



LE GROUPE

HALF-YEAR RESULTS
2018

This presentation contains certain forward-looking statements based on current expectations, forecasts and assumptions that involve risks and uncertainties.

These statements are based on information available to the Company as of the date hereof. All forward-looking statements are TF1 management's present expectations of future events, beliefs, intentions or strategies and are subject to a number of factors and uncertainties that could cause actual results to differ materially from those described in the forward-looking statements.

PART I

**A FIRST HALF-YEAR
HIGHLIGHTING THE GROUP
TRANSFORMATION**



PART II

**NEW REPORTING
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The TF1 group continues its transformation to create value

- **FIFA World Cup:** a high-value and extensive 360° offer for the Group
- **TF1 Premium:** additional remuneration for our content and new services
- **Aufeminin:** acquisition of a major digital player
- **Newen:** acquisition of the remaining 30% to accelerate the development
- **Salto:** an OTT platform to be developed together with France Télévisions and M6 Group





FIFA WORLD CUP: THE UNIQUE CAPACITY OF TF1 TO FOSTER OUTSTANDING CONTENT

⚽ Capacity of TF1 to gather most of the TV viewers...

- Average of **9 M TV viewers** (43% on 4+) for all of the **28 games** aired
- Average of **14 M TV viewers** (72% on 4+) for games with **French Team**
- More than **19 M TV viewers** for both the **semi-final and final** (resp. 71% and 82% on 4+)
- **Digital**
 - **25 M** videos views on **MYTF1***
 - **Record live audiences on other screens** (1.9 M live visits for France – Uruguay)
 - **Innovations** enhancing the experience of TV viewers (4K and virtual reality)



⚽ ...and advertisers

- **200 advertisers** with best-known brands
- **5 major sponsors** (vs 4 for the last Football World Cup)
- A **well-monetized event** through optimized **yield management**

Major advertisers

5 sponsors








Top 10 advertisers














TF1 PREMIUM: ADDITIONAL REMUNERATION FOR OUR CONTENT AND NEW SERVICES

Agreements signed with all 4 telcos operators

- **Dual-sources revenues:**
 - Remuneration for content
 - Enhanced services (start-over, TF1+1, TMC+1, 4K, extended replay, etc.)
- **Securing the price: average contracts term over 3 years**
- **Full impact** expected as of fiscal year **2019**





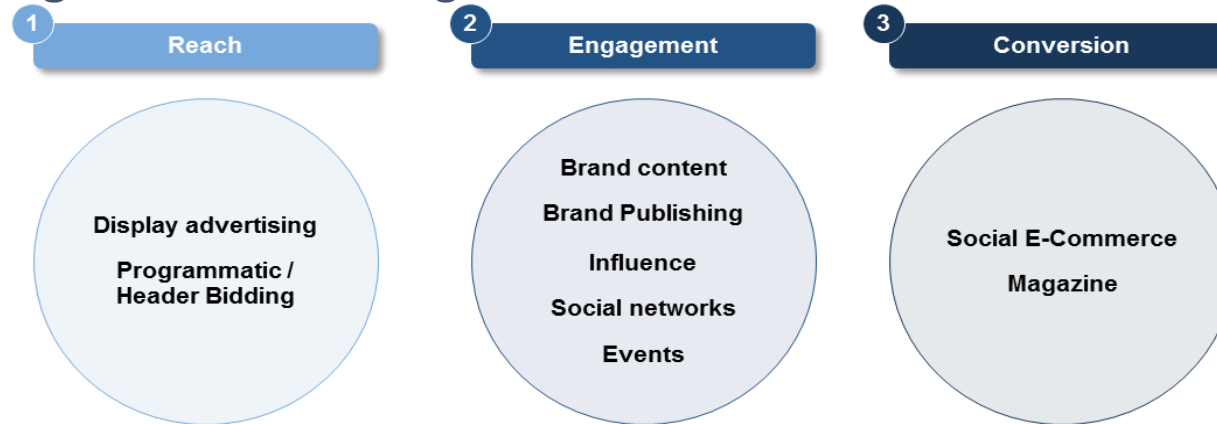
AUFEMININ: ACQUISITION OF A MAJOR DIGITAL PLAYER

