

PRESS RELEASE

THE BOARD OF DIRECTORS OF MFE–MEDIAFOREUROPE N.V. APPROVES RESULTS FOR FIRST HALF OF 2023

- **NET PROFIT AND EBIT UP**
 - **REVENUES STABLE**
- **COSTS AND DEBT DOWN**

KEY FIGURES FOR MFE-MEDIAFOREUROPE N.V.

Consolidated net revenues: €1,369.6 million

Operating profit (EBIT): €120.9 million

Net profit: €87.1 million

The Board of Directors of the MFE-MEDIAFOREUROPE N.V. (MFE) Group, under the chairmanship of Fedele Confalonieri, has approved the interim financial report for the first half of 2023.

Thanks to MFE's growing global reach – a geographical diversification that helps balance potential market imbalances – the Group's finances have performed very well despite challenges including rising inflation, energy costs and lower dividends from the subsidiary ProsiebenSat1 Media SE.

At consolidated level, advertising sales stayed largely steady compared to the last six months – a very strong performance when considering the trend in many global markets.

Thanks to careful cost control, MFE once again increased its consolidated net profit and further reduced its debt thanks to good free cash flow.

Below is a summary of the Group's main results for the first half of 2023.

GROUP

- Consolidated **net revenues** amounted to **EUR 1,369.6 million**, essentially in line with the EUR 1,388.5 million in the first half of 2022.
- **Gross advertising revenues** contracted slightly: **EUR 1,343.7 million** compared to EUR 1,362.3 million in the same period of 2022 – a much smaller drop than that recorded by many European broadcasters.
- **Consolidated operating costs** (personnel costs, costs for purchases, services and other charges, and amortisation, depreciation and impairment of rights and other fixed assets) amounted to **€1,248.7 million**, down 2.2% compared with €1,276.5 million in the first half of 2022.
- **Operating profit (EBIT)** was **EUR 120.9 million**, up from EUR 112.0 million in the same period of 2022.
- **Consolidated net profit** increased to **EUR 87.1 million** compared to EUR 84.6 million in the same period of the previous year, including EUR 28.5 million from the increase in the controlling stake in the Group's Spanish operations (to 84.45% in Q1 and 100% from Q2, compared to 55.69% in H1 2022) that were held by Mediaset España before the latter's merger into MFE.
- **Consolidated net financial debt** as at 30 June 2023 amounted to **EUR 807.6 million**, down from EUR 873.3 million as at 31 December 2022. Disbursements of EUR 145.9 million were incurred in the first half of the year for the acquisition of additional shares in Mediaset España and for the acquisition of ProsiebenSat1 Media SE shares. Excluding liabilities recognised from 2019 onwards in accordance with IFRS 16 and the residual financial debt for the equity investment in ProsiebenSat.1 Media SE, the adjusted net financial debt amounted to **EUR 669.1 million**.
- **Free cash flow** was positive at **€220.1 million** compared to €270.2 million in the first six months of 2022.

A summary of the key indicators for the main geographical areas is provided below.

ITALY

- **Consolidated net revenues** amounted to **€972.8 million**, compared with €974.6 million in 2022.
- **Gross advertising revenues** on the media managed by the Group (free TV channels, proprietary radio stations, websites) were substantially stable thanks to the good broadcasting and publishing results at **EUR 970.4 million**, compared to EUR 976.4 million in the previous year, despite the difficulties in the sector.
- **Operating Result (EBIT)** grew to **€39 million**, compared with €17.1 million in 2022.
- **TV ratings.** Mediaset retained and strengthened its leadership in the 24-hour commercial target audience over the first half of the year, holding a 41.0% share, putting it 8.8 percentage points ahead of public-service competitors. Canale 5 is the leading national channel for all time slots among the 15-64 age group. Italia 1 is the third most-watched network during prime time for the commercial target audience, and Retequattro has the highest Italian viewer ratings for evening news (21:30-00:30).

SPAIN

- **Consolidated net revenues** amounted to **€397.0 million**, compared with €415.2 million in 2022.
- **Gross advertising revenues** amounted to **EUR 373.2 million** compared to EUR 385.8 million last year amid a persistently difficult market environment.
- **Operating Result (EBIT)** reached **€81.7 million**, compared with €95.8 million in 2022.
- **TV ratings.** The television offering recorded 26.1% of individuals and 28.5% of the commercial target audience over the 24-hour period. In Prime Time, the Group achieved 24.8% of individuals and 26.7% of the commercial target audience, while in Day Time it achieved 26.8% of individuals and 29.3% of the commercial target audience.

EXPECTATIONS FOR THE FULL YEAR

Europe's market and macroeconomic trends remain uncertain, especially considering the ECB's forthcoming decisions on interest rates. In this context, Italy and Spain seem to be better positioned than the other main countries.

The advertising market remains highly unpredictable with limited foresight for the year's end. In Italy, advertising revenues in the third quarter – a period that is typically less significant for yearly earnings – should match those of 2022. Meanwhile, Spain's market has not fully steadied and the recent political elections could influence it.

For the rest of the financial year, in an unstable economy, the Group's advertising sales will benefit somewhat from a favourable comparison to last year which included the football World Cup in Qatar, for which it did not hold the rights.

