TELEVISIÓN + INTERNET

*Better together!*

# 9 months 2017 results

## (January to September)

**Madrid, October 18th 2017**

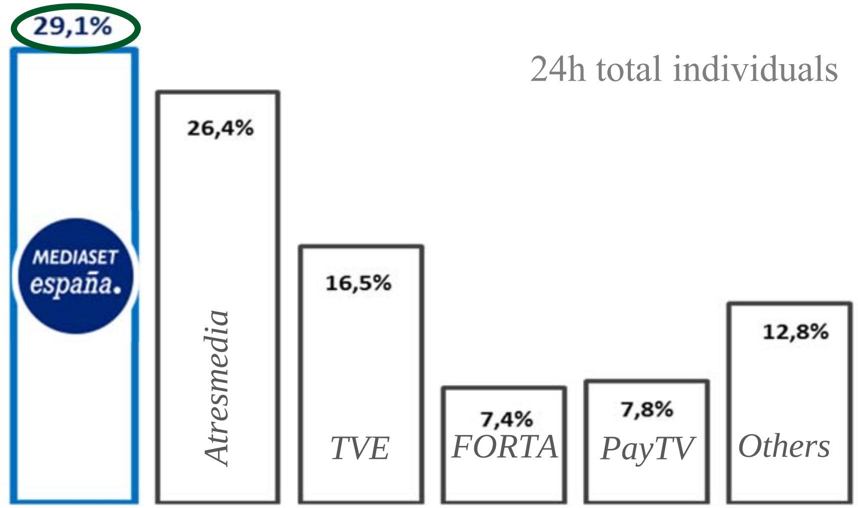
# MEDIASET ESPAÑA 9M17 RESULTS AT A GLANCE

## *9M17 FINANCIALS*

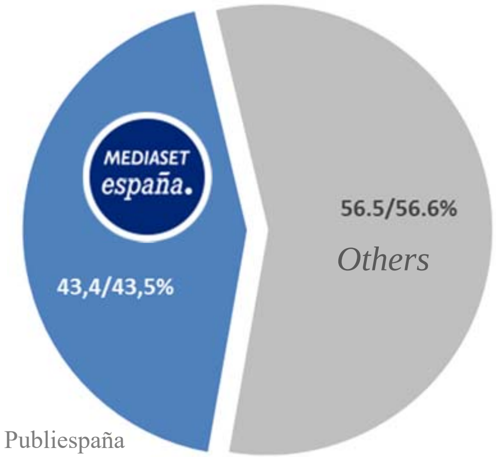
| € Million | 9M17 | 9M16 | Var. |
|---|---|---|---|
| Total net revenues | 701,3 | 711,7 | -1,5% |
| Total operating costs | 502,5 | 527,2 | -4,7% |
| **EBITDA adj*** | **198,8** | **184,4** | **7,8%** |
| *EBITDA margin* | *28,3%* | *25,9%* | *+2,4pp* |
| **EBIT** | **185,2** | **170,7** | **8,5%** |
| *EBIT margin* | *26,4%* | *24,0%* | *+2,4pp* |
| **NET PROFIT** | **146,1** | **131,8** | **10,8%** |
| EPS* | 0,45 € | 0,39 € | 0,05 € |
| **Free Cash Flow** | **188,4** | **183,0** | **5,4 €** |
| **Net cash position** | **100,1** | **118,4** | **-18,3 €** |

* EBITDA Adj, includes TV rights consumption
** EPS in €, adjusted excluding the treasury stocks owned at September 30th

## *9M17 AUDIENCE SHARE*




## *9M17e ADVERTISING MARKET SHARE*



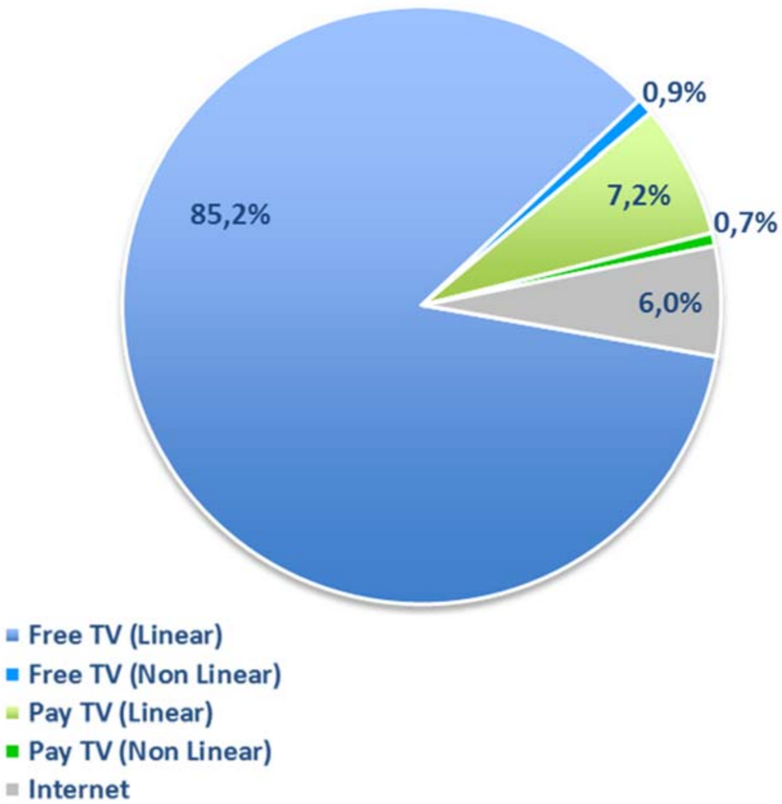

Source: Kantar media and Publiespaña


# Broadcasting

# 8M17 (Jan-Aug) audiovisual consumption

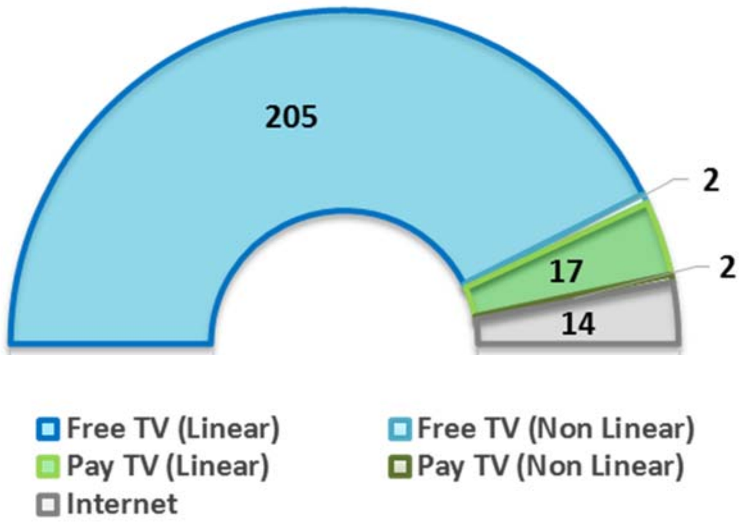
## *Total audio-visual consumption: 86% of consumption is Free TV*

*(Linear+Non-Linear+OTT)*




| Minutes per day | 8M17 |
|---|---|
| **TOTAL** | **241** |
| Free TV (linear) | 205 |
| Free TV (nonlinear) | 2,2 |
| Pay TV (linear) | 14,4 |
| Pay TV (nonlinear) | 1,7 |
| Internet video | 14,4 |

Average minutes per person

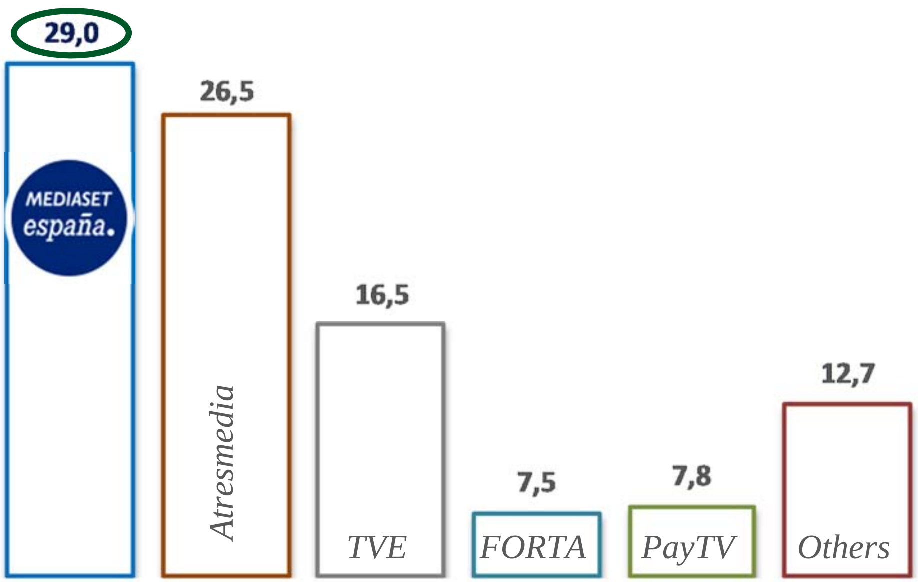



Source: Kantar media and ComScore (does not include mobile phones)

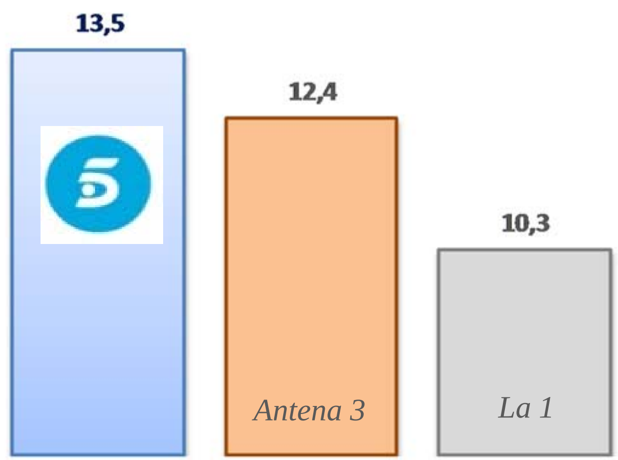
# 2017 YTD* audience

*Mediaset España leads again, both per Group and main channel*

### YTD* AUDIENCE SHARE PER GROUPS




### YTD* AUDIENCE SHARE PER CHANNEL




24h total individuals

Source: Kantar media
* Average audience January 1st – October 16th 2017

# Cinema in 2017

## *2017: A promising start to the year and new releases in the second half*

### *2017 box-office results*

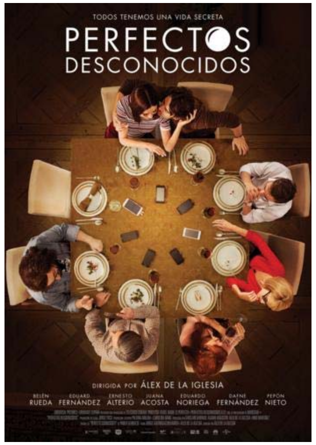
| Ranking of the most successful Spanish movies in 2017 | | Gross Box-office (€) |
|---|---|---|
| **1** | **Tadeo Jones 2** | **16,1m*** |
| **2** | **Es por tu bien** | **9,5m** |
| 3 | Señor, dame paciencia | 6,5m |
| 4 | Contratiempo | 3,7m |
| 5 | El guardián invisible | 3,6m |

Best Spanish release since December 2015

€ Million

Source: Rentrak as of October 16th 2017; only movies released in 2017; Telecinco Cinema's movies in **bold**







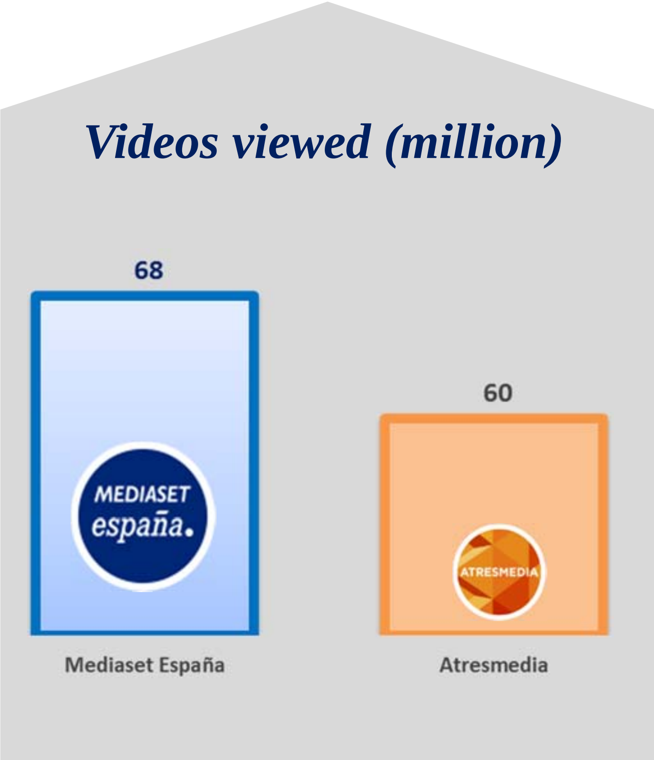
### *Historic Spanish box-office results*

| Ranking of the most successful Spanish movies | | Gross Box-office (€) | Year |
|---|---|---|---|
| **1** | **8 apellidos vascos** | **57,7m** | **2014** |
| **2** | **The Impossible** | **42,3m** | **2012** |
| **3** | **8 apellidos catalanes** | **36,2m** | **2015** |
| 4 | Los Otros | 27,2m | 2001 |
| **5** | **A monster calls** | **26,5m** | **2016** |
| **6** | **The Orphanage** | **25,0m** | **2007** |
| 7 | La gran aventura de Mortadelo y Filemón | 22,8m | 2003 |
| 8 | Torrente 2 | 22,1m | 2001 |
| **9** | **Ágora** | **21,3m** | **2009** |
| 10 | Mar adentro | 19,8m | 2004 |
| 11 | Torrente 4 | 19,3m | 2011 |
| **12** | **Las aventuras de Tadeo Jones** | **18,1m** | **2012** |

# Internet in 8M2017 (Jan-Aug)

MEDIASET españa.

