LOUIS HACHETTE GROUP

FULL-YEAR 2025 RESULTS

19 February 2026

Contents

2025 key figures

LOUIS HACHETTE GROUP

GROWTH, PROFITABILITY AND DELEVERAGING DELIVERED

Revenue
€9.6bn
+4% reported
+3% LFL

EBITA[1]
€551m
+8%

CFFO[1]
€558m
+9%

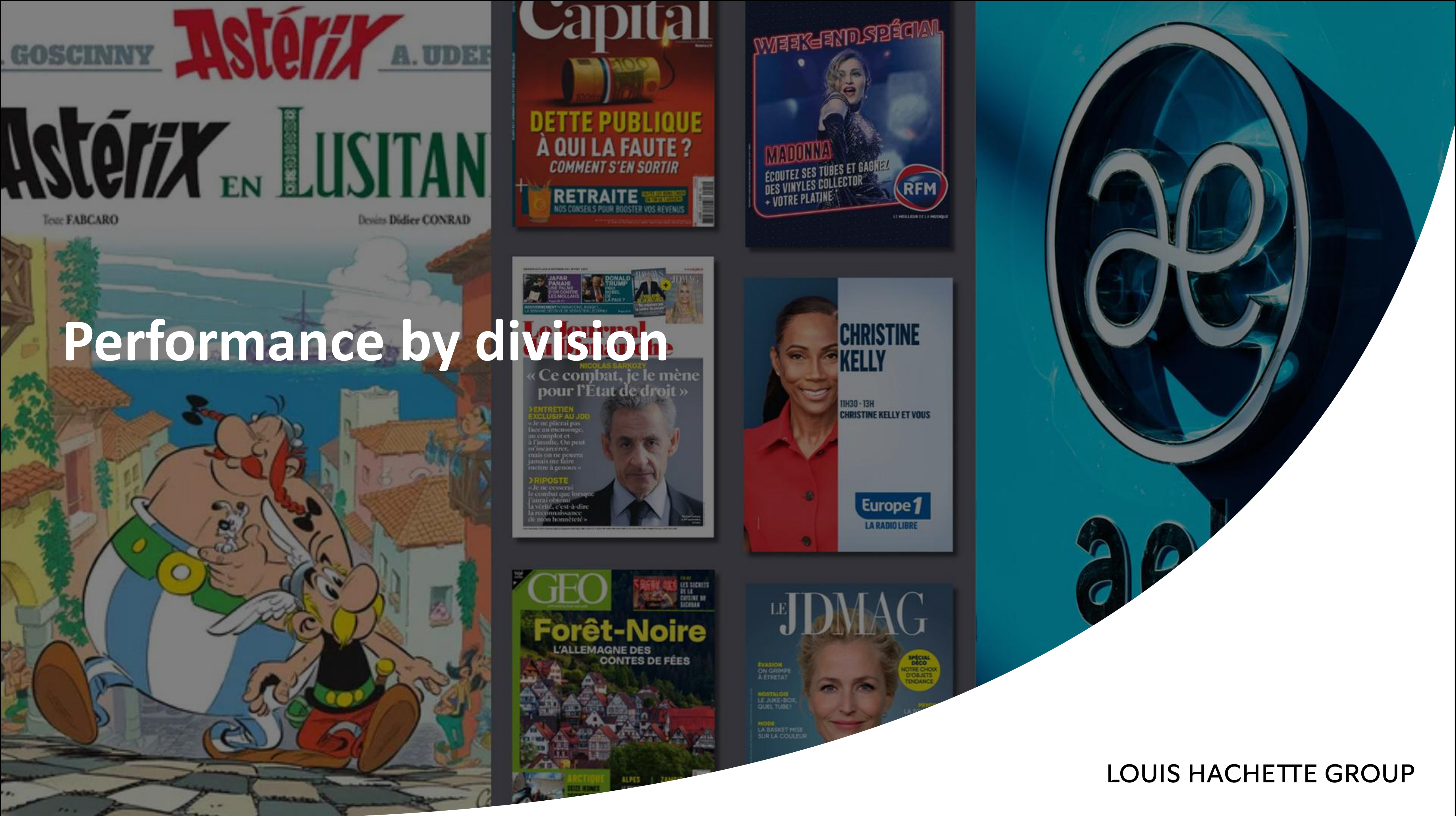
CFAIT[1]
€363m
+39%

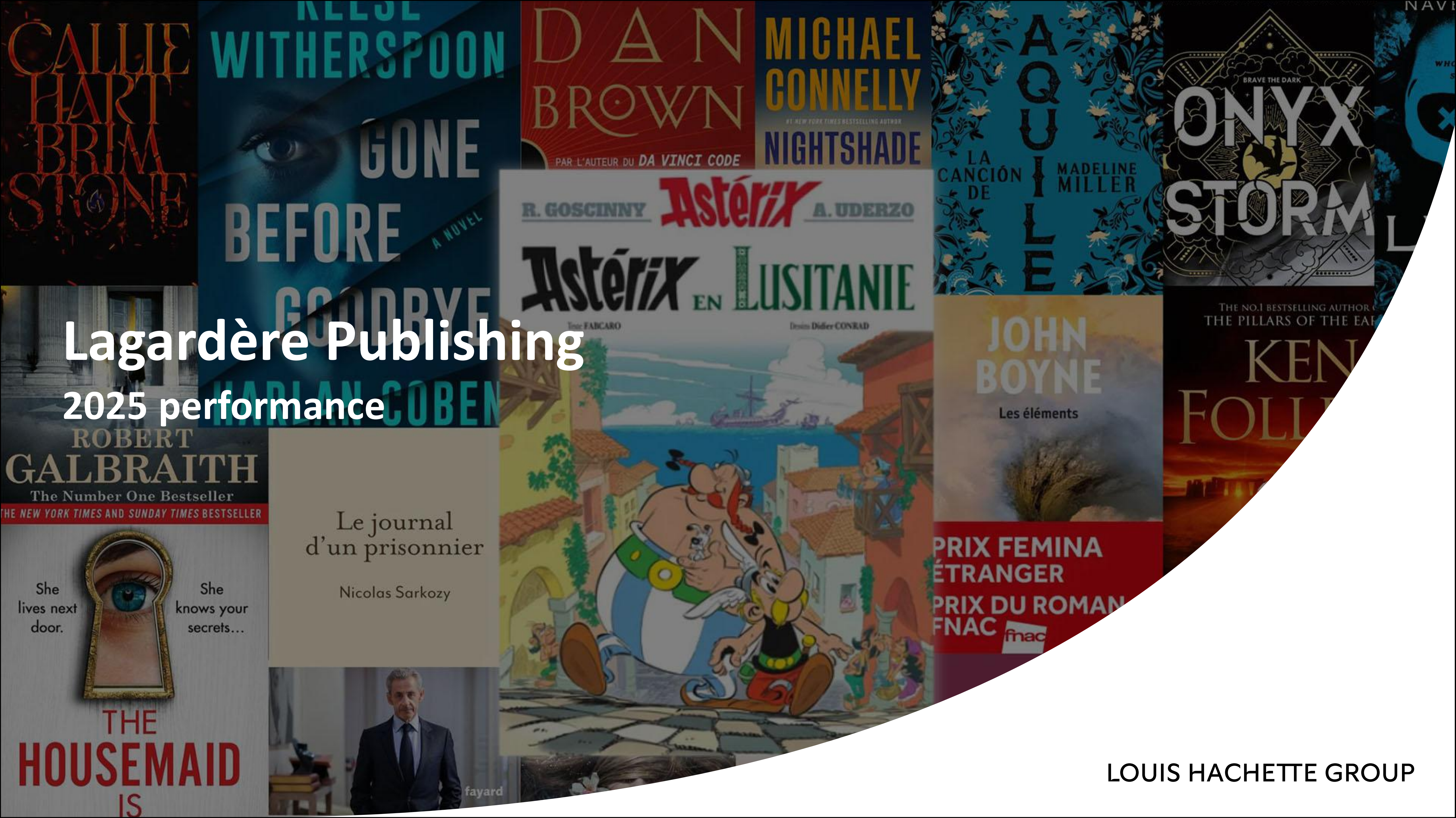
Net debt[1]
€1,590m
-€236m

Leverage ratio[1]
1.95x

1. Alternative performance measure (see Glossary at the end of the presentation for definition).

Performance by division





Lagardère Publishing

2025 performance

LOUIS HACHETTE GROUP

PUBLISHING:
SUSTAINED STRONG GROWTH OVER NUMEROUS YEARS

Lagardère PUBLISHING

2025 revenue

€3,001m

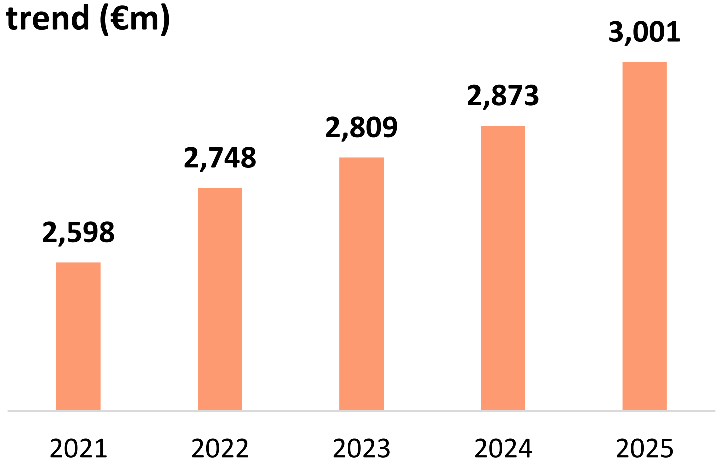
+4.5% reported

+2.7% LFL

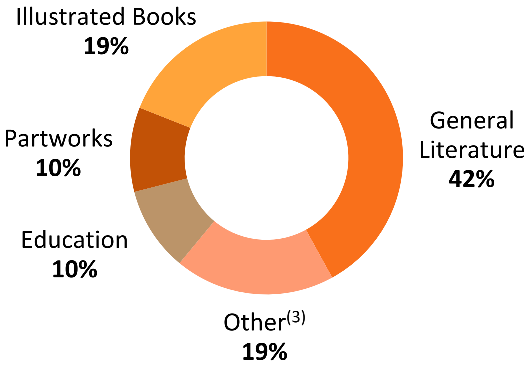
2025 LFL variations

- **France: +2%**. Success of new *Asterix* and colouring books. Continued momentum in Literature with successful releases including Dan Brown's The Secret of Secrets. Curriculum reforms in Education.
- **US: +3%**. Success of Stephenie Meyer's *Twilight* anniversary editions, Callie Hart's *Brimstone* and *Quicksilver*, and a solid backlist.
- **UK: +3%**. Strong release schedule, including Rebecca Yarros, Callie Hart and the new book from Robert Galbraith (*The Hallmarked Man*), and solid backlist sales fueled by Freida McFadden.
- **Spain/Latam: -6%**. End of curriculum reform in Spain.
- **Partworks: +6%**. Success of *Warhammer Combat Patrol* and *Disney Novels*.
- **Board Games: +10%**. Solid growth trajectory maintained.

