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2018 revenue – NRJ Group

Consolidated revenue⁽¹⁾ up 2.6% in 2018
despite headwinds in the fourth quarter

4th quarter 2018

Consolidated Group revenue⁽¹⁾: €109.6 million (-2.1%)

12 months 2018

Consolidated Group revenue⁽¹⁾: €392.3 million (+2.6%)

In millions of euros	4 th quarter			12 months to date		
	2018	2017 [®]	Change	2018	2017 [®]	Change
Radio	68.8	71.5	-3.8%	235.0	240.5 *	-2.3%
Television	24.0	25.8	-7.0%	90.8	87.3	+4.0%
Broadcasting	16.8	14.6	+15.1%	66.5	54.4	+22.2%
Revenue excluding barbers	109.6	111.9	-2.1%	392.3	382.2	+2.6%
Revenue on barbers	6.0	5.9	+1.7%	18.7	20.2	-7.4%
Revenue	115.6	117.8	-1.9%	411.0	402.4	+2.1%

[®] Data restated after the application of IFRS 15, backdated to January 1, 2017 (appendix ⁱ)

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

In the fourth quarter of 2018, the Group posted consolidated revenue⁽¹⁾ of €109.6 million; a decrease of 2.1% compared with the same period in 2017. This reduction was due to two adverse factors: the "yellow vest movements" in France and the change in radio operating mode in Norway**. Without such headwinds, the Group would have seen a slight increase in revenue⁽¹⁾ for the fourth quarter of 2018.

Consolidated revenue⁽¹⁾ for 2018 totalled €392.3 million, a 2.6% increase compared to 2017.

RADIO

As the fourth quarter of 2018 was affected by the "yellow vest movements" and the change in operating mode in Norway, the NRJ Group's Radio division recorded €68.8 million in revenue⁽¹⁾ compared with €71.5 million posted for the same period in 2017. Discounting the negative effects of these two external factors, which amount to close to €3 million, the total revenue⁽¹⁾ for the Radio division in the fourth quarter of 2018 would have been a slight year-on-year increase.

Revenue in 2018 for the Radio division dropped 2.3% to €235 million⁽¹⁾. If the effects of the change to the operating mode in Norway, which amount to €2.9 million, and the "yellow vest movements" were negated, revenue⁽¹⁾ from the Radio division would have been relatively stable compared with 2017.

In 2018, Radio activities in France capitalised on their resources, namely their flagship brand NRJ which cemented its dominant positions (**France's number 1 radio among the under-65s⁽²⁾ and the number 1 morning show in France for listeners under 65⁽³⁾**). NRJ Group continued to innovate by developing, for the first time in NRJ's history, a 5–8pm time-slot for the 2018/2019 season, an entertaining and interactive show hosted by 'Cauet et sa bande', that, thanks to its 1.5 million daily listeners, is positioned as France's favourite show for the under-60 age group.⁽⁴⁾ Radio activities in France saw excellent performance in 2018 from the Nostalgie radio station which received the top prize

**With no significant impact on the Current Operating Profit⁽¹⁾.

for national music station of the year at the 2019 European Radio & Digital Audio Show.⁽⁵⁾ Audience numbers for Nostalgie surged by 12% over the year⁽⁶⁾ to 3.3 million daily listeners.⁽⁷⁾

Digital activities continued their upward trend in the fourth quarter of 2018, recording an increase of 3.2% in revenue.⁽¹⁾ Over the 2018 financial year, digital activities grew by 10.6% thanks to the performance of audio and video formats as well as success from the commercial offers of the regional sales house. NRJ Group is ranked as the number one private group for Internet radio in France⁽⁸⁾ and, moreover, NRJ is the number one radio in France for e-commerce.⁽⁹⁾ 54% of people who own a smart speaker listen to NRJ.⁽¹⁰⁾

TELEVISION

In the fourth quarter of 2018, facing a high comparison basis and in an exceptional context linked to the "yellow vest movement", the TV division earned €24 million in revenue^{(1),(11)} a year-on-year drop of 7% . However, for 2018 overall, **the TV division recorded 4% revenue⁽¹⁾ growth at €90.8 million, outperforming the market.⁽¹¹⁾** This growth is double that recorded in the previous financial year and is largely a result of the excellent commercial performance of Chérie 25 and NRJ Hits, both of which saw double-digit growth in revenue.⁽¹⁾

For 2018, the combined audience share for both of NRJ Group's free-to-air channels (NRJ 12 and Chérie 25) was 2.5%⁽¹²⁾ for the entire viewing public, 3.0%⁽¹²⁾ for the 25–49 age group target and 3.4%⁽¹²⁾ among the women under 50 responsible for purchases target.

In 2018, NRJ 12 benefited from efforts to optimise its programming and its audiences, notably with a new episode of the daily reality TV shows ('Les Anges 10' followed by 'Les Vacances des Anges 3') broadcasted at Access Prime Time from 7–8pm. On this high-priority strategic time-slot, the channel expanded its audience share to 1.9% for the 4+ age group audience share, an increase of 0.6 percentage points.⁽¹³⁾ Moreover, **NRJ 12 is the number one DTT channel at Access Prime Time among the 15–24 age group target⁽¹⁴⁾** with an audience share of 7.6%.⁽¹⁴⁾ In September NRJ 12 also successfully launched the programme 'Crimes et faits-divers : la quotidienne' in the 1:40–2:30pm time-slot. This new show, hosted live by Jean-Marc Morandini, quickly found its audience, increasing its average audience share of the 4+ age group by 1.1 percentage points to reach 2.1%.⁽¹⁵⁾

In 2018, **Chérie 25** increased its prime-time 4+ age group audience share by 0.1 percentage points⁽¹⁶⁾ to 1.4%.⁽¹⁷⁾ Since the new season, Chérie 25 has also established various new fiction series, such as 'Médium', during Access Prime Time with audience gains among its primary targets (+0.2 percentage points in the 4+ age group target,⁽¹⁸⁾ +0.3 percentage points in the 25–49 age group target⁽¹⁸⁾ and +0.7 percentage points among the women under 50 responsible for purchases age group target.⁽¹⁸⁾).

