

Press release

2019 Half-Year results

Robust organic growth: +3.1%

EBITA up +4.5%

Active bolt-on M&A: 4 acquisitions to date

Deleveraging in motion

Full-year outlook confirmed

Cergy, July 26th, 2019

H1 2019 highlights

- **Good business momentum driving solid results in H1**
 - Total revenue growth at constant FX: +3.4% (+3.7% reported) vs. H1 2018
 - Robust organic growth, at +3.1%
 - Group EBITA up + 4.5%, EBITA margin stable
 - Strong rebound in net income: €44.0 million in H1 2019, compared to €(17.5) million in H1 2018
 - €154 million decrease in net debt and significant reduction in leverage vs. June 2018
- **Active execution on our bolt-on M&A strategy, full-year target already achieved**
 - 4 acquisitions in 2019 to date, totalling €210 million full-year revenue
 - Expanding service offering in Germany, scaling up capacities in robotics and automation in France, increasing footprint in Austria
- **Full-year outlook confirmed**
 - Revenue growth: 2.5% to 4.5%, including bolt-on acquisitions, at constant currency
 - EBITA¹ margin: at least 6.0%
 - Cash conversion around 100%, continued reduction in leverage

Gauthier Louette, Chairman & CEO, declared: *'SPIE delivered a strong set of results in the first half of 2019, combining strong revenue growth and solid margins. This performance illustrates the robustness of our model and the particular value of our services, which are instrumental in enabling both the energy and the digital transitions across Europe. Our French business, in particular, is reaping*

¹ Excluding the impact of IFRS 16

Press contacts

SPIE
Pascal Omnès
Group Communications Director
Tel. + 33 (0)1 34 41 81 11
pascal.omnes@spie.com

SPIE
Thomas Guillois
Investor Relations Director
Tel. + 33 (0)1 34 41 80 72
thomas.guillois@spie.com

Image 7
Laurent Poinot
Tel. + 33 (0)1 53 70 74 77
lpoinot@image7.fr

significant benefits from its deep transformation completed at the end of 2018. We kept expanding our footprint and developing our service portfolio with four bolt-on acquisitions perfectly in line with the Group's strategic priorities. We are confident for the second half of the year and confirm our full-year guidance.'

H1 2019 results

Preliminary comment: H1 2019 financial information presented in this press release excludes, unless otherwise stated, the impacts of the implementation of IFRS 16, for the purpose of a consistent comparison with H1 2018 and with the Group's 2019 full-year outlook. IFRS 16 impacts on H1 2019 financial information are presented in detail in the appendix of this press release.

<i>In millions of euros</i>	H1 2019 excl. IFRS 16	H1 2018	19/18 Change	H1 2019 incl. IFRS 16
Revenue	3,223.8	3,109.0	+3.7%	3,223.8
EBITA	156.3	149.6	+4.5%	156.3
EBITA margin	4.8%	4.8%		4.8%
Adjusted net income (Group share)	83.1	71.0	+17.0%	81.5
Net income (Group share)	44.0	(17.5)	n.a.	42.4
Net debt as of June 30 th	(1,842.3)	(1,996.7)	154.4	(2,191.6)
Leverage ratio ¹ as of June 30 th	3.9x	4.3x		3.9x

Group revenue was €3,223.8 million in H1 2019, up +3.7% compared to H1 2018, including a +3.1% organic growth, a +0.8% growth from acquisitions, a -0.4% impact from 2018 disposals and a +0.3% impact from currency movements. In the second quarter of 2019, Group revenue grew +3.1%, including a +2.9% organic growth.

Group EBITA was €156.3 million in H1 2019, up +4.5% compared to H1 2018. EBITA margin was 4.8%, in line with H1 2018.

Net income (Group share) was €44.0 million in H1 2019, compared to a €(17.5) million net loss in H1 2018. H1 2018 net loss reflected primarily major reorganisations and disposals which generated significant one-off costs and which were completed at the end of 2018. Adjusted for non-recurring items

¹ Net debt at end June / pro-forma EBITDA on a trailing twelve-month basis

Press contacts

SPIE
Pascal Omnès
Group Communications Director
Tel. + 33 (0)1 34 41 81 11
pascal.omnes@spie.com

SPIE
Thomas Guillois
Investor Relations Director
Tel. + 33 (0)1 34 41 80 72
thomas.guillois@spie.com

Image 7
Laurent Poinsot
Tel. + 33 (0)1 53 70 74 77
lpoinsot@image7.fr

and allocated goodwill amortisation, **Adjusted net income (Group share)** was €83.1 million, up +17.0% year-on-year.

Working capital improved strongly over 12 months to (7) days of revenue at June 30th, 2019, compared to (3) days at June 30th, 2018.

Net debt decreased by € 154.4 million over 12 months, to €(1,842.3) million or a 3.9x leverage at June 30th, 2019, compared with €(1,996.7) million or a 4.3x leverage at June 30th, 2018. As a result of SPIE's usual working capital seasonality, net debt and leverage increased in H1 compared to December 31st, 2018 levels. June 2019 levels are consistent with SPIE's stated deleveraging trajectory, which is expected to lead to a leverage around 2.5x at the end of December 2020.

