

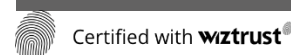


Making progress become reality



PRESS RELEASE

14/11/2019



## NINE-MONTH 2019 RESULTS

- **IMPROVEMENT IN CURRENT OPERATING PROFIT, CURRENT OPERATING MARGIN AND NET PROFIT ATTRIBUTABLE TO THE GROUP**
- **SOLID PERFORMANCE OF THE CONSTRUCTION BUSINESSES, WITH A YEAR-ON-YEAR INCREASE IN CURRENT OPERATING PROFIT**
- **VERY GOOD COMMERCIAL AND FINANCIAL PERFORMANCE AT BOUYGUES TELECOM**
- **OUTLOOK CONFIRMED**

The consolidated financial statements at 30 September 2019 are presented in comparison with the financial statements at 30 September 2018 and at 31 December 2018, restated to take account of the application from 1 January 2019 of IFRS 16 on leases. Because of the reclassification of lease payments as amortization expense and interest expense, and the new presentation of lease expenses in the financial statements, the Group has adopted new financial indicators to continue to reflect the operating nature of lease expenses (see glossary on page 13): “EBITDA after Leases”, “Current operating profit after Leases” and “Operating profit after Leases”. “Free cash flow”, “Free cash flow after WCR” and “Net debt” have also been redefined.

KEY FIGURES (€ million)	9-month 2018 restated	9-month 2019	Change
Sales	25,219	27,601	+9% <sup>a</sup>
Current operating profit	858	1,118	+€260m
Current operating margin	3.4%	4.1%	+0.7pts
Current operating profit after Leases <sup>b</sup>	818	1,076	+€258m
Operating profit	1,056 <sup>c</sup>	1,168 <sup>d</sup>	+€112m
Operating profit after Leases <sup>b</sup>	1,016	1,126	+€110m
Net profit attributable to the Group	771	848	+€77m
Net surplus cash (+)/Net debt (-) at 30 September	(5,465)	(4,643)	-€822m

(a) Up 5% like-for-like and at constant exchange rates

(b) See glossary on page 13 for new definitions

(c) Including non-current income of €214m at Bouygues Telecom and non-current charges of €16m at TF1

(d) Including non-current income of €60m at Bouygues Telecom and non-current charges of €10m at Bouygues Construction



### In line with first-half 2019, the Group improved its results and its profitability.

- Sales in the first nine months of 2019 were €27.6 billion, up 9% year-on-year (up 5% like-for-like and at constant exchange rates).
- Current operating profit was €1,118 million, a €260-million improvement over the first nine months of 2018, boosted by good performances in the three sectors of activity. Current operating margin rose by 0.7 points over the period to 4.1%.
- Operating profit was €1,168 million, up €112 million year-on-year. Non-current income was €50 million in the first nine months of 2019, a decrease from €198 million in the first nine months of 2018, mainly at Bouygues Telecom.
- Net profit attributable to the Group rose by €77 million year-on-year to €848 million.

### The construction businesses delivered a solid performance.

- The backlog stood at the very high level of €32.5 billion at end-September 2019.
- Current operating profit was €545 million, a €122-million increase versus the first nine months of 2018.
- The current operating margin rose 0.4 points year-on-year.

### Bouygues Telecom continued to post a very good commercial and financial performance.

- Bouygues Telecom gained 220,000 new mobile plan customers excluding MtoM, and 110,000 new FTTH customers in third-quarter 2019.
- Sales rose by 13% (up 11% like-for-like and at constant exchange rates) versus the first nine months of 2018. Sales from services were up 7% over the period.
- EBITDA after Leases showed sharp growth of 13% year-on-year. The EBITDA margin after Leases was 30.9%, a significant year-on-year increase of 1.6 points.

### The Group confirmed its outlook:

- In 2019, **improvement in Group profitability** and **generation of €300 million of free cash flow<sup>1</sup>** at Bouygues Telecom.
- Within two years, **increase of Group free cash flow generation after WCR<sup>2</sup> to €1 billion** thanks to the contribution of the three sectors of activity.

