PRESS RELEASE

Neuilly-sur-Seine, France – July 26, 2023

Strong H1 2023 operating and financial performance; higher organic revenue growth expected for full-year 2023

H1 2023 Key Figures[1]

- Revenue of EUR 2,904.2 million in the first half of 2023, up 7.8% year on year and up 9.4% organically (including 10.3% in the second quarter)
- Adjusted operating profit of EUR 434.2 million, up 5.7% versus EUR 410.9 million in H1 2022, representing an adjusted operating margin of 15.0%, with year-on-year variances attributed to forex and mix effects
- Operating profit of EUR 372.9 million, broadly stable versus EUR 375.2 million in H1 2022
- Adjusted net profit of EUR 276.3 million (EUR 0.61 per share) up 11.1% versus EUR 248.6 million in H1 2022
- Attributable net profit of EUR 232.5 million, up 3.2% versus EUR 225.2 million in H1 2022
- Free cash flow of EUR 131.9 million, up 1.5% year on year with increased capex and a well-controlled working capital requirement in the context of the strong topline growth in Q2
- Adjusted net debt/EBITDA ratio reduced to 0.95x as of June 30, 2023 versus 1.10x last year

H1 2023 Highlights

- Growth driven by the vast majority of the portfolio across all geographies (Americas, Middle East, Europe, Africa and Asia Pacific) backed by good momentum on the sales pipeline
- Maintained traction for Sustainability and energy transition solutions across the entire portfolio, representing 55% of Group sales through the BV Green Line of services and solutions
- Bureau Veritas GHG emissions (mid-term) targets approved by the Science Based Targets initiative (SBTi) and progress towards the 2025 CSR ambitions

2023 New Outlook

Based on the half-year performance, a healthy sales pipeline and the significant growth opportunities related to Sustainability, Bureau Veritas now expects for full-year 2023 to deliver:

- mid-to-high single-digit organic revenue growth (up, from mid-single-digit organic revenue growth previously);
- a stable adjusted operating margin at constant exchange rates;
- strong cash flow, with a cash conversion[2] above 90%.

Hinda Gharbi, Chief Executive Officer, commented:

"The strong organic revenue growth, resilient margin performance and very solid financial structure delivered in the first half of 2023 reflect the full engagement of all our teams and the strength of our diversified and growing portfolio of activities and our global geographical footprint. This excellent performance and our confidence in the overall trends in our businesses for the coming months allows us to revise our topline growth outlook upwards.

Looking further ahead, our worldwide leadership position in services focused on Sustainability, energy transition and supply chain evolution makes us a bellwether and thought leader for our sector and for society as a whole. We will continue to drive innovation and customer centricity with Sustainability at the core of what we do to take the Group to the next chapter of our history."

[1] Alternative performance indicators are presented, defined and reconciled with IFRS in appendices 6 and 8 of this press release.

[2] Net cash generated from operating activities/Adjusted Operating Profit.

H1 2023 KEY FIGURES

The Board of Directors of Bureau Veritas met on July 25, 2023, and approved the financial statements for the first half of 2023 (H1 2023). The main consolidated financial items are:

IN EUR MILLIONS	H1 2023	H1 2022	CHANGE	CONSTANT CURRENCY
Revenue	2,904.2	2,693.4	+7.8%	+10.9%
Adjusted operating profit[a]	**434.2**	**410.9**	**+5.7%**	**+10.2%**
Adjusted operating margin[a]	**15.0%**	**15.3%**	**(30)bps**	**(9)bps**
Operating profit	372.9	375.2	(0.6)%	+4.1%
Adjusted net profit[a]	276.3	248.6	+11.1%	+16.9%
Attributable net profit	232.5	225.2	+3.2%	+9.2%
Adjusted EPS[a]	**0.61**	**0.55**	**+11.1%**	**+16.9%**
EPS	0.51	0.50	+3.2%	+9.1%
Operating cash-flow	222.1	213.0	+4.3%	+7.1%
Free cash flow[a]	**131.9**	**129.9**	**+1.5%**	**+5.1%**
Adjusted net financial debt[a]	930.8	1,088.8	(14.5)%	

(a) Alternative performance indicators are presented, defined and reconciled with IFRS in appendices 6 and 8 of this press release

H1 2023 FINANCIAL HIGHLIGHTS

Strong organic revenue growth in the first half, driven by solid demand and Sustainability and energy transition services

Group revenue in the first half of 2023 increased by 9.4% organically compared to the first half of 2022, including 10.3% in the second quarter, benefiting from solid underlying trends across most businesses.

This is reflected as follows by business:

- Two-thirds of the portfolio (Marine & Offshore, Industry, Buildings & Infrastructure and Certification) delivered double-digit organic revenue growth in the first half, benefiting from strong decarbonization trends (Marine & Offshore, and Buildings & Infrastructure notably), energy transition (led by Renewables) and the rising demand for Sustainability and ESG-driven services (for Certification notably).
- Another fifth of the portfolio (with Agri-Food & Commodities) delivered mid-to-high single-digit organic revenue growth (up 6.5%). The growth was led by continued strong market conditions in government services and steady trends elsewhere.
- An eighth of the portfolio (with Consumer Products Services) declined organically, down 3.1%, impacted by continued high inventory levels and fewer new product launches.

Solid financial position

At the end of June 2023, the Group's adjusted net financial debt slightly decreased compared with the level at December 31, 2022. The Group has a solid financial structure with most of its maturities beyond 2024.

Bureau Veritas had EUR 1.7 billion in available cash and cash equivalents and EUR 600 million in undrawn committed credit lines at June 30, 2023. The adjusted net financial debt/EBITDA ratio was further reduced to 0.95x (from 1.10x last year) and the EBITDA/consolidated net financial expense ratio was 26.10x.

The average maturity of the Group’s financial debt was 4.2 years, with a blended average cost of funds over the half year of 1.0% (excluding the impact of IFRS 16), compared with 2.5% in the first half of 2022 and benefitting from the increase in income from cash and cash equivalents.

Bureau Veritas shareholders approved the distribution of a dividend for the 2022 financial year

At the Bureau Veritas Annual Shareholders' Meeting, shareholders approved the distribution of a dividend of EUR 0.77 per share for the 2022 financial year (3rd resolution, approved at 99.99%), paid in cash on July 6, 2023.

2023 NEW OUTLOOK

Based on the half-year performance, a healthy sales pipeline and the significant growth opportunities related to Sustainability, Bureau Veritas now expects for full-year 2023 to deliver:

- mid-to-high single-digit organic revenue growth (up from mid-single-digit organic revenue growth previously);
- a stable adjusted operating margin at constant exchange rates;
- strong cash flow, with a cash conversion[3] above 90%.

BOARD CHANGES

On June 22, 2023, following the Annual Shareholders' Meeting, the Board of Directors decided the following:

- **Laurent Mignon appointed Chairman of the Board of Directors of Bureau Veritas**

Laurent Mignon was appointed Chairman of the Board. Prior to this, he was a non-executive director and had been nominated as Vice-Chairman of the Board of Directors and Chairman of the Strategic Committee on December 15, 2022.

- **Pascal Lebard appointed Lead Independent Director and Vice-Chairman of the Board of Directors**

On the recommendation of the Nomination & Compensation Committee, Pascal Lebard was appointed Lead Independent Director and Vice-Chairman of the Board of Directors. He has sat on the Bureau Veritas Board as an independent director since 2013 and is Chairman of the Nomination & Compensation Committee.

- **Changes in Committees, including the creation of a CSR Committee**

A CSR Committee was created and will be chaired by Ana Giros Calpe. It has also been decided to appoint Julie Avrane as Chair of the Strategy Committee, replacing Laurent Mignon.

