

GROUP EARNINGS

REVENUES

ProSiebenSat.1 Group recorded dynamic revenue growth in 2021: **Group revenues** increased by 11% or EUR 447 million year-on-year to EUR 4,494 million. The biggest growth driver was the Entertainment segment, with significantly higher advertising revenues than expected at the beginning of the financial year. At the same time, the synergistic diversification that the Group is driving forward in all segments is paying off. Part of this strategy was also the acquisition of the US online dating provider The Meet Group in September 2020, which has since strengthened the Dating & Video segment and had a very positive impact on Group revenues.

Even adjusted for currency effects and portfolio changes, Group revenues for the full year increased significantly by 10% to EUR 4,276 million (previous year: EUR 3,895 million)⁷. With the effects of the pandemic restrictions still noticeable in the first quarter of 2021, the Group posted record revenues for the corresponding period in both the second and third quarters. The key driver here was the Group's Entertainment advertising revenues, which recovered with dynamic growth from the second quarter onwards. These also recorded an increase in the third and fourth quarters – both year-on-year and compared with the pre-Corona year 2019. In addition, adjusted for portfolio and currency effects, the Commerce & Ventures segment contributed to the strong organic growth over the full-year.

EXTERNAL REVENUES¹

in EUR m

	Entertainment		Dating & Video		Commerce & Ventures		Total Group	
	2021	2020	2021	2020	2021	2020	2021	2020
Advertising revenues	2,323	2,090	—	—	150	135	2,473	2,225
DACH ²	2,083	1,873	—	—	150	135	2,233	2,007
Rest of the world	240	217	—	—	—	—	240	217
Distribution	179	169	—	—	—	—	179	169
Content	491	394	—	—	—	—	491	394
Europe	198	144	—	—	—	—	198	144
Rest of the world	293	250	—	—	—	—	293	250
Dating & Video	—	—	542	333	—	—	542	333
Dating	—	—	278	249	—	—	278	249
Video	—	—	263	84	—	—	263	84
Digital Platform & Commerce	—	—	—	—	701	807	701	807
Consumer advice	—	—	—	—	192	211	192	211
Experiences	—	—	—	—	77	87	77	87
Beauty & lifestyle	—	—	—	—	433	509	433	509
Other revenues	105	116	—	—	3	4	108	119
Total	3,098	2,768	542	333	854	945	4,494	4,047

¹ The previous year's figures have been adjusted to the segment structure in place since the first quarter of 2021.

² DACH = German-speaking region (Germany, Austria, Switzerland).

⁷ This does not include revenues from The Meet Group (acquired in September 2020) for the months January to August 2021. The contributions of myLoc, the hosting and infrastructure provider sold as of the end of September 2020, were also not included for the months January to September 2020. The contributions of the OTC provider WindStar, which was sold at the beginning of December 2020, were not included for the months January to November 2020, and the contribution of the film and TV distribution company Gravitas, sold as of mid-November 2021, was not included for the month of December 2020. Currency effects are determined by translating the previous year's revenues using the average rates applied in currency translation in the current financial year.

External revenues in the **Entertainment** segment increased to EUR 3,098 million in the financial year 2021 and were thus 12% or EUR 329 million above the previous year's figure. This increase reflects the momentum of the advertising business, which has recovered significantly, and better than initially expected, from the impact of the pandemic. For the full-year, the segment's advertising revenues grew 11% and were thus 2% above the level of the pre-Corona year 2019. Following a high-growth second and third quarter, advertising revenues in the fourth quarter not only exceeded the comparatively high level from the previous year, but were also above the pre-Corona level of the fourth quarter of 2019.

At the same time, the program production business recovered from the effects of the pandemic and developed dynamically in 2021: Revenues from program production and program sales increased significantly by 25% year-on-year. Distribution revenues grew by 6%, particularly reflecting a higher reach and increased HD usage. By contrast, other revenues declined due to consolidation: They were 9% below the previous year as a result of the deconsolidation of hosting provider myLoc managed IT AG ("myLoc") in September 2020. Adjusted for currency effects and portfolio changes, growth in external segment revenues amounted to 13%.

