



ISSUER RATING
LongTerm

OUTLOOK
Stable



ISSUER RATING
ShortTerm

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RATING ACTION AND RATIONALE

- EthiFinance Ratings affirms Bureau Veritas SA's long term rating at A-, maintaining its Stable outlook. Concurrently, we affirm Bureau Veritas's short-term rating of EF1.
- Bureau Veritas ("BV") is a global company specializing in testing, inspection, and certification (TIC) services.
- Our ratings affirmation reflects BV's continued top-line growth, margin expansion, and sustained deleveraging trajectory in the the second year of its LEAP 28 strategic plan. In FY25, the group generated revenue of €6.5bn, partially hampered by negative FX headwinds (c. -3.7% due to the appreciation of EUR against most currencies). However, topline performance was supported by robust organic growth of +6.5% (vs +10.2% in FY24), reflecting increasing demand for sustainability and cybersecurity certification services. Profitability improved yoy, supported by operating leverage, functional scalability gains, and the accretive effect of the food testing divestment. The EthiFinance adjusted net leverage ratio improved slightly to 1.5x at end-25 (vs 1.6x at end-24), on the back of a strong adjusted FFO of c. €894m during the year. We expect this ratio to improve to around 1.3x by end 2028.
- Over our forecast period (2026-28), we incorporate an additional €200m share buyback program announced for 2026, continued bolt-on M&A cash outflow of €100m annually, and steady dividend growth based on a 65% payout ratio. We also expect BV to deliver low-to-mid single-digit organic revenue growth after that the guidance was revised down in Q1 from mid-to-high single digit growth. The main underlying rationale of this cut is the potential exit decision from the Government Services sub-segment (Agrifood & consumer products segment) representing €185m in revenue, and c.3% of group sales in FY25 following a controversy issue regarding some of its contracts in Africa (currently under review). Nevertheless, the group remains well positioned to capture demand from the global buildout of energy infrastructure, as countries are investing across fossil fuels, renewables, and nuclear to secure power supply. The group also benefits from the rapid expansion of data centers driven by AI computing needs. This sub-segment in particular grew organically by 30% in FY25 within the buildings and infrastructure segment (B&I). These dynamics are further supported by tightening regulatory requirements and ongoing supply chain reconfiguration. In particular, US tariffs on Chinese goods have accelerated the relocation of manufacturing and sourcing activities away from China toward Southeast Asia, South Asia, and Latin America.
- BV holds the second-largest market share in the TIC industry, behind Swiss-based SGS. Strategy-wise, the group is executing an active portfolio rotation under its LEAP 28 business strategy, divesting lower-growth, lower-margin activities and reinvesting in higher-growth segments. As of today, the group has already made a 10% rotation in its revenue base, mainly through the exit of food testing and non-core Chinese activities, offset by acquisitions in B&I, renewables and cybersecurity. An additional potential 10% rotation is targeted over the next 12 months through continued selective divestments and bolt-on M&A. In FY25, BV completed 9 bolt-on acquisitions, representing c. €96m of annualised acquired revenue, while finalising the divestment of its food testing business, which generated cash inflow of €156m in proceeds during the year. As outlined by management, the group retains sufficient headroom to pursue larger debt-funded acquisitions, with combined target revenue of more than €100m, provided its reported net leverage ratio remains between 1.0x and 2.0x (1.1x at end-2025). From our perspective, should the financial policy remain unchanged, the rating should remain at its current level, supporting our Stable outlook.
- However, our rating remains slightly constrained by our industry risk assessment of BBB+. This reflects BV's exposure to global supply chain dynamics particularly within consumer products services, where the technology sub-segment continues to face soft demand for wireless and electronic products. Tariff-related dynamics had a mixed but overall limited impact in FY25, with modest disruptions in the oil & petrochemicals segment early in the year. This was partially mitigated by double-digit growth in supply chain & sustainability services, mainly driven by clients increasingly seeking alternative sourcing routes, with flows shifting more towards Asia and Latin America than North America and Europe.
- The TIC industry, which forms part of commercial & professional services, has medium ESG risks under our methodology (heatmap score of between 3 and 3.5). This results in a sector assessment that is not impacted by industry-related ESG considerations. Sustainability assurance and certification business lines constitute a pivotal and rapidly growing sub-sector within the TIC industry.
- According to our rating methodology, the company's ESG policy is advanced, with a score between 0 and 1, which counts positively on our financial assessment and therefore improves our rating accordingly. As a consultancy firm providing guidance on sustainability initiatives and facilitating their evaluation, BV has continued its string ESG performance on all fronts with lower energy and GHG emissions intensities yoy.

