



PRESS RELEASE

Highlight Group with a significant increase in earnings in fiscal year 2017

- Consolidated sales of CHF 374.3 million at the upper end of expectations
- Consolidated net profit attributable to shareholders improved by 15.2% to CHF 22.7 million
- Equity ratio rose from 36.7% to 46.1%

Pratteln, March 28, 2018 - The business performance of the Highlight Group was highly positive overall in 2017.

Group development in fiscal year 2017

- At CHF 374.3 million, consolidated sales were at the upper end of the forecast corridor of between CHF 360 million and CHF 380 million.
- Due to one-off expenses (costs for the takeover offer to the shareholders of Constantin Medien AG, additional legal and consulting costs), EBIT decreased as expected to CHF 25.4 million compared to the previous year's figure (CHF 35.8 million), which also included a one-off effect of CHF 2.7 million from the sale of the Other Business Activities segment.
- The consolidated net profit attributable to shareholders improved by 15.2% year-on-year to CHF 22.7 million. The figure thus significantly exceeded the earnings forecast of CHF 18 million to CHF 20 million.
- Earnings per share recorded a slight decline from CHF 0.46 to CHF 0.41 due to a considerably larger number of shares (up 30.6% year-on-year) as a result of the capital increase.
- This capital increase also caused the equity ratio to rise from 36.7% to 46.1% and net liquidity to increase from CHF 36.2 million to CHF 109.4 million.

Development of the operating segments in 2017

- The Film segment largely achieved its targets in fiscal year 2017, with the theatrical distribution area developing very well. Three titles from the distribution slate drew audiences of more than a million moviegoers in Germany, with "Fack Ju Göhte 3" in the lead as the most-watched movie of 2017. As anticipated, sales in the home entertainment business area – which had particularly benefited from exceptionally high sales figures for the hit films "Fack Ju Göhte 2" and "Look Who's Back" in 2016 – fell short of the previous year's level. The same applies to the TV exploitation/license trading area, which had benefited from high financing proceeds from the international own production "Resident Evil: The Final Chapter" in the previous year. By contrast, income from TV service productions remained at a consistently high level, primarily due to the continuing strong performance of dailies, weeklies, and fictional miniseries.



As a result of these developments, the Film segment generated external sales of CHF 315.6 million in the year under review, down CHF 67.2 million on the figure for the previous year (CHF 382.8 million). Segment expenses fell by CHF 44.3 million to CHF 458.9 million (2016: CHF 503.2 million), mainly due to considerably lower scheduled amortization on film assets. At CHF 9.7 million, segment earnings were down CHF 2.2 million or 18.5% compared to the previous year's figure (CHF 11.9 million).

- In the Sports- and Event-Marketing segment, activities focused on marketing of the commercial rights to the UEFA Champions League and the UEFA Europa League (for the 2018/19 to 2020/21 seasons). In the area of TV rights, contracts have already been concluded for some key markets. With regard to sponsorship rights, contracts with existing sponsors were successfully extended and a new sponsor was contractually secured.

At CHF 58.7 million, the segment's external sales were virtually unchanged from the previous year's level (CHF 58.6 million), while segment expenses were reduced by CHF 4.0 million to CHF 31.9 million. Accordingly, segment earnings improved by CHF 1.9 million or 7.5% to CHF 27.3 million (2016: CHF 25.4 million).

Targets for fiscal year 2018

Assuming stable currency effects, 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 18 million and CHF 20 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 entitled share for fiscal year 2017 at the Annual General Meeting. The ordinary Annual General Meeting for fiscal year 2017 is expected to take place in June 2018.

The annual report for 2017 will be available for download at www.highlight-communications.ch starting from today.



Highlight Group at a glance

Group figures according to IFRS

in CHF million	2017	2016	Change in %
Sales	374.3	441.7	-15.3
EBIT	25.4	35.8	-29.1
Net profit for the period	23.7	20.3	16.7
Net profit attributable to shareholders	22.7	19.7	15.2
Earnings per share (CHF)	0.41	0.46	-10.9
Segment sales			
Film	315.6	382.8	-17.6
Sports- and Event-Marketing	58.7	58.6	0.2
Segment earnings			
Film	9.7	11.9	-18.5
Sports- and Event-Marketing	27.3	25.4	7.5
in CHF million	Dec. 31, 2017	Dec. 31, 2016	Change in %
Balance sheet total	512.8	368.5	39.2
Equity	236.4	135.3	74.7
Equity ratio (%)	46.1	36.7	9.4 points
Current financial liabilities	77.2	52.3	47.6
Cash and cash equivalents	186.6	88.5	110.8

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