External revenues in the **Dating & Video** segment amounted to EUR 542 million for the full year, up EUR 209 million on the previous year's figure. This significant increase of 63% was driven by the acquisition of The Meet Group, which has been complementing the Group's portfolio synergistically since September 2020. Since this acquisition, the main revenue market⁸ of ParshipMeet Group has been the USA, which contributed 55% to the segment's revenues in 2021 (previous year: 42%). The German-speaking region accounted for 28% of revenues (previous year: 42%) and the rest of the world for 17% (previous year: 16%).

The Dating unit contributed EUR 278 million, or 51%, to the segment's external revenues (previous year: EUR 249 million). The Video unit generated a revenue contribution of EUR 263 million (previous year: EUR 84 million). The previous year's figure corresponds to the revenue contribution of the Video business from the consolidation of The Meet Group in September 2020. Its most important revenue market is the US, where government stimulus programs stimulated private consumption in the financial year 2021. This had a positive effect on Video revenues, particularly in the first quarter of 2021.

Adjusted for currency effects and portfolio changes, revenues in the Dating & Video segment were almost at the level of the previous year. While the US matchmaking service eharmony recorded strong organic growth year-on-year, the high previous-year figure had the opposite effect for ParshipMeet-Group: In 2020, ParshipMeetGroup had strongly benefited from the restrictions on public life resulting from the pandemic and accordingly dynamically increased its revenues.

→ Group Environment

External revenues in the **Commerce & Ventures** segment amounted to EUR 854 million in 2021 (previous year: EUR 945 million), 10% below the previous year's figure, particularly due to deconsolidations. This development mainly reflects the disposal of the OTC provider WindStar Medical GmbH (WindStar, Beauty & lifestyle) in December 2020.

Segment revenues adjusted for currency effects and portfolio changes thus increased, recording an increase of 3% or EUR 25 million. Organic growth was achieved particularly by the online beauty provider Flaconi GmbH ("Flaconi", Beauty & lifestyle). Strong growth rates were also recorded by the car rental comparison portal billiger-mietwagen (Silvertours GmbH, "Silvertours", Consumer advice), albeit not yet at pre-pandemic levels. At the same time, the investment vehicle SevenGrowth and SevenVentures, with the media-for-equity and media-for-revenue businesses, increased their revenues. By contrast, the increasingly difficult situation in the energy market had a negative impact on the online comparison portal of Verivox GmbH (Verivox, Consumer advice). In addition, the experience and leisure business of Jochen Schweizer mydays Holding GmbH (Jochen

⁸ Revenues generated at the customer's location.

Schweizer mydays; Experiences) was negatively impacted by the pandemic environment. This particularly applies to the fourth quarter and the general reluctance to buy against the backdrop of the Omicron wave.

→ Development of Relevant Market Environments

REVENUE SHARE BY SEGMENT¹

	2021	2020
Entertainment		
Advertising revenues DACH ²	46%	46%
Other Entertainment revenues	23%	22%
Dating & Video	12%	8%
Commerce & Ventures	19%	23%

1 The previous year's figures have been adjusted to the segment structure in place since the first quarter of 2021.

2 DACH = German-speaking region (Germany, Austria, Switzerland).

REVENUES BY REGION¹

in EUR m

	2021	2020
DACH ²	3,504	3,349
USA	878	620
Other	111	77
Revenues	4,494	4,047

1 Revenues, generated at the subsidiary's registered office.

2 DACH = German-speaking region (Germany, Austria, Switzerland).

» INFORMATION

At 78%, ProSiebenSat.1 Group generates the majority of its revenues in the DACH region (previous year: 83%).