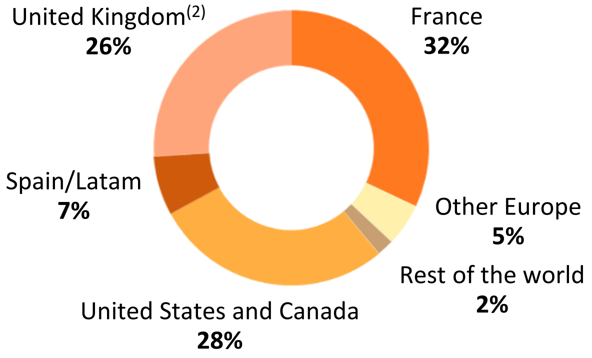
- **Revenue trend (€m)**



- **Revenue by business**



- **Revenue by geographic area[1]**



1. By origin.
2. Including Ireland, India, Australia and New Zealand.
3. Including Board Games.

PUBLISHING:
SOLID EBITA AND HIGH LEVEL OF OPERATING MARGIN

Lagardère PUBLISHING

2025 EBITA

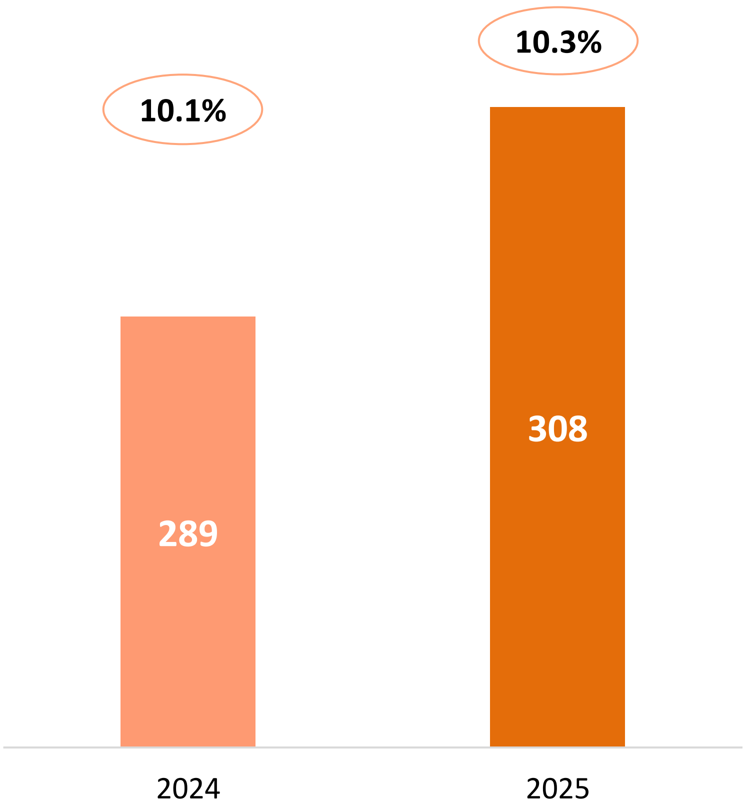
€308m

+€19m

+7%

- **High level of EBITA and increase of margin** driven by:
  - solid revenue growth and favourable sales mix;
  - effective cost management;
  - capital gains;
  - higher contribution from equity associates.

- **EBITA (€m) and operating margin* (%)**



* Operating margin: EBITA / revenue

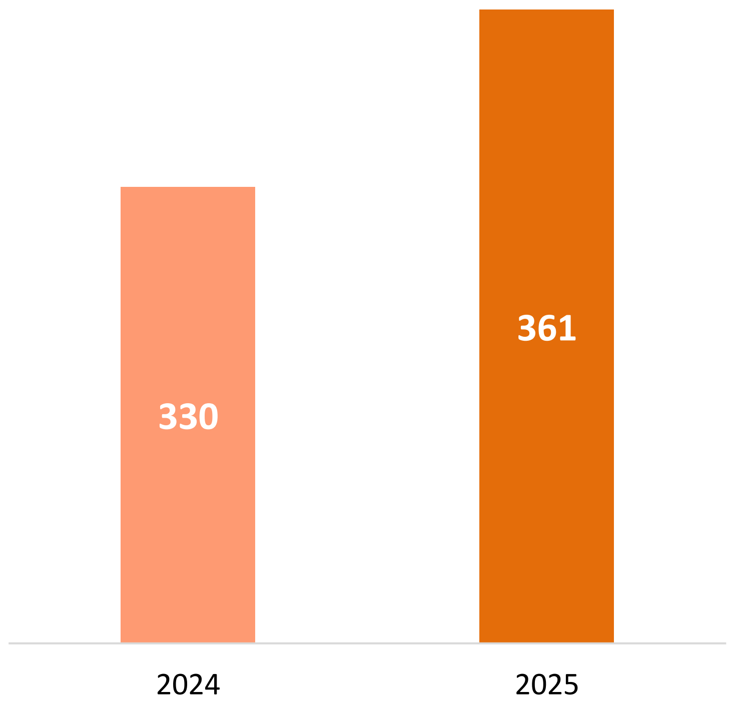
PUBLISHING:
STEADY CASH GENERATION

2025 cash flow from operations (CFFO)

€361m

- **Increase in CFFO** thanks to:
  - high level of profitability;
  - proceeds from the sale of real estate in Paris and the sale of a domain name.

- **Cash flow from operations - CFFO (€m)**



Lagardère Travel Retail

2025 performance

LOUIS HACHETTE GROUP

TRAVEL RETAIL:
RECORD REVENUE DRIVEN BY NEW CONTRACTS AND GROWTH IN EMEA

Lagardère TRAVEL RETAIL

2025 revenue

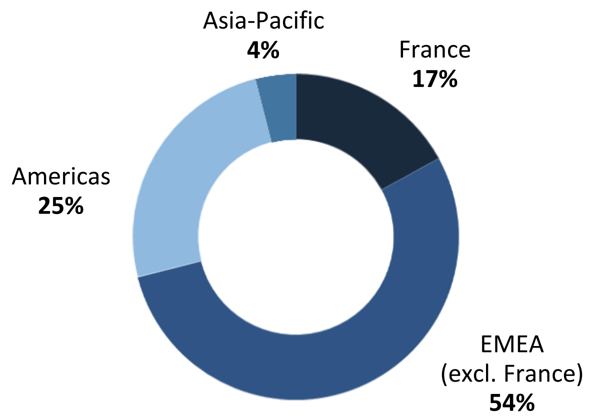
€6,133m

+5.5% reported

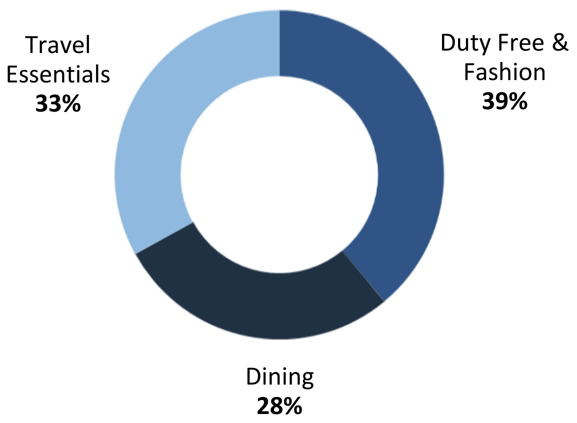
+4.4% LFL

- **LFL revenue growth** driven by:
  - robust performances in EMEA (+7%), France (+3%) and Americas (+3%);
  - successful openings (Auckland, Singapore, Albania, Cameroon, Benin and Rwanda).
- Strong contribution from Amsterdam-Schiphol airport duty free concession acquisition to reported top line since May.
- Positive sales momentum in the Duty Free segment driven by several openings over the year.
- North Asia turnaround well on track (-39%): LFL revenue growth of +6.5% excluding this region.

- **Revenue by geographic area**[1]



- **Revenue by business**



1. By origin.

TRAVEL RETAIL:
PROFITABLE EXPANSION AND OPTIMISED PERFORMANCE

2025 EBITA

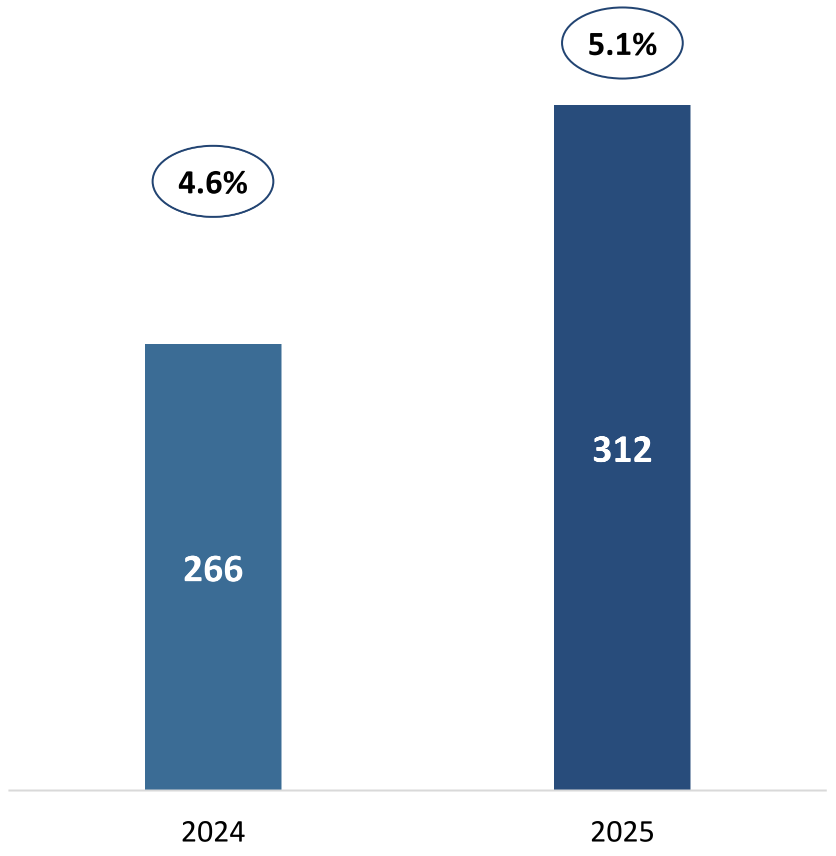
€312m

+€46m

+17%

- Solid EBITA growth and increase in margin driven by:
  - China restructuring benefice;
  - operational performances in Americas and EMEA;
  - strict cost control; and
  - greater contribution from joint ventures.
- And despite:
  - costs related to remaining network streamlining in China, and closures in Iceland; and
  - the residual Covid government grant in the USA in the 2024 EBITA.

