

ATRESMEDIA

FY18 Results

February 28th, 2019

www.atresmediacorporacion.com



2018 Highlights

- Atresmedia's Net revenue amounted to €1,042 mill (-0.9% vs FY17)
- OPEX stood at €855 mill; +0.6% yoy
- EBITDA totaled €187 mill (Q4 EBITDA was the highest since 2007)
- Net Profit reached €88 mill (€126 mill in adjusted terms)
- Operating Cash Flow of €171 mill & Total Net Debt stood at €231 mill (1.2x EBITDA)
- According to external sources, Total Ad market grew yoy by low single-digit, with TV down by -1% and Radio up to 3%.
- Atresmedia held the largest share in the Spanish ad market (>18%)
- Atresmedia TV maintained ratings (26.8%), market share (41%) and power ratio (1.5x) in line with 2017
- Atresmedia Digital's activities grew organically by 19%
- Atresmedia Radio retained an avg daily audience of near 4 mill listeners
- In addition to the ordinary dividend (0.2 €/sh) paid in Dec 18, extraordinary dividend (0.25 €/sh) to be approved by next AGM

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FY18 Financial Summary

Atresmedia

FY18 Results in € mill: P&L

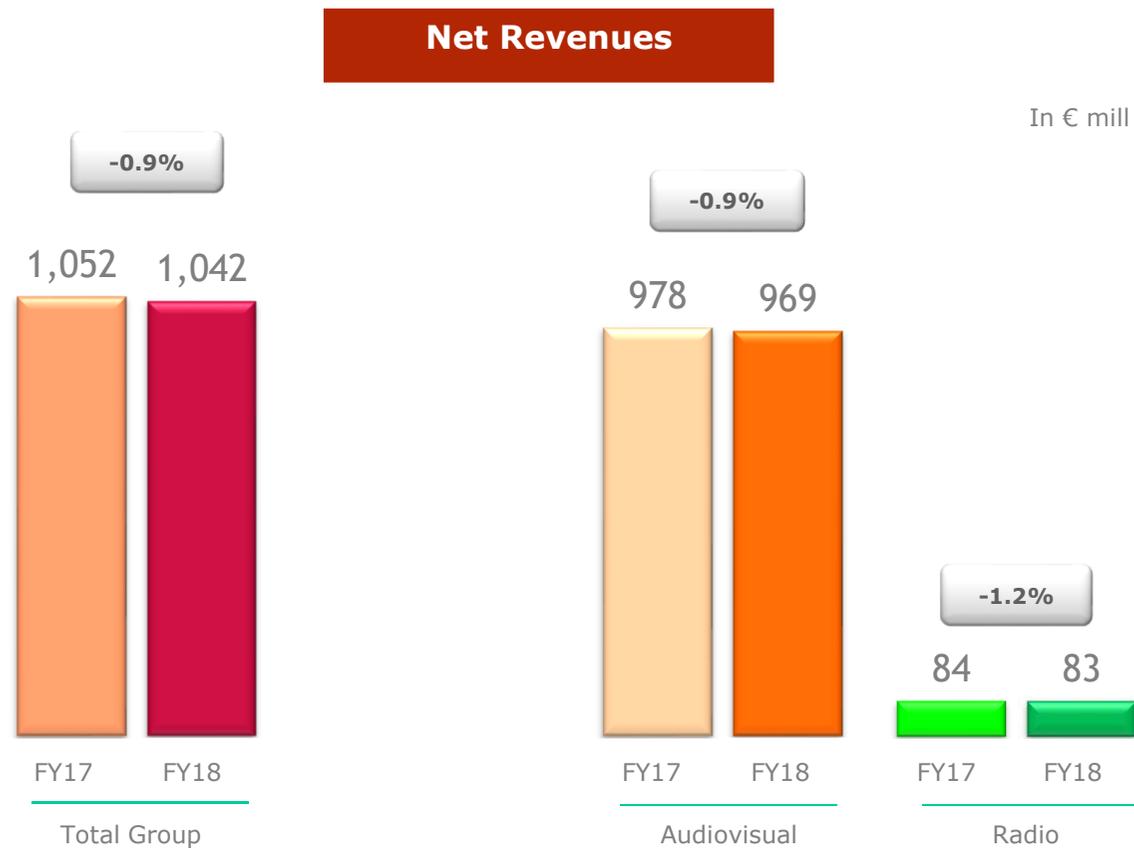
				Ex-Smartclip *		
	FY18	FY17	YoY	FY18	FY17	YoY
Net Revenues	1,042.3	1,052.1	-0.9%	1012.0	1037.2	-2.4%
OPEX	855.2	849.9	+0.6%	828.6	837.0	-1.0%
EBITDA	187.1	202.1	-7.4%	183.4	200.2	-8.4%
<i>EBITDA Margin</i>	<i>18.0%</i>	<i>19.2%</i>		<i>18.1%</i>	<i>19.3%</i>	
EBIT	168.6	184.5	-8.6%	165.0	182.6	-9.7%
<i>EBIT Margin</i>	<i>16.2%</i>	<i>17.5%</i>		<i>16.3%</i>	<i>17.6%</i>	
Net profit	88.2	142.1	-37.9%			
<i>Net profit Margin</i>	<i>8.5%</i>	<i>13.5%</i>				
Net profit proforma	125.7					
<i>Net profit Margin</i>	<i>12.1%</i>		-11.5%			

Source: Atresmedia's financial statements

*Smartclip was included within the consolidation perimeter as of July 1st, 2017

Atresmedia: Net revenues by segment

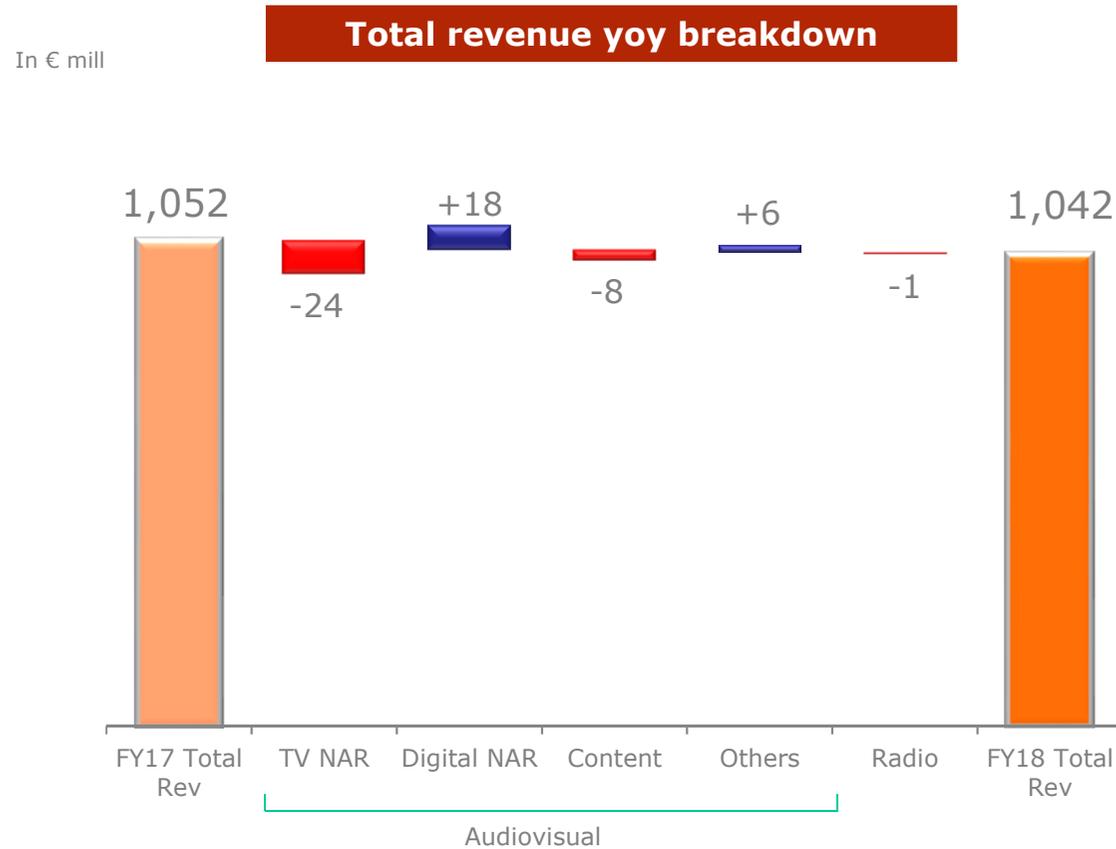
- Total Net Revenues stood at €1,042 mill, -0.9% yoy
- Audiovisual revenues were €969 mill (-0.9% yoy)
- Radio revenues totaled €83 mill (-1.2% yoy)



Source: Atresmedia's financial statements
Eliminations are not included

Atresmedia: Total revenue

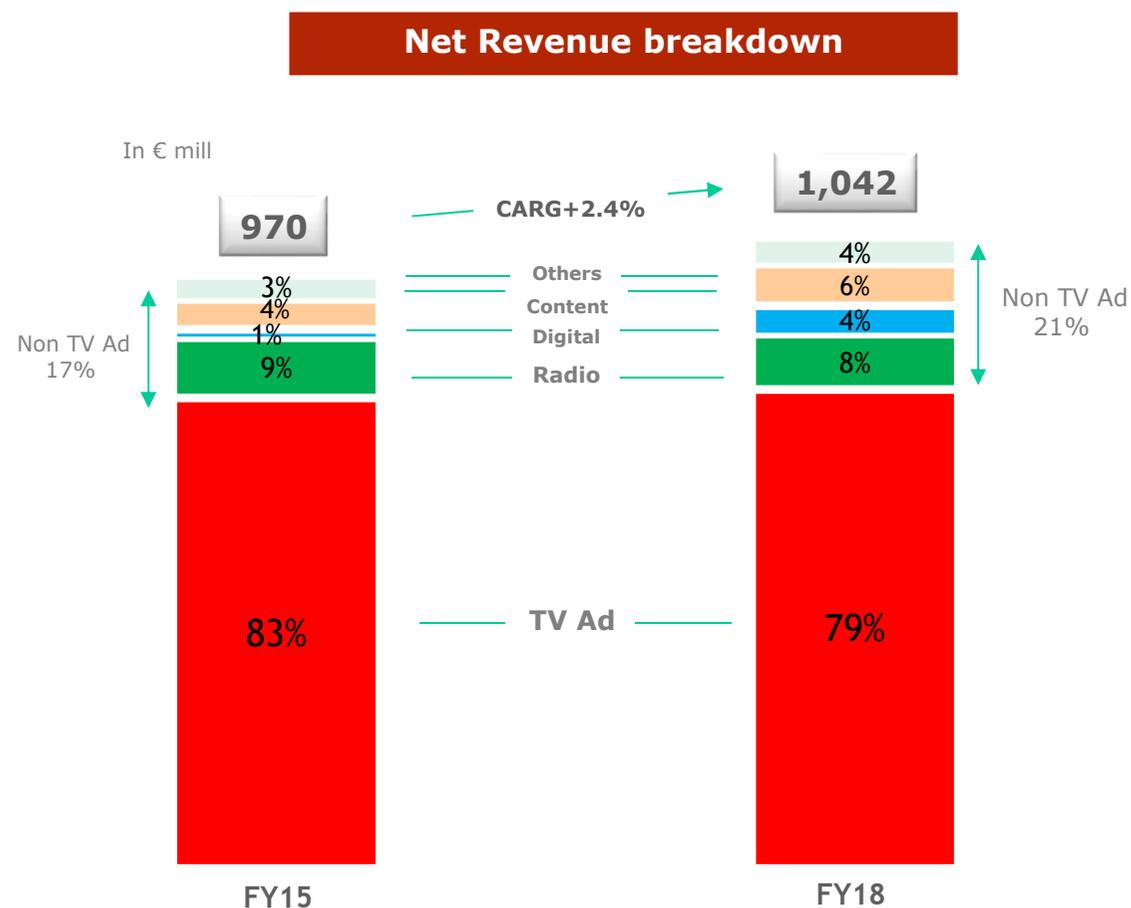
- Total revenue declined by €10 mill yoy driven by the TV Ad market weakness



