

**“We believe in the power of reflection and emotion”**

**ATRESMEDIA**

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

Presentation to investors

June 2020



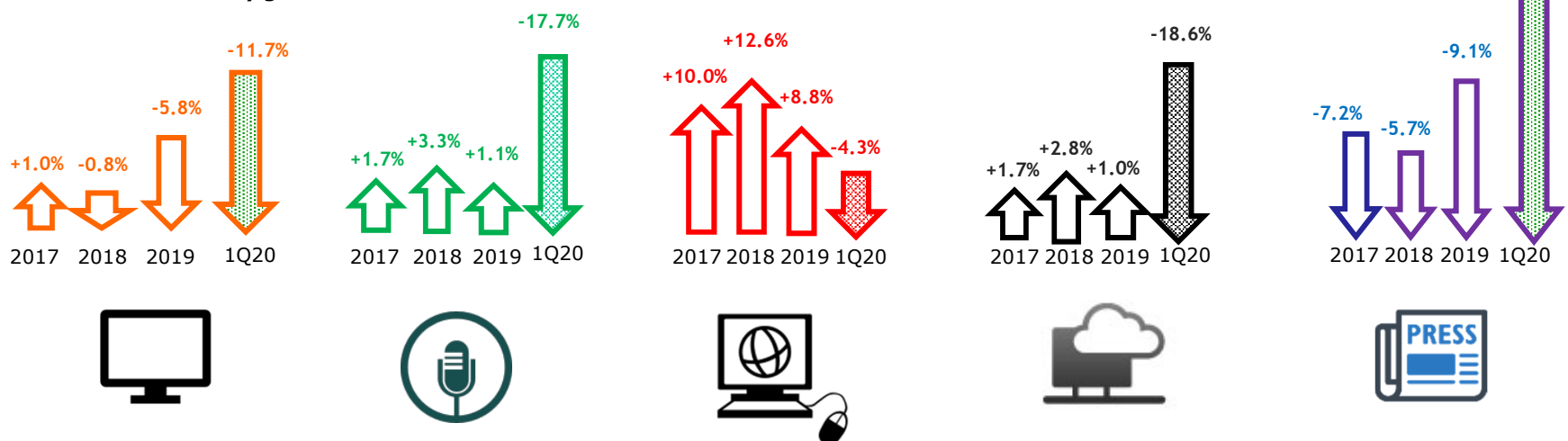
# Media industry

## Spanish Media industry insights

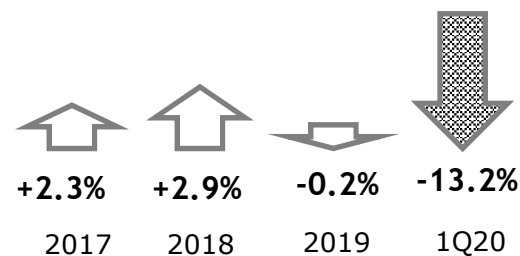
# Advertising market in Spain

Total Ad market: 2020 down in all media

## Gross Ad market Yoy growth



## Total Ad market

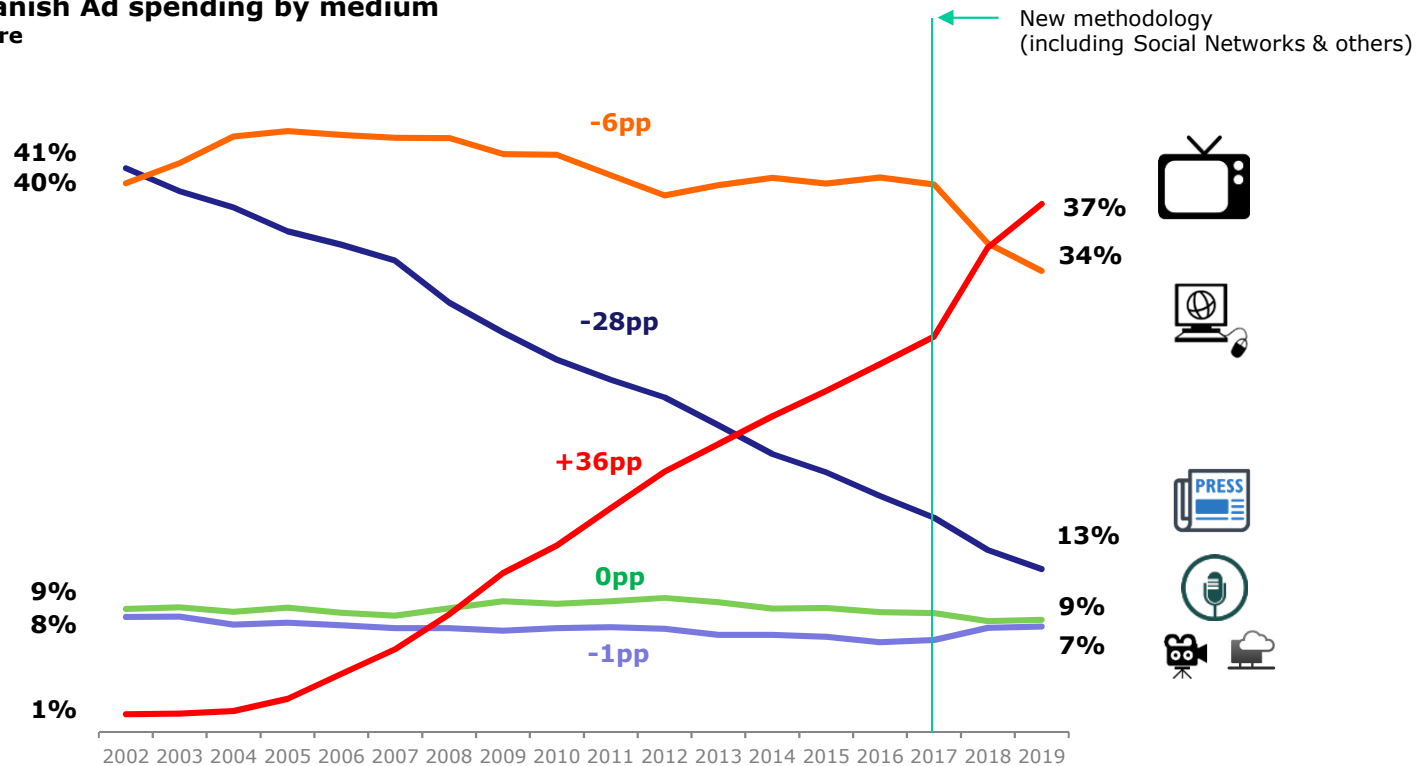


Source: Infoadex

# Advertising market in Spain

## TV: Clear leadership

Spanish Ad spending by medium  
Share

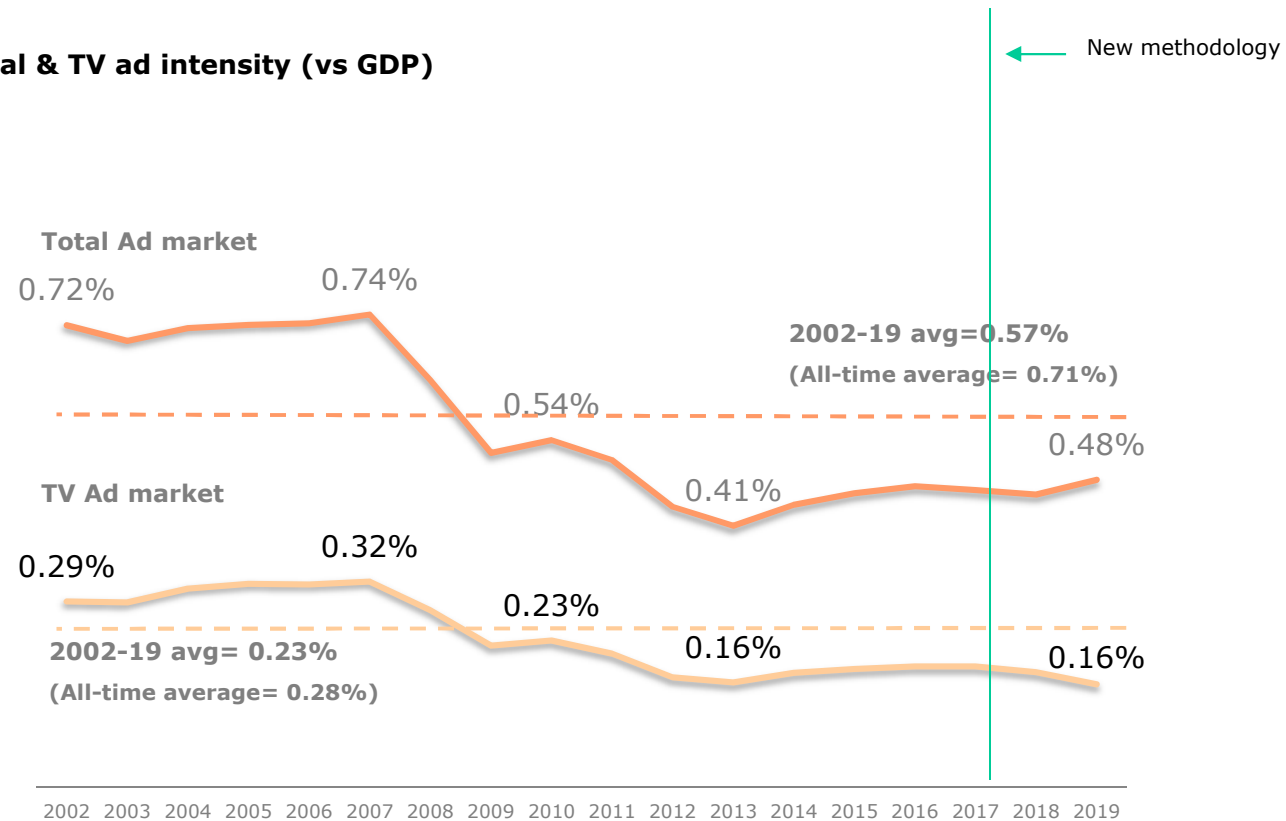


Source: Infoadex

# Advertising market in Spain

Total & TV market % on GDP is flattening out

**Total & TV ad intensity (vs GDP)**

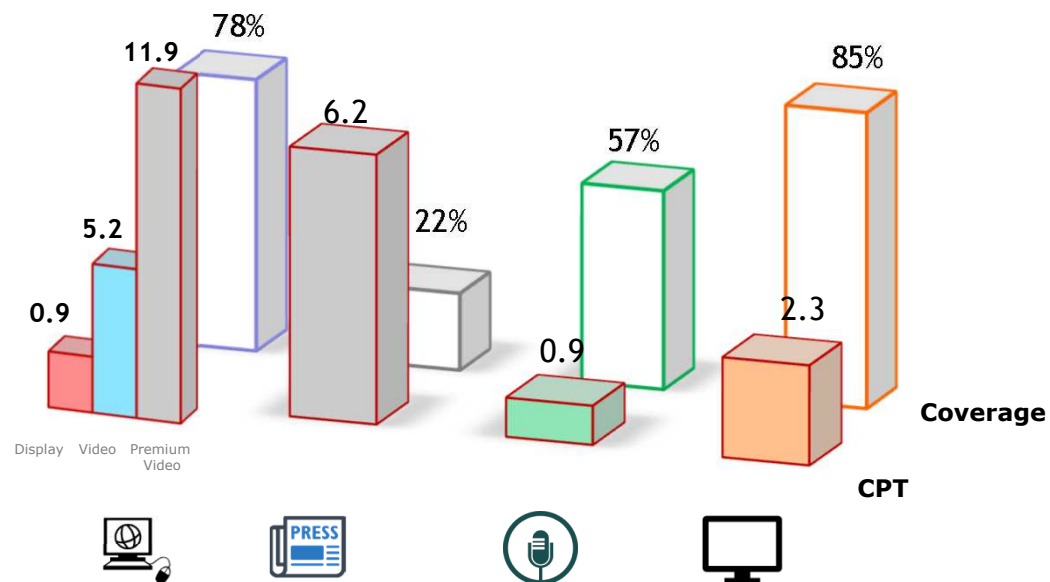


Source: Infoadex and Bank of Spain

# Advertising market in Spain

## Spanish TV: Best cost-coverage mix

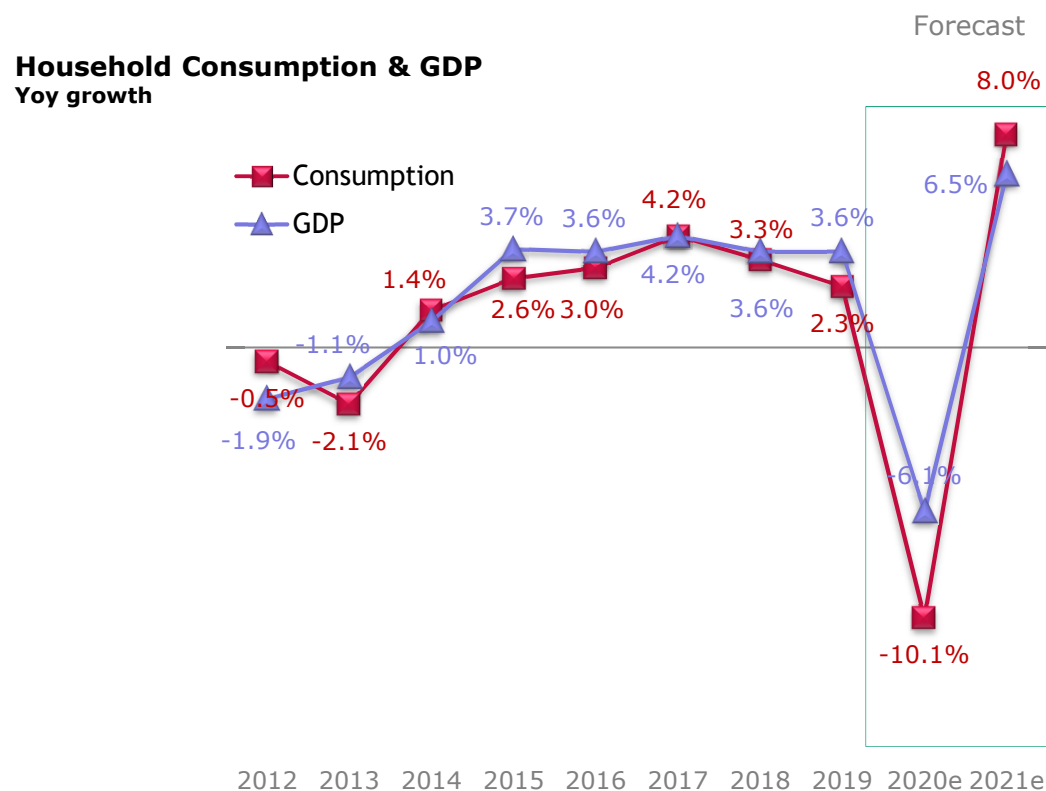
**Cost-coverage by medium**  
In €/1,000 impacts & % penetration



