

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 30/06/2023



Construction of 4.2 km of rail tunnel for Line 15 South, package T3A – Grand Paris Express rapid transport link (Bouygues Travaux Publics)

BOUYGUES

Making progress become reality

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Note 1 Significant events

1.1 Significant events of the first half of 2023

The principal corporate actions of the first half of 2023 are described below:

- On 4 January 2023, Bouygues Construction transferred to Equans all of its shares comprising the capital of its Energies & Services operations (i.e. the entities Bouygues Energies & Services and Kraftanlagen Energies & Services GmbH). All the Equans shares received by Bouygues Construction as consideration for the transfer were distributed to its shareholders (i.e. Bouygues SA and SFPG).

The Energies & Services operations of Bouygues, which were part of Bouygues Construction during the 2022 financial year, have been included within the “Equans” IFRS 8 operating segment since the beginning of January 2023. The contribution of the Equans operating segment to the Bouygues group consolidated financial statements as of 30 June 2023 is disclosed in Note 11.

The transfer was carried out on the basis of the historical carrying amount of the Energies & Services operations in the books of Bouygues Construction as a business combination under common control, and has no impact on the Bouygues consolidated financial statements.

- In October 2019, Free Mobile brought an unfair competition action against Bouygues Telecom in the Paris Commercial Court, alleging that some of Bouygues Telecom’s former mobile telephony offers combining a phone plan and the purchase of a handset were allegedly consumer credit transactions and misleading practices. On 9 February 2023, the Paris Commercial Court ordered Bouygues Telecom to pay Free Mobile €308 million in damages and also stated that there must be immediate execution of the ruling; Bouygues Telecom argued that this was incorrect, as the proceedings had been initiated prior to 1 January 2020. Free Mobile decided to enforce the immediate execution of the ruling. As a result, on 16 May 2023 Bouygues Telecom paid Free Mobile the sum of €308 million plus statutory interest, making a total of €310 million. Bouygues Telecom contests the ruling of the Paris Commercial Court and its immediate execution, and has lodged an appeal with the Paris Court of Appeal. The amount paid was classified within “Other non-current financial assets” in the balance sheet as of 30 June 2023, and the cash outflow is presented within “Other cash flows from investing activities” in the consolidated cash flow statement.
- On 15 February 2023, the France Télévisions, M6 and TF1 groups announced that they had decided to shut down the Salto platform, and to initiate winding-up proceedings with a view to dissolving the company. Salto discontinued its service on 27 March 2023. As of 31 December 2022, the accumulated losses arising since the incorporation of Salto were offset in the first instance against the short-term cash advances held in its shareholder current account (regarded as a component of the investment in Salto), with the residual losses recognised as a provision for charges. This position did not change during the first half of 2023.
- On 27 June 2023, Bouygues carried out a capital increase of €150 million (inclusive of share premium) in connection with the Bouygues Confiance n°12 employee share ownership plan.

The capital increase was reserved for employees of French companies belonging to the Group; it was effected via a dedicated mutual fund (“FCPE”), the units in which are subject to a lock-up period of five years except in circumstances where early release is allowed under the law. It led to the issuance of 6,845,564 new Bouygues shares (see Note 4) at a subscription price of €21.912.

- On 3 July 2019, the Singapore Appeal Court upheld the decision at first instance ordering Bouygues Construction subsidiary Dragages Singapore to meet the costs of refurbishing all the cladding on the facades of the Centennial Tower (delivered in 1997) following incidents in 2004, and again in 2011, when cladding panels fell from the tower. On 19 April 2023, Dragages Singapore was ordered by the Singapore High Court to pay €39 million. On 26 June 2023, under the terms of an

appeal procedure and negotiations with the customer, Dragages Singapore signed an agreement in final settlement of the dispute for an amount of €37 million, which was paid during the second quarter of 2023.

- Further to the selection of the TF1 channel by Arcom on 22 February 2023 in the call for bids for a DTT broadcasting licence, TF1 signed a new agreement with Arcom on 27 April 2023 under which it will be able to use the DTT spectrum for a period of ten years starting on 6 May 2023.
- Following a Competition Council ruling on 9 May 2007, the Île-de-France Regional Authority (the “Region”) led a series of proceedings in 2008 seeking compensation for losses it claimed to have incurred as a result of anti-competitive practices by construction companies in connection with the award of public works contracts for the renovation of secondary school buildings in the region.

As the Conflicts Court decided on 16 November 2015 that this dispute came within the jurisdiction of the Administrative Courts, the Region brought a case in the Paris Administrative Court on 28 March 2017, with claims for damages for each school, and for all jointly liable defendants to jointly and severally pay an indemnity of 16.4% of the price paid for each secondary school.

The Paris Administrative Court ruled that the indemnity claims were time-barred in several judgments dated 29 July 2019.

The Region appealed, and the Administrative Court of Appeal held in two rulings dated 19 February 2021 that the Region’s claim was not time-barred and ordered the losses to be assessed by a court-appointed expert. In two rulings dated 17 May 2023, the *Conseil d’État* (Supreme Administrative Court) rejected appeals lodged by Bouygues group companies against the aforementioned rulings from the Administrative Court of Appeal. The expert assessment ordered by the Administrative Court of Appeal in 2021, which had been suspended pending a decision from the *Conseil d’État* ruling, has resumed.

- During the second quarter of 2023, Bouygues implemented a one-off Performance Management Plan (PMP) designed to incentivise selected Equans managers and to align their interests with the financial objectives set by Bouygues for Equans through to 2027.

