

ATRESMEDIA

FY16 Results

Feb 22nd, 2017

www.atresmediacorporacion.com



2016 Highlights

- Total Ad market increased by 4.3% in 2016, according to Infoadex (TV and Radio grew by 5.5% and 0.8% yoy respectively)
- Atresmedia had the highest yoy growth in audience among main broadcasters
- Atresmedia TV achieved 42.1% market share in line with 2015
- Atresmedia's Net Revenue amounted to €1,021 mill (+5.2%), which is our highest level ever
- OPEX stood at €819 mill, +1.8% yoy, in line with company's guidance (< €820 mill)
- EBITDA of €202 mill (+21.9% yoy) which brings back EBITDA margin to 20%, best since 2007
- Net Profit of €129 mill, +30.1% yoy
- Net debt/EBITDA less than 0.9x
- Board of Directors proposed a complementary dividend of 0.25 €/sh which implies a FY2016 dividend of 0.47 €/share (+30% yoy) and 82% pay out

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FY16 Financial Summary

Advertising market in Spain

- Total Ad market increased by 4.3% in 2016
- TV & Radio grew 5.5% and 0.8% respectively

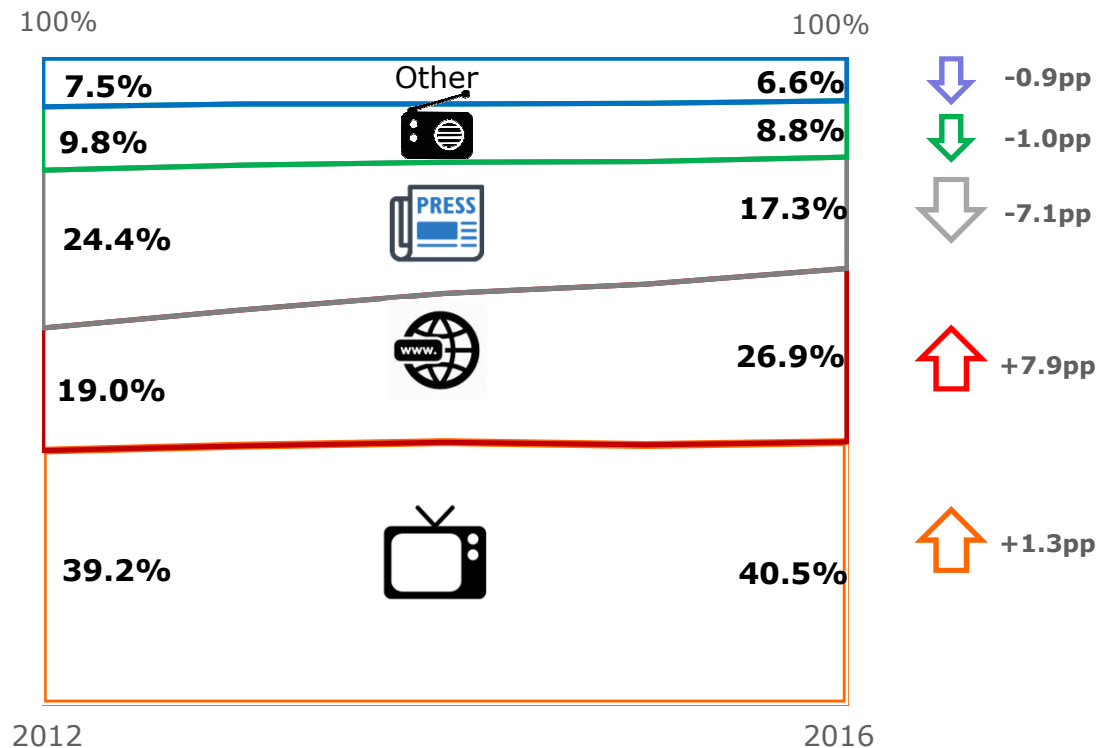
Media	FY16 yoy
TV	+5.5%
Radio	+0.8%
Newspapers	-6.3%
Magazines	-1.2%
Sunday suppl.	-10.4%
Outdoor	-1.9%
Internet	+12.6%
Cinema	+2.6%
Total	+4.3%

Source: Infoadex

Advertising market by medium

- TV remained as the leading medium with 40.5% market share
- Internet has mainly gained market share from Print

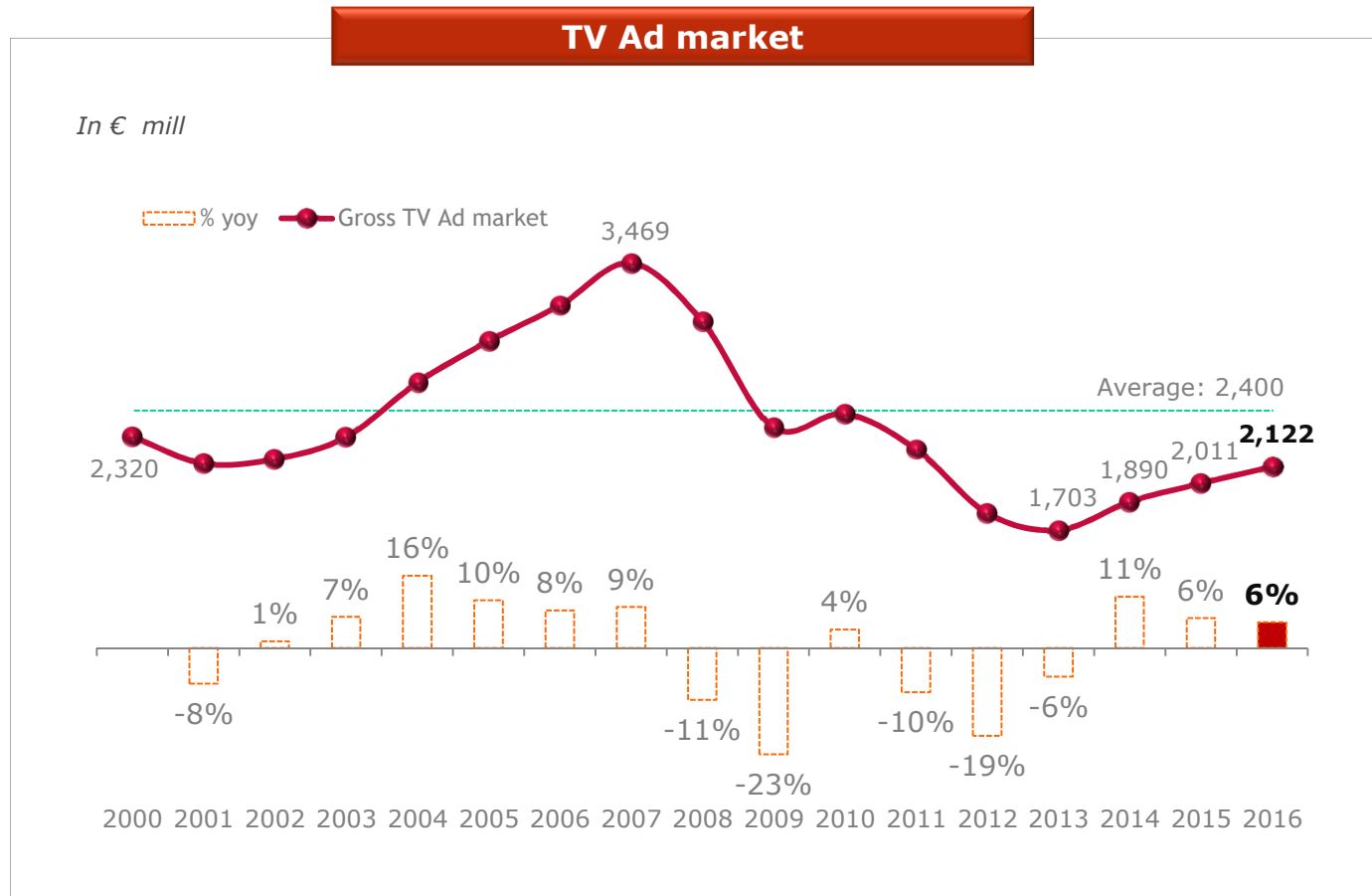
Ad market by medium



Source: Infoadex.

Advertising market in Spain

→ TV ad market continues its rebound (2016: +5.5%)



Source: Infoadex.

Atresmedia

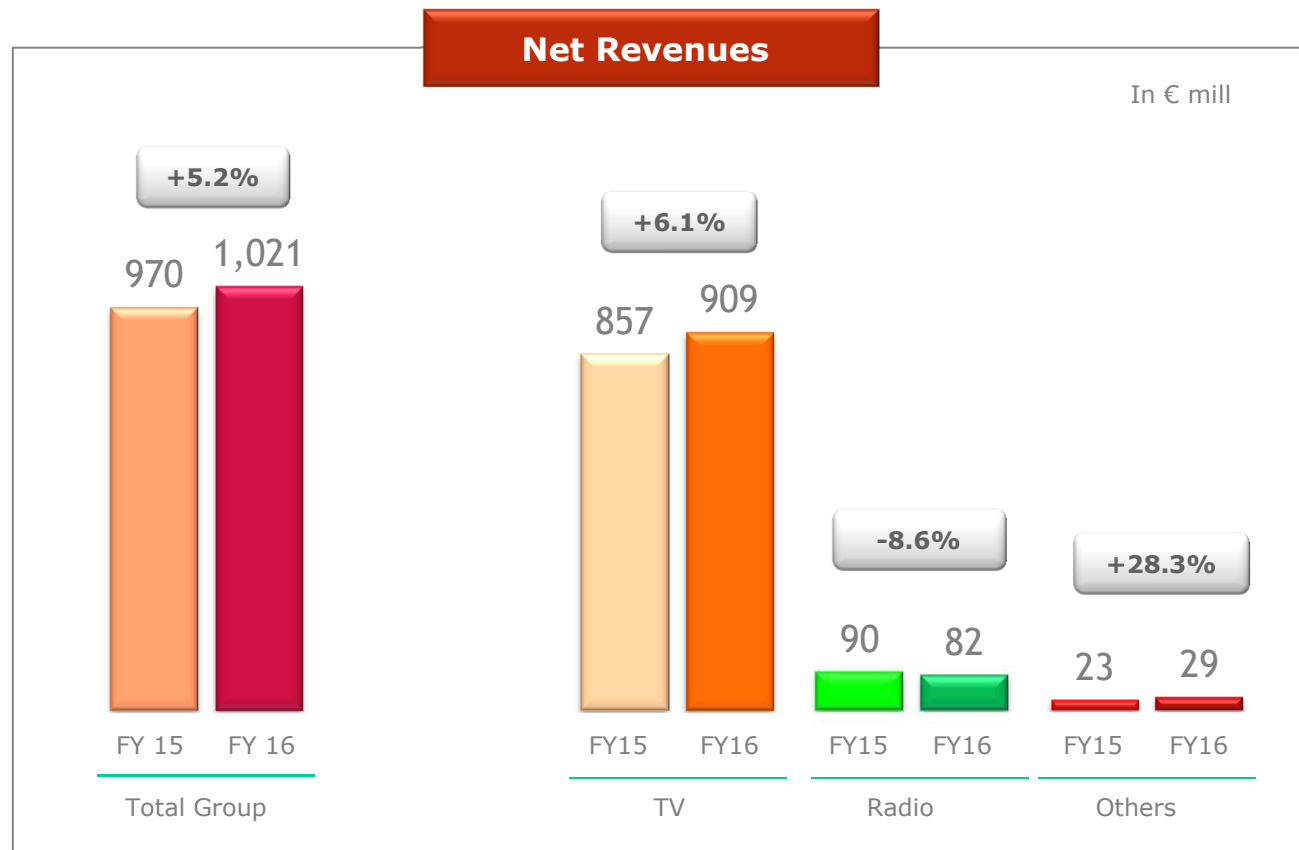
2016 Results in € mill: P&L

	FY16	FY15	YoY
Net Revenues	1,021.1	970,2	+5.2%
OPEX	819.1	804.5	+1.8%
EBITDA	202.0	165.7	+21.9%
<i>EBITDA Margin</i>	<i>19.8%</i>	<i>17.1%</i>	
EBIT	184.4	144.6	+27.6%
<i>EBIT Margin</i>	<i>18.1%</i>	<i>14.9%</i>	
Net profit	129.1	99.2	+30.1%
<i>Net profit Margin</i>	<i>12.6%</i>	<i>10.2%</i>	