- **EBITA (€m) and operating margin* (%)**



* Operating margin: EBITA / revenue

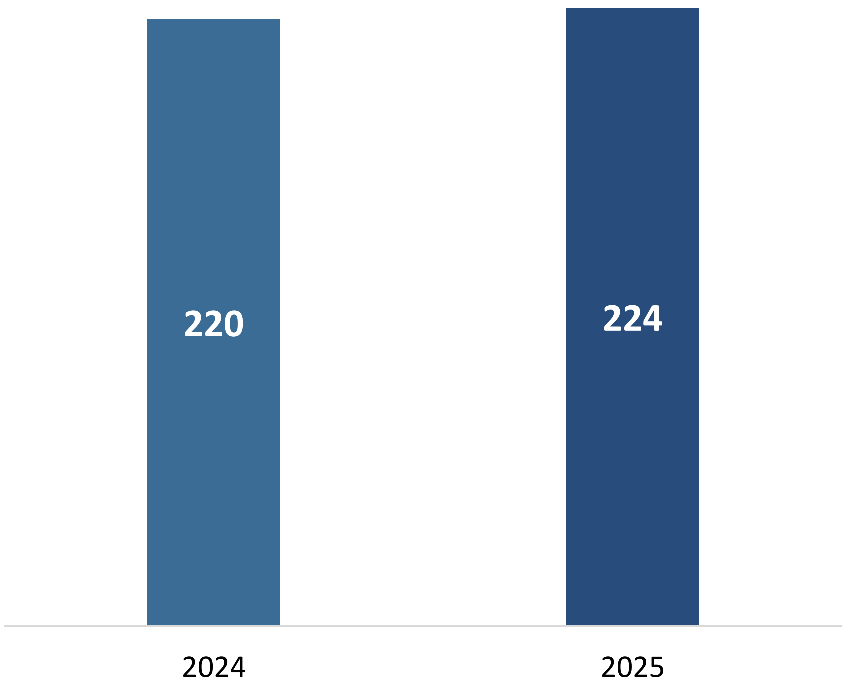
TRAVEL RETAIL:
SOLID CASH GENERATION

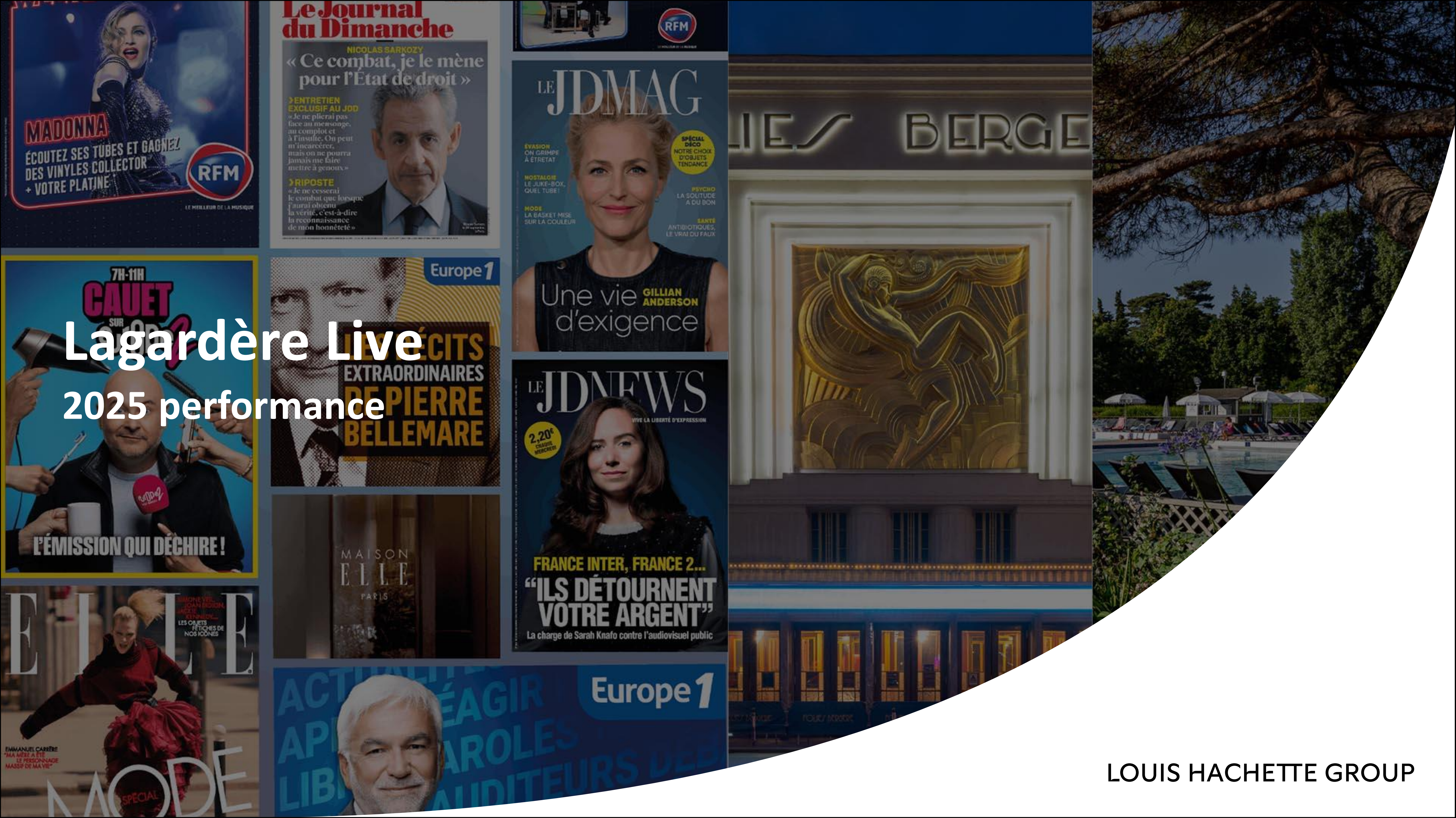
2025 cash flow from operations (CFFO)

€224m

- Further improvement of CFFO in 2025 despite unfavourable change in WC linked to a high level of new openings.
- Stable cash conversion ratio.

- **Cash flow from operations - CFFO (€m)**





Lagardère Live

2025 performance

LOUIS HACHETTE GROUP

LIVE:
CONTINUED TO GROW IN 2025 AMID A CHALLENGING ADVERTISING MARKET

2025 revenue

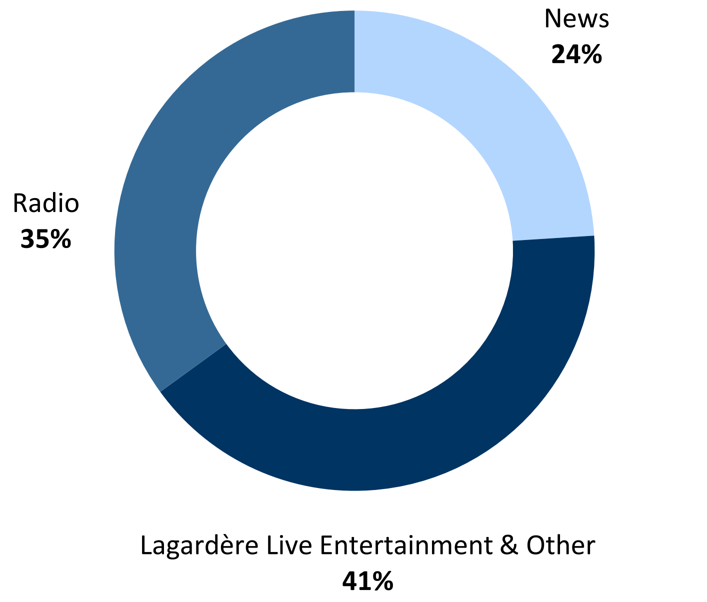
€219m

+1% LFL[1]

-14% reported

- **Lagardère Radio & Lagardère News**
  - Lagardère Radio: continued expansion in audience numbers at Europe 1 in a difficult advertising market.
  - Lagardère News: revenue growth following the launch of *Le JDNews*, and continued momentum and success of the ELLE licence diversification strategy.
- **Lagardère Live Entertainment**
  - Success of concert tours organised by L Productions.
  - Record year at Arkéa Arena Bordeaux.

- **Revenue by business**



1. On a like-for-like basis, i.e. excluding the impact of the sale of *Paris Match*.

LIVE:
SHARP IMPROVEMENT IN EBITA AND CFFO

2025 EBITA

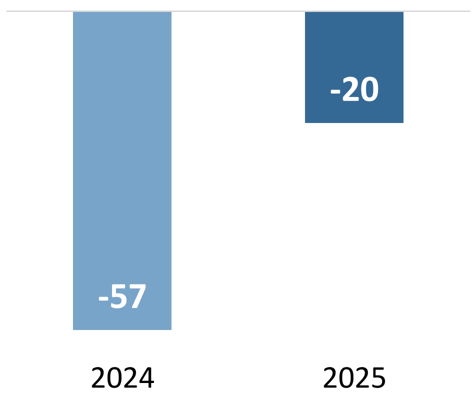
-€20m

2025 CFFO

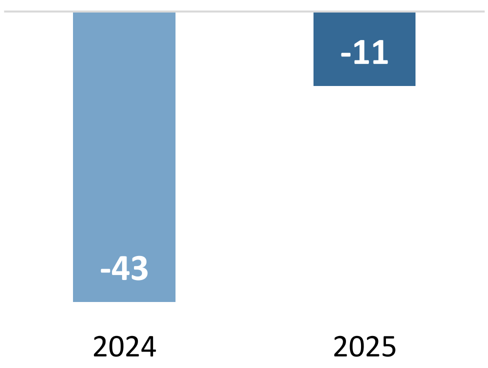
-€11m

- Strong upturn of EBITA (+€37m):
  - significant cost savings at Lagardère Radio & Lagardère News;
  - good performances at Lagardère Live Entertainment;
  - still impacted by asset write-offs and residual restructuring charges.
- Sharp improvement of CFFO (+€32m).

- **EBITA (€m)**



- **Cash flow from operations - CFFO (€m)**



Prisma Media

2025 performance

LOUIS HACHETTE GROUP

PRISMA:
FRANCE'S #1 MAGAZINE GROUP ACROSS PRINT AND DIGITAL

PRISMA MEDIA

2025 revenue

€266m

-9% reported

-10% LFL

- Revenue trend linked to a fast-moving environment:
  - structural decline in the print distribution market;
  - shift in digital usage patterns impacting advertising revenues in H2 2025.

