

Press release
Results for the first half of 2022

The Group's activity and results grew strongly, not only compared with 2021, but also compared with the pre-crisis period. Concessions recorded a higher level of activity in the first half-year than in 2019. This was already the case since 2021 for Contracting, which is positioned in high-potential market segments that are central to the ecological transition (renewable energy, energy sobriety and sustainable mobility).

Free cash flow, which is regularly negative in the first half, was neutral this year, reflecting good cash management in Contracting and despite growth investments in Concessions (including in the new A79 motorway). Eiffage is therefore presenting a solid balance sheet and high liquidity levels at 30 June 2022.

- Strong growth in revenues (+8.6%), mainly organic (+7.6%)
 - A significant increase in Contracting activity in all divisions (+6.4%)
 - Strong growth in Concessions (+21.3%)
- A substantial increase in operating profit on ordinary activities to €925 million (+36.2%) and in net profit group share to €354 million (+36.2%)
- A solid financial position (Eiffage S.A. has liquidity of €4.8 billion)
- Another increase in the Contracting order book to €18.0 billion (+9% year on year)
- Commitment to the Group's carbon neutrality by 2050 and alignment with the 1.5°C trajectory. Publication of the 3rd climate report.
- The 2022 outlook of further growth in activity and results is confirmed.

Key figures

<i>in millions of euros</i>	First half-year		Change
	2021	2022	2022/2021
Revenues	8,700	9,452	+8.6%
Operating profit on ordinary activities	679	925	+36.2%
<i>as a % of revenues</i>	7.8%	9.8%	
Net profit attributable to owners of the parent	260**	354	+36.2%
Free cash flow	(11)	(1)	/
Net financial debt* (€bn)	10.2	10.0	-0.2
Order book (€bn)	16.6	18.0	+9%
APRR traffic (thousands of km)	9,588	11,828	+23.4%

*see glossary | **reported figure, €249m after restating the standard for recognising the costs of setting up software in SaaS mode

The Board of Directors of Eiffage met on 31 August 2022 to approve the financial statements for the first half of 2022⁽¹⁾.

Activity

The Group recorded consolidated revenues of €9.45 billion in the first half of 2022, up 8.6% in actual terms (+7.6% lfl*) compared with the first half of 2021.

The Contracting business grew by 6.4%, to €7.86 billion (+5.1% lfl) compared with the first half of 2021. Revenues amounted to €5.23 billion in France, up by 1.9%, and €2.63 billion internationally, up 16.5% (+21.8% in Europe excluding France and -10.0% in the rest of the world).

In Construction, activity grew by 5.1% (+4.7% lfl), to €2.07 billion, with an increase of 4.7% in France and 6.5% internationally. Property development revenues increased by 7.5%. However, reservations of new housing units decreased to 1,519 units, compared with 2,194 in the first half of 2021.

In Infrastructure, revenues increased by 5.3% (+4.8% lfl) to €3.33 billion. In France, due to the anticipated decrease in activity on the Grand Paris Express major projects and the completion of work on the Saint-Nazaire offshore wind farm, activity was down by 2.8% (-5.4% in Civil Engineering, -24.2% in Metal and +4.9% in Roads), but grew strongly internationally by 21.1% (+32.3% in Europe excluding France and -12.3% in the rest of the world).

In Energy Systems, activity increased by 9.1% (+5.7% lfl), compared with the first half of 2021, to €2.45 billion, including +5.7% in France and +16.2% internationally, and including +19.5% in Europe excluding France, due to marked growth in revenues in the main countries in which the division operates.

In Concessions, revenues increased by 21.3% (21.5% lfl) to €1.59 billion. Overall, motorway traffic increased substantially compared with the first half of 2021 (+23.4% at APRR, +22.8% on the A65 motorway, +19.9% on the Millau viaduct and +14.5% on the Avenir motorway in Senegal), exceeding the figure for the first half of 2019. Traffic at Lille and Toulouse airports more than tripled compared with the first half of 2021 (-30% compared with the first half of 2019), for an increase of 71.3% in revenues.

