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**DIGITAL ATTACK · CONSUMER FOCUSED
· TOTAL REACH & MONETIZATION**

ProSiebenSat.1 Media SE
Quarterly Statement for the First Quarter of 2020

KEY FIGURES OF PROSIEBENSAT.1 GROUP

in EUR m

	Q1 2020	Q1 2019
Revenues	926	913
Revenue margin before income taxes (in %)	4.6	19.5
Total costs	853	793
Operating costs ¹	776	732
Consumption of programming assets	226	232
Adjusted EBITDA ²	157	190
Adjusted EBITDA margin (in %)	16.9	20.8
EBITDA	145	180
Reconciling items ³	- 12	- 10
Operating result (EBIT)	80	129
Adjusted EBIT	109	151
Financial result	- 38	49
Result before income taxes	43	178
Adjusted net income ⁴	58	94
Net income	31	121
Net income attributable to shareholders of ProSiebenSat.1 Media SE	37	122
Net income attributable to non-controlling interests	- 7	1
Adjusted earnings per share (in EUR)	0.26	0.42
Payments for the acquisition of programming assets	266	347
Free cash flow	- 50	- 54
Cash flow from investing activities	- 335	- 368
Free cash flow before M&A	- 28	- 61
Audience share (in %) ⁵	26.7	27.9
Total Video Viewtime (in billion minutes) ⁶	282.5	282.8
Total daily TV consumption (AGF) (in minutes) ⁷	225	222
HD subscribers (in m) ⁸	10.2	9.6
	03/31/2020	03/31/2019
Employees ⁹	7,323	7,072
Programming assets	1,239	1,169
Equity	1,357	1,271
Equity ratio (in %)	20.6	19.3
Cash and cash equivalents	898	989
Financial debt	3,192	3,195
Leverage ratio ¹⁰	2.7	2.2
Net financial debt	2,294	2,206

¹ Total costs excl. expense adjustments, depreciation, amortization, and impairments.

² EBITDA before reconciling items.

³ Expense adjustments less income adjustments.

⁴ Net income attributable to shareholders of ProSiebenSat.1 Media SE before the amortization and impairments from purchase price allocations, adjusted for the reconciling items. These include valuation effects recognized in other financial result, valuation effects of put-options and earn-out liabilities, as well as valuation effects from interest rate hedging transactions. Moreover, the tax effects resulting from such adjustments are also adjusted. Annual Report 2018, page 85.

⁵ ProSiebenSat.1 Group; AGF in cooperation with GfK; market standard: TV; VideoScope 1.3; January 1, 2019 - March 31, 2020 / Target group: 14 - 49.

⁶ Total video view time represents the total number of minutes viewed across ProSiebenSat.1 Group's linear and digital platforms (TV-Websites, mobile apps, SmartTV, HbbTV, 7TV), inclusive Studio71 Germany (TV Content) and Joyn (EST).

⁷ Total TV Market; Target group: 14 - 69.

⁸ HD FTA subscribers, Germany.

⁹ Full-time equivalent positions as of reporting date.

¹⁰ Ratio net financial debt to adjusted EBITDA in the last twelve months.

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AT A GLANCE

- Stable Group revenues with a slight growth of 1% to EUR 926 million in the first quarter of 2020
- Satisfying performance across Group until mid-March, then first effects of COVID-19 crisis visible
- SevenOne Entertainment Group's revenues fall by 3%, Red Arrow Studios' revenues stable, NuCom Group grows by 15%
- Adjusted EBITDA declines from EUR 190 million to EUR 157 million
- Solid liquidity position as of March 31, 2020: EUR 898 million cash on balance sheet; in addition, EUR 350 million RCF drawn beginning of April, remaining part of RCF with EUR 400 million available at any time; covenant-free debt documentation
- Outlook: COVID-19 pandemic with significant implications on the business across all segments; reliable outlook on second quarter and full-year however currently not possible; Group had accordingly already withdrawn financial outlook 2020 on April 22, 2020

ProSiebenSat.1 Group is driving the digital transformation forward emphatically and uniting leading entertainment brands with a globally successful production and distribution business and a highly growing Commerce business under one roof. The Group is increasingly taking advantage of synergies within the Group by systematically connecting the business areas with one another. For example, local programs for SevenOne Entertainment Group's business are increasingly being produced by Red Arrow Studios, while SevenOne Entertainment Group and NuCom Group each benefit from the reach, the attractive programming and advertising environment and the data portfolio of the other business area. The Group's revenue base is therefore widely diversified. In the mid-term, ProSiebenSat.1 Group intends to further increase the digital business' share in Group revenues to over 50% (Q1 2019: 30%; Q1 2020: 35%).

At the same time, ProSiebenSat.1 Group is returning the primary focus of its operating business to the entertainment sector in the DACH region (Germany, Austria and Switzerland). Here, the main emphasis is on local and live formats, also in close cooperation with Red Arrow Studios and Studio71. The Group's digital reach is to be further extended, including via the streaming platform Joyn. NuCom remains an important pillar of the Group in synergistic terms. Existing companies that benefit from advertising on the entertainment platforms will continue to be developed to generate value and sold in due course under an active portfolio policy.

Until public and economic life began to be restricted in response to COVID-19 in March, the first quarter of 2020 was on track well for ProSiebenSat.1 Group. Overall, the Group closed the quarter with a slight revenue increase of 1% to EUR 926 million (previous year: EUR 913 million), with SevenOne Entertainment Group's revenues decreasing by 3% due to the first effects of COVID-19 on the TV advertising business in March, Red Arrow Studios posting stable revenues and NuCom Group growing by 15%. The Group's adjusted EBITDA decreased by 17% to EUR 157 million in the first quarter (previous year: EUR 190 million), this was mainly due to lower revenues in the advertising business and the different margin structures of the business areas. Accordingly, adjusted net income decreased by 38% to EUR 58 million (previous year: EUR 94 million). Against the background of the lack of visibility of the COVID-19 related impacts and considerable economic uncertainty for remainder of the year, ProSiebenSat.1 Group withdrew its financial outlook for full-year 2020 on April 22, 2020.

At the core of its business activities, the Group will continue to provide top entertainment across all platforms that people love and are thrilled by - regardless of time and place. This success is decisively shaped by the Group's employees. As of March 31, 2020, ProSiebenSat.1 Group had 7,323 employees (previous year: 7,072), calculated on the basis of full-time equivalents. The higher number of employees mainly results from acquisitions, the international production business in the USA, and the expansion of the digital portfolio.

SIGNIFICANT EVENTS

ProSiebenSat.1 Group regularly analyzes its portfolio and assesses possible growth and synergy potential. This strategy includes portfolio expansions, company disposals and investments in promising growth areas. On March 5, 2020, ProSiebenSat.1 Group and General Atlantic PD GmbH ("General Atlantic"), via their joint venture NUCOM GROUP SE ("NuCom Group"), signed an agreement for the complete takeover of the US online dating and social entertainment company The Meet Group Inc. ("The Meet Group"). The portfolio companies of Parship Group ("Parship Group") and The Meet Group are to be built up into a leading provider in the global online dating market. The acquisition is subject to approval by the shareholders of The Meet Group and the responsible antitrust and regulatory authorities and is expected to be completed in the second half of 2020.

On March 13, 2020, the company announced that Conrad Albert, Deputy CEO of ProSiebenSat.1 Media SE, would resign his Executive Board post by mutual agreement at the end of April 30, 2020, and leave the company on this date.

In addition, the Supervisory Board of ProSiebenSat.1 Media SE resolved on March 26, 2020, that CFO Rainer Beaujean would also take on the role of Chairman of the Executive Board and CEO Max Conze would leave the company with immediate effect. Wolfgang Link and Christine Scheffler were newly appointed to the Executive Board. In the reorganized Executive Board, Rainer Beaujean is responsible for Strategy & M&A and all financial functions, as well as the holding divisions IT, Communication, Investor Relations, Legal and Media Policy and the operating segments Red Arrow Studios and NuCom Group. Christine Scheffler heads the Human Resources, Compliance, Sustainability and Organizational Development & Operational Excellence departments. Wolfgang Link is fully responsible for the core entertainment business, which includes all areas from content and digital to sales and the streaming business with the platform Joyn. → <https://www.prosiebensat1.com/en/about-prosiebensat-1/who-we-are/executive-board>

The new lineup of the Executive Board is accompanied by an altered strategic focus. ProSiebenSat.1 Group is returning the primary focus of its operating business to the entertainment sector in the DACH region (Germany, Austria and Switzerland). Here, the main emphasis is on local and live formats, also in close cooperation with Red Arrow Studios and Studio71. The Group's digital reach is to be further extended, including via the streaming platform Joyn. NuCom remains an important pillar of the Group in synergistic terms. Existing companies that benefit from advertising on the entertainment platforms will continue to be developed to generate value and sold in due course under an active portfolio policy.

! As of the first quarter of 2020, ProSiebenSat.1 Group renamed its segments and since then is reporting in the segments SevenOne Entertainment Group (formerly Entertainment), Red Arrow Studios (formerly Content Production & Global Sales) and NuCom Group (formerly Commerce). The holding is reported in the reconciliation column (Holding & Other). The previous year's figures have been adjusted accordingly. → 2019 Annual Report, Organization and Group Structure, from page 83

In March 2020, ProSiebenSat.1 Group also terminated the strategic review process for Red Arrow Studios' international production business, and decided that it would remain part of the group, as various options that were being examined are no longer feasible in the context of the coronavirus crisis.

The health and safety of employees are ProSiebenSat.1 Group's top priority. In light of the coronavirus crisis, most of the employees at the Unterföhring site have been working from home since mid-March. Only employees who are absolutely necessary in order to continue broadcasting remain on site. At the same time, the Group has taken all necessary measures to protect the company as a whole and to prepare it for a potentially lengthy period of difficult economic conditions. This includes both vigorous cost management and stable financing. → [Borrowings and Financing Structure](#) → [Analysis of Liquidity and Capital Expenditure](#) → [Outlook](#)

Accordingly, as a significant event after the end of the reporting period in April 2020, the Group has drawn a part of the syndicated revolving credit facility (RCF) in the amount of EUR 350 million, to ensure access to the company's liquidity reserves at any time in view of the COVID-19 environment. → [Borrowings and Financing Structure](#)

As another significant event after the end of the reporting period, Dr. Antonella Mei-Pochtler was appointed as a member of the Supervisory Board with effect from April 13, 2020 by court and should then be duly elected by the shareholders at the Annual General Meeting 2020. She is taking over from Angela Gifford, who had resigned with effect from January 13, 2020. Dr. Antonella Mei-Pochtler is an independent entrepreneur as well as a senior advisor at the Boston Consulting Group and special advisor to the Austrian Chancellor. She has extensive expertise as well as a global network in the areas of strategy, media and digital transformation.

