
FIRST HALF RESULTS

January – June 2020

MEDIASET*españa.*



Madrid – September 2nd, 2020

CONTENTS

1. Financial and Operating highlights
2. Operating KPI's
 - 2.1 TV Consumption
 - 2.2 Audience share
 - 2.3 Content mix
 - 2.4 Associated & Participated production companies
 - 2.5 Internet
3. Profit and loss account
4. CAPEX
5. Balance sheet
6. Cash flow generation
7. Events following the close of the period
8. Definition of APMs
9. Contact

Conference Call / Web cast details

2th September 2020 at 18:30 pm CET (17:30 UK Time)

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I. FINANCIAL AND OPERATING HIGHLIGHTS

mill. EUR	2Q2020	2Q2019	Var (%)	IH2020	IH2019	Var (%)
Total net revenues	145,3	256,4	(43,3%)	375,1	482,5	(22,3%)
Total operating costs	(113,0)	(163,8)	(31,0%)	(275,5)	(319,5)	(13,8%)
EBITDA Adj. ⁽¹⁾	32,3	92,7	(65,2%)	99,6	163,0	(38,9%)
EBITDA margin	22,2%	36,1%		26,5%	33,8%	
EBIT	27,1	87,7	(69,1%)	88,9	154,2	(42,4%)
EBIT margin	18,7%	34,2%		23,7%	32,0%	
NET PROFIT	21,1	74,3	(71,6%)	70,0	127,4	(45,1%)
EPS ⁽²⁾	0,07	0,24		0,22	0,41	
Free Cash - Flow				87,37	120,48	
Net Cash/ (Debt) Position				(2,22)	87,29	

(1) EBITDA Adj. includes TV rights consumption (2) excluding any treasury shares as at 30.06

- **Infoadex** reported that the **Audiovisual market** (TV+Digital*), in the **first half 2020** was **€1,037.8 million** with a **TV Advertising** market of **€712.0 million** and **Digital*** market of **€325.8 million**. As per Infoadex data, **Mediaset España** obtained **31.1% of the Audiovisual market share** in the semester.
- **Total net revenues** in the **first half 2020** amount to **€375.1million**, **net advertising revenues** were **€314.0 million** and **Other Revenues** **€61.1 million**.
- **Mediaset España** registered an **EBITDA of €99.6 million** and **margin of 26.5%** in the six months to June 2020. **EBIT of €88.9 million** and an **EBIT margin of 23.7%** (margin calculated as a percent of total net revenues).
- **Net profit** in the first half 2020 reached **€70.0 million**, a **very good performance** taking into account the very difficult economic situation due to **Covid 19**.
- **Mediaset España Net Financial Debt position** (including the debt arising from the investment in ProSieben Sat1) as at **30th June 2020** is **€2.2 million** and **Free Cash Flow** in the period equals **€87.4 million**.
- **Mediaset España** lead audiences in the **first half 2020** with a **28.6% share** and a **29.6% commercial target**, both in total Individuals total day.
- In the period **January-June 2020**, **Mediaset España** registered a **monthly average** of **18.5 million unique users/viewers** and **417.5 million videos streamed**. (Source ComScore multiplataforma)
- **Mediaset España**, at the end of June, holds a **9.75% stake in ProSiebenSat**, **4.25%** was acquired in the first quarter 2020.
- At the end of June **Mediaset España** holds Treasury shares amounting to **4.36%** of the share capital, a total of **14.269.073 shares**.
- Due to the **Covid 19** pandemic, **Mediaset España** implemented a thorough health and safety protocol immediately after the state of emergency was declared, this protocol is still in force today. **Mediaset España** obtained **AENOR certification** for the implementation of best practices due to the **Covid 19 outbreak**.

*Digital.- Websites as reported by Infoadex.

2. OPERATING KPI's

2.1 TV CONSUMPTION

During the period mid-March through to June 2020, the economy has suffered the impact of Covid 19. As a result, since March 14th to beginning of June, the Spanish population has been under **strict lockdown measures**. This lockdown period has shown how **relevant television is**, as a source of **entertainment but also as a source of information within the home**.

During the month of **April**, TV consumption **reached its highest record ever** with **303 minutes per person/per day**, over five hours, whilst **May** registered the highest ever TV consumption in that month with **261 minutes per person/per day**. After the lockdown measures were lifted, on June 21st, TV consumption went back to pre-Covid 19 levels, with **227 minutes per person/per day**.

