

# Lagardère

## INVESTOR PRESENTATION

March 2018



Certain statements contained in this document are forward-looking statements (including objectives and trends), which address our vision of the financial condition, results of operations, strategy, expected future business and financial performance of Lagardère SCA. These data do not represent forecasts regarding Lagardère SCA' results or any other performance measure, but rather trends or targets, as the case may be.

When used in this document, words such as “anticipate”, “believe”, “estimate”, “expect”, “may”, “intend”, “predict”, “hope”, “can”, “will”, “should”, “is designed to”, “with the intent”, “potential”, “plan” and other words of similar import are intended to identify forward-looking statements. Such statements include, without limitation, projections for improvements in process and operations, revenues and operating margin growth, cash flow, performance, new products and services, current and future markets for products and services and other trend projections as well as new business opportunities.




Although Lagardère SCA believes that the expectation reflected in such forward-looking statements are reasonable, such statements are not guarantees of future performance. Actual results may differ materially from the forward-looking statements as a result of a number of risks and uncertainties, many of which are outside our control, including without limitations:

- general economic conditions;
- legal, regulatory, financial and governmental risks related to the businesses;
- certain risks related to the media industry (including, without limitation, technological risks);
- the cyclical nature of some of the businesses.

Please refer to the most recent Reference Document (Document de référence) filed by Lagardère SCA with the French Autorité des marchés financiers for additional information in relation to such factors, risks and uncertainties.

No representation or warranty, express or implied, is made as to, and no reliance should be placed upon, the fairness, accuracy, completeness or correctness of such forward-looking statements and Lagardère SCA, as well as its affiliates, directors, advisors, employees and representatives accept no responsibility in this respect.

Accordingly, we caution you against relying on forward-looking statements. The forward-looking statements abovementioned are made as of the date of this document and neither Lagardère SCA nor any of its subsidiaries undertake any obligation to update or review such forward-looking statements whether as a result of new information, future events or otherwise. Consequently neither Lagardère SCA nor any of its subsidiaries are liable for any consequences that could result from the use of any of the above statements.

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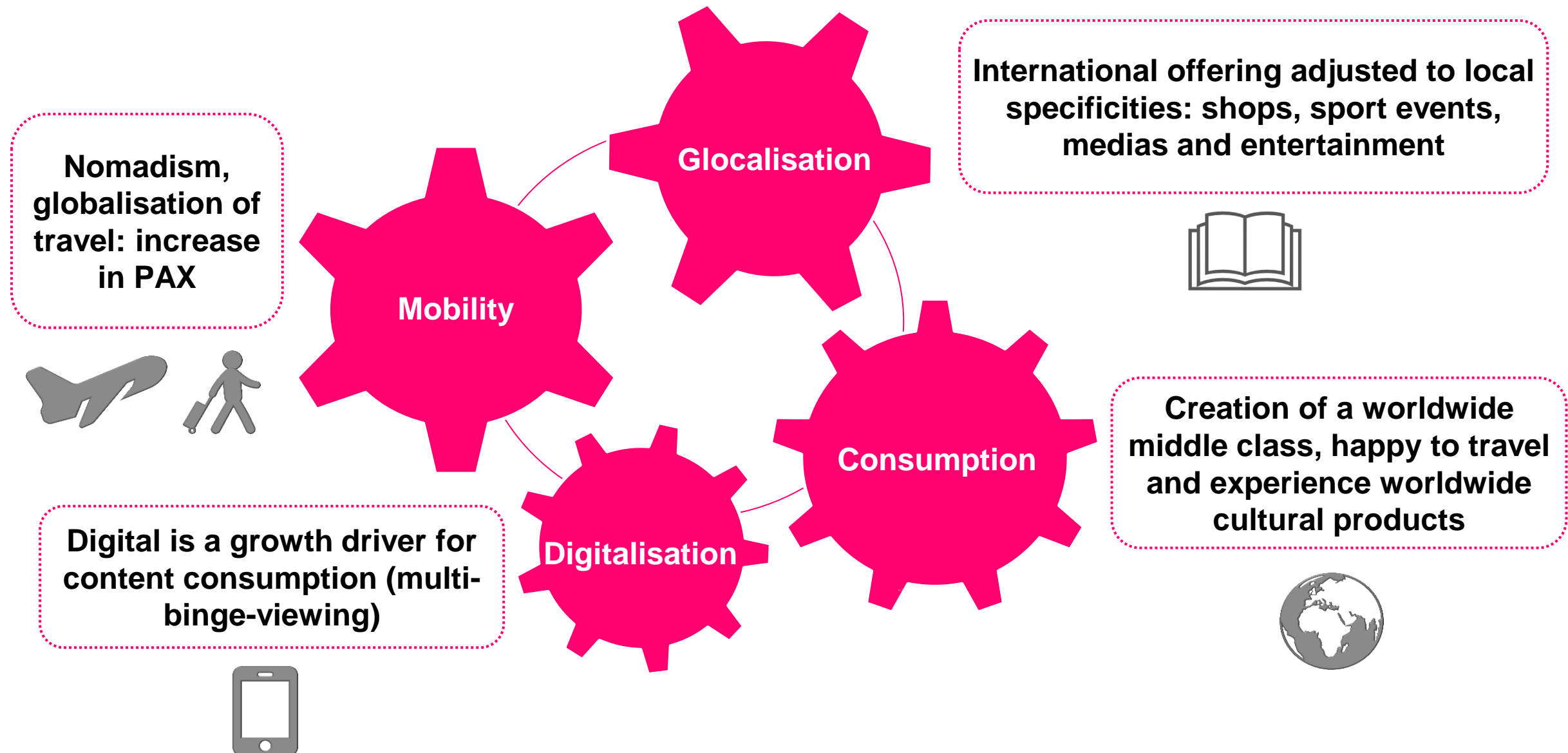


*Lagardère*

## GROUP PROFILE



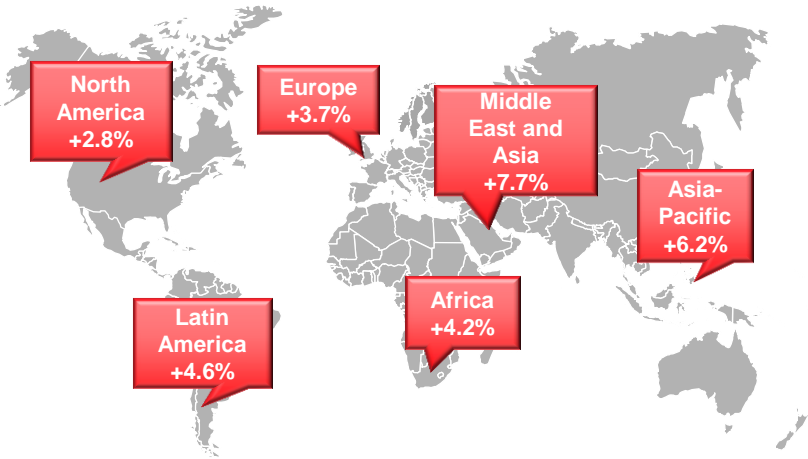
# A FAST-CHANGING GLOBAL ENVIRONMENT SHAPED BY 4 KEY GROWTH DRIVERS



# GROUP LONG-TERM GROWTH BASED ON WORLDWIDE INCLINATION TOWARDS EXPERIENCE: TRAVEL AND CULTURE EXPERIENCES

## Growth in air passengers travel [in %, 2015-2040]

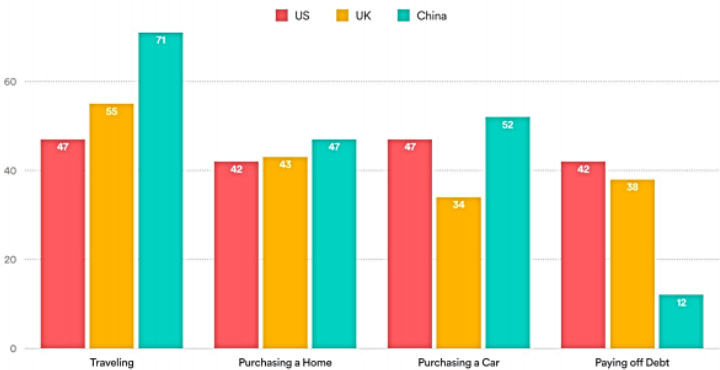
CAGR: 4.9 %



Source: Lagardère, ACI, 2016 World Airport Traffic Forecasts.

## Travel is key for millennials & BRICs

Thinking about the next five years, which two or three of the following are most important to you?



Source: Airbnb travel report 2016.

## Discretionary categories are showing the fastest growth

Per-household annual consumption in China by category, %<sup>1</sup>



<sup>1</sup>Figures may not sum to 100%, because of rounding.

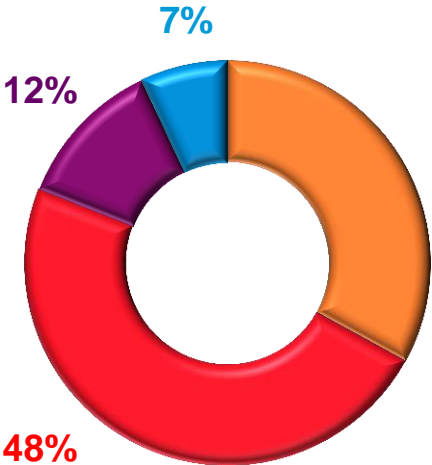
<sup>2</sup>Compound annual growth rate.

Source: McKinsey analysis

2017 revenue breakdown by division

Lagardère  
ACTIVE

- No. 1 in scripted TV Production in France
- One of France's leading Internet and mobile media groups
- Major player in Press and Radio in France



Lagardère  
SPORTS AND  
ENTERTAINMENT

- Leader in football in Africa, Asia and Europe
- Major player in sponsorship and media rights globally
- Leader in golf talent management

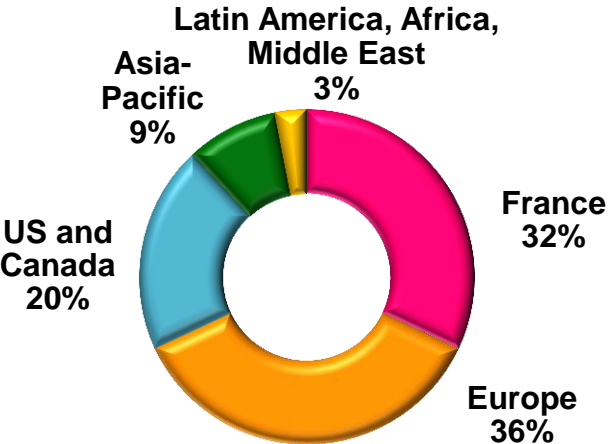
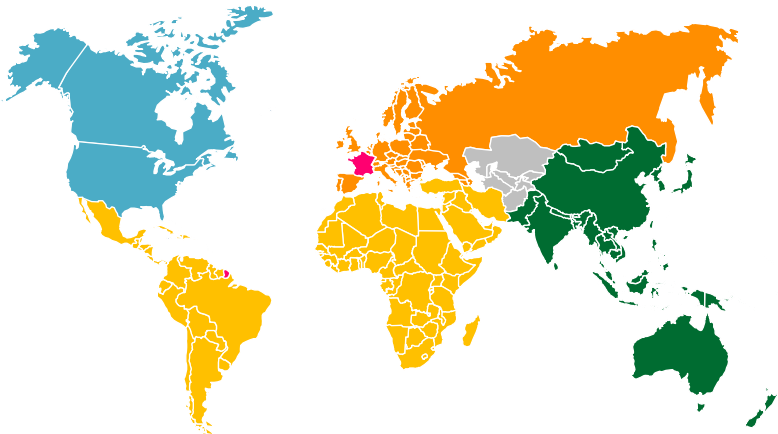
Lagardère  
PUBLISHING

- No. 3 worldwide (Trade)
- A multi-segment publisher
- A major player in the digital sector

Lagardère  
TRAVEL RETAIL

- No. 4 worldwide in Travel Retail
- Robust expertise in three business lines

2017 revenue breakdown by region





**Lagardère**

# GROUP STRATEGY





# OUR STRATEGY IS FOCUSED ON LONG-TERM VALUE CREATION

1

Successful business portfolio overhaul focused on growth

2

Strategic plan focused on profitability and cash generation

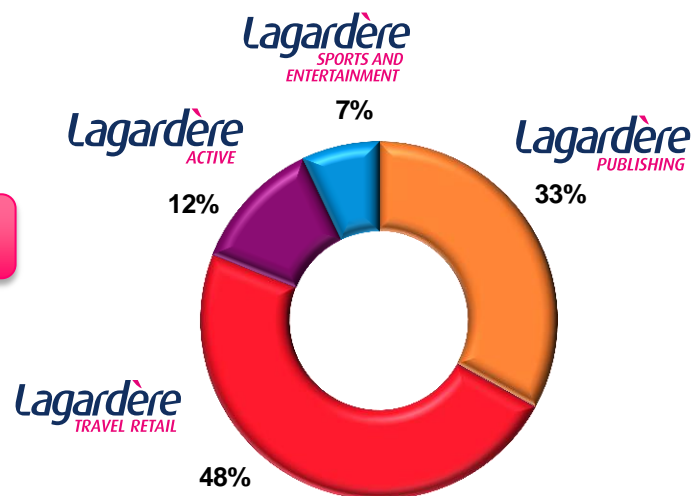
3

A well-balanced, prudent financial strategy

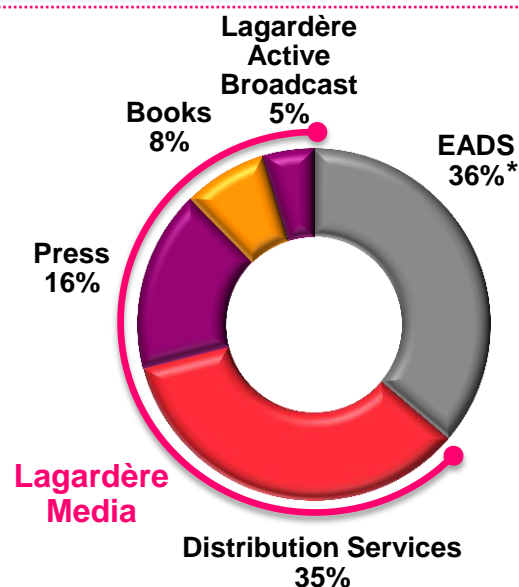
# 1 SUCCESSFUL OVERHAUL OF OUR PORTFOLIO

## Revenue by division

2017



2003



\*Proportionate consolidation of EADS at 15.04%.

