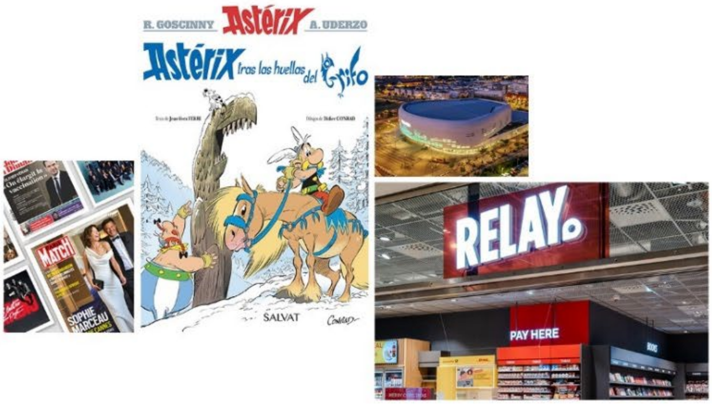

FIRST-HALF 2022 RESULTS

Paris, 26 July 2022, 5:35 p.m.

Sharp 38.6%[1] growth in Lagardère group revenue and high level of recurring EBIT, at €107 million (versus €3 million in first-half 2021)

Good performance for Lagardère Publishing: revenue virtually stable (down 1.0%[1]) against a record-beating prior-year performance and in a fast-changing macroeconomic environment

Strong recovery at Lagardère Travel Retail (up 97.2%[1]), driven by its EMEA and North America operations

Corporate cost reduction target maintained

Full-year 2022 guidance maintained

Key figures

In the first half of 2022, Group **revenue** totalled €3,027 million, up 38.6% on a like-for-like basis.

Group recurring EBIT in the first half of the year totalled €107 million, up sharply by €104 million compared to recurring EBIT of €3 million in first-half 2021.
Lagardère Publishing recorded recurring EBIT of €81 million (€110 million in first-half 2021), and Lagardère Travel Retail reported recurring EBIT of €26 million (versus a negative €96 million in first-half 2021).

The Group reported **profit before finance costs and tax** of €32 million in first-half 2022 (loss before finance costs and tax of €91 million in first-half 2021), including non-recurring/non-operating items representing a net expense of €70 million.

Lagardère reported **adjusted profit – Group share** of €25 million, versus an adjusted loss – Group share of €86 million in first-half 2021.

For the six months to 30 June 2022, **the Group's free cash flow excluding changes in working capital** improved sharply, amounting to an inflow of €54 million compared to an outflow of €12 million for the six months to end-June 2021.

Changes in working capital amounted to an outflow of €170 million for the six months to end-June 2022, with a strong seasonal effect for Lagardère Publishing, versus an inflow of €88 million in the first half of 2021.

Net debt stood at €1,961 million at 30 June 2022, compared to €1,535 million at 31 December 2021, and the 3.69x leverage ratio remains close to the 3.64x recorded at end-December 2021.

On 26 July 2022, the Board of Directors met to approve the 2022 interim consolidated financial statements. The Statutory Auditors issued their review report today.

[1] Versus the first half of 2021 on a like-for-like basis.

I. REVENUE AND RECURRING EBIT

REVENUE

Revenue for the Lagardère group came in at €3,027 million for first-half 2022, up 45.8% on a reported basis and up 38.6% like for like. The difference between reported and like-for-like revenue is essentially attributable to a €103 million favourable currency effect (of which €72 million linked to the US dollar, €10 million to the pound sterling and €9 million to the Chinese yuan). The €53 million positive scope effect was mainly due to the acquisitions of Workman Publishing and Paperblanks at Lagardère Publishing and of Dubai-based Creative Table Holdings Ltd at Lagardère Travel Retail.

	Revenue (€m)		Change vs. 2021 (%)	
	First-half 2021	**First-half 2022**	**reported**	**like for like**
Lagardère Publishing	1,130	1,216	+7.7%	-1.0%
Lagardère Travel Retail	831	1,688	+103.2%	+97.2%
Other Activities*	115	123	+5.8%	+7.3%
LAGARDÈRE	**2,076**	**3,027**	**+45.8%**	**+38.6%**

* *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.*

GROUP RECURRING EBIT

Group recurring EBIT totalled €107 million, a €104 million improvement on first-half 2021.

