

**Lagardère**

# FIRST-HALF 2022 RESULTS

26 July 2022

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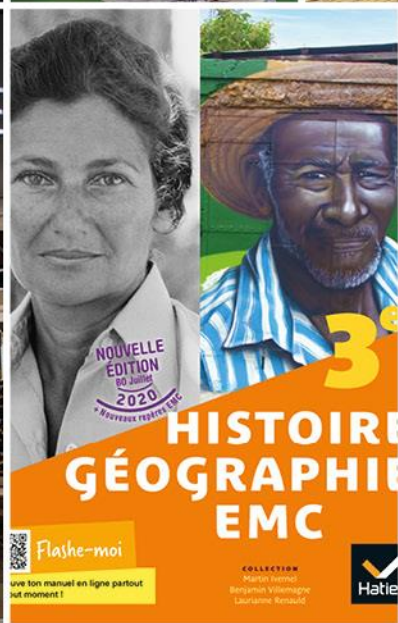
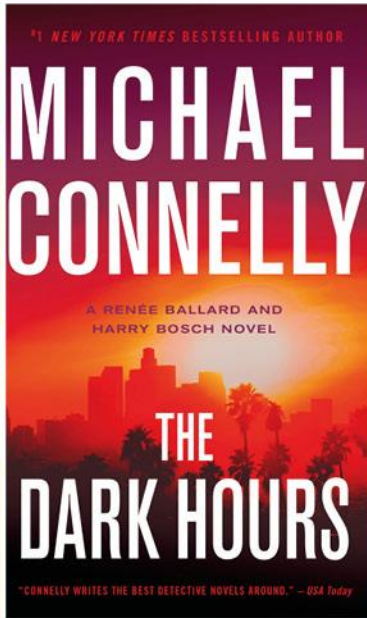
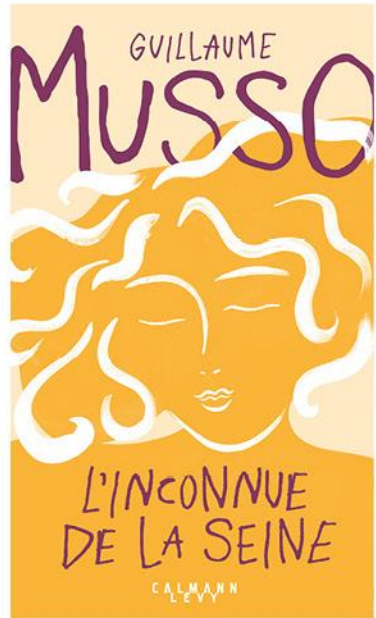
- general economic conditions (notably due to the Covid-19 pandemic health crisis);
- legal, regulatory, financial and governmental risks related to the businesses;
- certain risks related to the media industry (including, without limitation, technological risks);
- the cyclical nature of some of the businesses.

These risks factors and uncertainties are further developed in the "risk factors" section of the Universal Registration Document and its Amendment (the most recent version is available on the website of Lagardère SA, in the Shareholders and Investors' section, and on the AMF's website).

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# H1 2022 HIGHLIGHTS

## **H1 2022: LAGARDERE GROUP SAW A STEEP INCREASE IN BOTH REVENUE AND RECURRING EBIT DRIVEN BY A STRONG PERFORMANCE AT LAGARDERE PUBLISHING AND AN EXCEPTIONAL RECOVERY FOR LAGARDERE TRAVEL RETAIL**

- **After an exceptional H1 2021, Lagardère Publishing's strong performance helped maintain revenue at comparable levels in an evolving macroeconomic environment (-1.0%\* L/L yoy revenue) and profitability high**
- **Spectacular recovery by Lagardère Travel Retail: +97.2%\* L/L yoy revenue growth due to the diversified business lines and geographical portfolio benefiting from the fast traffic rebound in North America and EMEA; positive recurring EBIT for the second consecutive half year**
- **Reopening of live performance venues driving Other Activities' growth**
- **Corporate segment set to achieve savings targets for 2022**
- **Continued development opportunities, with significant M&A activity (€126m of net investments)**

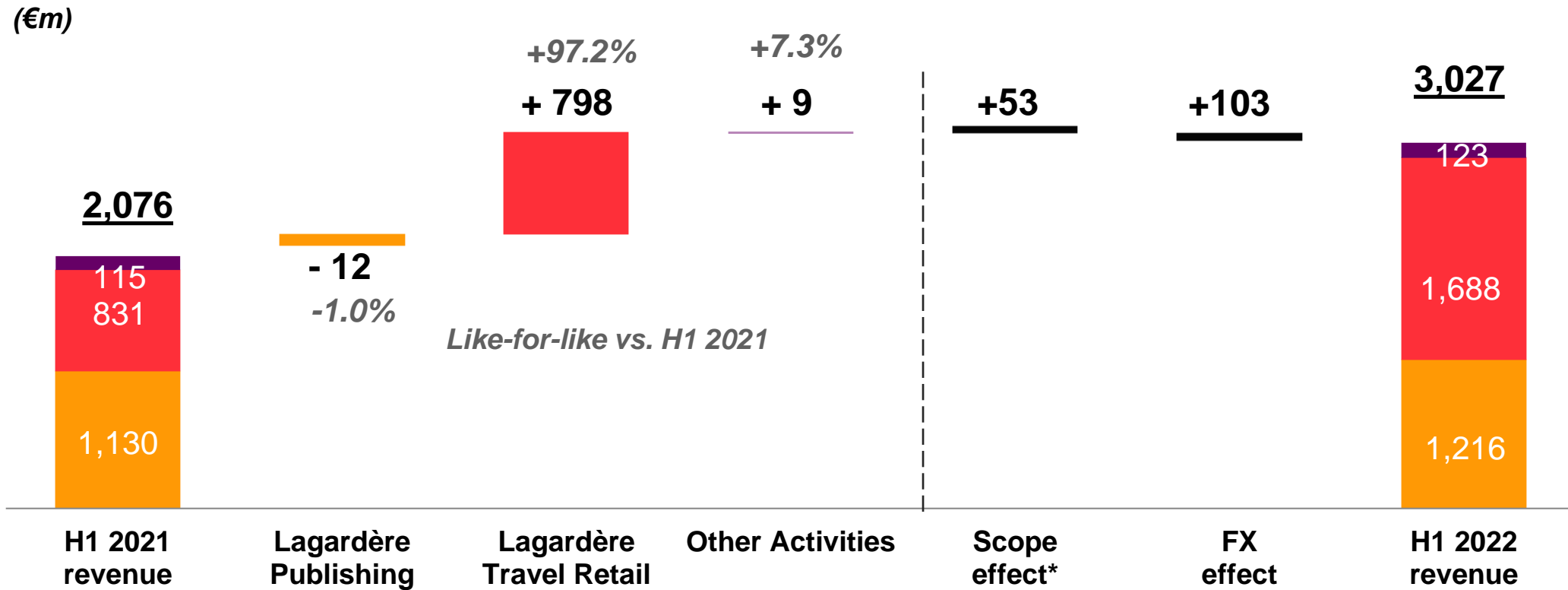
**STRONG GROWTH AND PROFITABILITY IN H1 2022**

<b>(€m)</b>	<b>H1 2019*</b>	<b>H1 2020*</b>	<b>H1 2021</b>	<b>H1 2022</b>
<b>Revenue</b>	<b>3,324</b>	<b>2,088</b>	<b>2,076</b>	<b>3,027</b>
<b>Group recurring EBIT**</b>	<b>88</b>	<b>(218)</b>	<b>3</b>	<b>107</b>
<b><i>Operating margin**</i></b>	<b>2.7%</b>	<b>-10.4%</b>	<b>0.1%</b>	<b>3.5%</b>
<b>Free cash flow**</b>	<b>(34)</b>	<b>(511)</b>	<b>77</b>	<b>(117)</b>
<b><i>o/w free cash flow before changes in WC**</i></b>	<b>46</b>	<b>(242)</b>	<b>(12)</b>	<b>54</b>
<b>Net debt at end of period**</b>	<b>(1,461)</b>	<b>(2,048)</b>	<b>(1,716)</b>	<b>(1,961)</b>
<b>Dividend per share (€)</b>	<b>1.3</b>	<b>0</b>	<b>0</b>	<b>0.5</b>

\* Excluding Lagardère Sports, classified within discontinued operations in accordance with IFRS 5

\*\* Alternative Performance Measure (APM)

