

16 March 2023



# RTL Group Full-year results 2022



# Agenda

01



Highlights

02



Financials

03



Operations

04



Strategy & Outlook



# 01 Highlights





# Highlights

- **Strong set of financial results** despite an unprecedented number of external challenges
- **Streaming:** paying subscribers **+44%** to **5.5 million**; well on course to reach 2026 targets
- **Fremantle:** on track to becoming a €3 billion company by 2025
- Continued **significant investments** in content, streaming, tech & data
- **Market consolidation remains strategic priority;** focus on alliances & partnerships
- Proposed **dividend** of €4.00 per share





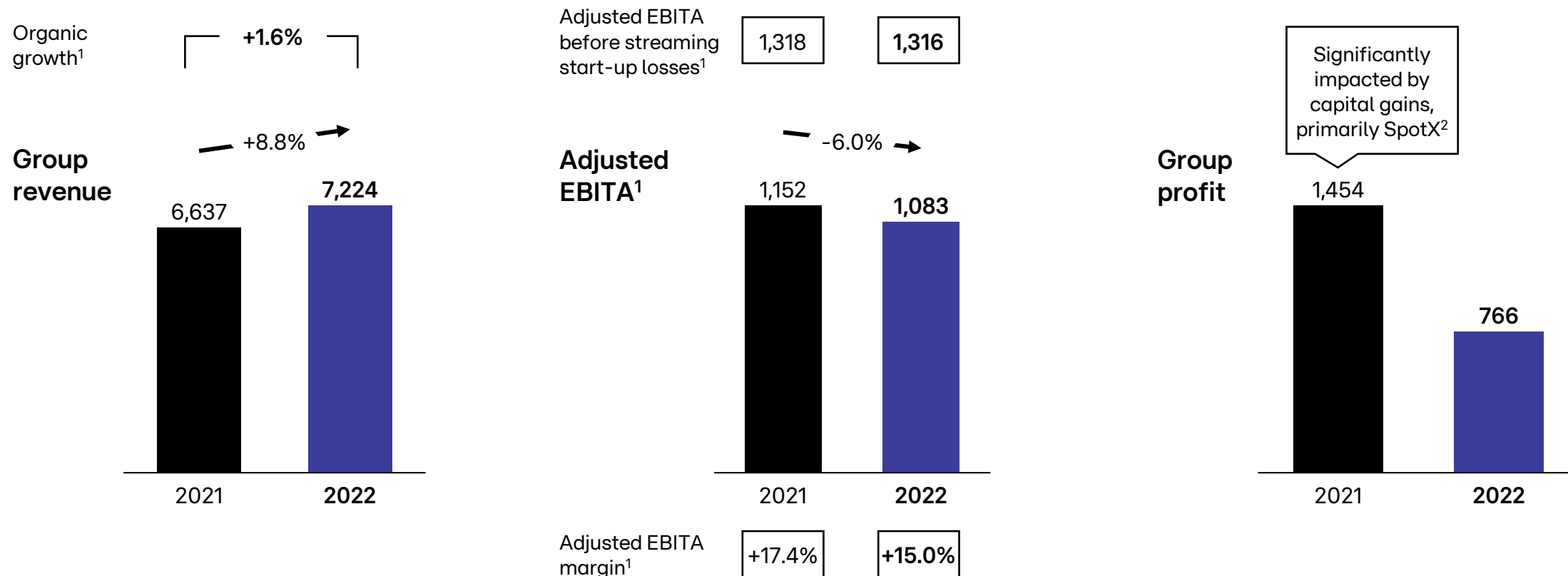


# 02 Financials



# Revenue exceeding €7 billion for the first time

in € million

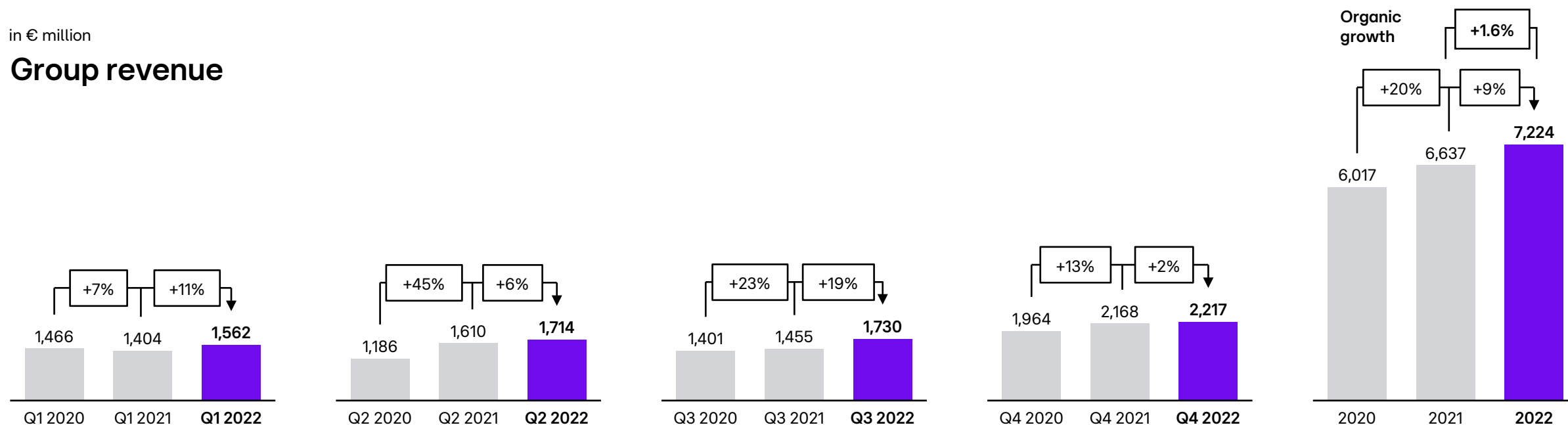


Note: 1. For definition, see slide 26 to 28, 2. Recognised as 'Gain/(loss) from sale of subsidiaries, other investments and re-measurement to fair value of pre-existing interest in acquiree', see RTL Group 2021 Annual Report Notes to the consolidated financial statements note 4.3

