PRESS RELEASE

Boulogne, 24 July 2019

2019 FIRST-HALF RESULTS

Group share of target audience[1] rises to 32.7% (+0.2 of a point year-on-year)

Rise in revenue to €1,145 million, up €62 million (+6%)

Strong Rise in current operating profit to €163 million, up €61 million (+60%)

Current operating margin higher than 14.0%

The TF1 Board of Directors, chaired by Gilles Pélisson, met on 24 July 2019 to close off the financial statements for the first half of 2019. 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 2019 first-half Financial Information Report and on the TF1 group corporate website: www.groupe-tf1.fr/en.

€m	Q1 2019	Q1 2018	Q2 2019	Q2 2018	H1 2019	H1 2018	Chg. €m	Chg. %
Consolidated revenue	553.7	499.3	591.5	584.3	1,145.2	1,083.6	61.6	5.7%
TF1 group advertising revenue	*394.9*	*368.7*	*441.1*	*443.7*	*836.0*	*812.4*	*23.6*	*2.9%*
Revenue from other activities	*158.8*	*130.6*	*150.4*	*140.6*	**309.2**	*271.2*	*38.0*	*14.0%*
Consolidated revenue	553.7	499.3	591.5	584.3	1,145.2	1,083.6	61.6	5.7%
Broadcasting	419.7	402.3	471.1	466.7	890.8	869.0	21.8	2.5%
o/w Advertising	*375.7*	*366.3*	*415.7*	*425.6*	*791.4*	*791.9*	*(0.5)*	*-0.1%*
Studios & Entertainment	93.5	97.0	75.3	88.8	168.8	185.8	(17.0)	-9.1%
Digital (Unify)	40.5	-	45.1	28.8	85.6	28.8	56.8	x3.0
Cost of programmes	(222.1)	(230.0)	(224.1)	(269.2)	(446.2)	(499.2)	53.0	-10.6%
Current operating profit	62.9	39.0	100.1	63.0	163.0	102.0	61.0	x1.6
Current operating margin	*11.4%*	*7.8%*	*16.9%*	*10.8%*	*14.2%*	*9.4%*	*-*	*+4.8 pts*
Broadcasting	49.9	26.7	92.6	53.2	142.5	79.9	62.6	x1.8
Studios & Entertainment	13.1	12.3	4.2	7.1	17.3	19.4	(2.1)	-10.8%
Digital (Unify)	(0.1)	-	3.3	2.7	3.2	2.7	0.5	18.5%
Operating profit	62.9	33.3	100.1	57.7	163.0	91.0*	72.0	x1.8
Net profit attributable to the Group	40.6	24.6	66.7	41.0	107.3	65.6	41.7	x1.6

Consolidated revenue of the TF1 group for the first half of 2019 reached **€1,145.2 million**, an increase of €61.6 million (including organic growth of 29%) representing year-on-year growth of 5.7%. Advertising revenue was €836.0 million, up 2.9% year-on-year; this figure includes advertising revenue from both the Broadcasting and Digital (Unify) segments.

The Group posted **current operating profit** for the first half of 2019 of **€163.0 million****, a rise of €61.0 million. **Current operating margin** increased sharply this half to **14.2%**, 4.8 points higher year-on-year.

Net profit attributable to the Group for the first half of 2019 was up €41.7 million at **€107.3 million**.

[1] Women aged under 50 purchasing decision-makers (W<50PDM).
[*] In the first half of 2018, current operating profit included €11.0 million of n/on-current charges relating to amortisation of audiovisual rights remeasured in connection with the Newen Studios acquisition.
[**] Operating profit after leases (i.e. excluding the impact of IFRS 16) for the first half of 2019 was €161.1 million, up €61.1 million year-on-year.

