

ATRESMEDIA

9M 18 Results

October 25th, 2018

www.atresmediacorporacion.com



9M18 Highlights

- According to external sources, Total Ad market was flat yoy, with TV down by -1% and Radio up to +3%.
- Atresmedia achieved 26.6% audience share in Total Individuals and 28.3% in the Commercial Target, both in line with last year despite competing against FIFA World Cup rights in other FTA channels.
- Atresmedia TV's market share reached 41% (power ratio of 1.5x)
- Atresmedia Radio retained an average daily audience of near 4 mill listeners
- Atresmedia's Net revenue amounted to €748 mill (-1% vs 9M17)
- OPEX stood at €624 mill; +3% yoy
- EBITDA totaled €124 mill & Net Profit reached €86 mill
- Total Net Debt stood at €199 mill (41 mill less than in Dec 17)
- Operating Cash Flow of €145 mill (+5% vs 9M17)

1

9M 18 Financial Summary

Advertising market in Spain

- According to external sources, Total Ad market was flattish in 9M 18
- TV Ad market was negative yoy while Radio & Internet outperformed the overall market

Media	Infoadex	I2p
TV	-1.3%	-1.7%
Radio	+3.4%	+3.1%
Newspapers	-6.1%	-6.6%
Magazines	-5.4%	-7.9%
Sunday suppl.	-8.4%	-11.4%
Outdoor	+0.9%	-0.1%
Internet	+12.8%	+12.5%
Cinema	+4.0%	+7.0%
Total	+0.6%	+0.5%

Source: Infoadex & I2p (ArceMedia)

Atresmedia

9M 18 Results in € mill: P&L

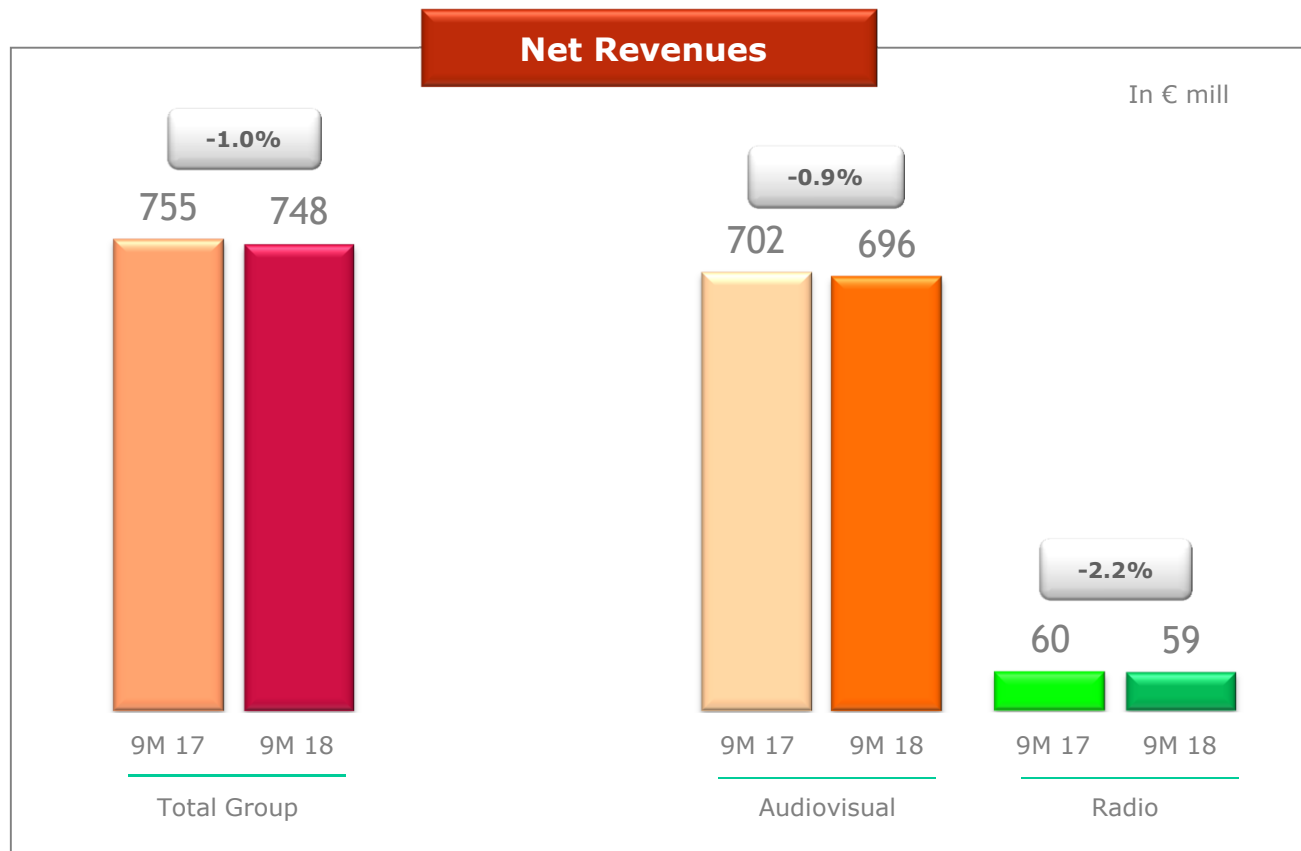
				Ex-Smartclip *		
	9M 18	9M 17	YoY	9M 18	9M 17	YoY
Net Revenues	747.6	755.1	-1.0%	727.9	752.5	-3.3%
OPEX	623.6	606.5	+2.8%	605.4	604.4	+0.2%
EBITDA	124.0	148.6	-16.6%	122.5	148.0	-17.2%
<i>EBITDA Margin</i>	<i>16.6%</i>	<i>19.7%</i>		<i>16.8%</i>	<i>19.7%</i>	
EBIT	110.1	135.6	-18.8%	108.8	135.1	-19.5%
<i>EBIT Margin</i>	<i>14.7%</i>	<i>18.0%</i>		<i>14.9%</i>	<i>17.9%</i>	
Net profit	86.1	103.5	-16.8%			
<i>Net profit Margin</i>	<i>11.5%</i>	<i>13.7%</i>				

Source: Atresmedia's financial statements

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

Atresmedia: Net revenues by segment

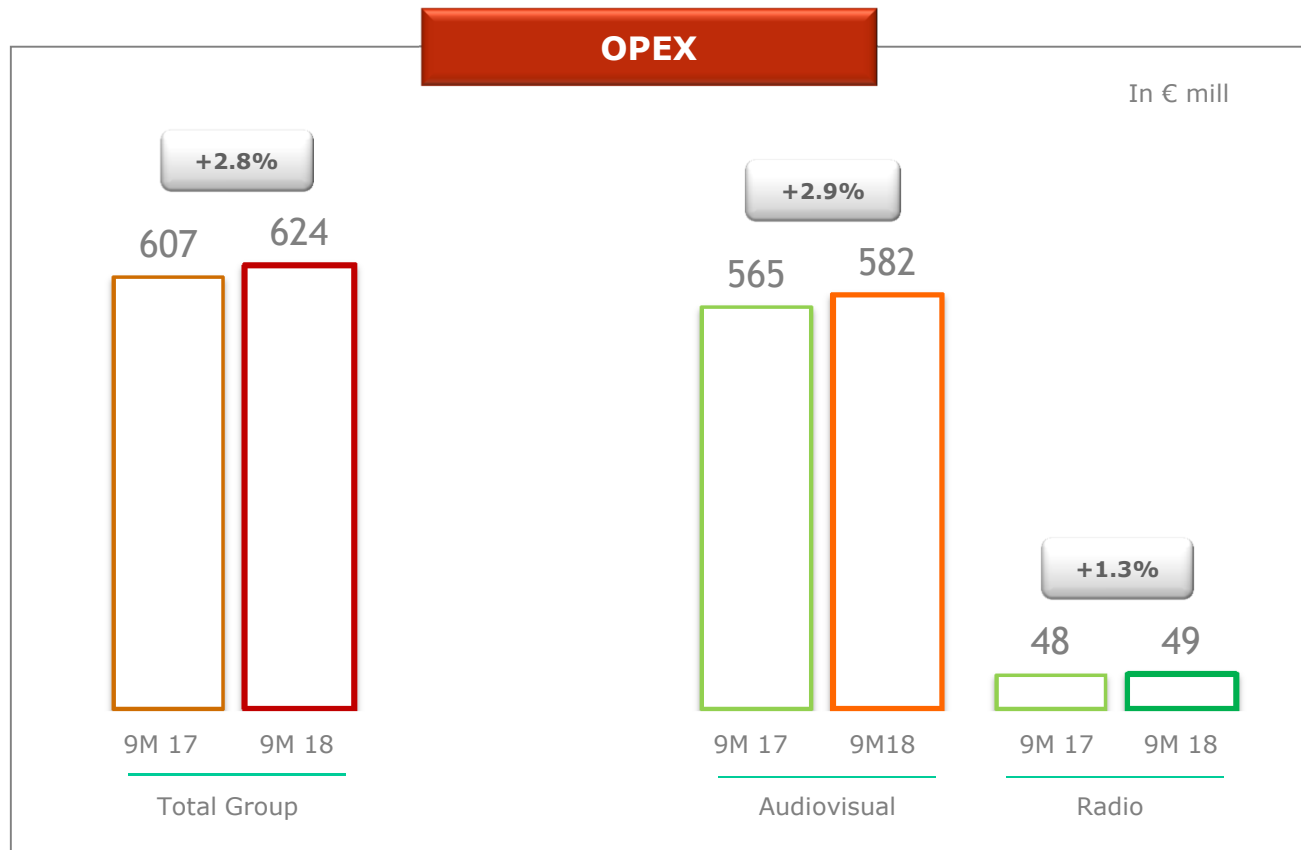
- Total Net Revenues stood at €748 mill, -1.0% yoy
- Audiovisual revenues were €696 mill (-0.9% yoy)
- Radio revenues totaled €59 mill (-2.2% yoy)



