Lagardère

PRESS RELEASE

Paris, 27 February 2024, 5:35 p.m.

The Lagardère group enjoyed an exceptional year in 2023, with revenue topping the €8 billion mark and recurring EBIT at a record €520 million

The Group recorded strong revenue growth of 14.0%[1] and recurring EBIT up €82 million year on year

<u>Lagardère Publishing</u>

Revenue growth of 1.9%[1] against a high comparison basis, despite a lacklustre market
Recurring EBIT at €301 million; operating margin[2] remains at a historic high of 10.7%

<u>Lagardère Travel Retail</u>

Excellent performance, with revenue up 23.4%[1], driven by business in EMEA and strong network expansion
Recurring EBIT at an exceptional €245 million
Key acquisitions: Marché International and Tastes on the Fly

<u>Other Activities</u>

Revenue down (-3.3%[1])
Entry into exclusive negotiations with LVMH following an offer for Paris Match

The proposed ordinary dividend is €0.65 per share[3] given the Group's active investment policy and in order to reduce its net debt

Arnaud Lagardère, Chairman and Chief Executive Officer of Lagardère SA, *commented: "In 2023, we achieved performance levels not seen for 15 years, thanks to the talent and commitment of the Lagardère group's teams. Our two main locomotives are running at full speed and our growth validates the development strategy that we have patiently and meticulously built over these past few years. At Lagardère Publishing, ongoing vigorous trading helped maintain elevated revenue and profitability, following on from its performance in 2022 and despite a softer publishing market. These results were driven by the success of bestselling titles in France and the United Kingdom, including the latest Asterix album. Lagardère Travel Retail took full advantage of the growth in domestic, regional and international air traffic across its various locations, particularly in the EMEA region. All of the division's key performance indicators improved, with revenue exceeding €5 billion and recurring EBIT up by €109 million year on year. Other Activities benefited*

[1] Versus 2022 on a like-for-like basis.
[2] Recurring EBIT as a percentage of revenue (alternative performance measure, see Glossary for definition).
[3] Subject to shareholder approval at the Annual General Meeting to be held on 25 April 2024.

from strong momentum at Lagardère Live Entertainment, while Lagardère News and Lagardère Radio continued to reinvent themselves in a changing market."

Key figures

In 2023, Group **revenue** totalled €8,081 million, up 14.0% year on year on a like-for-like basis.

Group recurring EBIT totalled €520 million in 2023 versus €438 million in 2022, a sharp €82 million improvement. Recurring EBIT came to €301 million for Lagardère Publishing (versus €302 million in 2022), and €245 million for Lagardère Travel Retail (versus €136 million in 2022).

The Group reported **profit before finance costs and tax** of €434 million in 2023 (versus €320 million in 2022), with non-recurring/non-operating items representing a net expense of €85 million.

Adjusted profit – Group share[4] came out at €252 million, versus €265 million in 2022.

At 31 December 2023, the Group's **free cash flow excluding changes in working capital[4]** amounted to €275 million compared to €294 million in 2022. **Changes in working capital** amounted to a negative €14 million in 2023, versus a negative €73 million in 2022.

Net debt[4] rose to €2,099 million at 31 December 2023 from €1,713 million at 31 December 2022, due primarily to acquisitions.

The leverage ratio (net debt/recurring EBITDA[4]) remained fairly stable year on year, at 2.97x.

On 27 February 2024, the Board of Directors met to approve the 2023 parent company and consolidated financial statements. The Group's consolidated financial statements have been audited. The audit report will be signed off once the specific verifications have been completed. The Board of Directors has decided to propose to the Annual General Meeting of 25 April 2024 to approve an **ordinary dividend** of €0.65 per share for 2023 to take into account the active investment policy and in an effort to reduce the Group's net debt.

I. REVENUE AND RECURRING EBIT

REVENUE

Revenue for the Lagardère group came in at €8,081 million for 2023, up 16.6% as reported and up 14.0% like for like. The difference between reported and like-for-like revenue is essentially attributable to an €83 million negative currency effect (of which €50 million linked to the US dollar and €17 million to the pound sterling). The €242 million positive scope effect was mainly due to the acquisitions of Marché International (€149 million), Costa Coffee Poland (€36 million) and Tastes on the Fly (€27 million) at Lagardère Travel Retail, as well as the acquisition of Welbeck Publishing (€33 million) and the consolidation of Ivory Coast subsidiary NEI-CEDA (€14 million) at Lagardère Publishing.

	Revenue (€m)		Change vs. 2022 (%)	
	2022	2023	reported	like for like
Lagardère Publishing	2,748	2,809	+2.2	+1.9
Lagardère Travel Retail	3,927	5,018	+27.8	+23.4
Other Activities*	254	254	-	-3.3
LAGARDÈRE	**6,929**	**8,081**	**+16.6**	**+14.0**

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

[4] Alternative performance measure, see Glossary for definition.

GROUP RECURRING EBIT

Group recurring EBIT totalled €520 million, a €82 million improvement on the figure recorded in 2022.

Group recurring EBIT (€m)

	2022	2023	Change
Lagardère Publishing	302	301	-1
Lagardère Travel Retail	136	245	+109
Other Activities*	-	(26)	-26
LAGARDÈRE	**438**	**520**	**+82**

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

● Lagardère Publishing

Revenue

Revenue came in at €2,809 million for 2023, up 2.2% as reported and up 1.9% like for like in a generally subdued environment. The difference between reported and like-for-like revenue is attributable to a €50 million positive scope effect linked chiefly to the acquisition of Welbeck Publishing Group and the consolidation of Ivory Coast subsidiary NEI-CEDA. The €41 million negative currency impact for the period primarily reflected the depreciation of the US dollar (€21 million negative impact) and the pound sterling (€15 million negative impact).
Amid a highly inflationary environment, Lagardère Publishing maintained a very high level of like-for-like revenue.

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

France posted 6.1% revenue growth, outperforming the market. This strong performance was primarily driven by Illustrated Books, which was boosted by the publication of a new Asterix album (*The White Iris*) as well as an illustrated album (*Asterix & Obelix: L'Empire du Milieu*). A very good year in the Young Adult Dark Romance segment helped drive revenue growth too, including the success of Sarah Rivens' *Captive* trilogy. General Literature also had a bumper year, despite the absence of a new Guillaume Musso title in 2023 (compared with one hardcover title and two paperback titles in 2022), buoyed by another record performance for Le Livre de Poche and some notable hardcover publishing successes, such as Cédric Sapin-Defour's *Son odeur après la pluie* (Stock) and *Le Suppléant* by Prince Harry (Fayard).

