Press release

# 2021 Half-Year results

H1 revenue and EBITA already back above pre-crisis levels

Accelerated deleveraging driven by strong working capital performance

Full-year outlook upgraded

Cergy, July 29th, 2021

## Strong half-year results, revenue and EBITA already back above pre-crisis levels

- Revenue: €3,296.5 million, up +9.1% vs. H1 2020 (+9.7% on an organic basis)
- Very strong growth in Q2 (+19.1% organic), on a low Q2 2020 impacted by strict lockdowns
- H1 revenue 1.7% higher than H1 2019R[1] level (in line on an organic basis)
- EBITA: €159.7 million, markedly up by +71.2% compared to H1 2020; 2.1% higher than in H1 2019
- EBITA margin: 4.8%, up +170 bps compared to H1 2020 and already back in line with H1 2019
- Sharp rebound in net income (Group share), at €57.1 million

## Dynamic bolt-on M&A focused on the Group's strategic priorities

- 6 acquisitions since the beginning of the year, totalling €192 million annual revenue
- Focus on Germany & Central Europe and ICT services

## Excellent working capital performance driving acceleration in deleveraging

- Very strong underlying improvement in working capital over 12 months, by 7 days of revenue
- €83 million decrease in net debt vs. June 2020 despite pay back of 2020 social charges and taxes deferrals, resumption of dividend payment and dynamic M&A activity
- End-June 2021 leverage markedly down, at 3.0x compared to 3.6x at end June 2020

## 2021 outlook upgraded

- Revenue at or above 2019 level
- EBITA margin at 2019 level: 6.0%
- Bolt-on acquisitions: total full-year revenue to be acquired in 2021 well in excess of €200 million
- Strong reduction in leverage ratio[2], now expected at around 2.0x at year-end

[1] Restated to include the contribution of SPIE UK's schools facility management activity, reintegrated into the continued perimeter in June 2020 (previously under a divesture process).

[2] Ratio of net debt at end December to pro forma EBITDA for the full year, excluding the impact of IFRS 16

Gauthier Louette, Chairman & CEO, declared: *'SPIE delivered strong results for the first half of the year, with H1 revenue and EBITA already back above pre-crisis levels. Yet again I am particularly pleased with the fast recovery of our margin and with our excellent working capital performance, which lead to an acceleration of the Group's deleveraging. Bolt-on M&A was dynamic and focused on Germany & Central Europe and ICT services, in line with our strategic priorities. This strong delivery of the SPIE model leads us to upgrade our outlook for the full year.*

*SPIE is on a clear path to benefit from an unprecedented conjunction of positive trends linked to energy efficiency, electrification, low-carbon energy, sustainable mobility and digitalisation. Such trends, compounded by the upcoming stimulus plans, will enhance our growth and margin in the coming years. Sustainability is at the core of both our business and our internal policies, as we will show you in greater details at our next investor event, dedicated to ESG, on September 20th.'*

## H1 2021 results

| *In millions of euros* | **H1 2021** | **H1 2020** | ***Change*** | **H1 2019R[1]** |
|---|---|---|---|---|
| Revenue | 3,296.5 | 3,021.6 | *+9.1%* | 3,242.6 |
| EBITA | 159.7 | 93.3 | *+71.2%* | 156.4 |
| *EBITA margin* | *4.8%* | 3.1% | | 4.8% |
| Adjusted net income (Group share) | 82.1 | 38.8 | *+111.6%* | 81.5 |
| Net income (Group share) | 57.1 | (41.7) | *n.a.* | 42.4 |
| Net debt (excl. IFRS 16) | (1,382.1) | (1,465.5) | *-83.4* | (1,842.3) |
| Leverage ratio[2] (excl. IFRS 16) | 3.0x | 3.6x | | 3.9x |

**Group revenue** stood at €3,296.5 million in H1 2021, up +9.1% compared to H1 2020. In a context of healthy demand for technical services, organic growth was +9.7%, with a sharp rebound in Q2 2021 (+19.1%) as Q2 2020 was strongly impacted by strict lockdowns, primarily in France. Changes in perimeter accounted for -0.1% and currency movements for -0.5%. Compared to H1 2019R, H1 2021 revenue was higher by +1.7%, and equivalent on an organic basis, thus confirming a fast and sustainable return to pre-crisis activity levels.

