

ATRESMEDIA

9M19 Results

October 24th, 2019

www.atresmediacorporacion.com



“We believe in the power of reflection and emotion”

9M19 Highlights

- According to external sources, Total Ad market decreased by around 3% in 9M19 with TV down by 6%, Radio up by 2% and Digital up by 9%
- Atresmedia achieved 26.5% audience share in Total Individuals and 28.0% in Commercial Target. Both roughly in line with 9M18
- Atresmedia TV increased market share by 30bps up to 41.2%
- Atresmedia Digital revenue grew by 8% up to €33 mill
- Atresmedia Radio's NAR totaled €59 mill (+1% yoy)
- Atresmedia's Total Net revenue amounted to €724 mill; -3.2% yoy
- OPEX stood at €597 mill; -4.2% yoy
- EBITDA of €126 mill (+1.9% yoy) which implies EBITDA margin of 17.5%
- Net Profit reached €80 mill and FCF was €119 mill
- Total Net Debt stood at €179 mill (vs €231 mill at Dec 2018), less than 1x Net Debt /last 12m EBITDA

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9M19 Financial Summary

Atresmedia

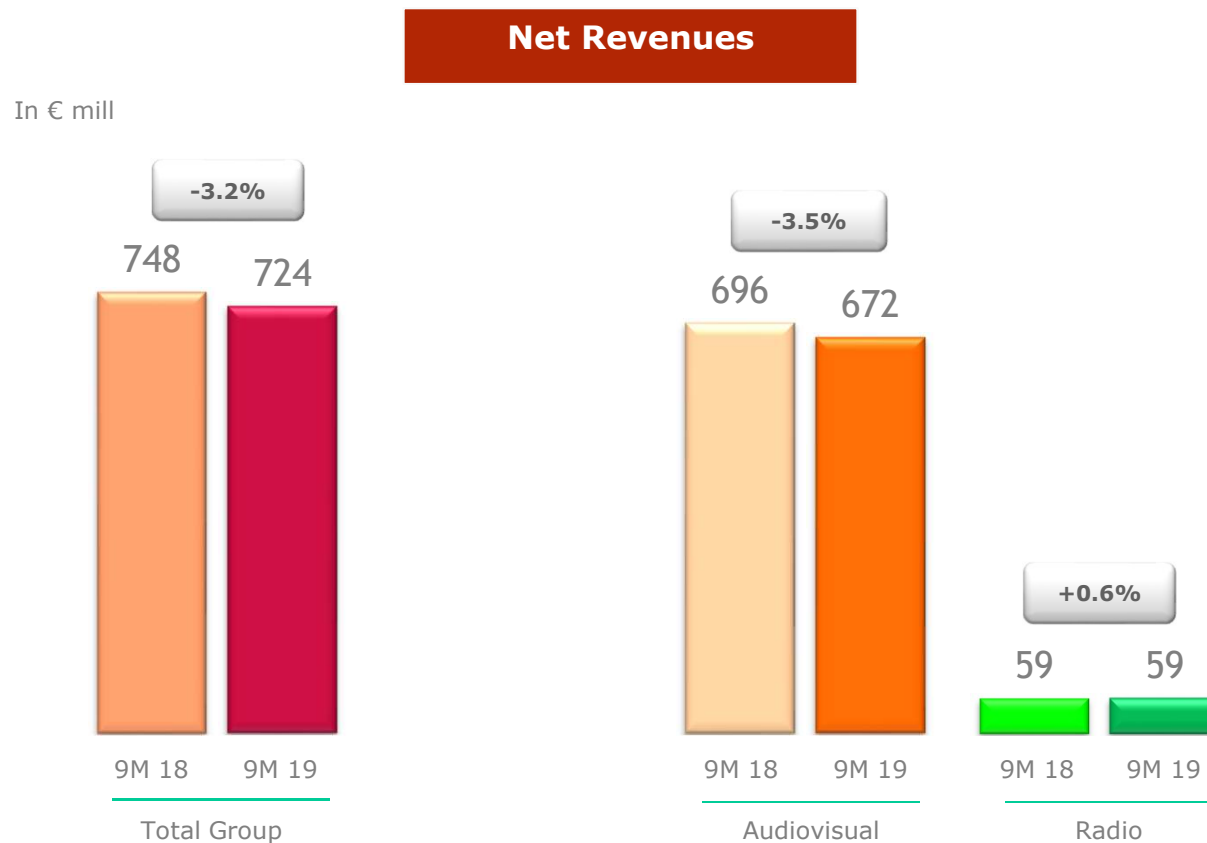
9M 19 Results in € mill: P&L

	9M 19	9M 18	YoY
Net Revenues	723.7	747.6	-3.2%
OPEX	597.3	623.6	-4.2%
EBITDA	126.4	124.0	+1.9%
<i>EBITDA Margin</i>	<i>17.5%</i>	<i>16.6%</i>	
EBIT	111.8	110.1	+1.5%
<i>EBIT Margin</i>	<i>15.4%</i>	<i>14.7%</i>	
Net profit	80.3	86.1	-6.8%
<i>Net profit Margin</i>	<i>11.1%</i>	<i>11.5%</i>	

Source: Atresmedia's financial statements

Atresmedia: Net revenues by segment

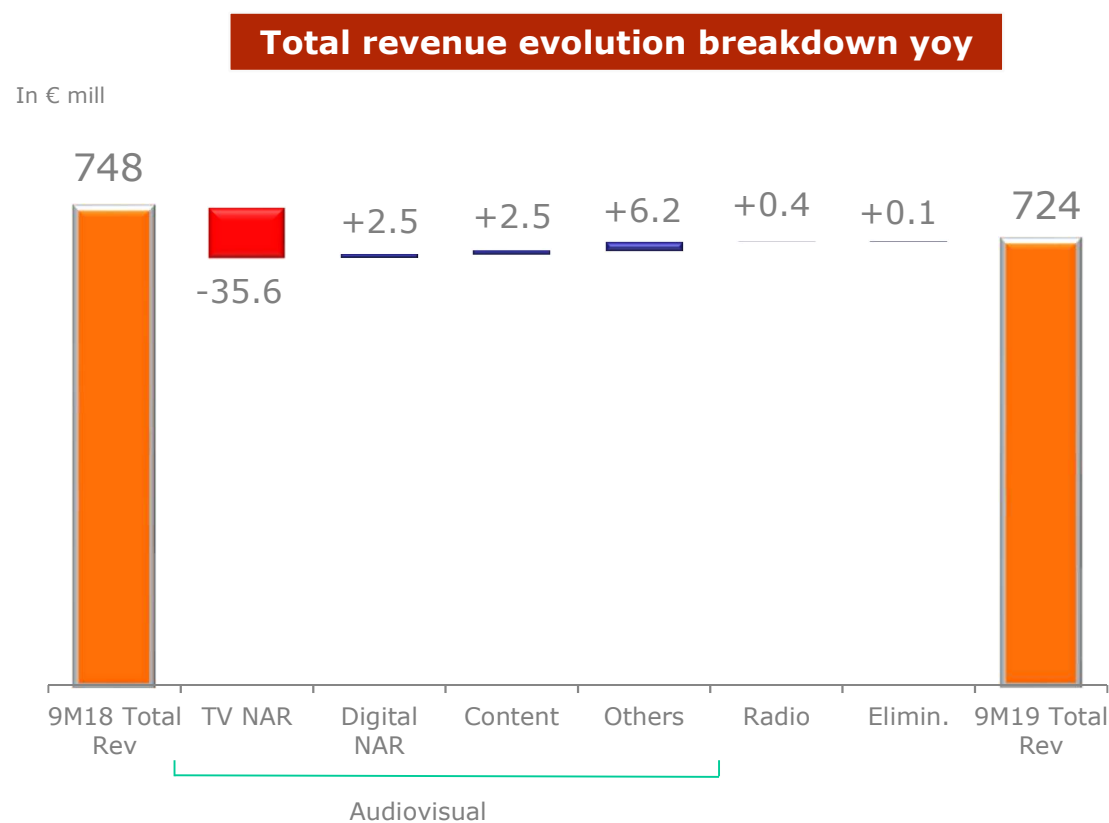
- Total Net Revenues stood at €724 mill, -3.2% yoy
- Audiovisual revenues were €672 mill (-3.5% yoy)
- Radio revenues totaled €59 mill (+0.6% yoy)



