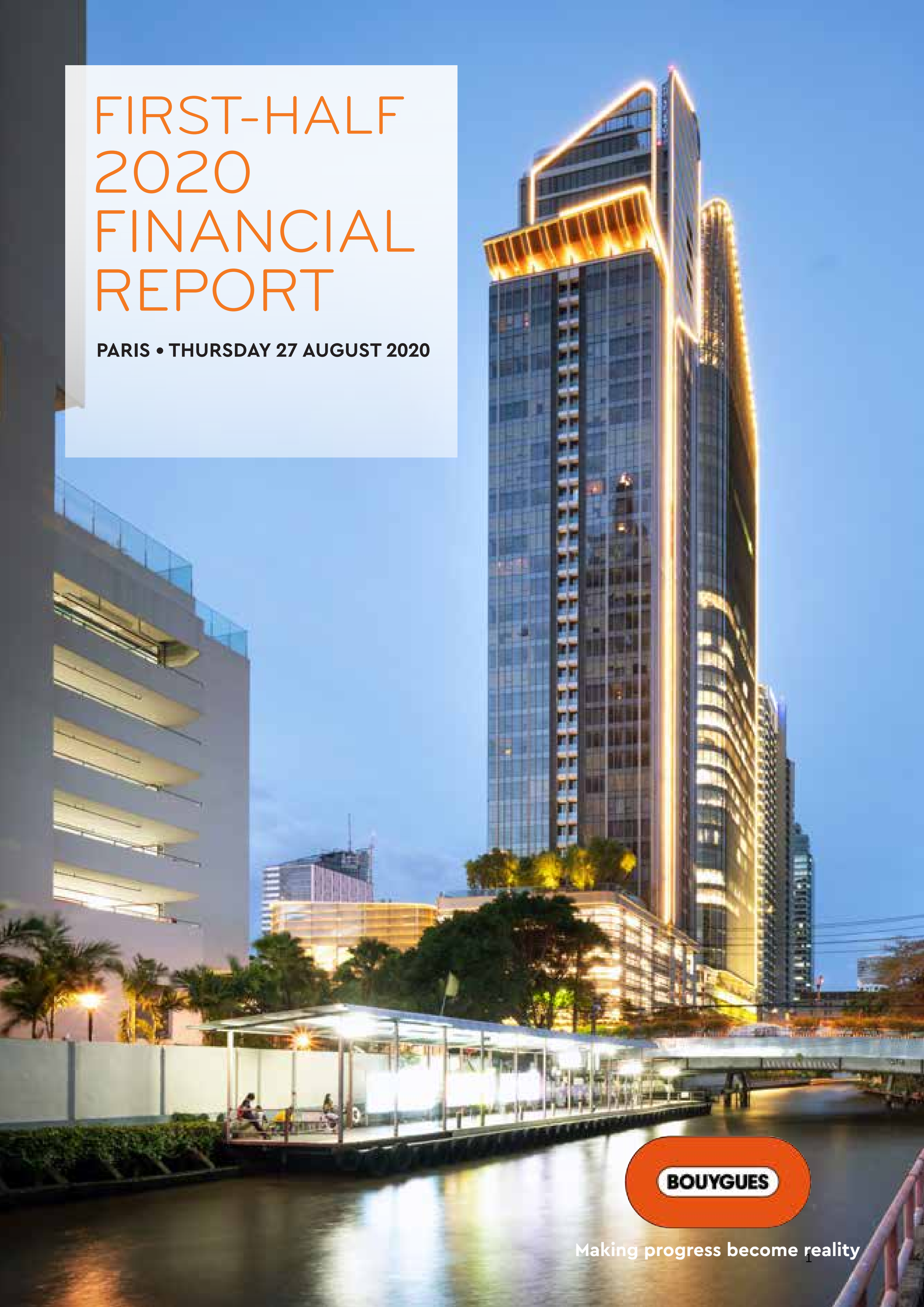
# FIRST-HALF 2020 FINANCIAL REPORT

**PARIS • THURSDAY 27 AUGUST 2020**



BOUYGUES

Making progress become reality

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The first-half review of operations and condensed consolidated first-half financial statements were approved by the Board of Directors at its meeting on 26 August 2020.

# 1. PRESS RELEASE

# FIRST-HALF 2020 RESULTS

- **GROUP**
  - **Current operating profit generated in Q2 2020, despite the strong impact of the Covid-19 crisis**
  - **Robust financial situation and high liquidity with available cash of €11.1bn at end-June 2020**
- **CONSTRUCTION BUSINESSES**
  - **Backlog at a record level**
  - **Current operating profit generated at Colas in Q2 2020**
- **BOUYGUES TELECOM**
  - **Return to sustained commercial momentum after lockdown, strong year-on-year growth in sales from services (up 8%) and EBITDA after Leases (up 9%)**
  - **Agreement with Crédit Mutuel for the acquisition of EIT[1], the leading MVNO operator on the French market**
  - **2020 objectives revised**

| **KEY FIGURES (€ million)** | H1 2019 | H1 2020 | Change |
|---|---|---|---|
| Sales | 17,446 | 14,758 | -15%[a] |
| Current operating profit/(loss) | 453 | (132) | -€585m |
| Operating profit/(loss) | 495[b] | (176)[c] | -€671m |
| Net profit/(loss) attributable to the Group | 225 | (244) | -€469m |
| | | | |
| Net surplus cash (+)/Net debt (-) | (6,205) | (3,905) | +€2,300m |

(a) Down 15% like-for-like and at constant exchange rates
(b) Including non-current income of €42m
(c) Including non-current charges of €44m

### As expected, the Group's results in first-half 2020 were strongly impacted by the consequences of the Covid-19 crisis

- **Sales** were €14.8 billion, down 15% year-on-year (down 15% like-for-like and at constant exchange rates). The €2.7-billion decrease was entirely attributable to Covid-19, which had an estimated impact of -€2.8 billion. In France, sales were down 19% due to the sudden lockdown on 17 March, followed by a gradual restart of the three sectors of activity. Internationally, sales were down 10% related to the slowdown in activity and lockdown in geographies (Hong Kong, Italy, Switzerland, Belgium, Singapore, etc.).

[1] Euro-Information Telecom

- The Group reported a **current operating loss** of €132 million, a deterioration of €585 million versus the first half of 2019. The difference was entirely due to the impact of Covid-19, estimated at -€650 million in first-half 2020 (loss of current operating margin and unavoidable or additional costs[2]). After reaching a low point in April, the Group posted a current operating profit in June.
- The Group reported an **operating loss** of €176 million, a deterioration of €671 million year-on-year. It includes non-current charges of €44 million, essentially at Colas, versus non-current income of €42 million in first-half 2019.
- The **net loss attributable to the Group** of €244 million represented a deterioration of €469 million versus the first half of 2019.

**The Group posted current operating profit of €110 million in second-quarter 2020, demonstrating the high responsiveness of business segments and the gradual resumption of activity.**

- **Bouygues Telecom** reported current operating profit of €185 million, up €46 million year-on-year, driven by growth in the customer base and in ABPU.
- At **Colas**, current operating profit of €66 million reflected the rapid resumption of the roads activities before the end of the lockdown, mostly in mainland France and in Canada.
- At **TF1**, current operating profit of €26 million included significant savings in programing costs, softening the impact of the decline in sales.

**The Group benefits from a high level of liquidity and a particularly robust financial structure**

- **Available cash** reached €11.1 billion at end-June 2020, comprising €4.4 billion in cash and €6.7 billion in unused medium- and long-term credit facilities, of which €6.3 billion contains no financial covenants.
- **Net debt** was €3.9 billion at end-June 2020. This was €2.3 billion less than at end-June 2019, essentially related to the positive €1.4-billion impact from Alstom (dividends and sale of 13% of the share capital). The figure does not yet include the payment of a dividend of €1.7 per share[3] which is planned for September 2020.
- **Net gearing**[4] was 34% versus 59% at end-June 2019.

## OUTLOOK

The Covid-19 crisis and its consequences validate the Group's strategic choices:

- **strengthen the more resilient businesses**: ramp-up growth at Bouygues Telecom, develop the Energies & Services activities;
- **continue Colas' development** towards new growth areas: expand its international network via external growth in target countries (North America, Northern Europe, etc.) and optimize its industrial activities (quarries and bitumen);
- **pursue the transformation of TF1 and Bouygues Immobilier**: strengthen TF1's positioning in the value chain to reduce its dependence on TV advertising, turn sales and profitability around at Bouygues Immobilier;
- **accelerate digital transformation**: develop innovative products and solutions, reshape organizations and work processes.

[2] Mainly the wage costs of employees working part-time or not at all (net of compensation received from the State if any), cost of unused equipment or premises and security measure costs
[3] Proposed to the Ordinary General Meeting on 4 September 2020
[4] Net debt / shareholders' equity

The Group maintains its ambition to **implement a new phase in its climate strategy** by reducing the carbon footprint of its activities while strengthening its portfolio of low-carbon solutions. It confirms that in 2020 it will define a 2030 greenhouse gas emissions reduction target compatible with the Paris Agreement (limiting global warming to 1.5°C), and prepare action plans for its five business segments.

As a reminder, **the Group withdrew its 2020 guidance** on 1 April. Due to the uncertainty of the ongoing Covid-19 crisis and its impact for the rest of the year, the Group **will not issue a new guidance for 2020**.

However, thanks to the responsiveness of its business segments and the measures taken, the Group **will return to significant profitability in the second half of 2020**[5], without reaching the particularly high levels of second-half 2019.

**Bouygues Telecom**, which is showing its resilience, is pursuing its growth strategy and is choosing to maintain a high level of investment in order to strengthen the quality of its networks against a backdrop of a continued increase in usage. It is therefore revising its objectives for 2020[5]:

- **Growth in sales from services** estimated at around **4 %**, despite the sharp decline in roaming sales due to Covid-19 (vs around 5% beforehand);
- **Gross capex** that could reach **€1.2 billion** (includes expenditures necessary for the integration of EIT but excludes the acquisition of 5G frequencies);
- **Free cash flow** of around **€250 million** (vs over €300 million beforehand).

**Commenting on these results, Martin Bouygues, Chairman and CEO of Bouygues, said:**
"The long-term trends on which the Group relies remain buoyant, despite the current crisis. After a challenging first half of the year, our fundamentals and our strategy should enable us to return to growth in all three sectors of activity.[5]"

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## DETAILED ANALYSIS BY SECTOR OF ACTIVITY

## CONSTRUCTION BUSINESSES

The backlog in the construction businesses reached a record level of €35.7 billion at end-June 2020, up 6% year-on-year (up 5% at constant exchange rates and excluding principal disposals and acquisitions) and up 8% versus end-December 2019, providing good visibility on future activity.
The backlog at end-June 2020 rose in all business segments versus end-June 2019:

- up 8% at Bouygues Construction, linked to a significant increase in order intake over the period (up 18% year-on-year, of which 46% in international markets);
- up 4% at Bouygues Immobilier;
- up 1% at Colas.

In **France**, the backlog rose 2% to €14.8 billion. This reflected:

- a 2% increase in the backlog at Bouygues Construction to €8.9 billion;
- a 4% increase in the backlog at Bouygues Immobilier to €2.3 billion, which included the block sale of 1,408 lots (social rental housing, rental housing for middle-income earners and private-sector rental housing) to Caisse des Dépôts et Consignations in second-quarter 2020;

[5] Based on information known to date and excluding any further deterioration in the situation due to Covid-19

- a slight 1% decrease in the backlog at Colas to €3.6 billion, linked to lower order intake in the roads activities in mainland France (impacts of Covid-19 and context of municipal elections).

**Internationally**, the construction businesses' backlog was up 9% year-on-year to €20.9 billion at end-June 2020 (up 8% at constant exchange rates and excluding principal disposals and acquisitions). The increase was driven by the backlogs at Bouygues Construction (up 12% to €14.3 billion) and Colas (up 3% to €6.5 billion) versus end-June 2019.

The backlog includes **significant orders** taken in second-quarter 2020, both in France and in international markets. Bouygues Construction won a €1.1-billion contract[6] to build a section of the HS2 high-speed rail line in the United Kingdom and a €552-million contract[7] to build the Fécamp offshore wind farm in France, while Colas won contracts worth €160 million to resurface roads in the United States.

**International business represented 63% of the combined backlog** of Bouygues Construction and Colas at the end of first-half 2020, versus 61% a year earlier.

**The Covid-19 pandemic strongly affected the construction businesses' financial results in first-half 2020. After reaching a low point in April, the construction businesses returned to profitability in June 2020.**

**Sales** in the construction businesses were €10.8 billion in first-half 2020, down 19% (-€2.6 billion). The decline was due to the impact of Covid-19, estimated at -€2.5 billion. France was particularly hard hit, with sales down 28% over the period (strict lockdown, then gradual resumption of activity, and the postponement of municipal elections). The decrease was smaller in international markets, down 10%.

The construction businesses reported a **current operating loss** of €437 million in first-half 2020, versus a current operating profit of €72 million a year earlier, a deterioration of €509 million. The decrease was entirely attributable to Covid-19, the impact of which was estimated at -€530 million over the period. A highlight of second-quarter 2020 was the current operating profit of €66 million generated by Colas, due in particular to the rapid resumption of the roads activities, mostly in mainland France and Canada.

The operating loss of €482 million in first-half 2020 included non-current charges of €45 million at Colas related to the reorganization of the roads activities in France and the continued dismantling of the Dunkirk site.

In this unprecedented situation, **Bouygues took a proactive approach to manage the Covid-19 crisis**. Drawing on the experience of successfully restarting worksites in Hong Kong in February 2020, the Group organized the resumption of its French activities well before the end of lockdown, allowing for activity to restart gradually from 15 April. This was extended to other countries hit by lockdown during the second quarter. At the same time, the Group attempted to limit the impacts of the crisis on its activities, by negotiating with customers to share Covid-19-related excess costs while partly offsetting some of the shortfall in activity observed during lockdown and rolling out cost-cutting measures. **Almost all sites in France had reopened by mid-July 2020 and work was progressing at a close-to-pre-crisis level**. **Activity had also returned to almost normal in many other geographies**, including Switzerland, Hong Kong, Canada and the United Kingdom. By mid-August, activity had also gradually resumed in Singapore.

**The Group is well-positioned to respond to the challenges of the stimulus plans** announced in major countries where it has operations, such as the EU, France, the United Kingdom, Canada and the United States. These

[6] Excluding €140 million related to preliminary studies and preparatory works booked previously
[7] Amount of the contract awarded to the consortium comprising Bouygues Travaux Publics (40.5%), Saipem (40.5%) and Boskalis (19%)

plans are intended in particular to encourage sustainable infrastructure, the energy transition and the renovation of buildings. They are likely to offer attractive opportunities for the Group's businesses, especially given the extensive portfolio of low-carbon solutions it has developed and the expertise it has demonstrated for many years.

## TF1

**TF1**'s results in first-half 2020 reflect both the effects of the Covid-19 crisis and the TF1 group's ability to promptly adapt its programing and cost management to soften its impact.

With daily TV viewing time up 26 minutes year-on-year in first-half 2020, the audience share among key targets remained at a high level, at 31.9% of women under 50 who are purchasing decision-makers and 29.6% of individuals aged 25 to 49.

First-half 2020 sales reached €884 million, down 23% year-on-year, a decrease of €261 million. The impact of Covid-19 over the period was estimated at -€250 million. Sales were affected both by mass cancellations or postponement of advertising campaigns and by the shutdown and then gradual resumption of production shooting activities in France and abroad.

Current operating profit in the first-half of the year was €68 million, down €95 million year-on-year. Covid-19 accounted for an impact of around €100 million while efforts were made to adjust programming schedules to generate savings of €107 million on the programing costs at the five free-to-air channels.

The decline in advertising revenue has slowed since the end of lockdown as some advertisers have returned. However, given the uncertainty surrounding the progress and the consequences of the pandemic, TF1 has withdrawn its guidance for 2020 and 2021.

## BOUYGUES TELECOM

In first-half 2020, **Bouygues Telecom** demonstrated its ability to maintain the quality and reliability of its mobile and fixed networks, while usage rose sharply during lockdown, and did its best to meet customers' needs. Bouygues Telecom was the first operator to reopen its stores, from 11 May, in strict compliance with health measures. Since reopening, **the level of new adds has been higher than before the crisis**, enabling the company to maintain **good commercial momentum over the first half of 2020**.

As a result, the company had 11.8 million mobile plan customers excluding MtoM at end-June 2020, an increase of 274,000 new customers since the end of 2019, including 161,000 in the second quarter alone. The share of the premium segment remained steady in relation to the SIM Only/Web Only segment in first-half 2020, with a high proportion of customers who returned to the company's stores completing a purchase.

Bouygues Telecom had 1.2 million FTTH customers at end-June 2020, with 210,000 new adds since the end of 2019, including 93,000 in the second quarter. **The FTTH penetration rate rose to 30%** at end-June 2020, versus 20% a year earlier, enabling the company to narrow the gap with its competitors. It is confirming the strong demand for FTTH as customers emerge from lockdown. The company had a total of 4 million fixed customers at end-June 2020.

Thanks to over 6% growth in sales year-on-year in the second-quarter 2020, **Bouygues Telecom has posted the strongest quarterly growth in the French market since mid-2017[8], almost without interruption**. **This performance has been driven, in particular, by the increase in sales from services for the 20th consecutive quarter**. Growth of 6% in the second-quarter 2020 versus second-quarter 2019 was driven by an increase of 11% in sales from fixed services and of 4% in sales from mobile services. The rise in sales from mobile services reflects the increase in services billed to customers excluding roaming, which more than offset the decline in roaming revenue caused by the drop in intercontinental travel and the closure of some borders.

In first-half 2020, Bouygues Telecom reported sales of €3,042 million, up 4% year-on-year. The impact of Covid-19 over the period is estimated at -€70 million.
**Sales from services rose 8%** to €2,404 million. This reflects growth in both the mobile and the fixed customer base and a rise in ABPU (mobile ABPU restated for the impact of roaming rose €0.3 year-on-year to €19.7 per customer per month[9], while fixed ABPU rose €1.3 year-on-year to €27.2 per customer per month). The 7% year-on-year decline in Other sales was essentially due to lower sales of handsets as stores remained closed during lockdown.

**EBITDA after Leases was up €58 million** year-on-year at €711 million, a rise of 9%. It included non-recurrent expenditures of €20 million related to brand repositioning and advertising campaigns in first-quarter 2020, plus around €20 million of Covid-19-related costs in first-half 2020. The EBITDA after Leases margin was 29.6%, 0.3 points higher than in first-half 2019.

Current operating profit in first-half 2020 was €253 million, up €23 million year-on-year. It includes a capital gain of €17 million on the sale of FTTH premises in medium-dense areas to SDAIF, the joint venture with Vauban Infrastructure Partners as part of Project Astérix. First-half 2020 operating profit was down €26 million at €254 million. It includes non-current income of €1 million, versus €50 million at end-June 2019 (mainly related to the capital gain on the disposal of mobile sites).

Gross capex was €581 million in the first-half of the year, up €51 million year-on-year. Disposals over the same period amounted to €194 million, much of which (€185 million) was linked to Project Astérix.

On 26 June 2020, Bouygues Telecom announced that it had signed an exclusivity agreement with Euro-Information, a Crédit Mutuel group company, with a view to acquiring all the capital of its subsidiary Euro-Information Telecom (EIT), the leading MVNO operator on the French market, and concluding a distribution partnership. With the consumer mobile market reaching maturity, the partnership has a strategic interest for Bouygues Telecom for three reasons: to ramp-up its growth in the mobile and fixed markets, to benefit from a complementary and experienced nationwide distribution network through over 4,200 Crédit Mutuel and CIC bank branches with 30,000 customer advisers, and to improve its profitability and secure its free cash flow in a fixed-cost industry. Ultimately, based on its core scenario, Bouygues Telecom expects the acquisition to make an annual contribution of over €200 million to EBITDA after Leases and €100 million to free cash flow. The transaction is expected to close before the end of 2020, subject to obtaining the necessary administrative approvals, notably from the French Competition Authority, and the consultation of employee representative bodies.

Bouygues Telecom continued to work on its infrastructure projects in first-half 2020, finalizing the closing of:

[8] Based on total sales compared with the French sales of its competitors; except for the first quarter 2020 and based on the company's estimates for the second quarter 2020
[9] €19.0 excluding restatement

- Project Saint-Malo signed with Cellnex on 26 February 2020, related to the roll-out of a nationwide optical fiber infrastructure (FTTA and FTTO);
- Project Astérix signed with Vauban Infrastructure Partners on 23 April 2020, related to the co-financing of an FTTH network in medium-dense areas.

## ALSTOM

**Alstom**'s contribution to the Group's net profit was €35 million in first-half 2020, versus €33 million in first-half 2019.

As a reminder, at Alstom's General Meeting on 8 July 2020, shareholders approved the non-distribution of dividend in respect of FY2019/2020.

## FINANCIAL SITUATION

Since the start of the Covid-19 crisis, **Bouygues aimed to secure and strengthen its cash position** and, more broadly, its financial resources.
In first-half 2020, it notably:

- issued NEU-CP (commercial paper) for €510 million;
- drew down lines of credit for €1 billion;
- successfully completed a €1-billion bond issue.

As a result, the Group had €4.4 billion in cash at end-June 2020, a considerable increase from €1.4 billion at 30 June 2019. The unused medium- and long-term credit facilities amount to €6.7 billion, of which €6.3 billion contains no financial covenants. Total available cash amounted to €11.1 billion at end-June 2020.

Net debt at 30 June 2020 was €3.9 billion, €1.7 billion more than at 31 December 2019 due to the usual seasonal factors.

Net debt at end-June 2020 does not include the payment of a dividend of €1.7 per share[10] in September 2020 and Bouygues Telecom's acquisition of EIT.

## GOVERNANCE

The Board of Directors at its 26 August meeting took note of Olivier Bouygues' resignation as Deputy CEO, effective from 31 August 2020.

The Board warmly thanked Olivier Bouygues for his commitment to serving the Group since 1974 and in his function as Deputy CEO since 2002, and was pleased to still be able to benefit from his expertise and experience as a director.

[10] Proposed to the Ordinary General Meeting on 4 September 2020

## FINANCIAL CALENDAR

- 4 September 2020: Ordinary General Meeting (2.30pm CET)
- 19 November 2020: Nine-month 2020 results (7.30am CET)

The financial statements have been subject to a limited review by the statutory auditors
and the corresponding report has been issued.
You can find the full financial statements and notes to the financial statements on
www.bouygues.com/finance/resultats.

The results presentation conference call for analysts will start at 11.00am (CET) on 27 August 2020.
Details on how to connect are available on www.bouygues.com.
The results presentation will be available before the conference call starts on
www.bouygues.com/finance/investors presentations.

### ABOUT BOUYGUES

Bouygues is a diversified services group with a strong corporate culture whose businesses are organized around three sectors of activity: Construction, with Bouygues Construction (building & civil works and energies & services), Bouygues Immobilier (property development) and Colas (roads); Telecoms, with Bouygues Telecom, and Media, with TF1.


