

RTL Group Interim Report January to June 2022

"RTL Group continues to deliver on its targets for its growth businesses of streaming and content."

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



"RTL Group had a solid first half of the year 2022, despite the growing economic uncertainties resulting from the war in Ukraine, increasing inflation and supply chain issues. Thanks to our investments into streaming and content and the strong performance of RTL Nederland, our first-half revenue reached a new record level of €3.3 billion. Despite significantly higher streaming start-up losses and a slowdown of the TV advertising markets since March, RTL Group generated a higher Adjusted EBITA – once again demonstrating our ability to generate strong financial results even in challenging conditions.

Given the challenging macroeconomic environment and its impact on advertising markets in particular, we have decided to revise RTL Group's outlook for the full year 2022. RTL Group now expects its Adjusted EBITA to come in at between €1.05 and €1.15 billion including streaming start-up losses and €1.3 and €1.4 billion before streaming start-up losses.

RTL Group continues to deliver on its targets for its growth businesses of streaming and content. Our streaming services continued to grow dynamically and passed the 4.5 million paying subscriber mark. In the second half of 2022, we will expand RTL+ to become a cross-media entertainment service. Our content business is also accelerating, with five acquisitions and step-ups in the past six months, major talent deals and 30 planned films for 2022.

We have also made significant progress in executing our strategy to establish national cross-media champions. The integration of RTL Deutschland and Gruner + Jahr is progressing according to plan, and we sold RTL Belgium and RTL Croatia. We expect the competition authorities in France and the Netherlands to decide on the proposed combinations of both Groupe TF1 and Groupe M6, and Talpa Network and RTL Nederland in autumn. We remain convinced that market consolidation is necessary to compete with the global tech platforms."

H1/2022: RTL Group reports record revenue and 4.5 million paying streaming subscribers

- Group revenue up 8.7 per cent to €3.3 billion in H1/2022 to a new record level, stable organically
- Q2/2022: Group revenue up 6.5 per cent to €1,714 million, down 4.1 per cent organically due to slowing TV advertising markets, in particular in Germany
- H1/2022: Adjusted EBITA up 3.7 per cent to €501 million despite more challenging macroeconomic conditions and higher streaming start-up losses. Adjusted EBITA margin at 15.3 per cent
- H1/2022: Group profit at €304 million, down from €929 million in H1/2021 which benefited from significant capital gains on disposals
- Paying subscribers for RTL Group's streaming services in Germany and the Netherlands up 48.0 per cent to more than 4.5 million. Streaming revenue up 21.5 per cent to €130 million
- H1/2022: Progress on Fremantle growth plan with five acquisitions and step-ups completed and revenue up 8.1 per cent to €983 million
- Consolidation: on the proposed merger of Groupe TF1/ Groupe M6, the case team of the French competition authority concluded that the proposed transaction raises significant competition concerns. The hearings before the Board (Collège) of the French competition authority will take place in September, a decision by the authority is expected in October. On the proposed merger of Talpa Network/RTL Nederland, a decision is expected in autumn
- Portfolio management: disposals of VideoAmp, RTL Belgium and RTL Croatia completed
- Full-year outlook for 2022 revised, due to challenging macroeconomic environment: Adjusted EBITA of €1.05 to €1.15 billion (previous guidance: ~€1.15 billion) and streaming start-up losses of ~€250 million ('Adjusted EBITA before streaming start-up losses' of €1.3 to €1.4 billion (previous guidance: ~€1.4 billion))

H1/2022: Record Group revenue and Adjusted EBITA ahead of H1/2021 despite more challenging macroeconomic conditions and higher streaming start-up losses

- **Group revenue** was up 8.7 per cent to €3,276 million (H1/2021: €3,014 million), mainly thanks to the strong performance of RTL Nederland, higher streaming revenue, scope effects at RTL Deutschland (from the acquisitions of Gruner + Jahr and Super RTL) and Fremantle as well as positive foreign exchange rate effects. Group revenue was stable organically¹ compared to the first half of 2021, as organic revenue growth at RTL Nederland and Groupe M6 was offset by negative effects from the timing of production deliveries at Fremantle.
- In the first half of 2022, RTL Group's families of TV channels in Germany and the Netherlands reported **higher audience shares** and increased their audience lead over their main commercial competitors.
- **Q2/2022 Group revenue** was up 6.5 per cent to €1,714 million (Q2/2021: €1,610 million), as scope effects, positive foreign exchange rate effects and growth in streaming revenue more than offset timing effects at Fremantle and a decrease in TV advertising revenue.
- **Streaming revenue**² from RTL+ and Videoland was up 21.5 per cent to €130 million (H1/2021: €107 million).
- **Distribution revenue**³ was up 3.3 per cent to €220 million (H1/2021: €213 million).
- **Adjusted EBITA** was up 3.7 per cent to €501 million (H1/2021: €483 million) despite higher streaming start-up losses, driven by significantly higher profit contributions from RTL Nederland. The **Adjusted EBITA margin** was 15.3 per cent (H1/2021: 16.0 per cent). Adjusted EBITA before streaming start-up losses was up 7.1 per cent to €575 million (H1/2021: €537 million).
- **Group profit** was €304 million (H1/2021: €929 million). The first half of 2021 was positively impacted by capital gains of €745 million from the sale of SpotX.
- **Net cash from operating activities** was at €84 million (H1/2021: €214 million), while the operating cash conversion rate⁴ came in at 35 per cent (H1/2021: 82 per cent).
- On 30 June 2022, RTL Group had **net cash**⁵ of €35 million (31 December 2021: net cash of €657 million).

1 Adjusted for portfolio changes and at constant exchange rates. Further details can be found in **Key performance indicators** on page 11

2 Streaming revenue includes SVOD, TVOD, in-stream and distribution revenue from RTL+ and Videoland/RTL XL

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

4 Operating cash conversion rate reflects the level of operating profits converted into cash. Further details can be found in **Key performance indicators** on pages 13 to 14

5 Net cash/(debt) excludes current and non-current lease liabilities. Including these, net debt as of 30 June 2022 was €-358 million (31 December 2021: net cash of €325 million). See **Key performance indicators** on page 14

Key financials

	H1/2022 €m	H1/2021 €m	Per cent change
Revenue	3,276	3,014	+8.7
Adjusted EBITA	501	483	+3.7
Adjusted EBITA margin (%)	15.3	16.0	
Adjusted EBITA	501	483	+3.7
Significant special items	(23)	(12)	
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	(18)	(7)	
Gain/(loss) from sale of subsidiaries, other investments and re-measurement to fair value of pre-existing interest in acquiree	111	766	
Fair value measurement of investments and re-measurement of earn-out arrangements	(84)	(28)	
EBIT	487	1,202	(59.5)
Financial result	(49)	5	
Income tax expense	(134)	(278)	
Group profit	304	929	(67.3)
Attributable to:			
– RTL Group shareholders	245	863	(71.6)
– Non-controlling interests	59	66	
Basic and diluted EPS (in €)	1.58	5.58	(71.6)