! Due to rounding, it is possible that the individual figures in this Quarterly Statement do not add up exactly to the totals shown and that percentage figures given do not reflect exactly the absolute figures to which they relate.

BUSINESS PERFORMANCE OF PROSIEBENSAT.1 GROUP

GROUP ENVIRONMENT

Economic Development

The emergence of the new coronavirus (SARS-CoV-2) and the coronavirus disease it causes (COVID-19) meant that all currently known market forecasts had to be revised. After the first cases were detected in Wuhan (China) at the end of December 2019, the pathogen spread worldwide in the subsequent months. Since then, it has severely affected China and the USA as well as the countries of Central Europe, especially Spain, Italy and France. At the beginning of April, the number of infected in Germany exceeded the 100,000 mark, at the end of April, the number was over 150,000.

In response to the actual and expected strain on healthcare systems, many nations, starting with China, opted for a widescale "lockdown" of the public and economic life, with serious effects on the economies of the countries in question and the globalized world economy. Germany also took widescale measures from March 23. With the aim of substantially reducing social contact and thus slowing the spread of the virus, borders, schools, shops and restaurants were closed, with only infrastructure for the provision of basic needs allowed to continue operating.

The ramifications for the individual economies and the world economy as a whole are difficult to estimate at the present time: Not only is there a lack of reliable data, but it is also unclear how long the restrictions will continue and how, and how quickly, normality can be restored.

Against this backdrop, the International Monetary Fund (IMF) expects a decline in global economic output of 3.0% in its latest forecast. Such a decline would be much greater than during the 2009 financial crisis (-0.1%) and the deepest recession since the Great Depression in the 1930s. The experts expect a rapid recovery (+5.8%) in 2021 due to catch-up effects. However, this would require the coronavirus pandemic to be brought largely under control in the second half of 2020 and economic life to return to normal - including the large-scale use of fiscal and financial policy instruments. Due to the many uncertainties, the International Monetary Fund describes the forecast risk as "extreme."

In Germany, the economic outlook has darkened significantly compared to the start of the year, too. The strict protection measures imposed by the government are hitting private consumption in particular, which has been a key growth pillar in recent years. In addition, German economy is particularly vulnerable to global economic crises due to its high export focus and strong international links. Consequently, the two sentiment barometers for consumers and businesses, the GfK Consumer Climate and ifo Business Climate Index, collapsed as soon as the lockdown started in March.

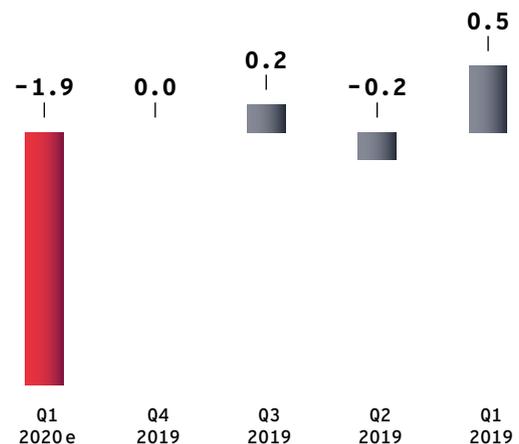
On the other hand, Germany is in a comfortable starting position in terms of fiscal policy, which makes it possible to take quick and far-reaching measures to cushion negative effects for companies and

private households. For example, these include grants for the self-employed and micro-businesses, tax liquidity support, or the expansion of short-time work compensation, as well as loan and participation programs and guarantees.

Considering all these factors, the institutes of the Joint Economic Forecast expect German economic output to decline by 4.2% in real terms in 2020. In the first quarter already, gross domestic product is set to tumble 1.9% compared to the previous quarter (private consumption: -2.7%). Government spending is the main source of support in this period (Q1: +0.4%). However, these forecasts also entail considerable risk. An extension of the far-reaching restrictions could have an adverse effect on economic performance.

→ [Future Business and Industry Environment](#)

DEVELOPMENT OF GROSS DOMESTIC PRODUCT IN GERMANY in %, change vs. previous quarter



Adjusted for price, seasonal and calendar effects.

Source: Joint Economic Forecast Spring 2020.

e: estimate.

Sector-Specific Development

ProSiebenSat.1 Group is continually enhancing its linear and digital offerings and is thus increasing its total reach. Since May 2019, AGF Videoforschung GmbH ("AGF") has published a daily, convergent total reach metric. Together with AGF, the Group is driving the integration of the YouTube platform into the analysis systems. These new indicators account for altered media usage: The lines between different media are increasingly blurring and identical content is more often being consumed via various channels on different devices. In the future, the resulting overlaps between the various forms of use can be presented with the reach metric "total reach." As the next step, this reach is to be made addressable so that advertising can be tailored to the respective viewers in an optimum manner ("smart reach").

In order to reach advertising customers easily and via standardized technology, ProSiebenSat.1 Group founded the joint venture d-force GmbH ("d-force") together with Mediengruppe RTL Deutschland GmbH ("Mediengruppe RTL Deutschland") in 2019. As a cross-marketer platform for booking Addressable TV and online video inventory as well as through technical standardization, d-force is intended to create additional growth opportunities in this area. The joint venture commenced operations in Germany and launched its first campaigns in December 2019. In February 2020, d-force expanded its operations to Austria. This means that Austrian advertising customers can also book Addressable TV spots and online video inventory simply via one platform and address their target groups with high reach thanks to smart configuration options.

Development of the Advertising Market

According to Nielsen Media Research, gross TV advertising investment in Germany increased by 2.1% to EUR 3.66 billion in the first quarter of 2020 (previous year: EUR 3.59 billion). At the same time, TV still has the greatest relevance in comparison to other media: 44.7% of gross advertising investment went on TV advertising (previous year: 43.7%). Online advertising accounted for 10.9% (previous year: 10.2%).

Data from Nielsen Media Research are important indicators for assessing the advertising market's development. However, they are collected on a gross revenue basis, meaning that they do not take account of discounts, self-promotion or agency commission. In addition, the figures also include TV spots from media-for-revenue-share and media-for-equity transactions. Furthermore, the advertising revenues of major digital players from the US such as Google LLC ("Google") and Facebook Inc. ("Facebook") are not reflected in the Nielsen figures and therefore do not represent the entire gross market. This also results in the deviations to the net development of the TV advertising market.

Uncertainty over macroeconomic developments was already prevalent in Germany in 2019 and has been intensified by the outbreak of the coronavirus pandemic. This is not only affecting investments in the German TV advertising market, but also tends to affect the entire advertising industry worldwide. According to ZAW (the German Advertising Federation), declines in revenues of between 30% and 80%, depending on the advertising medium and segment, have now been reported for March 2020.

From ProSiebenSat.1 Group's perspective, the TV advertising market developed below the previous year's level on a net basis in the first quarter of 2020. The environment created by COVID-19 had a negative effect on the advertising industry's investment behavior in March 2020. Because of the macroeconomic uncertainty, it is currently not possible to estimate the further development for 2020.

ProSiebenSat.1 Group is the market leader in the German TV advertising market and generated, according to Nielsen Media Research, gross TV advertising revenues of EUR 1.34 billion in the first quarter of 2020 (previous year: EUR 1.35 billion). This resulted in a market share for the first three months of the year of 36.4% (previous year: 37.7%).

By selling in-stream video ads, which are shown online before, after or during a video stream, ProSiebenSat.1 Group generated gross revenues of EUR 59.2 million in the first quarter of 2020 (previous year: EUR 55.3 million). This corresponds to a year-on-year growth

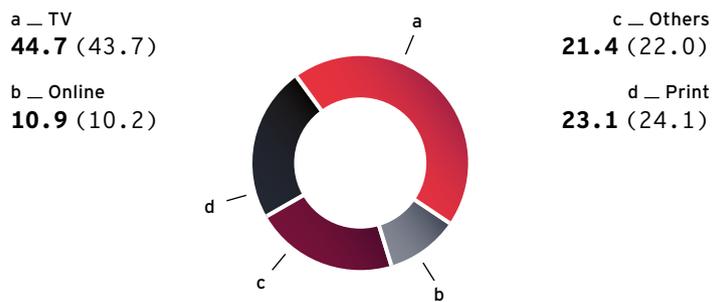
of 7.1%. In the first quarter of 2020, the market volume for advertising budgets for in-stream video ads in Germany increased by 8.3% to EUR 152.4 million gross (previous year: EUR 140.7 million). Overall, investments in online advertising forms increased by 7.4% to EUR 894.3 million in the first quarter of 2020 (previous year: EUR 832.8 million). With these investments, the Group generated revenues of EUR 76.5 million in the first quarter of 2020 (+8.5%). In addition to in-stream videos, the online advertising market also includes display ads such as traditional banners and buttons.

From ProSiebenSat.1 Group's perspective, the online advertising market developed above the previous year's level on a net basis in the first quarter of 2020. This is particularly attributable to the growing in-stream market. Because of the environment created by COVID-19, it is not possible to estimate the further development for 2020.

! Nielsen Media Research designates gross figures for the online advertising market in Germany. They do not comprise data from Google/YouTube and Facebook, among others, and therefore they do not represent the entire market. For the overall online video market, it can be assumed that it has grown.

MEDIA MIX GERMAN GROSS ADVERTISING MARKET

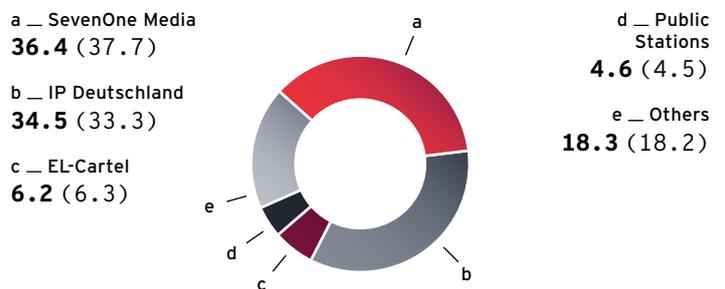
in %, Q1 2019 figures in parentheses



Source: Nielsen Media Research, accessed April 20, 2020.