The PMP gives entitlement to performance bonuses and to the allotment of Equans shares free of charge:

- The expense recognised under IFRS 2 for the allotment of Equans shares free of charge was recognised in equity in the books of Equans (equity-settled plan), and as a liability to employees within the Bouygues group consolidated financial statements (cash-settled plan) given that Bouygues SA will underwrite the liquidity of the shares. On that basis, an expense of €8 million for the PMP was recognised in the Equans financial statements in the second quarter of 2023, within “Other operating expenses” (see Note 9). That expense is based on the fair value of the Equans shares as of the date of grant (15 May 2023), and is the same as the fair value of the Bouygues SA liquidity guarantee in respect of the PMP; it remains unchanged as of 30 June 2023. From the second half of 2023 onwards, the expense recognised by Equans at each accounting close may be adjusted for the purposes of the Bouygues group consolidated financial statements, solely to reflect the impact of changes in the fair value of the Equans shares since the date of grant on the Bouygues SA liquidity guarantee. That adjustment will be presented within “Bouygues SA & Other” for segment reporting purposes.
- The performance bonuses will start to be recognised from the third quarter of 2023, within “Other operating expenses”, once the relevant employees have been informed; they will be recognised in profit or loss in line with the pattern of service rendered by the beneficiaries.

In addition, selected managers have an option to invest in Equans shares alongside Bouygues SA up to a maximum overall amount of €15 million. Under that scheme, Bouygues SA sold those managers Equans shares for a total of €12 million in the second quarter of 2023, with an option to repurchase. In light of that option, an employee liability of the same amount was recognised as of 30 June 2023, with the opposite entry representing the cash received. That liability may be readjusted to reflect the fair value of the Equans shares. The impact of the sale of the shares is classified within the line item

“Capital increases/(reductions) paid by shareholders and non-controlling interests and other transactions between shareholders” in the consolidated cash flow statement. The residual shares were sold on 26 July 2023 for €3 million.

- On 30 May 2023, Bouygues announced that it had successfully placed a bond issue of €1 billion with an 8-year maturity (maturing 17 July 2031), bearing interest at 3.875%. The economic cost to the Bouygues group after taking account of pre-hedging is slightly below 1.95%.
- During the first half of 2023, Bouygues repaid €1,750 million of the syndicated loan (see Note 6) contracted in connection with the Equans acquisition (see Note 1.2); the residual balance as of 30 June 2023 is €700 million.
- As mentioned in Note 1.2, on 3 November 2015 Bouygues E&S Contracting UK Limited (BYES Contracting) and Full Circle Generation Limited (FCG) signed (i) an engineering, procurement and construction contract (EPCC) and (ii) an operation & maintenance contract (OMC) relating to an Energy from Waste facility in the port of Belfast. The facility was commissioned on 26 March 2020. FCG considers that performance tests conducted since then have proved inconclusive. FCG terminated the EPCC for breach of contract on 5 July 2021, and terminated the OMC on the same grounds on 6 July 2021. BYES Contracting is contesting FCG’s right to terminate.

On 28 March 2022, FCG initiated arbitration seeking compensation for underperformance of the facility. In a submission to the arbitration tribunal on 30 June 2023, FCG valued that compensation at €323.8 million for the EPCC and €88.5 million for the OMC, excluding interest. Proceedings are ongoing, and BYES Contracting contests the FCG claim.

1.2 Significant events of the first half of 2022

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

- Acquisition of Equans by Bouygues

- Description of the acquisition process

On 5 November 2021, the Bouygues and Engie groups signed a purchase agreement under which Bouygues agreed to acquire all of the Equans group, based on an enterprise value of €6.7 billion.

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.

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; that divestment was completed on 30 September 2022.

Also on 19 July 2022, the UK Competition and Markets Authority (CMA) issued an opinion indicating that its concerns around competition were limited to the ongoing tendering process for catenary systems for the High Speed 2 (HS2) railway line. On 26 July 2022, Bouygues submitted its proposed remedies, on the basis of which the CMA authorised the transaction on 27 September 2022.

On 4 October 2022, Bouygues SA completed the acquisition of Equans, a key milestone in its development. The final purchase price for 100% of the shares of Equans was €6.1 billion (of which €130 million had been paid to Engie on 12 May 2022 when the Share Purchase Agreement was signed). As of the date control was obtained and after the purchase price allocation, provisional goodwill of €5,209 million was recognised; the impact on the net debt of Bouygues was €6.5 billion, after factoring in the €0.4 billion net debt of Equans as of the acquisition date. As of 30 June 2023, provisional goodwill amounted to €5,209 million.

- Financing of the acquisition

On 3 December 2021, Bouygues contracted a €6 billion syndicated loan facility to finance the acquisition of Equans. 16 banks participated in the facility, which expires on the earlier of (i) 24 months after closing of the acquisition or (ii) 31 March 2025. The intention was that the facility would be refinanced by bond issues before 2024. Having been initially reduced to €4.7 billion as a result of the bond issues carried out by Bouygues on 17 May 2022, the syndicated loan facility was drawn down in full on completion of the acquisition, before being partially refinanced by further bond issues totalling €2.25 billion on 24 October 2022. As of 31 December 2022, the residual syndicated loan facility was drawn down in full, and amounted to €2.45 billion. The economic cost of the Equans financing is approximately 2%. Details of the refinancing are provided below.

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%.

On 24 October 2022, Bouygues carried out two bond issues totalling €2.25 billion, with an effective date of 3 November 2022. The issues comprise a 10-year tranche of €1.25 billion bearing interest at a rate of 4.625%, and a 20-year tranche of €1 billion bearing interest at a rate of 5.375%.

