
Press release



ProSiebenSat.1 starts 2023 as expected and confirms full-year outlook

- **Group revenues in the first quarter as announced below previous year:** Group revenues are still impacted by the challenging macroeconomic environment in the German-speaking region as well as consolidation effects and declined to EUR 816 million in the first quarter of 2023.
- **Advertising market still very sensitive to the economy:** Due to the ongoing consumer restraint, TV advertising revenues declined in the first quarter of 2023, while revenues from digital & smart advertising increased.
- **Commerce & Ventures segment with clear revenue growth:** The most important growth drivers were the Beauty & Lifestyle business with flaconi and the online comparison portal Verivox (Consumer Advice).
- **Earnings impacted by development of the high-margin advertising business:** As expected, adjusted EBITDA in the first quarter was significantly below the previous year at EUR 53 million.
- **Full-year outlook confirmed under the assumption of a significant recovery of the economy and advertising business in the second half of the year:** ProSiebenSat.1 expects slight organic revenue growth to around EUR 4.10 billion with a variance of plus/minus EUR 150 million and adjusted EBITDA of around EUR 600 million with a variance of plus/minus EUR 50 million.
- **Focus on organizational transformation:** The Group is expanding the strategically relevant business areas and putting Joyn at the center of its entertainment activities. At the same time, ProSiebenSat.1 is focusing on cost efficiency, profitability and cash flow.

Unterföhring, May 26, 2023. ProSiebenSat.1 Group closed the first quarter of 2023 in line with expectations: Group revenues are still impacted by the challenging macroeconomic environment and were thus 13% below the previous year at EUR 816 million in the first three months of the year (previous year: EUR 941 million). In particular as a result of the restraint in the advertising market as well as consolidation effects, revenues in the Entertainment business declined by 20% in the first quarter. The revenue increase of 17% in the Commerce & Ventures segment partially compensated for this. Organically¹, Group revenues were down 8% year-on-year.

Bert Habets, Group CEO of ProSiebenSat.1 Media SE: “As expected, the macroeconomic environment continued to directly impact our advertising business in the first quarter of 2023. This is expected to continue in the second quarter, although somewhat less pronounced. We are already seeing significant improvements in advertising bookings in June compared to the previous months. Therefore, we currently expect adjusted EBITDA in the second quarter to be in the mid to high double-digit million EUR range. At the same time, we expect a significant recovery of our very profitable advertising business in the second half of the year, in parallel with the forecast economic upturn. In 2023, we are laying the foundation for profitable growth in the long-term. We are thus focusing clearly on cost efficiency and making targeted investments in the areas that are strategically important to us in order to make our offerings even more attractive, especially digitally. In this context, the focus is on Joyn. With the launch of our streaming platform in Austria, we have shown that a joint platform of private and public content is possible. We are also working intensively on this in Germany. Ultimately, it's about giving viewers the best possible offer, directly addressing their needs and habits.”

Operational development

In the first quarter of 2023, **external revenues** in the **Entertainment segment** decreased by 20% to EUR 527 million (previous year: EUR 663 million). Consolidation effects also had a negative impact on segment revenues: Due to its focus on the German-speaking region, ProSiebenSat.1 sold the US production business of Red Arrow Studios as of July 1, 2022, which had still contributed revenues of EUR 60 million in the first quarter of the previous year. Organically¹, segment revenues were therefore 14% below the previous year. This is mainly due to the 12% decline in advertising revenues in the German-speaking region. As expected, consumer spending in the German-speaking region was also still significantly impacted by the challenging macroeconomic environment in the first quarter of 2023. In addition, the previous year's quarter was not yet comparably impacted by the consequences of the Russia/Ukraine war, which broke out at the end of February 2022. At the same time, the decline in TV advertising revenues in the German-speaking region was partially compensated by growth in digital & smart advertising revenues, which increased by 8% in the German-speaking region. This is primarily driven by the positive development of the streaming platform Joyn and the audio segment.

