



Highlight

Highlight Communications AG



The Highlight Group with sound development in the first quarter of 2025

- The equity ratio is 22.0% (December 31, 2024: 24.3%).
- Consolidated sales increased by CHF 1.2 million to CHF 79.9 million.
- EBIT amounted to CHF -17.0 million (previous year: CHF -5.9 million).

Economic development of the Highlight Group

Sales and earnings (in CHF million)

	Q12025	Q12024	Change
Sales	79.9	78.7	1.5%
EBIT	-17.0	-5.9	n/a
Net profit for the period	-18.6	-8.3	n/a
Net profit attributable to shareholders	-13.1	-8.3	n/a
Earnings per share (in CHF)	-0.23	-0.15	n/a

Consolidated sales at CHF 79.9 million came in above the previous year's level (CHF 78.7 million). At CHF 13.3 million, capitalized film production costs and other own work capitalized were down by CHF 15.0 million on the previous year's figure, due to production factors.

Consolidated operating expenses remained almost at the previous year's level and decreased by CHF 3.3 million or 2.9% to CHF 112.1 million.

As a result, EBIT amounted to CHF -17.0 million, compared to CHF -5.9 million in the same quarter of the previous year, and consolidated net profit for the period decreased by CHF 10.3 million from CHF -8.3 million to CHF -18.6 million year-on-year.

Net assets and financial position (in CHF million)

	March 31, 2025	Dec. 31, 2024	Change
Balance sheet total	619.4	624.6	-0.8%
Equity	136.1	151.9	-10.4%
Equity ratio (in %)	22.0	24.3	2.3 points
Current financial liabilities	211.3	196.5	7.5%
Cash and cash equivalents	17.3	16.8	3.1%

With growth of CHF 4.8 million to CHF 475.7 million, non-current assets were higher than at the end of 2024. The increase in the value of film assets by CHF 5.4 million to CHF 229.3 million resulted in particular from an increase in third-party productions.

Current assets decreased by CHF 10.0 million to CHF 143.7 million. The increase in contract assets by CHF 0.9 million and an increase in cash and cash equivalents by CHF 0.5 million were offset by a decrease in trade receivables and other receivables by CHF 11.4 million to CHF 106.5 million.

Equity amounted to CHF 136.1 million as of March 31, 2025, a decrease of CHF 15.7 million compared to the end of 2024.

Operational and economic development of the Film segment

Theatrical production – During the reporting period, filming began on the family comedy “The Parents” and the best-selling novel adaptation of “Regretting You”.

Theatrical distribution –The reporting period saw the theatrical release of a total of seven titles: the drama “September 5”, the action thriller “Criminal Squad 2”, the erotic thriller “Babygirl”, the heist thriller “Bad Genius”, the family film “A Girl Called Willow”, as well as “In the Lost Lands” and the drama “The Last Showgirl”.

Home Entertainment – Revenue for the first quarter of 2025 for releases from the New Release sector and the extensive library program exceeded the planned values. In terms of digital content, plans were exceeded during the reporting period, compensating for the revenue in physical business, which was slightly below expectations. The epic historical film “Hagen” delivered very satisfactory sales figures in both the digital and physical sectors in the first quarter. The elaborate in-house production performed impressively with 55,000 digital transactions. The purchased title “Criminal Squad 2”, which was released at the end of March, recorded around 14,000 digital purchases within just a few days, indicating above-average sales potential in the initial marketing phase as well as in the long term. The intensive and continuous promotion of the catalog products also contributed to very satisfying sales figures.

License trading/TV exploitation – Free TV licenses started for the theatrical movie “Caveman” on ProSieben, while “Home Sweet Home” and pay TV (PPV) licenses started on Sky.

TV service production – In the first quarter of 2025, filming began on two further episodes of the series “Split Homicide”, the 22nd season of “Dahoam is Dahoam” and the series “Die Falle”.

At Constantin Entertainment, filming started on the documentary “Die Erfinder der Champions League”.

Several TV service productions achieved double-digit percentage market shares (overall market) in the first quarter of 2025. Thus, the premiere broadcast of “Der Krimi aus Brandenburg: Die Raben und das tote Mädchen” on ARD in January reached 5.7 million viewers, with an overall market share of 20.8%. The crime drama “Blutspur Antwerpen”, also broadcast on ARD in March, attracted 5.4 million viewers, with a market share of 22.3%. The second season of the event miniseries “The Palace” was well received by audiences. At its peak, 3.1 million viewers tuned in on ZDF, corresponding to a market share of 12%. The “Suck Me Shakespeer” series is proving to be a steady ratings guarantor: On New Year’s Day, the broadcast of the trilogy on ProSieben reached a peak figure of over 20% market share among young viewers (14-29 years).

The cult series “Dahoam is Dahoam”, which already has over 3,500 episodes, attracted an average of 581,000 viewers per broadcast on BR Fernsehen in the first quarter and was extended by the Broadcasting Council by 395 new episodes in March. The format is one of the most successful broadcasting series by all the state broadcasters in the ARD media library. A new monthly record was achieved in January 2025 with nearly 5.8 million views.

