

PRESS RELEASE

Boulogne, 29 April 2019

2019 FIRST-QUARTER RESULTS

Strong growth in revenue to €554 million, up €54 million (+11%)

Rise in current operating profit to €63 million, up €24 million (+61%)

Current operating margin of 11.4% (up 3.6 points)

Guidance of double-digit current operating margin in 2019 reiterated

The TF1 Board of Directors, chaired by Gilles Pélisson, met on 29 April 2019 to close off the financial statements for the first quarter 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-quarter Financial Information Report and on the TF1 group corporate website: www.groupe-tf1.fr/en.

€m	Q1 2019	Q1 2018	Chg. €m	Chg. %
Consolidated revenue	553.7	499.3	54.4	10.9%
<i>o/w TF1 group advertising revenue</i>	<i>394.9</i>	<i>368.7</i>	<i>26.2</i>	<i>7.1%</i>
Consolidated revenue	553.7	499.3	54.4	10.9%
Broadcasting	419.7	402.3	17.4	4.3%
Studios & Entertainment	93.5	97.0	(3.5)	-3.6%
Digital (Unify)	40.5	-	40.5	N/A
Cost of programmes	(222.1)	(230.0)	7.9	-3.4%
Current operating profit	62.9	39.0	23.9	61.3%
<i>Current operating margin</i>	<i>11.4%</i>	<i>7.8%</i>	<i>-</i>	<i>+3.6pts</i>
Broadcasting	49.9	26.7	23.2	86.9%
Studios & Entertainment	13.1	12.3	0.8	6.5%
Digital (Unify)	(0.1)	-	(0.1)	N/A
Operating profit	62.9	33.3*	29.6	x1.9
Net profit attributable to the Group	40.6	24.6	16.0	x1.7

Consolidated revenue of the TF1 group for the first quarter of 2019 reached **€553.7 million**, an increase of €54.4 million (+10.9%) year-on-year, including €18.7 million of organic growth and €35.7 million of external growth. Advertising revenue was €394.9 million, a year-on-year increase of 7.1%; this figure includes advertising revenue from both the Broadcasting and Digital business units.

The Group posted a **current operating profit** for the first quarter of 2019 of **€62.9 million****, a rise of €23.9 million. **Current operating margin increased sharply this quarter to 11.4%**, 3.6 points higher year-on-year.

Net profit attributable to the Group for the first quarter of 2019 was up €16.0 million at **€40.6 million**.

* In the first quarter of 2018, current operating profit included €5.7 million of non-current charges relating to amortisation of audiovisual rights remeasured in connection with the Newen Studios acquisition.

** 2019 first-quarter current operating profit after lease (excluding the impact of IFRS 16), was €62.0 million, up €24.0 million year-on-year.

Analysis by activity

Broadcasting

- **Revenue for the Broadcasting activity** for the first quarter of 2019 reached €419.7 million, a rise of €17.4 million. This growth was a combination of stronger linear and non-linear advertising revenue linked to the Group's healthy viewing figures, and the incremental revenue contribution from the agreements signed with the telecom operators and Canal+.

The Group performed well in both linear and non-linear. The Group achieved shares of 32.3% (up 0.1 of a point year-on-year) among the target audience of "women aged under 50 purchasing decision-makers" (W<50PDM), and 29.4% among the target audience of 25-49 year-olds (up 0.8 of a point year-on-year). MYTF1 recorded 375 million video views in the first quarter, 8% higher year-on-year. These good performances reflect successes across all targets, distribution channels and content genres:

- Entertainment: on TF1, *Le Monde des Enfoirés* (9.4 million viewers) and *Koh-Lanta* (5.6 million viewers, including 20% in timeshift¹, and a 40% audience share of W<50PDM and 39% of 25-49 year-olds); *Quotidien* on TMC (average of 1.5 million viewers and 11% share of 25-49 year-olds); *Tattoo Cover* on TFX (average of 7% of the younger target of 15-24 year-olds); and the all-new *La Villa des Cœurs Brisés* (DTT market leader with 8% of W<50PDM and 11% of 15-24 year-olds);
 - News: audiences are on the up with the TF1 news bulletins still at high levels; the evening bulletin averaged 5.8 million viewers and the lunchtime bulletin 5.3 million. The LCI rolling news service has seen a very sharp rise in audiences, reaching a 1.1% share of individuals aged 4+ (up 0.5 of a point year-on-year).
 - French drama: on TF1, season 2 of *Les Bracelets Rouges* (average 5.9 million viewers, including 1.3 million or 20% of the total in timeshift¹) and *Infidèles* (5.7 million viewers over the season).
 - American series: on TF1, *S.W.A.T* (4.8 million viewers on average, peaking at 5.9 million) and the new season of *Grey's Anatomy* (37% average share of the W<50PDM audience).
 - Movies: TV premiere of *Radin* on TF1 (6.1 million viewers); *Qu'est-ce qu'on a fait au bon Dieu ?* on TMC (2.9 million viewers, second-biggest ever audience for a movie on a DTT channel); *L'Arme fatale 3 (Lethal Weapon 3)* on TF1 Séries Films (1 million viewers).
 - Sport: the Moldova-France football match pulled in 6.4 million viewers on TF1, and the Iceland-France match on the World Handball Championship attracted 1.4 million on TMC.
- The **cost of programmes** on the Group's five free-to-air channels was €222.1 million, down €7.9 million year-on-year. The Group has once again demonstrated its ability to optimise its programming cost structure while keeping audiences high, and is reiterating its guidance of an average total cost of programmes of €990 million for 2019-2020.
 - The **Broadcasting activity** reported a **current operating profit** of €49.9 million, up €23.2 million year-on-year. Current operating margin reached 11.9%, up 5.3 points year-on-year. This rise illustrates the transformation of the Broadcasting activity towards a virtuous cycle of value creation, as diversification of revenue sources and incremental top-line gains combine with well-controlled programming costs.