Source: Atresmedia's financial statements
Eliminations are not included

Atresmedia: OPEX by segment

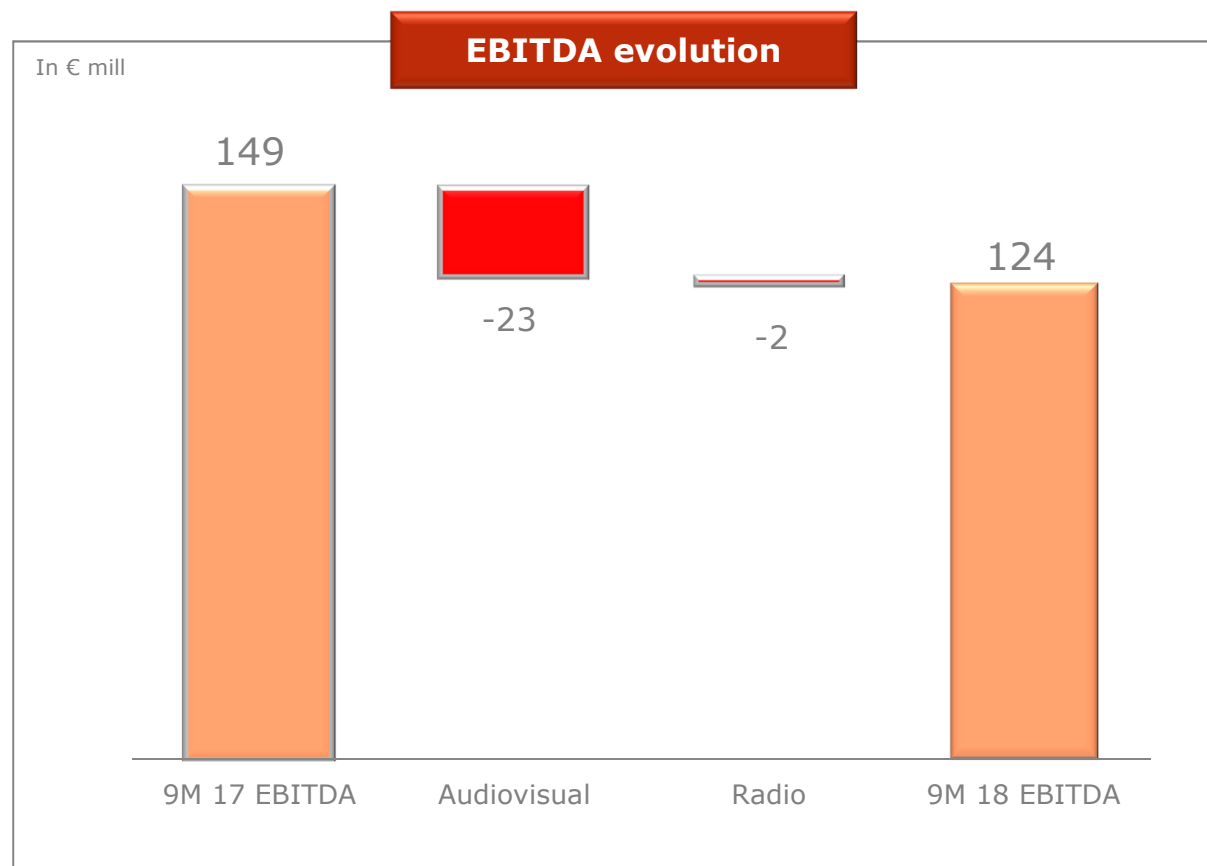
- Total OPEX was €624 million, +2.8% yoy
- Audiovisual expenses reached €582 mill (+2.9% yoy)
- Radio expenses: €49 mill (+1.3% yoy)



Source: Atresmedia's financial statements
Eliminations are not included

Atresmedia: EBITDA

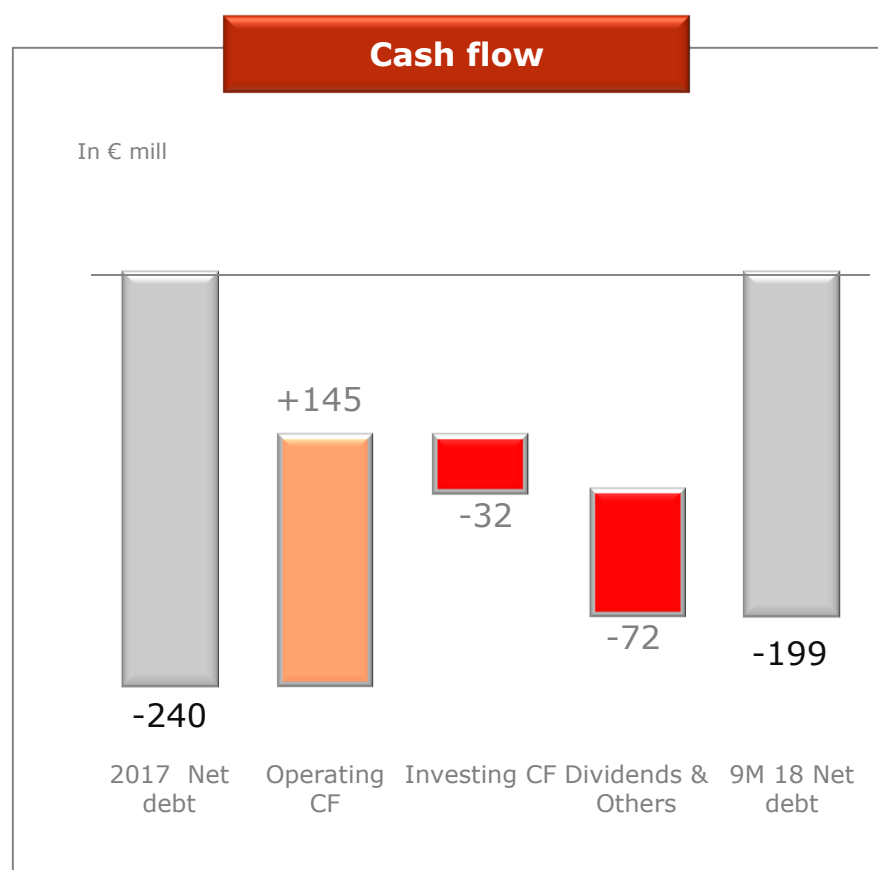
→ EBITDA mostly declined due to Audiovisual



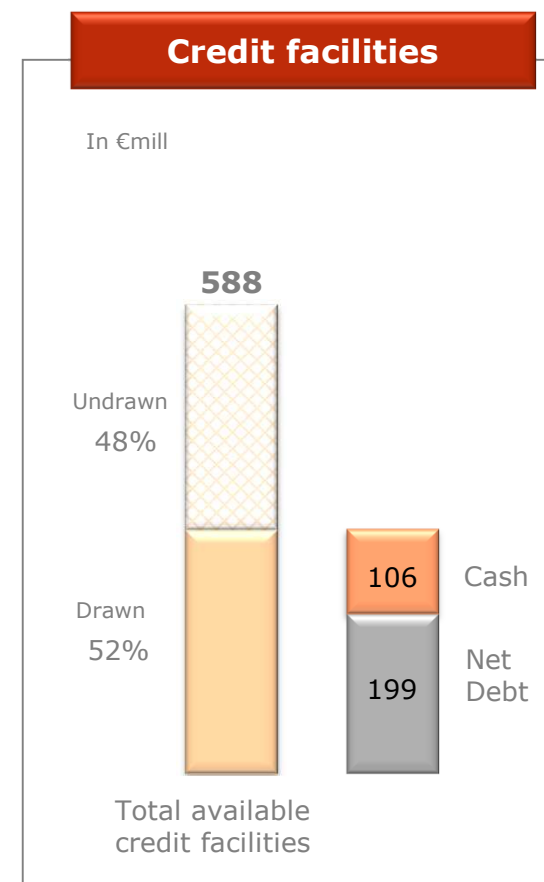
Source: Atresmedia's financial statements

Atresmedia: Cash flow & Debt position

- Total net debt reached €199 million vs €240 million at Dec-2017
- Total net debt/last 12 months EBITDA = 1.1x



Source: Atresmedia's financial statements



Source: Atresmedia's financial statements

Atresmedia Audiovisual

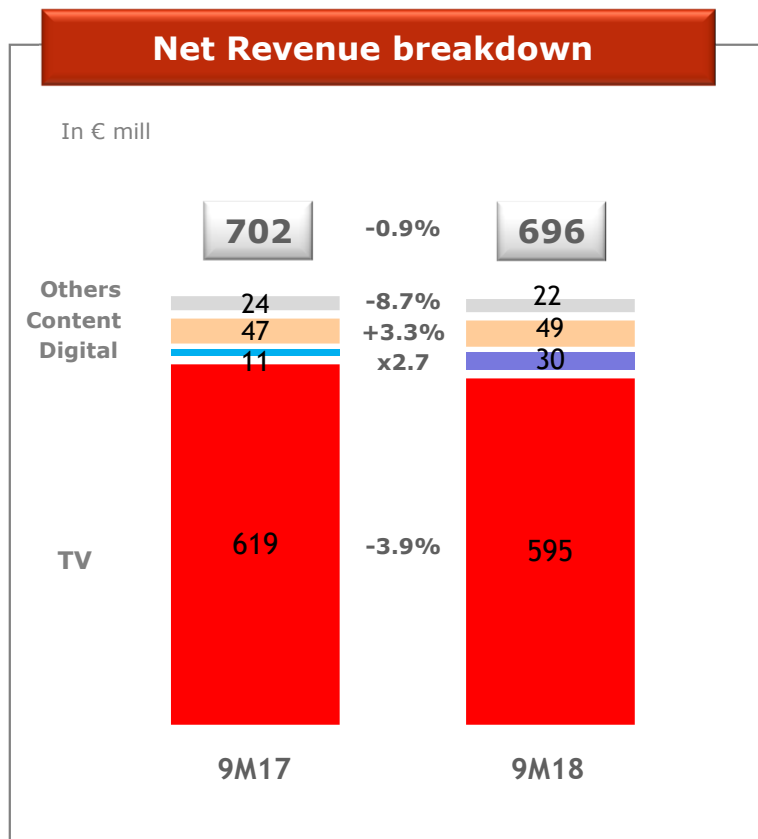
9M 18 Results in € mill: P&L

	9M 18	9M 17	YoY
Total Net Rev.	696.0	702.0	-0.9%
OPEX	582.1	565.5	+2.9%
EBITDA	113.8	136.5	-16.6%
<i>EBITDA Margin</i>	<i>16.4%</i>	<i>19.4%</i>	
EBIT	101.5	125.0	-18.8%
<i>EBIT Margin</i>	<i>14.6%</i>	<i>17.8%</i>	

