

# H1 2020 RESULTS IMPACTED BY THE HEALTH CRISIS

## LIQUIDITY PRESERVED

GL EVENTS (ISIN: FR0000066672 - TICKER: GLO), THE INTEGRATED EVENT INDUSTRY GROUP, ANNOUNCES ITS 2020 FIRST-HALF RESULTS.

The interim financial statements for the 2020 first half were approved by GL events' Board of Directors on 15 September 2020. The auditors have completed their limited audit review and their report is in the process of being issued.

Olivier Ginon, Chairman-CEO of GL events, commented: *"After a record performance in 2019, the Group entered the crisis with solid fundamentals. The health crisis, unprecedented in terms of its suddenness and severity, has significantly impacted our businesses. In this context, the Group responded very quickly and has adapted. We have significantly reduced our costs (€69 million at 30 June 2020) and preserved our cash. We have also benefited from support measures adopted by the government (government-backed loans, a national furlough scheme). All our offerings have been developed to comply with the most rigorous health regulations. And while visibility remains limited for the upcoming months, I'm confident in the Group's resilience that will permit it to rebound once the administrative restrictions have been lifted. I would like to thank the employees for their exemplary behaviour since the beginning of this crisis. Finally, we are able to count on all our partners and subcontractors who are also going through a difficult period but who remain faithful to the Group."*

In €m	30/06/2020 30/06/2019		30/06/2020	30/06/2019
			excl. IFRS	excl. IFRS
			16	16
<b>Revenue</b>	<b>266.8</b>	<b>595.9</b>	<b>266.8</b>	<b>595.9</b>
EBITDA (1)	3.0	124.1	-21.5	99.9
EBITDA margin (%)	1.1%	20.8%	-8.1%	16.8%
<b>Current operating income</b>	<b>-43.0</b>	<b>73.3</b>	<b>-46.7</b>	<b>69.7</b>
Current operating margin (%)	-16.1%	12.3%	-17.5%	11.7%
Net income	-34.2	40.1	-32.8	41.8
<b>Net income attributable to Group shareholders</b>	<b>-31.5</b>	<b>29.1</b>	<b>-30.4</b>	<b>30.4</b>
Net margin	-11.8%	4.9%	-11.4%	5.1%

(1): Definitions are provided at the end of the press release.

Revenue for the first six months ended 30 June 2020 amounted to €266.8 million, severely impacted by the health crisis (-55.2% from one year earlier) which masks the excellent level of business at the start of the year. At the end of February, and after adjusting for the biannual effect, revenue was thus up by 14%.

And while the income statement has fallen back to unprecedented levels in response to shutdowns of activities, it also benefited from the strong measures adopted at the beginning of the crisis, and notably the cost reduction programme. In the first half, GL events thus succeeded in achieving €69 million in savings from fixed costs. This was made possible, in part, by recourse to government-backed furlough measures (*activité partielle*) and, in part, by very tight control over the management of resources (travel expenses, rent, energy, fees and communication expenses). On that basis, EBITDA excluding IFRS 16 showed a loss of -€21.5 million (€3.0 million with IFRS 16) and current operating income excluding IFRS 16 a loss of -€46.7 million (-€43.0 million with IFRS 16).

Net financial expense excluding IFRS 16 was stable in relation to 30 June 2019, with the increase in volume offset by the decrease in the cost of capital. The net loss excluding IFRS 16 amounted to -€32.8 million (compared to net income of €41.8 million in H1 2019). After taking into account the decrease in non-controlling interests reflecting the results of subsidiaries, the net loss attributable to Group shareholders was -€30.4 million.

#### REVENUE AND CURRENT OPERATING INCOME BY DIVISION

GL events Live (€m)	30/06/2020	30/06/2019	30/06/2018
Revenue	157.4	275.4	283.6
Current operating income	-11.5	11.8	23.7
Operating margin (%)	-7.3%	4.3%	8.4%

**GL events Live** had revenue in the 2020 first half of €157.4 million, down 42.9% (-42.2% LFL<sup>1</sup>) in relation to the same period in 2019. This division invoiced costs incurred for cancelled events and benefited from the strength of its industrial activities such as Spaciotempo in France, or Aganto in the United Kingdom (€30 million vs. €35 million one year earlier). This division generated savings in the 2020 first half of €32 million.

GL events Exhibitions (€m)	30/06/2020	30/06/2019	30/06/2018
Revenue	45.0	147.1	98.7
Current operating income	-8.5	32.4	13.4
Operating margin (%)	-18.9%	22.0%	13.6%

**GL EVENTS EXHIBITIONS** had revenue of €45 million, down 69.4% (-69.3% like-for-like<sup>1</sup>), in light of the postponement of several exhibitions due to the health crisis. In this context, the Group revised and adapted its offering and at the end of June introduced an alternative format, 100% digital, Global Industrie Connect. GL events Exhibitions also demonstrated its agility in managing its calendar as several exhibitions were moved forward to the second half of 2020 or early 2021. This division generated savings in the first half of €10 million.

