Cergy, March 27th 2020

After a very solid 2019, leading to a record backlog, and an excellent start to the year, SPIE is now facing significant operational disruptions related to the Covid-19 epidemic. The Group is implementing all appropriate actions to protect its employees and stakeholders, and to limit the consequences on its operations and financial results, relying in particular on its strong liquidity. SPIE is suspending its 2020 guidance and will provide an updated one when the situation firms up.

In the first two months of 2020, SPIE delivered organic revenue growth despite a particularly high comparison basis, with robust activity levels and dynamic order intake in its main geographies. Such trends carried on until mid March. SPIE’s activity was then abruptly affected by the containment measures successively taken in several European countries, starting with France on March 17th 2020.

A major part of SPIE’s services are vital to communication networks, energy and transportation infrastructure, health facilities, pharmaceutical and food industries, or public authorities. More generally, our services are essential to the integrity of customers’ assets. An important share of these services need to be performed even in a confinement situation, and continuity plans have been put in place with our customers accordingly. However, and depending on how severely our clients are themselves impacted by the sanitary constraints, a significant part of our services can, for a limited period of time, be suspended or postponed.

Since the beginning of containment measures, our business levels in France and Belgium have been strongly affected; we expect the containment measures decided more recently in the UK and in Switzerland to generate similar impacts. So far, business has remained close to normal in Germany and in the Netherlands. However disruptions are anticipated there too, if and when similar measures are taken.
Keeping as number one priority the health and safety of our employees, subcontractors and customers, SPIE is currently assessing with each of its clients what activities can continue during the containment period.

SPIE is making immediate use of the high flexibility of its cost base and implementing vigorous cost saving actions. The Group will also make use of special government measures implemented across Europe. Taking various shapes, these measures are designed to adjust permanent personnel costs to a lower activity level during the crisis, while protecting employment and allowing for a quick restart when containment measures are lifted.

SPIE has significant financial headroom and is fully confident in its ability to face the current challenges. Liquidity at end December 2019 was in excess of €1.4 billion, including €867 million in net cash and €600 million of undrawn revolving credit facility. This revolving credit facility has now been preemptively fully drawn. The Group is facing no debt maturity before 2023. In addition, SPIE’s bank debt is subject to one covenant, measured only at year-end and pertaining to a leverage ratio less than or equal to 4.0x (for reference, SPIE’s leverage at end December 2019 was 2.7x).

On March 11th 2020, upon publication of its 2019 annual results, the Group set out its guidance for 2020 assuming no major deterioration of the Covid-19 situation. In light of recent developments, this guidance is no longer valid. At this point in time, SPIE is not in a position to give an estimate of the impact of the Covid-19 crisis on its 2020 results.

As most of SPIE’s services remain mission-critical to its customers’ operations and can only be postponed to a certain extent, the Group expects to resume full performance of its services once the situation comes back to normal. SPIE has a 120 year-long existence and has successfully gone through several crisis of different natures. Based on the resilience of its business model, the rigor of its cash management, as well as its strong corporate culture and very experienced management team, SPIE is convinced that it will navigate this crisis and come out of it with its fundamentals intact.

A further update on the situation will be provided when SPIE publishes its first quarter financial information, on April 29th, 2020.

About SPIE

As the independent European leader in multi-technical services in the areas of energy and communications, SPIE supports its customers to design, build, operate and maintain energy-efficient and environmentally-friendly facilities.
With about 47,200 employees and a strong local presence, SPIE achieved in 2019 consolidated revenues of €6.9 billion and consolidated EBITA of €416 million.

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Disclaimer

Certain information included in this press release are not historical facts but are forward-looking statements. These forward-looking statements are based on current beliefs, expectations and assumptions, including, without limitation, assumptions regarding present and future business strategies and the environment in which SPIE operates, which is significantly affected by the current health crisis. These forward-looking statements speak only as of the date of this press release. Actual results may be materially different from those expressed or implied by these forward-looking statements. Forward-looking statements and statements are not guarantees of future performances and are subject to risks and uncertainties which are difficult to assess and generally outside of the control of SPIE. In addition to the current health crisis, these risks and uncertainties include those discussed and identified under Chapter 2.1 “Risk factors” of the 2018 registration document of SPIE filed with the Autorité des marchés financiers (AMF) on 17 April 2019, available on the Company’s website (www.spie.com) and the AMF’s website (www.amf-france.org). This press release includes only summary information and does not purport to be comprehensive.