## *Mediaset España leads once more, with great loyalty rates*



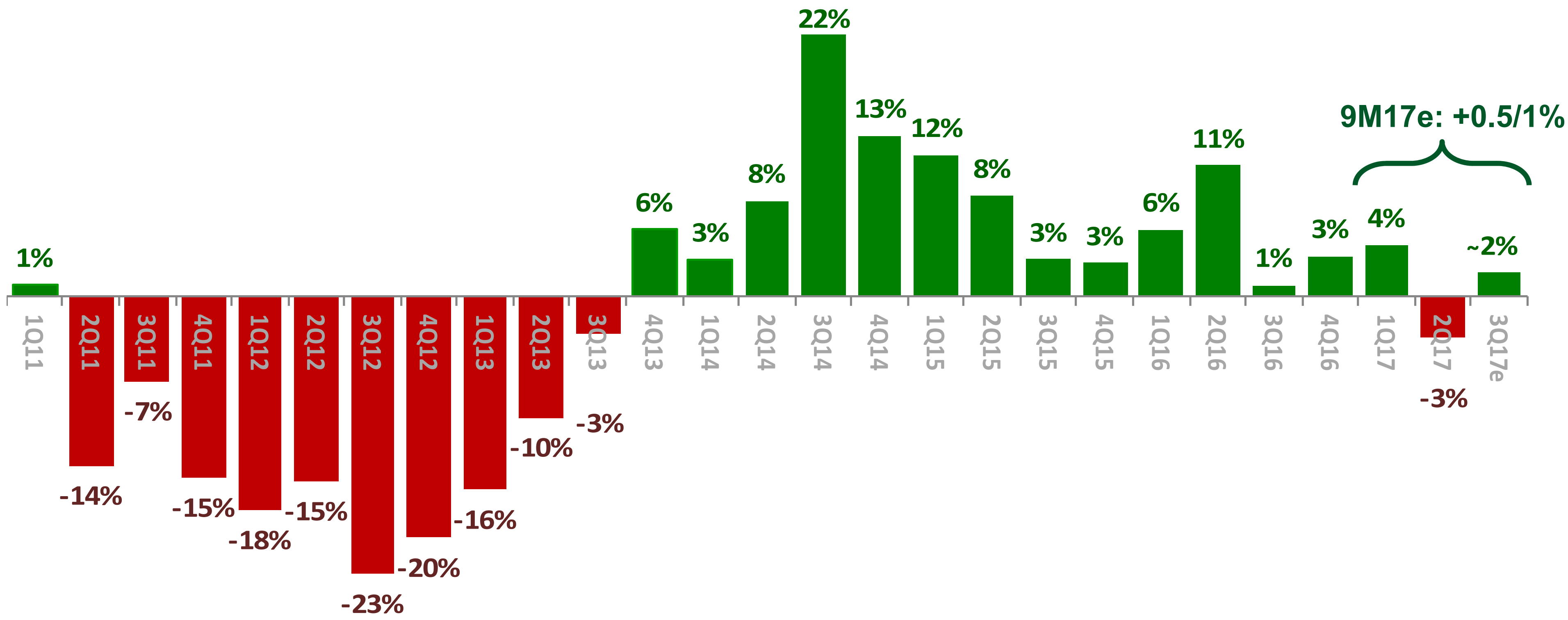

| | *Video viewing ranking per media company* | *Total minutes* (million) | *Minutes per unique viewer* | *Video per unique viewer* |
|---|---|---|---|---|
| 1 | MEDIASET españa. | 270 | 177 | 45 |
| 2 | ATRESMEDIA | 210 | 102 | 29 |
| 3 | rtve | 190 | 149 | 8 |

Source: Comscore
Data: average January to August 2017


# Advertising

# Total TV advertising market

## *Total TV investment quarterly evolution 2011-2017**

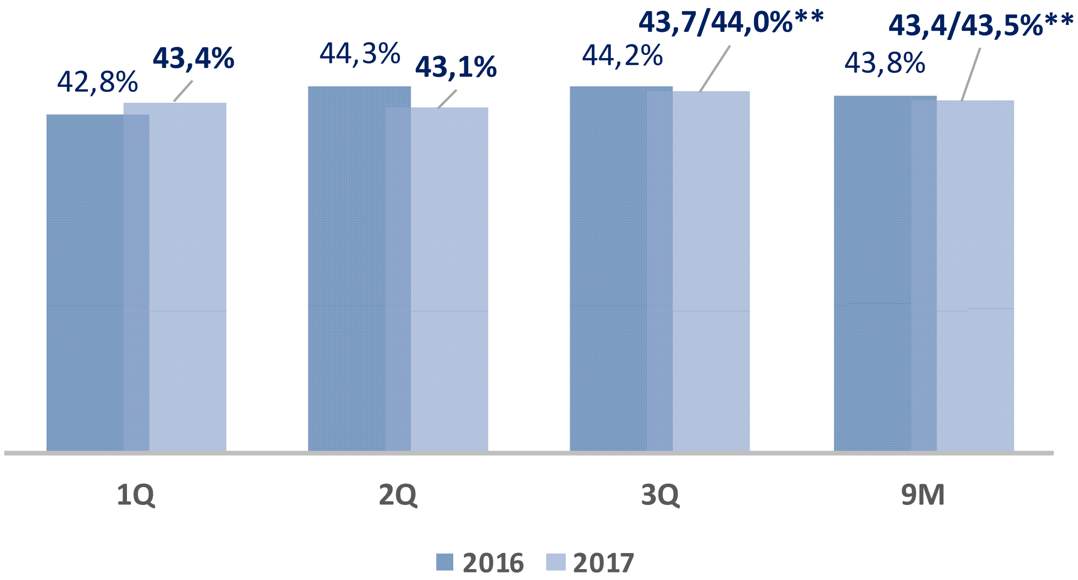



Source: Infoadex and Publiespaña estimates (3Q17, 9M17)

* vs. same period of the previous year

# 9M17 Mediaset España's advertising revenues & share

## *Mediaset España advertising market share*




€ Million

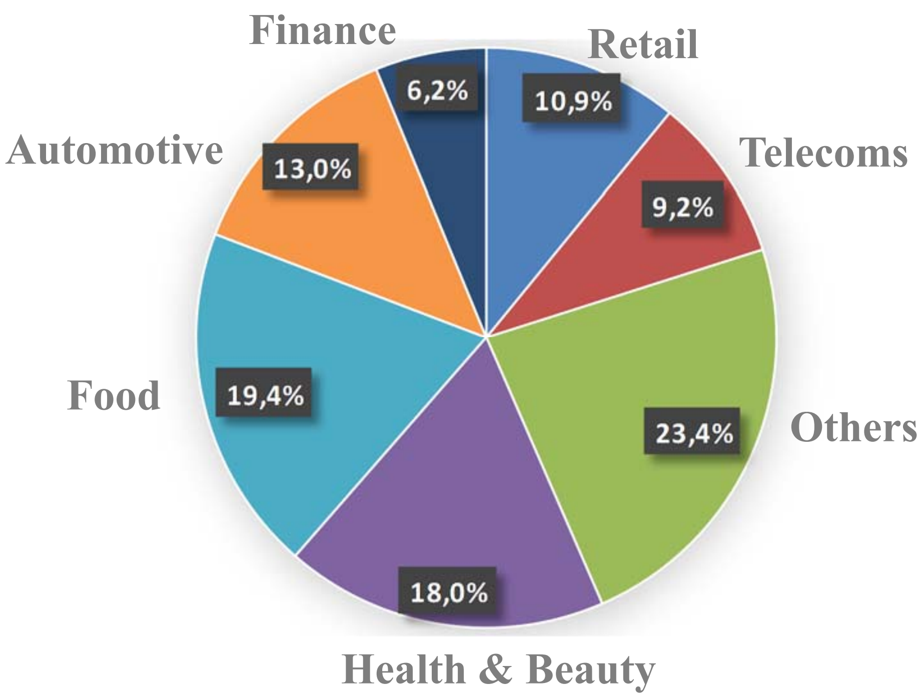
Source: Infoadex, Kantar media and Publiespaña
* Excluding the impact of the EUROCUP2016
** 3Q17 & 9M17 figures based on internal estimates

## MEDIASET españa. *TV Commercial strategy*

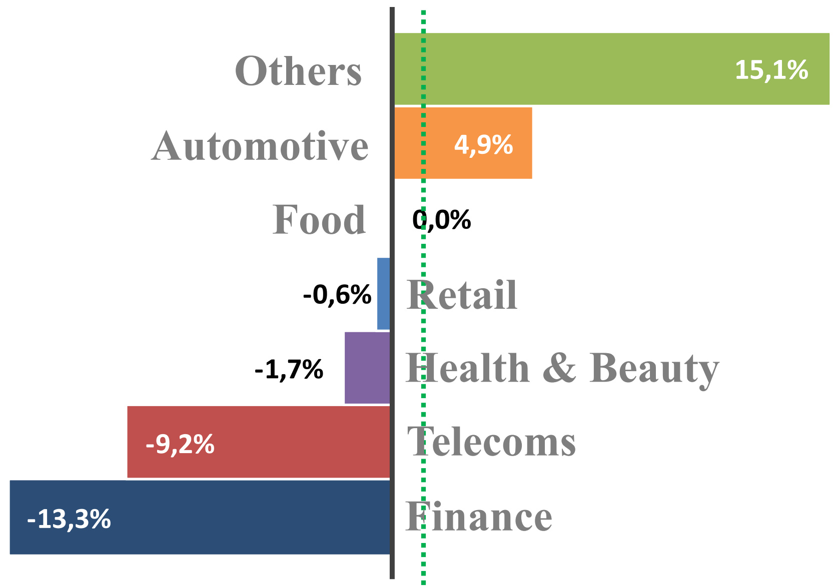
| | Audience | Var % | Seconds | GRP (20") | C/GRP's* |
|---|---|---|---|---|---|
| 9M17 | 29.1% | -4.5% | +3.7% | -3.0% | +5.5% |
| 3Q17 | 28.8% | -5.3% | +4.5% | -0.8% | +6.0% |

