axel springer

Quarterly Statement

as of March 31, 2019

Group Key Figures

€ millions	Q1/2019	Q1/2018	Change
Group			
Revenues	**771.8**	**773.5**	**– 0.2 %**
Digital revenue share[1]	*73.8 %*	*70.6 %*	
EBITDA, adjusted[2]	**167.0**	**171.2**	**– 2.5 %**
EBITDA margin, adjusted[2]	*21.6 %*	*22.1 %*	
Digital EBITDA share[1]	*86.6 %*	*80.7 %*	
EBIT, adjusted[2]	**113.4**	**121.8**	**– 6.9 %**
EBIT margin, adjusted[2]	*14.7 %*	*15.8 %*	
Net income	55.4	84.7	– 34.6 %
Net income, adjusted[2]	75.1	80.9	– 7.2 %
Segments			
Revenues			
Classifieds Media	314.8	290.2	8.5 %
News Media	341.2	351.5	– 2.9 %
Marketing Media	104.4	118.1	– 11.6 %
Services/Holding	11.3	13.7	– 17.6 %
EBITDA, adjusted[2]			
Classifieds Media	113.2	112.6	0.5 %
News Media	46.7	49.4	– 5.4 %
Marketing Media	25.2	23.6	7.1 %
Services/Holding	– 18.2	– 14.3	–
EBIT, adjusted[2]			
Classifieds Media	91.0	94.3	– 3.5 %
News Media	30.0	33.1	– 9.4 %
Marketing Media	19.2	17.6	9.4 %
Services/Holding	– 26.9	– 23.2	–
Liquidity and financial position			
Free cash flow (FCF)[2]	67.8	106.8	– 36.5 %
FCF excl. effects from headquarter real estate transactions[2] [3]	89.8	127.4	– 29.5 %
Capex[4]	– 53.1	– 51.2	–
Capex excl. effects from headquarter real estate transactions[3] [4]	– 32.1	– 36.7	–
Net debt/liquidity[2] [5] [6]	– 1,240.1	– 1,249.2	–
Share-related key figures			
Earnings per share, adjusted (in €)[2] [7]	**0.57**	**0.63**	**– 9.5 %**
Earnings per share (in €)[7]	0.41	0.69	– 40.9 %
Closing price (in €)[8]	46.04	68.00	– 32.3 %
Market capitalization[8] [9]	4,967.5	7,336.9	– 32.3 %
Average number of employees[10]	**16,282**	**16,365**	**– 0.5 %**

No audit review was carried out with regard to the financial information contained in the Quarterly Statement.

1) Based on the operating business (without the segment Services/Holding).
2) Explanations regarding relevant key performance indicators on page 10.
3) Referring to the new building in Berlin as well as the sale of the new building and the Axel-Springer-Passage as well as the sale of the office building complex in Hamburg.
4) Capital expenditures for intangible assets and property, plant and equipment.
5) As of March 31, 2019, and December 31, 2018, respectively.
6) Incl. leasing liabilities in the amount of € 359.6 million (PY: € 379.6 million).
7) Calculation based on average weighted shares outstanding in the reporting period (107.9 million; PY: 107.9 million).
8) Quotations based on XETRA closing prices.
9) Based on shares outstanding as of March 31, 2019, excluding treasury shares (107.9 million; PY: 107.9 million).
10) Prior-year figure adjusted retrospectively due to changes in portfolio.

Business performance and position of the Group

At a glance

Development of revenues and earnings

Axel Springer started the 2019 fiscal year mainly as expected.

In the reporting period, **revenues** of € 771.8 million were at the same level as the prior-year value (– 0.2% compared to the prior year, PY: € 773.5 million). A good operating performance was offset by consolidation effects, in particular due to the sale of aufeminin in the prior year. Organically, i.e. adjusted for consolidation and currency effects, revenues increased by 3.2%. Once again, growth was driven by the activities in the Classifieds Media segment. Overall, Axel Springer generated 73.8% of revenue in the digital segment in the first quarter of the current year.

The **adjusted EBITDA** was € 167.0 million and therefore down by 2.5%, compared with the prior year (€ 171.2 million). The margin fell slightly from 22.1% to 21.6%. The earnings development in the first quarter of the current year is partly due to consolidation effects, which should weaken significantly as the year progresses. In addition to the sale of aufeminin in the prior year, besides other transactions, the start-up losses from our investment in Purplebricks and Homeday, which were consolidated for the first time in comparison to the prior year, contributed to this. Organically, i.e. adjusted for consolidation and currency effects, the adjusted EBITDA increased by 4.1%. Overall, we generated 86.6% of the adjusted EBITDA with digital activities in the reporting period.

