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**2019 half-year results – NRJ Group**

- Strengthened radio leadership in France for the 25–49 age group
- All-time audience highs in June for the TV division
- Sustained investments concentrated in the first half of the year impacted results
- Solid financial structure

The NRJ Group Board of Directors which met on July 25, 2019, approved the half-year financial statements for 2019.

In millions of euros	HY 2019 <sup>(i)</sup>	IFRS 16 incidence	H1 2019 without IFRS 16 incidence	H1 2018	Comparable Change
Revenue excluding barbers	192.6		192.6	193.2	-0.3%
EBITDA <sup>ii</sup> excluding barbers	25.6	4.1	21.5	27.1	-20.7%
Current operating profit excluding barbers	10.6	0.1	10.5	17.0	-38.2%
Operating profit	8.9	0.1	8.8	17.0	-48.2%
Net profit Group share	3.9	0.0	3.9	11.3	-65.5%

  

In millions of euros	As at June 30, 2019 <sup>(i)</sup>	IFRS 16 incidence	As at June 30, 2019 without IFRS 16 incidence	As at Dec 31, 2018	Comparable Change
Net cash surplus <sup>iii</sup>	160.7	(33.1)	193.8	198.6	-2.4%
Shareholders' equity Group share	587.3	0.0	587.3	598.2	-1.8%

(i) For the first time, the accounts for the first half of 2019 were drawn up in accordance with the IFRS 16 Leases standard (use of the simplified retrospective approach, without reprocessing the previous financial year's figures).

For NRJ Group, the first half of 2019 was characterised by:

- **Good audience figures in both radio and television**, with strengthened Radio leadership in France for the 25–49 age group and all-time highs recorded in June for the TV division,
- **Consolidated revenue<sup>(1)</sup> of €192.6 million, which was stable** compared to the first half of 2018,
- **Higher expenses projected in 2019 concentrated in the first half**, due to sustained investments in radio programmes, their promotion in France and internationally (both paid for and as exchanges), and the continued development of towerCast.

This is in line with the outlook announced by the Group when the 2018 annual results were published.

On June 30<sup>th</sup> 2019, the Group posted a net cash surplus<sup>iii</sup> of €193.8 million which, after applying the IFRS 16 standard and deducting €33.1 million in lease liabilities, amounts to €160.7 million.

The Group generated €12.6 million in free cash flow<sup>v</sup> during the first half of 2019 (including a €4.6 million increase due to applying the IFRS 16 standard).

## Revenue and current operating profit (excluding barbers) by activity

In millions of euros	HY 2019	HY 2018	Change
Radio	112.5	111.7	+0.7%
Television	45.3	47.5	-4.6%
Broadcasting	34.8	34.0	+2.4%
<b>Revenue excluding barbers</b>	<b>192.6</b>	<b>193.2</b>	<b>-0.3%</b>
Radio	11.4	14.6	-21.9%
Television	(8.0)	(8.8)	+9.1%
Broadcasting	8.5	11.2	-24.1%
Other activities	(1.3)	0.0	N.A.
<b>Current operating profit excluding barbers<sup>(1)</sup></b>	<b>10.6</b>	<b>17.0</b>	<b>-37.6%</b>

<sup>(1)</sup> For the first time, the accounts for the first half of 2019 were drawn up in accordance with the IFRS 16 Leases standard (use of the simplified retrospective approach, without reprocessing the previous financial year's figures).

### RADIO

In the first half of 2019, the Radio division generated revenue<sup>(1)</sup> of €112.5 million, a 0.7% increase compared to the first half of 2018. Growth in activities was seen both in France and internationally.

With the new Médiamétrie results from the April–June 2019 wave, the Group's national sales house strengthened its leadership in the advertisers' high commercial priority targets: the 25–49 age group,<sup>(2)</sup> and asserted its position as the number one radio offering in France for both Women Under 50 Responsible for Purchases<sup>(2)</sup> and for Millennials.<sup>(2)</sup>

NRJ is France's number 1 radio station for listeners in the under-65 age group.<sup>(3)</sup> NRJ's performance also validates the Group's strategy of introducing, for the first time in its history and at the start of the 2018–2019 season, an entertaining and interactive programme for its listeners during the 5–8pm time slot hosted by 'Cauet et sa bande'. Given the audience success recorded (+32% in audience share in 1 year<sup>(4)</sup>), the Group will extend the programme by an extra hour next season, meaning it will begin at 4pm.

In the first half of 2019, digital activities reported a 25% increase in revenue.<sup>(1)</sup> This growth was driven by the Group's entire digital ecosystem, which cemented its position as the number one private group for Internet radio<sup>(5)</sup> in June 2019 and as the radio group most listened to on smart speakers for its four radio brands, with 65% of the internet users who use smart speakers listening to them.<sup>(6)</sup>

The €0.8 million growth in revenue<sup>(1)</sup> was nevertheless unable to compensate the €4.0 million increase in expenses in the first half of the year. The two national communication campaigns launched at the start of the year to promote NRJ's two flagship programmes ('Manu dans le 6/9' and 'C'Cauet') and the increase in expenses in Sweden linked to operation of the new network contributed to reducing the Radio division's current operating profit excluding barbers by €3.2 million. It reached €11.4 million in the first half of 2019, compared to €14.6 million in the first half of 2018, a decrease of €3.2 million.