Source: Internal estimates & EGM. 2019 data

# Spanish TV industry: Main drivers

## Positive outlook for household consumption & GDP

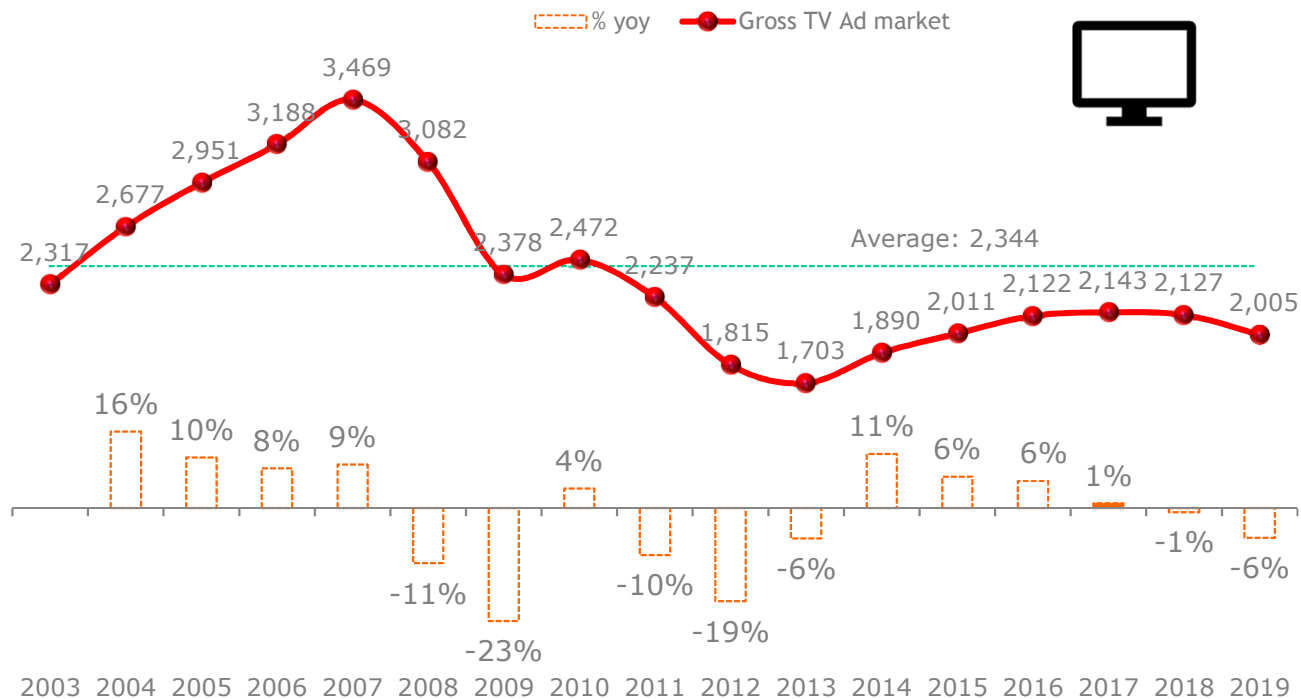


Source: Funcas (Apr-20). In current prices

# Spanish TV industry: Ad market

Current TV Ad market is still far from average and peak levels

**Gross TV Ad market**  
In € mill



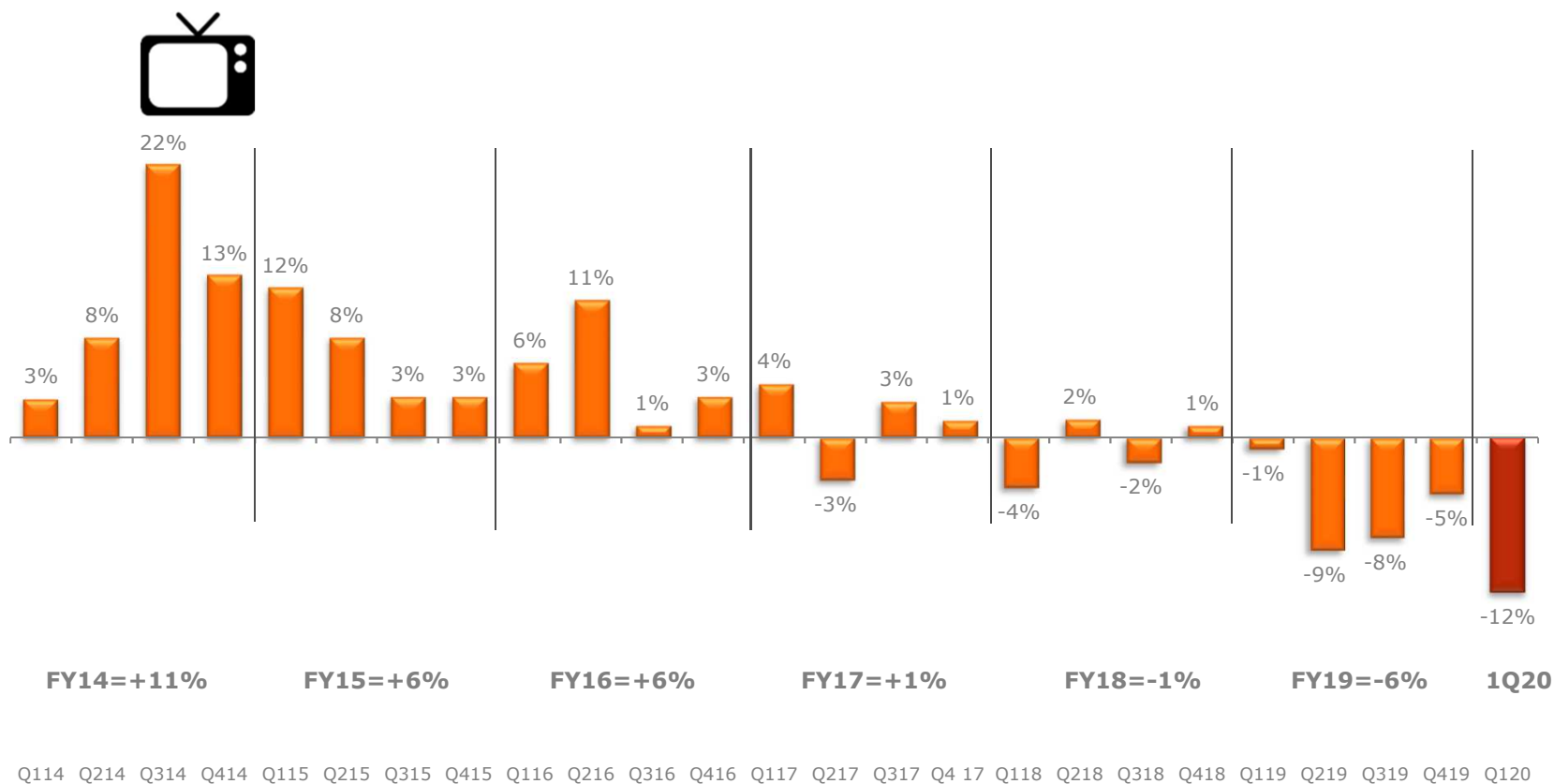
Source: Infoadex



# TV Advertising market

Negative Q1 20 affected by the impact of the Covid-19 crisis

Gross Total TV Ad market by quarter (yoy growth%)