MARKET SHARES GERMAN GROSS TV ADVERTISING MARKET

in %, Q1 2019 figures in parentheses



Source: Nielsen Media Research, accessed April 20, 2020.

TV ADVERTISING MARKETS IN GERMANY, AUSTRIA AND SWITZERLAND ON A GROSS BASIS in %

Development of the TV advertising market Q1 2020
(Change against previous year)

Germany	+ 2.1
Austria	+ 3.5
Switzerland	- 2.9

Market shares of ProSiebenSat.1 Group Q1 2020

	Market shares of ProSiebenSat.1 Group Q1 2020	Market shares of ProSiebenSat.1 Group Q1 2019
Germany	36.4	37.7
Austria	43.2	44.4
Switzerland	27.7	26.7

Germany: Nielsen Media Research, gross, January - March.

Austria: Media Focus, gross, January - February.

Switzerland: Media Focus, gross, January - March, the market shares relate to the German-speaking part of Switzerland.

Development of Audience Shares and User Numbers

In Germany, the Group achieved a combined audience share among 14- to 49-year-olds of 26.7% in the first quarter of 2020 (previous year: 27.9%). With formats such as "BILD Corona Spezial" and "ProSieben LIVE. Deutschland fragt zu Corona," ProSiebenSat.1 Group fulfills its duty to society as a system critical media company and regularly informs its viewers about the current situation regarding the COVID-19 outbreak. At the same time, the broadcasting group is meeting the viewers' need for variety and distraction in these times, e.g. with entertainment shows like "The Masked Singer." The stations RTL, VOX, n-tv, Super RTL, NITRO, RTLplus and VOXup, which are marketed by IP Deutschland, had a market share of 26.6% in the first three months of the year (previous year: 26.3%).

AUDIENCE SHARES OF PROSIEBENSAT.1 GROUP in %

	Q1 2020	Q1 2019
Germany	26.7	27.9
Austria	27.4	26.09
Switzerland	15.8	18.0

Germany: ProSiebenSat.1 Group: SAT.1, ProSieben, Kabel Eins, sixx, SAT.1 GOLD, ProSieben MAXX, Kabel Eins Doku / AGF in cooperation with GfK / market standard: TV / VideoScope 1.3 / January 1, 2019 - March 31, 2020 / target group: 14 - 49.

Austria: SAT.1 Österreich, ProSieben Austria, Kabel Eins Austria, PULS 4, sixx Austria, ProSieben MAXX Austria, SAT.1 Gold Österreich, Kabel Eins Doku Österreich, ATV + ATV 2 (since April 7, 2017, at ProSiebenSat.1 PULS 4, before that an independent group) / AGTT / GfK TELETEST / Evogenius Reporting / January 1, 2019 - March 31, 2020 / weighted for number of people / including VOSDAL / time shift / standard / target group: 12 - 49.

Switzerland: Figures are based on 24 hours (Mon - Sun). SAT.1 Schweiz, ProSieben Schweiz, Kabel Eins Schweiz, sixx Schweiz, SAT.1 GOLD Schweiz, ProSieben MAXX Schweiz, Puls 8 (since October 8, 2015) / market shares relate to the German-speaking part of Switzerland / D - CH / total signal / Mediapulse TV Panel / January 1, 2019 - March 31, 2020 / target group: 15 - 49.

For the first quarter of 2020, ProSiebenSat.1 Group counted total video view time of 282,451 million minutes (previous year: 282,822 million minutes). Total video view time represents the total number of minutes viewed across ProSiebenSat.1 Group's linear and digital platforms.

The coronavirus crisis means that society has a greater need for information and a growing desire for entertainment. Accordingly, the linear video view time of the Group increased in March 2020 by around 16% month-on-month to 97,429 minutes. Digital view time rose by around 19% in the same period.

TV still has the greatest relevance in comparison to other media. In the first quarter of 2020, people aged between 14 and 69 years, spent 225 minutes of the daily media usage on TV (previous year: 222 minutes). The meaning of television, especially in times of crisis, can also be seen in the increased usage time. In the month of March 2020 alone, daily TV usage time increased significantly from 217 minutes in the previous year to 234 minutes.

In recent years, ProSiebenSat.1 Group has launched four new special interest stations in Germany, namely sixx, SAT.1 GOLD, ProSieben MAXX and Kabel Eins Doku, and thus extended its lead in the advertising market. Today, the Group has seven brands in its principal revenue market, which complement each other and address different viewer groups. In addition, the Group has a complementary profile with various advertising-financed free TV stations in Austria and Switzerland.

In addition to increasingly specific, targeted approaches to viewers, ongoing digitalization is also providing ProSiebenSat.1 Group with new revenue models for the TV business. Examples include the distribution of programs in HD quality via various transmission channels, such as terrestrial, cable, IPTV and OTT/mobile. The Group participates in the technical service fees that end customers pay to the respective providers for programs in HD quality. In Germany, ProSiebenSat.1 Group's HD stations had 10.2 million users in the first three months of the year, 5% more than in the previous year. In addition, more shows were broadcast in the new ultra high definition (UHD) standard. The Group also offers its programs in HD quality in Austria and Switzerland.

Partnerships emphasize the Group's strategic objective of offering programs via as many distribution channels as possible and expanding reach across different media types. In line with this entertainment strategy, ProSiebenSat.1 Group founded the streaming platform Joyn GmbH ("Joyn") as a joint venture with Discovery Communications Europe Ltd., London, United Kingdom ("Discovery") and launched it in June 2019. The streaming service offers viewers livestreams of over 60 channels and an extensive on-demand offer of local series produced in-house, shows, and exclusive previews. The paid Joyn PLUS+ service with exclusive content, originals, pay TV stations, and HD content was added in November 2019. According to measurements by AGOF (Arbeitsgemeinschaft Onlineforschung e. V.), the free streaming service Joyn reached 3.92 million unique users in Germany in March 2020.

† The standardized reach currency “unique users” is the number of people that had at least one contact with an advertising medium in a defined period. Among other things, the unique user figure is the basis for calculating the reach and structures of online advertising media.

A further essential component of ProSiebenSat.1 Group's portfolio is Studio71. The digital studio not only pools the broadcasting group's digital content offerings and distributes them via digital platforms, but also cooperates with some of the social influencers with the highest reach in Germany. In the first quarter of 2020, Studio71 achieved over 10.2 billion video views a month (previous year: 10.2 billion video views).

GROUP EARNINGS

SELECTED KEY FIGURES OF PROSIEBENSAT.1 GROUP

in EUR m

	Q1 2020	Q1 2019	Absolute change	Change in %
Revenues	926	913	13	1.4
Total costs	853	793	60	7.6
Operating costs	776	732	45	6.1
Operating result (EBIT)	80	129	-49	-37.7
Adjusted EBIT	109	151	-42	-27.8
Adjusted EBITDA	157	190	-33	-17.5
Reconciling items	-12	-10	-2	21.7
EBITDA	145	180	-35	-19.6
Financial result	-38	49	-87	~
Result before income taxes	43	178	-135	-76.1
Income taxes	-12	-57	45	-79.1
Net income	31	121	-90	-74.7
Net income attributable to shareholders of ProSiebenSat.1 Media SE	37	122	-85	-69.5
Adjusted net income	58	94	-36	-38.2

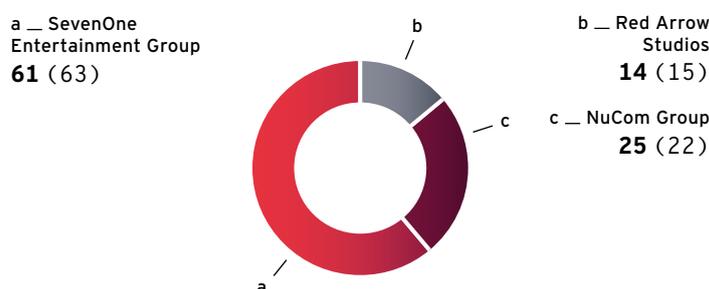
Revenue Development

ProSiebenSat.1 Group's **revenues** rose slightly by 1% to EUR 926 million in the first quarter of 2020 (previous year: EUR 913 million). Adjusted for consolidation and currency effects, there was a small decline in revenues of 1%. The revenue contribution from initial consolidations totaled EUR 14 million in the first quarter of 2020 and is particularly attributable to be Around Holding GmbH (“be Around”), an online broker for products and services related to the home. The non-TV core advertising business' share in Group revenues increased to 52% in the first quarter of 2020 (previous year: 48%).

REVENUES BY SEGMENT

REVENUE SHARE BY SEGMENT

in %, 2019 figures in parentheses



The individual segments' contributions to Group revenues developed as follows in the first quarter of 2020:

External revenues in the SevenOne Entertainment Group segment amounted to EUR 563 million (previous year: EUR 579 million). The 3% decline is primarily attributable to the weaker development in the TV advertising business. This reflects the general market trend as well as the initial effects of the COVID-19 restrictions on advertising customers' bookings. Adjusted for consolidation and currency effects, the decline amounted to 3%. However, the digital and smart advertising business continued to grow dynamically at a rate of 32%, but did not entirely compensate for the 6% decline in TV core advertising revenues. This positive development was driven by the AdTech sector, the offering of targeted advertising spots (addressable TV), and the marketing of digital platforms such as Joyn and the Group's and third-party providers' online offerings. Also distribution revenues continued to rise due to the increasing number of HD users in the first quarter. → [Group Environment](#)

External revenues in the Red Arrow Studios segment were on a par with the previous year at EUR 134 million (previous year: EUR 135 million). Adjusted for consolidation and currency effects, revenues were 3% down on the previous year. Studio71 continued its dynamic revenue growth in the first quarter of 2020 and generated a double-digit percentage increase, which largely offset the decline in revenues in the production business, where the effects of the COVID-19 pandemic already made themselves felt in the form of production stops and postponements. → [Group Environment](#)

In the NuCom Group segment, the Group increased **external revenues** by 15% to EUR 228 million in the first quarter of 2020 (previous year: EUR 199 million). The growth was positively influenced by the initial consolidation of be Around in March 2019. Adjusted for consolidation and currency effects, the increase in revenues amounted to 8%. Flaconi GmbH (“Flaconi”), eHarmony Inc. (“eHarmony Group”) and Windstar Medical GmbH (“Windstar”) in particular generated substantial growth. As the restrictions on public life in response to COVID-19 have been affecting the travel and transport business and the leisure industry in particular since March 2020, the business of NuCom Group's portfolio companies Silvertours and Jochen Schweizer mydays has already been strongly negatively impacted. → [Group Environment](#)

GROUP REVENUES BY SEGMENT in EUR m

	Q1 2020	Q1 2019	Absolute change	Change in %
SevenOne Entertainment Group	563	579	- 16	- 2.8
Red Arrow Studios	134	135	- 1	- 0.5
NuCom Group	228	199	29	14.8
Revenues	926	913	13	1.4

Cost Development

TOTAL COSTS in EUR m

	Q1 2020	In % of revenues	Q1 2019	In % of revenues
Total costs	853	92.1	793	86.9
Cost of Sales	551	59.6	522	57.2
Selling expenses	163	17.6	140	15.4
Administrative expenses	134	14.4	127	13.9
Other operating expenses	5	0.6	3	0.3

The Group's **total costs** rose by 8% to EUR 853 million (previous year: EUR 793 million). As a percentage of revenues, the cost of sales increased by 2 percentage points. Selling expenses as a percentage of revenues were likewise 2 percentage points higher than in the first quarter of 2019. Administrative expenses as a percentage of revenues were roughly on a par with the previous year.