# Organic growth despite challenging ad markets since Q1/2022

in € million

## Group revenue



## TV advertising revenue

vs. 2021

+11%

-3%

-10%

-10%

-4%

# Adjusted EBITA before streaming start-up losses on prior year's record level

in € million

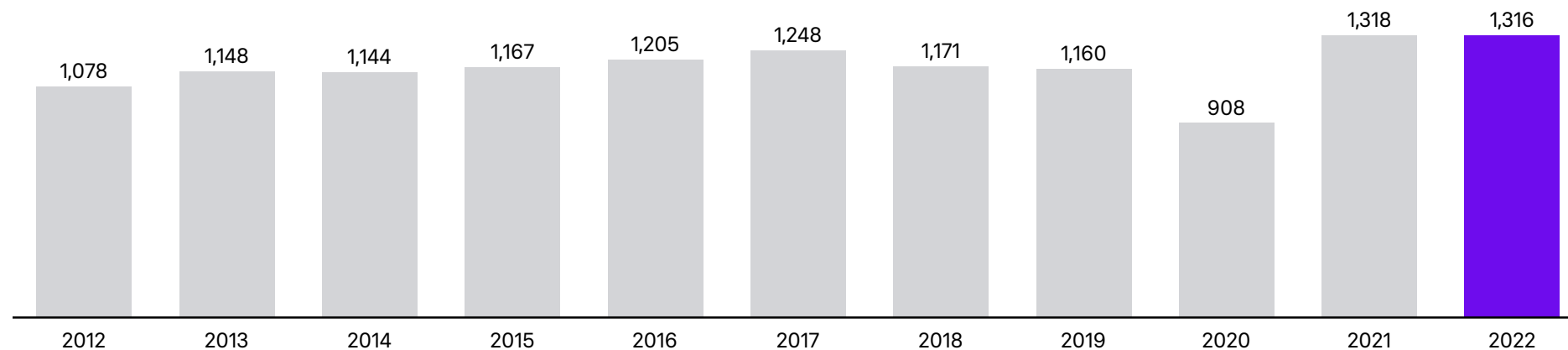
## Adjusted EBITA

1,078	1,148	1,144	1,167	1,205	1,248	1,171	1,156	853	1,152	1,083
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## Streaming start-up losses

4	55	166	233
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## Adjusted EBITA before streaming start-up losses<sup>1</sup>



## Adjusted EBITA margin before streaming start-up losses

18.0%	19.7%	19.7%	19.4%	19.3%	19.6%	18.0%	17.8%	15.5%	20.5%	18.9%
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# High Group profit in 2022; 2021 benefitted from significant gains on disposals

in € million	Full year to Dec 2022	Full year to Dec 2021	Per cent change
<b>Adjusted EBITA</b>	<b>1,083</b>	<b>1,152</b>	<b>-6.0%</b>
Significant special items	(44)	(61)	
<b>EBITA</b>	<b>1,039</b>	<b>1,091</b>	<b>-4.8%</b>
Impairment of goodwill of subsidiaries	-	-	
Amortisation and impairment of fair value adjustments on acquisitions of subsidiaries	(46)	(19)	
Impairment and reversals of investments accounted for using the equity method	(5)	2	
Impairment and reversals on other financial assets at amortised costs	(30)	-	
Fair value measurement of investments and re-measurement of earn-out arrangements	(78)	(115)	
Gain/(loss) from sale of subsidiaries, other investments and re-measurement to fair value of pre-existing interest in acquiree	107	949	
<b>EBIT</b>	<b>987</b>	<b>1,908</b>	<b>-48.3%</b>
Financial result	(55)	(27)	
Income tax expense	(166)	(427)	
<b>Group profit</b>	<b>766</b>	<b>1,454</b>	<b>-47.3%</b>
<b>Group profit attributable to RTL Group shareholders</b>	<b>673</b>	<b>1,301</b>	<b>-48.3%</b>



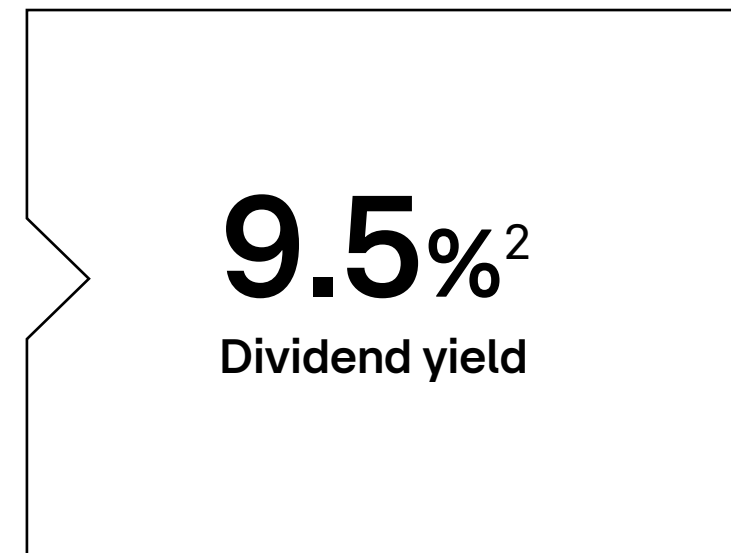
# Operating cash conversion impacted by investments in Fremantle and streaming