In the second quarter, the Group's activity increased by 7.5% compared with the second quarter of 2021, including +5.2% in Contracting and +20.6% in Concessions.

Results

The Group's operating profit on ordinary activities came to €925 million, for an operating margin* of 9.8%, compared with 7.8% in June 2021.

In Construction, the operating margin was unchanged at 3.4%, thanks to a positive performance in Contracting and in Real Estate in France and Belgium.

In Infrastructure, the operating margin, which is not representative of its full-year level, stood at -1.0% in June 2022, compared with -0.9% in June 2021.

In Energy Systems, the operating margin was unchanged at 4.0%, underpinned by a positive performance in France and in the rest of Europe.

(1) The audit procedures have been performed and the limited review report on the financial statements has been issued.

For Contracting overall, the operating margin was 1.7%, and the contribution to operating profit on ordinary activities stands at €135 million at 30 June 2022 from €128 million in the first half of 2021 (€115 million in the first half of 2019).

In Concessions, the operating margin stands at 49.6%, from 42.2% in 2021, with APRR recording an EBITDA margin of 76.5%, compared with 75.3% in June 2021. The contribution of Concessions to operating profit on ordinary activities was €791 million at 30 June 2022, compared with €554 million in the first half of 2021 (€731 million in the first half of 2019).

Other operating income and expenses resulted in a net expense of €20 million, compared with a net expense of €14 million in June 2021.

The cost of net financial debt* increased by €6 million year on year to €125 million.

Net profit Group share was €354 million, compared with €260** million in June 2021 (€290 million in the first half of 2019).

Financial situation

Free cash flow, which is regularly negative in the first half-year, was close to zero, at -€1 million (-€11 million in 2021, -€135 million in 2019). This was a good performance, given the seasonal nature of the Contracting business lines. The seasonal increase in the working capital requirement to €486 million (€393 million in 2021, €518 million in 2019), was in line with the level of activity in the half-year. Thus, operating cash flows (€600 million) financed investments in the period (€601 million), including the construction of the new A79 motorway (€171 million in the half-year, compared with €128 million in 2021).

In the first half of the year, Eiffage carried out share buybacks in order to cancel shares simultaneously when it implemented a capital increase reserved for employees. In 2021, these share buybacks had mainly taken place in the second part of the year. The treasury shares held at 30 June 2022 represented 2.6% of the share capital, compared with 2.4% at 31 December 2021 and 1.2% at 30 June 2021.

Net financial debt* came in at €10.0 billion (-€0.2 billion year on year).

Financing

The Group has a solid financial structure, both in terms of Eiffage S.A. (and its Contracting subsidiaries), which have a short-term rating of F2, and in terms of its concession-holding entities, the largest of which is APRR, which is rated A- positive by Fitch (confirmed on 18 May 2022) and A- stable by S&P (confirmed on 29 June 2022).

On 30 June 2022, Eiffage S.A. sold the company holding the concession for the new A79 motorway (Aliae) to APRR S.A. for approximately €0.7 billion.

At 30 June 2022, Eiffage S.A. and its Contracting subsidiaries had liquidity of €4.8 billion, consisting of €2.8 billion in cash and cash equivalents and an undrawn bank line of credit of €2 billion, without financial covenants. Almost all of the amount of this facility will mature in 2026. Eiffage's liquidity decreased slightly, by €0.1 billion, compared with 30 June 2021. This decrease was partly due to a reduced usage of €0.3 billion in the amount of short-term financial instruments (NEUCP and NEUMTN) compared with 30 June 2021.

APRR, meanwhile, had liquidity of €2.9 billion at 30 June 2022, consisting of €0.9 billion in cash and cash equivalents and an undrawn bank line of credit of €2 billion. Almost all of the amount of this facility will mature in 2027. APRR's liquidity was unchanged compared with 30 June 2021. APRR also carried out a bond issue for €500 million on 23 May 2022, maturing in 2029, with a coupon of 1.875%.

External growth (key events as at this press release date).