Source: Atresmedia's financial statements

Atresmedia: Net revenues by segment

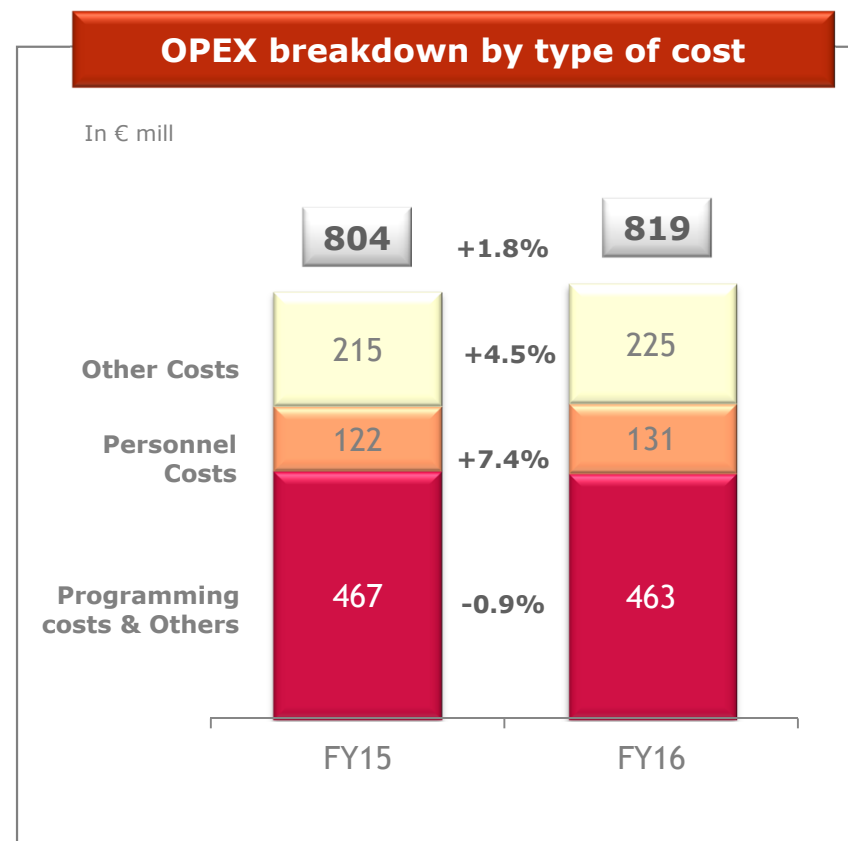
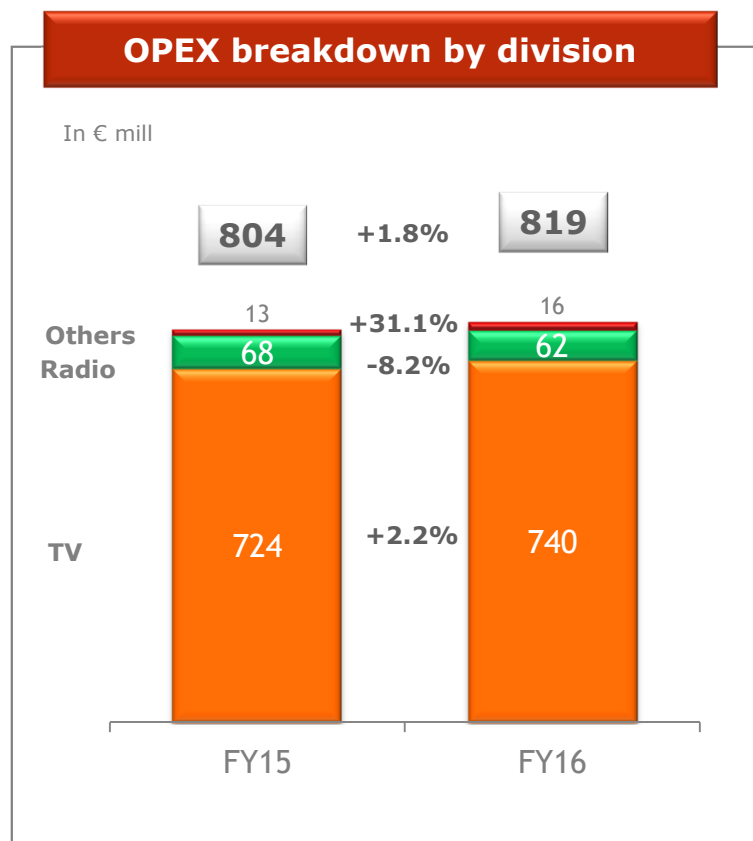
- Total Net Revenues stood at €1,021.1 million, +5.2% yoy
- Net TV revenues of €909.5 million (+6.1%)
- Radio revenues reached €82.2 mill (-8.6% yoy)
- Revenues of "Others" at €29.4 mill (+28.3% yoy)



Source: Atresmedia's financial statements

Atresmedia: OPEX

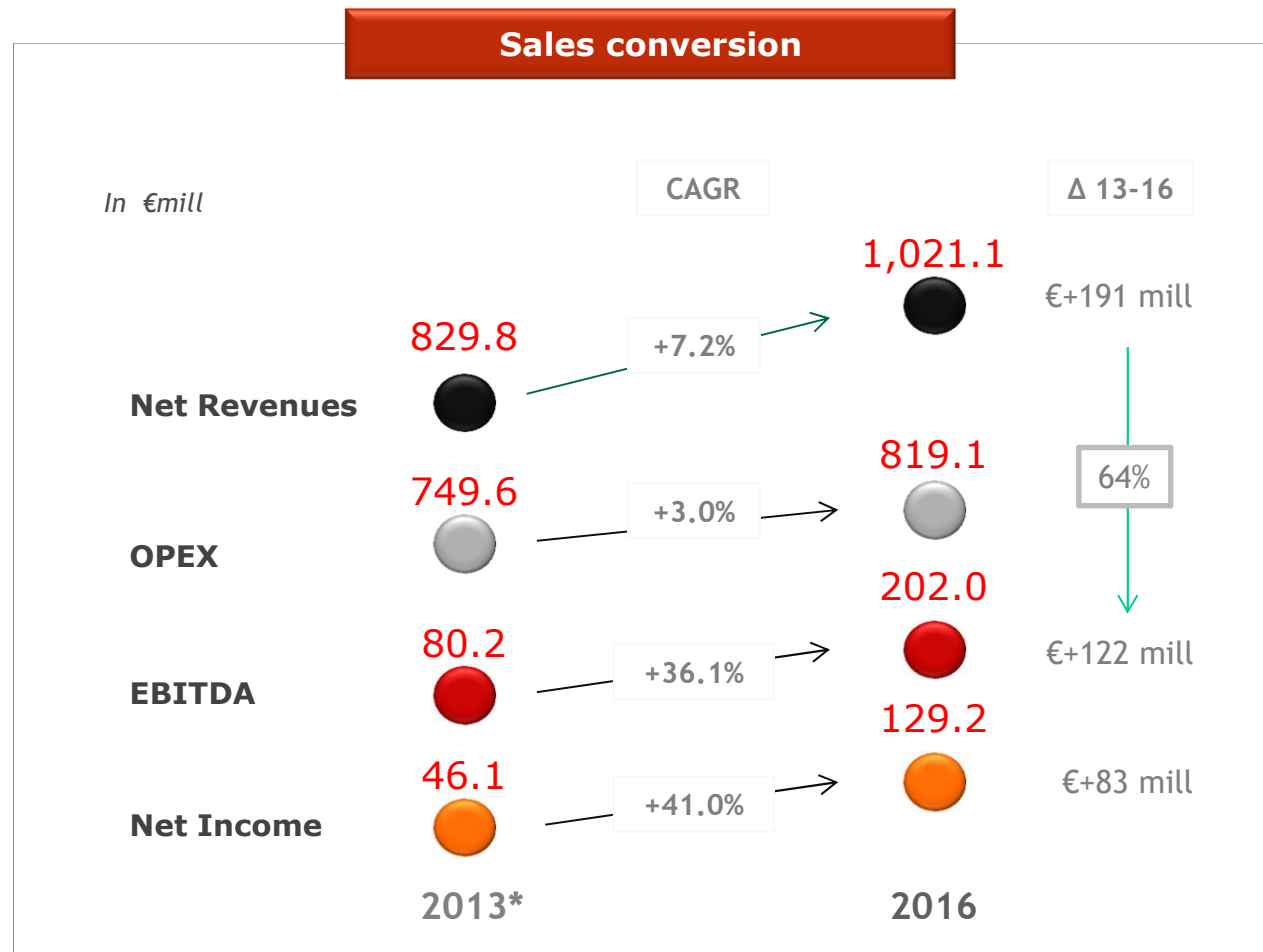
- Total OPEX of €819.1 mill, +1.8% vs FY15
- Cost increase is mainly explained by higher variable costs linked to sales (overheads) and personnel costs due to more in-house productions



Source: Atresmedia's financial statements

Atresmedia: Last 3 years performance

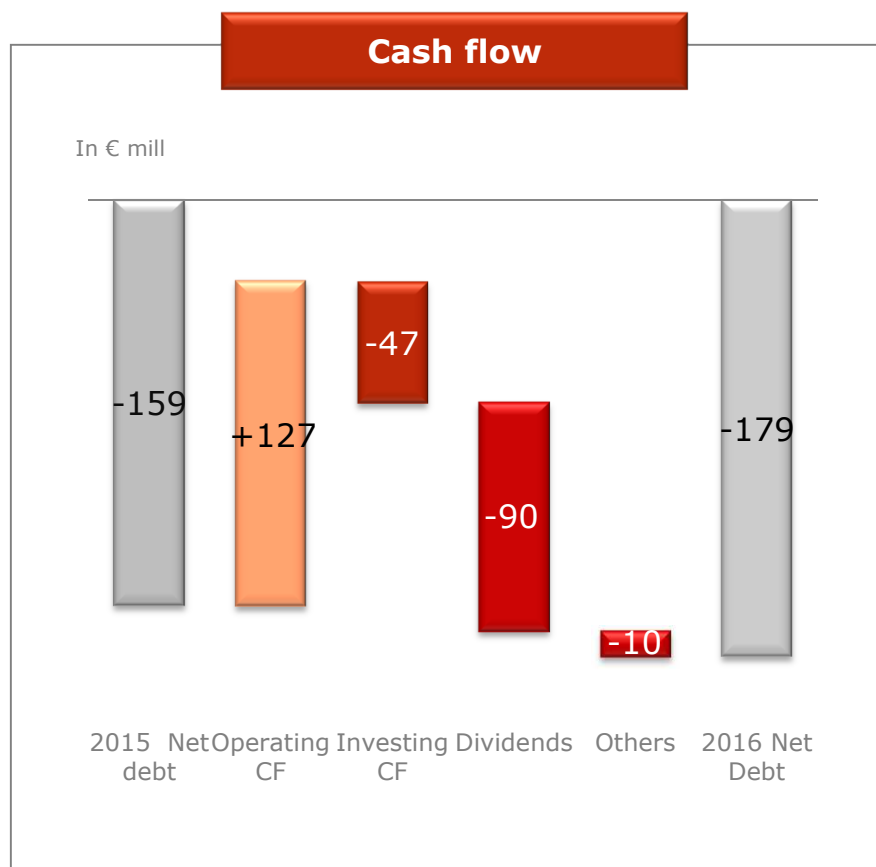
- Outstanding conversion from Sales to EBITDA & Net Income
- Net Income's CAGR of 41% since 2013



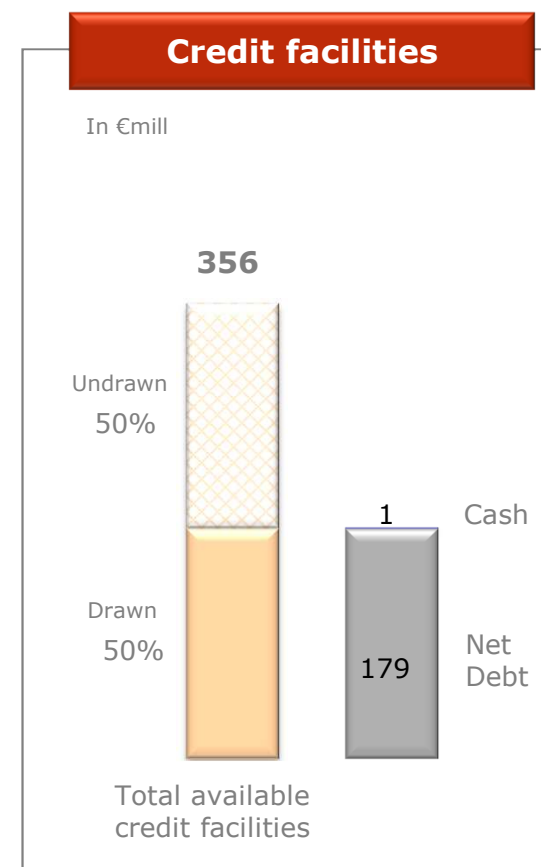
* 1st full year as Atresmedia (Antena 3 + La Sexta)