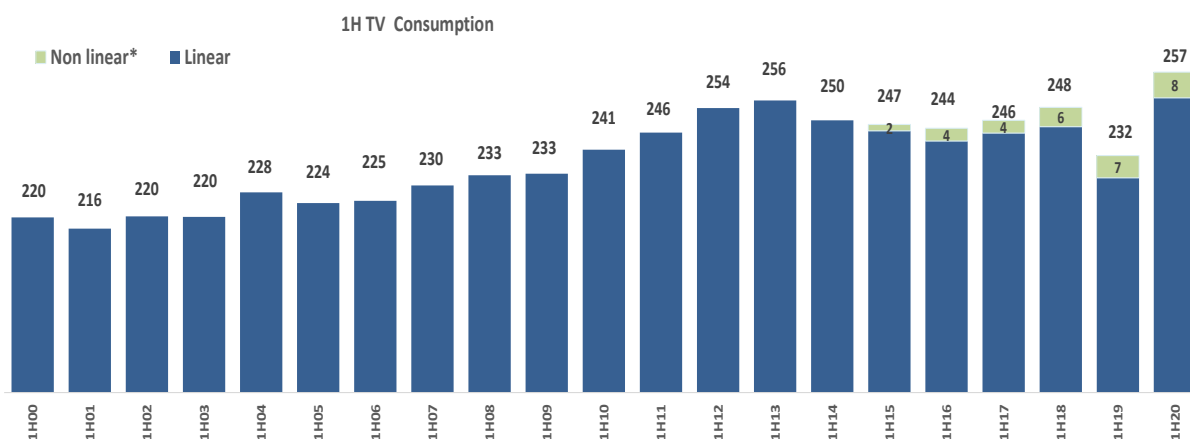
In the **second quarter 2020**, total TV consumption was **264 minutes per person/per day**, which compares to the **224 minutes per person/per day** from the same period 2019, this is **40 minutes more per person/per day (+17.4%)**.

The **daily average total TV consumption per person per day**, in the **first half of 2020** amounts to **257 minutes**, this compares to the **232 minutes per person/per day** from the first half of 2019, **25 more minutes per person/per day**. In the **first half of 2020** the **Mediaset España** Group achieved **more viewing time (+10.1%)** than its direct competitor **(+1.4)**, whilst the **Cuatro** channel has experienced the **largest growth in the sector** in the period **+20%** (vs same period 2019). This viewing time **doesn't include that spent on other devices** such as tablets, computers, smart phones etc...

In the first half 2020, **linear TV consumption** ⁽¹⁾, amounted to **249 minutes** and represented **96.9% of the TV total consumption** (257 minutes).

Time Shift ⁽²⁾, the TV consumption within the **seven days after first broadcast**, totals **8 minutes** in the **first six months 2020**, which represents **3.1% of the total TV consumption**.

The **average daily viewers, total day**, in the period stands at **7.83 million people**.



Source: Kantar Media

1) Linear includes guests TV consumption.-TV consumption from friends, family etc. visiting, measured since March 2017.
 (2) Time shift viewing: is the TV consumption within the 7 days following the first broadcast.

2.2 AUDIENCE SHARE

	IH 2020		IH 2019	
	Total Individuals	Commercial Target	Total Individuals	Commercial Target
MEDIASET ESPAÑA				
Total Dia	28,6%	29,6%	28,6%	30,4%
Prime Time	27,9%	28,4%	28,3%	28,9%
TELECINCO				
Total Dia	14,6%	14,3%	14,7%	13,8%
Prime Time	14,3%	13,8%	14,8%	13,5%
CUATRO				
Total Dia	5,7%	6,3%	5,2%	6,3%
Prime Time	6,1%	6,9%	5,8%	7,0%
DIVINITY				
Total Dia	1,8%	2,1%	2,0%	2,4%
Prime Time	1,5%	1,7%	1,7%	1,8%
BOING				
Total Dia	1,1%	0,8%	1,1%	0,8%
Prime Time	0,9%	0,7%	0,9%	0,7%
ENERGY				
Total Dia	2,3%	2,4%	2,3%	2,8%
Prime Time	2,0%	2,0%	2,0%	2,1%
BE MAD tv				
Total Dia	0,6%	0,7%	0,6%	0,7%
Prime Time	0,6%	0,7%	0,5%	0,7%
FDF				
Total Dia	2,5%	3,0%	2,8%	3,5%
Prime Time	2,5%	2,6%	2,6%	3,1%

Source: Kantar Media

In the **first half 2020**, the **Mediaset España Group** has led audiences with a **28.6% audience share** and a **29.6% commercial target both in total individuals total day**, this is an advantage of **+2.5 pp and +2.2 pp respectively over its nearest competitor**. Regarding **commercial targets**, **Mediaset España** lead in total individuals, women and all age groups except the 55-64 year's old.

