OUR STRATEGY

OUR FOCUS: DIVERSIFIED. SYNERGISTIC. PROFITABLE.

ProSiebenSat.1 Group has long ceased to be a pure-play media company. Instead, it is systematically digitalizing and diversifying its business. We use the multi-million reach of our TV channels to strengthen our digital businesses: Above all, we are harnessing the strength of our entertainment business and extensive advertising reach to additionally establish and expand leading, consumer-focused digital platforms and actively develop this portfolio with acquisitions and disposals in order to create value. In this way, we are driving forward the Group’s diversification on our own strength.

Our focus is on ensuring that each part of the Group contributes to increasing the value of ProSiebenSat.1, with the businesses supporting one another. We aim to make our Company more synergistic, diversified and profitable, generating sustainable growth in all business areas. In order to accelerate achieving this goal, we have been setting up ProSiebenSat.1 in three segments as of January 2021: Entertainment, Dating and Commerce & Ventures.
DATING SEGMENT

By combining the Parship Group and the US-based The Meet Group, we have created a leading global player in the dating field forming the new ParshipMeet Group and our Dating segment. Its offerings range from online matchmaking services through dating to social entertainment. Operating in an attractive and fast-growing market environment, the ParshipMeet Group has diversified revenues spanning subscription models to advertising and addresses a broad target group across a large geographical area. In particular, The Meet Group’s USP, its video streaming expertise, strengthens our position in the dating business and opens up new growth potential.

This way, the segment is to substantially drive our diversification and significantly support the Group’s future growth. ProSiebenSat.1 will therefore retain the majority stake in the company following the ParshipMeet Group’s partial IPO, which is planned for 2022.

ENTERTAINMENT SEGMENT

The Entertainment segment focuses with the Seven.One Entertainment Group on the core markets of Germany, Austria and Switzerland. By combining our station brands with the content, distribution and sales business, this platform-independent segment represents the complete entertainment business value chain.

We concentrate on producing relevant, local, live content and distributing it digitally, which is the key to even better monetization. When creating our own content, we benefit from significant synergies with the production houses Red Arrow Studios and Studio71, which are now also integrated into this segment. At the same time, the digital expansion of our TV content, for example via advertising-financed video-on-demand offers, plays an essential strategic role. This is because additional distribution channels allow our content to achieve a greater total reach, which in turn translates into more opportunities for monetization.

In this way, we are building a profitable entertainment business and laying the groundwork for diversification and growth in our other business areas.

COMMERCE & VENTURES SEGMENT

Our third segment, Commerce & Ventures, bundles ProSiebenSat.1 Group’s growth businesses, which we grow and promote using media power, and hence our entire investment options. At the beginning of our value chain in this context is the SevenVentures investment arm, which also includes the ProSiebenSat.1 Accelerator. Here, we support young companies by offering media-for-revenue or media-for-equity deals through our TV reach. In addition to the minority participations that are formed in this way, the segment also includes, for instance, our majority participations of NuCom Group. Here, we build up digital consumer brands from the fields of consumer advise, experiences and beauty & lifestyle into market leaders. This allows us to make use of all forms of participation for potential investments.

Once the initial growth steps completed, we review whether ProSiebenSat.1 is still the best owner of the respective company for the next development phase. If a business no longer has a strong link to TV advertising, we can sell these well-developed commerce brands to a more suitable owner and make the value created visible.
We have clearly defined our strategic priorities: With the launch of the umbrella brand Seven.One Entertainment Group and the formation of our ParshipMeet Group, we are driving forward the restructuring of the Group. While the Dating business clearly supports us in our diversification, we are focusing on our core competencies in the Entertainment sector: pushing ahead with local content and digital innovation, expanding our reach as well as monetizing it better. Within Commerce & Ventures, we are bundling our investment areas and are building at the same time digital companies into leading consumer brands through our media reach. This also includes a group-wide active portfolio management, which represents value-creating acquisitions as well as the option to divest companies that no longer contribute to our group strategy. Because overall, we are focusing on further intensifying synergies within the Group. In doing so, the Group strives to drive profitable growth through a strong focus on earnings in all segments. In the mid-term, we aim to improve our P7S1 ROCE (return on capital employed) target to over 15 percent.

**SYNERGIES ENTERTAINMENT — DATING**
With its reach and the advertising space on its platforms, the entertainment business has the power to further raise awareness of the ParshipMeet brands in the German-speaking markets. This has already significantly boosted the market leading positions of the Parship and ElitePartner services in the past.

We also intend to strengthen ties between both segments Entertainment and Dating in order to unlock exciting new synergy potential by combining the ParshipMeet Group’s live video streaming expertise with our entertainment know-how.

**SYNERGIES ENTERTAINMENT — COMMERCE & VENTURES**
The entertainment business is able to build leading consumer brands by harnessing the reach and advertising space of our platforms. Through advertising on our channels, we are supporting the commerce companies in raising their brand awareness and consequently increasing their revenues and company value.

In return, the data we generate through our commerce companies helps us to create addressable advertising offerings that are both optimally and efficiently tailored to the relevant viewers.