

# ATRESMEDIA

## H1 16 Results

July 21st, 2016

[www.atresmediacorporacion.com](http://www.atresmediacorporacion.com)



# H1 16 Highlights

- According to market sources, Total Ad market grew by around 4% in H1 16 (TV went up by more than +8% while Radio was slightly negative yoy)
- Atresmedia increased its audience up to 27.4% (+1.1pp) in Total Individuals and to 30.2% in the Commercial Target
- Our two new channels, MEGA and Atreseries, were best in class among latest launches (6 new channels in last 12 months)
- Atresmedia Television kept market share at 43% and led power ratio (1.6x) once more
- Atresmedia Radio improved EBITDA margin yoy despite the decline in audiences and the weakness of the ad market
- Atresmedia's Net revenue amounted to €544.1mill, +7.4% yoy
- OPEX stood at €424.6mill, +2.7% yoy
- EBITDA of €119.4mill, +28.6% vs H1 15
- Net Profit reached €84.2mill, 1.5x vs H1 15

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## H1 16 Financial Summary

# Advertising market in Spain

- According to market sources, Total Ad market increased by roughly 4% in this first half of 2016
- TV (+8%) outperformed the market once more while Radio was slightly negative yoy

Media	Infoadex	I2p
TV	+8.4%	+8.1%
Radio	-0.5%	-0.8%
Newspapers	-6.5%	-8.6%
Magazines	-3.6%	-3.4%
Sunday suppl.	-9.2%	-26.3%
Outdoor	-1.2%	-1.2%
Internet	+15.2%	+16.1%
Cinema	+5.1%	+8.8%
<b>Total</b>	<b>+4.7%</b>	<b>+3.8%</b>

Source: Infoadex & I2p (ArceMedia)

# Atresmedia

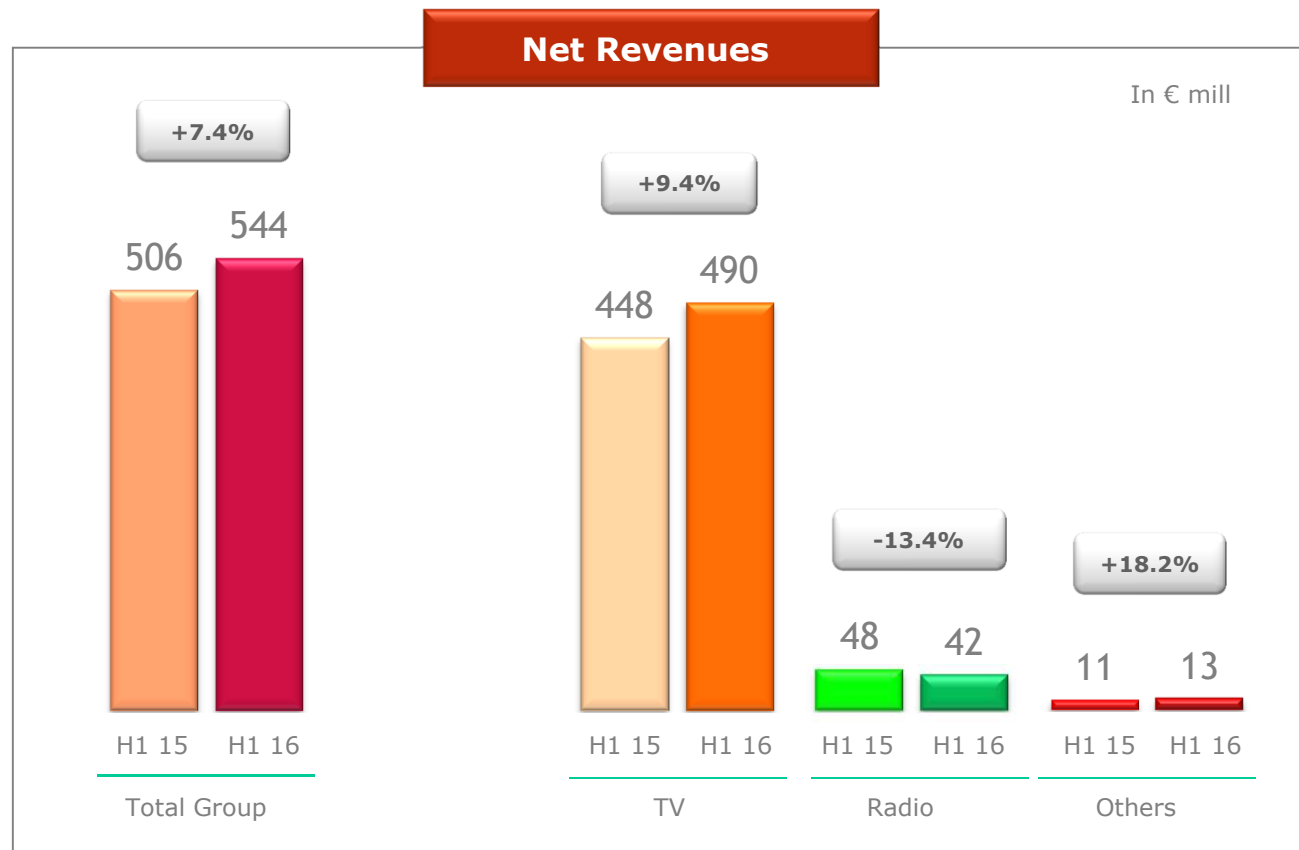
H1 16 Results in € mill: P&L

	H1 16	H1 15	YoY
<b>Net Revenues</b>	<b>544.1</b>	<b>506.4</b>	<b>+7.4%</b>
<b>OPEX</b>	<b>424.6</b>	<b>413.5</b>	<b>+2.7%</b>
<b>EBITDA</b>	<b>119.4</b>	<b>92.9</b>	<b>+28.6%</b>
<i>EBITDA Margin</i>	<i>22.0%</i>	<i>18.3%</i>	
<b>EBIT</b>	<b>110.5</b>	<b>84.2</b>	<b>+31.1%</b>
<i>EBIT Margin</i>	<i>20.3%</i>	<i>16.6%</i>	
<b>Net profit</b>	<b>84.2</b>	<b>55.4</b>	<b>+52.0%</b>
<i>Net profit Margin</i>	<i>15.5%</i>	<i>10.9%</i>	

Source: Atresmedia's financial statements

# Atresmedia: Net revenues by segment

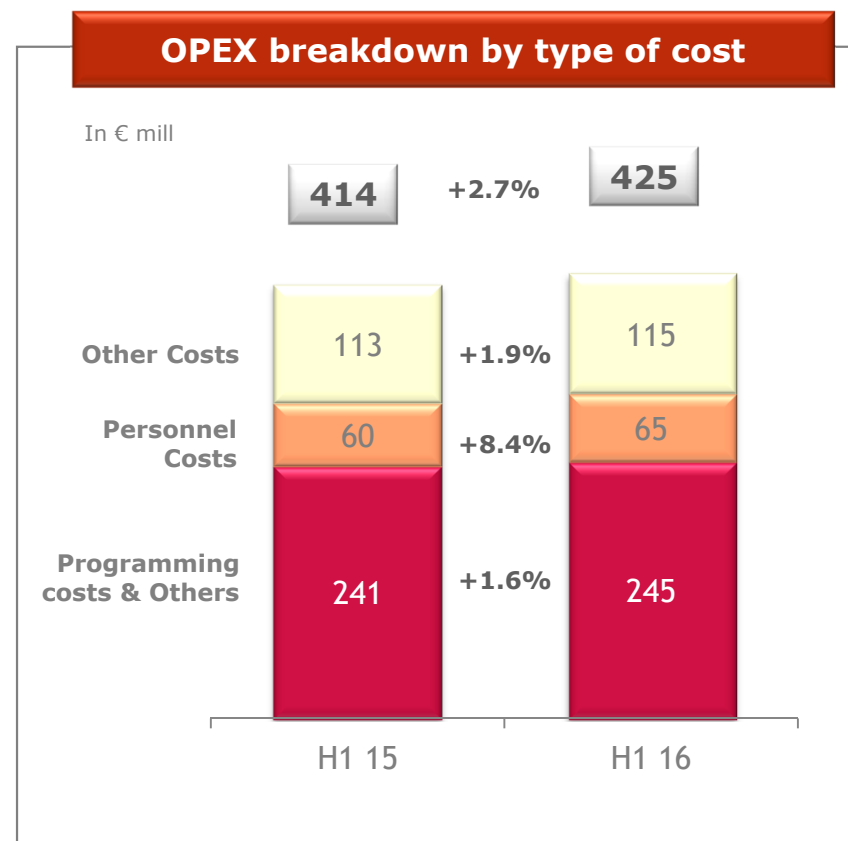
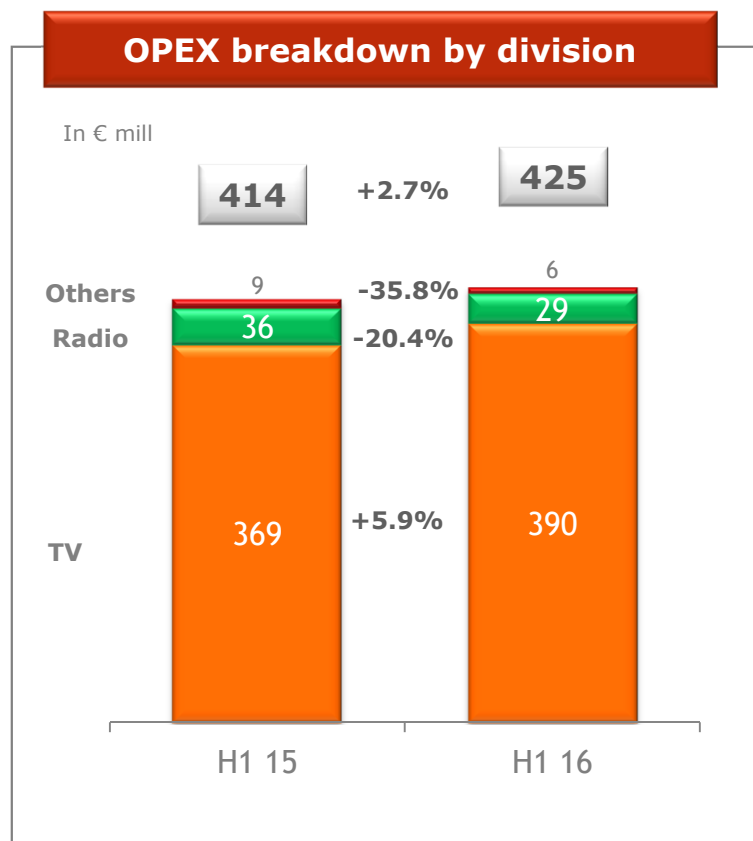
- Total Net Revenues stood at €544.1 million, +7.4% yoy
- Net TV revenues of €489.9 million (+9.4%)
- Radio revenues reached €41.6mill (-13.4% yoy)
- Revenues of "Others" reached €12.6mill (+18.2% mill yoy)



