

## CONSOLIDATED RESULTS AT 31 DECEMBER 2018

**EBITA: €266.1 m (up 4.9%) – all-time high**

**NET PROFIT: €181.8 m (up 14.8%) – highest in 12 years**

**These results reflect:**

- **The strength of M6 Group's core business, whose operational performance improved despite increased competition;**
- **The effectiveness of its turnover strategy relating to its diversification portfolio.**

(€ millions)	2018	2017 restated <sup>1</sup>	2017 published	% change
<b>Consolidated revenue<sup>2</sup></b>	<b>1,421.4</b>	<b>1,324.5</b>	<b>1,387.3</b>	<b>+7.3%</b>
Group advertising revenue	1,067.1	948.0	948.0	+12.6%
- of which free-to-air channels advertising revenue	834.0	829.5	829.5	+0.5%
- of which other advertising revenue	233.1	118.5	118.5	+96.6%
Group non-advertising revenue	354.3	376.5	439.3	-5.9%
<b>Consolidated profit from recurring operations before depreciation, amortisation and impairment (EBITDA)<sup>3</sup></b>	<b>381.0</b>	<b>372.0</b>	<b>380.9</b>	<b>+2.4%</b>
<b>Consolidated profit from recurring operations (EBITA)<sup>4</sup></b>	<b>266.1</b>	<b>253.7</b>	<b>248.7</b>	<b>+4.9%</b>
<i>Operating margin from recurring operations</i>	<i>18.7%</i>	<i>19.2%</i>	<i>17.9%</i>	<i>-0.4pp</i>
Capital gains and losses on asset disposals	12.3	0.0	0.0	n.a
Operating income and expenses related to business combinations	(3.4)	(2.6)	(2.6)	n.a
<b>Operating profit (EBIT) from continuing operations</b>	<b>275.0</b>	<b>251.1</b>	<b>246.1</b>	<b>+9.5%</b>
Net financial income/(expense)	(2.3)	(1.5)	(2.0)	n.a
Share of profit of joint ventures and associates	(0.8)	1.8	1.8	n.a
Income tax	(97.4)	(89.4)	(87.5)	+8.9%
<b>Net profit from continuing operations</b>	<b>174.5</b>	<b>161.9</b>	<b>158.4</b>	<b>+7.8%</b>
Net profit from discontinued operations	7.3	(3.5)	0.0	n.a
<b>Net profit for the period</b>	<b>181.8</b>	<b>158.4</b>	<b>158.4</b>	<b>+14.8%</b>
Net profit for the period - Group share	181.8	158.4	158.4	+14.8%

M6 Group's 2018 **consolidated revenue** grew 7.3% to **€1,421.4 million**, driven by a 12.6% increase in advertising revenue, which was bolstered by the full-year integration of the Radio division.

**Profit from recurring operations (EBITA)** was up €12.5 million to **€266.1 million**, a new historic high for the Group. This performance reflects the buoyant Television division and the integration of Radio.

**The Group's operating margin was 18.7%**, a 0.8 percentage point uplift compared with the 17.9% margin reported in 2017.

**Group share of net profit over the period totalled €181.8 million**, achieving strong year-on-year growth of 14.8%. In addition to the sharp increase in operating profit, it includes capital gains from the disposals of monAlbumPhoto (€12.4 million) and FCGB (€4.9 million), as well as FCGB's net profit for the period it was held by the Group (€2.4 million).

