



# VIVENDI

Investor Presentation  
June 2019

## Our key figures in 2018

A presence in

**100+**

countries

**44,150**

employees

Revenue of

**€13.9 billion**

**€2.7 billion**

invested in content

“

**Build a global leader with  
European roots in content,  
media and communication**

”

Positioned on markets with sustainable growth

83%

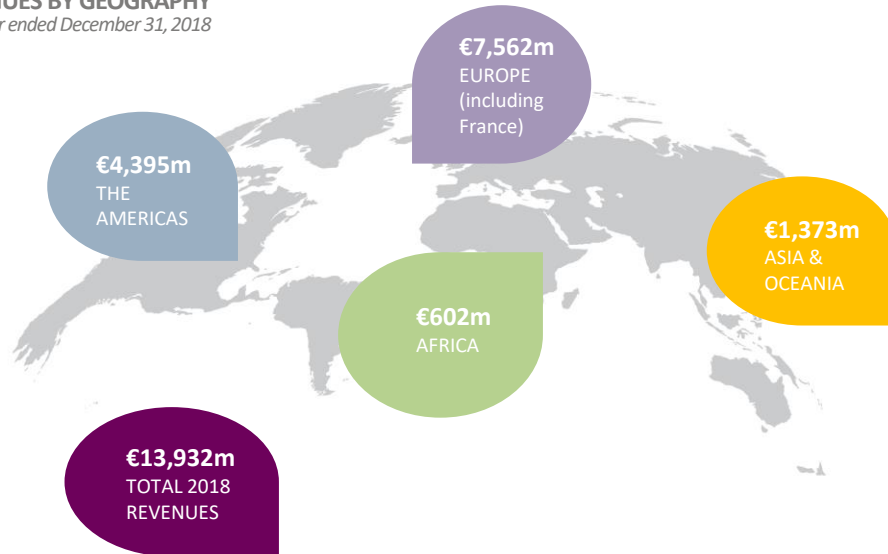
of people regard entertainment  
as a **vital necessity** \*

\* Latest Havas Prosumer report May 2019

# A global champion in the creative industries

## REVENUES BY GEOGRAPHY

Year ended December 31, 2018



## REVENUES BY BUSINESS SEGMENT

Year ended December 31

In millions of euros	2017	2018
Universal Music Group	5,673	6,023
Canal+ Group	5,198	5,166
Havas Group*	1,211	2,319
Other businesses**	436	424
<b>TOTAL VIVENDI</b>	<b>12,518</b>	<b>13,932</b>

\* Havas is consolidated since July 3, 2017

\*\* Other businesses include Gameloft, Vivendi Village and New Initiatives as well as intercompany elimination

- **UMG**, the world's leading music company, engaged in:
  - **recorded music (more than 80% of its revenues)**
    - the world leader (> 30% market share) with more than 50 labels representing all musical styles and the biggest recorded music catalog in the world (more than 3 million titles)



- **music publishing** - owns and administers music rights
- and **merchandising**



- In 2018, UMG posted more than **€6 Bn of revenues** and **€902 M of EBITDA**
- The digital revolution has drastically transformed the music business model, with **streaming, and subscription** represented **54% of UMG total recorded music** revenues in 2018

- A leader in the production, bundling and distribution of first-run movie channels and thematic channels:
  - **in France,**
  - in Africa (c.25 countries), in Poland, in Vietnam and in Myanmar
- **16.2 M subscribers** end of 2018, of which **c. 50% of subscribers** from international operations
- **Studiocanal** is the European market leader in the production, distribution and international sales of films and TV series. It manages one of the world's largest movie catalogs
- In 2018, Canal+ Group posted **revenues of €5.2 Bn** and **EBITA (before restructuring) of €428 M** (+21.8% organic growth)



- **One of the world's largest** communication groups **acquired by Vivendi in July 2017**
- **The most integrated group** in the industry with more than **60 Villages on 5 continents**
- In 2018, Havas posted **Net Revenues of €2.2 Bn.** It counts approximately **20,000 employees** in over **100 countries**
- Havas has three main business units covering all communication disciplines:
  - Havas Creative – **46% of Havas' Net Revenues\*** – brings together experts from the creative, media and data sectors to deliver integrated solutions to brands
  - Havas Media – **37% of Havas' Net Revenues\*** specializes in media expertise and advertising space buying
  - Havas Health&You – **17% of Havas' Net Revenues\*** a global leader in health-and-wellness communications

