Revenue up 4.5% like for like(1) for the target scope and recurring EBIT(1) for the target scope(2) up 5.6%(3) to €361 million

Sharp rise in free cash flow generation(1) for the target scope: up 20% to €250 million (excluding changes in working capital), and by 13% to €278 million including changes in working capital

Proposed ordinary dividend stable at €1.30 per share

2020 recurring EBIT growth target: between 4% and 6%(4), excluding the impact of the coronavirus

Action plan in progress at Lagardère Travel Retail to mitigate the impact of the coronavirus on 2020(5)

Paris, 27 February 2020, 5:35 p.m.

With the sale of Lagardère Sports and of numerous media assets, in 2019, the Lagardère group completed the bulk of its strategic refocusing plan.

In 2019, the Group continued to see strong growth in revenue and in recurring EBIT based on the target scope(2), driven by impressive momentum at Lagardère Publishing and Lagardère Travel Retail as the two divisions took full advantage of the opportunities resulting from their diverse geographic and business profiles.

Free cash flow for the target scope (excluding changes in working capital) totalled €250 million, a rise of 20% year on year led by strong margin growth in the Group's two businesses.

The Group also continued to develop its two pillars, with the acquisitions of Gigamic, Short Books and Blackrock Games at Lagardère Publishing, and of the International Duty Free group (IDF) at Lagardère Travel Retail. These acquisitions were mainly financed out of proceeds from the sale of media assets.

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

2 Lagardère Publishing, Lagardère Travel Retail, Lagardère News (*Paris Match*, *Le Journal du Dimanche*, Europe 1, Virgin Radio, RFM, the Elle brand licence), the Entertainment business, the Group Corporate function and the Lagardère Active Corporate function, whose costs are being wound down by 2020.

3 Restated for the impact of IFRS 16 on concession agreements at Lagardère Travel Retail, at constant exchange rates and excluding Lagardère Travel Retail's acquisition of HBF and IDF.

4 At constant exchange rates, excluding the impact of Lagardère Travel Retail's acquisition of IDF.

5 The adverse impact to date and action plans are described on page 10 in the "Outlook" section.

Continued growth momentum

- The target scope reported revenue of €6,936 million in 2019, up 4.5% like for like. This growth momentum was powered by a solid performance at Lagardère Travel Retail, which delivered 6.3% growth, and by a good year at Lagardère Publishing, which advanced by 2.8%.

Continued rise in recurring EBIT

- **Recurring EBIT was 5.6% higher than in 2018, meeting the recurring EBIT target for the target scope** as confirmed on 7 November 2019 ("Restated for the impact of IFRS 16 on concession agreements at Lagardère Travel Retail, at constant exchange rates and excluding Lagardère Travel Retail's acquisitions of Hojeij Branded Foods (HBF) and International Duty Free (IDF)").

- Recurring EBIT for the target scope came in at €361 million versus €310 million in 2018, buoyed by good performances from Lagardère Travel Retail and Lagardère Publishing, and by the consolidation of HBF.

- Profit before finance costs and tax was €411 million in 2019, compared with €451 million in 2018 which had included the one-off capital gain on the sale of the office building located in rue François 1er (Paris, France).

- Profit for the period was €11 million, down from €199 million in 2018 owing to the adverse impact of discontinued operations. Restated for non-recurring/non-operating items, **adjusted profit - Group share was €200 million, stable year on year.**

Solid financial position

At end-December 2019, net debt stood at €1,461 million. The leverage ratio (net debt [1]/recurring EBITDA[1]) at both end-2019 and end-2018 was 2.1.

Consolidated data

At 31 December 2019, Lagardère Sports is classified within "Assets held for sale and associated liabilities" in the consolidated balance sheet. In accordance with IFRS 5, the contribution of Lagardère Sports is presented as a single amount on the face of the 2019 consolidated income statement and consolidated statement of cash flows, within "Profit (loss) from discontinued operations" and "Net cash from (used in) discontinued operations", respectively. Data for 2018 have been restated for the purposes of comparability.

I. REVENUE AND RECURRING EBIT[6]

REVENUE

Revenue for the Lagardère group came in at €7,211 million for 2019, up 5% on a consolidated basis and up 4.1% like for like. The difference between consolidated and like-for-like revenue is essentially attributable to a €92 million positive foreign exchange effect resulting mainly from the appreciation of the US dollar. The €18 million negative scope effect reflects the disposals of media assets, chiefly offset by the two acquisitions carried out at Lagardère Travel Retail (HBF and IDF).