Strengthening RTL Group's core – creating national media champions

- **Proposed merger between Groupe TF1 and Groupe M6:** In its recently issued report, the case team of the French competition authority considers that the proposed transaction raises significant competition concerns (in particular on the advertising market). The report does not prejudice the final decision by the Board (Collège) of the French competition authority. The nature and scope of the remedies required in the report of the case team would render the parties' proposal irrelevant, in which case the parties would withdraw it. The parties – who intend to maintain their proposal as presented – will respond to the competition authority by around mid-August. The hearings before the Board of the French competition authority are scheduled for 5 and 6 September 2022. A decision is expected in October 2022.
- **Proposed merger between Talpa Network and RTL Nederland:** The transaction is subject to approval from the competent authorities. A decision is expected in autumn 2022.
- On 1 January 2022, **RTL Deutschland** fully acquired **Gruner + Jahr's (G+J) German publishing assets and brands** and on 1 April 2022 50 per cent of Deutsche Medien Manufaktur (DMM) for the final purchase price of €228 million on a cash-free and debt-free basis⁶, to create Germany's first cross-media champion. G+J contributed popular and trusted media brands such as *Stern*, *Brigitte*, *Geo*, *Capital*, *Schöner Wohnen*, *Eltern*, *Landlust* and *Art to RTL Deutschland*, and the integration is progressing well. The potential synergies of the transaction (Adjusted EBITA run-rate impact) are estimated at around €100 million per year, to be fully realised by 2025. RTL Deutschland is on track to achieve these synergies.
- On 4 January 2022, RTL Group sold its entire shareholding in **VideoAmp** – a US software and data company for media measurement – for US-\$104 million (€92 million) in cash.
- On 31 March 2022, RTL Group closed the sale of **RTL Belgium** to the Belgian media companies DPG Media and Groupe Rossel for €154 million net of cash disposed. On 1 June 2022, RTL Group completed the sale of **RTL Croatia** to Central European Media Enterprises (CME) for €40 million net of cash disposed. Both sales are in line with RTL Group's strategy to drive consolidation in the European TV industry, and to build national cross-media champions.

⁶ €210 million was already paid in 2021. The following Gruner + Jahr assets are not part of the transaction and will remain with Bertelsmann: DDV Mediengruppe (*Sächsische Zeitung*), Territory, AppLike Group and G+J's 25 per cent shareholding in Spiegel Gruppe

Boosting growth businesses

- On 30 June 2022, RTL Group registered **4.506 million paying subscribers** for its streaming services RTL+ in Germany and Videoland in the Netherlands – up 48.0 per cent year on year (30 June 2021: 3.045 million).
 - Paying subscribers for **RTL+** increased 68.9 per cent year on year to 3.427 million (30 June 2021: 2.029 million). The strategic partnership with Deutsche Telekom to bundle RTL+ Premium within Magenta TV contributed significantly to the growth.
 - Paying subscribers for **Videoland** grew 6.2 per cent year on year to 1.079 million (30 June 2021: 1.016 million).
 - In February 2022, **RTL Deutschland** signed an exclusive agreement for an extensive, multi-year programme deal with the US production company **Warner Bros. Entertainment**. Starting from Q1/2022, RTL Deutschland received access to exclusive films and series, including HBO Max originals. In addition, RTL Deutschland will receive exclusive free-TV rights to future feature films and access to Warner Bros.' vast library of high-quality series and feature films across all genres. In April 2022, RTL Deutschland has expanded its licensing agreement with **Paramount Global Content Distribution** to acquire an attractive programme package for the streaming service RTL+ and its free-TV channels including German premieres and highlights from Paramount's library.
 - In the first quarter of 2022, **RTL Deutschland** recorded audience successes with the live broadcast of the **Uefa Europa League matches** on its linear TV channels and on the streaming service RTL+. In May 2022, RTL Deutschland announced an extensive deal with Uefa to broadcast half of all football matches of the **German national team** in the Uefa Nations League until 2028, and the European Qualifiers for both the Fifa World Cup 2026 and Uefa Euro 2028. The deal also includes the broadcast of test matches of the German national team as well as final round matches of the Uefa Nations League even without German participation. The acquisition of these sports rights is part of RTL Deutschland's strategy to further grow in both linear television and streaming.
 - In March 2022, **Fremantle** signed a three-year international filmmaking agreement with Oscar-winning actress **Angelina Jolie**. Fremantle and Angelina Jolie will jointly develop a variety of feature films, documentaries and original series that she will produce, direct, or star in.
 - In March 2022, **Fremantle** acquired 70 per cent of the shareholding in the leading Italian scripted production company **Lux Vide**. Successful series from the production company include *Medici* for Netflix, *Leonardo* for Amazon Prime, *Devils* for Sky, *The Bible Collection* – sold in 144 countries, *Don Matteo* – now in its 13th season and *DOC* – the medical drama becoming Rai's highest-rated series in 15 years. In the same month, Fremantle acquired a 25 per cent stake in **Fabel Entertainment**, known for the series, *Bosch*.
 - In April 2022, **Fremantle** increased its stake in **Dancing Ledge Productions** from 25 per cent to 61 per cent. The UK-based production company is behind drama series such as *The Responder* and *The Salisbury Poisonings*.
 - In May 2022, **Fremantle** acquired 51 per cent of **Element Pictures**, the production company behind Academy-Award-, Golden-Globe- and BAFTA-winning films *The Favourite* and *Room*, the global drama *Normal People*, and the mini-series *Conversations With Friends*.
 - In June 2022, **Fremantle** increased its ownership in the US/Australian production company **Eureka** to 100 per cent, having already acquired a majority stake in 2021.
- All aforementioned transactions further demonstrate Fremantle's strategic plan to invest in and grow premium production companies and creative talents from around the world.

Fostering alliances and partnerships

- In February 2022, RTL Group announced its decision to combine its fully-owned businesses RTL AdConnect, G+J iMS and the media division of Smartclip to create an international advertising sales champion called **RTL AdAlliance**. RTL AdAlliance will provide international advertisers with simplified access to a unique portfolio of media brands across TV, digital video, radio/audio, online, mobile and print.
- In May 2022, RTL Group's European ad-tech business, **Smartclip**, fully acquired the French ad-tech company **Realtytics**. The acquisition complements RTL Group's ad-tech stack: Realtytics systematically analyses the impact of TV advertising on advertiser websites and ensures data availability for digital ad decisioning.

Outlook

Following the initial outlook for the full year 2022 dated 17 March 2022, RTL Group communicated on 6 May 2022 that the German advertising market had been weaker than expected in March and April. Since then, current trading and future prospects of most European advertising markets have continued to soften. Due to this development, the effects of the FIFA World Cup in November and December, and numerous external factors – in particular the war in Ukraine, inflation, energy supply and supply chain issues – RTL Group revised its outlook.

