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## Press release

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### **ProSiebenSat.1 confirms preliminary Q1 figures published on April 22, 2020**

- **Group revenues in the first quarter of 2020 with slight growth of 1% to EUR 926 million; revenues in the non-TV core advertising business account for 52% of Group revenues**
- **Good Group performance until mid-March, then first effects of COVID-19 crisis visible**
- **SevenOne Entertainment Group's revenues decline by 3%, Red Arrow Studios with stable revenues, NuCom Group grows significantly by 15%**
- **Adjusted EBITDA decreases from EUR 190 million to EUR 157 million; adjusted net income from EUR 94 million to EUR 58 million**
- **Solid liquidity position: EUR 898 million cash on balance sheet as per March 31, 2020; in addition, EUR 350 million RCF drawn beginning of April; remaining part of RCF with EUR 400 million available at any time, covenant-free debt documentation**
- **Outlook: COVID-19 pandemic with significant impact on the business across all segments; reliable outlook for the second quarter and the full-year currently not possible; Group already withdrew financial outlook for 2020 on April 22, 2020**

**Unterfoehring, May 7, 2020.** ProSiebenSat.1 confirms the preliminary figures for the first quarter of 2020, which were already published on April 22, 2020: The first quarter was seeing a satisfying performance for ProSiebenSat.1 Group, until the COVID-19 related restrictions on public and economic life began to make first impacts from mid-March on. Overall, the Group closed the quarter with a slight revenue increase of 1% to EUR 926 million (previous year: EUR 913 million). Organically <sup>(1)</sup>, revenues declined marginally by 1%. The non-TV core advertising business accounted for 52% of Group revenues in the first quarter of the year (previous year: 48%); the digital share of Group revenues was 35% (previous year: 30%).

**Rainer Beaujean, Chairman of the Executive Board & Chief Financial Officer of ProSiebenSat.1 Media SE:** "Until Germany's coronavirus related restrictions started, we were performing well in the first quarter. Since then, we have been seeing impacts of the pandemic in many of our businesses. We are therefore systematically addressing all non-business critical costs and setting up ProSiebenSat.1 securely for the future also thanks to a stable liquidity. In this extraordinary situation, special thanks go to our employees, who are creating new programs and advertising ideas and are adapting our productions as well as NuCom Group's services and products to the constantly changing circumstances with impressive creativity, dedication and pragmatism. I am very confident that we will thus navigate ProSiebenSat.1 well through this crisis together."

In the **SevenOne Entertainment Group** (formerly: Entertainment) segment, external revenues decreased by 3% to EUR 563 million (previous year: EUR 579 million). Organically, external revenues likewise declined by 3%. This reflects in particular the 4% decline in total advertising revenues, after the first advertising bookings were canceled in March as a result of COVID-19 in an already challenging market environment. In contrast, the digital and smart advertising business continued to grow dynamically in this environment, increasing by 32%. The distribution business also developed positively again.

As a system relevant media company, ProSiebenSat.1 is assuming more than ever the Group's social responsibility to provide viewers with regular, relevant and reliable information. Across all channels and platforms, the Group has therefore offered daily news updates in the station's news and magazines as well

as in special programming since the start of the coronavirus pandemic. At the same time, ProSiebenSat.1 is fulfilling the viewers' need for distraction, which has grown considerably in the current situation, with the stations' numerous entertainment programs. Since mid-March, the Group has seen an increase in viewing time both linear and digital: In March, Total Video Viewtime, i.e. the total number of minutes viewed on all of the Group's linear channels and digital entertainment platforms, rose by 16% compared to the previous month, and unique users of the streaming platform Joyn grew by 12% compared with February 2020 to around 4 million.

The impact of COVID-19 related governmental restrictions were also already visible in the **Red Arrow Studios** (formerly: Content Production & Global Sales) segment. External revenues were on a par with the previous year at EUR 134 million (previous year: EUR 135 million). Organically, thus adjusted for currency effects, revenues declined by 3%. The US production business in particular was affected by order delays and cancellations in March, which was however offset by the strong growth of digital studio Studio71.