➤ 2 mains drivers:

- **Positioning on verticals** close to TF1 group traditional targets



- **Monetising audiences** through commitment on social networks



- Accumulated share of 93% of aufeminin group as of July 4th
- Aufeminin group consolidated for 2 months in H1



NEWEN: ANTICIPATED ACQUISITION OF THE REMAINING 30% TO ACCELERATE THE DEVELOPMENT

An anticipated acquisition of the 30% remaining stake

- 12 months in advance
- In agreement with the leaving founders



The buyout of minority shares allows to

- Pursue the development of the Newen group
- Implement synergies faster

Principles remain unchanged

- Operational autonomy
- European development strategy
- Production activity without vertical integration

Management continuity is guaranteed

- Bibiane Godfroid has been named Chairwoman & CEO
- Romain Bessi has been appointed Deputy CEO



LE GROUPE

SAVE THE DATE

18 SEPT. 2018

FROM 8:30 AM (PARIS TIME)

TF1 GROUP CAPITAL MARKETS DAY



**TOMORROW IS
OURS**

GILLES PÉLISSON

CHAIRMAN AND CEO

INVITES YOU TO TF1'S GROUP HEADQUARTERS

Contact : comfi@tf1.fr

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OPERATIONAL SECTORS AT THE END OF Q1 2018: 2 BUSINESS SECTORS



BROADCASTING

Logos in the Broadcasting sector include: TFI, TMC, TFX, TFI SERIES FILMS, LCI, TFI PUBLICITE, tvBreizh, Ushuaïa TV, histoire, serieclub, TFI FILMS PRODUCTION, TFI PRODUCTION, TFI DISTRIBUTION, TFI-AD, TFI-DS, MY TFI, TFI DIGITAL FACTORY, MB MINUTEBUZZ, and STUDIO71.

STUDIOS & ENTERTAINMENT

Logos in the Studios & Entertainment sector include: NEWEN, NEWEB, TFI DROITS AUDIOVISUELS, TFI VIDEO, TFI ENTERTAINMENT, DUJARDIN, TELE SHOPPING, and LA SEINE MUSICALE.



IN LINE WITH THE TRANSFORMATION OF THE GROUP: 3 BUSINESS SECTORS SINCE Q2 2018

BROADCASTING

STUDIOS & ENTERTAINMENT

DIGITAL

Free-to-Air channels

* The aufeminin Group has been consolidated since May 2018

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HIGH-LEVEL GROUP AUDIENCE SHARES ON COMMERCIAL TARGETS: 32.5% ON W<50PDM AND 29.2% ON IND. AGED 25-49



H1 2018 RATINGS ON W<50PDM



0.2



2.5



3.3



4.2

32.5%
W<50PDM



22.3



- Strong performance of the TF1 channel in H1 on W<50PDM: +0.4 pt yoy
- 3rd consecutive quarter of growing audience share on W<50PDM (+0.5 pt in Q2 2018 vs Q2 2017)
- All of the top 20 audience ratings among Ind. aged 25-49 (including 6 Football World Cup games)



Record audience in June
(22% audience share on W<50PDM)



5.8 M TV viewers for the season final



6.6 M TV viewers



A STRONG LEADING DTT POLE: WELL-ORIENTED AUDIENCE SHARES ON THEIR RESPECTIVE TARGETED POPULATION



- 4.2% audience share in H1 on Ind. aged 25-49 (stable yoy)
- 16 of the top 20 DTT ratings among Ind. aged 25-49
- Successful prime-time relaunch of iconic brand *Burger Quiz* with more than 1.1 M TV viewers