ADJUSTED EBITDA

ProSiebenSat.1 Group's **adjusted EBITDA** increased significantly over full-year 2021, reflecting the strong growth in revenues and particularly the recovery of the advertising market: Adjusted EBITDA amounted to EUR 840 million in 2021, a clear increase of 19% or EUR 135 million compared with the previous year. The **adjusted EBITDA margin** increased accordingly to 18.7% (previous year: 17.4%). The Group's dynamic revenue growth thus more than compensated for the as expected increased investments in programming in 2021, enabling the Group to increase its profitability for the year. As announced at the beginning of the year, the Group is taking advantage of the positive advertising market environment to strengthen the reach and market share of its entertainment offerings in the medium- and long-term by focusing on local and live content.

ADJUSTED EBITDA BY SEGMENT¹

in EUR m

	2021	2020	Absolute change	Change in %	Adjusted EBITDA margin 2021 (in %) ²	Adjusted EBITDA margin 2020 (in %) ²
Entertainment	698	561	137	24.4	21.7	19.4
Dating & Video	119	80	39	48.7	21.9	23.9
Commerce & Ventures	50	84	-34	-40.6	5.8	8.7
Reconciliation (Holding & other)	-26	-19	-7	38.6	—	—
Total adjusted EBITDA	840	706	135	19.1	18.7	17.4

¹ The previous year's figures have been adjusted to the segment structure in place since the first quarter of 2021.

² Based on segment revenues.

The **Entertainment** segment increased its **adjusted EBITDA** by EUR 137 million to EUR 698 million in the financial year 2021, while the **adjusted EBITDA margin** rose to 21.7% (previous year: 19.4%). These positive developments were driven primarily by growth in the advertising business, which has been steadily recovering from the effects of the pandemic since the second quarter of 2021. In addition, revenue growth in the content and distribution business improved the segment's profitability. Higher investments in programming, as expected, had the opposite effect, although this was overcompensated by the very good advertising business performance. The Group's goal is to consolidate its market leadership in the advertising-relevant target group in prime time with its programming strategy and a focus on local, relevant live content.

The **Dating & Video** segment also recorded an increase in earnings: **Adjusted EBITDA** grew by EUR 39 million to EUR 119 million in the financial year 2021. This is mainly due to the acquisition of The Meet Group in September 2020 and thus its inclusion in the financial year 2021 in total. By contrast, the **adjusted EBITDA margin** of the segment declined to 21.9% (previous year: 23.9%) and reflects the different margin structures of the business areas within the Dating & Video portfolio.

Adjusted EBITDA of the **Commerce & Ventures** segment amounted to EUR 50 million for the full year, down EUR 34 million on the previous year's figure of EUR 84 million. The **adjusted EBITDA margin** declined to 5.8% (previous year: 8.7%). The earnings performance was characterized by the effects that also impacted the segment's revenues: On the one hand, the disposal of WindStar and its positive earnings contribution of EUR 18 million in the previous year had a major impact. Secondly there were investments in new growth initiatives and temporary effects. These characterized the earnings performance in the fourth quarter of 2021 in particular. In view of rising infection rates due to the omicron outbreak, consumers were cautious in their consumption behavior, while the high rate of inflation and the increasingly tense situation on the energy market also had an impact. The latter impacted the business of our price comparison portal Verivox.

→ Revenues

EBITDA

The Group's EBITDA in the financial year 2021 included **reconciling items** of minus EUR 36 million, compared with plus EUR 95 million in the previous year. The previous year's figure was mainly impacted by income from changes in the scope of consolidation, including the disposals of WindStar (EUR 106 million) and myLoc (EUR 35 million).

The reconciling items include **income to be adjusted** of EUR 7 million, compared with EUR 141 million for the 2020 financial year. **Expenses** also included in the reconciling items and **to be adjusted** in adjusted EBITDA amounted to EUR 43 million (previous year: EUR 46 million). The largest single item was M&A expenses, which amounted to EUR 12 million and were distributed almost equally among the three segments (previous year: EUR 24 million). Expenses from changes in the scope of consolidation amounted to EUR 10 million (previous year: EUR 0 million) and are almost entirely related to the disposal of Gravitas (EUR 10 million) in the fourth quarter of 2021.