Atresmedia: Cash flow & Debt position

- Total net debt reached €178.6 million
- Total net debt/EBITDA = 0.9x



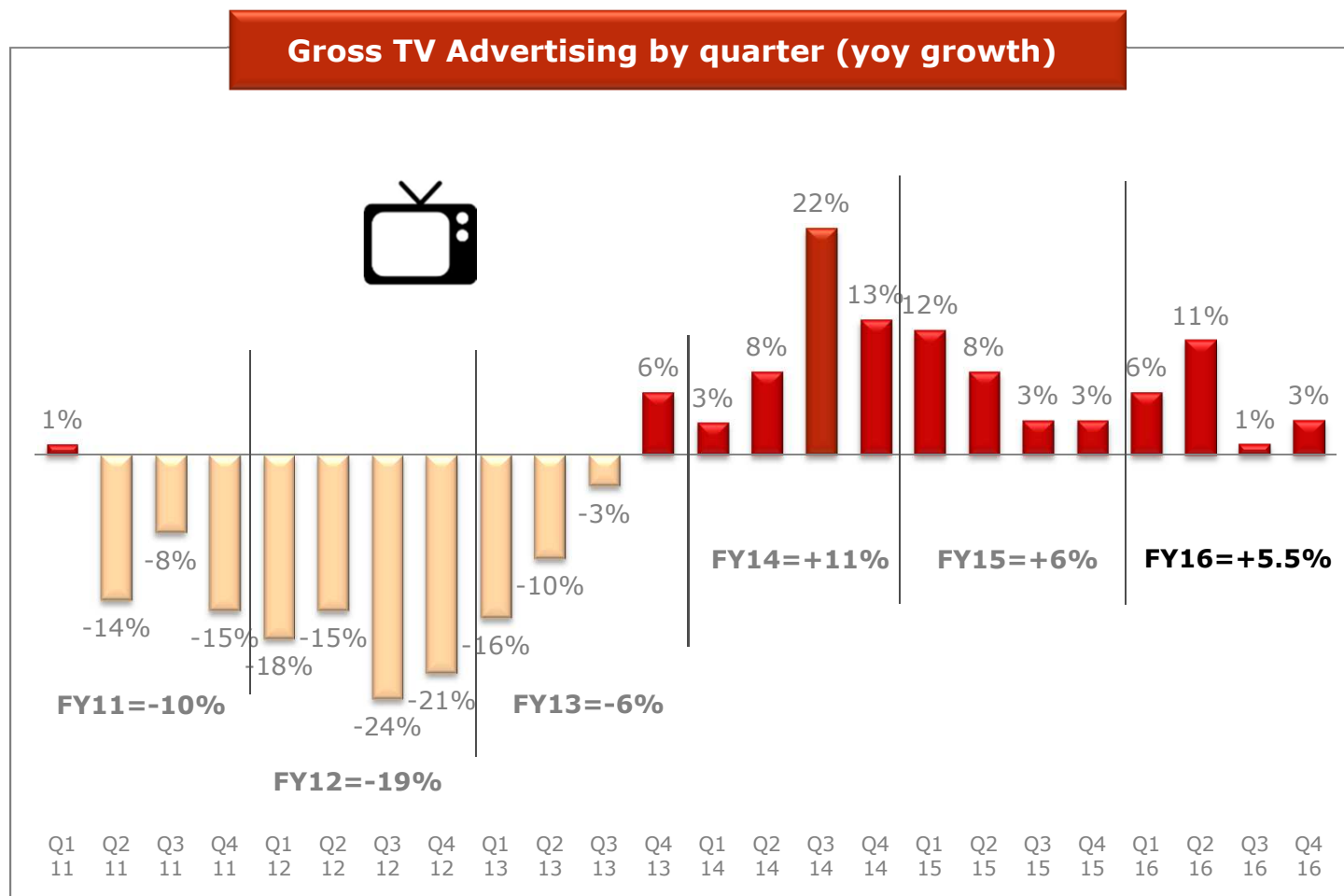
Source: Atresmedia's financial statements



Source: Atresmedia's financial statements

TV Advertising market

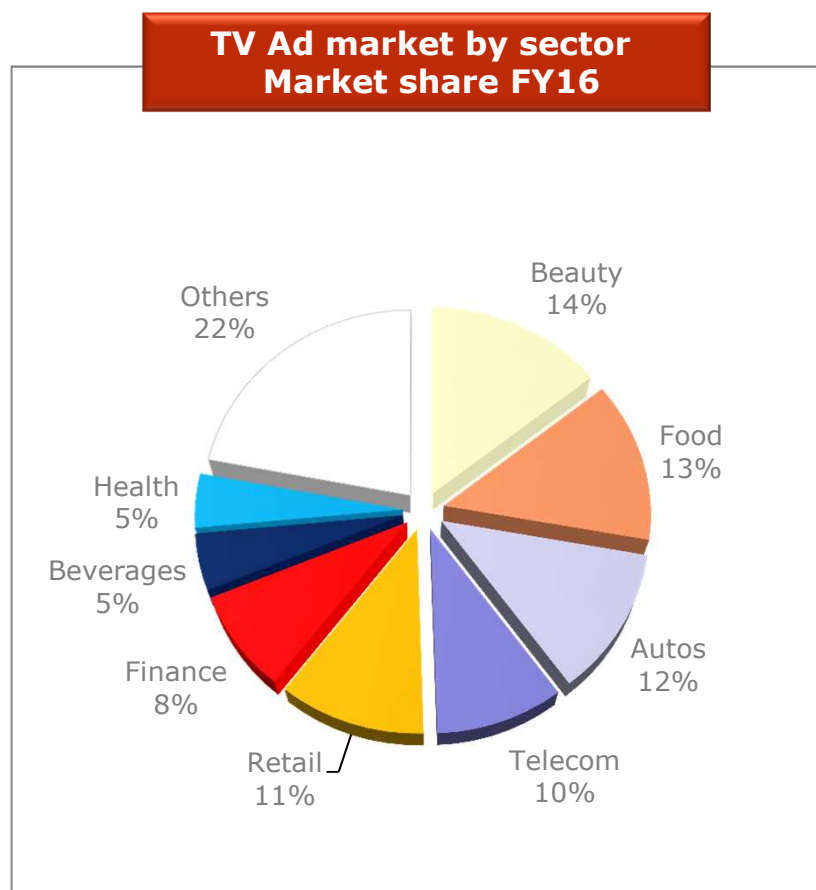
→ FY16 (+5.5% yoy): Another positive year



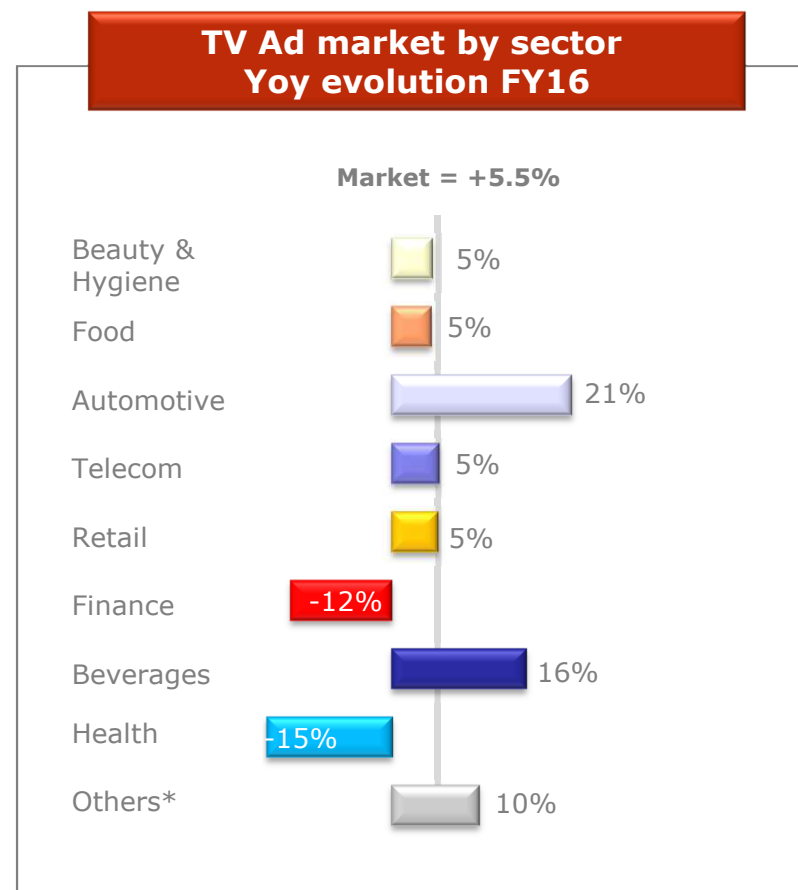
Source: Infoadex.

TV Advertising market by sector

➔ Autos & Beverages categories stood out in 2016



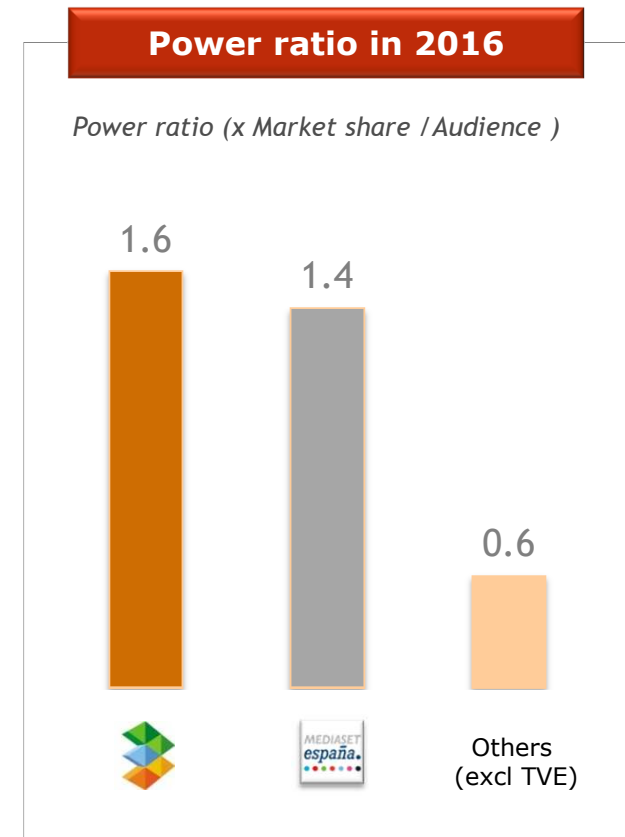
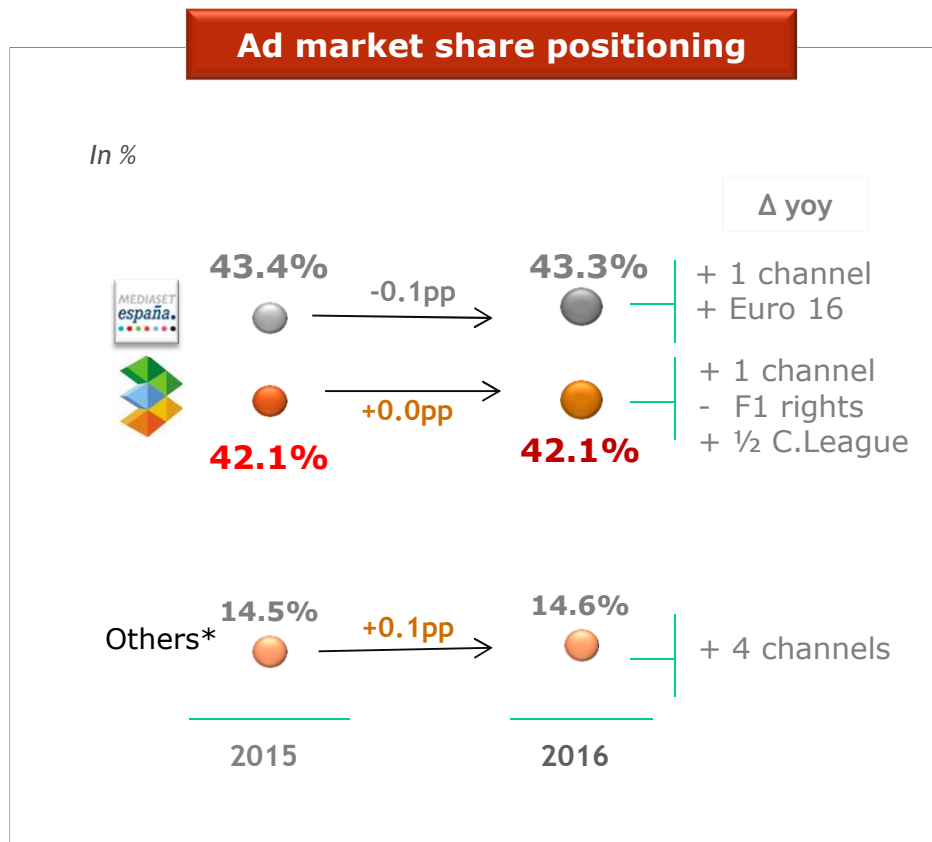
Source: Infoadex/Internal estimates



