



Paris, March 13, 2019 – 5:45 pm
2018 annual results – NRJ Group

**Strong growth of 23.4% in current operating profit⁽¹⁾ and 11.1% in net profit Group share in 2018
 Proposed dividend increases 13.3% to €0.17 per share**

The NRJ Group Board of Directors held on March 13, 2019, and chaired by Jean-Paul Baudecroux, approved the consolidated and the parent company financial statements for 2018.

In millions of euros	2018	2017 [®]	Change
Revenue excluding barters	392.3	382.2	+2.6%
EBITDA^{iv} excluding barters	57.1	50.2	+13.7%
Current operating profit excluding barters	33.7	27.3	+23.4%
Operating profit	32.3	27.2	+18.8%
Net profit Group share	22.0	19.8	+11.1%
In millions of euros	As at Dec 31, 2018	As at Dec 31, 2017 [®]	Change
Net cash surplus^{vi}	198.6	192.1	+3.4%
Shareholders' equity Group share	598.2	587.6	+1.8%

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

In the 2018 financial year, NRJ Group generated **consolidated revenue⁽¹⁾ of €392.3 million**, a 2.6% increase compared to the previous financial year despite two adverse factors for Radio activities: the repercussions of the change in radio operating mode in Norway and the events that took place at the end of the year in France.

The EBITDA^{iv} excluding barters totalled €57.1 million, an increase of 13.7%.

The current operating profit excluding barters amounted to €33.7 million, a significant increase of 23.4% mainly driven by the very strong reduction in the Television division's operating loss⁽¹⁾ and by the improved profitability of the Broadcasting division. **The current operating margin rate^v totalled 8.6%**, up by 1.5 percentage points compared to the previous financial year.

In 2018, **the net profit Group share reached €22.0 million** compared to €19.8 million in 2017, representing a significant increase of 11.1%. Besides the significant increase in operating profit, it also includes a positive financial result of €1.1 million and, conversely, an increase in the income tax expense whose effective tax rate is 38.46%, as opposed to 32.23% in 2017.

On 31 December 2018, **the net cash surplus^{vi} reached €198.6 million**, up by +3.4%. **The Group's free cash flow^{vii} was €20.3 million** thanks to the financial year's good results and optimised monitoring of the changes in Working Capital. The Group's lower generation of free cash flow in 2018 compared to the previous year, despite the good level of activity, can be notably explained by the payment of €31.7 million as part of the procurement of a new national and local FM network in Sweden, replacing the multi-city network the Group previously operated in the country. As a reminder, this new network, which was obtained as part of a new call for proposals for radio in Sweden, enabled the Group to take its coverage of the population from 65% to 83%. This operation had an impact equivalent to

€31.7 million on 2018's free cash flow, but only €10.5 million on the net cash surplus, as it was financed by the borrowing of the equivalent of €21.2 million.

Revenue and current operating profit (excluding barbers) by activity

In millions of euros	2018	2017 ^(*)	Change
Radio	235.0	240.5 ⁽²⁾	-2.3%
Television	90.8	87.3	+4.0%
Broadcasting	66.5	54.4	+22.2%
Revenue excluding barbers	392.3	382.2	+2.6%
Radio	34.9	40.2 ⁽²⁾	-13.2%
Television	(19.4)	(28.5)	+31.9%
Broadcasting	19.6	14.9	+31.5%
Other activities	(1.4)	0.7	-300.0%
Current operating profit excluding barbers	33.7	27.3	+23.4%

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

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

RADIO EDITORIAL AND TECHNICAL INVESTMENTS

In 2018, 11.2 million French people listened to one of the Group's radios each day⁽³⁾. Radio activities in France capitalised on its flagship brand NRJ which cemented its dominant positions (France's number 1 radio among the under-65s⁽⁴⁾ and the number 1 morning show in France for listeners under 65⁽⁵⁾) and continued to innovate by developing, for the first time in its history, a drive-time show: an entertaining and interactive programme from 5–8pm 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.⁽⁶⁾

The Radio division posted revenue⁽¹⁾ of €235.0 million in 2018, down 2.3% compared with 2017. If the effects of the change to the operating mode in Norway, which amount to €2.9 million, and the events that took place at the end of the year in France were negated, revenue⁽¹⁾ from the Radio division would have been relatively stable compared with 2017.

Within the Radio division, digital activity accelerated its progression with growth of 10.6%, compared to growth of 4.0% in 2017.

In France, the decrease in revenue⁽¹⁾ combined with an increase in expenses, principally due to continued development of digital activity, more costly programmes and the increase in staff expenses, caused a €3.9 million decrease in the Radio division's current operating profit excluding barbers.

Internationally, the slight decrease⁽¹⁾ in revenue, excluding the change to the operating mode in Norway, which did not have a significant impact on the current operating profit,⁽¹⁾ along with the increase in expenses in Sweden linked to operation of the new frequency plan, also contributed to the reduction in the Radio division's current operating profit excluding barbers.

TELEVISION VERY STRONG REDUCTION IN OPERATING LOSS⁽¹⁾

Revenue⁽¹⁾ for the TV division totalled €90.8 million, up by 4.0% compared to 2017, outperforming the market.⁽⁷⁾ In 2018, the TV division's revenue⁽¹⁾ continued to build on its strong momentum which began in the fourth quarter of 2017, primarily thanks to Chérie 25's excellent commercial performance.

For 2018, the combined audience share for both of NRJ Group's free-to-air channels (NRJ 12 and Chérie 25) was 2.5%⁽⁸⁾ for the entire viewing public, 3.0%⁽⁸⁾ for the 25–49 age group target and 3.4%⁽⁸⁾ among the women under 50 responsible for purchases target.

