

FIRST-HALF 2023 FINANCIAL REPORT

PARIS • FRIDAY 28 JULY 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

CONTENTS

1.	GOVERNANCE AND SHARE OWNERSHIP	1
1.1.	Composition of the Board of Directors and Committees	1
1.2.	Bouygues share ownership at 30 June 2023.....	3
2.	FIRST-HALF REVIEW OF OPERATIONS	4
2.1.	The Group	4
2.2.	Bouygues Construction	12
2.3.	Bouygues Immobilier	16
2.4.	Colas	19
2.5.	Equans	22
2.6.	TF1	24
2.7.	Bouygues Telecom	27
2.8.	Bouygues SA.....	30
2.9.	Risks and uncertainties	30
2.10.	Related-party transactions.....	33
2.11.	Events subsequent to 30 June 2023.....	33
3.	GLOSSARY	34
4.	CONDENSED CONSOLIDATED FIRST-HALF FINANCIAL STATEMENT	37
5.	AUDITORS' REPORT ON FIRST-HALF FINANCIAL INFORMATION	67
6.	STATEMENT BY THE PERSON RESPONSIBLE FOR THE FIRST-HALF FINANCIAL REPOR	68

The first-half review of operations and condensed consolidated first-half financial statements were approved by the Board of Directors at its meeting on 27 July 2023.



1. GOVERNANCE AND SHARE OWNERSHIP

1.1. Composition of the Board of Directors and Committees

Composition of the Board of Directors at 30 June 2023

Directors from the SCDM¹ group

Martin Bouygues

Chairman

Olivier Bouygues

Director

Charlotte Bouygues

Standing representative of SCDM

William Bouygues

Standing representative of SCDM Participations

Independent directors

Félicie Burelle

Pascaline de Dreuzy

Clara Gaymard

Benoît Maes

Rose-Marie Van Lerberghe

Other director

Alexandre de Rothschild

Directors representing employee shareholders

Raphaëlle Deflesselle

Michèle Vilain

Directors representing employees

Bernard Allain

Béatrice Besombes

¹ SCDM is a simplified limited company controlled by Martin Bouygues, Olivier Bouygues and their families.

Board Committees

Audit Committee

Benoît Maes (Chairman)

Pascaline de Dreuzy

Clara Gaymard

Michèle Vilain

Selection and Remuneration Committee

Pascaline de Dreuzy (Chairwoman)

Bernard Allain

Benoît Maes

Ethics, CSR and Patronage Committee

Rose-Marie Van Lerberghe (Chairwoman)

Raphaëlle Deflesselle

Clara Gaymard

1.2. Bouygues share ownership at 30 June 2023

1.2.1. Share capital

The share capital of Bouygues at 30 June 2023 was €381,336,141, composed of 381,336,141 shares with a par value of €1 each.

At the same date, the number of voting rights stood at 500,957,564 (including shares stripped of voting rights, in accordance with the calculation methods set out in Article 223-11 of the AMF General Regulation).

1.2.2. Main shareholders and voting rights

Share ownership structure at 30 June 2023

	Number of shares	% of capital	% of voting rights
SCDM ^a	104,407,318	27.4	29.3
Employees	91,269,309	23.9	32.8
Other shareholders	182,547,510	47.9	37.3
Treasury shares	3,112,004	0.8	0.6
Total	381,336,141	100	100

(a) SCDM is a simplified limited company controlled by Martin Bouygues, Olivier Bouygues and their families. This figure includes shares owned directly by Martin Bouygues and Olivier Bouygues.

Reminder of share ownership structure at 31 December 2022:

	Number of shares	% of capital	% of voting rights
SCDM ^a	101,392,318	27.1	29.6
Employees	79,855,978	21.3	30.5
Other shareholders	190,993,110	51.0	39.4
Treasury shares	2,245,371	0.6	0.5
Total	374,486,777	100	100

(a) SCDM is a simplified limited company controlled by Martin Bouygues, Olivier Bouygues and their families. This figure includes shares owned directly by Martin Bouygues and Olivier Bouygues.

The percentage of voting rights above is calculated on the basis of theoretical voting rights attached to shares, including those stripped of voting rights.

2. FIRST-HALF REVIEW OF OPERATIONS

2.1. The Group

2.1.1. Key messages

- Backlog in the construction businesses up 9% year-on-year
- Group sales up 41% year-on-year
- Group current operating profit from activities up €214 million year-on-year
- Net profit attributable to the Group up €78 million year-on-year
- All 2023 guidance for the Group and business segments confirmed

2.1.2. Key figures

With regard to the financial information presented below, the income statement includes the financial statements of Equans only for first-half 2023. Equans was acquired on 4 October 2022 and Equans' quarterly proforma financial statements are not available for 2022.

(€ million)	H1 2023	H1 2022	Change
Sales	26,136	18,531	+41% ^a
Current operating profit/(loss) from activities	727	513	+214
Margin from activities	2.8%	2.8%	=
Current operating profit/(loss) ^b	681	492	+189
Operating profit/(loss) ^c	601	448	+153
Financial result	(201)	(106)	-95
Net profit/(loss) attributable to the Group	225	147	+78

(a) Up 3% like-for-like and at constant exchange rates.

(b) Includes PPA amortisation of €46m in first-half 2023 and of €21m in first-half 2022.

(c) Includes net non-current charges of €80m in first-half 2023 and of €44m in first-half 2022.

(€ million)	End-June 2023	End-Dec 2022	End-June 2022
Net surplus cash (+)/net debt (-)	(10,573)	(7,440)	(3,705)

- **Sales** in first-half 2023 were €26.1 billion, up 41% versus first-half 2022. Sales growth was driven mainly by Equans' contribution, as well as by commercial performance in most of the business segments. Like-for-like and at constant exchange rates, sales growth was 3%.
- **Current operating profit from activities (COPA)** was €727 million, an increase of €214 million compared with first-half 2022. Margin from activities was stable year-on-year at 2.8%. As a reminder, first-half results – especially those of Colas – are not indicative of full-year results, due to the seasonality of activities.
- **Net profit attributable to the Group** was €225 million. This includes mainly:
 - amortisation and impairment of intangible assets recognised in acquisitions (PPA) of €46 million (including €26 million at Bouygues SA related to the acquisition of Equans), compared with €21 million for first-half 2022;

- net non-current charges¹ of €80 million, which are not indicative of business. As a reminder, net non-current charges in first-half 2022 were €44 million;
- financial result of -€201 million, versus -€106 million in first-half 2022, the change being mainly related to the acquisition of Equans. In particular, the cost of net debt was -€149 million compared with -€73 million in first-half 2022;
- income tax expense of €155 million;
- a share of net profits of joint ventures amounting to €46 million versus a €8 million loss in first-half 2022, driven by Tipco's contribution and the end of losses from Salto.

2.1.3. Financial situation

- At €10.5 billion, the Group maintained a high level of **available cash** compared with €14.7 billion at end-2022. Available cash comprised €1.9 billion in cash and equivalents, supplemented by €8.6 billion in undrawn medium- and long-term credit facilities.
- **Net debt** at end-June 2023 was €10.6 billion versus €7.4 billion at end-December 2022 and €3.7 billion at end-June 2022. The change versus 31 December 2022 is mainly impacted by usual seasonal effects. The change between end-June 2022 and end-June 2023 reflected mainly:
 - the acquisition of Equans,
 - the payment of €310 million² to Free Mobile, on 16 May 2023, in respect of which Bouygues Telecom is disputing the ruling and validity of its immediate execution³,
 - and, to a lesser extent, Bouygues share buybacks;
- The change in working capital requirements (WCR) related to operating activities & other, impacted by usual seasonal effects, was -€2.1 billion, marking an improvement of €291 million versus end-June 2022, reflecting the efforts made by all the business segments.
- **Net gearing**⁴ was 78% (versus 53% at end-2022).

In the first half of the year, Bouygues:

- renewed its medium- and long-term credit facilities as they expired, without financial covenants or rating clauses;
- redeemed a €700-million bond issue;
- completed a €1-billion, eight-year bond issue (maturing 17 July 2031), with a coupon of 3.875%. The economic cost for the Group, after factoring in pre-hedging, comes to slightly below 1.95%.

At end-June 2023, the average maturity of the Group's bonds was 9.0 years, and the average coupon was 3.10% (average effective rate of 2.16%). The debt maturity schedule is evenly spread.

The long-term credit ratings assigned to the Group by Moody's and Standard & Poor's are: A3, stable outlook, and A-, negative outlook, respectively.

¹ Includes non-current charges of €46m at Bouygues Construction, of €8m at Colas, of €19m at Equans, of €19m at TF1; and non-current income of €11m at Bouygues Telecom and of €1m at Bouygues SA.

² €308m plus statutory interest of €2m in relation to the legal dispute regarding smartphone plus mobile plan bundled offers.

³ See Bouygues Telecom's press release of 16 May 2023.

⁴ Net debt/shareholders' equity.

2.1.4. Outlook

The outlook below is based on information known to date.

Outlook for the Group

In an unstable environment marked by inflation, rising interest rates and currency volatility, Bouygues confirms that it is aiming for 2023 sales close to those of 2022, as well as an increase in its current operating profit from activities (COPA).

This outlook is based on 2022 proforma financial information that assumes the Equans acquisition was completed on 1 January 2022, namely sales of €54.4 billion and current operating profit from activities of €2,164 million.

2.1.5. Capital increase reserved for employees

In June 2023, Bouygues carried out a capital increase of €150 million, inclusive of share premium, as part of the Bouygues Confiance n°12 employee share ownership plan, which was reserved for the employees of the Group's French companies, including for the first time those at Equans. It was 2.25x oversubscribed, demonstrating the high level of employee loyalty and confidence in the Group. This transaction led to the creation of 6,845,564 Bouygues shares.

The dilutive impact was offset by the prior buyback and cancellation of shares in 2022.

At 30 June 2023, Bouygues' capital comprised 381,336,141 shares with a nominal value of €1 each (versus 374,486,777 shares at 31 December 2022).

2.1.6. Further progress in sustainable and responsible initiatives

In first-half 2023, the Group and all its business segments continued to work towards a more sustainable and responsible society:

- In January, the Bouygues group signed a joint undertaking in Paris in support of #StOpE (Stop Casual Sexism in the Workplace) that covers all its subsidiaries. This inter-company initiative, created in 2021 by the AFMD (French Association of Diversity Managers), has 199 signatories who are committed to pooling their resources in the daily fight against this type of sexism. Bouygues has committed to implementing specific initiatives in its subsidiaries and has set up a committee of internal liaison officers to share best practices and broaden the range of initiatives in place across the Group.
- In February, the Group also organised the "Hello Handicap" event with all its business segments. This digital job fair, aimed at recruiting people with disabilities, offered candidates over 1,000 permanent, fixed-term and apprenticeship positions. Out of the 2,000 applications received, all the selected candidates were offered an interview with one of the Group's recruitment officers.

The Group's business segments also showcased innovations at the forefront of the digital, environmental and energy transition, at the seventh Viva Technology event in Paris:

- Colas demonstrated a system that analyses the condition of road surfaces by harvesting and processing data to optimise the use of materials during renovation.
- Bouygues Construction, amongst other innovations:
 - presented batteries that connect at night to store green energy and electricity when it is more available;
 - announced the launch, in the second half, a platform dedicated to the re-use of interior building materials (false ceilings, floors, doors, etc.) to promote more sustainable construction.

- Equans showcased a solution for storing thermal energy in aquifers (ATES or Aquifer Thermal Energy Storage) for more eco-friendly air conditioning, as well as smart charging software for more efficient and sustainable battery use in electric buses (adjusting battery charging to what is strictly necessary).
- Bouygues Telecom presented:
 - a solution from its subsidiary Apizee (which develops real-time video communication solutions) that enables patients to undergo fully independent rehabilitation at home under the remote supervision of a healthcare professional;
 - a self-driving delivery vehicle, manufactured by TwinswHeel, that can deliver parcels to homes and businesses or carry out remote surveillance and which can be controlled remotely in the event of an incident, using Bouygues Telecom’s 5G network. Other trials are currently in progress as part of the 5G Open Road programme;
 - its latest eco-designed routers (WiFi 6 Box, 5G Box, TV Bbox 4K decoder). This eco-design approach aims to rethink products and use more responsible materials that are easier to recycle while minimising the weight of products and making them easier to repair or refurbish.

2.1.7. Business activity

Backlog in the construction businesses

In order to facilitate analysis, Bouygues Construction’s backlog only includes the Building & Civil Works backlog, including for 2022.

