vivendi press release

Paris, April 20, 2020

Vivendi: good revenues for the first quarter of 2020

- **Revenues of €3.870 billion, up 11.9% (+4.4% at constant currency and perimeter) compared to the same period in 2019**
- **Strong growth for Universal Music Group: €1.769 billion, up 17.8% (+12.7% at constant currency and perimeter)**
- **Canal+ Group's growth driven by its international activities: €1.372 billion, up 9.6% (+1.0% at constant currency and perimeter)**
- **The COVID-19 pandemic had a limited impact on Vivendi's consolidated revenues for the first quarter of 2020. However, some businesses experienced variable performance in March, notably Havas Group, Editis and Vivendi Village, due to the crisis.**

This press release contains unaudited IFRS revenue figures, which were approved by Vivendi's Management Board on April 17, 2020.

For the first quarter of 2020, Vivendi's revenues were €3,870 million, compared to €3,459 million in the same period in 2019, an increase of €11.9%, mainly resulting from the growth of Universal Music Group (UMG) (+€267 million) and Canal+ Group (+€120 million, including €102 million relating to M7). At constant currency and perimeter[1], revenues increased by 4.4% compared to the first quarter of 2019, primarily driven by the growth of UMG (+12.7%).

Vivendi's revenues for the first quarter of 2020 were little affected by the consequences of the COVID-19 pandemic, the impact of which varied according to the Group's businesses and the geographical regions in which it operates. A decline in revenues was recorded for certain business activities in March, notably by Havas Group, Editis and Vivendi Village, corresponding to the first effects of the COVID-19 crisis.

Each of Vivendi's businesses is closely monitoring the current and potential effects of this outbreak. At this point, it is impossible to determine with certainty how long it will last and how it will impact Vivendi's revenues and annual results. However, the revenues of certain businesses, notably Havas Group, Editis and Vivendi Village, are expected to be affected in the second quarter of 2020.

Vivendi is confident in the resilience of its main businesses. It makes every effort to ensure the continuity of its activities, as well as to best serve and entertain its customers and its audiences while respecting the instructions of the authorities in each country in which it operates.

Following the closing on March 31, 2020, of the sale of a 10% interest in Universal Music Group (UMG) to a consortium led by Tencent based on an enterprise value of €30 billion for 100 % of UMG's capital, the Group's gross cash position amounted to €4.8 billion at that date. Vivendi SE also has €3.9 billion in confirmed credit facilities, including €2.3 billion immediately available, taking into account outstanding issues of short-term commercial paper and drawings made as of that date.

In addition, the bond debt amounts to €5.4 billion, with maturities extending to 2028. Taking these factors into account, the Group's net debt stood at €2.4 billion on March 31, 2020, and the gearing (financial net debt to equity ratio) would be approximately 15% (based on the Group's equity balance as of December 31, 2019).

Vivendi's financial position is, therefore, solid. This assessment was confirmed by Moody's on March 31, 2020, when it renewed the Group's Baa2 debt rating with a stable outlook.

It is reminded that the Tencent-led consortium has the option to acquire, on the same valuation basis, an additional amount of up to 10% of UMG's share capital until January 15, 2021. (See first quarter highlights, below.)

---

[1] Constant perimeter reflects the impacts of the acquisition of M7 by Canal+ Group (September 12, 2019), the acquisition of the remaining interest in Ingrooves Music Group, which has been consolidated by Universal Music Group (March 15, 2019) and the acquisition of Editis (January 31, 2019).

Universal Music Group

For the first quarter of 2020, Universal Music Group's (UMG) revenues were €1,769 million, up 12.7% at constant currency and perimeter compared to the first quarter of 2019 (+17.8% on an actual basis).

Recorded music revenues grew by 13.1% at constant currency and perimeter thanks to the growth in subscription and streaming revenues (+16.5%) and the receipt of a digital royalty claim. Revenues were impacted by the continued decline of downloads (-26.1%), while physical sales ended marginally below the first quarter of 2019 (-1.4%).

Recorded music best sellers for the first quarter of 2020 included new releases from King & Prince, Justin Bieber, Eminem and The Weeknd, as well as continued sales from Billie Eilish and Post Malone.

Music publishing revenues grew by 17.7% at constant currency and perimeter compared to the first quarter of 2019, also driven by increased subscription and streaming revenues.

Merchandising and other revenues were down 4.9% at constant currency and perimeter compared to the first quarter of 2019, as lower touring activity was partly offset by growth in D2C (direct-to-consumer) revenues.

Canal+ Group

For the first quarter of 2020, Canal+ Group's revenues were €1,372 million, a 9.6% increase compared to the same period in 2019 (up 1.0% at constant currency and perimeter). This trend was driven in particular by the growth in revenues from international pay-tv operations.