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

Atresmedia market positioning

- Atresmedia's market share was 42.1%, exactly in line with 2015
- Atresmedia: 1.6x power ratio, well ahead its peers



Source: Infoadex

* Others include small FTAs, regional FTAs (Forta) & Pay TV

Atresmedia Television

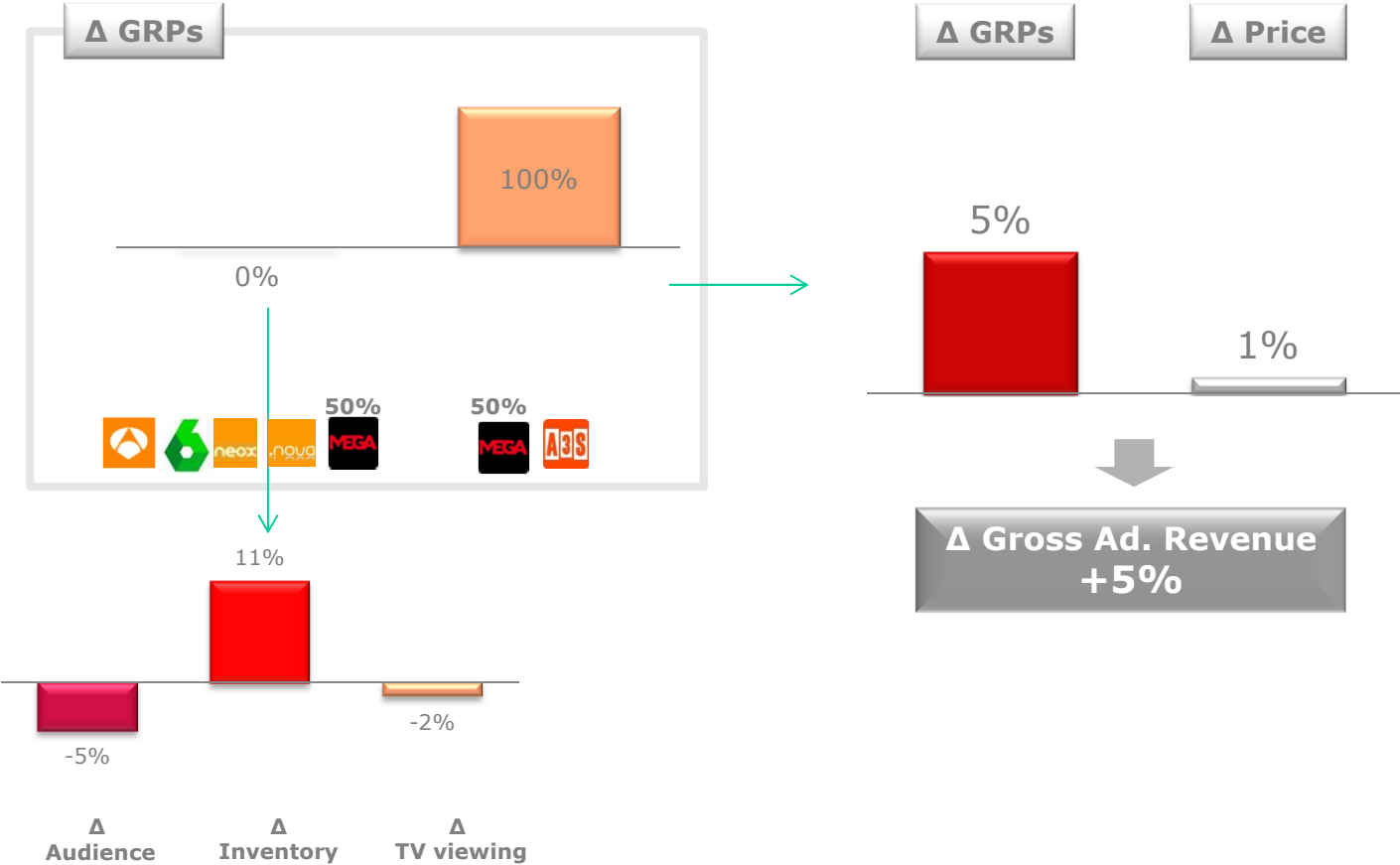
FY16 Results in € mill: P&L

	FY 16	FY 15	YoY
Total Net Rev.	909.5	857.4	+6.1%
OPEX	740.2	723.9	+2.2%
EBITDA	169.4	133.5	+26.9%
<i>EBITDA Margin</i>	<i>18.6%</i>	<i>15.6%</i>	
EBIT	154.1	118.7	+29.7%
<i>EBIT Margin</i>	<i>16.9%</i>	<i>13.8%</i>	

Source: Atresmedia`s financial statements

Atresmedia Television: Ad revenues breakdown in 2016

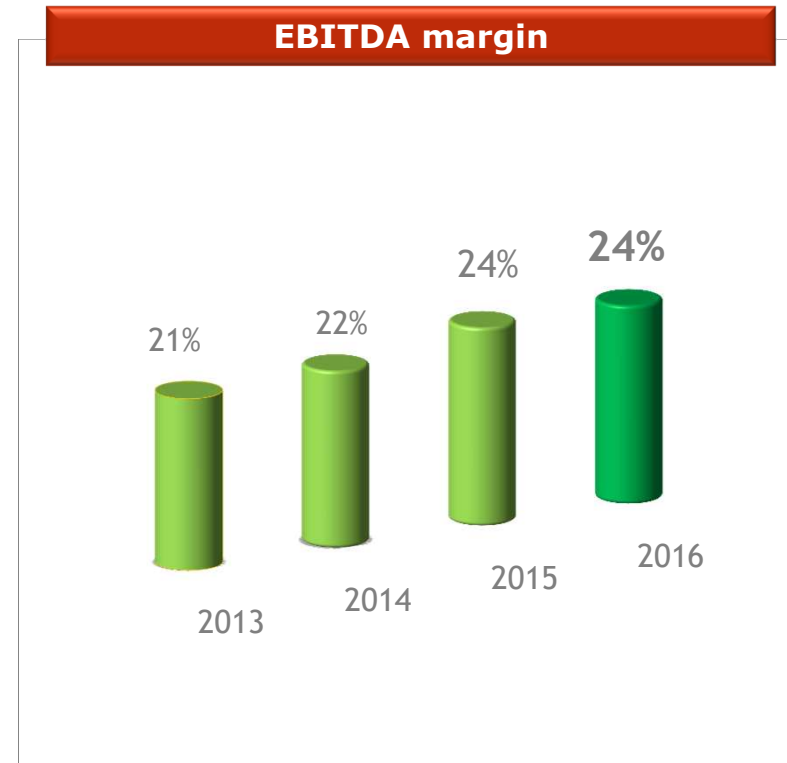
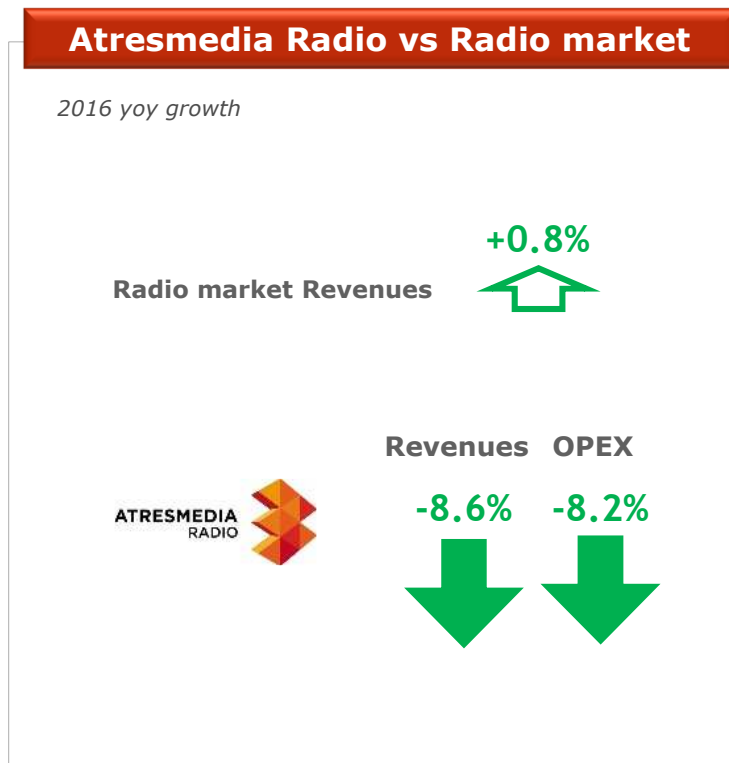
FY 16 Key factors



Source: Internal estimates

Atresmedia Radio

- Atresmedia Radio: expected declined in revenues due to lower audience
- Extraordinary cost control offset any impact at the EBITDA margin



Source: Internal estimates & Infoadex

Atresmedia Radio

FY 16 Results in € mill: P&L

	FY 16	FY 15	YoY
Net Revenues	82.2	89.9	-8.6%
OPEX	62.5	68.0	-8.2%
EBITDA <i>EBITDA Margin</i>	19.7 <i>24.0%</i>	21.8 <i>24.3%</i>	-9.8%
EBIT <i>EBIT Margin</i>	17.7 <i>21.6%</i>	20.0 <i>22.2%</i>	-11.1%