	Revenue (€m)		Change	
	2018	**2019**	**on a consolidated basis**	**on a like-for-like basis**
Lagardère Publishing	2,252	2,384	+5.9%	+2.8%
Lagardère Travel Retail	3,673	4,264	+16.1%	+6.3%
Other Activities*	301	288	-4.3%	-4.2%
Target scope	**6,226**	**6,936**	**+11.4%**	**+4.5%**
Non-retained scope**	642	275	-57.2%	-4.6%
LAGARDÈRE	**6,868**	**7,211**	**+5.0%**	**+4.1%**

** Lagardère News (*Paris Match, Le Journal du Dimanche*, Europe 1, Virgin Radio, RFM and the Elle brand licence), the Entertainment businesses, the Group Corporate function, and the Lagardère Active Corporate function, whose costs are being wound down by 2020.*
*** Operations disposed of/disposals pending completion (Lagardère Active), excluding Lagardère Sports, classified as a discontinued operation in accordance with IFRS 5.*

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

GROUP RECURRING EBIT

	Group recurring EBIT (€m)		Change (€m)
	2018*	2019	
Lagardère Publishing	200	220	+20
Lagardère Travel Retail	121	152	+31
Other Activities**	*(11)*	*(11)*	*0*
Target scope	**310**	**361**	**+51**
Non-retained scope***	75	17	-58
LAGARDÈRE	**385**	**378**	**-7**

** Restated for IFRS 16. See appendices at the end of the press release.*
*** Lagardère News (*Paris Match, Le Journal du Dimanche, *Europe 1, Virgin Radio, RFM and the Elle brand licence), the Entertainment businesses, the Group Corporate function, and the Lagardère Active Corporate function, whose costs are being wound down by 2020.*
**** Operations disposed of/disposals pending completion (Lagardère Active), excluding Lagardère Sports, classified as a discontinued operation in accordance with IFRS 5.*

Group recurring EBIT totalled €378 million, down €7 million on 2018.

Recurring EBIT based on the target scope rose by €51 million year on year, to €361 million. The scope effect resulting from the acquisitions of HBF and IDF added €27 million, while changes in exchange rates added €7 million to the recurring EBIT figure.
Excluding these scope and foreign exchange effects, recurring EBIT for the target scope climbed 5.6% or €17 million, lifted by a strong year at Lagardère Publishing in both Illustrated Books and Education, as well as improved profitability for US operations, and by Lagardère Travel Retail thanks to a good showing in EMEA and North America.

Recurring EBIT for the non-retained scope amounted to €17 million, down €58 million year on year owing mainly to the various disposals at Lagardère Active during the year.

Lagardère Publishing

Revenue

Lagardère Publishing revenue was €677 million in fourth-quarter 2019, up 5.0% on a consolidated basis and up 1.7% like for like, thanks notably to the publication of a new Asterix album in late October 2019.

Full-year 2019:

Revenue totalled €2,384 million for the year, up 5.9% on a consolidated basis and up 2.8% like for like.

Revenue growth in 2019 was chiefly driven by a good performance in Education – particularly in France and Spain, the success of the new Asterix album, and sustained growth in Partworks and Mobile Games.

Revenue for France was up 6.3%, spurred by a sharp rise in Education on the back of the reform of two French high school levels, and by a solid increase in Illustrated Books thanks to the international success of the new Asterix album, *La Fille de Vercingétorix*, along with a good performance at Hachette Pratique, Hachette Jeunesse Licences and Larousse. General Literature also had a good year, buoyed by the publication of the large-format version of Guillaume Musso's *La Vie secrète des écrivains*, and by growth in Le Livre de Poche paperbacks led by the publication of Musso's *La Jeune Fille et la Nuit*, and Valérie Perrin's *Changer l'eau des fleurs*. Lastly, Mobile Games also continued to generate good momentum.

The United Kingdom fell 1.4%, as a good performance for the backlist and for digital sales at Bookouture and the success of Billy Connolly's *Tall Tales and Wee Stories* late in the year failed to offset an unfavourable comparison effect resulting from the success of Michael Wolff's *Fire and Fury* in 2018 and of the J.K. Rowling/Robert Galbraith titles published in the last quarter of that year.