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<sup>1</sup> 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)

<sup>2</sup> 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. It is calculated after changes in working capital requirements (WCR) related to operating activities and excluding 5G frequencies



## DETAILED ANALYSIS BY SECTOR OF ACTIVITY

### CONSTRUCTION BUSINESSES

The backlog in the construction businesses, down 4% versus end-September 2018, remained at the very high level of €32.5 billion at 30 September 2019.

In **France**, the backlog in the construction businesses at end-September 2019 decreased slightly by 2%<sup>3</sup> to €14 billion. This reflects:

- A 7%<sup>3</sup> rise in the backlog at Colas to €3.3 billion at end-September 2019, driven by growth in the roads backlog in mainland France (up 8%).
- A slight decrease of 2%<sup>3</sup> in the backlog at Bouygues Construction to €8.5 billion at end-September 2019. This includes, in third-quarter 2019, a €199-million contract to extend the harbor of Port-la-Nouvelle in the south of France. In 2020, new calls for tender are expected as part of the Grand Paris Express rapid transit project.
- An 11% decrease in the backlog at Bouygues Immobilier to €2.2 billion, reflecting the absence of commercial property order intakes in the first nine months 2019, and a decline in residential property reservations in a slightly contracting housing market.

**Internationally**, the backlog in the construction businesses was €18.5 billion at end-September 2019, stable year-on-year and down 7% at constant exchange rates, and restated for main acquisitions and disposals. Order intake in third-quarter 2019 included a €364-million contract at Bouygues Construction for the excavation of a 4-km tunnel in Hong Kong, and a €75-million contract at Colas for the construction of a 1.1-km taxiway at Los Angeles International Airport. Further significant contracts are expected in fourth-quarter 2019 and in 2020. At end-September 2019, international business represented 61% of the backlog at Bouygues Construction and Colas, versus 59% at end-September 2018.

The **construction businesses** reported sales of €21,583 million in the first nine months of 2019, up 9% year-on-year and up 4% like-for-like and at constant exchange rates.

Current operating profit in the first nine months of 2019 was €545 million, versus €423 million in the first nine months of 2018 (up €122 million). This increase was driven by a positive contribution from Energies and Services (€51 million in the first nine months of 2019 versus a loss of €139 million in the first nine months of 2018), the return to breakeven at Colas Rail and the strong momentum of Colas' roads activity in mainland France. Current operating profit at Bouygues Immobilier declined in the first nine months of 2019 due to higher cost of works in the residential segment following a peak in reservations in the market in 2017, and very low activity in the commercial segment.

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<sup>3</sup> At constant exchange rates excluding main acquisitions and disposals



## TF1

The **TF1** group's audience share among key targets remained high, at 32.1% of women under 50 who are purchasing decision-makers, and 29.1% of individuals aged 25 to 49.

Sales in the first nine months of 2019 reached €1,615 million, up 2.5% from the first nine months of 2018. Like-for-like and at constant exchange rates sales remained stable over the period. Advertising revenue was €1,158 million, up 1% year-on-year.

Current operating profit in the first nine months of 2019 was €184 million, a year-on-year increase of €57 million. Current operating margin increased sharply over the period to 11.4%, up 3.4 points year-on-year. The improvement was mainly due to savings of €66 million in the cost of programs on the five free-to-air channels in the first nine months of 2019, due to the screening of the men's Soccer World Cup in 2018.

## BOUYGUES TELECOM

**Bouygues Telecom** reported strong growth in its commercial and financial results in the first nine months of 2019.

The company added 501,000 new mobile plan customers excluding MtoM in the first nine months of 2019, of which 220,000 were in the third quarter, for a total of 11.4 million mobile plan customers at end-September 2019 excluding MtoM.

FTTH continued to grow, with 286,000 new customers added in the first nine months of 2019, of which 110,000 were in the third quarter. The FTTH penetration rate reached 22% at end-September 2019 versus 13% a year earlier. The company had 855,000 FTTH customers and a total of 3.8 million fixed customers at 30 September 2019.

