

## Q3 AND 9M 2018 REVENUES

**IMPORTANT NOTICE:**

Unaudited and prepared under IFRS

Investors are strongly urged to read the important disclaimer at the end of this presentation

# SUMMARY

- 1 Q3 2018 Key Highlights
- 2 Q3 and 9M Consolidated Revenues
- 3 Business Unit Performances
- 4 Conclusion
- 5 Appendices

## Q3 2018 Key Highlights

## Q3 HIGHLIGHTS (1/2)

### **1 Very solid performances of our three main businesses in Q3 2018**

- Group revenues are up 5.6%\* (9M: +4.6%\*)

### **2 Update on the progress of the sale of part of Universal Music Group's share capital**

- The bank selection process is underway:
  - The Management Board has shortlisted fifteen banks that could help Vivendi identify potential strategic partners for UMG
  - The end goal is to select five to seven banks and set the terms of engagement and fees before the end of fall
  - UMG's 2018 financial results, which will be released on February 14, 2019, will serve as a basis for the discussions with potential partners
- Proceeds may be used for a significant share repurchase program through a tender offer and for potential acquisitions

\* At constant currency and perimeter. See details on page 7

## Q3 HIGHLIGHTS (2/2)

### **3 Editis: share purchase agreement signed**

- Agreement to acquire 100% of Editis' share capital signed on November 15, 2018
- The favorable opinions of Vivendi's and Editis's work councils (IRPs) were obtained on September 13, 2018 and November 8, 2018, respectively
- The closing of the transaction is expected in late 2018 or early 2019 subject to authorization by the French Competition Authority

### **4 Ubisoft: Extension of the forward share sale deadline**

- Sale of approximately 1.04 m shares on October 1, 2018
- Forward sale of 6.55 m shares deferred to March 5, 2019

## Q3 and 9M Consolidated Revenues

# SCOPE OF CONSOLIDATION, CURRENCIES AND IFRS 15

## Main Changes

- Change in scope of consolidation
  - Havas has been consolidated since July 2017
  - Paylogic has been consolidated by Vivendi Village since April 2018
- Currencies
  - Compared to 9M 2017, the euro strengthened against the main currencies

		Q3 2017	Q3 2018	Δ (%)	9M 2017	9M 2018	Δ (%)
EUR vs.	USD:	1.169	<b>1.159</b>	+0.9%	1.108	<b>1.198</b>	-8.1%
	GBP:	0.900	<b>0.890</b>	+1.1%	0.871	<b>0.883</b>	-1.4%
	JPY:	130	<b>129</b>	+0.9%	124	<b>131</b>	-5.7%

- IFRS 15 applicable as from January 1, 2018
  - No material impact on Vivendi's consolidated revenues\*
  - In accordance with IFRS 15, Vivendi has applied this change of accounting standard to fiscal year 2017. Therefore, the data presented in the following slides relating 9M and Q3 2017 and 2018 is comparable.

\* See details on page 34

# REVENUES

## First Nine Months

<i>in euro millions - IFRS</i>	9M 2017	9M 2018	Δ (%)	Δ organic (%) <sup>*</sup>
Universal Music Group	3,985	4,123	+3.5%	+9.1%
Canal+ Group	3,807	3,822	+0.4%	+0.8%
Havas <sup>**</sup>	539	1,587	na	na
Other businesses and intercompany elimination	338	315	-7.1%	+2.4%
<b>Total Vivendi</b>	<b>8,669</b>	<b>9,847</b>	<b>+13.6%</b>	<b>+4.6%</b>

<sup>\*</sup> At constant currency and perimeter. See details on page 7

<sup>\*\*</sup> Havas's Net Revenue organic growth was -1.8%; excluding Arnold, organic growth was -0.1%. See details on page 32



# SEQUENTIAL CHANGES IN MAIN BUSINESSES

	H1 2018	Q3 2018	9M 2018
<i>Organic growth* (in %)</i>			
Universal Music Group	+6.8%	+13.5%	+9.1%
Canal+ Group	+1.3%	-0.2%	+0.8%
Havas - Net Revenues (excluding Arnold)**	-1.4%	+2.5%	-0.1%
Other businesses and intercompany elimination	-0.2%	+8.7%	+2.4%
<b>Total Vivendi</b>	<b>+4.0%</b>	<b>+5.6%</b>	<b>+4.6%</b>

\* At constant currency and perimeter. See details on page 7

\*\* Net revenues correspond to revenues less pass-through costs rebilled to customers.

