JCDecaux

Out of Home
Media

Algeria
Angola
Argentina
Australia
Austria
Azerbaijan
Bahrain
Belgium
Botswana
Brazil
Bulgaria
Cameroon
Canada
Chile
China
Colombia
Costa Rica
Croatia
Czech Republic
Denmark
Ecuador
El Salvador
Estonia
Finland
France
Gabon
Germany
Guatemala
Hungary
Honduras
Iceland
India
Ireland
Israel
Italy
Ivory Coast
Japan
Kazakhstan
Korea
Latvia
Lesotho
Lithuania
Luxembourg
Madagascar
Malawi
Mauritius
Mexico
Mongolia
Mozambique
Myanmar
Namibia
Nicaragua
Norway
Oman
Panama
Peru
Poland
Portugal
Qatar
Russia
Saudi Arabia
Singapore
Slovakia
Slovenia
South Africa
Spain
Swaziland
Sweden
Switzerland
Tanzania
Thailand
The Dominican Republic
The Netherlands
Uganda
Ukraine
United Arab Emirates
United Kingdom
United States
Uruguay
Uzbekistan
Zambia
Zimbabwe

H1 2018 results

- **Adjusted revenue down -0.5% to €1,643.3 million**
- **Adjusted organic revenue up +4.0%, with an accelerating Q2 at +4.9%**
- **Adjusted operating margin of €214.4 million, down -15.9%**
- **Adjusted EBIT, before impairment charge, of €82.8 million, down -28.1%**
- **Net income Group share of €57.5 million, down -22.4%**
- **Adjusted free cash flow of €43.2 million, up +43.5%**
- **Adjusted organic revenue growth rate expected to be up around +7% in Q3 2018**

Paris, July 26th, 2018 – JCDecaux SA (Euronext Paris: DEC), the number one outdoor advertising company worldwide, announced today its 2018 half year financial results.

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 pages 5 and 6 of this release for the definition of adjusted data and reconciliation with IFRS.
The 2017 comparative figures are restated from the retrospective application of IFRS 15 "Revenue from Contracts with Customers", applicable from January 1st, 2018. The application of IFRS 15 leads to the change in presentation of invoices relating to advertising taxes. The impact on previously published H1 2017 figures is +€10.0 million on adjusted revenue. There is no impact on operating margin.

Commenting on the 2018 first half results, **Jean-Charles Decaux, Chairman of the Executive Board and Co-CEO of JCDecaux**, said:

"Our H1 2018 revenue of €1,643 million is down -0.5% on a reported basis due to a negative impact from foreign exchange and up +4.0% on an organic basis, driven by a better than expected Q2 with an organic growth rate of +4.9% thanks to the acceleration in digital. Our digital Group revenue, which now represent 18.6% of our total revenue, continued to grow strongly across all business segments with Street Furniture at +38.4%, Transport at +17.6% and Billboard at +22.7%. Street Furniture's organic growth was affected by the unexpected cancellation of the Paris "City Information Panels" interim contract in France, while Transport delivered a strong performance with a double-digit growth in China. Billboard slightly declined mainly because of a footprint reduction in our UK traditional portfolio while our UK digital billboard business remains strong.

As anticipated, our overall operating margin decreased by -240bp to 13.0% mainly due to the unexpected cancellation of the Paris "City Information Panels" interim contract in France and the simultaneous ramp-up of substantial new contracts such as Yarra trams in Australia in Street Furniture, São Paulo airport and metro and Guangzhou Baiyun airport (Terminal 2) in Transport. Billboard remained challenging in the Rest of Europe and in the Rest of the World. The overall operating margin is also impacted in the short term by the launch of the global independent automated planning and trading platform, VIOOH, as well as our strategic growth initiatives related to the creation of our new Data Division at Corporate level.

As far as organic growth is concerned, we won several significant advertising contracts in H1 2018 such as Singapore street furniture and Lisbon large format contracts. We also renewed Lisbon street furniture and Berlin street furniture and automatic public toilet contracts. In Transport, we renewed the iconic Hong Kong MTR contract.

