

H1 2020

RESULTS



LE GROUPE

29 JULY 2020

H1 2020 HIGHLIGHTS

DURING THE COVID-19 CRISIS, THE TF1 GROUP HAS DEMONSTRATED ITS ADAPTABILITY AND STRONG REACTIVITY

- **Strong ratings** thanks to **editorial choices meeting the public's expectations**
- **Significant downsizing of the programming costs** offsetting **over 50% of the decrease in advertising revenues**
- **Efficient management of the health crisis by protecting employees health, adapting working methods** (work from home and part-time work) and **enabling the news activity to proceed**

THE TF1 GROUP IS FULLY OPERATIONAL AND READY TO BENEFIT FROM RECOVERY

- **Gradual slowdown in the decline of the advertising market** since the beginning of June
- Strategic decision to keep **fresh and premium programming for the last four months of 2020**
- **Strong reactivity from Newen in resuming all shooting** as early as possible
- **Sound financial position with low debt** and access to available bilateral credit facilities

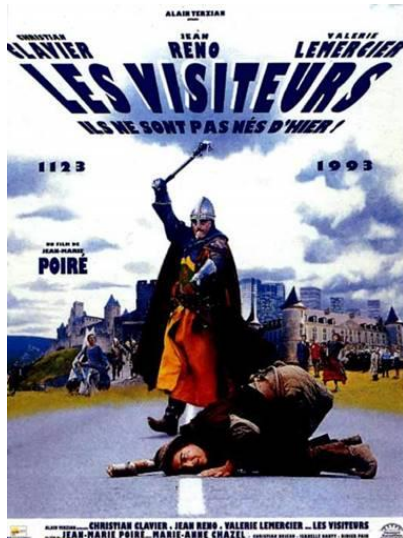
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H1 2020 Activity Review

THE GROUP CREATES A UNIQUE BOND THROUGH ITS BROAD CONTENT OFFER

- High level of TV viewing time since March (3 hrs 56 mins in H1 2020 ; +26min yoy)
- Audience share of Ind. 25-49 y/o remained at a high level in H1 2020 at **29.6 % (stable yoy)**
- High and quick reactivity on the grid management with more **family-oriented programmes**

POPULAR CULT COMEDIES



8.0 million TV viewers
(Ranked no.1 during lockdown
excl. news)

FLAGSHIP ENTERTAINMENT BRANDS



Record season with
6.8 million TV viewers on
average
42% of W<50PDM

INTERNATIONAL FAMILY FRANCHISES



7.2 million TV viewers on
average for the 8 movies
47% of W<50PDM

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ORIGINAL US SERIES



5.2 million TV viewers on
average for the 1st season
35% of W<50PDM

LEADERSHIP IN NEWS CONSOLIDATED

- **Daily news shows extended** in order to provide comprehensive and rigorous coverage of the health crisis
- Enhanced **leader status** thanks to TF1's ability to **attract top politicians and health experts**

TF1



6.3m TV viewers on average

+1.3m TV viewers vs H1 2019

TF1



6.7m TV viewers on average

+1.3m TV viewers vs H1 2019

TF1



6.8m TV viewers on average

+1.4m TV viewers vs H1 2019

LCI



1.3% audience share for Ind. aged 4+ (+0.3 pts yoy)

No. 2 news channel for Ind. aged 4+

MYTF1 LEADERSHIP CONFIRMED, ONE YEAR AFTER RELAUNCH

- Around **21 million active user accounts**
- **+ 47% video views* on OTT**
- **Catch-up TV enhanced by AVOD offer attracting young people** through successful content like manga *Naruto*, US series *90210* or French soap *Sous le Soleil*



*Sept 2019 to June 2020 vs Sept 2018 to June 2019 – excluding app FAI and news

SIGNIFICANT REDUCTION OF THE PROGRAMMING COSTS

- **Revisited formats** for key franchises with **stretched episodes** and **no-public attendance**
- **High number of reruns** both on TF1 and DTT channels
- **Extended daily news shows at no additional cost**
- **Extra supply of movies at an optimized price**