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## FIRST-HALF 2020 BUSINESS ACTIVITY

| BACKLOG AT THE CONSTRUCTION BUSINESSES (€ million) | End-June | | |
|---|---|---|---|
| | 2019 | 2020 | Change |
| Bouygues Construction | 21,511 | 23,246 | +8% |
| Bouygues Immobilier | 2,304 | 2,386 | +4% |
| Colas | 9,942 | 10,065 | +1% |
| **Total** | **33,757** | **35,697** | **+6%** |

| BOUYGUES CONSTRUCTION ORDER INTAKE (€ million) | First-half | | |
|---|---|---|---|
| | 2019 | 2020 | Change |
| France | 2,385 | 2,008 | -16% |
| International | 2,918 | 4,249 | +46% |
| **Total** | **5,303** | **6,257** | **+18%** |

| BOUYGUES IMMOBILIER RESERVATIONS (€ million) | First-half | | |
|---|---|---|---|
| | 2019 | 2020 | Change |
| Residential property | 964 | 887 | -8% |
| Commercial property | 25 | 5 | nm |
| **Total** | **989** | **892** | **-10%** |

| COLAS BACKLOG (€ million) | End-June | | |
|---|---|---|---|
| | 2019 | 2020 | Change |
| Mainland France | 3,633 | 3,581 | -1% |
| International and French overseas territories | 6,309 | 6,484 | +3% |
| **Total** | **9,942** | **10,065** | **+1%** |

| TF1 AUDIENCE SHARE[a] | End-June | | |
|---|---|---|---|
| | 2019 | 2020 | Change |
| **Total** | **32.7%** | **31.9%** | **-0.8 pts** |

(a) Source: Médiamétrie – women under 50 who are purchasing decision-makers

| BOUYGUES TELECOM CUSTOMER BASE ('000) | End-Dec 2019 | End-June 2020 | Change |
|---|---|---|---|
| Mobile customer base excl. MtoM | 11,958 | 12,169 | +211 |
| Mobile plan base excl. MtoM | 11,543 | 11,817 | +274 |
| **Total mobile customers** | **17,800** | **18,178** | **+378** |
| **Total fixed customers** | **3,916** | **3,989** | **+73** |

## FIRST-HALF 2020 FINANCIAL PERFORMANCE

| CONDENSED CONSOLIDATED INCOME STATEMENT (€ million) | H1 2019 | H1 2020 | Change |
|---|---|---|---|
| **Sales** | **17,446** | **14,758** | **-15%[a]** |
| **Current operating profit/(loss)** | **453** | **(132)** | **-€585m** |
| Other operating income and expenses | 42[b] | (44)[c] | -€86m |
| **Operating profit/(loss)** | **495** | **(176)** | **-€671m** |
| Cost of net debt | (107) | (94) | +€13m |
| Interest expense on lease obligations | (29) | (25) | +€4m |
| Other financial income and expenses | 11 | (13) | -€24m |
| Income tax | (132) | 12 | +€144m |
| Share of net profits of joint ventures and associates | 59 | 77 | +€18m |
| *o/w Alstom* | *33* | *35* | *+€2m* |
| **Net profit/(loss) from continuing operations** | **297** | **(219)** | **-€516m** |
| Net profit attributable to non-controlling interests | (72) | (25) | +€47m |
| **Net profit/(loss) attributable to the Group** | **225** | **(244)** | **-€469m** |

(a) Down 15% like-for-like and at constant exchange rates
(b) Including non-current charges of €8m at Bouygues Construction and non-current income of €50m at Bouygues Telecom mainly related to the disposal of mobile sites
(c) Including non-current income of €1m at Bouygues Telecom and non-current charges of €45m at Colas related to the reorganization of the roads activities in France and the continued dismantling of the Dunkirk site

| CALCULATION OF EBITDA AFTER LEASES[a] (€ million) | H1 2019 | H1 2020 | Change |
|---|---|---|---|
| **Current operating profit/(loss)** | **453** | **(132)** | **-€585m** |
| Interest expense on lease obligations | (29) | (25) | +€4m |
| Net depreciation and amortization expense on property, plant and equipment and intangible assets | 812 | 851 | +€39m |
| Charges to provisions and impairment losses, net of reversals due to utilization | 98 | 76 | -€22m |
| Reversals of unutilized provisions and impairment losses and other | (116) | (147) | -€31m |
| **EBITDA after Leases[a]** | 1,218 | 623 | **-€595m** |

(a) See glossary for definitions

| ESTIMATED IMPACT OF COVID-19 IN FIRST-HALF 2020 (€ million) | Sales | Current operating profit/(loss) |
|---|---|---|
| **Construction businesses** | **-2,460** | **-530** |
| *o/w Bouygues Construction* | *-1,250* | *-290* |
| *o/w Bouygues Immobilier* | *-400* | *-50* |
| *o/w Colas* | *-810* | *-190* |
| **TF1** | **-250** | **-100** |
| **Bouygues Telecom** | **-70** | **-20** |

The estimated impact by Business segment shown above is based on the H1 2019 reported figures or the 2020 forecast.

| SALES BY SECTOR OF ACTIVITY (€ million) | H1 2019 | H1 2020 | Change | Forex effect | Scope effect | lfl & constant fx[c] |
|---|---|---|---|---|---|---|
| **Construction businesses[a]** | **13,398** | **10,842** | **-19%** | **-0.4%** | **+0.6%** | **-19%** |
| *o/w Bouygues Construction* | *6,539* | *5,321* | *-19%* | *-0.9%* | *0%* | *-19%* |
| *o/w Bouygues Immobilier* | *1,086* | *701* | *-35%* | *0.1%* | *0%* | *-35%* |
| *o/w Colas* | *5,834* | *4,870* | *-17%* | *0%* | *+1.4%* | *-15%* |
| **TF1** | **1,145** | **884** | **-23%** | **0%** | **+0.2%** | **-23%** |
| **Bouygues Telecom** | **2,913** | **3,042** | **+4%** | **0%** | **-0.2%** | **+4%** |
| **Bouygues SA and other** | **98** | **93** | **nm** | **-** | **-** | **nm** |
| **Intra-Group eliminations[b]** | **(169)** | **(153)** | **nm** | **-** | **-** | **nm** |
| **Group sales** | **17,446** | **14,758** | **-15%** | **-0.3%** | **+0.5%** | **-15%** |
| *o/w France* | *10,553* | *8,533* | *-19%* | *0%* | *+1%* | *-18%* |
| *o/w international* | *6,893* | *6,225* | *-10%* | *-0.8%* | *-0.3%* | *-11%* |

(a) Total of the sales contributions (after eliminations within the construction businesses)
(b) Including intra-Group eliminations of the construction businesses
(c) Like-for-like and at constant exchange rates

| CONTRIBUTION TO GROUP EBITDA AFTER LEASES BY SECTOR OF ACTIVITY (€ million) | H1 2019 | H1 2020 | Change |
|---|---|---|---|
| **Construction businesses** | **312** | **(232)** | **-€544m** |
| *o/w Bouygues Construction* | *267* | *(62)* | *-€329m* |
| *o/w Bouygues Immobilier* | *16* | *(37)* | *-€53m* |
| *o/w Colas* | *29* | *(133)* | *-€162m* |
| **TF1** | **264** | **160** | **-€104m** |
| **Bouygues Telecom** | **653** | **711** | **+€58m** |
| **Bouygues SA and other** | **(11)** | **(16)** | **-€5m** |
| **Group EBITDA after Leases** | **1,218** | **623** | **-€595m** |

| CONTRIBUTION TO GROUP CURRENT OPERATING PROFIT/(LOSS) BY SECTOR OF ACTIVITY (€ million) | H1 2019 | H1 2020 | Change |
|---|---|---|---|
| **Construction businesses** | **72** | **(437)** | **-€509m** |
| *o/w Bouygues Construction* | *179* | *(95)* | *-€274m* |
| *o/w Bouygues Immobilier* | *29* | *(38)* | *-€67m* |
| *o/w Colas* | *(136)* | *(304)* | *-€168m* |
| **TF1** | **163** | **68** | **-€95m** |
| **Bouygues Telecom** | **230** | **253** | **+€23m** |
| **Bouygues SA and other** | **(12)** | **(16)** | **-€4m** |
| **Group current operating profit/(loss)** | **453** | **(132)** | **-€585m** |

| CONTRIBUTION TO GROUP OPERATING PROFIT/(LOSS) BY SECTOR OF ACTIVITY (€ million) | H1 2019 | H1 2020 | Change |
|---|---|---|---|
| **Construction businesses** | **64** | **(482)** | **-€546m** |
| *o/w Bouygues Construction* | *171* | *(95)* | *-€266m* |
| *o/w Bouygues Immobilier* | *29* | *(38)* | *-€67m* |
| *o/w Colas* | *(136)* | *(349)* | *-€213m* |
| **TF1** | **163** | **68** | **-€95m** |
| **Bouygues Telecom** | **280** | **254** | **-€26m** |
| **Bouygues SA and other** | **(12)** | **(16)** | **-€4m** |
| **Group operating profit/(loss)** | **495**[a] | **(176)**[b] | **-€671m** |

(a) Including non-current charges of €8m at Bouygues Construction and non-current income of €50m at Bouygues Telecom mainly related to the disposal of mobile sites

(b) Including non-current income of €1m at Bouygues Telecom and non-current charges of €45m at Colas related to the reorganization of the roads activities in France and the continued dismantling of the Dunkirk site

| CONTRIBUTION TO NET PROFIT/(LOSS) ATTRIBUTABLE TO THE GROUP BY SECTOR OF ACTIVITY (€ million) | H1 2019 | H1 2020 | Change |
|---|---|---|---|
| **Construction businesses** | **35** | **(384)** | **-€419m** |
| *o/w Bouygues Construction* | *121* | *(66)* | *-€187m* |
| *o/w Bouygues Immobilier* | *13* | *(33)* | *-€46m* |
| *o/w Colas* | *(99)* | *(285)* | *-€186m* |
| **TF1** | **47** | **17** | **-€30m** |
| **Bouygues Telecom** | **150** | **142** | **-€8m** |
| **Alstom** | **33** | **35** | **+€2m** |
| **Bouygues SA and other** | **(40)** | **(54)** | **-€14m** |
| **Net profit/(loss) attributable to the Group** | **225** | **(244)** | **-€469m** |

| NET SURPLUS CASH (+)/NET DEBT (-)[a] BY BUSINESS SEGMENT (€ million) | End-Dec 2019 | End-June 2020 | Change |
|---|---|---|---|
| Bouygues Construction | 3,113 | 2,599 | -€514m |
| Bouygues Immobilier | (279) | (548) | -€269m |
| Colas | (367) | (1,065) | -€698m |
| TF1 | (127) | (22) | +€105m |
| Bouygues Telecom | (1,454) | (1,659) | -€205m |
| Bouygues SA and other | (3,108) | (3,210) | -€102m |
| **Net surplus cash (+)/Net debt (-)** | **(2,222)** | **(3,905)** | **-€1,683m** |
| Current and non-current lease obligations | (1,686) | (1,608) | +€78m |

(a) See glossary for definitions

| CONTRIBUTION TO NET CAPITAL EXPENDITURE BY SECTOR OF ACTIVITY (€ million) | H1 2019 | H1 2020 | Change |
|---|---|---|---|

| | | | |
|---|---|---|---|
| **Construction businesses** | **209** | **111** | **-€98m** |
| *o/w Bouygues Construction* | *106* | *37* | *-€69m* |
| *o/w Bouygues Immobilier* | *6* | *2* | *-€4m* |
| *o/w Colas* | *97* | *72* | *-€25m* |
| **TF1** | **114** | **107** | **-€7m** |
| **Bouygues Telecom** | **454** | **387** | **-€67m** |
| **Bouygues SA and other** | **1** | **2** | **+€1m** |
| **Group net capital expenditure** | **778** | **607** | **-€171m** |

| CONTRIBUTION TO GROUP FREE CASH FLOW[a] BY SECTOR OF ACTIVITY (€ million) | H1 2019 | H1 2020 | Change |
|---|---|---|---|
| **Construction businesses** | **(98)** | **(454)** | **-€356m** |
| *o/w Bouygues Construction* | *80* | *(135)* | *-€215m* |
| *o/w Bouygues Immobilier* | *(20)* | *(50)* | *-€30m* |
| *o/w Colas* | *(158)* | *(269)* | *-€111m* |
| **TF1** | **113** | **22** | **-€91m** |
| **Bouygues Telecom** | **73** | **233** | **+€160m** |
| **Bouygues SA and other** | **(50)** | **(25)** | **+€25m** |
| **Group free cash flow[a]** | **38** | **(224)** | **-€262m** |

(a) See glossary for definitions

## SECOND-QUARTER 2020 FINANCIAL PERFORMANCE

| KEY FIGURES (€ million) | Q2 2020 | Change vs. Q2 2019 |
|---|---|---|
| **Group sales** | **7,539** | **-21%** |
| **Group current operating profit/(loss)** | **110** | **-€401m** |
| *o/w Bouygues Construction* | *(134)* | *-€236m* |
| *o/w Bouygues Immobilier* | *(22)* | *-€37m* |
| *o/w Colas* | *66* | *-€96m* |
| *o/w TF1* | *26* | *-€74m* |
| *o/w Bouygues Telecom* | *185* | *+€46m* |
| **Group operating profit/(loss)** | **64** | **-€474m** |
| **Net profit/(loss) attributable to the Group** | **(40)** | **-€324m** |

# 2. GOVERNANCE AND SHARE OWNERSHIP

## 2.1. Composition of the Board of Directors and Committees

### Composition of the Board of Directors at 30 June 2020

#### Executive Officers (members of the SCDM[1] group)

**Martin Bouygues**
Chairman and CEO

**Olivier Bouygues**
Director and Deputy CEO[2]

#### Directors representing the SCDM group

**Cyril Bouygues**
Standing representative of SCDM Participations

**Edward Bouygues**
Standing representative of SCDM

#### Independent directors

**Clara Gaymard**

**Anne-Marie Idrac**

**Colette Lewiner**

**Benoît Maes**

**Rose-Marie Van Lerberghe**

#### Other director

**Alexandre de Rothschild**

#### Directors representing employee shareholders

**Raphaëlle Deflesselle**

**Michèle Vilain**

#### Directors representing employees

**Bernard Allain**

**Béatrice Besombes**

[1] SCDM is a company controlled by Martin Bouygues and Olivier Bouygues.
[2] Olivier Bouygues resigned as Deputy CEO, with effect from 31 August 2020.

## Board committees

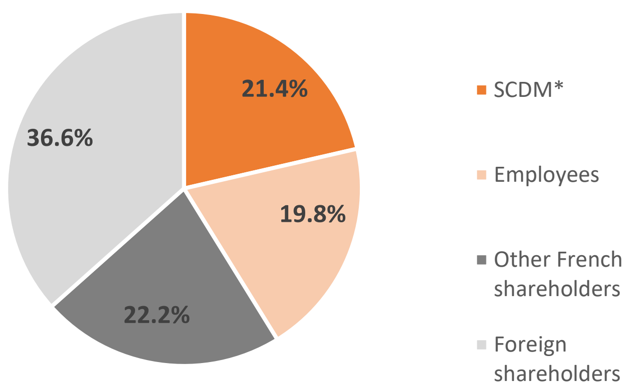
**Audit Committee**
Benoît Maes (Chairman)
Clara Gaymard
Anne-Marie Idrac
Michèle Vilain

**Selection and Remuneration Committee**
Colette Lewiner (Chairwoman)
Bernard Allain
Helman le Pas de Sécheval

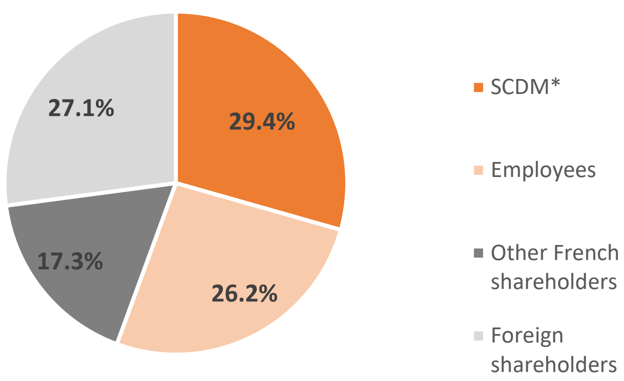
**Ethics, CSR and Patronage Committee**
Anne-Marie Idrac (Chairwoman)
Raphaëlle Deflesselle
Rose-Marie Van Lerberghe

## 2.2. Bouygues share ownership structure at 30 June 2020

**Main shareholders at 30 June 2020**




**Voting rights at 30 June 2020**




* SCDM is a company controlled by Martin and Olivier Bouygues.

# 3. FIRST-HALF REVIEW OF OPERATIONS

*Reminder: for all business segments, see the glossary in section 6 for the full definition of key indicators.*

## 3.1. Bouygues Construction

A global player in construction with operations in over 60 countries, Bouygues Construction designs, builds, renovates, operates and deconstructs building, infrastructure and industrial projects.

### 3.1.1 Key figures

| KEY FIGURES (€ million) | FIRST HALF 2019 | FIRST HALF 2020 | CHANGE |
|---|---|---|---|
| **Sales** | **6,539** | **5,321** | **-19%[a]** |
| *o/w France* | *2,564* | *1,881* | *-27%* |
| *o/w international* | *3,975* | *3,440* | *-13%* |
| **Current operating profit/(loss)** | **179** | **(95)** | **-€274m** |
| **Operating profit/(loss)** | **171[b]** | **(95)** | **-€266m** |
| **Net profit/(loss) attributable to the Group** | **121** | **(66)** | **-€187m** |

(a) Like-for-like and at constant exchange rates.
(a) Including non-current charges of €8 million corresponding to restructuring costs.

#### Estimated impact of the Covid-19 crisis on H1 2020

| €m | Change vs H1 2019 | o/w estimated impact of Covid-19 |
|---|---|---|
| **Sales** | **-1,218** | -1,250 |
| **Current operating profit** | **-274** | -290 |

Bouygues Construction's activity in the first half of 2020 was significantly impacted by the Covid-19 pandemic. Lockdowns were imposed in many countries where the company has operations, resulting in the total or partial shutdown of worksites for several weeks during the first half of the year. In France, projects were halted in mid-March; work gradually resumed from mid-April in consultation with local authorities, employee representatives, subcontractors and stakeholders. Internationally, work on projects stopped or slowed in a number of geographies, including Hong Kong, Italy, French-speaking Switzerland, the United Kingdom, the Philippines and Singapore.

Activity had returned close to normal by end-June in many geographies where Bouygues Construction operates (France, Switzerland, Hong Kong and the United Kingdom, etc.). Some countries were still affected. In mid-August, activity resumed gradually in Singapore.

In this context, Bouygues Construction reported a deterioration in its results for the first half of 2020 compared with the first half of 2019.

Sales in the first half of 2020 stood at €5,321 million, a year-on-year drop of €1,218 million, or down 19%. The drop was exclusively due to the impact of the Covid-19 pandemic on activity, estimated at -€1,250 million.

Building and civil works accounted for 70% of sales (€3,733 million) and energies and services for 30% (€1,588 million). International sales stood at €3,440 million, €535 million lower than at end-June 2019, down 13%. Sales in France decreased €683 million over the same period to €1,881 million, a drop of 27%.
Like-for-like and at constant exchange rates, sales at Bouygues Construction were €1,270 million lower than in the first half of 2019, down 19%.

Bouygues Construction reported a current operating loss of €95 million, a deterioration of €274 million versus the first half of 2019. The decline reflects the impact of Covid-19, estimated at -€290 million.

The net loss attributable to the Group was €66 million, a deterioration of €187 million versus the first half of 2019.

In the context of the pandemic, Bouygues Construction took the necessary steps to ensure a rapid return to nominal activity and profitability, including:

- measures to catch up some of the work not done in the first half of the year during the second half;
- negotiating customers' partial assumption of excess costs;
- cost-saving plans.

In a wider perspective, Bouygues Construction can count on:

- backlog at end-June 2020 which stood at a record level of €23.2 billion, providing good visibility on future activity;
- net surplus cash of €2,599 million at end-June 2020, €192 million more than at the same time in the previous year.

### 3.1.2 First-half highlights

Bouygues Construction won a number of significant contracts both in France and in international markets during the first six months of 2020. Order intake thus stood at €6,257 million at end-June 2020, compared with €5,303 million at end-June 2019, an increase of 18%.

- In France, order intake was down at €2,008 million. Bouygues Construction won a number of contracts in the building sector, especially in the Paris region. For example, the company will build the operations and maintenance centre for Lines 16 and 17 of the Grand Paris Express (€141 million). Bouygues Construction was likewise chosen to build and operate the Arena Porte de la Chapelle sports complex in view of the 2024 Olympic Games in Paris (€110 million). Order intake also includes a contract to install the gravity-based foundations for the Fécamp offshore wind farm. Worth €552 million in all, the contract was awarded to Bouygues Travaux Publics in consortium with Saipem and Boskalis.

- International order intake in the first half of 2020 jumped to €4,249 million. It includes the C1 section of the HS2 high-speed rail line between London and Birmingham in the United Kingdom, of which Bouygues Travaux Publics' share is worth a total of €1.3 billion[3]; phase 3 of the Hallsville Quarter urban regeneration project at Canning Town in London, worth €264 million; and the construction of a new hospital at Abomey-Calvi in Benin, worth €175 million. In the energy sector, Bouygues Construction's Kraftanlagen subsidiary won a contract worth more than €100 million to modernise a power plant at Leuna in eastern Germany.

The backlog at 30 June 2020 stood at a record level of €23.2 billion, 8% higher than at end-June 2019. The proportion of orders in international markets (62%) was slightly higher than a year earlier (60% at end-June 2019). Backlog in Europe (excluding France) is the largest in international markets, ahead of the Asia-Pacific geographical area. Orders secured at end-June 2020 to be executed in 2020 stood at €6 billion and orders to be executed beyond 2020 stood at €17.2 billion, providing good visibility on future activity.

[3] Including preliminary studies and preparatory works, for which €140 million was previously booked.

## Building and civil works

Despite the sharp decline in activity expected in the construction sector in 2020, substantial needs for infrastructure and buildings remain in both emerging and developed countries. The stimulus plans announced in countries where Bouygues Construction has large-scale operations (EU countries, France, the United Kingdom and Canada), should also offer attractive opportunities for its businesses.

Bouygues Construction's building and civil works activity in the first half of 2020 stood at €3,733 million, down €935 million on the first half of 2019, a drop of 20%.

### France: €1,385 million, down 28%

In the building segment in the Paris region, work started on the Issy Cœur de Ville eco-neighbourhood in Issy-les-Moulineaux and the Eole Evangile eco-neighbourhood in Paris. Work continued on a number of projects, including the renovation of 17 Boulevard Morland in central Paris, while the Tour Alto project in La Défense neared completion. Outside the Paris region, work continued on the Co'Met entertainment complex in Orléans.

The civil works activity was boosted by projects for the Grand Paris major infrastructure programme, such as packages T2A and T3A for the southern extension of metro Line 15 and the RER Eole East-West Express Rail Link from Saint-Lazare railway station to La Défense. Outside the Paris region, work continued on the Calais port extension and work started on the harbour extension at Port-la-Nouvelle.

### Europe (excluding France): €956 million, down 2%

In the United Kingdom, Bouygues Construction continued to work on high value-added projects in the education and research sectors, including the construction of an Innovation campus for the University of Cardiff and a new student residence for the University of Brighton. Work also continued on the Hinkley Point C nuclear plant, where the concrete base for the second reactor was completed in June.

In Switzerland, Bouygues Construction strengthened its property development expertise, especially with projects in Kriens, Zurich and Delémont, where several eco-neighbourhood projects have been awarded the 2000-Watt Society label[4].

In Croatia, work continued on the dualling (to a dual two-lane) of a 28-kilometre stretch of the Istria motorway.

### International (excluding Europe): €1,392 million, down 21%

In Asia-Pacific, Bouygues Construction has developed its expertise through its building and civil works subsidiaries, especially in Hong Kong, Singapore and Australia.

In Hong Kong, work started on the Trunk Road and Central Kowloon Route underground projects booked in 2019. Work continued on a number of other major projects, including the Tuen Mun-Chek Lap Kok subsea road tunnel and the extension of the Shatin to Central Link metro line. Activity on these worksites restarted after a 14-day shutdown in February 2020, at the start of the pandemic.

Bouygues Construction continued work on infrastructure projects in Australia, including the NorthConnex and WestConnex motorway tunnels in Sydney and the Melbourne metro. The acquisition of AW Edwards in July 2018 has expanded the company's presence in the country, where it also builds data centres and hospitals, such as Blacktown Hospital near Sydney.

Bouygues Construction is a recognised player in the building segment in Singapore and Thailand, especially for high-rise buildings such as the multi-purpose One City Center project in Bangkok.

[4] The aim of the 2000-Watt Society concept is to vastly increase the use of renewable energies in order to divide overall energy consumption by three and the production of greenhouse gases by eight by 2050. Awarded by the Cité de l'Énergie association, the label distinguishes projects under development, neighbourhoods and urban areas that commit to putting these principles into practice.

In the Philippines, Bouygues Travaux Publics and VSL won the contract to build a bridge for the new North–South Commuter Railway network (NSCR).

In Cuba, Bouygues Construction continued to build hotels in response to demand from the tourism industry on the island and booked new projects in early 2020.

### Energies and Services

The Energies and Services arm, made up of Bouygues Energies & Services, Bouygues Energies & Services InTec and Kraftanlagen, has three main business lines: digital network infrastructure, electrical and HVAC engineering and facilities management.

The Energies and Services arm contributed €1,588 million to Bouygues Construction's consolidated sales in the first half of 2020, €282 million less than in the first half of 2019 (down 15%).

#### France: €496 million, down 21%

Bouygues Energies & Services provides network infrastructure, in particular in support of local authorities' digital development plans. These activities are carried out in partnership with Axione, now jointly managed with investment fund Vauban Infrastructure Partners. With over 1 million secured premises, Bouygues Construction is a major player in optical fibre in France and has ongoing projects in Brittany, the Oise department north of Paris, and northern France.

Bouygues Energies & Services also provides expertise in electrical and HVAC engineering, for example with the electrical and HVAC (heating, ventilation and air conditioning) packages for the Gaité renovation project near Montparnasse and the Bourse de Commerce renovation in central Paris.

Bouygues Energies & Services also has contracts to operate and maintain a number of public and private facilities in France, such as the Paris law courts and the Ministry of Defence. Through its Evesa subsidiary, it carries out a street lighting contract for the City of Paris.

