

Acquisition of the out-  
standing 50% stake in

# joyn

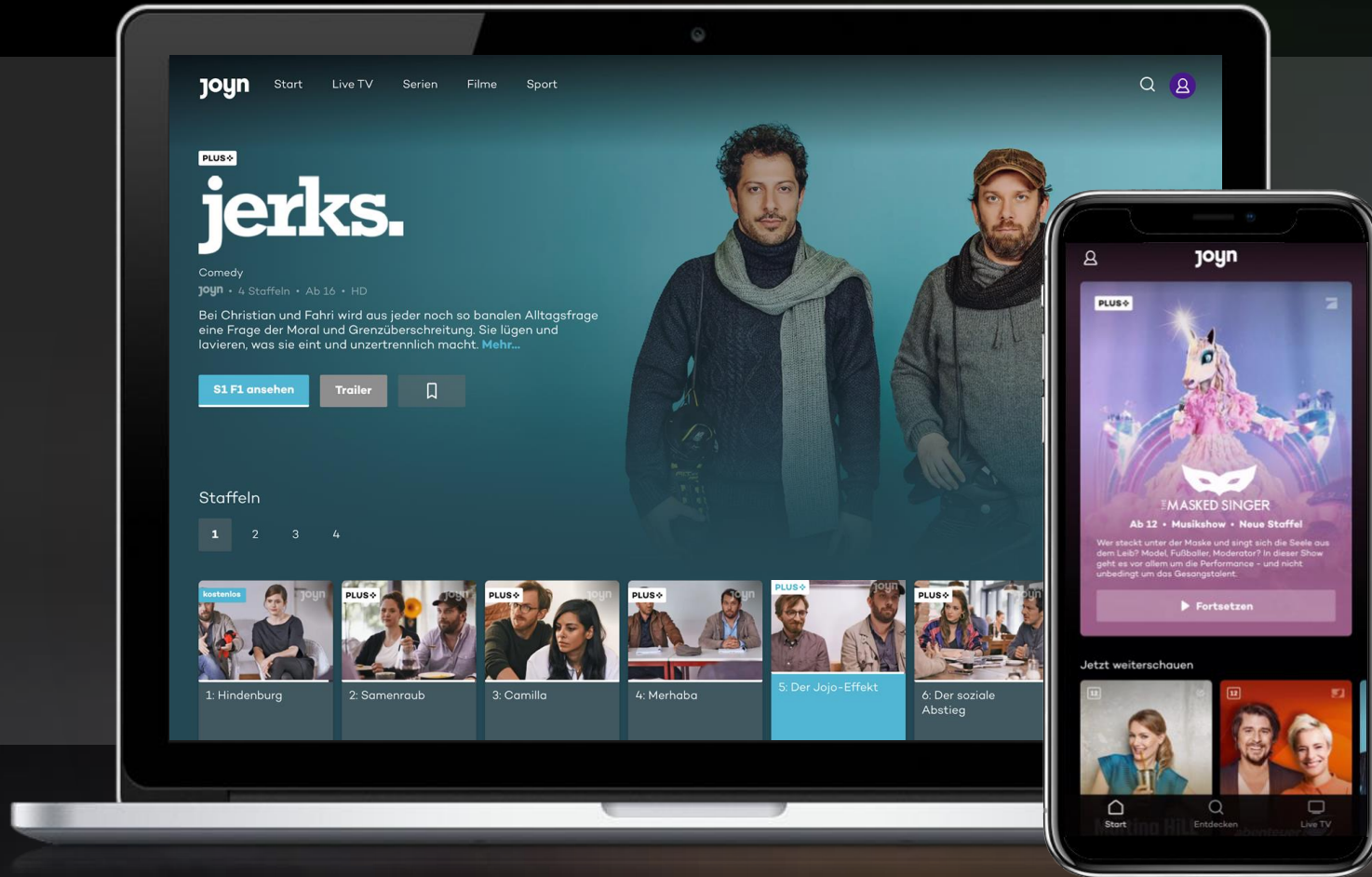
September 13, 2022



ProSiebenSat.1  
Media SE



# JOYN HAS ESTABLISHED ITSELF ON THE MARKET AS THE PREMIUM STREAMING SERVICE WITH GERMANY'S LARGEST FREE TV AND ON DEMAND OFFER



