

## Q3 2022 – Business review

**Paris, November 9<sup>th</sup>, 2022 – JCDecaux SE** (Euronext Paris: DEC), the number one outdoor advertising company worldwide, published today this report for the nine months ended September 30<sup>th</sup>, 2022.

### **THIRD QUARTER 2022: BUSINESS HIGHLIGHTS**

#### **Key contracts wins**

- **France**

In July, JCDecaux SE announced that its subsidiary, JCDecaux France, has won a 16-year exclusive advertising street furniture contract with the Aix-Marseille-Provence metropolitan area. Installation will start on 1 January 2023 to service the needs of this dynamic metropolitan area of 1.9 million people. The contract covers the provision, maintenance and advertising operation of 1,331 bus shelters, 579 2m2 and 8m2 city information panels, as well as the supply of 100 tram shelters and other street furniture that will further extend the network. The contract also includes the refurbishment, maintenance and operation of 226 tram shelters and street furniture that is owned by the Aix-Marseille-Provence metropolitan area.

In July, JCDecaux SE announced that its subsidiary JCDecaux France has been selected by the City of Paris, to supply and operate its new automatic public toilet service, replacing the current facilities that are also operated by JCDecaux. The new contract was awarded following a competitive tender process that began in August 2020. 435 new-generation automatic toilets will be rolled out between 2024 and the beginning of 2025, replacing the existing facilities installed in 2009. Designed by JCDecaux design studio, the new toilets will be assembled in Les Yvelines (France) at our manufacturing centre in Maurepas by the company's in-house teams.

In July, JCDecaux SE announced that it has been selected by Groupe ADP, following a consultation, to become a co-shareholder of Extime Media. This 50/50 joint venture, which will be held by Groupe ADP and JCDecaux, will operate advertising activities at Paris-Charles de Gaulle, Paris-Orly and Paris-Le Bourget airports from January 1st, 2023. From January 1st, 2024, it is also planned to roll out its activities at Antalya and Milas-Bodrum airports in Turkey. This joint venture will particularly benefit from JCDecaux's relationships with the largest advertisers worldwide. Its advertising activities will be carried out under the business name Extime X JCDecaux, as part of the rollout of Extime, Groupe ADP's hospitality brand.

- **Rest of Europe**

In September, JCDecaux SE announced that its subsidiary JCDecaux Portugal has renewed its contract with Sonae Sierra, the leading company in the management and operation of shopping malls in Portugal and in the Autonomous Regions of Madeira and Azores, for ten years.

- **Asia-Pacific**

In July, JCDecaux SE announced that it has signed a 15-year contract to extend the advertising operations of lines 1 to 13 of the Shanghai Metro as well as 5 new lines (lines 14 to 18). This contract, awarded following a tender, will be managed by a joint venture, STDecaux, 60% held by JCDecaux and 40% by Shanghai Shentong Assets Management Co., Ltd. Shanghai Metro currently has 503 stations with an average of 11 million passengers commuting every day in 2021. The metro is currently recovering from the lockdown and has already reached 8.6 million passengers per day as of July 22<sup>nd</sup>, 2022. This contract covers all of Shanghai Metro's lines, with more than 12,000 backlit advertising panels on platforms and in corridors, as well as around 500 digital screens, creative solutions, advertising in trains (excluding TV advertising in trains and on platforms and 200 LCD screens).

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- **Rest of the World**

In September, JCDecaux SE announced that it has been awarded a 10-year contract with ViaQuatro, which is responsible for the operation and maintenance concession of Line 4-Yellow of the São Paulo metro, to take over the advertising concession of this Line. The commercial offering will start on October 1st, 2022. JCDecaux already operates advertising on the Green-L1, Red-L2 and Blue-L3 lines, reaching more than 4.5 million people daily. With the addition of the Yellow Line-L4, which spans 12 km and includes 11 stations, JCDecaux will become the leading metro advertising company in Brazil – reaching 5.2 million passengers daily.

### **Other events**

- **Group**

In July, JCDecaux SE announced that it has signed a strategic alliance, including the acquisition of a majority stake, with Displayce, the DSP (Demand Side Platform) leader specialised in the purchasing and optimisation of digital outdoor advertising (DOOH). Displayce, a French start-up created in 2014 and exclusively dedicated to the purchasing and optimisation of DOOH campaigns, is the leading French programmatic platform in terms of the technology, expertise and number of digital displays proposed throughout the world, with more than 600,000 screens in over 50 countries. Displayce is connected to the main market DOOH SSPs (Supply Side Platforms) such as VIOOH, BROADSIGN and VISTAR MEDIA and offers media buying with advanced targeting and efficient bespoke solutions thanks to its Data Management Platform (DMP) designed specifically for DOOH advertising.

