



PRESS RELEASE

Mediaset Board Meeting 14 September 2021

APPROVAL FOR FIRST HALF RESULTS 2021: VERY POSITIVE FIGURES, EVEN BETTER THAN THE SAME PERIOD OF 2019

Mediaset Group

Net revenues: of €1,387.2 million

Operating profit (EBIT) €198.7 million

Net profit: €226.7 million

Free cash flow: up to €274.7 million

TV ratings: Mediaset channels strengthen their leadership
in the commercial target in both Italy and Spain

The Board of Directors of Mediaset, which met today under the Chairmanship of Fedele Confalonieri, has approved the company's Interim Report of the first half of the year to 30 June 2021.

Despite a context that remains conditioned by the health emergency in both Italy and Spain, the Mediaset Group closed the first half of 2021 with a significant increase in its results, not only compared with the same period of 2020 but also compared with the first half of 2019, a period not yet affected Covid.

Advertising revenues saw steady growth (in Italy sales increased for the fourth consecutive quarter), there were significant improvements in both operating and net profit, while debt fell and cash generation grew.

Also of note is the effective control of operating costs, slightly up compared with the first half of 2020 - frozen by the first lock-down - but decidedly lower than those of the same period of 2019. Television ratings were also excellent, demonstrating the central role of TV in the life of the country, both in terms of information and the ability to entertain and unite the public: an audience success that further strengthened the clear leadership of Mediaset channels in the commercial target.

The following is a summary of the Group's performance during the period.

- **Net revenues** amounted to **€1,387.2 million**, compared with the €1,166.4 million of the first half of 2020. In Italy, total revenues came to **€963.7 million**, compared with €791.3 million in the same period last year. In Spain revenues came to **€423.6 million**, compared with €375.1 million in the same period of the previous year.

The positive trend in advertising revenues in both geographical areas was decisive, with Spain recording sales of **€406.1 million**, compared with €325.1 million in the previous six months. In Italy, meanwhile, the figure was **€979.9 million** (+31.7%), compared with €744.2 million in the same period of 2020.



It should be noted that, on the basis of Nielsen data, in the first half of 2021 Mediaset performed better than the overall advertising market, which grew by 26.7%. In particular, in the second quarter Mediaset generated advertising revenues of €526.4 million, an increase not only on the same period of 2020 (66.2%), but also compared with the €501.6 million of 2019.

- **Total Operating Costs** (personnel costs, other operating costs, amortisations and depreciations) came to **€1,188.5 million**, compared with €1,134.7 million in the first half of 2020. In Spain the figure was **€319.8 million**, compared with €286.2 million in the same period of last year. Due to the acquisition of the rights for the Euro 2020 football championship. In Italy total operating costs amounted to **€869.1 million**, a slight increase on the €848.9 million in the same period of 2020, which was affected by the lockdown, but in marked reduction compared with the €962.9 million in the corresponding period of 2019.
- The Group's **EBIT** for the period was positive at **€198.7 million**, compared with €31.7 million in the same period of 2020, and also up on the €191.6 million of 2019. In Italy EBIT amounted to **€94.6 million**, better not only compared with the operating loss recorded in the first half of 2020 (- €57.6 million) but also with the figure for the first half of 2019, which was positive at €39.3 million. In Spain the figure was **€103.8 million**, compared with €88.9 million in the same period of 2020.
- The Group's **consolidated net profit** for the period came **€226.7 million**, compared with a loss of -€18.9 million in the same period of last year. It should be noted that the consolidated net result was better also than that of the first half of 2019 (€102.7 million). The 2021 figure includes two extraordinary items: the capital gain in the second quarter of 2021 from the subsidiary (40%) EI Towers (through the sale of Towertel) and dividends deriving from the stake held in ProSiebenSat1. Excluding these two items, net profit for the first half of 2021 remains higher than that of 2019.
- **Net financial debt** on 30 June 2021 fell to **€731.7 million**, compared with €1,064.4 million at the beginning of the period. Excluding losses booked from 2019 pursuant to IFRS 16 and the financial liabilities deriving from the acquisition of a stake in ProSiebenSat 1, net consolidated financial debt amounted to **€222.0 million**, compared with €473.6 million on 31 December 2020.
Free cash flow rose to **€274.7 million**, compared with of €212.1 million in the first six months of 2020. Investments during the period amounted to €103.9 million, related to the increase in the stake in ProSiebenSat 1, while dividends of 133.9 million derived from EI Towers as well as €20.4 million from the termination of covering loans for equity investments.
- **TV ratings.** Also in the first six months of 2021, Mediaset's channels confirmed their net leadership in the commercial target, both in Italy and Spain, and in all time bands. In Italy, Mediaset recorded a **34.3%** share in the 24 hours and a **34.0%** share in **prime time** in the commercial target, with a better performance than all of the competitors. Of particular note is the leading position of Canale 5 and the third place of Italia 1 in all time bands among the 15-64-year-old target
In Spain, the Mediaset España channels remain leaders with a **30.8%** share in the commercial target in the **24** hours. Telecinco is Spain's most popular channel with a **16.1%** share, also in the 24 hours in the commercial target.



