

# ATRESMEDIA

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Presentation to investors

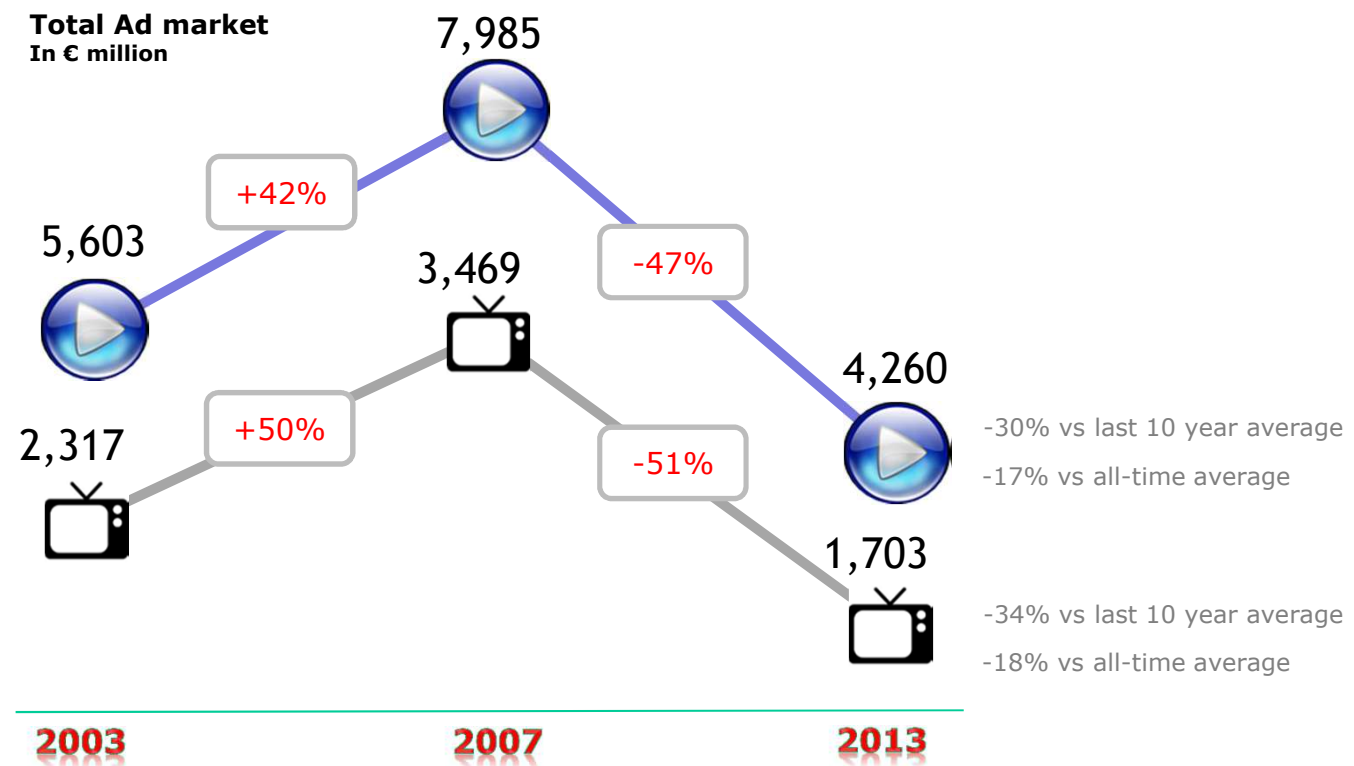
Morgan Stanley  
European TMT Conference

Nov 2014



# Spanish Ad market

Current Total & TV Ad market: 30% below last 10-year average

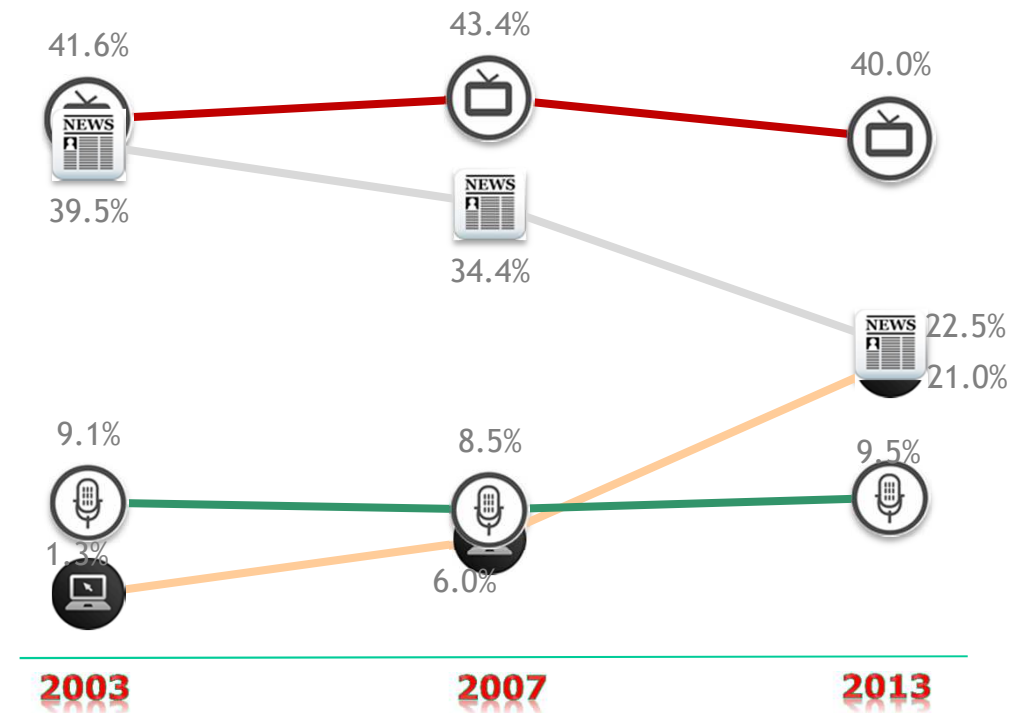


Source: Infoadex.

