**Press release** Croix, France, 28 August 2020

AuchanHolding

# 2020 Half-year results

**Despite the health crisis, Auchan Holding's profitability increased. This was driven by the very significant improvement in Auchan Retail's performance**

- **Continued growth in Auchan Retail's profits:**
  - **EBITDA: +15 %**
  - **EBITDA margin at 5.6 %[1], at the level of similar French competitors**
- **Confirmation that the Auchan 2022 business plan was well directed, supporting the unique nature of the offer, the transformation of stores, and new digital proximity.**
- **Strong impact of the global health crisis on Ceetrus:**
  - **EBITDA: -42.6 %**
  - **Decrease in fair value of assets limited to 4.6 %**
- **Growth in Auchan Holding's profits:**
  - **Normalised net profit up by €228 million[2]**
  - **Marked increase in cash flow and strengthening of liquidity**
- **Immediate launch of a €2 billion deleveraging plan by Auchan Holding (by 2022)**

[1] Post-IFRS 16

[2] Excluding Net profit from discontinued operations, Other operating income and expenses, and direct effects linked to the Covid-19 pandemic (net of tax)

## Significant improvement in profitability, supported by the Renaissance initiative

- **Revenue up 0.8 % (on a like-for-like basis, excluding fuel)**

Auchan Retail's **revenue** amounted to €22.253 billion in H1 2020, down 1.8 % at current exchange rates.

This decline includes the fall in half-year fuel sales (€573 million) and a reduction in rents from shopping malls in Asia (€62 million – an activity integrated into Retail operations in these countries) that are direct consequences of the pandemic, as well as an adverse currency effect of €185 million.

On a like-for-like basis and excluding fuel, revenue increased by 0.8 %.

This growth was achieved against a particularly volatile backdrop in the countries where Auchan Retail has a presence.

Following sustained first-quarter growth, confinement measures linked to the health crisis led to, on one hand, a significant fall in hypermarket traffic, partially offset by an increase in the average basket; and, on the other, substantial growth in food e-commerce and convenience store sales. Digital sales reached 11 % of total revenue for H1 2020, an increase of 3.7 points in one year. This progress is visible in all countries regardless of their digital maturity. In April alone[1], digital revenues grew by 85%, underpinning each country's phygital strategy.
Post-lockdown, some countries such as Spain and Portugal saw a very strong rebound in their revenue, thanks in particular to the increase in non-food earnings.

By geographical region, revenue increased in **France** by 0.8 %[2]. The fall in hypermarket sales was more than offset by the growth in sales in all other formats. Half-yearly digital revenue reached 12 % of total revenue (up 33 %).

**"Southern Europe"** recorded highly sustained growth of 4.9 %[2] thanks to continued momentum in Portugal and Spain.

Revenue for **"Central and Eastern Europe"** fell by 3.9 %[2]. Income was down sharply in Russia, where business has suffered from the particularly drastic measures implemented to limit travel. Hungary recorded double-digit growth, while Poland and Ukraine likewise increased.

Revenue in **"Asia"** increased by 2.3 %[2]. In China, business benefited in particular from strides made in phygital trade. Taiwanese revenue saw substantial growth.

In Senegal, H1 revenue fell by 6%[2] due in particular to the impact of curfew measures. However, it grew overall thanks to continued expansion, with the opening of the country's first click & collect service and its first home food delivery service.

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[1] excluding China in April
[2] on a like-for-like basis, excluding fuel

- **Another significant increase in EBITDA: €1,248 million in H1 2020 (+14.9%)**

Following an increase of €227 million in 2019, EBITDA rose sharply in H1 2020. It came to €1.248 billion, an increase of €162 million compared with H1 2019 (+14.9 %).
As a proportion of total revenue, the EBITDA margin is 5.6 %, compared to 4.8 % in H1 2019[1].

