

Appendix

Consolidated income statement

<i>In thousands of euros</i>	2017	2016 Restated*
Revenue	6,127,993	4,952,313
Other income	56,612	33,145
Operating expenses	(5,864,742)	(4,675,629)
Recurring operating income	319,863	309,829
Other operating expense	(67,922)	(27,453)
Other operating income	11,123	11,634
Operating income	263,065	294,010
Net income (loss) from companies accounted for under the equity method	490	426
Operating income including companies accounted for under the equity method	263,555	294,436
Interests charges and losses from cash equivalents	(58,275)	(38,878)
Gains from cash equivalents	581	187
Costs of net financial debt	(57,694)	(38,691)
Other financial expenses	(32,902)	(34,545)
Other financial incomes	14,819	21,353
Other financial incomes and expenses	(18,083)	(13,192)
Pre-tax income	187,778	242,553
Income tax expense	(72,273)	(46,869)
Net income from continuing operations	115,505	195,684
Net income from discontinued operations	(4,033)	(11,652)
NET INCOME	111,472	184,032
Net income from continuing operations attributable to:		
. Owners of the parent	114,435	195,672
. Non-controlling interests	1,070	12
	115,505	195,684
Net income attributable to:		
. Owners of the parent	110,402	184,020
. Non-controlling interests	1,070	12
	111,472	184,032

* Restated in accordance with IFRS 5 (refer to notes to 2017 consolidated financial statements for further details)

Press contacts

SPIE
Pascal Omnès
Group Communications Director
Tel. + 33 (0)1 34 41 81 11
pascal.omnes@spie.com

SPIE
Thomas Guillois
Investor Relations Director
Tel. + 33 (0)1 34 41 80 72
thomas.guillois@spie.com

Brunswick
Agnès Catineau
Tel. + 33 (0)1 53 96 83 84
acatineau@brunswickgroup.com

Reconciliation between revenue (as per management accounts) and revenue under IFRS

<i>In millions of euros</i>		2017	2016 Restated*
Revenue (as per management accounts)		6,126.9	4,941.4
Sonaid	(a)	(7.8)	(14.3)
Holding activities	(b)	17.8	23.0
Others	(c)	(8.9)	2.2
Revenue under IFRS		6,128.0	4,952.3

* Restated in accordance with IFRS 5 (refer to notes to 2017 consolidated financial statements for further details)

- (a) SONAID is consolidated using the equity method in the Group's consolidated accounts whereas it is accounted proportionally (55%) in management accounts.
- (b) Non-Group revenue of SPIE Operations and other non-operational entities.
- (c) Re-invoicing of services provided by Group entities to non-managed joint ventures; re-invoicing to non-Group entities that do not correspond to operational activity (essentially re-invoicing of expenses incurred on behalf of partners); restatements of revenues from equity-accounted or non-consolidated entities.

Reconciliation between EBITA and Operating income

<i>In millions of euros</i>		2017	2016 Restated*
EBITA		388.0	341.9
Amortisation of allocated goodwill	(a)	(59.8)	(30.9)
Restructuring costs	(b)	(44.5)	(17.2)
Financial commissions		(1.6)	(1.8)
Minority interests		(1.6)	0.1
Other non-recurring items	(c)	(16.9)	2.3
Operating Income (including equity-accounted companies)		263.6	294.4

* Restated in accordance with IFRS 5 (refer to notes to 2017 consolidated financial statements for further details)

- (a) In 2017, amortisation of allocated goodwill includes €41.1 million pertaining to SAG.
- (b) In 2017, restructuring costs mainly relate to SAG integration (€16.2 million), reorganisation in France (€13.3 million) and restructuring of Oil & Gas activities (€13.5 million).
- (c) In 2017, Other non-recurring items mainly include costs related to external growth project (€8.9 million), and the recognition of a cost related to the free share plan allocation, in accordance with IFRS 2 (€5.1 million).

In 2016, Other non-recurring items included the capital gain subsequent to the change in consolidation method of SONAID pursuant to IFRS 11 (€5.3 million), and costs relating to external growth projects (€2.4 million).

