
Press release



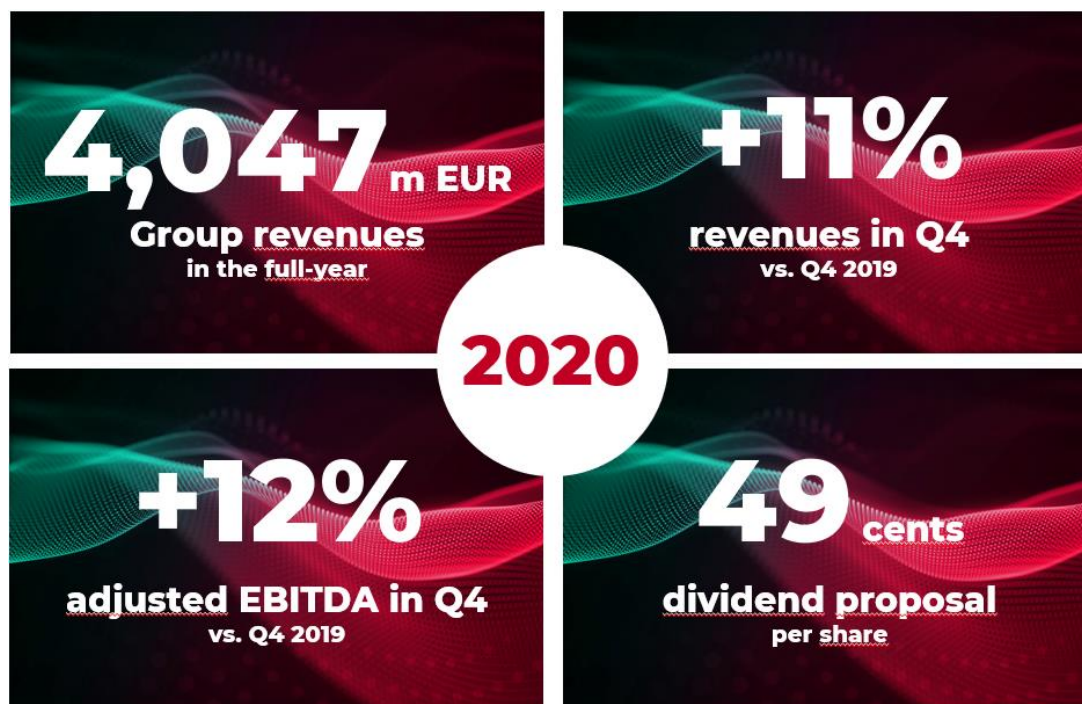
ProSiebenSat.1 Group closes 2020 with strong fourth quarter: Growth of 11% in revenues and 12% in adjusted EBITDA

2020 results

- Revenue increase in the fourth quarter driven by growth in all segments
- Group revenues for the full-year with EUR 4.047 billion only slightly below previous year; Group closes 2020 with adjusted EBITDA of EUR 706 million and adjusted net income of EUR 221 million
- Net financial debt reduces from EUR 2.245 billion to EUR 1.968 billion
- Executive Board and Supervisory Board propose dividend of EUR 0.49 per share

2021 outlook

- ProSiebenSat.1 focuses even more strongly on synergies as well as on profitable growth and from now on reports in the segments Entertainment, Dating and Commerce & Ventures
- Full-year outlook: ProSiebenSat.1 targets revenue growth to between EUR 4.150 billion and EUR 4.350 billion and an increase in adjusted EBITDA to between EUR 720 million and EUR 780 million, depending in particular on the development of advertising revenues in the region of Germany, Austria and Switzerland in the context of the further course of the COVID-19 pandemic



Unterföhring, March 4, 2021. ProSiebenSat.1 Group closed the year 2020 with a strong fourth quarter: In this period, Group revenues increased by 11% to EUR 1,492 million (previous year: EUR 1,349 million). All segments contributed to this growth. Especially the 3% increase in entertainment advertising revenues,

continued dynamic revenue development of the online beauty provider Flaconi and the positive effects of the acquisition of the US online dating company The Meet Group were the drivers in the fourth quarter. Also Red Arrow Studios achieved significant growth year-on-year. The Group thus generated total revenues of EUR 4,047 million in full-year 2020 (previous year: EUR 4,135 million) and was therefore only 2% below the previous year despite the effects of the COVID-19 pandemic, which significantly impacted the Group's business in the second quarter in particular. The Group therefore also confirms its preliminary full-year figures published on January 21, 2021.