As of 31 December 2022, the fair value of the pre-hedging swaps contracted in connection with the acquisition of Equans amounted to €1,015 million before deferred taxes. Of that amount, €146 million was recognised as an asset in the balance sheet within “Financial instruments – Hedging of debt”, and €869 million within “Cash and cash equivalents” following receipt of the upfront cash payments on the May 2022 and November 2022 bond issues. 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.

As of 31 December 2021, the fair value of the pre-hedging swaps contracted in connection with the acquisition of Equans was €38 million before deferred taxes. The change in fair value of the pre-hedging swaps during 2022 (€977 million) was recognised within “Income and expense recognised directly in equity”. That fair value will be released to profit or loss in line with the pattern of amortisation of the hedged bond issues. The change in fair value of the pre-hedging swaps during the first half of 2022 was €727 million.

The tax payable on receipt of the upfront payments on the pre-hedging swaps amounted to €224 million; this was partially offset against the entire tax losses arising within the Bouygues SA group tax election, such that a net amount of €146 million was paid in tax in this respect at the end of 2022.

- Financial information as of 31 December 2022

Equans is consolidated in the Bouygues financial statements from the start of October 2022. The activities of the Energies & Services arm of Bouygues, which remained part of Bouygues Construction up to and including 31 December 2022, became part of the Equans IFRS 8 operating segment with effect from the start of January 2023 (see Note 1.1). The contribution for the 2022 financial year from the Equans operating segment and the Energies & Services activities housed within Bouygues Construction was disclosed in Note 17 to the consolidated financial statements for the year ended 31 December 2022.

The acquisition costs incurred in connection with Equans are recognised within “Other operating expenses” in the consolidated income statement; they amounted to €71 million in the year ended 31 December 2022, €40 million in the first half of 2022, and €17 million in the year ended 31 December 2021.

If Bouygues had obtained control of Equans and financed the acquisition as of 1 January 2022, the Bouygues group would have recorded sales of €54,385 million, current operating profit of €2,069 million, and a net profit of €1,127 million.

- 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. In 2022, no sales were generated in either country. 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.
- On 3 November 2015, Bouygues E&S Contracting UK Limited and Full Circle Generation Limited entered into (i) an engineering, procurement and construction contract (EPCC) and (ii) an operation & maintenance contract (OMC) relating to a biomass energy generation facility in Belfast. The facility was commissioned on 26 March 2020. Performance tests conducted since then have proved inconclusive. The customer terminated the EPC for breach of contract on 5 July 2021, and terminated the OMC on the same grounds on 6 July 2021.

On 28 March 2022, the customer initiated arbitration proceedings under the EPCC seeking compensation for underperformance of the facility (preliminary claim of approximately £12.4 million in principal, equivalent to €14 million). On 3 February 2023, the customer submitted a statement of account in respect of the alleged breaches, which is contested by Bouygues E&S Contracting UK Limited.

- On 24 March 2022, the TF1 group and the M6 group signed an agreement with France Télévisions 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). Under the terms of the agreement, the TF1 and M6 groups undertook that if their merger were completed, they would buy out the 33.33% equity interest held by France Télévisions at a definitive value of €45 million. Completion of both of those transactions was subject to completion of the proposed merger between the TF1 group and the M6 group, which was abandoned during the second half of 2022.
- On 26 July 2022, Bouygues announced that the French competition authority (ADLC) investigation teams had issued their report on the proposed merger between the TF1 group and the M6 group. In that report, which was without prejudice to the final decision of the ADLC board, the investigation teams took the view that the deal raised 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, who would therefore abandon them.
- On 16 September 2022, Bouygues, RTL Group, TF1 and the M6 group halted the proposed merger between the TF1 and M6 groups (announced on 17 May 2021). This decision came after the parties appeared at the hearings of the ADLC board on 5 and 6 September 2022 to argue in favour of the benefits and necessity of the merger. Following discussions with the ADLC, and despite the additional remedies proposed, it became clear that only structural remedies involving as a minimum the divestment of either the TF1 TV channel or the M6 TV channel would have been sufficient for the merger to have been approved. The parties therefore concluded that the proposed merger no longer had any strategic rationale.

Consequently, the parties agreed to end the ADLC review of the transaction. As a result, the sale agreements entered into with Altice (relating to TFX) and with France Télévisions (relating to the buyout of the residual equity interest in Salto) lapsed.

- 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 majority shareholder. The primary purpose of SDFAST is 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 and 31 December 2022, Bouygues Telecom's equity interest in SDFAST was valued at €611 million and €603 million respectively.

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 28 June 2022, TF1 signed an agreement with a view to selling its Digital Media arm's Publishers business – including the aufeminin, Marmiton, Doctissimo, and Les Numériques brands – to the Reworld Media group. Completion of the sale was announced on 18 October 2022.
- 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 sale was announced on 27 July 2022.

Because the Digital Media arm's Publishers business and Ykone were held for sale as of 30 June 2022, all of their assets and liabilities were classified as of that date 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 amounts of €198 million and €74 million respectively.

- On 9 August 2022, Colas Rail signed an agreement to acquire a 100% equity interest in the Hasselmann group, which is based in Thuringia and specialises in the construction of rail track and rail infrastructures. Hasselmann is a family-owned group, made up of three companies: Hasselmann GmbH (rail infrastructure), NTG GmbH (rail track), and LGM Logistik GmbH (rail safety). It currently employs nearly 300 people, and generated sales of €70 million in 2021. Effective completion of the deal took place on 4 October 2022, after clearance from the competition authorities. As of the date control was obtained, and pending completion of the purchase price allocation, provisional goodwill of €46 million was recognised, and the impact on net debt was €63 million. As of 30 June 2023, pending the final purchase price allocation, provisional goodwill amounted to €44 million.
- In the fourth quarter of 2022, Colas divested 39 sites in France for €70 million, and a site in Australia for the equivalent of €35 million. Those divestments were recognised as sales within the meaning of IFRS 15. Some of the sites were immediately leased back, and consequently part of the gain on disposal has been reversed out in accordance with IFRS 16.

