

Press Release
Results for the first half of 2021

The first half of 2021 marked a return to growth after the impact of the health crisis in 2020. Buoyed by a historically high order book at the end of 2020 and with a proven work organisation that integrates the health constraints, Contracting was able to return to growth and record higher revenue than in 2019. Concessions activities continued to be impacted by travel restrictions, but to a lesser extent than in 2020 due to the economic recovery. The Group's results for the first half of the year thus increased significantly in both Contracting and Concessions.

Free cash flow, which is traditionally negative in the first half, was close to zero this year, thanks to the strong cash position of Contracting and despite continued growth investments in Concessions. As a result, the Group was able to significantly reduce its net debt over one year and Eiffage SA has a high level of liquidity at 30 June 2021.

- Return to revenue growth: +25.8% / 2020, +1.9% / 2019
- Significant increase in net profit attributable to owners of the parent, to €260 million versus -€8 million in 2020 (€290 million in 2019)
- Solid financial position: net debt* down by €0.7 billion over one year and Eiffage SA's liquidity up by €0.3 billion over one year to €4.9 billion
- Outlook for 2021:
 - Contracting activity expected to increase significantly compared with 2020, slightly higher than in 2019
 - Concessions still affected by travel restrictions but to a lesser extent than in 2020
 - Group results expected to increase significantly

Key figures

<i>in millions of euros</i>	First half			Change	Change
	2019	2020	2021	2021/2020	2021/2019
Revenue	8,535	6,918	8,700	+25.8%	+1.9%
Operating profit on ordinary activities	836	262	679	+417	-157
Operating margin*	9.8%	3.8%	7.8%		
Net profit attributable to the owners of the parent	290	(8)	260	+268	-30
Free cash flow*	(135)	(373)	(11)	+362	+124
Net financial debt (in €bn)*	10.7	10.9	10.2	-0.7	-0.5
Order book (in €bn)*	14.9	17.1	16.6	-3%	+11%
APRR traffic (all vehicles)				+19.4%	-17.1%

*: see glossary

The Board of Directors of Eiffage met on 25 August 2021 to approve the financial statements for the first half of 2021⁽¹⁾.

Activity

The Group's consolidated revenue amounted to €8.7 billion in the first half of 2021, up 25.8% on an actual basis (+25.7% lfl*) compared with the first half of 2020. Business growth was particularly significant in France (+29.9%), as the first half of 2020 had been heavily impacted by the first lockdown. On an actual basis, revenue increased by 1.9% compared with the first half of 2019. As a reminder, 2019 was a particularly dynamic year in all the Group's businesses.

Contracting activity grew by 27.7% to €7.4 billion (+27.6% lfl) compared with the first half of 2020 and by 3.8% compared with the first half of 2019. Revenue reached €5.1 billion in France, up 4.3% compared with the first half of 2019, and nearly €2.3 billion internationally, up 2.7% compared with the first half of 2019 (+2.2% in Europe excluding France and +5.1% in the rest of the world).

Given the unusual context of the first half of 2020, the change in operating performance is commented on below compared with the 2019 baseline.

In the Construction division, activity decreased by 2.4% compared with the first half of 2019 to €1.97 billion, of which +1.1% in France and -12.2% internationally (significant decline in business in Switzerland and Poland). In Property Development, reservations for new housing units numbered 2,194 compared with 2,534 in the first half of 2019.

In the Infrastructure division, revenue increased by 5.6% compared with the first half of 2019 to €3.17 billion, of which +5.8% in France (-1.6% in Road Construction, +8.2% in Civil Engineering and +37.8% in Metal) and +5.2% internationally (+6.3% in Europe excluding France and +2.3% in the rest of the world). In France, the major projects of the Grand Paris Express and the Saint-Nazaire wind farm are driving activity in Civil Engineering and Metal.

