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TF1 GROUP H1 2023 RESULTS

Increase in audience ratings¹ in linear, even more in non-linear, with a record 30.6 million streamers in May

Media COPA margin up 0.4 pt in Q2, demonstrating the Group's agility in programming costs

Launch of an optimisation plan aimed at achieving more than €40m in savings from 2025 onwards, partly reinvested in the digital acceleration plan

Solid free cash flow generation in the first half

Boulogne-Billancourt, 27 July 2023

The TF1 Board of Directors, chaired by Rodolphe Belmer, met on 27 July 2023, to approve the financial statements for H1 2023. The results below are presented by TF1 Group operating segment. Reported revenue and operating profit figures are available in the H1 2023 Financial Information Report on the website: www.groupe-TF1.fr/en.

(€m)	Q2 2023	Q2 2022	H1 2023	H1 2022	CHG. €m	CHG. %
Media	485.3	543.0	904.4	1,028.5	(124.1)	-12.1%
Advertising revenue ^a	405.7	438.4	746.4	815.5	(69.1)	-8.5%
o/w MYTF1 advertising revenue ^b	26.0	23.8	46.3	41.0	5.2	12.8%
Non advertising Media revenue ^c	79.6	104.6	158.0	213.0	(55.0)	-25.8%
Newen Studios	73.1	82.6	133.7	158.4	(24.7)	-15.6%
Consolidated revenue^d	558.4	625.6	1,038.1	1,186.9	(148.8)	-12.5%
Media	104.9	115.0	146.3	172.5	(26.2)	-15.2%
Newen Studios	7.6	15.7	6.0	19.6	(13.6)	-69.4%
Current operating profit from activities^e	112.4	130.7	152.3	192.1	(39.8)	-20.7%
Current operating profit from activities margin	20.1%	20.9%	14.7%	16.2%	-	-1.5pt
Current operating profit	111.6	129.1	150.3	188.7	(38.4)	-20.3%
Operating profit	97.6	125.6	131.1	181.8	(50.7)	-27.9%
Net profit attributable to the Group	73.3	92.4	101.3	126.5	(25.2)	-19.9%
Cost of programmes	(203.3)	(220.6)	(403.9)	(440.6)	36.7	-8.3%
Net cash ^f	365.1	245.2	365.1	245.2	119.9	48.9%

^a Excluding scope effects, Media advertising revenue decreased by €48.3 million, or an evolution of -6.1% vs H1 2022

^b With the deconsolidation of Unify Publishers in Q4 2022, the KPI related to digital advertising revenue is replaced by MYTF1 advertising revenue.

^c Excluding scope effects, non advertising Media revenue decreased by €14.6 million, or an evolution of -8.4% vs H1 2022.

^d Excluding scope effects, total revenue decreased by €106.6 million, or an evolution of -9.5% vs H1 2022.

^e Current operating profit from activities, "COPA", which equates to current operating profit before amortisation and impairment of intangible assets recognised from acquisition.

^f Before the impact of lease obligations.

¹ Audience share up 0.1 pt on commercial targets W<50PDM and 25-49-year-olds.

H1 Group results

TF1 Group **consolidated revenue** for H1 2023 amounted to **€1,038.1 million**. Excluding scope effects, consolidated revenue decreased by €106.6 million (-9.5%) compared to H1 2022.

Group **advertising revenue** amounted to **€746.4 million**. Excluding scope effects, advertising revenue declined by €48.3 million (-6.1%) in H1, with a **-5.4%** change **in Q2 2023**.

Revenue from Newen totalled **€133.7 million**, down €24.7 million year-on-year.

Current operating profit from activities (COPA) amounted to **€152.3 million** in the first half of 2023, i.e. -€39.8 million. Current operating margin from activities was 14.7%, **notably benefitting from a 21.6% margin in the Media segment in Q2 2023, up 0.4 pt**. Current operating profit came to €150.3 million.

Operating profit totalled **€131.1 million** and included -€19,2 million of non-recurring items linked with the optimisation of the Group's real estate and the strengthening of the existing Employment and Professional Development Management system to support the Group's digital acceleration ambition.

These non-recurring items are related to the roll-out of an **optimisation plan aimed at gradually achieving more than €40 million euros in operational cost savings² from 2025 onwards**, of which €10-15 million will be reinvested in the digital acceleration plan.

Net profit attributable to the Group was **€101.3 million**, down €25.2 million year-on-year.

At end-June 2023, **the net cash position stood at €365.1 million** versus €245.2 million at end-June 2022, representing an increase of €119.9 million (+48.9%).

Analysis by segment

Media

— Audience ratings³

TF1 group reaches nearly **50 million French people every week** with its content, and therefore offers a unique value proposition to advertisers.

In H1 2023, the Group confirmed its audience leadership on commercial targets (up 0.1 pt), while maintaining a strong discipline on its programming costs.

In particular, TF1 channel achieved a significant increase:

- Among W<50PDM, with an audience share of 22.9%, up 0.6 pt, representing **a record gap with its number-one competitor** for the H1 period⁴.
- Among 25-49-year-olds, with audience share of 19.9%, up 0.2 pt.

² Real estate, IT, procurement and organisation.

³ TV and video viewing figures from Médiamétrie.

⁴ Since 2013.

MYTF1 streaming platform proved the effectiveness of its content offer and its growth potential: MYTF1 averaged 27.8 million⁵ streamers over the half-year, with a record performance of 30.6 million streamers in May and 107 million streamed hours⁶ in the same month, representing 41.3% of the market share and almost twice as much as its closest competitor.