(€ million)	End-June 2023	End-June 2022	Change	
Bouygues Construction	15,398	13,752	+12%	^a
Bouygues Immobilier	1,353	1,713	-21%	^b
Colas	14,071	12,936	+9%	^c
Total	30,822	28,401	+9%	^d

(a) Up 13% at constant exchange rates and excluding principal acquisitions and disposals.

(b) Down 21% at constant exchange rates and excluding principal acquisitions and disposals.

(c) Up 11% at constant exchange rates and excluding principal acquisitions and disposals.

(d) Up 10% at constant exchange rates and excluding principal disposals and acquisitions.

2.1.8. Financial performance

As a reminder, Bouygues Energies & Services has been consolidated within Equans since the start of 2023. For easier comparison, 2022 data for Bouygues Energies & Services, as it contributed to Bouygues Construction’s figures, have been re-classified from Bouygues Construction to Equans.

Group condensed consolidated income statement

(€ million)	H1 2023	H1 2022	Change
Sales	26,136	18,531	+41% ^a
Current operating profit/(loss) from activities	727	513	+214
Amortisation and impairment of intangible assets recognised in acquisitions (PPA) ^b	(46)	(21)	-25
Current operating profit/(loss)	681	492	+189
Other operating income and expenses	(80) ^c	(44) ^d	-36
Operating profit/(loss)	601	448	+153
Cost of net debt	(149)	(73)	-76
Interest expense on lease obligations	(37)	(29)	-8
Other financial income and expenses	(15)	(4)	-11
Income tax	(155)	(103)	-52
Share of net profits of joint ventures and associates	46	(8)	+54
Net profit from continuing operations	291	231	+60
Net profit attributable to non-controlling interests	(66)	(84)	+18
Net profit/(loss) attributable to the Group	225	147	+78

(a) Up 3% like-for-like and at constant exchange rates.

(b) Purchase Price Allocation.

(c) Includes non-current charges of €46m at Bouygues Construction, of €8m at Colas, of €19m at Equans and of €19m at TF1; and non-current income of €11m at Bouygues Telecom and of €1m at Bouygues SA.

(d) Includes non-current charges of €6m at Bouygues Construction (Building & Civil Works), of €7m at Equans (Bouygues Energies & Services), of €7m at TF1 and of €34m at Bouygues SA; and non-current income of €10m at Bouygues Telecom.

Group sales by sector of activity

(€ million)	H1 2023	H1 2022	Change	Forex effect	Scope effect	Lfl & constant fx ^c
Construction businesses ^a	12,194	11,865	+3%	+1%	+0%	+4%
<i>o/w Bouygues Construction</i>	<i>4,746</i>	<i>4,540</i>	<i>+5%</i>	<i>+1%</i>	<i>+0%</i>	<i>+5%</i>
<i>o/w Bouygues Immobilier</i>	<i>743</i>	<i>869</i>	<i>-14%</i>	<i>+0%</i>	<i>+0%</i>	<i>-14%</i>
<i>o/w Colas</i>	<i>6,788</i>	<i>6,517</i>	<i>+4%</i>	<i>+1%</i>	<i>+0%</i>	<i>+6%</i>
Equans	9,138	1,873	nm	nm	nm	nm
TF1	1,038	1,187	-13%	+0%	+3%	-9%
Bouygues Telecom	3,806	3,636	+5%	+0%	+0%	+5%
Bouygues SA and other	118	99	nm	-	-	nm
Intra-Group eliminations ^b	(241)	(190)	nm	-	-	nm
Group sales	26,136	18,531	+41%	+0%	-39%	+3%
<i>o/w France</i>	<i>13,339</i>	<i>11,121</i>	<i>+20%</i>	<i>+0%</i>	<i>-22%</i>	<i>-2%</i>
<i>o/w international</i>	<i>12,797</i>	<i>7,410</i>	<i>+73%</i>	<i>+1%</i>	<i>-64%</i>	<i>+9%</i>

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

(b) Includes intra-Group eliminations of the construction businesses.

(c) Like-for-like and at constant exchange rates.

Calculation of Group EBITDA after Leases ^a

(€ million)	H1 2023	H1 2022	Change
Group current operating profit/(loss) from activities	727	513	+214
Amortisation and impairment of intangible assets recognised in acquisitions (PPA)	(46)	(21)	-25
Interest expense on lease obligations	(37)	(29)	-8
Net charges for depreciation, amortisation and impairment losses on property, plant and equipment and intangible assets	1,075	977	+98
Charges to provisions and other impairment losses, net of reversals due to utilisation	(20)	(59)	+39
Reversals of unutilised provisions and impairment losses and other	(127)	(149)	+22
Group EBITDA after Leases	1,572	1,232	+340

(a) See glossary for definitions.

Contribution to Group EBITDA after Leases ^a by sector of activity

(€ million)	H1 2023	H1 2022	Change
Construction businesses	99	70	+29
<i>o/w Bouygues Construction</i>	131	115	+16
<i>o/w Bouygues Immobilier</i>	(11)	22	-33
<i>o/w Colas</i>	(21)	(67)	+46
Equans	286	27	+259
TF1	277	326	-49
Bouygues Telecom	928	830	+98
Bouygues SA and other	(18)	(21)	+3

(a) See glossary for definitions.

Contribution to Group current operating profit/(loss) from activities (COPA) ^a by sector of activity

(€ million)	H1 2023	H1 2022	Change
Construction businesses	(7)	(14)	+7
<i>o/w Bouygues Construction</i>	120	126	-6
<i>o/w Bouygues Immobilier</i>	0	16	-16
<i>o/w Colas</i>	(127)	(156)	+29
Equans	243	59	+184
TF1	152	192	-40
Bouygues Telecom	366	309	+57
Bouygues SA and other	(27)	(33)	+6
Group current operating profit/(loss) from activities	727	513	+214

(a) See glossary for definitions.

Reconciliation of current operating profit/(loss) from activities (COPA) to current operating profit/(loss) (COP) for first-half 2023

(€ million)	COPA	PPA amortisation ^a	COP
Construction businesses	(7)	-4	(11)
<i>o/w Bouygues Construction</i>	120	0	120
<i>o/w Bouygues Immobilier</i>	0	0	0
<i>o/w Colas</i>	(127)	-4	(131)
Equans	243	0	243
TF1	152	-2	150
Bouygues Telecom	366	-14	352
Bouygues SA and other	(27)	-26	(53)
Total	727	-46	681

(a) Amortisation and impairment of intangible assets recognised in acquisitions.

Reconciliation of current operating profit/(loss) from activities (COPA) to current operating profit/(loss) (COP) for first-half 2022

(€ million)	COPA	PPA amortisation ^a	COP
Construction businesses	(14)	-4	(18)
<i>o/w Bouygues Construction</i>	126	0	126
<i>o/w Bouygues Immobilier</i>	16	0	16
<i>o/w Colas</i>	(156)	-4	(160)
Equans	59	0	59
TF1	192	-3	189
Bouygues Telecom	309	-14	295
Bouygues SA and other	(33)	0	(33)
Total	513	-21	492

(a) Amortisation and impairment of intangible assets recognised in acquisitions.

Contribution to Group current operating profit/loss (COP) by sector of activity

(€ million)	H1 2023	H1 2022	Change
Construction businesses	(11)	(18)	+7
<i>o/w Bouygues Construction</i>	120	126	-6
<i>o/w Bouygues Immobilier</i>	0	16	-16
<i>o/w Colas</i>	(131)	(160)	+29
Equans	243	59	+184
TF1	150	189	-38
Bouygues Telecom	352	295	+57
Bouygues SA and other	(53)	(33)	-21
Group current operating profit/(loss)	681	492	+189

Contribution to Group operating profit/(loss) by sector of activity

(€ million)	H1 2023	H1 2022	Change
Construction businesses	(65)	(24)	-41
<i>o/w Bouygues Construction</i>	74	120	-46
<i>o/w Bouygues Immobilier</i>	0	16	-16
<i>o/w Colas</i>	(139)	(160)	+21
Equans	224	52	+172
TF1	131	182	-51
Bouygues Telecom	363	305	+58
Bouygues SA and other	(52)	(67)	+15
Group operating profit/(loss)	601 ^a	448 ^b	+153

(a) Includes non-current charges of €46m at Bouygues Construction, of €8m at Colas, of €19m at Equans and of €19m at TF1; and non-current income of €11m at Bouygues Telecom and of €1m at Bouygues SA.

(b) Includes non-current charges of €6m at Bouygues Construction (Building & Civil Works), of €7m at Equans (Bouygues Energies & Services), of €7m at TF1 and of €34m at Bouygues SA; and non-current income of €10m at Bouygues Telecom.

Contribution to net profit/(loss) attributable to the Group by sector of activity

(€ million)	H1 2023	H1 2022	Change
Construction businesses	(53)	(27)	-26
<i>o/w Bouygues Construction</i>	79	92	-13
<i>o/w Bouygues Immobilier</i>	0	9	-9
<i>o/w Colas</i>	(132)	(128)	-4
Equans	148	43	+105
TF1	46	56	-10
Bouygues Telecom	192	174	+18
Bouygues SA and other	(108)	(99)	-9
Net profit/(loss) attributable to the Group	225	147	+78

Net surplus cash(+)/net debt (-) by business segment

(€ million)	End-June 2023	End-Dec 2022	Change
Bouygues Construction	2,731	3,612	-881
Bouygues Immobilier	(329)	(156)	-173
Colas	(1,349)	(292)	-1,057
Equans	(127)	181	-308
TF1	365	326	+39
Bouygues Telecom	(3,112)	(2,303)	-809
Bouygues SA and other	(8,752)	(8,808)	+56
Net surplus cash (+)/net debt (-)	(10,573)	(7,440)	-3,133
Current and non-current lease obligations	(2,639)	(2,605)	-34

Contribution to Group net capital expenditure by sector of activity

(€ million)	H1 2023	H1 2022	Change
Construction businesses	79	65	+14
<i>o/w Bouygues Construction</i>	7	17	-10
<i>o/w Bouygues Immobilier</i>	1	1	0
<i>o/w Colas</i>	71	47	+24
Equans	110	6	+104
TF1	112	139	-27
Bouygues Telecom	855	837	+18
Bouygues SA and other	(25)	17	-42
Group net capital expenditure	1,131	1,064	+67

Contribution to Group free cash flow by sector of activity

(€ million)	H1 2023	H1 2022	Change
Construction businesses	(91)	(59)	-32
<i>o/w Bouygues Construction</i>	112	127	-15
<i>o/w Bouygues Immobilier</i>	(9)	17	-26
<i>o/w Colas</i>	(194)	(203)	+9
Equans	158	42	+116
TF1	100	137	-37
Bouygues Telecom	(37)	(82)	+45
Bouygues SA and other	(119)	(82)	-37
Group free cash flow ^a	11	(44)	+55

(a) See glossary for definitions.

2.2. Bouygues Construction

As a reminder, Bouygues Energies & Services has been consolidated within Equans since the start of 2023. To allow for comparison, data for Bouygues Energies & Services, as it contributed to Bouygues Construction's figures, have been re-classified from Bouygues Construction to Equans.

2.2.1. Business activity and highlights

Bouygues Construction's new strategic plan, launched in 2022, aims to reconcile business performance with environmental impact. This five-year strategy is based on three priority areas:

- generate a virtuous dynamic of profitable and sustainable growth;
- differentiate to increase appeal and competitiveness (via a business line approach, specific management of key accounts);
- modernise processes and globalise organisations.

This strategic plan aims to ensure that Bouygues Construction:

- is a full-service operator in places where it has a long-term presence, such as Australia, France, the United Kingdom, Hong Kong and Switzerland – by drawing on its innovative products and services and developing exceptional projects with local partners;
- expands its geographic reach towards new economically developed geographies with strong potential;

- in its Building activity, stakes out a position as a leader in renovation and rehabilitation whilst boosting its property development activities via its Linkcity network; and
- in its Civil Works activity, continues to be a top-notch player in the major infrastructure market (bridges, tunnels, nuclear power plants, off-shore wind power) in France and worldwide, and expands its activities in the growing market for infrastructure repair work.

In its various market segments, Bouygues Construction:

- gives top priority to the health and safety of its employees and of its partners in all projects undertaken;
- makes shared innovation its primary source of added value and proposes full-service offerings that meet customer requirements and that capitalise on its expertise in markets like rehabilitation and commercial property, and key sectors like housing, healthcare, hotels, data centres, etc.;
- pursues customer satisfaction over the long term, in particular by ensuring tight control over implementation, high-quality products and services and after-sales support;
- digitises its building methods in order to improve productivity.