In accordance with IFRS 8, the segment reporting of the Group is now based on 4 operating segments, whose contribution to consolidated revenue and EBITA was as follows:

(€ millions)	9 months			Q4			FY		
	2018	2017	%	2018	2017	%	2018	2017	%
TV	678.2	656.6	+3.3%	288.4	281.7	+2.4%	966.5	938.3	+3.0%
Radio	112.2	-	n.a.	54.8	54.3	+1.0%	167.0	54.3	n.a.
Production & Audiovisual Rights	48.6	68.4	-28.9%	27.8	27.2	+2.4%	76.5	95.6	-20.0%
Diversification	157.8	161.0	-2.0%	53.3	75.1	-29.0%	211.1	236.0	-10.6%
Other revenue	0.2	0.2	n.a.	0.1	0.1	n.a.	0.3	0.3	n.a.
<b>Consolidated revenue</b>	<b>997.0</b>	<b>886.2</b>	<b>+12.5%</b>	<b>424.4</b>	<b>438.3</b>	<b>-3.2%</b>	<b>1,421.4</b>	<b>1,324.5</b>	<b>+7.3%</b>
TV	-	-	-	-	-	-	214.0	205.0	+4.4%
Radio	-	-	-	-	-	-	28.0	12.5	n.a.
Production & Audiovisual Rights	-	-	-	-	-	-	8.7	4.7	+86.1%
Diversification	-	-	-	-	-	-	25.1	37.1	-32.4%
Eliminations and unallocated revenues	-	-	-	-	-	-	(9.6)	(5.7)	n.a.
<b>Consolidated profit from recurring operations (EBITA)</b>	<b>179.7</b>	<b>159.9</b>	<b>+12.4%</b>	<b>86.4</b>	<b>93.7</b>	<b>-7.8%</b>	<b>266.1</b>	<b>253.7</b>	<b>+4.9%</b>

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## TELEVISION

Within a changing audiovisual landscape, **TV remained key and accounted for almost 90% of the total video viewing time of the French population in 2018<sup>5</sup>.**

In 2018, M6 Group's family of free-to-air channels achieved an average audience share of 13.3% across all audiences and 21.4% on the commercial target of women under 50 responsible for purchases<sup>6</sup>:

**The M6 channel maintained its second placed ranking amongst WRP<50**, with a 15.0% audience share, despite the fall in its audience figures during periods of the day with lower advertising spend (morning and afternoon). M6 remained at a high level in the strategic primetime slot (2.6 million viewers / 19% audience share of WRP<50), a sign of the Group's drive to invest in content. In this way, the channel successfully improved its leading long-standing brands such as *La France a un Incroyable Talent*, *Le Meilleur Pâtissier*, *Top Chef*, *Pékin Express*, *Zone interdite* and *Capital*.

**W9 consolidated its position as the second largest DTT channel on the commercial target**, with a 3.8% audience share, thanks to effective programming that combined new productions during access primetime (*Un diner presque parfait* as well as reality series) and varied primetime content (films, magazine shows, sport and series).

The success of its positioning as a general interest channel aimed at a young audience is reflected, for example, by its power in the digital world, with 88 of the 100 best audience figures achieved by television programmes watched online.

**6ter retained its ranking as the 5<sup>th</sup> largest DTT channel across all generations for women responsible for purchases under 50 years old**, with a 2.6% audience share. The channel consolidated its family friendly image with the launch of new flagship brands such as *Les Mamans*, *Vous Avez un Colis* and *Familles Extraordinaires*.

The programming costs of free-to-air channels were €466.3 million, compared with €461.2 million in 2017. The Group is now the official broadcaster of the French men's and women's national football teams.

The TV advertising market posted slight growth in 2018. It benefited from the broadcast of major sporting events on rival channels before slowing due to the challenging social environment at the end of the year. Against this unfavourable backdrop, M6 Group's free-to-air channels saw their advertising revenue grow 0.5% in 2018.

Furthermore, **6play's** advertising business continued to grow, still driven by the momentum of the platform which currently has 25 million registered OTT users. It has established itself as one of the key on-demand services within the French audiovisual landscape with 1.4 billion videos viewed<sup>7</sup> (against 1.3 billion in 2017).

Lastly, 2018 was also marked by the renewal of the Group's distribution agreements. These new agreements have secured the broadcast of pay-TV channels by tying it to the revenue generated by free-to-air channels and their related on-demand services.

