for an aggregate amount of USD 355 million. The terms and conditions of these facilities are as follows:

Maturity	Amounts *(€ millions)*	Currency	Repayment	Interest
September 2027	168.3	USD	*At maturity*	Fixed
July 2028	130.4	USD	*At maturity*	Fixed

At June 30, 2021, the USD 200 million and USD 155 million financing facilities carried on the books of Bureau Veritas Holdings, Inc. had been fully drawn down in USD.

2018 US Private Placement

In December 2018, the Group set up a US Private Placement (2018 USPP) with an investor for USD 200 million. The terms and conditions of this financing are as follows:

Maturity	Amounts *(€ millions)*	Currency	Repayment	Interest
January 2029	168.3	USD	*At maturity*	Fixed

At June 30, 2021, the USD 200 million financing facility carried on the books of Bureau Veritas Holdings, Inc. had been fully drawn down in USD.

[5] Bank covenant calculation methods are defined by contract based on data prior to the application of IFRS 16.

2019 US Private Placement

In November 2019, the Group set up a US Private Placement (2019 USPP) for USD 200 million. The terms and conditions of this financing are as follows:

Maturity	**Amounts** *(€ millions)*	**Currency**	**Repayment**	**Interest**
January 2030	168.3	USD	*At maturity*	Fixed

At June 30, 2021, the USD 200 million financing facility had been fully drawn down in USD.

2014, 2016, 2018 and 2019 bond issues

The Group carried out five unrated bond issues totaling €2.2 billion in 2014, 2016, 2018 and 2019. The €500 million worth of bonds issued in 2014 were redeemed in January 2021. The bonds have the following terms and conditions:

Maturity	**Amounts** *(€ millions)*	**Currency**	**Repayment**	**Interest**
September 2023	500	EUR	*At maturity*	1.250%
January 2025	500	EUR	*At maturity*	1.875%
September 2026	200	EUR	*At maturity*	2.000%
January 2027	500	EUR	*At maturity*	1.125%

Negotiable European Commercial Paper (NEU CP)

The Group put in place a NEU CP program with the Banque de France to optimize its short-term cash management. The maturity of the commercial paper is less than one year. The ceiling for this program is €600 million.

The Group did not issue any negotiable European commercial paper at June 30, 2021.

Negotiable European Medium-Term Notes (NEU MTN)

The Group has a NEU MTN program with the Banque de France in order to establish a legal framework for its one- to three-year private placement issues. The ceiling for this program is €300 million.

At June 30, 2021, the NEU MTN program had not been used.

2018 syndicated credit facility

The Group has a confirmed revolving syndicated credit facility for €600 million. This facility was set up in May 2018 for a five-year term and includes two one-year extension options that can be exercised at the end of the first and second years, respectively.

Both extension options were exercised, in May 2019 and May 2020, respectively, extending the maturity of the 2018 syndicated facility to May 2025.

In February 2021, the Group signed an amendment to the 2018 syndicated credit facility in order to incorporate Environmental, Social and Governance (ESG) criteria through to 2025. The three non-financial criteria selected for inclusion in calculating the cost of financing the 2018 syndicated credit facility are:

- Total Accident Rate (TAR)[6]: Bureau Veritas aims to reduce its TAR to a level of 0.26 by 2025 (compared with 0.38 in 2019, a decrease of 32%);
- proportion of women in leadership positions: Bureau Veritas aims to increase the proportion of women in leadership positions[7] to 35% by 2025 (compared with 19.5% in 2019, an 80% increase in the number of leadership positions held by women);
- CO_2 emissions per employee (tons per year): Bureau Veritas aims to reduce its carbon emissions[8] to 2.0 tons per year and per employee by 2025 (compared with 2.85 tons in 2019, a decrease of 30%).

At June 30, 2021, the 2018 syndicated credit facility had not been drawn down.

2020 revolving credit facility

In April 2020, the Group set up a confirmed revolving credit facility for €500 million, with a one-year maturity and a six-month extension option at Bureau Veritas' discretion. The extension option was not exercised and the facility fell due in April 2021.

CNY bank financing ("China facility")

In September 2018, the Group set up a two-year bank facility for CNY 750 million carried on the books of Bureau Veritas Investment Shanghai Co., Ltd. An amendment to the China facility was signed in August 2020, extending the maturity to September 2022.

At June 30, 2021, an amount of CNY 545 million had been drawn on this facility.

Sources of financing anticipated for future investments

The Group estimates that its operations will be able to be fully funded by the cash generated from its operating activities.

In order to finance its external growth, at June 30, 2021, the Group had sources of funds provided by:

- free cash flow after tax, interest and dividends;
- available cash and cash equivalents.

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

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

[8] Greenhouse gas emissions from offices and laboratories, tons of CO_2 equivalent per employee and per year for Scopes 1, 2 and 3 (emissions related to business travel).

1.5. MAIN RISKS AND UNCERTAINTIES FOR THE REMAINING SIX MONTHS OF THE FINANCIAL YEAR

Readers are invited to refer to the 2020 Universal Registration Document filed with the French financial markets authority (*Autorité des marchés financiers* – AMF) on March 25, 2021 under number D.20-0191 (Chapter 4 – Risk management). The chapter includes information concerning risk factors, insurance and risk coverage, as well as the method used for provisioning risks and legal disputes.

A detailed description of the financial and market risks for this six-month period is provided in Note 18 to the condensed half-year consolidated financial statements, presented in Chapter 2 – Condensed half-year consolidated financial statements at June 30, 2021, of this Half-Year Financial Report.

With the exception of these points, the Group is not aware of any other material risks or uncertainties than those presented in this document.

Legal, administrative and arbitration procedures and investigations

In the normal course of business, the Group is involved with respect to its activities in a large number of legal proceedings seeking to establish its professional liability. Although the Group pays careful attention to managing risks and the quality of the services it provides, some services may result in adverse financial penalties.

Provisions may be set aside to cover expenses resulting from such proceedings. The amount recognized as a provision is the best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The costs the Group ultimately incurs may exceed the amounts set aside to such provisions due to a variety of factors such as the uncertain nature of the outcome of the disputes.

At the date of this Report, the Group is involved in the main proceedings described below.

Dispute concerning the construction of a hotel and commercial complex in Turkey

Bureau Veritas Gozetim Hizmetleri Ltd. Sirketi ("BVG") and the Turkish company Aymet are parties to a dispute before the Commercial Court of Ankara relating to the construction of a hotel and business complex in respect of which the parties entered into a contract in 2003. In 2004, construction on the project was halted following the withdrawal of funding for the project by the Aareal Bank. Aymet filed an action against BVG in 2008, claiming damages for alleged failures in the performance of its project inspection and supervision duties and BVG's responsibility in the withdrawal of the project's financing.

Regarding the merits of the case, the documents presented to the court by BVG and Aareal Bank, which provided a loan for the project and which was also summoned to the proceedings by Aymet, along with legal opinions provided by several distinguished professors of Turkish law, support the Company's position according to which Aymet's claims are without firm legal or contractual foundation.