In the streaming sector, the six-part series “Cassandra” proved to be a hit with audiences on Netflix. The series, which started on February 6, has generated over 25 million views in Germany during the reporting period. The cinema blockbuster “Chantal and the Magic Kingdom” (“Chantal im Märchenland”), which was exploited for the first time in paid streaming on Netflix, achieved 4.1 million views in the first quarter.

Sales and earnings (in CHF million)

	Q12025	Q12024	Change
Segment sales	52.1	40.4	29.0%
Segment earnings	-2.4	-1.7	n/a

Other segment income, which is largely influenced by capitalized film production costs, decreased by CHF 15.4 million to CHF 14.4 million due to the lower production volume. Segment expenses also decreased by CHF 3.0 million to CHF 69.1 million due to production-related factors.

Operational and economic development of the Sports and Event segment

In the first quarter of 2025, TEAM concluded the sale of UEFA Champions League sponsorship packages, by securing a sponsorship with Chinese brand JD.com, Inc., also known as JINGDONG, who will serve as the Official E-commerce Innovation Partner for the UEFA Champions League during the same period.

In addition, TEAM supported the commercial partners in preparation for the UEFA Champions League Final in Munich, the UEFA Europa League Final in Bilbao, and the UEFA Conference League Final in Wroclaw.

In the first quarter of 2025, Highlight Event AG has already successfully handled two important events for the Vienna Philharmonic Orchestra: the New Year's Concert 2025 in Vienna for the media and marketing partners, and an exclusive sponsor event in Milan. Preparations have begun for the Summer Night Concert, which will take place in the second quarter on June 13, 2025, in the palace gardens of Schönbrunn. In addition, the sponsorship sales for the 2025 Eurovision Song Contest in Basel with Moroccanoil as main sponsor, booking.com, easyjet, Novartis, Baileys, Royal Caribbean and idealista were successfully completed in this quarter. Furthermore, the event preparations for Eurovision Week from May 12-17, 2025 have been intensified.

2025 once again started with a real highlight for SPORT1: The broadcasts of the finals of the World Darts Championship at the beginning of January once again achieved outstanding ratings this year. The final between Luke Littler and Michael van Gerwen on January 3 was watched by an average of 2.36 million viewers. With market shares of 10.0 % (Z3+), 28.4 % (men aged 14-59) and 22.4 % (men aged 14-49), the event once again achieved record values in the advertising-relevant target groups. The semi-finals and quarter-finals also achieved very good results with 8.3 % and 6.0% market share (Z3+), respectively.

Overall, the market shares reflect a realignment: While traditional target groups recorded declines (Z3+: -16 %; men aged 14-59: -11 %), the market share in the younger target groups rose significantly: +2 % among age group 14-49 and +53 % among age group 14-29. Particularly positive is the significant growth among young women and men under 30 years of age, which can be attributed both to the sports highlights and the expanded entertainment offering. The increase of +77 % among women aged 14-29 is particularly noteworthy – a clear indicator that the new formats are also successfully appealing to and engaging female target groups.

In the digital segment, with its digital sports content, the decline caused by SEO losses as a result of algorithmic changes at Google continued: With 72 million visits and 320 million page impressions per month, SPORT1 was below the same period last year by double digits (-14 % and -11 %, respectively). Video views fell to 13.3 million per month (-29 % compared to the same period last year), which is primarily due to the loss of Google Discover as a distribution channel. On YouTube, a decline of -22 % was recorded compared to Q1 2024. On the positive side, the average viewing time per video increased from 4:15 minutes to around 4:30 minutes compared to the same period last year – an indicator of attractive and relevant content.

The strategic realignment was also extended to the digital sector in the first quarter of 2025. In addition to the existing digital sports channels such as sport1.de and the SPORT1 app, which continue to focus on up-to-date sports news and videos, the new entertainment platform show1.tv was launched at the end of March. It complements the TV offering with digital content from the entertainment sector, thereby significantly expanding the digital brand world of SPORT1.

Virtual Production at PLAZAMEDIA: Highlights included the anniversary film “125 Years of FC Bayern München”, as well as the DAZN Champions League conference (8th match day), the largest conference ever.

The production of the anniversary film for FC Bayern München was particularly groundbreaking in terms of technology – the focus was on the virtual reconstruction of the historical founding site of the club, including the complete implementation from conception to realization.

Sales and earnings (in CHF million)

	Q12025	Q12024	Change
Segment sales	27.8	38.3	-27.4%
Segment earnings	-13.4	-3.1	n/a

The external sales of the Sports and Events segment fell by CHF 10.5 million to CHF 27.8 million.

Other segment income fell by CHF 0.1 million to CHF 0.8 million, while segment expenses fell by CHF 0.3 million to CHF 42.2 million. The segment earnings fell by a total of CHF 10.4 million to CHF -13.4 million compared to the same quarter of the previous year.