The outlook does not reflect the announced consolidation moves in France and the Netherlands as they are still subject to regulatory approvals, but reflects the acquisition of Lux Vide (as at 3 March 2022), Dancing Ledge Productions (as at 6 April 2022) and Element Pictures (as at 10 May 2022) by Fremantle and the sales of RTL Belgium (as at 31 March 2022) and RTL Croatia (as at 1 June 2022)⁷.

On this basis and subject to the above:

- RTL Group expects its **revenue** to increase to between €7.3 and €7.5 billion (previous guidance: ~€7.4 billion). The revenue increase is explained by positive scope and foreign exchange rate effects of approximately €0.5 billion and organic revenue growth of €0.2 billion to €0.4 billion, depending on the performance of the TV advertising markets in H2/2022.
- RTL Group expects its **Adjusted EBITA** for 2022 to be between €1.05 and €1.15 billion (previous guidance: ~€1.15 billion), including streaming start-up losses of approximately €250 million (2021: €166 million), unchanged from the previous guidance. The Group expects its 'Adjusted EBITA before streaming start-up losses' to be between €1.3 and €1.4 billion (previous guidance: ~€1.4 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.

	2021e	2021	2022e old	2022e new
Revenue	~€6.5bn	€6,637m	~€7.4bn	€7.3bn–€7.5bn
Adjusted EBITA	~€1,050m	€1,152m	~€1.15bn	€1.05bn–€1.15bn
Streaming start-up losses	~€150m	€166m	~€0.25bn	~€0.25bn
'Adjusted EBITA before streaming start-up losses'	~€1,200m	€1,318m	~€1.4bn	€1.3bn–€1.4bn

RTL Group: strategic targets for the streaming services RTL+ and Videoland

	2021	2026e
Paying subscribers	3.804m	10m
Streaming revenue	€223m	€1bn
Content spend per annum	€209m	~€600m

Profitability is expected by 2026⁸.

Fremantle: revenue target

Fremantle targets full-year revenue of €3 billion by 2025.

To reach this goal and keep up with the increasing demand for content, RTL Group will invest significantly in Fremantle – both organically and via acquisitions – in all territories across drama and film, entertainment and factual shows and documentaries.

⁷ In addition, the outlook includes, among other scope effects, the deconsolidation of SpotX (as at 30 April 2021) and Ludia (as at 8 September 2021) and the full consolidation of Eureka (as at 17 May 2021), Super RTL (as at 1 July 2021), This is Nice Group (as at 30 September 2021) and Gruner + Jahr (as at 1 January 2022).

⁸ Total of Adjusted EBITA from RTL+, Videoland/RTL XL, Salto and Bedrock as consolidated on RTL Group level. The Adjusted EBITA of RTL+ and Videoland/RTL XL includes synergies with TV channels on business unit level. For the definition of Adjusted EBITA please see **Key performance indicators** on page 12.

About RTL Group

Corporate profile

RTL Group is a leading entertainment company across broadcast, streaming, content and digital, with interests in 56 television channels, eight 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 and digital publishing. RTL Group's streaming services include RTL+ in Germany, Videoland in the Netherlands and 6play and Salto in France.

Fremantle is one of the world's largest creators, producers and distributors of scripted and unscripted content, and is responsible for around 12,000 hours of programming per year, alongside an international network of teams operating in more than 25 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.

The roots of the company date back to 1924, when Radio Luxembourg first went on air. Compagnie Luxembourgeoise de Radiodiffusion (CLR) was founded in 1931. As a European pioneer, the company broadcast a unique programme in several languages using the same wavelength.

RTL Group itself was created in spring 2000, following the merger of Luxembourg-based CLT-UFA and the British content production company Pearson TV, owned by Pearson Plc. CLT-UFA was created in 1997 when the shareholders of UFA (Bertelsmann) and the historic Compagnie Luxembourgeoise de Télédiffusion – CLT (Audiofina) merged their TV, radio and production businesses.

Bertelsmann has been the majority shareholder of RTL Group since July 2001. RTL Group's shares (ISIN: LU0061462528) are publicly traded on the regulated market (Prime Standard) of the Frankfurt and Luxembourg Stock Exchanges. RTL Group is listed in the MDAX stock index. RTL Group publishes its consolidated financial statements in accordance with IFRS as adopted by the European Union.

For more information see pages 41 to 42 of RTL Group's Annual Report 2021.

Strategy

RTL Group's strategy is built on three priorities:

- 1 Strengthening the Group's **core** businesses
- 2 Expanding the Group's **growth** businesses, in particular in the areas of streaming, content production and technology
- 3 Fostering **alliances and partnerships** in the European media industry

RTL Group does not consider its corporate strategy to have changed in a material way since the publication of the Annual Report 2021.

RTL Group's strategy is outlined in more detail on pages 48 to 52 of the Annual Report 2021.

Market and market trends

RTL Group does not consider the market environment and market trends to have changed in a material way since the publication of the Annual Report 2021 in April 2022.

Since then, Netflix and Disney+ announced that they plan to introduce advertising within their streaming services to offer more attractive prices to subscribers and gain additional advertising revenue. Amazon launched Freevee

(previously IMDb TV) as a free, advertising-financed streaming service. This would increase competition within the advertising markets, especially for RTL Group's hybrid streaming services.

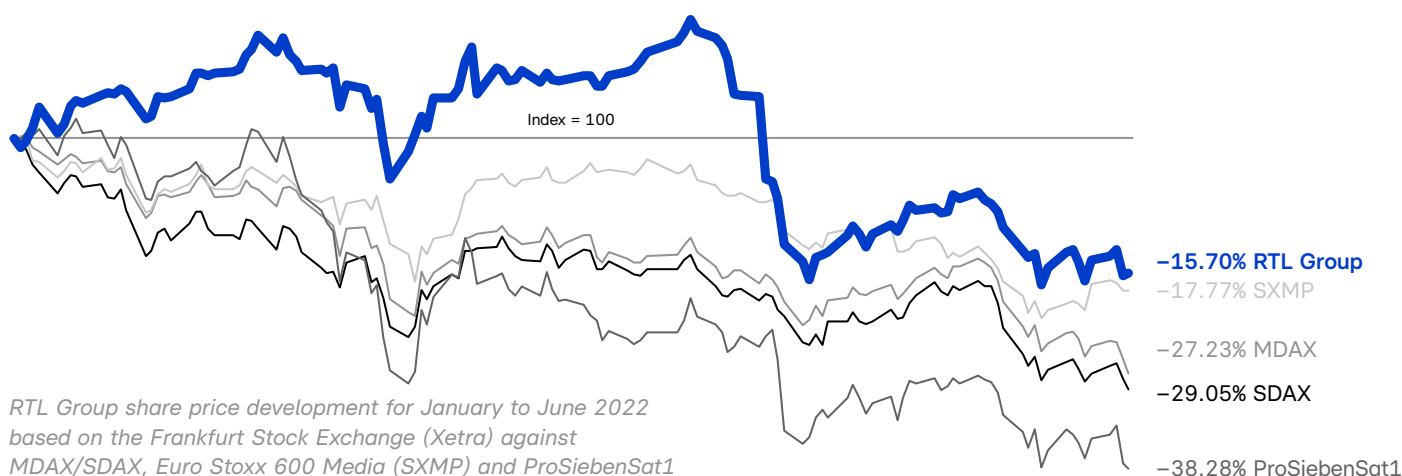
The market environment and market trends are outlined in more detail on pages 46 to 47 of RTL Group's Annual Report 2021.