As expected, consolidation in Out-of-Home continues, with the announcement to enter into an agreement with APN Outdoor Group Limited to acquire 100% of APN Outdoor's share capital by way of a scheme of arrangement. Australia is the 7th largest advertising market worldwide, with a growing *share of Out-of-Home advertising having now reached 6% of advertising spend, of which almost 50% is digital. The closing of this transaction is subject the approval of APN Outdoor shareholders and subject to Australian Competition and Consumer Commission clearance.*

As far as Q3 2018 is concerned, we expect our adjusted organic revenue growth rate to further accelerate at around +7%.

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 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."

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ADJUSTED REVENUE

Adjusted revenue for the six months ending June 30th, 2018 decreased by -0.5% to €1,643.3 million from €1,651.4 million in the same period last year. On an organic basis (i.e. excluding the negative impact from foreign exchange variations and the positive impact from changes in perimeter), adjusted revenue grew by +4.0%. Adjusted advertising revenue, excluding revenue related to sale, rental and maintenance of street furniture and advertising displays, increased by +3.7% on an organic basis in the first half of 2018.

In the second quarter, adjusted revenue increased by +1.3% to €900.8 million. On an organic basis, adjusted revenue grew by +4.9% compared to Q2 2017.
Adjusted advertising revenue, excluding revenue related to sale, rental and maintenance of street furniture and advertising displays, increased by +4.5% on an organic basis in Q2 2018.

Adjusted revenue

€m	H1 2018			H1 2017			Change 18/17		
	Q1	Q2	H1	Q1	Q2	H1	Q1	Q2	H1
Street Furniture	337.1	405.6	**742.7**	345.6	406.0	**751.6**	-2.5%	-0.1%	**-1.2%**
Transport	293.5	365.9	**659.4**	302.3	349.4	**651.7**	-2.9%	+4.7%	**+1.2%**
Billboard	111.9	129.3	**241.2**	114.7	133.4	**248.1**	-2.4%	-3.1%	**-2.8%**
Total	**742.5**	**900.8**	**1,643.3**	**762.6**	**888.8**	**1,651.4**	**-2.6%**	**+1.3%**	**-0.5%**

Adjusted organic revenue growth [(a)]

	Change 18/17		
	Q1	Q2	H1
Street Furniture	+2.1%	+3.5%	**+2.9%**
Transport	+5.0%	+8.8%	**+7.0%**
Billboard	-0.6%	-1.1%	**-0.9%**
Total	**+2.8%**	**+4.9%**	**+4.0%**

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

Adjusted revenue by geographic area

€m	H1 2018	H1 2017	Reported growth	Organic growth[(a)]
Europe[(b)]	447.4	443.0	+1.0%	+2.5%
Asia-Pacific	400.2	372.9	+7.3%	+14.5%
France	287.6	301.8	-4.7%	-4.7%
Rest of the World	208.3	216.6	-3.8%	+6.1%
United Kingdom	173.2	175.9	-1.5%	+0.7%
North America	126.6	141.2	-10.3%	+0.1%
Total	**1,643.3**	**1,651.4**	**-0.5%**	**+4.0%**

(a) Excluding acquisitions/divestitures and the impact of foreign exchange
(b) Excluding France and the United Kingdom

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

STREET FURNITURE

First half adjusted revenue decreased by -1.2% to €742.7 million, +2.9% on an organic basis, driven by Asia-Pacific, North America, the Rest of the World and the UK.
First half adjusted advertising revenue, excluding revenue related to sale, rental and maintenance of street furniture were up +3.0% on an organic basis compared to the first half of 2017.

In the second quarter, adjusted revenue decreased by -0.1% to €405.6 million. On an organic basis, adjusted revenue increased by +3.5% compared to the same period last year. Adjusted advertising revenue, excluding revenue related to sale, rental and maintenance of street furniture were up +3.3% on an organic basis in Q2 2018 compared to Q2 2017.

TRANSPORT

First half adjusted revenue increased by +1.2% to €659.4 million, +7.0% on an organic basis, thanks to a strong double-digit growth in Asia-Pacific and a good performance in Europe, despite negative organic growth in North America.

