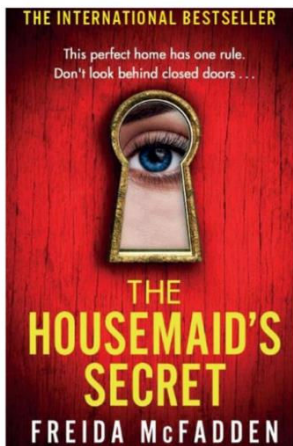
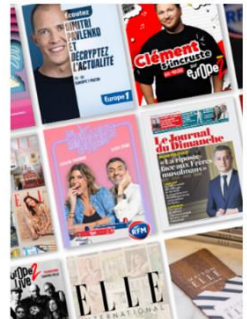
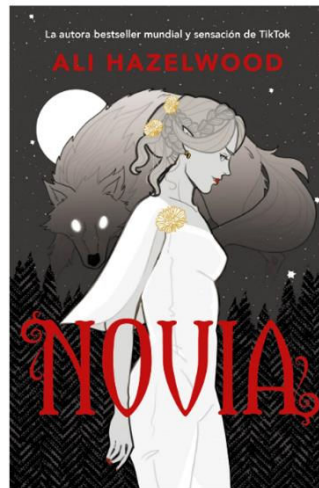


# 2024 INTERIM FINANCIAL REPORT



Lagardère

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*This English version has been prepared for the convenience of English-speaking readers.  
It is a translation of the original French Rapport financier semestriel 2024.  
It is intended for general information only and in case of discrepancies the French original shall prevail.*

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 two priority divisions:

**Lagardère Publishing** includes the Book Publishing and e-Publishing businesses and Distribution, covering all segments of the consumer publishing market, including textbooks and extra-curricular works, general literature, illustrated books, partworks, dictionaries, children and young adult titles, paperbacks and travel guides.

Strongly rooted in the three main language groups (English, Spanish and French), Lagardère Publishing is the world's third-largest trade book publisher for the general public and educational markets (number one in France, number two in the United Kingdom, number three in Spain, and number four in the United States).

The division has diversified into adjacent growth markets with business models similar to book publishing, such as board games, mobile games and premium stationery.

**Lagardère Travel Retail**, which brings together retail operations in transit areas and concessions in three business segments: Travel Essentials, Duty Free & Fashion, and Foodservice.

Through its network of more than 5,120 stores across five continents, Lagardère Travel Retail is a global industry leader:

- ▶ the third-largest Travel Retail operator (second largest in airport Travel Retail);
- ▶ the leading global Travel Essentials operator, with the largest international network of travel essentials stores;

- ▶ the number one European operator in the Travel Retail Fashion segment;
- ▶ the fourth-largest operator in airport Core Duty Free;
- ▶ the world's fourth-largest Foodservice provider in transit hubs.

The Group's scope of consolidation also comprises "**Other Activities**", which mainly include:

- ▶ **Lagardère News**, which comprises *Paris Match*, *Le Journal du Dimanche*, and the Elle brand licensing business.
- ▶ **Lagardère Radio**, which includes Europe 1, the French music radio stations Europe 2 and RFM, and Advertising Sales Brokerage.
- ▶ **Lagardère Live Entertainment**, which includes venue management (Folies Bergère, Casino de Paris, Arkéa Arena and Arena du Pays d'Aix), the production of concerts and shows (L Productions), and the hosting and local promotion of French and international productions.
- ▶ **Lagardère Paris Racing**, which operates the Croix Catelan site under a concession from the City of Paris until 31 December 2028. The sports club offers its 13,500 members tennis, swimming, fitness and bridge facilities as well as complementary services (restaurants, event venues, etc.).

The Company's business activities are presented in section 1.3 of the Universal Registration Document filed with the AMF on 21 March 2024 (the "Universal Registration Document").

## KEY FIGURES

### Condensed consolidated income statement

| (in millions of euros)  | First-half 2024 | First-half 2023 |
|---|-----------------|-----------------|
| <b>Revenue</b>  | <b>4,193</b>    | <b>3,701</b>    |
| <b>Group recurring operating profit of fully consolidated companies</b> | <b>212</b>      | <b>141</b>      |
| Income (loss) from equity-accounted companies(*)                        | (2)             | (5)             |
| Non-recurring/non-operating items                                       | (28)            | 43              |
| Finance costs, net  | (69)            | (38)            |
| Interest expense on lease liabilities                                   | (55)            | (40)            |
| Income tax expense  | (56)            | (40)            |
| <b>Profit for the period</b>  | <b>2</b>        | <b>61</b>       |
| <b>Profit (loss) attributable to owners of the Parent</b>               | <b>(20)</b>     | <b>45</b>       |
| <b>Adjusted profit attributable to owners of the Parent(**)</b>         | <b>36</b>       | <b>24</b>       |

(\*) Before impairment losses.

(\*\*) Excluding non-recurring/non-operational items.

### Key figures by division

| (in millions of euros)  | Revenue         |                 | Group recurring operating profit of fully consolidated companies |                 | Free cash flow  |                 |
|-------------------------|-----------------|-----------------|--|-----------------|-----------------|-----------------|
|                         | First-half 2024 | First-half 2023 | First-half 2024  | First-half 2023 | First-half 2024 | First-half 2023 |
| Lagardère Publishing    | 1,309           | 1,247           | 113  | 65              | (55)            | (179)           |
| Lagardère Travel Retail | 2,748           | 2,329           | 109  | 92              | 95              | 126             |
| Other Activities(*)     | 136             | 125             | (10)   | (16)            | (5)             | (35)            |
| <b>Total</b>            | <b>4,193</b>    | <b>3,701</b>    | <b>212</b>   | <b>141</b>      | <b>35</b>       | <b>(88)</b>     |

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

# 1

## 2024 INTERIM MANAGEMENT REPORT

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## 1.1 FIRST-HALF 2024 RESULTS

The condensed interim consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS), as described in note 1 to the consolidated financial statements, "Accounting principles".

The main changes in the scope of consolidation in the first half of 2024 are described in note 2 to the consolidated financial statements.

### 1.1.1 CONSOLIDATED INCOME STATEMENT

| (in millions of euros)  | First-half 2024 | First-half 2023 | Full-year 2023 |
|---|-----------------|-----------------|----------------|
| Revenue   | 4,193           | 3,701           | 8,081          |
| Recurring operating profit of fully consolidated companies <sup>(*)</sup> | 212             | 141             | 520            |
| Income (loss) from equity-accounted companies <sup>(**)</sup>             | (2)             | (5)             | (1)            |
| Non-recurring/non-operating items   | (28)            | 43              | (85)           |
| of which impact of IFRS 16 on concession agreements <sup>(***)</sup>      | 54              | 118             | 144            |
| <b>Profit before finance costs and tax</b>                                | <b>182</b>      | <b>179</b>      | <b>434</b>     |
| Finance costs, net  | (69)            | (38)            | (97)           |
| Interest expense on lease liabilities                                     | (55)            | (40)            | (89)           |
| Income tax expense  | (56)            | (40)            | (78)           |
| Profit from discontinued operations                                       | -               | -               | 5              |
| <b>Profit for the period</b>  | <b>2</b>        | <b>61</b>       | <b>175</b>     |
| Attributable to:  |                 |                 |                |
| - Owners of the Parent  | (20)            | 45              | 144            |
| - Minority interests  | 22              | 16              | 31             |

(\*) Recurring operating profit of fully consolidated companies is an alternative performance measure taken from the segment information section of the consolidated financial statements (see reconciliation in note 3 to the condensed interim consolidated financial statements), and is defined as the difference between profit before finance costs and tax and the following income statement items:

- income (loss) from equity-accounted companies;
- 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 to finance sub-leases:
  - excluding gains and losses on leases,
  - excluding depreciation of right-of-use assets under concession agreements,
  - including decreases in lease liabilities under concession agreements,
  - including interest paid on lease liabilities under concession agreements,
  - including changes in working capital relating to lease liabilities under concession agreements.

(\*\*) Before impairment losses.

(\*\*\*) Including gains and losses on leases.

Revenue for the Lagardère group climbed to €4,193 million over the first half of 2024, up 13.3% as reported and up 10.1% like for like. The difference between reported and like-for-like

data is attributable to a €107 million positive scope effect, mainly linked to the acquisitions by Lagardère Travel Retail of Tastes on the Fly (€79 million), Marché International (€9 million) and Costa Coffee in Poland (€7 million), as well as to the acquisition at Other Activities of Funkshion Labs (€6 million) and Euterpe Promotion (€6 million).

**Revenue for Lagardère Publishing** totalled €1,309 million in first-half 2024, up 5.0% on a reported basis and up 4.5% like for like. The difference between reported and like-for-like data is mainly attributable to a €1 million positive scope effect owing to the acquisition of Catch Up Games, and to a €4 million positive currency effect, chiefly relating to the appreciation of the pound sterling.

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

After recording like-for-like growth of 0.8% in the first quarter of 2024, business was up by 7.7% year on year in the second quarter.

In France, revenue was down by a slight 0.7% against a high comparison basis, in line with the market, attributable in particular to lower business levels at textbook publishers. Illustrated Books enjoyed good momentum, thanks to the Young Adult segment which was lifted by the *Captive* series and the new Sarah Rivens novel, *Lakestone*. Conversely, the Comics segment edged back due to the lack of an equivalent to the *Asterix et Obélix: L'Empire du Milieu* album published in 2023 and softer manga sales at Pika, as well as a weaker performance in the Travel Guides segment. General Literature had a good first half of the year, with highlights including the publication of *Quelqu'un d'autre* by Guillaume Musso, *D'or et de jungle* by Jean-Christophe Ruffin and *Un monde presque parfait* by Laurent Gounelle.

In the United Kingdom, revenue grew strongly by 8.4% despite a slightly declining market. Growth was mainly driven by dynamic backlist sales in the first half of the year, with Ana Huang's successful *Twisted* and *Kings of Sin* series, *The Housemaid* series by Freida McFadden, and *The Emphyrean* series (*Fourth Wing* and *Iron Flame*) by Rebecca Yarros, as well as the audio format release of Matthew Perry's autobiography. Business was also lifted by new best-sellers, including Stephen King's *You Like It Darker*, Emily English's *So Good* and two new Ali Hazelwood novels. The international

segment was up too – especially Australia – boosted by the same successful titles.

In the United States, business grew by a sharp 7.7%, driven notably by the publishing schedule at Little, Brown and Company, including James Patterson's *Eruption*, based on an unfinished screenplay by Michael Crichton. The segment was also lifted by growth at the Hachette Audio unit, on the back of a strong performance in digital downloads, as well as by good backlist sales at Orbit and Little, Brown Books for Young Readers.

In Spain/Latin America, revenue grew by 7.9%, with Spain recording a stable performance and business up sharply in Mexico in both Education – driven by advance textbook sales – and in the Trade segment.

Revenue from Partworks advanced by 2.0%, boosted in particular by successful collections launched in France and Japan in the second half of 2023.

**Revenue for Lagardère Travel Retail** in first-half 2024 totalled €2,748 million, up 18.0% on a reported basis and up 13.5% like for like. The difference between reported and like-for-like data is attributable to a €95 million positive scope effect, reflecting the acquisitions of Tastes on the Fly (€79 million), Marché International (€9 million) and Costa Coffee in Poland (€7 million), as well as to a €3 million negative currency effect mainly related to the depreciation of the Czech koruna and Chinese yuan.

After recording robust like-for-like growth of 13.6% in the first quarter of 2024, revenue advanced by 13.5% in the second quarter.

The first-half 2024 figures below are presented on a like-for-like basis.

In France, business surged 18.1%, supported in particular by the success of the Extime Duty Free Paris joint venture with the ADP group, as well as network upgrades and sales initiatives rolled out across all networks and business lines.

The EMEA region (excluding France) saw sharp growth of 21.7%, buoyed by excellent performances in Romania (up 51.2% following the opening of the Duty Free concession at Bucharest airport), the United Kingdom (up 25.5%, on the back of the development of duty free on ferries) and in Italy (up 20.4%, thanks to a dynamic performance at Fiumicino airport in Rome).

Revenue in the Americas grew by 7.0% against a high comparison basis, carried by robust momentum in the United States (up 5.8%). Peru also recorded very sharp 32.3% growth, supported by an improved macroeconomic environment.

Asia-Pacific recorded a decline of 17.4%, due to the 12.5% fall in China as a result of the unfavourable economic climate and network streamlining, as well as the decline in Hong Kong.

**Revenue for Other Activities** totalled €136 million in first-half 2024, up 9.2% as reported and stable like for like.

Business levels were up thanks to the performance of Lagardère Live Entertainment venues (up 12.0%) and good momentum at Lagardère Radio (up 5.9%), driven by the sharp rise in audience figures at Europe 1. The Press business was down 12.1% on the back of lower advertising revenues, while Elle International activities remained broadly stable with growth coming out at 0.3%.

**Recurring operating profit of fully consolidated companies** amounted to €212 million, €71 million higher than in first-half 2023.

- ▶ **Lagardère Publishing** reported €113 million in recurring operating profit, up €48 million on first-half 2023. This performance was driven by growth in the United Kingdom and the United States, a favourable sales mix for physical and digital formats, the interruption of the project to transform logistics and IT infrastructures in France, as well as strong cost discipline.
- ▶ **Lagardère Travel Retail** reported €109 million in recurring operating profit, an improvement of €17 million on first-half 2023. The increase was driven by solid performances across all geographic areas led by Italy and North America, which offset the decline in North Asia.
- ▶ Recurring operating loss of **Other Activities** amounted to €10 million, a €6 million improvement on first-half 2023, due to cost savings achieved across all activities.
- ▶ The **loss from equity-accounted companies** (before impairment) came out at €2 million in the first half of 2024, an improvement of €3 million on the same year-ago period, due to a better operating performance from

Extime Duty Free Paris and despite headwinds for the business at Hainan airport in China.

- ▶ **Non-recurring/non-operating items** included in profit before finance costs and tax represented a net loss of €28 million in the first half of 2024, comprising:
  - €18 million in **restructuring costs**, including €10 million at Other Activities, comprising costs relating to rightsizing the property portfolio and expenses linked to the integration of Lagardère SA into the Vivendi group, and €7 million at Lagardère Publishing, mainly reflecting severance and reorganisation costs in the United States and Spain;
  - €62 million in **amortisation of intangible assets and costs attributable to acquisitions and disposals**, including €55 million for Lagardère Travel Retail, mainly relating to concession agreements in North America (Paradies Lagardère, HBF and Vino Volo), Italy (Rome airport and Airst) and Belgium (IDF); and €7 million for Lagardère Publishing;
  - €1 million in **impairment losses against property, plant and equipment and intangible assets**, mainly concerning intangible assets at Lagardère Travel Retail in the United States;
  - €54 million resulting from the positive **impact of applying IFRS 16 to concession agreements**, of which €50 million at Lagardère Travel Retail (including gains and losses on leases), comprising the cancellation of the fixed rental expense for the concession agreements and the depreciation of the right-of-use assets.

