

Mediawan outperforms in 2018

Strong organic growth of +13%, EBITDA margin of 19%

Resounding international success of its brands

Premium line-up in all kinds in 2019

Further international expansion

- **Solid business performance: revenues of €258.6 million, versus €115.7 million in 2017, thanks to the dynamism of its production companies and to the consolidation of acquired companies. At constant scope, revenues grew by 13.0% to €276.1 million, exceeding the initial target of €270 million**
- **EBITDA¹ of €49.1 million for the 2018 financial year (vs. €26.1 m in 2017), giving an EBITDA margin of 19.0%.**
- **Consolidation of 5 structuring acquisitions in 2018 to enhance the exclusive content offer and accelerate future growth ; structuring of the Group based on 4 core businesses and strengthening of cross-business functions**
- **Premium line-up in terms of fiction, animated content and documentaries for 2019/2020 enabling organic growth to be maintained at +10% per year on average over the next 3 years**

Mediawan announces today its 2018 annual financial results, following the closing of the audited annual accounts² by the Supervisory Board on April 9, 2019.

Reported key figures

	2018	2017
Revenues (€m)	258.6	115.7
EBITDA ¹ (€m)	49.1	26.1
Attributable net profit/loss (€m)	5.0	-6.8
Adjusted attributable net profit/loss ³ (€m)	28.9	11.9
Adjusted EPS (€ / share)	0.99	0.40
Net financial debt ⁴ (€m)	120.9	28.5

¹ EBITDA calculated after amortization of audiovisual rights (excluding those related to business combinations).

² Accounts under audit

³ Net income adjusted for other operating income and expenses, depreciation of assets acquired through business combinations and exceptional financial income and expenses (net of tax).

⁴ Financial debt excluding loans related to productions.

Pierre-Antoine Capton, Mediawan’s Chairman, says: “Mediawan recorded solid financial performances in 2018, benefiting from both the contribution of recent acquisitions and strong organic growth. This momentum illustrates the pertinence of our strategy focusing on the production and distribution of premium content, a key factor of differentiation. We are particularly proud to produce the most popular series in France and international brands that will be tomorrow’s successes. With an offer enhanced by 8 structuring acquisitions since its creation, the Group has integrated a new organization based on 4 core businesses with strengthened cross-business functions. Within a fast-changing environment marked by the arrival of new players, notably in broadcasting, we are approaching 2019 with confidence and ambition, and are convinced that Mediawan is perfectly positioned to take advantage of the substantial demand for premium content”.

Strong revenue growth in 2018, numerous developments across all Group activities

2018 revenues totaled €258.6 million, €276.1 million pro-forma, up +13.0% vs. the 2017 pro-forma figure. This growth was notably the result of the contribution of new acquisitions and the organic growth of the Group’s various business segments, in particular Mediawan Originals, Mediawan Animation and Mediawan Rights.

Reported and pro-forma revenues

In € million	2018 Actual ⁵	2017 Actual	2018 Pro-forma ⁶	2017 Pro-forma ^{6,7}	Change
Mediawan Originals	88.4	11.8	93.2	70.6	+32%
Mediawan Animation	26.8	-	42.4	38.4	+10%
Mediawan Rights	35.9	22.5	33.5	27.1	+23%
Mediawan Thematics	107.1	81.2	107.1	108.2	-1%
Revenues	258.6	115.7	276.1	244.4	+13.0%

- *Mediawan Originals*, the leading producer of fiction and documentaries in France with 17 production companies, recorded 2018 revenues of €88.4 million, €93.2 million pro-forma, up +32% vs. 2017. This substantial increase was notably due to the contribution of recently-acquired companies and the high volume of successful content broadcasted in 2018.

Over the last year, *Mediawan Originals* – which has a portfolio of prominent franchises (Call My Agent, Apocalypse, Research Unit, Alice Nevers and Black Spot) – delivered almost 100 hours of programs and was the top producer of primetime fiction in France, according to the annual ranking published by *Écran Total* magazine in September 2018.