### TELEVISION

Continuing on from the first quarter of 2019, the TV division's free-to-air channels (NRJ 12 and Chérie 25) saw new audience share gains in the second quarter of the 2019 financial year for the entire viewing public and for the high commercial priority targets, including all-time highs in June.<sup>(7)</sup>

As such, in the first half of 2019, the combined audience share for the two free-to-air channels totalled 2.8%<sup>(8)</sup> for the entire viewing public (+0.2 percentage points<sup>(9)</sup> compared to the first half of 2018), 3.4%<sup>(8)</sup> for the 25–49 age group target (+0.2 percentage points in 1 year<sup>(9)</sup>) and 4.0%<sup>(8)</sup> for the Women Under 50 Responsible for Purchases target (up 0.4 percentage points<sup>(9)</sup>). This increase in audience shares was seen for both NRJ 12 and Chérie 25.

According to the latest MédiamatThématik wave, NRJ Hits cemented its undisputed position as the number 1 cable-satellite-ADSL music channel<sup>(10)</sup> with a 104% lead on the number 2 channel.<sup>(11)</sup> The channel, which offers the greatest hits every day, brings together almost 3.8 million viewers every month.<sup>(12)</sup>

In a highly competitive advertising market, the TV division's revenue<sup>(1)</sup> nevertheless declined by 4.6% to €45.3 million in the first half of 2019.

By reducing expenses (mainly those for programming), which reached €3.0 million in the first half of 2019, the TV division was able to achieve a current operating profit<sup>(1)</sup> of -€8.0 million, a €0.8 million improvement compared to the first half of the 2018 financial year. The TV division is continuing with an audience profitability strategy, enabling it to improve the division's current operating profit.<sup>(1)</sup>

## BROADCASTING

In the first half of 2019, the Broadcasting division recorded revenue<sup>(1)</sup> of €34.8 million, an increase of 2.4% compared to the first half of 2018, driven by growth of more than 4% in FM and DAB+ broadcasting activity and DTT activity. The one-off DTT frequency reallocation services, down by 8%, ended in the second quarter of 2019. Over the period, towerCast saw its DTT market share increase (+1 percentage point) and now operates on 509 of its own broadcasting sites, i.e. 12 more sites compared to the end of 2018, taken from third-party hosting sites.

The division's current operating profit<sup>(1)</sup> was down by €2.7 million to €8.5 million given the increase in hosting expenses, in particular due to the development of FM and DTT broadcasting activities, and staff expenses.

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**Next release:** Third quarter 2019 financial information: November 6, 2019 (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 2019 half-year financial report will be available on the Group's website [www.nrgroup.fr](http://www.nrgroup.fr) by July 26, 2019 at the latest.

## APPENDICES

### **i Method for the first application of the IFRS 16 Leases standard**

The Group has chosen to apply the simplified retrospective approach, without reprocessing comparative periods of financial statements.

The current operating profit excluding barbers saw a positive effect of €0.1 million, the financial result decreased by €0.2 million, and the net profit Group share remained unchanged (see table below).

In millions of euros	H1 2019	Including IFRS 16 incidence of lease expenses cancellation	Including IFRS 16 incidence of amortisation of right-of-use assets	Including IFRS 16 incidence of interests on lease liabilities	Total IFRS 16 incidence
<b>Current operating profit/loss excluding barbers</b>	<b>10.6</b>	4.2	(4.1)		<b>0.1</b>
<b>Financial result</b>	<b>(0.8)</b>			(0.2)	<b>(0.2)</b>
<b>Net profit Group share</b>	<b>3.9</b>				<b>0.0</b>

ii **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.

In millions of euros	HY 2019	HY 2018
<b>Current Operating Profit</b> excluding barter transactions	<b>10.6</b>	<b>17.0</b>
Amortisation and impairment of tangible and intangible assets, and net change in provisions	10.3	9.5 *
Amortisation of right-of-use assets <sup>(1)</sup>	4.1	0.0
Change in provision for post-employment benefits recognised in personnel expenses	0.6	0.6
<b>EBITDA</b> excluding barter transactions	<b>25.6</b>	<b>27.1</b>

<sup>(1)</sup> For the first time, the accounts for the first half of 2019 were drawn up in accordance with the IFRS 16 standard (use of the simplified retrospective approach, without reprocessing the previous financial year's figures).

\* Until the end of the 2018 financial year, the change in provisions excluded the reversals used (credited to the same line as that used for the expenditures incurred). This ceased to be the case on 1 January 2019. In order to facilitate the comparison of data, reclassifications were made; they helped reduce the amount of net allocations to provisions to €0.5 million on 30 June 2018.