- Restructuring plans involving c. 300 people launched successively in June and December 2025 to maintain profitability.
- Change in governance and strategic actions undertaken:
  - strengthen celebrity magazines: acquisition in December 2025 of *Ici Paris* and *France Dimanche*;
  - refocus on core businesses and brands in 2026 with the contemplated sale of the Luxury magazines to Vivendi and contemporaneous acquisition of a minority stake (14%) by Vivendi.

PRISMA:
EBITA IMPACTED BY TOP LINE TREND AND RESTRUCTURING COSTS

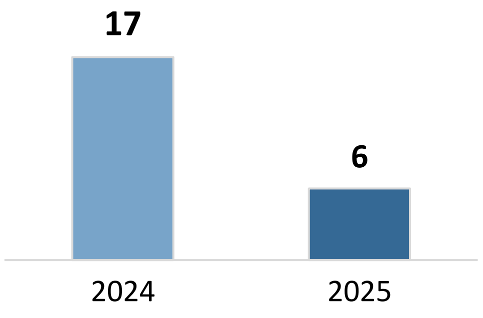
PRISMA MEDIA

2025 EBITA

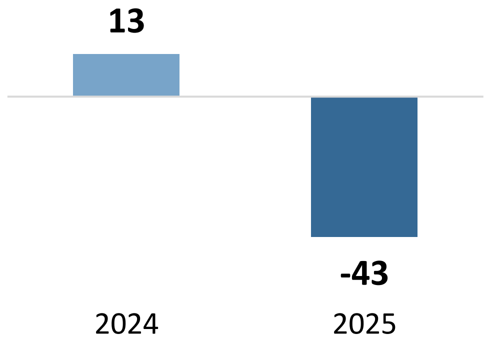
-€43m

- **EBITA sharp decline driven by top line trend and restructuring**.
- **Excluding non-recurring costs, EBITA remains positive**: decline in revenue partially offset by cost reductions.