- ✓ **Savings of €107m for the first 6 months of 2020...**
- ✓ **... offsetting 52% of the drop in broadcasting advertising revenues**

STRONG REACTIVITY FROM

TF1
PUB

- **Understanding the impacts** of the crisis in the **different sectors**
- **Accompanying our historical clients** during the crisis
- **Attracting new advertisers** (+106 in H1 2020 yoy)
- **Motivating advertisers to return to TV** in the last 4 months of 2020

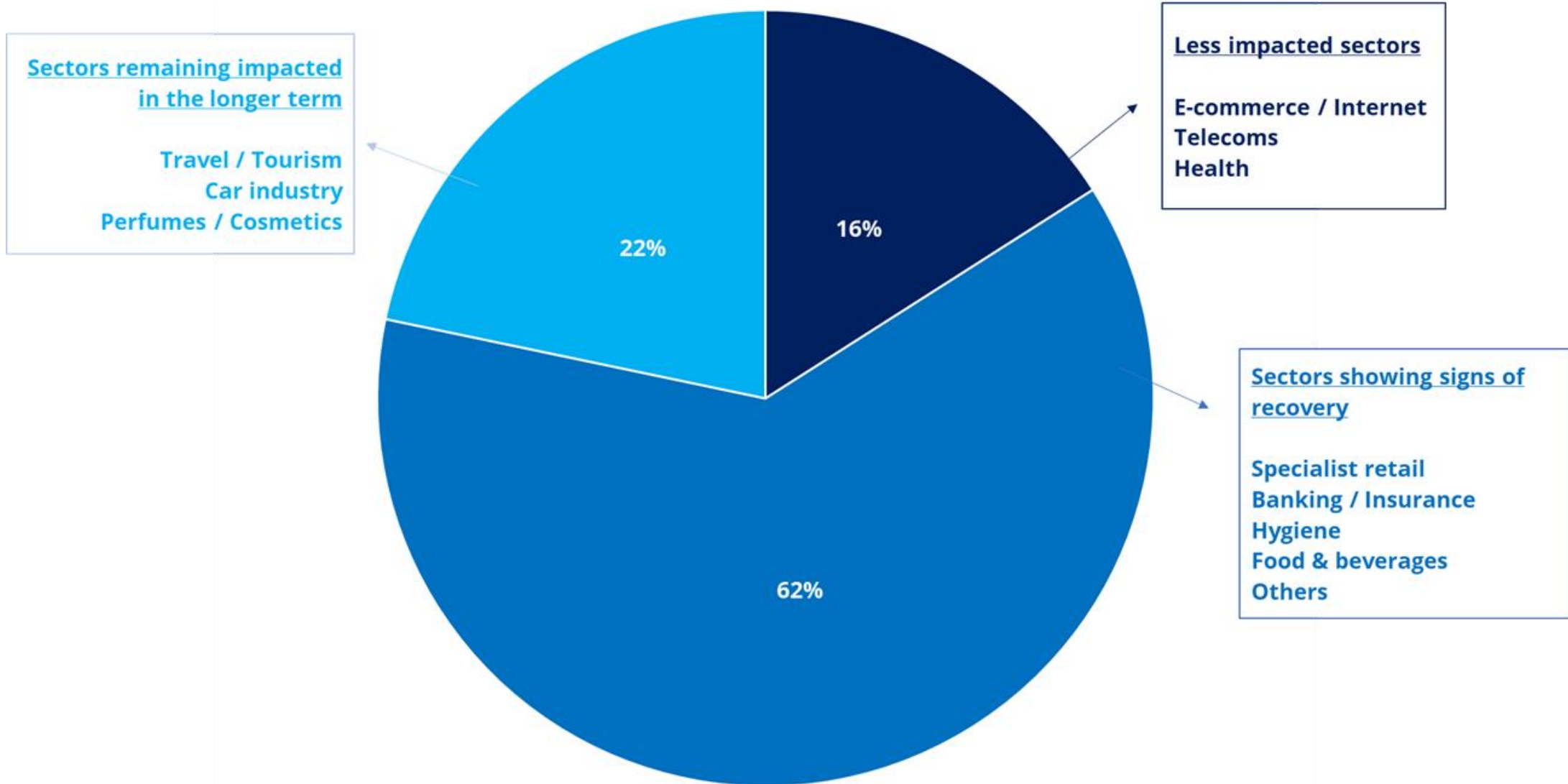


TF1 Pub organized webinars with advertisers to help them during the crisis



New advertisers in H1 2020

AFTER LOCKDOWN, A GRADUAL RETURN TO TV ADVERTISING BY SECTOR



Based on TV ad revenue trends through H1 2020

EARLY REBOUND OF NEWEN ACTIVITY AFTER LOCKDOWN

- **Some shooting continued** with social distancing rules observed (the daily programme *Le Magazine de la santé* and the famous Belgian TV quiz show *Blokken*)
- **Shooting restarted as early as possible** (since mid-May for the 2 French daily soaps *Demain Nous Appartient* and *Plus Belle La Vie*)
- **Book of orders remaining at a high level** at more than **1,500 hours**
- **Additional sales from the TF1 Studio and Reel One catalogues**



Le Magazine de la santé

TELFRENCE

