ProSiebenSat.1 Media SE

Quarterly Statement for the Third Quarter of 2023

MOVING FORWARD

RELEVANCE
INNOVATION
VALUES

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AT A GLANCE

– **Revenues reflect market situation:** In the third quarter of 2023, ProSiebenSat.1 Group's revenues continue to be clearly influenced by the difficult market environment – albeit to a lesser extent than in the first half of the year. At EUR 888 million in the third quarter, they were 3% below the previous year's figure (Q1-Q3 2023: -11%). Adjusted for currency effects and portfolio changes, Group revenues were almost stable in the third quarter at minus 1% and amounted to EUR 866 million (Q1-Q3 2023: -7%).
– **Dynamic growth in digital & smart advertising revenues partially offsets decline in the traditional TV advertising business:** Advertising revenues in the German-speaking region (Germany, Austria and Switzerland) declined again in the third quarter down 5% year-on-year, but significantly less than in the first half of the year (Q1-Q3 2023: -9%). While the ongoing consumer restraint is weighing on TV advertising revenues, revenues in the digital & smart advertising business are growing strongly, mainly driven by our streaming platform Joyn.
– **Commerce & Ventures segment achieves significant revenue growth, Dating & Video revenues below previous year:** The digital platform & commerce business around Verivox and flaconi grows dynamically and more than compensates for the decline in revenues from SevenVentures. The Dating & Video segment's revenues were negatively affected by the ongoing consumer restraint, lower usage of video offerings in the US and regulatory changes in the German-speaking region (Germany, Austria and Switzerland).
– **Adjusted EBITDA in the third quarter is now above the previous year again:** At EUR 110 million in the third quarter of 2023, the Group's adjusted EBITDA slightly exceeded the previous year's figure of EUR 108 million, with targeted cost adjustments having a positive effect. However, in the first nine months of the year, the Group's adjusted EBITDA of EUR 243 million is still below the previous year (previous year: EUR 376 million) due to the decline in the high-margin TV advertising business.
– **Group realignment lays foundation for growth:** We are putting the entertainment segment with Joyn at the center of our activities and consistently expanding the business areas relevant to our strategy. At the same time, we are focusing on profitability and a competitive cost structure.
– **Group specifies financial outlook with expected slightly positive development in the fourth quarter:** For the full-year, we expect the Group's **adjusted EBITDA** to be at the lower end of the range forecast at the beginning of the year. For **Group revenues**, ProSiebenSat.1 expects to achieve a figure slightly below the target range.

KEY FIGURES OF PROSIEBENSAT.1 GROUP

in EUR m

	Q3 2023	Q3 2022[1]	**Q1-Q3 2023**	Q1-Q3 2022[1]
Revenues	888	911	2,571	2,894
Adjusted EBITDA[2]	110	108	243	376
Adjusted net income[3]	23	39	12	141
Adjusted operating free cash flow[4]	61	38	4	292
Audience share (in %)[5]	24.0	25.0	24.5	25.1

	09/30/2023	12/31/2022	09/30/2022[1]
Employees[6]	7,274	7,284	6,996
Programming assets	1,040	1,086	1,076
Cash and cash equivalents	343	504	704
Net financial debt	1,775	1,613	1,739
Leverage ratio[7]	3.3	2.4	2.3

1 Prior-year figures partly adjusted, see Annual Report 2022, Notes to the Consolidated Financial Statements, note 3 "Changes in reporting standards and accounting policies" and note 2 "Retrospective adjustment of accounting for voucher sales in financial year 2022" of the half-yearly financial report 2023.
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 as well as impairments of goodwill, 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. See Annual Report 2022, page 131.
4 For a definition of the adjusted operating free cash flow, please refer to the Annual Report 2022, page 129.
5 ProSiebenSat.1 Group; AGF in cooperation with GfK; market standard: TV; VIDEOSCOPE 1.4; Target group: 14–49.
6 Full-time equivalent positions.
7 Ratio net financial debt to adjusted EBITDA in the last twelve months.

» **INFORMATION**

Due to rounding, it is possible that the figures do not exactly add up to the totals shown and that percentage figures given do not exactly reflect the absolute figures to which they relate.

CURRENT INFORMATION ON THE THIRD QUARTER AND THE FIRST NINE MONTHS OF 2023

SIGNIFICANT EVENTS

Information on the Matter of German Payment Services Supervision Act

ProSiebenSat.1 Group reported as part of the Annual Report for financial year 2022, published on April 28, 2023, in detail on the business activities of Jochen Schweizer GmbH and mydays GmbH with regard to the German Payment Services Supervision Act ("Zahlungsdiensteaufsichtsgesetz" – "ZAG") and the related processes. At the time of the resolution on the preparation of the interim statement for the third quarter of 2023, there is no material new information available in this respect. For a comprehensive presentation of the matter, we therefore refer to the Annual Report.
→ Annual Report 2022, "Significant Events and Changes in the Scope of Consolidation"

Personnel Change on the Executive Board

Martin Mildner has been a member of the Executive Board and Chief Financial Officer (Group CFO) of ProSiebenSat.1 Media SE since May 1, 2023. Most recently, he was Chief Financial Officer of the MDAX-listed United Internet AG ("United Internet") and had successfully taken the Group subsidiary IONOS public. Prior to this, he spent many years as General Counsel and Global Head of M&A at Otto Group, where he was responsible, among other things, for the setup of the online fashion retailer ABOUT YOU Holding SE ("ABOUT YOU") and the preparation for its IPO in 2021. Martin Mildner succeeds Ralf Peter Gierig, who resigned from his office as Chief Financial Officer on April 27, 2023, prior to the resolution on the preparation of the Annual and Consolidated Financial Statements for the financial year 2022, by mutual agreement with the Supervisory Board of ProSiebenSat.1 Media SE and left the Executive Board.

In addition, Wolfgang Link, former Chief Entertainment Officer and CEO of Seven.One Entertainment Group GmbH, decided to leave the Group by best mutual agreement as of July 15, 2023. Due to the strategic realignment of the Group and the focus on the core business Entertainment, Group CEO of ProSiebenSat.1 Media SE Bert Habets has taken charge of the Entertainment segment.

Thus the Executive Board of ProSiebenSat.1 Media SE now comprises three members: In addition to Bert Habets (Group CEO) and Martin Mildner (Group CFO), Christine Scheffler is part of the Executive Board team as Chief Human Resources Officer (CHRO).

Personnel Changes on the Supervisory Board

On June 30, 2023, the Annual General Meeting of ProSiebenSat.1 Media SE elected Katharina Behrends, Dr. Katrin Burkhardt, Thomas Ingelfinger and Prof. Dr. Cai-Nicolas Ziegler as new members of the ProSiebenSat.1 Supervisory Board by a clear majority. The Annual General Meeting thus followed the proposals of the Supervisory Board. The mandates were up for election as the regular terms of office of Dr. Marion Helmes, Vice Chairwoman of the Supervisory Board, as well as Lawrence A. Aidem and Dr. Antonella Mei-Pochtler, members of the Supervisory Board, each expired at the end of the Annual General Meeting. A further seat had become vacant due to the transition of Bert Habets from the Supervisory Board to the Group's Executive Board as of November 1, 2022.

Katharina Behrends has more than 25 years of experience in management positions at global media groups. Since October 2022, she has been General Manager for the German-speaking region at MFE-MEDIAFOREUROPE N.V. ("MFE"). Dr. Katrin Burkhardt is a member of the Supervisory Board of the private bank ODDO BHF SE ("ODDO BHF") and has extensive experience in the fields of accounting, risk management and compliance. Most recently, Thomas Ingelfinger was responsible for the cosmetics business in Europe on the Executive Board of Beiersdorf AG ("Beiersdorf"). He has many years of leadership experience from a listed, internationally operating company as well as expertise in management of some of the world's best-known consumer brands. Prof. Dr. Cai-Nicolas Ziegler is CEO of the health tech company doctari group ("doctari group") and an informatics professor specializing in Artificial Intelligence. He has in-depth knowledge of digital business development, digital product management, data and advertising technologies.