In 2018, the Group successfully launched new programs such as “The Crimson Rivers”, “Hunted” and “Crimson wedding”, and also co-produced “*Je ne suis pas un homme facile*”, the first French ‘Netflix Original’ film, broadcasted on the platform since April 2018.

Prospects for 2019 and 2020 are good, as *Mediawan Originals* has already signed up for new seasons of a number of successful series and is aiming to deliver over 250 hours of programs over the next two years. The creation and development of new high-quality franchises and the acceleration in international activity with numerous ambitious projects will also represent growth drivers for this core business.

- *Mediawan Animation*, Europe’s leading producer of animated content, recorded 2018 revenues of €26.8 million, €42.4 million pro-forma (+10%). This core business has established expertise in the development of successful television series and feature films and a proven ability to transform franchises into global brands, sources of additional revenues.

2018 was notably marked by the “Miraculous” phenomenon and the delivery of 13 episodes of “Zakstorm” and 26 episodes of “Arthur et les Minimoys”. In total, this division delivered 135 half-hour programs over

⁵ Includes a contribution of €0.4 million from the support division in 2018.

⁶ Proforma financial results including the annual contribution of all companies in the scope of consolidation for the 2018 financial year

⁷ Includes the IFRS 15 restating of all Group companies apart from ON Entertainment.

the past year that are proving to be a significant success in all regions, regularly generating some of the best viewing figures among young children.

In addition, supplementary income from the use of the Group's intellectual property (distribution sales, Licensing & Merchandising revenues and advertising income on digital platforms such as YouTube) also recorded significant growth over the period.

This core business intends to accelerate its development strategy on both TV series and feature films, with numerous major projects due to be launched in 2019 including the new "Power Players" series and the release of the "Playmobil" movie in the summer. *Mediawan Animation* will also continue to capitalize on the success of "Miraculous Ladybug" with the development of seasons 4 and 5.

- *Mediawan Rights*, which incorporates all of Mediawan's distribution activities, recorded revenues of €35.9 million or €33.5 million pro-forma in 2018, up +23% on 2017. With close to 13,000 hours, *Mediawan Rights* has the largest catalogue of French-language programs, with much of its content being produced in-house.

Over the last year, the division strengthened its positions via a number of key agreements, the sale of the French rights for the "Babylon Berlin" series (16x45') to the Canal+ group and the sale of a number of series ("Alice Nevers", "Research Units", "The Mantis") in European countries, confirming these markets' interest in this type of content.

In 2019, activity should remain buoyant thanks to the contribution of recently-integrated entities and to the increased marketing of international formats and animated programs. At the same time, the preponderance of digital and OTT players should continue to alter the division's client split and could also lead to new opportunities, notably with Netflix and Amazon who are continually seeking premium content for their respective platforms. Lastly, *Mediawan Rights* will also keep an eye out for market opportunities to strengthen its catalogue.

- *Mediawan Thematics*, which specializes in the publishing of channels and associated digital services, recorded stable revenue of €107.1 million in 2018. With a strengthened portfolio, Mediawan Thematics has 17 channels including ABXplore (Belgium), Auto Moto – launched in November 2018 – and AB3 (Switzerland), also launched recently. It thus has strong positions on thematic channels in France and French-speaking countries.

In 2018, the renegotiation of TV and telecom operator fees and the decrease in home-shopping revenues were offset by the growth in advertising revenues which grew across all regions (+6.4%), reflecting the good viewing figures generated by the Group's channels. The renewal of contracts with the majority of distributors and the successful repositioning of AB1 – which has seen its market share increase significantly – strengthen 2019 prospects.

Mediawan Thematics should benefit from additional distribution opportunities with the major OTT players, notably thanks to certain launches expected this year. Furthermore, the appetite for eSport, an area in which the Group has signed partnerships to develop an innovative offer, could be a source of additional income.

