Press Release

ProSiebenSat.1 posts another record year in 2017

- **Revenues increase by 7% to EUR 4,078 million**
- **Adjusted EBITDA rises by 3% to EUR 1,050 million**
- **Adjusted net income grows by 3% to EUR 550 million**
- **Group generates 51% of revenues outside TV advertising business**
- **Executive Board proposes dividend of EUR 1.93 per share**
- **Outlook for 2018: Group anticipates further increase in revenues and a profitability in the mid 20 percent range based on the adjusted EBITDA**
- **General Atlantic acquires minority stake in commerce business**

Munich, February 22, 2018. ProSiebenSat.1 Group increased its revenues and earnings again in 2017, thus achieving another record year. In the full year, the Group generated 51% of revenues outside of the TV advertising business (previous year: 47%) and thus successfully continued its strategic diversification. In the past year, revenues rose by 7% to EUR 4,078 million (previous year: EUR 3,799 million). At the same time, adjusted EBITDA increased by 3% to EUR 1,050 million (previous year: EUR 1,018 million). Adjusted net income also exceeded the previous year's figure by 3% and reached EUR 550 million (previous year: EUR 536 million).

Thomas Ebeling, CEO of ProSiebenSat.1 Media SE, says: "We had a strong final spurt in 2017. This enabled us to achieve further profitable growth over the year as a whole and exceed the revenue mark of EUR 4 billion for the first time. Compared to 2009, this represents an increase of almost 50%. In the same period, we tripled our net profit and nearly halved our net financial debt. Such a performance is unique in a highly dynamic environment like the media industry and I am proud to have gone this way together with this fantastic team."

Segment results in 2017

In the **Broadcasting German-speaking** segment, external revenues increased slightly by 1% to EUR 2,239 million in 2017. After a demanding second and third quarter of 2017 in the TV advertising business, the Group's TV advertising revenues in Germany, Austria, and Switzerland developed considerably positively again in the fourth quarter with a mid-single digit percentage increase in this period compared to the previous year. Over the year as a whole, the TV advertising business was at the same level as the previous year. Distribution revenues and the acquisition of ATV also contributed to the slight growth in segment revenues.

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In the **Digital Entertainment** segment, especially Studio71 and the AdTech portfolio developed positively and contributed to the increase in revenues, which rose by 5% to EUR 463 million for the full year. This was partially offset by the continued structural challenges in the music and event business (Adjacent). ProSiebenSat.1 recently further expanded its involvement in the AdTech business and strengthened the portfolio with investments in the technology company AdClear, influencer marketing platform Buzzbird, social-advertising provider esome, and e-commerce marketer Kairion.

The main growth driver for ProSiebenSat.1 Group in 2017 was once again the **Digital Ventures & Commerce** segment. Here, ProSiebenSat.1 increased its external revenues by 30% to EUR 996 million, with the online platforms Verivox, Amorelie, and Flaconi making particularly strong contributions to organic growth. Major successes in this segment in the past year included the sale of the online travel agency Etraveli and the acquisition of the majority interest in Jochen Schweizer GmbH, a leading provider of experience gifts.

In the **Content Production & Global Sales** segment, external revenues decreased slightly by 3% to EUR 352 million in 2017. The segment performance was particularly affected by currency effects and shifts of some productions in the US market to the next year. Red Arrow Studios recently acquired a majority share in the global film distributor Gravitas Ventures, thereby significantly expanding the Group's distribution network, its program catalog, and its co-production and co-financing possibilities.

Three-pillar strategy

Since the beginning of the year, ProSiebenSat.1 has structured the Group in the three pillars of "Entertainment", "Content Production & Global Sales", and "Commerce". In this way, the Group is reacting to the dynamic environment and improving its positioning for further profitable growth.