# Spanish Ad market

TV and Radio stable. Internet grabbed Press share

Ad market by media

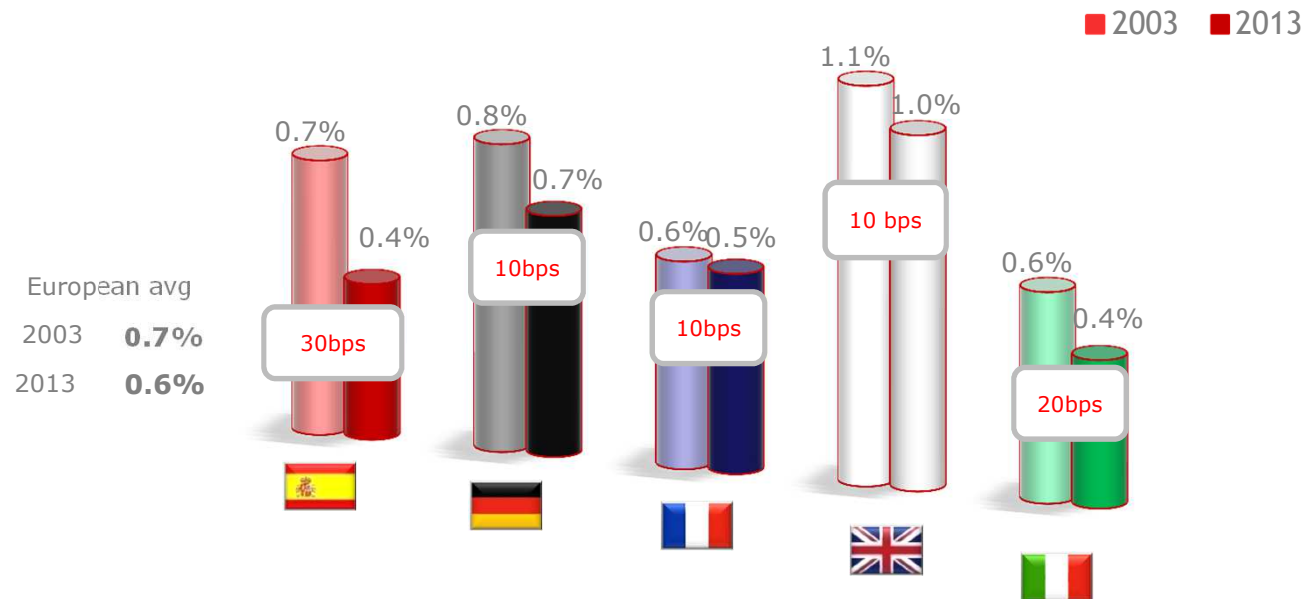


Source: Infoadex. Press includes newspapers, magazines and Sunday supplements

# Spanish Ad market

Spain: the biggest drop in Ad spend intensity

Ad spend as % of GDP

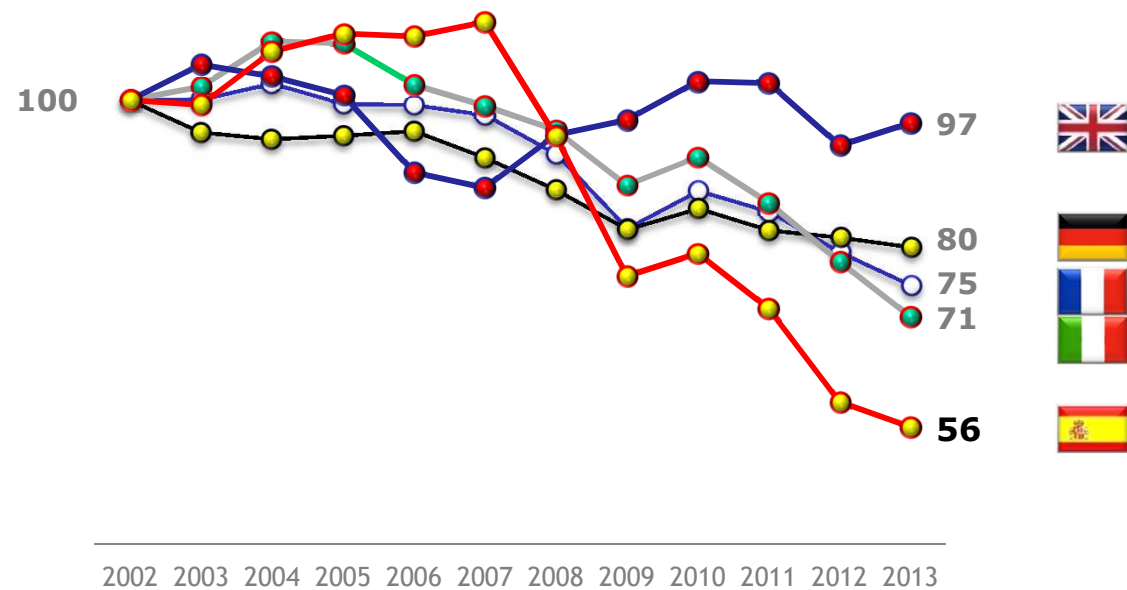


Source: Eurostat. Infoadex & other sources

# Spanish TV Ad market

Spain: the most severe adjustment in TV Ad intensity

TV Ad spend as % of GDP  
In index terms

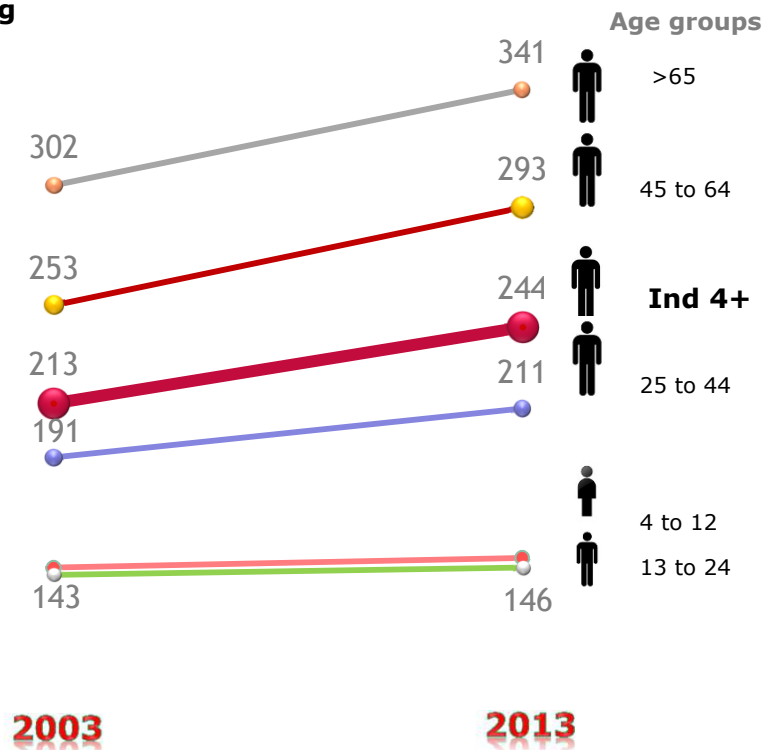


Source: Eurostat. Infoadex & other sources

# Television industry

TV viewing in constant growth in all age groups

**Average daily viewing**  
In min

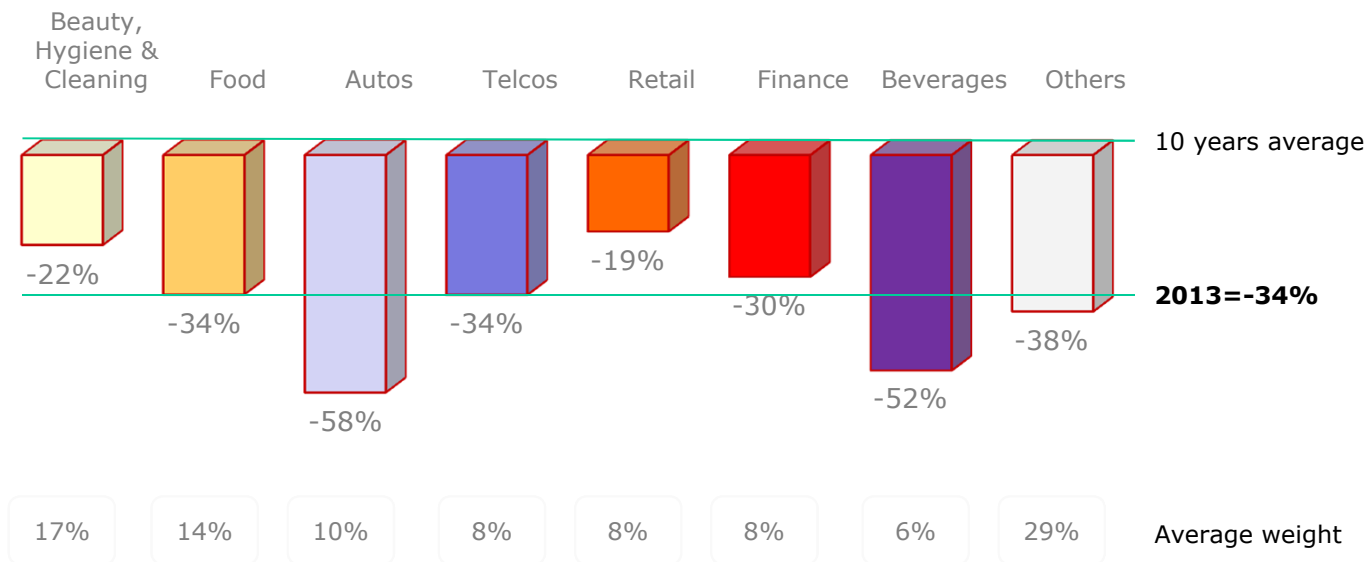


Source: Kantar Media

# Television industry

Ad spending by sector far below the last 10-year average