Source: Atresmedia's financial statements
Eliminations are not included

Atresmedia: Total revenue

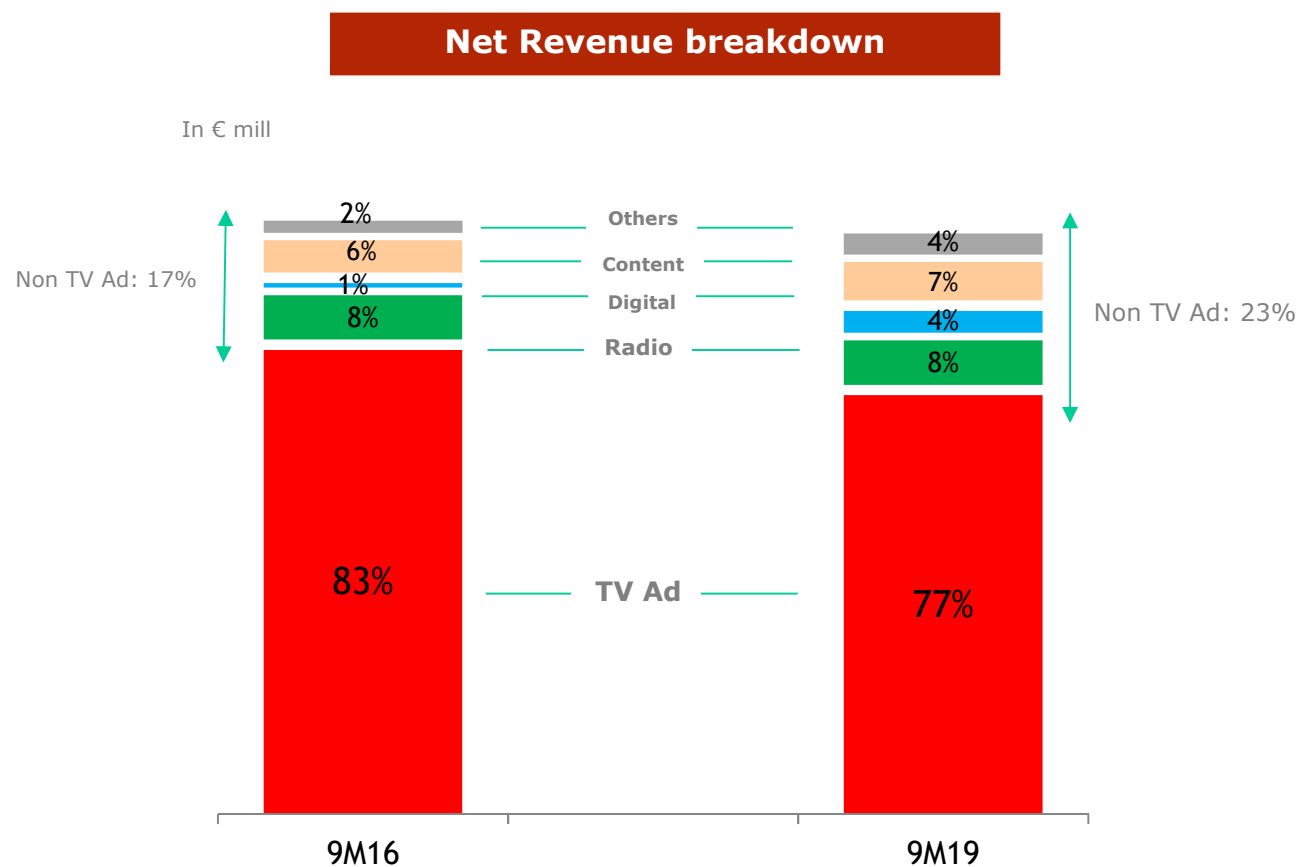
- TV NAR's decline due to the tough ad market conditions was partially offset by other activities



Source: Atresmedia's financial statements

Atresmedia: Total revenue breakdown & evolution

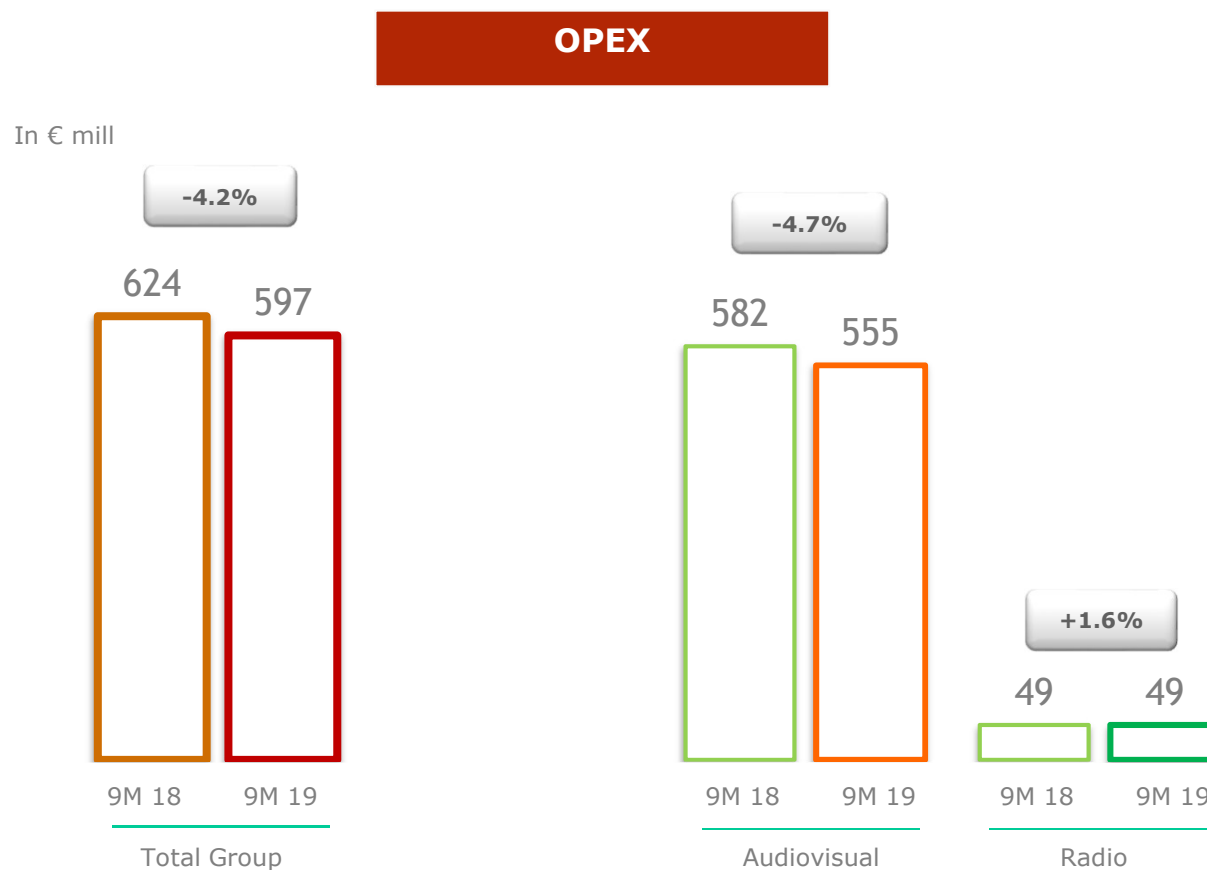
- In terms of diversification, non TV Ad revenue accounted for 23% of Total revenue in 9M19 vs 17% three years ago



Source: Atresmedia's financial statements
Eliminations are not included

Atresmedia: OPEX by segment

- Total OPEX was €597 million, -4.2% yoy
- Audiovisual expenses reached €555 mill (-4.7% yoy)
- Radio expenses: €49 mill (+1.6% yoy)



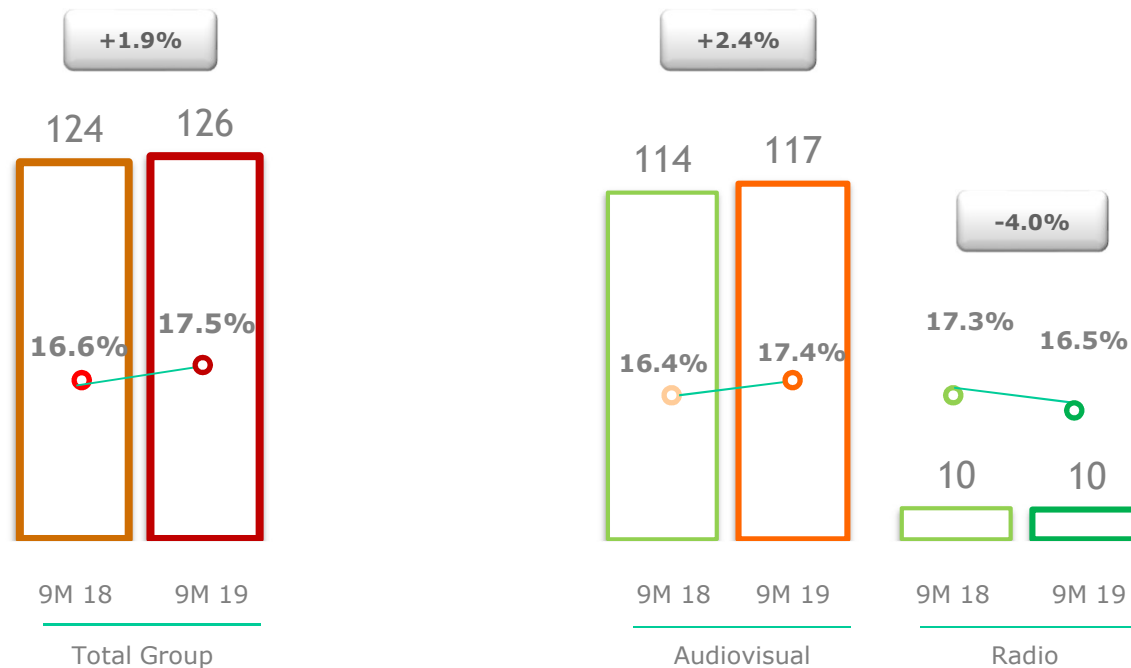
Source: Atresmedia's financial statements
Eliminations are not included

