Press Release

ProSiebenSat.1 Reports Double-Digit Revenue and Earnings Growth in the First Quarter of 2017

- **Revenues increase by 13 % to EUR 910 million**
- **Adjusted EBITDA rises by 10 % to EUR 188 million**
- **Adjusted net income grows 10 % to EUR 88 million**
- **ProSiebenSat.1 confirms positive revenue and earnings outlook for 2017**

Munich, May 11, 2017. ProSiebenSat.1 Group has started the year 2017 with revenue growth of 13 % to EUR 910 million (previous year: EUR 802 million). At the same time, the Group further increased its relevant earnings figures significantly: Adjusted EBITDA grew by 10 % to EUR 188 million in the first quarter of 2017 (previous year: EUR 170 million), while adjusted net income rose by 10 % to EUR 88 million (previous year: EUR 80 million).

The Digital Ventures & Commerce segment substantially contributed to this profitable and dynamic growth. The segment is growing organically and is benefiting from recent acquisitions. Organic growth of the two digital segments combined amounted to 14 %. In total, ProSiebenSat.1 already generated 50 % of its revenues outside the TV advertising business as of the end of the quarter (previous year: 43 %) and has already achieved about 70 % of its medium-term revenue growth target for the end of 2018.

Thomas Ebeling, CEO of ProSiebenSat.1 Media SE: "We've started well into 2017. The most important growth driver is our commerce portfolio, which has accelerated our revenue growth and sustainably strengthened the earnings base of the Group. Today, we are already generating a significant share of our revenues with new and digital business models. We are well on track to achieve our revenue and profitability targets for 2018."

Broadcasting German-speaking segment grows solidly

External revenues in the Broadcasting German-speaking segment increased by 2 % to EUR 502 million in the first quarter of 2017 (previous year: EUR 493 million). This positive revenue development was in particular driven by increased distribution revenues. As expected, TV advertising revenues were stable and thus developed slightly above market. Adjusted EBITDA increased by 4 % to EUR 137 million (previous year: EUR 132 million).

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Online video business strengthens revenue growth in the Digital Entertainment segment
The most important revenue driver in the Digital Entertainment segment was once again the online video business. While revenues in this strategically relevant business developed dynamically, revenues in the Adjacent business declined. The deconsolidation of the Games business at the end of the second quarter of 2016 also affected the segment growth rate. In this context, external revenues increased by 2 % overall to EUR 97 million (previous year: EUR 95 million). Adjusted EBITDA decreased to minus EUR 2 million (previous year: EUR 0 million). Revenues grew organically by 12 % in this segment.

Digital Ventures & Commerce segment drives growth
External revenues in the Digital Ventures & Commerce segment grew again significantly and totaled EUR 229 million in the first quarter of 2017 (previous year: EUR 150 million). That represents an increase of 53 %. Acquisitions are an important element of the commerce strategy to complement the existing portfolio with value accretive assets. The online dating business with Parship and ElitePartner, which has been fully consolidated since October 2016, made the largest contribution to growth in the first quarter of 2017. Revenue growth of various commerce platforms, and in particular the Lifestyle vertical, had a positive impact on organic growth. Adjusted EBITDA increased by 26 % in total to EUR 47 million (previous year: EUR 37 million).

Content Production & Global Sales segment further increases profitability
In the Content Production & Global Sales segment, external revenues grew by 24 % to EUR 78 million (previous year: EUR 63 million). At the same time, adjusted EBITDA almost doubled, rising by 88 % to EUR 9 million (previous year: EUR 5 million). Revenue growth in the segment was largely organic in the first quarter of 2017, with both the global sales business and production companies in the US performing well.

Adjusted EBITDA for the Group increases by 10 %
Reconciling items included in costs amounted to EUR 25 million in the first quarter of 2017 (previous year: EUR 9 million); these included reorganization expenses related to the purchase of the ATV broadcasting group. Therefore, EBITDA increased only slightly to EUR 163 million (previous year: EUR 162 million). Adjusted EBITDA (adjusted for reconciling items) grew significantly by 10 % or EUR 18 million to EUR 188 million.

Group continues sustainable financing and dividend policy
ProSiebenSat.1 follows specific investment criteria for acquisitions and pursues a sustainable financing policy with a leverage ratio between 1.5 and 2.5. At the end of the first quarter, net financial debt amounted to EUR 1,889 million (December 31, 2016: EUR 1,913 million), resulting in a leverage ratio of 1.8 well within the target range (December 31, 2016: 1.9). Cash and cash equivalents increased to EUR 1,296 million, compared to EUR 1,271 million as of December 31, 2016.

The Group also continues its earnings-oriented dividend policy. As announced in March, ProSiebenSat.1 will therefore propose a dividend increase to EUR 1.90 per share for 2016 (previous year: EUR 1.80) at the Annual General Meeting. This represents a total dividend payout of EUR 435 million. Concurrently, the Company increased its underlying earnings per share for 2016 to EUR 2.37 (previous year: EUR 2.18).