Rainer Beaujean, Chairman of the Executive Board & CFO of ProSiebenSat.1 Media SE: "We came out of the COVID-19 crisis quickly and strongly in 2020. We demonstrated this with strong performance and growth in all segments in the fourth quarter. In this traditionally important final quarter, our advertising business and international program production business continued to recover. We also remain very satisfied with the development of ParshipMeet Group. In addition to the consolidation effects from The Meet Group, its growth has also continued organically and in a profitable manner. As a result, we managed to noticeably exceed our most recent full-year forecast in terms of revenues and earnings. We are starting the new year with optimism: Although the first quarter will initially be impacted by the COVID-19 restrictions, we are confident that our business is robust and expect a significant upturn in the course of the year as soon as the environment returns to normal."

Operating performance

Seven.One Entertainment Group's external revenues grew by 2% to EUR 826 million in the fourth quarter of 2020 (previous year: EUR 813 million). This was driven by the further recovery in advertising revenues, which increased by 3% in this period. This underlines how the Group has continuously improved in the important advertising business over the course of the COVID-19 pandemic (advertising revenues Q2: -37%; Q3: -6%). The Group's entertainment and infotainment offerings, which were particularly strong in prime time, also contributed to this positive development. Due to the effects of the COVID-19 pandemic, the segment's external revenues fell by 9% to EUR 2,286 million in the full-year (previous year: EUR 2,518 million).

The **ParshipMeet Group** segment generated external revenues of EUR 132 million in the fourth quarter of 2020 after EUR 53 million in the previous year. Besides the initial consolidation of The Meet Group, which has been part of the Group since September 2020, the organic development of Parship Group and especially the US dating platform eharmony was again very positive in the fourth quarter as well as in the full-year. ParshipMeet Group generated external revenues of EUR 333 million (previous year: EUR 209 million) in the full-year, which equates to a year-on-year increase of 59%. Organic⁽¹⁾ growth was 11%.

External revenues in the **NuCom Group** segment increased by 8% to EUR 315 million in the fourth quarter of 2020 (previous year: EUR 293 million). In particular, the beauty and lifestyle business with the online beauty provider Flaconi continued its dynamic revenue growth with significant gains and thus more than offset the declines at portfolio companies like billiger-mietwagen.de (SilverTours) and Jochen Schweizer mydays that were still affected by the consequences of the COVID-19 pandemic. Furthermore, the deconsolidation of the OTC provider WindStar Medical in December had a slightly contrary effect in the fourth quarter. In the full-year, NuCom Group recorded growth of 7% to EUR 807 million (previous year: EUR 756 million).

While in the **Red Arrow Studios** segment the effects of the COVID-19 pandemic were particularly noticeable in the second quarter, the international program production business continued to recover in the fourth quarter of 2020 and, like the global sales business and the digital studio Studio71, recorded clear growth. At EUR 218 million (previous year: EUR 191 million), the segment's external revenues in the last three months of 2020 grew by 14% compared to the previous year, partly due to catch-up effects, but

did not fully offset the decline in the first nine months of 2020. In the full-year, external revenues decreased by 5% to EUR 620 million (previous year: EUR 652 million).