Depreciation, amortization and impairments amounted to EUR 251 million in the financial year 2021 (previous year: EUR 248 million). Amortization of intangible assets amounted to EUR 155 million (previous year: EUR 160 million) and, like depreciation of property, plant and equipment, was slightly below the previous year's level (EUR 77 million; previous year: EUR 80 million). Impairments amounted to EUR 29 million (previous year: EUR 8 million) and were mainly recognized on intangible assets in the Entertainment and Commerce & Ventures segments, although this development was also positively offset by a reversal of impairments in Commerce & Ventures amounting to EUR 9 million.

PRESENTATION OF RECONCILING ITEMS WITHIN ADJUSTED EBITDA

in EUR m

	2021	2020
Adjusted EBITDA	840	706
Income from changes in scope of consolidation	1	140
Income from other one-time items	6	1
Income adjustments	7	141
M&A related expenses	-12	-24
Reorganization expenses	-7	-6
Expenses for legal claims	-1	-3
Fair value adjustments of share-based payments	-4	-5
Expenses from changes in scope of consolidation	-10	—
Expenses from other one-time items	-8	-7
Valuation effects relating to strategic realignments of business units	-1	-1
Expense adjustments	-43	-46
Reconciling items	-36	95
EBITDA	804	801

In this context, **EBITDA** increased slightly by EUR 3 million to EUR 804 million in financial year 2021. **EBIT** amounted to EUR 553 million (previous year: EUR 553 million) and was thus at the previous year's level despite significantly higher revenues. The previous year's figure is characterized by the positive reconciling items of EUR 95 million described above and, in particular, the income from changes in the scope of consolidation of EUR 140 million included therein. In addition, cost of sales and selling expenses increased in 2021 compared to the previous year reflecting the Group's growth. The following table provides a reconciliation of the various earnings figures to net income:

RECONCILIATION OF ADJUSTED EBITDA TO NET INCOME

in EUR m

	2021	2020	Absolute change	Change in %
Adjusted EBITDA	840	706	135	19.1
Reconciling items	-36	95	-131	~
EBITDA	804	801	3	0.4
Depreciation, amortization and impairment	-251	-248	-3	1.1
thereof from purchase price allocations	-58	-52	-6	11.0
Operating result (EBIT)	553	553	0	0.1
Financial result	54	-183	237	~
Income taxes	-165	-118	-47	40.1
Net income	442	252	190	75.3

FINANCIAL RESULT

The **financial result** improved significantly in the 2021 reporting period compared with the previous year and amounted to EUR 54 million (previous year: EUR -183 million). The very positive development of the financial result is characterized by the following developments:

The **interest result** showed a significant improvement to minus EUR 40 million (previous year: EUR -73 million). This was primarily due to the early bond repayment in January 2021. In addition, the **result from investments accounted for using the equity method**, also recognized in interest result, improved to minus EUR 41 million (previous year: EUR -77 million). As in the previous year, this mainly includes the Group's 50% share in the profit or loss of Joyn for the period.

The **other financial result** amounted to EUR 135 million (previous year: EUR -32 million). Firstly, this includes the valuation effects from other financial instruments of EUR 130 million (previous year: EUR 7 million), which were made up of various individual items. The largest single item is a positive valuation effect from fund investments of EUR 66 million (previous year: EUR 20 million). In addition, the valuation effect from other financial instruments is primarily characterized by the investment in ABOUT YOU (EUR 48 million). The other financial result also includes income of EUR 15 million from the valuation of contingent purchase price liabilities (previous year: EUR -30 million).

→ **Significant Events and Changes in the Scope of Consolidation**

Currency translation results improved by EUR 7 million and amounted to EUR 1 million (previous year: EUR -6 million).