- On 17 November 2022, following the abandonment of the proposed M6/TF1 merger and in the absence of any satisfactory offers to buy the Salto platform, TF1 and M6 formally notified a Supervisory Board meeting of their withdrawal from Salto. The costs of the withdrawal for each of the partners were recognised by way of provisions as of 31 December 2022, over and above their share of Salto’s net loss for the year. The Group’s share of net losses from Salto for 2022 was €46 million (see Note 3.2.6.2 to the 2022 consolidated financial statements), including €22 million of provisions incurred to cover the costs of the liquidation. The excess of the accumulated losses arising since the incorporation of Salto (including the €46 million loss for 2022) over the carrying amount of the Group’s equity interest in Salto has been offset against short-term cash advances held in its shareholder current account (regarded as a component of the investment in Salto), with the residual €15 million recognised as a provision for charges. In addition, on 29 March 2022 the Group subscribed €41 million to a capital increase at Salto via offset of short-term cash advances held in its shareholder current account.
- During 2022, Bouygues Telecom sold to Towerlink the buildings and passive infrastructure of four data centres (MSC – Mobile Switching Centres) for €102 million. The €52 million gain on the sale was recognised in “Other operating income” for the year ended 31 December 2022.

1.3 Significant events and changes in scope of consolidation subsequent to 30 June 2023

- None.

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 2023 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 2022 as presented in the Universal Registration Document filed with the AMF on 22 March 2023.

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 2023. 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 2023 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 six business segments.

They were closed off by the Board of Directors on 27 July 2023.

The interim condensed consolidated financial statements for the six months ended 30 June 2023 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 2022 and the six months ended 30 June 2022.

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 2022.

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

- Income tax expense for interim periods is measured in accordance with IAS 34 by applying the best estimate of the average annual effective income tax rate for the full year to the pre-tax profit of the interim period (except for French entities in the Bouygues SA group tax election, for which income tax expense is measured 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 2022. Employee headcount, salaries and actuarial assumptions may be revised where the impact is material.

As of 30 June 2023, an increase of 33 basis points in the discount rate used for lump-sum retirement benefits relative to 31 December 2022 was identified, but was not recognised in the first-half financial statements. The rates used for pensions are relatively stable compared with 31 December 2022.

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

	Assumption	Increase	Decrease
Lump-sum retirement benefits (France)	70 basis points	(38)	44
Pensions (outside France)	50 basis points	(86)	88

In addition, a rise of 50 basis points in the salary inflation rate used in France would result in an increase of €24 million in the provision.

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

On 15 April 2023, pension reforms that would raise the statutory retirement age in France to 64 were published in the Official Journal. The impact of the reforms on the Bouygues group is estimated at €29 million; it relates mainly to Bouygues Construction, TF1, Equans and Bouygues Telecom, and has been recognised within “Other operating income” and “Other operating expenses” in the consolidated income statement for the first half of 2023 (see Note 9).

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 2023 as were applied in its consolidated financial statements for the year ended 31 December 2022, except for changes required to meet new IFRS requirements applicable as of 1 January 2023 (see below).

- Principal amendments effective within the European Union and mandatorily applicable as of 1 January 2023

- Amendments to IAS 12

On 7 May 2021, the IASB issued amendments to IAS 12 on the initial recognition of deferred taxes on assets and liabilities arising from a single transaction. The amendments apply to transactions in which an entity recognises both an asset and a liability, such as when accounting for a lease or a decommissioning obligation, and were endorsed by the European Union on 11 August 2022. An impact analysis is ongoing, and is due to be completed during 2023. At this stage, the impact on the Group would appear to be immaterial.

- Global Minimum Tax (Pillar 2)

Bouygues is affected by the Global Minimum Tax, and has initiated a project to allow for compilation of the data needed to quantify the impact. However, it is unlikely to be material at the level of the taxes actually paid by the Group (€518 million in 2022, €397 million in 2021).

The non-recognition exception for deferred taxes arising under Pillar 2, as permitted under the amendment to IAS 12 (“Income Taxes”) approved by the IASB in May 2023, is applied by Bouygues.

2.4 Seasonality

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 2023

	Carrying amount
31/12/2022	12,626
Changes in scope of consolidation	26
Impairment losses charged during the period	
Other movements (including translation adjustments)	11
30/06/2023	12,663

The table below shows how goodwill as of 30 June 2023 was determined for significant acquisitions made since 1 January 2022:

	Equans	Hasselmann Colas
CGU		
Purchase price (I)	6,126	71
Net assets acquired, excluding goodwill (II)	(160)	(27)
Non-current assets	(1,803) ^a	(11)
Current assets	(6,331) ^a	(35)
Non-current liabilities	669	8
Current liabilities	7,305 ^a	11
Purchase price allocation (III)	(763)	
Remeasurement of acquired intangible assets	(989) ^b	
Remeasurement of acquired property, plant and equipment	(30)	
Other remeasurements (including deferred taxes)	256	
Unacquired portion (IV)	6	
Goodwill (I)+(II)+(III)+(IV)	5,209 ^a	44
Translation adjustments		
Goodwill at 30/06/2023	5,209	44

(a) Net assets acquired mainly comprise non-current assets of €1,341m, trade receivables of €2,218m, and customer contract assets of €2,483m, net of trade payables of €2,179m and customer contract liabilities of €1,922m.