NRJ Group's TV division led a targeted investment strategy in 2018 in favour of audience profitability with a change to its programme scheduling. As such, with its two free-to-air channels, the TV division recorded an increase of 12% in its advertising revenue⁽¹⁾ per audience point in the 4+ age group and a €5.6 million decrease in operating expenses.

With the growth in its revenue⁽¹⁾ and the optimisation of its expenses, the TV division significantly reduced its loss level in 2018. As such, the TV division's current operating profit⁽¹⁾ improved by almost 32% with an operating loss⁽¹⁾ brought down from €28.5 million in 2017 to €19.4 million.

BROADCASTING GROWTH IN REVENUE⁽¹⁾ AND PROFITABILITY

The Broadcasting division recorded revenue⁽¹⁾ of €66.5 million, an increase of 22.2% compared to 2017, driven by organic growth of 7% in FM broadcasting and DTT activity to a lesser extent, and by one-off DTT frequency reallocation services of limited duration.

Current operating profit⁽¹⁾ increased by 31.5% to €19.6 million in 2018. This growth reflects improved profitability in FM and DTT broadcasting activity and also benefited from one-off items totalling about €3.8 million.

Dividend and share buyback programme

At the General Shareholders' Meeting on May 15, the Board of Directors will propose the payment of a dividend of €0.17 per share for the 2018 fiscal year with an ex-dividend date on June 3, 2019 and a payment date on June 5, 2019. It will also propose that the General Shareholders' Meeting authorises a new share buyback programme.

Recent change and outlook

Radio division:

In France:

- The Group will boost its investments in its programmes and their promotion, notably NRJ, in order to increase the total audience share for the four radios and their "QHM" (average quarter hour) for the high commercial priority 25–49 age group target. This strategy to consolidate the Group's position in French radio should enable it to strengthen its leadership among this age group target over the long term.
- The value-recovery strategy and the strengthening of sales teams shall continue.
- In 2019, the Group will also continue the editorial and commercial development of its digital activity.

Internationally:

- The Group will consolidate its positions and continue to invest in its growth drivers.
- In Sweden, 2019 will be a year marked by the full-year effect of the consequences of operating a new national network, after more than 25 years operating a multi-city network. This evolution, which will enable coverage of the population to go from 65% to 83%, requires technical changes and depends on a new partnership which will affect the activity's performance over the first few years of operation.

TV division:

In 2019, the Group will continue the audience profitability strategy it began in 2018 in favour of improving the division's current operating profit.⁽¹⁾

Broadcasting division:

In 2019, the Broadcasting division will continue its policy to gain new FM and DTT market shares, as well as develop its various own broadcasting sites. The revenue⁽¹⁾ and profitability of activities in 2019 will reflect the significant decrease in frequency reallocation services, and the increase in hosting and workforce expenses.

Next release: Financial information for the 1st quarter of 2019 – on May 6, 2019, after market close.

Additional information:

The consolidated and annual accounts have been audited. The audit reports will be published once the procedures required for the filing of the Registration Document have been completed.

The 2018 French version of Registration Document should be available on the Group's website www.nrjgroup.fr, by March 29, 2019 at the latest.

APPENDICES

ⁱ Excluding barbers:

In millions of euros	2018	2017[®]	Change
Revenue excluding barbers	392.3	382.2	+2.6%
Revenue on barbers	18.7	20.2	-7.4%
Revenue	411.0	402.4	+2.1%
Current operating profit/loss excluding barbers	33.7	27.3	+23.4%
Current operating profit/loss on barbers	(1.4)	(0.1)	na
Current operating profit/loss	32.3	27.2	+18.8%

na: not applicable

ⁱⁱ 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
Net profit Group share	20.2		(0.4)	19.8
Shareholders' equity Group share	586.7		0.9	587.6

ⁱⁱⁱ 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 discloses revenue (excluding barter) and current operating profit (excluding barter) 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.

iv EBITDA: current operating profit excluding barter 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	2018	2017 [®]
Current Operating Profit excluding barter transactions	33.7	27.3
Amortisation and impairment of tangible and intangible assets, and net change in provisions	22.7	21.4
Change in provision for post-employment benefits recognised in personnel expenses	0.7	1.5
EBITDA^{iv} excluding barter transactions	57.1	50.2

v Operating margin rate: According to the Group's rules, it corresponds to the ratio between the current operating profit and revenue. Barter is excluded.

vi Net cash surplus: Cash and cash equivalents net of outstanding bank overdrafts and net of borrowings. Borrowings amounted to 22.9 million euros as at December 31, 2018.

vii Free cash flow:

In millions of euros	2018	2017 [®]
Cash generated from operations before interest and taxes	57.4	50.2
Changes in Working Capital	21.2	11.1
Income taxes paid / reimbursed	(8.0)	(12.7)
Net cash flows from operating activities (A)	70.6	48.6
Net cash flows from investing activities (B)	(50.3)	(14.6)
Free cash flow (A)+(B)	20.3	34.0

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 barter: (appendix i).
- (2) Restated after the combination of the "Music Media and Events" and "International Activities" segments to form a new operating segment, "Radio" (appendix ii).
- (3) Médiamétrie, 126 000 radio, NRJ GLOBAL, 11.201.000 listeners, Cumulative 2018, Monday-Friday, 5h-24h, aged 13 years +, AC.
- (4) Médiamétrie, 126 000 radio, NRJ, Cumulative 2018, Monday-Friday, 5h-24h, targets specified, AC.
- (5) Médiamétrie, 126 000 radio, NRJ, Cumulative 2018, Monday-Friday, 6h-9h30, targets specified, AC.
- (6) Médiamétrie, 126 000 radio, NRJ, Cumulative 2018, Monday-Friday, 17h-20h, targets specified, AC.
- (7) 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 .
- (8) 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.

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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