All Bureau Veritas Board Committees are now chaired by an independent director, thereby strengthening the Group's governance.

For more information on these Board changes, the press release is available by clicking here.

[3] Net cash generated from operating activities/Adjusted Operating Profit.

ORGANIZATIONAL CHANGES TO THE EXECUTIVE COMMITTEE

- **Hinda Gharbi appointed Chief Executive Officer of Bureau Veritas**

On June 22, 2023, following the Annual Shareholders' Meeting, the Board of Directors appointed Hinda Gharbi Chief Executive Officer. She joined Bureau Veritas on May 1, 2022, as Chief Operating Officer and became a member of the Group Executive Committee. On January 1, 2023, she was appointed Deputy Chief Executive Officer of Bureau Veritas.
For more information, the press release is available by clicking here

In the first half of the year, the Executive Committee welcomed two new members reporting to Hinda Gharbi, Chief Executive Officer of Bureau Veritas:

- **Vincent Bourdil appointed Executive Vice-President of Bureau Veritas Global Business Lines and Performance**

On May 1, 2023, Vincent Bourdil became Executive Vice-President of Global Business Lines and Performance. He joined Bureau Veritas in 2016 to build and drive the Global Food Service Line. In 2019, he was promoted to Vice-President of Commodities, Industry and Facilities (CIF) South-East Asia. In 2020, Vincent became Senior Vice-President for the South-East Asia and Pacific regions.
For more information, the press release is available by clicking here.

- **Marc Roussel appointed Executive Vice-President of Bureau Veritas Commodities, Industry and Facilities division in France and Africa**

On March 1, 2023, Marc Roussel became Executive Vice-President of Commodities, Industry and Facilities (CIF), France and Africa. He joined Bureau Veritas in 2015 as Senior Vice-President, Commodities, Industry & Infrastructure, Africa.
For more information, the press release is available by clicking here.

COMMITMENT TOWARDS EXTRA-FINANCIAL PERFORMANCE

Bureau Veritas' GHG emissions targets approved by the SBTi

On June 1, 2023, Bureau Veritas announced that its near-term targets had been validated by the Science Based Targets initiative (SBTi).

The Group commits by 2030 (versus a 2021 base year) to:

- reducing absolute Scope 1 and 2 GHG emissions by 42%;
- reducing absolute Scope 3 GHG emissions by 25%.

This validation by the SBTi is an important step, in line with Bureau Veritas' Climate Transition Plan. It marks the Group's strong commitment to following a CO_2 emissions reduction trajectory consistent with 1.5°C of global warming.

Corporate Social Responsibility (CSR) key indicators

	UNITED NATIONS' SDGS	H1 2023	Q1 2023	H1 2022	FY 2022	2025 target
SOCIAL & HUMAN CAPITAL						
Total Accident Rate (TAR) [4]	#3	0.23	0.27	0.24	0.26	0.26
Proportion of women in leadership positions[5]	#5	29.7%	29.6%	29.2%	29.1%	35.0%
Number of learning hours per employee (per year) [6]	#8	12.4	4.2	14.2	32.5	35.0
ENVIRONMENT						
CO_2 emissions per employee (tons per year) [7]	#13	2.32	2.32	2.38	2.32	2.00
GOVERNANCE						
Proportion of employees trained to the Code of Ethics	#16	97.1%	96.6%	95.9%	97.1%	99.0%

Good CSR progress made in the first half of 2023

Over the first half of 2023, several CSR-related actions and initiatives have been implemented:

- **Environment**

Around the world, Bureau Veritas continues to review its sources of emissions, and maintain its efforts to reduce the carbon footprint, emphasizing three priorities:

  - conducting energy audits in its laboratories with the aim of identifying and quantifying projects that reduce energy consumption and carbon emissions;
  - actively working on the rationalization and greening of its vehicle fleet;
  - accessing green energy whenever possible.

- **Social**

  - The Group began the implementation of a new system and approach for talent acquisition including the investment in new recruitment technologies that will help it hire more effectively and respond more quickly to local resourcing requirements;
  - key development programs for the Group's employees continued to be deployed at a group-wide level. Participants in these programs were identified as part of Bureau Veritas' overall approach to evaluating talent and succession planning and this approach was strengthened through more robust processes;
  - Bureau Veritas conducted a survey with its employees on Diversity, Equity & Inclusion to better understand key focus areas for strategies to achieve the Group's vision of a fully inclusive culture.

- **Awards:**

Bureau Veritas received several CSR-related awards in the first-half of 2023:

  - the S&P Sustainability Yearbook recognizes companies, grouped by industry, that have demonstrated strong corporate sustainability. This year, Bureau Veritas is in the Top 5% S&P Global ESG Score in the Professional Services industry;
  - *Capital* magazine in France recognized Bureau Veritas as an "*entreprise engagée pour la diversité*" (company committed to diversity) for 2023;
  - Bureau Veritas was included in the Financial Times' list of "Diversity leaders 2023".

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[4] TAR: Total Accident Rate (number of accidents with and without lost time x 200,000/number of hours worked).

[5] Proportion of women on the Executive Committee in Band II (internal grade corresponding to an executive management position) in the Group (number of women on a full-time equivalent basis in a leadership position/total number of full-time equivalents in leadership positions).

[6] Indicator calculated over a 6-month period compared to a 12-month period for FY 2022 and 2025 target values.

[7] Greenhouse gas emissions from offices and laboratories, 12 months trailing tons of CO_2 equivalent per employee and per year for Scopes 1, 2 and 3 (emissions related to business travel).

ANALYSIS OF THE GROUP'S RESULTS AND FINANCIAL POSITION

Revenue up 7.8% year on year (up 9.4% on an organic basis)

Revenue in the first half of 2023 amounted to EUR 2,904.2 million, a 7.8% increase compared with H1 2022.

The organic increase was 9.4% compared with H1 2022, of which 10.3% in the second quarter of 2023, benefiting from solid market trends across most businesses and geographies.

Four businesses delivered very strong organic growth: Marine & Offshore, up 15.6%, Industry, up 15.5%, Certification, up 11.2%, and Buildings & Infrastructure (B&I), up 10.8%. Agri-Food & Commodities grew 6.5% organically, led by all segments. Conversely, Consumer Products Services declined 3.1% organically due to fewer new product launches and lower volumes.

By geography, the Americas was amongst the best performing region (28% of revenue; up 12.4% organically), primarily led by a 25.9% increase in South America with a good performance in Brazil and Chile notably. Growth in Europe (35% of revenue; up 8.6% organically) was broad-based across most countries. Business in Asia-Pacific (28% of revenue; up 6.3% organically) benefited from a gradual recovery in China (concentrated in Q2), while double-digit growth was delivered in Australia. Finally, Africa and the Middle East (9% of revenue) outperformed the Group with organic revenue growth of 14.4%, essentially driven by Buildings & Infrastructure and energy projects in the Middle East.

The scope effect was a positive 1.5%, reflecting bolt-on acquisitions realized in the past few quarters.

Currency fluctuations had a negative impact of 3.1% (including a negative impact of 4.9% in Q2), mainly due to the strength of the euro against most currencies.

Adjusted operating profit up 5.7% to EUR 434.2 million

Adjusted operating profit increased by 5.7% to EUR 434.2 million. First half 2023 adjusted operating margin was organically resilient as the Group managed to deliver broadly the same margin (15.2%) as last year (15.3%) despite inflationary pressures and the mixed performance of Consumer Products Services. Foreign exchange trends were a negative impact of 21bps on the Group’s margin due to the strength of the euro against other currencies, while scope only had a slight negative impact of 2bps.

