Press Release

H1- 2015 Results

Delivering on stated 2015 objectives

Cergy, July 28, 2015

Key highlights

- Revenue up 5.3% in the first half
- Margin improvement across all segments
- Volume contraction in France and Oil & Gas, as expected, but tender activity picking up; solid growth in other core markets
- 2 bolt-ons: Numac in May, adding complementary industrial maintenance and technical services capabilities in the Netherlands, and engineering & utilities services company Leven Energy Services in the UK in July
- Increased financial flexibility following successful IPO

Financial highlights

- Revenue: €2,584.3 million (+5.3%, -2.0% organic at constant currency)
- EBITA[1]: €142.7 million (+7.5%)
- EBITA margin: 5.5% (+11 basis points compared to H1- 2014)
- Acquisitions: adding annualised revenues of €110 million[2]
- Leverage[3]: 3.4x at June 2015

[1] *Adjusted operating income before amortisation of allocated goodwill, before taxes and financial income*
[2] *Based on 2014 revenue*
[3] *Net debt/ LTM EBITDA*

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Outlook

SPIE confirms its 2015 guidance: total Group revenue of €5.4 billion- €5.5 billion, over 10 basis points increase in EBITA margin and 100% cash conversion. Furthermore, with an extensive pipeline of opportunities ahead, SPIE expects to complete a number of further acquisitions before the year-end so that €200 million in annualised sales are added to Group revenues this year.

Gauthier Louette, Chairman & CEO commented: 'Against the background of mixed macroeconomic conditions, we are delivering on our stated 2015 objectives. Rigorous contract portfolio management and cost optimisation allowed for margin improvement across all four segments. We continued to successfully roll out the SPIE model in Germany. We are currently seeing renewed tender activity in both France and the Oil & Gas businesses but the recent reversal of oil prices may lead to further softness in OCTG[4] as the second half develops. The successful IPO provides us with additional flexibility to implement our virtuous cycle of growth model'.

Results

Euro million		H1 2015	H1 2014	Change
France				
	Revenue	1,086.3	1,124.1	-3.4%
	EBITA	62.1	63.6	-2.3%
	EBITA margin	*5.7%*	*5.7%*	*6 bps*
Germany & Central Europe				
	Revenue	447.2	341.8	30.8%
	EBITA	12.5	6.5	93.3%
	EBITA margin	*2.8%*	*1.9%*	*90 bps*
North-Western Europe				
	Revenue	631.2	583.6	8.2%
	EBITA	21.6	19.4	11.3%
	EBITA margin	*3.4%*	*3.3%*	*10 bps*
Oil & Gas and Nuclear				
	Revenue	419.6	404.0	3.9%
	EBITA	37.1	33.8	9.8%
	EBITA margin	*8.8%*	*8.4%*	*48 bps*
Holding				
	EBITA	9.4	9.5	nm
Consolidated				
	Revenue	**2,584.3**	**2,453.5**	**5.3%**
	EBITA	**142.7**	**132.8**	**7.5%**
	EBITA margin	***5.5%***	***5.4%***	***11 bps***

[4] *Activities mainly related to trading of tubular goods (casing/ tubing) in Angola as part of development projects and pipe yard management (approximately 3% of H1-2015 revenue)*

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Half year revenue increased 5.3% to €2.58 billion versus H1-2014. Organic growth was +0.9% (-2.0% at constant exchange rate). Bolt-on acquisitions (mainly in H2-2014) added €108 million or 4.4% to H1 period revenues.

EBITA grew faster than revenues due to the 11 basis points improvement in group margin to 5.5%. Half year EBITA was €142.7 million, up 7.5% from €132.8 million. All segments reported higher margins in spite of continuing volume softness in France and the expected deterioration in Oil & Gas activity (mainly OCTG) in the second quarter.

Segmental review

In the ***France*** segment, the macroeconomic environment remained challenging. Half-year revenue declined by 3.4% with the public sector experiencing continued weakness (mainly in new build activities). Market shares improved in the telecom sector while the aerospace client sector demonstrated strong resilience. Margins improved 6 basis points to 5.7% through the combination of strict contract selection, focus on higher value work and continued overhead reduction. With tender activity increasing, the decline in revenue is expected to reduce to low single digit decline for the full year.

In the ***Germany & Central Europe segment,*** revenue increased by 30.8% benefiting from the acquisitions completed in the second half of 2014 in Germany (primarily Fleischhauer) and Switzerland (Viscom, connectis and Softix), all designed to expand the ICT footprint locally. Organic growth at constant currency was solid, with all acquired companies performing well. In Germany, the SPIE model has been rolled out further. The restructuring is now substantially complete with a 4% reduction in German headcount and legacy contracts have been exited or renegotiated and fully provided for. In addition, further significant wins on small projects have been recorded. Segment EBITA margins improved by 90 basis points to 2.8%.

The North-Western Europe segment recorded a 8.2% increase in revenues benefiting from the favourable impact of currency translation and the Scotshield acquisition in the UK in July 2014. Volume expanded strongly in the Netherlands and growth was steady in the UK against a strong H1-2014. On the other hand, segment growth was negatively affected by lower volumes in Morocco and Portugal. Segment margins improved 10 basis points with the UK outperforming markedly thanks to contract

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selectivity and improved procurement. The underperforming Portuguese activities are being put under strategic review.