In November 2017, a decision was handed down in the case between Aareal Bank and Aymet via its legal representative, within the scope of the same affair. The Court considered that Aareal Bank had legitimately terminated its financing on account of a breach of contract by the lender, Aymet. This decision was upheld at the appellate stage but Aymet has appealed to Turkey's Supreme Court.

Under local law, Aymet's claim is capped at 87.4 million Turkish lira, plus interest charged at the statutory rate and court costs.

On December 5, 2018, the Court upheld Aymet's application in its entirety and ordered BVG to pay the amounts claimed. As BVG contests both the principle of its liability and the loss assessment, it has appealed this decision, filing a bank guarantee in order to oppose any attempt at enforcing it. The appeal is pending.

At the current stage of proceedings, the outcome of this dispute is uncertain, even though BVG's legal counsel are optimistic regarding the appeal decision. Based on the provisions set aside by the Group, and on the information currently available, and after considering the opinion of its legal counsel, the Company considers that this claim will not have a material adverse impact on the Group's consolidated financial statements.

Tax contingencies and positions

Bureau Veritas SA and certain Group subsidiaries are currently being audited or have received proposed tax adjustments that have led to discussions with the competent local authorities. Talks are currently at the litigation or pre-litigation stage.

Given the current status of the pending matters and based on the information available to date, the Group believes that the tax contingencies and positions reported in its consolidated financial statements in respect of these risks, audits and adjustments are appropriate.

There are no other legal, administrative, government and arbitration procedures or investigations (including any proceedings of which the Company is aware, pending or threatened) that could have, or have had over the last six months, a material impact on the Group's financial position or profitability. Provisions for claims and disputes booked by the Group are presented in section 2.2 – Notes to the condensed half-year consolidated financial statements, Note 14 of this Half-Year Financial Report, with regard to disputes relating to taxes other than income taxes (IAS 12).

1.6. RELATED-PARTY TRANSACTIONS

Readers are invited to refer to Note 19 to the condensed half-year consolidated financial statements – Related-party transactions, included in Chapter 2 – Condensed half-year consolidated financial statements at June 30, 2021, of this Half-Year Financial Report.

1.7. OUTLOOK

2021 outlook upgraded

Based on the excellent half-year performance, considering tough comparables in the second half, and assuming no severe lockdowns in its main countries of operation due to Covid-19, Bureau Veritas now expects for the full year 2021 to:

- achieve strong organic revenue growth;
- improve the adjusted operating margin;
- generate sustained strong cash flow.

1.8. EVENTS AFTER THE END OF THE REPORTING PERIOD

None.

1.9. 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.

1.9.1. 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).

These components are presented in section 1.3.1 – Revenue, of this Half-Year Financial Report. Details of changes in revenue, at Group level and for each business, are provided in section 1.3.8 – Results by business, of this document.

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 business portfolio. Organic growth is used to monitor the Group's performance internally.

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

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

Organic revenue growth represents the percentage of revenue growth, presented at Group level and for each business, based on 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.

1.9.2. ADJUSTED OPERATING PROFIT AND ADJUSTED OPERATING MARGIN

Adjusted operating profit and adjusted operating margin are key indicators used to measure the performance of the business, excluding material items that cannot be considered inherent to the Group's underlying intrinsic performance owing to their nature. Bureau Veritas considers that these indicators, presented at Group level and for each business, are more representative of the operating performance in its industry. Details of changes in adjusted operating profit and adjusted operating margin, at Group level and for each business, are presented in section 1.3.8 – Results by business, of this Half-Year Financial Report.

Adjusted operating profit

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

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

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

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

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

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

The scope and currency effects are calculated using a similar approach to that used for revenue (see above in section 1.9.1 – Growth) for each component of operating profit and adjusted operating profit.

The definition of adjusted operating profit along with a reconciliation table are provided in Note 4 to the condensed half-year consolidated financial statements – Alternative performance indicators, included in Chapter 2 – Condensed half-year consolidated financial statements at June 30, 2021, of this Half-Year Financial Report.

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.

1.9.3. 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 defined in section 1.9.2 – Adjusted operating profit and adjusted operating margin, of this Half-Year Financial Report.

1.9.4. ADJUSTED NET PROFIT

Adjusted attributable net profit

Adjusted attributable net profit is defined as attributable net profit adjusted for adjustment items 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.

Adjustment items are presented in section 1.9.2 – Adjusted operating profit and adjusted operating margin, of this Half-Year Financial Report.

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.

1.9.5. 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 (see above in section 1.9.1 – Growth) for each component of net cash generated from operating activities and free cash flow.

The definition of free cash flow along with a reconciliation table are provided in Note 4 to the condensed half-year consolidated financial statements – Alternative performance indicators, included in Chapter 2 – Condensed half-year consolidated financial statements at June 30, 2021, of this Half-Year Financial Report. Details of changes in net cash generated from operating activities and free cash flow are presented in section 1.4.1 – Cash flows, of this document.

1.9.6. FINANCIAL DEBT

Gross debt

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

Net debt

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

Adjusted net debt

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

Definitions of finance costs/financial debt along with a reconciliation table are provided in Note 12 to the condensed half-year consolidated financial statements – Borrowings and financial debt, included in Chapter 2 – Condensed half-year consolidated financial statements at June 30, 2021, of this Half-Year Financial Report.

1.9.7. 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.

1.10. 2025 CSR STRATEGY AND NON-FINANCIAL INDICATORS

Bureau Veritas remains committed to its non-financial performance. Ahead of the next strategic plan, the Group presented in February its strategy for social and environmental responsibility up to 2025. This strategy, aligned with the United Nations' Sustainable Development Goals (UN SDGs), aims at "Shaping a Better World". It is built upon three strategic axes: "Shaping a better workplace", "Shaping a better environment" and "Shaping better business practices"; and three sustainability pillars: "Social & Human capital", "Environment" and "Governance".

Strategic axes	**Shaping a better workplace**			**Shaping a better environment**	**Shaping better business practices**
Sustainability pillars	Social & Human capital			Environment	Governance
UN SDGs	Goal 3: good health and well-being	Goal 5: gender equality	Goal 8: decent work and economic growth	Goal 13: climate action	Goal 16: peace, justice and strong institutions
Bureau Veritas CSR priorities	• Occupational health and safety; • Human rights; • Access to quality essential healthcare services; • Employee volunteering services.	• Equal remuneration for women and men; • Diversity and equal opportunity; • Workplace harassment; • Women in leadership.	• Employment; • Non-discrimination; • Capacity building; • Availability of skilled workforce.	• Energy efficiency; • GHG emissions; • Risk and opportunities due to climate change.	• Effective, accountable and transparent governance; • Anti-corruption; • Product and quality compliance; • Customer privacy & cybersecurity; • Responsible sourcing & Supplier ethics.

