

---

---

# 2020 FULL YEAR RESULTS

January – December 2020

**MEDIASET***españa.*



Madrid – February 24<sup>th</sup>, 2021

## CONTENTS

1. Financial and Operating highlights
2. Operating KPI's
  - 2.1 TV Consumption
  - 2.2 Audience share
  - 2.3 Content mix
  - 2.4 Associated and Participated Companies
  - 2.5 Internet
3. Profit and loss account
4. CAPEX
5. Balance sheet
6. Cash flow generation
7. Events following the close of the period
8. Definition of APMs
9. Contact

### **Conference Call / Web cast details**

24<sup>th</sup> February 2021 at 18:30 CET (17:30 UK Time)

**Spain:** +34 914 14 36 75  
**UK:** +44 (0) 207 192 8338  
**USA:** +1 646 741 3167  
**Pin Code:** 8606617

You will also be able to connect via **webcast** with this link:  
<https://edge.media-server.com/mmc/p/j57j22qt>

Or through our **IR homepage**:  
<http://www.mediaset.es/inversores/en/>

## I. FINANCIAL

mill. EUR	4Q2020	4Q2019	Var (%)	2020	2019	Var (%)
Total net revenues	290,0	285,5	1,6%	836,6	946,2	(11,6%)
Total operating costs	(187,4)	(205,4)	(8,8%)	(584,0)	(662,3)	(11,8%)
<b>EBITDA Adj. <sup>(1)</sup></b>	<b>102,6</b>	<b>80,1</b>	<b>28,1%</b>	<b>252,7</b>	<b>284,0</b>	<b>(11,0%)</b>
EBITDA margin	35,4%	28,0%		30,2%	30,0%	
<b>EBIT</b>	<b>97,6</b>	<b>74,7</b>	<b>30,7%</b>	<b>230,5</b>	<b>264,9</b>	<b>(13,0%)</b>
EBIT margin	33,7%	26,2%		27,6%	28,0%	
<b>NET PROFIT</b>	<b>75,5</b>	<b>54,7</b>	<b>37,9%</b>	<b>178,7</b>	<b>211,7</b>	<b>(15,6%)</b>
EPS <sup>(2)</sup>	0,24	0,17		0,57	0,68	
<b>Free Cash - Flow</b>				<b>200,89</b>	<b>186,71</b>	
<b>Net Cash/ (Debt) Position</b>				<b>123,23</b>	<b>(30,21)</b>	

(1) EBITDA Adj, includes TV rights consumption

(2) excluding any treasury shares as at 31.12

- As per Infoadex figures, the total **Audio-visual market<sup>1</sup> in 2020** was **€2,417.5 million** vs **€2,844.2 million** in 2019 (-15.0%). The **TV advertising market in 2020** was **€1,640.3 million** (-18.4%) and the **Digital market, €777.2** (-6.9%). **Mediaset España** as per the above figures, obtained a **31.0% market share in the Audio-visual Market** and **43.2%** in the **Television market**.
- Total net revenues** in **2020** amounted to **€836.6 million**, -11.6% compared to 2019 whilst **4Q20 Total net revenues** was **€290.0 million** +1.6% compared to same period 2019.
- Mediaset España** registered an **EBITDA of €252.7 million** in 2020 (-11.0% vs 2019), representing a **30.2% EBITDA margin**. EBITDA for the **4Q20** reached **€102.6 million** (+28.1% vs 4Q19) a **35.4% EBITDA margin**.
- Net profit** in the year reached **€178.7 million**, -15.6%, whilst in **4Q20 Net Profit** was **€75.5 million** +37.9%.
- Mediaset España's Net Cash position** as of **31<sup>st</sup> December 2020** was **€123.2 million** and **Free Cash Flow** generation amounted to **€200.9 million**.
- Mediaset España** led TV audiences in 2020 with a **28.4% audience share** and a **29.6% commercial target**, both in total individuals' total day.
- In internet, **Mediaset España** registered an **average of 18.2 million unique users/month** and **435 million videos streamed /month**. (Source: ComScore, multiplatform).
- At the end 2020, **Mediaset España** holds **9.75%** of **ProsiebenSat.1's** share capital.
- Mediaset España** holds at the end of December 2020, **14.3 million treasury shares** 4.36% of the share capital.

<sup>1</sup> Audiovisual Ad Market= TV Market+ Digital (excluding Search and RRSS as per Infoadex).

2. OPERATING KPI's

2.1 TV CONSUMPTION

In 2020 the **TV viewing consumption** has **notably increased** due to the lock down measures adopted across the territory because of the Covid19 pandemic. People spent more time at home, and they turned to Television as a source of information as well as entertainment.

