Press Release

ProSiebenSat.1 generates solid results with adjusted EBITDA of EUR 459 million in first half of 2018

- **Revenues decline by 4% to EUR 1,794 million due to currency and consolidation effects, but remain stable on adjusted basis**
- **Adjusted EBITDA and adjusted net income at previous year's level**
- **Commerce business accelerates growth and achieves organic revenue increase of 10%**
- **Stable audience share despite major sporting events**
- **Financial targets for full-year 2018 confirmed; Group strategy update announced for fourth quarter**

Munich, August 2, 2018. ProSiebenSat.1 Group reports a stable operational development in the first half of 2018. Revenues amounted to EUR 1,794 million in this period (previous year: EUR 1,872 million), down 4% year-on-year. However, adjusted for consolidation and currency effects, the Group generated revenues at the previous year's level. Operating earnings were solid as a result of lower operating costs, with adjusted EBITDA amounting to EUR 459 million in the first half of the year (previous year: EUR 458 million) and adjusted net income totaling EUR 230 million (previous year: EUR 233 million). Both key figures thus almost were at the previous year's level. In the second quarter of 2018, adjusted EBITDA decreased 4% year-on-year to EUR 259 million (previous year: EUR 270 million). As indicated, this is due to a deviating seasonality of program costs. This will also continue in the third quarter but will be offset over the full-year. Adjusted EBITDA margin however improved to 25.6% in the first half of the year (previous year: 24.5%), primarily reflecting more efficient cost management in the Entertainment segment as well as higher distribution revenues.

Dr. Jan Kemper, CFO of ProSiebenSat.1 Media SE, says: "We are operating in a demanding market environment which impacted growth in our Content Production & Global Sales and Entertainment segments in the first half of the year. At the same time, however, our third segment Commerce with NuCom Group was able to accelerate its organic growth. Due to the seasonality of our business models, we now anticipate the second half of the year to be stronger, as it has been the case in previous years."

In the **Entertainment** segment, revenues in the first half of the year remained almost at the previous year's level with TV advertising revenues broadly stable. In addition to adverse currency effects, the slight decrease of total external advertising revenues reflects a temporary slowdown in SevenVentures business and digital advertising revenues. At the same time, especially the distribution business continued to grow dynamically. In the TV viewer market,

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ProSiebenSat.1's market shares saw a satisfying development – in the first half of the year, ratings were at the previous year level at 26.9% (previous year: 26.9%) despite the Winter Olympics and the FIFA World Cup. In July, the station group achieved a market share of 27.7%, thus exceeding the previous year's figure (previous year: 26.4%).
In the **Content Production & Global Sales** segment, currency effects and the continuing demanding environment in the US production market resulted in a revenue decline in the first half of the year. By contrast, the global sales business developed positively due to the initial consolidation of the US film distributor Gravitas Ventures in November 2017. In addition, Red Arrow Studios signed important production contracts for the coming months: For example, its production subsidiary Left Right will produce the first New York Times documentary series for the US broadcaster FX and the streaming platform Hulu, while Amazon Prime Video has already commissioned the fifth season of the crime series "Bosch".
The **Commerce** segment with NuCom Group accelerated its organic growth in the second quarter. In the first half of the year, segment revenues increased organically by 10%. Mainly the commerce platform Flaconi, the OTC provider Windstar, and the online portals Parship and Verivox contributed to this. However, as expected, the deconsolidation of large parts of the travel portfolio, especially of the online travel agency Etraveli in the previous year, continued to affect the revenue and earnings performance of the whole Commerce segment.

In June, ProSiebenSat.1 announced plans together with Discovery to build a leading streaming platform for Germany, integrating 7TV, maxdome, and the Eurosport Player. This was approved by German and Austrian antitrust authorities at the end of July. The objective of the platform is to gain additional partners and establish 7TV as a provider of local, European, and US content. Starting in the first half of 2019, the expanded platform will offer digital entertainment tailored to its viewers' preferences.

