

FIRST QUARTER 2020

After a positive start to the quarter,
first significant impact of Covid-19 in March

(€ millions)	1st Quarter		
	2020	2019	change
Group advertising revenue	235.6	259.4	-9.2%
- of which TV advertising revenue	202.9	221.8	-8.5%
- of which other advertising revenue	32.7	37.6	-13.0%
Non-advertising revenue	85.7	86.3	-0.7%
Consolidated revenue¹	321.3	345.7	-7.1%

For the first quarter of the 2020 financial year, **M6 Group posted consolidated revenue of €321.3 million, down 7.1%.**

Multimedia advertising revenue, which includes revenue from the Youth division integrated since September 2019, fell 9.2% as a result of the sudden halt to consumer spending since the start of the lockdown.

Despite the negative base effect (€4.7 million) related to the termination of the *M6 mobile by Orange* contract at the end of June 2019, non-advertising revenue was stable due in particular to the integration of the Youth division and the resilience of other activities.

Consolidated profit from recurring operations (EBITA)² stood at €45.6 million, compared with €64.2 million in the 1st quarter of 2019. This decline was due to the fall in advertising activity and the absence of contribution by the *M6 by mobile by Orange* contract (€4.7 million in Q1 2019), which were partially offset by the implementation of a cost cutting plan effective immediately. The agility displayed by the Group within this deteriorated economic environment has enabled it to maintain a high operating margin (14.2%).

■ TELEVISION

(€ millions)	1st Quarter		
	2020	2019	change
Consolidated revenue	228.9	238.6	-4.1%
<i>o.w. advertising revenue</i>	202.9	221.8	-8.5%

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 6play and Gulli Replay platforms, as well as the share of advertising revenue from pay channels) and 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.

The TV advertising market, which began 2020 on a relatively stable note, plummeted in March. The worsening of the Covid-19 epidemic and the introduction of lockdown measures led advertisers to cancel numerous campaigns. As such, the second half of March was marked by a fall of more than 30% in advertising time. Within this unprecedented environment, TV advertising revenue fell 8.5% over the quarter (down 11.8% on a like-for-like basis).

However, French people have been spending more time watching television since the start of the Covid-19 pandemic. Average Individual Viewing Time rose more than 20% year-on-year in March 2020, standing at 4 hours 19 minutes, and even reaching 4 hours 38 minutes over the first five weeks of the lockdown, representing its highest ever level³. As the ultimate shared viewing medium, Television has the ability to bring people together, which is even more in demand during difficult times.

Against this backdrop, the range of event-driven and family friendly programming broadcast by M6 Group's channels has proved popular since the start of the lockdown. On **M6** in particular, *Top Chef* (with 3.6 million viewers) and *Pékin Express* (3.2 million) for example both saw their audiences grow by 40%⁴. The *12'45* (2.2 million) and *19'45* (3.9 million) news bulletins recorded respective increases of 66% and 38% in their audience figures compared with the start of 2020⁵. During access primetime, *Tous en cuisine*, launched on 24 March and presented live by Cyril Lignac, recorded sharp growth in the timeslot, now achieving an audience of almost 2.4 million viewers each evening⁶.

On **6play**, the trend has been similar since the start of the lockdown, with a year-on-year increase of 45% in the number of videos viewed⁷.

■ RADIO

(€ millions)

Consolidated revenue

1st Quarter		
2020	2019	%
31.5	35.5	-11.2%

After experiencing slight growth at the start of the year, the radio advertising market fell sharply in March due to the sudden decline in consumer spending following the introduction of the lockdown measures. Against this backdrop, **Radio revenue stood at €31.5 million**, a decline of 11.2% in relation to the first quarter of 2019.

However, the Radio medium proved resilient. Over the January – March 2020 wave, Listening Time per Listener remained high, even increasing by one minute year-on-year and reaching 2 hours 47 minutes⁸.

Over this wave, the RTL Radio division strengthened its position as the leading private radio group in France, marking the highest growth amongst the leading industry players. In this way, its audience share amongst listeners aged 13 and above recorded year-on-year growth of 0.7 percentage points to 18.9%⁸:

- **RTL**, France's leading radio station (equal with France Inter), saw its audience share increase by 1.6 points to 13.4%. The station achieved its highest ever level across all waves combined.
- **RTL2**, whose breakfast show *Le Double Expresso* posted record audience figures, maintained its audience share at 2.9% for the entire day.
- **Fun Radio** achieved an audience share of 2.6%, a year-on-year decline of 1 percentage point.