Revenue in the United Kingdom advanced 6.1%, spurred in particular by a number of very successful Adult Trade titles (fiction and non-fiction), including the first two volumes of Rebecca Yarros' *The Empyrean* trilogy and two titles by Freida McFadden *(The Housemaid* and *The Housemaid's Secret*). Revenue growth was also driven by impressive backlist sales on the back of the success of Ana Huang's *Twisted* saga and Matthew Perry's autobiography, published at the end of 2022. However, sales in the Young Adult segment were down (no equivalent to last year's *Heartstopper* phenomenon).

Revenue in the United States fell by 6.8% in a declining market. The decline was due in particular to Grand Central Publishing, which had benefited from exceptional sales of Colleen Hoover's *Verity* in 2022, and to Little, Brown Adult, which had been buoyed by the success of *Run, Rose, Run*, a novel co-written by Dolly Parton and James Patterson.

In Spain/Latin America, revenue grew sharply by 17.9%. In Spain, the Education segment enjoyed vigorous growth, with activity benefiting from the peak in the national curriculum reform campaign launched in 2022, while the publication of a new Asterix album lifted the Trade business. In Mexico, growth reflected an excellent year at Trade, led notably by dictionary sales.

Revenue from Partworks was down 7.0%, owing to a less dynamic launch campaign in the first half of 2023, particularly in Japan.

In 2023, digital audiobooks accounted for 4.5% of Lagardère Publishing's total revenue (versus 4.3% in 2022), and e-books accounted for 7.8% of the division's total revenue, stable compared to 2022.

Recurring EBIT

Recurring EBIT came out at €301 million, stable versus 2022. Profitability remained high at 10.7%, well ahead of pre-Covid levels (9.2% in 2019), despite ongoing inflationary pressures on costs. This figure includes the impact of the logistics and IT transformation project costs incurred in France over the year.

Lagardère Travel Retail

Revenue

Revenue came in at €5,018 million for full-year 2023, up 27.8% as reported and up 23.4% like for like. The difference between reported and like-for-like data was attributable to (i) a €42 million negative currency effect, mainly resulting from the depreciation of the US dollar (€28 million negative impact) and Chinese yuan (€15 million negative impact), and (ii) a €183 million positive scope effect relating to the acquisition of Costa Coffee Poland (€36 million), Marché International (€149 million) and Tastes on the Fly (€27 million).

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

In France, trading for the division continued to recover, with revenue up 15.9% on the back of robust sales at regional airports.

The EMEA region (excluding France) reported 26.6% growth, driven by the increase in international tourist traffic, as well as by excellent performances in Italy and Poland and network expansion.

The Americas region continued to grow, with revenue advancing 16.3% against an already high comparison basis, benefiting from a favourable local economic environment (particularly in the United States), and the strong rebound in international traffic in Canada.

Asia-Pacific revenue jumped 52.1% from a low 2022 comparison basis in the region following the delayed reopening of borders in China.

Recurring EBIT

Lagardère Travel Retail recurring EBIT hit an all-time high of €245 million in 2023, a rise of €109 million versus 2022 with all geographic areas contributing to the growth effort. This performance was attributable to revenue growth combined with disciplined margin control amid high inflation, government aid in the US and the efficiency gains brought about by the ramp-up of the LEaP operational efficiency plan.

Other Activities

Revenue

Revenue came in at €254 million for the Other Activities segment in 2023, stable as reported and down 3.3% like for like. The difference between reported and like-for-like revenue is due to a €9 million positive scope effect related mainly to the acquisition of Euterpe Promotion at Lagardère Live Entertainment.

Radio was down 8.3%, due to lower audience figures at the Radio unit, despite early signs of an uptick in listeners at Europe 1.

Press revenue retreated 9.4% on account of lower circulation at points of sale and through subscriptions. Revenue from the international Elle brand licences was broadly stable year on year.

Lagardère Live Entertainment reported an 8% rise in revenue owing to a favourable comparison basis in the first half of 2023.

Recurring EBIT

Recurring EBIT was a negative €26 million, €26 million lower than in 2022, due to the Radio and Press businesses and higher specific variable-rate financing costs for sales of trade receivables.

II. MAIN INCOME STATEMENT ITEMS

(€m)	2022	2023
Revenue	**6,929**	**8,081**
Group recurring EBIT	**438**	**520**
Income (loss) from equity-accounted companies	13	(1)
Non-recurring/non-operating items	(131)	(85)
of which impact of IFRS 16 on concession agreements	*24*	*144*
Profit before finance costs and tax	**320**	**434**
Finance costs, net	(74)	(97)
Interest expense on lease liabilities	(61)	(89)
Profit before tax	**185**	**248**
Income tax expense	(33)	(78)
Profit from discontinued operations	35	5
Profit for the year	**187**	**175**
Minority interests	26	31
Profit – Group share	**161**	**144**

The loss from equity-accounted companies (before impairment losses) came in at €1 million in 2023, versus income of €13 million in 2022, This downturn was mainly attributable to business difficulties and one-off costs incurred by Lagardère Travel Retail on the sale of its joint venture in North Asia. It also reflects a lower contribution from manga sales at Lagardère Publishing in the United States.

In 2023, **non-recurring/non-operating items represented a net expense of €**85 million, compared with a net expense of €131 million one year earlier, and mainly included:

- €47 million in write-downs against property, plant and equipment and intangible assets, including €46 million at Lagardère Publishing, mainly due to the termination of the Polaris logistics and IT infrastructure transformation project in France, the impairment of right-of-use assets in the United States in connection with the streamlining of office space (in particular following the integration of Workman Publishing) and the impairment of Hiboutatillus goodwill;
- €117 million in amortisation of intangible assets and costs attributable to acquisitions and disposals, including €103 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 €13 million for Lagardère Publishing, notably in connection with the amortisation of publishing rights in the United States and United Kingdom;
- €75 million in restructuring costs, of which €45 million at Lagardère Publishing, mainly due to the Polaris logistics and IT transformation project in France, reorganisation costs in the United States and the integration of Workman Publishing. Other Activities accounted for €29 million of restructuring costs, mainly relating to the reorganisation of the editorial team at *Le Journal du Dimanche* and the music radio network, as well as costs associated with the takeover of Lagardère SA by Vivendi SE;
- €10 million in net gains on disposals, mainly concerning the expiry of warranties granted in connection with disposals carried out in prior periods by the Other Activities and Lagardère Travel Retail segments;
- the impact of applying IFRS 16 to concession agreements at Lagardère Travel Retail (including gains and losses on leases), for a positive €144 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.