in € million	Full year to Dec 2022	Full year to Dec 2021	Per cent change
<b>Net cash from operating activities</b>	<b>463</b>	<b>932</b>	<b>-50%</b>
Add: Income taxes paid	293	437	
Add: Transaction-related costs	9	72	
Less: Acquisitions of and proceeds from sale of programme rights and other intangible and tangible assets	(200)	(193)	
<b>Equals: Operating free cash flow (FCF)</b>	<b>565</b>	<b>1,248</b>	<b>-55%</b>
Income tax paid	(293)	(437)	
Acquisition/disposal of subsidiaries, net of cash acquired/disposed/transaction related costs	72	457	
Acquisitions of companies under common control, net of cash acquired	166	(217)	
Acquisition/disposal of other investments, financial assets & investments accounted for using the equity method	57	(19)	
Net interest paid	(14)	(22)	
Transaction with shareholders and its subsidiaries	544	(218)	
Changes from financing activities	(141)	(127)	
Transactions with non-controlling interests	(67)	(37)	
Dividends paid	(860)	(569)	
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>29</b>	<b>59</b>	<b>-51%</b>
<b>EBITA</b>	<b>1,039</b>	<b>1,091</b>	<b>-5%</b>
<b>Operating cash conversion rate (FCF/EBITA)</b>	<b>54%</b>	<b>114%</b>	



# Proposal in line with dividend policy

in € million	Full year to Dec 2022
<b>Profit for the year attributable to RTL Group shareholders</b>	<b>673</b>
Dividend policy adjustments	13
<b>Adjusted profit for the year attributable to RTL Group shareholders</b>	<b>660</b>
from ordinary activities	552
from cash capital gains (from RTL Belgium, RTL Croatia)	109
<b>Dividend in € per share</b>	<b>4.00</b>
from ordinary activities	3.50
from cash capital gains (from RTL Belgium, RTL Croatia)	0.50
<b>Dividend, absolute amount</b>	<b>619</b>
<b>Dividend payout ratio, in %<sup>1</sup></b>	<b>94%</b>



Notes:

1. Dividend, absolute amount/adjusted profit attributable to RTL Group shareholders, 2. Based on average share price in 2022 (€42.04)



# 03 Operations





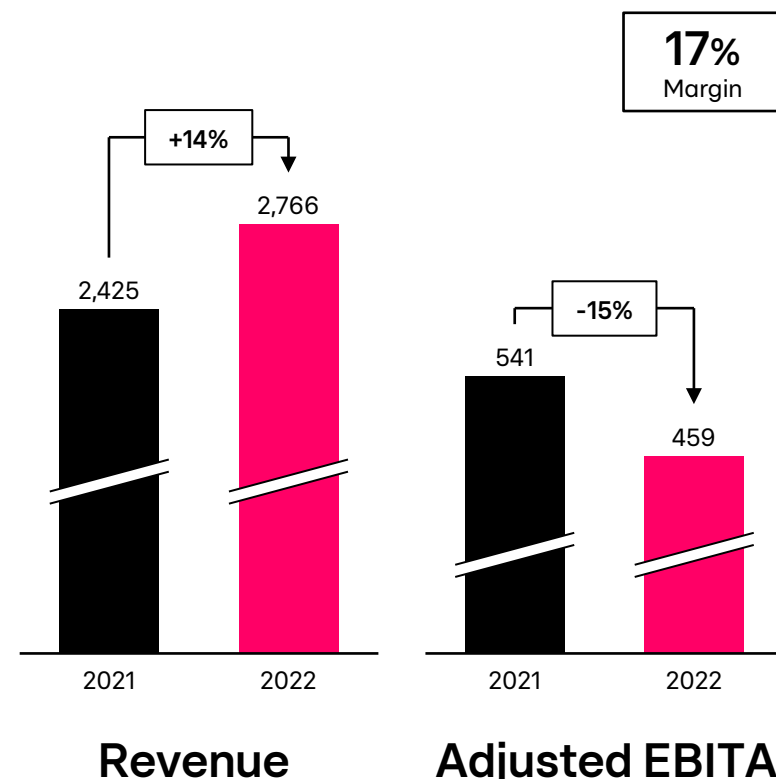
# RTL Deutschland:

## Audience share gains and strong growth of RTL+



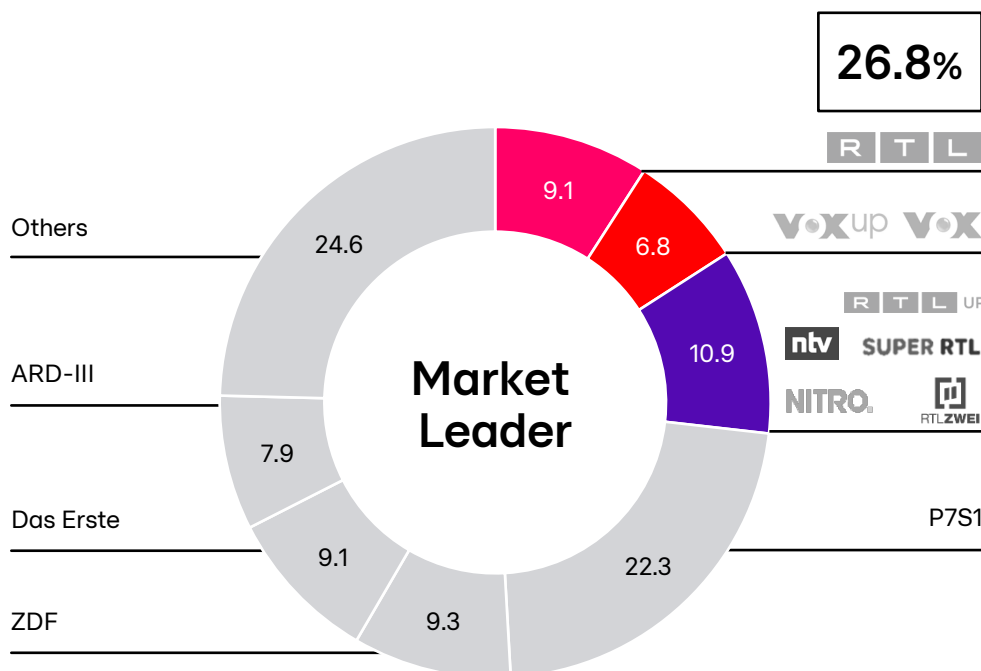
### Key financials

in € million



### Family of channels

Audience shares, in %  
14 to 59, 2022



### Highlights



4.016 million paying subscribers  
at 31 Dec 2022: +48% yoy  
62 originals in 2022



Vox ranked 3rd among all commercial  
channels in Germany (14-59 and 14-49)



