

## FY 2018 Results Presentation

*Milan, 12<sup>th</sup> March 2019*



## Audience & Advertising



# ITALY | Macroeconomic scenario

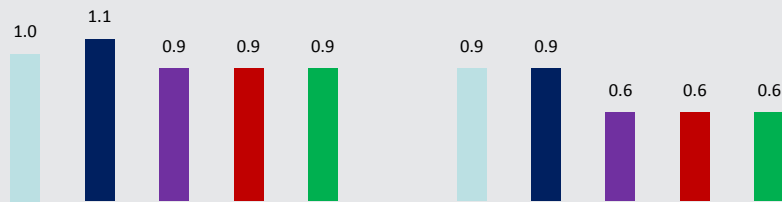
## Key Economic Indicators

### GDP & HH EXPENDITURE

y.o.y growth rate

**GDP**

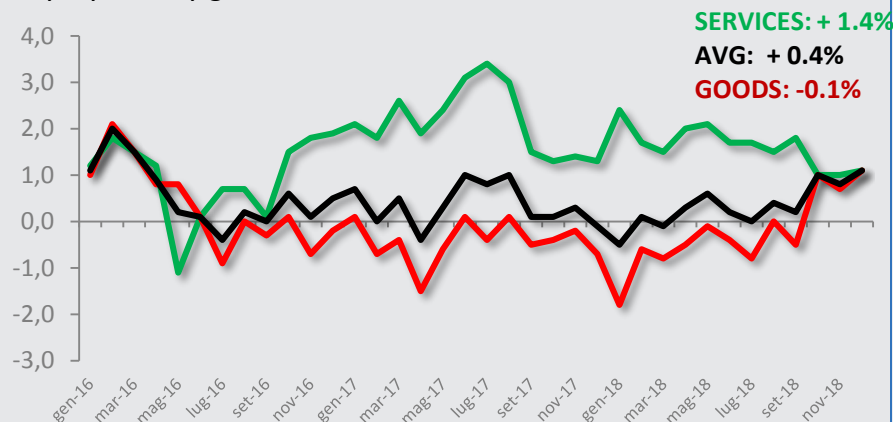
**HH EXPENDITURE**



PROMETEIA (OCT. 18) ISTAT (NOV. 18) PROMETEIA (DEC. 18)  
 BANCA ITALIA (JAN. 19) ISTAT (MAR. 19)