Net finance costs were higher year on year, at €97 million, mainly on account of the rise in interest rates on variable-rate borrowings.

Interest expense on lease liabilities represented €89 million in 2023, versus €61 million in 2022, a rise of €28 million driven by the increase in lease liabilities and discount rates.

In 2023, **income tax expense** rose by €45 million year on year at €78 million, reflecting the business recovery across all geographic areas and the deferred tax effect relating to the gain on lease modifications further to the amendment of a concession agreement.

Profit from discontinued operations was €5 million in 2023, including the earn-out from the sale of Lagardère Sports further to the settlement of the dispute with the Confederation of African Football.

Taking account of all these items, profit for the year came out at €175 million, of which €144 million attributable to the Group.

Profit attributable to minority interests was €31 million for 2023, versus profit of €26 million in 2022. The year-on-year change chiefly reflects the rebound in Lagardère Travel Retail's earnings, particularly in North Asia.

ADJUSTED PROFIT – GROUP SHARE

Adjusted profit - Group share (excluding non-recurring/non-operating items) totalled €252 million in 2023, versus adjusted profit - Group share of €265 million in 2022.

(€m)	**2022**	**2023**
Profit for the year	**187**	**175**
Restructuring costs	+38	+75
Gains/losses on disposals	-7	-10
Impairment losses on goodwill, property, plant and equipment, intangible assets and investments in equity-accounted companies	+9	+47
Amortisation of acquisition-related intangible assets and other acquisition-related expenses	+115	+117
Impact of IFRS 16 on concession agreements	+23	-68
Tax effects on the above items	-32	-39
Profit from discontinued operations	-35	-5
Adjusted profit	**298**	**292**
o/w attributable to minority interests	-33	-40
Adjusted profit - Group share	**265**	**252**

III. OTHER FINANCIAL INFORMATION

CASH FLOW FROM OPERATIONS AND INVESTING ACTIVITIES

(€m)	**2022**	**2023**
Cash flow from operations before changes in working capital and income taxes paid	**524**	**611**
Changes in working capital	(73)	(14)
Income taxes paid	(57)	(70)
Cash flow from operations	**394**	**527**
Purchases/disposals of property, plant and equipment and intangible assets	(173)	(266)
Free cash flow	**221**	**261**
o/w free cash flow excluding changes in working capital	*294*	*275*
Purchases of investments	(210)	(383)
Disposals of investments	45	48
Cash flow from (used in) operations and investing activities	**56**	**(74)**

Cash flow from operations before changes in working capital and income taxes paid amounted to €611 million, versus €524 million in 2022.

Changes in working capital represented an outflow of €14 million over the year, compared to an outflow of €73 million in 2022. This improved performance was attributable to Lagardère Publishing (€55 million positive impact), mainly in connection with reduced inventory levels, which had risen sharply in 2022 because of the need to secure supplies. At Lagardère Travel Retail, changes in working capital represented a net inflow, an improvement on 2022 despite stronger business growth during that year with its favourable impact on trade payables. The improvement in 2023 is due to sound inventory management and action on tax receivables.

Income taxes paid represented €70 million in 2023, €13 million higher than in 2022, due to stronger business levels in 2022 and 2023, chiefly in the United States and Europe.

Taking account of the above items, cash flow from operations represented an inflow of €527 million in 2023 versus an inflow of €394 million in 2022.

Purchases of property, plant and equipment and intangible assets represented a net outflow of €269 million – an increase of €92 million year on year, notably at Lagardère Travel Retail (€72 million outflow) in line with the business recovery and investment projects implemented on the back of tender wins, and at Lagardère Publishing (€16 million outflow) in connection with the logistics and IT infrastructure transformation plan in France.

The **Group's free cash flow** amounted to €261 million in 2022, versus €221 million in 2022.

Purchases of investments represented a cash outflow of €383 million in 2023. These mainly relate to Lagardère Travel Retail and include the acquisition of a 49% stake in Extime Duty Free Paris, the acquisitions of Tastes on the Fly and Marché International, and the financing of joint ventures in the Pacific and in Asia. Purchases of investments represented an outflow of €210 million in 2022, mainly corresponding to the acquisition of Creative Table Holdings Ltd and capital increases at Société de Distribution Aéroportuaire and Lagardère & Connexions (Lagardère Travel Retail), as well as to the acquisitions of Welbeck Publishing Group, Paperblanks and Bragelonne (Lagardère Publishing).

Disposals of investments represented an inflow of €34 million and mainly included the collection of the final instalment of the sum negotiated in the settlement with the Confederation of African Football.

In all, **operations and investing activities** represented a net cash outflow of €74 million in 2023, versus a net cash inflow of €56 million one year earlier.

IV. LIQUIDITY

The Group's liquidity position remains solid, with €3,079 million in available liquidity, of which €467 million in cash and short-term investments reported on the balance sheet, an undrawn amount of €982 million on the revolving credit facility and €1,630 million in borrowing capacity granted by Vivendi SE. **Leverage (net debt/recurring EBITDA) stands at 2.97x**.

The covenants of the revolving credit facility were therefore met at 31 December 2023.

Net debt increased to €2,099 million at 31 December 2023 from €1,713 million at 31 December 2022, mainly in connection with acquisitions of long-term investments during the year.

V. KEY EVENTS SINCE 13 OCTOBER 2023

Autonomy for the Group's radio unit as approved by Arcom
On 26 October 2023, the Memorandum of Understanding setting out the terms and conditions for making the Lagardère group's radio unit (Europe 1, Europe 2 and RFM) autonomous was signed with the authorisation of the Board of Directors of Lagardère SA further to Arcom approval. Lagardère Radio SAS, the head company of the radio unit, was therefore converted into a French partnership limited by shares, of which Arnaud Lagardère is indirectly General Partner and personally Managing Partner. In this dual capacity, Arnaud Lagardère is solely responsible for supervising the management and teams of the radio unit and is the ultimate decision-maker on editorial policy (see Press Release dated 26 October 2023).

Finalisation of the acquisition of Marché International by Lagardère Travel Retail
On 1 November 2023, Lagardère Travel Retail completed the acquisition of highly regarded North American food and beverage operator Tastes on the Fly, first announced on 6 September 2023. The acquisition aligns with Lagardère Travel Retail's ambition to solidify its position as a leading airport Foodservice operator in the region.

