

Annual results: Mediawan maintained its growth trajectory in 2019

- Strong organic growth of 13.9% (after 13% in 2018) and a doubling of Group revenues in two years;
- Increase in EBITDA with a margin of 15.7%;
- Volume of original content creation up 32% compared to 2018;
- Doubling of the share of international sales (37% versus 21% in 2018) and sales to platforms, spanning both content and channels;
- Many premium European co-production projects in the pipeline within the Group;
- Medium-term organic growth targets maintained above 10% on average.

Mediawan today released its consolidated financial results for 2019 (accounts currently being audited which will be approved by the Management Board and examined by the Supervisory Board in the coming weeks).

Key figures

	2019 ¹	2018
Revenues (€m)	338.0	258.6
EBITDA ¹ (€m)	53.2	49.1
<i>EBITDA margin (%)</i>	15.7%	19.0%
EBIT (€m)	6,7	3,6
Net income – Group share (€m)	0,5	5,0
Adjusted net income ² – Group share (€m)	24.0	27.4 ³
<i>Adjusted EPS (€/share)</i>	0.76	0.94 ³
Net financial debt ⁴ (€m)	142.2	120.9

Pierre-Antoine Capton, Chair of the Management Board of Mediawan, said: “*Mediawan maintained its growth trajectory in 2019, driven in particular by the quality of the content created by its 24 labels, now broadcast over an increasingly wide area. The demand for premium European content has never been higher, allowing Mediawan to build a robust and unique model, based on the entire audiovisual value chain from the production of drama, film, documentary and animated content to the distribution*

¹ Estimated accounts in the process of being audited

² Net income adjusted for other operating income and expense, amortisation of assets related to business combinations and other non-recurring financial or tax income and expense (net of tax).

³ Impacts of minority interests were amended in 2018 adjusted net income.

⁴ Financial debt excluding production loans and IFRS 16 leases.

and broadcasting of channels and digital services, which is all the more relevant in the current market environment.”

Sharp increase in 2019 revenues, multiple synergies within the Group

2019 revenues reached €338.0m, a year-on-year increase of 31%. The increase results from the contribution of new acquisitions and organic growth within the Group, especially Mediawan Originals, Animation and Rights.

Revenues

In €m	2019	2018 (reported)	2018 (proforma ⁵)	Change (vs reported)	Change (organic)
Mediawan Originals	124.1	88.4	113.7	+40%	+9%
Mediawan Animation	68.7	26.8	42.4	+156%	+62%
Mediawan Rights	37.2	35.9	33.5	+4%	+11%
Mediawan Thematics	107.9	107.1	107.1	+1%	+1%
Revenues	338.0	258.6	296.6	+30.7%	+13.9%

- Mediawan Originals, one of Europe’s leading producers of original content with 24 production labels, reported 2019 revenues of €124.1m, up 9% on 2018 proforma revenues. Growth was driven both by the delivery of highly successful content screened in 2019 and by increased exploitation of the existing catalogue.

Over the past year Mediawan Originals, drawing on a portfolio of premium franchises such as *Les Bracelets Rouges* (“The Red Band Society”), *Dix pour Cent* (“Call My Agent!”), “Apocalypse”, *Il Commissario Montalbano* (“Inspector Montalbano”), *Section de Recherches* (“Research Unit”), “Alice Nevers” and *Infidèle* (“Unfaithful”), responded to increased demand from traditional broadcasters and platforms and delivered 137 hours of programmes, up 32% on 2018. At the end of August 2019, for the second year in a row, the Group came top of Écran Total’s annual ranking of French prime-time drama producers.

In addition to the success of its series (six million viewers on average watched the second season of *Les Bracelets Rouges* and the first season of *Infidèle*, record-breaking streaming numbers for *Les Sauvages* (“Savages”) on Canal+, large audiences for *Il Commissario Montalbano* in Italy, etc.), the Group expanded its production of films (*Donne-Moi Des Ailes* (“Spread Your Wings”), *Les Eblouis* (“The Dazzled”), etc.) and documentaries (“Green Blood”, “Banksy: Most Wanted”, *Demain Est A Nous* (“Forward”) and *Cyrille, agriculteur, 30 ans, 20 vaches, du lait, du beurre, des dettes* (“Cyrille, farmer, 30 years old, 20 cows, milk, butter, debts”)), offering a strong international coverage and winning several awards at world-famous festivals.

