



Paris, July 26, 2018 – 5.45pm
2018 half-year results – NRJ Group

Strong first half with consolidated revenue⁽¹⁾ up 3.9%
Significant increase of current operating profit⁽¹⁾, driven by the TV division,
with revenue⁽¹⁾ up 10.7%

The Board of Directors of NRJ Group met on July 26, 2018 and approved the half-year financial statements for 2018.

During the period, NRJ Group reported revenue⁽¹⁾ of €193.2 million, up 3.9% compared to the same period of 2017. Revenue⁽¹⁾ for the Radio division was down 4.0% compared to the first half of 2017, while the TV division posted growth of 10.7% and the Broadcasting division continued to perform well, with growth of 27.3%.

Current operating profit⁽¹⁾ reported a good performance, increasing by €8.6 million to €17.0 million, mainly thanks to efficient cost management at the TV division. EBITDAⁱⁱⁱ jumped 40.1 % to €27.6 million. Operating profit totalled €17.0 million.

Net profit Group share was €11.3 million.

As of June 30, 2018, the Group had a net cash surplus^{iv} of €201.5 million, up nearly €10 million from December 31, 2017. This 4.9% increase is due to free cash flow of €21.6 million, driven by the growth in current operating profit⁽¹⁾, and takes into account the payment of €11.6 million in dividends on June 7, 2018.

In millions of euros	HY 2018	HY 2017 [®]	Change
Revenue excluding barter	193.2	186.0	+3.9%
EBITDAⁱⁱⁱ excluding barter	27.6	19.7	+40.1%
Current operating profit excluding barter	17.0	8.4	+102.4%
Operating profit	17.0	8.2	+107.3%
Net profit Group share	11.3	6.1	+85.2%
In millions of euros	As at June 30, 2018	As at Dec 31, 2017 [®]	Change
Net cash surplus^{iv}	201.5	192.1	+4.9%
Shareholders' equity Group share	586.7	587.6	-0.2%

^(R) Data restated after the application of IFRS 15, backdated to January 1, 2017 (appendix i)

Revenue and current operating profit (excluding barbers) by activity

In millions of euros	HY 2018	HY 2017 ⁽²⁾	Change
Radio	111.7	116.4 ⁽²⁾	-4.0%
Television	47.5	42.9	+10.7%
Broadcasting	34.0	26.7	+27.3%
Revenue excluding barbers	193.2	186.0	+3.9%
Radio	14.6	18.4	-20.7%
Television	(8.8)	(18.2)	+51.6%
Broadcasting	11.2	8.1	+38.3%
Other activities	0.0	0.1	N.A.
Current operating profit excluding barbers	17.0	8.4	+102.4%

^(R) Data restated after the application of IFRS 15, backdated to January 1, 2017 (appendice i)

⁽²⁾ Restated after the combination of the "Music Media and Events" and "International Activities" segments to form a new operating segment, "Radio" (appendice ii)

RADIO

The Radio division posted revenue⁽¹⁾ of €111.7 million, a decrease of 4.0%.

After recording a decline in the first quarter of 2018, revenue⁽¹⁾ from Radio activities in France (formerly the "Music, Media and Events" division) stabilised in the second quarter.

According to the latest audience figures from Médiamétrie (April-June 2018), NRJ Global is the leading sales house in the French radio market for the under-50 age group⁽³⁾, and more than 11.3 million⁽⁴⁾ people listen to the Group's radio stations every day. NRJ Group's audience share among the 13+ age group was 14.4%⁽⁵⁾ during the period (down 0.1 percentage point year-on-year ⁽⁶⁾ and up 0.5 percentage point compared to the previous recorded figures⁽⁶⁾). Among the 25-49 year age group, NRJ Group received the largest number of daily listeners, with nearly 4.9 million listeners⁽⁷⁾, representing an audience share of 17.2%⁽⁵⁾.

NRJ confirmed its leadership as the number one radio station in France for the under-65 age group⁽⁸⁾ and "Manu dans le 6/9" was also the number one morning show in France for those under 65⁽⁸⁾. Nostalgie, the second most listened-to music radio station⁽⁹⁾, had its best season-end in nine years⁽¹⁰⁾ and Rire & Chansons, the radio station with the most male listeners in France⁽¹¹⁾ produced its best ever performance with 398,000 new daily listeners acquired over a year⁽¹²⁾, the strongest growth of all the radio stations⁽¹²⁾.