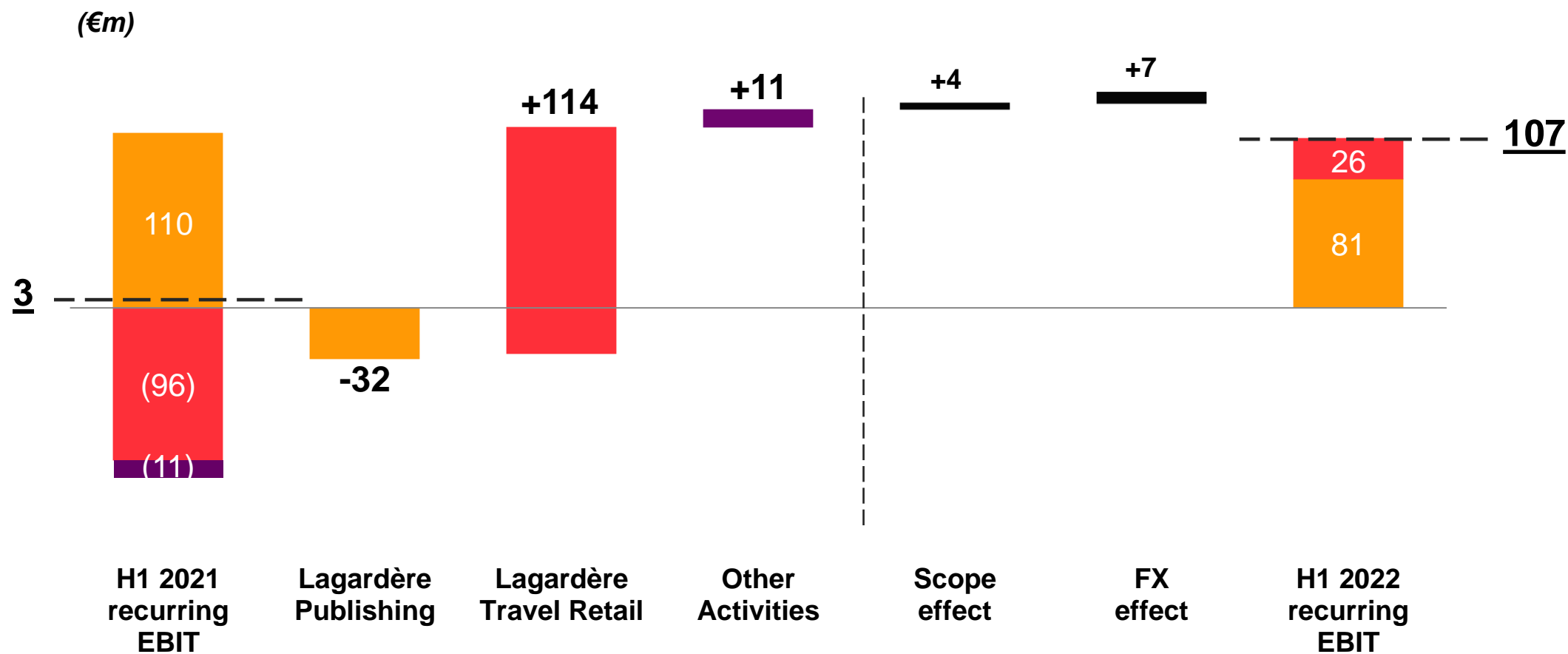
## STRONG GROWTH IN REVENUE DRIVEN BY THE RECOVERY OF TRAVEL RETAIL

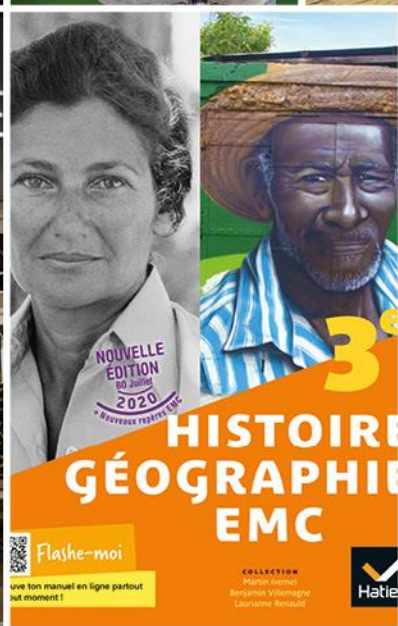
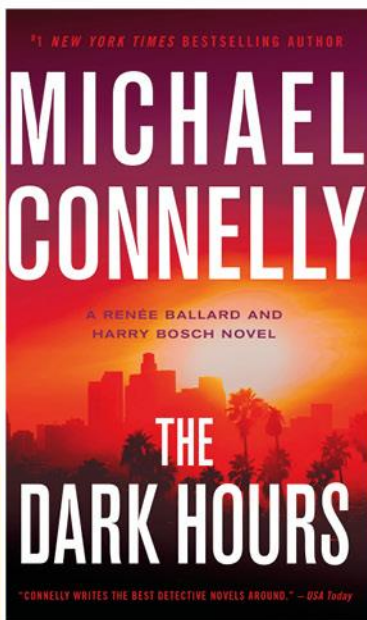
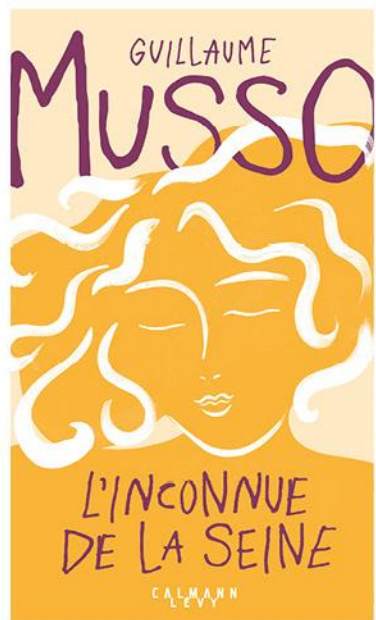


**Revenue up 45.8% as reported, up 38.6% like-for-like**

\* Including Workman Publishing

## SPECTACULAR IMPROVEMENT IN RECURRING EBIT IN THE TRAVEL RETAIL DIVISION



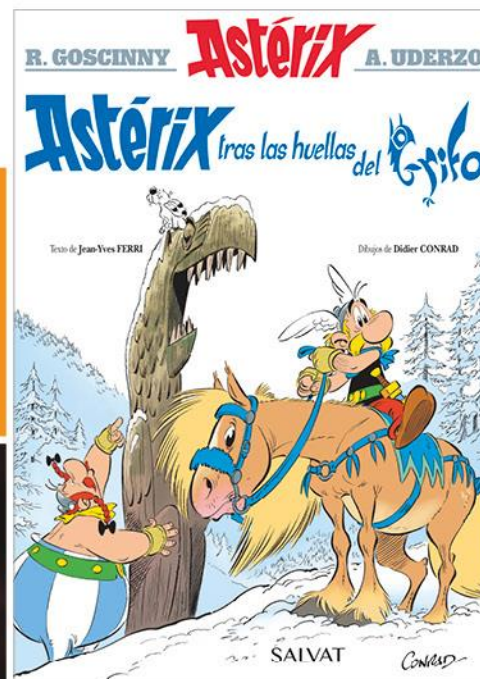
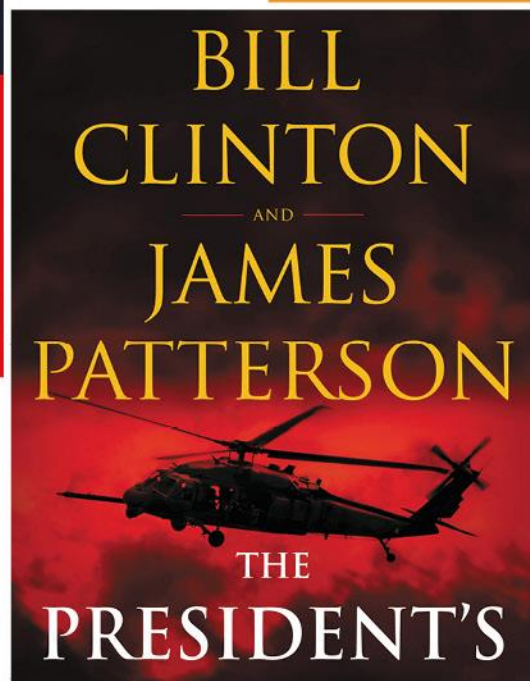


## PERFORMANCE BY DIVISION





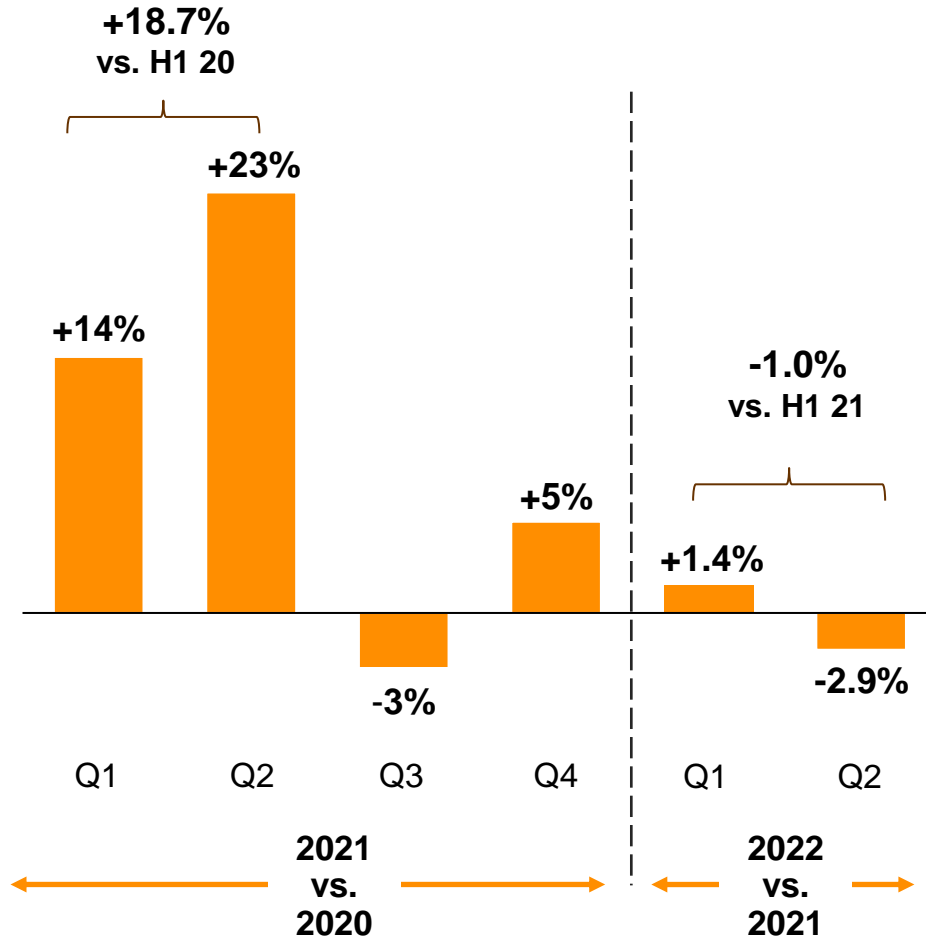
**Lagardère**  
PUBLISHING



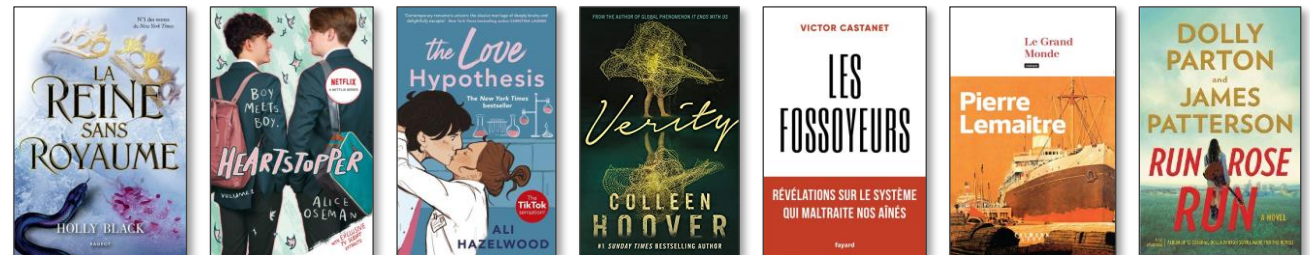
**H1 2022 PERFORMANCE**

## SALES MAINTAINED AT A HIGH LEVEL IN AN EVOLVING MARKET

### 2021 & 2022 like-for-like yoy revenue

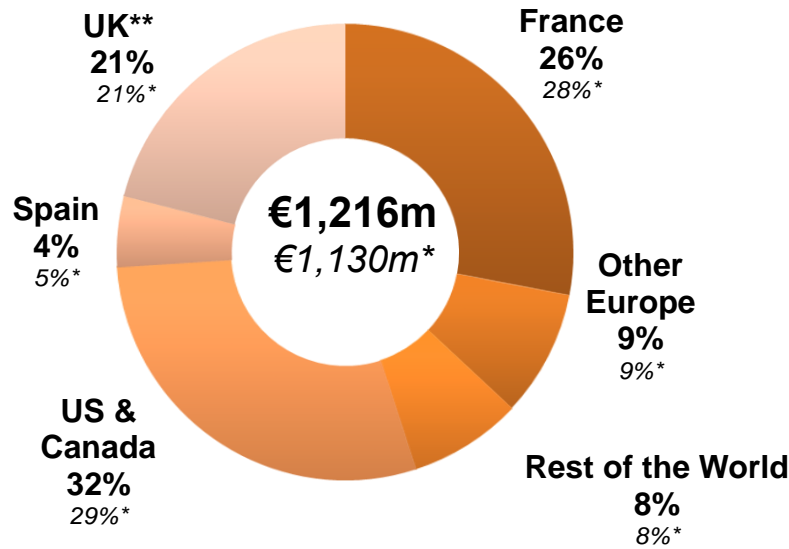


- After an exceptional performance in H1 2021, **revenue remained at a high level** (€1,216m) despite a slowdown during Q2
- **Taking advantage of Netflix adaptations** (*Heartstopper* in the UK and in France; *The Witcher* in the US and UK; *Bridgerton*)
- **Capturing social media trends** including Tik Tok (*Verity*, *The Love Hypothesis*)
- **Diversity of the portfolio** (benefiting from travel guides rebound)

