
Press release



ProSiebenSat.1 continues to grow despite difficult market environment and achieves revenues above EUR 2 billion for the first time in a 1st half of the year

- **High previous year's level confirmed:** Group continues revenue growth even in a difficult market environment with an increase of 1% to EUR 1,055 million, adjusted EBITDA stable year-on-year at EUR 166 million
- **Diversification successful:** Revenue growth driven by Entertainment with 2% increase and Commerce & Ventures with 10% increase (organic¹)
- **Portfolio even more synergistic:** Further Group portfolio optimization through disposal of Red Arrow Studios' US production business and thus continued focus of programming on local, relevant, and live content
- **Consistent programming strategy:** With this local focus, the ProSiebenSat.1 channel family is confirming its role as the market leader in Germany and the German-speaking region
- **Effective cash flow management:** Leverage ratio reduced to 2.3x through consistent liquidity management, adjusted operating free cash flow increases by 26% to EUR 109 million
- **Full-year outlook:** Update of full-year guidance following the disposal of US business of Red Arrow Studios and in the context of current advertising market expectations in the German-speaking region



Unterföhring, August 11, 2022. After a good start to the year, ProSiebenSat.1 Group continued to grow in the second quarter of 2022. Group revenues rose by 1% to EUR 1,055 million (previous year:

EUR 1,048 million), while adjusted EBITDA remained stable year-on-year at EUR 166 million (previous year: EUR 166 million). In view of a strong previous-year quarter, which had benefited from catch-up effects due to the COVID-19 pandemic in the spring and summer months of 2021, as well as the current challenging economic environment because of the Russia/Ukraine war, this again underscores the Group's successful strategy.

ProSiebenSat.1 Group also confirms its high previous year's level on a half-year basis: From January to June 2022, the Group recorded a revenue growth of 1% to EUR 2,009 million (previous year: EUR 1,986 million). Organically¹, thus adjusted for currency effects and excluding the revenue contributions of the portfolio companies sold in 2021 such as Gravitas Ventures, Amorelie, and moebel.de, ProSiebenSat.1 Group's revenues increased by 2% in the first half of 2022.

Rainer Beaujean, Group CEO of ProSiebenSat.1 Media SE: "Our revenue development in the second quarter proves once again that, thanks to our diversified set-up, we are more crisis-proof than many other media companies. We were thus able to continue our growth as a Group despite difficult economic conditions. This was not only driven by our Entertainment segment, but also by the Commerce & Ventures business. Thereby, ProSiebenSat.1 also generated for the first-time revenues of more than EUR 2 billion in a first half of the year. At the same time, we are clearly focusing on synergies to create value in the long-term. The disposal of Red Arrow Studios' US production business was the next milestone to position our Group in a more focused way and more profitably in the long-term. We are closely monitoring the economic uncertainties in our environment – we have reviewed our outlook accordingly and updated our forecast to reflect the most recent portfolio measures. Overall, we remain confident for the second half of 2022."

Operating performance

The **Entertainment** segment's external revenues recorded growth of 2% or EUR 11 million to EUR 748 million in the second quarter of 2022 (previous year: EUR 736 million). Advertising revenues were largely stable (-1% or EUR -7 million) compared to the strong previous-year period and were almost at the pre-crisis level of 2019 – a solid development in view of the Russia/Ukraine war. At the same time, revenues from the content business (program production and sales) grew by 15% adjusted for currency effects and despite the disposal of the US film distributor Gravitas Ventures in November 2021 (EUR -11 million), with the revenue increase mainly resulting from the European business. This regional focus corresponds to the strategically relevant portfolio for the Entertainment segment: Following the disposal of Gravitas Ventures and further optimizing the portfolio with the disposal of the US production companies as of July 1, 2022, the Group has now completed the strategic divestments at Red Arrow Studios and is focusing on synergies in the German-speaking region (Germany, Austria, Switzerland). Accordingly, ProSiebenSat.1 further increased the share of local formats on the Group's stations compared to the previous year and is still the market leader among viewers aged 14 to 49 in the second quarter of 2022 with a share of 25.5% (previous year: 24.9%). On a half-year basis, the segment's external revenues grew by 5% or EUR 64 million to EUR 1,410 million. The main driver was a 4% rise in advertising revenues, as the advertising market grew very strongly before the start of the Russia/Ukraine war.

