



Lagardère



Q3 2019 REVENUE

7 November 2019

DISCLAIMER

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's 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.

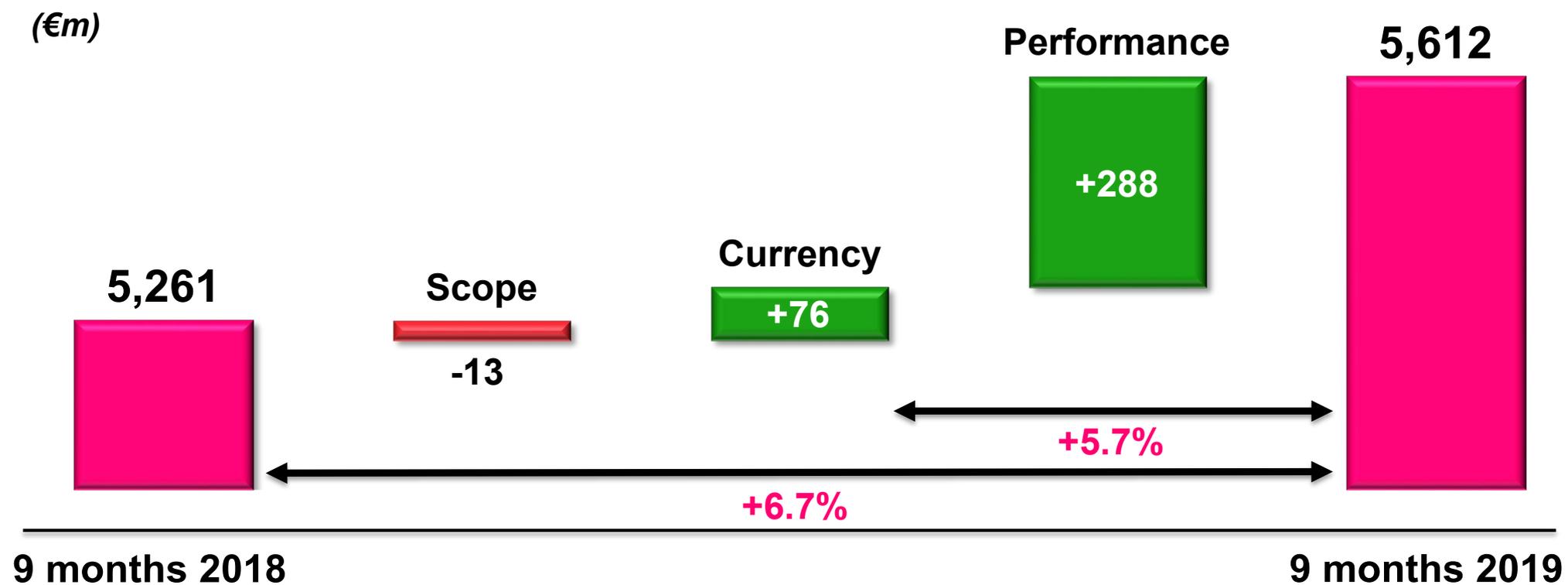
Q3 2019 REVENUE

| (€m) | Q3 | At 30 September |
|------------------------------|-----------|----------------------------|
| 2019 revenue | 2,000 | 5,612 |
| 2018 revenue | 1,895 | 5,261 |
| Consolidated growth | +5.5% | +6.7% |
| Like-for-like growth* | +4.1% | +5.7% |