Bureau Veritas’ non-financial ambition through 2025, implemented through 20 CSR priorities, will be monitored by 17 key indicators in total, of which 5 will be communicated on a quarterly basis:

	United Nations’ SDGs	**H1 2021**	**FY 2020**	2025 target
SOCIAL & HUMAN CAPITAL				
Total Accident Rate (TAR)[9]	#3	0.25	0.26	0.26
Proportion of women in leadership positions[10]	#5	20.3%	19.8%	35%
Number of training hours per employee (per year)[11]	#8	11.7	23.9	35.0
ENVIRONMENT				
CO_2 emissions per employee (tons per year)[12]	#13	N/A	2.44	2.00
GOVERNANCE				
Proportion of employees trained to the Code of Ethics	#16	97.6%	98.5%	99%

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

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

11 Indicator calculated over a 6-month period compared to a 12-month period for FY 2020 and 2025 target values.

12 Greenhouse gas emissions from offices and laboratories, tons of CO_2 equivalent per employee and per year for Scopes 1, 2 and 3 (emissions related to business travel).

2. CONDENSED HALF-YEAR CONSOLIDATED FINANCIAL STATEMENTS AT JUNE 30, 2021

2.1. CONDENSED HALF-YEAR CONSOLIDATED FINANCIAL STATEMENTS

Half-year consolidated income statement

(€ millions, except per share data)	Notes	First-half 2021	First-half 2020
Revenue	5	**2,418.4**	**2,200.5**
Purchases and external charges	6	(674.0)	(663.3)
Personnel costs		(1,249.2)	(1,182.2)
Taxes other than on income		(23.0)	(22.0)
Net (additions to)/reversals of provisions		(13.2)	(44.4)
Depreciation and amortization		(129.0)	(212.4)
Other operating income and expense, net	6	16.1	(16.6)
Operating profit	5	**346.1**	**59.6**
Share of profit of equityaccounted companies		-	-
Operating profit after share of profit of equity-accounted companies		**346.1**	**59.6**
Income from cash and cash equivalents		2.1	4.6
Finance costs, gross		(39.7)	(64.9)
Finance costs, net		**(37.6)**	**(60.3)**
Other financial income and expense, net		0.7	(5.8)
Net financial expense		**(36.9)**	**(66.1)**
Profit/(loss) before income tax		**309.2**	**(6.5)**
Income tax expense		(97.1)	(24.3)
Net profit/(loss)		**212.1**	**(30.8)**
Non-controlling interests		(15.2)	(3.3)
ATTRIBUTABLE NET PROFIT/(LOSS)		**196.9**	**(34.1)**
Earnings per share *(in €)*:			
Net earnings per share	16	0.44	(0.08)
Diluted earnings per share	16	0.43	(0.08)

The notes on pages 44 to 57 are an integral part of the condensed consolidated financial statements.

Half-year consolidated statement of comprehensive income

(€ millions)	First-half 2021	First-half 2020
Net profit/(loss)	**212.1**	**(30.8)**
Other comprehensive income		
Items to be reclassified to profit		
Currency translation differences[1]	73.8	(123.9)
Cash flow hedges[2]	(0.1)	(0.2)
Tax effect on items to be reclassified to profit	-	-
Total items to be reclassified to profit	**73.7**	**(124.1)**
Items not to be reclassified to profit		
Actuarial gains/(losses)[3]	9.2	(2.1)
Tax effect on items not to be reclassified to profit	(2.1)	0.5
Total items not to be reclassified to profit	**7.1**	**(1.6)**
Total other comprehensive income/(expense), after tax	**80.8**	**(125.7)**
TOTAL COMPREHENSIVE INCOME/(EXPENSE)	**292.9**	**(156.5)**
Attributable to :		
owners of the Company	274.0	(156.4)
non-controlling interests	18.9	(0.1)

(1) Currency translation differences: this item includes exchange differences arising on the conversion of the financial statements of foreign subsidiaries into euros.
The differences result mainly from fluctuations during the period in the Canadian dollar (€24.9 million), Brazilian real (€8.8 million) and Hong Kong dollar (€7.7 million).

(2) The change in cash flow hedges results from changes in the fair value of derivative financial instruments eligible for hedge accounting.

(3) Actuarial gains and losses: the Group recognizes actuarial gains and losses arising on the measurement of pension plans and other long-term employee benefits in equity. These actuarial differences reflect the impact of experience adjustments and changes in valuation assumptions (discount rate, salary inflation rate and rate of increase in pensions) regarding the Group's obligations in respect of defined benefit plans.
The amount shown (€9.2 million) relates chiefly to actuarial gains booked in France.

The notes on pages 44 to 57 are an integral part of the condensed consolidated financial statements.

Half-year consolidated statement of financial position

(€ millions)	Notes	June 30, 2021	Dec. 31, 2020
Goodwill	8	2,017.7	1,942.9
Intangible assets		428.2	427.3
Property, plant and equipment		351.3	348.8
Right-of-use assets		363.5	375.7
Non-current financial assets		108.9	105.7
Deferred income tax assets		126.1	136.6
Total non-current assets		**3,395.7**	**3,337.0**
Trade and other receivables		1,379.3	1,332.7
Contract assets		272.2	232.1
Current income tax assets		41.2	46.1
Derivative financial instruments		4.1	6.7
Other current financial assets		12.4	17.0
Cash and cash equivalents		1,267.6	1,594.5
Total current assets		**2,976.8**	**3,229.1**
TOTAL ASSETS		**6,372.5**	**6,566.1**
Share capital		54.3	54.2
Retained earnings and other reserves		1,303.0	1,183.8
Equity attributable to owners of the Company		**1,357.3**	**1,238.0**
Non-controlling interests		60.7	47.7
Total equity		**1,418.0**	**1,285.7**
Non-current borrowings and financial debt	12	2,400.0	2,376.2
Non-current lease liabilities		305.3	320.4
Other non-current financial liabilities		113.9	91.4
Deferred income tax liabilities		90.5	84.4
Pension plans and other long-term employee benefits		189.1	197.7
Provisions for liabilities and charges	14	95.4	92.5
Total non-current liabilities		**3,194.2**	**3,162.6**
Trade and other payables		1,068.1	1,089.6
Contract liabilities		216.1	194.9
Current income tax liabilities		119.2	125.8
Current borrowings and financial debt	12	31.7	550.5
Current lease liabilities		100.8	99.3
Derivative financial instruments		5.3	3.6
Other current financial liabilities		219.1	54.1
Total current liabilities		**1,760.3**	**2,117.8**
TOTAL EQUITY AND LIABILITIES		**6,372.5**	**6,566.1**

The notes on pages 44 to 57 are an integral part of the condensed consolidated financial statements.

