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TF1 GROUP 2021 FIRST-QUARTER RESULTS

Consolidated revenue up 3.2% at €509.8m

Broadcasting segment advertising revenue up 0.7% at €344.1m

Current operating profit sharply higher at €56.8m (+35.2%)

Double-digit current operating margin (11.1%), up 2.6 points

Boulogne, 28 April 2021

The TF1 Board of Directors, chaired by Gilles Pélisson, met on 28 April 2021 to close off the financial statements for the first quarter of 2021. The results below are presented using the segmental reporting structure adopted by the TF1 group and in accordance with IFRS 16 (applicable from 1 January 2019). Revenue and operating profit published data are available in our 2021 first-quarter Financial Information Report, that can be downloaded on the TF1 group corporate website: www.groupe-tf1.fr/en.

(€m)	Q1 2021	Q1 2020	CHG. €M	CHG. %
TF1 group advertising revenue	357.9	355.8	2.1	0.6%
Revenue from other activities	151.9	138.1	13.8	10.0%
Broadcasting	395.3	389.9	5.4	1.4%
<i>o/w Advertising</i>	<i>344.1</i>	<i>341.6</i>	<i>2.5</i>	<i>0.7%</i>
Studios & Entertainment	77.7	68.5	9.2	13.4%
Unify	36.8	35.5	1.3	3.6%
Consolidated revenue	509.8	493.9	15.9	3.2%
Broadcasting	47.4	43.8	3.6	8.2%
Studios & Entertainment	11.7	2.1	9.6	x5.5
Unify	(2.3)	(3.9)	1.6	41.5%
Current operating profit	56.8	42.0	14.8	35.2%
<i>Current operating margin</i>	<i>11.1%</i>	<i>8.5%</i>	<i>-</i>	<i>+2,6pts</i>
Operating profit	56.8	42.0	14.8	35.2%
Net profit attributable to the Group	34.3	24.0	10.3	42.9%
Broadcasting advertising revenue	344.1	341.6	2.5	0.7%
Cost of programmes	(202.1)	(199.1)	(3.0)	1.5%
Broadcasting schedule costs*	(210.8)	(208.2)	(2.6)	1.2%

*"Broadcasting schedule costs" is a new indicator, which replaces "Cost of programmes" from 31 March 2021. Unlike the previous indicator, it includes costs associated with non-linear activities (MYTF1, LCI Digital) and with the theme channels (TV Breizh, Ushuaïa TV and Histoire TV).

Consolidated revenue of the TF1 group for the first quarter of 2021 reached **€509.8 million**, an increase of €15.9 million **(+3.2%)** year-on-year¹.

Advertising revenue was €357.9 million, up €2.1 million year-on-year **(+0.6%)**. The Group managed to maintain a high level of revenue without impairing the value of its advertising inventory.

Revenue from other activities amounted to €151.9 million, a rise of €13.8 million year-on-year **(+10%)**. Content production activities at Newen posted strong revenue growth, reflecting a catch-up effect in deliveries of some programmes plus rising demand.

Current operating profit reached **€56.8 million**², up €14.8 million year-on-year (+35.2%). **That takes the Group's current operating margin back into double digits at 11.1%**, close to the level reached in the first quarter of 2019 (11.4%).

Net profit attributable to the Group was **€34.3 million**, up €10.3 million year-on-year.

Broadcasting³

During the first quarter of 2021, French viewers' appetite for TV remained strong. **The average daily viewing time among individuals aged 4+ was 3 hours 54 minutes, up 3%** on the first quarter of 2020.

- **The TF1 group's share of target audiences rose sharply** in the first quarter, to **33.7%** among W<50PDM⁴ **(+2.1 points)** and to **30.4%** among 25-49 year-olds **(+1.6 points)**, demonstrating the pulling power of TV and the attractiveness of the Group's channels.