Compared with the prior year**, adjusted EBIT** decreased by 6.9% to € 113.4 million (PY: € 121.8 million). The higher decline compared to adjusted EBITDA resulted from higher depreciation, amortization and impairments. In addition, the adjusted EBIT was also affected by consolidation effects in the first quarter, the significance of which should decrease during the course of the year. Adjusted EBIT increased organically by 2.5%. The margin of 14.7% was below the level of the prior year (15.8%).

The **adjusted earnings per share** of € 0.57 were 9.5% below the prior-year figure of € 0.63. Here, too, the performance adjusted for consolidation and currency effects was better: Organically, there was an increase of 1.7%.

Outlook 2019

At the beginning of May 2019, Axel Springer announced the sale of the 51% majority stake in the @Leisure Group (see business performance on page 4). Assuming that the transaction will close as expected at the beginning of June 2019, the Group outlook and the forecast for the Classifieds Media segment for the full year 2019 will change as follows:

If the transaction is completed, we expect **Group revenues** for the financial year 2019 to be on the prior-year level, having expected an increase in the low single-digit percentage range until now. Organically, we continue to assume growth in the low to mid single-digit percentage range.

We continue to expect the **adjusted EBITDA** to remain on the prior-year level. Organic growth of adjusted EBITDA should remain unchanged in the low to mid single-digit percentage range.

Upon the completion of the transaction, for the **adjusted EBIT**, we forecast a decline in the low to mid single-digit percentage range due to higher depreciation, amortization and impairments, after previously having expected a decline in the low single-digit percentage range. Organically, we continue to expect growth in the low single-digit percentage range.

We expect **adjusted earnings per share** to show a decline in the low single-digit percentage range in the case of closing the transaction, having previously expected a development between the level of the prior year and a decline in the low single-digit percentage range. Organically, we continue to expect an increase in the single-digit percentage range.

In the **Classifieds Media segment**, in the event of the transaction being completed, we expect to see a mid single-digit percentage revenue growth, after previously expecting an increase in the high single-digit to low double-digit percentage range. Adjusted EBITDA is forecast to be at the level of the prior year, following a previously expected increase in the low to mid single-digit percentage range. In terms of adjusted EBIT, we expect a decline in the low single-digit percentage range, after previously anticipating a development on the prior-year level. For the organic performance in the Classifieds Media segment we continue to expect high single-digit to low double-digit percentage revenue growth, a mid single-digit percentage increase in adjusted EBITDA, and a low to mid single-digit percentage increase in adjusted EBIT.

The forecasts for the segments News Media, Marketing Media and Services/Holding remain unaffected by the transaction.

Business performance

During the first quarter of 2019, StepStone further strengthened the German business through acquisitions. With the Berlin e-learning startup **Studydrive** StepStone has taken over Europe's leading digital platform for students. Studydrive provides access to more than 250,000 learning materials from all faculties. More than 700,000 students at over 100 universities and colleges use the platform to exchange ideas with fellow students and to support each other in their study progress. In addition, they will find jobs and internships on Studydrive that are perfectly suited to the course of their studies. In addition, StepStone has acquired a majority stake in **PersonalMarkt** Services GmbH (PSMG), one of the largest compensation analysts in Germany. PMSG operates online portals for both employees and employers: The portals gehalt.de and gehaltsvergleich.com provide detailed salary information as well as job offers. With its Compensation Partner offering, PersonalMarkt supports employers in all industries in reviewing compensation structures in line with current market standards. More than 1,000 employers have already used the services of the Hamburg-based company.

In the field of Paid Content Technology, Axel Springer has taken over **CeleraOne** GmbH, a leading company in Germany. The acquisition strengthens our IT expertise in a strategic core area. At the same time, the company becomes a technology provider in the growth business of payment technology. CeleraOne is a specialist for real-time processing of large data volumes and with its solutions for paid content technology service providers it is a service company for numerous German and Swiss publishers. At Axel Springer, CeleraOne has already been used in the payment offerings of WELT and BILD since their launches in 2012 and 2013 respectively.

At the beginning of May, Axel Springer entered into a contract to sell its majority stake (51 %) in the **@Leisure Group**. The @Leisure Group is one of the leading online platforms for holiday homes in Europe. The offering includes the full-service providers Belvilla and DanCenter as well as the online holiday home marketplace Traum-Ferienwohnungen. The @Leisure Group is valued with an EBITDA multiple of more than 15 as part of the transaction. The @ Leisure Group generated adjusted EBITDA of more than € 24 million in 2018. Axel Springer will receive a total of approximately € 180 million (including the repayment of a shareholder loan of approximately € 60 million). With the sale of @Leisure, Axel Springer is increasingly focusing on the activities of the StepStone and the AVIV Group in the Classifieds Media segment. Completion of the transaction is expected for early June.