The roll-out of this plan has already succeeded in:

- reorganising activities around business lines in each entity;
- launching a key accounts programme;
- creating two funds dedicated to property development in France;
- introducing risk management tools for major projects;
- integrating carbon reporting into the management cycle;
- disseminating the four new values (simplicity, trust, teamwork and pioneering spirit) to all employees.

Order intake

To allow for analysis, Bouygues Construction's order intake in H1 2023 and H1 2022 only includes the Building & Civil Works' order intake.

At end-June 2023, Bouygues Construction's order intake stood at €5,956 million, up 68% versus first-half 2022. This increase was mainly due to a large number of major contracts gained over the period. Order intake from the normal course of business also held up well.

(€ million)	H1 2023	H1 2022	Change
France	2,066	1,566	+32%
International	3,890	1,977	+97%
Total	5,956	3,543	+68%

In France, order intake rose 32% to €2,066 million, reflecting the good performance of the normal course of business and the gaining of:

- packages 4 and 7 of line C of the Toulouse metro for around €350 million in January and March;
- the Huawei factory in Alsace for around €230 million in June.

Outside France, order intake rose sharply (+97%) to €3,890 million, boosted by a number of significant contract gains such as:

- the construction of Oriel hospital in the United Kingdom for around €330 million in February;
- line 1 of the Abidjan metro in Ivory Coast for around €770 million in March;
- construction work on a hospital in Morocco, worth around €130 million in March;
- the extension of the Tung Chung Westline (MTRC 1201) in Hong Kong for around €470 million in May;
- two data centres in Australia for €210 million and €140 million approximately in May;
- the Riviera Tower in Greece for €200 million in May.

Backlog

To allow for analysis, Bouygues Construction's backlog at end-June 2023 and end-June 2022 only includes the Building & Civil Works' backlog.

Up 12% year-on-year, or 13% at constant exchange rates and excluding principal acquisitions and disposals, Bouygues Construction's backlog (excluding Bouygues Energies & Services) stood at €15.4 billion, providing good visibility on future business.

(€ million)	End-June 2023	End-June 2022	Change
France	4,998	4,749	+5% ^a
International	10,400	9,003	+16% ^b
Total	15,398	13,752	+12%^c

(a) Up 5% at constant exchange rates and excluding principal acquisitions and disposals.

(b) Up 17% at constant exchange rates and excluding principal acquisitions and disposals.

(c) Up 13% at constant exchange rates and excluding principal acquisitions and disposals.

In France, the backlog rose by 5%, driven by both the Building and Civil Works divisions.

Outside France, the backlog grew 16%, reflecting the good performance of both divisions. In the various geographies, this growth was driven by:

- Europe, where the renewal of backlog in Switzerland and the United Kingdom more than offset the decline in Croatia, the Czech Republic and Monaco;
- Africa and the Middle East, with the Abidjan Metro in Ivory Coast and Qiddiya in Saudi Arabia;
- Asia-Pacific, with, in particular, an increase in the backlog in Hong Kong, driven by the gain of the Tung Chung Westline extension project.

CSR strategy

In July 2022, Bouygues Construction publicly committed to the SBTi (Science Based Target initiative) certification process in order to align its carbon footprint reduction strategy with the targets set by the Paris Agreements. Different types of drivers are being used to achieve the climate objectives, such as low-carbon concrete and recycled steel. Other avenues being pursued include timber construction, eco-design, green energy and biofuels. For example, two initiatives have been launched at Bouygues Construction:

- Archisobre, a new building concept that cuts the carbon footprint of offices by a factor of three and is 40% below the targets of the RE2031 regulation. This concept focuses on saving materials via a deep analysis of the shape of a building, eco-construction based on a design process that seeks to remain within the limits of technological sufficiency, structural use of timber, circularity, and the use of bio-based materials such as compressed-earth.
- Cynéo, a newly-created subsidiary of Bouygues Bâtiment France, dedicated to expanding the supply of re-used materials. In the second half of 2023, it will open its first physical and virtual platform for the re-use of building materials, particularly those used in the fixtures and fittings (false ceilings, floors, doors, etc.). This initiative aims to boost circularity on our worksites and reduce Bouygues Construction's environmental impact by exploiting the potential of materials re-use.

For three decades, Bouygues Construction has made ethics and compliance a priority and trains its employees through ByCompliant. This training module provides an overview of the various subjects and issues at stake, so that its people can develop the correct reflexes when carrying out their assignments. The 2023 version of this training course covers new topics such as personal data, corruption risk mapping and ethical risks in project management. The module also updates tools and policies that have evolved in recent months (gifts and hospitality, ethics alert, etc.).

Alongside seven other major companies, Bouygues Construction has made a commitment to SMEs by signing a Pact, which marks an important step in speeding up the energy transition. Thanks to a tailored support scheme, these SMEs will benefit from personalised support, helping them to adopt more sustainable practices and reduce their carbon dioxide emissions and their impact on the environment.

2.2.2. Key figures

(€ million)	H1 2023	H1 2022	Change
Sales	4,746	4,540	+5% ^a
<i>o/w France</i>	1,965	2,101	-6%
<i>o/w international</i>	2,781	2,439	+14%
Current operating profit/(loss) from activities	120	126	-6
<i>Margin from activities</i>	2.5%	2.8%	-0.3 pts
Current operating profit/(loss)	120	126	-6
Operating profit/(loss)	74	120	-46
Net profit/(loss) attributable to the Group	79	92	-13

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

Sales were €4,746 million in first-half 2023, up 5% year-on-year. Like-for-like and at constant exchange rates, sales growth was similarly 5%. Building accounted for 62% of sales, and Civil Works for 38%.

Sales in France decreased by 6%. These were broadly stable in Building but Civil Works saw a sharper decline as a result of several large-scale project completions inside and outside the Paris region.

International sales were €2,781 million, up 14% year-on-year. The International Building arm enjoyed an increase in sales in Switzerland, Hong Kong, Saudi Arabia and Australia. Civil Works was lifted by strong business activity in Hong Kong and the United Kingdom.

Current operating profit from activities was €120 million in first-half 2023, down €6 million versus first-half 2022. As a result, the margin from activities (COPA margin) was 2.5%, notably related to the non-linear progress of worksites.

Non-current charges of €46 million were recognised in first-half 2023, mainly following the settlement of a legal dispute in Singapore dating from the handover of a building in 1997, and a change in regulations in one of Bouygues Construction's national markets.

Net profit attributable to the Group was €79 million, down €13 million versus first-half of 2022.

Net surplus cash remained high at €2,731 million at end-June 2023, which was €427 million higher year-on-year.

2.2.3. Outlook

Bouygues Construction has solid fundamentals in the current tough operating business environment, specifically:

- a backlog at 30 June 2023 of €4.6 billion for the rest of 2023 and a medium-term backlog (from 1 January 2024) of €10.8 billion;
- sustained and diversified international activity across a variety of markets with strong structural and economic fundamentals (Switzerland, the United Kingdom, Australia, the United States, Hong Kong, etc.) and continued development of exceptional projects, on a case-by-case basis, with local partners;
- a healthy balance sheet, backed up by a high net surplus cash of €2.7 billion at 30 June 2023.

2.3. Bouygues Immobilier

2.3.1. Business activity and highlights

The first half of 2023 was along the same lines as 2022, a year that saw a marked return of inflation, a sharp rise in interest rates and a slowdown in the property market.

The French property market

In addition to the supply crisis that the new housing market had been experiencing for several years, 2022 saw weakening demand (and borrowing capacity) caused by this sharp rise in interest rates.

In this context, the new housing market in France recorded 21,124 reservations (block and unit sales) in Q1 2023, down 40% versus Q1 2022 (source: ECLN). The number of building permits dropped 31% (source: Sit@del), and the number of new homes for sale fell by 15%, both in terms of single-unit housing and apartment buildings (source: ECLN). Finally, the average cost of single-family houses rose by 5.7% year-on-year. For apartments, the increase was 5.9% per m² (source: ECLN).

In the commercial property sector, the slowdown that began with the Covid pandemic and changes in working habits became more pronounced from the fourth quarter of 2022. This trend was confirmed in first-half 2023, with a significant fall in take-up and investment in the Paris region. Investors are still taking a wait-and-see attitude, while, in terms of users, the slowdown in the French economy is limiting transactions and lengthening negotiation times:

- take-up was 816,200 m², 22% less than in first-half 2022 in a market 19% below its ten-year average;
- €4.2 billion was invested in first-half 2023, down 44% on first-half 2022.

Commercial activity

Several major residential property developments were handed over in the first half of 2023:

- Hôtel des Postes in Strasbourg, a building listed as a Unesco World Heritage Site. This rehabilitation project of almost 20,000 m² will eventually include 98 homes (60 for owner-occupiers, 18 for the social housing sector and 20 for joint ownership), an 84-unit senior citizens' residence, 2,400 m² of new and refurbished offices, and an eatery.
- Les Marquesas in Nantes. This mixed-use apartment complex with 243 housing units (30% of which are social housing) includes bike parking in each of the buildings, with a total of over 330 spaces available. From an environmental point of view, this site, which was 93% concreted over, now has 25% open land and 182 new trees, in addition to the 12 originally present on the site. 30% of the deconstruction materials were reused on-site. 360 m² of business premises are occupied by local artisans to round off this project.

The period also saw several commercial launches and work start on a number of developments:

- Work began on the 750 homes in phase 1 of the Seine Parisii district, developed by UrbanEra on the banks of the River Seine;
- In Tours, work began on the Kipolis development, which comprises the upgrading of the 5.5-hectare former Gelco brownfield site.

Finally, in June 2023, Bouygues Immobilier filed the building permit for the largest private urban development project in the Paris region - "Charenton-Bercy" - in Charenton-le-Pont, just outside Paris. This project is part of the "Invent the Greater Paris Metropolitan Area" call for projects, of which Bouygues Immobilier and its partners were named winners in 2018, for the redevelopment of a largely derelict area into a new mixed-use neighbourhood. In total, the building permits filed relate to the development of 241,000 m² of floor area.

In the commercial property sector, Bouygues Immobilier signed a memorandum of understanding with the plaintiff associations in April 2023, resulting in the withdrawal of the appeals against the Bouygues Immobilier project on Seguin Island in Boulogne-Billancourt. This agreement now makes it possible to develop the central part of the island. It is planned that this new 100,000-m² project, known as Vivaldi, will comprise five office buildings and street-level retail outlets.

Bouygues Immobilier has also handed over a 3,000-m² office building in Paris to the holding company Kresk, which will be housing its cosmetics brands.

Lastly, work has begun on the future regional headquarters of RTE Méditerranée in Les Fabriques eco-neighbourhood in Marseille. The 13,100-m² building will be home to over 500 employees from 2025.

Climate and Biodiversity strategy

- At the Empreinte development in Angers, comprising 77 housing units, Bouygues Immobilier enlisted the help of a green spaces consultancy to implement the landscaping project and preserve the local fauna. The project includes two bicycle rooms made from compressed-earth, a building made entirely from timber (framework, floors and façades) and two other buildings with walls made from low-carbon concrete produced in partnership with Hoffmann Green Cement Technologies (HCGT). The slabs for the project were also poured using very low-carbon cement and aggregates obtained from Néolithe’s waste fossilisation process.
- In Toulouse, the Bouygues Immobilier- Vinci Immobilier consortium won the contract to build the Avenue de Lyon development. It represents 19,000 m² of floor space over five blocks of housing, including social housing, shops, services and artists’ studios on the ground floor, a hotel, social services for marginalised people, a community restaurant and an intergenerational residence. The project is already targeting the 2028 threshold of the RE2020 regulation (construction carbon index - 580kg CO₂/m²). 40% of the façades will be made of locally reused bricks, and the structure will be a combination of wood and concrete. A total of 2,025 m² of vegetation will be incorporated into the development.
- In Pierrefitte-sur-Seine, the Opaline Green FabriK’ development, comprising 32 homes for owner-occupiers and a 120-room student residence, will include two walls in which 70% of the bricks used on the façade will be reused ones. Thanks to the laying of the first 1,000 m² of reused bricks, 49.5 tonnes of CO₂ equivalent have been avoided and 127 tonnes of material preserved.
- In March 2023, Bouygues Immobilier launched Coverso, its solution for converting offices into housing, to address the issue of the growing number of ageing and poorly serviced buildings for which there are no takers. Coverso is an example of how Bouygues Immobilier’s initiatives for reducing carbon emissions and increasing circularity are producing tangible results. In particular, it will encourage the use of re-used materials. Carbon emissions will at the very least be halved relative to a standard property development.
- After unveiling its garden concept in 2022, Bouygues Immobilier has unveiled two flagship initiatives to ensure the longevity of these gardens during the operational phase:
 - property managers and property owners will be given specifications advising how best to manage their gardens from an ecological standpoint;
 - A “garden index” will be set up with the help of ecologists and landscape gardeners; it will serve to assess the ecological benefits and the level of buy-in to these collective gardens two years after their creation.