The proposals of Supervisory Board candidates are the result of an extensive selection process initiated by the Supervisory Board of ProSiebenSat.1 Media SE in the middle of last year, which also considered ProSiebenSat.1 Media SE's ownership structure. At the same time, they also take the Group's skills profile into account: The new members will support ProSiebenSat.1 in its digital transformation due to their years of experience and wide range of qualifications.

At the application of the Executive Board of ProSiebenSat.1 Media SE, the Munich Local Court (Amtsgericht München) also appointed Klára Brachtlová as a member of the Supervisory Board of ProSiebenSat.1 Media SE by resolution dated October 6, 2023 and thus after the end of the of the reporting period for the third quarter of 2023. She succeeds Erik Huggers, who resigned from his office after nine years on June 30, 2023. The appointment became effective on October 16, 2023 and is initially valid until the end of the next Annual General Meeting. Klára Brachtlová has many years of experience as a media manager and is Chief External Affairs Officer of the Central and Eastern European media group Central European Media Enterprises Ltd. ("CME"), which belongs to the Czech PPF Group.

→ www.prosiebensat1.com/company/supervisory-board

Dividend Payment for the Financial Year 2022

Besides the election of Supervisory Board members, the shareholders at the Annual General Meeting of ProSiebenSat.1 Media SE on June 30, 2023, approved that a significantly reduced dividend of EUR 0.05 per share will be distributed to the holders entitled to dividends for financial year 2022 (previous year: EUR 0.80). The dividend totaling EUR 11 million was paid on July 5, 2023.

With the reduced dividend payment, ProSiebenSat.1 is laying the foundation for the Company's long-term, healthy growth and solid financial structure. This target also reflects the adjusted dividend policy, which was communicated on April 27, 2023, and applies from the financial year 2023 onwards. Besides the general economic environment and the adjusted net income as a reference basis for distributions to shareholders, the Group now takes into particular focus an appropriate level of financial leverage when determining distributions to shareholders. Furthermore, ProSiebenSat.1 also takes into account requirements for investments into the business. Taking into account the aforementioned criteria, the Group will generally aim to pay out 25% to 50% of adjusted net income in the future.

ProSiebenSat.1 aligns organization consistently with growth strategy

On July 18, 2023, ProSiebenSat.1 Group announced to take the next step in its realignment: After the Group fully acquired the streaming platform Joyn as of October 31, 2022, putting it at the center of its entertainment activities, a realignment of the organization is now taking place, particularly in the Entertainment segment. The aim is to achieve a more efficient structure, a competitive cost base, and processes clearly geared to digital transformation. This is a priority in order to continue investing consistently in the future of the Group, especially in content and digital offerings.

Against this backdrop, a reduction in the number of jobs in the Group also became necessary: This affects around 400 full-time positions. The job cuts were made in a socially responsible manner through a voluntary program. The company had agreed this in talks with employee representatives. By the end of the third quarter, related restructuring expenses of EUR 70 million were recognized.
→ Financial Information on Business Performance in the Third Quarter and the First Nine Months of 2023

First effects of the reduced material and personnel costs across the Group will become visible in the fourth quarter of this year and are expected to amount to a low double-digit million EUR amount for 2023. ProSiebenSat.1 has already taken this into account in the financial outlook for 2023. The full cost effect for 2024 will amount to a mid double-digit million EUR amount.
→ Company Outlook

ECONOMIC DEVELOPMENTS

The outlook for the **global economy** remains dampened for the rest of 2023: The consequences of the Russia/Ukraine war, high inflation, and – albeit to an increasingly lesser extent – the effects of the COVID-19 pandemic continue to dominate the picture. Against this backdrop, the International Monetary Fund (IMF) expects limited global growth of 3.0% in real terms (2022: +3.5%). The **eurozone** economy is also likely to grow less strong in 2023 than forecasted in the first half of the year. In this context, the experts of the Joint Economic Forecast project a real decline of 0.6% in **Germany**'s economic output, with private consumption expected to decrease by 0.5%.

The German economy – despite the still solid backlog of orders and significant improvement with regard to the supply chain shortages – is strongly influenced by high energy prices, high interest rates, and weak global demand. Private consumption has also provided little growth impulses in view of the high inflation so far. However, inflation rates are now declining, down to 4.5% in September. This is the lowest figure since the outbreak of the Russia/Ukraine war. Private consumption should thus pick up again at the turn of the year. Then, falling inflation rates and nominal wage increases should also result in noticeable growth in real incomes. According to the latest Joint Economic Forecast, the German economy should expand again with growth of 1.3% in 2024. The experts then expect the average annual inflation rate to be 2.6% (2023 forecast: +6.1%). As a result, private consumption is forecast to grow by an above-average growth of plus 2.0%.

Forecasts are inherently subject to uncertainty, but at present these are particularly pronounced due to the various global crises. Especially for Germany's highly export-focused economy, much depends on how the Russia/Ukraine war, the situation on the energy markets, and price inflation will continue to develop. Moreover, the Chinese economy is not recovering with the momentum expected after the end of the restrictive pandemic.

DEVELOPMENTS OF RELEVANT MARKET ENVIRONMENTS

ProSiebenSat.1 is the home of popular entertainment and infotainment and a leading entertainment and commerce player in the German-speaking region. We intend to strengthen this position: We are increasing our reach by focusing on local and relevant live content and consistently expanding our digital offering. Here, the streaming platform Joyn is at the center of our digital entertainment presence.

Entertainment is our core business. At the same time, we monetize our reach indirectly via our Commerce & Ventures portfolio. Here, we invest free advertising time in emerging e-commerce companies in exchange for a share in their growth. With this investment approach, the Group diversifies its revenue sources and supports companies with its brand-building power. ProSiebenSat.1 Group thus monetizes its reach through both advertising and media synergies in the Commerce & Ventures business, which in turn has given rise to the Dating & Video segment. The initial investment in the Dating & Video segment was made in 2012 via a media-for-revenue deal with the then Parship Group GmbH ("Parship").

All our offerings follow the same principle: “Viewers and Users First.” This means that we put viewers and users at the center of everything we do. We gear our products exclusively to their needs. They can thus be entertained by our content, make use of our offerings and ultimately spend as much time with us as possible. In order to consistently implement our growth strategy, ProSiebenSat.1 Group focuses on cost efficiency and profitability in order to retain headroom for investments in content and the expansion of the digital offering in the future.

ENTERTAINMENT

In the **Entertainment** segment, ProSiebenSat.1 Group responds in a targeted way to the trends in media usage, which is becoming more diverse, more individual, and more flexible as a result of digitalization. Video content can be accessed anytime and anywhere. But it is not only the choice of ways to consume media that is growing. Additional offerings – e.g. audio formats such as podcasts – are also becoming increasingly important and promoting the trend toward consistently high media usage. ProSiebenSat.1 is therefore consistently pursuing its aim to offer content via as many distribution channels as possible and thus to serve different user interests. Joyn is at the center of our entertainment strategy. We have expanded the streaming platform to a broader target group, putting it at the center of all our channels and brands and thus aim to strengthen our reach.

The increasing diversity in media usage also offers new opportunities for sales: ProSiebenSat.1 continues to drive forward the digitalization of advertising and is creating increasingly tailored solutions for customers under the umbrella of “Advanced TV” – both in the TV advertising environment and on the streaming platform Joyn. In doing so, the Group is combining the advantages of traditional TV – such as its high reach – with the advantages of digital advertising, such as data-based targeting. We are therefore focusing on digital growth in our core business with the aim of consistently expanding the share of our digital & smart advertising revenues.

