

## PRESS RELEASE

### THE BOARD OF DIRECTORS OF MFE–MEDIAFOREUROPE N.V. APPROVES RESULTS FOR FIRST NINE MONTHS OF 2023

- EBIT UP SLIGHTLY
- REVENUES SUBSTANTIALLY STABLE
- COSTS DOWN 2.1%

#### KEY FIGURES FOR MFE-MEDIAFOREUROPE N.V.

**Consolidated net revenues:** €1,862.2 million

**Operating Result (EBIT):** €98.3 million

**Free Cash Flow:** €285.8 million

**Net profit:** €71.0 million

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

Thanks to MFE's growing international presence, the Group's financial performance exceeded expectations, despite facing challenges such as the complex global geopolitical climate, the ECB's ongoing policy of rate rises, the impact of inflation, and varying advertising trends in the individual countries of operation.

It should also be noted that, as of this quarter, MFE's 26.28% shareholding in ProsiebenSat1 Media SE is consolidated at equity in accordance with IAS 28. The income statement therefore includes €3.9 million in income under the heading "Result from investments", which corresponds to the share of the affiliated company's consolidated results for the period under review. The net profit of ProsiebenSat1 Media SE was impacted, on one hand, by the ongoing mediocre performance of advertising revenues in Germany and other German-speaking countries, and on the other hand, by the positive effect of lower TV costs and an upswing in revenue from the Commerce and Venture business.

The advertising market in Italy and Spain continued to be relatively weak, even when considering the low seasonality of investments. Nevertheless, the Group's advertising revenues has remained largely stable compared to the first nine months of 2022, a notably positive trend in comparison to other European broadcasters.

MFE was therefore able to achieve a substantial consolidated net profit, thanks to its broadcasting strategy focused on national television products and careful cost control. Furthermore, despite the completion of the Mediaset España share purchase, the further consolidation of the investment in ProsiebenSat1 and the payment of dividends, MFE kept its net financial debt unchanged compared to 31 December thanks to strong free cash flow.

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

#### GROUP

- **Consolidated net revenues** amounted to **€1,862.2 million**, substantially stable compared to €1,900.1 million in the first nine months of 2022.
- **Gross advertising revenues** amounted to **€1,824.8 million** compared to the same period in 2022 (€1,846.2 million) – a better performance than 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 **€1,763.9 million**, a fall of 2.1% compared to €1,802.5 million in the first nine months of 2022. This

excellent result was partly driven by savings achieved earlier than expected thanks to the synergies from the merger with Spain, which is even more significant considering that inflation in the two countries of operation has been at an all-time high since the introduction of the Euro.

- **Operating Result (EBIT)** was **€98.3 million**, slightly up from €97.6 million in the same period of 2022.

- **Group net profit** was **€71.0 million**, compared to €78.5 million in the same period of the previous year. This highly positive figure must also be examined taking into account some fluctuating items: the considerable decrease in the pro-rata contribution generated overall by the equity investment in ProSiebenSat1 Media SE, partly as a result of the change in consolidation method, the increase in financial expenses due to higher underlying interest rates, and the increase in the share in the Group's Spanish operations.

- **Consolidated net financial debt** as at 30 September 2023 amounted to **€877.5 million**, stable compared to €873.3 million as at 31 December 2022 despite investments in development in Spain and Germany (€145.9 million) and shareholder remuneration (€140.0 million for the distribution of MFE dividends in July).

Excluding liabilities recognised from 2019 onwards in accordance with IFRS 16 and the residual financial debt for the acquisitions of the equity investment in ProSiebenSat.1 Media SE, the adjusted net financial debt amounted to €741.6 million.

- **Free cash flow** was positive at **€285.8 million** compared to €359.1 million in the first nine months of 2022.

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

#### **ITALY**

- The Group's **gross advertising revenues** from the media it manages (free TV channels, proprietary radio stations, websites) totalled €1,299.1 million, in line with the €1,309.2 million achieved in 2022, partly due to the outstanding results in broadcasting.

- **TV ratings.** Mediaset strengthened its audience leadership and, based on Auditel figures, in the nine months it also took first place in the overall viewership with a 37.6% share over the 24-hour period. In terms of the target commercial audience, the Mediaset networks increased their dominance across all time slots, particularly during Prime Time (41.0%), where they surpassed their direct competitors by over six percentage points. Canale 5 was the top-rated network – and Italia 1 was the third-rated network – across all the time slots for the target audience aged between 15 and 64 years.