# 9M17 TV advertising market by sectors

*Sector breakdown*
*(% on total adv. sales)*




*Sector growth*
*(9M17 vs. 9M16)*




*9M17e TV market evolution: +0.5/1%*

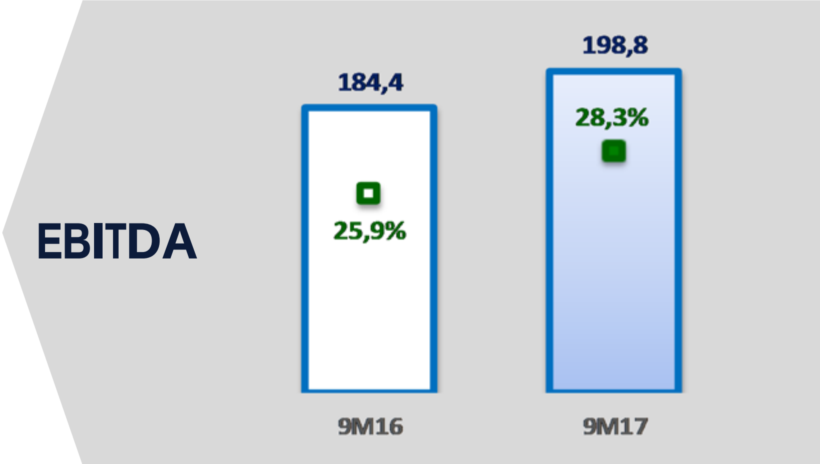
Source: Publiespaña

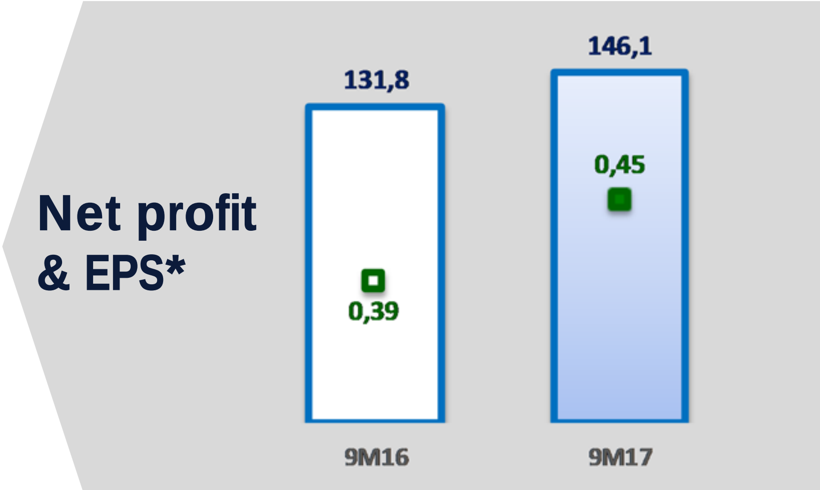

# Financial results

# 9M17 consolidated financial results

## *Growing margins and profitability*

| € Million | 9M17 | 9M16 | VAR % |
|---|---|---|---|
| Net advertising revenues | 660,9 | 667,1 | -0,9% |
| Other revenues | 40,4 | 44,6 | -9,4% |
| **Total net revenues** | **701,3** | **711,7** | **-1,5%** |
| **Total operating costs** | **502,5** | **527,2** | **-4,7%** |
| Personnel | 77,5 | 78,0 | -0,6% |
| TV rights amortisation | 108,7 | 131,8 | -17,6% |
| Other operating costs | 316,3 | 317,4 | -0,4% |
| **EBITDA adj (1)** | **198,8** | **184,4** | **7,8%** |
| PPA Amortisations | 6,0 | 6,0 | - |
| Amortisations & depreciations | 7,6 | 7,8 | -2,7% |
| **EBIT** | **185,2** | **170,7** | **8,5%** |
| **Pre-Tax profit** | **185,5** | **168,3** | 10,2% |
| **Net profit reported** | **146,1** | **131,8** | **10,8%** |
| Adjusted EPS* | 0,45 € | 0,39 € | 13,9% |
| **EBITDA adj/ Total net revenues** | **28,3%** | 25,9% | +2,4pp |
| **EBIT/ Total net revenues** | **26,4%** | 24,0% | +2,4pp |
| **ADJUSTED NET PROFIT/ Total net revenues** | **20,8%** | 18,5% | +2,3pp |

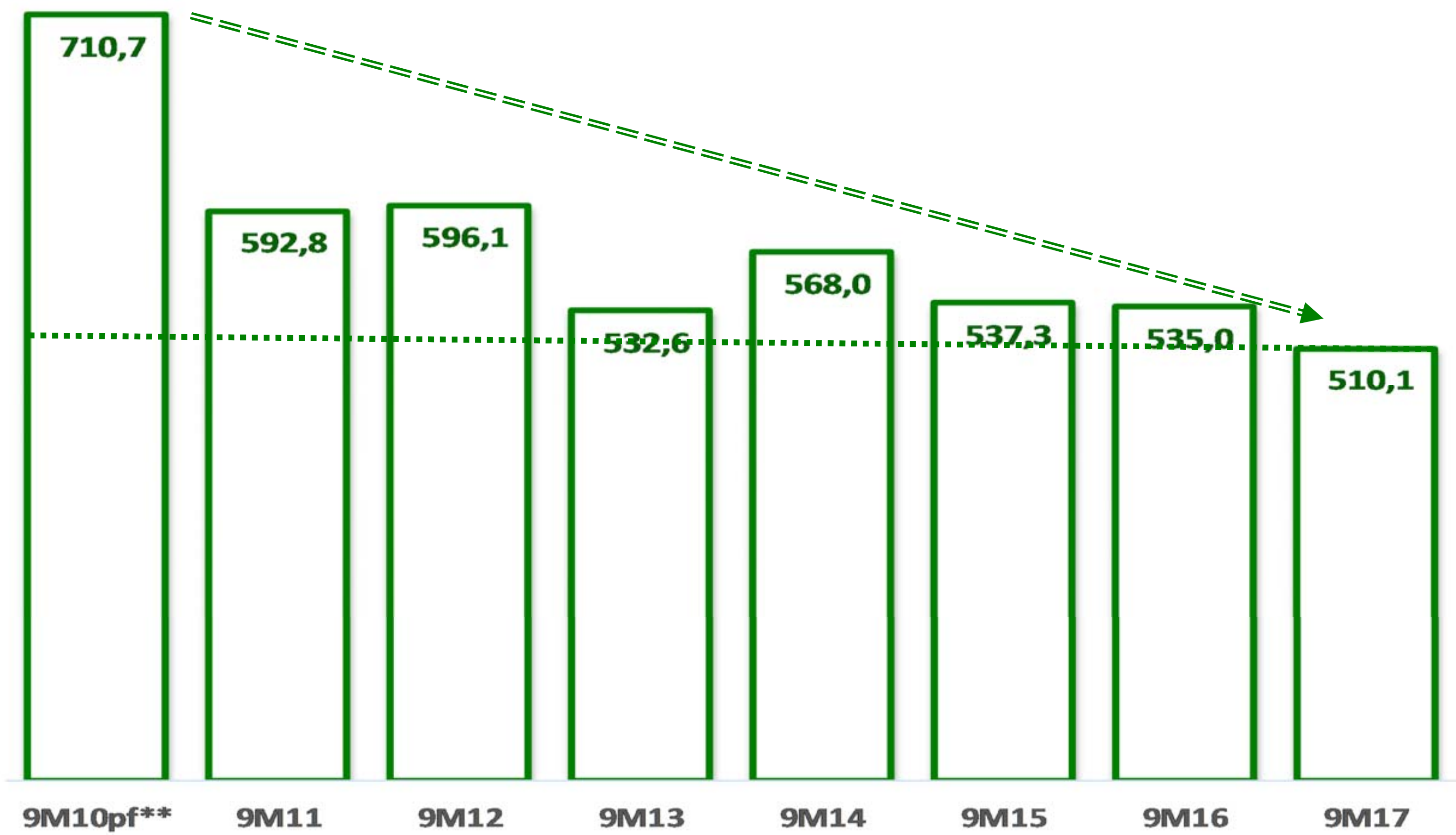



(1) EBITDA Adj, includes TV rights consumption
* EPS in €, adjusted excluding the treasury stocks owned at September 30th

# 9M cost management

*200m€ (-28.2%) savings in 7 years*




€ Million

Thanks to our **strong cost control policy** and **flexible business model** Mediaset España continues to achieve **excellent results** in cost management

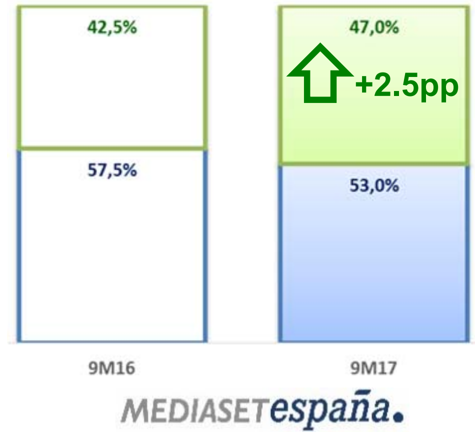
**Pro-forma consolidated P&L accounts under IFRS of Mediaset España's Group and Sogecuatro's Group

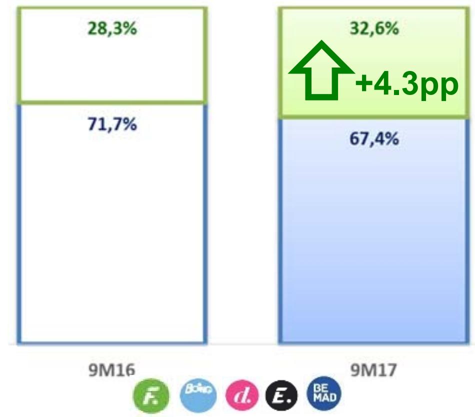
# 9M17 Group’s programming mix

## *In-house production vs. library in terms of broadcasted hours*

Among our 2 main channels in-house production is **83%** (vs. 75% in 9M16)