**Ad spending by sectors**  
% 2013 vs last 10 years average



Source: Arce Media

# Spanish TV industry in 2014

2014 key issues: Ad market recovery & regulation

## 2014 key issues

### Ad market

- Better macro outlook
- Positive ad market

### Regulation

- Closure of DTT channels
- Digital Dividend

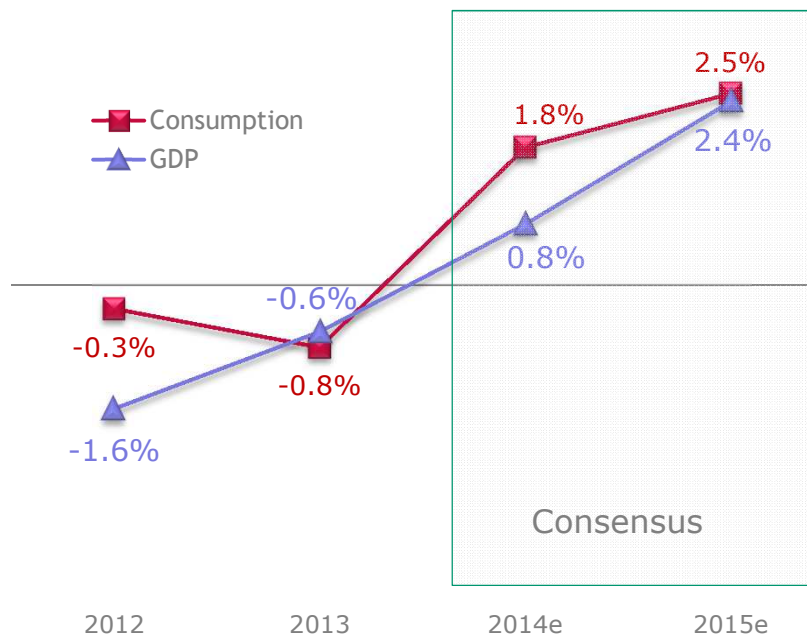
### Pay TV

- M&A movements

# Spain: Macroeconomic indicators

Positive outlook for household consumption & GDP

**Household Consumption & GDP**  
Yoy growth

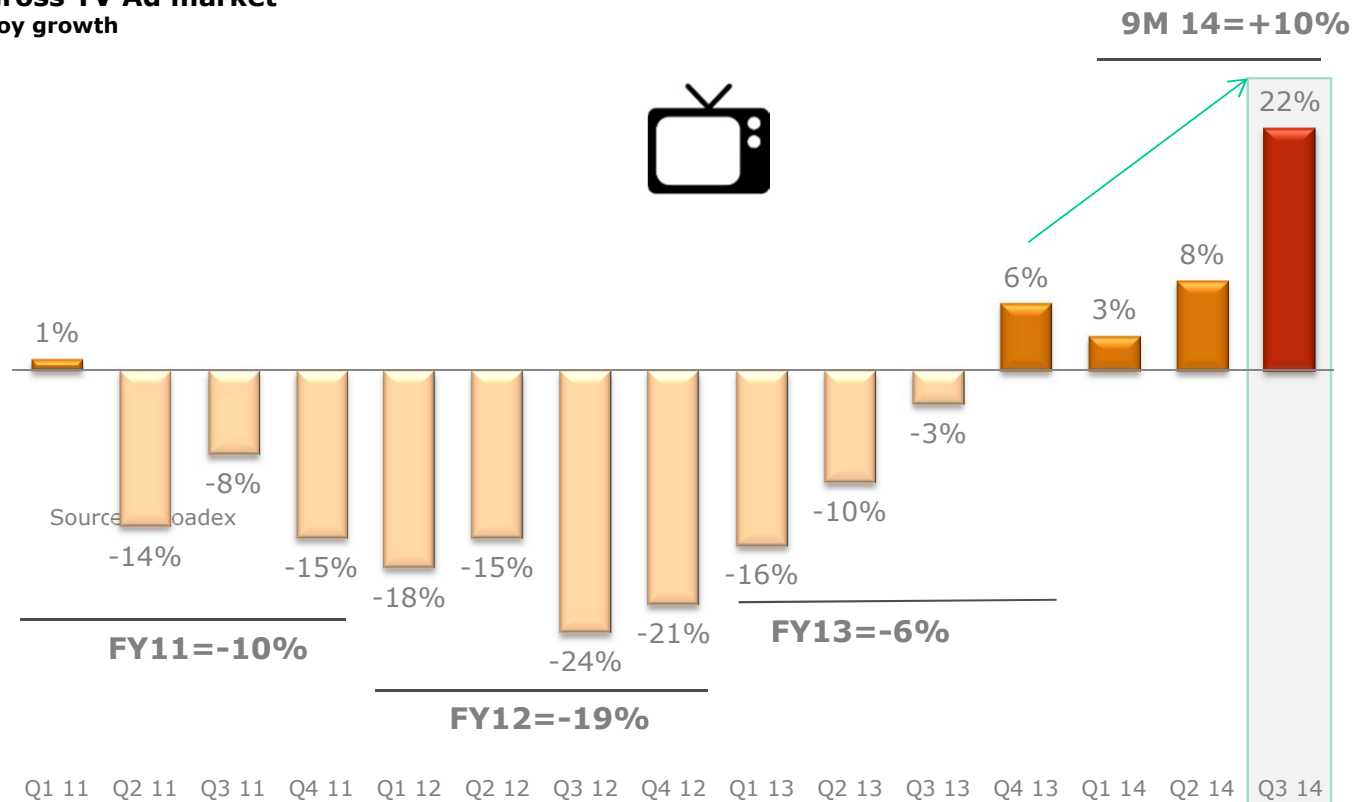


Source: Consensus= Panel of 18 research institutions (sep14). In nominal terms

# Television industry: Advertising market

## Spanish TV Ad market: A clear recovery

**Gross TV Ad market**  
Yoy growth

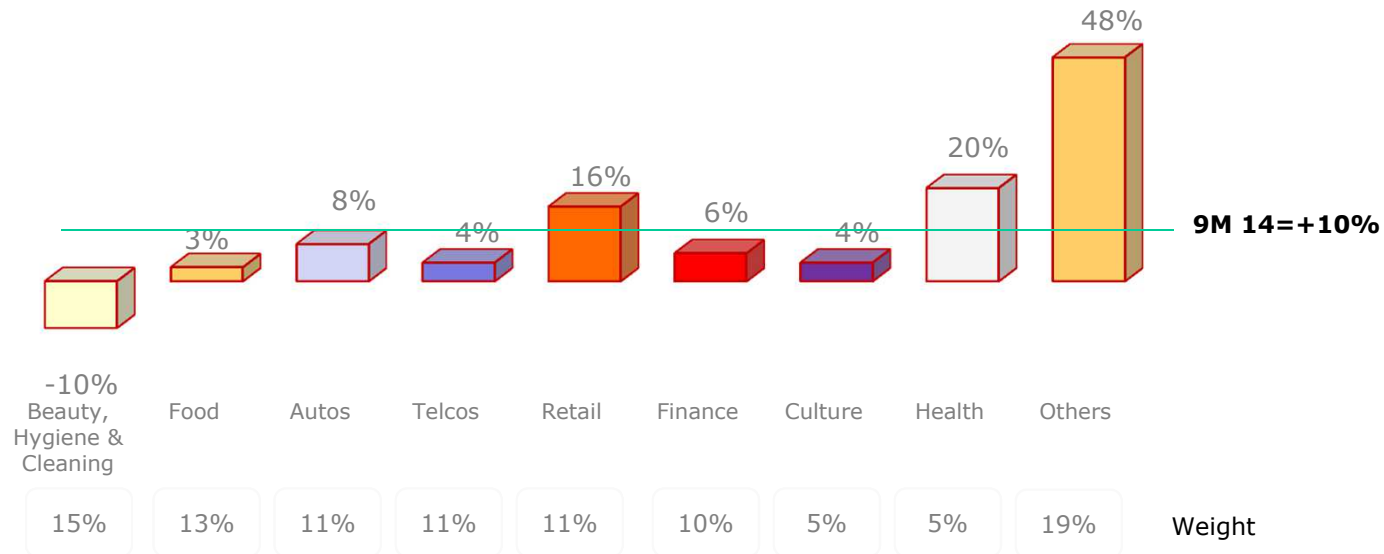


Source: Infoadex.

