

Press Release

H1/2023: RTL Group continues to invest in business transformation despite challenging market conditions and pressure on results – Number of paying streaming subscribers passes 6 million mark

- Group revenue down 5.1 per cent to €3.1 billion (H1/2022: €3.3 billion) due to challenging TV advertising markets, in particular in Germany; Group revenue down 4.3 per cent organically
- Adjusted EBITA down to €250 million (H1/2022: €501 million); Adjusted EBITA margin at 8.0 per cent (H1/2022: 15.3 per cent); Adjusted EBITDA at €376 million (H1/2022: €611 million)
- Group profit at €132 million (H1/2022: €304 million)
- Continued strong growth of RTL Group's streaming services RTL+ and Videoland: paying subscribers up 34.1 per cent to 6.0 million, streaming revenue up 16.9 per cent in H1/2023
- Continued high investments in content, streaming, tech & data in H1/2023 to strengthen leading market positions, boost growth businesses and drive transformation
- RTL Deutschland gains audience shares in key commercial target group and extends lead over ProSiebenSat1 to 5.8 percentage points; RTL and Vox now number one and two commercial channels in Germany
- Given continued high level of uncertainties, RTL Group now expects Adjusted EBITA of around €950 million for the full year 2023 (previous guidance: Adjusted EBITA of €1.0 billion to €1.05 billion), subject to stable to slightly growing TV advertising revenue in the second half of the year
- RTL Group confirms mid-term growth targets for streaming and Fremantle

Luxembourg, 8 August 2023 – RTL Group announces its reviewed results for the six months ending 30 June 2023.

H1/2023: Challenging TV advertising markets, continued dynamic streaming growth

- To strengthen its leading market positions, boost its growth businesses and drive transformation, RTL Group maintained its investments in content, streaming, tech & data at a high level in H1/2023:
 - In H1/2023, RTL Group spent €1.1 billion on content for its broadcasting and streaming activities, on the high level of the first half of 2022
 - Streaming start-up losses amounted to €87 million (H1/2022: €74 million), due to higher investments in RTL+ in Germany and Hungary

- Group revenue was down 5.1 per cent to €3,109 million (H1/2022: €3,276 million), mainly due to significantly lower TV advertising revenue. Group revenue was down 4.3 per cent organically¹.
- RTL Group's TV advertising revenue decreased 12.5 per cent to €1,187 million (H1/2022: €1,357 million), in particular in Germany. Compared to the first half of 2019 (pre-Covid), RTL Group's TV advertising was down 15.5 per cent. RTL Group expects its TV advertising revenue to grow slightly in the second half of 2023 compared to 2022, which was marked by significant negative effects from the football World Cup in Qatar. In Germany, RTL Group's TV advertising revenue was broadly stable year on year in June and July.
- Streaming revenue² from RTL+ and Videoland was up 16.9 per cent to €152 million (H1/2022: €130 million).
- Distribution revenue³ was stable at €219 million (H1/2022: €220 million).
- Adjusted EBITA⁴ declined to €250 million (H1/2022: €501 million) mainly due to significantly lower profit contributions from RTL Deutschland. The Adjusted EBITA margin was 8.0 per cent (H1/2022: 15.3 per cent). Adjusted EBITA before streaming start-up losses was down to €337 million (H1/2022: €575 million).
- Adjusted EBITDA⁵ was €376 million (H1/2022: €611 million).
- Group profit was €132 million (H1/2022: €304 million).
- Net cash used in operating activities was at €-24 million (H1/2022: net cash from operating activities €84 million), due to significant investments in RTL Group's streaming services and the more capital-intensive scripted business at Fremantle.
- On 30 June 2023, RTL Group had net debt⁶ of €-702 million (31 December 2022: net cash of €180 million). On 2 May 2023, RTL Group paid out the dividend for 2022 (€4.00 per share) amounting to €619 million.

¹ Adjusted for portfolio changes and at constant exchange rates. Further details can be found in **Key performance indicators** on page 13 of RTL Group's interim report 2023

² Streaming revenue includes SVOD, TVOD, in-stream and distribution revenue from RTL+ in Germany, RTL+ in Hungary (including RTL+/RTL+ Active/RTL+ Light) and Videoland/RTL XL in the Netherlands

³ Revenue generated across all distribution platforms (cable, satellite, internet TV) including subscription and re-transmission fees

⁴ See **Key performance indicators** on page 14 of RTL Group's interim report 2023

⁵ See **Key performance indicators** on page 15 of RTL Group's interim report 2023

⁶ Net cash/(debt) excludes current and non-current lease liabilities. Including these, net debt as of 30 June 2022 was €-1,076 million (31 December 2022: net debt of €-205 million). See **Key performance indicators** on page 16 of RTL Group's interim report 2023

CEO Statement

"We are investing into business transformation through the cycle."