While our digital & smart advertising revenues are growing dynamically, TV advertising revenues are declining. This reflects the market situation, which is characterized by the ongoing macroeconomic burdens, as also shown by the gross data from Nielsen Media Research: In the third quarter of 2023, ProSiebenSat.1 generated gross TV advertising revenues of EUR 1.30 billion (previous year: EUR 1.44 billion). This is a decrease of 9.8%. In terms of the entire TV market, gross advertising investments decreased by 3.7% to EUR 3.71 billion in this period (previous year: EUR 3.85 billion). In the first nine months of the year, advertising revenues of ProSiebenSat.1 decreased by 12.6% to EUR 3.68 billion gross (previous year: EUR 4.21 billion). The total gross market volume declined from EUR 11.44 billion to EUR 10.61 billion (-7.3%). Thus, investments in TV advertising are declining, but to a much lesser extent in the third quarter than in the previous quarters of the year.

» **INFORMATION**

The data from Nielsen Media Research are important indicators for assessing the development of the advertising market. However, they are gathered on a gross revenue basis, meaning that, among other things, neither discounts nor commission are taken into account. The advertising revenues of major US digital corporations such as Google LLC (“Google”) also are not reflected in the Nielsen figures, which therefore do not represent the entire gross advertising market. This also results in differences from the development of the TV advertising market on a net basis.

In this challenging industry environment, audience shares also remained below previous year: In Germany, the ProSiebenSat.1 station family achieved a combined market share of 24.0% among viewers aged 14 to 49 in the third quarter of 2023 (previous year: 25.0%). In the first nine months, the audience share was 24.5% (previous year: 25.1%). In prime time, which is particularly relevant for the advertising industry, the combined audience share of ProSiebenSat.1 stations amounted to 24.6% (previous year: 25.1%) in the third quarter; for the nine-month period it was 24.9% (previous year: 25.2%).

In order to strengthen our competitive position and set ourselves apart from multinational streaming providers, ProSiebenSat.1 focuses its programming strategy on local and relevant content, which we broadcast live and on-demand across all platforms and monetize. Examples include the live sport broadcasts of Bundesliga soccer on our station SAT.1. A clear investment focus coupled with efficient cost management will also be the core of our programming strategy in the future.
→ **Financial Information on Business Performance in the Third Quarter and the First Nine Months of 2023**

At the same time, partnerships are an important way to increase our digital reach in particular. One example of this is the distribution partnership with Vodafone Deutschland, which the Group extended in the third quarter of 2023: In addition to the linear availability of all ProSiebenSat.1 stations, the new distribution agreement centers on increased cooperation on digital product offerings, especially in the area of video-on-demand. The aim is to offer and sell streaming content via partner platforms as well.

COMMERCE & VENTURES

In the **Commerce & Ventures** segment, ProSiebenSat.1 Group bundles its investments in e-commerce companies and continues to expand its digital portfolio. Via media-for-revenue or media-for-equity deals, the Group invests available advertising time and thus participates in the growth of the companies.

The focus is increasingly on sustainable companies that are suited to sales via our high-reach TV and digital channels and simultaneously offer direct added value for end customers. Current examples of this are the media-for-equity agreements with NEXT GEN FOODS Pte. Ltd. ("Next Gen Foods") and KoRo Handels GmbH ("KoRo"): For both investments, the core aim is to raise awareness of the respective brands via advertising on ProSiebenSat.1 platforms and thus to expand in digital consumer markets without large cash amounts. At present, however, SevenVentures' media-for-equity and media-for-revenue businesses are influenced by the difficult advertising market environment. In addition, interest rates are rising and there is growing pressure on start-ups to be profitable, which is resulting in reduced marketing spending.
→ **Economic Developments**

At the same time, ProSiebenSat.1 is concentrating on improving the operational performance of the segment's majority investments. One example of this is the online comparison portal Verivox (Consumer Advice), which has benefited since the beginning of the year from the improvement in the energy markets and is now growing very dynamically. Verivox already optimized its product range during the energy price crisis and installed a price alarm, which notifies the user as soon as cheaper offers and opportunities for consumers to switch providers are available. In addition to Verivox, ProSiebenSat.1 Group's majority investments also include the car rental comparison portal billiger-mietwagen.de (Consumer Advice), the experience and leisure business of Jochen Schweizer mydays (Experiences), and the online beauty provider flaconi (Beauty & Lifestyle).

DATING & VIDEO

In the **Dating & Video** segment, we have a wide product range in the online dating and social entertainment market with the online platforms of ParshipMeet Group. In this way, ParshipMeet Group supports people find entertainment, friendships, love and partnerships. In addition to the offerings for diverse target groups and interests, ParshipMeet Group is also widely diversified in terms of revenue sources and geographical presence. The Group comprises eight consumer brands and is present on three continents. The Group now generates around two-thirds of its revenues outside of the German-speaking region (Germany, Austria and Switzerland).

Accordingly, the factors influencing business performance are also extremely diverse, including both macroeconomic factors in various countries as well as technological and social trends: In addition to ongoing consumer restraint, the lower usage of video offerings in the US had an impact in an intensely competitive environment. Legal changes, such as the Fair Consumer Contracts Act, also influenced revenue performance in the Dating & Video segment. The law, adopted in Germany in March 2022, provides for tighter regulation of contracts with longer terms and has had a negative impact on the revenue development of the online dating platforms Parship and ElitePartner since the second quarter of 2023.

FINANCIAL INFORMATION ON BUSINESS PERFORMANCE IN THE THIRD QUARTER AND FIRST NINE MONTHS OF 2023

In the third quarter of 2023, **Group revenues** continued to be impacted by the difficult market environment – albeit to a lesser extent than in the first half of the year. At EUR 888 million in the third quarter of 2023, they were only 3% below the previous year's figure (previous year: EUR 911 million).

The close correlation between the uncertainty among consumers and businesses' cautious approach to advertising budgets again characterized the development of ProSiebenSat.1 Group's revenues in the third quarter. This was reflected in the declining advertising investments in the Entertainment segment as well as in the business of SevenVentures (part of the Commerce & Ventures segment). The Dating & Video segment also declined, reflecting in particular the lower usage of video offerings in the US. In addition, currency effects had a negative impact on Group revenues. In contrast, the Commerce & Ventures companies Verivox and flaconi recorded significant growth and were largely able to compensate the decline in advertising revenues. At the same time, our strategy of addressing different media usage interests and above all investing in digital entertainment offerings is paying off. Adjusted for currency effects and portfolio changes, Group revenues were almost stable in the third quarter of 2023, amounting to EUR 866 million (previous year: EUR 877 million).
→ **Developments of Relevant Market Environments**

In the first nine months of the year, Group revenues amounted to EUR 2,571 million (previous year: EUR 2,894 million), representing a decline of 11%. This particularly reflects the decline in the TV advertising business in the first half of the year. Adjusted for currency effects and portfolio changes, Group revenues decreased by 7% compared to the previous year and amounted to EUR 2,511 million (previous year: EUR 2,693 million).

» **INFORMATION**
ProSiebenSat.1 Group generates the majority of its revenues in Germany and thus in the eurozone. The remaining share of revenues is mainly attributable to the US, so exchange rate changes primarily result from the translation of US dollar into euro.

EXTERNAL REVENUES BY SEGMENT

in EUR m

	Q3 2023	Q3 2022[1]	Absolute change	Change in %
Entertainment	598	621	−23	−3.7
Commerce & Ventures	182	160	22	13.6
Dating & Video	108	129	−22	−16.7
Revenues	**888**	**911**	**−23**	**−2.5**
	Q1-Q3 2023	Q1-Q3 2022[1]	Absolute change	Change in %
Entertainment	1,717	2,032	−315	−15.5
Commerce & Ventures	522	471	51	10.8
Dating & Video	332	391	−59	−15.1
Revenues	**2,571**	**2,894**	**−323**	**−11.2**

1 Prior-year figures partly adjusted, see Annual Report 2022, Notes to the Consolidated Financial Statements, note 3 "Changes in reporting standards and accounting policies" and note 2 "Retrospective adjustment of accounting for voucher sales in financial year 2022" of the half-yearly financial report 2023.