**4m**  
Unique User<sup>1)</sup>



**>30m**  
App installs since start<sup>1)</sup>



**35k**  
Content assets<sup>1)</sup>



**c. +20%**  
Marketable watchtime<sup>1)</sup>

# FULL OWNERSHIP ALLOWS US TO FURTHER ESTABLISH STREAMING BUSINESS AS INTEGRAL PART OF OUR VALUE CHAIN

## SHAREHOLDING STRUCTURE POST FULL TAKEOVER

ProSiebenSat.1 Media SE

100%

Seven.One Entertainment Group GmbH

100% (previously 50%)

Joyn GmbH

Position as **LARGEST BVOD**  
**STREAMING** service in  
German-speaking area



## STRATEGIC RATIONALE

1

### CONTENT:

Increase flexibility in content windowing & orchestration of our existing and new format brands as well as further partnerships

2

### SALES:

Expand marketable reach & monetization via innovative cross-media ad products

3

### TECH:

Implement one tech foundation for all digital platforms to leverage synergies & optimize time-to-market for new video products

4

### DISTRIBUTION:

Significantly increase marketable reach & customer base through suitable B2B streaming offering

5

### PLATFORM ECOSYSTEM:

Clear product positioning enabling active traffic management & seamless user navigation within P7S1 universe

6

### EFFICIENCIES:

Realize efficiencies and revenue synergies in the Group that will have a positive impact on adjusted EBITDA of EUR 35m per year from 2023 onwards



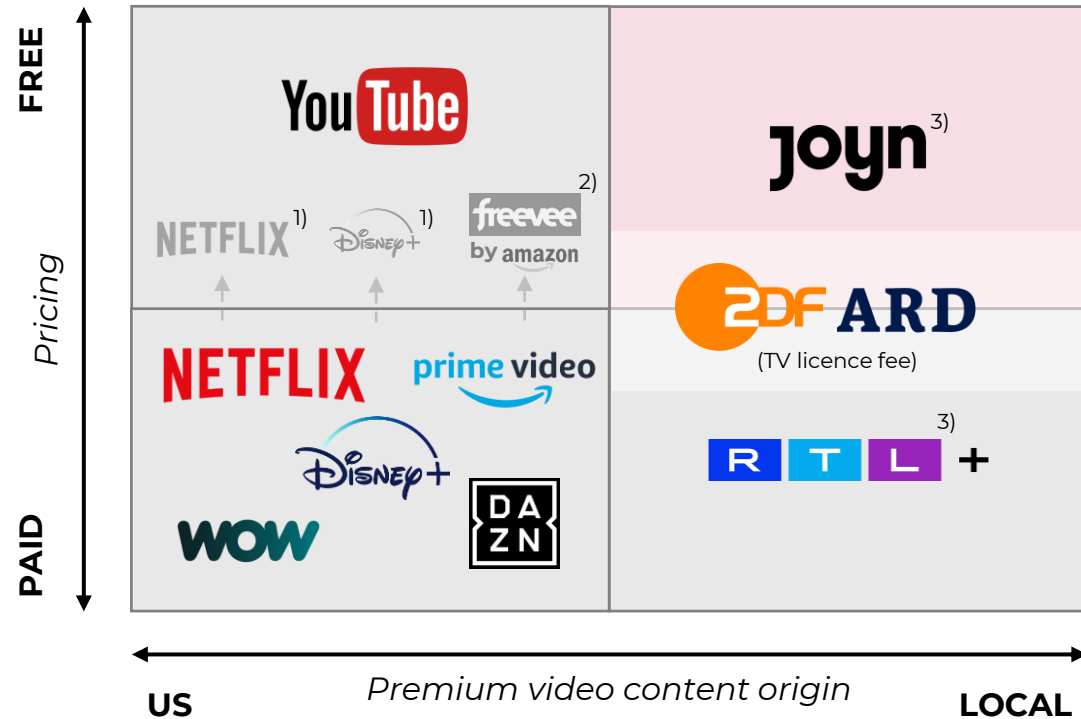
ProSiebenSat.1  
Media SE

Note: BVOD = Broadcaster Video-on-demand



# WITH OUR UNIQUE COMBINATION OF FREE AND LOCAL CONTENT, WE HAVE THE RIGHT STRATEGY – ALSO IN LIGHT OF LATEST VOD MARKET DEVELOPMENTS