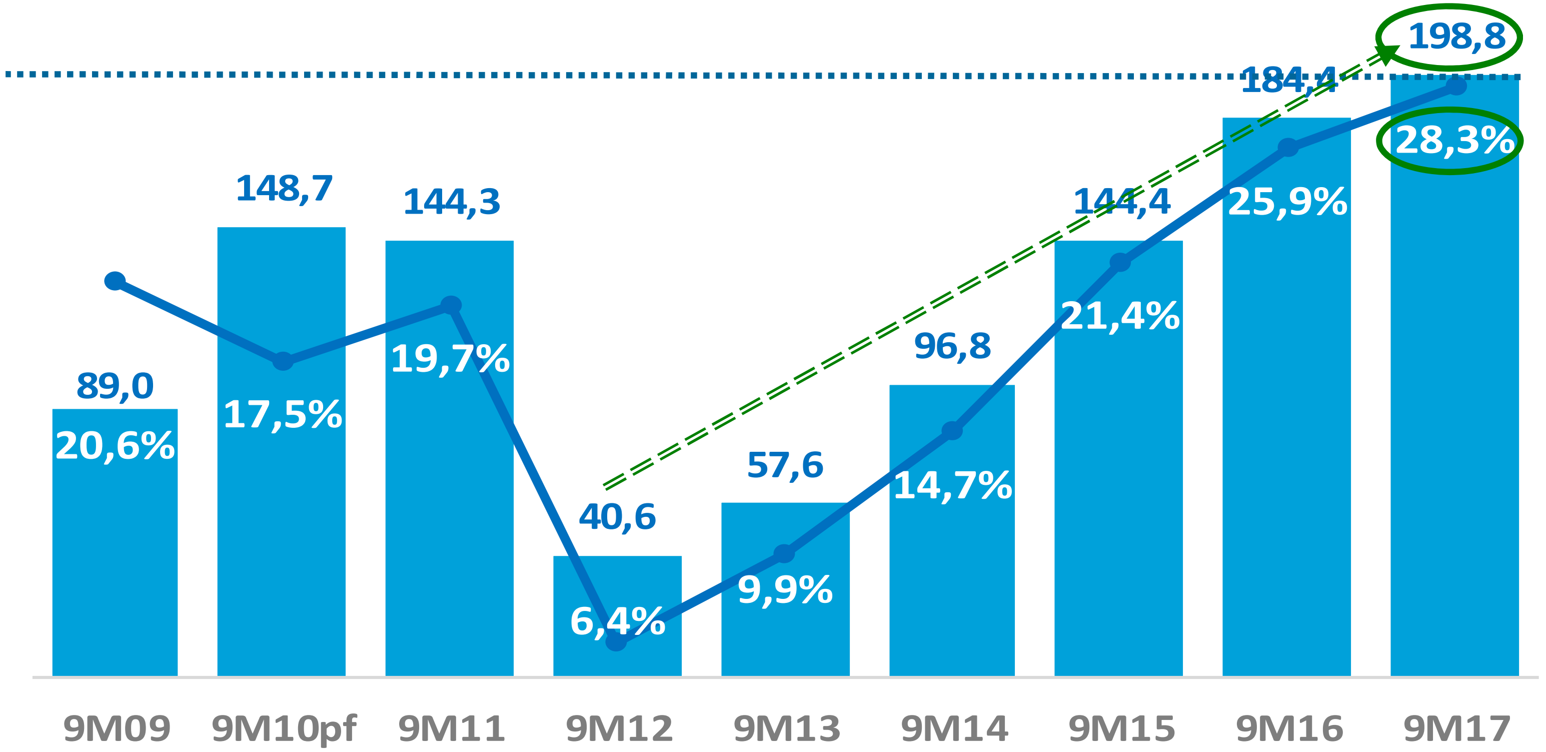



In-house production Third party rights

# 9M EBITDA margin evolution

*Highest 9M EBITDA margin (both in absolute and relative* value) since 2008*



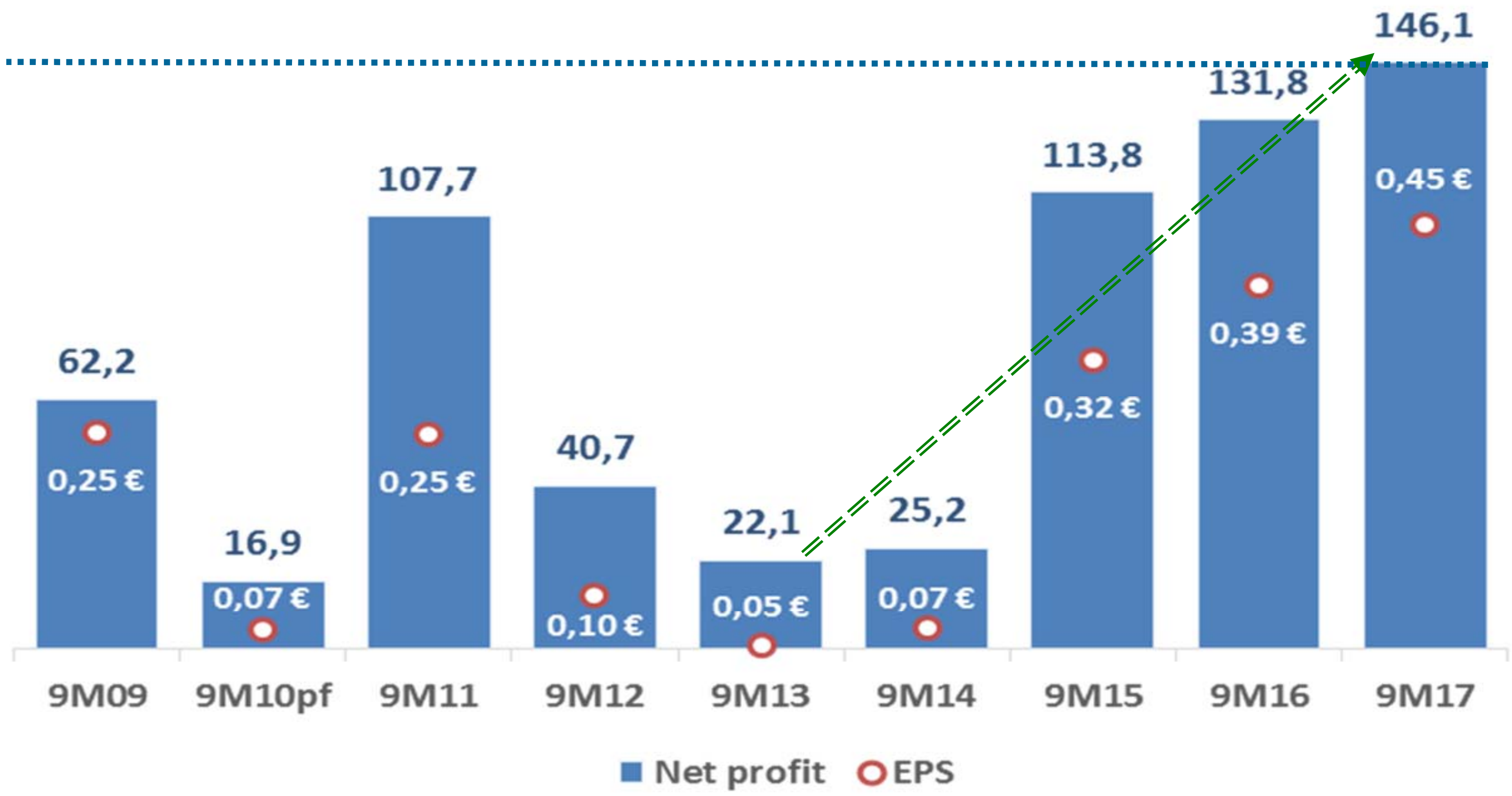

Mediaset España's high operational leverage allows a **strong margin expansion** when the TV advertising market grows

* EBITDA Adj./Total net revenues

€ Million

# 9M net profit evolution

***Highest 9M net profit & EPS* since 2008***




Mediaset España's business model allows a **solid net profit evolution. EPS* is growing even faster** thanks to the buyback programs completed over the last few years

Net profit: € Million
* EPS (€) adjusted excluding treasury shares as of September 30th

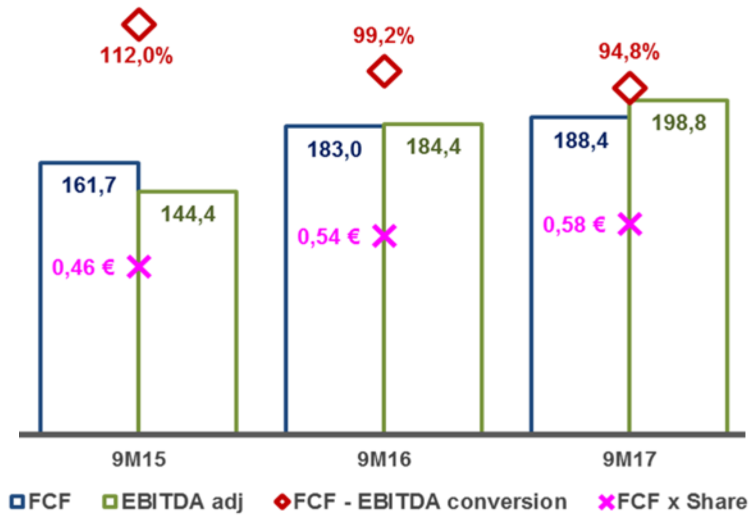
# 9M17 consolidated cash flow

MEDIASETespaña.

## *High free cash flow generation*

| € Million | 9M17 | 9M16 | Diff. in € million |
|---|---|---|---|
| **Initial cash position** | **177,4** | **192,4** | **-15,0** |
| **Free cash flow** | **188,4** | **183,0** | **5,4** |
| Cash flow from operations | 279,9 | 299,9 | -20,0 |
| Net investments | -156,1 | -158,6 | 2,5 |
| Change in net working capital | 64,5 | 41,7 | 22,8 |
| **Change in equity** | **1,7** | **1,5** | **0,2** |
| **Financial Investments** | **-93,5** | **-92,7** | **-0,8** |
| **Dividends received** | **1,9** | **1,7** | **0,2** |
| **Dividend payments** | **-175,7** | **-167,4** | **-8,3** |
| **Total net cash flow** | **-77,3** | **-74,0** | **-3,3** |
| **Final net cash position** | **100,1** | **118,4** | **-18,3** |
| **Free cash flow/EBIT** | **101,7%** | **107,2%** | |

The golden rule of MES: extensive content production permits **high free cash flow conversion**

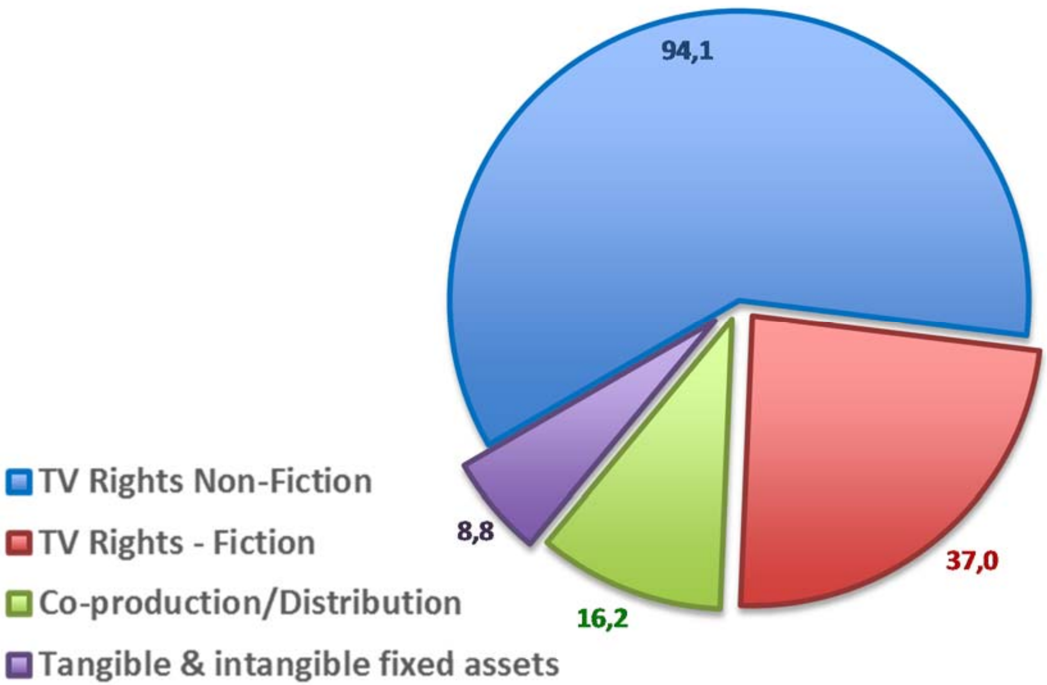


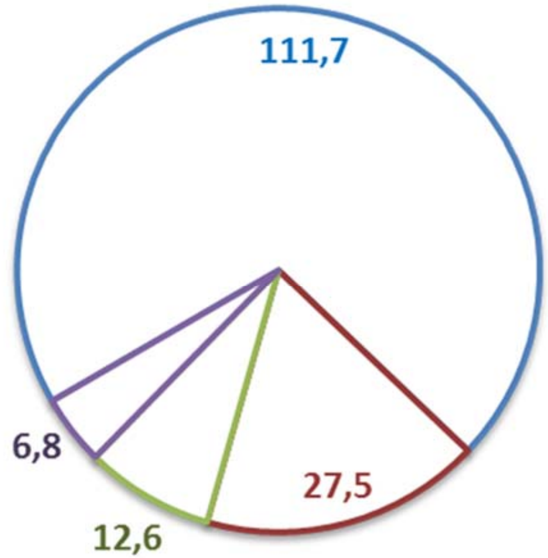

€ Million

# 9M net investments

**Total net investment 9M17: €156.1**

**Total net investments 9M16: €158.6**



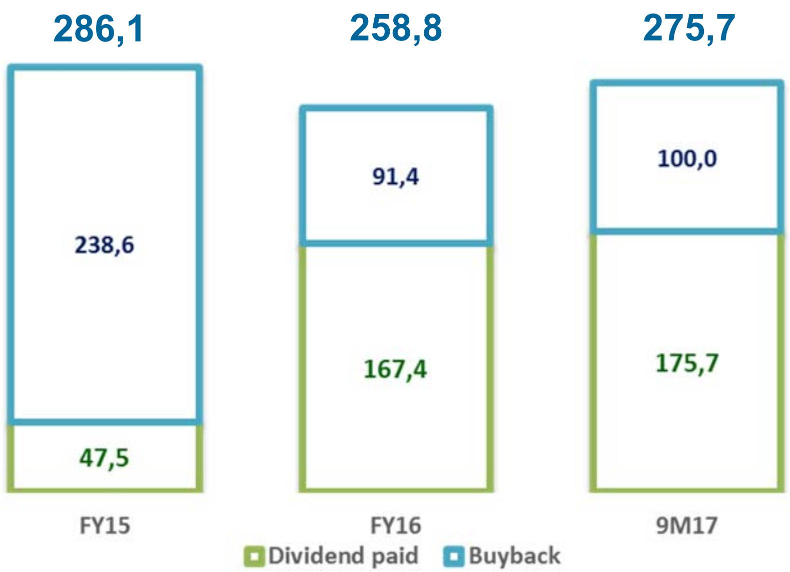




€ Million

# 2017 balance sheet

| € Million | 9M17 | FY16 |
|---|---|---|
| **Fixed assets** | **568,1** | **580,9** |
| -Financial | 313,5 | 321,1 |
| -Non financial | 254,6 | 259,9 |
| **Audiovisual rights and pre-payments** | **208,8** | **171,9** |
| -TV, third party rights | 139,9 | 132,5 |
| -TV, Spanish fiction rights | 39,6 | 20,6 |
| -Co-production / distribution | 29,3 | 18,9 |
| **Tax credit** | **102,7** | **113,0** |
| **TOTAL NON-CURRENT ASSETS** | **879,5** | **865,8** |
| Current assets | 188,2 | 243,7 |
| Financial investments and cash | 105,0 | 193,3 |
| **TOTAL CURRENT ASSETS** | **293,2** | **436,9** |
| **TOTAL ASSETS** | **1.172,7** | **1.302,7** |
| **SHAREHOLDERS' EQUITY** | **855,3** | **983,3** |
| Non-current provisions | 9,6 | 9,2 |
| Non-current payables | 16,4 | 11,8 |
| Non-current financial liabilities | 4,3 | 13,7 |
| **TOTAL NON-CURRENT LIABILITIES** | **30,2** | **34,7** |
| Current payables | 286,6 | 282,6 |
| Current financial liabilities | 0,6 | 2,2 |
| **TOTAL CURRENT LIABILITIES** | **287,2** | **284,8** |
| **TOTAL LIABILITIES** | **1.172,7** | **1.302,7** |

