Q3 2019 – Business review

Paris, November 7th, 2019 – JCDecaux SA (Euronext Paris: DEC), the number one outdoor advertising company worldwide, published today its business review for the third quarter of 2019.

THIRD QUARTER 2019: BUSINESS HIGHLIGHTS

Key contracts wins

- ***France***

In July, JCDecaux announced that following a competitive tender, it has won the advertising street furniture contract for six cities in the Grand Paris Seine Ouest area, an Etablissement Public Territorial (a public local authority created within Greater Paris) comprising eight municipalities, six of which are covered by this new contract (one win: Vanves and five renewals).

In September, JCDecaux announced that it has won, following a competitive tender, the contract to provide bus shelters for the bus network (contract renewal) and the brand-new Bus Rapid Transit (new contract) of Aix-en-Provence.

- ***North America***

In July, JCDecaux announced that it has been awarded the iconic Street Furniture contract for San Francisco (population: over 860,000). The 20-year contract was awarded by the San Francisco's Board of Supervisors in a unanimous vote and signed by the Mayor following a competitive tender. The contract covers the program management, including design, installation and daily maintenance of 114 three-sided columns with 2 panels for advertising and 1 panel for City/public service uses, as well as 25 fully accessible automatic public toilets

Other

- ***Group***

In September, JCDecaux has joined RE100, a global leadership initiative for companies committed to 100% renewable electricity. This move underlines the company's current objective of sourcing 100% of its electricity consumption from renewable electricity by 2022. The Group began buying green electricity as part of an ambitious policy rolled out in 2014. In 2018, it was already meeting 69% of its electricity needs with renewable electricity compared with 37% in 2015.

THIRD QUARTER 2019 AND OUTLOOK

Following the adoption of IFRS 11 from January 1st, 2014, the operating data presented below is adjusted to include our *prorata* share in companies under joint control. Please refer to the paragraph "Adjusted data" on page 3 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 for the third quarter of 2019 increased by +6.7% to €925.8 million compared to €867.7 million in the third quarter of 2018.
Excluding the positive impact from foreign exchange variations and the positive impact from changes in perimeter, adjusted organic revenue grew by +0.1%.
Adjusted organic advertising revenue, excluding revenue related to sale, rental and maintenance of street furniture and advertising displays, was flat in the third quarter of 2019 compared to the third quarter of 2018.

JCDecaux

Q3 adjusted revenue	2019 (€m)	2018 (€m)	Reported growth	Organic growth(a)
Street Furniture	390.4	365.0	+7.0%	+5.2%
Transport	400.7	384.9	+4.1%	-4.2%
Billboard	134.8	117.8	+14.5%	-1.6%
Total	**925.8**	**867.7**	**+6.7%**	**+0.1%**

(a) Excluding acquisitions/divestitures and the impact of foreign exchange

9-month adjusted revenue	2019 (€m)	2018 (€m)	Reported growth	Organic growth(a)
Street Furniture	1,180.9	1,107.7	+6.6%	+5.5%
Transport	1,177.7	1,044.3	+12.8%	+3.6%
Billboard	409.5	359.0	+14.1%	-3.1%
Total	**2,768.1**	**2,511.0**	**+10.2%**	**+3.5%**

(a) Excluding acquisitions/divestitures and the impact of foreign exchange

Please note that the geographic comments hereafter refer to organic revenue growth.

STREET FURNITURE

Third quarter adjusted revenue increased by +7.0% to €390.4 million (+5.2% on an organic basis). Europe (including France and UK) was up, with a strong performance in the UK. Asia-Pacific and the Rest of the World were up with a double-digit growth while North America was up mid-single-digit.
Third quarter adjusted organic advertising revenue, excluding revenue related to sale, rental and maintenance of street furniture were up +3.6% compared to the third quarter of 2018.

TRANSPORT

Third quarter adjusted revenue increased by +4.1% to €400.7 million (-4.2% on an organic basis). Europe (including France and UK) was down impacted by the non-renewal of the AENA Spanish national airport loss-making contract while France was up double-digit and UK recorded a good performance. Asia-Pacific showed negative growth, impacted by a further deterioration in our metro business in China, notably in Hong Kong, partially offset by a good performance in our airport business in China. North America was up single-digit while the Rest of the World was up double-digit.

BILLBOARD

Third quarter adjusted revenue increased by +14.5% to €134.8 million (-1.6% on an organic basis). Europe (including France and UK) was up, benefiting from a good commercial performance in the Rest of Europe and from the rationalisation and digitisation of our UK billboard assets. The Rest of the World showed negative growth. North America was up double-digit.