ProSiebenSat.1 confirms positive revenue and earnings outlook for 2017
Following a good first quarter of 2017, ProSiebenSat.1 remains confident that it will achieve significant growth for the full year as well and thus confirms its positive outlook for the Group and its segments, while slightly adjusting its estimate for the German TV advertising market, as it is now expected to develop more moderately in the first half of the year. For the full year, ProSiebenSat.1 anticipates net growth of 1.5 % to 2.5 % for the German TV advertising market (previously 2 to 3 %) and confirms its expectation to grow broadly in line with the market. This growth assumption also takes into account the acquisition related internalization of TV advertising revenues of Parship Elite which were previously recognized as external revenues. At the same time, ProSiebenSat.1 confirms its positive full year targets for the two digital segments: Revenues are expected to grow significantly in both the Digital Entertainment segment and the Digital Ventures & Commerce segment.

ProSiebenSat.1's objective remains to increase consolidated revenues by at least a high single-digit percentage for the full year. Acquisitions accelerated revenue momentum in the past year and will further strengthen growth in 2017. In this context, the Company is also anticipating new record earnings figures: Adjusted EBITDA and adjusted net income are once again expected to exceed the previous year's levels in 2017.

ProSiebenSat.1 Group is thus well on track to achieve its financial targets for 2018. ProSiebenSat.1 is aiming to generate consolidated revenues of EUR 4.5 billion in 2018. The digital business is expected to contribute EUR 1.7 billion in revenues. Adjusted EBITDA is targeted to reach EUR 1.15 billion in 2018.

Note on reporting

With the adjusted net income and the adjusted EBITDA, ProSiebenSat.1 Group also uses non-IFRS figures. Since the beginning of financial year 2017, ProSiebenSat.1 publishes a full income statement adjusted for certain influencing factors. These changes take into account the development of reporting practices for non-IFRS figures and more stringent regulatory transparency requirements in this area.

More key figures can be downloaded on our Group website www.ProSiebenSat1.com, where you will also find the presentation and quarterly statement for the first quarter of 2017.

Key figures of ProSiebenSat.1 Group

EUR m	**Q1 2017**	**Q1 2016**	**Change in %**
Revenues	910	802	+13
Total costs	806	684	+18
Operating costs(1)	727	636	+14
Adjusted EBITDA(2)	188	170	+10
Adjusted EBITDA margin (in %)	20.6	21.2	-0.6 % pts.
EBITDA	163	162	+1
Reconciling items	-25	-9	> 100
EBIT	109	122	-11
Financial result	-11	-24	-53
Consolidated net profit from continuing activities (after non-controlling interests)	64	66	-3
Adjusted net income(3)	88	80(4)	+10
Basic earnings per share (underlying) (in EUR)	0.39	0.37	+3
Free cash flow(4)	-17	-3	n/a
Free cash flow before M&A(5)	30	63	-52
Cash flow from operating activities	303	365	-17

ProSiebenSat.1 Group key figures

EUR m	March 31, 2017	March 31, 2016	December 31, 2016
Equity	1,469	903	1,432
Equity ratio (in percent)	22.1	17.0	21.7
Cash and cash equivalents	1,296	723	1,271
Net financial debt	1,889	1,953	1,913
Leverage(6)	1.8	2.1	1.9

ProSiebenSat.1 Group key figures by segment

EUR m	Q1 2017	Q1 2016	Change in %
Broadcasting German-speaking			
Revenues (external)	502	493	+2
Adjusted EBITDA(2)	137	132	+4
Digital Entertainment			
Revenues (external)	97	95	+2
Adjusted EBITDA(2)	-2	0	n/a
Digital Ventures & Commerce			
Revenues (external)	229	150	+53
Adjusted EBITDA(2)	47	37	+26
Content Production & Global Sales			
Revenues (external)	78	63	+24
Adjusted EBITDA(2)	9	5	+88

(1) Total costs excl. depreciation and amortization and expense adjustments. (2) EBITDA before reconciling items (net). (3) Consolidated profit for the period attributable to shareholders of ProSiebenSat.1 Media SE before the effects of purchase price allocations and additional reconciling items. These include measurement effects on financial investments, put options and earn-out liabilities recognized in the other financial result, inefficiencies from financial derivatives and measurement effects on the Group Share Plans. (4) After M&A; total cash and cash equivalents generated in operating business less the balance of cash used and generated in the context of investing activities. (5) Free cash flow adjusted for cash used and generated by M&A transactions (excl. transaction costs) related to majority acquisitions that are carried out and planned and the purchase and sale of investments accounted for using the equity method. (6) Ratio net financial debt to adjusted EBITDA in the last twelve months.