TIC Investment Banking

THE EXPANSION OF MEDIAFOREUROPE

By João Tarouca

By September 28, Impresa SGPS – Portugal's leading media group and owner of SIC and Expresso – announced to the CMVM (Portuguese Securities Market Commission) that it had entered exclusive negotiations with MediaForEurope (MFE) regarding the potential sale of a significant equity stake. On November 26, the agreement was formally confirmed: MFE will acquire a 32.934% stake in Impresa via a capital increase of €17.325 million (at a price of €0.21 per share, corresponding to the volume-weighted average price observed over the six months up to October 15, 2025).

Once completed, the transaction will extend MFE's footprint from five to six European markets, adding Portugal to its existing presence in Italy, Spain, Germany, Austria, and Switzerland (*See Figure 1*). This move is consistent with MFE's ongoing cross-border M&A strategy to consolidate the European media landscape and build scale across markets. The group's stated ambition is to compete with U.S. streaming giants by developing a pan-European media platform supported by hybrid revenue models.

By ensuring presence across all major consumer platforms, this strategy seeks not only to diversify revenue streams but also to differentiate MFE from other players in its market (*See Figure 2*).

MediaForEurope: Ownership Context

Nevertheless, it is important to note that MFE's holding company, Fininvest (which owns 49% of MFE's share capital) is controlled by the two eldest sons of Silvio Berlusconi, an important Italian politician and former Prime Minister. This background adds an additional layer of public and media interest to the transaction.

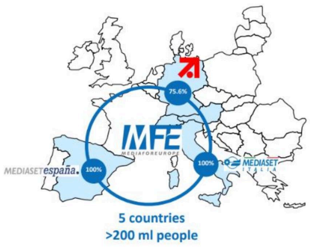

Figure 1 - MFE's multi-country portfolio

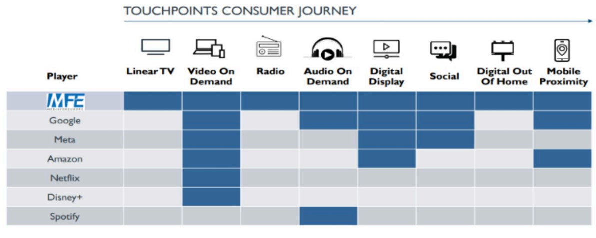

Figure 2- Consumer touchpoints covered by major digital and media players

At the same time, the strategic value of MFE's operation has also been highlighted, as the deal will allow the group to further enhance its ability to combine broad audience reach with premium brand safety – a mix that uniquely positions the group ahead of both social networks and global streaming platforms in the advertising market. As the company notes, MFE distinguishes itself as one of the few European media players capable of consistently delivering a coordinated, multi-country operating model (*See Figure 3*).

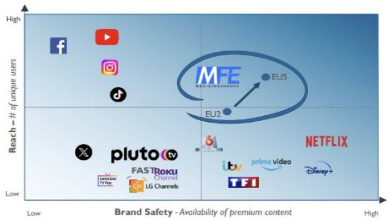

Figure 3 - MFE stands out for high reach and brand safety

Target Overview: Impresa SGPS

The negotiations have accelerated in recent months, partly driven by the deteriorating health of Impresa's founder, Francisco Pinto Balsemão, whose passing on October 21 marked the end of an era for Portuguese media. Another contributing factor has been Impresa's financial distress, which prompted the Balsemão family to consider divesting part of its stake as part of a broader effort to restructure and stabilize the group.

Impresa SGPS, Portugal's largest private media company and listed on Euronext Lisbon, owns a diversified portfolio of assets, including SIC – the country's leading commercial television network, along with its thematic channels (SIC Notícias, SIC Radical, SIC Mulher, SIC K, SIC Internacional) – and Expresso, Portugal's most prominent weekly newspaper. The group also operates several digital platforms and magazines, such as OPTO and Blitz.

However, Impresa faces mounting financial challenges: losses of €66 million in 2024, declining revenues, and a growing debt burden have increased the urgency of seeking strategic partners. In an attempt to strengthen its balance sheet, the company reportedly explored the sale of its headquarters in Paço de Arcos to BPI for €37 million in 2025, though no agreement was ultimately reached. The group therefore remains committed to exploring alternatives to improve its financial structure.

Despite the recent nature of these negotiations, Impresa's stock performance on Euronext Lisbon reflects renewed investor optimism. After several years of steady decline, the company's share price surged sharply in September 2025 following the announcement of takeover talks with MediaForEurope (*See Figure 4*).

