

## CONSOLIDATED RESULTS AT 31 DECEMBER 2019

**Advertising revenue: €1,107.9 m (up 3.8%) – all-time high**

**EBITA: €284.4 m (up 6.9%) – all-time high**

**Operating margin: 19.5% (up 0.8 pps) – highest in 19 years**

At its meeting of 13 February 2020, the Supervisory Board reviewed the financial statements for the 2019 financial year as approved by the Executive Board.

(€ millions)	2019	2018	% change
<b>Consolidated revenue<sup>1</sup></b>	<b>1 456,1</b>	<b>1 421,4</b>	<b>+2,4%</b>
Group advertising revenue	1 107,9	1 067,1	+3,8%
- of which TV advertising revenue	930,4	894,9	+4,0%
- of which other advertising revenue	177,5	172,2	+3,0%
Group non-advertising revenue	348,2	354,3	-1,7%
<b>Consolidated profit from recurring operations (EBITA)<sup>2</sup></b>	<b>284,4</b>	<b>266,1</b>	<b>+6,9%</b>
<i>Operating margin from recurring operations</i>	19,5%	18,7%	0,8pp
Capital gains and losses on asset disposals	1,0	12,3	n.a
Operating income and expenses related to business combinations	(9,4)	(3,4)	n.a
<b>Operating profit (EBIT) from continuing operations</b>	<b>276,0</b>	<b>275,0</b>	<b>+0,4%</b>
Net financial income/(expense)	(4,6)	(2,3)	n.a
Share of profit of joint ventures and associates	4,5	(0,8)	n.a
Income tax	(101,8)	(97,4)	+4,5%
<b>Net profit from continuing operations</b>	<b>174,0</b>	<b>174,5</b>	<b>-0,3%</b>
Net profit from discontinued operations	(1,4)	7,3	n.a
<b>Net profit for the period</b>	<b>172,7</b>	<b>181,8</b>	<b>-5,1%</b>
Net profit for the period - Group share	172,7	181,8	-5,0%

M6 Group's 2019 **consolidated revenue** grew 2.4% to **€1,456.1 million**, driven by a 3.8% increase in multimedia advertising revenue, which notably included the Youth TV division (formerly Lagardère) over the last 4 months of the year.

**Profit from recurring operations (EBITA)** was up €18.3 million to **€284.4 million, a new all-time high**. All the Group's operating segments (TV, Radio, Production and Audiovisual Rights, Diversification) saw their contributions increase. On a like-for-like basis – i.e. excluding the Youth TV division – the Group increased its EBITA (up €1.1 million) despite the unfavourable base effect related to the termination of the M6 mobile by Orange contract on 30 June 2019 (a €10.1 million shortfall).

<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, on the one hand, TV advertising revenue (advertising revenue of free-to-air channels M6, W9, 6ter and Gulli, and the 6play and Gulli Replay platforms, as well as the share of advertising revenue from pay channels), and, on the other hand, the advertising revenue of radio stations RTL, RTL2 and Fun and the share of advertising revenue generated by diversification activities (mainly Internet).

<sup>2</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.

The Group's operating margin was 19.5% (up 0.8 pps on 2018), achieving its highest level in 19 years.

These results reflect the success of the strategic choices made by the Group to renew its assets, which began with the purchase of the Radio division in 2017 and the sales of monAlbumPhoto and FCGB in 2018, and was followed by the acquisition of the Youth TV division in 2019.

Operating expenses related to business combinations increased by €6.0 million. The Group recorded an expense of €6.9 million, corresponding to the non-recurring 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 year.

**Net profit from continuing operations was stable (€174.0 million).**

In accordance with IFRS 8, the segment reporting of the Group is based on 4 operating segments, whose contribution to consolidated revenue and EBITA was as follows:

(€ millions)	9 months			Q4			FY		
	2019	2018	%	2019	2018	%	2019	2018	%
TV	695.2	678.2	+2.5%	318.4	288.4	+10.4%	1,013.6	966.5	+4.9%
Radio	118.5	112.2	+5.6%	52.5	54.8	-4.3%	171.0	167.0	+2.4%
Production & Audiovisual Rights	52.1	48.6	+7.2%	23.0	27.8	-17.3%	75.1	76.5	-1.7%
Other diversification	143.1	157.8	-9.3%	53.0	53.3	-0.6%	196.1	211.1	-7.1%
Other revenue	0.2	0.2	n.s	0.1	0.1	n.s	0.3	0.3	n.s
<b>Consolidated revenue</b>	<b>1,009.1</b>	<b>997.0</b>	<b>+1.2%</b>	<b>447.0</b>	<b>424.4</b>	<b>+5.3%</b>	<b>1,456.1</b>	<b>1,421.4</b>	<b>+2.4%</b>
TV	-	-	-	-	-	-	223.6	214.0	+4.5%
Radio	-	-	-	-	-	-	30.1	28.0	+7.6%
Production & Audiovisual Rights	-	-	-	-	-	-	14.8	8.7	+71.1%
Other diversification	-	-	-	-	-	-	25.3	25.1	+0.7%
Eliminations and unallocated revenues	-	-	-	-	-	-	(9.4)	(9.6)	n.a
<b>Consolidated profit from recurring operations (EBITA)</b>	<b>182.4</b>	<b>179.7</b>	<b>+1.5%</b>	<b>102.0</b>	<b>86.4</b>	<b>+18.0%</b>	<b>284.4</b>	<b>266.1</b>	<b>+6.9%</b>

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## TELEVISION

Entities from the Youth TV division have been consolidated since 1 September 2019. Their operational integration is gathering momentum, as the relocation of all teams to Neuilly is already complete.

Within a changing audiovisual landscape, television continues to reign supreme. As **the most powerful medium**, it attracted an average daily audience of **41.3 million viewers** compared with just 4.5 million for SVoD platforms (source - Médiamétrie).

M6 Group's family of free-to-air channels grew in strength with the addition of Gulli. It posted a 14.5% audience share amongst the over 4s and more than 22.8% on the commercial target of women under 50 responsible for purchases, representing record levels for the Group (source - Médiamétrie):

- ✓ **M6 maintained its position as the second largest national channel for WRPs < 50**, with a 14.7% audience share across the entire day (down 0.3 pps). During the strategic access primetime and primetime slots (between 7.45pm and 10.30pm), which receive the most advertising spend, M6 is the only leading

traditional channel to post full-year growth on the target (to 18.5%).

- ✓ **W9 consolidated its position as the second largest DTT channel on the commercial target**, with an audience share of 3.9%, up 0.1 pps.
- ✓ **6ter retained its ranking as the fifth largest DTT channel all generations combined amongst WRP < 50**, with an audience share of 2.7%, an increase of 0.1 pps.
- ✓ **Gulli was ranked as the top children's channel nationally** for daytime viewing (16.4% share amongst 4-10 year olds between 6am and 8pm).
- ✓ **6play**, an integral part of the Group's range of TV programming, continued to appeal to French audiences and now has more than 27 million registered accounts (up 10% year-on-year).

The TV advertising market recorded a decline over 2019 as a whole, penalised towards the end of the year by a difficult social and economic climate with extended transport strikes. Within this adverse environment, M6 Group's TV division (free-to-air and pay channels, and 6play) managed to stabilise its annual advertising revenues at constant scope (down 3.4% over Q4) and increase them by 4.0% with the Youth TV channels (up 8.1% over Q4).

The cost of TV channel programming (free-to-air and pay channels, and 6play) stood at €501.3 million, a year-on-year increase of €5.7 million. Excluding Youth channels, it recorded a decline which reflects the Group's agility in the face of this passing slowdown in the advertising market.

**The TV division contributed €223.6 million to EBITA**, representing an increase of €9.6 million compared with 2018. The contribution made by the Youth division was partially offset by the significant increase in the Group's digital investments.

## RADIO

Radio is a medium that remains highly popular among French people, with **78% of them tuning in every day**. This represents **42 million listeners** with an average daily listening time still significant at **2 hours 47 minutes**. (source - Médiamétrie).

Over 2019 as a whole, the Radio Division reaffirmed its status as France's leading private radio group with an audience share of 18.5% among listeners aged 13 and over (source - Médiamétrie), gaining 4.3 percentage points on its leading privately-owned challenger.

- ✓ With a 12.3% audience share, **RTL retained its leadership**, equal with France Inter. Since the start of the new season however, RTL has been the sole leader taking a 0.3-point lead over its publicly owned rival during the November-December 2019 wave.
- ✓ The division's music stations performed well on the commercial targets, with **Fun Radio** ranking as the second-placed music station amongst 25-49 year olds and **RTL2** second-placed amongst upper socio-economic professionals.

Within an advertising market seeing slight growth and impacted by the social unrest in late 2019, the Radio division capitalised on its leadership position to gain market share.