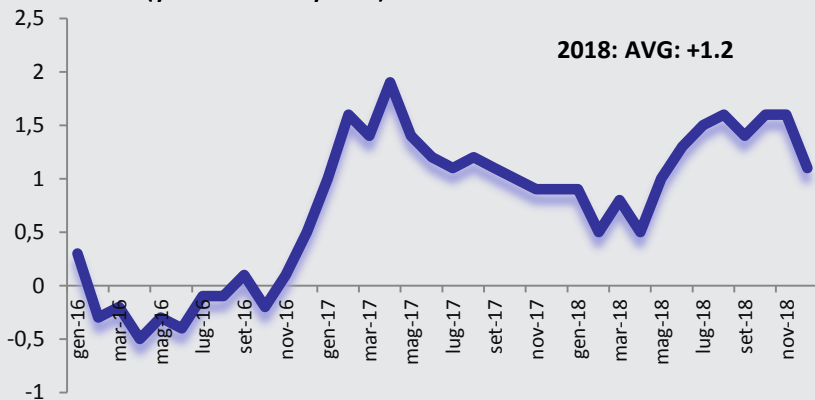
### GOOD & SERVICE CONSUMPTION

y.o.y monthly growth rate, Source: CONFCOMMERCIO



### CONSUMPTION PRICES

Inflation Rate (y.o.t monthly var.) source: ISTAT



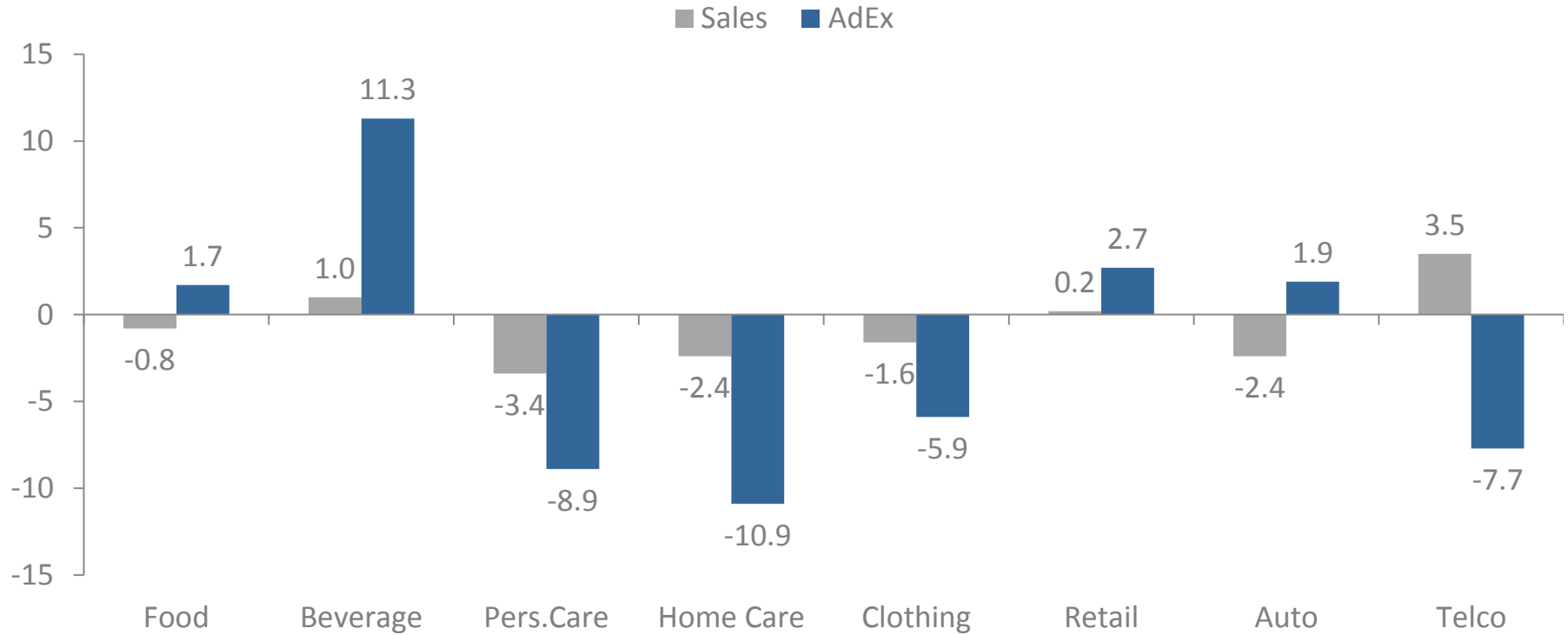
### GOOD & SERVICE CONSUMPTION BY MACRO-SECTOR

	12M 2018
Recreational goods and services	+ 0.9%
Hotels and eating out	+1.4%
Mobility goods and services	+0.2%
Comunic. Goods and services	+3.5%
Clothing and shoes	-1.6%
Home goods and services	+0.7%
Personal care goods & services	+ 0.9%
Food, beverages and tobacco	- 0.8%