External revenues in the **Entertainment** segment amounted to EUR 598 million in the third quarter of 2023 and were thus 4% below the previous year's figure (previous year: EUR 621 million). Advertising revenues in the German-speaking region (Germany, Austria and Switzerland) declined again year-on-year in view of the difficult macroeconomic environment, but significantly less than in the first half of the year. For the quarter, advertising revenues in the Entertainment segment in the German-speaking region (Germany, Austria and Switzerland) decreased by 5% or EUR 22 million. The decline in TV advertising revenues was partially offset by the strong growth in digital & smart advertising revenues. These recorded an increase of 16% in the German-speaking region (Germany, Austria and Switzerland). This is mainly attributable to the streaming platform Joyn, which recorded strong revenue growth as well as the dynamic growth in the audio segment. Advertising revenues from the programmatic trade of advertising time also developed positively. Our focus on innovative, digital advertising technologies, which we bundle under the umbrella of "Advanced TV", is therefore paying off. Adjusted for currency effects and portfolio changes, revenues in the Entertainment segment decreased by 3% or EUR 21 million in the third quarter of 2023.

In the nine-month period, the segment's external revenues declined by 16% to EUR 1,717 million (previous year: EUR 2,032 million). The main reason for the decline in revenues – in addition to the 9% or EUR 132 million decrease in advertising revenues – was the disposal of the US production business of Red Arrow Studios, which the Group sold as of July 1, 2022, due to its focus on the German-speaking region (Germany, Austria and Switzerland). In the same period of the previous year, this business had contributed EUR 136 million to revenues. Adjusted for currency effects and portfolio changes, the segment's external revenues decreased by 10% or EUR 184 million.

The **Commerce & Ventures** segment recorded dynamic growth also in the third quarter of 2023: **External revenues** increased by 14% to EUR 182 million (previous year: EUR 160 million). Adjusted for currency effects and portfolio changes, growth amounted to 16% or EUR 25 million. The key growth driver was the online comparison portal Verivox (Consumer Advice). Since the beginning of the year, Verivox has clearly benefited from the easing of the situation on the energy markets and has been growing significantly since then. In addition, the expansion of the product portfolio has also had a positive effect on Verivox's revenue development. This also applies to the Beauty & Lifestyle business with flaconi: The online beauty provider continued its revenue growth in this quarter despite ongoing consumer restraint in the German-speaking region. The media-for-revenue and media-for-equity business of SevenVentures, which is currently influenced among other things by the difficult advertising market environment, had an opposing effect on segment revenues.

→ **Developments of Relevant Market Environments**

In the nine-month period, the segment's revenues increased by 11% or EUR 51 million to EUR 522 million (previous year: EUR 471 million). Here, as well, the clear growth in the Digital & Commerce portfolio, driven in particular by Verivox and flaconi, more than compensated for the decline in revenues at SevenVentures. Adjusted for currency effects and portfolio changes, the segment's external revenues were 12% or EUR 56 million above the previous year's period.

External revenues in the **Dating & Video** segment amounted to EUR 108 million in the third quarter of 2023. This represents a decline of 17% or EUR 22 million, or of 12% or EUR 14 million adjusted for currency effects compared to the third quarter of 2022. Revenues from the video unit declined by 22% or EUR 13 million in an intensely competitive environment. The dating unit is also affected by the ongoing consumer restraint. In addition, stricter regulations regarding fair consumer contracts came into force in Germany last year, particularly affecting the subscription models of the Parship and ElitePartner platforms. Since the second quarter of 2023, these have had a negative impact on revenue development. In total, revenues from the dating unit in the third quarter of 2023 were therefore 12% or EUR 8 million below the previous year.
→ **Developments of Relevant Market Environments**

The developments described above also characterize the nine-month period: From January to September 2023, the segment's external revenues decreased to EUR 332 million, which is a minus of 15% or EUR 59 million. Adjusted for currency effects, the figure decreased by 14% or EUR 54 million.

EXTERNAL REVENUES

in EUR m

	Entertainment		Commerce & Ventures		Dating & Video		**Total Group**	
	Q3 2023	Q3 2022	**Q3 2023**	Q3 2022[1]	**Q3 2023**	Q3 2022	**Q3 2023**	Q3 2022[1]
Advertising revenues	**477**	**506**	**24**	**30**	**—**	**—**	**500**	**536**
DACH[2]	408	430	24	30	—	—	431	460
Rest of the world	69	77	—	—	—	—	69	77
Distribution	**48**	**47**	**—**	**—**	**—**	**—**	**48**	**47**
Content	**46**	**49**	**—**	**—**	**—**	**—**	**46**	**49**
Europe	43	43	—	—	—	—	43	43
Rest of the world	4	5	—	—	—	—	4	5
Digital Platform & Commerce	**—**	**—**	**157**	**129**	**—**	**—**	**157**	**129**
Consumer Advice	—	—	67	45	—	—	67	45
Experiences	—	—	6	9	—	—	6	9
Beauty & Lifestyle	—	—	84	75	—	—	84	75
Dating & Video	**—**	**—**	**—**	**—**	**108**	**129**	**108**	**129**
Dating	—	—	—	—	62	70	62	70
Video	—	—	—	—	46	59	46	59
Other revenues	**27**	**20**	**1**	**1**	**—**	**—**	**28**	**21**
Total	**598**	**621**	**182**	**160**	**108**	**129**	**888**	**911**

	Entertainment		Commerce & Ventures		Dating & Video		**Total Group**	
	Q1-Q3 2023	Q1-Q3 2022	**Q1-Q3 2023**	Q1-Q3 2022[1]	**Q1-Q3 2023**	Q1-Q3 2022	**Q1-Q3 2023**	Q1-Q3 2022[1]
Advertising revenues	**1,392**	**1,524**	**72**	**109**	**—**	**—**	**1,465**	**1,633**
DACH[2]	1,204	1,318	72	109	—	—	1,276	1,427
Rest of the world	188	206	—	—	—	—	188	206
Distribution	**138**	**137**	**—**	**—**	**—**	**—**	**138**	**137**
Content	**105**	**304**	**—**	**—**	**—**	**—**	**105**	**304**
Europe	96	158	—	—	—	—	96	158
Rest of the world	8	146	—	—	—	—	8	146
Digital Platform & Commerce	**—**	**—**	**447**	**359**	**—**	**—**	**447**	**359**
Consumer Advice	—	—	183	132	—	—	183	132
Experiences	—	—	20	18	—	—	20	18
Beauty & Lifestyle	—	—	245	210	—	—	245	210
Dating & Video	**—**	**—**	**—**	**—**	**332**	**391**	**332**	**391**
Dating	—	—	—	—	187	204	187	204
Video	—	—	—	—	146	187	146	187
Other revenues	**81**	**66**	**2**	**3**	**—**	**—**	**84**	**69**
Total	**1,717**	**2,032**	**522**	**471**	**332**	**391**	**2,571**	**2,894**

1 Prior-year figures partly adjusted, see Annual Report 2022, Notes to the Consolidated Financial Statements, note 3 "Changes in reporting standards and accounting policies" and note 2 "Retrospective adjustment of accounting for voucher sales in financial year 2022" of the half-yearly financial report 2023.
2 DACH = German-speaking region (Germany, Austria, Switzerland).

In the third quarter of 2023, **adjusted EBITDA** was now again slightly higher than in the previous year, increasing by 2% to EUR 110 million (previous year: EUR 108 million). Cost adjustments had a positive effect: The costs included in adjusted EBITDA amounted to EUR 781 million and were thus 3% below the previous year's figure (previous year: EUR 806 million). The Group took targeted cost measures, particularly with regard to programming expenses in the Entertainment segment and in the Dating & Video segment, in order to counteract the decreased revenues there as well. The full consolidation of Joyn had an opposing effect. Adjusted for currency effects and portfolio changes, adjusted EBITDA increased by 12% or EUR 12 million.

In the first nine months of the year, the Group's adjusted EBITDA amounted to EUR 243 million – a decline of 35% or EUR 133 million year-on-year. Adjusted for currency effects and portfolio changes, the decline amounted to 28% or EUR 96 million.