Source: Atresmedia's financial statements

Atresmedia: "Others" Division

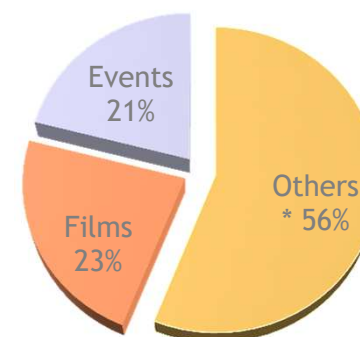
Financials

€ mill	FY 16	FY 15
Net Revenues	29.4	22.9
OPEX	16.5	12.6
EBITDA	12.9	10.4

Source: Atresmedia's financial statements

Contribution to consolidated group

Net revenues split



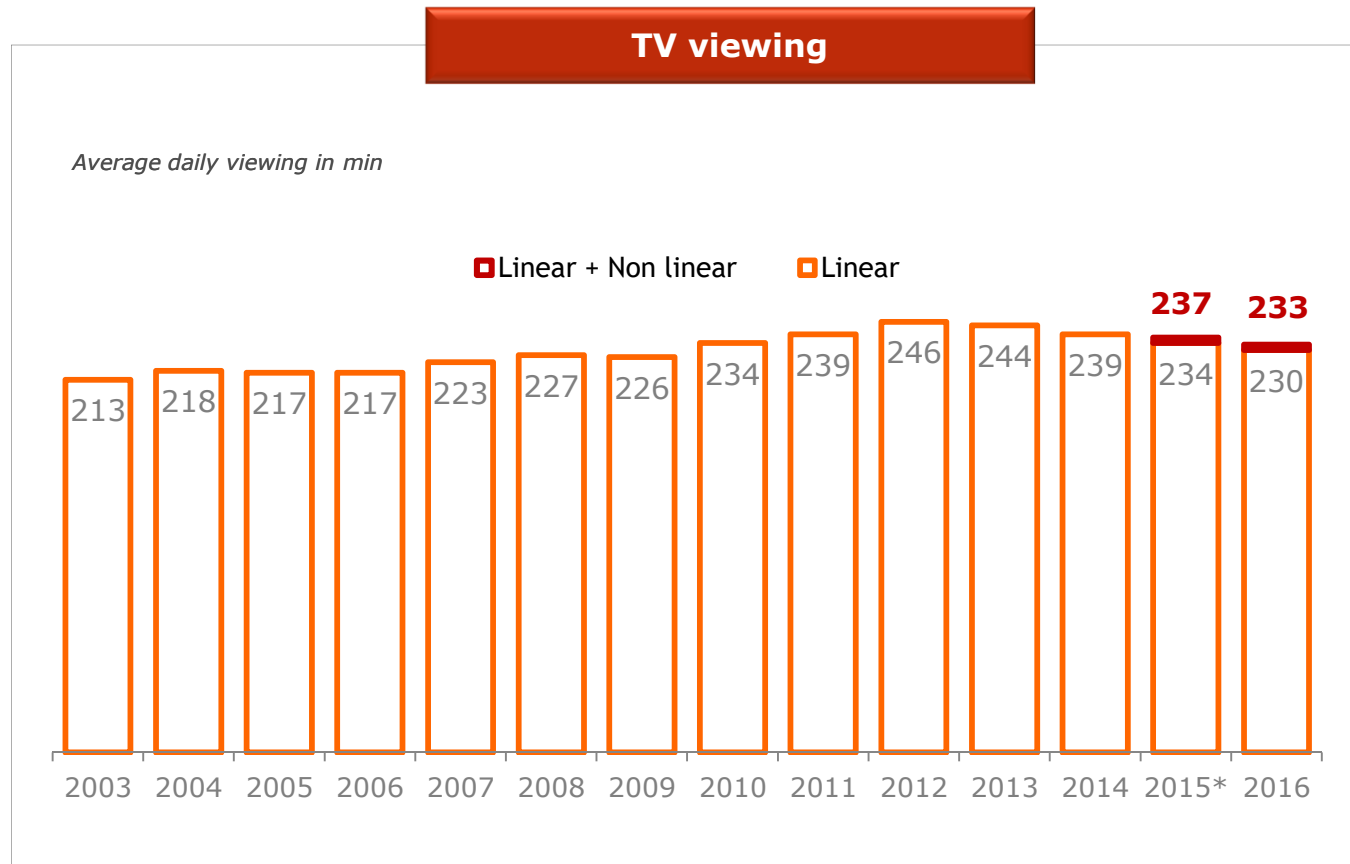
*Others (Internet, Editorial, new initiatives...)

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FY 16 Business Summary

TV viewing

- Linear TV viewing remains at high levels (230 min/day)
- Downward trend in linear TV is partially offset by non linear TV (+3 min/day)

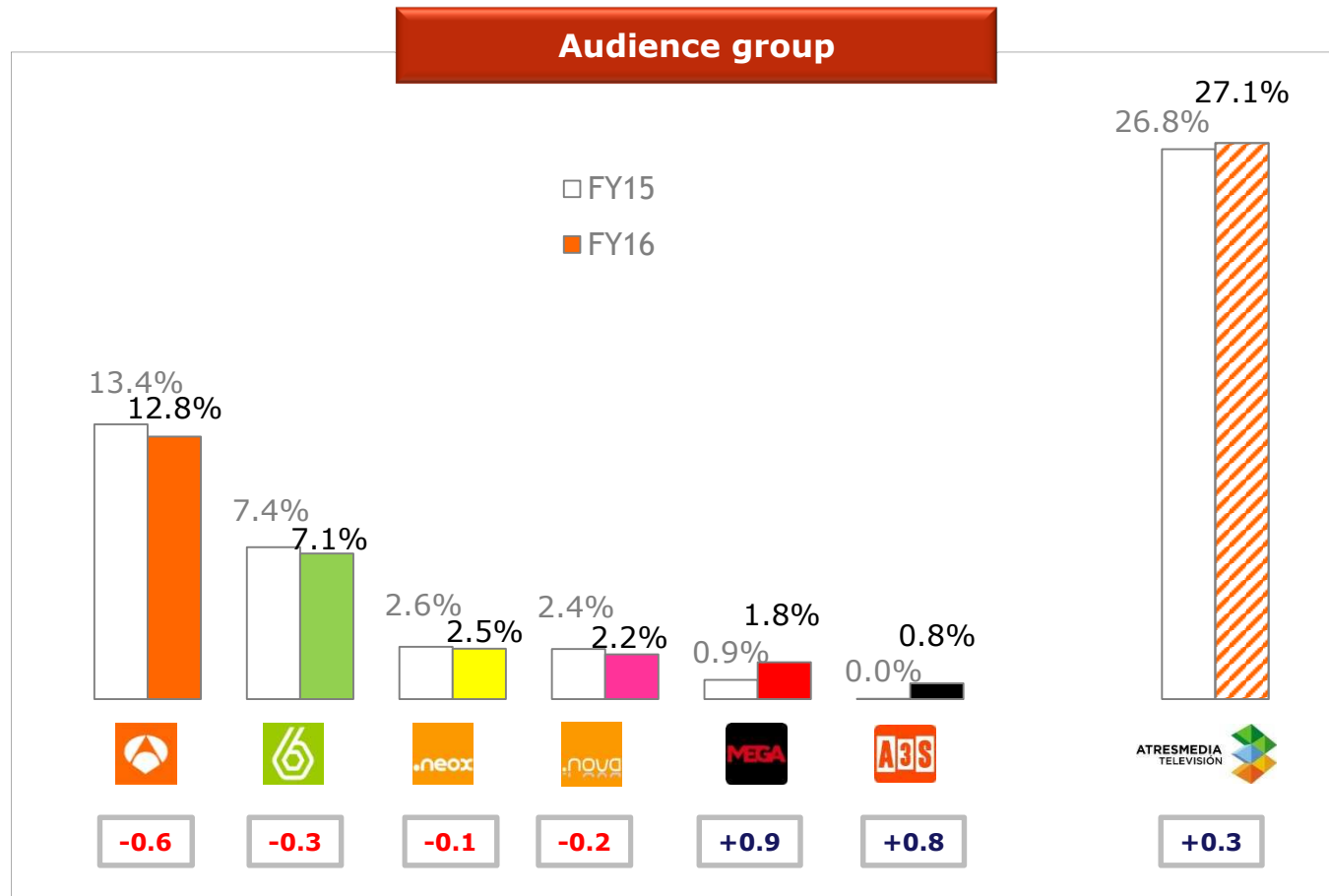


Source: Kantar Media. Non linear TV viewing includes +7 days through TV set (TV viewing on desktops, tablet or mobile devices not included)

* Data from Feb to Dec 15

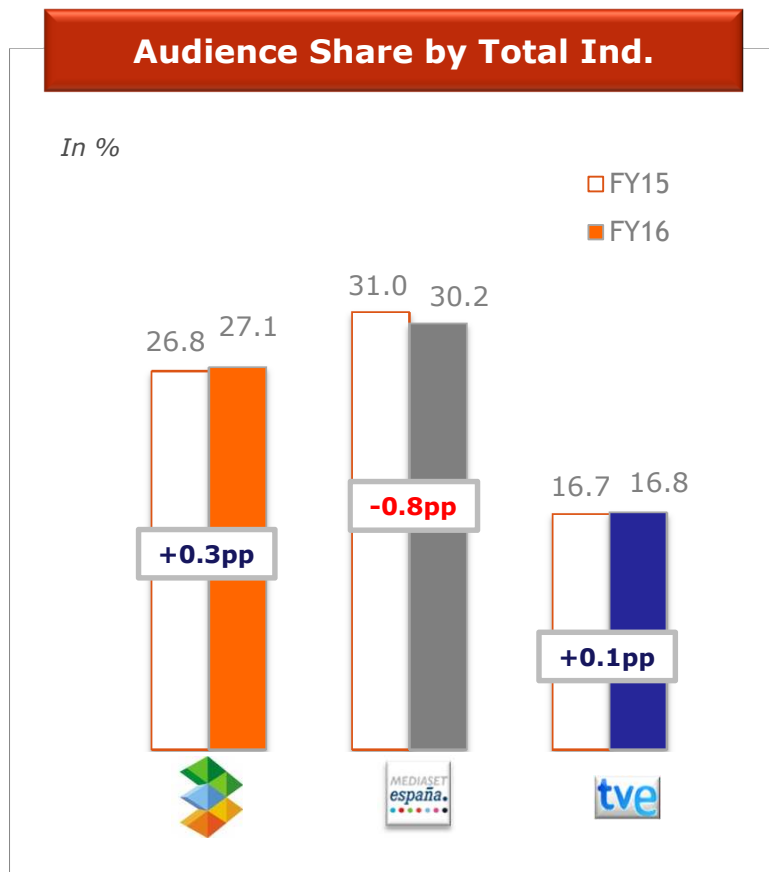
Atresmedia Television: Audience by channel

- ➔ Atresmedia has improved its audience yoy (+0.3pp)
- ➔ New channels more than offset tougher competition in core channels



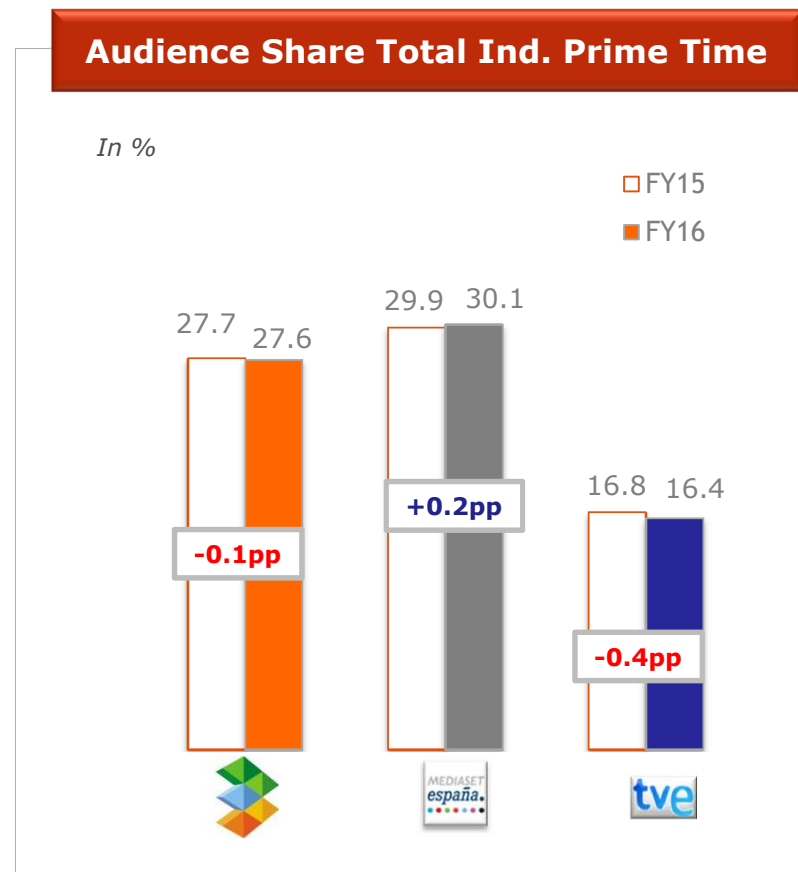
TV audience shares: By groups

➔ Atresmedia reached 27.1% audience share in Total Individuals (4+)