Reservations

(€ million)	H1 2023	H1 2022	Change
Residential property	641	868	-26%
Commercial property	22	25	-12%
Total	663	893	-26%

NB: Residential property reservations include buildable land and reservations taken via co-promotion companies; they are reported net of cancellations. Commercial property reservations are firm orders which cannot be cancelled (notarised deeds of sale).

With the market environment still challenging, in line with previous quarters, residential property reservations fell 26% in the period. The drop in unit sales was nonetheless mitigated by the block reservations made by CDC Habitat in the second quarter, consisting of around 700 packages. In commercial property, investors were still in a wait-and-see attitude, and reservations were down 12% in the period.

Backlog

(€ million)	End-June 2023	End-June 2022	Change
Residential property	1,319	1,684	-22%
Commercial property	34	29	+17%
Total	1,353	1,713	-21%

At end-June 2023, Bouygues Immobilier reported a backlog of €1,353 million, representing nine months of sales and corresponding to a 21% year-on-year decline as a result of challenging market conditions.

2.3.2. Key figures

(€ million)	H1 2023	H1 2022	Change
Sales	743	869	-14% ^a
<i>o/w residential property</i>	709	842	-16%
<i>o/w commercial property</i>	34	27	+26%
Sales incl. share of co-promotions	824	939	-12%
Current operating profit/(loss) from activities	0	16	-16
<i>Margin from activities</i>	0.0%	1.8%	-1.8 pts
COPA incl. share of co-promotions	15	25	-10
Current operating profit/(loss)	0	16	-16
Operating profit/(loss)	0	16	-16
Net profit/(loss) attributable to the Group	0	9	-9

(a) Down 14% like-for-like and at constant exchange rates.

Bouygues Immobilier reported sales of €743 million in first-half 2023, representing an 14% decrease relative to the same period in 2022, penalised most notably by the sharp rise in interest rates, which dampened residential demand, and a continued wait-and-see attitude in commercial property. Including the share of co-promotions, sales would have decreased 12%.

Bouygues Immobilier limited the decrease in its current operating profit from activities (COPA) by adapting its cost base to the sharp decline in business activity. Including the share of co-promotions, it would be €15 million.

2.3.3. Outlook

The residential property market continues to enjoy strong fundamentals as well as solid long-term demand prospects. In the short term, however, there are still many uncertainties, for example related to ongoing geopolitical tensions and the rise in inflation.

In 2023, the direction of the market is still uncertain, owing to fragile demand (rising interest rates, stronger inflationary pressure than in the past, an increase in residential property prices and tight lending conditions) and the fact that the supply of multi-unit housing is likely to remain below pre-pandemic levels.

2.4. Colas

2.4.1. Business activity and highlights

Main orders taken

- Reconstruction and widening of Highway 181 in Arkansas (United States), for €88 million (January).
- Rehabilitation of Highway 40 in Alberta (Canada), for €70 million (January).
- Road maintenance contract in Ontario (Canada), for €65 million (March).
- Construction of a new section of the I/35 road between Lešná and Palačov in the Czech Republic, for €68 million (April).
- Rehabilitation of Interstate 26 in Newberry County, South Carolina (United States) for around €110 million (June).
- Construction of line 1 of the Abidjan metro in Ivory Coast, for €327 million (March).
- Modification of existing lines for Old Oak Common station in Greater London, for around €215 million, and track renewal for €93 million, as part of the South Rail Systems Alliance programme in the United Kingdom (June).

CSR strategy

- Between 12 and 16 June, Colas celebrated its tenth Safety Week, during which its 58,000 employees around the world focused on health and safety issues. The focus this year was on the risk of collisions between plant and pedestrians.
- During the first half of the year, Colas launched the operational roll-out of the new methodology for calculating its carbon footprint. Instead of relying solely on sales, this methodology takes into account estimates linked either to physical flows, where available, or to purchases. This new methodology applies in particular to worksites: the "Colas Carbon Counter" calculator created by Colas is the first automated tool for calculating the carbon footprint of worksites in the civil works sector.
- On 5 June, Colas held an environmental awareness day for all its global locations. This third edition focused on preserving water resources.
- Colas continues to raise its employees' awareness of climate issues through the "La Fresque du Climat" workshop, which has attracted over 12,500 participants since its launch. A second workshop, "La Fresque Low Carbon Way", has also been created, dedicated to the climate impacts of its activities.
- Colas has launched the Flowell interactive luminous pedestrian crossing, following approval by the French Ministry of Transport. This innovative system improves the safety of users in public spaces, both day and night.

Backlog

(€ million)	End-June 2023	End-June 2022	Change
Mainland France	3,573	3,385	+6%
International and French overseas territories	10,498	9,551	+10%
Total	14,071	12,936	+9%

The backlog at end-June 2023 came to a record €14.1 billion, up 9% year-on-year and 11% at constant exchange rates and excluding principal disposals and acquisitions.

The backlog for Mainland France (€3.6 billion) rose 6% year-on-year, driven mainly by the Rail activities.

The backlog in international and French overseas departments markets (€10.5 billion) rose by 10% year-on-year (+14% at constant exchange rates and excluding principal disposals and acquisitions). This increase was driven by:

- Colas Rail, thanks primarily to the Abidjan metro in Ivory Coast, the South Rail Systems Alliance contracts in the United Kingdom and new maintenance contracts in Northern Europe;
- the solid backlog in North America, including major contracts for road rehabilitation in the United States and road maintenance contracts in Canada.

International and French overseas departments markets accounted for 75% of the total backlog at Colas, compared with 74% at end-June 2022.

Other highlights

Continental Bitumen this year acquired two asphalt carrier cargo ships with a unit capacity of 20,000 tonnes in order to secure the supply of bitumen and to continue expanding bitumen distribution and trading across Europe, the Middle East and Africa. The first was delivered in April and the second in July.

2.4.2. Key figures

Most of Colas' business is subject to strong seasonal fluctuations, resulting in an operating loss being reported for the first half of each year.

(€ million)	H1 2023	H1 2022	Change
Sales	6,788	6,517	+4% ^a
<i>o/w France</i>	3,017	2,983	+1%
<i>o/w international</i>	3,771	3,534	+7%
Current operating profit/(loss) from activities	(127)	(156)	+29
<i>Margin from activities</i>	-1.9%	-2.4%	+0.5 pts
Current operating profit/(loss)	(131)	(160)	+29
Operating profit/(loss)	(139) ^b	(160)	+21
Net profit/(loss) attributable to the Group	(137)	(132)	-5

(a) Up 6% like-for-like and at constant exchange rates.

(b) Includes non-current charges of €8m related to the reorganisation of the Indian Ocean region roads activities.

First-half 2023 sales were €6.8 billion, up 4% relative to first-half 2022 (+6% like-for-like and at constant exchange rates).

The figure was €3.0 billion in France and €3.8 billion for international business (+1% and +9% like-for-like and at constant exchange rates, respectively).

Current operating loss from activities (COPA) was €127 million, an improvement of €29 million compared with first-half 2022. COPA in second-quarter 2023 rose €39 million versus second-quarter 2022 to €174 million. This improvement resulted from the positive effects of action plans implemented during 2022 to cope with inflation, while first-half 2022 results had been impacted by higher production costs that could not be passed on to previously booked contracts. Margin from activities was up 0.5 points versus first-half 2022.

The share of net profits of joint ventures and associates was €33 million, up €11 million relative to the first half of 2022 thanks to the contribution of Tipco Asphalt, which benefited from supportive conditions in its home market in Thailand.

The net loss profit attributable to the Group was €137 million, compared with a loss of €132 million in the first half of 2022. This reflects the recognition in first-half 2023 of €8 million in non-current charges related to the reorganisation of the Indian Ocean region roads activities and higher financial expense due to the rise in interest rates.

Free cash flow represented a net outflow of €194 million, compared with an outflow of €203 million first-half 2022. Free cash flow in the second quarter was €131 million, increasing €27 million relative to the same period in the previous year.

Free cash flow after changes in the working capital requirement represented a net outflow of €766 million, improving by €318 million relative to end-June 2022 due to a lower increase in the working capital requirement at end-June 2023 of €309 million versus end-June 2022, attributable to trade receivables and inventories.

Net debt at end-June 2023 was €1.3 billion versus €0.3 billion at end-December 2022. This increase was due to the highly seasonal nature of the business, as is usual for this period. In contrast, net debt at end-June 2023 improved by €85 million versus end-June 2022.

Sales by sector

(€ million)	H1 2023	H1 2022	Change
Sales	6,788	6,517	+4%
Roads	6,100	5,856	+4%
o/w roads France/Indian Ocean	2,857	2,822	+1%
o/w roads US	824	798	+3%
o/w roads Canada	680	651	+4%
o/w roads Europe, Middle East & Africa	1,496	1,379	+8%
o/w roads Asia-Pacific	243	206	+18%
Rail and other specialised activities	686	657	+4%
Holding company	2	4	nm

Roads

Sales for Roads in first-half 2023 came to €6.1 billion, up 6% like-for-like and at constant exchange rates versus first-half 2022.

- Sales in the France-Indian Ocean region rose 1% relative to first-half 2022.
- Sales in the EMEA (Europe, Middle East, Africa) region were up 9% like-for-like and at constant exchange rates, driven by the good level posted in Europe.
- In the United States and Canada, sales were up by 8% like-for-like and at constant exchange rates, reflecting buoyant market conditions.
- In the Asia-Pacific zone, sales were up 23% like-for-like and at constant exchange rates, driven by the good level posted in Australia.

Rail and other activities

Sales for Rail and other activities were up 4% year-on-year like-for-like and at constant exchange rates, driven mainly by strong business momentum at Colas Rail outside France.

2.4.3. Outlook

In an unstable environment marked by inflation, rising interest rates and currency volatility, Colas group enjoys strong fundamentals and will continue to benefit from the positive impacts of the transformation plans that it has undertaken.

Colas confirms its target of increasing current operating profit from activities (COPA) and current operating profit in 2023 compared with 2022.

2.5. Equans

2.5.1. Business activity and highlights

CSR strategy

In the first half of 2023, Equans launched the roll-out of its "Impact" CSR strategy. This strategy is based on seven pillars, in line with the UN's Sustainable Development Goals (SDGs):

- deliver operational excellence;
- commit to safety, ethics and cybersecurity;
- improve clients' environmental transition;
- improve the company's environmental footprint;
- engage in the community's development;
- provide fair and equal opportunities for all; and
- share in the fruits of performance.

The roll-out of this strategy in the various business units has been backed up by a campaign to boost buy-in at the local level and performance targets, operational awareness-raising and the creation of networks of ambassadors around the world.

At the Viva Technology 2023 event in Paris, Equans and Valeo signed a partnership agreement to work together to address the new challenges facing towns and cities in terms of urbanisation, safety, mobility, electrification and energy efficiency. This partnership aims to develop features and services such as:

- a connected urban space that is safer for pedestrians and cyclists;
- optimised use of data centres and energy storage centres;
- the development of electric mobility with charging and V2G (vehicle to grid) solutions.

At the 10th "Journées Hydrogène dans les Territoires" event, Equans France and Verso Energy signed a partnership to develop hydrogen infrastructure projects for heavy vehicles. This partnership is an extension of the collaboration between the two companies on the Alp'Hyne and H2BYCOL projects, which won the European "Connecting Europe Facility" call for projects last March.

In June 2023, Equans France was certified "Top Employer" 2023. This certification testifies to Equans France's ability to guarantee a quality working environment for all its employees, such as innovative human resources practices. This certification is based on six pillars – talent management strategy, the working environment, talent acquisition, training and skills development, well-being at work, and diversity and inclusion. This strict label is awarded to 100 companies in France and, to date, Equans France is the only one in its sector (energy and services) to obtain it.

Main orders taken

Orders for the first half of 2023 amounted to €9.5 billion. They were split between France (38%) and international markets (62%).

While pursuing its selective approach strategy and prioritising margins over volume growth, order intake remained strong during the first half of the year, in a buoyant environment that included several contract gains for data centres in Germany and the UK.

The initial effects of the Perform performance plan were also reflected in an improvement in the underlying margin of the order intake in the year to date.

Backlog

To allow for analysis, Equans' backlog at end-June 2023 and end-December 2022 includes Bouygues Energies & Services' backlog.

(€ million)	End-June 2023	End-Dec 2022	Change
Total	26,397	25,927	+2%

At end-June 2023, Equans' backlog, including Bouygues Energies & Services, stood at €26.4 billion, up 2% compared with 31 December 2022, thanks to a dynamic order intake that outstripped sales over the first-half. This provides good visibility on future business activity.

