



## PROPOSED MERGER

BUILDING THE FRENCH MEDIA GROUP  
OF THE FUTURE

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## Introduction



**Creation of the French media group with the broadest TV, radio, digital, content production and technology offering to the benefit of all viewers and the French audiovisual industry**



**Strongly placed to compete in the evolving global media landscape**



**Synergistic combination offering the highest value creation to all shareholders**

# Key transaction highlights



## Attractive strategic rationale

**More French quality content**, strong commitment to diversity and editorial independence

**Upside for the full French media ecosystem**

**Strong value creation** for all shareholders from synergies – run-rate estimated annual synergies **EBITA impact of €250M to 350M**



## Support from long-term shareholders and balanced governance

**Unanimous support** from Boards and reference shareholders

**Strong shareholder base** committed to support the group in the **long-term**

**Bouygues to have exclusive control** over the merged company

**RTL to remain a strategic long-term shareholder**



## Clear execution roadmap

Transaction subject to **shareholders' approvals, antitrust & regulatory clearance and employee information and consultation procedures**

**Aimed to close by end of 2022**

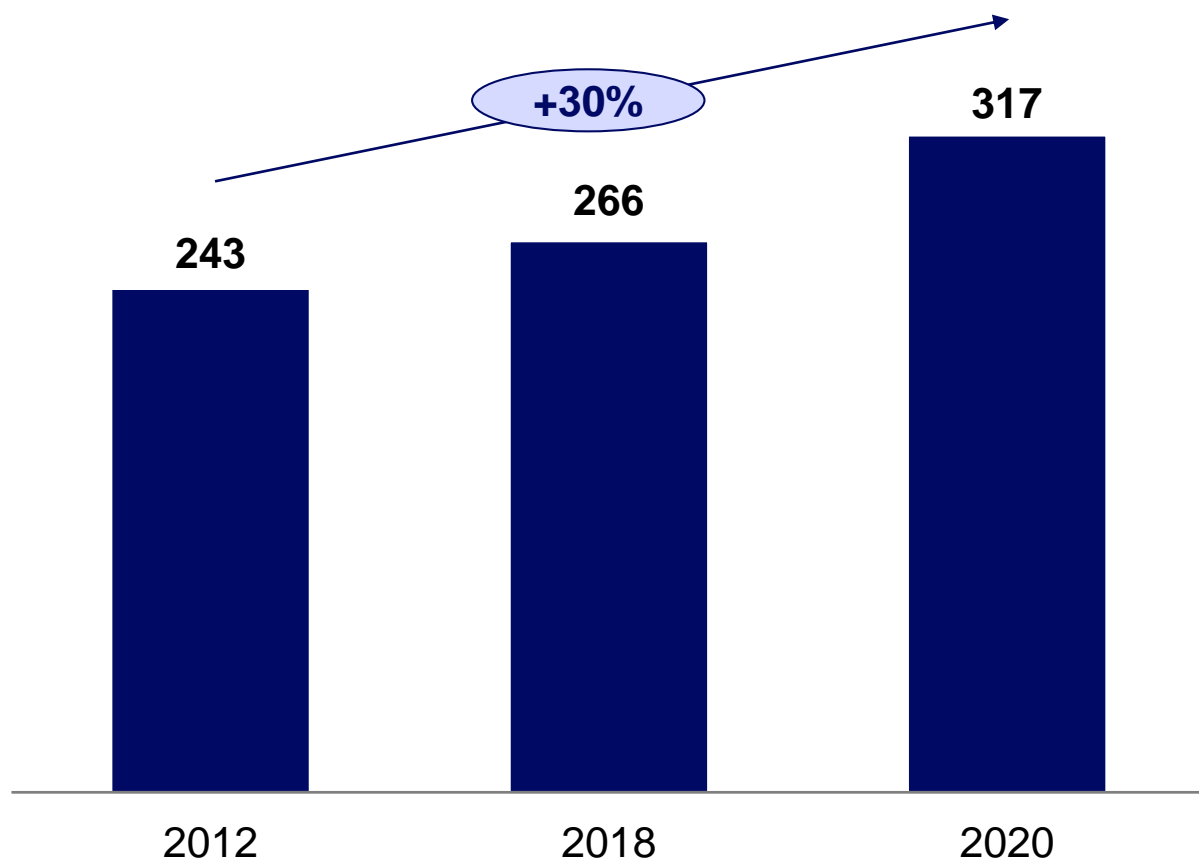


ATTRACTIVE STRATEGIC RATIONALE

# The French total video market has shown continued growth

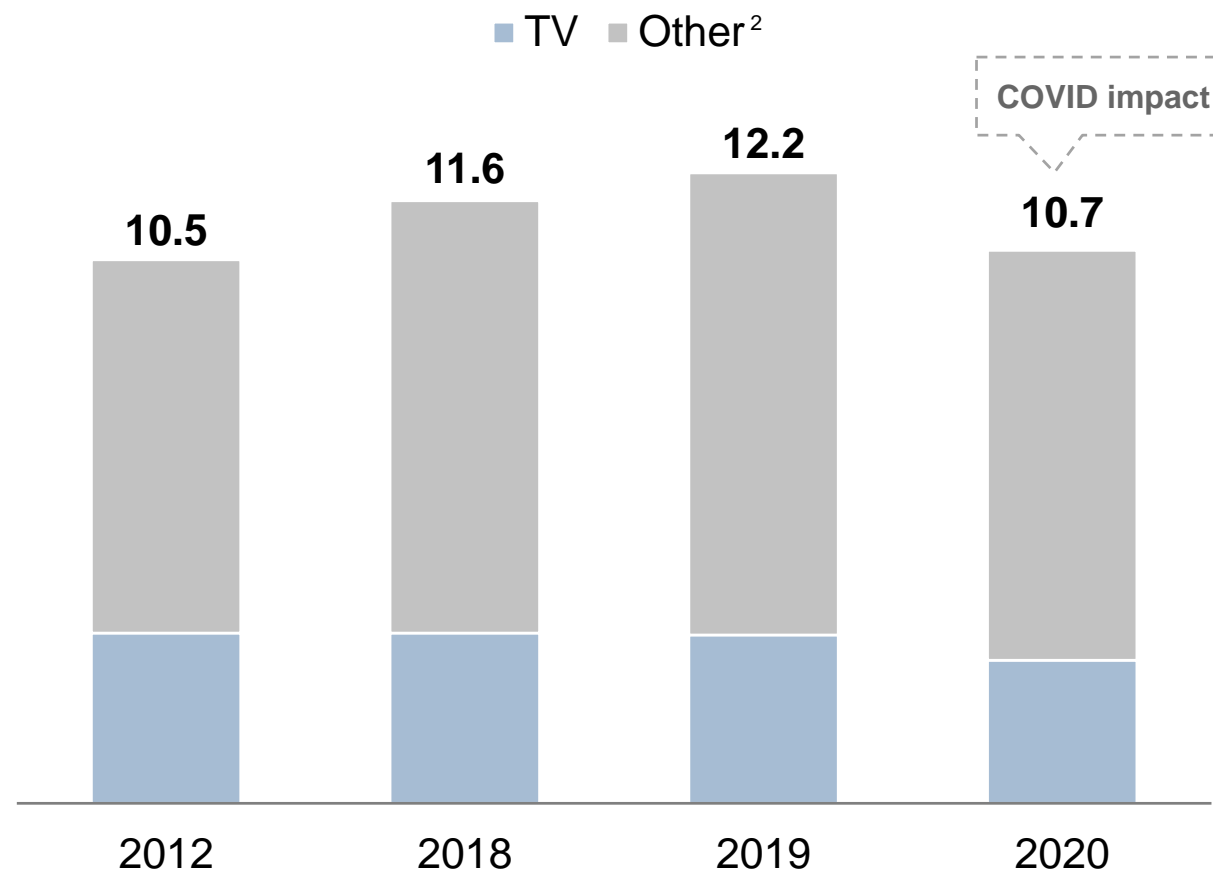
## Growing viewing time

Individual viewing time in France (minutes per person)<sup>1</sup>



## Growing total ad spend

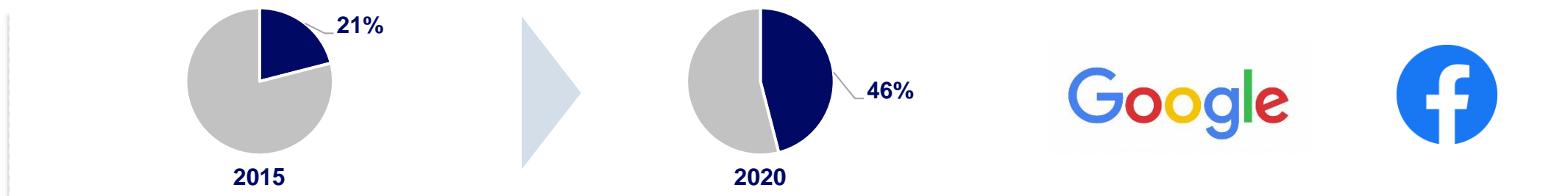
Ad spend in France (€bn)



# Ongoing fundamental shifts in the competitive landscape

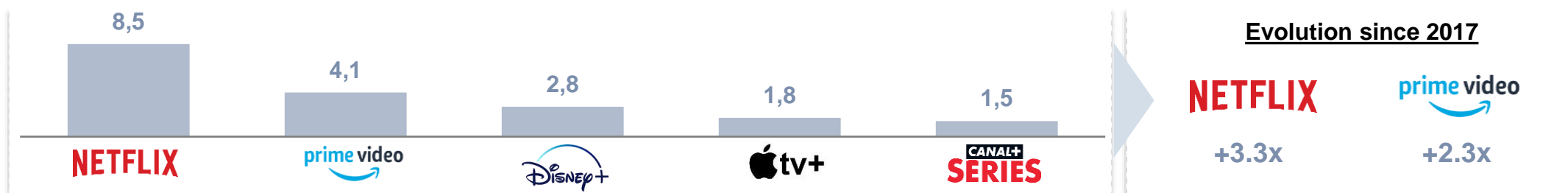
**Growth of digital advertising**

Digital advertising expenditure as share of total in France (%)