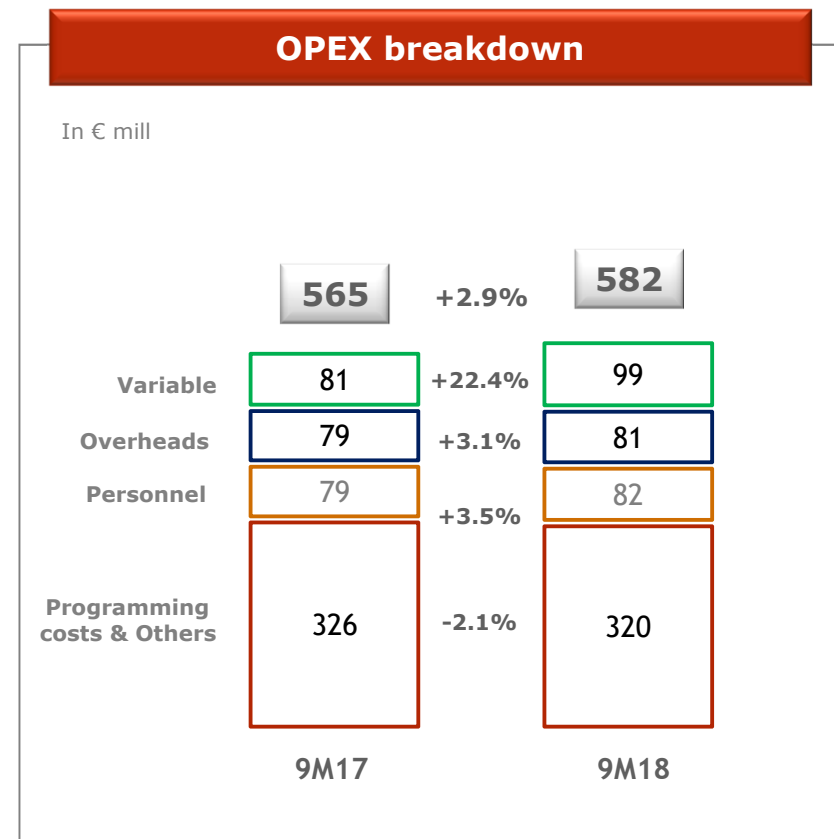
Source: Atresmedia`s financial statements

Audiovisual: Breakdown

- Audiovisual Net Revenues: TV revenue decline offset by increase in Digital and Content production and distribution
- OPEX up by 2.9%, basically due to the consolidation of Smartclip since Programming costs are 2.1% down yoy

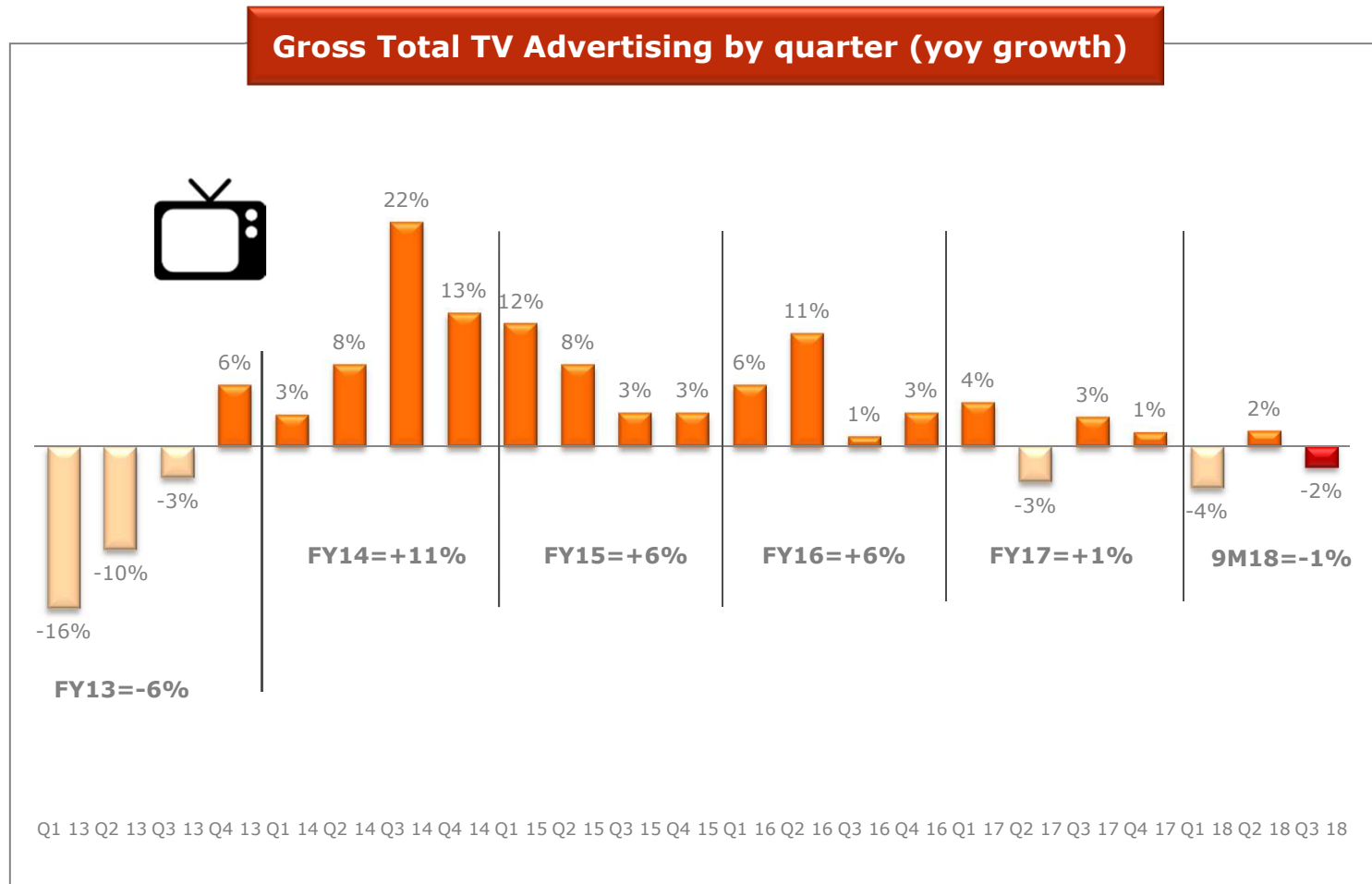


Source: Atresmedia's financial statements



TV Advertising market

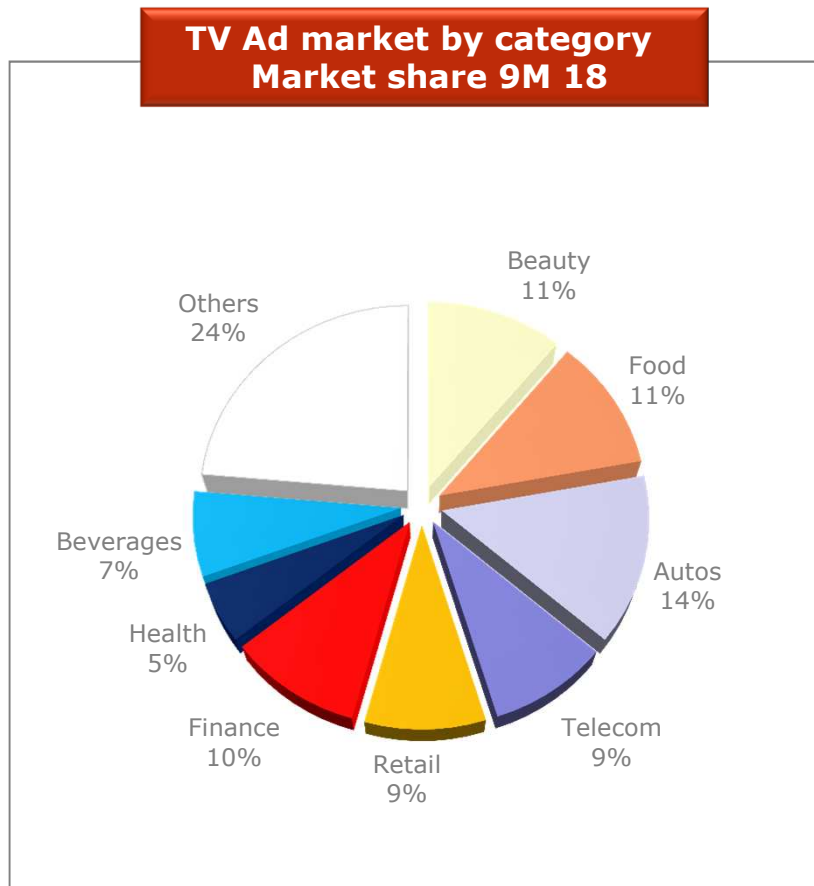
- ➔ Negative Q318 (-2% yoy), even with the FIFA World Cup in July
- ➔ 9M18 was below last year (-1% yoy)