Up to 2.3 M TV viewers
(including 20% on catch-up)



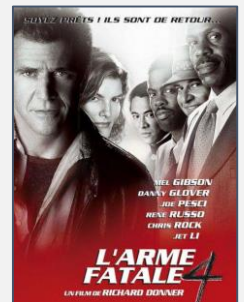
- 3.7% audience share in H1 on Ind. aged 15-34 (stable yoy)
- Good ratings on reality shows like *Tattoo Cover* (6% audience share on Ind. 15-34)



Average of 600,000 TV viewers



- 2.5% audience share in H1 on W<50PDM (+0.3 pt yoy)
- Movies are performing well (average of 540,000 TV viewers on prime-time in H1)



1.2 M TV viewers



NEWS CONTINUE TO PERFORM WELL

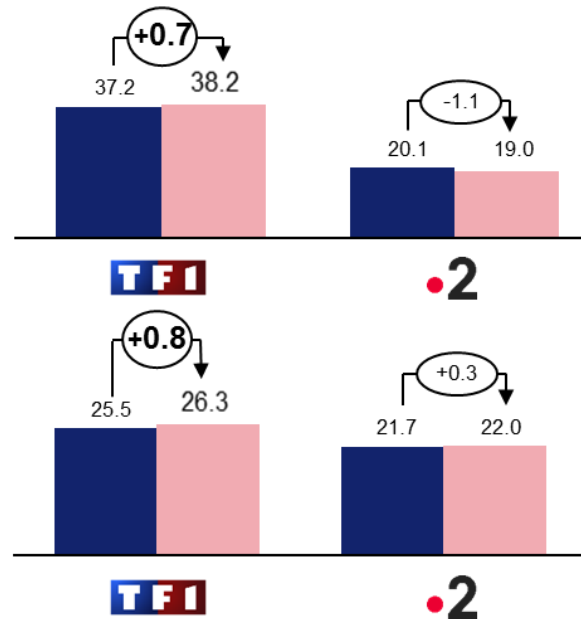
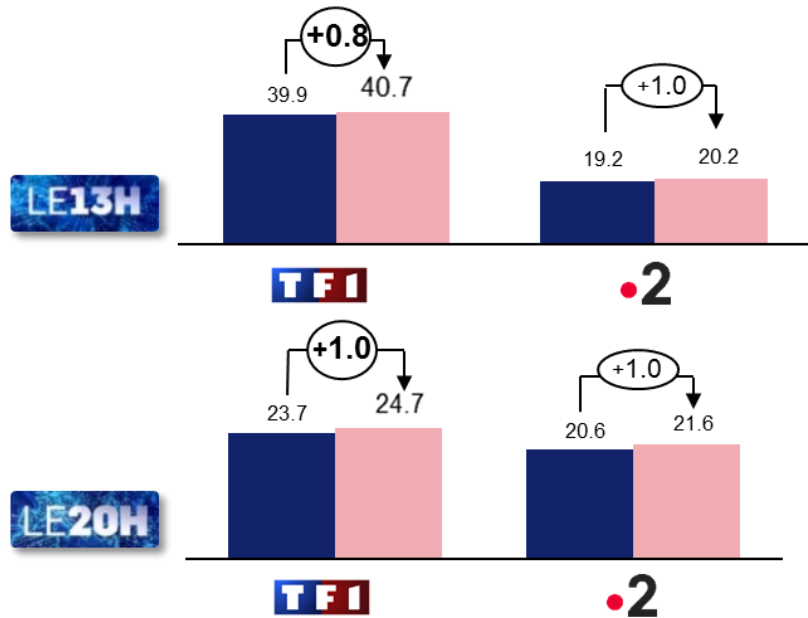


➤ **Daily News shows: ratings have increased on 4+ target and the gap with France 2 is widening during week-ends***