# ITALY | Sector Analysis

Sales & AdEx Trend by Key Sector

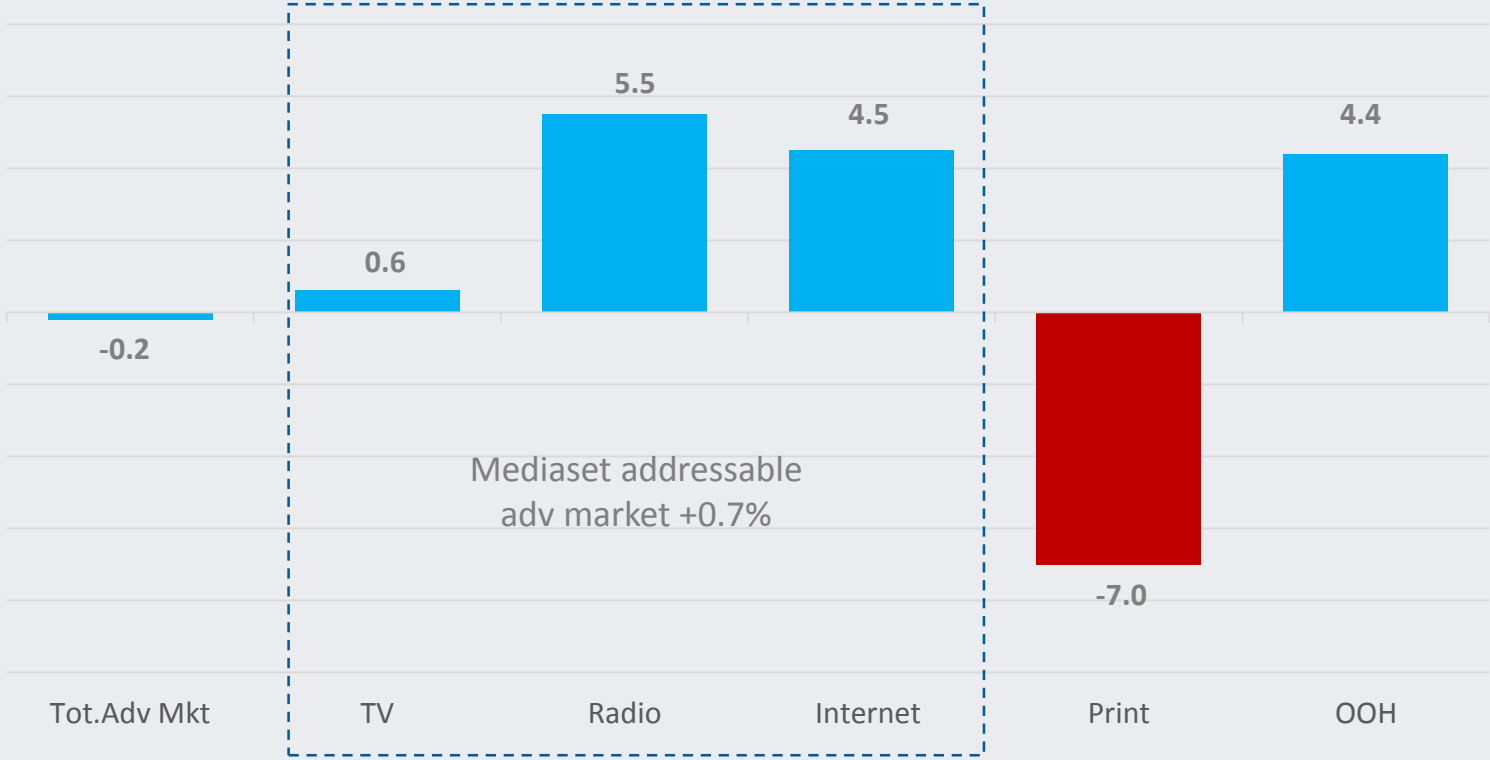
Jan – Dec 2018



Source: Nielsen, Confindustria, UNRAE \* Automotive Sales to Consumers; Adex Personal Care includes Toiletries

# ITALY | Analysis of the advertising market

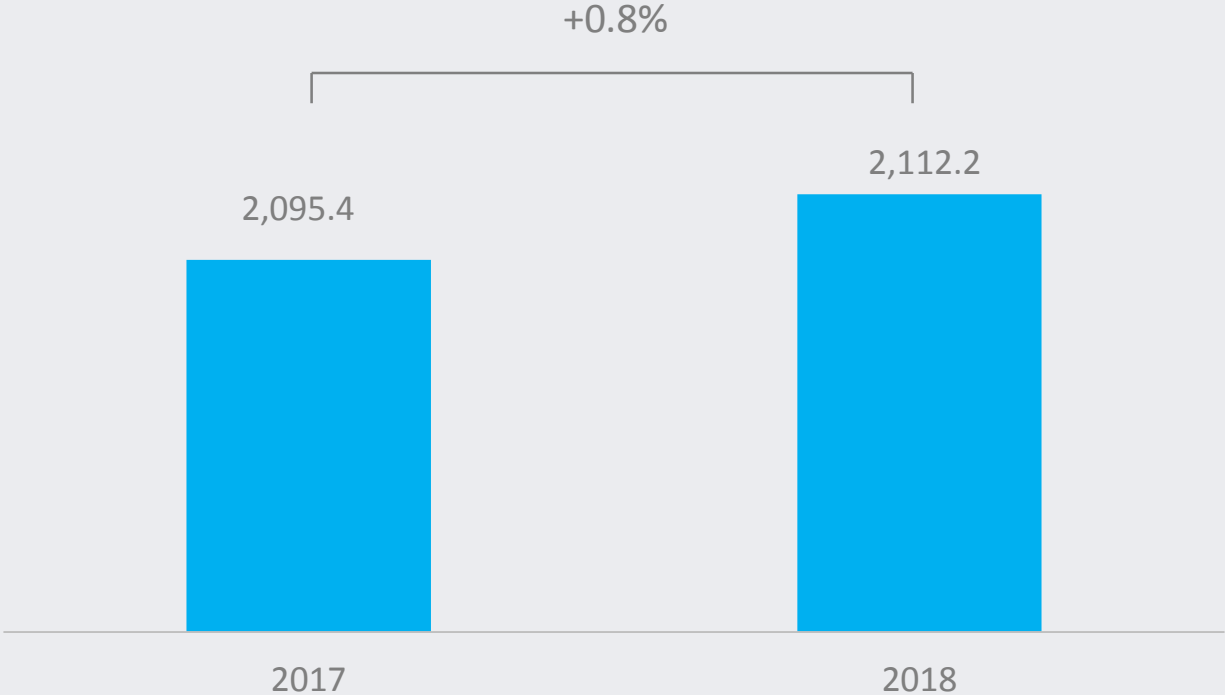
2018 vs 2017 (Var %)