GL events Venues (€m)	30/06/2020	30/06/2019	30/06/2018
Revenue	64.5	173.4	162.7
Current operating income	-26.7	25.4	16.0
Operating margin (%)	-41.4%	14.7%	9.8%

**GL EVENTS VENUES** had revenue of €64.5 million, down 62.8% (-61.6% LFL<sup>1</sup>), impacted by the administrative closures gradually imposed by different governments starting in March 2020. Here as well the Group innovated by organising a digital event at the Palais Brongniart in France and by setting up a temporary hospital at the Johannesburg Expo Center in South Africa. This division achieved €29 million in savings in the first half. GL events Venues notably initiated negotiations with local governments for the purpose of reducing rental payments.

<sup>1</sup> LFL: like-for-like defined as at constant structure and exchange rates (2020 exchange rates applied to 2019 revenue)

## FINANCIAL STRUCTURE PRESERVED

GL events' cash position has been reinforced despite the uncertain context, illustrating the confidence of its partners in the strength of its business model. At 30 June 2020, the Group's cash position thus stood at €341 million to which is added an undrawn syndicated revolving credit facility of €100 million. GL events was granted a covenant holiday for fiscal 2020 by its banking partners with no changes in the contractual terms. The Group also has initiated negotiations with its bondholders to obtain waivers for the Euro Private Placement (Euro PP). A new government-backed loan is also being negotiated, with the goal of securing total financing of €130 million, of which €73 million has already been granted.

Cost savings measures combined with tight controls over capital expenditures (€17 million in the first half) helped contain net debt to €592 million at 30 June 2020 compared to €480 million at 31 December 2019.

## RECENT EVENTS AND OUTLOOK

Despite the current lack of visibility regarding the evolution of the health crisis, the Group is confident in its ability to get through this unprecedented crisis. It has already been successful in securing financing and preserving its liquidity. The support of local authorities and governments is also vital to assist the recovery of the sector.

In an environment subject to restrictions currently preventing the organisation of international or large-sized events, annual business volume for 2020 is estimated to date at €600 million which would lead to a loss for the full year of approximately €50 million. Savings from the cost reduction programme are expected to reach €130 million by year-end.

In France, the activities of the three divisions are gradually picking up. The Live division will notably deliver the Grand Palais Ephémère at the end of 2020. Local exhibitions and fairs like those of Metz, Caen and Toulouse, but also events with a more global profile, redesigned to comply with the health safety guidelines (CFIA, Equita), should be held in the second half. Première Vision's transformation into a 100% digital exhibition at the end of August, 15 days before it was to be held, is however another illustration of both the uncertainty of the period but also the Group's capacity to rapidly adapt in order to effectively address the needs of its customers and partners. In China, after the organisation of the CACLP exhibition at the end of August, Fashion Source is expected to be held in November.

The resumption of activity in China, the announcement that the Olympic Games in Tokyo will be held, a positive biennial effect (Sirha, the Rio de Janeiro International Book Fair) and the rescheduling of exhibitions (Expomin, the Piscine swimming pool and wellness event) should enable the Group to experience a recovery in business activity in 2021.

### NEXT PRESS RELEASE:

Q3 2020 revenue – 14 October 2020 (after the close of trading)

## DEFINITIONS

- EBITDA: (earnings before interest, taxes, depreciation and amortisation) or "gross operating profit" defined as current operating income + depreciation, amortisation and provisions
- ROCE: Current operating income net of income tax year-on-year / capital employed (goodwill + fixed assets +/- WCR)
- Constant exchange rates: average exchange rate of N applied to the previous period (N-1)
- Constant structure:
  - o for acquisitions of the period: by adding to revenue of prior periods the sales of the acquired company
  - o for disposals of the period: by subtracting from revenue of prior periods the sales of the company sold
- LFL: like-for-like defined as at constant structure and exchange rates (see the definitions above for "constant structure" and "constant exchange rates" )
- IFRS 16: restatement of leases, standard applicable as from 1 January 2019
  - o measurement of leases in the balance sheet under assets (right-of-use assets), with the recognition of a corresponding debt under liabilities (lease liabilities)
  - o A portion of lease payments is recognised under operating expenses ("amortisation") and a portion under financial expense ("cost of debt")
  - o Covenants are determined excluding the application of this standard.

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**About GL events:** The Group is a world-class provider of integrated solutions and services for events operating across the three main market segments: conventions, conferences, congresses; cultural, sports and political events; trade shows / B2B and B2C exhibitions and consumer fairs. GL events' activities are organised into three major business divisions. **GL events Live** provides a complete range of services for corporate, institutional and sports events, and offers turnkey solutions from consulting and design to staging the event itself. **GL events Exhibitions** manages and coordinates the Group's portfolio of more than 300 proprietary trade fairs covering a wide range of sectors: food industry, culture, textiles/fashion, manufacturing... **GL events Venues** manages a network of 50 venues (convention and exhibition centres, concert halls and multi-purpose facilities) in France and international destinations. Present on five continents with operations in more than 20 countries, GL events has 5,600 employees. GL events is listed on Euronext Paris, Compartment B (mid-caps).



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