The **NuCom Group** (formerly: Commerce) segment grew significantly by 15% in the first quarter, generating external revenues of EUR 228 million (previous year: EUR 199 million). Organic growth was 8%. While the initial consolidation of Aroundhome, an online broker for products and services related to the home, had a positive impact on reported revenues, online matchmaking business of Parship Group with eharmony, online beauty provider Flaconi, and Windstar Medical's OTC business saw considerable organic growth. At the same time, however, the initial impact of the near-global travel restrictions and lockdown measures was already strongly visible especially in the business of the portfolio companies Billiger Mietwagen (Silvertravels) and Jochen Schweizer mydays.

The Group's adjusted EBITDA decreased by 17% to EUR 157 million in the first quarter (previous year: EUR 190 million), in particular due to the lower revenues in the TV advertising business and the segments' different earnings structures, as the Group primarily grew in lower-margin businesses and against that recorded a decline in its high-margin TV advertising business. Adjusted net income reflected this development and therefore decreased to EUR 58 million (previous year: EUR 94 million).

At the end of the first quarter of 2020, the Group's liquidity position remains solid with a cash position of EUR 898 million. In addition, the Group has drawn EUR 350 million of its syndicated revolving credit facility (RCF) of EUR 750 million at the beginning of April to ensure access to the company's liquidity reserves at all times in view of the COVID-19 environment. A further EUR 400 million RCF is available to be drawn at any time. The Group's financing instruments are without financial covenant obligations and have a remaining volume-weighted tenor of over three years with final maturities in 2024/26. As per end of the first quarter 2020, ProSiebenSat.1 Group's gross debt position was EUR 3,192 million, the net financial debt position was EUR 2,294 million and the leverage ratio 2.7x. At the same time, ProSiebenSat.1 affirms the Group's general target of a leverage ratio (the ratio of the Group's net financial debt to its LTM adjusted EBITDA) between 1.5 and 2.5x.

## Outlook

ProSiebenSat.1 Group expects that its business across all segments will be heavily impacted by the COVID-19 pandemic: The last two weeks of March already saw first effects. For the month of April 2020, TV core advertising revenues were down by around 40% compared to the previous year as already announced. Red Arrow Studios' business continues to be impacted by postponements of productions, while at NuCom Group, ProSiebenSat.1 sees a mixed picture as some assets are more affected by the restrictions of public life than others.

The Group's financial outlook 2020, published beginning of March 2020, was explicitly made without considering the possible negative implications of the COVID-19 pandemic. This financial outlook for 2020 included targets for Group revenues, Group adjusted EBITDA, adjusted net income, free cash flow before M&A and the Group's leverage. However, due to the significant economic uncertainties resulting from the COVID-19 pandemic with regard to the duration and severity of the crisis, it is currently not possible for the

Executive Board to provide a reliable outlook for the second quarter and the full-year. Currently, it can be assumed that it will not be possible to achieve all the targets stated in the financial outlook published at the beginning of March. The financial outlook for the full-year 2020 was therefore already withdrawn on April 22, 2020.

In this environment, the management has implemented business continuity plans and is very focused on actively managing the Group's cost base, cash flow and profitability. The Group continues to focus on its strategic core projects and has at the same time taken various countermeasures in all business areas to mitigate negative effects on the Group's profitability and to secure its liquidity. The measures include in particular reduced investments in program that are approximately EUR 50 million lower than in the previous year. In addition, the Group is currently reducing IT expenses and other operating expenses such as travel and consulting costs. With the Group already making use of the German instrument of short-time work in some NuCom Group assets, ProSiebenSat.1 is also evaluating further application within the Entertainment business. NuCom Group is focusing primarily on marketing investments on the ProSiebenSat.1 platforms, thereby strengthening cost synergies within the Group. This way, the Group is preparing for various forms of crisis in terms of duration and intensity, to be able to cope with a potentially longer-lasting crisis and make up lost ground in a subsequent recovery phase. Measures to secure liquidity include the adjustment of tax pre-payments as well as the improvement of payment terms. To ensure liquidity also in a possibly longer-lasting COVID-19 crisis, the Executive Board and the Supervisory Board decided on April 22, 2020, to propose to the Annual General Meeting to not pay-out a dividend for fiscal year 2019. At the same time, the Group has confirmed its current dividend policy with a pay-out-ratio of 50% of Group adjusted net income.