Source: Nielsen

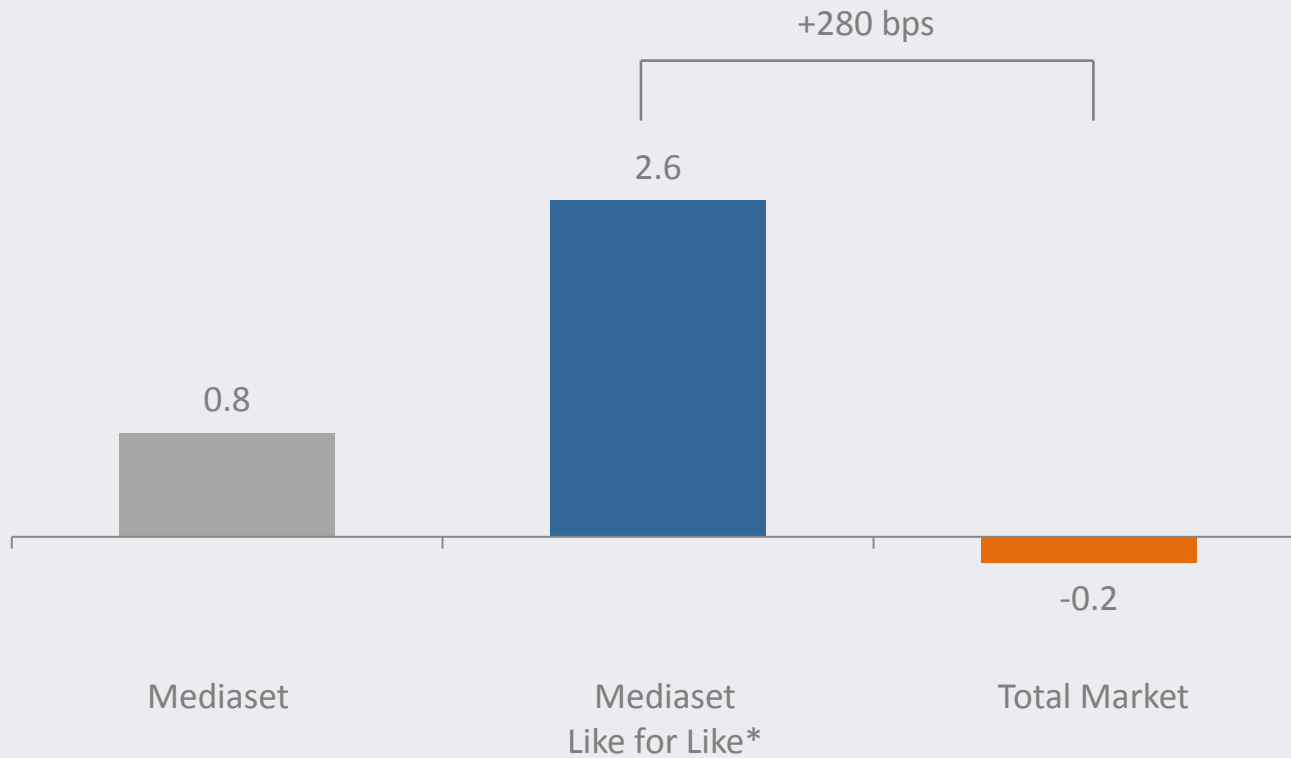
# MEDIASET 2018 | Total advertising revenues

2018 vs 2017 (mio Eur)



# MEDIASET 2018 | Total advertising revenues

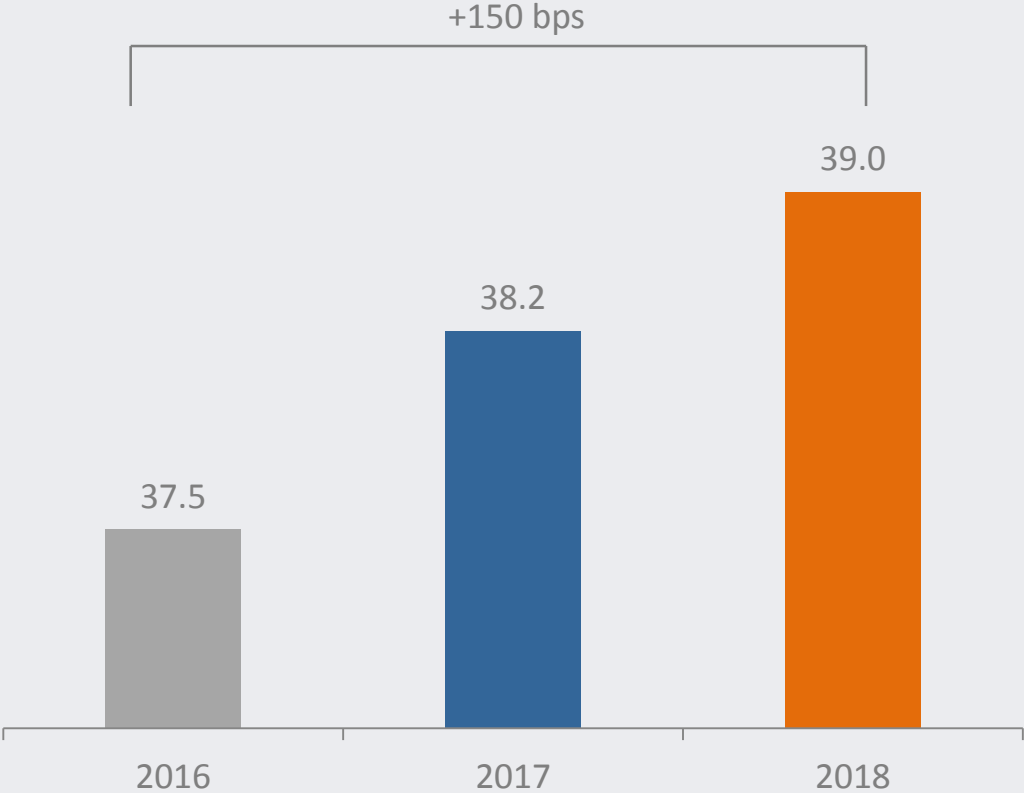
2018 vs 2017 (mio Eur)



*\*Taking out discontinuity of football in last 5 months 2018*

# MEDIASET 2018 | Total advertising market share

2018 vs 2016 (mio Eur)