In a consortium with Citelum (a subsidiary of EDF), Suez and Capgemini, Bouygues Energies & Services has designed and now operates France's first smart-city project in Dijon. The 12-year contract covers the management of a connected control station for public facilities serving the 250,000 people who live in the Dijon metropolitan area.

#### International: €1,092 million, down 12%

In major power grid infrastructure projects, Bouygues Energies & Services develops turnkey photovoltaic solutions, as in Japan, where it is currently building a 102-MW solar power plant. Kraftanlagen designs and renovates conventional power plants, in particular at Kiel in northern Germany.

Bouygues Energies & Services has acknowledged expertise in data centres, especially around London, where it is currently building a sixth data centre for the British data management company Virtus.

Bouygues Construction provides facilities management mainly in the United Kingdom, for the Metropolitan Police in south-east London for example, and in Canada, for Surrey Hospital and the Royal National Mounted Police headquarters. Facilities management gives Bouygues Energies & Services a long-term revenue stream.

### 3.1.3 Outlook

Bouygues Construction has good visibility on its future activity and robust fundamentals, while prioritising the health and safety of its employees and project partners:

- record backlog, with orders secured at 30 June 2020 worth €6 billion and medium-term backlog of orders (from 1 January 2021) worth €17.2 billion;
- sustained and diversified international activity in countries with favourable structural and economic fundamentals (Switzerland, the United Kingdom, Australia, Canada and Germany), which are highly rated by the NGO Transparency International;
- a sound financial structure, with net surplus cash of €2.6 billion at 30 June 2020;
- a cost model with a substantial proportion of variable costs and a capacity to adapt that enables the company to cope with unexpected events;
- a lead in sustainable construction, to which a substantial proportion of the R&D budget is devoted;
- a strong commitment to shared innovation for the benefit of customers.

After a first half of 2020 significantly impacted by the Covid-19 crisis, Bouygues Construction has taken the necessary steps to ensure a rapid return to nominal activity and profitability, including measures to catch up work in the second half of the year, negotiating customers' partial assumption of excess costs, and cost-saving plans.

Tight control over the execution of major projects, innovation and a selective approach to orders will continue to be central priorities for Bouygues Construction.

## 3.2. Bouygues Immobilier

As a benchmark urban developer-operator in France, Bouygues Immobilier provides innovative and sustainable solutions to meet the needs of urban environments and of its customers, with the aim of creating better living.

### 3.2.1 Key figures

| KEY FIGURES (€ million) | FIRST HALF 2019 | FIRST HALF 2020 | CHANGE |
|---|---|---|---|
| **Sales** | **1,086** | **701** | **-35%[a]** |
| *o/w residential property* | *1,008* | *635* | *-37%* |
| *o/w commercial property* | *78* | *66* | *-15%* |
| **Current operating profit/(loss)** | **29** | **(38)** | **-€67m** |
| **Operating profit/(loss)** | **29** | **(38)** | **-€67m** |
| **Net profit/(loss) attributable to the Group** | **13** | **(33)** | **-€46m** |

(a) Like-for-like and at constant exchange rates.

**Estimated impact of the Covid-19 crisis on H1 2020**

| €m | Change vs H1 2019 | o/w estimated impact of Covid-19 |
|---|---|---|
| **Sales** | -385 | -400 |
| **Current operating profit** | -67 | -50 |

The Covid-19 crisis had a strong impact on Bouygues Immobilier's sales and profitability in the first half of 2020.

Bouygues Immobilier reported sales of €701 million, 35% lower than in the first half of 2019 (down 37% in residential property and down 15% in commercial property). The decline was exclusively due to the Covid-19 crisis, with an estimated impact of -€400 million.

Bouygues Immobilier reported an operating loss of €38 million, a deterioration of €67 million versus the first half of 2019. This was due to the effects of lockdown measures in France, which included the shutdown of worksites for nearly two months, a freeze on reservations and notarised sales over the same period and the postponement of the second round of municipal elections from late March to late June. The fall was amplified by a very low level of activity in the commercial property segment. Overall, the impact of Covid-19 on current operating profit in the first half of 2020 was estimated at -€50 million.

Net loss attributable to the Group stood at €33 million in the first half of 2020, a deterioration of €46 million versus the first half of 2019.

### 3.2.2 First-half highlights

The Covid-19 crisis amplified the slowdown on the French property market which had begun in 2019, a pre-election year. In 2020, lockdown and postponement of the second round of municipal elections more or less dried up the process of obtaining administrative authorisations, causing a sharp decrease in the number of homes offered for sale. With sales offices and notary firms also closed during the lockdown, sales slowed considerably.

Applications for building permits in France, for multiple and single housing units combined, dropped sharply in the first half of 2020, (down 23% versus first-half 2019). The same applied to residential property reservations (down 31% versus first-half 2019) and new housing starts (down 18% versus first-half 2019).

In the commercial property segment, take-up had already shown signs of running out of steam in 2019 but deteriorated sharply in the first half of 2020 (667,600 $m^2$, down 40% versus first-half 2019), hitting a record low. The conclusion of a number of transactions initiated in 2019 meant that investment in the Paris region – €7.7 billion – was less hard hit, down 25% versus first-half 2019 after a record year in 2019.

These exceptional circumstances had a significant impact on Bouygues Immobilier’s commercial activity in both the residential and commercial segments.

| RESERVATIONS (€ million) | FIRST HALF 2019 | FIRST HALF 2020 | CHANGE |
|---|---|---|---|
| **Residential property**[a] | 964 | 887 | -8% |
| **Commercial property** | 25 | 5 | nm |
| **Total reservations**[b] | **989** | **892** | **-10%** |

(a) Residential reservations include building land.
(b) Definition: residential property reservations are reported net of cancellations. Commercial property reservations are firm orders which cannot be cancelled (notarised deeds of sale).

In residential property, a sharp slowdown in unit sales was partially offset by the conclusion of an agreement with Caisse des Dépôts et Consignations in the second quarter of 2020 for a substantial block sale (social rental homes, rental homes for middle-income earners and private-sector rental homes), of which 1,408 units were included in reservations at end-June 2020.

Commercial property reservations amounted to €5 million and consisted entirely of ground-floor shops.

Having slowed very considerably during lockdown, residential property handovers picked up again once restrictions were eased. They included:

- Cœur Ginko (150 apartments and a shopping centre), the last block of the Ginko eco-neighbourhood in Bordeaux;
- the premium D'Une Rive à L'Autre programme in Neuilly-sur-Seine (52 up-market apartments).

Commercial launches also restarted in May, including:

- the Cœur Champigny development in the Paris region, comprising 314 housing units and 4,500 m² of shops and activities;
- Sensorium at La Madeleine in northern France, a mixed-use development comprising 135 housing units, 18,000 m² of office space and 1,200 m² of retail space;
- the first residential complex in the Les Fabriques Mediterranean eco-neighbourhood in Marseille, comprising 148 housing units and 700 m² of retail space.

In the commercial property segment, Bouygues Immobilier handed over the 27,000-m² IntenCity building in Grenoble in May. Schneider Electric, the sole user, will move 1,500 employees into the building in autumn 2020.

| BACKLOG (€ million) | END-JUNE 2019 | END-JUNE 2020 | CHANGE |
|---|---|---|---|
| **Backlog** | **2,304** | **2,386** | **+4%** |
| *o/w residential property* | *2,095* | *2,201* | *+5%* |
| *o/w commercial property* | *209* | *185* | *-11%* |

Bouygues Immobilier's backlog at end-June 2020 stood at €2,386 million, representing 12 months of sales, up 4% versus first-half 2019.

### 3.2.3 Outlook

The global Covid-19 crisis is likely to leave a lasting scar on the property market in France. The fundamentals are still favourable, however, including strong demand, low interest rates and continuation of the Pinel tax incentive, the zero-interest loan scheme and the Censi-Bouvard tax incentive until 2021. In commercial property, wider use of teleworking could change the breakdown of the market between three segments: working from home, working at the office and working on the move in third places.

In this context, Bouygues Immobilier expects both sales and profitability to decrease in 2020 compared with 2019. The company will continue to use its expertise and advantages to adapt its products to new market conditions, offering low-carbon buildings, brownfield rehabilitation, housing suited to working from home and tertiary solutions which provide flexibility and security by combining office space with coworking through Wojo, a joint subsidiary with Accor hotels.

Bouygues Immobilier is also continuing to roll out its #BI2025 strategic plan in order to restore its activity and profitability and recover its leading position within five years.

## 3.3. Colas

Operating in over 50 countries worldwide, Colas is a world leader in transport infrastructure construction and maintenance. Its mission is to promote infrastructure solutions for responsible mobility. It has a significant construction materials production and recycling activity as well as a bitumen distribution network.

### 3.3.1 Key figures

| KEY FIGURES (€ million) | FIRST HALF 2019 | FIRST HALF 2020 | CHANGE |
|---|---|---|---|
| **Sales** | **5,834** | **4,870** | **-17%[a]** |
| *o/w France* | *3,071* | *2,236* | *-27%* |
| *o/w international* | *2,763* | *2,634* | *-5%* |
| **Current operating profit/(loss)** | **(136)** | **(304)** | **-€168m** |
| **Operating profit/(loss)** | **(136)** | **(349)[b]** | **-€213m** |
| **Net profit/(loss) attributable to the Group** | **(102)** | **(295)** | **-€193m** |

(a) Down 15% like-for-like and at constant exchange rates.
(b) Including non-current charges of €45 million related to reorganisation of the roads activities in France and the continued dismantling of the Dunkirk site.

**Estimated impact of the Covid-19 crisis on H1 2020**

| €m | Change vs H1 2019 | o/w estimated impact of Covid-19 |
|---|---|---|
| **Sales** | -964 | -810 |
| **Current operating profit** | -168 | -190 |

### 3.3.2 First-half highlights

- New organisation from 1 January 2020
- Acquisition of the assets of Granite Contracting LLC (asphalt mix production and paving) with operations in North Carolina and South Carolina, United States (annual sales: USD 50 million)
- Principal order intakes:
  - €58-million contract to upgrade two sections of Interstate 80 in Pennsylvania, United States
  - €41-million contract to replace power supply assets for the Bukit-Panjang LRT line in Singapore (Colas Rail's first contract in the country)
  - €39-million contract to develop phase 3 of the Samuel de Champlain promenade in Quebec City, Canada
  - €35-million contract to upgrade a section of Dalton Highway in Alaska, United States
  - €35-million contract for the southern extension of Line 14 of the Grand Paris metro in France
  - €32-million contract for road and civil engineering works on Highway 404 in Ontario, Canada

#### Effects of the Covid-19 pandemic

As expected, the Covid-19 pandemic had a heightened impact on Colas' sales and results in second-quarter 2020.

Like-for-like and at constant exchange rates, sales declined 18% in the second quarter (down 29% in France), compared with a decrease of 10% in the first quarter (down 17% in France).

A sharp decline in April was followed by a gradual resumption of activity, returning to normal levels in June. The upturn was encouraged by an improvement or stabilisation of the Covid-19 situation, except in the United States, French overseas territories and the Indian Ocean.

Thus, second-quarter 2020 current operating profit was €66 million, showing nonetheless a deterioration of €96 million versus second-quarter 2019, versus -€72 million in first-quarter.

The Covid-19 crisis also slowed the consumption of backlog.

## Seasonal factors

Most of the Group's activities are highly seasonal by nature, resulting in an operating loss in the first half of each year.

### Sales by sector

Consolidated sales in first-half 2020 were €4.9 billion, down 17% on first-half 2019 (down 15% like-for-like and at constant exchange rates). Sales in France were €2.3 billion (down 27% and 24% like-for-like and at constant exchange rates) and international sales were €2.6 billion (down 5% like-for-like and at constant exchange rates).

The decline in sales in the first half of 2020 due to the consequences of the Covid-19 pandemic is estimated at €810 million.

| SALES BY SECTOR (€ million) | FIRST HALF 2019 | FIRST HALF 2020 | CHANGE | lfl & constant fx[a] |
|---|---|---|---|---|
| **Sales** | **5,834** | **4,870** | **-17%** | **-15%** |
| *o/w roads mainland France/French overseas territories-Indian Ocean* | *2,766* | 2,101 | *-24%* | *-24%* |
| *o/w roads Europe, Middle East & Africa* | *921* | 916 | *-1%* | *+1%* |
| *o/w roads North America* | *1,169* | 1,130 | *-3%* | *-8%* |
| *o/w roads Asia-Pacific* | *202* | 184 | *-9%* | *-11%* |
| **Total Roads** | **5,058** | **4,331** | **-14%** | **-15%** |
| **Rail and other specialised activities** | **762** | **534** | **-30%** | **-14%** |
| **Holding company** | **14** | **5** | **nm** | **nm** |

(a) Like-for-like and at constant exchange rates.

### Roads

- Sales in the roads activities in the first half of 2020 were €4.3 billion, down 14% (down 15% like-for-like and at constant exchange rates).
- In mainland France, French overseas territories and the Indian Ocean, hardest hit by the consequences of the Covid-19 pandemic, sales were 24% lower than in first-half 2019.
- Like-for-like and at constant exchange rates, sales were virtually stable in the Europe, Middle East and Africa zone (up 1%), but down 7% in the United States, down 8% in Canada and down 11% in Asia-Pacific.

### Rail and other specialised activities

Sales in rail and other specialised activities were down 14% versus first-half 2019 like-for-like and at constant exchange rates. The contribution from Smac, deconsolidated in the second quarter of 2019, was €141 million in the first quarter of 2019.

**Production of materials**

A significant proportion of Colas' activity, both in France and abroad, consists in the production (including recovery and recycling) of construction materials, especially aggregates, from an international network of 449 working quarries and gravel pits, 151 emulsion plants, 526 asphalt plants, and 192 ready-mix concrete plants. 43 million tonnes of aggregates were sold in the first half of 2020, down 17% on first-half 2019, as well as 606,000 tonnes of binders and emulsions (down 40%), 14 million tonnes of asphalt mix (down 11%) and 1.2 million cubic metres of ready-mix concrete (down 15%). Colas also has a major bitumen distribution activity from 69 bitumen terminals.

**Financial performance**

Colas reported a current operating loss of €304 million in the first half of 2020, a deterioration of €168 million versus first-half 2019. The impact of the Covid-19 crisis on current operating profit is estimated at around -€190 million (loss of operating margin and unavoidable costs).

The first-half 2020 operating loss of €349 million includes non-current charges of €45 million related to the reorganisation of the roads activities in France and the continued dismantling of the Dunkirk site.

The share of profits from joint ventures and associates was €4 million at end-June 2020, compared with €25 million at end-June 2019, partly due to the withdrawal of Tipco Asphalt's results.

The net loss attributable to the Group in the first half of 2020 was €295 million, a deterioration of €193 million versus first-half 2019.

**Backlog**

The backlog at end-June 2020 stood at a high level of €10.1 billion, , up 1% restated for principal acquisitions and disposals and at constant exchange rates.

The backlog in mainland France was €3.6 billion, down 1% related to lower order intake in the roads activities in mainland France (impacts of Covid-19 and context of municipal elections).

The backlog in international markets and French overseas territories was €6.5 billion, up 2% restated for principal acquisitions and disposals and at constant exchange rates.

### 3.3.3 Outlook

Despite the widespread announcement of infrastructure-based support or stimulus plans, caution must be the watchword with regard to the progress of the Covid-19 pandemic and its impacts on the markets and regions where Colas has operations.

Based on information known to date and if there is no deterioration of the Covid-19 situation, the decrease in sales and current operating profit in the second half of 2020 versus 2019 should be significantly smaller than in the first half of the year.

## 3.4. TF1

TF1 wants to positively inspire society by informing and entertaining as many people as possible. As France's leading media group, it offers extensive content and a wide range of associated services. The group is also an established player in the TV production and digital sectors.

### 3.4.1 Key figures

| KEY FIGURES (€ million) | FIRST HALF 2019 | FIRST HALF 2020 | CHANGE |
|---|---|---|---|
| **Sales** | **1,145** | **884** | **-23%** |
| *o/w TF1 group advertising* | *836* | *617* | *-26%* |
| *o/w other activities* | *309* | *267* | *-14%* |
| **Current operating profit** | **163** | **68** | **-€95m** |
| **Operating profit** | **163** | **68** | **-€95m** |
| **Net profit attributable to the Group** | **107** | **38** | **-€69m** |

**Estimated impact of the Covid-19 crisis on H1 2020**

| *€m* | Change vs H1 2019 | o/w estimated impact of Covid-19 |
|---|---|---|
| **Sales** | **-261** | -250 |
| **Current operating profit** | **-95** | -100 |

The TF1 group reported consolidated sales of €884 million in the first half of 2020, €261 million less than in the first half of 2019, a drop of 23%. The decline reflects the impact of the Covid-19 pandemic, estimated at €250 million.

Advertising sales fell 26% year-on-year to €617 million. The first half of the year was severely impacted by the effects of the Covid-19 crisis, reflected in the mass cancellations or postponements of advertising campaigns, especially during the lockdown.

Sales from other activities fell by €42 million to €267 million at end-June 2020, a drop of 14% versus end-June 2019. The decline was mainly due to reduced revenue from Studios & Entertainment linked to the deconsolidation of Téléshopping, divested in early April 2019, and a fall in revenue at TF1 Entertainment, whose musical and live entertainment activities have been inactive since the start of lockdown.

Current operating profit was €68 million, €95 million less than in the first half of 2019, linked to the impact of Covid-19. Major efforts were made to limit the decrease, generating savings of €107 million on the cost of programmes at the five free-to-air channels.

Net profit attributable to the Group in the first half of 2020 was €38 million, €69 million less than in the first half of 2019.

### 3.4.2 First-half highlights

- On 12 February, Newen announced the creation of the production company Ringside Studios, which will develop high-quality English-language and international dramas that may be distributed by Newen.
- During the Covid-19 crisis, TF1 teamed up with charities by extending access to ad slots for good causes. A special campaign was rolled out for the hospitals charity Fondation Hôpitaux de Paris - Hôpitaux de France, as part of which a video appeal for donations shown extensively across all media was produced free of charge. In late April, TF1 launched a new range of podcasts, downloadable free of charge from all streaming platforms. Featuring iconic presenters and tied into flagship TV brands, the new range covered five themes: celebrities, adventure, music, true crime and history.
- In early June Mediapro, a new key player in French football, and TF1 announced the conclusion of a four-year renewable partnership based mainly on a brand licence for a new channel called Téléfoot, after the name of TF1's flagship football magazine programme.

**Audiences[5]**

People in France are watching more television than ever before, as shown by the very sharp rise in viewing times in the first half of the year to 3 hours 56 minutes, up 26 minutes year-on-year, rising to 4 hours 34 minutes during lockdown, a year-on-year increase of 1 hour 9 minutes. Viewing times have remained high since lockdown ended, averaging 3 hours 41 minutes in June, up 20 minutes year-on-year.

The TF1 group's audience share among the advertising target of individuals aged 25 to 49 remained high in the first half of the year at 29.6%, stable year-on-year. To support people during the crisis, TF1 adapted its content to better meet viewers' demand for news and keep them entertained, providing:

  - gold-standard news programming with extended bulletins, expert commentators and leading politicians;
  - enhanced movie offerings around popular cult comedies and international family-viewing franchises;
  - iconic entertainment programmes which kept viewers company for many weeks through an increase in the number of evening shows broadcast;
  - non-linear content on MYTF1, which saw a 16% increase in the number of video views in the first half of the year.

**Broadcasting**

Broadcasting segment sales amounted to €683 million, a year-on-year decrease of €208 million.

- Broadcasting segment advertising revenue was €586 million in the first half of 2020, a decrease of €205 million versus the first half of 2019 representing a 26% drop. Advertisers started to cancel or postpone their campaigns in March, a movement which accelerated during lockdown in April and May.
- Revenue from other Broadcasting segment activities fell €3 million year-on-year. Excluding the impact of the resale of broadcasting rights to the women's Soccer World Cup in the second quarter of 2019, revenue rose year-on-year, boosted by rising levels of interactivity.

The cost of programmes on the TF1 group's five free-to-air channels was €339 million, reflecting savings of €107 million made in the first six months of the year. Measures implemented included enhanced news programming at no extra cost, optimised purchasing of programmes and an increase in the number of repeats.

The Broadcasting segment reported a current operating profit of €76 million in the first half of 2020, down €67 million year-on-year. Savings on programming costs absorbed over half of the decline in Broadcasting segment revenue.

[5] Source: Médiamétrie-Médiamat.

### Studios & Entertainment

Sales for the Studios & Entertainment segment in the first half of 2020 were €132 million, down €37 million year-on-year. Excluding the impact of the deconsolidation of Téléshopping in the second quarter of 2019, the year-on-year decrease was €17 million.

In the first half of 2020, the effect of lower sales at Newen due to the suspension of shooting in France and elsewhere during lockdown was partly offset by the first-time consolidation of the Canadian company Reel One, acquired in the fourth quarter of 2019. Newen was one of the first producers to restart operations, resuming production of its two flagship daily shows (*Tomorrow Is Ours* and *Plus Belle La Vie*) in mid-May. Backlog at end-June remained high at over 1,500 hours, reflecting delays in the delivery of productions already ordered.

TF1 Entertainment reported a sharp fall in sales due to the postponement or cancellation of projects at music label Play Two and the closure of the La Seine Musicale venue from March.

In terms of current operating profit, the segment broke even in the first half of 2020. The decline was due to reduced sales as a result of the Covid-19 crisis.

### Unify

The Unify division posted sales of €68 million, down €17 million year-on-year.

Revenue from digital advertising, programmatic and advertiser servicers was hard hit by the cancellation or postponement of advertising campaigns and events in France and elsewhere from the beginning of March.

Social e-commerce proved resilient over the first half of the year as advertising campaigns for My Little Box and Gambettes Box on the TF1 group’s TV channels boosted sales and attracted new subscribers.

Unify posted a current operating loss of €8 million, a year-on-year deterioration of €11 million.

## 3.4.3 Outlook

Results in the first half of 2020 reflect TF1’s capacity to adapt rapidly in terms of programming and cost management, against a backdrop of sharply falling revenues across all its businesses.

The decrease in advertising revenue has slowed since the end of lockdown, with some advertisers resuming their spend to keep pace with the gradual recovery in consumption. TF1 will line up a rich and varied autumn schedule in September, featuring the return of flagship programmes, first-run movies and new launches.

At the same time, the resumption of shooting in France and elsewhere means that Newen can anticipate a return to sustained levels of sales until the end of the year, subject to Covid-related uncertainties. Activities such as live shows and concerts remain on hold, however, and it is unclear when they will resume.

TF1 announced on 1 April that it was withdrawing its guidance for 2020. In view of the impacts of the Covid-19 crisis in the first half and ongoing uncertainty as to the future spread and impact of the virus, TF1 has also withdrawn its guidance for 2021.

## 3.5. Bouygues Telecom

Bouygues Telecom is a major player in the French telecommunications market, providing BtoC and BtoB connectivity solutions. For over 20 years, the teams at Bouygues Telecom have made every effort to ensure that technology brings friends and family closer together and strengthens ties.

### 3.5.1 Key figures

| KEY FIGURES (€ million) | FIRST HALF 2019 | FIRST HALF 2020 | CHANGE |
|---|---|---|---|
| **Sales** | **2,913** | **3,042** | **+4%[a]** |
| *o/w sales from services* | *2,226* | *2,404* | *+8%* |
| *o/w other sales* | *687* | *638* | *-7%* |
| **EBITDA after Leases** | **653** | **711** | **+€58m** |
| *EBITDA after leases/sales from services* | *29.3%* | *29.6%* | *+0.3 pts* |
| **Current operating profit** | **230** | **253** | **+€23m** |
| **Operating profit** | **280[b]** | **254[c]** | **-€26m** |
| **Net profit attributable to the Group** | **165** | **157** | **-€8m** |
| | | | |
| **Capex** | **530** | **581** | **+€51m** |
| **Divestments** | **76** | **194[d]** | **+€118m** |

(a) Up 4% like-for-like.
(b) Including non-current income of €50 million mainly related to the capital gain on the sale of mobile sites.
(c) Including non-current income of €1 million.
(d) Including disposals of €185 million related to Project Astérix.

#### Estimated impact of the Covid-19 crisis on H1 2020

| €m | Change vs H1 2019 | o/w estimated impact of Covid-19 |
|---|---|---|
| **Sales** | +129 | -70 |
| **Current operating profit** | +6 | -20 |

Against the background of the Covid-19 crisis, Bouygues Telecom reported sales of €3,042 million in the first half of 2020, up 4% year-on-year (up 4% like-for-like).
Sales from services were €2,404 million, up 8% year-on-year, driven by growth of the mobile and fixed customer base and improved year-on-year fixed and mobile (excluding the impact of roaming) ABPU.
Sales from mobile services rose 6% in the first half of 2020 versus the first half of 2019. This reflects the steady increase in sales billed to customers (excluding roaming) and the effects of lockdown, which resulted in a slight rise in revenue from incoming voice calls and texts correlated to increased use, and an expected decrease in roaming sales due to the fall in intercontinental travel and the closure of certain borders.