Analysis by segment

Broadcasting

- **Broadcasting segment revenue** for the first half of 2019 reached €890.8 million, a rise of €21.8 million (+2.5%).
  - Advertising revenue for the Broadcasting segment was stable at €791.4 million (-0.1%): the broadcasting of the men's Football World Cup in 2018 had generated extra revenue last year. Non-linear advertising revenue continues to rise, both by volume and value.
  - Revenue from other Broadcasting segment activities advanced by €22.3 million. This increase reflected the incremental revenue contribution from the agreements signed with telecoms operators and Canal+, and the proceeds from the resale to Canal+ of the entire pay-TV rights to the women's Football World Cup.

The Group achieved shares of 32.7% (+0.2 of a point year-on-year) among the target audience of W<50PDM, and 29.6% (+0.4 of a point year-on-year) among the target audience of 25-49 year-olds. MYTF1 recorded 767.3 million video views in the first half, 9% higher year-on-year. These fine results show that the Group has made the right programming choices across all genres:

- Entertainment: on TF1, *Koh-Lanta* (5.1 million viewers, 19% in timeshift[2], 38% share of W<50PDM and 36% of 25-49 year-olds); on TMC, *Quotidien* (season 3 averaged 1.4 million viewers and an 11% share of 25-49 year-olds); and on TFX, *10 couples parfaits* (average 10% of younger viewers aged 15-24).
- Audiences for news programmes remain consistently high. On average, the evening bulletin attracts 5.4 million, and the lunchtime bulletin 5.0 million. Our news magazine programmes confirmed their market leader status in their respective time slots: *Le 20H le mag* averaged 4.8 million viewers, and *Sept à huit* 3.3 million. LCI, the Group's news channel, has seen a surge in audiences, reaching a 1.0% share of individuals aged 4+ in the first half (+0.4 of a point year-on-year).
- French drama: on TF1, season 2 of *Les Bracelets Rouges* (average 6.0 million viewers, 25% in timeshift[2]) and *Demain nous appartient* (best-ever audience ratings with an average of 3.9 million viewers, 21% in timeshift[2]).
- American series, thanks to bold choices that are paying off, especially *Manifest* on TF1 (average 5.2 million viewers, 25% in timeshift, and a 41% share of W<50PDM), building on the successes of 2018 such as *Good Doctor*.
- Movies continue to attract big audiences across all the Group's channels, for example *Bienvenue chez les Ch'tis* (6.7 million viewers), *Alibi.com* (6.2 million), *Sully* (6.2 million) on TF1, *Les Visiteurs* on TMC (1.5 million) and *2012* on TF1 Séries Films (0.9 million).
- Finally, the success of the women's Football World Cup offered yet another example of the TF1 group's unrivalled ability to attract the broadest audiences (games involving the French national team averaged nearly 10 million viewers, and the total reach of the competition within France was 44 million people). This performance demonstrates our expertise in publicising and promoting major events to viewers and advertisers well in advance of launch.

- The **cost of programmes** on the Group's five free-to-air channels for the first half was €446.2 million, down €53.0 million year-on-year. This reflects close control over programming costs, but also the favourable impact this year of the broadcasting of the men's Football World Cup in 2018. Some of those savings are being reinvested in a promising line-up for the second half of 2019 featuring the Rugby World Cup, the landmark show *Mask Singer*, and the new drama *Le Bazar de La Charité*. The Group is reiterating its guidance of an average total cost of programmes of €990 million for 2019-2020.

- The **Broadcasting segment** reported a **current operating profit** of €142.5 million, up a hefty €62.6 million year-on-year. This represents a current operating margin of 16%, 6.8 points up on the first half of 2018, and the highest level since the first half of 2011. Semester after semester, the TF1 group is reaping the benefits of the transformation of its broadcasting activities towards a sustainable, value-creating model.

Studios & Entertainment

- **Studios & Entertainment segment revenue** for the first half of 2019 was €168.8 million, down €17.0 million year-on-year, mainly as a result of the deconsolidation of the Home Shopping business that was sold at the start of April.
  First-half revenue at Newen was affected by a tough basis of comparison caused by the delivery last year of Season 3 of *Versailles*. However, Newen's flagship shows (such as *Plus Belle La Vie*, *Demain Nous Appartient*, *Candice Renoir*) are still attracting large audiences, and the group's international expansion is set to continue with the perspective of acquisition of Canadian TV movie producer and distributor Reel One[3]. Reel One is a high-potential asset, building on Newen's existing strengths in audiovisual production and distribution.

