



THIRD-QUARTER 2022 REVENUE

Paris, 27 October 2022, 8:00 a.m.

Sharp 34.1% growth in Lagardère group revenue over the first nine months, confirmed by a 27.7% increase in the third quarter¹, driven by very strong momentum at Lagardère Travel Retail

**Lagardère Publishing: revenue up 3.6%¹ in declining markets
Performance lifted by the success of new titles
and amplified by the international footprint**

**Lagardère Travel Retail: buoyant 53.8%¹ revenue growth,
reflecting the fast recovery of travel in Europe and the United States**

The Group raises its overall full-year 2022 guidance slightly

I. REVENUE

Revenue for the Lagardère group totalled €5,008 million for the first nine months of 2022, up 41.5% as reported and up 34.1% like for like. The difference between reported and like-for-like revenue is attributable to a €184 million positive currency effect, chiefly resulting from the appreciation of the US dollar (€136 million), and to an €86 million positive scope effect, mainly in connection with the acquisitions of Workman Publishing and Paperblanks by Lagardère Publishing and of Dubai-based Creative Table Holdings Ltd by Lagardère Travel Retail.

	Revenue (€m)		Change vs. 2021 (%)	
	30 Sept. 2021 (9 months)	30 Sept. 2022 (9 months)	reported	like for like
Lagardère Publishing	1,826	1,996	+9.3%	+0.8%
Lagardère Travel Retail	1,541	2,834	+83.9%	+77.2%
Other Activities*	172	178	+3.6%	+4.4%
LAGARDÈRE	3,539	5,008	+41.5%	+34.1%

* Lagardère News (Paris Match, Le Journal du Dimanche, Europe 1, Virgin Radio, RFM and the Elle brand licence), the Entertainment businesses, and the Group Corporate function.

¹ Like-for-like for third-quarter 2022.

	Revenue (€m)		Change vs. 2021 (%)	
	Q3 2021	Q3 2022	reported	like for like
Lagardère Publishing	696	780	+12.0%	+3.6%
Lagardère Travel Retail	710	1,146	+61.3%	+53.8%
Other Activities*	57	55	-0.9%	-1.3%
LAGARDÈRE	1,463	1,981	+35.5%	+27.7%

* Lagardère News (Paris Match, Le Journal du Dimanche, Europe 1, Virgin Radio, RFM and the Elle brand licence), the Entertainment businesses, and the Group Corporate function.

Unless otherwise specified, the changes presented below for third-quarter 2022 are calculated on a like-for-like basis.

● Lagardère Publishing

Revenue for the nine months ended 30 September 2022 totalled €1,996 million, up 9.3% as reported and up 0.8% like for like, reflecting the ongoing high sales base in the wake of the unprecedented gains in 2021. The difference between reported and like-for-like revenue is attributable to a €90 million positive scope effect (mainly due to the consolidation of Workman Publishing, a US publisher specialising in children and young adult titles and illustrated books, as well as Paperblanks, the world number two in premium stationery), and to a €66 million positive currency effect (of which €55 million linked to the US dollar and €9 million to the pound sterling).

Revenue for third-quarter 2022 totalled €780 million, up 3.6% versus the year-ago period.

In France, revenue for the division was up 1.0% despite a market contraction of 1.0%² compared to the same period in 2021. General Literature was lifted by the bestsellers *Cher connard* by Virginie Despentes and *Angélique* by Guillaume Musso, as well as good momentum at Le Livre de Poche. Revenue for the Children and Young Adult segment held firm, while Education retreated versus 2021 due to cuts in public funding for primary and secondary school textbooks.

In the United Kingdom, revenue growth came in at 8.6%, in a slightly growing market (up 1.6%³). Adult Trade posted a strong performance, boosted by the success of Colleen Hoover's *Verity* and *The Love Hypothesis* by Ali Hazelwood, which are both hugely popular on TikTok. Australia also posted a strong performance on the back of buoyant sales of titles popular on social media.

Revenue in the United States was up 4.7% in a declining market, thanks in particular to the success of regular favourite authors, as well as the clamour surrounding *Verity* by Colleen Hoover.

In Spain/Latin America, revenue grew by a sharp 10.5%, buoyed by the roll-out of curriculum reform in Spain and a solid performance in the Trade segment, which was lifted by the success of Ali Hazelwood's *La hipótesis del amor*. Business in Mexico was propelled by a rebound in Trade and strong momentum in the Dictionary segment.

Revenue for Partworks fell 4.9% on the back of a weaker contribution from backlist collections, especially in Germany, France and the United Kingdom.

E-books accounted for 9.0% of total Lagardère Publishing revenue in the third quarter of 2022, compared to 8.4% in third-quarter 2021, while digital audio books represented 4.0% of revenue versus 3.6% in the same period one year earlier.

● Lagardère Travel Retail

Revenue for the nine months ended 30 September 2022 totalled €2,834 million, surging by 83.9% as reported and by 77.2% like for like versus the same year-ago period. The difference between reported and like-for-like revenue is attributable to a €118 million positive currency effect linked to movements in the US dollar and Chinese yuan, and to a €3 million negative scope effect.

