

## CONSOLIDATED RESULTS AT 30 June 2019

Advertising revenue: €539.3 m, up 2.3%

Margin from recurring operations above 20% (20.7%)

Group share of net profit: €88.4 m, up 11.1%

At its meeting held on 30 July 2019, the Supervisory Board reviewed the 2019 half-year financial statements approved by the Executive Board.

(€ millions)	H1		
	2019	2018 r <sup>2</sup>	% change
<b>Consolidated revenue</b>	<b>714.6</b>	<b>703.2</b>	<b>+1.6%</b>
Group advertising revenue	539.3	527.1	+2.3%
- of which free-to-air channels advertising revenue	420.5	417.7	+0.7%
- of which cab-sat channels and other media advertising revenue	118.8	109.4	+8.6%
Group non-advertising revenue	175.3	176.1	-0.5%
<b>Consolidated profit from recurring operations (EBITA)<sup>2</sup></b>	<b>148.3</b>	<b>147.1</b>	<b>+0.8%</b>
Operating income and expenses related to business combinations	(6.5)	(1.4)	n.a
Capital gains on disposal of equity interests	0.4	0.0	n.a
<b>Operating profit (EBIT) from continuing operations</b>	<b>142.2</b>	<b>145.7</b>	<b>-2.4%</b>
Net financial income/(expense)	(2.8)	(1.0)	n.a
Share of profit of joint ventures and associates	3.1	(1.7)	n.a
Deferred and current tax	(53.8)	(51.6)	4.2%
Net profit from operations sold / held for sale	(0.3)	(11.9)	n.a
<b>Net profit for the period</b>	<b>88.4</b>	<b>79.5</b>	<b>+11.2%</b>
Net profit for the period - Group share	88.4	79.5	+11.1%

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For the first half of the 2019 financial year, M6 Group **posted consolidated revenue of €714.6 million**, up 1.6% year-on-year.

Advertising revenues grew 2.3%, with all of the Group's media – live and on-demand TV, Radio and Internet – contributing.

Excluding the scope effect related to the deconsolidation of monAlbumPhoto (sold in July 2018), non-advertising revenues posted growth of €10.4 million and reflected the healthy performances of the film activity.

Recording an increase of €1.2 million, **profit from recurring operations (EBITA)<sup>3</sup> stood at €148.3 million**, representing an **operating margin of 20.7%**. This performance illustrates the effects of the Group's strategy of refocusing on its core business.

<sup>1</sup> The information provided is intended to highlight the breakdown of consolidated revenue between advertising and non-advertising revenue. Group advertising revenue includes the advertising revenue of free-to-air channels M6, W9 and 6ter and the 6play platform, the share of advertising revenue from pay channels, the advertising revenue of radio stations RTL, RTL2 and Fun Radio, and the share of advertising revenue generated by diversification activities (mainly Internet).

<sup>2</sup> Restated due to the application of IFRS 5 – *Non-current Assets Held for Sale and Discontinued Operations* following the sale of FCGB on 6 November 2018, the Group's 2018 revenue and EBITA no longer include FCGB data.

<sup>3</sup> Profit from recurring operations (EBITA) is defined as operating profit (EBIT) before amortisation and impairment of intangible assets (excluding audiovisual rights) related to acquisitions and capital gains and losses on the disposal of financial assets and subsidiaries.

Operating expenses related to business combinations increased by €5.1 million. The Group recorded a charge of €5.3 million, corresponding to the discharge of relief fund debts recorded under assets in the balance sheet as part of the acquisition of the catalogue companies Mandarin Cinéma and Fidélité Films, in consideration for the receipt of grants from CNC over the half-year.

Group share of net profit for the period totalled €88.4 million, a significant year-on-year increase of 11.1%. Net margin thus stood at €12.4%. It should be noted that the Group share of net profit for the first half of 2018 included the €11.9 million losses of FC Girondins de Bordeaux (net of tax).