In the **Commerce & Ventures segment**, **external revenues** grew to EUR 172 million in the first quarter of 2023 (previous year: EUR 147 million), an increase of 17%. Organic¹ growth amounted to 18%. The most important growth drivers were the Beauty & Lifestyle business with flaconi and the online comparison portal Verivox. After prices for electricity and gas fell in the first quarter of 2023, competition picked up and consumers had incentives to switch tariffs, Verivox was able to significantly increase its revenues again. In contrast, the media-for-revenue and media-for-equity business of SevenVentures declined as expected, reflecting the current advertising market environment.

External revenues in the **Dating & Video segment** were at EUR 117 million, down by 11% year-on-year. Adjusted for currency effects of EUR 4 million, the decline was 14%. After the video business had grown very dynamically during the COVID-19 pandemic and the associated restrictions on public life, its revenues now declined at a high level in a very competitive environment, although still clearly above the pre-pandemic level. In contrast, dating revenues were only slightly down on the previous year. The US subsidiary eharmony, the highest-revenue brand in the dating portfolio, once again recorded significant growth, while the development of dating platforms in the German-speaking region was impacted by the ongoing consumer restraint.

In line with the revenue development, also the Group's earnings figures declined in a very challenging market environment: As already announced, **adjusted EBITDA** decreased to EUR 53 million (previous year: EUR 112 million), while **adjusted net income** amounted to minus EUR 15 million (previous year: EUR 38 million). As expected, especially the highly profitable but at the same time very cyclically sensitive advertising business negatively influenced profitability in the first quarter of 2023. Consolidation effects also had an impact: The full consolidation of Joyn as of October 31, 2022, resulted in a negative earnings effect in the amount of EUR 14 million.

The Group's **net financial debt** decreased slightly to EUR 1,682 million as of March 31, 2023, compared to the end of the previous year's quarter (December 31, 2022: EUR 1,613 million; March 31, 2022: EUR 1,740 million). The **leverage ratio** (ratio of net financial debt to LTM adjusted EBITDA) was 2.7x (December 31, 2022: 2.4x; March 31, 2022: 2.1x), reflecting especially the decrease in adjusted EBITDA.

Outlook

ProSiebenSat.1 confirms the Group's forecast² for the financial year 2023: This continues to be based on the assumption that ProSiebenSat.1's business – and in particular its high-margin advertising business – will be heavily impacted by the weaker macroeconomic environment in the first half of the year. At the same time, as an early-cyclical company we are likely to benefit from the forecast economic recovery in the second

half of 2023, as the advertising revenues in particular correlate closely with the macroeconomic development.

On this basis, ProSiebenSat.1 Group continues to expect for full-year 2023 **Group revenues** of around EUR 4.10 billion with a variance of plus/minus EUR 150 million (previous year's figure adjusted for currency and portfolio effects: EUR 4.02 billion³) and **adjusted EBITDA** of around EUR 600 million with a variance of plus/minus EUR 50 million (previous year's figure adjusted for currency and portfolio effects: EUR 623 million⁴). This expectation includes negative consolidation effects in the mid two-digit million EUR amount from the complete takeover of the streaming platform Joyn. Opposing effects with a pro rata impact in 2023 from a cost reduction program initiated by the Group at the beginning of the year are also reflected here. ProSiebenSat.1 assumes the development of adjusted EBITDA during the year – in line with revenues – to be divided into two parts: considerable negative effects on adjusted EBITDA in the first half of 2023 contrasting with significant catch-up effects in the second half.

ProSiebenSat.1 also confirms the outlook for the other most important financial performance indicators as published in the Annual Report on April 28, 2023 (Annual Report 2022, pp. 198-201).

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

(2) Excluding further portfolio changes. For the outlook regarding all the key figures described, the Group uses a EUR/USD exchange rate of USD 1.05 to the euro in financial year 2023.

(3) Based on revenues in financial year 2022 translated at the exchange rates used for planning purposes in financial year 2023 less the revenues of companies deconsolidated in 2022, in particular of the US production business of Red Arrow Studios totaling EUR 135 million. The revenue contribution in particular of Joyn GmbH, which has been fully consolidated since November 2022, was proforma for the months January to October 2022. This results in a change in the Group's external revenues of minus EUR 4 million.

