

## THE BOARD OF DIRECTORS OF MFE-MEDIAFOREUROPE NV APPROVES THE RESULTS FOR THE FIRST HALF OF 2022

**A POSITIVE NET RESULT,  
DESPITE THE INTERNATIONAL CRISIS  
WITH AN INCREASE IN REVENUES AND REDUCTION OF NET DEBT**

### MFE-MEDIAFOREUROPE N.V. GROUP: KEY DATA

**Consolidated net revenues:** up to €1,388.5 million

**Positive Operating Result (EBIT):** €112.0 million

**Free cash flow:** €270.2 million

**Net profit:** €84.6 million

The Board of Directors of MFE-MEDIAFOREUROPE N.V. (MFE), which met today under the Chairmanship of Fedele Confalonieri, unanimously approved the Group's financial statements for the first half of 2022.

Despite a context of geo-political and economic crises, characterised by increased inflation, an energy emergency and a fall in consumer confidence, the Group's accounts in the first six months of 2022 were not significantly affected thanks to an immediate response by management.

Consolidated net revenues were up compared with the same period of last year and, despite a very challenging second quarter, the Group's advertising sales outperformed the market thanks to the leading position of the Mediaset TV networks, both in Italy (a more than 40% share in the commercial target in prime time) and in Spain.

Consequently, also through a careful control of costs and despite the surge in inflation and the cost of energy, MFE managed to achieve a positive net result for the half year, as well as a sharp decrease in indebtedness and significant free cash flow.

The following are the highlights of the Group's performance in the first half of 2022:

- **Consolidated net revenues** recorded a slight increase to **€1,388.5 million**, compared with €1,387.2 million in the first half of 2021. In Italy, revenues rose to **€974.6 million**, compared with €963.7 million in the same period of the previous year, an increase of 1.1%. In Spain, revenues came to **€415.2 million**, compared with € 423.6 million in 2021.

The ability of **gross advertising revenues** to absorb the impact of the crisis proved decisive. In Italy, total sales amounted to **€976.4 million**, in line with the €976.9 million of 2021: a positive trend compared with the -2.8% decline recorded by the market (Nielsen data) which made it possible to further increase Mediaset's share of the TV system (around 57%). In Spain, gross advertising revenues amounted to **€385.8 million** compared with €406.1 million in 2021, in line with the local TV market (-5.0%, Infoadex data).

- **Total consolidated operating costs** (personnel, other operating costs, amortisations and depreciations of rights and other fixed assets) came to **€1,276.5 million**, compared with €1,188.5 million for the first half of 2021.

Costs in Italy amounted to **€957.5 million**, compared with €869.1 million in 2021, a result which, in addition to energy price increases, was affected by contracts not present in the first half of 2021 as they were activated in the second half for the year (three-year rights to the Coppa Italia and Supercoppa, as well as fees for advertising sales for the Serie A managed by the Group for third parties). In Spain, costs came to **€319.3 million**, which is stable compared with the €319.8 million for the same period of the previous year.

- **Operating result (EBIT)** is positive and totalled **€112.0 million**, compared with €198.7 million in the same period of 2021.
- **Consolidated net profit** was once again positive at **€84.6 million**. The figure for the same period of the previous year was €226.7 million, which resulted also from a pro-quota capital gain of €86.7 million euros generated by the subsidiary EI Towers (40%) by the sale of Towertel.
- **Consolidated net financial position** at 30 June 2022 amounted to **€630.7 million net debt**, down from **€869.2 million** at the beginning of the period. Excluding liabilities recognised starting from 2019 and pursuant to IFRS 16, and residual financial debt deriving from the acquisition of the Group's stake in ProSiebenSat.1 SE, adjusted net financial debt was equal to **€487.3 million** (€ 689.1 million at 31 December 2021).
- **Free cash flow** for the period amounted to **€270.2 million**, essentially in line with the €274.7 million of the excellent first half of 2021.
- **TV ratings.** In the first six months of 2022, the Mediaset networks confirmed their clear leadership in the commercial target, both in Italy and in Spain.

In Italy, all channels saw improved results compared with the first half of 2021 and Mediaset's national leadership in the commercial target was consolidated in all the main time bands, with a peak share of **40.9% in Prime time**. **Canale 5** retained its position as Italy's most popular channel in the 15-64-year-old target across the **whole day (19.4%)**.

In Spain, the Group's networks maintained their absolute leadership in the **24 hours** with a 29.5% share in the commercial target. **Telecinco** confirmed its position as the most popular Spanish channel in the commercial target across **the whole day (14.1%)**.

## EXPECTATIONS FOR THE FULL YEAR

The general context continues to be characterised by significant uncertainties regarding the duration and intensity of the global economic downturn - and the Eurozone in particular – resulting from the ongoing conflict in Ukraine.

Forecasts by leading research institutes progressively point to possible recession scenarios for the last quarter of 2022 and the start of next year. This is due to a marked increase in inflation generated by the escalation of energy prices, in addition to further restrictive monetary interventions planned by central banks with the aim of containing and stabilising the inflationary pressure.

For the moment, this scenario has not led to a significant slowdown in the Group's advertising sales, which could, in any case, be affected in the coming months by a likely decline in spending and consumption by both businesses and households to cope with the energy price increases.

Even in this context, thanks to solid content positioning, the significant share of the advertising market and an ability to promptly adjust costs to trends in advertising revenues, the MFE Group confirms its objective of achieving positive economic and financial results, as well as positive free cash flow generation for the year 2022.