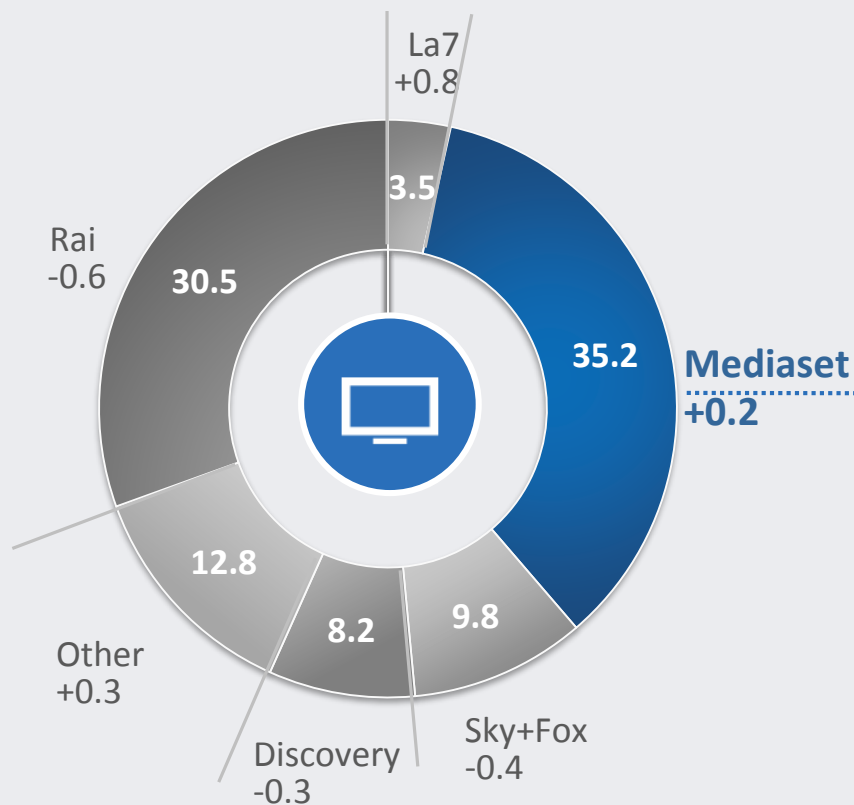
*Note: including World Cup*



# MEDIASET 2018 | Audience performance

Core channels vs multichannels, commercial target (15-64 yrs, 24H)

