FIRST-HALF 2023 RESULTS

Paris, 25 July 2023, 5:35 p.m.

<u>Lagardère group</u> recurring EBIT up 31.8%[1] to €141 million
Revenue up 19.0%[1] lifted by growth momentum at Lagardère Travel Retail, with recurring EBIT 3.5 times higher at €92 million

<u>Lagardère Travel Retail</u>

Excellent performance (up 32.4%[1]), driven by the confirmed recovery in air traffic, particularly international passengers, and by dynamic sales initiatives
Record recurring EBIT of €92 million, with an elevated 4.0% operating margin
Acquisition of multi-brand foodservice business Marché International
Launch of Extime Duty Free Paris in association with the ADP group

<u>Lagardère Publishing</u>

Revenue up slightly by 1.6%[1] versus a high comparison basis and in a less dynamic market
Recurring EBIT of €65 million, with profitability maintained well above 2019 levels

<u>Other Activities</u>

Revenue growth of 2.5%[1], lifted by the live performance business

Arnaud Lagardère, Chairman and Chief Executive Officer of Lagardère SA, commented: *"Our activity in the first six months of 2023 confirms the Group's robust upward trajectory, with revenue up 19% year on year – our ninth consecutive quarter of growth. Lagardère Travel Retail posted a very solid performance on the back of the strong rebound in air traffic, while Lagardère Publishing maintained elevated revenue levels, demonstrating its resilience amid a less buoyant publishing market. This positive dynamic demonstrates the relevance and strength of the Group's strategic model."*

[1] Versus the first half of 2022, on a like-for-like basis (see Glossary).

I. REVENUE

Revenue for the Lagardère group climbed sharply over the first half of 2023 to €3,701 million, up 22.3% as reported and up 19.0% like for like. The difference between reported and like-for-like data is attributable to an €87 million positive scope effect, mainly due to the acquisitions of Marché International and Costa Coffee Polska by Lagardère Travel Retail, and of Welbeck Publishing Group by Lagardère Publishing, and to a €4 million negative currency effect attributable mainly to the depreciation of the pound sterling.

	Revenue (€m)		Change vs. 2022 (%)	
	First-half 2022	First-half 2023	reported	like for like
Lagardère Publishing	1,216	1,247	+2.5%	+1.6%
Lagardère Travel Retail	1,688	2,329	+37.9%	+32.4%
Other Activities*	123	125	+2.5%	+2.5%
LAGARDÈRE	**3,027**	**3,701**	**+22.3%**	**+19.0%**

* *Lagardère News (*Paris Match*,* Le Journal du Dimanche*,* JDD Magazine*, Europe 1, Europe 2, RFM, and the Elle brand licence), Lagardère Live Entertainment, Lagardère Paris Racing and the Group Corporate function.*

GROUP RECURRING EBIT

Group recurring EBIT amounted to €141 million, €34 million higher than in first-half 2022.

	Group recurring EBIT (€m)		
	First-half 2022	First-half 2023	Change
Lagardère Publishing	81	65	-16
Lagardère Travel Retail	26	92	+66
Other Activities*	-	(16)	-16
LAGARDÈRE	**107**	**141**	**+34**

* *Lagardère News (*Paris Match*,* Le Journal du Dimanche*,* JDD Magazine*, Europe 1, Europe 2, RFM and the Elle brand licence), Lagardère Live Entertainment, Lagardère Paris Racing, and the Group Corporate function.*

Unless otherwise specified, the changes presented below for the first half of 2023 are calculated on a like-for-like basis.

● Lagardère Publishing

Revenue for Lagardère Publishing in first-half 2023 totalled €1,247 million, up 2.5% on a reported basis and up 1.6% like for like. In a less dynamic market, Lagardère Publishing maintained strong trading momentum. The difference between reported and like-for-like revenue is mainly attributable to a €21 million positive scope effect and a €9 million negative currency effect.

In France, revenue for the division increased by a strong 7.0% despite a more lacklustre market, and was supported by a denser publication schedule. Illustrated Books was lifted by Sarah Rivens' successful *Captive* series and by the release of the graphic novel film tie-in with *Asterix & Obelix: The Middle Kingdom*. Business was also boosted by a recovery in Tourist Guides and growth in the Practical Guides segment. General Literature also performed well, propelled by bestsellers such as Prince Harry's *Spare*, Pierre Lemaitre's *Le Silence et la Colère*, and Florent Pagny's *Pagny par Florent* as well as benefiting from continued momentum at Le Livre de Poche.