## Major disposals

Distribution In Hungary

Distribution in Belgium and Spain

Distribution in Switzerland and the US

10 French magazines

7.4% of EADS

20% of CANAL+ FRANCE

25% of AMAURY COCURE

Le Monde Interactif  
International magazines

French regional dailies, Virgin Megastore

7.5% of EADS  
Distribution in Germany

## Major acquisitions



RÉSERVOIR PROD



# 1 A BALANCED PORTFOLIO SET UP FOR GROWTH AND SUSTAINABLE CASH GENERATION

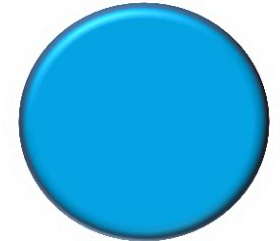
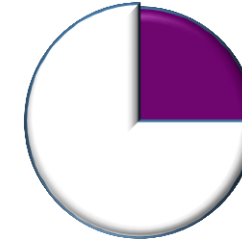
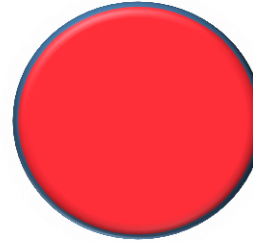
Lagardère  
PUBLISHING

Lagardère  
TRAVEL RETAIL

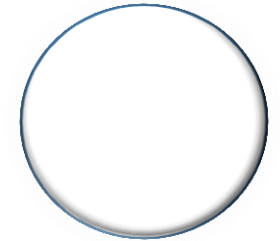
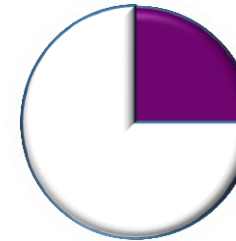
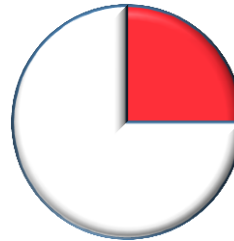
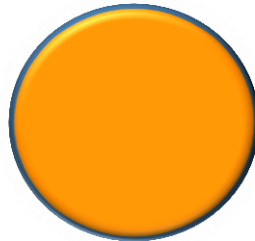
Lagardère  
ACTIVE

Lagardère  
SPORTS AND  
ENTERTAINMENT

Growth  
engine



Cash  
generation  
today



Low → High



## 2 STRATEGIC PLAN FOCUSED ON PROFITABILITY AND CASH GENERATION

### Main factors/measures to increase profitability

Lagardère  
PUBLISHING

- Cost control discipline.
- Office and warehouse space optimized in France, in the UK and in the US.
- Cost synergies resulting from acquisitions.

Lagardère  
ACTIVE

- Restructuring of declining activities.
- Shift in business portfolio to focus on TV Production.
- Revenue diversification.

Lagardère  
TRAVEL RETAIL

- Improved product mix and purchase conditions.
- Synergies resulting from acquisitions.

Lagardère  
SPORTS AND ENTERTAINMENT

- Restructuring of the premium media rights business in Europe.
- Portfolio rationalization.
- Operating efficiency drive.

### Consolidated recurring EBIT (€m) and operating margin (%)

2017

403

5.7%

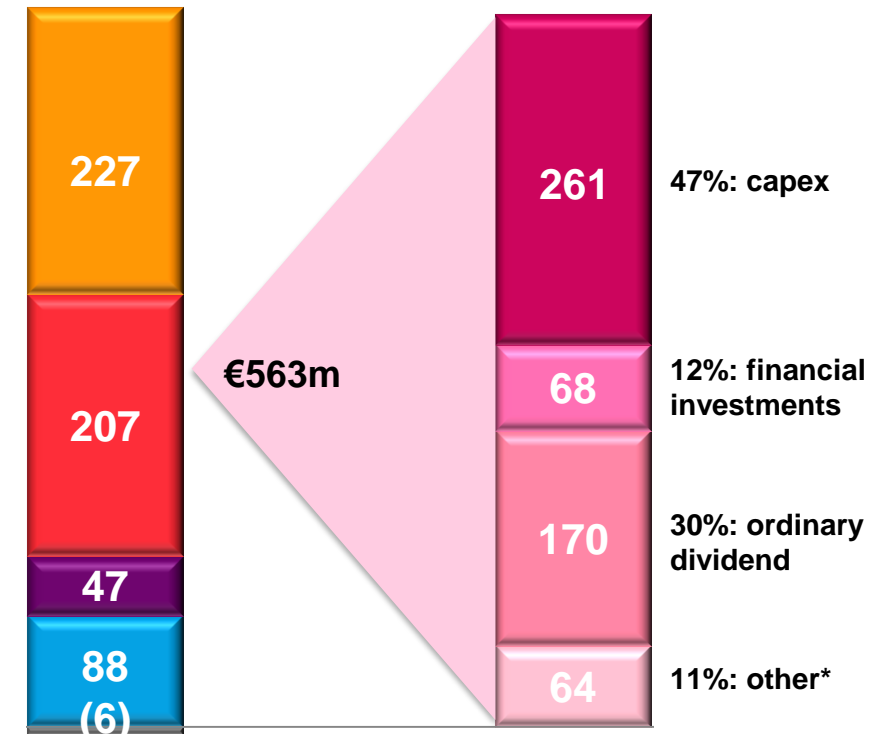
2012

358

4.6%

### Cash generation fuelled by high level of investments

#### 2017 Operating cash flow and allocation



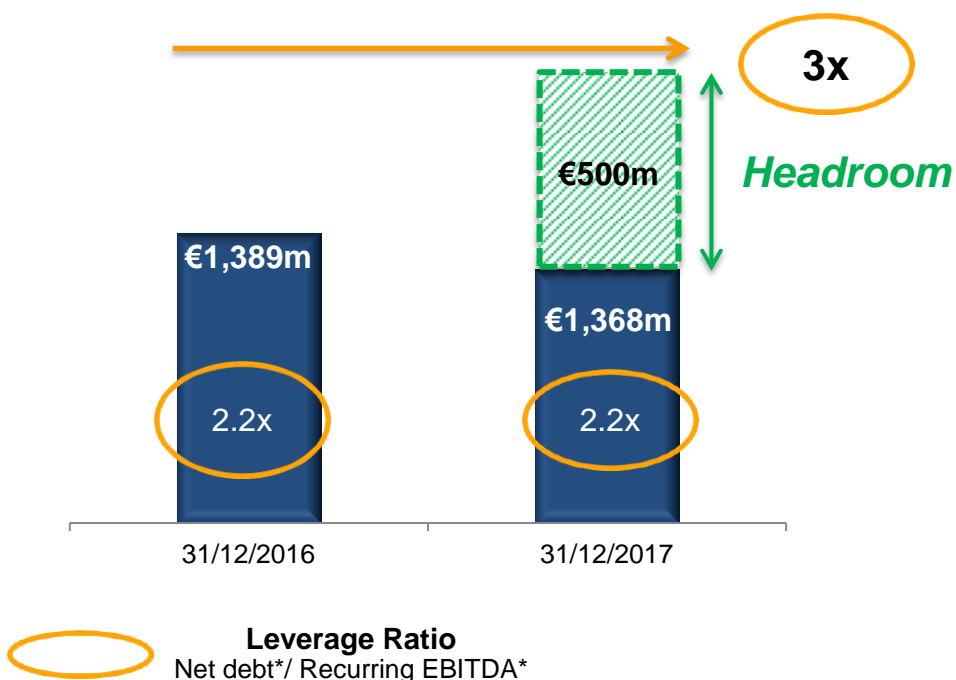
- Lagardère Publishing
- Lagardère Travel Retail
- Lagardère Active
- Lagardère Sports and Entertainment
- Other activities

\*Includes mainly translation adjustments, payments of taxes and interests, dividend paid to minorities and debt variance.

### 3 A WELL BALANCED, PRUDENT FINANCIAL STRATEGY

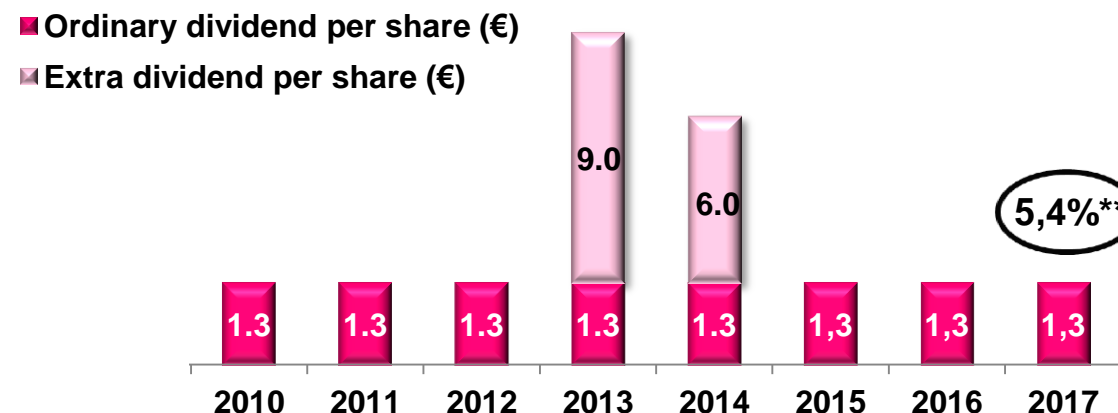
A tight rein on debt providing  
€500 million in investment capacity

A stable dividend



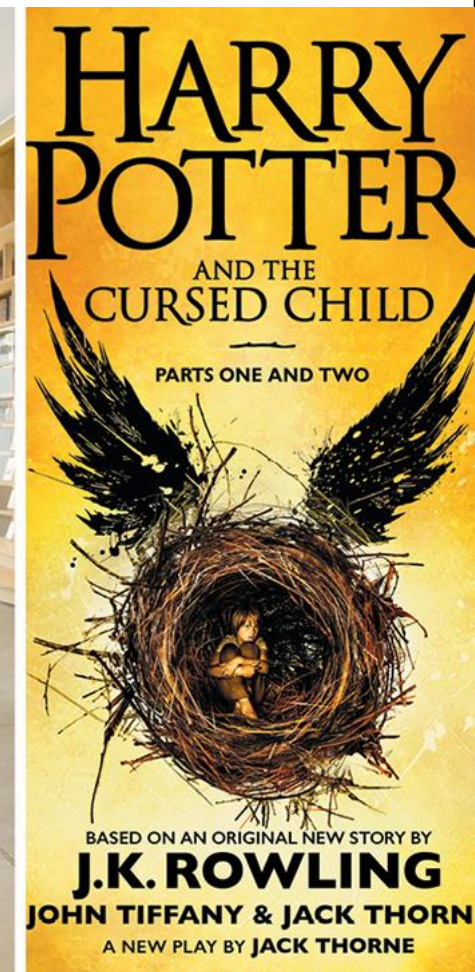
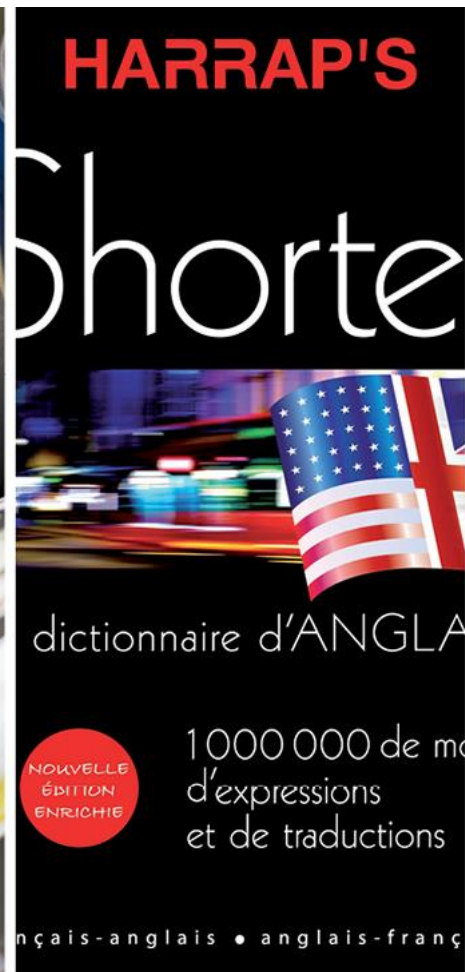
\*Alternative Performance Measure (APM) – See Definitions on slides 50 and 51.

