



ProSiebenSat.1
Media SE

May 7, 2020

Q1 2020 RESULTS PRESENTATION

AGENDA



01

STATUS QUO



02

Q1 FINANCIALS



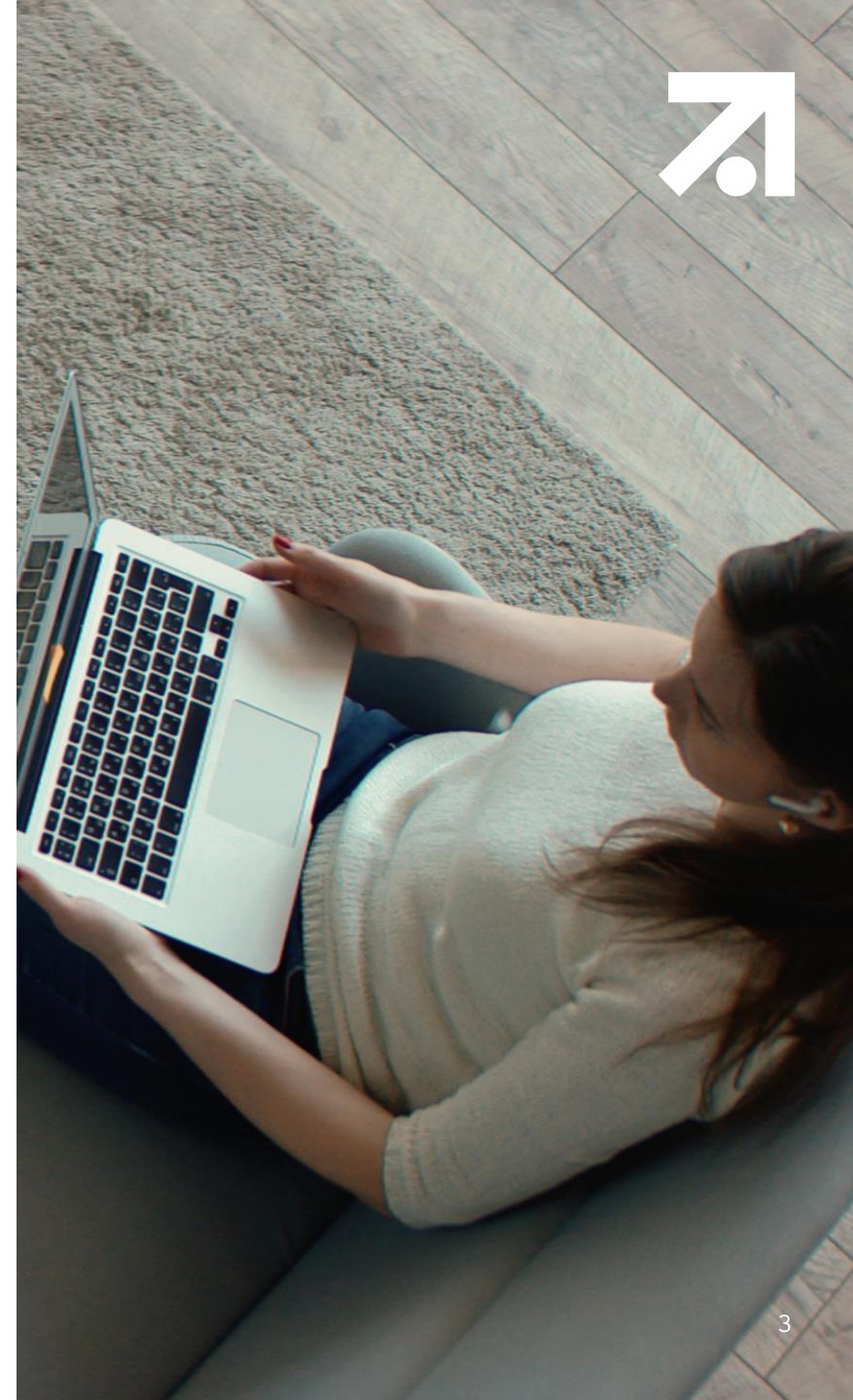
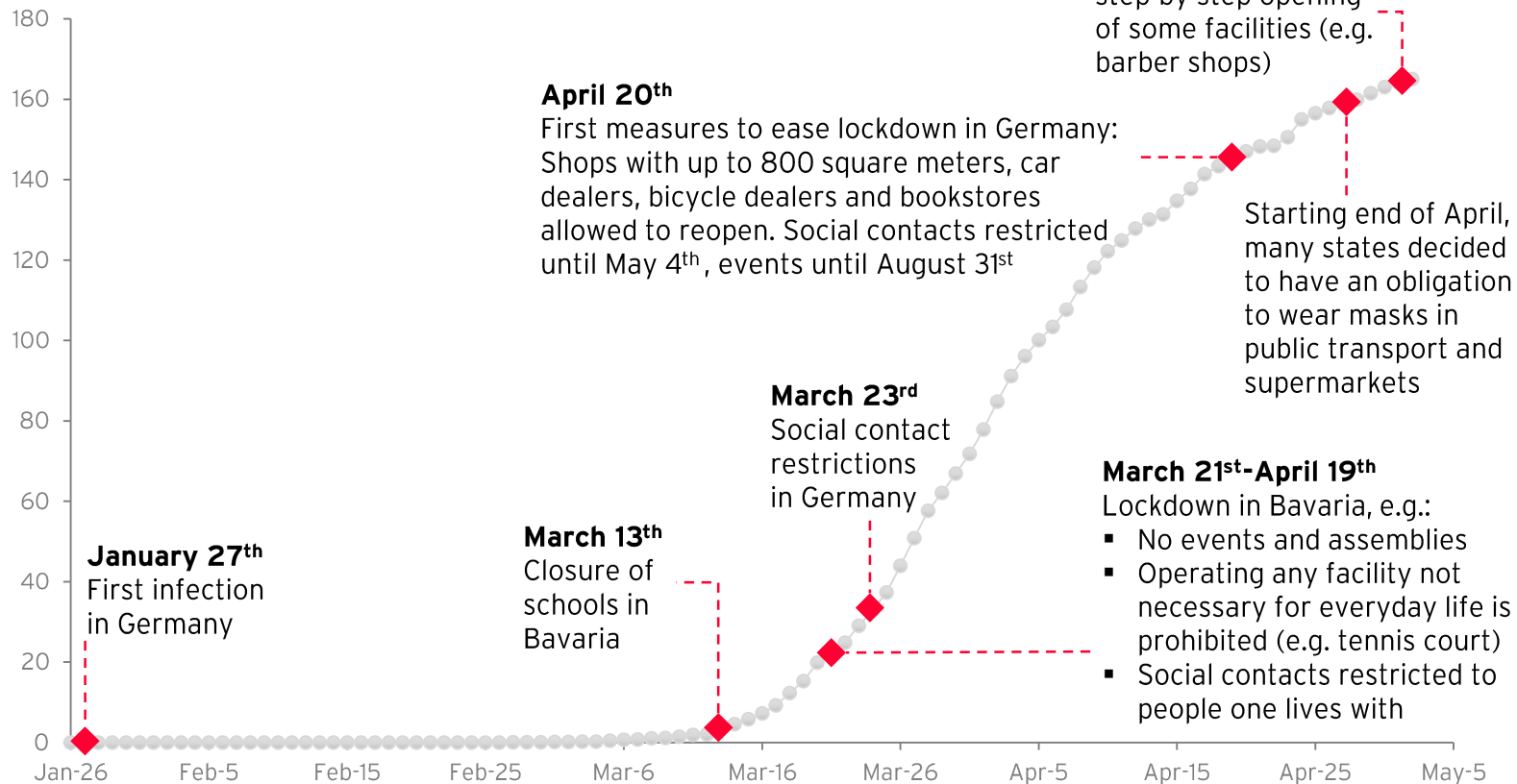
03