Including Arnold, Havas organic net revenue growth was -2.9% in H1 2018, +0.3% in Q3 2018, and -1.8% in 9M 2018

# Business Unit Performances

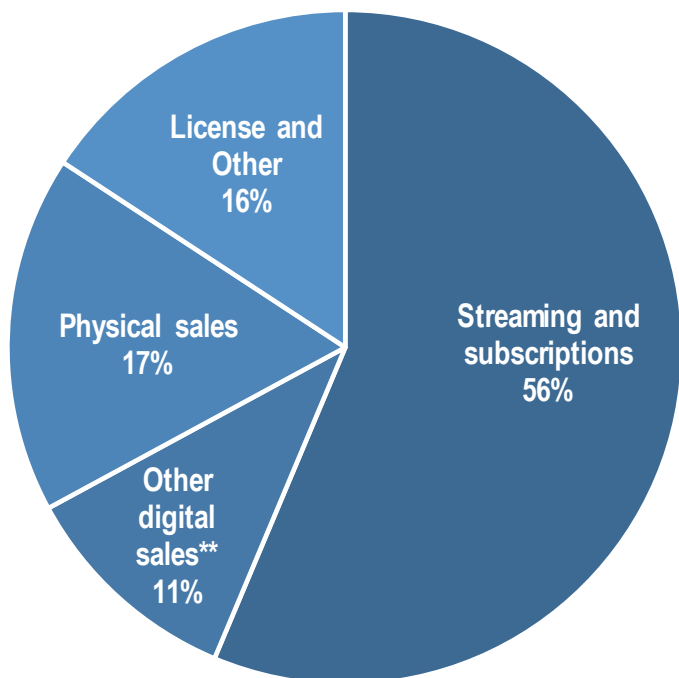
# Universal Music Group

# UNIVERSAL MUSIC GROUP

## Recorded Music Revenues



### Breakdown by format – 9M 2018

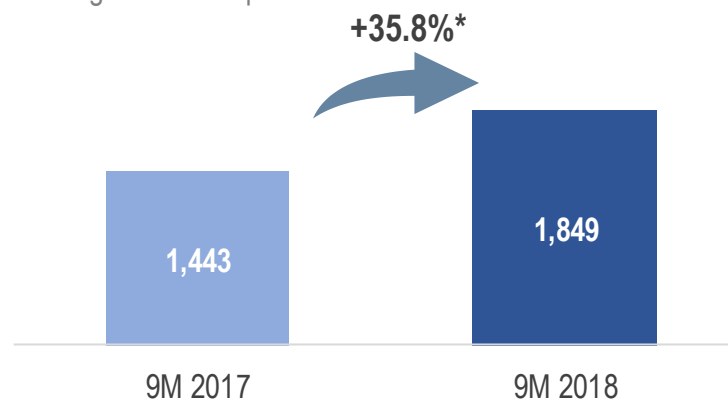


\* At constant currency and perimeter. See details on page 7

\*\* of which mainly downloads

### Evolution of revenues\* by format

Streaming and subscriptions



Physical sales



# UNIVERSAL MUSIC GROUP

## First Nine Months Revenues

<i>in euro millions - IFRS</i>	9M 2017	9M 2018	Δ organic (%) <sup>*</sup>
Recorded music	3,143	3,282	+10.2%
<i>Streaming and subscriptions</i>	1,443	1,849	+35.8%
<i>Other digital sales (mainly downloads)</i>	500	353	-24.5%
<i>Physical sales</i>	700	563	-16.3%
<i>License and Other</i>	500	517	+8.2%
Music Publishing	642	675	+10.6%
Merchandising and Other	216	180	-13.4%
Intercompany elimination	(16)	(14)	
<b>Revenues - Universal Music Group</b>	<b>3,985</b>	<b>4,123</b>	<b>+9.1%</b>