Content deals to strengthen RTL+  
and RTL Deutschland's TV channels



**stern Capital**

**GEO**

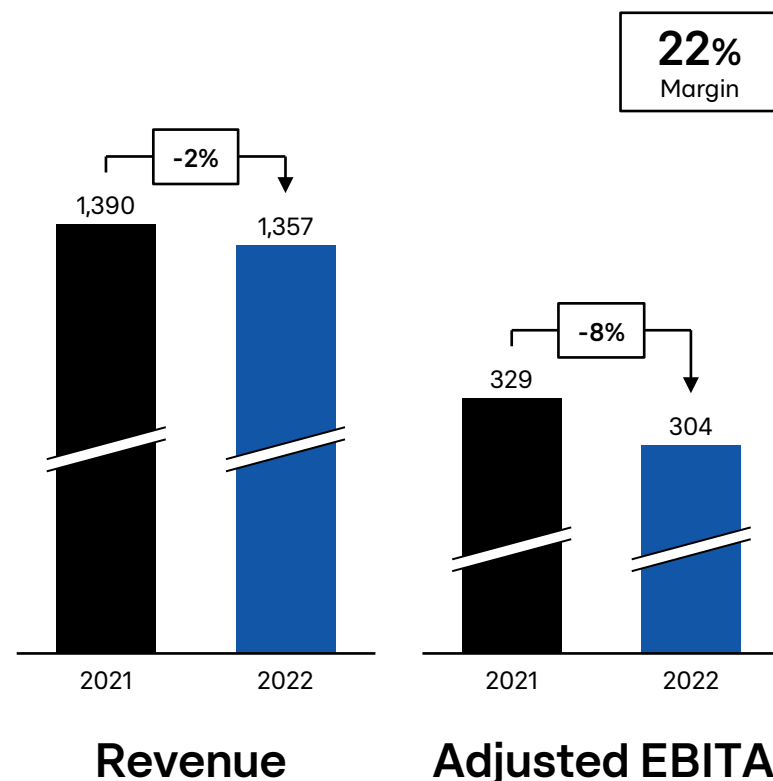
**SUPER RTL**

First-time full consolidation of acquired  
publishing business and Super RTL

# Groupe M6: Record prime time performance and continued high profitability

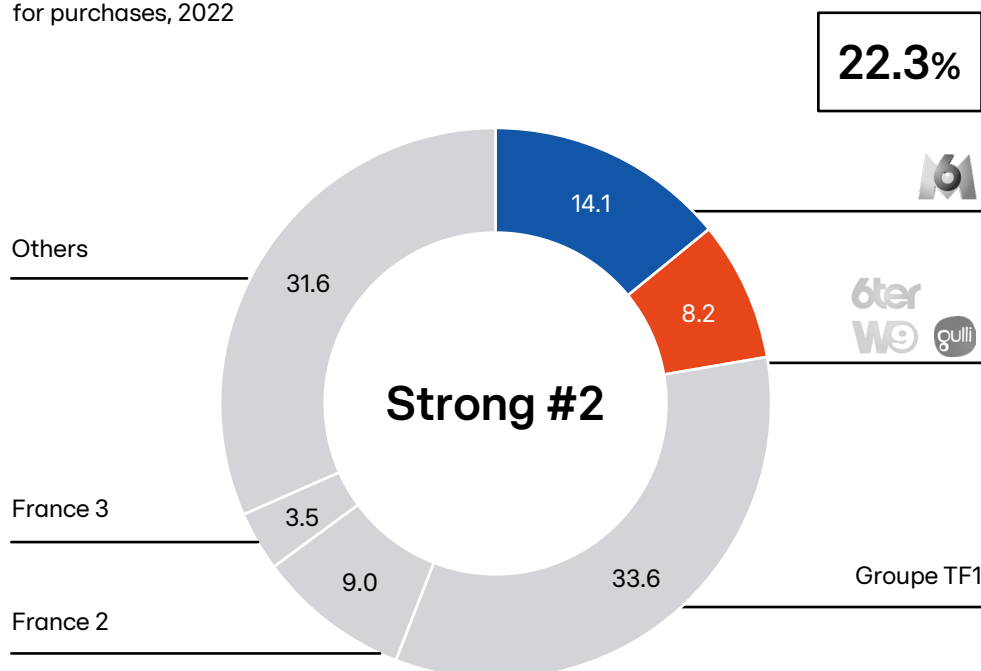
## Key financials

in € million



## Family of channels

Audience shares, in %  
Women < 50 responsible  
for purchases, 2022



## Highlights

**TOP CHEF** **TALENT**

Free-to-air channels: best audience share performance during primetime ever

**UEFA CHAMPIONS LEAGUE** **RUGBY WORLD CUP FRANCE 2023**

New deals: official free-TV broadcaster of the **Uefa Champions League** finals in 2025, 2026 and 2027; M6 will broadcast 18 matches of the **Rugby World Cup 2023**

**6play** **6play max**

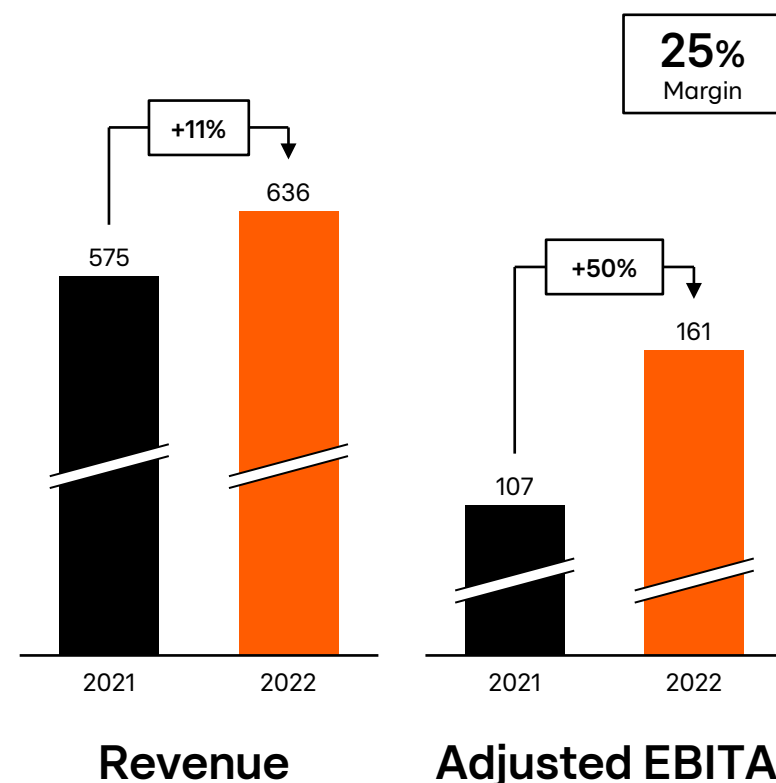
Gradual development of 6play via content deals: >450 formats made available in 2022; Launch of paid offer 6play Max