Analysis by segment

Revenue

<i>In millions of euros</i>	H1 2019	H1 2018	Change	o/w external growth	o/w disposal ¹	o/w organic growth	o/w foreign exchange
France	1,248.9	1,181.6	+5.7%	+0.9%	-	+4.8%	-
Germany & CE	1,022.8	1,003.1	+2.0%	0.0%	-	+1.9%	+0.1%
<i>o/w Germany</i>	844.6	836.2	+1.0%	0.0%	-	+1.0%	-
North-Western Europe	700.2	706.7	-0.9%	+1.7%	-1.9%	-0.8%	+0.1%
Oil & Gas and Nuclear	251.9	217.6	+15.8%	+0.5%	-	+11.9%	+3.4%
Group revenue	3,223.8	3,109.0	+3.7%	+0.8%	-0.4%	+3.1%	+0.3%

¹ Disposal of SPIE's UK overhead lines services business, completed in June 2018.

Press contacts

SPIE
Pascal Omnès
Group Communications Director
Tel. + 33 (0)1 34 41 81 11
pascal.omnes@spie.com

SPIE
Thomas Guillois
Investor Relations Director
Tel. + 33 (0)1 34 41 80 72
thomas.guillois@spie.com

Image 7
Laurent Poinsot
Tel. + 33 (0)1 53 70 74 77
lpoinsot@image7.fr

EBITA

<i>In millions of euros</i>	H1 2019	H1 2018	19/18 Change
France	72.2	67.6	+6.8%
<i>In % of revenue</i>	5.8%	5.7%	
Germany & CE	45.1	41.8	+7.9%
<i>In % of revenue</i>	4.4%	4.2%	
<i>o/w Germany</i>	39.6	36.3	+9.1%
<i>In % of revenue</i>	4.7%	4.3%	
North-Western Europe	11.7	17.1	-31.6%
<i>In % of revenue</i>	1.7%	2.4%	
Oil & Gas and Nuclear	21.4	17.3	+23.7%
<i>In % of revenue</i>	8.5%	8.0%	
Holding	5.9	5.7	
Group EBITA	156.3	149.6	+4.5%
<i>In % of revenue</i>	4.8%	4.8%	

France: strong performance, reaping the benefits of a deep reorganisation

The France segment revenue grew +5.7% in H1 2019, including a strong +4.8% organic growth and a +0.9% impact from 2018 acquisitions (Buchet and Sietar & VTI). EBITA margin progressed to 5.8%, from 5.7% in H1 2018.

The operational transformation of SPIE's French business, completed at the end of 2018, has allowed the Group to step up its performance in the country which remains the largest contributor to its earnings. In H1 2019, SPIE France was particularly effective in capturing market opportunities, notably in information and communication services, industry and telecom infrastructure, the latter strongly fuelled by the optic fibre roll-out. In commercial installation, while maintaining contract selectivity, revenue started to recover slightly.

Leveraging on its new organisation, SPIE France strengthened its operational processes, increased its efficiency and therefore continued to deliver margin improvement in H1 2019.

With the acquisition of Cimlec (c. €42 million revenue in 2018), finalised in July 2019, SPIE France's Industry division scales up its capabilities in robotics and automation, which are key to address Industry 4.0 opportunities.

Press contacts

SPIE
Pascal Omnès
Group Communications Director
Tel. + 33 (0)1 34 41 81 11
pascal.omnes@spie.com

SPIE
Thomas Guillois
Investor Relations Director
Tel. + 33 (0)1 34 41 80 72
thomas.guillois@spie.com

Image 7
Laurent Poinsot
Tel. + 33 (0)1 53 70 74 77
lpoinsot@image7.fr

Germany & Central Europe: dynamic market environment

The Germany & Central Europe segment's revenue increased by +2.0% in H1 2019, including a +1.9% organic growth and a +0.1% impact from currency movements. Segmental EBITA margin increased to 4.4%, compared to 4.2% in H1 2018.

Activity levels in **Germany** were high in H1 2019, with organic growth at +1.0% on a high comparison basis. Business levels were particularly good in transmission and distribution services, which play a crucial role in supporting Germany's current energy transition, and in information and communication services. The full-year impact from synergies, gradually delivered throughout 2018, resulted in a 40 basis points year-on-year EBITA margin improvement.

With the acquisition of TELBA Group (c. €67 million revenue in 2018), finalised in June 2019, SPIE is stepping up its information and communication services capabilities in Germany, in line with the Group's development priorities. In June 2019, SPIE also announced its collaboration with Rheinenergie through 'TanKE', a joint-venture which will provide a full service offer for charging infrastructure for e-mobility across Germany.

On July 24th, 2019, SPIE announced the signing of an agreement for the acquisition of Osmo in Germany. With this acquisition, SPIE will further strengthen its presence in the German market, primarily in electrical and automation technology as well as information and communication technology, and will enter the traffic engineering market. With more than 270 employees, Osmo generated revenue of c. €65 million in 2018.

In **Central European countries**, revenue growth was solid, driven by transmission and distribution services in Hungary. In May 2019, SPIE significantly increased its footprint in **Austria** with the acquisition of Christof Electrics (c. €36 million revenue in 2018).

In **Switzerland**, SPIE reported a strong profitable growth in H1 2019, with dynamic momentum in all divisions.