Sales from fixed services rose 12% over the same period.
Other sales fell 7% over the period due to lower sales of handsets because of lockdown. The impact of Covid-19 on total sales in the first half of 2020 is estimated at €70 million.

EBITDA after Leases in the first half of 2020 was €711 million, up €58 million versus the first half of 2019. It included €20 million of non-recurring costs in first-quarter 2020 related to brand repositioning and advertising campaigns, as well as €20 million of Covid-19-related costs in the first half of the year.

The EBITDA after Leases margin[6] in the first half of 2020 rose slightly to 29.6%.

Current operating profit was €253 million, up €23 million year-on-year. It includes a capital gain of €17 million linked to the sale of existing FTTH premises in medium-dense areas to the joint venture set up in the framework of Project Astérix.

Operating profit in the first half of 2020 was €254 million.

Gross capex in the first half of 2020 was €581 million, up €51 million year-on-year. Divestments reached €194 million, of which a significant portion (€185 million) was related to Project Astérix.

Net profit attributable to the Group in the first half of 2020 was €157 million, almost the same as in the first half of 2019.

### 3.5.2 First-half highlights

- On 28 May, launch of the Bbox Smart TV, a triple-play offer in which the TV decoder disappears and is replaced with an app called B.TV+ pre-installed in a Samsung Smart TV.
- On 10 June, launch of the Onoff option, offering a second mobile number without the need to change handset or plan.
- On 22 June, enhancement of the range of mobile plans with the first 5G-compatible offers.
- On 26 June, conclusion of an exclusivity agreement with Crédit Mutuel with a view to acquiring Euro-Information Telecom and concluding a distribution partnership.
- In late June, launch of Bouygues Telecom's programme to decarbonise its activities.

In the first half of 2020, against the backdrop of the Covid-19 pandemic, Bouygues Telecom demonstrated its ability to maintain the quality and reliability of its mobile and fixed networks, which absorbed substantial increases in usage during the lockdown. In rural areas, Bouygues Telecom fulfilled its commitments to roll out 4G sites within the New Deal framework despite the suspension of works during the lockdown. Bouygues Telecom had handed over 102 4G sites by 1 July 2020, exceeding its target.

The quality of its customer service and the hard work of its staff enabled the company to meet its customers' expectations as fully as possible. Bouygues Telecom was the first operator to extensively reopen its stores, from 11 May, in strict compliance with health measures. Since reopening, the level of new adds has been higher than before the crisis, enabling the company to maintain strong commercial momentum over the first half of 2020.

Bouygues Telecom had 18.2 million mobile customers at 30 June 2020, of which 11.8 million mobile plan customers excluding MtoM[7] (up 274,000 new non-MtoM mobile plan customers in the first six months of 2020, of which 161,000 in the second quarter). The company had 1.2 million FTTH[8] customers, with 210,000 new adds since the end of 2019, of which 93,000 in the second quarter. This performance confirmed the strength of demand for FTTH as customers emerged from lockdown. FTTH customers now represent 30% of Bouygues Telecom's fixed customer base, narrowing the gap with its competitors. The company had a total of 4 million fixed customers at end-June 2020. Faster roll-out of fibre offers potential for growth. Bouygues Telecom is now present in 5,222 municipalities in 87 administrative departments around France and had 14.3 million premises marketed at end-June, a 5.2-million increase year-on-year.

Despite the Covid-19 crisis, the share of the Premium segment, which saw a high conversion rate among mobile customers returning to stores (subscription to a plan, after-sales service, renewal, etc.), remained steady in relation to the SIM Only/Web Only segment.

[6] EBITDA after Leases/sales from services.
[7] Machine-to-Machine.
[8] Fibre-To-The-Home.

On 26 June, Bouygues Telecom announced the signing of an exclusivity agreement with the Crédit Mutuel group with a view to acquiring Euro-Information Telecom, the leading MVNO on the French market, and concluding a distribution partnership.

A strategic operation, it will enable Bouygues Telecom to add 2 million customers to its mobile base and benefit from a complementary and experienced nationwide distribution network through over 4,200 Crédit Mutuel and CIC bank branches with 30,000 customer advisers. The transaction will also help Bouygues Telecom to improve its profitability and secure its free cash flow in a fixed-cost industry.

Bouygues Telecom continued to work on its infrastructure projects in the unprecedented circumstances of the pandemic. On 19 March 2020, it concluded an agreement with Phoenix Tower International for the roll-out of 4,000 sites in non-dense areas and finalised the closing of:

- Project Saint-Malo signed with Cellnex on 26 February 2020, related to the roll-out of a nationwide optical fibre infrastructure (FTTA and FTTO);
- Project Astérix signed with Vauban Infrastructure Partners on 23 April 2020, related to the co-financing of an FTTH network in medium-dense areas.

### 3.5.3 Outlook

Bouygues Telecom is pursuing its growth strategy and has chosen to keep a high level of investment in order to increase the quality of its network. Consequently, it has revised its objectives for 2020[9]:

- Growth in sales from services estimated at around 4 %, despite the sharp decline in roaming sales due to Covid-19 (vs 5% beforehand);
- Gross capex that could reach €1.2 billion (includes expenditures necessary for the integration of EIT but excludes the acquisition of 5G frequencies);
- Free cash flow[10] of around €250 million (vs over €300 million beforehand).

## 3.6. Alstom

Bouygues held 14.52% of Alstom's share capital at 30 June 2020.

Leading the way to greener and smarter mobility, Alstom develops and markets a complete range of equipment and services from high-speed trains, metros, trams and e-buses to integrated systems, customised services, infrastructure, signalling and digital mobility solutions.

Alstom aims to be the leading global innovative player for sustainable and smart mobility by 2025. The group's strategic plan, Alstom in Motion, announced on 24 June 2019, is based on the following objectives:

- growth by offering greater value to customers;
- innovation in smarter and greener mobility solutions;
- efficiency, powered by digital;
- one Alstom team with an agile, inclusive and responsible culture.

[9] Based on information known to date and excluding any further deterioration in the situation due to Covid-19.

[10] Net cash flow (determined after (i) cost of net debt, (ii) interest expense on lease obligations and (iii) income taxes paid), minus net capital expenditure and repayments of lease obligations. It is calculated before changes in working capital requirements (WCR) related to operating activities and excluding 5G frequencies.

### 3.6.1 FY2019/20

Alstom released its results for FY2019/20 (ended 31 March 2020) on 12 May 2020.

Alstom booked €9.9 billion of orders between 1 April 2019 and 31 March 2020, consolidating an industry-leading backlog of €40.9 billion. Sales reached €8.2 billion. The book-to-bill ratio was strong at 1.2. Adjusted operating profit amounted to €630 million, giving a margin of 7.7%. Net profit from continued operations attributable to the group amounted to €446 million. The results for FY2019/20 were in line with the guidance issued during Alstom's Capital Markets Day in June 2019, though affected by the Covid-19 pandemic at financial year-end.

Alstom has a very strong balance sheet. Free cash flow in FY2019/20 amounted to €206 million and net cash amounted to €1,178 million at 31 March 2020. Shareholders' equity was €3,328 million at the same date.

In the context of the Covid-19 crisis and in a spirit of responsibility towards all its stakeholders, the Board of Directors at its meeting on 11 May 2020 decided as an exceptional measure not to propose a dividend distribution at the Shareholders' Meeting on 8 July 2020.

### 3.6.2 Figures at 30 June 2020 (first quarter of FY2020/21)

Alstom booked orders worth €1.7 billion in the first quarter of FY2020/21 (from 1 April to 30 June 2020), compared with €1.6 billion over the same period in the previous year. Sales in the first quarter of FY2020/21 were €1.5 billion, down 27% (25% like-for-like and at constant exchange rates), compared with €2.1 billion in the first quarter of FY2019/20. The book-to-bill ratio was 1.1. The backlog at 30 June 2020 stood at €41.2 billion, giving good visibility for future sales.

### 3.6.3 Planned acquisition of Bombardier Transportation

On 17 February 2020, Alstom announced that it had signed a Memorandum of Understanding with Bombardier Inc. and Caisse de Dépôt et Placement du Québec (CDPQ) with a view to acquiring Bombardier Transportation.

The acquisition of Bombardier Transportation is a one-time opportunity which comes at the right time for Alstom, the company having significantly strengthened its operational and financial profile in the previous four years in order to accelerate roll-out of its strategic roadmap, backed up by complementary commercial and industrial platforms.

The acquisition of Bombardier Transport is expected to close in the first half of calendar 2021.

### 3.6.4 Outlook

Alstom's projections are prepared on a like-for-like basis at constant exchange rates. They comply with IFRS 15 and IFRS 16.

Alstom fully rolled out its Alstom in Motion (AiM) strategic plan in FY2019/20 in order to deliver steady sales and margin growth in line with the objectives for 2022/23 set in the context of AiM.

The Covid-19 crisis is likely to have a negative impact on financial performance in FY2020/21, including order intake, net profit, free cash flow and sales, though it is not possible to precisely assess the scale of the impact at present. Alstom expects a rapid recovery on the rail market after the crisis, sustained by strong fundamentals and increasing demand for sustainable mobility.

In this context, the temporary slowdown of tendering is likely to impact the objective of a 5% annual average growth rate over the period from 2019/20 to 2022/23. However, the 2022/23 objectives of a 9% adjusted operating margin and a conversion rate of net profit into free cash flow in excess of 80% are confirmed[11].

[11] AiM objectives set for Alstom on a stand-alone basis.

With strong liquidity, a proven capacity to execute projects and generate profitability, and the rapid launch of a plan to mitigate cost and liquidity risk, Alstom is confident in its ability to weather the crisis and grasp opportunities on a resilient rail market while contributing to the transition towards sustainable transport systems.

## 3.7. Bouygues SA

Bouygues SA reported a loss, according to French accounting standards, of €74 million in the first half of 2020, a deterioration of €1,026 million in comparison with the first half of 2019. The change was mainly due to two factors: the reversal of a provision for the write-down of Alstom shares of €243 million in the first half of 2019, and a €782-million decrease in dividends received in comparison with the first half of 2019, linked to the decision to review the expediency of paying out dividends within the Group in July 2020.

## 3.8. Risks and uncertainties

The Risk factors section (4.1) of the 2019 Universal Registration Document contains a description of the principal risks to which the Group is exposed.

The Group's results in the first half of 2020 were impacted by the Covid-19 pandemic. The effects of the crisis on the situation at 30 June 2020 and on the outlook for each business segment are described in this half-year financial report.

The various health protection measures taken by the public authorities and businesses to contain the pandemic have had an impact on global economic activity. The global economy is now in recession, with capital expenditure, output, supply chains and consumer spending being affected to varying degrees. Uncertainties as to the duration, scale and progress of the pandemic, including the possibility of further waves of infection, virus mutations and the availability of vaccines, together with the possible reimposition of restrictive health measures make it difficult to predict the overall impact on the Group's various business segments, their customers and their counterparties.

All the Group's business segments have worked hard to roll out action plans designed to protect the health and safety of employees and partners and to reduce the impact of the crisis on the Group's profitability.

There was no material change to other risk factors during the first half of 2020.

The main changes in relation to claims and litigation concern the following matters.

### 3.8.1 Bouygues Construction

**France – Flamanville EPR**

Bouygues Travaux Publics was found guilty of undeclared work and the illegal loan of manpower by the Caen Court of Appeal on 20 March 2017 and ordered to pay a fine of €29,950. All the charges against Bouygues Bâtiment Grand Ouest (formerly Quille Construction) for labour law offences were dropped by the same Court of Appeal.

Bouygues Travaux Publics has lodged an appeal in the *Cour de Cassation* (the French Supreme Court). The hearing will take place on 17 November 2020.

## Ireland – Gemini Data Centre

In late 2016, St Stephen's Green Funds ICAV ("**ICAV"**) awarded Bouygues E&S Ireland Limited ("**BYES"**) a contract (the "**Contract"**) relating to the design and construction of a Data Centre (the "**Project"**).

The Project was in three (3) phases. The power supply to the worksite depended on the installation of an electricity substation, in particular for first-phase commissioning tests and execution of the last two phases.

The installation of the substation, entrusted by ICAV to a third party, was delayed.

This situation had an impact on performance of the Contract and caused ICAV to apply penalties, terminate the Contract and claim compensation from BYES for an alleged loss.

In this context, three (3) adjudication proceedings were brought, which ultimately recognised ICAV's right to apply lateness penalties to BYES.

BYES has initiated arbitration proceedings (LCIA, Arbitration Rules 2014) with a view to challenging application of the penalties and bringing a claim for compensation.

The arbitral tribunal was formed on 24 January 2020 and proceedings are ongoing.

## Hong Kong – Shenzhen Western Corridor

A joint venture between VSL Hong Kong and Gammon Management Services Ltd ("**VSL SWC"**) was awarded two subcontracting contracts by the joint venture Gammon – Skanska – MBEC (the "**Holder"**) relating to the Shenzhen Western Corridor project (the "**Project"**) initiated by the Hong Kong Highways Department (the "**Customer"**). The subcontracting contracts related respectively to (i) the assembly of prefabricated concrete bridge segments, bridge supports, expansion joints and post-tensioning, and (ii) the supply of post-tensioned materials.

On 15 February 2019, during a routine inspection, the Customer found that an external prestressed cable had broken. The Customer issued an investigation report on 18 June 2019.

In this context, a dispute arose between the Customer and VSL SWC relating to responsibility for the breaking of the external prestressed cable and possible flaws that could affect all the other external prestressed cables.

The dispute is the subject of an arbitration proceeding initiated by the Holder on 15 May 2020. The procedure for appointing the sole arbitrator is under way.

## Monaco – Offshore extension

In the context of the Monaco offshore extension, on 9 January 1917 the Monaco-based company Bouygues TP MC S.A.M ("**BYTP"**) awarded Jan De Nul a subcontracting contract relating to dredging services and the provision of fill materials.
As Jan De Nul did not deliver materials that complied with the contractual specifications, BYTP replaced Jan De Nul for this task. Jan De Nul challenged this decision and terminated the contract for the fault of BYTP on 20 December 2019.

A dispute arose between the parties as a result, each claiming compensation from the other for losses incurred. The dispute is the subject of an arbitration proceeding under the rules of the International Chamber of Commerce, for which an arbitral tribunal was formed on 13 May 2020.

### 3.8.2 Bouygues Telecom

#### Competition

In response to proceedings brought by Free Mobile before the Paris Commercial Court in October 2019, citing certain of Bouygues Telecom's mobile telephony offers that combine a phone plan and the purchase of a handset, Bouygues Telecom submitted its defence in June 2020, disputing the admissibility of Free Mobile's application and seeking damages against Free Mobile of €1 for abuse of process and €1,576,000 for disparagement of its offers. The proceedings are ongoing.

#### Regulatory matters

- In May 2020, a group of 500 private individuals summoned the four mobile network operators (Orange, SFR, Bouygues Telecom and Free Mobile) in urgent proceedings before the Paris *Tribunal Judiciaire* (Combined Court), seeking the appointment of a court expert to assess the impacts of 5G on health, the environment and fundamental freedoms. Bouygues Telecom has filed its submissions and the case has been adjourned to a new hearing on 1 October 2020.

- On 17 July 2020, Bouygues Telecom lodged appeals for ultra vires before the *Conseil d'État* (France's Supreme Administrative Court) in respect of the order of 30 December 2019 organising the conditions for the award of 3.5 GHz frequencies and in respect of the licence fee decree of 31 December 2019 which determines the fixed and variable portion of the licence fee, seeking annulment of the regulations.

- An application for an interim suspension order was also made but dismissed by order of the *Conseil d'État* judge on 21 July 2020.

The two appeals for ultra vires are ongoing.

- On 23 July 2020, Bouygues Telecom lodged an appeal for ultra vires before the *Conseil d'État* against the implementing decree and order of Act 2019-810 of 1 August 2019 seeking to safeguard France's defence and national security interests in connection with the operation of mobile radio networks..

### 3.8.3 TF1

#### Molotov v. TF1 before the French Competition Authority

On 12 July 2019, Molotov submitted a request for interim measures to the Competition Authority in relation to practices by TF1 and M6 in the television channel broadcasting and marketing sector.

The complaint was made after TF1 had brought proceedings against Molotov for airing the TF1 group's channels without permission.

The Competition Authority dismissed Molotov's complaint on 30 April 2020 for lack of evidence. Molotov has appealed the decision.

**Complaint and claim to the CNIL**

On 26 June 2020, the NGO Privacy International asked the CNIL (the French data protection authority) to investigate the Doctissimo website's compliance with the General Data Protection Regulation (GDPR).

In response to these allegations, Doctissimo sent a letter to the CNIL seeking to clarify certain points of the investigation request and informing the CNIL of the state of roll-out of the GDPR.

On 8 June 2020, TF1 received a complaint from the CNIL relating to the way cookies are installed on the MYTF1 service published by e-TF1.

TF1 is considering these complaints and ensuring that GDPR and the CNIL guidelines are implemented.

## 3.9. Related-party transactions

No related-party transactions liable to materially affect Bouygues' financial situation or results were concluded in the first half of 2020, with the exception of transactions carried out in connection with the creation of SDAIF with Vauban Infrastructure Partners. Likewise, no change to related-party transactions liable to materially affect Bouygues' financial situation or results occurred during that period. Under the terms of agreements authorised by the Board of Directors and approved by the Annual General Meeting, Bouygues provided services to its sub-groups, mainly in the areas of management, human resources, information systems and finance.

More detailed information about related-party transactions is given in Note 14 of the notes to the condensed consolidated first-half financial statements.

## 3.10. Recent events – main events since 1 July 2020

On 3 July, TF1 was named the leading media group and 22nd best company overall out of the 120 major French companies in the SBF 120 index, according to the 2019 Ethics & Boards awards for female representation on corporate decision-making bodies.

On 7 July, Bouygues Construction signed agreements with its partners for the construction of phase 3 of Hallsville Quarter, a major regeneration programme with the London Borough of Newham at Canning Town. The total project amount is £240 million (€264 million).

On 15 July, Bouygues Telecom announced that it had successfully complied with its coverage targets under the New Mobile Deal, an agreement between the French government and the mobile operators concluded in January 2018 with the aim of completing and accelerating 4G coverage in rural areas in exchange for a reduction in the price of frequencies.

On 15 July, Colas announced that it had signed a contract with the Singapore Land Transport Authority on 5 June 2020 to replace the power supply assets for the Bukit-Panjang LRT. It is Colas' first contract in Singapore.

On 17 July, Bouygues Immobilier and the CMA CGM group, a world leader in shipping and logistics, announced the start of construction work on the new Le Mirabeau tower. Due to be handed over in 2023, the latest addition to Marseille's skyline will house new businesses. The building meets the most stringent requirements of international standards relating to the environment and quality of life at work.

On 23 July, Bouygues Construction and Dassault Systèmes announced the next phase of their long-term commitment to reinvent the construction industry and make it more efficient and sustainable. Bouygues Construction has chosen Dassault Systèmes' cloud-based 3DEXPERIENCE platform to drive its business transformation and improve the productivity of its construction projects.

On 24 July, Bouygues Telecom and FranceTV Publicité concluded an agreement on addressable segmented TV. With the advent of addressable TV advertising in France, expected to be approved under the forthcoming overhaul of French TV advertising regulations, Bouygues Telecom aims to become a player in the new ecosystem.

On 28 July, Colas announced that its Board of Directors had met on 27 July 2020 and had decided to convene a Shareholders' Meeting on 3 September 2020 to propose a dividend of €6.40 per share in respect of FY 2019.
On 28 July, Bouygues announced that its Board of Directors had met on the same day and had decided to convene an Ordinary General Meeting on 4 September 2020 to propose a reduced dividend of €1.70 per share in respect of FY 2019.

On 29 July, TF1 announced that its Board of Directors, which took place on 28 July, had decided irreversibly not to pay a dividend out of 2019 profits.

On 31 July 2020, the European Commission cleared Alstom's acquisition of Bombardier Transportation. Alstom and Bombardier welcomed the Commission's decision to give conditional clearance to Alstom's proposed acquisition of Bombardier Transportation.

On 14 August 2020, Bouygues Telecom announced that it had concluded an agreement with Mediapro under which it will distribute the Téléfoot channel to all of the operator's ADSL, FTTH and mobile customers.

# 4. CONDENSED CONSOLIDATED FIRST-HALF FINANCIAL STATEMENTS

## BOUYGUES GROUP CONSOLIDATED FINANCIAL STATEMENTS

### CONSOLIDATED BALANCE SHEET (€ million)

| ASSETS | Note | 30/06/2020 net | 31/12/2019 net | 30/06/2019 net |
|---|---|---|---|---|
| Property, plant and equipment | | 7,366 | 7,502 | 7,478 |
| Right of use of leased assets | | 1,548 | 1,634 | 1,571 |
| Intangible assets | | 2,121 | 2,177 | 2,186 |
| Goodwill | 3.1 | 6,555 | 6,541 | 6,471 |
| Investments in joint ventures and associates | 3.2 | 1,837 | 1,556 | 2,680 |
| Other non-current financial assets | | 483 | 487 | 535 |
| Deferred tax assets | | 461 | 342 | 374 |
| **NON-CURRENT ASSETS** | | **20,371** | **20,239** | **21,295** |
| Inventories | | 3,257 | 3,239 | 3,383 |
| Advances and down-payments made on orders | | 455 | 434 | 476 |
| Trade receivables | | 6,434 | 6,288 | 7,102 |
| Customer contract assets | | 2,669 | 2,426 | 2,930 |
| Current tax assets | | 304 | 307 | 364 |
| Other current receivables and prepaid expenses | | 3,276 | 2,828 | 3,102 |
| Cash and cash equivalents | 7 | 4,676 | 3,574 | 1,813 |
| Financial instruments - Hedging of debt | 7 | 11 | 12 | 11 |
| Other current financial assets | | 9 | 7 | 12 |
| **CURRENT ASSETS** | | **21,091** | **19,115** | **19,193** |
| Held-for-sale assets and operations | | | | |
| **TOTAL ASSETS** | | **41,462** | **39,354** | **40,488** |

| LIABILITIES AND SHAREHOLDERS' EQUITY | Note | 30/06/2020 | 31/12/2019 | 30/06/2019 |
|---|---|---|---|---|
| Share capital | 4 | 380 | 380 | 372 |
| Share premium and reserves | | 9,956 | 8,803 | 8,646 |
| Translation reserve | | (42) | 38 | (47) |
| Treasury shares | | | | |
| Net profit/(loss) attributable to the Group | 11 | (244) | 1,184 | 225 |
| **SHAREHOLDERS' EQUITY ATTRIBUTABLE TO THE GROUP** | | **10,050** | **10,405** | **9,196** |
| Non-controlling interests | | 1,401 | 1,395 | 1,367 |
| **SHAREHOLDERS' EQUITY** | | **11,451** | **11,800** | **10,563** |
| Non-current debt | 6.1/7 | 6,346 | 4,236 | 6,258 |
| Non-current lease obligations | | 1,282 | 1,344 | 1,331 |
| Non-current provisions | 5.1 | 2,196 | 2,167 | 2,031 |
| Deferred tax liabilities | | 346 | 361 | 340 |
| **NON-CURRENT LIABILITIES** | | **10,170** | **8,108** | **9,960** |
| Current debt | 6.1/7 | 2,006 | 1,295 | 1,276 |
| Current lease obligations | | 326 | 342 | 319 |
| Current tax liabilities | | 166 | 230 | 176 |
| Trade payables | | 6,842 | 7,394 | 7,615 |
| Customer contract liabilities | | 3,973 | 3,854 | 4,045 |
| Current provisions | 5.2 | 1,094 | 1,136 | 1,031 |
| Other current liabilities | | 5,173 | 4,895 | 4,987 |
| Overdrafts and short-term bank borrowings | 7 | 228 | 220 | 438 |
| Financial instruments - Hedging of debt | 7 | 12 | 57 | 57 |
| Other current financial liabilities | | 21 | 23 | 21 |
| **CURRENT LIABILITIES** | | **19,841** | **19,446** | **19,965** |
| Liabilities related to held-for-sale operations | | | | |
| **TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY** | | **41,462** | **39,354** | **40,488** |
| | | | | |
| **NET SURPLUS CASH/(NET DEBT)** | **7/11** | **(3,905)** | **(2,222)** | **(6,205)** |