**Solid balance** and **generous shareholders remuneration**



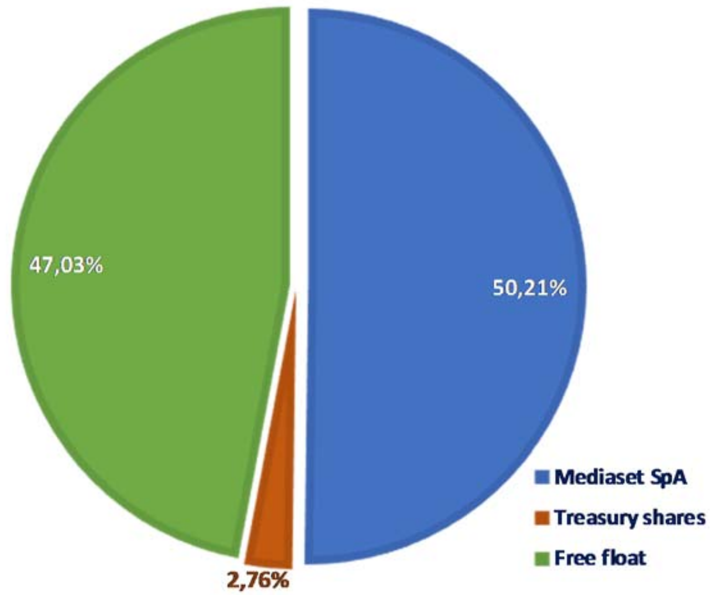
# 2017 buyback plan

## Buyback execution

| Date | Share n. | Average price | Total amount |
|---|---|---|---|
| May 17th to June 30th 2017 | 2,365,810 | €11.4323 | €27,046,704.91 |
| July 3rd to August 21st | 6,916,465 | € 10.5477 | €72,953,296.70 |
| **Total** | **9,282,275** | **€10.7732** | **€100,000,000.61** |

## Shareholders structure YTD*

total shares issued: 336,717,490




Information as communicated to the CNMV


Televisión
PARA TODOS LOS GUSTOS
MEDIASETespaña.

# Back-up

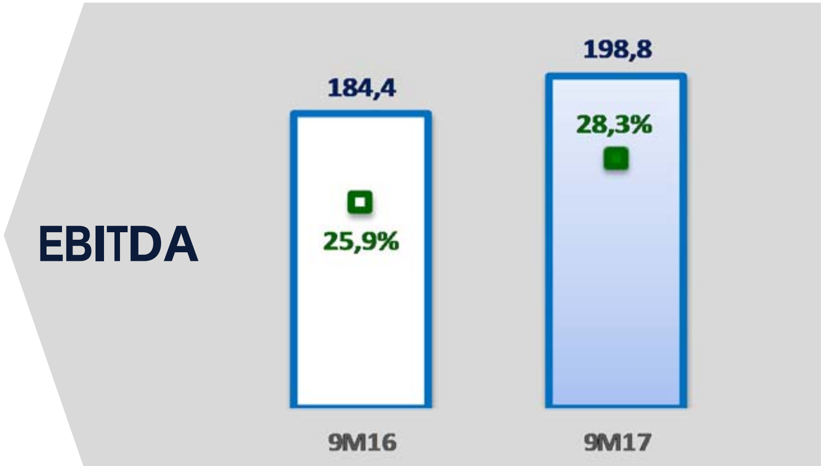

Televisión
PARA TODOS LOS GUSTOS
MEDIASETespaña.

# 9M17 consolidated P&L account (I)

*Growing margins and profitability*

€ Million

| | 9M17 | 9M16 | Var % |
|---|---|---|---|
| **Gross Advertising Revenues** | **689,2** | **693,0** | **-0,5%** |
| - Mediaset España's medias | 674,6 | 670,0 | 0,7% |
| - Third party's medias | 14,6 | 22,9 | -36,2% |
| **Commission** | **-28,3** | **-25,9** | **9,5%** |
| **Net Advertising revenues** | **660,9** | **667,1** | **-0,9%** |
| **Other Revenues** | **40,4** | **44,6** | **-9,4%** |
| TOTAL NET REVENUES | 701,3 | 711,7 | -1,5% |
| Personnel | 77,5 | 78,0 | -0,6% |
| TV Rights amortisation | 108,7 | 131,8 | -17,6% |
| Other operating costs | 316,3 | 317,4 | -0,4% |
| *Total operating costs (1)* | *502,5* | *527,2* | *-4,7%* |
| EBITDA adj* | 198,8 | 184,4 | 7,8% |
| EBITDA adj*/NET REVENUES | 28,3% | 25,9% | +2,4pp |




*EBITDA Adj, includes TV rights consumption

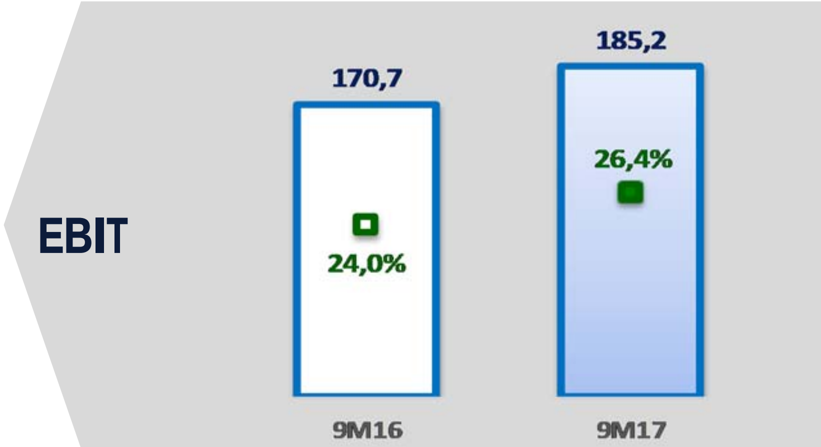
# 9M17 consolidated P&L account (II)

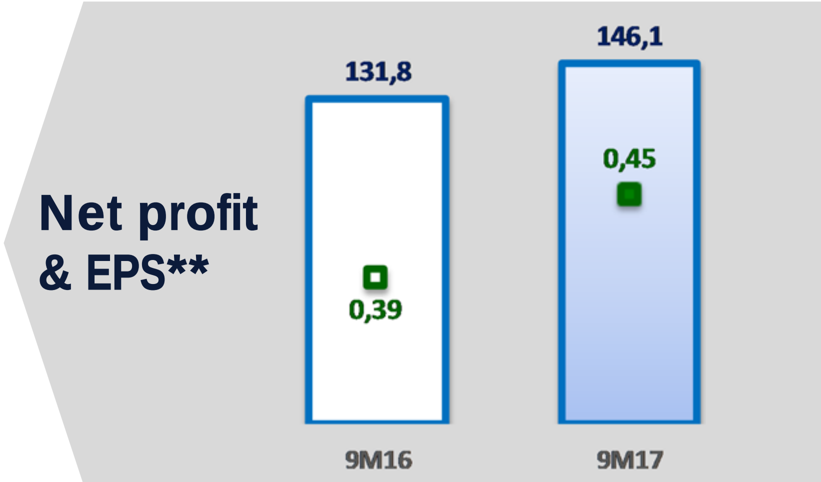
MEDIASETespaña.

## *Growing margins and profitability*

€ Million

| | 9M17 | 9M16 | Var % |
|---|---|---|---|
| **EBITDA adj*** | **198,8** | **184,4** | **7,8%** |
| PPA amortisation (2) | 6,0 | 6,0 | 0,0% |
| Depreciation tangible assets & provisions (3) | 7,6 | 7,8 | -2,7% |
| *Total Costs (1+2+3)* | *516,1* | *541,0* | *-4,6%* |
| **EBIT** | **185,2** | **170,7** | **8,5%** |
| **EBIT/NET REVENUES** | **26,4%** | **24,0%** | +2,4pp |
| Equity consolidated results | 1,4 | -1,7 | |
| Financial results | -1,1 | -0,7 | |
| **EBT** | **185,5** | **168,3** | **10,2%** |
| Income taxes | -39,5 | -36,7 | 7,7% |
| Minority interest | 0,1 | 0,2 | |
| **NET PROFIT** | **146,1** | **131,8** | **10,8%** |
| Adjusted EPS** | 0,45 € | 0,39 € | 13,9% |
| NET PROFIT/TOTAL NET REVENUES | 20,8% | 18,5% | +2,3pp |




*EBITDA Adj, includes TV rights consumption
** EPS in €, adjusted excluding the treasury stocks owned at September 30th

# 3Q17 consolidated P&L account (I)

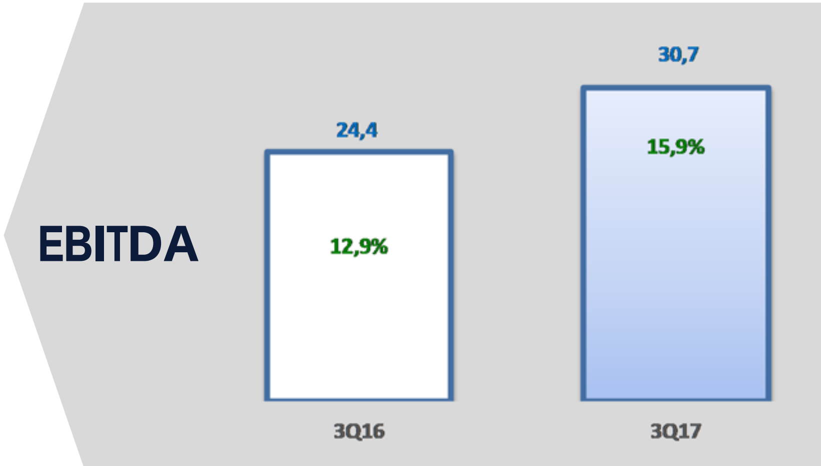
MEDIASET españa.