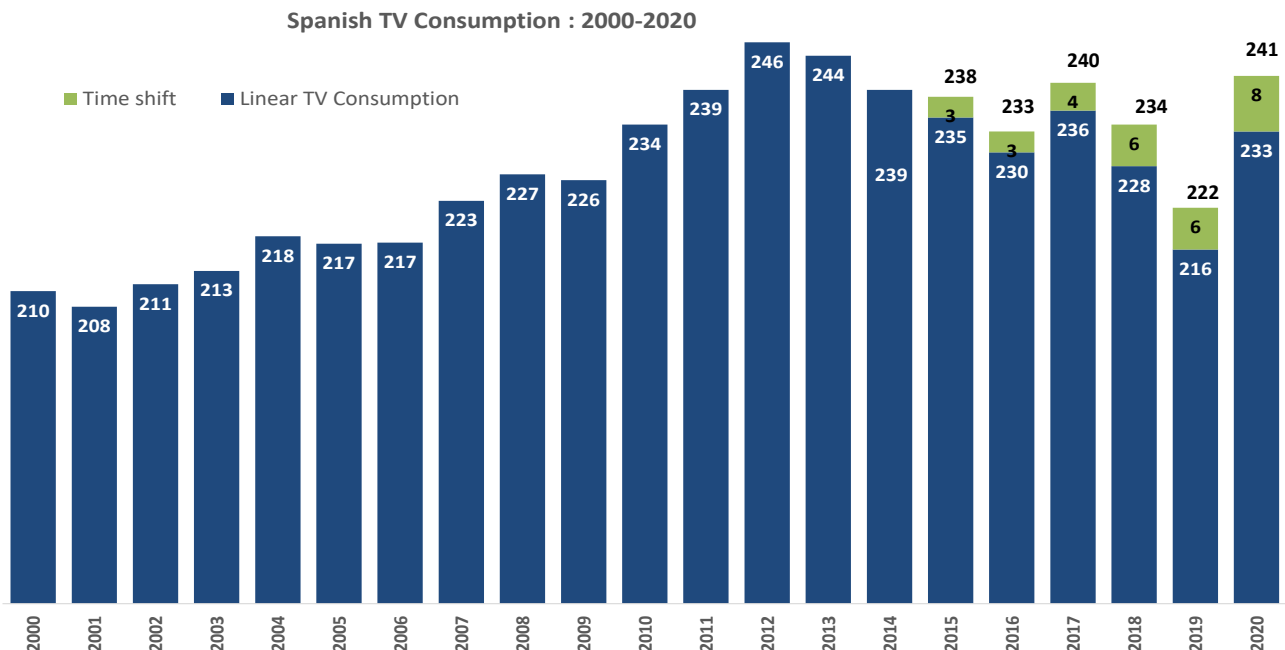
The **daily average total TV consumption<sup>2</sup> per person per day, 4 years old +**, in 2020 reached a total of **241 minutes, 19 minutes more than 2019 (+8,6%)**, and the **highest TV consumption since 2013** (244 minutes).

In the **second quarter 2020**, when the lock down measures started, March 14<sup>th</sup>, the total TV consumption reached **264 minutes/per person/per day**, a notable **increase of 40 minutes** compared to the same period 2019. Also, it is worth mentioning that **a record high** was obtained in **April 2020**, with a total TV consumption of **303 minutes per person/per day** (compared to the 233 minutes per person/per day from April 2019)

**TV consumption has remained strong throughout the year even** when the lock down measures were eased, as it happened in the **third quarter 2020** when the total TV **consumption reached 205 minutes** compared to 197 minutes per person/per day from the same period 2019. In the **fourth quarter TV consumption was 243 minutes per person/per day** versus the 228 minutes per person/per day from the same period last year.

**Linear<sup>3</sup> TV consumption** reached a total of **233 minutes per person/per day** in 2020 (+17 minutes compared to 2019) representing **96.7% of the total TV consumption**, whilst **time shift<sup>4</sup> was 8 minutes per person/per day** in the same period (+2 minutes vs 2019), representing **3.3% of the total TV consumption**.

The **average daily television viewers, total day, in 2020 stands at 7.3 million people**.



Source: Kantar media.

<sup>2</sup> Total TV Consumption= Linear Tv + Non Linear/Time shift. *Doesn't include* viewing time on Tablets, PCs, and Mobiles etc.

<sup>3</sup> Linear: Includes Guests TV consumption (TV consumption from friends, family etc. visiting, measured since March 2017) and second homes since 2020.

<sup>4</sup> Non Linear/Time shift.- is the consumption within the 7 days after the first broadcast on television

## 2.2 AUDIENCE SHARE

	Jan-Dic' 20		Jan-Dic' 19	
	Total Individuals	Commercial Target	Total Individuals	Commercial Target
<b>MEDIASET ESPAÑA</b>				
Total Dia	28,4%	29,6%	28,9%	30,7%
Prime Time	27,2%	28,3%	28,4%	29,1%
<b>TELECINCO</b>				
Total Dia	14,6%	14,3%	14,8%	14,1%
Prime Time	13,8%	13,6%	14,8%	13,6%
<b>CUATRO</b>				
Total Dia	5,4%	6,1%	5,3%	6,4%
Prime Time	5,8%	6,7%	5,8%	7,0%
<b>DIVINITY</b>				
Total Dia	1,9%	2,1%	1,9%	2,3%
Prime Time	1,6%	1,8%	1,6%	1,8%
<b>BOING</b>				
Total Dia	1,1%	0,9%	1,1%	0,8%
Prime Time	0,9%	0,7%	0,9%	0,7%
<b>ENERGY</b>				
Total Dia	2,3%	2,5%	2,4%	2,9%
Prime Time	2,0%	2,1%	2,1%	2,2%
<b>BE MAD tv</b>				
Total Dia	0,7%	0,8%	0,5%	0,7%
Prime Time	0,6%	0,7%	0,5%	0,7%
<b>FDF</b>				
Total Dia	2,6%	3,0%	2,8%	3,5%
Prime Time	2,4%	2,7%	2,7%	3,1%

**Mediaset España** is the audio-visual leader **Group in 2020** and has been so for the past decade. The Group obtained **28.4% TV audience share in 2020 in total individuals' total day** and **27.2% share in Prime Time** an advantage of 2.1 pp and 0.9 pp ahead of its nearest competitor, respectively.

In terms of **Commercial target**, the **Mediaset España Group** also **lead with a 29.6% share in total individuals' total day**, and 28.3% share in **Prime Time**, 2.0 pp and 0.7 pp ahead of its nearest competitor, respectively.

The **Mediaset España Group** reaffirms its leading audience position in the **13 to 24 years old** group with a share of **32.6%** and in the **25-34 year old** group with a **31.7% share**.