The Group recently made announcements regarding the following acquisitions:

- Entry of Eiffage Énergie Systèmes into the mobile telecoms network installation market in France through the acquisition of 70% of the share capital of Snel Telecom (subject to the usual conditions precedent and regulatory conditions).
- Strengthening of the presence of Eiffage Énergie Systèmes in the Netherlands via its Dutch subsidiary, Kropman, through the acquisition of Harwig (70% of the share capital) and Eltra (65%). Eiffage recently increased its equity investment in Kropman.
- Development of Eiffage Concessions in renewable energy through the future acquisition of 80% of the Sun'R group (subject to the usual conditions precedent and regulatory conditions).

Ecological transition

In April 2022, Eiffage published, with regard to 2021, the respective portions of its economic activities (50%), capital expenditure (36%) and operational expenditure (32%) deriving from products or services eligible for the European taxonomy and considered sustainable according to the first two criteria of this European regulation and its delegated acts, i.e., climate change mitigation and climate change adaptation.

At the same time, Eiffage published its third climate report in accordance with the Task Force on Climate-related Financial Disclosures (TCFD) guidelines. Through this exercise in transparency, the Group has notified the following to all of its stakeholders:

- its formal climate-related commitments within the 1.5°C trajectory,
- an analysis of the risks related to the consequences of climate change, in terms of mitigation and adaptation,
- low-carbon business opportunities that will enable progressive decarbonisation of revenues,
- the key figures that apply to all of the Group's business units, without exception: CO2 emissions reduction measurement and target for 2030 compared with 2019, the reference year, on scopes 1 and 2 (-46%), upstream Scope 3 (-30%) and downstream Scope 3 (-30% on direct downstream Scope 3).

The action plans for these targets therefore concern the enterprise internally as much as the close collaboration with the Group's suppliers, since upstream Scope 3 represents more than 85% of the Group's emissions.

Eiffage has also finalised the report on its biodiversity action plan, registered by the Ministry of Ecological Transition as part of the Act4 Nature – Committed companies for nature initiative, and confirms that its new, two-yearly dedicated plan will be enhanced with indicators of pressure on biodiversity, based on its work relating to the future TNFD (Task force on Nature-related Financial Disclosures) guidelines.

Eiffage has also confirmed its non-financial ratings:

- a score of A- in the CDP (Carbon Disclosure Project) Climate Change 2020 classification in December 2021
- a rating of AA from MSCI in April 2022
- a Gold rating from ECOVADIS in July 2022

Outlook for 2022

In Contracting, the order book reached €18.0 billion, up by 9% year on year (+4% QoQ). The consumption of the order book for major infrastructure projects was more than offset by strong order intake in the core businesses, renewable energy (wind and solar) and the renovation for energy efficiency and industry in Europe. This order book represents 13.4 months of activity for the Contracting divisions.

Driven by this trend, Contracting is expected to increase its revenues and profits, despite the expected decrease in activity on major infrastructure projects in the second half-year. Concessions, which benefited from a favourable basis of comparison in the first half-year, is expected to record more sustained growth and an increase in profit, which will exceed its 2019 level. It should be recalled that, since 2021, Contracting has been recording higher profits than in 2019.

As Concessions and Contracting have now surpassed their pre-health crisis activity levels, Eiffage confirms an outlook of further growth in its results in 2022.

Presentation of results

A more detailed presentation of the financial statements for the 1st half of 2022, in French and English, as well as the detailed financial statements of the Group and APRR, are available on the company's website at www.eiffage.com. The presentation of the financial statements and the analysts' conference will take place on 31 August at 17:40. It can be viewed live and recorded on the company's website and via the following links:

in French: <https://edge.media-server.com/mmc/p/e6n336ci>

in English: <https://edge.media-server.com/mmc/p/e6n336ci/lan/en>

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APPENDICES

Appendix 1: Revenues by division for the first half-year

<i>in millions of euros</i>	First half-year		Changes	
	2021	2022	Actual	Lfi*
Construction	1,970	2,071	+5.1%	+4.7%
<i>of which property development</i>	466	501		
Infrastructure	3,167	3,334	+5.3%	+4.8%
Energy Systems	2,250	2,454	+9.1%	+5.7%
Contracting	7,387	7,859	+6.4%	+5.1%
Concessions (excl. Ifric 12)	1,313	1,593	+21.3%	+21.5%
Group total (excl. Ifric 12)	8,700	9,452	+8.6%	+7.6%
Of which:				
France	6,416	6,791	+5.8%	+5.1%
International	2,284	2,661	+16.5%	+14.3%
<i>Europe excluding France</i>	1,885	2,295	+21.8%	+19.4%
<i>Outside Europe</i>	399	366	-8.3%	-9.5%
Construction revenue (Ifric 12)*	112	147	n.s.	

Revenues by division for the second quarter

<i>in millions of euros</i>	Second quarter		Actual changes
	2021	2022	2022 / 2021
Construction	1,060	1,094	+3.2%
<i>of which property development</i>	258	266	
Infrastructure	1,798	1,897	+5.5%
Energy Systems	1,184	1,263	+6.7%
Contracting	4,042	4,254	+5.2%
Concessions (excl. Ifric 12)	684	825	+20.6%
Group total (excl. Ifric 12)	4,726	5,079	+7.5%
Construction revenue (Ifric 12)*	71	93	n.s.

Appendix 2: Operating profit on ordinary activities and margins

	H1 2021		H1 2022		Δ 22/21
	in millions of euros	% of revenue	in millions of euros	% of revenue	
Construction	67	3.4%	71	3.4%	
Infrastructure	(28)	(0.9%)	(33)	(1.0%)	
Energy Systems	89	4.0%	97	4.0%	
Contracting	128	1.7%	135	1.7%	
Concessions	554	42.2%	791	49.6%	
Holding company	(3)		(1)		
Total Group	679	7.8%	925	9.8%	+36.2%

Appendix 3: Consolidated financial statements

Income statement

<i>in millions of euros</i>	H1 2021	2021	H1 2022
Operating revenues⁽¹⁾	8,932	19,197	9,787
Other operating income	4	11	7
Consumables purchased	(1,507)	(3,171)	(1,705)
Employee benefits expense	(2,079)	(4,091)	(2,171)
External charges	(3,939)	(8,356)	(4,213)
Taxes other than income tax	(202)	(454)	(215)
Depreciation and amortisation	(613)	(1,258)	(624)
Net additions to (releases of) provisions	(31)	(57)	12
Change in inventories of finished goods and work in progress	68	(20)	13
Other income and expenses on ordinary activities	46	118	34
Operating profit on ordinary activities	679	1,919	925
Other operating income and expenses	(14)	(51)	(20)
Operating income	665	1,868	905
Income from cash and cash equivalents	5	11	11
Gross cost of financial debt	(124)	(257)	(136)
Net cost of financial debt	(119)	(246)	(125)
Other financial income and expense	5	(20)	(5)
Share of profit of equity-accounted associates	5	11	14
Income tax	(141)	(445)	(204)
Net profit/(loss)	415	1,168	585
Attributable to owners of the parent	260**	777	354
<i>Equity attributable to non-controlling interests</i>	155	391	231

(1) Including Ifric 12

**Reported figure, €249m after restating the standard for recognising the costs of setting up software in SaaS mode

Balance sheet

<i>in millions of euros</i>	30/06/2021	31/12/2021	30/06/2022
Property, plant & equipment	1,717	1,727	1,758
Right-of-use of leased assets	1,053	1,039	998
Investment property	58	57	55
Intangible assets operated under concession	11,528	11,591	11,593
Goodwill	3,423	3,483	3,526
Other intangible assets	290	310	204
Investments in equity-accounted associates	166	176	254
Non-current financial assets in respect of service concession arrangements	1,567	1,388	1,356
Other financial assets	547	604	723
Deferred tax assets	251	189	146
Total non-current assets	20,600	20,564	20,613
Inventories	924	873	963
Trade and other receivables	5,602	5,327	6,005
Current taxation	97	20	26
Current financial assets in respect of service concession arrangements	65	60	65
Other current assets	1,946	2,058	2,194
Other financial assets	-	-	-
Cash & cash equivalents	4,198	4,807	4,320
Total current assets	12,832	13,211	13,573
Total assets	33,432	33,775	34,186