# RTL Nederland: Operational and financial record results

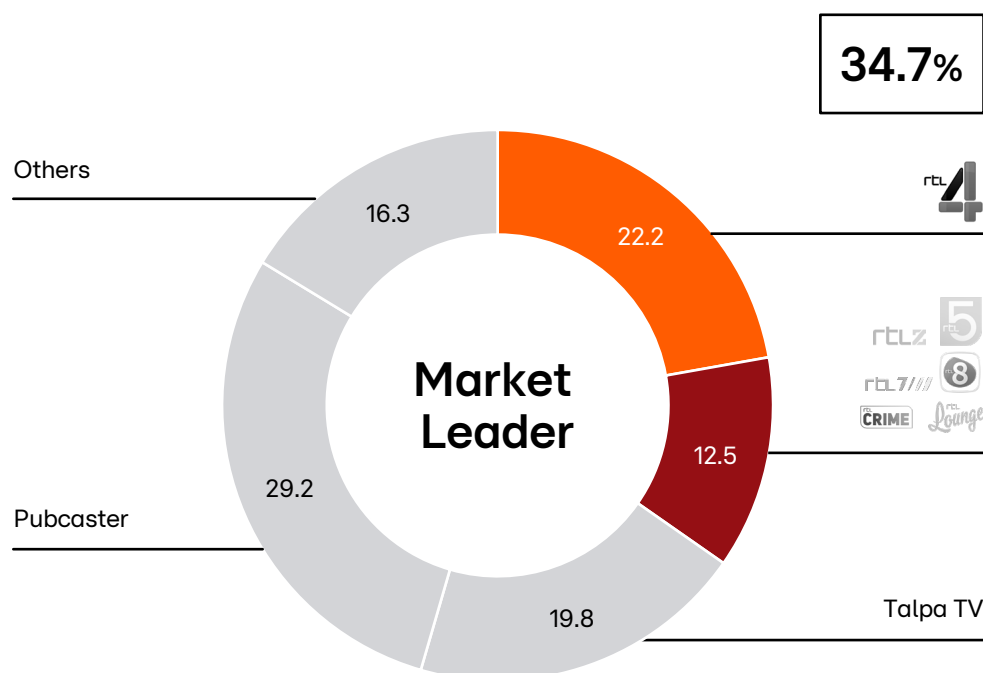
## Key financials

in € million



## Family of channels

Audience shares, in %  
Adults 25 to 54, prime time, 2022



## Highlights

### videoland.

1.221 million paying subscribers  
at 31 Dec 2022: +12% yoy

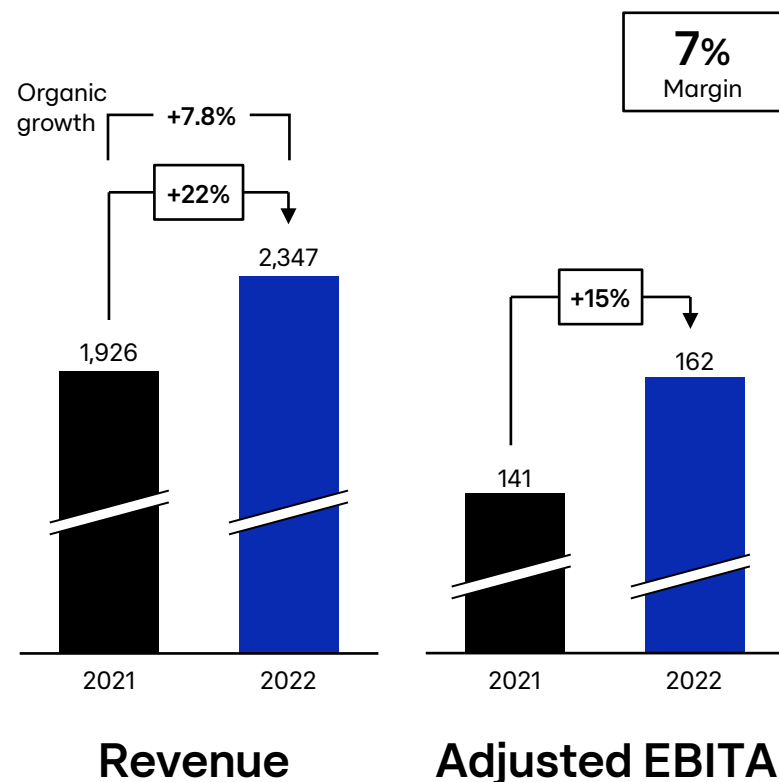


RTL 4: strong audience growth thanks to formats such as *The Masked Singer*, *De Verraders*, *Kopen Zonder Kijken* and news and current affairs formats

# Fremantle: On track to becoming a €3 billion company

## Key financials

in € million



## Highlights

### Drama & Film



*Bones and All* (2022)

Award:



*Heartbreak High* (2022)

Award:



*The Hand of God* (2021)

Nominations:



### Entertainment



*America's Got Talent* (2022)

Nomination: Awards:



### Documentaries



*A Year in the Ice: The Arctic Drift* (2021)

Award:



*9/11: One Day In America* (2021)

Award:





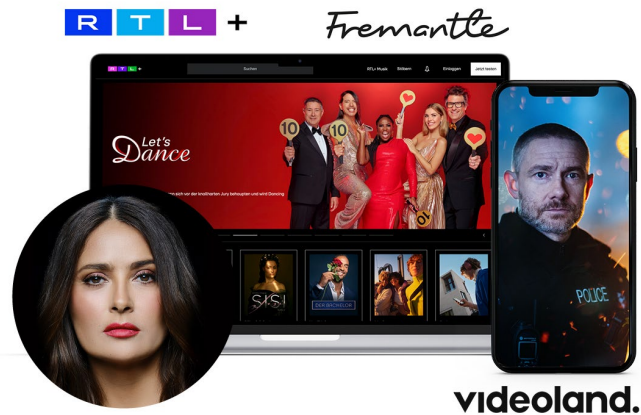
# 04 Strategy & Outlook

# Strategy framework unchanged

Core

Growth

Alliances & partnerships



Creativity & Entrepreneurship

People

Communications & Marketing

Regulation

Enabler

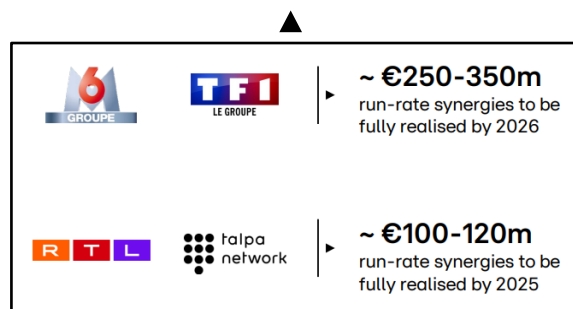
Portfolio transformation



# Strategy update – Alternative path to scale

## Initial consolidation targets only partially actionable

Large consolidation moves blocked by regulators



- Portfolio review completed
- Integration approach adjusted
- Synergy target ~ €75m

## Need to scale, alternative paths defined

- 01 National advertising sales and 3<sup>rd</sup> party sales representation
- 02 International advertising sales
- 03 Advertising technology
- 04 Streaming distribution partnerships
- 05 Streaming technology
- 06 Data (NetID, other external partners, Bertelsmann)
- 07 Joint content generation & distribution
- 08 Smaller consolidation steps