In the United Kingdom, revenue advanced by 7.3% in a slightly growing market. The performance was propelled chiefly by the Adult Trade segment, with success in both the backlist (titles of Ana Huang) and frontlist (titles including Lauren Asher's *Final Offer* and Colleen Hoover's *Too Late*, as well as the release of Rebecca Yarros's *Fourth Wing*, which was hugely popular on social media). International activity also advanced, particularly in Australia. The Young Adult segment was down, however, following the success of the *Heartstopper* titles in the first half of 2022.

In the United States, revenue was down by 8.6% due to a lighter publication schedule and a lack of bestsellers compared to 2022, which had enjoyed hits including Colleen Hoover's *Verity* and *Run, Rose, Run*, the novel co-written by Dolly Parton and James Patterson, amid a general downturn in the US publishing market.

In Spain/Latin America, revenue grew sharply by 26.1%. In Spain, activity was lifted by strong growth in the Education segment, due to the early start of the school campaign in June under the national curriculum reform. Mexico posted solid growth, boosted by a dictionary sales campaign and an upbeat market in General Literature.

Revenue from Partworks was down by 8.0%, owing to a less dynamic launch campaign in the first half of 2023, especially in Japan and France.

E-books accounted for 7.8% of total Lagardère Publishing revenue in the first half of 2023 (7.6% in first-half 2022), while digital audiobooks represented 4.7% of revenue (4.5% in first-half 2022).

Recurring EBIT

Lagardère Publishing reported €65 million in recurring EBIT, down €16 million on its first-half 2022 performance. The change was mainly attributable to inflationary pressures on labour and production costs, as well as to an increase in costs incurred on transformation projects in France. These effects were partly offset by higher selling prices and the impacts of operational efficiency plans, particularly in the United States.

● Lagardère Travel Retail

Revenue for Lagardère Travel Retail in first-half 2023 totalled €2,329 million, up 37.9% on a reported basis and up 32.4% like for like. The difference between reported and like-for-like revenue is attributable to a €66 million positive scope effect and a €5 million positive currency effect.

Revenue in France leapt by 27.3% on the back of growth in domestic and international air traffic, despite the impact of strikes.

The EMEA region (excluding France) continued to accelerate, posting strong revenue growth of 36.7%, with excellent performances in Italy (up 71%) and Belgium (up 46%), buoyed by an increase in American passengers and the gradual recovery in numbers of Chinese travellers.

North America maintained its strong momentum, with growth of 21.5% driven by sustained activity in the United States (up 16%). Revenue also bounced back in Canada, surging 69% over the quarter thanks to the recovery of international traffic.

Business in Asia-Pacific resumed after being severely disrupted by the health crisis in the first half of 2022, delivering growth of 61.8%. This performance was largely attributable to North Asia[2], with growth of 60% driven by the sharp recovery in Chinese domestic traffic in particular, with borders reopening more gradually.

Recurring EBIT

Lagardère Travel Retail reported €92 million in recurring EBIT, up sharply by €66 million on first-half 2022 with all geographic areas contributing to the performance. This increase was driven by revenue growth combined with disciplined margin control amid high inflation, along with efficiency gains brought about by the ramp-up of the LEaP operational efficiency plan. There was a fall in one-off Covid-19-related subsidies, which nonetheless represented €14 million in first-half 2023.

● Other Activities

Revenue for Other Activities in first-half 2023 totalled €125 million, up 2.5% as reported and also up 2.5% like for like.

Revenue growth was driven mainly by Lagardère Live Entertainment (up 58.5%), on the back of the full and unrestricted opening of live performance venues throughout the half year.

Revenue for Lagardère News[3] declined by 4.7% over the period. Revenue for the Radio segment was down by 8.5% in the wake of lower audience figures, while Press revenue was down by 5.1%. Lastly, the international Elle licensing business grew by 4.6%.

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[2] Mainland China, Hong Kong and Japan.
[3] *Paris Match, Le Journal du Dimanche, JDD Magazine*, Europe 1, Europe 2, RFM, and the Elle brand licence.

Recurring EBIT

Other Activities posted a €16 million decrease in recurring EBIT compared to first-half 2022, due to an unfavourable business mix and the cost of specific funding operations at Corporate level.