Financial performance of the Group

In the reporting year, **revenues** of € 771.8 million were 0.2 % below the prior-year value of (€ 773.5 million). In organic terms, i.e. adjusted for consolidation and currency effects, revenues increased by 3.2 %. While consolidation effects had a negative impact, in particular due to the deconsolidation of aufeminin, currency effects had an overall positive effect.

Revenues from digital activities increased by 4.7 % from € 536.5 million (prior-year figure slightly adjusted due to portfolio changes in income statement) to € 561.5 million. The digital share of revenues related to the operating business performance therefore amounted to 73.8 % (PY: 70.6 %).

Organic revenue development for digital media is illustrated in the table below. Consolidation and currency effects have been adjusted.

Revenue Development Digital Media, organic

yoy	Q1/2019	Q1/2018
Digital Media	**8.9 %**	**9.5 %**
Classifieds Media	7.3 %	11.3 %
News Media	10.3 %	12.8 %
Marketing Media	11.9 %	1.9 %

International revenues decreased by 2.3 % from € 353.2 million to € 345.0 million. The share of Axel Springer's revenues fell from 45.7 % to 44.7 %.

Adjusted EBITDA of € 167.0 million was 2.5 % below the value of the prior year (€ 171.2 million). The margin decreased to 21.6 % (PY: 22.1 %). Organically, adjusted EBITDA was 4.1 % above the prior-year value.

Adjusted EBITDA of digital media increased by 7.2 % from € 149.7 million to € 160.4 million. In terms of operating business, the share of digital activities in adjusted EBITDA was at 86.6 % (PY: 80.7 %).

Due to increased scheduled depreciation, **adjusted EBIT** fell compared to the prior year by 6.9 % to € 113.4 million (PY: € 121.8 million). Consolidation effects in particular, and to a smaller extent currency effects, also had an impact. Organically, adjusted EBIT was 2.5 % above the prior-year figure. The margin of 14.7 % was below the level of the prior year (15.8 %).

The **adjusted net income** declined by 7.2 % to € 75.1 million (PY: € 80.9 million). Due to increased minority interests, **adjusted earnings per share** decreased by 9.5 %. In organic terms, adjusted earnings per share were 1.7 % above the prior-year figure.

Net income

€ millions	Q1/2019	Q1/2018	Change
Net income	**55.4**	**84.7**	**– 34.6 %**
Non-recurring effects	6.2	– 25.3	–
Depreciation, amortization, and impairments of purchase price allocations	18.7	17.9	4.5 %
Taxes attributable to these effects	– 5.2	3.6	–
Net income, adjusted[1]	**75.1**	**80.9**	**– 7.2 %**
Attributable to non-controlling interest	13.7	13.1	4.9 %
Adjusted net income[1] attributable to shareholders of Axel Springer SE	**61.4**	**67.8**	**– 9.5 %**
Earnings per share, adjusted (in €)[1) 2)]	**0.57**	**0.63**	**– 9.5 %**
Earnings per share (in €)[2]	**0.41**	**0.69**	**– 40.9 %**

[1] Explanations regarding relevant key performance indicators on page 10.
[2] Calculation based on average weighted shares outstanding in the reporting period (107.9 million; PY: 107.9 million).

The non-recurring effects in the reporting period mainly comprised equity valuation effects of € – 7.5 million (PY: € 0.0 million) as well as effects related to the long-term share-based incentive program (LTIP) amounting to € 2.6 million (PY: € – 6.8 million). In the previous year, income from the sale or contribution of business activities and real estate in the amount of € 35.9 million was also included, which related almost exclusively to the transfer of the Axel Springer high-rise building in Berlin to the Axel Springer Pensionstreuhandverein.

Financial performance of the operating segments

Classifieds Media

In the Classifieds Media segment all business models are summarized, which generate their revenues mainly in the online classifieds business. The segment is sub-divided into Jobs, Real Estate, and General/Other.