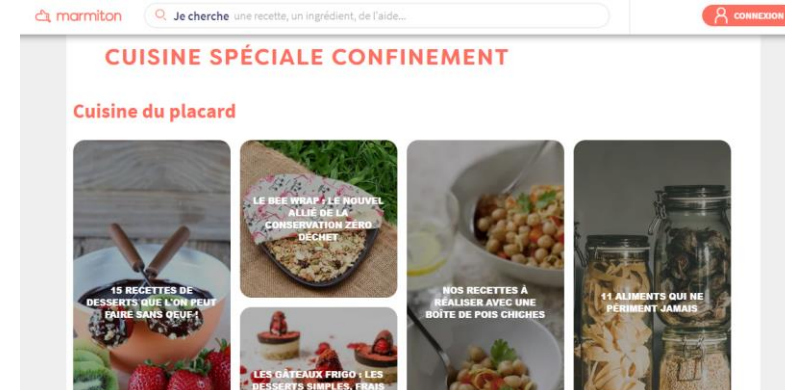


© Fabien Malot

**Shooting restart of
*Demain Nous Appartient***

STRONG ATTRACTIVENESS OF UNIFY BRANDS

- **Highly relevant content on the web** with **Doctissimo** on health and **Marmiton** on cooking
 - ✓ 437m visits to Marmiton website in H1 2020; +56% yoy
- **Significant reduction of advertising spend** in digital and programmatic due to the crisis...
- ... but resilience of the social e-commerce business
- **Development of synergies with TF1 channel**
 - ✓ Opportunistic TV advertising campaigns for My Little Box, Gambettes Box and Beautiful Box on TF1
 - ✓ Editorial partnership between News and Doctissimo



THE TF1 GROUP HAS SUPPORTED A VARIETY OF GOOD CAUSES DURING THE HEALTH CRISIS



- **Identifying hospital's urgent needs** and putting together product and service offers from companies
- **Raising funds** to support health workers, patients, vulnerable people and medical research
- **Donating game show gains** to charities involved in **health care, fighting violence against women and food distribution**

NEWS



FREE TV CAMPAIGNS



DEDICATED TV PROGRAMMES



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**H1 2020 Financial
Results**