In the second quarter, adjusted revenue increased by +4.7% to €365.9 million. On an organic basis, adjusted revenue increased by +8.8% compared to the same period last year.

BILLBOARD

First half adjusted revenue decreased by -2.8% to €241.2million, -0.9% on an organic basis, although our UK digital revenue remains strong.

In the second quarter, adjusted revenue decreased by -3.1% to €129.3 million. On an organic basis, adjusted revenue decreased by -1.1% compared to the same period last year.

ADJUSTED OPERATING MARGIN (1)

In the first half of 2018, adjusted operating margin decreased by -15.9% to €214.4 million from €255.0 million in the first half of 2017. The adjusted operating margin as a percentage of revenue was 13.0%, -240bp below prior year, mainly due to the situation in France with the unexpected cancellation of the Paris "City Information Panels" interim contract and the non-renewal of Vélib', the ramp-up of new contracts and the investments in programmatic and data.

	H1 2018		H1 2017		Change 18/17	
	€m	% of revenue	€m	% of revenue	Change (%)	Margin rate (bp)
Street Furniture	149.3	20.1%	174.9	23.3%	-14.6%	-320bp
Transport	53.8	8.2%	66.0	10.1%	-18.5%	-190bp
Billboard	11.3	4.7%	14.1	5.7%	-19.9%	-100bp
Total	**214.4**	**13.0%**	**255.0**	**15.4%**	**-15.9%**	**-240bp**

Street Furniture: In the first half of 2018, adjusted operating margin decreased by -14.6% to €149.3 million. As a percentage of revenue, the adjusted operating margin decreased by -320bp to 20.1%, compared to the first half of 2017, impacted by the unexpected cancellation of the Paris "City Information Panels" interim contract and the non-renewal of Vélib' in France as well as the ramp-up of new contracts such as Yarra trams contract in Australia.

Transport: In the first half of 2018, adjusted operating margin decreased by -18.5% to €53.8 million. As a percentage of revenue, the adjusted operating margin decreased by -190bp to 8.2% compared to the first half of 2017, primarily due to the ramp-up of new contracts such as São Paulo airport and metro and Guangzhou Baiyun airport (Terminal 2).

Billboard: In the first half of 2018, adjusted operating margin decreased by -19.9% to €11.3 million. As a percentage of revenue, adjusted operating margin decreased by -100bp to 4.7% compared to the first half of 2017, in line with the revenue decline.

ADJUSTED EBIT (2)

In the first half of 2018, adjusted EBIT before impairment charge decreased by -28.1% to €82.8 million compared to €115.1 million in the first half of 2017. As a percentage of revenue, this represented a -200bp decrease to 5.0%, from 7.0% in H1 2017. The consumption of maintenance spare parts was down in H1 2018 compared to H1 2017, due to the unexpected cancellation of the Paris "City Information Panels" interim contract and the non-renewal of Vélib'. Net amortization and provisions were flat compared to the same period last year. The decrease in reversal on provisions for onerous contract related to CEMUSA and OUTFRONT Media Latam was offset by the one-off reversal on dismantling provisions in relation with the unexpected cancellation of the Paris "City Information Panels" interim contract and the non-renewal of Vélib'. Other operating income and expenses impacted the P&L positively, in line with the same period last year.
No significant impairment charge was recorded over the period.

Adjusted EBIT, after impairment charge decreased by -30.3% to €82.7 million compared to €118.7 million in H1 2017.

NET FINANCIAL INCOME / (LOSS) (3)

In the first half of 2018, net financial income was -€11.3 million compared to -€15.3 million in the first half of 2017, mainly due to the reimbursement of the €500 million bond in February 2018.

EQUITY AFFILIATES

In the first half of 2018, the share of net profit from equity affiliates was €38.6 million, lower compared to the same period last year (€46.5 million).

NET INCOME GROUP SHARE

In the first half of 2018, net income Group share before impairment charge decreased by -20.0% to €57.6 million compared to €72.0 million in H1 2017.

Taking into account the impact from the impairment charge, net income Group share decreased by -22.4% to €57.5 million compared to €74.1 million in H1 2017.

