

H1 2019 RESULTS

REVENUE GROWTH: +9%

OPERATING PERFORMANCE:

SIGNIFICANT IMPROVEMENT IN PROFITABILITY:

+31% IN CURRENT OPERATING INCOME

GL EVENTS (ISIN: FR0000066672 - TICKER: GLO), THE INTEGRATED EVENT INDUSTRY GROUP,
ANNOUNCES ITS CONSOLIDATED REVENUE AND RESULTS FOR THE 2019 FIRST HALF.

- Revenue: **9%**, €596m
- EBITDA*: **+24%**; €100m; EBITDA margin:16.8%
- Current operating income*: **+31%**; €70m; current operating margin: 11.7%
- Net income attributable to shareholders*: **+35%**; €30m, net margin: 5.1%

The interim financial statements for the 2019 first half were approved by GL events' Board of Directors on 23 July 2019. A limited review process has been completed by the auditors and their report is in the process of being issued.

Olivier Ginon, Chairman-CEO of GL events, stated: *"In line with its goal of developing in Asia, GL events has finalised 4 acquisitions in China since the beginning of the year. Group revenue in the first half grew 9%, accompanied by a significant improvement in profitability. EBITDA* grew 24% to €100 million, Current Operating Income* 31% to €70 million, and Net Income Attributable to Shareholders* 35% to €35 million. Based on these factors, combined with the positive outlook of the second half – notably with the Pan American Games and COP 25, I am able to confirm the achievement of the Group's annual targets for revenue growth of more than 10% accompanied by an improvement in profitability. In addition, the Group is expected to achieve a leverage ratio of less than 2.9."*

*excluding the impact of the application of IFRS 16

€m	30/06/2019	30/06/2018	30/06/2019 IFRS 16	Change vs. N-1
Revenue	595.9	545.0	595.9	9%
EBITDA ⁽¹⁾	99.9	80.5	124.1	24%
<i>EBITDA margin (%)</i>	<i>16.8%</i>	<i>14.8%</i>		<i>2.0</i>
Current operating income	69.7	53.1	73.3	31%
<i>Operating margin (%)</i>	<i>11.7%</i>	<i>9.7%</i>		<i>1.9</i>
Net income	41.8	26.3	40.1	59%
Net income attributable to shareholders	30.4	22.5	29.1	35%
<i>Net margin</i>	<i>5.1%</i>	<i>4.1%</i>		<i>0.98</i>
Earnings per share (€)	1.02	0.96		6%
<i>ROCE: ⁽¹⁾</i>	<i>7.7%</i>	<i>7.0%</i>		<i>0.7</i>

(1) : these indicators are defined below in the section under "Definitions".

Note: changes are calculated based on data at 30 June 2019 (excluding IFRS 16) and 30 June 2018

At 30 June 2019, the Group reported first-half revenue of €596 million, up 9% (1.7% LFL) from one year earlier. Foreign exchange effects were limited to (-1%) and changes in Group structure accounted for 8% of growth in revenue.

Sales from international markets accounted for 43% of total revenue compared to 49% at the end of the 2018 first half, with this decrease largely reflecting the concentration of mega events in H2 2019.

Growth in results excluding the impact of IFRS 16's application (EBITDA +24% and current operating income +31%) is notably a consequence of the positive biennial effect (SIRHA, Global Industrie Lyon), the accretive effect of acquisitions and cost controls over operating expenses on a day-to-day basis (subcontracting, transportation, staff costs, etc.). The operating margin was 11.7% compared to 9.7% for the 2018 first half.

This improved operating performance has a direct impact at the level of ROCE amounting to 7.7% for the first half (+0.7 points in relation to H1 2008).

Net income attributable to shareholders (excluding the impact of IFRS 16) was up 35% to €30.4 million at 30 June 2018. Finally, earnings per share rose 6% in relation to H1 2018, in line with forecasts announced by the Group at the time of the rights issue of October 2018.

REVENUE AND CURRENT OPERATING INCOME BY DIVISION

GL events Live (€m)	30/06/2019	30/06/2018	30/06/2017
Revenue	275.4	283.6	229.5
Current operating income	11.8	23.7	9.6
<i>Operating margin (%)</i>	<i>4.3%</i>	<i>8.4%</i>	<i>4.2%</i>

GL events Live had revenue of 275.4 million at 30 June 2019, down 3% in relation to 2018. For the record, H1 2018 revenue included €50 million from contracts for mega events. In 2019, mega events will be concentrated in the second half. Excluding 2018 mega events, the division's revenue grew 18%, highlighting its ability to generate revenue from smaller-sized recurrent events: Maison et Objet, Dassault Convention, SIHH in Geneva, the Paris Agricultural Fair, the Paris Air Show, the Cannes Film Festival, Roland Garros, the Formula 1 Grand Prix of Le Castellet.