Half-year consolidated statement of changes in equity

(€ millions)	Share capital	Share premium	Currency translation reserves	Other reserves	Total equity	Attributable to owners of the Company	Attributable to non-controlling interests
At December 31, 2019	**54.2**	**229.6**	**(248.1)**	**1,286.4**	**1,322.1**	**1,263.8**	**58.3**
Capital increase	-	2.2	-	-	2.2	2.2	-
IFRS 2 expense – stock option and performance share plans	-	-	-	12.0	12.0	12.0	-
Dividends paid	-	-	-	(8.2)	(8.2)	-	(8.2)
Treasury share transactions	-	-	-	3.0	3.0	3.0	-
Additions to the scope of consolidation	-	-	-	(0.1)	(0.1)	-	(0.1)
Other movements(1)	-	-	-	1.0	1.0	(0.2)	1.2
Total transactions with owners	**54.2**	**231.8**	**(248.1)**	**1,294.1**	**1,332.0**	**1,280.8**	**51.2**
Net profit/(loss)	-	-	-	(30.8)	(30.8)	(34.1)	3.3
Other comprehensive income/(expense)	-	-	(123.9)	(1.8)	(125.7)	(122.3)	(3.4)
Total comprehensive income/(expense)	**-**	**-**	**(123.9)**	**(32.6)**	**(156.5)**	**(156.4)**	**(0.1)**
At June 30, 2020	**54.2**	**231.8**	**(372.0)**	**1,261.5**	**1,175.5**	**1,124.4**	**51.1**
At December 31, 2020	**54.2**	**232.3**	**(445.9)**	**1,445.1**	**1,285.7**	**1,238.0**	**47.7**
Capital increase	0.1	14.0	-	-	14.1	14.1	-
IFRS 2 expense – stock option and performance share plans	-	-	-	13.4	13.4	13.4	
Dividends	-	-	-	(170.7)	(170.7)	(162.6)	(8.1)
Treasury share transactions	-	-	-	13.7	13.7	13.7	-
Additions to the scope of consolidation	-	-	-	6.7	6.7	(0.7)	7.4
Other movements(1)	-	-	-	(37.8)	(37.8)	(32.6)	(5.2)
Total transactions with owners	**54.3**	**246.3**	**(445.9)**	**1,270.4**	**1,125.1**	**1,083.3**	**41.8**
Net profit	-	-	-	212.1	212.1	196.9	15.2
Other comprehensive income	-	-	73.7	7.1	80.8	77.1	3.7
Total comprehensive income	-	-	**73.7**	**219.2**	**292.9**	**274.0**	**18.9**
At June 30, 2021	**54.3**	**246.3**	**(372.2)**	**1,489.6**	**1,418.0**	**1,357.3**	**60.7**

(1) The “Other movements” line mainly relates to:

- transfers of reserves between the portion attributable to owners of the Company and the portion attributable to non-controlling interests;
- changes in the fair value of put options on non-controlling interests.

The notes on pages 44 to 57 are an integral part of the condensed consolidated financial statements.

Half-year consolidated statement of cash flows

(€ millions)	Notes	First-half 2021	First-half 2020
Profit/(loss) before income tax		309.2	(6.5)
Elimination of cash flows from financing and investing activities		19.0	46.6
Provisions and other non-cash items		23.7	60.4
Depreciation, amortization and impairment		129.0	212.4
Movements in working capital attributable to operations	15	(68.5)	113.7
Income tax paid		(83.5)	(62.3)
Net cash generated from operating activities		**328.9**	**364.3**
Acquisitions of subsidiaries	9	(35.9)	(17.1)
Proceeds from sales of subsidiaries and businesses		0.6	-
Purchases of property, plant and equipment and intangible assets		(56.4)	(44.9)
Proceeds from sales of property, plant and equipment and intangible assets		3.8	3.8
Purchases of non-current financial assets		(8.6)	(11.0)
Proceeds from sales of non-current financial assets		7.7	11.8
Change in loans and advances granted		(0.8)	(2.5)
Dividends received from equity-accounted companies		0.0	0.1
Net cash used in investing activities		**(89.6)**	**(59.7)**
Capital increase		6.1	2.2
Purchases/sales of treasury shares		13.7	3.0
Dividends paid		(8.4)	(12.7)
Increase in borrowings and other financial debt		5.7	782.7
Repayment of borrowings and other financial debt		(484.7)	(321.2)
Repayment of lease liabilities and interest		(55.3)	(52.0)
Interest paid		(47.4)	(53.6)
Net cash generated from/(used in) financing activities		**(570.3)**	**348.6**
Impact of currency translation differences		5.2	(12.2)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		**(325.8)**	**640.9**
Net cash and cash equivalents at beginning of period		1,587.0	1,465.7
Net cash and cash equivalents at end of period		**1,261.2**	**2,106.6**
of which cash and cash equivalents		1,267.6	2,120.5
of which bank overdrafts	12	(6.4)	(13.9)

The notes on pages 44 to 57 are an integral part of the condensed consolidated financial statements.

2.2. NOTES TO THE CONDENSED HALF-YEAR CONSOLIDATED FINANCIAL STATEMENTS

Note 1 General information

Bureau Veritas SA (the "**Company**") and all of its subsidiaries make up the Bureau Veritas Group ("**Bureau Veritas**" or the "**Group**").

Since it was formed in 1828, Bureau Veritas has developed recognized expertise for helping its clients to comply with standards and/or regulations on quality, health and safety, security, the environment and social responsibility. The Group specializes in inspecting, testing, auditing and certifying the products, assets and management systems of its clients in relation to regulatory or self-imposed standards, and subsequently issues compliance reports.

Bureau Veritas is a joint stock company (*société anonyme*) under French law with a Board of Directors and is subject to the provisions of Book II of the French Commercial Code (*Code de commerce*) applicable to commercial companies and to any other legal or regulatory provisions applicable to commercial companies and to its by-laws.

The address of its registered office is Immeuble Newtime, 40/52 Boulevard du Parc, 92200 Neuilly-sur-Seine, France. It is registered with the Nanterre Trade and Companies Register (*Registre du commerce et des sociétés*) under number 775 690 621. The Company's APE Code, which identifies the type of business it carries out, is 7120B, corresponding to the business of technical analyses, testing and inspections. The Company's Legal Entity Identifier (LEI) is 969500TPU5T3HA5D1F11.

The Company was incorporated on April 2 and 9, 1868, by *Maître* Delaunay, notary in Paris, France. Its incorporation will expire, unless wound up or extended by an Extraordinary Shareholders' Meeting in accordance with the law and the Company's by-laws, on December 31, 2080.

The Company's fiscal year runs from January 1 to December 31.

The Company's website can be accessed at the following address: https://group.bureauveritas.com.

Between 2004 and October 2007, the Group was more than 99%-owned by Wendel. On October 24, 2007, 37.2% of Bureau Veritas SA shares were admitted for trading on the Euronext Paris market.

At June 30, 2021, Wendel held 35.51% of the capital of Bureau Veritas and 51.65% of its exercisable voting rights.

Wendel-Participations SE is the ultimate consolidating entity for Bureau Veritas.

These consolidated financial statements were adopted on July 27, 2021 by the Board of Directors.

Note 2 First-half 2021 highlights

Business in the context of the Covid-19 health crisis

Business during the period benefited from a return to a more normal operating environment than in first-half 2020.

Acquisitions

The Group's main acquisitions during the first half of 2021 were the following:

- Secura B.V., a Dutch company specializing in cybersecurity services;
- Bradley, a US-based construction management company for the renewable energy sector.

The impacts of these acquisitions on the half-year financial statements are detailed in Note 9 – Acquisitions and disposals.

