



## ProSiebenSat.1 again raises full-year outlook 2021 after strong third quarter

- Revenues grow strongly by 15% to EUR 1,055 million in the third quarter of 2021, with adjusted EBITDA increasing clearly by 9% to EUR 162 million
- Strategy on track: revenues above pre-pandemic levels across all segments
- Group's advertising revenues in the German-speaking region above pre-corona-level and on record high in a third quarter
- ProSiebenSat.1 continues to lead the German TV audience and advertising market in the third quarter
- Adjusted net income almost doubles to EUR 58 million; adjusted operating free cash flow increases by EUR 100 million to EUR 134 million
- Net financial debt significantly reduced by EUR 377 million; leverage ratio improves clearly from 3.7x to 2.5x at the end of the third quarter
- Group prepays EUR 900 million of term loans after successful issuance of EUR 700 million promissory note in October 2021, extends maturity profile of the Group's financing at attractive conditions and reduces gross debt sustainably
- ProSiebenSat.1 again raises full-year targets; Group expects to achieve medium-term target for P7S1 ROCE faster than planned



**Unterföhring, November 4, 2021.** ProSiebenSat.1 Media SE continued its revenue and earnings growth in the third quarter of 2021, benefiting from the strategic diversification of its business. The Group generated a considerable revenue increase of 15% to EUR 1,055 million (previous year: EUR 921 million), with the advertising business in particular growing strongly and improving even better than expected after the effects of the COVID-19 pandemic. At the same time, the strong positioning of the Group is paying off: In the Entertainment segment, the program production business also recorded strong revenue growth again, and the Dating segment supported the Group's revenue increase with The Meet Group, which was consolidated in September 2020. In addition, all areas in the Commerce & Ventures segment continued to show considerable signs of recovery.

With the effects of the COVID-19 pandemic still noticeable in the first quarter of 2021, the strong second and now also third quarter of 2021 had a significant impact on the nine-month period: In the months of January to September 2021, the Group increased its revenues by 19% to EUR 3,041 million (previous year: EUR 2,555 million).

**Rainer Beaujean, Chairman of the Executive Board of ProSiebenSat.1 Media SE:** "We are very pleased with the development of ProSiebenSat.1. We posted record quarterly revenues for the second time in a row and significantly improved our profitability over the course of the year – the result of our successful strategy. Our Entertainment advertising revenues in the German-speaking region were even at the highest level in a third quarter ever. This again underlines the strength and sustainability of our medium. At the same time, our good performance throughout the Group proves that all signs point to growth also in the future. We have therefore raised our full-year targets once again. The P7S1 return on capital employed is an important KPI to measure our success. Its now expected improvement to over 13% reflects our clear and focused strategy and shows that we are well on track to reach our medium-term target of 15% faster than planned."

### **Operating performance**

The **Entertainment** segment's external revenues increased by 15% to EUR 728 million in the third quarter of 2021 (previous year: EUR 633 million). Organically<sup>(1)</sup>, growth was also significant at 17%. Following a strong increase in the second quarter, the advertising market continued to improve, especially in the region of Germany, Austria and Switzerland, with advertising revenues in the Entertainment segment up 18% year-on-year in the third quarter of 2021. These were thus well above pre-pandemic levels, clearly exceeding the figure from the third quarter of 2019 by 12%. The program production business also continued to develop dynamically: Revenues from program production and sales increased by 20% year-on-year. In the nine-month period, the segment's external revenues grew by 17% to EUR 2,075 million (previous year: EUR 1,772 million) due to the strong development in the second and third quarters. Both in the third quarter and on a nine-month basis, ProSiebenSat.1 continues to be the number 1 in the German TV market. The Group is the market leader in the German TV advertising market with a share of 38.7% (9M: 36.9%), and in the audience market (14- to 49-year-olds) with 24.7% (9M: 25.1%).

In the third quarter of 2021, the **Dating** segment generated external revenues of EUR 129 million and thus EUR 44 million more than in the previous-year quarter (previous year: EUR 84 million). This increase is driven by the acquisition of The Meet Group, which has been complementing the Dating portfolio synergistically since September 2020. Organically<sup>(1)</sup>, revenues in the Dating segment remained about stable compared to the previous year, having benefited from strong demand for matchmaking offers in spring and summer 2020 on account of the pandemic. Between January and September of this year, segment revenues doubled to EUR 409 million (previous year: EUR 201 million).