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SPIE
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Group Communications Director
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pascal.omnes@spie.com

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Investor Relations Director
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Consolidated balance sheet

<i>In thousands of euros</i>	Dec. 31, 2017	Dec. 31, 2016
Non-current assets		
Intangible assets	1,075,590	777,366
Goodwill	3,015,955	2,207,341
Property, plant and equipment	180,446	99,923
Investments in companies accounted for under the equity method	3,062	2,913
Non-consolidated shares and long-term loans	65,081	58,421
Other non-current financial assets	5,142	4,633
Deferred tax assets	288,778	235,364
Total non-current assets	4,634,054	3,385,961
Current assets		
Inventories	37,281	24,554
Trade receivables	1,850,370	1,370,872
Current tax receivables	41,586	26,960
Other current assets	246,642	226,361
Other current financial assets	7,881	7,629
Cash management financial assets	4,800	5,500
Cash and cash equivalents	538,541	560,157
Total current assets from continuing operations	2,727,101	2,222,033
Assets classified as held for sale	396,069	15,238
Total current assets	3,123,170	2,237,271
TOTAL ASSETS	7,757,224	5,623,232

<i>In thousands of euros</i>	Dec. 31, 2017	Dec. 31, 2016
Equity		
Share capital	72,416	72,416
Share premium	1,170,496	1,170,496
Consolidated reserves	86,085	(11,844)
Net income attributable to the owners of the parent	110,402	184,020
Equity attributable to owners of the parent	1,439,399	1,415,088
Non-controlling interests	2,949	2,160
Total equity	1,442,348	1,417,248
Non-current liabilities		
Interest-bearing loans and borrowings	1,729,928	1,126,947
Non-current provisions	69,833	49,226
Accrued pension and other employee benefits	721,147	291,974
Other non-current liabilities	7,281	6,066
Deferred tax liabilities	369,134	267,845
Total non-current liabilities	2,897,324	1,742,058
Current liabilities		
Trade payables	990,477	780,008
Interest-bearing loans and borrowings (current portion)	337,552	332,293
Current provisions	139,502	93,225
Income tax payable	34,355	30,425
Other current operating liabilities	1,579,973	1,211,062
Total current liabilities from continuing operations	3,081,859	2,447,013
Liabilities associated with assets classified as held for sale	335,694	16,913
Total current liabilities	3,417,553	2,463,926
TOTAL EQUITY AND LIABILITIES	7,757,224	5,623,232

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Group Communications Director
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Net debt

<i>In millions of euros</i>	Dec. 31, 2017	Dec. 31, 2016
Loans and borrowings per balance sheet	2,067.5	1,459.2
Capitalized borrowing costs	13.9	11.4
Others*	(16.3)	(0.7)
Gross financial debt (a)	2,065.1	1,469.9
Cash management financial assets per balance sheet	4.8	5.5
Cash and cash equivalent per balance sheet	538.5	560.2
Accrued interest	-	0.1
Gross cash (b)	543.3	565.8
Consolidated net debt (a) – (b)	1,521.8	904.1
(-) Cash held in discontinued activities	18.8	7.0
Unconsolidated net cash	(8.7)	(1.7)
Net debt	1,531.9	909.4

(*) "Others" in 2017 includes accrued interests on the Bond for €14.6m.

Bank debt refinancing: cost of new facilities

The tables below present the costs of new bank facilities which were fully-committed in March 2018 (€1,200 million term loan and €600 million revolving credit facility) compared to that of facilities in place at present date (€1,125 million term loan and €400 million revolving credit facility). These costs are margins added to EURIBOR (or any other applicable base rate) and vary with leverage ratio. In addition, a utilisation fee ranging from 0.10% p.a. to 0.40% p.a. will apply to the new revolving credit facility (no utilisation fee accrues on the existing revolving credit facility).

Term loan

<u>Leverage ratio</u>	<u>New facility</u>	<u>Existing facility</u>
Higher than 4.0x	2.250%	2.625%
Higher than 3.5x up to 4.0x	2.000%	2.625%
Higher than 3.0x up to 3.5x	1.700%	2.375%
Higher than 2.5x up to 3.0x	1.550%	2.125%
Higher than 2.0x up to 2.5x	1.400%	1.875%
Up to 2.0x	1.250%	1.625%

Revolving Credit Facility

<u>Leverage ratio</u>	<u>New facility</u>	<u>Existing facility</u>
Higher than 4.0x	1.950%	2.525%
Higher than 3.5x up to 4.0x	1.600%	2.525%
Higher than 3.0x up to 3.5x	1.300%	2.275%
Higher than 2.5x up to 3.0x	1.150%	2.025%
Higher than 2.0x up to 2.5x	1.000%	1.775%
Up to 2.0x	0.850%	1.525%