#### 2018 SELECTED WINS



#### FURTHER TARGETED ACQUISITIONS IN 2018 AND IN EARLY 2019

- Acquisition and integration of five new agencies in 2018: *Catchi, DAA, Etoile Rouge, M&C Consultancy, Republica*
- In January 2019, Havas Group finalized the deal to acquire a 51% interest in the largest communications group in the Baltic region

\* As of December 31, 2018. Net revenues correspond to revenues less the pass-through costs rebilled to customers





Consolidated Figures

## Key consolidated figures

In millions of euros	2017	2018	% Change	% Organic change*
Revenues	12,518	13,932	+ 11.3 %	+ 4.9 %
Adjusted earnings before interest and income taxes (EBITA)*	969	1,288	+ 33.0 %	+ 24.7 %
Earnings before interest and income taxes (EBIT)	1,018	1,182	+ 16.1 %	
Adjusted net income**	1,300	1,157	- 11.1 %	+ 33.6 %***
Net cash / (Net debt) as of December 31	(2,340)	176		
<i>o/w gross cash position</i>	<i>2,026</i>	<i>4,392</i>		

\* At constant currency and perimeter

\*\* Non-GAAP measures

\*\*\* €434 M restated for non-recurring tax income in 2017

## Revenues by business

In millions of euros - IFRS	2017	2018	% Change	% Organic change*
Universal Music Group	5,673	6,023	+ 6.2 %	+ 10.0 %
Canal+ Group	5,198	5,166	- 0.6 %	- 0.3 %
Havas Group	1,211	2,319	na	na
Other businesses**	436	424	- 2.6 %	+ 4.3 %
<b>TOTAL VIVENDI</b>	<b>12,518</b>	<b>13,932</b>	<b>+ 11.3 %</b>	<b>+ 4.9 %</b>

\* At constant currency and perimeter

\*\* Including elimination of intersegment transactions

## EBITA by business

(Adjusted Earnings Before Interest and Income Taxes)

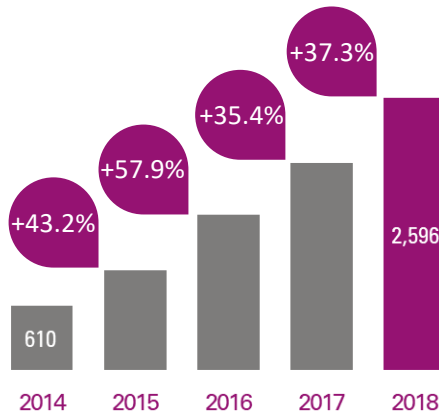
In millions of euros	2017	2018	% Organic change*
Universal Music Group	761	902	+ 22.1 %
Canal+ Group	300	400	+ 32.8 %
Havas Group	111	215	na
Other businesses	(203)	(229)	na
<b>TOTAL VIVENDI</b>	<b>969</b>	<b>1,288</b>	<b>+ 24.7 %</b>

\* At constant currency and perimeter

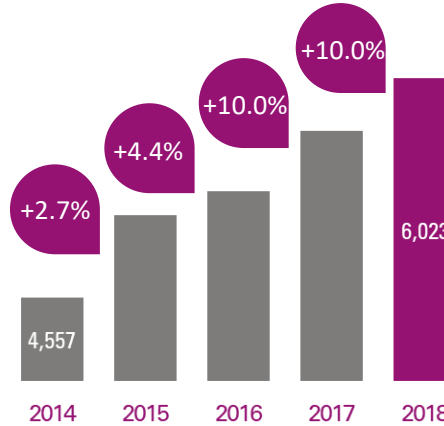
# UMG: faster growth and improved profitability



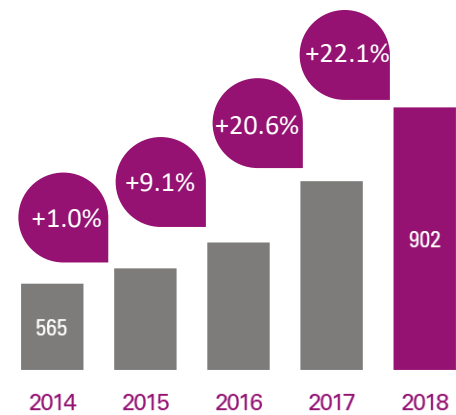
**Significant increase of streaming and subscriptions revenues**  
(in millions of euros and organic growth\*)