In the Energy Systems division, activity was up 7.0% compared with the first half of 2019 to €2.25 billion, of which +5.4% in France and +10.6% internationally (+10.2% in Europe excluding France, with Spain and Germany recording strong growth).

In Concessions, revenue fell by 7.3% compared with the first half of 2019 to €1.31 billion. Overall, motorway traffic, although up significantly compared with the first half of 2020 (+19.4% at APRR, +18.0% on the A65 motorway, +41.7% on the Millau viaduct and +30.5% on the Avenir motorway in Senegal), has not yet returned to its 2019 level due to travel restrictions. Passenger traffic at the Lille and Toulouse airports continued to be heavily impacted by the effects of the Covid-19 pandemic and fell 41.9% year-on-year, with revenue down 19.4%.

In the second quarter, the Group's activity increased by 2.3% compared with the second quarter of 2019, of which +4.1% in Contracting and -6.9% in Concessions.

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

Results

The Group's operating profit on ordinary activities came to €679 million for an operating margin of 7.8% compared with 9.8% for the first half of 2019 (3.8% in H1 2020).

In Construction, the operating margin returned to its 2019 level at 3.4% (-2.1% in H1 2020), supported by a good performance in works in France and Belgium.

In Infrastructure, the operating margin which does not represent its full year level, went from -1.0% in H1 2019 to -0.9% in H1 2021 (-5.3% in H1 2020).

In the Energy Systems division, profitability was 4.0% compared with 3.6% in H1 2019 (1.1% in H1 2020). Compared with H1 2019, the operating margin increased in France, as well as internationally, in most locations.

For Contracting overall, the operating margin was 1.7% and the contribution to operating profit on ordinary activities rose from €115 million in H1 2019 to €128 million in H1 2021.

In Concessions, the operating margin came in at 42.2% compared with 51.6% in 2019 (36.2% in H1 2020), with APRR posting an EBITDA margin of 75.3% compared with 76.4% in H1 2019 (73.1% in H1 2020).

Other operating income and expense resulted in a net expense of €14 million compared with a net expense of €19 million in H1 2019 (€12 million in H1 2020).

The cost of net financial debt decreased by €5 million year-on-year to €119 million.

Net profit attributable to owners of the parent thus amounted to €260 million, compared with €290 million in H1 2019 (€8 million loss at 30 June 2020).

Financial situation

Net financial debt stood at €10.2 billion (-€0.7 billion over 12 months).

Free cash flow, which is traditionally negative in the first half of the year given the seasonal nature of the Contracting business, is close to zero this year (-€11 million compared with -€373 million in 2020 and -€135 million in 2019). The good performance of the working capital requirement, whose seasonal variation was limited to €393 million (€518 million in 2019), and the decrease in interest and taxes paid more than offset the significant increase in investments in concessions, mainly due to the continued construction of the A79 motorway in the Allier department.

Financing

The Group has a solid financial structure, both at the level of Eiffage SA (and its Contracting subsidiaries), which have a short-term rating of F2, and its concession-holding entities, the largest of which is APRR (rated A- stable).

At 30 June 2021, Eiffage SA and its Contracting subsidiaries had liquidity of €4.9 billion, comprising €2.9 billion of cash and cash equivalents and an undrawn bank credit line of €2 billion with no financial covenants. Substantially all of this amount is due in 2026. Eiffage SA's liquidity increased by €0.3 billion compared with 30 June 2020.

APRR for its own part had liquidity of €2.9 billion at 30 June 2021, consisting of €0.9 billion in cash and cash equivalents and an undrawn bank credit line of €2 billion. Almost all of this facility will mature in 2026 with a possible extension of one year. APRR's liquidity decreased by €0.2 billion compared with 30 June 2020.

Composition of the Board of Directors

The Board of Directors will soon welcome a second director representing the employees in accordance with the vote of the General Meeting of 22 April 2020. This director's nomination process is under way.