**Group EBITA** rebounded sharply in H1 2021, by +71.2%, to €159.7 million. **EBITA margin** was 4.8%, up 170 basis points compared to H1 2020, with all segments rebounding strongly. H1 2021 EBITA margin was in line with H1 2019R at Group level, with a remarkable progress in North-Western Europe

[1] Restated to include the contribution of SPIE UK's schools facility management activity, reintegrated into the continued perimeter in June 2020 (previously under a divesture process).
[2] Net debt at end Juner / pro-forma EBITDA

offsetting narrowing gaps in France and Germany & Central Europe which evidences a clear potential for Group margin to exceed 2019 level as soon as 2022, when these two regions are back to pre-covid levels.

**Net income (Group share)** rebounded sharply to €57.1 million, from a €(41.7) million net loss in H1 2020. **Adjusted net income (Group share)** was €82.1 million, up +111.6% year-on-year.

SPIE's structurally negative **working capital** represented (22) days of revenue at end June 2021, a significant underlying improvement compared to end June 2020 level of (15) days excluding the benefit of government deferral schemes. The focus on cash collection has remained unabated throughout H1, with outstanding results.

**Net debt** excluding IFRS 16 was €1,382.1 million at end June 2021, down €83.4 million compared to June 2020 level despite the pay back of 2020 deferred social charges and taxes and the resumption of dividend payment in H1 2021. End-June **Leverage**[1] was markedly down, at 3.0x compared to 3.6x twelve months before. As a result of SPIE's usual working capital seasonality, net debt and leverage increased in H1 compared to December 31st, 2020 levels (€927 million net debt; 2.4x leverage). Thanks to strict working capital management, the H1 seasonal releveraging was more limited this year and back to the pre-SAG pattern. Leverage will decrease in H2 and is expected at around 2.0x at year-end.

## Analysis by segment

### Half-Year 2021 revenue

| *In millions of euros* | H1 2021 | H1 2020 | Change | o/w organic growth | o/w external growth | o/w disposal[2] | o/w foreign exchange |
|---|---|---|---|---|---|---|---|
| France | 1,275.3 | 1,053.3 | +21.1% | +21.1% | - | - | - |
| Germany & CE | 1,153.6 | 1,088.3 | +6.0% | +5.6% | +0.8% | - | -0.4% |
| *of which Germany* | *963.2* | *899.2* | *+7.1%* | *+6.5%* | *+0.6%* | - | - |
| North-Western Europe | 652.8 | 653.8 | -0.2% | +2.0% | - | -1.7% | -0.4% |
| Oil & Gas and Nuclear | 214.9 | 226.2 | -5.0% | -1.4% | - | - | -3.6% |
| **Group** | **3,296.5** | **3,021.6** | **+9.1%** | **+9.7%** | **+0.3%** | **-0.4%** | **-0.5%** |

1 Leverage ratio is calculated as net debt at end June / pro-forma EBITDA excluding IFRS 16 on a trailing twelve-month basis

2 Disposal of SPIE's UK mobile maintenance activities, completed in March 2020

| *In millions of euros* | **H1 2021** | **H1 2019R** | **Change** | **o/w organic growth** |
|---|---|---|---|---|
| France | 1,275.3 | 1,248.9 | +2.1% | +0.5% |
| Germany & CE | 1,153.6 | 1,022.8 | +12.8% | +4.5% |
| *of which Germany* | *963.2* | *844.6* | *+14.0%* | *+6.2%* |
| North-Western Europe | 652.8 | 719.0 | -9.2% | -4.4% |
| Oil & Gas and Nuclear | 214.9 | 251.9 | -14.7% | -10.0% |
| **Group** | **3,296.5** | **3,242.6** | **+1.7%** | **0.0%** |

## EBITA

| *In millions of euros* | **H1 2021** | **H1 2020** | **Change** | **H1 2019R** |
|---|---|---|---|---|
| France | 69.9 | 27.6 | +153.3% | 72.1 |
| *In % of revenue* | *5.5%* | 2.6% | | *5.8%* |
| Germany & CE | 46.5 | 36.7 | +26.7% | 45.0 |
| *In % of revenue* | *4.0%* | 3.4% | | *4.4%* |
| *o/w Germany* | *43.2* | 35.5 | *+21.7%* | *39.5* |
| *In % of revenue* | *4.5%* | 4.0% | | *4.7%* |
| North-Western Europe | 21.4 | 6.5 | +229.2% | 11.6 |
| *In % of revenue* | *3.3%* | 1.0% | | *1.6%* |
| Oil & Gas and Nuclear | 17.2 | 16.1 | +6.8% | 21.8 |
| *In % of revenue* | *8.0%* | 7.1% | | *8.7%* |
| Holding | 4.6 | 6.4 | | 5.9 |
| **Group EBITA** | **159.7** | **93.3** | **+71.2%** | **156.4** |
| ***In % of revenue*** | ***4.8%*** | **3.1%** | | ***4.8%*** |

### France

The France segment's revenue rebounded sharply, by +21.1% (all organic), from a very low H1 2020 affected by a strict lockdown. EBITA margin recovered strongly, from 2.6% in H1 2020 to 5.5% in H1 2021.