INCOME TAXES

In the financial year 2021, ProSiebenSat.1 Group recorded expenses from **income taxes** of EUR 165 million (previous year: EUR 118 million). The increase compared with the previous year resulted primarily from the increase in the result before income taxes. Furthermore, the figures for 2021 take into account an adjustment of the provision for uncertain tax positions due to a decree by the tax authorities regarding a trade tax reduction for amounts from taxation under the controlled foreign corporation (CFC) rules of EUR 14 million. In addition, the effective tax rate was influenced by tax-free valuation effects and by non-capitalized deferred taxes on losses and income from investments accounted for using the equity method. The effective tax rate decreased from 31.9% in financial year 2020 to 27.2% for financial year 2021. The adjusted tax rate amounted to 34.9%, mainly due to the adjustment of the valuation effects and the aforementioned adjustment of the tax provision relating to the trade tax reduction from taxation under the controlled foreign corporation (CFC) rules.

NET INCOME AND ADJUSTED NET INCOME

INCOME STATEMENT

in EUR m

	2021	2020
Revenues	4,494	4,047
Cost of sales	-2,746	-2,468
Selling expenses	-712	-646
Administrative expenses	-501	-538
Other operating income/expenses	18	157
Operating result (EBIT)	553	553
Financial result	54	-183
Income taxes	-165	-118
Net income	442	252
Attributable to shareholders of ProSiebenSat.1 Media SE	449	267
Attributable to non-controlling interests	-7	-15

For the reasons mentioned, **net income** showed very significant growth, increasing by 75%, or EUR 190 million, to EUR 442 million. At the same time, **adjusted net income** moved up by 64%, or EUR 141 million, to EUR 362 million. As a result, **adjusted earnings per share** also showed clear growth, rising to EUR 1.60 (previous year: EUR 0.98). This positive development is reflected in the dividend proposal to shareholders.

→ Allocation of Profits

The reconciling items relevant for calculating adjusted net income are presented in the reconciliation below:

RECONCILIATION OF ADJUSTED NET INCOME

in EUR m

	2021	2020	Absolute change	Change in %
Net income	442	252	190	75.3
Reconciling items within EBITDA	36	-95	131	~
Depreciation, amortization and impairments from purchase price allocations	59 ²	52	6	11.9
Valuation effects in other financial result	-130	-7	-123	~
Valuation effects of put-options and earn-out liabilities ¹	-12	33	-45	~
Valuation effects from interest rate hedging transactions	—	-1	1	-100.0
Other effects	-5	12	-16	~
Tax effects on adjustments	-29	-19	-10	53.3
Subtotal	362	228	134	58.8
Net income attributable to non-controlling interests	7	15	-7	-49.8
Adjustments attributable to non-controlling interests	-7	-21	14	-68.8
Net income attributable to adjusted non-controlling interests	1	-6	7	~
Adjusted net income	362	221	141	63.8
Adjusted earnings per share (in EUR)	1.60	0.98		

¹ Including compounding and foreign currency effects of EUR 4 million (previous year: EUR 3 million).

² Including impacts on associates consolidated using the equity method in the amount of EUR 0 million.

FUNCTIONAL COSTS

The **cost of sales** rose by 11% to EUR 2,746 million (previous year: EUR 2,468 million) in the financial year 2021. Contributing to this increase were growth-related cost increases, especially in program production (EUR 75 million) and at the online beauty provider Flaconi (EUR 35 million), as well as higher consumption of programming assets of EUR 29 million (+3% y-o-y). In addition to these factors, which particularly reflect strong organic revenue growth, the acquisition of The Meet Group (EUR 161 million) had a cost-increasing effect compared with the previous year, which was partially offset by the disposal of WindStar (EUR 82 million). Adjusted for these portfolio effects, the increase in the cost of sales was only 8%, or EUR 199 million, while revenues expanded by 9% in the same period and from the same perspective.