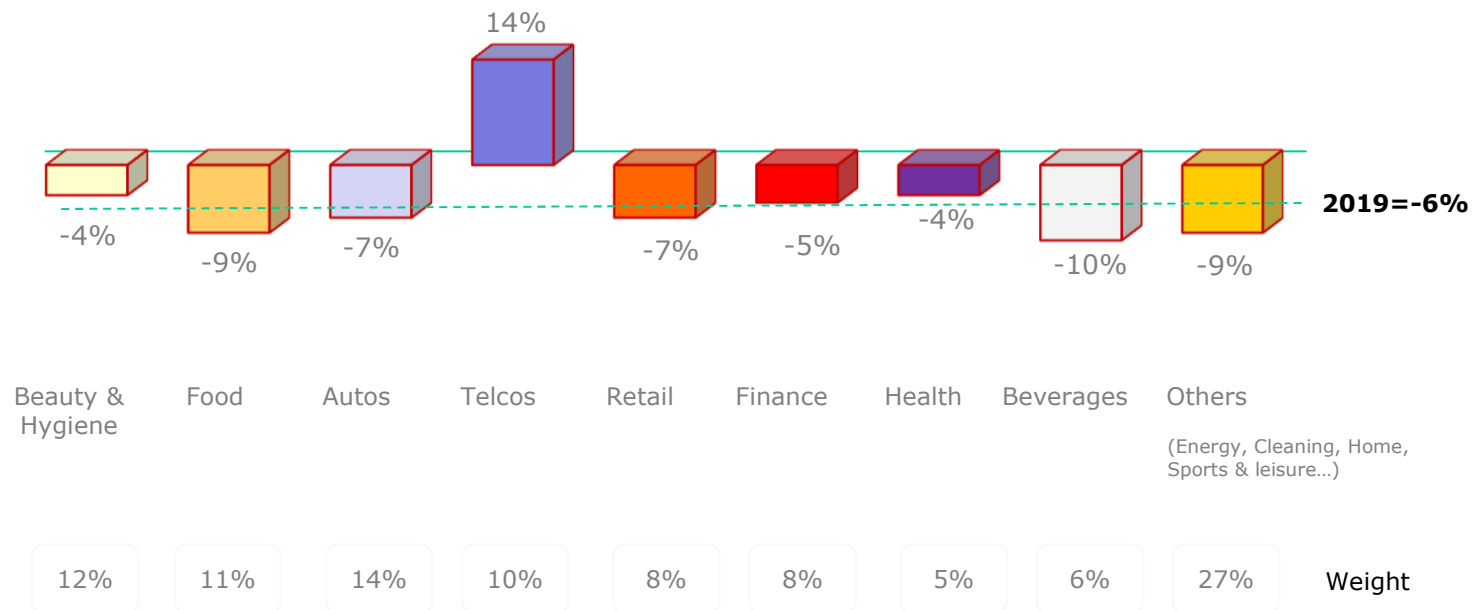


Source: Infoadex

# Spanish TV industry: Ad market

2019: Only Telcos in positive

**Ad spending by sectors**  
% 2019 yoy

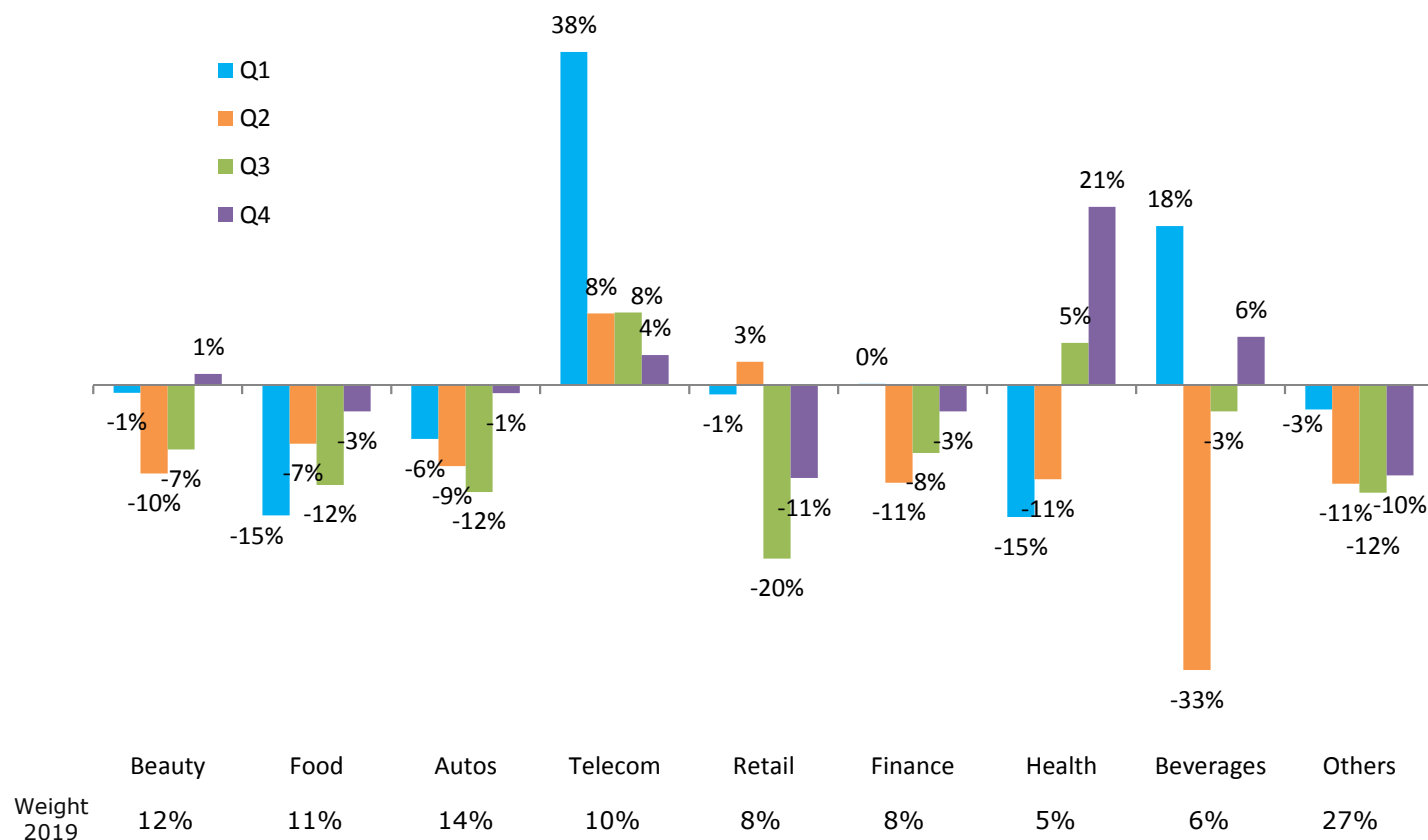


Source: Internal Estimates

# TV Advertising market by category: Quarterly evolution

2019: Only Telecom increased its ad spending in all quarters

Quarterly evolution by category

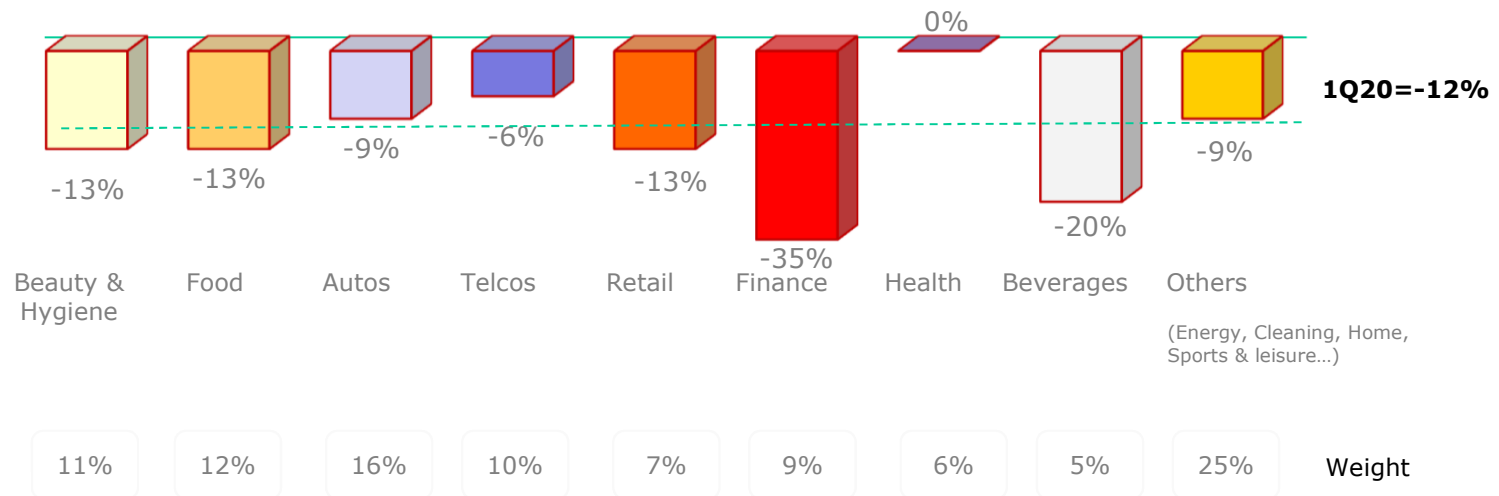


Source: Internal estimates

# Spanish TV industry: Ad market

1Q20: All the sectors in negative due to the Covid effect

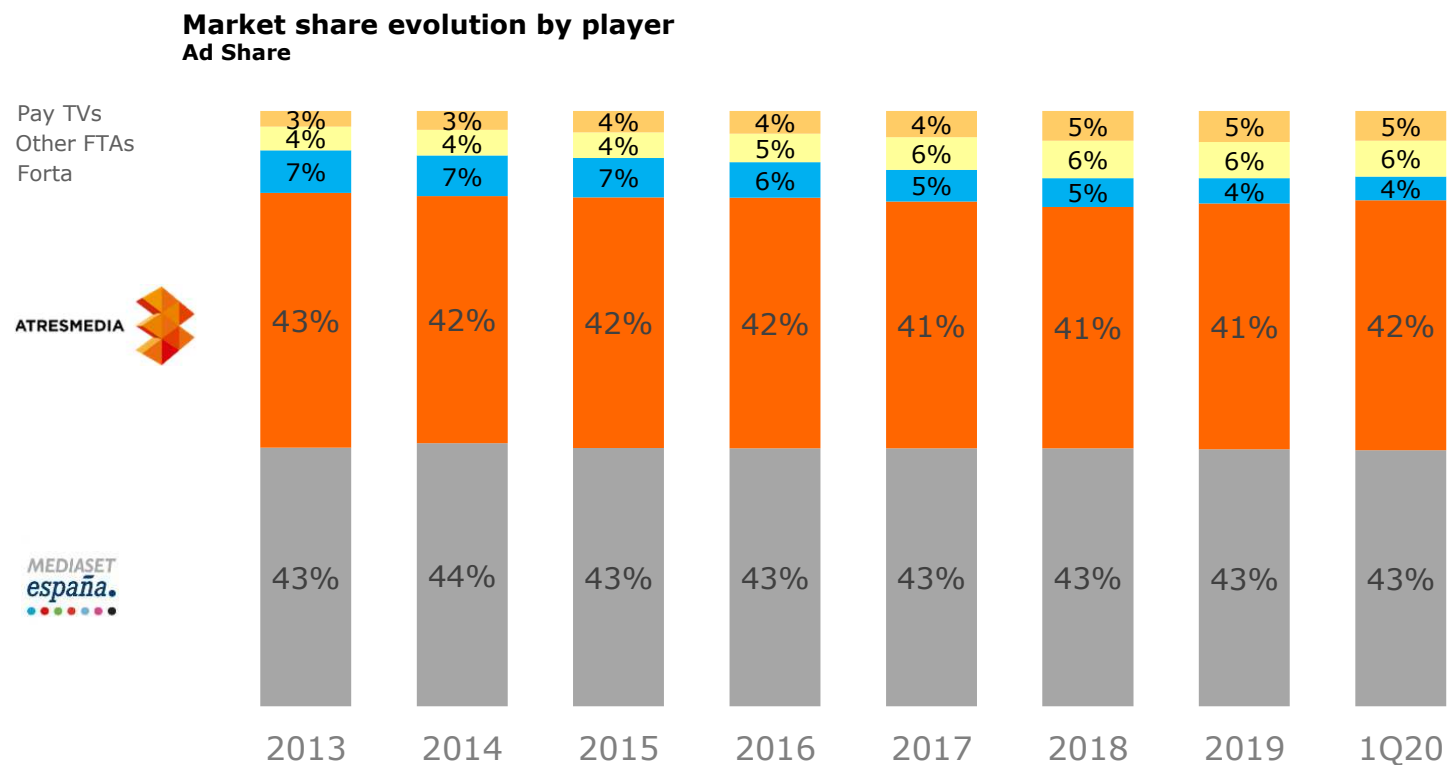
**Ad spending by sectors**  
% 1Q20 yoy



Source: Internal Estimates

# Advertising market in Spain

## Stable market shares by player

























Source: Infoadex; 1Q20: Internal estimates

# Spanish TV industry: Commercial FTA landscape

Atresmedia has a key position in a wide commercial FTA TV offer

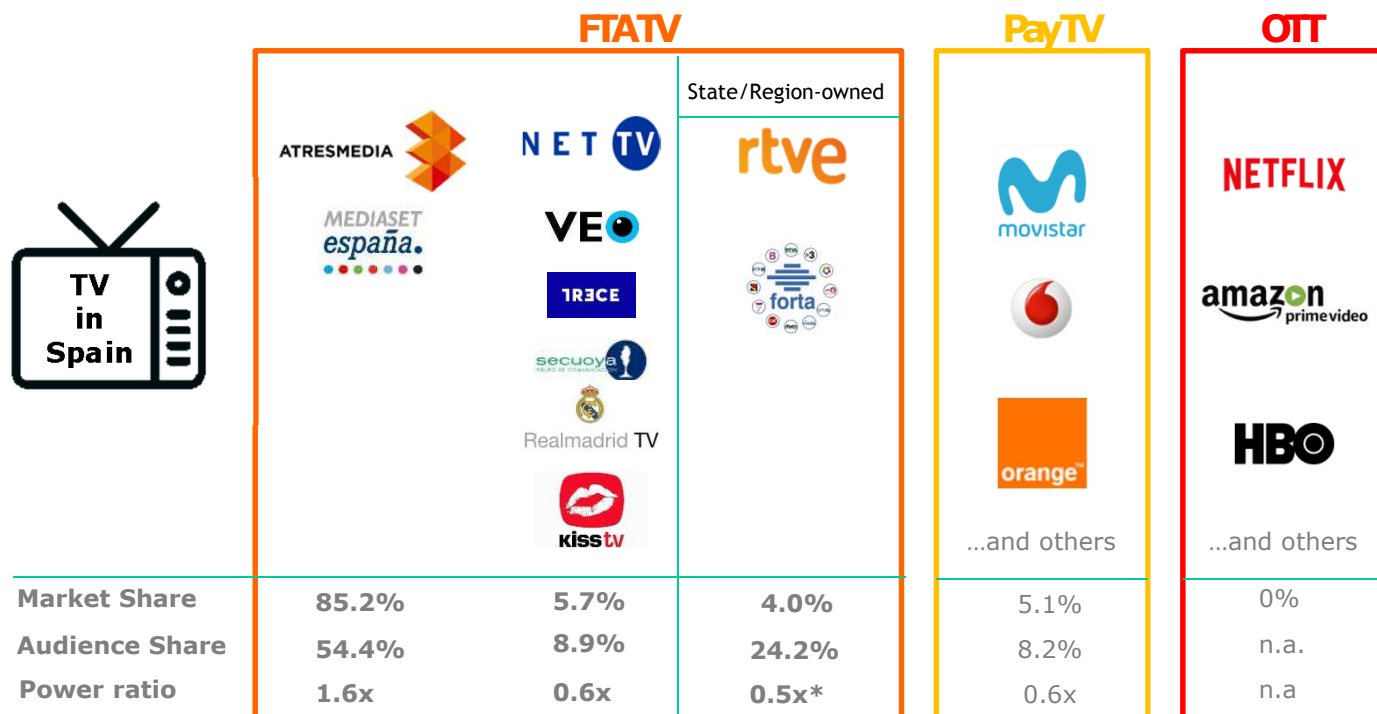
## Commercial FTA TV landscape (1Q20)

	Channels	Mkt share	Audience	Power ratio
ATRESMEDIA	      	42.2%	26.2%	1.6x
MEDIASET españa.	      	43.0%	28.2%	1.5x
Net TV	 	5.7%	2.6%	0.6x
Veo TV	 		2.5%	
13TV			2.2%	
Secuoya			0.4%	
Real Madrid TV			0.3%	
Kiss TV			0.9%	

Source: Kantar Media, Infoadex & Internal estimates

# Spanish TV industry: Competitive environment

TV in Spain is clearly based on Free-to-Air TV



\* Forta (RTVE has no advertising)

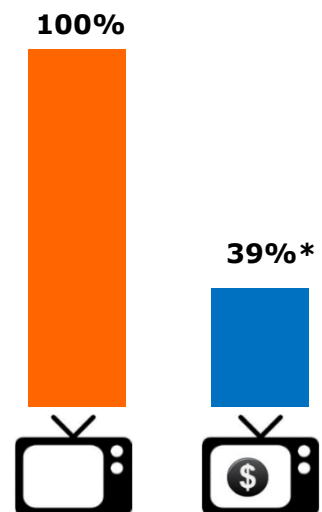
Source: Kantar Media. Infoadex (1Q20)

# Spanish TV industry : Pay TV

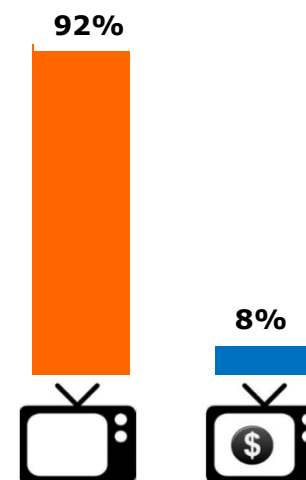
FTA TV leads by far over Pay TV

## FTA TV vs Pay TV in Spain 2019

### Penetration 2019 (% of households)



### Audience 2019 (%)



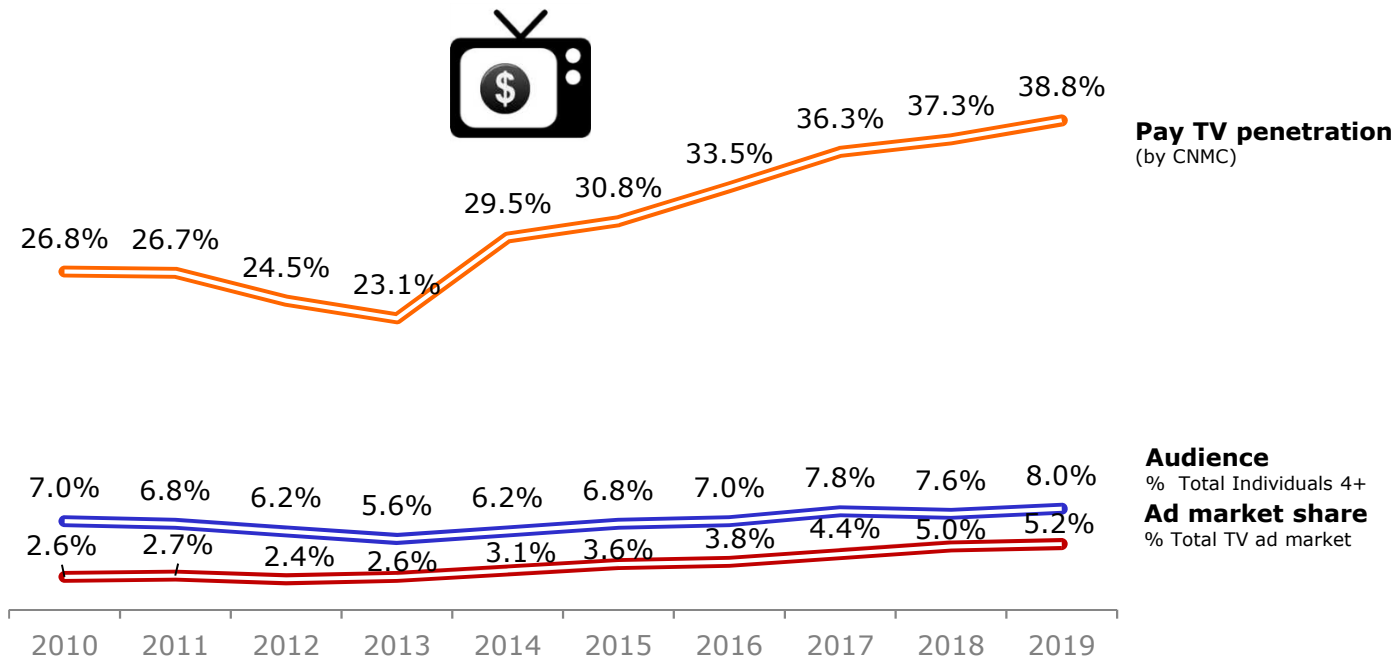
Source: Kantar Media, Infoadex & CNMC  
\*Penetration data as of 4Q19



# Spanish TV industry : Pay TV

Pay TV in Spain is steadily growing

## Pay TV sector in Spain

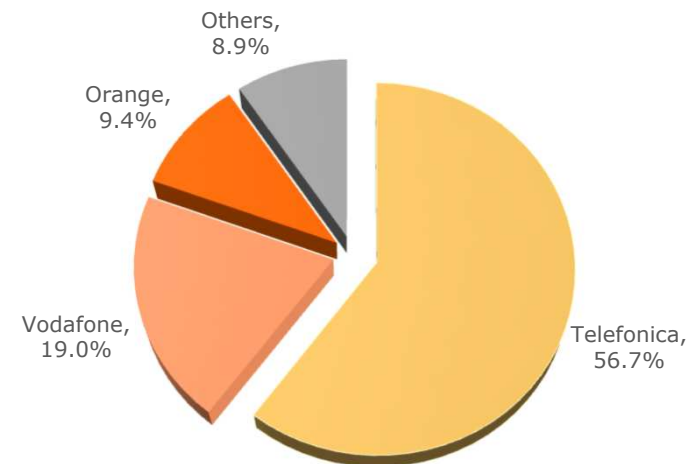
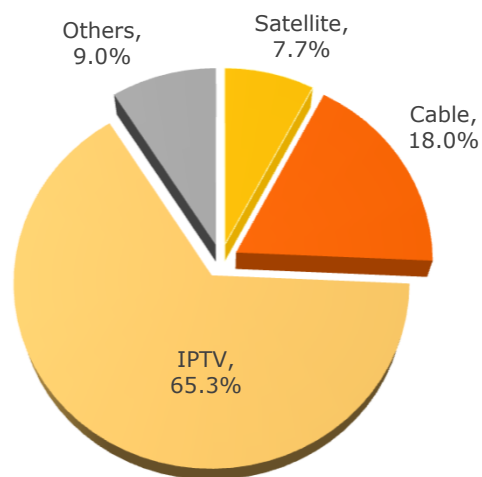


Source: Kantar Media, Infoadex & CNMC

# Spanish TV industry : Pay TV

Telefonica via IPTV leads the Pay TV sector

**Pay TV sector in Q4 19**  
% Total connections (7.2 mill)



Source: CNMC

# Spanish TV industry : OTT TV

OTT penetration is still low

**TV on demand  
2020**



**19.5 mill households**

of which:



**15.7 mill  
households  
internet  
connected**

of which:



**≈ 7.2 mill  
households  
consume  
OTT**

**NETFLIX**

**3.6 mill**



**2.1 mill**

**OTHERS**

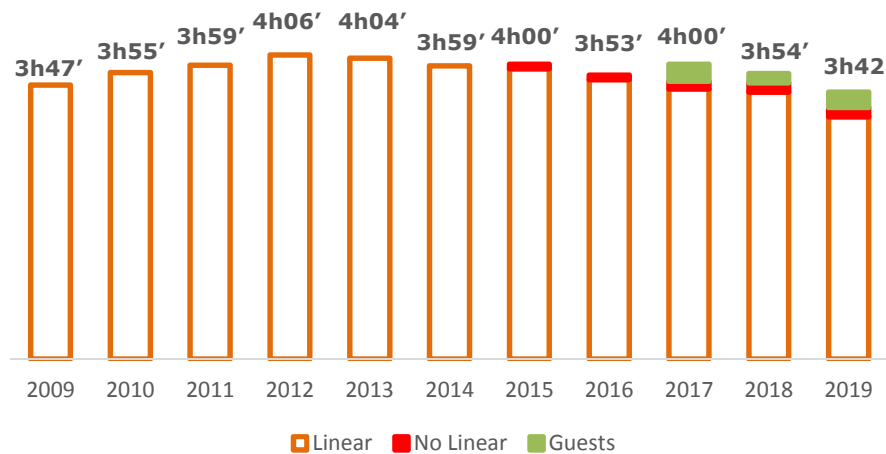
**1.5 mill**

Source: Households  
Morgan Stanley Media Report May 2020

# TV viewing

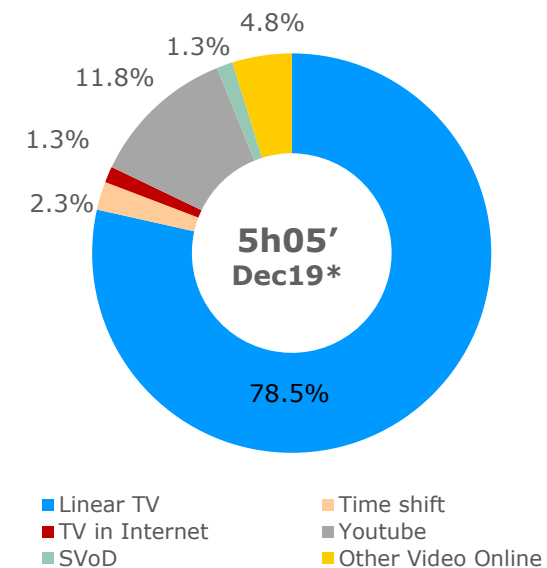
Linear TV viewing remains very strong

**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 audiovisual daily viewing**  
In %



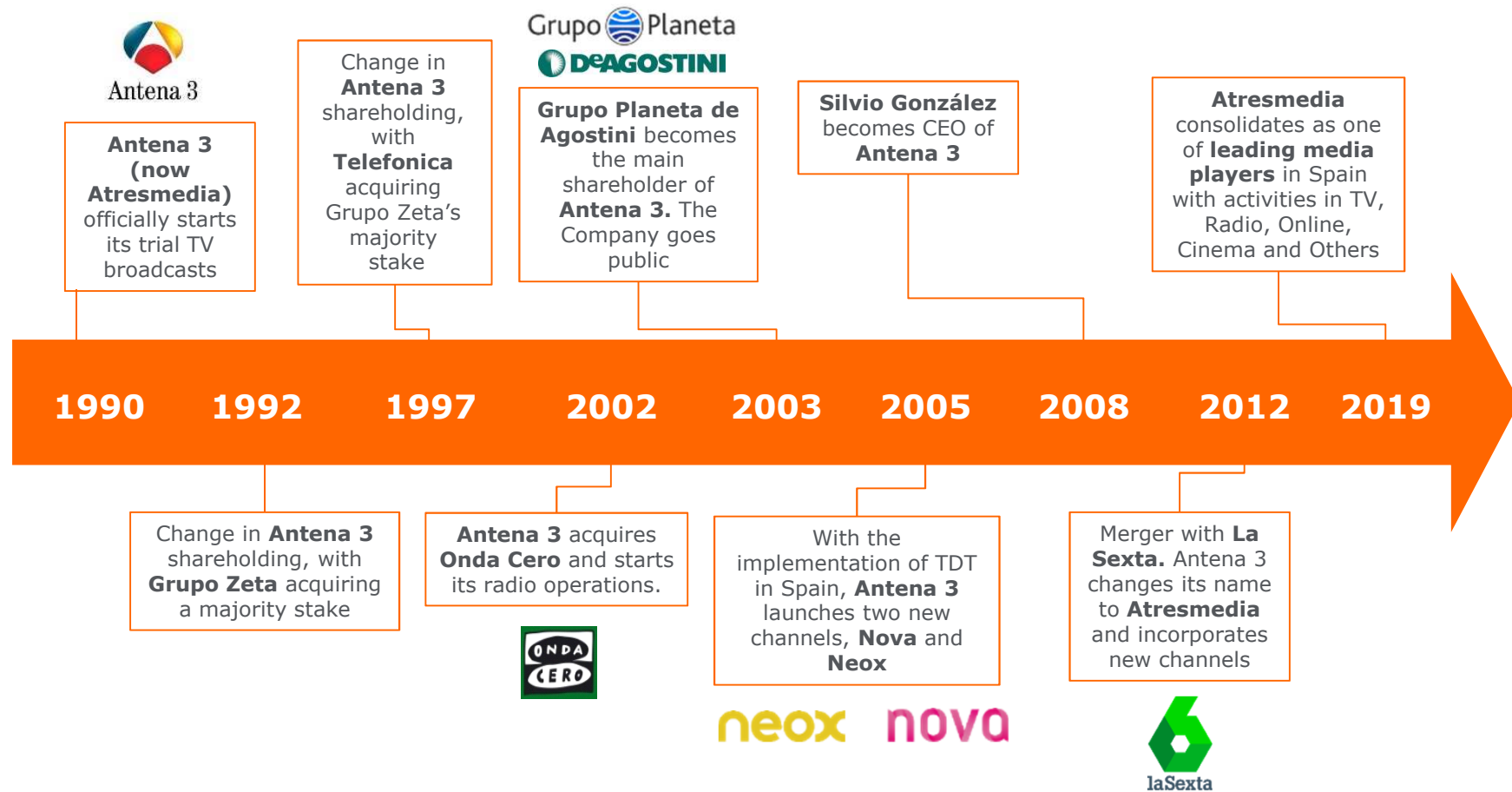
Source: Linear TV and Time Shift: Kantar; Internet TV: Comscore Video Metrix; Youtube: Comscore VideoMetrix; SVoD: Comscore Video Metrix