This first half-year confirmed a sustainable return to the high activity levels recorded in 2019. Momentum was good in Technical facility management, demand for telecom networks services remained high with 5G revenue starting to ramp up, business levels were healthy in commercial installation, while the industrial services market has yet to fully recover its pre-covid level. With the acquisition of Infidis, SPIE France further develops its expertise in information and communication services and becomes a leader in data centers hyperconvergence services. EBITA margin still showed a slight negative gap compared to 2019 in H1. EBITA margin will be almost back to pre-Covid level as soon as H2 2021.

## Germany & Central Europe

Revenue in Germany & Central Europe rose +6.0% in H1 2021, including a very strong 5.6% organic growth, against an H1 2020 that showed remarkable resilience (-1.1% organic). Acquisitions accounted for +0.8% and currency movements for -0.4%. EBITA margin was 4.0%, recovering from 3.4% in H1 2020, however still slightly below H1 2019 level (4.4%).

Growth was very strong in Germany, at +6.5% organic and +7.1% including acquisitions, against a remarkably resilient H1 2020 in the context of the sanitary crisis (-0.3% organic). The German market backdrop remains excellent, particularly in Transmission & distribution services as investments in the electrical grid are critical to the success of the energy transition. Technical facility management and Building technology and automation are well oriented. EBITA margin stood close to its H1 2019 level, and working capital performance was excellent.

Regarding Central Europe, contract phasing accounted for revenue contraction in Hungary, while revenue grew strongly in Switzerland.

## North-Western Europe

Revenue in the North-Western Europe segment grew organically by +2.0% in H1 2021. Including a -1.7% impact from the disposal of UK mobile maintenance activities in March 2020 and currency movements (-0.4%), revenue decreased by -0.2%. EBITA margin was 3.3%, strongly expanding from past levels (1.0% in H1 2020 and 1.6% in H1 2019R) thanks to cost adaptation measures and contract selectivity.

In **the Netherlands**, revenue caught up in Q2 after a slow start to the year. Energy infrastructure, water infrastructure and smart city services showed particular strength, while demand from industrial customers remained low. EBITA margin expansion continued, a direct result of performance initiatives started in 2019.

In the **United Kingdom**, revenue bounced back from a low H1 2020 to settle slightly below that of H1 2019, in a market showing some slowness in customer decision-making process. EBITA margin and working capital continued to improve.

In **Belgium**, revenue and margin rebounded from a low H1 2020 strongly impacted by a strict lockdown, but remained below that of H1 2019, as the building sector remained affected. Energy and transport infrastructure services were still very active.

### Oil & Gas and Nuclear

The Oil & Gas and Nuclear segment's revenue decreased by -1.4% organically in H1 2021. The impact from currency movements was -3.6%, primarily stemming from the weakening of the US Dollar against the Euro. In total, revenue decreased by -5.0% year-on-year. EBITA margin rebounded to 8.0%, compared to 7.1% in H1 2020.

**Oil & Gas Services** revenue was down against a resilient H1 2020, with improved business levels in Africa offset by contract ends in the Middle East. Growth is expected to return in H2, on the back of an improving market backdrop and an easier comparison basis. EBITA margin remained high, benefitting from the reorganisation conducted in 2020.

In **Nuclear services**, revenue rebounded strongly against a low H1 2020 impacted by Covid-19 restrictions, while the Flamanville EPR contract continued to fade out. EBITA margin remained at a very high level.

## Bolt-on acquisitions

Bolt-on M&A has been dynamic since the beginning of 2021, with 6 acquisitions totalling €192 million of full-year revenue.

On February 4th, 2021, SPIE announced the acquisition of Energotest, a Polish specialist in automation services for power and industrial plants. With more than 150 employees, the company generates annual revenue of approximately €12 million. This acquisition allows SPIE to expand its competences in Poland onto new segments such as photovoltaic installations, wind farms or combined heat and power plants.

On April 22nd, 2021, SPIE announced an agreement for the acquisition of Wirliebenkabel in Germany, a specialist of FttX projects with around 130 employees, presence in over ten locations and revenue of €25 million in 2020. This acquisition will strengthen SPIE's capabilities in the promising German optic fibre broadband network roll-out market.