(b) Relates to customer relationships (€482m); trademarks (non-amortisable asset, €419m); backlogs (€78m); and in-house technology (€10m).

The provisional goodwill of €5,209 million arising on the Equans acquisition mainly represents (i) the value of paid-for synergies; (ii) contracts and future customer relationships; and (iii) the workforce and its expertise. A strategic review of the acquired assets was begun at the start of 2023, and found that none of them met the criteria for classification as a held-for-sale asset as of 30 June 2023. The purchase price allocation period will end on 30 September 2023.

3.1.2 Allocation of goodwill by Cash Generating Unit (CGU)

CGU	30/06/2023		31/12/2022	
	Total	% Bouygues or subsidiaries	Total	% Bouygues or subsidiaries
Bouygues Construction ^a	232	100.00	1,160	100.00
Colas ^b	1,560	96.85	1,562	96.85
Equans ^c	6,168	100.00	5,209	100.00
TF1 ^b	1,302	45.17	1,299	44.51
Bouygues Telecom ^b	3,401	90.53	3,396	90.53
TOTAL	12,663		12,626	

(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.

(c) Goodwill on subsidiaries acquired by the CGU on acquisitions made at parent company (Bouygues SA) level for the CGU. With effect from 1 January 2023, includes the goodwill of the Energies & Services activities transferred to Equans by Bouygues Construction on 4 January 2023 (see Note 1.1), which were included in the Bouygues Construction financial statements for the year ended 31 December 2022.

In the absence of any indication of potential impairment, the goodwill as of 30 June 2023 was not subject to any further impairment testing.

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
31/12/2022	1,686
Share of net profit/(loss) for the period	46
Translation adjustments	1
Other income and expense recognised directly in equity	(6)
Net profit/(loss) and other recognised income and expense	41
Appropriation of prior-year profit, dividends distributed, acquisitions and capital increases, disposals, transfers and other movements	19
30/06/2023	1,746

Note 4 Consolidated shareholders' equity

Share capital of Bouygues SA

As of 30 June 2023, the share capital of Bouygues SA consisted of 381,336,141 shares with a par value of €1. That includes 2,975,000 treasury shares, of which 1,150,000 were acquired during the first half of 2023 for €36 million. Of the treasury shares held, 2,825,000 (valued at €31 million) are being held with a view to their cancellation, and 150,000 (valued at €5 million) are being held to service performance share plans.

	31/12/2022	Movements during the 1st half of 2023		30/06/2023
		Increases	Reductions	
Shares	374,486,777	6,849,364 ^a		381,336,141
NUMBER OF SHARES	374,486,777	6,849,364		381,336,141
Par value	€1			€1
SHARE CAPITAL (€)	374,486,777	6,849,364		381,336,141

(a) Includes 6,845,564 new Bouygues shares issued in connection with the Bouygues Confiance n°12 employee share ownership plan (see Note 1.1).

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
31/12/2022	788	326	484	652	2,250
Translation adjustments			9	1	10
Charges to provisions	52	19	44	25	140
Reversals of utilised provisions	(54)	(22)	(26)	(17)	(119)
Reversals of unutilised provisions	(29)	(7)	(4)	(28)	(68)
Actuarial gains and losses	12				12 ^e
Transfers and other movements	5	(4)		6	7
30/06/2023	774	312	507	639	2,232 ^f

(a) Employee benefits	774
Lump-sum retirement benefits	517
Long-service awards	155
Pensions	102
(b) Litigation and claims	312
Provisions for customer disputes	66
Subcontractor claims	38
Employee-related and other litigation and claims	208
(c) Guarantees given	507
Provisions for 10-year construction guarantees	400
Provisions for additional building/civil engineering/civil works guarantees	107
(d) Other non-current provisions	639
Provisions for miscellaneous foreign risks	35
Provisions for risks on non-controlled entities	131
Dismantling and site rehabilitation	311
Provisions for social security inspections	84
Other non-current provisions	78

(e) Actuarial gains and losses on post-employment benefits as shown in the consolidated statement of recognised income and expense represent a net loss of €21m, which includes a net actuarial loss of €9m on overfunded plans (shown on the assets side of the balance sheet).

(f) Contingent liabilities of Equans included within "Non-current provisions" amounted to €85m as of 30 June 2023, and mainly comprised €75m of provisions for guarantees given and €8m of provisions for litigation and claims. The level of provisions is stable relative to 31 December 2022.

5.2 Current provisions

	Provisions related to the operating cycle				Total
	Provisions for customer warranties	Provisions for project risks and project completion	Provisions for losses to completion	Other current provisions ^a	
31/12/2022	102	473	713	544	1,832
Translation adjustments		2	(1)	5	6
Charges to provisions	9	70	133	98	310
Reversals of utilised provisions	(17)	(60)	(168)	(71)	(316)
Reversals of unutilised provisions	(1)	(15)	(31)	(5)	(52)
Transfers and other movements	2	14	13	(8)	21
30/06/2023	95	484	659	563	1,801 ^b

Provisions for project risks and project completion, and for losses to completion, relate mainly to Bouygues Construction, Colas and Equans. Individual project provisions are not disclosed for confidentiality reasons.

(a) Other current provisions:	563
Reinsurance provisions	55
Restructuring provisions	31
Site rehabilitation (current portion)	37
Miscellaneous current provisions	440

(b) Contingent liabilities of Equans included within "Current provisions" amounted to €149m as of 31 December 2022, comprising €47m of miscellaneous current provisions; €61m of provisions for losses to completion; €21m of provisions for project risks and project completion; and €20m of provisions for customer warranties. Reversals of utilised provisions amounting to €26m were recognised in the first half of 2023.