	Group recurring EBIT (€m)		
	First-half 2021	**First-half 2022**	**Change**
Lagardère Publishing	110	81	-29
Lagardère Travel Retail	(96)	26	+122
Other Activities*	(11)	-	+11
LAGARDÈRE	**3**	**107**	**+104**

* *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.*

Lagardère Publishing

Revenue

Revenue for Lagardère Publishing in first-half 2022 totalled €1,216 million, up 7.7% on a reported basis and down 1.0% like for like. The difference between reported and like-for-like figures results from a €59 million positive scope effect mainly due to the acquisition of Workman Publishing, a US publisher specialising in children and young adult titles and illustrated books, and of Paperblanks, the world number two in premium notebooks and stationery. The €39 million positive currency impact for the period was primarily linked to the appreciation of the US dollar (€29 million) and pound sterling (€9 million).

After recording like-for-like growth of 1.4% in the first quarter of 2022, business was down by 2.9% in the second quarter compared to a record-beating second-quarter 2021.

The first-half 2022 figures below are presented on a like-for-like basis.

In France, revenue for the division was down 3.7%, notably reflecting a fall in sales of General Literature and at Larousse, in a declining market. Revenue for Illustrated Books was up slightly, lifted by strong growth in the Tourism segment as travel resumed, as well as in Children and Young Adult, which was buoyed by the success of several titles such as *Skandar and the Unicorn Thief* by A.F. Steadman and Alice Oseman's *Heartstopper* titles following the release of the Netflix series. Pika delivered a stellar performance in the manga segment, compensating for the remarkable success of the *Attack on Titan* series in 2021 with the launch of new series during the period.

In the United Kingdom, 1.5% revenue growth was chiefly driven by Children and Young Adult, with the success of the *Heartstopper* titles, while the Adult Trade segment was lifted by the popularity of certain titles on social networks, such as *Verity* by Colleen Hoover and *The Love Hypothesis* by Ali Hazelwood at Little, Brown Book Group. After being hindered by the health restrictions in 2021, Education posted a good performance.

In the United States, the 1.9% drop in revenue was mainly due to a lighter release schedule than in 2021, despite a number of successful titles in the first half of 2022, such as *Run, Rose, Run*, co-written by James Patterson and Dolly Parton at Little, Brown Adult, and *Verity* by Colleen Hoover at Grand Central Publishing.

In Spain/Latin America, 7.4% revenue growth was driven by a good performance in the Trade segment in Mexico, which had been hit hard by the health crisis in early 2021. In contrast, revenue in Spain was down due to a later start to the school campaign in 2022, which was not fully offset by momentum in the Trade segment.

Revenue for Partworks rose slightly by 0.5%.

In the first half of 2022, digital audiobooks accounted for 4.5% of Lagardère Publishing's total revenue (versus 4.2% in the first half of 2021). The share of e-books softened slightly, however, accounting for 7.6% of the division's total revenue, versus 8.2% one year earlier.

Recurring EBIT

Lagardère Publishing reported €81 million in recurring EBIT, down €29 million on its record-beating first-half 2021 performance. This decline was mainly attributable to inflationary pressures on production, transport and labour costs.

Lagardère Travel Retail

Revenue

First-half 2022 revenue totalled €1,688 million for the division, up 103.2% as reported and up 97.2% like for like. The difference between reported and like-for-like data is attributable to a €5 million negative scope impact and a €64 million positive currency effect linked chiefly to the appreciation of the US dollar (€43 million) and Chinese yuan (€9 million).

After recording robust like-for-like growth of 96.8% in the first quarter of 2022, growth surged by 97.5% in the second quarter.

The first-half 2022 figures below are presented on a like-for-like basis.

Revenue in France surged 120.1% (down 31.0% versus first-half 2019) on the back of the recovery in international air traffic, especially for flights to Europe and to the United States.

The EMEA region (excluding France) saw revenue surge 148.2% (down 16.5% versus first-half 2019) due to the strong rally in regional and transatlantic travel, particularly in Western Europe and Poland.

The Americas also reported strong revenue growth of 78.5% (down 4.2% versus first-half 2019) over the first half, with sales in the United States (up 64.2%) already having picked up as from the second quarter of 2021 and Canada (up 584.0%) benefiting from a low comparison basis due to health restrictions in the second quarter of last year.