On April 28th, 2021, SPIE announced an agreement for the acquisition of KEM Montage ('KEM') in Austria. With this acquisition, SPIE becomes the Austrian market leader in technical services to telecommunication infrastructure, and positions itself well for the considerable market potential in broadband development in Austria. Also active in transport infrastructure, KEM employs over 190 people, has branches throughout Austria, and generated revenue of approximately €30 million in 2020.

On May 17th, 2021, SPIE announced the acquisition of Valorel SAS (‘Valorel’) in France, a leading player in stainless boilermaking and industrial piping in the Rhône Alpes region. With 25 employees, Valorel generated revenues of around 5 million euros in 2020.

On June 18th, 2021, SPIE announced an agreement for the acquisition of Wiegel Gebäudetechnik GmbH (‘Wiegel’) in Germany. With this acquisition, SPIE expands its service range in plant and building technology to include mechanical expertise, particularly in the areas of heating, cooling and power engineering, ventilation technology, sanitary engineering and measurement, control and regulation technology. The company is headquartered in Kulmbach in northern Bavaria, has three other locations in Halle, Stuttgart and Munich. Wiegel employs around 250 employees and generated revenue of €50 million in 2020.

On July 23rd, 2021, SPIE signed an agreement for the acquisition of Infidis in France. Infidis is specialised in the design, integration and maintenance of data center infrastructures with a specific expertise in hyper-converged architectures. This acquisition positions SPIE ICS, the digital services subsidiary of SPIE France, as one of the French leaders in the field of data center infrastructures, particularly hyper-converged ones and creates significant business synergy opportunities. Infidis employs 63 people and generated revenue of around €70 million in 2020.

Every year, SPIE uses a part of its Free cash flow to fund a regular stream of small and medium-size bolt-on acquisitions. These acquisitions constitute a pillar of SPIE’s growth model on extremely fragmented markets, and contribute to the expansion of the Group’s service offering and footprint density.

## Free cash flow and net debt (excluding IFRS 16)

As happens every year, **Free cash flow** was negative in H1 2021, at €(338.4) million, reflecting SPIE’s working capital seasonality, which translates into a cash outflow in H1 and a cash inflow in H2. Despite the repayment of 2020 social charges and taxes that were deferred as part of Covid-19 relief schemes (amounting to €140 million euros at end December 2020), Free cash flow was better than in H1 2019 (€(382.1) million), primarily due to underlying working capital improvement.

SPIE’s structurally negative **working capital** represented (22) days of revenue at June 30th, 2021, a 7 days underlying improvement compared to June 30th, 2020 ((15) days excluding the benefit from government social charges and taxes deferral schemes; (30) days including those). The continued improvement in working capital delivered by SPIE is the result of the Group’s very strict cash management, which primarily translates into an excellent level of cash collection across the Group.

**Net debt** excluding IFRS 16 decreased by €83.4 million over 12 months, to €1,382.1 million despite the repayment of 2020 deferred social charges and taxes and the resumption of dividend payment in H1 2021. **Leverage**[1] was markedly down over 12 months, at 3.0x at June 30th, 2021, compared to 3.6x at June 30th, 2020.

## Financing and liquidity

SPIE is facing **no debt maturity before 2023**. The Group'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.

The Group's **liquidity** remains very high, at €1,280 million at June 30th, 2021, including €680 million of net cash and €600 million of undrawn Revolving Credit Facility. This level represents an improvement over 12 months (€1,124 million at June 30th, 2020).

## Credit ratings

On July 1st, 2021, Fitch Ratings published for the first time a long-term issuer default rating for SPIE, at BB with a stable outlook. Among the key rating drivers were SPIE's strong and diversified business profile, its resilient performance through the Covid-19 pandemic, the strength of the Group's free cash flow generation driving continuous deleveraging, a low refinancing risk and a supportive financial policy.

SPIE's credit rating with Standard & Poor's remains unchanged, at BB. Subsequent to SPIE's decision, Moody's no longer rates SPIE since June 28th.

## EcoVadis 2020 ratings: SPIE awarded 'Gold' for the 7th year in a row

This year again, SPIE is amongst the best companies in its industry in terms of Corporate Social Responsibility (CSR) according to ratings agency EcoVadis.

In its 2020 campaign, EcoVadis commended SPIE's increased focus on sustainable development, dialogue with stakeholders and implementation of new policies and initiatives aimed at managing CSR risks, whether these be environmental, social or financial. SPIE is rated since 2010 by EcoVadis on its sustainability and CSR policies with a particular focus on environment, social, ethics and procurement.