Arnaud Lagardère appointed Chairman and Chief Executive Officer of Hachette Livre
On 8 November 2023, the Board of Directors of Hachette Livre decided to appoint Arnaud Lagardère as the company's Chairman and Chief Executive Officer, replacing Pierre Leroy. Stéphanie Ferran was appointed Deputy Chief Executive Officer of Hachette Livre.

Finalisation of the link-up with Vivendi SE
On 21 November 2023, following the completion of the two remedies agreed with the European Commission concerning the sale of Editis and *Gala* magazine, the merger between the Lagardère and Vivendi groups became effective. Vivendi SE has exercised all of the voting rights attached to its shareholding in Lagardère SA since that date.

Appointments at the Lagardère group and at Lagardère News
On 29 November 2023, Maxime Saada was appointed Vice-President of the Lagardère group and member of the Group's Executive Committee.
On 1 December 2023, Arnaud Lagardère, Chairman and Chief Executive Officer of the Lagardère group, announced several appointments at the Lagardère group and at Lagardère News. Within the Lagardère group, Michel Sibony was appointed Special Advisor to the Chairman and Chief Executive Officer, in charge of purchasing and performance. At Lagardère News, Gérald-Brice Viret was appointed Special Advisor for Media (excluding the Lagardère radio unit controlled by Arnaud Lagardère). Serge Nedjar was appointed Special Advisor for News.

Yannick Bolloré joins the Board of Directors of Lagardère SA
On 8 December 2023, the Board of Directors of Lagardère SA, on the recommendation of the Appointments, Remuneration and CSR Committee, unanimously decided to co-opt Yannick Bolloré as a director of Lagardère SA. This appointment will be submitted for ratification by the shareholders at the Annual General Meeting to be held on 25 April 2024.

Extension of the exercise period of the rights to sell the Lagardère SA shares granted in connection with the public tender offer
On 11 December 2023, Lagardère acknowledged the extension of the exercise period of the rights to sell the Lagardère SA shares granted in 2022 to 15 June 2025 in connection with the public tender offer, following the approval of the general meeting of beneficiaries.

Acquisition of the entire share capital of Mama Éditions by Hachette Livre
On 14 December 2023, Hachette Livre acquired the entire share capital of Mama Éditions, a leading publisher in the esoteric market. Currently marketed and distributed by Dilisco, Mama Éditions will join Hachette Livre's distribution service and continue to be marketed by Dilisco.

Appointment of Arnaud de Puyfontaine to the Board's Appointments, Remuneration and CSR Committee
On February 27, 2024, the Board of Directors of Lagardère SA unanimously decided to appoint Arnaud de Puyfontaine as a member of the Appointments, Compensation and CSR Committee.

Prospects of Paris Match magazine
Lagardère SA has received from the LVMH group an offer to acquire magazine title Paris Match .
At its meeting of 27 February 2024, the Board of Directors decided to enter into exclusive discussions with the LVMH group.
The employee representative bodies would be consulted on the mooted disposal in due course.

VI. 2024

Despite the uncertain geopolitical and macroeconomic 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 less buoyant markets and pressures on costs, Lagardère Publishing should maintain similar performances to 2023;
- with ongoing robust momentum in global air traffic, in spite of geopolitical tensions and uncertainty concerning a rebound in Chinese international tourism, Lagardère Travel Retail has potential for revenue and profitability growth, thanks in particular to its efforts to optimise its operations.

VII. INVESTOR CALENDAR [5]

- **Ordinary dividend:** the ordinary dividend is proposed at €0.65 per share for 2023. The ex-dividend date and payment date proposed to the Annual General Meeting will be set by the Board of Directors and communicated to the market on March 19, 2024 after close of trading.
- **First-quarter 2024 revenue:** Tuesday, 25 April 2024 at 8:00 a.m.
- **Annual General Meeting**: Tuesday, 25 April 2024 at 10:00 a.m. at Folies Bergère.
- **First-half 2024 results**: Tuesday, 23 July 2024 at 5:35 p.m.

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VIII. APPENDICES

FOURTH-QUARTER 2023 REVENUE

Revenue for Lagardère Publishing came in at €795 million in fourth-quarter 2023, up 5.8% as reported and up 6.1% like for like. The difference between reported and like-for-like data is attributable to a €15 million negative currency effect, chiefly resulting from the depreciation of the US dollar (€12 million negative impact), and to a €12 million positive scope effect.

Revenue for Lagardère Travel Retail totalled €1,299 million in fourth-quarter 2023, up 18.9% as reported and up 15.2% like for like. The difference between reported and like-for-like data is attributable to a €20 million negative currency effect, chiefly resulting from the depreciation of the US dollar (€16 million negative impact), and to a €55 million positive scope effect.

Revenue for Other Activities amounted to €73 million in fourth-quarter 2023, down 3.8% as reported and down 9.6% like for like compared to the same year-ago period. The difference between reported and like-for-like data is attributable to a €5 million positive scope effect.

	Revenue (€m)		Change vs. 2022 (%)	
(€m)	**Q4 2022**	**Q4 2023**	**reported**	**like for like**
Lagardère Publishing	752	795	+5.8	+6.1
Lagardère Travel Retail	1,093	1,299	+18.9	+15.2
Other Activities*	76	73	-3.8	-9.6
LAGARDÈRE	**1,921**	**2,167**	**+12.9**	**+10.7**

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

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CHANGES IN SCOPE OF CONSOLIDATION AND EXCHANGE RATES

In 2023:

[5] Dates susceptible to change.

The difference between reported and like-for-like revenue data is attributable to an €83 million negative currency effect (of which €50 million relating to the US dollar and €17 million to the pound sterling), as well as to a €242 million positive scope effect, breaking down as:

- a positive €284 million impact from acquisitions, mainly Marché International, Costa Coffee Poland and Tastes on the Fly at Lagardère Travel Retail, as well as the acquisition of Welbeck Publishing and the first-time consolidation of Ivory Coast subsidiary NEI-CEDA at Lagardère Publishing;
- a €42 million negative effect 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.

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 full-year 2023 results presentation, or in the notes to the 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 year, adjusted for companies consolidated for the first time during the year; and revenue for the previous year, adjusted for consolidated companies divested during the year;
- revenue for the previous year and revenue for the current year, adjusted on the basis of exchange rates applicable in the previous year.

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 (loss) before finance costs and tax is set out in the 2023 full-year results presentation.

➢ **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 2023 annual results presentation.

- **Adjusted profit – Group share**

Adjusted profit – Group share is calculated on the basis of profit for the year, excluding non-recurring/non-operating items, net of the related tax and of minority interests, as follows:

Profit 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 2023 results presentation.