WEEKDAYS – Audience share in H1 on 4+

WE – Audience share in H1 on 4+

■ January until mid-June 2017
■ January until mid-June 2018



➤ **Successful launch of *Le 20H Le Mag*: increasing audiences up to 5.9 million TV viewers**

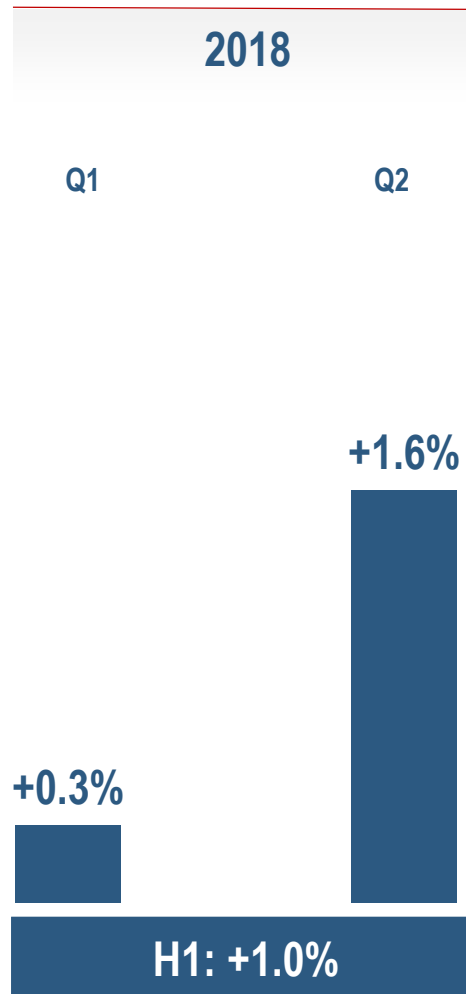
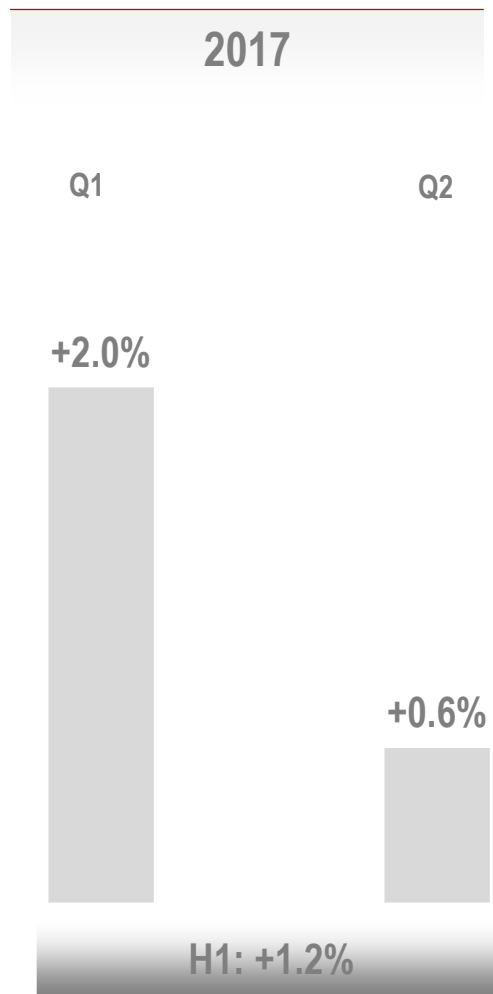


➤ **LCI ratings resist better than other news channels: audience share maintained at 0.6% on 4+ target in H1**





FREE-TO-AIR CHANNELS TV ADVERTISING REVENUE BOOSTED BY THE WORLD CUP IN Q2: +1.6% YoY



ADVERTISING REVENUE FOR THE 5 FTA CHANNELS IS INCREASING:

€754.5 million in H1 2018
+1% YoY



STUDIOS: NEWEN CONTINUES TO PERFORM WELL



ON AIR

• **3** **PLUS BELLE LA VIE**

4.3m TV viewers
April 17th prime time :
18.8% audience share Ind.4+

• **2** **Candice RENOIR**

S6 historic record
4.7m TV viewers
21.1% audience share Ind.4+

TF1



3.4m TV viewers
(live + replay)
Best audience share Ind.4+
at 18.9%

ONGOING PRODUCTION

10 dramas produced per year

• **2** **TF1** **arte**
• **3** **OCS** **5**
CANAL+ **6**

New clients



NETFLIX





DIVERSIFIED ENTERTAINMENT ACTIVITIES



play two

- Successful launch of the new Maître Gims album



- 4 movie releases in H1 2018 gathering more than 600,000 entries



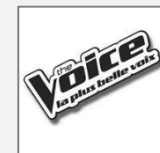
LA SEINE MUSICALE

- Excellent ticket sales for major concerts
- Steady rise in bookings at the studio recording space



TF1 LICENCES

- Good performance thanks to key brands: Ushuaïa and the Voice



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CONSOLIDATED REVENUE

| €m | H1 2018 | H1 2017 | Var. €m | Var. % |
|---|----------------|----------------|-------------|-------------|
| BROADCASTING | 869.0 | 857.5 | 11.5 | 1.3% |
| <i>TV advertising on free-to-air channels</i> | <i>754.5</i> | <i>747.3</i> | <i>7.1</i> | <i>1.0%</i> |
| STUDIOS & ENTERTAINMENT | 185.8 | 185.3 | 0.5 | 0.3% |
| DIGITAL* | 28.8 | - | 28.8 | N/A |
| TOTAL REVENUE | 1,083.6 | 1,042.8 | 40.8 | 3.9% |

* Including aufeminin group consolidated for 2 months

In accordance with IFRS 9 and 15 norms



COSTS OF PROGRAMMES

| €m | H1 2018 | H1 2017 | Var. €m | Var. % |
|--|--------------|--------------|---------------|--------------|
| Entertainment | 123.4 | 141.7 | (18.3) | -12.9% |
| TV dramas/TV movies/Series/Theatre | 163.5 | 148.3 | 15.2 | 10.3% |
| Sports (excl. one-off sporting events) | 26.9 | 30.6 | (3.6) | -11.9% |
| News | 69.1 | 75.0 | (5.9) | -7.8% |
| Movies | 65.9 | 80.3 | (14.3) | -17.9% |
| Youth | 4.3 | 6.3 | (2.0) | -31.5% |
| TOTAL EXCL. ONE-OFF SPORTING EVENTS | 453.3 | 482.2 | (28.9) | -6.0% |
| <i>One-off sporting events*</i> | <i>46.0</i> | <i>0.0</i> | <i>46.0</i> | <i>-</i> |
| TOTAL INCL. ONE-OFF SPORTING EVENTS | 499.2 | 482.2 | 17.0 | 3.5% |

* Costs of replacement programmes: €8.8 m in Q2 2018



INCOME STATEMENT

| €m | H1 2018 | H1 2017 | Var. €m | Var. % |
|--|----------------|----------------|--------------|---------------|
| CONSOLIDATED REVENUE | 1,083.6 | 1,042.8 | 40.8 | 3.9% |
| Total costs of programmes | (499.2) | (482.2) | (17.0) | 3.5% |
| Other charges, depreciation, amortization, provision | (483.9) | (452.6) | (31.3) | 6.9% |
| CURRENT OPERATING PROFIT | 100.5 | 108.0 | (7.5) | -6.9% |
| <i>CURRENT OPERATING MARGIN</i> | <i>9.3%</i> | <i>10.4%</i> | - | -1.1pt |
| Other operating income and expenses | (11.0) | (11.6) | 0.6 | -5.2% |
| OPERATING PROFIT | 89.5 | 96.4 | (6.9) | -7.2% |
| Cost of net debt | (1.0) | (1.1) | 0.1 | -9.1% |
| Other financial income and expenses | 4.8 | 5.7 | (0.9) | -15.8% |
| Income tax expense | (27.4) | (33.4) | 6.0 | -18.0% |
| Share of profits / (losses) of associates | 0.1 | 7.1 | (7.0) | N/A |
| Net profit from continuing operations | 66.0 | 74.7 | (8.7) | -11.6% |
| Post-tax profit from discontinued/held-for-sale operations | 0.0 | 0.0 | 0.0 | - |
| NET PROFIT | 66.0 | 74.7 | (8.7) | -11.6% |
| Net profit attributable to the Group | 65.8 | 74.8 | (9.0) | -12.0% |
| <i>Attributable to non-controlling interests</i> | <i>(0.2)</i> | <i>(0.1)</i> | <i>0.3</i> | <i>N/A</i> |