Dividends

At the Bureau Veritas Combined Shareholders' Meeting, shareholders approved the distribution of a dividend of €0.36 per share for the 2020 financial year, paid in cash on July 7, 2021.

Note 3 Summary of significant accounting policies

Basis of preparation

The 2021 condensed half-year consolidated financial statements have been prepared in accordance with IAS 34, Interim Financial Reporting, as adopted by the European Union. They should be read in conjunction with the annual financial statements for the year ended December 31, 2020, which were prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union.

IFRS developments

The following standards, amendments and interpretations are applicable by the Group and effective for accounting periods beginning on or after January 1, 2021:

- amendments to IFRS 9, IAS 39 and IFRS 7, Interest Rate Benchmark Reform. These amendments had no impact on the consolidated financial statements at June 30, 2021;
- IFRIC agenda decision, Attributing Benefit to Periods of Service, dealing with the periods of service to which an entity attributes benefit for a particular defined benefit plan. The impact of this decision is currently being evaluated.

Note 4 Alternative performance indicators

In its external reporting, the Group uses several financial indicators that are not defined by IFRS.

These are defined below.

Adjusted operating profit represents the Group's operating profit prior to adjustments for the following:

- amortization of acquisition intangibles;
- impairment and retirement of non-current assets;
- impairment of goodwill;
- fees and costs on acquisitions of businesses;
- contingent consideration on acquisitions of businesses;
- gains and losses on disposals of businesses;
- restructuring costs.

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

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

Like revenue, adjusted operating profit is a key indicator monitored internally and is considered by management to be representative of the Group's operating performance in its business sector.

(€ millions)	First-half 2021	First-half 2020
Operating profit	**346.1**	**59.6**
Amortization of intangible assets resulting from acquisitions	28.9	104.4
Impairment and retirement of non-current assets	2.9	22.0
Restructuring costs	4.4	21.7
Gains/(losses) on disposals of businesses and other income and expenses relating to acquisitions	(4.1)	8.1
ADJUSTED OPERATING PROFIT	**378.2**	**215.8**

Adjusted attributable net profit is defined as attributable net profit adjusted for other items after tax, and concerns continuing operations only.

(€ millions)	First-half 2021	First-half 2020
Net profit/(loss) attributable to owners of the Company	**196.9**	**(34.1)**
Income and expenses relating to acquisitions and other adjustments	32.1	156.2
Tax impact	(12.8)	(32.4)
Non-controlling interests	(1.5)	(2.3)
ADJUSTED ATTRIBUTABLE NET PROFIT	**214.7**	**87.4**

Free cash flow relates to net cash generated from operations adjusted for net purchases of property, plant and equipment, intangible assets and interest paid.

(€ millions)	First-half 2021	First-half 2020
Net cash generated from operating activities	**328.9**	**364.3**
Purchases of property, plant and equipment and intangible assets	(56.4)	(44.9)
Proceeds from sales of property, plant and equipment and intangible assets	3.8	3.8
Interest paid	(47.4)	(53.6)
FREE CASH FLOW	**228.9**	**269.6**

The **adjusted effective tax rate** is defined in Note 7 – Income tax expense. **Adjusted net financial debt** is defined in Note 12 – Borrowings and financial debt.

Note 5 Segment information

A description of revenue-generating services in the Group's different businesses is provided in Note 7 – Segment information of section 6.6 – Notes to the consolidated financial statements, of the 2020 Universal Registration Document.

A segment analysis of revenue and operating profit is presented as monitored by Group management.

	Revenue		Operating profit	
(€ millions)	First-half 2021	First-half 2020	First-half 2021	First-half 2020
Marine & Offshore	189.2	185.0	42.1	5.0
Agri-Food & Commodities	518.0	517.1	63.5	5.9
Industry	487.2	473.6	47.3	21.4
Buildings & Infrastructure	709.2	611.4	95.3	15.7
Certification	196.5	142.0	35.8	10.5
Consumer Products	318.3	271.4	62.1	1.1
TOTAL	**2,418.4**	**2,200.5**	**346.1**	**59.6**

The following analysis of revenue by region is based on the country in which the legal entity is established, with the exception of certain global contracts that may be performed by an entity other than the billing entity, with the related revenue allocated to the country in which the contract is performed.

This analysis of revenue by region breaks down as follows:

(€ millions)	First-half 2021	First-half 2020
Europe	37.5%	36.6%
Asia Pacific	30.6%	30.1%
Americas	23.2%	24.3%
Africa, Middle East	8.7%	9.0%
TOTAL	**100.0%**	**100.0%**

Note 6 Operating income and expense

(€ millions)	First-half 2021	First-half 2020
Supplies	(96.3)	(104.8)
Operational subcontracting	(227.5)	(220.8)
Lease payments	(30.0)	(31.7)
Transportation and travel costs	(97.6)	(99.0)
Other external services	(222.6)	(207.0)
Total purchases and external charges	**(674.0)**	**(663.3)**
Gains/(losses) on disposals of property, plant and equipment and intangible assets	1.2	(14.3)
Gains/(losses) on disposals of businesses	-	(7.9)
Other operating income and expense, net	14.9	5.6
Total other operating income and expense, net	**16.1**	**(16.6)**

Note 7 Income tax expense

Consolidated income tax expense stood at €97.1 million for first-half 2021, compared with €24.3 million for first-half 2020.

The effective tax rate (ETR), corresponding to the income tax expense divided by the amount of pre-tax profit, was a 31.4% in first-half 2021, versus a negative 373.8% in first-half 2020.

The adjusted effective tax rate fell 5.7 percentage points compared to the first six months of 2020, at 32.2%. It corresponds to the effective tax rate corrected for adjustment items as described in Note 4 – Alternative performance indicators. The decrease primarily results from the mechanical impact of the rise in profit before income tax on tax expenses not directly calculated on taxable income, in particular withholdings and value added contributions (France and Italy), but also from the reduction in the income tax and value-added contribution rates in France.

Note 8 Goodwill

Changes in goodwill in first-half 2021

(€ millions)	**First-half 2021**	**First-half 2020**
Gross value	2,085.9	2,217.6
Accumulated impairment	(143.0)	(142.5)
Net goodwill at January 1	**1,942.9**	**2,075.1**
Acquisitions of consolidated businesses during the period	18.8	1.1
Currency translation differences and other movements	56.0	(67.1)
Net goodwill at June 30	**2,017.7**	**2,009.1**
Gross value	2,160.9	2,149.8
Accumulated impairment	(143.2)	(140.7)
NET GOODWILL AT JUNE 30	**2,017.7**	**2,009.1**

Changes

The acquisitions made during the first half of 2021 resulted in an increase of €18.8 million in goodwill. The main item of goodwill concerns Secura B.V. for €12.4 million and is allocated to the Certification cash-generating unit (CGU).

Methodology

The net carrying amount of goodwill is assessed at least yearly as part of the annual accounts closing process and tested for impairment. For the purposes of impairment testing, goodwill is allocated to CGUs.

At June 30, 2021, the approach used by the Group to confirm the carrying amount of goodwill consisted in reviewing the business performance for the first half and projections through to end-2021, and comparing these data with the budget to ensure that the tests carried out during the annual accounts closing remained valid.

