

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 30/06/2022



BOUYGUES

The gravity-base foundations of the Fécamp offshore windfarm under construction

Making progress become reality

CONTENTS

NOTE 1	SIGNIFICANT EVENTS	3
NOTE 2	GROUP ACCOUNTING POLICIES.....	7
NOTE 3	NON-CURRENT ASSETS	10
NOTE 4	CONSOLIDATED SHAREHOLDERS' EQUITY	12
NOTE 5	NON-CURRENT AND CURRENT PROVISIONS.....	13
NOTE 6	NON-CURRENT AND CURRENT DEBT	14
NOTE 7	CHANGE IN NET DEBT	15
NOTE 8	SALES.....	15
NOTE 9	OPERATING PROFIT/(LOSS).....	16
NOTE 10	INCOME TAXES	17
NOTE 11	SEGMENT INFORMATION	18
NOTE 12	OFF BALANCE SHEET COMMITMENTS	22
NOTE 13	RELATED PARTY INFORMATION	22

Note 1 Significant events

1.1 Significant events of the first half of 2022

The principal corporate actions and acquisitions of the first half of 2022 are described below:

- During the second half of 2021, to protect itself against a rise in interest rates, Bouygues SA entered into pre-hedging arrangements with a view to refinancing the bond issue maturing in 2023.

Upon the signature in November 2021 of the agreement to acquire Equans from Engie, Bouygues also entered into pre-hedging arrangements for the future bond issues that would provide long-term refinancing for the syndicated acquisition loan that was contracted on 3 December 2021 and is due to mature two years after the closing of the acquisition. Those arrangements were contracted between November 2021 and January 2022, partly in the form of swaps contingent on completion of the Equans acquisition.

On 17 May 2022, Bouygues carried out two bond issues totalling €2 billion with an effective date of 24 May 2022. The issues comprise a 7-year €1 billion tranche bearing interest at 2.25%, and a 15-year €1 billion tranche bearing interest at 3.25%. The issues mark the first step in the refinancing of the syndicated loan contracted to finance the acquisition of Equans. Consequently, the authorised amount of the syndicated loan had been reduced to €4.7 billion as of 30 June 2022. If the acquisition is not completed, Bouygues has an option to redeem the bond issues at 101% of nominal.

As of 30 June 2022, the fair value of the pre-hedging swaps recognised as an asset in the balance sheet within “Financial instruments – Hedging of debt” was €765 million, before deferred tax liabilities of €198 million. That compares with amounts (before deferred taxes) of €38 million as of 31 December 2021 and €439 million as of 31 March 2022. The change in fair value during the first half of 2022 (see Note 7) was recognised within “Income and expense recognised directly in equity”.

The €765 million fair value of the pre-hedging swaps recognised as an asset in the balance sheet includes €245 million for contingent swaps, the value of which became fixed when the May 2022 bond issues were carried out. In addition, an upfront cash payment of €42 million was received by Bouygues when the issues were made; that amount is presented within “Cash and cash equivalents” in the balance sheet as of 30 June 2022.

Of the tax payable when the swaps are closed out, half will be offset against tax group losses, and half will be paid out during 2022. The tax will be netted off against the tax benefit arising on the interest expense on the bond issue, which will be deductible for tax purposes at the nominal rate of the issue.

- On 23 February 2022, Bouygues Telecom and Cellnex signed an agreement to set up a new company to roll out up to approximately 1,350 new mobile sites in France outside very dense areas. The new company, controlled by Cellnex, will own and manage the sites. Bouygues Telecom will have a call option over Cellnex’s shares exercisable between 1 July and 31 December 2045, 2050 and 2055, which would give Bouygues Telecom control over the new company.
- On 23 February 2022, Bouygues Telecom and Phoenix Tower International (a Blackstone portfolio company based in the United States, specialising in mobile infrastructure construction) and Phoenix France Infrastructures signed an agreement to set up a new company to acquire 2,000 new mobile sites in very dense areas, and to roll out up to 400 additional sites. The new company, a directly owned subsidiary of Phoenix France Infrastructures, will own and manage the sites. Bouygues Telecom will have a call option over the shares of Phoenix France Infrastructures exercisable between 15 January and 15 July 2038 and at two-year intervals to 2051, which would give Bouygues Telecom control over the two companies.
- On 24 February 2022, a military conflict broke out between Russia and Ukraine. Because Bouygues has only very limited operations in those two countries (2021 revenue of €123,000 in Russia and €24,000 in Ukraine), it is not directly impacted by the ongoing conflict. However, the Group is paying very close attention to macro-economic trends and to the direct and indirect repercussions for the Group’s operations and profits.

- On 28 February 2022, TF1 announced that Altice Media had entered into a purchase agreement in respect of the TFX channel (DTT channel 11), and that Altice Media had been granted an exclusivity clause. On 8 April 2022, TF1 announced the finalisation of the agreements with Altice relating to the sale of TFX in the event that the proposed merger with the M6 group (announced in 2021) is approved. Completion of the sale is subject to (i) clearance from the relevant competent authorities (the French competition authority – ADLC, and the French broadcasting authority – Arcom) and (ii) completion of the proposed merger between the TF1 and M6 groups. The TFX channel will hence remain under the full control of the TF1 group throughout 2022. The sale of TFX would be tied into the proposed merger between the TF1 and M6 groups announced on 17 May 2021, and would help the combined group comply with legislation by avoiding its being in the position of owning more than seven national DTT channels.
- On 24 March 2022, the TF1 group and the M6 group signed an agreement relating to the buyout of the 33.33% equity interest held by France Télévisions in Salto (the subscription video on demand service owned in equal shares by France Télévisions, TF1 and M6) in the event that the proposed merger with the M6 group (announced in 2021) is approved. Under the terms of the agreement, the TF1 and M6 groups undertook that if the merger is completed, they will buy out the 33.33% equity interest held by France Télévisions at a definitive value of €45 million. Salto will remain under the joint control of its three shareholders throughout 2022 to facilitate the ongoing development of the platform.
- On 6 April 2022, Bouygues Telecom and Vauban Infrastructures Partners (a BPCE group company) announced the signature of a strategic agreement to ramp up the roll-out of FTTH to property operators in medium dense areas (AMII) and less dense areas (AMEL/PIN), representing around 21 million premises. Bouygues Telecom created a special purpose vehicle called Société de Développement de la Fibre Au Service des Territoires (SDFAST) and Vauban Infrastructure Partners, acting on behalf of its funds, was chosen to be SDFAST’s future majority shareholder. The primary purpose of SDFAST will be to acquire long-term access rights from property operators, helping to co-finance fibre optics alongside the main French telecoms operators. Approximately €2 billion will be invested over the next five years.