Source: Kantar Media

Audience share 24h; Total Individuals: 4+

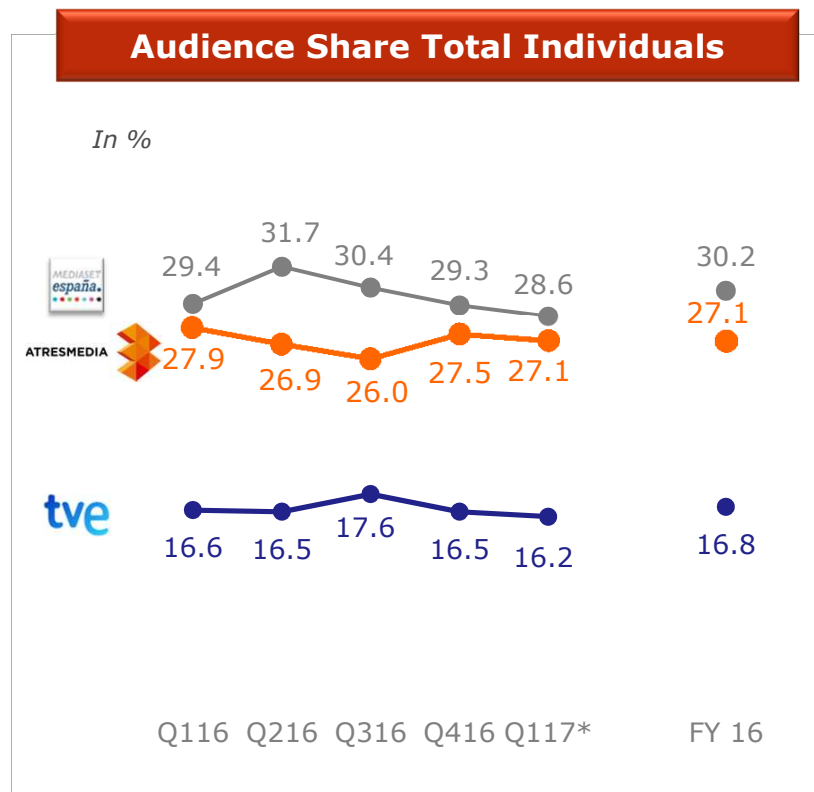


Source: Kantar Media

Audience share Prime Time; Total Individuals: 4+

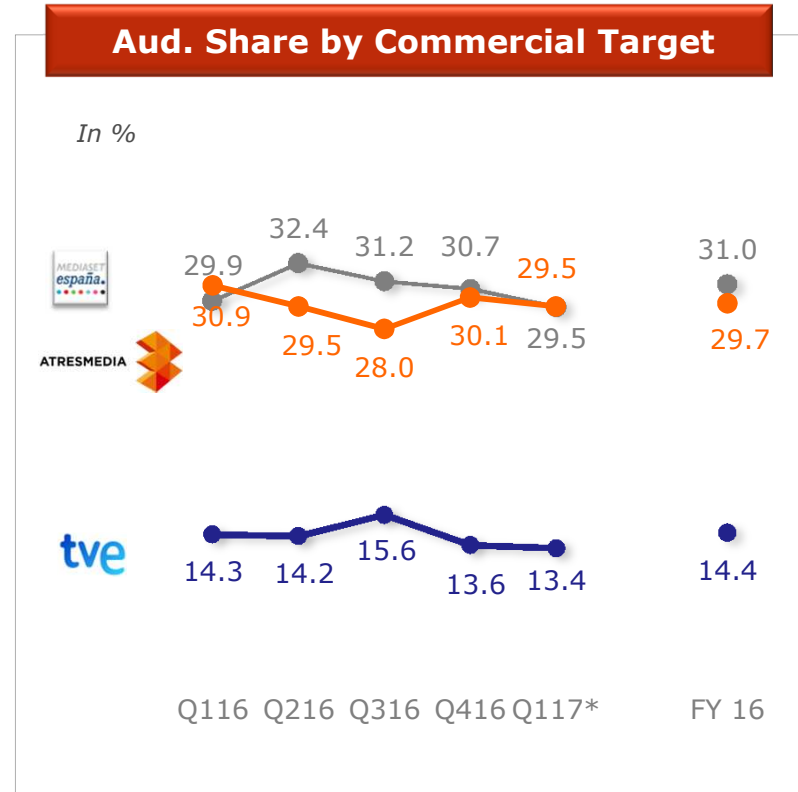
TV audience shares: By groups

- Closing the gap with MSE (7 channels) especially in commercial target, despite running one channel less (A3M=6 channels)



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

* Q1 17= YTD data

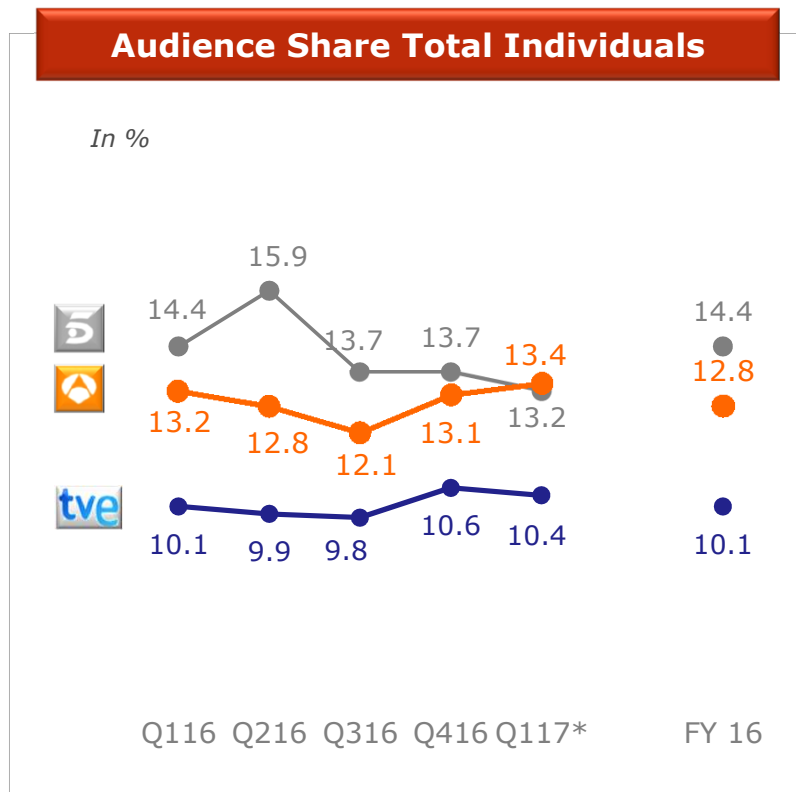


Source: Kantar Media. Commercial Target (25-59 y), >10,000 inhabitants

* Q1 17= YTD data

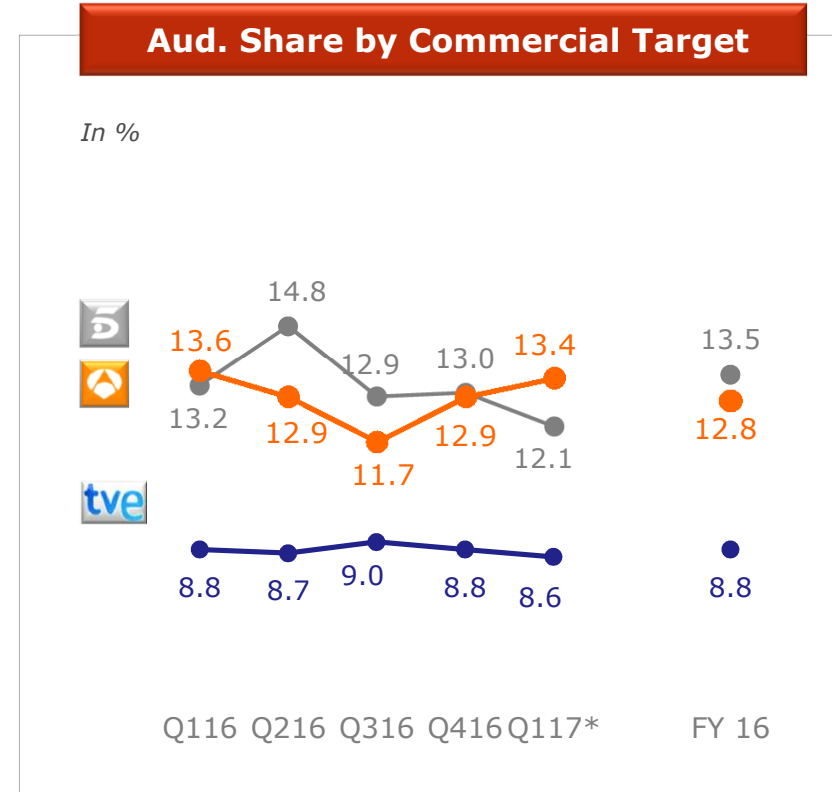
TV audience shares: By core channels (Tier I)

- Antena 3 did a good year since it faced competition from the Euro 16 (MSE) and Olympic Games (TVE) and didn't have F1 rights any more



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

* Q1 17= YTD data

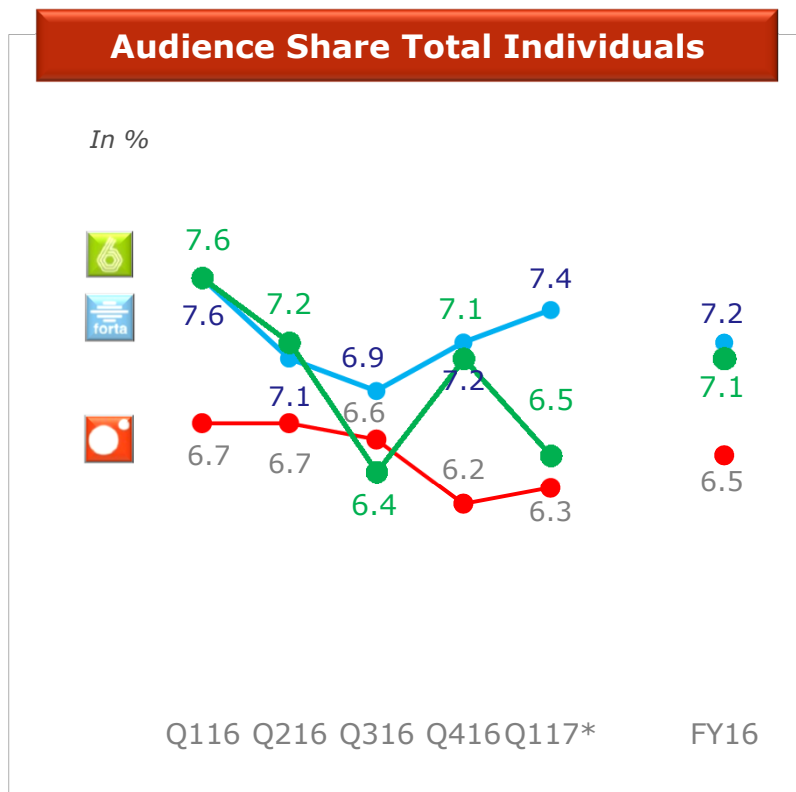


Source: Kantar Media. Commercial Target (25-59 y), >10,000 inhabitants

* Q1 17= YTD data

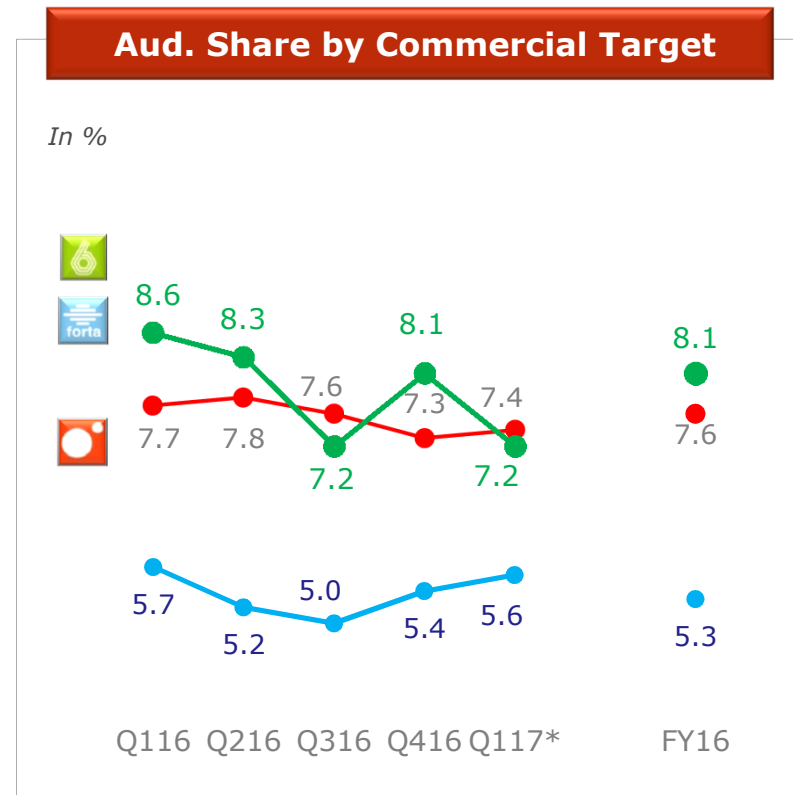
TV audience shares: By core channels (Tier II)