The Group's **adjusted EBITDA** grew by 12% to EUR 377 million (previous year: EUR 338 million) due to the positive development in the fourth quarter of 2020. Accordingly, adjusted EBITDA for the full-year exceeded the Group's most recent forecast: ProSiebenSat.1 ended 2020 with adjusted EBITDA of EUR 706 million and thus down 19% on the previous year (previous year: EUR 872 million). **Net income** also increased considerably in the fourth quarter of 2020, improving by 30% to EUR 213 million (Q4 previous year: EUR 164 million; full-year: EUR 252 million, FY previous year: EUR 412 million). **Adjusted net income** developed accordingly and increased by 14% to EUR 185 million in the fourth quarter of 2020 (previous year: EUR 162 million). In the full-year, adjusted net income amounted to EUR 221 million (previous year: EUR 387 million), with this development being mainly attributable to the strong COVID-19 impact in the second quarter.

Since financial year 2018, ProSiebenSat.1 Media SE has pursued a general dividend policy of distributing around 50% of adjusted net income to the shareholders as a **dividend**. In line with the distribution policy, the Executive Board and the Supervisory Board will propose a dividend of 50% of adjusted net income or EUR 0.49 per share to the Annual General Meeting for financial year 2020. This corresponds to a dividend yield of 3.6% based on the closing price of the ProSiebenSat.1 share at the end of 2020.

The Group's **net financial debt** fell to EUR 1.968 billion as of the end of 2020 (previous year: EUR 2.245 billion) due to good cash flow development. Accordingly, the **leverage ratio** as of December 31, 2020, decreased to 2.8x compared with the end of the third quarter of 2020 (end of Q3 2020: 3.7x; previous year: 2.6x). In this context, the Group also exercised its early redemption call for its EUR 600 million notes, which were scheduled to be repaid in April 2021, and has already prepaid the notes at nominal value on January 15, 2021.

Strategy and priorities for 2021

ProSiebenSat.1 Group has been set up in the three segments Entertainment, Dating and Commerce & Ventures since January 1, 2021, in order to focus even more strongly on synergies and profitable growth. In this context, Red Arrow Studios' production and distribution business as well as the digital studio Studio71 are integrated into the Entertainment segment. ProSiebenSat.1 thus takes the strategic proximity of these businesses into account, as Red Arrow Studios is focusing in particular on producing more content for the Group's entertainment platforms. Since the core competencies and the complete value chain of the entertainment business are therefore represented in one segment, we bundle the Group's minority and majority investment areas in the new Commerce & Ventures segment. This includes the investment arm SevenVentures as well as the companies of NuCom Group. ProSiebenSat.1 is building up these companies with media services and support, which further promotes the Group's growth strategy. The Dating segment, which includes ParshipMeet Group, is unchanged compared to the end of 2020 and is expected to be a major driver of the Group's diversification and to provide significant support for its future growth.

Rainer Beaujean, Chairman of the Executive Board & CFO of ProSiebenSat.1 Media SE: "With our new set up, we are increasingly focusing on exploiting synergies within and between our business areas and thus creating added value as a Group. In the entertainment business, we are laying a profitable foundation for our diversification with a focus on local content and improved monetization across all platforms. While we are now preparing ParshipMeet Group for its IPO, we want to show in the Commerce & Ventures segment how we can use the power of advertising to build digital companies into leading consumer brands by way of minority and majority investments. In this way, we want to grow profitably with a clear focus on earnings and, in the mid-term, to improve our P7S1 ROCE (return on capital employed) target to over 15%."

Outlook

ProSiebenSat.1 Group pursues a clear strategy aiming at sustainable and profitable growth. As the macro-economic development in ProSiebenSat.1 Group's core markets remains uncertain also in financial year 2021 due to the ongoing COVID-19 pandemic, the Group has decided to provide ranges for its revenue and adjusted EBITDA outlook that take this environment into account. In line with the government measures in the core markets of Germany, Austria and Switzerland known by the time the 2020 Annual Report was prepared on February 25, 2021, the Group has taken into account in its outlook adverse effects on the business that are foreseeable as a result of the COVID-19-related restrictions in place at the beginning of 2021. Further restrictions which could additionally impact the ProSiebenSat.1 business are not reflected in this outlook.