CHANGE IN ADJUSTED OPERATING MARGIN

IN PERCENTAGE AND BASIS POINTS	
H1 2022 adjusted operating margin	**15.3%**
Organic change	(7)bps
Organic adjusted operating margin	**15.2%**
Scope	(2)bps
Constant currency adjusted operating margin	**15.2%**
Currency	(21)bps
H1 2023 adjusted operating margin	**15.0%**

The organic adjusted operating margin was largely stable with revenue growth and operating leverage delivering higher margins in Marine & Offshore, Industry and Agri-Food & Commodities offsetting lower margins in Consumer Products Services, Buildings & Infrastructure and, to some extent, Certification.

Other operating expenses increased to EUR 61.3 million versus EUR 35.7 million in the first half of 2022, and comprised:

- EUR 21.1 million in amortization of intangible assets resulting from acquisitions (down from EUR 22.0 million in H1 2022);
- EUR 21.4 million in write-offs of non-current assets mainly related to the Consumer Products Services and Agri-Food & Commodities businesses;
- EUR 18.6 million in restructuring costs, relating chiefly to Consumer Products Services, Buildings & Infrastructure and commodities-related activities (EUR 8.9 million in H1 2022);
- EUR 0.2 million in net losses on disposals and acquisitions (net loss of EUR 1.1 million in H1 2022).

Operating profit totaled EUR 372.9 million, broadly stable versus EUR 375.2 million in the first half of 2022.

Adjusted EPS of EUR 0.61, up 11.1% year on year

Net financial expense amounted to EUR 15.2 million in the first half of 2023, compared with EUR 29.5 million in the same period one year earlier.

The decrease in net finance costs to EUR 24.6 million in H1 2023 (compared with EUR 38.9 million in H1 2022) is mainly attributable to the impact of the increase in income from cash and cash equivalents.

The Group posted foreign exchange gains of EUR 14.2 million in H1 2023 owing to the appreciation of the US dollar and the euro against most emerging market currencies (stable vs. H1 2022).

The interest cost on pension plans amounted to a negative EUR 1.5 million in H1 2023 compared with a positive EUR 0.8 million in H1 2022.

Consolidated income tax expense stood at EUR 113.2 million for H1 2023, compared with EUR 111.1 million for H1 2022.

This represents an effective tax rate (ETR) of 31.6% for the period, versus a 32.1% in H1 2022.

The adjusted effective tax rate decreased by 0.6 percentage points compared to H1 2022, to 30.7%. It corresponds to the effective tax rate adjusted for the tax effect of adjustment items. The decrease is mainly due to the reduction in dividend distributions from countries subject to withholding tax during the period.

Attributable net profit for the period was EUR 232.5 million, versus EUR 225.2 million in H1 2022.

Earnings per share (EPS) was EUR 0.51, compared with EUR 0.50 in H1 2022.

Adjusted attributable net profit totaled EUR 276.3 million, up 11.1% versus EUR 248.6 million in H1 2022.

Adjusted EPS stood at EUR 0.61, a 11.1% increase versus H1 2022 (EUR 0.55 per share).

Solid Free cash flow at EUR 131.9 million

Half-year 2023 operating cash flow increased by 4.3% to EUR 222.1 million versus EUR 213.0 million in H1 2022. The increase in profit before tax was largely offset by a working capital requirement outflow of EUR 196.2 million, compared to a EUR 176.7 million outflow in the previous year. The change is explained by the strong growth delivered in the second quarter (up 10.3% organically).

Working capital requirement (WCR) stood at EUR 517.6 million at June 30, 2023, compared with EUR 517.2 million at June 30, 2022. As a percentage of revenue, WCR decreased by 100 basis points to 8.8%, compared to 9.8% in H1 2022.

Purchases of property, plant and equipment and intangible assets, net of disposals (Net Capex), amounted to EUR 76.4 million in the first half of 2023, up 46.9% compared to the H1 2022 figure of EUR 52.0 million. The Group's net capex-to-revenue ratio increased to 2.6% in order to finance growth in its laboratory activities. It was up 70 basis points from the low H1 2022 (1.9%).

Free cash flow (operating cash flow after tax, interest expenses and capex) was EUR 131.9 million, compared to EUR 129.9 million in H1 2022, up 1.5% year on year. On an organic basis, free cash flow reached EUR 133.0 million.

CHANGE IN FREE CASH FLOW

IN EUR MILLIONS	
Free cash flow at June 30, 2022	**129.9**
Organic change	3.2
Organic free cash flow	**133.0**
Scope	3.5
Free cash flow at constant currency	**136.5**
Currency	(4.6)
Free cash flow at June 30, 2023	**131.9**

At June 30, 2023, adjusted net financial debt was EUR 930.8 million, i.e. 0.95x trailing twelve-month EBITDA as defined in the calculation of the bank covenant, compared with 0.97x at December 31, 2022. The decrease in adjusted net financial debt of EUR 44.5 million versus December 31, 2022 (EUR 975.3 million) reflects:

- free cash flow of EUR 131.9 million;
- dividend payments totaling EUR 13.3 million corresponding mainly to dividends paid to non-controlling interests and withholding taxes on intra-group dividends;
- acquisitions (net) and repayment of amounts owed to shareholders, accounting for EUR 14.2 million;
- lease payments (related to the application of IFRS 16), accounting for EUR 63.9 million;
- other items that decreased the Group's debt by EUR 4.0 million.

H1 2023 BUSINESS REVIEW

MARINE & OFFSHORE

IN EUR MILLIONS	H1 2023	H1 2022	CHANGE	ORGANIC	SCOPE	CURRENCY
Revenue	228.6	204.5	+11.8%	+15.6%	-	(3.8)%
Adjusted Operating Profit	56.5	50.1	+12.7%			
Adjusted Operating Margin	24.7%	24.5%	+22bps	+113bps	-	(91)bps

The Marine & Offshore business delivered very strong 15.6% organic revenue growth in the first half of 2023 (including 17.7% in Q2), led by all geographies and activities:

- Double-digit organic revenue growth in **New Construction** (39% of divisional revenue), reflecting a solid backlog with the conversion of new orders accelerating in Q1 and Q2.
- Double-digit organic revenue growth in the **Core In-service** activity (46% of divisional revenue), which benefitted from a continuing high level of occasional surveys, combined with price increases and the growth of the classified fleet. In the second half, the Group expects slower growth in percentage terms as compared to an exceptionally strong H2 2022 (catch-up effect post lockdowns in China and one-off regulatory benefits in Q4 2022). At June 30, 2023, the fleet classified by Bureau Veritas comprised 11,577 ships, representing 146.5 million of Gross Register Tonnage (GRT).
- Double-digit organic revenue growth for **Services** (15% of divisional revenue, including Offshore) was driven by a combination of strong commercial development for non-classification services, including consulting services related to energy efficiency.

Bureau Veritas new orders reached 4.3 million gross tons at June 30, 2023, bringing the order book to 20.4 million gross tons at the end of the semester, up 13.3% compared to 18.0 million gross tons at end-June 2022. It is composed of LNG fueled ships, container ships and specialized vessels.

The division continued to benefit from its market leader positioning on alternative fuels, mainly LNG and methanol dual propulsion.

Marine & Offshore continued to focus on efficiency levers through digitalization and high added-value services. In April 2023, Bureau Veritas and Kongsberg launched a digitally optimized machinery maintenance platform that enables its Machinery Maintenance Application (MMA) to connect directly to a vessel operator's own maintenance management system, K-Fleet from Kongsberg Digital (more information by clicking here).

Adjusted operating margin for the half year improved by 22 basis points to 24.7% on a reported basis compared to H1 2022, negatively impacted by foreign exchange effects (91 basis points). Organically, it rose by 113 basis points, benefiting from operating leverage, a positive mix and operational excellence.