# Television industry: Advertising market

9M 14: Most of the sectors in positive

**Ad spending by sectors**  
% 9M 14 yoy

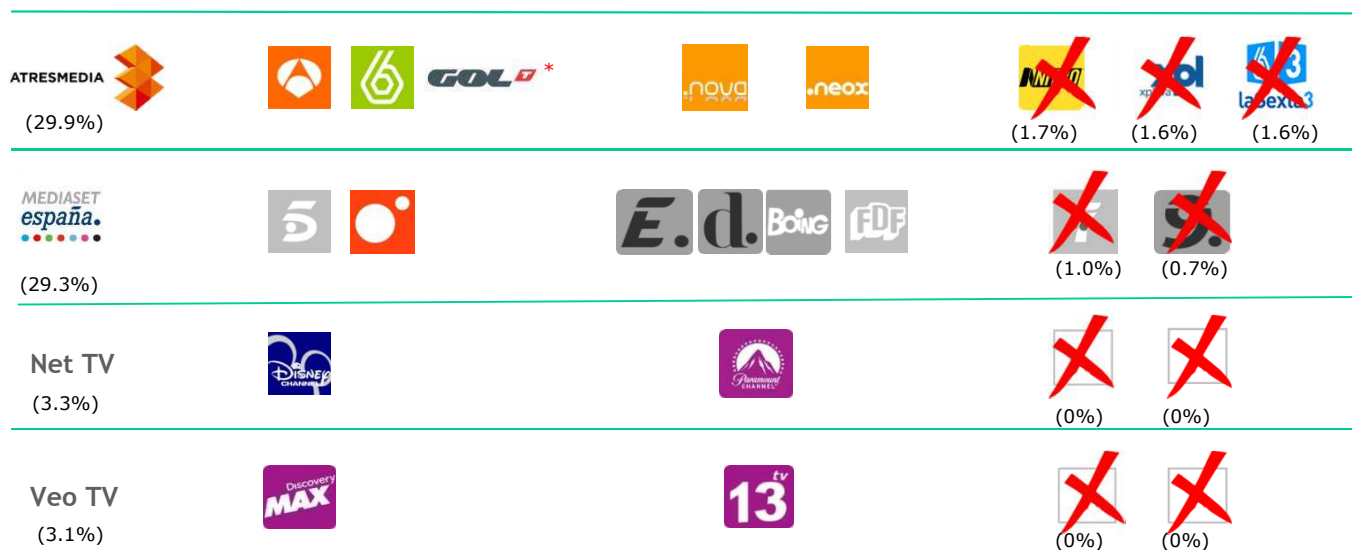


Source: Internal Estimates

# Television Industry: Legal issues around DTT channels

## Closure of 9 DTT channels from May 6th

### Commercial FTA TV landscape after the closure of 9 channels



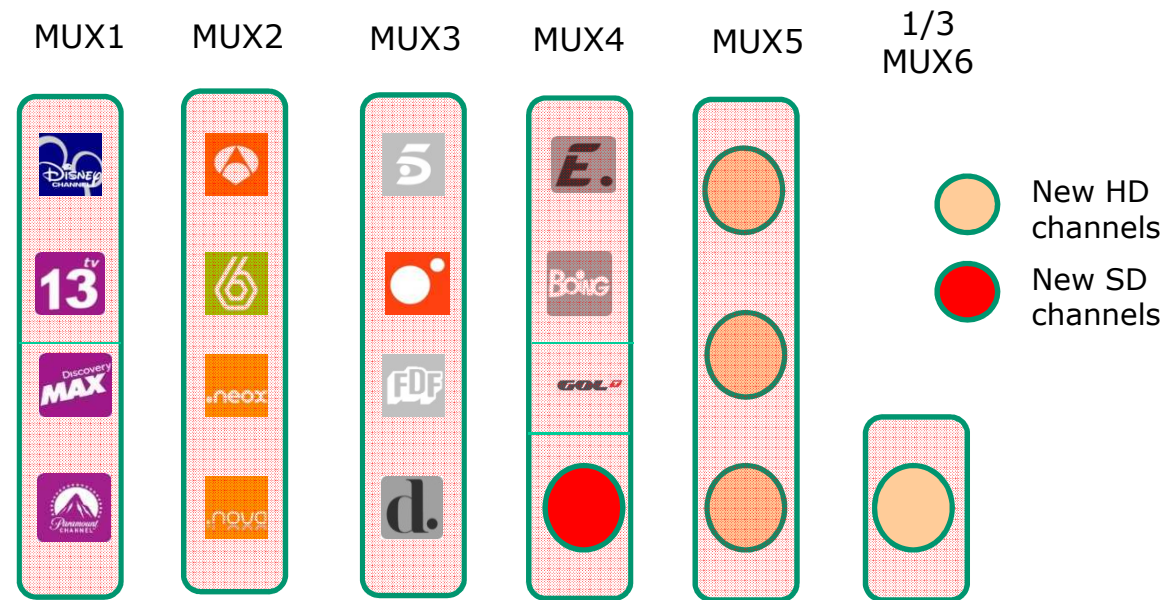
(x%): Audiences at jan-april 14 (Total Ind, 4+)

\* Channel leased to Gol T until Dec 2015

# Television Industry: Digital Dividend

New technical plan approved in sep 14

## New technical plan



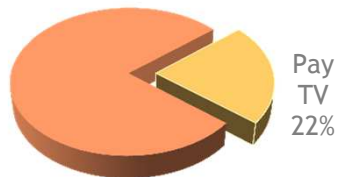
# Television industry: Pay TV

## Pay TV position in Spain

### Pay TV sector in Spain



**Penetration**  
% households



**Audience**  
% Total Individuals 4+



**Ad market share**  
% Total TV ad market

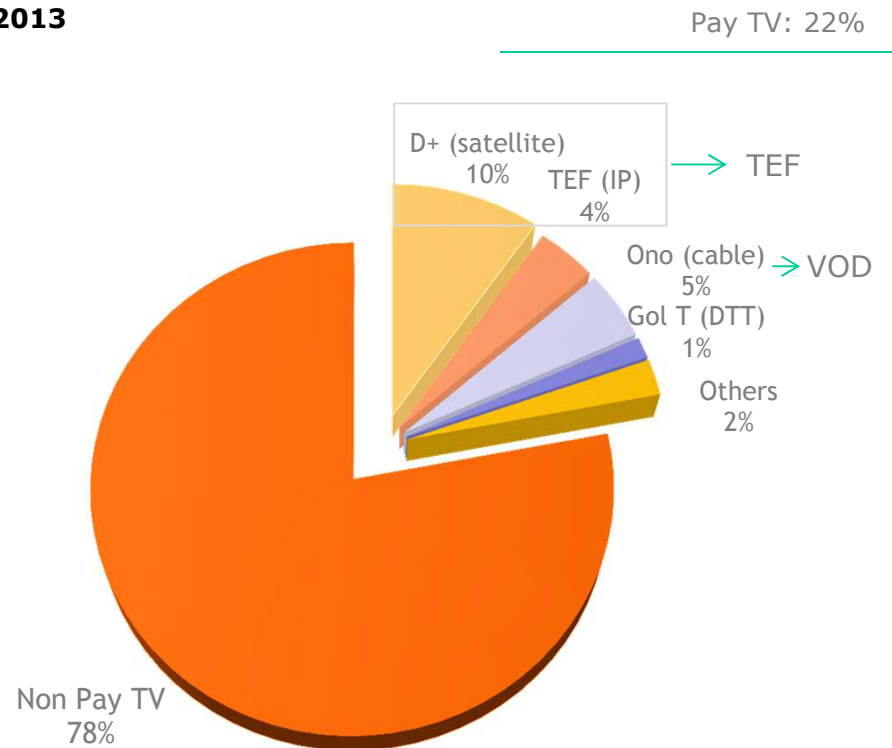


Source: CMT, Kantar Media, Infoadex

# Television industry: Pay TV

## M&A movements around Pay TV

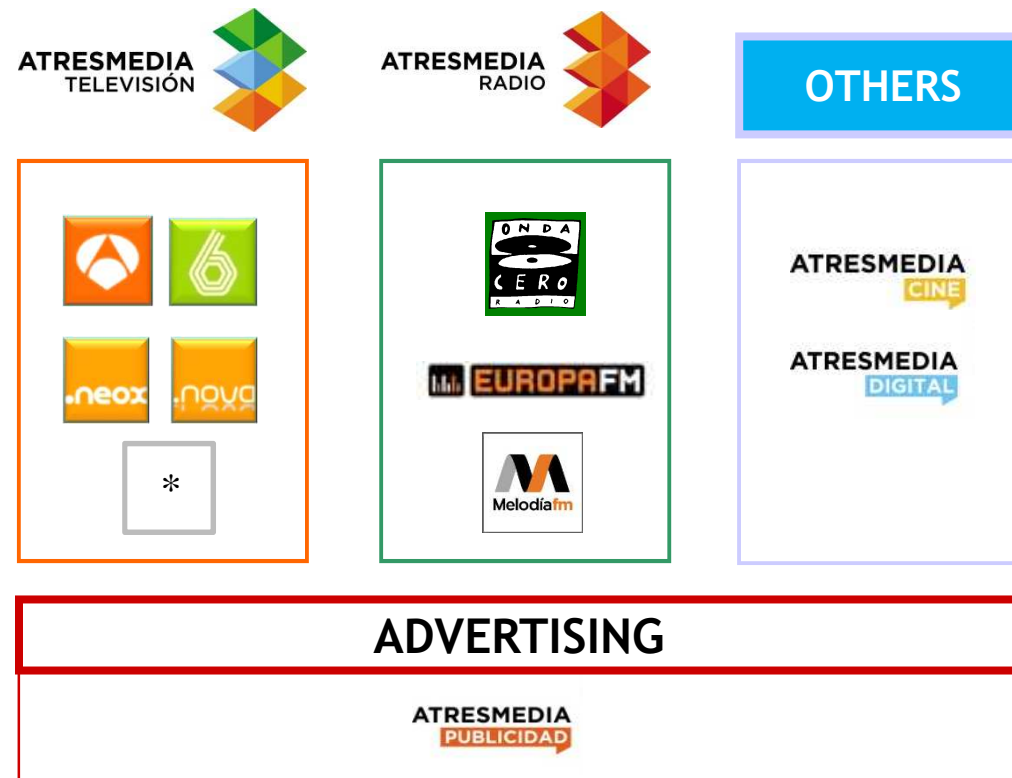
**Pay TV sector in 2013**  
% households



