

# OUTLOOK

## **OVERALL ASSESSMENT FROM THE MANAGEMENT'S VIEW: FORECAST FOR 2025**

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The economic conditions for export-oriented Germany will remain challenging in 2025, and visibility is limited. If important influencing factors such as income or inflation develop differently than currently expected, the recovery in private consumer spending may continue to be delayed. We have taken this into account in our financial forecast for 2025. Therefore, we expect revenues of EUR 4.00 billion for 2025, with a variance of plus/minus EUR 150 million. For adjusted EBITDA, we expect EUR 550 million (plus/minus EUR 50 million), and thus on mid-point with an adjusted EBITDA close to the previous year's level also despite another increase in programming expenses.

The development of the advertising business in the German-speaking region will be particularly relevant for us. Our forecast does not take into account potential adverse effects that could arise from further escalating geopolitical tensions and ongoing trade conflicts, for example. Conversely, as an early-cycle company, we should benefit quickly and directly from a positive economic situation. This is because our high-margin advertising business is closely linked to macroeconomic developments and especially private consumption.

# FUTURE BUSINESS AND INDUSTRY ENVIRONMENT

## FUTURE BUSINESS ENVIRONMENT

In 2024, the **global economy** grew moderately, but not very dynamically, by 3.2% in real terms (International Monetary Fund (IMF, January 2025). According to IMF estimates, this trend will continue in 2025 (2025: +3.3%, IMF, January 2025). Despite the uncertainties surrounding the Trump administration's future trade policy, the IMF has increased its forecast for the US economy by 0.5 percentage points to 2.7% in 2025 (IMF, January 2025). By contrast, regions with strong links to global supply chains, medium-sized economies and the Asian markets are particularly at risk of suffering. Although China will continue to expand, it is also being held back by deflationary pressure and weak domestic demand. According to the IMF, growth in the **European Union** will remain limited at plus 1.0% (IMF, January 2025).

The outlook for the **German economy** is subdued at best: Real GDP forecasts for 2025 range from 0.0% (Institute for World Economy Kiel (IfW, Winter Forecast 2024) to plus 0.6% (Leibniz Institute for Economic Research (RWI, December 2024). The economy is suffering in particular from the continuing weakness of industry. The outlook for private consumption also remains subdued. Although households gained significant purchasing power in 2024 due to falling inflation rates and rising wages, consumers remained cautious. The persistently high price level, major economic policy uncertainties and increasingly unfavorable news from the labor market have damped the desire to spend and at the same time increased the savings rate. These conditions are unlikely to change much in 2025. At the same time, the rise in wages is increasingly weakening. It is therefore difficult to predict at present how consumers will act. Accordingly, the institutes' forecasts vary widely: their growth expectations for private consumption range from 0.1% in real terms (IfW, Winter Forecast 2024) to 0.8% (Leibniz Institute for Economic Research Halle (IWH), December 2024, RWI, December 2024).

### EXPECTED DEVELOPMENT OF KEY ECONOMIC FIGURES

Change vs. previous year in %, 2025e

	Germany
Gross domestic product (real) <sup>1</sup>	0,0-0,6
Private consumption (real) <sup>2</sup>	0,1-0,8
Inflation rate <sup>3</sup>	2,0-2,3

1 Institute for World Economy Kiel (IfW); Leibniz Institute for Economic Research (RWI).

2 IfW; Leibniz Institute for Economic Research Halle (IWH); RWI.

3 ifo Institut; RWI; Bundesbank.

## FUTURE INDUSTRY ENVIRONMENT

According to the study "German Entertainment & Media Outlook 2024-2028" by PwC, the **Entertainment** market is expected to reach a total volume of EUR 45.7 billion in 2025 (+1.7% compared to the previous year), of which EUR 14.6 billion (2024: EUR 13.9 billion) will be spent on digital entertainment offerings. The digital entertainment market is expected to grow by 4.3% annually in the forecast period up to 2028. At the same time, it is becoming increasingly challenging for companies to increase their willingness to pay as the overall use of digital offerings grows: Although the number of subscriptions to streaming services is expected to increase by 2028,

the average revenue per subscription is likely to stagnate at the 2023 level.

