

2016 first-half results: growth and profitability

Revenue: +5%

Current operating income: 7.6%

EBITDA: €66 million, +12.1%

The Board of Directors of GL events, the integrated event industry group, today reviewed the interim consolidated financial statements for the 2016 first half.

€m	H1 2016	H1 2015	Change
Revenue	489.9	466.9	+5%
EBITDA	66.1	59.0	+12.1 %
Current operating income	40.8	37.9	+7.6%
<i>Current operating margin (%)</i>	8.3%	8.1%	-
Other income and expense	-3.1	0.3	-
Operating profit	37.6	38.2	-1.5%
<i>Operating margin (%)</i>	7.7%	8.2%	-
Profit before tax	29.5	31.9	-7.3%
Income tax & equity-accounted investments	(10.7)	(11.2)	-
Net income	18.9	20.6	-8.2%
Non-controlling interests	1.9	4.1	-
Net income attributable to the equity holders of the parent	16.9	16.5	+2.5%

The 2016 first half was characterised by robust business activity (Rio Olympic Games, Euro 2016, signature of the contract for Cop 22, etc.) and financial developments for the Group securing resources to lay foundations for future growth. For Sao Paulo Expo, the Group crossed two major milestones, and namely marketing the site and financing the final investment phase in preparation for 2017 that will generate strong cash flows.

Current operating margin: 8.3% - Strong growth in EBITDA

Despite a currency effect in the first half that was again negative (-€14 million) revenue grew 5% to €489.9 million (+8 % at constant exchange rates or €504 million).

By making the relevant trade-offs between the variable and fixed costs of services linked to Jumbo events, current operating income grew 7.6% resulting in a margin of 8.3% compared with 8.1% in 2015.

After a financial charge of €8.1 million, and a 33% tax rate, net income attributable to the Group amounted to €16.9 million, up from €16.5 million in 2015 and corresponding to a net margin of 3.4%.

Margins at encouraging levels for all divisions

€m	H1 2014	H1 2015	H1 2016
Revenue – Live	257.5	221.6	258.3
Current operating income	24.2	8.2	17.8
Operating margin	9.4%	3.7%	6.9%
Revenue – Exhibitions	78.5	100.1	78.5
Current operating income	5.4	16	7.9
Operating margin	6.8%	16%	10.0%
Revenue – Venues	128.7	145.2	153.1
Current operating income	7.7	13.7	15.0
Operating margin	6%	9.4%	9.8%

GL events Live: strong growth and profitability

- Strong growth in revenue, especially in Q2 (+31% vs.Q2 2015)
- An operating margin on track with targets for the division, tight for the Euro and a normative level for the Olympic Games.

GL events Exhibitions: positive trend for profitability

- The operating margin rose significantly vs. H1 2014 on comparable business volume.
- Recurrent events and strong brands in international markets.

GL events Venues: growth and improving profitability

- 4 consecutive six-month periods of revenue growth
- An operating margin at a historic high (9.8%), with continuing growth.
- The successful launch of Sao Paulo Expo

Financial structure: half-year highlights and prospects for debt reduction

In parallel with this business development, the Group registered growth in shareholders' equity that at 30 June 2016 stood at €400 million, up from €374 million at 31 December 2015.

The ROCE (return on capital employed), excluding capital expenditures for Sao Paulo not directly generating revenue over the last 12 months, amounted to 6.8% vs. 6.5% in the 2015 first half.

As previously announced, 2016 will mark the completion of the renovation/extension work for Sao Paulo Expo and also the capital spending phase in Brazil.

The exceptional level of capital expenditures in the first half (€52 million) accordingly reflects the Group's decision to accelerate these investments. On that basis, the Sao Paulo exhibition centre has been operational since 26 April 2016 under its new form.

The Group's objective for 2017/2018, as previously announced, is to lower the level of its annual capital expenditures to €30-€35 million (compared to an average of €90 million in 2014 and 2015) and significantly reduce net debt.

The appropriate financing solutions have been put into place, reflecting the confidence of all the Group's banking partners and shareholders: new bank loans and a €100 million Euro Private Placement (Euro PP) announced in July 2016.

Year-end business outlook

The 2016 second half will continue to benefit from the commercial momentum displayed by all Group businesses and driven by a balanced "product/business/geographic" mix. This includes in particular Cop 22 in Morocco, corporate events, the world cycling championships in Doha, trade shows and recurrent events.

In terms of guidance, the Group confirms the full-year outlook for revenue growth in 2016.

Upcoming events:

2016 third-quarter sales: 18 October 2016 (after the close of trading)



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