

CONSOLIDATED RESULTS AT 30 June 2020

A HALF-YEAR IMPACTED BY COVID-19

- Consolidated revenue: €557.3m (down €157.2m)

- EBITA: €84.4m (down €63.9m)

- Operating margin: 15.1% (20.7% in H1 2019)

Implementation of an exceptional savings programme, which offset 59% of the fall in revenue

At its meeting held on 28 July 2020, the Supervisory Board reviewed the 2020 half-year financial statements approved by the Executive Board.

| | H1 | | | |
|---|--------------|--------------|---------------|---------------|
| | 2020 | 2019 | change (€m) | change (%) |
| (€ millions) | | | | |
| Consolidated revenue¹ | 557.3 | 714.6 | -157.2 | -22.0% |
| Group advertising revenue | 400.6 | 539.3 | -138.7 | -25.7% |
| - of which TV advertising revenue | 338.6 | 454.3 | -115.7 | -25.5% |
| - of which other advertising revenue | 62.0 | 85.0 | -23.0 | -27.0% |
| Group non-advertising revenue | 156.7 | 175.3 | -18.5 | -10.6% |
| Consolidated profit from recurring operations (EBITA)² | 84.4 | 148.3 | -63.9 | -43.1% |
| Operating income and expenses related to business combinations | (5.9) | (6.5) | +0.6 | -9.0% |
| Capital gains on disposals of equity investments | 120.9 | 0.4 | +120.5 | n.a |
| Operating profit (EBIT) from continuing operations | 199.4 | 142.2 | +57.2 | +40.2% |
| Net financial income/(expense) | (2.4) | (2.8) | +0.4 | -14.8% |
| Share of profit/(loss) of equity-accounted entities | (3.0) | 3.1 | -6.1 | n.a |
| Deferred and current tax | (31.7) | (53.8) | +22.0 | -41.0% |
| Net profit/(loss) of operations sold / held for sale | 0.0 | (0.3) | +0.3 | n.a |
| Net profit | 162.3 | 88.4 | +73.9 | +83.6% |
| Net profit for the period - Group share | 162.3 | 88.4 | +73.9 | +83.6% |
| Net profit before capital gains on disposals of equity investments | 42.7 | 88.0 | -45.3 | -51.5% |

The lockdown of the French population and the near total shutdown of the economy have severely impacted the Group's various activities, both in terms of multimedia advertising (down €138.7 million) and non-advertising activities (down €18.5 million). For the first six months, M6 Group posted **consolidated revenue of €557.3 million**, a decline of €157.2 million (down 22.0%).

Within this context, the Group successfully and rapidly adjusted its level of operating expenditure, making savings of €92.2 million, comprising €49.1 million across programmes and €43.1 million in other costs, thus successfully offsetting 59% of the decline in revenues through cost savings. Demonstrating once again its agility, the Group posted **a consolidated profit from recurring operations (EBITA) of €84.4 million**, compared with €148.3 million in the 1st half of 2019, representing a fall of €63.9 million and an operating margin of 15.1%.

Furthermore, over the course of this turbulent half-year, the Group completed two major transactions, with the combination of iGraal with Global Savings Group, which reinforces the Group's positioning in digital marketing by becoming the principal shareholder in the new structure, and the opening up of the share capital of its technology subsidiary Bedrock to RTL Group, in order to accelerate its innovation capacity in streaming for on-demand television. These two transactions generated capital gains of €119.6 million over the half-year. **Net profit for the period thus stood at €162.3 million (up 83.6%).**

Excluding capital gains, net profit totalled €42.7 million, down €45.3 million or 51.5%.

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 | | |
|--|--------------|--------------|---------------|--------------|--------------|---------------|--------------|--------------|---------------|
| | 2020 | 2019 | % | 2020 | 2019 | % | 2020 | 2019 | % |
| TV | 228.9 | 238.6 | -4.1% | 157.7 | 250.9 | -37.1% | 386.6 | 489.5 | -21.0% |
| Radio | 31.5 | 35.5 | -11.2% | 28.4 | 46.8 | -39.2% | 59.9 | 82.3 | -27.2% |
| Production & Audiovisual Rights | 15.9 | 19.7 | -19.5% | 13.4 | 20.4 | -34.2% | 29.3 | 40.1 | -26.9% |
| Diversification | 44.9 | 51.9 | -13.5% | 36.3 | 50.7 | -28.4% | 81.2 | 102.5 | -20.9% |
| Other revenue | 0.2 | 0.1 | n.a | 0.2 | 0.1 | n.a | 0.4 | 0.2 | n.a |
| Consolidated revenue | 321.3 | 345.7 | -7.1% | 236.0 | 368.8 | -36.0% | 557.3 | 714.6 | -22.0% |
| TV | | | | | | | 66.2 | 113.5 | -41.6% |
| Radio | | | | | | | (2.2) | 12.0 | n.a |
| Production & Audiovisual Rights | | | | | | | 14.4 | 11.4 | +26.9% |
| Diversification | | | | | | | 8.2 | 15.9 | -48.5% |
| Unallocated revenue | | | | | | | (2.3) | (4.5) | n.a |
| Consolidated profit from recurring operations (EBITA) | 45.6 | 64.2 | -29.0% | 38.8 | 84.1 | -53.9% | 84.4 | 148.3 | -43.1% |
| Operating margin | 14.2% | 18.6% | | 16.4% | 22.8% | | 15.1% | 20.7% | |

The fall in revenue had an impact on both quarters, whilst the savings programme was primarily implemented in the second quarter, which explains the improvement in operating margin.