CONSOLIDATED REVENUE

(€M)	H1 2020	H1 2019	CHG.€M	CHG.%
BROADCASTING	683.3	890.8	(207.5)	-23.3%
<i>ADVERTISING REVENUE</i>	<i>586.1</i>	<i>791.4</i>	<i>(205.3)</i>	<i>-25.9%</i>
<i>OTHER REVENUE</i>	<i>97.2</i>	<i>99.4</i>	<i>(2.2)</i>	<i>-2.2%</i>
STUDIOS & ENTERTAINMENT	131.8	168.8	(37.0)	-21.9%
<i>PRODUCTION / SALE OF AUDIOVISUAL RIGHTS</i>	<i>107.8</i>	<i>110.5</i>	<i>(2.7)</i>	<i>-2.4%</i>
<i>REVENUE FROM GAMES, MUSIC, LIVE SHOWS & HOME SHOPPING</i>	<i>24.0</i>	<i>58.3</i>	<i>(34.3)</i>	<i>-58.8%</i>
UNIFY	68.4	85.6	(17.2)	-20.1%
<i>WEB PUBLISHING (DIGITAL CONTENT, SOCIAL E-COMMERCE)</i>	<i>53.5</i>	<i>67.7</i>	<i>(14.2)</i>	<i>-21.0%</i>
<i>OTHER REVENUE (DIGITAL MARKETING)</i>	<i>14.9</i>	<i>17.9</i>	<i>(3.0)</i>	<i>-16.8%</i>
TOTAL REVENUE	883.5	1,145.2	(261.7)	-22.9%

Excluding the effect of changes in structure, H1 2020 revenues dropped by -22.6%

COST OF PROGRAMMES

(€M)	H1 2020	H1 2019	CHG.€M	CHG.%
DRAMA / TV MOVIES / SERIES / PLAYS	-109.0	-150.2	41.2	-27.4%
VARIETY / GAMESHOWS / MAGAZINES	-107.1	-138.2	31.0	-22.5%
NEWS (INCLUDING LCI)	-65.7	-70.2	4.5	-6.4%
MOVIES	-52.3	-55.5	3.2	-5.8%
CHILDREN'S PROGRAMMES	-4.2	-5.3	1.1	-20.8%
SPORTS	-0.5	-26.9	26.3	-98.0%
TOTAL	-338.8	-446.2	107.4	-24.1%

CURRENT OPERATING PROFIT PER SEGMENT

(€M)	H1 2020	H1 2019	CHG.€M	CHG.%
BROADCASTING	75.9	142.5	(66.6)	-46.7%
<i>MARGIN</i>	11.1%	16.0%	-	-4.9PTS
STUDIOS & ENTERTAINMENT	0.0	17.3	(17.3)	-100.0%
<i>MARGIN</i>	0.0%	10.2%	-	-10.2PTS
UNIFY	(8.1)	3.2	(11.3)	N/A
<i>MARGIN</i>	-	3.7%	-	-
CURRENT OPERATING PROFIT	67.8	163.0	(95.2)	-58.4%
<i>MARGIN</i>	7.7%	14.2%	-	-6.6PTS