[1] Leverage ratio is calculated as net debt at end June / pro-forma EBITDA excluding IFRS 16 on a trailing twelve-month basis

## 2021 outlook revised upwards

Since the beginning of the year, SPIE has experienced very healthy business trends in most of its activities and geographies, and the rebound in the Group's EBITA margin has been faster than anticipated. SPIE's services are firmly and lastingly driven by the energy transition and the digital transformation.

In this context, SPIE upgrades its full-year 2021 outlook and now expects:

- Group revenue at or above 2019 level (previously: "very close to 2019 level");
- EBITA margin at 2019 level: 6.0% (previously: "very close to 2019 level");
- Full-year revenue to be acquired through bolt-on acquisitions well in excess of €200 million (previously: "in the order of €200 million"); and
- A strong reduction in the Group's leverage[1], now expected at around 2.0x at year-end (previously: unspecified)

The proposed dividend pay-out ratio will remain at c.40% of Adjusted Net Income[2] attributable to the Group.

## Interim dividend

SPIE will pay an interim cash dividend of €0.13 per share, or 30% of the approved dividend for 2020, on September 27th, 2021 (ex-date: September 23rd, 2021).

## SPIE's 2021 investor day: focus on ESG

SPIE invites investors and analysts to participate in its 2021 Investor day, which will be held on September 20th. This event will be an opportunity for SPIE's senior management to provide insight on the Group's commitment to sustainability and to show that, when it comes down to climate change, SPIE is clearly on the side of the solution.

The event will be primarily virtual but the possibility of physical attendance will be offered to a limited number of participants, in keeping with strict sanitary measures.

If you wish to participate, please contact investors@spie.com.

## Consolidated financial statements

The consolidated financial statements of the SPIE Group as of and for the six months ended June 30th, 2021 have been authorised for issue by the Board of Directors on July 28th, 2021. Auditors' review of the consolidated financial statements is complete and the statutory auditors' report on the 2021 half year financial information has been issued.

The audited consolidated financial statements (full financial statements and notes) and the slide presentation of the 2021 half-year results are available on our website www.spie.com, in the "Finance" section.

## Conference call for investors and analysts

**Date:** Thursday, July 29th, 2021
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 7037 7166
- UK (Standard International Access) : +44 (0) 33 0551 0200
- Password : SPIE

Webcast: https://channel.royalcast.com/landingpage/spie/20210729_1/

## Next events

| | |
|---|---|
| **6-7 September 2021:** | Paris roadshow (Kepler Cheuvreux) |
| **9-10 September 2021**: | London virtual roadshow (Oddo BHF) |
| **20 September 2021:** | SPIE 2021 Investor Day – focus on ESG |
| **27 September 2021**: | Interim dividend payment (ex date: September 23rd, 2021) |
| **5 November 2021:** | Quarterly information at September 30th, 2021 |

[1] Ratio of net debt at end December to pro forma EBITDA (including full-year impact of acquisitions), excluding the impact of IFRS 16
[2] Adjusted for the amortisation of allocated goodwill and exceptional items

## 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.

**Pro-forma EBITDA** corresponds to income generated by the Group's permanent operations over 12 months before tax and financial income, including the impacts over 12 months of acquisitions. It is calculated before depreciation of tangible assets and amortisation of goodwill. It excludes the impact of IFRS 16.

**Operating Cash-flow** is the sum of EBITA, amortisation expenses, change in working capital requirement, and provisions related to income and expenses included in EBITA, minus net investment flows (excluding acquisitions) for the period. It excludes the impact of IFRS 16.

**Free cash-flow** is defined as operating cash-flow minus taxes, net interest paid, restructuring and discontinuation items and before acquisitions and disposals proceeds and charges. It excludes the impact of IFRS 16.

**Leverage** is the ratio of net debt excluding the impact of IFRS 16 to pro forma EBITDA (including full-year impact of acquisitions).

## About SPIE

SPIE is the European independent leader in multi-technical services in the fields of energy and communications. Our 45 500 employees are committed with our customers to the success of the energy transition and digital transformation. In 2020, SPIE generated a consolidated production of 6,6 billion euros and a consolidated EBITA of 339 million euros.

