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## Press release

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### **ProSiebenSat.1 achieves adjusted EBITDA plus in the third quarter of 2023 despite difficult market environment**

- **Revenues stabilize after a difficult first half of the year:** Group revenues in the third quarter of 2023 were 3% below the previous year at EUR 888 million (previous year: EUR 911 million). Organic<sup>1</sup> revenue growth was almost stable.
- **Further growth in digital & smart advertising revenues partially offsets decline in TV advertising business:** TV advertising revenues in the German-speaking region declined in the third quarter due to the economic situation – but to a lesser extent than in the first half of the year. In addition, digital & smart advertising revenues in the German-speaking region increased by 16%.
- **Joyn grows significantly again and records strongest quarter of the year:** The streaming platform Joyn is driving growth in digital & smart advertising revenues and continues to grow significantly with an increase of 58% in AVoD advertising revenues.
- **Adjusted EBITDA is now again above the previous year and benefits from dynamic growth at Verivox and flaconi:** At EUR 110 million, the Group's adjusted EBITDA was above the previous year's level (previous year: EUR 108 million). Here, targeted cost adjustments and profitable revenue growth in the Commerce & Ventures segment had a positive impact.
- **Group specifies financial outlook for 2023 with expected slightly positive development in the fourth quarter:** ProSiebenSat.1 expects adjusted EBITDA to be at the lower end of the range of EUR 600 million plus/minus EUR 50 million forecast at the beginning of the year. Group revenues are expected to be slightly below the target range of EUR 4.10 billion plus/minus EUR 150 million. The Group is assuming slight growth for the important fourth quarter.
- **Cost efficiency program fully completed, gross savings of EUR 100 million expected in 2024:** ProSiebenSat.1 is laying the foundations for effective implementation of the strategy with a focus on Entertainment. At the same time, the Group is focusing on profitability and a competitive cost structure.

**Unterföhring, November 14, 2023.** Group revenues of ProSiebenSat.1 slightly decreases in the third quarter of 2023 and amounted to EUR 888 million (previous year: EUR 911 million). This decline of 3% is due to the continuing weak economy and the associated cautious approach to advertising budgets. By contrast, advertising revenues from digital entertainment offerings in the German-speaking region (Germany, Austria, Switzerland), such as the streaming platform Joyn, grew dynamically. In addition, the Commerce & Ventures companies Verivox and flaconi once again recorded significant growth. This almost completely compensated for the decline in TV advertising revenues. Organically<sup>1</sup>, i.e. adjusted for portfolio and currency effects, Group revenues were almost stable in the third quarter and amounted to EUR 866 million (previous year: EUR 877 million). Group revenues for the first nine months were EUR 2,571 million, which corresponds to a decrease of EUR 323 million or 11%. Organically<sup>1</sup>, Group revenues in this period declined by EUR 182 million or 7% compared to the previous year.

**Bert Habets, Group CEO of ProSiebenSat.1 Media SE:** “We have taken the challenges in the market as an opportunity to realign our Group in terms of both personnel and organizational. In doing so, we are setting the course to expand our digital business areas more strongly. At the same time, we have now successfully implemented the cost efficiency program that we initiated at the beginning of the year. This applies above all to the Entertainment segment, but we have also responded to the declining revenues in the Dating & Video segment. We are confident and see a positive trend in the third quarter: Joyn recorded a very good quarter once again with an increase of 58% in AVoD advertising revenues, while the audio segment and

programmatic trade of advertising time also increased their revenues dynamically. The commerce business around our majority investments and in particular Verivox and flaconi is picking up strongly. We will fully realize the savings from our efficiency program in the fourth quarter respectively in 2024.”

**Martin Mildner, Group CFO of ProSiebenSat.1 Media SE:** “After a difficult first half of the year, we managed to keep our revenues almost stable in the third quarter compared to the previous quarters, despite the continuing challenging market environment. We are seeing first signs that our clear focus on our strategically important business areas is paying off. At the same time, we are acting in an extremely cost-conscious manner – our adjusted EBITDA in this quarter is therefore above the previous year for the first time since 2021 despite the weakness of the advertising market. For the Group, we want to continue this trend and are currently expecting a slight increase in revenues and earnings in the crucial fourth quarter.”

