

Press release

Quarterly information at March 31st, 2020

Robust Q1 results despite first impacts from Covid-19 crisis
A resilient group with a strong financial position

Cergy, April 29th, 2020

Robust Q1 results

- Q1 total revenue growth: +2.7% (+2.3% at constant currency)
- -0.2% on an organic basis, demonstrating good resilience
- Positive organic growth in all geographies except France and Belgium
- EBITA up +2.6%, with stable EBITA margin at 3.7%

First impacts from Covid-19 crisis: contrasted across countries, limited at Group level

- Covid-19 impact mainly located in France, strongly affected by containment since mid-March
- No meaningful impact in Germany and the Netherlands
- Significant mitigating actions implemented
- Stronger impact anticipated in Q2 in those countries under lockdown

Significant liquidity headroom to face current challenges

- €1.4 bn liquidity at the beginning of 2020
- No debt maturity before 2023
- Track record of rigorous cash management

<i>In millions of euros (unaudited)</i>	Q1 2020	Q1 2019	20/19 Change
Revenue	1,597.3	1,555.8	+2.7%
EBITA	58.4	56.9 ¹	+2.6%
<i>EBITA margin</i>	3.7%	3.7%	

Note: Q1 2020 and Q1 2019 financial information presented above and in this press release includes the impacts of IFRS 16.

¹ Includes the impact of IFRS 16. Excluding the impact of IFRS 16, Q1 2019 EBITA was €57.7 million, and EBITA margin was 3.7%.

Gauthier Louette, Chairman & CEO, commented: *“In this unprecedented crisis, I would like to thank all 47,200 SPIE employees for showing the utmost commitment to health and safety, while working very hard to continue to serve our customers as best we can. I am impressed with the engagement of all. SPIE delivered robust Q1 results, with a good start confirming the secular trends that drive our business. The first financial impacts from the Covid-19 crisis in the second part of March were limited at Group level and mainly located in France, where we anticipate a stronger impact in the second quarter. We have rapidly implemented efficient cost saving measures and we are already preparing, together with our customers, the recovery phase in countries still under lockdown. The mission-critical nature of SPIE’s services, our balanced geographical footprint and activity portfolio, as well as the Group’s strong financial position, constitute major strengths in the current context. As a group focused on the energy transition and the digital transformation of our customers, we are well-positioned to benefit, post-crisis, from an acceleration in such secular trends driven by upcoming stimulus plans.”*

Revenue

Consolidated revenue was €1,597.3 million in Q1 2020, up +2.7% year-on-year. Organic growth was resilient given the current context, at -0.2%. Growth from bolt-on acquisitions was +2.9%. The disposal, in March 2020, of SPIE UK’s mobile maintenance activities had a -0.3% impact at Group level. Currency movements accounted for +0.4%.

<i>In millions of euros (unaudited)</i>	Q1 2020	Q1 2019	Change	o/w organic growth	o/w external growth	o/w disposal ¹	o/w foreign exchange
France	604.5	611.9	-1.2%	-2.6%	+1.4%	-	n.a.
Germany & CE	517.7	474.5	+9.1%	+1.0%	+7.6%	-	+0.4%
<i>o/w Germany</i>	428.1	396.5	+8.0%	+0.8%	+7.2%	-	n.a.
North-Western Europe	355.2	345.3	+2.9%	+3.6%	-	-1.5%	+0.8%
Oil & Gas and Nuclear	119.9	124.0	-3.4%	-4.2%	-	-	+0.8%
Group revenue	1,597.3	1,555.8	+2.7%	-0.2%	+2.9%	-0.3%	+0.4%

France

The France segment’s revenue decreased by -1.2% in Q1 2020. On an organic basis, revenue decreased by -2.6%, while the full-year consolidation of Cimlec Industrie, acquired in July 2019, contributed for +1.4%.

¹ Disposal of SPIE’s UK mobile maintenance activities, completed in March 2020

The dynamic trends observed across the French market in 2019, as well as the best-in-class performance of our new organisation, continued into the first two months of 2020. Business was then strongly affected by strict containment measures decided mid-March by the French government. However, some of our services are vital to communication networks, energy infrastructure, health facilities, banks, pharmaceutical and food industries, or more generally essential to the integrity of customers' assets. Such services continued to be performed as continuity plans were put in place with customers. A significant other part of our services had to be suspended or postponed, resulting in a strong revenue decrease in the last two weeks of March. The situation was however varied across divisions: industry services and commercial maintenance and installation were the most impacted, while ICS and telecommunication networks services were less impacted.