- The **Telecinco channel** has been **leading audiences** in the Spanish commercial television **for the last 21 years**. In 2020, it registered **14.6% audience share in total individual/ total day**, this is **2.8 pp ahead** of its nearest competitor and the **second largest difference ever** among the two companies. **In Prime-Time**, the **Telecinco channel** also obtained the best record with a **13.8%** audience share, 1 pp ahead of its nearest competitor.

The **Telecinco channel** also lead in **commercial target** with a **14.3%** share in **total individual/ total day**, its **best record in the last five years**, and an advantage of 3 pp with its nearest competitor. The channel also **lead amongst the 13 to 24 and 25-34 age groups** with shares of **12.8% and 14.1% respectively**.

Some of the most popular **TV programs** broadcasted by the **Telecinco channel** in the year were: **“Supervivientes”** with a **28.9% audience share** and almost 3.5 million viewers, **“Cantora:La Herencia envenenada”** with a **27.0% share** and 3.1 million viewers, **“La Isla las Tentaciones”** **22.5% share** and 2.9 million viewers and **“La Casa fuerte”** with a **share of 19.8%** and 1.8 million viewers.

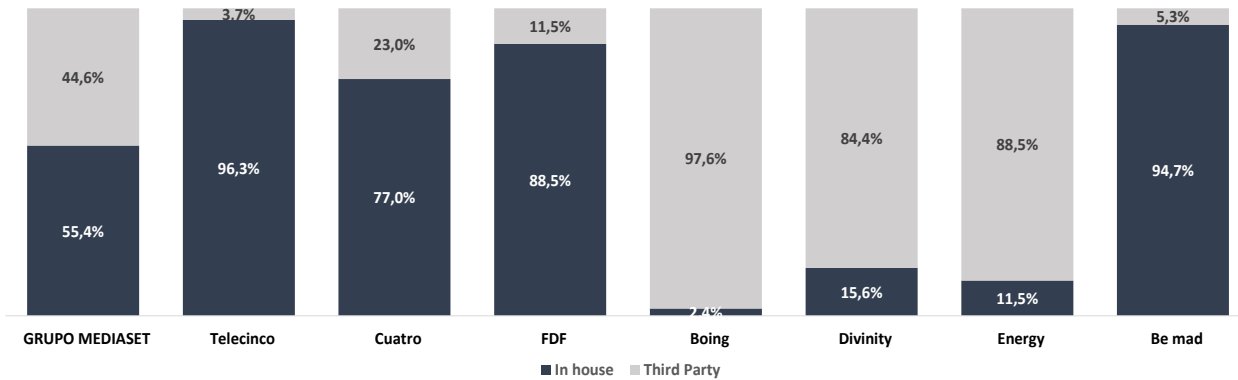
**Local Fiction series** also had really good performance in the period, as an example: **“El Pueblo”** with **16.3% audience share** and 2.2 million viewers, **“Vivir sin Permiso”** with **15.0% share** and 2.0 million viewers, **“La que se avecina”** with **13.6% share** and 1.6 million viewers, **“Madres. Amor y Vida”** with **12.2% share** and 1.2 million viewers.

This is a clear demonstration of the **Mediaset España Group’s success of local production**.

- The **Cuatro channel** obtained an **audience in total individuals’ total day of 5.4%**, and **6.1% in commercial target in 2020**, whilst in **prime time** the audience was **5.8% share and 6.7% commercial target**. The **Cuatro channel** shows the best commercial target conversion of all channels.
- The **targeted channels**, Divinity, Boing, Energy, Be Mad and FDF, **obtained a total of 8.4% audience share** in total individual total day in the period **whilst achieving 9.3%** in commercial target. The audiences obtained by the different channels **in 2020** in its targets are as follows: **FDF**, in its target of **13- to 24-year-olds**, achieved **6.9%** audience share. The **Divinity** channel had a **2.5% audience share in its target of women 16 to 44 years old**, The **Energy** channel obtained in its target, men **25 to 54 years old**, a **2.5% share**. **Boing**, the children’s channel, multiplied its share **ten-fold** in its target of **4- to 12-year-olds**, reaching a **11.1%**. **Be Mad** registers a **0.9% share** in its **target of 16–44-year-old men**.

### 2.3 CONTENT MIX

In 2020 Mediaset España’s in-house production represented 55.4% of the total broadcasted hours, which is an increase of +3.9 pp compared to the same period last year (51.5%). Third party rights, on the other hand, represented 44.6% of the total broadcasted hours of the Group. The distribution of in-house and third party broadcasted hours, in the year, was as follows:



Source: Kantar Media

The two main channels, Telecinco and Cuatro combined, representing an audience of 20.0% (70.4% of the total audience of the Group), have devoted 86.8% of their broadcasted hours to in-house production in 2020, above the 85.9% figure from the same period last year (+0.9 pp)

With regards to the rest of the channels, FDF, Energy and Be Mad had showed the greatest change in the broadcaster hour mix in the period. In 2020, FDF increased its in house production broadcasted hours by +6.5 pp to 88.5%, The Energy channel’s in house broadcasted hours amounted to 11.5% of its aired time, +7.0 pp and Be Mad’s in house broadcasted hours reached 94.7% this is +12.1pp compared to 2019.

### 2.4 ASSOCIATED AND PARTICIPATED COMPANIES

Mediterraneo<sup>5</sup> is Mediaset España’s content unit that gathers all the Group’s stakes in the different production companies. As of December 31<sup>st</sup> 2020, the Group has 7 associated and 4 participated production companies specialized in different types of content. The Group’s associated production companies are: Producciones Mandarina, (30.0%), La Fábrica de la Tele (30.0%), Alea Media (40.0%), Bulldog (30.0%), Alma Producciones (30.0%), Unicorn (30.0%) and Fenix Media Audiovisual (40%) which was incorporated into the consolidation perimeter in the first quarter of 2020.