This performance was achieved thanks to:

- the 0.3 point increase in sales margin in a context where the product mix was less favourable than in H1 2019, due to a less favourable types of purchase being made during lockdown. However, the actions taken to better manage inventory shrinkage have largely produced results;

- the significant decrease in operating expenses: the Renaissance initiative, which enhances operational excellence, continued in all countries at a sustained pace. This generated a total of €184 million in recurring savings in H1 2020.
  In addition, the back-office merger of the two Sun Art retail brands (RT-Mart and Auchan), the subsidiary of Auchan Retail in China, delivered significant synergies.
  Also, Auchan Retail has significantly improved its productivity by maintaining its activity thanks to the inter-format versatility of its employees.
  Lastly, the impacts of the health crisis on operating expenses were balanced out: additional expenses incurred to protect employees (€41 million in H1 2020) were offset by legal provisions in some countries (e.g. social security contribution relief measures in China, etc.).

All regions contributed to this EBITDA growth: +79 % in France, +19 % in Southern Europe, +11 % in Central and Eastern Europe, +5 % in Asia, and +39 % in Senegal. EBITDA is growing in all countries aside from Russia.

## Covid-19 crisis: lessons learned and priority commitment confirmed for 2022

The first half of 2020 was marked by a crisis that was unprecedented in terms of its suddenness, its duration and its extent. Concerned with its Chinese activities from December 2019, Auchan Retail has tasked itself with enabling local people to feed themselves, in all the countries where it operates. It has achieved this thanks to the unwavering commitment of its employees and its ability to adapt.

Auchan Retail has complied scrupulously with local health procedures and, as far as possible, anticipated government decisions to protect both its employees and its customers. These include compliance with barrier procedures, the provision of hundreds of millions of items of equipment (gloves, masks, visors, hydro-alcoholic gel, etc.), adapting its points of sale (opening hours, filtering, in-store routing), etc.

The supply chain has successfully adapted to meet growing consumer demand for digital local services (supermarkets, click &collect, digital). This has involved working with suppliers and switching to 3x8 shifts in warehouses when necessary.
Everywhere, Auchan Retail has proved itself to be inventive, pragmatic and agile in fulfilling its duty to its customers.

[1] Post-IFRS 16

Lastly, solidarity was voiced at all levels of the company:

- towards the agricultural world: support for national networks and local producers, maintenance of volume-price commitments entered into before the crisis, measures taken to ensure speedy payment;
- towards healthcare staff: reserved time-slots in stores or click & collect outlets, delivery to hospitals, donations (PPE, food), sales supporting hospitals;
- towards the most vulnerable people: access to stores or click & collect outlets, food donations, setting up rural hospitals in Romania with Leroy Merlin and Ceetrus, etc. Auchan Retail's foundations also assisted projects run by associations in nine countries to support young people and textile workers in sourcing countries during the crisis. On each occasion, needs were met as closely as possible at a living area level.

Auchan Retail was able to count on the exceptional commitment of its employees, whom it has chosen to recognise financially in accordance with the legal conditions specific to each country (exceptional wage bonus, pay rises, etc.). This effort came to €69 million[1] over the half year.

The work undertaken over the last two years towards improved resource management, the introduction of new managerial rituals, and greater independence for local sales outlets has enabled the company to adapt throughout the health crisis and to accelerate the implementation of certain measures. As such, it was able to provide rapid support for changes in consumption patterns. **In this context, the following priority commitments for 2022 have been confirmed by Auchan Retail:**

- the **Renaissance** initiative, supporting the company in becoming more agile, focussing on operational excellence, and freeing up the resources needed for the rollout of its business plan;

- The focus of the **Auchan 2022** plan has been vindicated by the crisis: supporting the unique nature of the offer, transforming stores, and providing new digital proximity.

**The Renaissance initiative: a sustained implementation rate despite the current context, showing significant results**

At the end of H1 2020, 152 projects were identified in all countries to enhance operational excellence in the following areas: dealing with loss centres, product margins and reducing inventory shrinkage, store operations and costs, optimisation of the goods supply chain, and back-office efficiency. In China, projects supporting the merger of back offices, which are subject to separate management, have also contributed to the excellent overall results.

Despite the difficult context in recent months, teams have remained available to carry out actions and meet the targets set. Substantial savings were generated in Poland, Taiwan and Spain by renegotiating rents. Reducing inventory shrinkage has contributed significantly to improvements in the H1 gross profit (in Poland, for example, inventory shrinkage has decreased by 30 %). Framework contracts have been put in place to reduce costs and achieve better energy efficiency, such as for the cold maintenance of all stores in France. Payment pathways are diversifying to offer customers more choice between traditional checkouts, automatic checkouts or digital payment (in Ukraine, for example, automatic checkouts now account for 25 % of customer

[1] This amount is recorded in the income statement under "Other operating income and expenses".

payments). Lastly, Auchan Retail was more selective in its investment choices, which were reduced in the current context.