Source: CMT

# Atresmedia: A leading communication group

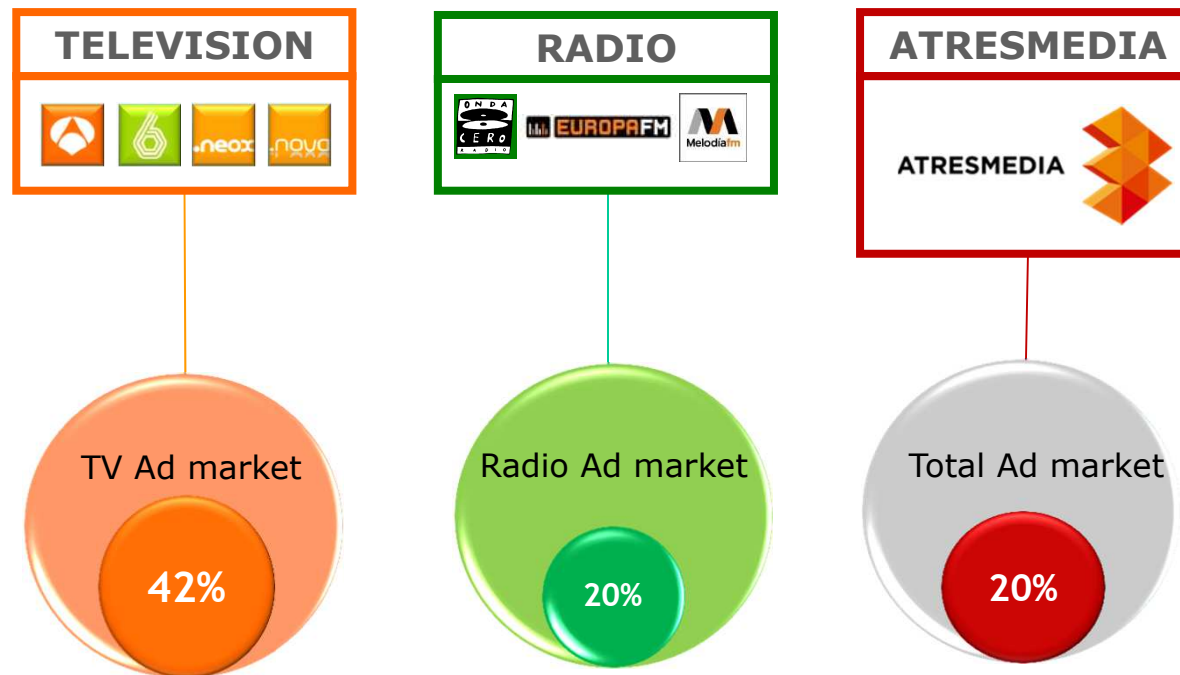
Solid and clear group structure



\* Channel owned but currently leased to GolT until Dec15

# Atresmedia: Market positioning

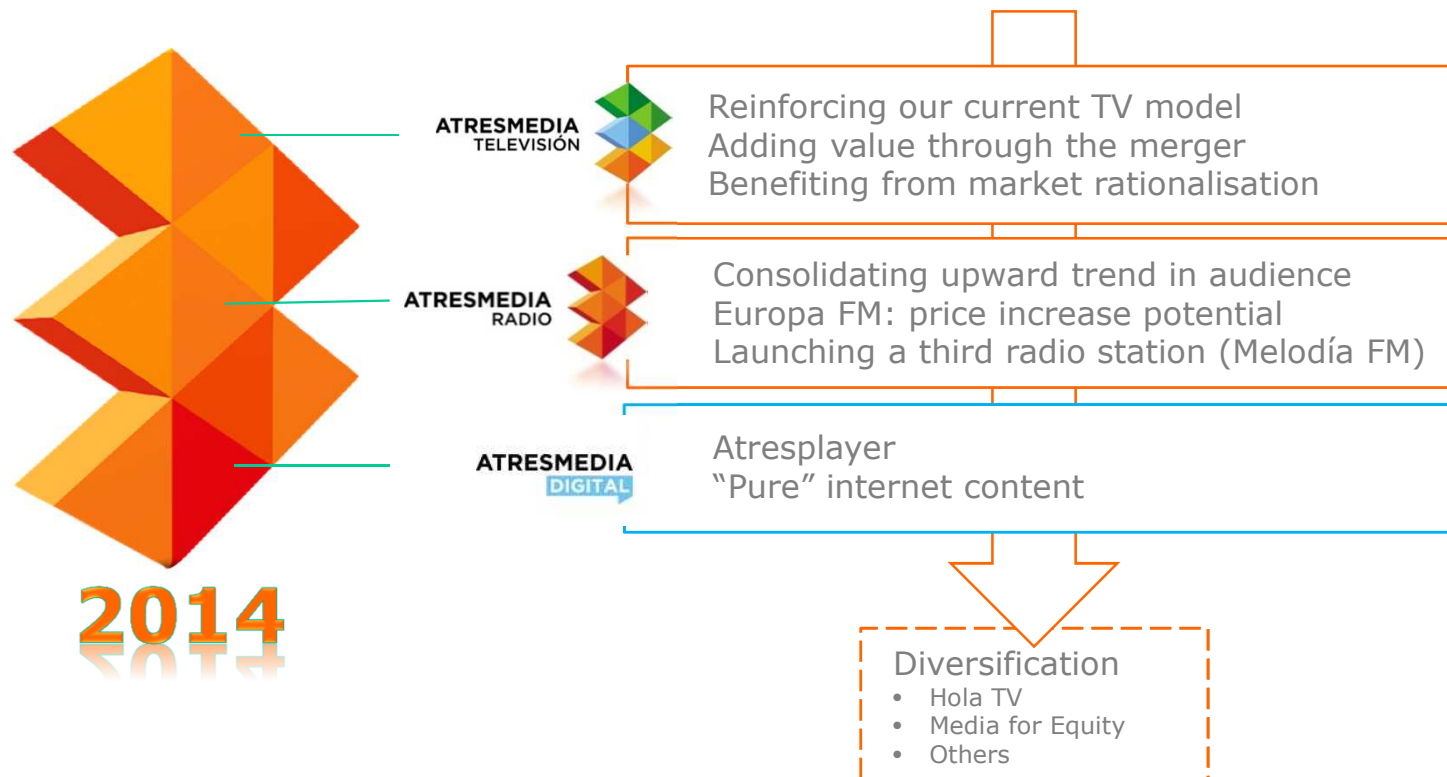
Solid market positioning



Source: Infoadex & internal estimates

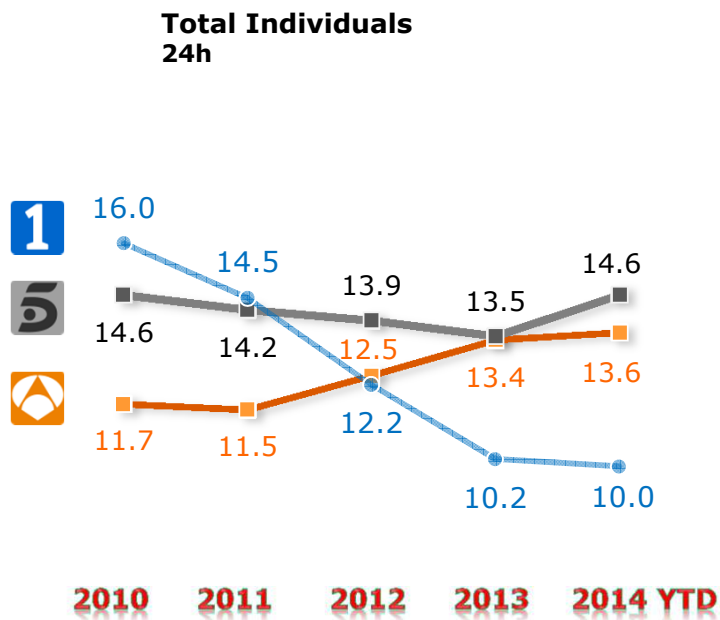
# Atresmedia in 2014

## 2014: Growth drivers across every division

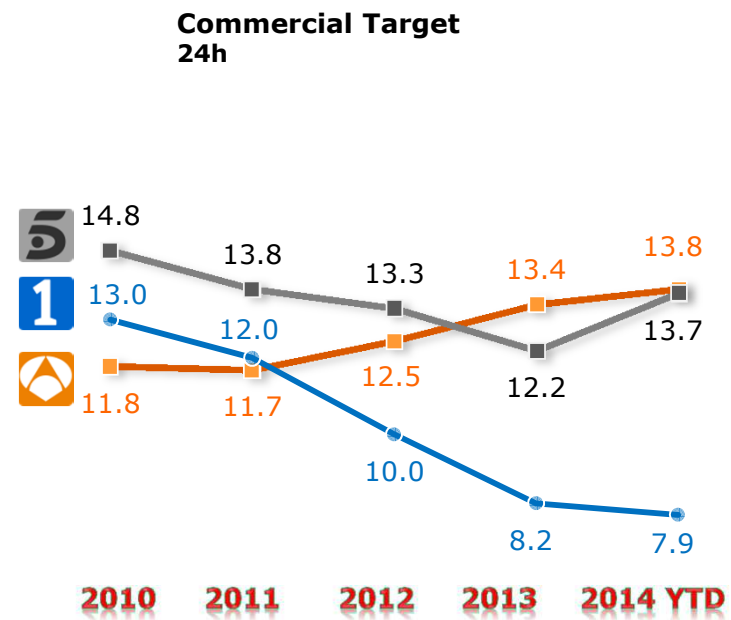


# Atresmedia Television: TV audiences by core channel

Antena 3: A growing channel and Commercial Target leader



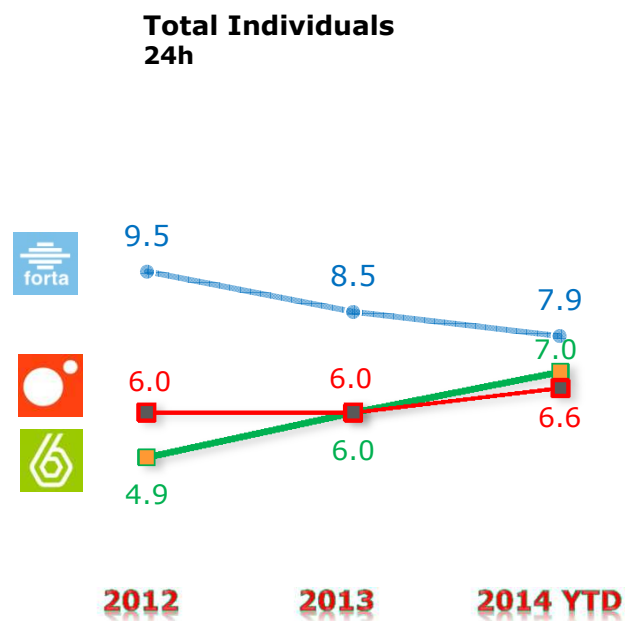
Source: Kantar Media. Jan-Oct 14. Total Individuals (4y+)