Source: Atresmedia's financial statements

# Atresmedia: OPEX

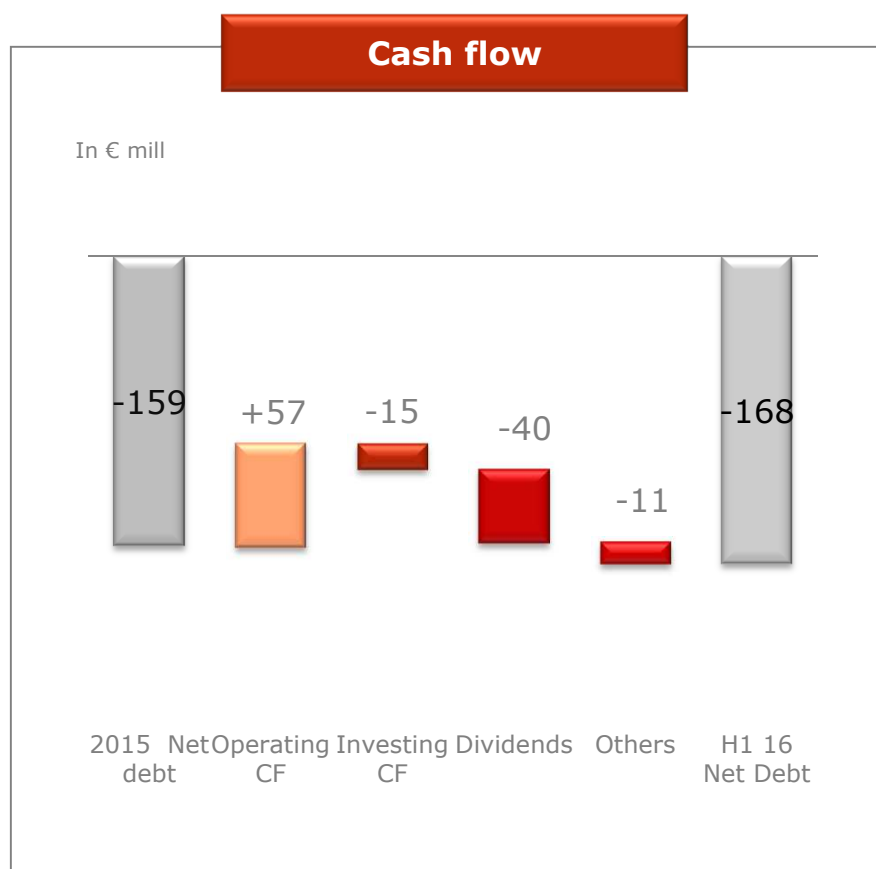
- Total OPEX of €424.6 mill, +2.7% vs H1 15
- TV OPEX mainly increased due to the addition of two new channels and more sports rights yoy (Champions League vs F1's events)
- TV's higher costs were partially offset through savings in Radio and in Others



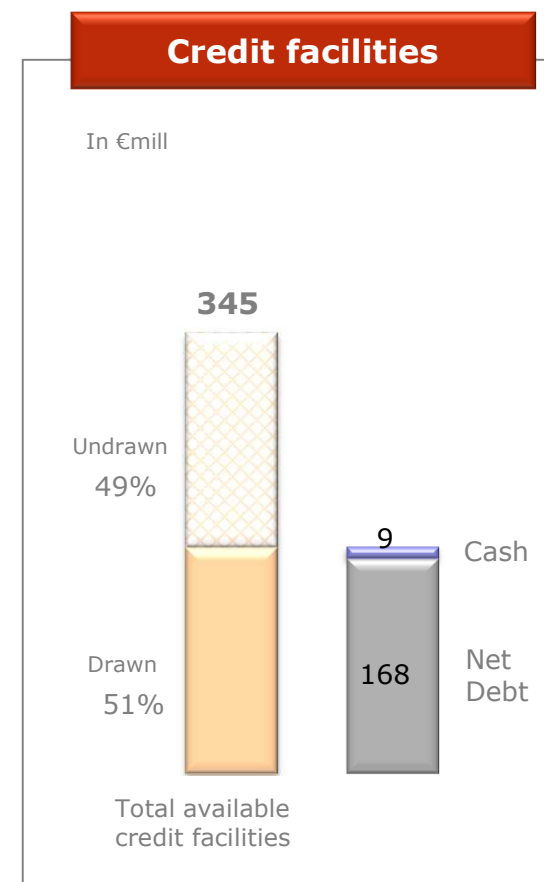
Source: Atresmedia's financial statements

# Atresmedia: Cash flow & Debt position

- Total net debt reached €168 million (+€9mill vs Dec 2015)
- Total net debt/last 12 months EBITDA = 0.9x