The total subscriber portfolio (individual and collective) of Canal+ Group, which now also integrates M7's activities, reached 20.1 million at the end of the first quarter of 2020, compared to 16.7 million for the first quarter of 2019 on a pro forma basis, including 8.4 million in mainland France (more than 7.8 individual subscribers).

Revenues from television operations in mainland France decreased slightly (down 0.7% at constant currency and perimeter). The individual subscriber base to Canal+ offers continued to grow, with a net gain of 62,000 subscribers year-on-year.

Revenues from international operations grew by 35.3% (up 8.7% at constant currency and perimeter), thanks to the robust year-on-year growth in the number of subscribers (+3.5 million), which was driven both by organic growth and the integration of M7.

The current COVID-19 health crisis is affecting all of Canal+ Group's revenue sources. Canal+ Group is taking action to ensure the continuity of most of its operations and to implement solidarity initiatives, while increasing its vigilance in reviewing expenditures and investments.

At the request of the French government, Canal+ postponed to April 7, 2020 the launch of Disney + in France, initially scheduled for March 24, due to the risk of network saturation due to the health crisis.

Havas Group

For the first quarter of 2020, Havas Group revenues were €524 million. Net revenues[2] were €507 million, up by 1.0% compared to the first quarter of 2019. Organic growth declined 3.3%, exchange rates had a positive impact of 1.8% and acquisitions contributed 2.5%.

Business performance over the first quarter of 2020 reflected the initial impact of the current global health crisis. This impact varies significantly depending on the regions, the businesses and the sectors in which its clients operate. At this stage of the crisis, it is still difficult to identify any clear trends. While performances remained globally aligned with budget through the end of February, those of March were in decline.

At the end of March, business activity in North America was holding up well. Business was down sharply in most European countries, but remained positive in the United Kingdom. At constant currency and perimeter, Asia-Pacific reported a slight downturn overall, despite China, Hong Kong and Singapore being significantly affected over the first quarter; India was a major contributor to the region’s overall performance. Latin America was down.

The second quarter will undoubtedly be affected by the current health crisis. Even so, it is essential for brands to continue communicating over this period. Havas Group is mobilizing all its resources to monitor the rapid shift in consumer behavior, to better anticipate its clients’ communication needs. At the same time, Havas Group is adjusting its operating costs to limit the impact on its profitability.

Editis

Editis’ revenues were €116 million, down 14.3% on a pro forma basis at constant currency and perimeter compared to the first quarter of 2019. The entire revenue decline can be attributed to March, as the beginning of the lockdown period negatively impacted the publishing industry (most of the points of sale have been forced to close).

All of Editis' activities were impacted: at constant currency and perimeter, Education & Reference revenues decreased 9.9%, literature revenues decreased 20.7% and Diffusion & Distribution revenues related to third-party publishers decreased 5.1%. However, extracurricular, e-learning and audiobook revenues are growing.

Before the start of the lockdown period, literature performed well with the launch of Michel Bussi's *Au soleil redouté* in February, which immediately became a best-seller, and the success of Frédéric Saldmann's *On n'est jamais mieux guéri que par soi-même*.

---

[2] Net revenues correspond to revenues less pass-through costs rebilled to customers.

Editis also confirmed its leading position in the YouTubers and influencers' book segment (40% market share).

Lizzie, Editis' audiobook brand, received two of the three audiobook prizes awarded by France Culture/Lire dans le noir: John Fante's *Mon chien Stupide*, read by Thibault de Montalembert in the fiction category, and *Léonard de Vinci*, a biography by Walter Isaacson, read by François Hatt in the non-fiction category.

Other Businesses

For the first quarter of 2020, **Gameloft's** revenues were €61 million, down 10.4% year-on-year. Gameloft's sales on OTT platforms (Apple, Google, Microsoft, etc.) represented 73% of Gameloft's total sales. *Disney Magic Kingdoms*, *March of Empires*, *Asphalt 9: Legends*, *Dragon Mania Legends* and *Asphalt 8: Airborne* were the best-selling titles of the first quarter of 2020, accounting for 54% of Gameloft's total revenues. *Asphalt 9: Legends*, the latest entry in the world's most downloaded and multi-awarded mobile racing franchise, reached 4 million downloads in just five months on the Nintendo Switch™ system.