Revenue for third-quarter 2022 totalled €1,146 million, up 53.8% versus the year-ago period. This quarter's performance confirms the recovery trend observed since the start of 2022, with business almost back to 2019 levels (down 0.5% versus third-quarter 2019 as reported).

In France, revenue for the division grew 63.0% as air and rail traffic rebounded, buoyed by the increase in domestic and intra-European journeys.

² Source: GfK.

³ Source: Nielsen.

Revenue in the EMEA region (excluding France) was up 73.8%, as regional and transatlantic travel rallied amid a strong summer tourist season, particularly in Italy, Belgium and the United Kingdom.

The Americas recorded bullish growth, with revenue climbing 33.0% on the back of very brisk momentum in the United States and the recovery in Canada.

Revenue growth in the Asia-Pacific region (up 6.1% over the period) remained more moderate, with the zero-Covid policy in China impeding domestic air traffic and preventing Chinese passengers from travelling internationally.

● Other Activities

Revenue for the first nine months of 2022 totalled €178 million, up 3.6% as reported and up 4.4% like for like.

Third-quarter revenue was down a slight 1.3% versus the prior-year period, at €55 million.

Lagardère Live Entertainment had a positive quarter, lifted by a better year-on-year performance from its entertainment venues.

Lagardère News⁴ revenue slipped 6.6% in the third quarter, chiefly impacted by a sluggish advertising market which held back the Radio (down 10.2%), Press (down 4.5%) and International Licensing (down 2.4%) segments.

II. KEY EVENTS SINCE 26 JULY 2022

Appointment of Marie Flavion as an employee director

On 23 September 2022, the Lagardère Group Employees' Committee appointed Marie Flavion as a director representing employees on the Board of Directors with effect from 1 October 2022, replacing Noëlle Genaivre, who has retired.

Marie Flavion is an operational marketing product manager at Éditions Hatier (Lagardère Publishing), where she has worked since 1990. She is responsible for managing relations between distributors and publishers, as well as event communications. She began her career at Éditions Larousse in 1985 as an archivist and editor.

She has held a number of different positions within the employee representative bodies of Éditions Hatier.

Notification of the proposed transaction between Lagardère and Vivendi filed with the European Commission

On 24 October 2022, Vivendi SE formally notified the European Commission of the proposed transaction with the Lagardère group.

Vivendi SE confirmed that it is continuing to examine the proposed divestment of the entire share capital of its subsidiary Editis, as announced on 28 July 2022. Subject in particular to the authorisation of the European Commission, the proposed divestment would primarily involve the distribution of Editis shares to Vivendi shareholders and their simultaneous admission to trading on Euronext Paris, as well as the sale by Vivendi's principal shareholder, the Bolloré group, of all Editis shares received further to the distribution, such that Editis establishes a stable core shareholder base.

It should be noted that the Lagardère shares acquired by Vivendi SE from Amber Capital and in the public offer will not carry effective voting rights until the takeover is approved by the competition authorities, such that Vivendi SE can exercise only 38,387,791 voting rights representing approximately 22.80% of the total.

III. LIQUIDITY

The Group's liquidity position remains solid, with €1,613 million in available liquidity (available cash and short-term investments reported on the balance sheet totalling €571 million and an undrawn amount on the revolving credit facility of €1,042 million).

⁴ Paris Match, Le Journal du Dimanche, Europe 1, Virgin Radio, RFM and the Elle brand licence.

IV. OUTLOOK

In a volatile environment shaped by inflationary pressures, the zero-Covid policy in China and the invasion of Ukraine by Russia⁵, Lagardère is pressing ahead with its cost discipline, revenue optimisation and cash management efforts.

In view of the strong performance of Lagardère Travel Retail, the Group is raising its overall guidance for full-year 2022 slightly.

● **Lagardère Publishing**

Revenue⁶ for Lagardère Publishing is expected to remain stable in 2022.

Profitability is expected to be impacted by a less favourable market amid inflationary cost pressures, in particular for paper and energy. Accordingly, Lagardère Publishing expects to record an operating margin⁷ of close to 11% for 2022.

● **Lagardère Travel Retail**

Due to the diversity of its footprint and operating segments, the division is well placed to benefit from the resumption of flights as and when public health are lifted.

In this uncertain environment, Lagardère Travel Retail will continue to closely monitor developments in air traffic in 2022 and is confident in its ability to adapt. The division is successfully pressing ahead with its operational excellence drive launched during the crisis, enabling it to increase its flow through target for 2022 to within a range of 5% to 10%⁸, assuming higher business levels than in 2021.

● **Other Activities**

Efforts to streamline corporate costs will continue in 2022, with a target of a further €10 million reduction to €35 million in 2022, representing a 50% decrease over three years versus 2019.

V. INVESTOR CALENDAR⁹

- **Full-year 2022 results:** Thursday, 16 February 2023 before market opening.

VI. APPENDICES

CHANGES IN SCOPE OF CONSOLIDATION AND EXCHANGE RATES

At 30 September 2022, the difference between reported and like-for-like data was attributable to a €184 million positive currency effect, mainly resulting from the appreciation of the US dollar (€136 million), the Chinese yuan (€14 million) and the pound sterling (€11 million), as well as to an €86 million positive scope effect.