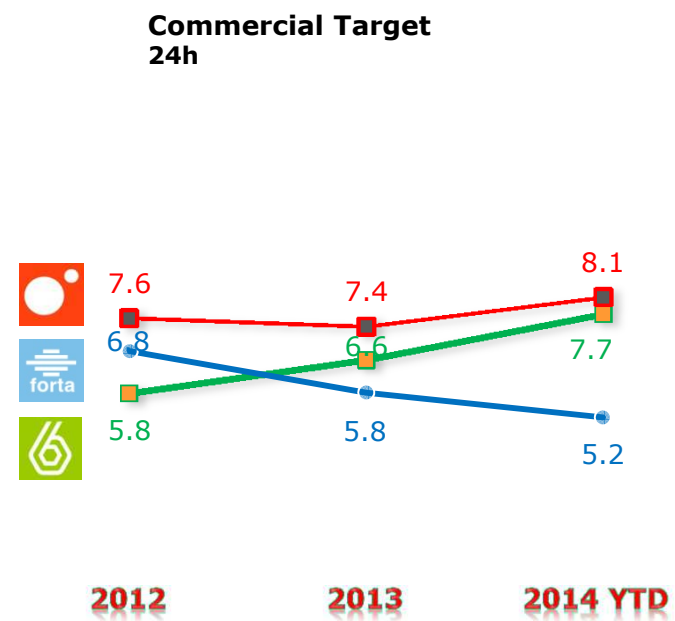
Source: Kantar Media. Jan-Oct 14. Commercial Target (16-54 y)

# Atresmedia Television: TV audiences by second channel

## La Sexta: The best growth story



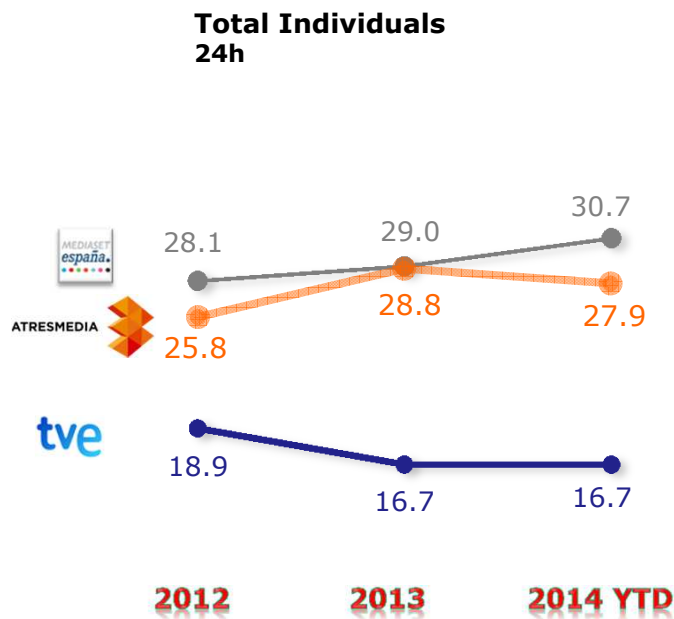
Source: Kantar Media. Jan-Oct 14. Total Individuals (4y+)



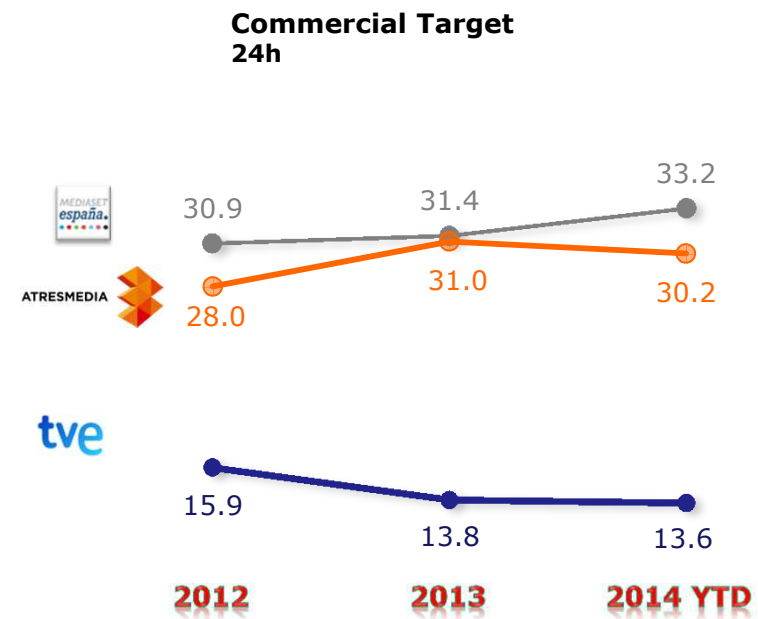
Source: Kantar Media. Jan-Oct 14. Commercial Target (16-54 y)

# Atresmedia Television: TV group audiences

Atresmedia TV: Solid ratings despite losing 3 channels from 2014



Source: Kantar Media. Jan-Oct 14. Total Individuals (4y+)

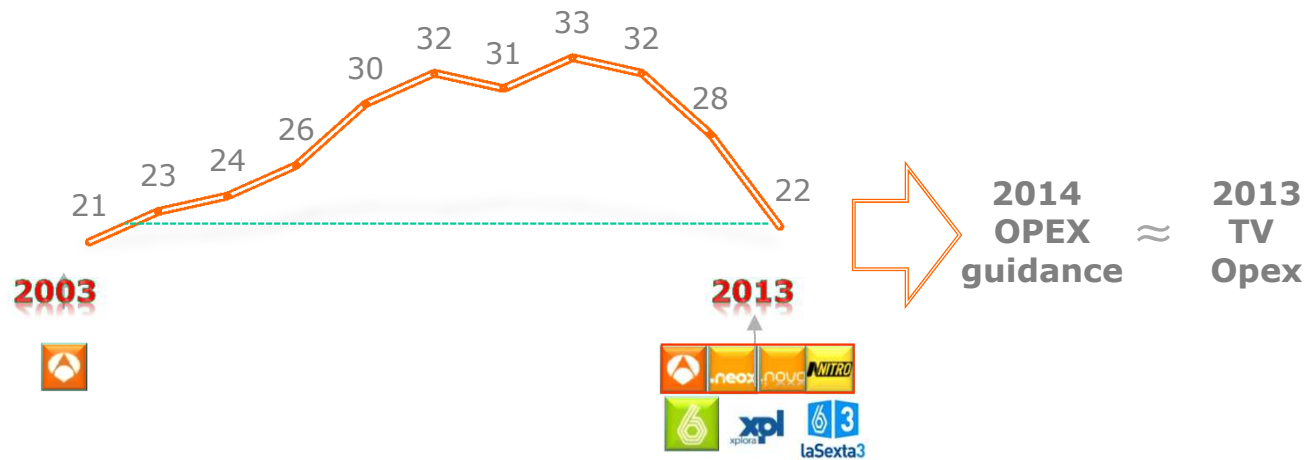


Source: Kantar Media. Jan-Oct 14. Commercial Target (16-54 y)

