

## **Group activities show strong resilience in third quarter 2020 despite 3% decline in revenue**

- **Revenue in the third quarter 2020: €5,915 million**
  - -3% at constant scope and exchange rates
  - -4% as reported
  
- **Revenue at the end of September 2020: €17,527 million**
  - -4% at constant scope and exchange rates
  - -2% as reported

### Revenue for the third quarter 2020

At constant scope and exchange rates, the Group's revenue for the third quarter 2020 was down 3% to €5,915 million. This change mainly includes:

- a 2% increase in the transportation and logistics business driven by freight forwarding, mainly due to exceptional air freight operations, despite the contraction in logistics activities in Africa and the impact of the end of the Douala terminal (DIT) concession in Cameroon;
- the decline in oil logistics (-38%) primarily attributable to the fall in oil product prices and volumes;
- the growth in the communications business (+1%), attributable to Vivendi which benefited from growth at UMG (+6%), the Canal+ group (+1%) and Editis (+10%);

Revenue as reported was down 4% compared to the third quarter of 2019, due to a €132 million negative foreign exchange impact related to the strengthening of the euro (particularly versus the US dollar in the third quarter), which absorbed the positive changes in scope related primarily to the consolidation of M7 at the Canal+ group.

## Revenue at the end of September 2020

At constant scope and exchange rates, revenue at the end of September 2020 fell 4% to €17,527 million.

Reported revenue was down 2%, including €340 million from changes in consolidation scope (consolidation of Editis and M7 at Vivendi and deconsolidation of Bolloré Ports France and Wifirst) and a €95 million negative foreign exchange impact (reflecting a general but contrasting increase in value of the euro).

## Change in revenue by business

(in € millions)	3 <sup>rd</sup> quarter				9-month total			
	2020	2019	Reported growth	Organic growth	2020	2019	Reported growth	Organic growth
Transportation and Logistics	1,420	1,462	-3%	+2%	4,276	4,436	-4%	-1%
Oil Logistics	401	645	-38%	-38%	1 447	1 923	-25%	-25%
Communications	4,021	3,969	+1%	+1%	11 595	11 320	+2%	-1%
Electricity Storage and Systems	65	85	-23%	-7%	187	244	-23%	-8%
Other (agricultural assets and holdings)	8	7	+8%	+8%	21	24	-12%	-13%
<b>Total</b>	<b>5 915</b>	<b>6 169</b>	<b>-4%</b>	<b>-3%</b>	<b>17,527</b>	<b>17,949</b>	<b>-2%</b>	<b>-4%</b>

At constant scope and exchange rates, compared to the first nine months of 2019, the main sectors changed as follows:

### ■ **Transportation & Logistics, Oil Logistics:**

- ❖ Revenue for the Transportation and Logistics business was down 1%, primarily due to the reduction in logistics and handling in Africa and the termination of the DIT port concession in Douala (Cameroon) at the end of 2019, partly offset by excellent performances at port terminals, in particular Abidjan Terminal in the Republic of Côte d'Ivoire, Freetown Terminal in Sierra Leone, Owendo Terminal in Gabon and Conakry Terminal in Guinea. Conversely, international freight forwarding revenue was up sharply due to continuing sustained growth in air freight largely offsetting the decline in sea freight. Lastly, rail activity was down following a landslide which halted traffic and the suspension of hydrocarbon transportation between the Republic of Côte d'Ivoire and Burkina Faso lasting over a month.
- ❖ Revenue for Oil Logistics was down 25% in view of the fall in the price of oil products and, to a lesser extent, volumes over the first nine months of 2020.

- **Communications (Vivendi):** Revenue amounted to €11,595 million, down 1% at constant scope and exchange rates and up 2.4% as reported compared to the same period in 2019. It benefited from growth in revenue from UMG, driven by music streaming platforms, Canal+ group, through significant international development, and Editis, which confirmed the rebound that began at the end of lockdown. However, this growth was offset by the decline in Havas Group and Vivendi Village revenue, impacted by the fallout of the Covid-19 pandemic.
- **Electricity Storage and Systems:** Revenue from industrial activities (electricity storage, plastic films, dedicated terminals and systems) was down 8% compared to the first nine months of 2019. These business activities were impacted by the health crisis, due to plant closures in particular as well as the decline in the air freight sector, a key market for IER. Conversely, sales of batteries were up sharply, driven by the contract with Daimler, while the Bluebus order book stood at 111 12-meter buses at the end of September.

### Third quarter highlights and recent events:

- **Opening of UMG's share capital**

Vivendi successfully completed the first phase of the opening of UMG's share capital. On March 31, 2020, the Group finalized the sale of 10% of the share capital of UMG to a Tencent-led consortium based on an enterprise value of €30 billion for 100% of UMG.

The consortium, which is led by Tencent and includes Tencent Music Entertainment and other financial co-investors, has the option to acquire, on the same valuation basis, up to an additional 10% of the share capital of UMG until January 15, 2021.

This transaction is complemented by a separate agreement allowing Tencent Music Entertainment to acquire a minority stake in the capital of the UMG subsidiary owning its Greater China operations.

