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TF1 GROUP H1 2022 RESULTS

Growth in consolidated revenue: up 5.2% vs. H1 2021 to €1,186.9m

Strong increase in current operating profit: up 11.6% to €188.7m

Increase in current operating margin: up 0.9 pt to 15.9%

Boulogne, 28 July 2022

The TF1 Board of Directors, chaired by Gilles Pélisson, met on 27 July 2022 to approve the financial statements for H1 2022. The results below are presented by business line in accordance with IFRS 16. Reported revenue and operating profit figures may be found in our H1 2022 Financial Information Report on the website: www.groupe-TF1.fr/en.

(€m)	Q2 2022	Q2 2021	H1 2022	H1 2021	CHG. €M	CHG. %
TF1 group advertising revenue	438.4	444.6	815.5	802.5	13.0	1.6%
Revenue from other activities	187.2	174.3	371.4	326.2	45.2	13.9%
Media	543.0	538.9	1,028.5	983.4	45.1	4.6%
Advertising revenue	438.4	444.6	815.5	802.4	13.1	1.6%
o/w digital advertising revenue	34.9	35.2	65.1	63.1	2.0	3.2%
Newen Studios	82.6	80.0	158.4	145.3	13.1	9.0%
Consolidated revenue	625.6	618.9	1,186.9	1,128.7	58.2	5.2%
Media	114.4	100.6	171.3	147.4	23.9	16.2%
Newen Studios	14.7	11.7	17.4	21.7	(4.3)	-19.8%
Current operating profit	129.1	112.3	188.7	169.1	19.6	11.6%
Current operating margin	20.6%	18.1%	15.9%	15.0%	-	+0,9 pt
Operating profit	125.6	109.9	181.8	166.7	15.1	9.1%
Net profit attributable to the Group	92.4	74.1	126.5	108.4	18.1	16.7%
Cost of programmes	(220.6)	(255.6)	(440.6)	(466.4)	25.8	-5.5%

Consolidated revenue of the TF1 group for the first half of 2022 amounted to **€1,186.9 million**, an increase of €58.2 million year-on-year **(+5.2%)¹**.

Group **advertising revenue** was **€815.5 million**, up €13.0 million **(+1.6%)** year-on-year. The slight decline in second-quarter advertising revenue, linked to a basis of comparison with the year-earlier period including the Euro 2020 football tournament and a scope effect, was fully offset by the strong momentum shown in first-quarter 2022.

Revenue from other Group activities totalled €371.4 million, up €45.2 million year-on-year **(+13.9%)**, including €27.0 million linked to a scope effect, notably at Newen Studios.

¹ Excluding scope effects, revenue increased €36.7 million (+3.3%) vs. H1 2021.

Current operating profit came to **€188.7 million**², up €19.6 million year-on-year (+11.6%). **Group current operating margin was 15.9%**, up 0.9 pt on end-June 2021. **In the second quarter, the operating margin rose sharply to 20.6%** (up 2.5 points year-on-year).

Operating profit came to €181.8 million, after charging €6.9 million of non-recurring expenses relating to the proposed merger between TF1 and M6.

Net profit attributable to the Group was **€126.5 million**, up €18.1 million year-on-year.

Analysis by segment

Media

— **Audience ratings**³

In H1 2022, **average daily viewing time was 3 hours and 22 minutes among individuals aged 4 and over**, down 23 minutes compared with H1 2021, still impacted by the Covid-19 crisis. **The figure was down by only 7 minutes compared with end-June 2019**, (reference year).

During the first half, the Group continued to develop non-linear services aimed at responding to new content consumption forms. **MYTF1 MAX**, launched in November 2021, is an attractive additional paid service within **MYTF1**. The Group is also developing content on social networks such as TikTok, to increase its coverage among younger audiences.

