



ISSUER RATING
LongTerm

OUTLOOK
Evolving

Initiation date 29/11/2022
Rating Date 28/11/2025

Contacts

Lead analyst
Reda Mouaacha
reda.mouaacha@ethifinance.com

Committee chair
Thomas Dilasser
thomas.dilasser@ethifinance.com

Rating Action and Rationale

- EthiFinance Ratings affirms ProSiebenSat.1 Media SE's (PSM) long-term rating at BB+, but changes its outlook from Positive to Evolving.
- PSM is a German mass-media group focused on free-to-air TV broadcasting, digital entertainment, and advertising-driven content monetization across Europe.
- Our rating affirmation is underpinned by PSM's resilient financial profile, despite some deterioration in key credit metrics in 2024. In FY24, revenues increased slightly by 2%, while adjusted EBITDA slipped by 16% to €480m, compressing the margin to 12.3% from 14.8% in FY23. The EBITDA mix further shifted away from legacy TV advertising toward digital & smart advertising and commerce & ventures, which together accounted for 30% of total EBITDA (vs 22% in FY23). The commerce & ventures segment, which is PSM's main diversification pillar, achieved 32% revenue growth to €1.0bn in FY24 and remains cash-accretive with strong growth momentum. However, it is still unable to fully hedge the company against severe downturn in TV advertising affecting the entertainment segment. Both the net adjusted leverage ratio and interest coverage ratio weakened to 3.7x and 5.2x, respectively, weighing on the financial profile. This trend continued into 9M25, with revenues down 5% and EBITDA down 35% due to a prolonged contraction in TV advertising, which remains the primary profitability driver, accounting for roughly 70% of total group EBITDA. For FY25, we expect another revenue decline and a further reduction in the EBITDA margin by c. 170 bps, driven by the continued drop in high-margin TV ads and the sale of Verivox (Consumer advice) in 1Q25. Consequently, we anticipate a stable net adjusted leverage of 3.6x at end-2025 (vs 2.6x forecasted in our last review and 3.7x in FY24) and a deterioration in interest coverage ratio to 4.0x (vs 6.8x forecasted and 5.2x in FY24). In addition, the company expects the net reported leverage ratio to remain within a range of 3.0x – 3.5x. In light of these developments and the uncertainty surrounding the German TV ads market, we revise our outlook from Positive to Evolving.
- The shareholding structure and change-of-control situation evolved following MediaForEurope's (MFE) public takeover in September 2025, which increased its ownership stake from 33.3% to 75.6%. As a result, Schulschein investors and lenders were entitled to request early repayment by end-January 2026, and the majority exercised this option. To address these repayments, MFE secured a €2.1bn financing package, implemented through a loan agreement on 7 November 2025. The package consists of a €1.4bn term loan, a €400m revolving credit facility (RCF), and a €300m bridge loan. We have incorporated these debt movements into our projections and do not view them as exerting pressure on the group's liquidity. The new financing primarily extends maturities to 2030, while PSM benefits from ample liquidity buffers, including €605m of cash in hand and a fully undrawn €500m RCF at year-end 2024. Accordingly, the deterioration in credit metrics is driven entirely by lower EBITDA and increased interest expenses, rather than by an increase in net debt.
- However, the rating remains constrained by the group's high sensitivity to macroeconomic conditions and advertising expenditure. These dynamics directly affect audience reach and monetization, which remain central to PSM's business model. Although non-advertising activities (including commerce & ventures and dating & video) accounted for 35% of FY24 revenues, the majority of revenue and EBITDA continues to depend on cyclical advertising markets and consumer behavior.
- 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 1.5 and 3.5, which is neutral in our assessment. In terms of environment impact, there was no material change compared to 2024. 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 3 primary business segments: (i) Entertainment (c. 65% of FY24 revenues), (ii) Commerce & Ventures (c. 25%) and (iii) Dating & Video (c. 10%). 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.52.8% of FY24 revenue. Additionally, PSM capitalizes on advertising synergies through other ventures such as online shops, digital platforms and its hybrid video-on-demand (HVD) platform "Joyn".

Following the public takeover by MFE, whose stake increased from 33.3% to 75.6% , PSM remains listed on the Frankfurt Stock Exchange but with a significantly reduced free float of 24.3% (vs 59.1% at end-2023). As of 20 November 2025, the company's market capitalization stood at €1.12bn.

For FY24, the company reported revenues of €3.9bn for EthiFinance Ratings-adjusted EBITDA of €480m and the net adjusted leverage ratio stood at 3.7x.

Liquidity

We assess the liquidity profile as "Good" reflecting its strong refinancing profile as well as its high level of liquidity.

Main Financial Figures & Forecasts

Main financial figures. millions of EUR						
	FY23	FY24	FY25e	FY26e	FY27e	24vs23
Turnover	3,852	3,918	3,703	3,795	3,890	1.7%
Adj EBITDA ⁽¹⁾	572	480	418	444	451	-16.1%
Adj EBITDA Margin ⁽¹⁾	14.8%	12.3%	11.3%	11.7%	11.6%	-2.6pp
EBIT	-87	-41	255	276	279	52.9%
EBIT Margin	-2.3%	-1.0%	6.9%	7.3%	7.2%	1.2pp
EBT	-165	-63	213	242	271	61.8%
Total Assets	5,904	5,608	6,018	5,459	5,528	-5.0%
Equity	1,580	1,469	1,615	1,781	1,968	-7.0%
Adj Total Financial Debt ⁽²⁾	2,421	2,388	2,714	1,968	1,828	-1.4%
Adj Net Financial Debt ⁽²⁾	1,848	1,780	1,572	1,441	1,311	-3.7%
Equity/ Adj TFD ⁽²⁾	65.3%	61.5%	59.5%	90.5%	107.7%	-3.7pp
Adj NFD/ Adj EBITDA ^{(1) (2)}	3.2x	3.7x	3.8x	3.2x	2.9x	0.5x
Adj Funds From Operations	13	435	303	323	351	3246.2%
Adj FFO/ Adj NFD ⁽²⁾	0.7%	24.4%	19.3%	22.4%	26.8%	23.7pp
Adj EBITDA/ Interest ⁽¹⁾	6.9x	5.2x	3.9x	4.6x	6.4x	-1.7x

(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>BB</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>Neutral</i>
Anchor Rating	BB+
<i>Modifiers</i>	-
Final Rating	BB+

Rating Sensitivity

- List of ratings:
 - LT Rating: BB+

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

- Positive factors (↑)**

We could upgrade our long-term rating should the company improve its credit ratios on the back of a better coverage of interest costs and a sustainable deleveraging strategy. This remains subject to profitability recovery in the advertising segment. Such an upgrade could be triggered by an adjusted net leverage of 2.5x or lower along with an interest coverage ratio of 8.0x or higher, on a sustained basis. Also, a rating upgrade could also occur if the company's ESG score falls below 1.0.

- Negative factors (↓)**

We may consider downgrading our long-term rating if the company's credit ratios deteriorate beyond current expectations, driven by low recovery in entertainment segment and continued upside in the non ads business segments. As such, a downgrade could be triggered if the adjusted net leverage exceeds 3.5x 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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