Capital markets and share

RTL Group's shares (ISIN: LU0061462528) are publicly traded on the regulated market (Prime Standard) of the Frankfurt Stock Exchange and the Luxembourg Stock Exchange. RTL Group is listed in the MDAX stock index.

Share performance

1 January 2022 to 30 June 2022 in per cent



RTL Group's share price started 2022 at €47.26 and finished the first half of the year down 15.7 per cent, at €39.84, thereby performing better than the German indices SDAX and MDAX. The share price highs and lows were €53.75 (21 April) and €39.16 (16 June).

Quarterly, the average share price evolved as follows:
Q1/2022: €49.80
Q2/2022: €44.90

The Group declared a dividend in April 2022 that was paid on 5 May 2022. The payment of €5.00 (gross) per share related to the 2021 full-year dividend. The total dividend paid amounted to €774 million. Based on the average share price in 2021 (€48.60), this represents a dividend yield of 10.3 per cent (2021: 8.9 per cent) and a dividend payout ratio of around 80 per cent, in line with the Group's dividend policy.

For more information on the analysts' views on RTL Group and RTL Group's equity story, please visit **Investor Relations** on company.rtl.com.

RTL Group rating

In 2019, RTL Group decided to cancel its ratings from both S&P and Moody's. Until the date of the cancellation, these ratings were fully aligned to RTL Group's parent company, Bertelsmann SE & Co KGaA, due to its shareholding level and control of RTL Group.

RTL Group dividend policy

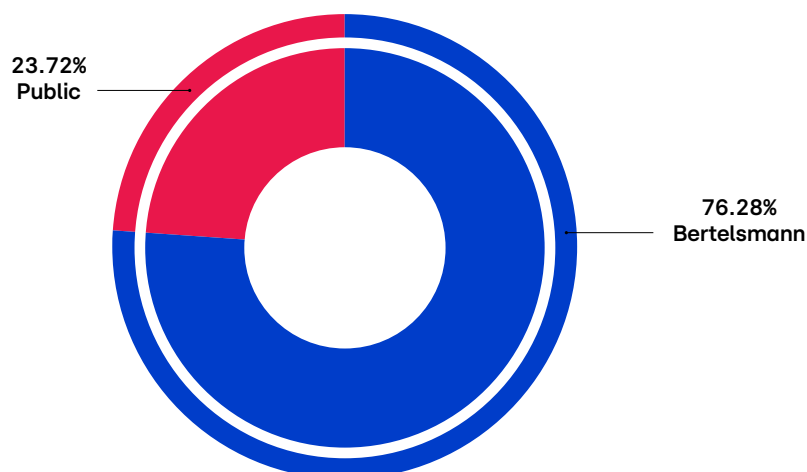
RTL Group's dividend policy offers a pay-out ratio of at least 80 per cent of the Group's adjusted net result.

The adjusted net result is the reported net result available to RTL Group shareholders, adjusted for any material non-cash impacts. RTL Group reports its adjusted net result at the time of its full-year results announcement.

RTL Group shareholding structure

The share capital of the company is set at €191,845,074, divided into 154,742,806 shares with no par value.

The shares are in the form of either registered or bearer shares, at the option of the owner.

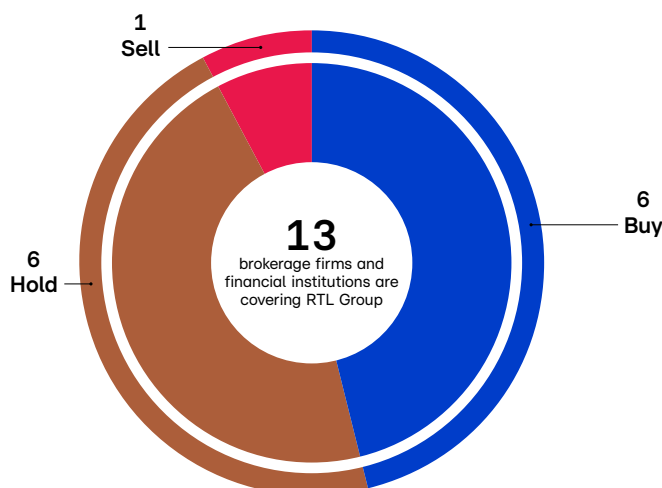


Bertelsmann has been the majority shareholder of RTL Group since July 2001. As at 30 June 2022, Bertelsmann held 76.28 per cent of RTL Group shares, and 23.72 per cent were free float.

There is no obligation for a shareholder to inform the company of any transfer of bearer shares save for the obligations provided by the Luxembourg law of 15 January 2008 on transparency requirements in relation to information about issuers whose securities are admitted to trading on a regulated market. Accordingly, the company shall not be liable for the accuracy or completeness of the information shown.

Analyst coverage⁹

A detailed, up-to-date overview of the analysts' views on RTL Group can be found on company.rtl.com.



Key performance indicators (KPIs)

RTL Group analyses key performance indicators (KPIs) to manage its businesses, including revenue, organic growth/decline, Adjusted EBITA, Adjusted EBITA margin, net debt, operating cash conversion rate and audience shares in the company's main target groups. RTL Group's key performance indicators are mostly determined on the basis of so-called alternative performance measures, which are not defined by IFRS. Management believes they are relevant for measuring the performance of the Group's operations, financial position and cash flows, and for

making decisions. These KPIs also provide additional information for users of the financial statements regarding the management of the Group on a consistent basis over time and regularity of reporting. These should not be considered in isolation but as complementary information for evaluating the Group's business situation. RTL Group's KPIs may not be comparable to similarly titled measures reported by other groups due to differences in the way these measures are calculated.

Organic growth/decline

Organic growth is calculated by adjusting the reported revenue growth mainly for the impact of exchange rate effects, 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.

⁹ Based on analyst coverage as at 30 June 2022

Adjusted EBITA

EBIT, Adjusted EBITA and EBITDA are indicators of operating profitability. The key performance indicator for the operating profitability of RTL Group and its business units is Adjusted EBITA. Analysts also continue to use EBITDA as a KPI for the Group's profitability. As a result, for these purposes the calculation of EBITDA for the Group is also disclosed.

RTL Group comments primarily on Adjusted EBITA as the KPI for measuring profitability.

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 46 to 47 of RTL Group's Annual Report 2021) and **Strategy** section (pages 48 to 52 of RTL Group's Annual Report 2021), 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
- 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

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 significant 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. In the first half of 2022, 'Significant special items' reflects integration costs for the Gruner + Jahr transaction in Germany as well as transaction costs for the consolidation initiatives.