## *Growing profitability*

€ Million

| | 3Q17 | 3Q16 | Var % |
|---|---|---|---|
| **Gross Advertising Revenues** | **188,3** | 185,0 | **1,8%** |
| - Mediaset España's medias | 183,5 | 178,8 | 2,6% |
| - Third party's medias | 4,8 | 6,2 | -22,8% |
| **Discounts** | **-7,9** | -7,0 | **13,2%** |
| **Net Advertising revenues** | **180,4** | 178,0 | **1,3%** |
| **Other Revenues** | **12,4** | 12,1 | **2,7%** |
| **TOTAL NET REVENUES** | **192,8** | 190,1 | **1,4%** |
| | | | |
| Personnel | 25,1 | 26,1 | -3,6% |
| TV Rights Amortisation | 34,3 | 39,3 | -12,6% |
| Other Operating Costs | 102,6 | 100,4 | 2,3% |
| *Total costs (1)* | *162,0* | *165,7* | *-2,2%* |
| **EBITDA adj*** | **30,7** | 24,4 | **25,8%** |
| **EBITDA adj*/Net revenues** | **15,9%** | 12,9% | +3,1pp |

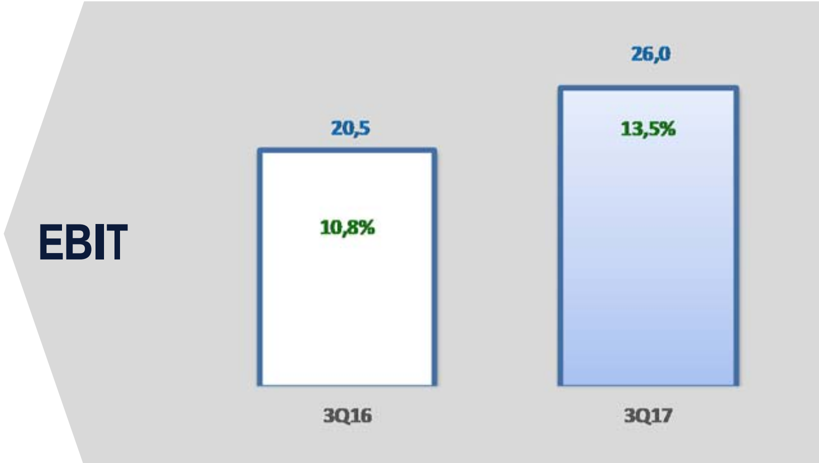
*EBITDA Adj, includes TV rights consumption

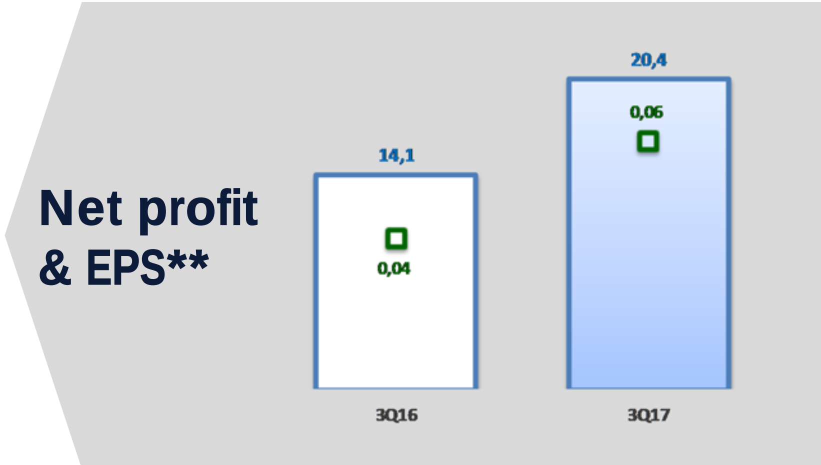


# 3Q17 consolidated P&L account (II)

## *Growing profitability*

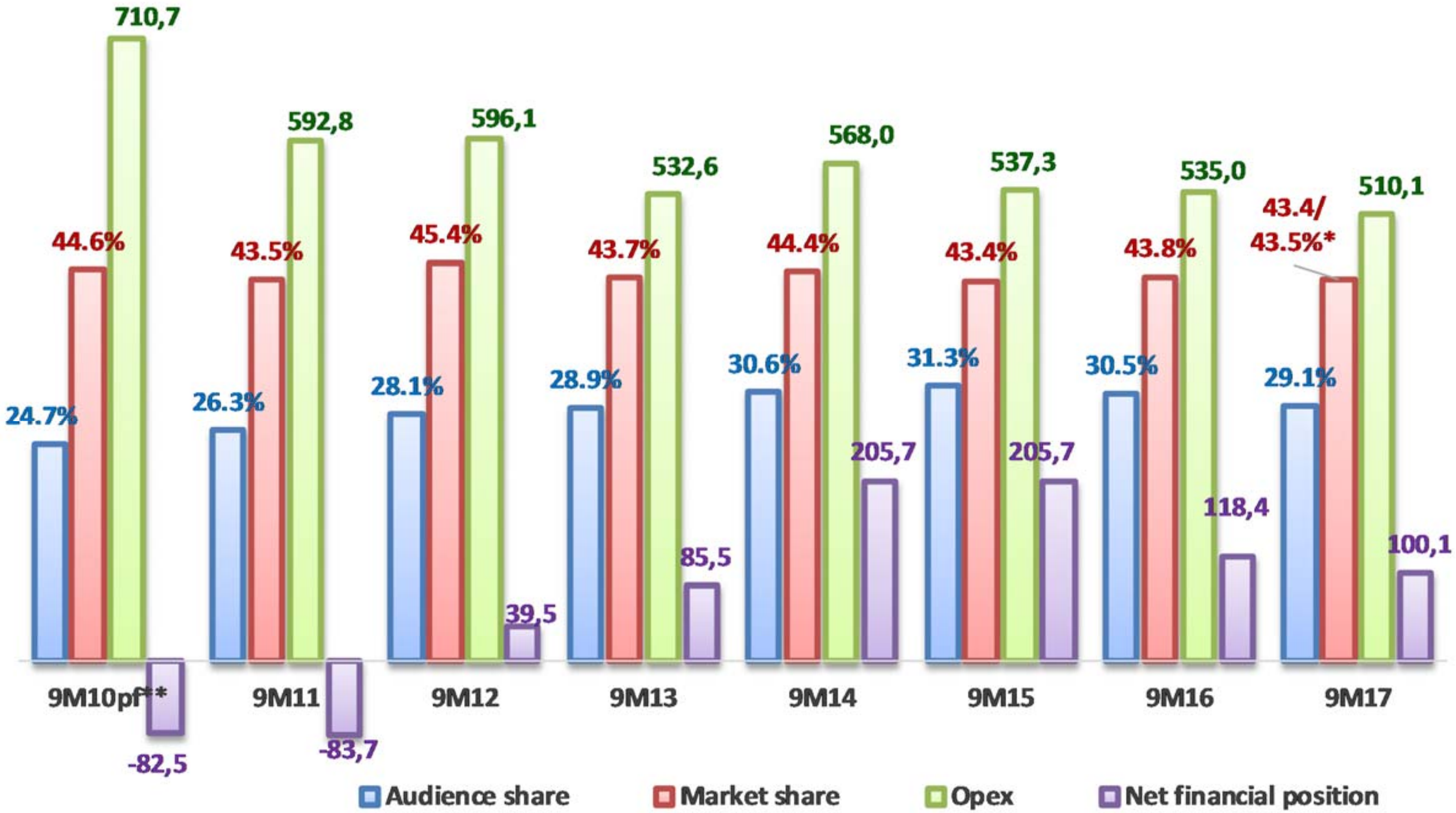
| € Million | 3Q17 | 3Q16 | Var % |
|---|---|---|---|
| **EBITDA adj*** | **30,7** | **24,4** | **25,8%** |
| PPA amortisation (2) | 2,0 | 2,0 | |
| Depreciation tangible assets & provisions (3) | 2,8 | 1,9 | |
| *Total Costs (1+2+3)* | *166,8* | *169,6* | *-1,6%* |
| **EBIT** | **26,0** | **20,5** | **26,5%** |
| **EBIT/Net revenues** | **13,5%** | **10,8%** | +2,7pp |
| Equity Consolidated Results | 0,4 | -2,6 | |
| Financial results | -0,3 | -0,3 | |
| **EBT** | **26,0** | **17,6** | **47,8%** |
| Income Taxes | -5,5 | -3,6 | |
| Minority Interest | -0,2 | 0,1 | |
| **NET PROFIT** | **20,4** | **14,1** | **44,4%** |
| EPS Adjusted** | 0,06 € | 0,04 € | 0,02 € |
| NET PROFIT/TOTAL NET REVENUES | 10,6% | 7,4% | +3,1pp |




*EBITDA Adj, includes TV rights consumption
** EPS in €, adjusted excluding the treasury stocks owned at September 30th

# 9M the virtuous circle of Mediaset España




Source: Kantar media (24h total individual audience share) and Infoadex

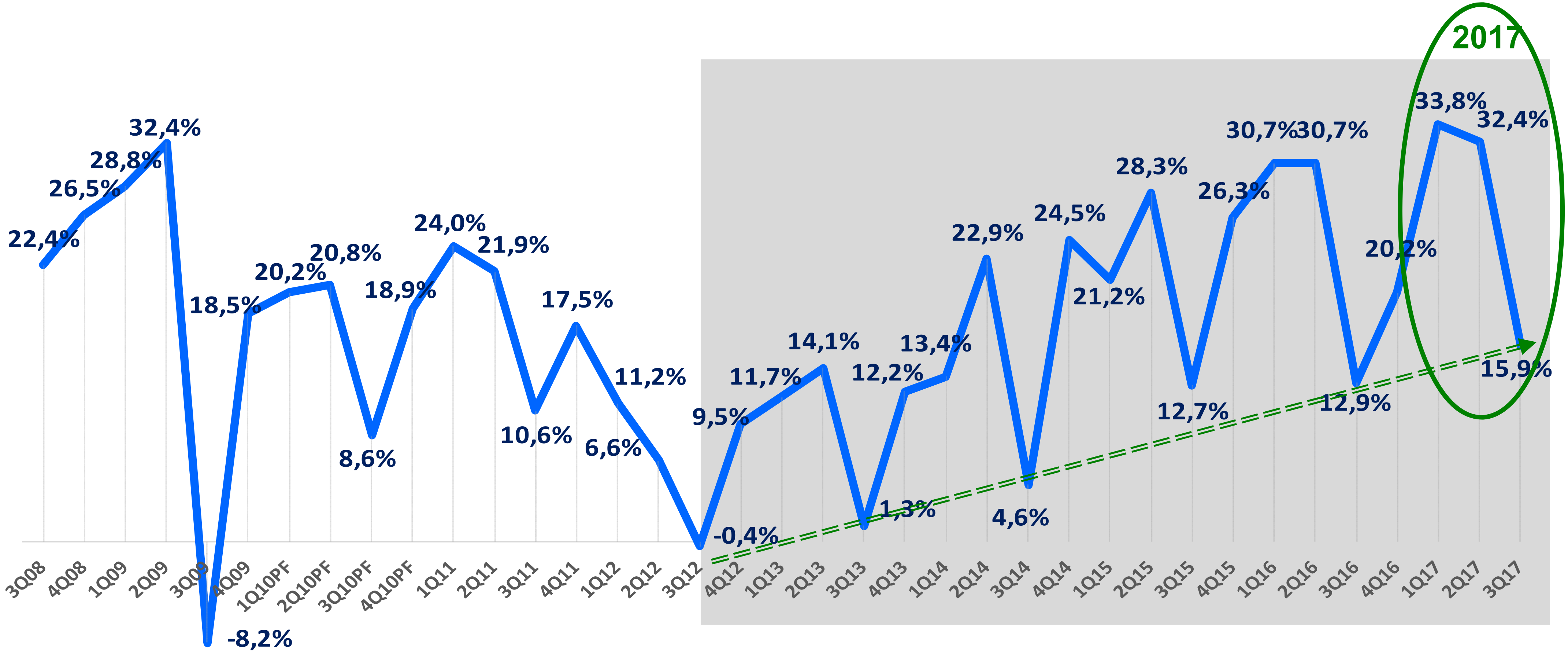
*9M17 advertising market share based on internal estimates

**Pro-forma consolidated P&L accounts under IFRS of Mediaset España's Group and Sogecuatro's Group

€ Million

Thanks to our **flexible business model** Mediaset España continues to achieve **remarkable results:** maintaining **audience** and **market share** levels while **reducing costs** and **increasing the net cash position** (with a **generous remuneration for shareholders**)