## UNIQUE POSITONING OF JOYN



-> new moves announced lately

## COMMENTS ON JOYN

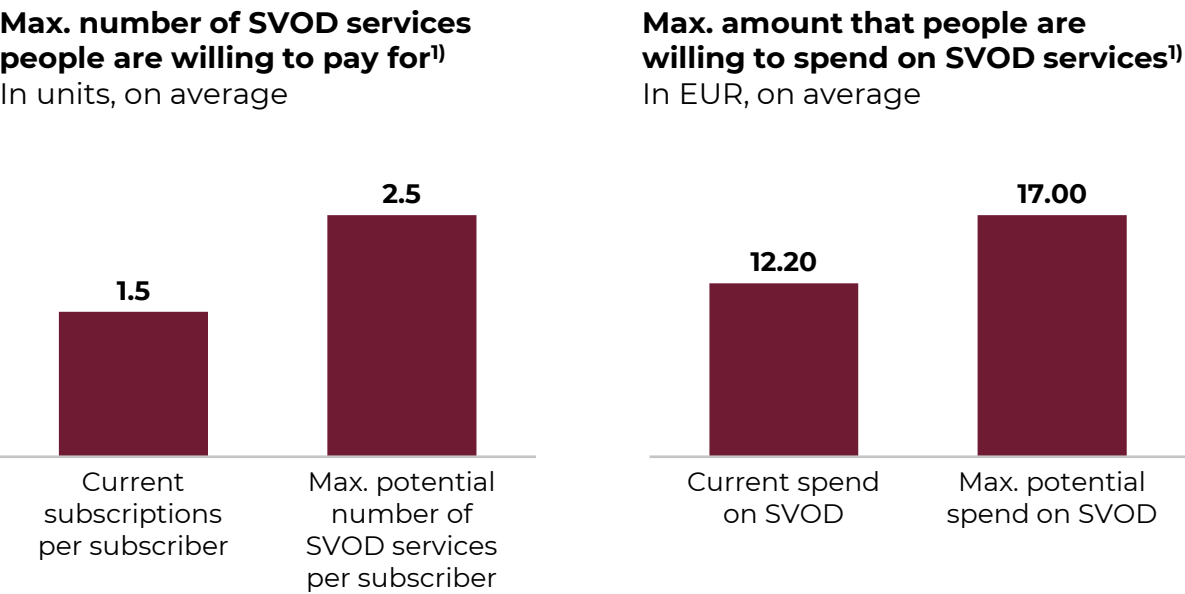
- **Unique positioning** of Joyn with free & local content in fast-growing digital video ad market
- In addition to content from ProSiebenSat.1 and other content partners, **Joyn users will continue to have access to Warner Bros. Discovery content** in the free, ad-financed area
- Joyn+ subscribers can also use **discovery+ content free of charge for twelve months**
- In the future, we will **focus more on interaction with and between users** and community management
- Closer **integration with our Influencer Business** and our brands from the **Dating & Video** and **Commerce & Ventures** segments
- More **targeted addressing of Joyn users** through integration of **single sign-on service 7Pass** with 20 million registered users