**Subscriber growth of OTT competitors**

Paid subscriptions in France in 2020 (# in M)

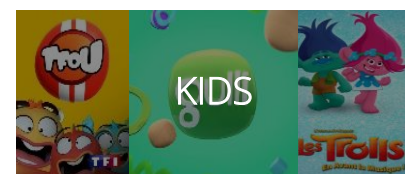
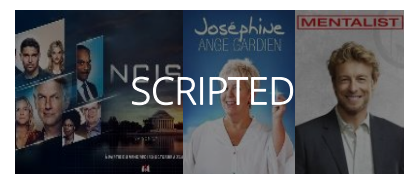
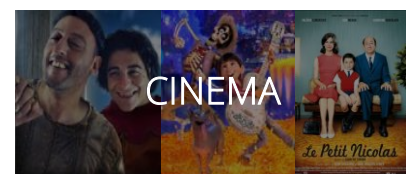
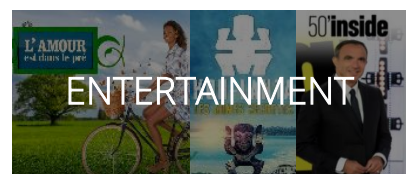
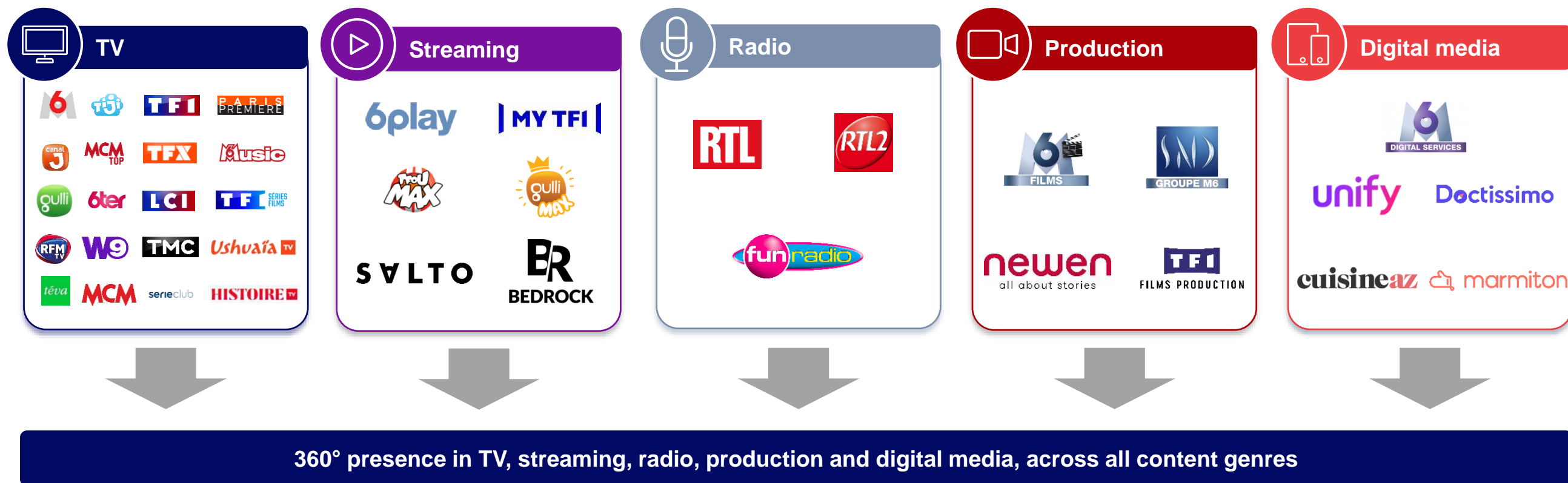


**Massive content spend by global OTT competitors**

Global content spend (€bn)



# Opportunity to build strong 360° presence





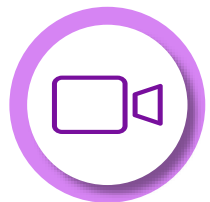
Future strategy is focused on five key priorities



**Strengthen the supply of French quality content**



Continue to guarantee the independence, reliability and quality of information



**Further develop a production hub for local and international content**



**Accelerate the development of a French streaming champion**




**Develop cutting-edge technology in streaming and in addressable TV advertising**

# Strengthen the supply of French quality content




**Record 2020** prime time audience



**Most watched** daily scripted



**Most popular** TV journal



**#1 private radio** morning program



**Supporting the French national ecosystem**



**More attuned to local habits**



**Accelerating content creation with a combined spend of €1.2bn<sup>1</sup>**



**Better understanding of viewers' expectations**

**Positioned to better address consumers' needs and help promote French cultural exception**

# Continue to guarantee the independence, reliability and quality of information



## Flagship channels news

**13H & 20H**  
#1 news shows  
in Europe

**12:45 & 19:45**  
+20% audience  
in 2020

## Radio news

**RTL**  
#1 private radio  
in France

## Reliable and balanced quality news



## Invest in long-format and investigations



## News Magazines

**Quotidien**  
#1 on TNT  
access  
primetime

**Capital**  
#1 business &  
economics  
program

## 24-hour news

**LCI**  
Political news  
reference

## Develop new ways to interact with viewers



## Attract and retain top talent

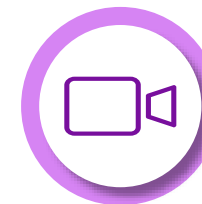


## Protect news independence



**Strengthened investment capacity to provide quality news and retain talent while preserving independence of the various channels**