Source: Atresmedia's financial statements

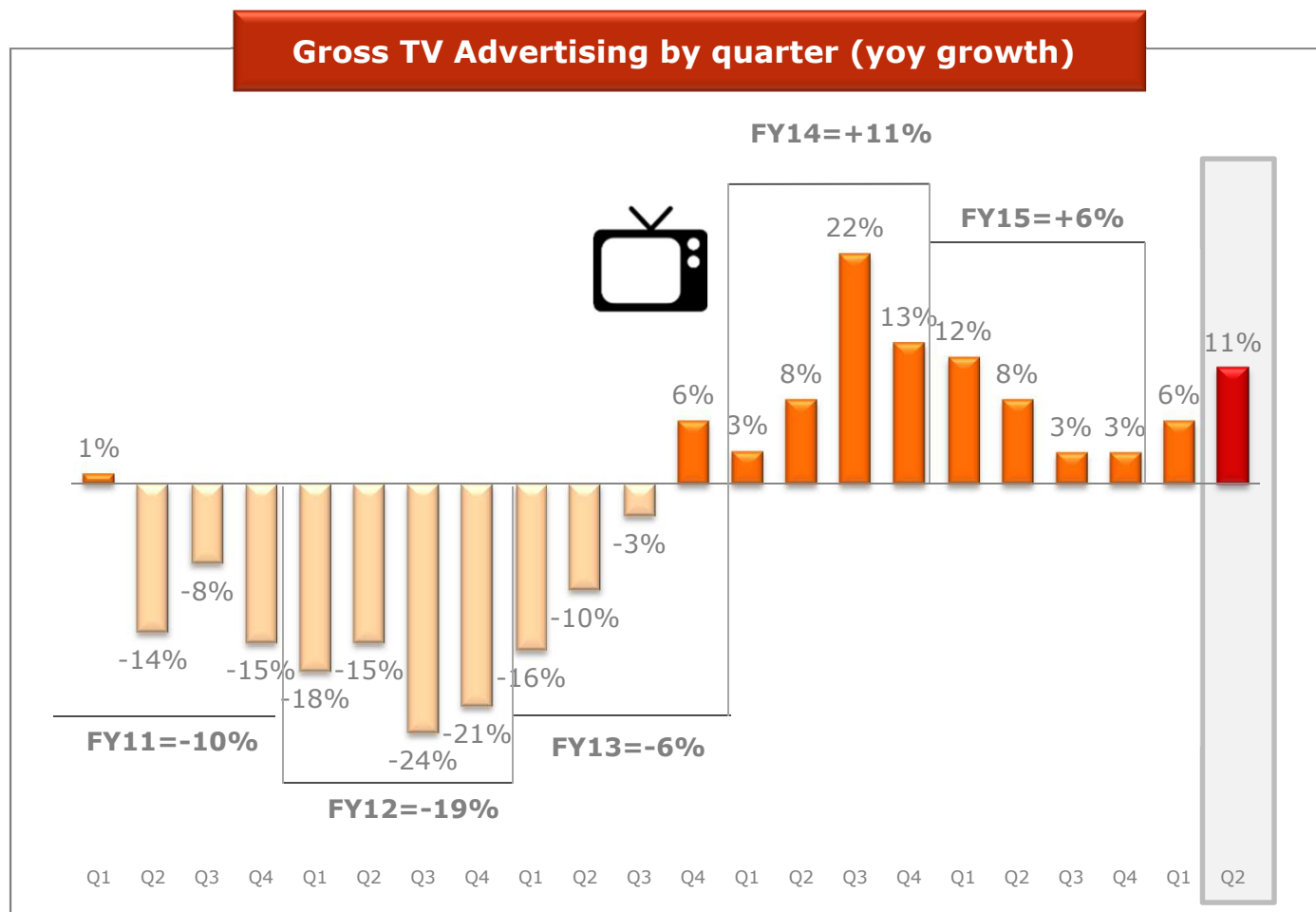


Source: Atresmedia's financial statements



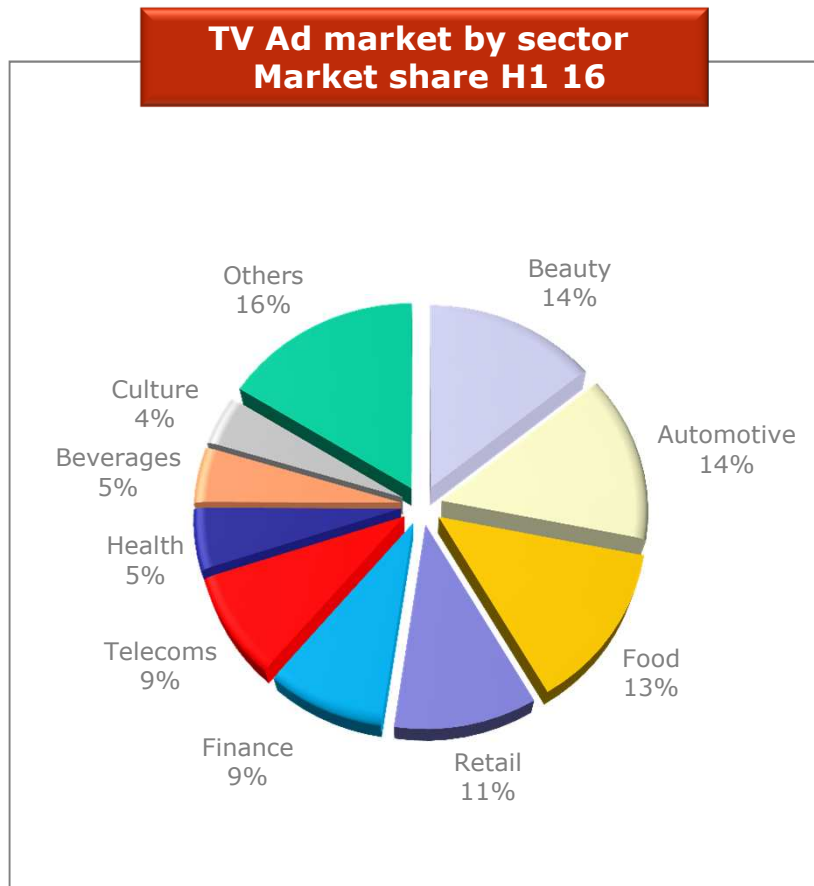
# TV Advertising market

→ Q2 16 (+11% yoy): Good performance despite tough comps yoy

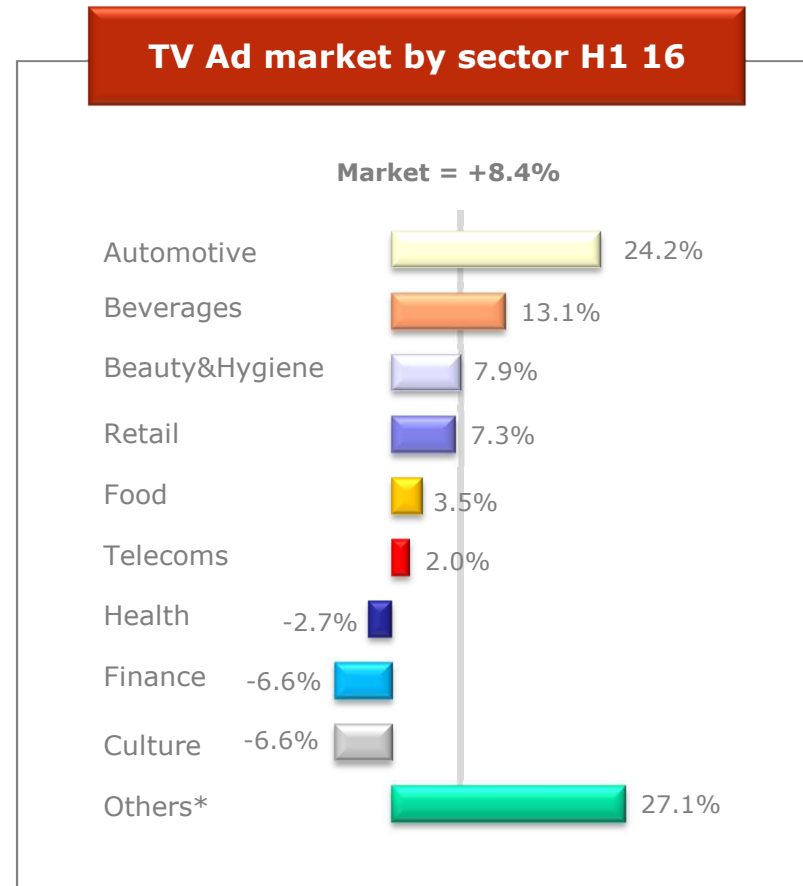


# TV Advertising market by sector

➔ Most categories in positive, especially Autos



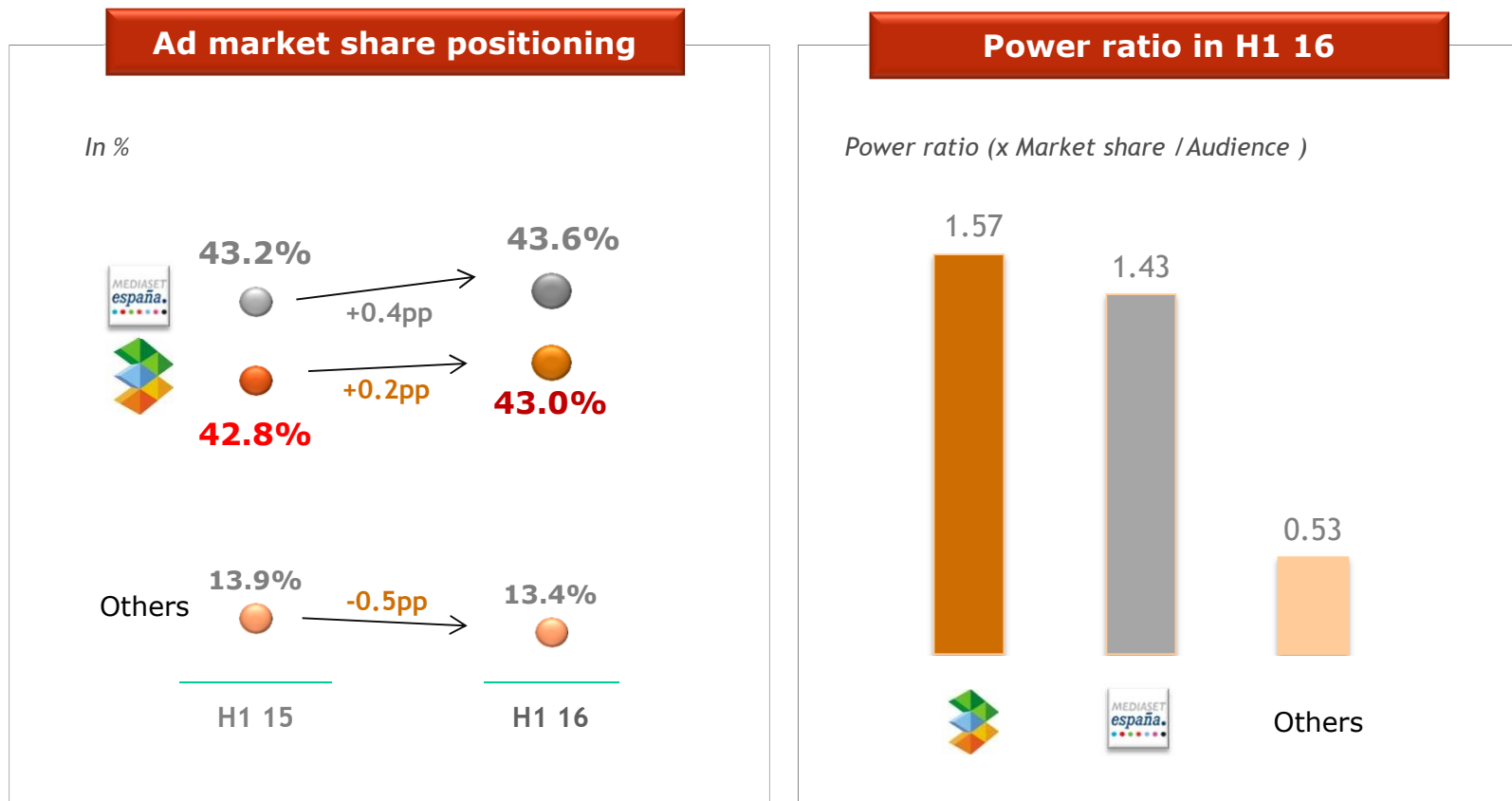
Source: Internal estimates & Infoadex



\*Others: Leisure & sports, energy, public and private services...

# Atresmedia market positioning

- Atresmedia's market share in line yoy despite the Euro 2016 impact in Q2 16
- Best power ratio in the industry once more



Source: Infoadex

# Atresmedia Television

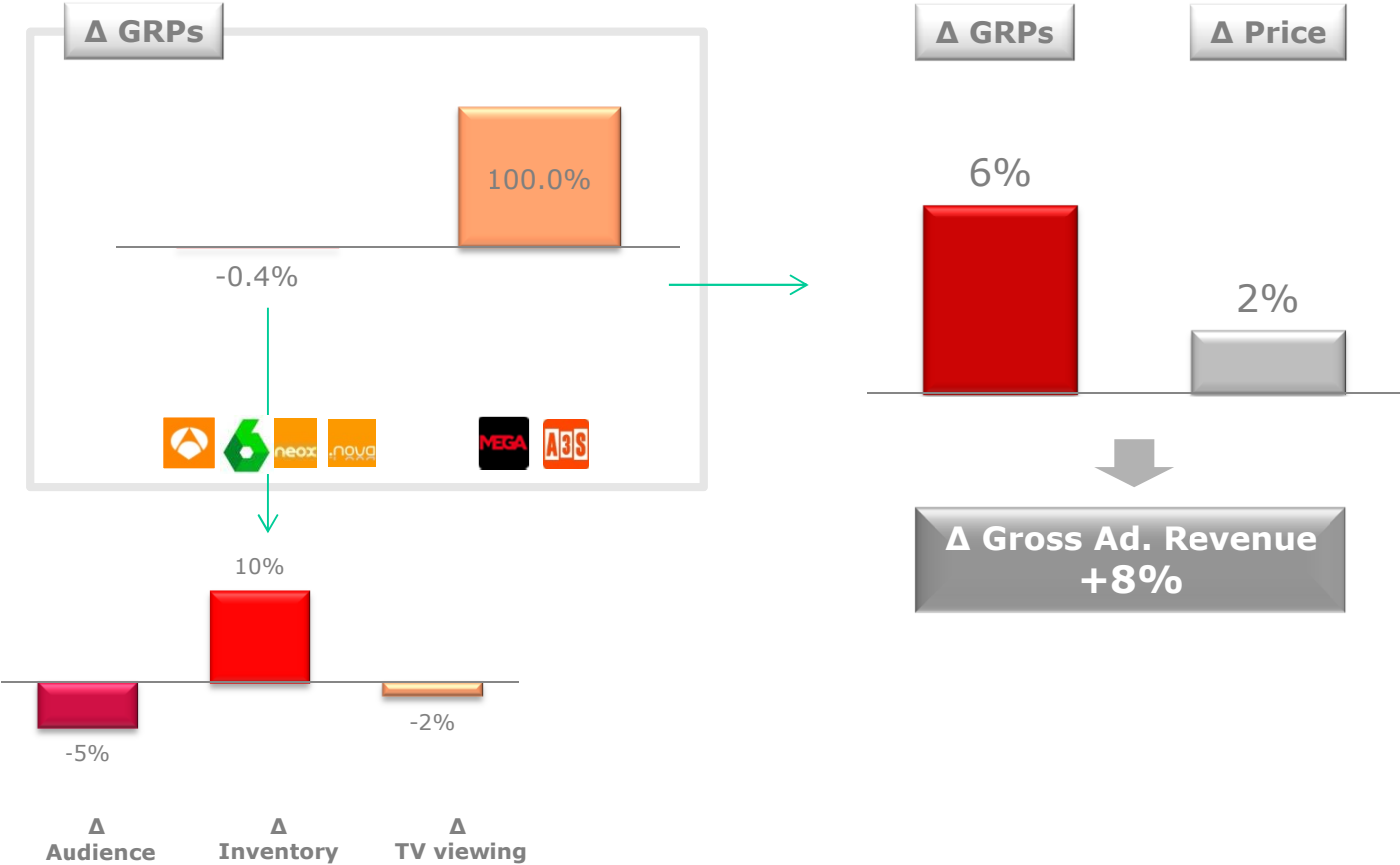
H1 16 Results in € mill: P&L

	H1 16	H1 15	YoY
<b>Total Net Rev.</b>	<b>489.9</b>	<b>447.7</b>	<b>+9.4%</b>
<b>OPEX</b>	<b>390.3</b>	<b>368.6</b>	<b>+5.9%</b>
<b>EBITDA</b>	<b>99.6</b>	<b>79.1</b>	<b>+25.9%</b>
<i>EBITDA Margin</i>	<i>20.3%</i>	<i>17.7%</i>	
<b>EBIT</b>	<b>91.9</b>	<b>72.1</b>	<b>+27.4%</b>
<i>EBIT Margin</i>	<i>18.8%</i>	<i>16.1%</i>	