Statement from **Thomas Rabe**, Chief Executive Officer of RTL Group:

"The market environment in the first half of 2023 was particularly challenging, with geopolitical and macroeconomic uncertainties in addition to the long-term structural shifts in video viewing.

The RTL Group team remains focused on bringing our strategy to life: strengthening our core business, growing our streaming and content businesses, and building alliances and partnerships. Based on our strong balance sheet, we are investing into business transformation through the cycle – in premium content, leading national streaming services and in advertising technology.

Technology plays a key role in our transformation, and we see great opportunities from Artificial Intelligence (AI), in particular to increase efficiency and generate content. Today, we already apply AI at scale in advertising planning and have started to support content creation with generative AI.

We are convinced that investing through the cycle will put us in a strong competitive position when the advertising markets recover. The half-year results came in broadly in line with our expectations. Although we are seeing first signs of market stabilisation in Germany in particular, we have adjusted our outlook for the full year 2023. RTL Group now expects an Adjusted EBITA of around €950 million after streaming start-up losses of around €200 million."

Strategy

Strengthening RTL Group's core

- In the first half of 2023, **RTL Deutschland's combined audience share** in the main commercial target group of viewers aged 14 to 59 increased to 27.6 per cent (H1/2022: 27.3 per cent), **extending the lead over its main commercial competitor ProSiebenSat1** to 5.8 percentage points (H1/2022: lead of 4.9 percentage points). This was primarily driven by the main channel RTL, which scored an average audience share of 9.8 per cent in the target group (H1/2022: 9.5 per cent). With an average audience share of 6.2 per cent (H1/2022: 6.2 per cent), Vox has become the number two commercial channel in the target group, ahead of Sat1 (6.0 per cent) and ProSieben (5.6 per cent). With this, RTL Deutschland has achieved a major strategic target, operating the number one (RTL) and number two (Vox) commercial channels in Germany.
- In February 2023, **RTL Deutschland** announced a **reorganisation of its publishing business** to focus on its core brands such as *Stern*, *Geo*, *Capital*, *Brigitte*, *Gala*, *Schöner Wohnen*, *Eltern* and *Chefkoch*, which account for around 70 per cent of the unit's publishing revenue. Other brands are being sold or discontinued. RTL Deutschland plans to invest a total of €80 million in its publishing business by 2025, €30 million of which would be for the expansion of its paid offer Stern+. The reorganisation is progressing with the social plan signed at the end of March 2023 and portfolio adjustments well advanced. The first disposals have already been announced.

With the reorganisation, **costs** are being reduced in all areas of the publishing business – especially in corporate functions, IT, office space, publishing and editorial teams by a total of €70 million per annum. Staff in publishing will be reduced by around 700 FTEs. In addition, staff will be reduced in the other RTL Deutschland businesses by around 300 FTEs by 2025, bringing the total reduction to 1,000 FTEs.

- In March 2023, RTL Deutschland announced the renewal of the exclusive broadcasting and streaming rights for the **Uefa Europa League** and **Uefa Europa Conference League**. For the seasons 2024/25 to 2026/27, the matches will be shown on its linear channels RTL and Nitro as well as its streaming service RTL+.
- On 27 April 2023, French media authority **Arcom** announced that Groupe M6 and Arcom signed an agreement defining the obligations and commitments of the company's flagship channel, M6, for the allocation of the Digital Terrestrial Television (DTT) channel 6. The authorisation for the next 10 years came into effect on 6 May 2023.
- In June 2023, **RTL Hungary** announced that it has acquired the broadcasting rights for the **Uefa Champions League**. Starting in the 2024/25 season, RTL Hungary will be the home of the Uefa Champions League matches for three years and broadcast live around 200 games per season – including the finals – on linear TV and on its streaming service RTL+. RTL Hungary has further retained the linear and digital rights to the Uefa Europa League and the Uefa European Conference League for three years for the seasons 2024/25 to 2026/27.