In first-half 2023, non-recurring/non-operating items represented net income of €43 million, including (i) €3 million in net disposal gains, (ii) €14 million in restructuring costs, mainly in connection with the integration of Workman Publishing, and (iii) €53 million in amortisation of intangible assets and fees linked to acquisitions of consolidated companies, of which €47 million at Lagardère Travel Retail relating to concession agreements. During the first six months of 2023, this item also included €11 million in impairment losses on right-of-use assets at Lagardère Publishing in



the United States. Lastly, the impact of applying IFRS 16 on concession agreements amounted to a positive €118 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.

As a result, the Group reported **profit before finance costs and tax** of €182 million in first-half 2024, versus profit of €179 million in first-half 2023.

**Net finance costs** amounted to €69 million for first-half 2024, versus €38 million one year earlier. The year-on-year change in this item primarily reflects the increase in financing costs associated with the refinancing operations carried out in first-half 2024.

**Interest expense on lease liabilities** amounted to €55 million in first-half 2024, compared to €40 million in first-half 2023, an increase of €15 million, attributable mainly to the increase in discount rates between end-June 2023 and end-June 2024.

In the six months to 30 June 2024, the Group recognised **income tax expense** of €56 million, an

increase of €16 million on the prior-year figure, reflecting the business upturn in Europe at Lagardère Travel Retail and Lagardère Publishing, offset by a non-recurring deferred tax effect in 2023 linked to a gain on lease modifications further to the amendment of a concession agreement.

**Profit attributable to minority interests** came out at €22 million in the first half of 2024, versus €16 million in first-half 2023, reflecting business growth primarily at Lagardère Travel Retail in North America and Italy.

## 1.1.2 CONSOLIDATED STATEMENT OF CASH FLOWS

### Cash flows

| (in millions of euros)   | First-half 2024 | First-half 2023 | Full-year 2023 |
|--|-----------------|-----------------|----------------|
| Cash flow from operating activities before changes in working capital                    | 579             | 416             | 1,070          |
| Decrease in lease liabilities  | (220)           | (164)           | (354)          |
| Interest paid on lease liabilities   | (62)            | (40)            | (99)           |
| Changes in working capital relating to lease liabilities                                 | (4)             | (5)             | (6)            |
| <b>Cash flow from operations before changes in working capital and income taxes paid</b> | <b>293</b>      | <b>207</b>      | <b>611</b>     |
| Changes in working capital   | (113)           | (164)           | (14)           |
| Income taxes paid  | (20)            | (29)            | (70)           |
| <b>Cash flow from operations</b>   | <b>160</b>      | <b>14</b>       | <b>527</b>     |
| Cash used in investing activities  | (176)           | (250)           | (652)          |
| - Purchases of intangible assets and property, plant and equipment                       | (125)           | (104)           | (269)          |
| - Purchases of investments   | (51)            | (146)           | (383)          |
| Proceeds from disposals  | 12              | 11              | 37             |
| - Disposals of intangible assets and property, plant and equipment                       | -               | 2               | 3              |
| - Disposals of investments   | 12              | 9               | 34             |
| Interest received  | 8               | 8               | 14             |
| (Increase) decrease in short-term investments  | -               | -               | -              |
| <b>Net cash used in investing activities</b>   | <b>(156)</b>    | <b>(231)</b>    | <b>(601)</b>   |
| <b>Cash flow from (used in) operations and investing activities</b>                      | <b>4</b>        | <b>(217)</b>    | <b>(74)</b>    |
| <b>Net cash used in financing activities excluding lease liabilities</b>                 | <b>(147)</b>    | <b>(213)</b>    | <b>(291)</b>   |
| Other movements  | (13)            | 3               | 4              |
| <b>Change in cash and cash equivalents</b>   | <b>(156)</b>    | <b>(427)</b>    | <b>(361)</b>   |

The Group has applied IFRS 16 since 1 January 2019 using the full retrospective transition approach.

In order to neutralise the impact of IFRS 16, the table above shows net cash from operations and net cash from financing activities excluding lease liabilities. In adopting this presentation, lease payments – represented by interest paid on lease

liabilities and the decrease in lease liabilities – can be included in net cash from operating activities. The data shown thus reflect how Group management monitors performance.

Note 3 to the consolidated financial statements provides a reconciliation of the data set out above with the condensed interim consolidated financial statements.

### 1.1.2.1 Cash flow from operations and investing activities

In the first half of 2024, **cash flow from operations before changes in working capital** (operating cash flow) totalled €293 million, versus cash flow from operations of €207 million one year earlier. The increase in this caption reflects higher recurring operating profit and dividends received from equity-accounted companies at Lagardère Travel Retail.

**Changes in working capital** excluding lease liabilities represented an outflow of €113 million, versus an outflow of €164 million in first-half 2023. This improvement was mainly driven by Lagardère Publishing (€53 million positive impact) in the United States, reflecting a more muted decrease in trade payables and the favourable impact of author payables and advances further to the signing of multi-year contracts in 2023. At Lagardère Travel Retail, the €28 million year-on-year increase in working capital mainly reflects the strong upturn in business in 2023 and the opening of duty free concessions during the period.

**Income taxes paid** represented an outflow of €20 million, compared with an outflow of €29 million in 2023, despite improved business levels, due to the cross-border tax refund in the United States in the first half of 2024.

Taking account of the above items, **cash flow from operations** represented an inflow of €160 million in first-half 2024 versus an inflow of €14 million in first-half 2023.

**Purchases of property, plant and equipment and intangible assets** represented a net outflow of €125 million – an increase of €21 million compared to the prior-year period, notably at Lagardère Travel Retail and in line with investment projects implemented on the back of tender wins.

**Purchases of investments** represented a cash outflow of €51 million in first-half 2024, and mainly concerned the acquisitions of a 50% stake in Extime Travel Essentials Paris and the financing of joint ventures in the Pacific region at Lagardère Travel Retail. In the first half of 2023, purchases of investments amounted to €146 million and mainly concerned the acquisitions of a 49% stake in Extime Duty Free Paris and of Marché International, the financing of joint ventures in the Pacific and Asia regions at Lagardère Travel

Retail, and the consolidation of NEI CEDA at Lagardère Publishing.

**Disposals of property, plant and equipment and intangible assets** represented nil, versus an inflow of €2 million in the same year-ago period.

**Disposals of investments** represented an inflow of €12 million, mainly reflecting the positive change in deposits and guarantees and the disposal by Lagardère Travel Retail of a portion of its stake in an associate in Atlanta (United States). Over the first half of 2023, this item amounted to a net inflow of €9 million.

**Interest received** amounted to €8 million for the period, unchanged from the figure reported in first-half 2023.

In all, **operations and investing activities** represented a net cash inflow of €4 million in first-half 2024, versus a net cash outflow of €217 million in the prior-year period.

### 1.1.2.2 Net cash used in financing activities

Financing activities (excluding leases liabilities) in first-half 2024 represented a net cash outflow of €147 million, comprising:

- ▶ €130 million in dividends paid, including €92 million to shareholders of Lagardère SA and €38 million to minority shareholders (of which €31 million at Lagardère Travel Retail and €7 million at Lagardère Publishing);
- ▶ a net €76 million increase in debt, mainly due to the new loans concluded in June 2024 for €1,300 million, the early redemption of bonds in January 2024 for €1,203 million and of *Schuldschein* loans in June 2024 for €191 million further to the takeover by Vivendi SE, the net increase in the amount drawn down on loans granted by Vivendi SE for €300 million (drawdowns of €1,530 million and repayments of €1,230 million in the first half of the year), the net redemption of commercial paper issues (NEU CP) and medium-term negotiable debt securities for €80 million, and the redemption of the balance of the 2017 bonds for €40 million;
- ▶ interest payments for €92 million, including on Vivendi SE loans for €37 million and bond coupons for €8 million. This item also includes €40 million in mostly floating-rate interest on commercial paper, interest on bank loans (including *Schuldschein* loans), set-up costs for the new bank loans and interest accrued on financial instruments hedging debt denominated in foreign currency.

**1.1.3 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:

| (in millions of euros)   | 30 June 2024   | 31 Dec. 2023 <sup>(**)</sup> |
|--|----------------|------------------------------|
| Short-term investments and cash and cash equivalents                           | 365            | 467                          |
| Financial instruments designated as hedges of debt with a positive fair value  | -              | 7                            |
| Non-current debt excluding liabilities related to minority puts <sup>(*)</sup> | (1,907)        | (327)                        |
| Current debt excluding liabilities related to minority puts <sup>(*)</sup>     | (713)          | (2,190)                      |
| <b>Net debt</b>  | <b>(2,255)</b> | <b>(2,043)</b>               |

(\*) Current and non-current debt (excluding liabilities related to minority puts) includes financial instruments designated as hedges of debt with a negative fair value, representing €2 million and €4 million, respectively, at 30 June 2024 (negative fair value of €7 million and €2 million, respectively, at 31 December 2023).

(\*\*) Data at 31 December 2023 restated to take into account the new definition of net debt (see note 1.3 to the condensed interim consolidated financial statements).

Changes in net debt during first-half 2024 and 2023 were as follows:

| (in millions of euros)   | First-half 2024 | First-half 2023 |
|--|-----------------|-----------------|
| <b>Net debt at 1 January<sup>(*)</sup></b>                       | <b>(2,043)</b>  | <b>(1,647)</b>  |
| Cash flow used in operations and investing activities            | 4               | (217)           |
| Interest paid  | (92)            | (42)            |
| (Acquisitions) disposals of treasury shares                      | (2)             | -               |
| (Acquisitions) disposals of minority interests                   | -               | -               |
| Dividends  | (130)           | (214)           |
| Changes in scope of consolidation                                | (1)             | 1               |
| Fair value of financial instruments designated as hedges of debt | (5)             | 20              |
| Impact of classification of assets as held for sale              | -               | -               |
| Effect on cash of changes in exchange rates and other            | 14              | (1)             |
| <b>Net debt at 30 June<sup>(*)</sup></b>                         | <b>(2,255)</b>  | <b>(2,100)</b>  |

(\*) Data restated to take into account the new definition of net debt (see note 1.3 to the condensed interim consolidated financial statements).

## 1.2 SIGNIFICANT EVENTS OF THE FIRST HALF OF 2024

Any existing or significant link between these events and their impact on the condensed consolidated financial statements is presented in section 1.1 below, or in note 2 to the condensed consolidated financial statements for the six months ended 30 June 2024.

### 1.2.1 APPOINTMENT OF ARNAUD DE PUYFONTAINE TO THE APPOINTMENTS, REMUNERATION AND CSR COMMITTEE

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

### 1.2.2 PIERRE LEROY STEPS DOWN FROM THE GENERAL MANAGEMENT OF THE LAGARDÈRE GROUP

On 19 March 2024, Pierre Leroy, in view of his forthcoming retirement, informed the Board of Directors of his decision to terminate his office as Deputy Chief Executive Officer, member of the Executive Committee and advisor on the Board of Directors of Lagardère SA, with immediate effect.

### 1.2.3 PROSPECTS OF PARIS MATCH MAGAZINE

On 22 May 2024, the Board of Directors of Lagardère SA noted the satisfactory progress of the exclusive discussions initiated with the LVMH group on 27 February 2024, following the offer received for *Paris Match* magazine, and authorised the signature of a preliminary memorandum of understanding and the continuation of exclusive negotiations.

This non-binding memorandum of understanding provides for the sale of *Paris Match* magazine,

subject to the finalisation of negotiations, on the basis of an enterprise value of €120,000,000.

The relevant staff representative bodies are being consulted for their opinions on the proposed transaction. The final binding agreements could be signed at the end of July 2024. Any proposed sale would also be subject to approval by the competition authorities and could be completed at the end of September 2024.

### 1.2.4 GRÉGOIRE CASTAING APPOINTED DEPUTY CHIEF EXECUTIVE OFFICER OF THE LAGARDÈRE GROUP IN CHARGE OF FINANCE

On 23 May 2024, as part of the strengthening of its management structure, Lagardère SA announced the appointment of Grégoire Castaing as Deputy Chief Executive Officer of the

Lagardère group in charge of Finance, effective 3 June 2024. Reporting to the Chairman and Chief Executive Officer, Grégoire Castaing also sits on the Lagardère group Executive Committee.

### 1.2.5 LAGARDÈRE SA SUCCESSFULLY COMPLETES ITS REFINANCING OPERATION

The acquisition of control of Lagardère SA by Vivendi SE in November 2023 led to the early repayment of a significant portion of Lagardère SA's debt, amounting to approximately €1.2 billion. The debt repayment was financed by a loan granted by Vivendi SE to Lagardère SA on 12 December 2023, for a maximum total amount of €1.9 billion due on 31 March 2025.

In this context, on 7 June 2024 Lagardère SA completed a refinancing operation in the total amount of €1.95 billion, including:

- ▶ two bank loans: one for €700 million with an initial term of 24 months, extendable up to 42 months, and one for €600 million with a term of five years, dedicated to repaying the

€1.3 billion loan granted by Vivendi SE on 12 December 2023;

- ▶ two new shareholder loans granted by Vivendi SE to replace the loan dated 12 December 2023, one for €500 million maturing in five years and six months, and the other for €150 million, which is to be partially repaid by 31 December 2024, with any outstanding balance at that date being added to the €500 million loan.

Additionally, a new five-year revolving credit facility (RCF) for €700 million was set up to replace the syndicated revolving credit facility maturing in April 2025.

### 1.2.6 PROVISIONAL APPOINTMENT TO REPLACE ARNAUD LAGARDÈRE AS GROUP CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Following the provisional ban from management activities issued against Arnaud Lagardère on 29 April 2024 that forced him to step down from his positions within the Group, the Board of Directors decided on 30 April to co-opt Jean-Christophe Thiery as a director and to appoint him Chairman and Chief Executive Officer of Lagardère SA on a provisional basis, pending Arnaud Lagardère being able to resume effective management of the Company.

On 28 June, following the partial lifting of the ban from management activities, the Board of Directors of Lagardère SA unanimously reappointed Arnaud Lagardère as Chairman and

Chief Executive Officer to replace Jean-Christophe Thiery, on the latter's recommendation.