When SDFAST was created, Vauban Infrastructure Partners and Bouygues Telecom undertook to subscribe to the capital of the company. Bouygues Telecom also contributed (i) a service contract that includes a commitment to source FTTH connections solely from SDFAST for a period of 35 years at a pre-set tariff and (ii) supply contracts enabling SDFAST to acquire FTTH connections from building operators. SDFAST will also be able to offer the same access services to third-party operators. The transactions valued Bouygues Telecom’s 49% equity interest in SDFAST at €585 million as of 6 April 2022, including €535 million for the contracts contributed (which will be recognised in current operating profit over the life of the contract) and €50 million for the capital increase to be carried out by Bouygues Telecom. As of 30 June 2022, Bouygues Telecom’s equity interest in SDFAST was valued at €611 million.

Bouygues Telecom has an option to take control of SDFAST exercisable between 31 July and 31 December each year from 2031 to 2033, and then every five years from 2036 to 2056.

- On 12 May 2022, Bouygues signed the Equans Share Purchase Agreement with Engie, following the issuance of all the opinions of the relevant employee representative bodies of Equans and Engie. Completion of the acquisition of Equans remains subject to obtaining all the regulatory clearances required from the antitrust and foreign investment control authorities. Completion of the deal is expected in the second half of 2022, as per the initial schedule.

Under the terms of the initial purchase agreement signed on 5 November 2021, Bouygues was required to make a payment of €130 million on signature of the Share Purchase Agreement; that amount will be deducted from the purchase price if there is a successful conclusion to the purchase process. Consequently, Bouygues paid Engie €130 million in May 2022 under the terms of the agreement. In the statements of cash flows, that amount has been classified within “Net cash generated by/used in investing activities”, within the line item “Other cash flows related to investing activities”.

- On 28 June 2022, TF1 signed an agreement with a view to selling its Digital Media arms’s Publishers business – including the aufeminin, Marmiton, Doctissimo, and Les Numériques brands – to the Reworld Media group.

The proposed sale reflects firstly TF1's aim to focus on its content publisher, multi-channel streaming and production interests, and secondly a wave of consolidations driven by profound changes in display and special campaigns within the online ad sector. The Reworld group has agreed to take over all of Publishers employees. The proposed sale has been presented to the employee representative bodies of TF1. Closing of the transaction remains subject to the customary conditions precedent, in particular regulatory clearance from the French competition authority.

On 21 July 2022, TF1 signed an agreement to enter into exclusive negotiations with Future Technology Retail with a view to the sale of the influence marketing operations carried on by the Ykone entities.

Completion of the two deals is expected in the second half of 2022.

Because the Publishers business of the Digital Media arm and the Ykone entities were both held for sale as of 30 June 2022, all the assets and liabilities of those entities have been classified in "Held-for-sale assets and operations" and "Liabilities related to held-for-sale operations", which are separate line items presented at the foot of the balance sheet, in accordance with IFRS 5, at carrying amounts of €198 million and €74 million respectively. Because the estimated fair value of the held-for-sale assets is greater than their carrying amount, no provision for impairment against those assets was recognised in the consolidated financial statements for the six months ended 30 June 2022.

1.2 Significant events of the first half of 2021

The principal corporate actions and acquisitions of the first half of 2021 are described below:

- On 29 January 2021, Alstom announced that it had acquired Bombardier Transportation, via two rights issues reserved for affiliates of Caisse de dépôt et placement du Québec and Bombardier Inc. Bouygues recognised a gain on dilution of €56 million within "Share of net profits/losses of joint ventures and associates" in the consolidated income statement for the first quarter of 2021, based on Alstom's €3.4 billion valuation of the 76,184,296 shares issued on the date of completion of the acquisition. On completion of all those various rights issues, Bouygues held an equity interest of 6.35% in Alstom.

On 10 March and 2 June 2021, Bouygues announced that it had sold respectively 12 million and 11 million Alstom shares, representing 3.23% and 2.96% of Alstom's share capital, for €984 million (net of transaction costs), through an accelerated book building reserved for institutional investors. Bouygues recognised a gain of €152 million (net of transaction costs and taxes) within "Share of net profits/losses of joint ventures and associates" in the consolidated income statement for the first half of 2021. Following those sales, Bouygues holds an equity interest of 0.16% in Alstom. Loss of significant influence over Alstom led to the reclassification of the residual equity interest to "Other non-current financial assets", and to the recognition of a fair value remeasurement of €6 million as of 2 June 2021 in respect of the residual equity interest within "Share of net profits/losses of joint ventures and associates".

The residual equity interest in Alstom, classified within "Other non-current financial assets", amounted to €18 million as of 31 December 2021.

