
Press release



ProSiebenSat.1 closes 2023 with strong fourth quarter and expects revenue growth for 2024

- **Revenue and earnings figures in line with recent expectations:** In a difficult economic environment, ProSiebenSat.1 generated revenues of EUR 3,852 million in 2023 (previous year: EUR 4,163 million), while adjusted EBITDA decreased as expected to EUR 578 million (previous year: EUR 678 million). Group revenues and adjusted EBITDA grew again in the important fourth quarter.
- **Positive development in many parts of the portfolio:** In addition to increased revenues in the digital & smart advertising business in the German-speaking region, the Digital Platform & Commerce companies Verivox and flaconi grew dynamically.
- **Joyn with strongest quarterly result at the end of the year:** With 6.3 million monthly video users and a viewing time of 8.8 billion minutes in total, Joyn set a record. At the same time, AVoD revenues increased by 37%.
- **Net financial debt improved:** At EUR 1,546 million, net financial debt was 4% below the previous year; the leverage ratio of 2.7x was clearly within the target range for 2023 of 2.5x to 3x for 2023 despite negative impact on earnings.
- **Full year outlook 2024:** ProSiebenSat.1 expects slight revenue growth to around EUR 3.95 billion (plus/minus EUR 150 million) and a positive development of Entertainment advertising revenues in the German-speaking region in 2024. The Group expects adjusted EBITDA to remain stable at around EUR 575 million (plus/minus EUR 50 million).
- **Dividend proposal:** ProSiebenSat.1 Group aims to achieve a leverage ratio within the target range. Against this backdrop, the Executive Board and Supervisory Board will propose to the Annual General Meeting on April 30, 2024, to pay out a dividend of EUR 0.05 per share to the dividend-entitled shareholders.

Unterföhring, March 7, 2024. ProSiebenSat.1 Group recorded a positive development in many areas of the portfolio at the end of the year and thus achieved its most recently specified targets for the year. At EUR 3,852 million, Group revenues declined by 7% or EUR 311 million on the previous year; adjusted for currency effects and portfolio changes, the decline in revenues (organic) was 4% or EUR 163 million. The market environment in the first half of 2023 in particular was characterized by uncertainty among consumers and the associated restraint in investment by the advertising industry. In the important fourth quarter, however, Group's revenues increased again as expected. This reflects the slight growth in advertising revenues in the German-speaking region (Germany, Austria and Switzerland) and the high advertising demand for Joyn. The Group also recorded strong growth in the Digital Platform & Commerce portfolio.

Bert Habets, Group CEO ProSiebenSat.1 Media SE: "Our strategy with Joyn at the center is now starting to pay off. This is also underlined by the positive development, especially in the fourth quarter of 2023. Our goal is to further increase usage and user base of Joyn with double-digit growth rates per year. We are firmly convinced that a free offering, centered on one platform, is the key to success. We are increasingly focusing on local and live content to strengthen our TV channels and scale Joyn by investing significantly more in this area in 2024. Exclusive content is the driver that will enable us to further improve the monetization of our reach – both in traditional TV and on our digital offerings. With our focus on Entertainment, we also evaluate opportunities to crystalize value from our non-core assets, depending on the market environment."

Operational Performance 2023

External revenues in the **Entertainment segment** amounted to EUR 2,574 million in the financial year 2023, which corresponds to a decrease of 11% (previous year: EUR 2,888 million). The main reason for this is the 6% decline in advertising revenues in the German-speaking region. However, a positive trend emerged towards the end of the year: After the first two quarters of 2023 in particular were still characterized by the macroeconomic environment, advertising revenues in the German-speaking region increased again slightly year-on-year in the fourth quarter. The decline in TV advertising revenues slowed down significantly in the crucial fourth quarter. In addition, revenues in the digital & smart advertising business, which also include the sales of the streaming platform Joyn, grew dynamically in the important Christmas period as well as for the full year. This underlines that the investments in Joyn are paying off and that ProSiebenSat.1 Group is increasingly monetizing its digital reach. At the same time, advertising revenues in the audio business and in programmatic trade of advertising time increased. In total, digital & smart advertising revenues in the German-speaking region were up 10% compared to the previous year. Their contribution to advertising revenues in the German-speaking region is therefore already 16%.