In accordance with IFRS 9 and 15 norms



CONSOLIDATED BALANCE SHEET

| CONSOLIDATED ASSETS (€m) | June 30th 2018 | December 31st 2017 | Var. €m |
|---------------------------------|----------------------------------|--------------------------------------|----------------|
| Total non-current assets | 1,303.2 | 1,068.9 | 234.3 |
| Total current assets | 2,071.1 | 2,327.9 | (256.8) |
| Held-for-sale assets | - | - | - |
| TOTAL ASSETS | 3,374.3 | 3,396.8 | (22.5) |
| Net cash (+) | (122.2) | 256.7 | (378.9) |

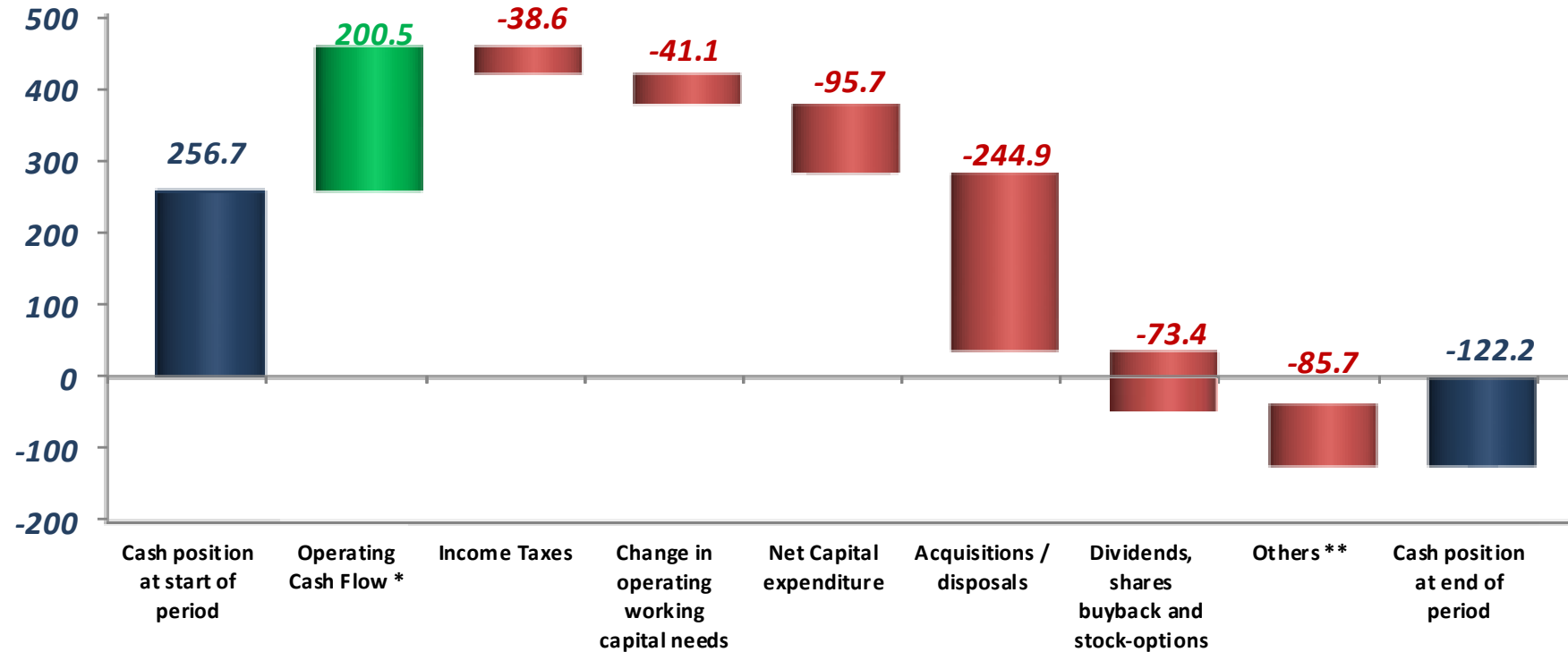
| CONSOLIDATED LIABILITIES (€m) | June 30th 2018 | December 31st 2017 | Var. M€ |
|---|----------------------------------|--------------------------------------|----------------|
| Total shareholders' equity | 1,511.4 | 1,587.4 | (76.0) |
| <i>shareholders' equity attributable to the Group</i> | <i>1,511.6</i> | <i>1,587.5</i> | <i>(75.9)</i> |
| Total non-current liabilities | 212.5 | 311.0 | (98.5) |
| Total current liabilities | 1,650.4 | 1,498.4 | 152.0 |
| Liabilities related to held-for-sale operations | - | - | - |
| TOTAL LIABILITIES & SHAREHOLDERS' EQUITY | 3,374.3 | 3,396.8 | (22.5) |