Oil & Gas and Nuclear segment revenue increased by 3.9%. At constant currency, revenue contracted by mid-single digit percentage reflecting declining activity in the Oil & Gas division while development in the Nuclear division remained steady. At June-end, the core oil & gas operation and maintenance activities posted a slight revenue growth at constant currency, while OCTG deliveries contracted significantly during Q2. Segment margins increased 48 basis points with Oil & Gas managing to report steady improvement against a challenging backdrop due to its flexible labor model. The outlook for OCTG, which accounted for 19% of segment revenue and 3% of Group revenues in H1-2015, remains uncertain given the recent reversal in the oil price.

Delivering energy-efficient facilities and infrastructures

SPIE promotes technology convergence in support of the green economy, by focusing on delivering more energy-efficient facilities and infrastructures in the field of Mechanical and Electrical Services, Information & Communications Technology Services and Technical Facility Management.

Mechanical and Electrical Services

SPIE GmbH has renewed a contract for the maintenance and upgrade of heating, air conditioning and drinking water supply systems for the 106,000 sqm SI Erlebnis-Centrum in Stuttgart for a period of eleven years with committed cost saving targets.

In the UK, SPIE Scotshield will design, install and commission an innovative solution for global fire security for the Glasgow University Hospital Centre while integrating the fire detection and fire alarm systems in the building management system. SPIE UK has been awarded the installation of additional data halls with complete Mechanical and Electrical infrastructure, fire system and security by Next Generation Data, the largest data centre Campus in the UK with a 750,000 sq.ft main building located near Cardiff.

SPIE offers a wide range of resources to capitalise on the shift in mix of energy production and distribution. In the Netherlands, SPIE was awarded the contract to build a new 110KV station for the grid operator TenneT in its move to further operate wind energy mills.

Information & Communications Technology

For Sitech's Chemelot chemical site in the Netherlands, SPIE will provide expansion and maintenance services for the telephony, data and industrial communication network (fibre optics and copper). As a

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leading Information and Communications Technology provider, SPIE will also supply technical management of the infrastructure and equipment and services on the site for the computer workstations and telephony.

SPIE GmbH has been awarded by Finanzinformatik operation responsibility of a data centre class 'ANIMAL IV' with the highest standards in terms of availability, response times and qualification requirements for personnel.

Technical Facility Management

In Germany, SPIE will supply multi-technical services for five Airbus sites located in the Northern part of the country representing a total of 370 buildings and industrial warehouses of 1.7m sqm. Services include operation and maintenance of HVAC systems and taking over of the daily operational management of the equipment and supply of 24/7 services.

In France, SPIE has been awarded the multi-technical maintenance of L'Oreal's world headquarters in Clichy in eight buildings covering an area of 87,000 sqm.

SPIE Oil & Gas will provide commissioning assistance and start as part of the Sadara project in Saudi Arabia, the world's largest chemical complex made up of 26 integrated manufacturing plants.

Acquisitions

Operating on a highly fragmented market in Europe, SPIE pursues bolt-on acquisitions to increase network density, expand its range of services and its customer portfolio. The Group plans to add an average of approximately €200 million per annum in annualised sales. On May 1, SPIE completed the purchase of Numac, a leading industrial maintenance and technical services provider in the Netherlands. With €57 million in revenues in 2014, Numac perfectly complements SPIE Nederland's client base and maintenance expertise. After the period end, SPIE completed the acquisition of Leven Energy Services on July 22. With revenues of €53 million in 2014, Leven Energy Services provides a range of engineering and utility services to the distribution network operators in the UK. It is involved in all the major utility areas of Electricity, Gas and Water and will significantly enhance the business reach in Southern England.

Financing – Balance sheet

First half decrease in financing from working capital was stronger in H1-2015 than in H1-2014. This was essentially due to delayed payments at June-end by a few specific clients which are expected to correct in H2.

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On June 11, 2015, SPIE concluded a successful initial public offering on the regulated market of Euronext Paris resulting in a company market capitalisation of €2.5 billion at the time of the listing. As part of the transaction; SPIE raised €700 million by way of issuance of new shares. The primary proceeds and new credit facilities totalling €1,295 million were used to repay existing facilities (€1,958 million in total) as well as refinancing costs and IPO related fees.

At June-end, net financial debt amounted to €1,311 million. The corresponding leverage was 3.4x down from 3.5x in March 2015 proforma[5]. The Group confirms its objective to reach a debt leverage ratio equal to or less than 2.5x EBITDA by year-end 2015 (including the impact of the employee offering to be launched in September 2015).

Both Moody's and Standard & Poors raised their long term corporate ratings to Ba3 and BB from B2 and B+ respectively (with a stable outlook) following the successful IPO and the simultaneous refinancing.

About SPIE

As the independent European leader in multi-technical services in the areas of energy and communications, SPIE supports its customers to design, build, operate and maintain energy-efficient and environmentally-friendly facilities.

With more than 38,000 employees working from close to 550 sites in 35 countries, SPIE achieved consolidated revenue of €5.22 billion in 2014 and consolidated EBITA of €334 million.

www.spie.com
https://www.facebook.com/SPIEgroup
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[5] *Proforma for the IPO*

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