Bouygues Telecom reported sales of €4,426 million in the first nine months of 2019, up 13% year-on-year and up 11% like-for-like and at constant exchange rates. In line with first-half 2019, sales from services rose 7% in third-quarter 2019 to reach €3,396 million for the first nine months of 2019. This increase reflected growth in both the mobile and fixed customer base, with a mobile ABPU that has been stable at €19.9 for the last two years, and a €1.1 year-on-year increase in fixed ABPU to €26.6 in third-quarter 2019.

EBITDA after Leases showed a sharp €122-million increase year-on-year reaching €1,050 million in the first nine months of 2019. The EBITDA margin after Leases was 30.9%, up 1.6 points versus the first nine months of 2018.

Current operating profit was €405 million in the first nine months of 2019, up €74 million year-on-year.

Operating profit in the first nine months of 2019 decreased €80 million year-on-year to €465 million due to lower capital gains on the sale of mobile sites (€58 million in the first nine months of 2019 versus €127 million in the first nine months of 2018) and non-current income of €110 million booked in third-quarter 2018 related to the cancellation of fees paid for the use of 1800 MHz frequencies prior to 2018.

Gross capex in the first nine months of 2019 was €734 million, down €186 million year-on-year.



Free cash flow reached €205 million in the first nine months 2019, a year-on-year increase of €27 million.

These very good results reflect Bouygues Telecom's differentiation strategy, based on the quality of its mobile and fixed networks and customer experience. For the second year in a row, Bouygues Telecom was recognized by the French telecoms regulator Arcep<sup>4</sup> as the leading mobile operator in rural areas in France and second on average nationwide. Bouygues Telecom's goal is to increase the number of its mobile sites from over 21,000 at the end of 2018 to over 28,000 in 2023 and, in the fixed segment, to have 12 million FTTH premises marketed by the end of 2019.

Bouygues Telecom's growth momentum is likely to continue, due to the following three major growth drivers:

- Increased market share in the mobile segment in the less dense area as a result of network sharing and the gradual strengthening of its local distribution network, notably through the opening of around 50 stores;
- Access to a growing source of potential customers in the fixed segment through the ramp-up of fiber roll-out. Bouygues Telecom had 10.2 million FTTH premises marketed at end-September 2019, up 3.9 million year-on-year. Its network covers 85 French departments and more than 3,090 municipalities;
- In BtoB, a market share increase in the mobile and fixed segments, boosted by the acquisitions of SME specialists Keyyo and Nerim.

## ALSTOM

At the Alstom general meeting on 10 July 2019, Alstom's shareholders approved a dividend of €5.50 per share. As a result, the Bouygues group received a dividend of €341 million on 17 July 2019.

On 12 September 2019, Bouygues announced the successful sale of 29,150,000 Alstom shares, representing 13% of the share capital, at the price of €37 per share (i.e. a total amount of €1,079 million), through an accelerated book-building reserved for institutional investors. Following this sale, Bouygues retains a 14.7% stake in Alstom.

As announced on 6 November, Alstom's contribution to the Group's net profit was €238 million in the first nine months of 2019, versus a contribution of €230 million in the first nine months of 2018. The contribution in the first nine months of 2019 included a net capital gain of €172 million on the sale of the 13% of the share capital in Alstom.

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<sup>4</sup> Arcep survey of October 2018 and October 2019



## **FINANCIAL SITUATION**

Net debt at end-September 2019 was €4.6 billion, compared to €5.5 billion at end-September 2018 and €3.6 billion at end-December 2018.

In the first 9 months 2019, the Group free cash flow generation before WCR improved by €167 million (€647 million excluding Alstom's dividend versus €480 million in the first 9 months 2018) while the WCR has increased by around €400 million. The improvement in Colas and Bouygues Immobilier's WCR did not offset the deterioration in operating WCR at Bouygues Construction, which is linked to progress on major projects.