Telecinco is the most viewed channel in the first half of 2020 for the **ninth consecutive year**, leading all months in the period. It registered **14.6% audience share in total individuals/total day**, this is **+3.3pp ahead of its nearest competitor**. In terms of **commercial target**, **Telecinco (14.3%)** is well ahead of its direct competitor (11.0%) with an advantage of **+3.3 pp**, the **largest gap in a first semester since 2008**, leading in the **women's target** as well as **all age groups**.

Some of the most relevant programs broadcasted on **Telecinco** in the period were: **"Supervivientes"**, which was also broadcasted on **Cuatro** as part of the **crossover broadcast strategy** that connects the two main channels of the Group. On **Telecinco**, this program registered **28.9% audience and 3.5 million viewers**.

“**La Isla de las Tentaciones**”, premiered in the first quarter 2020, proved to be the revelation program of the period, achieving a **22.9% average share and 2.9 million viewers**, whilst in its final program it registered a **30.0% audience share and 3.9 million viewers**.

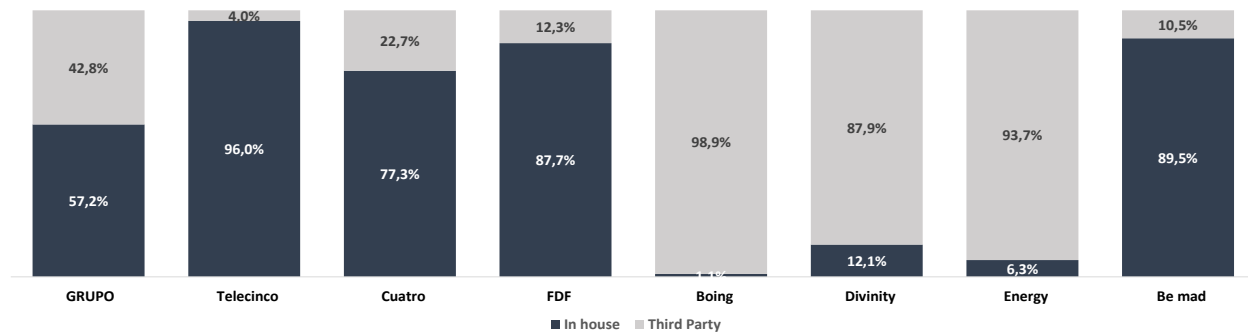
Cuatro registered an audience in the period of **5.7%** and it was the channel that **grew the most in the first half of 2020, +0,5pp** in total day. In commercial target **Cuatro registers 6.3%** (+0.6 pp vs same period 2019).

In the first half 2020, **Cuatro** has broadcasted football matches from “**La Copa del Rey**” (the final still pending) with an **average audience share** of almost **14.0%**. Some of the most successful programs **broadcasted on Cuatro** in the period were: “**Supervivientes: tierra de nadie**” with a **21.8%** audience share and **2.7 million viewers**, “**La Isla de las tentaciones**” with an average of **21.6% audience share** and **2.7 million viewers**, with its final program registering the best audience record ever in the channel with **29.9% audience share** and **3.6 million viewers**.

The **targeted channels** obtained a total of **8.3% audience** share in the first half 2020 whilst achieving **9.0%** in commercial target. The audience of the various channels at **the end of June 2020** was as follows: **FDI** reached a **2.5% audience share in Total Individuals**, while in its target **of 13 to 24 year olds** it achieved **6.7%** audience share and in **25 to 34 year olds 4.3%**. The **Divinity** channel had a **2.4%** audience share in its **target of women 16 to 44 years old**, while in **Total Individuals** its share was **1.8%**. The **Energy** channel achieved a **2.3%** audience in **Total Individuals** and in its target, men **25 to 54 years old** it achieved **2.5%**. **Boing**, the children’s channel, has an audience share in **Total Individuals** of **1.1 %** while in its target of **4 to 12 year olds** it has managed to multiply its record almost **ten-fold** reaching **10.8%** audience share. **Be Mad** registers an audience of **0.6%** whilst its **target of 25-34 year old men** achieves a **0.8% share**.