Sustainability achievements

The Group continues to innovate on future fuels and new propulsion systems. In the second quarter of 2023, it has issued an Approval in Principle (AIP) to Rotoboost's thermocatalytic decomposition process for carbon capture. Rotoboost's technology converts natural gas into hydrogen and solid carbon using a liquid catalyst. The hydrogen can be used for fuel cells or as blend-in fuel for combustion engines or gas fired boilers.

The Group has also been working on ship financing aligned with maritime's decarbonization goals. It has developed a tool to build realistic decarbonization trajectories for shipping based on a bottom-up methodology. It also supported a pool of banks in the definition of their own strategies related to decarbonization.

AGRI-FOOD & COMMODITIES

IN EUR MILLIONS	H1 2023	H1 2022	CHANGE	ORGANIC	SCOPE	CURRENCY
Revenue	611.6	588.0	+4.0%	+6.5%	-	(2.5)%
Adjusted Operating Profit	82.3	76.2	+8.0%			
Adjusted Operating Margin	13.5%	13.0%	+50bps	+66bps	-	(16)bps

The Agri-Food & Commodities business delivered organic revenue growth of 6.5% in the first half of 2023, with positive trends for all activities. In Q2, Group organic revenue increased by 5.4%.

Oil & Petrochemicals (O&P, 30% of divisional revenue) achieved mid-single digit organic revenue growth overall. Steady growth was recorded for the O&P Trade market, driven by higher volumes and pricing initiatives. Particularly strong growth was achieved in Europe, led by market share gains in key locations and increased activity (Belgium, Greece). Throughout the first half, non-trade related services and value-added segments such as Verifuel bunker quantity services and sustainability-driven solutions continued to expand across O&P. The Group is gaining momentum with its new initiatives for biofuels and OCM (Oil Condition Monitoring), which both grew high double digits organically.

Metals & Minerals (M&M, 33% of divisional revenue) grew mid-single digits on an organic basis. The Upstream business (nearly two-thirds of M&M) showed solid growth (up 3.1% organically). The Group continued to benefit from the success of its on-site laboratories' strategy with several important wins in the period (including an iron ore mine in Australia and a copper mine in Chile). In mining related testing, the activity continued to be driven by a mix of gold, energy transition metals and bulk minerals. Trade activities recorded double-digit organic revenue growth (up 10.3% organically). This was fueled by all the main commodities, with strong trade volumes in Asia, the Middle East and Southern Africa as well as by pricing initiatives.

Agri-Food (22% of divisional revenue) achieved high-single digits organic growth in the first half, led by Agricultural products. Agricultural inspection activities grew strongly, benefiting from solid trends in Europe and notably in the entire Danube corridor triggered by the changes of routes. Activity in the Middle East was particularly strong following the opening of a new laboratory and good sales performance. The Food business grew mid-single digits organically, with improvement achieved in the second quarter. Inspection activities delivered stronger growth than testing activities, benefiting notably from a favorable regulatory environment for traceability services in Europe (EU Deforestation Regulation, German Supply Chain Act). Growth was delivered in the Group's largest hubs, with Australia benefiting from its continued diversification. New geographies also contributed to growth, including the US (driven by the ramp-up of new greenfield lab openings) and Southeast Asian countries (large government contract on food safety).

Government services (15% of divisional revenue) recorded high single-digit organic revenue growth in the first half. Strong growth was delivered in Asia, the Middle East and Africa led by a solid commercial development of VOC (Verification of Conformity) contracts and Single Window contracts in Africa and Central Asia.

The adjusted operating margin for the Agri-Food & Commodities business rose to 13.5%, up 50 basis points compared to last year. This was led by a topline recovery and a positive business mix.

Sustainability achievements

Bureau Veritas was awarded a contract to deliver services for biofuels from a large waste-based biofuels producer including sampling and analyses for Fatty Acid Methyl Ester (FAME) products in the Netherlands.

In the first half of 2023, the Group was awarded a Food Safety and Quality Control contract in the Middle East to support regional farmers and producers to comply with the standards and regulations demand of a new sustainable city.

INDUSTRY

IN EUR MILLIONS	H1 2023	H1 2022	CHANGE	ORGANIC	SCOPE	CURRENCY
Revenue	618.3	562.4	+9.9%	+15.5%	-	(5.6)%
Adjusted Operating Profit	76.1	62.2	+22.4%			
Adjusted Operating Margin	12.3%	11.0%	+125bps	+147bps	-	(22)bps

Industry was among the best performing businesses within the Group's portfolio in the first half of 2023 with organic growth of 15.5%, including 18.2% growth in the second quarter.

All segments and most geographies contributed to the divisional growth, with both Latin America and Africa outperforming. Energy transition, which accelerated over the period, remained a key catalyst overall and triggered clean energy investment and decarbonation solutions which benefited the division.

By market, **Power & Utilities** (15% of divisional revenue) continued to be a key driver of growth for the portfolio with a double-digit organic performance for both Opex and Capex activities during the half year (including Q2). Growth was driven mainly by Latin America thanks to the ramp-up of contract wins with various Power Distribution clients, although the Group is more selective on contracts profitability. In Europe, the nuclear power generation segment contributed greatly to growth, notably in the UK. There are promising opportunities in the medium term for new nuclear power plants (new EPRs in France and development of Small Modular Reactors (SMR) projects in several countries) alongside dismantling projects (such as Ignalinia in Lithuania).

Renewable Power Generation activities (solar, wind, hydrogen) maintained strong momentum during the period, with a high double-digit organic performance delivered across most geographies. A strong path of growth was recorded in the US, with a very dynamic performance from Bureau Veritas' Bradley Construction Management for solar, onshore wind and high-voltage transmission projects. This benefited from easing supply chain restrictions and early opportunities from Inflation Reduction Act investment expectations. The Group is seeing increased demand and activity in both Carbon capture and Sequestration (CCS), notably in the US where it continues to innovate.

In **Oil & Gas** (33% of divisional revenue), double digit organic revenue growth was achieved in the first half. The two-thirds of the business related to Opex services increased 19.7% as they continue to benefit from the conversion of a solid sales pipeline. Capex-related activities, including Procurement Services, grew low double digits organically, essentially attributable to the startup of new projects in the gas sector. This was triggered by companies' willingness to manage their assets in a more sustainable manner (low carbon strategy towards net zero target). Large contracts ramped up in the US, Asia, Middle East and Latin America, in Brazil in particular.

Elsewhere, the **Automotive** business (5% of divisional revenue) delivered high single-digit growth amid easing in supply chain disruptions. In July 2023, the Group sold its non-core automotive inspection business in the US, representing below EUR 20 million of annualized revenue. This is part of the Group's active portfolio management.

Adjusted operating margin for the half year increased by 125 basis points to 12.3%. This is attributable to operational leverage through the ramp-up of contracts and more selectivity when it comes to profitability.

Sustainability achievements

In Q2 2023, Bureau Veritas was awarded a major contract to provide Integrated Site Services (including the quality control of the construction works) for Scottish Power Renewables' East Anglia THREE – one of the UK's largest offshore windfarm projects. Once complete, it will generate up to 1,400MW of power via 95 wind turbines and power over one million homes in the UK.

In the first half, the Group was also awarded contracts with five utilities companies in California (United States), to act as an independent evaluator for Wildfire Mitigation program through audit and field inspection services. These programs are required by the Public Utilities Commission to reduce the probability for wildfires due to drier conditions associated with climate change.

