

Press release

Quarterly information as at September 30th, 2024

9m 2024 total revenue up +13.9%
including a contribution from bolt-on acquisitions of +9.4%
and a strong organic growth of +4.4%
Very solid underlying trends in our markets
Guidance revised upwards for FY 2024 EBITA margin

Cergy, October 31st, 2024

Strong 9m 2024 organic growth (+4.4%) including a solid level of organic growth in Q3 (at +1.7%)

- 9m 2024 revenue: €7,130.7 million, up +13.9% year-on-year (including +4.4% organic and +9.4% contribution from bolt-on acquisitions)
- Q3 2024 revenue up +13.1% including +1.7% organic growth:
 - Very strong performance in Germany and The Netherlands while France remained particularly solid
 - Weak quarter in Central Europe due to contract phasing in Poland and high comparison basis in Switzerland
 - After an exceptional contribution of a shutdown operation in H1 2024, Global Services Energy back to more normative growth on an extremely strong comparison basis
- We continue to observe very solid underlying trends in our markets driven by the energy transition while, as expected, our topline reflects a lower cost inflation in the cost base

Significant contribution from our value-creative bolt-on acquisitions

- 9m 2024 contribution from bolt-on acquisitions was €578.2 million
- Year-to-date, the total amount of annual revenue acquired stands at c. €432 million, of which €320 million in Germany
- We continue to nurture a rich pipeline of opportunities in our geographies
- As expected, the significant M&A capital expenditure in 2024 (c. €0.9 billion), will lead to an increase of the leverage ratio at year-end. This leverage will remain well within the limit of our strict financial discipline

Guidance revised upwards for FY 2024 EBITA margin

- EBITA margin: at least 7.1% of revenue (a minimum of +40 bps increase compared to 2023)
(previously: EBITA margin of at least 7.0% of revenue (a minimum of +30 bps increase compared to 2023))
- Further organic growth at a slower pace than in 2023. Solid organic growth expected in Q4
(previously: "Further organic growth at a slower pace than in 2023")
- Continuation of a dynamic bolt-on M&A strategy, remaining at the core of SPIE's business model
(unchanged)
- The proposed dividend pay-out ratio will remain at c.40% of Adjusted Net Income¹ attributable to the Group
(unchanged)

¹ Adjusted for i) operating income items restated from the Group's EBITA, ii) the change in fair value and amortisation costs of derivative related to the ORNANE, and iii) the corresponding normative tax income adjustment

2025 SPIE Investor Day

- Date: Friday 7th March 2025 (morning)
- Location: Paris

Gauthier Louette, Chairman & CEO, commented: *“SPIE delivered a strong organic growth in the first nine months of the year. The momentum keeps being supported by structural trends such as decarbonation, electrification and energy efficiency solutions. In this regard, our unique positioning to address the acceleration in Transmission and Distribution activities provides us with excellent visibility.*

While we see, of course, less impact of cost inflation in our topline, we continue to enjoy a good pricing power which, combined with a favourable mix effect and our proven quality of execution, allows us to further increase our margin. This performance evidences once again the strong added value content of our solutions and the highly mission critical nature of our services.

SPIE was very active in bolt-on acquisitions with a rich pipeline of opportunities in the countries where the Group operates. The recent acquisitions have strengthened SPIE’s profitable growth profile, and the Group will pursue its targeted bolt-on M&A strategy to further deploy the SPIE model with a strong discipline in its financing policy.

In the current macroeconomic environment, SPIE has a resilient and agile business profile addressing the structural trends related to energy transition. As we continue to execute our strategy, we are pleased to revise upwards our guidance 2024 for EBITA margin objective at at least 7.1% of revenue leading to an EBITA growth above 20%.”

Revenue

Revenue reached €7,130.7 million in the first nine months of 2024, up +13.9% year-on-year. Revenue grew by +4.4% organically, contribution from bolt-on acquisitions accounted for +9.4% and currency movements for +0.2%.