ISSUER DESCRIPTION

Headquartered in France, Bureau Veritas (BV) is a leading player in the testing, inspection, and certification (TIC) industry. It has expertise in various sectors, including consumer products, commodities, industrial activities, and marine & offshore facilities. Through its 6 business divisions, BV provides B2B quality control solutions and operates as an independent entity to grant accreditations. It operates in various end-markets through its 84,000 employees, serving c. 400,000 clients in over 140 countries. The group maintains a well-balanced geographic portfolio, with Europe representing 36% of its FY25 revenues, followed closely by the Asia-Pacific region (APAC) at 29%, and the Americas at 25%. Bureau Veritas also has limited client concentration risk, as its 25 largest clients collectively accounted for only 12% of total revenue in FY25. BV is listed on the Paris stock exchange, and was recently included in the French CAC40 index, with a market capitalization of c. €13bn, as of 29 April 2026. BV's shareholder base is anchored by Wendel (22.7%) and BNP Paribas (7.7%), with a free float of 60.7%.

For FY25, the group reported revenues of €6.5bn for €1.3bn in adjusted EBITDA. The EthiFinance Ratings-adjusted net leverage ratio stood at 1.5x at end-2025.

LIQUIDITY

- **Excellent liquidity profile with strong refinancing capacities**

We consider BV's liquidity profile to be 'Superior', as the company can repay all its upcoming debt maturities without refinancing for more than two years. BV's good access to the bond market and solid relationships with its bank pool further support our assessment.

CREDIT METRICS EXPECTED EVOLUTION (CMEE)

- **Stable CMEE**

We have a Stable CMEE for BV, as we expect credit metrics to remain broadly unchanged over the next twelve months.

MODIFIERS

CONTROVERSIES

Following its Q1 2026 results, BV disclosed compliance deviations within its Government Services sub-segment, which led to the termination of certain contracts in Africa. The company has voluntarily reported the matter to the French authorities and initiated a review of a full exit from this legacy activity. At the same time, the group revised its FY26 organic growth guidance to mid-single-digit growth, from mid-to-high single-digit growth, due to the corresponding potential financial loss of €185m in revenue for FY26 (c.3% of group sales in FY25).

While we view this compliance breach as a controversy with a financial impact already reflected in our forecasts, we do not believe a controversy modifier is warranted, as we do not expect any additional impact on the business model beyond what we have already factored in. We will nevertheless continue to monitor the situation closely.