### 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


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, 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 2020 Universal Registration Document, filed with the French Financial Markets Authority (AMF) on April 12th, 2021, 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

### Consolidated income statement

| *In millions of euros* | H1 2021 | H1 2020 |
| --- | --- | --- |
| **Revenue** | **3,312.1** | **3,041.5** |
| Other income | 37.1 | 31.3 |
| Operating expenses | (3,222.1) | (3,009.2) |
| **Recurring operating income** | **127.1** | **63.6** |
| Other operating expenses | (3.3) | (60.6) |
| Other operating income | 3.5 | 4.4 |
| **Operating income** | **127.2** | **7.4** |
| Net income (loss) from companies accounted for under the equity method | 0.1 | 0.5 |
| **Operating income including companies accounted for under the equity method** | **127.3** | **7.9** |
| Interests charges and losses from cash equivalents | (30.9) | (34.0) |
| Gains from cash equivalents | 0.1 | 0.5 |
| **Costs of net financial debt** | **(30.9)** | **(33.5)** |
| Other financial expenses | (13.8) | (14.7) |
| Other financial incomes | 6.9 | 13.3 |
| **Other financial income (expenses)** | **(6.9)** | **(1.3)** |
| **Net income before taxes** | **89.6** | **(26.9)** |
| Income tax expenses | (32.2) | (14.1) |
| **Net income from continuing operations** | **57.4** | **(41.0)** |
| Net income from discontinued operations | (0.0) | (0.3) |
| **NET INCOME** | **57.4** | **(41.4)** |
| Net income from continuing operations attributable to: | | |
| . Owners of the parent | 57.2 | (41.4) |
| . Non-controlling interests | 0.2 | 0.3 |
| | **57.4** | **(41.0)** |
| Net income attributable to: | | |
| . Owners of the parent | 57.1 | (41.7) |
| . Non-controlling interests | 0.2 | 0.3 |
| | **57.4** | **(41.4)** |

## Consolidated statement of financial position

| *In millions of euros* | June 30th, 2021 | Dec 31st, 2020 |
|---|---|---|
| **Non-current assets** | | |
| Intangible assets | 949.5 | 969.9 |
| Goodwill | 3,216.6 | 3,201.0 |
| Right of use on operating and financial lease | 342.5 | 366.6 |
| Property, plant and equipment | 151.4 | 156.3 |
| Investments in companies accounted for under the equity method | 11.7 | 11.6 |
| Non-consolidated shares and long-term loans | 67.3 | 38.8 |
| Other non-current financial assets | 5.6 | 5.0 |
| Deferred tax assets | 277.9 | 282.8 |
| **Total non-current assets** | **5,022.4** | **5,032.1** |
| **Current assets** | | |
| Inventories | 39.1 | 35.4 |
| Trade receivables | 1,862.8 | 1,617.6 |
| Current tax receivables | 51.1 | 31.5 |
| Other current assets | 420.8 | 347.7 |
| Other current financial assets | 5.6 | 5.1 |
| Cash management financial assets | 40.6 | 2.4 |
| Cash and cash equivalents | 655.1 | 1,189.7 |
| **Total current assets from continuing operations** | **3,075.1** | **3,229.4** |
| Assets classified as held for sale | 12.7 | 12.3 |
| **Total current assets** | **3,087.8** | **3,241.7** |
| **TOTAL ASSETS** | **8,110.2** | **8,273.8** |

| *In millions of euros* | June 30th, 2021 | Dec 31st, 2020 |
|---|---|---|
| **Equity** | | |
| Share capital | 75.3 | 75.3 |
| Share premium | 1,236.1 | 1,236.1 |
| Consolidated reserves | 146.4 | 165.9 |
| Net income attributable to the owners of the parent | 57.1 | 53.2 |
| **Equity attributable to owners of the parent** | **1,514.8** | **1,530.4** |
| Non-controlling interests | 3.7 | 3.5 |
| **Total equity** | **1,518.5** | **1,533.9** |
| **Non-current liabilities** | | |
| Interest-bearing loans and borrowings | 1,796.9 | 1,795.8 |
| Non-current debt on operating and financial leases | 244.5 | 258.8 |
| Non-current provisions | 78.1 | 76.3 |
| Accrued pension and other employee benefits | 870.8 | 871.4 |
| Other non-current liabilities | 12.5 | 8.9 |
| Deferred tax liabilities | 334.4 | 330.8 |
| **Total non-current liabilities** | **3,337.2** | **3,342.1** |
| **Current liabilities** | | |
| Trade payables | 888.9 | 932.5 |
| Interest-bearing loans and borrowings | 278.6 | 336.9 |
| Current debt on operating and financial leases | 101.5 | 110.7 |
| Current provisions | 129.0 | 133.5 |
| Income tax payable | 71.1 | 50.8 |
| Other current operating liabilities | 1,779.6 | 1,827.2 |
| **Total current liabilities from continuing operations** | **3,248.8** | **3,391.6** |
| Liabilities associated with assets classified as held for sale | 5.7 | 6.2 |
| **Total current liabilities** | **3,254.5** | **3,397.8** |
| **TOTAL EQUITY AND LIABILITIES** | **8,110.2** | **8,273.8** |