BUILDINGS & INFRASTRUCTURE

IN EUR MILLIONS	H1 2023	H1 2022	CHANGE	ORGANIC	SCOPE	CURRENCY
Revenue	868.8	777.8	+11.7%	+10.8%	+2.3%	(1.4)%
Adjusted Operating Profit	106.4	103.9	+2.4%			
Adjusted Operating Margin	12.2%	13.4%	(111)bps	(134)bps	+21bps	+2bps

The Buildings & Infrastructure (B&I) business achieved strong organic growth of 10.8% in the first half of 2023, primarily fueled by the Asia-Pacific and by the Middle East regions. In Q2, revenue grew 12.4% on an organic basis thanks to double-digit performances in both CAPEX and OPEX activities. Construction-related activities (55% of divisional revenue) benefited from strong dynamics for new projects in South America (notably Brazil) and the Middle East.

The Americas (27% of divisional revenue) posted high-single-digit organic growth. In Latin America, a strong performance was achieved thanks to the ongoing ramp-up of large Capex contracts for project management assistance signed in the second half of 2022, mostly focused on the energy and aluminum fields. Low single-digit H1 2023 growth was recorded in Northern America led by the datacenter commissioning market and the resilience of the code compliance activity. Some of the Capex business growth was moderated by longer decision processes and a slowdown in the commercial real estate activities on the back of rising interest rates. The pipeline remains very solid. Opex activities delivered good growth thanks to the sustained momentum on non-regulatory new services, primarily commissioned by insurance companies.

In Europe (50% of divisional revenue), strong growth was delivered on the back of a double-digit performance in Italy, Spain and the UK thanks to more stringent regulation benefiting both Opex and Capex activities. France, the region’s largest contributor (with 39% of divisional revenue), delivered mid- to-high organic revenue growth in H1 2023. This was once again driven by a further good performance in In-service activity backed by a solid pipeline (notably in white certificate project services and inspections), and good pricing power on mass market activity. The growth of Capex-related activities remained muted despite a good backlog and the higher weighting towards infrastructure and public works versus residential building. The pipeline of sales related to the EU Green Deal and the upcoming 2024 Olympic Games in France continued to grow with opportunities mainly focused on energy efficiency programs.

The Asia-Pacific, and the Middle East & Africa regions (23% of divisional revenue) are the best-performing areas, recording a double-digit organic revenue increase in H1 2023 (and in Q2). Asia is pushed by stellar performances in India and Southeastern Asia. The Chinese activity is steadily picking up. In the Middle East region, the Group continued to deliver very high growth primarily led by the roll-out of new services linked to the development of numerous projects. As an illustration, in Saudi Arabia, the Group remained strongly engaged in delivering QA/QC Services for the NEOM project, a smart city that will be powered by renewable energy and become a center for biotechnology, media and entertainment.

Adjusted operating margin for the half year declined by 111 basis points to 12.2% from 13.4% in the prior year. This was primarily attributed to unfavorable comparable following a positive one-off in social liabilities in France in H1 2022 that has mostly reversed in H2 last year.

Sustainability achievements

In the second quarter of 2023, the Group was awarded several contracts in the field of energy audits, to help clients across different industries (construction, banks, transports) to comply with the Tertiary Decree imposing energy consumption reduction commitments in the French tertiary sector.

CERTIFICATION

IN EUR MILLIONS	H1 2023	H1 2022	CHANGE	ORGANIC	SCOPE	CURRENCY
Revenue	227.8	209.2	+8.9%	+11.2%	-	(2.3)%
Adjusted Operating Profit	41.7	40.0	+4.3%			
Adjusted Operating Margin	18.3%	19.1%	(80)bps	(63)bps	-	(17)bps

The Certification business delivered strong organic growth of 11.2% in the first half of 2023 (similar in the first and second quarters). This good performance was enhanced by the acceleration of the diversification of the Group's portfolio. Strong commercial development and solid price increases also supported growth over the period, mostly led by very good traction in South America and Asia-Pacific, where the offering has been expanded with new schemes (with the shift from traditional QHSE schemes towards new services). This is illustrated by the sustained good performance in countries such as Brazil, Vietnam and India, on the back of good momentum for CSR-driven solutions and customized audits.

Double-digit growth was recorded for **QHSE schemes**, **Supply Chain** and **Food Certification** (led by Food Safety), with a strong momentum for Sustainability-related solutions. Momentum was particularly strong on certifications dedicated to companies for anti-bribery, IT service management, information security and business continuity. Similarly to Q1 2023, **Cybersecurity** solutions also posted stellar performances. This is due to rising demand for more control on security systems. In the United Arab Emirates, Bureau Veritas recently won an important contract to provide cybersecurity and penetration testing services on behalf of an energy company.

Sustainability-driven solutions are in high demand as the search for more brand protection, data transparency, and social responsibility commitments all along the supply chain drove a 17.3% organic growth performance. It reflected a high demand for verification of greenhouse gas emissions and supply chain audits on ESG topics.

The adjusted operating margin for the half year was a very healthy 18.3%, compared to 19.1% in the prior year. This reflects a 80-basis-point decrease against the record level, attributed to negative forex and mix effects.

Sustainability achievements

In the second quarter of 2023, Bureau Veritas partnered with Enhesa, a global regulatory and sustainability intelligence provider in the UK, the Netherlands and Belgium. Based on legal requirements identified through the Enhesa solution, Bureau Veritas will provide end-to-end regulatory compliance and services for organizations in these countries seeking to implement, measure and achieve their ESG, HSE and Sustainability requirements objectives.

During the first half of 2023, Bureau Veritas was awarded numerous contracts in the Sustainability field. For instance, the Group won a contract to help Valeo produce wiper blades designed to reduce CO_2 emissions by 61% compared to a standard product commercialized in the European market.

Bureau Veritas also signed agreements with three major datacenter companies based in Denmark to assess and verify their compliance with the Self-Regulatory Initiative (SRI) as part of the Climate Neutral Data Centre Pact (CNDCP).

CONSUMER PRODUCTS

IN EUR MILLIONS	H1 2023	H1 2022	CHANGE	ORGANIC	SCOPE	CURRENCY
Revenue	349.1	351.5	(0.7)%	(3.1)%	+6.0%	(3.6)%
Adjusted Operating Profit	71.2	78.5	(9.3)%			
Adjusted Operating Margin	20.4%	22.3%	(195)bps	(67)bps	(95)bps	(33)bps

The Consumer Products division posted a decline of 3.1% in organic revenue over the first half of 2023 (including a decline of 2.7% in the second quarter), with varying geographical and service trends.

During the period, Asia remained the region the most impacted by the global economic slowdown, while the Americas (especially Latin America) and the Middle East & Africa (led by Turkey) continue to benefit from the diversification strategy implemented over the last years and from the structural near-shoring market trends.

Softlines, Hardlines & Toys (49% of divisional revenue) saw a mid-single-digit organic decrease in the first half of 2023, due to lower volumes and the resulting high inventory levels, even though the activity improved a bit in the second quarter. Softlines showed mixed performances by country: as expected, China delivered a weak performance, while contrasting dynamics were observed between Southeast and South Asian countries (Bangladesh, Pakistan, and Sri Lanka) which benefited from the continuing structural sourcing shift outside of China. Similarly, Turkey saw a strong increase in testing volumes as it continued to benefit from nearshoring shifts by European retailers. This supports the Group's geographic diversification strategy towards new production countries that are closer to the countries of consumption.

Health, Beauty & Household (8% of divisional revenue) recorded solid double-digit organic growth in H1, led by Asia and the US. South Korea benefited from its diversification into Cosmetics, Health & Beauty while Italy remained fueled by luxury and leather products. The integration of Advanced Testing Laboratory (ATL) and Galbraith Laboratories Inc., which were both acquired last year in the US, progressed well with a promising sales pipeline. These acquisitions help Bureau Veritas strengthen its position in this growing sector.

Inspection and Audit services (12% of divisional revenue) maintained their growth momentum thanks to strong growth for Sustainability services over the course of the first half of 2023: this includes organic, recycling, social audits and green claim verification across most geographies.