ACTIONS & SUMMARY

GERMANY WITH FIRST MEASURES TO EASE THE LOCKDOWN

COVID-19 Status Quo in Germany¹⁾

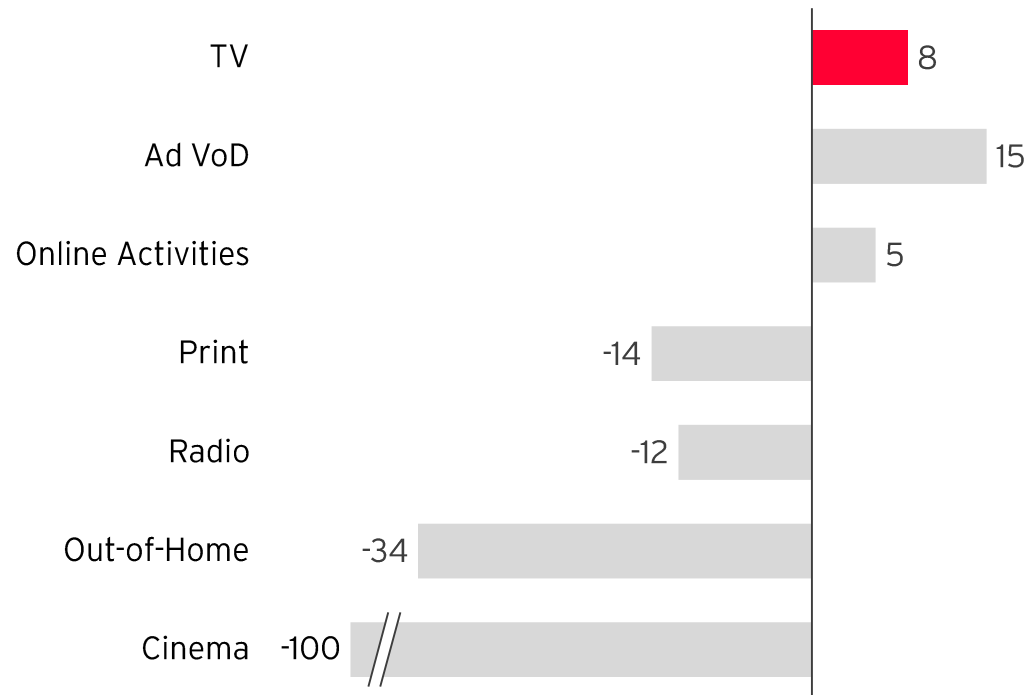
Corona infections
in thousand



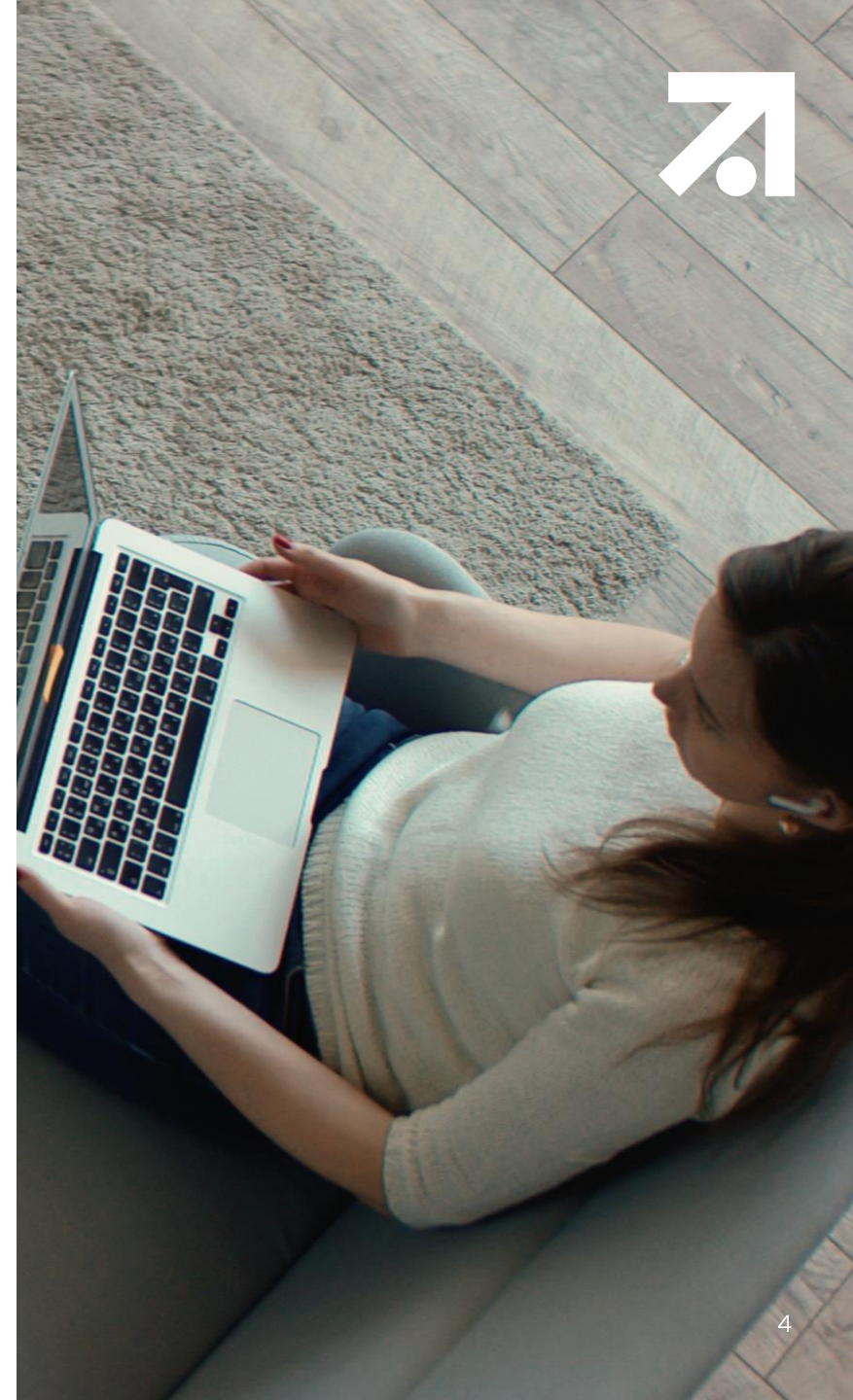
IN RELATIVE TERMS TV AND ONLINE VIDEO ARE OUTPERFORMING OTHER TRADITIONAL MEDIA

Change in daily reach since beginning of COVID-19 lockdown

In %; March 2 - March 15 vs. March 16 - March 29, 2020; A14-69

