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2019 FINANCIAL RESULTS

Mediaset España posts a 5.7% rise in net profit to €211.7M on the back of its growing leadership position in linear and digital viewing and new business development, obtaining its best result in the last 12 years

Paolo Vasile: *“This profit is a reflection of the sustained development of the company over our 30-year history and our strong and ongoing commitment to satisfy the interests of our audience and clients in TV, cinema, the Internet and, more recently, the new media platforms. This close bond with our viewers is reflected in our revenues which, in parallel to a stringent cost management policy, underpin the results we are presenting today”.*

The group posted net revenues of €946.2M in a year without major sporting events, and held on to its leadership position in the television advertising investment market with a share of 43.4%, according to Infoadex.

The group also posted a 16% increase in “Other Revenues” to €69.7M, bolstered mainly by the development of the pay-television business with the launch of Mitele PLUS and the sale to third parties via distributor Mediterráneo Mediaset España Group.

Mediaset España also improved its EBITDA and EBIT margins: it increased its EBITDA by 3.6% to €284M, representing a margin on net revenues of 30%; and its EBIT by 3.1% to €264.9M, equating to a margin on net revenues of 28%.

Mediaset España closed 2019 with the best results since 2007 after increasing its main operating margins, particularly its **net profit**, which stands at **€211.7M, up 5.7% on 2018** (€200.3M). This result represents a margin on net revenues of 22.4%, versus the 20.4% the year before, as well as **10.7% growth in earnings per share to €0.68**, versus the €0.61 in 2018.

The group **increased its EBITDA by 3.6% to €284M**, representing a margin on total net revenues of 30% (versus the 27.9% last year); and **posted a 3.1% increase in EBIT to €264.9M**, which represents a margin on total revenues of 28% (versus the 26.2% in 2018).

Paolo Vasile, CEO of Mediaset España, said *“the increase in our net profit for the sixth year running, in such a competitive environment as is the audiovisual industry currently, coupled with the complex global socio-economic context, is a reflection of the company’s sustained development over our 30-year history. It is also an indicator of our strong and ongoing commitment to satisfy the interests of our audience and clients in TV, cinema, the Internet and, more recently, the new media platforms. This close bond with our viewers is reflected in our revenues, which, in parallel to a stringent cost management policy, underpin the results we are presenting today”*.

Mediaset España held on to its **leadership position in the TV advertising investment market**, securing, according to Infoadex estimates, a market share of 43.4%, **marking its largest lead (+2.7%) over Atresmedia (40.7%)** since its creation as an audiovisual group in 2012 and in a year without major sporting events. Mediaset España’s TV and digital platforms **secured a 26.3% share of the Audiovisual Market (TV+Digital)**, according to internal estimates based on Infoadex figures.

In this regard, the group obtained **net revenues of €946.2M** in 2019, after substantially growing ‘Other Revenues’ by 16% to €69.7M, bolstered in part by sales to third parties via distributor Mediterráneo Mediaset España Group, as well as the new premium subscription service of Mitele PLUS, which launched last July.

Gross advertising revenues totalled €916.5M, of which €901.8M related to its own media channels and €14.7M to advertising sales for third-party media companies. **Net advertising revenues stood at €876.5M**.

Once again, of particular note was the management of resources carried out by Mediaset España, which **reduced its total operating costs by 6.4% to €662.3M**, €45.3M less than in 2018 (€707.6M).

At 31 December, Mediaset España had generated a **free cash flow totalling €186.7M**, whilst maintaining over the course of 2019 its **high shareholder remuneration** via a **dividend pay-out of €100M and the investment of €94.6M in the Treasury Stock Buyback Plan**. The group also acquired a **strategic stake of 5.5% in ProSiebenSat.1 Media SE (P7S1)** in November last year.

In the **fourth quarter** of the year, Mediaset España posted a **net profit of €54.7M, up 2.5%** on the same period the year before (€53.4M), equating to earnings per share of €0.17. The group reported net revenues of €285.5M, in line with the fourth quarter of 2018 (€285.1M), and total operating costs of €205.4M.

Leading group in linear and digital viewing

Mediaset España closed 2019 as the most viewed audiovisual group for the ninth year running through its TV and digital platforms. In terms of TV share, its multi-channel programming reached a 28.9% share in Total Day, and secured a benchmark position in Prime Time (28.4%), Day Time (29.2%) and Commercial

Target in both Total Day (30.7%) and Prime Time (29.1%). Telecinco (14.8%) was the leading channel for the eighth year in a row.

In the digital domain, Mediaset España increased its traffic by almost 30% to reach 17.7 million unique users in December, versus the 13.7 million unique users registered in January 2019, representing a rise of almost 40% according to the latest data published in January 2020. This increase was driven by the new digital businesses developed by the company, such as Mitele PLUS, NIUS, Uppers and Yass, and the incorporation of media outlets such as sports radio channel El Desmarque. The group also held on to its leadership position in digital media content, reaching an all-time-high number of videos viewed per year of 4.778 billion. It came in third place in the global ranking, behind Google and Vevo.

* Sources: TV Data: Kantar Media. Digital data: MyMetrix Multi-Platform and VideoMetrix Multi-Platform by Comscore.