With these measures, ProSiebenSat.1 is preparing to further drive the Group's strategy after the crisis has been overcome and to fully focus on its German-speaking Entertainment business. Local and digital offerings, in particular the expansion of the streaming platform Joyn, as well as the close cooperation with Red Arrow Studios and Studio71, will play an important role in order to strengthen reach and thus monetization, as well as to reduce dependence on TV advertising revenues, thus creating long-term value for the Group's stakeholders.

(1) Organic = adjusted for portfolio and currency effects

Further key figures can be found on our Group website at [www.ProSiebenSat1.com](http://www.ProSiebenSat1.com). The presentation and Quarterly Statement for the first quarter of 2020 will also be available here from 7:30 a.m. on May 7, 2020.

### Key figures for ProSiebenSat.1 Group in EUR m

	Q1 2020	Q1 2019	Change in %
Revenues	926	913	1%
Total costs	-853	-793	8%
Operating costs <sup>(1)</sup>	-776	-732	6%
Adjusted EBITDA <sup>(2)</sup>	157	190	-17%
Adjusted EBITDA margin (in %)	16.9%	20.8%	-3.9 ppts
EBITDA	145	180	-20%
Reconciling items	-12	-10	22%
Operating result (EBIT)	80	129	-38%
Financial result	-38	49	~
Net income	31	121	-75%
Net income attributable to shareholders of ProSiebenSat.1 Media SE	37	122	-70%
Net income attributable to non-controlling interests	-7	-1	~
Adjusted net income <sup>(3)</sup>	58	94	-38%
Adjusted earnings per share (in EUR)	0.26	0.42	
Free cash flow <sup>(4)</sup>	-50	-54	-9%
Free cash flow before M&A <sup>(5)</sup>	-28	-61	-54%
Cash flow from operating activities	286	314	-9%

### Key figures for ProSiebenSat.1 Group in EUR m

Mar. 31, 20    Dec. 31, 19    Mar. 31, 19

Equity	1,357	1,288	1,271
Equity ratio (in %)	20.6%	19.5%	19.3%
Cash and cash equivalents	898	950	989
Net financial debt <sup>(6)</sup>	2,294	2,245	2,206
Leverage ratio <sup>(7)</sup>	2.7x	2.6x	2.2x

### Segment key figures for ProSiebenSat.1 Group in EUR m

	Q1 2020	Q1 2019	Change in %
<b>SevenOne Entertainment Group</b>			
Revenues	581	596	-3%
External revenues	563	579	-3%
Adjusted EBITDA <sup>(2)</sup>	141	178	-21%
<b>Red Arrow Studios</b>			
Revenues	152	148	3%
External revenues	134	135	0%
Adjusted EBITDA <sup>(2)</sup>	8	8	0%
<b>NuCom Group</b>			
Revenues	229	199	15%
External revenues	228	199	15%
Adjusted EBITDA <sup>(2)</sup>	15	19	-20%
<b>Reconciliation (Holding &amp; Other)</b>			
Adjusted EBITDA <sup>(2)</sup>	-8	-16	-49%

(1) Total costs excl. D&A and expense adjustments. (2) EBITDA before reconciling items. (3) Net income attributable to shareholders of ProSiebenSat.1 Media SE before the depreciation, amortization and impairments from purchase price allocations, adjusted for the reconciling items. These include valuation effects recognized in other financial result, valuation effects of put-options and earn-out liabilities, as well as valuation effects from interest rate hedging transactions. Moreover, the tax effects resulting from such adjustments are also adjusted. (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) As of March 31, 2020, the definition of ProSiebenSat.1 Group's net financial debt does not include lease liabilities according to IFRS 16 of EUR 180 million (December 31, 2019: EUR 171 million; March 31, 2019: EUR 170 million). Also not included are real estate liabilities of EUR 53 million (December 31, 2019: EUR 48 million; March 31, 2019: EUR 37 million). (7) Ratio of net financial debt to adjusted EBITDA in the last twelve months.

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