In a competitive environment marked by major political and sporting developments, the Group delivered a good performance and maintained its *leadership* (**33.5%** among W<50PDM⁴, stable year-on-year, and **30.1%** among individuals aged 25-49, down 0.4 pt year-on-year) and continues to attract a majority of the French population through a *premium* offering successful with all targets and across all content categories:

- **A news offer that is more than ever a reference** as demonstrated through political talks and shows, such as **la déclaration du président de la République** on 2 March 2022, followed by 8.7 million viewers, **le débat de l'entre-deux tours** which attracted 7.5 million viewers on TF1, and the **émissions des premier et second tours de l'élection présidentielle**, followed by 7.3 and 7.2 million viewers respectively. **Le journal de 20h** sustained its leadership position, averaging 5.4 million viewers;
- **Iconic entertainment shows** with high ratings, including **Les Enfoirés** (8.4 million viewers, 52% audience share among W<50PDM), **The Voice** (a high of 5.8 million viewers, 38.3% audience share among W<50PDM), and **Koh Lanta** (a high of 5.7 million viewers, 41.5% audience share among W<50PDM);
- **Must-see sports events**, such as **the Champions League Final**, which attracted 5.9 million viewers, 38% among W<50PDM and 44% among individuals aged 25-49.
- **A strong range of French drama programmes**, like the excellent performance of **HPI** season 2, averaging 9.8 million viewers with a high of 10.9 million viewers and a 58% audience share among W<50PDM;

² Current operating profit after leases (i.e. excluding the impact of IFRS 16) for H1 2022 was €187.2 million, up €19.6 million year-on-year.

³ TV viewing figures from Médiamétrie over one year.

⁴ Women aged under 50, purchasing decision-makers.

- **A popular film line-up**, with the performance by *Qu'est-ce qu'on a encore fait au bon dieu ?*, which drew 7.8 million viewers, for a 43% audience share among W<50PDM.
- **Revenue for the Media segment reached €1,028.5 million, an increase of €45.1 million (+4.6%).**
- The **Media segment generated advertising revenue** of €815.5 million in H1 2022, up €13.1 million year-on-year (+1.6%). The decline in second-quarter advertising revenue (-1.4%) stemmed from an unfavourable basis of comparison with the Euro 2020 football tournament broadcast in June 2021, as well as a scope effect linked to foreign websites sold in 2021. Some buoyant sectors such as travel, tourism, banking, insurance and cosmetics offset the difficulties notably encountered by the food and automotive industries. **Digital advertising revenue** amounted to €65.1 million, up €2.0 million compared with end-June 2021 (3.2%), mainly driven by MYTF1 (up 25% from end-June 2021);
 - **Revenue from other Media segment activities** increased €32.0 million year-on-year (+17.7%) on growth in the entertainment and distribution businesses, with a recovery in live show activities.
- **The TF1 group's programme costs totalled €440.6 million**, for a year-on-year decline of €25.8 million. Beyond favourable basis of comparison with the year-earlier period given the absence of major sporting competitions at end-June 2022, this performance **demonstrates the Group's ability to control its spend and generate savings where necessary, while maintaining a powerful programme offering with high audiences**, confirming its position as *leader* in targeted audience share.
- **The Media segment reported current operating profit of €171.3 million**, a year-on-year rise of €23.9 million, generating a current operating margin of **16.7% (up 1.7 pt year-on-year)**. The segment posted a **strong improvement in its Q2 2022 profitability, at 21.1%** (vs. Q2 2021 at 18.7%).

In June 2022, TF1 sold **Gammed!**, the digital marketing expert in programmatic advertising, and announced the signing of an agreement with a view to the sale of Unify's **Publishers** operations. On 21 July 2022, TF1 also entered into exclusive negotiations for the sale of its stake in **Ykone**, the international influencer marketing agency. The closing of the operation took place on July 27th 2022.

Newen Studios⁵

- **The Newen Studios segment posted revenue of €158.4 million in H1 2022, up 9.0% year-on-year.**
- Newen Studios continued to expand internationally in the first six months, bolstered in particular by the contributions of the Izen studio in Spain and the Flare studio in Germany acquired in 2021.

⁵ At end-June 2022, the Games businesses (TF1 Games and Dujardin) sold in April 2022 were kept in the history of the Newen Studios segment.

Newen Studios acquired talent and labels in late 2021 and 2022, notably in the UK (Joy Gharoro-Akpojoto and **Joi Production**), Denmark (Sigrid Dyekjaer for **Real Lava**) and Spain (Tomas Ocana and **Capa Spain**). These talents, recognised in various genres including documentaries, contribute to strengthening Newen Studios' positioning in a buoyant content market.

