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## Press Release

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### On track: ProSiebenSat.1 continues revenue growth in second quarter of 2019

- Q2 Group revenues increase by 4% to EUR 947 million – growth of 28% at Red Arrow Studios, 18% at NuCom Group and 26% in digital and smart advertising business more than compensates decline of 3% in TV core advertising revenues
- Adjusted EBITDA and adjusted net income decline as expected due to investments recognized as expenses in future-fit Entertainment business
- Focus on local content is starting to pay off: Best Q2 TV audience share in four years at 28.4% (+1.2%pts); ProSieben's "The Masked Singer" ends with 38.1% market share and 9 million viewers at final show
- Increase in Total Video Viewtime: 26% growth in digital viewtime more than compensates for decline in linear reach in the second quarter
- Successful market launch of our streaming platform Joyn with over 3.8 million monthly total active users and over 2.4 million installed apps
- H1 with growth of Group revenues (+4%), EBITDA (+6%) and net income (+38%)
- Group confirms financial targets for full-year 2019

**Munich, August 7, 2019. Max Conze, CEO of ProSiebenSat.1 Media SE, comments:** "We are making good progress in the transformation of ProSiebenSat.1 and are delivering what we have announced: Despite a continued difficult advertising market environment, our organic and reported revenues grew +4% in the second quarter. Organic<sup>(1)</sup> growth at Red Arrow Studios of 21% (28% reported) and NuCom Group of 7% (18% reported) as well as growth of 26% in our digital and smart advertising business is fueling the diversification of the Group further."

"We continue to focus single-mindedly on the execution of our strategy and are reaching important milestones. Our platform Joyn has been launched successfully in June with over 3.8 million monthly users across all devices: four times its predecessor 7TV. At the same time, our investments in local content are starting to pay off. Our show 'The Masked Singer' has just cast a spell over the whole of Germany. The finale with 38.1% was the best ProSieben prime time market share since 2010. In the second quarter, our audience shares were the best in four years, and our digital view time is continuing to post double-digit growth. We thereby managed to more than compensate for the decline in linear reach in the second quarter. These investments are now reflected in adjusted EBITDA – a planned and conscious decision to invest in the future of ProSiebenSat.1. We are convinced this will pay off and we are on the right track focusing on local and digital."

#### Group performance

ProSiebenSat.1 Group is growing further and continues its transformation successfully: In the second quarter of 2019, the Group increased its revenues by 4% to EUR 947 million (previous year: EUR 912 million). The organic<sup>(1)</sup> revenue increase also came in at 4%. This was driven by growth in the Content Production & Global Sales and Commerce segments, which more than compensated for the weaker development in the Entertainment segment: Content Production & Global Sales and Commerce increased their revenues by 28% and 18% respectively in the second quarter (organic growth of 21% and 7% respectively), the Entertainment business was 4% below the previous year's quarter (organic decline of

1%). Total advertising revenues in the Entertainment segment declined by 2% compared to the previous year with the digital and smart advertising business growing strongly by 26% while TV core advertising revenues were down by 3%. The Group's adjusted EBITDA came in as expected and declined by 18% to EUR 213 million (previous year: EUR 259 million) in the second quarter. As previously announced, this decline reflects the investments recognized as expenses into the future of the Entertainment business as well as lower advertising revenues. The Group has decided to strengthen its investments in the areas of content, digital platforms and advertising technologies. Adjusted net income decreased by 38% to EUR 85 million (previous year: EUR 136 million) in the second quarter as planned.

In the first half of 2019, ProSiebenSat.1 Group's revenues grew by 4% to EUR 1,860 million (previous year: EUR 1,794 million; organic growth of 4%). Adjusted EBITDA declined by 12% to EUR 403 million in the first six months of the year (previous year: EUR 459 million), while adjusted net income was down by 22% to EUR 179 million (previous year: EUR 230 million). However, EBITDA (EUR 384 million; +6%) and net income (EUR 215 million; +38%) respectively posted an increase in the first half of the year especially due to lower one-time expenses as in the previous year.

### Segment performance

In the **Entertainment** segment, external revenues declined by 4% in the second quarter of 2019. Organically, external revenues decreased slightly by 1%. The Group's digital and smart advertising business once again developed dynamically, rising clearly by 26% in the second quarter and thus partly compensating for the decline in the TV core advertising revenues. These were 3% below the previous year's figure in the second quarter. Furthermore, the deconsolidation of the video-on-demand portal maxdome and the online fitness provider 7NXT had an impact overall. In the audience market, ProSiebenSat.1 Group's channels posted their best second quarter in four years with a market share of 28.4% (14- to 49-year-olds; +1.2%pts). The audience share continued to rise in July and was well above the previous year's level at 28.6% (+0.9%pts). Digital viewtime rose by 26% in the second quarter. In particular, the formats "The Masked Singer", "Joko und Klaas gegen ProSieben" and "Das SAT.1-Frühstücksfernsehen" are popular with viewers on all platforms. Due to the strong digital growth and an increasing audience share, ProSiebenSat.1 more than compensated for the decline in linear reach: In the second quarter, Total Video Viewtime – the total minutes viewed on all of the Group's linear channels and digital entertainment platforms – was at 257 bn minutes, 0.3% more than in the same period of the previous year (previous year: 256 bn minutes).

Furthermore, the streaming platform Joyn, which ProSiebenSat.1 operates with Discovery Communications, was successfully launched in June. Less than 24 hours after its start, the app was already number 1 in the download charts, and currently records around 3.8 million monthly total active users across all devices and over 2.4 million installed apps. Joyn offers its users live streams from over 50 TV channels and an extensive on-demand offer of exclusive series, shows and previews.