#### Historical dividends (€/share)



- Ordinary dividend stable over the long term (€ per share).
- Large payouts to shareholders following the one-off sale of non-strategic shareholdings.
- Attractive ordinary dividend yield given the current climate of low interest rates.

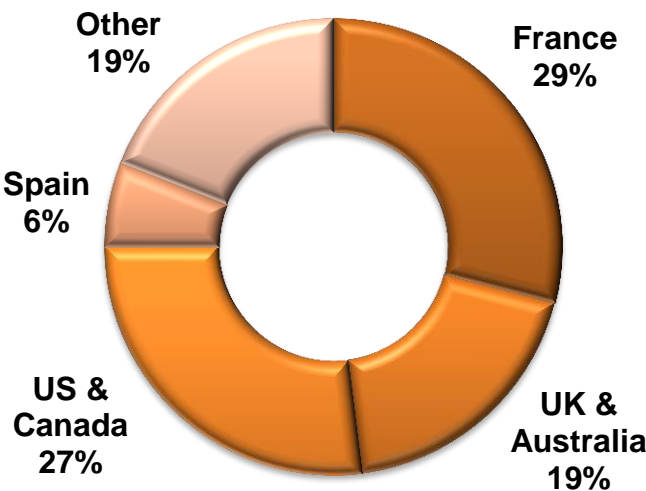
\*\*Dividend yield based on €24.04 closing price on 06/03/2018.



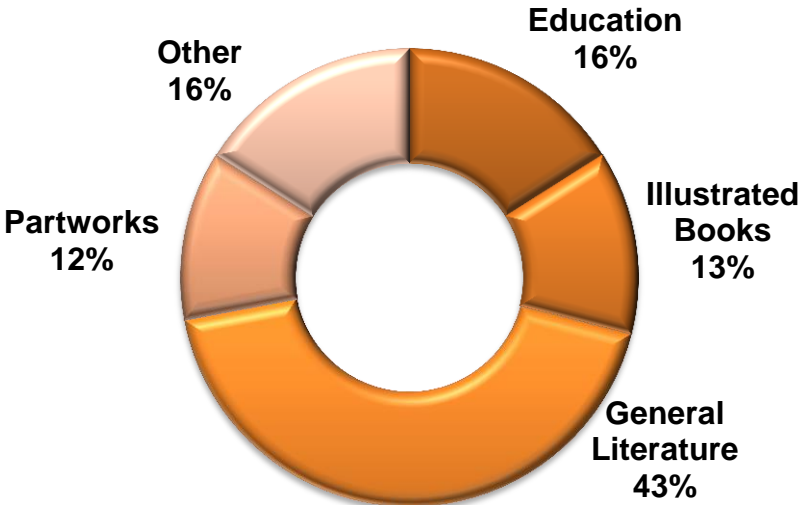


# SUCCESSFUL PORTFOLIO OF PUBLISHING BUSINESSES WITH SOLID LEADING POSITIONS IN CORE MARKETS

2017 revenue by geographic area

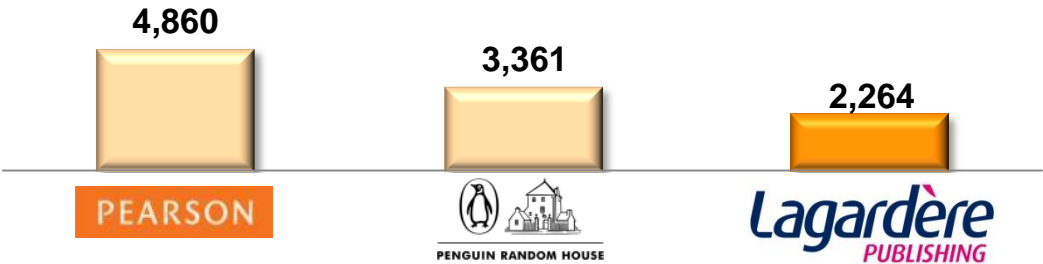


2017 revenue by activity



Top 3 Consumer book publishers worldwide

Based on 2016 pro-forma turnover (€m)  
(Consumer: Trade & Education including Higher Education)



Ranking in core markets\*



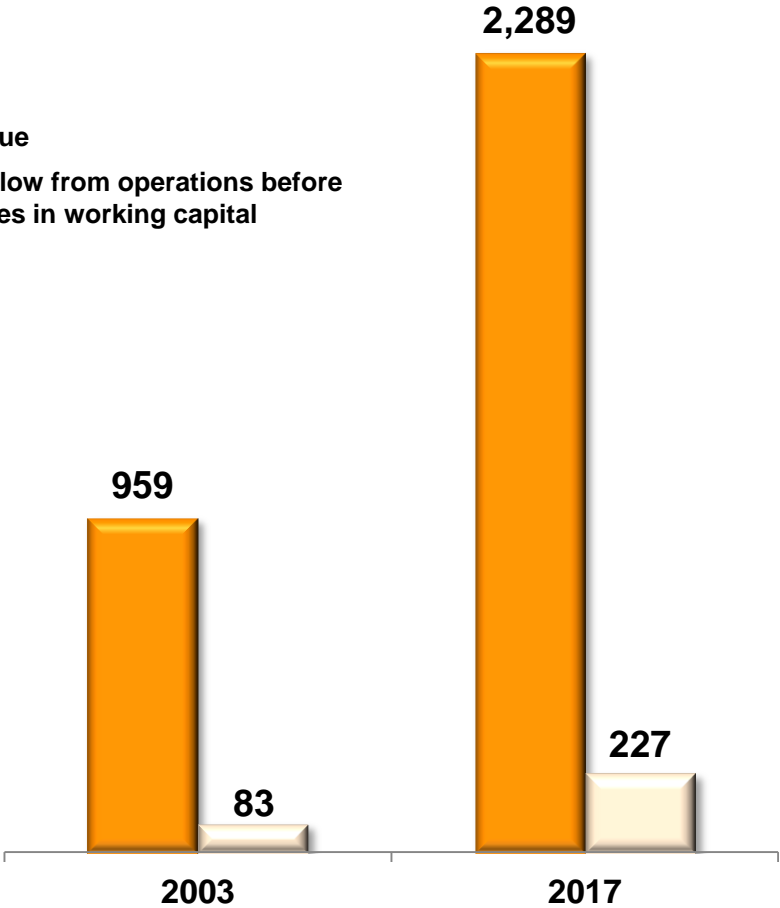
\*Consumer (trading and education).  
Based on 2016 average exchange rates. Revenues from STM, professional markets and other activities than book publishing have been excluded when it could be isolated.  
Sources: Annual reports, Internal estimates, Ipsos, Nielsen Bookscan.

# GROWTH FUELLED BY ACQUISITION AND INTERNATIONAL DEVELOPMENT

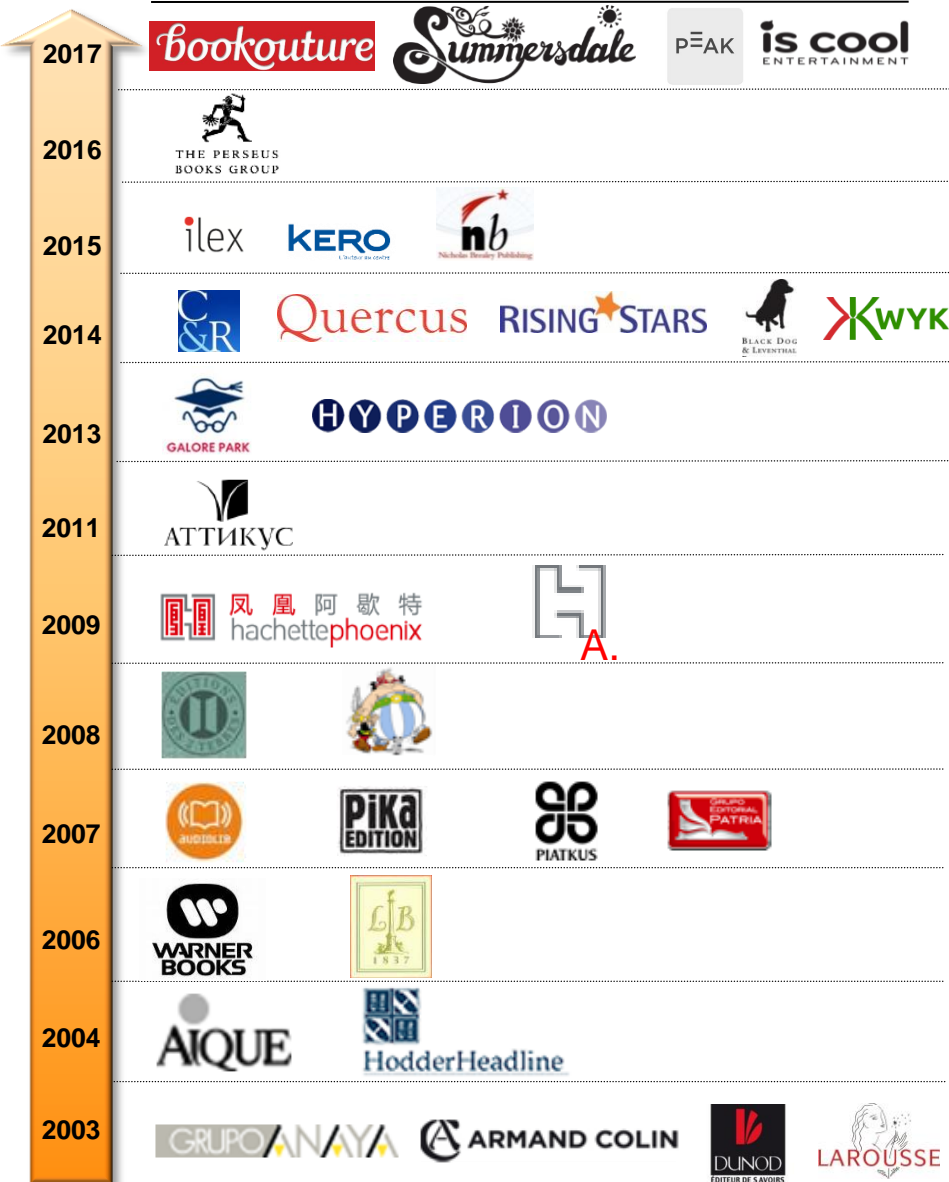
Revenue evolution (€m) and cash flow from operations before changes in working capital

(2003-2017)

Revenue  
Cash flow from operations before changes in working capital



Growth fuelled by acquisitions (2003-2017)



## E-books

**E-books contribution** to Lagardère Publishing's overall revenue: 7.9% in 2017.

## E-publishing

**Reinforcing leadership:** Bookouture / acquisition of Britain's leading independent e-publisher.



## Mobile apps

**Exploring new opportunities:** UK mobile gaming startups acquisitions for cross-fertilization with all imprints (Neon Play / Brainbow - Peak).



## E-education

**Spearheading new educational practices:** from the digital multi-support version of a textbook to enhanced classroom content including game-changing self-assessment, solutions: acquisition of Rising Stars.