Note 6 Non-current and current debt

6.1 Breakdown of debt

	Current debt		Non-current debt	
	30/06/2023	31/12/2022	30/06/2023	31/12/2022
Bond issues	46	785	8,317	7,336
Bank borrowings	527	451	3,060	3,833
Other borrowings	94	125	394	417
TOTAL NON-CURRENT AND CURRENT DEBT	667	1,361	11,771	11,586

The €509 million decrease in current and non-current debt mainly reflects transactions at Bouygues SA level:

- the repayment of €1,750 million of the syndicated loan used to finance the Equans acquisition (reducing the residual balance on the loan as of 30 June 2023 to €700 million, to be repaid before 4 October 2024), and the redemption of a €700 million bond issue on maturity in January 2023;
- partly offset by the new €1-billion bond issue carried out in the second quarter of 2023 (see Note 1.1), and the issuance of €575 million of Negotiable European Commercial Paper.

That overall reduction of €875 million in debt at Bouygues SA was partly offset by an increase in debt of €358 million at Colas in line with the seasonality of business.

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

	31/12/2022	Translation adjustments	Changes in scope of consolidation	Cash flows	Fair value adjustments	Other movements	30/06/2023
Cash and cash equivalents	5,736	(1)	20	(3,471) ^c		1	2,285
Overdrafts and short-term bank borrowings	(418)	12	(18)	(37)		(1)	(462)
NET CASH POSITION (A) ^a	5,318	11	2	(3,508)			1,823
Non-current debt	11,586	10	(1)	332 ^b	25	(181)	11,771
Current debt	1,361	5		(828) ^b		129	667
Financial instruments, net	(189)	4		2 ^b	141 ^d		(42)
TOTAL DEBT (B)	12,758	19	(1)	(494)	166	(52) ^e	12,396
NET DEBT (A) - (B)	(7,440)	(8)	3	(3,014)	(166)	52	(10,573)

(a) Decrease of €3,495m in the net cash position in the first half of 2023 as analysed in the consolidated cash flow statement.

(b) Net cash outflow from financing activities of €494m in the first half of 2023 as analysed in the consolidated cash flow statement, comprising total inflows of €2,290m and total outflows of €2,784m.

(c) Includes a cash outflow of €26m representing the difference between (i) the interest paid on bond issues at the coupon rate and (ii) the cost of net debt recognised at the hedged rate as presented in the cash flow statement after cost of net debt, interest expense on lease obligations and taxes paid.

(d) Includes a fair value adjustment of €146m relating to pre-hedging swaps contracted in connection with the financing of the Equans acquisition, following receipt of €138 million for the May 2023 bond issue premium (see Note 1.1) included in "Other cash flows related to financing activities" in the consolidated cash flow statement.

(e) Includes extinguishment of the €47 million BTBD contingent consideration liability, payment of which is included in "Cash flows".

Note 8 Sales

	1st half of 2023				1st half of 2022			
	France	International	Total	%	France	International	Total	%
Bouygues Construction	1,916	2,774	4,690	18	2,693	3,668	6,361	34
Bouygues Immobilier	689	54	743	3	820	49	869	5
Colas	2,992	3,769	6,761	26	2,953	3,534	6,487	35
Equans	3,058	6,043	9,101	35				
TF1	891	130	1,021	4	1,026	140	1,166	6
Bouygues Telecom	3,788		3,788	14	3,623		3,623	20
Bouygues SA & other	5	27	32	0	6	19	25	
CONSOLIDATED SALES	13,339	12,797	26,136	100	11,121	7,410	18,531	100

	2nd quarter of 2023				2nd quarter of 2022			
	France	International	Total	%	France	International	Total	%
Bouygues Construction	971	1,439	2,410	17	1,358	1,947	3,305	32
Bouygues Immobilier	380	32	412	3	446	24	470	4
Colas	1,706	2,457	4,163	29	1,704	2,387	4,091	40
Equans	1,556	3,163	4,719	33				
TF1	474	75	549	4	540	75	615	6
Bouygues Telecom	1,858		1,858	13	1,834		1,834	18
Bouygues SA & other	4	14	18		3	9	12	
CONSOLIDATED SALES	6,949	7,180	14,129	100	5,885	4,442	10,327	100

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

The reduction in sales at Bouygues Construction reflects the transfer of the Energies & Services activities, now included within Equans (see Note 1.1).

Note 9 Operating profit/(loss)

	1st half		2nd quarter	
	2023	2022	2023	2022
CURRENT OPERATING PROFIT/(LOSS)	681	492	695	569
Other operating income	41	17	31	9
Other operating expenses	(121)	(61)	(87)	(37)
OPERATING PROFIT/(LOSS)	601	448	639	541

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

First half of 2023

Net other operating expenses for the first half of 2023 amounted to €80 million at Group level and mainly comprise €42 million of reorganisation and integration costs, €25 million of costs incurred on settlement of the Centennial claim, and €24 million of provisions for risks, partly offset by a positive impact of €29 million relating to French pension reforms (see Note 2.2).