## BOUYGUES GROUP CONSOLIDATED FINANCIAL STATEMENTS

### CONSOLIDATED INCOME STATEMENT (€ million)

| | Note | First half 2020 | First half 2019 | Second quarter 2020 | Second quarter 2019 | Full year 2019 |
|---|---|---|---|---|---|---|
| **SALES [a]** | **8/11** | **14,758** | **17,446** | **7,539** | **9,513** | **37,929** |
| Other revenues from operations | | 36 | 78 | 16 | 27 | 81 |
| Purchases used in production | | (6,322) | (8,043) | (3,224) | (4,501) | (17,473) |
| Personnel costs | | (3,925) | (4,174) | (1,979) | (2,126) | (8,376) |
| External charges | | (3,528) | (3,814) | (1,707) | (1,962) | (7,950) |
| Taxes other than income tax | | (344) | (368) | (106) | (132) | (629) |
| Net depreciation and amortisation expense on property, plant and equipment and intangible assets | | (851) | (812) | (448) | (435) | (1,782) |
| Net amortisation expense on right of use of leased assets | | (184) | (159) | (96) | (77) | (338) |
| Charges to provisions and impairment losses, net of reversals due to utilisation | | (76) | (98) | (81) | (89) | (511) |
| Change in production and property development inventories | | (44) | 41 | (24) | 59 | (250) |
| Other income from operations [b] | | 709 | 685 | 406 | 432 | 1,760 |
| Other expenses on operations | | (361) | (329) | (186) | (198) | (785) |
| **CURRENT OPERATING PROFIT/(LOSS)** | **9/11** | **(132)** | **453** | **110** | **511** | **1,676** |
| Other operating income | | 7 | 54 | 4 | 37 | 71 |
| Other operating expenses | | (51) | (12) | (50) | (10) | (51) |
| **OPERATING PROFIT/(LOSS)** | **9/11** | **(176)** | **495** | **64** | **538** | **1,696** |
| Financial income | | 15 | 17 | 2 | 7 | 39 |
| Financial expenses | | (109) | (124) | (53) | (60) | (246) |
| **INCOME FROM NET SURPLUS CASH/(COST OF NET DEBT)** | | **(94)** | **(107)** | **(51)** | **(53)** | **(207)** |
| Interest expense on lease obligations | 11 | (25) | (29) | (11) | (14) | (57) |
| Other financial income | | 25 | 34 | 23 | 14 | 84 |
| Other financial expenses | | (38) | (23) | (26) | (14) | (94) |
| Income tax | 10 | 12 | (132) | (73) | (157) | (452) |
| Share of net profits/losses of joint ventures and associates | 3.2/11 | 77 | 59 | 52 | 22 | 350 |
| **NET PROFIT/(LOSS) FROM CONTINUING OPERATIONS** | | **(219)** | **297** | **(22)** | **336** | **1,320** |
| Net profit/(loss) from discontinued and held-for-sale operations | | | | | | |
| **NET PROFIT/(LOSS)** | | **(219)** | **297** | **(22)** | **336** | **1,320** |
| **NET PROFIT/(LOSS) ATTRIBUTABLE TO THE GROUP** | **11** | **(244)** | **225** | **(40)** | **284** | **1,184** |
| Net profit/(loss) attributable to non-controlling interests | | 25 | 72 | 18 | 52 | 136 |
| **Basic earnings per share from continuing operations attributable to the Group (€)** | | **(0.64)** | **0.60** | **(0.10)** | **0.76** | **3.18** |
| **Diluted earnings per share from continuing operations attributable to the Group (€)** | | **(0.64)** | **0.60** | **(0.10)** | **0.76** | **3.17** |
| (a) Of which sales generated abroad | | 6,225 | 6,893 | 3,405 | 3,955 | 15,483 |
| (b) Of which reversals of unutilised provisions/impairment losses & other items | | 147 | 116 | 79 | 68 | 364 |

## CONSOLIDATED STATEMENT OF RECOGNISED INCOME AND EXPENSE (€ million)

| | First half | | Full year |
|---|---|---|---|
| | 2020 | 2019 | 2019 |
| **NET PROFIT/(LOSS)** | **(219)** | **297** | **1,320** |
| **Items not reclassifiable to profit or loss** | | | |
| Actuarial gains/losses on employee benefits | (32) | (39) | (97) |
| Remeasurement of investments in equity instruments | (10) | (7) | (28) |
| Net tax effect of items not reclassifiable to profit or loss | 3 | 11 | 22 |
| Share of non-reclassifiable income and expense of joint ventures and associates [a] | 9 | (18) | (97) |
| **Items reclassifiable to profit or loss** | | | |
| Translation adjustments | (47) | 38 | 55 |
| Remeasurement of hedging assets | (2) | (33) | (32) |
| Net tax effect of items reclassifiable to profit or loss | | 9 | 6 |
| Share of reclassifiable income and expense of joint ventures and associates [a] | (35) | 18 | 93 |
| **INCOME AND EXPENSE RECOGNISED DIRECTLY IN EQUITY** | **(114)** [b] | **(21)** [c] | **(78)** |
| **TOTAL RECOGNISED INCOME AND EXPENSE** | **(333)** | **276** | **1,242** |
| **Recognised income and expense attributable to the Group** | **(351)** | **209** | **1,125** |
| **Recognised income and expense attributable to non-controlling interests** | **18** | **67** | **117** |

(a) Relates mainly to Alstom.
(b) Of which income and expense recognised in second-quarter 2020 = (71).
(c) Of which income and expense recognised in second-quarter 2019 = (34).

## CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY (€ million)

| | Share capital and share premium | Reserves related to capital and retained earnings | Consolidated reserves and profit/(loss) | Treasury shares | Items recognised directly in equity | TOTAL ATTRIBUTABLE TO THE GROUP | Non-controlling interests | TOTAL |
|---|---|---|---|---|---|---|---|---|
| **POSITION AT 31 DECEMBER 2018 RESTATED** [a] | **2,574** | **2,481** | **4,704** | | **(112)** | **9,647** | **1,385** | **11,032** |
| **Movements during the first half of 2019** | | | | | | | | |
| Net profit/(loss) | | | 225 | | | 225 | 72 | 297 |
| Translation adjustments | | | | | 56 | 56 | 2 | 58 |
| Other recognised income and expense | | | | | (72) | (72) | (7) | (79) |
| **Total recognised income and expense** [c] | | | **225** | | **(16)** | **209** | **67** | **276** |
| Capital and reserves transactions, net | (28) | 255 | (255) | | | (28) | | (28) |
| Acquisitions and disposals of treasury shares | | | 4 | | | 4 | | 4 |
| Acquisitions and disposals with no change of control | | | (5) | | | (5) | (9) | (14) |
| Dividend paid | | | (631) | | | (631) | (77) | (708) |
| Share-based payments | | | 4 | | | 4 | | 4 |
| Other transactions (changes in scope of consolidation, other transactions with shareholders, and miscellaneous items) | 1 | | (5) | | | (4) | 1 | (3) |
| **POSITION AT 30 JUNE 2019** | **2,547** | **2,736** | **4,041** | | **(128)** | **9,196** | **1,367** | **10,563** |
| **Movements during the second half of 2019** | | | | | | | | |
| Net profit/(loss) | | | 959 | | | 959 | 64 | 1,023 |
| Translation adjustments | | | | | 85 | 85 | 1 | 86 |
| Other recognised income and expense | | | | | (128) | (128) | (15) | (143) |
| **Total recognised income and expense** [c] | | | **959** | | **(43)** | **916** | **50** | **966** |
| Capital and reserves transactions, net | 203 | | | | | 203 | | 203 |
| Acquisitions and disposals of treasury shares | | | 5 | | | 5 | | 5 |
| Acquisitions and disposals without loss of control | | | 8 | | | 8 | 7 | 15 |
| Dividend paid | | | | | | | (2) | (2) |
| Share-based payments | | | 12 | | | 12 | 2 | 14 |
| Other transactions (changes in scope of consolidation, other transactions with shareholders, and miscellaneous items) | (1) | | 66 | | | 65 | (29) | 36 |
| **POSITION AT 31 DECEMBER 2019** | **2,749** | **2,736** | **5,091** | | **(171)** | **10,405** | **1,395** | **11,800** |
| **Movements during the first half of 2020** | | | | | | | | |
| Net profit/(loss) | | | (244) | | | (244) | 25 | (219) |
| Translation adjustments | | | | | (80) [b] | (80) | (2) [b] | (82) |
| Other recognised income and expense | | | | | (27) | (27) | (5) | (32) |
| **Total recognised income and expense** [c] | | | **(244)** | | **(107)** | **(351)** | **18** | **(333)** |
| Capital and reserves transactions, net | 3 | 1,166 | (1,166) | | | 3 | | 3 |
| Acquisitions and disposals of treasury shares | | | (2) | | | (2) | | (2) |
| Acquisitions and disposals with no change of control | | | (5) | | | (5) | | (5) |
| Dividend paid | | | | | | | (5) | (5) |
| Share-based payments | | | 2 | | | 2 | | 2 |
| Other transactions (changes in scope of consolidation, other transactions with shareholders, and miscellaneous items) | | | (2) | | | (2) | (7) | (9) |
| **POSITION AT 30 JUNE 2020** | **2,752** | **3,902** | **3,674** | | **(278)** | **10,050** | **1,401** [d] | **11,451** |

(a) Shareholders' equity as of 31 December 2018 has been restated for the effects of applying IFRS 16.
(b) Change in translation reserve:

| Attributable to: | Group | Non-controlling interests | Total |
|---|---|---|---|
| Controlled entities | (45) | (2) | (47) |
| Joint ventures and associates | (35) | | (35) |
| | **(80)** | **(2)** | **(82)** |

(c) See statement of recognised income and expense.
(d) Of which TF1: €899 million and Bouygues Telecom: €378 million.

# BOUYGUES GROUP CONSOLIDATED FINANCIAL STATEMENTS

## CONSOLIDATED CASH FLOW STATEMENT (€ million)

| | Note | First half 2020 | First half 2019 | Full year 2019 |
|---|---|---|---|---|
| **I - CASH FLOW FROM CONTINUING OPERATIONS** | | | | |
| **A - NET CASH GENERATED BY/(USED IN) OPERATING ACTIVITIES** | | | | |
| Net profit/(loss) from continuing operations | | (219) | 297 | 1,320 |
| Adjustments: | | | | |
| Share of profits/losses reverting to joint ventures and associates, net of dividends received | | (48) | (40) | 101 |
| Dividends from non-consolidated companies | | (1) | (5) | (10) |
| Net charges to/(reversals of) depreciation, amortisation, impairment of property, plant and equipment and intangible assets, and non-current provisions | | 845 | 759 | 1,753 |
| Net charges to amortisation and impairment expense and other adjustments to right of use of leased assets | | 185 | 166 | 342 |
| Gains and losses on asset disposals | | (50) | (92) | (222) |
| Income taxes, including uncertain tax positions | | (12) | 132 | 452 |
| Income taxes paid | | (129) | (213) | (422) |
| Other income and expenses with no cash effect | | 2 | (23) | 18 |
| **Cash flow after income from net surplus cash/cost of net debt, interest expense on lease obligations and income taxes paid** | **11** | **573** | **981** | **3,332** |
| Reclassification of income from net surplus cash/cost of net debt and interest expense on lease obligations | | 119 | 136 | 264 |
| Changes in working capital requirements related to operating activities (including current impairment and provisions) [a] | 11 | (1,037) | (1,629) | (223) |
| **NET CASH GENERATED BY/(USED IN) OPERATING ACTIVITIES** | | **(345)** | **(512)** | **3,373** |
| **B - NET CASH GENERATED BY/(USED IN) INVESTING ACTIVITIES** | | | | |
| Purchase price of property, plant and equipment and intangible assets | 11 | (857) | (901) | (1,853) |
| Proceeds from disposals of property, plant and equipment and intangible assets | 11 | 250 | 123 | 251 |
| Net liabilities related to property, plant and equipment and intangible assets | | (381) | (117) | (26) |
| Purchase price of non-consolidated companies and other investments | | (2) | (6) | (6) |
| Proceeds from disposals of non-consolidated companies and other investments | | 1 | 6 | 13 |
| Net liabilities related to non-consolidated companies and other investments | | | | (10) |
| Purchase price of investments in consolidated activities | | (59) | (172) | (225) |
| Proceeds from disposals of investments in consolidated activities | | 59 | 24 | 1,183 |
| Net liabilities related to consolidated activities | | | (2) | (1) |
| Other effects of changes in scope of consolidation: cash of acquired and divested companies | 7 | 4 | 4 | 8 |
| Other cash flows related to investing activities: changes in loans, dividends received from non-consolidated companies | | (10) | 18 | 64 |
| **NET CASH GENERATED BY/(USED IN) INVESTING ACTIVITIES** | | **(995)** | **(1,023)** | **(602)** |
| **C - NET CASH GENERATED BY/(USED IN) FINANCING ACTIVITIES** | | | | |
| Capital increases/(reductions) paid by shareholders and non-controlling interests and other transactions between shareholders | | (12) | (31) | 170 |
| Dividends paid to shareholders of the parent company | | | (631) | (631) |
| Dividends paid by consolidated companies to non-controlling interests | | (5) | (77) | (79) |
| Change in current and non-current debt | 7 | 2,825 | 1,210 | (1,041) |
| Repayment of lease obligations | 11 | (190) | (165) | (351) |
| Income from net surplus cash/cost of net debt and interest expense on lease obligations | | (119) | (136) | (264) |
| Other cash flows related to financing activities | | (38) | 17 | 1 |
| **NET CASH GENERATED BY/(USED IN) FINANCING ACTIVITIES** | | **2,461** | **187** | **(2,195)** |
| **D - EFFECT OF FOREIGN EXCHANGE FLUCTUATIONS** | **7** | **(27)** | **33** | **88** |
| **CHANGE IN NET CASH POSITION (A + B + C + D)** | | **1,094** | **(1,315)** | **664** |
| **NET CASH POSITION AT START OF PERIOD** | **7** | **3,354** | **2,690** | **2,690** |
| Net cash flows | 7 | 1,094 | (1,315) | 664 |
| Non-monetary flows | | | | |
| Held-for-sale operation | | | | |
| **NET CASH POSITION AT END OF PERIOD** | **7** | **4,448** | **1,375** | **3,354** |
| **II - CASH FLOWS FROM DISCONTINUED AND HELD-FOR-SALE OPERATIONS** | | | | |
| **NET CASH POSITION AT START OF PERIOD** | | | **(1)** | **(1)** |
| Net cash flows | | | 1 | 1 |
| **NET CASH POSITION AT END OF PERIOD** | | | | |

(a) Definition of changes in working capital requirements related to operating activities: current assets minus current liabilities, excluding (i) income taxes; (ii) receivables/liabilities related to property, plant and equipment and intangibles assets; (iii) current debt; (iv) current lease obligations; and (v) financial instruments used to hedge debt.

## CONTENTS

# NOTE 1 SIGNIFICANT EVENTS

## 1.1 Significant events of the first half of 2020

The principal corporate actions and acquisitions of the first half of 2020 are described below:

- On 20 January 2020, Bouygues Construction extended its arbitration proceedings against Alpiq (see Note 1.2) by increasing the amount of its initial claim from CHF 205 million to CHF 319 million (€299 million at the 30 June 2020 exchange rate) plus interest. The arbitration panel is not expected to deliver a ruling until 2022 at the earliest. No gain has been recognised in respect of these claims.

- On 30 January 2020, Bouygues Construction was the target of a ransomware attack caused by malware. Bouygues Construction initially shut down its IT system as a precaution to prevent the virus from spreading, and specific measures were taken immediately to ensure business continuity in France and abroad and to restore the information system. No worksites were shut down. An exceptional response from across the entire company, and by experts from within and outside the Bouygues group, meant that Bouygues Construction was able to meet all its commitments. As of now, virtually all services and applications have been restored and are operating normally. Extra security measures have been applied to a few minor applications. The relevant insurance policies were activated and a complaint has been filed with the competent authorities.

- On 17 February 2020, Alstom announced the signature of a memorandum of understanding with Bombardier Inc. and the Caisse de dépôt et placement du Québec to acquire Bombardier Transportation. The price for 100% of Bombardier Transportation’s shares will be settled partly in cash, and partly in newly-issued Alstom shares. Closing of the transaction, which was approved by the European Commission at the end of July 2020, is expected in the first half of 2021. Bouygues expressed its support for the deal and committed to vote in favour of all related resolutions at the Extraordinary General Meeting to be held no later than 31 October 2020. Bouygues also committed to remaining a shareholder of Alstom until the earlier of that meeting or 31 October 2020. On completion, Bouygues would have an equity interest of approximately 10% in Alstom.

- On 26 February 2020, Bouygues Telecom and Cellnex signed a strategic agreement setting up a company to roll out, market and manage a national fibre optic network (FTTA and FTTO). Effective completion of the transaction occurred on 29 May 2020. Bouygues Telecom is to sign a long-term service agreement with the new company, which is controlled by Cellnex. The project, worth approximately €1 billion over seven years (to 2027), will enable Bouygues Telecom to link its network infrastructure (mobile towers and fibre optic nodes) via fibre, so that the company can meet growing data usage demand on its networks and extend its footprint in the business and wholesale fixed telecoms markets. As of 30 June 2020, Bouygues Telecom had invested €15 million and held a 49% equity interest in the new company, over which it exercises significant influence. Bouygues Telecom has a call option over the remaining shares exercisable between 15 January and 15 June 2040 and at five-year intervals to 2050, which would give it control over the new company.

- On 19 March 2020, Bouygues Telecom and Phoenix Tower International (a Blackstone portfolio company based in the United States, specialising in mobile infrastructure construction) implemented an agreement to set up a new company to roll out up to approximately 4,000 new mobile sites in France over a 12-year period outside very dense areas.
  The new company, controlled by Phoenix Tower International, will own and manage the sites.
  Some of the sites will be deployed to meet Bouygues Telecom’s regulatory obligations under the “New Deal Mobile” programme, which aims to deliver targeted improvements in mobile coverage and accelerate the roll-out of the mobile network along transport arteries. The new company has sufficient size and coverage to make it a high-potential infrastructure operator in the French market.

As of 30 June 2020, Bouygues Telecom had invested €3 million and held a 40% equity interest in the new company, over which it exercises significant influence. Bouygues Telecom has a call option over the remaining shares exercisable between 15 January and 15 July 2034 and at five-year intervals to 2049, which would give it control over the new company.

- On 7 April 2020, Bouygues carried out a €1,000-million bond issue maturing 24 July 2028, bearing interest at 1.125%.

- On 23 April 2020, Bouygues Telecom and Vauban Infrastructure Partners (a BPCE group company) signed a strategic agreement to ramp up the roll-out of FTTH in medium dense areas served by Orange under private investment deals (AMII and AMEL zones, representing around 13 million premises). Effective completion of the transaction occurred on 29 June 2020. Bouygues Telecom created a special purpose entity (SDAIF) and launched a call for bids at the end of 2019; as a result of that process Vauban Infrastructure Partners, acting on behalf of its funds, was chosen to be SDAIF's new majority shareholder. SDAIF, over which Bouygues Telecom exercises significant influence, will acquire long-term access rights from Orange, helping to co-finance fibre optics alongside the main French operators. More than €1 billion will be invested over the next four years.

  On the formation of SDAIF, Vauban Infrastructure Partners and Bouygues Telecom agreed to subscribe to the share capital of the new company. Bouygues Telecom contributed to the new company (i) a service contract, with an undertaking to access FTTH premises in medium dense areas solely from SDAIF for a 30-year period at a pre-determined price; and (ii) a supply contract enabling SDAIF to purchase FTTH premises from Orange. SDAIF can also offer the same access services to third-party operators. The transaction values Bouygues Telecom's 49% interest in SDAIF at €295 million, comprising (i) €272 million for the service and supply contracts, which will be recognised in current operating profit over the term of the contract, and (ii) €23 million for the capital increase to be carried out by Bouygues Telecom.
  Bouygues Telecom has an option to take control of SDAIF exercisable between 15 March and 15 June each year from 2024 to 2027, and then every five years from 2030 to 2050.

  Finally, Bouygues Telecom sold to SDAIF the access rights it had already acquired from Orange, generating in the second quarter of 2020 disposal proceeds of €185 million and a gain of €17 million (recognised in current operating profit) for the 51% share not held by Bouygues Telecom. The sale proceeds were received in the third quarter of 2020.

- On 17 June 2020, the Paris Court of Appeal ordered Orange to pay €250 million in damages to Digicel, the company to which Bouygues Telecom sold its operations in the French Antilles in 2006. Under the terms of the purchase agreement, Digicel and Bouygues Telecom were to share any damages awarded. At this stage in the proceedings, no gain has been recognised in the Bouygues group income statement for the first half of 2020.

- On 25 June 2020, Bouygues Telecom signed an exclusivity agreement with Euro-Information (a Crédit Mutuel group company) with a view to acquiring 100% of the share capital of its subsidiary Euro-Information Telecom (EIT), France's leading alternative telecoms operator, and to concluding an exclusive distribution agreement between Crédit Mutuel, CIC and Bouygues Telecom. EIT has more than 2 million customers and generated sales of €518 million in 2018. The purchase price comprises fixed consideration of €530 million payable on closing plus contingent consideration of between €140 million and €325 million, payable over a number of years subject to attainment of economic performance criteria. The transaction is expected to be completed by the end of 2020 subject to obtaining the necessary administrative clearances (in particular from the French Competition Authority) and to consultation with employee representative bodies.

- Consequences of the Covid-19 pandemic

*Impacts on the Group's activities*

The Covid-19 pandemic, and the lockdown measures implemented by the French government, led to a sharp decline in activity for the Group's business segments in the first half of 2020.

The construction businesses were affected by the almost complete shutdown of worksites in the last two weeks of March 2020 in line with the lockdown measures, followed by a gradual resumption of activity and the postponement of the second round of municipal elections in France. To a lesser extent, the businesses were affected by a slowdown or shutdown of operations in other geographies (including Hong Kong, Italy, Switzerland, Belgium and Singapore). By mid-July 2020, virtually all worksites had reopened in France, and activity levels were back to near-normal levels in many other countries. In mid-August, activity gradually resumed in Singapore.
TF1 was affected by advertising campaigns being postponed or pulled on a massive scale from mid-March onwards, with the effects intensifying in the second quarter, and also by the shutdown of shooting during lockdown. There was a gradual resumption of shooting from mid-May. However, first-half results showed that TF1 was able to react in terms of programming and cost control. Finally, Bouygues Telecom was less severely affected by Covid-19, with the main impacts being the closure of retail outlets during lockdown and reduced roaming sales due to a slump in intercontinental travel and the closure of some borders.

While maintaining the health and safety of their employees, subcontractors and customers as their number one priority, the Group's business segments gradually resumed operations as soon as possible, and took the necessary steps to limit the impacts of the crisis on profitability (including negotiations with customers on sharing excess Covid-19 costs, and cost saving plans in all business segments).

*Estimated impacts of the Covid-19 crisis on the 2020 first-half financial statements*

The Covid-19 pandemic has led to a reduction in sales. Current operating profit has been impacted by the erosion of current operating margin in the business segments, reflecting not only the reduction in sales but also unavoidable costs incurred in the three sectors of activity in spite of flexibility measures. Those costs mainly comprise fixed personnel costs (staff working part-time or not at all, net of any government support received); unoccupied premises; idle plant and equipment; and measures taken to ensure employees working on site are protected from health risks.
The estimated impact of the crisis at Group level is estimated at €2,780 million on sales and €650 million on current operating profit. The estimated impact on each business segment, measured by reference to the first half of 2019 or to the 2020 budget, is shown below:

| *Estimates in € million* | **Sales** | **Current operating profit** |
|---|---:|---:|
| Bouygues Construction | -€1,250m | -€290m |
| Bouygues Immobilier | -€400m | -€50m |
| Colas | -€810m | -€190m |
| **Construction businesses** | **-€2,460m** | **-€530m** |
| **TF1** | **-€250m** | **-€100m** |
| **Bouygues Telecom** | **-€70m** | **-€20m** |

The Group's second-quarter 2020 results were more seriously impacted by Covid-19 than its first-quarter results, due to the ongoing lockdown (followed by a gradual resumption of activity) in France and the extension of restrictive measures to other countries.

In response to the health crisis and in light of the resulting economic uncertainties, Bouygues has been keen to act responsibly and show solidarity with the major sacrifices being expected of its stakeholders, especially its employees. The Board of Directors therefore withdrew the proposal to distribute a dividend which was to have been put to the Annual General Meeting of 23 April 2020, and decided to reassess the situation at the Board meeting of 28 July 2020 (see Note 1.3). The Group also decided not to defer payments on account of corporate income taxes or social security contributions.

## 1.2 Significant events of the first half of 2019

The principal corporate actions and acquisitions of the first half of 2019 are described below:

- On 18 January 2019, Bouygues Telecom finalised the acquisition of a 43.6% equity interest in Keyyo at a price of €34 per share, representing an investment of €29 million. Following two voluntary public tender offers for the entire remaining equity capital at the same price per share, Bouygues Telecom now holds an equity interest of 100% (including treasury shares), representing an investment of €61 million. As of the date control was obtained, provisional goodwill of €51 million was recognised pending finalisation of the purchase price allocation; the impact on net debt was €61 million. On completion of the 12-month purchase price allocation period, the provisional goodwill became final, amounting to €36 million as of 31 December 2019.