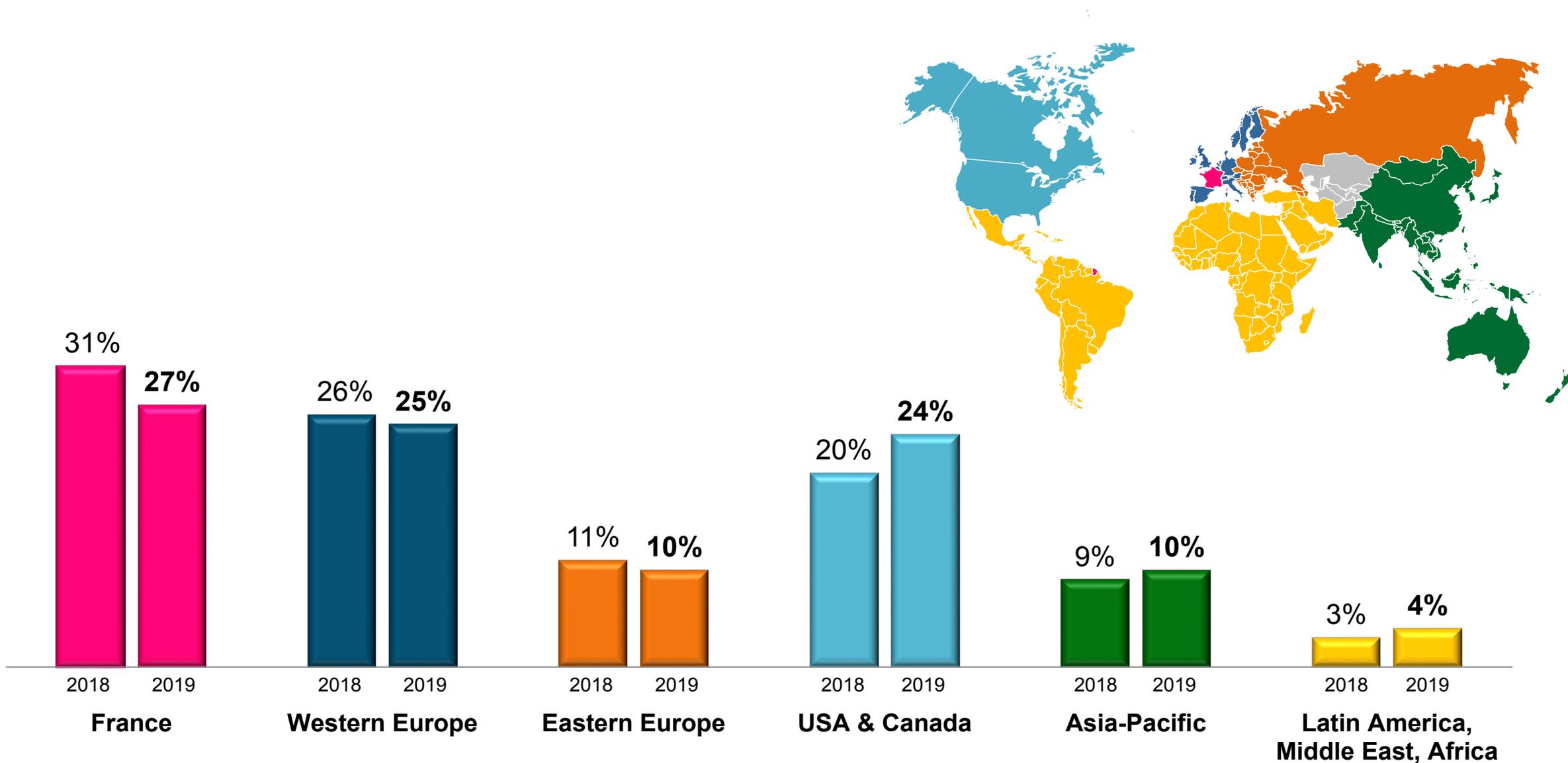
Sustained revenue increase in Q3, spurred by continued organic growth momentum at Lagardère Travel Retail and by a robust performance at Lagardère Publishing.

* Alternative Performance Measure (APM). See definition on slide 11.

9 MONTHS 2019 REVENUE EVOLUTION



9 MONTHS 2019 REVENUE BY GEOGRAPHIC AREA



LAGARDÈRE PUBLISHING

| (€m) | Q3 | At 30 September |
|------------------------------|--------------|----------------------------|
| 2019 revenue | 663 | 1,707 |
| 2018 revenue | 607 | 1,607 |
| Consolidated growth | +9.1% | +6.2% |
| Like-for-like growth* | +6.6% | +3.3% |

Q3 revenue growth driven by solid performances in France (2019 high school curriculum reform), in Spain (primary school curriculum reform) and in Partworks. Also robust momentum for Mobile Games.

* Alternative Performance Measure (APM). See definition on slide 11.

LAGARDÈRE TRAVEL RETAIL

| (€m) | Q3 | At 30 September |
|------------------------------|---------------|----------------------------|
| 2019 revenue | 1,152 | 3,147 |
| 2018 revenue | 1,002 | 2,725 |
| Consolidated growth | +15.0% | +15.5% |
| Like-for-like growth* | +6.3% | +6.4% |

Continued organic growth in all geographies fueled in particular by Europe and China (good sales performances and expansion of the point-of-sale network).