The 6% increase in the cost of sales to EUR 551 million (previous year: EUR 522 million) resulted in particular from higher operating expenses. Operating expenses rose by EUR 25 million or 17% to EUR 173 million (previous year: EUR 148 million). This was chiefly due to the increase in merchandise used in connection with the revenue growth in the NuCom Group segment. The revenues growth of the digital and smart advertising business in the SevenOne Entertainment Group segment also led to higher operating expenses and higher depreciation and amortization in the first quarter of 2020. The decline in core TV advertising revenues resulted in only a slight decrease in cost of sales. The consumption of programming assets amounted to EUR 226 million in the first quarter (previous year: EUR 232 million). The cost of sales also includes impairments on receivables of EUR 7 million (previous year: EUR 2 million).

ADJUSTED EBITDA BY SEGMENT in EUR m

	Q1 2020	Q1 2019	Absolute change	Change in %	Adjusted EBITDA margin Q1 2020 (in %) ¹	Adjusted EBITDA margin Q1 2019 (in %) ¹
SevenOne Entertainment Group	141	178	- 37	- 20.8	24.3	29.9
Red Arrow Studios	8	8	0	0.4	5.4	5.6
NuCom Group	15	19	- 4	- 19.9	6.6	9.5
Reconciliation (Holding & Other)	-8	-16	8	- 49.0		
Total adjusted EBITDA	157	190	- 33	- 17.5		

¹ Based on total segment revenues.

The Group's selling expenses rose by 16% year-on-year to EUR 163 million (previous year: EUR 140 million). This was due in particular to higher marketing and marketing-related expenses of EUR 86 million (previous year: EUR 69 million). This development is attributable firstly to the initial consolidation of be Around in financial year 2019 (effect of EUR 9 million) and secondly to increased marketing activities by the portfolio companies Flaconi and Windstar.

Administrative expenses increased slightly to EUR 134 million (previous year: EUR 127 million). The 5% increase resulted in particular from higher personnel expenses and higher M&A consulting costs in connection with the planned acquisition of The Meet Group. The personnel expenses also include severance payments for the members of the Executive Board Max Conze and Conrad Albert. → [Significant Events](#)

Operating costs rose by 6% year-on-year to EUR 776 million (previous year: EUR 732 million). This year-on-year rise is particularly attributable to a revenue-driven cost increase in connection with the growth of the digital and smart advertising business in the SevenOne Entertainment Group segment as well as in the NuCom Group segment.

RECONCILIATION OF OPERATING COSTS

in EUR m

	Q1 2020	Q1 2019	Absolute change	Change in %
Total costs	853	793	60	7.6
Expense adjustments	12	10	2	21.7
Depreciation, amortization and impairments ¹	64	51	13	26.0
Operating costs	776	732	45	6.1

¹ Of other intangible assets and property, plant, and equipment.

Adjusted EBITDA

Adjusted EBITDA fell by 17% or EUR 33 million to EUR 157 million in the first quarter of 2020. The **adjusted EBITDA margin** was 16.9% (previous year: 20.8%). On the one hand, the earnings and margin development is explained firstly by the above-mentioned higher operating costs, which also contain first COVID-19 related effects and on the other hand by the decline in TV core advertising revenues and the different earnings structures of the individual segments, as the Group recorded growth mainly in lower-margin businesses and, in contrast, declines in its high-margin advertising business.

The SevenOne Entertainment Group segment's **adjusted EBITDA** declined by 21% or EUR 37 million compared with the same quarter of the previous year to EUR 141 million. This is particularly attributable to the decline in revenues as a result of the weaker development in the TV advertising market. The **adjusted EBITDA margin** amounted to 24.3% (previous year: 29.9%) and thus reflects the different margin structures of the individual business models.

In the Red Arrow Studios segment, **adjusted EBITDA** was level with the previous year at EUR 8 million (previous year: EUR 8 million). The **adjusted EBITDA margin** decreased slightly to 5.4% (previous year: 5.6%) and thus reflects the different margin structures of the individual business models.

In the NuCom Group segment, the Group generated **adjusted EBITDA** of EUR 15 million in the first quarter of 2020, after EUR 19 million in the previous year. The change is due in particular to Silvertours' declining revenues in connection with COVID-19-related cancellations and lower bookings as well to higher personnel expenses. The **adjusted EBITDA margin** was 6.6% (previous year: 9.5%). The development of earnings is also influenced by the different margin structures of the individual business models.

The following table shows the reconciliation of adjusted EBITDA to net income:

RECONCILIATION OF ADJUSTED EBITDA TO NET INCOME in EUR m

	Q1 2020	Q1 2019	Absolute change	Change in %
Adjusted EBITDA	157	190	- 33	- 17.5
Reconciling items	- 12	- 10	- 2	21.7
EBITDA	145	180	- 35	- 19.6
Depreciation, amortization and impairment	- 64	- 51	- 13	26.0
thereof from purchase price allocations	- 16	- 12	- 3	27.2
Operating result (EBIT)	80	129	- 49	- 37.7
Financial result	- 38	49	- 87	~
Income taxes	- 12	- 57	45	- 79.1
Net income	31	121	- 90	- 74.7
Adjustments	27	- 32	59	~
Net income (adjusted)	58	89	- 31	- 34.4

In the first quarter of 2020, the Group's **EBITDA** decreased by 20% or EUR 35 million and amounted to EUR 145 million. EBITDA includes reconciling items of minus EUR 12 million, compared to minus EUR 10 million in the previous year, which comprise the following:

Costs in the amount of EUR 7 million resulted from M&A projects (previous year: EUR 3 million), which were mainly attributable to the NuCom Group segment. In the first quarter of 2020, reorganization expenses amounted to EUR 1 million (previous year: EUR 8 million). Expenses for other one-time items amounted to EUR 7 million (previous year: EUR 1 million). Fair value adjustments of share-based payments of EUR 3 million (previous year: EUR 2 million) had the opposite effect.

Depreciation, amortization and impairments rose by EUR 13 million to EUR 64 million (previous year: EUR 51 million). This development is primarily based on higher amortization of intangible assets.

Financial result

The **financial result** totaled minus EUR 38 million (previous year: EUR 49 million). The **interest result** included in the financial result amounted to minus EUR 16 million (previous year: EUR -10 million). The comparatively positive previous year's figure was based on the subsequent recognition of the tax deductibility of advance payments in connection with the syndicated loan from 2007. The **result from investments accounted for using the equity method**, also recognized in the financial result, amounted to minus EUR 13 million (previous year: EUR -8 million) and primarily includes the Group's share of Joyn's profit or loss.

The **other financial result** amounted to minus EUR 9 million (previous year: EUR 67 million) and includes income from the change in put-option liabilities of EUR 15 million (previous year: EUR 16 million), which was particularly attributable to the Red Arrow Studios segment. Impairments on financial investments of minus EUR 22 million (previous year: EUR -2 million), comprising several individual items and attributable to the SevenOne Entertainment Group segment, had the opposite effect. The results of currency conversion totaled minus EUR 1 million (previous year: EUR -7 million). Financing costs likewise amounted to minus EUR 1 million (previous year: EUR -2 million). The year-on-year decline in the other financial result of EUR 77 million resulted in addition primarily from the sale of shares in the global video service Pluto Inc. ("Pluto") in the amount of EUR 22 million and from the reassessment of the shares, accounted for using the equity method, in Marketplace GmbH ("Marketplace") in connection with the increase in the share and full consolidation of the newly founded be Around in the amount of EUR 27 million in the first quarter of 2019.

The developments described resulted in a decrease in the **result before income taxes** of 76% to EUR 43 million (previous year: EUR 178 million). **Income taxes** amounted to EUR 12 million (previous year: EUR 57 million) with a tax rate of 28.0% (previous year: 32.0%).

Net Income and Adjusted Net Income

Net income decreased by 75% to EUR 31 million (previous year: EUR 121 million), which is mainly due to the mentioned positive valuation adjustments in the previous year's financial result. This results in a decrease in the net income attributable to shareholders of ProSiebenSat.1 Media SE by 70% to EUR 37 million (previous year: EUR 122 million).

RECONCILIATION OF ADJUSTED NET INCOME in EUR m

	Q1 2020	Q1 2019	Absolute change	Change in %
Net income	31	121	-90	-74.7
Reconciling items	12	10	2	21.7
Depreciation, amortization and impairments from purchase price allocations	16	13 ¹	3	19.6
Valuation effects in other financial result	23	-43	66	~
Valuation effects of put-options and earn-out liabilities	-14	-26	12	-45.9
Valuation effects from interest rate hedging transactions	-1	-1	0	12.7
Other effects	1	0	2	~
Tax effects on adjustments	-10	14	-25	~
Net income (adjusted)	58	89	-31	-35.1
Net income attributable to non-controlling interests	7	1	6	~
Adjustments attributable to non-controlling interests	-6	4	-10	~
Net income attributable to adjusted non-controlling interests	1	5	-5	-89.4
Adjusted net income	58	94	-36	-38.2
Adjusted earnings per share (in EUR)	0.26	0.42		

¹ Including effects on associates consolidated using the equity method in the amount of EUR 1 million.