The Board of Directors also duly acknowledged the resumption of Arnaud Lagardère's duties as Chairman of Lagardère Commandité SAS and Managing Partner of Lagardère Radio SCA, the holding company for the Group's radio unit (Europe 1, Europe 2 and RFM), which had provisionally been entrusted to Constance Benqué.

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## 1.3 RELATED PARTIES

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Information on related parties is provided in note 20 to the condensed interim consolidated financial statements for the six months ended 30 June 2024.

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**1.4 EVENTS AFTER THE REPORTING PERIOD**

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None.

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**1.5 MAIN RISKS AND UNCERTAINTIES FOR THE REMAINING SIX MONTHS OF THE YEAR**

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A general presentation of risks and uncertainties can be found in chapter 4, "Risk factors and control system" of the Universal Registration Document. These risks and uncertainties, and their level of severity, remain applicable throughout the current year.

Significant developments in disputes since the Universal Registration Document was filed are set out, in particular, in note 19 to the 2024 condensed interim consolidated financial statements.



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## 1.6 OUTLOOK AND LIQUIDITY

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### 2024 outlook

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:

▶ notwithstanding less buoyant markets and pressure on costs, Lagardère Publishing should maintain similar performances to 2023;

▶ with robust momentum in global air traffic, amid ongoing geopolitical tensions and uncertainty regarding the revival of international Chinese tourism, Lagardère Travel Retail has potential for revenue and profitability growth, thanks in particular to its optimisation initiatives.

### Liquidity

At 30 June 2024, the Group's liquidity position remains solid, with €1,145 million in available liquidity (available cash and short-term investments reported on the balance sheet totalling €365 million, an undrawn amount on the

revolving credit facility of €700 million, and the available amount on the credit facility granted by Vivendi SE for €80 million).



## 2024 CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

**Consolidated income statement**

| (in millions of euros)   |                 | First-half 2024 | First-half 2023 | Full-year 2023 |
|--|-----------------|-----------------|-----------------|----------------|
| Revenue  | (Notes 3 and 4) | 4,193           | 3,701           | 8,081          |
| Other income from ordinary activities  |                 | 29              | 29              | 50             |
| <b>Total income from ordinary activities</b>   |                 | <b>4,222</b>    | <b>3,730</b>    | <b>8,131</b>   |
| Purchases and changes in inventories   |                 | (1,589)         | (1,380)         | (2,981)        |
| External charges   |                 | (1,092)         | (1,061)         | (2,233)        |
| Payroll costs  |                 | (953)           | (835)           | (1,759)        |
| Depreciation and amortisation other than on acquisition-related intangible assets            |                 | (91)            | (85)            | (177)          |
| Depreciation of right-of-use assets  | (Note 13)       | (224)           | (175)           | (379)          |
| Amortisation of acquisition-related intangible assets and other acquisition-related expenses |                 | (57)            | (55)            | (112)          |
| Restructuring costs  | (Note 5)        | (18)            | (14)            | (75)           |
| Gains (losses) on disposals of assets  | (Note 6)        | -               | 3               | 10             |
| Gains and losses on leases <sup>(*)</sup>  | (Note 13)       | 6               | 95              | 94             |
| Impairment losses on goodwill, property, plant and equipment and intangible assets           | (Note 7)        | (1)             | (11)            | (47)           |
| Other operating expenses   | (Note 8)        | (20)            | (35)            | (64)           |
| Other operating income   | (Note 9)        | 7               | 7               | 36             |
| Income (loss) from equity-accounted companies  | (Note 14)       | (8)             | (5)             | (10)           |
| <b>Profit before finance costs and tax</b>   | (Note 3)        | <b>182</b>      | <b>179</b>      | <b>434</b>     |
| Financial income   | (Note 10)       | 20              | 14              | 21             |
| Financial expenses   | (Note 10)       | (89)            | (52)            | (118)          |
| Interest expense on lease liabilities  | (Note 13)       | (55)            | (40)            | (89)           |
| <b>Profit before tax</b>   |                 | <b>58</b>       | <b>101</b>      | <b>248</b>     |
| Income tax expense   | (Note 11)       | (56)            | (40)            | (78)           |
| <b>Profit from continuing operations</b>   |                 | <b>2</b>        | <b>61</b>       | <b>170</b>     |
| Profit from discontinued operations  |                 | -               | -               | 5              |
| <b>Profit for the period</b>   |                 | <b>2</b>        | <b>61</b>       | <b>175</b>     |
| Attributable to:   |                 |                 |                 |                |
| Owners of the Parent   |                 | (20)            | 45              | 144            |
| Minority interests   |                 | 22              | 16              | 31             |
| <i>Earnings per share – Attributable to owners of the Parent:</i>                            |                 |                 |                 |                |
| <i>Basic earnings (loss) per share (in €)</i>  | (Note 12)       | <i>(0.14)</i>   | <i>0.32</i>     | <i>1.02</i>    |
| <i>Diluted earnings (loss) per share (in €)</i>  | (Note 12)       | <i>(0.14)</i>   | <i>0.32</i>     | <i>1.01</i>    |
| <i>Earnings per share from continuing operations – Attributable to owners of the Parent:</i> |                 |                 |                 |                |
| <i>Basic earnings (loss) per share (in €)</i>  |                 | <i>(0.14)</i>   | <i>0.32</i>     | <i>0.98</i>    |
| <i>Diluted earnings (loss) per share (in €)</i>  |                 | <i>(0.14)</i>   | <i>0.32</i>     | <i>0.97</i>    |

(\*) Including gains and losses on lease modifications and negative variable lease payments (see note 13).

**Consolidated statement of comprehensive income**

| (in millions of euros)  | First-half<br>2024 | First-half<br>2023 | Full-year<br>2023 |
|---|--------------------|--------------------|-------------------|
| Profit for the period (1)   | 2                  | 61                 | 175               |
| Actuarial gains and losses on pensions and other post-employment benefit obligations <sup>(*)</sup>                               | 5                  | (1)                | (17)              |
| Change in fair value of investments in non-consolidated companies   | -                  | -                  | -                 |
| Other comprehensive income (expense) for the period, net of tax, that will not be reclassified subsequently to profit or loss (2) | 5                  | (1)                | (17)              |
| Currency translation adjustments  | 29                 | (31)               | (32)              |
| Change in fair value of derivative financial instruments <sup>(*)</sup>   | 1                  | 9                  | 6                 |
| Share of other comprehensive income from equity-accounted companies <sup>(*)</sup>  | -                  | -                  | -                 |
| Other comprehensive income for the period, net of tax, that may be reclassified subsequently to profit or loss (3)                | 30                 | (22)               | (26)              |
| Other comprehensive income (expense) for the period, net of tax (2)+(3)   | 35                 | (23)               | (43)              |
| Total comprehensive income for the period (1)+(2)+(3)   | 37                 | 38                 | 132               |
| Attributable to:  |                    |                    |                   |
| Owners of the Parent  | 13                 | 24                 | 103               |
| Minority interests  | 24                 | 14                 | 29                |

(\*) Net of tax.

**Consolidated statement of cash flows**

| (in millions of euros)   |                     | First-half 2024 | First-half 2023 | Full-year 2023 |
|--|---------------------|-----------------|-----------------|----------------|
| Profit from continuing operations                                  |                     | 2               | 61              | 170            |
| Income tax benefit (expense)                                       | (Note 11)           | 56              | 40              | 78             |
| Finance costs, net   | (Note 10)           | 124             | 78              | 186            |
| <b>Profit before finance costs and tax</b>                         |                     | <b>182</b>      | <b>179</b>      | <b>434</b>     |
| Depreciation and amortisation expense                              |                     | 371             | 313             | 663            |
| Impairment losses, provision expense and other non-cash items      |                     | 8               | 12              | 60             |
| (Gains) losses on disposals of assets and on leases                |                     | (6)             | (98)            | (103)          |
| Dividends received from equity-accounted companies                 |                     | 16              | 5               | 6              |
| (Income) loss from equity-accounted companies                      | (Note 14)           | 8               | 5               | 10             |
| Changes in working capital   | (Note 15)           | (117)           | (169)           | (20)           |
| <b>Cash flow from operating activities</b>                         |                     | <b>462</b>      | <b>247</b>      | <b>1,050</b>   |
| Income taxes paid  |                     | (20)            | (29)            | (70)           |
| <b>Net cash from operating activities</b>                          | (A)                 | <b>442</b>      | <b>218</b>      | <b>980</b>     |
| <b>Cash used in investing activities</b>                           |                     |                 |                 |                |
| - Purchases of intangible assets and property, plant and equipment | (Note 3)            | (125)           | (104)           | (269)          |
| - Purchases of investments   | (Note 3)            | (24)            | (147)           | (383)          |
| - Cash acquired through acquisitions                               | (Note 3)            | (3)             | 23              | 42             |
| - Purchases of other non-current assets                            | (Note 3)            | (24)            | (22)            | (42)           |
| <b>Total cash used in investing activities</b>                     | (B)                 | <b>(176)</b>    | <b>(250)</b>    | <b>(652)</b>   |
| <b>Cash from investing activities</b>                              |                     |                 |                 |                |
| Proceeds from disposals of non-current assets                      |                     |                 |                 |                |
| - Disposals of intangible assets and property, plant and equipment | (Note 3)            | -               | 2               | 3              |
| - Disposals of investments   | (Note 3)            | 3               | -               | 24             |
| - Cash transferred on disposals                                    | (Note 3)            | -               | -               | -              |
| Decrease in other non-current assets                               | (Note 3)            | 9               | 9               | 10             |
| <b>Total cash from investing activities</b>                        | (C)                 | <b>12</b>       | <b>11</b>       | <b>37</b>      |
| Interest received  | (D)                 | 8               | 8               | 14             |
| <b>Net cash used in investing activities</b>                       | (F)=(B)+(C)+(D)     | <b>(156)</b>    | <b>(231)</b>    | <b>(601)</b>   |
| <b>Net cash from (used in) operating and investing activities</b>  | (G)=(A) + (F)       | <b>286</b>      | <b>(13)</b>     | <b>379</b>     |
| <b>Capital transactions</b>  |                     |                 |                 |                |
| - Minority interests' share in capital increases by subsidiaries   |                     | 1               | -               | 1              |
| - (Acquisitions) disposals of treasury shares                      |                     | (2)             | -               | -              |
| - (Acquisitions) disposals of minority interests                   |                     | -               | -               | (15)           |
| - Dividends paid to owners of the Parent                           |                     | (92)            | (183)           | (183)          |
| - Dividends paid to minority shareholders of subsidiaries          |                     | (38)            | (31)            | (47)           |
| <b>Total capital transactions</b>                                  | (H)                 | <b>(131)</b>    | <b>(214)</b>    | <b>(244)</b>   |
| <b>Financing transactions</b>                                      |                     |                 |                 |                |
| - Increase in debt   |                     | 1,910           | 428             | 810            |
| - Decrease in debt   |                     | (1,834)         | (385)           | (757)          |
| <b>Total movements in debt</b>                                     | (Note 16.1) - (I)   | <b>76</b>       | <b>43</b>       | <b>53</b>      |
| Interest paid  | (J)                 | (92)            | (42)            | (100)          |
| Decrease in lease liabilities                                      | (Note 13) - (J)     | (220)           | (164)           | (354)          |
| Interest paid on lease liabilities                                 | (Note 13) - (J)     | (62)            | (40)            | (99)           |
| <b>Net cash used in financing activities</b>                       | (K)=(H)+(I)+(J)     | <b>(429)</b>    | <b>(417)</b>    | <b>(744)</b>   |
| <b>Other movements</b>   |                     |                 |                 |                |
| - Effect on cash of changes in exchange rates                      |                     | (14)            | 3               | 7              |
| - Effect on cash of other movements                                |                     | 1               | -               | (3)            |
| <b>Total other movements</b>                                       | (L)                 | <b>(13)</b>     | <b>3</b>        | <b>4</b>       |
| <b>Net cash used in discontinued operations</b>                    | (M)                 | <b>-</b>        | <b>-</b>        | <b>-</b>       |
| <b>Change in cash and cash equivalents</b>                         | (N)=(G)+(K)+(L)+(M) | <b>(156)</b>    | <b>(427)</b>    | <b>(361)</b>   |
| Cash and cash equivalents at beginning of period                   |                     | 385             | 746             | 746            |
| Cash and cash equivalents at end of period                         | (Note 15)           | 229             | 318             | 385            |

**Consolidated balance sheet**

| <b>ASSETS (in millions of euros)</b>      |                  | <b>30 June 2024</b> | <b>31 Dec. 2023</b> |
|---|------------------|---------------------|---------------------|
| Intangible assets                         |                  | 1,062               | 1,099               |
| Goodwill                                  |                  | 1,720               | 1,695               |
| Right-of-use assets                       | <i>(Note 13)</i> | 2,204               | 2,070               |
| Property, plant and equipment             |                  | 777                 | 740                 |
| Investments in equity-accounted companies | <i>(Note 14)</i> | 170                 | 158                 |
| Other non-current assets                  |                  | 198                 | 184                 |
| Deferred tax assets                       |                  | 266                 | 275                 |
| <b>Total non-current assets</b>           |                  | <b>6,397</b>        | <b>6,221</b>        |
| Inventories                               | <i>(Note 15)</i> | 920                 | 842                 |
| Trade receivables                         | <i>(Note 15)</i> | 988                 | 1,013               |
| Other current assets                      |                  | 802                 | 780                 |
| Cash and cash equivalents                 | <i>(Note 15)</i> | 365                 | 467                 |
| <b>Total current assets</b>               |                  | <b>3,075</b>        | <b>3,102</b>        |
| <b>Total assets</b>                       |                  | <b>9,472</b>        | <b>9,323</b>        |

**Consolidated balance sheet**

| EQUITY AND LIABILITIES (in millions of euros)                         |           | 30 June 2024 | 31 Dec. 2023 |
|---|-----------|--------------|--------------|
| Share capital   |           | 861          | 861          |
| Share premiums  |           | -            | -            |
| Reserves and retained earnings  |           | 42           | (34)         |
| Profit (loss) for the period attributable to owners of the Parent     |           | (20)         | 144          |
| Other comprehensive income  |           | (114)        | (134)        |
| <b>Equity attributable to owners of the Parent</b>                    |           | <b>769</b>   | <b>837</b>   |
| Minority interests  | (Note 17) | 108          | 119          |
| <b>Total equity</b>   |           | <b>877</b>   | <b>956</b>   |
| Provisions for pensions and other post-employment benefit obligations |           | 80           | 89           |
| Non-current provisions for contingencies and losses                   |           | 133          | 117          |
| Non-current debt  | (Note 16) | 1,966        | 382          |
| Non-current lease liabilities   | (Note 13) | 2,045        | 1,947        |
| Other non-current liabilities   |           | 43           | 42           |
| Deferred tax liabilities  |           | 285          | 280          |
| <b>Total non-current liabilities</b>                                  |           | <b>4,552</b> | <b>2,857</b> |
| Current provisions for contingencies and losses                       |           | 112          | 122          |
| Current debt  | (Note 16) | 713          | 2,191        |
| Current lease liabilities   | (Note 13) | 455          | 425          |
| Trade payables  | (Note 15) | 1,398        | 1,392        |
| Other current liabilities   |           | 1,365        | 1,380        |
| <b>Total current liabilities</b>                                      |           | <b>4,043</b> | <b>5,510</b> |
| <b>Total equity and liabilities</b>                                   |           | <b>9,472</b> | <b>9,323</b> |