During the past few months, the Group has stepped up synergies between its production companies, including forthcoming European co-productions with the production company Palomar acquired in early 2019, such as “Call My Agent!” (adaptation of the French series *Dix pour Cent*), *Le Comte de Monte-Cristo* (“The Count of Monte Cristo”) and *Envole-Moi*.

⁵ Proforma revenue including annual contribution of ON Entertainment, Mon Voisin Productions and Palomar.

More generally, Mediawan Originals is planning to deliver a number of premium international series in 2020⁶ such as “That Dirty Black Bag” (co-produced by Palomar and BRON Studios), *La Flamme* (an adaptation of the American series “Burning Love”) for Canal+, “Luther” for TF1 and *I Delitti del Barlume* (“Murders at BarLume”) for Sky Italy, as well as feature films like “The Life Ahead” (in which Sofia Loren makes her return to the big screen) for Netflix and *Le Loup et Le Lion* (“The Wolf and the Lion”) for StudioCanal. The Group, which has expanded its documentary portfolio in the past few months, will also deliver a film on the singer Maître Gims and another about footballer Nicolas Anelka.

- Mediawan Animation, Europe's leading producer of animated content⁷, reported 2019 revenues of €68.7m, up 62% on 2018 proforma revenues. This performance was driven in particular by delivery of the film “Playmobil: The Movie” in Q2 2019 for approximately €32m, which mainly corresponded to recognition of the minimum guarantees from distributing partners.

In 2019, Mediawan Animation strengthened its “Miraculous” franchise with the delivery of seasons 2 and 3 (23 episodes). Now available in more than 120 countries, it is the third most-watched series in the main European markets⁸, with strong potential for licences and merchandising (sales estimated at \$500m since 2015) as well as growing digital coverage (+15bn views on YouTube and +10m subscribers to the official Miraculous YouTube channels, +90m downloads from the Miraculous app and +3.2m subscribers on Instagram).

Last year, Mediawan Animation also delivered 33 episodes of the first season of *Drôles de Petites Bêtes* (“Tall Tales from the Magical Garden of Antoon Krings”), 42 episodes of “Power Players” (now available in the United States in SVOD on Netflix and Cartoon US, in France on France Télévisions’ new platform Okoo and on France 4 from 28 March, as well as in many other countries), 24 episodes of “Denver”, 18 episodes of the second season of *Sept Nains et Moi* (“Seven and Me”) and 13 episodes of the second season of *Robin des Bois* (“Robin Hood”), giving a total of 100 half-hours of programmes.

Mediawan Animation is instrumental to the Group’s growing international footprint. In February 2020, a joint venture was created with ZAG and Fantawild, the Chinese leader in entertainment, to develop the “Miraculous” brand in China. The division also partnered with Palomar to produce *Le Village Enchanté de Pinocchio* (“Pinocchio & The Enchanted Village”), to be screened in 2021 on RAI, ZDF and France Télévisions and distributed worldwide by Mediawan Rights.

Five seasons are currently in production: “Miraculous” (seasons 4 and 5), *Robin des Bois* (season 3) and two brand new projects: “Pinocchio & The Enchanted Village” as well as a new children’s series with a high merchandising potential. Two new formats of cult series will soon be announced. Two feature films are also currently in production: *Petit Vampire* (in cinemas on 21 October 2020) and the blockbuster “Miraculous” (2021).

- Mediawan Rights, which comprises all of Mediawan’s distribution activities, reported 2019 revenues of €37.2m, up 11% on 2018 proforma revenues. With almost 13,000 hours of programmes, Mediawan Rights offers the most comprehensive catalogue of French-language content, much of it produced in-house.

Mediawan Rights’ record performance in 2019, especially in the second half of the year, was driven by the sale of the rights in France for prestigious European series (“Babylon Berlin”) and legacy series (“Rex”, *Der Alte* (“The Old Fox”) and *Ein Fall für zwei* (“A Case for Two”)), as well as the outstanding performance both in France and abroad of successful series such as *Zone Blanche* (“Black Spot”), *Section de Recherches* (“Research Unit”) and “Alice Nevers”, produced by Originals, and “Miraculous”, produced by Animation, as well as by the sale of documentaries such as *Antoine Griezmann : Champion du Monde*.

⁶ Some filming projects have already been postponed as a result of the coronavirus-related containment measures, which are likely to shift part of the delivery schedule from Q4 2020 to 2021.