**TV operations thus contributed €214.0 million to EBITA**, compared with €205.0 million in 2017, representing an operating margin of 22.1% for the Group's core business (vs. 21.9% in 2017).

## RADIO

Radio is a medium that remains highly popular among French people, with **79% of them tuning in every day**. This represents **43 million listeners** with an average daily listening time that remained significant at **2 hours 50 minutes**<sup>8</sup>.

Over 2018 as a whole, the Radio division reaffirmed its status as France's leading private radio group with an audience share of 19.5% among listeners aged 13 and over, up 0.4pp year on year<sup>9</sup>.

**RTL, France's top radio station**, achieved an audience share of 12.9%, a year-on-year increase of 0.2 percentage point. This represented its best performance of the last 10 years. The last wave (November-December) was particularly impressive since the station beat the all-time audience share record with 13.4%. Never before had a radio station in France achieved such a high level.

**Fun Radio** is the **second largest music station in the 25-49 age range**. Its audience share was 3.7% in 2018.

**RTL2, the second most popular music station for upper socio-professionals**, achieved an audience share of 2.9%, up 0.3pp.

Within a market experiencing slight growth, the Radio division managed to gain advertising market share in 2018 thanks to its audience momentum and leadership.

**Its revenue stood at €167 million. EBITA totalled €28.0 million**, reflecting the implementation of initial synergies.

## PRODUCTION & AUDIOVISUAL RIGHTS

**Revenue from the Production and Audiovisual Rights division totalled €76.5 million**, down €19.1 million compared to 2017, mainly due to a weaker line-up of films distributed by SND, in particular in international markets.

The films distributed by **SND** generated 8.8 million admissions in 2018, compared with 10.7 million in 2017<sup>10</sup>.

2018 was nevertheless marked by the release in December of the film *Asterix: The Secret of the Magic Potion*, produced in-house by M6 Studio and distributed by SND, which generated 3.9 million admissions overall. This new instalment, based on an original story, was the biggest box office success of the past 12 years for a French animated film.

**Divisional EBITA was €8.7 million**, compared with €4.7 million in 2017. It above all reflects the effectiveness of the audiovisual rights distribution business model (cinema releases and management of film catalogues) which, despite the fall in its revenue, achieved an increase in its operating profit.

## DIVERSIFICATION

In 2018, **Diversification revenue totalled €211.1 million** (compared with €236.0 million in 2017), with a **contribution to EBITA of €25.1 million** (compared with €37.1 million in 2017). Over the financial year,

**Ventadis** saw a decline in both its revenue and its EBITA, due to:

- The disposal of **monAlbumPhoto** at the end of July (2017 revenue = €29m, 2017 EBITA = €3m;
- A range of products undergoing renewal which significantly impacted **Best of TV's** results.

**Home Shopping Service** managed to stabilise its sales and improve its EBITA thanks in particular to the growing momentum of its e-commerce distribution channel.

Furthermore, constantly in search of new growth drivers, in late 2018 Ventadis launched **Joikka**, a new online jewellery brand.

**M6 Digital Services** (formerly M6 Web) recorded an increase in its revenues and operating profit. M6 Digital Services benefited in particular from the momentum of cashback specialist **iGraal**.

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## FINANCIAL POSITION & OUTLOOK

The Group had shareholders' equity of €716.6 million at 31 December 2018, compared with €662.3 million at 31 December 2017.

Net cash and cash equivalents totalled €93.8 million (compared with net financial debt of €28.3 million at the end of 2017), notably benefiting from the disposal of FCGB (€101 million, of which €83 million was paid in 2018) and monAlbumPhoto (€40 million).

Just a year after the acquisition of the RTL Radio division, the Group has rebuilt its investment capacity, enabling it to consider a new major transaction. As such, in order to strengthen its core business, on 31 January 2019 the Group has entered into exclusive negotiations with **Lagardère Group** for the acquisition of its **Television Channels division** (excluding Mezzo), the French leader for live and on-demand children's TV. The negotiations and related authorisation procedures are ongoing.