Report on risks and opportunities

There were no changes in the Highlight Group's risks and opportunities in the first quarter of 2025. A detailed description of the risk management system and the risk and opportunity profile can be found in the management report of our 2024 annual report.

Forecast

Film segment

At present, it can be cautiously assumed that media consumption is on the rise, that there is stronger global demand for audiovisual products and, therefore, an overall positive situation in the Film segment and a recovering movie theater market.

Assuming this is the case, the sales forecast for 2025 is based on a promising portfolio of attractive own/co-productions and licensed films for cinema and home entertainment, as well as a wide range of fiction and non-fiction service productions for TV channels and streaming services.

At least ten more film releases are planned for theatrical distribution in Germany in 2025, in addition to the titles already mentioned above ("September 5", "Criminal Squad 2", "Babygirl", "Bad Genius", "A Girl Called Willow", "In the Lost Lands" and "The Last Showgirl"). Among others, Michael "Bully" Herbig's sequel to "Manitou's Shoe": "Das Kanu des Manitou", as well as the best-selling film adaptations "22 Bahnen" (Caroline Wahl) and "Regretting You" (Colleen Hoover) are due to be released. The remake of Michael Ende's "Momo", "The Physician 2" and "Pumuckl und das grosse Missverständnis" will also be released. Constantin is SquareOne's new distribution partner. This is a so-called booking & billing deal. This means that Constantin will distribute the films "Last Breath", "Wilhelm Tell" and "Karli & Marie" on behalf of SquareOne.

In home entertainment exploitation, which includes digital transactional and physical product distribution, Constantin expects consistently good sales figures for new releases and catalog products in digital distribution. Physical business is expected to see further sales decline due to the downturn in consumer behavior.

With titles such as "Babygirl", "Der Spitzname", "September 5", "The Last Showgirl", "Bride Hard", "In the Lost Lands", "Clown in a Cornfield", "The Unholy Trinity", "Dangerous Animals", "London Calling", "Regretting You" and "Mädchen Mädchen", a large number of highly promising productions are available for home entertainment sales in 2025. In particular, the marketing of the cult sequel "Das Kanu des Manitou", which is scheduled for the end of the year, is expected to generate high sales figures.

In the second quarter of this year, the theatrical movies "Manta Manta – Zwoter Teil", "Sonne und Beton" and "Perfect Addiction" will be shown on RTL, as well as "The Three Musketeers – Milady" on ZDF. In the pay TV (PPC) segment, "We Are Champions 2" will be launched on Sky.

Sports and Event segment

In the next quarter, TEAM will support UEFA and its partners in delivering a successful conclusion to the first season of the current, 2024/25 to 2026/27, rights cycle, including the Finals.

TEAM Marketing AG currently still holds the marketing rights for the UEFA club competitions for the seasons 2024 to 2027. A focus in the next quarter will be to examine various options for the future from 2027, when the contract with UEFA expires, and to conduct corresponding negotiations with various parties in order to align the company for the future.

Highlight Event AG is focused on the realization of the contracts for the Eurovision Song Contest and the Summer Night Concert, particularly in the areas of media, sponsoring and merchandising. Further TV and sponsoring events in the Paris Opera (in May 2025) and in Seoul (in November 2025) will follow.

In the further course of 2025, SPORT 1's strategic focus will continue to be on the consistent use, distribution and capitalization of high-quality content from sports and entertainment. The targeted integration of both areas is intended to further increase the relevance of SPORT 1 both in linear and digital media. In view of the continued rapid growth in cross-platform media usage, it is particularly the sports formats that are driving the digital diversification of the SPORT 1 brand. The goal is to develop new content for digital channels, to open up additional marketing environments and thus sustainably increase reach and revenue. At the same time, the strategic realignment is being further expanded with the establishment of entertainment content in the free TV and digital sector – both in terms of programming and in terms of target audience appeal, particularly with a view to young, digitally-oriented users.

Events after the balance sheet date

Management and the Board of Directors are not aware of any events that occurred after the balance sheet date with a material impact on the net assets, financial position and results of operations of the Highlight Group.

Notes and forward-looking statements

This document is a quarterly statement according to Section 51a of the Exchange Rules for the Frankfurter Wertpapierbörse.

For calculation-related reasons, rounding differences of +/- one unit may arise and the percentages shown may not precisely reflect the absolute figures to which they relate.

This document contains forward-looking statements that are based on estimates and expectations of the Group management. Words such as “anticipate”, “intend”, “expect”, “can/could”, “plan”, “intended”, “further improvement”, “target is”, and similar expressions are intended to identify forward-looking statements.

Forward-looking statements are not historical facts. These are subject to risks, uncertainties and factors, of which most are difficult to assess and which in general are beyond the control of the Group management. If one or more of these risks or uncertainties materializes, or if underlying expectations do not occur or assumptions prove to be incorrect, the actual results, performance, or achievements of the Highlight Group may differ significantly from those described explicitly or implicitly in the forward-looking statements. Highlight Communications AG does not intend to continuously update the forward-looking statements contained in this document.

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