As expected, programming expenses included in the cost of sales increased in the financial year, rising to EUR 1,055 million (previous year: EUR 1,023 million). In the previous year, the Group announced that it would be taking advantage of the positive advertising market environment to increase investments in its local program in order to expand its reach across all platforms, strengthen its competitive position, and thus also create the conditions for further advertising revenue growth in the future. Programming expenses for the full-year include in particular a consumption of programming assets of EUR 995 million (previous year: EUR 966 million) and expenses for productions directly expensed of EUR 60 million (previous year: EUR 57 million).

The Group's **selling expenses** rose by 10% to EUR 712 million (previous year: EUR 646 million). This development was driven primarily by the acquisition of The Meet Group (EUR 21 million). At the same time, selling expenses increased as a result of growth, for example at Flaconi (EUR 16 million).

By contrast, the Group's **administrative expenses** declined, amounting to EUR 501 million in the financial year 2021. The reasons for this decrease of 7% or EUR 37 million include lower expenses for consultancy services, lower depreciation on property, plant and equipment, and lower building costs.

Personnel expenses reported in cost of sales, selling expenses and administrative expenses totaled EUR 814 million. This corresponds to an increase of 14% or EUR 97 million compared with the previous year. This is mainly due to the dynamic development in all segments, with the higher business volume in program production (EUR 37 million) and the acquisition of The Meet Group (EUR 33 million) having a particular effect. In addition, higher provisions for variable compensation and the payment of a coronavirus bonus also had an impact.

ALLOCATION OF PROFITS

Since financial year 2018, ProSiebenSat.1 Media SE has pursued a general dividend policy of distributing around 50% of adjusted net income to the shareholders as a dividend. The Group uses cash inflows exceeding the dividend distribution primarily for investments in organic and inorganic growth as well as for debt reduction.

In view of the significant growth in adjusted net income and a successful business performance in the financial year 2021, the Executive Board recommends to the Supervisory Board, in line with the Group's dividend policy, to propose to the Annual General Meeting a dividend of EUR 0.80 for the financial year, which is significantly higher than the dividend of the previous year (EUR 0.49). This corresponds to a dividend yield of 5.7% based on the closing price of the ProSiebenSat.1 shares at the end of 2021 (previous year: 3.6%). The total dividend will thus increase to EUR 181 million, compared with EUR 111 million in the previous year.

RETURN ON CAPITAL EMPLOYED (ROCE)

ProSiebenSat.1 Group measures the medium-term financial success of the company on the basis of P7S1 ROCE (return on capital employed). In the medium-term, the Group is targeting a figure of more than 15% here. Against the background of the improved operating performance and the consistent sustainable management of the Group, ProSiebenSat.1 Group's **return on capital employed (P7S1 ROCE)** improved significantly to 14.1% in the financial year 2021. In the previous year, the figure was still 10.5%. The increase is mainly attributable to the positive development of adjusted EBIT. The increase in capital employed was caused in particular by the acquisition of The Meet Group in the third quarter of 2020.

→ [Planning and Management](#)

CALCULATION OF P7S1 ROCE

in EUR m

	2021	2020
Adjusted EBIT ¹	652	514
Plus pension expenses	1	2
Plus result from investments accounted for using the equity method	-41	-77
Return (ROCE)	612	439
Capital employed (average)²	4,337	4,189
P7S1 ROCE (in %)	14.1	10.5

1 Adjusted EBIT: Stands for adjusted earnings before interest and taxes. It describes the operating result (earnings before interest and taxes) adjusted for certain influencing factors (reconciling items). These factors include the reconciling items that flow into adjusted EBITDA as well as depreciation, amortization and impairments from purchase price allocations.

2 Capital employed is the difference between intangible assets (incl. goodwill and purchase price allocation), property, plant and equipment, investments accounted for using the equity method, media-for-equity investments, program assets, inventories, account receivables and other current assets less other provisions, trade payables, liabilities to at equity investments and other liabilities.

The figure relates to the average of the reporting dates of the last five quarters.