Valuation effects in other financial result amounted to EUR 23 million (previous year: EUR -43 million). As already explained in the financial result, they resulted primarily from impairments on financial investments.

The **adjusted net income** was down 38% year-on-year and amounted to EUR 58 million (previous year: EUR 94 million), primarily reflecting the development of adjusted EBITDA. This item is adjusted by the mentioned reconciling items and presented in the reconciliation. These include the effects recognized in the other financial result as well as the expenses resulting from restructuring and portfolio measures. Basic adjusted earnings per share amounted to EUR 0.26 (previous year: EUR 0.42).

RECONCILIATION OF THE INCOME STATEMENT in EUR m

	Q1 2020 IFRS	Adjustments	Q1 2020 adjusted
Revenues	926	-/-	926
Total costs	-853	-29	-824
Other operating income	7	-/-	7
Operating result (EBIT)	80	-29	109
Depreciation, amortization and impairment	64	17	48
EBITDA	145	-12	157
Depreciation, amortization and impairment	-64	-17	-48
Financial result	-38	-9	-29
Result before income taxes	43	-37	80
Income taxes	-12	10	-22
Net income	31	-27	58
Net income attributable to shareholders of ProSiebenSat.1 Media SE	37	-21	58
Net income attributable to non-controlling interests	-7	-6	-1

GROUP FINANCIAL POSITION AND PERFORMANCE

Analysis of Liquidity and Capital Expenditure

CASH FLOW STATEMENT in EUR m

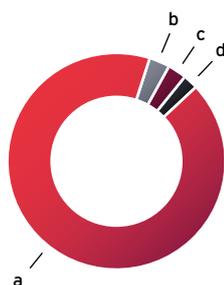
	Q1 2020	Q1 2019
Net income	31	121
Cash flow from operating activities	286	314
Cash flow from investing activities	-335	-368
Free cash flow	-50	-54
Cash flow from financing activities	-11	8
Effect of foreign exchange rate changes on cash and cash equivalents	8	4
Change in cash and cash equivalents	-53	-42
Cash and cash equivalents at beginning of reporting period	950	1,031
Cash and cash equivalents at end of reporting period	898	989

In the first quarter of 2020, ProSiebenSat.1 Group generated a **cash flow from operating activities** of EUR 286 million (previous year: EUR 314 million). The decline reflects the decrease in operating earnings. In contrast, the lower tax payment had a positive effect.

INVESTMENTS BY SEGMENT¹ in %, 2019 figures in parentheses

a _ SevenOne Entertainment Group
92 (96)

b _ Red Arrow Studios
3 (1)



c _ NuCom Group
3 (2)

d _ Reconciliation (Holding & Other)
2 (1)

¹ Investments by segment before M&A activities.

ProSiebenSat.1 Group reports **cash flow from investing activities** of minus EUR 335 million for the first quarter of 2020 (EUR -368 million). The decrease in cash outflow amounts to 9% or EUR 33 million and reflects lower payments for the acquisition of programming assets. Among other things, higher payments for additions to the scope of consolidation and for other intangible assets and property, plant, and equipment had an opposite effect.

— The cash outflow for the acquisition of programming rights amounted to EUR 266 million. This is a decrease of 23% or EUR 81 million compared to the previous year. As in the previous year, the programming investments were made exclusively in the SevenOne Entertainment Group segment.

Programming investments are a focal point in investing activities. In addition to the purchasing of licensed formats and commissioned productions, in-house formats secure the Group's programming supply. They are based on the development and implementation of own ideas and, unlike commissioned productions, are produced primarily for broadcasting in the near future. For this reason, they are recognized immediately as an expense in cost of sales and are not considered as an investment.

— In the first three months of 2020, the cash outflow for additions to the scope of consolidation amounted to EUR 23 million (previous year: EUR 10 million). This primarily includes deferred purchase price payments for the US production companies Left/Right LLC ("Left/Right") and Fabrik Entertainment LLC ("Fabrik Entertainment") and for the e-commerce marketer Kairion GmbH ("Kairion"). The previous year's figure includes the purchase price payment for the acquisition of be Around.

Assets resulting from initial consolidations are not reported as segment-specific investments. Cash and cash equivalents used for the acquisition of the initially consolidated entities are shown as "cash outflow from additions to the scope of consolidation."

— EUR 44 million went on other intangible assets in the first quarter of 2020 (previous year: EUR 33 million). These include software, licenses for marketing digital offers, and industrial property rights. Investments in tangible assets amounted to EUR 12 million (previous year: EUR 9 million). Besides technical facilities and leasehold improvements, they related to the new campus at the Unterföhring site.

The developments described resulted in a **free cash flow** of minus EUR 50 million for the first quarter of 2020 (previous year: EUR -54 million).

M&A cash flow amounted to minus EUR 22 million in the first three months of 2020, after EUR 7 million in the previous year. This development is due to the higher cash outflows for additions to the scope of consolidation, increased payments for investments accounted for using the equity method and financial assets, primarily relating to Joyn. The proceeds from disposal of non-current financial assets include the sale of the shares in gamigo AG ("Gamigo").

The **free cash flow before M&A** amounted to minus EUR 28 million (previous year: EUR -61 million). The change of EUR 33 million resulted primarily from lower payments for programming investments and

RECONCILIATION OF FREE CASH FLOW BEFORE M&A MEASURES in EUR m

	Total cash flow	M&A cash flow	Cash flow before M&A
Cash flow from operating activities	286	-/-	286
Proceeds from disposal of non-current assets	21	21	0
Payments for the acquisition of other intangible assets and tangible assets	- 55	-/-	- 55
Payments for investments accounted for using the equity method and financial assets	- 19	- 19	0
Proceeds from disposal of programming assets	7	-/-	7
Payments for the acquisition of programming assets	- 266	-/-	- 266
Cash flow from obtaining control of subsidiaries or other businesses (net of cash and cash equivalents acquired)	- 23	- 23	-/-
Cash flow from investing activities	- 335	- 22	- 314
Free cash flow	- 50	- 22	- 28

lower tax payments. This was countered by the development of earnings in the first quarter.

Free cash flow: Total cash and cash equivalents generated in operating business less the balance of cash used and generated in the context of investing activities. Free cash flow before M&A: Free cash flow adjusted for cash used and generated by M&A transactions (excl. transaction costs) related to majority acquisitions that are carried out and planned, the purchase and sale of investments accounted for using the equity method and other material investments with the exception of media-for-equity investments.

Cash flow from financing activities amounted to minus EUR 11 million in the first quarter of 2020 (previous year: EUR 8 million). This development primarily reflects the cash inflow of EUR 5 million (previous year: EUR 15 million) from the real estate loan in connection with the new campus at the Unterföhring site and a capital contribution from non-controlling interests in the previous year (EUR 7 million).

The Group continues to have a comfortable level of liquidity, although the cash flows described resulted in a decline in cash and cash equivalents. These amounted to EUR 898 million at the end of the first quarter of 2020 (March 31, 2019: EUR 989 million; December 31, 2019: EUR 950 million).

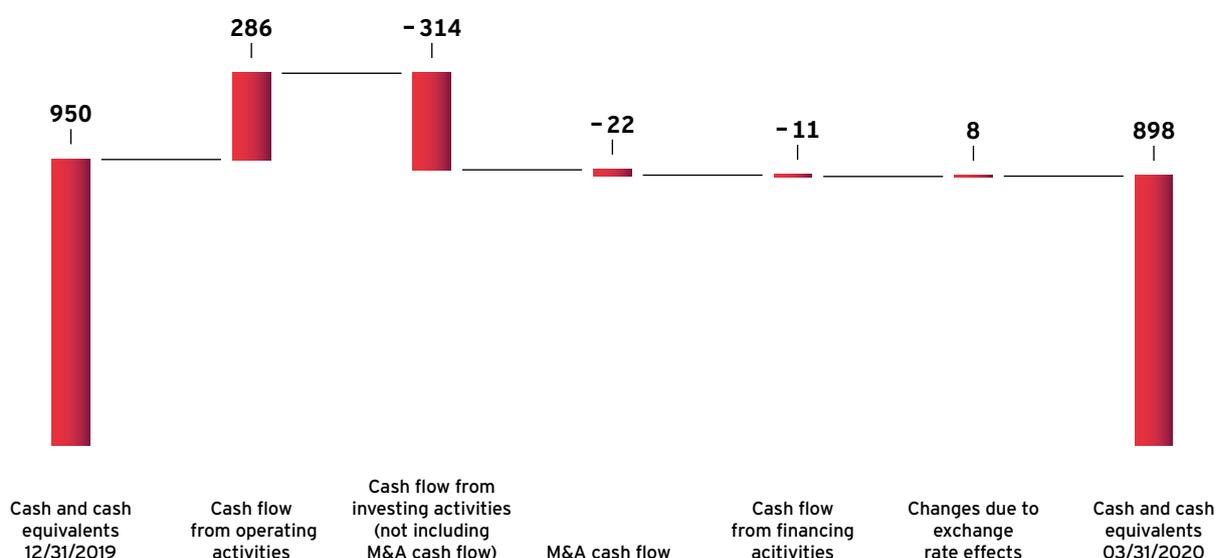
Analysis of Assets and Capital Structure

The Group's **total assets** were almost unchanged at EUR 6,597 million as of March 31, 2020 (December 31, 2019: EUR 6,618 million). The most important items in the statement of financial position are described in more detail below.

– **Current and non-current assets:** As of March 31, 2020, goodwill increased by EUR 6 million to EUR 2,114 million (December 31, 2019: EUR 2,109 million); its share in total assets was unchanged at 32%. Other intangible assets declined only slightly by 1% to EUR 831 million (December 31, 2019: EUR 835 million). Property, plant, and equipment increased by 3% to EUR 361 million (December 31, 2019: EUR 351 million). This is mainly attributable to rented office space in the USA. This is countered by an 8% decline in investments accounted for using the equity method to EUR 25 million (December 31, 2019: EUR 27 million).

Other non-current financial and non-financial assets grew by 5% to EUR 336 million (December 31, 2019: EUR 320 million). The increase is attributable to the positive development of long-term foreign currency hedges and the increase in non-current trade receivables, which is partially offset by the impairment of financial investments. Other current financial and non-financial assets likewise rose by 27% to EUR 143 million (December 31, 2019: EUR 113 million) due to the increase in short-term foreign currency hedges.