Key Figures Classifieds Media

€ millions	Q1/2019	Q1/2018	Change
Revenues	**314.8**	**290.2**	**8.5 %**
Advertising revenues	308.3	285.2	8.1 %
Other revenues	6.5	5.0	29.8 %
Jobs	150.5	134.9	11.5 %
Real Estate	97.1	87.0	11.6 %
General/Other	67.3	68.3	– 1.5 %
EBITDA, adjusted[1]	**113.2**	**112.6**	**0.5 %**
Jobs	45.5	46.7	– 2.6 %
Real Estate	42.7	41.8	2.3 %
General/Other	27.7	26.8	3.5 %
EBITDA margin, adjusted	***36.0 %***	***38.8 %***	
Jobs	*30.2 %*	*34.6 %*	
Real Estate	*44.0 %*	*48.0 %*	
General/Other	*41.2 %*	*39.2 %*	
EBIT, adjusted[1]	**91.0**	**94.3**	**– 3.5 %**
Jobs	32.3	35.8	– 9.8 %
Real Estate	36.7	37.0	– 0.8 %
General/Other	24.8	24.2	2.4 %
EBIT margin, adjusted	***28.9 %***	***32.5 %***	
Jobs	*21.4 %*	*26.5 %*	
Real Estate	*37.8 %*	*42.5 %*	
General/Other	*36.8 %*	*35.4 %*	

[1] Segment EBITDA/EBIT, adjusted include non-allocated costs of € 2.7 million (PY: € 2.6 million).

Revenues in the Classifieds Media segment increased significantly compared the prior-year period by 8.5% to € 314.8 million (PY: € 290.2 million). In addition to an operational improvement in the job portals in particular, consolidation effects also contributed to this, mainly due to the inclusion of Logic-Immo in Real Estate and Universum in Jobs. The deconsolidation effect from the sale of casamundo in the subsegment General/Other had a counteracting effect. Organic revenue growth, i.e. adjusted for consolidation and currency effects amounted to 7.3%. The job portals achieved a revenue increase of 11.5%, organically they increased by 9.3%. Once again, business in continental Europe primarily contributed to this growth, while activities in the UK were only at the level of the previous year due to uncertainties in the course of the Brexit discussion. The real estate portals showed an increase of 11.6%. The strong growth resulted above all from the consolidation of Logic-Immo. Organically, growth was at 4.6%. In the subsegment General/Other the reported decline in revenues of – 1.5% was due to the deconsolidation of casamundo in the vacation rental area. Organically, the subsegment recorded an increase of 6.5%.

The adjusted EBITDA of the segment increased slightly by 0.5% to € 113.2 million (PY: € 112.6 million). This includes a number of negative consolidation effects that overshadowed the good operating performance, including seasonal effects at Universum in the Jobs subsegment or start-up losses at hybrid brokerage activities. In organic terms, i.e. adjusted for the above as well as for the currency effects, the increase was 6.2%. The margin of 36.0% was below the prior-year value (38.8%). Contributing to this were the announced selective investments in marketing, product and technology in both the Jobs and Real Estate subsegments. The adjusted EBITDA for Jobs decreased by 2.6% compared to the prior-year value. This was mainly due to seasonally negative earnings contributions from the employer branding business acquired last year. The adjusted EBITDA increased organically by 5.0%. The real estate portals recorded a 2.3% increase in adjusted EBITDA, which included negative earnings contributions from hybrid brokerage activities, which have not yet been consolidated in the same quarter of the previous year. Organically, the adjusted EBITDA of this subsegment increased by 6.5%. The increase in adjusted EBITDA in the subsegment General/Other by 3.5% was also impacted by deconsolidation effects in addition to operating earnings improvements. The organic increase was correspondingly stronger at 7.5%.

The adjusted EBIT in the Classifieds Media segment declined by 3.5% from € 94.3 million to € 91.0, organically it increased by 3.8%. The depreciation, amortization and impairments / write-ups increased by 21.0% to € 22.2 million (PY: € 18.3 million).

News Media

The News Media segment mainly comprises the BILD and WELT Group in the national segment, and in the international area primarily digital media offerings in Europe and the USA.

Key Figures News Media

€ millions	Q1/2019	Q1/2018	Change
Revenues	**341.2**	**351.5**	**– 2.9 %**
Advertising revenues	143.1	152.8	– 6.3 %
Circulation revenues	140.8	147.6	– 4.6 %
Other revenues	57.3	51.2	12.0 %
National	240.8	250.2	– 3.8 %
Advertising revenues	88.4	97.2	– 9.0 %
Circulation revenues	113.5	116.7	– 2.8 %
Other revenues	38.9	36.3	7.1 %
International	100.4	101.3	– 0.8 %
Advertising revenues	54.7	55.6	– 1.6 %
Circulation revenues	27.3	30.8	– 11.4 %
Other revenues	18.4	14.8	23.9 %
EBITDA, adjusted	**46.7**	**49.4**	**– 5.4 %**
National	33.2	35.9	– 7.5 %
International	13.6	13.5	0.5 %
EBITDA margin, adjusted	***13.7 %***	***14.1 %***	
National	*13.8 %*	*14.3 %*	
International	*13.5 %*	*13.3 %*	
EBIT, adjusted	**30.0**	**33.1**	**– 9.4 %**
National	25.2	28.4	– 11.3 %
International	4.8	4.7	1.5 %
EBIT margin, adjusted	***8.8 %***	***9.4 %***	
National	*10.5 %*	*11.4 %*	
International	*4.8 %*	*4.7 %*	