Following the success of this significant strategic transaction, Vivendi is pursuing its plan to sell additional minority interests in UMG with the assistance of several mandated banks. An IPO is planned for 2022.

The cash generated by these transactions may be used by Vivendi to reduce its financial debt and to finance a significant share buyback program and acquisitions.

- **Lagardère SCA**

At October 19, 2020, Vivendi holds 28.3% of the share capital and 21,5% of the voting rights of Lagardère SCA.

Following the disappointing results announced by Lagardère SCA, on August 10, 2020 Amber Capital and Vivendi signed a shareholder agreement, despite their differences. As such, they launched an initiative to guarantee each party minority representation on the Lagardère SCA Supervisory Board, i.e. three members for Amber Capital and one member for Vivendi. They also sought to stabilize their shareholding base by granting each other a right of first offer and a right of first refusal for a five-year period.

As the Lagardère SCA Supervisory Board and management refused the proposals of its largest and second largest shareholders respectively, Amber Capital and Vivendi, in early September 2020 the said companies brought a request before the Paris Commercial Court to convene a General Meeting.

On October 14, 2020, the Court decided not to uphold the request. Vivendi, which remains confident in the merits of its approach, will appeal this decision.

- **MultiChoice Group Ltd**

On September 29, 2020, the Canal+ group exceeded the 5% threshold of the share capital of MultiChoice Group Ltd, Africa's leading pay-TV provider based in South Africa. This acquisition, a long-term financial investment, is testament to the confidence that the Canal+ group and its shareholder Vivendi have in the outlook for MultiChoice and Africa as a whole, a continent to which they are deeply committed.

- **Vivendi share repurchase program**

Since January 1, 2020, Vivendi has acquired 58,37 million of its own shares (4.92% of its share capital), representing an amount of €1,368 million, including 23,02 million shares under the previous share repurchase program and 35,35 million shares under the current one.

As of October 19, 2020, Vivendi held 62.3 million treasury shares representing 5.25% of the share capital, including 46.2 million shares to be canceled, 7.5 million to cover performance share plans, and 8.6 million to cover disposals to employees or corporate officers (employee shareholding transactions).

- **Tender offer on Blue Solutions by Bolloré**

The tender offer on Blue Solutions at a price of €17 per share, which took place between May 29 and July 8, 2020, was finalized. Following the mandatory squeeze-out that took place on July 15, 2020, Bolloré now holds 100% of the share capital of Blue Solutions. The value of the securities acquired represent an amount of €110 million.

- **Sale of BluePointLondon Ltd**

In September 2020, IER entered into an agreement to sell to Total its subsidiary BluePointLondon Ltd, which has developed and operates a network of 1,600 electric vehicle charging stations in London. This sale should be completed in the next few months.

- **Impact of the health crisis**

Although the impact is more severe for certain countries and business lines than for others, the Group has shown resilience and adaptability in continuing to serve its customers to the best of its ability whilst lowering costs to preserve its margins. Transportation and Logistics business continues to benefit from exceptionally high freight transport rates, which partly offset the slowdown in the usual flows. Communications activities have shown good resilience, particularly music and pay-TV. However, other activities have been impacted by the health crisis as anticipated.

The Group is conducting a careful assessment of the current and potential consequences of the crisis. At this stage it is difficult to determine the impact of the crisis on full-year results. The advertising and live performance sectors are particularly likely to suffer long-term impacts. However, the Group remains confident in the resilience of its main business lines. It is doing everything possible to ensure the continuity of its activities and to serve and entertain customers and audiences as well as possible, while following instructions from the authorities of each country where it is established.

- **Group liquidity**

As of September 30, 2020, the Group's liquidity position, including undrawn confirmed lines and liquid investments, represented €2.7 billion for Bolloré and €8.5 billion including Vivendi, up slightly from June 30, 2020.

### **Change in revenue per quarter**

(in € millions)	1 <sup>st</sup> quarter			2 <sup>nd</sup> quarter			3 <sup>rd</sup> quarter		
	2020	2019 <sup>(1)</sup>	2019	2020	2019 <sup>(1)</sup>	2019	2020	2019 <sup>(1)</sup>	2019
Transportation and Logistics	1,394	1,468	1,483	1,462	1,448	1,491	1,420	1,394	1,462
Oil Logistics	631	669	665	415	617	613	401	647	645
Communications	3,868	3,706	3,458	3,706	4,022	3,893	4,021	3,995	3,969
Electricity Storage and Systems	65	63	75	58	71	85	65	70	85
Other (agricultural assets and holdings)	8	8	8	6	9	8	8	7	7
<b>Total</b>	<b>5,966</b>	<b>5,914</b>	<b>5,690</b>	<b>5,646</b>	<b>6,166</b>	<b>6,090</b>	<b>5 915</b>	<b>6,113</b>	<b>6 169</b>

(1) At constant scope and exchange rates

All amounts are expressed in millions of euros and rounded to the nearest decimal.  
As a result, the sum of the rounded amounts may differ slightly from the reported total.