

Claas van Delden, NuCom Group Co-CEO
ProSiebenSat.1 Media SE 2019 Annual General Meeting
June 12, 2019



- *Check against delivery* -

Hello, ladies and gentlemen.

My name is Claas van Delden. Along with my colleague Florian Tappeiner, I am co-CEO of NuCom Group, and it is my pleasure to give you a detailed insight into our business today.

NuCom Group is the third pillar of ProSiebenSat.1. We bundle the digital end-consumer business into it, thus boosting the diversification of ProSiebenSat.1 Group. NuCom Group is now the Group's biggest growth driver.

First of all, let's take a quick look back to the beginning of 2013. Back then, none of our current portfolio companies belonged to ProSiebenSat.1. We built up NuCom's business virtually from scratch via acquisitions. Six years on, we generate EUR 1 billion in revenues from it.

As of last year, we bundle our business in four areas, focusing on major consumer needs delivering exactly what our customers want:

- 1) **Consumer advice** with the Verivox, Aroundhome, and billiger-mietwagen brands. These brands help consumers to find affordable services, and save money. And we all identify as consumers: In Germany, saving is practically second nature!
- 2) **Online matchmaking:** Parship Group now consists of three brands: Parship, ElitePartner, and eharmony. With these offerings, we help people to find a partner for life – I will talk about this in detail in a second.
- 3) **Experiences:** With the Jochen Schweizer and mydays brands, we have the no. 1 and no. 2 in the market for experience vouchers – a market that is becoming increasingly important in our product-saturated world. And if any of you are looking for a gift for a special occasion, you are welcome to visit the websites of Jochen Schweizer or mydays.

- 4) **Beauty & lifestyle:** Our e-commerce activities are bundled in this pillar. Flaconi is our biggest brand and a hugely important growth driver here.

So we are saving our customers money, providing them with unforgettable experiences, enhancing their appearance, and bringing them the most important thing in life – love.

We have built up market leaders in each area, and we still see great potential to expand our business both organically and via acquisitions. As Max mentioned earlier, we aim to generate revenues of EUR 1 billion this year and double them again to EUR 2 billion by 2023. To support this further growth, we got the US financial investor General Atlantic on board as a NuCom shareholder in spring of last year. General Atlantic now holds just under 30% of NuCom, and valued our business at EUR 1.8 billion when buying its stake.

The synergies that we can attain within our portfolio and with ProSiebenSat.1 are crucial to our growth. All our companies operate in the business-to-consumer field. This means that their offerings are geared directly towards end customers, who naturally include viewers of our Group's channels. Advertising of our offerings on the stations and digital channels of ProSiebenSat.1 Group is one of the core growth drivers of our companies. In NuCom, ProSiebenSat.1 has thus created one of the biggest single advertising customers in recent years. This synergy that we are now generating between the content business of ProSiebenSat.1 and the commerce business of NuCom is unique in the international media landscape.

Using our online matchmaking business as an example, I would now like to show you how we are building up and expanding our business.

- To start us off, here is a short film. *[Trailer Parship Group]*
- There are over 25 million singles in Germany. Lots of them are on the lookout for a long-term partner.

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- Online searching for partner is becoming increasingly popular. Acceptance of digital matchmaking services has grown rapidly in recent years. However, there are many offerings on the market, which is why advertising is so crucial.
- With this in mind, in 2016 we bought the ParshipElite Group, which at the time comprised the Parship brand – the biggest German matchmaking service by revenues – and the ElitePartner brand.
- We then helped the management of the ParshipElite Group to integrate the two services, and in particular to further raise the recognition levels of both brands.
- Last October, together with the Parship management, we then decided to acquire the US pioneer in the matchmaking segment, eharmony, in Los Angeles.
- As far as we are aware, this was the first time a German Internet company had ever acquired its US role model. Usually, it is the other way round. But Parship's business was vastly superior to that of its US counterpart eharmony in almost every respect – from its technical platform and its marketing to our data-protected matchmaking products.
- Now, we are in the process of integrating the eharmony business into the Parship Group and realizing the optimization potential in the areas of technology, product, and marketing as well as the cost structure.
- Expertise in TV advertising is also a major factor here. Although we don't have any of ProSiebenSat.1 Group's channels in the US, the principles of TV marketing – what constitutes a good TV ad? What is the best way to reach your target groups? – are the same in the US as in Germany, and we can realize extensive expertise synergies here.
- For instance, eharmony's advertising recently started to feature the fact that a single finds love on eharmony every 14 minutes on average – although that is three minutes more than the known 11 minutes for Parship, the marketing principle is the same – and eharmony can benefit from the German Parship team's many years of experience.

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- Overall, integration of the eharmony business is going very well: Today – some six months since the transaction – I am delighted to be able to tell you that the integration is fully on schedule, and the envisaged progress is being made. For instance, in March 2019, revenues from new eharmony subscribers were up on the previous year’s month for the first time in many years.
- And if you know that Parship now makes more than 2.5 times more revenue per customer than eharmony even though eharmony operates in a much larger market, you can imagine how much potential is still to be tapped from this acquisition.
- We are therefore highly confident that this online matchmaking business will continue to bring pleasing results for us and you in the future. Not just in terms of content, with our ability to find a partner for hundreds of thousands of single people, but also financially, as good money can be made from it.

I hope that this example has given you an insight into how we are investing in business at NuCom and what value levers we have for further growth and greater profitability. On this basis, we will continue to make every effort to deliver impressive growth figures for you.

Thank you for your attention.