In September, JCDecaux SE announced that Pernod Ricard and JCDecaux, two major French-based global companies, have launched an innovative digital partnership in data management through the roll-out of a solution called Data Portal. This solution enables a company to centralise, in a single point, all the data from its different entities around the world, facilitating their use and sharing. The Data Portal is aligned with the transformation objectives of both Groups, who have placed data at the heart of their business and growth strategy.

In October, JCDecaux SE announced that the registration of JCDecaux SA as a European Company, which was approved by the Combined General Meeting of Shareholders on May 14th 2020, became effective in the Trade and Companies Register on September 27th 2022.

- **North America**

In September, JCDecaux SE announced that it has increased its stake in Interstate JCDecaux, LLC from 50% to 100%. JCDecaux North America is now the sole owner of the company which operates the 52-face Chicago Expressway Digital Billboard Network under a long-term agreement with the City of Chicago. All 52 digital billboard faces, most of which are 20 feet by 60 feet, are in the City of Chicago, which is the third largest media market in North America.

### **THIRD QUARTER 2022 AND OUTLOOK**

Commenting on the 2022 third quarter revenue, **Jean-Charles Decaux, Chairman of the Executive Board and Co-CEO of JCDecaux**, said:

*“Our Q3 2022 group revenue grew by +14.4% with +9.0% on an organic basis to reach €808.4 million, above our expectations, due to a strong trading momentum throughout the quarter. Our organic revenue growth outside China for Q3 2022 was +15.5%.*

*Digital Out Of Home (DOOH) grew significantly at +25.5% in Q3 2022, +18.5% on an organic basis, to reach €241.9 million, i.e. 29.9% of Group revenue vs 27.3% in Q3 2021. The DOOH programmatic ecosystem continued to gain traction as our programmatic advertising revenue through the VIOOH SSP (supply-side platform) more than doubled vs the same period last year, with the dynamism of*

the 37 DSPs (demand-side platforms) connected to VIOOH (the most connected SSP of the OOH media industry), including Displayce following our strategic alliance announced in July.

By activity, Street Furniture grew by +8.3% organically in Q3 2022 and was above Q3 2019 levels globally, driven by Europe (including France and United Kingdom) and by a strong rebound in Asia-Pacific; Billboard revenue increased significantly as well at +9.0% organically in Q3 2022 driven by Asia-Pacific and especially Australia which was already above 2019 like North America; Transport grew strongly at +10.2% reflecting the continued recovery of air travel in most regions of the world, including Rest of the World which was already above 2019 revenue levels, but remained meaningfully impacted by ongoing mobility restrictions in China.

All geographies grew positively organically in Q3 2022 except Asia-Pacific which was flat compared to Q3 2021. Asia-Pacific excluding China grew strongly by +52.3%. The rebound was especially strong in North America and in Rest of the World in line with the strong recovery of air traffic in these geographies.

As far as Q4 is concerned, we continue to have a solid trading momentum and despite ongoing mobility restrictions in China, we expect an organic revenue growth at around +3.0% vs Q4 2021.

As the most digitised global OOH media 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, the high quality of our teams across the world and our recognized ESG excellence, 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 drive economic growth as well as positive changes.”

Following the adoption of IFRS 11 from January 1<sup>st</sup>, 2014, the operating data presented below are adjusted to include our prorata share in companies under joint control.

Please refer to the paragraph “Adjusted data” 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 ending September 30<sup>th</sup>, 2022 increased by +14.4% to €808.4 million from €706.5 million in the same period last year. On an organic basis (i.e. excluding the positive impact from foreign exchange variations, and the limited impact from changes in perimeter this quarter), adjusted revenue increased by +9.0%. Adjusted advertising revenue, excluding revenue related to sale, rental and maintenance of street furniture and advertising displays, increased by +10.2% on an organic basis in the third quarter of 2022.