2.5.2. Key figures

Figures for first-half 2023 include Bouygues Energies & Services. Figures for first-half 2022 include only Bouygues Energies & Services, as it contributed to Bouygues Construction. As a reminder, 2022 Equans' quarterly proforma financial data are not available. Consequently, changes are not representative.

First-half 2023 is the first six-month period in which Bouygues Energies & Services was consolidated by Equans. The integration is going according to expectations, with an organisational structure now in place in the main countries and the Perform plan launched in all business units.

(€ million)	H1 2023	H1 2022	Change
Sales	9,138	1,873	nm
<i>o/w France</i>	3,095	643	nm
<i>o/w international</i>	6,043	1,230	nm
Current operating profit/(loss) from activities	243	59	nm
<i>Margin from activities</i>	+2.7%	+3.2%	nm
Current operating profit/(loss)	243	59	nm
Operating profit/(loss)	224	52	nm
Net profit/(loss) attributable to the Group	148	43	nm

First-half 2023 sales for Equans were €9,138 million, lifted by strong overall momentum.

Current operating profit from activities (COPA) was €243 million, representing a margin from activities (COPA margin) of 2.7%. The second-quarter 2023 margin improved versus first-quarter 2023, highlighting the seasonality of business and the first positive impacts of the Perform plan.

Operating profit included €19 million of non-current charges, mainly related to the integration of Bouygues Energies & Services into Equans, costs committed for planned disposals and the implementation of the Performance Management Plan (PMP), an exceptional incentive scheme to ensure the commitment of selected Equans managers to the 2027 financial targets set by Bouygues for Equans. For more details, see Note 1 to the consolidated financial statements in this half-year financial report.

Net profit attributable to the Group was €148 million in the period.

Free cash flow before changes in the working capital requirement (WCR) was €158 million.

Net debt was €127 million.

2.5.3. Outlook

In 2023, Equans is aiming for:

- a slight increase in sales, as a result of its selective approach strategy;
- a current operating margin from activities (COPA margin) between 2.5% and 3%;
- a cash conversion rate (COPA-to-cash flow¹) before WCR of between 80% and 100%.

2.6. TF1

2.6.1. Business activity and highlights

- On 11 January, the TF1 group signed an agreement to sub-license 28 Rugby World Cup 2023 matches to the France Télévisions and M6 groups. Thanks to this sub-licensing agreement, viewers will be able to watch the entire tournament, a major event in 2023, free of charge thanks to TF1. As the official broadcaster of the competition, TF1 will be airing its best matches, as well as three group matches for the French team, the two best quarter-finals, including France's quarter-final if they qualify, the two semi-finals, the match for third place and the final.
- On 12 January, the TF1 group signed a new three-year industry-level agreement to support creation. The TF1 group has renewed its commitment to devote 12.5% of its annual sales to original content. In addition, TF1 is committing for the first time to invest in independent documentaries up to 5.4% of its obligation and is boosting its commitment to the animation sector, with a sub-quota raised to 5.2% of its obligation.
- On 15 February 2023, the France Télévisions, M6 and TF1 groups announced the discontinuation of Salto.
- On 18 April 2023, the AGM of ACP (the association of private channels) appointed Rodolphe Belmer, Chairman and CEO of the TF1 group, as Chairman of ACP for a period of two years.
- On 27 April 2023, following Arcom's² decision on 22 February to approve the TF1 TV channel's bid to continue broadcasting on DTT, the TF1 group signed a new agreement with Arcom allowing it to use the DTT frequency from 6 May 2023 for a period of 10 years. The TF1 group continues to be a socially responsible player and supportive of creation while retaining the flexibility needed to adapt its programming schedule to market trends.
- On 10 May 2023, the TF1 group and Amazon announced their partnership with the arrival of MYTF1 on Amazon Fire TV from 11 May 2023.
- On 17 May 2023, the US broadcaster ABC confirmed its order for the English-language adaptation of TF1's hit crime comedy *HIP (High Intellectual Potential)*. The American adaptation of *HIP* is the next step in the development of this TV series produced in France. Internationally, *HIP* has been sold in over 105 countries and has been viewed more than 280 million times.

Other highlights after 30 June 2023

- On 17 July 2023, the TF1 group and Newen Studios announced the reboot of the pioneering soap opera *Plus belle la vie* on TF1 and on its MYTF1 streaming platform in early 2024. This daily broadcast will be accompanied by an events-based campaign on digital channels and social media. With its daily series (*Tomorrow is ours*, *Ici Tout Commence* and now *Plus belle la vie*), Newen Studios is reaffirming its expertise and its status as a reference in this market.

¹ Free cash flow before cost of net debt, interest expense on lease obligations and income taxes paid.

² The French broadcasting authority.

CSR strategy

With the appointment of Raphaëlle Deflesselle as Head of Technologies and Information Systems, TF1's Executive Committee has now achieved gender parity, reflecting the group's firm commitment to promoting an inclusive society.

TF1 group continues its efforts favouring the environmental transition. In H1 2023, its advertising market share that met the environmental criteria of Ademe¹ totalled 42.7%².

The TF1 group also continued its socially responsible initiatives with the "*Mobilisation Cancer, Tous ensemble avec les chercheurs*" anti-cancer campaign on its channels, featuring a special fund-raising week to support cancer research. The TF1 TV channel also addressed the issue of cancer through its series *Six women*, which tells the story of six women who try to push their physical boundaries in their own special fight against cancer.

TF1 was awarded for nine documentaries at the Deauville Green Awards 2023, an international responsible film festival that aims to raise awareness of sustainable development through film.

Audience ratings³

The TF1 group reaches nearly 50 million French people every week with its content. In a first six months of 2023 marked by hard-hitting domestic and international news, the TF1 group maintained its leadership of the main commercial targets, reaching 33.6% of women under 50 who are purchasing-decision makers and 30.2% of Individuals aged 25 to 49, an increase of 0.1 points in each of these two categories.

In particular, the TF1 TV channel achieved a significant increase. Its audience share is up 0.6 points to 22.9% in terms of women under 50 who are purchasing-decision makers, and up 0.2 points to 19.9% in the 25-49 age bracket.

MYTF1 streaming platform proved the effectiveness of its content offer and its growth potential: MYTF1 averaged 27.5 million⁴ streamers over the half-year, with a record performance of 30.6 million streamers in May and 107 million streamed hours in the same month, representing a 41.3% market share and almost twice as much as its closest competitor in second place.

2.6.2. Key figures

The TF1 group reported sales of €1,038 million in first-half 2023. Excluding scope effects, these consolidated sales decreased by €107 million (-9.5%) compared to first-half 2022. Advertising revenues for the TF1 group amounted to €746 million. Excluding scope effects, advertising revenue declined by €48 million (-6.1%) in first-half 2023, with a 5% decrease in second-quarter 2023. Sales at Newen were €134 million, down €25 million year-on-year.

Current operating profit from activities (COPA) amounted to €152 million in first-half 2023, down €40 million. The margin from activities (COPA margin) was 14.7%, notably benefiting from a 21.6% margin (up 0.4 points) in the Media segment in the second quarter.

Current operating profit came to €150 million.

Operating profit totalled €131 million and included €19 million in non-current charges linked with the optimisation of the group's property portfolio and the strengthening of the existing jobs and skills planning agreement (GPEC) to support the group's digital acceleration ambition. These non-current items are related to the roll-out of an optimisation plan aimed at gradually achieving over €40 million in operational cost savings⁵ from 2025 onwards, of which €10-15 million will be reinvested in the digital acceleration plan.

¹ The French environment and energy management agency.

² Source: Kantar, Ademe monitoring of the TV market – January to April 2023.

³ Source: Médiamétrie-Médiamat

⁴ Médiamétrie TV four screens - January to May 2023.

⁵ Property, IT, procurement and human resources.

Net profit attributable to the Group was €101 million, down €25 million year-on-year. At end-June 2023, net surplus cash stood at €365 million versus €245 million at end-June 2022, representing an increase of €120 million (+49%) and demonstrating the TF1 group's ability to generate cash from its accounting profits.

Free cash flow after WCR for the TF1 group was €155 million, improving by €34 million relative to end-June 2022. TF1 has a solid financial position with net surplus cash of €365 million at 30 June 2023, i.e. a €39 million increase versus end-December 2022 after the dividend payment in April 2023.

(€ million)	H1 2023	H1 2022	Change
Sales	1,038	1,187	-13% ^a
<i>Media</i>	904	1029	-12%
<i>Newen Studios</i>	134	158	-16%
Current operating profit/(loss) from activities	152	192	-40
<i>Margin from activities</i>	14.7%	16.2%	-1.5 pts
Current operating profit/(loss)	150	188.7	-38
Operating profit/(loss)	131	182	-51
Net profit/(loss) attributable to the Group	101	126	-25

(a) Down 9% like-for-like and at constant exchange rates.

Media

First-half sales for the Media segment reached €904 million, a decrease of €63 million (-6%) excluding scope effects. At end-June 2023, the Media segment generated advertising revenue of €746 million. Excluding scope effects, advertising revenue was down €48 million (-6%), given that the inflationary macroeconomic environment impacted ad spend across most sectors. Within the Media segment advertising revenue, MYTF1 advertising revenue continued to grow, outperforming the market¹. At end-June 2023, MYTF1 revenue totalled €46 million, up 13% from first-half 2022. Excluding scope effects (-€40 million), revenue from other Media segment activities without advertising decreased €15 million, mainly due to the base effect related to the absence of rights sales to Salto.

The TF1 group's programming costs totalled €404 million, down €37 million (-8%), almost offsetting the decline in advertising revenue and further demonstrated its ability to exercise very tight control over programme costs.

Current operating profit from activities (COPA) in the Media segment stood at €146 million, generating a high current operating margin of 16.2%, close to first-half 2022 level. COPA margin in the second quarter was 21.6%, up 0.4 points relative to the same period in 2022.

Newen Studios

Sales at Newen Studios amounted to €134 million in first-half 2023, down €25 million. This change was mainly due to a decline in activity with France Télévisions, an unfavourable base effect linked to the delivery of *Funeral for a Dog* for Sky Germany in first-quarter 2022 and the discontinuation of activity with Salto.

The end of *Plus belle la vie*² was broadly offset in sales by the contribution from acquisitions made in 2022³. Current operating profit from activities at Newen Studios amounted to €6 million in first-half 2023, of which €8 million was generated in the second quarter, with a margin of 10.3%.

¹ Instream Video market – Observatoire e-PUB – H1 2023 performance, published by SRI, Oliver Wyman and Udecam.

² Taken off air by France Télévisions in November 2022.

³ Acquisition of Izen UK in April and Anagram in October.

2.6.3. Outlook

The TF1 group maintains its outlook, with different dynamics within its segments.

In the Media segment, in a market that could gradually return to 2022 levels in the second half of the year, advertising revenues will be boosted by the airing of the Rugby World Cup in France in particular.

- In linear TV, the TF1 group will continue to develop an increasingly high-quality free offer of events, series and general entertainment to consolidate its differentiated reach and maximise the value of its advertising inventories. In addition, the TF1 group will also continue to demonstrate its agility in programming costs;
- MYTF1 will continue its development to become the benchmark French free-to-view streaming service by leveraging the group's powerful editorial line-up and by maximising the value of its inventories through a strengthened data strategy.

The recently announced reboot by Newen Studios of the iconic soap opera *Plus belle la vie*, which will be broadcast on the TF1 TV channel and streamed on MYTF1, is part of the TF1 group's digital acceleration strategy and reflects the synergies that it can unlock between its various business units.

After delivering numerous projects in 2022, Newen Studios will draw on the diversity of its talent pool to develop new growth-driving projects for the years ahead.

In 2023, the TF1 group will further cement its leadership position and maintain a broadly stable current operating margin from activities in 2023. It will continue to generate solid cash flow in order to aim for a growing or stable dividend policy over the coming few years.

2.7. Bouygues Telecom

2.7.1. Business activity and highlights

During the first half of 2023, Bouygues Telecom pursued its growth strategy, marked by strategic partnerships and acquisitions and many innovations for B2C and B2B customers:

- On 1 March, it acquired Alleo, a company well-known in the systems integration sector¹ specialising in one-stop-shop communications services and cybersecurity.
- On 7 March, it signed a partnership with Alten and Siemens France to promote and roll out B2B 5G services.
- On 3 April, it launched the Bflex-Webex solution, developed for SMEs and intermediate-size businesses, in cooperation with Cisco. This solution integrates fixed and mobile telephony services and a host of collaborative features in one single app.
- On 20 April, a live shopping service (on-line sales demonstrations by major brands) was rolled out, directly available in the Bbox via the B-Live Shopping app. Bouygues Telecom is the first European operator to offer this e-commerce sales channel thanks to its partnership with Skeepers².
- On 24 April, it launched Innolab, a collaborative digital platform focused on innovation, open to customers, prospects and employees, to help them design the products and services of tomorrow.