CONSOLIDATED INCOME STATEMENT

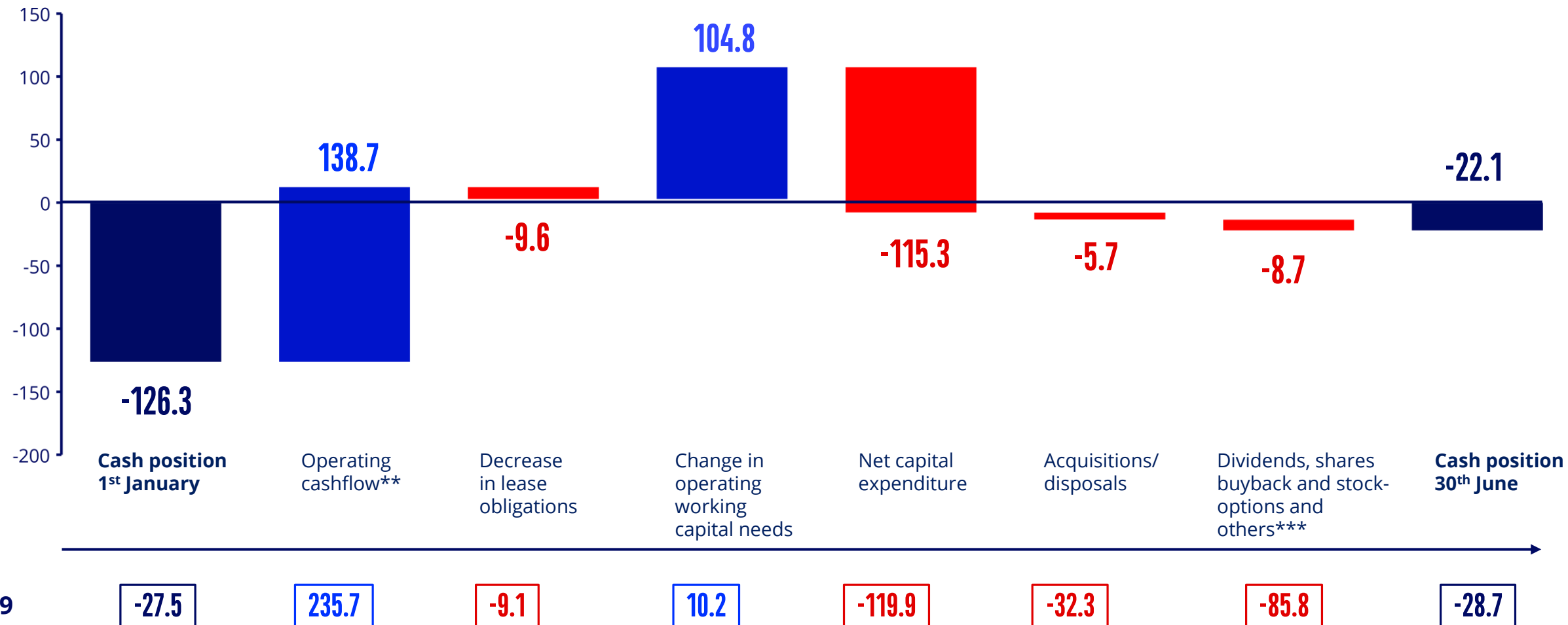
(€M)	H1 2020	H1 2019	CHG.€M	CHG.%
CONSOLIDATED REVENUE	883.5	1,145.2	(261.7)	-22.9%
TOTAL COST OF PROGRAMMES	(338.8)	(446.2)	107.4	-24.1%
OTHER CHARGES, DEPRECIATION, AMORTIZATION, PROVISIONS	(476.9)	(536.0)	59.1	-11.0%
CURRENT OPERATING PROFIT	67.8	163.0	(95.2)	-58.4%
<i>CURRENT OPERATING MARGIN</i>	7.7%	14.2%	-	-6.6PTS
OTHER OPERATING INCOME AND EXPENSES	0.0	0.0	0.0	N/A
OPERATING PROFIT	67.8	163.0	(95.2)	-58.4%
COST OF NET DEBT	(1.4)	(1.0)	(0.4)	40.0%
OTHER FINANCIAL INCOME AND EXPENSES	(5.5)	(3.3)	(2.2)	66.7%
INCOME TAX EXPENSE	(21.8)	(51.2)	29.4	-57.4%
SHARE OF PROFITS / (LOSSES) OF ASSOCIATES	(1.4)	(0.6)	(0.8)	133.3%
NET PROFIT	37.7	106.9	(69.2)	-64.7%
NET PROFIT ATTRIBUTABLE TO THE GROUP	38.4	107.3	(68.9)	-64.2%