Results of impairment tests

All analyses performed at June 30, 2021 confirm the value of goodwill carried on the Group’s statement of financial position.

Note 9 Acquisitions and disposals

Acquisitions during the period

In 2021, the main acquisitions carried out by the Group were:

ACQUISITIONS OF 100% INTERESTS

Month	Company	Business	Country
April	HDAA Australia Pty Ltd	Certification	Australia

OTHER ACQUISITIONS

Month	Company	Business	% acquired	Country
January	Secura B.V.	Certification	60.0%	Netherlands
March	Bureau Veritas Bradley Group	Industry	70.0%	United States

The amount of goodwill resulting from these acquisitions was calculated using the partial goodwill method, whereby non-controlling interests are measured based on their share in the fair value of the net identifiable assets acquired.

The purchase price for acquisitions made in 2021 was allocated to the acquirees' identifiable assets, liabilities and contingent liabilities at the end of the reporting period, based on information and provisional valuations available at that date.

The table below was drawn up prior to completing the final purchase price accounting for companies acquired in the first six months of 2021:

(€ millions)	June 30, 2021		June 30, 2020	
Purchase price of acquisitions		**30.7**		**1.7**
Assets and liabilities acquired/assumed	**Carrying amount**	**Fair value**	**Carrying amount**	**Fair value**
Total assets and liabilities acquired/assumed	**(3.1)**	**11.9**	**(1.8)**	**0.6**
GOODWILL		**18.8**		**1.1**

The residual unallocated goodwill is chiefly attributable to the human capital of the companies acquired and the significant synergies expected to result from these acquisitions.

The impact of these acquisitions on cash and cash equivalents for the period was as follows:

(€ millions)	June 30, 2021	June 30, 2020
Purchase price of acquisitions	**(30.7)**	**(1.7)**
Cash and cash equivalents of acquired companies	2.6	0.1
Purchase price paid in relation to acquisitions in prior periods	(7.4)	(15.3)
IMPACT OF ACQUISITIONS ON CASH AND CASH EQUIVALENTS	**(35.5)**	**(16.9)**

The negative amount of €35.9 million shown on the "Acquisitions of subsidiaries" line of the consolidated statement of cash flows includes a negative amount of €0.4 million in acquisition-related fees.

Unpaid contingent consideration

Contingent consideration for acquisitions carried out prior to July 1, 2020 and not yet disbursed was remeasured at June 30, 2021. The resulting net impact on the consolidated income statement is income of €4.6 million in first-half 2021 (the net impact was not material in first-half 2020).

Deconsolidation/disposal

No material businesses were sold in first-half 2021.

Note 10 Share capital

Capital increases

Following the exercise of 676,202 stock options, the Group carried out a share capital increase representing capital of €0.1 million and a share premium of €14.0 million.

Share capital

The total number of shares comprising the share capital was 452,901,294 at June 30, 2021 and 452,225,092 at December 31, 2020. All shares have a par value of €0.12 and are fully paid up.

Treasury shares

At June 30, 2021, the Group held 1,191,027 of its own shares. The carrying amount of these shares was deducted from equity.

Note 11 Share-based payment

Stock purchase option plans

Description

Pursuant to a decision of the Board of Directors on June 25, 2021, the Group awarded 1,214,700 stock options to certain employees and to the Chief Executive Officer. The options granted may be exercised at a fixed price of €26.06.

Beneficiaries must have completed three years of service to be eligible for the stock purchase option plans. Eligibility also depends on meeting a series of internal operating performance targets for 2021, 2022 and 2023. The options are valid for ten years after the grant date.

Measurement

The average fair value of the options granted during the period was €4.1 per option. Fair value was determined using the Black-Scholes option pricing model and the following key assumptions:

- expected share volatility: 23.0%;
- dividend yield: 2.4%;
- expected option life: 6 years;
- risk-free interest rate: negative 0.28%, determined by reference to the yield on government bonds over the estimated life of the option.

The number of shares that will vest under all plans was estimated using an attrition rate of 1% per year, as in first-half 2020. The internal operating performance targets for 2020 and 2021, initially attached to the June 2019 and June 2020 stock purchase option plans, were modified further to decisions of the Board of Directors' meetings of July 28, 2020 and February 24, 2021. The achievement rate for the amended 2020 performance targets was 100%.

Performance share plans

Description

Pursuant to a decision of the Board of Directors on June 25, 2021, the Group awarded 1,147,160 performance shares to certain employees and to the Chief Executive Officer. Beneficiaries must have completed three years of service to be eligible for the performance shares. Eligibility also depends on meeting a series of internal operating performance targets for 2021, 2022 and 2023.

Measurement

The fair value of the shares awarded to select employees and to the Chief Executive Officer in first-half 2021 was €25.1 per share. Fair value was determined using the Black-Scholes option pricing model and the following key assumptions:

- share price at the grant date;
- dividend yield: 2.1%.

The number of shares that will vest under all plans awarded to select employees and to the Chief Executive Officer was estimated using an attrition rate of 5% per year, as in first-half 2020. The number of shares that will vest under the plan awarded to the Chief Executive Officer was estimated using an attrition rate of 0% per year, as in first-half 2020. The internal operating performance targets for 2020 and 2021, initially attached to the June 2019 and June 2020 performance share plans, were modified further to decisions of the Board of Directors' meetings of July 28, 2020 and February 24, 2021. The achievement rate for the amended 2020 performance targets was 100%.

Impact on the half-year financial statements

In first-half 2021, the Group recognized a total net share-based payment expense of €11.7 million (first-half 2020: €10.4 million):

- a €1.1 million expense in respect of stock option plans (first-half 2020: €1.3 million);
- a €10.6 million expense in respect of performance share plans (first-half 2020: €9.1 million).

Note 12 Borrowings and financial debt

(€ millions)	Total	Due within 1 year	Due between 1 and 2 years	Due between 2 and 5 years	Due beyond 5 years
At June 30, 2021					
Bank borrowings and debt (long-term portion)	700.0	-	69.3	(3.8)	634.5
Bond issue	1,700.0	-	-	1,000.0	700.0
NON-CURRENT BORROWINGS AND FINANCIAL DEBT	**2,400.0**	-	**69.3**	**996.2**	**1,334.5**
Current bank borrowings and debt	25.3	25.3	-	-	-
Bond issue	-	-	-	-	-
Bank overdrafts	6.4	6.4	-	-	-
CURRENT BORROWINGS AND FINANCIAL DEBT	**31.7**	**31.7**	**-**	**-**	**-**
At December 31, 2020					
Bank borrowings and debt (long-term portion)	676.2	-	(1.7)	63.9	614.0
Bond issue	1,700.0	-	-	1,000.0	700.0
NON-CURRENT BORROWINGS AND FINANCIAL DEBT	**2,376.2**	**-**	**(1.7)**	**1,063.9**	**1,314.0**
Current bank borrowings and debt	43.0	43.0	-	-	-
Bond issue	500.0	500.0	-	-	-
Bank overdrafts	7.5	7.5	-	-	-
CURRENT BORROWINGS AND FINANCIAL DEBT	**550.5**	**550.5**	**-**	**-**	**-**

The main terms and conditions and sources of financing for the Group are described in section 1.4.2 – Financing, of the half-year activity report at June 30, 2021.

