



Lagardère

**FIRST-QUARTER 2022
REVENUE**

Paris, 26 April 2022, 8:00 a.m.

**Robust growth in Lagardère group revenue (up 38%¹)
driven by fast-paced recovery at Lagardère Travel Retail**

**Lagardère Publishing: slight increase in revenue (up 1.4%¹) versus a historically high
comparison basis**

**Lagardère Travel Retail: sales almost doubled (up 96.8%¹) due to a recovery in European
passenger traffic and continued momentum in North America**

**Other Activities: revenue growth (up 5.1%¹)
driven by a resilient performance from the Press segment and the reopening of venues**

I. REVENUE

Revenue for the Lagardère group climbed sharply over the first three months of 2022 to €1,304 million, up 44.0% on a reported basis and up 38.0% like for like. The difference between reported and like-for-like revenue is attributable to a €40 million positive currency effect chiefly resulting from the appreciation of the US dollar, and to a €20 million positive scope effect, mainly in connection with the acquisition of Workman Publishing.

| | Revenue (€m) | | Change vs. 2021 (%) | |
|-------------------------|--------------|--------------|---------------------|---------------|
| | Q1 2021 | Q1 2022 | reported | like for like |
| Lagardère Publishing | 509 | 554 | +8.7 | +1.4 |
| Lagardère Travel Retail | 341 | 694 | +103.4 | +96.8 |
| Other Activities* | 55 | 56 | +3.7 | +5.1 |
| LAGARDÈRE | 905 | 1,304 | +44.0 | +38.0 |

* 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.

¹Like for like basis.

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

● Lagardère Publishing

Third-quarter 2022 revenue came in at €554 million, up 8.7% as reported and up 1.4% like for like. This performance reflects the high business base in the wake of the unprecedented momentum built up over the past two years, although March saw the emergence of less favourable trends in the publishing market.

The difference between reported and like-for-like data is attributable to a €21 million positive scope effect linked chiefly to the consolidation of Workman Publishing, and to a €17 million positive currency effect owing to movements in the US dollar and pound sterling.

In France, revenue for the division contracted slightly by 1.3% during the quarter. General Literature posted a stable performance, with notable bestsellers including Victor Castanet's *Les Fossoyeurs* and Pierre Lemaitre's *Le Grand Monde*. The performance of Illustrated Books was buoyed by the rebound in tourism and a dense release schedule for mangas.

Revenue in the United Kingdom decreased slightly by 1.0%, reflecting an exceptionally brisk start to 2021. The Adult Trade segment was lifted by social media-driven publishing phenomena such as Ali Hazelwood's *The Love Hypothesis*.

Revenue in the United States was up 2.2%, with positive momentum in the non-fiction and science fiction segments, the latter supported by an uptick in sales of *The Witcher* series titles on the back of the release of Season 2 on Netflix.

In Spain/Latin America, revenue surged by 34.5% on the back of a recovery in Mexico, which was impacted by the health crisis in the first three months of 2021, and an upbeat performance for General Literature in Spain.

Revenue for Partworks rose by 3.9%, with Italy and Japan among the leading performers.

E-books accounted for 8.1% of total Lagardère Publishing revenue in the first quarter of 2022, versus 9.0% in first-quarter 2021, while downloadable audiobooks represented 4.8% of revenue compared to 4.6% in the same year-ago period.

● Lagardère Travel Retail

Revenue for the three months ended 31 March 2022 totalled €694 million, up 103.4% on a reported basis and up 96.8% like for like compared to the first three months of 2021. The difference between reported and like-for-like revenue is attributable to a €23 million positive currency effect due to movements in the US dollar and Chinese yuan.

This highly positive performance reflects the business rebound and was achieved despite the impact of the Omicron variant of Covid-19. The first few months of 2022 have confirmed the recovery trend observed at the end of 2021, although business is yet to spring back fully to 2019 levels, with revenue remaining 28.7% below first-quarter 2019.

In France, revenue for the division leapt by 87.7% due to the widespread easing of the health restrictions that were in place during the first quarter of 2021.

The EMEA region (excluding France) confirmed its recovery, posting stellar growth of 129.3% with revenue virtually tripling in Western Europe (up 298.1% excluding France) thanks to the easing of health restrictions, and sustained growth in the Middle East and Africa (up by 135.3% and 86.4%, respectively). Revenue growth in Eastern Europe was more moderate, at 60.9%, due to business contending with fewer headwinds than other regions in the first quarter of 2021.