Jan – Dec 2018

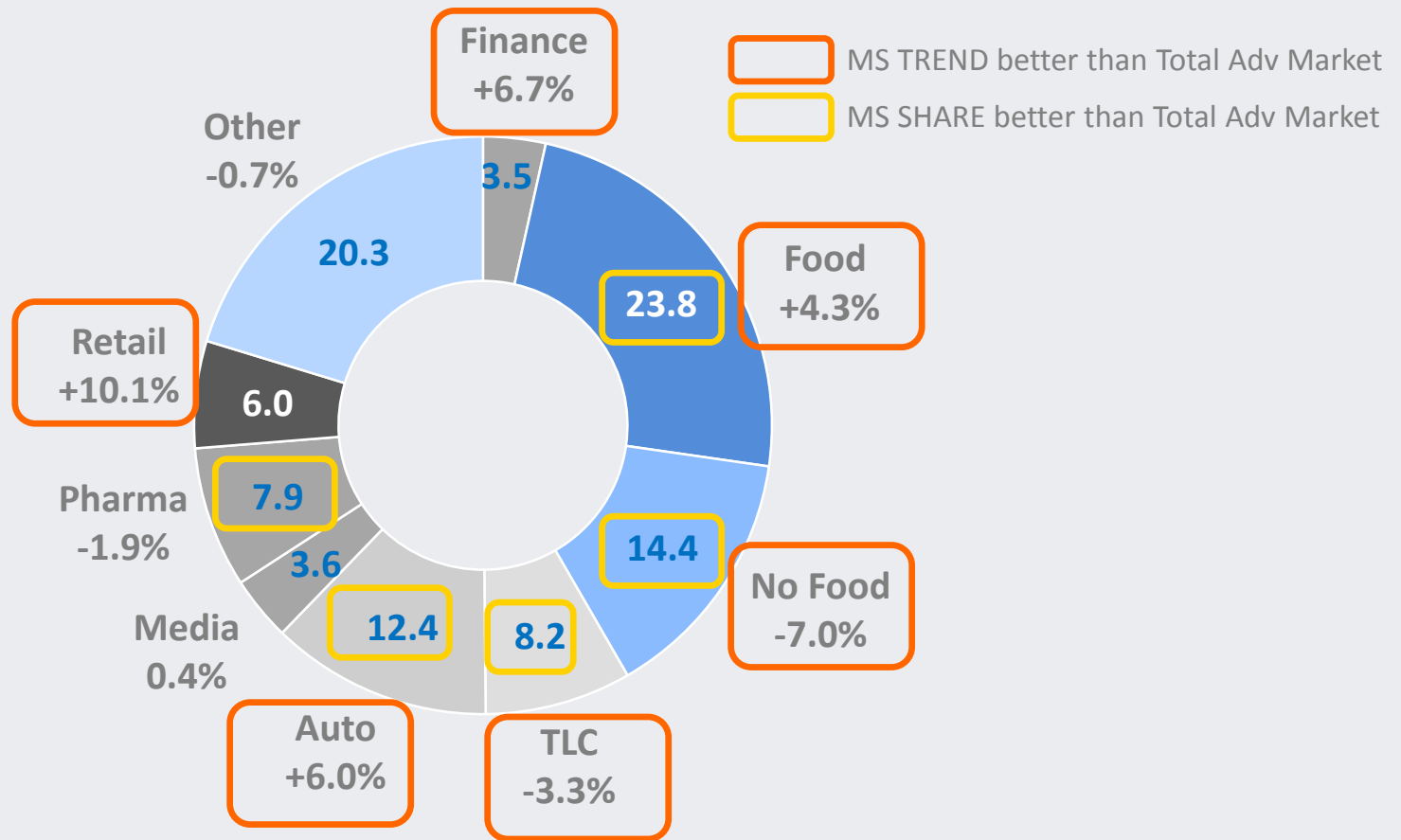


CORE CHANNELS	2017	2018
<b>Mediaset</b>	<b>25.9</b>	<b>25.8</b>
Rai	23.5	23.2
La7	2.1	2.9
<b>MULTICHANNELS</b>		
<b>Mediaset DTT (Free+Pay)</b>	<b>9.2</b>	<b>9.5</b>
Rai DTT	7.6	7.3
Discovery	8.5	8.2
Sky Channels	8.8	8.5
Fox Channels	1.4	1.3
La7 D	0.6	0.6

Source: Auditel, Live+Vosdal

# MEDIASET 2018 | Advertising breakdown by sector

2018 vs 2017



Source: Nielsen

## MEDIASET 2018 | Advertising and audience performance

-  Mediaset **FTA business** delivering positive growth and outperforming the TV market by 50 bps
-  Double digit yoy revenues growth in **Radio & Digital**
-  **Cross media strategy** enabling advertising market share expansion in 2018 vs 2017: +80 bps, reaching 39.0%
-  Leading TV **audience share**: 35.2% on commercial target (15-64 yrs, 24 H)
-  Successful launch of 2 new **thematic channels**: 2.6% audience share contribution (good performance on core target, men 25-54 yrs)

# MEDIASET | Audience and Advertising Key drivers for 2019

Key Drivers	1Q 2019	2Q 2019	3Q 2019	4Q 2019	Notes
Core channels					<ul style="list-style-type: none"> <li>Increased investment in owned productions</li> </ul>
Thematic channels					<ul style="list-style-type: none"> <li>Leadership of our thematic channel portfolio</li> <li>Positive comparison vs 1H 2018 (+2 channels)</li> </ul>
MS-Sky agreement					<ul style="list-style-type: none"> <li>Audience share increase for Mediaset Premium Cinema and Series channels</li> <li>Audience share increase for FTA channels on 25-54 yrs target (core)</li> </ul>
“Advanced TV” & All Addressable Adv					<ul style="list-style-type: none"> <li>Advanced TV Offer in continuous development - DAI project in 2H 2019</li> <li>Development of Unique Selling Proposition All Addressable Adv Offer across TV, Digital &amp; radio</li> </ul>

## Financials



## MEDIASET GROUP FY 2018 | P&L Highlights

<i>(Euro mio)</i>	<b>FY 2017*</b>	<b>FY 2018*</b>	<b>FY 2018 adjusted **</b>
<b>Net Consolidated Revenues</b>	<b>3,550.1</b>	<b>3,401.5</b>	
Italy	2,555.3	2,421.4	
Spain	996.3	981.6	
<b>EBITDA</b>	<b>1,281.5</b>	<b>1,066.1</b>	<b>1,192.8</b>
Italy	832.6	639.7	766.4
Spain	449.1	427.1	
<b>EBIT</b>	<b>226.4</b>	<b>73.7</b>	<b>347.7</b>
Italy	(19.1)	(182.9)	91.1
Spain	245.3	256.9	
<b>NET PROFIT</b>	<b>90.5</b>	<b>471.3</b>	
<b>Group Net Financial Position</b>	<b>(1,392.2)</b>	<b>(736.4)</b>	
Italy	(1,527.5)	(904.3)	
Spain	135.3	167.8	

\*FY2017 and 9M2018 EI Towers results are reclassified in the discontinued operations line

\*\* FY2018 financials of Mediaset Italy adjusted to exclude impact from non-recurring items (write-downs, one-offs)

## MEDIASET ITALIAN BUSINESS FY 2018 | Integrated Tv activities

<i>(Euro mio)</i>	FY 2017*	FY 2018*	Lay off	Write-downs	One-offs- restructuring items	FY 2018 adjusted
<b>Total Net Revenues</b>	<b>2,555.3</b>	<b>2,421.4</b>				<b>2,421.4</b>
Total gross adv. revenues	2,095.4	2,112.2				2,112.2
Commissions	(300.3)	(301.2)				(301.2)
Total net adv. revenues	1,795.1	1,811.0				1,811.0
Pay Tv revenues	587.4	366.0				366.0
Other revenues	172.8	244.4				244.4
<b>Total Costs</b>	<b>(2,574.4)</b>	<b>(2,604.3)</b>	<b>30.3</b>	<b>181.7</b>	<b>62.0</b>	<b>(2,330.4)</b>
Personnel costs	(381.5)	(389.2)	30.3			(359.0)
Other Operating costs**	(1,341.2)	(1,392.5)		34.4	62.0	(1,296.2)
Rights amortization	(767.8)	(731.5)		141.2		(590.3)
Other D&A	(83.9)	(91.1)		6.2		(84.9)
<b>Operating Profit</b>	<b>(19.1)</b>	<b>(182.9)</b>				<b>91.1</b>

