

Mediaset Board of Directors' Meeting 11 May 2021**BOARD APPROVES RESULTS FOR FIRST QUARTER 2021:  
SIGNIFICANT INCREASE IN KEY INDICATORS**

**IN A STILL DECIDEDLY UNCERTAIN CONTEXT  
DUE TO THE ONGOING COVID EMERGENCY,  
MEDIASET HAS BEEN ABLE TO GROW ITS AUDIENCE  
AND GENERATE A NET PROFIT HIGHER THAN  
IN THE FIRST QUARTERS OF BOTH 2020 AND 2019  
MARKED RECOVERY IN ADVERTISING SALES  
WITH A DECISIVE UPTURN IN APRIL BOTH IN ITALY AND SPAIN**

**Mediaset Group Highlights**

**Net revenues: €634.2 million**

**Total costs: €566.3 million (-€74.3 million, or -11.6%)**

**Operating profit (EBIT): €67.9 million**

**Net profit: €52.5 million**

**TV ratings:** thanks to a strong programming response, leadership in the commercial target in both Italy and Spain, despite a marked reduction in costs

The Board of Directors of Mediaset, which met under the Chairmanship of Fedele Confalonieri, has approved the interim report for the first quarter of 2021.

Despite a general context still strongly conditioned by the covid emergency, the Mediaset Group saw a significant increase in its results compared with the same period of the previous year, with a level of consolidated net profit higher not only than in the first quarter of 2020 but also the same period of 2019, in addition to maintaining a strong level cash generation.

These results were impacted by a better-than-expected rise in advertising revenues in Italy, which were up by +6.1% in the first quarter of the year compared with the same period of 2020 (which was affected by the Covid effect only in March): making this the third consecutive quarter with growing advertising sales. Meanwhile in Spain, the advertising market has been less brilliant, particularly in the first two months, although the first signs of recovery were seen in March.

Finally, decisive action to control costs has resulted in lower overall expenditure than in both the first quarter of 2020 and the same period of 2019.

The main results in the first three months of 2021 can be summarised as follows:

- **Net revenues** amounted to **€634.2 million**, compared with €682.1 million in the first quarter of 2020. In particular, revenues in Italy came to **€450.2 million** compared with €452.4 million in the same period last year. In Spain, revenues amounted to **€184.0 million** compared with €229.8 million in 2020.

As in the rest of the world, advertising sales revenues in both countries have obviously been affected by the Covid crisis. Nevertheless, in Italy, with a result in marked contrast to the rest of the market (-1.4%), gross television advertising revenues rose to **€453.5 million**, compared with the €427.5 million of the first three months of 2020. In Spain, the figure was **€171.0 million**, compared with €202.8 million the previous year.

- **Total consolidated operating costs** (labour costs, procurement costs, services and other charges, amortisations and depreciations of rights and other assets) came to **€566.3 million**, a marked reduction on the €640.6 million of the first quarter of 2020 (-11.6%). In Italy, in particular, costs fell to **€429.6 million**, down compared with both the €472.7 of 2020 and the €480.3 of 2019. There was also a fall in Spain, where total operating costs came to **€136.8 million**, compared with €168.1 million in the same period of the previous year.
- The Group's **EBIT** amounted to **€67.9 million**, a marked increase on the €41.6 million of Q1 2020. In Italy EBIT amounted to **€20.6 million**, compared with a loss of -€20.4 million in the same period of 2020 (the 2021 result is also higher than the Q1 2019 figure of €11.9 million). In Spain the figure was **€47.2 million**, compared with €61.8 million in the first quarter of last year.
- Consolidated **net profit** amounted to **€52.5 million**, significantly higher compared with the €14.6 million of the same period of 2020, but also the €36.7 million of Q1 2019.
- **Net financial debt** to 31 March 2021 came to **€975.2 million**, compared with €1,064.4 million at the beginning of the period. Excluding liabilities booked since 2019 in line with IFRS 16 and outlays for the acquisition of stakes in ProSiebenSat.1, the level of debt would be **€385.6 million**, compared with €473.6 million on 31 December 2020.
- **Free cash flow** continued to rise, reaching **€177.5 million**, compared with €182.2 million in the first three months of 2020.
- **TV ratings.** In the first three months of 2021 Mediaset channels confirmed their clear leadership in the commercial target, both in Italy and in Spain, despite decisive cost controls. In Italy, Mediaset is the unchallenged leader in the commercial target of 15 to 64-year-olds in all the main time bands, with a peak share of **34.7%** in the **24-hours**. Of note is the first place of **Canale 5**, and the third place of **Italia 1** in the commercial target and in all time bands. In Spain, the Group's channels maintained their absolute leadership in the **24-hours** with a **27.8%** share. **Telecinco** remained Spain's most popular channel across the **whole day (15.1%)**.