CHANGE IN CASH AND CASH EQUIVALENTS in EUR m



Programming assets increased by 3% year-on-year and amounted to EUR 1,239 million (December 31, 2019: EUR 1,204 million). Programming assets accounted for 19% of total assets (December 31, 2019: 18%).

The table below shows the development of programming assets:

STATEMENT OF CHANGES IN PROGRAMMING ASSETS in EUR m

	Q1 2020	Q1 2019
Carrying amount 01/01	1,204	1,113
Additions ¹	274	303
thereof SevenOne Entertainment Group segment	274	301
thereof Red Arrow Studios segment	-/-	2
Disposals	-3	-1
Consumption	-237	-245
thereof SevenOne Entertainment Group segment	-237	-245
Other change	0	-1
Carrying amount 03/31	1,239	1,169
Change in programming assets compared to previous year	34	55

¹ EUR 12 million of the additions in financial year 2020 have already been recognized in profit or loss through provisions for onerous contracts recognized in financial year 2018 (previous year: EUR 13 million).

This results in the earnings effects from programming assets shown in the following table, which are entirely attributable to the SevenOne Entertainment Group segment:

EARNINGS EFFECTS OF PROGRAMMING ASSETS in EUR m

	Q1 2020	Q1 2019
Consumption	237	245
Change in provision for onerous contracts	-11	-13
Consumption incl. change in provision for onerous contracts	226	232

Cash and cash equivalents amounted to EUR 898 million. This equates to a decline of 6% or EUR 53 million compared to December 31, 2019, and reflects the development of cash flow.

→ [Analysis of Liquidity and Capital Expenditure](#)

- **Equity:** Equity increased by 5% or EUR 69 million to EUR 1,357 million. The corresponding equity ratio was 20.6% (December 31, 2019: 19.5%). This development is based on the positive total comprehensive income and positive valuation effects in accumulated other comprehensive income due to the stronger US dollar.
- **Current and non-current liabilities:** Debt decreased slightly compared to the closing date in 2019; overall, liabilities and provisions fell by 2% compared to December 31, 2019, to EUR 5,240 million (December 31, 2019: EUR 5,330 million). This development is chiefly due to the decline in trade payables, other liabilities (primarily VAT liabilities) and other provisions (primarily provisions for onerous contracts). The reduction is partially offset by the increase in deferred income tax liabilities. Non-current and current financial debt reported in debt was virtually unchanged at EUR 3,192 million (December 31, 2019: EUR 3,195 million).

The **net working capital** of ProSiebenSat.1 Group was minus EUR 160 million as of March 31, 2020 (December 31, 2019: EUR -156 million).

NET WORKING CAPITAL in EUR m

	03/31/2020	12/31/2019
Inventories	54	48
Receivables	493	541
Trade accounts payable	708	746
Net working capital	-160	-156

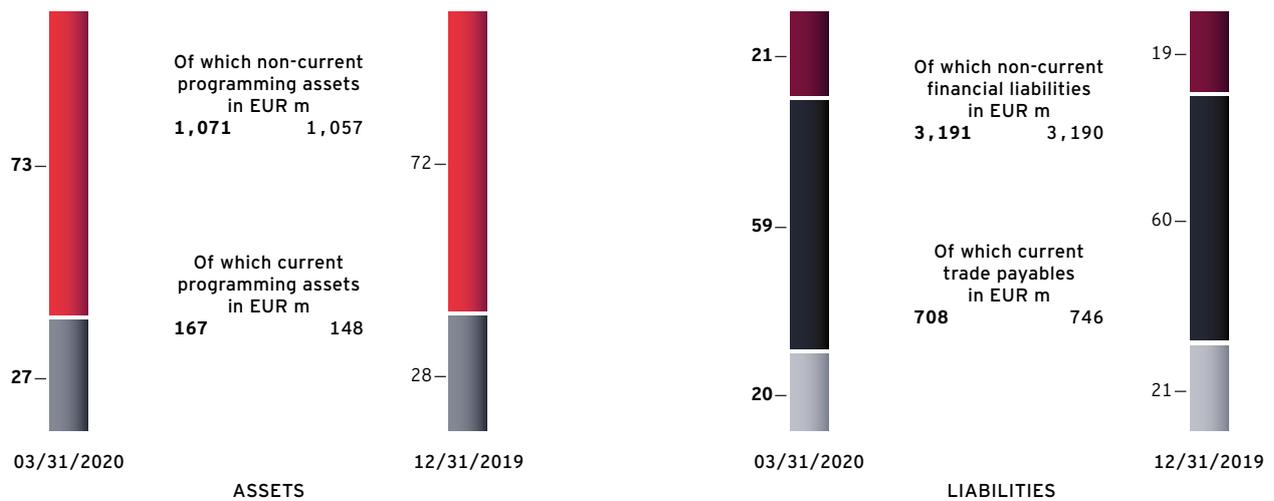
Trade payables are subject to seasonal fluctuations and therefore declined by EUR 38 million compared to December 31, 2019. The ratio of average net working capital to revenues of the past twelve months was minus 3.9% as of March 31, 2020 (December 31, 2019: -3.8%).

Borrowings and Financing Structure

ProSiebenSat.1 Group uses various financing instruments and practices active financial management. As of March 31, 2020, debt accounted for 79% of total equity and liabilities (December 31, 2019: 81%). The majority of this, at EUR 3,192 million or 61% (December 31, 2019: 60%), was attributable to current and non-current financial debt. → [Analysis of Assets and Capital Structure](#)

The Group continuously monitors and assesses developments on the money and capital markets. In April 2019, the Group extended the maturities for most of the syndicated credit agreement consisting of a term loan and a revolving credit facility (RCF) until April 2024. In addition, ProSiebenSat.1 Group has notes from a seven-year bond issued in April 2014 with a volume of EUR 600 million. The notes are listed on the regulated market of the Luxembourg stock exchange (ISIN DE000A11QFA7); the coupon of the notes is 2.625% per annum. Since 2016, the Group's portfolio has also included three syndicated promissory notes totaling EUR 500 million with maturities of seven years (EUR 225 million at a fixed interest rate and EUR 50 million at a variable interest rate) and ten years (EUR 225 million at a fixed interest rate). In addition to cash and cash equivalents in the amount of EUR 898 million, the Group has drawn a part of the syndicated revolving credit facility (RCF) in the amount of EUR 350 million in April 2020. This was done considering the COVID-19 environment in order to ensure access to the company's liquidity reserves at any time. The Group's financing instruments are not governed by financial covenants.

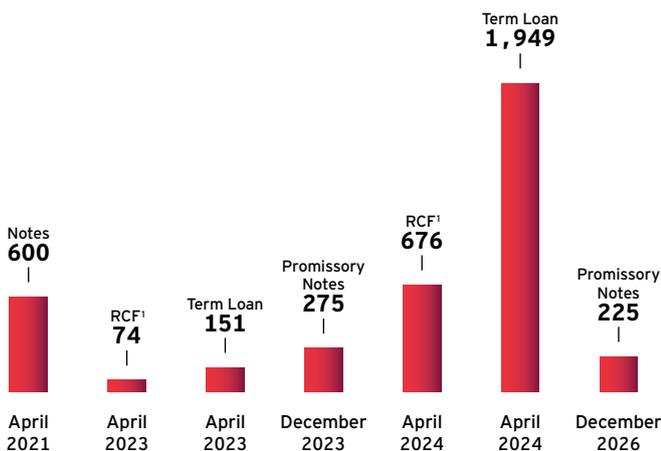
STRUCTURE OF THE STATEMENT OF FINANCIAL POSITION in %



■ Non-current Assets ■ Current Assets

■ Equity ■ Non-current Liabilities ■ Current Liabilities

DEBT FINANCING INSTRUMENTS AND MATURITIES AS OF MARCH 31, 2020 in EUR m



¹ Not drawn.

Interest payable on the syndicated term loan and the syndicated revolving credit facility (RCF) is variable and based on Euribor money market rates plus an additional credit margin. The Group uses derivative financial instruments in the form of interest rate swaps and interest rate options to hedge against interest rate changes caused by the market. As of March 31, 2020, the proportion of fixed interest was approximately 95% of the entire long-term financing portfolio (December 31, 2019: approx. 98%). As of March 31, 2020, the average interest cap was 0% per annum for maturities up to 2024.

→ [Analysis of Assets and Capital Structure](#)

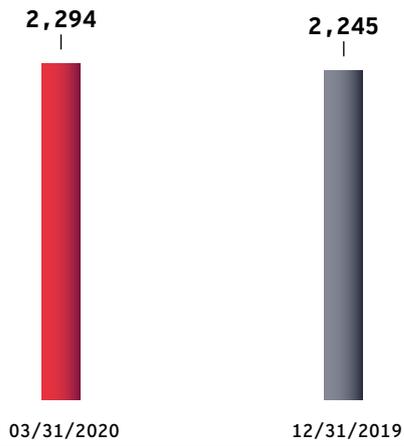
Financing Analysis

The leverage ratio is a key indicator for Group-wide financial and investment planning. It reflects the ratio of net financial debt to adjusted EBITDA over the last twelve months (LTM adjusted EBITDA). The target is a ratio between 1.5 and 2.5 at the end of the relevant year; the target range may be exceeded for a short period of time as a result of fluctuations during the year. As of March 31, 2020, the leverage ratio was 2.7 (December 31, 2019: 2.6). While gross financial debt was almost stable, the cash flows shown in the cash flow statement resulted in a slight decline in cash and cash equivalents and therefore an increase in net financial debt by EUR 49 million to EUR 2,294 million (previous year: EUR 2,245 million).

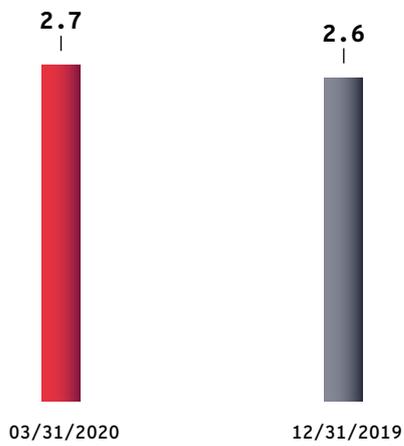
→ [Analysis of Liquidity and Capital Expenditure](#)

† As of March 31, 2020, the definition of ProSiebenSat.1 Group's net financial debt does not include lease liabilities according to IFRS 16 of EUR 180 million (December 31, 2019: EUR 171 million) and real estate liabilities of EUR 53 million (December 31, 2019: EUR 48 million).

