
Press release



ProSiebenSat.1 confirms full-year outlook for 2022

- Results in the first quarter of 2022 in line with the Group's expectations: Synergistic business model demonstrates resilience despite Russia-Ukraine war, ongoing pandemic, and strains on consumer sentiment.
- Group revenues grow by 2% (organically¹: +3%) to EUR 954 million; the significant growth in advertising revenues is the main driver.
- As already announced at our Annual Press Conference on March 3, 2022, the Group's adjusted EBITDA decreases by 14% to EUR 123 million mainly due to the planned bringing-forward of programming expenses in the Entertainment segment.
- Adjusted net income increases by a good 14% to EUR 42 million; adjusted operating free cash flow grows significantly by 77% to EUR 145 million.
- Net financial debt improves to EUR 1,740 million; leverage ratio of 2.1x is well within the target range.
- Uncertainties due to the war have a partial impact on the Group's sector environments, although this does currently not affect the outlook for the Group's business development based on the current war and sanctions situation.
- Against this background and in light of the solid and as expected start to the year, the Group is confirming its full-year outlook.



Unterföhring, May 12, 2022. Despite the challenging economic environment caused by the Russia-Ukraine war and the ongoing pandemic, ProSiebenSat.1 Group closed the first quarter of 2022 in line with its expectations: The Group increased its revenues by 2% year-on-year to EUR 954 million (previous year: EUR 938 million). This development was driven by the significant growth in the Group's advertising revenues. Organically¹, i.e. adjusted for currency effects and excluding revenue contributions of portfolio companies sold in 2021 such as Gravitass Ventures, Amorelie and moebel.de, ProSiebenSat.1 revenues rose by even 3%.

Rainer Beaujean, Group CEO of ProSiebenSat.1 Media SE: „Our good start to the year once again proves that we are on the right track with our strategy. With our clear positioning and focus on reach, monetization, and value creation, we were able to continue our growth in the first quarter despite the overall economic uncertainties. On this fundament, and based on the current war and sanctions situation as well as its current economic impact, we remain confident to achieve our full-year targets – and confirm our outlook for 2022. In April, our Entertainment advertising revenues in the German-speaking region were slightly above the previous year's level, or by around 7% in the first four months of the year. At the same time, current developments show how important it is to use reach responsibly. We do this with our programming, not only by entertaining, but also by informing – both always with a clear attitude.“

Operating performance

In the first quarter of 2022, external revenues in the **Entertainment** segment increased significantly by EUR 53 million or 9% to EUR 663 million (previous year: EUR 610 million). Organically¹, growth also was at 9%. The clear increase in advertising revenues drove this development: At the beginning of the year, these developed dynamically, whereas March was characterized by a decline in advertising bookings. This was the result of postponements into the second quarter of 2022 due to the around two weeks later Easter date in April compared to the previous year, as well as uncertainties following the Russia-Ukraine war. Despite these influencing factors, advertising revenues in the first quarter of 2022 grew by EUR 43 million or 10% compared to the previous year's quarter. Revenues in the content business also posted a double-digit growth of EUR 13 million or 13%.

Revenues in the **Dating & Video** segment grew by an average of 11% per year on a pro forma basis compared to the first quarter of 2019, i.e., the comparative period before the outbreak of the pandemic. As expected, external revenues in the first quarter of 2022 decreased by EUR 9 million to EUR 132 million (previous year: EUR 141 million). Here, the first quarter of 2021 was characterized by record revenues: In the course of the largest economic stimulus package in the history of the US, government economic aid stimulated private consumption in the first quarter of 2021. This also had a very positive impact on the use and monetization of our video offerings in the US region. Moreover, especially live video formats had gained additional relevance during the pandemic and the associated restrictions on social contacts. Furthermore, as soon as the market environment brightens again, we plan to proceed with the IPO of ParshipMeet Group, which we are continuing to prepare.

External revenues of the **Commerce & Ventures** segment amounted to EUR 160 million in the first quarter of 2022, a EUR 28 million decline year-on-year (previous year: EUR 187 million). This is also due to the disposal and deconsolidation of the portfolio companies Amorelie and moebel.de at the end of 2021, which still contributed EUR 15 million to the segment's revenues in the previous year period. Organically¹, revenues were as expected EUR 13 million below the previous year, and reflect – as communicated at the Annual Press Conference on March 3, 2022 – among other things the impact of high energy prices on the business of our comparison portal Verivox. However, the car rental comparison portal Billiger-Mietwagen (SilverTours) and the experience and leisure business of Jochen Schweizer mydays reported significant growth rates even though the COVID-19 restrictions were still in place in the first quarter. In addition, the investment vehicle SevenGrowth and the media-for-equity and media-for-revenue businesses of SevenVentures noticeably increased their revenues in the first quarter of 2022.

