

Out of Home Media

Angola
Australia
Austria
Azerbaijan
Bahrain
Belgium
Botswana
Brazil
Bulgaria
Cameroon
Canada
Chile
China
Colombia
Costa Rica
Croatia
Czech Republic
Denmark
Ecuador
El Salvador
Estonia
Eswatini
Finland
France
Gabon
Germany
Guatemala
Hungary
Honduras
India
Ireland
Israel
Italy
Ivory Coast
Japan
Kazakhstan
Korea
Latvia
Lesotho
Lithuania
Luxembourg
Madagascar
Malawi
Mauritius
Mexico
Mongolia
Mozambique
Myanmar
Namibia
New Zealand
Nicaragua
Nigeria
Norway
Oman
Panama
Peru
Poland
Portugal
Qatar
Saudi Arabia
Singapore
Slovakia
Slovenia
South Africa
Spain
Sweden
Switzerland
Tanzania
Thailand
The Dominican Republic
The Netherlands
Uganda
Ukraine
United Arab Emirates
United Kingdom
United States
Uruguay
Uzbekistan
Zambia
Zimbabwe

Full-Year 2021 results

- Adjusted revenue up +18.7% to €2,744.6 million
- Adjusted organic revenue up +18.5%
- Adjusted operating margin of €422.3 million, +€280.6 million yoy
- Adjusted EBIT, before impairment, of €16.3 million, +€369.2 million yoy
- Net income Group share of -€14.5 million, +€590.0 million yoy
- Adjusted free cash flow of €211.5 million, +49.6 million yoy
- Best-in-class ESG ratings
- Proposal to AGM not to pay any dividend in 2022
- Adjusted organic revenue expected to be above +40% in Q1 2022

Paris, March 10th, 2022 – JCDecaux SA (Euronext Paris: DEC), the number one outdoor advertising company worldwide, announced today its results for the year ended December 31st, 2021. JCDecaux Supervisory Board, which met on March 9th, 2022, approved the audited financial statements for fiscal year 2021. A report with an unqualified opinion is being issued by the Statutory Auditors.

Commenting on the 2021 results, **Jean-François Decaux, Chairman of the Executive Board and Co-CEO of JCDecaux**, said:

“Our 2021 group revenue grew by +18.7%, +18.5% on an organic basis with a very strong digital revenue growth, to reach €2,744.6 million despite national and local mobility restrictions including semi-lockdowns in some European and Asia-Pacific countries.

Digital Out Of Home (DOOH) grew by +33.2% in full-year 2021 to reach a record 26.9% of Group revenue for 2021 as we continued to accelerate our digital transformation and maintained our focus on the roll-out of digital screens and on the development of our automated data-driven planning and trading solutions. Programmatic advertising gained good momentum via the VIOOH platform which is now trading in 15 countries, connected to multiple DSPs (Demand Side Platforms).

While our client portfolio is diversified with the top 10 clients representing c.13% of our revenue, internet companies increased their spend by 69.4% representing now 7.3% of total revenue and our biggest category is now Fashion/Personal care and Luxury Goods with 15.0% of total revenue ahead of retail at 14.6%.

With revenue growing by €432.8m in 2021, our adjusted operating margin has reached €422.3m improving by €280.6m reflecting a strong operating leverage thanks to a revenue mix geared toward the higher margin Street Furniture business segment, our ongoing strict cost control and some rent relieves in line with the revenue shortfall linked to Covid-19 restrictions. Although improving by €590m year-on-year, our net result group share is still slightly negative at -€14.5m. Our tight management over working capital requirements and selective capex reduction as well as the decision not to distribute dividends allowed us to generate an improved positive free-cash-flow at €211.5m in 2021 and to reduce our net debt at around €925m at the end of the period (vs €1,086m at the end of 2020).

We continued to strengthen our ESG leading initiatives and commitments such as our global carbon neutrality contribution with France as a first step from 2021 onwards. The acknowledgement of our sustainability strategy by extra-financial rating agencies such as our A Leadership ranking in the Carbon Disclosure Project (CDP) and our new Gold Medal status by EcoVadis demonstrates the excellence of our environmental, social and governance practices which have been in our DNA since the company was created, as well as our ongoing commitment to ensuring transparency towards our stakeholders.