Source: Atresmedia`s financial statements

# Atresmedia Television: Ad revenues breakdown in H1 16

## H1 16 Key factors



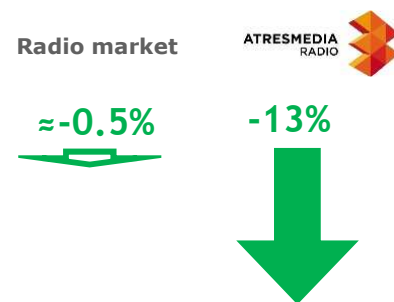
Source: Internal estimates

# Atresmedia Radio

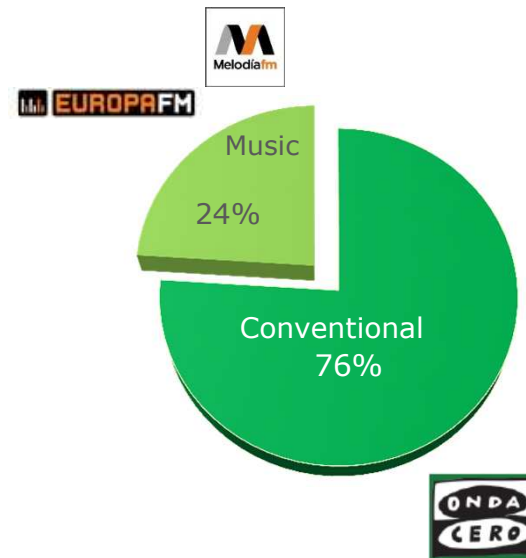
- Atresmedia Radio suffered a double negative effect (weak market + tough comps due to lower audiences yoy in the talk radio)

## Atresmedia Radio vs Radio market

Ad revenues growth yoy



## Revenues breakdown



Source: Internal estimates & Infoadex

# Atresmedia Radio

H1 16 Results in € mill: P&L

	H1 16	H1 15	YoY
<b>Net Revenues</b>	<b>41.6</b>	<b>48.0</b>	<b>-13.4%</b>
<b>OPEX</b>	<b>28.6</b>	<b>35.9</b>	<b>-20.4%</b>
<b>EBITDA</b> <i>EBITDA Margin</i>	<b>12.9</b> <i>31.2%</i>	<b>12.1</b> <i>25.1%</i>	<b>+7.3%</b>
<b>EBIT</b> <i>EBIT Margin</i>	<b>12.0</b> <i>28.8%</i>	<b>11.2</b> <i>23.3%</i>	<b>+6.8%</b>

Source: Atresmedia's financial statements

# Atresmedia: Others Division

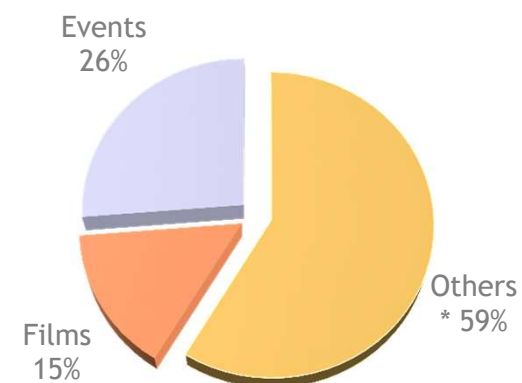
## Financials

€ mill	H1 16	H1 15
<b>Net Revenues</b>	<b>12.6</b>	<b>10.7</b>
<b>EBITDA</b>	<b>6.9</b>	<b>1.7</b>

Source: Atresmedia's financial statements

Contribution to consolidated group net of eliminations

### Net revenues split

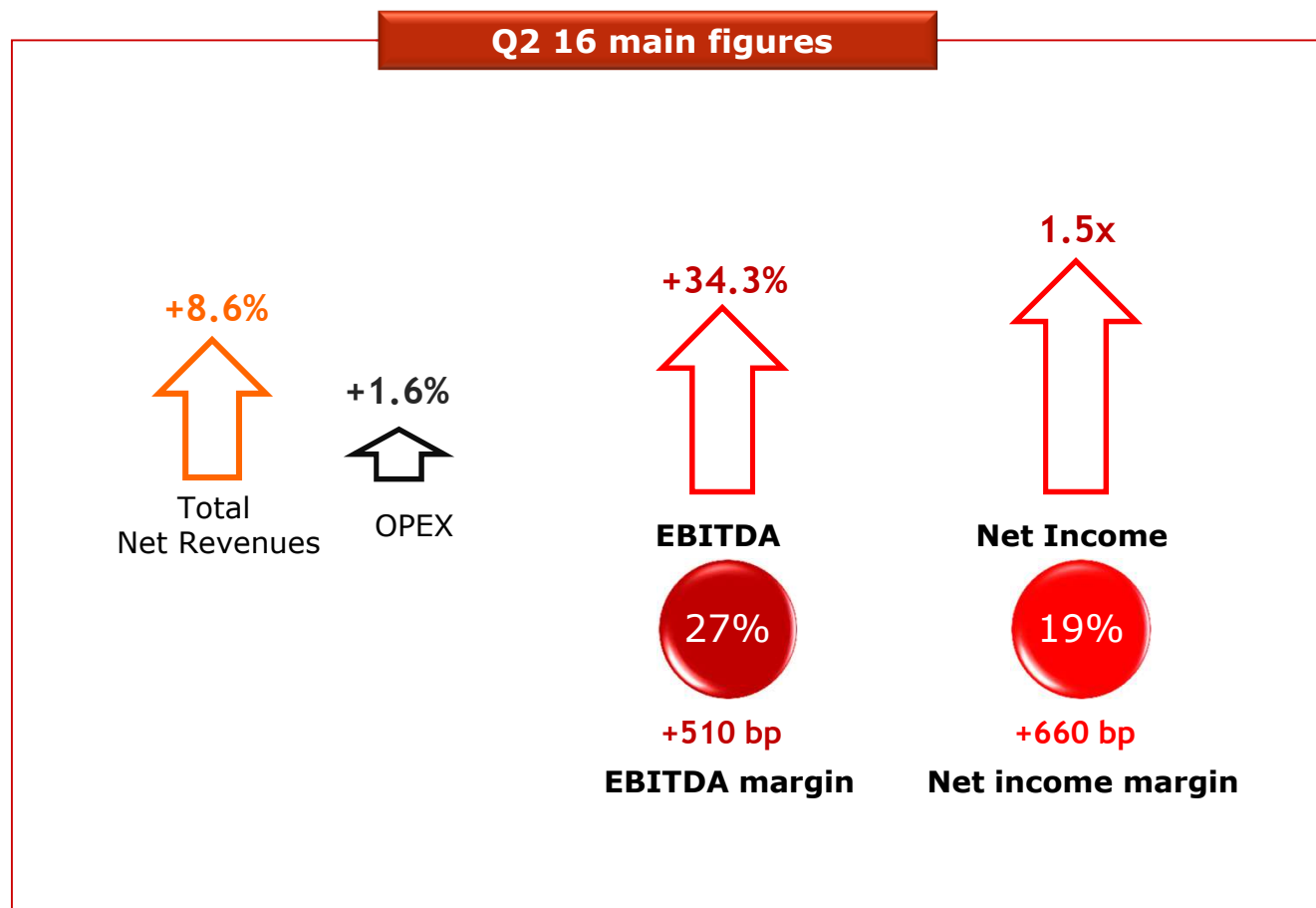


\*Others (Internet, Editorial...)