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## **FINANCIAL CALENDAR**

- 20 February 2020: Full-year 2019 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](http://www.bouygues.com)

## **ABOUT BOUYGUES**

Bouygues is a diversified services group with a strong corporate culture whose businesses are organised 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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## NINE-MONTH 2019 BUSINESS ACTIVITY

BACKLOG AT THE CONSTRUCTION BUSINESSES (€ million)	End-September		
	2018	2019	Change
Bouygues Construction	22,518	21,160	-6%
Bouygues Immobilier	2,567	2,245	-13%
Colas	8,688	9,084	+5%
<b>Total</b>	<b>33,773</b>	<b>32,489</b>	<b>-4%</b>

BOUYGUES CONSTRUCTION ORDER INTAKE (€ million)	9-month		
	2018	2019	Change
France	4,365	3,550	-19%
International	5,816	4,512	-22%
<b>Total</b>	<b>10,181</b>	<b>8,062</b>	<b>-21%</b>

BOUYGUES IMMOBILIER RESERVATIONS (€ million)	9-month		
	2018	2019	Change
Residential property	1,527	1,408	-8%
Commercial property	218	44	-80%
<b>Total</b>	<b>1,745</b>	<b>1,452</b>	<b>-17%</b>

COLAS BACKLOG (€ million)	End-September		
	2018	2019	Change
Mainland France	3,395	3,292	-3%
International and French overseas territories	5,293	5,792	+9%
<b>Total</b>	<b>8,688</b>	<b>9,084</b>	<b>+5%</b>

TF1 AUDIENCE SHARE <sup>a</sup>	End-September		
	2018	2019	Change
<b>Total</b>	<b>32.4%</b>	<b>32.1%</b>	<b>-0.3 pts</b>

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

BOUYGUES TELECOM CUSTOMER BASE ('000)	End-September		
	End-Dec 2018	End-Sept 2019	Change
Mobile customer base excl. MtoM	11,414	11,831	+417
Mobile plan base excl. MtoM	10,890	11,391	+501
<b>Total mobile customers</b>	<b>16,351</b>	<b>17,505</b>	<b>+1,154</b>
<b>Total fixed customers</b>	<b>3,676</b>	<b>3,831</b>	<b>+155</b>



## NINE-MONTH 2019 FINANCIAL PERFORMANCE

CONDENSED CONSOLIDATED INCOME STATEMENT (€ million)	9-month 2018 restated	9-month 2019	Change
Sales	25,219	27,601	+9% <sup>a</sup>
Current operating profit	858	1,118	+€260m
Current operating profit after Leases <sup>b</sup>	818	1,076	+€258m
Other operating income and expenses	198	50	-€148m
<b>Operating profit</b>	<b>1,056<sup>c</sup></b>	<b>1,168<sup>d</sup></b>	<b>+€112m</b>
Operating profit after Leases <sup>b</sup>	1,016	1,126	+€110m
Cost of net debt	(163)	(162)	+€1m
Interest expense on lease obligations	(40)	(42)	-€2m
Other financial income and expenses	26	19	-€7m
Income tax	(265)	(325)	-€60m
Share of net profit of joint ventures and associates	252	286	+€34m
<i>o/w Alstom</i>	230	238	+€8m
<b>Net profit from continuing operations</b>	<b>866</b>	<b>944</b>	<b>+€78m</b>
Net profit attributable to non-controlling interests	(95)	(96)	-€1m
<b>Net profit attributable to the Group</b>	<b>771</b>	<b>848</b>	<b>+€77m</b>

(a) Up 5% like-for-like and at constant exchange rates

(b) See glossary for new definitions

(c) Including non-current charges of €16m at TF1 corresponding to amortization of audiovisual rights remeasured as part of the acquisition of Newen Studios and non-current income of €214m at Bouygues Telecom (essentially non-current income of €127m related to the capital gain on the sale of sites and non-current income of €110m related to the cancellation of fees paid for the use of 1800 MHz frequencies prior to 2018 and non-current charges of €28m related to network sharing)

(d) Including non-current charges of €10m at Bouygues Construction related to restructuring costs and non-current income of €60m at Bouygues Telecom essentially related to the capital gain on the sale of sites