The earnings development reflects ProSiebenSat.1's expectations in a very challenging market environment: In particular, the highly profitable but at the same time very cyclically sensitive advertising business had a negative impact on adjusted EBITDA, albeit to a lesser extent in the third quarter of 2023 than in the first half of the year.

The development of adjusted EBITDA at segment level is as follows:

ADJUSTED EBITDA BY SEGMENT

in EUR m

	Q3 2023	Q3 2022[1]	Absolute change	Change in %
Entertainment	85	91	−6	−7.0
Commerce & Ventures	8	−3	12	~
Dating & Video	18	26	−7	−28.2
Reconciliation (Holding & other)	−2	−5	4	−67.5
Total adjusted EBITDA	**110**	**108**	**2**	**1.7**
	Q1-Q3 2023	**Q1-Q3 2022[1]**	**Absolute change**	**Change in %**
Entertainment	177	317	−139	−44.0
Commerce & Ventures	14	0	14	~
Dating & Video	57	73	−16	−21.4
Reconciliation (Holding & other)	−6	−14	8	−59.4
Total adjusted EBITDA	**243**	**376**	**−133**	**−35.3**

1 Prior-year figures partly adjusted, see Annual Report 2022, Notes to the Consolidated Financial Statements, note 3 "Changes in reporting standards and accounting policies" and note 2 "Retrospective adjustment of accounting for voucher sales in financial year 2022" of the half-yearly financial report 2023.

The **Entertainment** segment recorded an **adjusted EBITDA** of EUR 85 million in the third quarter of 2023, and thus a year-on-year decline of 7% (previous year: EUR 91 million). This particularly reflects the decline in the high-margin advertising business due to the economic situation. The Group has responded to this in a targeted manner with more efficient management of programming expenses, which were 11% below the previous year at EUR 215 million in the third quarter of 2023 (previous year: EUR 241 million). The full consolidation of Joyn also had an impact: This resulted in a negative effect on earnings of EUR 9 million in the third quarter. These developments also characterized the period from January to September 2023: Adjusted EBITDA amounted to EUR 177 million and was thus 44% below the previous year (previous year: EUR 317 million). In this period, programming expenses declined by 7% to EUR 681 million (previous year: EUR 735 million).

The **adjusted EBITDA** of the **Commerce & Ventures** segment increased to EUR 8 million in the third quarter of 2023 (previous year: EUR -3 million). This positive development reflects the dynamic growth in the Consumer Advice and Beauty & Lifestyle units. This contrasts with a declining earnings contribution from SevenVentures. In the nine-month period, adjusted EBITDA increased to EUR 14 million (previous year: EUR 0 million). The more profitable revenue development at Verivox and flaconi also had a very positive effect compared to the previous year.

The **adjusted EBITDA** in the **Dating & Video** segment is mainly influenced by the revenue development and amounted to EUR 18 million in the third quarter of 2023, a decrease of 28% or EUR 7 million year-on-year. In the first nine months, the segment's adjusted EBITDA amounted to EUR 57 million, declining by 21% or EUR 16 million. The Group partially offset the decline in revenues through cost adjustments and measures to increase efficiency, particularly in the segment's video business.

RECONCILIATION OF ADJUSTED EBITDA TO NET INCOME

in EUR m

	Q3 2023	Q3 2022[1]	Absolute change	Change in %
Adjusted EBITDA	**110**	**108**	**2**	**1.7**
Reconciling items	−17	15	−31	~
EBITDA	**93**	**123**	**−30**	**−24.0**
Depreciation, amortization and impairments	−49	−173	124	−71.7
thereof from purchase price allocations	−6	−22	15	−71.1
thereof from goodwill	—	−81	81	~
Operating result (EBIT)	**44**	**−50**	**95**	**~**
Financial result	−18	−11	−7	59.7
Income taxes	−11	−17	5	−32.5
Net income	**16**	**−78**	**94**	**~**
	Q1-Q3 2023	Q1-Q3 2022[1]	Absolute change	Change in %
Adjusted EBITDA	**243**	**376**	**−133**	**−35.3**
Reconciling items	−105	−4	−101	~
EBITDA	**138**	**371**	**−234**	**−62.9**
Depreciation, amortization and impairments	−152	−331	179	−54.0
thereof from purchase price allocations	−21	−45	24	−53.3
thereof from goodwill	—	−127	127	~
Operating result (EBIT)	**−14**	**41**	**−55**	**~**
Financial result	−49	−71	21	−29.9
Income taxes	−7	−59	51	−87.8
Net income	**−71**	**−89**	**18**	**−20.0**

1 Prior-year figures partly adjusted, see Annual Report 2022, Notes to the Consolidated Financial Statements, note 3 "Changes in reporting standards and accounting policies" and note 2 "Retrospective adjustment of accounting for voucher sales in financial year 2022" of the half-yearly financial report 2023.

EBITDA amounted to EUR 93 million in the third quarter of 2023 and was thus 24% or EUR 30 million lower than in the previous year. On a nine-month basis, EBITDA amounted to EUR 138 million (previous year: EUR 371 million).

EBITDA is affected by **reconciling items**, which amounted to minus EUR 17 million in the third quarter of 2023 compared to EUR 15 million in the previous year. This position primarily comprises the following opposing effects:

The reconciling items include **expense adjustments** of EUR 19 million (previous year: EUR 5 million), of which EUR 12 million are attributable to reorganization expenses in connection with the realignment of the Group, especially in the Entertainment segment. Furthermore, this item includes expenses from other one-time items of EUR 5 million (previous year: EUR 1 million), which mainly relate to the clarification of the matter regarding the ZAG and the related processes at Jochen Schweizer and mydays.

In the third quarter of 2023, **income adjustments** amounted to EUR 2 million (previous year: EUR 19 million). In the previous year, this item mainly included income from changes in the scope of consolidation of EUR 18 million, which was attributable to the sale of the US production business of Red Arrow Studios as of July 1, 2022.

In the first nine months of the year, reconciling items amounted to minus EUR 105 million (previous year: EUR -4 million). This high difference compared to the previous year is attributable to reorganization expenses of EUR 82 million (previous year: EUR 3 million), which – in addition to the restructuring expenses in connection with the realignment of the Entertainment segment – relate to the US-headquartered The Meet Group, which is part of the Dating & Video segment. Furthermore, the reconciling items include expenses from other one-time items amounting to EUR 18 million (previous year: EUR 2 million). These mainly result from the clarification of the matter regarding the ZAG. Expenses from changes in the Group's Executive Board also made an impact. In addition, there are reconciling items from M&A expenses of EUR 6 million (previous year: EUR 27 million). In contrast, income adjustments amounted to EUR 2 million (previous year: EUR 33 million). The high previous year's figure – both for M&A expenses and for income adjustments – reflects the sale of the US production business.

PRESENTATION OF RECONCILING ITEMS WITHIN ADJUSTED EBITDA

in EUR m

	Q3 2023	Q3 2022[1]	**Q1-Q3 2023**	Q1-Q3 2022[1]
Adjusted EBITDA	**110**	**108**	**243**	**376**
Income from changes in scope of consolidation	—	18	—	21
Income from other one-time items	0	0	0	2
Fair value adjustments of share-based payments	2	1	2	9
Income adjustments	**2**	**19**	**2**	**33**
M&A-related expenses	0	1	−6	−27
Reorganization expenses	−13	0	−82	−3
Expenses for legal claims	0	0	0	−1
Expenses from changes in scope of consolidation	0	−3	−3	−3
Expenses from other one-time items	−5	−1	−18	−2
Valuation effects relating to strategic realignment of business units	—	−1	—	−2
Expense adjustments	**−19**	**−5**	**−108**	**−37**
Reconciling items	**−17**	**15**	**−105**	**−4**
EBITDA	**93**	**123**	**138**	**371**

1 Prior-year figures partly adjusted, see Annual Report 2022, Notes to the Consolidated Financial Statements, note 3 "Changes in reporting standards and accounting policies" and note 2 "Retrospective adjustment of accounting for voucher sales in financial year 2022" of the half-yearly financial report 2023.