ADJUSTED CAPITAL EXPENDITURE

In the first half of 2018, adjusted net capex (acquisition of property, plant and equipment and intangible assets, net of disposals of assets) was at €94.2 million compared to €93.2 million in line with the same period last year, mainly due to the digitisation across all segments.

ADJUSTED FREE CASH FLOW (4)

In the first half of 2018, adjusted free cash flow was €43.2 million compared to €30.1 million in the same period last year. This increase is mainly due to a higher funds from operations, benefitting from tax refunds in France in relation with the cancellation of the 3% dividend tax paid over 2013 to 2017 and 2017 corporate tax pre-payment, offset by an increase in our working capital requirements mainly due to higher inventory related to new contracts in ramp-up phase.

DIVIDEND

The dividend of €0.56 per share for the 2017 financial year, approved at the Annual General Meeting of Shareholders on May 17th, 2018, was paid on May 24th, 2018, for a total amount of €119.1 million.

NET DEBT (5)

Net debt as of June 30th, 2018 amounted to €494.6 million compared to a net debt position of €551.4 million as of June 30th, 2017.

ADJUSTED DATA

Under IFRS 11, applicable from 1st January, 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 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.
As regards the P&L, it concerns all aggregates down to the EBIT. As regards the cash flow statement, it concerns all aggregates down to the free cash flow.

In the first half of 2018, the impact of IFRS 11 on our adjusted aggregates is:

- -€195.5 million on adjusted revenue (-€200.6 million in H1 2017) leaving IFRS revenue at €1,447.8 million (€1,450.8 million in H1 2017).
- -€52.0 million on adjusted operating margin (-€59.0 million in H1 2017) leaving IFRS operating margin at €162.4 million (€196.0 million in H1 2017).
- -€41.1 million on adjusted EBIT before impairment charge (-€51.5 million in H1 2017) leaving IFRS EBIT before impairment charge at €41.7 million (€63.6 million in H1 2017).
- -€41.1 million on adjusted EBIT after impairment charge (-€51.5 million in H1 2017) leaving IFRS EBIT after impairment charge at €41.6 million (€67.2 million in H1 2017).
- -€4.4 million on adjusted capital expenditure (-€6.4 million in H1 2017) leaving IFRS capital expenditure at €89.8 million (€86.8 million in H1 2017).
- -€35.1 million on adjusted free cash flow (-€31.5 million in H1 2017) leaving IFRS free cash flow at €8.1 million (-€1.4 million in H1 2017).

The full reconciliation between adjusted figures and IFRS figures is provided on page 9 of this release.

NOTES

- **(1) Operating Margin:** Revenue less Direct Operating Expenses (excluding Maintenance spare parts) less SG&A expenses.
- **(2) EBIT:** Earnings Before Interests and Taxes = Operating Margin less Depreciation, amortization and provisions (net) less Impairment of goodwill less Maintenance spare parts less Other operating income and expenses.
- **(3) Net financial income / (loss):** Excluding the net impact of discounting and revaluation of debt on commitments to purchase minority interests (-€0.3 million and -€1.1 million in H1 2018 and H1 2017 respectively).
- **(4) Free cash flow:** Net cash flow from operating activities less capital investments (property, plant and equipment and intangible assets) net of disposals.
- **(5) Net debt:** Debt net of managed cash less bank overdrafts, excluding the non-cash IAS 32 impact (debt on commitments to purchase minority interests), including the non-cash IFRS 9 impact on both debt and hedging financial derivatives.

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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	H1
2017 adjusted revenue	**(a)**	**762.6**	**888.8**	**1,651.4**
2018 IFRS revenue	**(b)**	**658.0**	**789.8**	**1,447.8**
IFRS 11 impacts	(c)	84.5	111.0	195.5
2018 adjusted revenue	**(d) = (b) + (c)**	**742.5**	**900.8**	**1,643.3**
Currency impacts	(e)	42.1	32.2	74.3
2018 adjusted revenue at 2017 exchange rates	**(f) = (d) + (e)**	**784.6**	**933.0**	**1,717.6**
Change in scope	(g)	(0.3)	(0.5)	(0.8)
2018 adjusted organic revenue	**(h) = (f) + (g)**	**784.3**	**932.5**	**1,716.8**
Organic growth	**(i) = (h) / (a)**	**+2.8%**	**+4.9%**	**+4.0%**