# Further develop a production hub for local and international content



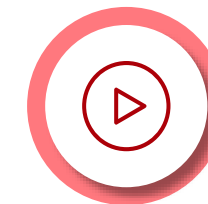
## Key benefits from scale







Sources: Company information  
 Note: Minority participation in Roger. <sup>1</sup> Drama, documentary, animation, entertainment/talk shows, news and TV movies; <sup>2</sup> Online production, gaming, events (not exhaustive); <sup>3</sup> 2020 figures for hours of content internally produced



# Accelerate the development of a French streaming champion



SVOD	AVOD	AVOD / Tech	Tech
 <p>The local alternative to US SVOD services, focusing on local content</p> <p>60% French content</p> <p>10,000 hours of content<sup>2</sup></p> <p>20% of SVOD growth captured</p>	 <p>Pioneer on the French AVOD market with the launch of 6Play in 2008</p> <p>1.3bn watched videos in 2020</p> <p>16M viewers<sup>1</sup></p> <p>2,000 hours of content<sup>2</sup></p>	 <p>Offers a 100% video consumer experience accessible on various media</p> <p>2bn watched videos in 2020</p> <p>22M viewers<sup>1</sup></p> <p>7,500 hours of content<sup>2</sup></p>	 <p>Building end-to-end streaming platforms combining global standards with local content</p> <p>+35M users across all screens</p> <p>8 platforms in 5 countries</p>

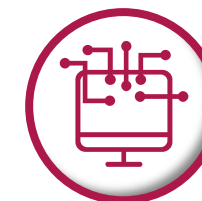
## Key benefits from scale



Broader content slate



Enhanced user experience through tech & data



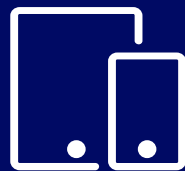
French technology platform

# Develop cutting-edge technology in streaming and in addressable TV advertising



## Streaming Technology Leadership

- Increase investments in the French streaming technology platform
- Become a European leader with an international footprint



## Video

- Strengthen video infrastructure to enable broader sharing of tools and systems between the different TV channels



## Addressable TV advertising

- Increase investments in Ad tech to improve data collection & quality
- Higher ROI for advertisers providing reach and developing relevant offers

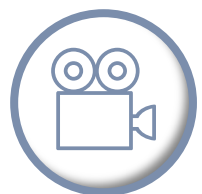


## Data

- Improve user experience with data sharing across channels
- Increase advertisers' ROI with unique data for segmented TV
- Develop data monetization beyond the Group

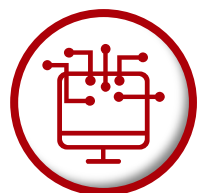


## Combination benefiting both French creative and tech industries



### Supporting the French creative industry

- **Stability and visibility for national producers**
- **Attracting and retaining key talent**
- **Increased outreach opportunities for French culture**



### Boost to French tech industry

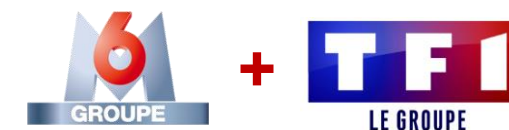
- **Unique world class technology platform**
- **Skilled jobs and independence from US platforms**
- **Cost efficiency and positive spillover for broader ecosystem**



**STRENGTHENED FINANCIAL PROFILE**



# Strengthened combined financial profile



<b>Revenues 2020A</b>	<b>€1,274M</b>	<b>€2,082M</b>	<b>€3,355M</b>
<b>Current operating profit 2020A</b>	<b>€271M</b>	<b>€190M</b>	<b>€461M<sup>1</sup></b>