Boosting growth businesses – Streaming

- As of 30 June 2023, RTL Group served **6.041 million paying subscribers** with its streaming services RTL+ in Germany and Hungary and Videoland in the Netherlands – up 34.1 per cent year on year (30 June 2022: 4.506 million).
 - Paying subscribers for **RTL+** increased 31.0 per cent year on year to 4.489 million (30 June 2022: 3.427 million). The strategic partnership with Deutsche Telekom to bundle RTL+ Premium within Magenta TV contributed significantly to the growth.
 - Paying subscribers for **Videoland** grew 17.5 per cent year on year to 1.268 million (30 June 2022: 1.079 million), driven by its diverse content offering.
 - The number of paying subscribers for **RTL+ in Hungary** (including RTL+ Active) was 0.285 million at the end of June 2023. RTL+ in Hungary was launched in November 2022.⁷

⁷ The previous services, RTL Most and RTL Most+, were integrated into RTL+ under the packages RTL+ Light and RTL+ Active. Therefore, RTL+ in Hungary has three models: a direct-to-consumer subscription model without advertising, a TV subscription model (for example via an IPTV subscription), and a registration-based advertising-funded model.

- In the first half of 2023, RTL Deutschland added more than 90,000 audiobooks to the RTL+ Musik app from the catalogues of cooperation partner Deezer and Bertelsmann's publishing business Verlagsgruppe Penguin Random House. RTL Deutschland raised the price for the core video RTL+ Premium package from €4.99 per month to €6.99 per month, while the RTL+ Max package (video, music, podcasts, audiobooks) is now available for €12.99 per month. The newly introduced package RTL+ Family (€18.99 per month) gives families the complete cross-media offering on up to four devices simultaneously. The price increases have been implemented in phases since March 2023 without significant subscriber churn, and will increase the average revenue per user (ARPU) going forward.
- RTL Deutschland is in the process of launching the RTL+ **multimedia app**, comprising video, music, podcasts, audiobooks and magazine content in one single app.

Boosting growth businesses – Fremantle

- Fremantle is RTL Group's global content business, spanning entertainment, drama and film, and documentaries.
- Within its **entertainment** business, Fremantle shows continued to achieve outstanding success with audiences across the globe, producing the number one and two UK entertainment shows, *The Apprentice* and *Britain's Got Talent*. In the US, *Got Talent* and *American Idol* significantly outperformed prime-time averages of the respective TV networks. Further bolstering its portfolio, Fremantle acquired the global rights to the hit UK series *The Piano* from Love Productions in March 2023.
- The first half of 2023 saw multiple **drama and film** launches for Fremantle and its production companies, including *The Good Mothers* on Disney+, which won the inaugural Series Award at the 2023 Berlinale. In February 2023, Fremantle secured a two-year partnership with Nine Hours, the new label from Edward Berger, the director of the Oscar-winning film *All Quiet on the Western Front*. The agreement will provide Fremantle with first-look access to Nine Hours' television projects and second-look access to new film projects.
- Fremantle has continued to grow its **documentary** business and signed an exclusive first-look agreement with Oscar-nominated filmmaker Amy Berg to develop a new slate of premium documentaries. The company has further secured the global rights to a new documentary about French icon Brigitte Bardot, as well as a series about fashion icon Coco Chanel from Gabriel Jagger's WhyNow Productions. Fremantle also revealed its new documentaries label, Undeniable, which will focus on producing world-class premium feature documentaries.

Fostering alliances and partnerships

- In competing with the global tech platforms, RTL Group is **fostering alliances and partnerships in the European media industry** with a focus on national advertising sales consolidation, international advertising sales, as well as joint investments in advertising and streaming technology solutions via Smartclip and Bedrock.
- RTL Group is actively exploring several opportunities for **advertising sales consolidation** in its key territories and content cooperation. For example, RTL Deutschland's advertising sales house, Ad Alliance, is currently in talks with the German TV channel RTL Zwei (in which RTL Group holds a minority shareholding) to take over advertising sales for RTL Zwei at the beginning of 2024, subject to a review by the German Federal Cartel Office.
- In June 2023, **RTL AdAlliance** and the US ad tech company **The Trade Desk** announced that they are to extend their partnership. Under the agreement, international advertisers will gain **exclusive programmatic access to the addressable linear TV and connected TV/streaming inventory of RTL AdAlliance**. This new marketplace for video advertising is first being launched across Germany, Spain, France and Austria; with more European markets to follow soon. It will connect the self-service, cloud-based platform of The Trade Desk with the ad tech capabilities of Smartclip, which are tailored for the needs of European broadcasters and streaming services. Smartclip is RTL Group's ad tech business.