\*Data of the month

## Atresmedia's business information

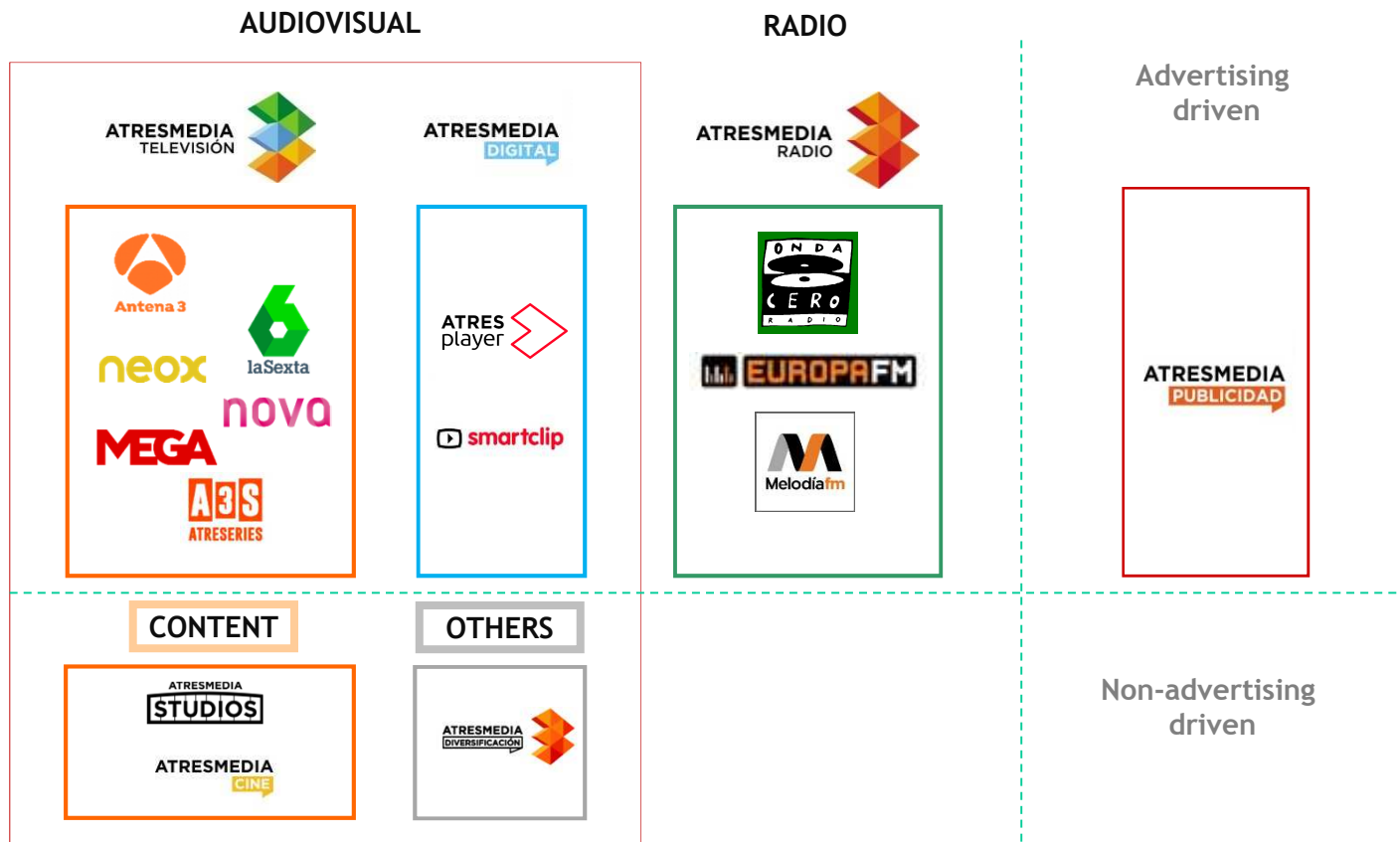
# Atresmedia's history

## A successful corporate history



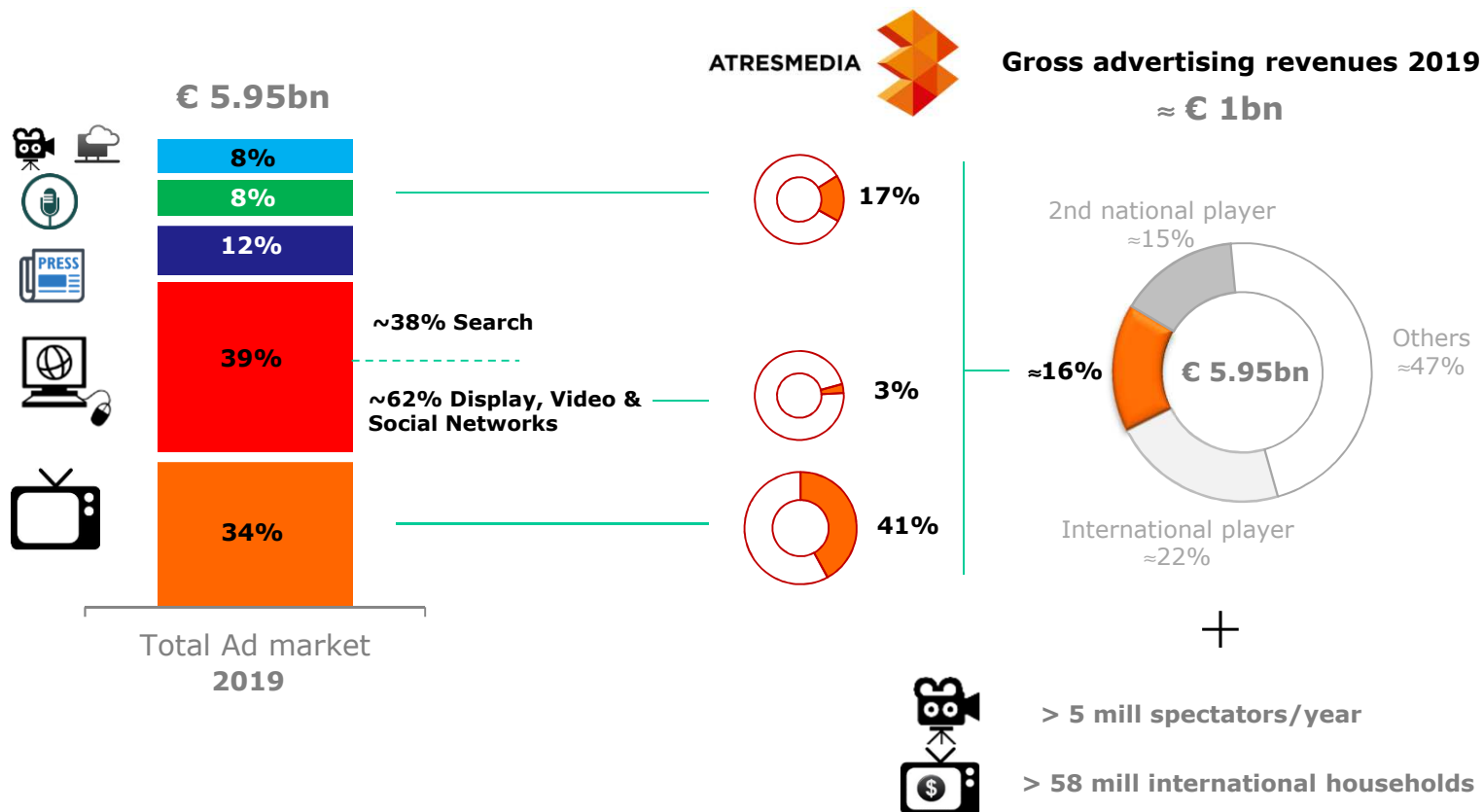
# Atresmedia: A leading communication group

## Atresmedia: A solid and clear group structure



# Atresmedia: Market positioning

Atresmedia grabs 18% of the Total Ad Market in Spain



Source: Infoadex & internal estimates

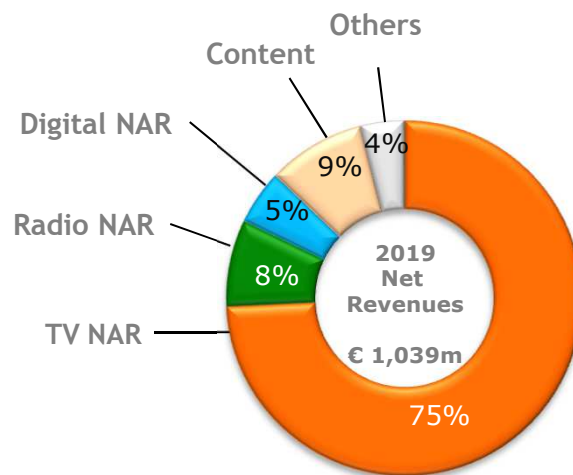
Source: Infoadex & internal estimates



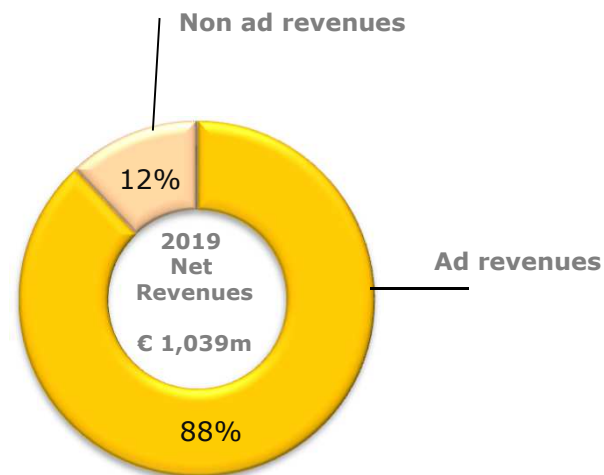
# Atresmedia: Market positioning

TV & Radio as main source of revenues

Revenues by division



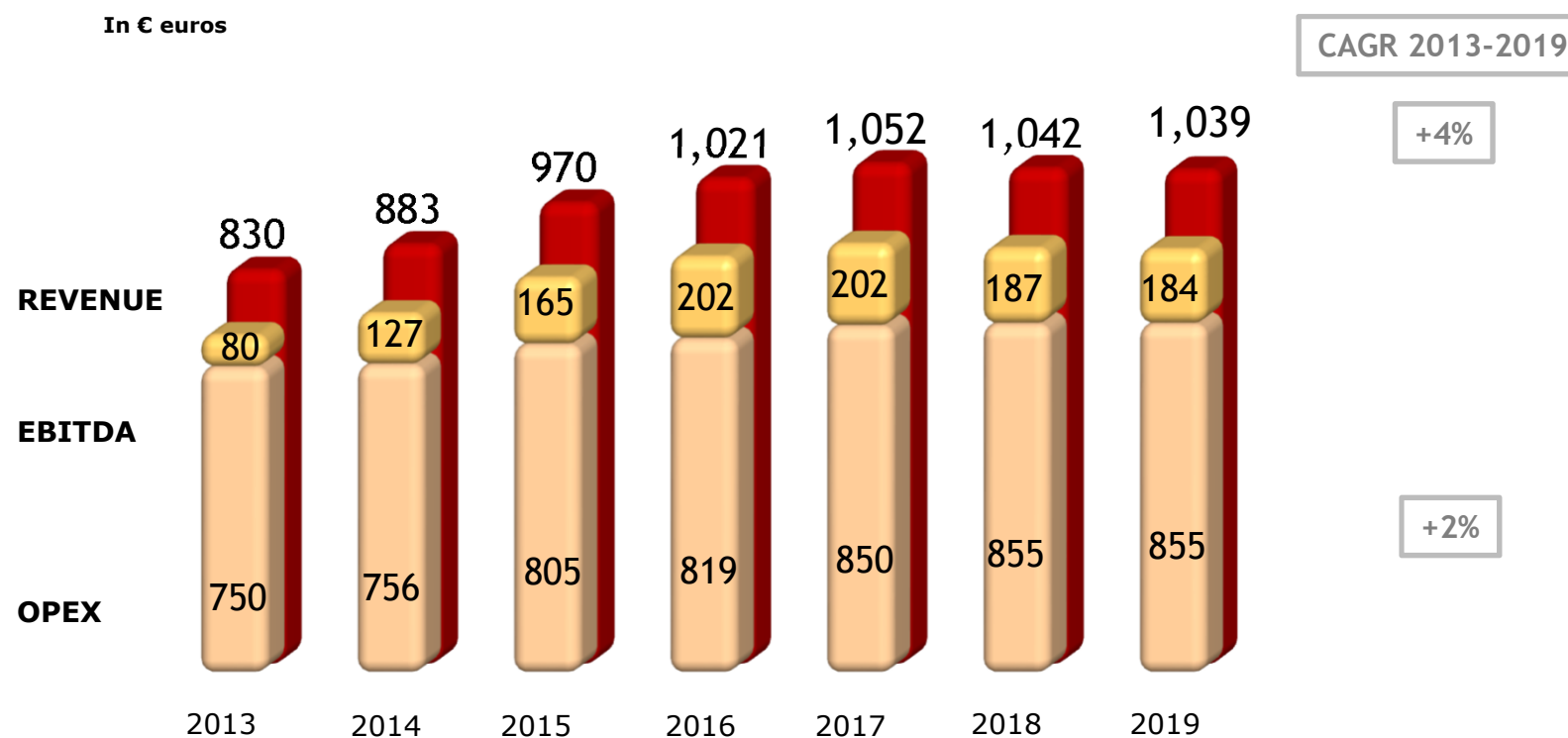
Revenues by origin



Source: Infoadex & internal estimates

# Atresmedia: Revenues & OPEX evolution

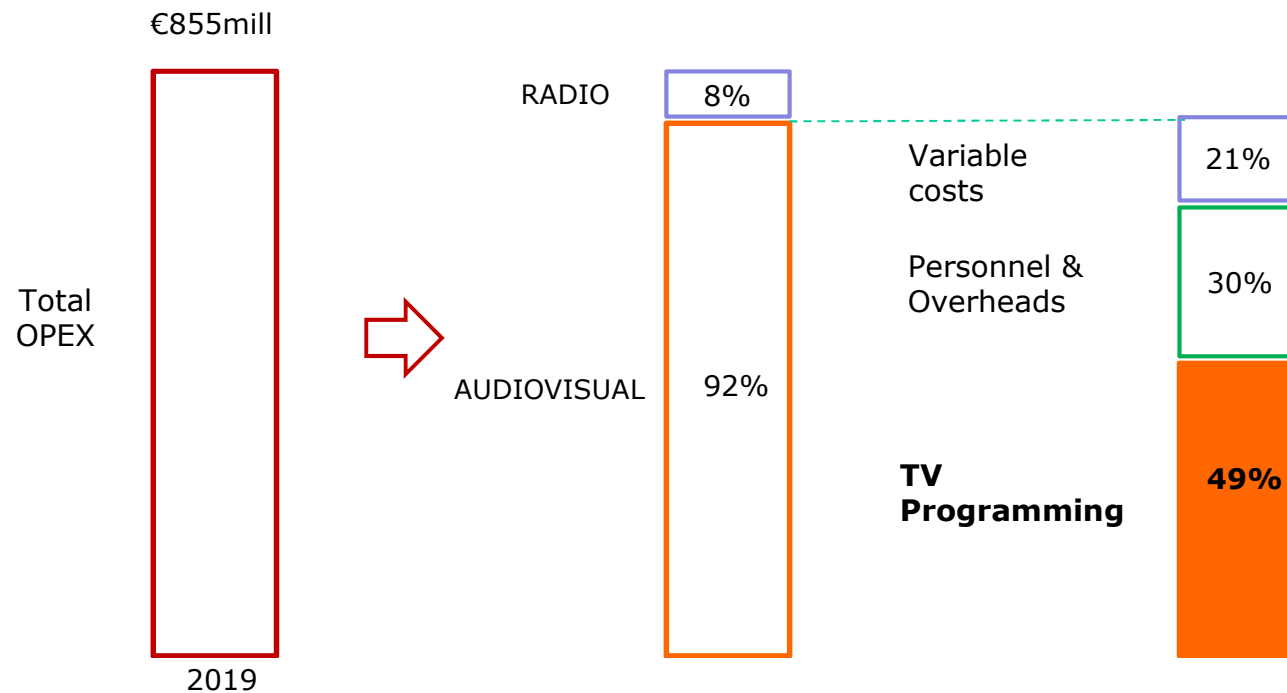
Mid single digit growth in Rev while low single digit in OPEX