**Its revenue stood at €171.0 million**, up 2.4%. **EBITA totalled €30.1 million** compared with €28.0 million in 2018, reflecting the ongoing implementation of synergies.

## PRODUCTION & AUDIOVISUAL RIGHTS

**Revenue from the Production and Audiovisual Rights division stood at €75.1 million in 2019**, a slight decline of 1.7% year on year. The fall in the contribution made by international rights sales was partially offset by the increase in box office revenues.

**SND and M6 Films** had a number of successes in 2019, including *Nous finirons ensemble* (2.8 million admissions), *Nicky Larson et le parfum de Cupidon* (1.7 million), *Donne-moi des ailes* (1.4 million), *Joyeuse retraite !* (1.2 million) and *After – Chapitre 1* (1.2 million). In total, films distributed and/or financed by M6 Group and released in 2019 generated 15.9 million admissions, compared with 15.7 million for those released in 2018 (source - CBO Box-Office).

**Divisional EBITA was €14.8 million**, a year-on-year increase of €6.2 million, reflecting the strength of the cinema distribution business.

## OTHER DIVERSIFICATION

In 2019, **Diversification revenues totalled €196.1 million** (compared with €211.1 million in 2018). Excluding the negative base effects connected with the deconsolidation of monAlbumPhoto (a €12.9 million shortfall) and the termination of the M6 mobile by Orange contract on 30 June 2019 (a €10.1 million shortfall), they recorded an increase of €7.9 million.

- ✓ Amongst **Ventadis'** activities, the decline 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 increase in Best of TV's revenues.
- ✓ **M6 Digital Services** saw its revenues rise, mainly as a result of the momentum of the cashback business, driven by iGraal. Within a highly competitive display advertising market, the advertising activity of the portals also grew.

**EBITA from Diversification was stable, at €25.3 million**. The €10.1 million negative impact of the end of the M6 mobile by Orange contract was offset both by the increase in revenues and profitability of M6 Digital Services, and the recovery of the profitability recorded by Best of TV.

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## FINANCIAL POSITION

The Group had shareholders' equity of €772.9 million at 31 December 2019, compared with €716.6 million at 31 December 2018.

Net financial debt was €98.7 million (compared with net cash of €93.8 million at the end of 2018), due to the financing of the acquisition of the Youth TV division finalised in early September 2019 (acquisition cost: €215 million).

## DIVIDEND

At the Combined General Meeting called for 28 April 2020, the Executive Board will propose the payment of a dividend of €1.00 per share, unchanged from 2018 and representing a yield of 6.0% based on the 2019 year-end closing price. The ex-dividend date will be 13 May and dividends will be paid on 15 May 2020.

## GOVERNANCE

At its meeting of 13 February 2020 and as proposed by the Appointments Committee, the Supervisory Board decided to renew the terms of office of the entire Executive Board for a period of three years, to run until 13 February 2023.

The Supervisory Board reappointed Nicolas de TAVERNOST as Chairman of the Executive Board, on the understanding that he will reach the statutory age limit on 22 August 2022. In this regard, and in accordance with the recommendations of the AFEP-MEDEF Code, he was asked by the Board to participate fully in the Appointments Committee's work to select his successor.

Moreover, the next Annual General Meeting will be asked to make the following appointments to the Supervisory Board:

- to reappoint Elmar HEGGEN, Chairman of the Board and COO of RTL Group;
- to reappoint Philippe DELUSINNE, CEO of RTL Belgium;
- to reappoint Mouna SEPEHRI, independent member, lawyer ;
- to approve the appointment of Siskia GHESQUIERE, General Counsel and Head of M&A of RTL Group;
- to approve the appointment of Björn BAUER, CFO of RTL Group.

Neuilly sur Seine, 13 February 2020

*Results will be presented to financial analysts in a webcast starting at 8.30 am (CET), 14 February 2020, on the Group's website at [www.groupem6.fr](http://www.groupem6.fr)  
Details on how to access the webcast are available at [www.groupem6.fr/Finance](http://www.groupem6.fr/Finance)*

*Both the slideshow and annual consolidated financial statements will be available online at 8 am (CET), it being specified that the audit procedures have been carried out and the Statutory Auditors' report on the financial statements is being prepared.*

*Next release: First quarter 2020 financial information: 28 April 2020 before start of trading.*

*M6 Métropole Télévision is listed on Euronext Paris, Compartment A  
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