In addition to the expected overall decline in advertising revenues over the course of the year, the disposal of the US production business of Red Arrow Studios as of July 1, 2022, had a significant effect on segment revenues. This had contributed EUR 136 million to segment revenues in the first half of 2022. Organically, segment revenues therefore declined by 7% or EUR 182 million in 2023.

In March 2023, ProSiebenSat.1 presented a new strategy that puts the Entertainment business and in particular the streaming platform Joyn at the center. Joyn developed very positively as a result and recorded its strongest quarter to date in the fourth quarter of 2023. The number of monthly video users increased to 6.3 million (+30% compared to previous year quarter), viewing time to 8.8 billion minutes in total (+15% year-on-year). At the same time, AVoD revenues grew significantly by 37% in the fourth quarter of 2023. ProSiebenSat.1 Group is strengthening Joyn through partnerships, especially in programmatic trade of advertising time and distribution. The aim is to address new users and especially advertising customers with a digital affinity.

External revenues in the **Commerce & Ventures segment** saw double-digit growth in 2023 and amounted to EUR 844 million (previous year: EUR 757 million). Organically, growth amounted to 13%. Revenues were driven by the Digital Platform & Commerce companies, in particular Verivox and flaconi: Verivox has benefited from the easing on the energy markets since the beginning of 2023 and has grown significantly since then. In addition, flaconi developed very positively, reflecting the high demand from consumers in the online beauty market. The strong growth in the Digital Platform & Commerce portfolio therefore more than compensated for the expected decline in revenues from Jochen Schweizer mydays' experience and leisure business and SevenVentures' media-for-revenue and media-for-equity business.

External revenues in the **Dating & Video segment** decreased by 16% to EUR 434 million in 2023 (previous year: EUR 518 million). Adjusted for currency effects, the decline was 15%. On the one hand, this reflects the highly competitive market environment and the declining usage of video offerings in the US. On the other hand, the dating business was affected by legal changes: In 2022, the Fair Consumer Contracts Act came into force in Germany, which affected the subscription models of the Parship and ElitePartner platforms in particular and had a negative impact on the revenue development in 2023. In addition, there was also a general consumer restraint and high competition.

The Group's **adjusted EBITDA** in 2023 amounted to EUR 578 million (previous year: EUR 678 million). The decline reflects the Group's expectations in an economically weak environment. In the fourth quarter of 2023, however, adjusted EBITDA grew significantly as recently expected: Here, ProSiebenSat.1 Group recorded an increase in adjusted EBITDA of 11% to EUR 335 million (Q4 2022: EUR 303 million). **Adjusted net income** reflected the development of adjusted EBITDA and decreased to EUR 225 million (previous

year: EUR 301 million). **Net income** amounted to minus EUR 134 million in 2023 (previous year: -EUR 49 million).

In 2023, ProSiebenSat.1 Group responded to the economic challenges in the market with consistent cost management and made the entire organization leaner and more efficient at the same time. The reorganization program was implemented at the end of October 2023, with the new structure taking effect in the fourth quarter.

At the same time, the Group recorded high cash inflows at the end of the year. Against this backdrop, the Group's **net financial debt** decreased by 4% to EUR 1,546 million (December 31, 2022: EUR 1,613 million). At 2.7x, the **leverage ratio** was therefore clearly within the target range of 2.5x to 3x forecast for the financial year 2023 (December 31, 2022: 2.4x).

Outlook 2024 and Dividend Proposal

ProSiebenSat.1 Group has made a good start to 2024. ProSiebenSat.1 aims to increase Group revenues to around EUR 3.95 billion compared to the financial year 2023 (previous year: EUR 3.85 billion, previous year's figure adjusted for currency and portfolio effects: EUR 3.82 billion¹) with a variance of plus/minus EUR 150 million.

The slight growth in Group revenues expected for 2024 depends in particular on the development of Entertainment advertising revenues in the German-speaking region: With Group revenues at the midpoint of the target range, ProSiebenSat.1 expects Entertainment advertising revenues in the German-speaking region to grow by around 2%. While the TV advertising revenues included in this figure should remain stable, digital & smart advertising revenues are likely to continue their growth momentum.