The United States slipped 1.0%. A sharp rise in revenue from digital audiobooks led by Malcolm Gladwell's *Talking to Strangers,* as well as the success of Andrzej Sapkowski's *The Witcher* at Orbit late in the year, only partially offset the unfavourable comparison effect with 2018, which had been boosted by the remarkable success of James Patterson and Bill Clinton's *The President is Missing* and by the publication of Nicholas Sparks' *Every Breath*.

Spain/Latin America posted 10.3% revenue growth, spurred by curriculum reform in Spain (concerning all primary school levels in Andalusia) and by the launch of the new Asterix album at Bruño.

Partworks delivered revenue growth of 4.9%, reflecting the good performance of first-half launches (particularly models and leisure crafts) in Japan, Germany and France.

E-books accounted for 7.7% of total Lagardère Publishing revenue in 2019 versus 7.9% in 2018, while digital audiobooks represented 3.4% of revenue versus 2.7% in 2018.

Recurring EBIT

Lagardère Publishing reported €220 million in recurring EBIT, up €20 million on 2018.

Recurring EBIT growth was led mainly by France, with Illustrated Books buoyed by publication of a new Asterix album and Education by high school reform, as well as by Spain (new primary school textbooks) and the United States (growth in audiobooks and operating cost efficiency plan). Recurring EBIT for the division also benefited from a positive foreign exchange effect resulting from the appreciation of the US dollar.

● Lagardère Travel Retail

Revenue

Revenue for fourth-quarter 2019 totalled €1,117 million, up 17.8% on a consolidated basis and up 5.8% like for like. The fourth-quarter performance was driven mainly by dynamic trading for the EMEA scope (excluding France) and for continental China. Platforms in North America also performed well in the fourth quarter. However, social incidents in France and Hong Kong dampened these gains.

Full-year 2019:

Revenue totalled €4,264 million for the year, up 16.1% on a consolidated basis and up 6.3% like for like.

Despite the slowdown towards the end of the year owing to the strikes, France reported a sharp 7.6% rise in revenue, buoyed by good Duty Free trading at regional platforms (Nice, Marseille and Nantes), growth in the Foodservice network (Toulouse) and the success of the new Relay concept at Travel Essentials.

The EMEA region (excluding France) enjoyed robust momentum (up 6.9%), attributable to a good performance in Italy for Duty Free operations (Rome, Venice and regional airports) and Travel Essentials (favourable network impact), as well as in Romania, Spain and Portugal. The Middle East also reported solid revenue growth, with the opening of the new Dubai Foodcourt and ongoing business expansion in Africa.

In North America, business grew by 2.9% (by 3.6% on a same-store basis), reflecting a dynamic performance at Travel Essentials driven by sales initiatives and Foodservice operations, despite the adverse impact of US-China trade tensions on Canadian airport traffic.

Asia-Pacific advanced 7.2%, spurred by growth in China (continental China and Hong Kong) which benefited from the new openings and modernisation initiatives carried out in 2018 and 2019. Business contracted in the Pacific region due to the economic slowdown in Australia and an unfavourable network effect, despite the full-year impact of new outlets opened in Christchurch, New Zealand.

Recurring EBIT

Recurring EBIT moved up €31 million to €152 million.

This impressive increase mainly reflects the impact of the acquisitions of HBF in November 2018 and of IDF in the final quarter of 2019, and bullish performances from North America and Italy. France also had a very good year in 2019, despite the impact of the strikes. Business continued to ramp up despite events in Hong Kong, the collapse of the Icelandic airline WOW Air and the weak Australian economy.

Other Activities

Revenue

Revenue for 2019 totalled €288 million, down 4.2% like for like and down 4.3% on a consolidated basis.

The revenue decline for Other Activities is chiefly the result of a 12.5% fall in Radio revenue owing to lower audience figures for Europe 1. Revenue also contracted for Lagardère News (down 6.9%), as upbeat advertising revenues failed to fully counter the drop in circulation revenues, which accelerated towards the end of the year owing to the strikes in France.

Recurring EBIT

Recurring EBIT for Other Activities in 2019 remained stable year on year, at a negative €11 million.