Max Conze, CEO of ProSiebenSat.1 Media SE, comments: "Our environment is developing faster and faster, therefore we need to initiate important changes now. We will place an even stronger focus on building an Entertainment business offering linear and digital content end-to-end. At the same time, we want to establish a total reach with one video currency. Our 7TV joint venture will be one critical pillar for this, too. We will be viewer and consumer centric in everything we do. We are currently working intensely on a strategic update and will present the results at this year's Capital Markets Day in November. I am confident that we will thus continue to drive the transformation of our Company and shape our growth."

For the full-year 2018, ProSiebenSat.1 confirms the Group's financial outlook. However, the revenue growth target still includes the full-year contributions of the companies that are expected to be deconsolidated in the third quarter of 2018. The corresponding consolidation/deconsolidation effects on the Group's planned growth for 2018 will be announced once the transactions have been closed successfully.

Other key figures can be found on our Group's website: www.ProSiebenSat1.com. The presentation on the second quarter and the first half of 2018 as well as the Half-Yearly Financial Report for 2018 will also be available here from 8 a.m. on August 2, 2018.

ProSiebenSat.1 Group financial targets for 2018

Revenues	Growth in the low to mid-single-digit percentage range
Adjusted EBITDA	Operating margin in the mid 20 percentage range
Adjusted net income	Conversion rate of adjusted EBITDA to adjusted net income of around 50%
Leverage ratio (ratio of net financial debt to adjusted EBITDA)	Target range of 1.5 to 2.5
Dividend pay-out	80% to 90% of adjusted net income

Key figures of ProSiebenSat.1 Group

in EUR m	**Q2 2018**	**Q2 2017**	**Change in %**	**H1 2018**	**H1 2017**	**Change in %**
Revenues	912	962	-5%	1,794	1,872	-4%
Total costs	-742	-762	-3%	-1,550	-1,568	-1%
Operating costs(1)	-661	-696	-5%	-1,350	-1,423	-5%
Adjusted EBITDA(2)	259	270	-4%	459	458	0%
Adjusted EBITDA margin (in %)	28.4%	28.1%	0.2 pp	25.6%	24.5%	1.1 pp
EBITDA	230	258	-11%	363	421	-14%
Reconciling items (net)	-28	-12	~	-96	-37	~
Operating profit (EBIT)	178	205	-13%	260	314	-17%
Financial result	6	-26	~	-30	-37	-21%
Consolidated net profit (after non-controlling interests)	126	117	8%	153	181	-16%
Adjusted net income(3)	136	144	-6%	230	233	-1%
Basic earnings per share (underlying) (in euros)	0.60	0.63		1.00	1.02	
Free cash flow (4)	-199	-20	~	-143	-37	~
Free cash flow before M&A (5)	-3	40	~	83	70	18%
Cash flow from operating activities	266	346	-23%	607	649	-6%

Key figures of ProSiebenSat.1 Group

in EUR m	**Jun. 30, 2018**	**Dec. 31, 2017**	**Jun. 30, 2017**
Equity	**1,041**	1,252	1,068
Equity ratio (in percent)	**16.8%**	19.1%	17.4%
Cash and cash equivalents	**990**	1,552	758
Net financial debt(6)	**2,199**	1,632	2,425
Leverage ratio(7)	**2.1**	1.6	2.3

Segment key figures of ProSiebenSat.1 Group

in EUR m	Q2 2018	Q2 2017	Change in %	H1 2018	H1 2017	Change in %
Entertainment						
Revenues	646	659	-2%	1,288	1,286	0%
External revenues	628	646	-3%	1,252	1,258	0%
Adjusted EBITDA(2)	234	242	-3%	417	401	4%
Content Production & Global Sales						
Revenues	130	149	-13%	239	282	-15%
External revenues	116	132	-12%	214	244	-12%
Adjusted EBITDA(2)	9	6	54%	13	11	28%
Commerce						
Revenues	168	185	-9%	328	370	-11%
External revenues	168	184	-9%	328	370	-11%
Adjusted EBITDA(2)	16	22	-29%	29	47	-38%

(1) Total costs excl. D&A and expense adjustments. (2) EBITDA before reconciling 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) 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. (5) 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. (6) As of June 30, 2018, the definition of ProSiebenSat.1's net financial debt does not include lease liabilities according to IFRS 16 in the amount of EUR 165 million. (7) Ratio of net financial debt to adjusted EBITDA in the last twelve months.