Revenues in the News Media segment of € 341.2 million were 2.9 % below the prior-year figure (€ 351.5 million). Print activities were unable to escape the market trend and achieved revenues below the prior-year level. The digital proportion of revenues was 41.7 % (PY: 36.5 %). Organically, i.e. adjusted for consolidation and currency effects, the decrease in revenues declined to – 1.6 %. At € 240.8 million, revenues in the News Media National were 3.8 % below the prior year (organically also – 3.8 %). The digital proportion of revenues was 29.8 % (PY: 26.1 %). Revenues in the News Media International segment fell slightly by 0.8 % to € 100.4 million. Organically they grew by 4.0 %. The performance of digital offerings continued to be good; in addition to Insider Inc. and upday, eMarketer also made a tangible contribution to growth. The digital proportion of revenues for News Media International was 70.2 % (PY: 62.3 %).

The adjusted EBITDA of € 46.7 million was 5.4 % below the value of the same quarter of the prior year (€ 49.4 million). Organically, i.e. adjusted for consolidation and currency effects, the decrease was reduced to 2.3 %. The margin of the segment of 13.7 % was slightly below the value for the prior-year period (14.1 %). The adjusted EBITDA in the News Media National subsegment of € 33.2 million, was 7.5 % below the prior-year figure (€ 35.9 million). Improvements in the digital business could not fully offset the market-related decline in the print activities. Organically as well, the decrease was 7.5 %. In the international segment however, the adjusted EBITDA increased slightly (0.5 %) to € 13.6 million (PY: € 13.5 million). The organic increase of 13.6 % was more significant. This was mainly attributable to earnings improvement of upday and eMarketer.

The adjusted EBIT in the News Media segment decreased by 9.4 % from € 33.1 million to € 30.0 million; there was also a decline of 5.2 % in organic growth. The depreciation, amortization and impairments / write-ups increased by 3.0 % to € 16.7 million (PY: € 16.2 million).

Marketing Media

In the Marketing Media segment, it is mainly idealo, the Bonial Group and finanzen.net as well as aufemin, until its disposal at the end of April 2018 that are included in the reach-based marketing subsegment. The performance-based marketing consists of the Awin Group.

Key Figures Marketing Media

€ millions	Q1/2019	Q1/2018	Change
Revenues	**104.4**	**118.1**	**– 11.6 %**
Advertising revenues	76.1	86.1	– 11.6 %
Other revenues	28.4	32.1	– 11.6 %
Reach Based Marketing	54.2	73.0	– 25.8 %
Performance Marketing	50.2	45.1	11.3 %
EBITDA, adjusted[1]	**25.2**	**23.6**	**7.1 %**
Reach Based Marketing	18.5	17.6	5.0 %
Performance Marketing	8.5	7.8	8.7 %
EBITDA margin, adjusted	***24.2 %***	***19.9 %***	
Reach Based Marketing	*34.1 %*	*24.1 %*	
Performance Marketing	*17.0 %*	*17.4 %*	
EBIT, adjusted[1]	**19.2**	**17.6**	**9.4 %**
Reach Based Marketing	15.4	15.0	3.2 %
Performance Marketing	5.6	4.5	23.2 %
EBIT margin, adjusted	***18.4 %***	***14.9 %***	
Reach Based Marketing	*28.5 %*	*20.5 %*	
Performance Marketing	*11.2 %*	*10.1 %*	

[1] Segment EBITDA/EBIT, adjusted include non-allocated costs of € 1.8 million (PY: € 1.9 million).

Revenues in the Marketing Media segment decreased in the first quarter of the current year by 11.6 % to € 104.4 million due to consolidation effects as a result of the sale of aufeminin in the prior year (PY: € 118.1 million). Organically, i.e. adjusted for consolidation and currency effects, the segment however recorded an increase in revenue of 11.9 %. The revenues in Reach Based Marketing, in which aufeminin was consolidated, fell by 25.8 % to € 54.2 million. In organic terms, revenues increased by 13.4 % compared to the same period of the prior year. In particular, the idealo Group started the year very satisfactory. Revenues in the Performance Marketing subsegment increased by 11.3 % to € 50.2 million. The organic growth was only slightly lower with 10.2 % due to minor currency effects.