Commenting on the 2019 third quarter revenue, **Jean-François Decaux, Chairman of the Executive Board and Co-CEO of JCDecaux**, said:

"Our Q3 2019 organic revenue growth rate of +0.1%, which is in line with our July guidance, reflects a difficult quarter in China offset by a good performance in UK, US and the Rest of the World while France and the Rest of Europe were resilient.

Street Furniture's organic revenue growth of +5.2% was mainly driven by a +24.5% digital revenue increase resulting from the on-going digitisation of our prime inventory in more and more cities around the world. Transport's organic revenue decline of -4.2% which takes into account the non-renewal of our national Spanish airport franchise was mainly due to difficult market conditions in Hong Kong as well as in our Chinese advertising metro business, while our Chinese airport advertising division continues to grow with Group digital Transport revenue growing at +31.0%. Our organic revenue decline of -1.6% in our Billboard division reflects soft market conditions in certain geographies lacking consolidation, while our Group digital Billboard revenue up +141.1%, benefited from the integration of APN Outdoor as well as from the rationalisation and digitisation of our UK traditional billboard network.

As far as Q4 2019 is concerned, there is no real change in current trading compared to Q3 2019 except for Hong Kong in China, where we see some further deterioration, and Australia, where the overall media market is negatively impacted by the major slowdown in the economy. As a result, and bearing in mind the solid Q4 2018, we expect our adjusted organic revenue growth rate to be negative around -2% leading to a full year organic revenue growth rate above +1.5%.

In a media landscape increasingly fragmented, out-of-home advertising reinforces its attractiveness. With our accelerating exposure to faster-growth markets, our growing premium digital portfolio combined with a new data-led audience targeting platform, our ability to win new contracts and the high quality of our teams across the world, we believe we are well positioned to outperform the global advertising market and increase our leadership position in the outdoor advertising industry through profitable market share gains. The strength of our balance sheet is a key competitive advantage that will allow us to pursue further external growth opportunities as they arise and to continue to invest significantly in digital."

ADJUSTED DATA

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

However, in order to reflect the business reality of the Group, operating data of the companies under joint control will continue to be proportionately integrated in the operating management reports used by directors to monitor the activity, allocate resources and measure performance.

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 prior to 2014, which is reconciled with IFRS financial statements.

In Q3 2019, the impact of IFRS 11 on adjusted revenue was -€93.7 million (-€108.0 million in Q3 2018), leaving IFRS revenue at €832.1 million (€759.7 million in Q3 2018).

For the first nine months of 2019, the impact of IFRS 11 on adjusted revenue was -€284.6 million (-€303.5 million for the first nine months of 2018), leaving IFRS revenue at €2,483.5 million (€2,207.5 million for the first nine months of 2018).

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 *prorata 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	9-month
2018 adjusted revenue	**(a)**	**742.5**	**900.8**	**867.7**	**2,511.0**
2019 IFRS revenue	**(b)**	**753.2**	**898.2**	**832.1**	**2,483.5**
IFRS 11 impacts	(c)	86.8	104.1	93.7	284.6
2019 adjusted revenue	**(d) = (b) + (c)**	**840.0**	**1,002.3**	**925.8**	**2,768.1**
Currency impacts	(e)	(13.1)	(9.4)	(10.9)	(33.4)
2019 adjusted revenue at 2018 exchange rates	**(f) = (d) + (e)**	**826.9**	**992.9**	**914.9**	**2,734.7**
Change in scope	(g)	(44.4)	(46.3)	(46.2)	(136.9)
2019 adjusted organic revenue	**(h) = (f) + (g)**	**782.5**	**946.6**	**868.7**	**2,597.8**
Organic growth	**(i) = (h) / (a)**	**+5.4%**	**+5.1%**	**+0.1%**	**+3.5%**

€m	**Impact of currency as of September 30th, 2019**
USD	(12.5)
HKD	(9.7)
UAE	(3.3)
RMB	(2.8)
Other	(5.1)
Total	**(33.4)**

Average exchange rate	**9-month 2019**	**9-month 2018**
USD	0.8900	0.8374
HKD	0.1135	0.1068
UAE	0.2422	0.2279
RMB	0.1296	0.1286

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.

FINANCIAL SITUATION

The evolution of revenues is the major factor which to impact the operating margin, free cash flow or net debt during Q3 2019.