## **ASSESSMENT OF INDEPENDENCE REQUIREMENTS FOR DIRECTORS**

The Board of Directors of Mediaset recorded the loss of independence requirements by the director Andrea Canepa, as foreseen in article 147 *ter* of the Single Finance Act, without prejudice to his tenure as a non-executive director, as well as the loss of independence requirements foreseen by the recommendations of the Code of Corporate Governance.

As a result, the Board has appointed Marina Brogi, an independent non-executive director, as the Chair of the Remuneration Committee in accordance with the recommendations of the Code of Corporate Governance.

**PROPOSAL BY THE SHAREHOLDER FININVEST CONCERNING THE INTEGRATION OF THE  
AGENDA OF THE SHAREHOLDERS' MEETING IN A SINGLE CALL  
IN ORDINARY AND EXTRAORDINARY SESSION FOR 23 JUNE 2021 - DIVIDEND**

The Board of Directors discussed a proposal, received on 7 May 2021 from the financial investment shareholder Fininvest S.p.A., concerning the integration of the agenda of the meeting called on 27 April 2021, in single call, in ordinary and extraordinary session, for 23 June 2021.

The Shareholder requested the addition of the following: *“Distribution to the Shareholders of an extraordinary dividend of €0.30 (zero point thirty) per outstanding share, to be paid from the net income for the year and from available reserves; related and consequent resolutions”*.

The Board of Directors determined that the proposal was presented in compliance with applicable legislation, both under the subjective profile (having been presented by a shareholder representing at least one fortieth of the share capital), and under the objective criteria (the request for supplement having been presented within the terms indicated in the notice calling the Shareholders' Meeting and accompanied by “a report stating the motivation for the proposed resolutions on additional matters they propose to discuss”, pursuant to art. 126-bis, co. 4, of the TUF (Single Finance Act).

The Board of Directors also noted that there are no legal, statutory or contractual reasons to prevent or hinder such distribution and that therefore the proposal can be duly submitted to the Shareholders.

The assessments made by the Board of Directors, pursuant to art. 126-bis, co. 4, of the TUF (Single Finance Act), together with the Request for Integration in addition to the Shareholder Report, as well as the notice calling the Shareholders' Meeting, completed as a consequence of the Request for Integration, shall be made available to the public today at the Company's registered office, on the Company website at <https://corporate.mediaset.it/it/> (“Governance/ Shareholders' Meeting” section) and on the authorised storage mechanism eMarket Storage at [www.emarketstorage.com](http://www.emarketstorage.com). The news of the integration shall also be communicated through a notice published in the newspaper Il Sole24Ore on 13 May 2021.

The eventual approval by the Shareholders at the meeting called for 23 June 2021 of the proposed distribution of the extraordinary dividend will result in the amount paid for this purpose (€0.30 per share) as a deduction from the price due to the Shareholders who will exercise the right of withdrawal following the transfer of the Company's registered headquarters to the Netherlands (see press release dated 26 April 2021). As a result, the sum of €1.881 per share will be paid to these Shareholders (i.e. €2.181 minus the extraordinary dividend). It should also be noted that the dividend will be paid on 21 July 2021 with coupon detachment on 19 July 2021 and the record date of 20 July 2021 (coupon no. 20).

**FORECAST FOR THE YEAR**

Advertising sales in April saw a particularly sustained rise, in both Italy and Spain, compared with the same month of 2020, one of the most heavily affected by the Coronavirus pandemic. This result, combined with a presumed similar trend in the coming months, is expected to result in a significantly higher increase in the Group's revenues in the first half of the year than that in the first quarter.

