

Wolfgang Link, Co-CEO Entertainment

Annual General Meeting 2019

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- Check against delivery -

Thanks Max.

Ladies and gentlemen, I would like to take this opportunity to once again bid you a very warm welcome. I am pleased that I can speak to you today.

My name is Wolfgang Link. Since April this year, I, together with my colleague Michaela Tod, have been managing the Entertainment pillar of ProSiebenSat.1 Group as Co-CEO. We have brought together traditional linear TV, our digital business and our sales unit in this area of our company. We are working faster and more directly with one another, enabling us to distribute our content across all platforms in the most effective manner. And, of course, to make our marketing better than ever before.

Ladies and gentlemen, I have been in this industry for over 25 years, so I know the TV business inside out. And so it is with complete confidence that I can say to you: Entertainment has never been as exciting as it is right now.

Why? People have never had such an appetite for entertainment, for good entertainment, and they have never spent so much money on it.

Despite that, some people believe, perhaps even a few of you, that TV is on its way out. I strongly disagree.

It's true that the entire industry is going through a transition, the media landscape is changing rapidly, the linear TV market is facing big challenges.

But it's also true that also large digital companies like Amazon use the power of TV and our extensive reach when they want to advertise new products. You heard me correctly: Amazon is a big, important advertising client of ours.

What Amazon and other clients appreciate is that ProSiebenSat.1 stations have gained market shares over the last twelve months – we have bucked the trend in the market and have grown.

How have we managed that? We are investing much more in local content, in in-house content – whether that's in shows, films or magazines. ProSieben alone has increased its in-house production share in the prime-time slot by 33 percent. What does this mean? On Tuesdays, for example, instead of playing "The Simpsons", the station broadcasts successful shows like "Das Ding des Jahres" or "Joko & Klaas gegen ProSieben." It has paid off. Reach and market shares have clearly grown on this day.

And we have created new opportunities for successful marketing. With a US series, for example, our clients are only able to use very traditional advertising options. Programs produced in-house, on the other hand, offer new opportunities for innovative marketing models. When we started "The Voice of Germany" eight years ago, we have solely been focusing on establishing a successful music show. We did that. "The Voice of Germany" is Germany's most successful music show. Our clients love the program because we have created credible advertising opportunities for them that go beyond the traditional spot. The placement of major brands like Coca Cola or Melitta is standard practice nowadays. With the successful spinoff "The Voice Kids," however, we have gone one step further in 2019. See for yourself...

[The Voice Kids & H&M Trailer]

When we produce content ourselves, we have considerably more rights. Thus, this not only gives us much better marketing opportunities in traditional TV, but we are also able to offer our customers cross-platform solutions. This means that, for a long time now, whenever we make a programming decision we think not only linearly, but also digitally. How can we build exciting digital worlds around an entertainment brand like "Galileo" or "The Biggest Loser"? How can we create our own formats here? We are getting better at this all the time and it is a real growth driver for our digital performance.

Our aim is to have possession and control of as much content as possible, to maximize our reach across all platforms and to generate further revenues through this optimized reach – which will in turn create new potential for growth and investment.

When it comes to creating brands that are both linearly and digitally relevant, ProSiebenSat.1 is a real national champion. I would like you to consider two questions: Which national programs that are available via a streaming service are you familiar with? What are the programs that the whole of Germany has been talking about over the last few weeks? The finale of “Germany’s next Topmodel by Heidi Klum” and the 15, perhaps most extraordinary, minutes of TV created by Joko & Klaas demonstrate that we tell stories that move people. We create brands that are sustainable. And we do that far beyond our formats and programs. Our brands have 35 million fans and followers online. Every single day, hundreds of thousands of people like, share and discuss our content on Facebook, Instagram, Twitter and other social media. It is fitting that we have just signed an agreement with the video platform Facebook Watch. In the future, we will contribute many short videos of our most popular shows, produce exclusive content and thus significantly increase our digital reach.

I would like to highlight something very special that we have managed to achieve, something that many TV providers are no longer able to do nowadays: We are attracting lots of young viewers with our linear offering: We reach 75% of 14- to 29-year-olds every month with our TV stations. And if you add our digital offering on YouTube and our Studio71 multi-channel network with Germany’s most successful influencers, this figure is even higher!

We have recently demonstrated once again how well this approach works with our cross-media campaign for the European elections. With the aid of numerous well-known station celebrities and influencers, we used the full power of our entertainment platforms to inform young people across all channels and to encourage them to vote. Check out one of our campaign’s “get out and vote” spots to see how we did this:

[Joko & Klaas Trailer]

With our content on the elections in our magazine shows such as “taff”, “SAT.1-Frühstücksfernsehen” and “Galileo”, we reached over eleven million people via traditional TV alone. This includes almost three million young viewers up to the age of 29, so primarily first-time or young voters.

You can see that we take our sociopolitical responsibility very seriously. To cater to the growing interest in news and current affairs that can be seen across Europe – and especially with younger people, we are expanding our journalistic capabilities further. At the Unterföhring site, a new editorial team is currently being established. Today, our news programs already reach more young viewers than our competitors: The “ProSieben news” alone reach more young viewers every day than the “heute” main news program on ZDF. In the morning, “SAT.1-Frühstücksfernsehen” reaches more young viewers than the morning programs of ARD, ZDF and RTL put together! With this, we are creating Public Value and are thus an important counterpart in the interaction with the public broadcasters.

Ladies and gentlemen, our Entertainment pillar is clearly positioned for the future. We are investing more in in-house content, but also in attractive programs produced abroad. In big live moments, exciting series and journalistic programs. By doing this, we are strengthening linear TV, growing digitally and monetizing our brands in the best possible way. We are working hard to achieve this every day. With expertise and great passion. I promise you that.

Thank you for your attention.