Outlook

- The geopolitical and macroeconomic environment remains volatile, and the impact on RTL Group's businesses remains hard to predict.
- Although RTL Group is seeing first signs of market stabilisation in Germany in particular, the Group has adjusted its outlook for the full year 2023:
 - RTL Group expects full-year **revenue** for 2023 of around €7.0 billion (previous guidance: €7.3 billion to €7.4 billion).
 - RTL Group expects its **Adjusted EBITA** for 2023 to be around €950 million (previous guidance: €1.0 billion to €1.05 billion), subject to stable to slightly growing TV advertising revenue in the second half of 2023. The Group expects streaming start-up losses of around €200 million (previous guidance: just below €200 million). Consequently, the Group expects Adjusted EBITA before streaming start-up losses to be around €1.15 billion (previous guidance: between €1.2 billion and €1.25 billion).
 - RTL Group's **dividend policy** remains unchanged: RTL Group plans to pay out at least 80 per cent of the adjusted full-year net result.
- **RTL Group confirms the growth targets for its streaming services** RTL+ in Germany and Hungary and Videoland in the Netherlands: By 2026, the Group plans to increase its annual content spend to around €600 million for its

streaming services. On this basis, RTL Group aims to grow the number of paying subscribers for RTL+ and Videoland to 10 million, to increase its streaming revenue to €1 billion and to reach profitability in 2026.

- **RTL Group confirms the growth target for its global content business Fremantle** to reach full-year revenue of €3 billion by 2025. To achieve this goal, RTL Group will invest in Fremantle – both organically and via acquisitions – in all territories across entertainment, drama and film, and factual shows and documentaries.

Outlook for the full year 2023

	2022	2023e old	2023e new
Revenue	€7,224m	€7.3bn to €7.4bn	~€7.0bn
Adjusted EBITA	€1,083m	€1.0bn to €1.05bn	~€950m
Streaming start-up losses	€233m	Just below €0.2bn	~€200m
Adjusted EBITA before streaming start-up losses	€1,316m	€1.2bn to €1.25bn	~€1.15bn

Strategic targets for RTL Group's streaming services⁸

	2022	2026e
Paying subscribers	5.5m	10m
Streaming revenue	€267m	€1bn
Content spend per annum	€304m	~€600m

Profitability is expected by 2026⁹.

⁸ RTL+ in Germany and Hungary and Videoland in the Netherlands

⁹ Total of Adjusted EBITA from RTL+, Videoland/RTL XL and Bedrock as consolidated on RTL Group level. The Adjusted EBITA of RTL+ in Germany and Hungary and Videoland/RTL XL in the Netherlands includes synergies with TV channels at business unit level. For the definition of Adjusted EBITA please see **Key performance indicators** on page 14 of RTL Group's interim report 2023

Key financials

	H1/2023 € m	H1/2022 € m	Per cent change
Revenue	3,109	3,276	(5.1)
Adjusted EBITA	250	501	(50.1)
Adjusted EBITA margin (%)	8.0	15.3	
Adjusted EBITA	250	501	(50.1)
Significant special items	(78)	(23)	
Impairment and reversals of investments accounted for using the equity method	–	–	
Impairment of goodwill and amortisation and impairment of fair value adjustments on acquisitions of subsidiaries	(23)	(18)	
Impairment and reversals on other financial assets at amortised cost	(1)	–	
Gain/(loss) from sale of subsidiaries, other investments and re-measurement to fair value of pre-existing interest in acquiree	16	111	
Fair value measurement of investments and re-measurement of earn-out arrangements	14	(84)	
EBIT	178	487	(63.4)
Financial result	11	(49)	
Income tax expense	(57)	(134)	
Group profit	132	304	(56.6)
Attributable to:			
– RTL Group shareholders	75	245	(69.4)
– Non-controlling interests	57	59	
Basic and diluted EPS (in €)	0.48	1.58	(69.4)

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The full report for the interim results 2023 is available to download at <https://company.rtl.com/en/RTL-Group-interim-results-2023/>

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About RTL Group

RTL Group is a leading entertainment company across broadcast, streaming, content and digital, with interests in 56 television channels, seven streaming services and 36 radio stations. The Group's families of TV channels are either number one or number two in six European countries, while RTL Group owns or has interests in radio stations in France, Germany, Spain and Luxembourg. RTL Deutschland is the Group's largest business unit and Germany's first cross-media champion, operating across TV, streaming, radio, digital and publishing. RTL Group's streaming services include RTL+ in Germany and Hungary, Videoland in the Netherlands, and 6play in France. Fremantle is one of the world's largest creators, producers and distributors of scripted and unscripted content, responsible for around 12,000 hours of programming per year, alongside an international network of teams operating in 27 countries. The streaming tech company Bedrock and the ad tech company Smartclip are also owned by RTL Group. As a market leader, RTL Group strives to foster alliances and partnerships within the European media industry, for example by building one-stop advertising sales houses in Germany and the Netherlands with Ad Alliance and driving international advertising sales with RTL AdAlliance. Bertelsmann is the majority shareholder of RTL Group, which is listed on the Luxembourg and Frankfurt stock exchanges and a member of the MDAX stock index.

Find out more on rtl.com.