**Revenues evolution**  
(in millions of euros and organic growth\*)



**EBITA growth**  
(in millions of euros and organic growth\*)

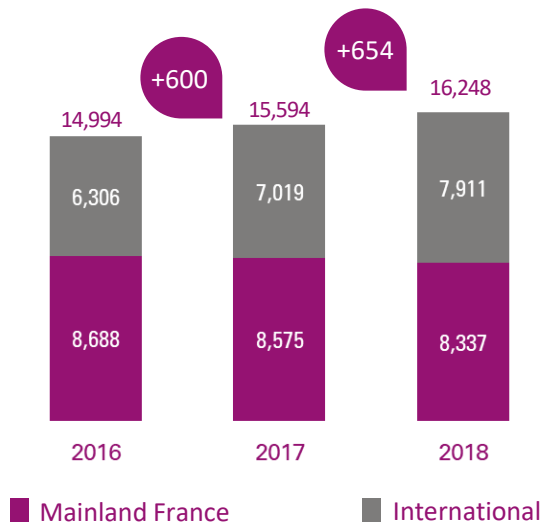


\* At constant currency and perimeter

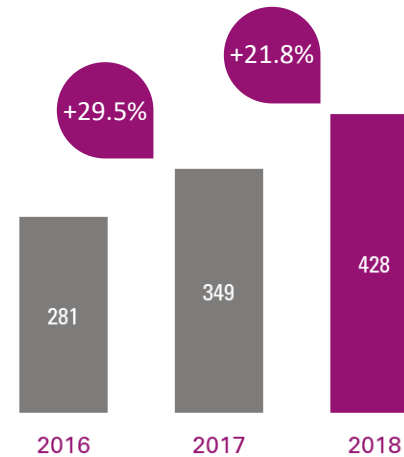
# Canal+ Group: recovery of the activity in France and continuous growth internationally



**Sustained growth  
of the subscriber base**  
(in thousands)



**Improvement of EBITA  
before restructuring charges**  
(in millions of euros and organic growth\*)

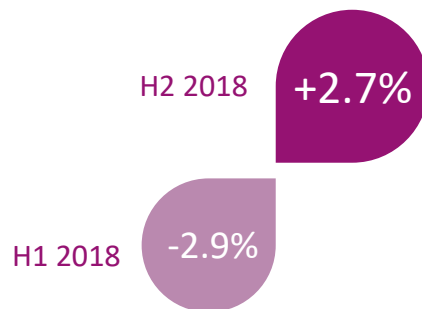


\* At constant currency and perimeter

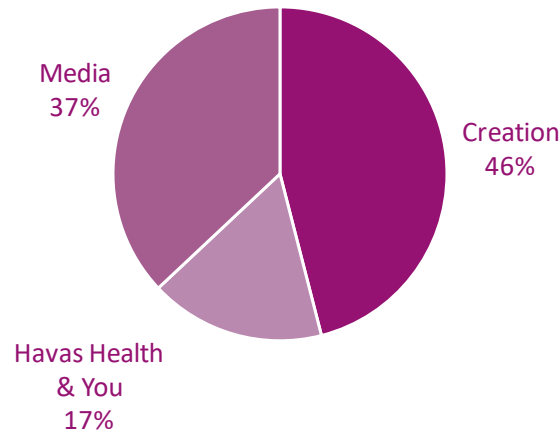
# Havas Group: sequential improvement in organic growth and profitability in 2018



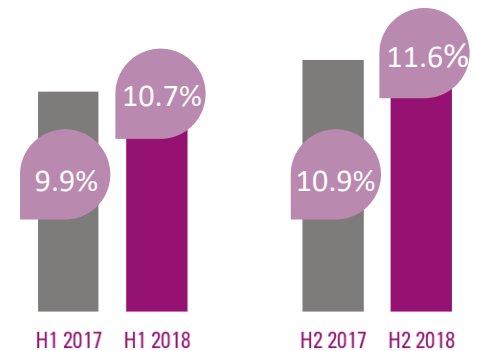
Sequential organic net revenues growth\*