**Consolidated statement of changes in equity**

|  | Share capital | Share premiums | Other reserves | Treasury shares | Translation reserve | Valuation reserve | Equity attributable to owners of the Parent | Minority interests | Total equity |
|--|---------------|----------------|----------------|-----------------|---------------------|-------------------|---|--------------------|--------------|
| <b>(in millions of euros)</b>                              |               |                |                |                 |                     |                   |   |                    |              |
| <b>At 31 December 2022</b>                                 | <b>861</b>    | <b>-</b>       | <b>105</b>     | <b>(57)</b>     | <b>63</b>           | <b>(73)</b>       | <b>899</b>                                  | <b>131</b>         | <b>1,030</b> |
| Profit for the period                                      | -             | -              | 45             | -               | -                   | -                 | 45  | 16                 | 61           |
| Other comprehensive income (expense) for the period (a)    | -             | -              | (1)            | -               | (30)                | 9                 | (22)  | (1)                | (23)         |
| <b>Total comprehensive income (expense) for the period</b> | <b>-</b>      | <b>-</b>       | <b>44</b>      | <b>-</b>        | <b>(30)</b>         | <b>9</b>          | <b>23</b>                                   | <b>15</b>          | <b>38</b>    |
| Dividends paid   | -             | -              | (183)          | -               | -                   | -                 | (183)                                       | (31)               | (214)        |
| Parent company capital increase/reduction (b)              | -             | -              | (3)            | 3               | -                   | -                 | -   | -                  | -            |
| Minority interests' share in capital increases             | -             | -              | -              | -               | -                   | -                 | -   | -                  | -            |
| Changes in treasury shares                                 | -             | -              | -              | -               | -                   | -                 | -   | -                  | -            |
| Share-based payments                                       | -             | -              | 7              | -               | -                   | -                 | 7   | -                  | 7            |
| Effect of transactions with minority interests             | -             | -              | 2              | -               | -                   | -                 | 2   | -                  | 2            |
| Changes in scope of consolidation and other                | -             | -              | (3)            | -               | 1                   | (1)               | (3)   | 2                  | (1)          |
| <b>At 30 June 2023</b>                                     | <b>861</b>    | <b>-</b>       | <b>(31)</b>    | <b>(54)</b>     | <b>34</b>           | <b>(65)</b>       | <b>745</b>                                  | <b>117</b>         | <b>862</b>   |
| <b>Balance at 31 December 2023</b>                         | <b>861</b>    | <b>-</b>       | <b>65</b>      | <b>(54)</b>     | <b>33</b>           | <b>(68)</b>       | <b>837</b>                                  | <b>119</b>         | <b>956</b>   |
| Profit for the period                                      | -             | -              | (20)           | -               | -                   | -                 | (20)  | 22                 | 2            |
| Other comprehensive income (expense) for the period (a)    | -             | -              | 5              | -               | 27                  | 1                 | 33  | 2                  | 35           |
| <b>Total comprehensive income (expense) for the period</b> | <b>-</b>      | <b>-</b>       | <b>(15)</b>    | <b>-</b>        | <b>27</b>           | <b>1</b>          | <b>13</b>                                   | <b>24</b>          | <b>37</b>    |
| Dividends paid   | -             | -              | (92)           | -               | -                   | -                 | (92)  | (38)               | (130)        |
| Parent company capital increase/reduction (b)              | -             | -              | -              | -               | -                   | -                 | -   | -                  | -            |
| Minority interests' share in capital increases             | -             | -              | -              | -               | -                   | -                 | -   | 1                  | 1            |
| Changes in treasury shares                                 | -             | -              | -              | (2)             | -                   | -                 | (2)   | -                  | (2)          |
| Share-based payments                                       | -             | -              | 11             | -               | -                   | -                 | 11  | -                  | 11           |
| Effect of transactions with minority interests             | -             | -              | 2              | -               | -                   | -                 | 2   | 1                  | 3            |
| Changes in scope of consolidation and other                | -             | -              | -              | -               | -                   | -                 | -   | 1                  | 1            |
| <b>Balance at 30 June 2024</b>                             | <b>861</b>    | <b>-</b>       | <b>(29)</b>    | <b>(56)</b>     | <b>60</b>           | <b>(67)</b>       | <b>769</b>                                  | <b>108</b>         | <b>877</b>   |

(a) See note 17 to the consolidated financial statements.

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



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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## NOTES TO THE 2024 CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(All figures are expressed in millions of euros unless otherwise specified)

### NOTE 1 ACCOUNTING POLICIES AND SIGNIFICANT EVENTS

The condensed interim consolidated financial statements at 30 June 2024 have been prepared in compliance with IAS 34 – Interim Financial Reporting. The accompanying notes do not contain all the disclosures required for a complete set of annual financial statements. These condensed interim consolidated financial statements should therefore be read in conjunction with the annual consolidated financial statements published for 2023.

**The new standards and/or amendments** to IFRSs adopted by the European Union that are **effective for periods beginning on or after 1 January 2024**, are as follows:

- ▶ Amendments to IAS 1 – Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants.
- ▶ Amendments to IFRS 16 – Lease Liability in a Sale and Leaseback.
- ▶ Amendments to IAS 7 and IFRS 7 – Supplier Finance Arrangements.

**The above amendments** do not have an impact on the consolidated financial statements.

**The new standards and amendments** to existing standards published by the International Accounting Standards Board (IASB) at 30 June 2024 **which have not yet been endorsed by the European Union and which will be effective subsequent to 2024** are as follows:

- ▶ Amendments to IAS 21 – Lack of Exchangeability.
- ▶ Classification and Measurement of Financial Instruments (draft amendments to IFRS 9 and IFRS 7).
- ▶ IFRS 18 – Presentation and Disclosure in Financial Statements.

- ▶ IFRS 19 – Subsidiaries without Public Accountability – Disclosures.

The condensed interim consolidated financial statements were approved for issue by the Board of Directors of Lagardère SA on 23 July 2024.

#### 1.1 WORK ON INTERNATIONAL TAX REFORM: 15% GLOBAL MINIMUM TAX (PILLAR TWO)

The European Pillar Two directive, which has been transposed into French law, is effective for financial periods beginning on or after 1 January 2024.

The Global Anti-Base Erosion Model Rules ("GloBE rules") aim to ensure that multinational enterprises with revenue exceeding €750 million are taxed effectively at a rate of at least 15% in each jurisdiction in which they operate.

The Lagardère group must determine the GloBE effective tax rate in each jurisdiction in which it operates and, if this is lower than the minimum rate, pay an additional tax.

The directive provides for temporary safe harbours from 2024 to 2026 and for exemptions from detailed calculation for tax jurisdictions that meet one of the following criteria, the calculations of which are based on Country by Country Reporting (CbCR):

- ▶ total revenue of less than €10 million and profit before tax of less than €1 million;
- ▶ the effective tax rate, calculated by dividing the tax charge adjusted for uncertain tax positions by profit before tax, will exceed 15% in 2024, 16% in 2025 and 17% in 2026;
- ▶ profit before tax less than or equal to the sum of (i) 8% of the net book value of property, plant and equipment (including right-of-use assets) and (ii) 10% of payroll costs.

The Group has applied the May 2023 amendment to IAS 12, which provides for the recognition of "top-up tax" and relief from accounting for deferred tax arising from it as from 2024.

Based on data from the Lagardère group's 2023 CbCR, and after applying safe harbours in order to identify the tax jurisdictions for which detailed calculations would be necessary, the estimated amount of "top-up tax" for the period is not significant.

In the second half of 2024, the Lagardère group will step up this work jointly with the Vivendi and Bolloré groups, as the safe harbour calculations must be carried out at the level of the ultimate parent entity of the CbCR, i.e., Bolloré Participations SE, and the detailed calculations by tax jurisdiction must be carried out at the level of Vivendi SE.

## 1.2 LIQUIDITY

At 30 June 2024, the Group's liquidity stood at €1,145 million, comprising €365 million in cash and cash equivalents, an undrawn revolving credit facility of €700 million granted by a syndicate of the Group's banking partners and the undrawn portion of the credit facility granted by Vivendi SE for €80 million.

As part of its review of the financial statements for the six months to 30 June, management examined cash flow forecasts for the next 12 months and assessed its liquidity position in light of its financing requirements over that period – both operational and those relating to the repayment of maturities of €713 million (including €471 million in commercial paper).

Since 7 June 2024, the Lagardère group has refinanced its debt (see note 16) through two bank loans of €700 million and €600 million, maturing in 24 months (with options to extend to 42 months) and five years respectively. In addition, a new five-year revolving credit facility with a maximum available amount of €700 million has replaced the syndicated loan of May 2015, which had a maximum available amount of €982 million until April 2025. This credit facility was fully undrawn at 30 June 2024. The loan agreement with Vivendi SE dated 12 December 2023 has also been amended, and now includes a maximum available amount of €500 million due on 7 December 2029, as well as an additional available loan facility of €150 million, €70 million of which was drawn down at 30 June 2024, due on 31 December 2024. Any outstanding balance on this latter facility at 31 December 2024 would be added to the principal loan with Vivendi SE due on 7 December 2029.

### 1.3 CHANGE IN THE DEFINITION OF NET DEBT – ALTERNATIVE PERFORMANCE MEASURE

Further to Vivendi SE's takeover of the Lagardère group on 21 November 2023, the definition of net debt used by senior management, which is an alternative performance measure, has been aligned with that of Vivendi SE. Accordingly, net debt no longer includes liabilities related to minority puts.

Compared with the definition given in note 3.2 to Lagardère SA's 2023 consolidated financial statements, net debt is now calculated as the sum of:

- ▶ cash and cash equivalents and short-term investments;

- ▶ assets or liabilities representing financial instruments designated as hedges of debt;
- ▶ current and non-current debt excluding liabilities related to minority puts.

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#### = Net debt

The reconciliation between balance sheet items and net debt is set out in note 16.

The new bank loans and the revolving credit facility signed on 7 June 2024 include a financial leverage covenant which, like the previous syndicated credit agreement, stipulates compliance with a ratio of net debt to adjusted EBITDA. For the purposes of calculating this ratio, the former definition of net debt continues to apply, i.e., including liabilities related to minority puts (see note 16).

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## NOTE 2 MAIN CHANGES IN THE SCOPE OF CONSOLIDATION

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### 2.1 FIRST-HALF 2024

There were no significant changes in the scope of consolidation during the first half of 2024.

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## NOTE 3 SEGMENT INFORMATION

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The Group is structured around its two priority divisions (Lagardère Publishing and Lagardère Travel Retail) and also has an “Other Activities” segment.

The Group's internal management reporting is structured around its two core operating divisions (Lagardère Publishing and Lagardère Travel Retail), and “Other Activities”:

- ▶ **Lagardère Publishing** includes the Book Publishing and e-Publishing businesses and Distribution, covering all segments of the consumer publishing market (including textbooks and extra-curricular works, general literature, illustrated books, partworks, dictionaries, children and young adult titles, paperbacks and travel guides), as well as board games, mobile games and premium stationery.
- ▶ **Lagardère Travel Retail**, which consists of retail operations in transit hubs and concessions in three business segments:

Travel Essentials, Duty Free & Fashion, and Foodservice.

- ▶ **Other Activities**, which bring together Lagardère News (*Paris Match*, *Le Journal du Dimanche*, and the Elle brand licence), Lagardère Radio (Europe 1, Europe 2, RFM and advertising sales brokerage), Lagardère Live Entertainment, Lagardère Paris Racing, and the Group Corporate function. The Corporate function is used primarily to report the effect of financing obtained by the Group and the net operating costs of Group holding companies.

The data presented by division were calculated using the same accounting rules and methods as those used in the consolidated financial statements and described in the accompanying notes. The data include key alternative performance measures.

Transactions between business divisions are carried out on arm's length terms.