- **EBITA before restructuring costs (€m)**



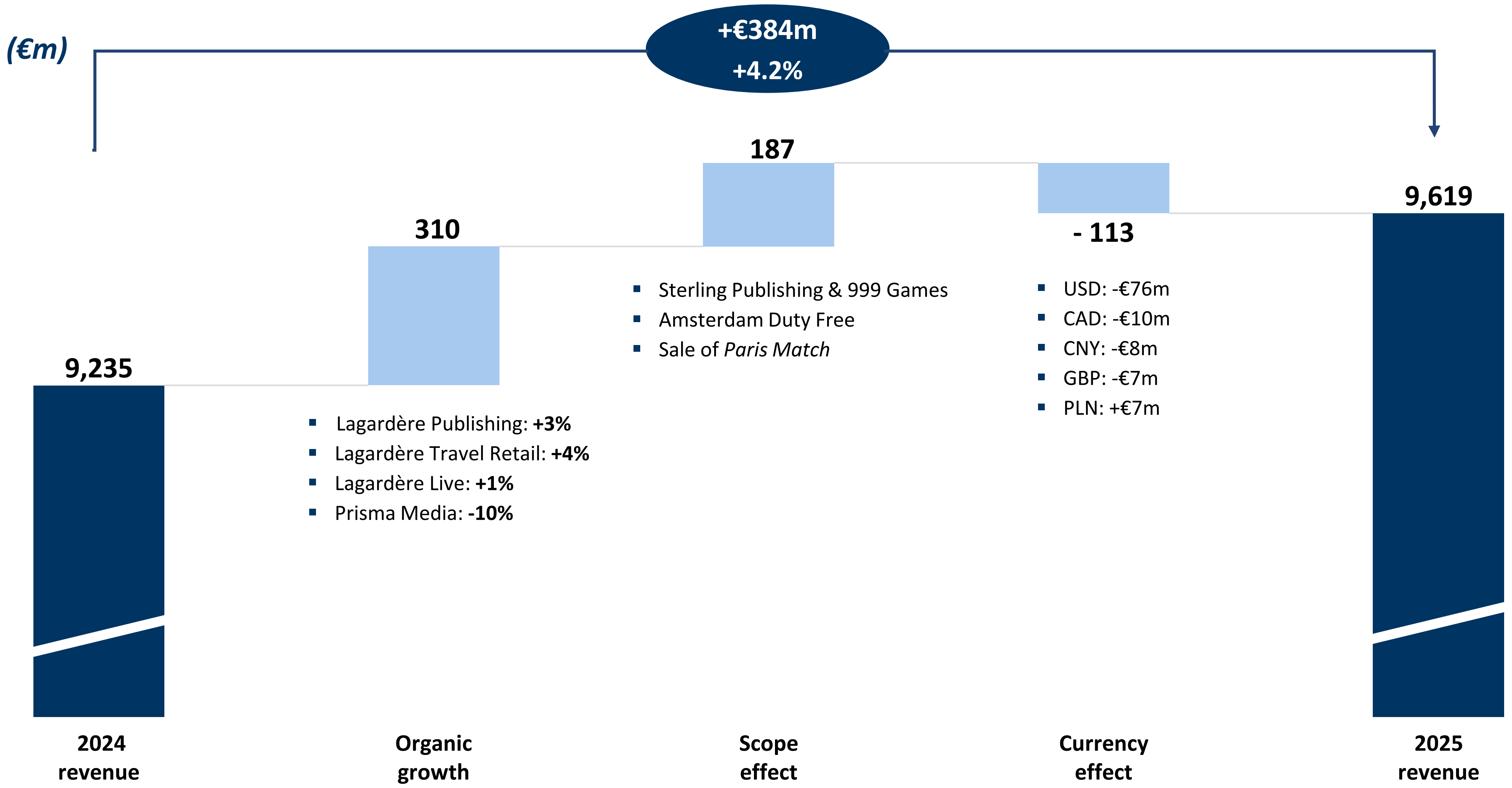
- **EBITA (€m)**



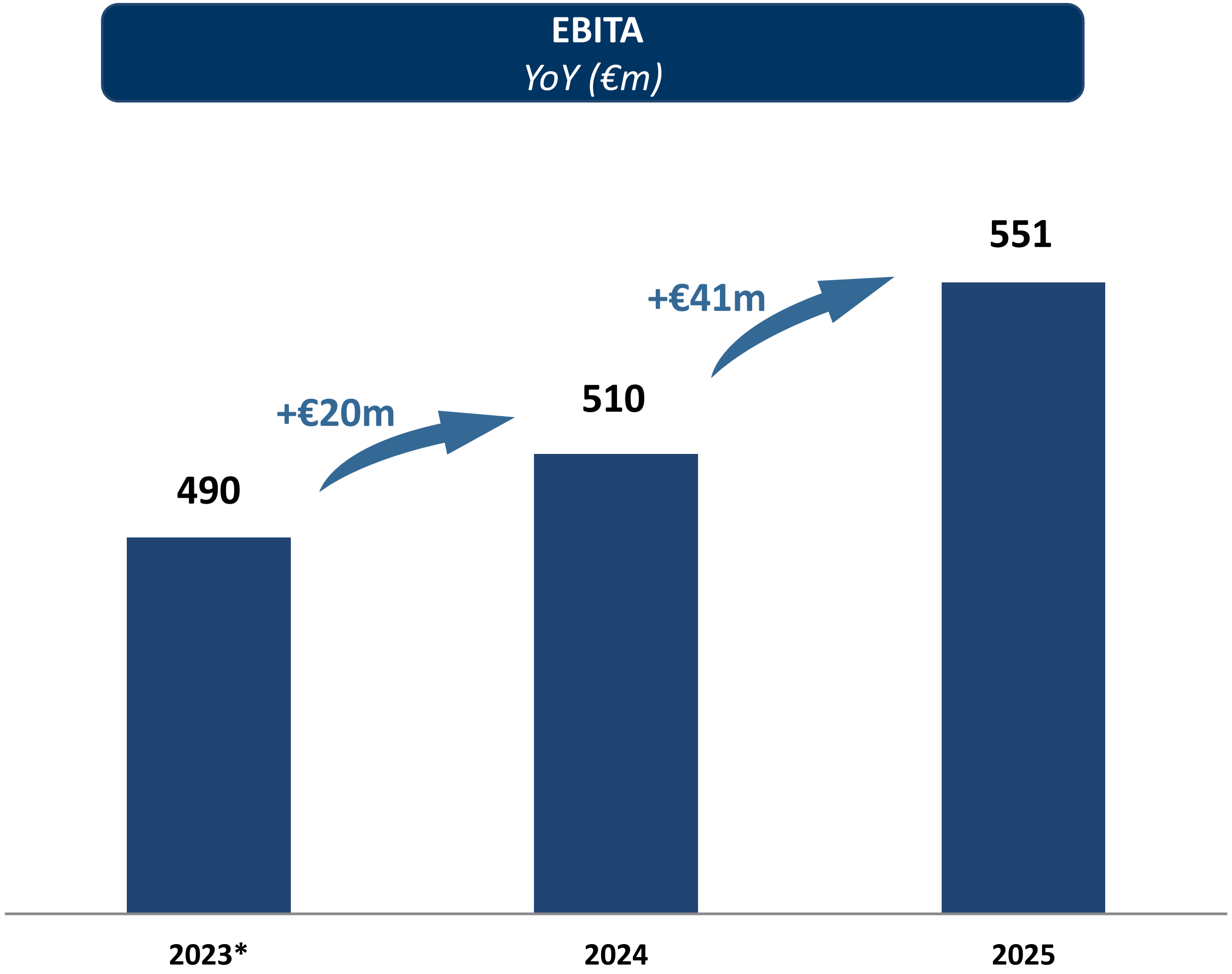
Group performance

LOUIS HACHETTE GROUP

2025 REVENUE TREND



SOLID YEAR-OVER-YEAR EBITA GROWTH



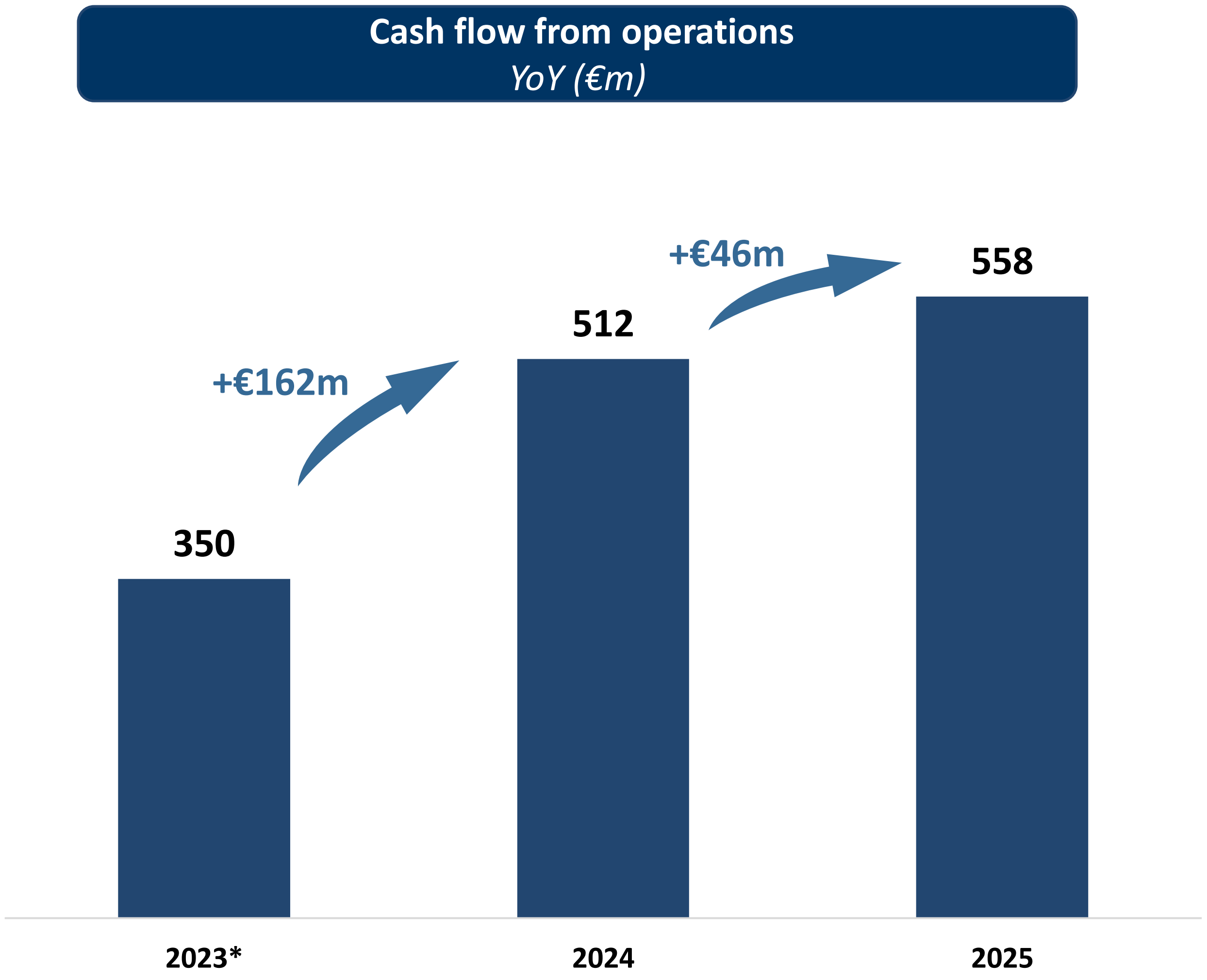
(*) Proforma figures, as published by Louis Hachette Group.

P&L

(€m)	2024	2025	Change (%)
Revenue	**9,235**	**9,619**	**+4%**
Income from equity affiliates	4	20	x5
Restructuring costs	(70)	(90)	+28%
Other	(27)	(17)	-37%
EBITA[(1)]	**510**	**551**	**+8%**
Profit before finance costs and tax	**401**	**429**	**+7%**
Finance costs, net	(149)	(128)	-14%
Interest expense on lease liabilities	(107)	(116)	+8%
Income tax expense	(93)	(73)	-22%
Net result	**52**	**112**	**x2.2**
Non-controlling interests	(39)	(90)	N/A
Net result – Group share	**13**	**22**	**x1.7**

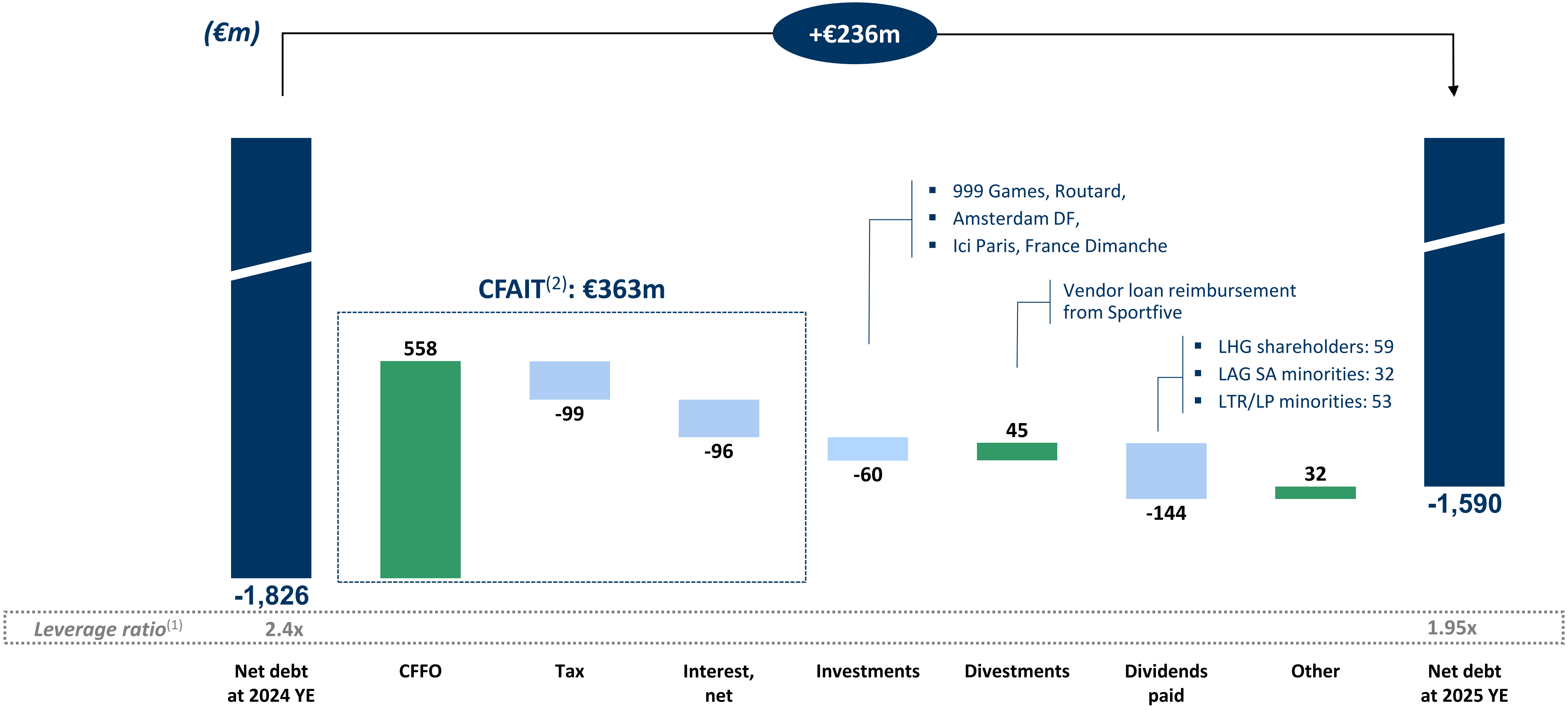
1. Alternative Performance Measure (APM).

CONTINUED STRONG CASH FLOW GENERATION



(*) Proforma figures, as published by Louis Hachette Group.

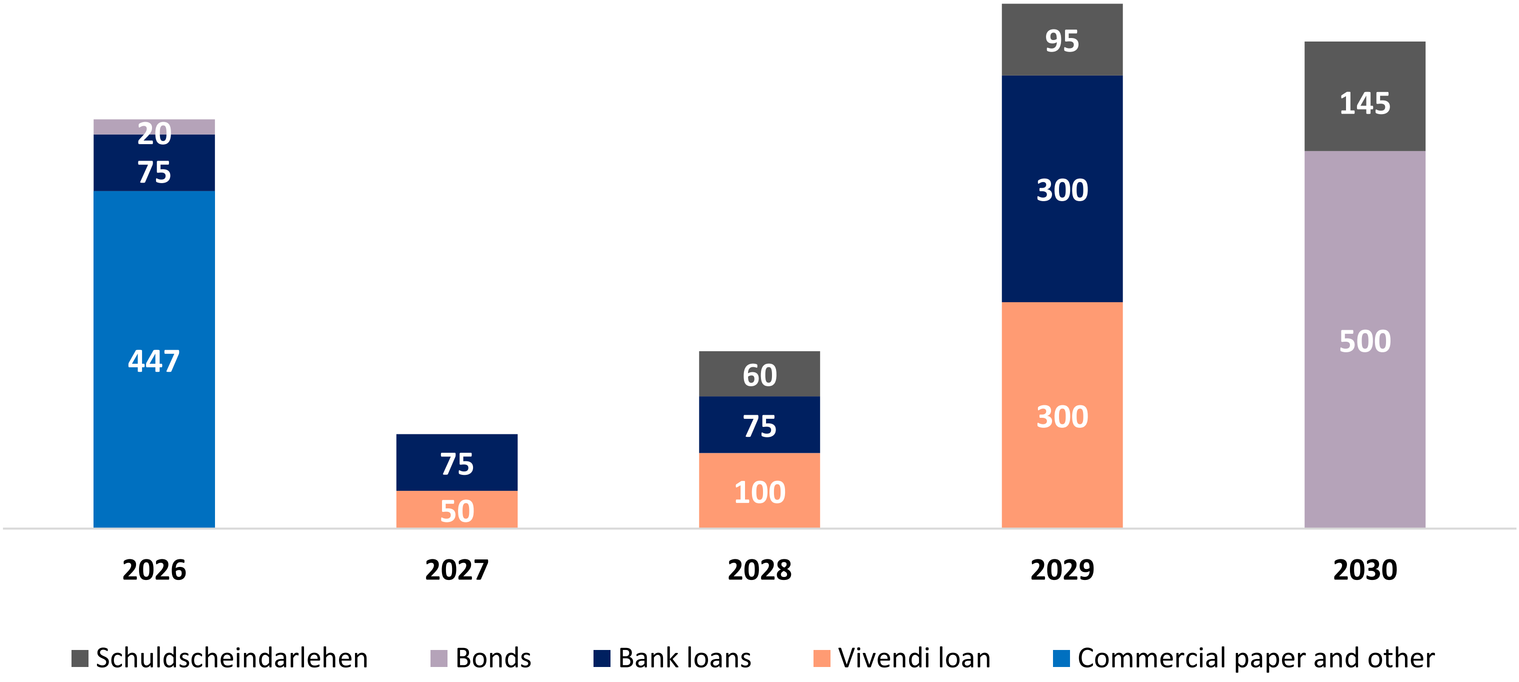
SHARP REDUCTION IN NET DEBT



1. Leverage ratio: net debt including liabilities related to minority put options/recurring EBITDA over a rolling 12-month period.
2. CFAIT: Cash flow after interest and tax.