North-Western Europe: solid performances in the Netherlands and in Belgium, strong headwinds in the UK

Revenue in the North-Western Europe segment decreased slightly in H1 2019, by -0.9%, including a +1.7% contribution from the full-year consolidation of Systemat in Belgium and a -1.9% impact from the

Press contacts

SPIE
Pascal Omnès
Group Communications Director
Tel. + 33 (0)1 34 41 81 11
pascal.omnes@spie.com

SPIE
Thomas Guillois
Investor Relations Director
Tel. + 33 (0)1 34 41 80 72
thomas.guillois@spie.com

Image 7
Laurent Poinsot
Tel. + 33 (0)1 53 70 74 77
lpoinsot@image7.fr

disposal of SPIE's UK overhead lines services business, completed in June 2018. Organic growth was -0.8%, as robust growth in the Netherlands and in Belgium was offset by a contraction in the UK. The EBITA margin decrease from 2.4% in H1 2018 to 1.7% in H1 2019 is also due to the UK.

Our **UK** business (6% of the Group's revenue in 2018) continued to suffer from adverse market conditions, with a significant amount of customer activity being on hold due to Brexit uncertainty. Revenue contracted in H1 2019 and margin came into negative territories due to under-absorption of overheads. SPIE UK is rapidly adapting its structure and implementing action plans in order to restore performance, with the first impacts expected in H2.

Revenue in **the Netherlands** grew well in H1 2019. The energy transition is creating vast opportunities related to the upgrade of the electrical grid. As a response to climate change, Dutch authorities are scaling up investments in 'wet infrastructure', where SPIE Nederland is the leading service provider. Trends were well-oriented in industry services. Optic fibre roll out is kicking off and offers good medium-term prospects. While SPIE Infratechniek (formerly Ziut) is still dilutive for SPIE Nederland's margin, the turnaround process has been stepped up, with the onboarding of a new management.

In **Belgium**, revenue growth was robust in H1 2019, on the back of dynamic market trends in infrastructure services, particularly in the transport sector, and good development in industry services. EBITA margin was solid. With SPIE Belgium's ICS division (formerly Systemat), the Group is now a significant player on the local information and communication services market.

Oil & Gas and Nuclear: strong profitable growth in H1

The Oil & Gas and Nuclear segment grew strongly in H1 2019, by +15.8%, including a +11.9% organic growth, a +0.5% growth from acquisitions (Fluigetec in Nuclear services, acquired in May 2018) and a +3.4% impact from currency movements, related to the USD exposure of Oil & Gas Services. EBITA margin was 8.5%, compared to 8.0% in H1 2018.

Oil & Gas Services delivered a strong, profitable organic growth in H1 2019, in excess of 15%. Leveraging on its strong positions in West Africa, SPIE was able to win new contracts amid a revived tendering activity. Reflecting a higher comparison basis, growth is expected to moderate in the second half of the year.

Press contacts

SPIE
Pascal Omnès
Group Communications Director
Tel. + 33 (0)1 34 41 81 11
pascal.omnes@spie.com

SPIE
Thomas Guillois
Investor Relations Director
Tel. + 33 (0)1 34 41 80 72
thomas.guillois@spie.com

Image 7
Laurent Poinsot
Tel. + 33 (0)1 53 70 74 77
lpoinsot@image7.fr

Nuclear services turned in a solid H1 2019 performance, further evidencing SPIE's position as a key long-term partner to the vital French nuclear sector. The Flamanville EPR contract ramp down, expected to occur in H2, could translate into a small revenue contraction over the full year.

Balance sheet - Financing

Free cash flow and net debt

As happens every year, **Free cash flow** was negative in H1 2019, at €(382) million, reflecting SPIE's working capital seasonality, which translates into a cash outflow in H1 and a cash inflow in H2. Free cash flow improved compared to H1 2018 due to a much more limited outflow related to restructuring and discontinued activities.

SPIE's structurally negative **Working capital** represented (7) days of revenue at June 30th, 2019, a significant improvement compared to June 30th, 2018 level of (3) days.

Net debt decreased by €154.4 million over 12 months, to €(1,842.3) million or a 3.9x leverage¹ at June 30th, 2019, compared with €(1,996.7) million or a 4.3x leverage at June 30th, 2018. As a result of SPIE's usual seasonality pattern, leverage increased by 0.9x in H1 2019 compared to 1.0x in H1 2018. Net debt and leverage at the end of June 2019 are consistent with SPIE's stated deleveraging trajectory, which is expected to lead to a leverage around 2.5x at the end of December 2020.

The Group's **liquidity** remained high, at €828 million at June 30th, 2019 (including €418 million net cash and €410 million of undrawn Revolving Credit Facility).

Financing

On June 11th, 2019, SPIE successfully placed a €600 million bond issue with a 7-year maturity and an annual coupon of 2.625%. The issue was largely oversubscribed. The proceeds were used to refinance half of the Group's existing senior credit facility. This operation enhanced the Group's debt structure by extending its average maturity and increasing its fixed-rate component, while further diversifying its sources of funding.

