

2.6% organic revenue growth in the first quarter of 2018 FY 2018 outlook confirmed

Revenue of EUR 1.10 billion in Q1 2018, +4.7% at constant currency vs. Q1 2017

- ▶ **Organic growth¹ of +2.6%**
 - ◆ 5 out of 6 businesses growing at 3.6% on average, including Certification at +6.7%, Consumer Products at +5.9% and Buildings & Infrastructure at +4.1%
 - ◆ Industry returned to organic growth (+1.5%) after 10 consecutive negative quarters
 - ◆ M&O still under pressure (-8.5%), as expected, a reflection of the shipping downturn (time lag) and comps
 - ◆ 5 Growth Initiatives up 6.2% organically year-on-year
- ▶ **External growth of +2.1%**
 - ◆ Five acquisitions closed year-to-date supporting the Buildings & Infrastructure, Agri-Food and Opex Growth Initiatives, adding cEUR 80 million of annualized revenue
- ▶ **Currency impact of -8.0%**
 - ◆ Appreciation of the Euro against USD and pegged currencies as well as some emerging countries' currencies

Didier Michaud-Daniel, Chief Executive Officer, commented:

"In the first quarter of 2018 we continued to progress on our transformation plan. The Group recorded an organic growth of 2.6%, accelerating year-on-year. Bureau Veritas' 5 Growth Initiatives maintained robust growth. We have completed five acquisitions, all reinforcing our Growth Initiatives. External development is on track with our expectations.

Five businesses out of six grew at 3.6% on average, apart from Marine & Offshore, which is still impacted by the down-cycle in shipping against challenging comparables. Industry, our second largest business, is back to positive organic growth after ten consecutive quarters in negative territory, as a result of our successful diversification.

Our 2018 outlook is confirmed: acceleration of organic revenue growth with an adjusted operating margin slightly up at constant currency, as well as a higher cash flow compared to 2017."

Revenue by business <i>In EUR millions</i>	Q1 2018	Q1 2017	Growth			
			Total	Organic	Acquis.	Currency
Marine & Offshore	83.6	97.1	(13.9)%	(8.5)%	-	(5.4)%
Agri-Food & Commodities	250.1	263.6	(5.1)%	+3.1%	+1.2%	(9.4)%
Industry	250.2	277.2	(9.7)%	+1.5%	(1.3)%	(9.9)%
Buildings & Infrastructure	291.8	268.1	+8.8%	+4.1%	+8.9%	(4.2)%
Certification	84.9	87.0	(2.4)%	+6.7%	-	(9.1)%
Consumer Products	139.7	145.0	(3.7)%	+5.9%	+0.7%	(10.3)%
Total Group revenue	1,100.3	1,138.0	(3.3)%	+2.6%	+2.1%	(8.0)%

¹ Organic growth is the increase in revenue versus last year, at constant currency and scope (i.e. acquisitions excluded).

MARINE & OFFSHORE

In Q1 2018, the business posted a negative -8.5% organic growth, not yet benefiting from the recovery of new orders. This is mainly driven by:

- a double-digit decline in New Construction, in a context of challenging comparables and continued low level of activity in Asia due to the time lag.
- a slight decline in Core In-service, due to the unfavorable timing of inspections (special surveys; expected to gradually recover) and some price pressure while the level of laid-up ships was stable.
- another reduction in Offshore-related activities still led by the lack of deep-sea projects and the reduction of risk assessment studies, notably in Asia and in Americas.

New orders amounted to 1.8 million gross tons at the end of March 2018, up from 1.3 million gross tons in the prior year period. The order book, which stood at 12.9 million gross tons at the end of the quarter has now stabilized, slightly up compared to December 2017, while remaining well diversified, with categories such as bulk, container and gas vessels growing their share.