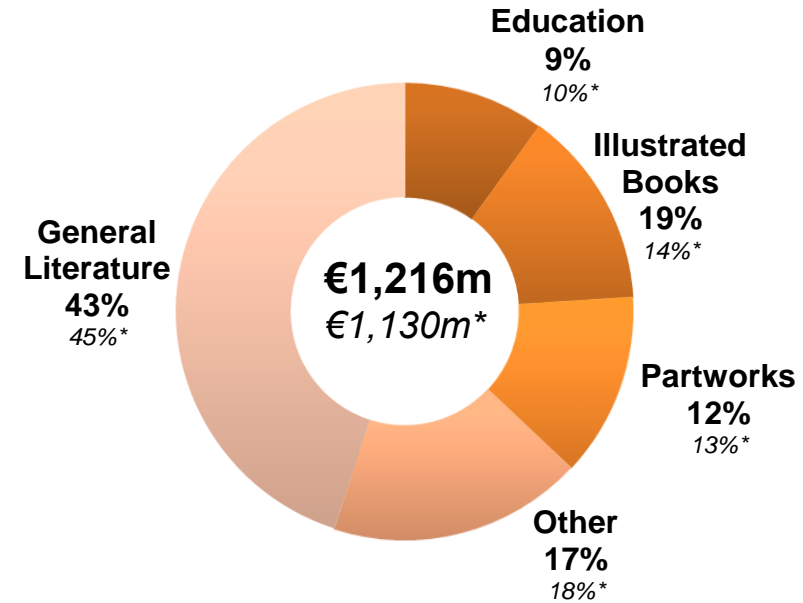


# ILLUSTRATED BOOKS SUPPORTING ACTIVITY DESPITE A SLIGHTLY LESS BUOYANT FRENCH MARKET

H1 2022 revenue by geographic area



H1 2022 revenue by activity



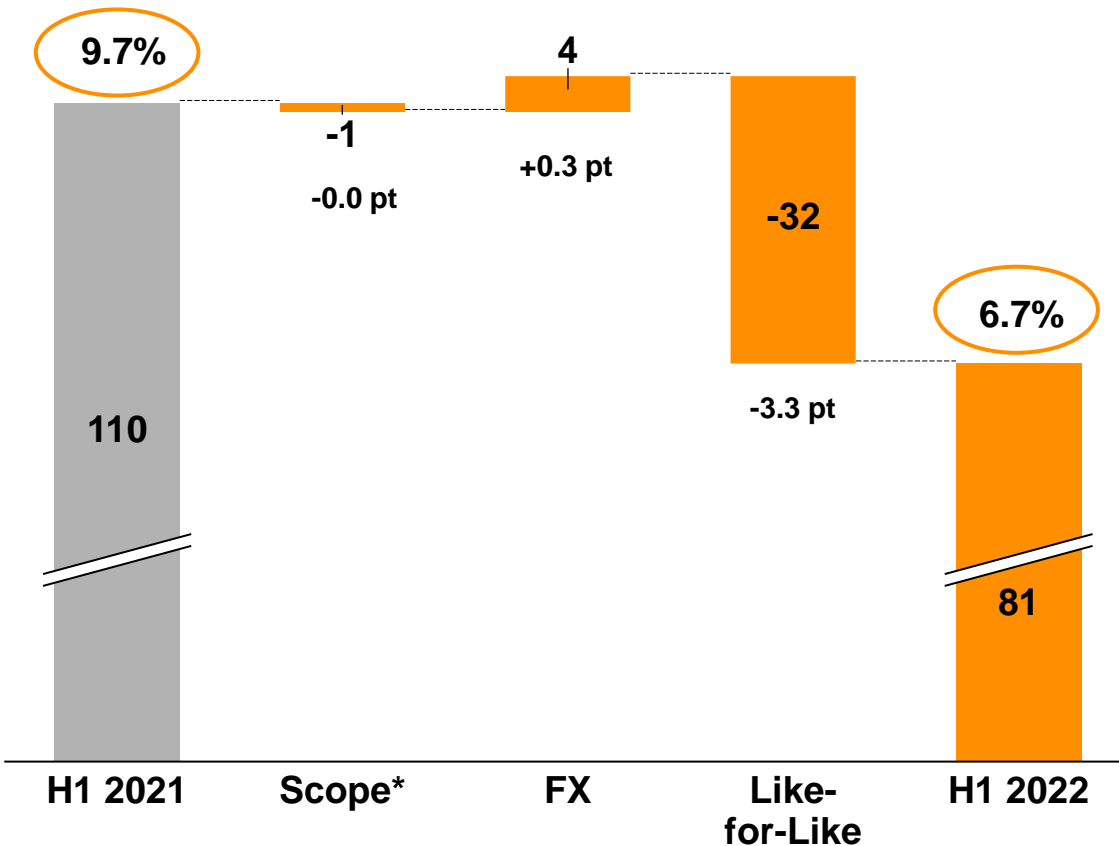
- Thanks to the acquisition of **Workman Publishing**, the US & Canada has become the division's largest market
- **Strong performance of Illustrated Books segment** thanks to the success of mangas at Pika (*Horimiya*, *Rokudenashi Blues*) and integration of **Paperblanks'** activities

\* H1 2021 figures

\*\* Including Ireland, Australia and New Zealand

## PROFITABILITY REMAINS AT HIGH LEVELS AFTER A RECORD H1 2021

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



- Profitability level remains well above H1 2020 (2.8%) and pre-Covid 2019 (3.5%)
- Operating margin impacted by inflation (paper costs, logistics freight, staff costs)

\* Acquisition of Workman Publishing in September 2021

## FREE CASH FLOW BEFORE CHANGES IN WORKING CAPITAL LOWERED DUE TO THE ACTIVITY

### WORKING CAPITAL VARIATION IMPACTED BY SEMESTER SEASONALITY

<i>(€m)</i>	H1 2021	H1 2022
Cash flow from operations before changes in working capital	113	93
Changes in working capital	(37)	(255)
Income taxes paid	(39)	(67)
<b>Cash flow from (used in) operations</b>	<b>37</b>	(229)
Purchases/disposals of PP&E and intangible assets	(14)	(23)
<b>Free cash flow</b>	<b>23</b>	(252)
Purchases/disposals of investments	1	(24)
<b>Cash flow from (used in) operations and investing activities</b>	<b>24</b>	(276)
<b>Free cash flow before changes in working capital</b>	<b>60</b>	<b>3</b>

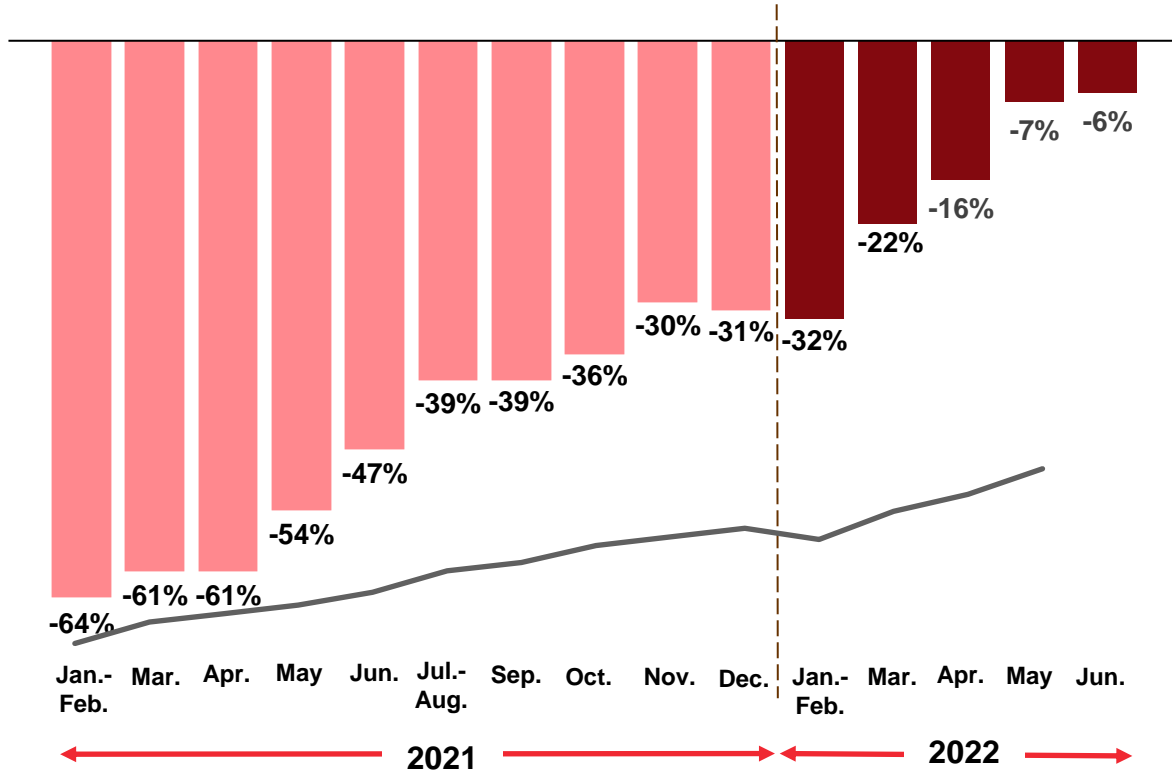


**Lagardère**  
TRAVEL RETAIL

## H1 2022 PERFORMANCE

# LAGARDÈRE TRAVEL RETAIL ACCELERATED REVENUE RECOVERY IN H1 2022

**2021 & 2022 like-for-like revenue vs. 2019**  
(vs. passenger traffic)



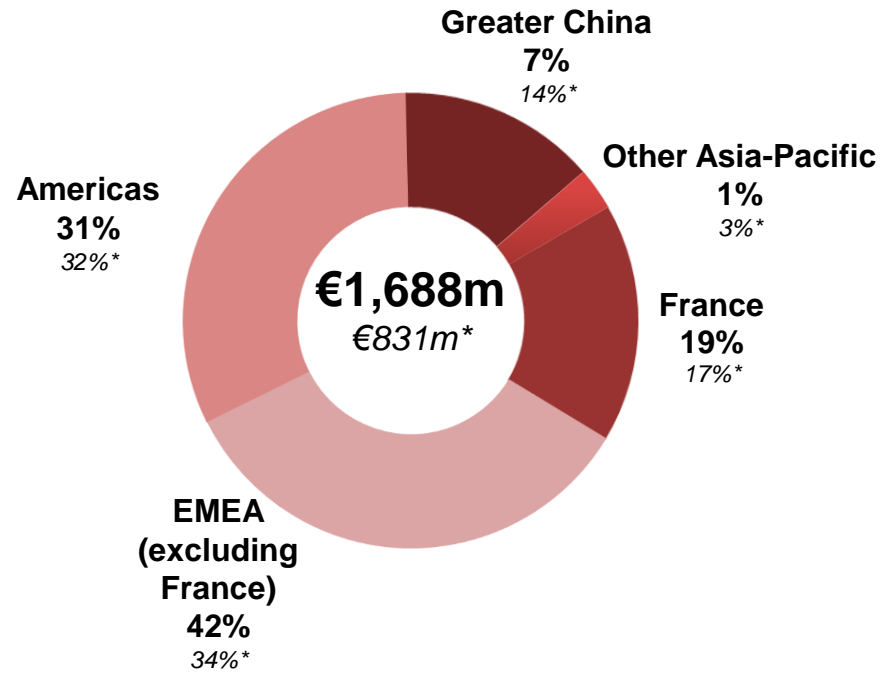
- **Very strong recovery** supported by a favourable geographic footprint with presence across all European countries and across the US & Canada
- **Reopening of transatlantic flights** and acceleration since March 2022
- China still hampered by zero-Covid strategy