Source: Atresmedia's financial statements

Atresmedia: Total revenue breakdown & evolution

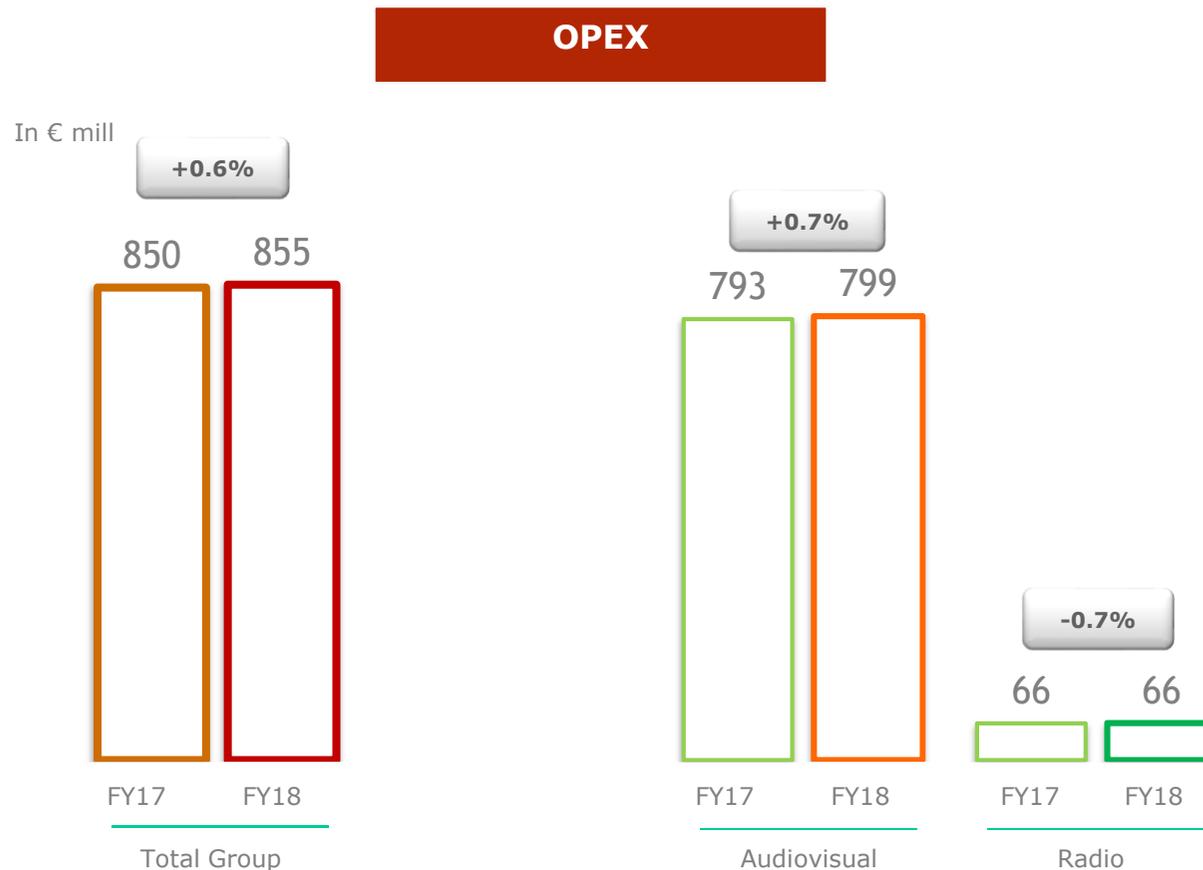
- ➔ Gradual diversification in our sources of revenues in last years
- ➔ Non TV Ad revenue accounts for more than 20% of Total revenue in 2018



Source: Atresmedia's financial statements

Atresmedia: OPEX by segment

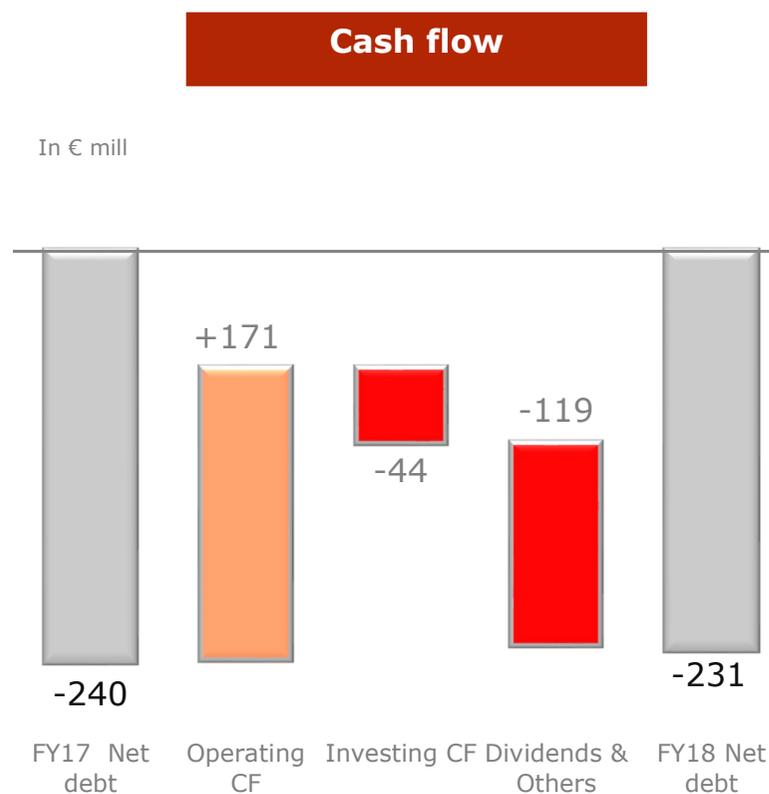
- ➔ Total OPEX was €855 million, +0.6% yoy
- ➔ Audiovisual expenses reached €799 mill (+0.7% yoy)
- ➔ Radio expenses: €66 mill (-0.7% yoy)



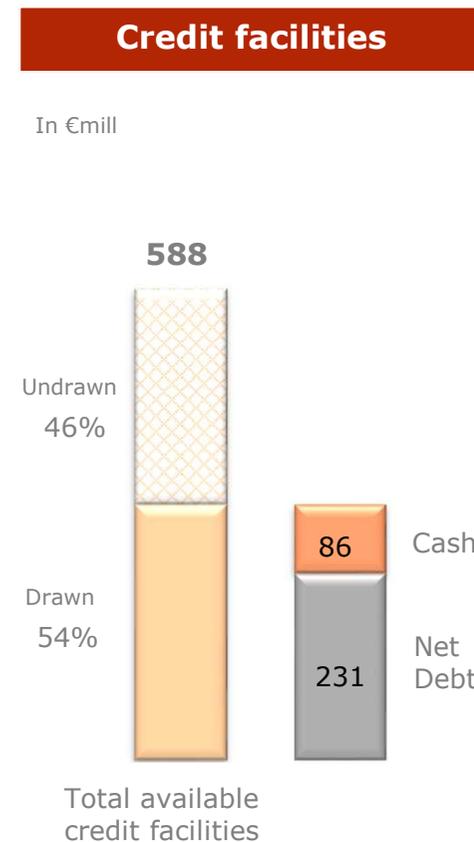
Source: Atresmedia's financial statements
Eliminations are not included

Atresmedia: Cash flow & Debt position

- Total net debt reached €231 million vs €240 million at Dec-2017
- Total net debt/EBITDA = 1.2x



Source: Atresmedia's financial statements



Source: Atresmedia's financial statements

Atresmedia Audiovisual

FY18 Results in € mill: P&L

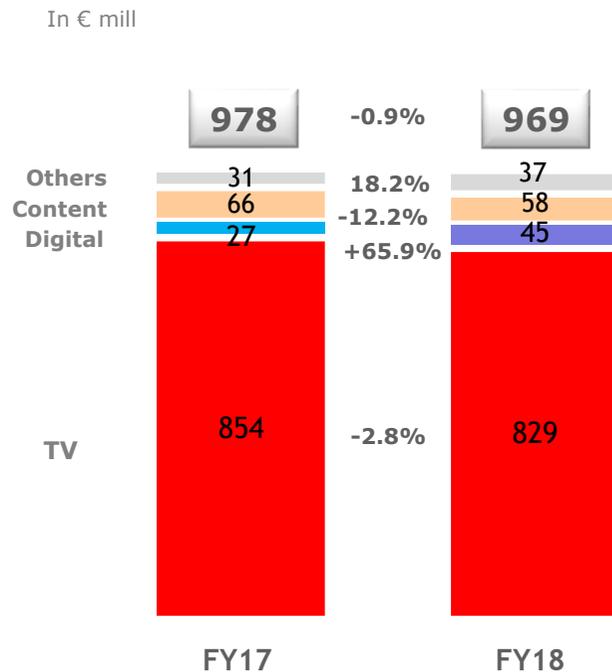
	FY18	FY17	YoY
Total Net Rev.	969.2	978.1	-0.9%
OPEX	798.6	793.0	+0.7%
EBITDA	170.6	185.1	-7.8%
<i>EBITDA Margin</i>	<i>17.6%</i>	<i>18.9%</i>	
EBIT	154.2	169.5	-9.0%
<i>EBIT Margin</i>	<i>15.9%</i>	<i>17.3%</i>	

Source: Atresmedia`s financial statements

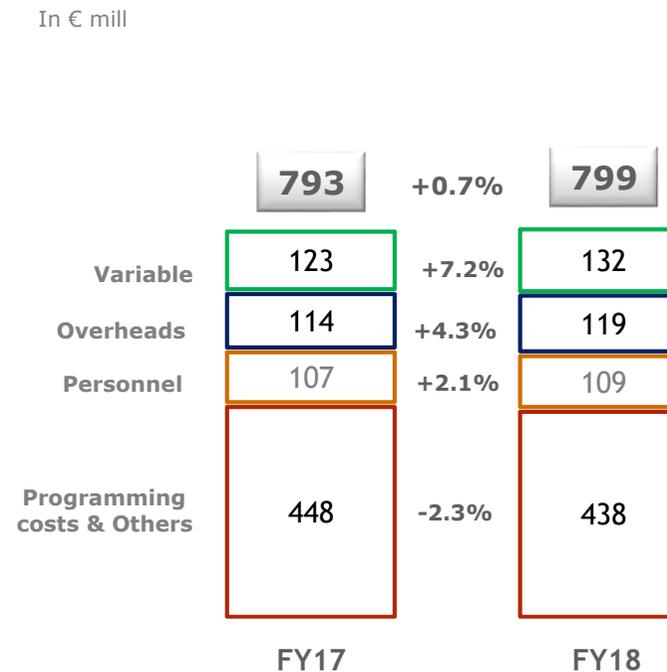
Audiovisual: Breakdown

- Audiovisual Net Revenues: TV revenue decline was partially offset by the increase in Digital and Others
- OPEX up by 0.7%, basically due to the consolidation of Smartclip (-1.0% excluding Smartclip)