2.3 CONTENT MIX

In the **first half of 2020 Mediaset España's in-house production** represented **57.2%** of its **broadcasted hours**, an increase of **+4.2 pp** in comparison with the same period last year (**53.0%**). The distribution of **in-house and third party broadcasted hours in the first half of 2020** was as follows:



Source: Kantar Media

The **two main channels, Telecinco and Cuatro** combined, **increased their in-house broadcasted hours in the period to 96.0% compared to the 86.2% of the first half 2019**, this is an **increase of 9.8 pp**. This strong switch in the in-house broadcasted hours is due to the **reorganisation of the programming grid** as a consequence of the Covid19 outbreak.

Telecinco has **reduced its in-house broadcasted hours** in the period to **96.0% compared to the 98.6%** of the first half 2019 whilst **Cuatro** has **increased its in-house broadcasted hours** in the first half of 2020 to **77.3% compared to 73.5%** from last year (+3.8pp).

2.4 ASSOCIATED & PARTICIPATED PRODUCTION COMPANIES

Mediterraneo Audiovisual is **Mediaset España's** content unit that gathers all the stakes the Group has in the different **production companies**. **As at June 30th 2020, the Group has 7 associated and 4 participated production companies** which are specialised in different types of content.

As at 30th June 2020, the associated production companies of the Group are: **Producciones Mandarin**, (30.0%), **La Fábrica de la Tele** (30.0%), **Alea Media** (40.0%), **Bulldog** (30.0%), **Alma Producciones** (30.0%), **Unicorn** (30.0%) and **Fenix Media Audiovisual** (40%) which was incorporated into the consolidation perimeter **in the first quarter of 2020**.

The **participated companies** of the Group were, in the same period: **Supersport**, (62.5%), **Megamedia**, (65%) and **El Desmarque**, (60%).

The **Group** also has its cinema production unit, **Telecinco Cinema**, where it holds a **100%** share.

Due to the Covid 19 crisis, the production companies, in compliance with the **lockdown** period (March to June) had to stop all their production activities. Activity resumed in June, **though there are strict safety protocols and distancing measures** that these companies have to comply with in their daily activity.

2.5 INTERNET

In the months **January-June 2020**, the **internet video consumption** (multiplatform since March 2017) reached **43.6 minutes per person/per day** for **total Individuals**, and represents **14.6%** of the **total daily average audiovisual consumption** (299 minutes). In the period **January-June 2020** Mediaset España obtained a **monthly average** of: **18.5 million unique users** (+21% vs 2019), **417.1 million** video streamed (+8.4% vs 2019) and **288 million** page views. (Source: Comscore and Internal data)

	Total Unique users (000)	Total Page Viewed (million) ⁽¹⁾	Videos (000) ⁽²⁾	Minutes (million) ⁽³⁾
June 2020	16.854	243	394.981	947
May 2020	18.831	231	368.043	983
April 2020	18.686	242	367.517	1.061
March 2020	18.988	286	399.575	1.054
February 2020	18.921	372	531.387	1.388
January 2020	18.820	355	441.411	1.332

Source: Comscore. All data Multiplatform.

In the first half of 2020, the **Telecinco** and **Mitele** sites had an excellent performance, both increased their unique users above 20% each. **Telecinco** site registered 10.7 million unique users (+24% vs 1H19) and **Mitele** lead the Group’s audiovisual consumption with a monthly average of **223 million videos streamed**.

In the **native digital content** area the continuous growth of **Mtmad**, the Group’s online video channel, is outstanding with a monthly average of **1.2 million unique users**, **+49% versus** the same period of last year and the increase of **+42.4% in the video streamed**. **Yass**, the millennials site of the Group, increased its unique users in the period by +49.0% whilst **Uppers**, Mediaset España site for the 45+ age group registered a monthly average of 600.000 unique users. Also the sites **Nius** and **El Desmarque**, specialised in news and sports respectively, had performed very well in the period. **Nius** registered an **average of 2.9 million unique users**, less than a year after launching, whilst **El Desmarque** has doubled its unique users **in the first half of 2020**. **There was a full and in depth coverage of the Covid 19 crisis** on the Group’s news sites, coupled with a comprehensive set of alerts to all Mediaset España users. During the **lockdown period** **Mediaset España** has experienced a notable demand on its digital news sites with a strong demand for the latest news on the Covid 19 crisis.

In the **first half of 2020**, “**La isla de las tentaciones**”, was the most popular digital content broadcasted on TV, also TV programs such as “**La Ultima cena**” and “**La casa fuerte**”, very popular on TV, had a **full and very successful digital coverage whilst aired** on TV.

