



## **PRESS RELEASE**

### **Highlight Group significantly boosts EBIT in fiscal year 2018**

- Consolidated sales increased to CHF 531.6
- EBIT improved by 26.0% to CHF 32.0 million
- Consolidated net profit attributable to shareholders of CHF 18.4 million within the forecast corridor

**Pratteln, March 28, 2019** - The business performance of the Highlight Group was in line with forecasts overall in 2018.

### **Group development in fiscal year 2018\***

- At CHF 531.6 million, consolidated sales were exactly within the projected range of between CHF 520 million and CHF 540 million. The significant increase of 42.0% compared to fiscal year 2017 (CHF 374.3 million) is largely attributable to the first-time consolidation of Constantin Medien AG.
- Due to a weaker increase in consolidated operating expenses, EBIT improved by CHF 6.6 million or 26.0% to CHF 32.0 million (previous year: CHF 25.4 million).
- Consolidated net profit fell from the previous year's figure of CHF 23.7 million to CHF 18.0 million. This was a result of a decline in the financial result by a total of CHF 12.7 million due largely to currency effects.
- The same applies to the consolidated net profit attributable to shareholders, which was likewise in line with our earnings forecast of CHF 18 million to 20 million at CHF 18.4 million.
- Based on an average of 58.2 million shares in circulation in the reporting year (previous year: 56.1 million), this resulted in earnings per share of CHF 0.32 (previous year: CHF 0.41).

### **Development of the operating segments in 2018**

- The **Film segment** achieved its targets in the fiscal year, whereby generating very pleasing results. Although the Constantin Film Group's distribution slate comprised only nine titles in 2018, one-third of those films attracted more than a million viewers each into German cinemas. Moreover, the theatrical success of "Fack Ju Göhte 3" continued in home entertainment exploitation. The title generated outstanding physical (DVD and Blu-ray) and digital (electronic sell-through) sales figures. In TV exploitation/license trading there were high financing proceeds from the international theatrical and TV productions "Polar" and "Shadowhunters" (season 3). Income from TV service productions remained at a consistently high level, thanks above all to the continuing strong performance of dailies, weeklies, fictional miniseries, and TV movies.



As a result of these developments, the Film segment generated sales of CHF 364.4 million in the year under review, thereby outperforming the figure for the previous year (CHF 315.6 million) by 15.5%. Other segment income, which is largely influenced by capitalized film production costs, rose by 8.8% as a result of the higher production volume to CHF 166.5 million (previous year: CHF 153.0 million). Segment expenses climbed – in particular on account of a significant increase in amortization – by 13.1% in total to CHF 518.8 million (previous year: CHF 458.9 million), resulting in segment earnings increasing by 24.7% to CHF 12.1 million (previous year: CHF 9.7 million).

- In the **Sports- and Event-Marketing segment**, the TEAM Group successfully concluded the marketing of the TV and sponsorship rights to the UEFA Champions League and the UEFA Europa League (for the 2018/19 to 2020/21 seasons in each case) in the past year. The performance targets agreed with UEFA were achieved, with the result that the TEAM agency agreement was automatically renewed for the 2021/22 to 2023/24 seasons.

At CHF 63.7 million, external sales in the Sports- and Event-Marketing segment were up by 8.5% on the previous year's level (CHF 58.7 million). The increase was due to the higher agency commission that the TEAM Group generated as a result of the successful marketing of UEFA club competitions. Segment expenses climbed from CHF 31.9 million to CHF 33.1 million, while other income rose from CHF 0.5 million to CHF 0.9 million. As a result, segment earnings improved by 15.4% to CHF 31.5 million (previous year: CHF 27.3 million).

- In the reporting year, the **Sports segment** continued to focus on optimizing its portfolio of rights, improving and creating new digital content and marketing environments in addition to cross-platform content exploitation, networking and capitalization.

The segment generated sales of CHF 104.2 million and other income of CHF 8.6 million in the period from March 31 to December 31, 2018. Expenses amounted to CHF 117.2 million, bringing segment earnings to CHF -4.4 million. As a result of the first-time consolidation of Constantin Medien AG – without adjusting the prior-year figures for the Highlight Group – it is not yet possible to make any statement on the business performance of the Sports segment.

## Targets for fiscal year 2019

The Highlight Group is expecting consolidated sales of between CHF 520 million and CHF 540 million and a consolidated net profit attributable to shareholders of between CHF 20 million and CHF 22 million for the current fiscal year.

The Board of Directors of Highlight Communications AG will propose the distribution of a dividend of CHF 0.20 per share for fiscal year 2018 at the Annual General Meeting. The ordinary Annual General Meeting for fiscal year 2018 is expected to take place on June 20, 2019.

The German annual report for 2018 will be available for download at [www.highlight-communications.ch](http://www.highlight-communications.ch) starting from today, and the English version from April 4, 2019.



## Highlight Group at a glance

Group figures according to IFRS

in CHF million	2018	2017	Change in %
Sales	531.6	374.3	42.0
EBIT	32.0	25.4	26.0
Net profit for the period	18.0	23.7	-24.1
Net profit attributable to shareholders	18.4	22.7	-18.9
Earnings per share (CHF)	0.32	0.41	-22.0
<b>Segment sales</b>			
Film	364.4	315.6	15.5
Sports- and Event-Marketing	63.7	58.7	8.5
Sports	104.2	–	n/a
<b>Segment earnings</b>			
Film	12.1	9.7	24.7
Sports- and Event-Marketing	31.5	27.3	15.4
Sports	-4.4	–	n/a
in CHF million	Dec. 31, 2018	Dec. 31, 2017	Change in %
Balance sheet total	638.6	512.8	24.5
Equity	225.6	236.4	-4.6
Equity ratio (%)	35.3	46.1	-10.8 points
Current financial liabilities	149.0	77.2	93.0
Cash and cash equivalents	52.5	186.6	-71.9

\* It should be noted regarding the statements on the development of sales and earnings that Constantin Medien AG was included in consolidation for the first time effective March 31, 2018, and was allocated to the new Sports segment. As the prior-year figures for the Highlight Group could not be adjusted, comparisons with fiscal year 2017 are of limited significance only.

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