TF1 LE GROUPE

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TF1 GROUP 2020 FULL-YEAR RESULTS

Consolidated revenue of €2,082m (-11%)

Current operating profit margin of 9.1%, at €190m

Great agility in Broadcasting: savings of €152m in cost of programmes, offsetting 100% of the decrease in the division's revenue

Dividend of €0.45 per share[1]

Boulogne, 14 February 2021

The TF1 Board of Directors, chaired by Gilles Pélisson, met on 10 February 2021 to close off the financial statements for the year ended 31 December 2020. The results below are presented using the segmental reporting structure adopted by the TF1 group and in accordance with IFRS 16 (applicable from 1 January 2019). Revenue and operating profit data (published and restated) are available in our 2020 Financial Information Report and on the TF1 group corporate website: www.groupe-tf1.fr/en.

(€M)	Q4 2020	Q4 2019	CHG. %	FY 2020	FY 2019**	CHG. €M	CHG. %
TF1 group advertising revenue	520.4	497.8	4.5%	1,483.3	1,651.1	(167.8)	-10.2%
Revenue from other activities	199.9	224.9	-11.1%	598.4	686.2	(87.8)	-12.8%
Broadcasting	556.7	528.6	5.3%	1,612.8	1,774.2	(161.4)	-9.1%
o/w Advertising	*500.4*	*472.6*	*5.9%*	*1,414.9*	*1,567.4*	(152.5)	*-9.7%*
Studios & Entertainment	109.6	144.7	-24.3%	309.2	390.0	(80.8)	-20.7%
Unify	54.0	49.4	9.3%	159.7	173.1	(13.4)	-7.7%
Consolidated revenue	**720.3**	**722.7**	**-0.3%**	**2,081.7**	**2,337.3**	**(255.6)**	**-10.9%**
Broadcasting	35.4	28.9	22.5%	163.0	185.5	(22.5)	-12.1%
Studios & Entertainment	23.9	32.9	-27.4%	31.1	57.9	(26.8)	-46.3%
Unify	5.2	8.9	-41.6%	(4.0)	11.7	(15.7)	-134.2%
Current operating profit	**64.5**	**70.7**	**-8.8%**	**190.1**	**255.1**	**(65.0)**	**-25.5%**
Current operating margin	*9.0%*	*9.8%*	*-0.8pt*	*9.1%*	*10.9%*	-	*-1.8pt*
Operating profit	**(10.5)**	**70.7**	**-**	**115.1***	**255.1**	**(140.0)**	**-54.9%**
Net profit attributable to the Group	**(21.8)**	**37.0**	**-1.5x**	**55.3**	**154.8**	**(99.5)**	**-64.3%**
Broadcasting advertising revenue	500.4	472.6	5.9%	1,414.9	1,567.4	(152.5)	-9.7%
Cost of programmes	(311.4)	(325.8)	-4.4%	(833.2)	(985.5)	152.3	-15.5%

** Operating profit for FY 2020 includes the impact of the €75 million write-down of Unify assets. See our press release of 23 December 2020: https://groupe-tf1.fr/en/press-release/unify-goodwill-write-down-no-impact-group-s-cash-position*

*** 2019 figures were adjusted. See note 4.1 of the appendix of the TF1 Group accounts*

Consolidated revenue of the TF1 group for 2020 was **€2,081.7 million**, a decrease of €255.6 million, in a year when all of the Group's operations were impacted by the Covid-19 crisis.

Group advertising revenue was €1,483.3 million, down 10.2% year-on-year. After a first half that was hit by the effects of the crisis, **the fourth quarter saw advertising revenue rise by €22.6 million (+4.5%)** versus the comparable period of 2019.

[1] Subject to approval by the Annual General Meeting of 15 April 2021.

Revenue from the Group's other activities amounted to €598.4 million, down €87.8 million, due mainly to the suspension of shooting in April and May and to the cancellation or postponement of live shows, concert tours and cinema releases.

The Group posted a **current operating profit**[2] of **€190.1 million**[3], down €65.0 million. **Current operating margin was 9.1%,** compared with 10.9% in 2019.