External revenues in the **Dating & Video** segment grew at an average annual rate of 10% on a pro forma basis in the second quarter of 2022 compared with 2019, the comparative period before the outbreak of the pandemic. As expected, segment revenues however declined year-on-year as the previous year's period had been characterized by record revenues: Government economic aid stimulated private consumption in spring 2021 as part of the largest stimulus package in the history of the US. This had a very positive effect on the usage and monetization of our video offerings in the US region. In the second quarter of 2022, revenues accordingly amounted to EUR 130 million (previous year: EUR 139 million), a decrease of 6% or EUR 9 million. On a half-year basis, revenues declined by 6% or EUR 18 million year-on-year to EUR 262 million (previous year: EUR 280 million). By contrast, revenues at the US dating provider

eharmony developed very positively both in the second quarter and in the first half of 2022, making it now the biggest brand in our dating portfolio.

External revenues in the **Commerce & Ventures** segment increased by 3% or EUR 5 million to EUR 177 million in the second quarter of 2022 (previous year: EUR 172 million). Organic¹ growth even was 10%. The Group pursues an active portfolio management with a focus on synergies and sold the companies Amorelie and moebel.de at the end of 2021. These companies contributed in total EUR 11 million to the segment's revenues in the previous year's period. The Commerce & Ventures portfolio assets affected by the pandemic restrictions, such as the experience and leisure business of Jochen Schweizer mydays and the car rental comparison portal Billiger Mietwagen (SilverTours), clearly recovered in the second quarter. In addition, the investment vehicle SevenGrowth and the media-for-equity and media-for-revenue business of SevenVentures posted significant growth compared to the previous year. In contrast, revenues at Flaconi were below the previous year's level, among other things due to the current consumer restraint. The revenue development of the comparison portal Verivox was also below the previous year's level, significantly impacted by the effects of the Russia/Ukraine war on the energy market. In the first half of 2022, segment revenues decreased by 6% or EUR 23 million year-on-year to EUR 337 million (previous year: EUR 360 million), with the disposed companies still having contributed EUR 26 million in 2021. Organically¹, the segment's external revenues accordingly grew slightly to EUR 337 million (previous year: EUR 334 million).

The Group generated **adjusted EBITDA** of EUR 166 million in the second quarter of 2022 and was thus on a par with the previous year. On a half-year basis, ProSiebenSat.1 Group's adjusted EBITDA was EUR 289 million, 6% or EUR 19 million below the previous year's level. The disposal of Gravitas Ventures had an impact on both periods. The company had contributed EUR 6 million to ProSiebenSat.1 Group's adjusted EBITDA in the second quarter of 2022 and EUR 12 million in the first half of the year. **Adjusted net income** developed positively both in the second quarter and in the first half of 2022. In the second quarter, it increased by 8% or EUR 5 million to EUR 68 million, while in the first half of 2022 rising by 10% or EUR 10 million to EUR 110 million.

The Group's **adjusted operating free cash flow** also showed significant growth to EUR 109 million in the second quarter of 2022 (previous year: EUR 87 million) based on effective cash flow management. In the first half of 2022, adjusted operating free cash flow increased to EUR 254 million (previous year: EUR 169 million). This very positive development is mainly due to lower investments in licensed programming from the US and reflects the Group's programming strategy of consistently focusing on local, relevant, and live content. This is an increasingly important differentiator in competition with multinational streaming providers.

The Group's **net financial debt** amounted to EUR 1,881 million² as of June 30, 2022 (December 31, 2021: EUR 1,852 million; June 30, 2021: EUR 2,156 million). This figure thus improved by EUR 274 million compared to the end of the previous year's quarter – despite the EUR 70 million increase in the dividend distribution to EUR 181 million (previous year: EUR 111 million). The **leverage ratio** (ratio of net financial debt to the Group's LTM adjusted EBITDA) also decreased accordingly as of the end of the second quarter of 2022 and as expected is at 2.3x² within the target range of 1.5x to 2.5x (December 31, 2021: 2.2x; June 30, 2021: 2.6x). This once again underlines the Group's effective cash flow management and its focus on capital-efficient financing. In this context, ProSiebenSat.1 Group pursues active financial management: In May 2022, the Group extended the maturities for its term loan and its revolving credit facility (RCF). In the course of this, the volume of the RCF was reduced from EUR 750 million to EUR 500 million. As before the extension, the term loan consisting of two tranches has a total nominal volume of EUR 1,200 million.