Cancellation of treasury shares

The Board of Directors has decided today, on the basis of the authorisation granted by the General Meeting of 21 April 2021 in its 13th extraordinary resolution, to cancel, with immediate effect, 2,364,781 treasury shares held by the company representing approximately 2.36% of the capital. Following this transaction, Eiffage's share capital amounts to €392,000,000 divided into 98,000,000 shares with a par value of €4 each.

Ecological transition

In April 2021, Eiffage published its second climate report in accordance with the recommendations of the TCFD (Task Force on Climate-related Financial Disclosures). In the 2021 climate report, the Group measures the impacts of each of its businesses and shares their respective operational action plans to contain environmental damage, including damage to biodiversity.

The Group has reinforced the commitments made in 2020 when it published its first climate report:

- by aligning itself to the 1.5°C trajectory, in accordance with the criteria of the Science-Based Targets initiative (SBTi), and
- by strengthening the consistency of its commitment by making this trajectory applicable to all of its businesses without exception.

Based on its greenhouse gas emissions for the 2019 reference year, the Group plans to reduce its internal emissions by at least 40% for scopes 1 and 2 by 2030. For the 2019 reference year, the emissions included in scope 3 upstream represent 85% of the greenhouse gas emissions of the Contracting divisions in France. In terms of scope 3 upstream, all businesses combined, Eiffage has confirmed an ambitious commitment to reduce emissions by at least 30% by 2030. This goal can only be achieved with the close cooperation of the Group's regular suppliers of goods and services.

In December 2020, Eiffage obtained an A- (previously B) rating in the CDP Climate Change 2020 ranking (Carbon Disclosure Project).

In July 2021, Eiffage's carbon strategy was supplemented with a commitment to be carbon neutral by 2050, which is registered with the SBTi.

Outlook for 2021

In Contracting, the order book remains high at €16.6 billion, down slightly by 3% over one year (-1% over 3 months), due to the consumption of the order book on major projects (Grand Paris Express, the A79 motorway in France and the A3 motorway in Germany, and the HS2 high-speed rail line in the United Kingdom) while lot 1 of the Lyon-Turin rail tunnel has not yet entered the order book and represents nearly €660 million.

The order book represents 13.0 months of activity for the Contracting divisions.

Given the visibility afforded by this order book, Eiffage now expects Contracting revenue in 2021 to be slightly higher than in 2019.

In Concessions, the travel restrictions that had a strong impact in the first half of the year will not make it possible to return to the level of activity in 2019, even though summer motorway traffic proved dynamic.

Under these conditions, the Group's operating profit on ordinary activities, affected by the Concessions business, will not return to its 2019 level as of this year. It will be significantly higher than in 2020, however, as will the net profit attributable to owners of the parent.

A more detailed presentation of the accounts for the first half of 2021, in French and English, is available on the company's website, www.eiffage.com.

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APPENDICES

Appendix 1: Revenue by division for the first half

<i>in millions of euros</i>	First half			Changes		Change
	2019	2020	2021	2021/2020	Like-for-like*	2021/2019
				Actual		Actual
Construction	2,018	1,473	1,970	+33.7%	+33.9%	-2.4%
<i>of which property development</i>	445	321	466			
Infrastructure	2,998	2,548	3,167	+24.3%	+24.5%	+5.6%
Energy Systems	2,102	1,764	2,250	+27.6%	+26.9%	+7.0%
Sub-total Contracting	7,118	5,785	7,387	+27.7%	+27.6%	+3.8%
Concessions (excl. IFRIC 12)	1,417	1,133	1,313	+15.9%	+15.9%	-7.3%
Total Group (excl. IFRIC 12)	8,535	6,918	8,700	+25.8%	+25.7%	+1.9%
of which:						
France	6,313	4,940	6,416	+29.9%	+29.7%	+1.6%
International	2,222	1,978	2,284	+15.5%	+15.8%	+2.8%
<i>Rest of Europe</i>	1,843	1,621	1,885	+16.3%	+16.2%	+2.3%
<i>Outside Europe</i>	379	357	399	+11.8%	+13.6%	+5.3%
Construction revenue (IFRIC 12)*	176	110	112	n.m.		n.m.