The gradual reduction in overheads linked to the disappearance of the former Lagardère Active Corporate function, whose costs are being fully wound down in 2020, was offset by the combined impact of a decline in Europe 1 advertising revenues and in the circulation of press titles.

Non-retained scope

Revenue for the non-retained scope in 2019 was down 57.2% on a consolidated basis, at €275 million. Recurring EBIT amounted to €17 million for the year.

II. MAIN INCOME STATEMENT ITEMS

(€m)	2018*	2019
Revenue	**6,868**	**7,211**
Group recurring EBIT	**385**	**378**
Income from equity-accounted companies**	3	6
Non-recurring/non-operating items	22	(33)
Impact of IFRS 16 on concession agreements	41	60
Profit before finance costs and tax	**451**	**411**
Interest expense on lease liabilities	(76)	(85)
Finance costs, net	(57)	(53)
Profit before tax	**318**	**273**
Income tax expense	(124)	(55)
Profit (loss) from discontinued operations	5	(207)
Profit for the period	**199**	**11**
Minority interests	22	26
Profit (loss) - Group share	**177**	**(15)**

** Restated for IFRS 16. See appendices at the end of the press release.*
*** Before impairment losses.*

- **Income from equity-accounted companies**

Income from equity-accounted companies (before impairment losses) came in at **€6 million** in 2019, versus **€3 million** one year earlier, buoyed by good performances from the joint operations at Lagardère Travel Retail.

- **Non-recurring/non-operating items**

Non-recurring/non-operating items represented a net negative amount of €33 million, compared with a net positive amount of €22 million in 2018, and mainly included:

- €134 million in net disposal gains, chiefly relating to the sale of TV channels in September 2019 (€99 million), BilletReduc in February 2019 (€18 million) and South African Radio operations (€13 million) in January 2019. In 2018, net disposal gains amounted to €205 million, including a gain of €245 million on the sale of the rue François 1er office building in Paris (France) and a loss of €40 million on the sale of the interest in Marie Claire group;

- €34 million in impairment losses against property, plant and equipment and intangible assets, including €6 million attributable to Lagardère Travel Retail and €26 attributable to the non-retained scope;

- €42 million in restructuring costs, a sharp €29 million decrease on 2018, including €15 million at Other Activities resulting from the late-2019 redundancy plan for the Group Corporate function, €14 million at Lagardère Travel Retail including HBF integration costs, and €12 million at Lagardère Publishing relating to the streamlining of distribution centres in the United Kingdom;

- €91 million in amortisation of intangible assets and costs relating to the acquisition of consolidated companies, including €82 million for Lagardère Travel Retail and €8 million for Lagardère Publishing.

- **Impact of IFRS 16 on concession agreements**

The impact of applying IFRS 16 on concession agreements amounted to a positive €60 million in 2019, versus a positive €41 million in 2018.

- **Interest expense on lease liabilities**

Interest expense on lease liabilities represented €85 million in 2019, versus €76 million in 2018. The €9 million rise in this item results from the consolidation of HBF and IDF.

- **Finance costs, net**

Net finance costs amounted to €53 million in 2019, a slight improvement on the prior year.

- **Income tax**

Income tax expense totalled €55 million, down €69 million year on year. Income tax expense in 2018 notably included €83 million in one-off tax payable on the sale by Lagardère Active of the rue François 1er office building in Paris (France) and €14 million in tax savings resulting from the Lagardère Active restructuring plan.

- **Profit (loss) from discontinued operations**

Discontinued operations relate to Lagardère Sports, which generated a total loss of €207 million in 2019 (the purchase offer received in December 2019 led the Group to recognize a €234 million impairment loss against the business).

- **Profit**

Taking account of all these items, profit for the year came out at €11 million, including a loss of €15 million attributable to the Group.
Profit attributable to minority interests in 2019 was €26 million, versus €22 million attributable to minority interests in 2018, reflecting the performance of Le Livre de Poche paperbacks at Lagardère Publishing and North American and Italian operations at Lagardère Travel Retail.

ADJUSTED PROFIT - GROUP SHARE

Adjusted profit - Group share (excluding non-recurring/non-operating items) totalled **€200 million** in 2019, in line with the 2018 figure.