Net Revenue breakdown



OPEX breakdown



Source: Atresmedia's financial statements

Atresmedia Radio

FY 18 Results in € mill: P&L

	FY18	FY17	YoY
Net Revenues	82.5	83.5	-1.2%
OPEX	66.0	66.5	-0.7%
EBITDA	16.5	17.1	-3.3%
<i>EBITDA Margin</i>	<i>20.0%</i>	<i>20.4%</i>	
EBIT	14.4	15.0	-3.8%
<i>EBIT Margin</i>	<i>17.5%</i>	<i>18.0%</i>	

Source: Atresmedia's financial statements

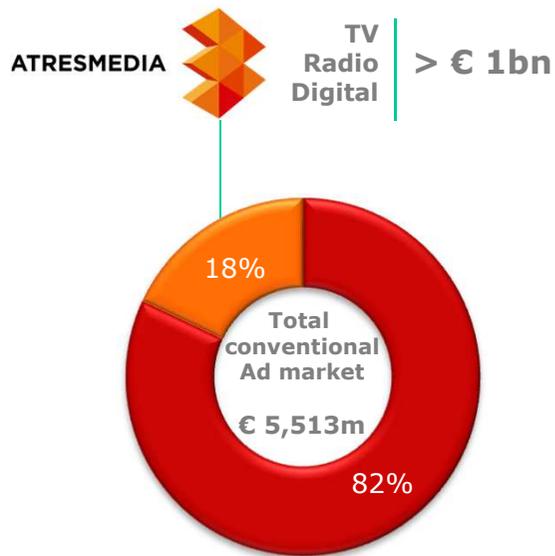
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FY18 Operational Summary

Atresmedia: Market positioning

- Atresmedia held 18% market share of the spanish adv spending
- The largest and more varied reach in the country

Gross advertising revenues



Source: Infoadex & internal estimates

Total audience reach



Source: Kantar, EGM, Comscore, Rentrak & internal estimates

Advertising market in Spain

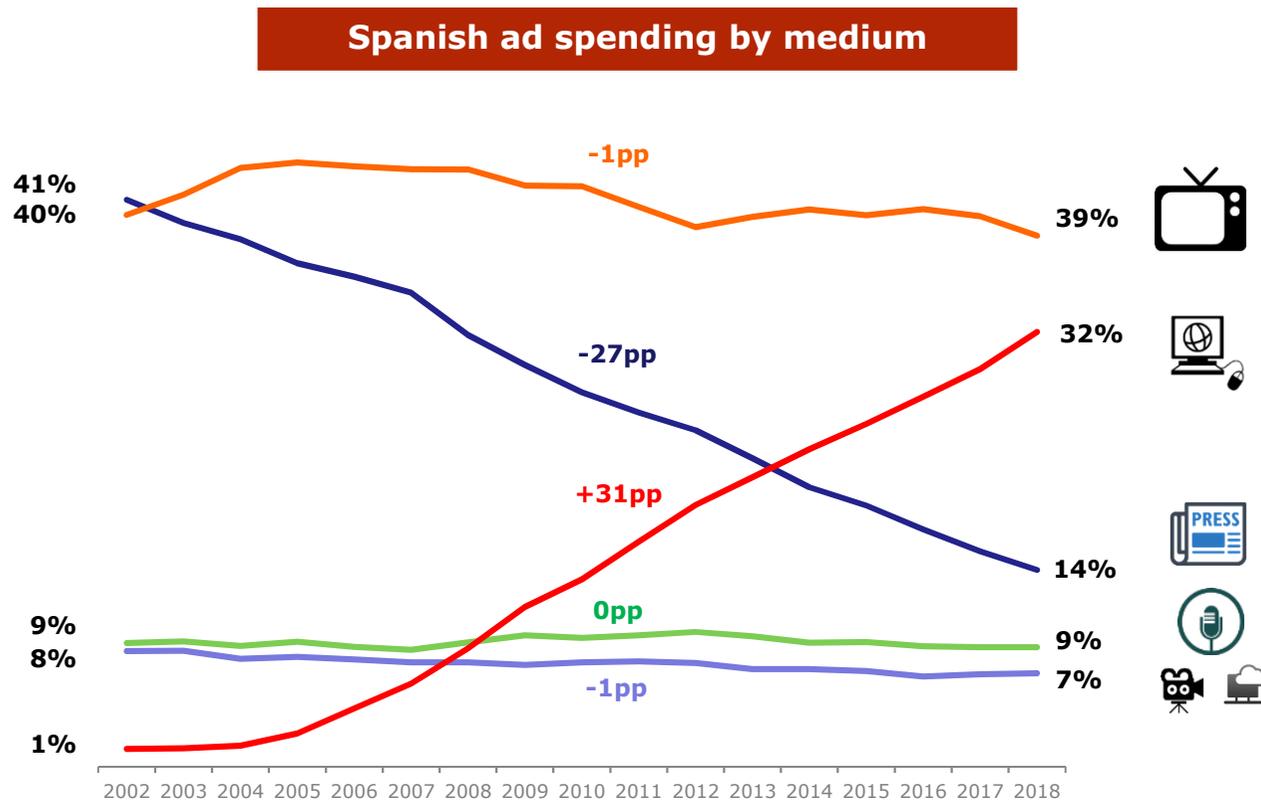
- According to external sources, Total Ad market grew by low single-digit in 2018
- TV Ad market was negative yoy while Radio & Internet outperformed the overall market

Media	I2p	Infoadex
TV	-1.0%	-0.8%
Radio	+3.5%	+3.3%
Newspapers	-6.8%	-5.9%
Magazines	-10.0%	-5.1%
Sunday suppl.	-11.5%	-6.7%
Outdoor	-1.9%	+2.8%
Internet	+15.1%	+12.6%
Cinema	+7.9%	+3.2%
Total	+1.3%	+2.9%

Source: I2p (ArceMedia) & Infoadex

Advertising market in Spain

- TV held leadership position with 39% share of total Ad market
- Digital consolidated 2nd position by mainly eroding Print media



Source: Infoadex

TV Advertising market

- Positive Q418 (+1% yoy)
- FY18 was nearly in line with last year (-1% yoy)

Gross Total TV Advertising by quarter (yoy growth)



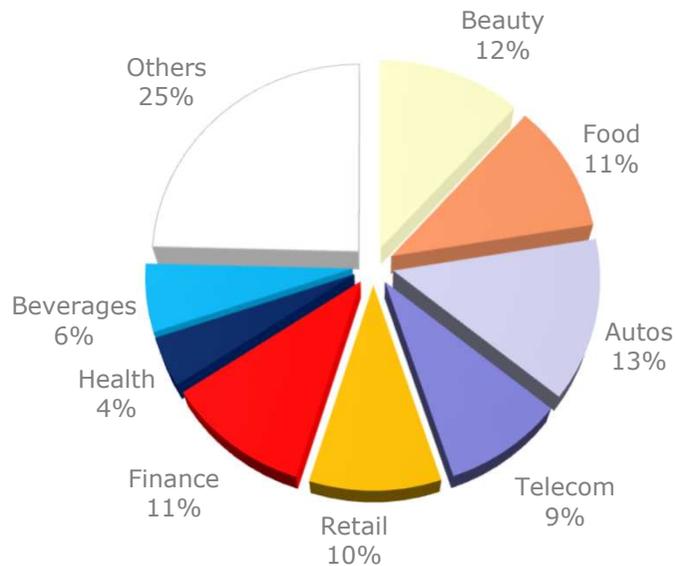
Q1 13 Q2 13 Q3 13 Q4 13 Q1 14 Q2 14 Q3 14 Q4 14 Q1 15 Q2 15 Q3 15 Q4 15 Q1 16 Q2 16 Q3 16 Q4 16 Q1 17 Q2 17 Q3 17 Q4 17 Q1 18 Q2 18 Q3 18 Q4 18

Source: Infoadex

TV Advertising market by category

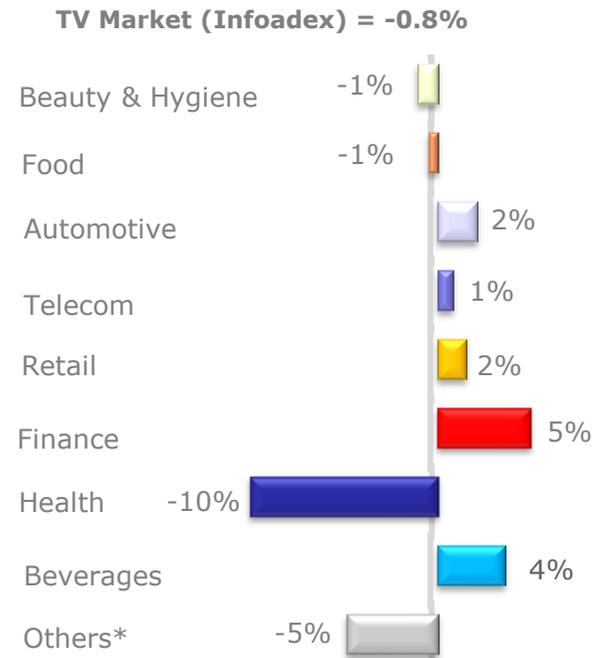
→ Positive performance in Autos, Telcos & Finance...but not enough to offset yoy decline in Beauty & Hygiene, Food, Health and Others

