

THIRD QUARTER 2020

Advertising revenue: €226.2 m (up 2.6%)

EBITA: €54.0 m (up 58.0%)

Operating margin: 18.1% (up 6.5 pps)

FIRST NINE MONTHS OF 2020

Advertising revenue: €626.8 m (down 17.5%)

EBITA: €138.3 m (down 24.2%)

Operating margin: 16.2% (down 1.9 pps)

(€ millions)	H1			Q3			9 months		
	2020	2019	%	2020	2019	%	2020	2019	%
Multimedia advertising revenue	400.6	539.3	-25.7%	226.2	220.5	+2.6%	626.8	759.8	-17.5%
- of which TV advertising revenue	338.6	454.3	-25.5%	188.0	182.6	+3.0%	526.6	636.9	-17.3%
- of which other advertising revenue	62.0	85.0	-27.0%	38.2	37.9	+0.8%	100.2	122.9	-18.4%
Non advertising revenue	156.7	175.3	-10.6%	72.5	74.1	-2.1%	229.2	249.4	-8.1%
Consolidated revenue¹	557.3	714.6	-22.0%	298.7	294.5	+1.4%	856.1	1,009.1	-15.2%
Profit from recurring operations (EBITA²)	84.4	148.3	-43.1%	54.0	34.2	+58.0%	138.3	182.4	-24.2%
Operating margin from recurring operations	15.1%	20.7%	-5.6 pps	18.1%	11.6%	+6.5 pps	16.2%	18.1%	-1.9 pps
Net profit - Group share	162.3	88.4	+83.6%	33.6	20.2	+66.7%	195.9	108.6	+80.5%

A rapid recovery in consumer spending was seen during the summer period, following the end of lockdown. The Group's advertising activities benefited and recorded growth of 2.6% during the third quarter, driven by Television (up 3.0%) which confirmed its leading role in the economic recovery.

Excluding the negative base effect of €9.2 million related to the deconsolidation of iGraal, non-advertising revenue rose by 12.0%, driven by the integration of the Youth TV division and the growth in film distribution revenue.

Over the 3rd quarter of 2020, **M6 Group's consolidated revenue was €298.7 million, an increase of 1.4%.**

Moreover, during the third quarter the Group pursued its efforts to reduce costs, both in relation to its programme schedules and other operating expenses. **Consolidated EBITA stood at €54.0 million, a significant increase of €19.8 million** in comparison with the third quarter of 2019.

Over the first nine months of 2020, **M6 Group generated revenue of €856.1 million, down €153.0 million or 15.2%**, reflecting the acute impact of the lockdown measures on all its activities.

Consolidated EBITA for the 9 months to the end of September 2020 **was €138.3 million, a year-on-year decline of €44.1 million (24.2%)**. The huge savings plan implemented helped to absorb 71% of the drop in revenue. This performance illustrates the Group's agility and its swift response to the crisis.

Operating margin remained at a high level (16.2%), down 1.9 percentage points in relation to the first nine months of 2019.

Television

(€ millions)	2020	2019	%
TV advertising revenue			
1 st Quarter	202.9	221.8	-8.5%
2 nd Quarter	135.7	232.5	-41.6%
3rd Quarter	188.0	182.6	+3.0%
Total 9 months	526.6	636.9	-17.3%
Other TV revenue			
Total 9 months	71.2	58.3	+22.1%
Total TV segment revenue			
Total 9 months	597.8	695.2	-14.0%

Following a summer of growth (5% in July and 11% in August), TV consumption maintained its solid momentum in September, during which it recorded daily viewing time of 3hrs 34mins³, a year-on-year increase of 17 minutes (up 9%).

Within this favourable climate, M6 Group's free-to-air channels and their related services increased their power, attracting an average of 24.4 million viewers each day in September, an increase of 8%.

Over this period, the **M6** channel stood out, leading the WRP<50 segment in the strategic access primetime slot (5.30-9.00pm)⁴, thanks to its dynamic programme line-up - *Les Reines du Shopping / Tous en Cuisine / Le 19 45 / Scènes de ménages*. It also enjoyed many primetime successes with, notably, the TV film *Apprendre à t'aimer* (4.4 million viewers), the France vs Sweden football match (5.0 million) and the return of both *L'Amour est dans le pré* (3.7 million) and *Cauchemar en cuisine* (3.2 million).