➔ Tough competition, with La Sexta leading the commercial target



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

* Q1 17= YTD data

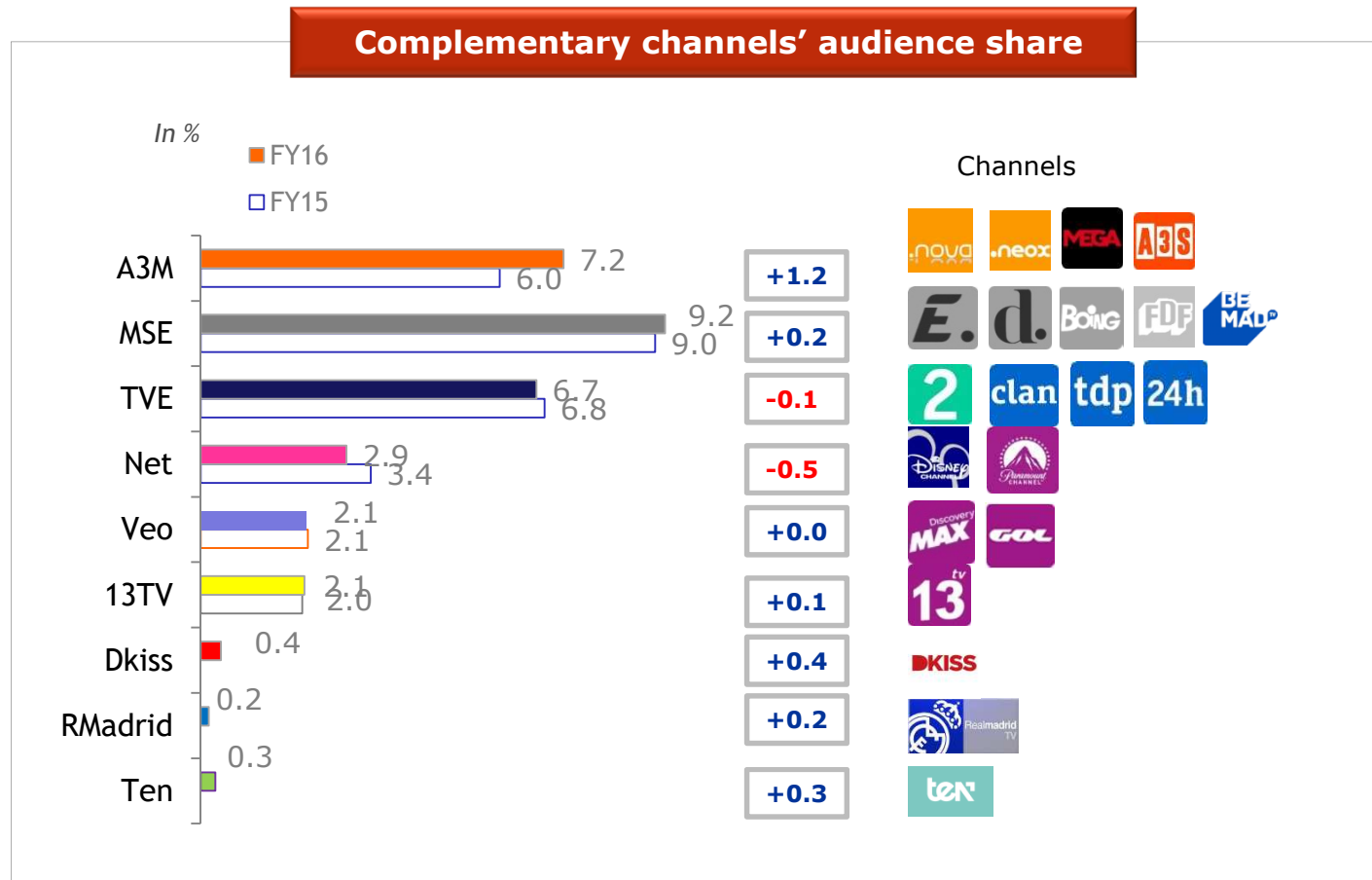


Source: Kantar Media. Commercial Target (25-59 y), >10,000 inhabitants

* Q1 17= YTD data

TV audience shares: Complementary channels

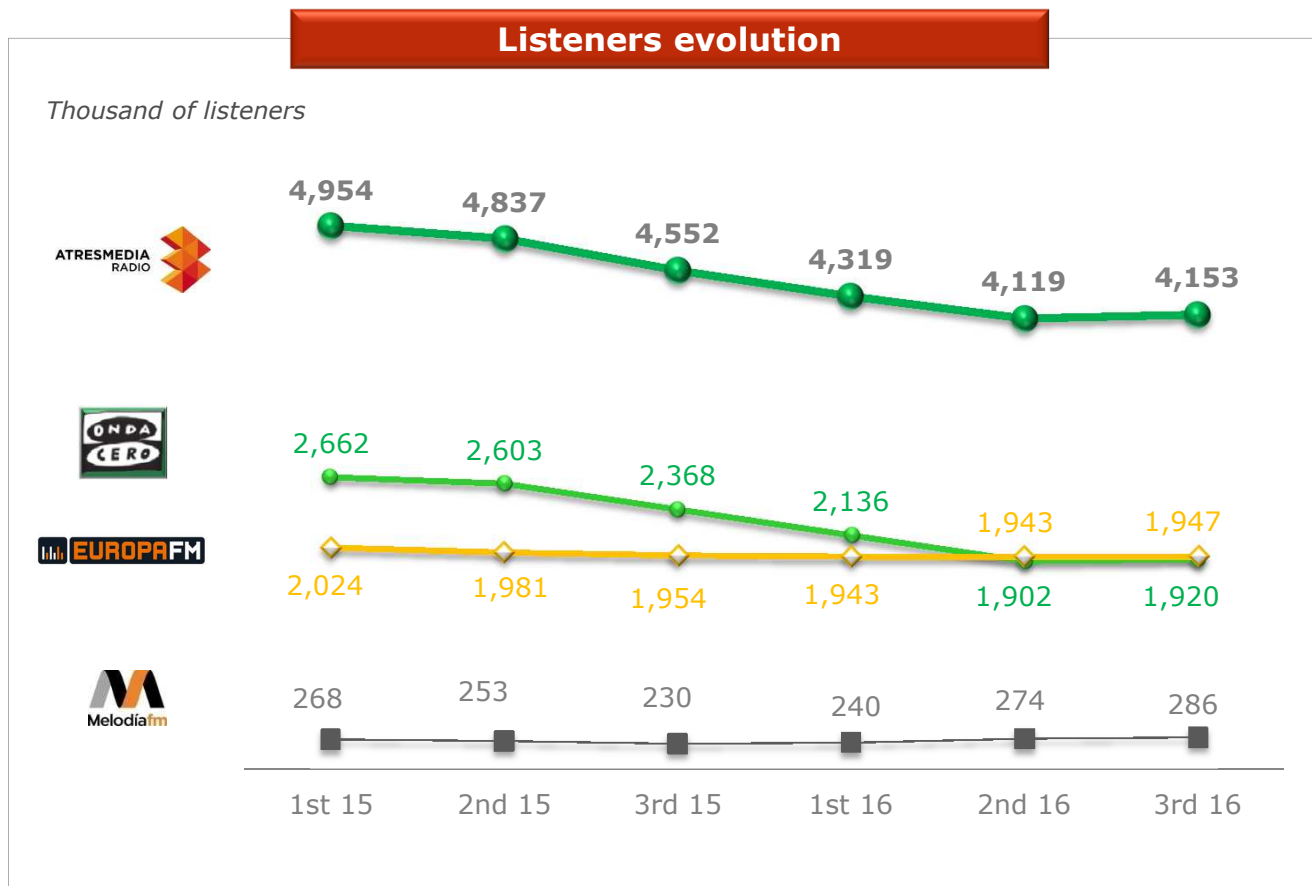
→ 2016 yoy audiences: Atresmedia was the best performer



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

Atresmedia Radio

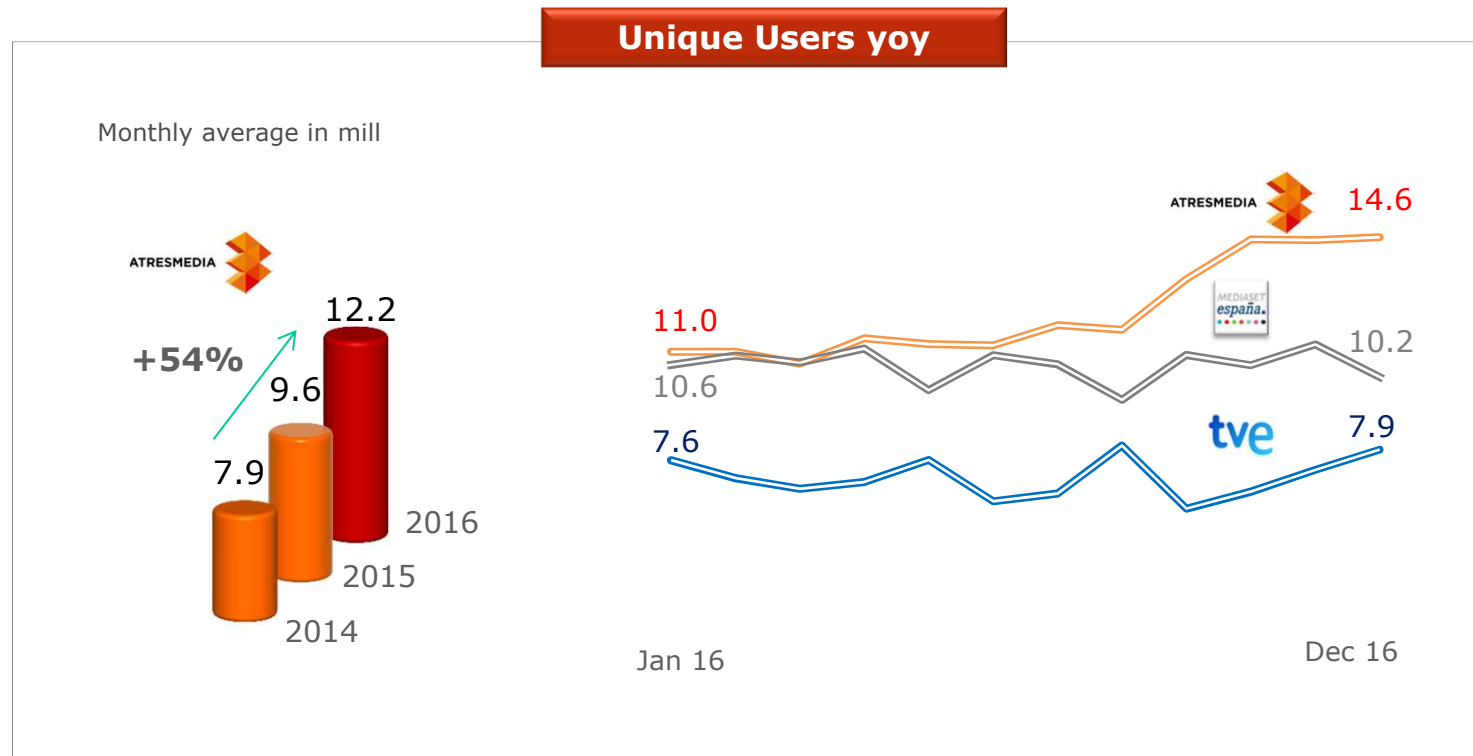
- ➔ Atresmedia Radio's audience is bottoming out
- ➔ Onda Cero suffered the effect of changes in the morning slot
- ➔ Europa FM & Melodía FM remained stable vs last surveys