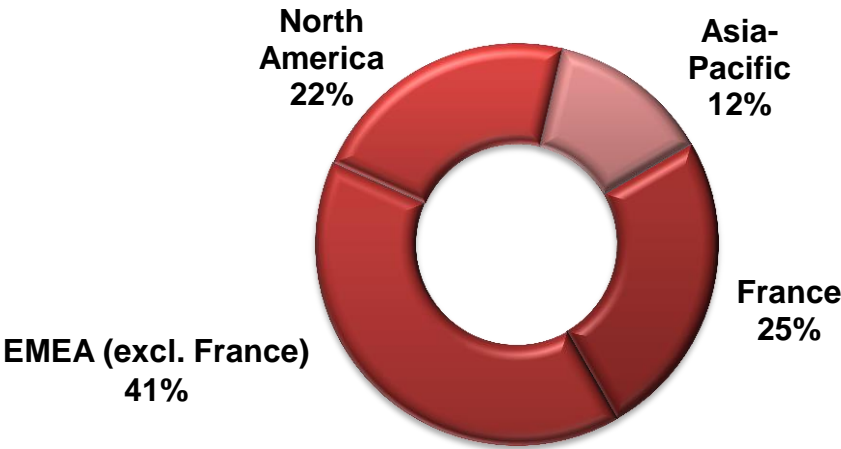






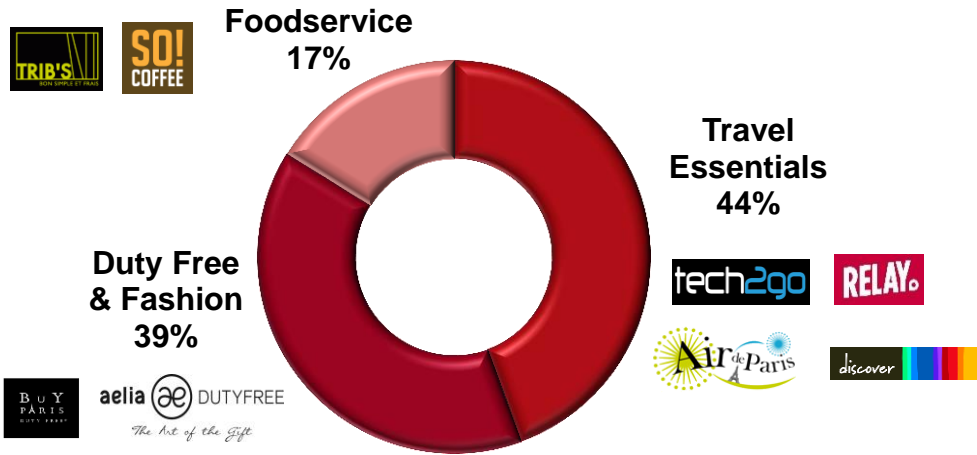
# HIGH GROWTH BUSINESS WITH LEADING POSITIONS IN ITS 3 SEGMENTS

2017 revenue\* by geographic area



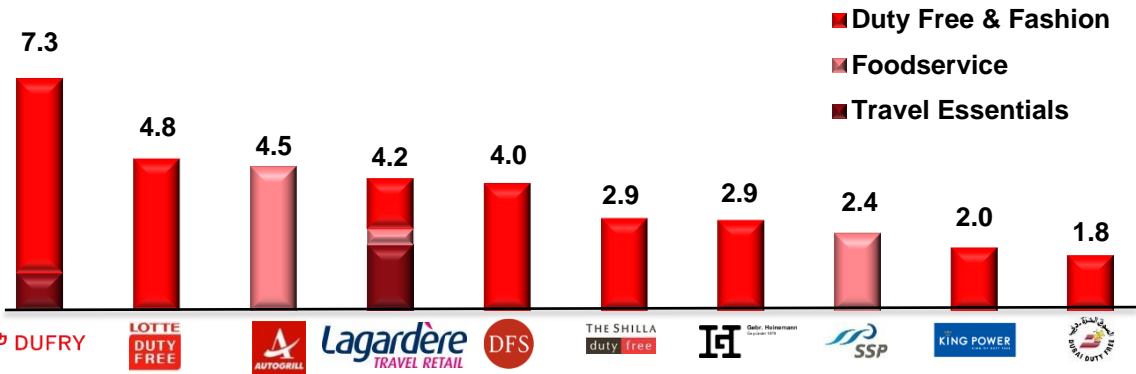
\*IFRS revenue, excluding Distribution.

2017 revenue by activity



Top 10 Travel Retail operators worldwide

€bn, sales @100%, 2016



Ranking in core markets

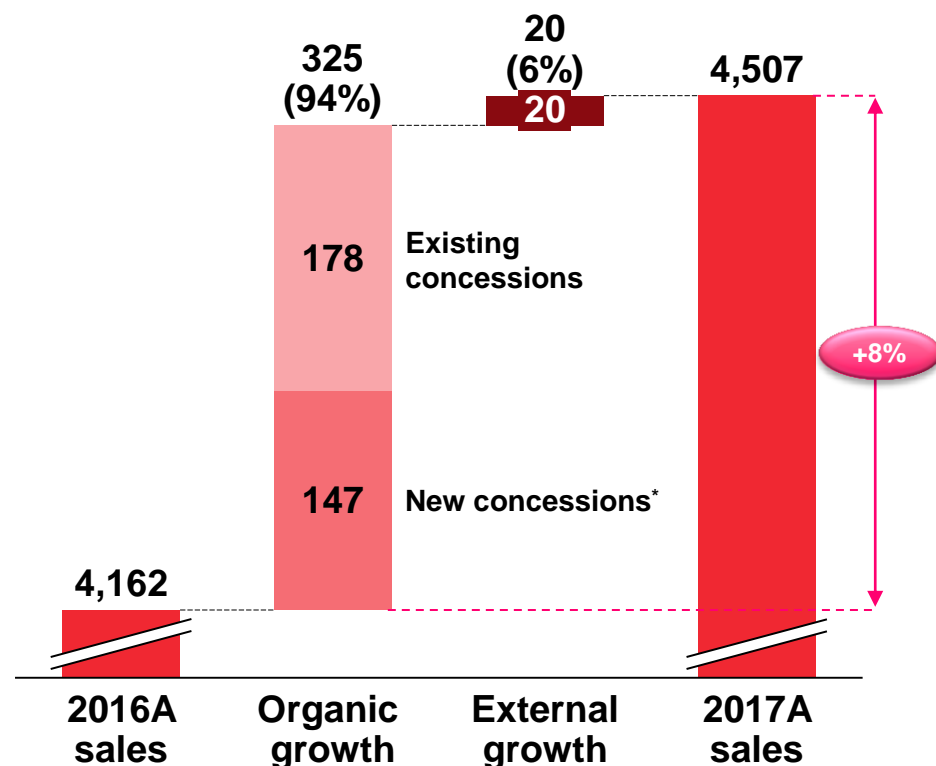


Sources: Companies reports, The Moodie Report, Lagardère Travel Retail estimates

## DIVERSIFIED GROWTH PATHS

### » A strong development mainly driven by organic growth

[Bridge sales growth (€m, revenue @100%, 2016–2017)]



\*Net of contracts terminated over the period.

### » Organic Growth

#### Gain of new concessions

- Late 2017** ● Shanghai, Beijing, Wuhan: Duty Free & Fashion, Foodservice
- Late 2017** ● Dakar: Duty Free and Travel Essentials
- May 2017** ● Hong Kong: Liquor & Tobacco (with China Duty Free Group)
- March 2017** ● Geneva: Duty Free
- End 2016** ● Riyadh, Dammam, Djeddah: Duty Free
- November 2016** ● Poland: master concession won at Gdansk airport
- December 2015** ● Abu Dhabi: Duty Free & Foodservice

#### Expansion of existing concessions

- Late 2017** ● Auckland: opening of a new Duty Free store
- February 2017** ● Prague: Take-over of 9 additional Duty Free stores
- December 2016** ● Rome: Food & Duty Free in Avancorpo Terminal
- September 2015** ● Nice: opening of new T1 with an innovative food concept

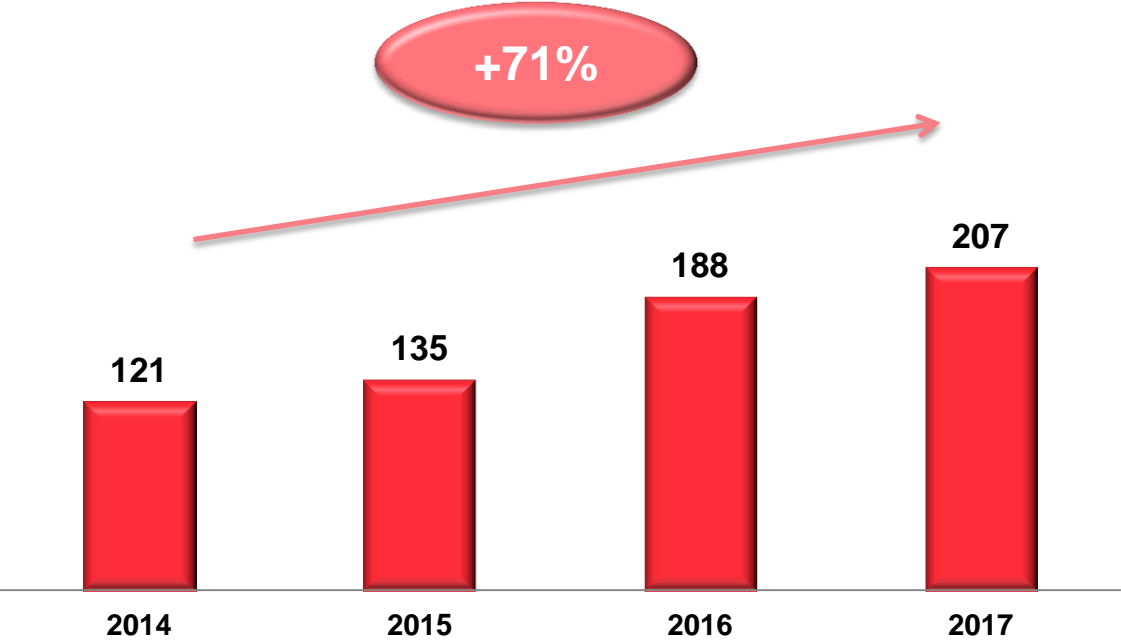
### » External Growth

- June 2017** ● Poland: acquisition of Inflight Service activities in Poland
- October 2015** ● US: acquisition of Paradies (present in more than 76 airports)

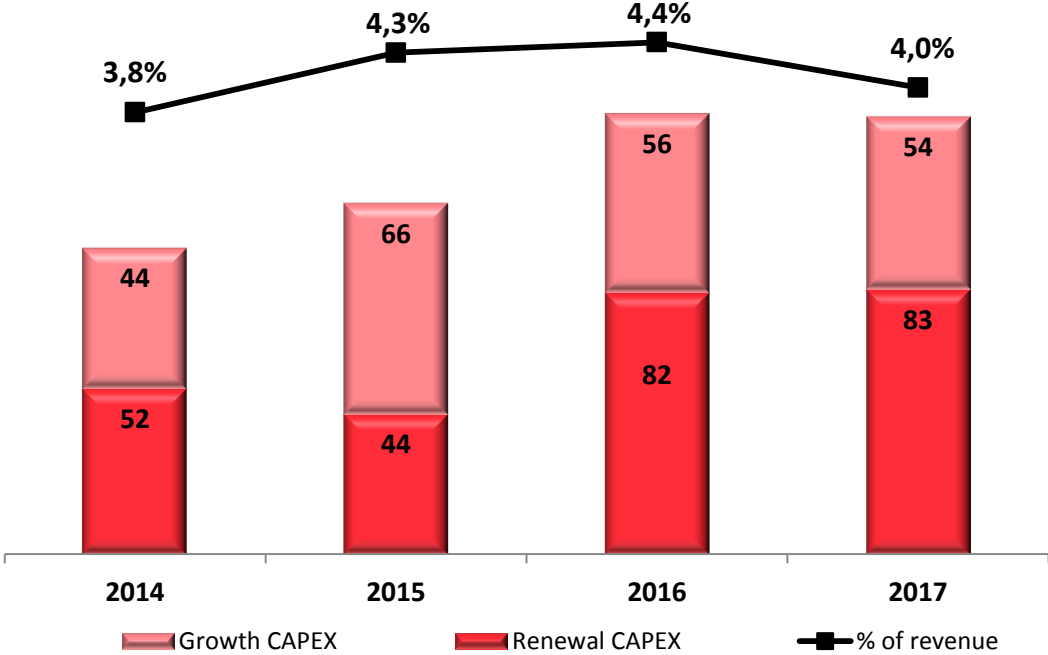


# IMPROVEMENT OF CASH GENERATION BACKED BY A RESILIENT BUSINESS MODEL

Travel Retail Cash Flow from Operations\*



Breakdown of Capex\*\*



\*Travel Retail perimeter only (excluding Distribution) – Cash Flow from Operations before working capital.

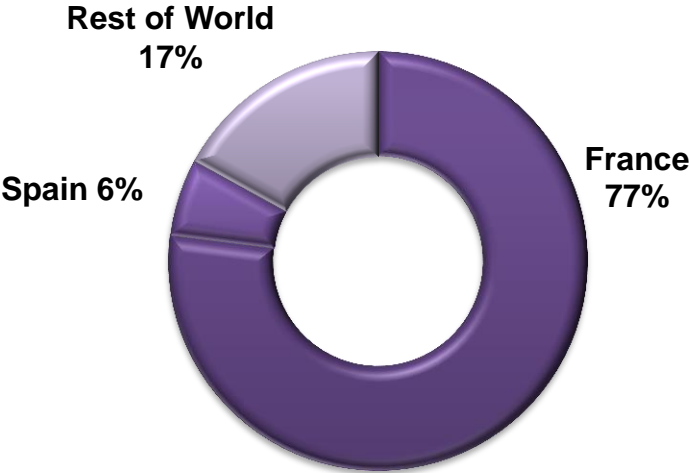
\*\*Capex Travel Retail, excluding Distribution.

