

[27.10.2022] **PRESS RELEASE**

TF1 GROUP RESULTS FOR THE FIRST NINE MONTHS OF 2022

Growth in consolidated revenue, up 5.4%

of which revenue from Newen Studios, up 35.4%

Increase in current operating profit to €238.7 million, up 7.0%

Current operating margin of 13.7%, up 0.2 pt

Boulogne, 27 October 2022

The TF1 Board of Directors, chaired by Gilles Pélisson, met on 27 October 2022 to approve the financial statements for the first nine months of 2022. The results below are presented by TF1 Group operating segment and in accordance with IFRS 16. Reported revenue and operating profit figures are available in the Financial Information Report for the first nine months of 2022, on the website: www.groupe-tf1.fr/en.

(€m)	Q3 2022	Q3 2021	9m 2022	9m 2021	CHG. €M	CHG. %
TF1 group advertising revenue	327.9	360.0	1143.4	1162.5	(19.1)	-1.6%
Revenue from other activities	225.5	162.5	596.9	488.7	108.2	22.1%
Media	413.6	447.6	1442.1	1431.0	11.1	0.8%
Advertising revenue	327.7	360.0	1143.2	1162.4	(19.2)	-1.7%
o/w digital advertising revenue *	27.5	30.6	92.6	93.6	(1.0)	-1.1%
Newen Studios	139.8	74.9	298.2	220.2	78.0	35.4%
Consolidated revenue	553.4	522.5	1740.3	1651.2	89.1	5.4%
Media	37.3	46.5	208.6	193.9	14.7	7.6%
Newen Studios	12.7	7.5	30.1	29.2	0.9	3.1%
Current operating profit **	50.0	54.0	238.7	223.1	15.6	7.0%
Current operating margin	9.0%	10.3%	13.7%	13.5%	-	+0.2pt
Operating profit	41.9	51.2	223.7	217.9	5.8	2.7%
Net profit attributable to the Group	23.9	38.6	150.5	147.0	3.5	2.4%
Cost of programmes	(198.9)	(218.1)	(639.5)	(684.5)	45.0	6.6%

* At end-September 2022, revenue from MYTF1 was €58.7 million, up 18.6%.

** At end-September 2021, current operating profit included €27.7 million of government support.

Excluding the impact of government support, current operating profit would be up €43.3 million, or a +22.2% increase.

TF1 Group **consolidated revenue** for the first nine months of 2022 amounted to **€1,740.3 million**, an increase of €89.1 million year-on-year **(+5.4%)¹**.

Group advertising revenue stood at **€1,143.4 million**, down €19.1 million **(-1.6%)** year-on-year. The decline observed in the third quarter (-8.9%) was due to a strong basis of comparison with a particularly buoyant market in 2021, the broadcast of the UEFA Men's Euro, and a decrease in digital advertising revenue mainly related to the divestment of Livingly Media and Gofeminin.de.

Revenue from other Group activities totalled €596.9 million, an increase of €108.2 million year-on-year **(+22.1%)**, driven by **the excellent performance of Newen Studios in the third quarter**, up €64.9 million **(+86.6%)**.

¹ Excluding scope effects, revenue increased by €64.7 million (+3.9%) vs. end-September 2021.

Current operating profit came to **€238.7 million**², up €15.6 million year-on-year (+7.0%) with **Group current operating margin at 13.7%**, up 0.2 pt vs. end-September 2021.

Operating profit came to €223.7 million, including €15.0 million in non-recurring expenses related to the proposed merger between TF1 and M6.

Net profit attributable to the Group was **€150.5 million**, up €3.5 million year-on-year.

Analysis by segment

Media

— *Audience ratings*³

At end-September 2022, **daily viewing time amounted to 3 hours and 16 minutes among individuals aged 4+**, down 20 minutes year-on-year. **The figure was down by only 4 minutes compared with end-September 2019**, the pre-covid reference year.

During the first nine months, the Group continued to develop **non-linear services aimed at responding to new content consumption** forms. Through its **MYTF1** and **MYTF1 MAX platforms**, launched in November 2021, the Group provides an attractive offer of free and paid services. In addition, TF1 Group is also developing content on social networks such as TikTok, to increase its coverage among younger audiences.