WELL-DIVERSIFIED FINANCING STRUCTURE

Analysis of debt by maturity*
Nominal value, in €m



- €500m bond (2030 maturity).
- €300m Schuldscheindarlehen private placements (2028-2030 maturity).
- Mixture of bank loans, private loans and bonds.
- Weighted average maturity: 2.9 years.
- Well-balanced maturity profile until 2030.

*: Debt, excluding put options

Conclusion

LOUIS HACHETTE GROUP

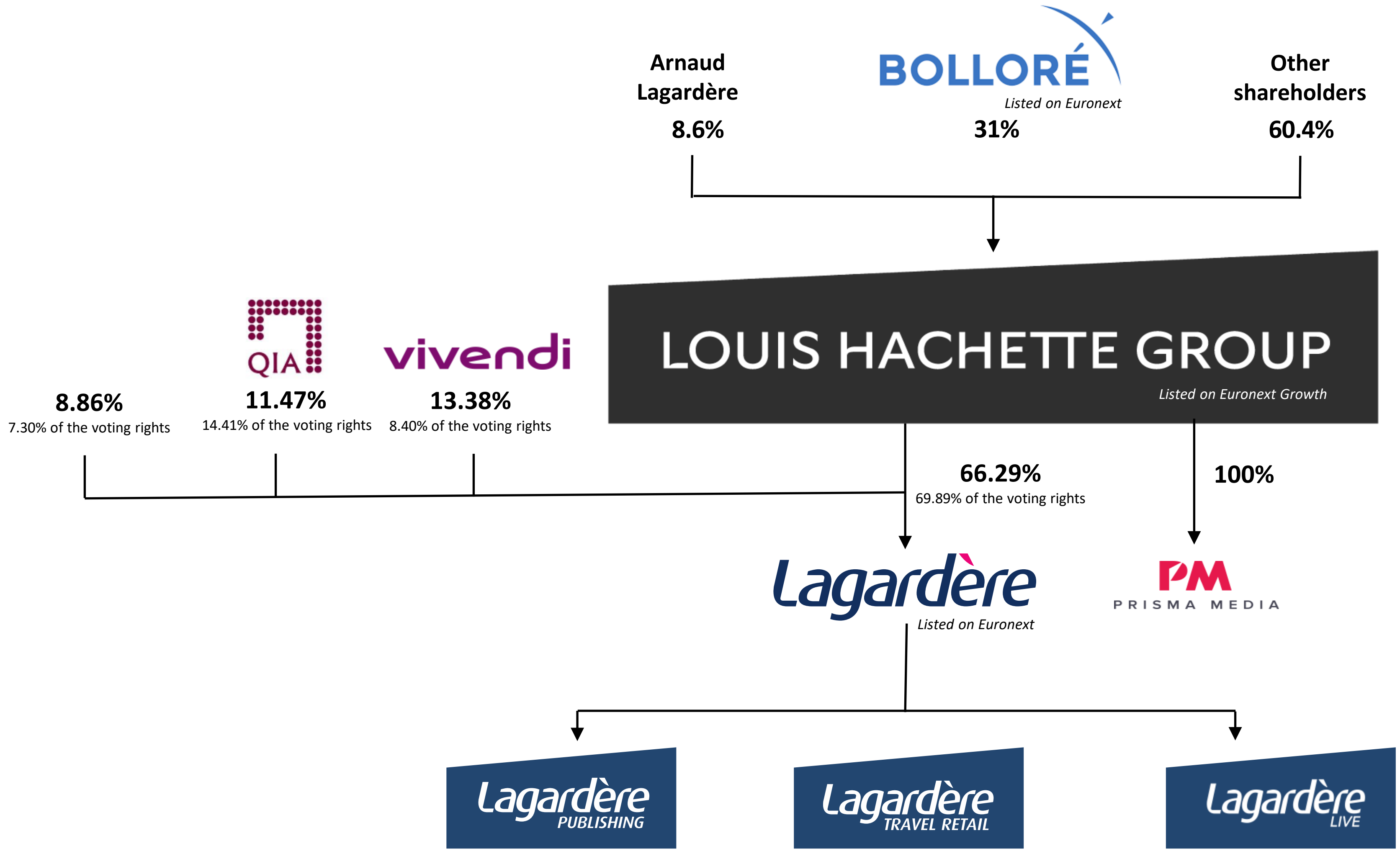
2026 KEY PRIORITIES

- **Consolidate our leading positions through solid execution of the strategy:**
  - Keep strong growth momentum and strict cost discipline in an uncertain environment;
  - Disciplined Capex;
  - Seize bolt-on acquisition opportunities.
- **Dividend policy reconfirmed:**
  - Louis Hachette Group plans to distribute at least 85% of the dividends received as controlling shareholder of Lagardère SA.
- **Dividend in respect of fiscal year 2025:**
  - Proposed ordinary dividend of €0.06 per share;
  - To be submitted to Annual General Meeting vote (5 May 2026);
  - Ex-dividend date is proposed to be 7 May 2026, with a payment date as from 11 May 2026.

Appendix

LOUIS HACHETTE GROUP

OWNERSHIP STRUCTURE AS AT 31 DECEMBER 2025[1]



1. Expressed as percentage of share capital.

ESG PERFORMANCE IN 2025

In December 2025, Louis Hachette Group defined a common CSR strategy for all its activities, underpinned by the slogan "Cultures in motion". This strategy incorporates both the Group's business lines and also the way in which they are operated, in a continuous drive towards sustainability.

Cultures
in motion

Fostering ***a culture of impact***

4,13 tCO_2e/FTE (emissions from Scopes 1 & 2, plus Scope 3 related to commuting and business travel).

Fostering ***a culture of trust***

91% of Group employees trained in anti-corruption measures.

91% of high-risk supplier spend assessed (mainly by EcoVadis).

Fostering ***a culture of talent***

47% of top executives are women.

Fostering ***a culture of openness***

29,018 audiobooks published in the Lagardère Publishing catalogue (up 11.5% compared to 2024).

98% of e-books accessible to people with disabilities (level 2).

CDP
MSCI

Louis Hachette Group received a first-time CDP Climate Change rating of **B**.

In its inaugural assessment, Louis Hachette Group received an MSCI ESG Rating of **BBB**, reflecting performance across key environmental, social and governance factors.

SUMMARY OF PERFORMANCE BY DIVISION

Q4 2025 revenue

(€m)	Q4 2025	Reported change (%)	Like-for-like change[1] (%)
Lagardère Publishing	841	+5.3%	+1.8%
Lagardère Travel Retail	1,551	+5.6%	+4.5%
Lagardère Live	62	-4.6%	+1.5%
Total revenue – Lagardère	**2,454**	**+5.3%**	**+3.5%**
Prisma Media	65	-18.4%	-19.7%
Total revenue – LHG	**2,519**	**+4.5%**	**+2.7%**

2025 main changes in scope

- **Lagardère Publishing**: acquisition of **Sterling Publishing** (Nov. 2024) and **999 Games** (April 2025)
- **Lagardère Travel Retail**: acquisition of 70% of **Schiphol DF activity** (May 2025)
- **Lagardère Live**: disposal of ***Paris Match*** (October 2024)

FY 2025 revenue

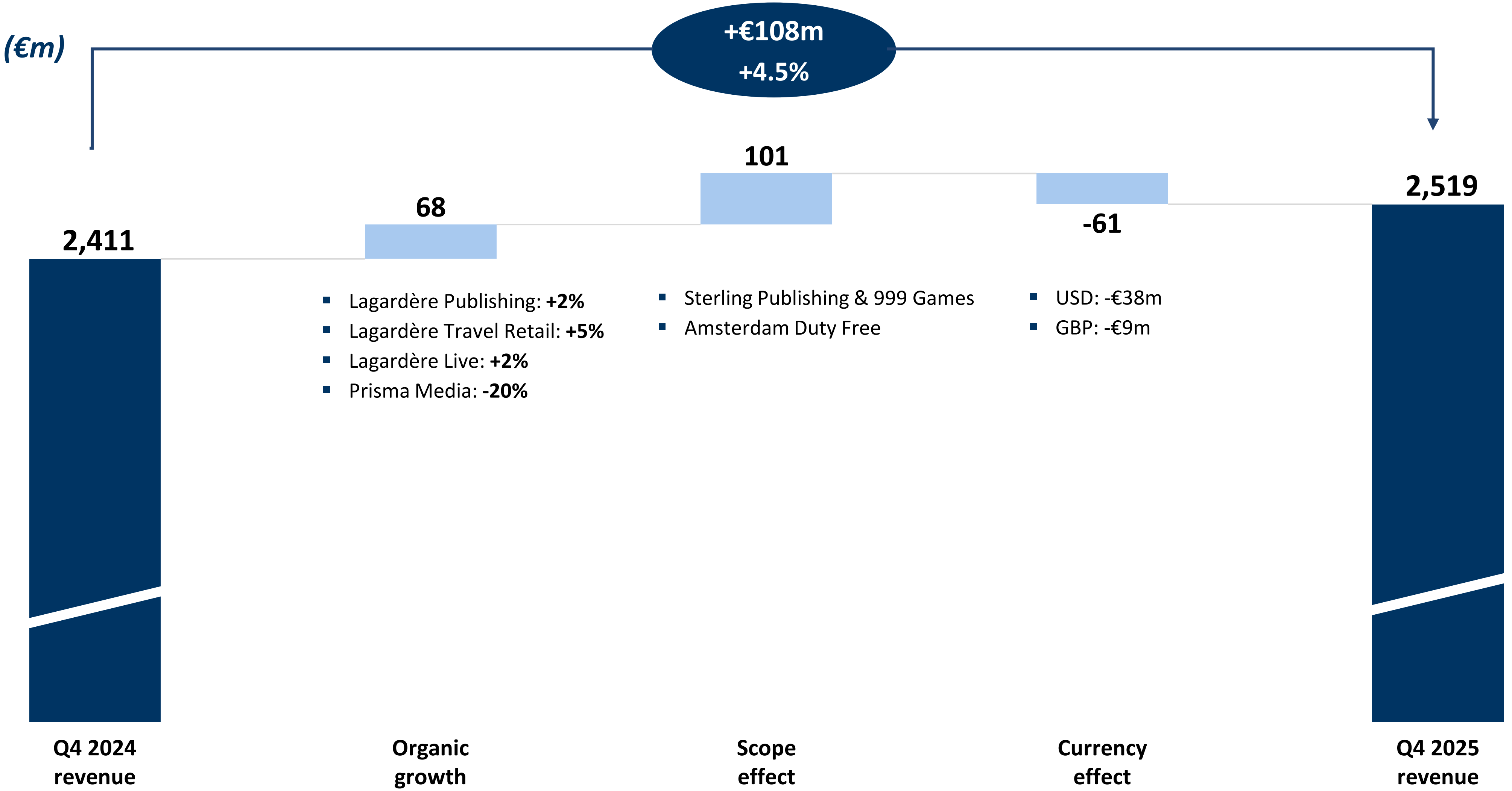
(€m)	2025	Reported change (%)	Like-for-like change[1] (%)
Lagardère Publishing	3,001	+4.5%	+2.7%
Lagardère Travel Retail	6,133	+5.5%	+4.4%
Lagardère Live	219	-14.4%	+1.4%
Total revenue – Lagardère	**9,353**	**+4.6%**	**+3.8%**
Prisma Media	266	-9.3%	-10.2%
Total revenue – LHG	**9,619**	**+4.2%**	**+3.3%**