FY18 TV Ad market share by category



Source: Internal estimates

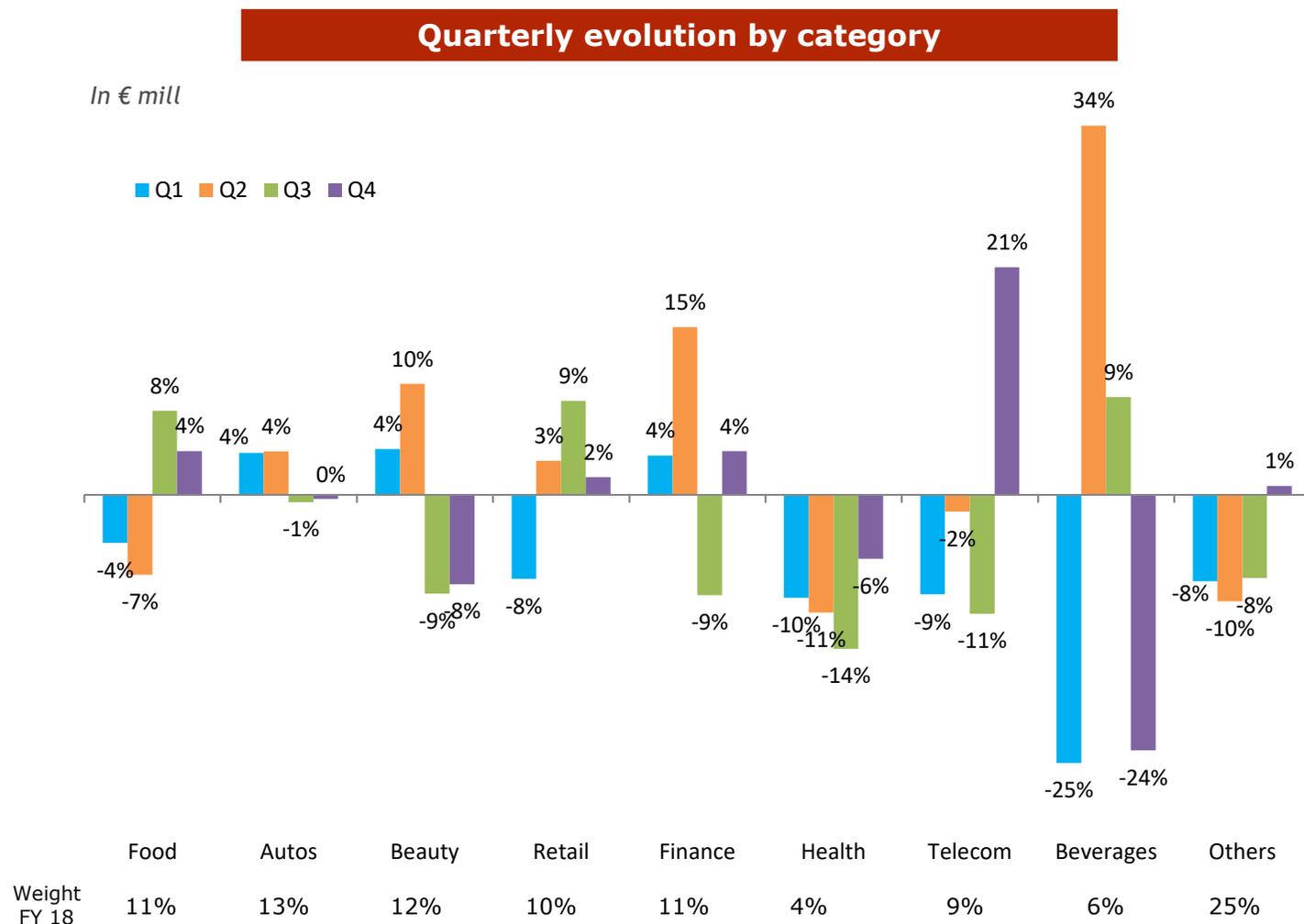
FY18 TV Ad market evolution



*Others: Cleaning, Leisure & sports, energy,....

TV Advertising market by category: Quarterly evolution

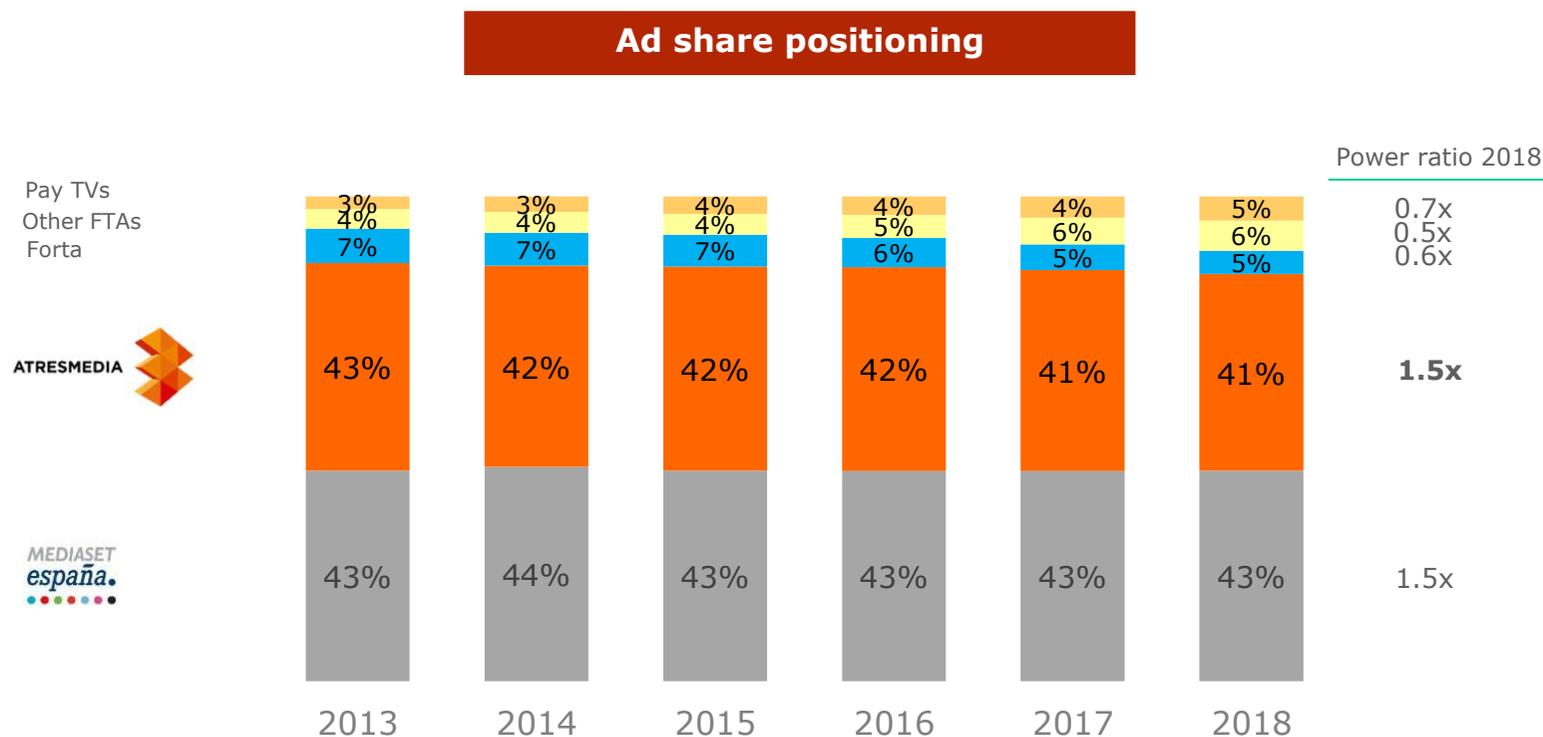
→ High dispersion among categories and quarters persisted



Source: Internal estimates

TV Ad market: Competitive position

→ Atresmedia market share stood at 41% in line with 2017



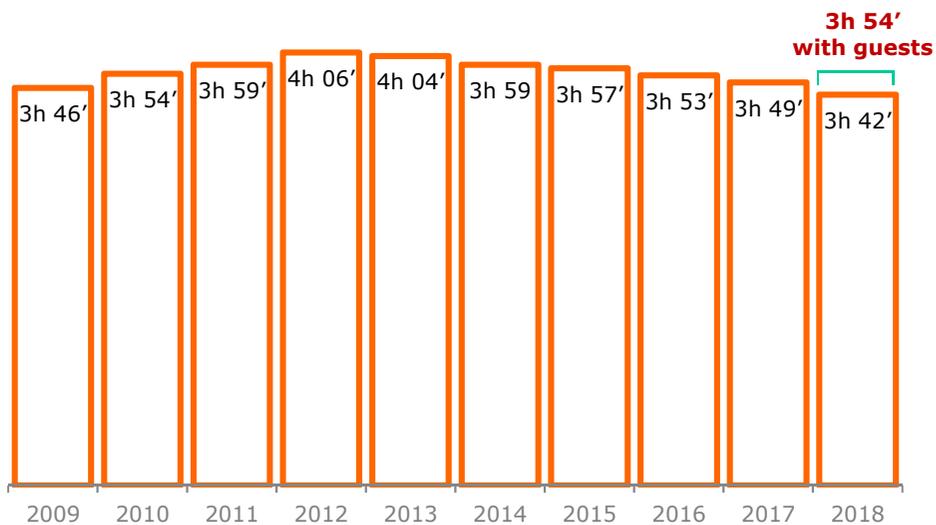
Source: Infoadex

TV viewing

→ Linear TV viewing remained at very high levels (near 4h/day on average)

Average daily TV viewing

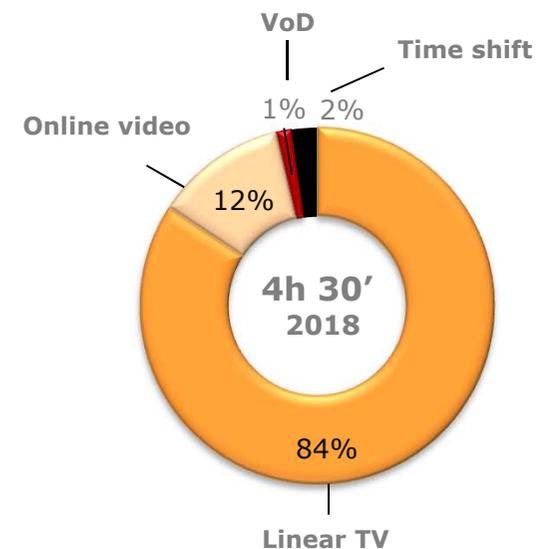
In hours



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

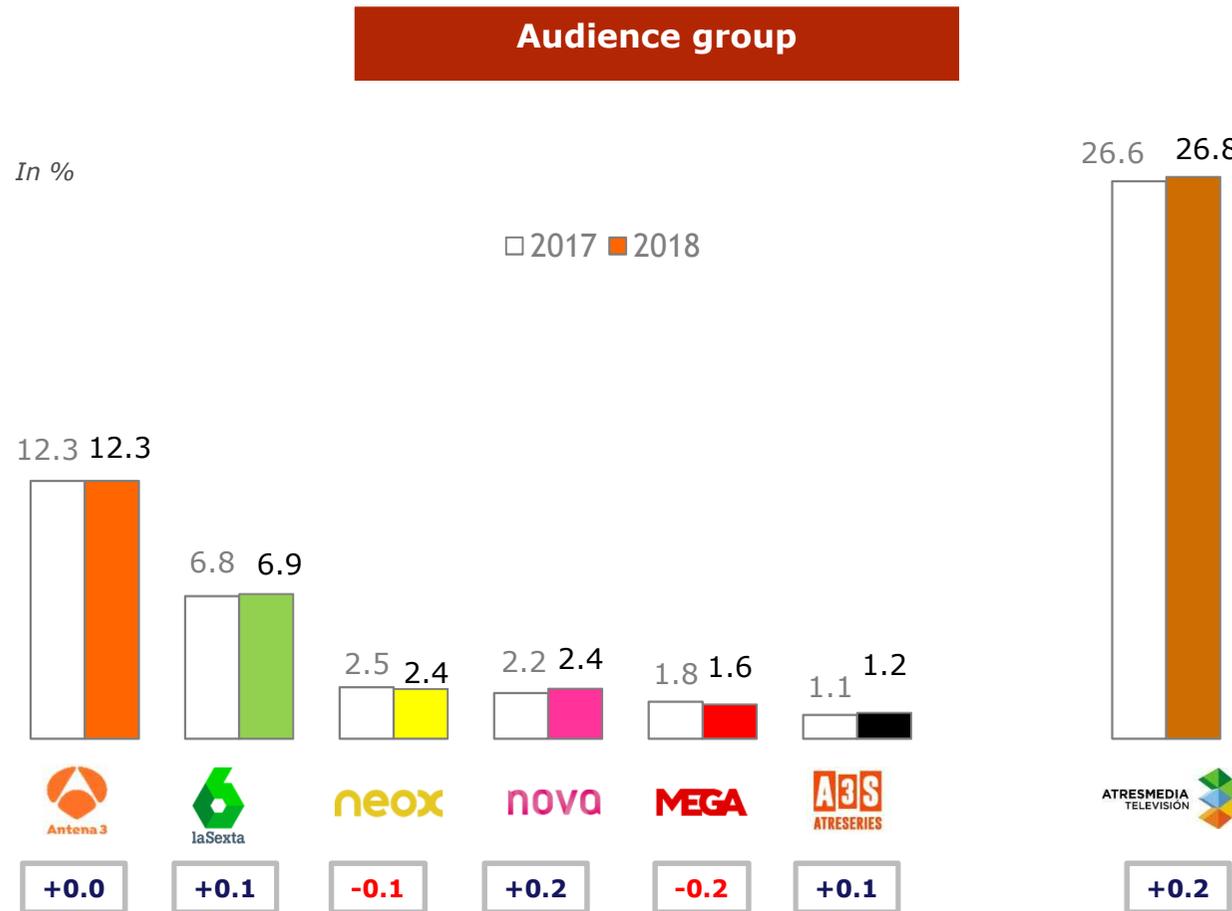
In %



Source: Kantar Media & Comscore *Linear TV includes guests metrics

Television: Atresmedia audience share

- Atresmedia improved audience levels (more than any other group) despite the impact of FIFA World Cup and the lack of UEFA Champions League rights in H218