II. MAIN INCOME STATEMENT ITEMS

(€m)	First-half 2022	First-half 2023
Revenue	**3,027**	**3,701**
Group recurring EBIT	**107**	**141**
Income (loss) from equity-accounted companies	(5)	(5)
Non-recurring/non-operating items	(70)	43
of which impact of IFRS 16 on concession agreements	*17*	*118*
Profit before finance costs and tax	**32**	**179**
Finance costs, net	(37)	(38)
Interest expense on lease liabilities	(29)	(40)
Profit (loss) before tax	**(34)**	**101**
Income tax benefit (expense)	2	(40)
Profit (loss) for the period	**(32)**	**61**
Minority interests	13	16
Profit (loss) – Group share	**(45)**	**45**

The Group posted a **loss from equity-accounted companies** of €5 million in the first half of 2023, unchanged from first-half 2022, with the amortisation of intangible assets in connection with the acquisition of shares in Extime Duty Free Paris, offset by improved operating performances from joint ventures and associates.

Non-recurring/non-operating items represented net income of €43 million in the first half of 2023, comprising:

- €3 million in **net gains on disposals**, mainly concerning the expiry of warranties granted in connection with disposals carried out in prior periods;
- €14 million in **restructuring costs**, including €10 million at Lagardère Publishing, mainly in connection with the integration of Workman Publishing and €4 million for Other Activities, consisting of expenses incurred in connection with Vivendi SE's public tender offer for Lagardère SA, as well as costs inherent in the future takeover;
- €53 million in **amortisation of intangible assets and costs attributable to acquisitions and disposals**, including €47 million for Lagardère Travel Retail, mainly relating to concession agreements in North America (Paradies Lagardère, HBF and Vino Volo), Italy (Rome airport and Airest) and Belgium (IDF); and €7 million for Lagardère Publishing;
- €11 million in **impairment losses against property, plant and equipment and intangible assets**, attributable to the write-down of right-of-use assets at Lagardère Publishing in the United States in connection with the streamlining of office space further to the integration of Workman Publishing;
- the impact of **applying IFRS 16 to concession agreements** at Lagardère Travel Retail (including gains and losses on leases), for a positive €118 million, including a non-recurring €90 million gain on lease modifications in connection with the conclusion of an amendment to a concession agreement substituting variable for fixed lease payments. The lease liability and the right-of-use asset were closed out against a gain on lease modifications. The residual impact includes the cancellation of the fixed rental expense for the concession agreements and the depreciation of the right-of-use assets.

The Group reported profit before finance costs and tax of €179 million in first-half 2023, versus profit of €32 million in first-half 2022.

Net finance costs amounted to €38 million for first-half 2023, versus €37 million one year earlier, mainly reflecting the adverse impact of rising interest rates on variable-rate borrowings (primarily short-term debt), slightly offset by an increase in financial income. In addition, impairment losses were recognised against financial assets in first-half 2022, which was not the case in 2023.

Interest expense on lease liabilities amounted to €40 million in first-half 2023, compared to €29 million in first-half 2022, an increase of €11 million, attributable mainly to the increase in the discount rate between end-June 2022 and end-June 2023.

In the six months to 30 June 2023, the Group recognised **income tax expense** of €40 million, an increase of €42 million on the prior-year figure, due to the business upturn in Europe and North America, particularly at Lagardère Travel Retail, and to the deferred tax effect of a gain on lease modifications further to the amendment of a concession agreement.

Profit attributable to minority interests came out at €16 million in the first half of 2023, versus €13 million in first-half 2022, reflecting business growth primarily at Lagardère Travel Retail in North America and Italy.

ADJUSTED PROFIT – GROUP SHARE

Adjusted profit - Group share (excluding non-recurring/non-operating items) totalled **€24 million** in first-half 2023, versus adjusted profit – Group share of €25 million in the same year-ago period.

(€m)	First-half 2022	First-half 2023
Profit (loss) for the period	**(32)**	**61**
Restructuring costs	29	14
Gains (losses) on disposals	(1)	(3)
Impairment losses on goodwill, property, plant and equipment, intangible assets and investments in equity-accounted companies	3	11
Amortisation of acquisition-related intangible assets and other acquisition-related expenses	55	53
Impact of IFRS 16 on concession agreements	5	(85)
Tax effects on the above items	(16)	(8)
Adjusted profit	**43**	**43**
o/w attributable to minority interests	(18)	(19)
Adjusted profit – Group share*	**25**	**24**

** Alternative performance measure, see definition at the end of the press release.*

III. OTHER FINANCIAL INFORMATION

CASH FLOW FROM OPERATIONS AND INVESTING ACTIVITIES

(€m)	First-half 2022	First-half 2023
Cash flow from operations before changes in working capital and income taxes paid	**144**	**207**
Changes in working capital	(170)	(164)
Income taxes paid	(23)	(29)
Cash flow from (used in) operations	**(49)**	**14**
Purchases/disposals of property, plant and equipment and intangible assets	(68)	(102)
Free cash flow*	**(117)**	**(88)**
*o/w free cash flow excluding changes in working capital**	*54*	76
Purchases of investments	(144)	(146)
Disposals of investments	18	17
Cash flow from operations and investing activities	**(243)**	**(217)**