Asia-Pacific revenue climbed 1.6%, thanks to the Pacific zone, with the zero-Covid policy in China severely hampering the recovery in domestic and international Chinese air passenger traffic.

Recurring EBIT

Lagardère Travel Retail reported €26 million in recurring EBIT, an improvement of €122 million on first-half 2021. This represents an exceptionally low flow-through ratio (impact of the decrease in revenue on recurring EBIT) of 6.7% versus first-half 2019 as reported.

This low flow-through ratio reflects the combined impact of various factors during the first half of the year, including the continued implementation of the LEAP performance optimisation programme, one-off Covid-related assistance, adjustments to leases, and the adaptation of point-of-sale operations in line with traffic and staffing shortages in certain countries.

Costs were cut by €287 million in first-half 2022 versus first-half 2019, including a €102 million decrease in fixed costs.

Other Activities

Revenue

First-half 2022 revenue totalled €123 million, up 5.8% as reported and up 7.3% like for like compared to the six months ended 30 June 2021.

Revenue growth was driven mainly by Lagardère Live Entertainment, whose live performance venue business had been hit hard by the health crisis in the first half of 2021.

The News unit saw revenue slip 1.4%, affected by the decline in Radio (down 6.9%) due to lower audience figures, partly offset by a good performance from Press (up 2.3%), especially in terms of Advertising revenues, and from Elle international licensing sales (up 5.9%).

Recurring EBIT

Other Activities posted an €11 million improvement in profitability versus first-half 2021, with recurring EBIT at break-even.

II. MAIN INCOME STATEMENT ITEMS

(€m)	First-half 2021*	First-half 2022
Revenue	**2,076**	**3,027**
Group recurring EBIT	**3**	**107**
Income (loss) from equity-accounted companies**	(22)	(5)
Non-recurring/non-operating items	(72)	(70)
of which impact of IFRS 16 on concession agreements	*(11)*	*17*
Profit (loss) before finance costs and tax	**(91)**	**32**
Finance costs, net	(25)	(37)
Interest expense on lease liabilities	(32)	(29)
Profit (loss) before tax	**(148)**	**(34)**
Income tax benefit (expense)	(9)	2
Profit from discontinued operations	5	-
Profit (loss) for the period	**(152)**	**(32)**
Minority interests	(1)	(13)
Profit (loss) – Group share	**(153)**	**(45)**

** Restated for the retrospective application of the second amendment to IFRS 16 – Covid-19-Related Rent Concessions.*
*** Before impairment losses.*

The **loss from equity-accounted companies** (before impairment) came out at €5 million in first-half 2022, a marked improvement on first-half 2021, with the impact of the health crisis on equity-accounted entities in which Lagardère Travel Retail is a partner easing, especially in France.

Non-recurring/non-operating items represented a net expense of €70 million, compared with a net expense of €72 million in first-half 2021, and mainly included:

- a net €1 million **gain on disposals**, corresponding mainly to the sale of the stake in Atticus;
- €29 million in **restructuring costs**, including €26 million for Other Activities in connection with the costs of the public tender offer and the consequences of the change of control at Lagardère SA, and €2 million at Lagardère Publishing;
- €56 million in **amortisation of intangible assets and costs attributable to acquisitions and disposals**, including €46 million for Lagardère Travel Retail, mainly relating to concession agreements in North America (Paradies, HBF and Vino Volo), Italy (Rome airport and Airest) and Belgium (IDF); and €8 million for Lagardère Publishing;
- €3 million in **impairment losses against property, plant and equipment and intangible assets**, attributable to the closure of points of sale at Lagardère Travel Retail; and

- **the impact of applying IFRS 16 to concession agreements**, mainly at Lagardère Travel Retail (including gains and losses on leases), for a positive €17 million. This impact includes the cancellation of the fixed rental expense for concession agreements and the depreciation of right-of-use assets.

Net finance costs amounted to €37 million for first-half 2022, versus €25 million one year earlier, mainly reflecting impairment recognised against financial assets in first-half 2022 and one-off proceeds on financial assets in 2021. Interest expense improved due to the repayment of the government-backed loan in December 2021 and the September 2021 bond refinancing.

Interest expense on lease liabilities amounted to €29 million in the first half of 2022, down €3 million on first-half 2021 due to the slight decrease in lease liabilities between end-June 2021 and end-June 2022.

In first-half 2022, the Group recorded an **income tax benefit** of €2 million, an improvement of €11 million compared with first-half 2021 due to the recognition of tax loss carryforwards in China.