- During the first half of 2021, Bouygues Telecom sold to Towerlink the buildings and passive infrastructure of 11 data centres (MSC – Mobile Switching Centres) for €168 million; a gain of €97 million was recognised within "Other income from operations" in the first half of 2021. During the second half of 2021, two more MSCs were sold for €31 million, taking the overall capital gain recognised within "Other income from operations" to €114 million as of 31 December 2021. Two MSCs were classified within "Held-for-sale assets and operations" in the balance sheet as of 31 December 2021, at a value of €8 million.
- On 27 April 2021, TF1 announced that Newen had taken a majority stake in the iZen group, a major player in audiovisual production in Spain, by acquiring a 65% equity interest for a basic price of €20 million. The iZen group, which employs around 40 people and also has operations in the United Kingdom, generated average sales of €35 million over the last

three financial years. The vendors and the Newen group entered into a shareholder agreement which specifies the terms for (i) the payment of contingent consideration and (ii) the exercise of reciprocal undertakings whereby the vendors have an option to sell, and the TF1 group has an option to acquire, additional equity interests of 15% in 2025 and 10% in 2028. As of the date control was obtained, provisional goodwill of €15 million was recognised pending finalisation of the purchase price allocation; the impact on net debt was €29 million, including €9 million for the put option granted to the non-controlling shareholders. Following completion of the valuation of the reciprocal undertakings and the contingent consideration of €2 million in the second half of 2021, provisional goodwill amounted to €15 million as of 31 December 2021; the impact on net debt was €34 million, including €12 million for the put option granted to the non-controlling shareholders. On completion of the 12-month purchase price allocation period, the provisional goodwill became final, and amounted to €16 million as of 30 June 2022.

- On 17 May 2021, TF1, M6, Bouygues and RTL Group announced that they had signed agreements to enter into exclusive negotiations to merge the activities of TF1 and M6, creating a major French media group. Based on 2020 proforma figures, the merged entity would generate sales of approximately €3.4 billion and current operating profit in the region of €460 million. Bouygues and RTL Group support the transaction, on completion of which they would hold 30% and 16% of the new entity respectively, following the acquisition by Bouygues of an 11% stake from RTL Group for €641 million. Bouygues would exercise control, and would act in concert with RTL Group in a strategic partnership. The proposal has been approved unanimously by the Boards of Directors of TF1, Bouygues and RTL Group, and by the Supervisory Board of M6. On 8 July 2021, the Bouygues group and RTL Group (of the one part) and TF1 and M6 (of the other part) announced the signature of agreements between the parties relating to the merger of the TF1 and M6 groups, following unanimous approval of the proposal by the employee representative bodies of Bouygues, TF1 and M6 on 24 June 2021. Closing of the transaction remains subject to regulatory approvals from the French competition authority (ADLC) and the French broadcasting authority (Arcom), and to approval by shareholder meetings. Closing of the transaction is expected by the end of 2022.
- In June 2021, Bouygues SA repurchased 350,000 of its own shares for €12 million, followed by a further 2,220,000 shares in the second half of 2021 for €76 million; all the shares were repurchased with a view to their cancellation.

1.3 Significant events and changes in scope of consolidation subsequent to 30 June 2022

- On 19 July 2022, the European Commission authorised the acquisition of Equans by Bouygues, subject to compliance with the undertakings made by Bouygues to divest Colas Rail Belgium.

Also on 19 July 2022, the UK Competition and Markets Authority issued an opinion indicating that its concerns around competition were limited to the ongoing tendering process for catenary systems for the High Speed 2 (HS 2) railway line. On 26 July, Bouygues submitted its proposed remedies on which the CMA should soon give its decision.

- On 21 July 2022, TF1 signed an agreement to enter into exclusive negotiations with Future Technology Retail with a view to the sale of the influence marketing operations carried on by the Ykone entities (see Note 1.1). Completion of the sale was announced on 27 July 2022.
- On 22 July 2022, the French competition authority (ADLC) indicated on its website that on 19 July 2022 it had authorised the acquisition of TFX by Altice (see Note 1.1). However, the ADLC has not published its decision in full, and has indicated that it may be subject to appeal.
- On 26 July 2022, Bouygues announced that the French competition authority's (ADLC) investigation teams have issued their report on the proposed merger between the TF1 group and the M6 group. In their report, which in no way predicts the final decision of the authority's board, the investigation teams consider that the deal raises a number of significant competition concerns (especially in relation to the advertising market). The nature and extent of the remedies required in the report would mean that the merger plans would no longer be meaningful for the parties involved and they would

therefore abandon them. The parties, who do not intend to make any changes to their original plans, will inform the authority of their response within the next three weeks; hearings will take place before the French competition authority's board on 5 and 6 September.

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 2022 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 consolidated financial statements of the Bouygues group for the year ended 31 December 2021 as presented in the Universal Registration Document filed with the AMF on 23 March 2022.

The financial statements were prepared in accordance with the standards issued by the IASB as endorsed by the European Union and applicable as of 30 June 2022. 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 2022 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 Bouygues group condensed interim consolidated financial statements include the financial statements of Bouygues SA and its five business segments.

They were closed off by the Board of Directors on 1 August 2022.

The interim condensed consolidated financial statements for the six months ended 30 June 2022 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 2021 and the six months ended 30 June 2021; the balance sheets and statements of changes in shareholders' equity as of 30 June 2021 have been restated to reflect the final agenda decision of the IFRS Interpretations Committee on IAS 19. That decision led the Group to reassess the methodology for calculating the vesting period used in determining the amount of the provision for lump-sum retirement benefits. Applying the decision led to a €69 million increase in published shareholders' equity as of 30 June 2021. The provision for lump-sum retirement benefits was reduced by €90 million, and deferred tax liabilities increased by €10 million. On the assets side of the balance sheet, deferred tax assets decreased by €12 million, and investments in joint ventures and associates increased by €1 million. No impact was identified on the income statement or on the statement of recognised income and expense for the first half of 2021.

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 2021.

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 2021. Employee headcount, salaries and actuarial assumptions may be revised where the impact is material.