Revenue by division for the 2nd quarter

<i>in millions of euros</i>	2 nd quarter			Change	Change
	2019	2020	2021	2021 / 2020	2021 / 2019
Construction	1,095	666	1,060	+59.2%	-3.2%
<i>of which property development</i>	240	139	258		
Infrastructure	1,680	1,293	1,798	+39.1%	+7.0%
Energy Systems	1,109	762	1,184	+55.4%	+6.8%
Sub-total Contracting	3,884	2,721	4,042	+48.5%	+4.1%
Concessions (excl. IFRIC 12)	735	449	684	+52.3%	-6.9%
Total Group (excl. IFRIC 12)	4,619	3,170	4,726	+49.1%	+2.3%

Appendix 2: Operating profit on ordinary activities and margins

	H1 2019		H1 2020		H1 2021		Δ 21/20	Δ 21/19
	in millions of euros	% of revenue	in millions of euros	% of revenue	in millions of euros	% of revenue	Change	Change
Construction	69	3.4%	(31)	(2.1%)	67	3.4%	98	(2)
Infrastructure	(29)	(1.0%)	(134)	(5.3%)	(28)	(0.9%)	106	1
Energy Systems	75	3.6%	19	1.1%	89	4.0%	70	14
Sub-total Contracting	115	1.6%	(146)	(2.5%)	128	1.7%	274	13
Concessions	731	51.6%	410	36.2%	554	42.2%	144	(177)
Holding	(10)		(2)		(3)		(1)	7
Total Group	836	9.8%	262	3.8%	679	7.8%	417	(157)

Appendix 3: Consolidated financial statements

<i>in millions of euros</i>	H1 2020	2020	H1 2021
Operating revenues⁽¹⁾	7,136	16,659	8,932
Other operating revenues	1	2	4
Raw materials and consumables used	(1,237)	(2,897)	(1,507)
Employee benefits expense	(1,814)	(3,778)	(2,079)
External charges	(3,082)	(7,047)	(3,939)
Taxes other than income tax	(190)	(461)	(202)
Depreciation and amortisation	(569)	(1,195)	(613)
Net additions to (releases of) provisions	(20)	(110)	(31)
Change in inventories of finished goods and work in progress	12	(13)	68
Other operating income and expenses on ordinary activities	25	103	46
Operating profit on ordinary activities	262	1,263	679
Other income (expenses) from operations	(12)	(50)	(14)
Operating profit/(loss)	250	1,213	665
Income from cash and cash equivalents	6	12	5
Cost of gross financial debt	(130)	(265)	(124)
Cost of net financial debt	(124)	(253)	(119)
Other financial income and expense	(11)	(29)	5
Share of profit/(loss) of associates	5	13	5
Income tax	(35)	(330)	(141)
Net profit/(loss)	85	614	415
Attributable to owners of the parent	(8)	375	260
Attributable to non-controlling interests	93	239	155

(1) including IFRIC 12

Statement of financial position

<i>in millions of euros</i>	30/06/2020	31/12/2020	30/06/2021
Property, plant & equipment	1,838	1,814	1,717
Right-of-use assets	935	1,012	1,053
Investment property	60	59	58
Concession intangible assets	11,561	11,582	11,528
Goodwill	3,398	3,408	3,423
Other intangible assets	254	271	290
Investments in associates	163	169	166
Non-current financial assets in respect of concession service arrangements	1,576	1,576	1,567
Other financial assets	525	575	547
Deferred tax assets	310	262	251
Total non-current assets	20,620	20,728	20,600
Inventories	768	803	924
Trade and other receivables	4,955	5,105	5,602
Current taxation	212	84	97
Current financial assets in respect of concession service arrangements	62	64	65
Other assets	1,970	1,745	1,946
Other financial assets	-	-	-
Cash & cash equivalents	4,186	5,192	4,198
Total current assets	12,153	12,993	12,832
Total assets	32,773	33,721	33,432