Regarding **Mitele Plus**, it is important to highlight the return of **La Liga** both the first and second division, after the temporary suspension due to Covid 19. At the **end of June Mitele plus** had a total of **163,000 subscriptions** (both the Sports and Basic packages), of which 100,000 belong the football package. **Mitele Plus** had also offered **exclusive content from TV programs**, only available on the platform, and the complete summary of its most popular programs in scoop, before its daily broadcast. It is also worth mentioning, the launching of **Mitele Plus Internacional**, which in less than 2 months obtained more than 6.000 subscriptions.

In the first half of 2020, Mediaset España developed a **Mitele app** for **Amazon Fire Stick TV, Samsung OS Orsa and Hisense** as well as carrying out the restyling of the app on the **Smart TV’s** for both, an **improvement of the content structure** and the **look and feel** of the app in addition to optimizing its loading speed on different devices.

(Source: Adobe Analytics , My Metrix y VideoMetrix)

3. PROFIT AND LOSS ACCOUNT

mill. EUR	2Q2020	2Q2019	Var (%)	IH2020	IH2019	Var (%)
Gross Advertising Revenues	122,3	249,1	(50,9%)	325,1	472,9	(31,3%)
Mediaset España's Media	121,3	245,0	(50,5%)	321,1	464,5	(30,9%)
Third Party Media	1,0	4,1	(75,6%)	3,9	8,3	(52,7%)
Commission	(2,7)	(10,7)	(74,6%)	(11,1)	(20,5)	(45,7%)
Net advertising revenues	119,5	238,4	(49,9%)	314,0	452,4	(30,6%)
Other revenues	25,8	18,0	43,3%	61,1	30,1	103,2%
Total Net Revenues	145,3	256,4	(43,3%)	375,1	482,5	(22,3%)
Rights Amortisation	(21,9)	(32,0)	(31,5%)	(47,1)	(60,4)	(22,1%)
Personnel	(26,5)	(29,3)	(9,6%)	(56,5)	(58,8)	(3,9%)
Other operating costs	(64,6)	(102,5)	(36,9%)	(172,0)	(200,3)	(14,1%)
Total Costs	(113,0)	(163,8)	(31,0%)	(275,5)	(319,5)	(13,8%)
EBITDA	32,3	92,7	(65,2%)	99,6	163,0	(38,9%)
<i>EBITDA Margin</i>	22,2%	36,1%		26,5%	33,8%	
Other amortisations, provisions	(3,12)	(2,98)	4,6%	(6,57)	(4,74)	38,6%
Amortisation PPA	(2,05)	(2,00)	2,4%	(4,10)	(4,00)	2,4%
EBIT	27,12	87,68	(69,1%)	88,90	154,23	(42,4%)
<i>EBIT Margin</i>	18,7%	34,2%		23,7%	32,0%	
Equity Cons. Results and Depr. Fin. Assets	1,1	4,1	(73,5%)	1,7	5,0	(65,0%)
Financial results	(0,2)	(0,0)	-	(0,3)	0,0	-
Pre-tax Profit	28,1	91,8	(69,4%)	90,4	159,2	(43,2%)
Income taxes	(6,4)	(17,1)	(62,6%)	(19,4)	(31,2)	(37,9%)
Minority interests	(0,5)	(0,4)	38,2%	(1,0)	(0,6)	59,9%
Net Profit	21,1	74,3	(71,6%)	70,0	127,4	(45,1%)
<i>Net Profit Margin</i>	14,5%	29,0%		18,7%	26,4%	
EPS (excluding Treasury shares)	0,07	0,24		0,22	0,41	

In the first half of 2020 the Spanish economy has been strongly impacted by the Covid 19 crisis, which has translated into a sharp decline in Spanish GDP both in the first quarter (-5.2%) and, especially, in the second quarter (-18.5%) measured on a QoQ basis.

The Spanish conventional advertising market has shrunk, in the first six months 2020 by -27.9% as per Infoadex data, to €2,158.1 million. The months of March to May were extremely negative months for the audiovisual advertising market, due to the lockdown of the population, with a notable improvement in June once the lockdown measures were lifted. Publiespaña devoted airing time to raise awareness on the Covid19 crisis through pro bono campaigns to reinforce health and safety messages to the Spanish population.

The audiovisual market (TV + Digital*) in the first half 2020, as per Infoadex, stood at €1,037.80 million, a decrease of -28.5% compared to the same period last year.

*Digital- Websites as reported by Infoadex.

