



PRESS RELEASE

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AFP'S 2019 OPERATING RESULT SHOWS STRONG GROWTH AS THE AGENCY ASSESSES THE EARLY IMPACT OF THE COVID-19 PANDEMIC

DURING A MEETING OF THE BOARD ON 29TH APRIL 2020, AFP VALIDATED ITS ANNUAL ACCOUNTS FOR 2019, THUS CLOSING THE FIRST FINANCIAL YEAR SINCE THE AGENCY LAUNCHED ITS TRANSFORMATION PLAN AND SIGNED A TARGETS & RESOURCES AGREEMENT WITH THE FRENCH GOVERNMENT.

After the Agency achieved growth in 2018 for the first time in 4 years, AFP's commercial revenue remained virtually stable in 2019, at €167 million (down by 0.5% on the basis of equivalent exchange rates and accounting methods), despite the fact that the odd-numbered year meant fewer sporting events and, therefore, lower revenue from images. By implementing an Image Plan and following the strong trend towards digital investigations, the Agency was able to offset the effects of the lasting print-media crisis. For the first time, print media fell below the threshold of 30% of overall turnover, while that generated by the TV media exceeded 20%.

The Agency received increased support from the French government, in the form of a €124.4 million subsidy (€11 million more than in 2018) to cover the net cost of its general-interest remit.

The year was marked by the first workforce reduction measures to be implemented under the transformation plan, notably a voluntary redundancy scheme which will lead to the suppression of 78 jobs over a full year. The positive impacts of these measures should be felt from 2020 onwards.

The validated accounts show a €7.1 million operating profit, a financial loss of €2.5 million, and losses (beyond operating results) of €4.2 million, giving a **net profit of €0.4 million** (compared to losses of €2.6 million in 2018). **This is the agency's first net annual profit since 2013.**

Year-to-year comparisons are only possible after readjusting the figures to take into account non-recurrent items. These mainly include French government subsidy increases and charges generated by the redundancy plan. This gives a **recalculated operating profit of €5.2 million, a 19.4% increase compared to 2018 (allowing for exchange rates and accounting methods), due to the positive effects of meticulous cost management, and savings already made through the transformation plan.**

Although not yet fully felt, the inevitable impacts of the Covid-19 pandemic on AFP's core business will undoubtedly come to light over the coming months. Despite the fact that the Agency's turnover is generated mainly from subscriptions, it will nevertheless be affected by the financial weakening of its media clients, the cancellation of major sporting events (particularly in the image sector), the reduction of advertising income and, of course, the various restrictions that make marketing more difficult. AFP will, however, benefit from increased income from digital investigations into all Covid-19-related topics, and from reduced reporting expenditure.

The pandemic has already had a very visible effect on those subsidiaries of AFP whose business model, rather than being subscription-based, relies on isolated orders from corporate clients and institutions. For example, AFP-Services and the German subsidiary, SID, which specialises in sporting events, look set to lose approximately €5 million, the equivalent of at least a quarter-year's turnover.

For now, the Agency is resorting to short-time working measures only for these two branches which employ a total of about 60 people in Paris, Brussels and Cologne. For its core business, the Agency has come to an agreement with the trade unions for employees to take a minimum of paid leave.

Due to insufficient visibility, the Agency is currently unable to estimate the overall impact of the crisis on its commercial revenue for the current financial year. Every effort is already being made to safeguard our profit margin.



About AFP:

AFP is a leading global news agency providing fast, comprehensive and verified coverage of the events shaping our world and of the issues affecting our daily lives. Drawing from an unparalleled news gathering network across 151 countries, AFP also is a world leader in digital verification. With 2,400 staff representing 100 different nationalities, AFP covers the world in six languages, with a unique quality of multimedia storytelling spanning video, text, photos and graphics.

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