JCDecaux SA

United Kingdom: 27 Sale Place - London W2 1YR - Tel.: +44 (0)20 7298 8000

Head Office: 17, rue Soyer - 92200 Neuilly-sur-Seine - France - Tel.: +33 (0)1 30 79 79 79

www.jcdecaux.com

A public limited corporation with an Executive Board and Supervisory Board

Registered capital of 3,245,684.82 euros - # RCS: 307 570 747 Nanterre - FR 44307570747

In order to continue to optimize our financial flexibility, we will propose at the Annual General Meeting which will take place on May 11th, 2022, not to pay any dividend in 2022.

As far as Q1 2022 is concerned, we expect an organic revenue growth of above +40% driven by Europe, UK, US, Rest of the World while Asia-Pacific revenue growth is lower due to ongoing mobility restrictions. Our digital revenue growth continues to be very strong while analogue growth remains robust.

I would like once again to sincerely thank our teams across the world for their hard work, their strong commitment, their resilience, their agility, and their innovation spirit.

The Executive Board decided to immediately put in place financial and other measures to support the Ukrainian people as well as our local staff of the BigBoard JV suffering from the disastrous humanitarian consequences caused by the war against their country. JCDecaux has no exposure in Russia since the sale of its 25% stake in Russ Outdoor in 2020. Revenue in Ukraine in Q4 2021 accounted for c. 0.1% of total revenue.

As the most digitised global OOH company with our new data-led audience targeting and programmatic solutions, our well diversified portfolio, our ability to win new contracts, the strength of our balance sheet and the high quality of our teams across the world, we believe we are well positioned to benefit from the rebound. We are more than ever confident in the power of our media in an advertising landscape increasingly fragmented and more and more digital and in the role it will play to support the economic recovery as well as to drive positive changes.”

Following the adoptions of IFRS 11 from January 1st, 2014 and IFRS 16 from January 1st, 2019, and in compliance with the AMF's instructions, the operating data presented below are adjusted:

- to include our *prorata* share in companies under joint control, regarding IFRS 11,
- to exclude the impact of IFRS 16 on our core business lease agreements (lease agreements of locations for advertising structures excluding real estate and vehicle rental contracts).

Please refer to the paragraph “Adjusted data” on page 5 of this release for the definition of adjusted data and reconciliation with IFRS.

The values shown in the tables are generally expressed in millions of euros. The sum of the rounded amounts or variations calculations may differ, albeit to an insignificant extent, from the reported values.

ADJUSTED REVENUE

As reported on January 27th, 2022, adjusted revenue increased by +18.7% to €2,744.6 million compared to €2,311.8 million in 2020, with a strong sequential revenue rebound when restrictions are lifted. Excluding the positive impact from foreign exchange variations and the negative impact from changes in perimeter, adjusted organic revenue increased by +18.5%. Adjusted organic advertising revenue, excluding revenue related to sale, rental and maintenance of street furniture and advertising displays, increased by +18.9% in 2021.

By activity, Street Furniture rebounded the most followed by Billboard and Transport. Pedestrian and car traffic audiences recovered rapidly when lockdowns were lifted while for Transport international air traffic remained low throughout the year due to the Covid19 pandemic. Public transport assets remained temporarily affected by local mobility restrictions.

All geographies performed strongly in 2021 compared to 2020, especially in Q4 despite Omicron and mobility restrictions in some countries. Rest of the World improved the most, from a low level in 2020 while Europe (including France and UK) was the closest to 2019 levels as Street Furniture performed well. For Transport, in China, businesses exposed to domestic audiences recovered well as revenues were close to pre-Covid levels for domestic transport advertising (including metros, buses, domestic airport terminals) and already above 2019 revenue levels for domestic airport advertising more specifically.

ADJUSTED OPERATING MARGIN ⁽¹⁾

For 2021, adjusted operating margin reached €422.3 million vs €141.6 million in 2020, a significant increase by €280.6 million reflecting a strong operating leverage with 65% of the revenue increase going to the operating margin thanks to a tight management of operating costs.

The adjusted operating margin as a percentage of revenue was 15.4%, +930bp above prior year, reflecting a strong operating leverage.

	2021		2020		Change 21/20	
	€m	% of revenue	€m	% of revenue	Change (€m)	Margin rate (bp)
Street Furniture	323.4	22.5%	145.4	12.9%	+178.1	+960bp
Transport	58.2	6.6%	2.6	0.3%	+55.6	+630bp
Billboard	40.7	9.5%	-6.3	-1.7%	+47.0	+1,120bp
Total	422.3	15.4%	141.6	6.1%	+280.6	+930bp

Street Furniture: In 2021, adjusted operating margin increased by €178.1 million to €323.4 million. As a percentage of revenue, the adjusted operating margin was 22.5%, +960bp above prior year.