### **Operational development**

**External revenues** in the **Entertainment segment** amounted to EUR 598 million in the third quarter of 2023 and hence 4% below the previous year’s figure (previous year: EUR 621 million). Against the backdrop of the macroeconomic environment, advertising revenues in the German-speaking region decreased again compared to the previous year, although the decline of 5% was significantly lower than in the first half of the year. At the same time, digital & smart advertising revenues in the German-speaking region grew by 16%, partially offsetting the decline in TV advertising revenues. Joyn in particular saw very significant growth here. Organically<sup>1</sup>, revenues in the Entertainment segment decreased by 3% in the third quarter. Over the nine-month period, they declined by 16% to EUR 1,717 million (previous year: EUR 2,032 million). The disposal of the U.S. production business on July 1, 2022, also had an impact here. Organically<sup>1</sup>, segment revenues in this period were 10% below the previous year.

In the **Commerce & Ventures segment**, **external revenues** grew significantly, increasing by 14% to EUR 182 million in the third quarter of 2023 (previous year: EUR 160 million). Organically<sup>1</sup>, growth amounted to 16%. The most important revenue driver was the online comparison portal Verivox (Consumer Advice). In addition, the Beauty & Lifestyle business around flaconi continued its dynamic revenue growth. By contrast, the media-for-revenue and media-for-equity business of SevenVentures declined, which was partly due to the difficult advertising market environment. The strong growth of the digital Platform & Commerce business around Verivox and flaconi also more than compensated for the decline in revenues at SevenVentures over the first nine months. Against this backdrop, segment revenues in this period clearly increased by 11% to EUR 522 million (previous year: EUR 471 million) or by 12% organically<sup>1</sup>.

**External revenues** in the **Dating & Video segment** amounted to EUR 108 million in the third quarter of 2023 (previous year: EUR 129 million), which corresponds to a decrease of 17%. Adjusted for currency effects, the decline amounted to 12%. Video revenues in the U.S. declined in a highly competitive environment. In addition to the ongoing consumer restraint, the Fair Consumer Contracts Act, which also affects the online dating platforms Parship and ElitePartner in Germany, had an impact. These developments were also reflected in the first nine months of the year: Segment's external revenues decreased by 15% to EUR 332 million (previous year: EUR 391 million). Adjusted for currency effects, this corresponds to a minus of 14%.

The Group's **adjusted EBITDA** increased to EUR 110 million in the third quarter of 2023 (previous year: EUR 108 million). In addition to targeted cost measures, the increase of 2% is mainly due to profitable revenue growth in the digital Platform & Commerce business. The Group's adjusted EBITDA for the first nine months decreased to EUR 243 million (previous year: EUR 376 million). Earnings were significantly impacted by the decline in the highly profitable advertising business as well as negative effects from the full consolidation of Joyn.

**Adjusted net income** declined to EUR 23 million in the third quarter (previous year: EUR 39 million). The increase in adjusted EBITDA was primarily offset by higher interest and tax expenses. For the first nine months, adjusted net income decreased to EUR 12 million (previous year: EUR 141 million), reflecting the lower adjusted EBITDA. By contrast, **net income** increased to EUR 16 million in the third quarter (previous year: EUR -78 million), while the figure for the nine-month period was minus EUR 71 million (previous year: EUR -89 million). The previous year's figures are mainly characterized by impairments recognized on goodwill in the third quarter of 2022.

The adjusted EBITDA development in the first nine months of the year also had an impact on other important key figures: The Group's **leverage ratio** was 3.3x as of September 30, 2023 (December 31, 2022: 2.4x; September 30, 2022: 2.3x), **net financial debt** amounted to EUR 1,775 million as of September 30, 2023 (December 31, 2022: EUR 1,613 million; September 30, 2022: EUR 1,739 million). In addition to adjusted EBITDA, the seasonality of the Group's cash flow plays a role here, as the fourth quarter is traditionally the most important quarter for the Group.

### Outlook

After the advertising market was challenging for ProSiebenSat.1's business in the first half of the year, the Group's financial performance stabilized in the third quarter of 2023. At the same time, the Group successfully completed its announced cost and efficiency program at the end of October.

Although visibility of macroeconomic developments remains limited and the economic weakness in the German-speaking region is likely to continue – contrary to the expectations of economic research institutes in summer – private consumption in Germany should gradually recover as a result of the now declining inflation. Against this backdrop, ProSiebenSat.1 again expects a slightly improved revenue and earnings performance in the fourth quarter of 2023. In this context, advertising revenues of the Entertainment segment in the German-speaking region are expected to be at the previous year's level, reflecting the continuous improvement compared to the previous quarters. Strong growth in the digital entertainment portfolio will continue to compensate for the currently still declining TV advertising revenues. For ProSiebenSat.1, the fourth quarter is traditionally the strongest quarter in terms of revenues and earnings. At the same time, however, ongoing consumer restraint, legal changes and intense competition in the video business are having a greater impact on revenue development in the Dating & Video segment than expected at the beginning of the year.

