Update on dividend proposal and Shareholders’ General Meeting in the context of the Covid-19 crisis

Cergy, April 8th, 2020

In order to meet the societal challenges imposed by the Covid-19 crisis and its effects on all our stakeholders, SPIE’s Board of Directors has decided today to propose to the Shareholders’ Meeting not to pay a final dividend for 2019. The May 29th, 2020 Combined Shareholders’ General Meeting will exceptionally be held without shareholders physical presence.

Upon a very strong set of 2019 results, combining solid revenue growth, industry-leading EBITA margin, a sharp rebound in net income and a continued high free cash flow generation, SPIE’s Board of Directors proposed, on March 11th, 2020, a dividend of 0.61 euro per share, representing a 5.2% increase on 2018. As every year, this dividend proposal reflected a c. 40% pay-out ratio on the Group’s adjusted net income¹ and was in line with SPIE’s balanced capital allocation between external growth, deleveraging and shareholder return.

As an interim dividend of 0.17 euro per share had been paid in September 2019, this dividend proposal implied a final dividend of 0.44 euro per share, to be paid on June 5th, 2020, subject to shareholders approval at the May 29th, 2020 Shareholders’ General Meeting.

SPIE is mindful of the responsibility imposed on us by this unprecedented health, economic and social crisis, in which significant efforts are being asked on all of the Group’s stakeholders, notably its employees. In order to meet the current societal challenges, the Board of directors has proposed not to pay the final dividend for 2019. It has therefore decided to submit to the vote of the next Shareholders’ General Meeting the payment of a total dividend limited to 0.17 euro per share, strictly corresponding to the interim dividend which was paid in September 2019 (to be compared to the previous proposal of a total dividend of 0.61 euro per share).

¹ Adjusted for the amortisation of allocated goodwill and exceptional items
On March 27th, 2020, SPIE announced that its activities were strongly affected by the containment measures successively taken in several European countries in response to the Covid-19 pandemic. The Group promptly reacted by implementing vigorous cost saving actions, and has started to make use of special government measures designed to adjust permanent personnel costs to a lower activity level during the crisis, while protecting employment and allowing for an efficient restart when containment measures are lifted.

With €1.4 billion liquidity at the beginning of 2020, and no debt maturity before 2023, SPIE has sufficient financial headroom to face the situation and to meet all of its financial commitments, including the initially planned payment of the final dividend. The decision to cancel the final dividend payment is by no means the reflection of cash concerns from SPIE’s management and Board of directors. It is caused by the exceptional context, and dividend will remain at the heart of SPIE’s capital allocation policy going forward.

In solidarity with SPIE employees who will be affected by partial unemployment, SPIE’s Chairman and Chief Executive Officer has decided to cut his remuneration by 25% during the containment period. All Board directors and senior executives have also decided to substantially cut their remuneration during this period.

In order to protect the health and safety of shareholders and employees, SPIE’s Board of directors has also decided to modify the organisation of the Group’s Combined Shareholders’ Meeting on May 29th, 2020. This meeting will exceptionally be held behind closed doors, without the physical presence of shareholders. The procedure for participation to the Shareholders’ Meeting will be detailed in the convening notice to be published shortly, and will be available on the Group’s website at https://www.spie.com/en/finance/annual-general-meeting. We strongly encourage our shareholders to use remote voting in this particular context.

SPIE has a 120 year-long existence and has successfully gone through several crisis of different natures. Based on the resilience and the highly cash-generative nature of its business model, as well as its strong corporate culture and very experienced management team, SPIE is convinced that it will navigate the current Covid-19 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 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.