North America confirmed the strong momentum that began in the second quarter of 2021, with growth of 110.1% driven by sustained activity in the United States, where business was up 102.8% (down 9.9% on first-quarter 2019). Revenue also recovered strongly in Canada, with growth of 398.2%.

Asia-Pacific revenue growth came in at a more modest 16.2%. North Asia² grew by 15.9%, lifted by network expansion despite the intensifying health-related travel restrictions being put in place. The Pacific region recorded growth of 30.2% further to the lifting of health restrictions since the end of February in Australia.

² Mainland China, Hong Kong and Japan.

● Other Activities

Revenue for the first quarter of 2022 totalled €56 million, up 3.7% as reported and up 5.1% like for like. The difference between reported and like-for-like revenue is attributable to a €1 million negative scope effect.

Revenue for Lagardère News³ in the first quarter was down slightly by 1.1%. Revenue for the Radio segment was down by 10% as it contended with lower audience figures, while the Press segment reported growth of 5%, boosted by solid advertising revenue. Lastly, international licensing sales were up by 10%, thanks to the growth in press revenue in the United States, China and Japan.

Business began to recover at Lagardère Live Entertainment as venues gradually reopened.

II. KEY EVENTS SINCE 17 FEBRUARY 2022

Agreement to acquire a majority stake and controlling interest in Creative Table Holdings Ltd

On 18 February 2022, Lagardère SA announced the signature of an agreement to acquire a majority stake in United Arab Emirates-based Creative Table Holdings Ltd, giving Lagardère Travel Retail control of the company.

Creative Table Holdings Ltd has developed a Foodservice offering over many years at Dubai airport, and is complementary to the business of Lagardère Travel Retail. This acquisition will allow the division to benefit from a foothold in one of the world's most renowned airline hubs and opens up new development prospects at Dubai airport. The price of the transaction was set at €74 million.

The acquisition was finalised on 1 April 2022.

Public tender offer initiated by Vivendi SE

On 18 February 2022, Vivendi SE announced its intention (i) to file a public tender offer for the shares of Lagardère SA on 21 February 2022, (ii) to increase the offer price to €25.50 (cum-dividend) and (iii) to maintain a subsidiary offer of €24.10 (ex-dividend) through the allocation of warrants exercisable until 15 December 2023. The proposed offer was filed with the French financial markets authority (*Autorité des marchés financiers* – AMF) on 21 February 2022.

On 22 March 2022, Lagardère SA filed with the AMF its draft memorandum in response (*note en réponse*), notably containing the report of the independent expert, Eight Advisory, which concluded that the financial terms of the offer were fair, and the favourable opinion issued by the Board of Directors of Lagardère SA on 21 March 2022.

The AMF board met on 12 April 2022 to rule on the compliance of the offer, further to which the offer opened on 14 April 2022 for a period of 25 trading days, i.e., until 20 May 2022. The results of the offer are expected to be published on 26 May 2022 for settlement-delivery (in the event the offer is successful) on 7 June 2022. The offer is then expected to reopen on 27 May 2022 until 9 June 2022, with publication of the final outcome on 14 June 2022 and settlement-delivery on 24 June 2022⁴.

Until clearance is received from the European Commission, which Vivendi SE aims to obtain in the second half of 2022, Vivendi SE will not exercise the voting rights attached to the Lagardère SA shares acquired from Amber Capital or as part of the public tender offer, and will therefore have 38,387,791 voting rights, representing 22.55% of the theoretical voting rights⁵.

Amendment to the syndicated credit facility

On 21 April 2022, Lagardère SA concluded an amendment to its syndicated credit facility with its partner banks concerning, in particular:

- the immediate increase in the amount of the facility from €1.102 billion to €1.042 billion;
- the extension of the facility's maturity from March 2023 to April 2024, for an amount of €982 million, with the option to further extend the maturity to April 2026 subject to the agreement of the banks.

³ Paris Match, Le Journal du Dimanche, Europe 1, Virgin Radio, RFM and the Elle brand licence.

⁴ All documents relating to the offer are available on the websites of the AMF (www.amf-france.org) and Lagardère SA (www.lagardere.com) and can be obtained free of charge on request from the registered office of Lagardère SA (4 rue de Presbourg, 75116 Paris, France).

⁵ Based on 170,234,815 theoretical voting rights as of 31 March 2022.

The syndicate of lending banks consists of Banco Santander, Barclays Bank, BNP Paribas, Citibank, Commerzbank, Crédit Agricole CIB, Crédit Agricole d'Ile-de-France, Crédit Lyonnais, HSBC, ING Bank, JP Morgan Chase Bank, Landesbank Baden-Württemberg, Natixis, Société Générale and UniCredit Bank. The amendment was coordinated by Crédit Agricole CIB as agent.

