



Making progress become reality

IMPACTS OF COVID-19 ON THE BOUYGUES GROUP

PRESS RELEASE

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- **WITHDRAWAL OF 2020 GUIDANCE FOR THE CONSTRUCTION BUSINESSES, TF1 AND THE GROUP**
- **SUSPENSION OF BOUYGUES TELECOM'S 2020 GUIDANCE MAINTAINED**
- **MODIFICATION OF RESOLUTION SETTING THE DIVIDEND**
- **ARRANGEMENTS FOR PARTICIPATING IN THE COMBINED ANNUAL GENERAL MEETING OF 23 APRIL 2020**

The Covid-19 pandemic has spread very quickly to many different countries. Wherever it is present worldwide, the Group's business segments share the same priority of protecting the health and safety of their employees and their families, as well as that of all other stakeholders (customers, subcontractors or suppliers) and of ensuring compliance with the measures implemented by the competent public health authorities.

The Group is also taking part in initiatives to fight this pandemic by providing one million European-standard surgical masks to the French health authorities, as announced in a press release on 21 March 2020. These masks will be supplied in the next few days.

To help get through this unprecedented crisis, which has now hit a very large number of countries, the Group is drawing on its strengths, namely the commitment of its 130,500 employees, the diversity of its business activities and its particularly robust financial structure.

The Group enjoys a very substantial cash surplus.

Group net debt is low at €2.2 billion at end-December 2019, equating to a gearing¹ of 19%. The debt maturity schedule is evenly spread and none of the debt contains financial covenants.

Bouygues also has a very substantial cash surplus. At end-December 2019, available cash stood at €11.6 billion, of which €3.3 billion in cash and €8.3 billion in unutilized medium/long-term credit facilities that contain no financial covenants.

All the Group's business segments are working hard to ensure that business continues when possible. They are rolling out action plans to reduce the impact of this crisis on their sales and profitability.

Although the impact of the crisis differs from one business segment to another, they are all implementing major action plans. In terms of the workforce, a number of exceptional measures have been taken, such as the widespread implementation of teleworking, and, in France, short-time working and the signing of a collective agreement allowing employees to take their paid vacation during the lockdown period. Expenditure is being kept under tight control whilst maintaining core projects. Drawing on the Group's experience in Hong Kong, all business segments are now working on restarting their activities as soon as this is possible, without even awaiting the end of the lockdown, whilst ensuring optimum health and safety conditions for their employees,

¹ Net debt over shareholders' equity.



and in compliance with all governmental measures. To this end, the business segments are coordinating with the public authorities, customers and with their supply and subcontracting chain. Major orders for masks and Personal Protective Equipment have already been made.

Bouygues withdraws its 2020 guidance for the Group and its business segments, except for Bouygues Telecom, whose guidance is suspended.

As a result of the impact of the Covid-19 epidemic on its business segments, which cannot be quantified at the moment, the Group published a press release on 24 March 2020 informing the financial markets of the suspension of the guidance disclosed at its 2019 full-year results presentation, as well as that of its business segments. The press release stated: *“the impact of Covid-19 will depend on many different factors, particularly, for all the Group’s business segments, on the scope and duration of the epidemic, the prevention and support measures adopted by the governments concerned and whether employees are eligible for short-time working. More specifically, for the construction businesses, it stated that the outlook would depend on how long worksites stay shut, as well as on the availability of project owners, contractors, suppliers, service-providers and subcontractors. For the media activities (which make a limited contribution to Group sales), as announced by TF1 on 23 March 2020, the main impact will be on advertising sales.*

Since then, new circumstances have appeared. On 27 March, France announced that it would extend its lockdown period for an extra 15 days, a period that might be extended even further after that. In the last few days, a growing number of geographies have implemented similar measures in order to limit the spread of the epidemic. For example, the places where the Group has a long-term presence, such as the UK, certain Canadian provinces and a part of the United States.