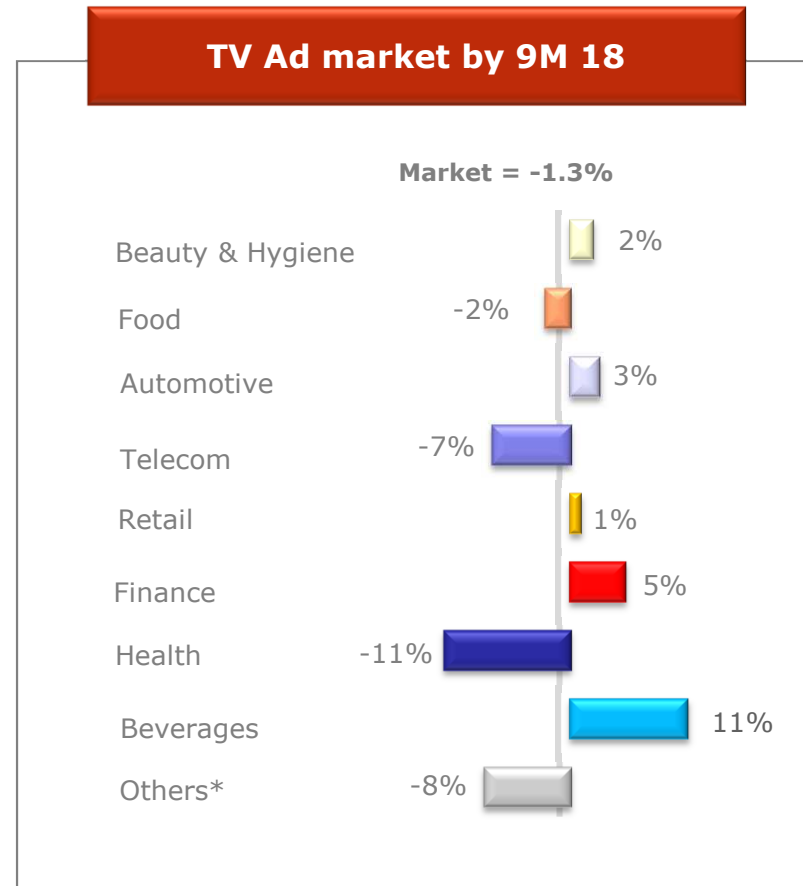
Source: Infoadex

TV Advertising market by category

→ Good performance in Autos, Beauty & Hygiene, Finance and Beverages but not enough to offset yoy decline in Food, Telecom, Health and Others



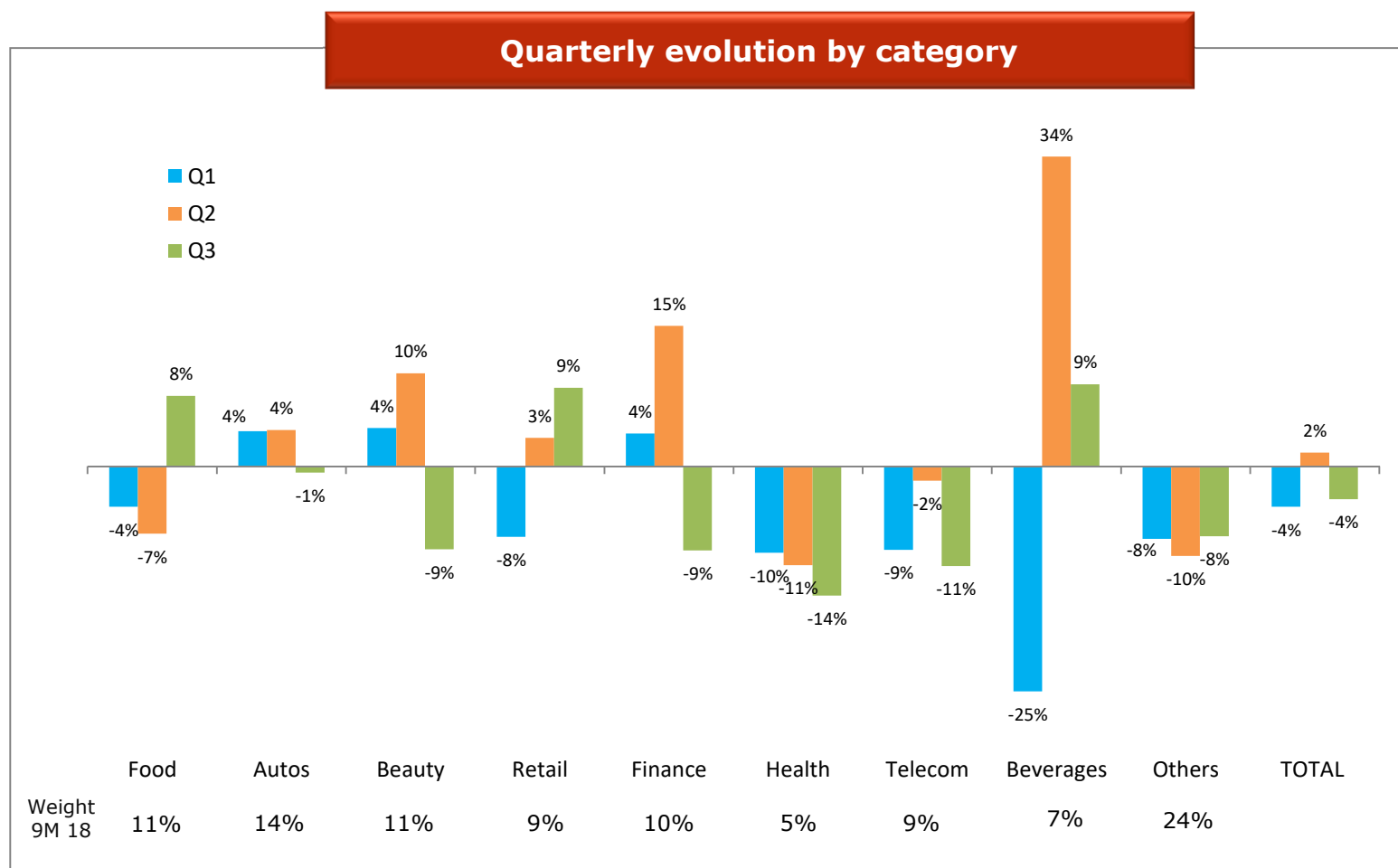
Source: Internal estimates



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

TV Advertising market by category: Quarterly evolution

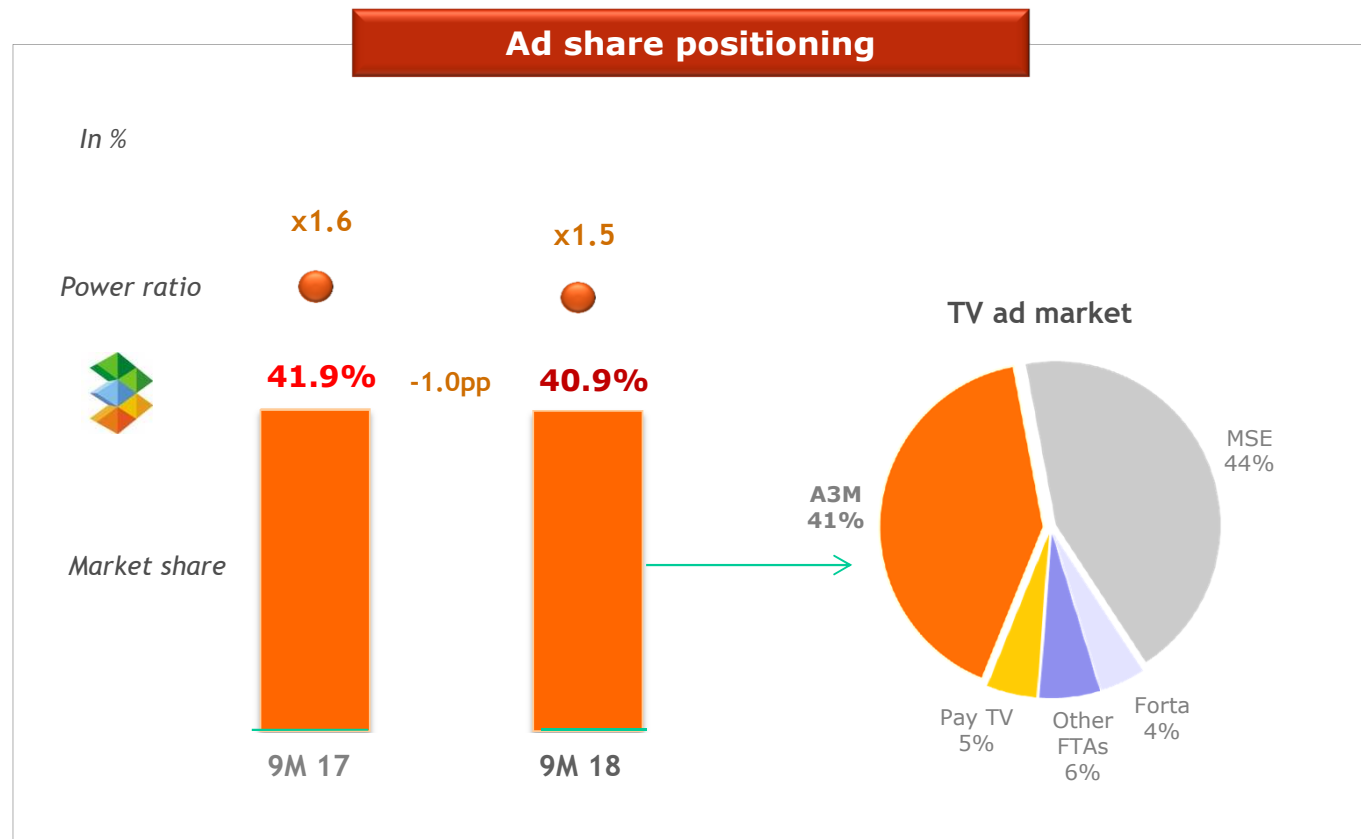
→ High dispersion among categories and quarters persists