Digital activities continued to grow in the first half of 2018 (+7.7%). With the emergence of personal assistants and smart speakers, and the growing demand for audio content resulting from these technological innovations, the Group has substantially expanded its offering, with new podcasts in Radio, and has made NRJ available on Amazon Echo and HomePod since their launch in France in June 2018. NRJ is the leading internet radio brand in France during the first half of 2018⁽¹³⁾ and the NRJ Group is the leading private group in France in digital radio listening⁽¹³⁾.

Revenue⁽¹⁾ from international radio activities was adversely affected by the change in operating mode in Norway, which led to a €0.9m drop in revenue⁽¹⁾ in the first half of 2018, with no significant impact on current operating profit⁽¹⁾. Excluding Norway, revenue⁽¹⁾ from international radio activities recorded growth during the period compared with the first half of 2016, with an unfavourable base effect in 2017.

Current operating profit⁽¹⁾ for the Radio division was €14.6 million, down 20.7% compared to the first half of 2017. The drop in revenue⁽¹⁾ for the Radio division impacts the current operating profit⁽¹⁾. Efforts were made with regard to commercial and technical resources, in France, in the first half of 2018.

According to Médiamétrie's Cross Médias study, more than 45 million French people are entertained each month by our media: Internet, radio and television⁽¹⁴⁾.

TELEVISION

Revenue⁽¹⁾ for the TV division was €47.5 million, up 10.7% compared to the first half of 2017. The TV division maintained the positive trend that began in the fourth quarter of 2017, with growth of 10.8% in the first quarter of 2018 and 10.7% in the second quarter. All three Group channels contributed to this growth, which was mainly due to the excellent commercial performance of Chérie 25.

In the first half of 2018, cumulative audience share for NRJ Group's free-to-air channels (NRJ 12 + Chérie 25) was 2.6%⁽¹⁵⁾ across the entire viewing public, while audience share was 3.2%⁽¹⁵⁾ among the 25-49 age group and 3.6%⁽¹⁵⁾ among women under 50 responsible for purchases. These audience shares all showed growth in the second quarter 2018 compared to the first quarter of 2018⁽¹⁶⁾.

NRJ 12 posted audience figures in the 7 p.m. to 8 p.m. time slot of 3.0%⁽¹⁷⁾ among the 4+ age group, 5.3%⁽¹⁷⁾ among the 25-49 age group and 6.9%⁽¹⁷⁾ among women under 50 responsible for purchases in the second quarter of 2018. These audience figures display increases of 1.2 percentage point⁽¹⁸⁾, 2.1 percentage points⁽¹⁸⁾ and 3.2 percentage points⁽¹⁸⁾, respectively compared to the second quarter of 2017.

Chérie 25 posted double-digit revenue growth⁽¹⁾. Thanks to a solid commercial strategy, including share of sold advertising inventory, and clear editorial positioning, the channel's advertising performance improved in the first half of 2018.

According to the latest Médiamat'Thématik figures, NRJ Hits confirmed its uncontested position as the top music channel on cable, satellite and ADSL⁽¹⁹⁾, 105% ahead of its closest competitor⁽²⁰⁾. The channel, which offers daily programming of greatest hits, has more than 4.1 million viewers every month⁽²¹⁾.

Driven by solid growth in commercial activity and cost efficiencies of close to €5.0 million, the TV division posted current operating profit⁽¹⁾ of €(8.8) million, a significant improvement of €9.4 million compared to the first half of 2017. The TV division continues to pursue a targeted investment strategy.

BROADCASTING

In the first half of 2018, revenue⁽¹⁾ for the Broadcasting division increased by 27.3% compared to the first half of 2017 to €34.0 million. This increase is notably attributable to solid organic growth of 20% for FM broadcasting.

Current operating profit⁽¹⁾ for the Broadcasting division was €11.2 million, an increase of €3.1 million compared to the first half of 2018.

Next release: Third quarter 2018 financial information: October 17, 2018 (after market close).

Additional information:

A limited review has been carried out on the condensed interim consolidated financial statements. The Statutory Auditors' report will be issued with unqualified opinion once all procedures required to file the half-year financial report have been completed.

The French version of the 2018 half-year financial report will be available on the Group's website www.nrjgroup.fr by July 27, 2018 at the latest.

APPENDICES

ⁱ Implementation of IFRS 15

The Group has implemented IFRS 15 - Revenue from Contracts with Customers - for the first time, opting for full retrospective application, thereby requiring the restatement of comparative information.