Atresmedia: EBITDA by segment

- ➔ Total EBITDA was €126 million, +1.9% yoy
- ➔ Total EBITDA margin improved in 90 bps yoy up to 17.5%

EBITDA & EBITDA margin

In € mill

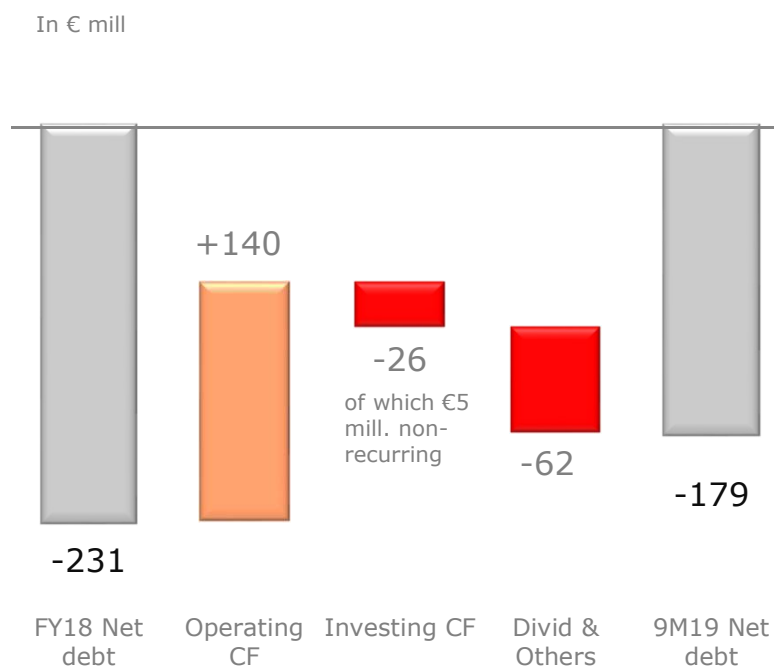


Source: Atresmedia's financial statements
Eliminations are not included

Atresmedia: Cash flow & Debt position

- ➔ Total net debt amounted to €179 million vs €231 million at Dec-2018
- ➔ FCF* = €119mill (~0.95x EBITDA)
- ➔ Total net debt last 12 months/EBITDA = 0.95x

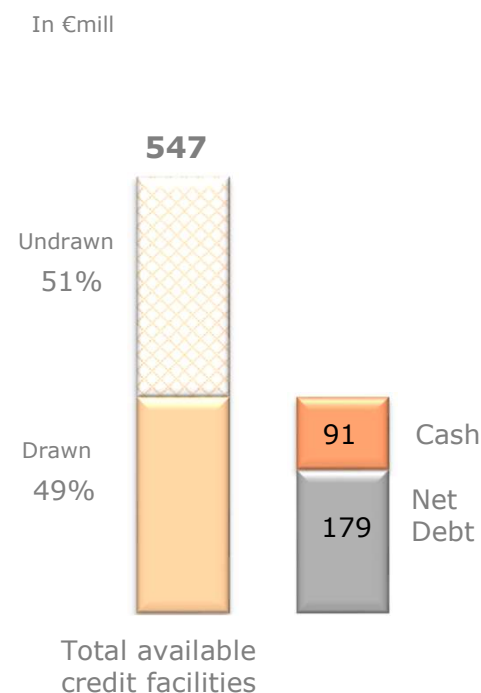
Cash flow



Source: Atresmedia's financial statements

*FCF= Net cash flow from operating activities – recurring CAPEX

Credit facilities



Source: Atresmedia's financial statements

Atresmedia Audiovisual

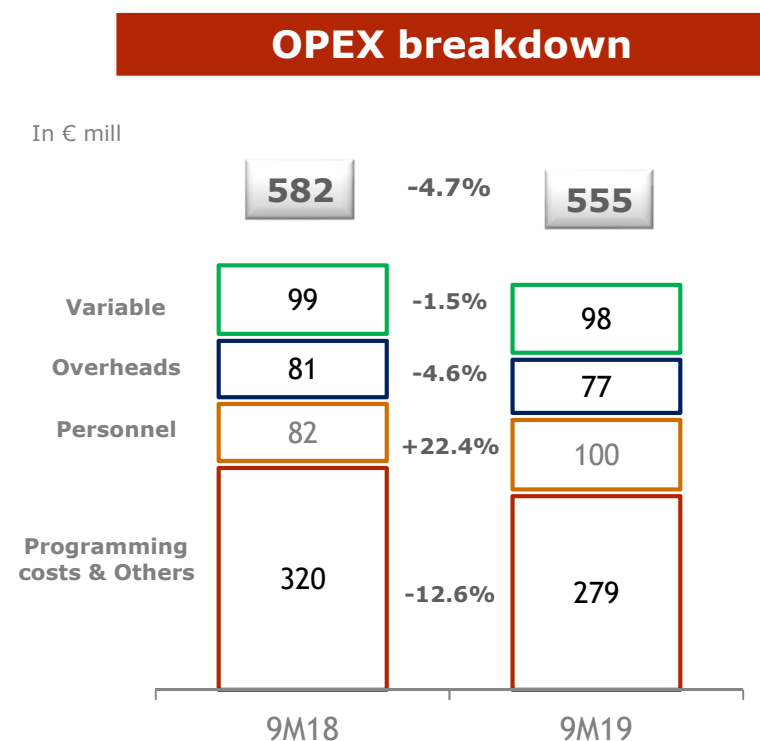
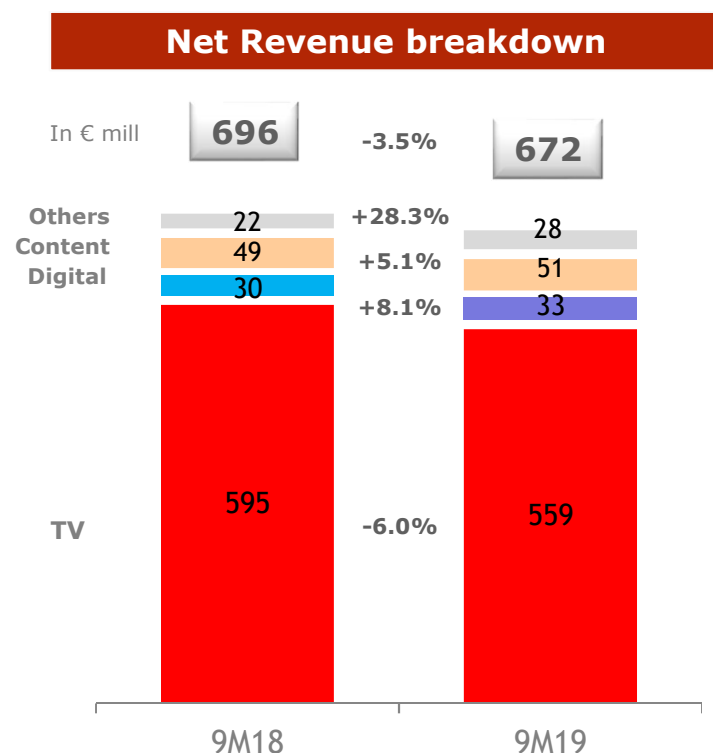
9M 19 Results in € mill: P&L

	9M 19	9M 18	YoY
Total Net Rev.	671.6	696.0	-3.5%
OPEX	554.9	582.1	-4.7%
EBITDA	116.6	113.8	+2.4%
<i>EBITDA Margin</i>	<i>17.4%</i>	<i>16.4%</i>	
EBIT	104.1	101.5	+2.6%
<i>EBIT Margin</i>	<i>15.5%</i>	<i>14.6%</i>	

Source: Atresmedia`s financial statements

Audiovisual: Breakdown

- Audiovisual Net Revenues: The increase in Digital, Content and Others was insufficient to offset the TV decline
- OPEX down by 4.7%, basically driven by savings in Programming Costs
- Personnel was up due to internal costs reallocations from Programming and Overheads into Personnel



Source: Atresmedia's financial statements

Atresmedia Radio

9M 19 Results in € mill: P&L

	9M 19	9M 18	YoY
Net Revenues	59.1	58.7	+0.6%
OPEX	49.3	48.6	+1.6%
EBITDA	9.8	10.2	-4.0%
<i>EBITDA Margin</i>	<i>16.5%</i>	<i>17.3%</i>	
EBIT	7.7	8.6	-10.8%
<i>EBIT Margin</i>	<i>13.0%</i>	<i>14.6%</i>	

Source: Atresmedia's financial statements

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9M 19 Operational Summary

Advertising market in Spain

- According to external sources, Total Ad market fell between 2% and 3% yoy
- TV Ad market was down by 6% approx. while Radio & Internet outperformed the overall market

