

Profile

Growth strategy and opportunities

Today more than ever, Bouygues Telecom continues to meet the expectations of its customers and adapt to their changing behaviour. This is made possible by:

- the excellent quality of its mobile and fixed networks,
- the seamless, user-friendly experience of its services, and
- the comprehensive offers that are available to retail and business customers throughout France.

Its strong brand identity and the unwavering dedication of its 10,300 employees also contribute to the success of the strategy.

Leveraging these strengths, Bouygues Telecom now wants to ramp up growth on a French market being driven by the two major technological breakthroughs of FTTH and 5G.

The “Ambition 2026” strategic plan, unveiled at the start of 2021, breaks down into three main objectives:

Become the number 2 in mobile as recognised by customers

Bouygues Telecom wants to be recognised by customers as the number two mobile operator in the French market.

The priority is to roll out a reliable 5G network while maintaining the excellent quality of the 4G network. Bouygues Telecom wants to maintain its ranking as the number two mobile operator^(a) for network quality and quadruple its network capacity by 2026. Accordingly, it plans to increase its coverage to over 28,000 sites by the end of 2023 and to 35,000 sites by the end of 2026.

Bouygues Telecom is currently the third-ranked mobile operator in France in terms of market share.

The long-term partnership signed with Crédit Mutuel provides the benefits of the latter’s complementary network of 4,500 local bank branches which distribute the mobile and fixed products and services of Bouygues Telecom. This will shore up the operator’s pre-existing network of 523 stores.

Gain an additional 3 million FTTH customers

The sharp increase in demand for fibre, both from retail and business customers on the French market, opens up new opportunities for market share gains. With this in mind, Bouygues Telecom is now aiming for an additional three million FTTH customers by the end of 2026 versus end-2020.

It plans to double its FTTH coverage to reach 35 million premises marketed by the end of 2026. With 29.7 million premises marketed at end-2022, it beat its intermediate end-2022 target of 27 million.

To achieve this goal, it will leverage its direct investments and partnerships. Help will come from the agreement with Cityfast in half of France’s very dense areas, in addition to its own investment. In the medium-dense and PIN (Public initiative network) zones, it will capitalise on its partnership with Vauban Infrastructure Partners and on agreements signed with local operators.

(a) Arcep survey, October 2022.

(b) Formerly Nerim.

(c) FTTO: Fibre-To-The-Office; FTTA: Fibre-To-The-Antenna.

(d) Power Purchase Agreement.

Double market share in fixed B2B and become a Wholesale Fixed player

As the third ranked operator in the B2B market, Bouygues Telecom wants to ramp up its growth, particularly in fixed. The aim is to increase its share of the fixed B2B market by five points. To achieve this, it will:

- consolidate its position as a benchmark in B2B customer relations;
- leverage its multi-channel distribution network, which is considerably stronger since the acquisition of Keyyo and OnCloud^(b), and the signing of the long-term distribution agreement with the Crédit Mutuel-CIC banking group, whose network has a strong SME customer base, and
- monetise its FTTO and FTTA^(c) infrastructure.

As a top-notch B2B player, Bouygues Telecom draws on strategic partnerships to offer enhanced connectivity products and services. For example, it is working with Capgemini, IBM and Accenture to support B2B customers share innovation around 5G technology.

In addition, Bouygues Telecom is expanding its fixed wholesale offer by capitalising on its expertise and leadership in mobile wholesale and on the rapid roll-out of its FTTO and FTTA infrastructure.

Finally, across all its markets, Bouygues Telecom is leveraging its new brand positioning “*We are made to be together*” and is successfully pursuing its value creation strategy.

Climate strategy

In recognition of the impact its activities have on the environment, Bouygues Telecom has pursued a clearly-defined green strategy to reduce its consumption of raw materials for the last 20 years. For example, in 2004, it launched a collection service to recycle used handsets and, in 2007, it integrated scope 3 emissions (indirect CO₂ emissions) into its carbon footprint before this became a legal requirement. In 2011, it was also the first French operator to provide a mobile handset refurbishing service and, in 2019, to offer a rapid-repair service.

Determined to minimise the environmental impact of the sharp increase in customer usage, Bouygues Telecom made ambitious climate pledges in 2020, in line with the Paris Climate Agreement. These pledges are integral to its 2020-2030 Climate plan, which has three core decarbonisation targets.