Source: Internal estimates

Atresmedia market positioning

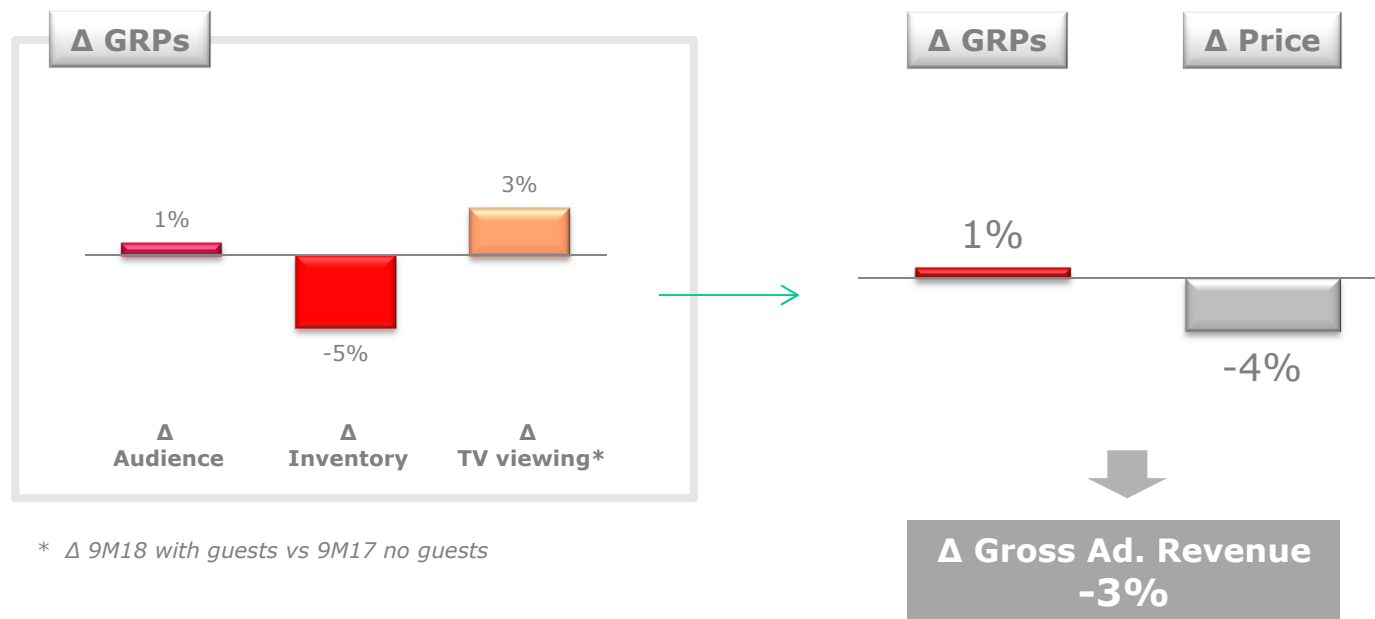
- Atresmedia market share stood at 41% according to Infoadex
- Best power ratio in the industry



Source: Infoadex

Television: Ad revenues breakdown in 9M 18

9M 18 Key factors



Source: Internal estimates

Atresmedia Radio

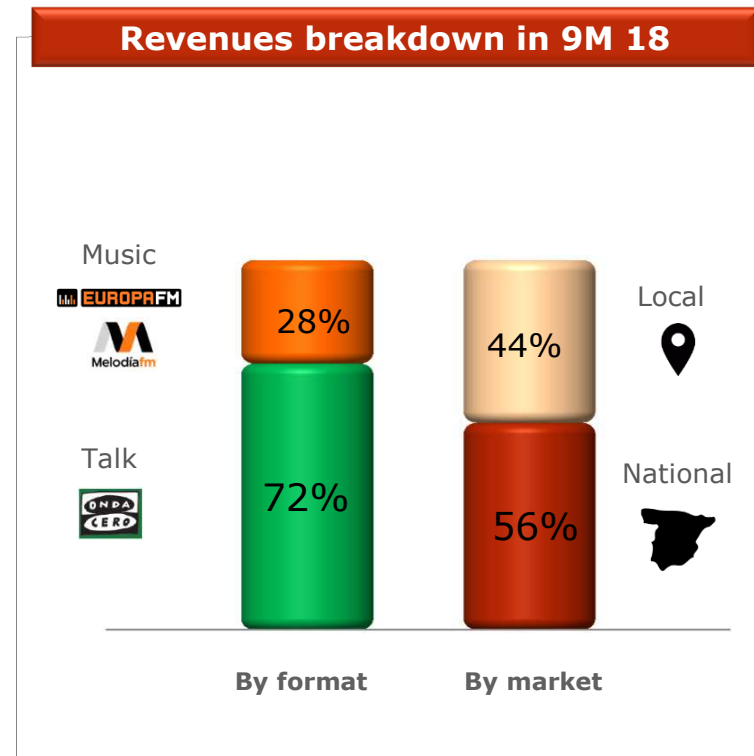
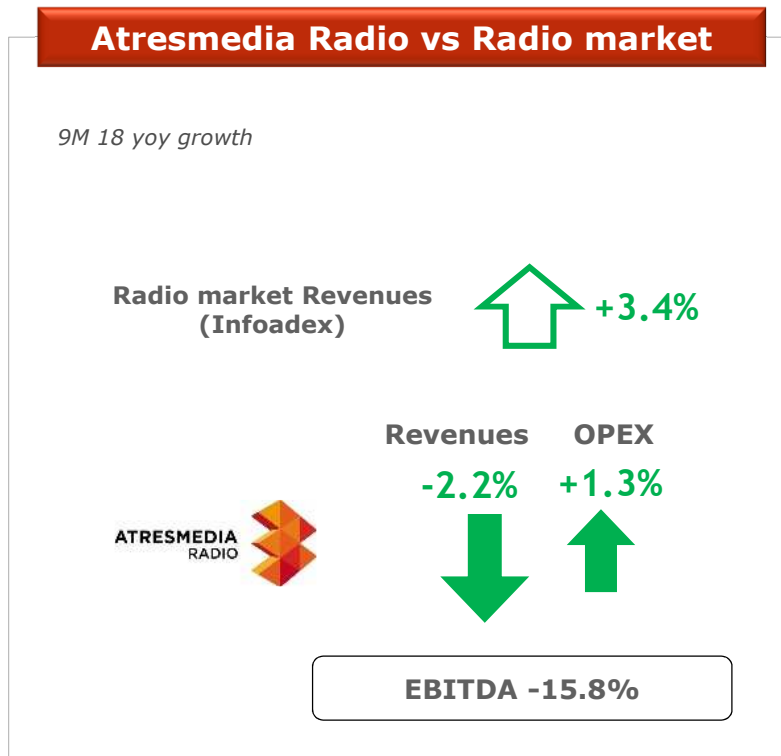
9M 18 Results in € mill: P&L

	9M 18	9M 17	YoY
Net Revenues	58.7	60.0	-2.2%
OPEX	48.6	48.0	+1.3%
EBITDA	10.2	12.1	-15.8%
<i>EBITDA Margin</i>	<i>17.3%</i>	<i>20.1%</i>	
EBIT	8.6	10.5	-18.3%
<i>EBIT Margin</i>	<i>14.6%</i>	<i>17.5%</i>	

Source: Atresmedia's financial statements

Atresmedia Radio

- Atresmedia Radio's revenues declined by 2.2% yoy
- OPEX increased 1.3% in 9M 18



Source: Internal estimates

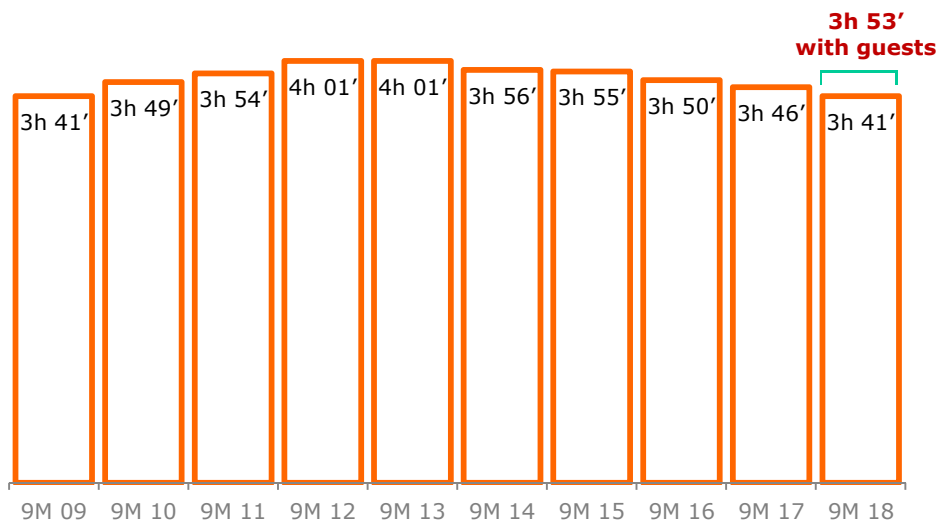
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9M 18 AUDIOVISUAL business summary

TV viewing

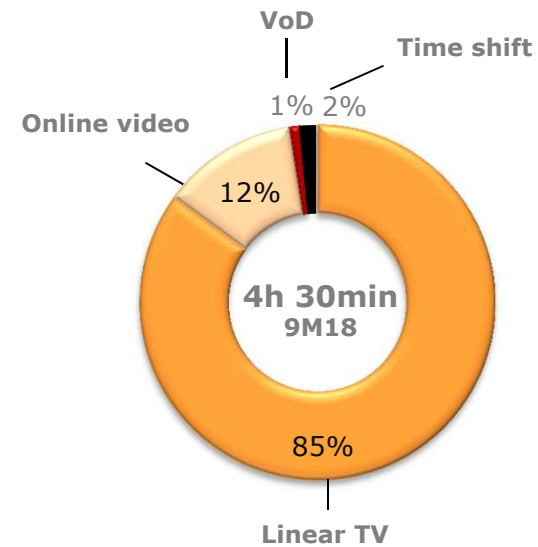
➔ Linear TV viewing remains high (near 4h/day on average)

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)