As of 30 June 2022, certain actuarial assumptions (discount rates, salary inflation rates including the effects of general inflation, and return on plan assets) have been revised, reflecting significant changes during the period. The overall impact was a gain of €142 million (€111 million net of deferred taxes), recognised in the statement of recognised income and expense for the first half of 2022, and comprising:

- Outside France: a €239 million gain due to the effects of higher discount rates and a revision of employee turnover statistics, partly offset by a reduction of €136 million in the fair value of plan assets and €34 million for the effect of the asset ceiling.
- In France: the effects of (i) a revision in discount rate from 1.013% as of 31 December 2021 to 2.945% as of 30 June 2022 and (ii) an increase in the salary inflation rate (determined separately for each business segment), resulting in a total gain of €73 million.

The impact on provisions of an additional increase or decrease in discount rates within and outside France would be as follows:

	Assumption	Increase	Decrease
Lump-sum retirement benefits (France)	50 basis points	(32)	35
Pensions (outside France)	20 basis points	(11)	12

In addition, a rise of 50 basis points in the salary inflation rate used in France would result in an increase of €19 million in the provision.

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

2.3 New IFRS standards and interpretations

The Bouygues group applied the same standards, interpretations and accounting policies in the six months ended 30 June 2022 as were applied in its consolidated financial statements for the year ended 31 December 2021, except for changes required to meet new IFRS requirements applicable as of 1 January 2022 (see below).

- Principal amendments effective within the European Union and mandatorily applicable as of 1 January 2022
 - Amendments to IAS 37

On 14 May 2020, the IASB issued amendments to IAS 37, relating to onerous contracts. The amendments clarify what costs an entity considers in determining the cost of fulfilling a contract, in order to assess whether that contract is onerous. The impact on the Group is immaterial.

- Amendments to IAS 16

On 2 July 2021, the IASB issued amendments to IAS 16, relating to how entities account for the net proceeds generated by an item of property, plant and equipment while that item is being brought to the location and condition necessary for it to be operated. The amendments prohibit entities from deducting such proceeds from the cost of the item; rather, the proceeds generated by the sale and the corresponding costs must be recognised in profit or loss. The impact on the Group is immaterial.

- IFRS IC conclusions related to IAS 38

In April 2021, the IASB approved the December 2020 agenda decision of the IFRS IC on accounting for the costs of configuring or customising application software in a Software as a Service (SaaS) arrangement. Depending on their nature, such costs are generally required to be recognised as an expense, either immediately or over the term of the contract. An analysis of those costs within the Group is ongoing and will be finalised in the second half of 2022, given that some of those costs impact entities affected by the changes in the scope of consolidation of the TF1 group described in Note 1.1. At this stage, the impact would appear to be immaterial at Group level. All costs of configuring or customising application software brought into service since 1 January 2022 have been accounted for in accordance with the IFRS IC agenda decision.

2.4 Seasonal fluctuations

Sales and operating profit are subject to strong seasonal fluctuations due to low activity levels during the first half, primarily at Colas due to weather conditions. The extent of those fluctuations varies from year to year. 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

3.1.1 Movement in the carrying amount of goodwill in the first half of 2022

	Carrying amount
31/12/2021	7,446
Changes in scope of consolidation	(32)
Impairment losses charged during the period	
Other movements (including translation adjustments)	(42)
30/06/2022	7,372

The decrease during the first half of 2022 relates mainly to the following corporate actions at TF1:

- sale of the Gamed entities, leading to the derecognition of goodwill amounting to €36 million; and
- the signature of (i) an agreement to sell TF1's Publishers business and (ii) an agreement to enter into exclusive negotiations with a view to the sale of the influence marketing operations of Ykone (see Note 1.1), resulting in the reclassification of the goodwill of those entities to "Held-for-sale assets and operations" in accordance with IFRS 5, for an amount of €59 million.

Those effects were partly offset by €17 million of translation adjustments.

The table below shows how goodwill as of 30 June 2022 was determined for significant acquisitions made since 1 January 2021:

CGU	Destia Oy		iZen
	Colas		TF1
Purchase price (I)	252		22
Net assets acquired, excluding goodwill (II)	(40)		(7)
Non-current assets	(71)		(5)
Current assets	(137)		(16)
Non-current liabilities	28		2
Current liabilities	140		12
Purchase price allocation (III)			(3)
Remeasurement of acquired intangible assets			(4)
Remeasurement of acquired property, plant and equipment			
Other remeasurements (including deferred taxes)			1
Unacquired portion (IV)			4
Goodwill (I)+(II)+(III)+(IV)	212		16^a
Translation adjustments			
Goodwill at 30/06/2022	212		16

(a) This goodwill became final during the first half of 2022.

3.1.2 Allocation of goodwill by Cash Generating Unit (CGU)

CGU	30/06/2022		31/12/2021	
	Total	% Bouygues or subsidiaries	Total	% Bouygues or subsidiaries
Bouygues Construction ^a	1,129	100.00	1,129	100.00
Colas ^b	1,568	96.85	1,552	96.85
TF1 ^b	1,278	44.35	1,369	43.68
Bouygues Telecom ^b	3,397	90.53	3,396	90.53
TOTAL	7,372		7,446	

(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.

An increase in euro interest rates, which impacts various components of the discount rates used, was observed during the first half of the year. However, this does not call into question the results of the impairment testing conducted as of 31 December

2021, given that the discount rates as of 30 June 2022 remain below the levels at which the recoverable amount of the assets tested would equal their carrying amount (as reported in Note 3.2.4 to the financial statements as of 31 December 2021).

3.2 Investments in 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
31/12/2021	878
Share of net profit/(loss) for the period	(8)
Translation adjustments	9
Other income and expense recognised directly in equity	59
Net profit/(loss) and other recognised income and expense	60
Appropriation of prior-year profit, dividends distributed, acquisitions and capital increases, disposals, transfers and other movements	583
30/06/2022	1,521

The carrying amount of investments in joint ventures and associates increased by €643 million in the period, reflecting the first-time consolidation of SDFAST for €585 million (see Note 1.1).

