Vélizy-Villacoublay, 28 August 2019

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Sales[1]: €8.5bn (+11.6%)
Operating profit on ordinary activities: €836m (+3.7%)
Net profit Group share: €290m (+33.6%)
Net debt[2]: €10.7bn (stable[3] over 12 months)
Contracting order book: €14.9bn (+3% over 12 months)

Press release

1st semester 2019 results

Growth dynamic confirmed and major successes in Concessions

- **Strong increases in sales for Contracting activities (+14%), both in France (+14.3%) and abroad (+13.2%). Sales contributed by Concessions edged higher (+1.3%) despite a slight decline in motorway traffic in France.**
- **Operating profit increased for both Contracting (+16.2%) and Concessions (+1.8%). 33.6% increase in the net profit Group share.**
- **Renewal of Concessions portfolio (Route Centre-Europe Atlantique and Lille airport).**

On the basis of these semi-annual results and the solid order book (+3% over one year to almost €15bn), Eiffage confirms its guidance as regards the growth of its activity and of its results for the entire year 2019.

The Board of Directors of Eiffage met on 28 August 2019 to approve the financial statements for the first half of 2019[4].

Activity

Consolidated sales for the first half of 2019 reached more than €8.5bn, up by 11.6% on a reported basis and by 9.1% on a like-for-like basis (lfl).

Sales contributed by the Contracting activities increased by 14.0% to more than €7.1bn (10.8% lfl). Sales reached €4.9bn in France (up by 14.3% on a reported basis and by 12.5% lfl) and almost €2.2bn in the rest of the world, up by 13.2%, of which 5.8% or €113m due to the acquisition in Switzerland (Eiffage Suisse) and in the Netherlands (Kropman) in 2018.

Europe, which is the preferred target of the international development, now represents 26% of the Contracting sales.

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(1) Excluding Ifric 12)
(2) Excluding debt IFRS 16, the fair value of the CNA debt and swaps.
(3) Restated from the part of the financial lease debt IAS 17 (debt published on 30 June 2018 of €11.0bn minus financial lease debt of €0.3bn).
(4) The audit procedures have been completed and the limited examination report of the accounts has been issued.

At the Construction division, sales increased by 10.0% to €2.02bn (up by 8.0% in France and by 15.9% in the rest of the world, of which 15.3% attributable to the contribution made by Eiffage Suisse). In property development, reservations for new housing units reached 2,534 units compared to 2,237 units in the first half of 2018.
At the Infrastructure division, sales increased by 21.1% to €3.0bn. There was an overall increase of 29.4% in France, with increases of 14.3% for road construction, 57.5% for civil engineering (due notably to the ramping up of work on the Grand Paris Express) and 9.1% for metallic construction. The division continues to expand internationally (7.5% increase, of which a 5.2% increase in Europe).

At the Energy Systems division, sales increased by 8.6% to €2.1bn (up 3.8% in France and 21.0% in the rest of the world).

In Concessions, the evolution in motorway traffic (down 1.1% on the APRR network, up 1.3% on the A65 motorway and down 2.0% on the Millau viaduct and up 32.2% on the Autoroute de l'Avenir motorway in Senegal) and the contributions made by other concessions and public-private partnerships paved the way for an overall 1.3% increase in sales to more than €1.4bn.

In the second quarter, activity increased by 8.3%, with another upbeat performance by Contracting (9.9% increase) and further slight growth for Concessions (0.3% increase).

Results

Operating profit on ordinary activities increased by 3.7% to €836m (with a 16.2% increase for Contracting activities, for a 14.0% increase in sales).

At the Construction division, the operating margin inched lower to 3.4% (3.6% in June 2018), chiefly because of building activities in France, as the profitability of the property development activity and building activities in the rest of Europe continued to improve.

At the Infrastructure division, the operating margin evolves from -1.3% in the first half of 2018 to -1.0% in the first half of 2019, buoyed by the growth momentum in Civil Engineering and Road Construction in France as well as in the rest of the world.

At the Energy Systems division, the operating margin continued to rise and reached 3.6% (3.4% in June 2018).

Overall, the operating margin of the Contracting activities was stable at 1.6%, their contribution to the operating profit on ordinary activities increasing from €99m in the first half of 2018 to €115m in the first half of 2019.

At Concessions, the operating margin improved to 51.6% (51.3% in 2018). There was another increase APRR's Ebitda margin, to 76.4% (76.0% in June 2018).

Net finance costs declined by €88m to €135m in the first half thanks to the extinction of Eiffarie's interest rate swaps in June 2018 and to the refinancing of the APRR bond tranches completed in 2018 and 2019.

As a result of the reduction in net finance costs and of the increase in operating profit, net profit Group share increased by 33.6% to €290m (€217m in June 2018).