- On 6 February 2019, the European Commission rejected the merger between Alstom and Siemens, who decided not to challenge that decision. The proposed merger was therefore abandoned.

- On 12 February 2019, Bouygues Construction filed arbitration proceedings against Alpiq following differences of opinion as to the amount of the final purchase price adjustment determined in connection with the sale of the services and engineering operations in 2018. Bouygues Construction claimed an amount of CHF 205.1 million (€189 million), while Alpiq claimed a payment of CHF 12.9 million (€12 million).

- On 14 February 2019, Colas announced that it had signed an agreement to sell Smac to a subsidiary of OpenGate Capital. Effective completion of the transaction occurred on 20 May 2019 after all the conditions precedent had been fulfilled, in particular approval from the competition authorities. This divestment reduced sales by approximately €600 million on an annual basis, and did not have a material impact on operating profit in 2019.

- On 21 February 2019, Bouygues Telecom and Dzeta Partners announced that they had reached an agreement for Bouygues Telecom to acquire 100% of the capital and voting rights of Nerim. The acquisition was completed on 13 March 2019 at a price of €55 million. As of the date control was obtained, provisional goodwill of €45 million was recognised pending finalisation of the purchase price allocation; the impact on net debt was €54 million. On completion of the 12-month purchase price allocation period, the provisional goodwill became final, amounting to €39 million as of 30 June 2020.

- On 28 February 2019, Newen announced the acquisition of a 60% equity interest in De Mensen at a price of €19 million. As of the date control was obtained, provisional goodwill of €14 million was recognised pending finalisation of the purchase price allocation; the impact on net debt was €29 million, including the acquisition of the residual 40% interest which will be completed in stages between 2022 and 2028. On completion of the 12-month purchase price allocation period, the provisional goodwill became final, amounting to €14 million as of 30 June 2020.

- On 7 May 2019, Alstom announced that the Annual General Meeting of its shareholders, held on 10 July 2019, would be asked to approve a dividend of €5.50 per share. The resolution was approved, as a result of which Bouygues received €341 million in cash on 17 July 2019.

## 1.3 Significant events and changes in scope of consolidation subsequent to 30 June 2020

- On 28 July 2020, the Board of Directors of Bouygues decided to convene an Ordinary General Meeting on 4 September 2020 to propose paying a dividend reduced to €1.70 per share in respect of the 2019 financial year. Because the Group has a particularly solid financial position and a high level of available cash, this dividend payout can be made while retaining sufficient liquidity to cope with the consequences of the health crisis, develop the Bouygues group's existing activities, and maintain a low level of indebtedness. Based on the number of shares as of 30 June 2020, the dividend payout is estimated at €646 million.

# NOTE 2 GROUP ACCOUNTING POLICIES

## 2.1 Declaration of compliance

The interim condensed consolidated financial statements of Bouygues and its subsidiaries ("the Group") for the six months ended 30 June 2020 were prepared in accordance with IAS 34, "Interim Financial Reporting", a standard issued by the International Accounting Standards Board (IASB) and endorsed by the European Union. Because they are condensed, these financial statements do not include all the information required under the standards issued by the IASB, and should be read in conjunction with the full-year financial statements of the Bouygues group for the year ended 31 December 2019 as presented in the Universal Registration Document filed with the AMF on 23 March 2020.

They were prepared in accordance with the standards issued by the IASB as endorsed by the European Union and applicable as of 30 June 2020. Those standards (collectively referred to as "IFRS") comprise International Financial Reporting Standards (IFRSs), International Accounting Standards (IASs), and interpretations issued by the IFRS Interpretations Committee – previously the International Financial Reporting Interpretations Committee (IFRIC), itself the successor body to the Standing Interpretations Committee (SIC). The Group has not early adopted as of 30 June 2020 any standard or interpretation not endorsed by the European Union.

Unless otherwise indicated, the financial statements are presented in millions of euros, the currency in which the majority of the Group's transactions are denominated; they comprise the balance sheet, the income statement, the statement of recognised income and expense, the statement of changes in shareholders' equity, the cash flow statement, and the notes to the financial statements.

## 2.2 Basis of preparation of the financial statements

The condensed interim consolidated financial statements of the Bouygues group include the financial statements of Bouygues SA and its five business segments.

They were closed off by the Board of Directors on 26 August 2020.

The interim condensed consolidated financial statements for the six months ended 30 June 2020 were prepared in accordance with IFRS using the historical cost convention, except for certain financial assets and liabilities measured at fair value where this is required under IFRS. They include comparatives with the financial statements for the year ended 31 December 2019 and the six months ended 30 June 2019.

In preparing the interim condensed consolidated financial statements, management used estimates and assumptions as described in Note 2.2 to the consolidated financial statements for the year ended 31 December 2019. In particular, the Covid-19 crisis led management to assess (i) the recoverable amount of goodwill based on impairment tests, and (ii) the amounts recognised for deferred tax assets and employee benefits.

Accounting policies specific to the interim condensed consolidated financial statements are as follows:

- Income taxes of consolidated entities for interim periods are assessed in accordance with IAS 34: the income taxes of each entity for the period are recognised on the basis of the best estimate of the average annual effective income tax rate for the financial year (except in the case of holding companies, which recognise income taxes on the basis of the actual tax position at the end of the period).
- Employee benefit expenses for interim periods are recognised pro rata based on the estimated expense for the full year, calculated using the actuarial assumptions and projections applied as of 31 December 2019 with the exception of (i) discount rates and (ii) the value of plan assets, both of which have been revised as of 30 June 2020. A net expense of €32 million was recognised in the statement of recognised income and expense in respect of changes in employee benefit obligations (see Note 12).

## 2.3 New accounting standards and interpretations

The Bouygues group applied the same standards, interpretations and accounting policies in the six months ended 30 June 2020 as were applied in its consolidated financial statements for the year ended 31 December 2019, except for changes required to meet new IFRS requirements applicable in 2020 (see below).

- Principal amendments effective within the European Union and mandatorily applicable from 1 January 2020

  - Amendments to IFRS 9, IAS 39 and IFRS 7

    On 26 September 2019, the IASB issued amendments to IFRS 9, IAS 39 and IFRS 7 (phase 1) in connection with interest rate benchmark reform. Those amendments were endorsed by the European Union on 16 January 2020, and are applicable retrospectively from 1 January 2020. The impact of the amendments on the Group is immaterial.

  - Amendments to IFRS 3

    On 22 October 2018, the IASB issued amendments to IFRS 3 to clarify the definition of a “business” in a business combination. Those amendments were endorsed by the European Union on 21 April 2020, and apply to accounting periods beginning on or after 1 January 2020. The impact of the amendments on the Group is immaterial.

- Interpretation issued by the IASB but not yet endorsed by the European Union:

  - Amendment to IFRS 16

    On 28 May 2020, the IASB issued an amendment to IFRS 16 (applicable from 1 June 2020), dealing with rent concessions related to Covid-19. The amendment, which permits lessees to account for such rent concessions as if they are not lease modifications, is not material at Group level.

On 26 November 2019, the IFRIC Agenda Decision on IFRS 16 lease terms was finalised. Pending completion of an ongoing assessment of the impacts, the Bouygues group continues to account for leases under IFRS 16 using the policies and methods described in Note 2.7.2 to the consolidated financial statements for the year ended 31 December 2019.

## 2.4 Free cash flow

Free cash flow is defined as net cash flow (determined after (i) cost of net debt, (ii) interest expense on lease obligations and (iii) income taxes paid), minus net capital expenditure and repayments of lease obligations. It is calculated before changes in working capital requirements related to operating activities.

## 2.5 Seasonal fluctuations

Sales and operating profit are subject to strong seasonal fluctuations due to low activity levels during the first half of the year, primarily at Colas due to weather conditions. The extent of those fluctuations varies from year to year; in 2020, the effect has been amplified by the impact of the Covid-19 pandemic (see Note 1.1). In accordance with IFRS, sales for interim accounting periods are recognised on the same basis as full-year sales.

# NOTE 3 NON-CURRENT ASSETS

## 3.1 Goodwill and impairment testing

### 3.1.1 Movement in the carrying amount of goodwill in the period

| | Carrying amount |
|---|---|
| **31/12/2019** | **6,541** |
| Changes in scope of consolidation | 24 |
| Impairment losses charged during the period | |
| Other movements (including translation adjustments) | (10) |
| **30/06/2020** | **6,555** |

For the first half of 2020, "Changes in scope of consolidation" mainly relate to acquisitions made by Colas: the US operations of Granite Contracting LLC (€10 million), plus operations in the Czech Republic (€8 million) and in Africa (€3 million). "Other movements" comprise negative translation adjustments of €10 million.

The table below shows how goodwill as of 30 June 2020 was determined for significant acquisitions where the 12-month purchase price allocation period was still in progress as at 31 December 2019. There have been no material changes since 31 December 2019.

| | Reel One | De Mensen | Nerim |
|---|---|---|---|
| **CGU** | **TF1** | **TF1** | **Bouygues Telecom** |
| **Purchase price (I)** | **32** | **19** | **55** |
| **Net assets acquired, excluding goodwill (II)** | | | |
| Non-current assets | (20) | (10) | (13) |
| Current assets | (55) | (20) | (6) |
| Non-current liabilities | | 2 | |
| Current liabilities | 50 | 22 | 9 |
| **Purchase price allocation (III)** | | | |
| Remeasurement of acquired intangible assets | (13) | (4) | (9) |
| Remeasurement of acquired property, plant and equipment | | | |
| Remeasurement of assumed liabilities (deferred taxes & other) | 3 | 1 | 3 |
| **Unacquired portion** | **17** | **4** | |
| **Goodwill (I)+(II)+(III)** | **14** | **14** [a] | **39** [a] |
| Translation adjustments | | | |
| Goodwill at 30 June 2020 | **14** | **14** | **39** |

(a) Provisional goodwill that became final during the first half of 2020.

### 3.1.2 Split of goodwill by Cash Generating Unit (CGU)

| CGU | 30/06/2020 | | 31/12/2019 | |
|---|---|---|---|---|
| | Total | % Bouygues or subsidiaries | Total | % Bouygues or subsidiaries |
| Bouygues Construction [a] | 1,087 | 99.97% | 1,088 | 99.97% |
| Colas [b] | 1,331 | 96.87% | 1,316 | 96.66% |
| TF1 [b] | 1,414 | 43.70% | 1,414 | 43.73% |
| Bouygues Telecom [b] | 2,723 | 90.53% | 2,723 | 90.53% |
| **TOTAL** | **6,555** | | **6,541** | |

(a) Only includes goodwill on subsidiaries acquired by the CGU.
(b) Includes goodwill on subsidiaries acquired by the CGU and on acquisitions made at parent company (Bouygues SA) level for the CGU.

### 3.1.3 Impairment testing of goodwill

As of 31 December 2019, goodwill was tested for impairment using recoverable amounts determined on the basis of three-year cash flow projections corresponding to the business plans of each of the four subsidiaries (Bouygues Construction, Colas, TF1 and Bouygues Telecom) as presented to the subsidiary's Board of Directors and the Board of Directors of Bouygues SA:

- Cash flows beyond the projection period (normative cash flows) were extrapolated using a perpetual growth rate.

- The discount rates (weighted average cost of capital) and growth rates used as of 31 December 2019 were as follows:

| | Discount rate | | |
|---|---|---|---|
| | Scenario 1 [a] | Scenario 2 [a] | Perpetual growth rate |
| Bouygues Construction | 5.7% | 5.4% | 2.0% |
| Colas | 5.7% | 5.4% | 2.0% |
| TF1 | 6.4% | 6.0% | 1.4% |
| Bouygues Telecom | 4.0% | 3.9% | 2.0% |

(a) Depending on the capital structure: ⅓ debt - ⅔ equity (scenario 1); ⅔ debt - ⅓ equity (scenario 2).

In the first half of 2020, the Covid-19 crisis caused a decline in the Group's output (shutdown of worksites, decline in advertising revenue) which dented its operating performance. Combined with a fall in share prices, this constituted an indication that the Group's construction and media activities may have become impaired.

Because insufficient information was available as of 31 March 2020 to estimate the consequences for normative cash flow projections, the value of the goodwill of Bouygues Construction, Colas and TF1 was assessed as of that date on the basis of (i) impairment testing performed during the year ended 31 December 2019; (ii) the sensitivity analyses described in Note 3.2.4.2 to the 2019 consolidated financial statements; and (iii) an update of the scenarios under which recoverable amount would equal the carrying amount of the assets tested based on discount rates as of 31 March 2020.

With the pandemic continuing through the second quarter of 2020, simulations of the impacts of the Covid-19 crisis were carried out, starting from the business plans prepared at the end of 2019. As of 30 June 2020, impairment tests were performed on the basis of those cash flow simulations, applying discount rates updated as of that date. Based on those assumptions, the impairment tests did not indicate any evidence that any goodwill was impaired as of 30 June 2020.

For both Bouygues Construction and Colas, there is no reasonably possible scenario as of either 30 June 2020 or 31 December 2019 that would cause the recoverable amount to fall below the carrying amount of the assets.

For TF1, analyses were performed as of 30 June 2020 to determine the sensitivity of the calculation to key parameters (discount rates, growth rates, normative cash flows). The discount rates used for TF1 as of 30 June 2020 were as follows:

| | Discount rate | |
|---|---|---|
| | Scenario 1 [a] | Scenario 2 [a] |
| TF1 | 7.6% | 7.1% |

(a) Depending on the capital structure: ⅓ debt - ⅔ equity (scenario 1); ⅔ debt - ⅓ equity (scenario 2).

The recoverable amount would equal the carrying amount of the assets tested if the assumptions shown below (taken individually) were to be applied:

| | Discount rate | Change in normative cash flows | | Perpetual growth rate | |
|---|---|---|---|---|---|
| | Scenario 1 / Scenario 2 [a] | Scenario 1 [a] | Scenario 2 [a] | Scenario 1 [a] | Scenario 2 [a] |
| TF1 | 8.1% | -9% | -17% | 0.8% | 0.3% |

(a) Depending on the capital structure: ⅓ debt - ⅔ equity (scenario 1); ⅔ debt - ⅓ equity (scenario 2).

## 3.2 Joint ventures and associates

An analysis by business segment of the share of net profits/losses of joint ventures and associates is provided in Note 11.

| | Carrying amount |
|---|---|
| **31/12/2019** | **1,556** |
| Share of net profit/(loss) for the period | 77 |
| Translation adjustments | (35) |
| Other income and expense recognised directly in equity | 9 |
| **Net profit/(loss) and other recognised income and expense** | **51** |
| Other movements (dividends, changes in scope of consolidation, transfers and other movements) | 230 |
| **30/06/2020** | **1,837** |

The carrying amount of investments in joint ventures and associates increased by €281 million in the period. “Other movements” mainly comprise the valuation attributed to SDAIF by Bouygues Telecom (see Note 1.1).

The share of Alstom’s profits recognised in the Bouygues group’s financial statements for the first half of 2020 is based on the results published by Alstom on 12 May 2020 for its 2019/2020 financial year. Given the time-lag between the accounting year-ends of Alstom (31 March) and Bouygues (31 December), Alstom’s net profit contribution to the Bouygues group for the first half of Alstom’s 2019/2020 financial year was recognised in the Bouygues financial statements for the nine months ended 30 September 2019.

Alstom’s contribution to the net profit of Bouygues for the first half of 2020 was €35 million, compared with €33 million in the first half of 2019.

The investment in Alstom had a carrying amount of €998 million in the Bouygues group financial statements as of 30 June 2020, compared with €974 million as of 31 December 2019.

As of 30 June 2020, despite the fall in share prices triggered by Covid-19, the quoted market price of Alstom shares (€41.41) was still 37% higher than the consolidated carrying amount (€30.29), confirming that there are no impairment losses to be recognised. That conclusion is supported by the €48.19 three-month median consensus forecast for the Alstom share price as of 25 August 2020.

# NOTE 4 CONSOLIDATED SHAREHOLDERS' EQUITY

## Share capital of Bouygues SA

As of 30 June 2020, the share capital of Bouygues SA consisted of 379,942,244 shares with a €1 par value. Movements during the first half of 2020 were as follows:

| | | Movements during H1 2020 | | |
|---|---|---|---|---|
| | **31/12/2019** | **Increases** | **Reductions** | **30/06/2020** |
| Shares | 379,828,120 | 114,124 [a] | | 379,942,244 |
| **NUMBER OF SHARES** | **379,828,120** | **114,124** | | **379,942,244** |
| Par value | €1 | | | €1 |
| **SHARE CAPITAL (€)** | **379,828,120** | **114,124** | | **379,942,244** |

(a) The increase of 114,124 shares was due to new shares being issued on exercise of stock options.

The remaining €15 million balance of the €150 million share issue carried out in connection with the December 2019 Bouygues Confiance n°11 employee share ownership plan was collected in January 2020.

# NOTE 5 NON-CURRENT AND CURRENT PROVISIONS

## 5.1 Non-current provisions

| | Employee benefits [a] | Litigation and claims [b] | Guarantees given [c] | Other non-current provisions [d] | Total |
|---|---|---|---|---|---|
| **31/12/2019** | **940** | **252** | **391** | **584** | **2,167** |
| Translation adjustments | (3) | (2) | (3) | (1) | (9) |
| Changes in scope of consolidation | | | | | |
| Charges to provisions | 44 | 15 | 19 | 41 | 119 |
| Reversals of provisions (utilised or unutilised) | (42) | (18) | (28) | (24) | (112) [e] |
| Actuarial gains and losses | 36 [f] | | | | 36 |
| Transfers and other movements | | 1 | 2 | (8) | (5) |
| **30/06/2020** | **975** | **248** | **381** | **592** | **2,196** |

| | | | |
|---|---|---|---|
| **(a) Employee benefits** | **975** | **Principal segments involved:** | |
| Lump-sum retirement benefits | 579 | Bouygues Construction | 360 |
| Long-service awards | 136 | Colas | 432 |
| Pensions | 260 | TF1 | 50 |
| | | Bouygues Telecom | 91 |
| **(b) Litigation and claims** | **248** | Bouygues Construction | 83 |
| Provisions for customer disputes | 85 | Bouygues Immobilier | 18 |
| Subcontractor claims | 43 | Colas | 86 |
| Employee-related and other litigation and claims | 120 | Bouygues Telecom | 55 |
| **(c) Guarantees given** | **381** | Bouygues Construction | 300 |
| Provisions for 10-year construction guarantees | 257 | Bouygues Immobilier | 22 |
| Provisions for additional building/civil engineering/civil works guarantees | 124 | Colas | 58 |
| **(d) Other non-current provisions** | **592** | Bouygues Construction | 117 |
| Provisions for miscellaneous foreign risks | 44 | Colas | 317 |
| Provisions for risks on non-controlled entities | 83 | Bouygues Telecom | 123 |
| Dismantling and site rehabilitation | 303 | | |
| Provisions for social security inspections | 109 | | |
| Other non-current provisions | 53 | | |
| **(e) Including reversals of unutilised provisions in the first half of 2020** | **26** | | |

**(f) See Note 12.**

## 5.2 Current provisions

| Provisions related to the operating cycle | Provisions for customer warranties | Provisions for project risks and project completion a | Provisions for expected losses to completion a | Other current provisions b | Total | |
|---|---|---|---|---|---|---|
| **31/12/2019** | **38** | **394** | **404** | **300** | **1,136** | |
| Translation adjustments | (1) | (3) | (4) | (1) | (9) | |
| Changes in scope of consolidation | | | | | | |
| Charges to provisions | 1 | 41 | 193 | 89 | 324 | |
| Reversals of provisions (utilised or unutilised) | (3) | (102) | (164) | (83) | (352) | c |
| Transfers and other movements | (1) | (3) | | (1) | (5) | |
| **30/06/2020** | **34** | **327** | **429** | **304** | **1,094** | |

(a) Mainly Bouygues Construction and Colas.
Individual project provisions are not disclosed for confidentiality reasons.

| **(b) Other current provisions:** | **304** | **Principal segments involved:** | |
|---|---|---|---|
| Reinsurance provisions | 8 | Bouygues Construction | 122 |
| Restructuring provisions | 54 | Bouygues Immobilier | 21 |
| Site rehabilitation (current portion) | 12 | Colas | 125 |
| Miscellaneous current provisions | 230 | TF1 | 15 |

**(c) Includes reversals of unutilised provisions in the first half of 2020: €75m.**

# NOTE 6 NON-CURRENT AND CURRENT DEBT

## 6.1 Breakdown of debt

| | Current debt | | Non-current debt | |
|---|---|---|---|---|
| | 30/06/2020 | 31/12/2019 | 30/06/2020 | 31/12/2019 |
| Bond issues | 1,095 | 1,095 | 3,817 | 2,824 |
| Bank borrowings | 840 | 137 | 2,373 | 1,271 |
| Other borrowings | 71 | 63 | 156 | 141 |
| **TOTAL NON-CURRENT AND CURRENT DEBT** | **2,006** | **1,295** | **6,346** | **4,236** |

Non-current debt increased by €2,110 million, mainly at Bouygues SA (bond issue of €1,000 million, drawdowns of €873 million on credit facilities) and at Colas (€151 million).

Current debt rose by €711 million, mainly at Bouygues SA in the form of drawdowns on credit facilities (€130 million) and issuance of Negotiable European Commercial Paper (€510 million).

## 6.2 Covenants and trigger events

All bond issues other than that maturing in 2020 contain a change of control clause relating to Bouygues SA.

The bank credit facilities contracted by Bouygues SA contain no financial covenants or trigger event clauses. The same applies to facilities used by Bouygues SA subsidiaries, except for the €299 million financing obtained by Colas in Canada which temporarily includes a leveraged covenant clause based on the debt to EBITDA ratio as defined in the contract.

## 6.3 Confirmed credit facilities and drawdowns

As of 31 December 2019, Bouygues had confirmed facilities of €13,781 million, of which €5,531 million was drawn down. During the first half of 2020, Bouygues drew down €1,003 million under credit facilities and issued €510 million of Negotiable European Commercial Paper. As of 30 June 2020, confirmed credit facilities and drawdowns were as follows:

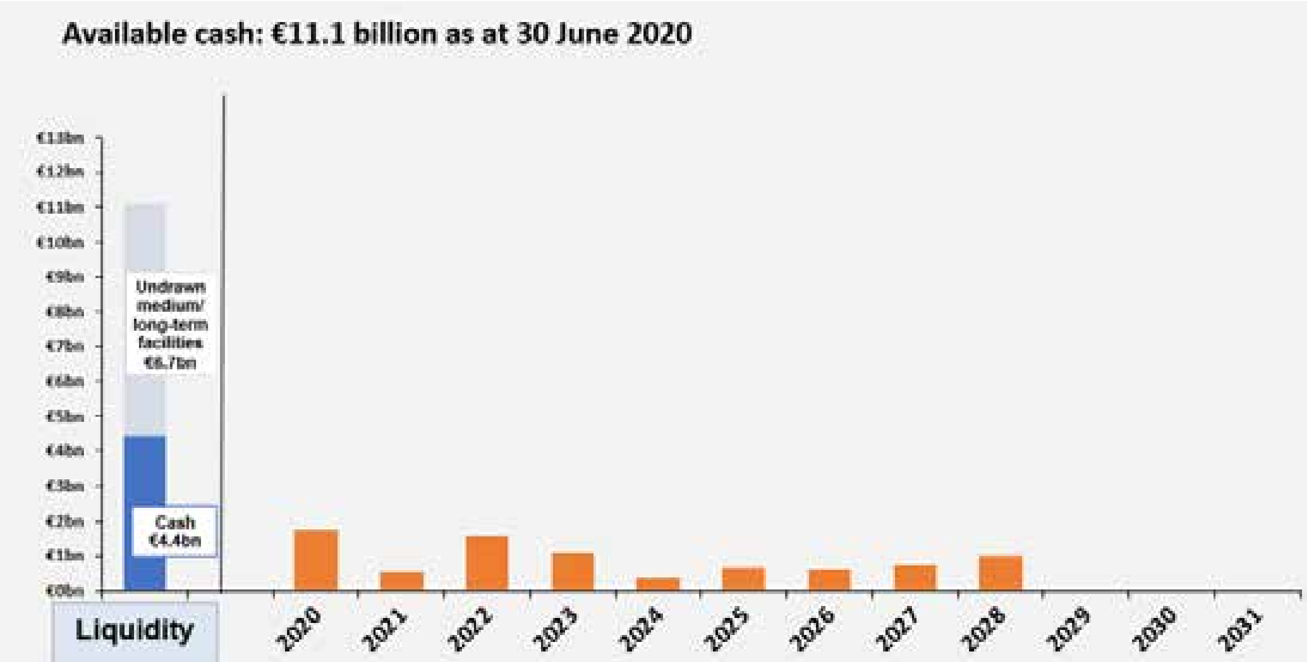
| | Confirmed facilities – Maturity | | | | Drawdowns – Maturity | | | |
|---|---|---|---|---|---|---|---|---|
| **Description** | **Less than 1 year** | **1 year to 5 years** | **More than 5 years** | **Total** | **Less than 1 year** | **1 year to 5 years** | **More than 5 years** | **Total** |
| Bond issues (mainly Bouygues SA) | 1,095 | 1,496 | 2,321 | 4,912 | 1,095 | 1,496 | 2,321 | 4,912 |
| Bank borrowings | 544 | 8,624 | 713 | 9,881 | 840 | 2,305 | 68 | 3,213 [b] |
| Other borrowings | 71 | 137 | 19 | 227 | 71 | 137 | 19 | 227 |
| **TOTAL CREDIT FACILITIES [a]** | **1,710** | **10,257** | **3,053** | **15,020** | **2,006** | **3,938** | **2,408** | **8,352** |

(a) Confirmed undrawn credit facilities: €6,668m.
(b) Includes Negotiable European Commercial Paper: €510m.

