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TF1 GROUP 2021 FIRST-HALF RESULTS

First-half consolidated revenue up 27.8% at €1,128.7m, close to 2019 level

Advertising revenue up 71.5% in Q2 2021 at €444.6m, up 1% on 2019

Current operating profit €169.1m in H1 2021, current operating margin 15%

**2021 guidance: double-digit current operating margin from 2021,
in line with 2019 levels**

Boulogne, 28 July 2021

The TF1 Board of Directors, chaired by Gilles Pélisson, met on 27 July 2021 to close off the financial statements for the first half of 2021. The results below are presented using the new segmental reporting structure adopted by the TF1 group and in accordance with IFRS 16 (applicable from 1 January 2019). Published revenue and operating profit data are available in our 2021 first-half Financial Information Report and on the TF1 group corporate website: www.groupe-tf1.fr/en.

(€m)	Q1 2021	Q1 2020	Q2 2021	Q2 2020	H1 2021	H1 2020	CHG. €M	CHG. %
TF1 group advertising revenue*	357.9	355.8	444.6	259.2	802.5	615.0	187.5	30.5%
Revenue from other activities*	151.9	138.1	174.3	130.4	326.2	268.5	57.7	21.5%
Media **	444.5	444.1	538.9	340.9	983.4	785.0	198.4	25.3%
Advertising revenue**	357.8	355.8	444.6	259.3	802.4	615.0	187.4	30.5%
o/w digital advertising revenue**	27.9	27.4	35.2	25.3	63.1	52.7	10.4	19.7%
Newen Studios**	65.2	49.9	80.1	48.6	145.3	98.4	46.9	47.6%
Consolidated revenue*	509.8	493.9	618.9	389.6	1,128.7	883.5	245.2	27.8%
Media **	46.8	42.7	100.6	28.1	147.4	70.8	76.6	108.1%
Newen Studios**	10.0	(0.7)	11.7	(2.3)	21.7	(3.0)	24.7	-
Current operating profit*	56.8	42.0	112.3	25.8	169.1	67.8	101.3	149.4%
Current operating margin*	11.1%	8.5%	18.1%	6.6%	15.0%	7.7%	-	+7.3pts
Operating profit*	56.8	42.0	109.9	25.8	166.7	67.8	98.9	145.9%
Net profit attributable to the Group*	34.3	24.0	74.1	14.4	108.4	38.4	70.0	182.3%
Cost of programmes for the 5 channels*	(202.1)	(199.1)	(246.6)	(139.7)	(448.7)	(338.8)	(109.9)	32.4%
Cost of programmes***	(210.8)	(208.2)	(255.6)	(147.2)	(466.4)	(355.4)	(111.0)	31.2%

*Published data

**Proforma data

***"Cost of programmes" is a new indicator, which replaces "Cost of programmes for the 5 channels" from 31 March 2021. Unlike the previous indicator, it includes costs associated with non-linear activities (MYTF1, LCI Digital) and with the theme channels (TV Breizh, Ushuaïa TV and Histoire TV).

In light of (i) the strategy implemented from autumn 2020 of developing synergies between the TF1 group's broadcasting activities and its digital operations (Unify), (ii) the organisational changes announced on 23 June 2021¹ and (iii) the divestment of TF1 Games, the Group has changed the composition of its operating segments with effect from the first half of 2021.

The Group's digital operations (Unify) are now included with our broadcasting activities in a new operating segment, "Media", alongside our music and entertainment activities. This allows for a better understanding of our content production and distribution operations, via a separate segment ("Newen Studios").²

To facilitate the interpretation of the Group's results for the six months ended 30 June 2021, proforma figures for the six months ended 30 June 2020 are provided using the new presentation.

Consolidated revenue of the TF1 group for the first half of 2021 reached **€1,128.7 million**, a sharp increase of €245.2 million (**+27.8%**). On a constant structure basis and at constant exchange rates, consolidated revenue was up 28.5%.

Group advertising revenue was €802.5 million, a year-on-year rise of €187.5 million (**+30.5%**). This sharp increase was mainly driven by strong momentum in TV advertising during the second quarter, the Q2 2020 comparative having been affected by the first lockdown.

Revenue from other activities amounted to €326.2 million, up €57.7 million (**+21.5%**). Content production activities at Newen posted strong revenue growth compared with the previous year, when most shooting was suspended for nearly two months.

Current operating profit amounted to **€169.1 million**³, an increase of €101.3 million versus the H1 2020 figure of €67.8 million. The H1 2021 figure includes a TV broadcasters tax credit of approximately €20 million, offset against an increase in impairment allowances due to a higher level of programme deliveries than in 2020.

This topped the level achieved in 2019 (€163.0 million). **Current operating margin for the period was 15.0%**.