Gross debt decreased by €495.0 million to €2,431.7 million between December 31, 2020 and June 30, 2021, owing mainly to the redemption of the €500 million bond issue in January 2021.

Leverage ratios

Some of the Group's financing requires it to comply with certain contractually defined covenants. Compliance is tested at December 31 and June 30 each year.

In June 2020, the Group's banking partners and the investors for its US Private Placement (USPP) granted a covenant waiver for the June 30, 2020, December 31, 2020 and June 30, 2021 test dates. In May 2021, the Group terminated the amendment agreed with the USPP investors ahead of term, allowing the initially agreed covenants to apply once again.

The Group complied with all such commitments at June 30, 2021. The commitments can be summarized as follows:

- the first covenant is defined as the ratio of adjusted net financial debt divided by consolidated EBITDA (earnings before interest, tax, depreciation, amortization and provisions), adjusted for any entity acquired over the last 12 months. This ratio should be less than 3.5x. At June 30, 2021, it stood at 1.30;

- the second covenant represents consolidated EBITDA (earnings before interest, tax, depreciation, amortization and provisions), adjusted for any acquisitions over the last 12 months, divided by consolidated net financial expense. This ratio should be higher than 5.5x. At June 30, 2021, it stood at 13.13.

Breakdown by currency

Gross borrowings and financial debt excluding bank overdrafts can be analyzed as follows by currency:

Currency *(€ millions)*	**June 30, 2021**	**Dec. 31, 2020**
US dollar (USD)	635.5	623.2
Euro (€)	1,709.9	2,227.0
Other currencies	79.9	69.0
TOTAL	**2,425.3**	**2,919.2**

Fixed rate/floating rate breakdown

At June 30, 2021, gross borrowings and financial debt excluding bank overdrafts can be analyzed as follows:

(€ millions)	**June 30, 2021**	**Dec. 31, 2020**
Fixed rate	2,420.5	2,913.6
Floating rate	4.8	5.6
TOTAL	**2,425.3**	**2,919.2**

The contractual repricing dates for floating rates are six months or less. The reference rate used is Euribor for floating-rate borrowings in euros.

Effective interest rates approximate nominal rates for all financing facilities.

Alternative performance indicators

In its external reporting on borrowings and financial debt, the Group uses an indicator known as **adjusted net financial debt**. This indicator is not defined by IFRS but is determined by the Group based on the definition set out in its bank covenants:

(€ millions)	**June 30, 2021**	**Dec. 31, 2020**
Non-current borrowings and financial debt	2,400.0	2,376.2
Current borrowings and financial debt	31.7	550.5
BORROWINGS AND FINANCIAL DEBT, GROSS	**2,431.7**	**2,926.7**
Cash and cash equivalents	(1,267.6)	(1,594.5)
NET FINANCIAL DEBT	**1,164.1**	**1,332.2**
Currency hedging instruments (as per banking covenants)	1.3	(3.1)
ADJUSTED NET FINANCIAL DEBT	**1,165.4**	**1,329.1**

Note 13 Guarantees given

There were no significant changes in the guarantees given by the Group at June 30, 2021 compared to those described in Note 32 – Off-balance sheet commitments and pledges, of the 2020 Universal Registration Document.

Note 14 Provisions for liabilities and charges

(€ millions)	Dec. 31, 2020	Additions	Utilized provisions reversed	Surplus provisions reversed	Impact of discounting	Changes in scope of consolidation	Currency translation differences and other movements	June 30, 2021
Provisions for contract-related disputes	39.8	5.4	(2.3)	(3.0)	0.4	-	0.3	40.6
Other provisions for liabilities and charges	52.7	10.9	(4.2)	(5.8)	-	-	1.2	54.8
TOTAL	**92.5**	**16.3**	**(6.5)**	**(8.8)**	**0.4**	**-**	**1.5**	**95.4**

Provisions for contract-related disputes

Provisions for contract-related disputes recognized in the statement of financial position at June 30, 2021 take into account the disputes described in section 1.5 – Main risks and uncertainties for the remaining six months of the financial year, of the half-year activity report at June 30, 2021.

Based on the available insurance coverage, the provisions booked by the Group and the information currently available, the Group considers that these disputes will not have a material adverse impact on its consolidated financial statements.

Other provisions for liabilities and charges

"Other provisions for liabilities and charges" include provisions for restructuring, provisions for losses on completion and miscellaneous other provisions, the amounts of which are not material taken individually.

There are no other legal, administrative, government and arbitration procedures or investigations (including any proceedings of which the Group is aware, pending or threatened) that could have, or have had over the last six months, a material impact on the Group's financial position or profitability.

Note 15 Movements in working capital attributable to operations

This caption represented a negative €68.5 million in first-half 2021 and a positive €113.7 million in first-half 2020, and can be analyzed as follows:

(€ millions)	June 30, 2021	June 30, 2020
Trade receivables and contract assets	(45.8)	123.2
Trade and other payables	6.7	(5.0)
Other receivables and payables	(29.5)	(4.5)
MOVEMENTS IN WORKING CAPITAL ATTRIBUTABLE TO OPERATIONS	**(68.5)**	**113.7**

Note 16 Earnings per share

Basic earnings per share

Basic earnings per share is calculated by dividing net profit attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the period.

	First-half 2021	First-half 2020
Net profit/(loss) attributable to owners of the Company *(€ thousands)*	196,927	(34,069)
Weighted average number of ordinary shares outstanding *(in thousands)*	449,836	448,056
BASIC EARNINGS PER SHARE *(€)*	**0.44**	**(0.08)**

Diluted earnings per share

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to reflect the conversion of dilutive potential ordinary shares.

The Company has two categories of dilutive potential ordinary shares: stock options and performance shares.

	First-half 2021	First-half 2020
Net profit/(loss) attributable to owners of the Company *(€ thousands)*	196,927	(34,069)
Weighted average number of ordinary shares outstanding *(in thousands)*	454,049	451,553
DILUTED EARNINGS PER SHARE *(€)*	**0.43**	**(0.08)**

Note 17 Dividend per share

The Combined Shareholders' Meeting was held behind closed doors on June 25, 2021.

All of the resolution put to the vote of the shareholders were approved, including the proposed €0.36 dividend per share, paid in cash on July 7, 2021.