(€m)	2018*	2019
Group recurring EBIT**	**385**	**378**
Income from equity-accounted companies***	+3	+6
Interest expense on lease liabilities – buildings and other leases	-17	-19
Finance costs, net	-57	-53
Tax effects****	-85	-77
o/w attributable to minority interests	-29	-35
Adjusted profit - Group share**	**200**	**200**

** Restated for IFRS 16. See appendices at the end of the press release.*
*** Alternative performance measure, see definition at the end of the press release.*
**** Before impairment losses.*
***** Excluding tax on non-recurring/non-operating items.*

EARNINGS PER SHARE

Earnings per share - Group share represented a negative €0.12, versus a positive €1.36 in 2018.
Adjusted earnings per share - Group share was €1.55, versus €1.54 in 2018.
The number of shares comprising the share capital was unchanged from the previous year.

III. OTHER FINANCIAL INFORMATION

Cash flow from operations and investing activities

(€m)	2018*	2019
Cash flow from operations before changes in working capital and income taxes paid**	**439**	**495**
Changes in working capital	18	34
Income taxes paid excluding taxes on property disposals	(30)	(52)
Cash flow from operations**	**427**	**477**
Purchases/disposals of property, plant and equipment and intangible assets***	(186)	(197)
Free cash flow excluding property disposals	**241**	**280**
Property disposals net of tax paid and related refitting costs	183	14
Free cash flow*****	**424**	**294**
Purchases of investments	(339)	(287)
Disposals of financial investments	148	323
Cash flow from operations and investing activities	**233**	**330**

** Restated for IFRS 16. See appendices at the end of the press release.*
*** Before taxes on property disposals.*
**** Excluding property disposals and refitting costs.*
***** Alternative performance measure.*

- **Cash flow from operations**

Cash flow from operations before changes in working capital amounted to €495 million in 2019 compared to €439 million in 2018. This increase chiefly results from the favourable impact of business at Lagardère Publishing (€32 million) and Lagardère Travel Retail (€49 million), only partly offset by the €32 million decline for the non-retained scope.

Changes in working capital represented an inflow of €34 million over the year, compared to an inflow of €18 million in 2018. This €16 million increase reflects (i) a rise of €49 million for Lagardère Publishing resulting from lower author advances at the end of the year and a year-on-year reduction in Partworks inventories, which had been affected by a busy launch schedule at the end of 2017, and (ii) a rise of €26 million for the non-retained scope, including a €22 million inflow relating to the collection of a portion of the proceeds from the sale of most of the magazine publishing titles to Czech Media Invest (CMI). The increase is offset by a €73 million decline for Lagardère Travel Retail (2018 had been boosted by a favourable one-off impact linked to the working capital optimisation drive).

Income taxes paid (excluding tax on property disposals) totalled €52 million in 2019 compared to €30 million in 2018. The increase in this item reflects adverse changes in tax settlements in connection with tax consolidation in France and the impact of higher taxation on cross-border trade in the United States.

- **Purchases/disposals of property, plant and equipment and intangible assets**

Net purchases and disposals of property, plant and equipment and intangible assets (excluding property disposals) represented an outflow of €197 million in 2019, chiefly relating to Lagardère Travel Retail (€156 million), with a significant portion corresponding to the opening of new stores. The balance (€35 million) results essentially from Lagardère Publishing and is mainly attributable to the end of investments in logistics projects in the United Kingdom and in new information systems projects in France.

- **Free cash flow**

Further to the implementation of the strategic refocusing plan, free cash flow for the target scope excluding changes in working capital is presented in the following table:
- illustrating the generation of free cash flow for the Group's new scope, stripping out the volatility of changes in working capital, which should be neutral over the long term; and
- presenting separately the contribution of non-retained assets together with the costs associated with the refocusing plan.

	2018*	2019
Cash flow from operations before changes in working capital and income taxes paid**	402	491
Income taxes paid excluding taxes on property disposals	-14	-46
Purchases/disposals of property, plant and equipment and intangible assets***	-180	-195
Free cash flow excluding changes in working capital for the target scope	**+208**	**+250**
Changes in working capital for the target scope	+38	+28
Free cash flow for the target scope	**+246**	**+278**
Property disposals net of tax paid and related refitting costs	+183	+14
Restructuring costs relating to the Group’s strategic refocusing	-	-19
Other cash flow from operations – non-retained scope****	-5	+21
Free cash flow for the non-retained scope	**+178**	**+16**
Free cash flow**	**424**	**294**

** Restated for IFRS 16. See appendices at the end of the press release.*
*** Alternative performance measure.*
**** Excluding property disposals and refitting costs.*
***** Operations disposed of/disposals pending completion (Lagardère Active), excluding Lagardère Sports, classified as a discontinued operation in accordance with IFRS 5.*

The Group’s free cash flow totalled €294 million in 2019 versus €424 million in 2018. The €130 million decrease reflects the sharp decrease in free cash flow for the non-retained scope (negative €162 million impact), partly offset by a significant €32 million improvement in free cash flow for the target scope.