Lagardère  
ACTIVE

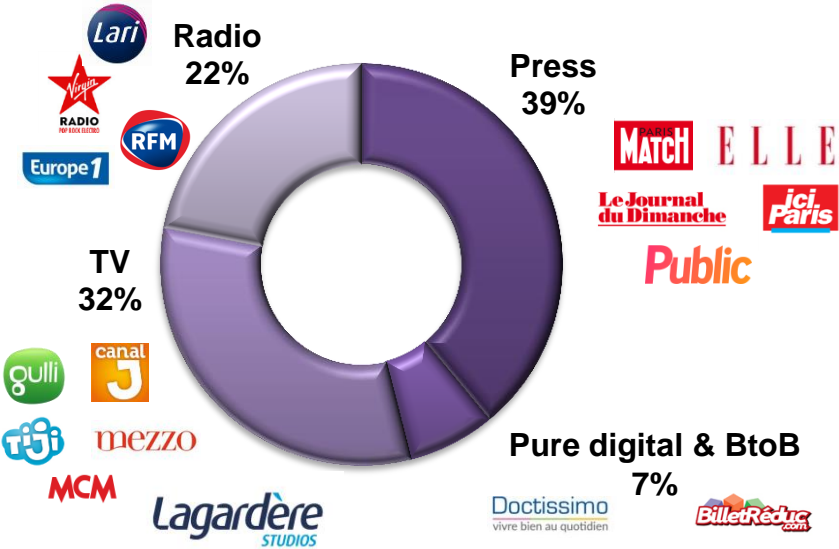


# A DIVERSIFIED BUSINESS MIX WITH SOLID LEADING POSITIONS

2017 revenue by geographic area



2017 revenue by activity



Peers

Radio + TV + Internet



Sound market positions



Magazine publisher  
in France



Scripted TV production  
in France



Internet  
in France

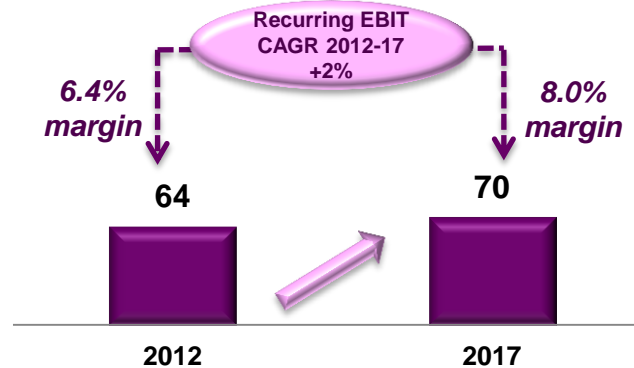


Youth and family  
TV channels  
in France



## Secure a profitable development

- Employment protection plan in 2013.
- Voluntary redundancy plan in 2016.



## Focus on the strongest print media brands and diversify their sources of revenue



## Reinforce audiovisual activity

### Acquisition of Grupo Boomerang TV in Spain

### Acquisition of Aito Media Group in Finland

### International development

- Keewu in Senegal
- Diffa\*
- Vibe Radio in Abidjan
- LVMG in Cambodia
- Gulli Bil Arabi in 18 countries



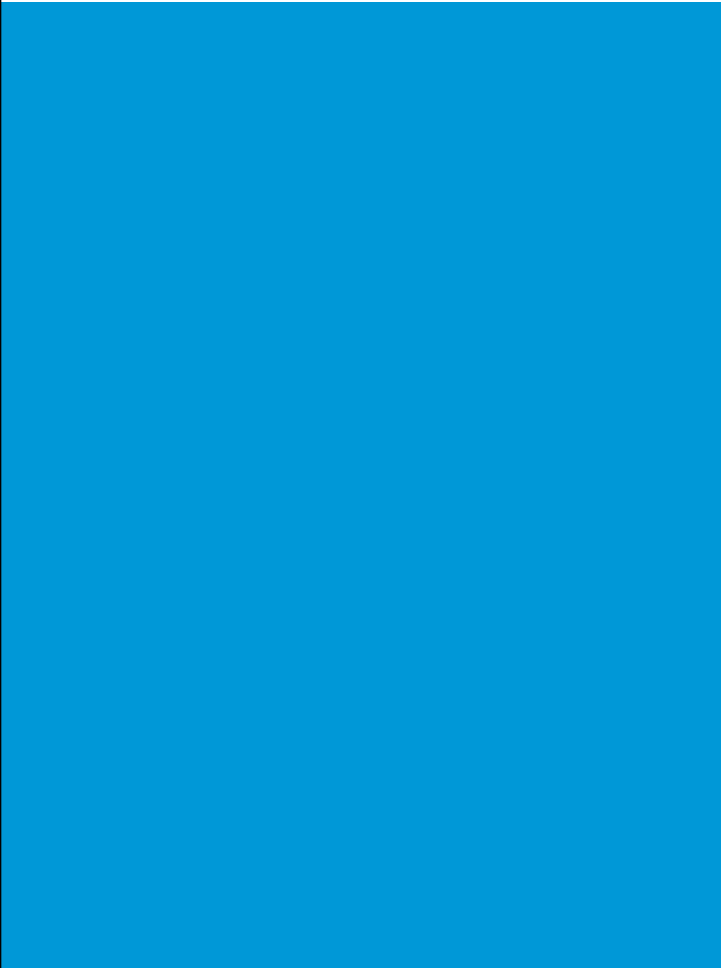
## Accelerate the development of digital through content and services

### e-health development



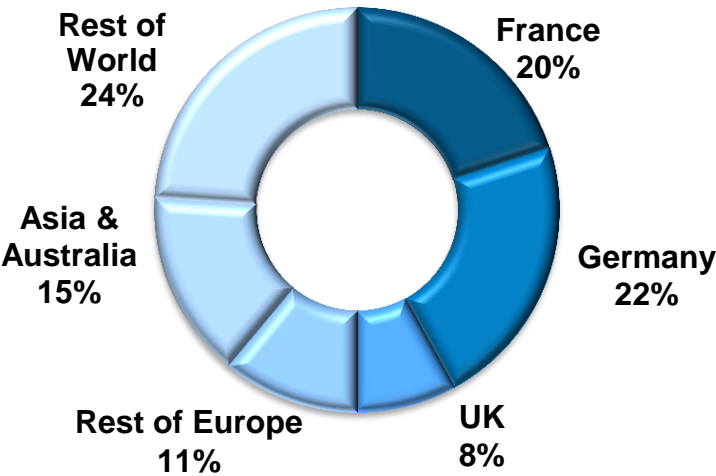


**Lagardère**  
SPORTS AND  
ENTERTAINMENT

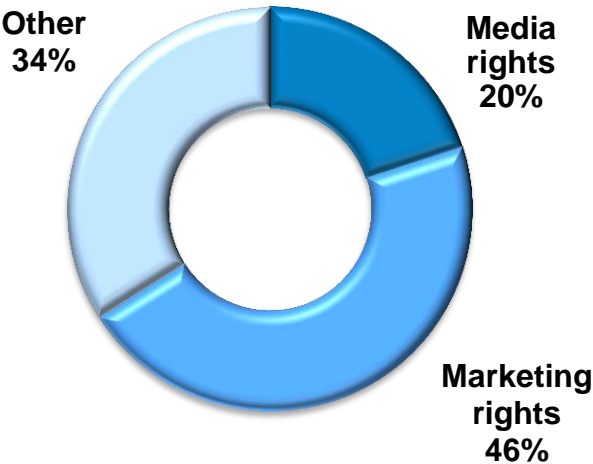


# A GLOBAL NETWORK COMBINING INTERNATIONAL EXPERTISE WITH LOCAL MARKET KNOWLEDGE

2017 revenue by geographic area



2017 revenue by activity



Competitive Landscape



Leading Positions

**In football**  
in Africa, Asia  
and Europe

**In sponsorship  
and media rights**  
globally

**In golf talent  
management**

# A SUCCESSFUL RECOVERY PLAN TO PREPARE FOR GROWTH

## PRESERVING LONG TERM PARTNERSHIPS

### Long-term partnerships

**22 YEARS**  
of continuous partnership  
with **CAF**  
> Contract until 2028



**21 YEARS**  
of continuous partnership  
with **AFC**  
> Contract until 2020



### Tailored partnerships

**70 EUROPEAN  
FOOTBALL  
& RUGBY  
CLUBS**



## STRENGTHENING CORE SALES ACTIVITIES

- Consolidate and expand comprehensive business on existing territories in Football Europe— including new services (Virtual Advertising etc.)

- Focus on AFC & CAF next cycles



- Leverage our Media and Sponsorship sales network to create value for rights holders

- Develop our Olympic Games and major events business through long term partnerships



## DEVELOPING BRAND CONSULTING AND DIGITAL SERVICES

- Launch of Lagardère Plus, a global agency with a mission to transform traditional brand sponsorships into highly inventive and impactful marketing platforms:

- partnership exploratory and strategy;
- comprehensive digital strategies;
- production & management of digital content;
- mobile and tablet apps for rights-holders;
- social apps & activations for rights-holders and brands;
- data analysis.



Division returned to profitability  
in 2014

n.m.

5.2%

26

(33)

2012

2017



*Lagardère*

**GROUP  
PERFORMANCE  
IN 2017**





- *Very strong organic growth momentum in Travel Retail*
- *Solid performance from Publishing*
- *Improved Group recurring EBIT and operating margin*

(€m)	2016	2017
Revenue	7,391	7,069
Group recurring EBIT*	395	403
Group operating margin*	5.3%	5.7%
Profit – Group share	175	179
Adjusted profit – Group share*	238	217
Free cash flow**	464	283
Net debt* at end of year	(1,389)	(1,368)

-4.4% consolidated  
+4.0% like-for-like\*

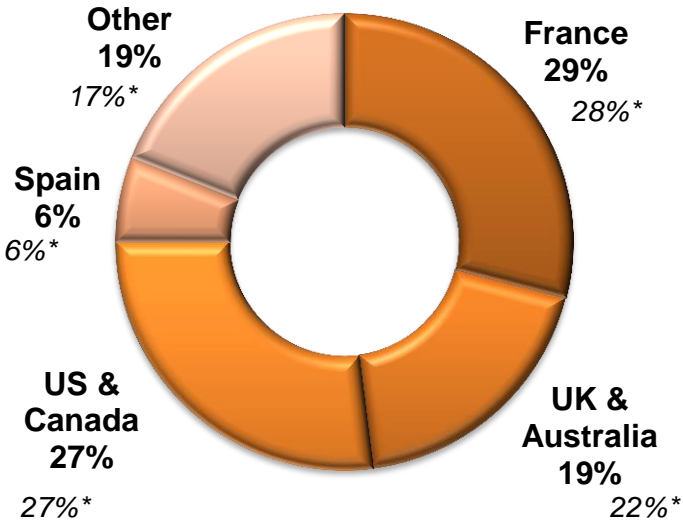
+€8m

+0.4pts

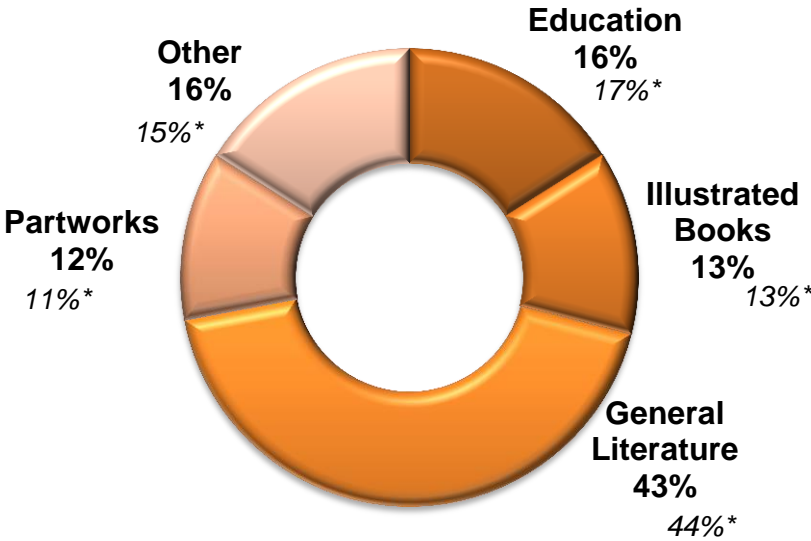
\*Alternative Performance Measure (APM) – See Definitions on slides 50 and 51.

\*\*Including positive impacts of €48m and €66m respectively in 2016 and 2017 attributable to interest paid/received following a change in presentation of the consolidated statement of cash flows (see note 1.1 to the consolidated financial statements for the six months ended 30 June 2017).