On this basis and the weaker than initially expected economic recovery, ProSiebenSat.1 Group specifies its outlook<sup>2</sup> for financial year 2023: ProSiebenSat.1 expects the Group's **adjusted EBITDA** for the full-year to be at the lower end of the range forecast at the beginning of the year. This is based on a variance of plus/minus EUR 50 million in relation to adjusted EBITDA of EUR 600 million (previous year's figure adjusted for currency and portfolio effects: EUR 623 million<sup>3</sup>). The target range for **Group revenues** is EUR 4.10 billion with a variance of plus/minus EUR 150 million (previous year's figure adjusted for currency and portfolio effects: EUR 4.02 billion<sup>4</sup>). For Group revenues, ProSiebenSat.1 now expects to achieve a figure slightly below this range. The Group's other key financial figures will develop in line with adjusted EBITDA. For the **leverage ratio** (the ratio of the Group's net financial debt to its LTM adjusted EBITDA), the Group continues to expect to achieve a value between 2.5x and 3x at the end of 2023.

The full-year outlook for further most important financial performance indicators is published in the Annual Report 2022 (Annual Report 2022, pp. 198-201).

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

(2) Excluding further portfolio changes.

(3) Based on adjusted EBITDA in financial year 2022 translated at the exchange rates used for planning purposes in financial year 2023 less the adjusted EBITDA of the companies deconsolidated in 2022, in particular of the U.S. production business of Red Arrow

Studios in a non-significant amount. The adjusted EBITDA contribution in particular of Joyn GmbH, which has been fully consolidated since November 2022, was proforma for the months January to October 2022. This results in a change in the Group's adjusted EBITDA of minus EUR 55 million.

(4) Based on revenues in financial year 2022 translated at the exchange rates used for planning purposes in financial year 2023 less the revenues of companies deconsolidated in 2022, in particular of the U.S. production business of Red Arrow Studios totaling EUR 135 million. The revenue contribution in particular of Joyn GmbH, which has been fully consolidated since November 2022, was proforma for the months January to October 2022. This results in a change in the Group's external revenues of minus EUR 4 million.

Further key figures can be found on our Group website at [www.ProSiebenSat1.com](http://www.ProSiebenSat1.com). The quarterly statement for the third quarter of 2023 and the presentation will also be available here from 7:30 a.m. on November 14, 2023.

### Key figures of ProSiebenSat.1 Group

in EUR m

	Q3 2023	Q3 2022 <sup>(1)</sup>	Absolute change	Change in %	Q1-Q3 2023	Q1-Q3 2022 <sup>(1)</sup>	Absolute change	Change in %
Revenues	888	911	-23	-2.5	2,571	2,894	-323	-11.2
Adjusted EBITDA <sup>(2)</sup>	110	108	+2	1.7	243	376	-133	-35.3
Adjusted net income <sup>(3)</sup>	23	39	-16	-41.0	12	141	-128	-91.3
Adjusted Operating Free Cashflow <sup>(4)</sup>	61	38	+23	62.5	4	292	-288	-98.7

### Key figures of ProSiebenSat.1 Group

in EUR m

	Sep. 30, 2023	Dec. 31, 2022	Sep. 30, 2022 <sup>(1)</sup>
Employees <sup>(5)</sup>	7,274	7,284	6,996
Programming assets	1,040	1,086	1,076
Cash and cash equivalents	343	504	704
Net financial debt <sup>(6)</sup>	1,775	1,613	1,739
Leverage ratio <sup>(7)</sup>	3.3	2.4	2.3

(1) Prior-year figures partly adjusted, see Annual Report 2022, Notes to the Consolidated Financial Statements, note 3 "Changes in reporting standards and accounting policies" and note 2 "Retrospective adjustment of accounting for voucher sales in financial year 2022" of the half-yearly financial report 2023. (2) EBITDA before reconciling items. (3) 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 option 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. Please refer to the "Planning and Management" section of the Annual Report 2022. (4) For a definition of the adjusted operating free cash flow, please refer to the "Planning and Management" section of the Annual Report 2022. (5) Full-time equivalent positions. The increase compared to September 30, 2022, is partly due to the integration of the streaming platform Joyn. (6) As of September 30, 2023, the definition of ProSiebenSat.1 Group's net financial debt does not include lease liabilities in accordance with IFRS 16 of EUR 169 million (December 31, 2022: EUR 178 million; September 30, 2022: EUR 177 million) and real estate liabilities of EUR 154 million (December 31, 2022: EUR 133 million; September 30, 2022: EUR 120 million). (7) Ratio net financial debt to adjusted EBITDA in the last twelve months.

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