CALCULATION OF EBITDA AFTER LEASES <sup>a</sup> (€ million)	9-month 2018 restated	9-month 2019	Change
<b>Current operating profit after Leases<sup>a</sup></b>	<b>818</b>	<b>1,076</b>	<b>+€258m</b>
Net depreciation and amortization expense on property, plant and equipment and intangible assets	1,244	1,284	+€40m
Charges to provisions and impairment losses, net of reversals due to utilization	112	165	+€53m
Reversals of unutilized provisions and impairment losses and other	(252)	(173)	+€79m
<b>EBITDA after Leases<sup>a</sup></b>	<b>1,922</b>	<b>2,352</b>	<b>+€430m</b>

(a) See glossary for new definitions





SALES BY SECTOR OF ACTIVITY (€ million)	9-month 2018 restated	9-month 2019	Change	Forex effect	Scope effect	lfl & consta nt fx
Construction businesses <sup>a</sup>	19,736	21,583	9.4%	-1.2%	-4.0%	4.2%
<i>o/w Bouygues Construction</i>	8,589	9,899	15.3%	-1.5%	-10.3%	3.5%
<i>o/w Bouygues Immobilier</i>	1,716	1,610	-6.2%	0.1%	0.0%	-6.1%
<i>o/w Colas</i>	9,602	10,182	6.0%	-1.1%	1.1%	5.9%
TF1	1,576	1,615	2.5%	0.0%	-2.4%	0.1%
Bouygues Telecom	3,934	4,426	12.5%	0.0%	-1.0%	11.5%
Bouygues SA and other	118	145	nm	-	-	nm
Intra-Group eliminations <sup>b</sup>	(316)	(276)	nm	-	-	nm
Group sales	25,219	27,601	9.4%	-0.9%	-3.4%	5.1%
<i>o/w France</i>	15,646	16,043	2.5%	0.0%	2.8%	5.3%
<i>o/w international</i>	9,573	11,558	20.7%	-2.5%	-13.5%	4.7%

(a) Total of the sales contributions (after eliminations within the construction businesses)

(b) Including intra-Group eliminations of the construction businesses

CONTRIBUTION TO GROUP EBITDA AFTER LEASES BY SECTOR OF ACTIVITY (€ million)	9-month 2018 restated	9-month 2019	Change
Construction businesses	716	980	+€264m
<i>o/w Bouygues Construction</i>	222	395	+€173m
<i>o/w Bouygues Immobilier</i>	85	32	-€53m
<i>o/w Colas</i>	409	553	+€144m
TF1	299	328	+€29m
Bouygues Telecom	928	1,050	+€122m
Bouygues SA and other	(21)	(6)	+€15m
Group EBITDA after Leases	1,922	2,352	+€430m

CONTRIBUTION TO GROUP CURRENT OPERATING PROFIT BY SECTOR OF ACTIVITY (€ million)	9-month 2018 restated	9-month 2019	Change
Construction businesses	423	545	+€122m
<i>o/w Bouygues Construction</i>	146	280	+€134m
<i>o/w Bouygues Immobilier</i>	113	42	-€71m
<i>o/w Colas</i>	164	223	+€59m
TF1	127	184	+€57m
Bouygues Telecom	331	405	+€74m
Bouygues SA and other	(23)	(16)	+€7m
Group current operating profit	858	1,118	+€260m



CONTRIBUTION TO GROUP CURRENT OPERATING PROFIT AFTER LEASES <sup>a</sup> BY SECTOR OF ACTIVITY (€ million)	9-month 2018 restated	9-month 2019	Change
<b>Construction businesses</b>	<b>407</b>	<b>525</b>	<b>+€118m</b>
<i>o/w Bouygues Construction</i>	139	272	+€133m
<i>o/w Bouygues Immobilier</i>	112	41	-€71m
<i>o/w Colas</i>	156	212	+€56m
<b>TF1</b>	<b>124</b>	<b>181</b>	<b>+€57m</b>
<b>Bouygues Telecom</b>	<b>311</b>	<b>387</b>	<b>+€76m</b>
<b>Bouygues SA and other</b>	<b>(24)</b>	<b>(17)</b>	<b>+€7m</b>
<b>Group current operating profit after Leases<sup>a</sup></b>	<b>818</b>	<b>1,076</b>	<b>+€258m</b>