Taken together, actions under the Renaissance initiative had a **positive impact of €184 million on EBITDA in H1 2020.** A total of €423 million in recurring savings were made, compared to the 2018 cost base. Despite the health crisis, the savings target of €1.1 billion by end-2022 has been confirmed.

## Auchan 2022 business plan: confirmation that the areas of focus are correct, and accelerated rollout in all countries

Auchan Retail continued to implement its Auchan 2022 business plan during the first half of the year. The health crisis has confirmed that the areas of focus are correct. It has proved the relevance of the company's historical commitments, leading to the significant acceleration of certain initiatives.

### A leading player for good, healthy and local products through the selection and design of a unique, fair and responsible product offering

Auchan Retail has been actively engaged with national producers for more than 25 years and has continued to develop its responsible agricultural channel in France (+17), Spain (+24), Portugal (+6), Russia (+7) and Ukraine (+2). Auchan Retail opened the first responsible agricultural chain in Taiwan (eggs). It will have 700 responsible chains by end-2020, with a target of 1,500 by end-2022.

To strengthen its role as a purchaser, Auchan Retail has begun work to reduce its products in France (up to -20 %), Russia (3,000 product are being removed), and in Ukraine (1,000 non-food products removed).

Auchan Retail has continued to work on its exclusive products, with an increase in locally produced private label products (in France, Spain, Ukraine, Russia and Poland), its own organic brand (+18 % of French revenue over one year), and its international ranges.

Lastly, Auchan Retail is committed to promoting good food. The “Nutriscore” label was further expanded in Spain and Portugal. In France, the “Eating Better is Easy” (“*Mieux manger, c'est facile*”) programme was launched, in partnership with the Institut Pasteur in Lille. The “La Note Globale*”* label, the first indicator for measuring the overall performance of food products, was also launched to help people to consume and produce better.

The health crisis has accelerated certain initiatives, including local and national procurement, and the express supplier listing of local producers in stores (in France, Spain, Ukraine, Russia, Romania and Portugal, where sales of local products have increased by 50%).

### A creator of connections and experiences that improve inhabitant’s quality of life

Stores become physical market places open to partners, and spaces offering a positive experience for local people from each living area. The introduction of specialised partners to the stores, which began in 2019, is continuing. At the end of June, customers could find a selection of Decathlon products in 21 stores in Ukraine, 6 in France, 2 in Portugal, and 1 in Spain and Taiwan. In addition, 30 stores in France offer a space for second-life textiles run by *Patatam*, a retailer specialising in the sale of second-hand clothing.

The rollout of new phygital services is ongoing. On 15 July, following the success of the trial run launched a year ago in Ukraine, Auchan Retail and Glovo announced a strategic partnership in four countries (Spain, Portugal, Poland and Ukraine) for *express* delivery centred on Auchan stores, which will be used as customer order preparation platforms. Home delivery partnerships have been rolled out in all Auchan Retail countries (Sbermarket and Igoods in Russia, Raketa and Zakaz in Ukraine, Shopopop or Yper in France, Wedely in Luxembourg, etc.). Auchan Retail Senegal is the country's first player to offer click & collect outlets and home delivery in Dakar. In China, the O2O[1] service continued to grow at a highly sustained pace, with over 50 million user accounts at end-June.

The use of phygital channels has seen unprecedented growth due to the health crisis. In addition to strengthening click & collect capacities, many initiatives have been developed in record time, including: *click & collect* in France (supermarkets), Spain and Poland; ready-to-buy baskets in Poland and Romania; and Whatsapp-assisted sales in Spain for non-food products.

Thanks to all these initiatives, digital revenue accounted for 11% of total revenue in H1 2020 (+3.7 points in one year). Digital revenue peaked in April in all countries: in Spain, it more than quintupled; in Portugal and Ukraine, it tripled; in Hungary and Poland, it more than doubled; and it rallied in both Russia and Luxembourg. Growth in France was over 70%.