In H2 2022, **major completed productions are expected to be delivered, such as *Liaison for Apple TV+* and *Marie-Antoinette* for Canal+.**

Lastly, orders placed with platforms, which confirm the level of customer knowledge developed in recent years, accounted for 35% of the book of orders at end-June 2022⁶, particularly thanks to the productions confirmed in the Netherlands in March and April for Tuvalu (*Nemesis* and *The Hunt for Jasper S.*).

- **The segment reported current operating profit of €17.4 million**, down -€4.3 million vs. H1 2021. The segment's current operating margin was 11.0%. Newen Studios reported a strong **improvement in its current operating margin for Q2 2022** (17.8%, up 3.1 points year-on-year), enabling the segment to return to a normal level of profitability in the first half, following a first quarter marked by the seasonal nature of its business.

Financial position

Shareholders' equity attributable to the Group was €1,812.5 million at 30 June 2022 out of a balance sheet total of €3,734.2 million.

Given that the **Publishers business** and **Ykone** entities are available-for-sale at 30 June 2022, all assets and liabilities of these entities were classified as "Held-for-sale assets and operations" and "Liabilities related to held-for-sale operations" at the bottom of the balance sheet, as defined by IFRS 5, for €198.0 million and €74.2 million respectively. Because the estimated fair value of the held-for-sale assets is not less than their carrying amount, no provision for impairment against those assets was recognised in the consolidated financial statements for the six months ended 30 June 2022.

Free cash flow after changes in the TF1 group's operating WCR amounted to €123.5 million, compared with €104.6 million at end-June 2021.

The TF1 group posted a net cash position of €245.2 million at 30 June 2022, compared with €198.5 million at end-December 2021.

Non-financial performance

The TF1 group distinguished itself once again in H1 2022 with several initiatives striving for a more sustainable, inclusive and environmentally respectful society.

In early 2022, the TF1 Pub ad sales house launched **Ecofunding**, a responsible initiative supported by TF1 Group. The advertising campaigns broadcast on the TF1 Group and MYTF1 channels displaying one of the eligibility criteria recommended by ADEME, the French Environmental Agency (environmental labels, energy label, reparability index and environmental labelling), trigger a

⁶ % expressed in euros out of total book of orders

contribution from TF1 Group to the Ecofunding fund, in proportion to the invested media budget. This contribution is then used to broadcast public awareness campaigns illustrating the interest and benefits of consuming labelled products and services. At this stage, **more than 190** awareness-raising advertising spots were broadcast on the Group's linear and non-linear channels between end-May and the start of June.

In addition, the TF1 group reaffirmed its commitment to promoting inclusion **by broadcasting a number of programmes on social issues**, with a focus on disabilities (e.g. *Handigang*) as well as renewing its membership to the LGBT+ Charter of the l'Autre Cercle association.

Proposed merger of the TF1 and M6 groups

Concerning the merger project between TF1 and M6, a press release was published on July 26th 2022⁷.

Outlook

The current macroeconomic environment, characterised by inflation and the conflict in Ukraine, did not significantly weigh on TF1 Group's financial results at end-June 2022. **In the second half of 2022, the Group will continue to adapt its costs based on market developments.**

The **Media** operating segment is set to benefit from an ambitious line-up, marked in particular by the **football World Cup** at the end of 2022, enabling it to strengthen its audiences and offer premium inventories to its advertising clients. The Group will extend its reach and support fast-changing uses by **working to allocate its content between linear and non-linear**. The completion of the sale of the Publishers business is scheduled for H2 2022.

Over the next six months, **Newen Studios** will benefit from significant deliveries and new orders, particularly with platforms, providing confidence in its ability to achieve its set targets.

Our Financial Information Report for H1 2022 is available at <http://www.groupe-tf1.fr/en>.
A conference call on the results is scheduled for 9.00 a.m. CET on 28 July 2022.
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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⁷ <https://groupe-tf1.fr/en/press-release/proposed-merger-between-tf1-and-m6-groups-french-competition-authority-s-investigation-report>