¹ Ratio of net debt at end June to pro forma EBITDA (including full-year impact of acquisitions) for the last twelve months

Press contacts

SPIE
Pascal Omnès
Group Communications Director
Tel. + 33 (0)1 34 41 81 11
pascal.omnes@spie.com

SPIE
Thomas Guillois
Investor Relations Director
Tel. + 33 (0)1 34 41 80 72
thomas.guillois@spie.com

Image 7
Laurent Poinsot
Tel. + 33 (0)1 53 70 74 77
lpoinsot@image7.fr

2019 outlook confirmed

In 2019, SPIE expects:

- Group revenue to grow by 2.5% to 4.5%, including bolt-on acquisitions, at constant currency;
- Full-year revenue acquired through bolt-on acquisitions in the order of €200 million;
- Group EBITA¹ margin to be at least 6.0%;
- A cash conversion around 100% and a continued reduction in leverage².

The dividend pay-out ratio will remain at c.40% of Adjusted Net Income³ attributable to the Group.

Interim dividend

SPIE will pay an interim cash dividend of €0.17 per share, or 30% of the approved dividend for 2018, on 27 September 2019 (ex-date: 24 September 2019).

Consolidated financial statements

The consolidated financial statements of SPIE SA as of and for the six months ended June 30th, 2019 have been authorised for issue by the Board of Directors on July 25th, 2019.

Auditors' review of the consolidated financial statements is complete and the statutory auditors' report on the 2019 half year financial information is in the process of being issued.

The consolidated financial statements (full financial statements and notes) and the slide presentation of the 2019 half-year results are available on our website www.spie.com, in the "Finance/Regulated Information" section.

¹ Excluding the impact of IFRS 16

² Ratio of net debt at end December to pro forma EBITDA (including full-year impact of acquisitions)

³ Adjusted for the amortisation of allocated goodwill and exceptional items

Press contacts

SPIE
Pascal Omnès
Group Communications Director
Tel. + 33 (0)1 34 41 81 11
pascal.omnes@spie.com

SPIE
Thomas Guillois
Investor Relations Director
Tel. + 33 (0)1 34 41 80 72
thomas.guillois@spie.com

Image 7
Laurent Poinsot
Tel. + 33 (0)1 53 70 74 77
lpoinsot@image7.fr

Conference call for investors and analysts

Date: Friday, July 26th, 2019

9.00 am Paris time - 8.00 am London time

Speakers:

Gauthier Louette, Chairman & CEO

Michel Delville, Group CFO

Dial-in details:

- FR : +33 (0) 1 70 37 71 66
- UK : +44 (0) 203 003 2666
- US : +1 212 999 6659
- Password : SPIE

Webcast: https://channel.royalcast.com/webcast/spie/20190726_1/

Next events

Interim dividend payment: September 27th, 2019 (ex date: September 24th, 2019)

Paris roadshow: September 3rd and 4th, 2019 (SG)

London roadshow: September 10th and 11th, 2019 (Oddo BHF)

Kepler Cheuvreux Autumn Conference (Paris): September 12th and 13th, 2019

Brussels roadshow: September 16th, 2019 (Exane BNP Paribas)

Berenberg Business Services Conference (London): September 30th, 2019

Milan & Lugano roadshow: October 8th and 9th (Mainfirst)

Quarterly information at September 30th, 2019: November 8th, 2019 before market opening

Press contacts

SPIE
Pascal Omnès
Group Communications Director
Tel. + 33 (0)1 34 41 81 11
pascal.omnes@spie.com

SPIE
Thomas Guillois
Investor Relations Director
Tel. + 33 (0)1 34 41 80 72
thomas.guillois@spie.com

Image 7
Laurent Poinot
Tel. + 33 (0)1 53 70 74 77
lpoinot@image7.fr

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 about 46,400 employees and a strong local presence, SPIE achieved in 2018 consolidated revenues of €6.7 billion and consolidated EBITA of €400 million.

www.spie.com
<https://www.facebook.com/SPIEgroup>
<http://twitter.com/spiegroup>

Disclaimer

Certain information included in this press release are not historical facts but are forward-looking statements. These forward-looking statements are based on current beliefs, expectations and assumptions, including, without limitation, assumptions regarding present and future business strategies and the environment in which SPIE operates, and involve known and unknown risks, uncertainties and other factors, which may cause actual results, performance or achievements, or industry results or other events, to be materially different from those expressed or implied by these forward-looking statements.

Forward-looking statements speak only as of the date of this press release and SPIE expressly disclaims any obligation or undertaking to release any update or revisions to any forward-looking statements included in this press release to reflect any change in expectations or any change in events, conditions or circumstances on which these forward-looking statements are based. Such forward-looking statements are for illustrative purposes only. Forward-looking information and statements are not guarantees of future performances and are subject to various risks and uncertainties, many of which are difficult to predict and generally beyond the control of SPIE. Actual results could differ materially from those expressed in, or implied or projected by, forward-looking information and statements. These risks and uncertainties include those discussed or identified under Chapter 2 "Risk factors" in the 2018 Registration Document, which received the AMF visa n° D. 19 - 0354 on April 17th, 2019, and is available on the website of the Company (www.spie.com) and of the AMF (www.amf-france.org).

This press release includes only summary information and does not purport to be comprehensive. No reliance should be placed on the accuracy or completeness of the information or opinions contained in this press release.