Annual General Meeting

After two consecutive years of General Meetings held behind closed doors, Lagardère SA was delighted to welcome its shareholders to its Ordinary and Extraordinary General Meeting at its Casino de Paris venue on Friday **22 April 2022** at 10:00 a.m.

The shareholders, with a quorum close to 80%, adopted all the resolutions proposed by the Board of Directors, by an average of 99.55% of votes cast, in particular those relating to the **ratification of the co-optation of René Ricol as an independent member of the Board of Directors**, the approval of the Company and consolidated financial statements and the **payment of a dividend of €0.50 per share**, which went ex-dividend on **25 April 2022** and will be paid from **27 April 2022**.

III. LIQUIDITY

The Group's liquidity position remains solid, with €1,869 million in available liquidity (available cash and short-term investments reported on the balance sheet totalling €767 million and an undrawn amount on the revolving credit facility of €1,102 million).

The covenants of the revolving credit facility were therefore met at 31 March 2022.

The Group welcomes the extension of the maturity of the revolving credit facility to April 2024, based on a minimum amount of €982 million and with further extensions possible through to April 2026.

IV. OUTLOOK

In an unstable environment shaped by the health crisis, the invasion of Ukraine by Russia⁶ and inflationary pressures, Lagardère is pressing ahead with its cost discipline and cash management efforts.

The Group is currently maintaining its guidance for full-year 2022 as communicated at the time of the publication of the annual results on 17 February 2022, namely:

● Lagardère Publishing

Revenue⁷ for Lagardère Publishing is expected to remain stable in 2022.

Profitability will be impacted by less favourable market trends in a context of inflationary cost pressures. Accordingly, Lagardère Publishing expects to post an operating margin⁸ of just above 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 the health situation permits. Although the context is broadly improving, it remains uncertain.

The division will closely monitor developments in air traffic in 2022 and is confident in its ability to adapt to the environment which, although volatile, is gradually improving. Lagardère Travel Retail is pressing ahead with its operational excellence drive launched during the crisis, enabling the division to keep flow through in 2022 within a range of 15% to 20%⁹, assuming higher business levels than in 2021.

● Other Activities

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

⁶ Russia's invasion of Ukraine in February 2022 has major implications for financial markets and commodity prices, and will impact the entire global economy. The Lagardère group's financial exposure in these two countries is very limited (revenue generated by the Group in Russia and Ukraine in 2021 amounted to less than 0.1% of consolidated revenue). 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. Lagardère is currently unable to assess these impacts.

⁷ Excluding the currency effect.

⁸ Recurring EBIT as a percentage of revenue, see Glossary for definition.

⁹ Negative impact on recurring EBIT of the decrease in 2022 revenue versus 2019.

V. INVESTOR CALENDAR¹⁰

- **Payment of the €0.50 per share dividend:** from Wednesday, 27 April 2022.
- **First-half 2022 results:** Wednesday, 27 July 2022, after market close.

VI. APPENDICES

CHANGES IN SCOPE OF CONSOLIDATION AND EXCHANGE RATES

In the first quarter of 2022, the difference between reported and like-for-like data was attributable to a €40 million positive currency effect, mainly due to the appreciation of the US dollar, the pound sterling and the Chinese yuan, as well as a €20 million positive scope effect. The scope effect can be analysed as follows:

- a €25 million positive impact from acquisitions by Lagardère Publishing, mainly Workman Publishing (positive €22 million impact), which was consolidated in the fourth quarter of 2021, as well as Illuminate Publishing and John Catt (positive €2 million impact);
- a €5 million negative impact chiefly from the disposal of Brainbow Ltd by Lagardère Publishing (negative €1 million impact) and Euro Radio Saar by Other Activities (negative €1 million impact).

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 first-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:

¹⁰ Dates susceptible to change.

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 (Group recurring EBIT) by revenue.

A live webcast of the first-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 is structured around two priority divisions: Lagardère Publishing (Book and e-Publishing, Board Games and Mobile Games) and Lagardère Travel Retail (Travel Essentials, Duty Free & Fashion, Foodservice).

The Group's operating assets also include Lagardère News and 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

Ramzi Khiroun

Tel. +33 1 40 69 16 33

rk@lagardere.fr

Image 7 Contact

Anne Méaux

Tel. +33 6 89 87 61 76

Investor Relations Contact

Emmanuel Rapin

Tel. +33 1 40 69 17 45

erapin@lagardere.fr