



Making progress become reality

## BOUYGUES PRESENTS EQUANS' STRATEGY AND OUTLOOK

PRESS RELEASE

PARIS

23/02/2023



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### With Equans, Bouygues strengthens its value-creation capacity

- Creation of a leader in Energies and Services, a business at the crossroads of three major transitions – industrial, environmental and digital;
- Strengthening of the Group's presence in a growing sector;
- Group cash flow generation supported by Equans, which is an asset-light activity;
- Acquisition has accretive<sup>a</sup> impact on net profit attributable to the Group and on the Group's free cash flow from the first year

### Equans is rolling out its strategy and aims to double its current operating margin from activities (COPA margin) by 2027

- Priority to a selective approach in order to focus on performance;
- Roll-out of PERFORM, a performance plan that aims to double the current operating margin from activities (COPA margin) to 5% by 2027, for a cash conversion rate (COPA-to-cash flow) before Working Capital Requirement (WCR) of between 80% to 100% from 2023, and the improvement of the WCR

**Bouygues (Euronext Paris: FR0000120503, EN FP)** is today organising an event for its shareholders and financial analysts to present its goals for Equans, a leading company in the Energies and Services market. With proforma sales of €17.7<sup>b</sup> billion in 2022 and 90,000 employees, Equans becomes the Group's biggest business segment following its merger with Bouygues Energies & Services.

The Equans Capital Markets Day will be presented by **Olivier Roussat**, CEO of Bouygues, **Pascal Grangé**, Deputy CEO and CFO of Bouygues, **Jérôme Stubler**, President of Equans, **Etienne Jacolin**, Senior EVP in charge of Finance, Legal and Information Systems, **Ana Giros**, EVP in charge of Strategy, Development and CSR and Executive President of the MBU BELUX & ANZ; and **Thomas Jung**, EVP in charge of Operational Excellence, Innovation and Procurement. The presentation will begin at 2pm (CET) at Bouygues group's head office at 32 Avenue Hoche in Paris, France, and will be webcast live on the Group's website: <https://bouygues.com>.

<sup>a</sup> Before PPA amortisation.

<sup>b</sup> Combined unaudited 2022 proforma data for Equans and Bouygues Energies & Services.



**Equans, a leader in Energies and Services, is ideally positioned and committed to helping its customers address the industrial, environmental and digital transitions:**

- by contributing to the decarbonisation of energy production and transport, optimising uses and maximising energy efficiency;
- by optimising the efficiency of production and industrial processes and by participating in the reonshoring of industry and;
- by collecting, transmitting, protecting, storing and processing data to create value.

**Equans has a resilient model that draws on unique expertise, a worldwide presence and a diversified customer base:**

- Equans draws on its recognised skills in electricity, HVAC<sup>a</sup>, cooling and fire protection, digital and ICT<sup>b</sup>, facility management, mechanical engineering and robotics;
- Equans enjoys unique, high value-added specialised activities, particularly in the fields of transport, defence, nuclear power and data centres;
- With around 35,000 customers whose contracts are 85% recurrent, Equans has a large and loyal customer base across a wide range of industries, both public and private.

#### **PEFORM: a plan for a margin-focused strategy**

By capitalising on the transformation plans already rolled out and that have already produced results at Equans and Bouygues Energies & Services, PERFORM aims to prioritise a selective approach in order to achieve a current operating margin from activities (COPA margin) of 5% in 2027 while rolling out a strong cash flow generation culture. Equans managers, from Executive Committee members to profit centre managers, will benefit from a dedicated incentive plan to align their own interests with those of the Group and thus ensure that objectives are achieved within the defined timeframe.

#### **Guidance**

- **Equans is aiming for a slight increase in sales in 2023 and 2024**, as a result of its selective approach strategy.
- **From 2025 onwards, Equans aims to accelerate the organic growth of its sales to align with that of market peers.**
- **Equans is targeting a current operating margin from activities (COPA margin) of 5% in 2027** versus 2.3%<sup>c</sup> in 2022 with:
  - in 2023, a COPA margin between 2.5% and 3%;
  - in 2025, a COPA margin close to 4%;
  - in 2027, a COPA margin of 5%.
- An **increase in cash flow generation** driven by COPA margin improvement, a cash conversion rate (COPA-to-cash flow<sup>d</sup>) before WCR of between 80% to 100% from 2023 and an improvement in WCR via the PERFORM plan.

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<sup>a</sup> Heating, Ventilation and Air Conditioning

<sup>b</sup> Information & Communication Technology

<sup>c</sup> Combined unaudited 2022 proforma data for Equans and Bouygues Energies & Services.

<sup>d</sup> Free cash flow before cost of net debt, interest expense on lease obligations and tax paid



**Olivier Roussat, Chief Executive Officer of the Bouygues group, said:**

"Equans is perfectly positioned on the three major transitions of our economies and its strategy of doubling operating margins by 2027 to reach industry-leading levels going forward will ensure that all our shareholders reap the rewards of profitable growth.

By integrating Equans, Bouygues will reinforce its long-term value creation capacity. Together with all the employees of this new business segment and its talented management team, we share a strong culture and values that will ensure operational excellence for the benefit of all our stakeholders".

**Jérôme Stubler, President of Equans added:**

"We are very proud to have joined Bouygues, a Group with which we share a common vision, culture and goals. The merger with Bouygues Energies & Services is a fantastic opportunity to create a world-leading player with a strong local footprint. Thanks to the Group's unwavering support, the teams are committed to ensuring a rapid integration and our organisation is moving towards operational excellence. We have identified the drivers for improving our performance and launched the PERFORM plan with the involvement of all Equans managers. Today we present the ambitious targets for 2027 and the key milestones for achieving them. Equans' growth strategy will benefit our customers, our partners and the shareholders of the Bouygues group".

**ABOUT EQUANS**

Equans is a global leader in the energies and services sector with operations in 20 countries, 90,000 employees\* worldwide and annual sales of over €17 billion\*\*. Equans designs, installs and delivers tailor-made solutions to improve its customers' equipment, systems, and technical processes and to optimise their use in the context of their energy, industrial and digital transitions. Thanks to a strong geographical footprint through its long-standing local brands and excellent technical know-how, Equans' highly qualified experts are able to support both urban and rural communities as well as industries and infrastructure in the fields of HVAC (heating, ventilation and air conditioning), cooling and fire protection, facilities management, digital and ICT, electrical and mechanical engineering and robotics. Equans is a leader in its main European markets (France, Switzerland, Belgium, the Netherlands and the UK) and is also well positioned in the US and Latin America. Equans is a Bouygues group company. [www.equans.com](http://www.equans.com)

\* Combined figure (Equans + Bouygues Energies & Services) at 31 December 2022.

\*\* Combined 2022 sales (Equans + Bouygues Energies & Services), unaudited data.

**ABOUT BOUYGUES**

Bouygues is a diversified services group operating in over 80 countries with 196,000 employees all working to make life better every day. Its business activities in **construction** (Bouygues Construction, Bouygues Immobilier, Colas), **energies and services** (Equans) **media** (TF1) and **telecoms** (Bouygues Telecom) are able to drive growth since they all satisfy constantly changing and essential needs.

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