This press release does not contain or constitute an offer of securities for sale or an invitation or inducement to invest in securities in France, the United States or any other jurisdiction.

Press contacts

SPIE
Pascal Omnès
Group Communications Director
Tel. + 33 (0)1 34 41 81 11
pascal.omnes@spie.com

SPIE
Thomas Guillois
Investor Relations Director
Tel. + 33 (0)1 34 41 80 72
thomas.guillois@spie.com

Image 7
Laurent Poinsot
Tel. + 33 (0)1 53 70 74 77
lpoinsot@image7.fr

Appendix

Preliminary comment

SPIE's H1 2019 consolidated financial statements have been prepared in accordance with the IFRS 16 standard, which came to force in January 1st, 2019. The impacts on H1 2019 figures are presented below. In SPIE's H1 2019 consolidated financial statements, presented in the following pages, the comparison basis for H1 2018 has not been restated in accordance with IFRS 16.

Consolidated income statement – IFRS 16 impacts

<i>In millions of euros</i>	H1 2019 excl. IFRS 16	IFRS 16 impacts	H1 2019 incl. IFRS 16
Revenue	3,244.0	-	3,244.0
Operating income incl. Equity-accounted companies	123.7	0.0	123.7
Financial result	(36.8)	(2.2)	(39.0)
Income tax expense	(35.8)	0.7	(35.1)
Net income from discontinued operations	(7.1)	0	(7.1)
Net income	44.1	(1.6)	42.5
Non-controlling interests	(0.1)	0	(0.1)
Net income Group share	44.0	(1.6)	42.4

IFRS16 Impacts on EBITA by segment

<i>In millions of euros</i>	H1 2019 Incl. IFRS 16	H1 2019 Excl. IFRS 16	19/18 Diff.
France	72.1	72.2	-0.1
<i>In % of revenue</i>	<i>5.8%</i>	<i>5.8%</i>	-
Germany & CE	45.0	45.1	-0.1
<i>In % of revenue</i>	<i>4.4%</i>	<i>4.4%</i>	-
<i>o/w Germany</i>	<i>39.5</i>	<i>39.6</i>	<i>-0.1</i>
<i>In % of revenue</i>	<i>4.7%</i>	<i>4.7%</i>	-
North-Western Europe	11.6	11.7	-0.1
<i>In % of revenue</i>	<i>1.7%</i>	<i>1.7%</i>	-
Oil & Gas and Nuclear	21.8	21.4	+0.4
<i>In % of revenue</i>	<i>8.7%</i>	<i>8.5%</i>	<i>+15 bps</i>
Holding	5.9	5.9	-
Group EBITA	156.3	156.3	+0.0
<i>In % of revenue</i>	<i>4.8%</i>	<i>4.8%</i>	-

Press contacts

SPIE
Pascal Omnès
Group Communications Director
Tel. + 33 (0)1 34 41 81 11
pascal.omnes@spie.com

SPIE
Thomas Guillois
Investor Relations Director
Tel. + 33 (0)1 34 41 80 72
thomas.guillois@spie.com

Image 7
Laurent Poinsot
Tel. + 33 (0)1 53 70 74 77
lpoinsot@image7.fr

Consolidated income statement

<i>In millions of euros</i>	H1 2019 Incl. IFRS 16	H1 2018
Revenue	3,244.0	3,125.4
Other income	26.3	27.8
Operating expenses	(3,143.2)	(3,044.8)
Recurring operating income	127.1	108.4
Other operating expenses	(10.3)	(26.8)
Other operating income	6.7	5.6
Operating income	123.5	87.3
Net income (loss) from companies accounted for under the equity method	0.2	0.1
Operating income including companies accounted for under the equity method	123.7	87.4
Interests charges and losses from cash equivalents	(32.7)	(38.3)
Gains from cash equivalents	0.1	0.2
Costs of net financial debt	(32.7)	(38.1)
Other financial expenses	(11.3)	(22.4)
Other financial incomes	5.0	14.5
Other financial income (expenses)	(6.3)	(7.9)
Net income before taxes	84.8	41.4
Income tax expenses	(35.1)	(22.2)
Net income from continuing operations	49.6	19.1
Net income from discontinued operations	(7.1)	(36.8)
NET INCOME	42.5	(17.7)
Net income from continuing operations attributable to:		
. Owners of the parent	49.5	19.3
. Non-controlling interests	0.1	(0.2)
	49.6	19.1
Net income attributable to:		
. Owners of the parent	42.4	(17.5)
. Non-controlling interests	0.1	(0.2)
	42.5	(17.7)

Press contacts

SPIE
Pascal Omnès
Group Communications Director
Tel. + 33 (0)1 34 41 81 11
pascal.omnes@spie.com

SPIE
Thomas Guillois
Investor Relations Director
Tel. + 33 (0)1 34 41 80 72
thomas.guillois@spie.com