# Advertising market in Spain

→ Q2 16: An excellent quarter

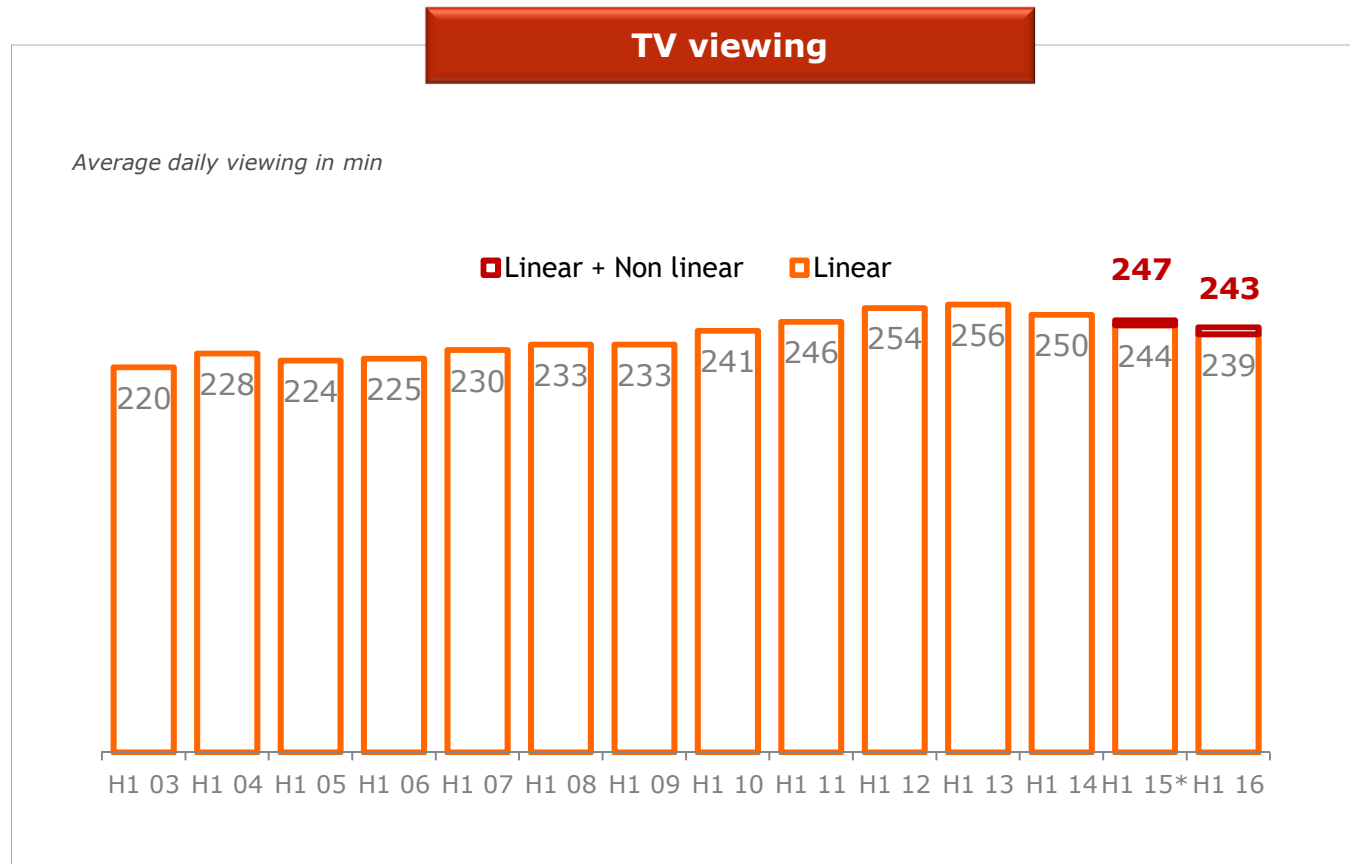


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## H1 16 Business Summary

# TV viewing

- TV viewing remains at high levels (239 min/day)
- Downward trend in linear TV is partially offset by non linear TV (+4 min/day)

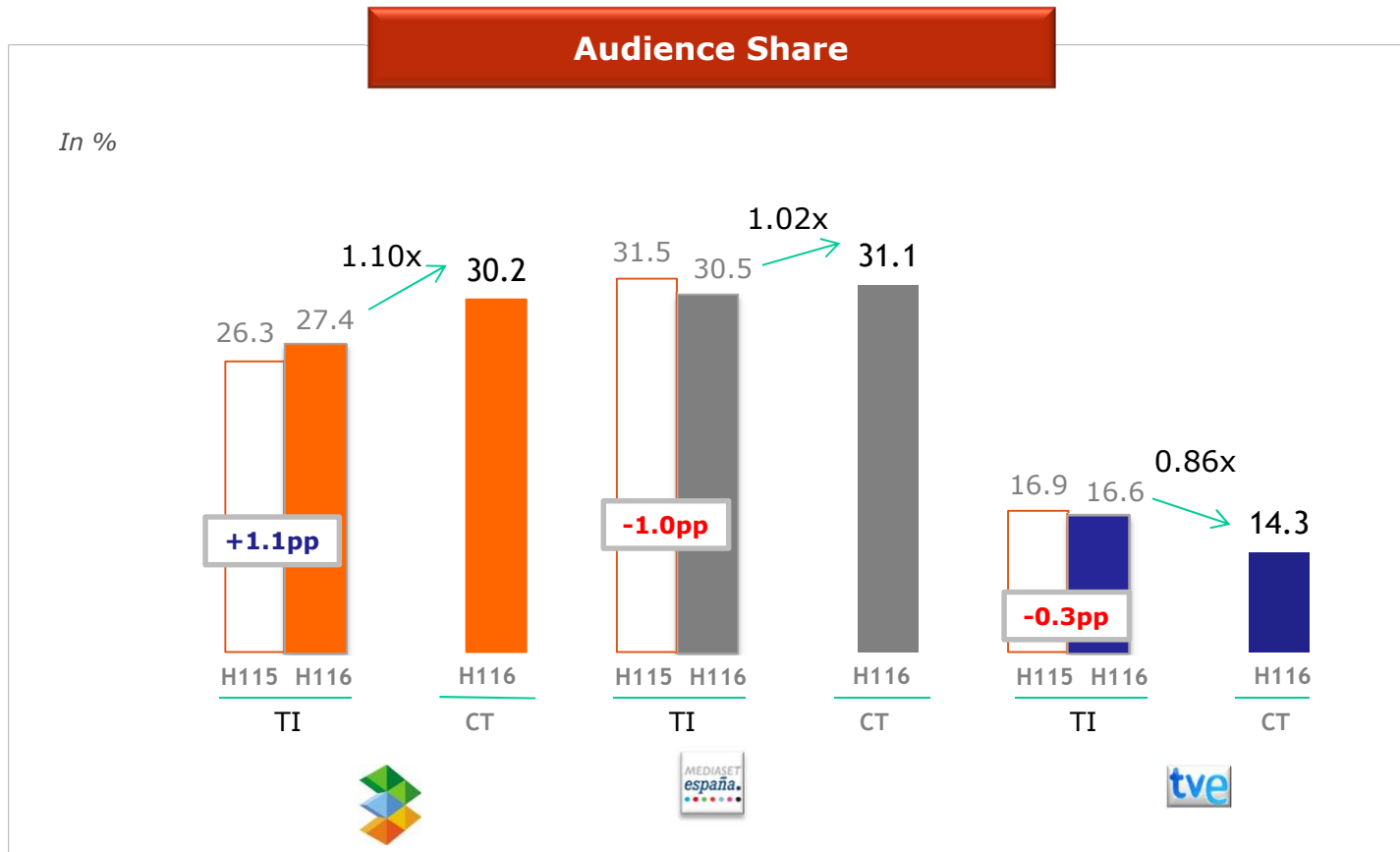


Source: Kantar Media. Non linear TV viewing includes +7 days through TV set (TV viewing on desktops, tablet or mobile devices not included)

\* Data from Feb to Jun 15

# TV audience shares: By groups

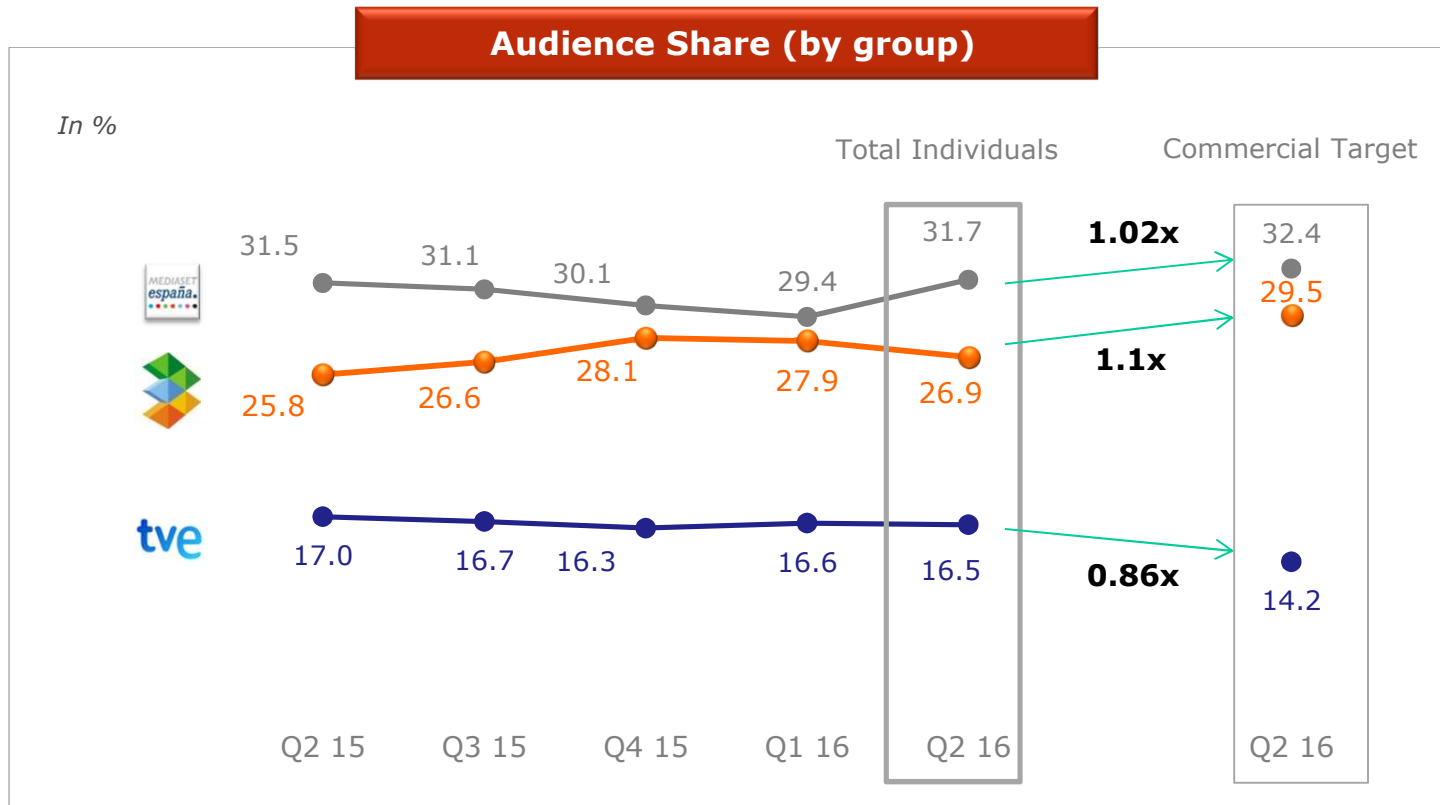
- ➔ Atresmedia reached 27.4% audience share (+1.1pp)
- ➔ Best player in converting Total Individual audience into Commercial Target



Source: Kantar Media Audience share 24h;  
 Total Individuals (TI) 4+  
 Commercial Target (CT): 25-59 yrs, > 10,000 inhabitants