	H1/2022 €m	H1/2021 €m
Earnings before interest and taxes (EBIT)	487	1,202
Impairment of goodwill of subsidiaries	–	–
Amortisation and impairment of fair value adjustments on acquisitions of subsidiaries	18	7
Impairment and reversals of investments accounted for using the equity method	–	–
Re-measurement of earn-out arrangements	–	–
Fair value measurement of investments	84	28
Gain/(loss) from sale of subsidiaries, other investments and re-measurement to fair value of pre-existing interest in acquiree	(111)	(766)
EBITA	478	471
Significant special items	23	12
Adjusted EBITA	501	483

In accordance with RTL Group's strategy, the company continued to invest heavily in its streaming services, RTL+ and Videoland, both of which have seen a rapid increase in the number of paying subscribers (for further details see **Building national streaming champions** on page 50 of RTL Group's Annual Report 2021). RTL Group discloses

additionally the streaming start-up losses defined as a total of Adjusted EBITA from RTL+, Videoland/RTL XL, Salto and Bedrock as consolidated on RTL Group level. For the first half of 2022, the total of streaming start-up losses amounted to €74 million. 'Adjusted EBITA before streaming start-up losses' was €575 million.

Adjusted EBITA margin

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

EBITDA

EBITDA represents earnings before interest and taxes (EBIT) excluding some elements of the income statement:

- Amortisation and impairment of non-current programme and other rights, of other intangible assets, depreciation and impairment of property, plant and equipment, (excluding the part concerning goodwill and fair value adjustments) and of right-of-use assets reported in 'Depreciation, amortisation and impairment'
- 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
- 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

	H1/2022 €m	H1/2021 €m
Earnings before interest and taxes (EBIT)	487	1,202
Depreciation, amortisation and impairment	110	100
Impairment of goodwill of subsidiaries	–	–
Amortisation and impairment of fair value adjustments on acquisitions of subsidiaries	18	7
Impairment and reversals of investments accounted for using the equity method	–	–
Re-measurement of earn-out arrangements	–	–
Fair value measurement of investments	84	28
Gain/(loss) from sale of subsidiaries, other investments and re-measurement to fair value of pre-existing interest in acquiree	(111)	(766)
EBITDA	588	571

Operating cash conversion rate

The operating cash conversion rate (OCC) reflects the level of operating profits converted into cash available for investors after incorporation of the minimum investments required to sustain the current profitability of the business and before reimbursement of funded debts (interest included) and payment of income taxes. The operating cash conversion rate of RTL Group's operations is subject to seasonality and investment cycles. RTL Group historically had – and expects in the future to have – a strong OCC due to a high focus on working capital and capital expenditure throughout the Group's operations. OCC should be above 90 per cent in the long-term average and/or it should normally exceed market benchmarks in a given year.

OCC means operating free cash flow divided by EBITA – operating free cash flow being net cash from operating activities adjusted by the following elements:

- 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
- Transaction-related costs with regard to significant disposals of subsidiaries

The lower operating cash conversion rate in the first half of 2022 was due to unfavourable changes in the net working capital, mainly at RTL Deutschland and Fremantle.

	H1/2022 €m	H1/2021 €m
Net cash from operating activities	84	214
Adjusted by:		
Income tax paid	170	238
Transaction-related costs	3	31
Acquisitions of:		
– Programme and other rights	(30)	(41)
– Other intangible and tangible assets	(61)	(56)
Proceeds from the sale of intangible and tangible assets	–	–
Operating free cash flow	166	386
EBITA	478	471
Operating cash conversion rate	35%	82%

Net cash/(debt)

The net cash/(debt) is the gross balance sheet financial debt adjusted for:

- Cash and cash equivalents
- Current deposit with shareholder and its subsidiaries reported in 'Accounts receivable and other financial assets'

	30 June 2022 €m	31 December 2021 €m
Current loans and bank overdrafts	(559)	(49)
Non-current loans	(139)	(635)
	(698)	(684)
Deduction of:		
– Cash and cash equivalents	507	547
– Current deposits with shareholder and its subsidiaries	226	794
Net cash/(debt)	35	657

The net debt excludes current and non-current lease liabilities of €393 million (31 December 2021: €332 million).

Financial review

Revenue

RTL Group's estimates for the net TV advertising markets across its key markets show a mixed picture for the first half of 2022. After strong growth in the first quarter, current trading and future prospects of most European TV

advertising markets have softened. A summary of RTL Group's key markets is shown below, including estimates of net TV advertising market growth rates and the audience shares in the main target audience group.

	H1/2022 Net TV advertising market growth rate (in per cent)	H1/2022 RTL Group audience share in main target group (in per cent)	H1/2021 RTL Group audience share in main target group (in per cent)
Germany	-2.5 to -3.0 ¹⁰	27.3 ¹¹	26.5 ¹¹
France	+2.0 ¹²	22.4 ¹³	23.1 ¹³
The Netherlands	+17.0 ¹⁰	34.5 ¹⁴	33.1 ¹⁴
Hungary	+7.1 ¹⁰	29.0 ¹⁵	29.8 ¹⁵

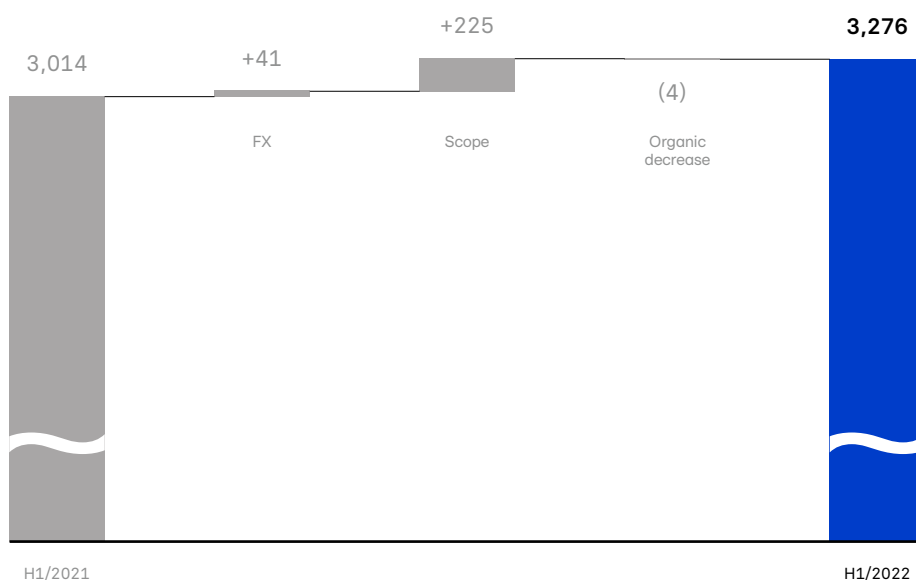
Group revenue was up 8.7 per cent to €3,276 million (H1/2021: €3,014 million), mainly thanks to the strong performance of RTL Nederland, higher streaming revenue, scope effects at RTL Deutschland (from the acquisitions of Gruner + Jahr and Super RTL) and Fremantle as well as positive foreign exchange rate effects. Group revenue was stable organically¹⁶ compared to the first half of 2021, as organic revenue growth at RTL Nederland and Groupe M6

was offset by negative effects from the timing of production deliveries at Fremantle.