Q3 adjusted revenue	2022 (€m)	2021 (€m)	Reported growth	Organic growth <sup>(a)</sup>
Street Furniture	412.5	369.2	+11.7%	+8.3%
Transport	277.7	231.8	+19.8%	+10.2%
Billboard	118.1	105.5	+12.0%	+9.0%
<b>Total</b>	<b>808.4</b>	<b>706.5</b>	<b>+14.4%</b>	<b>+9.0%</b>

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

9-month adjusted revenue	2022 (€m)	2021 (€m)	Reported growth	Organic growth <sup>(a)</sup>
Street Furniture	1,201.9	930.8	+29.1%	+26.0%
Transport	736.8	570.2	+29.2%	+20.3%
Billboard	344.5	287.9	+19.7%	+17.2%
<b>Total</b>	<b>2,283.2</b>	<b>1,788.8</b>	<b>+27.6%</b>	<b>+22.8%</b>

(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 +11.7% to €412.5 million (+8.3% on an organic basis), France, UK and Rest of Europe were above 2019 revenue levels with a strong trading momentum over the whole period. Asia-Pacific, North America and Rest of the World recorded double-digit organic growth rates vs Q3 2021.

Third quarter adjusted advertising revenue, excluding revenue related to sale, rental and maintenance of street furniture were up +9.5% on an organic basis compared to the third quarter of 2021.

### **TRANSPORT**

Third quarter adjusted revenue increased by +19.8% to €277.7 million, +10.2% on an organic basis reflecting the strong return of air travel, notably in the US and in the Middle-East, and the rebound of commuter traffic in public transport. While some countries were already above Q3 2019 revenue levels, Transport remained meaningfully impacted by ongoing mobility restrictions in China.

### **BILLBOARD**

Third quarter adjusted revenue increased by +12.0% to €118.1 million, +9.0% on an organic basis. Asia-Pacific grew the most followed by Rest of the World.

### **ADJUSTED DATA**

Under IFRS 11, applicable from January 1<sup>st</sup>, 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, which is reconciled with IFRS financial statements.

In Q3 2022, the impact of IFRS 11 on adjusted revenue was -€60.9 million (-€59.4 million in Q3 2021), leaving IFRS revenue at €747.5 million (€647.1 million in Q3 2021).

For the first nine months of 2022, the impact of IFRS 11 on adjusted revenue was -€167.8 million (-€147.4 million for the first nine months of 2021), leaving IFRS revenue at €2,115.4 million (€1,641.5 million for the first nine months of 2021).

### **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	H1	Q3	9M
<b>2021 adjusted revenue</b>	(a)	<b>454.3</b>	<b>628.1</b>	<b>1,082.3</b>	<b>706.5</b>	<b>1,788.8</b>
<b>2022 IFRS revenue</b>	(b)	<b>628.5</b>	<b>739.3</b>	<b>1,367.8</b>	<b>747.5</b>	<b>2,115.4</b>
IFRS 11 impacts	(c)	54.4	52.5	106.9	60.9	167.8
<b>2022 adjusted revenue</b>	(d) = (b) + (c)	<b>683.0</b>	<b>791.8</b>	<b>1,474.8</b>	<b>808.4</b>	<b>2,283.2</b>
Currency impacts	(e)	-20.9	-28.3	-49.2	-37.8	-87.0
<b>2022 adjusted revenue at 2021 exchange rates</b>	(f) = (d) + (e)	<b>662.1</b>	<b>763.5</b>	<b>1,425.6</b>	<b>770.6</b>	<b>2,196.2</b>
Change in scope	(g)	0.0	0.0	0.0	-0.4	-0.4
<b>2022 adjusted organic revenue</b>	(h) = (f) + (g)	<b>662.1</b>	<b>763.5</b>	<b>1,425.6</b>	<b>770.2</b>	<b>2,195.8</b>
<b>Organic growth</b>	(i) = (h)/(a)-1	<b>+45.7%</b>	<b>+21.6%</b>	<b>+31.7%</b>	<b>+9.0%</b>	<b>+22.8%</b>

€m	Impact of currency as of September 30 <sup>th</sup> , 2022
USD	-19.4
CNY	-17.5
HKD	-8.6
BRL	-7.8
Others	-33.7
<b>Total</b>	<b>-87.0</b>

Average exchange rate	9M 2022	9M 2021
USD	0.9400	0.8360
CNY	0.1425	0.1292
HKD	0.1200	0.1076
BRL	0.1830	0.1568

#### **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](http://www.amf-france.org) or directly on the Company website [www.jcdecaux.com](http://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 revenue is the major factor which to impact the operating margin, free cash flow or net debt during Q3 2022.