Lastly, **Technology**[8] (31% of divisional revenue) performed below the divisional average, still affected by the global decrease in demand for electrical and wireless equipment as well as the resulting temporary reduction in new product launches. The New Mobility sub-segment delivered double-digit growth, led by both China and the US, areas where the Group invested significantly, and which benefited from the ramp-up of new laboratories. This reflected good traction on testing on electric vehicle engines, dashboards or charging stations. In the first half of 2023, the Group continued to pursue its geographical diversification strategy to take advantage of the structural sourcing shifts currently unfolding in South and Southeast Asia. In this respect, in the first quarter, Bureau Veritas opened a new lab in Hanoi which will be fully dedicated to connectivity and wireless testing.

Adjusted operating margin for the half year declined by 195 basis points to 20.4% from 22.3% in the prior year. This was primarily attributed to the decline in revenue and negative scope and forex effects. The benefits of several cost initiatives are expected to be felt in the second half of the year.

Sustainability achievements

In the first half of 2023, the Group was awarded a contract with a large American sportswear company to perform regulatory audits and Sustainability services (Energy Efficiency Directive, Energy Performance of Building Directive) across 40 countries where the brand is commercialized; through these services, Bureau Veritas supports its client in managing its ESG strategy and providing proof of its commitments.

[8] The Technology segment comprises Electrical & Electronics, Wireless testing activities and Automotive connectivity testing activities.

PRESENTATION

- H1 2023 results will be presented on Wednesday, July 26, 2023, at 3:00 p.m. (Paris time)
- A video conference will be webcast live. Please connect to: Link to video conference
- The presentation slides will be available on: https://group.bureauveritas.com
- All supporting documents will be available on the website
- Live dial-in numbers:

  - France: +33 (0)1 70 37 71 66

  - UK: +44 (0)33 0551 0200

  - US: +1 786 697 3501

  - International: +44 (0)33 0551 0200

  - Password: Bureau Veritas

2023/2024 FINANCIAL CALENDAR

- Q3 2023 revenue: October 25, 2023
- Full Year 2023 Results: February 22, 2024
- Q1 2024 revenue: April 25, 2024
- Half Year 2024 Results: July 26, 2024
- Q3 2024 revenue: October 24, 2024

About Bureau Veritas

Bureau Veritas is a world leader in laboratory testing, inspection and certification services. Created in 1828, the Group has circa 84,000 employees located in nearly 1,600 offices and laboratories around the globe. Bureau Veritas helps its 400,000 clients improve their performance by offering services and innovative solutions in order to ensure that their assets, products, infrastructure and processes meet standards and regulations in terms of quality, health and safety, environmental protection and social responsibility.
Bureau Veritas is listed on Euronext Paris and belongs to the CAC 40 ESG, CAC Next 20 and SBF 120 indices.
Compartment A, ISIN code FR 0006174348, stock symbol: BVI.
For more information, visit www.bureauveritas.com, and follow us on Twitter (@bureauveritas) and LinkedIn.

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APPENDIX 1: Q2 AND HALF-YEAR 2023 REVENUE BY BUSINESS

IN EUR MILLIONS	Q2/H1 2023	Q2/H1 2022[(a)]	CHANGE	ORGANIC	SCOPE	CURRENCY
Marine & Offshore	115.6	103.1	+12.1%	+17.7%	-	(5.6)%
Agri-Food & Commodities	308.9	307.3	+0.5%	+5.4%	-	(4.9)%
Industry	323.0	293.8	+9.9%	+18.2%	-	(8.3)%
Buildings & Infrastructure	437.2	388.7	+12.5%	+12.7%	+2.6%	(2.8)%
Certification	120.9	111.9	+8.0%	+11.3%	-	(3.3)%
Consumer Products	194.2	198.5	(2.2)%	(2.7)%	+5.2%	(4.7)%
Total Q2 revenue	**1,499.8**	**1,403.3**	**+6.9%**	**+10.3%**	**+1.5%**	**(4.9)%**
Marine & Offshore	228.6	204.5	+11.8%	+15.6%	-	(3.8)%
Agri-Food & Commodities	611.6	588.0	+4.0%	+6.5%	-	(2.5)%
Industry	618.3	562.4	+9.9%	+15.5%	-	(5.6)%
Buildings & Infrastructure	868.8	777.8	+11.7%	+10.8%	+2.3%	(1.4)%
Certification	227.8	209.2	+8.9%	+11.2%	-	(2.3)%
Consumer Products	349.1	351.5	(0.7)%	(3.1)%	+6.0%	(3.6)%
Total H1 revenue	**2,904.2**	**2,693.4**	**+7.8%**	**+9.4%**	**+1.5%**	**(3.1)%**

(a) Q2 and H1 2022 figures by business have been restated following a c. €1.9 million reclassification of activities previously reported in Industry to the Buildings & Infrastructure business.

APPENDIX 2: HALF-YEAR 2023 REVENUE BY QUARTER

	2023 REVENUE BY QUARTER	
IN EUR MILLIONS	Q1	Q2
Marine & Offshore	113.1	115.6
Agri-Food & Commodities	302.7	308.9
Industry	295.3	323.0
Buildings & Infrastructure	431.6	437.2
Certification	106.9	120.9
Consumer Products	154.9	194.2
Total revenue	**1,404.5**	**1,499.8**

APPENDIX 3: ADJUSTED OPERATING PROFIT AND MARGIN BY BUSINESS

	ADJUSTED OPERATING PROFIT			ADJUSTED OPERATING MARGIN		
IN EUR MILLIONS	H1 2023	H1 2022	CHANGE (%)	H1 2023	H1 2022	CHANGE (BASIS POINTS)
Marine & Offshore	56.5	50.1	+12.7%	24.7%	24.5%	+22bps
Agri-Food & Commodities	82.3	76.2	+8.0%	13.5%	13.0%	+50bps
Industry	76.1	62.2	+22.4%	12.3%	11.0%	+125bps
Buildings & Infrastructure	106.4	103.9	+2.4%	12.2%	13.4%	(111)bps
Certification	41.7	40.0	+4.3%	18.3%	19.1%	(80)bps
Consumer Products	71.2	78.5	(9.3)%	20.4%	22.3%	(195)bps
Total Group	**434.2**	**410.9**	**+5.7%**	**15.0%**	**15.3%**	**(30)bps**

APPENDIX 4: EXTRACTS FROM THE HALF-YEAR CONSOLIDATED FINANCIAL STATEMENTS

Extracts from the half-year consolidated financial statements audited and approved on July 25, 2023 by the Board of Directors. The audit procedures for the half-year financial statements have been undertaken and the Statutory Auditors' report has been published.