Note 18 Additional financial instrument disclosures

The table below presents the carrying amount, valuation method and fair value of financial instruments classified in each IFRS 9 category at the end of each reporting period:

			IFRS 9 basis of measurement in SOFP			
(€ millions)		Carrying amount	Amortized cost	Fair value through equity	Fair value through profit or loss	Fair value
At June 30, 2021						
Financial assets						
Other financial assets		121.3	119.3	-	2.0	121.3
Derivative financial instruments		4.1	-	-	4.1	4.1
Cash and cash equivalents		1,267.6	-	-	1,267.6	1,267.6
	Money market funds (SICAV)	*379.2*			*379.2*	*379.2*
	Cash and cash equivalents	*888.4*			*888.4*	*888.4*
	Level 1				*1,267.6*	*1,267.6*
	Level 2				*6.1*	*6.1*
	Level 3					
Financial liabilities						
Borrowings and debt		2,431.7	2,431.7	-	-	2,538.2
Other financial liabilities		333.0	204.9	128.1	-	333.0
Financial lease liabilities		406.1	406.1	-	-	406.1
Derivative financial instruments		5.3	-	-	5.3	5.3
	Level 1					
	Level 2			*128.1*	*5.3*	*133.4*
	Level 3					
At December 31, 2020						
Financial assets						
Other financial assets		122.7	121.1	-	1.6	122.7
Derivative financial instruments		6.7	-	-	6.7	6.7
Cash and cash equivalents		1,594.5	-	-	1,594.5	1,594.5
	Money market funds (SICAV)	*524.0*			*524.0*	*524.0*
	Cash and cash equivalents	*1,070.5*			*1,070.5*	*1,070.5*
	Level 1				*1,594.5*	*1,594.5*
	Level 2				*8.3*	*8.3*
	Level 3					
Financial liabilities						
Borrowings and debt		2,926.7	2,926.7	-	-	3,013.3
Other financial liabilities		145.5	54.8	90.7	-	145.5
Financial lease liabilities		419.7	419.7	-	-	419.7
Derivative financial instruments		3.6	-	-	3.6	3.6
	Level 1					
	Level 2			*90.7*	*3.6*	*94.3*
	Level 3					

At June 30, 2021, translation risk, operational currency risk, financial currency risk and interest rate risk are the same as described in Note 33 – Additional financial instrument disclosures of section 6.6 – Notes to the consolidated financial statements, of the 2020 Universal Registration Document.

Analysis of sensitivity to operational currency risk

For the Group's businesses present in local markets, income and expenses are mainly expressed in local currencies. For the Group's businesses relating to international markets, a portion of revenue is denominated in US dollars.

A total of 8% of first-half 2021 consolidated US dollar revenue was generated in countries with functional currencies other than the US dollar or currencies linked to the US dollar.

The impact of a 1% rise or fall in the US dollar against all other currencies would have had an impact of 0.08% on consolidated Group revenue.

Interest rate risk

The Group's interest rate risk arises primarily from assets and liabilities bearing interest at floating rates. The Group seeks to limit its exposure to a rise in interest rates and may use interest rate instruments where appropriate. Interest rate exposure is monitored on a monthly basis.

The Group continually analyses the level of hedges put in place and ensures that they are appropriate for the underlying exposure. The Group's policy at all times is to prevent more than 60% of its consolidated net debt being exposed to the risk of a rise in interest rates. The Group may therefore enter into other swaps, collars or similar instruments for this purpose. No financial instruments are contracted for speculative purposes. At June 30, 2021, the Group had no interest rate hedges.

At June 30, 2021, given the net floating-rate position after hedging, the Group considers that a 1% rise in short-term interest rates across all currencies would lead to an increase of around €12.6 million in interest income.

Debt maturing after five years is at fixed rates and represents a total amount of €1,334 million. At June 30, 2021, 99% of the Group's gross debt was at fixed rates.

Note 19 Related-party transactions

At June 30, 2021, the Group's related parties and related-party transactions are identical to those described in Note 34 – Related-party transactions of section 6.6 – Notes to the consolidated financial statements, of the 2020 Universal Registration Document.

Note 20 Events after the end of the reporting period

None.

Note 21 Scope of consolidation

Besides the companies acquired in the period (see Note 9 – Acquisitions and disposals), there were no significant changes in the list of fully consolidated companies at June 30, 2021 compared to that set out in Note 37 – Scope of consolidation of section 6.6 – Notes to the consolidated financial statements, of the 2020 Universal Registration Document.

At June 30, 2021, equity-accounted companies are the same as those included in Note 37 – Scope of consolidation of section 6.6 – Notes to the consolidated financial statements, of the 2020 Universal Registration Document.

2.3. STATUTORY AUDITORS' REVIEW REPORT ON THE 2021 INTERIM FINANCIAL INFORMATION (SIX MONTHS ENDED JUNE 30, 2021)

This is a translation into English of the Statutory Auditors' review report issued in French and is provided solely for the convenience of English-speaking users. This report also includes information relating to the specific verification of information given in the Group's half-year activity report. It should be read in conjunction with and construed in accordance with French law and professional standards applicable in France.

To the Shareholders,

In compliance with the assignment entrusted to us by your Shareholders' Meeting and in accordance with the requirements of Article L.451-1-2 III of the French Monetary and Financial Code (*Code monétaire et financier*), we hereby report to you on:

- the review of the accompanying condensed half-year consolidated financial statements of Bureau Veritas for the period from January 1 to June 30, 2021,
- the verification of the information presented in the half-year activity report.

Due to the global crisis related to the Covid-19 pandemic, the condensed half-year consolidated financial statements of this period have been prepared and reviewed under specific conditions. This crisis and the exceptional measures taken in the context of the public health state of emergency have had numerous consequences for companies, particularly on their operations and their financing, and have led to greater uncertainties on their future prospects. Those measures, such as travel restrictions and remote working, have also had an impact on companies' internal organization and the performance of our work.

These condensed half-year consolidated financial statements were prepared under the responsibility of the Board of Directors. Our role is to express a conclusion on these financial statements based on our review.

1. Conclusion on the financial statements

We conducted our review in accordance with professional standards applicable in France.

A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with professional standards applicable in France, and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed half-year consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34, Interim Financial Information, as adopted by the European Union.

2. Specific verification

We have also verified the information presented in the half-year activity report on the condensed half-year consolidated financial statements subject to our review.

We have no matters to report as to its fair presentation and its consistency with the condensed half-year consolidated financial statements.

Neuilly-sur-Seine and Paris-La-Défense, July 28, 2021

The Statutory Auditors

PricewaterhouseCoopers Audit	ERNST & YOUNG Audit
François Guillon	Nour-Eddine Zanouda

3. STATEMENT BY THE PERSON RESPONSIBLE FOR THE HALF-YEAR FINANCIAL REPORT

I hereby declare that, to the best of my knowledge, the condensed half-year consolidated financial statements presented in Chapter 2 – Condensed half-year consolidated financial statements at June 30, 2021 have been prepared in accordance with applicable accounting standards and provide a true and fair view of the capital, financial position and results of the Company and all of the businesses included in the consolidation, and that the half-year activity report appearing in Chapter 1 – Half-year activity report at June 30, 2021, presents a true and fair view of the significant events that occurred in the first six months of the financial year, their impact on the consolidated financial statements at June 30, 2021, the principal related-party transactions and a description of the main risks and uncertainties for the remaining six months of the 2021 financial year.

Neuilly-sur-Seine, July 29, 2021

Didier Michaud-Daniel
Chief Executive Officer, Bureau Veritas

Shaping a World of Trust

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