Q2/2022 Group revenue was up 6.5 per cent to €1,714 million (Q2/2021: €1,610 million), as scope effects, positive foreign exchange rate effects and growth in streaming revenue more than offset timing effects at Fremantle and a decrease in TV advertising revenue.

RTL Group revenue bridge in the first half of 2022

(in €million)



¹⁰ Source: Industry and RTL Group estimates

¹¹ Source: GfK. Target group: 14 to 59, including pay-TV channels

¹² Source: Groupe M6 estimate

¹³ Source: Médiamétrie. Target group: women under 50 responsible for purchases (free-to-air channels: M6, W9, 6ter and Gulli)

¹⁴ Source: SKO. Target group: 25 to 54, 18h to 24h

¹⁵ Source: AGB Hungary. Target group: 18 to 49, prime time; RTL Hungary has changed the publication of its audience figures as of 2022 and is now using 'Linear SHR' audience share data calculated without the category 'Other' of Nielsen

¹⁶ Adjusted for portfolio changes and at constant exchange rates. Further details can be found in Key performance indicators on page 11

Streaming revenue – which includes SVOD, TVOD, in-stream and distribution revenue from RTL+ and Videoland/RTL XL – was up 21.5 per cent to €130 million (H1/2021: €107 million), thanks to the growth in paying subscribers.

RTL Group's **advertising revenue** was €1,736 million (H1/2021: €1,634 million), of which €1,357 million represented TV advertising revenue (H1/2021: €1,312 million), €179 million represented digital advertising revenue (H1/2021: €156 million) and €93 million represented radio advertising revenue (H1/2021: €99 million).

RTL Group's **digital revenue** was €487 million (H1/2021: €537 million). The decrease is mainly due to the fact that digital revenue in the first half of 2021 benefited from the launch of the third season of *American Gods* on Amazon Prime Video and *The Mosquito Coast* on Apple TV+ and the disposal of SpotX in April 2021.

Digital revenue is spread over the different categories of revenue, which include digital advertising sales, revenue from distribution and licensing content, and consumer and professional services. In contrast to some competitors, RTL Group recognises only pure digital businesses as digital revenue and does not consider e-commerce, home shopping and distribution revenue as digital revenue. Revenue from e-commerce and home shopping is included in 'revenue from selling goods and merchandise and providing services'.

RTL Group's **distribution revenue**¹⁷ was up 3.3 per cent to €220 million (H1/2021: €213 million).

RTL Group's revenue is well diversified, with 41.4 per cent from TV advertising, 22.8 per cent from content, 14.9 per cent from digital activities, 6.7 per cent from distribution revenue, 2.8 per cent from radio advertising, and 11.4 per cent from other revenue.

Adjusted EBITA

Adjusted EBITA was up 3.7 per cent to €501 million (H1/2021: €483 million) despite higher streaming start-up losses, driven by significantly higher profit contributions from RTL Nederland. The **Adjusted EBITA margin** was 15.3 per cent (H1/2021: 16.0 per cent).

Adjusted EBITA before streaming start-up losses was up 7.1 per cent to €575 million (H1/2021: €537 million).

For more detailed information and reconciliation of these measures see **Key performance indicators** on pages 12-13.

Financial development over time

	H1/2022 €m	H1/2021 €m	H1/2020 €m	H1/2019 €m	H1/2018 €m
Revenue	3,276	3,014	2,652	3,173	3,046
Adjusted EBITA	501	483	258	538	548

Investments accounted for using the equity method

The total share of results of these investments was €1 million (H1/2021: €14 million).

Fair value measurement of investments

Fair value measurement of investments of €-84 million (H1/2021: €-28 million) is mostly attributable to the negative valuation effects of the Magnite shares.

Gain from sale of subsidiaries, other investments and re-measurement to fair value of pre-existing interest in acquiree

In the first half of 2022, RTL Group recorded a gain of €111 million (H1/2021: €766 million), due to capital gains of €110 million from the disposals of RTL Belgium and RTL Croatia.

Financial result

Financial result amounted to an expense of €-49 million (H1/2021: income of €5 million).

Impairment of goodwill and amortisation and impairment of fair value adjustments on acquisitions of subsidiaries

The Group has not recognised any impairment of goodwill. The comprehensive description of the financial result is disclosed in the interim consolidated financial statements.

Income tax expense

In the first half of 2022, the tax expense was €134 million (H1/2021: €278 million).

Profit attributable to RTL Group shareholders

Group profit attributable to RTL Group shareholders was €245 million (H1/2021: €863 million), mainly driven by the disposals of RTL Belgium and RTL Croatia. Group profit attributable to RTL Group shareholders in H1/2021 was mainly driven by the disposal of SpotX.

Earnings per share

Earnings per share, based upon 154,742,806 weighted average number of ordinary shares, both basic and diluted, was €1.58 (H1/2021: €5.58 per share based on 154,742,806 shares).

¹⁷ Revenue generated across all distribution platforms (cable, satellite, internet TV) including subscription and re-transmission fees

Main portfolio changes

In January 2022, RTL Deutschland GmbH acquired 100 per cent of the share capital of **Gruner + Jahr Deutschland GmbH** and, on 1 April 2022, 50 per cent of Deutsche Medien Manufaktur (DMM). The acquisitions were preceded by RTL Group's decision in August 2021 to acquire Gruner + Jahr's German publishing assets and brands from Bertelsmann to create a German cross-media champion across TV, streaming, print, radio and digital. The final purchase price amounted to €228 million on a cash-free and debt-free basis of which €210 million was pre-paid in 2021.

In January 2022, RTL Group sold its entire investment in **VideoAmp** – a US software and data company for media measurement – for US-\$104 million (€92 million) in cash. The transaction was carried out as a share buyback by VideoAmp.

In March 2022, Fremantle acquired 70 per cent of the shareholding in the leading Italian scripted production company, **Lux Vide**, for €43 million.

In March 2022, RTL Group closed the sale of **RTL Belgium** to the Belgian media companies DPG Media and Groupe Rossel for €154 million net of cash disposed. The sale is in line with RTL Group's strategy to drive consolidation in the European TV industry, and to build national cross-media champions.

In April 2022, Fremantle increased its stake in **Dancing Ledge Productions** from 25 per cent to 61 per cent for €6 million. The UK-based production company is behind drama series such as *The Responder* and *The Salisbury Poisonings*.