\*\*FY2017 and 9M2018 EI Towers results are reclassified in the discontinued operations line

\*\* including costs vs EI Towers: 180.3 mio (FY2017) and 181.9 mio (FY2018)

## MEDIASET ITALIAN BUSINESS FY 2018 | P&L results

<i>(Euro mio)</i>	FY 2017*	FY 2018*
<b>Operating Profit Adjusted</b>	0.4	91.1
<b>Operating Profit</b>	<b>(19.1)</b>	<b>(182.9)</b>
Financial Income (Losses)	(14.1)	(14.6)
Associates**	5.5	(1.0)
<b>Pre-Tax Profit</b>	<b>(27.7)</b>	<b>(198.4)</b>
Taxes	(10.4)	45.9
Minorities	5.5	0.4
Discontinued operations***	22.7	520.0
<b>Net Profit</b>	<b>(9.9)</b>	<b>367.9</b>

\*FY2017 and 9M2018 EI Towers results are reclassified in the Discontinued operations line

\*\*Including 40% in 2i Towers Holding S.p.A. starting from 4Q2018

\*\*\*Including 498.2 mio of capital gain from the EI Towers S.p.A. disposal

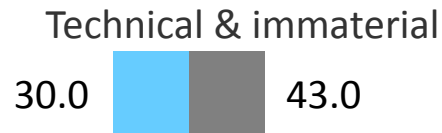
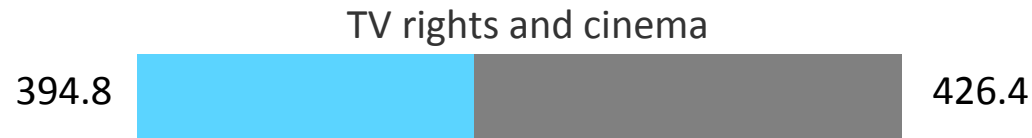


# MEDIASET ITALIAN BUSINESS FY 2018 | Investments

FY 2017 \*

FY 2018 \*

(Euro mio)



**424.8**

**Total  
Investments**

**469.4**

*\*\*FY2017 and 9M2018 EI Towers results are reclassified in the discontinued operations line*

## MEDIASET ITALIAN BUSINESS FY 2018 | Cash flow statement

<i>(Euro mio)</i>	<b>FY 2017*</b>	<b>FY 2018*</b>
<b>Initial Net Financial Position (1/01) reported</b>	<b>(1,339.8)</b>	<b>(1,527.5)</b>
<b>Cash Flow from Operation</b>	<b>743.2</b>	<b>627.0</b>
Investments	(424.8)	(469.4)
Disinvestments	7.0	14.7
Change in Net Working Capital (CNWC)	(437.9)	(184.1)
<b>Cash Flow from Core Activities</b>	<b>(112.5)</b>	<b>(11.9)</b>
Equity (investment)/disinvestment	(31.4)	(483.1)
Dividends received	154.2	129.3
Change in consolidation area	(22.9)	671.2
<b>Net Cash Flow</b>	<b>(12.5)</b>	<b>305.5</b>
<b>Net Cash Flow discontinued operations</b>	<b>(175.1)</b>	<b>(40.1)</b>
<b>Net financial position discontinued operations</b>		<b>357.8</b>
<b>Final Net Financial Position (31/12)</b>	<b>(1,527.5)</b>	<b>(904.3)</b>
<b>Pro-forma Net Financial Position (01/01/2019)**</b>		<b>(1,036.3)</b>

*\*\*FY2017 and 9M2018 EI Towers results are reclassified in the discontinued operations line*