#### **SPAIN**

- **Gross advertising revenues**, showed a gradual improvement in the third quarter, following market challenges in the first half of the year, in line with the results of the previous year: at the end of September 2023 they stood at **€525.7 million**, compared to €538.1 million for the same period in 2022.

- **TV ratings.** Over the 24-hour period, Mediaset España achieved 28.0% of the commercial target audience. In Prime Time it reached 26.5% of the commercial target audience.

### **EXPECTATIONS FOR THE FULL YEAR**

In the broader context of the conflict in Ukraine, the new and serious crisis in the Middle East, and a European economic climate that remains highly uncertain and volatile, the market outlook in Italy and Spain still remains better than in other major countries.

Specifically, in October, the Group's advertising revenues in Italy saw a robust growth of 8% compared to the same month in 2022 – the highest increase in the last seven years. Projected growth in November is expected to be similar to that of October, largely due to the strong audience performance of all the Group's Italian media outlets.

In Spain, despite the continuing political uncertainty following the July elections, advertising revenues in October nonetheless outperformed those of the first half of the year. In recent weeks, the political events connected to the appointment of the new government have created fresh uncertainty and volatility in consumer spending and the advertising market.

In relation to the Group's advertising revenue at the end of the year, it is important to note that the comparison with the final months of 2022 in both Italy and Spain should be significantly favourable,

as it will not be influenced by the Football World Cup held in Qatar last year, for which MFE did not hold the rights.

Therefore, the forecast of positive EBIT, Net Profit and Free Cash Flow by the year-end is confirmed, owing to both the better-than-anticipated results for the first nine months and the increased momentum of advertising revenues in the final quarter, where the majority of investments are focused.

Finally, it should be noted that the Group's earnings on annual basis will include its share of the consolidated net profit for the second half-year of ProsiebenSat1 Media SE, which, as of 30 June 2023, is accounted for using the equity method pursuant to IAS 28.

Amsterdam – Cologno Monzese, 23 November 2023

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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).

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## MFE GROUP

### Reclassified Income Statement

	9M 2023	9M 2022
<b>Consolidated net revenues</b>	<b>1,862.2</b>	<b>1,900.1</b>
Personnel expenses	(345.5)	(343.7)
Purchases, services, other costs	(1,079.2)	(1,098.4)
<b>Operating costs</b>	<b>(1,424.6)</b>	<b>(1,442.2)</b>
<b>Gross Operating Result (EBITDA)</b>	<b>437.6</b>	<b>458.0</b>
TV rights amortisation	(278.4)	(297.4)
Other amortisation, depreciation and impairments	(60.9)	(62.9)
<b>Amortisation, depreciation and impairments</b>	<b>(339.3)</b>	<b>(360.3)</b>
<b>Operating Result (EBIT)</b>	<b>98.3</b>	<b>97.6</b>
Financial income/(losses)	(17.3)	35.7
Result from investments accounted for using the equity method	13.6	12.4
<b>Profit Before Tax (EBT)</b>	<b>94.6</b>	<b>145.7</b>
Income taxes	(18.3)	(20.4)
Non-controlling interests in net profit	(5.4)	(46.8)
<b>Group net profit</b>	<b>71.0</b>	<b>78.5</b>

## MFE Group

### Reclassified balance sheet

	30-Sep-23	31-Dec-22
TV and movie rights	779.4	775.3
Goodwill	804.7	804.2
Other tangible and intangible non-current assets	764.1	785.1
Equity investments and other financial assets	1,040.2	956.4
Net working capital and other assets/liabilities	300.2	496.4
Post-employment benefit plans	(48.6)	(50.5)
<b>Net invested capital</b>	<b>3,640.0</b>	<b>3,766.8</b>
Group shareholders' equity	2,759.7	2,667.9
Non-controlling interests	2.8	225.7
<b>Total Shareholders' equity</b>	<b>2,762.6</b>	<b>2,893.6</b>
<b>Net Financial Position</b>		
<b>Debt/(Liquidity)</b>	<b>877.5</b>	<b>873.3</b>

**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 starting with the Net result for the period (International Accounting Standards measure), adding income tax, subtracting or adding the items Financial income, Financial expenses and Result from investments accounted for using the equity method. The 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.