FORECAST FOR THE YEAR

The Group's advertising sales remained positive also in the two summer months of July and August, compared with the same period in both 2020 and 2019.

In Italy, this result is particularly important considering that during the period two important international sporting events (the final phase of the European Football Championships and the Tokyo Olympic Games) were broadcast by the competition. It should be noted that the third quarter of 2020 was the first positive quarter after the lockdown and during the period, Mediaset broadcast the postponed final phase of the Champions League.

Based on current visibility, the positive trend in overall advertising sales on TV, radio and digital in Italy is expected to be also confirmed in the third quarter, with cumulative figures for the first nine months higher than those of both 2020 and 2019.

In terms of content, during the autumn season Mediaset aims to further strengthen both its television and streaming offer with the strengthening of sports content (Champions League) and the Mediaset Infinity platform.

It is expected that also in the coming months, the ongoing economic recovery will support the trend in the advertising market and, in particular, that of the television segment.

A more precise assessment of this scenario will be possible in the next few weeks, through the monitoring the evolution of the health emergency, currently still conditioned by the spread of some variants of the virus, as the country slowly moves towards a gradual normalization thanks to the continuing rollout of the vaccination campaign.

Based on this evidence, and thanks to the maintenance of constant cost controls, the company can confirm the objective of further strengthening the consolidated economic results and cash generation in 2021.

The executive responsible for the preparation of the Mediaset S.p.A. accounts, Luca Marconcini, declares that, as per para. 2 art. 154-bis, of the Single Finance Bill, that the accounting information contained in this press release corresponds to that contained in the company's books.

Cologno Monzese, 15 September 2021

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Highlights from the consolidated income statement

	1 st half		Q2	
	2021	2020	2021	2020
Consolidated net revenues	1,387.2	1,166.4	753.1	484.3
Labour costs	(238.2)	(228.0)	(120.5)	(111.5)
Procurement, services and other costs	(720.0)	(638.2)	(385.2)	(256.6)
Operating costs	(985.3)	(866.2)	(505.7)	(368.1)
Gross operating profit (EBITDA)	429.0	300.2	247.4	116.1
Amortisation of rights	(185.0)	(216.7)	(93.7)	(100.0)
Other amortisation and depreciations	(45.2)	(51.8)	(22.9)	(26.1)
Total amortisation and depreciations	(230.3)	(268.5)	(116.6)	(126.0)
Operating profit (EBIT)	198.7	31.7	130.8	(9.9)
Financial income /(charges)	25.6	1.2	8.7	(1.2)
Income/(charges) from investments	98.3	5.3	93.0	2.5
Profit before taxation	322.6	38.2	232.6	(8.6)
Income taxes	(57.8)	(26.3)	(36.5)	(15.9)
(Profit)/loss for minority interest	(38.0)	(30.8)	(21.8)	(9.1)
Net profit from operations	226.7	(18.9)	174.3	(33.6)
Income/(charges) from discontinued operations		-	-	-
Net profit for the Mediaset Group	226.7	(18.9)	174.3	(33.6)

Highlights from the consolidated balance sheet

	30/06/2021	31/12/2020
Television & film rights	940.1	932.7
Goodwill	803.2	803.2
Other tangible/intangible assets	857.3	869.9
Financial assets	1,409.1	1,159.8
Net working capital & other assets/liabilities	(81.1)	531.1
Severance indemnity reserve	(65.3)	(66.7)
Net invested capital	3.863,2	4.230,1
Net Group assets	2,582.1	2,668.3
Shareholders' equity and minority interest	549.4	497.3
Net assets	3,131.5	3,165.6
Net financial position	731.7	1,064.4