(4) Based on adjusted EBITDA in financial year 2022 translated at the exchange rates used for planning purposes in financial year 2023 less the adjusted EBITDA of the companies deconsolidated in 2022, in particular of the US production business of Red Arrow Studios in a non-significant amount. The adjusted EBITDA contribution in particular of Joyn GmbH, which has been fully consolidated since November 2022, was proforma for the months January to October 2022. This results in a change in the Group's adjusted EBITDA of minus EUR 55 million.

Further key figures can be found on our Group website at www.ProSiebenSat1.com. The quarterly statement for the first quarter of 2023 and the presentation will also be available here from 7:30 a.m. on May 26, 2023.

Key figures of ProSiebenSat.1 Group in EUR m

	Q1 2023	Q1 2022 ⁽¹⁾	Absolute change	Change in %
Revenues	816	941	-125	-13.3
Adjusted EBITDA ⁽²⁾	53	112	-59	-52.3
Adjusted net income ⁽³⁾	-15	38	-53	~
Adjusted operating free cash flow ⁽⁴⁾	-24	145	-149	~

Key figures of ProSiebenSat.1 Group in EUR m

	March 31, 2023	Dec. 31, 2022	March 31, 2022 ⁽¹⁾
Employees ⁽⁵⁾	7,385	7,284	7,923
Programming assets	1,114	1,086	1,128
Cash and cash equivalents	436	504	706
Net financial debt ⁽⁶⁾	1,682	1,613	1,740
Leverage ratio ⁽⁷⁾	2.7x	2.4x	2.1x

(1) Prior-year figures partly adjusted as described in the Annual Report 2022, Notes to Consolidated Financial Statements, note 3 "Changes in reporting standards and accounting policies". (2) EBITDA before reconciling items. (3) Net income attributable to shareholders of ProSiebenSat.1 Media SE before the 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 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. Please refer to the "Planning and Management" section of the 2022 Group Management Report. (4)

For a definition of the adjusted operating free cash flow, please refer to the “Planning and Management” section of the 2022 Group Management Report. (5) Full-time equivalent positions as of reporting date. (6) As of March 31, 2022, the definition of ProSiebenSat.1 Group’s net financial debt does not include lease liabilities in accordance with IFRS 16 of EUR 175 million (December 31, 2022: EUR 178 million; March 31, 2022: EUR 217 million) and real estate liabilities of EUR 141 million (December 31, 2022: EUR 133 million; March 31, 2022: EUR 107 million). (7) Ratio of net financial debt to adjusted EBITDA in the last twelve months.

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About ProSiebenSat.1

ProSiebenSat.1 is the home of popular entertainment and infotainment and a leading entertainment and commerce player in the German-speaking region. Our Entertainment portfolio is complemented by digital consumer brands in our Commerce & Ventures and Dating & Video segments. Our strategy is centered around our Entertainment offerings: From lighthouse formats such as “The Masked Singer” and “Wer stiehlt mir die Show?” (Stealing the Show) to successful in-house productions like “Germany’s Next Topmodel – by Heidi Klum”: We offer the best entertainment – whenever, wherever and on any device. We combine our 15 free and pay TV channels and our digital streaming platform Joyn with our production, distribution, and sales business. Our guiding principle is “Viewers and Users First”: We gear our offerings entirely to their needs, providing local and relevant content that we broadcast live and on-demand across all platforms in a targeted way.

We continuously strengthen our reach and monetize it in a variety of ways: In addition to marketing advertising spots in the Entertainment segment, we invest advertising time in young digital companies and in exchange receive shares in the companies themselves or in their revenues. With our investment and commerce activities, we built digital consumer brands such as flaconi, Jochen Schweizer mydays or Verivox by using our TV reach and advertising power. The Dating & Video segment was also established in line with this principle: With ParshipMeet Group, we have created a leading globally operating player in the dating segment and cover a broad spectrum of online dating to social entertainment offerings.

Our goal is to grow profitably and to create long-term value for all stakeholders: for our viewers, users, advertising customers, institutional investors, private shareholders, and politics – as well as for around our 7,000 employees worldwide.