<i>in millions of euros</i>	30/06/2020	31/12/2020	30/06/2021
Capital	398	392	401
Consolidated reserves	4,922	4,746	4,938
Gains and losses recognised directly in equity	(240)	(212)	(196)
Profit/(loss) for the year	(8)	375	260
Equity attributable to owners of the parent	5,072	5,301	5,403
Attributable to non-controlling interests	1,142	1,172	1,174
Total equity	6,214	6,473	6,577
Borrowings	11,622	12,066	11,665
Lease liabilities	695	749	725
Deferred tax assets	1,001	949	910
Non-current provisions	794	831	841
Other non-current liabilities	153	145	145
Total non-current liabilities	14,265	14,740	14,286
Trade and other payables	3,639	4,086	4,166
Loans and other borrowings	2,892	3,071	2,565
Part of non-current borrowings due within one year	900	240	432
Part of lease liabilities due within one year	216	231	271
Current income tax liability	66	176	162
Current provisions	613	645	643
Other liabilities	3,968	4,059	4,330
Total current liabilities	12,294	12,508	12,569
Total liabilities and equity	32,773	33,721	33,432

Statement of cash flows

<i>in millions of euros</i>	H1 2020	2020	H1 2021
Opening cash & cash equivalents	4,293	4,293	5,067
Effect of movements in exchange rates	(2)	(3)	-
Restated opening cash & cash equivalents	4,291	4,290	5,067
Net profit/(loss)	85	614	416
Profit/(loss) of equity-accounted investees	(5)	(13)	(5)
Dividends received from equity-accounted investees	3	5	7
Depreciation and amortisation	615	1,240	613
Net additions to provisions	30	107	6
Other non-cash items	18	33	13
Net gains/(losses) on disposals	(4)	(28)	(22)
Cash flow from operating activities before interest and taxes	742	1,958	1,028
Net interest expense	119	244	118
Interest paid	(199)	(284)	(163)
Income tax expense	35	330	141
Income tax paid	(287)	(365)	(206)
Change in working capital requirements linked to operations	(306)	321	(393)
Net cash from operating activities	104	2,204	525
Acquisition of intangible assets and property, plant & equipment	(227)	(450)	(183)
Acquisition of intangible concession assets	(174)	(483)	(297)
Acquisition of non-current financial assets	(22)	(61)	(33)
Disposals and reductions of non-current assets	66	192	154
Net operating investments	(357)	(802)	(359)
Acquisition of equity interests	(22)	(47)	(12)
Disposal of equity interests and of assets corresponding to disposal of businesses	-	1	-
Cash and cash equivalents of entities bought or sold	(8)	(20)	3
Net financial investments	(30)	(66)	(9)
Net cash from/(used in) investing activities	(387)	(868)	(368)
Dividends paid to shareholders	(210)	(319)	(460)
Capital increase	119	119	190
Acquisitions/disposals of non-controlling interests	(232)	(231)	(1)
Buy-backs and re-sales of own shares	(52)	(242)	(73)
Repayment of lease liabilities	(120)	(289)	(177)
Repayment of borrowings	(2,726)	(3,387)	(730)
New borrowings	3,040	3,633	69
Net cash from/(used in) financing activities	(181)	(716)	(1,182)
Change in other financial assets	157	157	-
Change in cash and cash equivalents	(307)	777	(1,025)
Closing cash & cash equivalents	3,984	5,067	4,042