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In addition to these structural shifts in media usage, macroeconomic indicators will have an impact on the development of spending on entertainment offerings and advertising investments, although these will vary significantly depending on the genre. The media agencies Magna Global and ZenithOptimedia both forecast a net increase of 5.6% in total advertising expenditure in 2025. As in 2024, this growth will be driven by developments in the online market. This is expected to grow by between 10.3% (ZenithOptimedia) and 8.8% (Magna Global). It is assumed that investments in digital TV advertising will continue to increase significantly above the market average in the coming years (Magna Global: 14.3%; ZenithOptimedia: 12.0%). At the same time, a further decline is expected for linear TV. Here, the forecasts for net advertising expenditure currently range from minus 0.8% (Magna Global) to minus 1.3% (ZenithOptimedia). This divergence is due not least to the fact that macroeconomic developments continue to be fraught with uncertainty and therefore the visibility of the particularly cyclical TV advertising market remains limited. We have taken these implications into account in our financial planning. In the **Entertainment** segment, we will systematically digitize our sales portfolio and thus respond to changing user interests.

[→ Strategy and Objectives](#) [→ Opportunity Report](#)

Macroeconomic conditions can also have an impact on consumer behavior in the **Commerce & Ventures** segment, although with varying intensity and modality depending on the industry. An important revenue driver in the 2024 financial year was flaconi, our online store for beauty and perfume, which grew dynamically despite general consumer restraint. This positive trend is likely to continue: Studies show that premium and luxury beauty and body care offerings in particular are growing significantly faster than the mass market and benefiting from the fact that more and more people are ordering online. According to Euromonitor, the German e-commerce market for beauty and personal care products is expected to grow at an annual rate of almost 10% between 2024 and 2028.

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Digital channels have become an everyday means of communication and help to establish or deepen social interactions. Offers in the **Dating & Video** segment are also benefiting from this. According to a study by New Street Research, the total volume of the online dating market worldwide is expected to grow in the low double-digit percentage range each year and reach a volume of USD 20.5 billion by 2030, with the European and North American markets forecast to account for USD 9.6 billion. Technological developments are leading to a broader spectrum of possibilities in online dating and therefore in dating behavior itself.

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# COMPANY OUTLOOK

The economic forecasts of the economic research institutes for our core revenue market Germany, are very cautious, and the data for private consumption diverge significantly in view of the still low visibility. Our high-margin advertising business in particular correlates closely with macroeconomic developments and especially with private consumption. Against this background – and excluding further portfolio changes – ProSiebenSat.1 Group expects the following results for the financial year 2025<sup>26</sup>:

→ **Future Business and Industry Environment**

## Revenues

In 2025, ProSiebenSat.1 aims to increase **Group revenues** to around EUR 4.00 billion compared to the financial year 2024 with a variance of plus/minus EUR 150 million (previous year: EUR 3.92 billion). Adjusted for currency effects and portfolio changes, Group revenues in the financial year 2024 amounted to EUR 3.91 billion<sup>27</sup>. The expected growth of Group revenues for 2025 depends in particular on the development of Entertainment advertising revenues in the German-speaking region.

The macroeconomic environment in the German-speaking region remains challenging. Furthermore, the advertising business is highly seasonal. Our forecast is therefore based on the assumption that ProSiebenSat.1's business – and in particular the high-margin TV advertising business – will be affected in the first half of the year and will perform better in the second half. With Group revenues at the midpoint of the target range, ProSiebenSat.1 expects Entertainment advertising revenues in the German-speaking region to grow by around 2% over the course of the year. For the TV advertising revenues included in this figure, ProSiebenSat.1 expects a slight decline compared to the previous year's level. In contrast, we expect Digital & Smart advertising revenues to record dynamic growth.