The operating margin was impacted by the shift of mega events to the second half and work designed to generate value at the Gerland site. In relation to 2017, commercial momentum and Group synergies led to an increase in the operating margin of 0.1 point.

GL events Exhibitions (€m)	30/06/2019	30/06/2018	30/06/2017
Revenue	147.1	98.7	101.0
Current operating income	32.5	13.4	15.8
<i>Operating margin (%)</i>	<i>22.1%</i>	<i>13.6%</i>	<i>15.7%</i>

Revenue grew 49% in relation to H1 2018, with organic growth of 13%. Positive trends were registered by the major trade shows organised by the Group (SIRHA, Global Industrie, Première Vision, Be Positive, CFIA), highlighting the Group's ability to meet the needs of professionals in the corresponding sectors.

The CIEC Union exhibitions (Build+Decor in Beijing, the China International Door Expo and Beijing Fabric Wallpaper Expo) and the spring edition of Fashion Source contributed to H1 revenue and also the margin.

The improvement in the operating margin reflects positive impacts from the integration of the Chinese entities and also an improvement in profitability on a like-for-like exhibition basis.

GL events Venues (€m)	30/06/2019	30/06/2018	30/06/2017
Revenue	173.4	162.7	165.6
Current operating income	25.4	16.0	25.2
<i>Operating margin (%)</i>	<i>14.7%</i>	<i>9.8%</i>	<i>15.2%</i>

Revenue of the **Venues** division grew 6.5% in relation to H1 2018. The Lyon destination benefits from a positive biennial effect and the other destinations also registered growth in revenue: Brazil, Paris, Barcelona and Budapest.

The quality and diversity of the network managed by GL events Venues made it possible to host events of every type and size over the period.

- Industry Days, Agro/Mashepo and the World Table Tennis Championships in Budapest,
- Kingfomarket, SAP Hariba and Cinéurope conventions in Barcelona,
- The Global Entrepreneurship Summit in the Hague,
- The Automec, Batimat, Expo Mafe exhibitions at Sao Paulo Expo.

The 2019 first half was marked by the integration of venues in France (Reims, Caen and Saint-Etienne) and in international markets (Johannesburg) as well as ongoing preparations for the operational launches of the Asian sites (Aichi & Canton). These factors explain the marginal decrease in the operating margin in relation to H1 2017.

FINANCIAL STRUCTURE

Capital expenditures of the 2019 first half (€27m) were in line with budgetary priorities. Due to the favourable timetable of outflows for acquisitions in China (CIEC Union and Fashion Source paid in July 2019), the impact of external growth on net debt was limited to €17 million. The Group net source of funds was adversely impacted (€39m) by inflows recognised at the end of December 2018 linked to the concentration of major trade shows in Q1 2019 by the Exhibitions division (Global Industrie, SIRHA, Be Positive...).

Net debt was stable in relation to 31 December 2018 at €378 million.

OUTLOOK

In light of the positive commercial outlook for the 2019 second half (COP 25, Pan American Games, opening of the Aichi International Exhibition Centre), GL events confirms its guidance for annual growth in revenue above 10% (based on exchange rates equivalent to H1 2019) and an improvement in profitability. In this context, the Group's financial leverage (excluding IFRS 16 debt) is expected to fall below 2.9% at 31 December 2019.

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DEFINITIONS

- EBITDA: (earnings before interest, taxes, depreciation and amortisation) or "gross operating profit" defined as current operating income + depreciation, amortisation and provisions
- ROCE: Current operating income net of income tax year-on-year / capital employed (goodwill + fixed assets +/- WCR)
- Constant exchange rates: average exchange rate of N applied to the previous period (N-1)
- Constant structure:
 - o For acquisitions of the period: by adding to revenue of prior periods the sales of the acquired company
 - o For disposals of the period: by subtracting from revenue of prior periods the sales of the company sold
- LFL: like-for-like defined as at constant structure and exchange rates (see the definitions above for "constant structure" and "constant exchange rates")

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About GL events: The Group is a world-class provider of integrated solutions and services for events operating across the three main market segments: conventions, conferences, congresses; cultural, sports and political events; trade shows / B2B and B2C exhibitions and consumer fairs. GL events' activities are organised into three major business divisions. **GL events Live** offers expertise covering all business line specialisations and services for corporate, institutional and sports events to provide turnkey solutions from consulting and design to staging the event itself. **GL events Exhibitions** manages and coordinates the Group's portfolio of more than 200 proprietary trade fairs covering a wide range of sectors: food industry, culture, textiles/fashion, manufacturing... **GL events Venues** manages a network of 50 venues (convention and exhibition centres, concert halls and multi-purpose facilities) in France and international destinations. Present on five continents with operations in more than 20 countries, GL events has 4,500 employees. GL events is listed on Euronext Paris, Compartment B (mid caps).



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