This standard does not have a significant impact on the Group's results. Its main impacts are as follows:

- The recognition of earnings from partnerships in the Nordic region (Sweden, Norway and Finland) under revenue instead of other income from activities in the amount of €6.6 million for H1 2017.
- The recognition of "similar" barbers that had previously been eliminated in the amount of €8.2 million for H1 2017.

In millions of euros	H1 2017 published	IFRS 15 incidence of partnerships	IFRS 15 incidence of similar barbers	H1 2017 restated
Revenue excluding barbers	179.4	6.6		186.0
Music Media and Events television	90.8			90.8
International Activities	42.9			42.9
Broadcasting	19.0	6.6		25.6
Barbers	1.7 *		8.2	9.9
Revenue including barbers	181.1	6.6	8.2	195.9
Current operating profit/loss excluding barbers	8.4			8.4
Current operating profit/loss on barbers	(0.1) *		(0.1)	(0.2)
Current operating profit/loss	8.3		(0.1)	8.2

* Dissimilar barbers

ii Change to segment reporting

NRJ Group modified its divisional structure, resulting in changes to segment reporting. Specifically, it created the Radio Division, encompassing Music, Media and Events (MME) and International Activities, which have similar business profiles. The Television, Broadcasting and Other Activities divisions remain unchanged.

The Group now disclose revenue (excluding barbers) and current operating profit (excluding barbers) for each of the four following divisions:

- Radio
- Television
- Broadcasting
- Other Activities

Pursuant to IFRS 8 — Operating Segments, 2017 data for each of the divisions presented in the above disclosures has been restated to reflect the new divisional structure.

iii **EBITDA**: Current Operating Profit excluding barbers transactions before amortisation and impairment of tangible and intangible assets and before net change in provisions recorded in the Current Operating Profit but after current depreciation on current assets. The caption "Net change in provisions" excludes reversals used which are credited to the same line as that used for the expenditures incurred.

In millions of euros	HY 2018	HY 2017 ^{iv}
Current Operating Profit excluding barbers transactions	17.0	8.4
Amortisation and impairment of tangible and intangible assets, and net change in provisions	10.0	10.5
Change in provision for post-employment benefits recognised in personnel expenses	0.6	0.8
EBITDA ⁱⁱⁱ excluding barber transactions	27.6	19.7

iv **Net cash surplus**: cash and cash equivalents net of outstanding bank overdrafts and net of borrowings. Borrowings amounted to €5.2 million as at June 30, 2018.

∨ Excluding barbers:

In millions of euros	HY 2018	HY 2017®	Change
Revenue excluding barbers	193.2	186.0	+3.9%
Revenue on barbers	8.5	9.9	-14.1%
Revenue	201.7	195.9	+3.0%
Current operating profit/loss excluding barbers	17.0	8.4	+102.4%
Current operating profit/loss on barbers	0.0	(0.2)	N.A.
Current operating profit/loss	17.0	8.2	+107.3%

Notice: Some of the information contained in this financial release may be provisional. This information reflects either trends or objectives and cannot be taken as a forecast of results or of any other performance indicator. By its very nature, such information is subject to risks and uncertainties which may, in certain cases, be beyond the Company's control. More details on these risks and uncertainties can be found in the Company's Registration Document, which is available on its website (www.nrjgroup.fr) in the "Finances/ Publications financières/ Rapports financiers" section.

Sources :