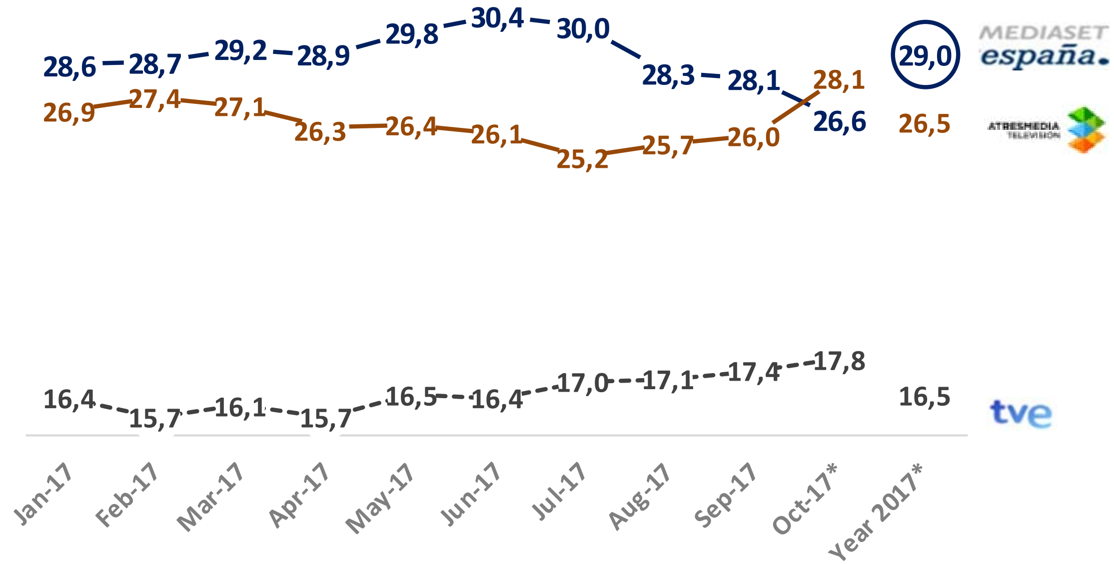
# EBITDA margin evolution

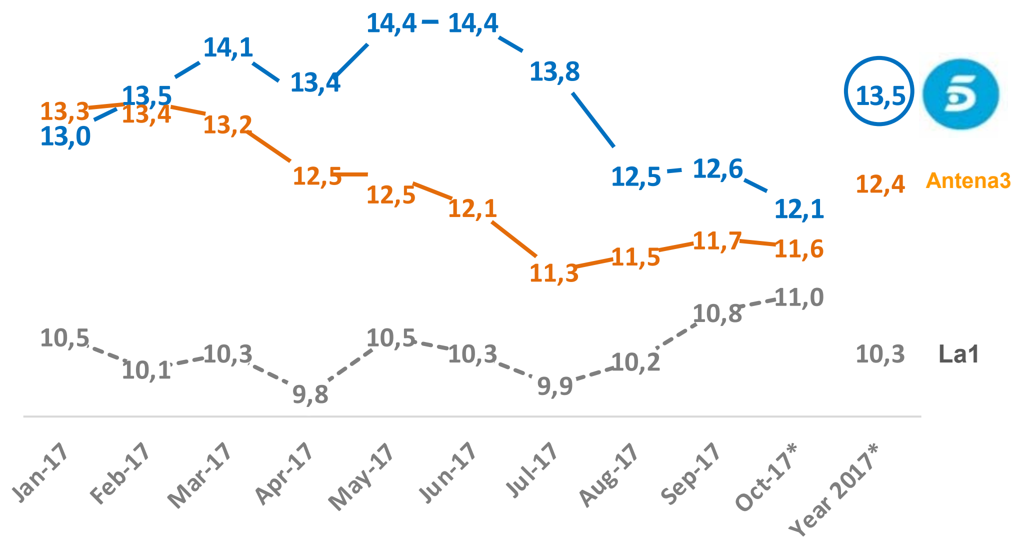


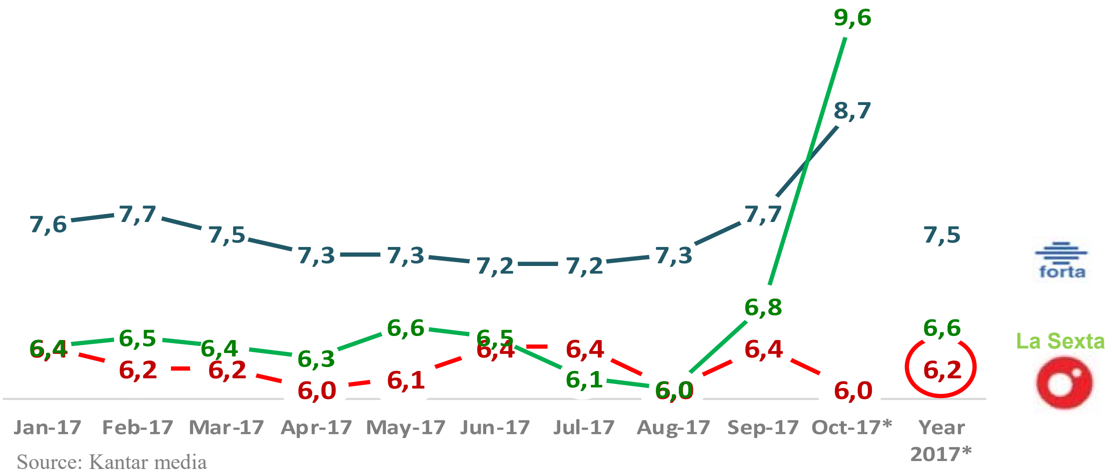

* EBITDA Adj./Total net revenues

# YTD* audience evolution (24h total individuals)



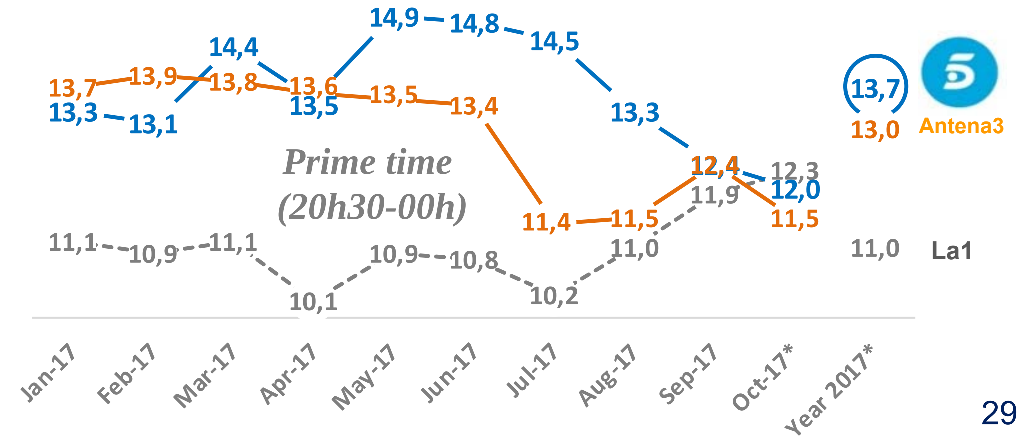


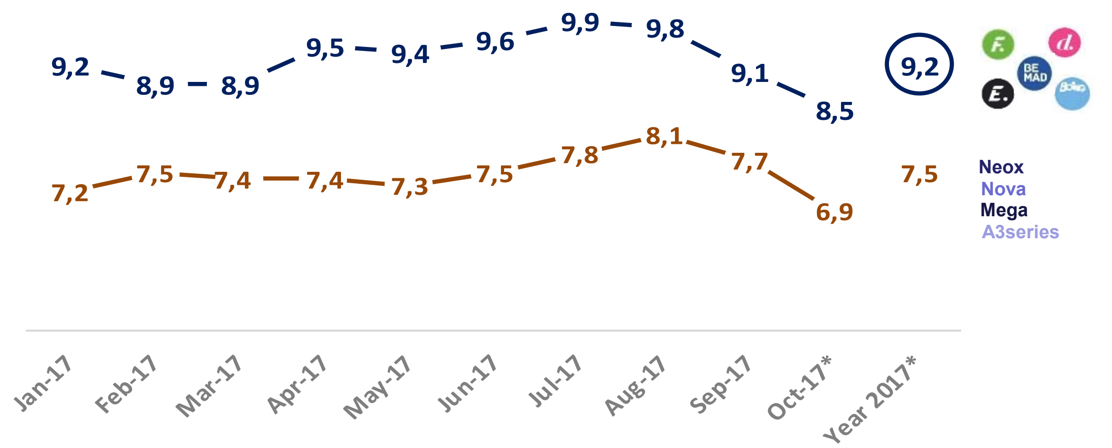



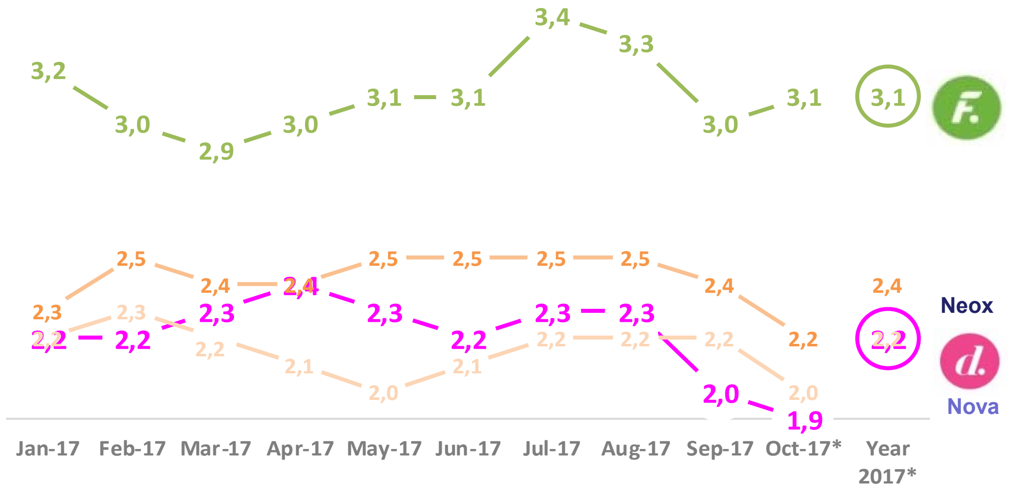

Source: Kantar media

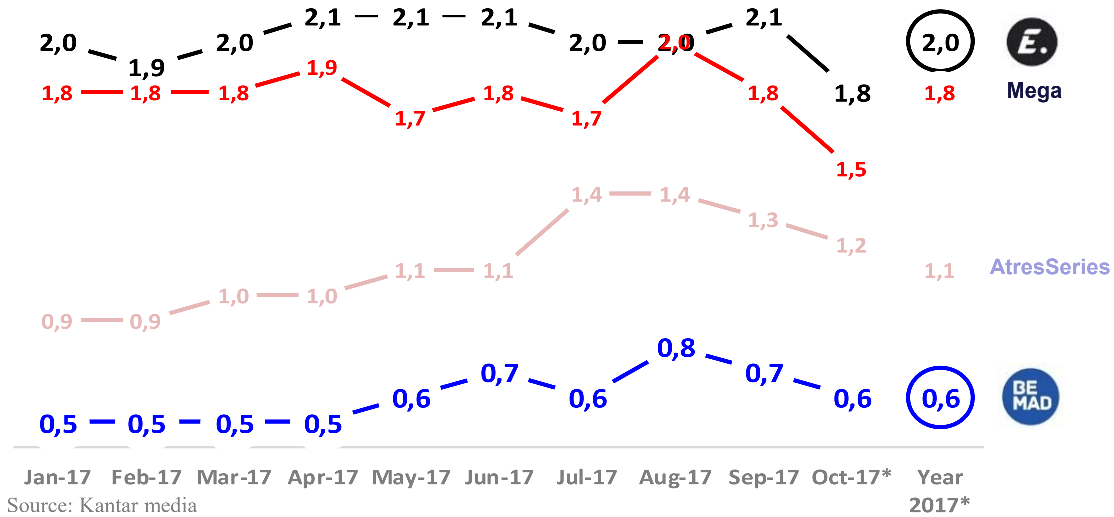
* Average audience January 1st – October 16th