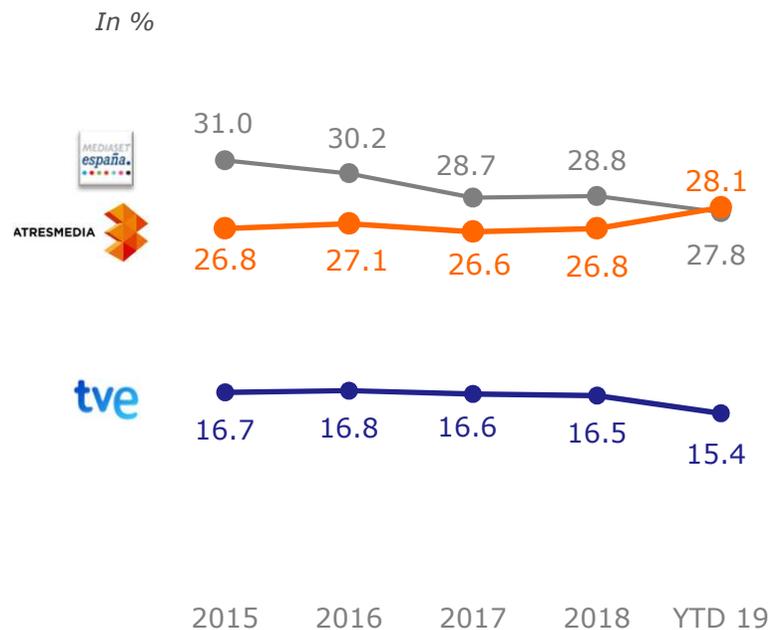


Source: Kantar Media. Total Individuals (4y+)

Television: Groups audience share

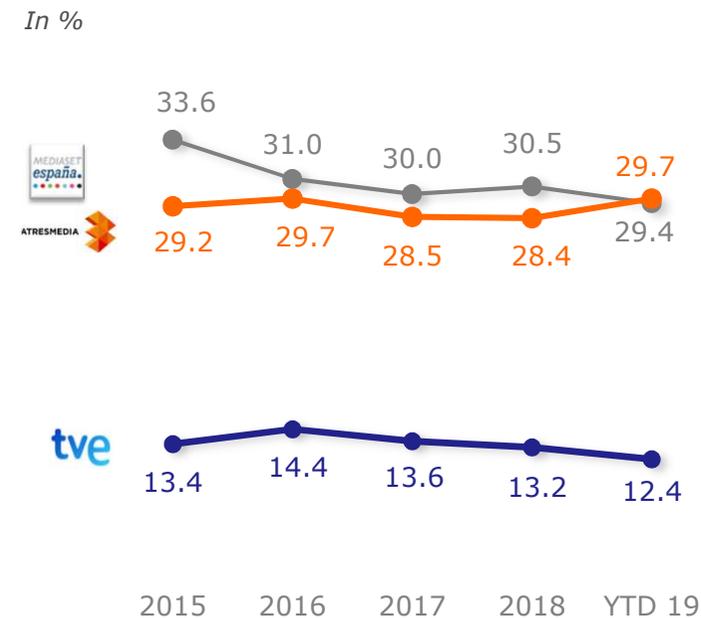
- Atresmedia achieved 26.8% audience share in Total Individuals and 28.4% in Commercial Target in 2018

Audience Share Total Individuals



Source: Kantar Media. Total Individuals (4y+)
YTD 19: Data from Jan 1st to Feb 26th

Aud. Share by Commercial Target



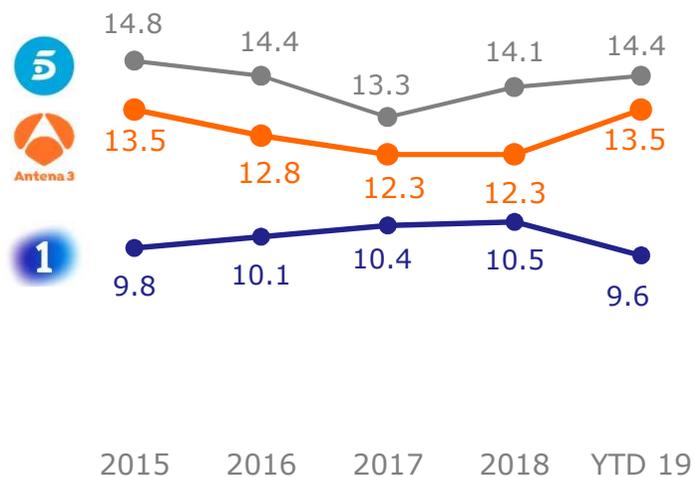
Source: Kantar Media. Commercial Target (25-59 y), >10,000 inhabitants
YTD 19: Data from Jan 1st to Feb 26th

Television: Core channels audience share

→ Antena 3 achieved 12.3% in Total Individuals and 11.9% in the Commercial Target

Audience Share Total Individuals

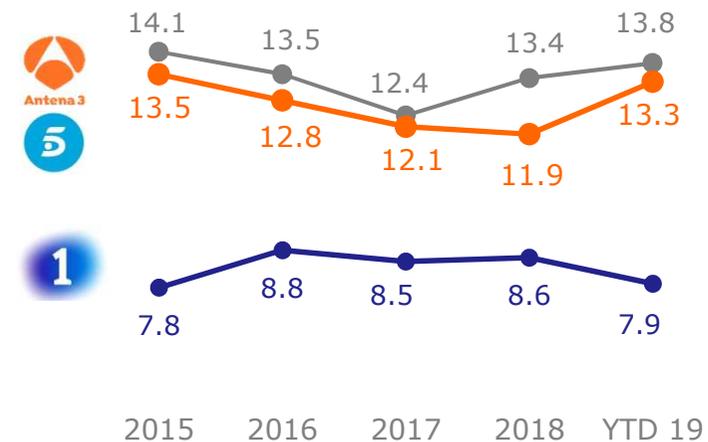
In %



Source: Kantar Media. Total Individuals (4y+)
YTD 19: Data from Jan 1st to Feb 26th

Aud. Share by Commercial Target

In %

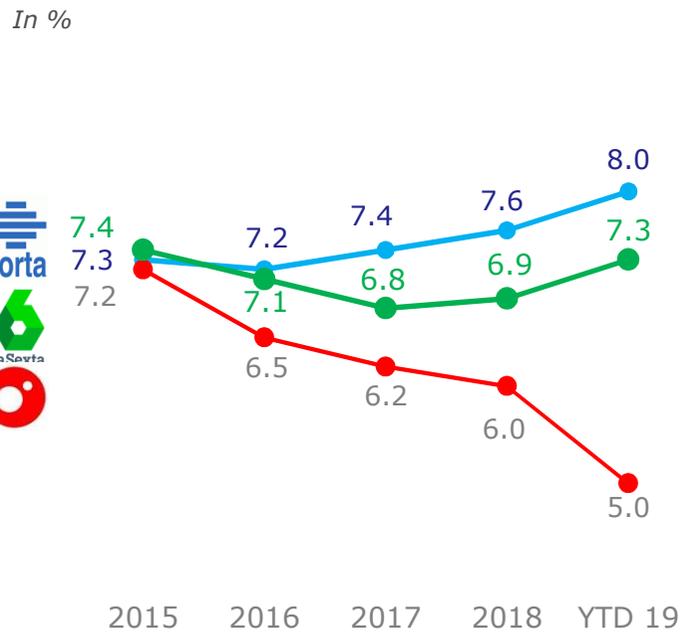


Source: Kantar Media. Commercial Target (25-59 y), >10,000 inhabitants
YTD 19: Data from Jan 1st to Feb 26th

Television: Tier II channels audience share

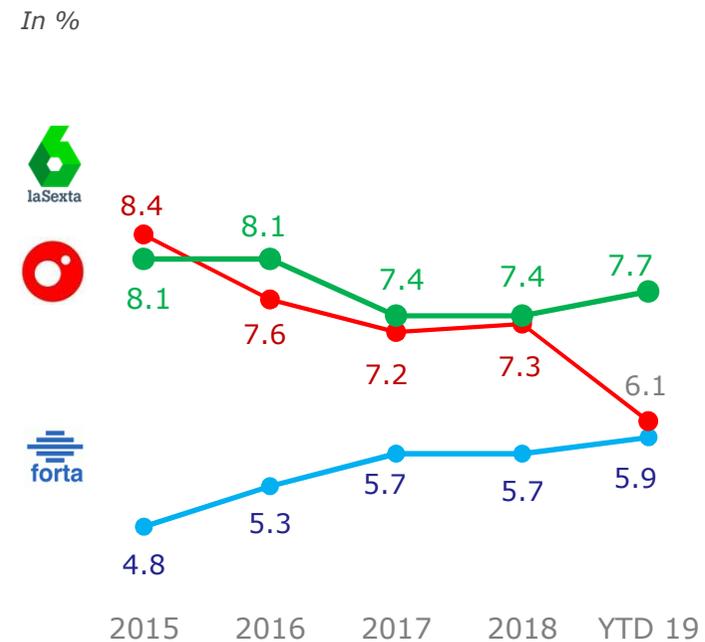
- La Sexta slightly improved 2017 ratings (+0.1pp) and opened the gap with its main commercial competitor, Cuatro

Audience Share Total Individuals



Source: Kantar Media. Total Individuals (4y+)
YTD 19: Data from Jan 1st to Feb 26th