It should also be noted that starting from 1 July 2022, following the outcome of the takeover bid launched by MFE for the minority stakes of the subsidiary Mediaset España, the results of the Mediaset España Group will be consolidated on the basis of a 82.92% share (compared with 55.69% as of June 30).

Amsterdam – Cologno Monzese, 28 September 2022

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**MFE-MEDIAFOREUROPE** is an international holding company that brings together Europe's leading commercial broadcasters.

**MFE-MEDIAFOREUROPE** is based in Amsterdam, in the Netherlands, and fiscal resident in Italy. It controls Mediaset SpA and Mediaset España Comunicación (both fiscal resident in their respective countries) and is the main shareholder of the German broadcaster ProSiebenSat1.

**MFE-MEDIAFOREUROPE** is listed on the Milan Stock Exchange (Ticker: MFEA, MFEB)

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#### **Alternative Performance Measures (APMs or non-GAAP measures): definitions**

These materials contain certain alternative performance measures (APMs) that are not defined in the IFRS (non-GAAP measures). These measures, which are described below, are used to analyse the Group's business performance and where applicable comply with the Guidelines on Alternative Performance Measures issued by the European Securities and Markets Authority ('ESMA') in its communication ESMA/2015/1415.

The alternative performance measures listed below should be used to supplement the information required under IFRS to help readers of annual financial statements to gain a better understanding of the Group's economic, financial and capital position.

Alternative performance measures can serve to facilitate comparison with groups operating in the same sector, although, in some cases, the calculation method may differ from those used by other companies. They should be viewed as complementary to, and not replacements for, the comparable GAAP measures and movements they reflect.

**Consolidated net Revenues** determined as the sum of Revenues from sales of goods and services and other income in order to represent in an aggregate manner the positive components of income generated by the core business and have a reference measure for determining the main indicators of operating and net profitability.

**Operating Result (EBIT)** is the typical intermediate measure of economic performance reported in the Consolidated statement of income as an alternative to the IFRS performance measure represented by the Net Result for the year. EBIT shows the Group's ability to generate operating income without taking into account financial management, the valuation of shareholdings and any tax impact. This measure is obtained starting from the net result for the year, adding income taxes, subtracting or adding up the items Financial income, Financial expenses and the Income/(expenses) from equity investments.

**Net Financial Position** represents the consolidated financial debt net of its cash, cash equivalents and other financial assets and it is the synthetic indicator used by management to measure the Group's ability to meet its financial obligations.

**Free cash flow** represents the synthetic indicator with which the management measures the net cash flow deriving from the core business, that is the change in the net financial position generated by continuing operation without considering those related to M&A transactions (as business combinations, acquisition and/or disposal of equity investments and minority interests in subsidiaries and other strategic/financial assets), to the distribution and / or collection of dividends, the repurchase or the sale of treasury shares by the parent company or its subsidiaries, the net cash flows generated by discontinuing operations qualified under IFRS 5 as held for sale or sold.

#### **IMPORTANT INFORMATION**

##### **Market Abuse Regulation**

This press release contains information within the meaning of Article 7(1) of the EU Market Abuse Regulation

##### **Presentation**

In preparing the financial information included in these materials, most numerical figures are presented in millions of euro. Changes have been calculated using figures in thousands and not the figures rounded nearest million as shown.

##### **Forward-looking Statements**

These materials contain forward-looking statements as defined in the United States Private Securities Litigation Reform Act of 1995 concerning the financial condition, results of operations and businesses of the Group. These forward-looking statements and other statements contained in these materials regarding matters that are not historical facts involve predictions. No assurance can be given that such future results will be achieved. Actual events or results may differ materially as a result of risks and uncertainties facing the Group. Such risks and uncertainties could cause actual results to vary materially from the future results indicated, expressed or implied in such forward-looking statements

There are a number of factors that could affect the Group's future operations and could cause those results to differ materially from those expressed in the forward-looking statements including (without limitation): (a) competitive pressures and changes in consumer trends and preferences as well as consumer perceptions of its brands; (b) fluctuations in the cost of green coffee, including premium Arabica coffee beans, tea or other commodities, and its ability to secure an adequate supply of quality or sustainable coffee and tea; (c) global and regional economic and financial conditions, as well as political and business conditions or other developments; (d) interruption in the Group's manufacturing and distribution facilities; (e) its ability to successfully innovate, develop and launch new products and product extensions and on effectively marketing its existing products; (f) actual or alleged non-compliance with applicable laws or regulations and any legal claims or government investigations in respect of the Group's businesses; (g) difficulties associated with successfully completing acquisitions and integrating acquired businesses; (h) the loss of senior management and other key personnel; and (i) changes in applicable environmental laws or regulations. The forward-looking statements contained in these materials speak only as of the date of these materials. The Group is not under any obligation to (and expressly disclaim any such obligation to) revise or update any forward-looking statements to reflect events or circumstances after the date of these materials or to reflect the occurrence of unanticipated events. The Group cannot give any assurance that forward-looking statements will prove correct and investors are cautioned not to place undue reliance on any forward-looking statements. Further details of potential risks and uncertainties affecting the Group are described in the Company's filings with the Netherlands Authority for the Financial Markets (Stichting Autoriteit Financiële Markten)

##### **Market and Industry Data**

All references to industry forecasts, industry statistics, market data and market share in these materials comprise estimates compiled by analysts, competitors, industry professionals and organisations, of publicly available information or of the Group's own assessment of its markets and sales. Rankings are based on revenue, unless otherwise stated.