For ProSiebenSat.1 Group, the main currency besides the Euro remains the US Dollar, especially after the acquisition of The Meet Group. The Group anticipates an US Dollar share in Group revenues for 2021 of c. 20% and for adjusted EBITDA of c. 15%. An average strengthening or weakening of the US Dollar in relation to the Euro by 1 Cent over the entire financial year impacts Group revenues by c. EUR 7 million and adjusted EBITDA by c. EUR 1 million. For the outlook regarding all following figures, the Group uses a EUR/USD exchange range of c. USD 1.22 to the Euro in the financial year 2021.

On this basis, for the 2021 financial year the Group is targeting – without further portfolio changes – revenues of EUR 4.150 billion as the lower end of the target range and revenues of EUR 4.350 billion as the upper end of the target range after a previous-year figure of EUR 4.055 billion (adjusted for currency and portfolio effects)⁽²⁾. In financial year 2021, Group revenue growth would thus be in a range between 2% and 7%. The range of the target figures depends particularly on the development of advertising revenues in the region of Germany, Austria and Switzerland in the context of the further course of the COVID-19 pandemic. For the lower end of the revenue target range, the Group assumes a year-on-year decline of 2% in advertising revenues in the region of Germany, Austria and Switzerland; a year-on-year advertising revenue growth of 4% in the region of Germany, Austria and Switzerland is the basis for the upper end of the revenue target range. In all scenarios, the Group assumes that particularly the first quarter will be impacted by lockdown-related restrictions and a subsequent fast recovery of the advertising market is to be expected.

Based on the revenue assumptions above, for the full-year of 2021 ProSiebenSat.1 anticipates a Group adjusted EBITDA – without further portfolio changes – of EUR 720 million as the lower end of the target range and EUR 780 million as the upper end of the target range after a previous-year figure of EUR 708 million (adjusted for currency and portfolio effects)⁽³⁾. For the full-year, program costs are expected to amount to c. EUR 1 billion, with over half of this relating to local content and with a possibility of being varied in the amount of around EUR 50 million depending on the development of the advertising market.

The adjusted net income of the Group is mainly determined by the development of the adjusted EBITDA. Furthermore, this key figure is influenced by the financial result, which includes among others the at-equity investment in the streaming platform Joyn, and by income taxes. On this basis and without further portfolio changes, the Group expects that the adjusted net income for the full year 2021 should be above the previous year's figure of EUR 221 million.

From 2021, the adjusted operating free cash flow replaces the free cash flow before M&A as the relevant cash flow performance indicator for the Group. The adjusted operating free cash flow is based on the development of the adjusted EBITDA. Reaching a midpoint of the adjusted EBITDA target range, the Group assumes that the adjusted operating free cash flow for the full-year, – for reasons of comparability corrected for the change of IFRS 16 investments in relation to the construction of the new campus at the premises in Unterföhring – should develop in a mid-double-digit million euro range around the previous year's figure of EUR 424 million.

ProSiebenSat.1 Group measures the mid-term financial success of the company on the basis of P7S1 ROCE (return on capital employed). The Group introduced this key financial indicator as a key figure for the entire Group in 2020. In financial year 2021, we target a P7S1 ROCE of more than 10% (previous year: 10%). For the Group as a whole, this key figure is expected to exceed 15% in the mid-term.

ProSiebenSat.1 aims for a leverage ratio (the ratio of the Group's net financial debt to its LTM adjusted EBITDA) in a range between 1.5x and 2.5x. At the end of 2021, the Group anticipates – depending on business performance and not including any portfolio changes – a leverage ratio slightly above or at the upper end of the target corridor (previous year: 2.8x).

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

(2) Based on revenues in financial year 2020 translated at the exchange rates used for planning purposes in financial year 2021 less revenues of the companies deconsolidated in 2020 – WindStar Medical at EUR 114 million and myLoc at EUR 10 million – plus pro forma revenues for The Meet Group between January and August 2020 of EUR 173 million, also translated at the exchange rate used for planning purposes in financial year 2021.