The Group's **adjusted EBITDA** declined, as already announced and expected, in the first quarter of 2022 and was EUR 19 million below the previous year at EUR 123 million (previous year: EUR 143 million). This reflects in particular the planned bringing-forward of programming costs in view of the World Soccer Championship at the end of the year and the corresponding increase of EUR 16 million compared to the previous-year period. For the full-year, Entertainment programming costs are expected to be at the level of the previous year (previous year: EUR 1,054 million), whereby these can be managed depending on the development of the advertising market in the amount of around EUR 50 million. In addition, the deconsolidation of Gravitas Ventures had an impact on the development of adjusted EBITDA in the first quarter of 2022. The film distribution company contributed earnings of EUR 6 million in the comparative period.

Adjusted net income developed positively and increased by 14% to EUR 42 million in the first quarter of 2022 (previous year: EUR 37 million). This underlines the improved conversion rate of adjusted EBITDA to adjusted net income as a result of an improved financial result as well as lower taxes and minority interests. The Group's **adjusted operating free cash flow** improved significantly by 77% to EUR 145 million in the first quarter of 2022 (previous year: EUR 82 million). This development was mainly influenced by lower investments in US licensed programming and a postponement of investments.

The Group's **net financial debt** amounted to EUR 1,740 million as of March 31, 2022 (December 31, 2021: EUR 1,852 million; March 31, 2021: EUR 1,999 million). The figure thus improved by a further EUR 258 million compared to the end of the previous year's quarter or by EUR 111 million compared to the end of 2021, reflecting the Group's effective cash flow management and thus the consistent debt reduction. As a consequence, the **leverage ratio** (ratio of net financial debt to Group's LTM adjusted EBITDA) decreased to 2.1x at the end of the first quarter of 2022 (December 31, 2021: 2.2x; March 31, 2021: 2.9x) and is therefore clearly within the target range of 1.5x to 2.5x.

Ralf Peter Gierig, Group CFO of ProSiebenSat.1 Group: "Our focus on profitability and effective cash flow management is again paying off this quarter. We have again reduced our net financial debt as well as lowered our leverage ratio."

Outlook

ProSiebenSat.1 Group closed the first quarter of 2022 in line with its expectations and is also well positioned for the future due to its very synergistic business model: Accordingly, the Group is confirming its full-year outlook published on March 3, 2022 despite the Russia-Ukraine war, ongoing pandemic, and burdens on the consumer climate. This outlook did not take into account possible negative effects of the Russia-Ukraine war and other negative effects due to the COVID-19 pandemic that were not yet foreseeable at the time of publication of the full-year outlook.

Uncertainties caused by the war are impacting the Group's sector environments but, as far as can be foreseen at present, are not affecting the outlook for the Group's business development. The outlook confirmation for the full-year 2022 is based on the war situation existing until the publication of this quarterly statement on May 12, 2022, as well as the related sanctions and the currently foreseeable economic effects for our Group. A possible tightening of sanctions or even an expansion of the war beyond Ukraine are not reflected here. Further developments are currently difficult to assess, and forecasts are therefore subject to uncertainty.

In confirming its full-year targets, the Group continues to aim – without portfolio changes – for **revenues** of around EUR 4.6 billion with a variance of plus/minus EUR 100 million (previous-year figure adjusted for currency and portfolio effects: EUR 4.413 billion²) and **adjusted EBITDA** of around EUR 840 million with a variance of plus/minus EUR 25 million (previous-year figure adjusted for currency and portfolio effects: EUR 825 million³) in 2022 – still mainly supported by the Entertainment segment and thus depending on the development of the advertising market. On this basis and without further portfolio changes, the Group

continues to expect **adjusted net income** for the full-year to be at or slightly above the previous year's level of EUR 362 million. Reaching a midpoint of the adjusted EBITDA target range, ProSiebenSat.1 continues to assume that the **adjusted operating free cash flow** – for reasons of comparability adjusted for the change of investments in relation to the construction of the new campus at the premises in Unterföhring – should develop at or slightly above the previous year's figure of EUR 599 million.

In addition, the Group continues to expect an improvement in the **P7S1 ROCE** (return on capital employed), which is expected to be slightly higher than the previous year's level of 14.1%. At the same time, ProSiebenSat.1 Group is still forecasting a **leverage ratio** (ratio of net financial debt to the Group's LTM adjusted EBITDA) at or slightly below the previous year's level of 2.2x.

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

(2) Based on revenues in financial year 2021 translated at the exchange rates used for planning purposes in financial year 2022 less in particular revenues of the companies deconsolidated in 2021, Sonoma Internet GmbH (Amorelie), moebel.de Einrichten & Wohnen AG and Gravitas Ventures LLC, at in total EUR 101 million.