External revenues in the **Commerce & Ventures** were almost at previous year's level amounting to EUR 198 million in the third quarter of 2021 (previous year: EUR 204 million) – despite the disposal and deconsolidation of the OTC provider WindStar Medical in December 2020. Organically<sup>(1)</sup>, and thus in particular excluding the effects of the WindStar Medical disposal, the segment grew significantly by 15% and benefited from positive development in all areas. The online beauty provider Flaconi made the strongest

contribution. Significant growth rates were also recorded by the rental car comparison portal Billiger Mietwagen (Silvertours) and the experience and leisure business of Jochen Schweizer mydays. SevenVentures' media-for-equity and media-for-revenue business continued to perform well, too. This is reflected in the segment revenues of the first nine months of 2021: They were still 4% below the previous year at EUR 558 million (previous year: EUR 582 million) due primarily to the disposal of WindStar Medical in the previous year. Organically<sup>(1)</sup>, however, revenues clearly grew by 14% in the nine-month period.

As a result of the revenue momentum, also the Group's **adjusted EBITDA** improved compared with the previous year quarter, rising by 9% to EUR 162 million in the third quarter of 2021 (previous year: EUR 149 million). In addition to the different margin structures of the individual business models, this primarily reflects the planned increase in programming costs. As announced at the beginning of the year, the Group is using the positive advertising market environment to strengthen the reach and market share of its entertainment offerings in the medium and long term by focusing on local and live content. In the first nine months of the year, adjusted EBITDA increased by EUR 141 million or 43% to EUR 470 million (previous year: EUR 328 million). **Adjusted net income** almost doubled in the third quarter of 2021 to EUR 58 million (previous year: EUR 29 million), up by EUR 122 million at EUR 158 million in a nine-month comparison. This strong increase largely reflects the very positive development of adjusted EBITDA and lower financing expenses.

The Group's **adjusted operating free cash flow** also improved significantly in the third quarter of 2021, increasing by EUR 100 million to EUR 134 million (previous year: EUR 34 million). In the first nine months of the year, there was a corresponding considerable increase in adjusted operating free cash flow to EUR 303 million (previous year: EUR 67 million). This positive development reflects especially the Group's high earnings growth in both reporting periods. Overall, the improvement in adjusted operating free cash flow underlines the Group's effective cash flow management.

ProSiebenSat.1's **net financial debt** improved year-on-year by a considerable EUR 377 million to EUR 2,111 million at the end of the third quarter of 2021 (September 30, 2020: EUR 2,488 million), despite the dividend payment in June 2021. In addition to a stronger cash flow performance, the proceeds from the disposal of WindStar Medical received in the fourth quarter of 2020 had a positive effect here. At the same time, the dividend payment of EUR 111 million is the main reason for the increase compared to the end of 2020 (December 31, 2020: EUR 1,968 million). The **leverage ratio** (the ratio of the Group's net financial debt to its LTM adjusted EBITDA) therefore clearly improved and decreased to a factor of 2.5x as of the end of the reporting period (December 31, 2020: 2.8x; September 30, 2020: 3.7x). The significant decrease in leverage ratio compared to September 30, 2020 reflects the considerably lower net financial debt as well as the improvement in adjusted EBITDA over the last 12 months.

Furthermore, ProSiebenSat.1 set up the Group's **financing** even more long term recently. At the beginning of October 2021, the Group successfully concluded a new promissory loan in the amount of EUR 700 million with tenors of four, six, eight and ten years at attractive conditions. All proceeds were used to prepay existing term loans maturing in April 2023 and April 2024 early. The total prepayment amount was EUR 900 million, which reduced the Group's term loans from EUR 2.1 billion to EUR 1.2 billion. Accordingly, the Group also reduced its gross debt sustainably.

## Outlook

Against the backdrop of the continued strong development of advertising revenues in the third quarter of 2021, ProSiebenSat.1 Group has decided to again raise its target ranges for revenues and adjusted EBITDA in full-year 2021 compared to the outlook published on July 19, 2021.

Overall, the Group is now targeting for full-year 2021 – without further portfolio changes – revenues of EUR 4.5 billion with a variance of plus/minus EUR 50 million (previously: target range of EUR 4.4 billion to EUR 4.5 billion; previous-year figure adjusted for currency and portfolio effects: EUR 4.055 billion<sup>(1)</sup>). This represents a year-on-year increase between 10% and 12% (previously: 9% and 11%). ProSiebenSat.1 is

thus again significantly increasing the outlook given at the beginning of the year, which had expected revenues of between EUR 4.150 billion and EUR 4.350 billion. The range of the revenue target figures continues to depend particularly on the development of advertising revenues in the region of Germany, Austria and Switzerland in the context of the further course of the COVID-19 pandemic. After the strong third quarter, the Group assumes a growth of 9% to 11% (previously: 3% to 7%) in its advertising revenues in the region of Germany, Austria and Switzerland compared to the previous year and thus a better than previously expected development.