**First-half 2024 income statement**

|  | Lagardère<br>Publishing | Lagardère<br>Travel Retail | Other<br>Activities | Total        |
|--|-------------------------|----------------------------|---------------------|--------------|
| Revenue  | 1,313                   | 2,748                      | 136                 | 4,197        |
| Inter-segment revenue  | (4)                     | -                          | -                   | (4)          |
| <b>Consolidated revenue</b>  | <b>1,309</b>            | <b>2,748</b>               | <b>136</b>          | <b>4,193</b> |
| Other income from ordinary activities  | 6                       | 10                         | 13                  | 29           |
| <b>Total income from ordinary activities</b>   | <b>1,315</b>            | <b>2,758</b>               | <b>149</b>          | <b>4,222</b> |
| <b>Recurring operating profit (loss) of fully consolidated companies</b>                   | <b>113</b>              | <b>109</b>                 | <b>(10)</b>         | <b>212</b>   |
| Income (loss) from equity-accounted companies before impairment losses                     | 1                       | (3)                        | -                   | (2)          |
| Restructuring costs  | (7)                     | (1)                        | (10)                | (18)         |
| Gains (losses) on disposals  | -                       | -                          | -                   | -            |
| Impairment losses <sup>(*)</sup>   | -                       | (1)                        | -                   | (1)          |
| <i>Fully consolidated companies</i>  | -                       | (1)                        | -                   | (1)          |
| <i>Equity-accounted companies</i>  | -                       | -                          | -                   | -            |
| Amortisation of acquisition-related intangible assets                                      | (7)                     | (56)                       | -                   | (63)         |
| <i>Fully consolidated companies</i>  | (7)                     | (50)                       | -                   | (57)         |
| <i>Equity-accounted companies</i>  | -                       | (6)                        | -                   | (6)          |
| Expenses related to acquisitions and disposals   | -                       | -                          | -                   | -            |
| Purchase price adjustment  | -                       | -                          | -                   | -            |
| Impact of IFRS 16 on concession agreements and gains/losses on lease modifications         | -                       | 50                         | 4                   | 54           |
| <b>Profit (loss) before finance costs and tax</b>  | <b>100</b>              | <b>98</b>                  | <b>(16)</b>         | <b>182</b>   |
| <b>Items included in recurring operating profit (loss) of fully consolidated companies</b> |                         |                            |                     |              |
| Depreciation and amortisation of property, plant and equipment and intangible assets       | (19)                    | (67)                       | (5)                 | (91)         |
| Depreciation of right-of-use assets – Buildings and other                                  | (17)                    | (7)                        | (10)                | (34)         |
| Cost of free share plans   | (5)                     | (4)                        | (2)                 | (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:

|   | Lagardère<br>Publishing | Lagardère<br>Travel Retail | Other<br>Activities | Total |
|---|-------------------------|----------------------------|---------------------|-------|
| <b>Impact of IFRS 16 on concession agreements and gains/losses on lease modifications</b> | -                       | 50                         | 4                   | 54    |
| Gains and losses on leases  | -                       | 2                          | 4                   | 6     |
| Depreciation of right-of-use assets   | -                       | (190)                      | -                   | (190) |
| Decrease in lease liabilities   | -                       | 180                        | -                   | 180   |
| Interest paid on lease liabilities  | -                       | 56                         | -                   | 56    |
| Changes in working capital relating to lease liabilities                                  | -                       | 2                          | -                   | 2     |

**First-half 2023 income statement**

|  | Lagardère<br>Publishing | Lagardère<br>Travel Retail | Other<br>Activities | Total        |
|--|-------------------------|----------------------------|---------------------|--------------|
| Revenue  | 1,251                   | 2,329                      | 125                 | 3,705        |
| Inter-segment revenue  | (4)                     | -                          | -                   | (4)          |
| <b>Consolidated revenue</b>  | <b>1,247</b>            | <b>2,329</b>               | <b>125</b>          | <b>3,701</b> |
| Other income from ordinary activities  | 7                       | 5                          | 17                  | 29           |
| <b>Total income from ordinary activities</b>   | <b>1,254</b>            | <b>2,334</b>               | <b>142</b>          | <b>3,730</b> |
| <b>Recurring operating profit (loss) of fully consolidated companies</b>                   | <b>65</b>               | <b>92</b>                  | <b>(16)</b>         | <b>141</b>   |
| Income (loss) from equity-accounted companies before impairment losses                     | 2                       | (7)                        | -                   | (5)          |
| Restructuring costs  | (10)                    | -                          | (4)                 | (14)         |
| Gains (losses) on disposals  | -                       | 1                          | 2                   | 3            |
| Impairment losses <sup>(*)</sup>   | (11)                    | -                          | -                   | (11)         |
| Amortisation of acquisition-related intangible assets                                      | (7)                     | (47)                       | -                   | (54)         |
| Expenses related to acquisitions and disposals   | -                       | (1)                        | -                   | (1)          |
| Purchase price adjustment  | 1                       | 1                          | -                   | 2            |
| Impact of IFRS 16 on concession agreements   | -                       | 118                        | -                   | 118          |
| <b>Profit (loss) before finance costs and tax</b>  | <b>40</b>               | <b>157</b>                 | <b>(18)</b>         | <b>179</b>   |
| <b>Items included in recurring operating profit (loss) of fully consolidated companies</b> |                         |                            |                     |              |
| Depreciation and amortisation of property, plant and equipment and intangible assets       | (18)                    | (62)                       | (5)                 | (85)         |
| Depreciation of right-of-use assets – Buildings and other                                  | (17)                    | (6)                        | (11)                | (34)         |
| Cost of free share plans   | (3)                     | (2)                        | (2)                 | (7)          |

(\*) 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:

|  | Lagardère<br>Publishing | Lagardère<br>Travel Retail | Other<br>Activities | Total      |
|--|-------------------------|----------------------------|---------------------|------------|
| <b>Impact of IFRS 16 on concession agreements</b>        | <b>-</b>                | <b>118</b>                 | <b>-</b>            | <b>118</b> |
| Gains and losses on leases                               | -                       | 95                         | -                   | 95         |
| Depreciation of right-of-use assets                      | -                       | (141)                      | -                   | (141)      |
| Decrease in lease liabilities                            | -                       | 128                        | -                   | 128        |
| Interest paid on lease liabilities                       | -                       | 33                         | -                   | 33         |
| Changes in working capital relating to lease liabilities | -                       | 3                          | -                   | 3          |

**First-half 2024 statement of cash flows**

|   | Lagardère<br>Publishing | Lagardère<br>Travel Retail | Other<br>Activities and<br>eliminations | Total      |
|---|-------------------------|----------------------------|---|------------|
| Cash flow from (used in) operating activities   | 12                      | 452                        | (2)                                     | 462        |
| Decrease in lease liabilities <sup>(*)</sup>  | (18)                    | (189)                      | (13)                                    | (220)      |
| Interest paid on lease liabilities <sup>(*)</sup>   | (4)                     | (57)                       | (1)                                     | (62)       |
| Cash flow from (used in) operations before income taxes paid  | (10)                    | 206                        | (16)                                    | 180        |
| Income taxes paid   | (26)                    | (7)                        | 13                                      | (20)       |
| Cash flow from (used in) operations   | (36)                    | 199                        | (3)                                     | 160        |
| Net cash used in investing activities relating to intangible assets and property, plant and equipment | (19)                    | (104)                      | (2)                                     | (125)      |
| - Purchases   | (19)                    | (104)                      | (2)                                     | (125)      |
| - Proceeds from disposals   | -                       | -                          | -                                       | -          |
| Free cash flow  | (55)                    | 95                         | (5)                                     | 35         |
| <i>o/w free cash flow excluding changes in working capital</i>  | <i>73</i>               | <i>83</i>                  | <i>(8)</i>                              | <i>148</i> |
| Net cash from (used in) investing activities relating to investments                                  | -                       | (36)                       | (3)                                     | (39)       |
| - Purchases   | (1)                     | (48)                       | (2)                                     | (51)       |
| - Proceeds from disposals   | 1                       | 12                         | (1)                                     | 12         |
| Interest received   | 8                       | 2                          | (2)                                     | 8          |
| (Increase) decrease in short-term investments   | -                       | -                          | -                                       | -          |
| Cash flow from (used in) operations and investing activities  | (47)                    | 61                         | (10)                                    | 4          |

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



**First-half 2023 statement of cash flows**

|   | <b>Lagardère<br/>Publishing</b> | <b>Lagardère<br/>Travel Retail</b> | <b>Other<br/>Activities and<br/>eliminations</b> | <b>Total</b> |
|---|---------------------------------|------------------------------------|--|--------------|
| Cash flow from (used in) operating activities   | (92)                            | 372                                | (33)   | 247          |
| Decrease in lease liabilities <sup>(*)</sup>  | (19)                            | (136)                              | (9)  | (164)        |
| Interest paid on lease liabilities <sup>(*)</sup>   | (4)                             | (35)                               | (1)  | (40)         |
| Cash flow from (used in) operations before income taxes paid  | (115)                           | 201                                | (43)   | 43           |
| Income taxes paid   | (37)                            | (4)                                | 12   | (29)         |
| Cash flow from (used in) operations   | (152)                           | 197                                | (31)   | 14           |
| Net cash used in investing activities relating to intangible assets and property, plant and equipment | (27)                            | (71)                               | (4)  | (102)        |
| - Purchases   | (27)                            | (73)                               | (4)  | (104)        |
| - Proceeds from disposals   | -                               | 2                                  | -  | 2            |
| Free cash flow  | (179)                           | 126                                | (35)   | (88)         |
| <i>o/w free cash flow excluding changes in working capital</i>  | <i>3</i>                        | <i>86</i>                          | <i>(13)</i>                                      | <i>76</i>    |
| Net cash from (used in) investing activities relating to investments                                  | 6                               | (149)                              | 6  | (137)        |
| - Purchases   | 5                               | (156)                              | 5  | (146)        |
| - Proceeds from disposals   | 1                               | 7                                  | 1  | 9            |
| Interest received   | 7                               | 2                                  | (1)  | 8            |
| (Increase) decrease in short-term investments   | -                               | -                                  | -  | -            |
| Cash flow from (used in) operations and investing activities  | (166)                           | (21)                               | (30)   | (217)        |

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

**Balance sheet at 30 June 2024**

|   | Lagardère<br>Publishing | Lagardère<br>Travel Retail | Other<br>Activities and<br>eliminations | Total        |
|---|-------------------------|----------------------------|---|--------------|
| Segment assets  | 3,551                   | 4,859                      | 527                                     | 8,937        |
| Investments in equity-accounted companies               | 27                      | 137                        | 6                                       | 170          |
| Segment liabilities                                     | (1,813)                 | (3,643)                    | (519)                                   | (5,975)      |
| <b>Capital employed</b>                                 | <b>1,765</b>            | <b>1,353</b>               | <b>14</b>                               | <b>3,132</b> |
| Net cash and cash equivalents (net debt) <sup>(*)</sup> |                         |                            |   | (2,255)      |
| <b>Equity</b>   |                         |                            |   | <b>877</b>   |

(\*) The definition of net debt, an alternative performance measure, was changed in 2024 to bring it into line with that of the Vivendi group, and now excludes liabilities related to minority puts (see note 1.3).

**Balance sheet at 31 December 2023**

|   | Lagardère<br>Publishing | Lagardère<br>Travel Retail | Other<br>Activities and<br>eliminations | Total        |
|---|-------------------------|----------------------------|---|--------------|
| Segment assets  | 3,542                   | 4,586                      | 563                                     | 8,691        |
| Investments in equity-accounted companies               | 28                      | 124                        | 6                                       | 158          |
| Segment liabilities                                     | (1,952)                 | (3,353)                    | (545)                                   | (5,850)      |
| <b>Capital employed<sup>(*)</sup></b>                   | <b>1,618</b>            | <b>1,357</b>               | <b>24</b>                               | <b>2,999</b> |
| Net cash and cash equivalents (net debt) <sup>(*)</sup> |                         |                            |   | (2,043)      |
| <b>Equity</b>   |                         |                            |   | <b>956</b>   |

(\*) Data at 31 December 2023 restated, corresponding to the new definition of net debt, an alternative performance measure (see note 1.3).

**NOTE 4 REVENUE**

Revenue breaks down as follows by business and by division:

|  | First-half 2024 | First-half 2023 |
|--|-----------------|-----------------|
| <b>Lagardère Publishing</b>            | <b>1,309</b>    | <b>1,247</b>    |
| General Literature                     | 591             | 521             |
| Illustrated Books                      | 229             | 227             |
| Partworks                              | 135             | 135             |
| Education                              | 121             | 130             |
| Other                                  | 233             | 234             |
| <b>Lagardère Travel Retail</b>         | <b>2,748</b>    | <b>2,329</b>    |
| Travel Essentials                      | 925             | 829             |
| Duty Free & Fashion                    | 1,029           | 902             |
| Foodservice                            | 794             | 598             |
| <b>Other Activities</b>                | <b>136</b>      | <b>125</b>      |
| Press and licences                     | 49              | 53              |
| Radio                                  | 41              | 39              |
| Lagardère Live Entertainment and other | 46              | 33              |
| <b>Total</b>                           | <b>4,193</b>    | <b>3,701</b>    |

Revenue breaks down as follows by country and by division:

|   | First-half 2024 | First-half 2023 |
|---|-----------------|-----------------|
| <b>Lagardère Publishing</b>                       | <b>1,309</b>    | <b>1,247</b>    |
| United States and Canada                          | 414             | 372             |
| France  | 376             | 346             |
| United Kingdom, Ireland and Oceania               | 256             | 254             |
| Spain   | 58              | 57              |
| Other Europe                                      | 90              | 108             |
| Other   | 115             | 110             |
| <b>Lagardère Travel Retail</b>                    | <b>2,748</b>    | <b>2,329</b>    |
| Europe, Middle East and Africa (excluding France) | 1,350           | 1,088           |
| Americas  | 757             | 633             |
| France  | 471             | 397             |
| China   | 134             | 182             |
| Other Asia-Pacific                                | 36              | 29              |
| <b>Other Activities</b>                           | <b>136</b>      | <b>125</b>      |
| France  | 108             | 103             |
| Asia-Pacific                                      | 10              | 9               |
| Western Europe                                    | 7               | 6               |
| United States and Canada                          | 11              | 7               |
| <b>Total</b>                                      | <b>4,193</b>    | <b>3,701</b>    |

Revenue for the Lagardère group came in at €4,193 million for first-half 2024, up 13.3% on a reported basis and up 10.1% like for like. The difference between reported and like-for-like data is attributable to a €107 million positive scope effect, mainly due to the acquisitions by Lagardère Travel Retail of Tastes on the Fly (€79 million), Marché International (€9 million) and Costa Coffee in Poland (€7 million), as well as to

the acquisition at Other Activities of Funkshion Labs (€6 million) and Euterpe Promotion (€6 million).

E-books accounted for 7.7% of total Lagardère Publishing revenue in the first half of 2024 (7.8% in first-half 2023), while digital audiobooks represented 6.1% of revenue (4.7% in first-half 2023).

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## NOTE 5 RESTRUCTURING COSTS

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Restructuring costs amounted to €18 million in **first-half 2024** and chiefly concern:

- ▶ €10 million in Other Activities, consisting of costs relating to rightsizing the property portfolio and to the integration of Lagardère SA into the Vivendi group;
- ▶ €7 million at Lagardère Publishing, mainly in the United States and Spain, including severance and reorganisation costs.

Restructuring costs amounted to €14 million in **first-half 2023** and chiefly concerned:

- ▶ €10 million at Lagardère Publishing, mainly relating to the integration of Workman Publishing in the United States;
- ▶ €4 million for Other Activities, consisting of expenses relating to Vivendi SE's public tender offer for Lagardère SA, as well as costs inherent in the takeover.

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## NOTE 6 CAPITAL GAINS AND LOSSES

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In **first-half 2024**, capital gains or losses on the disposal of assets were nil.

In the **first half of 2023**, the Group recorded a net capital gain of €3 million, mainly concerning the expiry of warranties granted in connection with disposals carried out in prior periods.

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## NOTE 7 IMPAIRMENT LOSSES ON GOODWILL, PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS

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No indication of impairment was identified for the Group's CGUs at 30 June 2024.

### *Recognised impairment losses*

In **first-half 2024**, impairment losses were recognised for a total amount of €1 million, chiefly relating to intangible assets at Lagardère Travel Retail in the United States.

In the **first half of 2023**, impairment losses were recognised for a total amount of €11 million, mainly relating to right-of-use assets at Lagardère Publishing in the United States in connection with the streamlining of office space initiated further to the integration of Workman Publishing.