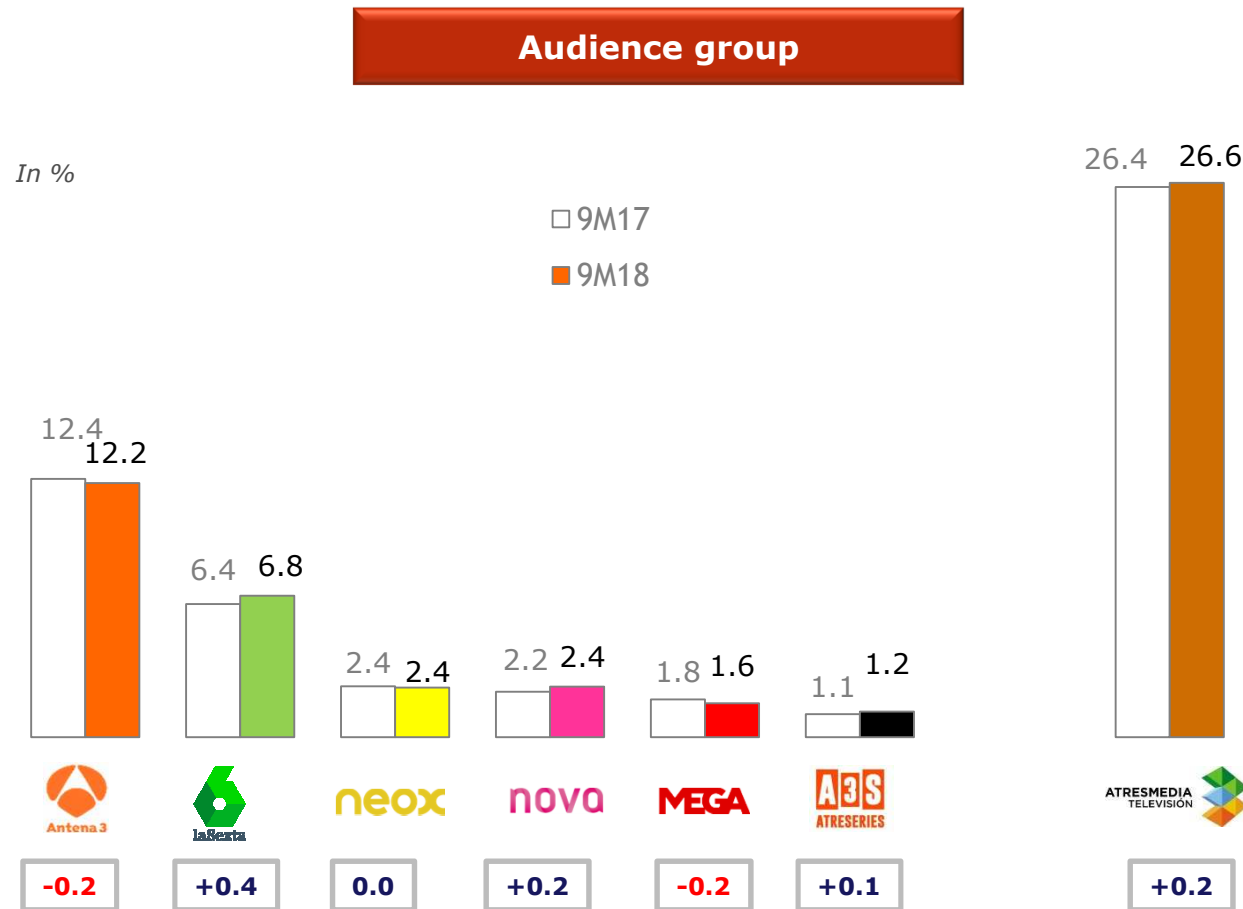
Average daily viewing
In %



Source: Kantar Media & Comscore (avg Jan-Aug)
*Linear TV includes guests metrics

Television: Atresmedia audience share

- Atresmedia improved audience levels despite the impact of FIFA World Cup and the lack of Champions League`s rights in Q318



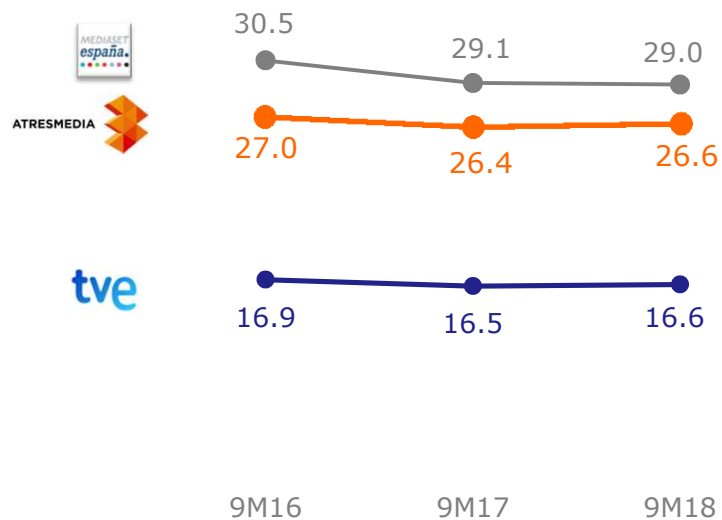
Source: Kantar Media. Total Individuals (4y+)

Television: Groups audience share

- Atresmedia achieved 26.6% audience share in Total Individuals and 28.3% in Commercial Target

Audience Share Total Individuals

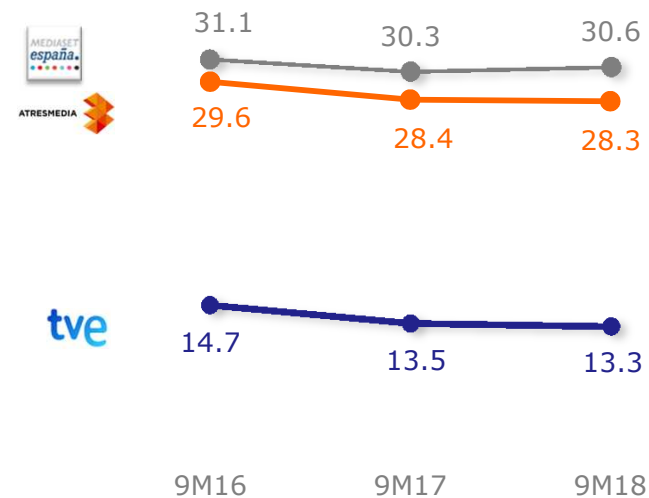
In %



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

Aud. Share by Commercial Target

In %



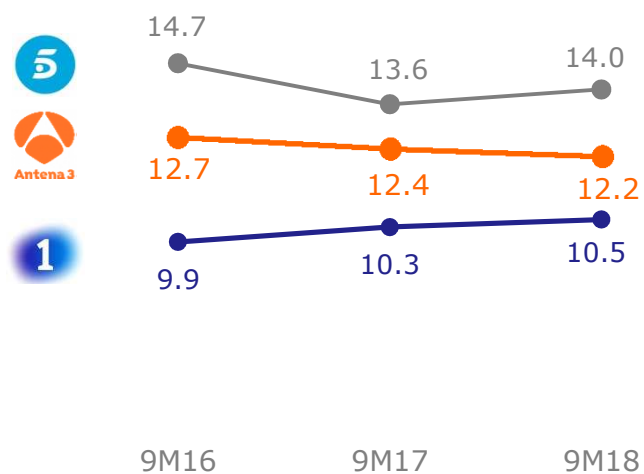
Source: Kantar Media. Commercial Target (25-59 y), >10,000 inhabitants

Television: Core channels audience share

→ Antena 3 achieved 12.2% in Total Individuals and 11.9% in the Commercial Target

Audience Share Total Individuals

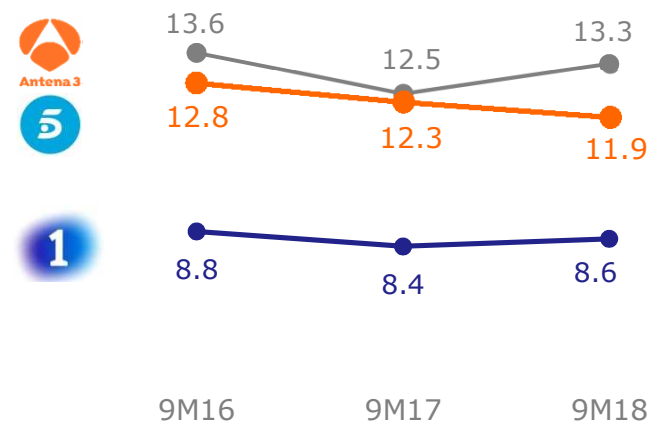
In %



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

Aud. Share by Commercial Target

In %



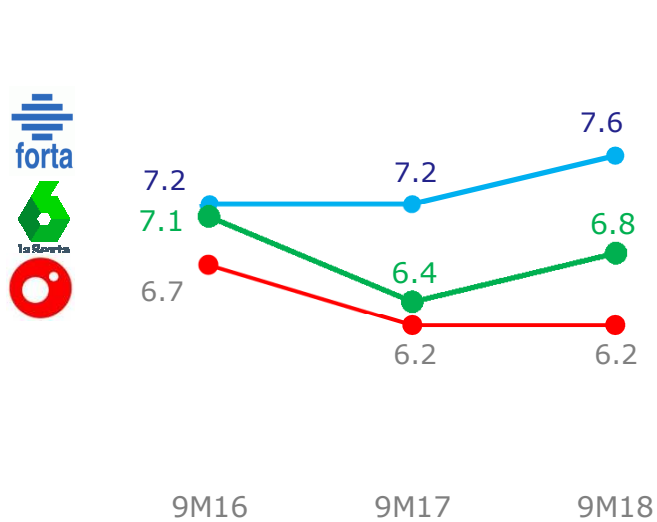
Source: Kantar Media. Commercial Target (25-59 y), >10,000 inhabitants