<i>In millions of euros (unaudited)</i>	9m 2024	9m 2023	Change	o/w organic growth	o/w external growth	o/w disposal	o/w foreign exchange
France	2,441.3	2,358.6	+3.5%	+1.5%	+2.0%	-	n.a
Germany	2,325.9	1,748.6	+33.0%	+5.9%	+27.1%	-	n.a
North-Western Europe	1,436.8	1,318.1	+9.0%	+6.4%	+2.6%	-	n.a
Central Europe	549.1	541.5	+1.4%	-1.6%	+0.5%	-	+2.5%
Global Services Energy	377.6	292.4	+29.1%	+19.7%	+10.3%	-	-0.9%
Group revenue	7,130.7	6,259.2	+13.9%	+4.4%	+9.4%	-	+0.2%

<i>In millions of euros (unaudited)</i>	Q3 2024	Q3 2023	Change	o/w organic growth	o/w external growth	o/w disposal	o/w foreign exchange
France	791.8	772.6	+2.5%	+0.4%	+2.1%	-	n.a
Germany	866.7	631.0	+37.4%	+5.7%	+31.7%	-	n.a
North-Western Europe	482.8	448.3	+7.7%	+2.9%	+4.8%	-	n.a
Central Europe	169.3	187.7	-9.8%	-10.7%	+0.1%	-	+0.8%
Global Services Energy	115.5	105.5	+9.5%	+2.6%	+8.3%	-	-1.4%
Group revenue	2,426.2	2,145.1	+13.1%	+1.7%	+11.4%	-	+0.0%

France

The **France** segment's revenue was up +3.5% in the first nine months of 2024, with an organic growth at +1.5%. In Q3 2024 revenue grew by +2.5% (+0.4% organically).

In the first nine months 2024, Technical Facility Management was well-oriented thanks to Energy Performance Contracts and energy efficiency solutions provided to our customers. In Industry Services we continued to see a good momentum in the projects related to electrification while some phasing effects in photovoltaic projects had a negative impact in Q3. City Networks benefitted from public lighting solutions and energy infrastructure while the division continued to be impacted in Q3 by the slowdown of our fibre activities. Organic growth in Nuclear Services was slightly ramping up in Q3 with the maintenance programmes back to normal.

Our business in France is particularly well-diversified, both in terms of expertise and customer portfolio, providing us with a particularly resilient profile.

Germany

The Germany's segment revenue grew by +33.0% in the first nine months of 2024, including +5.9% of organic growth and a +27.1% contribution from bolt-on acquisitions. In Q3 2024 revenue grew by +37.4% (+5.7% organically and +31.7% contribution from bolt-on acquisitions).

In the first nine months 2024 High Voltage and City Networks and Grids significantly propelled the organic growth in Germany. These activities remained sustained by capital expenditures from TSOs (Transmission System Operators) and DSOs (Distribution System Operators); fibre roll-out services were developing well. Technical Facility Management activities remained solid, supported by energy efficiency solutions and decarbonation projects. Industry Services, through the acquisition of ROBUR, were fuelled by various projects on electrification of industrial processes. In parallel, the integration of ROBUR (now "SPIE Industrial Services and Wind") and ICG Group is well on track.

North-Western Europe

In **North-Western Europe's** segment revenue increased by +9.0% in the first nine months 2024, including +6.4% organic growth and a +2.6% contribution from bolt-on acquisitions. In Q3 2024 revenue grew by +7.7% (+2.9% organically and +4.8% contribution from bolt-on acquisitions).

At the end of September 2024, in the Netherlands, the organic growth remained at a strong level, despite a particularly challenging comparison basis in Q3. Overall, the momentum was very good in the Netherlands. High Voltage activities (overhead lines and substations) remained very strong and offers good visibility with capital expenditures from TSOs (Transmission System Operators) expected to remain at a high level in the coming years. Industry Services was strong, boosted by electrification and digitalisation projects with an expansion of our customer portfolio. City Networks, as expected, was negatively impacted by the FttH activities. In Information and Communication Services, our Data Centre's activities (mainly maintenance operations) continued to support our growth. Building Solutions was well-oriented with a portfolio of blue-chip customers requiring high added value solutions.

In the first nine months 2024 **Belgium's** activity was robust, also supported by high voltage projects, with however some phasing effects in Q3. Industry Services was driven by sectors such as food, pharma but also battery storage industries.

Central Europe

The **Central Europe** segment's revenue was up +1.4% in the first nine months of 2024, including -1.6% organic growth. The contribution from bolt-on acquisitions was +0.5% and currency movements accounted for +2.5%. In Q3 2024 revenue was down by -9.8% (of which -10.7% organic growth).