The scope effect can be analysed as follows:

- a €107 million positive impact from acquisitions by Lagardère Publishing, mainly Workman Publishing (positive €65 million impact), which was consolidated in fourth-quarter 2021, Illuminate Publishing, John Catt Educational and Paperblanks (positive €26 million impact), as well the acquisition of Creative Table Holdings Ltd (positive €13 million impact) by Lagardère Travel Retail;
- a €20 million negative effect from disposals, mainly reflecting the partial disposal of Lagardère Travel Retail's activities in Australia and New Zealand to Australian travel retail business AWPL (€15 million negative impact).

⁵ Russia's invasion of Ukraine in February 2022 has had a major impact on the financial markets and certain commodity prices, and will impact the entire global economy. The Lagardère group's financial exposure in these two countries is very limited (revenue generated in Russia and Ukraine in 2021 amounted to less than 0.1% of the consolidated total). However, the Group remains vigilant as to the direct and indirect impacts (especially as regards international sanctions) that the conflict could have on its activities.

⁶ Excluding the currency effect.

⁷ Recurring EBIT as a percentage of revenue, see Glossary for definition.

⁸ Negative impact on recurring EBIT of the decrease in 2022 revenue versus 2019. The flow through indicator will become less relevant once the recovery is secure, which will potentially be the case at the end of 2022.

⁹ Date susceptible to change.

In third-quarter 2022, the difference between reported and like-for-like data was attributable to an €81 million positive currency effect, mainly resulting from the appreciation of the US dollar, the Chinese yuan and the pound sterling, as well as to a €33 million positive scope effect. The scope effect can be analysed as follows:

- a €39 million positive impact from acquisitions by Lagardère Publishing, mainly Workman Publishing (positive €17 million impact), which was consolidated in fourth-quarter 2021, Illuminate Publishing, John Catt Educational and Paperblanks (positive €13 million impact), as well the acquisition of Creative Table Holdings Ltd (positive €7 million impact) by Lagardère Travel Retail;
- a €6 million negative effect from disposals, mainly reflecting the partial disposal of Lagardère Travel Retail's activities in Australia and New Zealand to Australian travel retail business AWPL.

VII. GLOSSARY

Lagardère SA 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. 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 Third-quarter 2022 Revenue presentation.

➤ **Like-for-like revenue**

Like-for-like revenue is used by the Group to analyse revenue trends excluding the impact of changes in the scope of consolidation and in exchange rates.

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.

The scope of consolidation comprises all fully-consolidated entities. Additions to the scope of consolidation correspond to business combinations (acquired investments and businesses), and deconsolidations correspond to entities over which the Group has relinquished control (full or partial disposals of investments and businesses, such that the entities concerned are no longer included in the Group's financial statements using the full consolidation method).

The difference between reported and like-for-like figures is explained in section VI - Appendices of this press release.

➤ **Recurring EBIT (Group recurring EBIT)**

The Group's main performance indicator is recurring operating profit of fully-consolidated companies (recurring EBIT), which is calculated as follows:

Profit (loss) 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 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
- 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

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

➤ **Flow-through ratio**

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.

➤ **Operating margin**

Operating margin is calculated by dividing recurring operating profit of fully consolidated companies (recurring EBIT) by revenue.

A live webcast of the third-quarter 2022 revenue presentation will be available today at 10:00 a.m. (CET) on the Group's website (www.lagardere.com).

The presentation slides will be made available at the start of the webcast.

A replay of the webcast will be available online later in the afternoon.

Created in 1992, Lagardère is an international group with operations in more than 40 countries worldwide. It employs some 27,000 people and generated revenue of €5,130 million in 2021.

The Group focuses on three divisions: Lagardère Publishing (Book and e-Publishing, Board Games and Mobile Games), Lagardère Travel Retail (Travel Essentials, Duty Free & Fashion and Foodservice) and Lagardère News (Paris Match, Le Journal du Dimanche, Europe 1, Virgin Radio, RFM, and the Elle brand licence).

The Group's operating assets also include Lagardère Live Entertainment.

Lagardère shares are listed on Euronext Paris.

www.lagardere.com

Important notice:

Some of the statements contained in this document are not historical facts but rather are statements of future expectations and other forward-looking statements that are based on management's beliefs. These statements reflect such views and assumptions prevailing as of the date of the statements and involve known and unknown risks and uncertainties that could cause future results, performance or future events to differ materially from those expressed or implied in such statements.

Please refer to the most recent Universal Registration Document filed in French by Lagardère SA with the Autorité des marchés financiers for additional information in relation to such factors, risks and uncertainties.

Lagardère SA has no intention and is under no obligation to update or review the forward-looking statements referred to above. Consequently, Lagardère SA accepts no liability for any consequences arising from the use of any of the above statements.

Press Contact

presse@lagardere.fr

Investor Relations Contact

Emmanuel Rapin

Tel. +33 1 40 69 17 45

erapin@lagardere.fr