In May 2022, Fremantle acquired 51 per cent of **Element Pictures**, the production company behind Academy-Award-, Golden-Globe- and BAFTA-winning films *The Favourite* and *Room*, the global drama *Normal People*, and the mini-series *Conversations With Friends*. The consideration transferred amounted to €55 million and comprises a purchase price payment already made in the amount of €45 million and a contingent consideration in the amount of €10 million.

In May 2022, RTL Group's European ad-tech business, Smartclip, fully acquired the French ad-tech company **Realytics** for €9 million.

In June 2022, RTL Group sold **RTL Croatia** to Central European Media Enterprises (CME). The total consideration amounts to €40 million net of cash disposed and is subject of customary adjustments. In addition, RTL Group has agreed to a long-term trademark licensing agreement with the buyer.

In June 2022, Fremantle fully acquired **Eureka** for an additional US-\$55 million (€53 million) after taking a majority stake of 51 per cent in 2021.

Related-party transactions

See **Related-party transactions** on page 41 to 42 of the Condensed interim consolidated financial statements 2022.

Subsequent events

See **Subsequent events** on page 43 of the Condensed interim consolidated financial statements 2022.

Review by segments

Half year to June 2022 (H1/2022)

Revenue	H1/2022 €m	H1/2021 €m	Per cent change
RTL Deutschland	1,242	1,022	+21.5
Groupe M6	664	645	+2.9
Fremantle	983	909	+8.1
RTL Nederland	303	253	+19.8
Other segments	225	302	(25.5)
Eliminations	(141)	(117)	
Total revenue	3,276	3,014	+8.7

Adjusted EBITA	H1/2022 €m	H1/2021 €m	Per cent change
RTL Deutschland	191	201	(5.0)
Groupe M6	149	151	(1.3)
Fremantle	60	61	(1.6)
RTL Nederland	86	54	+59.3
Other segments	15	16	(6.3)
Eliminations	–	–	
Adjusted EBITA	501	483	+3.7

Adjusted EBITA margin	H1/2022 per cent	H1/2021 per cent	Percentage point change
RTL Deutschland	15.4	19.7	(4.3)
Groupe M6	22.4	23.4	(1.0)
Fremantle	6.1	6.7	(0.6)
RTL Nederland	28.4	21.3	+7.1
RTL Group	15.3	16.0	(0.7)

RTL Deutschland

Financial results

In the reporting period, the German net TV advertising market was estimated to be down between 2.5 and 3.0 per cent year on year. Total revenue of RTL Deutschland was up 21.5 per cent to €1,242 million (H1/2021: €1,022 million), driven by the acquisitions of Gruner + Jahr in 2022 and Super RTL in 2021. Adjusted EBITA was down 5.0 per cent to €191 million (H1/2021: €201 million), mainly due to increased programme costs for the linear TV channels as well as higher streaming start-up losses. This was partly offset by the reversal of provisions of €35 million relating to the legal proceeding with RTL 2 Fernsehen GmbH & Co KG and its sales house El Cartel Media GmbH & Co KG.

Audience ratings

RTL Deutschland's combined average audience share in the target group of viewers aged 14 to 59 grew to 27.3 per cent in the first six months of 2022 (H1/2021: 26.5 per cent). The lead over its main commercial competitor, ProSiebenSat1, increased to 4.9 percentage points (H1/2021: 4.0 percentage points). With its portfolio of eight free-TV and four pay-TV channels, RTL Deutschland reached 28.7 million viewers every day in the first half of 2022 (H1/2021: 30 million viewers)¹⁸.

RTL Television remained the market leader in Germany in the target group of viewers aged 14 to 59, scoring an average audience share of 9.5 per cent (H1/2021: 9.4 per cent). Successful formats included the matches of the Uefa Europa League and the German national football team, live shows such as *Let's Dance*, *Ich bin ein Star – Holt mich hier raus!* (I'm a Celebrity, Get Me Out of Here!), *Die Passion* and the evening news show, *RTL Aktuell*, which scored an average audience share of 18.8 per cent in the target group of viewers aged 14 to 59 (H1/2021: 18.5 per cent). In access prime time, RTL Television's daily drama series *Gute Zeiten, schlechte Zeiten* (GZSZ) and *Alles was zählt* continued to attract double-digit average audience shares in the target group of viewers aged 14 to 59, with GZSZ scoring 13.7 per cent in the first half of 2022 (H1/2021: 13.6 per cent).

The streaming service **RTL+** increased its paying subscribers by 68.9 per cent year on year to 3.427 million (30 June 2021: 2.029 million). The number of originals launched on RTL+ increased to 29 compared to the same period last year (H1/2021: 24). The growth of RTL+ is mainly a result of its diverse, high-quality programming. The most popular fiction formats included RTL+ originals such as *Der König von Palma* – the second most successful fiction format ever on the streaming service – the film *Weil wir Champions sind* and the US series *Gossip Girl*. *Der Bachelor* was the most successful reality show, while the Uefa Europa League final between Eintracht Frankfurt and Glasgow Rangers was the most streamed football match on RTL+. Finally, the live broadcast of the *Rock am Ring* festival proved highly popular, with 4 million views.

Vox slightly increased its audience share to 6.2 per cent in the target group of viewers aged 14 to 59 (H1/2021: 6.1 per cent). In April 2022 – and for the first time – Vox ranked on the second place among the commercial channels in Germany in the target group of viewers aged 14 to 59. In the first half of 2022, Vox ranked third among all channels in Germany in the target group of viewers aged 14 to 49, ahead of Sat1. Successful formats included *Die Höhle der Löwen* (Dragons' Den) – which had its most successful spring season ever – *Mälzer und Henssler liefern ab!*, *Sing meinen Song*, *Kitchen Impossible*, *Das perfekte Dinner*, *Goodbye Deutschland!* and the free-TV premiere of the RTL+ original *Weil wir Champions sind*.

During the first six months of 2022, **Nitro** recorded an average audience share of 2.1 per cent (H1/2021: 2.1 per cent) in the target group of viewers aged 14 to 59. Uefa Europa League football matches, motorsport highlights *ADAC GT Masters* and *The Tuning Profis* were particularly popular.

The news channel **NTV** attracted 1.5 per cent of viewers aged 14 to 59 in the first half of 2022 (H1/2021: 1.3 per cent). *Ntv.de* was particularly strong with an average of 346 million visits per month, it was 18.1 per cent above the same period of the previous year (H1/2021: 293 million).

RTL Up recorded an audience share of 2.0 per cent in the first half of 2022 in the target group of viewers aged 14 to 59 (H1/2021: 1.7 per cent). **Vox Up** attracted 0.6 per cent of viewers 14 to 59 (H1/2021: 0.4 per cent).

With an average daytime audience share of 17.8 per cent in its target group of children aged 3 to 13 between 06:00 and 20:15 (H1/2021: 20.8 per cent), **Super RTL** (including Toggo Plus) continued to be the most popular children's channel in Germany.

During the first half of 2022, **RTL Zwei** attracted 3.8 per cent of viewers aged 14 to 59 (H1/2021: 3.8 per cent).