■ TELEVISION

The TV advertising market, which began 2020 on a relatively stable note, plummeted in March due to the introduction of lockdown measures, with the trend remaining extremely challenging until mid-May. The market then saw a gradual sequential improvement, with a recovery in consumer spending.

Within this unprecedented environment, **TV advertising revenue fell 25.5% over the half-year** (down 28.1% at constant scope), including a fall of 41.7% over the second quarter (down 43.6% at constant scope).

Conversely, TV viewing (live and on-demand) surged during the pandemic. Average Individual Viewing Time rose by 27 minutes year on year (up 13%) in the first half of 2020, standing at 3 hours 56 minutes, and even reaching 4 hours 34 minutes (up 56 minutes) over the entire lockdown period, representing its highest ever level³.

Against this backdrop, the range of event-driven and family friendly programming broadcast by M6 Group's channels proved popular.

- The **M6** channel retained its position as the 2nd largest national channel on the commercial target across the entire day with an audience share of 14.1%.
With an average of 2.9 million viewers, in the 1st half of 2020 M6 delivered a solid performance in the strategic access prime time slot (7.45pm-10.30pm) with strong ratings amongst women under 50 responsible for purchases (18% audience share).
Some of its leading brands continued to grow, such as *Top Chef* (4.0 million viewers, its best ever season amongst the under 50s with a 26% audience share), *Mariés au premier regard* (3.0 million viewers, its best ever season amongst WRP<50 with a 26% audience share) and *Pékin Express* (3.2 million viewers, its highest audience figures in eight years).
- **W9** consolidated its ranking as the second largest DTT channel amongst WRP<50 throughout the entire day (3.9% audience share). The channel provides the most powerful reality TV range on television, attracting a wide and young access prime time audience every evening.
- **6ter**, with its wide range of programmes for the entire family, consolidated its position as the fifth largest DTT channel for all generations combined on the commercial target (2.8% audience share).
- **Gulli**, the leading children's channel for both 4-10 year olds and 4-14 year olds, posted growth amongst WRP<50 (up 0.2 percentage points) and achieved a 1.7% audience share. This performance was a result of the initial content synergies with the Group's other channels.
- **6play**, showcasing the event-based line-up of the Group's channels, also benefited from a dedicated range of programmes enabling it to support the strong growth of its audience. During lockdown, the platform recorded an

increase of 43% in the consumption of its content, with the number of videos viewed reaching 715 million (up 15%)⁴ over the first half-year as a whole.

Moreover, M6 Group's pay channels consolidated their positions amongst the leading channels in the pay-TV environment⁵: **Paris Première** confirmed its status as the most watched pay-TV channel (13 million viewers each month) and **Téva** regained its leadership amongst WRP<50.

Programming costs stood at €192.8 million compared with €241.9 million over the first half of 2019, representing savings of €49.1 million in response to the record slump of the advertising market. The Group quickly managed to adapt its range of programmes, notably drawing on its catalogues of films and launching new tailored programmes, such as the successful *Tous en cuisine*.

The TV division thus contributed €66.2 million to consolidated EBITA, against €113.5 million for the six months to 30 June 2019. The margin from recurring operations for the Group's core business remained at a high level, at 17.1%.

■ RADIO

After experiencing slight growth at the start of the year, the radio advertising market fell sharply from March onwards due to the sudden decline in consumer spending following the introduction of the lockdown measures. Against this backdrop, **Radio revenue stood at €59.9 million**, a decline of 27.2% in relation to the 1st half of 2019.

The results of the two audience waves for the 1st half of 2020 confirmed the RTL Radio division as the leading private radio group in France⁶.

Over the January to March wave, the division posted the strongest growth of all major industry players. In this way, its audience share amongst listeners aged 13 and above recorded year-on-year growth of 0.7 percentage points to 18.9%.

- **RTL**, France's leading radio station (equal with France Inter), saw its audience share increase by 1.6 points to 13.4%. The station achieved its highest ever level across all waves combined.
- **RTL2**, whose breakfast show *Le Double Espresso* posted record audience figures, maintained its audience share at 2.9% for the entire day.
- **Fun Radio** achieved an audience share of 2.6%, a year-on-year decline of 1 percentage point.