FY 2025 EBITA

(€m)	2024	2025	Reported change (€M)	Reported change (%)
Lagardère Publishing	289	308	+19	+6.6%
Lagardère Travel Retail	266	312	+46	+17.3%
Lagardère Live	(57)	(20)	+37	N/A
Total EBITA – Lagardère	**498**	**600**	**+102**	**+20.5%**
Prisma Media	17	(43)	-60	N/A
LHG-SA	1	(6)	-7	N/A
Total EBITA – LHG	**510**	**551**	**+41**	**+8.0%**

1. At constant scope and exchange rates

Q4 REVENUE TREND

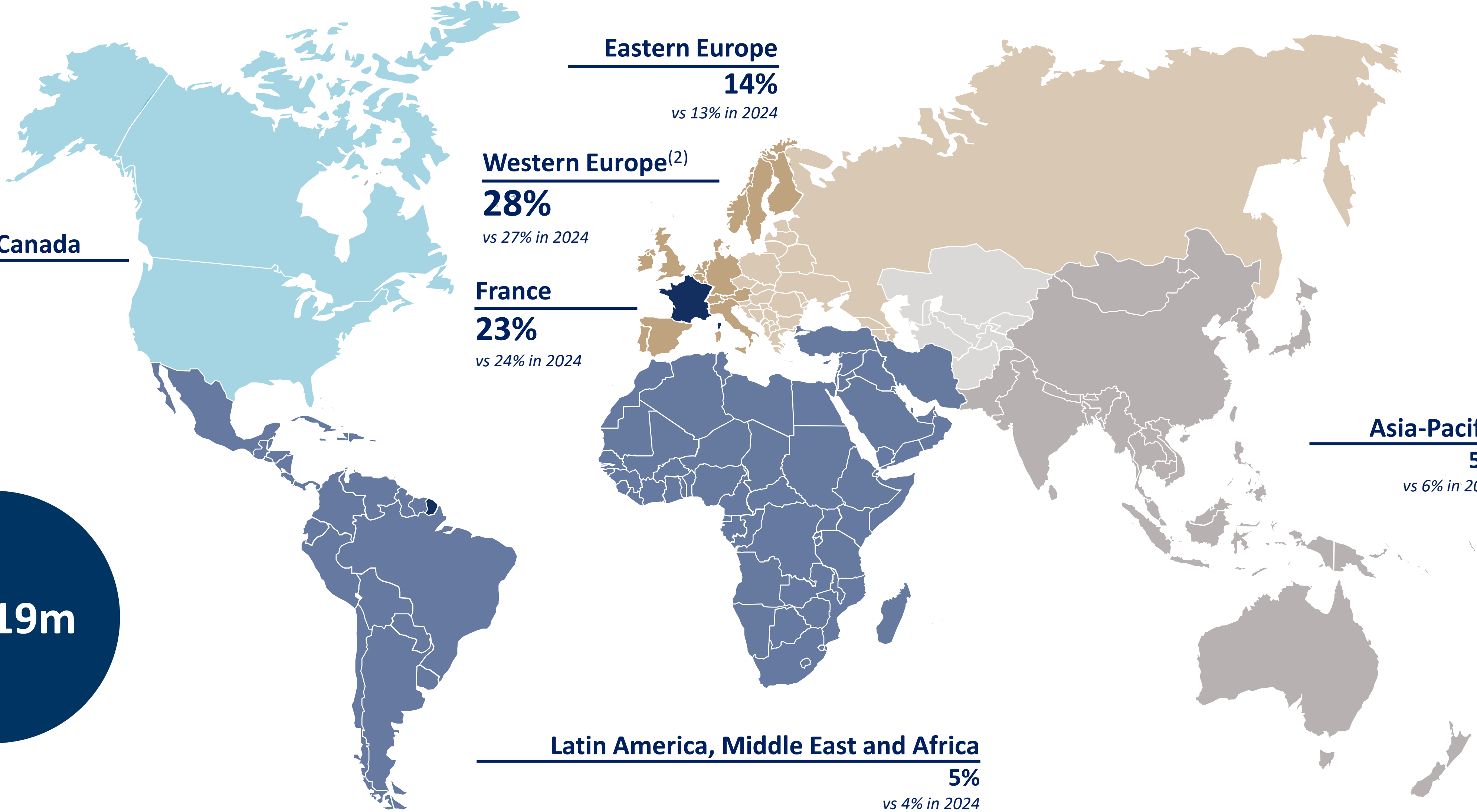


- Lagardère Publishing: **+2%**
- Lagardère Travel Retail: **+5%**
- Lagardère Live: **+2%**
- Prisma Media: **-20%**

- Sterling Publishing & 999 Games
- Amsterdam Duty Free

- USD: -€38m
- GBP: -€9m

2025 REVENUE BY GEOGRAPHIC AREA[1]



€9,619m

1. By destination.
2. Western Europe excluding France.

EBITA[1]: FROM LAGARDÈRE TO LOUIS HACHETTE GROUP RECONCILIATION

LOUIS HACHETTE GROUP

(€m)	Lagardère Publishing	Lagardère Travel Retail	Lagardère Live	2025	2024
Lagardère EBITA as published by Lagardère	**343**	**305**	**(18)**	**630**	**498**
IFRS 16 impacts for Lagardère included in opening balance sheet of Vivendi/LHG	-7	-4	-3	(14)	-20
Provisions, impairment and assets step-ups included in opening balance sheet of Vivendi/LHG	-28	+11	-	(17)	+16
Other			+1	1	+4
Lagardère EBITA as included in Louis Hachette Group	**308**	**312**	**(20)**	**600**	**498**
Prisma Media				(43)	13
LHG SA				(6)	(1)
Louis Hachette Group EBITA				**551**	**510**

1. Alternative Performance Measure (APM) – See Glossary.

NON-RECURRING/NON-OPERATING ITEMS

(€m)	Lagardère Publishing	Lagardère Travel Retail	Lagardère Live	Prisma Media	LHG-SA	2025	2024
Recurring operating profit (loss)	**307**	**338**	**(9)**	**8**	**(6)**	**638**	**603**
Income (loss) from equity-accounted companies	6	15	(1)	-	-	20	4
Restructuring costs	(14)	(23)	(4)	(49)	-	(90)	(70)
Gains (losses) on disposals on PP&E and intangible assets	12	-	-	-	-	12	(1)
Impairment losses on PP&E and intangible assets	(3)	(18)	(6)	(2)	-	(29)	(25)
Gains (losses) on leases (excluding concession)	-	-	1	-	-	1	-
Other EBITA items	-	-	(1)	-	-	(1)	(1)
EBITA[1]	**308**	**312**	**(20)**	**(43)**	**(6)**	**551**	**510**
Gains (losses) on disposals of businesses	(1)	(1)	5	(1)	-	2	41
Amortisation of acquisition-related intangible assets	(59)	(131)	(4)	(1)	-	(195)	(193)
Impairment losses on acquisitions	1	-	-	-	-	1	(4)
Purchase price adjustments	-	(1)	-	-	-	(1)	-
IFRS 16 impact on concession agreements	-	70	-	-	-	70	47
Other	-	-	1	-	-	1	-
Profit (loss) before finance costs and tax	**249**	**250**	**(19)**	**(45)**	**(6)**	**429**	**401**

1. Alternative Performance Measure (APM) – See Glossary.

P&L

(€m)	2025	2024
Revenue	**9,619**	**9,235**
EBITA[1]	**551**	**510**
Gains (losses) on disposals of businesses and expenses related to acquisitions and disposals	2	41
Amortisation of acquisition-related intangible assets	(195)	(193)
Impact of IFRS 16 on concession agreements	70	47
Purchase price adjustment	(1)	(4)
Other	2	-
Profit before finance costs and tax	**429**	**401**
Finance costs, net	(128)	(149)
Interest expense on lease liabilities	(116)	(107)
Income tax expense	(73)	(93)
Profit for the period	**112**	**52**
Minority interests	(90)	(39)
Profit - Group share	**22**	**13**

1. Alternative Performance Measure (APM) – See Glossary.

ADJUSTED P&L

(€m)	2024	2025
EBITA	**510**	**551**
Restructuring costs	70	90
Impairment losses on PP&E and intangible assets	25	29
Gains (losses) on disposal of PP&E and intangible assets	1	(12)
Finance costs, net	(149)	(128)
Interest expense on lease liabilities	(15)	(15)
Income tax expense on adjusted profit	(143)	(131)
Adjusted minority interests	(126)	(172)
Adjusted profit – Group share	**173**	**212**

(€m)	2024	2025
Profit for the period	**52**	**112**
Restructuring costs	70	90
Gains (losses) on disposals	(39)	(18)
Impairment losses on goodwill, PP&E, intangible assets and investments in equity-accounted companies	25	28
Amortisation of acquisition-related intangible assets and other acquisition-related expenses	197	199
IFRS 16 impact on concession agreements	45	31
Tax effects on the above transactions	(51)	(58)
Adjusted profit(1)	**299**	**384**
Minority interests	(126)	(172)
Adjusted profit – Group share(1)	**173**	**212**

1. Before impairment losses.

CASH FLOW RECONCILIATION

(€m)	2024	2025
Cash flow from operating activities	**1,387**	**1,432**
Repayment of lease liabilities	(481)	(543)
Interest paid on lease liabilities	(100)	(119)
Capex	(294)	(212)
Cash flow from operations (CFFO)[1]	**512**	**558**
Income taxes paid	(91)	(99)
Free cash flow[1]	**421**	**459**
Interest paid	(177)	(110)
Interest received	17	14
Cash flow after interest and taxes (CFAIT)[1]	**261**	**363**

1. Alternative Performance Measure (APM) – See Glossary.

CONSOLIDATED BALANCE SHEET

(€m)	31 Dec. 2024	31 Dec. 2025
Non-current assets	9,068	9,018
Investments in equity-accounted companies	150	140
Current assets	2,735	2,633
Short-term investments and cash	422	633
TOTAL ASSETS	**12,375**	**12,424**
Total equity	2,976	2,800
Non-current liabilities	3,555	3,783
Non-current debt excl. put options[1]	1,768	1,707
Current liabilities	3,596	3,618
Current debt excl. put options[2]	480	516
TOTAL EQUITY AND LIABILITIES	**12,375**	**12,424**

Net debt of €1,590m (€1,826m at 31 Dec. 2024)

1. Including €(14)m in long-term derivative assets as at 31 Dec. 2025, and €15m in long-term derivative liabilities as at 31 Dec. 2024.
2. Including €(6)m in short-term derivative assets and €1m in short-term derivative liabilities as at 31 Dec. 2025, and €(1)m in short-term derivative assets at 31 Dec. 2024.