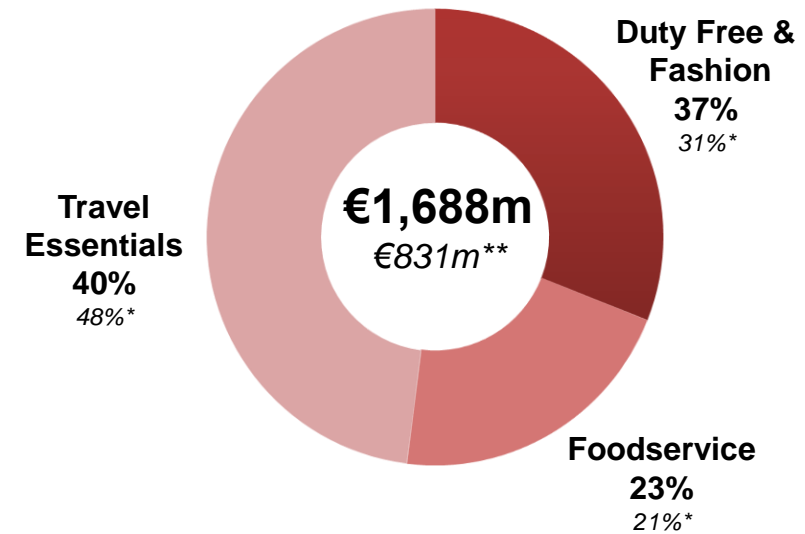
— IATA monthly global passenger traffic figures (RPK 'Revenue Passenger Kilometres'); arithmetic mean for January-February and July-August

# LAGARDÈRE TRAVEL RETAIL BENEFITTING FROM ITS GEOGRAPHIC AND BUSINESS FOOTPRINT

H1 2022 revenue by geographic area



H1 2022 revenue by activity



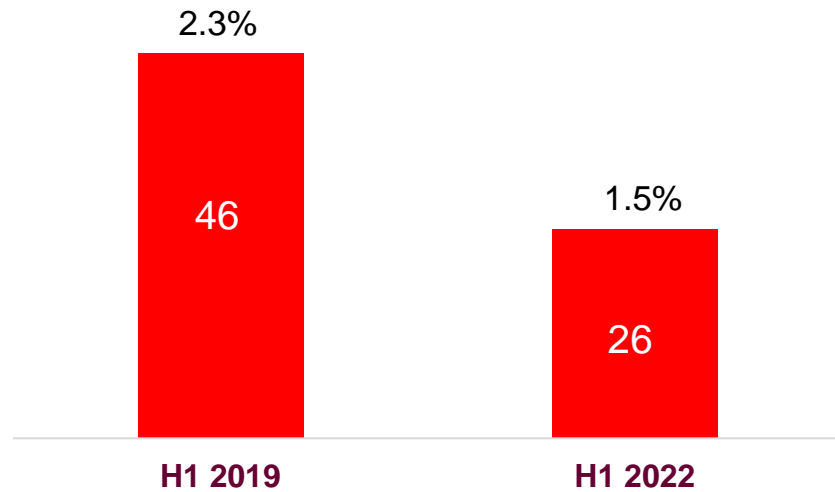
- **Global international traffic is improving** with countries reopening progressively, and strong impact on European Duty Free
- **Limited direct impact of the war in Ukraine** on Lagardère Travel Retail locations
- **Domestic & international air traffic** of Chinese passengers impacted by zero-Covid strategy

\* H1 2021 figures

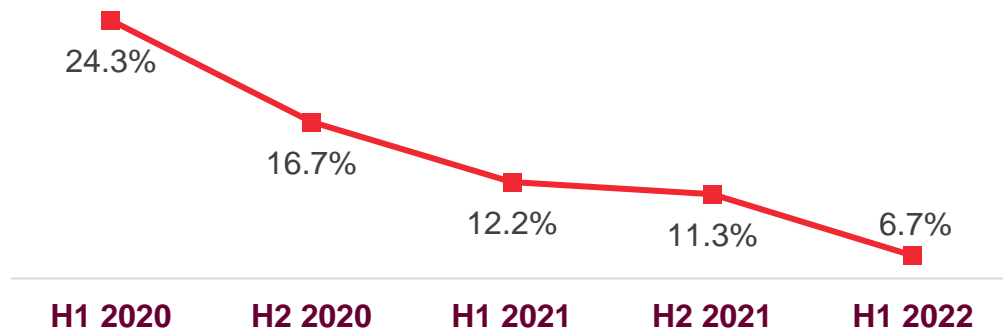


# ACCELERATION OF THE BUSINESS RECOVERY TRANSLATING INTO FLOW THROUGH LOW POINT

**Rec.EBIT (€m) and operating margin (%)**  
**H1 2019 vs. H1 2022**



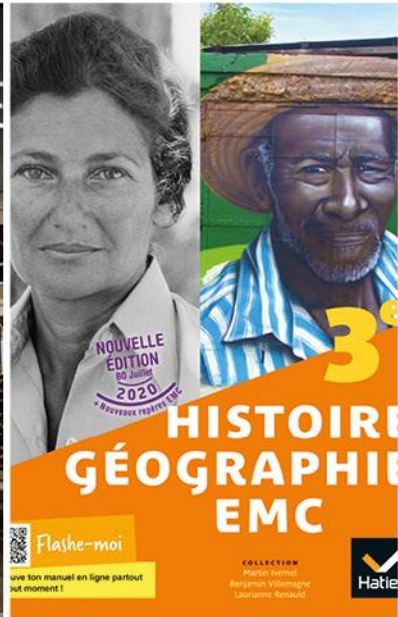
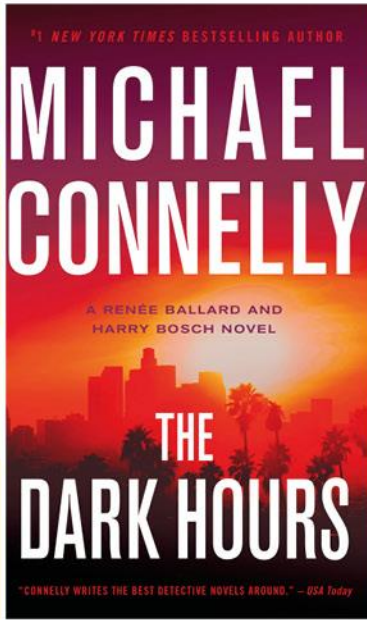
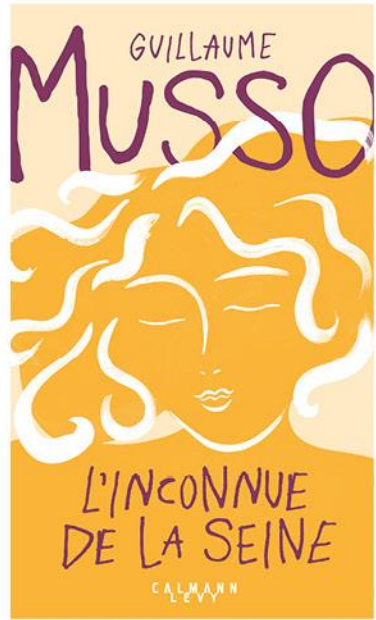
**Flow through vs. 2019**



- **Second semester back to profitability since the Covid crisis**, massive ongoing efforts geared towards operational excellence
- **LEAP: all streams progressing well**, in line with expected targets
- **Flow through low point of 6.7% achieved due to a unique combination of factors** (“glocal” model optimising the recovery dynamic, one-off aid due to the Covid crisis, rent adjustments, adaptation of point-of sale operations to air traffic and temporary staff shortages in certain countries)

## FREE CASH FLOW BEFORE WORKING CAPITAL SUPPORTED BY PROFITABLE ACTIVITIES & CONTROLLED LEVEL OF INVESTMENTS

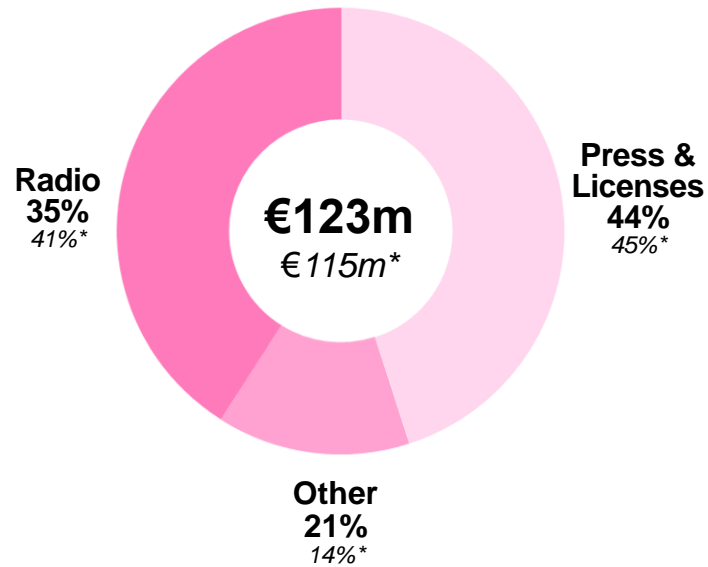
<i>(€m)</i>	H1 2021	H1 2022
Cash flow from operations before changes in working capital	(43)	86
Changes in working capital	122	82
Income taxes paid	1	-
<b>Cash flow from (used in) operations</b>	<b>80</b>	<b>168</b>
Purchases/disposals of PP&E and intangible assets	(25)	(43)
<b>Free cash flow</b>	<b>55</b>	<b>125</b>
Purchases/disposals of investments	(2)	(102)
<b>Cash flow from (used in) operations and investing activities</b>	<b>53</b>	<b>23</b>
<b>Free cash flow before changes in working capital</b>	<b>(67)</b>	<b>43</b>



# OTHER ACTIVITIES

## BUSINESS GROWTH FOR OTHER ACTIVITIES

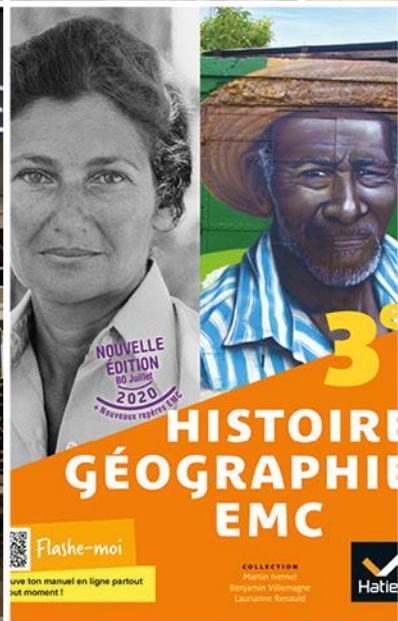
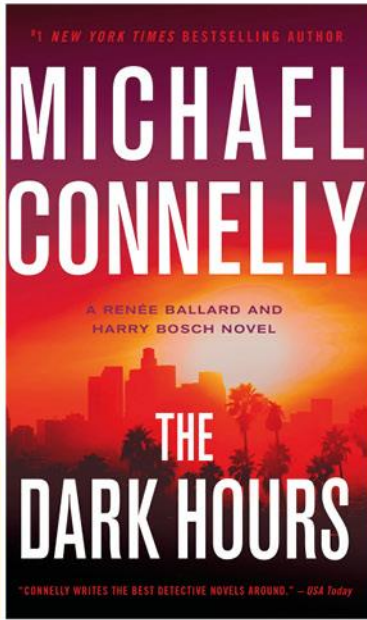
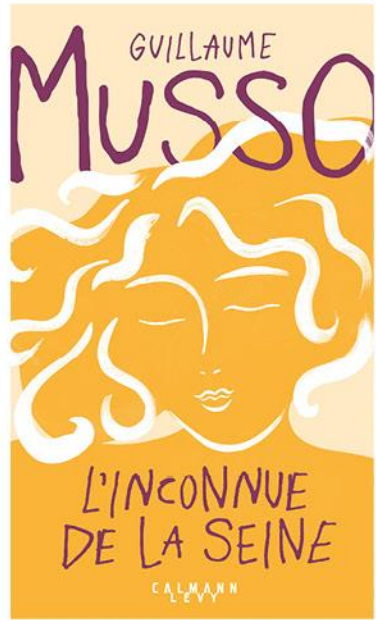
### H1 2022 revenue by activity