The adjusted EBITDA in the segment of € 25.2 million was 7.1% above the value of the previous year (€ 23.6 million). Organically, i.e. adjusted for consolidation and currency effects, the recorded increase was 23.5 %. The margin in the segment increased to 24.2 % (PY: 19.9 %). The adjusted EBITDA in Reach Based Marketing amounting to € 18.5 million was 5.0 % above the prior-year level of € 17.6 million. Organically, the subsegment posted an increase in earnings of 29.4 %, which was primarily driven by earnings improvements at the idealo Group. The adjusted EBITDA in the Performance Marketing subsegment increased by 8.7%, or by 5.5 % organically.

The adjusted EBIT in the Marketing Media segment increased by 9.4 % from € 17.6 million to € 19.2million, organically it grew by 33.0 % compared to prior-year value. Depreciation, amortization and impairments / write-ups of € 6.0 million remained stable (PY: € 6.0 million).

Services/Holding

Group services, which also include the three domestic printing plants, as well as holding functions, are reported within the Services/Holding segment. The services of the Group Services are procured by in-house customers at standard market prices.

Key Figures Services/Holding

€ millions	Q1/2019	Q1/2018	Change
Revenues	11.3	13.7	– 17.6 %
EBITDA, adjusted	– 18.2	– 14.3	
EBIT, adjusted	– 26.9	– 23.2	

Revenues in the Services/Holding segment decreased compared to the comparable prior-year period, due to the market-related decline in the business of printed products, by 17.6 % and amounted to € 11.3 million (PY: € 13.7 million).

The adjusted EBITDA decreased from € – 14.3 million in the first quarter of the previous year to € – 18.2 million, mainly due to lower revenues.

The adjusted EBIT in the Services/Holding segment was at € – 26.9 million (PY: – 23.2 million). Depreciation, amortization and impairments / write-ups of € 8.6 million remained almost unchanged at the prior-year level (€ 8.8 million).

Financial position and liquidity

As a result of the planned disposal of the @Leisure Group in the second quarter of 2019, we have disclosed the assets and liabilities belonging to the Group separately as held-for-sale. Thereby, particularly the disclosure of intangible assets and trade receivables was reduced. This was offset by additions from the initial consolidation of acquired subsidiaries.

The increase in equity from € 2,884.2 million to € 2,982.5 million resulted from the consolidated net income of the first quarter of 2019 as well as positive currency effects from the translation of financial statements denominated in foreign currency. Of the non-controlling interests, € 48.7 million is attributable to non-controlling interests in the @Leisure Group.

Other provisions decreased mainly due to utilization of structural measures as well as the utilization of other provisions for performance-related remuneration. The decline in trade payables was in particular due to the reclassification of the liabilities of the @Leisure Group as held-for-sale. Other liabilities increased mainly due to higher advance payments received for services to be rendered.

The financial assets increased to € 292.2 million (December 31, 2018: € 281.5 million) while at the same time the financial liabilities remained nearly constant at € 1,532.2 million (December 31, 2018: € 1,530.8 million). Net debt thus improved slightly to € – 1,240.1 million (December 31, 2018: € – 1,249.2 million). Lease liabilities in the amount of € 359.6 million (December 31,2018: € 379.6 million) were reported as part of the financial liabilities. As of March 31, 2019, € 474.0 million (December 31, 2018: € 453.0 million) of the existing long-term credit facility (€ 1,500.0 million) were taken as a drawdown. Furthermore, there were unchanged liabilities from a promissory note loan of € 704.5 million. The "Commercial Paper Programme" (€ 750.0 million) had not been utilized at the reporting date.

Cash flow from operating activities amounted to € 121.0 million in the first quarter and was significantly lower than in the prior-year period (€ 163.2 million). The development resulted in particular from balance sheet date effects as of December 31, 2018, which led to shifts in payments into the first quarter. In addition, payments from the Pensionssicherungsverein in connection with the contribution of the Axel Springer high-rise in Berlin were included in the prior year.

Cash flow from investing activities amounted to € – 91.6 million (PY: € – 145.2 million) and, in addition to the increased capital expenditures in intangible assets and property, plant and equipment, concerned mainly payments (less cash received) for the acquisition of shares in Studydrive, PersonalMarkt Services (gehalt.de) as well as CeleraOne; in the previous year, mainly payments (less cash acquired) for the acquisition of shares in Concept Multimédia (Logic-Immo).

The cash flow from financing activities of € 2.6 million (PY: € 1.6 million) remained almost unchanged compared to the previous year. The inflow from raising financial liabilities was offset by the repayment portion of rental and lease payments.