***

A live webcast of the presentation of the full-year 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.

***

Created in 1992, Lagardère is an international group with operations in more than 40 countries worldwide. It employs some 31,300 people and generated revenue of €8,081 million in 2023.
*The Group focuses on three divisions: Lagardère Publishing (Books, E-Books, Partworks, Stationery, 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*, and the Elle brand licence).*
The Group's operating assets also include Lagardère Live Entertainment and Lagardère Paris Racing. Its consolidated financial statements also include Lagardère Radio SCA, which is wholly owned, and its subsidiaries (Europe 1, Europe 2 and RFM) controlled by Arnaud Lagardère.
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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APPENDICES

X. EXTRACTS FROM THE LAGARDÈRE SA CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2023

The consolidated financial statements of the Lagardère group have been prepared in accordance with the International Financial Reporting Standards (IFRS) published by the International Accounting Standards Board (IASB) and adopted in the European Union as of 31 December 2023. The Group's consolidated financial statements will be published in full in the 2023 Universal Registration Document.

The Group's consolidated financial statements have been audited. The audit report will be signed off once the specific verifications have been completed.

An extract from the consolidated financial statements, comprising the primary financial statements and selected information from the accompanying notes is presented below:

CONSOLIDATED INCOME STATEMENT

(€m)	2023	2022
Revenue	8,081	6,929
Other income from ordinary activities	50	48
Total income from ordinary activities	**8,131**	**6,977**
Purchases and changes in inventories	(2,981)	(2,530)
External charges	(2,233)	(1,950)
Payroll costs	(1,759)	(1,549)
Depreciation and amortisation other than on acquisition-related intangible assets	(177)	(171)
Depreciation of right-of-use assets	(379)	(328)
Amortisation of acquisition-related intangible assets and other acquisition-related expenses	(112)	(113)
Restructuring costs	(75)	(38)
Gains on disposals of assets	10	7
Gains and losses on leases(*)	94	41
Impairment losses on goodwill, property, plant and equipment and intangible assets	(47)	(9)
Other operating expenses	(64)	(91)
Other operating income	36	61
Income (loss) from equity-accounted companies	(10)	13
Profit before finance costs and tax	**434**	**320**
Financial income	21	17
Financial expenses	(118)	(91)
Interest expense on lease liabilities	(89)	(61)
Profit before tax	**248**	**185**
Income tax expense	(78)	(33)
Profit from continuing operations	**170**	**152**
Profit from discontinued operations	5	35
Profit for the year	**175**	**187**
Attributable to:		
Owners of the Parent	144	161
Minority interests	31	26
Earnings per share – Attributable to owners of the Parent:		
Basic earnings per share (in €)	1.02	*1.15*
Diluted earnings per share (in €)	1.01	*1.14*
Earnings per share from continuing operations – Attributable to owners of the Parent:		
Basic earnings per share (in €)	0.98	*0.90*
Diluted earnings per share (in €)	0.97	*0.90*

(*) Including gains and losses on lease modifications and negative variable lease payments.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(€m)	2023	2022
Profit for the year (1)	**175**	**187**
Actuarial gains and losses on pensions and other post-employment benefit obligations(*)	(17)	(5)
Change in fair value of investments in non-consolidated companies	-	-
Other comprehensive income (expense) for the year, net of tax, that will not be reclassified subsequently to profit or loss (2)	**(17)**	**(5)**
Currency translation adjustments	(32)	60
Change in fair value of derivative financial instruments(*)	6	(26)
Share of other comprehensive income from equity-accounted companies(*)	-	-
Other comprehensive income (expense) for the year, net of tax, that may be reclassified subsequently to profit or loss (3)	**(26)**	**34**
Other comprehensive income (expense) for the year, net of tax (2)+(3)	**(43)**	**29**
Total comprehensive income for the year (1)+(2)+(3)	**132**	**216**
Attributable to:		
Owners of the Parent	103	*186*
Minority interests	29	30

(*) Net of tax.

CONSOLIDATED STATEMENT OF CASH FLOWS

(€m)		2023	2022
Profit from continuing operations		**170**	**152**
Income tax benefit		78	33
Finance costs, net		186	135
Profit before finance costs and tax		**434**	**320**
Depreciation and amortisation expense		663	608
Impairment losses, provision expense and other non-cash items		60	(16)
(Gains) losses on disposals of assets and on leases		(103)	(46)
Dividends received from equity-accounted companies		6	5
(Income) loss from equity-accounted companies		10	(13)
Changes in working capital		(20)	(79)
Cash flow from operating activities		**1,050**	**779**
Income taxes paid		(70)	(57)
Net cash from operating activities	(A)	**980**	**722**
Cash used in investing activities			
- Purchases of intangible assets and property, plant and equipment		(269)	(177)
- Purchases of investments		(383)	(150)
- Cash acquired through acquisitions		42	(15)
- Purchases of other non-current assets		(42)	(45)
Total cash used in investing activities	(B)	(652)	(387)
Cash from investing activities			
Proceeds from disposals of non-current assets			
- Disposals of intangible assets and property, plant and equipment		3	4
- Disposals of investments		24	21
- Cash transferred on disposals		-	(2)
Decrease in other non-current assets		10	19
Total cash from investing activities	(C)	**37**	**42**
Interest received	(D)	14	7
Net cash used in investing activities	F=(B)+(C)+(D)	**(601)**	**(338)**
Net cash from operating and investing activities	(G)= (A) + (F)	**379**	**384**
Capital transactions			
- Minority interests' share in capital increases by subsidiaries		1	1
- (Acquisitions) disposals of treasury shares		-	-
- (Acquisitions) disposals of minority interests		(15)	(1)
- Dividends paid to owners of the Parent		(183)	(70)
- Dividends paid to minority shareholders of subsidiaries		(47)	(35)
Total capital transactions	(H)	**(244)**	**(105)**
Financing transactions			
- Increase in debt		810	74
- Decrease in debt		(757)	(73)
Total movements in debt	(I)	**53**	**1**
Interest paid	(J)	(100)	(79)
Decrease in lease liabilities	(J)	(354)	(241)
Interest paid on lease liabilities	(J)	(99)	(87)
Net cash used in financing activities	(K)=(H)+(I)+(J)	**(744)**	**(511)**
Other movements			
- Effect on cash of changes in exchange rates		7	(7)
- Effect on cash of other movements		(3)	2
Total other movements	(L)	**4**	**(5)**
Change in cash and cash equivalents	(M)=(G)+(K)+(L)	**(361)**	**(132)**
Cash and cash equivalents at beginning of period		**746**	**878**
Cash and cash equivalents at end of period		**385**	**746**