**The CSR approach: a lever during the crisis**

Auchan Retail continued its **responsible initiatives** in H1 2020. As well as the support given to caregivers and vulnerable people during the crisis, the company has continued its **fight against food waste**. Following on from the signing of the *Pact on Consumption Dates*, in-store anti-waste spaces have been set up in all countries. The partnership with "Too Good to Go" continued in France, Spain and Portugal.

Auchan Retail has undertaken new actions to **reduce its carbon impact**, in particular with the signing of an agreement with Voltalia, Boralex and Eurowatt to develop the green electricity supply (solar and wind) for 100% of its French sites by 2030. Similar momentum was initiated in Spain and Portugal. The roll-out of second-life department in stores, as with Patatam in France, is another a part of this process.

*"The first half-year confirms the turnaround at Auchan Retail. Despite the health crisis, our profitability is growing in line with our commitments. We are now operating at a similar level as our French competitors. This first stage has been very pleasing, in large part due to the perfect rollout of our Renaissance initiative aimed at strengthening operational excellence. At the same time, the health crisis has confirmed that the focus of our Auchan 2022 business plan is correct, enabling us to accelerate its implementation in all countries where we operate. Progress is visible everywhere. It is apparent both in the design and selection of a unique, fair and responsible offer (through the continued development of agricultural chains, improvements in product selection, the development of exclusive products, or informing people about good food) and in the accelerated rollout of digital proximity (home delivery, click & collect, click & collect walk up, etc.), which contributes to the strong growth in digital revenues. In these conditions and despite the uncertainty linked to the health situation, I remain extremely confident in our ability to achieve our 2022 targets for EBITDA margin and sustainable growth."*

**Edgard Bonte, CEO of Auchan Retail**.

[1] Online-to-offline: express delivery service

# CEETRUS

**Ceetrus: a company committed to the health crisis and working towards a renewed vision of trade and the city**

**H1 2020 was marked by the global health crisis**

After more than 10 years of uninterrupted earnings growth on a like-for-like basis, the health crisis had a significant impact on Ceetrus' results in H1 2020 (all of the observed effects were recorded for the period and not amortised over several years).

As at 30 June 2020, Ceetrus reported income[1] of €204.7 million, down €92 million (-31%) from H1 2019. This decline is the result of a fall in rental incomes (-39.6%) linked to enforced closures for most outlets throughout Europe, except those offering basic necessities, for an average period of between 2 and 2.5 months depending on the country.

Despite the significant amount of enforced closures (more than 90% of the leased space), Ceetrus kept all its shopping centres open to allow access to essential shops, thereby reducing the possibilities for translating fixed costs into variable costs. Maintenance, processing and construction sites were also shut down for approximately one month. During this time, government assistance was limited to the short-time working mechanism in France for 62 % of FTEs.

In this context, Ceetrus' **EBITDA** was €115.5 million at 30 June 2020, down 42.6 % compared with H1 2019.

The fair value of Ceetrus' assets was assessed at 30 June 2020 by an expert appraiser. It now stands at €7,885 million, down 4.6 % compared with 31 December 2019.

**Development operations: heightened caution**

While its asset management strategy remains unchanged (revitalising its existing sites and participating in the co-creation of new living quarters), Ceetrus has decided to secure its cash and cash flow by postponing non-essential investments until 2021, i.e. a reduction in its 2020 investment budget of more than €200 million (around 33 %). Investments net of disposals for H1 2020 thus fell by one-third compared to 30 June 2019 to €122 million. These were concentrated on priority projects undertaken in France, Luxembourg, Spain and Russia.

Work in progress resumed from 20 May, after a month of stoppage. To date, the major iconic projects carried out by Ceetrus in France include the continued development of the Quai 22 district in Saint-André-Lez-Lille, the Wellice offices in Villeneuve d'Ascq, the Quadrilatère des Piscines in Tourcoing, and the start of the StatioNord project at the Gare du Nord in Paris, for which a building permit was issued by the Ile-de-France regional prefect. Internationally, the main development projects are the construction of the Viala-Vigo station in Spain, planned for completion in autumn 2021; the expansion in Italy of the MilanNord2 shopping centre and work starting on the Merlata Mall; and the launch of a new group of 800 residential housing units in the new Coresi district of Brasov in Romania.