Excluding changes in working capital, free cash flow for the target scope was €250 million, up €42 million on 2018 thanks to a sharp rise for the Group’s two businesses (cash flow from operations before changes in working capital up €89 million), tempered by a rise in income taxes paid (€32 million negative impact) and in purchases of property, plant and equipment and intangible assets (€15 million negative impact) related mainly to the consolidation of HBF.

Changes in working capital represented a positive €28 million impact, €10 million lower than in 2018.

As a result, free cash flow for the target scope was €278 million, up €32 million year on year.

Free cash flow for the non-retained scope totalled €16 million in 2019, down by €162 million versus 2018, driven by:
- the €169 million decrease in property disposals, with 2018 including the sale of the rue François 1er office building in Paris (France);
- outflows relating to restructuring costs for the former Lagardère Active Corporate function;
- partly offset by a higher contribution from divested activities, including an inflow of €22 million relating to the collection of a portion of the proceeds from the sale of most of the magazine publishing titles to Czech Media Invest (CMI).

- **Purchases/disposals of investments**

Purchases of investments represented an outflow of €287 million and mainly related to the acquisition of the IDF group in Belgium, and to a lesser extent the acquisition of Autogrill Cz in the Czech Republic by Lagardère Travel Retail. Purchases of investments also include Lagardère Publishing's acquisitions of Gigamic and Blackrock Games in France, and of Short Books in the United Kingdom.

Disposals of financial investments represented an inflow of €323 million (including €7 million in interest received) in 2019, with €316 million of this amount corresponding mainly to disposals at Lagardère Active as part of the strategic refocusing plan, including the sale of the TV channels in September 2019, of BilletReduc and most of the magazine publishing titles in France in February 2019, and of South African Radio operations in January 2019.

Cash flow from operations and investing activities

In all, cash flow from operations and investing activities represented a net inflow of €330 million in 2019, compared with a net inflow of €233 million in 2018.

FINANCIAL POSITION

At end-December 2019, net debt stood at €1,461 million compared to €1,367 million one year earlier. Acquisitions were primarily financed out of proceeds from disposals carried out in 2019.

- **The Group's liquidity position remains very solid,** with €2,163 million in available liquidity (available cash and short-term investments reported on the balance sheet totalling €913 million and an undrawn amount on the syndicated credit line of €1,250 million).
- **The Group continues to enjoy a healthy financial position, with a stable leverage ratio (net debt(1)/recurring EBITDA(1)) of 2.1.**

IV. KEY EVENTS SINCE 7 NOVEMBER 2019

- **Chairmanship of the Supervisory Board of Lagardère SCA**

  At its meeting on 4 December 2019, the Supervisory Board, acting on the recommendation of the Appointments, Remuneration and Governance Committee, decided to appoint Patrick Valroff as its Chairman and as Chairman of the Audit Committee of Lagardère SCA, further to the resignation of Xavier de Sarrau for personal reasons.

- **Sale of Lagardère Sports to H.I.G. Capital**

  On 16 December 2019, the Lagardère group announced that it had received an offer from H.I.G. Capital to acquire 75% of the capital of Lagardère Sports. The preliminary sale agreement was signed on 20 February 2020. The transaction is targeted to close before the end of the first quarter of 2020 and is subject to clearance from the competition authorities.

V. OUTLOOK

2020 RECURRING EBIT(1) GROWTH TARGET BASED ON TARGET SCOPE

The Lagardère group expects 2020 recurring EBIT(1) growth to be between 4% and 6% at constant exchange rates, excluding the acquisition of IDF and the impact of the coronavirus.