- (1) Excluding barbers: (appendice ∨).
- (2) Restated after the combination of the "Music Media and Events" and "International Activities" segments to form a new operating segment, "Radio" (appendice i j).
- (3) Médiamétrie, 126 000 radio, April-June 2018, Monday-Friday, 5h-24h, aged 13 years + or targets specified, AC, QHM and Audience Share.
- (4) Médiamétrie, 126 000 radio, April-June 2018, Monday-Friday, 5h-24h, aged 13 years +, AC.
- (5) Médiamétrie, 126 000 radio, April-June 2018, Monday-Friday, 5h-24h, Audience Share aged 13 years + or targets specified.
- (6) Médiamétrie, 126 000 radio, Monday-Friday, 5h-24h, Audience Share, aged 13 years + or targets specified, change April-June 2018 versus April-June 2017 and January-March 2018.
- (7) Médiamétrie, 126 000 radio, April-June 2018, Monday-Friday, 5h-24h, aged 25-49 years, AC, NRJ Group (NRJ Global).
- (8) Médiamétrie, 126 000 radio, January-March 2018, Monday-Friday, 5h-24 and 6h-9h30, aged 13 years + or targets specified, AC.
- (9) Médiamétrie, 126 000 radio, April-June 2018, Monday-Friday, 5h-24h, aged 13 years +, QHM and Audience Share.
- (10) Médiamétrie, 126 000 radio, April-June 2018, Mon-Fri, 5h-24h, aged 13 years +, best Audience Share on a wave April-June since April-June 2009.
- (11) Médiamétrie, 126 000 radio, April-June 2018, Monday-Friday, 5h-24h, aged 13 years +, QHM by structure.
- (12) Médiamétrie, 126 000 radio, April-June 2018, Monday-Friday, 5h-24h, aged 13 years +, change of the AC in thousands Q2 2018 vers Q 2017.
- (13) ACPM-OJD, global digital radio broadcasting, cumulative January-June 2018, active listening sessions +30 seconds, data for France, NRJ brand: 110,872,659 active listening sessions and NRJ Group: 207,908,473 active listening sessions.
- (14) 2017 Cross Media study, reproduction prohibited, all rights reserved by Affimétrie, ACPM and Médiamétrie. March 2017 data in television and Internet fixed, mobile, tablet. Radio : 126 000 Jan-March 2017. Aged 15 years +.
- (15) Médiamétrie-Médiamat, Audience share, Day of viewing, NRJ GROUP TV Division = aggregate NRJ 12 + Chérie 25, aged 4 years + or targets specified, 03h-27h, Monday to Sunday, January-June 2018.
- (16) Médiamétrie-Médiamat, Audience share, Day of viewing, NRJ GROUP TV Division = aggregate NRJ 12 + Chérie 25, aged 4 years + or targets specified, 03h-27h, Monday to Sunday, April-June 2018 vs January-March 2018 : +0.3 point on aged 4 years +, +0.3 point on aged 25-49 years and +0.6 point on women under 50 responsible for purchases.
- (17) Médiamétrie-Médiamat, Audience Share "after reallocation" NR12, aged 4 years + or targets specified, 19h-20h, Monday to Friday, April-June 2018.
- (18) Médiamétrie-Médiamat, Audience Share "after reallocation" NR12, aged 4 years + or targets specified, 19h-20h, Mon- Fri, Q2 2018 vs Q2 2017.
- (19) Médiamétrie, Médiamat®Thematik, consolidated audience, wave 35 (January 2018- June 2018), 3h-27h, Mon-Sun, ranking TME aged 4 years +.
- (20) Médiamétrie, Médiamat®Thematik, consolidated audience, wave 35 (January 2018- June 2018), 3h-27h, Monday to Sunday, advance in % of TCE.
- (21) Médiamétrie, Médiamat®Thematik, consolidated audience, wave 35 (January 2018- June 2018), 3h-27h, Monday to Sunday, coverage 4 weeks viewing threshold 10 consecutive seconds.

About NRJ GROUP

NRJ GROUP is one of France's leading private media groups in the publishing, production and broadcasting sectors and also markets its own media spaces.

In France, the Group tops the private radio market with its four brands (NRJ, CHERIE, NOSTALGIE and RIRE & CHANSONS), is a significant player on the television market where it operates and develops two free national channels (NRJ 12 and CHERIE 25) and a paid channel (NRJ HITS, the number 1 cable-satellite-ADSL music channel) and, through its subsidiary towerCast, ranks number two on the French broadcasting market. Backed by its strong brands, marketing expertise and commercial performance, in recent years the Group has also developed a digital ecosystem enabling it to monitor and anticipate changes in the consumption of media via new delivery mechanisms, expanding its original brand portfolio through websites, mobile apps, multi-channel networks and nearly 240 Internet radio stations. Today, NRJ Group is the number 1 private Internet radio group in France. This digital presence enables the Group's advertising business to provide its clients with a more targeted offering thanks to the strategic data collected by the Group.

On the international market, the Group is present in 16 other countries, with NRJ/ENERGY, the number one international radio brand, and/or NOSTALGIE/NOSTALGIA, either directly or through partnerships or licensing agreements.

NRJ GROUP shares are listed on the Euronext in Paris (compartment B).
Codes - ISIN: FR0000121691; Reuters: NRG-FR; Bloomberg: NRG FP.

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