Ralf Peter Gierig, Member of the Executive Board & Group CFO of ProSiebenSat.1 Media SE: "Through our consistent and proactive liquidity management, we further reduced our debt compared to the previous year's quarter, strengthened our cash flow, and lowered our Group's working capital needs. At the same time, with the recent extension of our syndicated loan, we have further secured our long-term financing at attractive conditions and with a focus on solid financing."

Outlook

ProSiebenSat.1 Group presented its outlook for the full-year 2022 on March 3, 2022, forecasting, excluding portfolio changes, revenues within a range of EUR 4.6 billion plus/minus EUR 100 million and adjusted EBITDA within a range of EUR 840 million plus/minus EUR 25 million. Against the background of the current economic environment – driven by the Russia/Ukraine war, the resulting energy crisis and burdens on the consumer climate, and the ongoing pandemic – the Group now expects, excluding portfolio changes, to achieve results in the lower quartile of this outlook. This also corresponds to the majority of analyst estimates, which according to the Bloomberg consensus as of August 1, 2022, expect – excluding portfolio changes – average revenues of EUR 4.512 billion and average adjusted EBITDA of EUR 816 million for ProSiebenSat.1, also on the basis of the current market environment.

Taking into account the disposal of the US production business of Red Arrow Studios as of July 1, 2022, which would have had a forecast contribution to revenues of around EUR 175 million and around EUR 15 million to adjusted EBITDA in the second half of 2022, the average of the analysts' estimates for revenues would be reduced to EUR 4.337 billion and for adjusted EBITDA to EUR 801 million. ProSiebenSat.1 Group's forecast for the full-year – excluding further portfolio changes – is now **revenues** of around EUR 4.375 billion with a variance of plus/minus EUR 75 million (previous-year figure adjusted for currency and portfolio effects: EUR 4.333 billion³) and **adjusted EBITDA** of around EUR 805 million with a variance of plus/minus EUR 25 million (previous-year figure adjusted for currency and portfolio effects: EUR 833 million⁴) – still mainly supported by the Entertainment segment. The main driver of ProSiebenSat.1 Group's revenue and adjusted EBITDA forecast is the development of the advertising market, which is difficult to forecast until the end of the year because of the current market and environment conditions. For the updated revenue and adjusted EBITDA outlook, the Group assumes that its full-year advertising revenues in the German-speaking region (Germany, Austria, Switzerland) will develop at the previous year's level when reaching the midpoint of the updated ranges.

The adjusted operating free cash flow is based on the development of adjusted EBITDA. This means, reaching a midpoint of the updated adjusted EBITDA target range, **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 continue to be around the previous year's level of EUR 599 million. On this basis and excluding 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.

Due to the disposal of the US companies of Red Arrow Studios as of July 1, 2022, ProSiebenSat.1 also assumes that the **leverage ratio** (ratio of net financial debt to the Group's LTM adjusted EBITDA) will improve to around 2.1x at the end of the year (previously: at or slightly below the previous year's level of 2.2x) despite the challenging market environment when reaching the midpoint of the updated ranges. On this basis, the Group continues to expect **P7S1 ROCE** to be slightly higher than the previous year's level of 14.1%.

Further developments triggered by the further course of the Russia/Ukraine war and of the COVID-19 pandemic in the fall and winter months are currently still difficult to assess, forecasts are thus subject to a high level of uncertainty. ProSiebenSat.1 Group's outlook for the full-year 2022 is accordingly based on the pandemic situation and the status of the war prevailing until the publication of this half-yearly financial report on August 11, 2022, as well as the sanctions and currently foreseeable economic effects for our Group in connection with the war. A possible tightening of sanctions, a suspension of gas deliveries, or an expansion of the war beyond Ukraine are not reflected here.