In the **Content Production & Global Sales** segment (Red Arrow Studios), external revenues posted double-digit growth again in the second quarter of 2019, rising by 28%. Organic revenue growth was 21%. Particularly the again strongly performing production business of Red Arrow Studios in Germany, the US and UK contributed to this. In the production business, the formats "First Responders Live" (for Fox USA), "The Weekly" (for FX/Hulu) and "Vienna Blood" (for ORF/ZDF) in particular had a positive impact in this quarter. Also the global digital studio Studio71 generated a double-digit revenue increase in Germany and the US.

The **Commerce** business with NuCom Group also continued its double-digit growth, increasing its external revenues by 18% in the second quarter of 2019. Organically, revenues rose by 7%. The core areas of Experiences and Beauty & Lifestyle developed positively in this period. The Matchmaking and Consumer Advice businesses each benefited substantially from the initial consolidation of the US online matchmaking

service eharmony and of Aroundhome, an online broker for products and services related to the home, respectively.

### Financial outlook: Full-year targets confirmed

Despite the TV advertising market performing weaker than expected, the business performance in the first half of the year was in line with the 2019 full-year targets for revenues and earnings that were presented by the Group at the Annual Press Conference in March 2019.

As also announced at the Annual Press Conference, ProSiebenSat.1 has decided to invest consistently in the future of its Entertainment business, especially in local content. The emphasis on local content is already starting to pay off as the Group posts an increasing Total Video Viewtime with audience market shares as well as digital view time rising. The focus of these investments recognized as expenses is in the second and third quarters. The Group has already reflected the related earning impacts on the full-year in its full-year outlook. ProSiebenSat.1 is also continuously expanding the business of NuCom Group. In this context, the Group has decided to further accelerate and strengthen the competitive position in the online beauty business through additional investments recognized as expenses in the portfolio company Flaconi. Besides, the Group continues to work on cost improvements in its core business also in the second half of the year.

In the TV advertising market, visibility is expected to remain low also in the second half of the year. Regardless of the stated growth investments and subject to the development of the macroeconomic environment and the TV advertising market in the second half of the year, ProSiebenSat.1 continues to aim for a revenue increase in the mid-single-digit percentage range and an adjusted EBITDA margin between 22% and 25% for full-year 2019 and is thus confirming its full-year targets.

Further key financial figures can be found on our Group website at [www.ProSiebenSat1.com](http://www.ProSiebenSat1.com). The presentation and the half-yearly financial report for 2019 will also be available here from 7:30 a.m. on August 7, 2019.

(1) Organic = Adjusted for portfolio and currency effects

### Key figures of ProSiebenSat.1 Group

in EUR m	Q2 2019	Q2 2018	Change in %	H1 2019	H1 2018	Change in %
Revenues	947	912	4%	1,860	1,794	4%
Total costs	-812	-742	9%	-1,605	-1,550	4%
Operating costs <sup>(1)</sup>	-743	-661	12%	-1,475	-1,350	9%
Adjusted EBITDA <sup>(2)</sup>	213	259	-18%	403	459	-12%
Adjusted EBITDA margin (in %)	22.5%	28.4%	-5.9%pts	21.7%	25.6%	-3.9%pts
EBITDA	204	230	-12%	384	363	6%
Reconciling items	-9	-28	-67%	-19	-96	-80%
Operating result (EBIT)	144	178	-19%	273	260	5%
Financial result	-13	6	~	36	-30	~
Net income	94	125	-25%	215	155	38%
Net income attributable to shareholders of ProSiebenSat.1 Media SE	93	126	-26%	215	153	41%
Net income attributable to non-controlling interests	1	-1	~	-1	2	~
Adjusted net income <sup>(3)</sup>	85	136	-38%	179	230	-22%
Adjusted earnings per share (in EUR)	0.37	0.60		0.79	1.00	
Free cash flow <sup>(4)</sup>	-25	-199	-88%	-79	-143	-45%
Free cash flow before M&A <sup>(5)</sup>	76	-3	~	15	83	-82%
Cash flow from operating activities	404	266	52%	687	607	13%

## Key figures of ProSiebenSat.1 Group

in EUR m	June 30, 2019	Dec. 31, 2018	June 30, 2018
Equity	1,080	1,070	1,041
Equity ratio (in %)	17.2%	16.5%	16.8%
Cash and cash equivalents	685	1,031	990
Net financial debt <sup>(6)</sup>	2,514	2,163	2,199
Leverage ratio <sup>(7)</sup>	2.6	2.1	2.1

## Segment key figures of ProSiebenSat.1 Group

in EUR m	Q2 2019	Q2 2018	Change in %	H1 2019	H1 2018	Change in %
<b>Entertainment</b>						
Revenues	612	646	-5%	1,204	1,288	-6%
External revenues	601	628	-4%	1,180	1,252	-6%
Adjusted EBITDA <sup>(2)</sup>	186	234	-20%	349	417	-16%
<b>Content Production &amp; Global Sales</b>						
Revenues	171	130	32%	319	239	33%
External revenues	148	116	28%	283	214	33%
Adjusted EBITDA <sup>(2)</sup>	9	9	-3%	17	13	28%
<b>Commerce</b>						
Revenues	198	168	18%	397	328	21%
External revenues	198	168	18%	397	328	21%
Adjusted EBITDA <sup>(2)</sup>	17	16	8%	36	29	24%

(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, 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 June 30, 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 164 million (December 31, 2018: EUR 155 million; June 30, 2018: EUR 165 million) or real estate liabilities in the amount of EUR 42 million (December 31, 2018: EUR 22 million; June 30, 2018: EUR 0 million). (7) Ratio net financial debt to adjusted EBITDA in the last twelve months.

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