# TV audience shares: By groups

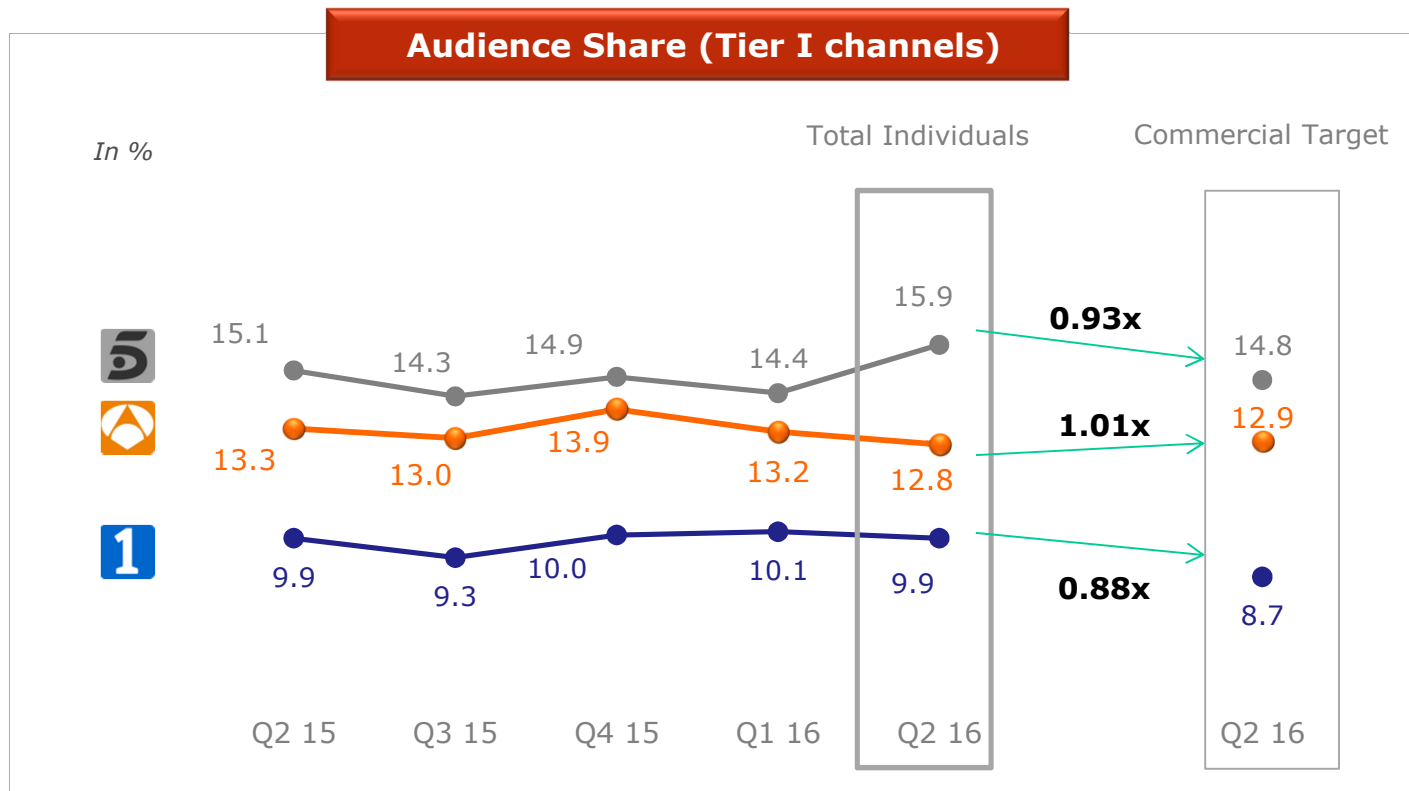
- Q2 16 audiences are affected by the Euro 2016
- Atresmedia's best commercial profile softens the impact in audience of Euro 2016



Source: Kantar Media Audience share 24h;  
 Total Individuals (TI) 4+  
 Commercial Target (CT): 25-59 yrs, > 10,000 inhabitants

# TV audience shares: By groups

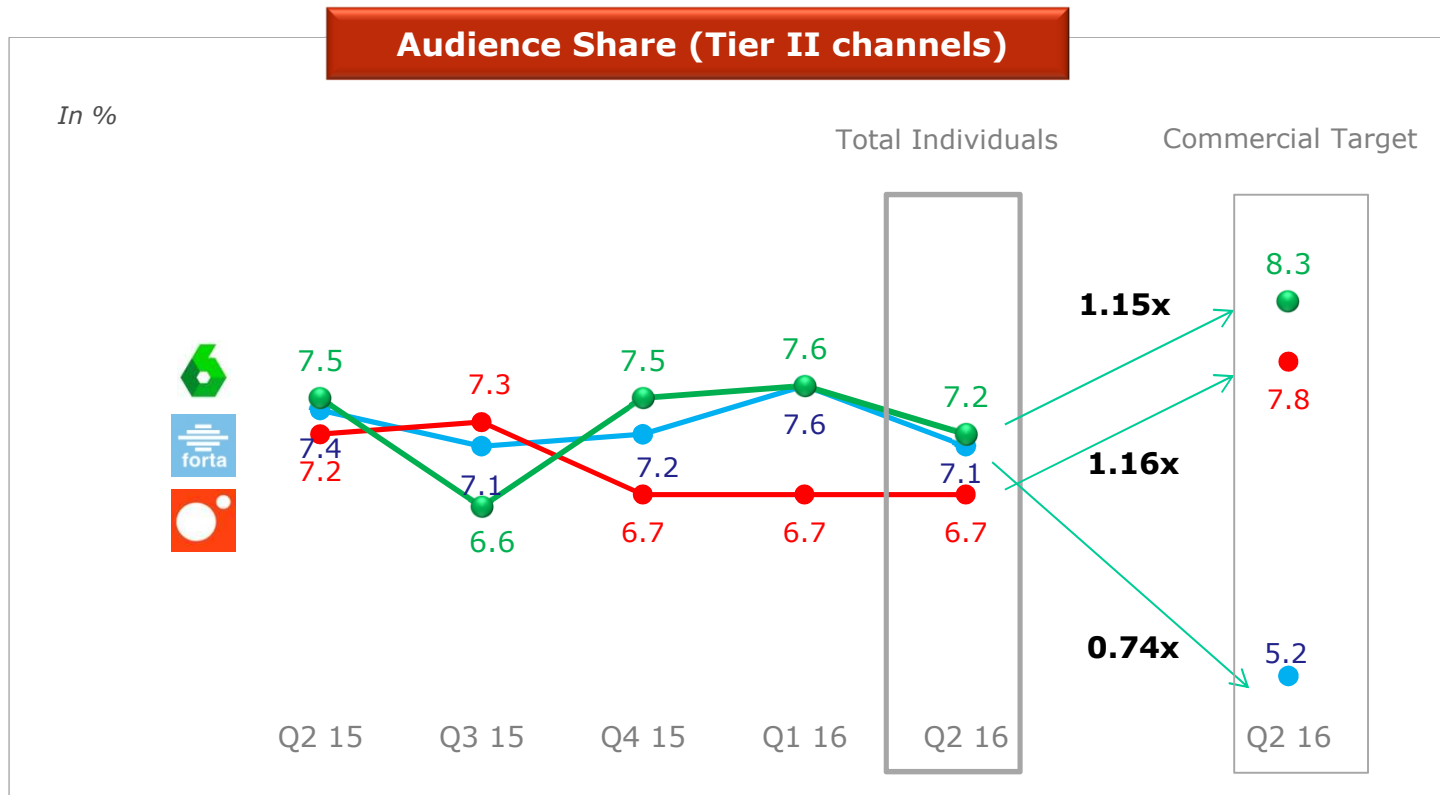
- Euro 2016 distorted the Q2 16 comparison
- Antena 3 as the only player that fully capitalizes on audience levels



Source: Kantar Media Audience share 24h;  
 Total Individuals (TI) 4+  
 Commercial Target (CT): 25-59 yrs, > 10,000 inhabitants

# TV audience shares: By groups

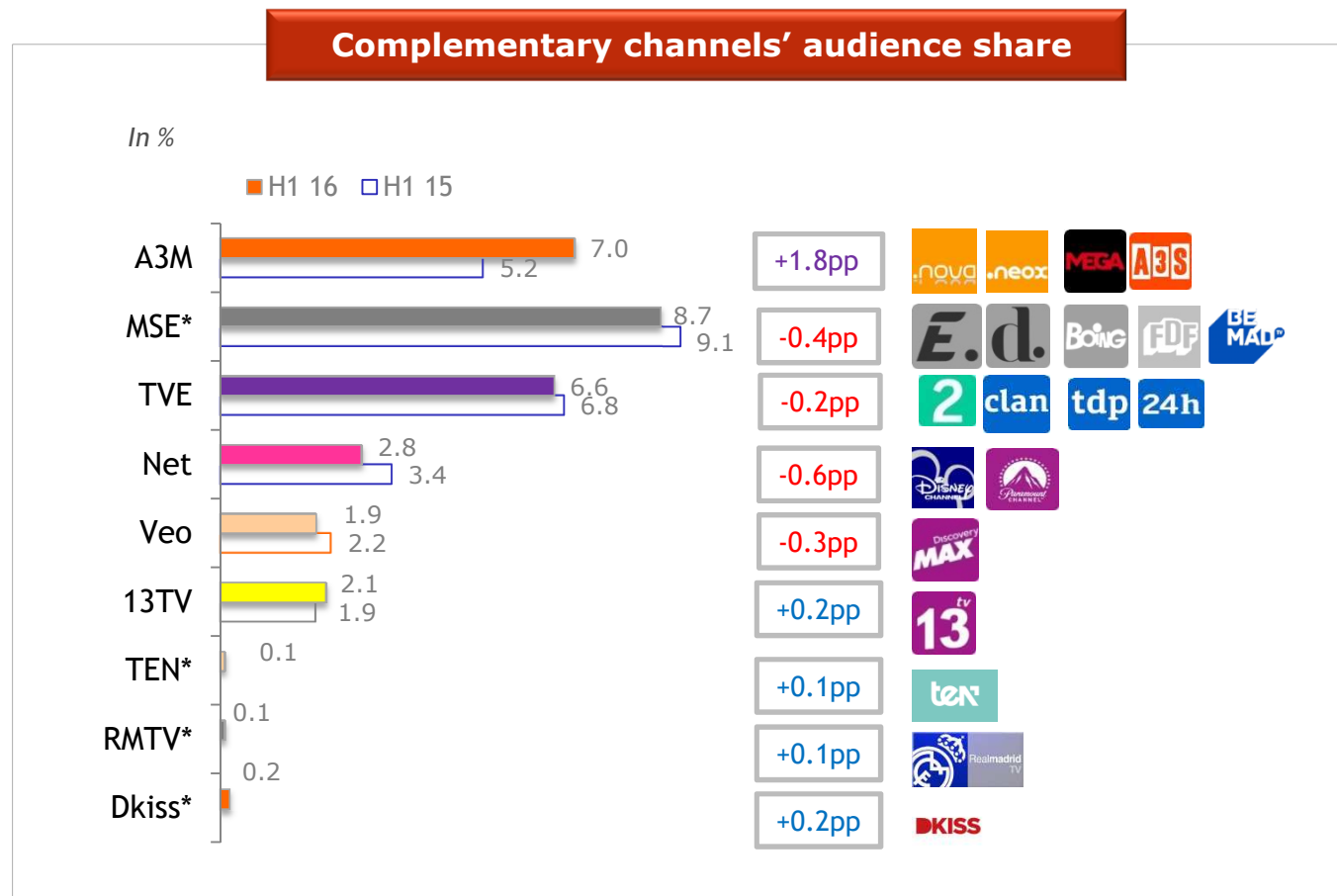
➔ Best in class both in Total Individuals and Commercial Target ratings