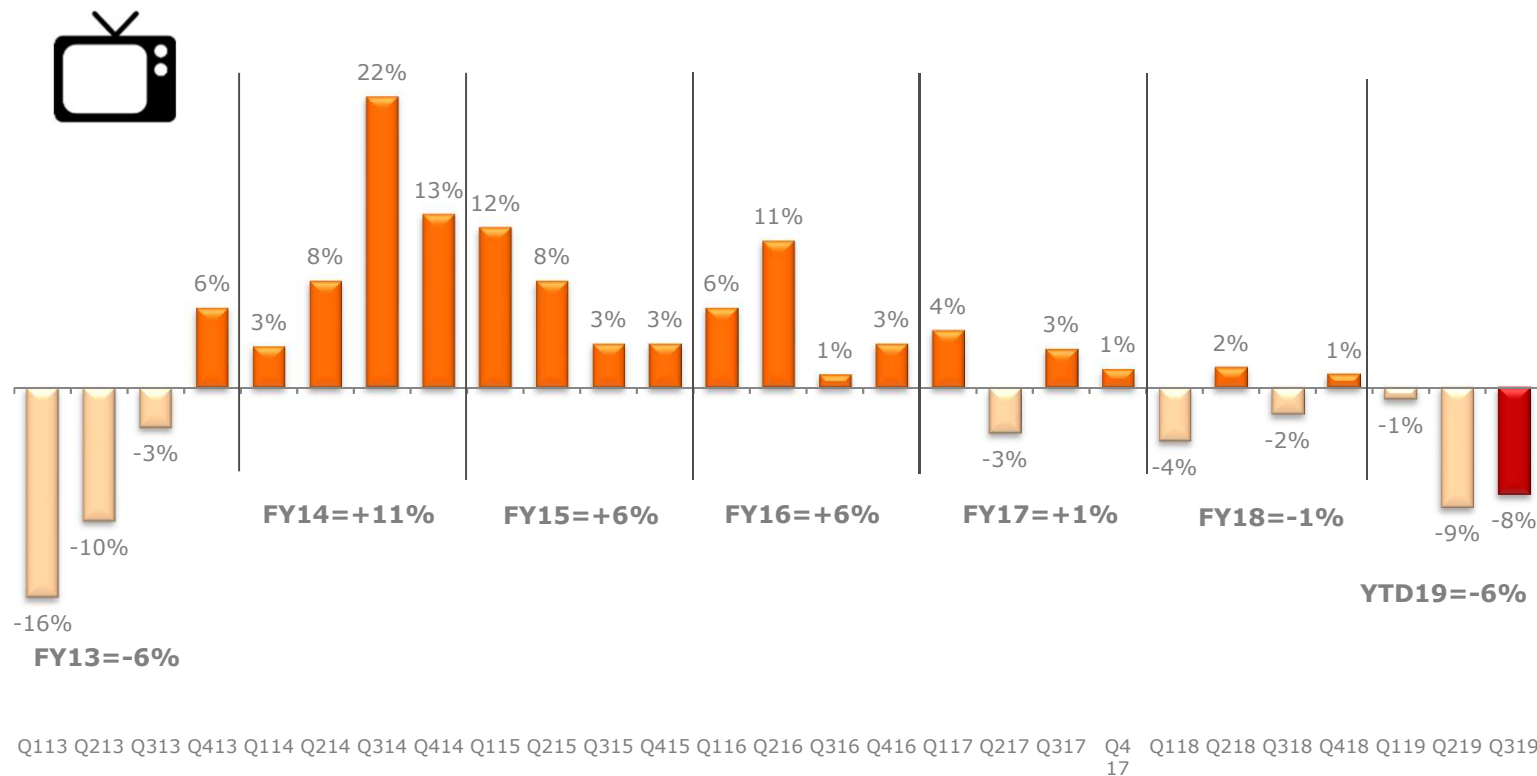
Media	I2p	Infoadex
TV	-6.3%	-6.3%
Radio	+1.3%	+2.0%
Newspapers	-8.9%	-9.6%
Magazines	-15.6%	-13.8%
Sunday suppl.	-9.5%	-9.6%
Outdoor	+1.9%	+2.1%
Internet	+10.3%	+9.2%
Cinema	+3.6%	+8.8%
Total	-2.2%	-3.0%

Source: I2p (ArceMedia) & Infoadex

TV Advertising market

- ➔ Negative year affected lack of sport events in FTA (FIFA World Cup & Champions League) and two election processes in Spain

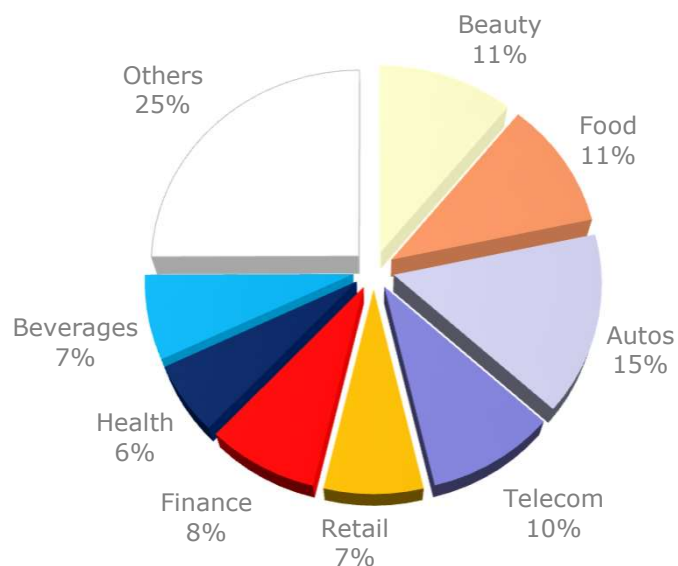
Gross Total TV Advertising by quarter (yoy growth)