Net revenues breakdown by division



Margin\*\*/Net revenues improvement



\* At constant currency and perimeter  
 \*\* EBITA before restructuring charges

## Consolidated balance sheet

### Assets (in billions of euros)

Goodwill	12.4
Intangible and tangible assets	5.0
Financial investments	6.0
Net cash position	0.2

### TOTAL

23.6

### Equity and liabilities (in billions of euros)

Consolidated equity*	17.5
Provisions	1.9
Net deferred tax liabilities	0.1
Working capital requirements and others	4.1

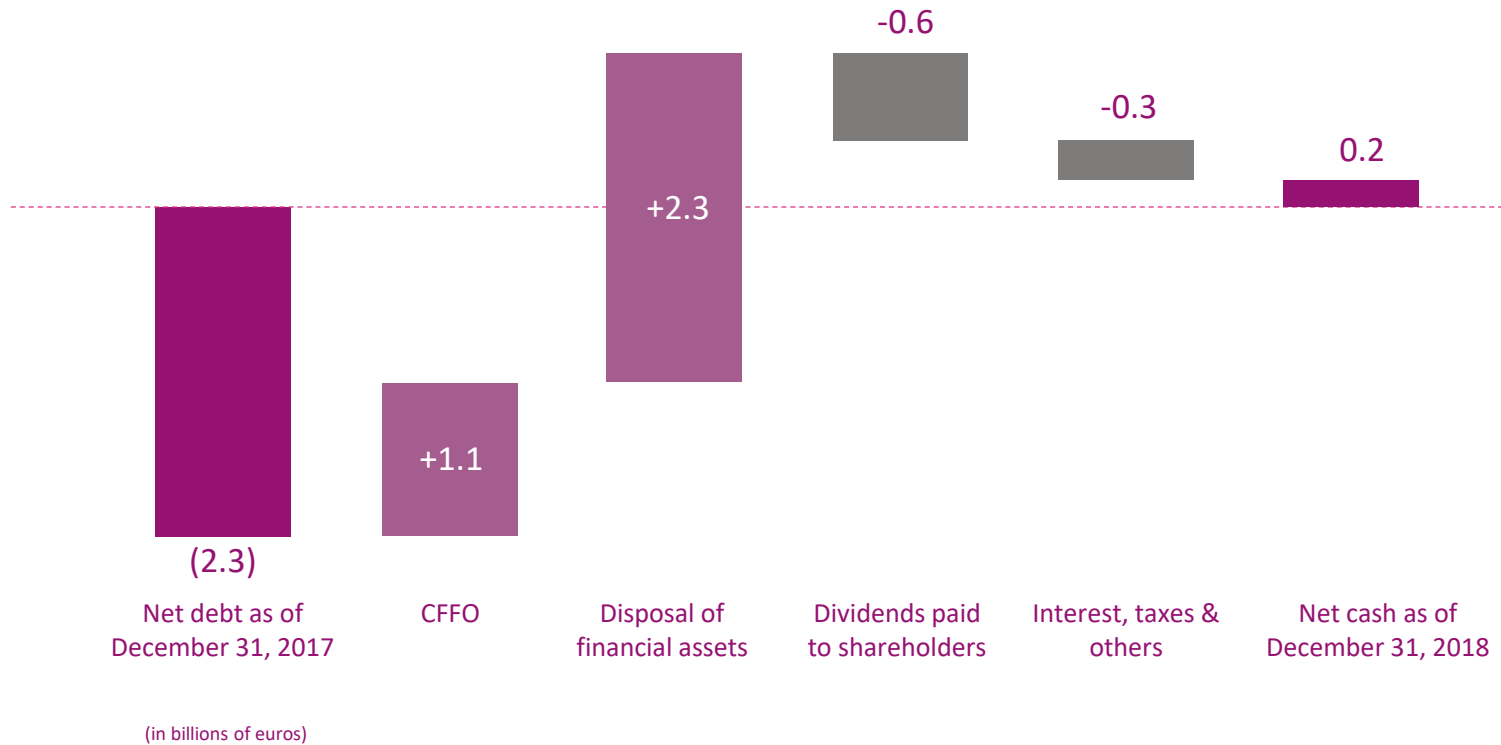
### TOTAL

23.6

\* Including minority interests

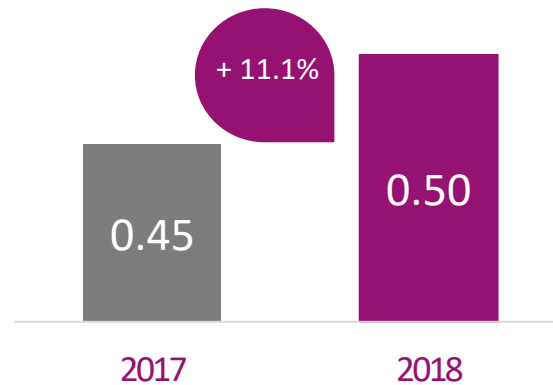


## Changes in cash position



## Allocation of 2018 earnings

### Dividend per share (€)



Ordinary dividend of €0.50 per share paid in April 2019 (€636 M) with respect to 2018 fiscal year

## First quarter 2019 revenues

In millions of euros - IFRS	Q1 2018	Q1 2019	% Change	% Organic change*
Universal Music Group	1,222	1,502	+ 22.9 %	+ 18.8 %
Canal+ Group	1,298	1,252	- 3.6 %	- 3.3 %
Havas Group	506	525	+ 3.8 %	+ 0.1 %
Editis**	na	89		
Other businesses***	98	91		
<b>TOTAL VIVENDI</b>	<b>3,124</b>	<b>3,459</b>	<b>+ 10.7 %</b>	<b>+ 5.7 %</b>

\* At constant currency and perimeter

\*\* Editis has been consolidated since February 2019

\*\*\* Including elimination of intersegment transactions

The non-GAAP measures defined below should be considered in addition to, and not as a substitute for, other GAAP measures of operating and financial performance and Vivendi considers these to be relevant indicators of the group's operating and financial performance. Moreover, it should be noted that other companies may have different definitions and calculations for these indicators from Vivendi thereby affecting comparability.

**Adjusted earnings before interest and income taxes (EBITA):** As defined by Vivendi, EBITA corresponds to EBIT (defined as the difference between income and charges that do not result from financial activities, discontinued operations and tax) before the amortization of intangible assets acquired through business combinations and the impairment losses on goodwill and other intangibles acquired through business combinations, income from operating equity affiliates as well as the other charges and income of transactions with shareowners (except if directly recognized in equity).