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In accordance with IFRS 8, the contribution of the Group's 4 operating segments to consolidated revenue and EBITA was as follows:

(€ millions)	Q1			Q2			H1		
	2019	2018	%	2019	2018	%	2019	2018	%
TV	238.6	235.3	+1.4%	250.9	247.3	+1.4%	489.5	482.7	+1.4%
Radio	35.5	34.8	+1.7%	46.8	42.9	+9.1%	82.3	77.8	+5.8%
Production & Audiovisual Rights	19.7	17.7	+11.3%	20.4	14.2	+43.2%	40.1	31.9	+25.5%
Diversification	51.9	57.7	-10.1%	50.7	53.0	-4.4%	102.5	110.7	-7.3%
Other revenue	0.1	0.1	n.a	0.1	0.1	n.a	0.2	0.2	n.a
<b>Consolidated revenue</b>	<b>345.7</b>	<b>345.6</b>	<b>+0.0%</b>	<b>368.8</b>	<b>357.6</b>	<b>+3.2%</b>	<b>714.6</b>	<b>703.2</b>	<b>+1.6%</b>
TV							113.5	120.1	-5.5%
Radio							12.0	10.4	+15.0%
Production & Audiovisual Rights							11.4	7.1	+59.2%
Diversification							15.9	13.4	+19.2%
Unallocated revenue							(4.5)	(3.9)	n.a
<b>Consolidated profit from recurring operations (EBITA)</b>							<b>148.3</b>	<b>147.1</b>	<b>+0.8%</b>

## ■ TELEVISION

Over the first six months of 2019, M6 Group's free-to-air channels recorded a stable audience share of 21.1% in the women under 50 responsible for purchasing category<sup>4</sup>.

- The **M6** channel retained its position as the 2<sup>nd</sup> largest national channel on the commercial target across the entire day. With an average of 2.5 million viewers, in the 1<sup>st</sup> half of 2019 M6 delivered a solid performance in the strategic prime-time slot with a strong level on the WRP<50 target (17% audience share). Some of its powerful brands continued to progress, such as *Top Chef* (best season for 6 years amongst WRP<50), *Zone Interdite* (second best season in 9 years amongst WRP<50), *Capital* (best season in 8 years amongst WRP<50) and *Mariés au premier regard* (posting growth for its third season). During the key access primetime audience generator, M6 was the leading channel in France on the commercial target, with an average audience share of 18.7%<sup>5</sup> between 7.45pm and 9pm, Monday to Friday. This result was due to the excellent performance of *Scènes de Ménages*, the most watched daily drama on French TV with an average 4.0 million viewers (22% audience share amongst WRP<50) and *Le 1945*, which attracts 2.6 million viewers (20% WRP<50) every evening.
- **Puissance TNT (W9 + 6ter)** consolidated its position as the leading DTT advertising service. **W9 and 6ter** achieved an aggregate audience share of 6.8% on the commercial target, a year-on-year increase of 0.3 points. **W9** was ranked as the second most popular DTT channel amongst WRP<50 throughout the entire day (4.0% audience share). In particular, the channel provides the most powerful reality TV range on television, attracting a wide and young audience every evening, with an average 1.1 million viewers<sup>6</sup>. With its diverse range of programming for the whole family, **6ter** saw its audience share on the commercial target grow by 0.2 points to 2.8%. The channel benefited in particular from the success of its own productions, such as the original programme, *Les Mamans*, which grew for its second season.

<sup>4</sup> Source: Médiamétrie Médiamat – consolidated audiences

<sup>5</sup> Previous day audiences

<sup>6</sup> Consolidated audiences 4 screens - 2018/2019 season

The programming costs of free-to-air channels were €227.5 million, compared with €224.5 million in the 1<sup>st</sup> half of 2018. The Group is now the official broadcaster of the French men's and women's national football teams.

Within an erratic advertising market that switched between months of sustained growth and months of sharp decline, M6 Group's free-to-air channels recorded an increase of 0.7% in their advertising revenues.

In addition, **6play's** advertising revenues continued to grow, driven by its capacity for targeted advertising and the attractiveness of its range of on-demand programmes. The platform recorded strong growth in its audience, with 639 million long-form videos viewed over the 1<sup>st</sup> half of 2019<sup>7</sup>, up 12% year-on-year.

Moreover, M6 Group's pay channels consolidated their positions amongst the leading channels in the pay-TV environment<sup>8</sup>. **Paris Première** confirmed its status as the most watched pay-TV channel, with nearly 10 million viewers each month. **Téva** was the leader in the women under 50 responsible for purchasing category for the 17<sup>th</sup> consecutive wave.

**The TV division thus contributed €113.5 million to consolidated EBITA**, against €120.1 million for the six months to 30 June 2018. While the cost of programming increased by €3.0 million, this fall primarily reflects the aggressive strategy employed by the Group, whose investments in data and the technology of its 6play platform increased significantly. The margin from recurring operations for the Group's core business remained at a high level, at 23.2%.