The COVID-19 epidemic has had a marked impact on business levels at Lagardère Travel Retail since the middle of January, chiefly in the Asia-Pacific zone as well as at its international hubs (notably as regards Chinese tourist spending at European destinations). In view of the change in business levels observed to date, Lagardère estimates that COVID-19 will have an adverse impact on recurring EBIT, excluding the impact of the Group's action plan, of around €20 million in the first quarter of 2020.

Around half of this impact is expected to be offset over the course of the year by the progressive ramp-up of various initiatives that are already being implemented in all geographies (e.g., optimisation of site opening hours and rents in agreement with landlords, optimisation of operating costs).

Obviously, it is not currently possible to foresee how the epidemic will develop going forward. The Group is continuing to monitor the situation very carefully, with a view to implementing any additional measures across all of its geographies as and when appropriate.

DIVIDEND

As for 2018, shareholders at the Annual General Meeting will be asked to approve a €1.30 per share dividend for the 2019 fiscal year.
Shareholders will be given the option of receiving the dividend payment in shares, allowing the Group to strengthen its financial flexibility in supporting the development of its two pillars while maintaining shareholder return.

VI. INVESTOR CALENDAR[7]

- **Supervisory Board meeting**
  The Supervisory Board meeting was held on 27 February 2020 to review the parent company and consolidated financial statements for 2019.

- **Lagardère Investor Day**
  The Group's Investor Day will be held on 25 March 2020 at 2:00 p.m.

- **First-quarter 2020 revenue**
  First-quarter 2020 revenue will be released on 30 April 2020 at 8:00 a.m. A conference call will be held at 10:00 a.m. on the same day.

- **General Meeting – Fiscal year 2019**
  The General Meeting of Shareholders will be held on 5 May 2020 at 10:00 a.m. at the Carrousel du Louvre in Paris.

- **Ordinary dividend**
  The ex-dividend date for the ordinary dividend (proposed at €1.30 per share) for 2019 is expected to be 7 May 2020, with a payment date as from 28 May 2020.

- **First-half 2020 results**
  First-half 2020 results will be released on 30 July 2020 at 5:35 p.m. A conference call will be held at 5:45 p.m. on the same day.

- **Third-quarter 2020 revenue**
  Third-quarter 2020 revenue will be released on 5 November 2020 at 8:00 a.m. A conference call will be held at 10:00 a.m. on the same day.

***

VII. APPENDICES

FOURTH-QUARTER 2019 REVENUE:

	Revenue (€m)		Change	
	Q4 2018	**Q4 2019**	**on a consolidated basis**	**on a like-for-like basis**
Lagardère Publishing	645	677	+5.0%	+1.7%
Lagardère Travel Retail	948	1,117	+17.8%	+5.8%
Other Activities*	91	80	-12.1%	-10.1%
Target scope	**1,684**	**1,874**	+11.3%	+3.4%
Non-retained scope**	196	88	-55.1%	+8.0%
LAGARDÈRE	**1,880**	**1,962**	+4.4%	+3.6%

* *Lagardère News (*Paris Match, Le Journal du Dimanche*, Europe 1, Virgin Radio, RFM and the Elle brand licence), the Entertainment businesses, the Group Corporate function, and the Lagardère Active Corporate function, whose costs are being wound down by 2020.*
** *Operations disposed of/disposals pending completion (Lagardère Active), excluding Lagardère Sports, classified as a discontinued operation in accordance with IFRS 5.*

[7] Dates may be susceptible to change

CHANGES IN SCOPE OF CONSOLIDATION AND EXCHANGE RATES

Full-year 2019:

The difference between consolidated and like-for-like revenue data is attributable to a €92 million positive foreign exchange effect resulting chiefly from fluctuations in the US dollar, and to an €18 million negative scope effect, breaking down as:

- a €359 million negative impact resulting from disposals carried out in 2018 and 2019 at Lagardère Active as part of the strategic refocusing plan, including €248 million relating to the sale of most of the magazine publishing titles to Czech Media Invest in January 2019, €51 million relating to the sale of the TV channels in September 2019 and €30 million relating to the sale of Radio operations in Eastern Europe;
- a €314 million positive impact chiefly resulting from Lagardère Travel Retail's acquisitions of HBF in late November 2018 and of IDF at the end of September 2019;
- a €23 million positive impact at Lagardère Publishing, mainly reflecting the February 2019 acquisition of Gigamic.