<sup>\*</sup> At constant currency and perimeter. See details on page 7

# UNIVERSAL MUSIC GROUP

Organic revenue growth\* per quarter

<i>in %</i>	Q1 2018	Q2 2018	Q3 2018
Recorded music	+5.9%	+8.7%	+16.2%
<i>Streaming and subscriptions</i>	+31.5%	+37.0%	+38.6%
<i>Other digital sales (mainly downloads)</i>	-12.0%	-36.7%	-21.4%
<i>Physical sales</i>	-26.2%	-12.8%	-10.1%
<i>License and Other</i>	-5.7%	+11.9%	+19.1%
Music Publishing	+3.9%	+19.8%	+9.8%
Merchandising and Other	-18.7%	-13.7%	-9.7%
<b>Revenues - Universal Music Group</b>	<b>+4.5%</b>	<b>+9.0%</b>	<b>+13.5%</b>

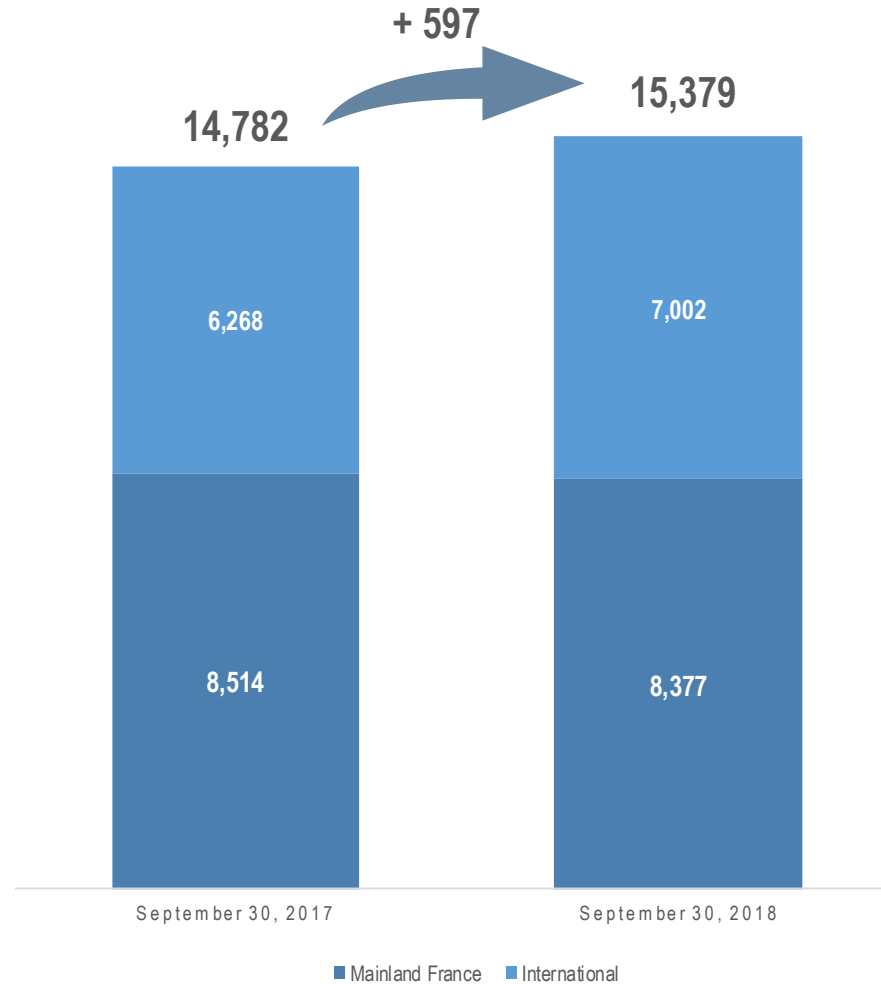
\* At constant currency and perimeter. See details on page 7