## Consolidated cash flow statement

| *In millions of euros* | H1 2021 | H1 2020 |
|---|---|---|
| **CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD** | **1,179.0** | **866.5** |
| **Operating activities** | | |
| Net income | 57.4 | (41.4) |
| Loss from companies accounted for under the equity method | (0.1) | (0.5) |
| Depreciation, amortization, and provisions | 113.0 | 109.7 |
| Proceeds on disposals of assets | (0.6) | 43.7 |
| Dividend income | - | - |
| Income tax expense | 32.2 | 14.0 |
| Elimination of costs of net financial debt | 30.9 | 33.7 |
| Other non-cash items | 1.8 | 12.5 |
| **Internally generated funds from (used in) operations** | **234.5** | **171.6** |
| Income tax paid | (26.9) | (32.6) |
| Changes in operating working capital requirements | (418.8) | (197.4) |
| Dividends received from companies accounted for under the equity method | 0.2 | 0.2 |
| **Net cash flow from (used in) operating activities** | **(211.1)** | **(58.2)** |
| **Investing activities** | | |
| Effect of changes in the scope of consolidation | (43.3) | (15.2) |
| Acquisition of property, plant and equipment and intangible assets | (21.0) | (28.6) |
| Net investment in financial assets | (0.1) | (0.2) |
| Changes in loans and advances granted | 1.2 | 3.0 |
| Proceeds from disposals of property, plant and equipment and intangible assets | 1.3 | 2.1 |
| Proceeds from disposals of financial assets | 0.0 | - |
| Dividends received | - | - |
| **Net cash flow from (used in) investing activities** | **(61.7)** | **(38.8)** |
| **Financing activities** | | |
| Issue of share capital | - | - |
| Proceeds from loans and borrowings | - | 599.6 |
| Repayment of loans and borrowings | (109.7) | (594.3) |
| Net interest paid | (46.1) | (49.1) |
| Dividends paid to owners of the parent | (70.5) | - |
| Dividends paid to non-controlling interests | - | - |
| **Net cash flow from (used in) financing activities** | **(226.3)** | **(43.7)** |
| Impact of changes in exchange rates | 0.4 | (1.3) |
| **Net change in cash and cash equivalents** | **(498.7)** | **(142.1)** |
| **CASH AND CASH EQUIVALENTS AT END OF THE PERIOD** | **680.4** | **724.5** |

## Quarterly organic growth by segment

| | Q1 2021 | Q2 2021 | H1 2021 |
|---|---|---|---|
| France | +4.3% | +43.7% | +21.1% |
| Germany & CE | +3.1% | +7.9% | +5.6% |
| *o/w Germany* | *+4.0%* | *+8.9%* | *+6.5%* |
| North-Western Europe | -5.3% | +10.9% | +2.0% |
| Oil & Gas and Nuclear | -1.2% | -1.7% | -1.4% |
| **Group** | **+1.4%** | **+19.1%** | **+9.7%** |

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

| *In millions of euros* | | H1 2021 | H1 2020 |
|---|---|---|---|
| **Revenue (as per management accounts)** | | **3,296.5** | **3,021.6** |
| Sonaid | (a) | - | (0.3) |
| Holding activities | (b) | 13.7 | 15.6 |
| Other | (c) | 1.9 | 4.7 |
| **Revenue under IFRS** | | **3,312.1** | **3,041.6** |

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

| *In millions of euros* | | H1 2021 | H1 2020 |
|---|---|---|---|
| **EBITDA** | | **159.7** | **93.3** |
| Amortisation of allocated goodwill | (a) | (26.2) | (27.5) |
| Restructuring costs | (b) | (0.1) | (9.9) |
| Financial commissions | | (0.6) | (0.6) |
| Impact of equity affiliates | | - | 0.5 |
| Other non-recurring items | (c) | (5.5) | (47.9) |
| **Consolidated Operating Income** | | **127.3** | **7.9** |

a) Amortisation of allocated goodwills includes €(17.0) million pertaining to SAG in H1 2021 (€(17.0) million in H1 2020).

b) In H1 2020, restructuring costs mostly pertained to Oil & Gas services, for €(3.9) million, to the United Kingdom, for €(3.9) million and to the Netherlands for €(1.6) million.

c) In H1 2021, Other non-recurring items mainly reflect a restatement made pursuant to IFRIC 21 for €(2.2) million and costs relating to long term incentive shares plan, in accordance with IFRS 2 for € (1.8) million.