* Alternative Performance Measure (APM). See definition on slide 11.

LAGARDÈRE SPORTS AND ENTERTAINMENT

| (€m) | Q3 | At 30 September |
|------------------------------|--------------|----------------------------|
| 2019 revenue | 82 | 402 |
| 2018 revenue | 90 | 304 |
| Consolidated growth | -8.6% | +32.3% |
| Like-for-like growth* | -8.7% | +30.7% |

Revenue declined in Q3, the favourable calendar effect related to the Total Africa Cup of Nations football tournament failing to offset the scheduled end of a tennis tournament in the United States and a golf tournament in Scandinavia.

* Alternative Performance Measure (APM). See definition on slide 11.

LAGARDÈRE ACTIVE

| (€m) | Q3 | At 30 September |
|------------------------------|-----------|----------------------------|
| 2019 revenue | 103 | 356 |
| 2018 revenue | 196 | 625 |
| Consolidated growth | -47.7% | -43.0% |
| Like-for-like growth* | -16.4% | -8.3% |

Revenue retreated due to a drop in audience figures for the Europe 1 station, a decline in circulation revenues for press titles and unfavourable comparison basis at Lagardère Studios.

* Alternative Performance Measure (APM). See definition on slide 11.

GUIDANCE

2019 RECURRING EBIT GROWTH TARGET BASED ON TARGET SCOPE

The Lagardère group expects 2019 recurring EBIT⁽¹⁾ growth based on the target scope⁽²⁾ to be between 4% and 6% at constant exchange rates and excluding the acquisition of HBF and IDF.

NON-RETAINED BUSINESS SCOPE

Based on constant exchange rates, the contribution to recurring EBIT in 2019 for businesses not yet disposed as of 13 March 2019 (which represented €78 million in 2018), is expected to be between €64 million and €74 million on a full year basis, taking into account the impact of the disposal of the TV channels as of 2 September 2019.

⁽¹⁾ Alternative Performance Measure (APM). See definition on slide 11 (restated for the impact of IFRS 16 on concession agreements at Lagardère Travel Retail).

⁽²⁾ Lagardère Publishing and Lagardère Travel Retail (core businesses), as well as Other Activities including Lagardère News (*Paris Match*, *Le Journal du Dimanche*, Europe 1, Virgin Radio, RFM and the Elle brand licence), the Entertainment businesses, the Group Corporate function, and the Lagardère Active Corporate function whose costs will be wound down by 2020.

DEFINITIONS

Lagardère uses alternative performance measures which serve as key indicators 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. In the context of the first-time application of IFRS 16 – Leases, effective 1 January 2019, the Group has elected to retain its existing alternative performance measures with certain modifications, in particular the neutralisation of pure accounting effects and distortions created by the new standard on the concessions businesses. Since 1 January 2019, these indicators are monitored by the Executive Committee to assess operating performance and manage the business, along with the financial metrics defined by the IASB. These indicators are calculated based on accounting items taken from the consolidated financial statements prepared under IFRS and a reconciliation with those items is provided in this press release or in the Q3 2019 revenue presentation.

- **Like-for-like revenue were calculated by adjusting:**

- Q3 2019 revenue to exclude companies consolidated for the first time from July 2018, and Q3 2018 revenue to exclude companies divested from July 2018;
- 2019 and 2018 revenue based on 2018 exchange rates.

- **Recurring EBIT: the Group's main performance indicator is recurring operating profit of fully consolidated companies, which is calculated as follows:**

Profit before finance costs and tax excluding:

- Income from equity-accounted companies before impairment losses
- Gains (losses) on disposals of assets
- Impairment losses on goodwill, property, plant and equipment, intangible assets and investment 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 adjustment due to changes in control
 - Amortisation of acquisition-related intangible assets
- Specific major disputes unrelated to the Group's operating performance
- Items related to leases:
 - Cancellation of fixed rental expense* on concessions
 - Depreciation of right-of-use assets on concessions
 - Gains and losses on concession agreements

* Cancellation of fixed rental expense is equal to the repayment of the lease liability, the associated change in working capital and interest paid in the statement of cash flows.



Q&A

Q3 2019 revenue
7 November 2019