For the first quarter of 2020, **Vivendi Village**'s revenues were €23 million, a decrease of 3.4% (-13.4% at constant currency and perimeter) compared to the first quarter of 2019. The ticketing businesses, operating under the See Tickets brand, generated revenues of €14 million, a decrease of 5.4% compared to the first quarter of 2019. Live activities recorded revenues of €8 million, an increase of 1.4% compared to the first quarter of 2019. After a strong start to the quarter, the March 9, 2020, decision of the French authorities to ban all gathering of more than 1,000 people, and the lockdown measures gradually taken in Europe and Africa, weighed heavily on the revenues at the end of the period.

For the first quarter of 2020, **New Initiatives**, which brings together Dailymotion and the GVA entities, recorded revenues of €15 million, down 3.9% compared to the first quarter of 2019 (-3.9% at constant currency and perimeter). Dailymotion has forged numerous partnerships, including with Pure Medias (Webedia) in France, Workpoint TV, The Manila Times and Glia Cloud in Asia, and Extra TV and Televisa in the US/LATAM region. Dailymotion's audience for premium content grew by more than 50% compared to the first quarter of 2019 and now represents more than 70% of its overall audience. GVA, a telecoms operator in Africa, launched its very high-speed Internet access in March in two additional capital cities, Abidjan in Ivory Coast and Kigali in Rwanda, therefore strengthening its presence and network on the continent significantly.

First quarter highlights and recent events

- **Agreement with Tencent:** On March 31, 2020, Vivendi announced that it has completed the sale of 10% of the share capital of Universal Music Group (UMG) to a Tencent-led consortium, three months after the signing of the December 31, 2019 agreement, based on an enterprise value of €30 billion for 100% of UMG's share capital. This sale of 10% generated a cash inflow of around €2.8 billion[3].

[3] *In connection with the pre-closing streamlining of UMG's legal structure, some debt was incurred at the level of the UMG holding company consisting of an internal loan between UMG and Vivendi SE (without any increase in Vivendi's consolidated debt).*

In Vivendi's Consolidated Financial Statements, in accordance with IFRS 10, the capital gain on the sale of 10% of UMG's share capital, equal to the difference between the sale price and the value in the Consolidated Financial Statements of non-controlling interests sold, will be directly recorded as an increase in equity attributable to Vivendi SE shareowners. In accordance with applicable standards, in Vivendi's Statutory Financial Statements, the capital gain on the sale of 10% of UMG's share capital will be recorded in earnings.

The consortium is led by Tencent and includes Tencent Music Entertainment and other financial co-investors. The consortium has the option to acquire, on the same valuation basis, an additional amount of up to 10% of UMG's share capital until January 15, 2021. This transaction is complemented by a separate agreement which enables Tencent Music Entertainment to acquire a minority share capital of UMG's subsidiary housing its Greater China operations. Vivendi is very happy with the arrival of the Tencent-led consortium. It will enable UMG to further develop in the Asian market.

Now that this very significant strategic transaction has been completed, Vivendi will pursue the possible sale of additional minority interests in UMG, assisted by several banks which it has mandated.

An initial public offering is currently planned for early 2023 at the latest. Vivendi intends to use the proceeds from these different transactions for substantial share buyback operations and acquisitions.

- **Share buyback program:** Between January 1 and March 6, 2020, Vivendi repurchased 23.02 million shares, i.e., 1.76% of the share capital as of the implementation date of the share buyback program, representing a €559 million outflow. Consequently, the aggregate number of repurchased shares under the program amounted to 130.93 million shares, i.e., 10% of the share capital (as of the implementation date of the share buyback program) in accordance with the authorization of the Shareholders' Meeting on April 15, 2019.

  As of today, Vivendi holds 35.50 million treasury shares, representing 2.99% of its share capital, of which 8.14 million shares allocated to cover performance share plans, 8.25 million shares held for transfer to employees or officers of Vivendi group entities (employee shareholding plan) and 19.10 million shares designated for cancellation.

- **EMTN program:** On April 3, 2020, Vivendi renewed its Euro Medium-Term Note (EMTN) program, increasing it to €8 billion, giving Vivendi full flexibility to issue bonds. This program was filed with the AMF (*Autorité des marchés financiers*) under visa n° 20-117 for a 12-month period.
  In addition, on March 31, 2020, Moody's confirmed Vivendi's long-term rating of Baa2 with a stable outlook.

- **Combined General Shareholders' Meeting today** at 3.30 p.m. (Paris Time), to be broadcast live in its entirety on the Group's website www.vivendi.com: Vivendi shareholders were asked to vote on 30 resolutions, ordinary or extraordinary. In particular, they voted on the proposed renewal of the term of office of Mr. Yannick Bolloré and the appointment of Mr. Laurent Dassault to the Supervisory Board.