# Atresmedia: OPEX

Programming costs, the bulk of Atresmedia's OPEX

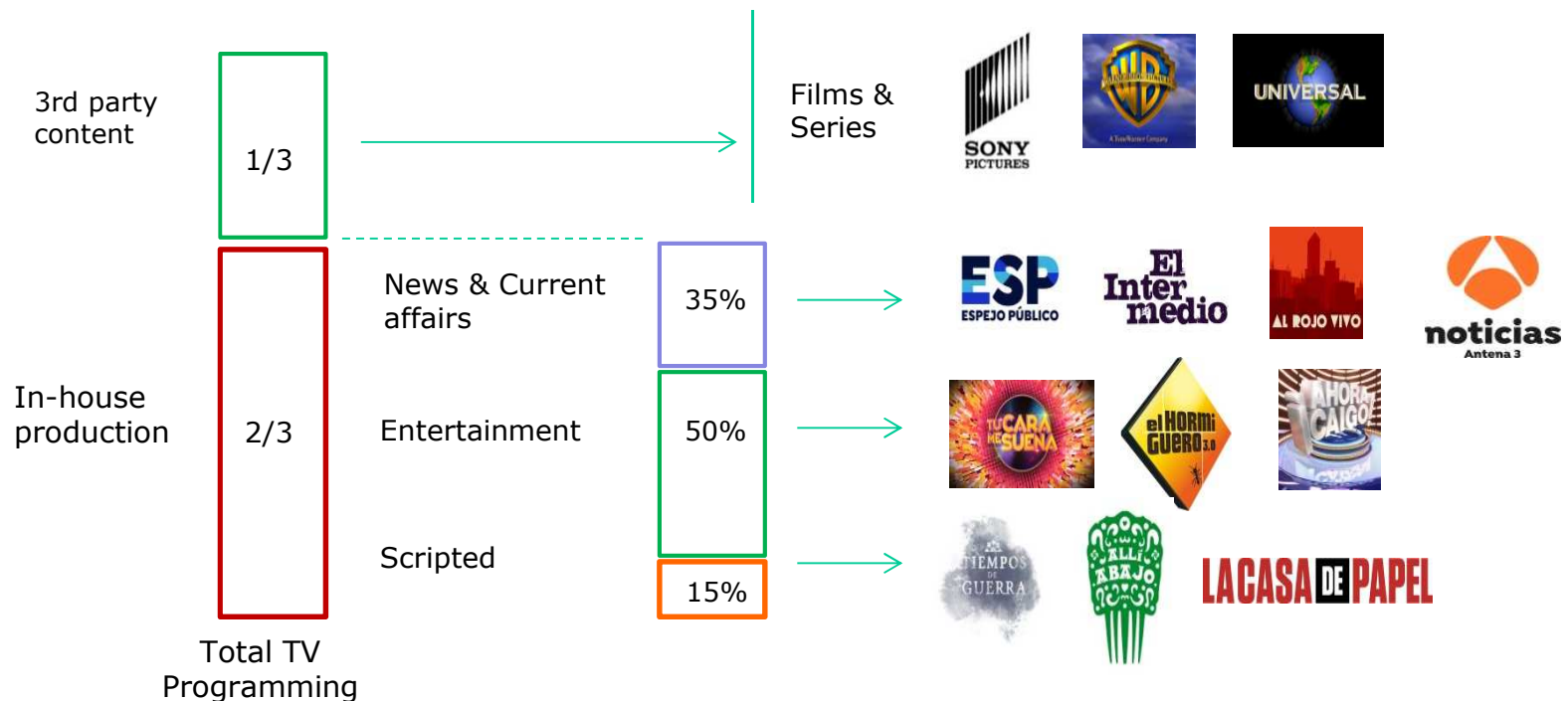
## OPEX breakdown



# Atresmedia TV: Programming costs

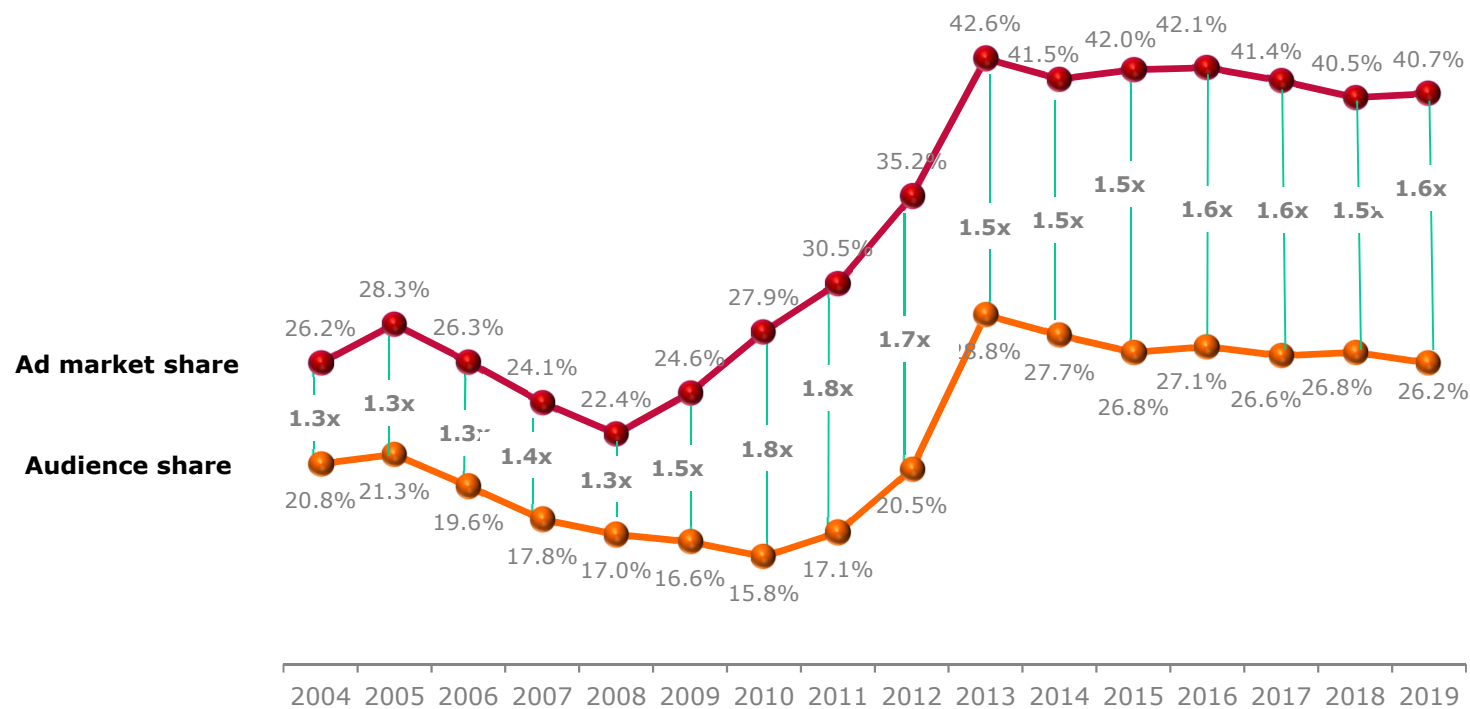
2/3 of programming is in-house production

**Programming hours by format**  
(weighted average based on channels' audience)  
In %



# Atresmedia Television: Competitive performance

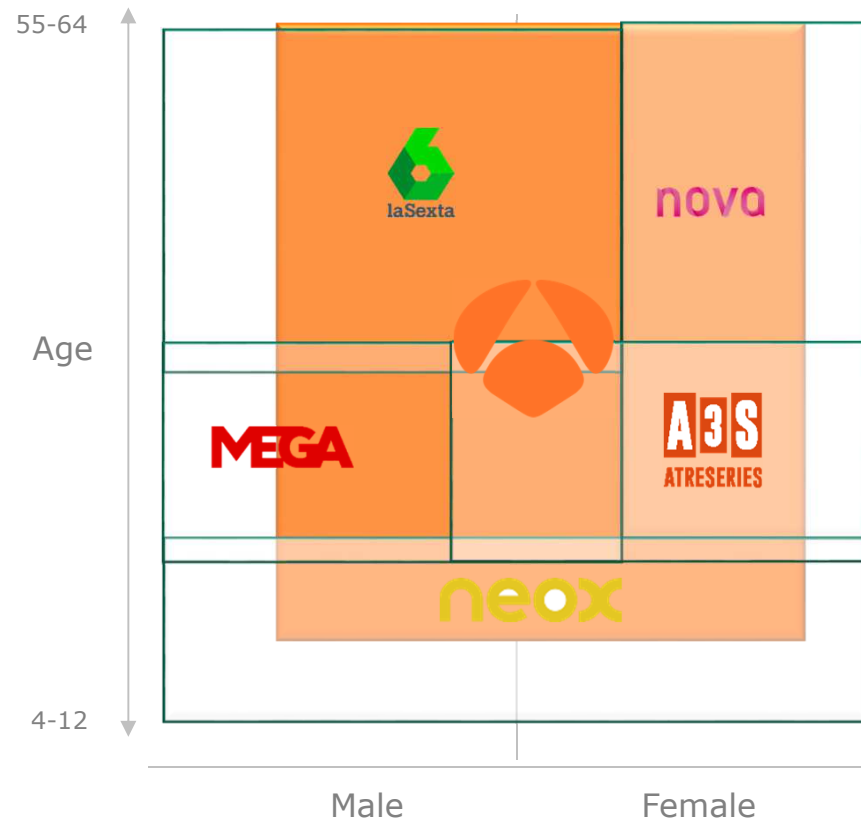
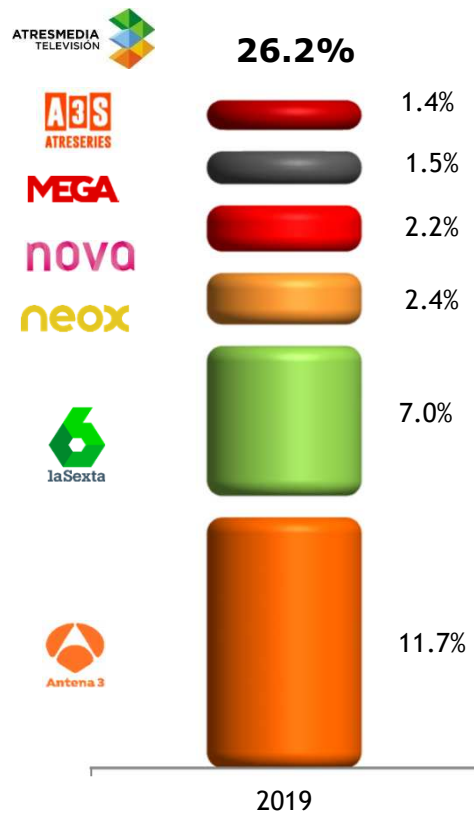
## Atresmedia Television: A successful story



Source: Infoadex + Kantar Media.







# Atresmedia Television: Positioning

Wide and inclusive TV offer



# Atresmedia Television: Programming grid at a glance

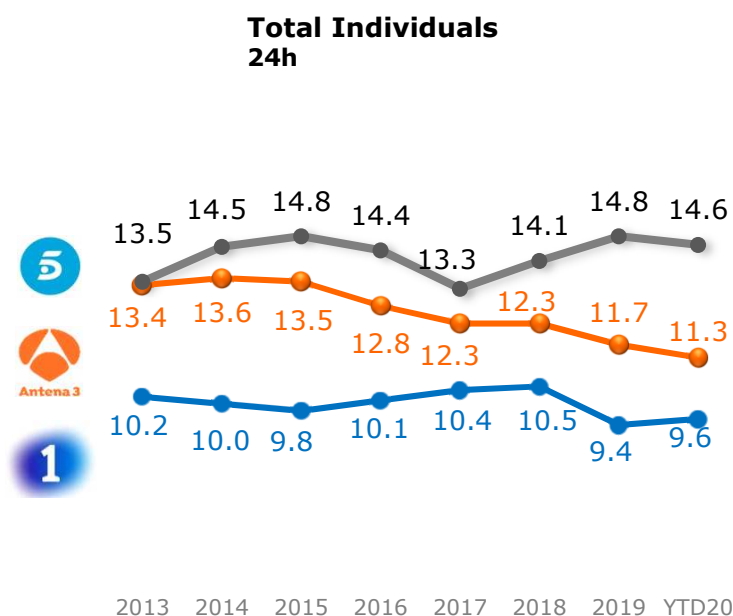
Balanced and varied programming grid

		 Antena 3	 laSexta	 neox	 nova	 MEGA	 A3S ATRESERIES
8h – 14h	M ↑ F	<b>News</b> <b>Current affaires</b> <b>Cooking</b> <b>Game show</b>	<b>News</b> <b>Current affaires</b> US series	Kids Sitcoms US series	Soap operas	Sport magazine US series Factuals	Scripted (rep)
	S S	<b>Entertainment</b> (re-run)	<b>Current affaires</b> <b>Investigation</b> (rep)	Kids	Factuals	Factuals	Factuals
14h – 21h	M ↑ F	<b>News</b> <b>Scripted fictions</b> <b>Game shows</b>	<b>News</b> <b>Entertainment</b> <b>Current affairs</b>	Sitcoms US series US films	Soap operas	Factual	US series <b>Scripted</b> (rep)
	S S	<b>News</b> US Films	News US Films / Series	= +Entertain.	Factuals US series	<b>Entertain.</b> (rep)	=
21h – 24h	M ↑ F	<b>News</b> <b>Entertainment</b> <b>Scripted</b> Sports US Films	<b>News</b> <b>Entertainment</b> <b>Investigation</b> US films	Sitcoms US series	US Films	Factual US Films	US series
	S S	<b>News</b> US Films	<b>News</b> <b>Debates/</b> <b>Investigation</b>	<b>Entertain.</b> (rep) US series	US series	<b>Factual</b> (rep)	= + <b>Scripted</b> (rep)
Audience shares 2019		11.7%	7.0%	2.4%	2.2%	1.5%	1.4%

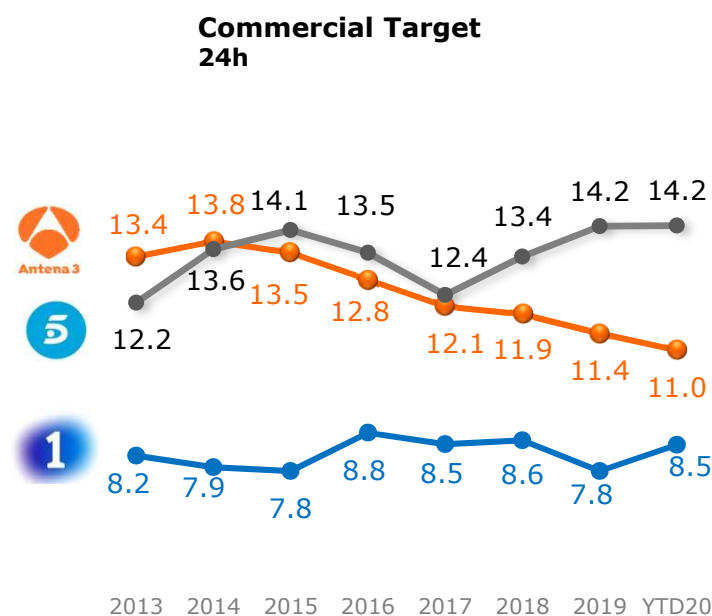
In-house production in bold

# Atresmedia Television: TV audiences by core channel

## Antena 3: Stable audience ratings



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



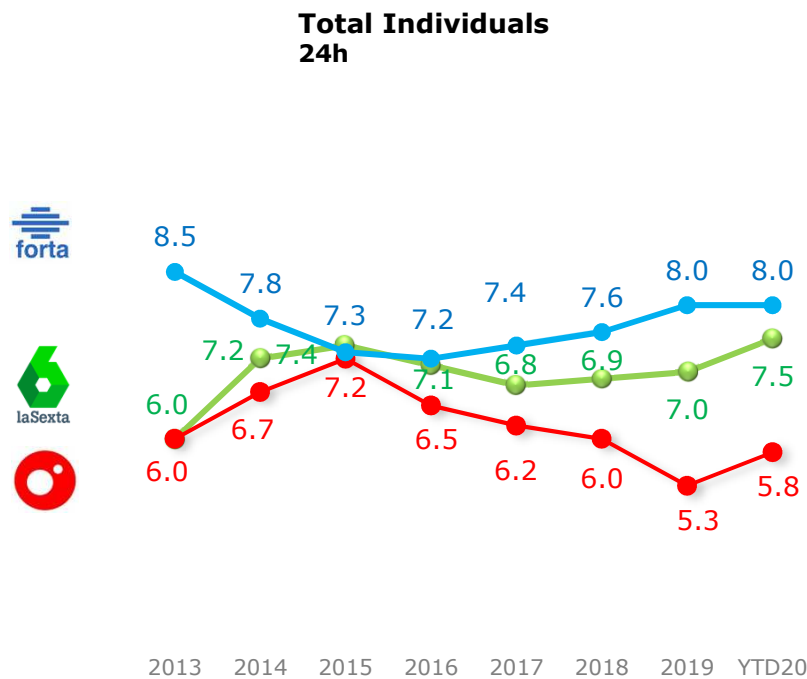
Source: Kantar Media

- 2012-2015: Commercial Target (16-54 y)
- As of 2016: Commercial Target (25-59 y)