(3) Based on adjusted EBITDA in financial year 2021 translated at the exchange rates used for planning purposes in financial year 2022 less in particular the adjusted EBITDA of the companies deconsolidated in 2021, Sonoma Internet GmbH (Amorelie), moebel.de Einrichten & Wohnen AG and Gravitas Ventures LLC, at in total EUR 17 million.

Further key figures are available on our Group website www.ProSiebenSat1.com/en/. There you will also find the Quarterly Statement for the first quarter of 2022 as of May 12, 2022, 7:30 a.m.

External revenues of the Group in EUR m

	Entertainment		Dating & Video		Commerce & Ventures		Total Group	
	Q1 2022	Q1 2021	Q1 2022	Q1 2021	Q1 2022	Q1 2021	Q1 2022	Q1 2021
Advertising revenues	483	440	—	—	36	31	519	472
DACH	427	391	—	—	36	31	462	422
Rest of the world	57	50	—	—	—	—	57	50
Distribution	44	44	—	—	—	—	44	44
Content	116	103	—	—	—	—	116	103
Europe	53	35	—	—	—	—	53	35
Rest of the world	63	68	—	—	—	—	63	68
Dating & Video	—	—	132	141	—	—	132	141
Dating	—	—	68	70	—	—	68	70
Video	—	—	64	71	—	—	64	71
Digital Platform & Commerce	—	—	—	—	123	155	123	155
Consumer Advice	—	—	—	—	42	50	42	50
Experiences	—	—	—	—	16	11	16	11
Beauty & Lifestyle	—	—	—	—	65	94	65	94
Other revenues	19	22	—	—	1	1	20	23
Total	663	610	132	141	160	187	954	938

Key figures of ProSiebenSat.1 Group in EUR m

	Q1 2022	Q1 2021	Absolute change	Change in %
Revenues	954	938	+16	1.7%
Adjusted EBITDA ⁽¹⁾	123	143	-19	-13.6%
Reconciling items	-1	-5	+3	~
EBITDA	122	138	-16	-11.7%
Operating result (EBIT)	68	80	-12	-15.0%
Financial result	-18	-7	-11	~
Adjusted net income ⁽²⁾	42	37	+5	14.5%
Adjusted earnings per share (in EUR)	0.19	0.16	+0.02	14.4%
Adjusted operating free cash flow ⁽³⁾	145	82	+63	76.5%

Cash flow from operating activities	272	231	+41	17.9%
Free cash flow	103	-25	+128	~

Key figures of ProSiebenSat.1 Group in EUR m

	03/31/2022	12/31/2021	03/31/2021
Employees ⁽⁴⁾	7,923	7,906	7,619
Programming assets	1,128	1,145	1,196
Equity	2,150	2,099	1,814
Equity ratio (in %)	32.6%	31.9%	28.1%
Cash and cash equivalents	706	594	594
Net financial debt ⁽⁵⁾	1,740	1,852	1,999
Leverage ratio ⁽⁶⁾	2.1x	2.2x	2.9x

(1) EBITDA before reconciling items. (2) Net income 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, 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. See Annual Report 2021, page 118. (3) A definition of adjusted operating free cash flow can be found in the Annual Report 2021, page 116. (4) Full-time equivalent positions as of reporting date. (5) As of March 31, 2022, the definition of ProSiebenSat.1 Group's net financial debt does not include lease liabilities in accordance with IFRS 16 of EUR 217 million (December 31, 2021: EUR 220 million; March 31, 2021: EUR 236 million) and real estate liabilities of EUR 107 million (December 31, 2021: EUR 97 million; March 31, 2021: EUR 78 million). (6) Ratio 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 & Video and Commerce & Ventures portfolio under one roof. We are pursuing a clear strategy based on synergies and a focus on reach, monetization, and value creation.

We offer the best entertainment – whenever, wherever and on any device. From lighthouse formats such as "The Masked Singer" to successful in-house productions like "Germany's Next Topmodel – by Heidi Klum". We have a wide reach with our 15 free and pay TV channels in Germany, Austria and Switzerland, live and on-demand, which we are continually strengthening and monetizing in a variety of ways – directly by marketing advertising spots in the Entertainment segment as well as indirectly via our Commerce & Ventures portfolio. Here, we invest advertising time in young digital companies and in exchange receive shares in the companies themselves or in their revenues. With our investment and commerce activities, we build digital consumer brands such as flaconi, Jochen Schweizer mydays or Verivox by using our TV reach and advertising power and turn them into market leaders in their respective industries. The Dating & Video segment was also established in line with this principle: With ParshipMeet Group, we have created a leading globally operating player in the dating segment that now is an important part of our Group reflecting the success of our diversification. In this way, the Group creates long-term value for all stakeholders.

Behind ProSiebenSat.1 are around 8,000 employees, who delight our audience and customers with great passion every day. All of them follow one shared vision: "We empower brands & create moments that matter."