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## Press Release

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### ProSiebenSat.1 with good start into 2019

- Revenues increase by 4% to EUR 913 million, with +38% for Red Arrow Studios, +25% for NuCom Group, and +14% for digital and smart advertising business
- Q1 2019 total Entertainment advertising revenues decline by 4%, YTD April -2%
- Adjusted EBITDA decreases as expected by 5% to EUR 190 million; adjusted net income grows by 1% to EUR 94 million
- Best Q1 TV audience share since 2016 at 27.9% (+1.2 ppts), digital viewtime grows by 26%
- Market launch of our streaming platform Joyn announced for June
- Business performance in Q1 in line with the targets provided for the full-year; full-year targets confirmed

**Munich, May 9, 2019.** ProSiebenSat.1 Group has made a positive start into 2019: In the first quarter of 2019, the Group increased its revenues by 4% to EUR 913 million (previous year: EUR 881 million). This was mainly driven by the strong development in the Content Production & Global Sales and Commerce segments: These segments increased their revenues in the first quarter by 38% and 25% respectively (growth adjusted for portfolio and currency effects of 31% and 14% respectively). This significant double-digit revenue growth more than compensated for the weaker Entertainment business, which was 7% below the previous year quarter (decline adjusted for portfolio and currency effects of 4%). As expected, adjusted EBITDA decreased by 5% in the first quarter to EUR 190 million (previous year: EUR 200 million). As announced, lower advertising revenues and investments in the Entertainment segment affected the Group's profitability and earnings performance. Adjusted net income increased slightly by 1% to EUR 94 million (previous year: EUR 93 million).

**Max Conze, CEO of ProSiebenSat.1 Media SE, comments:** "We are making progress in executing our strategy: Q1 Group revenues grew 4% despite a weak advertising market. Thanks to our consistent local content and digital push we are winning with audiences and users. Red Arrow Studios revenues grew +38% and NuCom Group +25%. Digital and smart advertising was up +14% while TV core as well as total Entertainment advertising revenues were down around -4% each. The month of April however was positive for TV core and for total Entertainment advertising revenues leading to a year-to-date April decline of now -2% in total Entertainment advertising revenues. While much remains to be done, we are investing in the future of our business and concentrating on our priorities: Our unique streaming platform Joyn will play a decisive role. We are progressing our technology roadmap especially on smart reach and working on a consistent reach currency. With all this, strategic partnerships in Germany and Europe will also be an important lever."

#### Segment performance

In the **Entertainment** segment, external revenues fell by 7% in the first quarter of 2019. Adjusted for portfolio and currency effects, the decline was 4%. In addition to the deconsolidation of the video-on-demand portal maxdome and the online fitness provider 7NXT, the declining advertising revenues in this period took effect as expected, which primarily reflects the general market development and the later Easter this year. TV core advertising revenues declined by around 4% in the first quarter compared to the previous year. In contrast, the first quarter was positive for the digital and smart advertising business and the distribution business. In the audience market, ProSiebenSat.1 Group's stations posted the best first quarter since 2016 with a market share of 27.9% (14- to 49-year-olds) while digital viewtime grew by 26%. Especially the shows "Germany's next Topmodel" (ProSieben) and "The Voice Kids" (SAT.1) were popular

with audiences on all platforms. This positive trend continued in April: The audience market share reached a strong level of 28.7%.

In the next month, ProSiebenSat.1 Group will focus on the market launch of our streaming platform with Discovery Communications, which will launch in June under the new brand Joyn. Joyn will offer live streams of over 50 TV channels as well as a comprehensive on-demand offering with original series, shows and exclusive previews. A large content slate will be available seven days before TV broadcast and 30 days after on catch-up.

In the **Content Production & Global Sales** segment (Red Arrow Studios), the growth of the second half of 2018 continued: In the first quarter of 2019, external revenues increased by double digits again, growing by 38%. Adjusted for portfolio and currency effects, revenues grew by 31%. Both the strong production business of Red Arrow Studios in Germany, the US and UK as well as the global digital studio Studio71 made important contributions to the segment's revenue increase. In the production sector, mainly the formats "The Weekly" (for FX/Hulu), "Vienna Blood" (for ORF/ZDF) and "Bosch" (for Amazon) made an impact on this quarter's success.

The **Commerce** business with NuCom Group also made a dynamic start into the year and increased its external revenues by 25% in the first quarter of 2019. Revenues adjusted for portfolio and currency effects grew by 14%. The four verticals matchmaking, consumer advice, experience & gift vouchers, and beauty & lifestyle all contributed to this with organic growth. The initial consolidations of the US online matchmaking service eharmony and of Aroundhome, an online broker for products and services around the home, also more than offset the deconsolidation of the online travel provider tropo.