** Alternative performance measure, see definition at the end of the press release.*

In the first half of 2023, **cash flow from operations before changes in working capital** (operating cash flow) totalled €207 million, versus cash flow from operations of €144 million one year earlier. This improvement resulted primarily from sharp business growth at Lagardère Travel Retail (positive €75 million impact), countered by a €27 million decline at Lagardère Publishing, which had recorded an historically strong performance in first-half 2022.
Changes in working capital represented an outflow of €164 million, versus an outflow of €170 million in first-half 2022. The slight improvement in this item was chiefly attributable to Lagardère Publishing (€74 million decrease in working capital), reflecting a smaller increase in inventories following the sharp rise in the first half of 2022 required to secure supplies, and the impacts of higher raw materials prices. The €42 million year on year change at Lagardère Travel Retail is mainly attributable to the challenging comparison basis versus last year (excluding the wholesale business), with strong business growth in the second quarter of 2022 having given rise to a relatively high levels of trade payables at end-June 2022.

Income taxes paid represented an outflow of €29 million versus an outflow of €23 million in first-half 2022, reflecting business growth during the period.

Taking account of the above items, **cash flow from operations** represented an inflow of €14 million in first-half 2023 versus an outflow of €49 million in first-half 2022.

Purchases of property, plant and equipment and intangible assets represented a net outflow of €104 million – an increase of €29 million compared to the prior-year period, notably at Lagardère Travel Retail in line with the business recovery and investment projects implemented on the back of tender wins.

Purchases of investments represented a cash outflow of €146 million in first-half 2023, and mainly concerned the acquisitions of a 49% stake in Extime Duty Free Paris and of Marché International, the financing of joint ventures in the Pacific and Asia regions at Lagardère Travel Retail, and the consolidation of NEI CEDA at Lagardère Publishing. Purchases of investments represented a cash outflow of €144 million in first-half 2022, and mainly concerned the acquisition of Creative Table Holdings Ltd, the capital increase at Société de Distribution Aéroportuaire (Lagardère Travel Retail), and the acquisition of Paperblanks (Lagardère Publishing).

Disposals of investments represented an inflow of €9 million. In first-half 2022, disposals of investments represented an inflow of €16 million, principally concerning the sale of Atticus at Lagardère Publishing.

In all, **operations and investing activities** represented a net cash outflow of €217 million in first-half 2023, versus a net cash outflow of €243 million in the prior-year period.

IV. KEY EVENTS SINCE 18 APRIL 2023

Proposed transaction between Lagardère SA and Vivendi SE

On 9 June 2023, the European Commission adopted a decision authorising Vivendi SE to acquire control of Lagardère SA.
The Commission’s authorisation is conditional upon compliance with the commitments offered by Vivendi SE, entailing the full divestment of Editis and of *Gala* magazine. Both sales must be concluded with purchasers whose suitability has been assessed and approved by the European Commission.
On 16 June 2023, Vivendi SE announced that it had signed an agreement with the IMI group, a subsidiary of CMI, for the sale of the entire share capital of Editis. On 4 July 2023, Vivendi SE announced that it had entered into exclusive negotiations with the Figaro group for the sale of *Gala* magazine.
The shares acquired by Vivendi SE from Amber Capital and through the public offer will not carry effective voting rights until these two commitments have been fully implemented further to the approval by the European Commission of the respective purchasers of Editis and *Gala*, such that until that time, it can exercise only 38,387,791 voting rights representing approximately 23% of the total.

Lagardère SA extends the maturity of its financial liquidity

On 29 June 2023, all of Lagardère SA's partner banks agreed to extend the maturity of its credit facility, for an amount of €982 million, from 30 April 2024 to 30 April 2025. This extension was provided for in the amendment to the syndicated credit facility agreement signed in April 2022 between Lagardère SA and its partner banks, subject to the agreement of the banks.

Lagardère Travel Retail selected to partner the ADP group in the future Extime Travel Essentials Paris joint venture

Further to a competitive bidding process, Lagardère Travel Retail has been chosen to partner the ADP group in the Extime Travel Essentials Paris joint venture. Subject to merger controls, for 10 years commencing 1 February 2024, the joint venture will operate more than 60 Travel Essentials points of sale at Paris-Charles de Gaulle and Paris-Orly airports, under the Relay banner and in partnership with a host of other brands. The joint venture will be owned equally by the ADP group (50%) and Lagardère Travel Retail (50%).