MAIN FINANCIAL FIGURES AND FORECASTS

Main financial figures. millions of EUR						
	FY24	FY25	FY26e	FY27e	FY28e	25vs24
Turnover	6 241	6 466	6 535	6 730	6 956	3.6%
Adj EBITDA ⁽¹⁾	1 240	1 330	1 324	1 374	1 427	7.2%
Adj EBITDA Margin ⁽¹⁾	19.9%	20.6%	20.3%	20.4%	20.5%	0.7pp
EBIT	920	961	952	992	1 034	4.5%
EBIT Margin	14.7%	14.9%	14.6%	14.7%	14.9%	0.1pp
EBT	823	873	855	897	944	6.1%
Total Assets	7 195	7 196	7 495	7 374	7 674	0.0%
Equity	2 036	1 753	1 758	1 986	2 227	-13.9%
Adj Total Financial Debt ⁽²⁾	3 174	3 347	3 626	3 235	3 245	5.4%
Adj Net Financial Debt ⁽²⁾	1 970	1 980	2 099	1 986	1 858	0.6%
Equity/TFD ⁽²⁾	64.1%	52.4%	48.5%	61.4%	68.6%	-11.8pp
Adj NFD/Adj EBITDA ^{(1) (2)}	1.6x	1.5x	1.6x	1.4x	1.3x	-0.1x
Adj Funds From Operations	864	894	948	987	1 032	3.4%
Adj FFO/Adj NFD ⁽²⁾	43.9%	45.1%	45.2%	49.7%	55.5%	1.3pp
Adj EBITDA/Adj Interest ⁽¹⁾	12.8x	15.1x	13.7x	14.4x	16.0x	2.3x

(1) Adj EBITDA includes restructuring expenses

(2) Adjusted Debt includes IFRS 16, pension benefits, earn-outs and other debt-like items

RATING SNAPSHOT

Credit Rating	
Business Risk Profile	A-
Industry risk assessment	BBB+
Industry's ESG	Neutral
Competitive Positioning	A-
Governance	A-
Financial Risk Profile	A-
Cash flow and leverage	A-
Capitalisation	BB-
Company's ESG	Positive
Anchor Rating	A-
Modifiers	-
Final Rating	A-

RATING SENSITIVITY

- List of ratings:
 - LT corporate rating: A-
 - ST corporate rating: EF1

- Ratings Positive factors (↑)**

An upgrade of our long-term rating would derive from a significant improvement of credit metrics, notably a net adjusted leverage ratio of 0.9x and/or an interest coverage ratio above 20.0x, on a sustained basis. An upgrade is also contingent upon the overall TIC market growth.

An upgrade of our short-term rating would result from an upgrade of our long-term rating to A along with at least a Stable CMEE.

- Ratings Negative factors (↓)**

A downgrade of our long-term rating could occur should the company's credit metrics deteriorate, such as an adjusted net leverage above 1.8x, and/or an interest coverage ratio of below 10.0x, on a sustained basis. This could result from a strong fall in profitability.

A downgrade of our short-term rating would result from a significant downgrade of our long-term rating used as a reference, and therefore seems improbable at present.

Sources of information

The credit rating issued in this report is unsolicited. The credit rating is based exclusively on public information, being the main sources the following:

1. Annual Audit Report.
2. Corporate Governance Report.
3. Corporate Website.
4. Information published in the Official Bulletins.

The information was thoroughly reviewed to ensure that it is valid and consistent, and is considered satisfactory. Nevertheless, EthiFinance Ratings assumes no responsibility for the accuracy of the information and the conclusions drawn from it.

Level of the rated entity participation in the rating process

Unsolicited Credit Rating	
With Rated Entity or Related Third Party Participation	NO
With Access to Internal Documents	NO
With Access to Management	NO

Additional information

- The rating was carried out in accordance with Regulation (EC) N°1060/2009 of the European Parliament and the Council of 16 September 2009, on credit rating agencies. Principal methodology used in this research are :
 - Corporate Rating Methodology - General : <https://www.ethifinance.com/download/corporate-rating-methodology-general/?wpdmdl=35203>
- The rating scale used in this report is available at <https://www.ethifinance.com/en/ratings/ratingScale>.
- EthiFinance Ratings publishes data on the historical default rates of the rating categories, which are located in the central statistics repository CEREP, of the European Securities and Markets Authority (ESMA).
- In accordance with Article 6 (2), in conjunction with Annex I, section B (4) of the Regulation (EC) No 1060/2009 of the European Parliament and of the Council of 16 September 2009, it is reported that during the last 12 months EthiFinance Ratings has not provided ancillary services to the rated entity or its related third parties.
- The issued credit rating has been notified to the rated entity, and has not been modified since.

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