Conrad Albert, Deputy CEO and General Counsel of ProSiebenSat.1 Media SE, says: "2018 will be a year of realignment at ProSiebenSat.1. The media industry is constantly changing. It is therefore essential for us to readjust our organization and cost structures accordingly in order to invest as much as possible in the future of our entertainment business and remain the number one for our viewers and advertising customers in the German-speaking region."

As part of the continuous diversification and transformation of the Group, ProSiebenSat.1 sold a minority interest of 25.1% in the commerce business NCG – NuCom Group to General Atlantic. Together with the international financial investor, the Group intends to further accelerate the profitable growth of the commerce business and selectively invest in further markets to develop European market leaders. In the context of this transaction, the NuCom Group has already acquired remaining minority interests in Verivox, Parship Elite Group, and SilverTours GmbH (billiger-mietwagen.de) (see separate press release).

“With General Atlantic, we have found the perfect partner for our commerce business and kicked off the expansion of our portfolio and the further acceleration of growth in this area. As I come to the end of my time at ProSiebenSat.1, this transaction is an important milestone for me. I wish the management team and all employees all the best for the future and am now leaving an excellently positioned company,” says **Thomas Ebeling**.

Dividend proposal and financial outlook

ProSiebenSat.1 Group is reaffirming its general financial policy with regard to the leverage ratio and dividend. It is thus again aiming for a leverage ratio – i.e. the ratio of the Group’s net financial debt to its adjusted EBITDA – of between 1.5 and 2.5 at the end of 2018. As of the end of 2017, the leverage ratio was 1.6 (previous year: 1.9).

In addition, 80% to 90% of adjusted net income is intended to be distributed to the shareholders as a dividend each year. The Executive Board is therefore advising the Supervisory Board to propose an increased dividend of EUR 1.93 per share to the Annual General Meeting for the financial year 2017 (previous year: EUR 1.90). This corresponds to a pay-out ratio of 80.3% (previous year: 84.7%) and a dividend yield of 6.7% on the closing price of the ProSiebenSat.1 share at the end of 2017.

Dr. Jan Kemper, Chief Financial Officer of ProSiebenSat.1 Media SE, says: “In 2018, we are pushing ahead with the biggest transformation of our Company to date. We are making our core entertainment business fit for the future while also ensuring the right focus to continue the expansion of our digital growth areas. We are confident that we will thus continue our proven combination of revenue growth and profitability this year.”

ProSiebenSat.1 expects to further increase its revenues in 2018. The Group’s profitability / adjusted EBITDA margin is expected to remain in the mid 20 percent range and thus at the previous year’s high level. With regard to adjusted net income, the Group anticipates a conversion rate of adjusted EBITDA to adjusted net income at the high level of the previous year. Additional contributions from acquisitions that may take place this year are not yet included in this financial outlook.

The Group also intends to continue its profitable growth in the medium term and is aiming to achieve an average increase in revenues in the mid-single digit percentage range per year by 2022. At the same time, the Group anticipates a further increase in operating earnings and a profitability in the mid 20 percent range based on the adjusted EBITDA.

Reporting information

ProSiebenSat.1 Group also uses non-IFRS figures in the form of adjusted EBITDA and adjusted net income. At the beginning of financial year 2017, ProSiebenSat.1 published a full income statement adjusted for certain influencing factors. These changes take into account the development of reporting practices for non-IFRS figures and more stringent regulatory transparency requirements in this area. Information on the composition of adjusted net income and adjusted EBITDA can be found on page 73/74 of the Annual Report 2016, which is available on our Group's website at www.ProSiebenSat1.com.

Other key figures can be found on our Group's website: www.ProSiebenSat1.com. The presentation on the financial year 2017 will also be available here from 8 a.m. on February 22, 2018.