V. LIQUIDITY

At 30 June 2023, the Group's liquidity stood at €1,062 million, comprising €400 million in cash and cash equivalents and an undrawn renewable credit facility of €662 million granted by a syndicate of the Group's banking partners. The maturity of this renewable credit facility, for an amount of €982 million, has been extended to 30 April 2025.

In the context of the Group's takeover by Vivendi SE, once approval of the respective purchasers of Editis and *Gala* has been received from the European Commission, the Group believes that it is in a position to meet its commitments and ensure its liquidity with, if necessary, the support of its new reference shareholder in the event that bondholders and lenders trigger the early redemption clauses in the context of the Group's change of control (for a maximum amount of approximately €1,553 million, of which €1,300 million corresponds to bonds).

VI. 2023

Despite the uncertain economic environment, the Lagardère group remains confident in its ability to maintain a high level of results, thanks to the dynamism and responsiveness of its teams, and the diversified geographical presence of its two core businesses:

- despite pressures on costs, Lagardère Publishing should maintain relatively similar performances to 2022;
- in a normalised environment, as global traffic continues to recover, Lagardère Travel Retail has potential for revenue and profitability growth, including LEaP initiatives.

VII. INVESTOR CALENDAR [4]

- **Third-quarter 2023 revenue:** Wednesday, 18 October 2023, at 5:35 p.m.

VIII. APPENDICES

SECOND-QUARTER 2023 REVENUE

	Revenue (€m)		Change vs. 2022 (%)	
(€m)	**Second-quarter 2022**	**Second-quarter 2023**	**reported**	**like for like**
Lagardère Publishing	662	677	+2.1	+2.0
Lagardère Travel Retail	994	1,283	+28.9	+24.1
Other Activities*	67	66	N/A	N/A
LAGARDÈRE	**1,723**	**2,026**	**+17.6**	**+14.9**

* *Lagardère News (*Paris Match*,* Le Journal du Dimanche*,* JDD Magazine*, Europe 1, Europe 2, RFM and the Elle brand licence), Lagardère Live Entertainment, Lagardère Paris Racing, and the Group Corporate function.*

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CHANGES IN SCOPE OF CONSOLIDATION AND EXCHANGE RATES

In first-half 2023, the difference between reported and like-for-like data is attributable to a €4 million negative currency effect resulting primarily from the depreciation of the pound sterling, partly offset by the appreciation of the US dollar, and to a €87 million positive scope effect, breaking down as:

- a €108 million positive impact from external growth transactions, chiefly reflecting the acquisition of Welbeck Publishing Group at Lagardère Publishing and of Marché International and Costa Coffee Polska at Lagardère Travel Retail;
- a €21 million negative impact from disposals, mainly reflecting the creation of the joint venture incorporating Lagardère Travel Retail's activities in Australia and New Zealand, which was accounted for as a disposal.

[4] Date susceptible to change.

IX. GLOSSARY

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. 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 first-half 2023 results 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 and revenue for the prior-year period adjusted for companies consolidated for the first time during the period and consolidated companies divested during the period;
- revenue for the period and revenue for the prior-year period adjusted based on the exchange rates applicable in the 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 VIII – 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 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.

The reconciliation between recurring operating profit of fully consolidated companies (Group recurring EBIT) and profit before finance costs and tax is set out in the first-half 2023 results presentation, on slide 32.

➢ Operating margin

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

➢ Recurring EBITDA over a rolling 12-month period

Recurring EBITDA 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.

** 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.

The calculation of recurring EBITDA is set out in the first-half 2023 results presentation, on slide 38.

- **Adjusted profit – Group share**

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 (loss) 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

= Adjusted profit – Group share

*** 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.

The reconciliation between profit and adjusted profit – Group share is set out in section II – Main income statement items of this press release.

- **Free cash flow**

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.

The reconciliation between cash flow from operations and free cash flow is set out in section III – Other financial information of this press release.

- **Free cash flow excluding changes in working capital**

Free cash flow excluding changes in working capital is calculated by deducting changes in working capital from free cash flow.

- **Net debt**

- 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
- Current debt

= Net debt

The reconciliation between balance sheet items and net debt is set out on slide 37 of the first-half 2023 results presentation.

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A live webcast of the presentation of the first-half 2023 results will be available today at 6:00 p.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 evening.

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Created in 1992, Lagardère is an international group with operations in more than 40 countries worldwide. It employs some 27,400 people and generated revenue of €6,929 million in 2022.
*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, JDD Magazine*, Europe 1, Europe 2, RFM, and the Elle brand licence).*
The Group's operating assets also include Lagardère Live Entertainment and Lagardère Paris Racing.
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.

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