LEVERAGE RATIO CALCULATION

(€m)	2024	2025
EBITA[1]	**510**	**551**
(-) Depreciation and amortisation of PP&E and intangible assets	199	204
(-) Impairment losses on PP&E and intangible assets	25	29
(-) Income (loss) from equity-accounted companies	(4)	(20)
(-) Restructuring costs	70	90
(-) Gains (losses) on disposals on PP&E and intangible assets	1	(12)
(+) Add-back of fixed rental expense – building and other items	(96)	(91)
(-) Cancellation of depreciation of right-of-use assets – building and other items	84	83
(+) Dividends received from equity-accounted companies	18	11
Recurring EBITDA[1]	**807**	**845**
Net debt	1,826	1,590
Put on minorities	85	53
Net debt, including put on minorities	**1,911**	**1,643**
Leverage ratio	**2.4x**	**1.95x**

1. Alternative Performance Measure (APM) – See Glossary.

DEBT MATURITIES

Nominal Values, excluding put options (€m)	2026	2027	2028	2029	2030	>5 years	Total	*Undrawn credit facilities*
Bonds	20	3	-	-	500	-	**523**	-
Schuldscheindarlehen	-	-	60	95	145	-	**300**	-
Bank loans	75	75	75	300	-	-	**525**	-
Commercial papers	295	-	-	-	-	-	**295**	-
Loan from Vivendi SE	-	50	100	300	-	-	**450**	-
Other	152	4	-	-	-	6	**162**	-
Total	**542**	**132**	**235**	**695**	**645**	**6**	**2,255**	-
Revolving bank credit facilities	-	-	*75*	*700*	-	-	-	*775*

IFRS 16 – IMPACTS ON 2025 P&L, CF AND DEBT

(€m)	2024	2025
Recurring EBITDA[1]	**(3)**	**(3)**
EBITA[1]	**(9)**	**-**
Non-recurring/non-operating items	+47	+70
Of which cancellation of fixed rental expense[2] – concession stores	*+485*	*+556*
Of which depreciation of right-of-use assets – concession stores	*(438)*	*(487)*
Of which gains and losses on leases	*-*	*+1*
Total EBIT	**+38**	**+70**
Of which impact from concession stores	***+47***	***+70***
Of which impact from buildings and other	***(9)***	***-***
Finance costs, net	(1)	+1
Lease interest expense	(107)	(116)
Of which impact from concession stores	*(92)*	*(102)*
Of which impact from buildings and other	*(15)*	*(14)*
Profit before tax	**(70)**	**(45)**
Income tax expense	16	11
Profit for the period	**(54)**	**(34)**
Of which impact from concession stores	***(35)***	***(25)***
Of which impact from buildings and other	***(19)***	***(9)***
Attributable to minority interests	(22)	(11)
Profit – Group share	**(11)**	**(23)**

(€m)	2024	2025
Cash flow from operating activities before changes in working capital	**+579**	**+648**
Repayment of lease liabilities	(481)	(543)
Interest paid on lease liabilities	(100)	(119)
Changes in working capital from lease liabilities	(4)	(2)
Cash flow from operations before changes in working capital	**(6)**	**(16)**
Changes in working capital	+6	+16
Income taxes paid	-	-
Cash flow from operations	-	-
Purchases of property, plant & equipment and intangible assets	-	-
Disposals of property, plant & equipment and intangible assets	-	-
Free cash flow[1]	-	-
Purchases / (Disposals) of investment	-	-
Cash flow from operations and investing activities	-	-
Interest paid	-	-
Dividend paid and other	-	-
Change in net debt	-	-
Net debt[1]	-	-

1. Alternative Performance Measure (APM) – see Glossary.
2. Cancellation of fixed rental expense is equal to the repayment of the lease liability, the associated change in working capital and interest paid in the statement of cash flows.

IFRS 16 – IMPACT ON THE CONSOLIDATED BALANCE SHEET

(€m)	31 Dec. 2024	31 Dec. 2025
Non-current assets	**+2,582**	**+2,797**
Right-of-use asset	+2,545	+2,761
o/w concession stores	*+2,211*	*+2,462*
o/w buildings and other	*+334*	*+299*
Deferred tax asset	+18	+28
Other non-current assets	+24	+11
Investments in equity-accounted companies	(5)	(3)
Current assets	**(5)**	**(5)**
Short-term investments and cash	**-**	**-**
TOTAL ASSETS	**+2,577**	**+2,792**

(€m)	31 Dec. 2024	31 Dec. 2025
Total equity	**(33)**	**(74)**
Non-current liabilities	**+2,146**	**+2,368**
Lease liability – non-current	+2,140	+2,364
o/w concession stores	*+1,862*	*+2,104*
o/w buildings and other	*+278*	*+260*
Deferred tax liabilities	+6	+4
Non-current debt	**-**	**-**
Current liabilities	**+464**	**+498**
Lease liability – current	+490	+516
o/w concession stores	*+403*	*+437*
o/w buildings and other	*+87*	*+79*
Other current liabilities	(26)	(18)
Current debt	**-**	**-**
TOTAL EQUITY AND LIABILITIES	**+2,577**	**+2,792**

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- general economic conditions (uncertainty related to geopolitics fuelled by recent US elections, the growing impact of climate change);
- legal, regulatory, financial and governmental risks related to the businesses;
- certain risks related to the media industry (including, without limitation, technological risks);
- the cyclical nature of some of the businesses.

These risk factors and uncertainties are further developed in the “risk factors” section of the Annual Report (available on the website of Louis Hachette Group, in the Shareholders and Investors’ section, and on the AMF's website).

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GLOSSARY (1/3)

Louis Hachette Group uses alternative performance measures which serve as key indicators of the Group's operating and financial performance.
These indicators are tracked by the Executive Committee in order to assess performance and manage the business, as well as by investors in order to monitor the Group's operating performance, along with the financial metrics defined by the IASB. In the context of the first-time application of IFRS 16 – Leases, effective 1 January 2019, the Group has elected to retain its existing alternative performance measures with certain modifications, in particular the neutralisation of pure accounting effects and distortions created by the new standard on the concession's businesses. From 1 January 2019, these indicators are monitored by the Executive Committee to assess operating performance and manage the business, along with the financial metrics defined by the IASB. These indicators are calculated based on accounting items taken from the consolidated financial statements prepared under IFRS.

- **Recurring EBIT. The Group's main performance indicator is recurring operating profit of fully consolidated companies, which is calculated as follows:**

  Profit before finance costs and tax excluding:
  - income (loss) from equity-accounted companies before impairment losses;
  - gains (losses) on disposals of assets;
  - impairment losses on goodwill, property, plant and equipment, intangible assets and investment 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 adjustment due to changes in control,
    - amortisation of acquisition-related intangible assets;
  - specific major disputes unrelated to the Group's operating performance;
  - items related to leases and finance sub-leases:
    - cancellation of fixed rental expense(1) on concession agreements,
    - depreciation of right-of-use assets on concession agreements,
    - gains and losses on leases.

1. Cancellation of fixed rental expense is equal to the repayment of the lease liability, the associated change in working capital and interest paid in the statement of cash flows.

GLOSSARY (2/3)

- **The like-for-like change in revenue is calculated by comparing:**
  - revenue for the period adjusted for companies consolidated for the first time during the period and revenue for the prior period adjusted for consolidated companies divested during the period;
  - revenue for the period and revenue for the prior period adjusted based on the exchange rates applicable in the previous period.
- **Operating margin** is calculated by dividing recurring EBIT of fully consolidated companies (recurring EBIT) by revenue.
- **Adjusted earnings before interest and income taxes (EBITA)** corresponds to EBIT before gains or losses arising on disposals of businesses and acquisition-related costs, the amortisation of intangible assets acquired through business combinations and the impairment on goodwill and other intangible assets acquired through business combinations, other income and charges related to transactions with shareholders as well as items related to concession agreements (IFRS 16).
- **Recurring EBITDA over a rolling 12-month period** is calculated as recurring operating profit of fully consolidated companies (Group recurring EBIT) plus dividends received from equity-accounted companies, less depreciation and amortisation charged against property, plant and equipment and intangible assets, amortisation of the cost of obtaining contracts, and the cancellation of fixed rental expense(1) on property and other leases, plus recurring EBITDA from discontinued operations.
- **Free cash flow** is calculated as cash flow from operations before changes in working capital, the repayment of lease liabilities and related interest paid, changes in working capital and income taxes paid plus net cash flow relating to acquisitions and disposals of property, plant and equipment and intangible assets.
- **CFFO** (Cash flows from operations) are calculated by deducting income taxes paid from free cash flow.
- **CFAIT** (Cash flow after interest and taxes) are calculated by adding the interest paid and received to free cash flow.
- **Net debt** is calculated as the sum of the following items: short-term investments and cash and cash equivalents, financial instruments designated as hedges of debt, non-current debt and current debt excluding liabilities related to minority put options.

1. Cancellation of fixed rental expense is equal to the repayment of the lease liability, the associated change in working capital and interest paid in the statement of cash flows.

GLOSSARY (3/3)

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

  Profit for the period excluding:

  - gains (losses) on disposals of assets;
  - impairment losses on goodwill, property, plant and equipment, intangible assets and investments in equity-accounted companies;
  - net restructuring costs;
  - items related to business combinations:
    - acquisition-related expenses,
    - gains and losses resulting from purchase price adjustments and fair value adjustments due to changes in control,
    - amortisation of acquisition-related intangible assets;
  - specific major disputes unrelated to the Group's operating performance;
  - tax effects of the above items;
  - non-recurring changes in deferred taxes;
  - items related to leases and finance sub-leases:
    - cancellation of fixed rental expense(1) on concession agreements,
    - depreciation of right-of-use assets on concession agreements,
    - interest expense on lease liabilities under concession agreements,
    - gains and losses on leases;
  - adjusted profit attributable to minority interests: profit attributable to minority interests adjusted for minorities' share in the above items.

1. Cancellation of fixed rental expense is equal to the repayment of the lease liability, the associated change in working capital and interest paid in the statement of cash flows.