- **Other activities revenue growth at +7.3% vs. H1 2021\*\***
  - **Press & Lagardère Live Entertainment (LLE)** positive performance thanks to advertising sales and the reopening of live performance venues following the lifting of health restrictions
  - **Radio** revenue down due to lower audience figures
  - **Elle brand licences growth** vs. H1 2021
  
- **Breakeven H1 2022 recurring EBIT (+€11m vs. H1 2021)**
  - Mainly driven by **LLE recovery**
  - **Corporate** to meet 2022 savings commitments



\* H1 2021 figures  
 \*\* On a like-for-like basis



# GROUP RESULTS

**H1 2022 CONSOLIDATED INCOME STATEMENT**

(€m)	H1 2021*	H1 2022
<b>Revenue</b>	<b>2,076</b>	<b>3,027</b>
<b>Group recurring EBIT</b>	<b>3</b>	<b>107</b>
Income (loss) from equity-accounted companies**	(22)	(5)
Non-recurring/non-operating items	(72)	(70)
<i>o/w IFRS 16 impacts on concession agreements</i>	(11)	17
<b>Total EBIT</b>	<b>(91)</b>	<b>32</b>
Finance costs, net	(25)	(37)
Interest expense on lease liabilities	(32)	(29)
<b>Profit (loss) before tax</b>	<b>(148)</b>	<b>(34)</b>
Income tax (expense) benefit	(9)	2
<b>Profit (loss) for the period from continuing activities</b>	<b>(157)</b>	<b>(32)</b>
Gain (loss) from discontinued operations***	5	-
<b>Profit (loss) for the period</b>	<b>(152)</b>	<b>(32)</b>
Attributable to minority interests	(1)	(13)
<b>Profit (loss) – Group share</b>	<b>(153)</b>	<b>(45)</b>
<b>Adjusted profit (loss) – Group share</b>	<b>(86)</b>	<b>25</b>

\* Restated for 2<sup>nd</sup> IFRS 16 – Covid-19 amendment

\*\* Before impairment losses

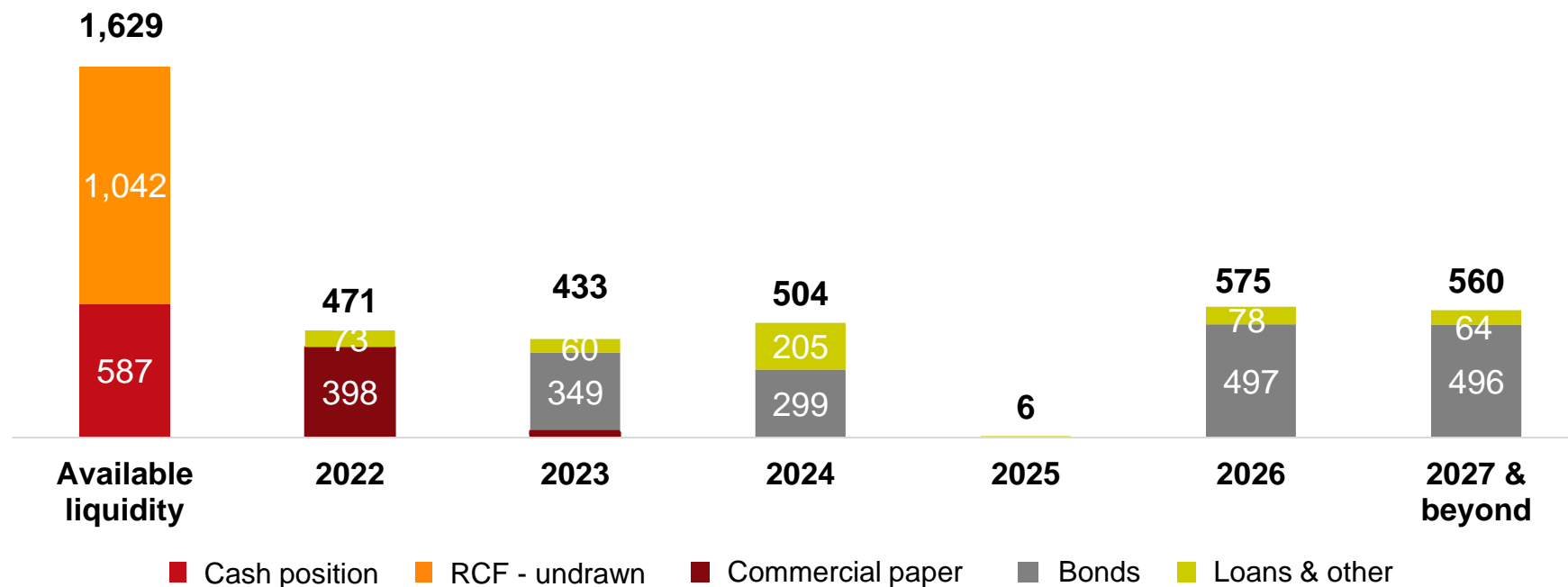
\*\*\* Lagardère Sports

## H1 2022 CONSOLIDATED STATEMENT OF CASH FLOWS

<i>(€m)</i>	H1 2021	H1 2022
<b>Cash flow from (used in) operations before changes in working capital</b>	<b>38</b>	<b>144</b>
Changes in working capital	88	(170)
Income taxes paid	(11)	(23)
<b>Net cash from (used in) operations</b>	<b>115</b>	<b>(49)</b>
Purchases/disposals of PP&E and intangible assets	(38)	(68)
<b>Free cash flow</b>	<b>77</b>	<b>(117)</b>
<b><i>o/w free cash flow before changes in WC</i></b>	<b><i>(12)</i></b>	<b><i>54</i></b>
Purchases of investments	(39)	(144)
Disposals of investments	69	18
<b>Net cash from (used in) operations and investing activities</b>	<b>107</b>	<b>(243)</b>
Dividend paid	(13)	(89)
Interest paid	(33)	(29)
Other items	(44)	(65)
<b>Change in net debt</b>	<b>17</b>	<b>(426)</b>

# SOLID LIQUIDITY WITH €1.6BN AVAILABLE AS OF 30 JUNE 2022

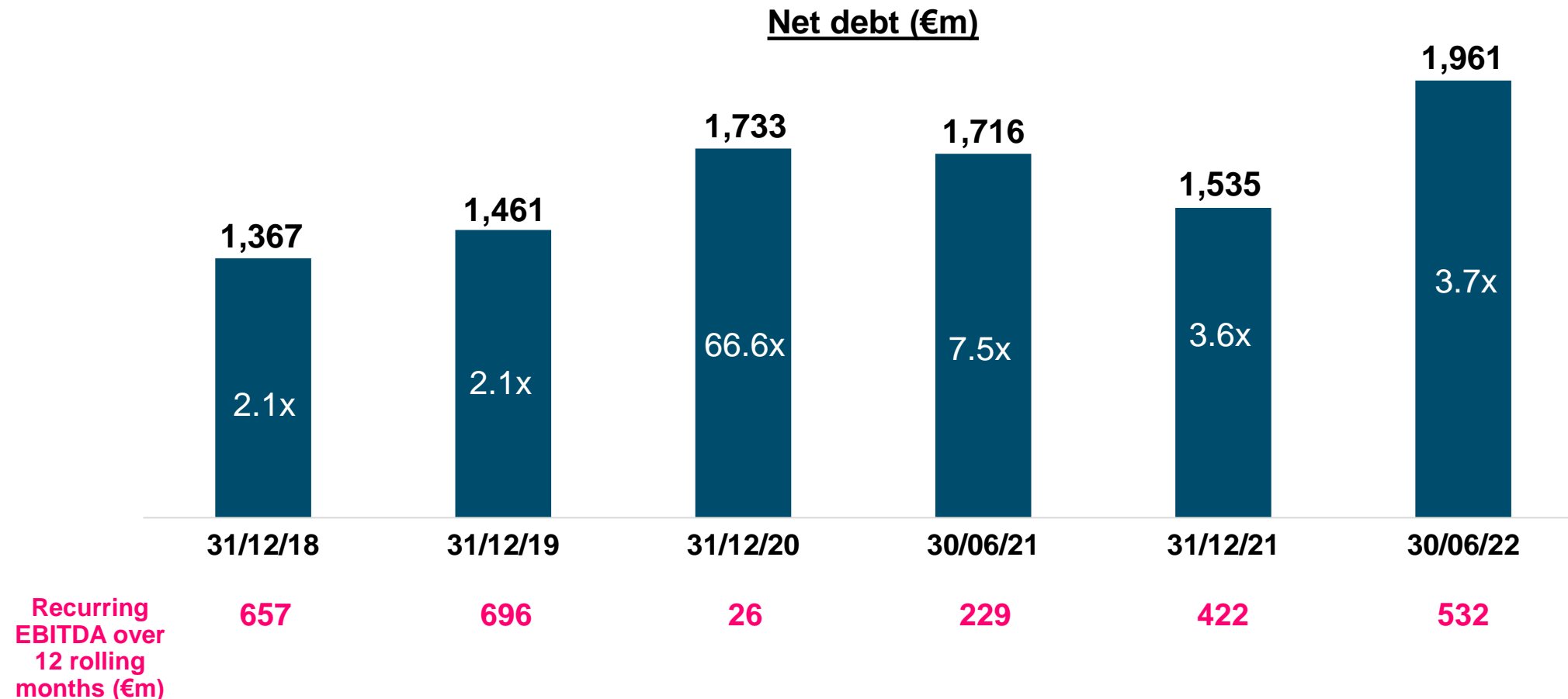
Balanced debt maturity profile (€m)



- In April 2022, the RCF was extended until April 2024 with a further extension option through to April 2026



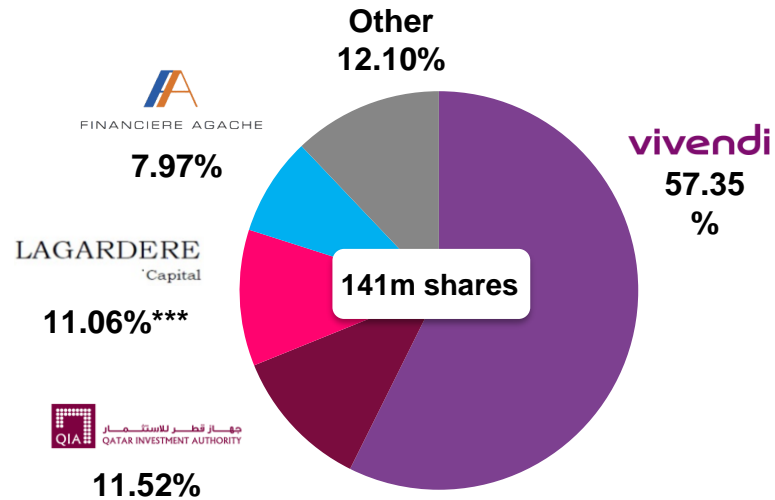
## SIGNIFICANT REDUCTION OF THE LEVERAGE AT 3.7X