BALANCE SHEET

CONSOLIDATED ASSETS (€M)	JUN.30TH 2020	DEC. 31ST 2019	CHG.€M
TOTAL NON-CURRENT ASSETS	1,507.5	1,507.3	0.2
TOTAL CURRENT ASSETS	1,938.7	1,836.8	101.9
TOTAL ASSETS	3,446.2	3,344.1	102.1
CONSOLIDATED LIABILITIES (€M)			
	JUN.30TH 2020	DEC. 31ST 2019	CHG.€M
TOTAL SHAREHOLDERS' EQUITY	1,591.1	1,564.1	27.0
<i>SHAREHOLDERS' EQUITY ATTRIBUTABLE TO THE GROUP</i>	<i>1,589.5</i>	<i>1,562.4</i>	<i>27.1</i>
TOTAL NON-CURRENT LIABILITIES	402.5	377.5	25.0
TOTAL CURRENT LIABILITIES	1,452.6	1,402.5	50.1
TOTAL LIABILITIES & SHAREHOLDERS' EQUITY	3,446.2	3,344.1	102.1
NET DEBT (-) EXCLUDING LEASE OBLIGATIONS	(22.1)	(126.3)	104.2
NET DEBT (-) INCLUDING LEASE OBLIGATIONS	(114.3)	(225.8)	111.5

TRENDS IN NET CASH POSITION H1 2020 (excluding the impact of IFRS 16*)

2020 €M



(*) Excluding lease obligations

(**) Cash flow after income from net surplus cash/cost of net debt, interest expense on lease obligations and income taxes paid

(***) Including acquisition of financial assets, net change in borrowings and cost of net debt

COVID-19 IMPACTS

- **Negative impact on H1 2020 results**
 - ✓ Total revenue drop of around €250m
 - ✓ EBIT drop of around €100m

- **Low visibility for the coming months**

- **Withdrawal of our objectives for 2021:**
 - ✓ Unify: revenue of at least €250m and EBITDA margin of at least 15%
 - ✓ TF1 group: improvement in return on capital employed relative to the 2018 level (8.8%)

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Outlook

STRONG LINE-UP TO SEIZE OPPORTUNITIES IN BACK-TO-SCHOOL PERIOD

- **New seasons of key franchises:** *Mask Singer, Koh Lanta, etc.*
- **TV premieres for French hit movies and international blockbusters:** *Le Sens de la Fête, A star is born, etc.*
- **Brand new mini series:** *Grand Hotel, HPI, Pourquoi je vis, etc.*
- **New hosts on LCI**

KEY FRANCHISES



@ChristopheChevalin - TF1

2nd season on TF1

FRENCH DRAMA



©Thibault Grabherr /Itinéraire Productions/TF1

HPI, new series on TF1

CINEMA



More than 3 million box office entries

LCI



Darius Rochebin and Eric Brunet

MANY NEW PRODUCTIONS IN THE PIPELINE FOR NEWEN

- **Strong line-up of shooting for H2 2020** with originals like *Grand Hotel* (TF1) and *Opera* (OCS)
- **2 new daily soaps** *Ici tout commence* (TF1) and *Lisa* (VTM) confirming Newen know-how in such format
- **More than 10 production projects for platforms** like the movie *Ferry* and the series *Undercover* (season 2) for Netflix both produced by De Mensen

TELFRENCE



DE
MEN
SEN



© VTM

DE
MEN
SEN



© Nyk Dekeyser

MORE OPPORTUNITIES TO COME

SALTO, A PLATFORM WITH LOCAL CONTENT ON AN UNPRECEDENTED SCALE

- Platform beta test in July 2020
- Launch in fall 2020

The logo for SALTO, featuring the word "SALTO" in a bold, dark blue, sans-serif font. The letters are spaced out, and there is a subtle shadow effect beneath the text.

FRENCH REGULATION COULD OPEN UP NEW OPPORTUNITIES FOR THE TF1 GROUP

- **Support for private audiovisual group through the settlement of a tax credit** based on 15% of the programming costs related to French and European drama and movies incurred between March and December 2020
- **Decrees to be signed this summer on TV advertising for movies and addressable TV**

CONCLUSION

- The TF1 group has demonstrated its high reactivity to face the crisis...
- ... and is confident in the long-term sustainability of its activities
 - ✓ High TV consumption level renews the relevance of TV as a media
 - ✓ Production and digital markets offer strong growth potential

MOVING TO TOTAL VIDEO

Q & A