Net profit attributable to the Group amounted to **€55.3 million**, a decrease of €99.5 million. This reflects (i) a lower level of income tax expense and (ii) the recognition of the €75 million write-down taken against the assets of Unify.

Analysis by segment

Throughout the public health crisis that dominated 2020, the TF1 group remained focused on its priorities. Measures were introduced to protect our employees, and remote working practices were deployed, while at the same time ensuring business continuity.

Broadcasting[4]

The French public showed an increased appetite for television in 2020, not only during lockdown periods but also when the government eased restrictions, for example in the summer of 2020. **The average daily TV viewing time among the French population was 3 hours 54 minutes, 24 minutes more than in 2019.** In this favourable environment, the TF1 group maintained its market leadership among target audience groups, attracting a daily average share of 32.4% of "women aged under 50 purchasing decision makers" (W<50PDM) and **29.9% of 25-49 year-olds**. For this particular target group, **the Group's audience share has been on a constant uptrend since 2017** (+0.7 of a point).

During 2020, TF1 confirmed its ability to bring people together across all programme genres and audiences. The Group's channels delivered high-quality content, to meet viewers' increased needs for both news and entertainment:

- **Gold standard news programming**, with high viewing figures throughout the year, and an average increase of 21% in audience share for regular daily bulletins in 2020. Average daily audiences reached 6.5 million viewers for the evening bulletin (up 1.2 million vs. 2019) and 6.0 million for the lunchtime bulletin (up 1 million vs. 2019, and a 42% share of individuals aged 4+).
- **Strong French drama offer**, with ratings hits like *Pourquoi je vis ?* (8.3 million viewers) and the new daily soap *Ici tout commence* (average 4.2 million viewers in access prime time).
- **Iconic entertainment shows** that remain as successful as ever, such as the new show *District Z* (peak of 5.7 million viewers) and *Koh Lanta* on TF1 (average of 6.4 million viewers) and *Quotidien* on TMC (average of 1.8 million viewers).

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[2] Current operating profit after leases (i.e. excluding the impact of IFRS 16) for 2020 was €186.7 million, down €64.7 million year-on-year..
[3] Current operating profit includes a negative impact of €14 million due to a change in the amortisation rules applied to American series on first and second transmission, from 50/50 to 67/33.
[4] TV consumption and audience share figures are sourced from Médiamétrie.

- **Leverage effect of non-linear audiences on the MYTF1 catch-up platform.** For some programmes, non-linear consumption added an average of over 20% to viewing figures, as in the case of the foreign series *New Amsterdam* (+29%) and the French series *Les bracelets rouges* (+23%).

— **Broadcasting segment revenue amounted to €1,612.8 million, a decrease of €161.4 million or 9.1%.**

- Advertising revenue for the Broadcasting segment in 2020 was €1,414.9 million, down by €152.5 million. After a first half hit hard by cuts to advertising spend due to the Covid-19 crisis, the second half saw revenue rise by €52.8 million (6.8%) year-on-year, despite a tough comparative caused by the screening of the Rugby World Cup in September and October 2019. This reflects a resumption in advertising spend in several sectors, especially in food, retail, personal care, e-commerce and telecoms.

  In the fourth quarter, advertisers benefited from the high viewing figures posted through to December, such as for appointment TV shows like Miss France 2021 and the *NRJ Music Awards* and the successful launch of the new daily soap *Ici tout commence*. Only a few sectors – such as travel, tourism and cosmetics – remain in decline.

- Revenue from other Broadcasting segment activities was slightly down year-on-year, by €8.9 million, mainly on lower advertising spend on MYTF1 in the first half, though the effect was partly offset by higher interactivity revenues.