Outlook: In 2018, Bureau Veritas expects organic growth in this business to be slightly negative with i) the decline in New Construction expected to gradually improve throughout the year, with Q2 benefiting from more favorable comps, and with a progressive rebound expected from H2 2018 onwards due to new orders won in 2017 YTD; ii) resilient In-Service activity including the Offshore-related activities.

AGRI-FOOD & COMMODITIES

Revenue accelerated to +3.1% organically from +0.6% in the first quarter of 2017, with the following performances across sub-segments:

Oil & Petrochemicals (38% of divisional revenue) reported +1.6% organic growth, reflecting mixed situations by geography: solid performance in Europe thanks to market share gains and the benefit from new services (Verifuel), slight growth in Asia, and strong growth in Africa, while more difficult in North America due to unfavorable weather conditions and a challenging competitive environment.

Metals & Minerals (27% of divisional revenue) reported +8.0% organic growth, led by double-digit growth for Upstream activities (excluding Coal), across most geographies, with a number of key wins in Africa and North America. Base metals – especially Copper – continued to be strong performers. Coal grew mid-single digit attributed to recent contract wins (in Africa and North America). Trade activities were however stable in the quarter, a combination of very strong comparables in Q1 2017 and a general slow start to trading conditions.

Agri-Food (20% of divisional revenue) recorded a +8.3% organic increase in the quarter, led by solid performances for both Agri and Food products. In the quarter, Bureau Veritas completed three acquisitions in the Agri-Food space, with Labomag in Morocco, Shandong Cigna in China and FEAC in Japan; together these represent additional annualized revenue of EUR 6 million.

Government Services (15% of revenue) was down by -7.1% in the quarter still impacted by low volume and value of imports intended for West African countries, and the end of PSI contracts (Guinea, Mali).

Outlook: In 2018, the Group expects its Agri-Food & Commodities business to deliver improved growth compared to 2017, fuelled by recovering Metal & Minerals markets, healthy Agri-Food businesses and stabilizing government services due to the ramp-up of several contract wins.

INDUSTRY

Organic growth in Industry returned positive, up +1.5% in Q1 2018, as the strategy of diversification towards Opex and non-Oil & Gas markets is fully paying off. Oil & Gas Capex-related activities retreated further, although at a slower pace than in previous quarters (-17% vs. -21% in Q4 2017 at Group level) while other end-markets were generally better oriented, including the in-service inspection for industrial assets. The Group registered strong growth in Opex-related activities, which are the focus of a Growth Initiative in the Group's strategic plan.

By geography, growth was strong in Africa and in Latin America (led notably by Argentina, Colombia and Peru) owing to country and sector diversification while more subdued in Asia Pacific with the marked decline in Australia and South Korea, as anticipated, due to large contracts ending. Following the rebound observed in the US during the fourth quarter of 2017, Q1 saw a slight decline in organic growth. In Europe, the positive trend seen in Q4 2017 organic growth was confirmed during the first quarter of 2018, notably in the UK and Italy.

Outlook: In 2018, Bureau Veritas expects a return to slightly positive organic revenue growth overall for the business as the strategy of diversification will continue to pay off alongside bottoming Oil & Gas Capex markets throughout the year.

BUILDINGS & INFRASTRUCTURE

Revenue increased by +4.1% organically with a stronger organic growth in Construction-related activities (60% of divisional revenue), and a more GDP-like growth in the Buildings in-service activities (40% of divisional revenue). Q1 was negatively impacted by one less working day, which will reverse in Q2.

The Group recorded double-digit organic growth in Asia Pacific (24% of divisional revenue), driven essentially by China (+15.5% organic growth), representing 14% of Buildings & Infrastructure revenue, and the more mature Japanese market enjoying a healthy +11.2% organic growth. China was driven by strong growth in energy and infrastructure project management, both sectors where Bureau Veritas has built strong positions.