Reported EBITDA of €49.1 million, strong operating margin at 19%

EBITDA amounted to € 49.1 million, or an operating margin of 19.0%, after taking into account the amortization of audiovisual rights (other than those related to business combinations) for € 110 million. This high margin level demonstrates the relevance of Mediawan's model, which is present throughout the content chain and is able to maximize the value of the rights produced through its distribution activity.

The evolution from the 22.6% level in 2017 was fully anticipated by the group and results from the strong growth in production volumes, whose immediate profitability is less than that achieved later through the distribution activity.

The reported **operating profit** was €3.6 million, and was significantly impacted by the following elements:

- amortization of the goodwill allocated to tangible and intangible fixed assets for €(30.1) million;
- non-recurring expenses of €(5.6) million associated with acquisitions and reorganization costs;
- accounting impact, with no impact on the Group's cash position, of elements similar to remuneration elements under IFRS to the tune of €(4.6) million.

Adjusted net profit group share⁸ of €28.9 million

In total, **net profit group share** was €5.0 million in 2018, once the following are taken into account: (i) financial result for €(3.2) million, (ii) corporate tax income of € 5.5 million and (iii) €(0.9) million in minority interests.

In order to facilitate the interpretation of the Group's actual performance, adjusted net income has been presented by neutralising the impact of exceptional items⁸.

Adjusted net income (Group share) amounted to € 28.9 million, compared with € 11.9 million in 2017.

Solid financial structure: net debt⁹ of €121 million and shareholders' equity of €222 million at the end of 2018

The increase in shareholders' equity, group share, from €209.1 million at December 31, 2017 to €219.4 million at December 31, 2018, was chiefly the result of (i) the net profit of €5.0 million, (ii) capital increases following the exercise of warrants for €18.6 million and (iii) the non-monetary impact associated with the writing down of minority interest purchase commitments net of changes in scope for €(16.9) million.

At December 31, 2018, the Group's net financial debt was €120.9 million, versus €28.5 million at December 31, 2017, the increase in debt over the period being chiefly due to the impact of the Group's acquisitions for more than €100 million. Moreover, on December 19, 2018 Mediawan signed agreements regarding the setting up of additional credit of €230 million, thus strengthening the Group's balance sheet structure and providing it with the means to continue implementing its external growth strategy, notably abroad.

Integration of acquired companies and acceleration in international development

In 2018, Mediawan continued to implement its consolidation strategy with the integration of a number of companies: Storia Television, Makever, ON Entertainment, Mon Voisin Productions and Mai Juin Productions. These entities are perfectly in keeping with Mediawan's strategic objectives, i.e. the production of premium content with recognized brands, a high-value catalogue supported by the Group's international network, substantial growth prospects and, most importantly, a pool of exceptionally talented people.

More recently, Mediawan acquired a majority stake in the leading independent Italian producer of series, films and documentaries, Palomar, thus signing its first strategic acquisition outside France. This alliance will help support and increase the broadcasting of Italian programs on an international level. Mediawan also intends to use this acquisition to consolidate its relationships with Italian broadcasters and multiply opportunities to adapt premium formats that have significant potential on this market.

Substantial line-up and good 2019 prospects

In 2019, Mediawan intends to continue implementing its growth strategy using clearly-identified levers, i.e.:

- capitalize on the exponential demand for premium content to accelerate the development of production activities and the creation of prominent franchises, thus laying the groundwork for future growth;
- increase its international production capacities and strengthen its leadership position through targeted acquisitions in Europe;
- launch new projects and develop other sources for monetizing content (granting of licenses, merchandising and distribution of videos via digital channels);
- take advantage of the Mediawan group's independence and specificity to attract the most talented people and the most promising projects.

These ambitions are reflected in the prospects for profitable organic growth, averaging around 10% per year over the next 3 years. This growth will allow EBITDA to increase despite a dilutive mix effect on the operating margin level given the sharp increase in production volumes.

**The annual financial report will be available shortly on: <https://mediawan.fr/fr/information-reglementee/>
Next financial press release: Q1 2019 revenues, end-May 2019.**

⁸ Net income adjusted for other operating income and expenses, depreciation of assets acquired through business combinations and exceptional financial income and expenses (net of tax).

