

Madrid, 28 October 2020

RESULTS: JANUARY TO SEPTEMBER 2020

Mediaset España grows net profit by 12.3% in Q3 to post a total of €103.2m for 9M 2020, as content sales rise by 280.9%

In the first nine months of the year, Mediaset España reported revenues of €33.5m through content sales by Mediterráneo Mediaset España Group, four times higher than in 9M 2019. This business line, which falls under the Other Income heading, includes the activities of Mitele PLUS and Telecinco Cinema and generated total revenues of €76.4m, 72.8% higher than in 9M 2019.

Against the ongoing difficult backdrop of the Covid-19 crisis, net revenue stood at €546.6m, including net advertising income of €470.2m. Effective resource management allowed Mediaset España to successfully pare down total costs by 13.2% to €396.6m. The company posted EBITDA of €150.1m, with an EBITDA margin of 27.5%, and EBIT of €132.9m, with an EBIT margin of 24.3%.

Mediaset España has positioned itself, once again, as **Spain's most profitable media company in the first nine months of 2020** with **net profit of €103.2m**, reflecting a margin on total revenues of 18.9% and earnings per share of €0.33.

The group, **which dominated linear and digital TV ratings** in Spain from January to September, posted **net revenue of €546.6m**.

This includes a **72.8% increase in Other Income to €76.4m versus** the €44.2m reported in 9M 2019. The Other Income segment includes content sales **to third parties** by the distributor Mediterráneo Mediaset España Group, which generated **€33.5m in 9M 2020, a 280.9% increase versus the same period last year**, when these sales contributed a total of €8.9M. It also includes revenues in the digital area generated by the Pay TV platform Mitele PLUS and the proceeds of productions by Telecinco Cinema, which has only released one production this year — ADÚ — due to the impact of Covid-19 and the decision to postpone any big screen premieres.

In a market that continues to suffer the adverse effects of the Covid-19 pandemic, **gross advertising revenue** totalled €488.3m, of which €478.9m was generated through the operation of the group's proprietary media channels. **Net advertising revenue** stood at €470.2m. According to estimates by Infoadex, Mediaset España is **the leader of the TV advertising market, with a market share of 43%**.

By effectively managing in-house resources, the company has managed **to cut total costs by 13.2% to €396.6m**, obtaining **EBITDA of €150.1m**, with an EBITDA margin of 27.5%, and **EBIT of €132.9m**, with an EBIT margin of 24.3%.

Mediaset España delivered **robust cash generation** between January and September, allowing it to close the nine-month period with a **positive net financial position of €25.1m** versus debt of €30.2m at year-end 2019, despite the acquisition of a 4.25% stake in ProSieben Sat1. The company generated **operating cash flow of €119.8m** year to September.

Q3 results: Mediaset España posts profits of €33.2m, up 12.3% YOY

In the third quarter of the year, Mediaset España reported **net profit of €33.2m, up 12.3%** from €29.6m in Q3 2019, reflecting a margin of 19.4% on total revenue. The group also reported **improvements in its main operating margins: EBITDA grew 23.3% year on year to €50.5m**, reflecting an EBITDA margin of 29.4%, and **EBIT climbed 22.3% to €44m**, with an EBIT margin of 25.6%.

Net revenue for the third quarter totalled €171.5m. Of this total, **€156.2m was net advertising income and €15.3m was Other Income**, which rose again in Q3, this time by 8.2% year-on-year. **Total costs were pared down by 11.9% to €121m**.

A leader in linear and digital TV consumption

At the end of September, Mediaset España was firmly positioned as the leading media operator by both linear TV and digital viewing figures for the first nine months of the year. In TV, the group's channels averaged a total day audience share of 28.6%, making it the undisputed leader since its creation back in 2011. It also enjoyed a comfortable lead both in prime time, with an audience share of 27.5%, and in commercial target, with 29.6%. Telecinco was the most-watched channel for the ninth consecutive period, with an audience share of 14.5%.

The group also topped the online TV charts from January to August — the latest month audited by Comscore — with a total of 3.15bn videos watched. Telecinco was the most-viewed online TV channel with 675 million videos played; and Mitele was the leading TV platform with 1.67bn videos viewed. Mediaset España now boasts an average of 18.3m unique users per month, up 16% versus the same period last year.

Source: TV Data: Kantar Media. Digital data: compiled by Mediaset España based on Comscore's MMX Multi-Platform (January-September 2020) and VMX Multi-Platform. (January-August 2020).