**NOTE 8 OTHER OPERATING EXPENSES**

|  | First-half 2024 | First-half 2023 |
|--|-----------------|-----------------|
| Net change in asset impairment losses  | (11)            | (29)            |
| Financial expenses other than interest | (4)             | (4)             |
| Foreign exchange losses                | (3)             | (1)             |
| Other operating expenses               | (2)             | (1)             |
| <b>Total</b>                           | <b>(20)</b>     | <b>(35)</b>     |

The net change in asset impairment losses includes write-downs at Lagardère Publishing against advances paid to authors totalling €22 million in first-half 2024 and €16 million in first-half 2023. The balance mainly concerns net changes in write-downs of trade receivables and

inventories at Lagardère Publishing totalling a positive €14 million (negative €15 million in first-half 2023), and net changes in other write-downs at Lagardère Travel Retail totalling a negative €2 million.

**NOTE 9 OTHER OPERATING INCOME**

|  | First-half 2024 | First-half 2023 |
|--|-----------------|-----------------|
| Net reversals of provisions for contingencies and losses | 2               | -               |
| Operating subsidies                                      | 2               | 2               |
| Other operating income                                   | 3               | 5               |
| <b>Total</b>   | <b>7</b>        | <b>7</b>        |

In first-half 2024, net changes in provisions for contingencies and losses for €2 million arose on net reversals of provisions at Other Activities for €1 million and Lagardère Publishing for €4 million,

offset by €3 million in additions to provisions at Lagardère Travel Retail.

**NOTE 10 NET FINANCE COSTS**

|   | First-half 2024 | First-half 2023 |
|---|-----------------|-----------------|
| Interest income on loans                                      | 3               | 3               |
| Investment income and gains on sales of marketable securities | 5               | 5               |
| Gain arising on changes in the fair value of financial assets | -               | 4               |
| Other financial income  | 11              | 2               |
| <b>Financial income</b>                                       | <b>19</b>       | <b>14</b>       |
| Interest expense on borrowings                                | (71)            | (41)            |
| Loss arising on changes in the fair value of financial assets | (15)            | (5)             |
| Other financial expenses                                      | (3)             | (6)             |
| <b>Financial expenses</b>                                     | <b>(89)</b>     | <b>(52)</b>     |
| <b>Total</b>  | <b>(70)</b>     | <b>(38)</b>     |

Net finance costs amounted to €70 million for first-half 2024, an increase of €32 million on the same prior-year period, mainly due to higher financing costs linked to the refinancing operations carried out in first-half 2024.

Further details on changes in gross borrowings during the first half of 2024 are provided in note 16.

Note 13 sets out interest expense on lease liabilities.

**NOTE 11 INCOME TAX**

|                | First-half 2024 | First-half 2023 |
|----------------|-----------------|-----------------|
| Current taxes  | (46)            | (23)            |
| Deferred taxes | (10)            | (17)            |
| <b>Total</b>   | <b>(56)</b>     | <b>(40)</b>     |

In first-half 2024, income tax expense amounted to €56 million, representing a year-on-year increase of €16 million, mainly due to the improvement in business levels in Europe at Lagardère Travel Retail and Lagardère Publishing.

In the first half of 2023, the tax charge included a €13 million non-recurring deferred tax effect relating to the gain on lease modifications further to the amendment of a concession agreement.

**NOTE 12 EARNINGS PER SHARE****Basic earnings per share**

Earnings per share are calculated by dividing profit attributable to owners of the Parent by the weighted average number of ordinary shares outstanding during the year, excluding treasury shares and free shares.

**Diluted earnings per share**

The only dilutive ordinary shares are free shares, when it is probable that they will vest at the vesting date set in the plan. Free shares with a performance condition are excluded from the calculation of dilution when the estimation of the achievement of the performance conditions is not sufficiently reliable. In view of the loss from continuing operations (attributable to the Parent), there was no dilutive effect. Any loss from discontinued operations (Group share) is, however, impacted by the dilutive effect.

|   | First-half 2024 | First-half 2023 |
|---|-----------------|-----------------|
| Profit for the period attributable to owners of the Parent (in millions of euros) | (20)            | 45              |
| Number of shares making up the share capital at 30 June                           | 141,133,286     | 141,133,286     |
| Treasury shares   | (447,210)       | (322,050)       |
| Number of shares outstanding at 30 June   | 140,686,076     | 140,811,236     |
| Average number of shares outstanding during the period                            | 140,743,221     | 140,746,377     |
| Basic earnings per share – Attributable to owners of the Parent (in euros)        | (0.14)          | 0.32            |
| Free shares with a dilutive impact  | 2,212,550       | 1,824,600       |
| Average number of shares including dilutive share options and free shares         | 142,955,771     | 142,570,977     |
| Diluted earnings per share – Attributable to owners of the Parent (in euros)      | (0.14)          | 0.32            |

**NOTE 13 LEASES**

When the Group acts as lessee, the present value of lease payment commitments that are fixed or fixed in substance and due are recognised within lease liabilities against a corresponding right-of-use asset. Leases within the scope of IFRS 16 include concession agreements entered into by Lagardère Travel Retail entities in respect of the leased retail premises in transport hubs and hospitals and the right to use those premises, as well as building leases and leases of other equipment.

The variable portion of lease payments under concession agreements, based on passenger flows or revenue earned by retail outlets, continues to be shown in external charges or in other operating expenses. In application of the full retrospective method, lease liabilities are discounted at the rate set at the start of each agreement. The discount is updated to take account of any modifications, notably as regards the leased premises or lease term. The discount rates applied range from 0.10% to 12.56%.

Changes in right-of-use assets and lease liabilities were as follows in first-half 2024 and 2023:

**Right-of-use assets**

|                                   | Gross amount          |                     |       | Depreciation and impairment losses |                     |         | Carrying amount       |                     |       |
|-----------------------------------|-----------------------|---------------------|-------|------------------------------------|---------------------|---------|-----------------------|---------------------|-------|
|                                   | Concession agreements | Buildings and other | Total | Concession agreements              | Buildings and other | Total   | Concession agreements | Buildings and other | Total |
| At 1 January 2024                 | 3,466                 | 768                 | 4,234 | (1,723)                            | (441)               | (2,164) | 1,743                 | 327                 | 2,070 |
| New leases                        | 116                   | 4                   | 120   |                                    |                     |         | 116                   | 4                   | 120   |
| Depreciation                      |                       |                     |       | (190)                              | (34)                | (224)   | (190)                 | (34)                | (224) |
| Impairment losses                 |                       |                     |       | -                                  | -                   | -       | -                     | -                   | -     |
| Translation adjustments           | 18                    | 7                   | 25    | (9)                                | (4)                 | (13)    | 9                     | 3                   | 12    |
| Lease modifications               | 5                     | (3)                 | 2     |                                    |                     |         | 5                     | (3)                 | 2     |
| Lease remeasurements              | 225                   | 2                   | 227   |                                    |                     |         | 225                   | 2                   | 227   |
| Changes in scope of consolidation | -                     | -                   | -     | -                                  | -                   | -       | -                     | -                   | -     |
| Terminated leases                 | (76)                  | (3)                 | (79)  | 75                                 | 3                   | 78      | (1)                   | -                   | (1)   |
| Other                             | (2)                   | 2                   | -     | 1                                  | (3)                 | (2)     | (1)                   | (1)                 | (2)   |
| At 30 June 2024                   | 3,752                 | 777                 | 4,529 | (1,846)                            | (479)               | (2,325) | 1,906                 | 298                 | 2,204 |



|                                   | Gross amount          |                     |       | Depreciation and impairment losses |                     |         | Carrying amount       |                     |       |
|-----------------------------------|-----------------------|---------------------|-------|------------------------------------|---------------------|---------|-----------------------|---------------------|-------|
|                                   | Concession agreements | Buildings and other | Total | Concession agreements              | Buildings and other | Total   | Concession agreements | Buildings and other | Total |
| At 1 January 2023                 | 3,065                 | 730                 | 3,795 | (1,767)                            | (388)               | (2,155) | 1,298                 | 342                 | 1,640 |
| New leases                        | 105                   | 25                  | 130   |                                    |                     |         | 105                   | 25                  | 130   |
| Depreciation                      |                       |                     |       | (142)                              | (33)                | (175)   | (142)                 | (33)                | (175) |
| Impairment losses                 |                       |                     |       | -                                  | (13)                | (13)    | -                     | (13)                | (13)  |
| Translation adjustments           | (22)                  | (4)                 | (26)  | 11                                 | 2                   | 13      | (11)                  | (2)                 | (13)  |
| Lease modifications               | (43)                  | 7                   | (36)  |                                    |                     |         | (43)                  | 7                   | (36)  |
| Lease remeasurements              | 83                    | 3                   | 86    |                                    |                     |         | 83                    | 3                   | 86    |
| Changes in scope of consolidation | 19                    | -                   | 19    | -                                  | -                   | -       | 19                    | -                   | 19    |
| Terminated leases                 | (271)                 | (9)                 | (280) | 271                                | 9                   | 280     | -                     | -                   | -     |
| Other                             | 1                     | 6                   | 7     | 1                                  | (2)                 | (1)     | 2                     | 4                   | 6     |
| At 30 June 2023                   | 2,937                 | 758                 | 3,695 | (1,626)                            | (425)               | (2,051) | 1,311                 | 333                 | 1,644 |

## Lease liabilities

|   | Non-current lease liabilities |                     |       | Current lease liabilities |                     |       | Total lease liabilities |                     |       |
|---|-------------------------------|---------------------|-------|---------------------------|---------------------|-------|-------------------------|---------------------|-------|
|   | Concession agreements         | Buildings and other | Total | Concession agreements     | Buildings and other | Total | Concession agreements   | Buildings and other | Total |
| At 1 January 2024                             | 1,614                         | 333                 | 1,947 | 349                       | 76                  | 425   | 1,963                   | 409                 | 2,372 |
| New leases                                    | 118                           | 4                   | 122   | -                         | -                   | -     | 118                     | 4                   | 122   |
| Interest expense                              | -                             | -                   | -     | 49                        | 6                   | 55    | 49                      | 6                   | 55    |
| Decreases from gains on leases <sup>(*)</sup> | (2)                           | (4)                 | (6)   | -                         | -                   | -     | (2)                     | (4)                 | (6)   |
| Lease payments                                | -                             | -                   | -     | (237)                     | (45)                | (282) | (237)                   | (45)                | (282) |
| Reclassifications <sup>(**)</sup>             | (209)                         | (50)                | (259) | 209                       | 50                  | 259   | -                       | -                   | -     |
| Translation adjustments                       | 9                             | 3                   | 12    | 2                         | 1                   | 3     | 11                      | 4                   | 15    |
| Lease modifications                           | 5                             | (3)                 | 2     | -                         | -                   | -     | 5                       | (3)                 | 2     |
| Lease remeasurements                          | 225                           | 2                   | 227   | -                         | -                   | -     | 225                     | 2                   | 227   |
| Changes in scope of consolidation             | -                             | -                   | -     | -                         | -                   | -     | -                       | -                   | -     |
| Other   | (2)                           | 2                   | -     | (3)                       | (2)                 | (5)   | (5)                     | -                   | (5)   |
| At 30 June 2024                               | 1,758                         | 287                 | 2,045 | 369                       | 86                  | 455   | 2,127                   | 373                 | 2,500 |

<sup>(\*)</sup> Including gains and losses on lease modifications and negative variable lease payments.

<sup>(\*\*)</sup> Reclassifications relate to the current portion of lease liabilities, reclassified within current lease liabilities.

|   | Non-current lease liabilities |                     |       | Current lease liabilities |                     |       | Total lease liabilities |                     |       |
|---|-------------------------------|---------------------|-------|---------------------------|---------------------|-------|-------------------------|---------------------|-------|
|   | Concession agreements         | Buildings and other | Total | Concession agreements     | Buildings and other | Total | Concession agreements   | Buildings and other | Total |
| At 1 January 2023                             | 1,277                         | 357                 | 1,634 | 311                       | 77                  | 388   | 1,588                   | 434                 | 2,022 |
| New leases                                    | 103                           | 25                  | 128   | -                         | -                   | -     | 103                     | 25                  | 128   |
| Interest expense                              | -                             | -                   | -     | 34                        | 6                   | 40    | 34                      | 6                   | 40    |
| Decreases from gains on leases <sup>(*)</sup> | (95)                          | -                   | (95)  | -                         | -                   | -     | (95)                    | -                   | (95)  |
| Lease payments                                | -                             | -                   | -     | (162)                     | (42)                | (204) | (162)                   | (42)                | (204) |
| Reclassifications <sup>(**)</sup>             | (142)                         | (35)                | (177) | 142                       | 35                  | 177   | -                       | -                   | -     |
| Translation adjustments                       | (9)                           | (1)                 | (10)  | (3)                       | (1)                 | (4)   | (12)                    | (2)                 | (14)  |
| Lease modifications                           | (43)                          | 7                   | (36)  | -                         | -                   | -     | (43)                    | 7                   | (36)  |
| Lease remeasurements                          | 110                           | 3                   | 113   | (27)                      | -                   | (27)  | 83                      | 3                   | 86    |
| Changes in scope of consolidation             | 13                            | -                   | 13    | 6                         | -                   | 6     | 19                      | -                   | 19    |
| Other   | -                             | -                   | -     | (1)                       | -                   | (1)   | (1)                     | -                   | (1)   |
| At 30 June 2023                               | 1,214                         | 356                 | 1,570 | 300                       | 75                  | 375   | 1,514                   | 431                 | 1,945 |

<sup>(\*)</sup> Including gains and losses on lease modifications and negative variable lease payments.

<sup>(\*\*)</sup> Reclassifications relate to the current portion of lease liabilities, reclassified within current lease liabilities.

The main movements in right-of-use assets and lease liabilities at 30 June 2024 were as follows:

- ▶ an increase in lease liabilities recognised against right-of-use assets for **€2 million (lease modifications)** corresponding to:
  - a decrease in lease terms and in premises leased, representing a negative €24 million,
  - an increase in lease terms and in premises leased, representing a positive €51 million,
  - lease modifications representing a positive €1 million,
  - the impact of discounting future lease payments at a revised discount rate, representing a negative €26 million;
- ▶ an increase in lease liabilities against right-of-use assets for **€227 million (lease remeasurements)**, corresponding mainly to revised guaranteed minimum payments under concession agreements in connection with the recovery in air traffic.

**Interest expense on lease liabilities** amounted to €55 million in first-half 2024, compared to €40 million in first-half 2023, an increase of €15 million mainly attributable to the increase in discount rates between end-June 2023 and end-June 2024.