At the same time, the Group expects that the Commerce & Ventures segment will also achieve significant revenue growth in 2025 and more than compensate the currently expected decline in revenues in the Dating & Video segment.

## Earnings Performance and Cash Flow

Despite another increase in programming expenses and an expected decline in earnings in the first half of the year, ProSiebenSat.1 Group expects **adjusted EBITDA** of EUR 550 million for the full-year with a variance of plus/minus EUR 50 million (previous year: EUR 557 million) - and thus on midpoint with an adjusted EBITDA close to the previous year's level. Adjusted for currency effects and portfolio changes, adjusted EBITDA amounted to EUR 556 million in the financial year 2024<sup>28</sup>. This forecast includes a further increase in programming expenses in the mid double-digit million euro range, which will have a negative impact on adjusted EBITDA in 2025, but will sustainably strengthen the reach and thus the growth of the Entertainment business. In order to improve profitability, the Group will consistently continue its effective cost management. These measures

26 For ProSiebenSat.1 Group, the main currency apart from the euro is the US dollar. The Group anticipates a US dollar share in Group revenues and for adjusted EBITDA for 2025 of c. 14%. An average strengthening or weakening of the US dollar in relation to the euro by 1 cent over the entire financial year impacts Group revenues by c. EUR 4 million and adjusted EBITDA by c. EUR 1 million. For the outlook regarding all of the key figures described, the Group uses a EUR/USD exchange rate of USD 1.10 to the euro in financial year 2025.

27 Based on revenues in financial year 2024 translated at the exchange rates used for planning purposes in financial year 2025 less the revenues of companies deconsolidated in 2024, in particular of Stylist (around EUR 1 million).

28 Based on the adjusted EBITDA in financial year 2024 translated at the exchange rates used for planning purposes in financial year 2025 less the revenues of companies deconsolidated in 2024, in particular of Stylist (around EUR -2 million).

will have an increasingly positive impact on adjusted EBITDA and are also reflected in the forecast for the year.

Following the development of adjusted EBITDA, the Group expects **adjusted net income** to amount to EUR 225 million and so close to the previous year's level. Adjusted net income is also influenced by the financial result and income taxes in addition to the development of adjusted EBITDA.

The **adjusted operating free cash flow** is the Group's relevant cash flow management indicator. It is also based on the development of adjusted EBITDA. For the financial year 2025, ProSiebenSat.1 assumes that adjusted operating free cash flow – for reasons of comparability adjusted for the change in investments in relation to the construction of the new campus at the premises in Unterföhring – will be at the previous year's level of EUR 285 million.

## Capital Efficiency

ProSiebenSat.1 Group pursues a clear strategy aimed at sustainable and profitable growth. ProSiebenSat.1 therefore measures the Company's medium-term financial success using the key figure **P7S1 ROCE** (return on capital employed). Due to the expected almost stable development of adjusted EBITDA, the Group expects P7S1 ROCE in the financial year 2025 to be at the previous year's level of around 11%. The aim is to achieve a return on capital employed, i.e. a P7S1 ROCE, of at least 15% in the mid-term.

→ [Strategy and Management System](#)

## Investments and Capital Structure

The Group is focusing on strengthening profitability and a lean cost structure, which will have an increasingly positive impact on earnings performance and at the same time open up more headroom for investments – especially in local programming content. In order to strengthen the market share in linear TV and the growth of Joyn, ProSiebenSat.1 Group is clearly focusing on exclusive local content. The Group's total programming costs will amount to around EUR 1.05 billion in 2025 (previous year: EUR 0.99 billion). As in previous years, this is to be financed from operating cash flow.

ProSiebenSat.1 generally aims for a **leverage ratio** (ratio of the Group's net financial debt to its LTM adjusted EBITDA) between 1.5x and 2.5x at the end of the respective year. However, assuming a slight decline in adjusted EBITDA and higher investments in programming content, the Group currently expects a leverage ratio of between 2.5x and 3.0x at the end of 2025 (previous year: 2.7x).