(a) See glossary for new definitions

CONTRIBUTION TO GROUP OPERATING PROFIT BY SECTOR OF ACTIVITY (€ million)	9-month 2018 restated	9-month 2019	Change
<b>Construction businesses</b>	<b>423</b>	<b>535</b>	<b>+€112m</b>
<i>o/w Bouygues Construction</i>	146	270	+€124m
<i>o/w Bouygues Immobilier</i>	113	42	-€71m
<i>o/w Colas</i>	164	223	+€59m
<b>TF1</b>	<b>111</b>	<b>184</b>	<b>+€73m</b>
<b>Bouygues Telecom</b>	<b>545</b>	<b>465</b>	<b>-€80m</b>
<b>Bouygues SA and other</b>	<b>(23)</b>	<b>(16)</b>	<b>+€7m</b>
<b>Group operating profit</b>	<b>1,056<sup>a</sup></b>	<b>1,168<sup>b</sup></b>	<b>+€112m</b>

(a) Including non-current charges of €16m at TF1 corresponding to amortization of audiovisual rights remeasured as part of the acquisition of Newen Studios and non-current income of €214m at Bouygues Telecom (essentially non-current income of €127m related to the capital gain on the sale of sites and non-current income of €110m related to the cancellation of fees paid for the use of 1800 MHz frequencies prior to 2018 and non-current charges of €28m related to network sharing)

(b) Including non-current charges of €10m at Bouygues Construction related to restructuring costs and non-current income of €60m at Bouygues Telecom essentially related to the capital gain on the sale of sites

CONTRIBUTION TO GROUP OPERATING PROFIT AFTER LEASES <sup>a</sup> BY SECTOR OF ACTIVITY (€ million)	9-month 2018 restated	9-month 2019	Change
<b>Construction businesses</b>	<b>407</b>	<b>515</b>	<b>+€108m</b>
<i>o/w Bouygues Construction</i>	139	262	+€123m
<i>o/w Bouygues Immobilier</i>	112	41	-€71m
<i>o/w Colas</i>	156	212	+€56m
<b>TF1</b>	<b>108</b>	<b>181</b>	<b>+€73m</b>
<b>Bouygues Telecom</b>	<b>525</b>	<b>447</b>	<b>-€78m</b>
<b>Bouygues SA and other</b>	<b>(24)</b>	<b>(17)</b>	<b>+€7m</b>
<b>Operating profit after Leases<sup>a</sup></b>	<b>1,016<sup>b</sup></b>	<b>1,126<sup>c</sup></b>	<b>+€110m</b>

(a) See glossary for new definitions

(b) Including non-current charges of €16m at TF1 corresponding to amortization of audiovisual rights remeasured as part of the acquisition of Newen Studios and non-current income of €214m at Bouygues Telecom (essentially non-current income of €127m related to the capital gain on the sale of sites and non-current income of €110m related to the cancellation of fees paid for the use of 1800 MHz frequencies prior to 2018 and non-current charges of €28m related to network sharing)

(c) Including non-current charges of €10m at Bouygues Construction related to restructuring costs and non-current income of €60m at Bouygues Telecom essentially related to the capital gain on the sale of sites



CONTRIBUTION TO NET PROFIT ATTRIBUTABLE TO THE GROUP BY SECTOR OF ACTIVITY (€ million)	9-month 2018 restated	9-month 2019	Change
<b>Construction businesses</b>	<b>279</b>	<b>381</b>	<b>+€102m</b>
<i>o/w Bouygues Construction</i>	110	226	+€116m
<i>o/w Bouygues Immobilier</i>	61	20	-€41m
<i>o/w Colas</i>	108	135	+€27m
<b>TF1</b>	<b>36</b>	<b>52</b>	<b>+€16m</b>
<b>Bouygues Telecom</b>	<b>309</b>	<b>251</b>	<b>-€58m</b>
<b>Alstom</b>	<b>230</b>	<b>238</b>	<b>+€8m</b>
<b>Bouygues SA and other</b>	<b>(83)</b>	<b>(74)</b>	<b>+€9m</b>
<b>Net profit attributable to the Group</b>	<b>771</b>	<b>848</b>	<b>+€77m</b>