Over the last few years, the pace of digitalisation has accelerated and the demand for better quality of service has increased. Against this backdrop, Bouygues Telecom continued innovating and investing in fixed and mobile networks to provide seamless, high-quality and secure services to all its customers. Thanks to these actions, in July 2023, it was awarded first place in the nPerf survey³ for its Wi-Fi and fixed performances. In the mobile

¹ A company that provides nationwide installation, roll-out and supervision of its solutions.

² A European leader in customer engagement.

³ nPerf Wi-Fi and Fixed surveys for the first six months of 2023, July 2023. This was the fourth time in a row that it was rated first for WiFi.

sector, Arcep ranked Bouygues Telecom as the second best mobile network in mainland France for the ninth year running¹.

To improve the customer experience, since April 2023 Bouygues Telecom has been offering all new Bbox customers personalised assistance for the installation of devices in their homes. With this new service, Bouygues Telecom offers a complete solution to all its customers, from the moment of subscribing to fibre up to activation of the line.

Customer base

Mobile customers excluding MtoM totalled 15.3 million at 30 June 2023. The operator acquired 109,000 new customers in the first half, of which 82,000 in the second quarter.

In the fixed segment, it had 3.3 million FTTH customers at end-June 2023, thanks to 270,000 new adds in the first six months. The proportion of fixed customers subscribing to an FTTH plan continued increasing, reaching 69% versus 58% one year earlier. The fixed customer base totalled 4.8 million, with 86,000 new adds in the first six months. Bouygues Telecom had a 16.5%² share of the national FTTH market at end-March 2023.

This performance is explained in particular by the roll-out of FTTH, which remains sustained. At the end of the first half, Bouygues Telecom had over 32 million FTTH premises marketed and is firmly on course to reach the target of 35 million FTTH premises by end-2026.

('000)	End-June 2023	End-Dec 2022	Change
Mobile customer base excl. MtoM	15,600	15,499	+101
Mobile plan base excl. MtoM	15,331	15,222	+109
Total mobile customers	22,892	22,455	+437
FTTH customers	3,263	2,993	+270
Total fixed customers	4,756	4,670	+86

Dispute with Free Mobile

On 9 February 2023, the Paris Commercial Court ordered Bouygues Telecom to pay Free Mobile €310 million³ in damages in connection with the dispute between the two companies concerning Bouygues Telecom's former smartphone plus mobile plan bundled offers, and stated that there must be immediate execution of the ruling.

Free Mobile then decided to enforce the immediate execution of the ruling. As a result, Bouygues Telecom paid Free Mobile the sum of €308 million, plus the statutory interest on 16 May 2023. Bouygues Telecom is disputing the ruling of the Paris Commercial Court and has lodged an appeal to the Paris Court of Appeal.

CSR strategy

In line with its 2020-2030 Climate Strategy, Bouygues Telecom rolled out several environmentally-responsible initiatives in the first half of 2023:

- Bouygues Telecom pursued its energy efficiency plan and supported its customers and employees in adopting eco-friendly digital behaviour. It has posted a series of videos and a second newsletter outlining tips for more responsible consumption, in line with the French government's "Every gesture counts" campaign, launched in October 2022.

¹ Arcep survey (the French telecoms regulator), October 2022.

² Data from the Arcep Observatory for Q1 2023.

³ €308m plus the statutory interest of €2m.

- In February 2023, Bouygues Telecom unveiled its latest generation of 5G routers for superfast, high-quality internet. Made from 95% recycled plastic, the router has been specially designed to be easily refurbished or reused, thereby limiting its environmental impact.
- Since March 2023, Bouygues Telecom Entreprises has been offering its customers the new "Eco portail Entreprise" solution. Aimed at mobile fleet managers, CSR managers and employees, this customisable platform offers a host of features to help businesses with their CSR initiatives. More specifically, this solution monitors the carbon impact of digital content, promotes personalised content and provides conferences and diploma training courses.

Bouygues Telecom's reputation as a socially responsible company was highlighted in March 2023 with the publication of its Gender Equality Index for 2022. Its score of 99/100 shows its strong commitment to gender equality in the workplace over a number of years.

2.7.2. Key figures

(€ million)	H1 2023	H1 2022	Change
Sales	3,806	3,636	+5% ^a
<i>o/w sales from services</i>	2,948	2,824	+4%
<i>o/w sales billed to customers</i>	2,914	2,747	+6%
<i>o/w other sales</i>	858	812	+6%
EBITDA after Leases	928	830	+98
<i>EBITDA after Leases/sales from services</i>	31.5%	29.4%	+2.1 ptss
Current operating profit/(loss) from activities	366	309	+57
Current operating profit/(loss)	352	295	+57
Operating profit/(loss)	363 ^b	305 ^b	+58
Net profit/(loss) attributable to the Group	213	193	+20
Gross capital expenditure	(857)	(869)	+12
Divestments	2	32 ^c	-30

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

(b) includes €11m non-current income in first-half 2023 and €10m of non-current income in first-half 2022.

(c) Mostly connected with the sale of data centres.

Sales billed to customers reflected this commercial momentum and reached €2.9 billion, up 6% versus first-half 2022, lifted by growth in the mobile and fixed customer bases and solid ABPU (year-on-year, mobile ABPU¹ has grown €0.3 to €19.7 per customer per month, while fixed ABPU has increased €1.8 to €30.5 per customer per month).

Sales from services rose 4% year-on-year, still held back by the decrease in sales from incoming traffic. Other sales increased 6% year-on-year, driven mainly by growth in built-to-suit sales. In total, the operator's sales increased 5% versus first-half 2022.

EBITDA after Leases rose €98 million year-on-year to €928 million, driven by sales growth and tight control on costs. The EBITDA after Leases margin continued increasing, up to 31.5% (+2.1 points versus end-June 2022).

Current operating profit from activities (COPA) was €366 million, up €57 million year-on-year.

This included non-current income of €11 million, which relates mainly to the reversal of an unused impairment provision on a leasehold asset.

Gross capital expenditure excluding frequencies was €857 million at end-June 2023, which was a similar level to first-half 2022.

¹ Q2 2023 ABPU – Mobile ABPU is no longer restated for the roaming impact.

2.7.3. Outlook

As it continues to grow its customer base, particularly in the fixed segment, and maintains its investments to boost its mobile network capacity, Bouygues Telecom confirms its 2023 guidance as follows:

- an increase in sales billed to customers;
- EBITDA after Leases of around €1.9 billion;
- gross capital expenditure at around €1.5 billion excluding frequencies.

2.8. Bouygues SA

Bouygues SA reported a net profit of €565 million under French accounting standards in the first half of 2023, €141 million lower than in the first half of 2022. The year-on-year decrease mainly reflects a reduction of €163 million in dividends received from the business segments (the fact that Bouygues Telecom did not pay a dividend in 2023 was partly offset by receipt of the first dividend from Equans), and an increase of €46 million in financing costs, associated with the acquisition of Equans, which was partly offset by the non-recurrence in 2023 of costs incurred on the Equans and Newborn transactions (impact: €34 million).

2.9. Risks and uncertainties

The ‘Risks and risk management’ section (Chapter 4) of the 2022 Universal Registration Document contains a description of the risk factors to which the Group is exposed.

There has been no significant change to the risk factors during the first six months of 2023.

The significant developments in ongoing disputes described in the “Claims and litigation” section are shown below (currency amounts are shown in euros based on the exchange rate of 30 June 2023).

2.9.1. BOUYGUES CONSTRUCTION

France – Île-de-France Regional Authority Contracts

Following a Competition Council (now the Competition Authority) ruling on 9 May 2007, the Île-de-France Regional Authority (the “Region”) filed a compensation claim in 2008 for losses it claimed to have incurred as a result of the 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 seized 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 barred by limitation in several judgements dated 29 July 2019.

The Region appealed and the Paris Administrative Court of Appeal held in two judgements dated 19 February 2021 that the Region’s claim was not barred by limitation and ordered the prejudice to be assessed by a court-appointed expert.

In two judgements dated 17 May 2023, the *Conseil d’État* (Supreme Administrative Court) dismissed the appeals lodged by the Group companies concerned against the aforementioned judgements of the Administrative Court of Appeal.

The report by the expert appointed by the Administrative Court of Appeal in 2021, which was suspended pending the decision of the *Conseil d'État*, has now resumed.

France – Bouygues Construction Expertises Nucléaires

On 12 February 2019, searches and seizures took place at the premises of the offices of Bouygues Construction Expertises Nucléaires at Bagnols-sur-Cèze, France, after they had been authorised by a judgement of the Nanterre District Court following an application by the Rapporteur General of the French Competition Authority on 4 February 2019.

The investigation involves practices which are prohibited under article L420-1 of the French Commercial Code in the engineering, maintenance, dismantling, and processing of waste from the nuclear plant sector.

The scope of the investigations covers all ten contracts awarded by CEA (the French Alternative Energies and Atomic Energy Commission) for its Marcoule site.

On 23 June 2022, the Competition Authority sent a statement of objections to Bouygues Construction Expertises Nucléaires, as the originator, as well as to Bouygues Travaux Publics and Bouygues as the parent companies. A hearing before the French Competition Authority was held on 30 March 2023.

France – Tax procedures

Following audits on the financial years 2018 and 2019, the Directorate of National and International Audits of France's Public Finances Directorate notified Bouygues Construction of two proposed adjustments in respect of corporation tax, the contribution on added value and withholding tax. The French tax authorities consider that the amount of royalties received by Bouygues Construction from its subsidiaries in respect of brand licences should be increased. Bouygues Construction, which is contesting both the principle and the amount of the increase, has launched an administrative appeal.

2.9.2. EQUANS

Ireland – Belfast biomass plant

On 3 November 2015, Bouygues E&S Contracting UK Limited ("BYES Contracting") and Full Circle Generation Ltd (the "Client") entered into a (i) Design-and-Build contract (the "DBC") and (ii) an Operation-Maintenance contract (the "OMC") to construct a biomass plant (Energy from Waste) in the port of Belfast.

The plant was handed over on 26 March 2020. Given that the Client considered that the performance tests carried out from that date were inconclusive, it terminated the DBC for fault on 5 July 2021, and the OMC for fault on 6 July 2021. BYES Contracting disputes the Client's right of termination.

The Client began arbitration proceedings on 28 March 2022 for damages for the plant failing to achieve the required performances. In a memorandum to the court dated 30 June 2023, the Client estimated these damages at €323.8 million under the DBC and €88.5 million under the OMC (excluding interest). The matter is proceeding.

Chile – Santiago Hospital

In January 2021, *Ima Industrial* ("Ima"), a subsidiary of Equans in Chile, was subcontracted by *Constructora de Infraestructura de Chile SPA* ("CICH"), the main contractor for the construction of Salvador hospital, to carry out the HVAC package. On 5 December 2022, Ima submitted a claim to CICH for an extension of the deadlines and an indemnity for additional costs incurred during the performance of the contract, amounting to €9.8 million. On 13 December 2022, CICH notified Ima of the early termination of the contract, citing breach of contractual specifications. Arbitration proceedings have been initiated before the Arbitration and Mediation Centre of the Santiago Chamber of Commerce. An initial hearing took place on 8 March 2023.

2.9.3. BOUYGUES TELECOM

Mobile handset litigation

In October 2019, Free Mobile sued Bouygues Telecom before the Paris Commercial Court for unfair competition because 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, this court ordered Bouygues Telecom to pay Free Mobile the sum of €308 million in damages and stated that there must be immediate execution of the ruling.

Free Mobile then decided to enforce the immediate execution of the ruling. As a result, Bouygues Telecom paid Free Mobile the sum of €308 million, plus the statutory interest, bringing the total to €310 million, on 16 May 2023. Bouygues Telecom is disputing the ruling of the Paris Commercial Court and has lodged an appeal to the Paris Court of Appeal.