In H1 2020, Other non-recurring items mainly reflect the impact of the disposal of SPIE UK's mobile maintenance business (€(44.1) million), a restatement made pursuant to IFRIC 21 (€(2.4) million) and costs related to long term incentive shares plan, in accordance with IFRS 2, for €(1.0) million.

## Reconciliation between adjusted net income and reported net income

| *In millions of euros* | H1 2021 | H1 2020 |
|---|---|---|
| **Adjusted net income, Group share** | **82.1** | **38.8** |
| Amortisation of allocated goodwill | (26.2) | (27.5) |
| Restructuring costs | (0.1) | (9.9) |
| Others non recurring items | (5.5) | (47.4) |
| Net income from discontinued operations | 0.0 | (0.3) |
| Tax adjustment | 6.8 | 4.5 |
| **Reported net income, Group share** | **57.1** | **(41.7)** |

## Net debt

| *In millions of euros* | **June 30th, 2021** | **June 30th, 2020** | **Dec 31st, 2020** |
|---|---|---|---|
| Loans and borrowings as per balance sheet | 2,421.5 | 2,536.0 | 2,502.2 |
| Deduct debt on operating and financial leases – continued activities | (346.0) | (349.2) | (369.5) |
| Capitalised borrowing costs | 9.5 | 13.0 | 11.3 |
| Others | (7.2) | (6.3) | (23.8) |
| **Gross financial debt (a)** | **2,077.8** | **2,193.5** | **2,120.2** |
| Cash management financial assets as per balance sheet | 40.6 | 2.3 | 2.3 |
| Cash and cash equivalents as per balance sheet | 655.1 | 726.1 | 1,189.7 |
| Accrued interest | - | - | - |
| **Gross cash (b)** | **695.7** | **728.4** | **1,192.0** |
| **Consolidated net debt (a) - (b)** | **1,382.1** | **1,465.1** | **928.2** |
| Net debt held in discontinued activities | (0.0) | 0.4 | (0.3) |
| Unconsolidated net debt | (0.0) | - | (1.3) |
| **Net debt excluding IFRS 16** | **1,382.1** | 1,465.5 | **926.5** |
| | | | |
| Pro forma EBITDA excluding IFRS 16 | 460.0 | 404.3 | 389.1 |
| **Leverage excluding IFRS 16** | **3.0x** | **3.6x** | **2.4x** |
| | | | |
| Add debt on operating and financial leases (IFRS 16) | 346.0 | 349.2 | 369.5 |
| **Net debt including IFRS 16** | **1,728.1** | **1,814.7** | **1,296.0** |
| Pro forma EBITDA including IFRS 16 | 597.6 | 475.5 | 529.8 |
| **Leverage including IFRS 16** | **2.9x** | **3.8x** | **2.4x** |

## Cash Flow statement – Management accounts

| *In millions of euros* | H1 2021 excl. IFRS 16 | IFRS 16 impacts | H1 2021 incl. IFRS 16 | H1 2020 excl. IFRS 16 |
|---|---|---|---|---|
| **EBITA** | **156.7** | **3.0** | **159.7** | **91.0** |
| Depreciation | 25.0 | 65.2 | 90.1 | 25.3 |
| Capex | (19.7) | - | (19.7) | (26.5) |
| Change in Working Capital and Provisions | (423.5) | 0.1 | (423.4) | (197.0) |
| **Operating Cash Flow** | **(261.5)** | **68.2** | **(193.3)** | **(107.3)** |
| Taxes paid | (26.9) | - | (26.9) | (32.6) |
| Net interest paid | (42.4) | (3.7) | (46.1) | (45.2) |
| Restructuring and discontinued operations | (7.7) | (0.1) | (7.7) | (2.3) |
| **Free Cash Flow** | **(338.4)** | **64.4** | **(274.0)** | **(187.3)** |
| Acquisitions & disposals | (48.4) | (0.4) | (48.8) | (28.3) |
| Dividends | (70.5) | - | (70.5) | - |
| FX impacts | 0.5 | (0.2) | 0.4 | 0.4 |
| Other | 1.3 | (40.4) | (39.1) | 0.5 |
| **Change in net debt** | **(455.6)** | **23.5** | **(432.1)** | **(214.7)** |

## 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.

| *Leverage ratio* | 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% |