Canal + Group

# CANAL+ GROUP



Subscriber base\* (in thousands)



\* Including collective contracts

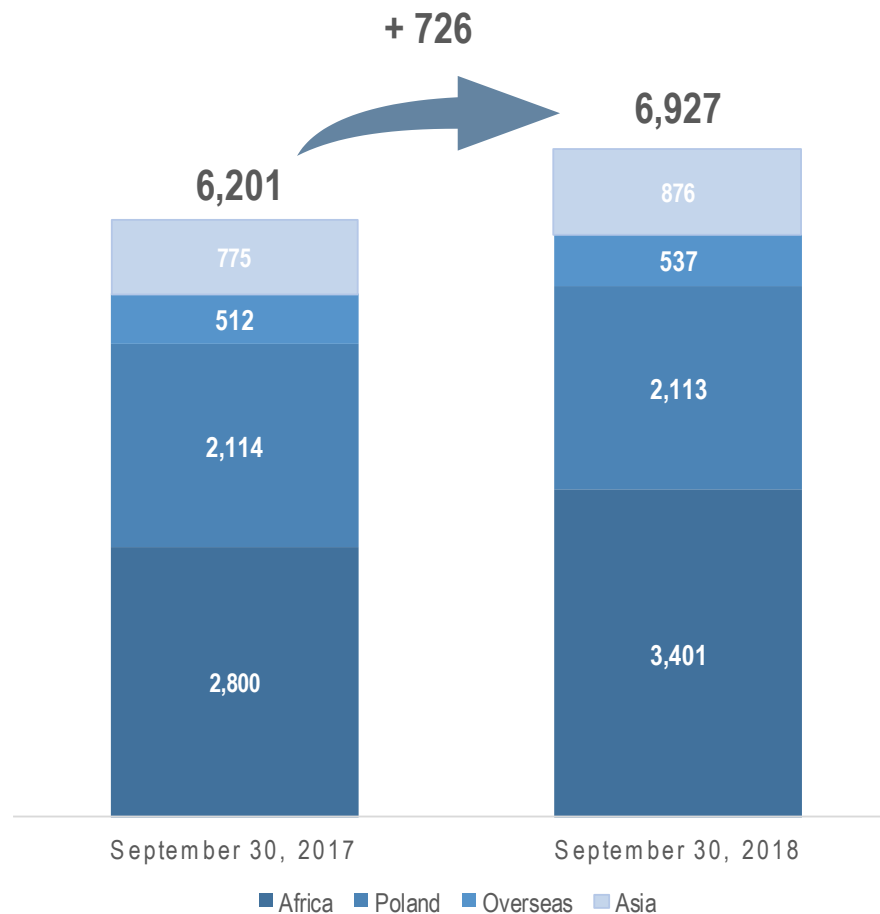


# CANAL+ GROUP



Canal International – Individual subscriber base evolution (in thousands)