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

Atresmedia Digital

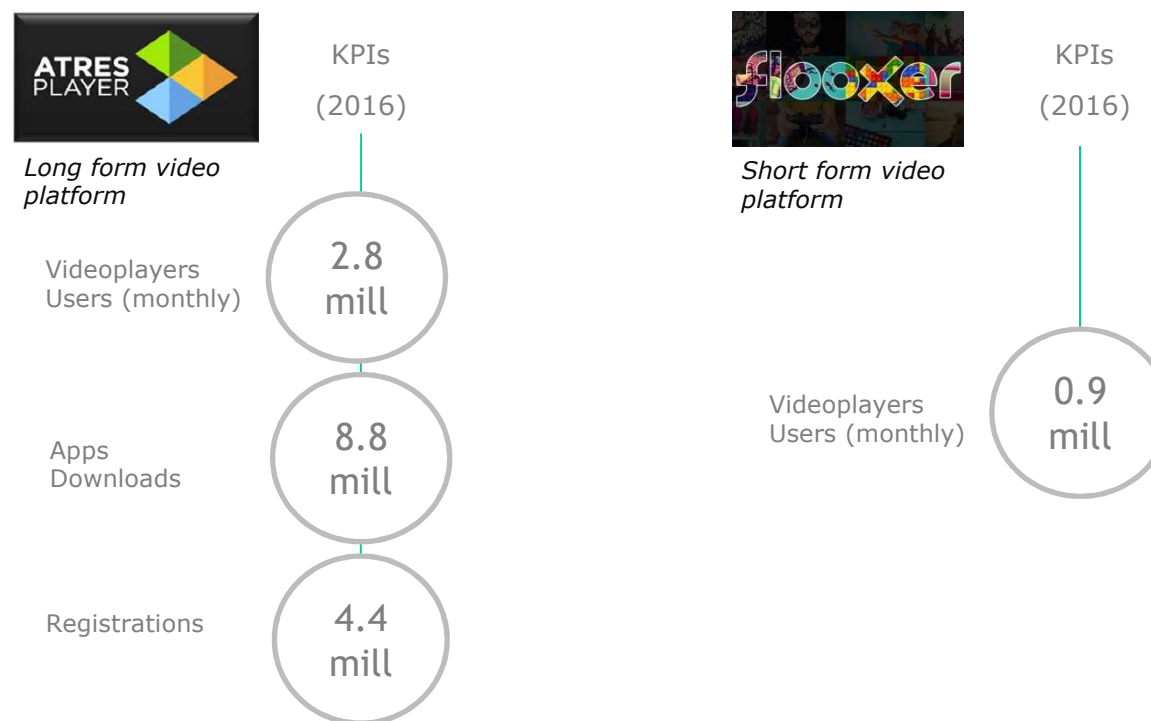
- Monthly unique users increased by 1.5x in last two years
- Atresmedia Digital led 11 out of the 12 months in unique users



Source: Comscore

Atresmedia Digital: Atresplayer & Flooxer

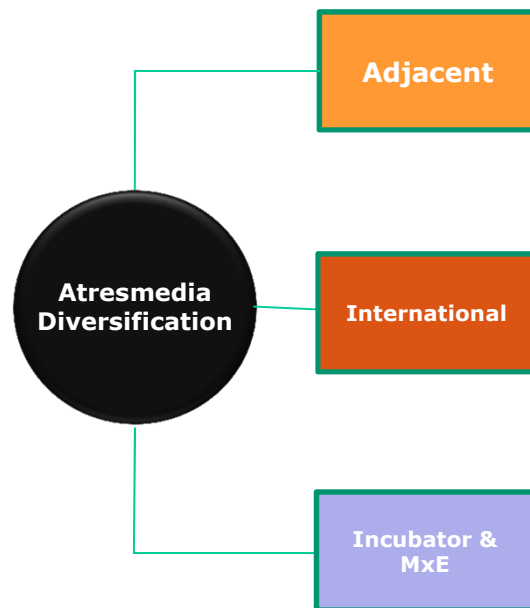
- ➔ Atresplayer achieves 2.8 mill users in monthly average
- ➔ Flooxer nearly reaches 0.9 mill users /month in its first year of life



Source: Comscore & internal estimates

Atresmedia Diversification

Atresmedia Diversification's main data in 2016



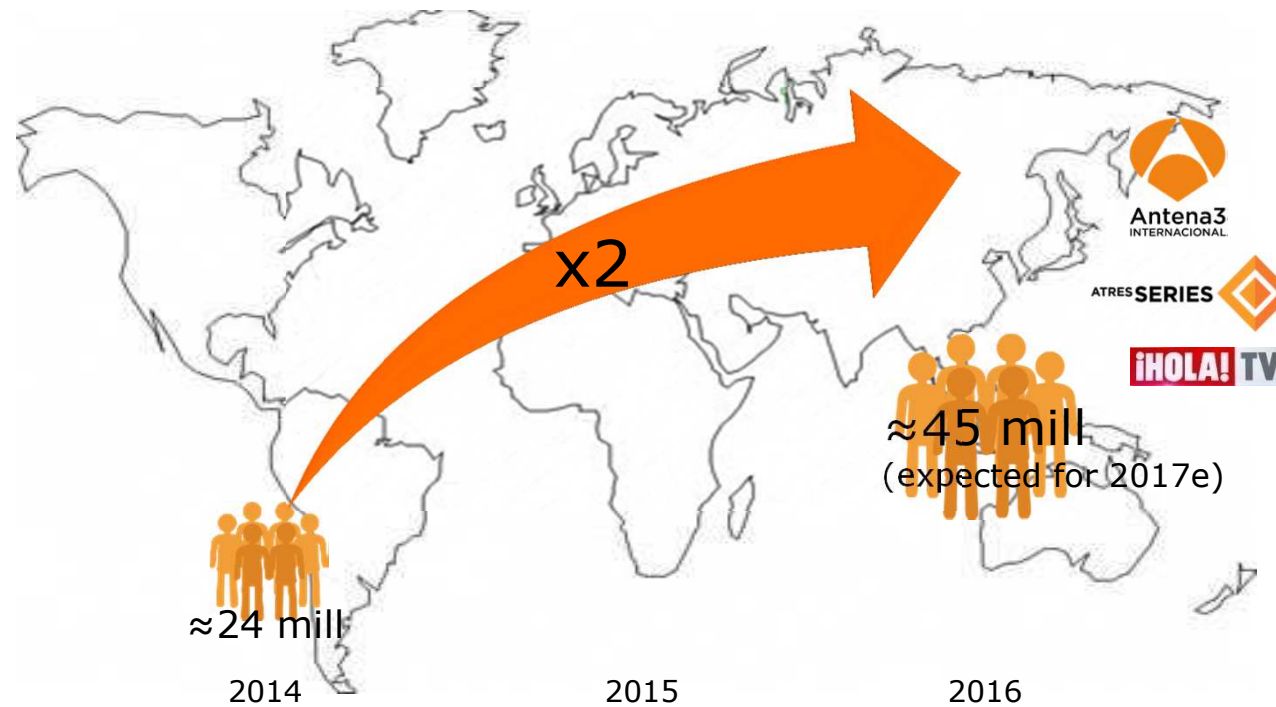
✓ Excellent returns from merchandising linked to Atresmedia's content (i.e. Velvet)

✓ 45 mill subscribers worldwide (+41% yoy)

✓ Media x Equity portfolio consolidation
✓ Total sale of Wallapop at sound exit multiple & portfolio value adjustment

Atresmedia Diversification: International

- International division achieved 45 mill-households target one year in advance



Atresmedia Cinema

- Atresmedia's films obtained near 40% of the spanish films' box office in 2016 and placed 5 films in the top 10

Atresmedia Cinema in 2016



Back up

Atresmedia

Q4 16 Results in € mill: P&L

	Q4 16	Q4 15	YoY
Net Revenues	280.9	272.3	+3.2%
OPEX	230.4	226.1	+1.9%
EBITDA	50.5	46.2	+9.4%
<i>EBITDA Margin</i>	<i>18.0%</i>	<i>17.0%</i>	
EBIT	46.3	41.5	+11.7%
<i>EBIT Margin</i>	<i>16.5%</i>	<i>15.2%</i>	
Net profit	27.6	29.9	-7.6%
<i>Net profit Margin</i>	<i>9.8%</i>	<i>11.0%</i>	

Source: Atresmedia's financial statements

Atresmedia Television

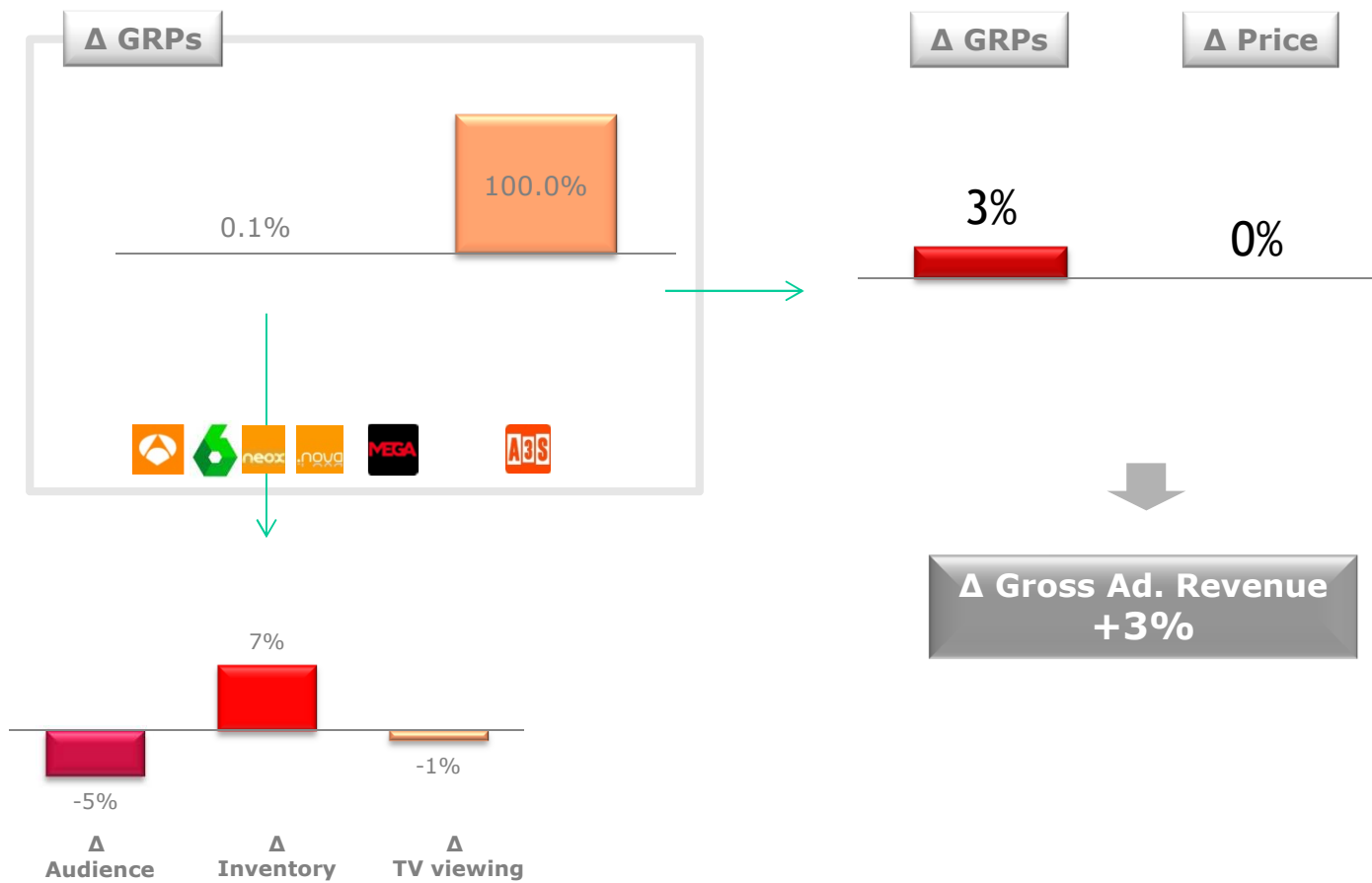
Q4 16 Results in € mill: P&L

	Q4 16	Q4 15	YoY
Total Net Revenues	248.6	239.9	+3.6%
OPEX	208.0	206.5	+0.7%
EBITDA	40.5	33.4	+21.4%
<i>EBITDA Margin</i>	<i>16.3%</i>	<i>13.9%</i>	
EBIT	36.7	29.5	+24.7%
<i>EBIT Margin</i>	<i>14.8%</i>	<i>12.3%</i>	

Source: Atresmedia`s financial statements

Atresmedia Television: Ad revenues breakdown in Q4 16

Q4 16 Key factors



Source: Internal estimates

Atresmedia Radio

Q4 16 Results in € mill: P&L

	Q4 16	Q4 15	YoY
Net Revenues	23.4	24.9	-6.0%
OPEX	18.3	17.5	+4.6%
EBITDA <i>EBITDA Margin</i>	5.1 21.9%	7.4 29.8%	-31.0%
EBIT <i>EBIT Margin</i>	4.7 19.9%	6.9 27.9%	-32.8%

Source: Atresmedia's financial statements

Additional information

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