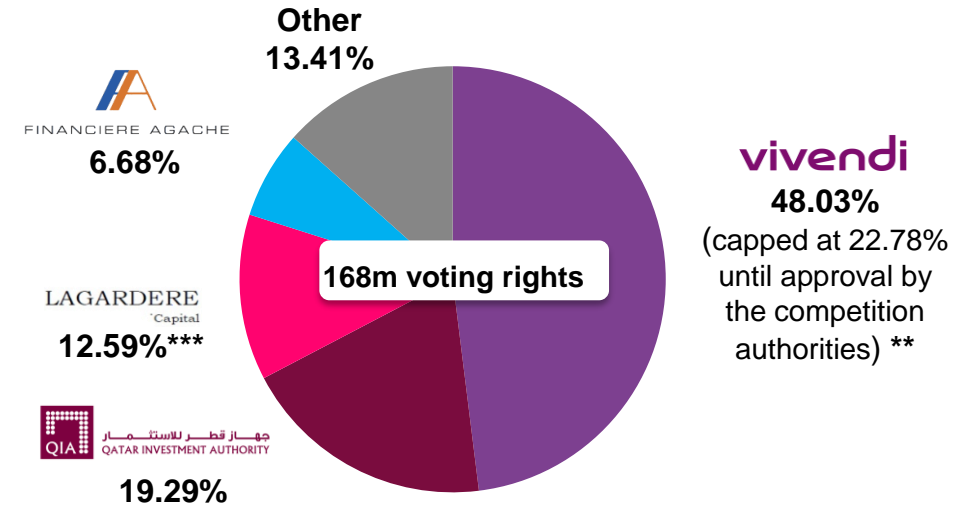
- **Leverage ratio is normalising** with significant recurring EBITDA to €532m for the 12 months ended 30 June 2022

# OVERVIEW OF LAGARDÈRE SA OWNERSHIP STRUCTURE AS OF 30 JUNE 2022

**Distribution of share capital\***



**Distribution of voting rights\***



▪ **Next steps following the success of the friendly public tender offer initiated by Vivendi SE:**

• **Decision of the European Commission:**

- Decision expected by the end of 2022
- Pending the authorisation by the competition authorities, Vivendi SE will not exercise the voting rights attached to the shares acquired from Amber Capital and in the public offer

• **End of the “guaranteed value” given by Vivendi SE for holders of transfer rights allocated for shares presented to the subsidiary leg of the public tender on 15/12/2023**

\* Based on 141,133,286 shares and 168,519,015 theoretical voting rights as of 30 June 2022

\*\* Including 42,555,977 shares acquired from Amber Capital and through the main leg of the public tender offer for which Vivendi will not exercise the attached voting rights until the approvals required for the acquisition of the control of Lagardère have been received from the competition authorities

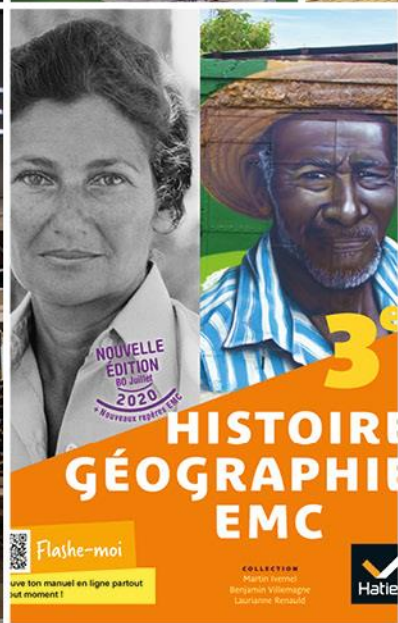
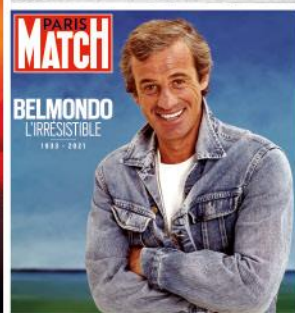
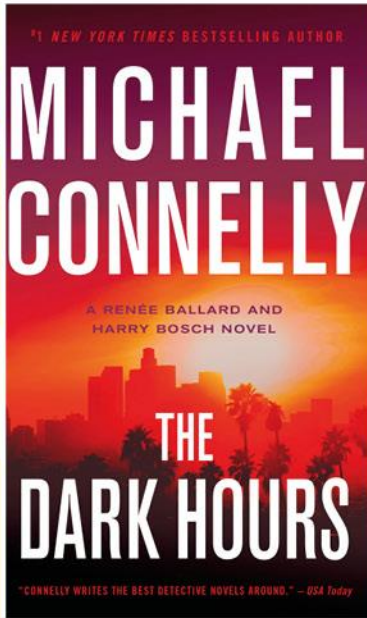
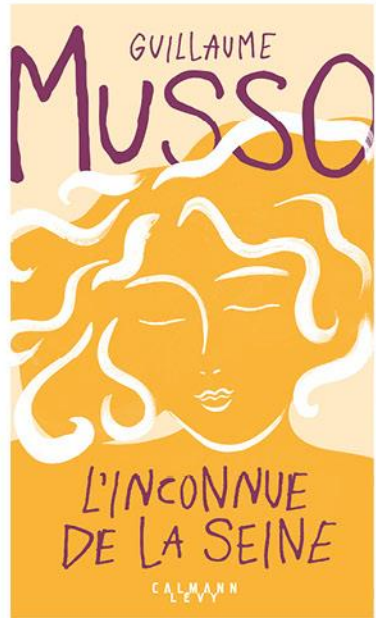
\*\*\* Includes shares of Arnaud Lagardère, Lagardère Capital, Lagardère SAS, LM Holding and Arjil Commanditée-Arco

## OUTLOOK

- **Lagardère Publishing:** guidance maintained for full-year 2022
  - **Consolidated revenue\* stable** in 2022 vs. 2021, notably thanks to the integration of 2021 acquisitions
  - Profitability to be impacted by market slowdown and cost inflation, **2022 operating margin\*\* expected to be slightly above 11%**
  
- **Lagardère Travel Retail:** flow through guidance improved
  - Amid a significantly improved business environment, the branch is pressing ahead with its operational excellence drive launched during the crisis, **enabling to improve flow through guidance in 2022** to within a range between 10% and 15%, assuming higher business levels than in 2021.
  
- **Continued efforts on Corporate cost reduction** to reach €35m in 2022 (-50% vs. 2019)

\* Excluding currency impact

\*\* Lagardère Publishing recurring EBIT divided by Lagardère Publishing revenue - see Glossary



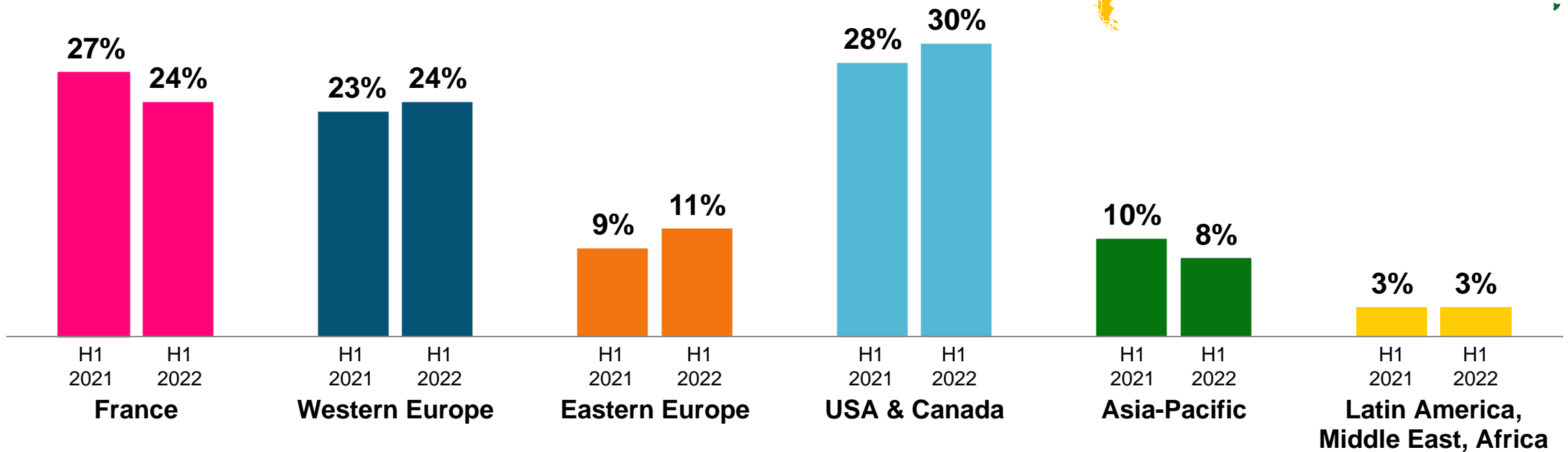
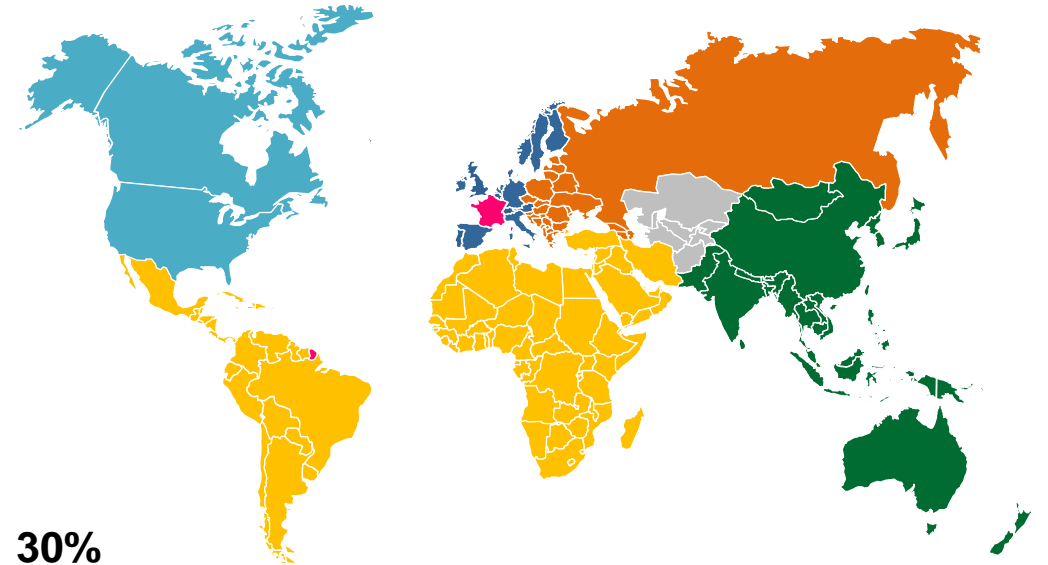
# APPENDICES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## CHANGES IN SCOPE: MAIN ITEMS

### ▪ Lagardère Travel Retail

- Acquisition in April 2022 of 80% of the share capital of Creative Table Holdings, based in the United Arab Emirates. The company has for many years successfully developed a catering offering at Dubai airport as well as an award-winning portfolio of Food & Beverages brands (local and healthy concepts).
- Creation of a new joint venture between Lagardère Travel Retail and Australian travel retailer AWPL in the Pacific in May 2022 following the agreement signed in November 2021. This transaction was accounted for as a disposal of Lagardère Travel Retail's business in Australia and New Zealand. The shares held in the jointly controlled entity were accounted for as an investment in equity-accounted companies.