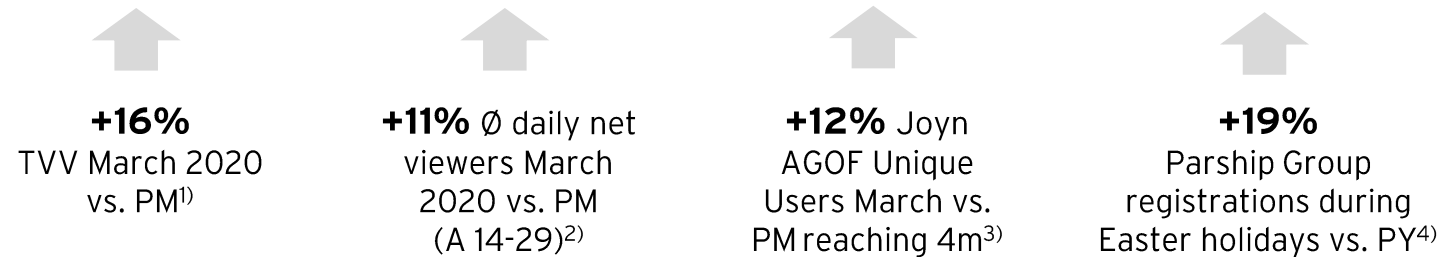


- Video usage uptake due to confinement measures
- Print and radio daily reach down due to people commuting less to workplace
- OOH reach notably down due to limited mobility, especially in urban areas



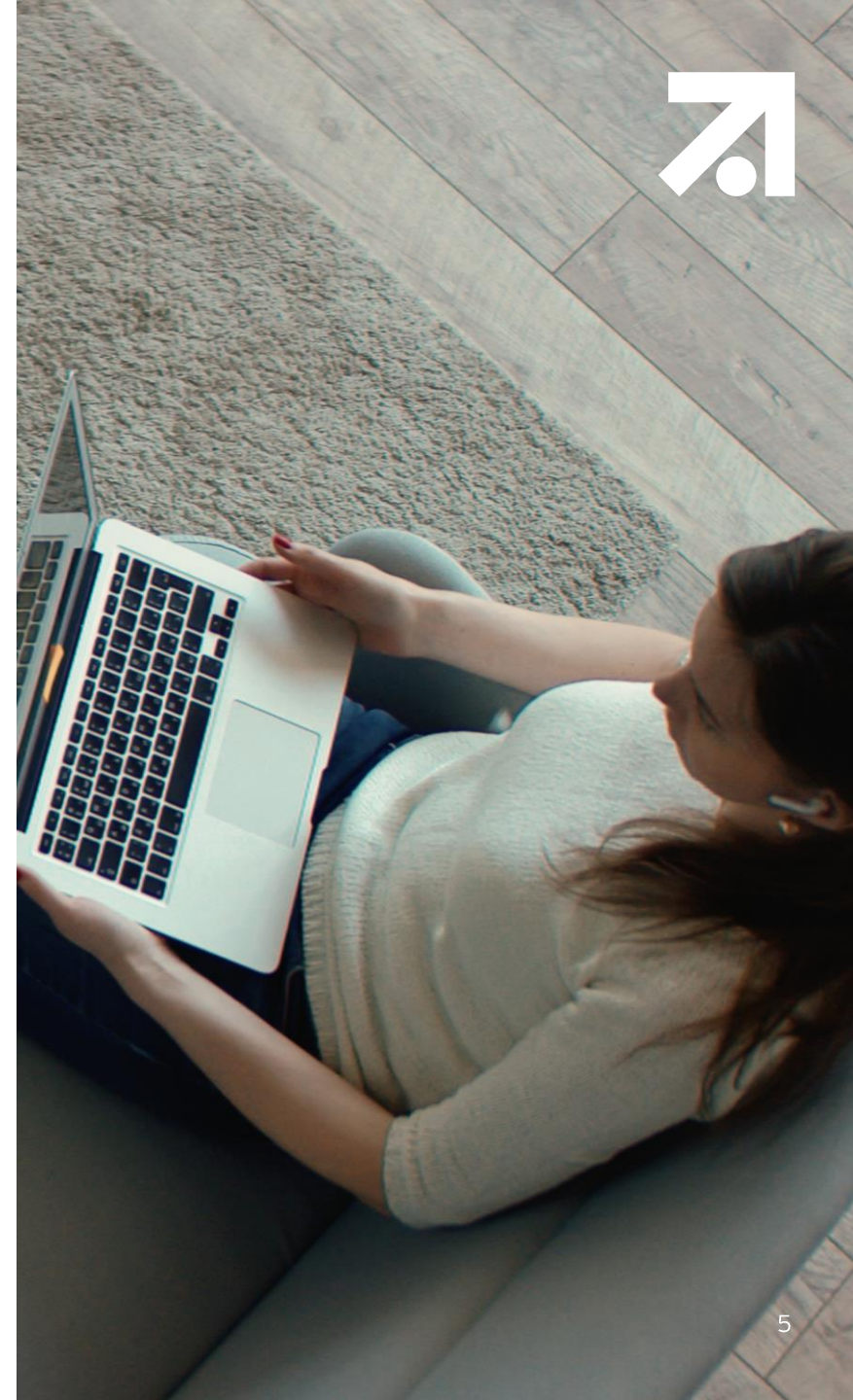
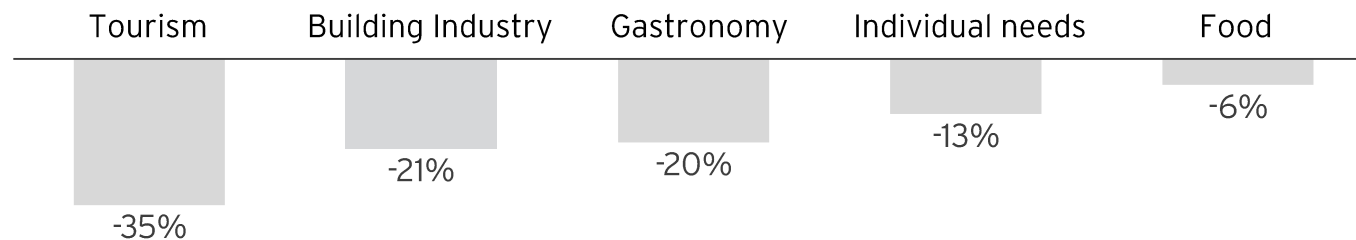
CURRENT CRISIS LEADING TO CONTRARY DEVELOPMENTS

