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TF1 GROUP 2021 FULL-YEAR RESULTS

Operational successes and strong results in 2021

**Consolidated revenue of €2,427.1m (+16.6% vs. 2020
and +3.8% vs. 2019)**

**Current operating profit of €343.2m (+€153.1m vs. 2020
and +€88.1m vs. 2019)**

Current operating profit margin of 14.1%

Boulogne, 11 February 2022

The TF1 Board of Directors, chaired by Gilles Pélisson, met on 10 February 2022 to close off the financial statements for the year ended 31 December 2021. The results below are presented using the segmental reporting structure adopted by the TF1 group and in accordance with IFRS 16. Published revenue and operating profit data are available in our 2021 Financial Information Report and on the TF1 group corporate website: www.groupe-tf1.fr/en.

| (€m) | Q4 2021 | Q4 2020 | FY 2021 | FY 2020 | CHG. €M | CHG. % | FY 2019 |
|--|--------------|---------------|----------------|----------------|--------------|---------------|----------------|
| TF1 group advertising revenue* | 532.1 | 522.5 | 1,694.6 | 1,483.3 | 211.3 | 14.2% | 1,651.1 |
| Revenue from other activities* | 243.8 | 197.8 | 732.5 | 598.4 | 134.1 | 22.4% | 686.2 |
| Media ** | 660.5 | 637.9 | 2,091.5 | 1,847.7 | 243.8 | 13.2% | |
| Advertising revenue** | 531.7 | 522.3 | 1,694.1 | 1,482.7 | 211.4 | 14.3% | |
| o/w digital advertising revenue** | 48.9 | 44.4 | 142.5 | 128.3 | 14.2 | 11.1% | |
| Newen Studios** | 115.4 | 82.4 | 335.6 | 234.0 | 101.6 | 43.4% | |
| Consolidated revenue* | 775.9 | 720.3 | 2,427.1 | 2,081.7 | 345.4 | 16.6% | 2,337.3 |
| Media ** | 110.8 | 45.7 | 304.6 | 167.5 | 137.1 | 81.9% | |
| Newen Studios** | 9.3 | 18.8 | 38.6 | 22.6 | 16.0 | 70.8% | |
| Current operating profit* | 120.1 | 64.5 | 343.2 | 190.1 | 153.1 | 80.5% | 255.1 |
| Current operating margin* | 15.5% | 9.0% | 14.1% | 9.1% | - | +5pts | 10.9% |
| Operating profit* | 115.0 | (10.5) | 332.9 | 115.1 | 217.8 | 189.2% | 255.1 |
| Net profit attributable to the Group* | 78.1 | (21.8) | 225.3 | 55.3 | 170.0 | 307.4% | 154.8 |
| Cost of programmes*** | (296.5) | (321.5) | (981.0) | (868.2) | (112.8) | 13.0% | (1,011.6) |
| Cost of programmes for the 5 channels* | (283.6) | (311.4) | (941.0) | (833.2) | (107.8) | 12.9% | (985.5) |

*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, Ushuaia TV and Histoire TV). Former indicator "cost of programmes for the 5 channels" is published until December 2021.

Consolidated revenue of the TF1 group amounted to **€2,427.1 million** at end-2021, a sharp increase of €345.4 million year-on-year (**+16.6%**¹). It also exceeded the levels recorded at end-2019 (**+3.8%**).

Group advertising revenue was €1,694.6 million, a year-on-year rise of €211.3 million (**+14.2%**), up +2.6% versus 2019. Robust demand in advertising spaces was confirmed throughout the year.

¹On a constant structure basis and at constant exchange rates, consolidated revenue was up 17.2%.

Revenue from other activities amounted to €732.5 million, a sharp rise of €134.1 million year-on-year **(+22.4%)**, and up +6.7% versus 2019.

The Group posted **current operating profit of €343.2 million**, up €153.1 million year-on-year, and an increase of €88.1 million versus 2019.

This **significant increase in revenue and profitability** was driven by **the Media business** and the substantial contribution of **complementary activities developed by the Group**, notably content production at Newen Studios and distribution.

On a full-year basis, **the current operating margin was 14.1%** (12.9% excluding the booking of €29.5 million in tax credits granted under the pandemic²), **versus 9.1% in 2020 and 10.9% in 2019**.

Operating profit came to €332.9 million, after external expense of €10.3 million of non-recurring expenses relating to the proposed merger between TF1 and M6.

Net profit attributable to the Group was **€225.3 million**, up €170.0 million year-on-year.

Analysis by segment

Media

— *Audience ratings*³

At end-December 2021, **average daily viewing time among individuals aged 4+ was 3 hours 39 minutes**, down year-on-year but **9 minutes higher than end-December 2019**.

In a highly competitive environment with heavy newsflow in sport and politics, **TF1 Group's audience share among advertising targets rose to a very high level. It increased by 1.1 point year-on-year among W<50PDM⁴ (33.5%) and 0.3 of a point among 25-49 year-olds (30.2%)**, demonstrating the appeal of the Group's channels.