Depreciation, amortization and impairments amounted to EUR 49 million in the third quarter of 2023 (previous year: EUR 173 million). The decrease is mainly related to the impairments recognized in the previous year, which were largely attributable to other assets in the Commerce & Ventures segment and to goodwill of the cash-generating unit NuCom Group. This effect also influenced the first nine months of the year: In this period, depreciation, amortization and impairments amounted to EUR 152 million (previous year: EUR 331 million). In addition, the change compared to the previous year is attributable to the disposal of the US production business of Red Arrow Studios as of July 1, 2022: The adjustment of the net carrying amounts to the selling price had a particular impact here.

The developments described above, and especially lower depreciation, amortization and impairments, resulted in **EBIT** of EUR 44 million in the third quarter of 2023. This is a year-on-year improvement of EUR 95 million. In the first nine months of 2023, EBIT decreased to minus EUR 14 million (previous year: EUR 41 million), primarily as a result of the revenue decline.

In the third quarter of 2023, the **financial result** amounted to minus EUR 18 million, after minus EUR 11 million in the previous year. The main reason for the change compared to the previous year is the development of the **interest result**, which amounted to minus EUR 17 million (previous year: EUR -9 million) due to the higher interest rate level. The **other financial result** also decreased slightly in the third quarter of 2023 and amounted to EUR 0 million compared to EUR 3 million in the previous year. While valuation effects from media-for-equity investments (EUR -4 million; previous year: EUR -6 million) and from other financial instruments (EUR -2 million; previous year: EUR -5 million) are included as the largest individual item in the third quarter of 2023, the previous year's figure is primarily characterized by earnings effects from the valuation of interest rate options (EUR 20 million) and valuation effects from fund investments (EUR -18 million).

In contrast, the **result from investments accounted for using the equity method** improved to EUR 0 million (previous year: EUR -5 million), which is primarily attributable to the full consolidation of Joyn. In the previous year, the 50% share in net profit or loss of the streaming platform was recognized in the financial result as a negative result from investments accounted for using the equity method.

In the first nine months of the year, the financial result improved to minus EUR 49 million (previous year: EUR -71 million). The change is attributable firstly to the result from investments accounted for using the equity method of minus EUR 1 million (previous year: EUR -24 million). Secondly, the other financial result improved to minus EUR 4 million (previous year: EUR -26 million). The largest items in the previous year's figure were valuation effects from fund investments (EUR -29 million), from the investment in the online fashion retailer ABOUT YOU (EUR -39 million) and from the valuation of interest rate options (EUR 45 million). The interest result, which amounted to minus EUR 45 million (previous year: EUR -21 million), had an opposing effect.

In the third quarter of 2023, expenses from **income taxes** amounted to EUR 11 million (previous year: EUR 17 million). In the months from January to September 2023, income taxes amounted to EUR 7 million (previous year: EUR 59 million).

» INFORMATION

In the current financial year, income tax expenses are mainly influenced by the decline in earnings before taxes. The income tax expenses despite negative net income are primarily due to the lack of opportunity to recognize deferred tax assets on losses. In the first nine months of 2022, income tax expenses were mainly influenced by non-tax-deductible valuation and disposal effects and the result from investments accounted for using the equity method.

Net income improved compared to the third quarter of 2022 and amounted to EUR 16 million (previous year: EUR -78 million). The previous year's negative figure is mainly due to the impairments recognized on goodwill of the cash-generating unit NuCom Group. In the first nine months, net income improved slightly to minus EUR 71 million (previous year: EUR -89 million). The decline in EBITDA is compensated by lower impairments and income taxes compared to the previous year.

The developments described result in **adjusted net income** of EUR 23 million, after EUR 39 million in the previous year. On a nine-month basis, adjusted net income decreased to EUR 12 million (previous year: EUR 141 million), whereby the significant decline in the first nine months of 2023 reflects the development of adjusted EBITDA.

The reconciliation of net income to adjusted net income is as follows:

RECONCILIATION OF ADJUSTED NET INCOME

in EUR m

	Q3 2023	Q3 2022[1]	Absolute change	Change in %
Net income	**16**	**−78**	**94**	**~**
Reconciling items within EBITDA	17	−15	31	~
Reconciling items under EBITDA[2]	−7	130	−136	~
Subtotal	**26**	**37**	**−12**	**−31.0**
Adjusted net income attributable to noncontrolling interests	−3	2	−5	~
Adjusted net income	**23**	**39**	**−16**	**−41.0**

	Q1-Q3 2023	Q1-Q3 2022[1]	Absolute change	Change in %
Net income	**−71**	**−89**	**18**	**−20.0**
Reconciling items within EBITDA	105	4	101	~
Reconciling items under EBITDA[2]	−17	215	−232	~
Subtotal	**17**	**131**	**−114**	**−86.7**
Adjusted net income attributable to noncontrolling interests	−5	9	−15	~
Adjusted net income	**12**	**141**	**−128**	**−91.3**

1 Prior-year figures partly adjusted, see Annual Report 2022, Notes to the Consolidated Financial Statements, note 3 "Changes in reporting standards and accounting policies" and note 2 "Retrospective adjustment of accounting for voucher sales in financial year 2022" of the half-yearly financial report 2023.
2 The reconciling items below EBITDA include in the third quarter of 2022 impairments on other non-current assets and impairments on goodwill. On a nine-month view, the reconciling items below EBITDA also include the goodwill impairment from the second quarter of 2022 resulting from the adjustment of the net carrying amounts to the selling price of the US production business of Red Arrow Studios disposed as of July 1, 2022.

ADJUSTED OPERATING FREE CASH FLOW

in EUR m

	Q3 2023	Q3 2022[1]	Q1-Q3 2023	Q1-Q3 2022[1]
Adjusted EBITDA	110	108	243	376
Consumption of programming assets incl. change in provisions for onerous contracts	192	224	615	686
Change in provisions	−55	2	−5	15
Change in working capital	29	−40	8	−73
Investments	−213	−266	−793	−726
programming assets	−155	−210	−628	−576
other investments	−58	−56	−164	−150
Other[2]	−2	10	−64	13
Adjusted operating free cash flow	**61**	**38**	**4**	**292**

1 Prior-year figures partly adjusted, see Annual Report 2022, Notes to the Consolidated Financial Statements, note 3 "Changes in reporting standards and accounting policies" and note 2 "Retrospective adjustment of accounting for voucher sales in financial year 2022" of the half-yearly financial report 2023.
2 Mainly includes adjustments from reconciling items within EBITDA and proceeds from the disposal of programming assets.

Adjusted operating free cash flow increased to EUR 61 million in the third quarter of 2023 (previous year: EUR 38 million). The significant improvement particularly reflects the deferred timing of investments in programming.

In the first nine months of 2023, adjusted operating free cash flow amounted to EUR 4 million, after EUR 292 million in the previous year. In addition to the lower earnings, this was also affected by the deferred timing of investments in licensed programming in the first half of the year compared to the previous year.

The Group's **net financial debt** amounted to EUR 1,775 million as of September 30, 2023 (December 31, 2022: EUR 1,613 million; September 30, 2022: EUR 1,739 million). The increase in net financial debt compared to the end of the year is primarily due to the development of the Group's cash flow and its usual seasonal pattern: The fourth quarter is the most important quarter for cash generation.

The **leverage ratio** amounted to 3.3x as of September 30, 2023. During the year, it is therefore above the target range of 2.5x to 3x forecast for the end of 2023 (December 31, 2022: 2.4x; September 30, 2022: 2.3x). This development is in line with our expectations and mainly attributable to the declining adjusted EBITDA in the last twelve months.

