
Press release



ProSiebenSat.1 increases investments in local content and at the same time expects stable earnings next year

- **Full-year targets for 2023 confirmed:** After a solid third quarter, the Group's revenues and earnings grow in the important fourth quarter of 2023 as expected. ProSiebenSat.1 continues to expect to close 2023 within the recently specified targets for revenues and adjusted EBITDA.
- **ProSiebenSat.1 plans to invest more in local content in 2024:** The Group is expanding exclusive local content on the streaming platform Joyn as well as on its TV stations and increasing the related programming investments.
- **Termination of extensive, long-term output deals with Hollywood studios:** Review of remaining output deals will result in an impairment of programming assets of up to EUR 250 million and a provision for onerous contracts of up to EUR 90 million in the financial year 2023, which will have no impact on the adjusted Group key figures, such as adjusted EBITDA, or on net debt.
- **Stable adjusted EBITDA in 2024:** Despite clearly higher programming expenses, ProSiebenSat.1 expects a stable development of the adjusted EBITDA at Group level in the coming year as a result of increasing revenues and a consistent focus on costs.

Unterföhring, December 19, 2023. ProSiebenSat.1 Media SE is consistently focusing on its entertainment activities and has initiated the necessary changes over the course of the year to gear the Group to a secure future. The aim is to position Joyn as the leading ad-financed entertainment platform for everyone in the German-speaking region. Thus, ProSiebenSat.1 is focusing on a freely accessible streaming offer that is currently used by around 3.8 million users per month. Joyn's revenues grew by a significant double-digit percentage range in 2023, which is also due to increased investments in local programming content. The Group has also increased the share of local formats on both TV and Joyn in the current quarter, leading to a positive impact on audience share and digital usage.

ProSiebenSat.1 invests around EUR 80 million more in programming content in 2024

To strengthen the market share in linear TV and the growth of Joyn, ProSiebenSat.1 Group will focus even more clearly on exclusive local content and increase its programming expenses by around EUR 80 million to around EUR 1.05 billion in the coming year. This was decided by the Executive Board of ProSiebenSat.1 Media SE today. In addition to the expansion of Joyn's content offering, the Group is increasing the attractiveness of its TV station portfolio with this step – especially in prime time of SAT.1 and ProSieben. At the same time, viewers and users will be able to choose between live and on-demand usage even more than before due to the increasing cross-platform availability of programming content. The decision consistently builds on the successes of recent months, in which many of the local programs of the ProSiebenSat.1 Group on TV and especially on the streaming platform Joyn have achieved above-average coverage.

Bert Habets, Group CEO of ProSiebenSat.1 Media SE: "In March, we presented a clear strategic plan: Entertainment as the core of ProSiebenSat.1, attractive local and live content to further strengthen our channels and Joyn as well as an improved and more diversified monetization. Since then, we have set the right course. The success of our programs in recent months clearly shows that our local programming offensive is paying off: Our viewers are watching more local content on all our channels and especially on Joyn. We are now taking the next strategic step and will invest significantly more in local content from 2024,

offering our viewers a unique programming experience to serve very different media usage interests and, above all, to differentiate ourselves from the competitors of Joyn.”

Habets continues: “We are absolutely convinced that we can offer our advertising customers the best and highest-reach environment for their products, also in the digital world. With this strategy, we want to shape the future and the success of our company.”

As part of the programming offensive, ProSiebenSat.1 will further reduce the share of US licensed content to the benefit of local formats. With the decision to focus even more clearly on exclusive local content in the future, a long-standing practice of acquiring US licensed content to the basis of extensive long-term output deals with Hollywood studios ends. In the future, ProSiebenSat.1 will continue to acquire US licensed content on a selective basis.

Against this backdrop, the Executive Board has decided today that an impairment of up to EUR 250 million on existing programming assets and a provision for onerous contracts for the acquisition of future programming assets of up to a further EUR 90 million in the fourth quarter of 2023 will be made. Both extraordinary effects have no impact on the adjusted key figures for the year 2023, particularly the adjusted EBITDA. Further, they will not lead to cash outflows in the current financial year 2023; thus, also no changes to net financial debt will result therefrom. The future cash outflows for programming still to be completed, resulting primarily from the onerous contracts, will amount, in the upcoming financial years 2024 and 2025, taking into account offsetting tax effects, to a total of around EUR 50 million, whereby these will not have a negative impact on earnings.

ProSiebenSat.1 confirms targets for 2023 and expects revenue growth for 2024

For 2023, the Group continues to expect to achieve its financial targets specified on November 14, 2023: Thus, ProSiebenSat.1 expects Group’s adjusted EBITDA at the lower end of the range of EUR 600 million plus/minus EUR 50 million forecast at the beginning of the year. At the same time, Group revenues – as most recently announced – will be slightly below the target range of EUR 4.10 billion plus/minus EUR 150 million. After the Group’s financial development stabilized in the third quarter of 2023, ProSiebenSat.1 continues to expect slight growth in the Group’s revenue (Q4 2022: EUR 1.27 billion) and adjusted EBITDA (Q4 2022: EUR 303 million) in the important fourth quarter. Additionally, the Group expects that net financial debt will reduce in financial year 2023 (December 31, 2022: EUR 1.61 billion).

The Group implemented a cost efficiency program in 2023, which was accompanied by a structural and personnel realignment in the core business Entertainment. ProSiebenSat.1 Group has thus created the conditions for a leaner cost base and effective implementation of the strategy.

The additional programming investments decided for in 2024 will – despite offsetting savings effects from the efficiency measures implemented in 2023 – have a negative impact on the Group’s adjusted EBITDA in the Entertainment segment in 2024, but will strengthen the segment’s growth in the long-term and drive its digitalization. Due to an expected slight recovery in advertising revenues, overall continued revenue and earnings growth in the digital business areas and a clear focus on costs, ProSiebenSat.1 expects Group revenues to increase in 2024 and Group adjusted EBITDA to remain stable compared to the current financial year 2023. ProSiebenSat.1 will publish the full financial outlook for the financial year 2024 as planned on March 7, 2024.

Martin Mildner, Group CFO of ProSiebenSat.1 Media SE: “We have aligned ourselves more effectively in the recent months and are confident that we will close 2023 with growth in the important fourth quarter. We are now consistently pursuing our strategy and will increase our programming expenses by EUR 80 million to EUR 1.05 billion from next year in order to significantly expand our offering on Joyn but and to differentiate our TV stations even more strongly than before from US streaming platforms with live and local content. Due to the high demand for advertising on Joyn, we are convinced that we will be able to

increasingly capitalize on our additional investments. At the same time, we are continuing to work resolutely on improving our cost base in order to strengthen the company's profitability despite higher programming investments.”

Contact

Stefanie Rupp-Menedetter
Executive Vice President Group Communications
Phone +49 [0] 89 95 07-2598
E-mail: Stefanie.Rupp@ProSiebenSat1.com

ProSiebenSat.1 Media SE
Medienallee 7 / D-85774 Unterföhring

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