Based on these revenue assumptions, ProSiebenSat.1 now expects a Group adjusted EBITDA for the full-year of 2021 – without further portfolio changes – of around EUR 840 million with a variance of plus/minus EUR 10 million (previously: around EUR 820 million with a variance of plus/minus EUR 20 million; previous-year figure adjusted for currency and portfolio effects: EUR 708 million<sup>(2)</sup>). On average, this represents a year-on-year increase of 19% (previously: 16%) and a further increase of the outlook published at the beginning of the year, which had anticipated adjusted EBITDA of between EUR 720 million and EUR 780 million. The Group is taking advantage of the positive advertising market environment to increase investments in its local program in order to expand its reach across all platforms and thus also creates the conditions for further advertising revenue growth in the future: Accordingly, programming costs for the full-year will amount in total to c. EUR 1 billion, as announced at the Annual Press Conference on March 4, 2021, with over half of this relating to local content, and be in total up to EUR 50 million above the previous year.

The increase of the revenue and adjusted EBITDA target ranges also has a positive effect on the Group's other most important financial performance indicators:

The adjusted operating free cash flow is amongst others based on the development of the adjusted EBITDA. Reaching a midpoint of the now targeted adjusted EBITDA target range and following the very positive cash flow development in the first nine months of the year 2021, the Group now assumes the adjusted operating free cash flow for the full-year – for reasons of comparability corrected for the change of investments in relation to the construction of the new campus at the premises in Unterföhring – to improve by at least EUR 100 million compared to the previous year (previous year: EUR 424 million; previously: increase in an at least mid-double-digit million euro range).

Due to the consistent management and the associated improvement of relevant key earnings figures at the year-end of 2021, the Group now expects – depending on business performance and excluding any portfolio changes – a leverage ratio below the upper end of its medium-target corridor of 1.5x and 2.5x (previously: leverage ratio at the upper end of the target corridor; previous year: 2.8x).

The Group's adjusted net income is mainly determined by the development of the adjusted EBITDA. As before, this key figure is also influenced by the financial result, which includes among others the at-equity investment in the streaming platform Joyn, and by income taxes. On this basis and without further portfolio changes, the Group thus now expects the adjusted net income for the full-year 2021 to be significantly above the previous year's figure of EUR 221 million (previously: above the previous year's figure). Accordingly, the dividend payment to the shareholders of the Group, which is based on this key figure, would also increase (general dividend policy: pay-out of around 50% of adjusted net income).

ProSiebenSat.1 Group measures the medium-term financial success of the company on the basis of P7S1 ROCE (return on capital employed). The Group introduced this key financial indicator as a key figure for the entire Group in 2020. Against the background of the improved operating performance and the consistent sustainable management of the Group, we are now targeting a P7S1 ROCE of more than 13% (previously: more than 10%; previous year: 10%) in financial year 2021. For the Group as a whole, this key figure is expected to exceed 15% in the medium-term.

(1) Organic = adjusted for portfolio and currency effects.

(2) Based on revenues in financial year 2020 translated at the exchange rates used for planning purposes in financial year 2021 (EUR/USD exchange rate of around USD 1.22) less revenues of the companies deconsolidated in 2020 – WindStar Medical at EUR 114 million and myLoc at EUR 10 million – plus pro forma revenues for The Meet Group between January and August 2020 of EUR 173 million, also translated at the exchange rate used for planning purposes in financial year 2021 (EUR/USD exchange rate of around USD 1.22).

(3) Based on adjusted EBITDA in financial year 2020 translated at the exchange rates used for planning purposes in financial year 2021 (EUR/USD exchange rate of around USD 1.22) less adjusted EBITDA of the companies deconsolidated in 2020 – WindStar Medical at EUR 23 million and myLoc at EUR 3 million – plus the pro forma adjusted EBITDA contributions for The Meet Group between January and August 2020 of EUR 33 million, also translated at the exchange rate used for planning purposes in financial year 2021 (EUR/USD exchange rate of around USD 1.22).

Further key figures can be found on our Group website at [www.ProSiebenSat1.com](http://www.ProSiebenSat1.com). The presentation and the Quarterly Statement for the third quarter of 2021 will also be available here from 7:30 a.m. on November 4, 2021.