NET SURPLUS CASH (+)/NET DEBT (-) BY BUSINESS SEGMENT (€ million)	End-Dec 2018 restated	End-Sept 2019	Change
Bouygues Construction	3,119	2,196	-€923m
Bouygues Immobilier	(238)	(633)	-€395m
Colas	(475)	(1,220)	-€745m
TF1	(28)	(53)	-€25m
Bouygues Telecom	(1,275)	(1,689)	-€414m
Bouygues SA and other	(4,715)	(3,244)	+€1,471m
<b>Net surplus cash (+)/Net debt (-)</b>	<b>(3,612)</b>	<b>(4,643)</b>	<b>-€1,031m</b>
IFRS 16 lease obligations	(1,644)	(1,647)	-€3m

CONTRIBUTION TO NET CAPITAL EXPENDITURE BY SECTOR OF ACTIVITY (€ million)	9-month 2018 restated	9-month 2019	Change
<b>Construction businesses</b>	<b>314</b>	<b>304</b>	<b>-€10m</b>
<i>o/w Bouygues Construction</i>	97	149	+€52m
<i>o/w Bouygues Immobilier</i>	6	7	+€1m
<i>o/w Colas</i>	211	148	-€63m
<b>TF1</b>	<b>129</b>	<b>161</b>	<b>+€32m</b>
<b>Bouygues Telecom</b>	<b>714</b>	<b>638</b>	<b>-€76m</b>
<b>Bouygues SA and other</b>	<b>6</b>	<b>2</b>	<b>-€4m</b>
<b>Net capital expenditure</b>	<b>1,163</b>	<b>1,105</b>	<b>-€58m</b>



CONTRIBUTION TO GROUP FREE CASH FLOW BEFORE WCR <sup>a</sup> BY SECTOR OF ACTIVITY (€ million)	9-month 2018 restated	9-month 2019	Change
<b>Construction businesses</b>	<b>247</b>	<b>400</b>	<b>+€153m</b>
<i>o/w Bouygues Construction</i>	55	147	+€92m
<i>o/w Bouygues Immobilier</i>	43	(20)	-€63m
<i>o/w Colas</i>	149	273	+€124m
<b>TF1</b>	<b>94</b>	<b>117</b>	<b>+€23m</b>
<b>Bouygues Telecom</b>	<b>178</b>	<b>205</b>	<b>+€27m</b>
<b>Bouygues SA and other</b>	<b>(39)</b>	<b>266<sup>b</sup></b>	<b>+€305m</b>
<b>Group Free Cash Flow before WCR</b>	<b>480</b>	<b>988</b>	<b>+€508m</b>
<i>Excluding €341m dividend from Alstom</i>	480	647	+€167m

(a) See glossary on page 13 for new definition

(b) Including €341m dividend from Alstom



## 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 (B2C or B2B) 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 B2B) divided by the average number of customers over the period.

**B2B (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.

**Current operating profit after Leases:** current operating profit after taking account of the interest expense on lease obligations.

**EBITDA after Leases:** current operating profit after Leases (i.e. 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.

**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. A calculation of free cash flow by business segment is presented in Note 11 "Segment information" to the consolidated financial statements at 30 September 2019, available at [bouygues.com](http://bouygues.com).

**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 September 2019, available at [bouygues.com](http://bouygues.com).

**Operating profit after Leases:** operating profit after taking account of the interest expense on lease obligations.

**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 B2C customers: sales from outgoing call charges (voice, texts and data), connection fees, and value-added services.
    - For B2B 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 B2C 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 B2B 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).