# REVENUE BY GEOGRAPHIC AREA



## SUMMARY OF PERFORMANCE BY DIVISION – H1 2022

### ▪ Revenue

(€m)	H1 2022	Consolidated Change	Consolidated change (%)	Like-for-like change* (%)
Lagardère Publishing	1,216	+86	+7.7	-1.0
Lagardère Travel Retail	1,688	+857	+103.2	+97.2
Other Activities	132	+8	+5.8	+7.3
<b>Total</b>	<b>3,027</b>	<b>+951</b>	<b>+45.8</b>	<b>+38.6</b>

### ▪ Recurring EBIT

(€m)	H1 2022	Consolidated change	Consolidated change (%)	Flow through vs. 2019 (%)
Lagardère Publishing	81	-29	-26	n.a.
Lagardère Travel Retail	26	+122	+127	(6.7)
Other Activities	-	+11	+100	n.a.
<b>Total</b>	<b>107</b>	<b>+104</b>	<b>+3,466</b>	<b>n.a.</b>

\* At constant scope and exchange rates

## ANALYSIS OF NON-RECURRING/NON-OPERATING ITEMS

(€m)	Lagardère Publishing	Lagardère Travel Retail	Other Activities	Total H1 2022	Total H1 2021*
<b>Recurring EBIT</b>	<b>81</b>	<b>26</b>	-	<b>107</b>	<b>3</b>
Income (loss) from equity-accounted companies	-	(5)	-	(5)	(22)
Restructuring costs	(2)	-	(27)	(29)	(26)
Gains (losses) on disposals	4	-	(3)	1	20
Impairment losses	-	(3)	-	(3)	(6)
Amortisation of acquisition-related intangible assets and other acquisition-related expenses	(9)	(47)	-	(56)	(49)
IFRS 16 impact on concession agreements & gains and losses on leases	1	16	-	17	(11)
<b>EBIT</b>	<b>75</b>	<b>(13)</b>	<b>(30)</b>	<b>32</b>	<b>(91)</b>

\* Restated for 2<sup>nd</sup> IFRS 16 Covid-19 amendment



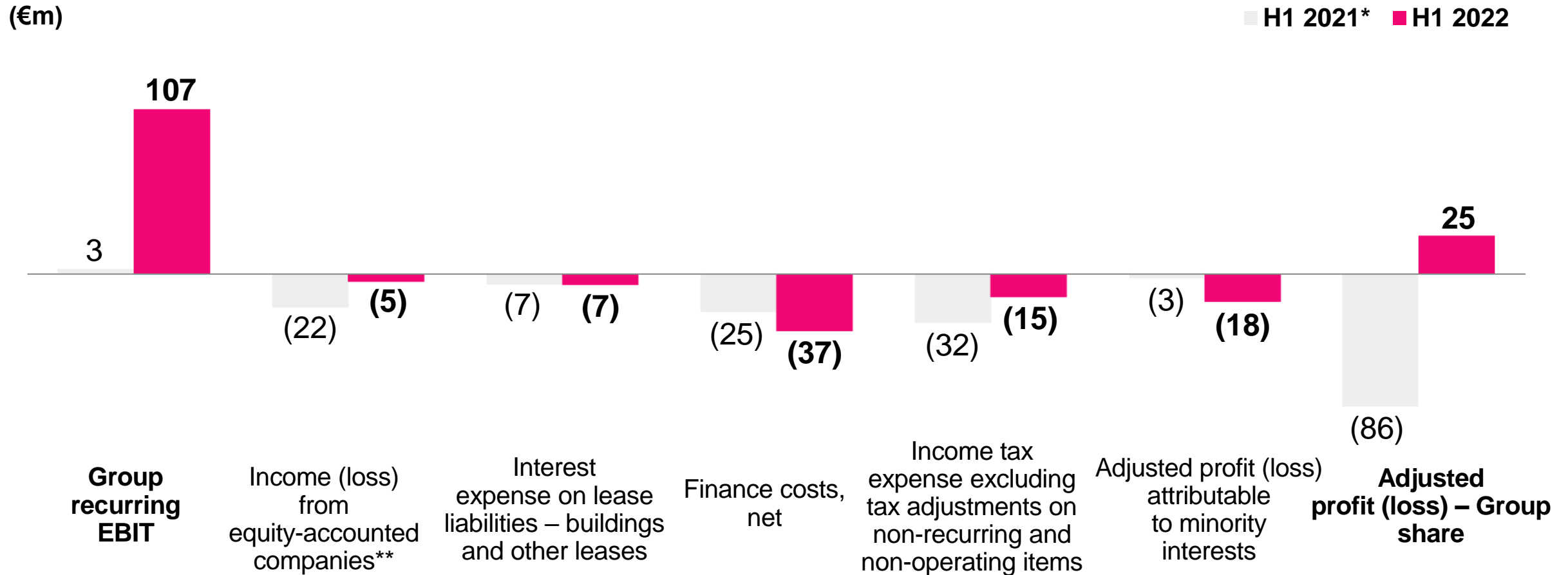
**ADJUSTED PROFIT – GROUP SHARE**

<b>(€m)</b>	<b>H1 2021*</b>	<b>H1 2022</b>
<b>Profit (loss) for the period</b>	<b>(152)</b>	<b>(32)</b>
Restructuring costs	+26	+29
Gains/losses on disposals	-20	-1
Impairment losses on goodwill, PP&E, intangible assets and investments in equity-accounted companies	+6	+3
Amortisation of acquisition-related intangible assets and other acquisition-related expenses	+49	+55
IFRS 16 impact on concession agreements	+36	+5
Tax effects on the above transactions	-23	-16
Profit (loss) from discontinued operations	-5	-
<b>Adjusted profit (loss)</b>	<b>(83)</b>	<b>43</b>
Attributable to minority interests	-3	-18
<b>Adjusted profit (loss) – Group share**</b>	<b>(86)</b>	<b>25</b>

\* Restated for 2<sup>nd</sup> IFRS 16 Covid-19 amendment

\*\* Alternative Performance Measure (APM) – See Glossary

# GROUP RECURRING EBIT TO ADJUSTED PROFIT (LOSS) – GROUP SHARE



\* Restated for 2<sup>nd</sup> IFRS 16 Covid-19 amendment

\*\* Before impairment losses

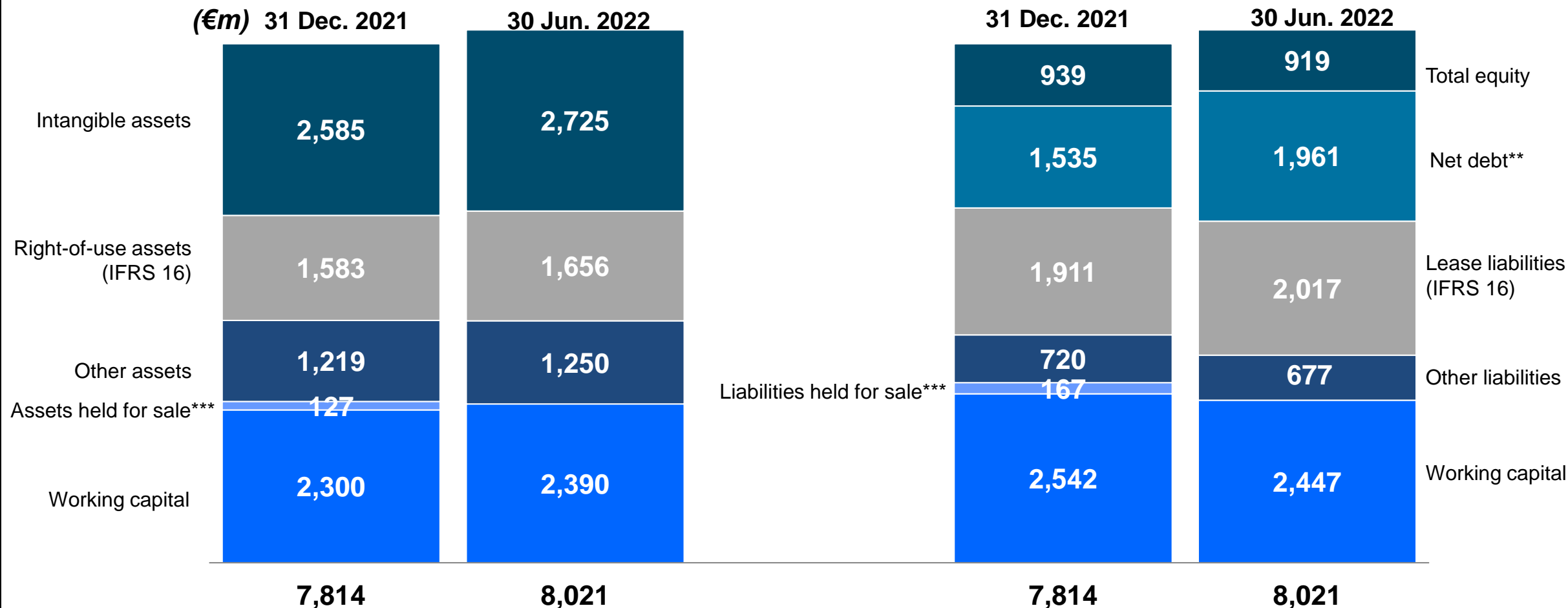
**FREE CASH FLOW RECONCILIATION**

<b>(€m)</b>	<b>H1 2021</b>	<b>H1 2022</b>
<b>Cash flow from operating activities before changes in working capital</b>	<b>153</b>	<b>304</b>
Repayment of lease liabilities	(94)	(119)
Interest paid on lease liabilities	(11)	(35)
Changes in working capital of lease liabilities	(10)	(6)
<b>Cash flow from (used in) operations before changes in working capital</b>	<b>38</b>	<b>144</b>
Changes in working capital	88	(170)
Income taxes paid	(11)	(23)
<b>Cash flow from (used in) operations</b>	<b>115</b>	<b>(49)</b>
Purchases of property, plant & equipment and intangible assets	(50)	(69)
Disposals of property, plant & equipment and intangible assets	12	1
<b>Free cash flow</b>	<b>77</b>	<b>(117)</b>

# CONSOLIDATED BALANCE SHEET

## Assets\*

## Equity and liabilities



\* Excluding assets included in net debt

\*\* Net of cash and cash equivalents, short-term investments and derivative instruments designated as hedges of debt

\*\*\* Lagardère Travel Retail's business in Australia and New Zealand transferred into a joint-venture with the Australian travel retailer AWPL in May 2022

**CONSOLIDATED BALANCE SHEET**

(€m)	31 Dec. 2021	30 Jun. 2022
Non-current assets	5,299	5,528
Investments in equity-accounted companies	46	53
Current assets	2,342	2,440
Short-term investments and cash	937	587
Assets held for sale	127	-
<b>TOTAL ASSETS</b>	<b>8,751</b>	<b>8,608</b>
Total equity	939	919
Non-current liabilities	2,146	2,201
Non-current debt*	1,971	1,649
Current liabilities	3,027	2,940
Current debt**	501	899
Liabilities associated with assets held for sale	167	-
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>8,751</b>	<b>8,608</b>

**Net debt of €1,961m at 30 June 2022**

\* Including €35m in long-term derivative liabilities at 30 June 2022 and €8m at 31 December 2021

\*\* Including €4m in short-term derivative liabilities at 30 June 2022 and €2m at 31 December 2021

**RECURRING EBITDA – OVER 12 ROLLING MONTHS**

<b>(€m)</b>	<b>H1 2021</b>	<b>H1 2022</b>
<b>Group recurring EBIT*</b>	<b>65</b>	<b>353</b>
<i>Depreciation and amortisation of property, plant &amp; equipment and intangible assets</i>	+179	+190
<i>Adding back fixed rental expense – building and other items</i>	-84	-84
<i>Cancelling of depreciation of right-of-use – building and other items</i>	+68	+68
<i>Dividends received from equity-accounted companies</i>	-	+5
<b>Recurring EBITDA*</b>	<b>229</b>	<b>532</b>

\* Alternative Performance Measure (APM) – See Glossary

## GLOSSARY (1/3)

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 concession's businesses. From 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 either in this presentation or in the press release or in the notes to the consolidated financial statements. A dedicated presentation relating to the impacts of IFRS 16 on the alternative performance indicators was held on 12 February 2019 and is available on the Lagardère website ([http://www.lagardere.com/fichiers/fckeditor/File/Relations\\_investisseurs/Publications/2019/IFRS16/2019\\_Session\\_IFRS\\_16.pdf](http://www.lagardere.com/fichiers/fckeditor/File/Relations_investisseurs/Publications/2019/IFRS16/2019_Session_IFRS_16.pdf))