Key figures of ProSiebenSat.1 Group

in EUR m	Q4 2017	Q4 2016	Change in %	Q1 - Q4 2017	Q1 - Q4 2016	Change in %
Revenues	1,324	1,254	6%	4,078	3,799	7%
Total costs	-1,006	-958	5%	-3,590	-3,056	17%
Operating costs (1)	-944	-872	8%	-3,053	-2,804	9%
Adjusted EBITDA (2)	390	392	0%	1,050	1,018	3%
Adjusted EBITDA margin (in %)	29.4%	31.2%	-1.8 pp	25.8%	26.8%	-1.0 pp
EBITDA	382	375	2%	1,084	982	10%
Non-recurring items	-8	-17	-54%	34	-35	~
Operating profit (EBIT)	333	307	9%	820	777	6%
Financial result	-95	-50	91%	-174	-119	47%
Consolidated net profit from continuing activities after non-controlling interests	167	174	-4%	471	444	6%
Adjusted net income (3)	219	225	-3%	550	536	3%
Basic earnings per share (underlying; in EUR) (4)	0.96	1.01	-5%	2.40	2.47	-3%
Dividend per share (5)				1.93	1.90	2%
Free cash flow from continuing activities (6)	243	16	~	728	-4	~
Free cash flow before M&A from continuing activities (7)	351	334	5%	468	485	-3%
Cash flow from operating activities (continuing operations)	665	618	8%	1,621	1,619	0%
Cash flow from operating activities (discontinued operations)	-/-	-/-	-/-	-/-	-42	-100%

Key figures of ProSiebenSat.1 Group

in EUR m	Dec. 31, 2017	Dec. 31, 2016
Equity	1,252	1,432
Equity ratio (in percent)	19.1%	21.7%
Cash and cash equivalents	1,552	1,271
Net financial debt (9)	1,632	1,913
Leverage ratio (8) (9)	1.6	1.9

Segment key figures of ProSiebenSat.1 Group

in EUR m	Q4 2017	Q4 2016	Change in %	Q1 - Q4 2017	Q1 - Q4 2016	Change in %
Broadcasting German-speaking						
Revenues	795	729	9%	2,386	2,304	4%
External revenues	749	704	6%	2,239	2,210	1%
Adjusted EBITDA (2)	279	281	-1%	767	760	1%
Digital Entertainment						
Revenues	169	144	17%	489	463	6%
External revenues	162	138	17%	463	442	5%
Adjusted EBITDA (2)	28	17	64%	32	37	-13%
Digital Ventures & Commerce						
Revenues	315	288	9%	1,001	782	28%
External revenues	313	286	9%	996	768	30%
Adjusted EBITDA (2)	82	75	9%	221	180	23%
Content Production & Global Sales						
Revenues	114	137	-17%	427	421	1%
External revenues	91	122	-25%	352	362	-3%
Adjusted EBITDA (2)	1	20	-93%	36	47	-23%

(1) Total costs excl. D&A and expense adjustments. (2) EBITDA before non-recurring items. (3) Consolidated profit for the period attributable to shareholders of ProSiebenSat.1 Media SE before the effects of purchase price allocations and additional non-recurring items. This includes valuation effects on financial investments recognized in the other financial result, put options and earn-out liabilities, inefficiencies from financial derivatives and valuation effects on Group Share Plans. (4) For the financial year 2017, basic earnings per share were calculated based on adjusted net income from continuing operations. The previous year's figure has been adjusted accordingly for comparison purposes. (5) Dividend proposal of the Executive Board to the Supervisory Board to the upcoming Annual General Meeting (paid out in May 2018). Total dividend pay-out and pay-out ratio are subject to change in treasury shares until dividend payment date. (6) After M&A; Total cash and cash equivalents generated in operating business less the balance of cash used and generated in the context of investing activities. (7) Free cash flow adjusted for cash used and generated by M&A transactions (excl. transaction costs) related to majority acquisitions that are carried out and planned and the purchase and sale of investments accounted for using the equity method. (8) Ratio of net financial debt to adjusted EBITDA in the last twelve months. (9) After reclassification of cash and cash equivalents of eTRAVELi AB.