→ Company Outlook

» INFORMATION

The leverage ratio is the ratio of net financial debt to adjusted EBITDA in the last twelve months (LTM adjusted EBITDA). As of September 30, 2023, the definition of ProSiebenSat.1 Group's net financial debt does not include lease liabilities of EUR 169 million (December 31, 2022: EUR 178 million; September 30, 2022: EUR 177 million) or real estate liabilities of EUR 154 million (December 31, 2022: EUR 133 million; September 30, 2022: EUR 120 million).

RISK AND OPPORTUNITY REPORT

Compared to the end of 2022, ProSiebenSat.1 Group's **overall risk situation** has increased as a result of the following development: As part of the ongoing tax audit, the tax authorities verbally informed the Group during the course of the third quarter about a possible imminent change in their view on the tax treatment of programming assets, which could result in a one-time additional tax burden that would be reversed in subsequent years through corresponding tax reductions. ProSiebenSat.1 Group still considers its previous accounting practice to be in compliance with the law. We categorize this **tax risk** as a medium risk overall with an unlikely likelihood of occurrence. Should there be changes in the tax accounting of programming assets, the effects in terms of our risk matrix would be classified as very high in the period under review, as the offsetting tax reductions would only occur in subsequent years and thus outside the risk assessment period.

All other reported risks are unchanged in terms of both likelihood of occurrence and possible impact compared to the end of 2022. This also applies to **risks from economic and geopolitical environment**: Although the outlook for the German economy is subdued and visibility is very limited, first positive trends in the development of private consumption are forecast. We therefore continue to rate these risks as high with a possible probability of occurrence, although the impact on the Group's revenue and earnings performance would remain very high.
→ Economic Developments

Moreover, we estimate that there are currently no risks that, individually or in combination with other risks, could have a material or lasting adverse effect on the earnings, financial position and performance of the Group. The identified risks pose no threat to the Group as a going concern, even looking into the future. The opportunity situation has likewise not changed compared to the end of 2022.

We systematically monitor all risks covered by the risk management process. These are not necessarily the only risks that the Group faces. However, we are currently not aware of any additional risks that could affect our business activities, or we do not consider them relevant in the context of this report. Our risk assessment is based on the data on the general economic situation known before the publication of this Quarterly Statement on November 14, 2023.
→ Company Outlook

» **INFORMATION**
ProSiebenSat.1 Media SE has a comprehensive risk management system to systematically identify, assess, manage and monitor risk potentials. Risks are defined in this report as potential future developments or events that could significantly influence our business situation and result in a negative deviation from targets or forecasts. Therefore, risk indicators that we have already taken into account in our financial planning or in the Interim Consolidated Financial Statements as of September 30, 2023, are not covered by this definition and are consequently not explained in this Risk Report. The relevant risks are described in the Annual Report 2022 from page 174 onwards. The organizational requirements for risk and opportunity management are also explained here.
→ Annual Report 2022, "Risk and Opportunity Report"

COMPANY OUTLOOK

The visibility of the macroeconomic development in ProSiebenSat.1 Group's core markets remains limited. Contrary to the expectations of economic research institutes in summer, they currently assume that the economic slowdown in the German-speaking region (Germany, Austria, Switzerland) – and particularly in Germany – is likely to continue, although private consumption should gradually recover as a result of declining inflation.

→ Economic Developments

After ProSiebenSat.1's business was challenging in the first half of the year due to the weakness of the advertising market, the Group's financial performance stabilized in the third quarter of 2023. In the fourth quarter of 2023, ProSiebenSat.1 again expects a slightly improved revenue and earnings performance. In this context, advertising revenues of the Entertainment segment in the German-speaking region (Germany, Austria, Switzerland) are expected to be at the previous year's level, reflecting the continuous improvement compared to the previous quarters. Strong growth in the digital portfolio is compensating for the currently still declining TV advertising revenues. For ProSiebenSat.1, the fourth quarter is traditionally the strongest quarter in terms of revenues and earnings. At the same time, however, ongoing consumer restraint, legal changes and intense competition in the video business are having a greater impact on revenue development in the Dating & Video segment than expected at the beginning of the year.

On this basis and against the backdrop of a weaker economic recovery than initially expected ProSiebenSat.1 Group is specifying its outlook for financial year 2023: We expect the Group's **adjusted EBITDA** for the full-year to be at the lower end of the range forecast at the beginning of the year. For **Group revenues**, ProSiebenSat.1 expects to achieve a value slightly below the target range. The Group's other key financial figures will develop in line with adjusted EBITDA. For the **leverage ratio** (the ratio of the Group's net financial debt to its LTM adjusted EBITDA), the Group continues to expect to achieve a value between 2.5x and 3x at the end of 2023.

At the beginning of the year, ProSiebenSat.1 had forecast the following ranges for the most important key financial figures:

Revenues

ProSiebenSat.1 had forecast **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 billion[1]).

Earnings Performance and Cash Flow

Against the background of the portfolio changes made in 2022, such as the disposal of the US production business of Red Arrow Studios and the complete takeover of the streaming platform Joyn, as well as the expected decline in high-margin TV advertising revenues, the Group had expected an **adjusted EBITDA** of around EUR 600 million with a variance of plus/minus EUR 50 million for full-year 2023 (previous year's figure adjusted for currency and portfolio effects: EUR 623 million[2]). This expectation includes negative consolidation effects in the mid two-digit million EUR

1 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.
2 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 nonsignificant 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.

amount from the complete takeover of the streaming platform Joyn. Also reflected here are opposing effects from the Group's cost reduction program with a pro rata impact in 2023.

The **adjusted net income** of ProSiebenSat.1 is mainly determined by the development of adjusted EBITDA. Furthermore, this key figure is influenced by the financial result and income taxes. On this basis, the Group had expected adjusted net income for the full-year 2023 to be in a mid two-digit million EUR amount below the previous year's level of EUR 301 million.

The **adjusted operating free cash flow** is the Group's relevant cash flow management indicator and is based on the development of adjusted EBITDA. Accordingly, ProSiebenSat.1 had assumed that the adjusted operating free cash flow for full-year 2023 – for reasons of comparability adjusted for the change in investments in relation to the construction of the new campus at the premises in Unterföhring – will be in a low three-digit million EUR amount below the previous year's figure of EUR 492 million.

Capital Efficiency

ProSiebenSat.1 measures the mid-term financial success of the company on the basis of **P7S1 ROCE** (return on capital employed). Due to the expected decline in adjusted EBITDA, the Group had expected P7S1 ROCE in financial year 2023 to be slightly below the previous year's level of 12.4%.

Capital Structure

In general, 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 the respective year. However, due to the expected decline in adjusted EBITDA in the full-year, the Group had expected the leverage ratio to be between 2.5x and 3x at the end of 2023 (previous year: 2.4x), reaching the midpoint of the adjusted EBITDA target.

CONSOLIDATED INCOME STATEMENT

in EUR m	**Q3 2023**	Q3 2022[1]	**Q1-Q3 2023**	Q1-Q3 2022[1]
Revenues	888	911	2,571	2,894
Cost of sales	−584	−602	−1,758	−1,888
Gross profit	**304**	**309**	**813**	**1,006**
Selling expenses	−170	−178	−520	−494
Administrative expenses	−93	−113	−319	−371
Other operating expenses	0	−90	−3	−137
Other operating income	3	22	14	37
Operating result	**44**	**−50**	**−14**	**41**
Interest and similar income	6	2	16	9
Interest and similar expenses	−23	−10	−61	−30
Interest result	−17	−9	−45	−21
Result from investments accounted for using the equity method	0	−5	−1	−24
Other financial result	0	3	−4	−26
Financial result	**−18**	**−11**	**−49**	**−71**
Result before income taxes	**27**	**−61**	**−64**	**−30**
Income taxes	−11	−17	−7	−59
Net income	**16**	**−78**	**−71**	**−89**
Attributable to shareholders of ProSiebenSat.1 Media SE	**15**	**−38**	**−66**	**−41**
Attributable to non-controlling interests	1	−40	−5	−47
Earnings per share in EUR				
Basic earnings per share	0.07	−0.17	−0.29	−0.18
Diluted earnings per share	0.06	−0.17	−0.29	−0.20