Access to FTTH infrastructure

- On 30 January 2020, Bouygues Telecom seized Arcep with a claim to settle the disputes over the FTTH rental price offered by SFR FTTH (now XP Fibre) in the "SFMD" zone (the legacy SFR AMII Medium Dense Area + AMEL zone). Arcep, in a decision on 5 November 2020, compelled XP Fibre to restore the applicable co-financing rates which were in force before 1 February 2020 and to offer Bouygues Telecom a maximum rental price of €13.20 excl. VAT/month/line. In a ruling handed down on 20 April 2023, the Paris Court of Appeal upheld Arcep's decision. XP Fibre lodged an appeal to the *Cour de cassation* (French Supreme Court) on 8 June 2023.
- On 14 October 2021, Bouygues Telecom seized Arcep with a claim concerning the disputes over the financial terms for reimbursing the activation fee for connecting end customers within the scope of the contract of access concluded with Orange in its capacity as an FTTH infrastructure operator in the Very Dense Areas of France. On 29 March 2022, Arcep (the French telecoms regulator) granted Bouygues Telecom's claims, directing Orange to modify the provisions in its contract concerning returning contributions for connection costs. Orange has lodged an appeal against this decision with the Paris Court of Appeal. These proceedings are ongoing.
- On 24 February 2023, Bouygues Telecom and Société de Développement pour l'Accès à l'Infrastructure Fibre (SDAIF), in which Bouygues Telecom is the majority shareholder, brought an action against Orange before the Paris Commercial Court seeking repayment of the connection fees due to them in respect of FTTH lines terminated in the Very Dense Area (for the period prior to that covered by the dispute referred to in the previous paragraph) and in the Less Dense Area (since 1 January 2018). Bouygues Telecom and SDAIF are claiming more than €124 million. Orange has applied for a stay of proceedings pending the decision of the Court of Appeal in the dispute referred to in the previous paragraph. Bouygues Telecom opposes this request.

Tel and Com c/ Bouygues Telecom

Tel and Com, a specialised distributor whose contract was not renewed when it expired, filed a claim against Bouygues Telecom in the Paris Commercial Court on 10 November 2015 alleging the sudden break off of an established business relationship. Tel and Com claimed that Bouygues Telecom had not given a sufficient period of notice and claimed damages of €125.7 million for its loss. In a judgement dated 20 December 2019, the Paris Court of Appeal held that the periods of notice given by Bouygues Telecom had been sufficient. Following an appeal lodged by Tel and Com, the *Cour de cassation* partially quashed this judgement, returning the case to the Paris Court of Appeal to be rejudged by a different bench of judges. The distributor is claiming an indemnity of €120 million before the Court of Appeal to which the case was transferred. In a decision dated 31 March 2023, the Court of Appeal ruled that the notice period had been insufficient and ordered an expert appraisal to assess the loss claimed by Tel and Com.

2.10. Related-party transactions

No related-party transactions liable to materially affect Bouygues' financial situation or results were concluded in the first half of 2023. Likewise, no change to related-party transactions liable to materially affect Bouygues' financial situation or results occurred during that period. Under the terms of agreements authorised by the Board of Directors and approved by the Annual General Meeting, Bouygues provided services to its sub-groups, mainly in the areas of management, human resources, information systems and finance.

More detailed information about related-party transactions is given in Note 13 of the notes to the condensed consolidated first-half financial statements.

2.11. Events subsequent to 30 June 2023

None.

3. GLOSSARY

ABPU (Average Billing Per User):

- In the mobile segment, it is equal to the total of mobile sales billed to customers (BtoC and BtoB) divided by the average number of customers over the period. It excludes MtoM SIM cards and free SIM cards.

- In the fixed segment, it is equal to the total of fixed sales billed to customers (excluding BtoB) divided by the average number of customers over the period.

BtoB (business to business): when one business makes a commercial transaction with another.

Backlog (Bouygues Construction, Colas, Equans): the amount of work still to be done on projects for which a firm order has been taken, i.e. the contract has been signed and has taken effect (after notice to proceed has been issued and suspensory clauses have been lifted).

Backlog (Bouygues Immobilier): sales outstanding from notarised sales plus total sales from signed reservations that have still to be notarised.

Under IFRS 11, Bouygues Immobilier's backlog does not include sales from reservations taken via companies accounted for by the equity method (co-promotion companies where there is joint control).

Construction businesses: Bouygues Construction, Bouygues Immobilier and Colas.

Current operating profit/(loss) from activities: current operating profit from activities (COPA) equates to current operating profit before amortisation and impairment of intangible assets recognised in acquisitions (PPA).

EBITDA after Leases: current operating profit after taking account of the interest expense on lease obligations, before (i) net charges for depreciation, amortisation and impairment losses on property, plant and equipment and intangible assets, (ii) net charges to provisions and other impairment losses and (iii) effects of losses of control. Those effects relate to the impact of remeasuring retained interests.

EBITDA margin after Leases (Bouygues Telecom): EBITDA after Leases as a proportion of sales from services.

Energies & services: Equans.

Free cash flow: net cash flow (determined after (i) cost of net debt, (ii) interest expense on lease obligations and (iii) income taxes paid), minus net capital expenditure and repayments of lease obligations. It is calculated before changes in working capital requirements (WCR) related to operating activities and excluding frequencies.

FTTH (Fibre to the Home): optical fibre from the central office (where the operator's transmission equipment is installed) all the way to homes or business premises (Arcep definition).

FTTH premises secured: premises for which the horizontal is deployed, being deployed or ordered up to the concentration point.

FTTH premises marketed: the connectable sockets, i.e. the horizontal and vertical deployed and connected via the concentration point.

Growth in sales like-for-like and at constant exchange rates:

- at constant exchange rates: change after translating foreign-currency sales for the current period at the exchange rates for the comparative period;
- on a like-for-like basis: change in sales for the periods compared, adjusted as follows:
 - for acquisitions, by deducting from the current period those sales of the acquired entity that have no equivalent during the comparative period;
 - for divestments, by deducting from the comparative period those sales of the divested entity that have no equivalent during the current period.

MtoM: machine to machine communication. This refers to direct communication between machines or smart devices or between smart devices and people via an information system using mobile communications networks, generally without human intervention.

Net surplus cash/(net debt): the aggregate of cash and cash equivalents, overdrafts and short-term bank borrowings, non-current and current debt, and financial instruments. Net surplus cash/(net debt) does not include non-current and current lease obligations. A positive figure represents net surplus cash and a negative figure represents net debt. The main components of change in net debt are presented in Note 7 to the consolidated financial statements at 30 June 2023.

Order intake (Bouygues Construction, Colas): a project is included under order intake when the contract has been signed and has taken effect (the notice to proceed has been issued and all suspensory clauses have been lifted) and the financing has been arranged. The amount recorded corresponds to the sales the project will generate.

Reservations by value (Bouygues Immobilier): the € amount of the value of properties reserved over a given period.

- Residential properties: the sum of the value of unit and block reservation contracts signed by customers and approved by Bouygues Immobilier, minus registered cancellations.
- Commercial properties: these are registered as reservations on notarised sale.

For co-promotion companies:

- if Bouygues Immobilier has exclusive control over the co-promotion company (full consolidation), 100% of amounts are included in reservations;
- if joint control is exercised (the company is accounted for by the equity method), commercial activity is recorded according to the amount of the equity interest in the co-promotion company.

Sales from services (Bouygues Telecom) comprise:

- Sales billed to customers, which include:
 - In Mobile:
 - For BtoC customers: sales from outgoing call charges (voice, texts and data), connection fees, and value-added services.
 - For BtoB customers: sales from outgoing call charges (voice, texts and data), connection fees, and value-added services, plus sales from business services.
 - Machine-To-Machine (MtoM) sales.
 - Visitor roaming sales.
 - Sales generated with Mobile Virtual Network Operators (MVNOs).
 - In Fixed:
 - For BtoC customers: sales from outgoing call charges, fixed broadband services, TV services (including Video on Demand and catch-up TV), and connection fees and equipment hire.
 - For BtoB customers: sales from outgoing call charges, fixed broadband services, TV services (including Video on Demand and catch-up TV), and connection fees and equipment hire, plus sales from business services.
 - Sales from bulk sales to other fixed line operators.
- Sales from incoming Voice and Texts.
- Spreading of handset subsidies over the projected life of the customer account, required to comply with IFRS 15.
- Capitalisation of connection fee sales, which is then spread over the projected life of the customer account.

Other sales (Bouygues Telecom): difference between Bouygues Telecom's total sales and sales from services.

It comprises:

- sales from handsets, accessories and other;
- roaming sales;
- non-telecom services (construction of sites or installation of FTTH lines);
- co-financing of advertising.

Wholesale: wholesale market for telecoms operators.

4.CONDENSED CONSOLIDATED FIRST-HALF FINANCIAL STATEMENTS

BOUYGUES GROUP CONSOLIDATED FINANCIAL STATEMENTS

Consolidated balance sheet (€ million)

ASSETS	Note	30/06/2023 net	31/12/2022 net	30/06/2022 net
Property, plant and equipment		9,464	9,187	8,360
Right of use of leased assets		2,541	2,472	1,955
Intangible assets		3,901	3,969	2,665
Goodwill	3.1	12,663	12,626	7,372
Investments in joint ventures and associates	3.2	1,746	1,686	1,521
Other non-current financial assets		973	584	605
Deferred tax assets		523	489	349
NON-CURRENT ASSETS		31,811	31,013	22,827
Inventories		3,290	3,131	3,230
Advances and down-payments made on orders		424	422	413
Trade receivables		10,255	9,573	7,942
Customer contract assets		6,450	5,595	3,514
Current tax assets		286	306	208
Other current receivables and prepaid expenses		4,842	4,475	3,809
Cash and cash equivalents	7	2,285	5,736	4,593
Financial instruments - Hedging of debt	7	49	193	791
Other current financial assets		16	32	42
CURRENT ASSETS		27,897	29,463	24,542
Held-for-sale assets and operations			119	275
TOTAL ASSETS		59,708	60,595	47,644
LIABILITIES AND SHAREHOLDERS' EQUITY	Note	30/06/2023	31/12/2022	30/06/2022
Share capital	4	381	375	383
Share premium and reserves		11,264	10,843	10,821
Translation reserve		81	75	168
Treasury shares			(54)	(188)
Net profit/(loss) attributable to the Group	11	225	973	147
SHAREHOLDERS' EQUITY ATTRIBUTABLE TO THE GROUP		11,866	12,212	11,331
Non-controlling interests		1,706	1,720	1,643
SHAREHOLDERS' EQUITY		13,572	13,932	12,974
Non-current debt	6.1/7	11,771	11,586	7,255
Non-current lease obligations		2,127	2,107	1,670
Non-current provisions	5.1	2,232	2,250	1,917
Deferred tax liabilities		729	759	585
NON-CURRENT LIABILITIES		16,859	16,702	11,427
Current debt	6.1/7	667	1,361	1,411
Current lease obligations		512	498	376
Current tax liabilities		357	349	179
Trade payables		10,822	11,116	8,623
Customer contract liabilities		7,221	6,941	4,865
Current provisions	5.2	1,801	1,832	1,211
Other current liabilities		7,415	7,385	6,064
Overdrafts and short-term bank borrowings	7	462	418	419
Financial instruments - Hedging of debt	7	7	4	4
Other current financial liabilities		13	13	17
CURRENT LIABILITIES		29,277	29,917	23,169
Liabilities related to held-for-sale operations			44	74
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		59,708	60,595	47,644
NET SURPLUS CASH/(NET DEBT)	7/11	(10,573)	(7,440)	(3,705)

Consolidated income statement (€ million)

	Note	First half		Second quarter		Full year
		2023	2022	2023	2022	2022
SALES ^a	8/11	26,136	18,531	14,129	10,327	44,322
Other revenues from operations		22	33	12	17	76
Purchases used in production		(11,775)	(8,356)	(6,455)	(4,827)	(19,372)
Personnel costs		(7,185)	(4,501)	(3,800)	(2,406)	(10,381)
External charges		(5,354)	(4,325)	(2,683)	(2,152)	(10,572)
Taxes other than income tax		(384)	(355)	(133)	(122)	(639)
Net charges for depreciation, amortisation and impairment losses on property, plant and equipment and intangible assets		(1,075)	(977)	(557)	(499)	(2,228)
Net charges for depreciation, amortisation and impairment losses on right of use of leased assets		(272)	(194)	(134)	(106)	(446)
Charges to provisions and other impairment losses, net of reversals due to utilisation		20	59	24	51	(172)
Change in production and property development inventories		(34)	90	(36)	59	61
Other income from operations ^b		967	994	426	549	2,565
Other expenses on operations		(385)	(507)	(98)	(322)	(1,252)
CURRENT OPERATING PROFIT/(LOSS)	9/11	681	492	695	569	1,962
Other operating income		41	17	31	9	93
Other operating expenses		(121)	(61)	(87)	(37)	(183)
OPERATING PROFIT/(LOSS)	9/11	601	448	639	541	1,872
Financial income		37	13	19	6	33
Financial expenses		(186)	(86)	(99)	(44)	(231)
INCOME FROM NET SURPLUS CASH/(COST OF NET DEBT)		(149)	(73)	(80)	(38)	(198)
Interest expense on lease obligations	11	(37)	(29)	(19)	(14)	(62)
Other financial income		56	42	33	16	91
Other financial expenses		(71)	(46)	(37)	(23)	(118)
Income tax	10	(155)	(103)	(152)	(130)	(424)
Share of net profits/losses of joint ventures and associates	3.2/11	46	(8)	31	(5)	(30)
Net profit/(loss) from continuing operations		291	231	415	347	1,131
Net profit/(loss) from discontinued operations						
NET PROFIT/(LOSS)		291	231	415	347	1,131
Net profit/(loss) attributable to the Group	11	225	147	359	278	973
Net profit/(loss) attributable to non-controlling interests		66	84	56	69	158
BASIC EARNINGS PER SHARE FROM CONTINUING OPERATIONS ATTRIBUTABLE TO THE GROUP (€)		0.60	0.38	0.96	0.72	2.55
DILUTED EARNINGS PER SHARE FROM CONTINUING OPERATIONS ATTRIBUTABLE TO THE GROUP (€)		0.60	0.38	0.96	0.72	2.55
(a) Of which sales generated abroad		12,797	7,410	7,180	4,442	20,154
(b) Of which reversals of unutilised provisions/impairment losses & other items		127	149	51	94	364