Image 7
Laurent Poinsot
Tel. + 33 (0)1 53 70 74 77
lpoinsot@image7.fr

Consolidated statement of financial position

<i>In millions of euros</i>	June 30 th , 2019 Incl. IFRS 16	Dec 31 st , 2018
Non-current assets		
Intangible assets	1,001.7	1,028.3
Goodwill	3,106.0	3,102.7
Property, plant and equipment	167.0	174.1
Right of use on operating and financial lease (IFRS 16)	339.4	-
Investments in companies accounted for under the equity method	3.2	3.2
Non-consolidated shares and long-term loans	98.3	45.4
Other non-current financial assets	5.4	5.9
Deferred tax assets	327.9	299.6
Total non-current assets	5,048.7	4,659.2
Current assets		
Inventories	43.3	43.1
Trade receivables	1,962.8	1,877.9
Current tax receivables	31.1	29.4
Other current assets	373.2	272.0
Other current financial assets	7.5	7.0
Cash management financial assets	2.5	4.1
Cash and cash equivalents	437.1	780.4
Total current assets from continuing operations	2,857.4	3,013.9
Assets classified as held for sale	174.5	117.4
Total current assets	3,031.9	3,131.2
TOTAL ASSETS	8,080.6	7,790.4

<i>In millions of euros</i>	June 30 th , 2019 Incl. IFRS 16	Dec 31 st , 2018
Equity		
Share capital	73.1	73.1
Share premium	1,190.1	1,190.1
Consolidated reserves	77.3	118.9
Net income attributable to the owners of the parent	42.4	91.4
Equity attributable to owners of the parent	1,382.9	1,473.6
Non-controlling interests	2.6	2.4
Total equity	1,385.4	1,476.0
Non-current liabilities		
Interest-bearing loans and borrowings	1,796.3	1,796.4
Non-current debt on operating and financial leases (IFRS 16)	237.1	-
Non-current provisions	52.5	53.2
Accrued pension and other employee benefits	815.2	715.0
Other non-current liabilities	5.8	6.5
Deferred tax liabilities	352.1	348.8
Total non-current liabilities	3,259.0	2,919.9
Current liabilities		
Trade payables	905.1	1,102.0
Interest-bearing loans and borrowings (current portion)	486.6	332.5
Current debt on operating and financial leases (IFRS 16)	104.6	-
Current provisions	140.0	143.1
Income tax payable	30.4	34.1
Other current operating liabilities	1,571.0	1,647.2
Total current liabilities from continuing operations	3,237.7	3,258.7
Liabilities associated with assets classified as held for sale	198.5	135.8
Total current liabilities	3,436.2	3,394.5
TOTAL EQUITY AND LIABILITIES	8,080.6	7,790.4

Press contacts

SPIE
Pascal Omnès
Group Communications Director
Tel. + 33 (0)1 34 41 81 11
pascal.omnes@spie.com

SPIE
Thomas Guillois
Investor Relations Director
Tel. + 33 (0)1 34 41 80 72
thomas.guillois@spie.com

Image 7
Laurent Poinsot
Tel. + 33 (0)1 53 70 74 77
lpoinsot@image7.fr

Consolidated cash flow statement

<i>In millions of euros</i>	H1 2019 Incl. IFRS 16	H1 2018
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	779.8	520.1
Operating activities		
Net income	42.5	(17.7)
Loss from companies accounted for under the equity method	(0.2)	(0.1)
Depreciation, amortization, and provisions ¹	93.1	56.2
Proceeds on disposals of assets	(0.6)	2.1
Dividend income	-	-
Income tax expense	32.5	6.0
Elimination of costs of net financial debt	32.7	38.7
Other non-cash items	0.5	(5.4)
Internally generated funds from (used in) operations	200.5	79.9
Income tax paid	(34.6)	(34.4)
Changes in operating working capital requirements	(477.0)	(386.0)
Dividends received from companies accounted for under the equity method	0.2	0.2
Net cash flow from (used in) operating activities	(310.9)	(340.3)
Investing activities		
Effect of changes in the scope of consolidation	(57.9)	33.0
Acquisition of property, plant and equipment and intangible assets	(26.4)	(23.5)
Net investment in financial assets	(0.0)	-
Changes in loans and advances granted	1.2	1.9
Proceeds from disposals of property, plant and equipment and intangible assets	29.1	1.2
Proceeds from disposals of financial assets	-	-
Dividends received	-	-
Net cash flow from (used in) investing activities	(54.0)	12.6
Financing activities		
Issue of share capital	-	-
Proceeds from loans and borrowings	791.9	1,866.0
Repayment of loans and borrowings ²	(690.7)	(1,596.4)
Net interest paid ³	(34.9)	(39.2)
Dividends paid to owners of the parent	(63.8)	(61.6)
Dividends paid to non-controlling interests	-	(0.0)
Net cash flow from (used in) financing activities	2.6	168.7
Impact of changes in exchange rates	0.7	(0.1)
Impact of changes in accounting policies	-	-
Net change in cash and cash equivalents	(361.6)	(159.1)
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	418.1	361.0

¹ In H1 2019, Includes IFRS 16 depreciation of leased contracts for €37.4 million

² In H1 2019, includes IFRS 16 lease payments for €(35.7) million

³ In H1 2019, includes IFRS 16 interest on lease payments for €(2.4) million

Press contacts

SPIE
Pascal Omnès
Group Communications Director
Tel. + 33 (0)1 34 41 81 11
pascal.omnes@spie.com

SPIE
Thomas Guillois
Investor Relations Director
Tel. + 33 (0)1 34 41 80 72
thomas.guillois@spie.com