Source: Kantar Media Audience share 24h;  
 Total Individuals (TI) 4+  
 Commercial Target (CT): 25-59 yrs, > 10,000 inhabitants

# TV audience shares

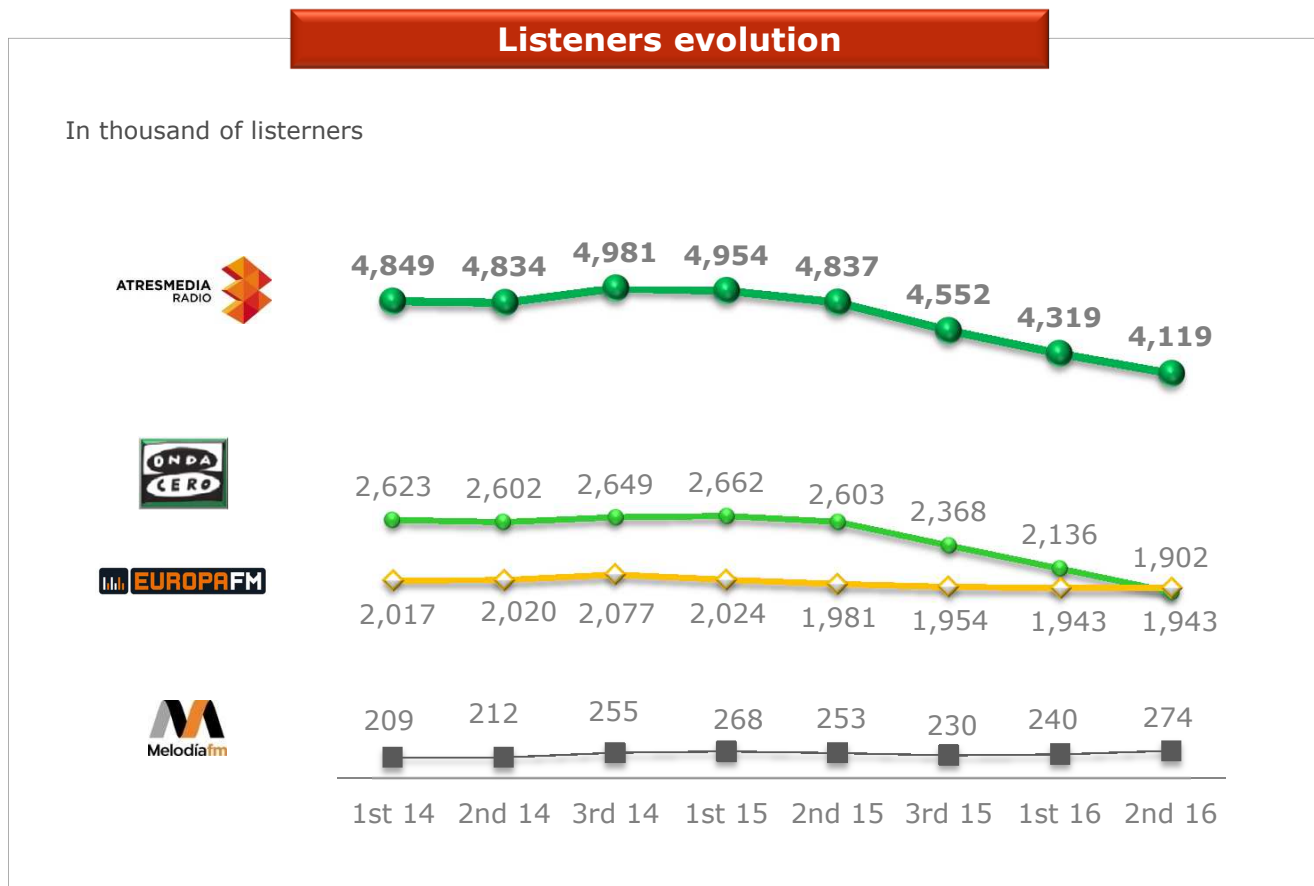
→ Atresmedia's complementary channels had the highest growth yoy





# Atresmedia Radio

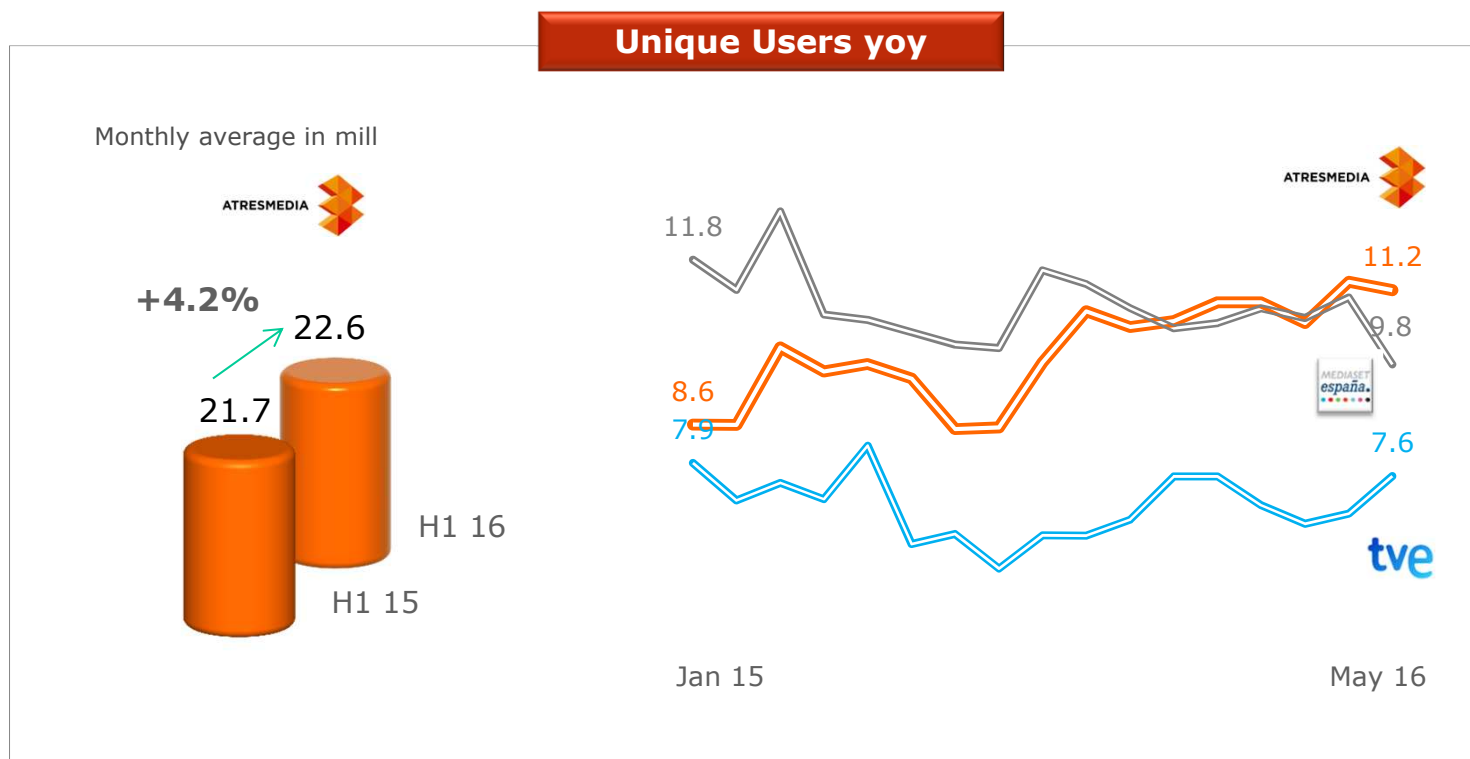
- Atresmedia Radio, above 4.1 million listeners
- Onda Cero suffered some audience erosion due to the last year adjustments in the morning show



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

# Atresmedia Digital

- ➔ Monthly unique users increased by 4.2% up to 22.6 mill in H1 16
- ➔ Atresmedia: Leading in unique users among TV broadcasters

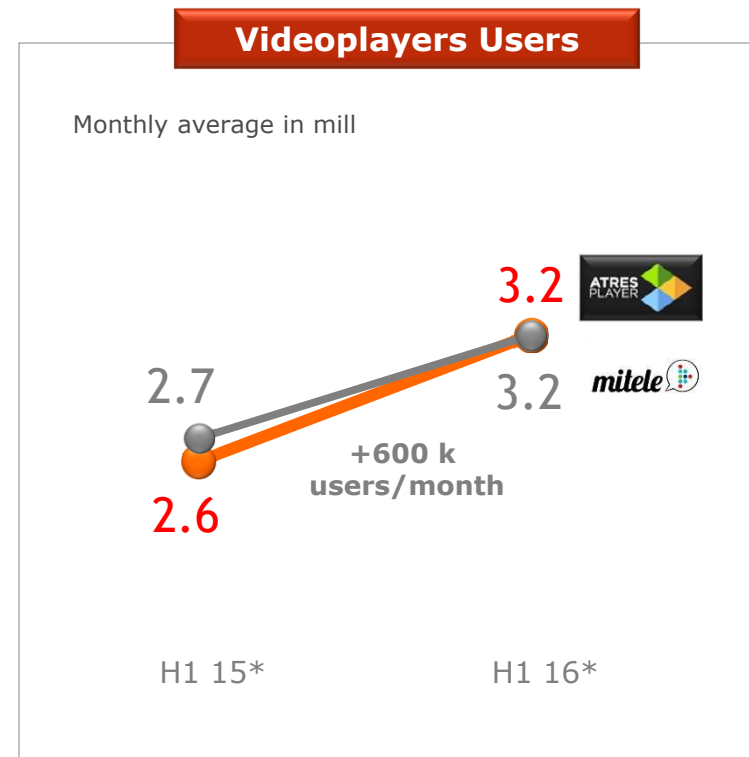
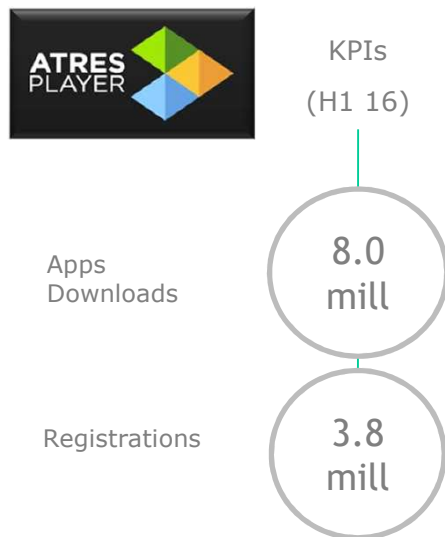