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Consolidated cash flow statement

In thousands of euros

	2017	2016 Restated
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	518,534	551,800
Operating activities		
Net income	111,472	184,032
Loss from companies accounted for under the equity method	(490)	(426)
Depreciation, amortisation, and provisions	128,658	47,914
Proceeds on disposals of assets	(1,071)	2,473
Dividend income	-	-
Income tax expense	77,209	44,065
Elimination of costs of net financial debt	59,476	39,217
Other non-cash items	3,704	(229)
Internally generated funds from (used in) operations	378,958	317,046
Income tax paid	(62,403)	(58,057)
Changes in operating working capital requirements	(19,507)	99,006
Dividends received from companies accounted for under the equity method	350	350
Net cash flow from (used in) operating activities	297,398	358,345
Investing activities		
Effect of changes in the scope of consolidation	(185,627)	(170,803)
Acquisition of property, plant and equipment and intangible assets	(44,819)	(36,449)
Net investment in financial assets	(59)	(80)
Changes in loans and advances granted	2,491	1,164
Proceeds from disposals of property, plant and equipment and intangible assets	8,711	8,348
Proceeds from disposals of financial assets	8	282
Dividends received	-	-
Net cash flow from (used in) investing activities	(219,295)	(197,538)
Financing activities		
Issue of share capital	11	(53)
Proceeds from loans and borrowings	607,325	931
Repayment of loans and borrowings	(513,278)	(63,874)
Net interest paid	(47,549)	(35,755)
Dividends paid to owners of the parent	(106,312)	(77,038)
Dividends paid to non-controlling interests	(344)	(544)
Net cash flow from (used in) financing activities	(60,147)	(176,333)
Impact of changes in exchange rates	(16,377)	(17,741)
Impact of changes in accounting policies	-	-
Net change in cash and cash equivalents	1,579	(33,267)
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	520,113	518,534

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2017 bolt-on acquisitions

Company	Date of acquisition	Country	Activity	People employed	Revenue (in €m)
AD Bouman BV	03/01/2017	Netherlands	Installation services, incl. electro-technical work, heating systems, air conditioning, climate control and security in non-food retail spaces for national and international retailers.	22	5
Maintenance Mesure Contrôle (MMC)	25/01/2017	France	Predictive maintenance on French electro-nuclear sites (acoustic control, air leakage tests and infrared thermography).	15	3
PMS Sicherheitstechnik + Kommunikation GmbH (PMS)	06/04/2017	Germany	Security and communications, from design and planning to installation and maintenance of fire detection, burglar alarm and access control systems, as well as smoke and heat extraction systems.	24	3
Lück Group	13/04/2017	Germany	Holistic building technology services and data centre solutions (design, consulting, installation and maintenance of HVAC, electro-technical, security and communication solutions).	1,000	130
Mer ICT	01/05/2017	Netherlands	Provider of integrated communication solutions: (business telephony, connections and infrastructure, solutions for domotics in the healthcare sector and so-called collaboration applications).	20	4
JM Electricité	12/07/2017	France	Electrical installation works in the housing and tertiary sectors for private customers as well as public communities.	22	5
Probia Ingénierie	20/07/2017	France	Design and delivery of automated industrial equipment for material handling.	11	3
Ziut B.V.	08/09/2017	Netherlands	Installation, management and maintenance of public lighting, traffic control systems and video surveillance.	440	114
Alewijnse Retail	14/11/2017	Netherlands	Design and implementation of retail modification plans, as well as maintenance management and development of tailor-made solutions	20	6
Inmeco	04/12/2017	Netherlands	Commissioning, prevention, maintenance and repairing of industrial instrumentation devices	4	1
S-Cube	20/12/2017	France	Design, integration and maintenance of digital infrastructure, especially data centre solutions and hyperconvergence.	42	47

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2017 pro forma

Pro-forma indicators are intended to provide a more comprehensive economic vision which incorporates the income statement over 12 months of companies acquired during 2017 irrespective of the initial consolidation date.

<i>In millions of euros</i>	Revenue	EBITA	EBITA margin
FY17 reported	6,126.9	388.0	6.3%
<i>Pro forma adjustments:</i>			
SAG (Q1)	205.8	(3.9)	
Ziut (8 months)	70.9	(3.0)	
Other 2017 acquisitions	97.5	2.9	
FY17 pro forma	6,501.1	384.0	5.9%

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