Aud. Share by Commercial Target

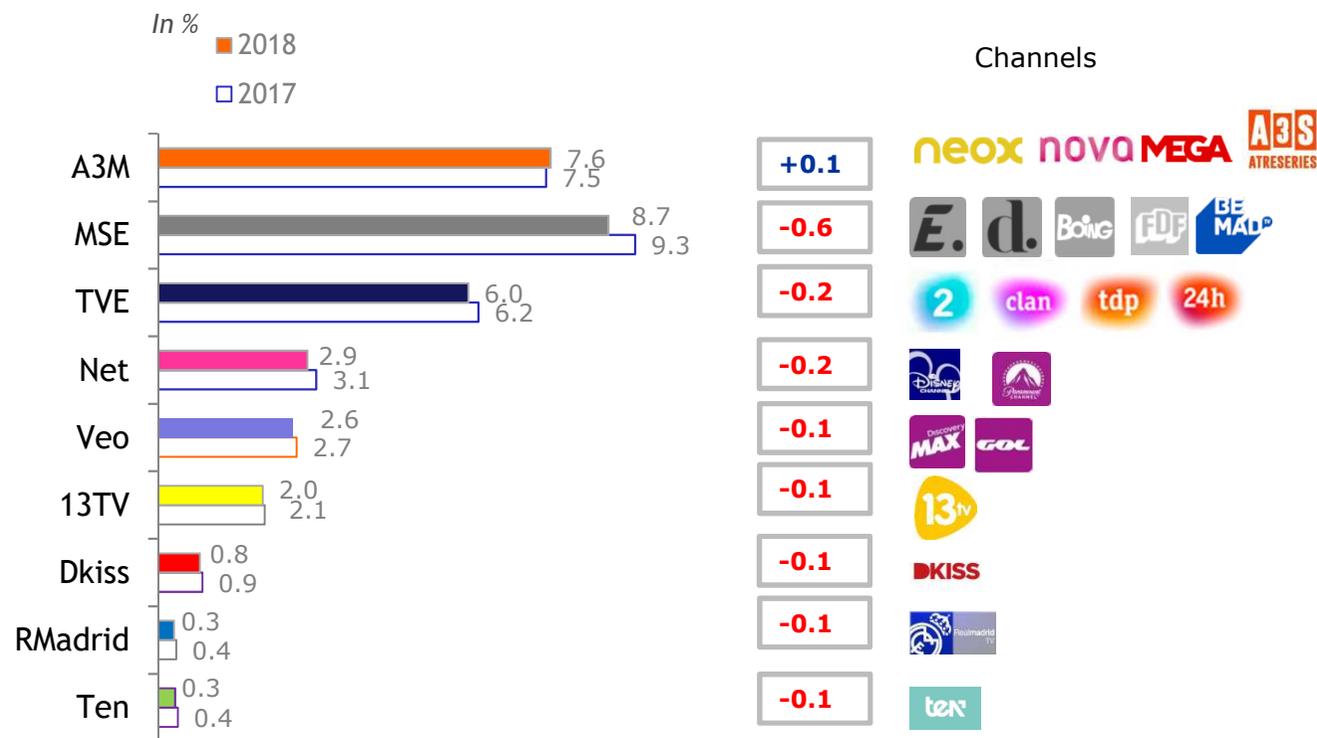


Source: Kantar Media. Commercial Target (25-59 y), >10,000 inhabitants
YTD 19: Data from Jan 1st to Feb 26th

Television: Complementary channels audience share

→ Atresmedia's complementary channels were the only ones growing yoy

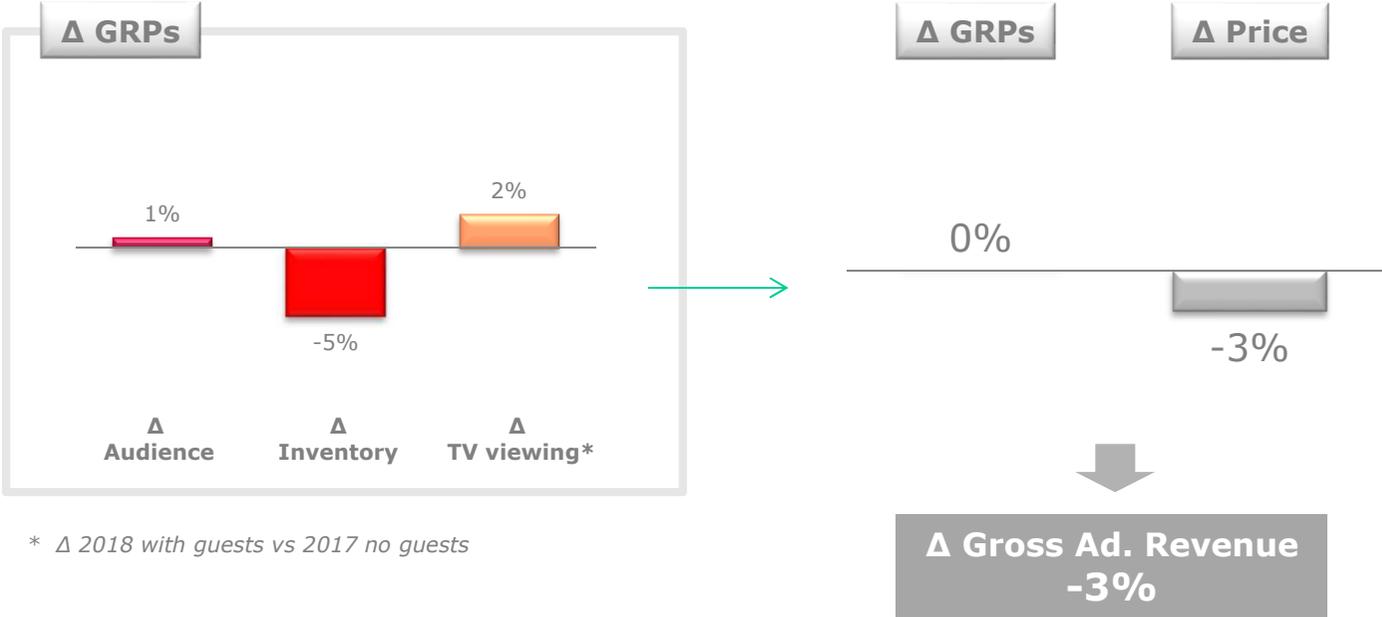
Complementary channels' audience share



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

Atresmedia Television: Ad revenues breakdown in FY 18

FY 18 Key factors



Source: Internal estimates

Atresmedia Digital

- One of the largest Spanish players in the digital market
- Exploring international markets via Smartclip Latam



ATRESMEDIA SITES

Most visited sites
Ranking
(Comscore)

8th

Unique users
(Dec 18
Comscore)

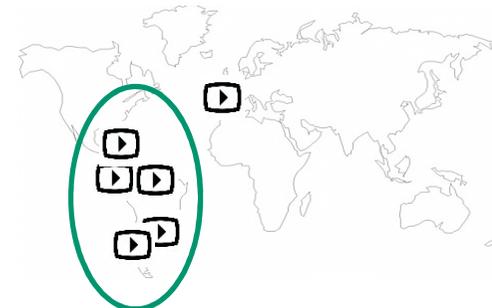
>21 mill

ATRES
player 

2.8 mill
Videoplayers users
(FY18 monthly avg)

10.8 mill
Apps downloads
(Dec 18)

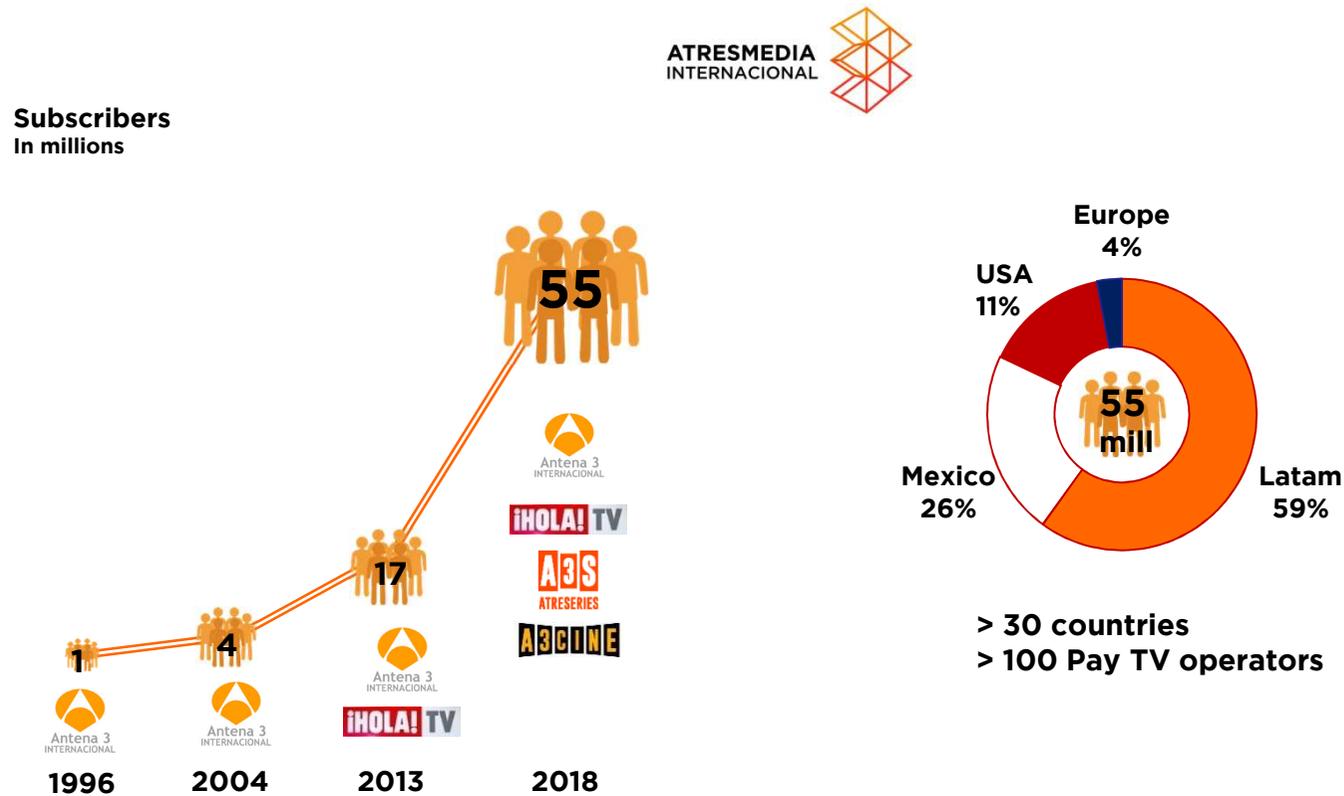
5.8 mill
Registrations
(Dec 18)



New openings in
2017/2018: Brazil,
Mexico, Colombia,
Argentina & Chile

Production & Content sales: Atresmedia International

→ Up to 55 mill subscribers in our international channels (x3 vs 2013)



Production & Content sales: Atresmedia Cinema

- ➔ Atresmedia Films accounted for 30% of total revenues generated by Spanish films in 2018

Atresmedia Cinema in 2018



Atresmedia Radio

- Atresmedia Radio held 17% market share
- EBITDA margin at 20%

Atresmedia Radio vs Radio market

FY18 growth

Radio market Revenues
(Infoadex)