CONSOLIDATED BALANCE SHEET

ASSETS (€m)	**31 Dec. 2023**	31 Dec. 2022
Intangible assets	1,099	986
Goodwill	1,695	1,640
Right-of-use assets	2,070	1,640
Property, plant and equipment	740	661
Investments in equity-accounted companies	158	83
Other non-current assets	184	183
Deferred tax assets	275	310
Total non-current assets	**6,221**	**5,503**
Inventories	842	833
Trade receivables	1,013	957
Other current assets	780	840
Short-term investments	-	-
Cash and cash equivalents	467	851
Total current assets	**3,102**	**3,481**
Assets held for sale	-	-
Total assets	**9,323**	**8,984**

CONSOLIDATED BALANCE SHEET

EQUITY AND LIABILITIES (€m)	31 Dec. 2023	31 Dec. 2022
Share capital	861	861
Share premiums	-	-
Reserves and retained earnings	(34)	(31)
Profit for the year attributable to owners of the Parent	144	161
Other comprehensive income	(134)	(92)
Equity attributable to owners of the Parent	**837**	**899**
Minority interests	119	131
Total equity	**956**	**1,030**
Provisions for pensions and other post-employment benefit obligations	89	67
Non-current provisions for contingencies and losses	117	121
Non-current debt	382	1,647
Non-current lease liabilities	1,947	1,634
Other non-current liabilities	42	54
Deferred tax liabilities	280	268
Total non-current liabilities	**2,857**	**3,791**
Current provisions for contingencies and losses	122	111
Current debt	2,191	920
Current lease liabilities	425	388
Trade payables	1,392	1379
Other current liabilities	1,380	1,365
Total current liabilities	**5,510**	**4,163**
Liabilities associated with assets held for sale	**-**	-
Total equity and liabilities	**9,323**	**8,984**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(€m)	Share capital	Share premiums	Other reserves	Treasury shares	Translation reserve	Valuation reserve	Equity attributable to owners of the Parent	Minority interest s	Total equity
At 31 December 2021	**861**	**-**	**64**	**(71)**	**8**	**(47)**	**815**	**124**	**939**
Impact of the retrospective application of the IFRIC	-	-	(29)	-	-	-	(29)	-	(29)
At 1 January 2022	**861**	**-**	**35**	**(71)**	**8**	**(47)**	**786**	**124**	**910**
Profit for the year	-	-	161	-	-	-	161	26	187
Other comprehensive income (expense)	-	-	(5)	-	56	(26)	25	4	29
Total comprehensive income (expense) for the year	**-**	**-**	**156**	**-**	**56**	**(26)**	**186**	**30**	**216**
Dividends paid	-	-	(70)	-	-	-	(70)	(35)	(105)
Parent company capital increase/reduction(*)	-	-	(14)	14	-	-	-	-	-
Minority interests' share in capital increases	-	-	-	-	-	-	-	1	1
Changes in treasury shares	-	-	-	-	-	-	-	-	-
Share-based payments	-	-	11	-	-	-	11	-	11
Effect of transactions with minority interests	-	-	1	-	-	-	1	-	1
Changes in scope of consolidation and other	-	-	(14)	-	(1)	-	(15)	11	(4)
At 31 December 2022	**861**	**-**	**105**	**(57)**	**63**	**(73)**	**899**	**131**	**1,030**
Profit for the year	-	-	144	-	-	-	144	31	175
Other comprehensive income (expense)	-	-	(17)	-	(30)	6	(41)	(2)	(43)
Total comprehensive income (expense) for the year	**-**	**-**	**127**	**-**	**(30)**	**6**	**103**	**29**	**132**
Dividends paid	**-**	**-**	(183)	-	-	-	(183)	(47)	(230)
Parent company capital increase/reduction(*)	**-**	**-**	(3)	3	-	-	-	-	-
Minority interests' share in capital increases	**-**	**-**	-	-	-	-	-	1	1
Changes in treasury shares	**-**	**-**	-	-	-	-	-	-	-
Share-based payments	**-**	**-**	18	-	-	-	18	-	18
Effect of transactions with minority interests	**-**	**-**	5	-	-	-	5	(2)	3
Changes in scope of consolidation and other	**-**	**-**	(4)	-	-	(1)	(5)	7	2
Balance at 31 December 2023	**861**	**-**	**65**	**(54)**	**33**	**(68)**	**837**	**119**	**956**

(*) Capital increase carried out by capitalising reserves and capital reduction carried out by cancelling treasury shares.

XI. SEGMENT INFORMATION

2023 INCOME STATEMENT

(€m)	Lagardère Publishing	Lagardère Travel Retail	Other Activities	Total
Revenue	2,819	5,018	254	8,091
Inter-segment revenue	(10)	-	-	(10)
Consolidated revenue	**2,809**	**5,018**	**254**	**8,081**
Other income from ordinary activities	11	12	27	50
Total income from ordinary activities	**2,820**	**5,030**	**281**	**8,131**
Recurring operating profit (loss) of fully consolidated companies	**301**	**245**	**(26)**	**520**
Income (loss) from equity-accounted companies before impairment losses	3	(4)	-	(1)
Restructuring costs	(45)	(1)	(29)	(75)
Gains (losses) on disposals	(1)	4	7	10
Impairment losses(*)	(46)	(1)	-	(47)
Fully consolidated companies	*(46)*	*(1)*	-	*(47)*
Equity-accounted companies	-	-	-	-
Amortisation of acquisition-related intangible assets	(15)	(101)	-	(116)
Fully consolidated companies	*(15)*	*(92)*	-	*(107)*
Equity-accounted companies	-	*(9)*	-	*(9)*
Expenses related to acquisitions and disposals	-	(4)	(1)	(5)
Purchase price adjustment	2	2	-	4
Impact of IFRS 16 on concession agreements(**)	-	144	-	144
Profit before finance costs and tax	**199**	**284**	**(49)**	**434**
Items included in recurring operating profit (loss) of fully consolidated companies				
Depreciation and amortisation of property, plant and equipment and intangible assets	(39)	(127)	(11)	(177)
Depreciation of right-of-use assets – Buildings and other	(33)	(13)	(22)	(68)
Cost of free share plans	(7)	(7)	(4)	(18)

(*) Impairment losses on goodwill, property, plant and equipment and intangible assets.
(**) The breakdown of the impact of IFRS 16 on concession agreements and on gains and losses on leases is disclosed in the table below.