- **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 (loss) 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 and finance sub-leases:
  - Cancellation of fixed rental expense\* on concession agreements
  - Depreciation of right-of-use assets on concession agreements
  - Gains and losses on leases

(See reconciliation on page 32)

\* 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

## GLOSSARY (2/3)

- **Flow through** is calculated by dividing the change in recurring operating profit of fully-consolidated companies (recurring EBIT) by the change in revenue. This indicator is used by the Group in the context of the Covid-19 pandemic to measure the effect of the decline in revenue on recurring EBIT  
(See reconciliation on page 17)
- **The like-for-like change in revenue is calculated by comparing:**
  - H1 2022 revenue to exclude companies consolidated for the first time during the period, and H1 2021 revenue to exclude companies divested in H1 2022
  - H1 2022 and H1 2021 revenue based on H1 2021 exchange rates(See reconciliation in note 4 to the condensed consolidated interim financial statements)
- **Operating margin** is calculated by dividing recurring EBIT of fully consolidated companies (recurring EBIT) by revenue
- **Recurring EBITDA over a rolling 12-month period** is calculated as recurring operating profit of fully consolidated companies (Group recurring EBIT) plus dividends received from equity-accounted companies, less depreciation and amortisation charged against property, plant and equipment and intangible assets, amortisation of the cost of obtaining contracts, and the cancellation of fixed rental expense\* on property and other leases, plus recurring EBITDA from discontinued operations  
(See reconciliation on page 38)
- **Free cash flow** is calculated as cash flow from operations before changes in working capital, the repayment of lease liabilities and related interest paid, changes in working capital and interest paid plus net cash flow relating to acquisitions and disposals of property, plant and equipment and intangible assets  
(See reconciliation on page 35)
- **Free cash flow before changes in working capital** is calculated as free cash flow deducted from the change in working capital
- **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  
(See reconciliation on page 37)

\* 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



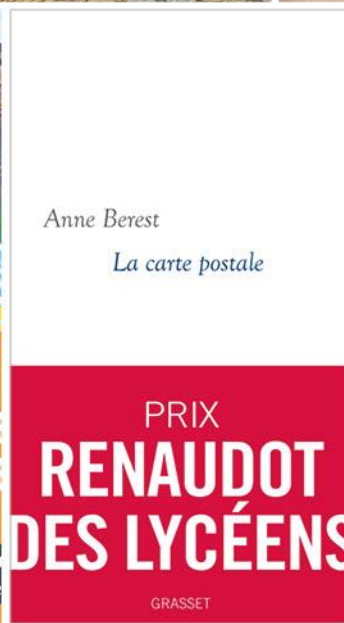
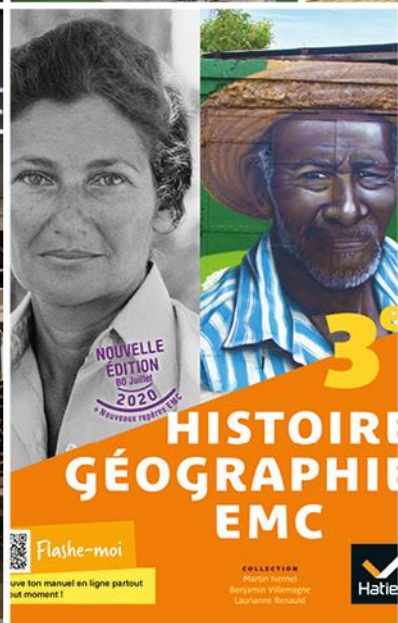
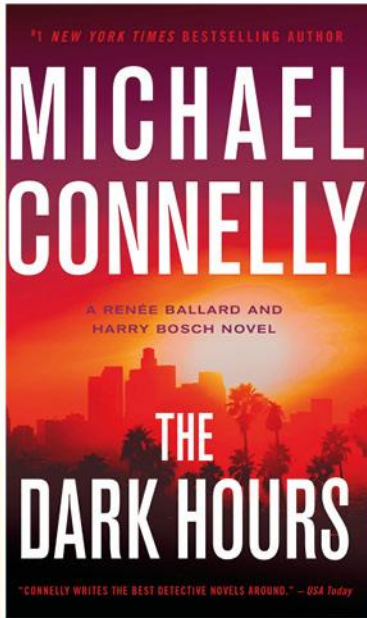
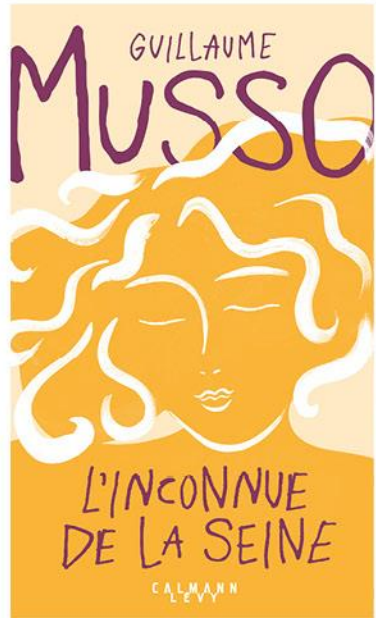
## GLOSSARY (3/3)

- **Adjusted profit – Group share** is calculated on the basis of profit for the period, excluding non-recurring/non-operating items, net of the related tax and of minority interests, as follows:

### **Profit for the period** 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
- Non-recurring changes in deferred taxes
- Items related to leases and finance sub-leases:
  - Cancellation of fixed rental expense\* on concession agreements
  - Depreciation of right-of-use assets on concession agreements
  - Interest expense on lease liabilities under concession agreements
  - Gains and losses on leases
- Adjusted profit attributable to minority interests: profit attributable to minority interests adjusted for minorities' share in the above items  
(See page 33 for reconciliation with Profit for the period)

\* 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



# IFRS 16 IMPACT ON THE CONSOLIDATED ACCOUNTS

# IMPACT OF IFRS 16 ON THE CONSOLIDATED INCOME STATEMENT AND RELATED INDICATORS

(€m)	H1 2021*	FY 2021	H1 2022
<b>Recurring EBITDA**</b>	<b>(2)</b>	<b>(5)</b>	<b>(3)</b>
<b>Group recurring EBIT**</b>	<b>+7</b>	<b>+13</b>	<b>+5</b>
Income from equity-accounted companies***	-	-	(3)
Non-recurring/non-operating items	(11)	(25)	+17
<i>Of which cancellation of fixed rental expense**** – concession stores</i>	+71	+151	+114
<i>Of which depreciation of right-of-use assets – concession stores</i>	(167)	(307)	(122)
<i>Of which gains and losses on leases</i>	+85	+131	+25
<b>Total EBIT</b>	<b>(4)</b>	<b>(12)</b>	<b>+19</b>
<i>Of which impact from concession stores</i>	 <b>(16)</b>	<b>(25)</b>	<b>+8</b>
<i>Of which impact from buildings and other</i>	 <b>+12</b>	<b>+13</b>	<b>+11</b>
Finance costs, net	+1	+2	(1)
Lease interest expense	(32)	(68)	(29)
<i>Of which impact from concession stores</i>	 <b>(25)</b>	<b>(53)</b>	<b>(22)</b>
<i>Of which impact from buildings and other</i>	 <b>(7)</b>	<b>(15)</b>	<b>(7)</b>
<b>Profit before tax</b>	<b>(35)</b>	<b>(78)</b>	<b>(11)</b>
Income tax expense	+7	+16	-
Profit (loss) from discontinued operations	-	-	-
<b>Profit for the period</b>	<b>(28)</b>	<b>(62)</b>	<b>(11)</b>
<i>Of which impact from concession stores</i>	 <b>(32)</b>	<b>(62)</b>	<b>(14)</b>
<i>Of which impact from buildings and other</i>	 <b>+4</b>	-	<b>+3</b>
Attributable to minority interests	-	-	-
<b>Profit – Group share</b>	<b>(28)</b>	<b>(62)</b>	<b>(11)</b>
<b>Adjusted profit – Group share**</b>	<b>+4</b>	-	<b>+3</b>

\* Restated for 2<sup>nd</sup> IFRS 16 Covid-19 amendment / \*\* Alternative Performance Measure (APM) – See Glossary / \*\*\* Before impairment losses



\*\*\*\* 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





## IMPACT OF IFRS 16 ON THE CONSOLIDATED STATEMENT OF CASH FLOWS

(€m)	H1 2021	FY 2021	H1 2022
<b>Cash flow from operating activities before changes in working capital</b>	<b>+111</b>	<b>+231</b>	<b>+153</b>
Repayment of lease liabilities	(94)	(216)	(119)
Interest paid on lease liabilities	(11)	(20)	(35)
Changes in working capital from lease liabilities	(10)	(4)	(6)
<b>Cash flow from operations before changes in working capital</b>	<b>(4)</b>	<b>(9)</b>	<b>(7)</b>
Changes in working capital	+3	+5	+4
Income taxes paid	-	-	-
<b>Cash flow from operations</b>	<b>(1)</b>	<b>(4)</b>	<b>(3)</b>
Purchases of property, plant & equipment and intangible assets	-	-	+1
Disposals of property, plant & equipment and intangible assets	-	-	-
<b>Free cash flow*</b>	<b>(1)</b>	<b>(4)</b>	<b>(2)</b>
Purchases of investments	-	-	-
Disposals of investments	+1	+4	+2
<b>Cash flow from operations and investing activities</b>	<b>-</b>	<b>-</b>	<b>-</b>
Dividend paid and other	-	-	-
Net cash from discontinued operations	-	-	-
Interest paid	-	-	-
<b>Change in net debt</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net debt**</b>	<b>-</b>	<b>-</b>	<b>-</b>

\* Alternative Performance Measure (APM) – See Glossary

## IMPACT OF IFRS 16 ON THE CONSOLIDATED BALANCE SHEET

(€m)	31 Dec. 2021	30 Jun. 2022
<b>Non-current assets</b>	<b>+1,679</b>	<b>+1,737</b>
<i>Right-of-use asset</i>	<i>+1,583</i>	<i>+1,656</i>
o/w concession stores 	+1,197	+1,289
o/w buildings and other 	+386	+367
<i>Deferred tax asset</i>	<i>+80</i>	<i>+69</i>
<i>Other non-current assets</i>	<i>+18</i>	<i>+17</i>
<i>Investments in equity-accounted companies</i>	<i>(2)</i>	<i>(5)</i>
<b>Current assets</b>	<b>-</b>	<b>+3</b>
<b>Short-term investments and cash</b>	<b>-</b>	<b>-</b>
<b>Assets held for sale</b>	<b>83</b>	<b>-</b>
<b>TOTAL ASSETS</b>	<b>+1,762</b>	<b>+1,740</b>

(€m)	31 Dec. 2021	30 Jun. 2022
<b>Total equity</b>	<b>(253)</b>	<b>(244)</b>
<b>Non-current liabilities</b>	<b>+1,612</b>	<b>+1,687</b>
<i>Lease liability – non-current</i>	<i>+1,602</i>	<i>+1,680</i>
o/w concession stores 	+1,191	+1,290
o/w buildings and other 	+411	+390
<i>Deferred tax liabilities</i>	<i>+10</i>	<i>+7</i>
<b>Non-current debt</b>	<b>-</b>	<b>+1</b>
<b>Current liabilities</b>	<b>+264</b>	<b>+296</b>
<i>Lease liability – current</i>	<i>+309</i>	<i>+337</i>
o/w concession stores 	+237	+263
o/w buildings and other 	+72	+74
<i>Other current liabilities</i>	<i>(45)</i>	<i>(41)</i>
<b>Current debt</b>	<b>-</b>	<b>-</b>
<b>Liabilities associated with assets held for sale</b>	<b>139</b>	<b>-</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>+1,762</b>	<b>+1,740</b>