Targets

- **A 50% reduction** in direct carbon emissions (scope 1) and in the indirect emissions related to energy use (scope 2) over the 2020-2030 period.
- **A 30% reduction** in other indirect emissions (scope 3) over the 2020-2030 period.
- **Use renewables** for at least 50% of its energy needs. From 2022 and at least until 2024, renewable energies will cover 100% of Bouygues Telecom’s electricity purchases, part of which will come directly from its first wind-power-based PPA^(d) contract with the EDF group.

SBTi^a endorsed Bouygues Telecom's short-term carbon emission reduction targets in November 2022.

Action plan

In order to meet these ambitious targets, Bouygues Telecom has increased its efforts under the banner "*Working together to ensure digital technology is good for the planet*". This entails introducing specific measures to ensure better performing and lower-carbon installations, more sustainable products and services and more environmentally-responsible usage.

Bouygues Telecom's "Sustainable Smartphone Solutions" programme helps to make customers and prospects more aware about how they can extend the lifespan of their smartphones by recycling, returning, reconditioning or repairing them.

In response to the current climate and energy emergencies, Bouygues Telecom has adopted an energy efficiency plan and signed up to the EcoWatt charter with the aim of achieving a 10% reduction in its electricity use. It has committed to reducing use by implementing a range of additional energy-saving measures when the grid is under strain and by continuing to raise awareness about eco-friendly behaviour among customers, partners and employees.

Among other initiatives, Bouygues Telecom will continue to promote its "My smartphone footprint" app^b, which aims to encourage more responsible use by calculating the carbon footprint of a user's smartphone use. This app, which is available free of charge to all, also advises users on how they can use their devices more efficiently and reduce their CO₂ emissions.

Strengths and assets

10,300 dedicated employees

According to the employee perception survey of 2021, 95% of employees said they were prepared to "give their best effort for the company" and 93% said that they were "proud to belong" to the company.

Competitively-priced, high-quality offers

Bouygues Telecom pursues a value for money strategy in order to gain new customers with high-quality, competitively-priced offers.

In mobile, it offers a range of comprehensive, high-quality services.

In fixed, Bouygues Telecom provides competitively-priced quality services and offers customers a "Keep Connected" guarantee.

In the B2B segment, in addition to mobile and fixed offers, Bouygues Telecom markets an extensive range of security, digital and cloud products and services, both for large corporate accounts and SMEs and intermediate-size businesses.

Excellent quality mobile and fixed networks

The high-quality nationwide coverage of the Bouygues Telecom 4G and 5G networks gives the company a long-term competitive advantage, enabling it to stand out in an extremely competitive market. Following the 5G auction in France, it acquired a 70 MHz block of frequencies in the 3.5 GHz band. It was thus able to double its portfolio of frequencies and now possesses nearly a quarter of the available spectrum in France. The operator's expertise in network infrastructure enables it to aggregate its frequency bands to offer even faster speeds and improved quality of service.

In 2022, for the ninth consecutive year, the French telecoms regulator Arcep ranked Bouygues Telecom's mobile network as the second best in mainland France^c.

In fixed, Bouygues Telecom's WiFi ranked first for the second consecutive year in the nPerf survey^d.

Market position^e

Bouygues Telecom only operates in mainland France.

- In a French mobile market with 79.9 million SIM cards excluding MtoM at end-2022, Bouygues Telecom ranked third with 15.5 million customers. This puts it behind Orange and SFR group, but ahead of Free Mobile and the MVNOs^f. Bouygues Telecom had a 19.4% share of the mobile market at end-2022, 0.1 points higher than at end-2021.
- In a French fixed broadband market with 31.9 million customers at end-2022, Bouygues Telecom ranked fourth with 4.7 million customers. Bouygues Telecom had a 14.6% share of the mobile market at end-2022, 0.5 points higher than at end-2021. Its share of the superfast market was 15.9% at end-2022, an increase of 0.8 points year-on-year.

(a) Targets: -29.4% for scopes 1 and 2 and -17.5% for scope 3.

(b) The "My smartphone footprint" app (*Mon empreinte smartphone*) has received 'silver' certification by Greenspector and won the 2022 iF Design Award.

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

(d) Overall Wi-Fi performance (nPerf Wi-Fi internet connections survey, February 2023).

(e) Most recent Arcep data. Mobile market refers to Mainland France. Fixed broadband market (fixed broadband and superfast broadband) refers to Mainland France and the French overseas departments. Superfast: subscriptions with peak downstream speeds higher or equal to 30 Mbit/s. (Arcep definition).

(f) Mobile Virtual Network Operators.