(€m)	Lagardère Publishing	Lagardère Travel Retail	Other Activities	Total
Impact of IFRS 16 on concession agreements	**-**	**144**	**-**	**144**
Gains and losses on leases	-	94	-	94
Depreciation of right-of-use assets	-	(311)	-	(311)
Decrease in lease liabilities	-	270	-	270
Interest paid on lease liabilities	-	86	-	86
Changes in working capital relating to lease liabilities	-	5	-	5

2022 INCOME STATEMENT

(€m)	Lagardère Publishing	Lagardère Travel Retail	Other Activities	Total
Revenue	2,757	3,927	254	6,938
Inter-segment revenue	(9)	-	-	(9)
Consolidated revenue	**2,748**	**3,927**	**254**	**6,929**
Other income from ordinary activities	9	12	27	48
Total income from ordinary activities	**2,757**	**3,939**	**281**	**6,977**
Recurring operating profit of fully consolidated companies	**302**	**136**	**-**	**438**
Income from equity accounted companies before impairment losses	6	7	-	13
Restructuring costs	(4)	-	(34)	(38)
Gains on disposals	4	-	3	7
Impairment losses(*)	(1)	(8)	-	(9)
Amortisation of acquisition-related intangible assets	(17)	(92)	-	(109)
Expenses related to acquisitions and disposals	(1)	(2)	-	(3)
Purchase price adjustment	-	(3)	-	(3)
Impact of IFRS 16 on concession agreements(**)	2	22	-	24
Profit (loss) before finance costs and tax	**291**	**60**	**(31)**	**320**
Items included in recurring operating profit of fully consolidated companies				
Depreciation and amortisation of property, plant and equipment and intangible assets	(36)	(125)	(10)	(171)
Depreciation of right-of-use assets – Buildings and other	(35)	(13)	(21)	(69)
Cost of free share plans	(5)	(3)	(3)	(11)

(*) Impairment losses on goodwill, property, plant and equipment and intangible assets.
(**) The breakdown of the impact of IFRS 16 on concession agreements and on gains and losses on leases is disclosed in the table below.

(€m)	Lagardère Publishing	Lagardère Travel Retail	Other Activities	Total
Impact of IFRS 16 on concession agreements	**2**	**22**	**-**	**24**
Gains and losses on leases	2	39	-	41
Depreciation of right-of-use assets	-	(259)	-	(259)
Decrease in lease liabilities	-	167	-	167
Interest paid on lease liabilities	-	70	-	70
Changes in working capital relating to lease liabilities	-	5	-	5

2023 STATEMENT OF CASH FLOWS

(€m)	Lagardère Publishing	Lagardère Travel Retail	Other Activities and eliminations	Total
Cash flow from (used in) operating activities	**283**	**811**	**(44)**	**1,050**
Decrease in lease liabilities(*)	(47)	(286)	(21)	(354)
Interest paid on lease liabilities(*)	(7)	(88)	(4)	(99)
Cash flow from (used in) operations before income taxes paid	**229**	**437**	**(69)**	**597**
Income taxes paid	(68)	(18)	16	(70)
Cash flow from (used in) operations	**161**	**419**	**(53)**	**527**
Net cash used in investing activities relating to intangible assets and property, plant and equipment	(64)	(194)	(8)	(266)
- Purchases	*(64)*	*(196)*	*(9)*	*(269)*
- Disposals	*-*	*2*	*1*	*3*
Free cash flow	**97**	**225**	**(61)**	**261**
o/w free cash flow before changes in working capital	***159***	***161***	***(45)***	***275***
Net cash from (used in) investing activities relating to investments	3	(379)	27	(349)
- Purchases	*3*	*(388)*	*2*	*(383)*
- Disposals	*-*	*9*	*25*	*34*
Interest received	10	4	-	14
(Increase) decrease in short-term investments	-	-	-	-
Cash flow from (used in) operations and investing activities	**110**	**(150)**	**(34)**	**(74)**

(*) Cash flows relating to lease liabilities are shown within net cash from financing activities in the consolidated statement of cash flows.

2022 STATEMENT OF CASH FLOWS

(€m)	Lagardère Publishing	Lagardère Travel Retail	Other Activities and eliminations	Total
Cash flow from (used in) operating activities	**238**	**566**	**(25)**	**779**
Decrease in lease liabilities(*)	(39)	(184)	(18)	(241)
Interest paid on lease liabilities(*)	(9)	(71)	(7)	(87)
Cash flow from (used in) operations before income taxes paid	**190**	**311**	**(50)**	**451**
Income taxes paid	(104)	(4)	51	(57)
Cash flow from operations	**86**	**307**	**1**	**394**
Net cash used in investing activities relating to intangible assets and property, plant and equipment	(49)	(123)	(1)	(173)
- Purchases	*(49)*	*(124)*	*(4)*	*(177)*
- Disposals	*-*	*1*	*3*	*4*
Free cash flow	**37**	**184**	**-**	**221**
o/w free cash flow before changes in working capital	***155***	***138***	***1***	***294***
Net cash from (used in) investing activities relating to investments	(54)	(127)	9	(172)
- Purchases	*(68)*	*(140)*	*(2)*	*(210)*
- Disposals	*14*	*13*	*11*	*38*
Interest received	3	2	2	7
(Increase) decrease in short-term investments	-	-	-	-
Cash flow from (used in) operations and investing activities	**(14)**	**59**	**11**	**56**

(*) Cash flows relating to lease liabilities are shown within net cash from financing activities in the consolidated statement of cash flows.

BALANCE SHEET AT 31 DECEMBER 2023

(€m)	Lagardère Publishing	Lagardère Travel Retail	Other Activities and eliminations	Total
Segment assets	3,542	4,586	563	8,691
Investments in equity-accounted companies	28	124	6	158
Segment liabilities	(1,941)	(3,308)	(545)	(5,794)
Capital employed	**1,629**	**1,402**	**24**	**3,055**
Assets held for sale and associated liabilities				**-**
Net cash and cash equivalents (net debt)				**(2,099)**
Total equity				**956**

BALANCE SHEET AT 31 DECEMBER 2022

(€m)	Lagardère Publishing	Lagardère Travel Retail	Other Activities and eliminations	Total
Segment assets	3,587	3,859	601	8,047
Investments in equity-accounted companies	28	48	7	83
Segment liabilities	(2,020)	(2,787)	(580)	(5,387)
Capital employed	**1,595**	**1,120**	**28**	**2,743**
Assets held for sale and associated liabilities				**-**
Net cash and cash equivalents (net debt)				**(1,713)**
Total equity				**1,030**