Transport: In 2021, adjusted operating margin improved by €55.6 million to €58.2m. As a percentage of revenue, the adjusted operating margin was 6.6%, +630bp above prior year.

Billboard: In 2021, adjusted operating margin improved by €47.0 million. As a percentage of revenue, the adjusted operating margin was 9.5%, +1,120bp above prior year.

ADJUSTED EBIT ⁽²⁾

In 2021, adjusted EBIT before impairment came back to positive territory at €16.3 million compared to -€352.9 million in 2020. As a percentage of revenue, this represented a 1,590bp increase to 0.6%, from -15.3% in 2020. The positive variation of €369.2 million is mainly due to the increase of the operating margin and non-recurring other operating income / expenses in 2020 (such as a net loss on sale of our minority stake in Russ Outdoor in Russia and restructuring costs to adjust our cost base) while net amortisation and provisions were relatively stable.

The impairment on property, plant and equipment and intangible assets is limited to -€7.6 million in 2021, no impairment charge on goodwill was recorded in 2021.

In 2020, an overall -€222.3 million impairment charge was recognised mainly due to the consequences of the Covid-19 situation: -€36.7 million impairment charge on intangible assets and PP&E, a -€9.4 million net provision for onerous contracts and -€0.2 million provision on net assets from companies under joint control and -€176.0m impairment charge on goodwill, of which -€128.0m related the Pacific region and -€48.0m related to the Billboard business in the Rest of the World (-€10.0m impairment charge on goodwill was recorded in 2019).

Adjusted EBIT, after impairment charge, has improved by €583.9 million from -€575.2 million in 2020 to €8.7 million in 2021.

NET FINANCIAL INCOME / (LOSS) ⁽³⁾

In 2021, interest expenses on IFRS 16 leases were -€82.2 million compared to -€118.1 million in 2020, a favourable variation of €35.9 million mainly coming from the mechanical reduction of the IFRS 16 lease liability related to the contract life progression.

In 2021, excluding IFRS 16, other net financial income / (loss) was -€42.8 million compared to -€40.6 million in 2020, a variation of -€2.2 million mainly corresponding to the financial interest expenses relating to the €1 billion bond placed in April 2020 partially compensated by some positive FX variation.

EQUITY AFFILIATES

In 2021, the share of net profit from equity affiliates turned positive to €48.6 million, increasing significantly compared to 2020 (-€1.3 million) reflecting the improvement in their operational performance.

NET INCOME GROUP SHARE

In 2021, net income Group share before impairment charge increased by +€384.6 million to -€8.7 million compared to -€393.3 million in 2020.

Taking into account the impact from the impairment charge, net income Group share increased by €590.0 million to -€14.5 million compared to -€604.6 million in 2020 due to the impairment charges recognized in 2020 as reminded above.

ADJUSTED CAPITAL EXPENDITURE

In 2021, adjusted net capex (acquisition of property, plant and equipment and intangible assets, net of disposals of assets) was reduced by -14.8% from €185.0 million in 2020 to €157.5 million from a base already significantly reduced in 2020 compared to 2019. A selective reduction nonetheless as growth capex including capex to pursue digitisation in premium locations and to roll-out our programmatic trading solutions continued to increase in percentage of total capex.

ADJUSTED FREE CASH FLOW ⁽⁴⁾

In 2021, adjusted free cash flow was €211.5 million, an improvement by €49.6 million vs. 2020, the positive variation from the funds from operations and capex reduction was partially offset by the negative impact from the variation in the change in working capital requirements mainly related to the increase in the revenue in Q4 2021.

Funds from operations net of maintenance costs reached €237.6 million improving by +€293.8 million compared to 2020 due to the increase in the operating margin, the decrease in income tax and restructuring costs paid over the period, partly mitigated by the interests paid due to the increase in gross debt resulting from the bonds issued in 2020.

Changes in our working capital had nonetheless a positive impact of €131.4 million due to a tight management over cash collection and payments but less positive than in 2020 which benefited from the significant decline in revenue.

DIVIDEND

No dividend was paid in 2021 in the context of the Covid-19 pandemic, in order to strengthen Group's liquidity, balance sheet and financial flexibility.