€m	Impact of currency as of June 30th, 2018
USD	14.8
HKD	11.8
BRL	7.6
RMB	7.3
GBP	3.9
Other	28.9
Total	**74.3**

Average exchange rate	H1 2018	H1 2017
USD	0.8262	0.9233
HKD	0.1054	0.1188
BRL	0.2415	0.2904
RMB	0.1297	0.1343
GBP	1.1367	1.1620

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Next information:
Q3 2018 revenue: November 8th, 2018 (after market)

Key Figures for JCDecaux
- *2017 revenue: €3,493m*, H1 2018 revenue: €1,643m*
- *JCDecaux is listed on the Eurolist of Euronext Paris and is part of the Euronext 100 and Euronext Family Business indexes*
- *JCDecaux is part of the FTSE4Good and Dow Jones Sustainability Europe indexes*
- *Leading worldwide in street furniture (543,050 advertising panels)*
- *Leading worldwide in transport advertising with more than 215 airports and 250 contracts in metros, buses, trains and tramways (356,320 advertising panels)*
- *Leading in Europe for billboards (141,630 advertising panels)*
- *Leading in outdoor advertising in Europe (672,220 advertising panels)*
- *Leading in outdoor advertising in Asia-Pacific (216,290 advertising panels)*
- *Leading in outdoor advertising in Latin America (77,190 advertising panels)*
- *Leading in outdoor advertising in Africa (26,770 advertising panels)*
- *Leading in outdoor advertising in the Middle-East (18,650 advertising panels)*
- *Leader in self-service bike rental scheme: pioneer in eco-friendly mobility*
- *1,074,113 advertising panels in more than 80 countries*
- *Present in 4,033 cities with more than 10,000 inhabitants*
- *13,040 employees*

** Restated from the retrospective application of IFRS 15, applicable from January 1st, 2018*

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.

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RECONCILIATION BETWEEN ADJUSTED FIGURES AND IFRS FIGURES

Profit & Loss	H1 2018			H1 2017		
€m	Adjusted	Impact of companies under joint control	IFRS	Adjusted	Impact of companies under joint control	IFRS
Revenue	**1,643.3**	**(195.5)**	**1,447.8**	**1,651.4**	**(200.6)**	**1,450.8**
Net operating costs	(1,428.9)	143.5	(1,285.4)	(1,396.4)	141.6	(1,254.8)
Operating margin	**214.4**	**(52.0)**	**162.4**	**255.0**	**(59.0)**	**196.0**
Maintenance spare parts	(16.9)	0.7	(16.2)	(24.4)	0.7	(23.7)
Amortisation and provisions (net)	(123.0)	9.7	(113.3)	(123.0)	6.6	(116.4)
Other operating income / expenses	8.3	0.5	8.8	7.5	0.2	7.7
EBIT before impairment charge	**82.8**	**(41.1)**	**41.7**	**115.1**	**(51.5)**	**63.6**
Net impairment charge [1]	(0.1)	-	(0.1)	3.6	-	3.6
EBIT after impairment charge	**82.7**	**(41.1)**	**41.6**	**118.7**	**(51.5)**	**67.2**

[1] Including impairment charge on net assets of companies under joint control.

Cash-flow Statement	H1 2018			H1 2017		
€m	Adjusted	Impact of companies under joint control	IFRS	Adjusted	Impact of companies under joint control	IFRS
Funds from operations net of maintenance costs	**174.9**	**(18.7)**	**156.2**	**137.6**	**20.7**	**158.3**
Change in working capital requirement	(37.5)	(20.8)	(58.3)	(14.3)	(58.6)	(72.9)
Net cash flow from operating activities	**137.4**	**(39.5)**	**97.9**	**123.3**	**(37.9)**	**85.4**
Capital expenditure	(94.2)	4.4	(89.8)	(93.2)	6.4	(86.8)
Free cash flow	**43.2**	**(35.1)**	**8.1**	**30.1**	**(31.5)**	**(1.4)**