

OUR STRATEGY

WE EMPOWER BRANDS AND CREATE MOMENTS THAT MATTER

ProSiebenSat.1 is an innovative digital group and the home of popular entertainment and digital consumer brands. Our Group's strategic focus is on a diversified Group portfolio comprising three strong segments that complement each other: Entertainment, Dating & Video, and Commerce & Ventures.

Our aim is to grow profitably in all three segments. **Our ambition is to increase our Group revenues by an average of 4 to 5% per year in the medium- to long-term. At the same time, we are keeping a close eye on the profitability of our investments and aim to generate a P7S1 ROCE (return on capital employed) of more than 15% in the medium-term.** To this end, we also make consistent use of the synergies between our three business areas, which has a positive impact on the Group's revenue and earnings performance. Our reach and media power are the basis for this. However, we are not only focusing on the synergies between the Entertainment and Dating & Video or Entertainment and Commerce & Ventures segments but are also successfully working to ensure that the Group as a whole grows together and that all three segments interlock.

[→ annual-report2021.prosiebensat1.com/magazine/value-creating#love-at-first-thrill](https://annual-report2021.prosiebensat1.com/magazine/value-creating#love-at-first-thrill)

Empowering brands and creating moments that matter – this is the core of our Group and what drives us every day. We inform, we entertain, and we bring people together around the clock. We offer them products, services, and experiences that enrich their everyday lives. We thus reach millions of people day to day.

We broadcast entertainment and information on all platforms – live and on-demand. We thus make an important contribution to the formation and diversity of opinion. We use the wide reach of our entertainment offerings to make brands well known and create environments in which they can grow sustainably. This benefits not only our advertising customers' brands, but also our own consumer brands in the Dating & Video and Commerce & Ventures segments. Here, we invest in digital brands and business models as well as international platforms with long-term growth prospects and high synergy potential with our Entertainment segment.

OUR TARGETS & AMBITIONS

We want to be one of the leading digital first infotainment and entertainment providers in the German-speaking region (Germany, Austria, Switzerland) and use this strength to establish and expand global synergistic digital consumer platforms. With this strategy, ProSiebenSat.1 Group also intends to be attractive for all stakeholders in the medium- and long-term and to grow profitably in all three segments with a clear focus on earnings and cash flow – also in order to progressively increase the share of business areas outside TV advertising revenues in the German-speaking region (Germany, Austria, Switzerland) and thus further strengthen the resilience of the business model.

The focus is on consistent value creation. Therefore, the Group's medium-term goal remains to achieve a P7S1 ROCE (return on capital employed) of over 15%, to distribute a reliable dividend of around 50% of adjusted net income to shareholders, and to maintain its leverage ratio between 1.5x to 2.5x.

Over the past ten years, ProSiebenSat.1 Group has consistently diversified its business – particularly through the Dating & Video and Commerce & Ventures segments. With this successful strategy, the Group has grown by an average of 7% per year, more than doubling its revenues in this period. **Based on this strong revenue level, the Group has set itself the ambition of generating profitable, organic revenue growth of an average of 4 to 5% per year in the medium- to long-term.** The basis for this remains ProSiebenSat.1's clear strategy, which is focused on the value-creating interaction of the Group's business areas.

OUR GOAL

We are one of the leading digital first infotainment and entertainment providers in the German-speaking region (Germany, Austria, Switzerland) and use this strength to establish and expand global synergistic digital consumer platforms

WE ACHIEVE A LEADING COMPETITIVE POSITION BECAUSE ...

1. our **Entertainment segment** leads the market for **video content in the German-speaking region**
2. our other segments such as **Dating & Video** and **Commerce & Ventures** **benefit** amongst others **from our wide, relevant reach** and are therefore able to **establish leading, potentially even global brands**
3. we work in a **future-fit, digitally-focused organization**

**WE EMPOWER
BRANDS
AND CREATE
MOMENTS
THAT MATTER**

WE REMAIN HIGHLY ATTRACTIVE TO ALL STAKEHOLDERS BECAUSE ...

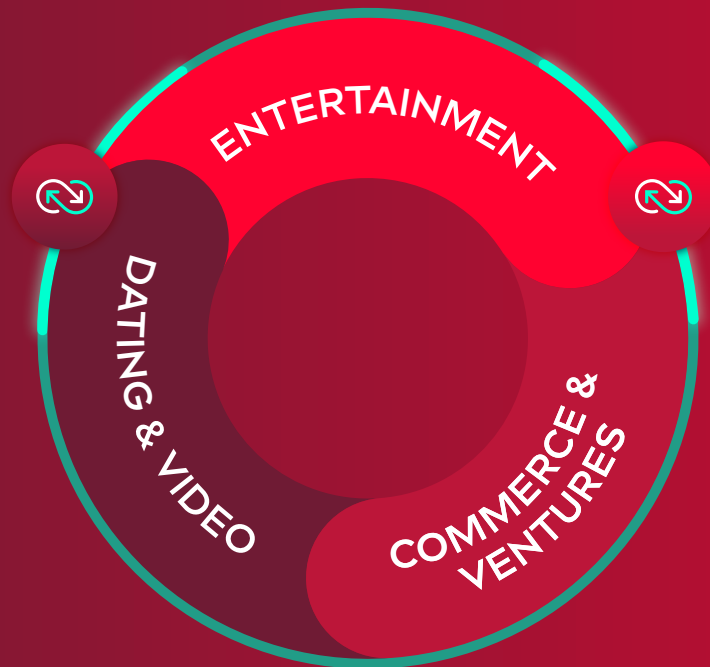
1. we continue to **create value for our shareholders** and have **strong growth ambitions**
2. we clearly **commit to our obligations** with regard to **society, diversity & inclusion, climate & environment** as well as **governance & compliance**
3. we are one of the **best employers in our industry**