Image 7
Laurent Poinsot
Tel. + 33 (0)1 53 70 74 77
lpoinsot@image7.fr

Quarterly organic growth by segment

	Q1 2019	Q2 2019	H1 2019
France	+3.3%	+6.2%	+4.8%
Germany & CE	+1.9%	+1.9%	+1.9%
<i>o/w Germany</i>	+0.7%	+1.3%	+1.0%
North-Western Europe	+0.9%	-2.4%	-0.8%
Oil & Gas and Nuclear	+16.4%	+7.8%	+11.9%
Total organic growth	+3.3%	+2.9%	+3.1%

Reconciliation between revenue (as per management accounts) and revenue under IFRS

<i>In millions of euros</i>		H1 2019	H1 2018
Revenue (as per management accounts)		3,223.8	3,109.0
Sonaid	(a)	(0.9)	(1.0)
Holding activities	(b)	16.4	11.0
Other	(c)	4.7	6.4
Revenue under IFRS		3,244.0	3,125.4

- a) SONAID is consolidated using the equity method in the Group's consolidated accounts whereas it is accounted proportionally (55%) in management accounts;
- b) Non-Group revenue of SPIE Operations Group and other non-operational entities;
- c) Re-invoicing of services provided by Group entities to non-managed joint ventures; re-invoicing to non-Group entities that do not correspond to operational activity (essentially re-invoicing of expenses incurred on behalf of partners); restatements of revenues from equity-accounted or non-consolidated entities.

Reconciliation between EBITA and operating income

<i>In millions of euros</i>		H1 2019	H1 2018
EBITA excl. IFRS 16		156.3	149.6
Amortisation of allocated goodwill	(a)	(28.9)	(28.9)
Restructuring costs	(b)	(2.0)	(9.7)
Financial commissions		(0.6)	(0.7)
Impact of equity affiliates		(0.3)	0.1
Other non-recurring items	(c)	(0.8)	(23.0)
Consolidated Operating Income incl. IFRS 16		123.7	87.4

- a) In H1 2019, as in H1 2018, amortisation of allocated goodwills of the Group includes €(20.6) million pertaining to SAG.
- b) In H1 2019, restructuring costs pertain to the United Kingdom, for €(2.0) million.
In H1 2018, restructuring costs mainly related to the reorganisation in France for €(4.1) million and to the integration of SAG in Germany for €(4.2) million.

Press contacts

SPIE
Pascal Omnès
Group Communications Director
Tel. + 33 (0)1 34 41 81 11
pascal.omnes@spie.com

SPIE
Thomas Guillois
Investor Relations Director
Tel. + 33 (0)1 34 41 80 72
thomas.guillois@spie.com

Image 7
Laurent Poinsot
Tel. + 33 (0)1 53 70 74 77
poinsot@image7.fr

- c) Other non-recurring items mainly correspond to costs related to a restatement made pursuant to IFRIC 21 (€ (2.3) million), to the recognition of a cost related to the performance share plan allocation, in accordance with IFRS 2 (€2.4 million), and to the impact of the IFRS 16 standard application for € 0.02 million.

In H1 2018, Other non-recurring items mainly corresponded to costs related to external growth project (€(1.4) million), to a restatement made pursuant to IFRIC 21 (€(2.0) million), to the recognition of a cost related to the performance share plan allocation, in accordance with IFRS 2 (€(3.5) million), and to costs associated to the sale of distribution networks activities (overhead part) in the United Kingdom (€(13.6) million).

Reconciliation between adjusted net income and reported net income

<i>In millions of euros</i>	H1 2019 Excl. IFRS 16	H1 2019 Incl. IFRS 16
Adjusted net income	83.1	81.5
Amortisation of allocated goodwill	(28.9)	(28.9)
Restructuring costs	(2.0)	(2.0)
Non recurring items and others	(1.1)	(1.1)
Net income from discontinued operations	(7.1)	(7.1)
Reported net income	44.0	42.4

Net debt

<i>In millions of euros</i>	June 30 th , 2019	June 30 th , 2018	Dec 31 st , 2018
Loans and borrowings as per balance sheet	2,624.6	2,343.0	2,128.9
Deduct debt on operating and financial leases (IFRS 16)	(341.7)	-	-
Capitalised borrowing costs	16.0	19.7	18.2
Others	(8.7)	(6.1)	(14.9)
Gross financial debt (a)	2,290.2	2,356.6	2,132.2
Cash management financial assets as per balance sheet	2.5	4.3	4.1
Cash and cash equivalents as per balance sheet	437.1	375.6	780.4
Accrued interest	-	-	-
Gross cash (b)	439.6	379.9	784.5
Consolidated net debt (a) - (b)	1,850.7	1,976.7	1,347.7
Net debt in discontinued activities	-	8.2	1.7
Unconsolidated net debt	(8.4)	11.8	(0.3)
Net debt excluding IFRS 16	1,842.3	1,996.7	1,349.1
Pro forma EBITDA excluding IFRS 16	468.8	460.0	453.7
Leverage excluding IFRS 16	3.9x	4.3x	3.0x
Add debt on operating and financial leases – continued activities	341.7	n.d.	n.d.
Add debt on operating and financial leases – discontinued activities	7.6	n.d.	n.d.
Net debt including IFRS 16	2,191.6	n.d.	n.d.
Pro forma EBITDA including IFRS 16	556.3	n.d.	n.d.
Leverage including IFRS 16	3.9x	n.d.	n.d.