XII. INFORMATION BY GEOGRAPHIC SEGMENT

REVENUE BY GEOGRAPHIC AREA

Revenue by geographic area (by location of sales) is as follows:

(€m)	2023	2022
European Union (excl. France)	2,419	1,789
United States	1,911	1,833
France	1,890	1,705
United Kingdom	570	545
Asia-Pacific	595	496
Other North America (mainly Canada)	203	181
Other European countries	155	132
Middle East	114	68
Other (Africa, Latin America)	224	180
Total	**8,081**	**6,929**

SEGMENT ASSETS BY GEOGRAPHIC AREA

Segment assets, corresponding to all assets excluding cash and cash equivalents and investments in equity-accounted companies, are presented by geographic area (country or region in which the entities are based) as follows:

(€m)	31 Dec. 2023	31 Dec. 2022
United States	2,671	2,511
European Union (excl. France)	2,309	1,823
France	2,078	2,093
United Kingdom	823	876
Asia-Pacific	352	348
Other European countries	42	56
Canada	100	73
Middle East	195	170
Other (Africa, Latin America)	121	97
Total	**8,691**	**8,047**

INVESTMENTS BY GEOGRAPHIC AREA (PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS)

Investments in property, plant and equipment and intangible assets by geographic area are presented (country or region in which the entities are based) as follows:

(€m)	2023	2022
United States	94	49
France	72	40
European Union (excl. France)	67	44
United Kingdom	11	11
Asia-Pacific	6	22
Canada	3	2
Other European countries	2	1
Middle East	7	3
Other	7	5
Total	**269**	**177**

XIII. NET DEBT

Net debt is an alternative performance measure and is calculated based on elements taken from the consolidated financial statements. A reconciliation with those accounting items is presented below:

(€m)	**31 Dec. 2023**	31 Dec. 2022
Short-term investments and cash and cash equivalents	467	851
Financial instruments designated as hedges of debt with a positive fair value	7	3
Non-current debt(*)	(382)	(1,647)
Current debt(*)	(2,191)	(920)
Net debt	**(2,099)**	**(1,713)**

(*) At 31 December 2023, current and non-current debt included financial instruments designated as hedges of debt with a negative fair value, representing €7 million and €2 million, respectively (negative fair value of €8 million and €19 million, respectively, at 31 December 2022).

The breakdown of debt is as follows:

(€m)	**31 Dec. 2023**	31 Dec. 2022
Bonds	-	1,292
Bank loans	39	256
Debt related to put options granted to minority shareholders	55	65
Other debt	286	15
Non-current debt excluding financial instruments designated as hedges of debt	**380**	1,628
Financial instruments designated as hedges of debt	2	19
Non-current debt	**382**	1,647
Bonds	1,300	350
Bank loans	189	3
Syndicated credit facility	-	-
Debt related to put options granted to minority shareholders	-	1
Medium-term notes (NEU MTN(*))	-	5
Commercial paper (NEU CP(**))	561	371
Other debt	134	182
Current debt excluding financial instruments designated as hedges of debt	**2,184**	912
Financial instruments designated as hedges of debt	7	8
Current debt	**2,191**	920
Total debt	**2,573**	2,567

The main movements in debt during 2023 were as follows:

- redemption on 13 April 2023 of €350 million worth of the remaining 2016 bond issue. This bond pays interest at 2.75%;
- on 21 November 2023, Vivendi SE's takeover of the Lagardère group triggered the change of control clauses included in its bond and Schuldschein loan documentation, allowing the lenders to request redemption 45 days after notice was given on 22 November 2023 for the three bonds (representing a total nominal amount of €1,300 million), and for the Schuldschein loans (representing €252.5 million);

- on 12 December 2023, Lagardère SA signed a loan agreement with Vivendi SE for drawing rights up to €1,900 million. At 31 December 2023, the amount drawn down was €270 million. This loan agreement matures on 31 March 2025;

- on 27 December 2023, the triggering of the change of control clauses on the Schuldschein loans resulted in the early repayment of €27 million on the interest payment date. Of the balance, €190.5 million falls due on 26 June 2024 and €35 million on 26 June 2026;

- the syndicated credit facility was drawn down between April 2023 and December 2023 for a maximum amount of €350 million. No amounts have been drawn down from the total of €982 million available at 31 December 2023;

- continuation of the commercial paper programme with a ceiling of €850 million. Issuance represented €561 million at 31 December 2023 (of which €511 million denominated in euros and €50 million in US dollars), versus €371 million at 31 December 2022.

At 31 December 2023, the outstanding balance on the bonds was classified as current debt in the amount of €1,300 million, in view of the fact that the early redemption remained option for the lenders remained open until 5 January 2024.

Further to the expiry of the early redemption period, on 12 January 2024:

- a nominal amount of €1,203.2 million and €7 million in interest was redeemed. Of the outstanding balance of €96.8 million, €39.5 million matures in 2024, €48.8 million in 2026 and €8.5 million in 2027;

- an additional €1,210 million was drawn down under the loan agreement with Vivendi SE, bringing the total amount drawn down and maturing on 31 March 2025 to €1,480 million. The undrawn balance of this agreement amounts to €420 million.

Changes in net debt during 2023 and 2022 were as follows:

(€m)	**2023**	2022
Net debt at 1 January	**(1,713)**	**(1,535)**
Cash flow from (used in) operations and investing activities	(74)	56
Interest paid	(100)	(79)
Minority interests' share in capital increases by subsidiaries	2	1
(Acquisitions) disposals of treasury shares	-	-
(Acquisitions) disposals of minority interests	(15)	(1)
Dividends	(230)	(105)
Debt related to put options granted to minority shareholders	8	(20)
Fair value of financial instruments designated as hedges of debt	23	(15)
Effect on cash of changes in exchange rates and other	-	(15)
Net debt at 31 December	**(2,099)**	**(1,713)**

XIV. OTHER WORKING CAPITAL ITEMS

Factoring and sale of trade receivables

Receivables sold and deconsolidated under the factoring and discounting programmes totalled €262 million at end-December 2023 versus €244 million at end-December 2022.

The sums to be repaid to the banks in respect of the receivables collected within the scope of debt collection procedures, as well as the share of the risk retained on the receivables sold, represented a debt of €42 million at 31 December 2023 versus €58 million at end-December 2022.

Lagardère is also exposed to a residual risk on the transferred receivables, represented mainly by the guarantee fund and the reserve fund set up by the bank in the amount of €3 million at 31 December 2023 versus €2 million at 31 December 2022.