Remaining true to its '100% Music, 100% Hits' motto, NRJ Hits, the Group's third channel, capitalised on its position as the top cable-satellite-ADSL music channel⁽¹⁹⁾ with over 4.1 million viewers each month.⁽²⁰⁾

BROADCASTING

The Broadcasting division reported revenue⁽¹⁾ of €16.8 million for the fourth quarter of 2018, a year-on-year gain of 15.1%.

In 2018, annual revenue⁽¹⁾ for the Broadcasting division totalled €66.5 million, a surge of 22.2% compared with 2017. Excluding non-recurring items, the revenue⁽¹⁾ for the 2018 financial year recorded 7% organic growth as a result of improvements in FM broadcasting activities and, to a lesser extent, DTT broadcasting activity.

Next release: 2018 annual results on March 13, 2019 (after market close).

APPENDICES

i Implementation of IFRS 15

The Group has implemented IFRS 15 - Revenue from Contracts with Customers - for the first time, with a 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 €14.3 million for 2017.
- The recognition of "similar" barbers that had previously been eliminated, with a total impact on revenue on barbers amounting to €13.8 million for 2017.

12 months

In millions of euros	2017 published	IFRS 15 incidence of partnerships	IFRS 15 incidence of barbers	2017 restated
Revenue excluding barbers	367.9	14.3		382.2
Music Media and Events	187.2			187.2
television	87.3			87.3
International Activities	39.0	14.3		53.3
Broadcasting	54.4			54.4
Revenue on barbers	6.4		13.8	20.2
Revenue	374.3	14.3	13.8	402.4
Current operating profit/loss excluding barbers	27.3			27.3
Current operating profit/loss on barbers	0.5		(0.6)	(0.1)
Current operating profit/loss	27.8		(0.6)	27.2

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.

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) Consolidated revenue excluding barter, in the process of being audited, and according to IFRS standards.
- (2) Médiamétrie, 126 000 radio, NRJ, Cumulative 2018, Monday-Friday, 5h-24h, targets specified, AC.
- (3) Médiamétrie, 126 000 radio, NRJ, Cumulative 2018, Monday-Friday, 6h-9h30, targets specified, AC.
- (4) Médiamétrie, 126 000 radio, NRJ, Cumulative 2018, Monday-Friday, 17h-20h, targets specified, AC.
- (5) Award ceremony on January 24, 2019.
- (6) Médiamétrie, 126 000 radio, NOSTALGIE, Change in Audience Share in %, Cumulative, 2018 versus 2017, Monday-Friday, 05h-24h, aged 13 years +, AC.
- (7) Médiamétrie, 126 000 radio, NOSTALGIE, Cumulative 2018, Monday-Friday, 05h-24h, aged 13 years +, AC.
- (8) ACPM-OJD, global digital radio broadcasting, December 2018, active listening sessions +30 seconds, data for France, NRJ Group: 29,409,087 active listening sessions.
- (9) Kantar Media TGI October 2018. Stations listened to over the last 8 days. Internet use to purchase products or services. 15+ age group target.
- (10) Médiamétrie, Smart speakers survey, November 2018, Internet users aged 15+.
- (11) BUMP : Baromètre Unifié du Marché Publicitaire, press release of November 22, 2018 on the advertising market in the first nine months of 2018 : Change in the TV advertising market revenue versus 2017 +1.8% in Q1 2018, +1.6% in H1 2018 and +2.3 % in the first 9 months of 2018 compared to a change in revenue for the NRJ GROUP's TV division of +10.8% in Q1 2018, +10.7% in H1 2018 and +8.6% for the first 9 months of 2018 .
- (12) 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, 2018.
- (13) Médiamétrie-Médiamat, Audience Share "after reallocation", NRJ12, aged 4 years +, 19h-20h, Monday-Friday, 2018 Médiamat (excluding summer) versus 2017 Médiamat (excluding summer).
- (14) Médiamétrie, Médiamat, NRJ 12, Audience Share "after reallocation", to date , aged 15-24 years, 2018 Médiamat (excluding summer), Monday-Friday, 17h00-20h00.
- (15) Médiamétrie, Médiamat, NRJ 12, Audience share, live + catch up, NRJ12, aged 4 years +, September-December 2018 versus September-December 2017, Monday-Friday, 13h40-14h30, +1.1 percentage points.
- (16) Médiamétrie, Médiamat, Chérie 25, Audience share, Day of viewing, aged 4 years +, 21h00-22h30, Monday-Sunday, annual change, 2018 versus 2017, percentage points.
- (17) Médiamétrie, Médiamat, Chérie 25, Audience share, Day of viewing, aged 4 years +, 21h00-22h30, Monday-Sunday, 2018.
- (18) Médiamétrie, Médiamat, Chérie 25, Audience share, Day of viewing, aged 4 years + and targets specified, 18h00-21h00, Monday to Sunday, September-December 2018 versus September-December 2017, evolution of the Audience Share in points.
- (19) Médiamétrie Médiamat'Thématik, consolidated audience wave 35 (January 2018- June 2018), Monday to Sunday, 3h-27h, ranking TME aged 4 years +.
- (20) Médiamétrie Médiamat'Thématik, consolidated audience wave 35 (January 2018- June 2018), Monday to Sunday, 3h-27h, 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).
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