*\*\*Including financial liabilities according to IFRS 16 (estimate)*

Back up



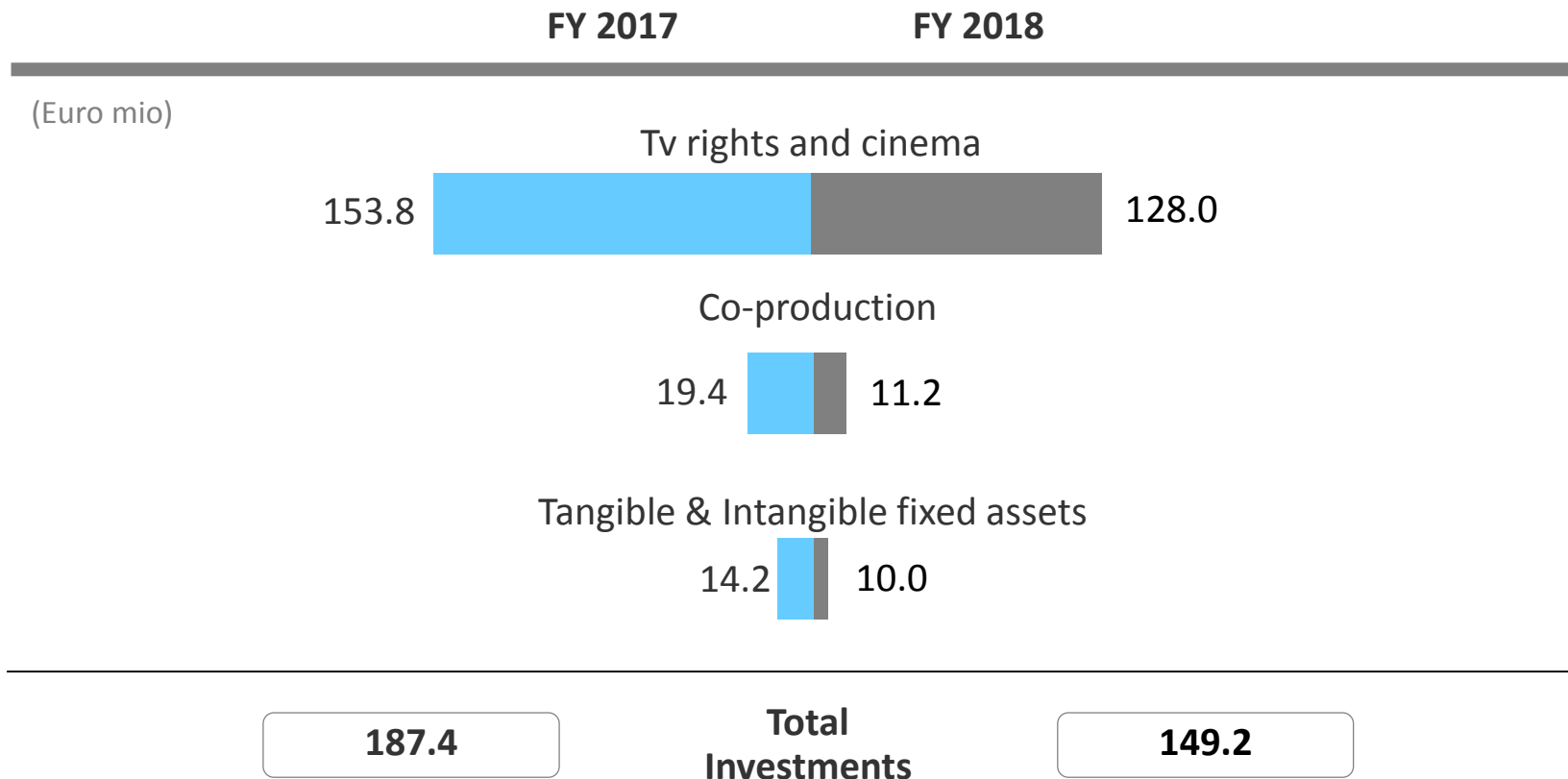
***MEDIASET*españa.**

**MEDIASET SPANISH BUSINESS | Back up Slides**

## MEDIASET ESPANA FY 2018 | P&L Results

<i>(Euro mio)</i>	<b>FY 2017</b>	<b>FY 2018</b>
<b>Net Consolidated Revenues</b>	996.3	981.6
Personnel	(105.6)	(107.8)
Other Operating Costs	(441.5)	(446.6)
<b>EBITDA</b>	<b>449.1</b>	<b>427.1</b>
Amortisation & Depreciation	(203.8)	(170.2)
<b>EBIT</b>	<b>245.3</b>	<b>256.9</b>
Financial Income (loss)	(1.2)	(1.6)
Associates	3.3	10.3
<b>Pre-Tax Profit</b>	<b>247.4</b>	<b>265.6</b>
Taxes	(50.1)	(65.3)
<b>Net Profit</b>	<b>197.5</b>	<b>200.3</b>

# MEDIASET ESPANA FY 2018 | Investments



## MEDIASET ESPANA FY 2018 | Cash Flow Statement

<i>(Euro mio)</i>	<b>FY 2017</b>	<b>FY 2018</b>
<b>Initial Net Financial Position (1/01)</b>	<b>177.4</b>	<b>135.3</b>
<b>Free Cash Flow</b>	<b>229.3</b>	<b>223.4</b>
- Cash Flow from Operations	424.1	399.6
- Investments/Disinvestments	(187.4)	(149.2)
- Change in Net Working Capital (CNWC)	(7.4)	(27.0)
Change in Equity	(4.3)	0.1
Financial investments	6.8	4.1
Dividends received	2.3	2.4
Dividends paid	(175.7)	(197.5)
Treasury shares	(100.5)	0.0
<b>Total Net Cash Flow</b>	<b>(42.1)</b>	<b>32.5</b>
<b>Final Net Financial Position (31/12)</b>	<b>135.3</b>	<b>167.8</b>



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## Forward-looking Statements

*Statements contained in this document, particularly the ones regarding any Mediaset Group possible or assumed future performance, are or may be forward looking statements and in this respect they involve some risks and uncertainties.*

*Mediaset Group actual results and developments may differ materially from the ones expressed or implied by the above statements depending on a variety of factors.*

*Any reference to past performance of Mediaset Group shall not be taken as an indication of future performance.*

*This announcement does not constitute an offer to sell or the solicitation of an offer to buy the securities discussed herein.*

*The executive responsible for the preparation of the Mediaset S.p.A. accounts, declares that, as per para. 2 art. 154-bis, of the "Testo Unico della Finanza", that the accounting information contained in this document corresponds to that contained in the company's books.*