## DIVIDEND

At the Combined General Meeting called for 25 April 2019, the Executive Board will propose the payment of a dividend of €1.00 per share. The ex-dividend date will be 15 May and dividends will be paid on 17 May 2019.

## GOVERNANCE

The terms of office of four members of the Supervisory Board will expire at the Annual General Meeting of 25 April 2019 and it will be proposed to reduce the number of members to ten due to the strategic refocusing of the Group's core business over the last two financial years, which requires less diverse profiles.

Accordingly, the Supervisory Board would like to extend their warmest thanks to Gilles Samyn, Sylvie Ouziel and Catherine Lenoble for the quality of their work and their unrelenting support for the Group's development.

A member of the Board for the past 12 years, **Gilles Samyn** contributed financial and strategic expertise as a result of his experience with major publicly listed companies. **Catherine Lenoble** stood out due to her extensive knowledge of the audiovisual industry, having spent 25 years within the Group's sales house, and **Sylvie Ouziel** shared her knowledge of the digital economy with the Board.

Consequently, following the ratification of **Juliette Valains'** co-option, it will be proposed to renew her term of office for 4 years.

Lastly, it will be proposed to ratify the co-option of **Jennifer Mullin**, CEO of Fremantle, to replace Anke Schäferkordt until 2022.

As part of the Supervisory Board's work relating to the succession of the Executive Board, whose current term of office will expire on 21 February 2020, it will be proposed to extend the age limit to 72 years at the next Annual General Meeting in order to give the Group greater flexibility in the implementation of the various scenarios envisaged regarding the replacement of the members and chairman of the Executive Board.

Neuilly sur Seine, 19 February 2019

*Results will be presented to financial analysts in a webcast starting at 6.30 pm (CET), 19 February 2019, on the Group's website at [www.groupem6.fr](http://www.groupem6.fr)*

*Details on how to access the webcast are available at [www.groupem6.fr/Finance](http://www.groupem6.fr/Finance)*

*Both the slideshow and annual consolidated financial statements will be available online at 6:00 pm (CET), it being specified that the audit procedures have been carried out and the Statutory Auditors' report on the financial statements is being prepared.*

*Next release: First quarter 2019 financial information: 25 April 2019 before start of trading.*

*M6 Métropole Télévision is listed on Euronext Paris, Compartment A*

*Ticker: MMT, ISIN Code: FR0000053225*

<sup>1</sup> Due to the disposal of FCGB on 6 November 2018, M6 Group has applied IFRS 5 – Non-Current Assets Held for Sale.

As such, consolidated Group sales and EBITA no longer include Girondins de Bordeaux figures. Data published in 2017 has been restated accordingly. However, FCGB's net profit for the first 10 months of 2018, when it was held by the Group, has been recognised under "Net profit from discontinued operations".

In addition, monAlbumPhoto was sold at the end of July. From August, consolidated revenue and EBITA therefore no longer include its contribution.

<sup>2</sup> The information provided is also 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 and 6ter, the share of advertising revenue from pay channels, the revenue of radio stations RTL, RTL2 and Fun Radio, and the share of advertising revenue generated by diversification activities (mainly Internet).

<sup>3</sup> EBITDA is defined as profit from recurring operations before depreciation, amortisation and impairment of property, plant and equipment and intangible assets (€114.9 million in 2018 and €118.4 million in 2017).

<sup>4</sup> 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.

<sup>5</sup> Médiamétrie / L'année TV 2018

<sup>6</sup> Médiamétrie Médiamat

<sup>7</sup> eStat Médiamétrie

<sup>8</sup> Médiamétrie 126,000

<sup>9</sup> Médiamétrie 126,000

<sup>10</sup> CBO Box-Office