In the Americas (16% of divisional revenue), within the framework of its Buildings & Infrastructure Growth Initiative, the Group continued its regional expansion notably in Colombia, and Brazil through new construction projects. The Group recorded a strong scope effect in the US, notably with the acquisitions of California Code Check (June 2017), Primary Integration Solutions (November 2017), and EMG in February 2018, the latter representing around EUR 70 million of annualized revenue.

Growth in Europe (58% of revenue) was below the divisional average, mainly due to the impact from a negative calendar effect (one less working day in Q1 2018) in France (44% of revenue), and by contract scope reduction in Spain. Both Capex and Opex-related activities performed well in the UK, Italy and France, with contract wins in the mass market.

Outlook: In 2018, the outlook for the business remains positive overall with sustained solid growth in both Capex and Opex related services. This outlook reflects the expectation of strong growth in Asia (notably in China led by numerous infrastructure projects) and Latam, as well as improving growth in Europe, notably in France, driven by both Capex and Opex.

CERTIFICATION

The Certification business maintained a robust organic growth pace of +6.7% in Q1 2018, despite challenging comparables, with growth spread across most regions and service categories.

By geography, high single-digit growth was achieved in both Europe (including France and Germany) and Asia (with double-digit growth in China, India, Thailand and Vietnam) whilst the growth was more moderate in Americas, dragged down by Brazil.

Overall the growth was led by some renewed standards, notably IATF in the Automotive sector, along with new services launched. The growth was particularly strong for Supply Chain & Sustainability, led by Energy Management and Wood Management Systems Certification.

Large Certification contracts grew high single-digit as a results of new contracts signed with international companies in various sectors.

New services launched were a major contributor to growth. This includes the Group's offering addressing Enterprise Risks: cybersecurity, anti-bribery and business continuity, which together grew at +20%.

Outlook: In 2018, the Certification business is expected to deliver a sustained robust growth with a stronger first-half and a weaker second-half due to the revised standards transition deadlines in September 2018.

CONSUMER PRODUCTS

The Consumer products business demonstrated robust organic growth of +5.9%, with growth across all regions and categories.

Electrical & Electronics (35% of divisional revenue) grew mid-single digit, primarily driven by Automotive and to some extent IoT testing (Europe and US). Softlines (36% of divisional revenue) delivered high single-digit growth led by new contract wins in Europe (Turkey, Germany and Italy notably). Hardlines also achieved similar high single-digit growth while Toys significantly recovered versus prior year, up low double-digit following a stable quarter in Q4 2017. China domestic market was a positive contributor to the performance, with Automotive spearheading growth.

Outlook: In 2018, the Group expects mid-single digit growth, similar to 2017, reflecting strong momentum in Electrical & Electronics supported by SmartWorld and Automotive initiatives as well as for Hardlines, notably stabilizing in the Toys sub-segment.

Financial position

At the end of March 2018, due to the financing of acquisitions carried out since the beginning of the year, the Group's adjusted net financial debt has slightly increased compared with the level at December 31, 2017.

Confirmed 2018 outlook

For Full-year 2018, the Group expects:

- An acceleration in organic revenue growth compared to full-year 2017
- A slightly improved adjusted operating margin at constant currency compared to full-year 2017
- An improved cash flow generation at constant currency compared to full-year 2017

Conference call

Thursday, April 26, 2018 at 6:00 p.m. CET

The conference call in English will be broadcast live ([link to webcast](#)) and available after the event on the Group's website (<http://finance.bureauveritas.com>).

The presentation document will also be available on the website.

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Confirmation code (ID number): 4054529

2018 financial calendar

May 15, 2018: Shareholders' meeting

July 26, 2018: H1 2018 results

October 25, 2018: Q3 2018 revenue

About Bureau Veritas

Bureau Veritas is a world leader in laboratory testing, inspection and certification services. Created in 1828, the Group has around 75,000 employees located in more than 1,400 offices and laboratories around the globe. Bureau Veritas helps its 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 Next 20 index.

Compartment A, ISIN code FR 0006174348, stock symbol: BVI.

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