**Lease payments** represented €282 million at 30 June 2024, compared with €204 million at 30 June 2023.

**Certain leases** do not give rise to a right-of-use asset or a lease liability. These are **leases with variable lease payments, with a term of less than 12 months, or with a low-value underlying asset**. The corresponding rental expenses, representing **€301 million in first-half 2024** (€285 million in first-half 2023), continue to be shown in external charges or in other operating expenses, including **€294 million in respect of variable lease payments** under concession agreements.

In the Group's segment information (see note 3), the rental expense reclassified in recurring operating profit of fully consolidated companies amounts to €238 million for concession agreements in first-half 2024 (€164 million in first-half 2023).

The table below shows the **maturity of undiscounted lease liabilities** at 30 June 2024 and 31 December 2023:

| <b>Lease liabilities</b> | <b>30 June 2025</b> | <b>30 June 2026</b> | <b>30 June 2027</b> | <b>30 June 2028</b> | <b>30 June 2029</b> | <b>Beyond 5 years</b> | <b>Total</b> |
|--------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|-----------------------|--------------|
| Concession agreements    | 457                 | 405                 | 357                 | 300                 | 240                 | 793                   | <b>2,552</b> |
| Buildings and other      | 88                  | 68                  | 65                  | 63                  | 54                  | 67                    | <b>405</b>   |
| <b>At 30 June 2024</b>   | <b>545</b>          | <b>473</b>          | <b>422</b>          | <b>363</b>          | <b>294</b>          | <b>860</b>            | <b>2,957</b> |

| <b>Lease liabilities</b> | <b>31 Dec. 2024</b> | <b>31 Dec. 2025</b> | <b>31 Dec. 2026</b> | <b>31 Dec. 2027</b> | <b>31 Dec. 2028</b> | <b>Beyond 5 years</b> | <b>Total</b> |
|--------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|-----------------------|--------------|
| Concession agreements    | 427                 | 375                 | 330                 | 285                 | 221                 | 694                   | <b>2,332</b> |
| Buildings and other      | 88                  | 75                  | 68                  | 67                  | 62                  | 86                    | <b>446</b>   |
| <b>2023</b>              | <b>515</b>          | <b>450</b>          | <b>398</b>          | <b>352</b>          | <b>283</b>          | <b>780</b>            | <b>2,778</b> |

At 30 June 2024, the **residual weighted average term of concession agreements** and **building leases** was eight years and seven years, respectively.

**Concession agreements and building leases signed at 30 June 2024 but not yet effective, represented total undiscounted lease payment commitments** of €4 million.

The Group sub-lets retail premises and office space under operating leases in which it acts as lessor.

The associated income from sub-leasing such premises continues to be included within other operating income.

In certain cases, sub-leases cover substantially all of the risks and rewards of the principal lease, and are recognised as finance leases. Right-of-use assets relating to the principal lease are derecognised and a financial receivable booked. At 30 June 2024, this represented €18 million (versus €20 million at 31 December 2023).

**NOTE 14 INVESTMENTS IN EQUITY-ACCOUNTED COMPANIES**

Investments in **associates and joint ventures** are accounted for under the equity method in the Group's consolidated financial statements. The Group's main equity-accounted companies are as follows:

|   | Joint shareholder                | Main business    | Country       | % interest   |              | Balance sheet |              | Income statement |                 |
|---|----------------------------------|------------------|---------------|--------------|--------------|---------------|--------------|------------------|-----------------|
|   |                                  |                  |               | 30 June 2024 | 31 Dec. 2023 | 30 June 2024  | 31 Dec. 2023 | First-half 2024  | First-half 2023 |
| Lagardère & Connexions  | SNCF Participations              | Travel Retail    | France        | 50%          | 50%          | 10            | 11           | 2                | 1               |
| Lagardère AWPL  | AWPL                             | Travel Retail    | New Zealand   | 50%          | 50%          | 4             | 1            | (3)              | (5)             |
| Other   |                                  |                  |               |              |              | 4             | 7            | -                | 1               |
| <b>Joint ventures</b>   |                                  |                  |               |              |              | <b>18</b>     | <b>19</b>    | <b>(1)</b>       | <b>(3)</b>      |
| Extime Duty Free Paris (formerly Société de Distribution Aéroportuaire) | ADP group                        | Travel Retail    | France        | 44%          | 44%          | 75            | 78           | (3)              | (6)             |
| Extime Travel Essentials Paris (formerly Relay@ADP)                     | ADP group                        | Travel Retail    | France        | 50%          | 50%          | 25            | 10           | -                | 2               |
| Inmedio   | Eurocash                         | Travel Retail    | Poland        | 49%          | 49%          | 12            | 12           | (1)              | -               |
| Yen Press   | Kadokawa Corporation             | Publishing       | United States | 49%          | 49%          | 23            | 24           | 1                | 2               |
| Saddlebrook International Sports  | Saddlebrook International Tennis | Other Activities | United States | 30%          | 30%          | 5             | 5            | -                | -               |
| Other   |                                  |                  |               |              |              | 12            | 10           | (4)              | -               |
| <b>Total associates</b>   |                                  |                  |               |              |              | <b>152</b>    | <b>139</b>   | <b>(7)</b>       | <b>(2)</b>      |
| <b>Total investments in equity-accounted companies</b>                  |                                  |                  |               |              |              | <b>170</b>    | <b>158</b>   | <b>(8)</b>       | <b>(5)</b>      |

The main change in equity-accounted investments in first-half 2024 was a €23 million increase in Extime Travel Essentials Paris (formerly Relay@ADP) shares on 1 February 2024.

## Joint ventures at Lagardère Travel Retail

As part of its business operations, Lagardère Travel Retail manages concessions in the form of 50-50 joint ventures entered into with grantors. The main joint ventures set up by Lagardère Travel Retail with its partners are (i) Lagardère & Connexions (formerly Société des Commerces en Gares), with SNCF Gares et Connexions, (ii) SVRLS@LAREUNION, with Servair, (iii) Lyon Duty Free, with Lyon airport authorities, and (iv) Lagardère AWPL with AWPL (Australia and New Zealand).

Revenue generated by these joint ventures (on a 100% basis) totalled €407 million in first-half 2024 versus €338 million in first-half 2023. Fully consolidated entities invoiced joint ventures amounts of €11 million in first-half 2024 versus €10 million in first-half 2023.

|  | Figures on a 100% basis |              | Lagardère's share (50%) |              |
|--|-------------------------|--------------|-------------------------|--------------|
|  | 30 June 2024            | 30 June 2023 | 30 June 2024            | 30 June 2023 |
| Total revenue                              | 407                     | 338          | 203                     | 169          |
| Group revenue with joint ventures          | (11)                    | (10)         | (5)                     | (5)          |
| Adjusted revenue                           | 396                     | 328          | 198                     | 164          |
| Recurring operating profit (loss)          | 0                       | (2)          | 0                       | (1)          |
| Profit (loss) before finance costs and tax | 6                       | (3)          | 3                       | (2)          |
| Profit (loss) before tax                   | (2)                     | (10)         | (1)                     | (5)          |
| Profit (loss) for the period               | (1)                     | (8)          | 0                       | (4)          |
| Net debt                                   | (51)                    | (39)         | (26)                    | (19)         |

## Associates at Lagardère Travel Retail

As part of its business operations, Lagardère Travel Retail also manages certain concessions in conjunction with associates, primarily including Extime Duty Free Paris and Extime Travel Essentials Paris with the ADP group.

Revenue generated by these associates for Lagardère Travel Retail (on a 100% basis) totalled €465 million in first-half 2024 versus €409 million in first-half 2023. Fully consolidated entities invoiced joint ventures amounts of €193 million in first-half 2024 versus €152 million in first-half 2023.

|                                     | Figures on a 100% basis |              | Lagardère's share (50%) |              |
|-------------------------------------|-------------------------|--------------|-------------------------|--------------|
|                                     | 30 June 2024            | 30 June 2023 | 30 June 2024            | 30 June 2023 |
| Total revenue                       | 465                     | 409          | 233                     | 204          |
| Group revenue with associates       | (193)                   | (152)        | (97)                    | (76)         |
| Adjusted revenue                    | 272                     | 257          | 136                     | 128          |
| Recurring operating profit          | 8                       | 1            | 4                       | 1            |
| Profit before finance costs and tax | 10                      | -            | 5                       | -            |
| Profit before tax                   | 9                       | (1)          | 4                       | -            |
| Profit (loss) for the period        | 6                       | (1)          | 3                       | 0            |
| Net debt                            | (58)                    | (73)         | (29)                    | (36)         |

**NOTE 15 CASH AND CASH EQUIVALENTS AND WORKING CAPITAL**

|                                       | 30 June 2024 | 30 June 2023 |
|---------------------------------------|--------------|--------------|
| Cash and cash equivalents             | 365          | 400          |
| Short-term bank loans and overdrafts  | (136)        | (82)         |
| <b>Cash and cash equivalents, net</b> | <b>229</b>   | <b>318</b>   |

**Cash and cash equivalents** break down as follows:

|   | 30 June 2024 | 30 June 2023 |
|---|--------------|--------------|
| Bank accounts   | 240          | 390          |
| Money market funds  | 118          | 2            |
| Term deposits and current accounts maturing in less than three months | 7            | 8            |
| <b>Cash and cash equivalents</b>                                      | <b>365</b>   | <b>400</b>   |

**Changes in working capital** as reported in the statement of cash flows can be analysed as follows:

|   | 30 June 2024 | 30 June 2023 |
|---|--------------|--------------|
| Change in inventories                           | (72)         | (65)         |
| Change in trade receivables                     | 73           | (30)         |
| Change in trade payables                        | (53)         | (21)         |
| Change in other receivables and payables        | (61)         | (48)         |
| Change in lease liabilities                     | (4)          | (5)          |
| <b>Changes in working capital<sup>(*)</sup></b> | <b>(117)</b> | <b>(169)</b> |

(\*) Including changes in working capital relating to lease liabilities representing a negative €4 million, of which a negative €2 million in respect of concession agreements in first-half 2024 (negative €5 million and €3 million, respectively, in first-half 2023).

**Changes in working capital** represented an outflow of €117 million, versus an outflow of €169 million in first-half 2023.

This improvement was mainly driven by Lagardère Publishing (€53 million positive impact) in the United States, reflecting a decrease in trade

payables and the favourable impact of author payables following the signing of multi-year contracts in 2023. At Lagardère Travel Retail, the €28 million year-on-year increase in working capital mainly reflects the strong upturn in business in 2023 and the opening of duty free concessions during the period.

## Factoring and sale of trade receivables

Receivables sold and deconsolidated under the factoring and discounting programmes totalled €165 million at 30 June 2024 versus €262 million at end-December 2023.

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 payable of €23 million at 30 June 2024 versus €42 million at end-December 2023.

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 30 June 2024 versus €3 million at 31 December 2023.

## NOTE 16 DEBT

### 16.1 BREAKDOWN OF DEBT

The **Group's total debt** breaks down as follows:

|   | 30 June 2024 | 31 Dec. 2023 |
|---|--------------|--------------|
| Bonds   | 57           | -            |
| Bank loans  | 1,320        | 39           |
| Medium-term notes (NEU MTN <sup>(*)</sup> )   | 10           | -            |
| Financial instruments designated as hedges of debt                                    | 4            | 2            |
| Loan from Vivendi SE  | 500          | 270          |
| Other debt  | 16           | 16           |
| <b>Non-current debt excluding liabilities related to minority puts<sup>(**)</sup></b> | <b>1,907</b> | <b>327</b>   |
| Liabilities related to minority puts  | 59           | 55           |
| <b>Non-current debt</b>   | <b>1,966</b> | <b>382</b>   |
| Bonds   | -            | 1,300        |
| Bank loans  | 3            | 189          |
| Commercial paper (NEU CP <sup>(***)</sup> )   | 471          | 561          |
| Financial instruments designated as hedges of debt                                    | 2            | 7            |
| Loan from Vivendi SE  | 71           | -            |
| Other debt  | 166          | 134          |
| <b>Current debt excluding liabilities related to minority puts<sup>(**)</sup></b>     | <b>713</b>   | <b>2,191</b> |
| Liabilities related to minority puts  | -            | -            |
| <b>Current debt</b>   | <b>713</b>   | <b>2,191</b> |
| <b>Total debt</b>   | <b>2,679</b> | <b>2,573</b> |

(\*) Negotiable Euro Medium-Term Notes.

(\*\*) A new sub-total for debt excluding liabilities related to minority puts is disclosed to facilitate the calculation of net debt (alternative performance measure), whose definition changed in 2024 (see note 1.3).

(\*\*\*) Negotiable European Commercial Paper.

The main movements in debt during the first half of 2024 were as follows:

- ▶ On 12 January 2024, the Group redeemed bonds with a nominal value of €1,203.2 million and interest of €7 million further to the triggering of the change of control clauses following Vivendi SE's takeover of the Lagardère group on 21 November 2023. In addition, the balance of the remaining 2017 bond issue was redeemed at maturity on 21 June 2024 for €39.5 million.

At 30 June 2024, the outstanding balance for the bonds was €57.3 million, of which €48.8 million maturing in 2026 and €8.5 million in 2027.

- ▶ The loan agreement with Vivendi SE signed on 12 December 2023 for a maximum available amount of €1,900 million due on 31 March 2025, was amended on 7 June 2024 and reduced to a maximum amount of €500 million due on 7 December 2029. The initial loan was drawn down in the amount of €1,800 million in first-half 2024 before being repaid in the amount of €1,300 million on 7 June 2024 through the refinancing described below. An additional loan facility of €150 million has been added to this agreement and is available to Lagardère until 31 December 2024. Any outstanding balance on this facility at 31 December 2024 will be added to the €500 million loan due on 7 December 2029. At 30 June 2024, the amount drawn down on this loan agreement was €500 million for the portion due on 7 December 2029, and €70 million for the additional loan facility of up to €150 million due on 31 December 2024.

- ▶ On 7 June 2024, refinancing for a total amount of €2,000 million was signed, including:

- a €700 million bank loan maturing in 24 months, with two renewal options at Lagardère's discretion, one for 12 months and the other for 6 months. This loan bears interest at a floating rate based on Euribor with an increasing margin depending on the maturity date;
- a €600 million bank loan with a five-year maturity, repayable in annual instalments of €75 million between 2025 and 2028, and the balance of €300 million at maturity. This loan bears interest at a floating rate based on Euribor with a margin indexed to the ratio of net debt to recurring EBITDA;
- a €700 million five-year revolving credit facility, undrawn at 30 June 2024, replacing the syndicated credit facility of May 2015, which had a maximum available amount of €982 million until April 2025.

- ▶ On 26 June 2024, €190.5 million was repaid in respect of the *Schuldschein* loans reaching maturity. The balance of €35 million matures on 26 June 2026.