Full-ownership of Joyn – anchor of our digital entertainment offering – achieved

# JOYN IS WELL-POSITIONED BASED ON CONSUMER SPENDING HABITS

## WILLINGNESS TO SPEND MORE MONEY ON SVOD IS LIMITED



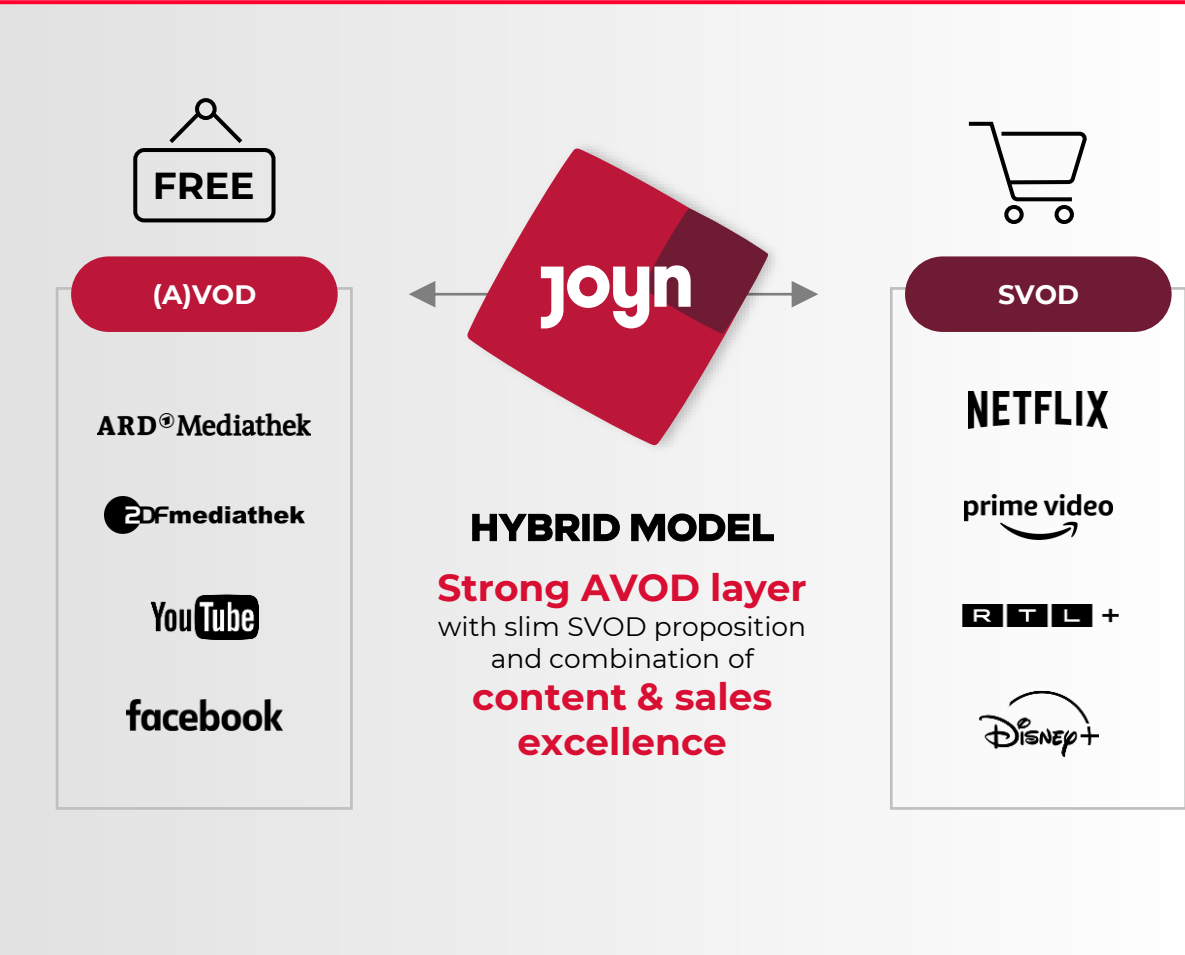
Typical monthly media costs that can theoretically accrue for German households:

**Up to EUR 233<sup>2)</sup>**

Average monthly net household income in Germany:

**EUR 3.6k<sup>3)</sup>**









## SWEET SPOT BVOD (BROADCASTER VOD) POSITIONING



1) Left: Basis A 14+, SVOD users; Right: Basis A 18-69, SVOD users; Source: SVOD-Titeltracker 2020, GfK/SVOD-Medienbudget 2021, forsa; 2) Bottom-up extrapolation, this does not reflect actual average media spending by households; Source: P7S1 Market Intelligence (internal estimate); 3) Source: Destatis: "Laufende Wirtschaftsrechnungen"

# JOYN IS AN INTEGRAL PART OF OUR ENTERTAINMENT PLATFORM AND WILL BE OFFERED AS B2B AND B2C STREAMING SERVICE TO OUR DISTRIBUTION PARTNERS



Own platforms			3 <sup>rd</sup> party platforms				
Linear TV	Streaming business	TVC <sup>1)</sup> & publishing	Distribution business	Creator network	Publishing aggregator	Digital distribution	Mandates
							

Example channels & platforms

# PROSIEBENSAT.1 TAKES FULL CONTROL OF STREAMING SERVICE JOYN – OPPORTUNITY TO UTILIZE SIGNIFICANT TAX LOSS CARRYFORWARDS

- 1 **ProSiebenSat.1 takes over outstanding 50 percent stake in Joyn** from Warner Bros. Discovery
- 2 **Joyn** to become the **centerpiece of ProSiebenSat.1's digital entertainment presence**
- 3 Expansion of Joyn to become the **largest freely accessible platform for premium video content in the German-speaking region**
- 4 Group expects **adjusted net income for 2022 at prior-year level** after full consolidation
- 5 Group **does not expect any negative impact on adjusted net income in FY 2023. In FY 2024, a significantly positive contribution** to the Group's adjusted net income is already expected
- 6 **In addition**, the Group expects to have the **opportunity to utilize income tax loss carryforwards at the level of Joyn GmbH in the amount of well over EUR 400m** and to **realize an income tax benefit from this of well over EUR 100m** in the coming years which could not have been utilized by us in this amount in the previous joint venture

Full consolidation of Joyn to entail **significant positive net present value** for P7S1