Operating profit came to €166.7 million, after charging €2.4 million of non-recurring expenses relating to the proposed merger between TF1 and M6.

Net profit attributable to the Group was **€108.4 million**, up €70.0 million year-on-year.

¹ See press release issued 23 June 2021: https://groupe-tf1.fr/sites/default/files/communiqués/communiqué_de_presse_-_evolution_organisation_groupe_tf1.pdf

² For the first half, the divested operations of TF1 Games continue to be presented within the Newen Studios segment.

³ Current operating profit after leases (i.e. excluding the impact of IFRS 16) for H1 2021 was €167.6 million, up €101.5 million year-on-year.

Media

— *Audiences*⁴

French viewers' enthusiasm for television held up strongly in the first half of 2021. **Average daily viewing time among individuals aged 4+ was 3 hours 45 minutes**, down year-on-year but **17 minutes higher than in the first half of June 2019**.

The audience share of the TF1 group among advertising targets remained high, and increased year-on-year (33.5% of W<50PDM⁵, +1.6 points; 30.5% of 25-49 year-olds, +0.9 of a point), demonstrating the appeal of TV and the pulling power of the Group's channels.

In the first half of 2021, **as public health restrictions gradually eased, the TF1 group's channels again proved their ability to unite, entertain and inform the people of France**. These good performances were built on successes across all targets and content genres:

- **A strong French drama offering**, including the runaway success of the new series *HPI* which attracted up to **12.4 million** viewers and a best-ever TV catch-up audience of over 2.4 million (adding an extra 20%).
- **The return of must-see sport**, with the **Euro 2020** football tournament attracting a peak audience of **16.3 million** for the France/Switzerland match.
- **Iconic entertainment shows** achieving high viewing figures, such as *The Voice* (peak audience of 6.8 million) and *Quotidien* on TMC, France's most-watched talk-show (peak audience of 2.4 million).
- **Go-to news coverage**, with strong ratings for the **lunchtime bulletin** (peak of 6.5 million viewers, 45.5% share of individuals aged 4+) and the **evening bulletin** (25.3% share of individuals aged 4+ on weekdays, rising to 28.0% at weekends).

The TF1 group's online platforms also posted strong ratings, **leveraged by non-linear viewing figures on the MyTF1 catch-up platform**, racking up 1.4 billion video views to end June 2021 (**up 21% year-on-year**).

Every day, nearly **33 million French people are reached by at least one of the TF1 group's channels**.

On the Marmiton website, the number of sessions⁶ hit 320 million by end June 2021. Marmiton's successful positioning was recently recognised with the award of the Harris Interactive "Label of Excellence". **The number of sessions on the Doctissimo website was 178 million**. Both sites were confirmed as market leaders in their special-interest category.

⁴ TV viewing figures from Médiamétrie.

⁵ Women aged under 50 purchasing decision-makers.

⁶ "Sessions" represent the number of individual sessions initiated by all users of the website.

- **Revenue for the Media segment reached €983.4 million, a rise of €198.4 million (+25.3%).**
 - **Media segment advertising revenue** for the first half of 2021 was up 30.5% at €802.4 million, helped by a favourable prior-year comparative reflecting the economic impact of the lockdown from March to May 2020. **Some sectors such as leisure, arts and apparel, where advertising spend had previously been in decline, actually increased their spend relative to the second quarter of 2019. Digital advertising revenue** amounted to €63.1 million, up €10.4 million on the first half of 2020, driven mainly by MyTF1. Advertising revenue from the Group's websites (**Marmiton, Doctissimo**) was marginally lower than in the first half of 2020.
 - **Revenue from other Media segment activities** advanced by €11.0 million year-on-year, lifted by a recovery in advertiser services (**Ykone, Ganned**) and strong momentum in subscription box sales (including **My Little Paris**). Despite a tough prior-year comparative, interactivity revenue held steady year-on-year thanks to the screening of the Euro 2020 football tournament.
- **The TF1 group's cost of programmes reached €466.4 million**, an increase of 31.2% on the 2020 first-half figure of €355.4 million. April and May 2020 were marked by substantial cost savings on programmes, designed to absorb the erosion of advertising revenue. During 2021, a controlled ramp-up of programme spend - so we can broadcast a rich and diverse range of all-new content - has enabled us to meet the expectations of our advertisers.
- **The Media segment reported a current operating profit of €147.4 million**, a year-on-year rise of €76.6 million, generating **current operating margin of 15.0% (up 6.0 points year-on-year)**.

Newen Studios⁷

The Newen Studios group, which has operations in seven countries, produces and distributes content across several genres such as drama, unscripted shows, cartoons, documentaries, TV movies, and feature films.