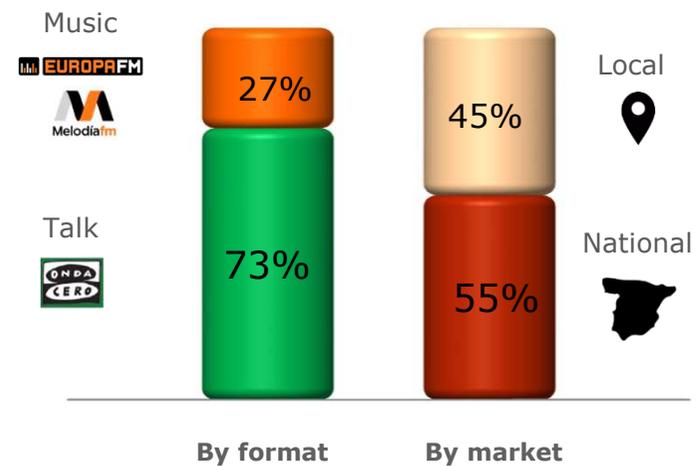
17%

Ad
market
share

20%

EBITDA
margin

Revenues breakdown in 2018



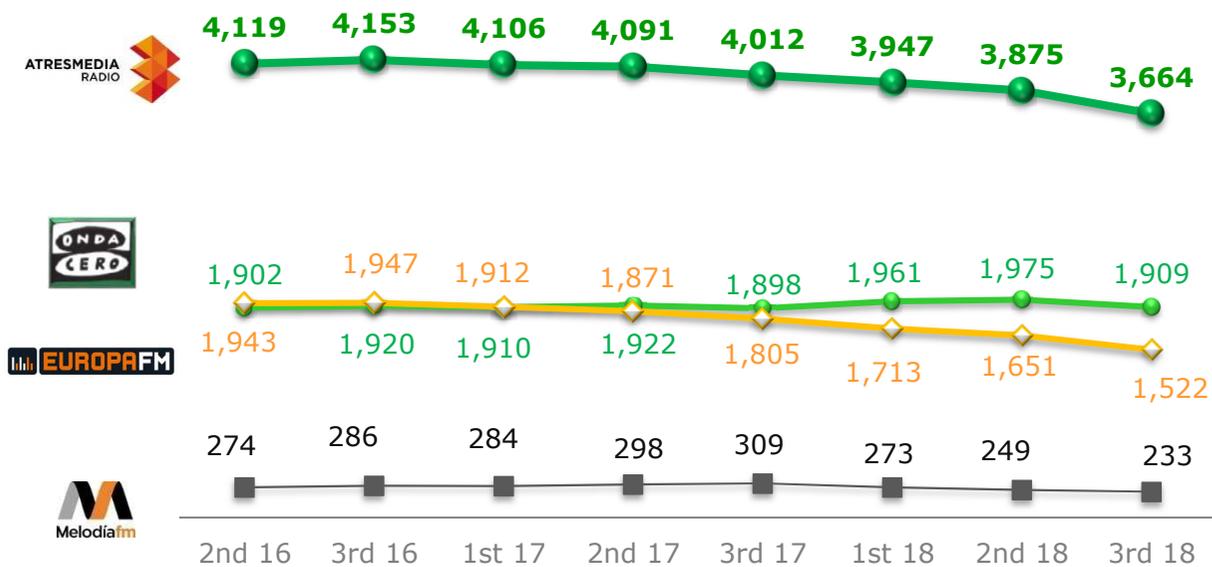
Source: Internal estimates

Atresmedia Radio

➔ Atresmedia Radio reached near 3.7 mill listeners/day

Listeners evolution

In thousand of listeners



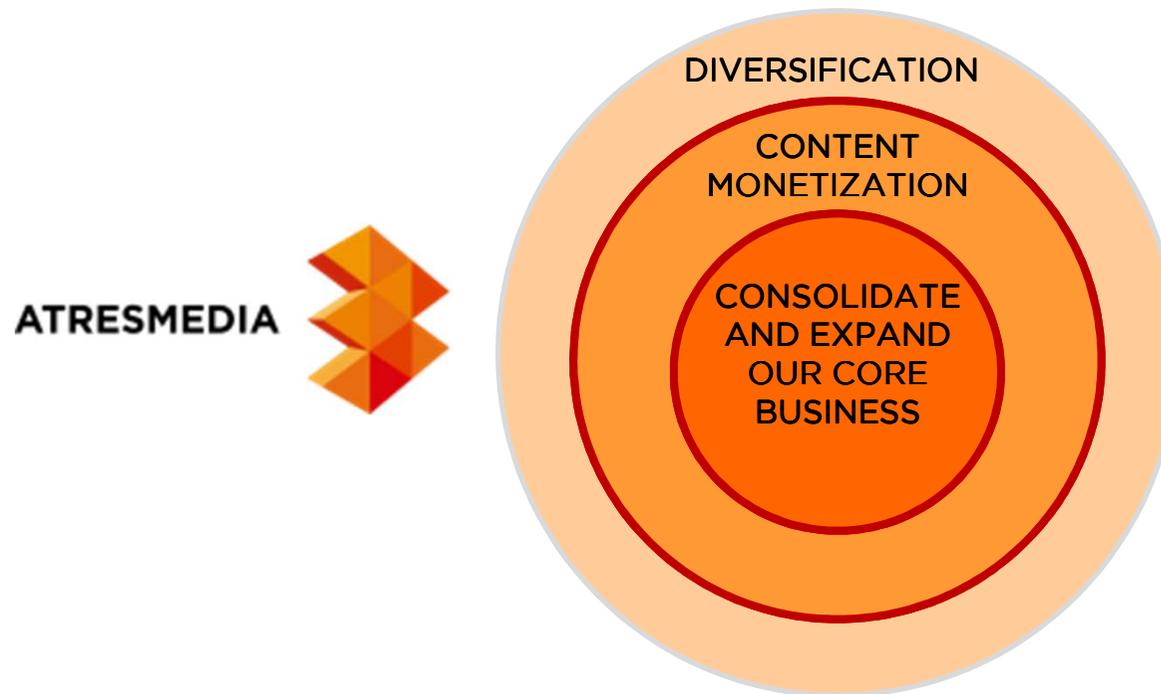
Source: EGM Surveys Monday to Friday (.000) (Moving average).

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Atresmedia's business guidelines update

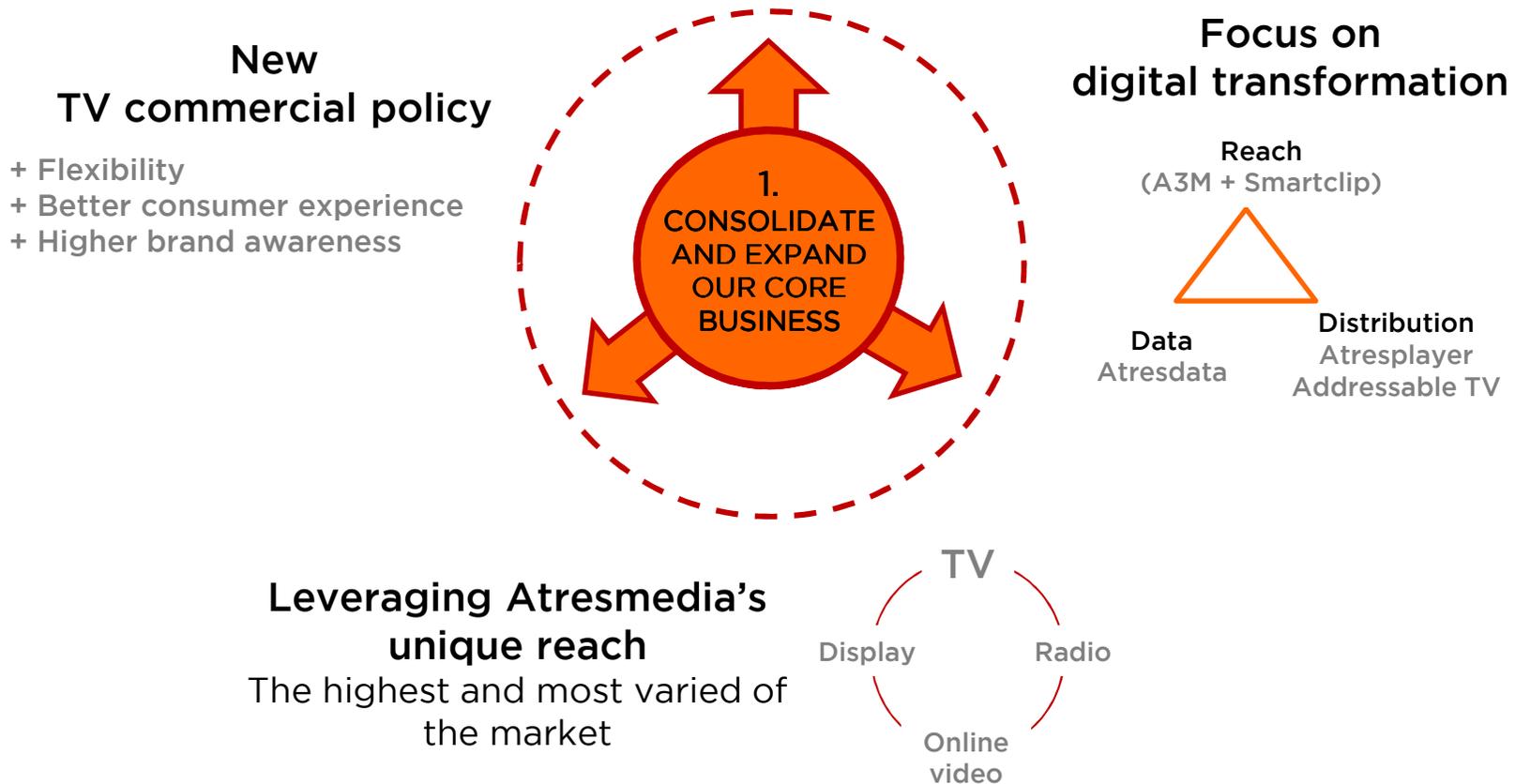
Our main business guidelines

- Three main business guidelines: Expanding our core business, enhancing our content generation capabilities and building a more global and diversified Group



Our main business guidelines

- Expanding our core business by leveraging Atresmedia's unique position on the Spanish market



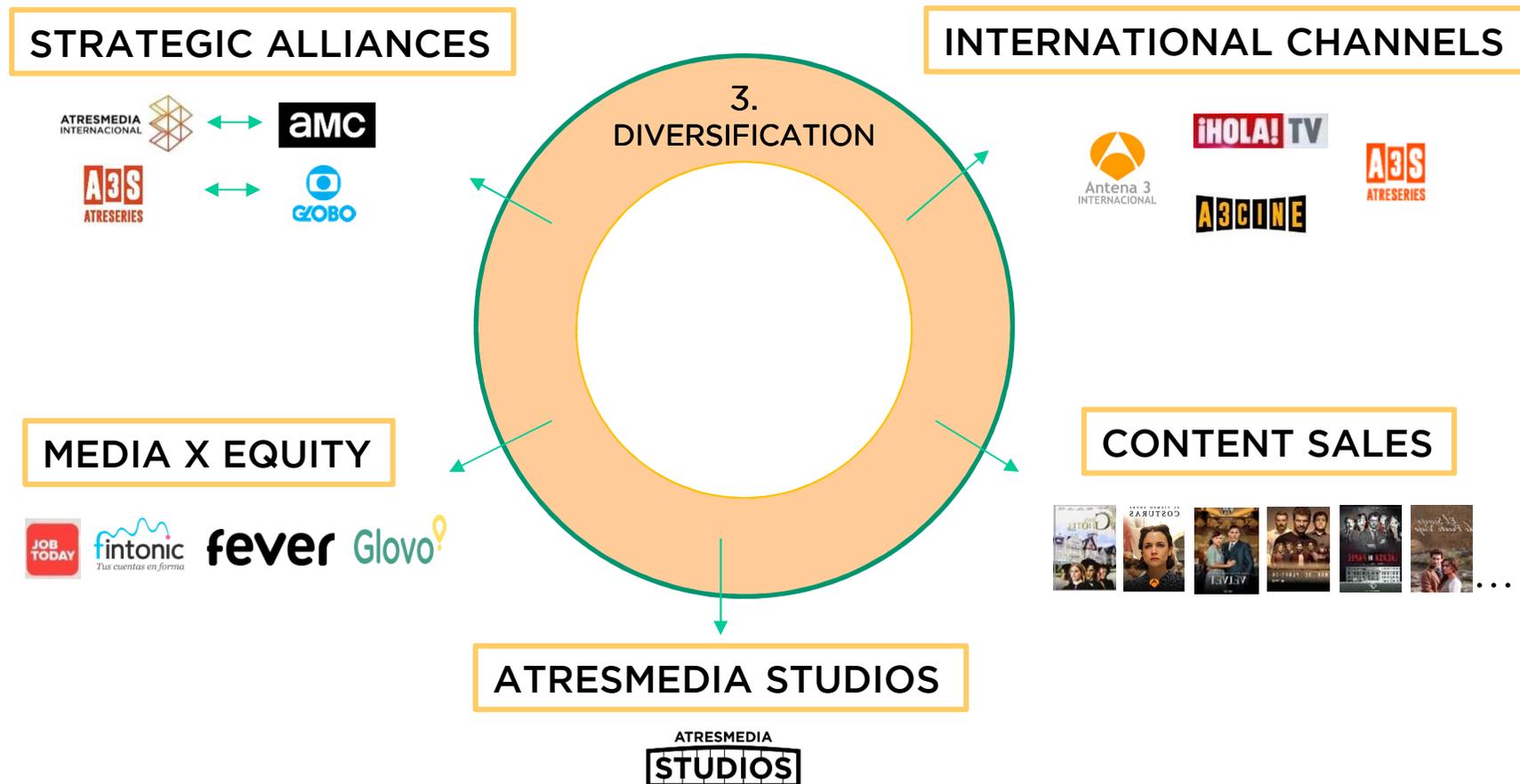
Our main business guidelines

- Maximizing Atresmedia's content production and distribution in all possible ways