In the first half 2020 the **TV advertising market** was **€712.0 million (-31.8%)** whilst the **digital* ad market** was **€325.8 million (-19.9%)** in the same period.

In the first half of 2020 **Mediaset España** obtained **43.3% of the TV ad market share**, this is an **increase of +0.15 pp compared** to the same period of last year. This represents an advantage of **+240 bp ahead of its nearest competitor**, equivalent to **€16.7 million (+5.7%)** the widest gap ever, excluding periods with premium events. With regards to the **audiovisual ad market**, **Mediaset España** registered **30.9% audiovisual market share** in the period.

- **Mediaset España Gross Advertising Revenues** in the **first half 2020** amounted to **€325.08 million**, a decrease of **-31.3%** compared to the same period last year. A **breakdown** of the aforementioned revenues is as follows:

- ✓ **Gross Advertising Revenues of Mediaset España's Media** include advertising revenues from, **Internet, Teletext** and the **Group's 7 TV channels: TELECINCO, CUATRO, FACTORIA DE FICCION, BOING, DIVINITY, ENERGY and BE MAD** and amounted to a **total of €321.14 million in the first half of 2020**. The good performance of **Mediaset España digital ad revenues** (-3.3% in the semester) stands out compared to **the performance of the market**, as per Infoadex, **(-19.9%)**, which shows the **digital business strength** of the Group even under strong down turns in the market like the current one.
- ✓ **Third party media revenues** in the first half 2020, amounted to **€3.94 million**.

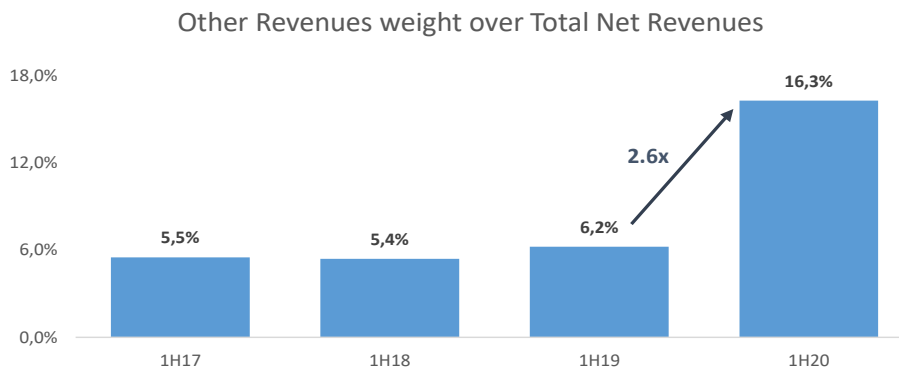
- **Advertisement commissions** in the period amounted to **€11.12 million**, representing **3.4%** over gross advertising revenues. **Net advertising revenues**, after commissions, were **€313.97 million**.
- **Other Revenues**, include income from **movie activities, internet, sale of rights** etc. reached **€61.14 million** in the period, an excellent result **(+103.2%)** compared to the same period of last year (**€30.09 million**), despite the **lower cinema activity** due to the Covid 19 cinema restrictions, where just one film was premiered in the period, **"Adu"** (January 2020) . The good performance of the **Other Revenues** is mainly due to **the content sales in the period**, which thanks to a **dynamic market** and increasing demand for contents, multiplied **the revenue figure more than fourfold** compared to the second half of 2019. **Mediterraneo**, in the period January to June, **has sold six of its most popular fictional series** to **Netflix** and **Amazon Prime Video**. Also the subscriptions from **Mitele Plus** had contributed to this revenue line, over **163.000 subscribers** at the end of June (Basic Package+ Football). The sub licensing of **"Copa del Rey"** football rights as well as content **services provided** for third parties, have also helped to increase this revenue line.

In May, **Mediaset España**, in line with its strategy of reinforcing its global digital business, **launched Mitele Plus International**, a subscription platform, monthly or annual fee, available in almost every country around the globe that offers access to **Mitele Plus Basic content** as well as **exclusive additional contents**, subject to geolocation policy in each market.

The **Other Revenue Line** is gaining traction with an **excellent performance in the first half of 2020**, where these revenues represent **16.3% of the total net revenues in the period**.