(3) Based on adjusted EBITDA in financial year 2020 translated at the exchange rates used for planning purposes in financial year 2021 less adjusted EBITDA of the companies deconsolidated in 2020 – WindStar Medical at EUR 23 million and myLoc at EUR 3 million – plus the pro forma adjusted EBITDA contributions for The Meet Group between January and August 2020 of EUR 33 million, also translated at the exchange rate used for planning purposes in financial year 2021.

Further key figures can be found on our Group website at www.ProSiebenSat1.com. The presentation and the 2020 Annual Report will also be available here from 7:30 a.m. on March 4, 2021.

Key figures of ProSiebenSat.1 Group in EUR m

	Q4 2020	Q4 2019	Change in %	2020	2019	Change in %
Revenues	1,492	1,349	11%	4,047	4,135	-2%
Adjusted EBITDA ⁽¹⁾	377	338	12%	706	872	-19%
Adjusted EBITDA margin (in %)	25.3%	25.1%	0.2 pp	17.4%	21.1%	-3.7 pp
EBITDA	461	332	39%	801	838	-4%
Operating result (EBIT)	394	242	63%	553	578	-4%
Financial result	-99	-26	~	-183	-6	~
Net income	213	164	30%	252	412	-39%
Attributable to shareholders of ProSiebenSat.1 Media SE	214	164	31%	267	413	-35%
Attributable to non-controlling interests	-1	0	~	-15	-1	~
Adjusted net income ⁽²⁾	185	162	14%	221	387	-43%
Adjusted earnings per share (in EUR)	0.82	0.72		0.98	1.71	
Free cash flow ⁽³⁾	548	357	54%	120	207	-42%
Free cash flow before M&A ⁽⁴⁾	290	376	-23%	235	339	-31%
Cash flow from operating activities	687	709	-3%	1,511	1,603	-6%

Key figures of ProSiebenSat.1 Group in EUR m

	Dec. 31, 2020	Dec. 31, 2019
Equity	1,687	1,288
Equity ratio (in %)	23.8%	19.5%
Cash and cash equivalents	1,224	950
Net financial debt ⁽⁵⁾	1,968	2,245
Leverage ratio ⁽⁶⁾	2.8x	2.6x

Segment key figures of ProSiebenSat.1 Group in EUR m

	Q4 2020	Q4 2019	Change in %	2020	2019	Change in %
Seven.One Entertainment Group						
Revenues	867	850	2%	2,374	2,604	-9%
External revenues	826	813	2%	2,286	2,518	-9%
Adjusted EBITDA ⁽¹⁾	302	291	4%	571	787	-28%
ParshipMeet Group						
Revenues	132	53	>100%	333	209	59%
External revenues	132	53	>100%	333	209	59%
Adjusted EBITDA ⁽¹⁾	29	14	>100%	80	44	81%
NuCom Group						
Revenues	320	299	7%	823	775	6%
External revenues	315	293	8%	807	756	7%
Adjusted EBITDA ⁽¹⁾	31	33	-6%	32	54	-41%
Red Arrow Studios						
Revenues	235	222	6%	684	730	-6%
External revenues	218	191	14%	620	652	-5%
Adjusted EBITDA ⁽¹⁾	18	22	-20%	42	48	-13%
Reconciliation (Holding & other)						
Adjusted EBITDA ⁽¹⁾	-3	-22	-85%	-19	-62	-69%

(1) EBITDA before reconciling items. (2) 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, valuation effects from interest rate hedging transactions as well as other material one-time items. (3) 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. (4) 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. (5) As of December 31, 2020, the definition of ProSiebenSat.1 Group's net financial debt does not include lease liabilities according to IFRS 16 in the amount of EUR 228 million (previous year: EUR 171 million). In addition, it does not include real estate liabilities in the amount of EUR 71 million (previous year: EUR 48 million). (6) Ratio of net financial debt to adjusted EBITDA in the last twelve months.

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