Over the atypical May-June wave (Médiamétrie was unable to conduct its surveys during the lockdown), the RTL Radio division reached a high level with an audience share of 19.5%. RTL posted an audience share of 13.4% and retained sole leadership of the market with a 1 percentage point lead over France Inter.

Negative EBITA of €2.2 million was recorded, compared with positive EBITA of €12.0 million for the first six months of 2019, reflecting the sharp decline in advertising activity.

■ PRODUCTION & AUDIOVISUAL RIGHTS

In the 1st half of 2020, **revenue from Production and Audiovisual Rights operations totalled €29.3 million**, down 26.9% year on year, primarily due to the closure of cinemas between 15 March and 21 June. Films distributed by **SND** only recorded 1.6 million admissions over the first half of 2020, compared with 4.7 million over the same period last year.

Conversely, the **division's EBITA grew €3.1 million to €14.4 million**, due to the very strong growth in sales of catalogue films, both to the Group and to its external customers.

■ DIVERSIFICATION

Over the first half of 2020, **Diversification revenue totalled €81.2 million**, a fall of €21.4 million, €18.9 million of which was due to negative base effects related to the deconsolidation of iGraal (€9.5 million) and the termination of the M6 mobile by Orange contract (€9.4 million).

Diversification EBITA was €8.2 million, compared with €15.9 million for the 1st half of 2019. This fall of €7.7 million was primarily due to the lack of contribution by the M6 mobile by Orange contract (€9.4 million) and the recovery of the Ventadis division.

As a result, across the scope of continuing operations, revenues recorded a slight decline of €2.5 million, or 3.4%, while EBITA grew €3.4 million (up 93.8%).

- Amongst **Ventadis'** operations, **Home Shopping Service** stood out due to its wide range of household products, which proved popular with larger numbers of viewers during the lockdown, while **Best of TV** suffered from the closure of its points of sale.

It should be noted that, in a longer term context, the Group has begun exclusive negotiations with the company Stars, the parent company of Teleshopping, with a view to the sale of its entire share capital in Home Shopping Service.

- During the pandemic, **M6 Digital Services** saw significant increases in the traffic on its websites, such as CuisineAZ.com, now the second largest player in the Cooking and Recipe sector, with 12.5 million unique visitors each month (up 67% year on year)⁷. Nevertheless, digital advertising revenue suffered from the worsening economic situation.

■ FINANCIAL POSITION & OUTLOOK

The Group had shareholders' equity of €941.2 million at 30 June 2020, compared with €772.9 million at 31 December 2019, an increase of €168.3 million, reflecting the performance of the 1st half of 2020 as well as no dividend payments being made in 2020 for 2019.

Over the course of the first half of 2020, the Group also drew down on its bank credit facilities and benefited from the contribution of the disposal of iGraal (€35 million collected). Through strict control of its operating cash flows, at 30 June 2020 the Group had a net cash position of €1.9 million⁸ and has sufficient liquidity to withstand the fall in receipts that will impact the next quarter.

Within a context of fragile and uncertain economic recovery since the end of the lockdown, the Group will make every effort to capitalise on the potential continuation of the upturn in the advertising market in the autumn, thanks in particular to a competitive range of programmes. It will also continue its cost control efforts.

■ GOVERNANCE

At its meeting of 28 July 2020, M6 Group's Supervisory Board appointed **Régis Ravanas** as member of the Executive Board, responsible for the Radio Stations, Music and Events.

The Executive Board of M6 Group is now comprised of five members:

- **Nicolas de Tavernost**, Chairman of the Executive Board,
- **Thomas Valentin**, Vice-Chairman of the Executive Board in charge of Programmes and Content,
- **Régis Ravanas**, Member of the Executive Board in charge of the Radio Stations, Music and Events,
- **Jérôme Lefébure**, Member of the Executive Board in charge of Finance and Support Functions,
- **David Larramendy**, Member of the Executive Board in charge of Sales Activities.

■ CORPORATE RESPONSIBILITY

Having mobilised its employees and shareholders in order to deal with the crisis, the Executive Board did not consider it fair to allocate any performance-based shares in respect of 2020, and, in response to the sector-specific state support introduced, it decided on the rapid launch of a significant recruitment programme for young graduates.

Neuilly-sur-Seine, 28 July 2020

A conference call will be held on 28 July 2020 at 6.30pm (CEST). A webcast will be broadcast on the site 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 27 October 2020 after close of trading

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

¹ The information provided is intended to highlight the breakdown of consolidated revenue between advertising and non-advertising revenue. Group advertising revenue includes 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 the advertising revenue of radio stations RTL, RTL2 and Fun, and the share of advertising revenue generated by diversification activities (mainly Internet).

² 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.

³ Source: Médiamétrie Médiamat

⁴ Source: Heartbeat

⁵ Source: Médiamétrie Médiamat Thématik, - wave 39 (January-June 2020)

⁶ Source: Médiamétrie 126,000

⁷ Source: Médiamétrie (May 2020)

⁸ The net cash position does not take into account rental liabilities resulting from the application of IFRS 16 - Leases