## Main vehicle/partner



RTL Ad Alliance



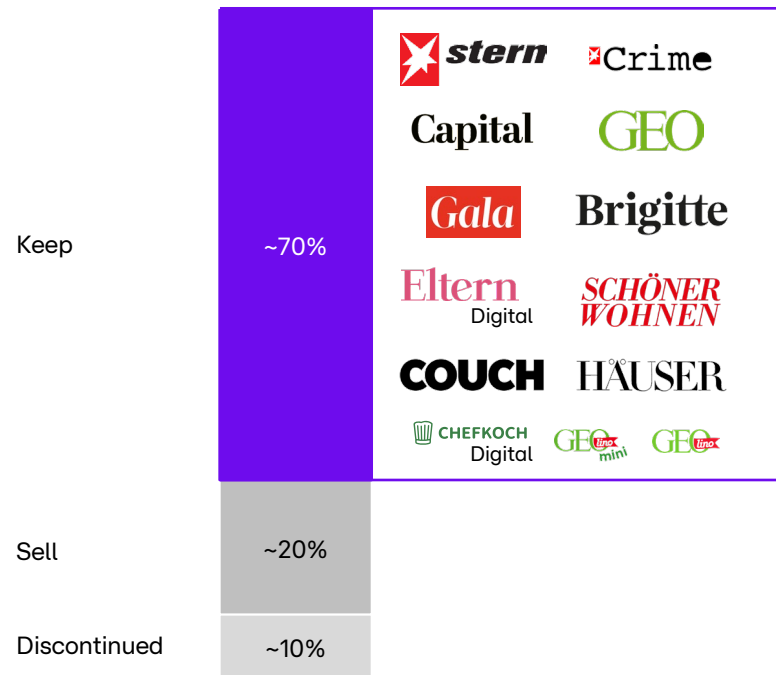
# Strategy update – Core

RTL Deutschland: Reorganisation of publishing business

## We focus on core brands and titles...



Proportion of sold copies per year (in %)



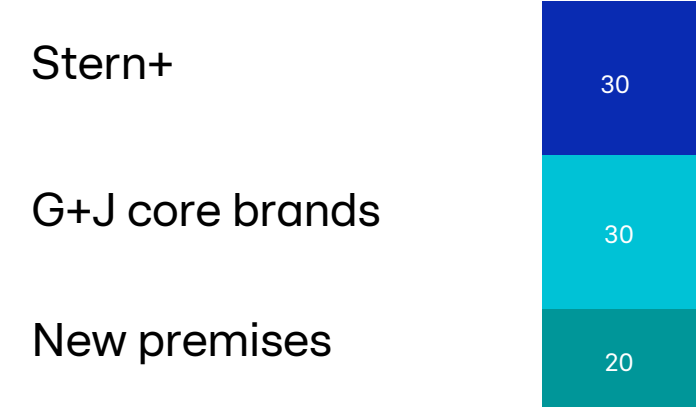
## ...reduce costs...



- Cost reductions at G+J of €70m until 2025 primarily in corporate functions, facilities, IT
- Staff reduction of ~500 FTEs + additional ~200 FTEs due to disposal of titles

## ...and make significant investments

Investments in € million



## Priorities for RTL Publishing:

- Digital paid content and services
- E-commerce
- Cross-media content
- Licensing
- Others



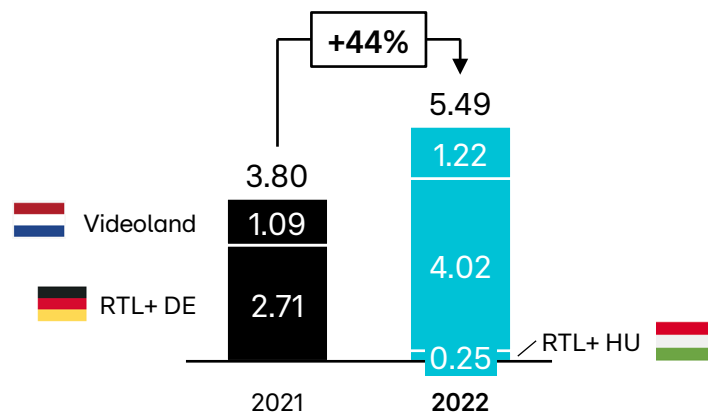
# Strategy update – Growth

## Build national streaming champions

**RTL + videoland.**

### Paying subscribers

in million



### Key figures

in € million

Streaming revenue<sup>1</sup>

Content spend

Streaming start-up losses<sup>2</sup>

2021	2022
223	267
209	304
166	233

## Targets by 2026

**10m**

paying  
subscribers

**€1bn**

streaming  
revenue

**~ €600m**

content  
spend p.a.

**Profitability**

Adjusted  
EBITA

Notes: 1. Streaming revenue includes SVOD, TVOD, in-stream and distribution revenue from RTL+ in Germany, RTL+ in Hungary (incl. RTL+/RTL+ Active/RTL+ Light) and Videoland/RTL XL in the Netherlands, 2. Total of Adjusted EBITA from RTL+ in Germany and Hungary, Videoland/RTL XL, Salto 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

# Strategy update – Growth

## Expand global content business *Fremantle*

### Entertainment

- Remain leading producer & distributor of quality entertainment shows
- Invest in new formats & expand client base with global streaming platforms

### Drama & film

- Invest in founder-led scripted labels
- Being the best choice for talent

### Documentaries

- Become leading producer of high-end documentaries
- Broaden content mix

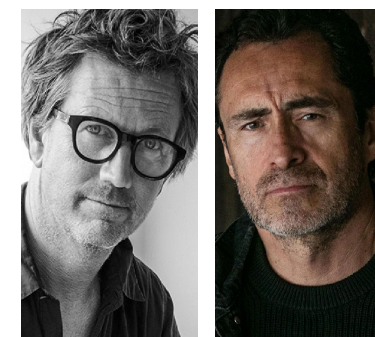
## Acquisitions & step-ups:



## Home for top creatives



Angelina Jolie, Edward Berger and Salma Hayek Pinault



Richard Brown and Demián Bichir



# Outlook 2023

	2022e	2022	2023e
Revenue	€7.3bn to €7.5bn	€7.2bn	€7.3bn to €7.4bn
Adjusted EBITA	€1.05bn to €1.15bn	€1.08bn	€1.0bn to €1.05bn
Streaming start-up losses	~€0.25bn	€0.23bn	Just below €0.2bn
Adjusted EBITA before streaming start-up losses	€1.3bn to €1.4bn	€1.3bn	€1.2bn to €1.25bn