OPERATIONS DISPOSED OF OR IN EXCLUSIVE SALE NEGOTIATIONS

Disposals to date	**2018 recurring EBIT***	**2019 recurring EBIT**	**Estimated sale value (€m)**	**Date of sale**
LARI – Eastern Europe	7	-	73	July 2018
Marie Claire	-	-	14	June 2018
MonDocteur Doctissimo	(4)	-	55	July 2018 October 2018
Boursier BilletReduc Plurimédia Doctipharma	3	-	41	January 2019 February 2019 February 2019 February 2019
LARI - Africa (Jacaranda, Mediamark, Vibe Radio [Senegal and Côte d'Ivoire])	1	-	18	Jacaranda and Vibe Radio: transactions closed in February 2019 Mediamark: closing subject to regulatory clearance
Magazine publishing titles (excluding *Paris Match*, *Le Journal du Dimanche* and the Elle brand licence)	22	-	52	February 2019
Mezzo	3	1	12 at 60%, and 20 at 100%	July 2019
DHP, other	1	0	1	July-October 2019
TV channels, excluding Mezzo	23	2	215	September 2019
Total	**56**	**3**		

** Restated for IFRS 16. See appendices at the end of the press release.*

Disposals pending completion	**2018 recurring EBIT***	**2019 recurring EBIT**	**Estimated sale value (€m)**	**Date of sale**
Lagardère Sports	32	64	110	Closed 20 February 2020
Not yet sold				
Lagardère Studios	19	15		
Total	**51**	**79**		

** Restated for IFRS 16. See appendices at the end of the press release*

VIII. 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 2019 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 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 consolidated and like-for-like figures is explained in section VII - Appendices of this press release.

➢ 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 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 lease arrangements:
  - Cancellation of fixed rental expense* on concession agreements
  - Depreciation of right-of-use assets on concession agreements
  - Gains and losses on lease modifications under concession agreements

* 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 (recurring EBIT) and profit before finance costs and tax is set out in the full-year 2019 results presentation, on slide 18.

➢ Operating margin

Operating margin is calculated by dividing recurring operating profit of fully consolidated companies (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 reconciliation between recurring EBITDA and recurring operating profit of fully consolidated companies (recurring EBIT) is set out in the full-year 2019 results presentation, on slide 39.

➢ **Adjusted profit - 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 for the period

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
- Non-recurring changes in deferred taxes
- Items related to leases and finance lease arrangements:
    - 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 lease modifications under concession agreements
- Tax effects of the above items
- Profit (loss) from discontinued operations
- 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 the full-year 2019 results presentation, on slide 34.

➢ **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 the full-year 2019 results presentation, on slide 32.

➢ **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 full-year 2019 results presentation, on slide 38.

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A live webcast of the presentation of the full-year 2019 results will be available today at 5:45 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.

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Created in 1992, Lagardère is an international group with operations in more than 40 countries worldwide. It employs over 30,000 people and generated revenue of €7,211 million in 2019.
In 2018, the Group launched its strategic refocusing around two priority divisions: Lagardère Publishing (Book and e-Publishing, Mobile and Board games) and Lagardère Travel Retail (Travel Essentials, Duty Free & Fashion, Foodservice).
The Group's operating assets also include Lagardère News and Lagardère Live Entertainment.
Lagardère shares are listed on Euronext Paris.
www.lagardere.com

Important Notice:
Some of the statements contained in this document are not historical facts but rather are statements of future expectations and other forward-looking statements that are based on management's beliefs. These statements reflect such views and assumptions prevailing as of the date of the statements and involve known and unknown risks and uncertainties that could cause future results, performance or future events to differ materially from those expressed or implied in such statements.
Please refer to the most recent Universal Registration Document filed by Lagardère SCA with the French Autorité des marchés financiers *for additional information in relation to such factors, risks and uncertainties.*
Lagardère SCA has no intention and is under no obligation to update or review the forward-looking statements referred to above. Consequently Lagardère SCA accepts no liability for any consequences arising from the use of any of the above statements.

Press Contacts

Thierry Funck-Brentano	Tel. +33 1 40 69 16 34	tfb@lagardere.fr
Ramzi Khiroun	Tel. +33 1 40 69 16 33	rk@lagardere.fr

Investor Relations Contact

Emmanuel Rapin	Tel. +33 1 40 69 17 45	erapin@lagardere.fr