TV ratings in Italy kept rising in the early summer. In Spain, the audience was up significantly compared to the first half of the year.

In the coming months, the Group will continue to focus on a careful balance between original content production, innovation, digitalisation and controlling the cost of its broadcasting offerings.

Based on the core results from the first half of the year – which exceeded initial forecasts – the Group confirms the expectation that it will maintain a positive annual EBIT, net profit and free cash flow.

The Group's earnings in the second half of the year will include its share of the net consolidated result from MFE's stake in ProSiebenSat1 Media SE, which from 30 June 2023 will be recognised using the equity method, as per IAS 28.

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

***MFE-MEDIAFOREUROPE** has its registered office in Amsterdam, the Netherlands, and tax residence in Italy. It controls Mediaset S.p.A. and Grupo Audiovisual Mediaset España Comunicación SAU (with tax domiciles in their respective countries of operation) and is the largest shareholder of the German broadcaster ProSiebenSat1.*

***MFE-MEDIAFOREUROPE** is listed on the Euronext Milan market operated by Borsa Italiana S.p.A. (Ticker: MFEA, MFEB) and on the Spanish Stock Exchanges (Ticker: MFEA).*

MFE GROUP

Reclassified Income Statement

	1H 2023	1H 2022
Consolidated net revenues	1,369.6	1,388.5
Personnel expenses	(238.0)	(235.1)
Purchases, services, other costs	(782.2)	(801.9)
Operating costs	(1,020.2)	(1,037.0)
Gross Operating Result (EBITDA)	349.5	351.6
TV rights amortisation	(187.9)	(199.4)
Other amortisation, depreciation and impairments	(40.6)	(40.2)
Amortisation, depreciation and impairments	(228.5)	(239.6)
Operating result (EBIT)	120.9	112.0
Financial income/(losses)	(9.8)	35.4
Result from investments accounted for using the equity method	7.2	9.2
Profit Before Tax (EBT)	118.3	156.6
Income taxes	(26.4)	(29.9)
Non-controlling interests in net profit	(4.8)	(42.9)
Group Net profit	87.1	84.6

MFE Group

Reclassified balance sheet

	30-Jun-23	31-Dec-22
TV and movie rights	814.2	775.3
Goodwill	804.3	804.2
Other tangible and intangible non-current assets	767.6	785.1
Equity investments and other financial assets	1,048.0	956.4
Net working capital and other assets/liabilities	200.8	496.4
Post-employment benefit plans	(48.7)	(50.5)
Net invested capital	3,586.3	3,766.8
Group shareholders' equity	2,776.2	2,667.9
Non-controlling interests	2.6	225.7
Shareholders' equity	2,778.7	2,893.6
Net Financial Position		
Debt/(Liquidity)	807.6	873.3

Alternative Performance Measures (non-GAAP): 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 indicate the sum of Revenues from sales of goods and services and Other income in order to state the aggregate positive income components generated by core business and to provide a reference measure for calculating the main operating profitability and net profitability indicators.

EBITDA - Gross Operating Result is calculated by taking the Net profit for the period (as provided for by the International Accounting Standards), adding Income taxes, then subtracting or adding Financial income/(losses) and Result from investments accounted for using the equity method and, finally, adding Amortisation, depreciation and impairment.

EBIT - Operating Result is calculated by taking the Net Profit for the period (as provided for by the International Accounting Standards), adding Income taxes, then subtracting or adding Financial income/(losses) and Result from investments accounted for using the equity method. EBIT is also shown in the consolidated income statement.

Net financial position shows the extent to which financial debt exceeds cash and cash equivalents and financial assets and is the summary indicator used by management to measure the Group's ability to meet its financial obligations.

Net invested capital is calculated by taking IFRS item Shareholders' equity and adding the Net financial position.

Free Cash Flow is a summary measure used by management to measure the net cash flow from operating activities. It is an indicator of the Group's organic financial performance and its ability to pay dividends to shareholders and support external growth and development operations.

IMPORTANT INFORMATION

Market Abuse Regulation

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

Presentation

The financial information included in this document is presented in millions of euros. Changes were calculated using figures in thousands and not figures rounded to the nearest million. All figures in this document are unaudited.

Forward-looking Statements

This document contains 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 this document 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) global and regional economic and financial conditions, as well as political and business conditions or other developments; (c) interruption in the Group's manufacturing and distribution facilities; (d) its ability to successfully innovate, develop and launch new products and product extensions and on effectively marketing its existing products; (e) actual or alleged non-compliance with applicable laws or regulations and any legal claims or government investigations in respect of the Group's businesses; (f) difficulties associated with successfully completing acquisitions and integrating acquired businesses; (g) the loss of senior management and other key personnel; and (h) changes in applicable environmental laws or regulations.

The forward-looking statements contained in this document are valid only until the date of publication.

The Group is under no obligation (and expressly refutes any such obligation to) to revise or update any forward-looking statements to reflect events or circumstances after the date of this document 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 this document are based on estimates compiled by analysts, competitors, industry professionals and organisations in the sector, as well as publicly available information or of the Group's own assessment of its markets and sales. Rankings are based on revenue, unless otherwise stated.