⁹ Financial debt excluding production-related loans

About Mediawan

Mediawan was founded by Pierre-Antoine Capton, Xavier Niel and Matthieu Pigasse and raised €250 million from an initial public offering on the regulated market of Euronext Paris. Since March 2017, Mediawan has completed eight strategic acquisitions, in this way becoming a new independent premium audiovisual content player, occupying a leading position in Europe. The group works in four sub-sectors: production of original drama and documentary content, operating animation brands, distribution of audiovisual content, and publication of digital services and channels. Find out more on the Mediawan website: www.mediawan.fr

Mediawan, an independent European audiovisual content platform is listed on Euronext Paris Compartment B. Eligible to PEA-PME – ISIN: FR0013247137 – Ticker: MDW

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APPENDICES

1. CONSOLIDATED INCOME STATEMENT – PERIOD FROM JANUARY 1 TO DECEMBER 31, 2018 AND JANUARY 1 TO DECEMBER 31, 2017

In € millions	2018	2017
Revenues	258.6	115.7
Other operating income	125.5	22.2
Purchases and external expenses	(96.2)	(34.6)
Personnel expenses	(90.1)	(33.9)
Other operating expenses	(38.3)	(13.4)
Depreciation, amortization and provisions (net)	(110.4)	(29.8)
Other depreciation (excl. audiovisual rights)	(5.2)	(2.8)
Other operating income and expenses	(10.2)	(4.7)
Amortization of assets recognized through bus. combinations	(30.1)	(21.7)
EBIT	3.6	(3.1)
Cost of net financial debt	(8.4)	(3.8)
Other financial income and expenses	5.3	0.0
Financial profit (loss)	(3.1)	(3.7)
Pre-tax profit (loss)	0.5	(6.8)
Tax	5.5	0.2
Profit (loss)	5.9	(6.6)
Income from equity affiliates	(0.0)	-
Income from activities held for sale or discontinued	-	-
Total net profit (loss)	5.9	(6.6)
Net profit (loss), Group share	5.0	(6.8)
Minority interests	(0.9)	(0.2)
Earnings Per Share (€)	0.172	(0.233)
Diluted Earnings Per Share (€)	0.163	(0.232)

2. CONSOLIDATED BALANCE SHEET AT DECEMBER 31, 2018 AND 2017

In € millions	Dec. 31, 2018	Dec. 31, 2017
Intangible assets	361.3	209.4
Goodwill	164.7	96.4
Tangible assets (property, plant, equipment)	18.6	18.5
Other non-current financial assets	1.0	2.1
Deferred tax assets	9.6	2.4
Non-current assets	555.2	328.8
Inventories and work-in-progress	0.8	2.0
Trade receivables	94.7	46.9
Other receivables	52.2	14.9
Current tax receivables	7.6	1.1
Cash and cash equivalents	45.9	82.5
Current assets	201.3	147.4
Total assets	756.5	476.2
Share capital	0.3	0.3
Share premium	234.8	216.2
Treasury shares	(0.6)	(0.1)
Other reserves	(12.2)	0.1
Retained earnings (deficit)	(2.9)	(7.4)
Shareholders' equity, Group share	219.4	209.1
Minority interests	2.2	0.6
Total Shareholders' equity	221.6	209.7
Long-term borrowings and other non-current fin. liab.	148.3	95.1
Other financial liabilities	36.1	-
Employee benefit obligations	3.4	3.1
Long-term provisions	7.8	7.9
Deferred tax liabilities	41.5	42.2
Non-current liabilities	237.0	148.4
Short-term borrowings and other current fin. liab.	60.2	15.9
Short-term provisions	0.4	0.4
Trade and other operating payables	129.8	76.4
Other payables and accrued expenses	106.6	23.2
Current tax liabilities	0.9	2.2
Current liabilities	297.8	118.1
Total equity and liabilities	756.5	476.2