Consolidated statement of recognised income and expense (€ million)

	First half		Second quarter		Full year	
	2023	2022	2023	2022	2022	2022
NET PROFIT/(LOSS)	291	231	415	347	1,131	
Items not reclassifiable to profit or loss						
Actuarial gains/losses on post-employment benefits	(21)	142	(21)	128	206	
Remeasurement of investments in equity instruments	7	(2)	5	2	(1)	
Net tax effect of items not reclassifiable to profit or loss	4	(31)	6	(28)	(49)	
Share of non-reclassifiable income and expense of joint ventures and associates		1	(1)	1	1	
Items reclassifiable to profit or loss						
Translation adjustments	5	71	1	40	(19)	
Remeasurement of hedging assets	(33)	794	(8)	386	1,034	
Net tax effect of items reclassifiable to profit or loss	7	(203)	1	(99)	(262)	
Share of reclassifiable income and expense of joint ventures and associates	(6)	67	5	47	108	
INCOME AND EXPENSE RECOGNISED DIRECTLY IN EQUITY	(37)	839	(12)	477	1,018	
TOTAL RECOGNISED INCOME AND EXPENSE	254	1,070	403	824	2,149	
Recognised income and expense attributable to the Group	188	970	346	743	1,971	
Recognised income and expense attributable to non-controlling interests	66	100	57	81	178	

Consolidated statement of changes in shareholders' equity (€ million)

	Share capital and share premium	Reserves related to capital and retained earnings	Consolidated reserves and profit/(loss)	Treasury shares	Items recognised directly in equity	TOTAL ATTRIBUTABLE TO THE GROUP	Non-controlling interests	TOTAL
POSITION AT 31 DECEMBER 2021	2,825	3,306	5,213	(88)	(112)	11,144	1,645	12,789
Movements during the first half of 2022								
Net profit/(loss)			147			147	84	231
Income and expense recognised directly in equity					823	823	16	839
Total recognised income and expense^b			147		823	970	100	1,070
Capital and reserves transactions, net	1	(130)	130			1		1
Acquisitions and disposals of treasury shares			(4)	(100)		(104)		(104)
Acquisitions and disposals with no change of control			(12)			(12)	(1)	(13)
Dividend paid			(680)			(680)	(95)	(775)
Share-based payments			5			5	1	6
Other transactions (changes in scope of consolidation, other transactions with shareholders, and miscellaneous items)			7			7	(7)	
POSITION AT 30 JUNE 2022	2,826	3,176	4,806	(188)	711	11,331	1,643	12,974
Movements during the second half of 2022								
Net profit/(loss)			826			826	74	900
Income and expense recognised directly in equity					175	175	4	179
Total recognised income and expense^b			826		175	1,001	78	1,079
Capital and reserves transactions, net	(259)			258		(1)		(1)
Acquisitions and disposals of treasury shares			(2)	(124)		(126)		(126)
Acquisitions and disposals with no change of control			(3)			(3)		(3)
Dividend paid							(2)	(2)
Share-based payments			8			8	1	9
Other transactions (changes in scope of consolidation, other transactions with shareholders, and miscellaneous items)			2			2		2
POSITION AT 31 DECEMBER 2022	2,567	3,176	5,637	(54)	886	12,212	1,720	13,932
Movements during the first half of 2023								
Net profit/(loss)			225			225	66	291
Income and expense recognised directly in equity					(37) ^a	(37)	^a	(37)
Total recognised income and expense^b			225		(37)	188	66	254
Capital and reserves transactions, net	7	142	(5)	5		149		149
Acquisitions and disposals of treasury shares			8	(36)		(28)		(28)
Acquisitions and disposals with no change of control			(12)			(12)		(12)
Dividend paid			(671)			(671)	(70)	(741)
Share-based payments			17			17	1	18
Other transactions (changes in scope of consolidation, other transactions with shareholders, and miscellaneous items)			11			11	(11)	
POSITION AT 30 JUNE 2023	2,574	3,318	5,210	(85)	849	11,866	1,706	13,572

(a) Change in translation reserve:

	Attributable to:	Group	Non-controlling interests	Total
Controlled companies		5		5
Investments in joint ventures and associates		1		1
		6		6

(b) See statement of recognised income and expense.

Consolidated cash flow statement (€ million)

	Note	First half 2023	2022	Full year 2022
I - CASH FLOW FROM CONTINUING OPERATIONS				
A - NET CASH GENERATED BY/(USED IN) OPERATING ACTIVITIES				
Net profit/(loss) from continuing operations		291	231	1,131
Adjustments:				
Share of profits/losses of joint ventures and associates, net of dividends received		6	57	92
Dividends from non-consolidated companies		(2)	(6)	(11)
Net charges to/(reversals of) depreciation, amortisation, impairment of property, plant and equipment and intangible assets, and non-current provisions		1,030	926	2,261
Net charges to amortisation and impairment expense and other adjustments to right of use of leased assets		255	203	424
Gains and losses on asset disposals		(42)	(75)	(285)
Income taxes, including uncertain tax positions		155	103	424
Income taxes paid		(258)	(176)	(518)
Other income and expenses with no cash effect		(23)	(37)	(194)
CASH FLOW AFTER INCOME FROM NET SURPLUS CASH/COST OF NET DEBT, INTEREST EXPENSE ON LEASE OBLIGATIONS AND INCOME TAXES PAID	11	1,412	1,226	3,324
Reclassification of income from net surplus cash/cost of net debt and interest expense on lease obligations		186	102	260
Changes in working capital requirements related to operating activities (including current impairment and provisions) ^a	11	(1,960)	(2,228)	(606)
NET CASH GENERATED BY/(USED IN) OPERATING ACTIVITIES		(362)	(900)	2,978
B - NET CASH GENERATED BY/(USED IN) INVESTING ACTIVITIES				
Purchase price of property, plant and equipment and intangible assets	11	(1,241)	(1,185)	(2,625)
Proceeds from disposals of property, plant and equipment and intangible assets	11	110	121	404
Net liabilities related to property, plant and equipment and intangible assets		(162)	(244)	(105)
Purchase price of non-consolidated companies and other investments		(83)	(9)	(20)
Proceeds from disposals of non-consolidated companies and other investments		7	13	16
Net liabilities related to non-consolidated companies and other investments		76		
Purchase price of investments in consolidated activities		(71)	(26)	(6,269)
Proceeds from disposals of investments in consolidated activities		53	56	281
Net liabilities related to consolidated activities		(40)	(56)	(97)
Other effects of changes in scope of consolidation: cash of acquired and divested companies	7	2	(8)	(252)
Other cash flows related to investing activities: changes in loans, dividends received from non-consolidated companies	1	(310)	(118)	36
NET CASH GENERATED BY/(USED IN) INVESTING ACTIVITIES		(1,659)	(1,456)	(8,631)
C - NET CASH GENERATED BY/(USED IN) FINANCING ACTIVITIES				
Capital increases/(reductions) paid by shareholders and non-controlling interests and other transactions between shareholders		66	(149)	(283)
Dividends paid to shareholders of the parent company		(671)	(680)	(680)
Dividends paid by consolidated companies to non-controlling interests		(70)	(95)	(97)
Change in current and non-current debt	7	(496)	1,555	5,745
Repayment of lease obligations	11	(270)	(206)	(441)
Income from net surplus cash/cost of net debt and interest expense on lease obligations		(186)	(102)	(260)
Other cash flows related to financing activities	7	142	42	869
		(1,485)	365	4,853
D - EFFECT OF FOREIGN EXCHANGE FLUCTUATIONS	7	11	26	(32)
CHANGE IN NET CASH POSITION (A + B + C + D)		(3,495)	(1,965)	(832)
NET CASH POSITION AT START OF PERIOD	7	5,318	6,150	6,150
Net cash flows	7	(3,495)	(1,965)	(832)
Non-monetary flows				
Held-for-sale operation			(11)	
NET CASH POSITION AT END OF PERIOD	7	1,823	4,174	5,318
II - CASH FLOWS FROM DISCONTINUED OPERATIONS				
NET CASH POSITION AT START OF PERIOD				
Net cash flows				
NET CASH POSITION AT END OF PERIOD				

(a) Definition of changes in working capital requirements related to operating activities: current assets minus current liabilities, excluding (i) income taxes; (ii) receivables/liabilities related to property, plant and equipment and intangibles assets; (iii) current debt; (iv) current lease obligations; and (v) financial instruments used to hedge debt.

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)



Making progress become reality

CONTENTS

NOTE 1	SIGNIFICANT EVENTS	3
NOTE 2	GROUP ACCOUNTING POLICIES.....	10
NOTE 3	NON-CURRENT ASSETS	12
NOTE 4	CONSOLIDATED SHAREHOLDERS' EQUITY	13
NOTE 5	NON-CURRENT AND CURRENT PROVISIONS.....	14
NOTE 6	NON-CURRENT AND CURRENT DEBT	15
NOTE 7	CHANGE IN NET DEBT	16
NOTE 8	SALES.....	16
NOTE 9	OPERATING PROFIT/(LOSS).....	17
NOTE 10	INCOME TAXES	18
NOTE 11	SEGMENT INFORMATION	19
NOTE 12	OFF BALANCE SHEET COMMITMENTS	24
NOTE 13	RELATED PARTY INFORMATION	24

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	Provisions for project risks and project completion				Other current provisions ^a	Total
	Provisions for customer warranties	Provisions for losses to completion	Provisions for losses to completion	Provisions for losses to completion		
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.

5. AUDITORS' REPORT ON FIRST-HALF FINANCIAL INFORMATION

To the shareholders,

In compliance with the assignment entrusted to us by your Annual General Meetings and in accordance with the requirements of Article L. 451-1-2 III of the French Monetary and Financial Code (Code Monétaire et Financier), we hereby report to you on:

- the review of the accompanying condensed half-yearly consolidated financial statements of Bouygues, for the period from 1 January to 30 June 2023;
- the verification of the information presented in the half-yearly management report.

These condensed half-yearly consolidated financial statements were prepared under the responsibility of the Board of Directors. Our role is to express a conclusion on these financial statements based on our review.

1. Conclusion on the financial statements

We conducted our review in accordance with professional standards applicable in France. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with professional standards applicable in France and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed half-yearly consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34, the standard issued by the IASB and endorsed by the European Union applicable to interim financial information.

2. Specific verification

We have also verified the information presented in the half-yearly management report on the condensed half-yearly consolidated financial statements subject to our review.

We have no matters to report as to its fair presentation and consistency with the condensed half-yearly consolidated financial statements.

Paris-La Défense, 27 July 2023

The Statutory Auditors

MAZARS

ERNST & YOUNG Audit

Jean-Marc Deslandes

Nicolas Pfeuty

6.STATEMENT BY THE PERSON RESPONSIBLE FOR THE FIRST-HALF FINANCIAL REPORT

I certify that to the best of my knowledge the condensed consolidated financial statements for the past half-year have been prepared in accordance with the relevant accounting standards and give a true and fair view of the assets and liabilities, financial position and results of the company and of affiliated undertakings and that the attached first-half review of operations provides an accurate representation of significant events in the first six months of the year and of their impact on the first-half financial statements, of the main related-party transactions and of the main risks and uncertainties for the remaining six months.

Paris, 27 July 2023



Olivier Roussat

Chief Executive Officer