In 2020, these companies produced content for Mediaset España Group’s channels such as: **daily magazine programs**; like “El Programa de Ana Rosa”, “Ya es Mediodía”, “Salvame Naranja”, “Salvame Limón”, “Todo es mentira”, “Cuatro al día”, **Talk Shows**; such as “Informe Covid” “Hormigas Blancas”, **Reality Shows such as**; “La Casa Fuerte”, “La isla de las Tentaciones”, “Supervivientes”, **weekend magazine programs** “Viva la vida”, “Deluxe”, “Cazamariposas”, **shows such as**; “Volvete a Ver”, “Especial Nochevieja”, and **Fiction series such as** “Vivir sin permiso”, “Madres. Amor y Vida”.

<sup>5</sup> Mediterraneo Mediaset España Group

But, they have also produced for third parties, together with Mediterraneo. This is the case for the fiction series “Patria”, an Alea production for HBO, or docuseries like “De la vida al Plato” a Unicorn production or “La Familia del Baloncesto” a Supersport production, both for Amazon Prime.

The **participated companies** of the Group at the end 2020 were: **Supersport**, (62.5%) specialized in **sports news** and provides content to the Group’s TV channels as well as for third parties, like Real Madrid TV channel, and **El Desmarque**, (60%) **sports site** with an offer that covers local sport contents across the national territory on the internet.

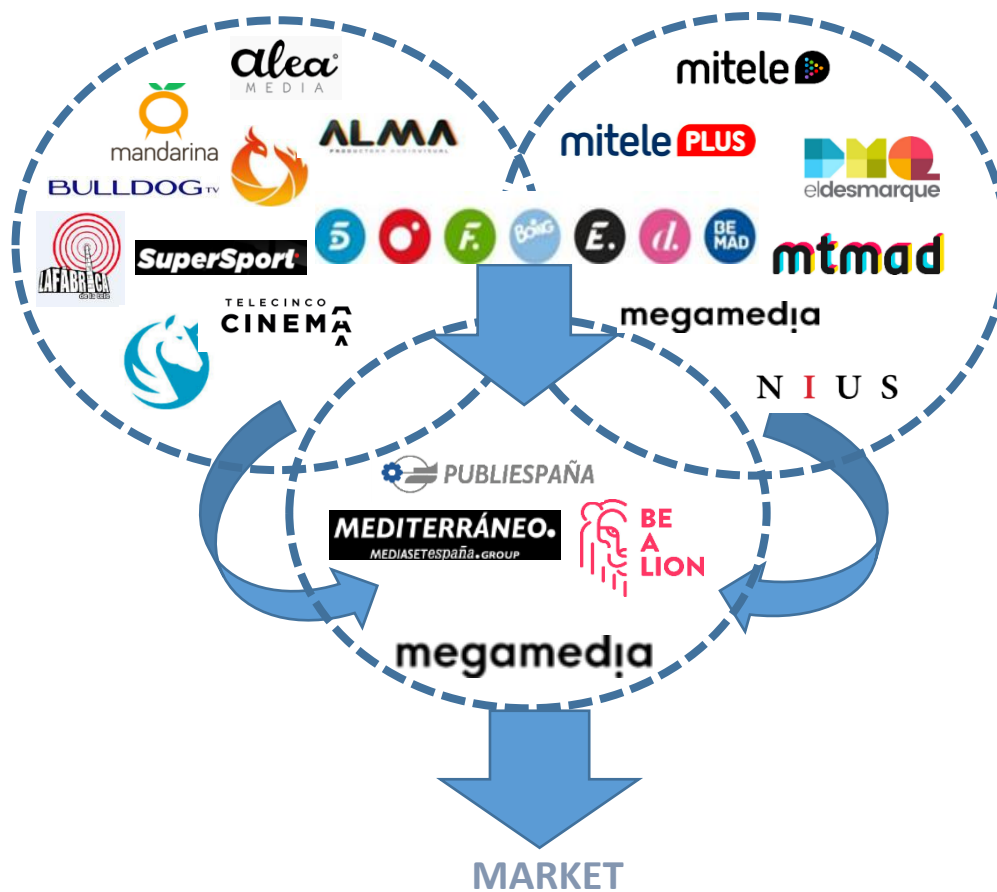
In September 2020 Mediaset España announced the acquisition of **51% of BE A LION**, a company that offers end to end **advertising solutions**, both to the **Mediaset España Group and third parties**, within the **digital and social network environments** to enhance **commercial actions** and more effectively impact on the targeted audience. **BE A LION** is also a reference in the market for **branded content** and its distribution on social networks.

In the last quarter 2020, **Mediaset España** increased its stake in **Megamedia** to **100%**, previously 65%. **Megamedia** is the **Spanish leading digital content company** that also offers **brands and companies** a comprehensive service towards the **digital transformation** of their businesses. **Megamedia** also develops and maintains Mediaset España sites and OTT platform.

**The Group** also has its cinema production unit, **Telecinco Cinema**, where it holds a **100%** stake.

**Mediaset España** also has a stake in **Prosieben**, the German broadcaster. As a **31<sup>st</sup> December** it holds a position of **9.75% of the share capital**.

**MEDIASET ESPAÑA AUDIOVISUAL**

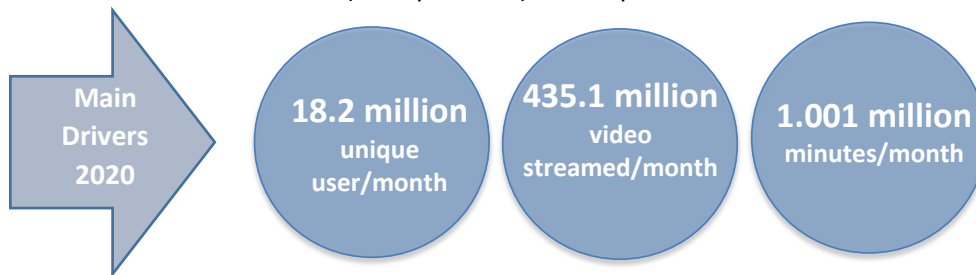




## 2.5 INTERNET

In 2020, internet video consumption reached **41.6 minutes per person/per day** for total Individuals and represents **14.9%** of the total daily average audiovisual consumption<sup>6</sup> (283 minutes per person/per day, of which **241 minutes per person/per day** is television consumption).