**Excluding any synergies and transaction impacts**

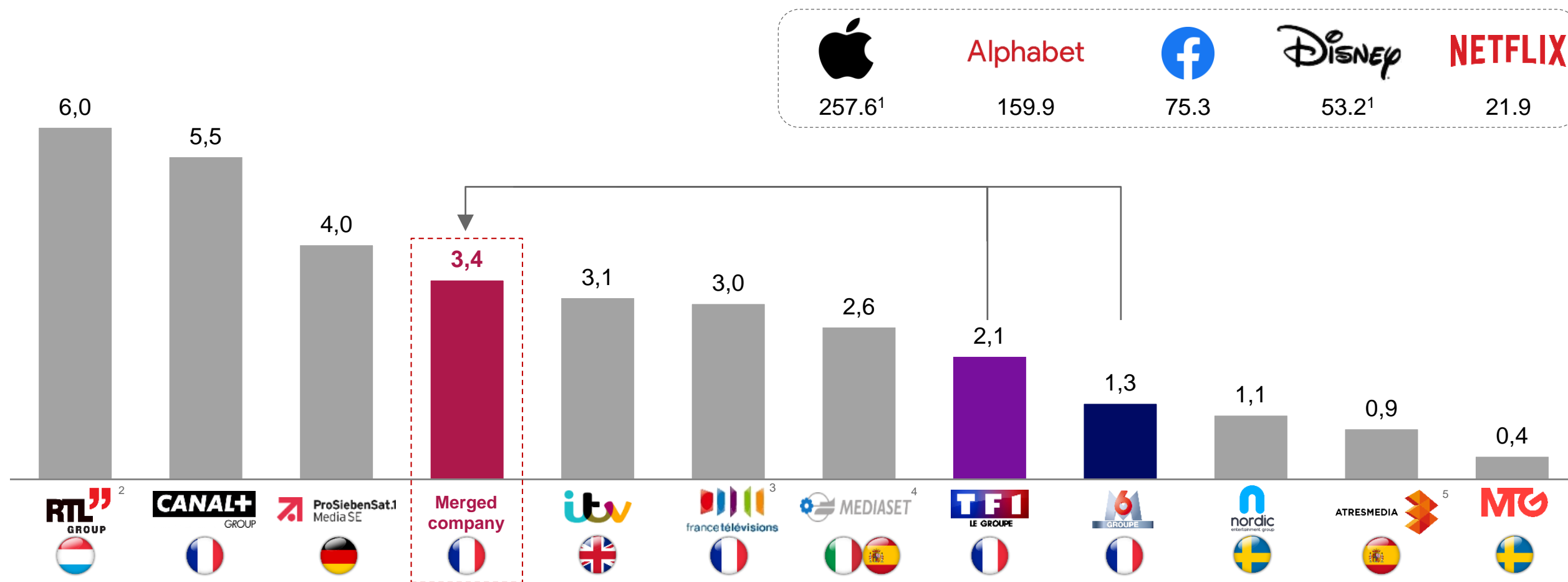


Sources: Company filings  
Note: <sup>1</sup> Corresponding to the sum of the current operating profits published by the two Groups



# Creation of a player of scale comparable to leaders in other European countries

## 2020A revenues (€bn)



Sources: Company filings

Note: EUR/USD = 1.1417; EUR/GBP = 0.8893; EUR/SEK = 10.4858

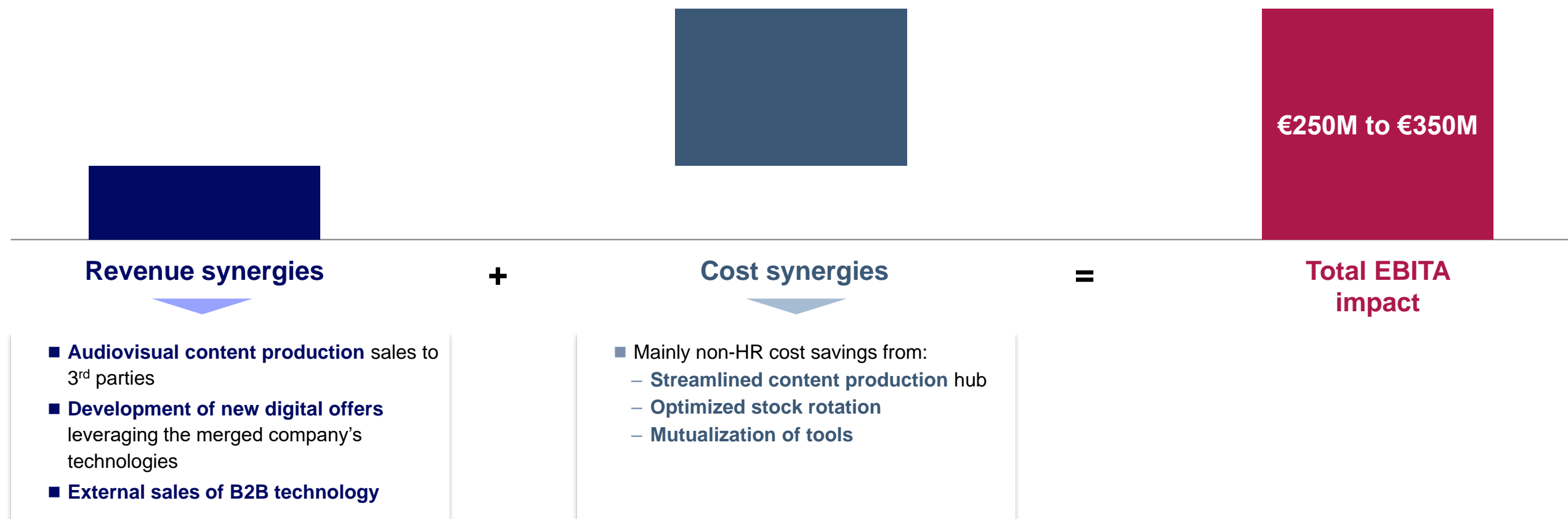
<sup>1</sup> Calendarized as of Dec-20; <sup>2</sup> Including Groupe M6; <sup>3</sup> FY 2019; <sup>4</sup> Including Mediaset España; <sup>5</sup> Total revenue including other operating income