Source: Infoadex

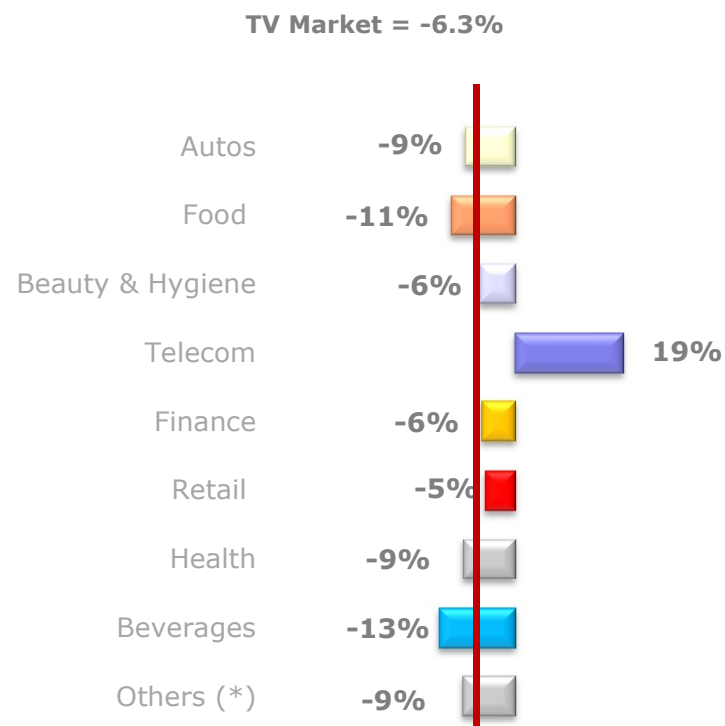
TV Advertising market by category

9M 19 TV Ad market share by category



Source: Internal estimates

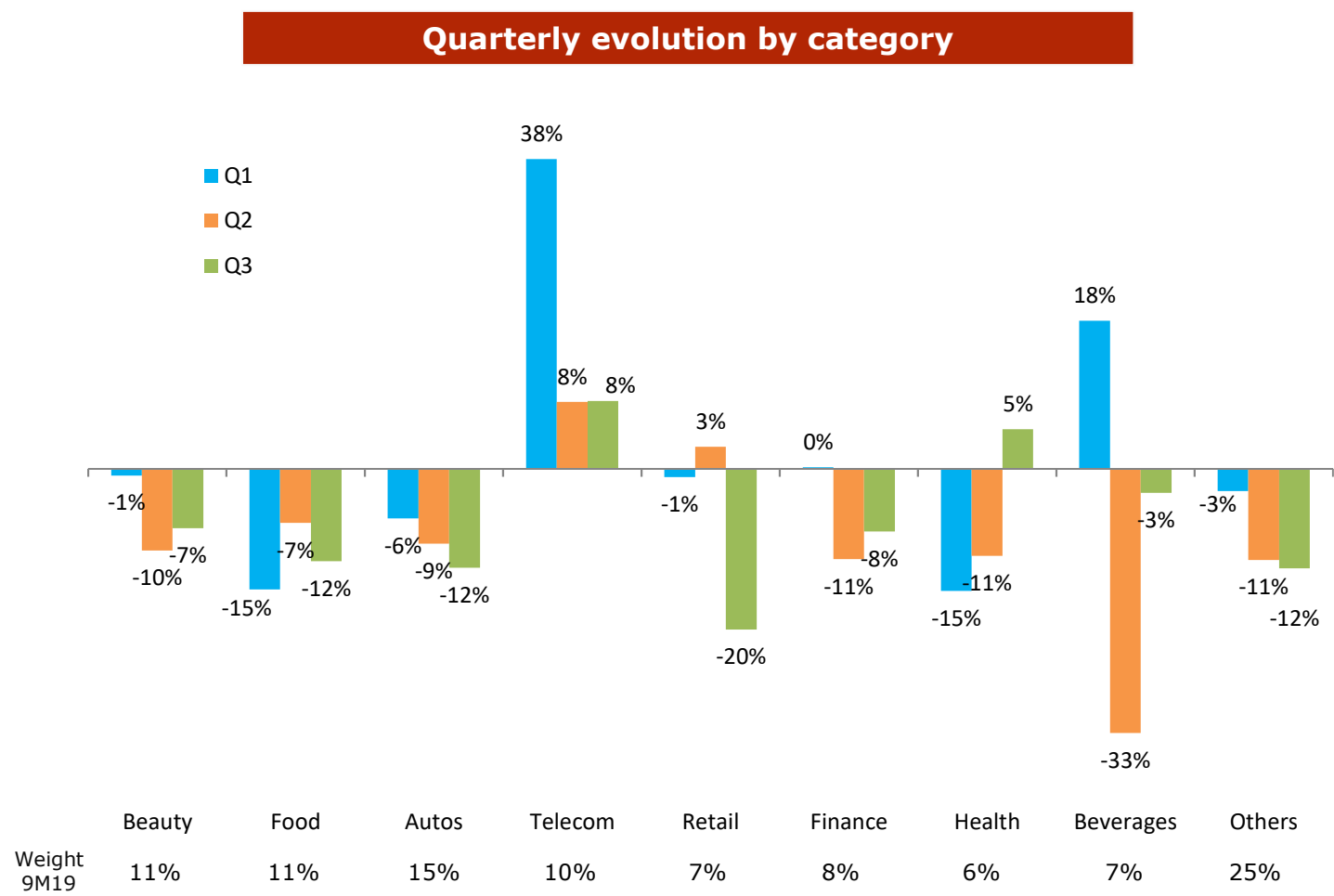
9M 19 TV Ad market evolution



*Others (<5% weight each): Cleaning, Leisure & sports, energy,...

TV Advertising market by category: Quarterly evolution

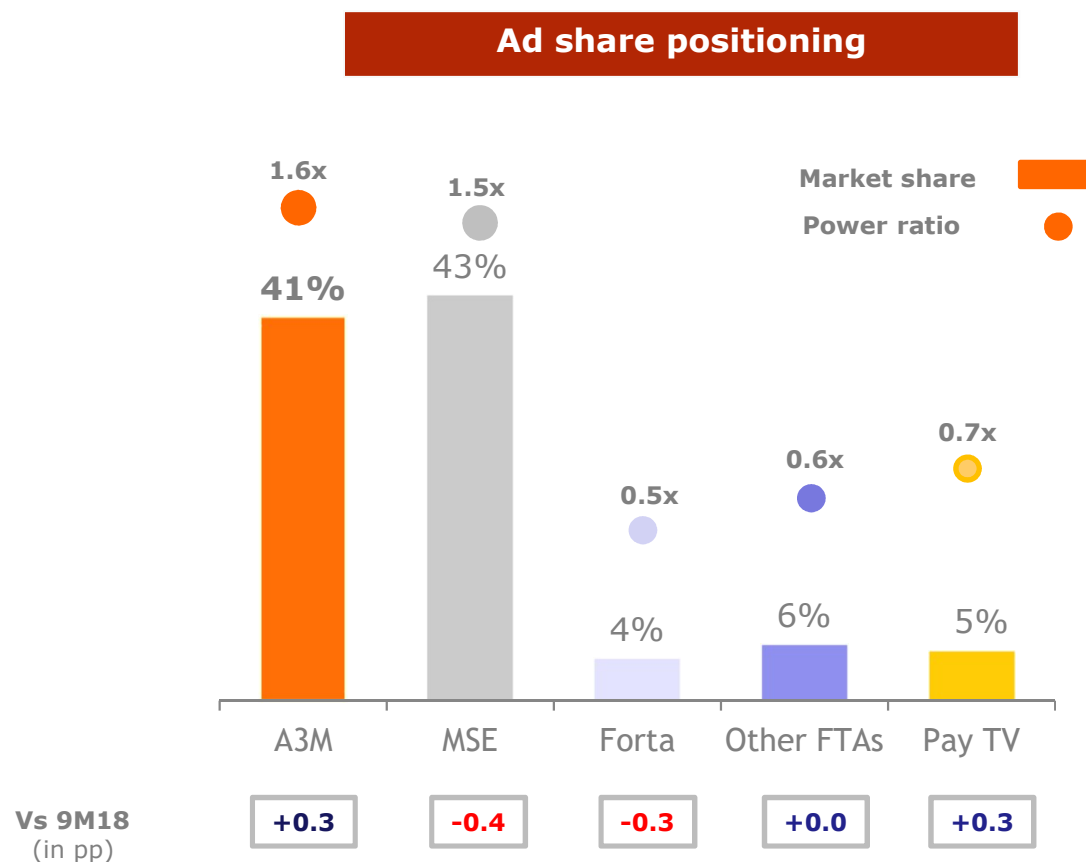
➔ Only Telecom increased its ad spending at every quarter



Source: Internal estimates

TV Ad market: Competitive position

- Atresmedia's market share stood at 41.2% (+30 bps vs 9M18)
- The highest power ratio in the industry (1.6x)



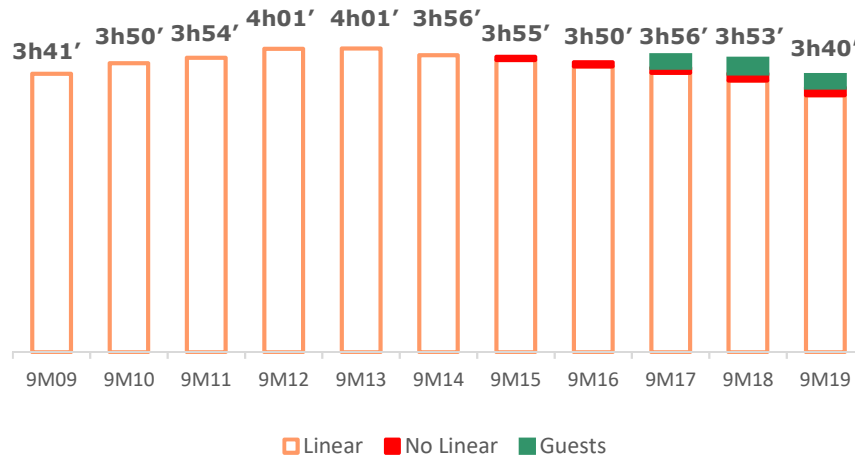
Source: Infoadex

TV viewing

➔ Linear TV viewing remained at very high levels (near 3h40min/day on average)

Average daily TV viewing

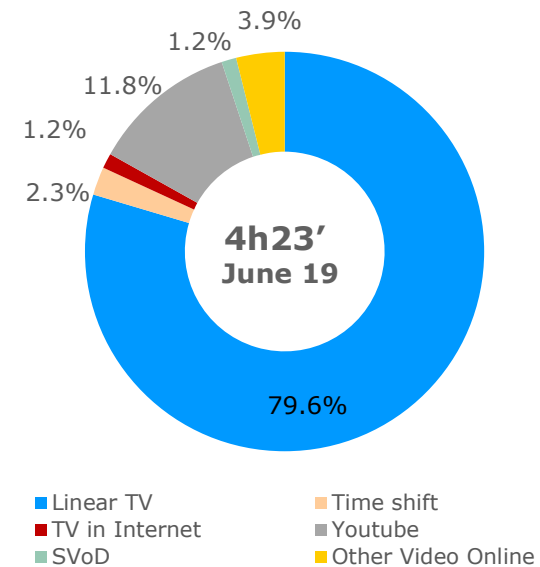
In hours



Source: Kantar Media. Non linear TV viewing includes +7 days viewing through TV set (TV viewing on desktops, tablet or mobile devices not included)