*Digital- Websites as reported by Infoadex

The evolution of these revenues in the last four periods has been as follows:



Source: Company data

- **Total Net Revenues** for the **first half 2020** amount to **€375.10 million**, a decrease of **-22.3%** in comparison with the same **period 2019 (€482.46 million)**. A **very satisfactory performance** considering the strong decline in the **audiovisual market in the semester (-28.5%)**.
- **Total Costs** for the **six months to June 2020** amounted to **€275.53 million**, this is a **reduction of -13.8%** (-€43.96 million) compared to the **same period 2019**. In the **second quarter 2020**, a **total of €50.74 million** cost savings were achieved, which compensated for **45.7% of the total net revenue loss of the second quarter**. **This cost reduction**, despite the greater cost of sales from Mediterraneo activity, is mainly due to **savings** in the **programming grid** and the **renegotiation** of some of the **business operating costs** with suppliers. **Programming cost savings** came after the exceptional situation due to Covid 19 where **Mediaset España** made an extraordinary effort to rearrange its programming grid without any impact on audiences. In this respect, some of its **flagship programs have been postponed** and other programs, **such as the Euro 2020, moved to 2021**.
- **Mediaset España** maintains healthy margins, with an **EBITDA** margin in the period of **26.5%** and **EBIT margin of 23.7%**, a remarkable number considering the exceptionally negative business conditions of the period due to Covid19, and one of the highest amongst its European peers.
- **Pre-Tax profit** reaches **€90.36 million** which includes the **consolidated result** from the **associated companies** of **€1.74 million** and financial results of **-€0.28 million**.
- **Mediaset España's Net Profit** in the **first half of 2020** was **€69.99 million** compared to **€127.38 million** from the same period 2019, again an excellent **result taking into account the exceptional circumstances** as a result of the **Covid19 crisis**.

4. CAPEX

mill. EUR	IH2020	IH2019	Var (%)
Third party	50,7	72,4	(30,0%)
Fiction	13,5	25,9	(48,0%)
Co-Produccion/Distribution	2,5	16,9	-
Tangible and Intangible Fix Assets	2,0	4,7	(58,2%)
Total Capex	68,7	120,0	(42,8%)

Total Net Investment in the first half of 2020 reached a total of **€68.67 million**, compared **€119.95 million** from the same period last year.

In this period, the **Group** has invested a total of **€50.70 million** in **third party rights**, **€13.48 million** in **local fiction**, and **€2.53 million** in **Co-production/distribution** whilst investment in **tangible and intangible assets** was **€1.97 million**.

5. BALANCE SHEET

mill. EUR	June 2020	December 2019
Tangible assets	832,3	758,0
Financial	603,6	520,2
Non Financial	228,7	237,8
Audiovisual rights and Pre-payments	190,5	170,8
Third parties	114,7	83,3
Fiction	49,4	58,5
Co-production / Distribution	26,4	29,0
Pre-paid taxes	74,9	70,0
TOTAL NON-CURRENT ASSETS	1.097,7	998,8
Current assets	220,5	293,5
Financial investments and cash	207,2	130,9
TOTAL CURRENT ASSETS	427,7	424,4
TOTAL ASSETS	1.525,4	1.423,1
Shareholders` equity	984,5	915,8
Non-current provisions	11,3	11,1
Non-current payables	51,6	38,4
Non-current financial liabilities	257,7	186,5
TOTAL NON-CURRENT LIABILITIES	320,6	236,1
Current payables	216,4	270,4
Current financial liabilities	3,9	0,9
TOTAL CURRENT LIABILITIES	220,3	271,3
TOTAL LIABILITIES	1.525,4	1.423,1

Throughout this difficult period, it has been **Mediaset España's** priority to enhance the financial position of the Group making sure that we are prepared for even the most adverse business conditions.

Preserving the existing cash and trying to maximize the free cash flow generation under these unprecedented business conditions created by the coronavirus pandemic, have been a key objective whilst, at the same time, we have been able to undertake the additional investment of **4.25% in ProSieben Sat 1** with an extra amount of debt, perfectly affordable in light of the prevailing financial metrics.

Also **Mediaset España** has credit lines available, as at 30th June, for the amount of **€300 million**, to ensure a **solid financial base**. This number is north of what was reported at December 31st, 2019 by **€45.0 million**, an amount which corresponds to two **new credit lines negotiated and approved during the first half of the year**, aiming at ensuring the maximum availability of financial resources in preparation for the coming months when the duration and scope of the pandemic was not known at the time. Additionally, the financial conditions of these new facilities are extremely competitive even though the demand for liquidity at the time was enormous, all of which attests to the **sound financial position** of the Group as appreciated by the Banks.