Viewing time and specific group assets positively impacted by COVID-19...



...but major industries show declining TV advertising spendings

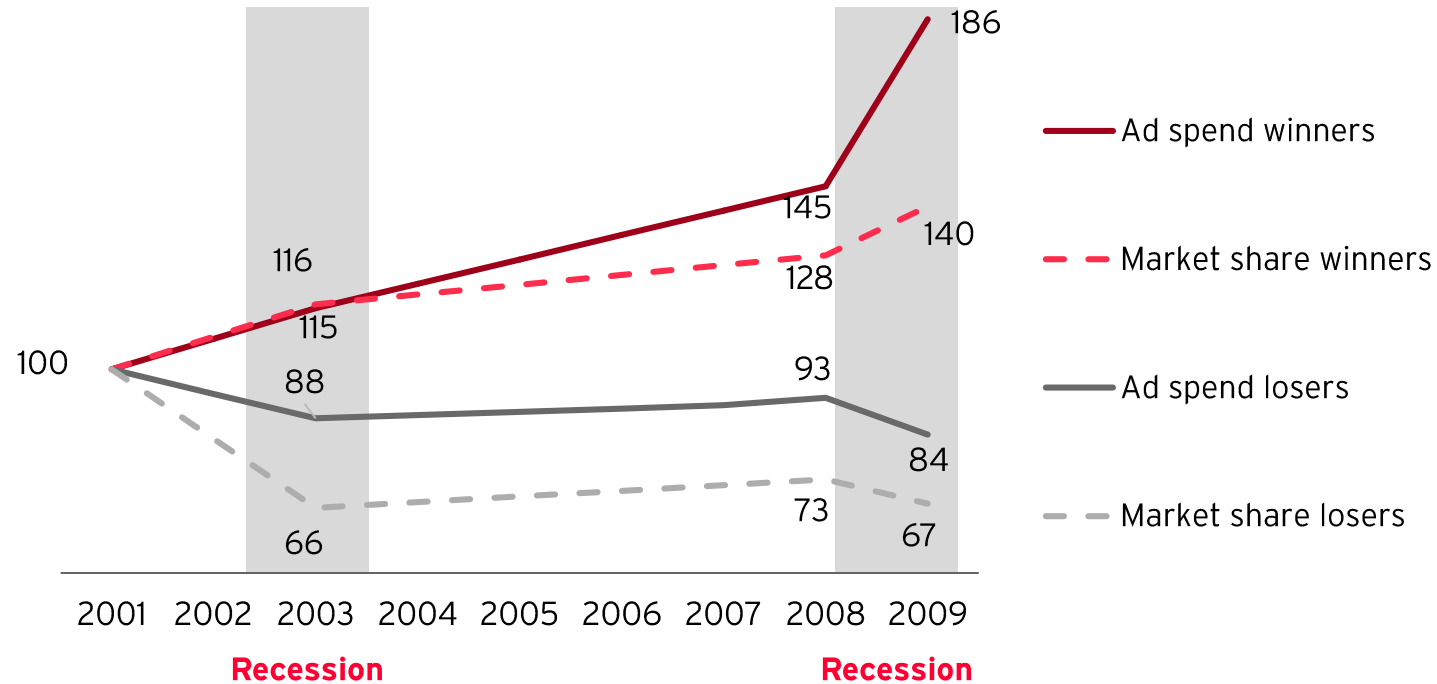
Top 20 of TV relevant industries with highest reduction in TV advertising spend (gross)
(Jan 1, 2020 - March 31, 2020 vs. PY)⁵⁾



BRANDS THAT ADVERTISE IN TIMES OF CRISIS SECURE MARKET SHARES IN THE LONG-TERM

Market share winners vs. market share losers

Analysis of 959 manufacturer brands 2001-2009; Index 2001=100¹⁾



"There's a big upside here in terms of reminding consumers of the benefits that they've experienced with our brands and how they've [met] their family's needs, which is why this is not a time to go off-air."