Television: Tier II channels audience share

→ La Sexta outperformed again its main commercial competitor

Audience Share Total Individuals

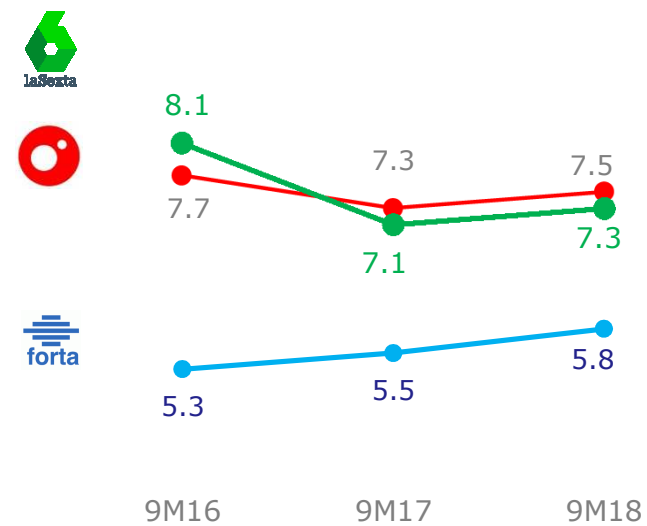
In %



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

Aud. Share by Commercial Target

In %

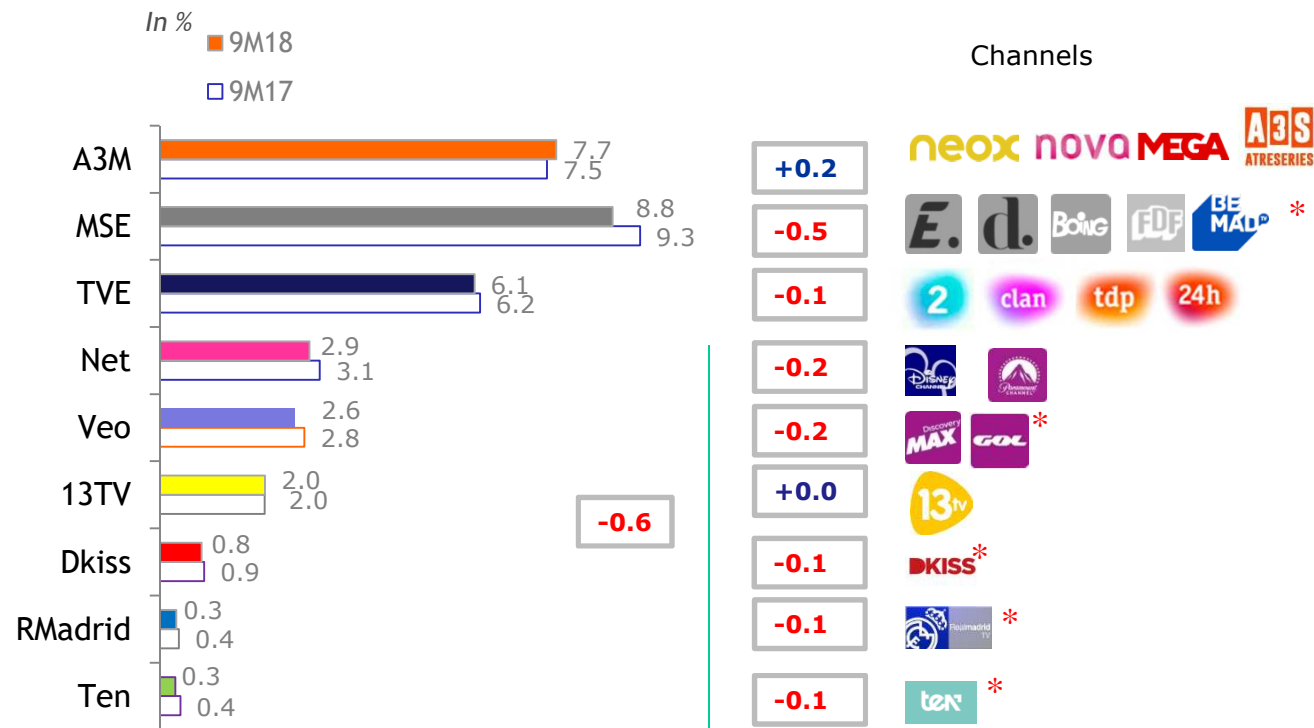


Source: Kantar Media. Commercial Target (25-59 y), >10,000 inhabitants

Television: Complementary channels audience share

→ Atresmedia's complementary channels were the only ones in positive yoy

Complementary channels' audience share



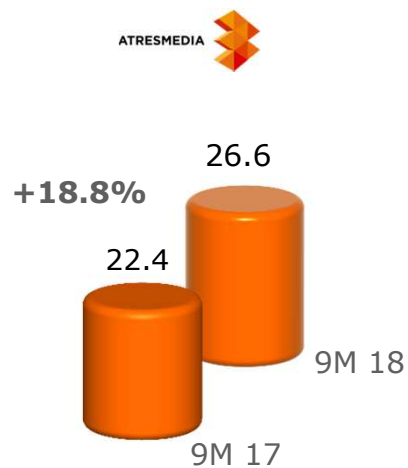
Source: Kantar Media
Audience share 24h; Total Individuals: 4+
* Channels launched in 2016

Digital: Unique Users

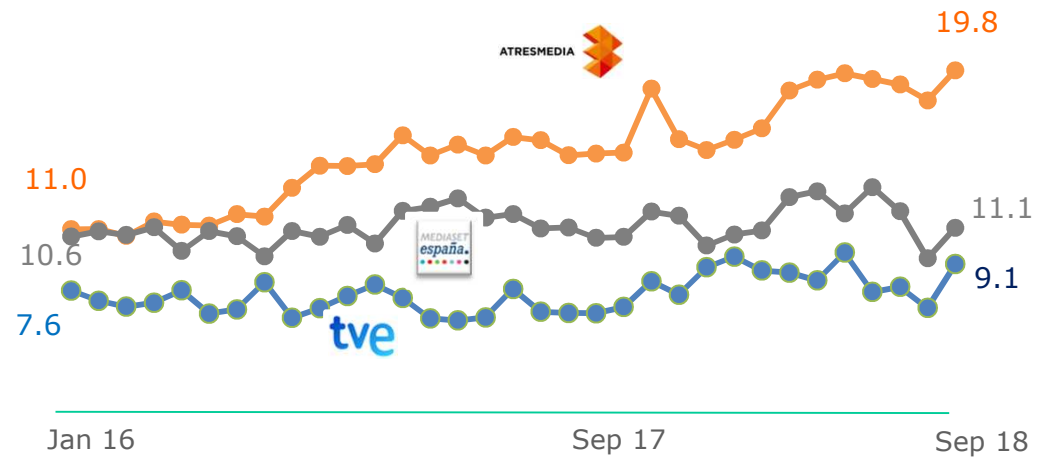
- ➔ Monthly unique users increased by 19% up to 27 mill in 9M 18
- ➔ Atresmedia: Leading in unique users among TV broadcasters

Unique Users yoy

Monthly average in mill users



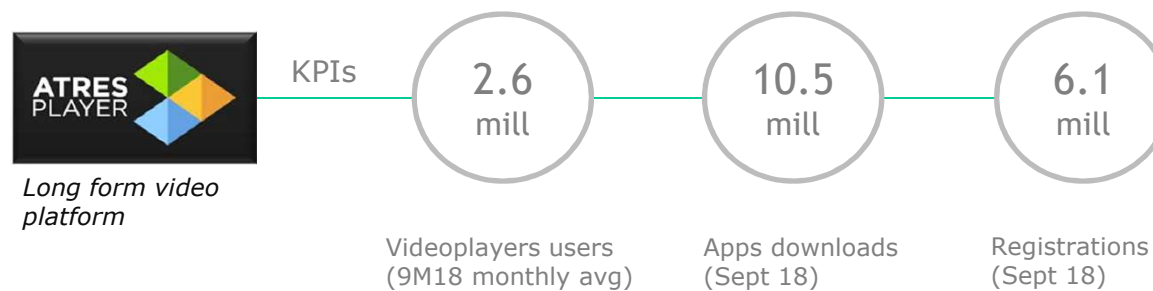
Source: Adobe Analytics



Source: Comscore

Digital: Atresplayer & Flooxer

→ Atresplayer achieves 2.6 mill users in monthly average

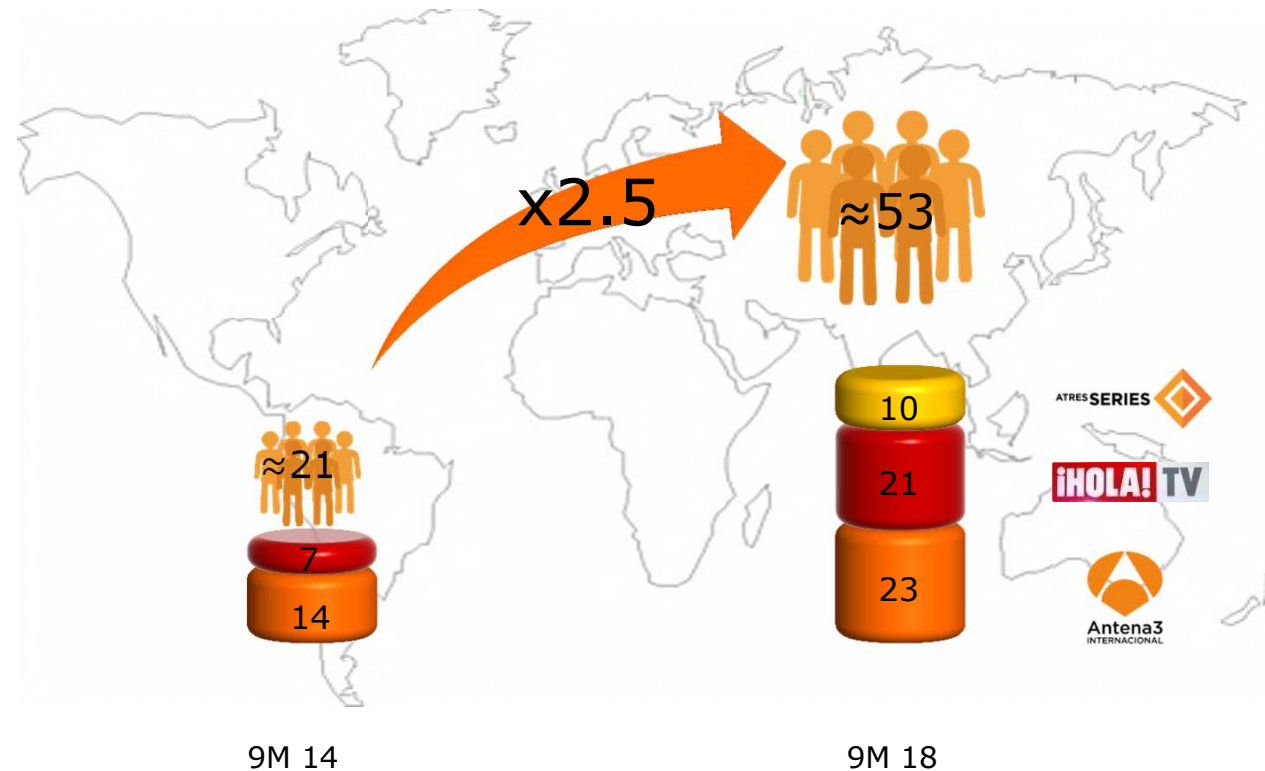


Source: Comscore & internal estimates

Production & Content sales: Atresmedia International

→ Up to 53 mill subscribers in our international channels

In mill subscribers



Production & Content sales: Atresmedia Cinema

- Atresmedia Films accounted for 35% of total revenues generated by Spanish films in 9M 18