6. CASH FLOW GENERATION

Despite the difficult first half 2020, **Mediaset España's Operating Free Cash Flow** in the six months to June, was **€87.37 million** and its **net debt position** at the end of that period **€2.22 million**. This is **after the acquisition of an additional 4.25% stake in ProSiebenSat.1** in the first quarter of 2020, valued at **€61.3 million**, part of which was financed with debt.

Mediaset España has achieved a positive **Operating free cash flow** in the **second quarter 2020, €13.5 million**, despite the **challenging circumstances** of the period.

mill. EUR	IH2020	IH2019	Var (M€)
Net profit (without minority interests)	71,0	128,0	(57,0)
Amortisation:	58,1	70,9	(12,8)
Rights	47,1	60,4	(13,4)
Other	11,1	10,5	0,6
Provisions	0,2	(1,2)	1,4
Other	7,6	12,7	(5,1)
OPERATING CASH FLOW	136,9	210,4	(73,5)
Investment in rights	(66,7)	(115,3)	48,5
Investments, other	(2,0)	(4,7)	2,7
Change in working capital	19,1	30,0	(10,9)
OPERATING FREE CASH FLOW	87,4	120,5	(33,1)
Own stock purchase	0,0	(94,6)	94,6
Change in Equity	(0,5)	0,8	(1,3)
Financial investments/disinvestments	(60,6)	(6,7)	(53,9)
Dividends received	1,7	1,7	(0,0)
Dividend payments	0,0	(100,0)	100,0
Net Cash Change	28,0	(78,2)	106,2
INITIAL FINANCIAL POSITION	(30,2)	165,5*	(195,7)
FINAL FINANCIAL POSITION	(2,2)	87,3	(89,5)

(*) Adjusted at the beginning of the period due to NIIF I 6

Mediaset España's cash conversion rate equals **87.7% in the period: free cash flow** (€87.37 million) and **EBITDA** (€99.57 million).

7. EVENTS FOLLOWING THE CLOSE OF THE PERIOD

In August 5th Mediaset España announced that the merger of **Mediaset España and Mediaset Spa** with and into **Mediaset Investment NV** has been withdrawn by the Board of Directors due to technical deadlines that make impossible to **complete the operation before October 2nd October**, deadline provided by the Dutch law.

8. DEFINITION OF APMs

The **Mediaset España Group's financial information** contains magnitudes in accordance with current accounting regulations, as well as other measures that have been prepared according to the Mediaset España Group's Reporting model, i.e., **Alternative Performance Measures (APM)**.

These measures are **considered as complementary magnitudes** with respect to those presented in accordance with the **International Financial Reporting Standards (IFRS)**.

APMs are important for **financial information** users as they are the measures used by Mediaset España's Management to evaluate financial performance, cash flows, financial situation or operational and strategic decision making. Its **purpose is to promote the publication of transparent, impartial and comparable financial information** to allow users a better understanding of its financial position and results.

Net Revenues:

Total revenue includes the Group net of discounts and rebates.

Adjusted EBITDA: EBITDA:

("Earnings before Interest, Tax, Depreciation and Amortisation") is an indicator that measures the companies operating margin before deducting interest, taxes, impairments and amortisation.

They are based on the operating benefits to which the provisions for the amortisation of tangible and intangible assets are added, as well as the variations in the working capital provisions.

Due to the specific nature of the business, the consumption of audio-visual rights is included in the operating expenses even though their accounting treatment is amortisation of intellectual property.

Free Operating Cash Flow:

Measures the generation of monetary resources corresponding to operating and investment activities, and is used to evaluate the funds available for dividend payments to shareholders or for future investment activities.

Generated Cash Flow:

Corresponds to the cash from the operating and investment activities that, once deductible, dividend payments, interest on financing and treasury stock determine the Group's financial variation.

Liquidity or Net Financial Position:

The Group measures the liquidity or Net Financial Position as the sum of "Cash and other equivalent liquid assets" of other current financial assets and short and long-term credit lines arranged at the end of the period corresponding to loans granted by financial entities with terms, amounts and other conditions agreed in the contract.

Net Investments:

These APMs are used by the Group's Management to measure the investment activity of each period, and corresponds to those operating investments made by the same and net of divestments. It includes that corresponding to joint ventures and other companies operationally managed as such.

Coverage Ratio:

The active / passive liquidity coverage ratio is calculated by dividing Current Assets between Current Liabilities, and is used to determine the number of times the Group could face the maturities of short-term commercial debt with the outstanding debt and the current liquidity.

9. CONTACT US

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