Studios & Entertainment

- **Studios & Entertainment activity revenue** for the first quarter of 2019 was €93.5 million, down €3.5 million year-on-year. After stripping out the reclassification of Newen's web activities (Neweb) into the new digital business unit (Unify), revenue was broadly in line with the comparable period of 2018.

This quarter, Newen delivered *Osmosis*, its first series for Netflix, and continued to expand internationally with the acquisition of Belgian company De Mensen at the end of February. Revenue at Newen is set to increase in the months ahead given the pipeline currently in production.

TF1 Studios reported stable year-on-year revenue, with this quarter's two general release films compensating for a decline in the video business. TF1 Entertainment continues to grow, driven largely by its PlayTwo music label.

Finally, the TF1 group announced on 11 April that it had completed the sale of the operational side of the Home Shopping business Téléshopping², the results of which will be deconsolidated from the second quarter of 2019 onwards.

- The business unit posted a **current operating profit** of €13.1 million, up €0.8 million year-on-year, and generated an operating margin of 14.0%.

¹ Timeshift = Catch-up TV + private recording

² Refer to the press release issued on 11 April 2019.

Digital (Unify)

- Revenue from the **new Digital activity** was €40.5 million. Overall, revenues were higher year-on-year, especially at Aufeminin.
- The business unit broke even at **current operating profit** level. 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 €1,598.8 million at 31 March 2019 out of a balance sheet total of €3,329.8 million.

Excluding lease obligations³, the TF1 group had a net cash surplus of €33.5 million at 31 March 2019 (net debt of €69.6 million including lease obligations³), compared with net debt of €27.5 million at 31 December 2018 (net debt of €130.9 million including lease obligations³). This positive trend in net debt illustrates the Group's ability to generate cash flows thanks to strong top-line growth.

Movements in share capital

Between 1 January and 31 March 2019, 92,400 shares were issued as a result of the exercise of stock options.

In line with its previous announcement, the Group repurchased 415,251 of its own shares in the first quarter of 2019 at an average price of €8.50 per share⁴, representing a total outlay of €3.5 million. As announced, the repurchased shares will be cancelled.

As of 31 March 2019, there were 210,021,340 shares outstanding, and there were 209,606,089 exercisable voting rights. The share capital stood at €42,004,268.

Governance

The Annual General Meeting of 18 April 2019 voted in favour of the reappointment of Pascaline de Dreuzy, Gilles Pélisson and Olivier Roussat as Directors for a three-year term of office. It also voted in favour of the appointment of Marie Pic-Pâris Allavena as an independent director for a three-year term of office.

The Board of Directors confirmed Gilles Pélisson as Chairman and Chief Executive Officer of the TF1 group for a three-year term, following the renewal of his term of office as a director.

Outlook

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

We continue to adapt to our environment, and are reiterating the following guidance:

- **in 2019:**
 - o **target of double-digit current operating margin;**
- **on average over 2019-2020:**
 - o **total cost of programmes of €990 million;**
- **in 2021:**
 - o **revenue of at least €250 million from the Unify digital division;**
 - o **EBITDA margin of at least 15% from the Unify digital division;**
 - o **improvement in the TF1 group's return on capital employed⁵ relative to the 2018 level.**

Our Financial Information Report for the first quarter of 2019 is available at <http://www.groupe-tf1.fr/en>.
A conference call is scheduled for 29 April 2019 at 6.30pm (Paris time).
For details of how to connect to the conference call go to <http://www.groupe-tf1.fr/en/investisseurs/en>.

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³ IFRS 16, applicable from 1 January 2019.

⁴ Refer to the press releases issued on 22 March and 1 April 2019.

⁵ 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.