In Q3 2024, Austria continued to deliver a strong organic growth in all segments, especially in High Voltage projects (mainly substations), public transport electrification but also Industry Services for automation and electrification projects. In Poland, the High Voltage market remained very well-oriented, and we do register a very high backlog while unfavourable phasing effects impacted Q3. The modernization of public lighting is developing well. Slovakia and Czech Republic were also constrained by phasing effects. In 2023, Switzerland benefited from the catch up of the supply chain delays in Information and Communication Services thus creating a significant deceleration in 2024, as anticipated.

Global Services Energy

In the first nine months 2024, the **Global Services Energy** segment's revenue was up +29.1% year-on-year with an organic growth of +19.7%. Contribution from the acquisition of Correll Group had a +10.3% impact; the currency movements accounted for -0.9%, primarily related to the USD/EUR parity. In Q3 2024 revenue grew by +9.5% (+2.6% organically, +8.3% contribution from the bolt-on acquisitions and -1.4% related to currency movements).

The activity in **Global Services Energy** was exceptionally high in Q1 and Q2 with a shutdown operation for customer offshore Sub-Saharan Africa and remained dynamic in Q3 despite a high comparison basis. The pluriannual maintenance contracts signed over the last two years continued to further strengthen our positioning on the Opex side of our customers. The integration of Correll Group is well on track and the activity is benefitting from a supportive market environment in the wind energy.

Acquisitions

SPIE dedicates part of its free cash flow to fund a regular stream of small and mid-size bolt-on acquisitions. This bolt-on strategy is at the core of SPIE's growth model and contributes to the expansion of the Group's service offering and footprint density. SPIE operates in highly fragmented markets and therefore enjoys a rich pipeline of future M&A opportunities.

The acquisitions announced year-to-date are described as follows:

On March 11th, 2024, SPIE signed an agreement for the acquisition of **ICG Group**, a German leading turnkey service provider for telecommunication infrastructure (for both fibre and 5G Mobile telecommunications networks). ICG Group covers the entire value chain and operates across the whole country through a customer portfolio which comprises network operators, infrastructure providers and municipalities. ICG Group generated a revenue of c. 230 million euros in 2023 with margins north of 10% in line with the sector; the company employs approximately 720 highly skilled employees.

With this acquisition SPIE enters the market for 5G mobile telecommunications infrastructure and significantly strengthens its position in the fibre networks, a crucial move as Germany is still in the early stages for the roll-out of fibre across the country and is lagging behind the other European countries in that field.

The transaction multiple was 9.1x EBITA 2023 and 7.5x EBITA 2024E. The transaction will result in a mid-single digit EPS accretion for the Group as soon as the first year of consolidation. The acquisition was financed with the existing financial resources of the Group while maintaining its sound financial policy regarding leverage ratio. SPIE acquired c.92% of the share capital at closing, while the remaining 8% shareholding were retained by the current management team who remains in place and contributes to pursue the business development. The agreement includes put and call mechanisms related to the 8%. The transaction was closed on April 18th, 2024.

On March 27th, 2024, SPIE announced the acquisition of c.75% of **MBG energy GmbH**, a provider of engineering, procurement and construction (EPC) services for the photovoltaic roll-out mainly for rooftop installation on buildings in North-Eastern Germany. The company, headquartered in Berlin, was founded in 2018 and employs 47 employees. The company generated a revenue of approximately 15 million euros in 2023. With this acquisition, SPIE strengthens its position in the fast-growing photovoltaic roll-out market and gains competences in that field in a context of the adoption by the European legislators of the EU Solar Standard within the European Performance of Buildings Directive. This legislation is set to require solar installations on buildings across the European Union. The acquisition of MBG energy GmbH will also provide with potential commercial synergies with the existing Technical Facility Management segment of SPIE in Germany.

The management team of MBG energy GmbH comprises the founders who joined SPIE's team to further develop the business and they stay as minority shareholders. Thus, SPIE acquired c.75% of the share capital, while the remaining c.25% shareholding is retained by the current management team. The agreement includes put and call mechanisms related to the c.25%. The transaction was closed on the day of the announcement.

On July 17th, 2024, SPIE announced the acquisition of c.87% of **Otto Life Science Engineering GmbH (OTTO LSE)** in Germany. Headquartered in Nuremberg in Bavaria, OTTO LSE was founded in 2017 and operates from 6 offices across Germany. The company is a specialised provider of EPC services (Engineering, Procurement and Construction) for pharmaceutical and biotech production facilities and laboratories. OTTO LSE has a unique selling proposition with its turnkey solutions and has a solid project track record in the sector. The company covers the entire value chain (from planning, designing, delivering to re-qualifying) with outstanding skills and unique know-how providing for high added value solutions in process design, pure media, clean room, building technology management, dedicated to a first-class client base. Active in a very dynamic market and focusing on high added value solutions, OTTO LSE delivers a very high and recurring level of profitability (above 20% EBITA margin). The revenue generated by the company in 2023 was close to €75 million with c.140 highly skilled employees.

