

THIRD QUARTER 2019

3.6% growth in advertising revenue to €220.5 million

4.7% increase in EBITA to €34.2 million

Integration of the Youth TV division as of 1 September 2019

At its meeting of 29 October 2019, the Supervisory Board reviewed the financial statements for the 3rd quarter of 2019 as approved by the Executive Board.

(€ millions) ¹	H1			Q3			9 months		
	2019	2018	%	2019	2018	%	2019	2018	%
Multimedia advertising revenue	539.3	527.1	+2.3%	220.5	212.8	+3.6%	759.8	739.9	+2.7%
- of which FTA channels' advertising revenue	420.5	417.7	+0.7%	169.2	166.0	+1.9%	589.7	583.7	+1.0%
- of which other advertising revenue	118.8	109.4	+8.6%	51.3	46.8	+9.6%	170.1	156.2	+8.9%
Non advertising revenue	175.3	176.1	-0.5%	74.1	81.0	-8.6%	249.4	257.1	-3.0%
Consolidated revenue	714.6	703.2	+1.6%	294.5	293.8	+0.3%	1,009.1	997.0	+1.2%
Profit from recurring operations (EBITA)²	148.3	147.1	+0.8%	34.2	32.6	+4.7%	182.4	179.7	+1.5%
<i>Margin from recurring operations</i>	<i>20.7%</i>	<i>20.9%</i>	<i>-0.2 pp</i>	<i>11.6%</i>	<i>11.1%</i>	<i>+0.5 pp</i>	<i>18.1%</i>	<i>18.0%</i>	<i>+0.1 pp</i>

Over the 3rd quarter of 2019, **M6 Group's consolidated revenue was stable (up 0.3%) at €294.5 million**. The decline in non-advertising revenue (primarily from cinema movie distribution) was offset by the increase in multimedia advertising revenue (organic growth of 1.7%)³.

Consolidated EBITA totalled €34.2 million in the 3rd quarter of 2019, vs. €32.6 million in the 3rd quarter of 2018. The Group was able to increase its operating profit despite the unfavourable base effect related to the termination of the M6 mobile by Orange contract on 30 June 2019 (down €4.7 million). This rise reflects the increase in profitability of the TV and Radio segments.

Over the first nine months of 2019, **M6 Group posted revenue of €1,009.1 million, representing growth of 1.2%** and including a 2.7% increase in advertising revenue.

Consolidated EBITA for the 9 months to end September 2019 was €182.4 million, a year-on-year increase of 1.5%. The margin from recurring operations stood at 18.1% (up 0.1 percentage point).

¹ The information provided is intended to highlight the breakdown of consolidated revenue between advertising and non-advertising revenue. Group advertising revenue includes the advertising revenue of free-to-air channels M6, W9, 6ter and Gulli, and the 6play and Gulli Replay platforms, 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 Excluding Youth TV division (formerly Lagardère)

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Television

(€ millions)	2019	2018	%
FTA channels' advertising revenue			
1 st Quarter	207.3	203.2	+2.0%
2 nd Quarter	213.2	214.5	-0.6%
3 rd Quarter	169.2	166.0	+1.9%
Total 9 months	589.7	583.7	+1.0%
Other TV revenue			
Total 9 months	105.5	94.5	+11.7%
Total TV segment revenue			
Total 9 months	695.2	678.2	+2.5%

M6 Group's 4 free-to-air channels (**M6**, **W9**, **6ter** and **Gulli**) saw their audience share on the commercial target of women under 50 responsible for purchases remain stable over the 3rd quarter⁴.

Entities from Lagardère's TV division have been consolidated since 1 September 2019. Their operational integration is in progress and their teams will relocate to the Neuilly site at the end of the year.

At constant consolidation scope, the TV segment's revenue grew by 1.3% in the 3rd quarter of 2019.

Excluding Gulli, advertising revenue from free-to-air channels declined slightly (down 0.3%), with the robust business in September offsetting the decline seen in July and August.

Lastly, **6play**'s advertising revenue maintained its growth trajectory, driven by the success of its on-demand programmes and the popularity of its targeted advertising service with advertisers.

Radio

(€ millions)	2019	2018	%
1 st Quarter	35.5	34.8	+1.7%
2 nd Quarter	46.8	42.9	+9.1%
3 rd Quarter	36.2	34.4	+5.3%
Total 9 months	118.5	112.2	+5.6%

Within a robust market in the 3rd quarter, Radio revenue increased 5.3% year on year to €36.2 million. **RTL** (the leading radio station in France), **RTL2** and **Fun Radio** all contributed to this strong performance.

Production and audiovisual rights

(€ millions)	2019	2018	%
1 st Quarter	19.7	17.7	+11.3%
2 nd Quarter	20.4	14.2	+43.2%
3 rd Quarter	12.0	16.7	-27.9%
Total 9 months	52.1	48.6	+7.2%

Revenue from the Production and Audiovisual Rights division was €12.0 million in the 3rd quarter of 2019, a year-on-year decline of 27.9% due to a less favourable cinema release schedule. The number of cinema admissions for films distributed by **SND** totalled 1.3 million, compared with 2.7 million in the 3rd quarter of 2018. The success of *Inséparables* should nevertheless be underlined, with the French comedy achieving more than 1.0 million admissions since its release on 4 September 2019.

Diversification

(€ millions)	2019	2018	%
1 st Quarter	51.9	57.7	-10.1%
2 nd Quarter	50.7	53.0	-4.4%
3 rd Quarter	40.5	47.1	-14.0%
Total 9 months	143.1	157.8	-9.3%

Diversification revenue totalled €40.5 million for the 3rd quarter of 2019, a year-on-year decrease of €6.6 million. This decline was mainly due to the termination of the M6 mobile by Orange contract as of 30 June 2019 (shortfall of €4.7 million in the 3rd quarter of 2019).

⁴ Source: Médiamétrie Médiamat - including Gulli in Q3 2019 vs. Q3 2018

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Financial position

At 30 September 2019, the Group had shareholders' equity of €698.6 million (€680.8 million at 30 June 2019), with net debt of €169.4 million⁵, which reflects the financing of the acquisition of the Youth TV division finalised in early September (acquisition cost: €215 million).

Outlook

In an erratic TV advertising market with limited visibility, over the 4th quarter M6 Group is committed to maintaining high audience ratings in strategic timeslots, particularly by leveraging its strong brands.

With the acquisition of the Youth TV division, M6 Group has strengthened its positioning on the French linear TV broadcasting market. Furthermore, the Group intends to continue investing in on-demand audio and video activities. A significant milestone will therefore be reached in 2020 with the **Salto** SVOD platform, bringing together the TF1, France Télévisions and M6 groups.

Neuilly sur Seine, 29 October 2019

*Next release: 2019 full-year financial information on 13 February 2020 after close of trading
M6 Métropole Télévision is listed on Euronext Paris, Compartment A
Ticker: MMT, ISIN Code: FR0000053225*

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