The investment in SDFAST had a carrying amount of €611 million in the Bouygues balance sheet as of 30 June 2022, after taking account of the €10 million share of SDFAST's net loss for the period and €35 million of remeasurements of financial instruments.

The table below shows aggregate amounts for the principal assets, liabilities, and profit and loss items in respect of the Bouygues group's investment in SDFAST:

Amounts shown are for 100% of investee	SDFAST
	30/06/2022
Non-current assets	1,632
Current assets	500
TOTAL ASSETS	2,132
Shareholders' equity	1,246
Non-current liabilities	604 ^a
Current liabilities	282
TOTAL LIABILITIES	2,132
SALES	6
NET PROFIT	(20)

(a) Includes €582m of non-current debt.

	30/06/2022
SDFAST: SHAREHOLDERS' EQUITY	1,246
Share attributable to Bouygues (49%)	611
NET ASSETS RECOGNISED IN THE BOUYGUES CONSOLIDATED FINANCIAL STATEMENTS	611

The investment in SDAIF had a carrying amount of €280 million in the Bouygues balance sheet as of 30 June 2022, including the €6 million share of SDAIF's net loss for the period.

Bouygues has an option to buy out some or all of the shares of SDAIF exercisable between 15 March and 15 June each year from 2024 to 2027, and then every five years from 2030 to 2050.

Note 4 Consolidated shareholders' equity

Share capital of Bouygues SA

As of 30 June 2022, the share capital of Bouygues SA consisted of 382,522,675 shares with a par value of €1. That includes 5,705,000 treasury shares, of which 3,135,000 were acquired during the first half of 2022 for €100 million. All of the treasury shares are being held with a view to their cancellation.

	31/12/2021	Movements during 2022		30/06/2022
		Increases	Reductions	
Shares	382,504,795	17,880 ^a		382,522,675
NUMBER OF SHARES	382,504,795	17,880		382,522,675
Par value	€1			€1
SHARE CAPITAL (€)	382,504,795	17,880		382,522,675

(a) The increase in share capital was due to 17,880 new shares being issued on exercise of stock options in the first half of 2022.

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
31/12/2021	809	246	396	642	2,093
Translation adjustments	(1)		(2)	6	3
Changes in scope of consolidation					
Charges to provisions	39	11	29	22	101
Reversals of utilised provisions	(46)	(16)	(24)	(14)	(100)
Reversals of unutilised provisions	(3)	(11)	(6)	(30)	(50)
Actuarial gains and losses	(142)				(142) ^e
Transfers and other movements	(2)	1		13	12
30/06/2022	654	231	393	639	1,917

(a) Employee benefits

Lump-sum retirement benefits	453
Long-service awards	116
Pensions	85

(b) Litigation and claims

Provisions for customer disputes	70
Subcontractor claims	41
Employee-related and other litigation and claims	120

(c) Guarantees given

Provisions for 10-year construction guarantees	257
Provisions for additional building/civil engineering/civil works guarantees	136

(d) Other non-current provisions

Provisions for miscellaneous foreign risks	42
Provisions for risks on non-controlled entities	118
Dismantling and site rehabilitation	308
Provisions for social security inspections	103
Other non-current provisions	70

Principal segments involved:

Bouygues Construction	244
Colas	263
TF1	33
Bouygues Telecom	80
Bouygues Construction	82
Bouygues Immobilier	25
Colas	66
Bouygues Telecom	50
Bouygues Construction	296
Bouygues Immobilier	22
Colas	75
Bouygues Construction	128
Colas	325
Bouygues Telecom	123

(e) See Note 2.2 for an analysis of actuarial gains and losses.

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
31/12/2021	42	409	552	327	1,330
Translation adjustments		7	12	6	25
Changes in scope of consolidation					
Charges to provisions	1	57	73	39	170
Reversals of utilised provisions	(1)	(72)	(133)	(45)	(251)
Reversals of unutilised provisions	(1)	(18)	(37)	(15)	(71)
Transfers and other movements	1	11	(6)	2	8
30/06/2022	42	394	461	314	1,211

(a) Mainly Bouygues Construction and Colas

Individual project provisions are not disclosed for confidentiality reasons.

(b) Other current provisions:

Reinsurance provisions	44	314	Principal segments involved:	
Restructuring provisions	5		Bouygues Construction	131
Site rehabilitation (current portion)	28		Bouygues Immobilier	22
Miscellaneous current provisions	237		Colas	112
			TF1	22

Note 6 Non-current and current debt

6.1 Breakdown of debt

	Current debt		Non-current debt	
	30/06/2022	31/12/2021	30/06/2022	31/12/2021
Bond issues	760	884	5,093	3,814
Bank borrowings	565	340	1,750	1,565
Other borrowings	86	100	412	426
TOTAL NON-CURRENT AND CURRENT DEBT	1,411	1,324	7,255	5,805

The €1,450 million increase in non-current debt mainly reflects (i) the two bond issues totalling €2 billion carried out by Bouygues SA in May 2022 and (ii) an increase of €266 million in non-current debt at Colas, partly offset by the reclassification from non-current to current of the €700 million Bouygues SA bond issue maturing in January 2023.

Current debt rose by €87 million. This mainly reflects the redemption of an €800 million Bouygues SA bond issue on maturity in February 2022, which was more than offset by (i) the reclassification of the €700 million Bouygues SA bond issue maturing in January 2023 from non-current to current and (ii) an increase of €218 million in current debt at Colas.

6.2 Covenants and trigger events

All bond issues 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.