A very low activity level is expected in April, while SPIE France is preparing, together with its customers, a recovery phase from May onwards, keeping health and safety an absolute priority. Altogether, Q2 is expected to be significantly more impacted than Q1.

Germany & Central Europe

The Germany & Central Europe segment's revenue grew by +9.1% in Q1 2020, driven by a +7.6% impact from the acquisitions made in 2019 (Osma and Telba in Germany; Christof Electrics in Austria). Organic growth was +1.0%. Currency movements accounted for +0.4%.

In Germany, activity levels remained high, with a +0.8% organic growth in Q1. Activity was largely unaffected by the Covid-19 crisis, with softer containment measures and quick adaptation of working practices to guarantee maximum health protection. Growth was very strong in transmission and distribution services, as the country continues to move forward with energy transition investments. Commercial maintenance was dynamic, while building technology and automation services were impacted by the phasing of data center projects. Activity levels are expected to remain very resilient in the second quarter.

Q1 revenue in Central European countries was also largely unaffected by the Covid-19 crisis. In Switzerland, the impact of strict containment measures in March was limited due to the high share of information and communication services performed remotely, in SPIE Switzerland's portfolio.

North-Western Europe

Revenue in the North-Western Europe segment grew by +2.9% in Q1 2020, driven by a +3.6% organic growth. Changes in perimeter accounted for -1.5%, and currency movements for +0.8%.

In the Netherlands, revenue growth was strong in Q1, on the back of excellent trends in most markets. No strict Covid-19 related containment measures were decided; working practices were adapted to safeguard the health of employees and customers, so that business could continue close to normal

levels. Healthy activity levels continued in infrastructure, smart city, maintenance services and information and communication services, while industry services were impacted by lower demand and should remain so in Q2.

In the United Kingdom, revenue grew in Q1. The business recovery from the 2019 depressed levels was partly offset by the first impacts from containment measures decided in March. On March 20th, 2020, SPIE UK completed the sale of its mobile maintenance activities (c.15% of the subsidiary's 2019 revenue).

In Belgium, following a good start to the quarter, revenue growth was hampered by strict containment measures. Building and industry services were heavily impacted, while infrastructure and information and communication services resisted better.

Oil & Gas and Nuclear

The Oil & Gas and Nuclear segment's revenue contracted by -3.4% in Q1 2020, including a -4.2% organic decline and a +0.8% impact from currency movements, related to the USD exposure of Oil & Gas Services.

Oil & Gas Services delivered a strong performance as they managed to grow their revenue slightly, on a particularly demanding comparison basis and despite operational constraints imposed by the Covid-19 crisis. The current very low level of oil prices is however putting increased pressure on the whole industry.

Nuclear services revenue decreased in Q1, primarily reflecting a lower activity level on the Flamanville EPR contract, as anticipated. Containment measures implemented mid-March in France had a relatively limited impact on Nuclear maintenance activities, while upgrade and development works were partly postponed.

EBITA

Group EBITA was €58.4 million in Q1 2020, up +2.6% year-on-year. EBITA margin was stable at 3.7%. An improvement in North-Western Europe compensated a decrease in France reflecting the first impacts of the Covid-19 crisis.

Covid-19: measures implemented

Strict health and safety measures

In order to protect its employees and customers from the spread of Covid-19, SPIE deployed as soon as February, in all its entities, strict sanitary measures and comprehensive communication actions.

Country by country, adequate measures have been implemented to adapt to the situation. Specific means have been established to allow continuity of work to the extent possible, in agreement with our customers, while ensuring effective health protection of all people involved.

Rapid implementation of cost mitigation measures

SPIE promptly reacted to the impact of the Covid-19 crisis by making immediate use of the high variable share of its cost base across all its geographies.

Subcontracting, purchases and temporary workers costs (accounting together for 50% of 2019 operating cost base) were very rapidly and drastically reduced where necessary.

A large part of our fixed costs was adjusted to lower activity levels: personnel costs were offset to the extent possible by the temporary unemployment schemes available in most of the countries where the Group operates. There remains however a limited portion of fixed costs which will weigh on margins during containment periods, where revenue shortfalls are unusually abrupt although expected to be very limited in time.

Executive pay and dividend

In solidarity with SPIE employees who are affected by partial unemployment, SPIE's Chairman and Chief Executive Officer has cut his remuneration by 25% during the containment period. All Board directors and senior executives have also reduced their remuneration for this period.