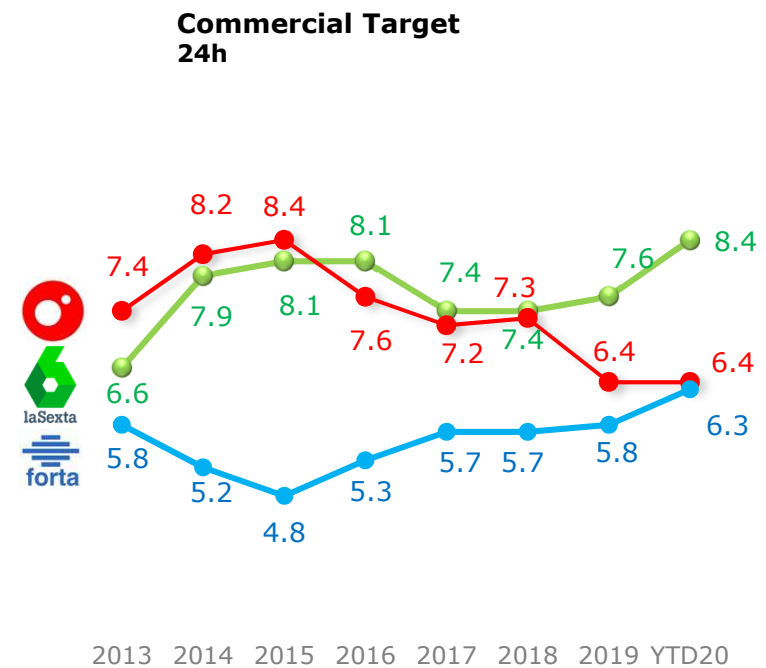


# Atresmedia Television: TV audiences by second channel

## La Sexta: High Commercial Target



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



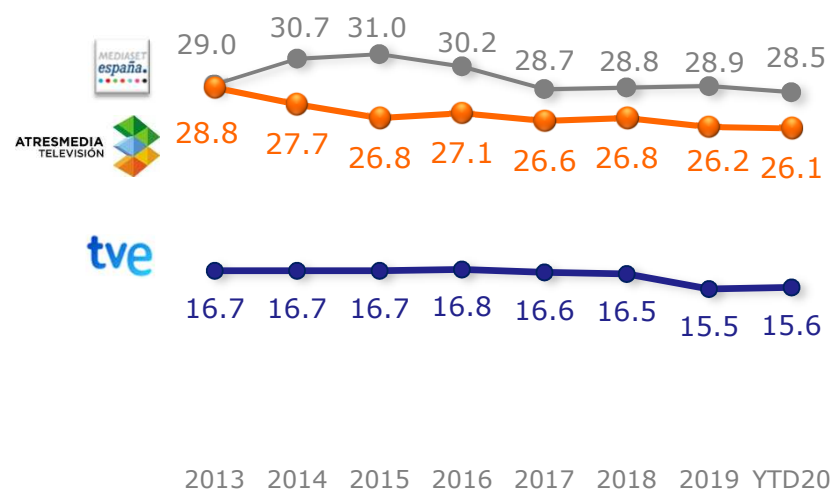
Source: Kantar Media

- 2012-2015: Commercial Target (16-54 y)
- As of 2016: Commercial Target (25-59 y)

# Atresmedia Television: TV group audiences

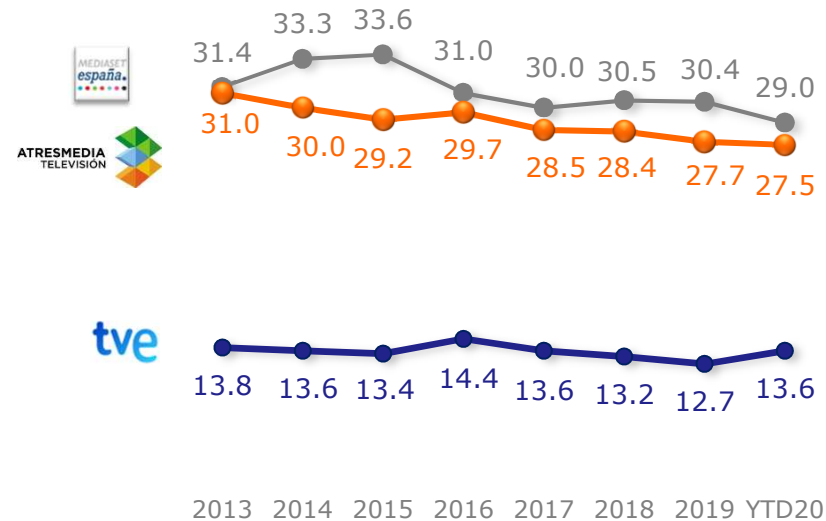
Atresmedia TV: Reducing the gap with its main competitor

**Total Individuals  
24h**



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

**Commercial Target  
24h**



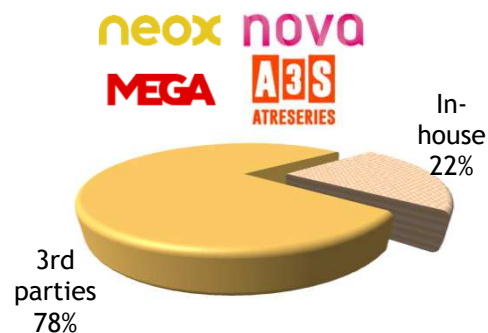
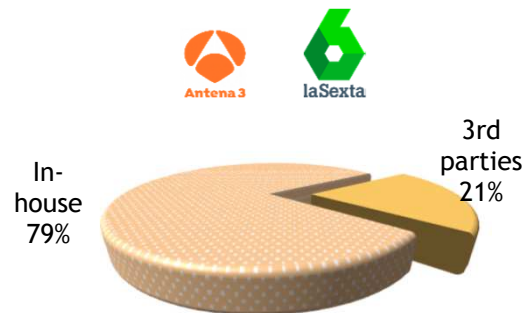
Source: Kantar Media

- 2012-2015: Commercial Target (16-54 y)
- As of 2016: Commercial Target (25-59 y)

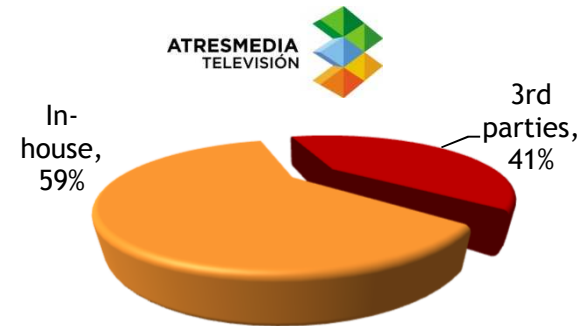
# Programming costs: In-house vs external production

2/3 of the programming costs are internally produced

**In-house vs external programming costs**  
In broadcasting hours

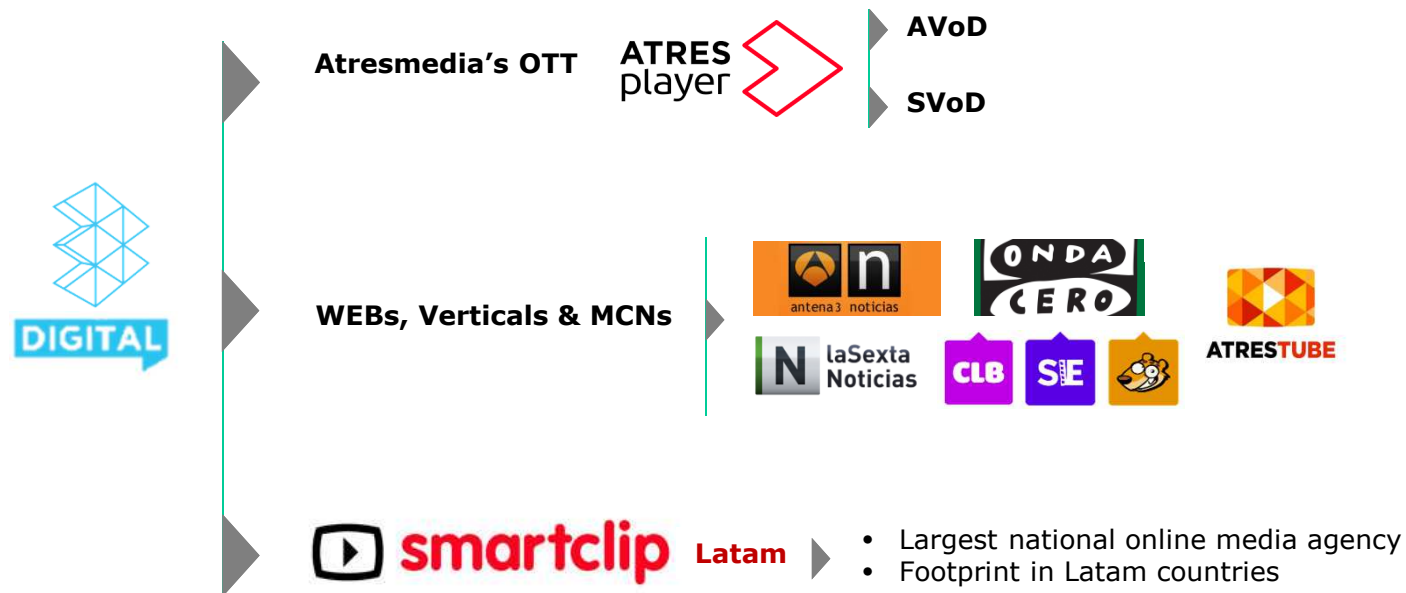


**Weighted average**  
(based on audience per channel)



**Top 50 most watched programmes at Atresmedia are in-house**

## Atresplayer, our digital flagship




One of the largest Spanish players in the digital market



## ATRESMEDIA SITES

**Most visited sites** #7th  
**Ranking**  
(Comscore)

**Monthly Unique** >29 mill  
**users**  
(March 20  
Comscore)

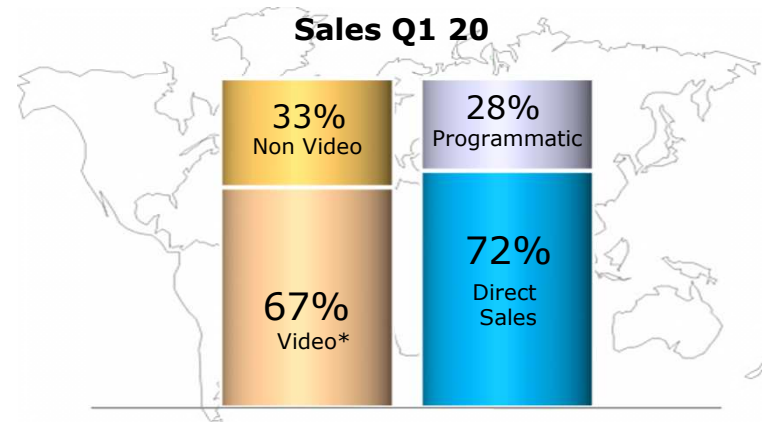
**ATRES**  
**player**   
**3.3 mill**  
Videoplayer users  
(March 20)  
**7.8 mill**  
Registrations  
(March 20)

**ATRESplayer**  
**PREMIUM**   
**235K**  
Subscribers  
(March 20)



**Latam**

## Sales Q1 20



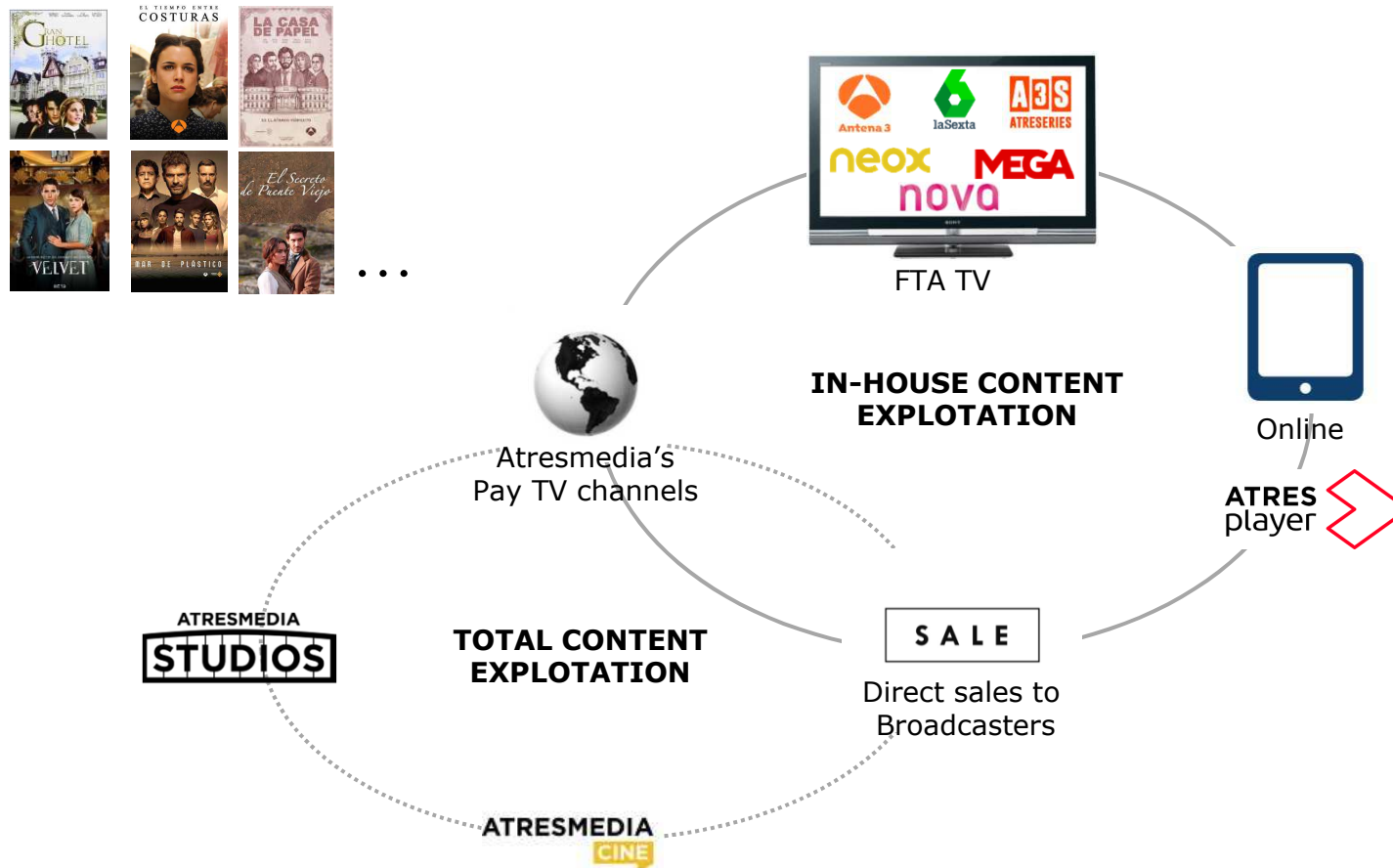
**By Format**

\* Incl Rich media

**By Type  
of sale**

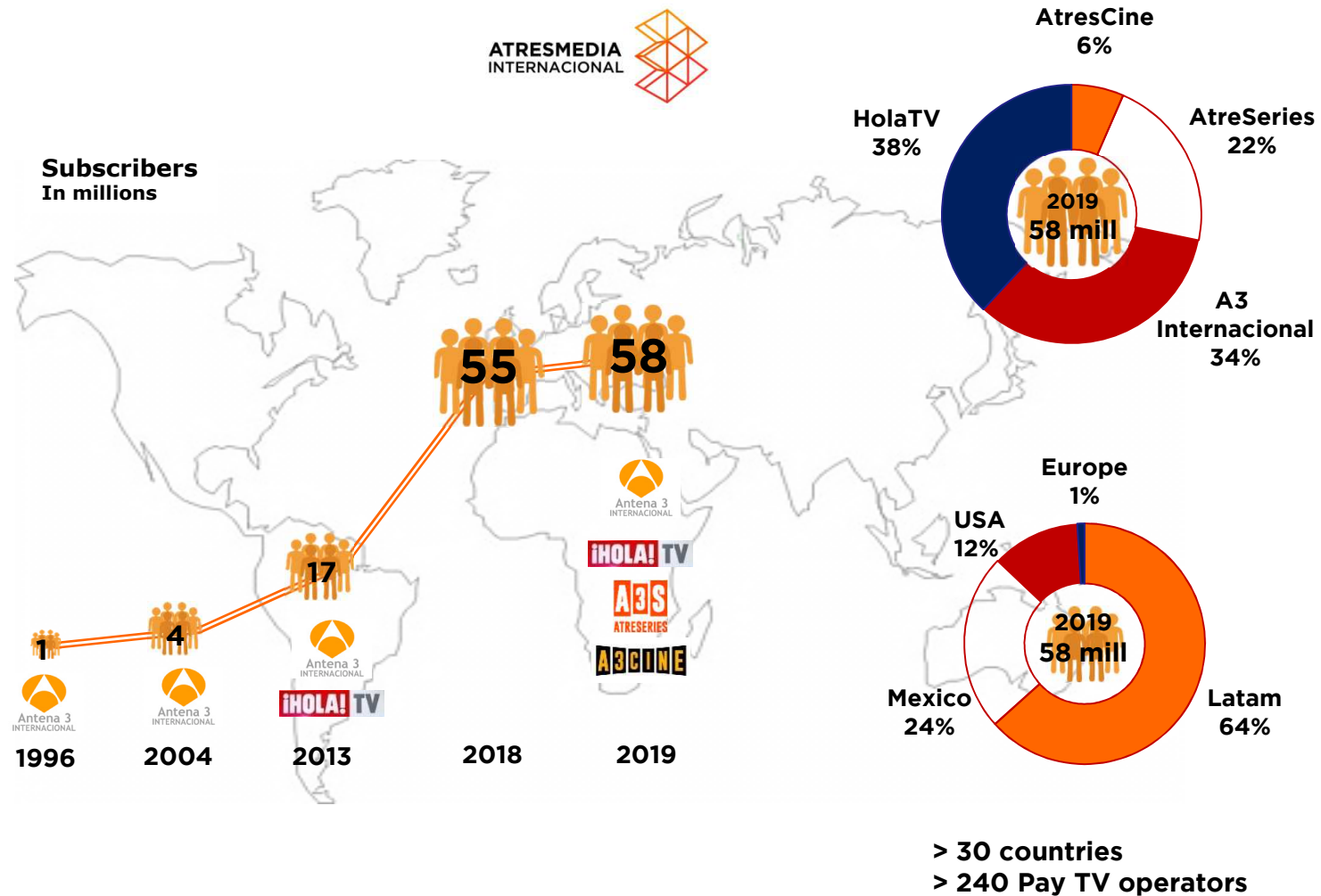
# Content Production and Distribution

A solid strategy in content by leveraging our in-house production expertise and know-how



# Production & Content sales: Atresmedia International

Up to 58 mill subscribers in our international channels



# Production & Content sales: Atresmedia Studios

Atresmedia Studios, a new brand division for 3<sup>rd</sup> parties content production



## COMMISSIONING

### Originals

**IP:** No

**Margins:** ~10%

**Potential clients:**

Movistar +, Netflix,  
Amazon, HBO, Apple,...