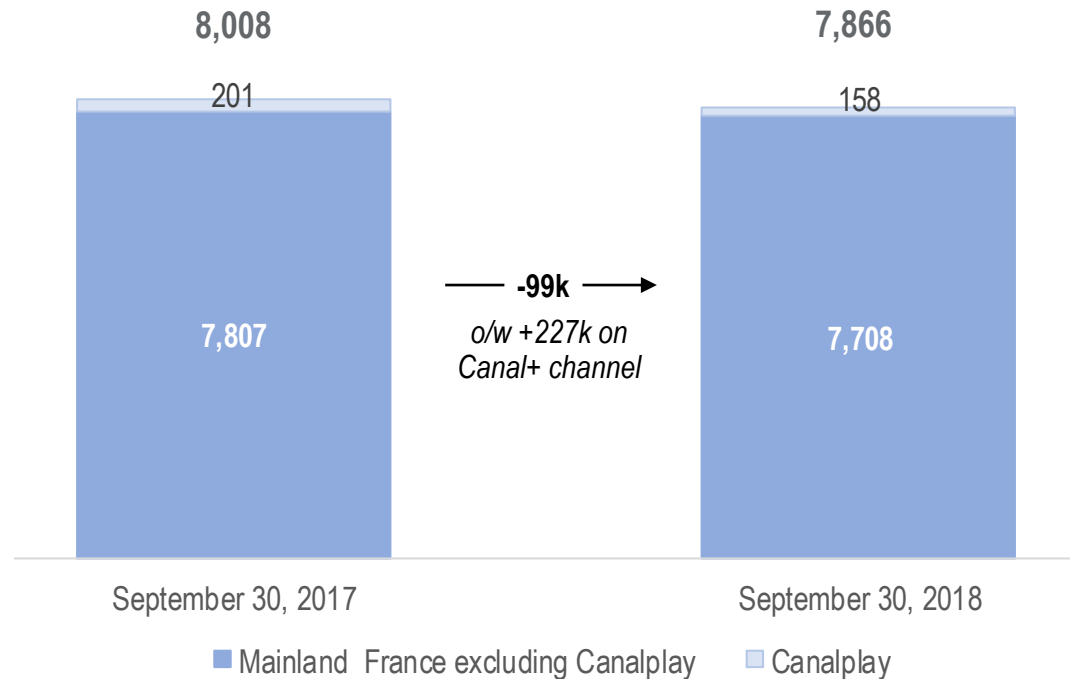
- Continued strong international growth



# CANAL+ GROUP



Canal+ in mainland France – Individual subscriber base evolution (in thousands)



# CANAL+ GROUP

## First Nine Months Revenues



<i>in euro millions - IFRS</i>	9M 2017	9M 2018	Δ (%)	Δ organic (%)*
TV mainland France	2,440	2,358	-3.3%	-3.3%
TV International	1,105	1,177	+6.5%	+7.8%
Studiocanal	262	287	+9.5%	+10.3%
<b>Revenues - Canal+ Group</b>	<b>3,807</b>	<b>3,822</b>	<b>+0.4%</b>	<b>+0.8%</b>

\* At constant currency and perimeter. See details on page 7

Havas

# HAVAS

## Net Revenues excluding Arnold



### ■ Significant improvement in organic growth\* during Q3 2018

<i>in %</i>	<b>H1 2018</b>	<b>Q3 2018</b>
<b>Net Revenues - Havas**</b>	<b>-1.4%</b>	<b>+2.5%</b>
Europe	-5.7%	+0.6%
<i>o/w France</i>	-10.0%	-0.6%
<i>o/w UK</i>	-2.3%	+10.5%
North America***	+4.5%	+7.3%
APAC and Africa	+1.2%	+0.6%
Latin America	+3.9%	-4.4%

\* Net Revenues correspond to revenues less pass-through costs rebilled to customers. At constant currency and perimeter, see details on page 7, and excluding Arnold

\*\* Including Arnold, Havas organic Net Revenue growth amounted to -2.9% in H1 2018 and, +0.3% in Q3 2018 (see details on page 31)

\*\*\* Including Arnold, North America organic Net Revenue growth amounted to -0,6% in H1 2018, and +0.5% in Q3 2018 (see details on page 31)