**Mediaset España** increased its unique users in 2020 to **18.2 million** (+13% vs 2019) and registered a **monthly average of 435.1 million video streamed** (multiplatform) which proves the content of the Group are highly demanded.



**Mediaset España** is in 2020 the Spanish TV Media Group with the **highest video consumption**, a total of **14.3 billion** minutes and it also **ranks third** in 2020 in **video streamed** with a total of **5.2 billion videos**, only after **Google and Vevo**.

**Mitele.es** is again the **most popular OTT TV platform in 2020**, with almost **3 billion videos** streamed, a figure well ahead of its direct competitor. The platform premiered new and **exclusive contents**, that proved very popular among users, like **“Solo/Sola”** a live reality show only available for **Mitele Plus** subscribers.

The number of **Mitele Plus** subscriptions increased notably since this program was launched. Also, it is worth mentioning the **exclusive contents of “La Casa Fuerte”** only available in **Mitele Plus**, or programs such as **“La isla de las tentaciones”**, launched on TV in September, that was the **most demanded content in digital, live, VoD** as well as within the **social networks**. Other successful cases in the digital arena in 2020 were programs such as **“Mujeres, Hombres y Viceversa”**, **“Cuarto Milenio”**, **“Informe Covid”**.

**Mitele Plus** increased its offer in 2020, among others with **Fight Sports**, a **channel** fully dedicated to premium combat sports from around the globe: Boxing, Mix martial Arts, Karate, Kickboxing, Judo, Sumo, the most complete offer for lovers of premium contact sports. Users can subscribe to this **channel for a €5/month**, whilst the **Basic package** was **€3/month** (€4/month since February 2021)

Regarding the **native digital content**, **Mtmad’s** performance is outstanding, which shows a 49% increase in the video streamed in 2020 compared to 2019, a total of 349 million video streamed. The **El Demarque** and **Nius** sites also obtained excellent records in 2020 in their number of users with **4.7 million** and **3.3 million unique users**, respectively.

**Mitele Club**, the new Platform of the **Mediaset España Group**, was **launched in August** for all subscribers of the **annual Mitele Plus plan**. On the platform you can **enjoy exclusive experiences** related to the programs, promotions, as well as participate in the debates that are generated in the community.

<sup>6</sup> Source: Comscore Multiplatform & company data.

### 3. PROFIT AND LOSS ACCOUNT

mill. EUR	4Q2020	4Q2019	Var (%)	2020	2019	Var (%)
<b>Gross Advertising Revenues</b>	<b>270,8</b>	<b>272,5</b>	<b>(0,6%)</b>	<b>759,1</b>	<b>916,5</b>	<b>(17,2%)</b>
Mediaset España's Media	262,9	268,3	(2,0%)	741,7	901,8	(17,7%)
Third Party Media	7,9	4,1	93,2%	17,4	14,7	18,4%
Commission	(11,7)	(12,5)	(6,3%)	(29,8)	(40,0)	(25,5%)
<b>Net advertising revenues</b>	<b>259,2</b>	<b>260,0</b>	<b>(0,3%)</b>	<b>729,3</b>	<b>876,5</b>	<b>(16,8%)</b>
Other revenues	30,9	25,5	21,0%	107,3	69,7	53,9%
<b>Total Net Revenues</b>	<b>290,0</b>	<b>285,5</b>	<b>1,6%</b>	<b>836,6</b>	<b>946,2</b>	<b>(11,6%)</b>
Rights Amortisation	(55,9)	(55,5)	0,8%	(126,7)	(135,9)	(6,7%)
Personnel	(35,9)	(33,1)	8,5%	(120,6)	(121,5)	(0,8%)
Other operating costs	(95,6)	(116,9)	(18,2%)	(336,7)	(404,9)	(16,8%)
<b>Total Costs</b>	<b>(187,4)</b>	<b>(205,4)</b>	<b>(8,8%)</b>	<b>(584,0)</b>	<b>(662,3)</b>	<b>(11,8%)</b>
<b>EBITDA</b>	<b>102,6</b>	<b>80,1</b>	<b>28,1%</b>	<b>252,7</b>	<b>284,0</b>	<b>(11,0%)</b>
<i>EBITDA Margin</i>	<b>35,4%</b>	<b>28,0%</b>		<b>30,2%</b>	<b>30,0%</b>	
Other amortisations, provisions	(2,89)	(3,18)	(8,9%)	(13,95)	(10,91)	27,9%
Amortisation PPA	(2,05)	(2,19)	(6,6%)	(8,19)	(8,19)	(0,0%)
<b>EBIT</b>	<b>97,64</b>	<b>74,70</b>	<b>30,7%</b>	<b>230,5</b>	<b>264,9</b>	<b>(13,0%)</b>
<i>EBIT Margin</i>	<b>33,7%</b>	<b>26,2%</b>		<b>27,6%</b>	<b>28,0%</b>	
Equity Cons. Results and Depr. Fin.						
Assets	0,7	0,6	21,6%	2,6	5,9	(55,6%)
Financial results	(1,4)	(0,1)	-	(1,8)	(0,2)	-
<b>Pre-tax Profit</b>	<b>97,0</b>	<b>75,2</b>	<b>29,0%</b>	<b>231,4</b>	<b>270,6</b>	<b>(14,5%)</b>
Income taxes	(20,9)	(19,6)	6,4%	(50,4)	(56,8)	(11,4%)
Minority interests	(0,6)	(0,8)	(26,3%)	(2,3)	(2,0)	10,7%
<b>Net Profit</b>	<b>75,5</b>	<b>54,7</b>	<b>37,9%</b>	<b>178,7</b>	<b>211,7</b>	<b>(15,6%)</b>
<i>Net Profit Margin</i>	<b>26,0%</b>	<b>19,2%</b>		<b>21,4%</b>	<b>22,4%</b>	
EPS (excluding Treasury shares)	<b>0,24</b>	<b>0,17</b>		<b>0,57</b>	<b>0,68</b>	