16 March 2023



RTL

#RTLresults



# Financial calendar 2023

## RTL Group Financial Results

**16 March 2023**

at 08:00 CET

Full-Year Results: January to December 2022

**26 April 2023**

at 15:00 CET

Annual General Meeting

**4 May 2023**

at 08:00 CET

Quarterly Statement: January to March 2023

**8 August 2023**

at 08:00 CET

Interim Results: January to June 2023

**8 November 2023**

at 08:00 CET

Quarterly Statement: January to  
September 2023

## Dividend payment schedule

26 April 2023: Annual General Meeting

27 April 2023: Ex-dividend date

28 April 2023: Record date

2 May 2023: Payment date

### January

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31
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### February

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### March

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### April

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### May

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### June

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### July

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### August

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### September

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### October

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### November

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### December

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## Alternative performance measure

## Explanation

### Adjusted EBITA

Adjusted EBITA represents a recurring operating result and excludes significant special items. RTL Group management has established an 'Adjusted EBITA' that neutralises the impacts of structural distortions for the sake of transparency. Based on the accelerated industry trends explained in the **Market** section (pages 15 to 16) and **Strategy** section (pages 17 to 21) in RTL Group's Directors' report, RTL Group plans to increase its investments in business transformation including streaming, premium content, technology and data. At the same time, management continually assess opportunities to reduce costs in the Group's traditional broadcasting activities – for example, reallocating resources from its traditional businesses to its growing digital businesses – and this may lead to restructuring expenses that are neutralised in the Adjusted EBITA.

Adjusted EBITA is determined as earnings before interest and taxes (EBIT) as disclosed in the income statement excluding the following elements:

- Impairment of goodwill of subsidiaries and amortisation and impairment of fair value adjustments on acquisitions of subsidiaries
- Impairment and reversals of investments accounted for using the equity method
- Impairment and reversals on other financial assets at amortized cost presented in 'Other operating expenses' or 'Other operating income'
- Re-measurement of earn-out arrangements presented in 'Other operating income' or 'Other operating expenses'
- Fair value measurement of investments presented in 'Other operating income' or 'Other operating expenses'
- (Gain)/loss from sale of subsidiaries, other investments and re-measurement to fair value of pre-existing interest in acquiree
- Significant special items

### Adjusted EBITA margin

The Adjusted EBITA margin as a percentage of Adjusted EBITA of revenue is used as an additional criteria for assessing business performance.

# Definitions

Alternative performance measure	Explanation
Adjusted EBITA before streaming start-up losses	In accordance with RTL Group's strategy, the company continued to invest heavily in its streaming services, RTL+ in Germany and Hungary and Videoland in the Netherlands, all of which have seen a rapid increase in the number of paying subscribers (for further details please refer to <b>Building national streaming champions</b> on page 19). The Adjusted EBITA of RTL Group is impacted by effects relating to the growth of its streaming services. These are operational in nature, and are not included in 'Significant special items'. RTL Group believes the disclosure of 'streaming start-up losses' and 'Adjusted EBITA before streaming start-up losses' provide important context for its business performance, hence it discloses information relating to both KPIs in addition to its leading alternative performance measure, 'Adjusted EBITA'. Streaming start-up losses are defined as a total of Adjusted EBITA from RTL+ in Germany and Hungary, Videoland/RTL XL, Salto and Bedrock as consolidated on RTL Group level.
Significant special items	Significant special items exceeding the cumulative threshold of €5 million, need to be approved by management, and primarily consist of restructuring expenses or reversal of restructuring provisions and other special factors or distortions. The adjustments for special items serve to determine a sustainable operating result that could be repeated under normal economic circumstances and is not affected by special factors or structural distortions.
Streaming start-up losses	In accordance with RTL Group's strategy significant efforts were spent in growth businesses of streaming activities. Furthermore, the company is continuing to heavily invest in its streaming services RTL+ (Germany and Hungary) and Videoland with a rapidly increasing number of paying subscribers. Therefore, RTL Group discloses additionally the streaming start-up losses defined as total of Adjusted EBITA from RTL+ in Germany and Hungary, Videoland/RTL XL, Salto and Bedrock as consolidated on RTL Group level.
Operating free cash flow	Operating free cash flow is equal to net cash from operating activities adjusted by income tax paid; cash outflows from the acquisitions of programme and other rights and other intangible assets and tangible assets; cash inflows from proceeds from the sale of intangible and tangible assets; and transaction-related costs with regard to significant disposals of subsidiaries.



# Definitions

Alternative performance measure	Explanation
Operating cash conversion rate	Operating cash conversion rate means operating free cash flow divided by EBITA.
Net cash/(debt)	The net cash/(debt) is the gross balance sheet financial debt adjusted for 'Cash and cash equivalents'; current deposits with shareholder and its subsidiaries reported in 'Accounts receivable and other financial assets'.
Organic growth/decline	The organic growth is calculated by adjusting the reported revenue growth mainly for the impact of exchange rate effects as well as corporate acquisitions and disposals. It should be seen as a component of the reported revenue shown in the income statement. Its main objective is for the reader to isolate the impacts of portfolio changes and exchange rates on the reported revenue. When determining the exchange rate effects, the functional currency that is valid in the respective country is used. Potential other effects may include changes in methods and reporting.

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