2021 posted successes across all targets and content genres. In French drama, the **performance of the series, *HPI*** (up to **12.4 million viewers**), was supplemented by the **success of the new daily soap** broadcast on *access prime time, Ici tout commence*, which attracted an average of **3.5 million viewers** per day with a 27% audience share of the targeted young audience (15–34 year-olds). Sport **continued its line-up of must-see events**, with the *Euro 2020* football tournament which attracted a peak audience of **16.4 million** for the France/Switzerland match and the France/Belgium Nations League match, watched by 6.8 million viewers. 2021 also saw the resumption of **iconic entertainment shows** such as *Koh-Lanta* (up to **6.8 million viewers, 45.8% audience share** among W<50PDM and 25-49 year-olds).

²Includes €1.8 million booked in fourth-quarter 2021.

³ TV viewing figures from Médiamétrie over one year.

⁴ Women aged under 50 purchasing decision-makers.

News coverage remains extremely popular, as illustrated by audiences for the daily evening news bulletin (up to **8.1 million viewers**), the audience share for the lunchtime bulletin (up to **48.2% audience share** of individuals aged 4+), and the success of magazines such as *Grands Reportages* (up to **4.9 million viewers**).

The reported year-end decline in historical average daily viewing time was offset by the development of new content consumption habits. Overall, the focus market – which includes linear television and on-demand video catch-up platforms – totalled 4 hours 30 minutes of viewing time per day and per French person, an increase of 24 minutes on 2019⁵.

In 2021, the TF1 group cemented its position in these new consumption practices thanks to its MyTF1 platform. As of end-December 2021, it had more than **27 million monthly users**, an **increase of 26% from 2020**, racking up 2.7 billion video views at end-December 2021, **up 15% year-on-year**. The November 2021 launch of **MyTF1 Max** demonstrates the Group's ability to deliver a complementary service to its audiences, particularly through distribution agreements, which were renegotiated in 2021 with French telecoms operators – SFR, Bouygues Telecom, Free and Orange. This offering will complete the SVOD solution provided by **Salto**.

- **Revenue for the Media segment reached €2,091.5 million, an increase of €243.8 million (+13.2%).**
 - **Media segment advertising revenue** at end-December 2021 was up 14.3% at €1,694.1 million. The economic recovery has fuelled market growth, with advertisers continuing to value the appeal of television and its associated return on investment (ROI), despite fierce competition from digital players. This performance also results from the efforts of the ad sales house, notably through an expanded client base and convergence between television and digital. **Digital advertising revenue** amounted to €142.5 million, up €14.2 million compared with end-December 2020 (+11.1%), driven mainly by MyTF1.
 - **Revenue from other Media segment activities** increased by €32.4 million year-on-year (+8.9%). In particular, it benefitted from growth in the music and entertainment activities in a context of gradually easing health restrictions.
- **The Group's cost of programmes reached €981.0 million.** It reported a decline of €30.6 million versus 2019, but was up on end-December 2020, a year which was marked by substantial cost savings against the backdrop of Covid-19. On a full-year basis, the Group positioned its spend on successful programmes in drama and entertainment, thereby improving its targeted audience share.
- **The Media segment reported current operating profit of €304.6 million**, a year-on-year rise of €137.1 million⁶, generating a **current operating margin of 14.6% (a 5.5-point increase year-on-year)**.

⁵ Médiamétrie data.

⁶ An increase of €107.6 million restated for the impact of tax credits, an operating margin of 13.2%.

Newen Studios⁷

- **The Newen Studios segment posted 2021 revenue of €335.6 million, up 43.4% year-on-year.** Excluding the impact of changes in structure from the deconsolidated Games business, Newen Studios reported a 58.9% increase in revenue.

In 2021, Newen Studios stepped up a distinctive multi-genre strategy, offering successful fiction, TV movies, magazines, documentaries and animation. Newen's growth is accelerated by the following initiatives: securing talent, creation of new labels, scale-up of studios and ambitious distribution partnerships as evidenced through A&E in the United States⁸ and the Anton investment fund.

Newen is stepping up its international growth strategy, as reflected in its acquisition of a majority stake in German production company, Flare Films, in September, after the acquisition of Spanish production studio, iZen, in April. **Overall revenue at Newen Studios trended upwards, with activities outside France accounting for 47% of total revenue.**

Platform collaboration continued, with Newen Studios leveraging its recognised expertise and client knowledge. In 2021, Belgian studio – De Mensen – produced the *Ferry* spinoff, on the back of the successful *Undercover* series. In Spain, the iZen studio produced *Insiders*, a reality television series for Netflix. **At end-December 2021, the book of orders increased to more than 1,600 hours.**

Distribution activities are also extremely buoyant, as witnessed by new series, *HPI*, which is already distributed by Newen in 68 countries outside France.