NET FINANCIAL DEBT¹ in EUR m



LEVERAGE RATIO¹



¹ Net financial debt is defined as financial debt minus cash and cash equivalents. The leverage ratio is derived by calculating the ratio of net financial debt to adjusted EBITDA of the last twelve months (LTM adjusted EBITDA).

RISK REPORT

The risk situation has changed significantly since December 31, 2019, due to the COVID-19 pandemic and the associated economic strains.

The COVID-19 pandemic is affecting the economy and public life in Germany and the entire world. The consequences for the individual economies and the world economy as a whole are difficult to estimate at the present time. The strict protection measures imposed by politicians in Germany are impacting private consumption in particular, which in the first quarter of 2020 was expressed in a quarter-on-quarter decline in spending of 2.7% (GDP: -1.9%). In addition, the institutes of the project group for Joint Economic Forecast expect German economic output to decline by 4.2% in real terms in 2020. However, this forecast is admittedly subject to significant uncertainty. The advertising industry's investment behavior is also affected. According to ZAW (the German Advertising Federation), declines in revenues of between 30% and 80%, depending on the advertising medium and segment, have now been reported for March 2020 since the outbreak of the crisis in Germany. Because of the macroeconomic imponderables, it is not currently possible to estimate the further development for 2020.

The political measures to contain the pandemic and the restrictions to public and economic life have a significant impact on ProSiebenSat.1 Group's business situation. This has resulted in an increase in risks throughout the Group. The first effects were seen in the last two weeks of March, for example in the form of cancellations of advertising bookings. According to the initial outlook for the second quarter of 2020, the negative effects are expected to continue. The Executive Board also expects negative effects on the Group for the financial year 2020 as a whole, the extent of which cannot be reliably estimated at present. In response to this situation, it withdrew its financial outlook for the financial year on April 22, 2020.

As the further development of the COVID-19 pandemic is unpredictable, it is also impossible to reliably estimate the consequences. For this reason, the content of this risk report is subject to significant uncertainty:

From ProSiebenSat.1 Group's perspective, the COVID-19 pandemic has increased the risks in all categories reported as of the end of the year. Risk categories that have come to the fore in light of the deteriorated macroeconomic and sector environment are sales risks in all segments, risks regarding the production and availability of program content, business partner default risks, asset impairment risks and liquidity management risks. The duration and intensity of the COVID-19 pandemic and the strength of a subsequent recovery cannot be estimated at present.

ProSiebenSat.1 Media SE has implemented a comprehensive risk management system to systematically identify, assess, manage and monitor risks. Risks reported as part of this system are summarized into categories and clusters. All relevant individual risks are examined in detail and managed as part of regular reporting. We monitor all risks identified as part of the risk management process; however, this Risk Report focuses only on changes in those risks whose impact could be high or very high overall.

The risks with a potentially high or very high impact and significant opportunities are described in the Annual Report 2019 from page 111. The organizational requirements for risk and opportunity management are also explained here. The Annual Report was published on March 5, 2020, and is available at → <https://www.prosiebensat1.com/en/investor-relations/publications/annual-reports>

OUTLOOK

FUTURE BUSINESS AND INDUSTRY ENVIRONMENT

The International Monetary Fund (IMF)'s previously positive growth forecast had to be adjusted in light of the coronavirus pandemic. A severe recession is now expected both nationally and globally. The IMF is currently forecasting a real decline of 3.0% for the global economy in 2020. According to the latest Joint Economic Forecast, the German economy is likely to drop by 4.2% in real terms in the same period. However, this forecast was based on the assumption of a quick end to the "lockdown phase." Further extensions are likely to make the forecasts worse. For example, the IMF is already forecasting a much deeper slump of minus 7.0% for Germany in 2020.

The pandemic will particularly affect private consumption. According to the Joint Economic Forecast, disposable household income will fall for the first time since the 2009 financial crisis by 0.9% in 2020. Against the backdrop of the various pressures, a sharp drop of 5.7% in real terms is expected in private consumer spending.

All forecasts are subject to considerable downside risks, such as a much slower alleviation of the pandemic, a new wave of infections once the economy ramps up again, or a realignment of global value chains and sales markets. However, there is also some upside potential, which would primarily be realized if the pandemic takes a more

favorable course and normal economic life is restored sooner. However, the actual course of the pandemic and the organization of the subsequent recovery period are unpredictable.

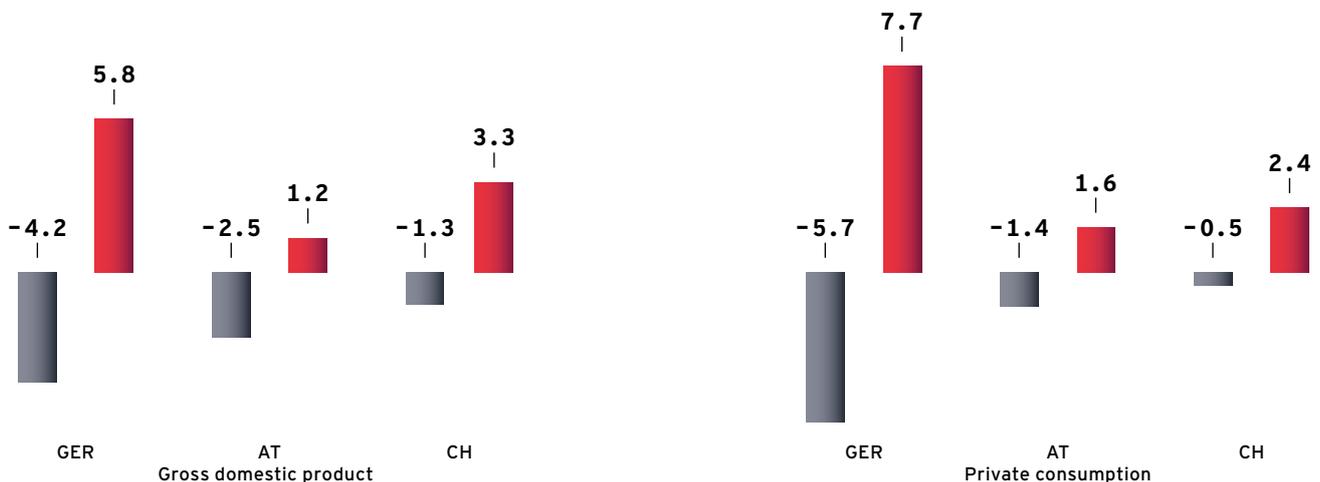
Despite the significant economic impact, it is expected that the adverse effects of the pandemic itself will be overcome after a year or two. In this event, there ought to be a significant economic revival thanks to catch-up effects from the second half of 2020 at the earliest. For 2021, the institutes of the Joint Economic Forecast therefore expect substantial real growth of 5.8% in Germany (IMF: +5.2%). Much faster growth of 7.7% is forecast in private consumption, albeit subject to the considerable forecast risks.

In light of the economic restrictions due to COVID-19, the German Advertising Federation ("Zentralverband der deutschen Werbewirtschaft - ZAW") currently expects advertising revenues to fall by at least 40% in April 2020. According to the ZAW, it is currently impossible to make estimates for the period after April.

Due to the lack of macroeconomic visibility, the leading media agency ZenithOptimedia has suspended in spring 2020 the forecast update on the development of the net advertising market. It remains to be seen which impacts the COVID-19 pandemic will have for the advertising industry and in particular for the TV advertising market.

FORECAST FOR GDP AND PRIVATE CONSUMPTION IN COUNTRIES IMPORTANT FOR PROSIEBENSAT.1 GROUP

in %, change vs. previous year



■ 2020e ■ 2021e

Sources: GER: Joint Economic Forecast Spring 2020 / AT: Austrian Institute for Economic Research (WiFo): Economic Scenario March 2020 / CH: SECO Economic Forecast Spring 2020.

COMPANY OUTLOOK

ProSiebenSat.1 Group expects that its business across all segments will be heavily impacted by the COVID-19 pandemic: The last two weeks of March already saw first effects. For the month of April 2020, TV core advertising revenues are expected to be down by c. 40% compared to the previous year. Red Arrow Studios' business continues to be impacted by postponements of productions, while at NuCom Group, ProSiebenSat.1 Group sees a mixed picture as some assets are more affected by the restrictions of public life than others.

The Group's financial outlook 2020, published beginning of March 2020, was explicitly made without considering the possible negative implications of the COVID-19 pandemic. This financial outlook for 2020 includes targets for Group revenues, Group adjusted EBITDA, adjusted net income, free cash flow before M&A and the Group's leverage.

However, due to the significant economic uncertainties resulting from the COVID-19 pandemic with regard to the duration and severity of the crisis, it is currently not possible for the Executive Board to provide a reliable outlook for the second quarter and the full-year. Currently, it can be assumed that it will not be possible to achieve all the targets stated in the financial outlook published at the beginning of March. The financial outlook for the full-year 2020 was therefore already withdrawn on April 22, 2020.

In this environment, the management has implemented business continuity plans and is very focused on actively managing the Group's cost base, cash flow and profitability. The Group continues to focus on its strategic core projects and has at the same time taken various countermeasures in all business areas to mitigate negative effects on the Group's profitability and to secure its liquidity. The measures include in particular reduced investments in program that are approximately EUR 50 million lower than in the previous year. In addition, the Group is currently reducing IT expenses and other operating expenses such as travel and consulting costs. With the Group already making use of the German instrument of short-time work in some NuCom Group assets, ProSiebenSat.1 Group is also evaluating further application within the Entertainment business. NuCom Group is focusing primarily on marketing investments on the ProSiebenSat.1 platforms, thereby strengthening cost synergies within the Group. This way, the Group is preparing for various forms of crisis in terms of duration and intensity, to be able to cope with a potentially longer-lasting crisis and make up lost ground in a subsequent recovery phase. Measures to secure liquidity include the adjustment of tax pre-payments as well as the improvement of payment terms. To ensure liquidity also in a possibly longer-lasting COVID-19 crisis, the Executive Board and the Supervisory Board decided on April 22, 2020, to propose to the Annual General Meeting to not pay-out a dividend for fiscal year 2019. At the same time, The Group has confirmed its current dividend policy with a pay-out-ratio of 50% of adjusted Group net income.