⁷ Annual report of the CNC (French National Centre for Cinema): Method Animation ranks first among animated content producers with 151 hours of programmes, ahead of Xilam animation (103 hours) and Technicolor animation productions (96 hours).

⁸ Médiamétrie report “[Kids: top 3 most watched shows](#)”, November 2019.

Mediawan Rights works in close collaboration with the Group's producers both to develop and raise funding for ambitious, high-potential international projects and to distribute their content ("Big Five", "The War is Over", "H", "Green Blood", "Banksy: Most Wanted", etc.). Mediawan Rights is also planning to distribute many of Mediawan Animation's blockbusters, including seasons 4 and 5 of "Miraculous" as well as *Le Village Enchanté de Pinocchio* ("Pinocchio and the Enchanted Village") in the next coming months.

Apart from the Group's productions, Mediawan Rights continues to invest in order to expand its catalogue, acquiring premium drama content in 2020 such as "Hudson & Rex", "The Luminaries", "Baywatch", "Dan Sommerdahl", "Nomis", "Run of the Hitman", "Moloch" and "Wonderland", as well as documentaries like "Kubrick by Kubrick" and "Royals at War".

In keeping with the Group's targets for international roll-out of premium content, Mediawan Rights doubled its sales with platforms between 2018 and 2019.

- Mediawan Thematics, which specialises in the publication of channels and related digital services, reported 2019 revenues of €107.9m, a slight 1% increase on 2018 proforma revenues, with 18% growth in advertising revenue offsetting lower carriage fees from some operators. With 17 channels, Mediawan Thematics has a strong foothold in theme TV channels in France and in French-speaking countries.

In a context where pay-TV theme channels are increasing their audience share⁹, the Mediawan channels performed particularly well¹⁰, especially RTL9 (+25% viewers over a year) and Toute L'Histoire (+65% viewers over a year), as well as AB1 (+22% in access over a year and +42% in prime time over a year).

Mediawan Thematics is amending its business model with digital platforms such as Amazon Channels, where subscribers to the Mediawan channels doubled between January and March 2020, and is working with all the new digital pure players to extend non-linear broadcasting of its channels and content. Mediawan Thematics also took advantage of new opportunities to expand outside Europe, setting up a joint-venture with Canal+ International for the distribution of channels over the long term and the creation of French-language original content for the African audience.

Reported EBITDA¹¹ of €53.2m

EBITDA amounted to €53.2m, giving an operating margin of 15.7%. Excluding the impact of "Playmobil: The Movie", the operating margin would have been approximately 17.4%. This margin level shows the relevance of Mediawan's model across all channels and content and its ability to maximise the value of the rights generated by its distribution activities.

Reported operating profit was €6.7m after recognition of (i) amortisation other than that related to audiovisual rights (including amortisation of IFRS 16 rights of use), (ii) amortisation of the share of goodwill allocated to intangible assets and property, plant and equipment, (iii) non-recurring expenses related to acquisitions and reorganisation costs and (iv) the accounting impact, with no impact on the Group's cash position, of items equivalent to remuneration items under IFRS standards.

Adjusted net income¹² – Group share of €24.0m

The Group share of net income is a profit of €0.5m, net of financial expense of €9.2m¹³, income tax of €1.5m and minority interests for €1.5m.

⁹ Médiamétrie: Médiamat' Thematik V38 (from 2 September 2019 to 16 February 2020): +0.8% audience share over a year.

¹⁰ Médiamétrie: Médiamat' Thematik V38 (from 2 September 2019 to 16 February 2020).

¹¹ EBITDA calculated after amortization of audiovisual rights (excluding those related to business combinations)

¹² Net income adjusted for other operating income and expense, amortisation of assets related to business combinations and other non-recurring financial or tax income and expense (net of tax).

¹³ Including €0.1m in share of income of equity affiliates.

Adjusted net income, which strips out the impact of non-recurring items on net income, amounted to €24.0m versus €27.4m in 2018.

Financial structure: net debt¹⁴ of €142.2m and shareholders' equity of €229.2m at the end of 2019

Shareholders' equity increased from €221.6m at end-2018 to €229.2m at end- 2019, mainly impacted by the result for the period, capital increases of €9.6m and consolidation of acquired companies, offset by the non-monetary impact related to the recognition of minority interest buyout commitments.

At 31 December 2019, the Group had net debt of €142.2m versus €120.9m at 31 December 2018. The increase in net debt over the period was mainly due to the acquisition of Palomar and other production companies and expenses related to the Group's relocation to new premises, net of capital increases, for an amount of over €36m.