Acquisition Risks and Mitigation Measures

As of December 31, 2024, Impresa's accounts indicated that the group required a recapitalization of approximately €80 million to restore its equity position. This financial fragility

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Figure 4 - Evolution of Impresa's share price in the last 5 years

added an additional layer of complexity to any acquisition process and heightened the importance of sound integration planning.

However, as of November 26, 2025, MediaForEurope (MFE) has formalised a strategic investment in Impresa, acquiring a 32.934% stake through a €17.325 million capital increase. Under the terms of a shareholders' agreement signed with the controlling holding Impreger (33.738%), control will remain with the latter, ensuring that MFE does not assume a leading or controlling position. This mitigates the risk of loss of editorial independence at SIC and Expresso, as concerns had been raised that a shift to foreign ownership could undermine journalistic autonomy or expose newsroom decisions to corporate influence.

Nevertheless, risks remain regarding organisational restructuring and potential job cuts. While the capital injection strengthens financial stability, MFE may still encourage the pursuit of operational synergies, cost efficiencies or resource rationalisation across platforms. Such measures, while financially justified, may generate internal resistance and public backlash in Portugal's highly sensitive media environment. Aligning business practices and corporate governance across two countries may introduce additional integration challenges.

Regulatory scrutiny also represents a critical uncertainty. The transaction is subject to approval by CMVM, and Impresa's latest public announcement introduced a key condition: the transaction must not trigger an obligation for MFE to launch a mandatory public takeover bid for all outstanding shares and related securities. While this condition appears achievable, it nonetheless adds a degree of legal and regulatory unpredictability.

Lastly, the ongoing discussions have already triggered speculation and volatility in Impresa's share price. Extended uncertainty may expose both parties to reputational risk and potential legal challenges from minority shareholders or other stakeholders.

To address these risks, several strategies should be implemented. First, MFE can issue public commitments to uphold editorial independence, ensuring that SIC and Expresso maintain their distinct Portuguese journalistic identity. Initial reassurances have already emerged, notably through Impresa's confirmation that Francisco Pinto Balsemão will remain CEO.

Second, a phased integration plan shall be adopted, prioritising operational stability and workforce retention across Impresa's core brands. Gradual alignment of management systems and shared services will help minimise disruption while fostering cultural cohesion between the Portuguese and Italian operations.

Finally, transparency in corporate governance and active communication with regulators, employees, and the public is essential to mitigate reputational risk. By maintaining open dialogue and clear disclosure, MFE can strengthen its legitimacy as a responsible foreign investor and ensure smoother regulatory clearance.

Acquisition of ProSieben – A Milestone for MFE

Although the full financial details of the prospective acquisition of Impresa remain partly undisclosed, the recent takeover of ProSiebenSat.1 by MediaForEurope (MFE) provides strong evidence of the group's strategic will to build a pan-European media champion. On 4 September 2025, MFE formally announced that it had secured a 75.61% stake in ProSiebenSat.1, becoming the majority shareholder of the German broadcaster. The transaction, valued at over €1.8 billion, represents one of the largest cross-border media deals in recent years and serves as a key reference point for assessing MFE's ambitions in Portugal.

In July 2025, MFE–MediaForEurope revised its offer to ProSiebenSat.1 shareholders, increasing the consideration from €4.48 in cash plus 0.4 MFE-A shares to between 0.4 and 1.3 MFE-A shares per ProSiebenSat.1 share. This adjustment corresponded to an implied value of approximately 8.15€ per share, reflecting a 15.8% premium over ProSiebenSat.1's July closing price on Xetra (7.04€) and a 24.8% premium relative to the March price (6.53€).

ProSiebenSat.1 ranks among the largest commercial broadcasters in the DACH region (Germany, Austria, and Switzerland). By integrating ProSieben into its network, MFE has expanded its combined audience reach to over 210 million viewers across five core European markets. This acquisition represents a decisive advance in MFE's long-term strategy to consolidate European media assets under an integrated cross-border platform.

Conclusion

In conclusion, MediaForEurope's acquisition of a 32.934% stake in Impresa marks a strategic milestone for both companies. For Impresa, it provides much-needed capital and stability at a critical moment, while for MFE, it extends its pan-European footprint to six markets, reinforcing its ambition to build a unified, multi-platform media group capable of competing with global digital players.

The successful ProSiebenSat.1 acquisition demonstrates MFE's execution capability and strategic consistency, serving as a reference for potential integration in Portugal. Key risks, including editorial independence, workforce management, and regulatory scrutiny, can be mitigated through clear commitments, phased integration, and transparent communication.

Once completed, this transaction may strengthen Impresa's financial position, while further consolidating MFE's position as a leading European media player.

Article written in November and updated on December 4th