In particular, Mediaset's total advertising revenues in Italy in the first four months of 2021 grew by more than 21% compared with the same period of 2020, with revenues in April that were practically double those of last year. The second quarter of 2021 should therefore be the fourth in a row with growing advertising sales in Italy.

After initial signs of recovery in March, also Spain saw a similar trend: in fact, in April, the television advertising market in Spain grew by more than 150% compared with April 2020.

Despite continuing uncertainty, the general economic situation in the coming months is expected to move in the direction of a progressive improvement, driven by the vaccination campaigns and a relaxation of current restrictions.

On this basis, and thanks to ongoing cost controls, the Group confirms the objective for 2021 of

further strengthening both the characteristic consolidated economic results and cash generation. Such results will also benefit from the proceeds recognised by Vivendi on 22 July 2021, the closing date of the settlement agreements signed on 3 May 2021: i.e. the payment of compensation of €1.7 million indicated in the ruling of the Court of Milan (Trial n. 47205/2016) and €26.3 million related to the Dailymotion dispute. In addition, it should be noted the completion on 30 April 2021 of the sale by EI Towers (40% owned by Mediaset) of Towertel, an operation that will generate a pro-rata gross capital gain for Mediaset estimated at approximately €89 million in the second quarter. Mediaset also collected dividends of €133.9 million from EI Towers on 30 April 2021. Finally, following the resolutions to be adopted by the Extraordinary Shareholders' Meetings called for 27 May and 23 June, Mediaset that should authorise the transfer in the second part of the year of the Company's registered headquarters in the Netherlands, an operational functional to the creation of a Group able to better compete on an international scale.

*The executive responsible for the preparation of the Mediaset S.p.A. accounts, Luca Marconcini, declares that, as per para. 2 art. 154-bis, of the Single Finance Bill, that the accounting information contained in this press release corresponds to that contained in the company's books.*

Cologno Monzese, 12 May 2021

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*(in €m)*

<b>MEDIASET GROUP</b> <i>Income statement (highlights)</i>	<b>Q1 2021</b>	<b>Q1 2020</b>
<b>Consolidated net revenues</b>	<b>634.2</b>	<b>682.1</b>
Labour costs	117.7	116.5
Procurement, services and other costs	334.8	381.6
<b>Operating costs</b>	<b>452.6</b>	<b>498.1</b>
<b>Gross operating profit (EBITDA)</b>	<b>181.6</b>	<b>184.0</b>
Amortisation of rights	91.3	116.7
Other amortisations and depreciations	22.4	25.7
<b>Total amortisations and depreciations</b>	<b>113.7</b>	<b>142.5</b>
<b>Operating profit (EBIT)</b>	<b>67.9</b>	<b>41.6</b>
Financial income (charges)	16.9	2.4
Income (charges) from investments	5.3	2.8
<b>Profit before taxation</b>	<b>90.0</b>	<b>46.8</b>
Income tax	(21.4)	(10.4)
Minority interest (profit)/loss	(16.2)	(21.7)
<b>Net profit from operations</b>	<b>52.5</b>	<b>14.6</b>
Net profit from disposed assets	-	
<b>Net profit for the Mediaset Group</b>	<b>52.5</b>	<b>14.6</b>

*(in €m)*

<b>MEDIASET GROUP</b> <i>Balance sheet (highlights)</i>	<b>31/03/2021</b>	<b>31/12/2020</b>
Television and film rights	948.6	932.7
Goodwill	803.2	803.2
Other tangible/intangible assets	859.6	869.9
Financial assets	1,492.6	1,159.8
Net working capital & other assets/liabilities	268.2	531.1
Severance indemnity reserve	(66.2)	(66.7)
<b>Net invested capital</b>	<b>4,306.0</b>	<b>4,230.1</b>
Net Group assets	2,784.1	2,668.3
Shareholders' equity and minority interest	546.6	497.3
<b>Net assets</b>	<b>3,330.8</b>	<b>3,165.6</b>
<b>Net financial position</b>	<b>975.2</b>	<b>1,064.4</b>