Jon Moeller, CFO Procter&Gamble²⁾

AGENDA



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ACTIONS & SUMMARY

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OVERALL SOLID REVENUE DEVELOPMENT IN DEMANDING MARKET ENVIRONMENT

External revenues: Group & segments

[in EUR m]

	Q1 2020	Q1 2019	YoY
Group	926	913	+1%
<i>Organic</i>	<i>912</i>	<i>918</i>	<i>-1%</i>
SevenOne Entertainment Group	563	579	-3%
<i>Organic</i>	<i>563</i>	<i>581</i>	<i>-3%</i>
Red Arrow Studios	134	135	-0%
<i>Organic</i>	<i>134</i>	<i>138</i>	<i>-3%</i>
NuCom Group	228	199	+15%
<i>Organic</i>	<i>214</i>	<i>199</i>	<i>+8%</i>

COMMENTS

- Revenue decline of SevenOne Entertainment Group mainly resulting from lower TV core advertising revenues (-6%) partly offset by Digital & smart advertising (+32%), Distribution (+9%) and Other (+5%)
- About flat revenue development of Red Arrow Studios based on decline in Production (-16%) and increase in Global Sales (+5%) and Studio71 (+17%) revenues
- Growth of NuCom reflecting revenue increase in Consumer Advice (+15%), Matchmaking (+12%) and Beauty & Lifestyle (+21%)

GROUP ADJUSTED EBITDA DEVELOPMENT AFFECTED BY SEVENONE ENTERTAINMENT

Adjusted EBITDA: Group & segments

[in EUR m]

	Q1 2020	Q1 2019	YoY
Group	157	190	-17%
SevenOne Entertainment Group	141	178	-21%
Red Arrow Studios	8	8	+0%
NuCom Group	15	19	-20%
Reconciliation (Holding & other)	-8	-16	-49%



COMMENTS

- Group adjusted EBITDA primarily reflects adjusted EBITDA decline of SevenOne Entertainment Group due to lower advertising revenues
- Red Arrow Studios' adjusted EBITDA development in line with about flat revenue development in Q1 2020
- Adjusted EBITDA of NuCom Group reflects less favorable revenue mix in Q1 2020 as well as growth investments
- Reconciliation result - which mainly includes holding costs - had a positive effect on Group adjusted EBITDA



IMPROVEMENT OF FCF BEFORE M&A DUE TO STRICT CASH MANAGEMENT

EBIT, net income, adjusted net income, FCF before M&A
[in EUR m]

	Q1 2020	Q1 2019	YoY
EBIT	80	129	-38%
Net income¹⁾	37	122	-70%
Adjusted net income²⁾	58	94	-38%
FCF before M&A	-28	-61	-54%

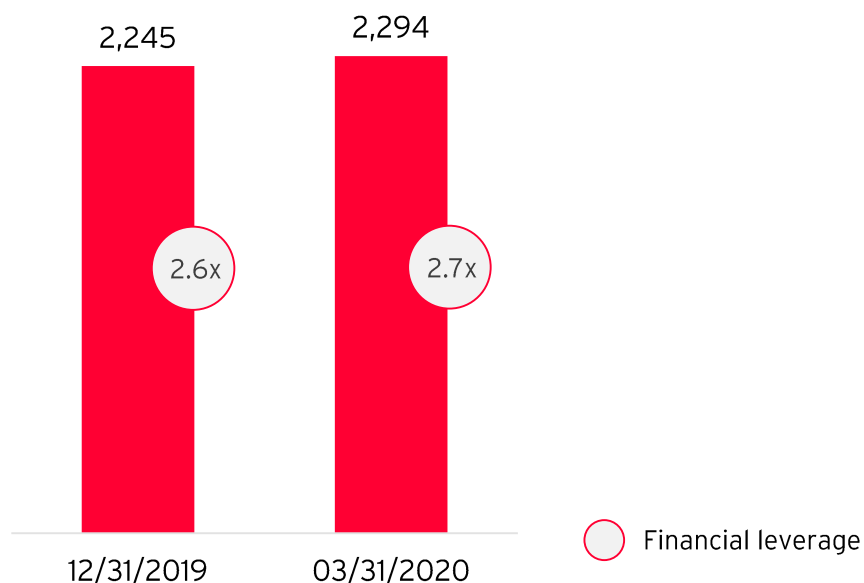
COMMENTS

- EBIT reflects change in revenue mix in Q1 2020 with declining advertising revenues and revenue growth of the NuCom Group
- Net income below prior year's level due to overall lower operating profitability as well as decrease of other financial result to -EUR 9m (Q1 2019: EUR 67m) mainly resulting from valuation effects
- Narrowing FCF before M&A loss due to strict cash management; Q1 2020 reflects seasonality



SOLID LIQUIDITY POSITION AND NO FINANCIAL COVENANTS FOR GROUP'S DEBT INSTRUMENTS

Net financial debt
[in EUR m]



- ProSiebenSat.1 Group with cash position of EUR 898m at the end of Q1 2020 and, hence, significant liquidity available
- Additional financing headroom resulting from RCF in the amount of EUR 750m
 - Draw-down of EUR 350m from RCF at beginning of April, adding to cash balance
 - Additional EUR 400m without financial covenant obligations from RCF remain available

Debt profile [in EUR m]	FY 2019	Q1 2020	Maturity
Senior Notes	600	600	Apr-21
Term Loan	151	151	Apr-23
RCF (74m of 750m)	0	0	Apr-23
Promissory Loans	275	275	Dec-23
Term Loan	1,949	1,949	Apr-24
RCF (676m of 750m)	0	0	Apr-24
Promissory Loans	225	225	Dec-26
Other loans and borrowings¹⁾	(5)	(8)	Misc.
Total gross debt	3,195	3,192	
Cash and cash equivalents	(950)	(898)	
Total net debt	2,245	2,294	

- Our Group financing instruments totaling EUR 3.2bn gross are not governed by financial covenants
- Remaining volume-weighted tenor of over 3 years with final maturities in 2024/26. The first debt maturity will be EUR 600m notes due in April 2021
- We remain committed to our general financial leverage target range of 1.5x to 2.5x net debt/adjusted EBITDA