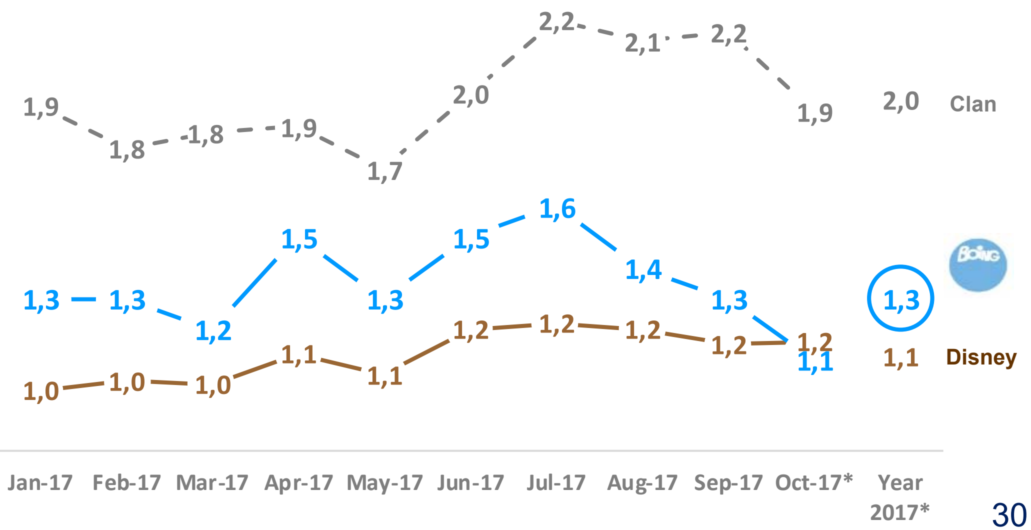


# YTD* audience evolution (24h total individuals)



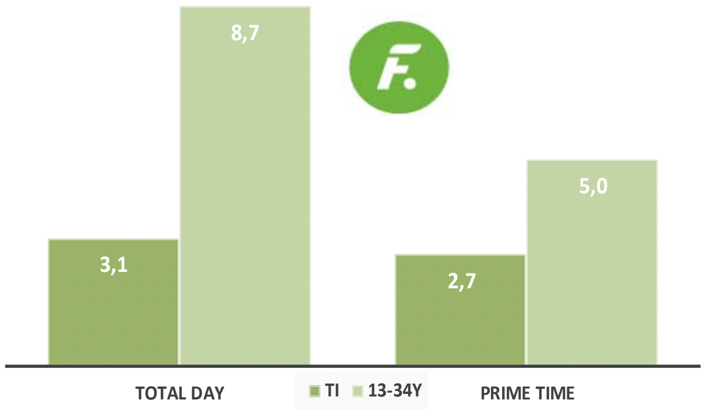



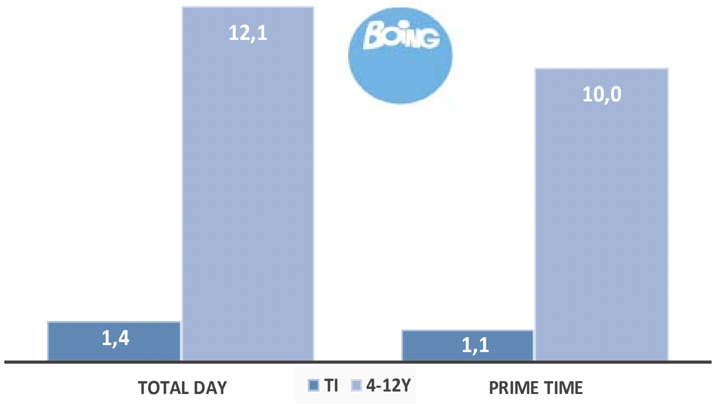

Source: Kantar media

* Average audience January 1st – October 16th

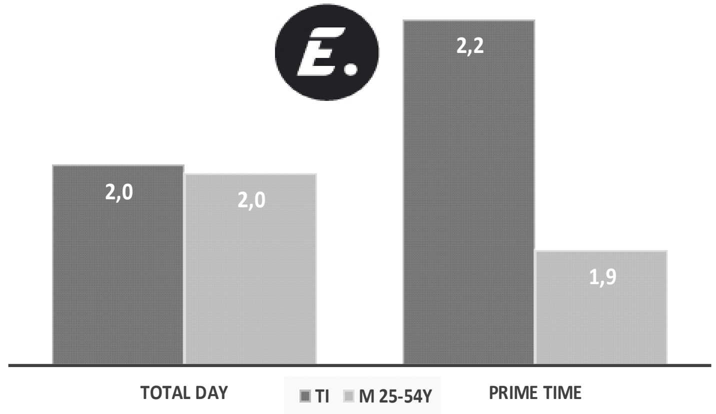
# 2017 audience: multichannel strategy



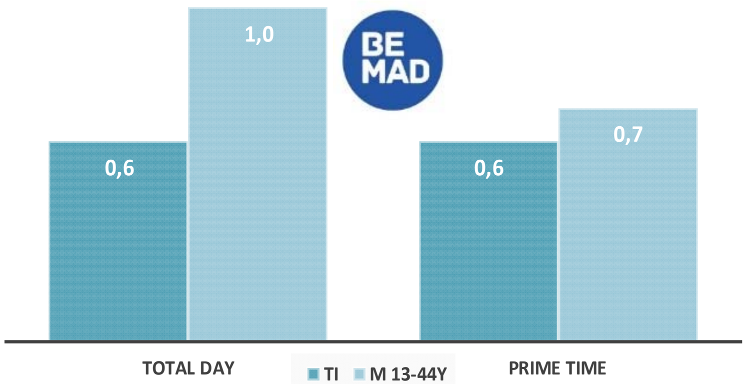

**FdF: young adult's channel**



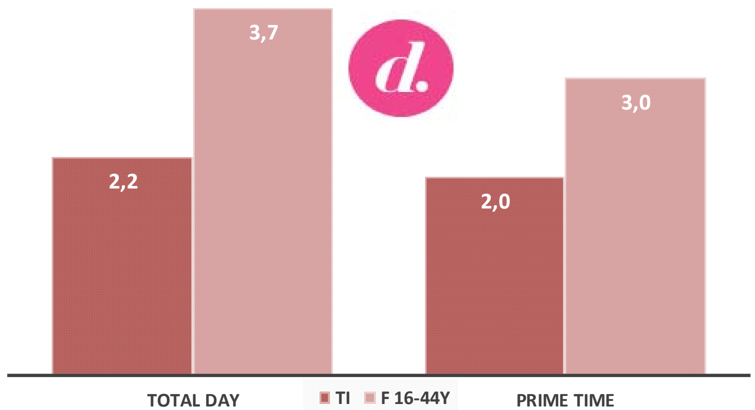

**Boing: children's channel**




**Energy: men's channel**




**Be Mad: HD channel**

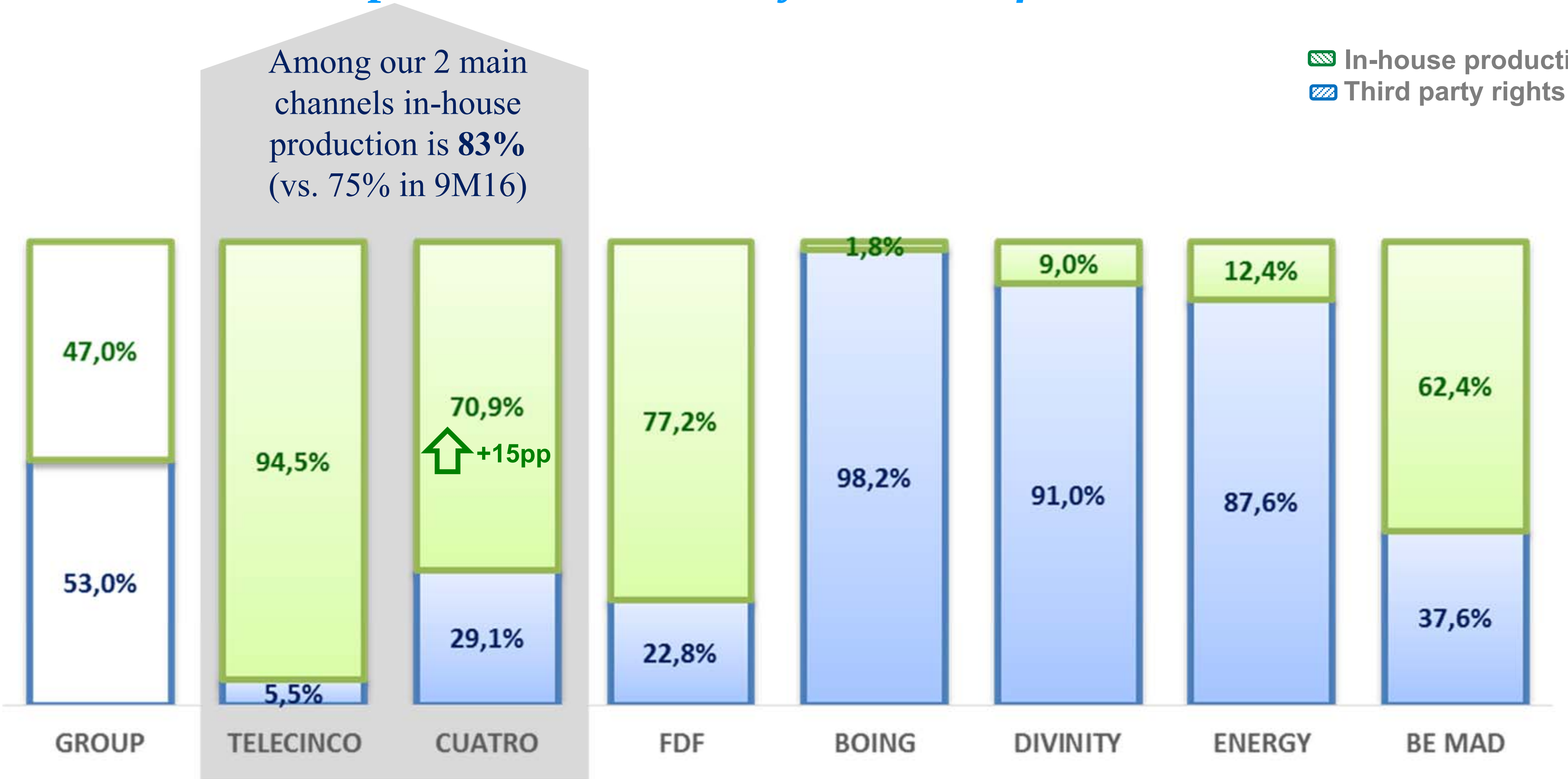



**Divinity: ladies' channel**

Source: Kantar media
* Average audience January 1st – September 30th

# 9M17 Group's programming mix

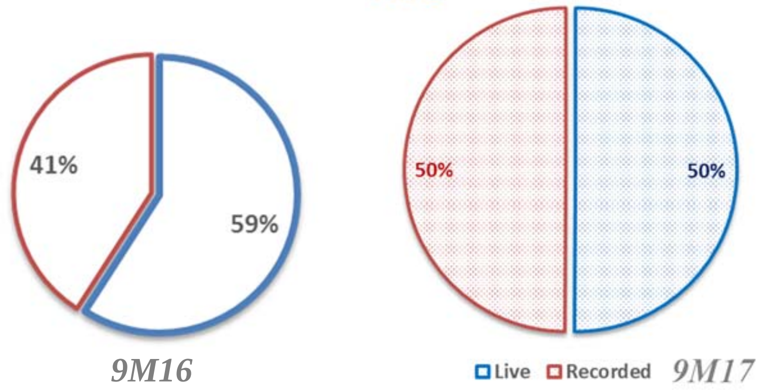
*In-house production vs. library in terms of broadcasted hours*

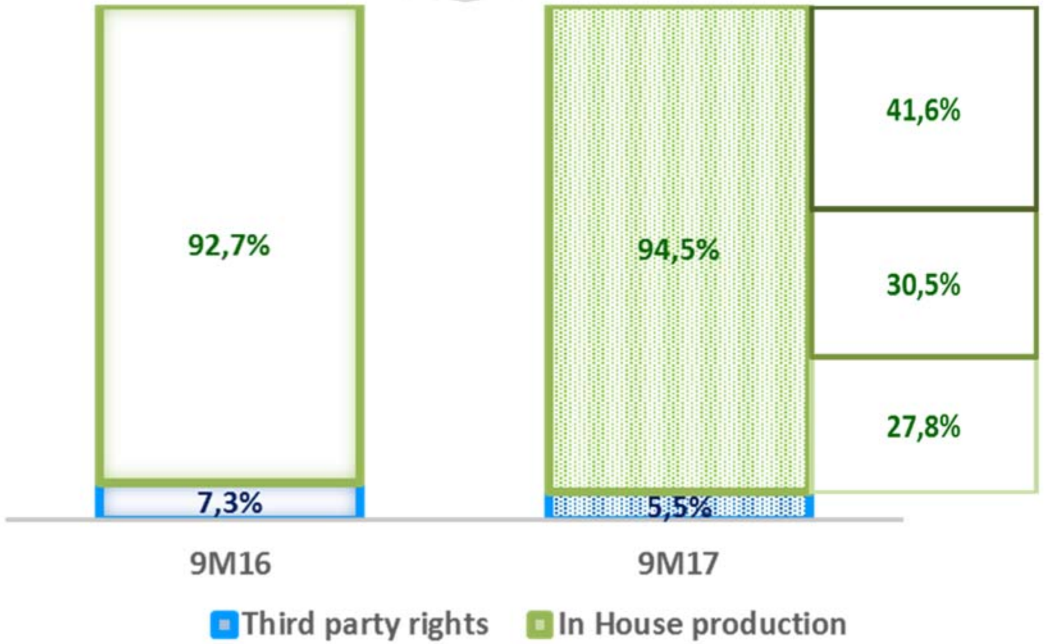


# Telecinco's programming mix

## *In-house production vs. library in terms of broadcasted hours*

**Stable level of in-house production**
over the years




***Production with independent companies***
(9M16: 43.5%)

***Produced by Mediaset España***
(9M16: 24.3%)

***Production with participated companies:***
(9M16: 32.1%)

- ***La fábrica de la tele***
- ***Mandarina***
- ***Súper sport***

# Disclaimer

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