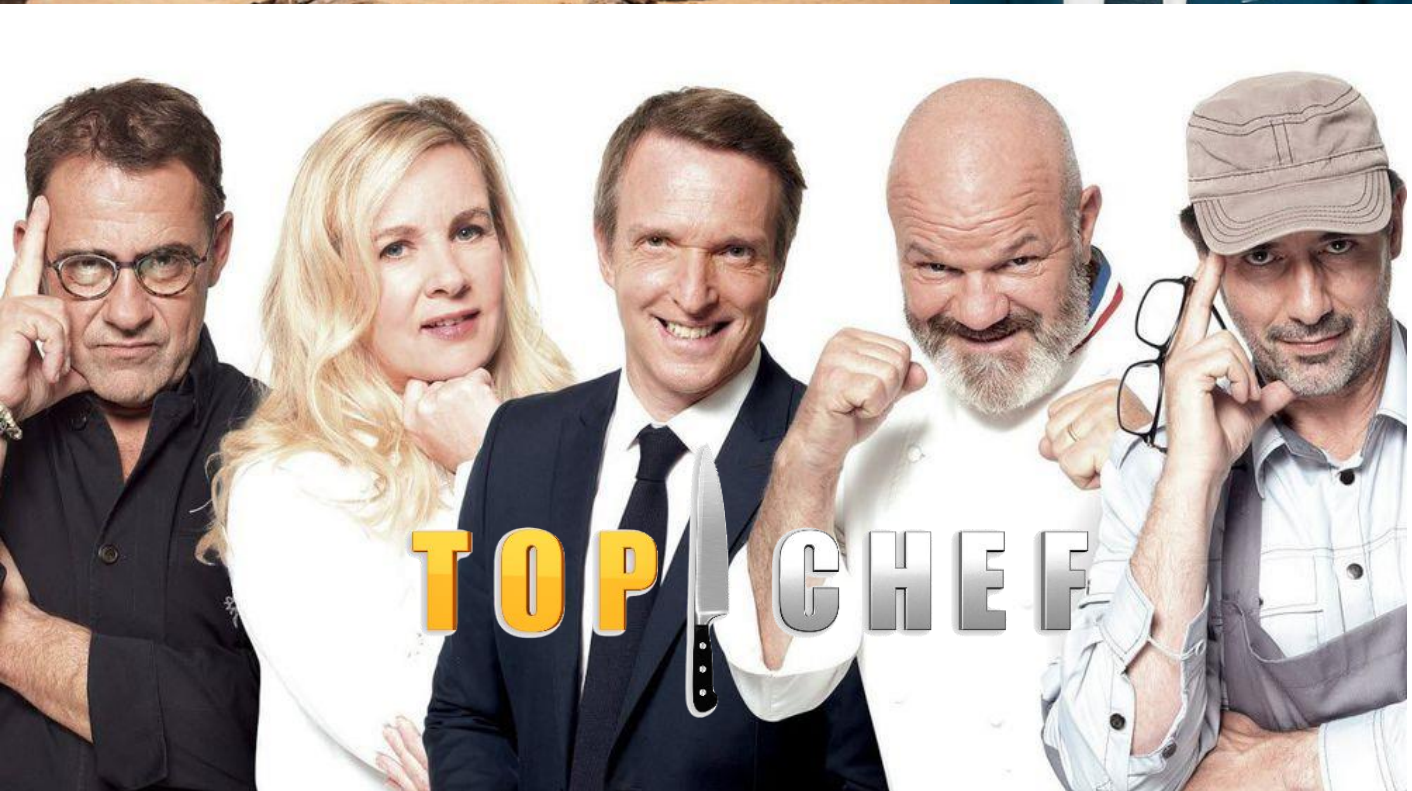


# Strong synergy potential

## Run-rate estimated annual synergies (in €M)

*Within 3 years after closing*

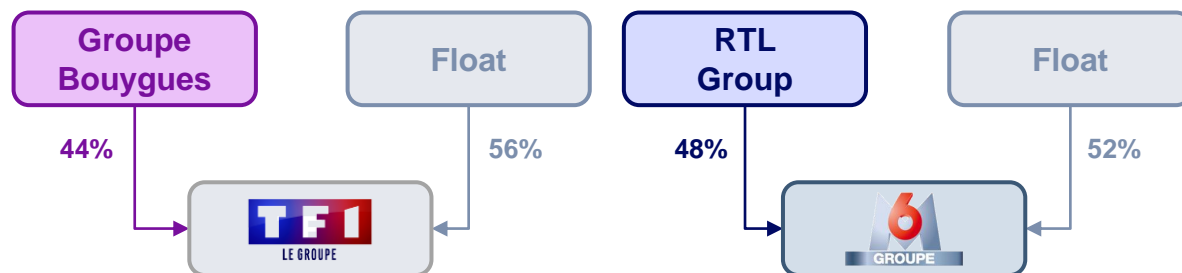




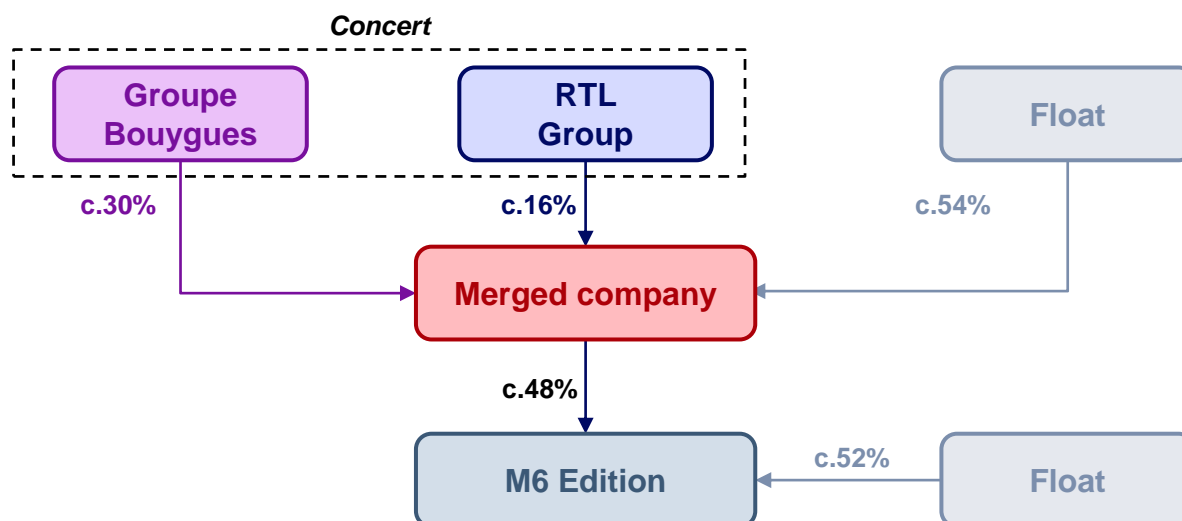
ATTRACTIVE TRANSACTION TERMS

# Proposed transaction structure

## Current ownership structure



## Pro Forma ownership structure



## Transaction steps

- 1 Carve-out of the activities of Groupe M6 non-related to the broadcasting authorizations of the M6 channel granted by the CSA within a new entity ("M6 Services")
- 2 Activities related to the broadcasting authorizations granted to the M6 channel would remain in the existing Groupe M6 legal entity which would remain listed, be renamed "M6 Edition" and would benefit from service agreements with "M6 Services"
- 3 Distribution by Groupe M6 to its shareholders of i) shares in "M6 Services" and ii) a special dividend of €1.50 per share
- 4 Merger of "M6 Services" into Groupe TF1 based on a merger parity reflecting the overall economic exchange ratio of 2.10 adjusted for the value of the share received in "M6 Edition" retained by Groupe M6 shareholders
- 5 Acquisition by Groupe Bouygues of 11% of the merged entity from RTL Group for a consideration of €641M (based on a price per Groupe M6 share of €26.30 after payment of ordinary and special dividends of €1.00 and €1.50 respectively)
- 6 Contribution by RTL Group of its 48.3% stake in "M6 Edition" to the merged entity, the remainder being owned by Groupe M6 current free float in line with French media regulation