In order to continue to optimize our financial flexibility, we will propose at the Annual General Meeting which will take place on May 11th, 2022, not to pay any dividend in 2022.

NET DEBT ⁽⁵⁾

Net debt as of December 31st, 2021 amounted to €924.5 million compared to €1,086.3 million as of December 31st, 2020 thanks to the positive free cash flow driven by the increase in revenue and by measures taken by the Group to preserve cash.

In January 2022, we extended our debt maturity schedule and secured our financing profile with the issuance of a €500 million bond with a maturity in 2030 and a coupon at 1.625%. Subscribed more than 3 times and placed with investors of high quality, the success of this new issuance demonstrates both the quality of JCDecaux's signature and the investors' confidence in the rebound capacity and in the growth potential of the Group.

RIGHT-OF-USE & LEASE LIABILITIES IFRS 16

Rights-of-use, IFRS 16 as of December 31st, 2021 amounted to €2,964.8 million compared to €3,416.5 million as of December 31st, 2020, a decrease related to the amortisation of rights-of-use, contracts renegotiations partially offset by new contracts, foreign exchange rate impacts, contracts extended and contracts renewed.

IFRS 16 lease liabilities decreased by €490.0 million from €4,145.8 million as of December 31st, 2020 to €3,655.8 million as of December 31st, 2021, the decrease in lease liabilities corresponding to rents paid and renegotiated partially offset by new contracts, foreign exchange rate impacts, contracts extended and contracts renewed.

ADJUSTED DATA

Under IFRS 11, applicable from January 1st, 2014, companies under joint control are accounted for using the equity method.

Under IFRS 16, applicable from January 1st, 2019, a lease liability for contractual fixed rental payments is recognised on the balance sheet, against a right-of-use asset to be depreciated over the lease term. As regards P&L, the fixed rent expense is replaced by the depreciation of the right-of-use in EBIT, below the operating margin, and a lease interest expense on the lease liability in financial result, below EBIT. IFRS 16 has no impact on cash payments but payment of debt (principal) is booked in funds from financing activities.

However, in order to reflect the business reality of the Group and the readability of our performance, our operating management reports used to monitor the activity, allocate resources and measure performance continue:

- To integrate on proportional basis operating data of the companies under joint control and;
- To exclude the IFRS 16 impact on our core business (lease agreements of locations for advertising structures excluding real estate and vehicle rental contracts).

As regards the P&L, it concerns all aggregates down to the EBIT. As regards the cash flow statement, it concerns all aggregates down to the free cash flow.

Consequently, pursuant to IFRS 8, Segment Reporting presented in the financial statements complies with the Group's internal information, and the Group's external financial communication therefore relies on this operating financial information. Financial information and comments are therefore based on "adjusted" data, consistent with historical data, which is reconciled with IFRS financial statements.

In 2021, the impacts of IFRS 11 and IFRS 16 on our adjusted aggregates are:

- -€222.1 million for IFRS 11 on adjusted revenue (-€212.0 million for IFRS 11 in 2020) leaving IFRS revenue at €2,522.5 million (€2,099.8 million in 2020).
- -€58.9 million for IFRS 11 and €800.5 million for IFRS 16 on adjusted operating margin (-€41.5 million for IFRS 11 and €978.6 million for IFRS 16 in 2020) leaving IFRS operating margin at €1,163.9 million (€1,078.7 million in 2020).
- -€39.5 million for IFRS 11 and €99.5 million for IFRS 16 on adjusted EBIT before impairment charge (-€19.7 million for IFRS 11 and €118.9 million for IFRS 16 in 2020) leaving IFRS EBIT before impairment charge at €76.2 million (-€253.7 million in 2020).
- -€39.5 million for IFRS 11 and €99.5 million for IFRS 16 on adjusted EBIT after impairment charge (-€19.5 million for IFRS 11 and €118.9 million for IFRS 16 in 2020) leaving IFRS EBIT after impairment charge at €68.6 million (-€475.8 million in 2020).
- €7.2 million for IFRS 11 on adjusted capital expenditure (€8.0 million for IFRS 11 in 2020) leaving IFRS capital expenditure at -€150.3 million (-€176.9 million in 2020).
- -€7.8 million for IFRS 11 and €647.8 million for IFRS 16 on adjusted free cash flow (€16.0 million for IFRS 11 and €533.2 million for IFRS 16 in 2020) leaving IFRS free cash flow at €851.5 million (€711.2 million in 2020).

The full reconciliation between adjusted figures and IFRS figures is provided on page 8 of this release.