With this acquisition SPIE reinforces its presence in the attractive and dynamic pharmaceutical and biotech sectors.

The transaction multiple is below 8x the forecasted EBITA 2024. The transaction will result in an EPS accretion for the Group from the first year of consolidation. The acquisition will be financed with the existing financial resources of the Group while maintaining its sound financial policy regarding leverage ratio. SPIE will hold c.87% of the share capital, while the remaining c.13% shareholding will be retained by the current management team who will remain in place and will contribute to pursue the business development. The agreement includes put and call mechanisms related to the c.13%. The transaction was closed on August 16th, 2024.

On July 24th, 2024, SPIE announced the acquisition of 100% of **ABC, ETC, and SIRAC**, leaders in non-destructive testing and inspections in the nuclear industry. Grouped under the **GIE¹ HORUS**, the three companies ABC, ETC, and SIRAC are leaders in the market for non-destructive testing and inspections in the nuclear industry (radiographic, ultrasonic and penetrant testing, as well as magnetic particle inspection) and operate throughout France with over 300 qualified employees. Altogether, the three companies generated nearly 35 million euros of revenue in 2023. With this acquisition, SPIE expands its expertise in nuclear site maintenance. The anticipated development of new nuclear reactors (EPR2) and the extension of the lifespan of existing plants will result in sustained growth in inspection and maintenance activities over the coming decades. The transaction was closed on the day of the announcement.

¹ GIE : Economic Interest Grouping

On **October 9th, 2024**, SPIE announced the acquisition of 88% of **Spefinox**, an expert player in industrial processes in the agri-food, cosmetics and pharmaceuticals sectors. Founded in 1999 and based in Quiévrechain (Nord), Spefinox designs and manufactures specialised equipment for industrial processes. Thanks to this acquisition, SPIE strengthens its expertise in industrial processes in the agri-food, cosmetics and pharmaceuticals sectors within its French subsidiary SPIE Industrie. With approximately 25 qualified employees, Spefinox generated revenue of €6.6 million in 2023. The transaction was closed on the day of the announcement.

On **October 29th, 2024** SPIE announced the acquisition of **Elektromontaż-Poznań** in Poland. With nearly 75 years of experience, Elektromontaż-Poznań S.A. is specialized in electrical installation services including design, consulting, delivery and installation for customers from the industrial, commercial and public administration sectors in Poland. The company generated a revenue of c. € 70 million in 2023 and employs approximately 330 employees. With this acquisition, SPIE will strengthen its market share in the electrical and mechanical building technology sectors in Poland, while also expanding its portfolio of competencies and enlarging its customer base. SPIE expects to close the transaction in Q1 2025.

Therefore, the total annual revenue acquired year-to-date amounts to nearly €432 million.

A great success of the 2024 employee shareholding plan

SPIE is on track to finalise its 2024 employee shareholding plan, SHARE FOR YOU 2024, with great success. Around 21,500 employees from 19 different countries subscribed to the plan (versus around 17,000 employees in 2023). This figure includes more than 5,000 employees subscribing for the first time. As a consequence, pending final results which will be announced in December, the estimated total subscription from SPIE employees would be c. €46 million.

Guidance revised upwards for FY 2024 EBITA margin

- EBITA margin: at least 7.1% of revenue (a minimum of +40 bps increase compared to 2023)
(previously: EBITA margin of at least 7.0% of revenue (a minimum of +30 bps increase compared to 2023))
- Further organic growth at a slower pace than in 2023. Solid organic growth expected in Q4
(previously: "Further organic growth at a slower pace than in 2023")
- Continuation of a dynamic bolt-on M&A strategy, remaining at the core of SPIE's business model
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- The proposed dividend pay-out ratio will remain at c.40% of Adjusted Net Income¹ attributable to the Group
(unchanged)

¹ Adjusted for i) operating income items restated from the Group's EBITA, ii) the change in fair value and amortisation costs of derivative related to the ORNANE, and iii) the corresponding normative tax income adjustment