In order to meet the societal challenges imposed by the Covid-19 crisis, the Board of directors has proposed on April 8th, 2020, not to pay the final dividend for 2019. A total dividend limited to 0.17 euro per share, strictly corresponding to the interim dividend which was paid in September 2019, is therefore submitted to the vote of the next Shareholders' General Meeting (to be compared to the previous proposal of a total dividend of 0.61 euro per share).

Significant liquidity headroom to face the current challenges

Liquidity at the beginning of 2020 was very high, in excess of €1.4 billion, including €867 million in net cash and €600 million of undrawn revolving credit facility. This revolving credit facility was preemptively fully drawn in March. The Group is facing no debt maturity before 2023. In addition, SPIE's bank debt is subject to one covenant, measured only at year-end and pertaining to a leverage ratio less than or equal to 4.0x (for reference, SPIE's leverage at end December 2019 was 2.7x).

Bolt-on acquisitions

SPIE is assessing the potential impact of the Covid-19 crisis on its current acquisition pipeline. The Group will also consider new bolt-on acquisition opportunities that this crisis might generate.

2020 outlook

On March 11th, 2020, upon publication of its 2019 annual results, the Group set out its guidance for 2020 assuming no major deterioration of the Covid-19 situation. In light of subsequent developments, this guidance was withdrawn on March 27th, 2020.

At this point in time, SPIE is not in a position to provide a new guidance for 2020, as the impact of the Covid-19 crisis on its results cannot be estimated precisely.

Shareholders' General Meeting

In order to protect the health and safety of shareholders and employees, SPIE's Board of directors has decided, on April 8th, 2020, to modify the organisation of the Group's Combined Shareholders' Meeting on May 29th, 2020. This meeting will exceptionally be held behind closed doors, without the physical presence of shareholders. The procedure for participation to the Shareholders' Meeting will be detailed in the convening notice to be published shortly, and will be available on the Group's website at <https://www.spie.com/en/finance/annual-general-meeting>. We strongly encourage our shareholders to use remote voting in this particular context.

SPIE 2020 Investor Day – focus on ESG

SPIE's 2020 investor day focused on ESG, initially scheduled on May 13th, has been postponed due to the current context. A new date will be communicated in due course.

Conference call for investors and analysts

Date: Wednesday, April 29th, 2020

9.00 am Paris time - 8.00 am London time

Speakers:

Gauthier Louette, Chairman & CEO

Michel Delville, CFO

Dial-in details:

- FR: +33 (0) 5 6780 4093
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- US: +1 212 999 6659
- Password: SPIE2020

Webcast: https://channel.royalcast.com/webcast/spie/20200429_1/

Next events

Annual General Meeting: 29 May, 2020 (no physical presence)

2020 Half-year results: 29 July, 2020 before market opening

Quarterly information at September 30th, 2020: 5 November 2020, before market opening

Financial definitions

Organic growth represents the production completed during the twelve months of year N by all the companies consolidated by the Group for the financial year ended December 31 of year N-1 (excluding any contribution from any companies acquired during year N) compared with the production performed during the twelve months of year N-1 by the same companies, independently of the date on which they were first consolidated within the Group.

EBITA represents adjusted operating income before amortization of allocated goodwill, before tax and financial income.

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 47,200 employees and a strong local presence, SPIE achieved in 2019 consolidated revenues of €6.9 billion and consolidated EBITA of €416 million.

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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, especially in the context of the current health crisis. 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 and internal control" in SPIE's 2019 Universal Registration Document, filed with the French Financial Markets Authority (AMF) on April 17th, 2020, which is available on the website of SPIE (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.

Appendix

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

<i>In millions of euros (unaudited)</i>	Q1 2020	Q1 2019
Revenue (as per management accounts)	1,597.3	1,555.8
Sonaid	-0.2	-0.4
Holding activities	6.8	6.8
Others	0.9	0.0
Revenue under IFRS	1,604.8	1,562.2

Reconciliation between EBITA and Operating income

<i>In millions of euros (unaudited)</i>	Q1 2020	Q1 2019
EBITA (including IFRS 16)	58.4	56.9
Amortisation of allocated goodwill	-13.8	-14.4
Restructuring costs	0.0	0.0
Financial commissions	-0.3	-0.3
Impact of equity affiliates	0.5	-0.1
Impact of the disposal of SPIE UK's mobile maintenance activities	-40.2	n.a.
Others	-3.8	-4.9
Consolidated Operating Income	0.9	37.2