NOTES

- (1) **Operating Margin:** Revenue less Direct Operating Expenses (excluding Maintenance spare parts) less SG&A expenses.
- (2) **EBIT:** Earnings Before Interests and Taxes = Operating Margin less Depreciation, amortization and provisions (net) less Impairment of goodwill less Maintenance spare parts less Other operating income and expenses.
- (3) **Net financial income / (loss):** Excluding the net impact of discounting and revaluation of debt on commitments to purchase minority interests (-€2.1 million in 2021 and 2020).
- (4) **Free cash flow:** Net cash flow from operating activities less capital investments (property, plant and equipment and intangible assets) net of disposals.
- (5) **Net debt:** Debt net of managed cash less bank overdrafts, excluding the non-cash IAS 32 impact (debt on commitments to purchase minority interests), including the non-cash IFRS 9 impact on both debt and hedging financial derivatives excluding IFRS 16 lease liabilities.

ORGANIC GROWTH DEFINITION

The Group's organic growth corresponds to the adjusted revenue growth excluding foreign exchange impact and perimeter effect. The reference fiscal year remains unchanged regarding the reported figures, and the organic growth is calculated by converting the revenue of the current fiscal year at the average exchange rates of the previous year and taking into account the perimeter variations *pro rata temporis*, but including revenue variations from the gains of new contracts and the losses of contracts previously held in our portfolio.

€m		Q1	Q2	Q3	Q4	FY
2020 adjusted revenue	(a)	723.6	351.9	541.2	695.1	2,311.8
2021 IFRS revenue	(b)	416.7	577.7	647.1	881.0	2,522.5
IFRS 11 impacts	(c)	37.6	50.3	59.4	74.8	222.1
2021 adjusted revenue	(d) = (b) + (c)	454.3	628.1	706.5	955.8	2,744.6
Currency impacts	(e)	10.6	4.8	-6.6	-15.3	-6.5
2021 adjusted revenue at 2020 exchange rates	(f) = (d) + (e)	464.9	632.8	699.9	940.4	2,738.0
Change in scope	(g)	8.0	1.0	-3.8	-3.8	1.4
2021 adjusted organic revenue	(h) = (f) + (g)	472.9	633.9	696.1	936.6	2,739.4
Organic growth	(i) = (h) / (a) - 1	-34.6%	+80.2%	+28.6%	+34.7%	+18.5%

€m	Impact of currency as of December 31 st , 2021
USD	5.7
RMB	-10.2
GBP	-8.6
AUD	-8.2
Other	14.8
Total	-6.5

Average exchange rate	FY 2021	FY 2020
USD	0.8455	0.8755
RMB	0.1311	0.1270
GBP	1.1633	1.1240
AUD	0.6349	0.6043

Next information:

Q1 2022 revenue: May 5th, 2022 (after market)

Key Figures for JCDecaux

- 2021 revenue: €2,745m ^(a)
- N°1 Out-of-Home Media company worldwide
- A daily audience of more than 850 million people in more than 80 countries
- 957,706 advertising panels worldwide
- Present in 3,518 cities with more than 10,000 inhabitants
- 10,720 employees
- JCDecaux is listed on the Eurolist of Euronext Paris and is part of the Euronext 100 and Euronext Family Business indexes
- JCDecaux is recognised for its extra-financial performance in the FTSE4Good (4.2/5), CDP (A Leadership), MSCI (AAA) and has achieved Gold Medal status from EcoVadis
- 1st Out-of-Home Media company to join the RE100 (committed to 100% renewable energy)
- Leader in self-service bike rental scheme: pioneer in eco-friendly mobility
- N°1 worldwide in street furniture (530,143 advertising panels)
- N°1 worldwide in transport advertising with 154 airports and 215 contracts in metros, buses, trains and tramways (340,753 advertising panels)
- N°1 in Europe for billboards (72,611 advertising panels)
- N°1 in outdoor advertising in Europe (596,831 advertising panels)
- N°1 in outdoor advertising in Asia-Pacific (232,268 advertising panels)
- N°1 in outdoor advertising in Latin America (64,893 advertising panels)
- N°1 in outdoor advertising in Africa (20,808 advertising panels)
- N°1 in outdoor advertising in the Middle East (14,177 advertising panels)

(a) Adjusted revenue

For more information about JCDecaux, please visit jcdecaux.com.