**Income from operations:** As defined by Vivendi, income from operations is calculated as EBITA before share-based compensation costs related to equity-settled plans, and special items due to their unusual nature or particular significance.

**Adjusted net income (ANI)** includes the following items: EBITA, income from equity affiliates, interest, income from investments, as well as taxes and non-controlling interests related to these items. It does not include the following items: the amortization of intangible assets acquired through business combinations and related to equity affiliates, the impairment losses on goodwill and other intangible assets acquired through business combinations, other income and charges related to transactions with shareowners (except if directly recognized in equity), other financial charges and income, earnings from discontinued operations, provisions for income taxes and adjustments attributable to non-controlling interests, as well as non-recurring tax items (notably the changes in deferred tax assets pursuant to the Vivendi SA's tax group and Consolidated Global Profit Tax Systems and reversal of tax liabilities relating to risks extinguished over the period).

**Cash flow from operations (CFFO):** Net cash provided by operating activities after capital expenditures net, dividends received from equity affiliates and unconsolidated companies and before income taxes paid.

**Cash flow from operations after interest and income tax paid (CFAIT):** Net cash provided by operating activities after capital expenditures net, dividends received from equity affiliates and unconsolidated companies, and after interests and income taxes paid.

**Capital expenditures net (Capex net):** Cash used for capital expenditures, net of proceeds from sales of property, plant and equipment, and intangible assets

**Net financial debt / Net Cash Position:** Sum of value of borrowings at amortized cost, less cash and cash equivalents, cash management financial assets as well as derivative financial instruments, net (assets and liabilities) whose underlying instruments are financial net debt items, and cash deposits backing borrowings.

The percentages of change are compared to the same period of the previous accounting year, unless otherwise stated. Due to rounding, numbers presented throughout this presentation may not add up precisely to the totals provided and percentages may not precisely reflect the absolute figures.

## Cautionary Note Regarding Forward-Looking Statements

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