These governmental measures have interrupted work on a very large number of worksites in the **construction businesses**. As a result, activity in the Group’s construction businesses has currently either slowed down considerably or is completely shut down in ten or so countries, representing around 60% of the activity. In France, the Group is actively preparing for the gradual resumption of activity, although it is unclear how fast this will be, and will leverage these action plans to speed up the resumption of its activities outside France.

In a press release of 1 April 2020, **TF1** announced that *“We have in recent days seen a sharp acceleration in cancellations of advertising campaigns, extending across all sectors. The lack of visibility on future trends in the advertising market, and the expected continuation of the current trend in the second quarter, are likely to have a substantial impact on our first-half performances.”* Furthermore, as regards content production, it stated *“The extension of the lockdown period will inevitably lengthen the suspension of shooting.”*

In contrast, activity at **Bouygues Telecom** is resilient in this Covid-19 pandemic. In the last two weeks alone, mobile and fixed usage has increased sharply by 30% and 50% respectively. Due to the lack of commercial activity, the market has experienced a significant reduction in gross adds, as well as in cancellations. Bouygues Telecom's teams are working hard to maintain the best possible mobile and fixed network service quality in order to satisfy customer demand. The impact of the pandemic remains limited on Bouygues Telecom's activity to date.

Therefore, based on these new circumstances and the contribution of the construction businesses, the current crisis will have a significant impact on the Group’s results in 2020. This means that the 2020 guidance for the Group, the construction businesses and TF1 cannot be achieved.

The guidance was as follows:



- For the Group, free cash flow generation after WCR² of €1 billion in 2020, with the contribution from all three sectors of activity;
- For the construction businesses, an expected improvement in the current operating margin in 2020 versus 2019;
- For TF1, a double-digit current operating margin and cost of programs at €985 million in 2020.

However, it is too early to give any new guidance.

Bouygues Telecom's 2020 guidance continues to be suspended, due to Covid-19's limited impact on its activity, until there is far greater visibility on the duration of the health crisis in France.

Finally, the Group reiterates its 2030 greenhouse gas emissions reduction target. In 2020, it will define a target compatible with the Paris Agreement³ and the Group's five business segments will prepare an action plan.

The Board of Directors has decided to amend the resolution (appropriation of 2019 earnings, setting of dividend) to be submitted to the forthcoming Combined Annual General Meeting.

In the midst of a major and growing health crisis and given the resulting economic uncertainty, Bouygues naturally intends to act responsibly and show its solidarity with the efforts asked of its stakeholders, particularly its employees. As a result, the Board of Directors has decided to withdraw its proposal to pay out a dividend at the Combined Annual General Meeting to be held on 23 April 2020.

The Board of Directors will meet in August in order to reassess the situation and review the opportunity of proposing the pay-out of a dividend in respect of the 2019 financial year.

Arrangements for participating in the Combined Annual General Meeting on 23 April 2020

In light of the measures taken by the French government in relation to the Covid-19 pandemic, and in accordance with Order No. 2020-321 of 25 March 2020, the Board of Directors has decided to organize the Combined Annual General Meeting of 23 April 2020 at 3.30pm (CET) at its registered office located at 32, avenue Hoche 75008 Paris, France, without the shareholders attending in person.

As a result, the company is asking shareholders to either vote remotely or give a proxy vote to the Chairman:

- Either by correspondence, using the form attached to the Convening Notice and available to download on www.bouygues.com
- Or on-line, via the Votaccess secure platform.

The general meeting will be webcast on www.bouygues.com

Shareholders are reminded that they are entitled to send any questions in writing, until 20 April 2020 2 pm, to the following e-mail address: questions.ecrites2020@bouygues.com.

The arrangements for participating in the Annual General Meeting of 23 April 2020 are available on bouygues.com under Annual General Meeting. They will also be set forth in the Convening Notice published in the Balo (*Bulletin des Annonces Légales Obligatoires*) on 3 April 2020.

²Free 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 WCR related to operating activities and excluding 5G frequencies.

³ To keep the global increase in temperatures to below 1.5 °C.



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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