## DUAL CONTENT PRODUCTION APPROACH

## CO-PRODUCTION

**Multiplatform:** OTT,  
Broadcaster, International  
Sales,...

**IP:** Yes

**Margins:** ~10-15%

**Potential markets:**

Europe Latam RoW



**Format:** 16 X 50'

**Produced by:** Atresmedia Studios &  
Vancouver Media

**Client:** Movistar+

**Premiere:** Q1 2019



**Format:** 8 X 50'

**Produced by:** Atresmedia Studios  
Co-production

**Client:** Amazon Prime Video

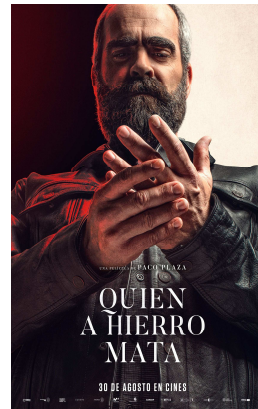
**Premiere:** Nov 2018



# Production & Content sales: Atresmedia Cinema

44% of total revenues generated by Spanish films in 2019

## Atresmedia Cinema in 2019



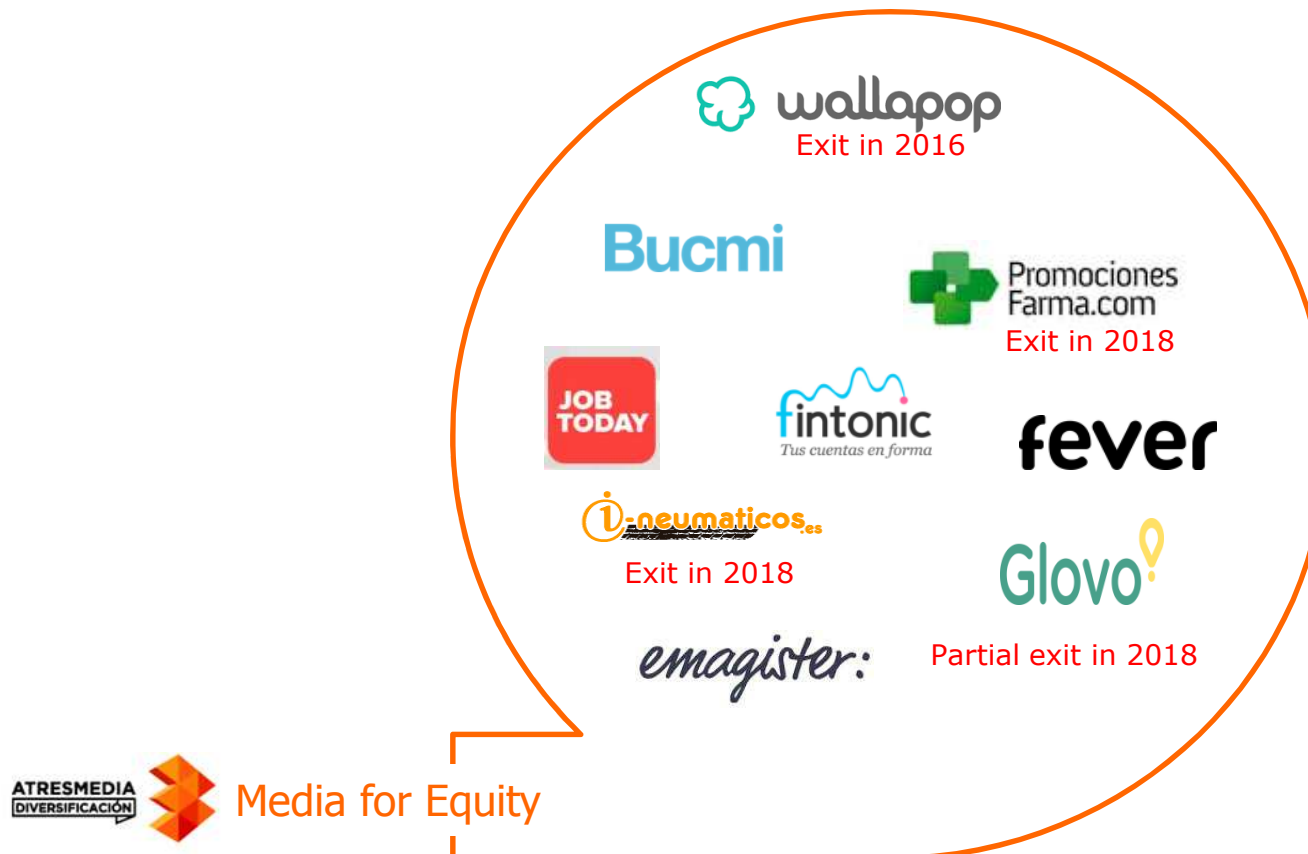
Highest  
grossing  
spanish  
movie in  
the year



KLAUS: Oscar  
nomination for  
Best Animated  
film

# Media for Equity

## Media for Equity: Exploring new business models



# Atresmedia Radio: Positioning & Strategy

Atresmedia Radio: 17% market share

ATRESMEDIA  
RADIO



#3 radio player in Spain  
3.3 million listeners  
17% market share



**# 3 talk radio**  
**1.9 mill listeners**



**# 3 music radio**  
**1.3 mill listeners**

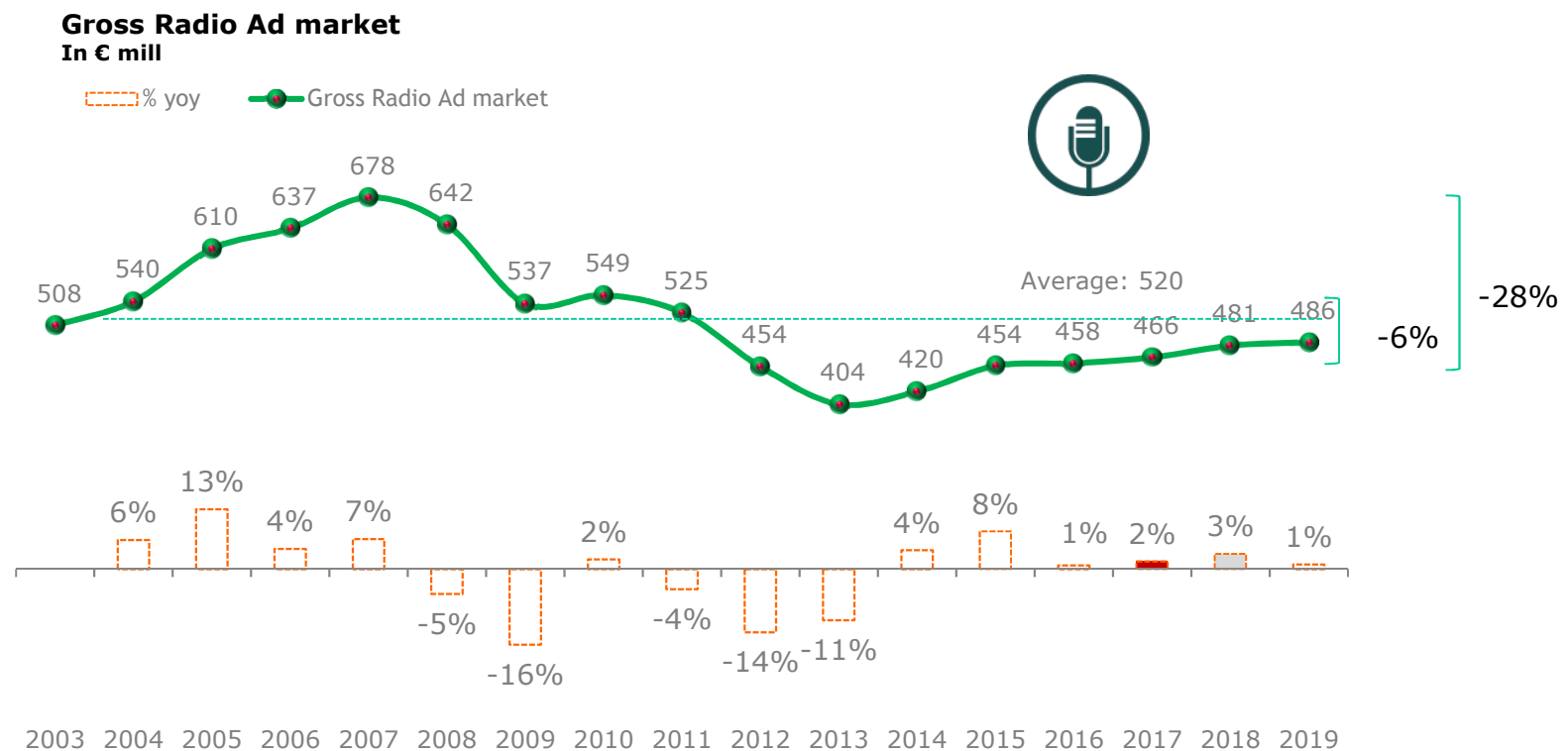


**New music radio**  
171k listeners

Source: EGM Q1 20 yearly average  
Market Share: Infoadex & internal estimates

# Spanish Radio industry: Ad market

Sound recovery during last 5 years but still far behind from average and peak levels

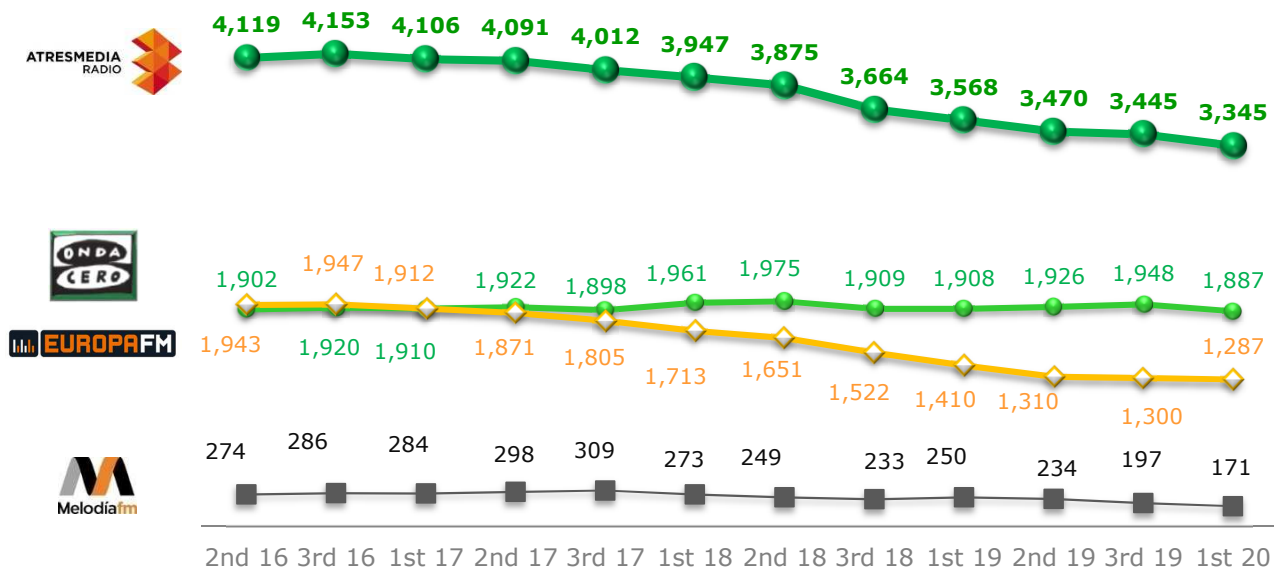


Source: Infoadex

# Atresmedia Radio: Audiences

Atresmedia Radio: 3.3 million listeners

Thousand of listeners

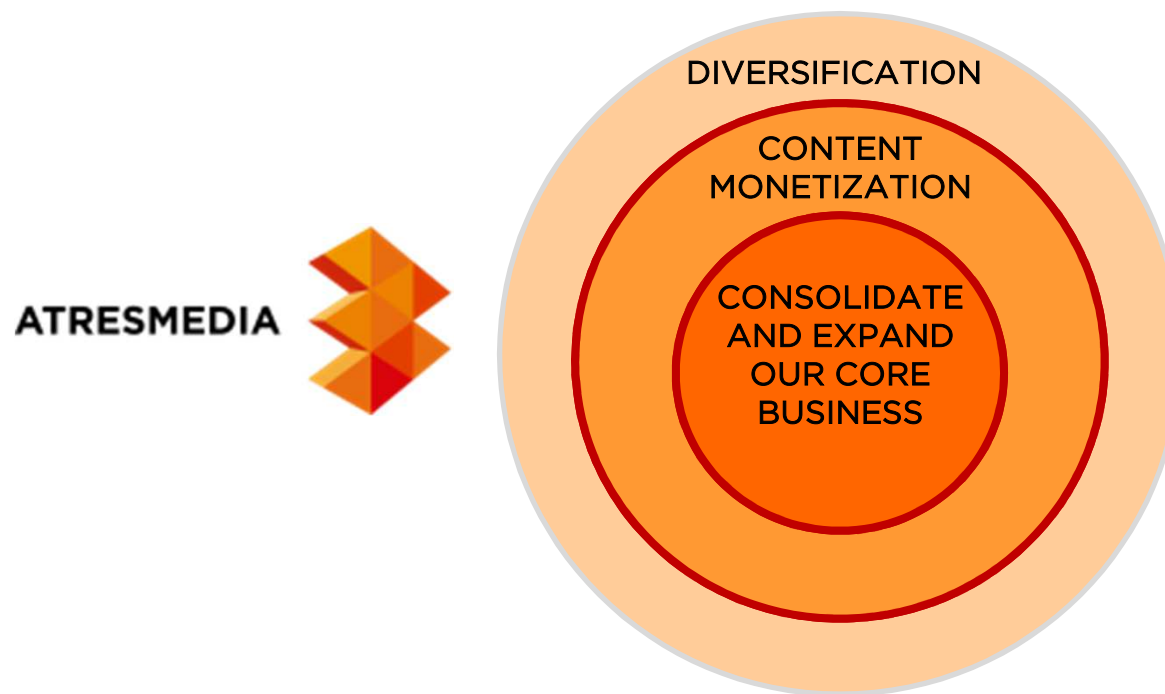


Source: EGM Surveys Monday to Friday (.000) (Moving average).