Join us on [Twitter](#), [LinkedIn](#), [Facebook](#), [Instagram](#) and [YouTube](#).

Forward looking statements

This news release may contain some forward-looking statements. These statements are not undertakings as to the future performance of the Company. Although the Company considers that such statements are based on reasonable expectations and assumptions on the date of publication of this release, they are by their nature subject to risks and uncertainties which could cause actual performance to differ from those indicated or implied in such statements.

These risks and uncertainties include without limitation the risk factors that are described in the annual report registered in France with the French Autorité des Marchés Financiers.

Investors and holders of shares of the Company may obtain copy of such annual report by contacting the Autorité des Marchés Financiers on its website www.amf-france.org or directly on the Company website www.jcdecaux.com.

The Company does not have the obligation and undertakes no obligation to update or revise any of the forward-looking statements.

Communications Department: Albert Asséraf

+33 (0) 1 30 79 35 68 – albert.asseraf@jcdecaux.com

Investor Relations: Rémi Grisard

+33 (0) 1 30 79 79 93 – remi.grisard@jcdecaux.com

RECONCILIATION BETWEEN ADJUSTED FIGURES AND IFRS FIGURES

Profit & Loss	2021				2020			
	Adjusted	Impact of companies under joint control	Impact of IFRS 16 from controlled entities ⁽¹⁾	IFRS	Adjusted	Impact of companies under joint control	Impact of IFRS 16 from controlled entities ⁽¹⁾	IFRS
€m								
Revenue	2,744.6	(222.1)	0.0	2,522.5	2,311.8	(212.0)	-	2,099.8
Net operating costs	(2,322.3)	163.3	800.5	(1,358.5)	(2,170.2)	170.5	978.6	(1,021.1)
Operating margin	422.3	(58.9)	800.5	1,163.9	141.6	(41.5)	978.6	1,078.7
Maintenance spare parts	(38.4)	1.1	0.0	(37.3)	(47.1)	1.2	-	(46.0)
Amortisation and provisions (net)	(361.8)	17.9	(724.7)	(1,068.6)	(367.6)	21.3	(868.4)	(1,214.7)
Other operating income / expenses	(5.7)	0.3	23.6	18.2	(79.8)	(0.6)	8.7	(71.8)
EBIT before impairment charge	16.3	(39.5)	99.5	76.2	(352.9)	(19.7)	118.9	(253.7)
Net impairment charge ⁽²⁾	(7.6)	0.0	0.0	(7.6)	(222.3)	0.2	-	(222.1)
EBIT after impairment charge	8.7	(39.5)	99.5	68.6	(575.2)	(19.5)	118.9	(475.8)

⁽¹⁾ IFRS 16 impact on the core business contracts of controlled entities

⁽²⁾ Including impairment charge on net assets of companies under joint control.

Cash-Flow Statement	2021				2020			
	Adjusted	Impact of companies under joint control	Impact of IFRS 16 from controlled entities ⁽¹⁾	IFRS	Adjusted	Impact of companies under joint control	Impact of IFRS 16 from controlled entities ⁽¹⁾	IFRS
€m								
Funds from operations net of maintenance costs	237.6	(16.7)	615.3	836.1	(56.2)	35.8	671.2	650.7
Change in working capital requirement	131.4	1.7	32.6	165.7	403.0	(27.8)	(137.9)	237.4
Net cash flow from operating activities	369.0	(15.0)	647.8	1,001.8	346.8	8.0	533.2	888.1
Capital expenditure	(157.5)	7.2	0.0	(150.3)	(185.0)	8.0	-	(176.9)
Free cash flow	211.5	(7.8)	647.8	851.5	161.9	16.0	533.2	711.2

⁽¹⁾ IFRS 16 impact on the core and non-core business contracts of controlled entities

FULL-YEAR CONSOLIDATED FINANCIAL STATEMENTS – 2021

CONSOLIDATED FINANCIAL STATEMENTS

STATEMENT OF FINANCIAL POSITION

Assets

<i>In million euros</i>	31/12/2021	31/12/2020
Goodwill	1,609.3	1,592.8
Other intangible assets	514.4	534.1
Property, plant and equipment	1,203.9	1,261.3
Right-of-use	2,964.8	3,416.5
Investments under the equity method	414.4	392.5
Other financial assets	164.9	161.4
Deferred tax assets	142.0	119.0
Current tax assets	3.1	0.9
Other receivables	11.4	9.8
NON-CURRENT ASSETS	7,028.1	7,488.3
Other financial assets	17.6	3.4
Inventories	143.1	172.6
Financial derivatives	0.6	1.7
Trade and other receivables	743.0	697.4
Current tax assets	24.2	37.3
Treasury financial assets	46.0	57.6
Cash and cash equivalents	1,493.8	1,607.8
CURRENT ASSETS	2,468.3	2,577.9
TOTAL ASSETS	9,496.4	10,066.2