Atresmedia Cinema in 9M 18



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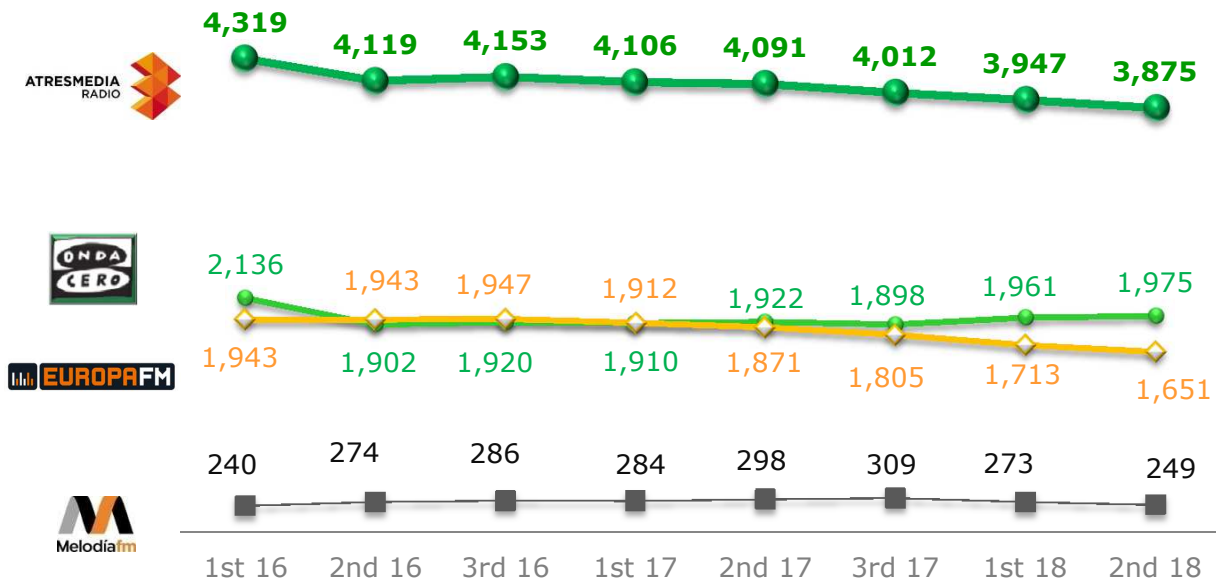
9M 18 RADIO business summary

Atresmedia Radio

➔ Atresmedia Radio retains near to 4 mill listeners/day

Listeners evolution

In thousand of listeners



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

Back up

Atresmedia

Q3 18 Results in € mill: P&L

				Ex-Smartclip*		
	Q3 18	Q3 17	YoY	Q3 18	Q3 17	YoY
Net Revenues	197.0	204.3	-3.6%	191.0	201.7	-5.3%
OPEX	174.2	172.2	+1.2%	168.9	170.2	-0.7%
EBITDA	22.7	32.1	-29.1%	22.1	31.5	-29.9%
<i>EBITDA Margin</i>	<i>11.5%</i>	<i>15.7%</i>		<i>11.6%</i>	<i>15.6%</i>	
EBIT	18.4	27.7	-33.6%	17.8	27.2	-34.5%
<i>EBIT Margin</i>	<i>9.3%</i>	<i>13.6%</i>		<i>9.3%</i>	<i>13.5%</i>	
Net profit	16.8	19.3	-12.8%			
<i>Net profit Margin</i>	<i>8.5%</i>	<i>9.4%</i>				

Source: Atresmedia's financial statements

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

Atresmedia Audiovisual

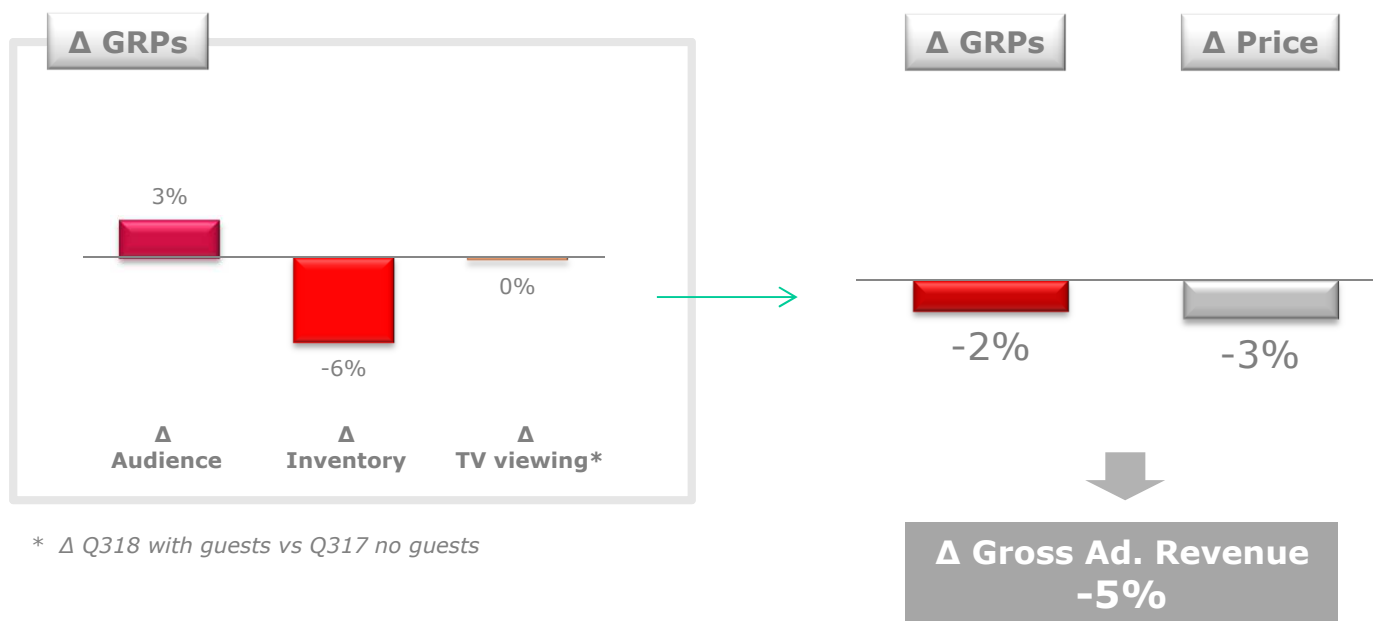
Q3 18 Results in € mill: P&L

	Q3 18	Q3 17	YoY
Total Net Rev.	182.2	188.1	-3.2%
OPEX	160.5	158.7	+1.2%
EBITDA	21.7	29.5	-26.5%
<i>EBITDA Margin</i>	<i>11.9%</i>	<i>15.7%</i>	
EBIT	17.8	25.6	-30.5%
<i>EBIT Margin</i>	<i>9.8%</i>	<i>13.6%</i>	

Source: Atresmedia`s financial statements

Television: Ad revenues breakdown in Q3 18

Q3 18 Key factors



Source: Internal estimates

Atresmedia Radio

9M 18 Results in € mill: P&L

	Q3 18	Q3 17	YoY
Net Revenues	16.5	17.7	-6.6%
OPEX	15.5	15.1	+2.5%
EBITDA	1.1	2.6	-59.0%
<i>EBITDA Margin</i>	<i>6.5%</i>	<i>14.8%</i>	
EBIT	0.6	2.1	-70.9%
<i>EBIT Margin</i>	<i>3.7%</i>	<i>11.9%</i>	

Source: Atresmedia's financial statements

2018 Consolidated statements: New reporting

Euros (in millions)

NET REVENUE	Q118	Q218	Q318	9M18
Audiovisual	236.2	277.5	182.2	696.0
Television advertising	204.1	239.3	151.7	595.1
Digital advertising	8.8	12.7	8.7	30.2
Content production and distribution	17.4	14.3	17.0	48.7
Other revenue	5.9	11.3	4.7	21.9
Radio	18.8	23.5	16.5	58.7
Eliminations	-2.8	-2.6	-1.7	-7.1
ATRESMEDIA	252.2	298.4	197	747.6

OPERATING EXPENSES	Q118	Q218	Q318	9M18
Audiovisual	205.3	216.3	160.5	582.1
Programming costs and others	118.5	123.7	77.6	319.8
Personnel costs	27.6	27.8	26.5	81.8
Other operating expenses	28.7	26.9	25.4	81.1
Variable expenses linked to sales	30.5	37.9	31.0	99.4
Radio	16.4	16.7	15.5	48.6
Eliminations	-2.8	-2.6	-1.7	-7.1
ATRESMEDIA	219.0	230.4	174.2	623.6

EBITDA	Q118	Q218	Q318	9M18
Audiovisual	30.9	61.3	21.7	113.8
Radio	2.3	6.8	1.1	10.2
ATRESMEDIA	33.2	68.0	22.7	124.0

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 expenses 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 expenses 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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