<i>in millions of euros</i>	30/06/2021	31/12/2021	30/06/2022
Capital	401	392	392
Consolidated reserves	4,938	4,543	4,863
Gains and losses recognised directly in equity	(196)	(143)	138
Profit/(loss) for the year	260	777	354
Equity attributable to owners of the parent	5,403	5,569	5,747
Equity attributable to non-controlling interests	1,174	1,227	1,251
Total equity	6,577	6,796	6,998
Borrowings	11,665	11,836	11,711
Lease liabilities	725	707	682
Deferred tax assets	910	875	864
Non-current provisions	841	778	719
Other non-current liabilities	145	170	182
Total non-current liabilities	14,286	14,366	14,158
Trade and other payables	4,166	4,223	4,526
Loans and other borrowings	2,565	2,224	1,922
Part of non-current borrowings due within one year	432	265	704
Part of lease liabilities due within one year	271	289	278
Current income tax liability	162	192	164
Current provisions	643	658	643
Other current liabilities	4,330	4,695	4,793
Liabilities held for sale		67	
Total current liabilities	12,569	12,613	13,030
Total liabilities and equity	33,432	33,775	34,186

Statement of cash flows

<i>in millions of euros</i>	H1 2021	2021	H1 2022
Opening cash & cash equivalents	5,067	5,067	4,724
Effect of movements in exchange rates	-	2	1
Restated opening cash	5,067	5,069	4,725
Net profit/(loss)	416	1,168	585
Profit of equity-accounted associates	(5)	(11)	(14)
Dividends received from equity-accounted associates	7	12	5
Depreciation and amortisation	613	1,258	624
Net additions to provisions	6	49	(20)
Other non-cash income	13	48	32
Income on disposals	(22)	(35)	(12)
Cash flow from operating activities before interest and taxes	1,028	2,489	1,200
Net interest expense	118	229	106
Interest paid	(163)	(236)	(164)
Income tax expense	141	445	204
Income tax paid	(206)	(421)	(260)
Change in working capital requirements linked to operations	(393)	234	(486)
Net cash from operating activities	525	2,740	600
Acquisition of intangible assets and property, plant & equipment	(183)	(381)	(167)
Acquisition of intangible concession assets	(297)	(663)	(332)
Acquisition of non-current financial assets	(33)	(41)	(10)
Disposals and reductions of non-current assets	154	230	66
Net operating investments	(359)	(855)	(443)
Acquisition of equity interests	(12)	(122)	(49)
Disposal of equity interests and of assets corresponding to disposal of businesses	-	6	1
Cash and cash equivalents of entities bought or sold	3	21	9
Net financial investments	(9)	(95)	(39)
Net cash from/(used in) investing activities	(368)	(950)	(482)
Dividends paid to shareholders*	(460)	(620)	(529)
Capital increase	190	190	186
Acquisitions/disposals of non-controlling interests	(1)	(190)	(21)
Buy-backs and re-sales of own shares	(73)	(381)	(280)
Repayment of lease liabilities	(177)	(329)	(158)
Repayment of borrowings	(730)	(1,421)	(522)
New borrowings	69	616	590
Net cash from/(used in) financing activities	(1,182)	(2,135)	(734)
Change in cash and cash equivalents	(1,025)	(345)	(616)
Closing cash & cash equivalents	4,042	4,724	4,109

*Including dividends paid by Eiffage SA of €299 million in 2021 (all in H1) and €296 million in 2022

Appendix 4: Change in order book* by division

<i>in billions of euros</i>	30/06/2021	30/06/2022	Δ 22/21	Δ 3-month
Construction	4.9	5.1	5%	3%
Infrastructure	7.6	7.8	2%	3%
Energy Systems	4.2	5.2	24%	7%
Contracting	16.6	18.0	9%	4%
Real Estate	0.6	0.6	-6%	-6%
Concessions	1.0	0.9	-8%	-3%