AGENDA



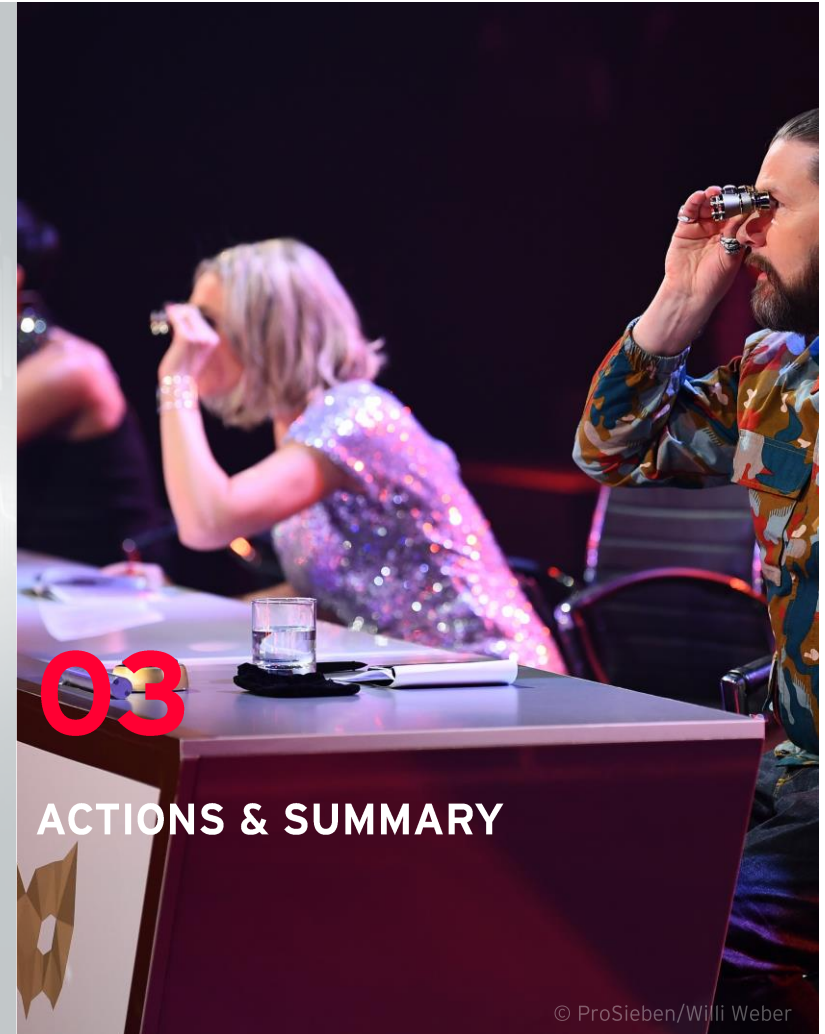
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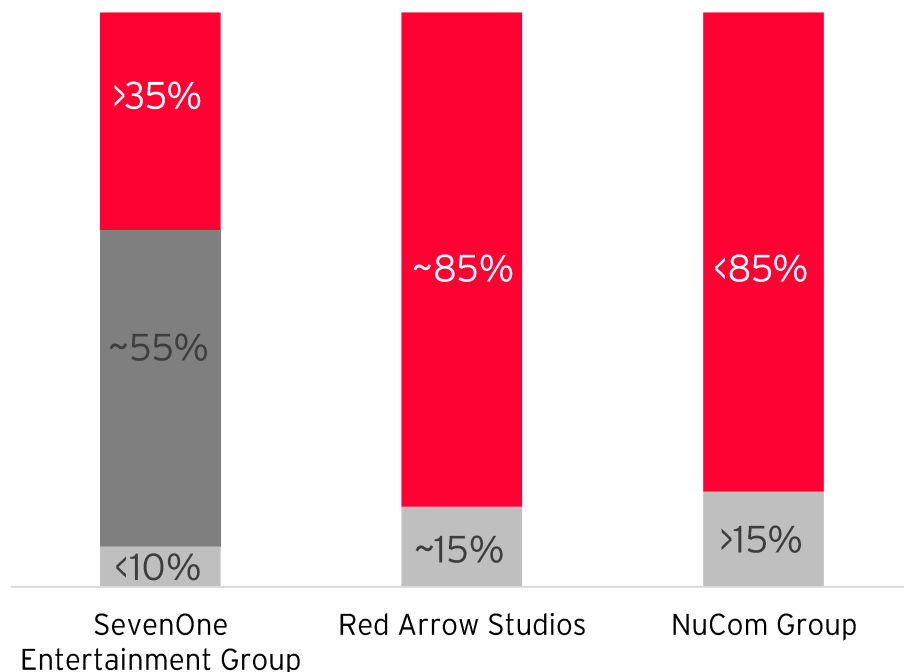
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SEGMENT COST STRUCTURES AND MEASURES TO SECURE GROUP LIQUIDITY

Illustrative cost split by segment (based on FY 2019)

- Administrative expenses & other (largely fixed)
- Program costs (rather fixed)
- Cost of sales and selling expenses (partly fixed)



Measures	P&L cost savings ¹⁾	Cash savings ¹⁾	Timing
Reduction of personnel expenses, e.g. hiring freeze for non-essential positions, reduction of overtime, short-time work	++	++	Short term
Reduction of programming expenses by c. EUR 50m vs. previously planned increase of 50m vs. FY 2019	+++	++	Short/mid term
Reduction of other operating expenses, e.g. marketing, consulting, travel	++	++	Short term
Optimization of net working capital, e.g. by improvement of payment terms		++	Short term
Review of CAPEX		++	Short term
Postponement of all projects without payback in the short term, mainly IT	++	++	Immediate
Reduction of tax pre-payments (VAT and income tax)		+++	Immediate

WITHDRAWAL OF OUTLOOK AND DIVIDEND AS EXTRAORDINARY ONE-TIME MEASURES

Financial Outlook	Q2 2020
<ul style="list-style-type: none"> Withdrawal of 2020 financial outlook due to lack of visibility on COVID-19 related impacts and economic uncertainty 	<ul style="list-style-type: none"> All segments are expected to be heavily impacted by the crisis SevenOne Entertainment Group: In April 2020, TV core advertising revenues are expected to be down by c. 40% vs. PY Red Arrow Studios' business continues to be impacted by postponements of productions NuCom Group with a mixed picture as some assets are more affected by the restrictions of public life whereas others benefit from its mere e-commerce positioning; NuCom Group benefits from its diversified portfolio set-up in this situation
Dividend	
<ul style="list-style-type: none"> Withdrawal of initial 2019 dividend proposal to preserve an additional liquidity of EUR 192m Current dividend policy with a pay-out-ratio of 50% of Group adjusted net income confirmed 	
Annual General Meeting	
<ul style="list-style-type: none"> AGM to be held on June 10, 2020 as non-physical AGM 	