[1] Gross rental and management income

**Beyond the quantified results, the period gave cause for mobilisation and collective pride at Ceetrus.**

During the crisis, Ceetrus came into its own as a company known for innovation and solidarity. In terms of innovation: more than fifty initiatives supporting retailers and local people were rapidly rolled out internationally (e.g. “Aushopping drive” (a shared click & collect service), the transformation of car parks into drive-in cinemas, etc.). In terms of solidarity: the effort made on rents and numerous initiatives for retailers and local people, including, in France, the creation of an inter-brand solidarity fund or the opening of solidarity reception areas for women victims of domestic violence in shopping centres[1]; in Italy, the renovation of a wing of the Sacco hospital in Milan and the development of an intensive care unit in partnership with the city, in less than 60 days; and in Romania, the setting up of a temporary hospital in partnership with Auchan Retail and Leroy Merlin.

**The amplification of the Ceetrus momentum**

These initiatives reflect the efforts underway at Ceetrus to become an industry leader by adopting a renewed vision of the city and new retail based on a diversity of uses and a commitment to making to a positive impact. The company's transformation is accelerating, with a new organisation by country and strengthened teams focussed as much as possible on meeting local needs.

In the short term, the priority is still to regenerate business by providing support for retailers in implementing their stimulus plans, and to meet the needs of local people.

Footfall, meanwhile, is gradually picking up, with a rate of around 85% in July.

Given the prevailing uncertainty regarding the health and economic situation, Ceetrus does not consider it possible to give a solid forecast for business activity and results at present. However, all the H1 impacts of the Covid-19 crisis are already reflected in its accounts.

*“I am very proud to see how much the teams have rallied around during this unprecedented crisis, while making sacrifices in their personal circumstances. The impact of our decisions is significant for our accounts. But it was essential to support our retailers and partners. Ceetrus remains consistent in its Vision, and has demonstrated its capacity for resilience and innovation.”*

**Benoît Lheureux**, **Ceetrus CEO.**

[1] as part of the initiative led by the Secretariat responsible for gender equality and the fight against discrimination.

# AUCHAN HOLDING

Key figures for H1 2020

| *In € millions* | H1 2020 | H1 2019 | Change at current exchange rates |
|---|---|---|---|
| **Revenue** | **22,457** | **22,954** | **-2.2 %** |
| **EBITDA**[1] | **1,362** | **1,313** | **3.7 %** |
| *EBITDA margin* | 6.1% | 5.7% | + 0.4 pt |
| **Operating profit from continuing operations** | **461** | **364** | **26.6 %** |
| Operating profit | 338 | 390 | -13.3 % |
| **Net profit from continuing operations** | **91** | **124** | -26.7 % |
| Net profit from assets held for sale and discontinued operations | 15 | (1,458) | na |
| **Net profit** | **106** | **(1,334)** | na |
| of which attributable to owners of the parent | (77) | (1,472) | na |
| **“Normalised” net profit**[2] | **300** | **72** | **x 4.2** |
| “Normalised” net profit attributable to owners of the parent | 115 | (50) | na |

In H1 2020, Auchan Holding reported **revenue** of €22.457 billion, down 2.2 % compared to H1 2019. At constant exchange rates and scope, the decrease is limited to 1.4 %. This is mainly due to the effects of the health crisis on fuel sales for Auchan Retail and on rental income (Auchan Retail in Asia and Ceetrus in Europe). The exchange rate impact was negative during H1, with a negative change in the rouble, yuan, forint, zloty and leu.

Thanks to the good Auchan Retail's sales margin, **sales margin** of Auchan Holding fell by just 2.1 % to €5,403 million. The sales margin rate rose by 0.1 point to 24.1 %.

Staff expenses fell by 5.5 % due to the increase in absenteeism and the legal provisions in some countries (reduction of expenses).

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[1] EBITDA: Operating profit excluding Other operating income and expenses and Depreciation, amortisation and impairments.

[2] Excluding Net profit from discontinued operations, Other operating income and expenses, and direct effects related to the pandemic (net of taxes)

Current operating expenses are down despite the PPE costs generated by the health crisis. The effects of the Renaissance initiative at Auchan Retail was a factor in this improvement.