In first-half 2021, the €5 million in **profit from discontinued operations** included changes in provisions for vendor warranties and the outstanding balance of costs related to the sale of Lagardère Sports.

Taking account of all these items, the loss for the period came out at €32 million, including a loss of €45 million attributable to the Group.

Profit attributable to minority interests was €13 million in the first half of 2022, versus €1 million in first-half 2021, reflecting the recovery in business primarily at Lagardère Travel Retail in North America and Italy.

ADJUSTED PROFIT (LOSS) – GROUP SHARE

Adjusted profit (loss) – Group share (excluding non-recurring/non-operating items) represented profit of **€25 million**, versus a loss of €86 million in first-half 2021.

(€m)	**First-half 2021***	**First-half 2022**
Profit (loss) for the period	**(152)**	**(32)**
Restructuring costs	26	29
Gains/losses on disposals	(20)	(1)
Impairment losses on goodwill, property, plant and equipment, intangible assets and investments in equity-accounted companies	6	3
Amortisation of acquisition-related intangible assets and other acquisition-related expenses	49	55
Impact of IFRS 16 on concession agreements	36	5
Tax effects on the above items	(23)	(16)
Profit (loss) from discontinued operations	(5)	-
Adjusted profit (loss)	**(83)**	**43**
o/w attributable to minority interests	(3)	(18)
Adjusted profit (loss) attributable to owners of the Parent**	**(86)**	**25**

** Restated for the retrospective application of the second amendment to IFRS 16 – Covid-19-Related Rent Concessions.*
*** Alternative performance measure, see definition at the end of the press release.*

III. OTHER FINANCIAL INFORMATION

CASH FLOW FROM (USED IN) OPERATIONS AND INVESTING ACTIVITIES

(€m)	First-half 2021	First-half 2022
Cash flow from (used in) operations before changes in working capital and income taxes paid	**38**	**144**
Changes in working capital	88	(170)
Income taxes paid	(11)	(23)
Cash flow from (used in) operations	**115**	**(49)**
Purchases/disposals of property, plant and equipment and intangible assets	(38)	(68)
Free cash flow*	**77**	**(117)**
*o/w free cash flow excluding changes in working capital**	*(12)*	*54*
Purchases of investments	(39)	(144)
Disposals of investments	69	18
Cash flow from (used in) operations and investing activities	**107**	**(243)**

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

In the first half of 2022**, cash flow from operations before changes in working capital** (operating cash flow) totalled €144 million, versus cash flow from operations of €38 million one year earlier. This improvement resulted primarily from the gradual business recovery at Lagardère Travel Retail (positive €130 million impact), countered by a €20 million decline at Lagardère Publishing, which had recorded a particularly strong performance in first-half 2021.

Changes in working capital represented an outflow of €170 million, compared to an inflow of €88 million in first-half 2021. The sharp deterioration was mainly due to Lagardère Publishing (€219 million outflow), which saw a significant fall in trade payables with (i) in first-half 2021, a particularly high level of trade payables to third-party publishers due to exceptionally high business levels, and (ii) in first-half 2022, advance payments to suppliers in France following a change in the accounting system and a sharper rise in inventories as a result of the need to secure supplies and the effects of higher raw materials prices. The smaller rise (€40 million outflow) in this line at Lagardère Travel Retail versus 2021 is due to the stronger increase in trade payables during first-half 2021 as a result of their especially low level at end-2020, and the increase in inventories in line with the business upturn.

Income taxes paid increased, up to €23 million from €11 million in first-half 2021 due to (i) the improvement in business and (ii) an unfavourable comparison effect linked to a refund obtained in the first half of 2021 in the United States.

Taking account of the above items, **cash flow from operations** represented an outflow of €49 million in first-half 2022 compared to an inflow of €115 million in first-half 2021.

Sales of property, plant and equipment and intangible assets represented a net outflow of €68 million in the period. Acquisitions increased by €18 million compared to the prior-year period, notably at Lagardère Travel Retail following the recovery in business and the implementation of investment projects that had been postponed in light of the uncertain environment in 2021. In first-half 2022, sales of assets represented virtually nil, versus an inflow of €12 million in first-half 2021, which included the sale of the Matra MS570 car (Other Activities) and of Brainbow (Lagardère Publishing).