ENTERTAINMENT AT THE CORE OF PROSIEBENSAT.1

ProSiebenSat.1 Group

Leading Entertainment player in Germany, Austria and Switzerland, combining Entertainment, Commerce and Content Production pillars to form one synergistic business model that reduces dependency on advertising revenues and creates value for our stakeholders

Red Arrow Studios

RED ARROW STUDIOS

Red Arrow Studios

STUDIO71

STUDIO71

226 RAS productions in 2019

>1.4bn YouTube subscribers

- Production & Distribution house with cross-platform competences in IP creation, retention and exploitation
- High-quality productions (short- and long-form) across major genres

Providing high quality Entertainment content and digital reach

SevenOne Entertainment Group

ENTERTAINMENT & REACH

MONETIZATION & AD TECH

~Ø62m monthly viewers¹⁾

27.1% audience share in GER YTD²⁾

27.6% audience share in AUT YTD³⁾

#1 TV marketer SevenOne Media⁴⁾

~4m monthly Unique Users on Joyn⁵⁾

- One Entertainment Group operates leading Entertainment platforms both in linear (e.g. ProSieben, SAT.1) and digital (e.g. Joyn)
- Focusing on more live and local content to cater for local demand with leading content brands, e.g. Galileo, taff, GNTM
- Continuous innovation to drive digital reach and monetization, e.g. FYEO, d-force
- Investments in Data (e.g. 7Pass, netID), AdTech will improve cross-device targeting and monetization options of our reach

NuCom Group

CONSUMER ADVICE

verivox.de

MATCH-MAKING

Parship GROUP

EXPERIENCES

JOCHEN SCHWEIZER mydays GROUP

BEAUTY & LIFESTYLE

flaconi AMORELIE Stylight

>60m monthly visits on our NuCom verticals⁶⁾

- Commerce house building strong B2C brands, delivering utility and value to their customers
- Focusing on growth stage in asset lifecycle to realize value once brand has matured

Realize marketing and data synergies to drive growth and create value

1) Total station portfolio without HbbTV, Smart TV, YouTube and Joyn; Target group: 3+; average of three months in Q1 2020; at least 1 of P7S1's 7 channels in Germany is watched for at least 1 minute consecutively per month; 2) Basis: All German TV Households, Mon-Sun, 3-3 h, A 14-49, Jan 1 - April 26, 2020; Source: AGF in cooperation with GfK/videoScope/ProSiebenSat.1 TV Deutschland; 3) Basis: A 12-49; Jan 1 - April 26, 2020; Source: AGTT/GfK TELETEST; 4) Based on Nielsen Brutto-Werbestatistik FY 2019; 5) Basis: 16+; Source: AGOF Daily Digital Facts/ProSiebenSat.1 TV Deutschland; 6) Average value Q4 2019 based on company data



ProSiebenSat.1
Media SE

APPENDIX



GROUP P&L

[in EUR m]

	Q1 2020	Q1 2019	YoY
Revenues	926	913	+1%
Adjusted EBITDA	157	190	-17%
Reconciling items	-12	-10	+22%
EBITDA	145	180	-20%
Depreciation, amortization and impairments	-64	-51	+26%
Thereof PPA	-16	-12	+27%
Operating result (EBIT)	80	129	-38%
Financial result	-38	49	n/a
Thereof interest result	-16	-10	+60%
Result before income taxes (EBT)	43	178	-76%
Net income¹⁾	37	122	-70%
Adjusted net income²⁾	58	94	-38%
Net financial debt	2,294	2,206	+4%

SEVENONE ENTERTAINMENT GROUP

External revenues and adjusted EBITDA

[in EUR m]

	Q1 2020	Q1 2019	YoY
External revenues	563	579	-3%
<i>Organic</i>	563	581	-3%
Advertising	486	507	-4%
TV core advertising	447	478	-6%
Digital & smart advertising	39	30	+32%
Distribution	41	38	+9%
Other	36	34	+5%
Adjusted EBITDA	141	178	-21%



COMMENTS

- TV core advertising revenue decline (-EUR 31m) partly offset by growth in all other revenue categories (+EUR 15m)
- Digital & smart advertising revenues continue to grow dynamically (+32% YoY) even in more demanding advertising environment
- Distribution business with solid revenue growth of 9%
- Lower segment profitability (-EUR 37m) primarily as a result of advertising revenue decline

RED ARROW STUDIOS

External revenues and adjusted EBITDA [in EUR m]

	Q1 2020	Q1 2019	YoY
External revenues	134	135	-0%
<i>Organic</i>	134	138	-3%
Production	53	64	-16%
Global Sales	23	22	+5%
Studio71	57	49	+17%
Adjusted EBITDA	8	8	+0%



COMMENTS

- Red Arrow Studios with overall solid revenue (-0% YoY) and adjusted EBITDA performance (+0% YoY)
- Decline in production revenues (-16% YoY) partly resulting from comparably strong revenues in prior year due to higher volume of scripted productions in the UK (Production Q1 2019: +41% YoY) as well as first effects from lockdown measures
- Studio71 with strong start into the year across all territories (+17% YoY), supported by significant growth in YouTube watch time (+18% YoY)

NUCOM GROUP

External revenues and adjusted EBITDA

[in EUR m]

	Q1 2020	Q1 2019	YoY
External revenues	228	199	+15%
Organic	214	199	+8%
Consumer Advice	61	53	+15%
Matchmaking	59	53	+12%
Experiences	14	15	-1%
Beauty & Lifestyle	93	77	+21%
Other	-/-	1	-100%
Adjusted EBITDA	15	19	-20%