With some restrictions still in place in the early part of the year as a result of the ongoing public health crisis, the Group's channels confirmed their unrivalled power to unite, entertain and inform the people of France. These good performances were reflected in successes across all targets and content genres:

- **A strong French drama offer**, attracting a high share of individuals aged 4+, including ***La promesse*** (up to 8.3 million viewers, 32.1% share), ***Gloria*** (up to 7.6 million viewers, 30.3% share) and ***Je te promets*** (up to 6.3 million viewers, 23.5% share).
- **Iconic entertainment shows** with consistently high audience ratings like ***Koh-Lanta*** (up to 6.7 million viewers) and ***The Voice*** (up to 6.8 million viewers), and ***Quotidien*** on TMC (17.9% peak audience share among 25-49 year-olds).
- **Go-to news coverage**, with French viewers tuning in massively for major events like President Macron's address to the nation on 31 March 2021 (12.6 million viewers, 37.0% audience share) and for the regular daily bulletins at 8 pm (up to 8.1 million viewers, 31.1% audience share) and 1 pm (up to 6.5 million viewers, 46% audience share - a resounding success for the début of Marie-Sophie Lacarrau as news anchor).

¹ There was no impact of changes in structure in Q1 2021 versus Q1 2020.

² Current operating profit after leases (i.e. excluding the impact of IFRS 16) for Q1 2021 was €56.0 million, up €14.9 million year-on-year.

³ Médiamétrie.

⁴ Women aged under 50 purchasing decision-makers.

- **Very popular movie offering, especially among 25-49 year-olds**, thanks to films like *Le sens de la fête* (7.5 million viewers, 38.7% audience share), *Aquaman* (5.7 million viewers, 40.8% audience share), and *Wonder Woman* (5.7 million viewers, 37.3% audience share).
- **Broadcasting segment revenue reached €395.3 million, a rise of €5.4 million (+1.4%).**
 - Broadcasting segment advertising revenue for the first quarter of 2021 was 0.7% higher year-on-year at €344.1 million. When compared with a Q1 2020 figure that reflected a positive start to the year but also the impact of the first lockdown in the last two weeks of March, this indicates a healthy top-line performance, despite an ongoing decline in advertising spend in some sectors (leisure, tourism and cosmetics).
 - Revenue from other Broadcasting segment activities advanced by €2.9 million year-on-year.
 - **Broadcasting schedule costs amounted to €210.8 million**, stable overall (+1.2%) versus Q1 2020 (€208.2 million), reflecting tight control over the cost of programmes. This investment in broadcasting schedules enabled the Group to screen very popular new programmes, especially in French drama, while also delivering high quality news and entertainment. “Broadcasting schedule costs” is a new performance indicator that includes costs incurred on the MYTF1 and LCI Digital platforms and the three theme channels (Breizh TV, Histoire TV and Ushuaïa TV), as well as the cost of programmes on the Group’s five free-to-air channels.
 - **The Broadcasting segment reported current operating profit of €47.4 million**, a year-on-year increase of €3.6 million, generating current operating margin of **12.0% (+0.8 of a point)**.

Studios & Entertainment

- **Studios & Entertainment segment revenue for Q1 2021 was €77.7 million, up €9.2 million year-on-year.**

First-quarter revenue at Newen was boosted by a catch-up effect on productions originally scheduled for delivery in 2020 (especially in Canada and Belgium) that were postponed due to Covid-19. Shooting continues at Newen studios, in strict compliance with barrier measures.

In addition, **the order book is up year-on-year in value terms**. A number of productions have been confirmed, including the series *Marie-Antoinette*, co-produced with Banijay for Canal+. Newen is also to produce *Diamonds* for Netflix.

Revenue at TF1 Studio, although boosted by rights sales (especially to SVOD platforms), has been hit by cinema closures and the fact that no films went on general release in the quarter.

TF1 Entertainment posted a slight increase in revenue, driven by music labels. On 15 April 2021, the Group closed the sale of its toys and games business (TF1 Games and Dujardin) to Jumbodiset⁵.

⁵ See the press release of 15 April 2021:

- **The segment posted a current operating profit of €11.7 million**, a substantial increase of €9.6 million on the Q1 2020 figure. **Current operating margin reached 15.1%, up 1.1 point compared with Q1 2019.**

Unify

- **The Unify division posted revenue of €36.8 million, up €1.3 million year-on-year.**

First-quarter **advertising revenue** (direct media and programmatic) was down slightly year-on-year. Higher revenue in France (especially from **Marmiton**) failed to fully offset lower international revenues.