■ PRODUCTION & AUDIOVISUAL RIGHTS

(€ millions)

Consolidated revenue

1st Quarter		
2020	2019	change
15.9	19.7	-19.5%

³ Source: Médiamétrie Médiamat

⁴ Source: Médiamétrie Médiamat / Weeks 12, 13, 14, 15 and 16 vs. early March 2020

⁵ Source: Médiamétrie Médiamat / Weeks 12, 13, 14, 15 and 16 vs. early 2020

⁶ Source: Médiamétrie Médiamat / Week 16

⁷ Source: Heartbeat / 16 March - 16 April 2020 data vs. 16 March - 16 April 2019 data

⁸ Source: Médiamétrie 126,000, January 1 to March 15, Monday-Friday, 5am-12am

Revenue from the Production & Audiovisual Rights activity stood at €15.9 million, down 19.5% year-on-year, due firstly to the fall in international sales, which in 2019 had been boosted by the sale of the rights for *Asterix: The Secret of the Magic Potion*, and secondly to the decline in the film activity.

SND recorded just 1.5 million cinema admissions compared with 2.2 million during the first quarter of 2019, suffering from the significant impact of the closure of cinemas on 15 March. By way of illustration, the film *De Gaulle*, released on 4 March, achieved 0.6 million admissions in just 11 days.

■ DIVERSIFICATION

(€ millions)	1st Quarter		
	2020	2019	change
Consolidated revenue	44.9	51.9	-13.5%

Diversifications revenue totalled €44.9 million, a fall of €7.0 million (13.5%), €4.7 million of which was related to the end of the *M6 mobile by Orange* contract on 30 June 2019.

Furthermore,

- Since the worsening of the Covid-19 pandemic and the implementation of the lockdown, **M6 Digital Services** saw the audiences for its sites increase by 15%⁹, as did *PasseportSanté.net* and *CuisineAZ.com*. Nevertheless, as with Television and Radio, digital advertising revenue also suffered from the worsening economic situation;
- **Ventadis** sales fell slightly. After a difficult start to the year, **home shopping** (Home Shopping Service) held up well in March, its wide range of household products proving popular during the lockdown period. **Best of TV** maintained its revenue levels despite the shutdown of its activities during the last two weeks of the quarter, following the closure of numerous points of sale.

■ FINANCIAL POSITION & OUTLOOK

At 31 March 2020, Group equity totalled €901.3 million, compared with €772.9 million at 31 December 2019, a significant increase due in particular to the profit generated in March following the combination of iGraal and Global Savings Group.

The Group had net debt of €5.1 million¹⁰, which led it to draw down its authorised credit facilities at the start of the lockdown in order to guarantee sufficient liquidity.

To consolidate this liquidity, the Executive Board has moreover decided to suspend the payment of the dividend for the 2019 financial year, reserving the right to distribute it at a later date if the economic recovery allows better visibility of the advertising market outlook.

In line with the second half of March, activity on the French advertising market remained at a standstill in April due to the lockdown measures and their significant impact on consumer spending. With the extension of the lockdown until 11 May, advertising trends should continue to be greatly disrupted in May. Although visibility beyond this horizon is very limited, the Group expects a significant reduction in its advertising revenue over the second quarter of 2020, the extent of which will depend on the economic recovery that follows the lifting of the lockdown.

In order to deal with this unprecedented situation and to ensure the best possible conditions for business recovery, the Group has taken the necessary cost-cutting measures, in addition to UEFA's decision to postpone the Euro 2020 football championships.

For the second quarter, the Group has set itself the objective of absorbing in the region of 50% of its fall in revenue with this plan to reduce operational costs, which covers all its activities and divisions.

Neuilly-sur-Seine, 28 April 2020

*Next release: Half-year financial information on 28 July 2020 after close of trading
M6 Métropole Télévision is listed on Euronext Paris, Compartment A
Ticker: MMT, ISIN Code: FR0000053225*

⁹ March 2020 vs. March 2019 – Change in user numbers

¹⁰ The net cash position does not take into account rental liabilities resulting from the application of IFRS 16 – Leases.