## Proposed transaction key terms and steps

<b>Proposed Transaction Structure</b>	<ul style="list-style-type: none"> <li>■ All stock merger of Groupe M6 and Groupe TF1</li> <li>■ Carve-out of the activities of Groupe M6 non-related to the broadcasting authorizations of the Groupe M6 channel granted by the CSA within a new entity (“M6 Services”)</li> <li>■ Activities related to the broadcasting authorizations granted to the Groupe M6 channel to remain in the existing legal entity which would remain listed and be renamed “M6 Edition” and would benefit from service agreements with “M6 Services”</li> </ul>
<b>Exchange ratio</b>	<ul style="list-style-type: none"> <li>■ Transaction to be implemented based on an overall economic exchange ratio of 2.10 TF1 shares for each M6 share (after dividend distributions)</li> </ul>
<b>Ordinary Dividends</b>	<ul style="list-style-type: none"> <li>■ Both groups to pay ordinary dividends               <ul style="list-style-type: none"> <li>– €1.00 / share to be paid by Groupe M6 in 2022</li> <li>– €0.45 / share to be paid by Groupe TF1 in 2022</li> </ul> </li> </ul>
<b>Special dividend</b>	<ul style="list-style-type: none"> <li>■ Prior to transaction completion, Groupe M6 shareholders to receive a special dividend of €1.50 / share</li> </ul>
<b>Pro forma shareholding</b>	<ul style="list-style-type: none"> <li>■ Acquisition by Groupe Bouygues of 11% of the merged entity from RTL Group for a consideration of €641M (based on a price per share of €26.30 after payment of ordinary and special dividends of €1.00 and €1.50 respectively)</li> <li>■ Pro Forma ownership in merged company               <ul style="list-style-type: none"> <li>– Groupe Bouygues would own approximately 30% of the merged entity which it would have exclusive control over, as part of a shareholder agreement with RTL Group, second largest shareholder with approximately 16%</li> <li>– Free float would own approximately 54% of the new group of which approximately 29% for the existing float of Groupe M6 and approximately 25% for the existing float of Groupe TF1</li> </ul> </li> </ul>