# HAVAS

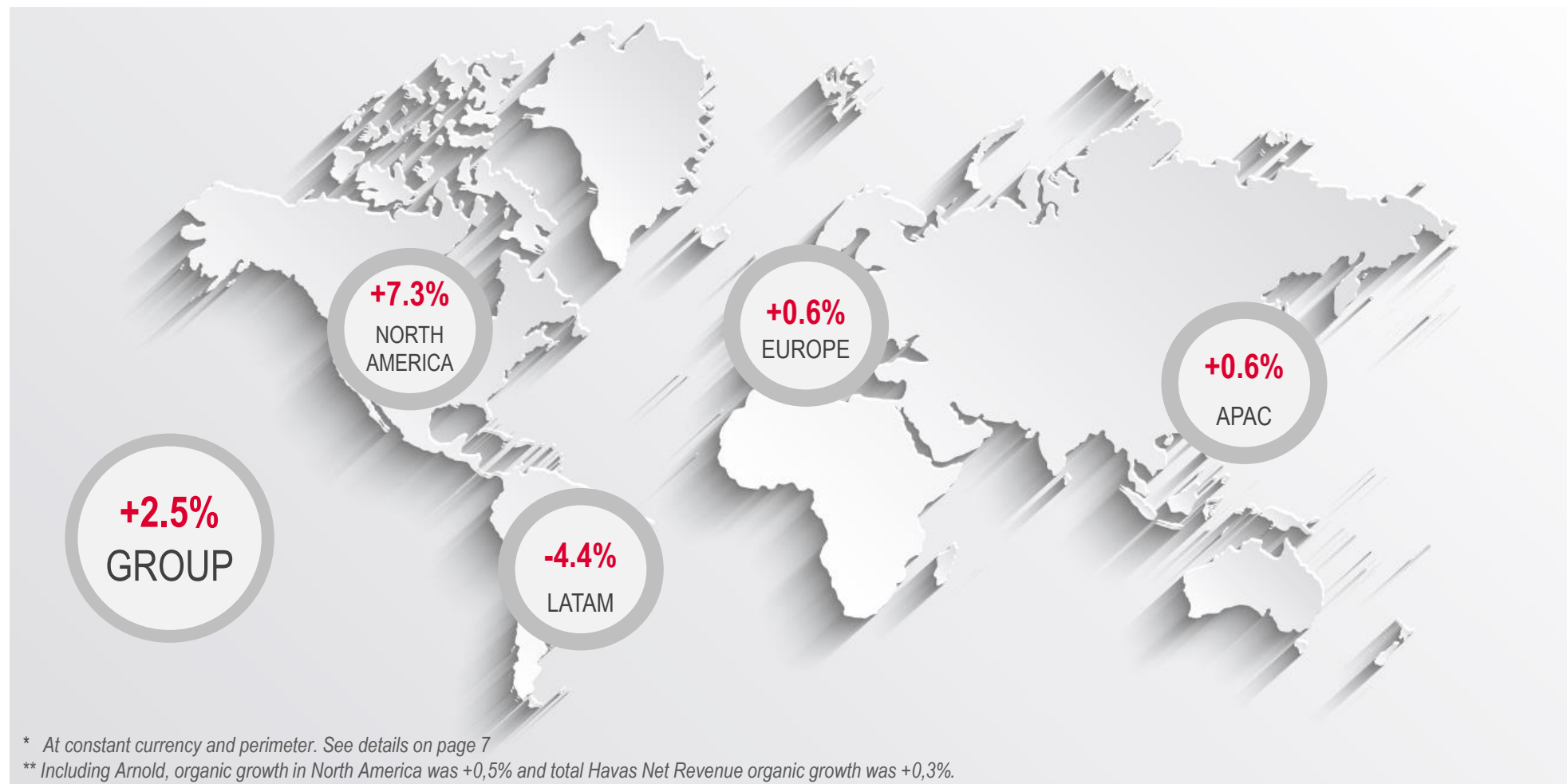
## Key wins in Q3 2018



# HAVAS

**HAVAS**  
GROUP

## Q3 2018 Organic\* Net Revenue Growth by geography, excluding Arnold\*\*



# HAVAS

A successful integration with substantial synergies

- A fluid organization: common premises, monthly integration committee meetings, country-based committees established in 10 countries, big global brand committees
- New collaborative projects
  - Hyundai at a global level, with UMG
  - Tracfone in the US, with Gameloft
  - Carrefour in Spain, with UMG
  - National Rugby League in France, with UMG and Canal+
- The Annex
  - Located in the Capitol Records Tower in Los Angeles