Average daily video viewing

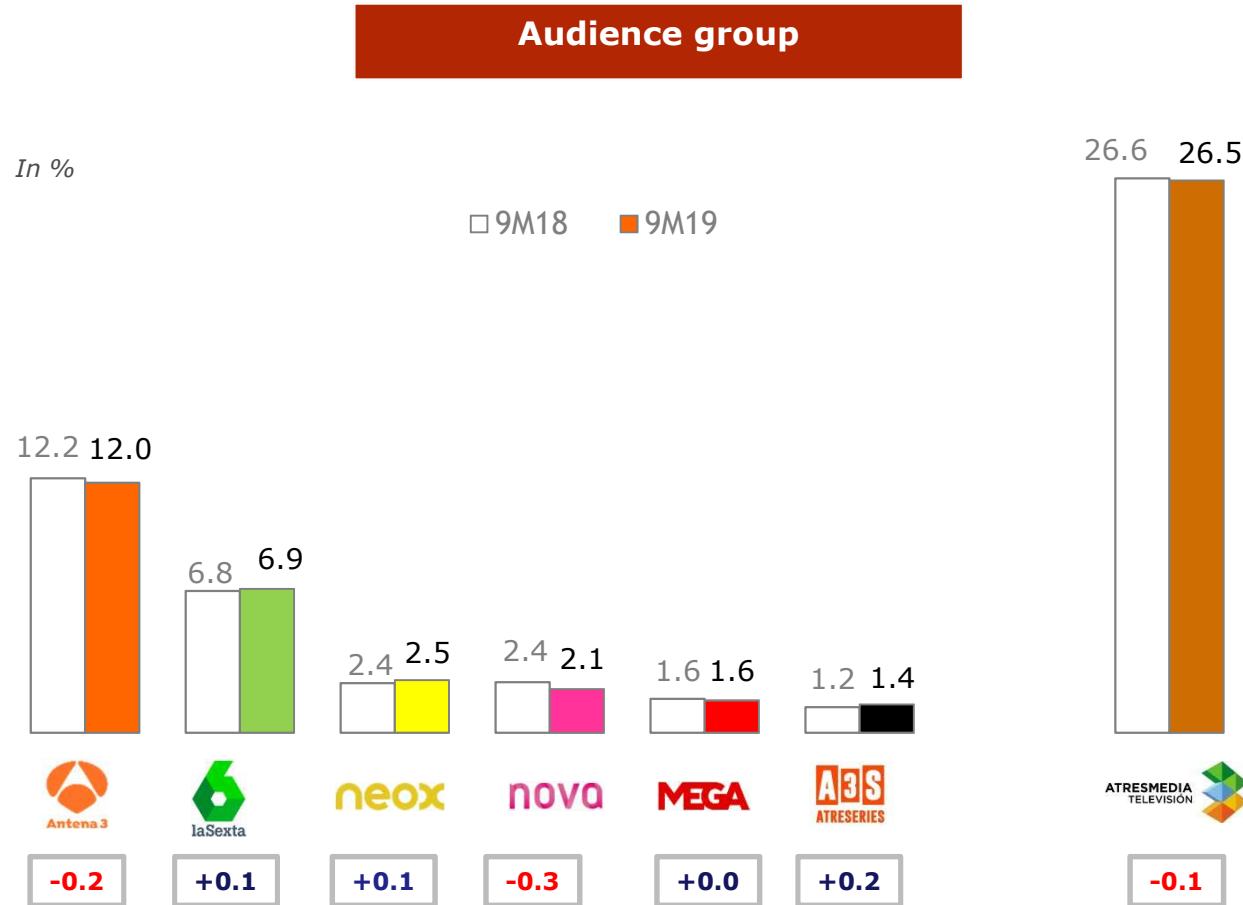
In %



Source: Linear TV and Time Shift: Kantar; Internet TV: Comscore Video Metrix; Youtube: Comscores VideoMetrix; SVoD: Comscore Video Metrix

Television: Atresmedia audience share

- Audience levels in line versus last year despite the lack of UEFA Champions League rights

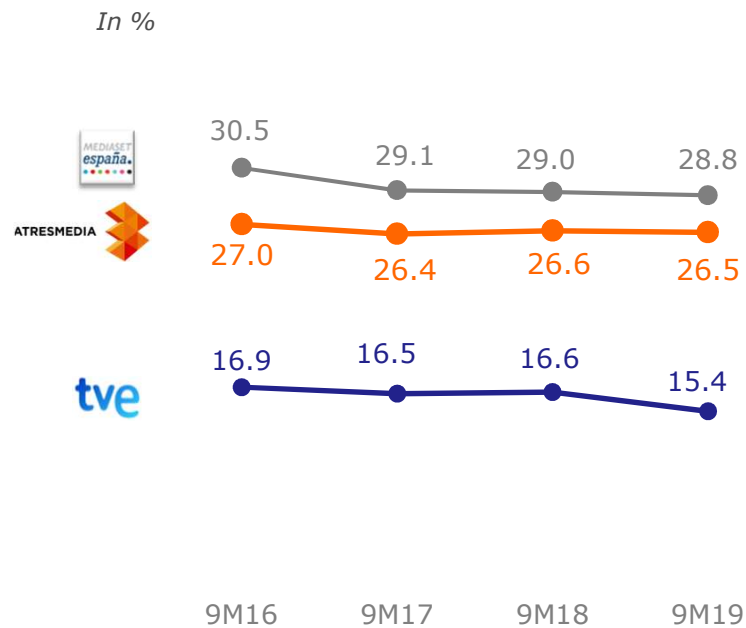


Source: Kantar Media. Total Individuals (4y+)

Television: Groups audience share

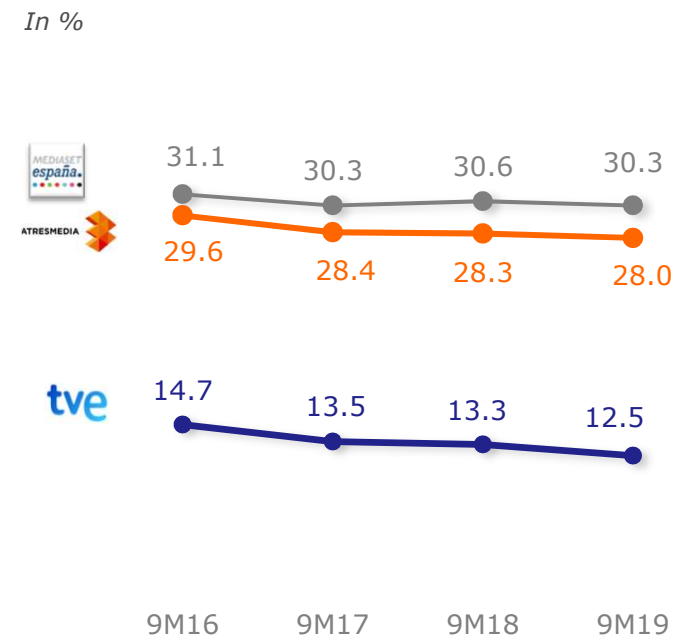
- Atresmedia achieved 26.5% audience share in Total Individuals and 28.0% in Commercial Target in 9M19

Audience Share Total Individuals



Source: Kantar Media. Total Individuals (4y+)

Aud. Share by Commercial Target



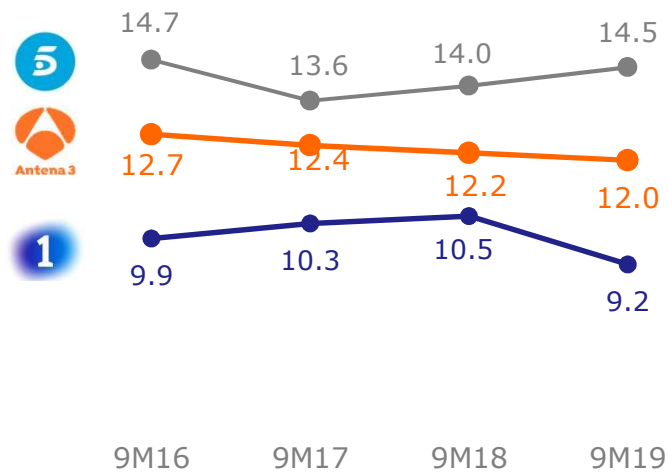
Source: Kantar Media. Commercial Target (25-59 y), >10,000 inhabitants

Television: Core channels audience share

→ Antena 3 achieved 12.0% in Total Individuals and 11.6% in the Commercial Target

Audience Share Total Individuals

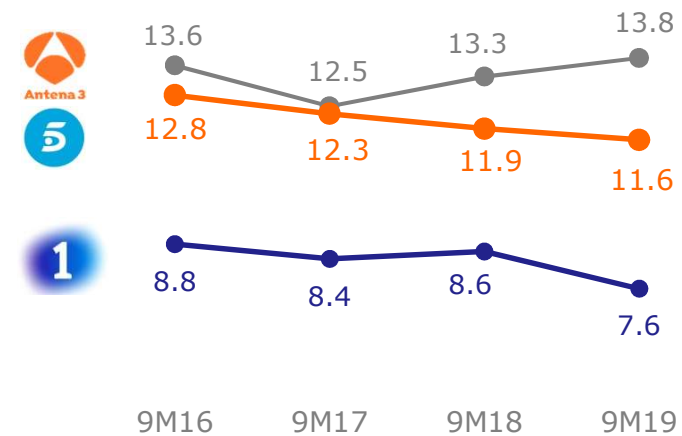
In %



Source: Kantar Media. Total Individuals (4y+)

Aud. Share by Commercial Target

In %



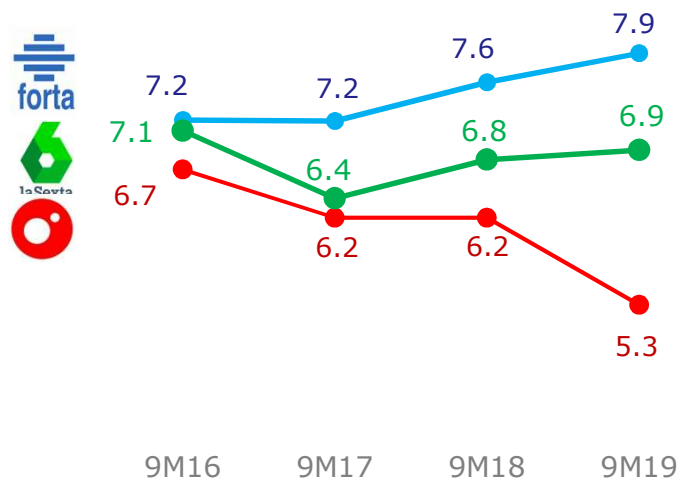
Source: Kantar Media. Commercial Target (25-59 y), >10,000 inhabitants