Our main business guidelines

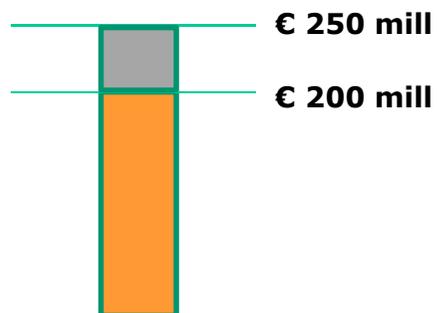
- Exploring and developing numerous activities to build a more global and diversified communication group



Our main business guidelines

→ No changes in current financial targets

Total Net Debt Target



Dividend policy



Operating Cash Flow

≥ 90% EBITDA

Back up

Atresmedia

Q4 18 Results in € mill: P&L

				Ex-Smartclip*		
	Q4 18	Q4 17	YoY	Q4 18	Q4 17	YoY
Net Revenues	294.7	297.0	-0.8%	284.0	284.7	-0.3%
OPEX	231.6	243.5	-4.9%	223.2	232.6	-4.0%
EBITDA	63.2	53.6	+17.9%	60.8	52.2	+16.7%
<i>EBITDA Margin</i>	<i>21.4%</i>	<i>18.0%</i>		<i>21.4%</i>	<i>18.3%</i>	
EBIT	58.5	48.9	+19.6%	56.2	47.6	+18.3%
<i>EBIT Margin</i>	<i>19.9%</i>	<i>16.5%</i>		<i>19.8%</i>	<i>16.7%</i>	
Net profit	2.1	38.7	-94.5%			
<i>Net profit Margin</i>	<i>0.7%</i>	<i>13.0%</i>				
Net profit proforma	39.6	38.7	+2.5%			
<i>Net profit Margin</i>	<i>13.4%</i>	<i>13.0%</i>				

Source: Atresmedia's financial statements

* Smartclip was included within the consolidation perimeter as of July 1st, 2017

Atresmedia Audiovisual

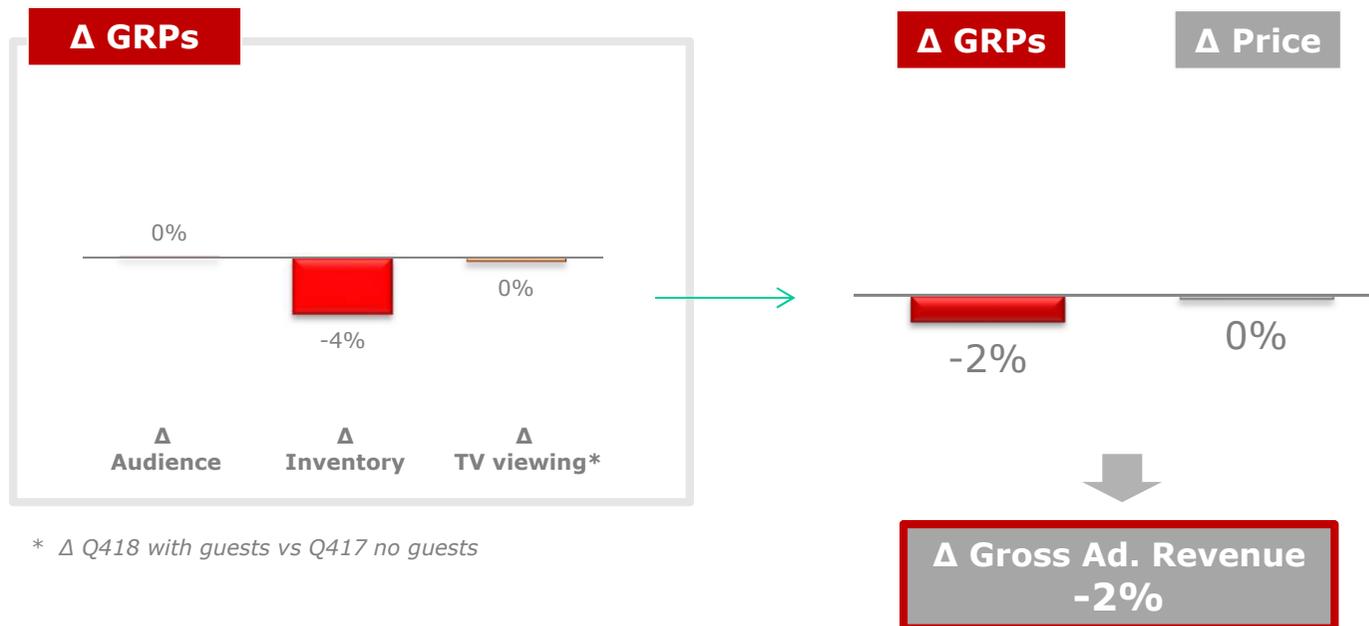
Q4 18 Results in € mill: P&L

	Q4 18	Q4 17	YoY
Total Net Rev.	273.3	276.1	-1.0%
OPEX	216.5	227.5	-4.9%
EBITDA	56.8	48.5	+17.0%
<i>EBITDA Margin</i>	<i>20.8%</i>	<i>17.6%</i>	
EBIT	52.7	44.4	+18.5%
<i>EBIT Margin</i>	<i>19.3%</i>	<i>16.1%</i>	

Source: Atresmedia`s financial statements

Television: Ad revenues breakdown in Q4 18

Q4 18 Key factors



Source: Internal estimates

Atresmedia Radio

Q4 18 Results in € mill: P&L

	Q4 18	Q4 17	YoY
Net Revenues	23.8	23.5	+1.2%
OPEX	17.4	18.5	-5.6%
EBITDA	6.3	5.0	+26.5%
<i>EBITDA Margin</i>	<i>26.7%</i>	<i>21.4%</i>	
EBIT	5.8	4.5	+30.3%
<i>EBIT Margin</i>	<i>24.6%</i>	<i>19.1%</i>	

Source: Atresmedia's financial statements

2018 Consolidated statements: New reporting

Euros (in millions)

NET REVENUE	Q118	Q218	Q318	Q418	12M18
Audiovisual	236.2	277.5	182.2	273.273	969.173
Television advertising	204.1	239.3	151.7	234.4	829.5
Digital advertising	8.83	12.678	8.722	14.725	44.955
Content production and distribution	17.4	14.3	17	9.38	58.08
Other revenue	5.9	11.3	4.7	14.8	36.7
Radio	18.747	23.473	16.525	23.772	82.517
Eliminations	(2.8)	(2.6)	(1.7)	(2.3)	(9.4)
ATRESMEDIA	252.2	298.4	197	294.7	1042.3
OPERATING EXPENSES	Q118	Q218	Q318	Q418	12M18
Audiovisual	205.3	216.3	160.5	216.464	798.564
Programming costs and others	118.5	123.7	77.6	118.2	438
Personnel costs	27.613	27.765	26.468	27.295	109.141
Other operating expenses	28.746	26.946	25.433	38.136	119.261
Variable costs linked to sales	30.5	37.9	31	32.827	132.227
Radio	16.4	16.7	15.5	17.426	66.026
Eliminations	(2.8)	(2.6)	(1.7)	(2.3)	(9.4)
ATRESMEDIA	219	230.4	174.2	231.569	855.169
EBITDA	Q118	Q218	Q318	Q418	12M18
Audiovisual	30.909	61.26	21.664	56.81	170.643
Radio	2.314	6.769	1.074	6.347	16.504
ATRESMEDIA	33.223	68.029	22.738	63.157	187.147

2017 Consolidated statements: New reporting

Euros (in millions)

NET REVENUE	Q117	Q217	Q317	Q417	12M17
Audiovisual	242.6	271.2	188.1	276.1	978.0
Television advertising	215.2	240.7	163.6	234.2	853.7
Digital advertising	2.9	3.4	5.0	15.8	27.1
Content production and distribution	17.1	15.2	14.9	19.0	66.2
Other revenue	7.4	12.0	4.6	7.1	31.1
Radio	19.4	23.0	17.7	23.5	83.5
Eliminations	(2.9)	(2.5)	(1.6)	(2.5)	(9.5)
ATRESMEDIA	259.1	291.7	204.3	297.0	1,052.1

OPERATING EXPENSES	Q117	Q217	Q317	Q417	12M17
Audiovisual	203.1	203.7	158.7	227.5	793.0
Programming costs and others	121.8	114.9	89.7	122.0	448.4
Personnel costs	25.7	26.5	26.9	27.8	106.9
Other operating expenses	28.2	29.3	21.3	35.6	114.3
Variable costs linked to sales	27.4	33.1	20.8	42.1	123.3
Radio	17.6	15.3	15.1	18.5	66.5
Eliminations	(2.9)	(2.5)	(1.6)	(2.5)	(9.5)
ATRESMEDIA	217.8	216.4	172.2	243.5	849.9

EBITDA	Q117	Q217	Q317	Q417	12M17
Audiovisual	39.5	67.6	29.5	48.5	185.1
Radio	1.7	7.7	2.6	5.0	17.1
ATRESMEDIA	41.2	75.3	32.1	53.6	202.1

2016 Consolidated statements: New reporting

Euros (in millions)

NET REVENUE	Q116	Q216	Q316	Q416	12M16
Audiovisual	230.3	276.9	180.7	260.2	948.2
Television advertising	209.2	251.5	159.2	235.7	855.6
Digital advertising	2.3	3.1	2.9	2.9	11.2
Content production and distribution	13.1	12.9	13.1	12.9	52.0
Other revenue	5.7	9.4	5.5	8.7	29.4
Radio	18.1	23.4	17.2	23.4	82.2
Eliminations	(2.4)	(2.3)	(1.7)	(2.7)	(9.2)
ATRESMEDIA	246.0	298.0	196.1	280.9	1,021.1

OPERATING EXPENSES	Q116	Q216	Q316	Q416	12M16
Audiovisual	193.1	207.7	150.3	214.8	765.9
Programming costs and others	118.6	121.2	85.3	122.2	447.3
Personnel costs	25.4	27.6	26.1	27.9	107.0
Other operating expenses	27.9	29.2	17.3	38.7	113.2
Variable costs linked to sales	21.2	29.7	21.6	25.9	98.4
Radio	15.1	13.5	15.6	18.3	62.5
Eliminations	(2.4)	(2.3)	(1.7)	(2.7)	(9.2)
ATRESMEDIA	205.8	218.8	164.1	230.4	819.1

EBITDA	Q116	Q216	Q316	Q416	12M16
Audiovisual	37.3	69.2	30.4	45.4	182.3
Radio	3.0	9.9	1.6	5.1	19.7
ATRESMEDIA	40.3	79.2	32.0	50.5	202.0

Additional information

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