## 6.4 Liquidity as of 30 June 2020

As of 30 June 2020, available cash stood at €4,447 million, net of a €1 million liability in respect of financial instruments contracted to hedge net debt. The Group also had €6,668 million of undrawn confirmed credit facilities as at the same date.

**Debt maturity schedule at 30 June 2020**




# NOTE 7 CHANGE IN NET DEBT

| | 31/12/2019 | Translation adjustments | Changes in scope of consolidation | Cash flows | Fair value adjustments | Other movements | 30/06/2020 |
|---|---|---|---|---|---|---|---|
| Cash and cash equivalents | 3,574 | (26) | 12 | 1,102 | | 14 | 4,676 |
| Overdrafts and short-term bank borrowings | (220) | (1) | (8) | 15 | | (14) | (228) |
| **NET CASH POSITION (A)** | **3,354** | **(27)** [a] | **4** [a] | **1,117** [a] | | | **4,448** |
| Non-current debt | 4,236 | (16) | | 2,120 [b] | (5) | 11 | 6,346 |
| Current debt | 1,295 | (3) | | 704 [b] | | 10 | 2,006 |
| Financial instruments, net | 45 | | | 1 [b] | (45) | | 1 |
| **TOTAL DEBT (B)** | **5,576** | **(19)** | | **2,825** | **(50)** | **21** | **8,353** |
| **NET DEBT (A) - (B)** | **(2,222)** | **(8)** | **4** | **(1,708)** | **50** [c] | **(21)** | **(3,905)** |

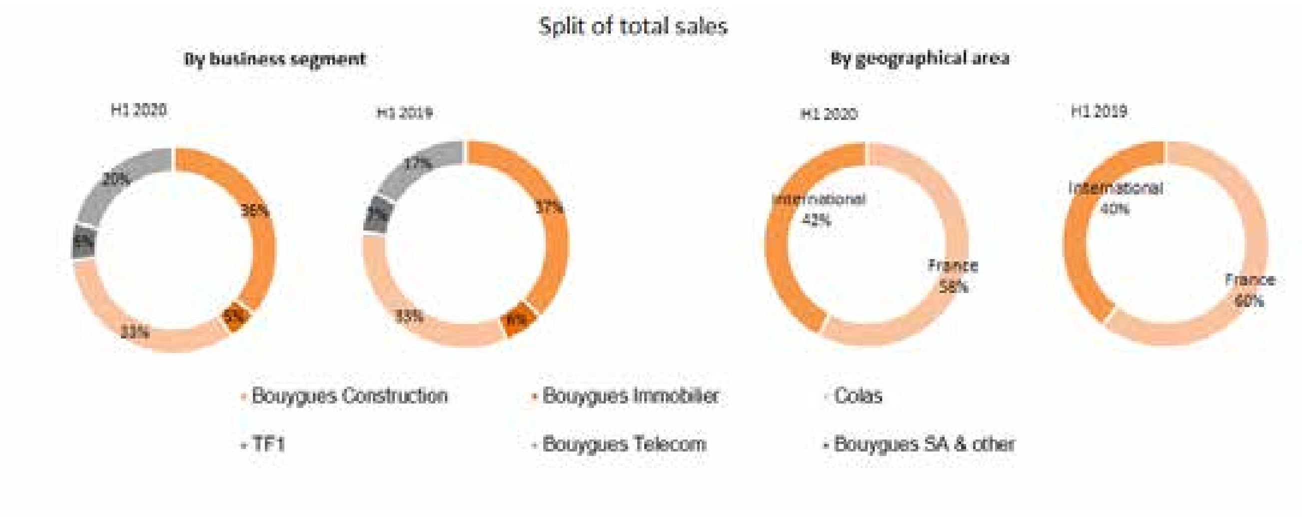
(a) Increase in net cash position of €1,094m in the first half of 2020, as reported in the cash flow statement.

(b) Net cash inflow of €2,825m from financing activities for the first half of 2020, as reported in the cash flow statement, and comprising total inflows of €3,279m and total outflows of €454m.

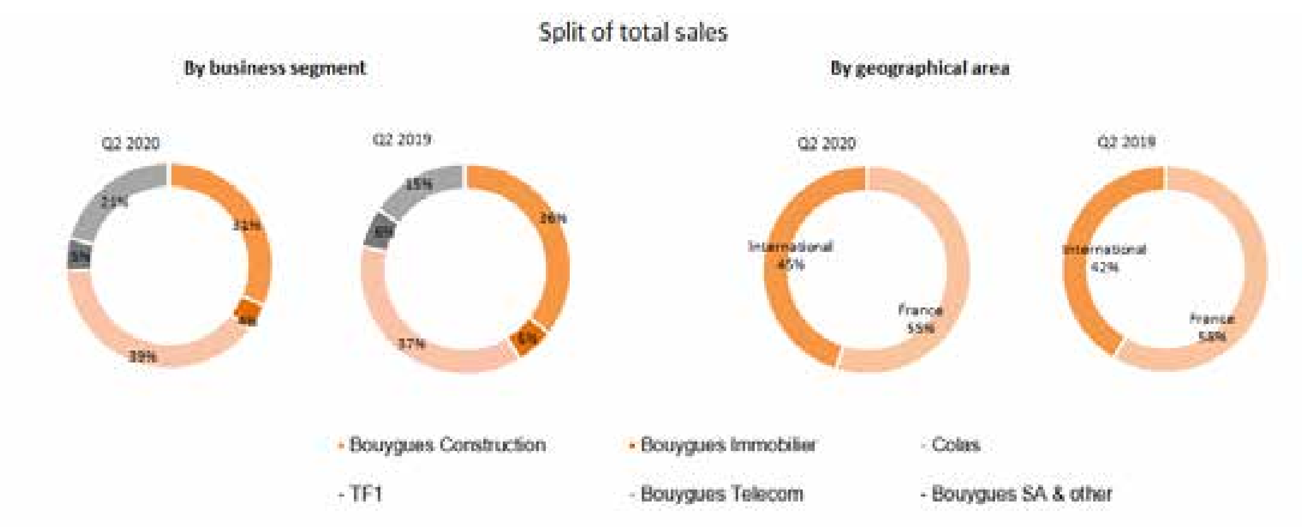
(c) Movement related mainly to the settlement of the swap used to hedge the April 2020 bond issue (see Note 1.1), payment of which was recorded in the cash flow statement in "Other cash flows related to financing activities".

# NOTE 8 SALES BY BUSINESS SEGMENT

| | 1st half of 2020 | | | | 1st half of 2019 | | | |
|---|---|---|---|---|---|---|---|---|
| | **France** | **International** | **Total** | **%** | **France** | **International** | **Total** | **%** |
| Bouygues Construction | 1,847 | 3,439 | 5,286 | 36 | 2,531 | 3,974 | 6,505 | 37 |
| Bouygues Immobilier | 646 | 55 | 701 | 5 | 1,015 | 71 | 1,086 | 6 |
| Colas | 2,223 | 2,632 | 4,855 | 33 | 3,045 | 2,762 | 5,807 | 33 |
| TF1 | 779 | 83 | 862 | 6 | 1,053 | 70 | 1,123 | 7 |
| Bouygues Telecom | 3,032 | 0 | 3,032 | 20 | 2,901 | 0 | 2,901 | 17 |
| Bouygues SA & other | 6 | 16 | 22 | | 8 | 16 | 24 | |
| **CONSOLIDATED SALES** | **8,533** | **6,225** | **14,758** | **100** | **10,553** | **6,893** | **17,446** | **100** |




| | 2nd quarter of 2020 | | | | 2nd quarter of 2019 | | | |
|---|---|---|---|---|---|---|---|---|
| | **France** | **International** | **Total** | **%** | **France** | **International** | **Total** | **%** |
| Bouygues Construction | 735 | 1,628 | 2,363 | 31 | 1,320 | 2,052 | 3,372 | 36 |
| Bouygues Immobilier | 302 | 26 | 328 | 4 | 532 | 27 | 559 | 6 |
| Colas | 1,205 | 1,698 | 2,903 | 39 | 1,704 | 1,829 | 3,533 | 37 |
| TF1 | 341 | 43 | 384 | 5 | 540 | 39 | 579 | 6 |
| Bouygues Telecom | 1,550 | 0 | 1,550 | 21 | 1,456 | 0 | 1,456 | 15 |
| Bouygues SA & other | 1 | 10 | 11 | | 6 | 8 | 14 | |
| **CONSOLIDATED SALES** | **4,134** | **3,405** | **7,539** | **100** | **5,558** | **3,955** | **9,513** | **100** |



# NOTE 9 OPERATING PROFIT/LOSS

| | 1st half | | 2nd quarter | |
|---|---|---|---|---|
| | **2020** | **2019** | **2020** | **2019** |
| **CURRENT OPERATING PROFIT/(LOSS)** | **(132)** | **453** | **110** | **511** |
| Other operating income | 7 | 54 | 4 | 37 |
| Other operating expenses | (51) | (12) | (50) | (10) |
| **OPERATING PROFIT/(LOSS)** | **(176)** | **495** | **64** | **538** |

See Note 11 for an analysis of current operating profit and operating profit by business segment.

An estimate of the impacts of the Covid-19 crisis on current operating profit is provided in Note 1.1.

The main components of “Other operating income” and “Other operating expenses” are:

**1st half of 2020**

Net expense of €44 million, relating to Bouygues Telecom and Colas, and comprising:

- €6 million of gains on asset disposals (transfer of sites and towers to Cellnex) plus €1 million of other operating income, minus €6 million of network sharing costs (Bouygues Telecom);
- €45 million of provisions recognized to cover the consequences of the reorganisation of the Roads business in France and additional dismantling costs at the Dunkirk refinery (Colas).

**1st half of 2019**

Net income of €42 million, relating to Bouygues Telecom and Bouygues Construction, and comprising:

- €47 million of gains on asset disposals (transfer of sites and towers to Cellnex) plus €7 million of other operating income, minus €4 million of network sharing costs (Bouygues Telecom);
- €8 million of restructuring expenses (Bouygues Construction).

# NOTE 10 INCOME TAXES

The Bouygues group recorded a net income tax gain of €12 million in the first half of 2020.

| | 1st half | | 2nd quarter | |
|---|---|---|---|---|
| | **2020** | **2019** | **2020** | **2019** |
| **INCOME TAX GAIN/(EXPENSE)** | **12** | **(132)** | **(73)** | **(157)** |

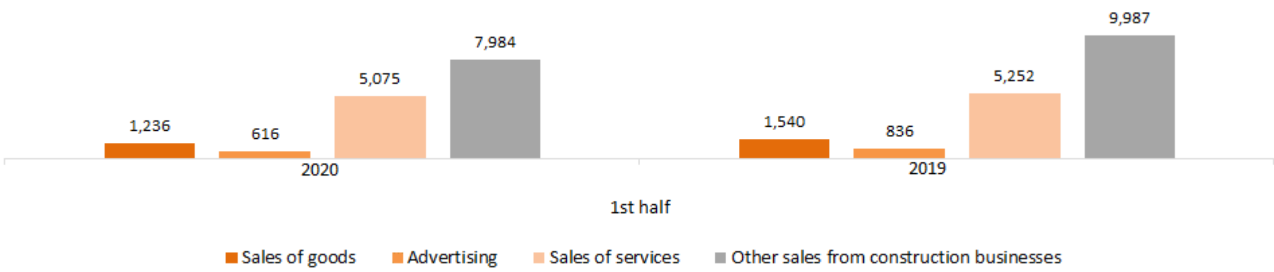
The effective tax rate for the first half of 2020 was 4%, versus 36% for the first half of 2019. The reduction in the effective tax rate is due mainly to tax losses outside France for which no deferred tax asset was recognised, and to the fact that deferred taxes recognised in respect of tax losses incurred in the first half of 2020 by subsidiaries included in the Bouygues SA French group tax election were calculated using a tax rate of 25.83% (as opposed to the 32.02% rate applicable in 2020) because those losses will not start to be offset against profits until 2023.

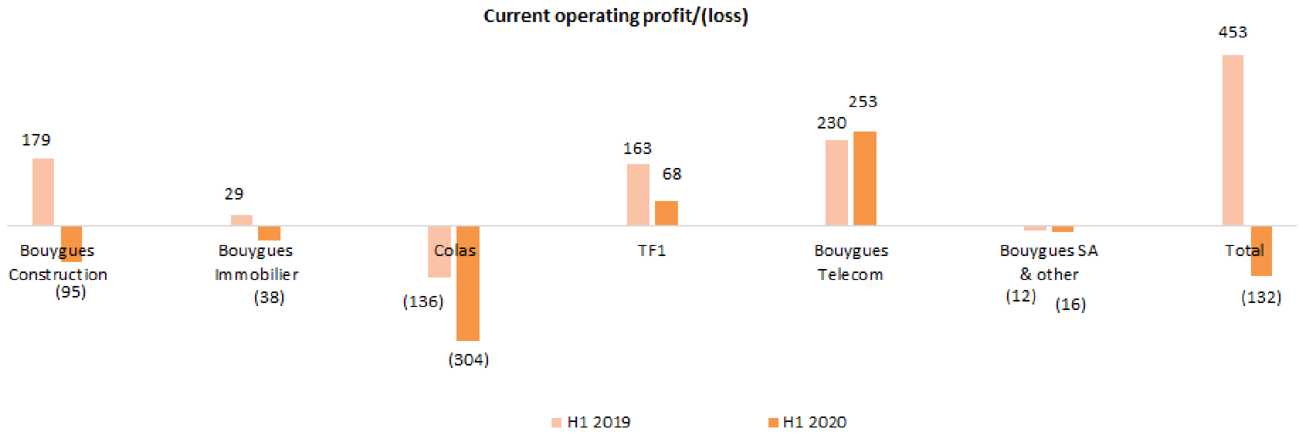
# NOTE 11 SEGMENT INFORMATION

The tables below show the contribution made by each business segment to key items in the income statement, balance sheet and cash flow statement:

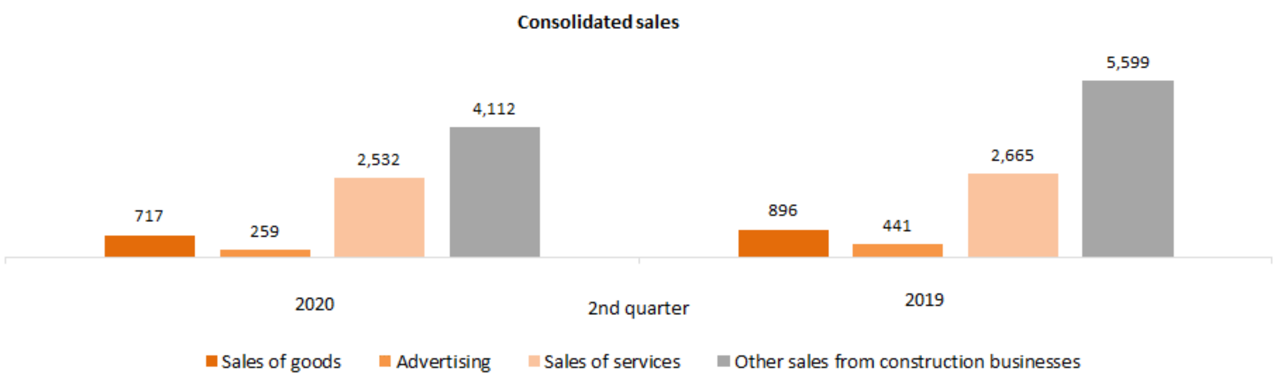
| | Bouygues Construction | Bouygues Immobilier | Colas | TF1 | Bouygues Telecom | Bouygues SA & other | Total |
|---|---|---|---|---|---|---|---|
| **INCOME STATEMENT: 1st half of 2020** | | | | | | | |
| Sales of goods | 38 | | 868 | 33 | 297 | | **1,236** |
| Advertising | | | | 616 | | | **616** |
| Sales of services | 1,819 | 19 | 164 | 235 | 2,745 | 93 | **5,075** |
| Other sales from construction businesses | 3,464 | 682 | 3,838 | | | | **7,984** |
| Total sales | 5,321 | 701 | 4,870 | 884 | 3,042 | 93 | **14,911** |
| Inter-segment sales | (35) | | (15) | (22) | (10) | (71) | **(153)** |
| **THIRD-PARTY SALES** | **5,286** | **701** | **4,855** | **862** | **3,032** | **22** | **14,758** |
| **CURRENT OPERATING PROFIT/(LOSS)** | **(95)** | **(38)** | **(304)** | **68** | **253** | **(16)** | **(132)** |
| **OPERATING PROFIT/(LOSS)** | **(95)** | **(38)** | **(349)** | **68** | **254** | **(16)** | **(176)** |
| Share of net profits/(losses) of joint ventures and associates | 39 | | 4 | (1) | | 35 | 77 |
| **NET PROFIT/(LOSS) ATTRIBUTABLE TO THE GROUP** | **(66)** | **(33)** | **(285)** | **17** | **142** | **(19)** | **(244)** |
| **INCOME STATEMENT: 1st half of 2019** | | | | | | | |
| Sales of goods | 53 | | 1,078 | 58 | 351 | | **1,540** |
| Advertising | | | | 836 | | | **836** |
| Sales of services | 2,117 | 29 | 195 | 251 | 2,562 | 98 | **5,252** |
| Other sales from construction businesses | 4,369 | 1,057 | 4,561 | | | | **9,987** |
| Total sales | 6,539 | 1,086 | 5,834 | 1,145 | 2,913 | 98 | **17,615** |
| Inter-segment sales | (34) | | (27) | (22) | (12) | (74) | **(169)** |
| **THIRD-PARTY SALES** | **6,505** | **1,086** | **5,807** | **1,123** | **2,901** | **24** | **17,446** |
| **CURRENT OPERATING PROFIT/(LOSS)** | **179** | **29** | **(136)** | **163** | **230** | **(12)** | **453** |
| **OPERATING PROFIT/(LOSS)** | **171** | **29** | **(136)** | **163** | **280** | **(12)** | **495** |
| Share of net profits/(losses) of joint ventures and associates | 4 | (2) | 25 | | | 32 | 59 |
| **NET PROFIT/(LOSS) ATTRIBUTABLE TO THE GROUP** | **121** | **13** | **(99)** | **47** | **150** | **(7)** | **225** |

**Consolidated sales**

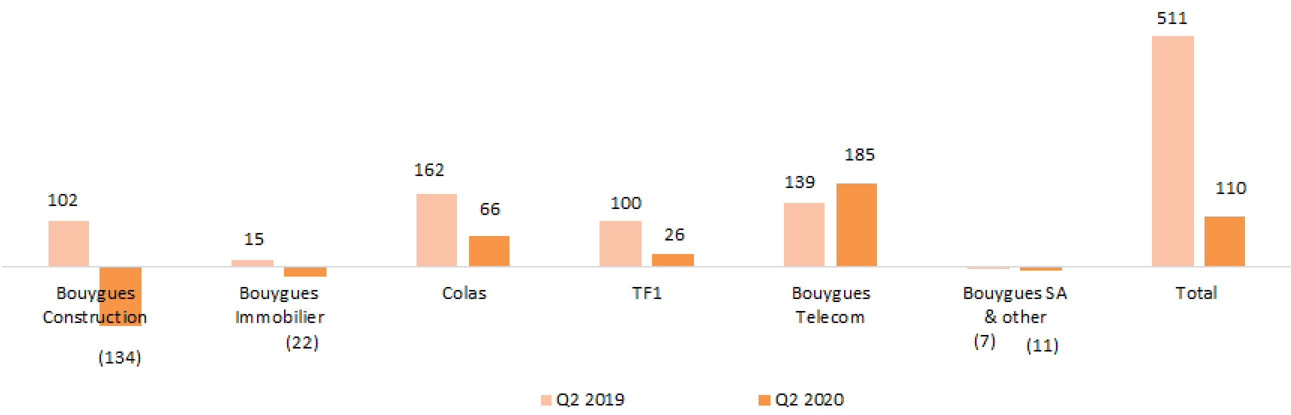





| | Bouygues Construction | Bouygues Immobilier | Colas | TF1 | Bouygues Telecom | Bouygues SA & other | Total |
|---|---|---|---|---|---|---|---|
| **INCOME STATEMENT: 2nd quarter of 2020** | | | | | | | |
| Sales of goods | 16 | | 541 | 16 | 144 | | **717** |
| Advertising | | | | 259 | | | **259** |
| Sales of services | 872 | 7 | 81 | 115 | 1,411 | 46 | **2,532** |
| Other sales from construction businesses | 1,502 | 321 | 2,289 | | | | **4,112** |
| Total sales | 2,390 | 328 | 2,911 | 390 | 1,555 | 46 | **7,620** |
| Inter-segment sales | (27) | | (8) | (6) | (5) | (35) | **(81)** |
| **THIRD-PARTY SALES** | **2,363** | **328** | **2,903** | **384** | **1,550** | **11** | **7,539** |
| **CURRENT OPERATING PROFIT/(LOSS)** | **(134)** | **(22)** | **66** | **26** | **185** | **(11)** | **110** |
| **OPERATING PROFIT/(LOSS)** | **(134)** | **(22)** | **21** | **26** | **184** | **(11)** | **64** |
| Share of net profits/(losses) of joint ventures and associates | 39 | 1 | 13 | | | (1) | 52 |
| **NET PROFIT/(LOSS) ATTRIBUTABLE TO THE GROUP** | (88) | (18) | 5 | 6 | 106 | (51) | **(40)** |
| **INCOME STATEMENT: 2nd quarter of 2019** | | | | | | | |
| Sales of goods | 26 | | 680 | 21 | 169 | | **896** |
| Advertising | | | | 441 | | | **441** |
| Sales of services | 1,078 | 18 | 96 | 129 | 1,293 | 51 | **2,665** |
| Other sales from construction businesses | 2,287 | 541 | 2,771 | | | | **5,599** |
| Total sales | 3,391 | 559 | 3,547 | 591 | 1,462 | 51 | **9,601** |
| Inter-segment sales | (19) | | (14) | (12) | (6) | (37) | **(88)** |
| **THIRD-PARTY SALES** | **3,372** | **559** | **3,533** | **579** | **1,456** | **14** | **9,513** |
| **CURRENT OPERATING PROFIT/(LOSS)** | **102** | **15** | **162** | **100** | **139** | **(7)** | **511** |
| **OPERATING PROFIT/(LOSS)** | **94** | **15** | **162** | **100** | **174** | **(7)** | **538** |
| Share of net profits/(losses) of joint ventures and associates | 6 | | 17 | | | (1) | 22 |
| **NET PROFIT/(LOSS) ATTRIBUTABLE TO THE GROUP** | 66 | 7 | 120 | 29 | 97 | (35) | **284** |