Television: Tier II channels audience share

- La Sexta improved 2018 ratings and widened the gap with its main commercial competitor, Cuatro

Audience Share Total Individuals

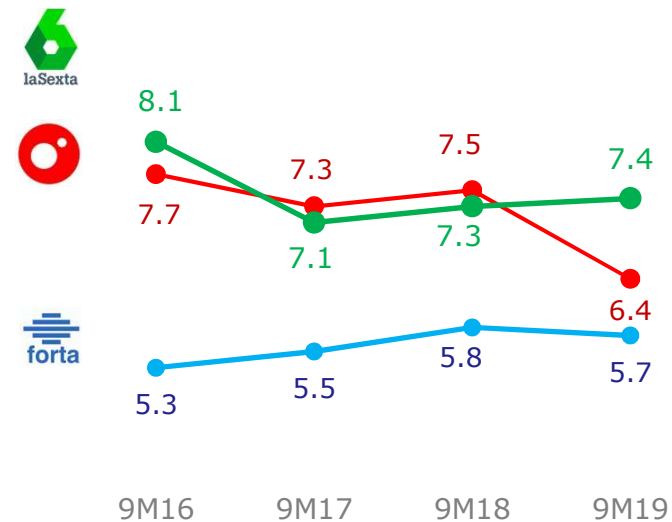
In %



Source: Kantar Media. Total Individuals (4y+)

Aud. Share by Commercial Target

In %

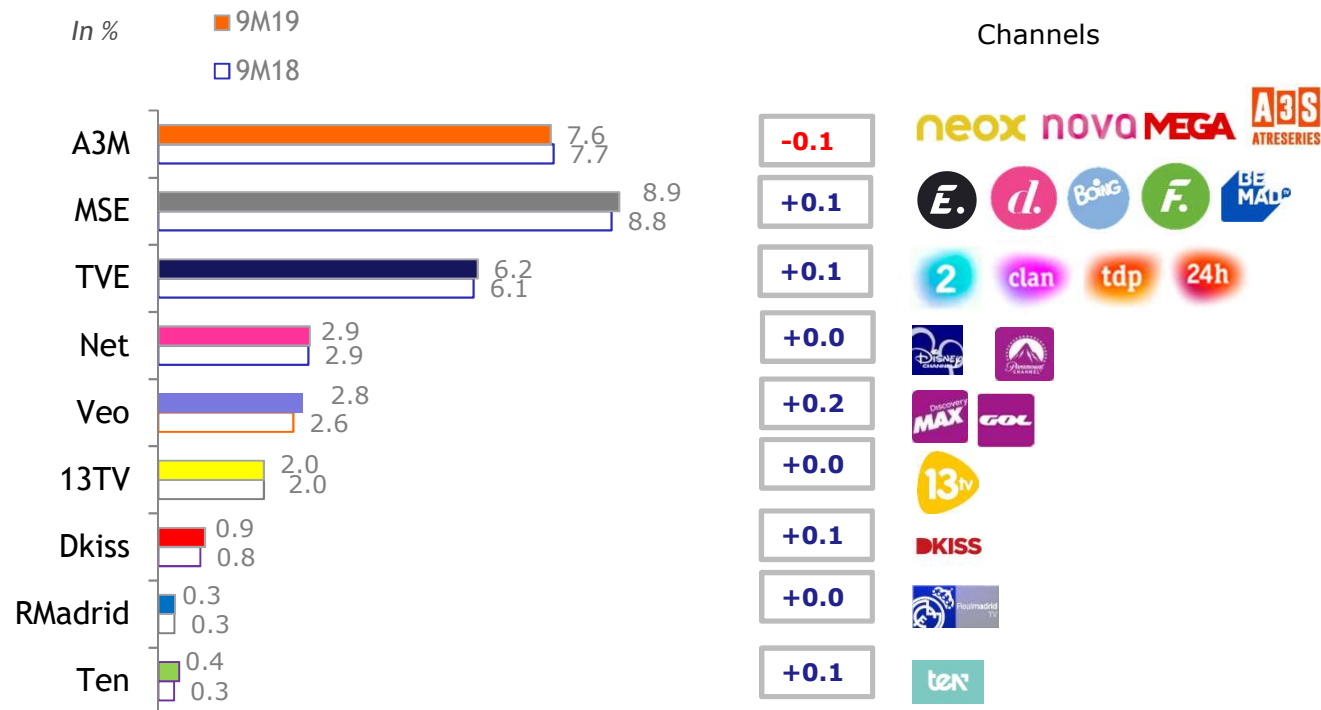


Source: Kantar Media. Commercial Target (25-59 y), >10,000 inhabitants

Television: Complementary channels audience share

➔ Atresmedia's complementary channels reached 7.6% audience share

Complementary channels' audience share



Source: Kantar Media
Audience share 24h; Total Individuals: 4+

Atresmedia Television: Ad revenues breakdown in 9M 19

9M 19 Key factors



Source: Internal estimates

Atresmedia Digital

→ Atresmedia's family of sites among the top 10 of the most visited sites in Spain



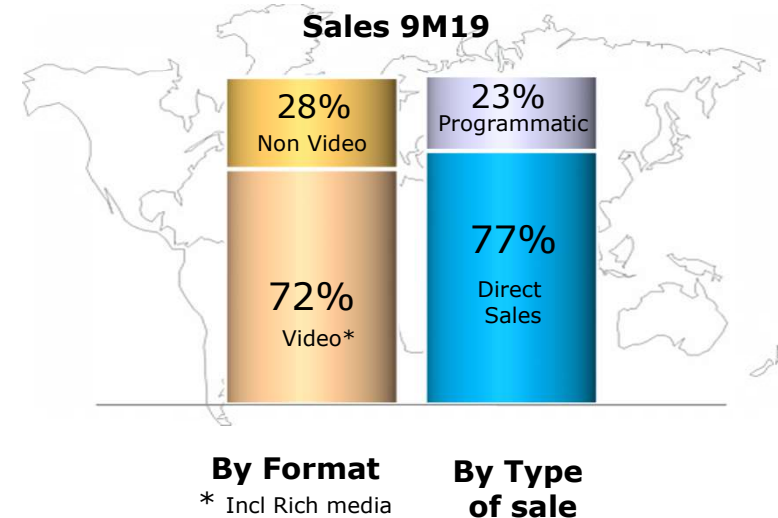
ATRESMEDIA SITES

Most visited sites Ranking (Comscore) **#6th**

Unique users (Sept 19 Comscore) **>26 mill**

ATRES player **2.3 mill**
Videoplayer users (Sep 19)

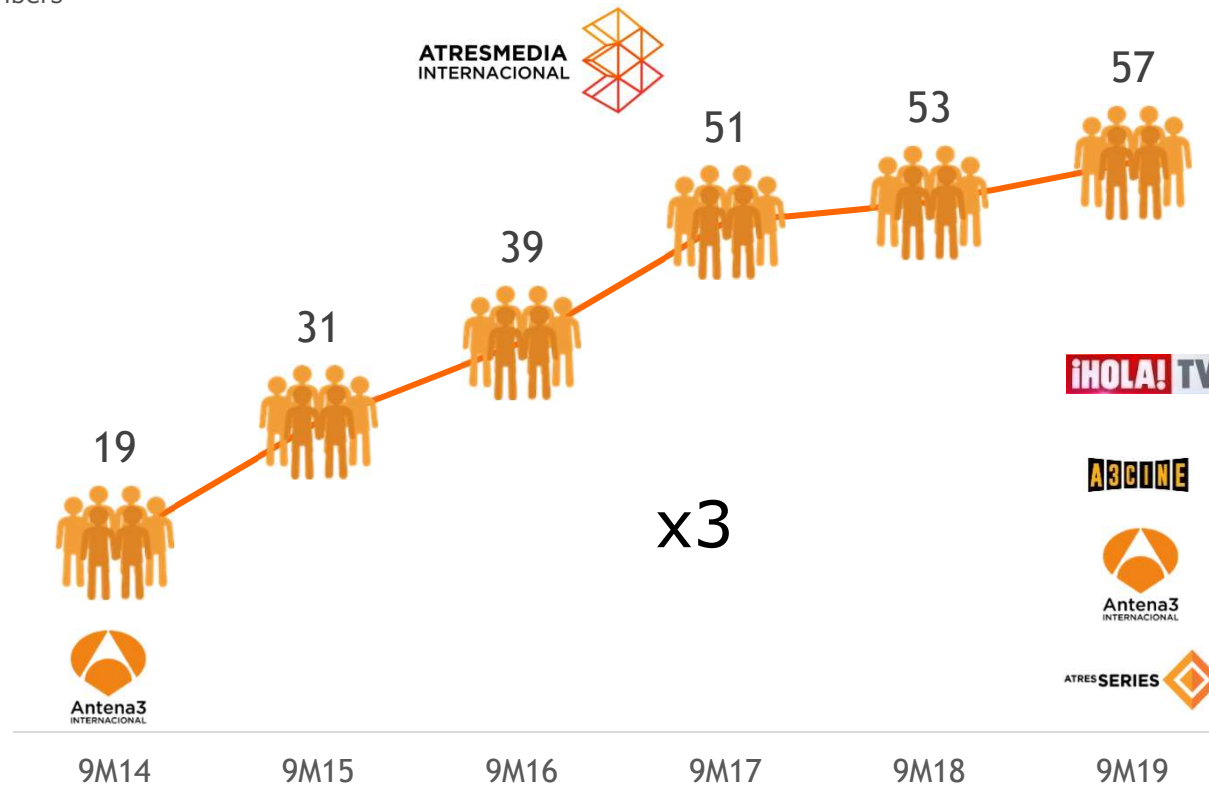
7.1 mill
Registrations (Sept 19)