In accordance with IFRS 9 and 15 norms



EVOLUTION OF THE NET CASH POSITION

Evolution of the net cash position



* Operating cash flow – cost of net debt – income tax expense

(**) Cash inflows/outflows from/on acquisitions of financial assets, dividends received, other cash flows from investing activities, other transactions between shareholders, cash inflows from new debt contracted, repayment of debt (including finance leases), net interest paid (including finance leases)

NCP EVOLUTION 2018.06

| | | | | | | | | |
|-------|-------|------|-------|-------|------|-------|-------|-------|
| 186.7 | 183.7 | 20.5 | -26.5 | -93.0 | 55.7 | -57.2 | -22.3 | 247.6 |
|-------|-------|------|-------|-------|------|-------|-------|-------|

In accordance with IFRS 9 and 15 norms



A HALF-YEAR WHICH CONFIRMS THE POSITIVE TREND TOWARDS REACHING OUR OBJECTIVES

- **A current operating margin**, excluding sporting events, up by +3.1 points yoy
- **Cost of programmes**, excluding sporting events, at **€453.2 million** in H1 2018 (vs €482.2 million in H1 2017)
- **Advertising revenue of the 5 FTA channels** contributing to **69.6%** of global revenue in H1 2018 (vs 71.7% in H1 2017)

➡ **EFFICIENT COST CONTROL, ORGANIC GROWTH COMBINED WITH EXTERNAL GROWTH TO REACH OUR GOALS**

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2018

**Growth
in current operating margin
at Group level
excluding major sporting
events**

2018 - 2020

**Average annual cost
of programmes
(excluding major sporting
events)
at €960 million
for the 5 FTA channels**

2019

**More than one-third of
consolidated revenue
will come from activities
other than advertising on the
5 FTA channels**

REITERATED TARGET OF DOUBLE-DIGIT CURRENT OPERATING MARGIN IN 2019



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TF1 GROUP CAPITAL MARKETS DAY



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GILLES PÉLISSON

CHAIRMAN AND CEO

INVITES YOU TO TF1'S GROUP HEADQUARTERS

Contact : comfi@tf1.fr



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QUESTIONS & ANSWERS