In total, **operating profit from continuing operations** increased by 26.6%. The sharp increase in Auchan Retail's operating profit from continuing operations is tempered by the fall in Ceetrus' operating profit from continuing operations.

**EBITDA** rose by 3.7% to €1,362 million compared to €1,313 million at 30 June 2019. The increase in Auchan Retail's EBITDA offset the significant fall in Ceetrus' EBITDA.

**Operating profit was €338 million.** This includes *Other operating income and expenses* (-€123 million), which includes exceptional bonuses paid to employees to reward their commitment during the health crisis, and costs associated with the voluntary redundancy plan at Auchan Retail announced on 14 January 2020. In H1 2019, *Other operating income and expenses* generated income of €26 million.

The net cost of financial debt was €36 million (compared with €30 million in 2018) due to increased average outstanding financing. Other financial income and expenses was -€164 million, a worsening of €43 million (impact of IFRS 16).

Income tax expenses were €56 million, down €60 million.

The share of net profit (loss) of associates was €9 million compared with €1 million at 30 June 2019, an increase due to Oney Bank's equity method of accounting for H1 2020.

**Net income from ongoing operations** was €91 million compared with €124 million at 30 June 2019.

At end-June 2019, **net profit from *Assets held for sale and discontinued operations*** took into account the impact of the disposal of Auchan Retail's activities in Italy and Vietnam (-€1,458 million).

In total, **net profit** was €106 million, up €1,440 million.

**Normalised" net profit**, calculated excluding net profit from discontinued operations, other operating income and expenses, and effects directly linked to the pandemic, net of tax, came to €300 million, a very significant increase of €228 million compared to H1 2019. Despite the difficult situation facing its real estate business, Auchan Holding's profits increased, reflecting the improvement in its Retail profits.

## Improved cash flow, strengthened liquidity, and launch of a deleveraging plan

At end-June 2020, **cash flow** was up by €1,207 million compared to H1 2019, thanks in particular to:
- a significant improvement in the change in WCR (+€545 million compared with H1 2019);
- a sharp reduction in investment flows as a precautionary measure (+€456 million[1]).

At 30 June 2020, **net financial debt** was €4,175 million, up slightly by €305 million compared with 31 December 2019 – a natural increase due to the seasonal nature of the business.

Confirming the commitment made at the 2019 annual results in March 2020 to reduce its debt, Auchan Holding is launching **a €2 billion debt reduction plan**, with immediate effect (amount to

[1] At end-June 2019, an adverse impact of the new regulation on prepaid cards in China required €173 million to be reclassified as "restricted cash".

be reduced by 2022). This plan will lead, among others, to the disposal of non-strategic assets with little operational and social impact.

**Auchan Holding's liquidity** has been strengthened, and is a significant asset in a volatile environment. Since 1 January 2020, Auchan Holding has successfully issued a €1.0 billion bond loan maturing in 2026 and a €256.5 million schuldschein loan with maturation terms of three, five and seven years. A liability management operation was also carried out via the issue of a €750 million bond maturing in 2027, which enabled the redemption of bond issues maturing in 2021, 2022 and 2023 for €535.4 million. Lastly, Auchan Holding agreed the extension of a €1 billion back-up credit line from June 2021 to June 2022, with the option to extend to June 2023.

At end-July, Auchan Holding had €3.6 billion in undrawn financing and a well-spread repayment schedule, with an average maturity of 3.2 years.

"*In the context of an unprecedented health crises, Auchan Holding's profits demonstrated further growth during H1 2020. Auchan Retail's performance offset the situational difficulties recorded for the real estate business. The work undertaken towards recovery in H2 will be carried out in the context of these significant initial results. Deleveraging at Auchan Holding remains a priority, with the support of the shareholders. In this context, the €2 billion deleveraging plan launched at the 2020 half-year accounts reaffirms our determination to retain our Investment Grade rating."*

**Edgard Bonte, CEO of Auchan Holding.**

# APPENDICES

## IMPACT OF THE COVID-19 PANDEMIC ON THE FINANCIAL STATEMENTS FOR H1 2020

The direct and indirect effects of the COVID-19 pandemic have an impact on the entire income statement. These impacts, whether directly or indirectly attributable to the pandemic, were recorded in “Operating profit from continuing operations” in H1 2020.

