



**BUREAU  
VERITAS**

# FINANCE

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# AGENDA

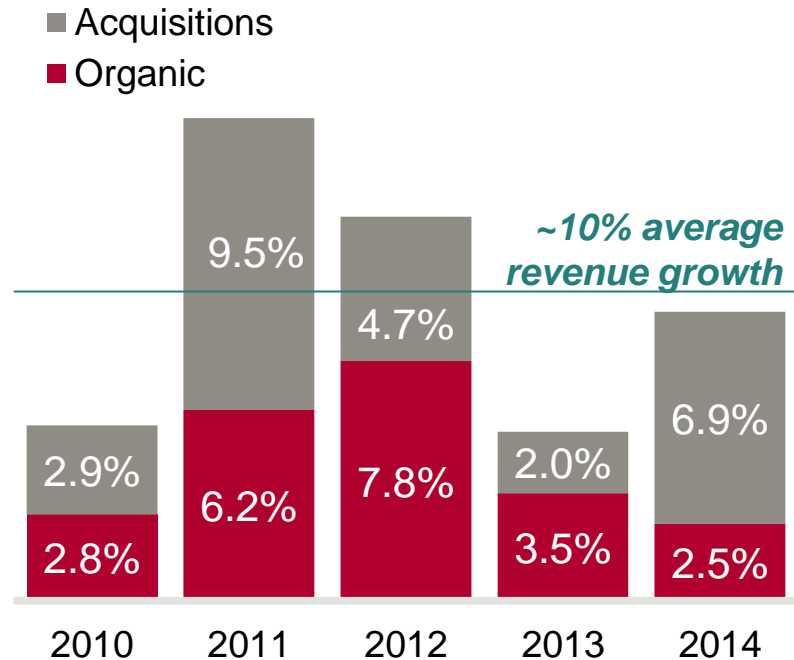
## Bureau Veritas' financial model

- 2 growth engines: organic + acquisitions
- Continuous profitability improvement
- Resilient cash flow generation
- Disciplined resource allocation

Key initiatives: +€2bn in 2020 on 60% of current portfolio revenue

Mid/long term outlook

# SUSTAINED REVENUE GROWTH



## Mid/long term drivers

### Organic growth

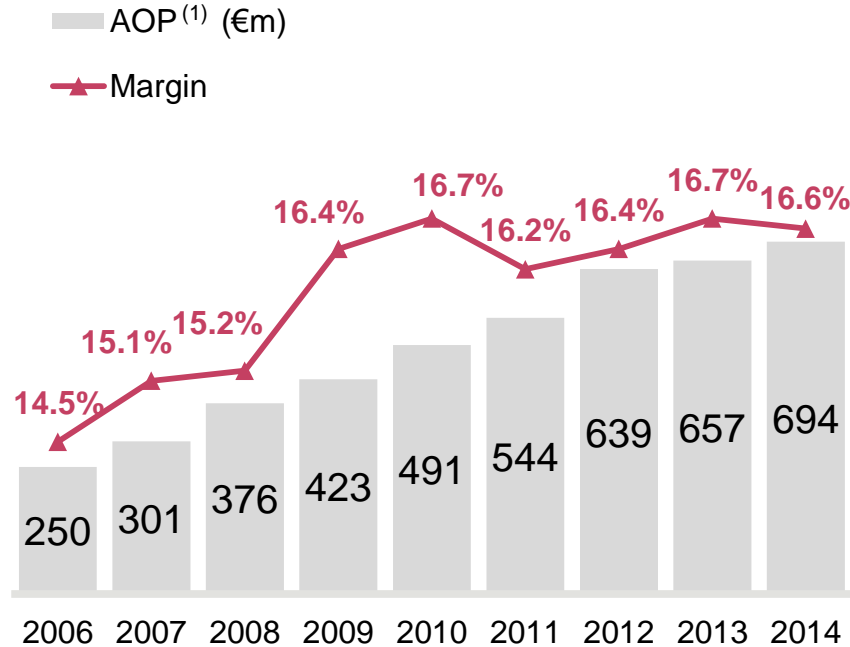
- Initiative driven
- Resilience
- Portfolio diversification

### Acquisitions

- New services and expertise
- Geographic footprint balancing
- Bolt-ons (no transforming deal)
- TIC Industry consolidation