## ■ RADIO

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Over the 1<sup>st</sup> half of 2019, the RTL Radio Division reaffirmed its status as France's leading private radio group with an audience share of 18.6% among listeners aged 13 and over<sup>9</sup>, 4.4 percentage points ahead of its closest privately-owned rival.

- With a 12.1% audience share, **RTL** retained its leadership, equal with France Inter. Over the season as a whole and as was the case over the latest April-June wave, RTL was the outright leader, 0.4 points ahead of its public sector rival.
- The division's music stations performed well on the commercial targets, with **Fun Radio** thus ranking as the second placed music station amongst 25-49 year olds and **RTL2** second placed amongst upper socio-economic professionals.

Over the first six months of the year, **Radio revenues stood at €82.3 million**, an increase of 5.8%, driven by the audience momentum of each of the three stations.

**EBITA stood at €12.0 million**, compared with €10.4 million for the first half of 2018 (up 15.0%), reflecting the continued implementation of synergies.

## ■ PRODUCTION & AUDIOVISUAL RIGHTS

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In the first half of 2019, revenue from Production and Audiovisual Rights operations totalled €40.1 million, up €8.1 million year-on-year, essentially due to a more favourable cinema release schedule and the continued success of *Asterix: The Secret of the Magic Potion*. The films distributed by **SND** achieved a cumulative 4.7 million admissions in France against 2.9 million admissions over the 1<sup>st</sup> half of 2018.

EBITA was €11.4 million, compared with €7.1 million for the 1<sup>st</sup> half of 2018.

## ■ DIVERSIFICATION

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Over the first half of 2019, **Diversification revenues stood at €102.5 million** (down €8.1 million). Excluding the €11.3 million negative base effect connected with the deconsolidation of monAlbumPhoto, sold in July 2018, they recorded an increase of €3.1 million.

- Amongst **Ventadis'** activities, the fall in home shopping revenues in France was partially offset by the arrival within the scope of HSS Belgique (home shopping), now fully owned, as well as the improvement in Best of TV's revenues.
- **M6 Digital Services** saw its revenues rise, mainly as a result of the momentum of the cashback activity, driven by iGraal. Within a highly competitive display advertising market, the advertising activity of the portals also grew.

<sup>7</sup> Source: Estat – all screens

<sup>8</sup> Source: Médiamétrie Médiamat Thématik, 31 December 2018 to 16 June 2019

<sup>9</sup> Source: Médiamétrie 126,000

**Diversification EBITA totalled €15.9 million**, up €2.6 million, driven by the increased contribution by M6 Digital Services.

## ■ CHANGE IN FINANCIAL POSITION

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The Group had shareholders' equity of €680.8 million at 30 June 2019, compared with €625.8 million at 30 June 2018.

The net cash and cash equivalents stood at €39.4 million<sup>10</sup>, compared with net debt of €115.4 million at the end of June 2018, and notably reflected the sale of FCGB and monAlbumPhoto both completed during the second half of 2018.

## ■ ACQUISITION OF LAGARDÈRE'S TV DIVISION

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On 17 July 2019, the Conseil Supérieur de l'Audiovisuel approved the transaction for the purchase of the channel Gulli by M6 Group. All the conditions precedent are now lifted for the acquisition of Lagardère Group's Television division (excluding Mezzo) by M6 Group. The transaction will become effective on 2 September 2019.

Following the acquisition of the Radio division in October 2017, this new major transaction, combined with the sale of FCGB and monAlbumPhoto in the second half of 2018, further consolidates the Group's strategy of strengthening and expanding its multimedia offering.

Neuilly-sur-Seine, 30 July 2019

*A conference call will be held on 30 July 2019 at 6.30pm (CEST). A webcast will be broadcast on the site [www.groupeM6.fr](http://www.groupeM6.fr) (Finance section). Details on how to access the conference call are available at the same address. Both the slideshow presentation and the consolidated half-year financial statements will be accessible online from 6.00 pm, it being specified that the Statutory Auditors have completed a limited review of the financial statements and issued an unqualified report.*

*Next release: Third quarter financial information on 29 October 2019 after close of trading*

*M6 Métropole Télévision is listed on Euronext Paris, Compartment A.  
Ticker: MMT, ISIN Code: FR0000053225*

<sup>10</sup> The net cash position at 1 January 2019 does not take into account lease liabilities resulting from the application of IFRS 16 – Leases from 1 January 2019.