Purchases of investments represented a cash outflow of €144 million in first-half 2022, mainly corresponding to the acquisition of Creative Table Holdings Ltd and the capital increase at Société de Distribution Aéroportuaire (Lagardère Travel Retail), and to the acquisition of Paperblanks (Lagardère Publishing). In first-half 2021, purchases of investments represented a cash outflow of €39 million, primarily including €22 million at Lagardère Publishing with the acquisitions of Hiboutatillus and Illuminate Publishing.

Disposals of investments represented an inflow of €18 million, principally concerning the sale of Atticus at Lagardère Publishing. In the first half of 2021, disposals of investments represented an inflow of €69 million, including the collection of the balance of the vendor loan granted in connection with the Asian Football Confederation on the disposal of Lagardère Sports, and the sale of J'ai Lu by Lagardère Publishing.

In all, **operations and investing activities** represented a net cash outflow of €243 million in first-half 2022, compared with a net cash inflow of €107 million in the prior-year period.

IV. LIQUIDITY

The Group's liquidity position remains solid, with €1,629 million in available liquidity (available cash and short-term investments reported on the balance sheet totalling €587 million and an undrawn amount on the revolving credit facility of €1,042 million). Leverage (net debt/recurring EBITDA) stands at 3.69x.
The covenants of the revolving credit facility were therefore met at 30 June 2022.

The Group considers that it has sufficient liquidity to cover its financing requirements over the next 12 months, both in relation to funding its operations and to repaying €899 million in debt falling due (including €417 million in commercial paper at 30 June 2022).

Net debt rose to €1,961 million at 30 June 2022, from €1,535 million at 31 December 2021. In April 2022, the revolving credit facility was extended until April 2024, with the option of a further extension until April 2026.

V. KEY EVENTS SINCE 26 APRIL 2022

Project to confirm the autonomy of the Lagardère group's radio unit
On 6 May 2022, the Board of Directors of Lagardère SA reiterated its commitment to maintaining the integrity, durability and managerial continuity of the Lagardère group.
In this context, it has been decided to consider a project aimed at confirming the autonomy of the Group's radio unit (comprising Europe 1, Virgin Radio and RFM), through a reorganisation of its ownership and governance structures.

At the end of the study conducted to date, the Board of Directors decided on 26 July 2022 to continue the reorganization work, which would consist of consolidating the radio activities under a company that would take the form of a partnership limited by shares *(société en commandite par actions)*, with companies of the Lagardère group acting as limited partners and whose general partner would be held by Mr. Arnaud Lagardère himself, who would thus ensure the control of the limited partnership and its management.

This transaction would be financially neutral for the Lagardère Group.

The proposed reorganization will be submitted for consultation to the employee representative bodies, as well as to the competent authorities for their possible authorizations or approvals. Lagardère SA will inform the market in due course of the terms and conditions of the proposed transaction once they have been decided."

Vivendi SE public tender offer
On 21 February 2022, Vivendi SE filed a proposed tender offer with the AMF.

The proposed tender offer consisted of:
- a principal tender offer, which allowed shareholders to sell their Lagardère SA shares at a price of €25.50 per share (cum dividend, i.e., €25 paid by Vivendi based on the dividend of €0.50 per share on the ex-dividend date of 25 April 2022);
- a subsidiary tender offer, which granted shareholders, for each Lagardère SA share tendered to the subsidiary offer and held until the closing of the offer, the right to sell the share to Vivendi SE at a price of €24.10 per share (ex-dividend) until 15 December 2023.

On 22 March 2022, Lagardère SA filed a draft note in response (*note en réponse*) with the AMF, containing the report of the independent expert, Eight Advisory, which concluded that the financial terms of the offer were fair, along with the favourable reasoned opinion issued by the Board of Directors of Lagardère SA on 21 March 2022. This opinion deemed the offer to be friendly and in line with the interests of the Group and its stakeholders, in particular as regards the intentions expressed by Vivendi SE to retain the Group as a whole, to ensure the continued growth and development of its activities, to preserve and develop the talent and involvement of its employees, and to maintain managerial continuity around Arnaud Lagardère, who will continue to serve as Chairman and Chief Executive Officer.

The AMF Board met on 12 April 2022 to rule on the compliance of the offer, which subsequently ran from 14 April 2022 to 20 May 2022 and then, owing to the success of the offer at the end of this first period, from 27 May 2022 to 9 June 2022.