- **The Newen Studios segment reported current operating profit of €38.6 million.** As such, the segment returns to a **current operating margin of 11.5%.**

Financial position

Shareholders' equity attributable to the Group was **€1,768.1 million** as of 31 December 2021 out of a balance sheet total of €3,721.6 million.

Free cash flow (after changes in WCR) **amounted to €289.5 million at end-December 2021**, versus €171.9 million for the same period in 2020.

TF1 Group reported a **net cash position of €198.5 million as of 31 December 2021** (net cash position of €134.8 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).

To give a return on capital invested, the Board of Directors will ask the Annual General Meeting of 14 April 2022 to approve the payment of a **dividend of €0.45 per share**. The ex-date will be 21 April, the date of record will be 22 April, and the payment date will be 25 April 2022.

⁷ As of end-December 2021, the divested operations of TF1 Games continue to be presented within the Newen Studios segment.

⁸ On 25 June 2021, Newen Studios announced A&E Networks acquired 35% stake in Canadian subsidiary, Reel One.

Movements in share capital

Between 1 January and 31 December 2021, 92,644 shares were issued on vesting of performance shares.

As of 31 December 2021, both the number of shares and the number of voting rights stood at 210,485,635, given that TF1 did not hold any of its own shares. The share capital stood at €42,097,127.

Governance

Acting on the advice of the Selection and Remuneration Committee, the Board of Directors will ask the Annual General Meeting of 14 April 2022 to reappoint the following to serve as directors for a three-year term of office: Gilles Pélisson, Marie Pic-Pâris Allavena and Olivier Roussat.

The Board has assessed the independence of Marie Pic-Pâris Allavena and concluded that she would continue to fulfil all the criteria defined by the AFEP/MEDEF Code in 2022.

The Board of Directors will also ask the Annual General Meeting to appoint Orla Noonan for a three-year period as an independent director. Ms. Noonan will replace Laurence Danon, whose resignation as director will take effect at the end of the Annual General Meeting of 14 April 2022.

The Board of Directors sincerely thanked Laurence Danon for her contribution to the work of the TF1 group Board and Audit Committee since 2010.

Subject to shareholder approval of those appointments, the TF1 Board of Directors would have three female independent directors as directors not representing the staff, meaning that 37.5% of the directors would be independent and 50% would be women (without taking account of (i) the two employee representative directors and (ii) the employee shareholder representative director to be appointed, all of whom are women).

Extra-financial performance

At end-2021, the TF1 group confirmed its place in the Dow Jones Sustainability Index, scooping 4th in the Media industry category. This means that the TF1 group was included in the following extra-financial indices in 2021: DJSI (Europe & World), MSCI, S&P Sustainability Yearbook and Gaïa – thereby signalling official recognition of the Group's commitment to corporate social responsibility.

In compliance with the European Taxonomy (regulation (EU) 2020/852), the Group has identified the portion of its activities which are considered sustainable for 2021. TF1's activities linked to the production, broadcast and programming of content, live shows and recorded music are considered eligible in respect of revenue, provided that they significantly contribute to preparing for climate change adaptation (as a requirement for accreditation). Prior to the application of this requirement, close to 90% of revenue would be eligible.

After applying the requirement for accreditation, TF1 Group's revenue is eligible at 3.6%, based on consolidated revenue of €2,427.1 million at end-December 2021. CAPEX is also eligible at 3.6%.

With respect to the Group's OPEX, their eligible portion is not substantial. For more information on how to calculate these indicators, refer to the Management Report published on the Group's corporate website <https://groupe-tf1.fr/en/investors/results-and-publications>

Outlook

Over the last few years, the Group has successfully developed its business model to factor in new ways of consuming content and to expand its offering to advertising clients, thereby supporting the convergence between television and digital. The renewal of distribution agreements with telecom operators in 2021, the development of MyTF1 and of the Salto platform, as well as segmented television will help strengthen the Media sector.

Newen Studios will step up its development in 2022, against the background of a buoyant market, notably propelled by the enforcement of the European Audiovisual Media Services (AVMSD) directive in France and in Europe. In this context of increased demand for local content, Newen's expertise and client knowledge will be a comparative advantage.

The proposed merger between the TF1 and M6 groups, which seeks to address the industry's far-reaching changes, continues on schedule with the initially announced timeline. Final completion of the transaction is still subject to approval by the competent authorities (Antitrust Authority and ARCOM).

Executive remuneration

In accordance with the AFEP-MEDEF recommendations, disclosures about executive remuneration are being published today on our corporate website at www.groupe-tf1.fr/en: go to Investors / Governance / Report on Remuneration.

Our Financial Information Report for 2021 is available at <https://www.groupe-tf1.fr/en>.
A conference call on our full-year 2021 results is scheduled for 10.00 a.m. CET on 11 February 2022.
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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