— **The cost of programmes on the Group's five free-to-air channels was €833.2 million, a saving of €152.3 million.** This remarkable performance demonstrated the Group's adaptability, and reflects a reduction in the unit price of programmes broadcast, optimisation of the running time of entertainment shows, and better recycling of rights between the Group's channels. **Those savings were implemented without impairing the quality of programming schedules, resulting in high audience ratings. They absorbed 100% of the erosion in advertising revenue from broadcasting.**

— **The Broadcasting segment reported a current operating profit of €163.0 million**, down €22.5 million year-on-year. **Current operating margin was 10.1**%, versus 10.5% in 2019.

Studios & Entertainment

— **Studios & Entertainment segment revenue for 2020 was €309.2 million, down €80.8 million year-on-year.[5]** The segment was hit particularly hard in 2020 by the suspension of shooting in April and early May, and by the cancellation or postponement of live shows, concert tours and cinema releases.

After a first half badly affected by the suspension of shooting, **Newen was one of the first producers to restart operations, from mid-May onwards**. The Group's studios outside France – such as Reel One (Canada), Tuvalu (Netherlands) and De Mensen (Belgium) – also returned to normal activity levels.

The successful launch of the new soap *Ici tout commence* confirmed Newen's expertise in the production of daily soaps. International operations have expanded further, with the creation of Ringside Studios in the United Kingdom. Newen has also been developing partnerships with SVoD platforms, which are exporting into a number of countries. **Newen enjoys good visibility, with a book of orders at more than 1,600 hours[6].**

Finally, TF1 Entertainment saw a sharp fall in revenue due to the postponement or cancellation of projects at music label Play Two and the partial shutdown of scheduled live performances at the La Seine Musicale venue.

— **The segment posted a current operating profit of €31.1 million in 2020, down €26.8 million.** Most of that came in the second half of the year, with the fourth quarter alone contributing €23.9 million. Current operating margin for 2020 was 10.0%.

Unify

— **The Digital segment (Unify) posted revenue of €159.7 million, down €13.4 million year-on-year.**

After a first half that was hit hard by the Covid-19 crisis, advertising spend (direct media and programmatic) recovered gradually from the third quarter. Traffic on Unify websites surged during 2020, trebling at Marmiton and doubling at aufeminin. Advertiser services picked up in the fourth quarter, taking that business back into growth compared with the fourth quarter of 2019.

Social e-commerce proved resilient to the crisis, with revenue stable year-on-year, helped by increased shipments for My Little Box and Gambettes Box.

This end-of-year uptick enabled Unify to post **fourth-quarter revenue up 9%.**

[5] The deconsolidation of Téléshopping in the second quarter of 2019 had a negative impact of €20.2 million in 2020.
[6] Number of hours ordered net of hours delivered as of 31 December 2020 (projects worth over €1 million).

The reorganisation of Unify continued during 2020: a new governance structure, the rollout of new IT tools and an asset review will all help Unify to grow, and ultimately return to better performance levels.

— **Unify posted a current operating loss of €4.0 million, a net year-on-year downswing of €15.7 million**, in line with the drop in revenue (mainly in the first half).

Financial position

Shareholders' equity attributable to the Group was €1,596.6 million at 31 December 2020 out of a balance sheet total of €3,363.1 million.

The lack of a dividend payout in 2020 (in response to the health and economic crises caused by Covid-19) and an improvement in operating working capital needs helped the TF1 group reduce net debt to €0.7 million as of 31 December 2020 (net debt of €93.1 million including lease obligations). That compares with net debt of €126.3 million as of 31 December 2019 (net debt of €225.8 million including lease obligations).

To give a return on capital invested and in line with our policy of returning value to our shareholders, the Board of Directors will ask the Annual General Meeting of 15 April 2021 to approve the payment of a **dividend of €0.45 per share**, representing 73% of net profit after stripping out the non-current accounting impact of the €75 million write-down of Unify assets.
The ex-date will be 3 May, the date of record will be 4 May, and the payment date will be 5 May 2021.

Movements in share capital

Between 1 January and 31 December 2020, 4,583 treasury shares were cancelled.

As of 31 December 2020, both the number of shares and the number of voting rights stood at 210,392,991, given that TF1 did not hold any of its own shares at that date. The share capital stood at €42,078,598.20.