### Key figures of ProSiebenSat.1 Group in EUR m

	Q3 2021	Q3 2020	Change in %	Q1-Q3 2021	Q1-Q3 2020	Change in %
Revenues	1,055	921	15%	3,041	2,555	19%
Adjusted EBITDA <sup>(1)</sup>	162	149	9%	470	328	43%
Adjusted EBITDA margin (in %)	15.3%	16.1%	-0.8 pp	15.4%	12.9%	2.6 pp
EBITDA	156	174	-10%	445	340	31%
Reconciling items	-6	25	~	-25	12	~
Operating result (EBIT)	97	114	-15%	260	159	64%
Financial result	6	-13	~	53	-84	~
Net income	72	69	4%	252	39	>+100%
Attributable to shareholders of ProSiebenSat.1 Media SE	73	69	6%	262	52	>+100%
Non-controlling interests	-1	0	~	-10	-13	-22%
Adjusted net income <sup>(2)</sup>	58	29	98%	158	36	>+100%
Adjusted earnings per share (in EUR)	0.26	0.13		0.70	0.16	
Adjusted operating free cash flow <sup>(3)</sup>	134	34	>+100%	303	67	>+100%
Free cash flow <sup>(4)</sup>	52	-337	~	16	-429	~
Cash flow from operating activities	349	310	13%	849	824	3%

### Key figures of ProSiebenSat.1 Group in EUR m

	Sep. 30, 21	Dec. 31, 20	Sep. 30, 20
Equity	1,875	1,687	1,554
Equity ratio (in %)	28.6%	23.8%	21.6%
Cash and cash equivalents	483	1,224	1,056
Net financial debt <sup>(5)</sup>	2,111	1,968	2,488
Leverage ratio <sup>(6)</sup>	2.5x	2.8x	3.7x

### Segment key figures of ProSiebenSat.1 Group in EUR m

	Q3 2021	Q3 2020	Change in %	Q1-Q3 2021	Q1-Q3 2020	Change in %
<b>Entertainment</b>						
Revenues	755	655	15%	2,149	1,841	17%
External revenues	728	633	15%	2,075	1,772	17%
Adjusted EBITDA <sup>(1)</sup>	128	115	11%	367	260	41%
<b>Dating</b>						
Revenues	129	84	53%	409	201	>+100%
External revenues	129	84	53%	409	201	>+100%
Adjusted EBITDA <sup>(1)</sup>	25	19	32%	87	51	71%

<b>Commerce &amp; Ventures</b>						
Revenues	<b>199</b>	208	-4%	<b>559</b>	595	-6%
External revenues	<b>198</b>	204	-3%	<b>558</b>	582	-4%
Adjusted EBITDA <sup>(1)</sup>	<b>14</b>	19	-25%	<b>33</b>	34	-1%
<b>Reconciliation (Holding &amp; other)</b>						
Adjusted EBITDA <sup>(1)</sup>	<b>-6</b>	-4	38%	<b>-17</b>	-16	10%

(1) EBITDA before reconciling items. (2) Net income attributable to shareholders of ProSiebenSat.1 Media SE before the depreciation, 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 as well as other material one-time items. Moreover, the tax effects resulting from such adjustments are also adjusted. (3) For a definition of the adjusted operating free cash flow, please refer to page 81 of the Annual Report 2020. (4) Total cash and cash equivalents generated in operating business less the balance of cash used and generated in the context of investing activities. (5) As of September 30, 2021, the definition of ProSiebenSat.1 Group's net financial debt does not include lease liabilities according to IFRS 16 of EUR 221 million (December 31, 2020: EUR 228 million; September 30, 2020: EUR 212 million) and real estate liabilities of EUR 89 million (December 31, 2020: EUR 71 million; September 30, 2020: EUR 64 million). (6) Ratio of net financial debt to adjusted EBITDA in the last twelve months.

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#### About ProSiebenSat.1

As a digital group, ProSiebenSat.1 combines leading Entertainment brands with a with a strong Dating and Commerce & Ventures portfolio under one roof. We are consistently digitizing our TV business and at the same time using our entertainment strength to further expand our digital business areas. With this Group set-up, the company is continuously driving forward its diversification using its own strength.

We offer the best entertainment – whenever, wherever and on any device. From campfire formats like "The Masked Singer" to successful in-house productions like "Germany's next Topmodel - by Heidi Klum". We can address over 45 million TV households in Germany, Austria and Switzerland with our 15 free and pay TV channels. In addition, we reach around 33 million unique users every month with online offerings marketed by ProSiebenSat.1.

At the same time, we use our expertise in brand building for our two other business segments: With ParshipMeet Group, we have created a leading global player in the dating segment, that will significantly support our future growth. With our investment and commerce activities, we build digital consumer brands using our TV reach and advertising power and turn them into market leaders in their respective industries. We are a strong growth partner for digital companies.

Behind ProSiebenSat.1 are more than 8,200 employees, who entertain and delight our audience and customers with great passion every day.