With these measures, ProSiebenSat.1 Group is preparing to further drive the Group's strategy after the crisis has been overcome and to fully focus on its German-speaking Entertainment business. Local and digital offerings, in particular the expansion of the streaming platform Joyn, as well as the close cooperation with Red Arrow Studios and Studio71, will play an important role in order to strengthen reach and thus monetization, as well as to reduce dependence on TV advertising revenues, thus creating long-term value for the Group's stakeholders.

INCOME STATEMENT

INCOME STATEMENT OF PROSIEBENSAT.1 GROUP in EUR m

	Q1 2020	Q1 2019
1. Revenues	926	913
2. Cost of sales	- 551	- 522
3. Gross profit	374	390
4. Selling expenses	- 163	- 140
5. Administrative expenses	- 134	- 127
6. Other operating expenses	- 5	- 3
7. Other operating income	7	9
8. Operating result	80	129
9. Interest and similar income	1	0
10. Interest and similar expenses	- 17	- 10
11. Interest result	- 16	- 10
12. Result from investments accounted for using the equity method	- 13	- 8
13. Other financial result	- 9	67
14. Financial result	- 38	49
15. Result before income taxes	43	178
16. Income taxes	- 12	- 57
NET INCOME	31	121
Net income attributable to shareholders of ProSiebenSat.1 Media SE	37	122
Net income attributable to non-controlling interests	- 7	- 1
Earnings per share (in EUR)		
Basic earnings per share	0.16	0.54
Diluted earnings per share	0.16	0.53

ADJUSTED INCOME STATEMENT (NON-IFRS)¹

ADJUSTED INCOME STATEMENT (NON-IFRS) OF PROSIEBENSAT.1 GROUP in EUR m

	Q1 2020	Q1 2019
1. Revenues	926	913
2. Cost of sales ²	- 546	- 517
3. Gross profit (adjusted)	380	396
4. Selling expenses ²	- 162	- 140
5. Administrative expenses ²	- 114	- 111
6. Other operating expenses ²	- 2	- 3
7. Other operating income	7	9
8. Adjusted EBIT	109	151
9. Interest and similar income	1	0
10. Interest and similar expenses ²	- 15	- 8
11. Interest result ²	- 14	- 8
12. Result from investments accounted for using the equity method	- 13	- 8
13. Other financial result ²	- 2	- 4
14. Financial result (adjusted)	- 29	- 19
15. Result before income taxes (adjusted)	80	131
16. Income taxes ²	- 22	- 43
NET INCOME (ADJUSTED)	58	89
Net income (adjusted) attributable to shareholders of ProSiebenSat.1 Media SE	58	94
Net income (adjusted) attributable to non-controlling interests	- 1	- 5
Adjusted earnings per share (in EUR)		
Basic earnings per share	0.26	0.42
Diluted earnings per share	0.26	0.42

¹ For a reconciliation between these non-IFRS figures to the corresponding IFRS figures, see section „Group Earnings“ in the Quarterly Statement.

² Adjusted.

STATEMENT OF COMPREHENSIVE INCOME

STATEMENT OF COMPREHENSIVE INCOME OF PROSIEBENSAT.1 GROUP in EUR m

	Q1 2020	Q1 2019
Net income	31	121
Items subsequently reclassified to profit or loss		
Change in foreign currency translation adjustment	9	9
Changes in fair value of cash flow hedges	43	11
Deferred tax on other comprehensive income	-12	-3
Other comprehensive income	40	17
Total comprehensive income	71	138
Total comprehensive income attributable to shareholders of ProSiebenSat.1 Media SE	78	139
Total comprehensive income attributable to non-controlling interests	-7	-1

STATEMENT OF FINANCIAL POSITION

STATEMENT OF FINANCIAL POSITION OF PROSIEBENSAT.1 GROUP in EUR m

	03/31/2020	12/31/2019
A. Non-current assets		
I. Goodwill	2,114	2,109
II. Other intangible assets	831	835
III. Property, plant and equipment	361	351
IV. Investments accounted for using the equity method	25	27
V. Non-current financial assets	332	316
VI. Programming assets	1,071	1,057
VII. Other receivables and non-current assets	4	4
VIII. Deferred tax assets	66	66
	4,804	4,764
B. Current assets		
I. Programming assets	167	148
II. Inventories	54	48
III. Current financial assets	74	67
IV. Trade receivables	471	530
V. Current tax assets	59	48
VI. Other receivables and current assets	69	46
VII. Cash and cash equivalents	898	950
VIII. Assets held for sale	-/-	17
	1,792	1,853
Total assets	6,597	6,618
	03/31/2020	12/31/2019
A. Equity		
I. Subscribed capital	233	233
II. Capital reserves	1,045	1,045
III. Consolidated equity generated	62	25
IV. Treasury shares	-63	-63
V. Accumulated other comprehensive income	96	55
VI. Other equity	-238	-236
Total equity attributable to shareholders of ProSiebenSat.1 Media SE	1,135	1,059
VII. Non-controlling interests	222	229
	1,357	1,288
B. Non-current liabilities		
I. Non-current financial debt	3,191	3,190
II. Other non-current financial liabilities	325	329
III. Trade payables	93	79
IV. Other non-current liabilities	11	15
V. Provisions for pensions	31	31
VI. Other non-current provisions	41	55
VII. Deferred tax liabilities	248	236
	3,939	3,934
C. Current liabilities		
I. Current financial debt	1	5
II. Other current financial liabilities	114	116
III. Trade payables	615	667
IV. Other current liabilities	325	357
V. Current tax liabilities	109	110
VI. Other current provisions	137	140
	1,300	1,395
Total equity and liabilities	6,597	6,618

CASH FLOW STATEMENT

CASH FLOW STATEMENT OF PROSIEBENSAT.1 GROUP in EUR m

	Q1 2020	Q1 2019
Net income	31	121
Income taxes	12	57
Financial result	38	-49
Depreciation, amortization and impairments of other intangible and tangible assets	64	51
Consumption of programming assets incl. change in provisions for onerous contracts	225	232
Change in provisions	-3	-3
Gain/loss on the sale of assets	-1	0
Other non-cash income/expenses	-1	-1
Change in working capital	-52	-45
Dividends received	6	6
Income tax paid	-24	-48
Interest paid	-10	-8
Interest received	1	1
Cash flow from operating activities	286	314
Proceeds from disposal of non-current assets	21	33
Payments for the acquisition of other intangible and tangible assets	-55	-43
Payments for investments including investments accounted for using the equity method	-19	-15
Proceeds from disposal of programming assets	7	14
Payments for the acquisition of programming assets	-266	-347
Cash flow from obtaining control of subsidiaries or other businesses (net of cash and cash equivalents acquired)	-23	-10
Cash flow from investing activities	-335	-368
Repayment of interest-bearing liabilities	-5	-3
Proceeds from issuance of interest-bearing liabilities	5	16
Repayment of lease liabilities	-10	-10
Payments for shares in other entities without change in control	0	-1
Proceeds from non-controlling interests	0	7
Dividend payments to non-controlling interests	-2	-1
Cash flow from financing activities	-11	8
Effect of foreign exchange rate changes on cash and cash equivalents	8	4
Change in cash and cash equivalents	-53	-42
Cash and cash equivalents at beginning of reporting period	950	1,031
Cash and cash equivalents at end of reporting period	898	989

STATEMENT OF CHANGES IN EQUITY

STATEMENT OF CHANGES IN EQUITY OF PROSIEBENSAT.1 GROUP Q1 2019 in EUR m

	Subscribed capital	Capital reserves	Consolidated equity generated	Treasury shares	Accumulated other comprehensive income					Total equity attributable to shareholders of ProSiebenSat.1 Media SE	Non-controlling interests	Total equity
					Foreign currency translation adjustment	Fair value changes of cash flow hedges	Valuation of provisions for pensions	Deferred taxes	Other equity			
December 31, 2018	233	1,043	-119	-64	4	54	-10	-13	-246	883	187	1,070
Net income	-/-	-/-	122	-/-	-/-	-/-	-/-	-/-	-/-	122	-1	121
Other comprehensive income	-/-	-/-	-/-	-/-	9	11	-/-	-3	-/-	17	0	17
Total comprehensive income	-/-	-/-	122	-/-	9	11	-/-	-3	-/-	139	-1	138
Other changes	-/-	1	0	-/-	-/-	-/-	-/-	-/-	12	13	50	63
March 31, 2019	233	1,044	3	-64	13	66	-10	-16	-234	1,035	236	1,271

STATEMENT OF CHANGES IN EQUITY OF PROSIEBENSAT.1 GROUP Q1 2020 in EUR m

	Subscribed capital	Capital reserves	Consolidated equity generated	Treasury shares	Accumulated other comprehensive income					Total equity attributable to shareholders of ProSiebenSat.1 Media SE	Non-controlling interests	Total equity
					Foreign currency translation adjustment	Fair value changes of cash flow hedges	Valuation of provisions for pensions	Deferred taxes	Other equity			
December 31, 2019	233	1,045	25	-63	15	70	-14	-16	-236	1,059	229	1,288
Net income	-/-	-/-	37	-/-	-/-	-/-	-/-	-/-	-/-	37	-7	31
Other comprehensive income	-/-	-/-	-/-	-/-	9	43	-/-	-12	-/-	40	0	40
Total comprehensive income	-/-	-/-	37	-/-	9	43	-/-	-12	-/-	78	-7	71
Dividends	-/-	-/-	-/-	-/-	-/-	-/-	-/-	-/-	-/-	-/-	-2	-2
Other changes	-/-	0	0	-/-	-/-	-/-	-/-	-/-	-2	-2	2	0
March 31, 2020	233	1,045	62	-63	24	113	-14	-28	-238	1,135	222	1,357

FINANCIAL CALENDAR

PRESENTATIONS & EVENTS 2020



Date	Event
05/07/2020	Publication of the Quarterly Statement for the First Quarter of 2020
06/10/2020	Annual General Meeting 2020
07/31/2020	Publication of the Half-Yearly Financial Report of 2020
11/05/2020	Publication of the Quarterly Statement for the Third Quarter of 2020

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→ www.ProSiebenSat1.com/en

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