Mediawan, bringing talents together

Mediawan continued its consolidation strategy in 2019 through the acquisition and integration of several French companies – Nice Pictures (the company created by Joann Sfar), Fit, Radar and Black Dynamite - and especially of Palomar, its first acquisition outside of France. These new labels have enabled the Group to expand its premium content offer with best-in-class talents, top brands and a strong catalogue. Many new European co-production development projects were in the pipeline within a few months of the Palomar acquisition, including premium format adaptations, backed up by the teams' close relationships with French and Italian broadcasters.

Mediawan is also bringing together most of its French staff at its new head office in the centre of Paris, with the aim of turning it into a real talent incubator specialising in the production of innovative audiovisual and digital content while also encouraging synergies between the Group's various entities. The building comprises a 200-seat screening room, digital studios, writing rooms, etc. Some of the Group's teams have already moved into the new premises since September 2019, including the Animation division, and most of the other teams will follow as soon as the situation will allow it.

Coronavirus (covid-19) impact

- The Group has taken all measures to ensure the safety of its employees and partners, especially by asking most staff to work from home. The impact on its activities will vary.
 - Originals: Most filming has already been postponed as a result of the coronavirus-related containment measures, which are likely to shift part of the delivery schedule from Q4 2020 to 2021. However, the rest of the production activity (writing, etc.) will continue.
 - Animation: The division has managed to adjust to the confinement measures since much of the work is already divided between various pre-production, production and post-production sites.
 - Rights: In the coming weeks, the division will probably have to provide additional catalogue content to TV channels and platforms facing a shortage of programmes, as a result of the coronavirus-related shutdown of many studio-based and drama productions and the cancellation of sporting events.
 - Thematics: Special measures have been taken to ensure that channels can be broadcast in complete safety for on-site employees. As broadcasting contracts are long-term, the coronavirus will not have a direct impact on this activity in 2020, though advertising revenue may be impacted to an extent we cannot yet predict.
- The Group will keep a close watch on the situation as it evolves.

¹⁴ Financial debt excluding production loans and IFRS16 leases.

Outlook

- Despite the present situation, Mediawan remains confident of the Group's momentum, its medium-term average organic growth target of 10% (despite the anticipated pressure over 2020) and the relevance of its business model. The Group maintains its ambition to consolidate the market and build a leading European group especially through external growth, and is focusing on the next developments to prepare to resume filming in the best possible conditions.
- Mediawan has embarked on a thorough reorganisation in recent months, in particular with the appointment of Delphine Cazaux as Chief Operating Officer in January 2020. Its roadmap includes reorganising its business units and strengthening support departments (IT, HR, Digital/Marketing, Communication, etc.) to serve the Group's various business lines, as well as rolling out centrally-managed systems. A rebranding project is also under way so as to structure the Group's various brands within the Mediawan ecosystem.
- Mediawan has started centralising its digital strategy in recent months to showcase the Group's brands and develop new ones, nurture the relationship with its communities, exploit and secure its catalogue, but also develop exclusive content and monetise its content via digital channels. Its digital presence has grown dramatically in 2019 with over 6 bn views, +12m subscribers on the Group's various YouTube channels and close to 500m views on SnapChat for its first year of presence on the platform. In 2020, Mediawan will roll-out a strategy of monetized content on Facebook, develop new original projects (podcasts around the Group's top brands and exclusive content) and invest in new social media (such as TikTok).

The annual financial report will soon be available on: <https://www.mediawan.fr/regulated-information/>

Next financial press release: revenues for the first quarter of 2020, on 31 May 2020 at the latest.

About Mediawan

Created in 2015 by Pierre-Antoine Capton, Xavier Niel and Matthieu Pigasse, Mediawan soon became one of the main independent European studios producing premium content. Mediawan brings together best-in-class talents in audiovisual creation by positioning itself on the entire value chain: production of drama, documentary and animated original content (Mediawan Originals and Mediawan Animation), distribution of audiovisual content (Mediawan Rights) and publishing of channels and digital services (Mediawan Thematics). Today, Mediawan has 24 production labels.

Contacts

Investors and analysts: Aurélie Jolion – ajolion@mediawan.eu – +33 6 23 52 50 47

Media: Victoire Grux – vgrux@mediawan.eu – +33 6 40 48 57 27

Media: Clara Devoret – cdevoret@majorelle-pr.fr – +33 6 40 48 57 27