Source: Adobe Analytics

Source: Comscore

# Atresmedia Digital

- Atresplayer reached 8 mill app downloads and boosted videoplayers users up to 3.8 mill/month

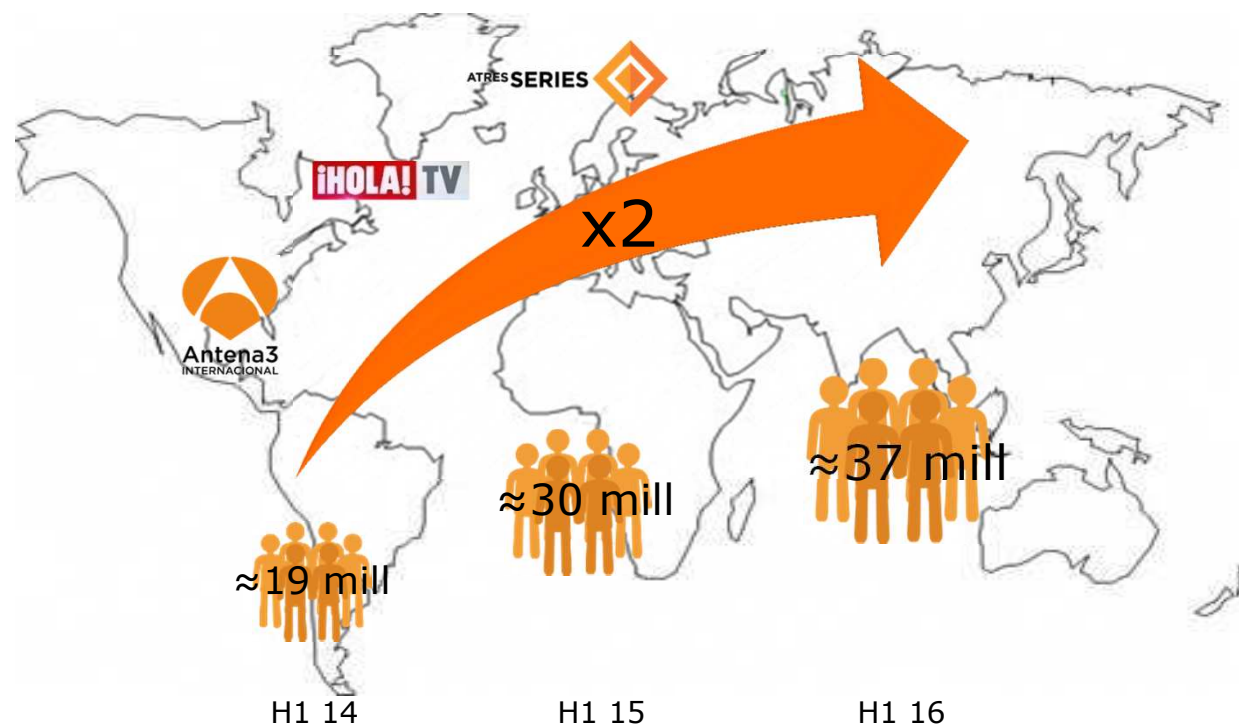


Source: Comscore

\* Jan-May data

# Atresmedia Diversification: International

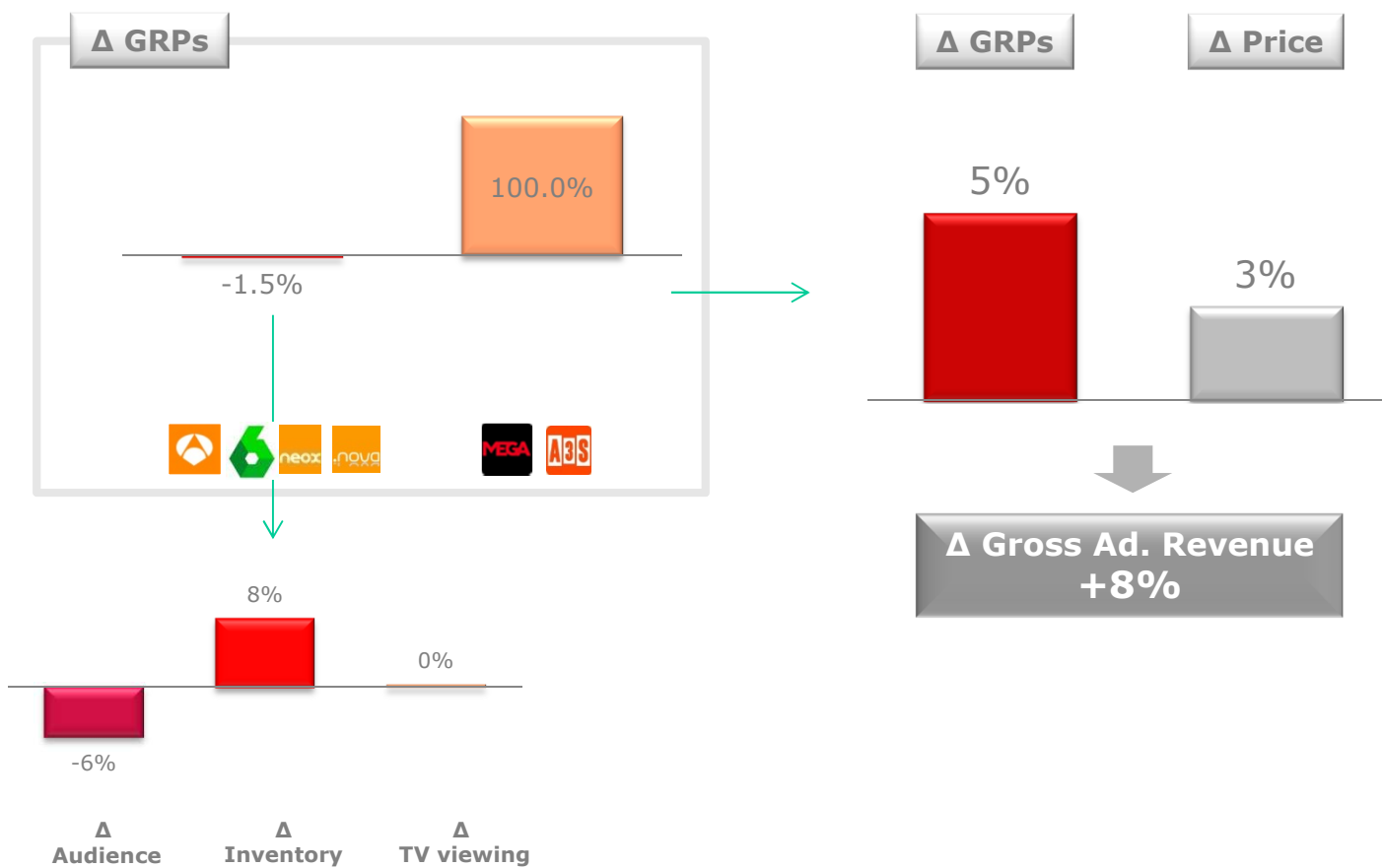
→ International division doubled penetration in two years



**Back up**

# Atresmedia Television: Ad revenues breakdown in Q2 16

## Q2 16 Key factors



Source: Internal estimates

# Atresmedia

## Q2 16 Results in € mill: P&L

	Q2 16	Q2 15	YoY
<b>Net Revenues</b>	<b>298.0</b>	<b>274.4</b>	<b>+8.6%</b>
<b>OPEX</b>	<b>218.8</b>	<b>215.4</b>	<b>+1.6%</b>
<b>EBITDA</b>	<b>79.2</b>	<b>59.0</b>	<b>+34.3%</b>
<i>EBITDA Margin</i>	<i>26.6%</i>	<i>21.5%</i>	
<b>EBIT</b>	<b>74.7</b>	<b>54.4</b>	<b>+37.3%</b>
<i>EBIT Margin</i>	<i>25.1%</i>	<i>19.8%</i>	
<b>Net profit</b>	<b>57.0</b>	<b>34.3</b>	<b>+66.3%</b>
<i>Net profit Margin</i>	<i>19.1%</i>	<i>12.5%</i>	

Source: Atresmedia's financial statements

# Atresmedia Television

Q2 16 Results in € mill: P&L

	Q2 16	Q2 15	YoY
<b>Total Net Revenues</b>	<b>265.7</b>	<b>244.0</b>	<b>+8.9%</b>
<b>OPEX</b>	<b>199.5</b>	<b>192.3</b>	<b>+3.8%</b>
<b>EBITDA</b>	<b>66.2</b>	<b>51.7</b>	<b>+27.9%</b>
<i>EBITDA Margin</i>	<i>24.9%</i>	<i>21.2%</i>	
<b>EBIT</b>	<b>62.3</b>	<b>48.2</b>	<b>+29.2%</b>
<i>EBIT Margin</i>	<i>23.5%</i>	<i>19.8%</i>	

Source: Atresmedia`s financial statements



# Atresmedia Radio

Q2 16 Results in € mill: P&L

	Q2 16	Q2 15	YoY
<b>Net Revenues</b>	<b>23.5</b>	<b>26.1</b>	<b>-10.0%</b>
<b>OPEX</b>	<b>13.5</b>	<b>19.2</b>	<b>-29.6%</b>
<b>EBITDA</b> <i>EBITDA Margin</i>	<b>9.9</b> 42.4%	<b>6.9</b> 26.4%	<b>+44.4%</b>
<b>EBIT</b> <i>EBIT Margin</i>	<b>9.4</b> 40.3%	<b>6.4</b> 24.5%	<b>+47.8%</b>

Source: Atresmedia's financial statements

## Additional information

### Investor Relations Department

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