CONSOLIDATED INCOME STATEMENT

IN EUR MILLIONS	H1 2023	H1 2022
Revenue	**2,904.2**	**2,693.4**
Purchases and external charges	(828.9)	(767.6)
Personnel costs	(1,532.6)	(1,414.1)
Taxes other than on income	(29.1)	(28.1)
Net (additions to)/reversals of provisions	(11.1)	4.8
Depreciation and amortization	(135.4)	(128.7)
Other operating income and expense, net	5.8	15.5
Operating profit	**372.9**	**375.2**
Share of profit of equity-accounted companies	0.3	0.1
Operating profit after share of profit of equity-accounted companies	**373.2**	**375.3**
Income from cash and cash equivalents	22.4	1.4
Finance costs, gross	(47.0)	(40.3)
Finance costs, net	(24.6)	(38.9)
Other financial income and expense, net	9.4	9.4
Net financial expense	**(15.2)**	**(29.5)**
Profit before income tax	**358.0**	**345.8**
Income tax expense	(113.2)	(111.1)
Net profit	**244.8**	**234.7**
Non-controlling interests	(12.3)	(9.5)
Attributable net profit	**232.5**	**225.2**
Earnings per share (in euros):		
Basic earnings per share	0.51	0.50
Diluted earnings per share	0.51	0.49

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

IN EUR MILLIONS	JUNE 30, 2023	DEC. 31 2022
Goodwill	2,115.3	2,143.7
Intangible assets	366.7	392.5
Property, plant and equipment	366.2	374.8
Right-of-use assets	378.7	381.3
Non-current financial assets	103.8	108.1
Deferred income tax assets	103.4	122.6
Total non-current assets	**3,434.1**	**3,523.0**
Trade and other receivables	1,588.0	1,553.2
Contract assets	339.9	310.3
Current income tax assets	56.3	42.2
Derivative financial instruments	8.5	6.3
Other current financial assets	15.2	22.1
Cash and cash equivalents	1,687.7	1,662.1
Total current assets	**3,695.6**	**3,596.2**
Assets held for sale	9.4	-
TOTAL ASSETS	**7,139.1**	**7,119.2**

Share capital	54.4	54.3
Retained earnings and other reserves	1,639.2	1,807.8
Equity attributable to owners of the Company	1,693.6	1,862.1
Non-controlling interests	71.0	65.9
Total equity	**1,764.6**	**1,928.0**
Non-current borrowings and financial debt	2,090.3	2,102.0
Non-current lease liabilities	306.8	308.4
Other non-current financial liabilities	92.9	99.1
Deferred income tax liabilities	77.4	88.1
Pension plans and other long-term employee benefits	141.0	141.7
Provisions for other liabilities and charges	71.8	72.9
Total non-current liabilities	**2,780.2**	**2,812.2**
Trade and other payables	1,156.0	1,267.4
Contract liabilities	254.4	255.0
Current income tax liabilities	113.6	103.7
Current borrowings and financial debt	531.4	535.4
Current lease liabilities	100.2	99.4
Derivative financial instruments	5.3	6.3
Other current financial liabilities	431.6	111.8
Total current liabilities	**2,592.5**	**2,379.0**
Liabilities held for sale	1.8	-
TOTAL EQUITY AND LIABILITIES	**7,139.1**	**7,119.2**

CONSOLIDATED STATEMENT OF CASH FLOWS

IN EUR MILLIONS	H1 2023	H1 2022
Profit before income tax	**358.0**	**345.8**
Elimination of cash flows from financing and investing activities	16.1	(4.0)
Provisions and other non-cash items	13.2	26.1
Depreciation, amortization and impairment	135.3	129.0
Movements in working capital requirement attributable to operations	(196.2)	(176.7)
Income tax paid	(104.3)	(107.2)
Net cash generated from operating activities	**222.1**	**213.0**
Acquisitions of subsidiaries	(14.0)	(45.7)
Impact from sales of subsidiaries and businesses	-	(1.2)
Purchases of property, plant and equipment and intangible assets	(79.8)	(53.7)
Proceeds from sales of property, plant and equipment and intangible assets	3.4	1.7
Purchases of non-current financial assets	(5.2)	(6.4)
Proceeds from sales of non-current financial assets	5.1	11.3
Change in loans and advances granted	1.8	2.4
Net cash used in investing activities	**(88.7)**	**(91.6)**
Capital increase	2.9	3.2
Purchases/sales of treasury shares	(1.1)	(50.8)
Dividends paid	(13.3)	(9.8)
Increase in borrowings and other debt	-	42.3
Repayment of borrowings and other debt	(0.1)	(2.9)
Repayment of amounts owed to shareholders	(0.2)	-
Repayment of lease liabilities and interest	(63.9)	(61.1)
Interest paid	(13.8)	(31.1)
Net cash generated used in financing activities	**(89.5)**	**(110.2)**
Impact of currency translation differences	(16.5)	12.5
Net increase/(decrease) in cash and cash equivalents	**27.4**	**23.7**
Net cash and cash equivalents at beginning of the period	1,655.7	1,410.4
Net cash and cash equivalents at end of the period	**1,683.1**	**1,434.1**
o/w cash and cash equivalents	1,687.7	1,449.0
o/w bank overdrafts	(4.6)	(14.9)

APPENDIX 5: DETAILED NET FINANCIAL EXPENSE

NET FINANCIAL EXPENSE

IN EUR MILLIONS	H1 2023	H1 2022
Finance costs, net	**(24.6)**	**(38.9)**
Foreign exchange gains	14.2	14.2
Interest cost on pension plans	(1.5)	0.8
Other	(3.3)	(5.6)
Net financial expense	**(15.2)**	**(29.5)**

APPENDIX 6: ALTERNATIVE PERFORMANCE INDICATORS

ADJUSTED OPERATING PROFIT

IN EUR MILLIONS	H1 2023	H1 2022
Operating profit	**372.9**	**375.2**
Amortization of intangible assets resulting from acquisitions	21.1	21.9
Impairment and retirement of non-current assets	21.4	3.7
Restructuring costs	18.6	8.9
Acquisitions and disposals	0.2	1.1
Total adjustment items	61.3	35.7
Adjusted operating profit	**434.2**	**410.9**

CHANGE IN ADJUSTED OPERATING PROFIT

IN EUR MILLIONS	
H1 2022 adjusted operating profit	**410.9**
Organic change	36.8
Organic adjusted operating profit	**447.7**
Scope	5.2
Constant currency adjusted operating profit	**452.9**
Currency	(18.7)
H1 2023 adjusted operating profit	**434.2**

ADJUSTED EFFECTIVE TAX RATE

IN EUR MILLIONS	H1 2023	H1 2022
Profit before income tax	358.0	345.8
Income tax expense	(113.2)	(111.1)
ETR[(a)]	31.6%	32.1%
Adjusted ETR[(b)]	**30.7%**	**31.3%**

(a) Effective tax rate (ETR) = Income tax expense/Profit before income tax.

(b) Adjusted ETR = Income tax expense adjusted for tax effect on adjustment items/Profit before tax and before taking into account adjustment items.

ATTRIBUTABLE NET PROFIT

IN EUR MILLIONS	H1 2023	H1 2022
Attributable net profit	232.5	225.2
EPS[(a)] (€ per share)	*0.51*	*0.50*
Adjustment items	61.3	35.7
Tax impact on adjustment items	(15.6)	(8.4)
Non-controlling interest on adjustment items	(1.9)	(3.9)
Adjusted attributable net profit	**276.3**	**248.6**
Adjusted EPS[(a)] (€ per share)	*0.61*	*0.55*

(a) Calculated using the weighted average number of shares: 452,412,873 in H1 2023 and 452,052,884 in H1 2022.

CHANGE IN ADJUSTED ATTRIBUTABLE NET PROFIT

IN EUR MILLIONS	
H1 2022 adjusted attributable net profit	**248.6**
Organic change and scope	42.1
Adjusted attributable net profit at constant currency	**290.7**
Currency	14.4
H1 2023 adjusted attributable net profit	**276.3**

FREE CASH FLOW

IN EUR MILLIONS	H1 2023	H1 2022
Net cash generated from operating activities (operating cash flow)	222.1	213.0
Net purchases of property, plant and equipment and intangible assets	(76.4)	(52.0)
Interest paid	(13.8)	(31.1)
Free cash flow	**131.9**	**129.9**

CHANGE IN NET CASH GENERATED FROM OPERATING ACTIVITIES

IN EUR MILLIONS	
Net cash generated from operating activities at June 30, 2022	**213.0**
Organic change	11.0
Organic net cash generated from operating activities	**224.0**
Scope	4.3
Net cash generated from operating activities at constant currency	**228.3**
Currency	(6.2)
Net cash generated from operating activities at June 30, 2023	**222.1**

ADJUSTED NET FINANCIAL DEBT

IN EUR MILLIONS	JUNE 30, 2023	DEC. 31 2022
Gross financial debt	2,621.7	2,637.4
Cash and cash equivalents	1,687.7	1,662.1
Consolidated net financial debt	**934.0**	**975.3**
Currency hedging instruments	(3.2)	-
Adjusted net financial debt	**930.8**	**975.3**

APPENDIX 7: DEFINITION OF ALTERNATIVE PERFORMANCE INDICATORS AND RECONCILIATION WITH IFRS

The management process used by Bureau Veritas is based on a series of alternative performance indicators, as presented below. These indicators were defined for the purposes of preparing the Group's budgets and internal and external reporting. Bureau Veritas considers that these indicators provide additional useful information to financial statement users, enabling them to better understand the Group's performance, especially its operating performance. Some of these indicators represent benchmarks in the testing, inspection and certification ("TIC") business and are commonly used and tracked by the financial community. These alternative performance indicators should be seen as a complement to IFRS-compliant indicators and the resulting changes.