Press contacts

SPIE
Pascal Omnès
Group Communications Director
Tel. + 33 (0)1 34 41 81 11
pascal.omnes@spie.com

SPIE
Thomas Guillois
Investor Relations Director
Tel. + 33 (0)1 34 41 80 72
thomas.guillois@spie.com

Image 7
Laurent Poinsot
Tel. + 33 (0)1 53 70 74 77
poinsot@image7.fr

Cash Flow statement – Management accounts

<i>In millions of euros</i>	H1 2019 excl. IFRS 16	H1 2018	FY 2018
EBITA	156.3	149.6	400.0
Depreciation	26.9	26.1	52.6
Capex	(20.2)	(19.7)	(42.4)
Change in Working Capital and Provisions	(460.9)	(425.2)	52.2
Operating Cash Flow	(297.9)	(269.2)	462.4
Taxes paid	(34.6)	(34.4)	(61.5)
Net interest paid	(32.5)	(39.2)	(55.5)
Restructuring and discontinued operations	(17.2)	(48.0)	(57.1)
Free Cash Flow	(382.1)	(390.9)	288.3
Acquisitions & disposals	(45.5)	4.9	(17.4)
Dividends	(63.8)	(61.6)	(89.1)
FX impacts	0.6	(0.1)	1.8
Other	(2.4)	(16.9)	(1.0)
Change in net debt	(493.2)	(464.8)	182.8

Cost of bank debt facilities

The tables below present the costs of bank facilities put in place in June 2018 (€1,200 million term loan reduced to €600 million in June 2019, and €600 million revolving credit facility). These costs are margins added to EURIBOR (or any other applicable base rate) and vary with year-end leverage ratio. In addition, a utilisation fee ranging from 0.10% p.a. to 0.40% p.a. applies to the revolving credit facility.

<i>Leverage ratio</i>	Term loan	RCF
Higher than 4.0x	2.250%	1.950%
Higher than 3.5x up to 4.0x	2.000%	1.600%
Higher than 3.0x up to 3.5x	1.700%	1.300%
Higher than 2.5x up to 3.0x	1.550%	1.150%
Higher than 2.0x up to 2.5x	1.400%	1.000%
Up to 2.0x	1.250%	0.850%

Press contacts

SPIE
Pascal Omnès
Group Communications Director
Tel. + 33 (0)1 34 41 81 11
pascal.omnes@spie.com

SPIE
Thomas Guillois
Investor Relations Director
Tel. + 33 (0)1 34 41 80 72
thomas.guillois@spie.com

Image 7
Laurent Poinot
Tel. + 33 (0)1 53 70 74 77
lpoinot@image7.fr

Bolt-on acquisitions

Since the beginning of 2019, SPIE has completed 4 acquisitions totalling approximately €210 million of full-year revenue:

- On May 3rd, 2019, SPIE finalised the acquisition of Christof Electrics in Austria. Christof Electrics specialises in the field of electrical engineering, measurement, control and regulation technology as well as automation. The company employs around 150 employees and generated revenue of approximately €36 million in 2018. This acquisition enables SPIE to strengthen its Germany & Central Europe segment in Austria and to offer an important part of the SPIE multi-technical services portfolio to local customers.
- On June 14th, 2019, SPIE finalised the acquisition of TELBA Group in Germany. The acquisition of TELBA Group allows SPIE to strengthen its presence in the German information & communication services market. TELBA Group is one of the leading German companies for technical services in the fields of information, communication and security technology, with around 400 qualified employees and revenue of €67 million in 2018.
- On July 8th, 2019, SPIE finalised the acquisition of Cimlec in France. Cimlec is a recognized provider of electrical, automation and robotic solutions for the industrial sector. Its range of services includes design, assembly, installation and maintenance for a loyal and diversified base of industrial customers. With around 310 qualified employees, Cimlec generated total revenues of around €42 million in 2018.
- On July 24th, 2019, SPIE announced the signing of an agreement for the acquisition of Osmo in Germany. The acquisition of OSMO will allow SPIE to further strengthen its presence in the German market, primarily in the electrical and automation technology as well as information and communication technology. Furthermore the acquisition of OSMO will allow SPIE to enter the market segment of traffic engineering. OSMO is well positioned in Germany for the complete technical equipment for tunnel systems and traffic control centers (e.g. electrical and fire detection systems, video surveillance and tunnel radio communication systems, ventilation, lighting and water systems as well as automated process control technology). With more than 270 employees, Osmo generated revenue of c. €65 million in 2018.

Press contacts

SPIE
Pascal Omnès
Group Communications Director
Tel. + 33 (0)1 34 41 81 11
pascal.omnes@spie.com

SPIE
Thomas Guillois
Investor Relations Director
Tel. + 33 (0)1 34 41 80 72
thomas.guillois@spie.com

Image 7
Laurent Poinsot
Tel. + 33 (0)1 53 70 74 77
lpoinsot@image7.fr