Explanations with respect to the relevant key performance indicators

In accordance with the International Financial Reporting Standards (IFRS), the performance indicators used in this Quarterly Statement, adjusted EBITDA (earnings before interest, taxes, depreciation, and amortization), adjusted EBITDA margin, adjusted EBIT (earnings before interest and taxes), adjusted net income, adjusted earnings per share, free cash flow, net debt/liquidity and equity ratio are undefined performance indicators to be regarded as additional information. The definitions in the Annual Report 2018 on page 37 et seq. apply unchanged.

Consolidated Statement of Financial Position

€ millions

ASSETS	03/31/2019	12/31/2018
Non-current assets	**5,074.7**	**5,267.7**
Intangible assets	3,783.7	3,938.6
Property, plant, and equipment	738.0	748.3
Non-current financial assets	476.4	478.0
Investments accounted for using the equity method	231.7	237.4
Other non-current financial assets	244.8	240.6
Receivables due from related parties	4.9	6.4
Other assets	37.8	39.7
Deferred tax assets	33.8	56.7
Current assets	**1,504.4**	**1,211.2**
Inventories	27.3	27.5
Trade receivables	694.1	782.9
Receivables due from related parties	16.0	16.5
Receivables from income taxes	23.5	23.6
Other assets	79.7	79.2
Cash and cash equivalents	292.2	281.5
Assets held for sale	371.7	0.0
Total assets	**6,579.1**	**6,479.0**

€ millions

EQUITY AND LIABILITIES	**03/31/2019**	**12/31/2018**
Equity	**2,982.5**	**2,884.2**
Shareholders of Axel Springer SE	2,510.6	2,423.6
Non-controlling interests	472.0	460.6
Non-current provisions and liabilities	**2,113.2**	**2,190.3**
Provisions for pensions	203.6	209.1
Other provisions	86.3	86.0
Financial liabilities	1,464.1	1,467.0
Trade payables	0.5	1.4
Liabilities due to related parties	12.3	14.6
Other liabilities	36.0	48.3
Deferred tax liabilities	310.4	363.9
Current provisions and liabilities	**1,483.4**	**1,404.4**
Provisions for pensions	20.1	20.6
Other provisions	141.6	170.8
Financial liabilities	68.1	63.8
Trade payables	384.1	510.4
Liabilities due to related parties	20.2	20.9
Liabilities from income taxes	55.1	61.4
Other liabilities	587.5	556.4
Liabilities related to assets held for sale	206.7	0.0
Total equity and liabilities	**6,579.1**	**6,479.0**

Consolidated Income Statement

€ millions	**Q1/2019**	**Q1/2018**
Revenues	771.8	773.5
Other operating income	13.9	51.2
Change in inventories and internal costs capitalized	23.1	21.0
Purchased goods and services	– 131.9	– 137.6
Personnel expenses	– 300.2	– 303.7
Depreciation, amortization, and impairments	– 72.3	– 67.3
Other operating expenses	– 207.4	– 212.0
Income from investments	– 8.6	4.2
Result from investments accounted for using the equity method	– 10.1	3.6
Other investment income	1.5	0.6
Financial result	– 4.8	– 4.6
Income taxes	– 28.3	– 39.9
Net income	**55.4**	**84.7**
Net income attributable to shareholders of Axel Springer SE	44.0	74.5
Net income attributable to non-controlling interests	11.4	10.1
Basic/diluted earnings per share (in €)	**0.41**	**0.69**

Consolidated Statement of Cash Flows

€ millions	Q1/2019	Q1/2018
Net income	**55.4**	**84.7**
Reconciliation of net income to the cash flow from operating activities		
Depreciation, amortization, impairments, and write-ups	72.3	67.3
Result from investments accounted for using the equity method	10.1	– 3.6
Result from disposal of consolidated subsidiaries and business units and intangible assets, property, plant, and equipment, and financial assets	– 1.8	– 34.8
Changes in non-current provisions	– 5.2	14.5
Changes in deferred taxes	– 2.8	– 0.7
Other non-cash income and expenses	0.4	– 0.7
Changes in trade receivables	– 16.6	22.1
Changes in trade payables	– 0.8	– 16.6
Changes in other assets and liabilities	10.0	31.0
Cash flow from operating activities	**121.0**	**163.2**
Proceeds from disposals of intangible assets, property, plant, and equipment, and investment property less costs of disposal	– 0.1	– 5.2
Proceeds from disposals of consolidated subsidiaries and business units, less cash and cash equivalents given up	3.2	– 1.7
Proceeds from disposals of non-current financial assets	2.9	2.8
Purchases of intangible assets, property, plant, equipment, and investment property	– 53.1	– 51.2
Purchases of shares in consolidated subsidiaries and business units less cash and cash equivalents acquired	– 36.3	– 79.6
Purchases of investments in non-current financial assets	– 8.2	– 10.2
Cash flow from investing activities	**– 91.6**	**– 145.2**
Dividends paid to other shareholders	– 1.2	– 3.9
Repayments of lease liabilities	– 17.3	– 13.9
Proceeds from other financial liabilities	44.2	65.4
Repayments of other financial liabilities	– 23.0	– 40.9
Other financial transactions	0.0	– 5.3
Cash flow from financing activities	**2.6**	**1.6**
Cash flow-related changes in cash and cash equivalents	32.1	19.6
Changes in cash and cash equivalents due to exchange rates	2.4	– 2.1
Changes in cash and cash equivalents due to changes in companies included in consolidation	0.0	0.1
Cash and cash equivalents at beginning of period	281.5	216.8
Changes to cash and cash equivalents in connection with assets held for sale	– 23.8	– 0.9
Cash and cash equivalents at end of period	**292.2**	**233.4**