**2020** has been a very difficult year **due to Covid19**, that had a very strong impact on the Spanish economy which shrank **11% in the period**. The impact of the pandemic on the economy has been uneven throughout the quarters, with a strong impact in **Q2**, due to the outbreak of the pandemic, **when the Spanish GDP<sup>7</sup> fell by 17.9% whilst the Q3 grew by 16.4%** (quarter on quarter variations). The last quarter of the year the **Spanish GDP** increased by **0.4%** (quarter on quarter variation).

The audiovisual market <sup>8</sup> as reported by Infoadex, was **€2,417.5 million** in 2020 compared to **€2,844.1 million from 2019** a reduction of -15.0%.

<sup>7</sup> Source: INE (Instituto Nacional de Estadística).

<sup>8</sup> Audiovisual market=TV+Digital (excl. Search and RRSS as per Infoadex)

The **television advertising market** in 2020, as per Infoadex, stood at **€1,640.3 million** which represents a **decrease of 18.4%** compared to 2019 (€2,009.3 million), **whilst the Digital ad market shrank by 6.9%** to **€777.2 million** from €834.8 million in 2019. These numbers show how the **lock down** and **curfew measures** implemented due to Covid19 had a strong impact on the 2020 advertising market.

As per Infoadex figures, **Mediaset España** would have a **television ad market share of 43.2% in 2020** which is **flat in comparison with last year**, whilst the Group obtained an **audio-visual market share of 31.0%** in 2020 (compared to the 31.7% from 2019).

- **Gross Advertising Revenues in 2020** amounted to **€759.1 million** compared to the **€916.5 million** from 2019, a reduction of 17.2% that was due mainly to the Covid 19 impact. A **breakdown** of the revenues is as follows:

- ✓ **Gross Advertising Revenues of Mediaset España's Media** include advertising revenues from, **Internet, Teletext** and the **Group's 7 TV channels: TELECINCO, CUATRO, FACTORIA DE FICCION, BOING, DIVINITY, ENERGY and BE MAD**, in 2020 amounted to **€741.7 million** compared to **€901.8 million** from 2019 (-17.7%).

TV Advertising market was strongly affected by the pandemic situation, mainly in the first half of the year, the period that coincides with the pandemic outbreak. The **quarterly evolution of the TV ad market** in 2020 was as follows: **1Q20: -11.8% and 2Q20: -50%**. The **second part of the year**, there was a notable recovery of the TV ad market from the previous half: **3Q20: -3.5% and 4Q20: -4.1%**.

**Mediaset España TV advertising revenues in 2020** were, as per Infoadex data, in line with the performance of the TV advertising market, whilst the **Group's Digital ad revenues** performance was well ahead (**+25.0%**) the performance of the **digital advertising market (-6.9%)**.

In **4Q20** these revenues were **€262.9 million**, a good performance (-2.0%) compared to the same period 2019 (€268.3 million).

- ✓ **Gross third-party media revenues** include amongst others, the advertising sales for the **free TV channel Gol** and since July 2020, the revenues from **Be A Lion**, the digital advertising agency. In 2020 total sales amounted to **€17.4 million**, compared to **€14.7 million from 2019 (+18.4%)**. In **4Q20** Gross third-party media revenues, **€7.9 million**, almost doubled the 2019 figure of **€4.1 million**, mainly thanks to the revenues from **Be a Lion**.

- **Advertisement commissions** in the year, was **€29.8 million**, representing **3.9%** over gross advertising revenues.
- **Net advertising revenues**, after commissions, amounted to a total of **€729.3 million**, compared to the **€876.5 million from 2019**, a reduction of 16.8%.

It is worth noting the **very good performance of these revenues** in the **4Q20**, with a total revenue of **€259.2 million**, almost flat compared to the same period 2019 (€260.0 million).

- **Other Revenues** include income from **movie activity, content sales, Mitel Plus subscriptions**, as well as **services provided for third parties**.

In **2020, Other Revenues**, amounted to **€107.3 million**, an increase of **53.9% compared to 2019** (€69.7 million), an excellent performance **despite lower cinema activity** due to the Covid19 restrictions, where just one film was released in the period: **“Adu”** (January 2020).

On the other hand, **content sales** for the period had a very good performance in the year. Some of the most relevant sales were the fiction series **“Señoras del (h)Ampa”** season 2, **“La que se avecina”** season 12, **“Madres: amor y vida”**, **“El Pueblo”** season 2, all of them to **Amazon Prime**. Also, the sales of the Group’s cinema movies to **Disney+**: **“Un Monstruo viene a verme”**, **“Tadeo Jones”** and **“Ocho Apellidos Vascos”** and the fiction series like **“Vivir sin Permiso”** season 2 to **Netflix** or the sublicensing of **“La Copa del Rey”** football right, to mention a few.

With regards to **Mitele Plus**, the Group’s OTT platform had, as of December 31<sup>st</sup>, a total of over **109.000 subscriptions**, and showed a **very positive evolution at the beginning of 2021** with subscriptions currently at a record high, as of February 2021 (+186.000 subscriptions).