- **The Newen Studios segment posted revenue of €145.3 million for the first half of 2021, up €46.9 million year-on-year.**

Operating results during the first six months were boosted by a catch-up effect, with some productions scheduled for 2020 (especially in Canada and Belgium) having been postponed due to the Covid-19 crisis. Shooting is now proceeding normally for our studio teams, subject to strict compliance with barrier measures.

⁷ For the first half, the divested operations of TF1 Games continue to be presented within the Newen Studios segment.

Newen continues to expand internationally, as shown by the acquisition of a majority stake in Spanish producer iZen (which is fully consolidated from June 2021). **The Group has also struck major partnership deals with other industry players** such as **A&E Networks**, which has acquired a 35% stake in Newen's Canadian subsidiary Reel One to accelerate growth in its operations⁸. **Overall revenue at Newen Studios was up 47.6% year-on-year, with activities outside France accounting for 40% of total revenue.**

During the first half a number of productions for pure player platforms were confirmed, such as ***Diamonds*** in the first quarter (a De Mense production for Netflix) and more recently ***Liaison***, the first major French-language series to be commissioned by Apple TV+ (co-produced by Newen subsidiaries Léonis Productions and Ringside Studios). **Orders from platforms represented 28% of the total book of orders at end June 2021, compared with 7% a year earlier. Overall, the book of orders stands at 1,500 hours.**

Distribution activities are also buoyant, as witness the new series HPI - the most successful drama series on TF1 for 15 years - which is being distributed by Newen in a number of countries outside France.

- **The Newen Studios segment reported a current operating profit of €21.7 million**, a marked upswing of €24.7 million from the €3.0 million loss posted in the first half of 2020. **The segment's current operating margin was 15.0%.**

Financial position

Shareholders' equity attributable to the Group was **€1,626.5 million** as of 30 June 2021 out of a balance sheet total of €3,540.2 million.

Free cash flow (before changes in working capital requirements) **amounted to €165.7 million in the first half of 2021.**

The TF1 group had net surplus cash of €34.3 million as of 30 June 2021 (net debt of €46.8 million including lease obligations), compared with net debt of €0.7 million at 31 December 2020 (net debt of €93.1 million including lease obligations).

Extra-financial performance

During the first half of 2021, **the TF1 group screened numerous programmes on social issues**, especially on issues around disability (such as the drama *Mention particulière 2*). The Group also carried out an in-depth review of the editorial line of its aufeminin website, to place greater emphasis on social issues and inclusivity. On the production side, Newen Studios is piloting an eco-production approach on a number of programmes (including *Plus Belle la Vie*), and is working to develop a standard for measuring eco-friendly production performance.

⁸ See the press release issued on 25 June 2021 : https://groupe-tf1.fr/sites/default/files/communiqués/press_release_newen_ae_networks_june_24_2021.pdf

Over the first six months of the year, TF1 and LCI carried an impressive total of 210 news stories on environmental issues.

The TF1 group was issued a C+ score by the ISS ESG rating agency, and given “prime” status in the media sector.

Outlook

The guidance below assumes no further deterioration in the public health situation.

The creation of the new Media segment will help the Group unlock new synergies and strengthen its position across all content distribution channels. The back-to-school period promises an ambitious line-up, accessible by both linear and non-linear viewers, featuring strong programmes from all-new French drama like *Une affaire française* and *Il est Elle* to new seasons of *Danse avec les Stars*, *The Voice*, *Mask Singer* and *District Z*. This will confirm our central role in the total video universe, delivering what advertisers want. Backed by a scheduling strategy designed to conquer market share and a strong know-your-customer ethos, our ad sales teams are primed to create even more value for advertisers.

Newen Studios will pursue its objectives of **growing revenue outside the French market and increasing its book of orders with pure player platforms.**

Given the incorporation of our Digital activities within the Media segment, we are not reiterating the guidance announced in February 2021 for the current operating margin of our Unify division. Buoyed by this reorganisation and its high potential for synergies, and by the pick-up in production activities, **the TF1 group expects double-digit current operating margin from 2021, in line with 2019 levels.**

Following a favourable opinion from employee representative bodies at the end of June 2021, **the Bouygues and RTL groups announced on 8 July that they had signed agreements relating to the proposed merger between the TF1 and M6 groups.**

Closing of the transaction remains subject to regulatory approvals from the French competition authority (ADLC) and French broadcasting industry regulator (CSA), who are now in a position to complete their analysis of the deal within the time-frame initially set.

Our Financial Information Report for the first half of 2021 is available at <http://www.groupe-tf1.fr/en>.
A conference call on our first-half results is scheduled for 09.30 CET on 28 July 2021.
For details of how to connect go to <https://www.groupe-tf1.fr/en/investors/results-and-publications>, and click on “Access our results announcements for the current year”.

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