Production & Content sales: Atresmedia International

→ Up to 57 mill subscribers in our international channels (x3 vs 9M14)

In mill subscribers



Production & Content sales: Atresmedia Cinema

- Atresmedia Films accounted for 44% of total box-office takings generated by Spanish films in 9M19

Atresmedia Cinema in 9M19

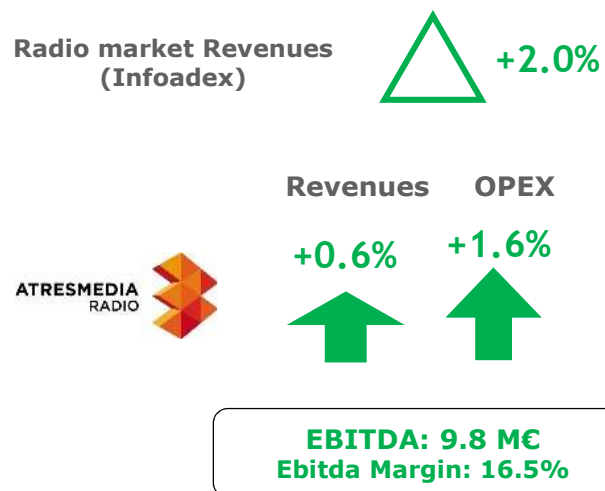


Atresmedia Radio

→ Atresmedia Radio revenue grew by near +1% in 9M19

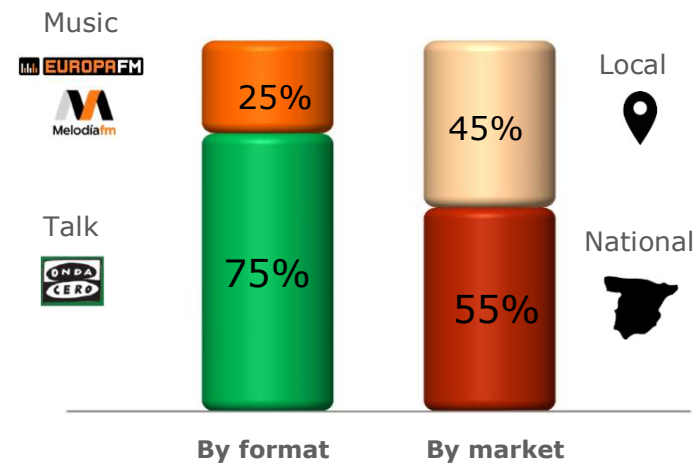
Atresmedia Radio vs Radio market

9M19 growth



Source: Infoadex

Revenues breakdown in 9M 19

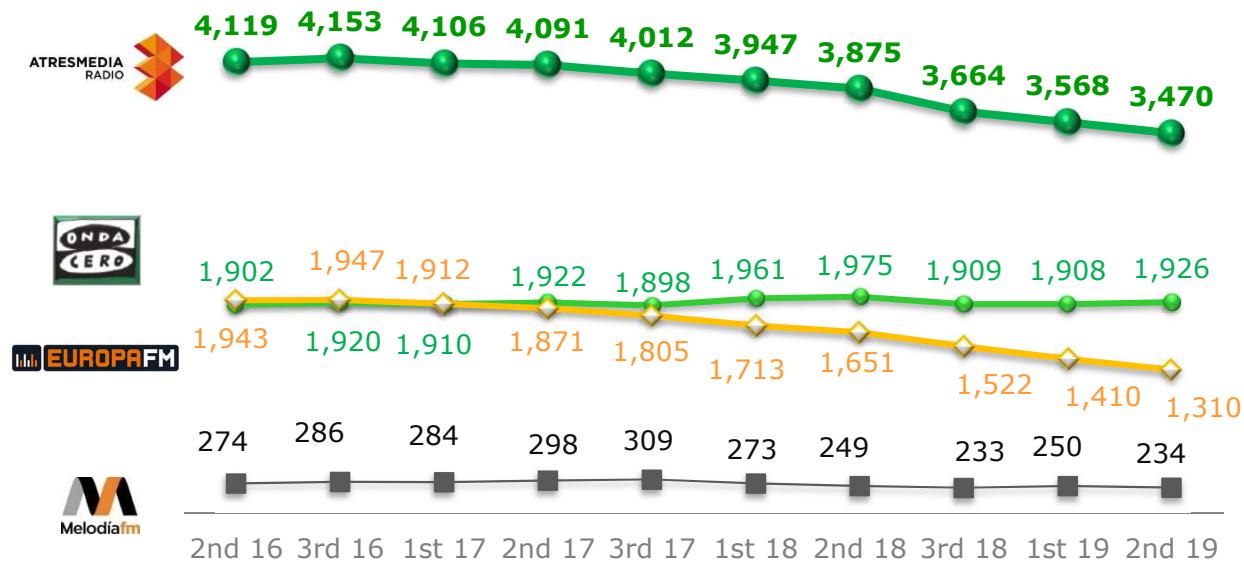


Atresmedia Radio

→ Atresmedia Radio reached near 3.5 mill listeners/day in the last survey

Listeners evolution

In thousand of listeners



Source: EGM Surveys Monday to Friday (.000) (Moving average).

Back up

Atresmedia

Q3 19 Results in € mill: P&L

	Q3 19	Q3 18	YoY
Total Net Rev.	183.8	197.0	-6.7%
OPEX	161.2	174.2	-7.5%
EBITDA	22.6	22.7	-0.7%
<i>EBITDA Margin</i>	<i>12.3%</i>	<i>11.5%</i>	
EBIT	17.8	18.4	-3.4%
<i>EBIT Margin</i>	<i>9.7%</i>	<i>9.3%</i>	
Net profit	10.7	16.8	-36.5%
<i>Net profit Margin</i>	<i>5.8%</i>	<i>8.5%</i>	

Source: Atresmedia`s financial statements

Atresmedia Audiovisual

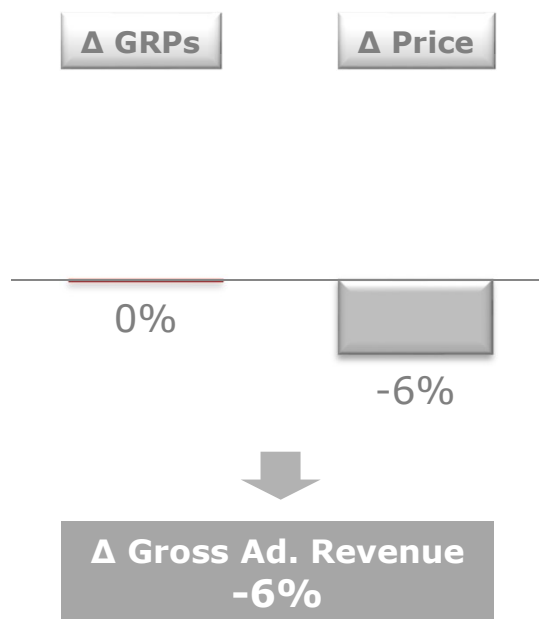
Q3 19 Results in € mill: P&L

	Q3 19	Q3 18	YoY
Total Net Rev.	169.8	182.2	-6.8%
OPEX	148.1	160.5	-7.7%
EBITDA	21.7	21.7	+0.3%
<i>EBITDA Margin</i>	<i>12.8%</i>	<i>11.9%</i>	
EBIT	17.6	17.8	-1.1%
<i>EBIT Margin</i>	<i>10.4%</i>	<i>9.8%</i>	

Source: Atresmedia`s financial statements

Television: Ad revenues breakdown in Q3 19

Q3 19 Key factors



Source: Internal estimates

Atresmedia Radio

Q3 19 Results in € mill: P&L

	Q3 19	Q3 18	YoY
Net Revenues	15.8	16.5	-4.3%
OPEX	14.9	15.5	-3.3%
EBITDA	0.9	1.1	-19.3%
<i>EBITDA Margin</i>	<i>5.5%</i>	<i>6.5%</i>	
EBIT	0.2	0.6	-71.1%
<i>EBIT Margin</i>	<i>1.1%</i>	<i>3.7%</i>	

Source: Atresmedia's financial statements

Additional information

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