Equity and Liabilities

<i>In million euros</i>	31/12/2021	31/12/2020
Share capital	3.2	3.2
Additional paid-in capital	608.5	608.5
Treasury shares	(2.8)	(1.5)
Consolidated reserves	1,169.8	1,777.1
Consolidated net income (Group share)	(14.5)	(604.6)
Other components of equity	(144.1)	(187.5)
EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT COMPANY	1,620.2	1,595.4
Non-controlling interests	23.4	17.7
TOTAL EQUITY	1,643.6	1,613.0
Provisions	373.6	368.7
Deferred tax liabilities	87.1	98.8
Financial debt	2,116.7	2,147.4
Debt on commitments to purchase non-controlling interests	106.5	105.1
Lease liabilities	2,647.0	3,088.0
Other payables	9.2	10.5
Income tax payable	0.9	0.0
Financial derivatives	0.0	0.0
NON-CURRENT LIABILITIES	5,341.0	5,818.5
Provisions	88.5	63.1
Financial debt	336.9	587.6
Debt on commitments to purchase non-controlling interests	5.3	6.3
Financial derivatives	4.9	4.4
Lease liabilities	1,008.8	1,057.8
Trade and other payables	1,039.3	882.1
Income tax payable	21.8	19.2
Bank overdrafts	6.4	14.2
CURRENT LIABILITIES	2,511.8	2,634.7
TOTAL LIABILITIES	7,852.8	8,453.2
TOTAL EQUITY AND LIABILITIES	9,496.4	10,066.2

**STATEMENT OF COMPREHENSIVE INCOME
INCOME STATEMENT**

<i>In million euros</i>	2021	2020
REVENUE	2,522.5	2,099.8
Direct operating expenses	(893.4)	(602.7)
Selling, general and administrative expenses	(465.1)	(418.3)
OPERATING MARGIN	1,163.9	1,078.7
Depreciation, amortisation and provisions (net)	(1,076.3)	(1,260.8)
Impairment of goodwill	0.0	(176.0)
Maintenance spare parts	(37.3)	(46.0)
Other operating income	45.3	26.2
Other operating expenses	(27.1)	(98.0)
EBIT	68.6	(475.8)
Interests on IFRS 16 lease liabilities	(82.2)	(118.1)
Financial income	4.2	3.0
Financial expenses	(49.1)	(45.7)
Net financial income excluding IFRS 16	(44.9)	(42.6)
NET FINANCIAL INCOME (LOSS)	(127.1)	(160.7)
Income tax	13.6	21.2
Share of net profit of companies under the equity method	48.6	(1.3)
CONSOLIDATED NET INCOME	3.6	(616.7)
<i>- Including non-controlling interests</i>	18.1	(12.1)
CONSOLIDATED NET INCOME (GROUP SHARE)	(14.5)	(604.6)
Earnings per share (in euros)	(0.068)	(2.842)
Diluted earnings per share (in euros)	(0.068)	(2.842)
Weighted average number of shares	212,833,760	212,742,395
Weighted average number of shares (diluted)	212,833,760	212,742,395