Consolidated Segment Report

Operating segments

	Classifieds Media		News Media		Marketing Media		Services/Holding		Consolidated total	
€ millions	**Q1/2019**	**Q1/2018**	**Q1/2019**	**Q1/2018**	**Q1/2019**	**Q1/2018**	**Q1/2019**	**Q1/2018**	**Q1/2019**	**Q1/2018**
Revenues	**314.8**	**290.2**	**341.2**	**351.5**	**104.4**	**118.1**	**11.3**	**13.7**	**771.8**	**773.5**
Internal revenues	0.3	0.1	1.0	1.1	0.4	0.3	31.3	33.0		
Segment revenues	315.1	290.3	342.2	352.6	104.8	118.4	42.5	46.7		
EBITDA, adjusted[1]	**113.2**	**112.6**	**46.7**	**49.4**	**25.2**	**23.6**	**−18.2**	**−14.3**	**167.0**	**171.2**
EBITDA margin, adjusted[1]	**36.0%**	**38.8%**	**13.7%**	**14.1%**	**24.2%**	**19.9%**			**21.6%**	**22.1%**
Thereof income from investments	−2.3	0.4	1.5	1.8	0.8	1.2	0.0	−0.2	−0.1	3.1
Thereof accounted for using the equity method	−2.3	0.4	1.1	1.3	0.6	1.0	0.0	−0.2	−0.7	2.5
Depreciation, amortization, impairments, and write-ups (except from non-recurring effects and purchase price allocations)	−22.2	−18.3	−16.7	−16.2	−6.0	−6.0	−8.6	−8.8	−53.5	−49.4
EBIT, adjusted[2]	**91.0**	**94.3**	**30.0**	**33.1**	**19.2**	**17.6**	**−26.9**	**−23.2**	**113.4**	**121.8**
Amortization and impairments from purchase price allocations	−13.5	−13.3	−3.2	−3.2	−2.1	−1.5	0.0	0.0	−18.7	−17.9
Non-recurring effects	−7.2	−1.1	−0.4	−1.5	−0.6	0.2	2.0	27.7	−6.2	25.3
Segment earnings before interest and taxes	70.4	79.9	26.4	28.4	16.6	16.3	−24.8	4.5	88.5	129.2
Financial result									−4.8	−4.6
Income taxes									−28.3	−39.9
Net income									**55.4**	**84.7**

Geographical information

	Germany		Other countries		Consolidated totals	
€ millions	**Q1/2019**	**Q1/2018**	**Q1/2019**	**Q1/2018**	**Q1/2019**	**Q1/2018**
Revenues	426.7	420.3	345.0	353.2	771.8	773.5

[1] Adjusted for non-recurring effects, see p. 9 ("Explanation with respect to the relevant key performance indicators").
[2] Adjusted for non-recurring effects and amortization and impairments from purchase price allocations, see p. 9 ("Explanation with respect to the relevant key performance indicators").

Additional Information

Financial calender 2019

Annual Report 2018 Annual results press conference, telephone conference for investors and analysts, audio webcast	**March 7, 2019**
Annual General Meeting Video webcast of the speech of the CEO	**April 17, 2019**
Quarterly Statement as of March 31, 2019 Telephone conference, audio webcast	**May 7, 2019**
Interim Financial Report as of June 30, 2019 Telephone conference, audio webcast	**August 14, 2019**
Quarterly Statement as of September 30, 2019 Telephone conference, audio webcast	**November 6, 2019**

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Additional information about Axel Springer SE is available at www.axelspringer.de. The Quarterly Statement is also available in the original German.

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