Note 7 Change in net debt

	31/12/2021	Translation adjustments	Changes in scope of consolidation	Cash flows	Fair value adjustments	Other movements	30/06/2022
Cash and cash equivalents	6,501	13	(7)	(1,903)		(11)	4,593
Overdrafts and short-term bank borrowings	(351)	13	(1)	(80)			(419)
NET CASH POSITION (A) ^a	6,150	26	(8)	(1,983)		(11)	4,174
Non-current debt	5,805	19	7	2,247 ^b	(3)	(820)	7,255
Current debt	1,324	8		(692) ^b		771	1,411
Financial instruments, net	(38)	2		^b	(751)		(787)
TOTAL DEBT (B)	7,091	29	7	1,555	(754) ^d	(49)	7,879
NET DEBT (A) - (B)	(941)	(3)	(15)	(3,538)	754	38 ^c	(3,705)

(a) Decrease of €1,965m in the net cash position in the first half of 2022 as analysed in the consolidated cash flow statement.

(b) Net cash inflow from financing activities of €1,555m in the first half of 2022 as analysed in the consolidated cash flow statement, comprising total inflows of €4,518m and total outflows of €2,963m.

(c) Includes:

- zero impact of the reclassification of the €700m Bouygues SA bond issue maturing January 2023 from non-current to current;
- positive impact of the reclassification of the €58m contingent consideration paid to BTBD, payment of which is included within "Net liabilities related to consolidated activities" in the cash flow statement;
- negative impact of the reclassification of €2m of net debt relating to held-for-sale operations at TF1; and
- negative impact of buyouts of non-controlling interests of subsidiaries of Newen Studios (TF1) under put options granted by TF1.

(d) Includes:

- a €727m fair value adjustment relating to pre-hedging swaps contracted in connection with the financing of the Equans acquisition; and
- €42m for the upfront cash payment received on the closing out of the pre-hedging swap of the two May 2022 bond issues, presented within "Other cash flows related to financing activities" in the cash flow statement.

Note 8 Sales

	1st half of 2022				1st half of 2021			
	France	International	Total	%	France	International	Total	%
Bouygues Construction	2,693	3,668	6,361	34	2,643	3,633	6,276	36
Bouygues Immobilier	820	49	869	5	924	56	980	6
Colas	2,953	3,534	6,487	35	2,814	2,752	5,566	32
TF1	1,026	140	1,166	6	1,007	103	1,110	6
Bouygues Telecom	3,623		3,623	20	3,459		3,459	20
Bouygues SA & other	6	19	25		5	21	26	
CONSOLIDATED SALES	11,121	7,410	18,531	100	10,852	6,565	17,417	100

	2nd quarter of 2022				2nd quarter of 2021			
	France	International	Total	%	France	International	Total	%
Bouygues Construction	1,358	1,947	3,305	32	1,348	1,897	3,245	34
Bouygues Immobilier	446	24	470	4	497	31	528	5
Colas	1,704	2,387	4,091	40	1,656	1,902	3,558	37
TF1	540	75	615	6	551	58	609	6
Bouygues Telecom	1,834		1,834	18	1,721		1,721	18
Bouygues SA & other	3	9	12		3	11	14	
CONSOLIDATED SALES	5,885	4,442	10,327	100	5,776	3,899	9,675	100

Refer to Note 11 for an analysis of sales by category and business segment.

Note 9 Operating profit/(loss)

	1st half		2nd quarter	
	2022	2021	2022	2021
CURRENT OPERATING PROFIT/(LOSS)	492	471	569	548
Other operating income	17	97	9	35
Other operating expenses	(61)	(17)	(37)	(11)
OPERATING PROFIT/(LOSS)	448	551	541	572

Refer to Note 11 for an analysis of current operating profit/(loss) and operating profit/(loss) by business segment.

1st half of 2022

Net other operating expenses for the first half of 2022 amount to €44 million and relate to Bouygues Telecom, TF1, Bouygues Construction and Bouygues SA. The main items at Group level are €40 million of costs relating to the proposed acquisition of Equans and €9 million of costs relating to the proposed merger of the operations of TF1 and M6, partly offset by €17 million of gains from sales of data centres.

Other operating income and expenses by business segment are as follows:

- Bouygues Telecom: €17 million of gains from sales of data centres, partly offset by €4 million of network sharing costs and €3 million of other expenses;
- TF1: €7 million of costs relating to the proposed merger of the operations of TF1 and M6;
- Bouygues Construction: €8 million of costs for the Energies & Services arm in connection with the proposed acquisition of Equans by Bouygues SA, and €5 million of other costs; and
- Bouygues SA: €34 million of costs, mainly relating to the proposed acquisition of Equans from Engie and the proposed merger of the operations of TF1 and M6.

1st half of 2021

Net other operating income of €80 million relating to Bouygues Telecom, Bouygues Immobilier, TF1 and Bouygues SA, and comprising:

- Bouygues Telecom: €97 million of gains from sales of data centres (see Note 1.2), partly offset by €6 million of network sharing costs;
- Bouygues Immobilier: €6 million of adaptation costs;
- TF1: €2 million of costs relating to the proposed merger of the operations of TF1 and M6; and
- Bouygues SA: €3 million of costs, mainly relating to the proposed acquisition of Equans from Engie and the proposed merger of the operations of TF1 and M6.

Note 10 Income taxes

Bouygues recognised a net income tax expense of €103 million in the first half of 2022.

	1st half		2nd quarter	
	2022	2021	2022	2021
INCOME TAX GAIN/(EXPENSE)	(103)	(146)	(130)	(162)

The effective tax rate was 30% for the first half of 2022, versus 34% for the first half of 2021. The main impacts on the 2022 first-half effective tax rate were tax losses outside France for which no deferred tax asset was recognised.