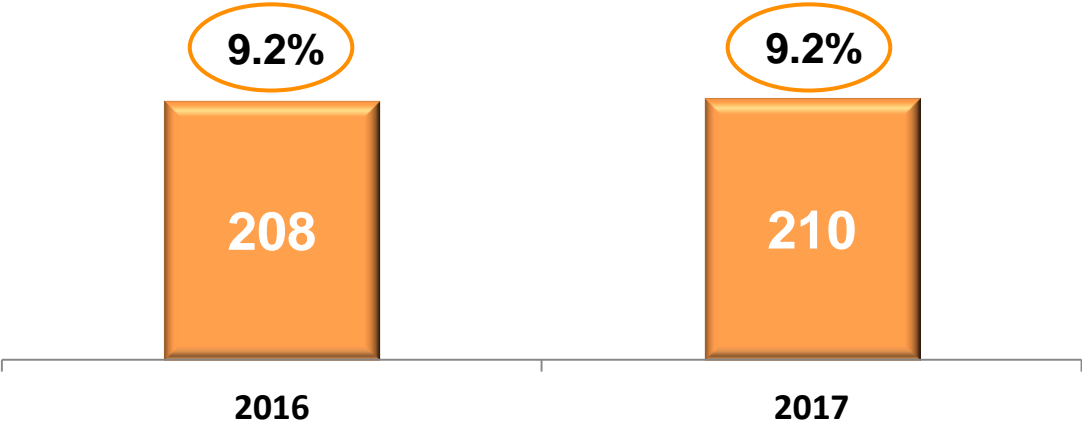
2017 revenue by geographic area



2017 revenue by activity

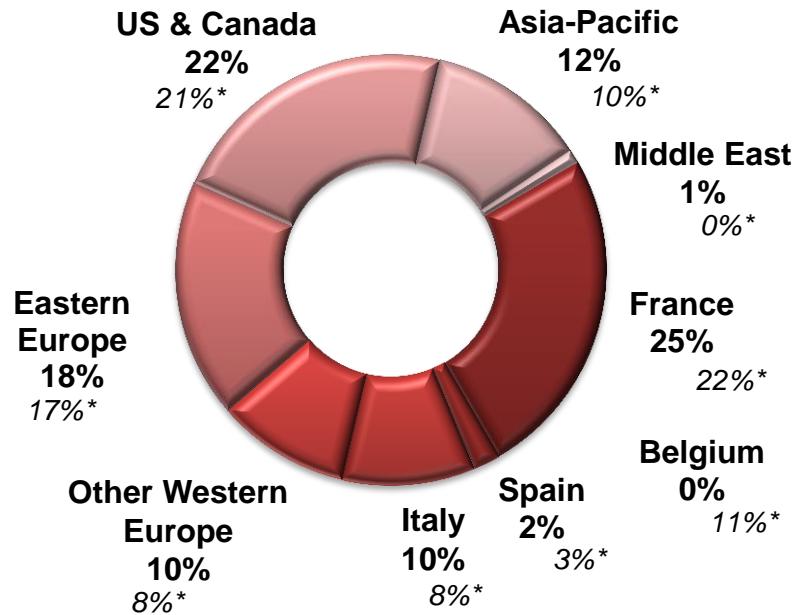


Change in recurring EBIT (€m) and operating margin (%)

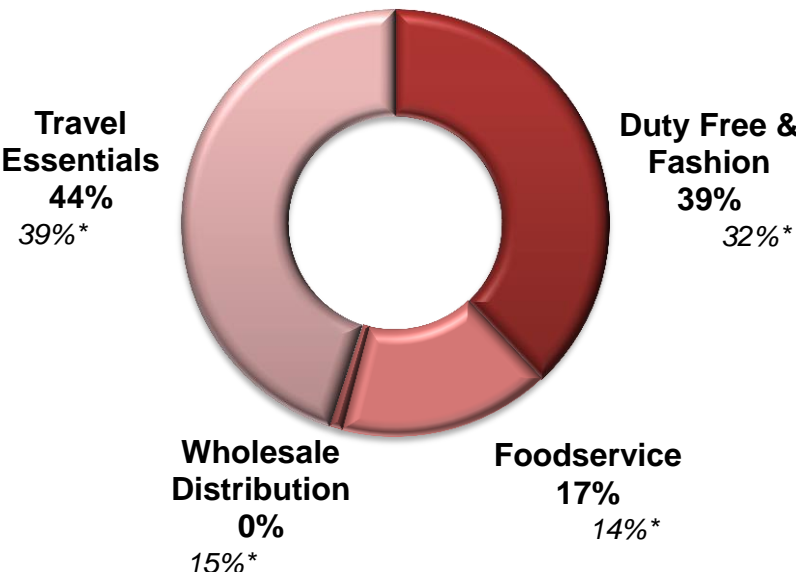


\*% of revenue in 2016.

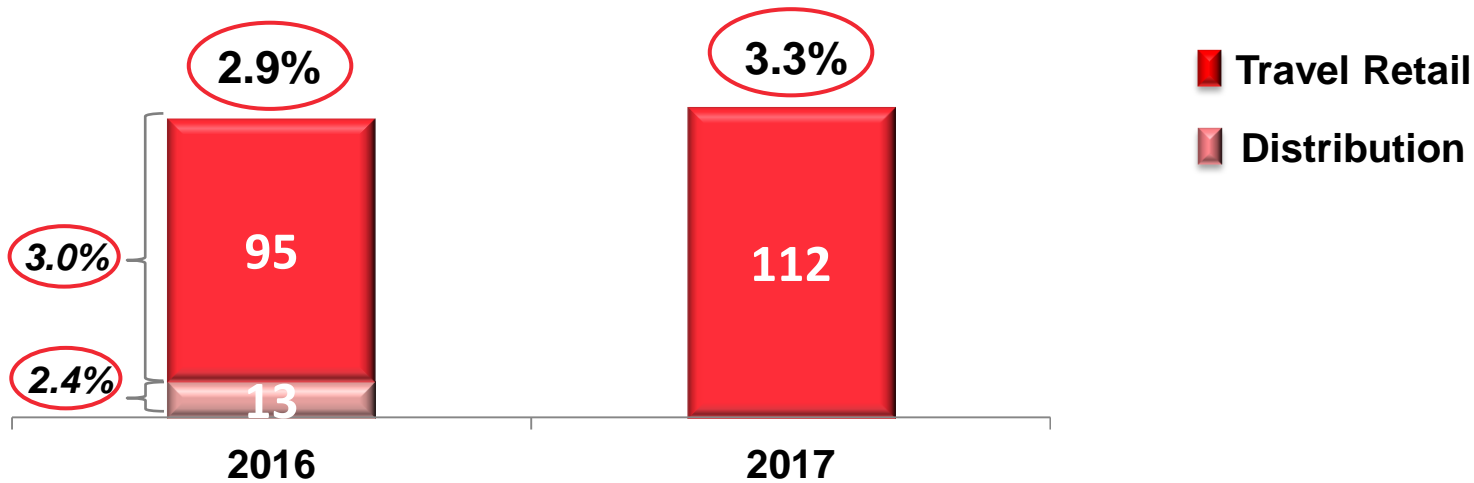
2017 revenue by geographic area



2017 revenue by activity

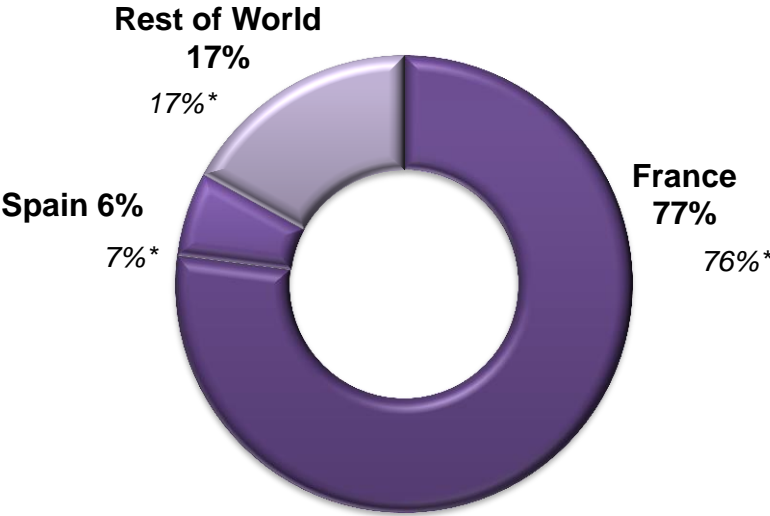


Change in recurring EBIT (€m) and operating margin (%)

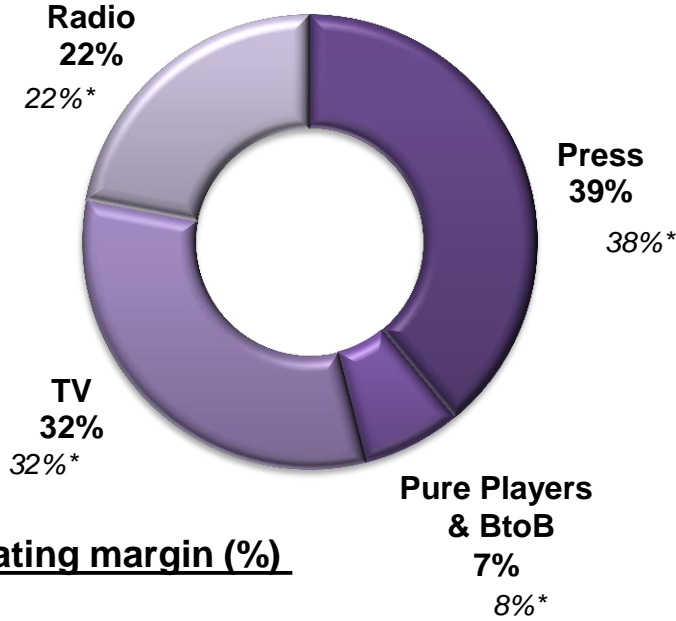


\*% of revenue in 2016.

2017 revenue by geographic area



2017 revenue by activity



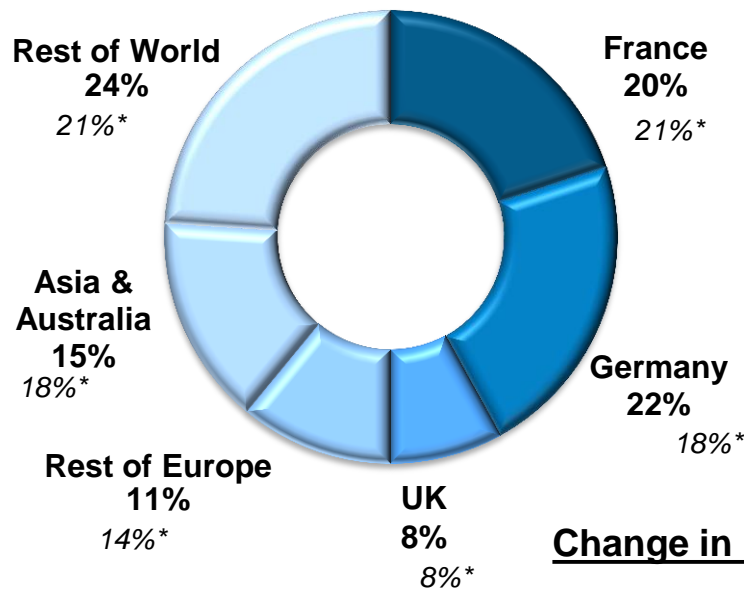
Change in recurring EBIT (€m) and operating margin (%)



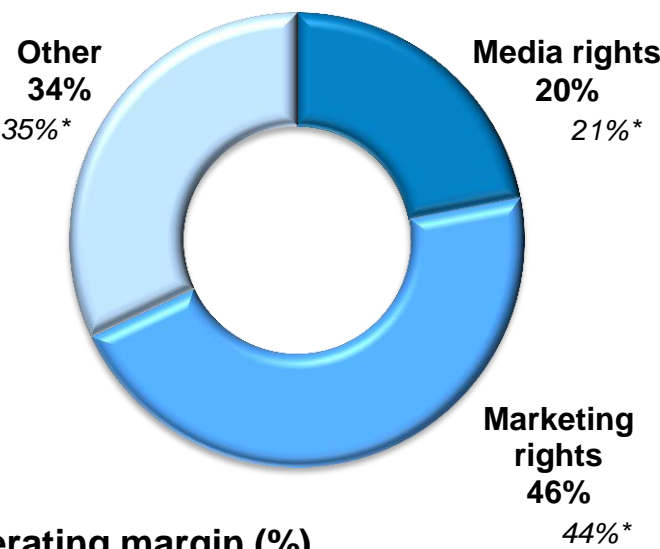
\*% of revenue in 2016.



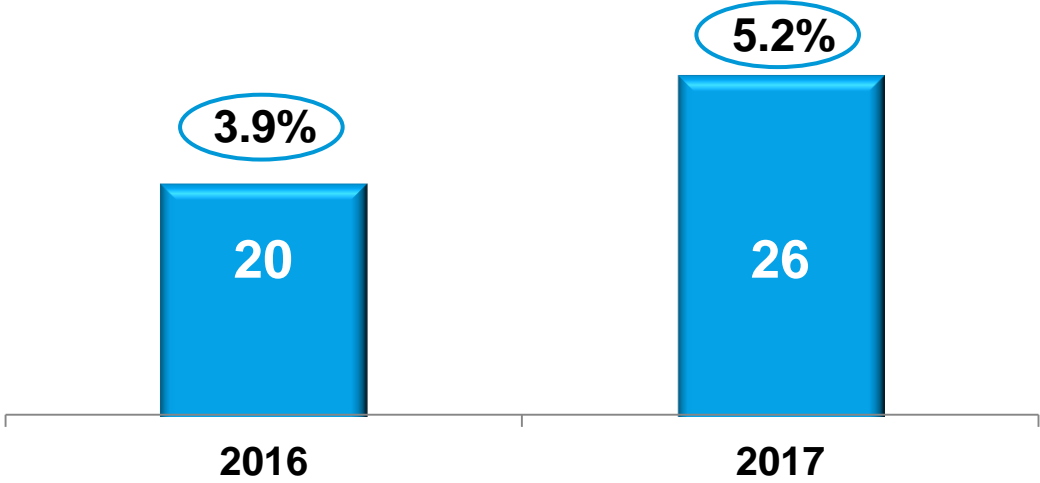
2017 revenue by geographic area



2017 revenue by activity



Change in recurring EBIT (€m) and operating margin (%)



\*% of revenue in 2016.