Upon completion of the tender offer, Vivendi SE held 80,943,768 Lagardère shares, as tendered to the principal offer and representing the same number of voting rights, i.e., 57.35% of Lagardère's capital and 48.03% of its theoretical voting rights[2].

[2] Based on the balance sheet approved at 30 June 2022.

However, it should be noted that the 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 it can exercise only 38,387,791 voting rights representing approximately 22.78% of the total.

A total of 31,184,281 shares were tendered to the subsidiary tender offer. The shareholders who tendered these shares received as many transfer rights allowing them to sell each share to Vivendi SE at a price of €24.10 (ex-dividend) until 15 December 2023.

Lagardère Travel Retail wins the tender to operate Duty Free and Fashion shops in Paris airports
Following the public consultation launched in November 2021, Lagardère Travel Retail was selected in July 2022 to partner with Groupe ADP in the future joint venture Extime Duty Free. The joint venture will be responsible for the design, development and operation of nearly 150 Duty Free and Fashion outlets in the Paris-Charles de Gaulle and Paris-Orly airports for a period of ten years.

VI. OUTLOOK

In a volatile environment shaped by the health crisis, the invasion of Ukraine by Russia[3] and inflationary pressures, Lagardère is pressing ahead with its cost discipline and cash management efforts.

- **Lagardère Publishing**

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

- revenue[4] 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. Accordingly, Lagardère Publishing expects to record an operating margin[5] slightly higher than 11% for full-year 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 commercial flights as and when the health situation permits.
The division will closely monitor developments in air traffic in 2022 and is confident in its ability to adapt.
Amid a significantly improved business environment, Lagardère Travel Retail is pressing ahead with its operational excellence drive launched during the crisis, enabling the division to increase its flow through target for 2022 to within a range of 10% to 15%, assuming higher business levels than in 2021.

- **Other Activities**

The Group is maintaining its guidance for full-year 2022, including a continued reduction in corporate costs with a target of a further €10 million reduction to €35 million during the year, representing a 50% reduction in three years versus 2019.

VII. INVESTOR CALENDAR[6]

- **Third-quarter 2022 revenue:** Thursday, 27 October 2022, before market opening.

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[3] At the end of February 2022, Russia launched a military invasion of Ukraine which led to an ongoing war. 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). Nevertheless, the Group remains vigilant as to the direct or indirect consequences that this war could have on its activities, in particular in relation to the international sanctions introduced against Russia and more recently, Belarus. This geopolitical situation has also intensified the impacts already felt by the Group regarding raw material supply and prices (energy, paper, etc.).

[4] Excluding the currency effect.

[5] Recurring EBIT as a percentage of revenue – see Glossary.

[6] Date susceptible to change.

VIII. APPENDICES

SECOND-QUARTER 2022 REVENUE

(€m)	Revenue (€m)		Change vs. 2021 (%)	
	Second-quarter 2021	**Second-quarter 2022**	**reported**	**like for like**
Lagardère Publishing	621	662	+6.8%	-2.9%
Lagardère Travel Retail	490	994	+103.1%	+97.5%
Other Activities*	60	67	+7.6%	+9.2%
LAGARDÈRE	**1,171**	**1,723**	**+47.1%**	**+39.2%**

* *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.*

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CHANGES IN SCOPE OF CONSOLIDATION AND EXCHANGE RATES

First-half 2022:

The difference between reported and like-for-like revenue data is attributable to a €103 million positive currency effect resulting mainly from the appreciation of the US dollar (€72 million), pound sterling (€10 million) and Chinese yuan (€9 million), and to a €53 million positive scope effect, breaking down as:

- a €69 million positive impact of external growth transactions, chiefly reflecting the acquisition of Workman Publishing and Paperblanks;
- the impact of disposals for €16 million, mainly reflecting the impact of the partial disposal of Lagardère Travel Retail's activities in Australia and New Zealand to Australian travel retail business AWPL.

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, in the 2022 interim results presentation, or in the notes to the interim condensed consolidated financial statements.

➢ **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 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 (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.

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 in the first-half 2022 results presentation, on slide 32.

- **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.

- **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 2022 results presentation, on slide 38.

- **Adjusted profit (loss) – 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 year

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 in the first-half 2022 results presentation, on slide 37.

***

A live webcast of the presentation of the first-half 2022 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.

***

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.

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