Net other operating income and expenses by segment are as follows:

- Bouygues Telecom: €10 million of reversals of impairment losses recognised in the fourth quarter of 2022 against rights of use and €6 million of net reversals of provisions for lump-sum retirement benefits and long-service awards, partly offset by €4 million of network sharing costs and €1 million of other operating expenses;
- Bouygues Construction: €25 million of costs incurred on settlement of the Centennial claim in Singapore (see Note 1.1), €24 million of provisions for risks (including €21 million related to a change in regulations, as mentioned in the financial statements for the year ended 31 December 2022) and €7 million arising from the signature in May 2023 of a deferred prosecution agreement with the French financial crime prosecutor's office relating to the awarding of public contracts for work on the Annecy Genevois hospital complex) and €1 million of other operating expenses, partly offset by €11 million of net reversals of provisions for lump-sum retirement benefits and long-service awards;
- Equans: €8 million in charges relating to the Performance Management Plan (see Note 1.1), €8 million of advisory fees in connection with a strategic business review and €7 million of integration costs, partly offset by €4 million of net reversals of provisions for lump-sum retirement benefits;
- TF1: €25 million of net reorganisation costs, mainly on the new Jobs and Career Management (*Gestion des Emplois et Parcours Professionnels* – GEPP) agreement linked to the 2023 digital acceleration strategy and the associated resource optimisation, partly offset by €6 million of net reversals of provisions for lump-sum retirement benefits; and
- Colas: €9 million of costs associated with the reorganisation in France, partly offset by €1 million of net reversals of provisions for lump-sum retirement benefits.

First half of 2022

Net other operating expenses for the first half of 2022 were €44 million and related to Bouygues Telecom, TF1, Bouygues Construction and Bouygues SA. The main item at Group level was €40 million of costs relating to the acquisition of Equans.

Net other operating income and expenses by segment were 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 operating 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 of Bouygues Construction in connection with the proposed acquisition of Equans by Bouygues SA and €5 million of other operating expenses; 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.

Note 10 Income taxes

Bouygues recognised a net income tax expense of €155 million in the first half of 2023.

	1st half		2nd quarter	
	2023	2022	2023	2022
INCOME TAX GAIN/(EXPENSE)	(155)	(103)	(152)	(130)

The effective tax rate was 39% for the first half of 2023, versus 30% for the first half of 2022. The main impacts on the 2023 first-half effective tax rate were tax losses outside France for which no deferred tax asset was recognised, and the effect of different tax rates in jurisdictions other than France.

Following tax inspections covering the 2018 and 2019 fiscal years, the national and international inspectorate of the French public finances department issued Bouygues Construction with two proposed rectification notices relating to corporate income taxes, the "CVAE" value added tax for businesses, and withholding taxes. The tax authorities take the view that the amount of royalties received by Bouygues Construction from its subsidiaries for the use of trademark licences should be remeasured. Bouygues Construction contests both the principle and amount of the remeasurement, and has instigated administrative appeal proceedings.

Note 11 Segment information

The Energies & Services activities of Bouygues Construction have been included within the Equans segment since the beginning of January 2023 (see Note 1.1), which impacts the comparability of the Bouygues Construction contribution between 2022 and 2023. The contribution from Bouygues Energies & Services to Bouygues Construction in 2022 is shown at the end of this note.

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	Equans	TF1	Bouygues Telecom	Bouygues SA & other	Total
INCOME STATEMENT: 1st half 2023								
Advertising					746			746
Sales of services	401	31	277	2,550	267	2,948	118	6,592
Other sales from construction businesses	4,294	712	5,152	6,384				16,542
Other revenues	51		1,359	204	25	858		2,497
Total sales	4,746	743	6,788	9,138	1,038	3,806	118	26,377
Inter-segment sales	(56)		(27)	(37)	(17)	(18)	(86)	(241)
THIRD-PARTY SALES	4,690	743	6,761	9,101	1,021	3,788	32	26,136
CURRENT OPERATING PROFIT/ (LOSS) FROM ACTIVITIES	120		(127)	243	152	366	(27)	727
Amortisation and impairment of intangible assets recognised in acquisitions (PPA)			(4)		(2)	(14)	(26)	(46)
CURRENT OPERATING PROFIT/(LOSS)	120		(131)	243	150	352	(53)	681
OPERATING PROFIT/(LOSS)	74		(139)	224	131	363	(52)	601
Share of net profits/(losses) of joint ventures and associates	10	8	33	10		(18)	3	46
NET PROFIT/(LOSS) ATTRIBUTABLE TO THE GROUP	79		(132)	148	46	192	(108)	225

	Bouygues Construction	Bouygues Immobilier	Colas	Equans	TF1	Bouygues Telecom	Bouygues SA & other	Total
INCOME STATEMENT: 1st half 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) FROM ACTIVITIES	185	16	(156)		192	309	(33)	513
Amortisation and impairment of intangible assets recognised in acquisitions (PPA)			(4)		(3)	(14)		(21)
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	Equans	TF1	Bouygues Telecom	Bouygues SA & other	Total
INCOME STATEMENT: 2nd quarter 2023								
Advertising					405			405
Sales of services	204	18	134	1,339	139	1,486	60	3,380
Other sales from construction businesses	2,203	394	3,178	3,306				9,081
Other revenues	29		863	95	14	383		1,384
Total sales	2,436	412	4,175	4,740	558	1,869	60	14,250
Inter-segment sales	(26)		(12)	(21)	(9)	(11)	(42)	(121)
THIRD-PARTY SALES	2,410	412	4,163	4,719	549	1,858	18	14,129
CURRENT OPERATING PROFIT/(LOSS) FROM ACTIVITIES	62	0	174	145	112	240	(15)	718
Amortisation and impairment of intangible assets recognised in acquisitions (PPA)			(2)		(1)	(7)	(13)	(23)
CURRENT OPERATING PROFIT/(LOSS)	62		172	145	111	233	(28)	695
OPERATING PROFIT/(LOSS)	35		168	131	97	235	(27)	639
Share of net profits/(losses) of joint ventures and associates	10	4	20	4		(9)	2	31
NET PROFIT/(LOSS) ATTRIBUTABLE TO THE GROUP	55	(1)	113	86	33	127	(54)	359