# Conclusion

## CONCLUSION

- Very solid performances achieved in the first nine months of 2018
- For FY 2018, Canal+ Group is close to achieving the objectives set. Television activities will achieve their goals. StudioCanal may end the year slightly behind despite the success of “*Le Grand Bain*”
- As previously announced, Havas expects better organic net revenue growth for the second half of 2018, thanks to major account wins in the first half of the year

# Appendices

# REVENUES

## Third Quarter

<i>in euro millions - IFRS</i>	Q3 2017	Q3 2018	Δ (%)	Δ organic (%)*
Universal Music Group	1,319	1,495	+13.3%	+13.5%
Canal+ Group	1,252	1,247	-0.5%	-0.2%
Havas**	539	535	-0.6%	na
Other businesses and intercompany elimination	97	107	+10.3%	+8.7%
<b>Total Vivendi</b>	<b>3,207</b>	<b>3,384</b>	<b>+5.5%</b>	<b>+5.6%</b>

\* At constant currency and perimeter. See details on page 7

\*\* Havas's Net Revenue growth was +0,3%; excluding Arnold, it was +2,5%. See details on page 31

# UNIVERSAL MUSIC GROUP

## Key Performance Indicators



<i>in euro millions - IFRS</i>	Q3 2017	Q3 2018	Δ organic (%)*
Recorded music	1,002	1,161	+16.2%
Streaming and subscriptions	481	662	+38.6%
Other digital sales (mainly downloads)	147	116	-21.4%
Physical sales	216	194	-10.1%
License and Other	158	189	+19.1%
Music Publishing	242	266	+9.8%
Merchandising and Other	81	73	-9.7%
Intercompany elimination	(6)	(5)	
<b>Revenues - Universal Music Group</b>	<b>1,319</b>	<b>1,495</b>	<b>+13.5%</b>

<i>in euro millions</i>	9M 2017	9M 2018	Δ organic (%)*
North America	1,493	1,551	+11.8%
Europe	997	1,040	+5.7%
Asia	403	415	+8.3%
Latin America	111	111	+16.2%
Rest of the world	139	165	+25.4%
<b>Recorded music revenues</b>	<b>3,143</b>	<b>3,282</b>	<b>+10.2%</b>

### Recorded music: Best sellers\*\*

9M 2017	9M 2018
Kendrick Lamar	Drake
Drake	Post Malone
The Weeknd	Kendrick Lamar
Luis Fonsi	XXXTENTACION
Moana OST	Migos

### Q4 2018 RELEASES\*\*\*

A Star Is Born OST****	Masaharu Fukayama
Gregory Porter	Michel Polnareff
Herbert Gronemeyer****	Mumford & Sons
Imagine Dragons****	The 1975
Jonas Blue****	The Beatles – White Album (remastered)****
Kris Wu****	
Mary Poppins Returns OST	

\* At constant currency and perimeter. See details on page 7

\*\* Based on revenues

\*\*\* Selected release schedule, subject to change

\*\*\*\* Albums already released as of November 15, 2018

# CANAL+ GROUP

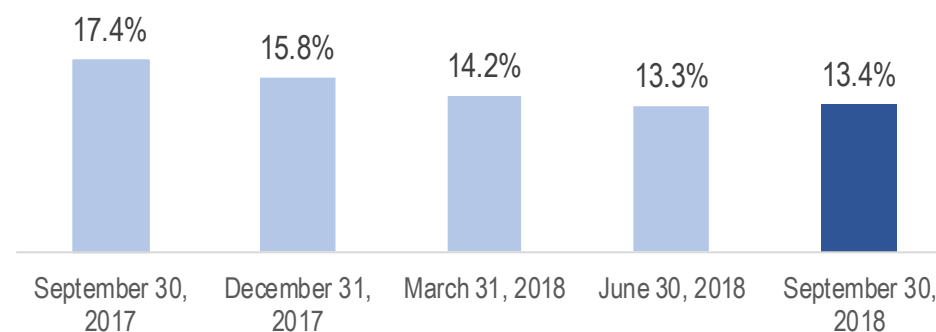
## Key Performance Indicators



### Evolution of the subscriber base

<i>in thousands</i>	September 30, 2017	September 30, 2018	Δ
<b>Individual subscribers</b>	<b>14,209</b>	<b>14,793</b>	<b>+584</b>
Mainland France	4,990	4,757	-233
Wholesale customers	3,018	3,109	+91
International	6,201	6,927	+726
<b>Collective contracts</b>	<b>573</b>	<b>586</b>	<b>+13</b>
<b>Total</b>	<b>14,782</b>	<b>15,379</b>	<b>+597</b>

