



ISSUER RATING
LongTerm

OUTLOOK
Stable

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Rating Action and Rationale

- EthiFinance Ratings affirms ProSiebenSat.1 Media SE's (PSM) long-term rating at BB+, changing the outlook from 'Evolving' to 'Stable'.
- PSM is a leading German media group operating across free-to-air television broadcasting, digital entertainment and advertising-driven content monetization in the DACH region.
- The affirmation of our rating combined with a change in the outlook from Evolving to Stable reflects PSM's solid business profile and our expectation of a recovery in its financial profile following deterioration in 2024, which intensified in 2025. Despite the structural challenges affecting traditional broadcasting markets and the cyclical nature of advertising revenue, PSM continues to demonstrate resilient operating fundamentals, supported by leading audience positions, diversified activities, and a growing digital ecosystem. The business profile remains underpinned by the group's strong competitive positioning in Germany, where its flagship channels continue to command significant audience shares. The continued development of digital and non-linear activities supports revenue diversification and partially mitigates the structural decline of traditional television advertising, which has materially affected performance in recent years, as reflected by the decline in EBITDA. Although advertising remains the main earnings contributor with 70 - 80% of the group's total EBITDA, the expansion of streaming, digital advertising solutions, and adjacent activities enhances the resilience of the business model.
- From a financial standpoint, the rating is supported by, and contingent on, the expected deleveraging trajectory over the forecast period. Following a weaker FY25, characterised by continued pressure on advertising revenue and lower profitability, EthiFinance Ratings expects earnings generation to recover gradually from FY26 onwards. Adjusted EBITDA is projected to increase from €380m in FY25 to €439m by FY28, while the adjusted EBITDA margin is expected to recover towards 11.7%, a level still below that observed before 2025. Consequently, the EthiFinance-Ratings adjusted net leverage ratio is expected to improve from 4.4x in FY25 to 2.7x by FY28. At the same time, adjusted funds from operations to adjusted net financial debt is projected to strengthen materially from 11.7% to 34.3%, reflecting both improving cash generation and net debt reduction. Interest coverage metrics are expected to remain adequate throughout the forecast period and to gradually strengthen to levels more consistent with the BB+ rating category.
- Nevertheless, the rating remains constrained by the group's exposure to macroeconomic conditions and advertising spending trends. Revenue generation remains highly correlated with corporate marketing expenditure, and operations remain concentrated in the DACH region (86% of FY25 revenues). The competitive environment also continues to evolve rapidly, driven by the growing influence of global streaming platforms and digital advertising providers.
- Liquidity remains a supporting factor for the rating. We assess the group's liquidity profile as Good, reflecting adequate cash balances, satisfactory access to committed credit facilities and a manageable debt maturity schedule. The refinancing measures implemented following MediaForEurope's acquisition of a controlling stake in 2025 have substantially reduced refinancing risk and extended debt maturities.
- Under our methodology, the media & entertainment industry has moderate ESG risks (sector heatmap score between 2 and 3.5), which is neutral for our industry assessment. The sector has a low impact on climate, biodiversity, and resource use, while also providing valuable infrastructure to communities – a factor we assess positively. However, given its extensive reach and influence, this industry could potentially pose risks to consumers. This makes corporate responsibility, the quality of information, and related ethical considerations particularly important.
- On a company level, we assign an ESG score of between 1.0 and 1.5, which is positive in our assessment. In terms of environment impact, the company has reduced its energy and GHG emissions intensities yoy by 1% and 11%, respectively. By 2030, PSM targets the goal of climate neutrality by lowering its energy consumption and sourcing electricity from renewable energy sources.

Issuer Description

Headquartered in Germany, PSM is a media company, specializing in advertising-financed free-to-air television. Its core television channels include SAT.1, ProSieben and Kabel Eins. PSM operates across 2 primary business segments following its reorganization from 2026 onwards: (i) Entertainment (c. 59% of FY25 revenues), (ii) Commerce & Dating (c. 41%). The company focuses on the DACH region, covering German-speaking countries in Europe, including Germany, Austria, and Switzerland. Through its network of free and pay-TV channels, PSM creates, distributes and monetizes virtual content, with advertising serving as its largest revenue driver with c.54% of FY25 revenues. Additionally, PSM capitalizes on advertising synergies through other ventures such as online shops, digital platforms and its hybrid video-on-demand (HVOD) platform “Joyn”.

PSM is listed on the Frankfurt Stock Exchange with a free float of 24.0%. As of June 1, 2026, the company’s market capitalization stood at c. €920m.

For FY25, the company reported revenues of €3.7bn (down from €3.9bn) for EthiFinance Ratings-adjusted EBITDA of €380m and the net adjusted leverage ratio stood at 4.4x.

Liquidity

We assess the liquidity profile as “Good” reflecting its satisfactory refinancing profile as well as its high level of liquidity.