Indispensable for its power, TV advertising recovered in the third quarter due to the desire of advertisers to restart their activities after the lockdown, notably during the key back to school period. Thanks to its performance in the busiest day-time slots, **M6 Group recorded a 3.0% (1.0% on a like-for-like basis) increase in TV advertising revenue** in comparison with the third quarter of 2019.

Radio

(€ millions)	2020	2019	%
Radio revenue			
1 st Quarter	31.5	35.5	-11.2%
2 nd Quarter	28.4	46.8	-39.2%
3rd Quarter	37.2	36.2	+2.8%
Total 9 months	97.1	118.5	-18.0%

Against the backdrop of the post-lockdown economic recovery, Radio advertising particularly benefited from its ability to promote in-store traffic (drive-to-store). Over the third quarter, the Radio advertising market thus bounced back strongly from the lows seen in spring, resulting in **M6 Group's Radio division recording growth of 2.8%**.

Production and audiovisual rights

(€ millions)	2020	2019	%
Production and audiovisual rights revenue			
1 st Quarter	15.9	19.7	-19.5%
2 nd Quarter	13.4	20.4	-34.2%
3rd Quarter	16.9	12.0	+40.0%
Total 9 months	46.1	52.1	-11.5%

Revenue from the Production and Audiovisual Rights division stood at €16.9 million in the 3rd quarter of 2020, **an increase of 40.0%** year on year.

Within an environment that continued to be impacted by the pandemic, **SND** made the strong decision to support cinema operators by continuing to release films.

6 films were released during the third quarter, generating 2.3 million admissions, compared with 1.3 million in 2019. The success of *Les Blagues de Toto* should in particular be highlighted, with the French family comedy achieving more than 1.0 million admissions since its release on 5 August 2020.

Diversification

(€ millions)	2020	2019	%
Diversification revenue			
1 st Quarter	44.9	51.9	-13.5%
2 nd Quarter	36.3	50.7	-28.4%
3rd Quarter	33.3	40.5	-18.0%
Total 9 months	114.4	143.1	-20.0%

Diversification revenue totalled €33.3 million for the 3rd quarter of 2020, **a year-on-year decrease of €7.3 million**. This decline was primarily due to the deconsolidation of iGraal (€9.2 million in revenue in the third quarter of 2019), partially offset by the growth in revenue generated by Best of TV.

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Financial position

At 30 September 2020, the Group had shareholders' equity of €987.9 million, compared with €772.9 million at 31 December 2019, an increase of €215.0 million that essentially reflects the net profit for the first nine months (including in particular the capital gains related to the sales of iGraal and Bedrock), and the fact that no dividend was paid out in 2020 for 2019.

Group share of net profit for the first nine months was €195.9 million.

In September, the Group also paid back in full the €180 million in bank credit facilities taken out in March to manage its liquidity risk during the Covid-19 crisis.

As such, the Group recorded net debt of €11.1 million⁵ at 30 September 2020, compared with €98.7 million at 31 December 2019, and had €99.0 million in cash and cash equivalents, retaining the ability to draw down its credit facilities at any moment.

Outlook

Within an uncertain TV advertising market with reduced visibility since the introduction of further curfew measures, M6 Group will seek to consolidate the strength of its audience figures during strategic timeslots, notably thanks to its strong brands. It will also remain particularly attentive to cost control.

A new milestone in the development of the Group's on-demand operations was passed on 20 October, with the launch of Salto. Alongside its partners, it will provide an ambitious response to the new expectations of the viewing public, with a high quality, innovative and easy to access service offering a wide range of unrivalled content. Salto is expected to have a negative impact of €9 million on the Group's 2020 net profit.

Lastly, the fourth quarter will be marked by the deconsolidation of the home shopping activity, following the sale of Home Shopping Service on 1 October 2020.

Neuilly sur Seine, 27 October 2020

*Next release: 2020 full-year financial information on 16 February 2021 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 platforms 6play and Gulli Replay, as well as the share of advertising revenue from pay channels), 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 Monday-Friday

⁵ The net cash position does not take into account lease liabilities resulting from the application of IFRS 16 – Leases from 1 January 2019.