## Atresmedia's business guidelines

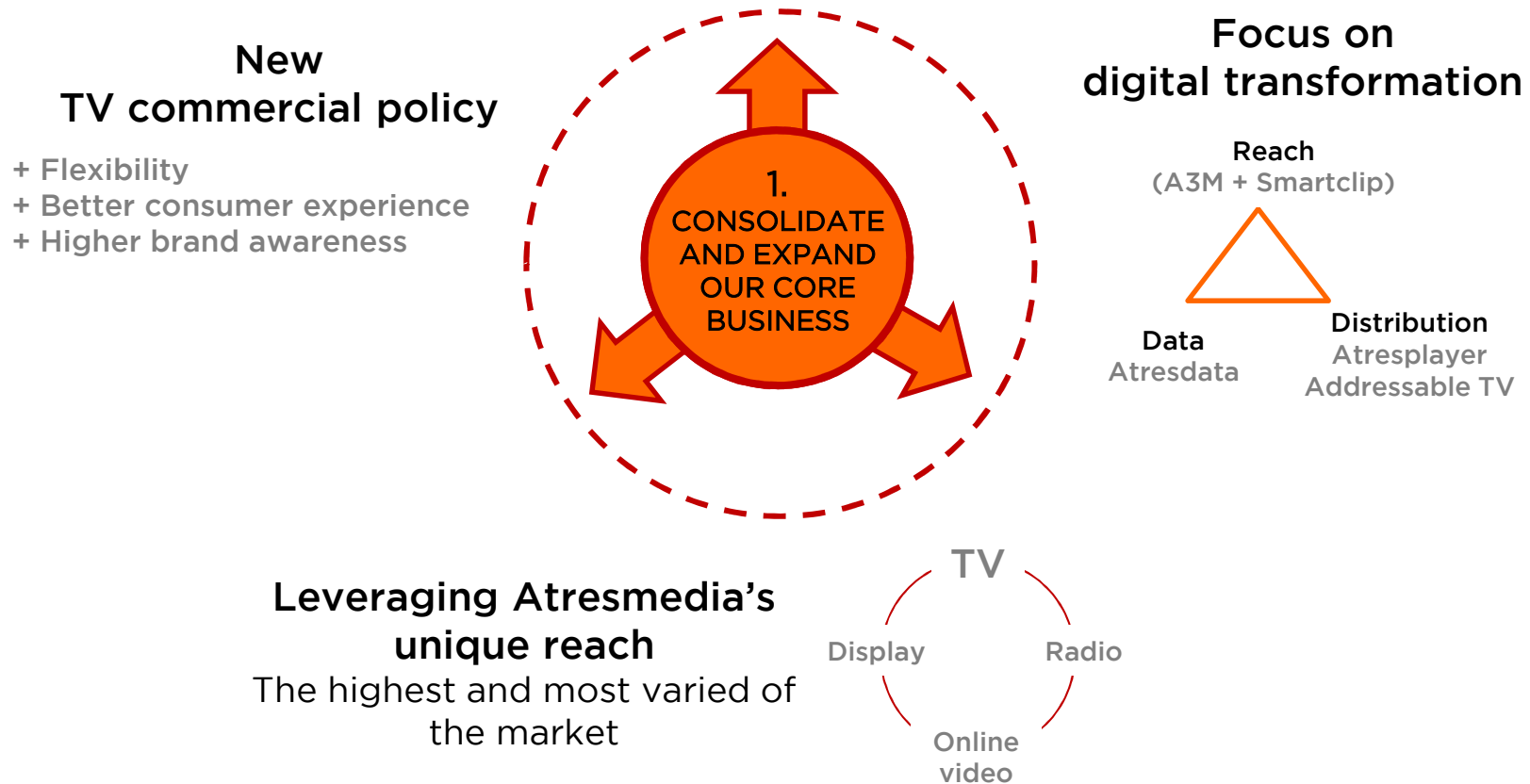
# Our main business guidelines

## Three main business guidelines



# Our main business guidelines

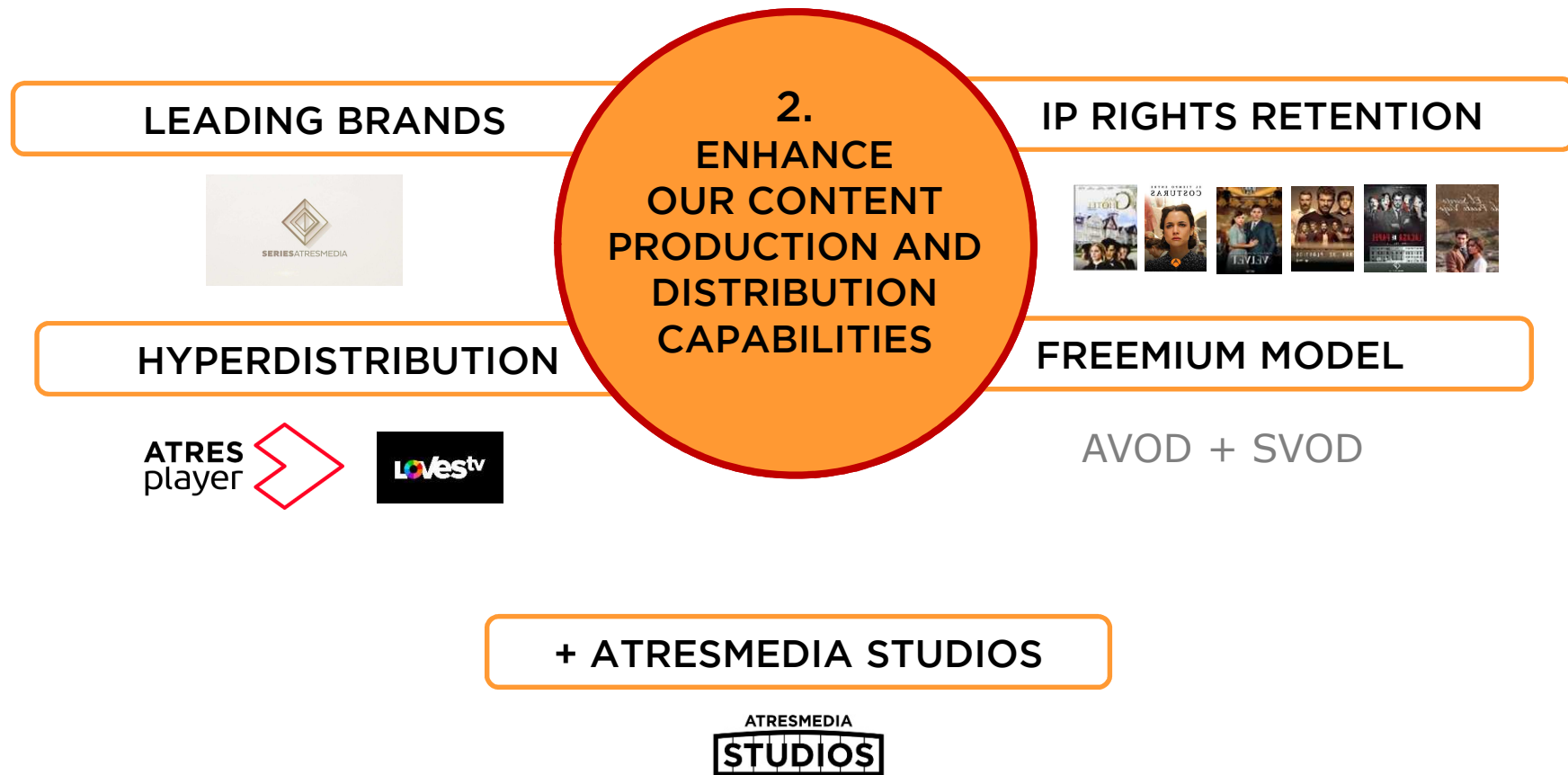
Expanding our core business by leveraging Atresmedia's unique position on the spanish market





# Our main business guidelines

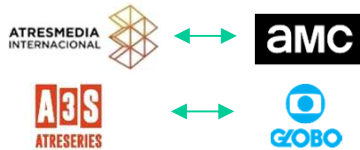
Maximizing Atresmedia's content production and distribution in all possible ways



# Our main business guidelines

Exploring and developing numerous activities to build a more global and diversified communication group

## STRATEGIC ALLIANCES



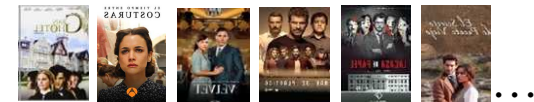
## INTERNATIONAL CHANNELS



## MEDIA X EQUITY



## CONTENT SALES



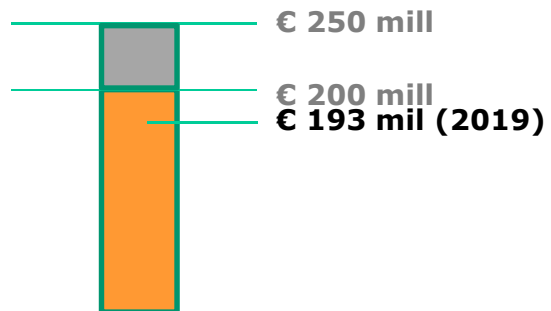
## ATRESMEDIA STUDIOS



# Our main business guidelines

## Confirming our financial targets

### Total Net Debt Target



### Operating Cash Flow

≥ 90% EBITDA

### Dividend policy

PAYOUT RATIO

≥80%

	Dividend (€/share)	Payout
2014	0.20	96%
2015	0.36	82%
2016	0.45+0.47*	82%*
2017	0.52	83%
2018	0.45	81%
2019	0.45	86%

\* Special dividend. Not included in the payout

# Ownership Structure

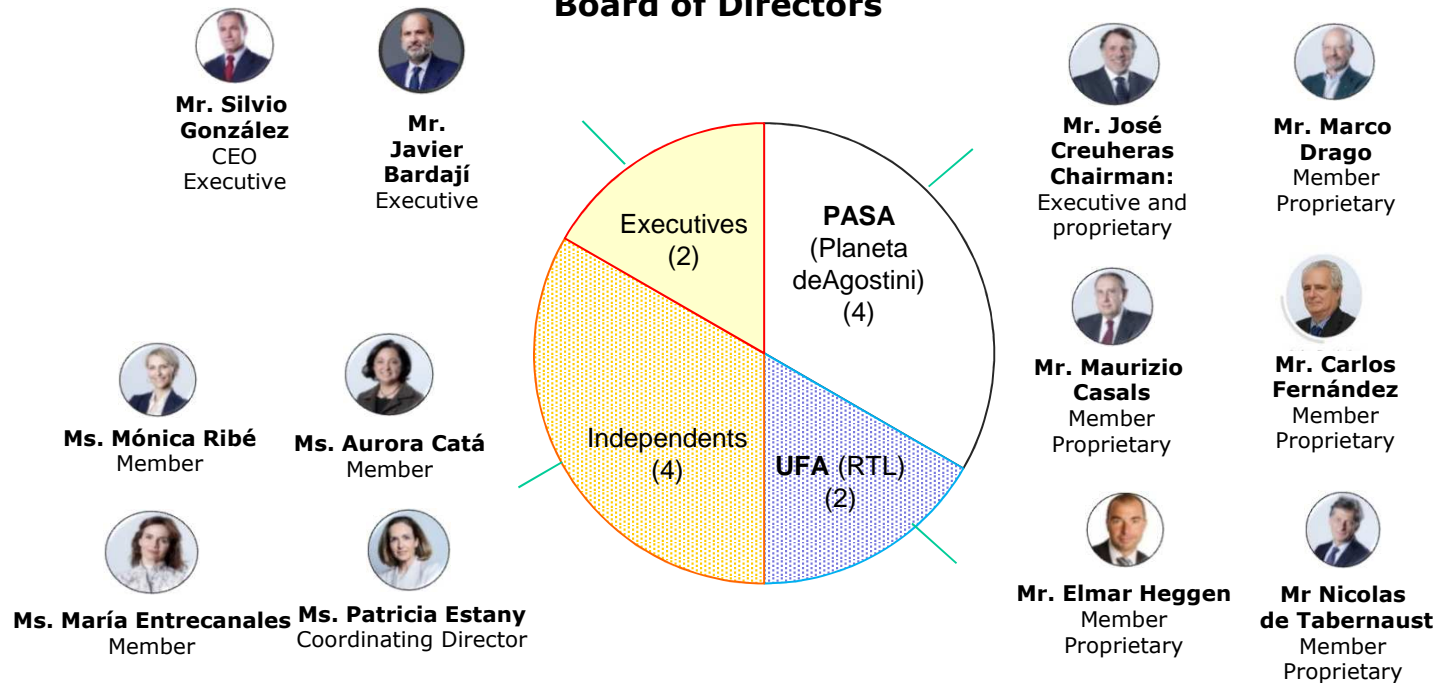
No significant changes in the ownership structure over the last years



2019

Planeta-De Agostini: 41.7%  
RTL: 18.7%  
Treasury stock: 0.3%  
Free-float: 39.4%

## Board of Directors



## Back up

Back up: Financial Results

## 2019 Results in € mill: P&L

	2019	2018	YoY
<b>Net Revenues</b>	<b>1,039.4</b>	<b>1,042.3</b>	<b>-0.3%</b>
<b>OPEX</b>	<b>855.5</b>	<b>855.2</b>	<b>+0.0%</b>
<b>EBITDA</b>	<b>183.9</b>	<b>187.1</b>	<b>-1.7%</b>
<i>EBITDA Margin</i>	<i>17.7%</i>	<i>18.0%</i>	
<b>EBIT</b>	<b>164.4</b>	<b>168.6</b>	<b>-2.5%</b>
<i>EBIT Margin</i>	<i>15.8%</i>	<i>16.2%</i>	
<b>Net profit</b>	<b>118.0</b>	<b>88.2</b>	<b>+33.8%</b>
<i>Net profit Margin</i>	<i>11.4%</i>	<i>8.5%</i>	

Source: Atresmedia's financial statements

# Atresmedia Audiovisual

2019 Results in € mill: P&L

	2019	2018	YoY
<b>Total Net Rev.</b>	<b>965.1</b>	<b>969.2</b>	<b>-0.4%</b>
<b>OPEX</b>	<b>798.4</b>	<b>798.6</b>	<b>0.0%</b>
<b>EBITDA</b>	<b>166.7</b>	<b>170.6</b>	<b>-2.3%</b>
<i>EBITDA Margin</i>	<i>17.3%</i>	<i>17.6%</i>	
<b>EBIT</b>	<b>150.0</b>	<b>154.2</b>	<b>-2.7%</b>
<i>EBIT Margin</i>	<i>15.5%</i>	<i>15.9%</i>	

*Source: Atresmedia`s financial statements*

# Atresmedia Radio

2019 Results in € mill: P&L

	2019	2018	YoY
<b>Net Revenues</b>	<b>83.1</b>	<b>82.5</b>	<b>+0.7%</b>
<b>OPEX</b>	<b>65.9</b>	<b>66.0</b>	<b>-0.2%</b>
<b>EBITDA</b>	<b>17.2</b>	<b>16.5</b>	<b>+4.5%</b>
<i>EBITDA Margin</i>	<i>20.7%</i>	<i>20.0%</i>	
<b>EBIT</b>	<b>14.4</b>	<b>14.4</b>	<b>0.0%</b>
<i>EBIT Margin</i>	<i>17.4%</i>	<i>17.5%</i>	

Source: Atresmedia's financial statements



## Q1 20 Results in € mill: P&L

	Q1 20	Q1 19	YoY
<b>Net Revenues</b>	<b>223.4</b>	<b>257.5</b>	<b>-13.2%</b>
<b>OPEX</b>	<b>187.5</b>	<b>212.4</b>	<b>-11.7%</b>
<b>EBITDA</b>	<b>35.9</b>	<b>45.1</b>	<b>-20.4%</b>
<i>EBITDA Margin</i>	<i>16.1%</i>	<i>17.5%</i>	
<b>EBIT</b>	<b>31.2</b>	<b>40.3</b>	<b>-22.5%</b>
<i>EBIT Margin</i>	<i>14.0%</i>	<i>15.6%</i>	
<b>Net profit</b>	<b>21.7</b>	<b>28.7</b>	<b>-24.4%</b>
<i>Net profit Margin</i>	<i>9.7%</i>	<i>11.1%</i>	

Source: Atresmedia's financial statements

# Atresmedia Audiovisual

Q1 20 results in € mill: P&L

	Q1 20	Q1 19	YoY
<b>Total Net Rev.</b>	<b>210.4</b>	<b>240.5</b>	<b>-12.5%</b>
<b>OPEX</b>	<b>174.6</b>	<b>198.6</b>	<b>-12.1%</b>
<b>EBITDA</b>	<b>35.8</b>	<b>41.9</b>	<b>-14.6%</b>
<i>EBITDA Margin</i>	<i>17.0%</i>	<i>17.4%</i>	
<b>EBIT</b>	<b>31.7</b>	<b>37.7</b>	<b>-15.9%</b>
<i>EBIT Margin</i>	<i>15.1%</i>	<i>15.7%</i>	

Source: Atresmedia`s financial statements

# Atresmedia Radio

Q1 20 Results in € mill: P&L

	Q1 20	Q1 19	YoY
<b>Net Revenues</b>	<b>15.9</b>	<b>20.0</b>	<b>-20.3%</b>
<b>OPEX</b>	<b>15.8</b>	<b>16.8</b>	<b>-5.9%</b>
<b>EBITDA</b>	<b>0.2</b>	<b>3.2</b>	<b>-94.9%</b>
<i>EBITDA Margin</i>	<i>1.0%</i>	<i>16.2%</i>	
<b>EBIT</b>	<b>-0.5</b>	<b>2.5</b>	<b>n/a</b>
<i>EBIT Margin</i>	<i>n/a</i>	<i>12.7%</i>	

Source: Atresmedia's financial statements

# Additional information

## Investor Relations Department

Phone: +34 91 623 46 14

E-mail: [ir@atresmedia.com](mailto:ir@atresmedia.com)

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

## Legal Notice

The information contained in this presentation has not been independently verified and is, in any case, subject to negotiation, changes and modifications.

None of the Company, its shareholders or any of their respective affiliates shall be liable for the accuracy or completeness of the information or statements included in this presentation, and in no event may its content be construed as any type of explicit or implicit representation or warranty made by the Company, its shareholders or any other such person. Likewise, none of the Company, its shareholders or any of their respective affiliates shall be liable in any respect whatsoever (whether in negligence or otherwise) for any loss or damage that may arise from the use of this presentation or of any content therein or otherwise arising in connection with the information contained in this presentation. You may not copy or distribute this presentation to any person.

The Company does not undertake to publish any possible modifications or revisions of the information, data or statements contained herein should there be any change in the strategy or intentions of the Company, or occurrence of unforeseeable facts or events that affect the Company's strategy or intentions.

This presentation may contain forward-looking statements with respect to the business, investments, financial condition, results of operations, dividends, strategy, plans and objectives of the Company. By their nature, forward-looking statements involve risk and uncertainty because they reflect the Company's current expectations and assumptions as to future events and circumstances that may not prove accurate. A number of factors, including political, economic and regulatory developments in Spain and the European Union, could cause actual results and developments to differ materially from those expressed or implied in any forward-looking statements contained herein.

The information contained in this presentation does not constitute an offer or invitation to purchase or subscribe for any ordinary shares, and neither it nor any part of it shall form the basis of or be relied upon in connection with any contract or commitment whatsoever.