Main Financial Figures

Main financial figures. millions of EUR						
	FY24	FY25	FY26e	FY27e	FY28e	25vs24
Turnover	3 918	3 675	3 602	3 666	3 732	-6.2%
Adj EBITDA ⁽¹⁾	518	380	423	431	439	-26.6%
Adj EBITDA Margin ⁽¹⁾	13.2%	10.3%	11.7%	11.7%	11.7%	-2.9pp
EBIT	-41	-145	22	26	30	-253.7%
EBIT Margin	-1.0%	-3.9%	0.6%	0.7%	0.8%	-2.9pp
EBT	-63	-269	-102	-92	-80	-327.1%
Total Assets	5 608	4 905	4 719	4 345	4 127	-12.5%
Equity	1 469	1 177	1 063	959	867	-19.9%
Adj Total Financial Debt ⁽²⁾	2 499	2 205	2 148	1 862	1 720	-11.8%
Adj Net Financial Debt ⁽²⁾	1 891	1 664	1 518	1 350	1 175	-12.0%
Equity/Adj TFD ⁽²⁾	58.8%	53.4%	49.5%	51.5%	50.4%	-5.4pp
Adj NFD/ Adj EBITDA ^{(1) (2)}	3.7x	4.4x	3.6x	3.1x	2.7x	0.7x
Adj Funds From Operations	435	194	374	388	403	-55.4%
Adj FFO/ Adj NFD ⁽²⁾	23.0%	11.7%	24.6%	28.7%	34.3%	-11.3pp
Adj EBITDA/ Interest ⁽¹⁾	6.7x	5.6x	5.6x	6.2x	7.1x	-1.1x

⁽¹⁾ Adjusted EBITDA is derived from accounting EBITDA, adjusted for gains or losses on disposals and certain one-off, non-recurring items included in reconciling items.

⁽²⁾ Adj Total financial debt includes pension benefits, capitalized operating leases, put options and earn-outs.

Credit Rating

Credit Rating	
Business Risk Profile	BB+
<i>Industry risk assessment</i>	<i>BBB</i>
<i>Industry's ESG</i>	<i>Neutral</i>
<i>Competitive Positioning</i>	<i>BBB-</i>
<i>Governance</i>	<i>BB+</i>
Financial Risk Profile	BB
<i>Cash flow and leverage</i>	<i>BB</i>
<i>Capitalisation</i>	<i>BB-</i>
<i>Company's ESG</i>	<i>Positive</i>
Anchor Rating	BB+
<i>Modifiers</i>	<i>-</i>
Final Rating	BB+

Rating Sensitivity

- List of ratings:
 - LT Rating: BB+

Factors that may (individually or collectively) impact the rating:

- **Positive factors (↑)**

Considering ProSieben's recent evolution, a rating upgrade over our forecast period is unlikely. However, rating upside could arise if the company durably improves its credit ratios, supported by stronger interest coverage and a sustainable deleveraging strategy. This remains subject to a recovery in profitability in the advertising segment. Such an upgrade could be triggered by adjusted net leverage of 2.5x or lower, together with an interest coverage ratio of 10.0x or higher, both on a sustained basis. An ESG score below 1.0 could also support a rating upgrade, in addition to improvements in credit metrics.

- **Negative factors (↓)**

We may consider downgrading our long-term rating if the company's credit ratios deteriorate beyond our current expectations, driven by a limited recovery in advertising revenue and, more broadly, in the entertainment segment, as well as a slower ramp-up of non-advertising business segments. A downgrade could be triggered if adjusted net leverage durably exceeds 3.8x on average through the cycle, or if the interest coverage ratio falls below 4.5x on a sustained basis.

Sources of information

The credit rating issued in this report is unsolicited. The credit rating is based exclusively on public information, being the main sources the following:

1. Annual Audit Report.
2. Corporate Governance Report.
3. Corporate Website.
4. Information published in the Official Bulletins.

The information was thoroughly reviewed to ensure that it is valid and consistent, and is considered satisfactory. Nevertheless, EthiFinance Ratings assumes no responsibility for the accuracy of the information and the conclusions drawn from it.

Level of the rated entity participation in the rating process

Unsolicited Credit Rating	
With Rated Entity or Related Third Party Participation	NO
With Access to Internal Documents	NO
With Access to Management	NO

Additional information

- The rating was carried out in accordance with Regulation (EC) N°1060/2009 of the European Parliament and the Council of 16 September 2009, on credit rating agencies. Principal methodology used in this research are :
 - Corporate Rating Methodology - General : <https://www.ethifinance.com/download/corporate-rating-methodology-general/?wpdmdl=35203>
- The rating scale used in this report is available at <https://www.ethifinance.com/en/ratings/ratingScale>.
- EthiFinance Ratings publishes data on the historical default rates of the rating categories, which are located in the central statistics repository CEREP, of the European Securities and Markets Authority (ESMA).
- In accordance with Article 6 (2), in conjunction with Annex I, section B (4) of the Regulation (EC) No 1060/2009 of the European Parliament and of the Council of 16 September 2009, it is reported that during the last 12 months EthiFinance Ratings has not provided ancillary services to the rated entity or its related third parties.
- The issued credit rating has been notified to the rated entity, and has not been modified since.

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