### Continuous churn improvement \*/\*\*



\* Data excluding contracts with the freedom to cancel (Liberté D'Annuler or "LDA")

\*\* Churn per individual retail subscriber with commitment over a 12-month period, excluding wholesale customers and customers benefitting from a LDA option



## Net Revenues Q3 – Organic growth by geographic region

<i>in euro millions</i>	Q3 2017	Q3 2018	Δ organic (%) <sup>*</sup>	Δ organic exclud. Arnold (%)
Revenues	539	535	na	na
<b>Net Revenues - Havas</b>	<b>525</b>	<b>525</b>	<b>+0.3%</b>	<b>+2.5%</b>
Europe	256	260	+0.6%	+0.6%
<i>o/w France</i>	99	100	-0.6%	-0.6%
<i>o/w UK</i>	56	65	+10.5%	+10.5%
North America	185	188	+0.5%	+7.3%
APAC	48	47	+0.6%	+0.6%
Latin America	36	30	-4.4%	-4.4%

### ■ Q3 2018 growth:

- Forex: -1.2%
- Acquisitions: +1.0 %
- Organic growth: +0.3%

<sup>\*</sup>At constant currency and perimeter. See details on page 7

# HAVAS

## Net Revenues 9M – Organic growth by geographic region



<i>in euro millions</i>	9M 2017 (pro forma)*	9M 2018	Δ organic (%)**	Δ organic exclud. Arnold (%)
Revenues	1,679	1,587	na	na
<b>Net Revenues - Havas</b>	<b>1,633</b>	<b>1,545</b>	<b>-1.8%</b>	<b>-0.1%</b>
Europe	804	776	-3.7%	-3.7%
<i>o/w France</i>	325	302	-7.0%	-7.0%
<i>o/w UK</i>	175	183	+1.9%	+1.9%
North America	583	544	-0.2%	+5.5%
APAC	138	131	+1.0%	+1.0%
Latin America	108	94	+1.0%	+1.0%

### ■ 9M 2018 growth:

- Forex: -4.8%
- Acquisitions: +1.2 %
- Organic growth: -1.8%

\* Havas has been consolidated since July 3, 2017

\*\* At constant currency and perimeter. See details on page 7



# OTHER BUSINESSES

## Revenues

	Q3 2017	Q3 2018	Δ organic (%)*
<i>in euro millions - IFRS</i>			
Gameloft	77	75	-3.3%
Vivendi Village	25	36	+39.5%
New Initiatives	11	15	+39.6%
Intercompany Elimination	(16)	(19)	
<b>Revenues - Other businesses</b>	<b>97</b>	<b>107</b>	<b>+8.7%</b>

\* At constant currency and perimeter. See details on page 7

# APPLICATION OF IFRS 15

- IFRS 15 applicable as from January 1, 2018
- No material impact on Vivendi's consolidated revenues
- Restatements of 9M 2017 and FY 2017 revenues

<i>in euro millions - IFRS</i>	9M 2017	FY 2017
<b>Vivendi's revenues as published in 2017</b>	<b>8,621</b>	<b>12,444</b>
IFRS 15 impacts	48	57
<i>Canal+ Group</i>	(18)	(48)
<i>Havas</i>	14	36
<i>Gameloft</i>	52	69
<b>Vivendi's revenues restated for IFRS 15</b>	<b>8,669</b>	<b>12,501</b>

- No impact for UMG. Its revenue recognition was already compliant with IFRS 15

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