# Transaction overview: merged company governance and principles

<b>Board of Directors</b>	<ul style="list-style-type: none"><li>■ Board of Directors composed of 12 members<ul style="list-style-type: none"><li>– 4 members appointed by Groupe Bouygues</li><li>– 2 members appointed by RTL Group</li><li>– 3 independent members</li><li>– 2 members representing employees</li><li>– 1 member representing employee shareholders</li></ul></li></ul>
<b>Management</b>	<ul style="list-style-type: none"><li>■ Chairman and CEO of the combined company: Nicolas de Tavernost</li><li>■ Deputy CEO of Groupe Bouygues in charge of media and development: Gilles Pélisson</li><li>■ The management of the combined group would include members of the current management teams of Groupe TF1 and Groupe M6</li></ul>
<b>Corporate structure and domicile</b>	<ul style="list-style-type: none"><li>■ <i>Société Anonyme</i> headquartered and domiciled in France</li><li>■ Listed on Euronext Paris</li></ul>
<b>Dividend policy</b>	<ul style="list-style-type: none"><li>■ Aim to distribute 90% of free cash flows in dividends</li></ul>

## Full support from reference shareholders



Reference shareholder  
since privatization of Groupe TF1

4 Board members

Strong commitment to the transaction through acquisition of shares

Exclusive control and full consolidation of the merged company

Right Of First Offer on first 5% sold by RTL Group



Leading European  
TV and Media group

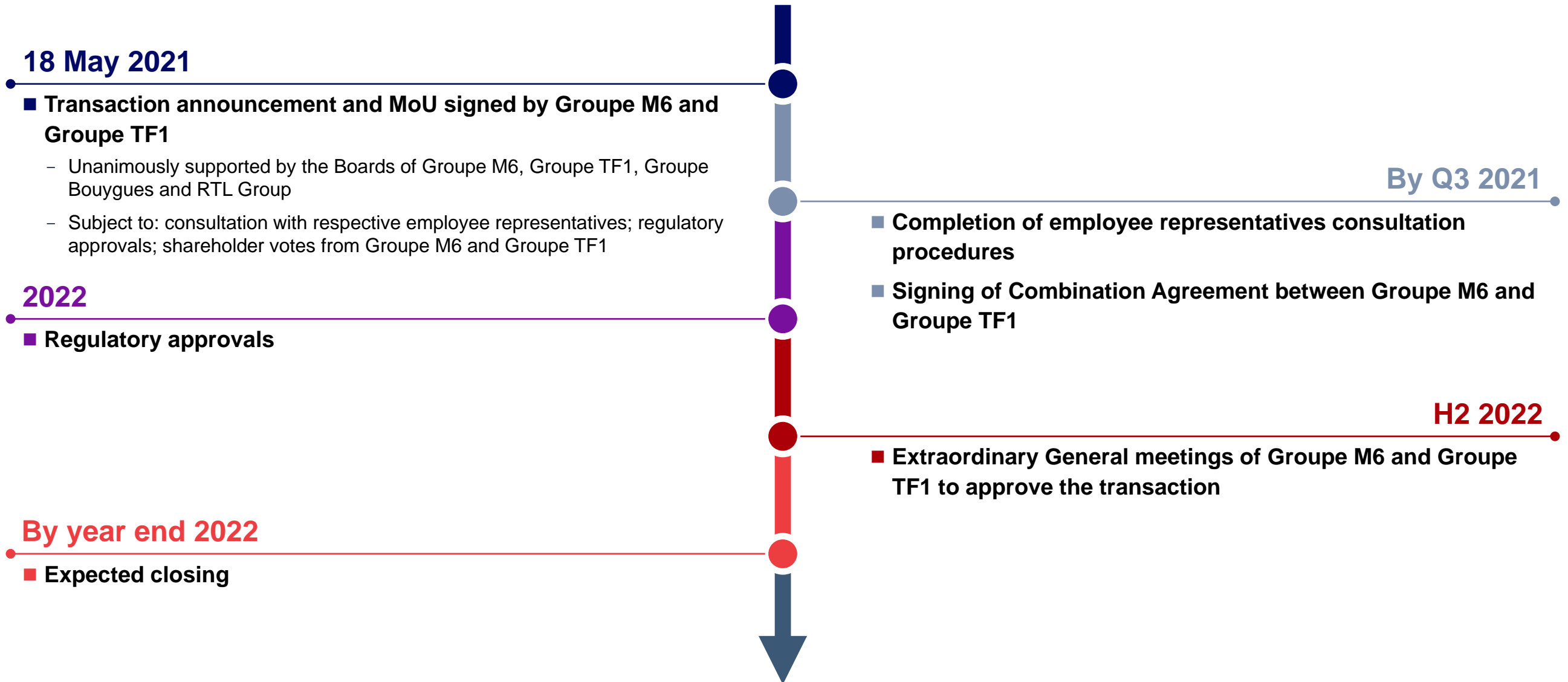
2 Board members

Long-term industrial partner

Long-term partners acting in concert



# Next steps





THANK YOU