  Revenue continues to grow at TF1 Entertainment, driven by its PlayTwo music label, in which TF1 has recently raised its stake to 51%. This has partially offset a weaker performance from TF1 Studios since the start of the year.

- The segment posted a **current operating profit** of €17.3 million, down €2.1 million year-on-year, and generated an operating margin of 10.2%.

[2] Timeshift = Catch-up TV + private recording
[3] Newen's acquisition of Reel One is subject to approval from the Department of Canadian Heritage under the Investment Canada Act.

Digital (Unify)

- **Revenue from the Digital segment** was €85.6 million. Social e-commerce continues to grow, with the number of boxes sold in the first half up 14% year-on-year especially with the fine performances from Gambettes Box and Beautiful Box. In digital content production, the Group's sites are still pulling in large audiences, with Doctissimo reaching an all-time high of 13.8 million unique visitors in May 2019. Finally, digital marketing made further advances, especially with Gamned! which is enjoying strong growth in the programmatic market.

  The first half of 2019 also saw the first synergies between Unify and TF1. A highlight of the second half will be the launch of a single unified advertising offer that will give advertisers access to higher added-value campaigns spread across all Unify assets and brands.

- **Current operating profit** for the first half was €3.2 million. This reflects seasonal trends in the business, and profit will pick up as the year progresses.

Financial position

Shareholders' equity attributable to the Group was €1,576.0 million at 30 June 2019 out of a balance sheet total of €3,368.9 million.

Excluding lease obligations[4], the TF1 group had net debt of €28.7 million at 30 June 2019 (net debt of €127.0 million including lease obligations[4]), compared with net debt of €27.5 million at 31 December 2018 (net debt of €130.9 million including lease obligations[4]). Cash flow generated by operating activities was sharply higher year-on-year at €249 million, and covered the dividend payout as well as funding the expansion of our production activities and our acquisitions.

Outlook

Our 2019 first-half results confirm our ability to **improve profitability** by **adjusting our core business model** while **developing new growth territories**.

During the second half of the year, the Group will continue to:

- broadcast premium programmes with broad appeal;
- deliver a simplified and enhanced customer experience, thanks to the recent makeover of the MYTF1 OTT platform and its rollout on operators' set top boxes and to the forthcoming launch of Salto[5];
- consolidate its position in audiovisual production and distribution;
- offer advertisers higher added-value solutions by exploiting data and unlocking synergies with the Unify advertising sales house.

We are reiterating the following guidance:

- **in 2019**:
  - **target of double-digit current operating margin**;

- **on average over 2019-2020**:
  - **total cost of programmes of €990 million;**

- **in 2021**:
  - **revenue of at least €250 million from the Unify digital division;**
  - **EBITDA margin of at least 15% from the Unify digital division;**
  - **improvement in the TF1 group's return on capital employed[6]** relative to the 2018 level.

The statutory auditors have conducted a review of the financial statements, on which they have issued an unqualified report.
The presentation and financial information report for the first half of 2019 are available on our corporate website: http://www.groupe-tf1.fr/en.
A conference call is scheduled for 24 July 2019 at 6.30pm (Paris time).
For details of how to connect go to http://www.groupe-tf1.fr/fr/investisseurs.

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[4] Under IFRS 16, applicable from 1 January 2019.
[5] Subject to approval from the French Competition Authority.
[6] ROCE = the ratio of [current operating profit - theoretical income tax expense + net profit from associates] for a given year to average capital employed that year and the previous year. Capital employed = shareholders' equity including minority interests + net debt at period-end. Excluding the impact of IFRS 16, the TF1 group's ROCE was 8.8% in 2018.