# Atresmedia Television: Increase in efficiency...

Discipline in costs to maintain flat costs yoy

**Total TV OPEX (net of distribution fees)**  
**€ million per 1% audience**

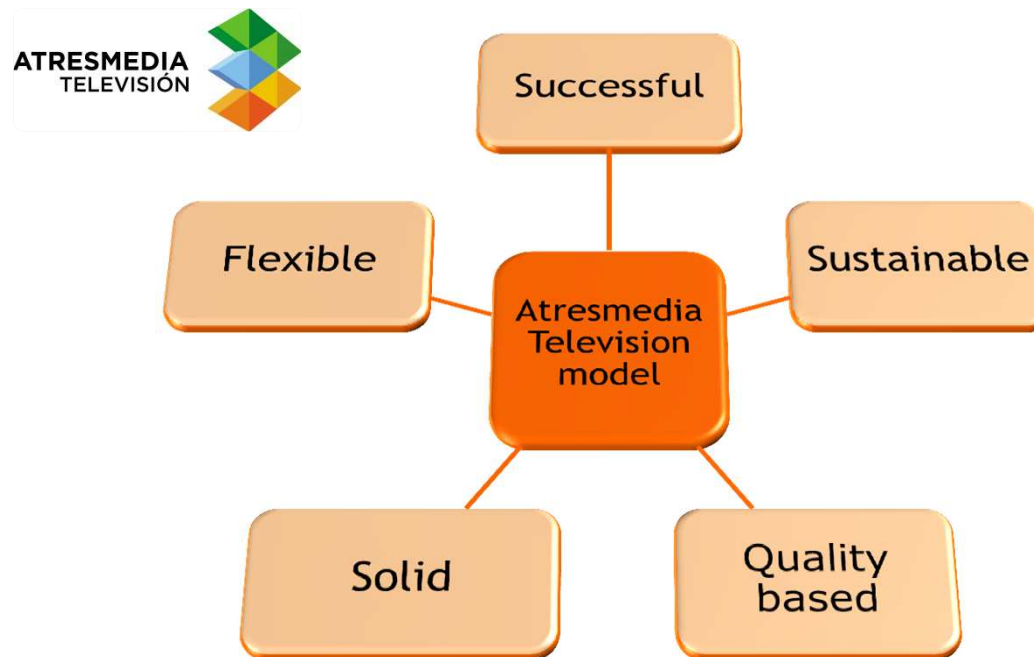


2013 cost per 1% audience at 2003-04 level

Sources: Kantar Media & Atresmedia

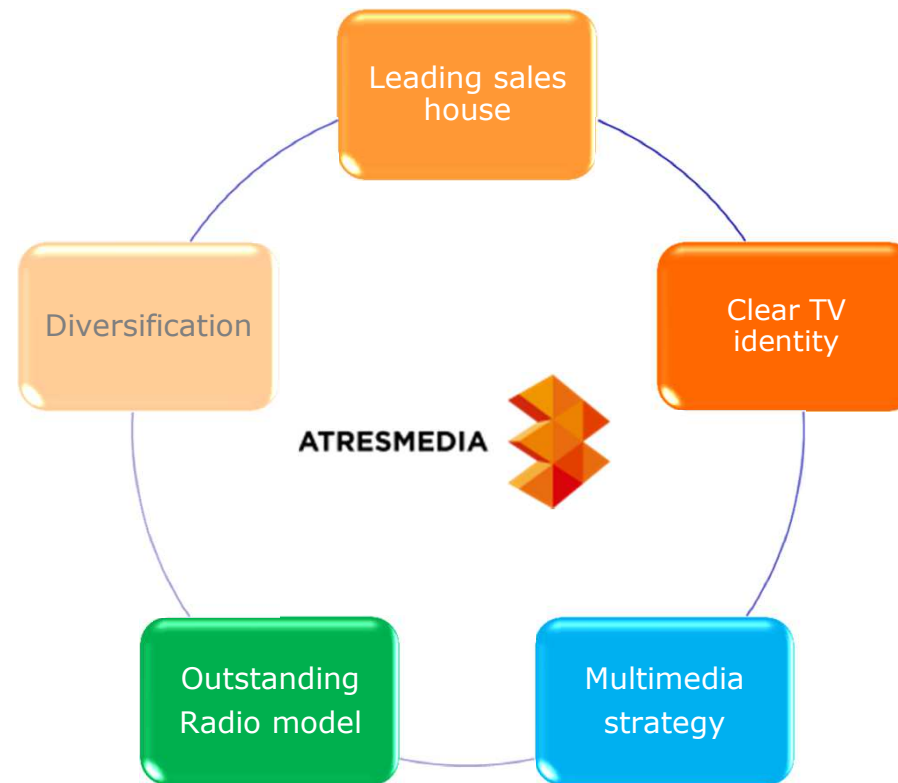
# Atresmedia Television: ...being loyal to our model

Atresmedia Television: A successful business model



# Atresmedia: Positioning & Strategy

Based on a clear strategy



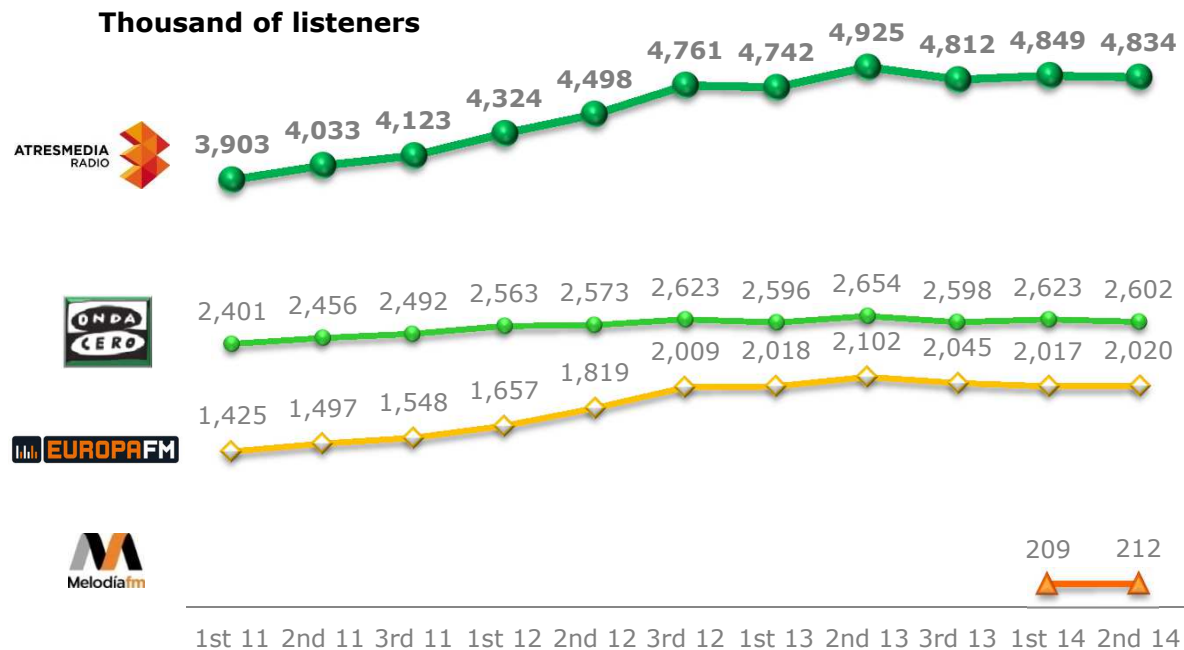
# Positioning & Strategy: Television

Balanced and varied TV offer



# Atresmedia Radio: Audiences

## Atresmedia Radio: Steady growth



Source: EGM Surveys Monday to Friday (.000) ( Moving average).  
 \*Atresmedia Radio includes Onda Cero, Europa FM and Melodía FM

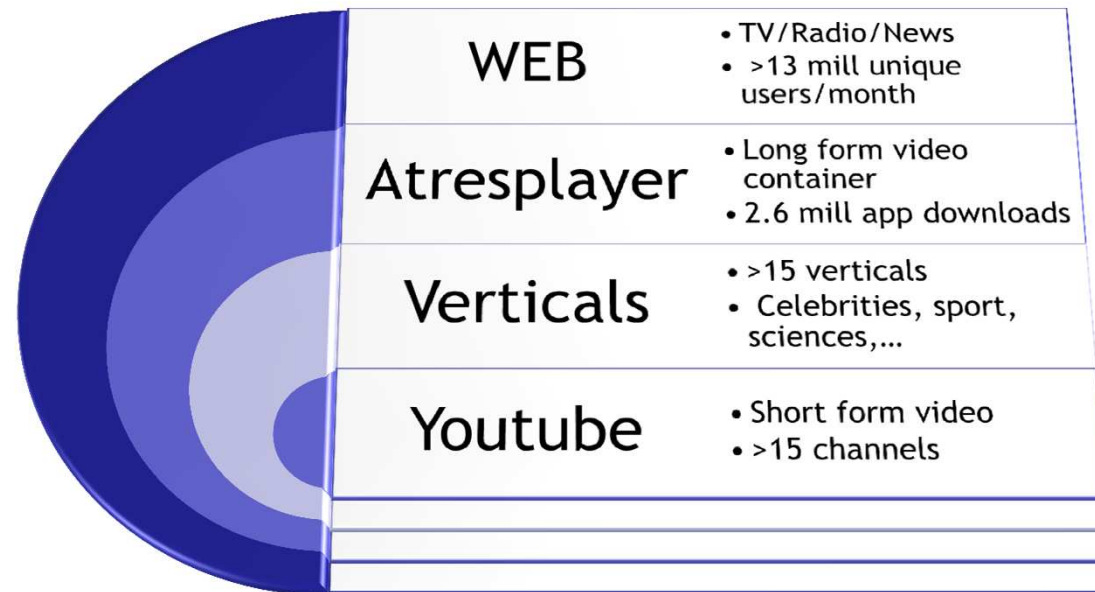
# Positioning & Strategy: Radio

## Launch of Melodía FM, our 3rd radio station



Source: EGM 2013 yearly average  
Market Share: Internal estimates

## Four main sources of audience & revenues



# Positioning & Strategy: Digital

## Four main fields of action

### Web platform

Atresplayer  
Reach increase  
Users registration

### Contents

TV model  
“Pure” internet content  
Internationalization

### Distribution

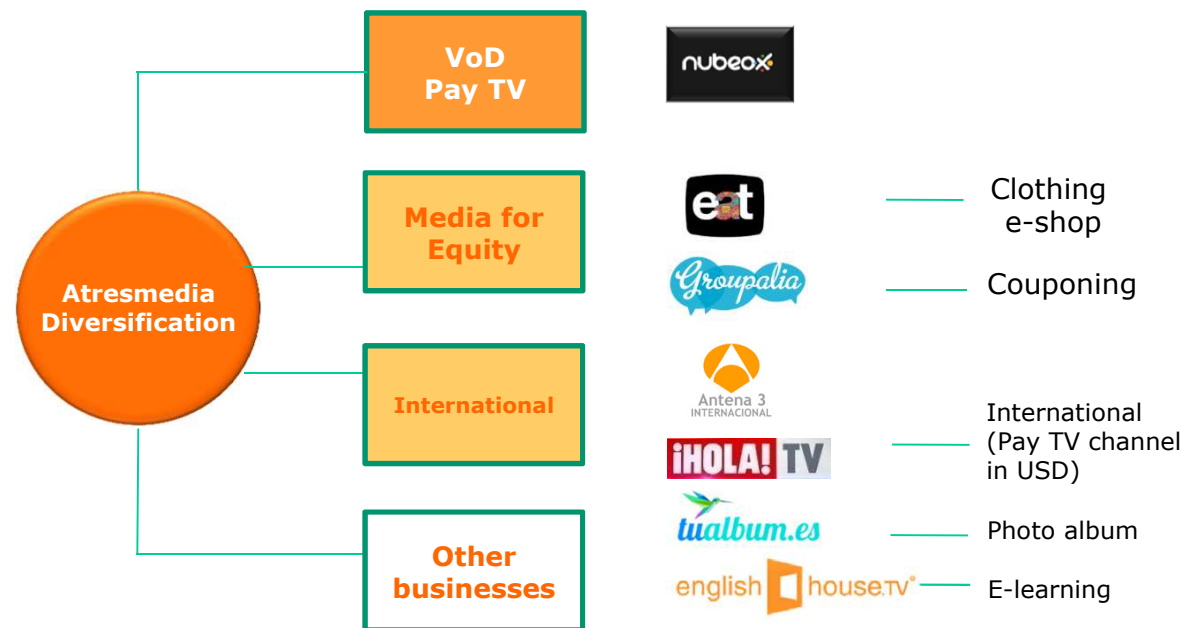
Access to new users  
Mobile & Connected TV  
Second screen

### Monetization

Comm. product optimization  
Pay contents  
Other non ad-based rev.