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 2022							
Advertising				816			816
Sales of services	2,180	27	267	344	2,824	99	5,741
Other sales from construction businesses	4,184	842	4,955				9,981
Other revenues	49		1,295	27	812		2,183
Total sales	6,413	869	6,517	1,187	3,636	99	18,721
Inter-segment sales	(52)		(30)	(21)	(13)	(74)	(190)
THIRD-PARTY SALES	6,361	869	6,487	1,166	3,623	25	18,531
CURRENT OPERATING PROFIT/(LOSS)	185	16	(160)	189	295	(33)	492
OPERATING PROFIT/(LOSS)	172	16	(160)	182	305	(67)	448
Share of net profits/(losses) of joint ventures and associates	4	3	22	(12)	(14)	(11)	(8)
NET PROFIT/(LOSS) ATTRIBUTABLE TO THE GROUP	135	9	(128)	56	174	(99)	147

	Bouygues Construction	Bouygues Immobilier	Colas	TF1	Bouygues Telecom	Bouygues SA & other	Total
INCOME STATEMENT: 1st half of 2021							
Advertising				802			802
Sales of services	2,092	35	164	289	2,743	104	5,427
Other sales from construction businesses	4,216	946	4,353				9,515
Other revenues	29		1,074	38	728		1,869
Total sales	6,337	981	5,591	1,129	3,471	104	17,613
Inter-segment sales	(61)	(1)	(25)	(19)	(12)	(78)	(196)
THIRD-PARTY SALES	6,276	980	5,566	1,110	3,459	26	17,417
CURRENT OPERATING PROFIT/(LOSS)	166	17	(100)	169	244	(25)	471
OPERATING PROFIT/(LOSS)	166	11	(100)	167	335	(28)	551
Share of net profits/(losses) of joint ventures and associates	6	(6)	4	(13)	(9)	219	201
NET PROFIT/(LOSS) ATTRIBUTABLE TO THE GROUP	119	(6)	(108)	47	199	157	408

	Bouygues Construction	Bouygues Immobilier	Colas	TF1	Bouygues Telecom	Bouygues SA & other	Total
INCOME STATEMENT: 2nd quarter of 2022							
Advertising				439			439
Sales of services	1,119	15	196	174	1,423	51	2,978
Other sales from construction businesses	2,186	455	3,055				5,696
Other revenues	31		860	13	417		1,321
Total sales	3,336	470	4,111	626	1,840	51	10,434
Inter-segment sales	(31)		(20)	(11)	(6)	(39)	(107)
THIRD-PARTY SALES	3,305	470	4,091	615	1,834	12	10,327
CURRENT OPERATING PROFIT/(LOSS)	100	16	133	129	208	(17)	569
OPERATING PROFIT/(LOSS)	92	16	133	125	213	(38)	541
Share of net profits/(losses) of joint ventures and associates	3	2	15	(5)	(10)	(10)	(5)
NET PROFIT/(LOSS) ATTRIBUTABLE TO THE GROUP	70	10	97	41	120	(60)	278

	Bouygues Construction	Bouygues Immobilier	Colas	TF1	Bouygues Telecom	Bouygues SA & other	Total
INCOME STATEMENT: 2nd quarter of 2021							
Advertising				444			444
Sales of services	1,126	20	86	155	1,380	53	2,820
Other sales from construction businesses	2,145	509	2,761				5,415
Other revenues	8		724	20	348		1,100
Total sales	3,279	529	3,571	619	1,728	53	9,779
Inter-segment sales	(34)	(1)	(13)	(10)	(7)	(39)	(104)
THIRD-PARTY SALES	3,245	528	3,558	609	1,721	14	9,675
CURRENT OPERATING PROFIT/(LOSS)	85	13	177	112	168	(7)	548
OPERATING PROFIT/(LOSS)	85	11	177	110	199	(10)	572
Share of net profits/(losses) of joint ventures and associates	4	(2)	6	(7)	(5)	100	96
NET PROFIT/(LOSS) ATTRIBUTABLE TO THE GROUP	62	1	112	32	119	61	387

	Bouygues Construction	Bouygues Immobilier	Colas	TF1	Bouygues Telecom	Bouygues SA & other	Total
Current operating profit/(loss)	185	16	(160)	189	295	(33)	492
• Interest expense on lease obligations	(4)		(9)	(2)	(14)		(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	88	5	175	162	536	11	977
• Charges to provisions and impairment losses, net of reversals due to utilisation	(77)	9	(3)	(10)	20	2	(59)
Elimination of items included in other income from operations:							
• Reversals of unutilised provisions and impairment and other items	(50)	(8)	(70)	(13)	(7)	(1)	(149)
EBITDA AFTER LEASES: 1st half of 2022	142	22	(67)	326	830	(21)	1,232

	Bouygues Construction	Bouygues Immobilier	Colas	TF1	Bouygues Telecom	Bouygues SA & other	Total
Current operating profit/(loss)	166	17	(100)	169	244	(25)	471
• Interest expense on lease obligations	(4)	(1)	(7)	(2)	(12)		(26)
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	102	5	176	173	527	6	989
• Charges to provisions and impairment losses, net of reversals due to utilisation	49	20	50	(11)	7	12	127
Elimination of items included in other income from operations:							
• Reversals of unutilised provisions and impairment and other items	(59)	(14)	(43)	(7)	(8)		(131)
EBITDA AFTER LEASES: 1st half of 2021	254	27	76	322	758	(7)	1,430

	Bouygues Construction	Bouygues Immobilier	Colas	TF1	Bouygues Telecom	Bouygues SA & other	Total
Current operating profit/(loss)	100	16	133	129	208	(17)	569
• Interest expense on lease obligations	(2)		(5)	(1)	(7)	1	(14)
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	42	2	109	69	267	10	499
• Charges to provisions and impairment losses, net of reversals due to utilisation	(54)		2	(8)	11	(2)	(51)
Elimination of items included in other income from operations:							
• Reversals of unutilised provisions and impairment and other items	(28)	(4)	(48)	(10)	(3)	(1)	(94)
EBITDA AFTER LEASES: 2nd quarter of 2022	58	14	191	179	476	(9)	909