GROWTH

Total revenue growth

The total revenue growth percentage measures changes in consolidated revenue between the previous year and the current year. Total revenue growth has three components:

- organic growth;
- impact of changes in the scope of consolidation (scope effect);
- impact of changes in exchange rates (currency effect).

Organic growth

The Group internally monitors and publishes "organic" revenue growth, which it considers to be more representative of the Group's operating performance in each of its business sectors.

The main measure used to manage and track consolidated revenue growth is like-for-like, or organic growth. Determining organic growth enables the Group to monitor trends in its business excluding the impact of currency fluctuations, which are outside of Bureau Veritas' control, as well as scope effects, which concern new businesses or businesses that no longer form part of the business portfolio. Organic growth is used to monitor the Group's performance internally.

Bureau Veritas considers that organic growth provides management and investors with a more comprehensive understanding of its underlying operating performance and current business trends, excluding the impact of acquisitions, divestments (outright divestments as well as the unplanned suspension of operations – in the event of international sanctions, for example) and changes in exchange rates for businesses exposed to foreign exchange volatility, which can mask underlying trends.

The Group also considers that separately presenting organic revenue generated by its businesses provides management and investors with useful information on trends in its industrial businesses, and enables a more direct comparison with other companies in its industry.

Organic revenue growth represents the percentage of revenue growth, presented at Group level and for each business, based on constant scope of consolidation and exchange rates over comparable periods:

- constant scope of consolidation: data are restated for the impact of changes in the scope of consolidation over a 12-month period;
- constant exchange rates: data for the current year are restated using exchange rates for the previous year.

Scope effect

To establish a meaningful comparison between reporting periods, the impact of changes in the scope of consolidation is determined:

- for acquisitions carried out in the current year: by deducting from revenue for the current year revenue generated by the acquired businesses in the current year;
- for acquisitions carried out in the previous year: by deducting from revenue for the current year revenue generated by the acquired businesses in the months in the previous year in which they were not consolidated;
- for disposals and divestments carried out in the current year: by deducting from revenue for the previous year revenue generated by the disposed and divested businesses in the previous year in the months of the current year in which they were not part of the Group;
- for disposals and divestments carried out in the previous year: by deducting from revenue for the previous year revenue generated by the disposed and divested businesses in the previous year prior to their disposal/divestment.

Currency effect

The currency effect is calculated by translating revenue for the current year at the exchange rates for the previous year.

ADJUSTED OPERATING PROFIT AND ADJUSTED OPERATING MARGIN

Adjusted operating profit and adjusted operating margin are key indicators used to measure the performance of the business, excluding material items that cannot be considered inherent to the Group's underlying intrinsic performance owing to their nature. Bureau Veritas considers that these indicators, presented at Group level and for each business, are more representative of the operating performance in its industry.

Adjusted operating profit

Adjusted operating profit represents operating profit prior to adjustments for the following:

- amortization of intangible assets resulting from acquisitions;
- impairment of goodwill;
- impairment and retirement of non-current assets;

- gains and losses on disposals of businesses and other income and expenses relating to acquisitions (fees and costs on acquisitions of businesses, contingent consideration on acquisitions of businesses);
- restructuring costs.

When an acquisition is carried out during the financial year, the amortization of the related intangible assets is calculated on a time proportion basis.

Since a measurement period of 12 months is allowed for determining the fair value of acquired assets and liabilities, amortization of intangible assets in the year of acquisition may, in some cases, be based on a temporary measurement and be subject to minor adjustments in the subsequent reporting period, once the definitive value of the intangible assets is known.

Organic adjusted operating profit represents operating profit adjusted for scope and currency effects over comparable periods:

- at constant scope of consolidation: data are restated based on a 12-month period;
- at constant exchange rates: data for the current year are restated using exchange rates for the previous year.

The scope and currency effects are calculated using a similar approach to that used for revenue for each component of operating profit and adjusted operating profit.

Adjusted operating margin

Adjusted operating margin expressed as a percentage represents adjusted operating profit divided by revenue. Adjusted operating margin can be presented on an organic basis or at constant exchange rates, thereby, in the latter case, providing a view of the Group’s performance excluding the impact of currency fluctuations, which are outside of Bureau Veritas’ control.

ADJUSTED EFFECTIVE TAX RATE

The effective tax rate (ETR) represents income tax expense divided by the amount of pre-tax profit.

The adjusted effective tax rate (adjusted ETR) represents income tax expense adjusted for the tax effect on adjustment items divided by pre-tax profit before taking into account the adjustment items (see adjusted operating profit definition).

ADJUSTED NET PROFIT

Adjusted attributable net profit

Adjusted attributable net profit is defined as attributable net profit adjusted for adjustment items (see adjusted operating profit definition) and for the tax effect on adjustment items. Adjusted attributable net profit excludes non-controlling interests in adjustment items and only concerns continuing operations.

Adjusted attributable net profit can be presented at constant exchange rates, thereby providing a view of the Group’s performance excluding the impact of currency fluctuations, which are outside of Bureau Veritas’ control. The currency effect is calculated by translating the various income statement items for the current year at the exchange rates for the previous year.

Adjusted attributable net profit per share

Adjusted attributable net profit per share (adjusted EPS or earnings per share) is defined as adjusted attributable net profit divided by the weighted average number of shares in the period.

FREE CASH FLOW

Free cash flow represents net cash generated from operating activities (operating cash flow), adjusted for the following items:

- purchases of property, plant and equipment and intangible assets;
- proceeds from disposals of property, plant and equipment and intangible assets;

- interest paid.

Net cash generated from operating activities is shown after income tax paid.

Organic free cash flow represents free cash flow at constant scope and exchange rates over comparable periods:

- at constant scope of consolidation: data are restated based on a 12-month period;
- at constant exchange rates: data for the current year are restated using exchange rates for the previous year.

The scope and currency effects are calculated using a similar approach to that used for revenue for each component of net cash generated from operating activities and free cash flow.

FINANCIAL DEBT

Gross debt

Gross debt (or gross finance costs/financial debt) represents bank loans and borrowings plus bank overdrafts.

Net debt

Net debt (or net finance costs/financial debt) as defined and used by the Group represents gross debt less cash and cash equivalents. Cash and cash equivalents comprise marketable securities and similar receivables as well as cash at bank and on hand.

Adjusted net debt

Adjusted net debt (or adjusted net finance costs/financial debt) as defined and used by the Group represents net debt taking into account currency and interest rate hedging instruments.

CONSOLIDATED EBITDA

Consolidated EBITDA represents net profit before interest, tax, depreciation, amortization and provisions, adjusted for any entities acquired over the last 12 months. Consolidated EBITDA is used by the Group to track its bank covenants.