Only the exceptional compensation elements awarded to employees for their commitment during the crisis are recorded in “Other operating income and expenses”.

For further details, please see Note 2.6 of the half-year financial report, which is available on www.auchan-holding.com

## Consolidated income statement for H1 2020

| In € millions | H1 2020 | H1 2019 | Change at current exchange rates | Change at constant exchange rates |
|---|---|---|---|---|
| **Revenue** | **22,457** | **22,954** | ***- 2.2 %*** | ***- 1.4%*** |
| Sales costs | (17,054) | (17,434) | *- 2.2 %* | *- 1.4%* |
| **Sales margin** | **5,403** | **5,519** | ***- 2.1 %*** | ***- 1.2 %*** |
| *Sales margin rate* | *24.1%* | *24.0%* | *+ 0.1 pt* | |
| Staff expenses | (2,719) | (2,876) | *- 5.5 %* | *- 4.8 %* |
| External expenses | (1,353) | (1,309) | *3.5 %* | *1.9 %* |
| Depreciation, amortisation and impairment | (878) | (977) | *- 10.2 %* | *na* |
| Other operating income and expenses | 10 | 5 | *na.* | *na* |
| **Operating profit from continuing operations** | **461** | **364** | ***26.7 %*** | ***27.9 %*** |
| *Current operating margin rate* | *2.1%* | *1.6%* | *+ 0.5 pt* | *+ 0.5 pt* |
| Other operating income and expenses | (123) | 26 | *na.* | *na* |
| **Operating profit** | **338** | **390** | ***- 13.3 %*** | ***- 12.5 %*** |
| Net cost of financial debt | (36) | (30) | *25.5 %* | *29.7 %* |
| Other financial income and expenses | (164) | (121) | *35.7 %* | *35.4 %* |
| Tax expenses | (56) | (116) | *- 51.7 %* | *na.* |
| Share of net (profit) loss of associates | 9 | 1 | *na.* | *na.* |
| **Net income from continuing operations** | **91** | **124** | ***- 26.6 %*** | ***- 26.4 %*** |
| Net profit from assets held for sale and discontinued operations | 15 | (1,458) | *na.* | *na.* |
| **Net profits** | **106** | **(1,334)** | ***na.*** | ***na.*** |
| Net profit attributable to the Group | (77) | (1,472) | *na.* | *na.* |
| Net income attributable to non-controlling interests | 183 | 139 | *31.7 %* | *33.6 %* |
| EBITDA | 1,362 | 1,313 | ***3.7 %*** | ***4.6 %*** |
| *EBITDA margin* | 6.1% | 5.7% | *+ 0.4 pt* | *+ 0.4 pt* |

## Consolidated balance sheet as at 30 June 2020

| ASSETS (in € millions) | 30/06/2020 | 31/12/2019 | Change |
|---|---|---|---|
| Goodwill | 2,946 | 3,021 | (75) |
| Other intangible assets | 1,027 | 1,069 | (42) |
| Tangible assets | 10,938 | 11,768 | (830) |
| Investment property | 4,959 | 5,099 | (140) |
| Investments in associates | 491 | 485 | 6 |
| Other non-current financial assets | 592 | 565 | 27 |
| Derivative financial instruments (non-current) | 123 | 124 | (1) |
| Deferred tax assets | 445 | 438 | 7 |
| NON-CURRENT ASSETS | 21,521 | 22,569 | (1,048) |
| Stocks | 3,519 | 4,875 | (1,356) |
| Trade receivables | 505 | 542 | (37) |
| Current tax assets | 123 | 148 | (25) |
| Other current receivables | 2,223 | 1,957 | 266 |
| Derivatives financial instruments (current) | 55 | 80 | (25) |
| Cash and cash equivalents | 3,615 | 3,674 | (59) |
| Assets classified as held for sale | 668 | 642 | 26 |
| CURRENT ASSETS | 10,708 | 11,918 | (1,210) |
| TOTAL ASSETS | **32,229** | **34,487** | **(2,258)** |