- **First-half revenue for the Media segment reached €904.4 million**, a decrease of €62.9 million (-6.5%) excluding scope effects.
 - At end-June 2023, the Media segment generated advertising revenue of **€746.4 million**. Excluding scope effects, advertising revenue was down €48.3 million (-6.1%), given the inflationary macroeconomic environment impacting advertisers' spending across most sectors.
 - Within the Media segment advertising revenue, **MYTF1 advertising revenue continued to grow, outperforming the market⁷**. At end-June 2023, MYTF1 revenue totalled €46.3 million, **up 12.8%** from H1 2022.
 - Excluding scope effects (-€40.4 million), **revenue from other Media segment activities** decreased €14.6 million, mainly due to a base effect linked with the absence of activity with SALTO.
- **TF1 group's programming costs** totalled €403.9 million, down €36.7 million (-8.3%), **almost offsetting the decline in advertising revenue** and further demonstrating the Group's ability to **show great discipline in cost management**.
- **Current operating profit from activities** in the Media segment stood at €146.3 million, generating a **high current operating margin of 16.2%**, close to H1 2022 level. **Q2 2023 current operating margin stood at 21.6%, up 0.4 pt vs. 2022**.

Newen Studios

- **Newen Studios posted first-half revenue of €133.7 million, down €24.7 million.**

This revenue change was mainly due to **a decline in activity with France Télévisions, an unfavourable base effect linked to the delivery of *Funeral for a Dog* for Sky Germany in Q1 2022 and the discontinuation of activity with SALTO**. The end of *Plus belle la vie*⁸ was broadly offset in revenue by the contribution from acquisitions made in 2022⁹.

Current operating profit at Newen Studios amounted to €6.0 million over H1 2023, including €7.6 million in Q2, i.e. a **margin of 10.3% for Q2 2023**.

⁵ Médiamétrie's TV audience measurement across four screens - January to June 2023.

⁶ Streamed hours measures the total number of hours viewers spent watching the Group's content on *streaming* – excluding Live viewing

⁷ Instream Video market – Source: SRI Observatoire (market study for France's National Union for Internet ad sales houses) e-PUB – H1 2023 performance, Oliver Wyman and UDECAM (France's union of media consulting and buying companies).

⁸ Halt to the broadcast by France Télévisions in November 2022.

⁹ Acquisitions of Izen UK in April and Anagram in October.

Financial position

TF1's **free cash flow after WCR totalled €154.7 million**, up €33.6 million compared to end-June 2022 and illustrating the Group's ability to convert its earnings into cash.

TF1 has a solid financial position with net cash of €365.1 million at 30 June 2023, i.e. a €39.4 million increase versus end-December 2022 after the dividend payments in April 2023.

Non-financial performance

With the appointment of Raphaëlle Deflesselle as Head of Technologies and Information Systems, **TF1's Executive Committee has now achieved gender parity, reflecting the Group's firm commitment to promoting an inclusive society.**

The Group continues its efforts favouring the environmental transition. In H1 2023, its **advertising market share that met the environmental criteria of ADEME¹⁰ totalled 42.7%¹¹.**

TF1 also continued its solidarity initiatives with the "**Mobilisation Cancer, Tous ensemble avec les chercheurs**" ("**Cancer appeal, Standing in solidarity with researchers**") campaign on its channels, featuring a special fundraising week to support cancer research. TF1 channel also addressed the issue of cancer through its series *Les Randonneuses*, the story of six women who decide to push their physical limits and fight the disease.

Outlook

In a market that could gradually return to 2022 levels during H2 2023, advertising revenue in the **Media operating segment** will notably be driven by **the broadcast of the Rugby World Cup**, which will be hosted in France.

This event will further illustrate TF1's editorial ambition ("TF1, les Français, ensemble") and will enable the Group to offer premium inventories to advertisers.

During the event, **MYTF1** streaming platform will offer a number of original media features, including a partnership with Meta (launch of "Instagram Broadcast Channel" ¹² in France) and an all-new "Top Chrono" feature (on demand video summaries).

The second half will also see the return of **serialised general entertainment with strong potential in non-linear, like *Star Academy* and *Les Bracelets rouges*.**

The recently announced reboot by Newen Studios of the iconic soap opera *Plus belle la vie* which will be broadcasted on TF1 channel and streamed on MYTF1, is part of the Group's digital acceleration strategy and reflects the **synergies within the Group.**

¹⁰ French Agency for Ecological Transition.

¹¹ Source: Kantar, "ADEME" monitoring of the TV market – January to April 2023.

¹² Public broadcast channel enabling direct interaction with subscribers.

In this context, TF1 group maintains its outlook, with different dynamics within its segments.

In the Media segment:

- **In linear**, TF1 group will continue to develop an increasingly high-quality free offer of events, series and general entertainment to **consolidate its differentiated reach and maximise the value of its advertising inventories**. The Group will also continue to demonstrate its agility in programming costs.
- **MYTF1** will continue its development to become the **benchmark French Free-to-View streaming service by leveraging the Group's powerful editorial line-up and by maximising the value of its inventories through a strengthened data strategy**.

After delivering numerous projects in 2022, **Newen Studios will draw on the diversity of its talent pool to develop new growth-driving projects for the years ahead**.

As announced on 14 February 2023, **TF1 group will further cement its leadership position and maintain a broadly stable current operating margin from activities in 2023**. The Group will continue to generate **cash flow in order to aim for a growing or stable dividend policy over the coming years**.

Our Financial Information Report for H1 2023 is available at <http://www.groupe-tf1.fr/en>.
A conference call presenting the H1 2023 results is scheduled for 6:30 p.m. CET on 27 July 2023.
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".

TF1 GROUP
INVESTOR RELATIONS - comfi@tf1.fr
CORPORATE COMMUNICATION mcarcabal@tf1.fr