**Non-advertising revenues** in 2020 represented **12.8% of the total Net revenues** of the company vs the 7.4% from 2019, proving the **good results from the Group’s diversification strategy**.

- **Total Net Revenues** for the period amount to **€836.6 million**, compared to **€946.26 million** from the same period last year **(-11.6%)**.  
In the **fourth quarter 2020**, **Total Net Revenues** reached **€290.0 million** an increase of **+1.6%** compared with the **same period 2019**, an **outstanding performance despite the strong impact of the Covid19**.
- **Total Costs** for 2020 amounted to **€584.0 million**, representing **savings of 11.8% (€78.3 million)** vs 2019 (€662.3 million). **Most of these savings** were obtained **in the programming grid** as well as with some renegotiations with suppliers in accordance with the current circumstances.

The strong impact of the Covid19 outbreak in the advertising market, required a fast and strong response in the **cost control management** of the company. **Mediaset España’s flexible business model rapidly adapted** to the new circumstances, making all the necessary changes in its programming grid, whilst at the same time, **preserving its leading audience position**. Most of the 2020 savings were made in the second quarter 2020, **€50.7 million** out of **€78.3 million** total saving costs, coinciding during the worst part of the pandemic. **Mediaset España Group managed to offset 71.4% of the revenue decline through an effective cost management**.

- In **2020 Mediaset España** obtained an **EBITDA** of **€252.7 million** (-11.0% vs 2019) representing a **margin of 30.2%**, best margin since 2008. In **4Q20**, **Mediaset España EBITDA** was **€102.6 million** **(+28.6% vs 4Q19)** representing **35.4% margin**, which is the **best fourth quarter margin since 2007**.
- **EBIT** in 2020 reached **€230.5 million**, **-13.0% compared to 2019**, representing a **margin of 27.6% which is the best margin since 2008**. In **4Q20 Mediaset España** registered an **EBIT** of **€97.6 million** **(+30.7% vs 4Q19)** representing margin of **33.7%**, the best fourth quarter margin since 2007.
- **Pre-Tax profit** for 2020 reaches **€231.4 million** which includes, the **consolidated result** from the **associate companies**, **€2.6 million** and **financial results** **-€1.8 million**.
- **Mediaset España’s 2020 Net Profit** was **€178.7 million**, **-15.6% vs 2019** (€211.7 million) representing **EPS** of **€0.57**. The **fourth quarter 2020**, on the other hand, reported a **Net Profit** of **€75.5 million** **+37.9% Vs 4Q19** (€54.7 million).

#### 4. CAPEX

mill. EUR	2020	2019	Var (%)
Third party	57,4	91,5	(37,2%)
Fiction	24,5	55,5	(55,8%)
Co-Produccion/Distribution	5,8	26,1	(77,9%)
Tangible and Intangible Fix Assets	10,9	11,0	(1,3%)
<b>Total Capex</b>	<b>98,6</b>	<b>184,1</b>	<b>(46,4%)</b>

**Total Net Investment** in 2020 was **€98.6 million**, compared **€184.1 million** from 2019, **-46.4%**.

The **lower investment** in the year was due to the Covid 19. The **restrictions and lock downs** put in place because of the pandemic, all of which **considerably reduced the production activity in the studios**. Once the restrictions were eased, the **production activity was resumed** under strict compliance with the safety requirements in force, which meant that some productions took longer than normal.

In the year, the **Group** invested a total of **€57.4 million** in **third party rights** a reduction of **-37.2%** in comparison with 2019 (€91.5 million). Investment in **local fiction** reached **€24.5 million** compared with the €55.5 million from 2019 (**-55.8%**). **Co-Production/Distribution** reached **€5.8 million** a strong reduction (-77.9%) in comparison with 2019 where **€26.1 million was invested**. Investment in **tangible and intangible assets** was **€10.9 million**, almost flat in comparison with the €11 million from 2019.

These **levels of investment are unusually low** and with the improvement of the pandemic situation a more normalized level of content investment will be in place.

## 5. BALANCE SHEET

mill. EUR	<u>December 2020</u>	<u>December 2019</u>
<b>Tangible assets</b>	<b>887,3</b>	<b>758,0</b>
Financial	662,0	520,2
Non Financial	225,3	237,8
<b>Audiovisual rights and Pre-payments</b>	<b>129,4</b>	<b>170,8</b>
Third parties	63,6	83,3
Fiction	44,7	58,5
Co-production / Distribution	21,0	29,0
<b>Pre-paid taxes</b>	<b>79,2</b>	<b>70,0</b>
<b>TOTAL NON-CURRENT ASSETS</b>	<b>1.095,8</b>	<b>998,8</b>
Current assets	302,9	293,5
Financial investments and cash	326,0	130,9
<b>TOTAL CURRENT ASSETS</b>	<b>628,9</b>	<b>424,4</b>
<b>TOTAL ASSETS</b>	<b>1.724,7</b>	<b>1.423,1</b>
	0,0	0,0
<b>Shareholders' equity</b>	<b>1.111,9</b>	<b>915,8</b>
Non-current provisions	12,6	11,1
Non-current payables	49,6	38,4
Non-current financial liabilities	311,2	186,5
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>373,4</b>	<b>236,1</b>
Current payables	238,3	270,4
Current financial liabilities	1,1	0,9
<b>TOTAL CURRENT LIABILITIES</b>	<b>239,4</b>	<b>271,3</b>
<b>TOTAL LIABILITIES</b>	<b>1.724,7</b>	<b>1.423,1</b>

*Mediaset España's* priority throughout the year, has been to protect the financial position of the Group making sure that we are prepared for even the most adverse business conditions.

Preserving the existing cash, securing access to lines of credit at competitive prices, and trying to maximize the free cash flow generation under the unprecedented business conditions created by the pandemic have been key objectives whilst, at the same time, we have been able to increase our investment in ProSiebenSat1 in the year, up to a stake equal to **9.75% of the share capital of the company**. The additional investment of **4.25% was partially financed by debt in an amount** perfectly affordable as attested by the positive financial position at year end.