1 Prior-year figures partly adjusted, see Annual Report 2022, Notes to the Consolidated Financial Statements, note 3 "Changes in reporting standards and accounting policies" and note 2 "Retrospective adjustment of accounting for voucher sales in financial year 2022" of the half-yearly financial report 2023.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

in EUR m	**Q3 2023**	Q3 2022[1]	**Q1-Q3 2023**	Q1-Q3 2022[1]
Net income	**16**	**−78**	**−71**	**−89**
Foreign currency translation adjustment	13	68	4	124
Reclassification of foreign currency translation adjustment to profit or loss	0	−23	0	−26
Measurement of cash flow hedges	2	33	−18	56
Income taxes	−1	−9	5	−16
Items that may be reclassified subsequently to profit or loss	**14**	**69**	**−9**	**138**
Remeasurement of defined benefit obligations	0	2	0	7
Income taxes	0	0	0	−2
Items that will not be reclassified subsequently to profit or loss	**0**	**1**	**0**	**5**
Other comprehensive income	**14**	**70**	**−9**	**143**
Total comprehensive income	**30**	**−8**	**−80**	**54**
Attributable to shareholders of ProSiebenSat.1 Media SE	**25**	**10**	**−77**	**65**
Attributable to non-controlling interests	5	−17	−3	−11

1 Prior-year figures partly adjusted, see Annual Report 2022, Notes to the Consolidated Financial Statements, note 3 "Changes in reporting standards and accounting policies" and note 2 "Retrospective adjustment of accounting for voucher sales in financial year 2022" of the half-yearly financial report 2023.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

in EUR m	**09/30/2023**	12/31/2022
ASSETS		
Goodwill	2,000	1,997
Programming assets	889	912
Other intangible assets	814	809
Property, plant and equipment	534	490
Investments accounted for using the equity method	22	29
Other financial assets	281	294
Other receivables and non-current assets	2	3
Deferred tax assets	20	20
Non-current assets	**4,562**	**4,555**
Programming assets	151	174
Inventories	58	41
Other financial assets	82	93
Trade receivables	457	471
Current tax assets	114	87
Other receivables and current assets	93	81
Cash and cash equivalents	343	504
Current assets	**1,297**	**1,451**
Total assets	**5,858**	**6,005**

in EUR m	**09/30/2023**	12/31/2022
EQUITY AND LIABILITIES		
Subscribed capital	233	233
Capital reserves	1,046	1,046
Consolidated equity generated	280	358
Treasury shares	−60	−60
Accumulated other comprehensive income	62	72
Other equity	−209	−141
Total equity attributable to shareholders of ProSiebenSat.1 Media SE	1,352	1,508
Non-controlling interests	329	266
Equity	**1,681**	**1,774**
Non-current financial debt	2,118	2,117
Other non-current financial liabilities	299	287
Trade and other payables	62	73
Other non-current liabilities	7	6
Provisions for pensions	1	2
Other non-current provisions	8	9
Deferred tax liabilities	271	277
Non-current liabilities	**2,766**	**2,770**
Other current financial liabilities	98	124
Trade and other payables	885	909
Other current liabilities	293	258
Current tax liabilities	54	78
Other current provisions	81	92
Current liabilities	**1,411**	**1,461**
Total equity and liabilities	**5,858**	**6,005**

CONSOLIDATED CASH FLOW STATEMENT

in EUR m	**Q3 2023**	Q3 2022[1]	**Q1-Q3 2023**	Q1-Q3 2022[1]
Net income	16	−78	−71	−89
Income taxes	11	17	7	59
Financial result	18	11	49	71
Depreciation, amortization and impairments of goodwill, other intangible assets and property, plant and equipment	49	173	152	331
Consumption of programming assets incl. change in provision for onerous contracts	192	224	615	686
Change in provisions	−55	2	−5	15
Gain/loss on the sale of assets	0	−15	3	−18
Change in working capital	29	−40	8	−73
Dividends received	0	0	6	6
Income tax paid	−18	−43	−59	−119
Interest paid	−17	−7	−49	−22
Interest received	5	6	12	6
Cash flow from operating activities	**230**	**250**	**668**	**854**
Proceeds from disposal of non-current assets	4	4	10	22
Payments for the acquisition of other intangible assets and property, plant and equipment	−58	−56	−164	−150
Payments for investments including investments accounted for using the equity method	0	−1	−5	−20
Payments for the acquisition of programming assets	−155	−210	−628	−576
Proceeds from the repayment of loan receivables	0	0	1	1
Payments for obtaining control of subsidiaries or other businesses (net of cash and cash equivalents acquired)	—	—	0	−4
Proceeds from losing control of subsidiaries or other businesses (net of cash and cash equivalents disposed of)	7	122	5	121
Cash flow from investing activities	**−201**	**−141**	**−782**	**−605**
Dividend paid	−11	—	−11	−181
Repayment of financial liabilities	0	0	−1	−1
Proceeds from issuance of financial liabilities	—	13	22	24
Repayment of lease liabilities	−12	−11	−34	−33
Payments for transactions with non-controlling interests	—	—	−20	0
Payments in connection with refinancing measures	—	—	−1	−6
Dividend payments to non-controlling interests	—	0	−2	0
Cash flow from financing activities	**−23**	**2**	**−46**	**−197**
Effect of foreign exchange rate changes on cash and cash equivalents	2	32	0	57
Change in cash and cash equivalents	**7**	**143**	**−161**	**109**
Cash and cash equivalents at beginning of reporting period	336	561[2]	504	594
Cash and cash equivalents at end of reporting period	**343**	**704**	**343**	**704**

1 Prior-year figures partly adjusted, see Annual Report 2022, Notes to the Consolidated Financial Statements, note 3 "Changes in reporting standards and accounting policies" and note 2 "Retrospective adjustment of accounting for voucher sales in financial year 2022" of the half-yearly financial report 2023.
2 Includes cash and cash equivalents of 70 EUR m, relating to the production companies, which were sold as of July 1, 2022.

FINANCIAL CALENDAR

Date	Event
November 14, 2023	Publication of the Quarterly Statement for the Third Quarter of 2023
March 7, 2024	Publication of the Annual Report 2023 Press Conference/Conference Call with Analysts on Figures 2023
April 30, 2024	Annual General Meeting
May 14, 2024	Publication of the Quarterly Statement for the First Quarter of 2024
August 8, 2024	Publication of the Half-Yearly Financial Report of 2024
November 14, 2024	Publication of the Quarterly Statement for the Third Quarter of 2024

Changes in dates cannot be ruled out. We thus recommend to check the dates on the ProSiebenSat.1 website.
→ **www.prosiebensat1.com/en/investor-relations/presentations-events/financial-calendar**

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FORWARD-LOOKING STATEMENTS

This statement contains forward-looking statements regarding ProSiebenSat.1 Media SE and ProSiebenSat.1 Group. Such statements may be identified by the use of such terms as “expects,” “intends,” “plans,” “assumes,” “pursues the goal,” and similar wording. Various factors, many of which are outside the control of ProSiebenSat.1 Media SE, could affect the Company’s business activities, success, business strategy and results. Forward-looking statements are not historical facts, and therefore incorporate known and unknown risks, uncertainties and other important factors that might cause actual results to differ from expectations. These forward-looking statements are based on current plans, goals, estimates and projections, and take account of knowledge only up to and including the date of preparation of this statement. Given these risks, uncertainties and other important factors, ProSiebenSat.1 Media SE undertakes no obligation, and has no intent, to revise such forward-looking statements or update them to reflect future events and developments. Although every effort has been made to ensure that the provided information and facts are correct, and that the opinions and expectations reflected here are reasonable, ProSiebenSat.1 Media SE assumes no liability and offers no warranty as to the completeness, correctness, adequacy and/or accuracy of any information or opinions contained herein. This statement is an English translation; in case of any discrepancies, the German authoritative version of the statement shall prevail over the English translation.