Slides related to the first quarter revenues 2020 are available on the Group's website www.vivendi.com in the section titled *Investors-Analysts.*

Important Disclaimers

Cautionary Note Regarding Forward-Looking Statements. This press release contains forward-looking statements with respect Vivendi's financial condition, results of operations, business, strategy, plans and outlook, including the impact of certain transactions and the payment of dividends and distributions, as well as share repurchases. Although Vivendi believes that such forward-looking statements are based on reasonable assumptions, such statements are not guarantees of future performance. Actual results may differ materially from the forward-looking statements as a result of a number of risks and uncertainties, many of which are outside our control, including, but not limited to, the risks related to antitrust and other regulatory approvals as well as any other approvals which may be required in connection with certain transactions and the risks described in the documents of the Group filed by Vivendi with the Autorité des marchés financiers (the French securities regulator), which are also available in English on Vivendi's website (www.vivendi.com). Investors and security holders may obtain a free copy of documents filed by Vivendi with the Autorité des marchés financiers at www.amf-france.org, or directly from Vivendi. Accordingly, we caution readers against relying on such forward-looking statements. These forward-looking statements are made as of the date of this press release. Vivendi disclaims any intention or obligation to provide, update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

In addition, Vivendi's revenues for the first quarter of 2020 were little affected by the consequences of the COVID-19 pandemic, the impact of which varied according to the Group's businesses and the geographical regions in which it operates. A decline in revenues was recorded for certain business activities in March, notably by Havas Group, Editis and Vivendi Village, corresponding to the first effects of the COVID-19 crisis.

Each of Vivendi's businesses is closely monitoring the current and potential effects of this outbreak. At this point, it is impossible to determine with certainty how long it will last and how it will impact Vivendi's revenues and annual results. However, the revenues of certain businesses, notably Havas Group, Editis and Vivendi Village, are expected to be affected in the second quarter of 2020.

Vivendi is confident in the resilience of its main businesses. It makes every effort to ensure the continuity of its activities, as well as to best serve and entertain its customers and its audiences while respecting the instructions of the authorities in each country in which it operates.

Unsponsored ADRs. Vivendi does not sponsor any American Depositary Receipt (ADR) facility in respect of its shares. Any ADR facility currently in existence is "unsponsored" and has no ties whatsoever to Vivendi. Vivendi disclaims any liability in respect of any such facility.

About Vivendi

Since 2014, Vivendi has been focused on building a world-class content, media and communications group with European roots. In content creation, Vivendi owns powerful, complementary assets in music (Universal Music Group), movies and series (Canal+ Group), publishing (Editis) and games (Gameloft) which are the most popular forms of entertainment content in the world today. In the distribution market, Vivendi has acquired the Dailymotion platform and repositioned it to create a new digital showcase for its content. The Group has also joined forces with several telecom operators and platforms to maximize the reach of its distribution networks. In communications, through Havas. the Group possesses unique creative expertise in promoting free content and producing short formats, which are increasingly viewed on mobile devices. In addition, through Vivendi Village, the Group explores new forms of business in live entertainment, franchises and ticketing that are complementary to its core activities. Vivendi's various businesses cohesively work together as an integrated industrial group to create greater value. www.vivendi.com

CONTACTS

Media
Paris
Jean-Louis Erneux
+33 (0)1 71 71 15 84
Solange Maulini
+33 (0) 1 71 71 11 73

Investor Relations
Paris
Xavier Le Roy
+33 (0) 1 71 71 18 77
Nathalie Pellet
+33 (0)1 71 71 11 24
Delphine Maillet
+33 (0)1 71 71 17 20

APPENDIX

VIVENDI

REVENUES BY BUSINESS SEGMENT

(in millions of euros)	Three months ended March 31, 2020	2019	% Change	% Change at constant currency	% Change at constant currency and perimeter (a)
Revenues					
Universal Music Group	1,769	1,502	+17.8%	+15.0%	+12.7%
Canal+ Group	1,372	1,252	+9.6%	+9.4%	+1.0%
Havas Group	524	525	-0.2%	-1.9%	-4.4%
Editis	116	89	+31.0%	+31.0%	-14.3%
Gameloft	61	68	-10.4%	-11.6%	-11.6%
Vivendi Village	23	23	-3.4%	-5.0%	-13.4%
New Initiatives	15	15	-3.9%	-3.9%	-3.9%
Elimination of intersegment transactions	(10)	(15)			
Total Vivendi	**3,870**	**3,459**	**+11.9%**	**+10.3%**	**+4.4%**

(a) Constant perimeter reflects the impacts of the acquisition of M7 by Canal+ Group (September 12, 2019), the acquisition of the remaining interest in Ingrooves Music Group, which has been consolidated by Universal Music Group (March 15, 2019) and the acquisition of Editis (January 31, 2019).