	Bouygues Construction	Bouygues Immobilier	Colas	TF1	Bouygues Telecom	Bouygues SA & other	Total
INCOME STATEMENT: 2nd quarter 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) FROM ACTIVITIES	100	16	135	131	215	(18)	579
Amortisation and impairment of intangible assets recognised in acquisitions (PPA)			(2)	(2)	(7)	1	(10)
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	Equans	TF1	Bouygues Telecom	Bouygues SA & other	Total
Current operating profit/(loss)	120		(131)	243	150	352	(53)	681
• Interest expense on lease obligations	(3)		(13)	(5)	(1)	(14)	(1)	(37)
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	77	5	154	84	145	577	33	1,075
• Charges to provisions and impairment losses, net of reversals due to utilisation	(16)	5	10	(36)	(9)	23	3	(20)
Elimination of items included in other income from operations:								
• Reversals of unutilised provisions and impairment and other items	(47)	(21)	(41)		(8)	(10)		(127)
EBITDA AFTER LEASES: 1st half 2023	131	(11)	(21)	286	277	928	(18)	1,572

	Bouygues Construction	Bouygues Immobilier	Colas	Equans	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 2022	142	22	(67)		326	830	(21)	1,232

	Bouygues Construction	Bouygues Immobilier	Colas	Equans	TF1	Bouygues Telecom	Bouygues SA & other	Total
Current operating profit/(loss)	62		172	145	111	233	(28)	695
• Interest expense on lease obligations	(2)		(7)	(2)		(7)	(1)	(19)
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	38	3	95	38	76	291	16	557
• Charges to provisions and impairment losses, net of reversals due to utilisation	(17)	(1)	15	(30)	(6)	15		(24)
Elimination of items included in other income from operations:								
• Reversals of unutilised provisions and impairment and other items	(18)	(4)	(21)		(5)	(3)		(51)
EBITDA AFTER LEASES: 2nd quarter 2023	63	(2)	254	151	176	529	(13)	1,158

	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 2022	58	14	191	179	476	(9)	909

	Bouygues Construction	Bouygues Immobilier	Colas	Equans	TF1	Bouygues Telecom	Bouygues SA & other	Total
Financial indicators: balance sheet at 30/06/2023								
NET SURPLUS CASH/(NET DEBT)	2,731	(329)	(1,349)	(127)	365	(3,112)	(8,752)	(10,573)
Financial indicators: balance sheet at 31/12/2022								
NET SURPLUS CASH/(NET DEBT)	3,817	(156)	(292)	(24)	326	(2,303)	(8,808)	(7,440)

	Bouygues Construction	Bouygues Immobilier	Colas	Equans	TF1	Bouygues Telecom	Bouygues SA & other	Total
Other financial indicators: 1st half 2023								
Cash flow after cost of net debt, interest expense on lease obligations and income taxes paid (I)	141	(5)	(44)	337	228	899	(144)	1,412
Acquisitions of property, plant & equipment and intangible assets, net of disposals (II)	(7)	(1)	(71)	(110)	(112)	(855)	25	(1,131)
Repayment of lease obligations (III)	(22)	(3)	(79)	(69)	(16)	(81)		(270)
FREE CASH FLOW (I) + (II) + (III)	112	(9)	(194)	158	100	(37)	(119)	11
CHANGES IN WORKING CAPITAL RELATED TO OPERATING ACTIVITIES (INCLUDING CURRENT IMPAIRMENT AND PROVISIONS)	(783)	(151)	(572)	(293)	63	(331)	107	(1,960)

	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	Equans	TF1	Bouygues Telecom	Bouygues SA & other	Total
Other financial indicators: 2nd quarter 2023								
Cash flow after cost of net debt, interest expense on lease obligations and income taxes paid (I)	36	(6)	227	189	138	503	(102)	985
Acquisitions of property, plant & equipment and intangible assets, net of disposals (II)	(19)		(57)	(48)	(49)	(334)	(1)	(508)
Repayment of lease obligations (III)	(11)	(1)	(40)	(24)	(10)	(40)		(126)
FREE CASH FLOW (I) + (II) + (III)	6	(7)	130	117	79	129	(103)	351
CHANGES IN WORKING CAPITAL RELATED TO OPERATING ACTIVITIES (INCLUDING CURRENT IMPAIRMENT AND PROVISIONS)								
	(270)	(59)	(440)	(155)	(69)	(161)	13	(1,141)

	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)

The contribution from Bouygues Construction to key line items segment in 2022 is shown below:

	Building and Civil Works	Bouygues Energies & Services	Bouygues Construction Total
INCOME STATEMENT: 1st half 2022			
Total sales	4,540	1,873	6,413
Inter-segment sales	(31)	(21)	(52)
THIRD-PARTY SALES	4,509	1,852	6,361
CURRENT OPERATING PROFIT/(LOSS)	126	59	185
Other operating income			
Other operating expenses	(6)	(7)	(13)
OPERATING PROFIT/(LOSS)	120	52	172
NET PROFIT/(LOSS) ATTRIBUTABLE TO THE GROUP	92	43	135
EBITDA AFTER LEASES	115	27	142
BALANCE SHEET AT 31 DECEMBER 2022			
NET SURPLUS CASH/(NET DEBT)	3,612	205	3,817
Other financial indicators: 1st half 2022			
FREE CASH FLOW	127	42	169

Note 12 Off balance sheet commitments

There have been no material changes in off balance sheet commitments since 31 December 2022.

Note 13 Related party information

There have been no material changes in the nature of transactions with related parties since 31 December 2022.