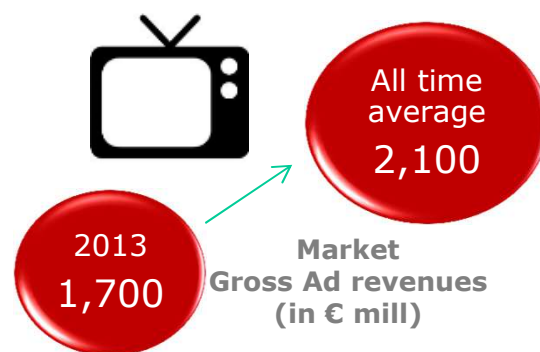
# Positioning & Strategy: Diversification

Atresmedia Diversification:  
Gathers other non-ad based projects

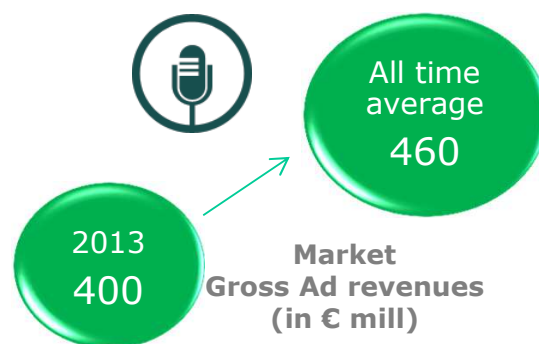


# Atresmedia: Main medium term goals

Target: EBITDA margin > 25%



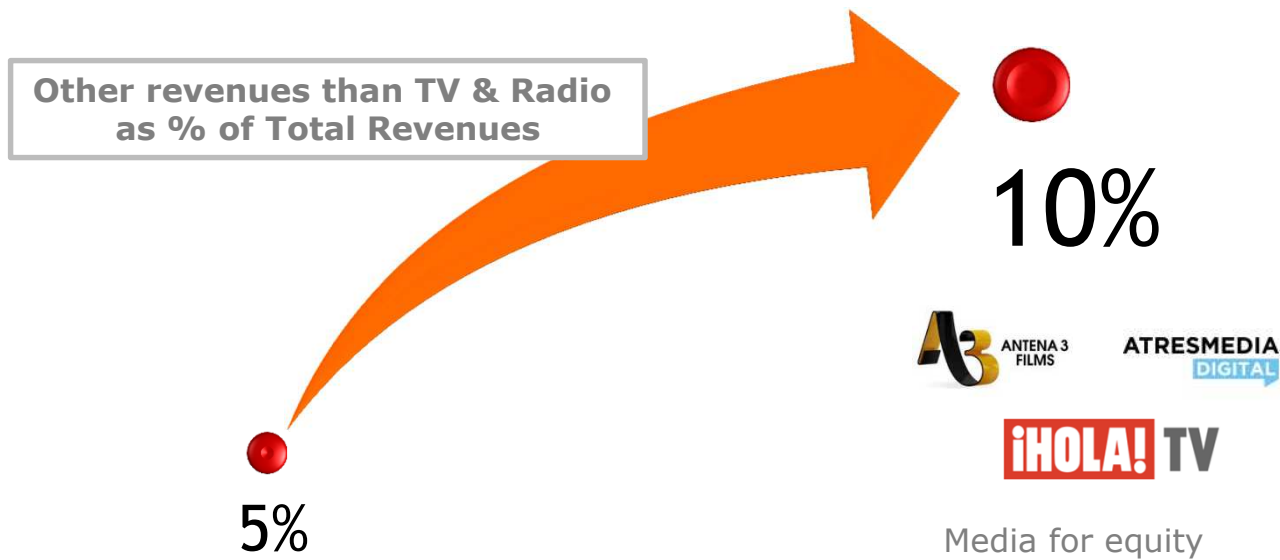
EBITDA Margin > 25%  
(from ≈10% in 2013)



EBITDA Margin > 25%  
(from ≈20% in 2013)

## Atresmedia: Main medium term goals

Target: Other revenues up to 10% of Total Revenues



# Atresmedia: Main medium term goals

Target: Solid balance sheet and attractive dividend policy



**Total Net Debt Target**  
(H1 14: €124 mill)



**Dividend policy**

Payout ratio

**≥80%**

**Back up**

Back up: 9M 2014 Financial Results

# Atresmedia

9M 14 Results in € mill: P&L

	9M 14	9M 13	YoY
<b>Net Revenues</b>	<b>626.2</b>	<b>581.2</b>	<b>+7.8%</b>
<b>OPEX</b>	<b>541.9</b>	<b>535.7</b>	<b>+1.2%</b>
<b>EBITDA</b>	<b>84.3</b>	<b>45.5</b>	<b>+85.5%</b>
<i>EBITDA Margin</i>	<i>13.5%</i>	<i>7.8%</i>	
<b>EBIT</b>	<b>72.0</b>	<b>32.4</b>	<b>+122.2%</b>
<i>EBIT Margin</i>	<i>11.5%</i>	<i>5.6%</i>	
<b>Net profit</b>	<b>47.1</b>	<b>28.3</b>	<b>+66.7%</b>
<i>Net profit Margin</i>	<i>7.5%</i>	<i>4.9%</i>	

Source: Atresmedia's financial statements

# Atresmedia Television

9M 14 Results in € mill: P&L

	9M 14	9M 13	YoY
<b>Total Net Revenues</b>	<b>554.5</b>	<b>512.3</b>	<b>+8.3%</b>
<b>OPEX</b>	<b>484.6</b>	<b>478.4</b>	<b>+1.3%</b>
<b>EBITDA</b>	<b>69.9</b>	<b>33.8</b>	<b>+106.8%</b>
<i>EBITDA Margin</i>	<i>12.6%</i>	<i>6.6%</i>	
<b>EBIT</b>	<b>59.6</b>	<b>23.2</b>	<b>+157.5%</b>
<i>EBIT Margin</i>	<i>10.8%</i>	<i>4.5%</i>	

Source: Atresmedia`s financial statements

# Atresmedia Radio

9M 14 Results in € mill: P&L

	9M 14	9M 13	YoY
<b>Net Revenues</b>	<b>59.6</b>	<b>56.1</b>	<b>+6.1%</b>
<b>OPEX</b>	<b>50.5</b>	<b>46.8</b>	<b>+8.0%</b>
<b>EBITDA</b>	<b>9.0</b>	<b>9.3</b>	<b>-3.3%</b>
<i>EBITDA Margin</i>	<i>15.2%</i>	<i>16.6%</i>	
<b>EBIT</b>	<b>7.7</b>	<b>7.3</b>	<b>+4.9%</b>
<i>EBIT Margin</i>	<i>12.8%</i>	<i>13.0%</i>	

Source: Atresmedia's financial statements

# Atresmedia: Others Division

## Financials

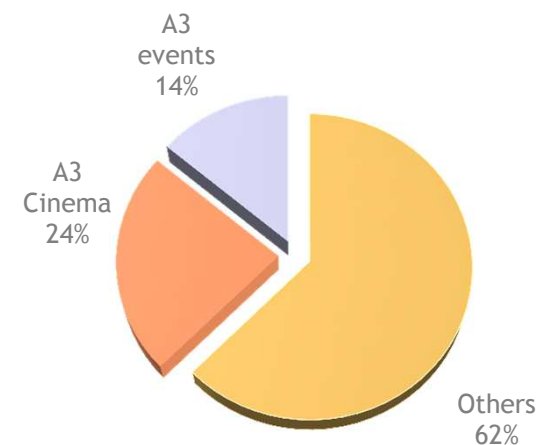
€ mill	9M 14	9M 13
<b>Net Revenues</b>	<b>12.1</b>	<b>12.8</b>
<b>EBITDA</b>	<b>5.4</b>	<b>2.3</b>

Source: Antena 3's financial statements

Contribution to consolidated group

Mainly represents the business lines: Atresmedia Cine, Atresmedia Eventos, Others (Digital, Música Aparte,...).

## Revenues split



## Additional information

### Investor Relations Department

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

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