Appendix 4: Order book(*) by division

<i>in billions of euros</i>	30/06/2020	30/06/2021	Δ 21/20	Δ 3 months
Construction	4.8	4.9	+2%	+2%
Infrastructure	8.4	7.6	-9%	-5%
Energy Systems	4.0	4.2	+5%	+2%
Total for Contracting	17.1	16.6	-3%	-1%
Property Development	0.7	0.6	-11%	-5%
Concessions	1.0	1.0	-4%	-1%

Appendix 5: Liquidity and net financial debt(*)

Holding & Contracting's liquidity	Concessions' liquidity
€2.9 billion of cash + €2.0 billion undrawn credit line = €4.9 billion of liquidity	APRR €0.9 billion of cash + €2.0 billion undrawn credit line = €2.9 billion of liquidity

Holding & Contracting's net financial debt(*)	Concessions' net financial debt(*)
€2.9 billion of cash - €2.3 billion of financial debt = €0.6 billion of net cash	€0.9 billion of cash at APRR - €8.9 billion of financial debt (APRR and Eiffarie) - €2.8 billion of net financial debt from other concessions and PPP = €10.8 billion of net financial debt from Concessions

Appendix 6: IFRS aggregate reconciliation tables

Free cash flow

Reconciliation between the aggregates of the cash flow table and the free cash flow is as follows:

(in millions of euros)	H1 2020	H1 2021
Net cash from operating activities	104	525
Net operating investments	- 357	- 359
Repayment of lease liabilities	- 120	- 177
Free cash flow	- 373	- 11

Net financial debt

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

(in millions of euros)	H1 2020	H1 2021
Cash and cash equivalents	4,186	4,198
Non-current borrowings	- 11,622	- 11,665
Loans and other borrowings	- 2,892	- 2,565
Part of non-current borrowings due within one year	- 900	- 432
Restatement of derivative financial instruments and CNA debt reassessment	303	231
Net financial debt	- 10,925	- 10,233

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 that deriving from the application, since 1 January 2019, of IFRS 16 Leases, the fair value of the debt owed to Caisse Nationale des Autoroutes (CNA) and of derivative instruments.
Free cash flow	Free cash flow is calculated as follows: Net cash from operating activities - net operating investments - repayments of lease liabilities - debt repayments from PPP contracts
Operating margin	Operating profit/(loss) on ordinary activities as a percentage of revenue.
Like-for-like or at constant scope and exchange rate	Constant scope is calculated by neutralising: the 2021 contribution made by companies consolidated for the first time in 2021; the contribution made by companies consolidated for the first time in 2020 in the period of 2021 equivalent to that of 2020 which preceded their first-time consolidation; the contribution made in 2020 by companies deconsolidated in 2021 for the period equivalent to that of 2021 after they were deconsolidated; the 2020 contribution made by companies deconsolidated in 2020. Constant exchange rate: 2020 exchange rates applied to 2021 revenue in foreign currency.
Group liquidity	The Group's liquidity is calculated as follows: cash and cash equivalents managed by Eiffage SA. and its Contracting subsidiaries + undrawn credit line(s) of Eiffage SA
APRR liquidity	APRR's liquidity is calculated as follows: cash and cash equivalents managed by APRR SA. + undrawn credit line(s) of APRR SA

Appendix 8: Financial calendar

	Eiffage	APRR
Results for the first half of 2021 and financial analysts' meeting	25.08.2021	25.08.2021
Quarterly information and revenue for the third quarter of 2021	03.11.2021	19.10.2021
Quarterly information and revenue for the fourth quarter of 2021	23.02.2022	N/A
2021 annual results and financial analysts' meeting	23.02.2022	23.02.2022
Quarterly information and revenue for the first quarter of 2022	10.05.2022	19.04.2022
General Meeting	20.04.2022	/
Quarterly information and revenue for the second quarter of 2022		19.07.2022
Results for the first half of 2022 and financial analysts' meeting	31.08.2022	30.08.2022
Quarterly information and revenue for the third quarter of 2022	03.11.2022	19.10.2022

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