Financial situation

Net financial debt, excluding IFRS 16 debt, the fair value of the CNA debt and swaps, amounted to €10.7bn, stable over 12 months(3), taking into account the growth capex done since June 2018 (notably the stake ownership in Getlink) and of the free cashflow generation.

Free cash flow is traditionally negative during the first half of the year amounted to minus €135m versus minus €221m in the first half of 2018, despite APRR increased Capex (motorway investment plans). This improvement comes from the increase in EBITDA as well as the reduction in interest paid.

The Group's liquidity amounted to €4.1bn at 30 June 2019 (€2.7bn at the end of June 2018) and consists of available net cash of €2.1bn and an unused credit line amounting to €2bn.

Financing

On 14 May 2019, Eiffage increased to €2bn its credit line incorporating social and environmental criteria. Signed for a period of five years with two possible one-year extensions, this line does not feature any default clause that would be triggered by non-compliance with financial ratios. On the other hand, the margin on this facility will partially depend on the Group's performances with regard to health and safety as well in reducing its carbon footprint. This new facility is intended for Eiffage's general corporate purposes and has been substituted for the existing undrawn €1bn credit line maturing in April 2021.

As for APRR, on 10 January 2019, it successfully placed €0.5bn of 9-year bonds (maturing in January 2028) offering a 1.25% coupon.

2019 outlook

The Group has been proactive in renewing its Concessions portfolio:

- On 13 June 2019, the French Ministry for Ecological and Inclusive Transition announced that it had chosen the consortium comprising Eiffage (lead) and APRR as "single preferred concessionaire" for the 48-year concession to be awarded for the Route Centre-Europe Atlantique (RCEA) motorway project;

- On 12 July 2019, the consortium formed by Eiffage (majority interest) and Aéroport Marseille-Provence was awarded the 20-year concession for the Lille airport.

These two concessions will require significant investments that will be carried out by the Group's Contracting subsidiaries. They form part of the Group's strategy aimed at developing concessions in geographical areas where Eiffage has a lasting presence.

The Contracting order book amounted to €14.9bn at 30 June 2019, up by 3% over one year (-2% over 3 months). It represents 12.3 months of Contracting activity.

Therefore, Eiffage regarding growth in the Group's sales and an increase in its results over the whole of 2019.

A more detailed presentation of the financial statements for the six months ended 30 June 2019, in French and English, is available on the company's website: www.eiffage.com.

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APPENDICES

Appendix 1: Sales by division for the 1st half

In millions of euros	**H1 2018**	**H1 2019**	**Change** Actual consolidation scope	 Like-for-like (lfl)
Construction	1,835	2,018	*+10.0%*	*+6.8%*
Of which property development	*369*	*445*	-	-
Infrastructure	2,476	2,998	*+21.1%*	*+18.2%*
Energy Systems	1,935	2,102	*+8.6%*	*+5.5%*
Total Contracting	6,246	7,118	*+14.0%*	*+10.8%*
Concessions (excluding Ifric 12)	1,399	1,417	*+1.3%*	*+1.3%*
Total Group (excluding Ifric 12)	**7,645**	**8,535**	***+11.6%***	***+9.1%***
Of which:				
France	5,684	6,313	*+11.1%*	*+9.8%*
International	1,961	2,222	*+13.3%*	*+7.1%*
Europe excluding France	*1,584*	*1,843*	*+16.4%*	*+9.0%*
Rest of the world	*377*	*379*	*+0.5%*	*-0.5%*
Construction revenue of Concessions (Ifric 12)	128	176		nm

Sales by division for the 2nd quarter

In millions of euros	**Q2 2018**	**Q2 2019**	**Change**
Construction	1,036	1,095	*+5.7%*
Of which property development	*195*	*240*	
Infrastructure	1,459	1,680	*+15.1%*
Energy Systems	1,038	1,109	*+6.8%*
Sub-total Contracting	3,533	3,884	*+9.9%*
Concessions (excluding Ifric 12)	733	735	*+0.3%*
Total Group (excluding Ifric 12)	**4,266**	**4,619**	***+8.3%***
Construction revenue of Concessions (Ifric 12)	86	106	nm

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Appendix 2: Operating profit on ordinary activities and margin

In millions of euros	**H1 2018**	**% of sales**	**H1 2019**	**% of sales**	***Change***
Construction	66	3.6%	69	3.4%	+4.5%
Infrastructure	(33)	-1.3%	(29)	-1.0%	+12.1%
Energy Systems	66	3.4%	75	3.6%	+13.6%
Sub-total Contracting	***99***	***1.6%***	***115***	***1.6%***	***+16.2%***
Concessions	718	51.3%	731	51.6%	+1.8%
Holding	(11)		(10)		
Total Group	**806**	**10.5%**	**836**	**9.8%**	**+3.7%**

Appendix 3: Consolidated financial statements

The IFRS 16 norm on renting contracts poses for a unique accounting method for the taker, as such, contracts are included in the balance sheet with a corresponding debt corresponding to the rent payment obligation and an asset corresponding to the usage right of the rented good.