At the same time, ProSiebenSat.1 Group expects an adjusted EBITDA of EUR 575 million (previous year: EUR 578 million) with a variance of plus/minus EUR 50 million – and thus a midpoint on the previous year's level. Adjusted for currency effects and portfolio changes, adjusted EBITDA amounted to EUR 580 million² in the financial year 2023. This forecast reflects the previously announced increase in programming investments, which – despite offsetting savings effects from efficiency measures – will have a negative impact on adjusted EBITDA but will sustainably strengthen growth in the Entertainment business.

The Group is focusing on strengthening profitability and a lean cost structure, which will have an increasingly positive impact on earnings performance and at the same time open up more headroom for investments – especially in local programming content. In order 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 in 2024. The Group's total programming costs will thus amount to around EUR 1.03 billion in 2024 (previous year: EUR 0.95 billion).

ProSiebenSat.1 generally aims for a leverage ratio (ratio of the Group's net financial debt to its LTM adjusted EBITDA) between 1.5x and 2.5x at the end of the respective year. However, assuming a stable development of adjusted EBITDA and higher investments in programming content, the Group currently expects a leverage ratio of between 2.5x and 3x at the end of 2024 (previous year: 2.7x).

ProSiebenSat.1 Group pursues the goal of expanding its competitive position on the basis of a solid financial structure. This is reflected in our dividend policy: As the current focus is primarily on reducing net financial debt and thus also the leverage ratio, the Executive Board and Supervisory Board will propose to the upcoming Annual General Meeting to pay out a dividend of EUR 0.05 per share to dividend-entitled shareholders for the financial year 2023 (previous year: EUR 0.05). This corresponds to an expected total distribution of around EUR 11 million (previous year: EUR 11 million) and a payout ratio of 5%. Payment of the proposed dividend is subject to the approval of the Annual General Meeting.

Martin Mildner, Group CFO of ProSiebenSat.1 Media SE: “After a successful year-end performance, we have made a good start to the new financial year. We have set an important course for growth again in 2023. Even though the macroeconomic environment remains challenging, we expect advertising revenues in the German-speaking region to develop positively in 2024. At the same time, we want to further strengthen ProSiebenSat.1’s profitability this year and invest EUR 80 million more in local content. To this end, we will consistently continue our cash and cost management. A solid financial basis is the prerequisite for our growth.”

(1) Based on revenues in financial year 2023 translated at the exchange rates used for planning purposes in financial year 2024 less the revenues of companies deconsolidated in 2023/2024 Regiondo and Stylight (around EUR 17 million).

(2) Based on adjusted EBITDA in financial year 2023 translated at the exchange rates used for planning purposes in financial year 2024 less the revenues of companies deconsolidated in 2023/2024 Regiondo and Stylight (around -EUR 5 million).

Key figures of ProSiebenSat.1 Group

in EUR m

	2023	2022	Absolute change	Change in %
Revenues	3,852	4,163	-311	-7.5
Adjusted EBITDA ⁽¹⁾	578	678	-100	-14.8
Adjusted net income ⁽²⁾	225	301	-76	-25.2
Adjusted operating free cash flow ⁽³⁾	260	492	-232	-47.2

Key figures ProSiebenSat.1 Group

in EUR m

	Dec. 31, 2023	Dec. 31, 2022
Employees ⁽⁴⁾	7,188	7,284
Programming assets	864	1,086
Cash and cash equivalents	573	504
Net financial debt ⁽⁵⁾	1,546	1,613
Leverage ratio ⁽⁶⁾	2.7x	2.4x
P7S1 ROCE (in %) ⁽⁷⁾	11.0	12.4

Further key figures can be found on our Group website at www.ProSiebenSat.1.com. The Annual Report for 2023 as well as the presentation for the Annual Press Conference can also be found there.

(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 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. See Annual Report 2023, section "Planning and Management". (3) For a definition of the adjusted operating free cash flow, please refer to the Annual Report 2023, section "Planning and Management". (4) Full-time equivalent positions as of reporting date. (5) As of December 31, 2023, the definition of ProSiebenSat.1 Group’s net financial debt did not include lease liabilities of EUR 165 million (December 31, 2022: EUR 178 million) and real estate liabilities of EUR 167 million (December 31, 2022: EUR 133 million). (6) Ratio net financial debt to adjusted EBITDA in the last twelve months. (7) Ratio of adjusted EBIT of the last twelve months after corrections to capital employed (average). See Annual Report 2023, section "Planning and Management".

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