# Appendix



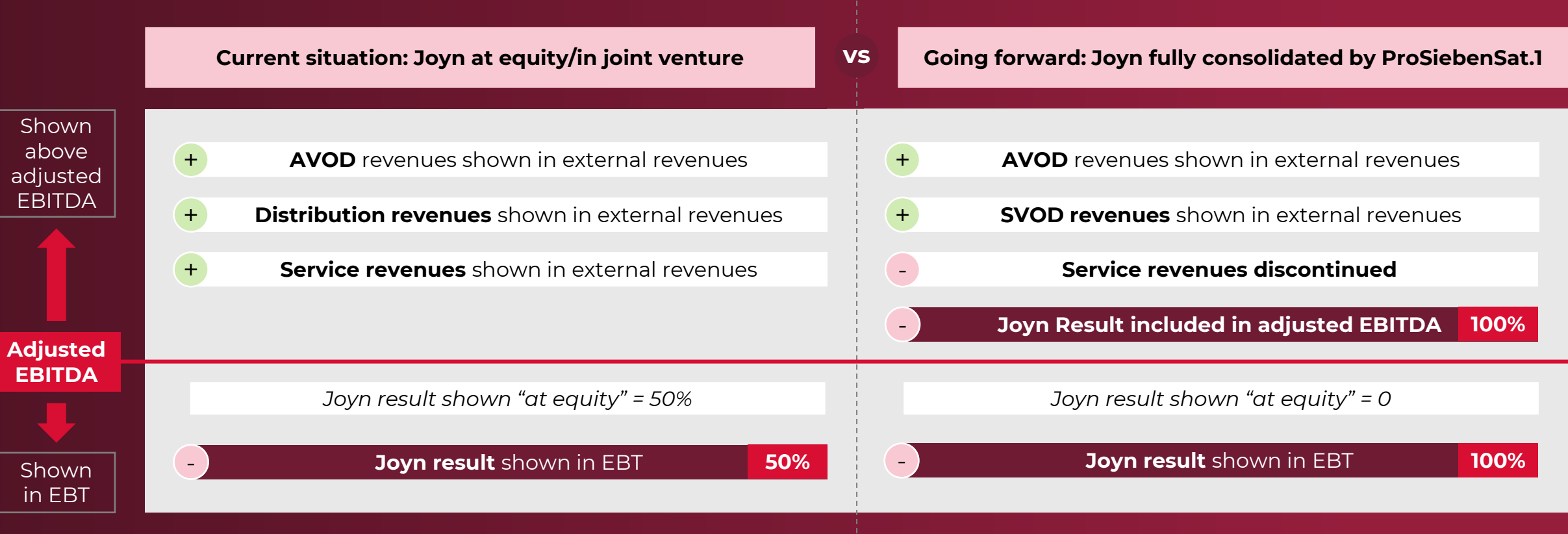


# SUMMARY OF FINANCIAL EFFECTS RESULTING FROM FULL CONSOLIDATION OF JOYN

2022	2023	2024 and beyond
<ul style="list-style-type: none"> <li>• <b>ProSiebenSat.1 acquires outstanding 50 percent stake in Joyn</b> from Warner Bros. Discovery</li> <li>• The Group expects to have the <b>opportunity to utilize income tax loss carryforwards at the level of Joyn GmbH in the amount of well over EUR 400m</b> and to <b>realize an income tax benefit from this of well over EUR 100m</b> in the coming years which could not have been utilized in this amount in the previous joint venture</li> <li>• <b>Group revenue target</b> of EUR 4,375m (plus/minus EUR 75m) for FY 2022 <b>remains unchanged</b></li> <li>• <b>Updated Group adjusted EBITDA target for FY 2022</b> of <b>EUR 780m (plus/minus EUR 25m)</b> to reflect full consolidation of Joyn (previously EUR 805m plus/minus EUR 25m)</li> <li>• <b>One-time expenses of up to EUR 20m will be incurred in FY 2022 due to efficiency measures</b> in the Group's streaming activities (no impact on adjusted EBITDA). These efficiency measures and revenue synergies will lead to adjusted EBITDA improvements of around EUR 35m per year from 2023 onwards</li> <li>• With the start of full consolidation, <b>elimination of pro rata losses of the Joyn JV</b> from "at equity" consolidation and corresponding improvement in financial result</li> <li>• <b>Group expects adjusted net income for the full year 2022 to be about on previous year's level at mid-point of adjusted EBITDA target range</b> (FY 2021: EUR 362m, Bloomberg FY 2022 consensus<sup>1)</sup>: EUR 344m)</li> <li>• Based on general dividend policy 2022 <b>dividend expected at prior year's level</b> (2021 dividend: EUR 0.80/share, current dividend yield of c. &gt;10% based on c. 50% payout of adjusted net income)</li> </ul>	<ul style="list-style-type: none"> <li>• <b>Efficiency measures and revenue synergies</b> will lead to <b>adjusted EBITDA improvements of around EUR 35m per year</b> from from FY 2023 onwards</li> <li>• As a result of full consolidation, ProSiebenSat.1 expects <b>adjusted EBITDA to be reduced by around EUR 40m</b> in FY 2023</li> <li>• <b>Elimination of pro rata losses</b> from "at equity" consolidation</li> <li>• <b>No impact on adjusted net income and dividend</b> resulting from Joyn consolidation</li> </ul>	<ul style="list-style-type: none"> <li>• As a result of full consolidation, ProSiebenSat.1 expects <b>adjusted EBITDA to be reduced by around EUR 25m</b> in FY 2024</li> <li>• The Group also expects a <b>positive earnings contribution to adjusted EBITDA by FY 2025</b> at the latest</li> <li>• <b>Elimination of pro rata losses</b> from "at equity" consolidation</li> <li>• <b>Significant positive impact on Group's adjusted net income</b> from Joyn consolidation in FY 2024</li> </ul>

# ILLUSTRATIVE CHANGES IN THE INCOME STATEMENT OF PROSIEBENSAT.1 AFTER FULL CONSOLIDATION OF JOYN

## ILLUSTRATIVE P&L PROSIEBENSAT.1



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