Within the Group, rent contracts are principally linked to real estate, plants with the Construction and Infrastructure divisions (notably in Civil engineering) as well as vehicles.

The Group has applied the IFRS 16 norm according to the simplified retrospective method : the impact of the first application as at 1st January 2019 is accounted for in equity. The effects on the balance sheet items at this date are presented in the semester financial report available on www.eiffage.com.

In the P&L, the renting charge is being substituted by the amortisation of the usage right and the interest on the debt.

The usage right of the rented assets as well as the leasing debt including their portion due within one year are visible in specific balance sheet lines.

Simplified consolidated income statement

In millions of euros	**H1 2018**	**H1 2019**	**Change**
Sales(1)	**7,645**	**8,535**	**+11.6%**
Operating profit on ordinary activities	**806**	**836**	**+3.7%**
(% of sales)	-10.5%	-9.8%	
Other income (expenses) from operations	(20)	(18)	
Operating profit	**786**	**818**	**+4.0%**
Net finance costs	(223)	(135)	-39.4%
Other financial income (expenses)	(12)	3	
Financial income (expenses)	**(235)**	**(132)**	
Share of profit (loss) of equity-method investments	4	7	
Income tax	(179)	(205)	
Profit for the period	**376**	**488**	
Non-controlling interests	159	198	
Profit for the period attributable to the holders of the parent company	**217**	**290**	**+33.6%**

(1) Excluding Ifric 12

Simplified consolidated statement of financial position

In millions of euros	30/06/2018	30/06/2019
Assets	**18,126**	**18,986**
Non-current assets - Concessions	13,328	13,142
Non-current assets - Holding and Contracting	4,798	5,844
Equity and liabilities	**18,126**	**18,986**
Equity	5,331	5,686
Of which attributable to the holders of the parent company	*4,429*	*4,792*
Of which attributable to non-controlling interests	*902*	*894*
Net debt (excluding fair value of CNA debt and of swaps)	11,000	10,732
Lease debt IFRS16	-	777
Net current liabilities	246	143
Net non-current liabilities (including fair value of CNA debt and of swaps)	1,549	1,648

Simplified consolidated statement of cash flows

In millions of euros	H1 2018	2018	H1 2019
Cash flow from operations	735	1 800	1,011
Change in working capital requirements	(537)	(125)	(518)
Other[1]	(200)	(76)	(206)
Net cash from (used in) operating activities	**(2)**	**1,599**	**287**
Net operating investments	**(219)**	**(607)**	**(422)**
Free cash flow	**(221)**	**992**	**(135)**
Net financial investments	(161)	(528)	(39)
Change without flows	1	(105)	17
Dividends & capital movements	(244)	(528)	(390)
Change in net financial debt[2]			
Concessions	*184*	*209*	*98*
Holding and Contracting	*(809)*	*(378)*	*(286)*
[1] Difference between interest paid and recognised and between tax paid and recognised [2] Excluding IFRS 16 debt, fair value of CNA debt and of swaps	*138*	*158*	*1,036*

Appendix 4: Order book by division

In billions of euros	**30 June 2018**	**30 June 2019**	***Change over 1 year***	***Change over 3 months***
Construction	4.5	4.5	=	*-1%*
Infrastructure	6.6	6.9	*+5%*	*-4%*
Energy Systems	3.3	3.4	*+5%*	*-2%*
Total Contracting	**14.4**	**14.9**	***+3%***	***-2%***
Property Development	0.6	0.6	*-3%*	*+8%*
Concessions	1.1	1.1	*-3%*	*-1%*

Appendix 5: Glossary

Item	Definition
Construction revenue of Concessions (Ifric 12)	The construction revenue of concessions corresponds to costs relating to services to build or improve the infrastructure committed by the concession operator determined in accordance with the requirements of Ifric 12, “Service Concession Arrangements”, after elimination of intragroup operations.
Contracting activities order book	Portion of signed contracts not executed.
Net financial debt excluding IFRS 16 debt, fair value of CNA debt and of swaps	Net financial debt excluding debt from IFRS16 applied since January 1 2019 and the fair value of the debt owed to Caisse Nationale des Autoroutes (CNA) and of the swaps.
Current operating margin	Operating profit on ordinary activities expressed as a percentage of sales.
Like-for-like (lfl)	Means at constant consolidation scope and constant exchange rates. Constant consolidation scope: calculated by neutralising: the 2019 contribution made by companies consolidated for the first time in 2019; the 2019 contribution made by companies consolidated for the first time in 2018, for the period equivalent to that in 2018 before they were consolidated for the first time; the 2018 contribution made by companies deconsolidated in 2019, for the period equivalent to that in 2019 after they were deconsolidated; the 2018 contribution made by companies deconsolidated in 2018. Constant exchange rates: 2018 exchange rates applied to 2019 local currency sales.