	Bouygues Construction	Bouygues Immobilier	Colas	TF1	Bouygues Telecom	Bouygues SA & other	Total
Current operating profit/(loss)	85	13	177	112	168	(7)	548
• Interest expense on lease obligations	(2)	(1)	(3)	(1)	(6)		(13)
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	53	2	110	89	269	4	527
• Charges to provisions and impairment losses, net of reversals due to utilisation	40	20	61	(2)		1	120
Elimination of items included in other income from operations:							
• Reversals of unutilised provisions and impairment and other items	(38)	(8)	(24)	(4)	(3)		(77)
EBITDA AFTER LEASES: 2nd quarter of 2021	138	26	321	194	428	(2)	1,105

	Bouygues Construction	Bouygues Immobilier	Colas	TF1	Bouygues Telecom	Bouygues SA & other	Total
Financial indicators: balance sheet at 30/06/2022							
NET SURPLUS CASH/(NET DEBT)	2,558	(381)	(1,434)	245	(2,503)	(2,190)	(3,705)
Financial indicators: balance sheet at 31/12/2021							
NET SURPLUS CASH/(NET DEBT)	3,521	(142)	(33)	198	(1,734)	(2,751)	(941)

	Bouygues Construction	Bouygues Immobilier	Colas	TF1	Bouygues Telecom	Bouygues SA & other	Total
Other financial indicators: 1st half 2022							
Cash flow after cost of net debt, interest expense on lease obligations and income taxes paid (I)	227	21	(86)	287	841	(64)	1,226
Acquisitions of property, plant & equipment and intangible assets, net of disposals (II)	(23)	(1)	(47)	(139)	(837)	(17)	(1,064)
Repayment of lease obligations (III)	(35)	(3)	(70)	(11)	(86)	(1)	(206)
FREE CASH FLOW (I) + (II) + (III)	169	17	(203)	137	(82)	(82)	(44)

CHANGES IN WORKING CAPITAL RELATED TO OPERATING ACTIVITIES (INCLUDING CURRENT IMPAIRMENT AND PROVISIONS)	(917)	(251)	(881)	(13)	(147)	(19)	(2,228)
---	--------------	--------------	--------------	-------------	--------------	-------------	----------------

	Bouygues Construction	Bouygues Immobilier	Colas	TF1	Bouygues Telecom	Bouygues SA & other	Total
Other financial indicators: 1st half 2021							
Cash flow after cost of net debt, interest expense on lease obligations and income taxes paid (I)	222	18	37	299	746	(22)	1,300
Acquisitions of property, plant & equipment and intangible assets, net of disposals (II)	(45)	(2)	(39)	(122)	(582)		(790)
Repayment of lease obligations (III)	(41)	(4)	(52)	(11)	(71)	1	(178)
FREE CASH FLOW (I) + (II) + (III)	136	12	(54)	166	93	(21)	332

CHANGES IN WORKING CAPITAL RELATED TO OPERATING ACTIVITIES (INCLUDING CURRENT IMPAIRMENT AND PROVISIONS)	(443)	(105)	(481)	(63)	(201)	(83)	(1,376)
---	--------------	--------------	--------------	-------------	--------------	-------------	----------------

	Bouygues Construction	Bouygues Immobilier	Colas	TF1	Bouygues Telecom	Bouygues SA & other	Total
Other financial indicators: 2nd quarter 2022							
Cash flow after cost of net debt, interest expense on lease obligations and income taxes paid (I)	97	19	176	156	464	(18)	894
Acquisitions of property, plant & equipment and intangible assets, net of disposals (II)	(16)	(1)	(34)	(73)	(345)	(17)	(486)
Repayment of lease obligations (III)	(18)	(1)	(37)	(5)	(45)	(1)	(107)
FREE CASH FLOW (I) + (II) + (III)	63	17	105	78	74	(36)	301

CHANGES IN WORKING CAPITAL RELATED TO OPERATING ACTIVITIES (INCLUDING CURRENT IMPAIRMENT AND PROVISIONS)	(153)	(96)	(668)	(145)	(120)	(30)	(1,212)
---	--------------	-------------	--------------	--------------	--------------	-------------	----------------

	Bouygues Construction	Bouygues Immobilier	Colas	TF1	Bouygues Telecom	Bouygues SA & other	Total
Other financial indicators: 2nd quarter 2021							
Cash flow after cost of net debt, interest expense on lease obligations and income taxes paid (I)	93	11	274	182	407	8	975
Acquisitions of property, plant & equipment and intangible assets, net of disposals (II)	(29)	(1)	(28)	(73)	(313)	1	(443)
Repayment of lease obligations (III)	(19)	(2)	(26)	(6)	(35)	1	(87)
FREE CASH FLOW (I) + (II) + (III)	45	8	220	103	59	10	445
CHANGES IN WORKING CAPITAL RELATED TO OPERATING ACTIVITIES (INCLUDING CURRENT IMPAIRMENT AND PROVISIONS)							
	262	(70)	(363)	(67)	(127)	(65)	(430)

Note 12 Off balance sheet commitments

There have been no material changes in off balance sheet commitments since 31 December 2021 other than:

- the first phase in the refinancing of the €6 billion syndicated loan, in the form of two bond issues for a total amount of €2 billion (see Note 1.1). The syndicated loan amounted to €4.7 billion as of 30 June 2022;
- an endorsement of €112 million given in connection with the Metro Manila Subway project in the Philippines (Colas); and
- the extinguishment of the commitment entered into by Newen (TF1) in 2021 in respect of a lease falling within the scope of IFRS 16, as a result of the leased property being made available for occupation in the first quarter of 2022.

Note 13 Related party information

There have been no material changes in the nature of transactions with related parties since 31 December 2021.