Audiences in the third quarter were impacted by the halt to the broadcast of TF1 channels by the Canal+ group, mainly for individuals aged 4+. This halt had little effect on the commercial targets audience. TF1 delivered a solid performance over the first nine months of 2022, in an environment involving major political and sports events, and maintained its leadership position (**33.2%** audience share among W<50PDM⁴, +0.2 pt, and **29.7%** among 25-49-year-olds, -0.3 pt). The TF1 group continued to gather a majority of the French population through a premium offering, successful with all targets and across all content genres:

- **Iconic entertainment shows** with high ratings, *Mask Singer* (33% audience share among W<50PDM), *Danse avec les Stars* (32% audience share among W<50PDM), and *The Voice Kids* (30% audience share among W<50PDM);
- **A strong range of French drama programmes** with the back-to-school success *Les Combattantes* (launch at 7 million viewers and 34% audience share among W<50PDM);
- **Must-see sports events**, such as **the semi-final of the UEFA Women's Euro** featuring the French team which attracted 6.2 million viewers;
- **A news offer that is more than ever a reference** in the international and national environment, with the the TF1 8 pm news bulletin *Le journal de 20h* attracting up to 6.1 million viewers, and the TF1 1pm news bulletin *Le journal de 13h* uniting 4.2 million viewers on average enabling them to confirm their leadership position.

² Current operating profit after leases (i.e. excluding the impact of IFRS 16) for the first nine months of 2022 was €236.4 million, up €15.5 million year-on-year.

³ TV and video viewing figures from Médiamétrie.

⁴ Women aged under 50 purchasing decision-makers.

- **Revenue for the Media segment reached €1,442.1 million, an increase of €11.1 million (+0.8%).**
 - The **Media segment generated advertising revenue** of €1,143.2 million at end-September 2022, down €19.2 million year-on-year (-1.7%). The decline in third-quarter advertising revenue (-8.9%) was attributable to a strong basis of comparison after a solid growth in Q3 2020 and Q3 2021.
 - **Digital advertising revenue** amounted to €92.6 million, down €1.0 million compared with end-September 2021 (-1.1%). The increase in MYTF1 revenue (+18,6% vs. end-September 2021) was not able to offset the decline in Unify Publishers' activities, mainly linked to a scope effect following the deconsolidation of Livingly Media and Gofeminin.de.
 - **Revenue from other Media segment activities** rose by €30.3 million year-on-year (+11.3%) on the back of growth in the entertainment and distribution businesses, with a recovery in live show activities. The slight decline noted in the third quarter (-1.8%) was mostly due to a scope effect linked to the sale of **Gammed!** in June and **Ykone** in July.
- **The TF1 group's programme costs totalled €639.5 million**, representing a year-on-year decline of €45.0 million. This performance demonstrates **the Group's ability to control its spending and achieve savings when necessary, while maintaining a powerful programme offering with high audiences**, confirming its leading position in terms of audience share on commercial targets.
- **Current operating profit in the Media segment stood at €208.6 million**, up €14.7 million over one year, generating **a current operating margin of 14.5%** (+1.0 pt year-on-year).

On 18 October 2022, the TF1 group finalised the sale of the Unify Publishers segment to Reworld Media.

Newen Studios⁵

- **The Newen Studios segment posted revenue of €298.2 million for the first nine months of 2022, up 35.4% year-on-year⁶.** The segment delivered **an excellent performance in Q3 2022**, with revenue up sharply by €64.9 million year-on-year (+86.6%).

In Q3 2022, business at Newen Studios benefitted from the **delivery of prestigious productions such as *Liaison for Apple TV+* and *Marie-Antoinette for Canal+***. These orders placed with platforms reflect the segment's ability to produce high-quality content for new clients and historic partners.

In addition, Newen Studios continued its international growth, bolstered in particular by the contribution from studios Izen in Spain and Flare in Germany acquired in 2021, as well as the equity investment in the British studio **Rise Films** in July 2022, which **strengthens the segment's presence in documentaries**.

The acquisition in October 2022 of the **Anagram studio (Sweden and Norway)** will provide Newen Studios a position in the **fast-expanding market of Scandinavian dramas**.