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

(2) This includes cash and cash equivalents of EUR 70 million, which were reclassified to "assets held for sale" as of June 30, 2022, in connection with the sale of the US production business of Red Arrow Studios.

(3) The figure is based on the revenues of the financial year 2021 adjusted for portfolio effects and translated at the current exchange rates used for planning purposes (mainly, a EUR/USD exchange rate of USD 1.10 was used for the financial year 2022). In particular, the portfolio effects include the revenues of Sonoma Internet GmbH (Amorelie), moebel.de Einrichten & Wohnen AG and Gravitass Ventures LLC – deconsolidated in 2021 – totaling EUR 101 million and the second half of 2021 revenues of the US production companies of Red Arrow Studios – deconsolidated as of July 1, 2022 – totaling EUR 113 million.

(4) The figure is based on the adjusted EBITDA of the financial year 2021 adjusted for portfolio effects and translated at the current exchange rates used for planning purposes (mainly, a EUR/USD exchange rate of USD 1.10 was used for the financial year 2022). In particular, the portfolio effects include adjusted EBITDA of Sonoma Internet GmbH (Amorelie), moebel.de Einrichten & Wohnen AG and Gravitass Ventures LLC – deconsolidated in 2021 – totaling EUR 17 million and the second half of 2021 adjusted EBITDA of the US production companies of Red Arrow Studios – deconsolidated as of July 1, 2022 – totaling minus EUR 3 million.

Further key figures can be found on our Group website at www.ProSiebenSat1.com. The presentation and the half-yearly financial report for 2022 will also be available here from 7:30 a.m. on August 11, 2022.

Key figures of ProSiebenSat.1 Group in EUR m

	Q2 2022	Q2 2021	Absolute change	Change in %	H1 2022	H1 2021	Absolute change	Change in %
Revenues	1,055	1,048	+7	0.7%	2,009	1,986	+23	1.2%
Adjusted EBITDA ⁽¹⁾	166	166	0	0.2%	289	308	-19	-6.2%
Adjusted net income ⁽²⁾	68	63	+5	7.8%	110	100	+10	10.3%
Adjusted operating free cash flow ⁽³⁾	109	87	+22	25.5%	254	169	+85	50.3%

Key figures of ProSiebenSat.1 Group in EUR m

	06/30/2022	12/31/2021	06/30/2021
Employees ⁽⁴⁾	7,800	7,906	8,271
Programming assets	1,098	1,145	1,154
Cash and cash equivalents	490	594	438
Net financial debt ⁽⁵⁾	1,881 ⁽⁷⁾	1,852	2,156
Leverage ratio ⁽⁶⁾	2.3x ⁽⁷⁾	2.2x	2.6x

(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 as well as impairments of goodwill, 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) For a definition of the adjusted operating free cash flow, please refer to the Annual Report 2021, page 116. (4) Full-time equivalent positions as of reporting date. (5) As of June 30, 2022, the definition of ProSiebenSat.1 Group's net financial debt does not include lease liabilities according to IFRS 16 of EUR 185 million (December 31, 2021: EUR 220 million; June 30, 2021: EUR 228 million) and real estate liabilities of EUR 107 million (December 31, 2021: EUR 97 million; June 30, 2021: EUR 77 million). (6) Ratio net financial debt to adjusted EBITDA in the last twelve months. (7) Before reclassification of cash and cash equivalents of assets held for sale.

Contact

Stefanie Rupp-Menedetter
Head of Group Communications & Events
Tel. +49 [0] 89 95 07-2598
E-mail: Stefanie.Rupp@ProSiebenSat1.com

Susanne Brieu
Head of Corporate Communications Strategy & Finance
Tel. +49 [0] 89 95 07-1137
E-mail: Susanne.Brieu@ProSiebenSat1.com

ProSiebenSat.1 Media SE
Medienallee 7, 85774 Unterföhring, Germany

Press release online: www.ProSiebenSat1.com
Twitter: [@P7S1Group](https://twitter.com/P7S1Group)

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 7,800 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."