#### **Financial Outlook: Full-year targets confirmed**

With this development, business performance in the first quarter was in line with the full-year targets for 2019, which the Group presented at the Annual Press Conference in March and which are subject to the macro environment and the development of the TV advertising market. As such, for the full-year, ProSiebenSat.1 continues to target a revenue increase in the mid-single-digit percentage range and an adjusted EBITDA margin between 22% and 25% on Group level, respectively. As already announced, 2019 is characterized as a year of investments for ProSiebenSat.1 in order to set up a future-ready Entertainment business. In accordance with this, the Group expects a pronounced decline in earnings for the second and third quarter, respectively, as planned investments in the Entertainment segment will focus on these two quarters. For the full-year, ProSiebenSat.1 Group expects, as announced, that the decline in Group adjusted EBITDA in fiscal 2019 will be limited to a mid-double-digit million amount compared to the previous year. Overall, the Group sees itself on track to achieving its full-year targets. With advertising visibility remaining low, the Group will support full-year target achievement by continued cost management efforts as well as growth and monetization initiatives in the Entertainment segment.

Further key figures can be found on our Group website at [www.ProSiebenSat1.com](http://www.ProSiebenSat1.com). The presentation and Quarterly Statement for the first quarter of 2019 will also be available here from 7:30 a.m. on May 9, 2019.

**Key figures of ProSiebenSat.1 Group**

| in EUR m                                                           | Q1 2019 | Q1 2018 | Change in % |
|--------------------------------------------------------------------|---------|---------|-------------|
| Revenues                                                           | 913     | 881     | 4%          |
| Total costs                                                        | -793    | -808    | -2%         |
| Operating costs <sup>(1)</sup>                                     | -732    | -689    | 6%          |
| Adjusted EBITDA <sup>(2)</sup>                                     | 190     | 200     | -5%         |
| Adjusted EBITDA margin (in %)                                      | 20.8%   | 22.7%   | -1.9 pts    |
| EBITDA                                                             | 180     | 133     | 36%         |
| Reconciling items                                                  | -10     | -68     | -86%        |
| Operating result (EBIT)                                            | 129     | 81      | 58%         |
| Financial result                                                   | 49      | -35     | ~           |
| Net result attributable to shareholders of ProSiebenSat.1 Media SE | 122     | 27      | ~           |
| Adjusted net income <sup>(3)</sup>                                 | 94      | 93      | 1%          |
| Adjusted earnings per share (in EUR)                               | 0.42    | 0.41    | ~           |
| Free cash flow <sup>(4)</sup>                                      | -54     | 56      | ~           |
| Free cash flow before M&A <sup>(5)</sup>                           | -61     | 87      | ~           |
| Cash flow from operating activities                                | 282     | 341     | -17%        |

**Key figures of ProSiebenSat.1 Group**

| in EUR m                          | March 31, 19 | Dec 31, 18 | March 31, 18 |
|-----------------------------------|--------------|------------|--------------|
| Equity                            | 1,271        | 1,070      | 1,225        |
| Equity ratio (in %)               | 19.3%        | 16.5%      | 18.5%        |
| Cash and cash equivalents         | 989          | 1,031      | 1,562        |
| Net financial debt <sup>(6)</sup> | 2,206        | 2,163      | 1,620        |
| Leverage ratio <sup>(7)</sup>     | 2.2          | 2.1        | 1.5          |

**Segment key figures of ProSiebenSat.1 Group**

| in EUR m                                     | Q1 2019 | Q1 2018 | Change in % |
|----------------------------------------------|---------|---------|-------------|
| <b>Entertainment</b>                         |         |         |             |
| Revenues                                     | 592     | 642     | -8%         |
| External revenues                            | 579     | 624     | -7%         |
| Adjusted EBITDA <sup>(2)</sup>               | 163     | 183     | -11%        |
| <b>Content Production &amp; Global Sales</b> |         |         |             |
| Revenues                                     | 148     | 110     | 35%         |
| External revenues                            | 135     | 97      | 38%         |
| Adjusted EBITDA <sup>(2)</sup>               | 8       | 4       | 102%        |
| <b>Commerce</b>                              |         |         |             |
| Revenues                                     | 199     | 159     | 25%         |
| External revenues                            | 199     | 159     | 25%         |
| Adjusted EBITDA <sup>(2)</sup>               | 19      | 13      | 44%         |

(1) Total costs excl. EBITDA expense adjustments, depreciation, amortization and impairments. (2) EBITDA before reconciling items. (3) Net result attributable to shareholders of ProSiebenSat.1 Media SE before the amortization and impairments from purchase price allocations and adjusted for the reconciling items. These include valuation effects recognized in other financial result, valuation effects of put-options and earn-out liabilities, as well as valuation effects from interest rate hedging transactions. Moreover, the tax effects resulting from such adjustments are also adjusted. (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 March 31, 2019, the definition of ProSiebenSat.1 Group's net financial debt does not include lease liabilities according to IFRS 16 in the amount of EUR 170 million. Also not included are real estate liabilities of EUR 37 million. (7) Ratio net financial debt to adjusted EBITDA in the last twelve months.

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