Mediaset España has credit lines available as of 31<sup>st</sup> December, for a total amount of **€300 million**, thus ensuring access to the required financing even under the most negative business scenarios. This number is north of what existed on December 31<sup>st</sup>, 2019 by **€45.0 million**. The financial conditions of the facilities in place are very competitive and prove the solvency and creditworthiness of the Group.

## 6. CASH FLOW

**Mediaset España's Operating Free Cash Flow** in 2020 is **€200.9 million** and its **net cash position** at the end of the period is **€123.2 million**. This includes the **acquisition of the 4.25% of the share capital of Prosieben**, executed in March 2020.

mill. EUR	2020	2019	Var (M€)
Net profit (without minority interests)	181,0	213,8	(32,8)
Amortisation:	148,7	157,5	(8,7)
Rights	126,7	135,9	(9,1)
Other	22,0	21,6	0,4
Provisions	0,8	(1,2)	2,0
Other	11,0	23,9	(12,9)
<b>OPERATING CASH FLOW</b>	<b>341,6</b>	<b>394,0</b>	<b>(52,4)</b>
Investment in rights	(87,8)	(173,1)	85,3
Investments, other	(10,9)	(11,0)	0,1
Change in working capital	(42,1)	(23,1)	(18,9)
<b>OPERATING FREE CASH FLOW</b>	<b>200,89</b>	<b>186,7</b>	<b>14,2</b>
Own stock purchase	0,5	(94,6)	95,1
Change in Equity	0,0	0,9	(0,8)
Financial investments/disinvestments	(59,1)	(190,4)	131,3
Dividends received	4,1	1,7	2,4
Dividend payments	0,0	(100,0)	100,0
<b>Net Cash Change</b>	<b>146,4</b>	<b>(195,7)</b>	<b>342,0</b>
<b>INITIAL FINANCIAL POSITION</b>	<b>(23,2)**</b>	<b>165,5*</b>	<b>(188,6)</b>
<b>FINAL FINANCIAL POSITION</b>	<b>123,2</b>	<b>(30,2)</b>	<b>153,4</b>

(\*) Adjusted at the beginning of the period due to NIIF16

(\*\*) Initial financial position 2020 Adjusted at the beginning of the period to reclassify certain liabilities previously reported as part of the financial position.

**Mediaset España's cash conversion rate** equals **79.5% in the period: free cash flow** (€200.9 million) and **EBITDA** (€252.7 million).



## 7. EVENTS FOLLOWING THE CLOSE OF THE PERIOD

On January 21<sup>st</sup>, 2021 **Mediaset España** acquired an additional stake in ProSieben, the German broadcaster, of **3.43% of the share capital, a total of 8.000.000 shares**. Mediaset España's stake in ProSieben after the acquisition is **13.18% of the share capital of the German broadcaster**.

## 8. DEFINITION OF APMs

The **Mediaset España Group's financial information** contains magnitudes in accordance with current accounting regulations, as well as other measures that have been prepared according to the Mediaset España Group's Reporting model, i.e., **Alternative Performance Measures (APM)**.

These measures are **considered as complementary magnitudes** with respect to those presented in accordance with the **International Financial Reporting Standards (IFRS)**.

APMs are important for **financial information** users as they are the measures used by Mediaset España's Management to evaluate financial performance, cash flows, financial situation or operational and strategic decision making. Its **purpose is to promote the publication of transparent, impartial and comparable financial information** to allow users a better understanding of its financial position and results.

### **Net Revenues:**

Total revenue includes the Group net of discounts and rebates.

### **Adjusted EBITDA:**

*("Earnings before Interest, Tax, Depreciation and Amortisation")* is an indicator that measures the companies operating margin before deducting interest, taxes, impairments and amortisation.

They are based on the operating benefits to which the provisions for the amortisation of tangible and intangible assets are added, as well as the variations in the working capital provisions.

Due to the specific nature of the business, the consumption of audio-visual rights is included in the operating expenses even though their accounting treatment is amortisation of intellectual property.

### **Free Operating Cash Flow:**

Measures the generation of monetary resources corresponding to operating and investment activities and is used to evaluate the funds available for dividend payments to shareholders or for future investment activities.

### **Generated Cash Flow:**

Corresponds to the cash from the operating and investment activities that, once deductible, dividend payments, interest on financing and treasury stock determine the Group's financial variation.

### **Liquidity or Net Financial Position:**

The Group measures the liquidity or Net Financial Position as the sum of "Cash and other equivalent liquid assets" of other current financial assets and short and long-term credit lines arranged at the end of the period corresponding to loans granted by financial entities with terms, amounts and other conditions agreed in the contract.



**Net Investments:**

These APMs are used by the Group's Management to measure the investment activity of each period, and corresponds to those operating investments made by the same and net of divestments. It includes that corresponding to joint ventures and other companies operationally managed as such.

**Coverage Ratio:**

The active / passive liquidity coverage ratio is calculated by dividing Current Assets between Current Liabilities, and is used to determine the number of times the Group could face the maturities of short-term commercial debt with the outstanding debt and the current liquidity.

**9. CONTACT US**

Corporate web site:

[www.mediaset.es](http://www.mediaset.es)

Investor relations department contact details:

Telephone: (00 34) 91 3588 717 (x4)

Web page: [www.mediaset.es/inversores/en/](http://www.mediaset.es/inversores/en/)

Email: [inversores@mediaset.es](mailto:inversores@mediaset.es)

Address:

INVESTOR RELATIONS

MEDIASET ESPAÑA COMUNICACIÓN, S.A.

Calle Federico Mompou, nº 5 bis, 28050 – MADRID