**Current operating profit/(loss)**

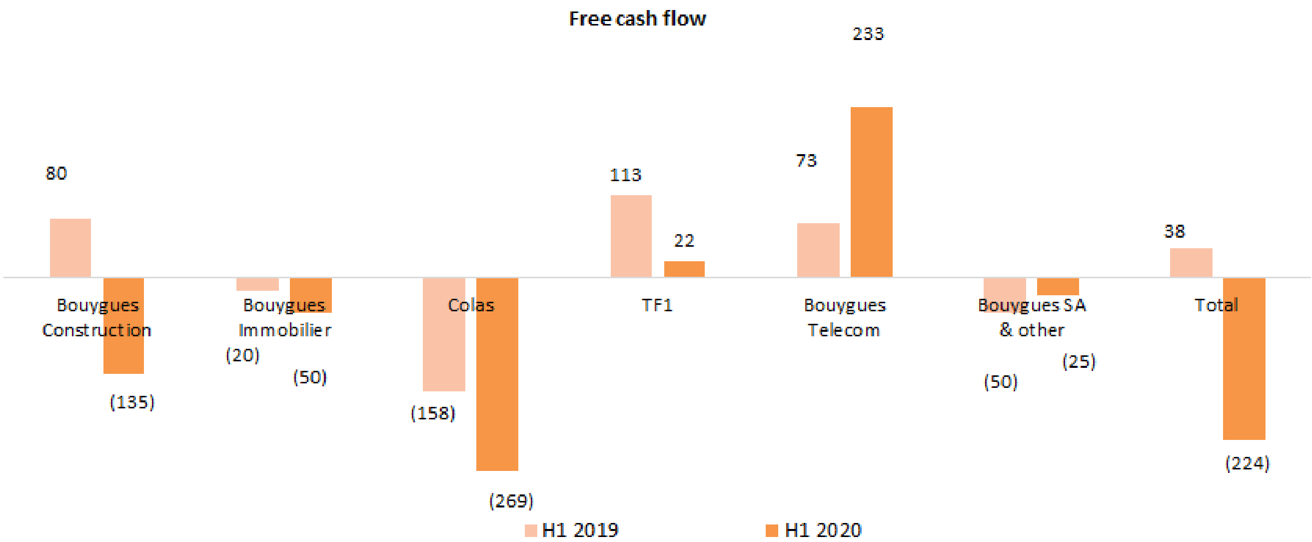



| | Bouygues Construction | Bouygues Immobilier | Colas | TF1 | Bouygues Telecom | Bouygues SA & other | Total |
|---|---|---|---|---|---|---|---|
| **Current operating profit/(loss)** | **(95)** | **(38)** | **(304)** | **68** | **253** | **(16)** | **(132)** |
| ▪ Interest expense on lease obligations | (5) | (1) | (7) | (2) | (11) | 1 | (25) |
| **Elimination of net depreciation and amortisation expense and of net charges to provisions and impairment losses** | | | | | | | |
| ▪ Net depreciation and amortisation expense on property, plant and equipment and intangible assets | 99 | 5 | 186 | 111 | 446 | 4 | 851 |
| ▪ Charges to provisions and impairment losses, net of reversals due to utilisation | 40 | 4 | 17 | (11) | 30 | (4) | 76 |
| **Elimination of items included in other income from operations** | | | | | | | |
| ▪ Reversals of unutilised provisions and impairment and other items | (101) | (7) | (25) | (6) | (7) | (1) | (147) |
| **EBITDA AFTER LEASES: 1st half of 2020** | **(62)** | **(37)** | **(133)** | **160** | **711** | **(16)** | **623** |
| **Current operating profit/(loss)** | **179** | **29** | **(136)** | **163** | **230** | **(12)** | **453** |
| ▪ Interest expense on lease obligations | (6) | (1) | (8) | (2) | (13) | 1 | (29) |
| **Elimination of net depreciation and amortisation expense and of net charges to provisions and impairment losses** | | | | | | | |
| ▪ Net depreciation and amortisation expense on property, plant and equipment and intangible assets | 86 | 5 | 195 | 105 | 417 | 4 | 812 |
| ▪ Charges to provisions and impairment losses, net of reversals due to utilisation | 69 | (8) | 19 | | 22 | (4) | 98 |
| **Elimination of items included in other income from operations** | | | | | | | |
| ▪ Reversals of unutilised provisions and impairment and other items | (61) | (9) | (41) | (2) | (3) | | (116) |
| **EBITDA AFTER LEASES: 1st half of 2019** | **267** | **16** | **29** | **264** | **653** | **(11)** | **1,218** |

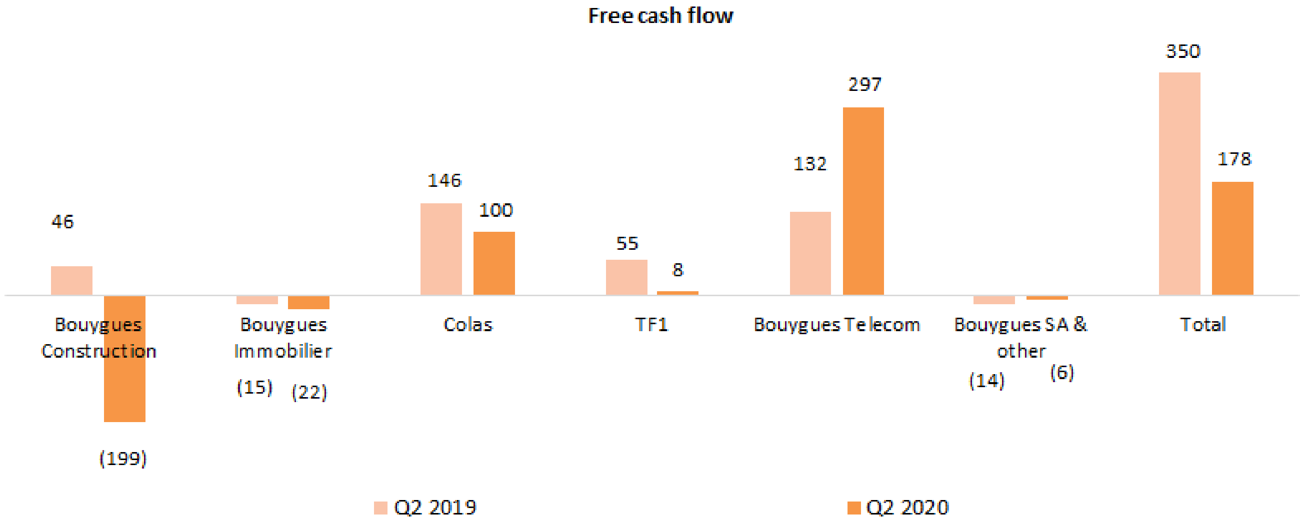
| | Bouygues Construction | Bouygues Immobilier | Colas | TF1 | Bouygues Telecom | Bouygues SA & other | Total |
|---|---|---|---|---|---|---|---|
| **Current operating profit/(loss)** | **(134)** | **(22)** | **66** | **26** | **185** | **(11)** | **110** |
| ▪ Interest expense on lease obligations | (3) | (1) | (3) | (1) | (5) | 2 | (11) |
| **Elimination of net depreciation and amortisation expense and net charges to provisions and impairment losses** | | | | | | | |
| ▪ Net depreciation and amortisation expense on property, plant and equipment and intangible assets | 51 | 3 | 116 | 55 | 222 | 1 | 448 |
| ▪ Charges to provisions and impairment losses, net of reversals due to utilisation | 49 | 11 | 12 | (4) | 10 | 3 | 81 |
| **Elimination of items included in other income from operations** | | | | | | | |
| ▪ Reversals of unutilised provisions and impairment and other items | (62) | (2) | (10) | (4) | | (1) | (79) |
| **EBITDA AFTER LEASES: 2nd quarter of 2020** | **(99)** | **(11)** | **181** | **72** | **412** | **(6)** | **549** |
| **Current operating profit/(loss)** | **102** | **15** | **162** | **100** | **139** | **(7)** | **511** |
| ▪ Interest expense on lease obligations | (3) | (1) | (5) | (1) | (6) | 2 | (14) |
| **Elimination of net depreciation and amortisation expense and net charges to provisions and impairment losses** | | | | | | | |
| ▪ Net depreciation and amortisation expense on property, plant and equipment and intangible assets | 43 | 3 | 125 | 50 | 212 | 2 | 435 |
| ▪ Charges to provisions and impairment losses, net of reversals due to utilisation | 55 | 7 | 19 | | 10 | (2) | 89 |
| **Elimination of items included in other income from operations** | | | | | | | |
| ▪ Reversals of unutilised provisions and impairment and other items | (35) | (2) | (28) | (1) | (2) | | (68) |
| **EBITDA AFTER LEASES: 2nd quarter of 2019** | **162** | **22** | **273** | **148** | **353** | **(5)** | **953** |

| | Bouygues Construction | Bouygues Immobilier | Colas | TF1 | Bouygues Telecom | Bouygues SA & other | Total |
|---|---|---|---|---|---|---|---|
| **Financial indicators: balance sheet at 30/06/2020** | | | | | | | |
| **NET SURPLUS CASH/(NET DEBT)** | **2,599** | **(548)** | **(1,065)** | **(22)** | **(1,659)** | **(3,210)** | **(3,905)** |
| **Financial indicators: balance sheet at 31/12/2019** | | | | | | | |
| **NET SURPLUS CASH/(NET DEBT)** | **3,113** | **(279)** | **(367)** | **(127)** | **(1,454)** | **(3,108)** | **(2,222)** |

| | Bouygues Construction | Bouygues Immobilier | Colas | TF1 | Bouygues Telecom | Bouygues SA & other | Total |
|---|---|---|---|---|---|---|---|
| **Other financial indicators: 1st half of 2020** | | | | | | | |
| Cash flow after cost of net debt, interest expense on lease obligations and income taxes paid (I) | (45) | (44) | (150) | 139 | 695 | (22) | 573 |
| Acquisitions of property, plant & equipment and intangible assets, net of disposals (II) | (37) | (2) | (72) | (107) | (387) | (2) | (607) |
| Repayment of lease obligations (III) | (53) | (4) | (47) | (10) | (75) | (1) | (190) |
| **FREE CASH FLOW (I) + (II) + (III)** | **(135)** | **(50)** | **(269)** | **22** | **233** | **(25)** | **(224)** |
| **CHANGES IN WORKING CAPITAL RELATED TO OPERATING ACTIVITIES (INCLUDING CURRENT IMPAIRMENT AND PROVISIONS)** | **(405)** | **(217)** | **(334)** | **105** | **(104)** | **(82)** | **(1,037)** |
| **Other financial indicators: 1st half of 2019** | | | | | | | |
| Cash flow after cost of net debt, interest expense on lease obligations and income taxes paid (I) | 232 | (10) | (20) | 236 | 591 | (48) | 981 |
| Acquisitions of property, plant & equipment and intangible assets, net of disposals (II) | (106) | (6) | (97) | (114) | (454) | (1) | (778) |
| Repayment of lease obligations (III) | (46) | (4) | (41) | (9) | (64) | (1) | (165) |
| **FREE CASH FLOW (I) + (II) + (III)** | **80** | **(20)** | **(158)** | **113** | **73** | **(50)** | **38** |
| **CHANGES IN WORKING CAPITAL RELATED TO OPERATING ACTIVITIES (INCLUDING CURRENT IMPAIRMENT AND PROVISIONS)** | **(594)** | **(145)** | **(595)** | **10** | **(199)** | **(106)** | **(1,629)** |



| | Bouygues Construction | Bouygues Immobilier | Colas | TF1 | Bouygues Telecom | Bouygues SA & other | Total |
|---|---|---|---|---|---|---|---|
| **Other financial indicators: 2nd quarter of 2020** | | | | | | | |
| Cash flow after cost of net debt, interest expense on lease obligations and income taxes paid (I) | (148) | (20) | 161 | 57 | 380 | (2) | 428 |
| Acquisitions of property, plant & equipment and intangible assets, net of disposals (II) | (23) | | (37) | (44) | (43) | (3) | (150) |
| Repayment of lease obligations (III) | (28) | (2) | (24) | (5) | (40) | (1) | (100) |
| **FREE CASH FLOW (I) + (II) + (III)** | **(199)** | **(22)** | **100** | **8** | **297** | **(6)** | **178** |
| **CHANGES IN WORKING CAPITAL RELATED TO OPERATING ACTIVITIES (INCLUDING CURRENT IMPAIRMENT AND PROVISIONS)** | **149** | **(119)** | **(194)** | **14** | **48** | **(65)** | **(167)** |
| **Other financial indicators: 2nd quarter of 2019** | | | | | | | |
| Cash flow after cost of net debt, interest expense on lease obligations and income taxes paid (I) | 119 | (9) | 237 | 128 | 313 | (14) | 774 |
| Acquisitions of property, plant & equipment and intangible assets, net of disposals (II) | (49) | (4) | (70) | (69) | (151) | 1 | (342) |
| Repayment of lease obligations (III) | (24) | (2) | (21) | (4) | (30) | (1) | (82) |
| **FREE CASH FLOW (I) + (II) + (III)** | **46** | **(15)** | **146** | **55** | **132** | **(14)** | **350** |
| **CHANGES IN WORKING CAPITAL RELATED TO OPERATING ACTIVITIES (INCLUDING CURRENT IMPAIRMENT AND PROVISIONS)** | **13** | **(69)** | **(412)** | **(26)** | **(108)** | **(90)** | **(692)** |



# NOTE 12 EMPLOYEE BENEFIT OBLIGATIONS

## 12.1 Provisions for retirement benefit and pension obligations

| | Lump-sum retirement benefits | Pensions | Total |
|---|---|---|---|
| **31/12/2019** | **595** | **210** | **805** |
| **Total expense recognised** | **28** | **11** | **39** |
| Reversals of provisions utilised (benefits and contributions paid) | (18) | (18) | (36) |
| Translation adjustments | | (4) | (4) |
| Changes in scope of consolidation | | | |
| Actuarial gains and losses recognised in equity | (25) | 61 | 36 |
| Transfers and other movements | (1) | | (1) |
| **30/06/2020** | **579** | **260** | **839** |

Employee benefit obligations have increased by €32 million as a result of actuarial gains and losses. This net expense, recorded in the statement of recognised income and expense, comprises (i) a gain of €4 million arising from an increase in net plan assets and (ii) an expense of €36 million for an increase in the provision for employee benefits, consisting of two elements:

- In France, the discount rate used to determine the obligation for lump-sum retirement benefits increased from 0.92% as of 31 December 2019 to 1.29% as of 30 June 2020, leading to a reduction of €25 million in the provision.
- Outside France, changes in discount rates and a decrease in plan assets resulted in an increase of €61 million in the provision.

## 12.2 Sensitivity analysis

A further increase of 50 basis points in the discount rate in France would reduce the provision for lump-sum retirement benefits by €36 million.

A further increase of 20 basis points in discount rates outside France would reduce the provision for pensions by €33 million.

Those impacts would also be recognised in the statement of recognised income and expense.

# NOTE 13 OFF BALANCE SHEET COMMITMENTS

There has been no material change in off balance sheet commitments since 31 December 2019, other than the new commitments arising in the first half of 2020 and described in Note 1.1. These relate to:

- the commitment to remain a shareholder of Alstom until 31 October 2020 at the latest;
- call options over the shares of the three companies set up by Bouygues Telecom with Cellnex, Phoenix Tower International and Vauban Infrastructure Partners;
- Bouygues Telecom's undertaking to access FTTH premises solely via SDAIF in Orange's medium dense areas for a 30-year period at a pre-determined price.

# NOTE 14 RELATED PARTY DISCLOSURES

| Transaction | Expenses | | Income | | Receivables | | Payables | |
|---|---|---|---|---|---|---|---|---|
| | H1 2020 | H1 2019 | H1 2020 | H1 2019 | 30/06/2020 | 31/12/2019 | 30/06/2020 | 31/12/2019 |
| Parties with an ownership interest | 3 | 3 | | | | | | |
| Joint operations | 20 | 112 | 71 | 130 | 307 | 304 | 353 | 344 |
| Joint ventures and associates | 194 | 33 | 262 | 89 | 459 | 178 | 68 | 70 |
| Other related parties | 24 | 27 | 33 | 61 | 72 | 79 | 38 | 42 |
| **Total** | **241** | **175** | **366** | **280** | **838** | **561** | **459** | **456** |
| . Maturity | | | | | | | | |
| less than 1 year | | | | | 783 | 495 | 459 | 453 |
| 1 to 5 years | | | | | | 39 | | 3 |
| more than 5 years | | | | | 55 | 27 | | |
| . of which impairment of doubtful receivables (mainly non-consolidated companies) | | | | | 56 | 65 | | |

Identity of related parties:

- Parties with an ownership interest: the Bouygues group is consolidated in the financial statements of SCDM (a company controlled by Martin Bouygues and Olivier Bouygues), which provides consultancy services in strategy, development, research and analysis into strategic developments and growth of the Bouygues group, major investments and divestments, and multi-year plans .

- Joint operations: transactions consist mainly of current accounts with construction project companies.

- Joint ventures and associates: transactions mainly consist of current accounts with concession companies, quarry companies and Alstom.
  The net change in expenses, income and receivables since 31 December 2019 is mainly due to the sale of assets from Bouygues Telecom to SDAIF, as described in Note 1.1. The proceeds from that sale were received in the third quarter of 2020.

- Other related parties: transactions mainly consist of current accounts with non-consolidated companies in which the Group has an interest.

# 5. AUDITORS’ REPORT ON FIRST-HALF FINANCIAL INFORMATION

To the Shareholders,

In compliance with the assignment entrusted to us by your Annual General Meetings and in accordance with the requirements of Article L. 451-1-2 III of the French Monetary and Financial Code (*Code Monétaire et Financier*), we hereby report to you on:

- the review of the accompanying condensed half-yearly consolidated financial statements of Bouygues, for the period from 1 January to 30 June 2020;
- the verification of the information presented in the half-yearly management report.

These condensed half-yearly consolidated financial statements are prepared under the responsibility of the Board of Directors on 26 August 2020 based on information available at that date, in the context of the evolving Covid-19 crisis and the difficulties of assessing its present and future impacts. Our role is to express a conclusion on these financial statements based on our review.

## 1. Conclusion on the financial statements

We conducted our review in accordance with professional standards applicable in France. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with professional standards applicable in France and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed half-yearly consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34, the standard issued by the IASB and endorsed by the European Union applicable to interim financial information.

## 2. Specific verification

We have also verified the information presented in the half-yearly management report issued on 26 August 2020 on the condensed half-yearly consolidated financial statements subject to our review.

We have no matters to report as to its fair presentation and consistency with the condensed half-yearly consolidated financial statements.

Paris-La Défense, 26 August 2020

The Statutory Auditors

| MAZARS | ERNST & YOUNG Audit |
| --- | --- |
| Gilles Rainaut | Nicolas Pfeuty |

# 6. GLOSSARY

**4G consumption**: data consumed on 4G cellular networks, excluding Wi-Fi.

**4G users**: customers who have used the 4G network during the last three months (Arcep definition).

**ABPU (Average Billing Per User)**:

- In the mobile segment, it is equal to the total of mobile sales billed to customers (BtoC and BtoB) divided by the average number of customers over the period. It excludes MtoM SIM cards and free SIM cards.
- In the fixed segment, it is equal to the total of fixed sales billed to customers (excluding BtoB) divided by the average number of customers over the period.

**BtoB (business to business)**: when one business makes a commercial transaction with another.

**Backlog (Bouygues Construction, Colas)**: the amount of work still to be done on projects for which a firm order has been taken, i.e. the contract has been signed and has taken effect (after notice to proceed has been issued and suspensory clauses have been lifted).

**Backlog (Bouygues Immobilier):** sales outstanding from notarized sales plus total sales from signed reservations that have still to be notarized.

Under IFRS 11, Bouygues Immobilier's backlog does not include sales from reservations taken via companies accounted for by the equity method (co-promotion companies where there is joint control).

**Construction businesses**: Bouygues Construction, Bouygues Immobilier and Colas.

**EBITDA after Leases**: current operating profit after taking account of the interest expense on lease obligations, before (i) net depreciation and amortization expense on property, plant and equipment and intangible assets, (ii) net charges to provisions and impairment losses, and (iii) effects of acquisitions of control or losses of control. Those effects relate to the impact of remeasuring previously-held interests or retained interests.

**EBITDA margin after Leases (Bouygues Telecom):** EBITDA after Leases as a proportion of sales from services.

**Free cash flow**: net cash flow (determined after (i) cost of net debt, (ii) interest expense on lease obligations and (iii) income taxes paid), minus net capital expenditure and repayments of lease obligations. It is calculated before changes in working capital requirements (WCR) related to operating activities and excluding 5G frequencies.

**Free cash flow after WCR**: net cash flow (determined after (i) cost of net debt, (ii) interest expense on lease obligations and (iii) income taxes paid), minus net capital expenditure and repayments of lease obligations, and after changes in working capital requirements (WCR) related to operating activities.

It is calculated after changes in working capital requirements (WCR) related to operating activities and excluding 5G frequencies.

**Fixed churn:** the total number of cancellations in a given month, divided by the total number of subscribers at the end of the previous month.

**FTTH (Fiber to the Home)**: optical fiber from the central office (where the operator's transmission equipment is installed) all the way to homes or business premises (Arcep definition).

**FTTH penetration rate:** the FTTH share of the total fixed subscriber base (the number of FTTH customers divided by the total number of fixed customers)

**FTTH premises secured**: the horizontal deployed, being deployed or ordered up to the concentration point.

**FTTH premises marketed:** the connectable sockets, i.e. the horizontal and vertical deployed and connected via the concentration point.

**Growth in sales like-for-like and at constant exchange rates:**

- at constant exchange rates: change after translating foreign-currency sales for the current period at the exchange rates for the comparative period;
- on a like-for-like basis: change in sales for the periods compared, adjusted as follows:
  - for acquisitions, by deducting from the current period those sales of the acquired entity that have no equivalent during the comparative period;
  - for divestments, by deducting from the comparative period those sales of the divested entity that have no equivalent during the current period.

**Mobile churn:** the total number of cancellations in a given month, divided by the total number of subscribers at the end of the previous month.

**MtoM:** machine to machine communication. This refers to direct communication between machines or smart devices or between smart devices and people via an information system using mobile communications networks, generally without human intervention.

**Net surplus cash/(net debt):** the aggregate of cash and cash equivalents, overdrafts and short-term bank borrowings, non-current and current debt, and financial instruments. Net surplus cash/(net debt) does not include non-current and current lease obligations. A positive figure represents net surplus cash and a negative figure represents net debt. The main components of change in net debt are presented in Note 7 to the consolidated financial statements at 30 June 2020, available at bouygues.com.

**Order intake (Bouygues Construction, Colas):** a project is included under order intake when the contract has been signed and has taken effect (the notice to proceed has been issued and all suspensory clauses have been lifted) and the financing has been arranged. The amount recorded corresponds to the sales the project will generate.

**PIN:** Public-Initiative Network.

**Reservations by value (Bouygues Immobilier)**: the € amount of the value of properties reserved over a given period.

- Residential properties: the sum of the value of unit and block reservation contracts signed by customers and approved by Bouygues Immobilier, minus registered cancellations.
- Commercial properties: these are registered as reservations on notarized sale.

For co-promotion companies:

- if Bouygues Immobilier has exclusive control over the co-promotion company (full consolidation), 100% of amounts are included in reservations;
- if joint control is exercised (the company is accounted for by the equity method), commercial activity is recorded according to the amount of the equity interest in the co-promotion company.

**Sales from services (Bouygues Telecom)** comprise:

- Sales billed to customers, which include:

  - In Mobile:
    - For BtoC customers: sales from outgoing call charges (voice, texts and data), connection fees, and value-added services.
    - For BtoB customers: sales from outgoing call charges (voice, texts and data), connection fees, and value-added services, plus sales from business services.
    - Machine-To-Machine (MtoM) sales.
    - Visitor roaming sales.
    - Sales generated with Mobile Virtual Network Operators (MVNOs).

  - In Fixed:
    - For BtoC customers: sales from outgoing call charges, fixed broadband services, TV services (including Video on Demand and catch-up TV), and connection fees and equipment hire.
    - For BtoB customers: sales from outgoing call charges, fixed broadband services, TV services (including Video on Demand and catch-up TV), and connection fees and equipment hire, plus sales from business services.
    - Sales from bulk sales to other fixed line operators.

- Sales from incoming Voice and Texts.
- Spreading of handset subsidies over the projected life of the customer account, required to comply with IFRS 15.
- Capitalization of connection fee sales, which is then spread over the projected life of the customer account.

**Other sales (Bouygues Telecom):** difference between Bouygues Telecom's total sales and sales from services.

It comprises:

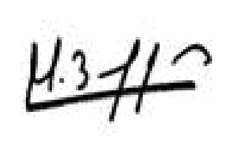
- Sales from handsets, accessories and other
- Roaming sales
- Non-telecom services (construction of sites or installation of FTTH lines)
- Co-financing of advertising

**Very-high-speed**: subscriptions with peak downstream speeds higher or equal to 30 Mbit/s. Includes FTTH, FTTLA, 4G box and VDSL2 subscriptions (Arcep definition).

# 7. STATEMENT BY THE PERSON RESPONSIBLE FOR THE FIRST-HALF FINANCIAL REPORT

I certify that to the best of my knowledge the condensed consolidated first-half financial statements for the past half-year have been prepared in accordance with the relevant accounting standards and give a true and fair view of the assets and liabilities, financial position and results of the company and of affiliated undertakings and that the attached first-half review of operations provides an accurate representation of significant events in the first six months of the year and of their impact on the first-half financial statements, of the main related-party transactions and of the main risks and uncertainties for the remaining six months.

Paris, 26 August 2020



Martin Bouygues
Chairman and CEO

A *Société Anonyme* (public limited company) with a share capital of €379,828,120
Registered office: 32 avenue Hoche, 75008 Paris, France
Registration No. 572 015 246 Paris – APE code: 7010Z

Photo credit: Rungkit Chaorenwat
Architect: Plan Associates Co.,Ltd.