⁵The Games businesses (TF1 Games and Dujardin) sold in April 2021 are maintained in the history of the Newen Studios segment.

⁶ Excluding scope effects, revenue for Newen Studios increased by €44.9 million (+20.4%) vs. end-September 2021.

- **The segment reported current operating profit of €30.1 million year-on-year**, an increase of €0.9 million. The segment's current operating margin was 10.1%. It includes the costs related to the end of broadcasting of *Plus belle la vie*.

Financial position

Shareholders' equity attributable to the Group was €1,842.7 million at end-September 2022 out of a balance sheet total of €3,562.2 million.

Given that the **Publishers business** was available-for-sale at 30 September 2022, all assets and liabilities of these entities were classified as "Held-for-sale assets and operations" and "Liabilities related to held-for-sale operations" at the bottom of the balance sheet, as defined by IFRS 5, for €156.4 million and €49.0 million respectively. Because the estimated fair value of the held-for-sale assets is not less than their carrying amount, no provision for impairment against these assets was recognised in the consolidated financial statements as of 30 September 2022.

Free cash flow after changes in the TF1 group's operating WCR amounted to €168.0 million, compared with €140.3 million at end-September 2021.

The TF1 group posted a net cash position of €295.6 million at 30 September 2022 (net cash position of €222.1 million including lease obligations), compared with €198.5 million at end-December 2021 (net cash position of €134.8 million including lease obligations).

Non-financial performance

During the first nine months of 2022, **the TF1 group renewed its commitment to favour a more sustainable, inclusive and environmentally respectful society.**

On 30 June 2022, the TF1 group signed a **Climate Contract**, which strengthens its environmental action plan targeting a 30% cut in its carbon impact by 2030. In particular, the Group has committed to offering preferential sales conditions for information campaigns by authorities and charities, to discussing topics in programmes linked to the fight against climate change, and to regularly inviting environmental experts on set.

The TF1 Pub ad sales house continued the **Ecofunding** initiative, launched in early 2022. At end-September 2022, the fund was credited with €3.8 million. **More than 700 awareness-raising advertising spots** have been broadcast on the Group's linear and non-linear channels since end-May.

For the fifth consecutive year, the TF1 group supported the French Foundation for Medical Research (FRM) on its channels, **collecting donations for the benefit of research on Alzheimer's disease.**

Governance

Following Gilles Pélisson's decision to stand down from his operational duties, the Board of Directors acknowledged his resignation from his term of office as Chief Executive Officer, and decided to temporarily split the roles of Chairman and Chief Executive Officer. As a result, Rodolphe Belmer was appointed TF1 Group Chief Executive Officer, with Gilles Pélisson remaining Chairman of the TF1 group Board of Directors until the approval of the 2022 financial statements on 13 February 2023.

During the Board of Directors' meeting of 13 February 2023, Rodolphe Belmer will be co-opted as Director and proposed as TF1 Group Chairman and Chief Executive Officer, with Gilles Pélisson appointed as Senior Vice President at Bouygues Group, in charge of Media and Development.

The Board of Directors thanked Gilles Pélisson for his dedication and work for the Group over the last seven years.

Outlook

In the **Media** operating segment, the Group will accelerate its transformation to meet changing video consumption uses, notably by allocating its content between linear and non-linear. Strengthened by a powerful line-up, particularly with the **2022 FIFA World Cup and Star Academy**, the Group will continue to support its advertisers by providing them with premium inventories.

The Unify Publishers business sold to Reworld Media on 18 October will be deconsolidated over the entire last quarter.

Over the end of this year, **Newen Studios** is set to benefit from deliveries enabling the segment to achieve a solid level of performance. The segment will develop its partnerships with platforms, continue its expansion into buoyant markets and confirm its expertise in a variety of content genres.

In an uncertain macroeconomic environment, the TF1 group will continue to demonstrate agility in its overall cost management.

Our Financial Information Report for the first nine months of 2022 is available at <https://www.groupe-tf1.fr/en>.

A conference call presenting the results is scheduled for 6.30 p.m. CET on 27 October 2022.

For details on how to connect, go to <https://www.groupe-tf1.fr/en/investors/results-and-publications>, and click on "Access our results announcements for the current year".

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