

## Results January-September 2022

**In an environment where the TV advertising market is currently experiencing a downturn as a result of the global economic uncertainty Mediaset España's net profit reached 116.8M€ at the end of September, up 2.3% compared to last year**

- Mediaset España has concluded this period as the leading audiovisual group among the most demanded audiences by advertisers with 29.2% in the commercial target and 26.4% total audience.
- According to Infoadex, the group maintained its leadership position in TV advertising market with revenues of 480.2M and a market share of 41.8% in the period.
- Free Cash Flow generated in the period amounted to €165.2 million, resulting in a net financial position in September of €421.9 million.

### Main Operating Variables

In the third quarter of the year, the Mediaset España Group achieved an audience share of 26.5% in total individual/total day, compared to 26.3% for its main competitor. In terms of the commercial target, which includes the most valuable audience for advertisers, the figure rose to 28.5%, which represents three percentage points more than the 25.4% registered by our main competitor. Cumulatively, the total audience and the commercial target as of September reached 26.4% and 29.2% respectively. By channel, Telecinco remains the undisputed leader in commercial target, with a cumulative figure to September of 13.7% compared to 11.4% for Antena 3.

Audiovisual consumption via the television set stood at 223.5 minutes per person per day, with linear television accounting for 81.7% of this consumption.

Finally, the Mediaset España Group's in-house production accounted for 51.6% of the total broadcasting hours, compared to 48.4% of third-party production. The Group's main channels, Telecinco and Cuatro, continued to reinforce in-house productions in their schedules compared to the previous year, reaching 97.5% (+2.1 pp) and 77.6% (+1.2 pp).

## Economic results

<b>mill. EUR</b>	<b><u>9M 2022</u></b>	<b><u>9M 2021</u></b>	<b><u>Var (%)</u></b>
<b>Total net revenues</b>	<b>590.5</b>	<b>603.8</b>	<b>(2.2%)</b>
<b>EBITDA</b>	<b>127.1</b>	<b>152.4</b>	<b>(16.6%)</b>
<b>Net profit</b>	<b>116.8</b>	<b>114.2</b>	<b>2.3%</b>

According to data published by Infoadex, the TV advertising market fell by 6.6% in the first nine months of the year to €1,149.1m compared to the same period last year. It is worth noting that last year the market was positively affected by the European Football Championship during the months of June and July.

Mediaset España maintained its leadership position, with revenues of €480.2M, representing a market share of 41.8%, thanks to a combination of active management aimed at boosting commercial targeting and optimising pricing policy. It should be noted that all this was achieved even though relevant sectors, such as automotive, telecommunications and finance, have not yet resumed the bulk of their advertising investment as a result of the global economic situation.

mill. EUR	9M 2022	9M 2021	Var (%)
Gross advertising revenue	538.1	574.5	(6.3%)
Commissions	(24.5)	(26.2)	(6.5%)
<b>Net Advertising Revenue</b>	<b>513.6</b>	<b>548.4</b>	<b>(6.3%)</b>
Other Income	76.9	55.4	38.7%
<b>Total Net Income</b>	<b>590.5</b>	<b>603.8</b>	<b>(2.2%)</b>

Gross Advertising Revenue amounted to €538.1 million in the first nine months of 2022, a figure that is 6.3% lower than 2021, a year in which we broadcasted the European Football Championship.

Other revenues, which include non-advertising revenues such as the sale of content, cinema, internet, Mitele Plus subscriptions, services to third parties, etc., grew to €76.9 million, an increase of 38.7% on the same period last year.

Total Net Revenues in the quarter amounted to €590.5 million, compared to €603.8 million in the first nine months of 2021.

Total costs in the period amounted to €463.5 million, compared to €451.4 million in the same period of 2021. As we announced at the beginning of the year, the reduction in programming grid costs would be offset by higher costs linked to the development of the digital activity and the return of cinema after the pandemic. These additional costs contributed, as mentioned above, in an increase in "Other revenues".

## Financial position

In the first nine months of 2022, Mediaset España obtained an operating free cash flow of €165.2 millions, due to efficient cost control and sound working capital management.

As a result, the final net financial position at September amounted to €421.9 million, which represents €155.5 million more than at December 2021.

## ESG

Aware of the importance of environmental action, Mediaset España has been working on its climate strategy to establish a roadmap that will enable it to implement a transition plan towards Net Zero by 2050. In this regard, the Group has defined medium and long-term targets that will lead it towards climate neutrality, which have already been validated by the Science Based Target Initiative (SBTI) and are pending official publication in the coming days.

We have made the communication of progress (COP) to the Global Compact in which the actions related to the implementation of the Ten Principles that promote sustainable development in the areas of human rights, employment standards, environment and anti-corruption are reported, as well as its contribution to the Sustainable Development Goals within the framework of the 2030 Agenda.

Mediaset España has participated in CDP's Climate Change initiative for 2021 and in August 2022 FTSE4Good confirmed Mediaset España's continued inclusion in the FTSE4Good Index Series.

Finally, Zurich Seguros and Valor Mediaset España have launched a joint commitment to care for the environment through the brand campaign 'Let's make it epic'.

## Events after the close of the period

Paolo Vasile, CEO of Mediaset España, today informed the Board of Directors, after more than 24 years at the company and exactly 40 years at the Italian parent company, of his decision to conclude his management at the head of the company at the end of this year.

## Disclaimer

Statements contained in this document particularly the ones regarding any Mediaset España possible or assumed future performance are or may be forward looking statements and in this respect, they involve some risks and uncertainties.

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## **Definición de MARs**

### **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.

### **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.