# CONSOLIDATED STATEMENT OF CASH FLOWS

(€m)	2016	2017
<b>Cash flow from operations before changes in working capital</b>	<b>557</b>	<b>563</b>
Changes in working capital	26	(90)
Income taxes paid	(77)	(89)
<b>Net cash from operating activities*</b>	<b>506</b>	<b>384</b>
<i>Purchases of property, plant &amp; equipment and intangible assets</i>	<i>(253)</i>	<i>(261)</i>
<i>Disposals of property, plant &amp; equipment and intangible assets</i>	<i>211</i>	<i>160</i>
<b>Free cash flow**</b>	<b>464</b>	<b>283</b>
<i>Purchases of investments</i>	<i>(108)</i>	<i>(68)</i>
<i>Disposals of investments***</i>	<i>139</i>	<i>19</i>
<b>Net cash from operating and investing activities</b>	<b>495</b>	<b>234</b>
<i>Dividend paid and other</i>	<i>(279)</i>	<i>(143)</i>
<i>Interest paid</i>	<i>(54)</i>	<i>(70)</i>
<b>Change in net debt</b>	<b>162</b>	<b>21</b>
<b>Net debt</b>	<b>(1,389)</b>	<b>(1,368)</b>

Negative change in working capital attributable to Lagardère Publishing

Continued investments especially in Travel Retail

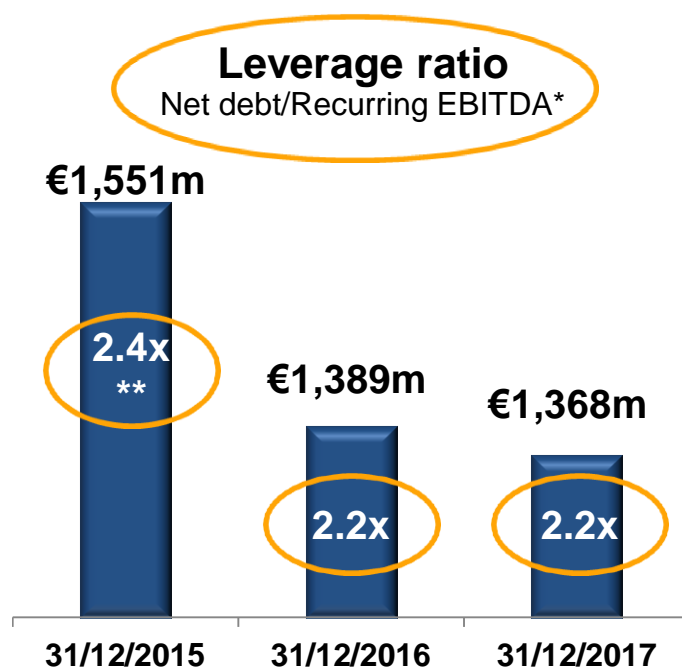
Disposal of property asset

\*Including positive impacts of €48m and €66m respectively in 2016 and 2017 attributable to interest paid/received following a change in presentation of the consolidated statement of cash flows (see note 1.1 to the consolidated financial statements for the six months ended 30 June 2017).

\*\*Alternative Performance Measure (APM) – See Definitions on slides 50 and 51.

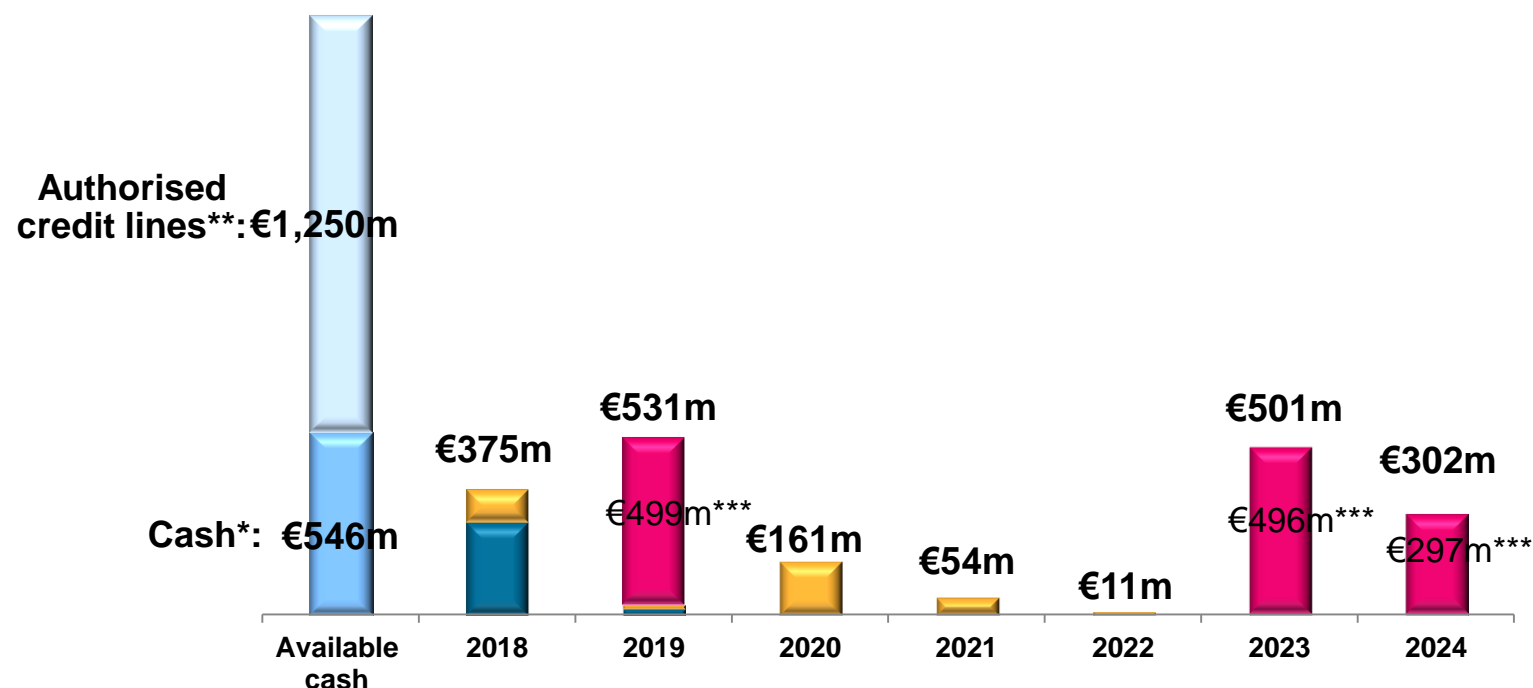
\*\*\*Including €6m of interest received in 2016 and €4m in 2017 (see note 1.1 to the consolidated financial statements for the six months ended 30 June 2017).

- Delivering a stable leverage ratio of 2.2x thanks to tight rein on debt and the favourable impact of recurring EBITDA.



\*Alternative Performance Measure (APM) – See Definitions on slides 50 and 51.

- Strong liquidity and well distributed debt repayment schedule



\*Short-term investments and cash, excluding €21m of derivative assets.

\*\*Undrawn Group credit facility excluding authorised credit lines at divisional level.

\*\*\*Bonds.

**Lagardère**

# GUIDANCE





**“The Lagardère group expects Group recurring EBIT in 2018 to remain stable versus 2017\*, at constant exchange rates.”**

# APPENDIX: BUSINESS UPDATES



## EXPANSION OF NON-FICTION AND BACKLIST PUBLISHING PROGRAMS

- Date of creation: 1996
- Date of acquisition: 1<sup>st</sup> April 2016
- 2015 revenue: ≈ €90m
- Activities: Non-fiction / Backlist publishing programs
- 9 imprints: Avalon Books, Basic Books, DAcapo Press, Public Affairs, Running Press...
- Market Positioning: Major general trade publisher in the US
- Markets: US + UK
- Synergies: The synergies for us will come to finding our own way out of the global Perseus infrastructure and running the business through our own infrastructure, which will take about 18 months.



THE PERSEUS  
BOOKS GROUP



✔ **Contracts are awarded through tender offer processes where travel retail operators answer** RFPs on “packages” depending on the retail space location and / or the product line targeted

Business Line		Duty Free & Fashion	Travel Essentials	Foodservice
Main ratios <sup>(1)</sup>				
Surface (sqm)		500 – 10,000	30 – 200	50 – 300
Capex (€/sqm)		3,000 – 5,000 (incl. brand contrib.)	1,000 – 3,000	2,000 – 5,000 (incl. kitchen)
Length (years)		5 – 10	5 – 7	7 – 10
Rent (% of sales)		15 – 40	8 – 30	10 – 35
		Most of the time supported by a Minimum Guaranteed <sup>(2)</sup>		
Exclusivity		Rare (de facto in some cases)		

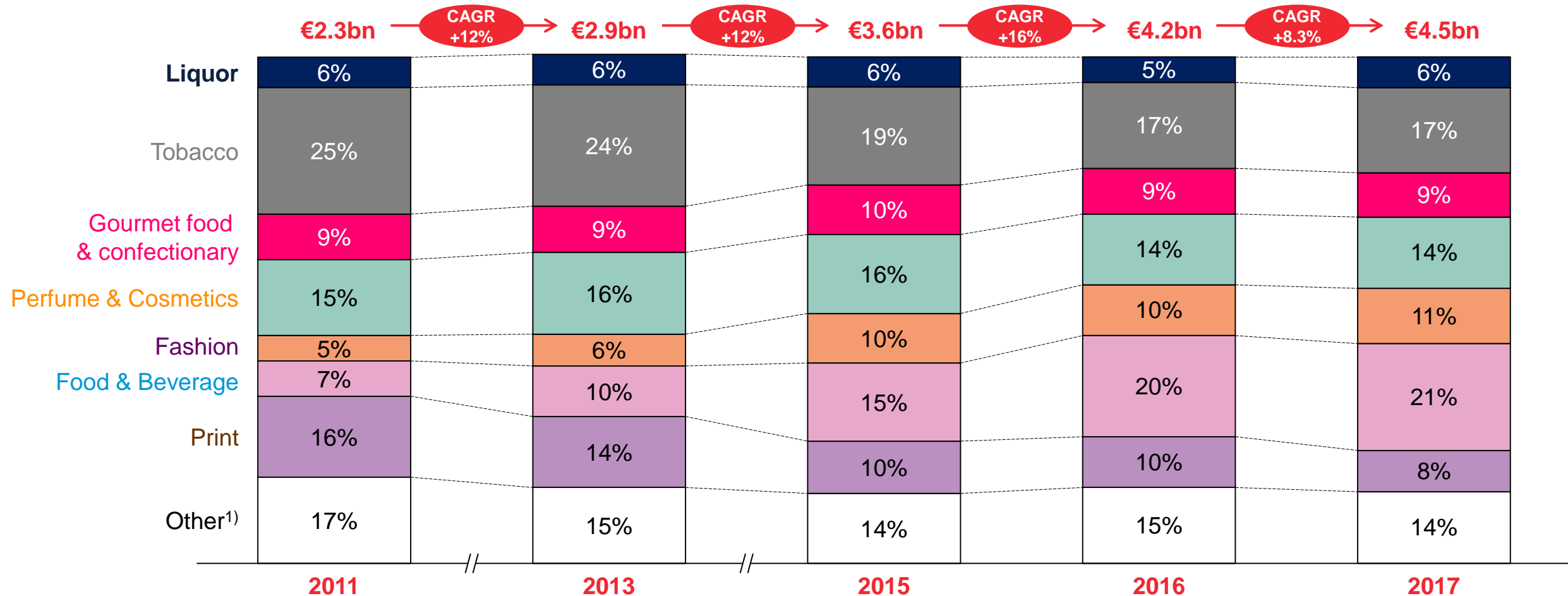
1) Ratios 90% within standard deviation from the mean  
2) MG could be fixed, indexed on traffic and/or inflation, monthly or annual  
Source: Lagardère Travel Retail estimates.



# TRAVEL RETAIL ORGANIC GROWTH DRIVERS

## ➤ A favourable product mix evolution

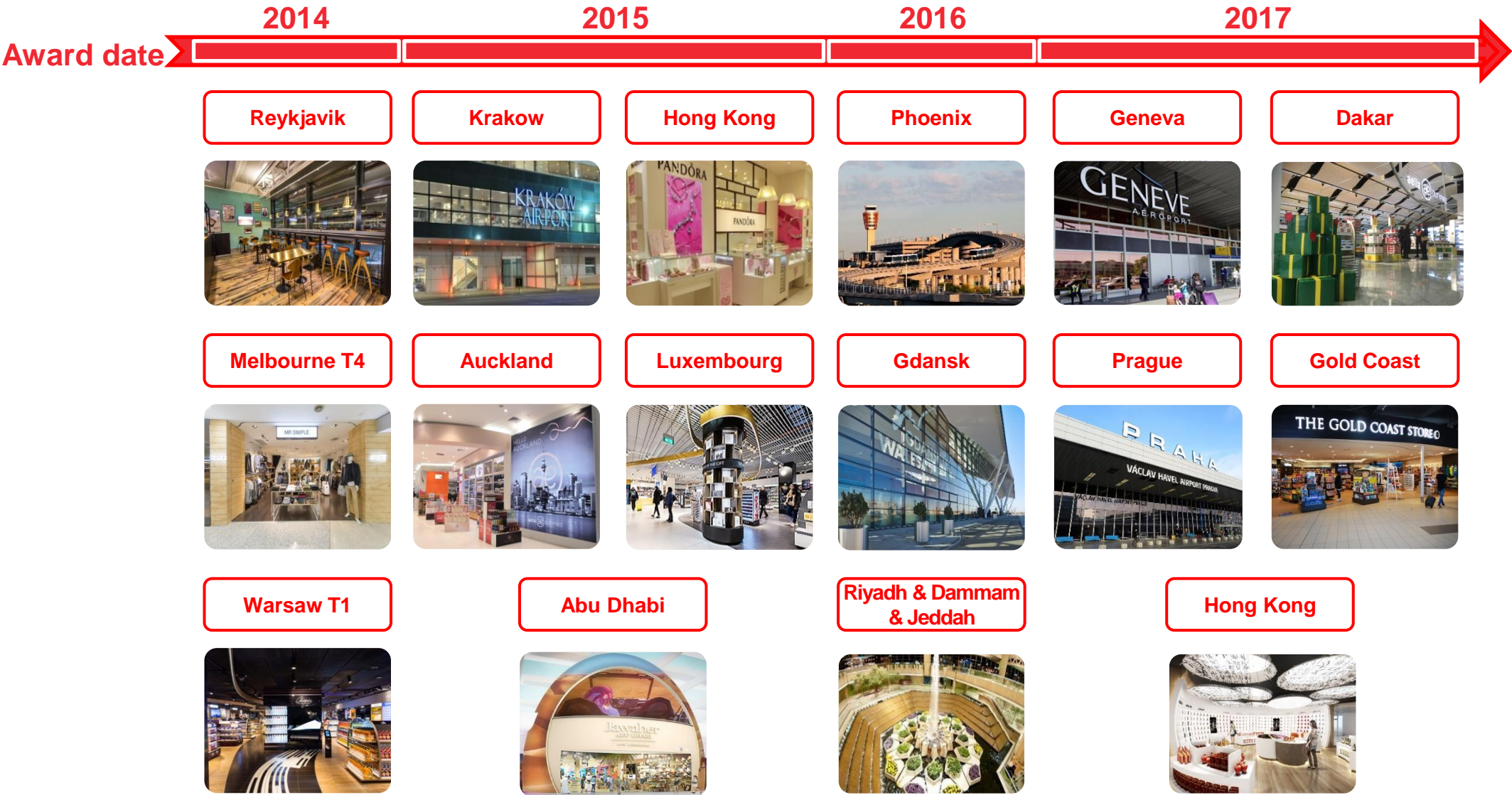
[in €m, revenue@100% 2011-2017]