OUR MEDIUM- TO LONG-TERM GROWTH AMBITIONS

We aim to achieve **average organic revenue growth of 4 to 5% per year**

- We invest in brands as long as we are the **best owner** or also **create value** by disposals
- We continue to create **value with a P7S1 ROCE of >15%**, distribute a **reliable dividend** to our shareholders (c. **50% of adjusted net income**) and maintain our **leverage ratio at 1.5x to 2.5x**

OUR SEGMENTS & SYNERGIES



ENTERTAINMENT SEGMENT

In the Entertainment segment, we concentrate on the core markets of Germany, Austria and Switzerland. Here, we unite leading linear and digital entertainment platforms with the content, distribution and sales business.

Our ambition is to act as market leader for video content in the German-speaking region (Germany, Austria, Switzerland) also in the future: To this end, we focus on the production of relevant, local content, which we increasingly produce ourselves and broadcast live and on-demand across all platforms in a targeted way. In particular, the streaming platform Joyn and our digital media and entertainment company Studio71 play an important role for our growing digital reach.

With our digital focus, we are increasing our total reach and strengthening our opportunities for monetization. Especially with modern, digital advertising products, we enable our advertising customers to address users in a targeted manner, which secures us additional revenue potential. In this way, we create a future-fit, profitable entertainment business and, at the same time, the foundation for growth in the other two segments.

COMMERCE & VENTURES SEGMENT

In the Commerce & Ventures segment, we bundle ProSiebenSat.1 Group's growth businesses, which we are building up and making successful with our media services and the power of our brands. Via our various investment formats, we can support companies at diverse stages of growth. **Our goal is to become the leading brand investor in the German-speaking region (Germany, Austria, Switzerland).** To this end, we are investing in digital consumer brands with long-term structural growth potential and synergies with our entertainment business.

Our investment strategy is smart. We finance growth without high cash investments using media, following the principle of "reach meets idea." With this investment strategy, we tap into new market segments and generate increasing returns.

We continually assess whether ProSiebenSat.1 is still the best owner or investor of the respective company in the next development phase. If a business no longer benefits to a high degree from cooperation within the Group or has no potential for an international platform business, we are willing to sell these well-developed commerce brands to a more suitable owner, realize the value created, and thus also strengthen our cash flow. At the same time, we can also create a new, separate growth pillar for the Group with successful companies that we have built up in this business area, such as most recently with Dating & Video.

DATING & VIDEO SEGMENT

Our Dating & Video segment is the best example of the success of our investment strategy. The area consisting of ParshipMeet Group grew out of a successful Commerce & Ventures business. The initial investment in the area of online match-making was made via a media-for-revenue participation in Parship in 2012. In the subsequent years, ProSiebenSat.1 acquired a majority stake and bought further online dating brands – most recently The Meet Group. Today, ParshipMeet Group offers a broad spectrum of online dating platforms. **Our goal is thus to establish ParshipMeet Group as one of the leading internationally operating mobile-first players in the dating and social entertainment sectors.** To this end, we are building a synergistic platform ecosystem for social entertainment, dating and online matchmaking.

ParshipMeet Group operates in a rapidly growing market environment with a broad-based revenue model, including short- and long-term subscriptions, the sale of virtual goods, and marketing and sales revenues. The platforms address a broad target group in a large geographical area. One key element is ParshipMeet Group's expertise in live video streaming. This strengthens our position in the dating business and unlocks new growth potential for the entire Group.

SYNERGIES ENTERTAINMENT – DATING & VIDEO

With the reach and sales offers of our platforms, the entertainment business has the power to further raise awareness of the ParshipMeet brands in the German-speaking markets. This has already significantly boosted the market leading positions of the Parship and ElitePartner services in the past. We also intend to closely connect and thus strengthen the areas of Entertainment and Dating & Video. We are unlocking new opportunities for value-creating collaboration by combining ParshipMeet Group's live video streaming expertise with our entertainment know-how.

SYNERGIES ENTERTAINMENT – COMMERCE & VENTURES

Through the reach and sales offers of our entertainment business, we are building up both our own commerce brands and those of our venture partners into leading consumer brands. With advertising on our platforms, we help the companies to raise their brand awareness and increase revenues and enterprise value. This gives rise to long-standing, close customer relationships between the companies and our sales unit. Combined with an attractive entertainment business, this investment strategy strengthens our ROI (return on investment) as well as our dividend yield. In addition, the data we generate through our commerce investments helps us to create addressable advertising offerings that are individually tailored to our users.