- ▶ Continuation of the commercial paper programme (NEU CP) with a ceiling of €850 million. Debt issuance under the programme represented €471 million at 30 June 2024 compared with €561 million at 31 December 2023.



As indicated in note 1.3, the definition of net debt, an alternative performance measure, changed in 2024 and now excludes liabilities related to minority puts. **Net debt** breaks down as follows:

| (in millions of euros)   | 30 June 2024   | 31 Dec. 2023 <sup>(**)</sup> |
|--|----------------|------------------------------|
| Short-term investments and cash and cash equivalents                           | 365            | 467                          |
| Financial instruments designated as hedges of debt with a positive fair value  | -              | 7                            |
| Non-current debt excluding liabilities related to minority puts <sup>(*)</sup> | (1,907)        | (327)                        |
| Current debt excluding liabilities related to minority puts <sup>(*)</sup>     | (713)          | (2,190)                      |
| <b>Net debt</b>  | <b>(2,255)</b> | <b>(2,043)</b>               |

(\*) Current and non-current debt (excluding liabilities related to minority puts) includes financial instruments designated as hedges of debt with a negative fair value, representing €2 million and €4 million, respectively, at 30 June 2024 (negative fair value of €7 million and €2 million, respectively, at 31 December 2023).

(\*\*) Data at 31 December 2023 restated to take into account the new definition of net debt (see note 1.3).

## 16.2 ANALYSIS OF DEBT BY MATURITY

Debt can be analysed as follows by maturity at 30 June 2024:

|  | 30 June 2025 <sup>(*)</sup> | 30 June 2026 | 30 June 2027 | 30 June 2028 | 30 June 2029 | Beyond 5 years | Total        |
|--|-----------------------------|--------------|--------------|--------------|--------------|----------------|--------------|
| Bonds  | -                           | -            | 49           | 8            | -            | -              | 57           |
| Bank loans   | 3                           | 110          | 75           | 773          | 361          | 1              | 1,323        |
| Financial instruments designated as hedges of debt | 2                           | -            | 4            | -            | -            | -              | 6            |
| Liabilities related to minority puts               | -                           | 8            | 1            | 1            | 23           | 26             | 59           |
| NEU CP and NEU MTN                                 | 471                         | 10           | -            | -            | -            | -              | 481          |
| Loan from Vivendi SE                               | 71                          | -            | -            | 100          | 100          | 300            | 571          |
| Other debt   | 166                         | 9            | -            | -            | -            | 7              | 182          |
| <b>At 30 June 2024</b>                             | <b>713</b>                  | <b>137</b>   | <b>129</b>   | <b>882</b>   | <b>484</b>   | <b>334</b>     | <b>2,679</b> |

(\*) Debt due within one year is reported in the consolidated balance sheet under "Current debt".

**16.3 RISKS ARISING FROM THE APPLICATION OF DEFAULT CLAUSES ON COVENANTS**

The syndicated credit agreement maturing in April 2025 contained a covenant relating to the leverage ratio of net debt (including liabilities related to minority puts) to adjusted EBITDA.

As the debt refinancing was finalised on 7 June 2024 with the signature of an amendment to the loan granted by Vivendi SE, a new €700 million credit facility and two bank loans for €700 million and €600 million, new early repayment clauses enter into effect. Over the term of the agreements, they provide for:

- (i) compliance with a leverage ratio calculated in accordance with the same provisions as the previous agreement. The ratio must be less than 3.75x at 30 June 2024, 3.5x at 31 December 2024 and 30 June 2025, 3.0x at 31 December 2025 and 3.25x from 30 June 2026 onwards.

Breaching this ratio would entitle the lenders to demand early repayment of the loans granted. The ratio is calculated every six months over a rolling 12-month period, on

the basis of the published consolidated financial statements.

- (ii) a limit on the amount of the dividend payable in respect of 2024 at €92 million, €100 million for 2025, €115 million for 2026, €140 million for 2027 and €190 million for 2028.

For the purposes of calculating financial leverage, net debt includes liabilities related to minority puts.

Adjusted EBITDA is defined as recurring operating profit of fully consolidated companies and discontinued operations (recurring EBIT), less depreciation, amortisation and impairment of property, plant and equipment and intangible assets, amortisation of signing fees, depreciation of right-of-use assets under building leases, cancellation of the fixed lease expense relating to buildings and other leases, plus dividends received from equity-accounted companies.

At 30 June 2024, the financial leverage ratio was 2.97x adjusted EBITDA. Debt stood at €2,314 million and EBITDA at €779 million over a rolling 12-month period.

**NOTE 17 OTHER COMPREHENSIVE INCOME (EXPENSE)**

The components of **other comprehensive income (expense)** can be analysed as follows:

|   | First-half 2024                       |                    |              | First-half 2023                       |                    |              |
|---|---------------------------------------|--------------------|--------------|---------------------------------------|--------------------|--------------|
|   | Attributable to owners <sup>(*)</sup> | Minority interests | Total equity | Attributable to owners <sup>(*)</sup> | Minority interests | Total equity |
| <b>Translation reserve</b>  | 27                                    | 2                  | 29           | (30)                                  | (1)                | (31)         |
| - Currency translation adjustments  | 27                                    | 2                  | 29           | (30)                                  | (1)                | (31)         |
| - Share of other comprehensive income (expense) of equity-accounted companies, net of tax | -                                     | -                  | -            | -                                     | -                  | -            |
| <b>Valuation reserve</b>  | 1                                     | -                  | 1            | 9                                     | -                  | 9            |
| <b>Change in fair value of derivative financial instruments</b>                           | 1                                     | -                  | 1            | 9                                     | -                  | 9            |
| - Unrealised gains (losses) recognised directly in equity                                 | 2                                     | -                  | 2            | 13                                    | -                  | 13           |
| - Amounts reclassified from equity to profit or loss                                      | -                                     | -                  | -            | -                                     | -                  | -            |
| - Tax effect  | (1)                                   | -                  | (1)          | (4)                                   | -                  | (4)          |
| <b>Change in fair value of investments in non-consolidated companies</b>                  | -                                     | -                  | -            | -                                     | -                  | -            |
| - Unrealised gains (losses) recognised directly in equity                                 | -                                     | -                  | -            | -                                     | -                  | -            |
| - Amounts reclassified from equity to profit or loss                                      | -                                     | -                  | -            | -                                     | -                  | -            |
| - Tax effect  | -                                     | -                  | -            | -                                     | -                  | -            |
| <b>Other reserves</b>   | 5                                     | -                  | 5            | (1)                                   | -                  | (1)          |
| <b>Change in provisions for pensions and other post-employment benefit obligations</b>    | 5                                     | -                  | 5            | (1)                                   | -                  | (1)          |
| - Actuarial gains and losses on pensions and other post-employment benefit obligations    | 7                                     | -                  | 7            | (1)                                   | -                  | (1)          |
| - Tax effect  | (2)                                   | -                  | (2)          | -                                     | -                  | -            |
| <b>Other comprehensive income (expense) for the period, net of tax</b>                    | <b>33</b>                             | <b>2</b>           | <b>35</b>    | <b>(22)</b>                           | <b>(1)</b>         | <b>(23)</b>  |

(\*) Equity attributable to owners of the Parent.

**Currency translation adjustments** recognised within other comprehensive income (expense) relate mainly to the following currencies:

|                | First-half 2024 | First-half 2023 |
|----------------|-----------------|-----------------|
| US dollar      | 9               | (44)            |
| Pound sterling | 20              | 11              |
| Other          | (2)             | 3               |
| <b>Total</b>   | <b>27</b>       | <b>(30)</b>     |

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**NOTE 18 OFF-BALANCE SHEET COMMITMENTS AND CONTRACTUAL OBLIGATIONS**

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The main changes in first-half 2024 compared to the commitments presented in notes 32 and 33 to the consolidated financial statements at 31 December 2023 were as follows:

**Contractual obligations****Lagardère Travel Retail**

In accordance with IFRS 16, minimum guaranteed payments under concession agreements give rise to the recognition of a right-of-use asset and lease liability in the balance sheet (see note 13).

**Off-balance sheet commitments****Confirmed, unused lines of credit**

On 7 June 2024, the Group signed a €700 million five-year revolving credit facility to replace the syndicated loan of May 2015, whose maximum available amount was €982 million, due in April 2025.

At 30 June 2024, undrawn available amounts on this facility stood at €700 million.

In addition, the Group has a credit facility with Vivendi SE for a maximum available amount of €150 million due on 31 December 2024, €70 million of which had been drawn down at 30 June 2024.

## NOTE 19 LITIGATION

### Class action against Hachette Book Group

These disputes are described in note 34 to the consolidated financial statements for the year ended 31 December 2023.

Since that date, as regards the action brought by the plaintiffs in relation to digital books, a decision of the Court for the Southern District of New York on 2 March 2024 dismissed the action brought by the plaintiffs following the decision of 31 July 2023 exonerating the defendants, including Hachette Book Group ("HBG").

A further-amended complaint was lodged on 27 June 2024, removing all references to the exonerated defendants, including HBG. Proceedings are continuing against Amazon alone, with HBG's ongoing involvement limited to producing documents as part of the third-party discovery procedure.

### Monla/Lagardère Travel Retail & Chalhoub arbitration

This dispute is described in note 34 to the consolidated financial statements for the year ended 31 December 2023.

Since that date, the Beirut Court of Appeal rejected Monla's appeal against the *exequatur* order in Lebanon on 9 January 2024. LTR notified Monla of this decision on 23 January 2024. Monla filed an appeal against the decision of the Beirut Court of Appeal on 21 March 2024 with the Court of Cassation. The decision of the Court of Cassation is expected in the coming months.

### Tax reassessment at LS Travel Retail Italia

This dispute is described in note 34 to the consolidated financial statements for the year ended 31 December 2023.

Since that date, a first instance decision was handed down in favour of LS Travel Retail Italia on 30 April 2024 in respect of 2017. The Italian tax authorities have not yet expressed a formal position with regard to this decision.

On 8 March 2024, the first instance court also accepted LS Travel Retail Italia's request to suspend collection of the amounts notified in respect of 2014.

The total risk for the five years (2014 to 2018) and for the years 2019 to 2023 (in the event that the tax audit is extended to cover those five additional years) is estimated at €22.96 million, including taxes and penalties.

### Action brought by SAS PRD Percier Réalisation et Développement against Hachette Livre SA

On 22 December 2023, Hachette Livre SA notified SAS PRD Percier Réalisation et Développement ("PRD") of the termination of the new warehouse project, the construction of which in Germainville had been entrusted to PRD under the terms of an off-plan lease (BEFA) subject to conditions precedent signed in April 2023 between Hachette Livre SA and PRD.

On 21 March 2024, PRD initiated proceedings against Hachette Livre SA before the Chartres Commercial Court seeking compensation for (i) costs incurred, (ii) lost profits for PRD and (iii) damage to its image and reputation.

The Chartres Commercial Court handed down a judgement to discontinue the proceedings on 29 May 2024, duly acknowledging the parties' agreement to submit the dispute to the jurisdiction of the Paris Commercial Court.

The hearing before the Paris Commercial Court is expected to take place in December 2024, with a decision anticipated in 2025.

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**NOTE 20 RELATED PARTIES**

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The related-party agreements described in note 35 to the consolidated financial statements at 31 December 2023 remained in force in the first half of 2024.

The retirement of an executive on 31 May 2024 led to €2.2 million in additional invoicing by Lagardère Management at 30 June 2024.

**Loan agreement between Vivendi SE and Lagardère SA:** the loan agreement with Vivendi SE dated 12 December 2023 was amended on 7 June 2024, and now includes a maximum available amount of €500 million due on 7 December 2029, as well as an additional available loan facility of €150 million, €70 million of which was drawn down at 30 June 2024 and falls due on 31 December 2024. Any outstanding balance on this latter facility at 31 December 2024 would be added to the principal loan with Vivendi SE due on 7 December 2029.

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**NOTE 21 EVENTS AFTER THE REPORTING PERIOD**

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No events that could have an impact on the interim condensed consolidated financial statements occurred after the end of the reporting period.



## **STATUTORY AUDITORS' REVIEW REPORT ON THE HALF-YEARLY FINANCIAL INFORMATION**

#### To the shareholders of Lagardère SA,

In compliance with the assignment entrusted to us by your General Shareholders' Meetings and in accordance with the requirements of article 451-1-2 III of the French Monetary and Financial Code (*Code monétaire et financier*), we hereby report to you on:

- ▶ the limited review of the accompanying condensed consolidated interim financial statements of Lagardère SA, for the period from 1 January to 30 June 2024; and

- ▶ the verification of the information presented in the interim management report.

These condensed consolidated interim financial statements were prepared under the responsibility of the Board of Directors. Our role is to express a conclusion on these financial statements based on our review.

## 1. Conclusion on the financial statements

We conducted our review in accordance with professional standards applicable in France.

A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with professional standards applicable in France and consequently does not enable us to obtain assurance that we would become aware of all significant matters

that might be identified in an audit. Accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed half-yearly consolidated financial statements are not prepared in all material respects in accordance with IAS 34 – Interim Financial Reporting, as adopted by the European Union.

## 2. Specific verification

We have also verified the information presented in the interim management report in respect of the condensed consolidated interim financial statements subject to our review.

We have no matters to report as to its fair presentation and its consistency with the condensed consolidated interim financial statements.

French language original signed at Paris-La Défense, on 23 July 2024

#### The Statutory Auditors

**FORVIS MAZARS SA**

**DELOITTE & ASSOCIÉS**

Simon Beillevaire

Ariane Bucaille



# 4

## ADDITIONAL INFORMATION

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**4.1 PERSONS RESPONSIBLE FOR THE INFORMATION CONTAINED IN THE  
INTERIM FINANCIAL REPORT**

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Arnaud Lagardère, Chairman and Chief Executive Officer.

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## 4.2 STATEMENT BY THE PERSON RESPONSIBLE FOR THE INTERIM FINANCIAL REPORT

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I hereby declare that, to the best of my knowledge, the condensed consolidated interim financial statements for the first half of 2024 have been prepared in accordance with the applicable accounting standards and give a true and fair view of the assets, liabilities, financial position and results of the company and all the entities included in the consolidation, and that the accompanying

interim management report presented in section 1 of this report provides a fair view of the significant events of the first six months of the year, their impact on the financial statements and the principal related-party transactions, and that it describes the main risks and uncertainties for the remaining six months of the year.

Paris, 23 July 2024

**Arnaud Lagardère**

Chairman and Chief Executive Officer

**Lagardère**

**Lagardère SA**

A French joint-stock corporation (*société anonyme*) with share capital of €860,913,044.60

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