Appendix 5: Liquidity and net financial debt*

Liquidity of holding company and Contracting	Liquidity of Concessions
€2.8 billion of cash and cash equivalents +€2.0 billion of undrawn lines of credit = €4.8 billion of liquidity	APRR €0.9 billion of cash and cash equivalents +€2.0 billion of undrawn lines of credit = €2.9 billion of liquidity

Net financial debt* of holding company & Contracting	Net financial debt* of Concessions
€2.8 billion of cash and cash equivalents -€2.0 billion of financial debt = €0.8 billion of net cash	€0.9 billion of cash and cash equivalents at APRR -€9.1 billion of financial debt of APRR and Eiffarie -€2.6 billion of net financial debt* of other concessions and PPPs = €10.8 billion of net financial debt*

Appendix 6: IFRS aggregate reconciliation tables for two alternative performance indicators

Free cash flow

The reconciliation between the aggregates of the statement of cash flows and free cash flow is as follows:

<i>in millions of euros</i>	H1 2021	H1 2022
Net cash from operating activities	525	600
Net operating investments	-359	-443
Repayment of lease liabilities	-177	-158
Free cash flow	-11	-1

Net financial debt

The reconciliation between the items reported in the statement of financial position and net financial debt is as follows:

<i>in millions of euros</i>	H1 2021	H1 2022
Cash and cash equivalents	4,198	4,320
Non-current borrowings	-11,665	-11,711
Current loans and other financial borrowings	-2,565	-1,922
Part of non-current borrowings due within one year	-432	-704
Restatement of derivative financial instruments and CNA debt reassessment	231	29
Net financial debt*	-10,233	-9,988

Appendix 7: Glossary

Item	Definition
"Construction" revenue of Concessions (Ifric 12)	"Construction" revenue of Concessions corresponds to the costs of carrying out the construction or upgrade of infrastructure incurred by the concession-holder in application of the provisions of Ifric 12 "Service Concession Arrangements", after elimination of intra-group transactions.
Contracting order book	Portion of signed contracts not yet executed.
Net financial debt	Net financial debt excluding the debt resulting from the adoption of IFRS 16 on 1 January 2019 and the fair value of the debt owed to Caisse Nationale des Autoroutes (CNA) and derivative instruments.
Free cash flow	Free cash flow is calculated as follows: Net cash from operating activities - net operating investments - repayment of lease liabilities - debt repayments from PPP contracts
Operating margin	Operating profit on ordinary activities as a percentage of revenues
Like-for-like or at constant scope and exchange rate	Constant consolidation scope is calculated by neutralising: the 2022 contribution made by companies consolidated for the first time in 2022; the contribution made by companies consolidated for the first time in 2021 in the period of 2022 equivalent to that of 2021 which preceded their first-time consolidation; the contribution made in 2021 by companies deconsolidated in 2022 for the period equivalent to that of 2022 after they were deconsolidated; the 2021 contribution made by companies deconsolidated in 2021. Constant exchange rate: 2021 exchange rates applied to 2022 revenues in currency.
Group liquidity	The Group's liquidity is calculated as follows: cash and cash equivalents managed by Eiffage SA and its Contracting subsidiaries + undrawn line(s) of credit of Eiffage SA
APRR Liquidity	APRR's liquidity is calculated as follows: cash and cash equivalents managed by APRR SA + undrawn line(s) of credit of APRR SA

Appendix 8: Financial calendar

	Eiffage	APRR
Quarterly information and revenues for the third quarter of 2022	03.11.2022	19.10.2022
Quarterly information and revenues for the fourth quarter of 2022	22.02.2023	24.01.2023
2022 annual results and financial analysts' meeting	22.02.2023	22.02.2023
Quarterly information and revenues for the first quarter of 2023	10.05.2023	18.04.2023
General Meeting of Shareholders	19.04.2023	/
Quarterly information and revenues for the second quarter 2023		20.07.2023
2022 annual results and financial analysts' meeting	30.08.2023	30.08.2023

Blackout periods start 15 days before publication of the quarterly results and 30 days before publication of the annual and semi-annual results