E-commerce revenue (subscription box sales) was higher year-on-year, driven by the **My Little Paris** and **Gambettes Box** lines.

Advertiser services revenue was slightly lower, having been affected by the Covid-19 crisis and the postponement of some advertising campaigns.

- **The current operating loss for the quarter was €2.3 million⁶**, an improvement of €1.6 million on the Q1 2020 figure. The profitability of this business tends to be weaker in the early part of the year due to seasonal factors.

Financial position

Shareholders' equity attributable to the Group was €1,646.5 million at 31 March 2021, out of a balance sheet total of €3,448.9 million.

The Group reported net surplus cash of €50.7 million at 31 March 2021 (net debt of €38.9 million including lease obligations), versus net debt of €0.7 million at 31 December 2020 (net debt of €93.1 million including lease obligations).

Extra-financial performance

During the first quarter of 2021, the TF1 group again distinguished itself with a raft of initiatives to promote a sustainable, inclusive and environmentally-friendly society.

In March 2021, the TF1 group launched the **3rd annual "Expertes à la Une" program**. A total of 15 female experts joined the program, from a range of sectors including healthcare, medical research, the criminal justice system, policing, artificial intelligence and entrepreneurship. The aim: to have **more female experts appearing on TF1 and LCI news programmes**, in fields where women are currently under-represented.

https://groupe-tf1.fr/sites/default/files/communiqués/press_release_closing_tf1_games_and_dujardin.pdf

⁶ The Q1 2021 current operating loss includes a gain of €1.7 million on the divestment of Unify businesses in Italy and Germany.

The TF1 group also obtained a C+ rating from ISS-ESG, achieving “prime” status within the media sector.

Governance

The TF1 Board of Directors has formally noted the renewal of the terms of office as director of **Laurence Danon Arnaud, Bouygues** (represented by **Pascal Grangé**) and **SCDM** (represented by **Charlotte Bouygues**), and the appointment of **Marie-Aude Morel** as an employee shareholder representative director, at the Annual General Meeting of TF1 shareholders on 15 April 2021.

The Board of Directors also formally noted the resignation of **Pascaline de Dreuzy** as a director of TF1 on 16 April 2021, and thanked her for involvement as a member of the Board, of the Audit Committee (since April 2016) and of the Selection and Remuneration Committee (since April 2019).

The number of directors remains at 11. The TF1 Board of Directors has **three independent directors (37.5%)** and **four female directors (50%)**⁷.

Outlook

A rich, diverse line-up points to a strong spring and summer 2021 for our **Broadcasting** operations. Coverage of the Euro 2021 football tournament in June and July, high-quality French drama (**Le remplaçant, HPI**) and new entertainment formats (**Game of Talents**) will all help to consolidate our status as an innovative, market-leading media group.

The ability of our advertising ad sales house to maintain a high level of advertising revenue both in our **Broadcasting** operations and at **Unify** in France is part of a broader value-building strategy for our advertising inventory, via innovative programmatic solutions and segmented TV. We will continue this strategy through 2021, taking advantage of opportunities for capturing new clients opened up by these innovations. For **Unify**, this will pave the way for **revenue growth and a return to profit at current operating level in 2021**.

In **production, the acquisition of a controlling stake in Izen**⁸, a studio with operations in Spain and the UK, has extended Newen’s European footprint and offers opportunities to invest in buoyant markets with a strong dynamic in demand for content. This acquisition enhances the prospects for **Newen to increase its international revenue over the year, and build up its book of orders with pure player platforms**.

We are now more agile than ever, and well placed to seize opportunities as they arise in the developing total video market.

⁷ The two employee representative directors and the employee shareholder representative director (all three of whom are female) are not taken into account when calculating those percentages.

⁸ Acquisition of a 65% equity interest; average revenue around €35 million over the last three years.

Our Financial Information Report for the first quarter of 2021 is available at <http://www.groupe-tf1.fr/en>.
A conference call on our first-quarter results is scheduled for 18.30 CET on 28 April 2021.
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".

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