Conference call for investors and analysts

Date: Thursday, October 31st, 2024

9.00 am CET - 8.00 am GMT

Speakers:

Gauthier Louette, Chairman & CEO

Jérôme Vanhove, Group CFO

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- Webcast: https://channel.royalcast.com/landingpage/spie/20241031_1/

Next events

UBS European conference (London): November 12th, 2024

US and Canada Roadshow with Oddo: November 19th (NYC), November 20th (Boston), November 21st (Chicago) and November 22nd (Toronto)

Bernstein, The Premium Review Conference (Paris): November 28th, 2024

Berenberg, Pennyhill Park Conference: December 3rd, 2024

Exane, breakfast meeting (Paris) & virtual group meeting (afternoon): December 12th, 2024

Oddo BHF Forum: January 9th and 10th, 2025

2024 full-year results: March 6th, 2025, before market opening

2025 Investor Day (Paris): March 7th, 2025

Quarterly information at March 31st, 2025: April 25th, 2025, before market opening

2025 annual shareholders meeting: April 30th, 2025,

2025 half-year results: July 31st, 2025, before market opening

Quarterly information at September 30th, 2025: October 31st, 2025, before market opening

Financial definitions

Organic growth represents the production completed during the nine 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 completed during the nine months of year N-1 by the same companies, independently of the date on which they were first consolidated within the Group.

Segment Central Europe includes Poland, Switzerland, Austria, Czech Republic, Hungary and Slovakia.

Segment North-Western Europe includes The Netherlands and Belgium.

About SPIE

SPIE is the independent European leader in multi-technical services in the areas of energy and communications. Our 50,000 employees are committed to achieving the energy transition and responsible digital transformation alongside our customers.

SPIE achieved in 2023 consolidated revenue of €8.7 billion and consolidated EBITA of €584 million.

Contacts

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Disclaimer

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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. 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 2023 Universal Registration Document, filed with the French Financial Markets Authority (AMF) on April 5th, 2024, under number D.24-0245 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

Quarterly organic growth by segment

	Q1 2024	Q2 2024	H1 2024	Q3 2024	9m 2024
France	+2.2%	+2.1%	+2.1%	+0.4%	+1.5%
Germany	+4.1%	+7.8%	+6.0%	+5.7%	+5.9%
North-Western Europe	+10.0%	+6.8%	+8.3%	+2.9%	+6.4%
Central Europe	+3.2%	+3.3%	+3.2%	-10.7%	-1.6%
Global Services Energy	+43.7%	+15.8%	+29.3%	+2.6%	+19.7%
Group	+6.2%	+5.4%	+5.8%	+1.7%	+4.4%

New segment reporting (as from 2024)

Revenue 2023 - new reporting segment

	Q1 2023	Q2 2023	H1 2023	Q3 2023	9m 2023	Q4 2023	2023 Full-Year
France	789.7	796.3	1,585.9	772.6	2,358.6	920.7	3,279.3
Germany*	528.3	589.4	1,117.7	631.0	1,748.6	691.7	2,440.3
North-Western Europe	427.2	442.6	869.8	448.3	1,318.1	491.5	1,809.6
Central Europe*	158.5	195.2	353.8	187.7	541.5	231.2	772.6
Global Services Energy	90.3	96.5	186.8	105.5	292.4	114.7	407.1
Group	1,994.0	2,120.0	4,114.0	2,145.1	6,259.2	2,449.8	8,709.0

*Reclassification of Traffic System revenue from Germany to Austria compared to the segmentation provided in the FY2023 results press release

EBITA 2023 – new reporting segment

	H1 2023	2023 Full-Year
France	94.1	229.0
Germany*	53.0	161.6
North-Western Europe	46.7	106.6
Central Europe*	8.6	38.9
Global Services Energy	15.2	36.4
Holding	2.4	11.7
Group	220.0	584.2

*Reclassification of Traffic System revenue and the corresponding EBITA from Germany to Austria compared to the segmentation provided in the FY2023 results press release

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

<i>In millions of euros (unaudited)</i>	9m 2024	9m 2023
Revenue (as per management accounts)	7,130.7	6,259.2
Holding activities	20.5	20.2
Contribution of companies not yet consolidated*	(8.9)	-
Others	1.5	(1.4)
Revenue under IFRS	7,143.8	6,277.9

*This amount corresponds to the revenue from the acquisition of MBG, which has not yet been consolidated as of September 30th, 2024

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