\*Other mainly includes: travel accessories, gifts & souvenirs and convenience products (phone cards, lottery, ...).

# GROWTH HAS BEEN DRIVEN BY THE AWARD OF MAJOR TENDER OFFERS IN ALL THREE BUSINESSES...

Focus on major airport tender offers won since 2014



# ... AND BY SELECTIVE M&A OPERATIONS

## Focus on M&A operations performed from 2014 to 2017

### Paradies

- Closed in **October 2015**
- 520 PoS located in **75 airports**
- Operations in the **3 businesses**
- Annual sales: **€480m**



### Coffee Fellows

- Closed in **January 2014**
- 18 PoS in **German train stations**
- Operations in **Foodservice**
- Annual sales: **€10m**



### Gerzon

- Closed in **January 2014**
- 12 PoS in **Schiphol airport**
- Operations in **Fashion**
- Annual sales: **€55m**



### Saveria

- Closed in **April 2015**
- 17 PoS located at **JFK T4**
- Operations in **Fashion & Conf.**
- Annual sales: **€20m**



### Inflight Service activities in Poland and Northern Ferries

- Closed in **June 2017**
- 9 PoS in **airports and seaport**
- Operations in **Duty Free**
- Annual sales: **€20m**



### Airest

- Closed in **April 2014**
- 200 PoS in **11 countries**
- Operations mainly in **Foodservice**
- Annual sales: **€200m**



# PARADIES LAGARDÈRE: CREATING A REGIONAL LEADER

## Overview of Paradies Lagardère

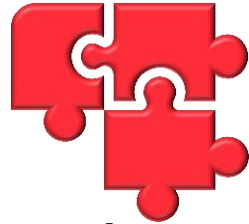
### Paradies Lagardère 2017 key figures

**#3**  
in North  
America

**98**  
airports

**6,000**  
employees

**\$852m**  
revenue



A new entity managed  
by an experienced  
leadership team



A unique and  
complementary North  
American footprint

**Paradies Lagardère**  
TRAVEL RETAIL



A brand portfolio tailor  
made for the North  
American market



A strong and  
long-lasting relationship  
with landlords



## Overview of Abu Dhabi contract awarded



### Key figures

- **10-year contract** on core duty free categories, confectionery and fine foods
- **13 PoS** over **3,000 sqm**
- 10-year estimated cumulated revenue: **€3bn**
- **9** Food and Beverage contracts awarded in April 2016

Abu Dhabi Capital Group | أبو ظبي كابيتال جروب

Lagardère  
TRAVEL RETAIL

**50/50 joint venture created to bid and run operations**



**Multi-category shops**



**Le Club iconic shop**

# THE BRAND FOR WOMEN

## BRAND

1<sup>st</sup> UPSCALE WOMEN'S BRAND  
11,313,000 consumers of which 8,451,000 are women

1<sup>st</sup> PREMIUM WOMEN'S BRAND  
2,976,000 consumers of which 1,920,000 are women

## PRESS

THE NEWS, FASHION & BEAUTY  
MULTIGENERATIONAL WOMEN'S WEEKLY  
329,932 copies

1<sup>st</sup> UPSCALE WOMEN'S WEEKLY  
2,074,000 readers  
of which 1,735,000 are women

1<sup>st</sup> PREMIUM WOMEN'S MAGAZINE  
556,000 readers  
of which 438,000 are women

## AROUND THE WORLD

1<sup>st</sup> FASHION MEDIA BRAND IN THE WORLD  
21 million readers  
46 print editions and 44 websites

## AWARDS AND EVENTS

IN TUNE WITH WHAT WOMEN WANT  
ELLE international beauty awards  
ELLE fashion solidarity – ELLE readers' grand prize – ELLE cinema's grand prize – ELLE Active – ELLE & women – ELLE run – ELLE zen



## INTERNET

1<sup>st</sup> UPSCALE WOMEN'S PRESS WEBSITE  
2,561,000 UV

## MOBILE

WOMEN'S NEWS JUST A CLICK AWAY  
ELLE Emojis Application  
ELLE Podcasts available for download on iTunes

1<sup>st</sup> of the CU on the MOBILE  
2,071,000 UV (website+app)

## TV

ELLE GIRL  
#FashionBeauty  
#Entertainment  
#SocietyDiscovery  
#Events  
Available in Canal packages

## COMMUNITY

Facebook 1.5M fans  
Twitter 1.7M followers  
Pinterest 934K subscribers  
Instagram 273K subscribers  
Google + 172K subscribers  
Beauty Gang 10,000 subscribers

# 2018 SPORTS EVENTS CALENDAR





# APPENDIX: FINANCIAL UPDATES

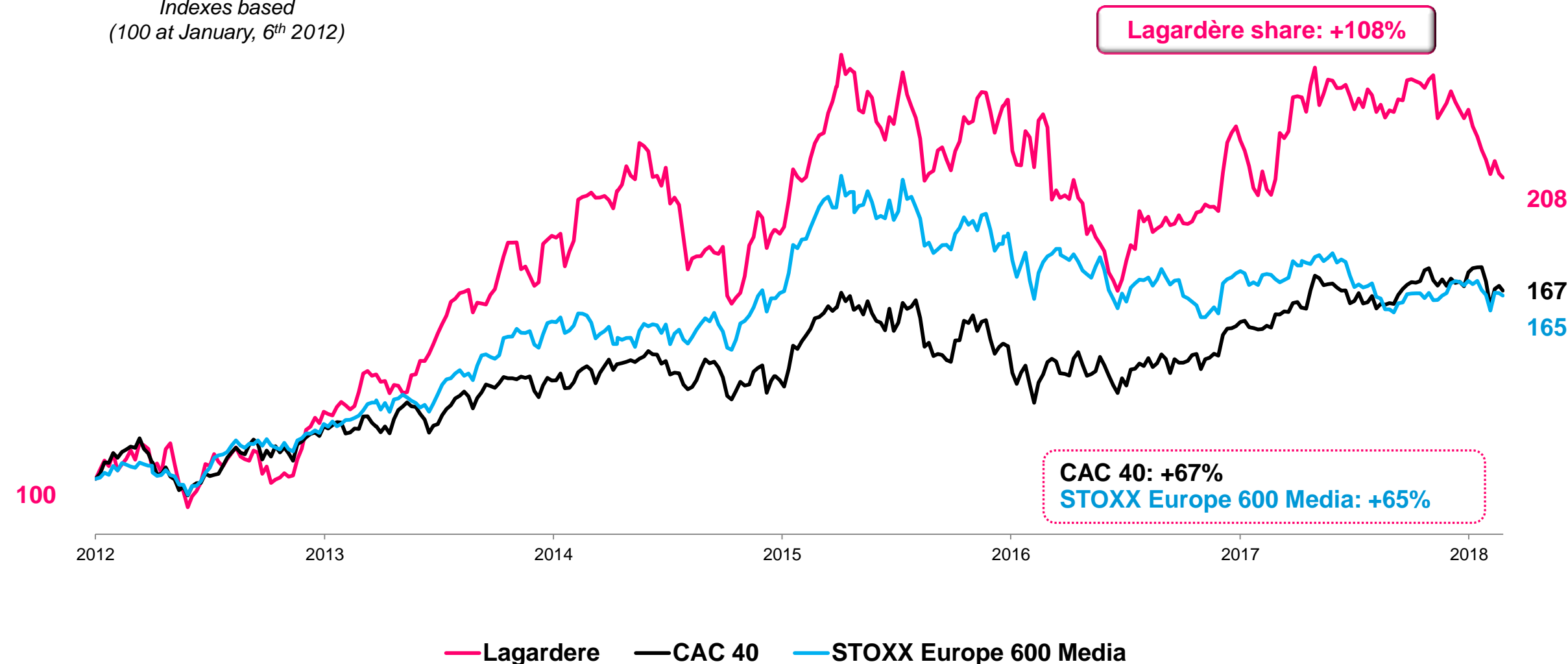




# AN EXCELLENT SHAREHOLDER RETURN OVER THE LAST 5 YEARS

## Shareholder return\*

Indexes based  
(100 at January, 6<sup>th</sup> 2012)



\*Source: Nasdaq IR.

Lagardère uses alternative performance measures which serve as key measures of the Group's operating and financial performance. These indicators are tracked by the Executive Committee in order to assess performance and manage the business, as well as by investors in order to monitor the Group's operating performance, along with the financial metrics defined by the IASB. These indicators are calculated based on elements taken from the consolidated financial statements prepared under IFRS and a reconciliation with those accounting items is provided either in this presentation or in the full-year 2017 results press release.

- **The like-for-like change in revenue is calculated by comparing:**
  - Revenue for the period adjusted for companies consolidated for the first time during the period and revenue for the prior-year period adjusted for consolidated companies divested during the period;
  - Revenue for the prior-year period and revenue for the current period adjusted based on the exchange rates applicable in the prior-year period.
- **Recurring EBIT. The Group's main performance indicator is recurring operating profit of fully consolidated companies (Group recurring EBIT), which is calculated as follows:**

**Profit before finance costs and tax** excluding:

  - Gains (losses) on disposals of assets;
  - Impairment losses on goodwill, property, plant and equipment, intangible assets and investments in equity-accounted companies;
  - Net restructuring costs;
  - Items related to business combinations:
    - Acquisition-related expenses;
    - Gains and losses resulting from purchase price adjustments and fair value adjustments due to changes in control;
    - Amortisation of acquisition-related intangible assets.
  - Specific major disputes unrelated to the Group's operating performance;
  - Income (loss) from equity-accounted companies before impairment losses.

- **Operating Margin** is calculated by dividing Recurring EBIT of fully consolidated companies (Group recurring EBIT) by revenue.
- **Recurring EBITDA over a rolling 12-month period** is calculated as recurring EBIT of fully consolidated companies (Group recurring EBIT) plus dividends received from equity-accounted companies, less amortisation and depreciation charged against intangible assets and property, plant and equipment.
- **Adjusted profit – Group share** is calculated on the basis of profit - Group share, excluding non-recurring/non-operating items, net of tax and minority interests, as follows:
  - Profit - Group share excluding:
    - Gains (losses) on disposals of assets;
    - Impairment losses on goodwill, property, plant and equipment, intangible assets and investments in equity-accounted companies;
    - Net restructuring costs;
    - Items related to business combinations:
      - Acquisition-related expenses;
      - Gains and losses resulting from purchase price adjustments and fair value adjustments due to changes in control;
      - Amortisation of acquisition-related intangible assets.
    - Specific major disputes unrelated to the Group's operating performance;
    - Tax effects of the above items, including the tax on dividends paid in France;
    - Non-recurring changes in deferred taxes.
- **Free cash flow** is calculating as cash flow from operations plus net cash flow relating to acquisitions and disposals of intangible assets and property, plant and equipment.
- **Net debt** is calculated as the sum of the following items: Short-term investments and cash and cash equivalents, Financial instruments designated as hedges of debt, Non-current debt and Current debt.

## IR team details

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Assistant

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## Calendar

*(all time is CET)*

- **2017 General Meeting**  
3 May 2018 at 10:00 a.m.
- **Publication of Q1 2018 revenue**  
17 May 2018 at 8:00 a.m.
- **Publication of H1 2018 financial results**  
26 July 2018 at 5:35 p.m.

**Address:** 42 rue Washington - 75408 Paris - France

**Tickers:** Bloomberg (MMB FP), Reuters (LAGA.PA)