TWO GROWTH ENGINES  
ORGANIC AND ACQUISITIONS

# MARGIN EXPANSION



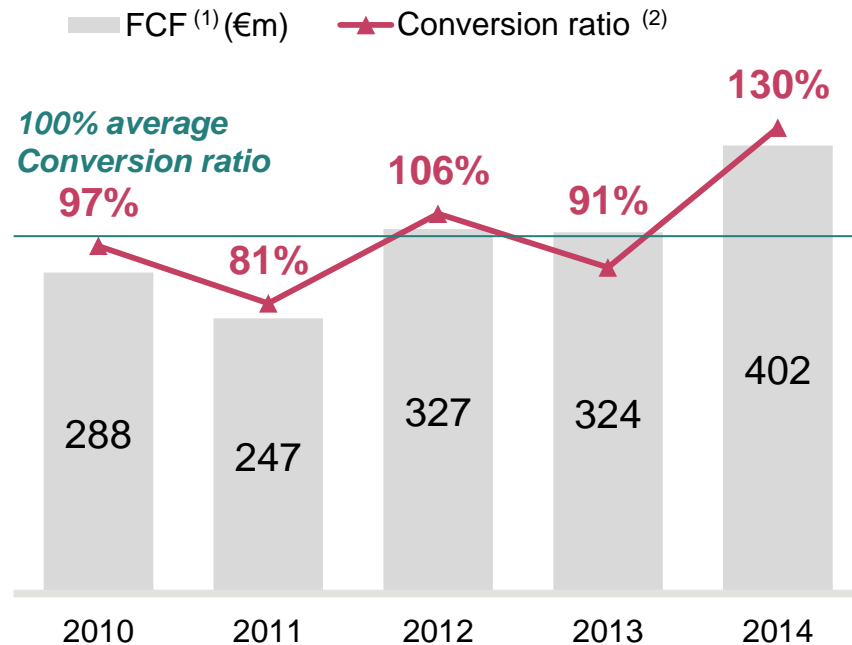
## Mid/long term drivers

- ✓ Excellence@BV
  - Lean
  - Procurement, Shared Services
- ✓ Mix management
- ✓ Scalability
- ➔ Price pressure in downturn cyclical activities
- ➔ Investment to fund growth initiatives

## CONTINUOUS PROFITABILITY IMPROVEMENT

(1) Adjusted Operating Profit, excluding amortization of acquisition intangibles, goodwill impairment, restructuring, acquisition and disposal-related items

# STRONG CASH FLOW



## Mid/long term drivers

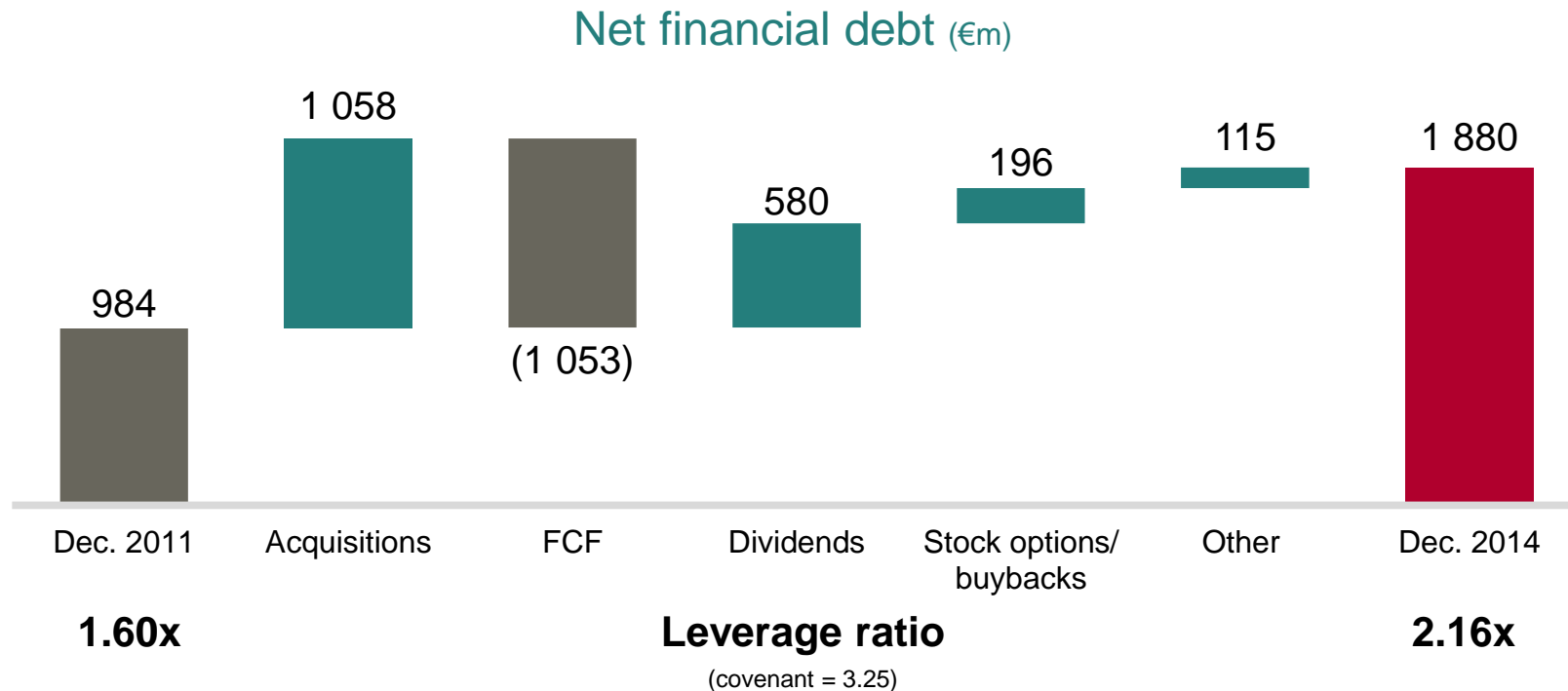
- High conversion ratio
- Low capital intensity: inspection vs testing
- Working capital requirements improvement