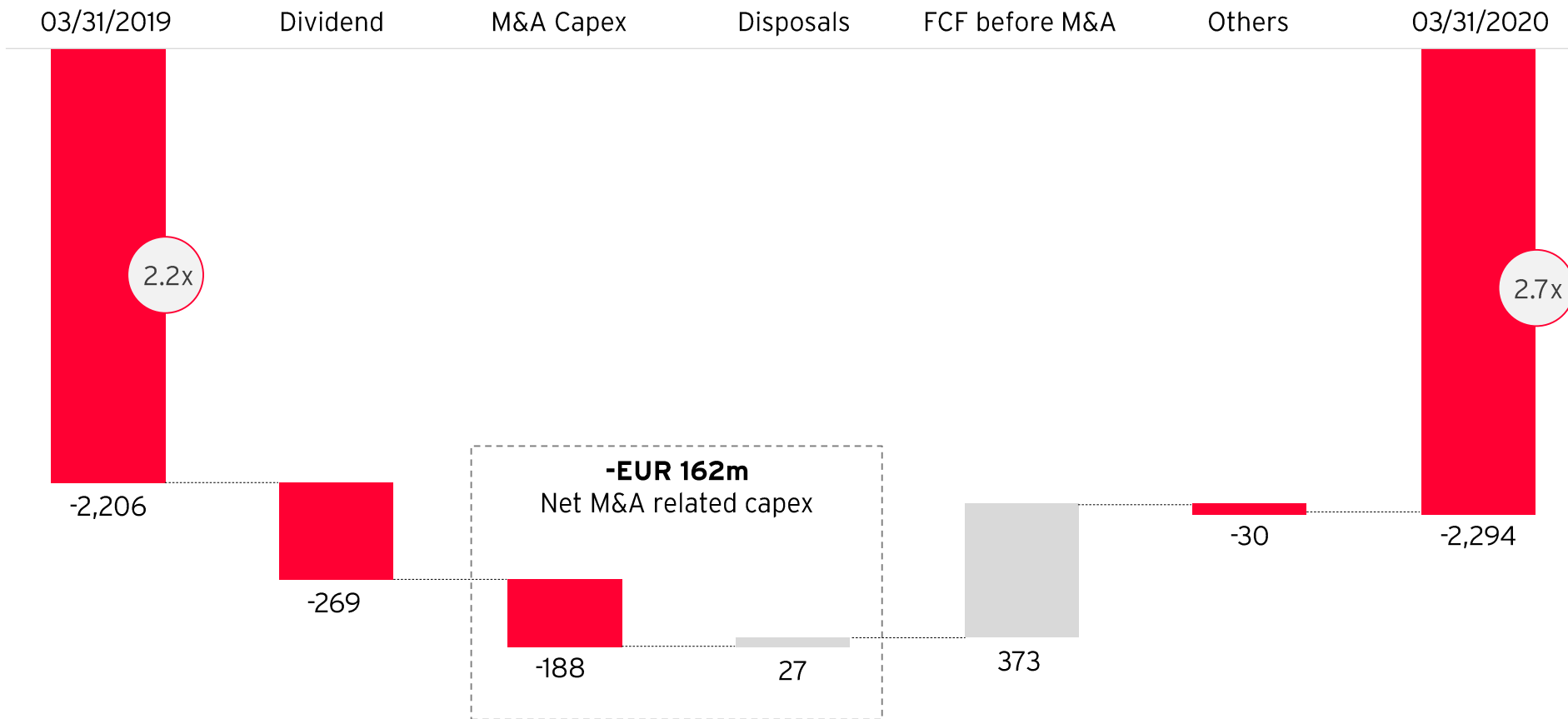
COMMENTS

- Consumer Advice business still benefiting from remaining consolidation effects. However, key asset Verivox has started to stabilize/grow again
- Strong performance of Matchmaking vertical (+12% YoY) supported by successful turnaround of eharmony in the U.S.
- Experience business with overall still stable development (-1% YoY) despite slowdown in March
- Strong performance of Beauty & Lifestyle business (+21% YoY) supported by strong growth of Flaconi and Windstar as a result of increased demand for cosmetic and hygiene products



FCF BEFORE M&A IMPROVED TO EUR 373M ON LAST 12-MONTH BASIS (BEFORE COVID-19 CRISIS)

Net financial debt
[in EUR m]





OVERVIEW OPERATIONAL KPIS

SevenOne Entertainment Group

	Q1 2020	Q1 2019	YoY
Total video viewtime ¹⁾	282bn min	283bn min	-0.1%
Total daily TV consumption (AGF) ²⁾	254 min	249 min	+2.1%
Audience share ³⁾	26.7%	27.9%	-1.2% pts
Gross TV advertising market share ⁴⁾	47.7%	46.7%	+1.0% pts
TV core advertising revenue share ⁵⁾	92%	94%	-2% pts
Digital & smart advertising revenue share ⁶⁾	8%	6%	+2% pts
HD subscribers ⁷⁾	10.2m	9.7m	+5%

Red Arrow Studios

	Q1 2020	Q1 2019	YoY
RAS # of productions ¹⁾	104	125	-17%
RAS # of hours produced ¹⁾	277	230	+20%
RAS # of returning shows ¹⁾	58	61	-5%
RAS Titles in catalogue	5.1k	4.1k	+24%
Studio71 # of web channels ²⁾	1.4k	1.4k	+1%
Studio71 monthly video views ²⁾	10.2bn	10.2bn	+0%
Studio71 # of YouTube subscribers ²⁾	1.5bn	1.3bn	+15%
Studio71 monthly minutes watched ²⁾	52bn	44bn	+18%

NuCom Group

	Q1 2020	Q1 2019	YoY
Consumer Advice # of transactions ^{1) 2)}	0.8m	0.9m	-16%
Matchmaking # of registrations	1.5m	1.4m	+6%
Experiences # of orders	0.2m	0.2m	-11%
Beauty & Lifestyle # of transactions ³⁾	0.9m	0.7m	+33%

1) Viewtime for linear P7S1 channels and digital platforms (TV websites, mobile apps, SmartTV, HbbTV, 7TV) incl. Studio71 Germany (TV Content) and Joyn (EST.); Joyn figures based on Joyn video views and an estimated viewtime per video view (based on 7TV). Viewtime measurement for Joyn is not available yet; 2) Total TV Market; Target group: 14+; 3) P7S1 free to air audience share (A 14-49); 4) Gross TV advertising in % of total advertising market spendings (w/o e.g. YouTube, Facebook, Instagram, Search); Source: Nielsen; 5) TV core advertising revenues in % of total advertising revenues; 6) Digital & smart revenues (e.g. APS advertising, Addressable TV, digital platforms) in % of total advertising revenues; 7) HD FTA subscribers, Germany;

1) Current shows in production with revenues EUR >50k (including pilots, commercials, without development deals, multiple seasons counted as separate productions, without digital productions of RedSeven); 2) Excluding unconsolidated subsidiary in France; Q1 2019 figure changed due to panel update

1) Includes Verivox orders and SilverTours bookings; 2) Verivox orders include new customers only in 2020 vs. new and existing customers in 2019; 3) Includes Flaconi and Amorelie B2C only



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