## Most Important Non-Financial Performance Indicator

The development of **audience shares** is ProSiebenSat.1 Group's most important non-financial performance indicator. In view of demographic shifts and structural changes in media usage behavior, ProSiebenSat.1 adjusted the definition of its target group at the start of 2024 in order to better reflect TV usage: In the analysis of audience shares at Group level, ProSiebenSat.1 uses the advertising-relevant target group of viewers aged 20 to 59; previously, the focus was on the 14- to 49-year-old target group. For the 2025 financial year, the Group expects to be able to slightly increase its position in audience shares in the advertising-relevant target group of 20- to 59-year-olds.

## Dividend Policy and Dividend Proposal

ProSiebenSat.1 Group pursues the aim of strengthening and expanding its competitive position on the basis of a solid financial position. This is reflected in our dividend policy: Besides the general economic environment and the adjusted net income as a reference basis for distributions to

shareholders, the Group takes into account an appropriate level of financial leverage when determining distributions to shareholders. In addition, ProSiebenSat.1 also takes into account requirements for investments into the operative business.

The reference figure for dividend payments is the Group's adjusted net income. The Group generally aims to pay out 25% to 50% of adjusted net income, taking into account the aforementioned criteria. For the time being, the upper end of our financial leverage target corridor of 1.5x to 2.5x will serve as a benchmark for maintaining an appropriate level of financial leverage. However, important strategic investments may lead to a temporary adjustment of the target corridor.

As the focus will remain on further reducing net financial debt and thus also the leverage ratio, the Executive Board and Supervisory Board propose to the upcoming Annual General Meeting that a dividend of EUR 0.05 per share be distributed to dividend-entitled shareholders for the financial year 2024 (previous year: EUR 0.05). This corresponds to an expected total distribution of around EUR 11 million (previous year: EUR 11 million) and a payout ratio of 5%. Payment of the proposed dividend is subject to the approval of the Annual General Meeting.

#### **DIVIDEND PROPOSAL**

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Adjusted net income in EUR m	229
Number of shares outstanding <sup>1</sup>	233,000,000
Number of treasury shares <sup>1</sup>	6,115,915
Number of eligible shares <sup>1</sup>	226,884,085
Proposed dividend in EUR	0.05
Distribution in EUR m	11,344,204
Pay-out ratio in %	5

<sup>1</sup> As of December 31, 2024.

## Events After the Reporting Date

**Chairman of the Supervisory Board Dr. Andreas Wiele will not stand for re-election.** The Chairman of the Supervisory Board of ProSiebenSat.1 Media SE, Dr. Andreas Wiele, informed the Supervisory Board and the Executive Board of the Company on January 24, 2025 that he will not seek a further term of office as a member and Chairman of the Supervisory Board after the regular expiry of his term of office. Andreas Wiele therefore intends to step down from the Supervisory Board at the end of the Annual General Meeting on May 28, 2025. The experienced media manager has played a key role in shaping and driving forward ProSiebenSat.1's digital transformation by focusing on its core business and investing significantly in local content.

The Supervisory Board and its Presiding and Nomination Committee have immediately initiated the search for a suitable successor for Andreas Wiele in order to submit a corresponding proposal to the Annual General Meeting on May 28, 2025.

In addition, two further Supervisory Board seats will be up for election at the Annual General Meeting on May 28, 2025, after the mandates of Dr. Katrin Burkhardt and Simone Scettri will end as scheduled at the end of the Annual General Meeting on May 28, 2025. Corresponding nominations by management will be included in the invitation to the Annual General Meeting.

**Sale of a minority interest.** Shortly before these financial statements were prepared, the Group signed a contract to sell a minority interest for a mid-double-digit million euro amount, which will have a positive impact on cash flow. As a result of this sale, the ProSiebenSat.1 Group expects slightly positive effects on the consolidated income statement for the 2025 financial year, as the interest was already attributed to earnings in the 2024 financial year. The closing of the transaction is still pending.