| LIABILITIES (in € millions) | 30/06/2020 | 31/12/2019 | Change |
|---|---|---|---|
| Share capital | 578 | 578 | 0 |
| Share premiums | 1,914 | 1,914 | 0 |
| Reserves and net income attributable to owners of the parent | 3,564 | 3,813 | (249) |
| EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT | 6,056 | 6,305 | (249) |
| Non-controlling interests | 3,576 | 3,548 | 28 |
| TOTAL EQUITY | 9,632 | 9,853 | (221) |
| Provisions | 218 | 248 | (30) |
| Non-current borrowings and other financial liabilities | 6,588 | 6390 | 198 |
| Derivative financial instruments (non-current) | 27 | 18 | 9 |
| Other non-current liabilities | 2,672 | 3,041 | (369) |
| Deferred tax liabilities | 407 | 509 | (102) |
| NON-CURRENT LIABILITIES | 9,912 | 10,206 | (294) |
| Provisions | 494 | 415 | 79 |
| Current borrowings and other financial liabilities | 1,543 | 1,313 | 230 |
| Derivative financial instruments (current) | 16 | 29 | (13) |
| Trade payables | 5,948 | 7,572 | (1,624) |
| Current tax liabilities | 138 | 115 | 23 |
| Other current liabilities | 4,518 | 4,955 | (437) |
| Liabilities classified as held-for-sale | 28 | 28 | 0 |
| CURRENT LIABILITIES | 12,685 | 14,428 | (1,743) |
| TOTAL LIABILITIES | **32,229** | **34,487** | **(2,258)** |

## Statement of cash flows as at 30 June 2020

| €m | H1 2020 | H1 2019 | Change |
|---|---|---|---|
| Consolidated profit (including non-controlling interests) | 106 | (1,334) | 1,440 |
| Share of net profit (loss) of associates | (9) | (1) | (8) |
| Dividends received (non-consolidated investments) | (2) | (1) | (1) |
| Net cost of financial debt and lease interest [1] | 143 | 162 | (19) |
| Income tax expenses (including deferred taxes) | 59 | 121 | (62) |
| Net depreciation, amortisation and impairment expenses (except those relating to current assets) | 972 | 2,394 | (1,422) |
| Capital gains/losses net of tax and negative goodwill | 4 | (18) | 22 |
| **Cash flows from operations before net cost of financial debt and tax** | **1,273** | **1,323** | **(50)** |
| Income tax paid | (174) | (175) | 1 |
| Interest paid and lease interest [1] | (179) | (218) | 39 |
| Other financial items | 36 | 56 | (20) |
| **Cash flows from operations before net cost of financial debt and tax[2]** | **956** | **987** | **(31)** |
| Change in working capital requirement | (573) | (1,118) | 545 |
| Changes in items relating to the credit activity | | (29) | 29 |
| **Net cash from (used in) operating activities** | **384** | **(160)** | **544** |
| Acquisitions of tangible and intangible assets and investment property | (418) | (660) | 242 |
| Proceeds from sales of tangible and intangible assets and investment property | 17 | 73 | (56) |
| Acquisitions of non-consolidated investments including investments in associates | (10) | (36) | 26 |
| Proceeds from investments in non-consolidated companies, including investments in associates | 4 | 4 | 0 |
| Acquisitions of subsidiaries net of cash acquired | | (2) | 2 |
| Sales of subsidiaries net of cash disposed of | | (40) | 40 |
| Dividends received (non-consolidated investments) | 4 | 4 | 0 |
| Change in loans and advances granted[3] | (36) | (238) | 202 |
| **Net cash from (used in) investing activities** | **(439)** | **(895)** | **456** |
| Purchase and proceeds from disposal of treasury shares | | (120) | 120 |
| Dividends paid during the financial year | (110) | (110) | 0 |
| Acquisitions and disposals of interests without gain or loss of control | (3) | (27) | 24 |
| Payments of lease liabilities | (233) | (245) | 12 |
| Change in net financial debt | 210 | 1165 | (955) |
| **Net cash flow from financing activities** | **(136)** | **663** | **(799)** |
| Impact of changes in foreign exchange rates [4] | 73 | (34) | 107 |
| **Change in net cash position** | **(118)** | **(426)** | **308** |
| Opening net cash position | 3,569 | 2,987 | 582 |
| Closing net cash position | 3,451 | 2,561 | 890 |
| **CHANGE IN NET CASH POSITION** | **(118)** | **(426)** | **308** |


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