### iii Net cash surplus:

In millions of euros	As at June 30, 2019 <sup>(1)</sup>	As at Jan 01, 2019	As at Dec 31, 2018
Cash and cash equivalents	211.8	221.5	221.5
Group's outstanding bank overdrafts and borrowings	(18.0)	(22.9)	(22.9)
Lease liabilities <sup>(1)</sup>	(33.1)	(31.5)	
<b>Net cash surplus</b>	<b>160.7</b>	<b>167.1</b>	<b>198.6</b>

<sup>(1)</sup> For the first time, the accounts for the first half of 2019 were drawn up in accordance with the IFRS 16 standard (use of the simplified retrospective approach, without reprocessing the previous financial year's figures).

### iv Excluding barter:

In millions of euros	HY 2019 <sup>(1)</sup>	HY 2018	Change
<b>Revenue</b> excluding barter	<b>192.6</b>	<b>193.2</b>	<b>-0.3%</b>
<b>Revenue</b> on barter	<b>9.3</b>	<b>8.5</b>	<b>+9.4%</b>
<b>Revenue</b>	<b>201.9</b>	<b>201.7</b>	<b>+0.1%</b>
<b>Current operating profit/loss</b> excluding barter	<b>10.6</b>	<b>17.0</b>	<b>-37.6%</b>
<b>Current operating profit/loss</b> on barter	<b>(1.5)</b>	<b>0.0</b>	<b>N.A.</b>
<b>Current operating profit/loss</b>	<b>9.1</b>	<b>17.0</b>	<b>-46.5%</b>

<sup>(1)</sup> For the first time, the accounts for the first half of 2019 were drawn up in accordance with the IFRS 16 standard (use of the simplified retrospective approach, without reprocessing the previous financial year's figures).

### v Free cash flow:

In millions of euros	HY 2019	HY 2018
Cash generated from operations before interest and taxes	25.3	28.1
IFRS 16 incidence on Cash generated <sup>(1)</sup>	4.2	
Changes in Working Capital	1.9	1.3
IFRS 16 incidence on Changes in Working Capital <sup>(1)</sup>	0.4	
Income taxes paid / reimbursed	(5.2)	0.9
<b>Net cash flows from operating activities (A)</b>	<b>22.0</b>	<b>30.3</b>
<b>Net cash flows from investing activities (B)</b>	<b>(9.4)</b>	<b>(8.7)</b>
<b>Free cash flow (A)+(B)</b>	<b>12.6</b>	<b>21.6</b>

<sup>(1)</sup> For the first time, the accounts for the first half of 2019 were drawn up in accordance with the IFRS 16 standard (use of the simplified retrospective approach, without reprocessing the previous financial year's figures).

Sources:

- (1) Excluding barbers : consolidated revenue or current operating profit, according to IFRS standards. See appendice. <sup>iv</sup>
- (2) Médiamétrie, 126,000 radio, NRJ Global, April-June 2019, Monday-Friday, 5h-24h, targets specified, AC, QHM and Audience Share, Millennials = 15-29 age group.
- (3) Médiamétrie, 126,000 radio, NRJ, April-June 2019, Monday-Friday, 5h-24h, 13-64 age group, AC.
- (4) Médiamétrie, 126,000 radio, NRJ, April-June 2019, Monday-Friday, 17h00-20h00, April-June 2019 vs April-June 2018. evolution of the Audience Share in percentage points.
- (5) ACPM-OJD, global digital radio broadcasting, June 2019, active listening sessions +30 seconds, data for France, NRJ Group: 32,762,585 active listening sessions.
- (6) Médiamétrie, Barometer of smart speakers, June 2019, among age group 15 years &+, users of smart speakers and listening at least one radio station on a smart speaker, NRJ Group's listeners: 65.2%.
- (7) Médiamétrie-Médiamat, Audience share, Day of viewing NRJ GROUP TV Division = aggregate NRJ 12 + Chérie 25, aged 4 years +, 25-49 age group, 03h-27h, Monday to Sunday, January-March 2019 vs January-March 2018 and April-June 2019 vs April-June 2018, evolution of the Audience Share in points, all-time audience highs in June 2019.
- (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, January-June 2019.
- (9) 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 2019 vs January-June 2018. evolution of the Audience Share in points.
- (10) Médiamétrie, Médiamat'Thematik, consolidated audience, wave 37 (31 dec 2018- 16 June 2019), 3h-27h, Mon-Sun, ranking musical channels TME, aged 4 years +.
- (11) Médiamétrie, Médiamat'Thematik, consolidated audience, wave 37 (31 dec 2018- 16 June 2019), 3h-27h, Monday to Sunday, advance in % of TCE.
- (12) Médiamétrie, Médiamat'Thematik, consolidated audience, wave 37 (31 dec 2018- 16 June 2019), 3h-27h, Monday to Sunday, coverage 4 weeks viewing threshold 10 consecutive seconds.

**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](http://www.nrjgroup.fr)) in the "Finances/ Publications financières/ Rapports financiers" section.

#### 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 FM, 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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