Governance

Acting on the advice of the Selection and Remuneration Committee, the Board of Directors will ask the Annual General Meeting of 15 April 2021 to reappoint the following to serve as directors for a three-year term of office: **Laurence Danon Arnaud**; Bouygues SA (permanent representative: **Pascal Grangé**); and SCDM (permanent representative: **Charlotte Bouygues**).

The Board has assessed the independence of **Laurence Danon Arnaud** and concluded that she would continue to have no business relationship with the TF1 group in 2021, and would retain her status as an independent director by reference to all the AFEP-MEDEF Code criteria.

The Board of Directors will also submit to the Annual General Meeting the appointment as employee shareholder representative director of **Marie Aude Morel**, who has been proposed as a candidate by the Supervisory Board of the employee share ownership fund (equity interest held by TF1 group employees as of 31 December 2020: 8.4%).

Subject to shareholder approval of those appointments, the TF1 Board of Directors would continue to have four female independent directors, which means that 44% of the directors would be independent and 56% would be women (without taking account of (i) the two employee representative directors and (ii) the employee shareholder representative director to be appointed, all of whom are women).

Extra-financial performance

At the end of 2020, we unveiled our **2030 climate strategy**, targeting a **30% cut in our scope 1 & 2 and 3a emissions by 2030**. We also reiterated our commitment to the low-carbon transition, both through our content and by supporting our customers (advertisers and media agencies)[7].

Finally, **it was confirmed in the fourth quarter of 2020 that the TF1 group had retained its place in the Gaïa extra-financial index**. This means that the TF1 group was included in the following extra-financial indices in 2020: DJSI (Europe & World), MSCI, and Gaïa - official recognition of the Group's commitment to corporate social responsibility.

Outlook

Our 2020 full-year results illustrate the adaptability of our **Broadcasting** operations. In 2021, the Group **will reap the rewards of a strong and diversified line-up** including *Je te promets*, the Euro 2021 football tournament and *La Promesse.* Amidst persistent uncertainties about public health and the economy, **we will confirm our flexibility in managing the potential impacts of the changing situation.**

For **Studios & Entertainment**, the expansion of international production activities means that in 2021 **a substantial portion of the segment's revenue** will be generated outside France, as well as increasing its **order backlog with pure player platforms***.* 2021 should also see a gradual resumption of activity in live shows and music.

For **Unify,** our objectives of **refocusing, brand enhancement** and **developing synergies** will enable the division to increase revenue and return to a **positive current operating profit margin in 2021**.

The TF1 group has sustainable growth momentum, with opportunities in both content and digital, that will make it a force to be reckoned with in the **Total Video** sphere.

[7] For more information, see our climate strategy press release: https://groupe-tf1.fr/en/press-release/tf1-group-climate-strategy.

Gilles Pélisson, TF1 group Chairman & CEO, said:

"In 2020, the TF1 Group confirmed its position as an essential and responsible player in content. In a year marked by a health crisis that strongly affected us, our results demonstrate the commitment of our employees, the agility of the Broadcasting division and the solidity of our model. Strengthened by the lessons of 2020, we are pursuing our dynamic of development and innovation in content, production and digital, to occupy a leading position in the world of Total Video."

Executive remuneration

In accordance with the AFEP-MEDEF recommendations, disclosures about executive remuneration are being published today on our corporate website at www.groupe-tf1.fr/en: go to Investors / Governance / Report on Remuneration.

The financial statements have been audited, and an unqualified opinion has been issued by the auditors.
Find the full financial statements and notes at http://www.groupe-tf1.fr/en.
The analyst meeting presenting the TF1 group's results will be streamed live on http://www.groupe-tf1.fr/en starting 09.30 hours Paris time on 11 February 2021.
The presentation is available on http://www.groupe-tf1.fr/en.
For details of how to connect go to https://www.groupe-tf1.fr/en/investors/results-and-publications.

TF1 GROUP
CORPORATE COMMUNICATIONS - mcarcabal@tf1.fr
INVESTOR RELATIONS - comfi@tf1.fr