## RESILIENT CASH-FLOW GENERATION

(1) Free cash flow after Capex and interests

(2) FCF as % a net income

# MAINTAINED FINANCIAL FLEXIBILITY



## DISCIPLINED RESOURCE ALLOCATION

Leverage ratio = Adjusted net financial debt / EBITDA (earnings before interest, tax, depreciation, amortization and provisions) adjusted for all units acquired over the past 12 months, as defined for the Group's covenants calculation

# ENHANCE GROWTH PROFILE, RESILIENCE AND PROFITABILITY

**8**

key growth  
initiatives

**60%**

of current  
portfolio revenue

**€2bn**

of incremental  
revenue in 2020  
vs 2015

**Equally  
balanced**

between  
organic  
growth and  
acquisitions

# INITIATIVES TO ENHANCE GROWTH PROFILE AND RESILIENCE

Initiative <i>% of current portfolio revenue</i>	Ambition	2020 incremental revenue <i>vs 2015</i>
<b>Building &amp; Infrastructure</b> <i>~12%</i>	Leverage leading global position in sizeable and growing markets	€540m
<b>Opex in specific segments (O&amp;G, P&amp;U and Chemicals)</b> <i>~12%</i>	Build recurring business models in fragmented markets, offering strong outsourcing opportunities	€500m
<b>Adjacent segments (Retail &amp; Mining)</b> <i>~22%</i>	Cross-sell full scope of services and be positioned as the one-stop-shop provider	€400m



# INITIATIVES TO ENHANCE GROWTH PROFILE AND RESILIENCE

Initiative <i>% of current portfolio revenue</i>	Ambition	2020 incremental revenue <i>vs 2015</i>
<b>Agri-Food</b> ~3%	Expand in a large market driven by supply chain globalization, be recognized as a reference player	<b>€180m</b> +120% in 5 years
<b>Automotive</b> ~2%	Capitalize on key expertise in supply chain services and connectivity to become a recognized player	<b>€120m</b> +110% in 5 years
<b>Smartworld</b> ~1%	Leverage our #1 position, and address new needs arising from connectivity	<b>€100m</b> +170% in 5 years

# INITIATIVES TO ENHANCE GROWTH PROFILE AND RESILIENCE

Initiative <i>% of current portfolio revenue</i>	Ambition	2020 incremental revenue <i>vs 2015</i>
<b>Certification global contracts</b> <i>~1%</i>	Target large companies to become their unique certification body and gain 5 points market share in large contracts	<b>€80m</b> <i>+140% in 5 years</i>
<b>Marine &amp; Offshore</b> <i>~7%*</i>	Diversify the portfolio in innovative services and maintain technological leadership	<b>€80m</b>

\* Offshore opex related services are included in the “Opex in specific segments” initiative

# MID/LONG TERM OUTLOOK

## Revenue growth

8% to 10% total growth per year  
o/w Organic growth of 5% to 7% per year  
Progressive ramp-up in organic growth in the next 3 years  
Targeted acquisitions to support initiatives

## Adjusted operating margin

~17.5%

## Free cash-flow

Continuous high free cash flow generation