STATEMENT OF OTHER COMPREHENSIVE INCOME

<i>In million euros</i>	2021	2020
CONSOLIDATED NET INCOME	3.6	(616.7)
Translation reserve adjustments ⁽¹⁾	36.7	(78.0)
Cash flow hedges	0.5	(0.0)
Tax on the other comprehensive income subsequently released to net income	(3.4)	0.4
Share of other comprehensive income of companies under the equity method (after tax) ⁽²⁾	14.0	44.8
Other comprehensive income subsequently released to net income	47.8	(32.8)
Change in actuarial gains and losses on post-employment benefit plans and assets ceiling	12.8	(10.5)
Tax on the other comprehensive income not subsequently released to net income	(3.9)	2.4
Share of other comprehensive income of companies under the equity method (after tax)	(12.6)	2.3
Other comprehensive income not subsequently released to net income	(3.7)	(5.8)
Total other comprehensive income	44.1	(38.6)
TOTAL COMPREHENSIVE INCOME	47.7	(655.3)
- Including non-controlling interests	18.7	(19.5)
TOTAL COMPREHENSIVE INCOME - GROUP SHARE	29.0	(635.8)
<p>(1) In 2021, translation reserve adjustments mainly related to changes in foreign exchange rates, of which €21.4 million in Hong Kong, €11.8 million in the United Kingdom, €9.0 million in Australia and €(7.8) million in the United States. The item also included a €(4.3) million reclassification to net income related to changes in scope and a €1.6 million reclassification to net income following the disqualification of net foreign investments (including €0.5 million in France and €1.1 million in Argentina).</p> <p>In 2020, translation reserve adjustments mainly related to changes in foreign exchange rates, of which €(30.1) million in Mexico, €(15.6) million in Brazil, €(12.9) million in South Africa and €(10.8) million in the United Kingdom. The item also included a €4.1 million reclassification to net income related to changes in scope.</p> <p>(2) In 2020, this includes €45.5 million in reclassification to net income of translation reserves from companies accounted for under the equity method following changes in consolidation scope.</p>		

STATEMENT OF CASH FLOWS

<i>In million euros</i>	2021	2020
NET INCOME BEFORE TAX	(10.0)	(637.9)
Share of net profit of companies under the equity method	(48.6)	1.3
Dividends received from companies under the equity method	28.6	64.8
Expenses related to share-based payments	1.0	0.0
Gains and losses on lease contracts	(200.5)	(281.6)
Depreciation, amortisation and provisions (net)	1,070.2	1,441.7
Capital gains and losses and net income (loss) on changes in scope	(12.0)	36.8
Net discounting expenses	3.6	4.4
Net interest expense & interest expenses on IFRS16 lease liabilities	119.9	149.3
Financial derivatives, translation adjustments, amortised cost and other	0.1	11.7
Change in working capital	165.7	237.4
Change in inventories	33.0	3.3
Change in trade and other receivables	(12.9)	290.0
Change in trade and other payables	145.6	(55.9)
Interest paid on IFRS16 lease liabilities	(63.7)	(82.1)
Interest paid	(41.9)	(20.3)
Interest received	2.9	3.0
Income tax paid	(13.4)	(40.3)
NET CASH FLOWS FROM OPERATING ACTIVITIES	1,001.8	888.1
Cash payments on acquisitions of intangible assets and property, plant and equipment	(169.0)	(218.8)
Cash payments on acquisitions of financial assets (long-term investments) net of cash acquired	(16.3)	(30.9)
Cash payments on acquisitions of other financial assets	(21.6)	(105.0)
Total investments	(207.0)	(354.7)
Cash receipts on proceeds on disposals of intangible assets and property, plant and equipment	18.7	41.8
Cash receipts on proceeds on disposals of financial assets (long-term investments) net of cash sold	0.3	31.7
Cash receipts on proceeds on disposals of other financial assets	17.9	7.4
Total asset disposals	37.0	81.0
NET CASH FLOWS FROM INVESTING ACTIVITIES	(170.1)	(273.7)
Dividends paid	(9.9)	(7.8)
Purchase of treasury shares	(22.2)	(24.7)
Cash payments on acquisitions of non-controlling interests	(2.6)	(0.9)
Capital decrease	0.0	(0.3)
Repayment of long-term borrowings	(1,501.7)	(667.9)
Repayment of lease liabilities	(647.8)	(533.2)
Acquisitions and disposals of treasury financial assets	12.5	24.8
Cash outflow from financing activities	(2,171.8)	(1,210.0)
Cash receipts on proceeds on disposal of interests without loss of control	0.0	0.0
Capital increase	0.2	1.2
Sale of treasury shares	21.2	23.7
Increase in long-term borrowings	1,216.1	2,033.7
Cash inflow from financing activities	1,237.4	2,058.7
NET CASH FLOWS FROM FINANCING ACTIVITIES	(934.4)	848.7
CHANGE IN NET CASH POSITION	(102.7)	1,463.1
Net cash position beginning of period	1,593.6	142.4
Effect of exchange rate fluctuations and other movements	(3.6)	(11.9)
Net cash position end of period ⁽¹⁾	1,487.4	1,593.6

(1) Including €1,493.8 million in cash and cash equivalents and €(6.4) million in bank overdrafts as of 31 December 2021, compared to €1,607.8 million and €(14.2) million respectively as of 31 December 2020.