RTL Deutschland's **publishing business** was significantly impacted by increased paper prices. Nevertheless, the celebrity magazine *Gala* kept its paid circulation stable (IVW: +0.3 per cent compared to H1/2021) and increased its market share in single copy sales at the points of sale.

Following the combination of RTL Deutschland and Gruner + Jahr, RTL Deutschland continued to expand its brands cross-media. RTL Television launched the new formats *Stern TV am Sonntag* and *Gala*, while Super RTL started a new edutainment format for children, *Geolino TV*. In the context of the war in Ukraine, new information content was created, including the weekday podcast *Ukraine – die Lage*, jointly published by *Stern* and Audio Alliance.

¹⁸ Source: TV: own calculations based on AGF/ GfK figures and rights, AGF in cooperation with GfK, KfA (0/1-method), usage filter viewer, finally evaluated

Groupe M6

Financial results

The French net TV advertising market was estimated to be up 2.0 per cent compared to the first half of 2021. Groupe M6's total revenue was up to €664 million (H1/2021: €645 million), mainly driven by non-advertising revenues, which benefited from the recovery of the cinema business and the scope effects from the acquisition of Stéphane Plaza Immobilier as at 1 January 2022. Adjusted EBITA in the first half of 2022 was almost stable at €149 million (H1/2021: €151 million).

Audience ratings

The audience share of the **Groupe M6** family of free-to-air channels in the commercial target of women under 50 responsible for purchases was down to 22.4 per cent (H1/2021: 23.1 per cent). The total audience was 13.9 per cent (H1/2021: 14.7 per cent).

The main channel, **M6**, reached an audience share of 14.4 per cent among women under 50 responsible for purchases (H1/2021: 15.1 per cent). M6 – which celebrated its 35th birthday in March 2022 – remained the second most-watched channel in France in the target group thanks to successful shows such as *La France a un incroyable Talent* (France's Got Talent), which had its best season since its first broadcast in the commercial target group. For the 2021/2022 season, M6 achieved its best prime time audience results in ten years in the commercial target group.

The advertising-financed streaming service, **6play**, registered 17.7 million active users in the first half of 2022 (H1/2021: 20.0 million).

W9 reached an average audience share of 3.5 per cent in the target group of women under 50 responsible for purchases (H1/2021: 3.9 per cent). **6ter** recorded an average audience share of 2.7 per cent (H1/2021: 2.5 per cent). **Gulli** reached an average audience share of 1.8 per cent in the same target group (H1/2021: 1.6 per cent).

During the first six months of 2022, **Groupe M6's radio family** (RTL, RTL 2 and Fun Radio) recorded an average audience share of 18.2 per cent (H1/2021: 18.1 per cent). The French RTL radio family was the number one commercial radio group, 4.0 percentage points ahead of the next commercial radio group.

The average audience share of the flagship station **RTL Radio** was up to 12.7 per cent (H1/2021: 12.3 per cent), 6.4 percentage points ahead of the next commercial competitor (H1/2021: 6.0 percentage points).

Fremantle

Financial results

Revenue at RTL Group's content business, Fremantle, was up by 8.1 per cent to €983 million in the first half of 2022 (H1/2021: €909 million), thanks to scope effects from the acquisitions of This is Nice Group, Lux Vide and Element Pictures and positive foreign exchange rate effects, partially offset by the sale of Ludia. The business unit's revenue decreased 7.2 per cent organically¹⁹, mainly due to timing effects, as Fremantle's revenue in the first half of 2021 was boosted by the deliveries of season one of *The Mosquito Coast* and season three of *American Gods*. Fremantle's Adjusted EBITA was almost stable at €60 million (H1/2021: €61 million).

Drama and film

The first half of 2022 saw several successful global drama launches, including *Bang Bang Baby* – from The Apartment and Wildside – which launched exclusively on Amazon Prime. As well as becoming the top-rated show on Amazon in Italy, the Mafia thriller ranked in the Top Ten in France, Germany, Spain and Portugal. *The King (Il Re)*, from the same producers, premiered in Italy on Sky Atlantic and became the highest-rated Sky original scripted launch of the first half of 2022. A second season has already been recommissioned. Lux Vide's *Don Matteo* was the number two fiction show on Rai1 for the first half of 2022, with each episode ranking as Italy's number one show of the day.

The crime drama series, *The Responder*, achieved an average total audience share of 21.2 per cent on BBC One in the UK, peaking with an audience of 7.5 million viewers, making it the BBC's second most popular new drama in the first half of 2022 and was sold internationally to Disney+ and Canal+. The second season has already been recommissioned.

Fremantle continued to boost its film business in the first half of 2022 with Miso Film's *Blasted* achieving the number one spot in the global Netflix Top Ten list for most-watched non-English-language films, with over 8 million hours viewed in its first week on Netflix.

Entertainment

American Idol returned for its fifth season on ABC and Hulu, and the 20th season overall. The season won an average total audience of 7.2 million viewers and an average total audience share of 10.4 per cent, making it ABC's number one series of the 2021/2022 season. After an on-screen break of ten years, *Canada's Got Talent* launched on CityTV, and scored an average total audience share of 7.1 per cent, while the 15th season of *Britain's Got Talent* returned to UK screens on ITV. The Thames-produced show attracted an average total audience share of 34.0 per cent and an audience of 8.2 million viewers making it the UK's number one entertainment show in the first six months of 2022.

The new show from Naked, *Snowflake Mountain* – which premiered on Netflix in June 2022 – entered the daily Top Three in the US, Canada and Iceland and the daily Top Ten in 29 countries in its first ten days on Netflix.

Established formats continued to perform well with *The Farmer Wants A Wife* in the Netherlands – produced by Blue Circle – being watched by over three million viewers each week throughout the season, representing an average total audience share of 48.6 per cent. The Belgian version of *The Farmer Wants A Wife: Love is Blind* consistently ranked as the number one non-news show of the day on VTM, with an average total audience share of 20.1 per cent.

Factual shows and documentaries

Original Production's *Phat Tuesdays* three-part documentary launched on Amazon Prime in February 2022, while Fremantle Spain's original documentary co-produced with Universal Music – *Lola Indigo, La niña* – launched in May 2022 and ranked in the Top Ten on Amazon Prime Video in Spain for 21 days, peaking at number two.

Monster's docuseries *Mr. Good: Cop or Crook?*, which launched in June 2022 charted in the Netflix daily Top Ten in Norway, Sweden, Denmark and Iceland, peaking at number two in Norway. In the UK, Naked's documentary *Ghislaine, Prince Andrew and the Paedophile*, which aired on ITV, reached an average audience share of 20.6 per cent, exceeding ITV's primetime average share for total viewers and ranking number one in its timeslot.

¹⁹ Adjusted for portfolio changes and at constant exchange rates. Further details can be found in Key performance indicators on page 11

RTL Nederland

Financial results

The Dutch net TV advertising market was estimated to be up strongly, by 17.0 per cent, in the first half of 2022 with RTL Nederland performing better than the market. Accordingly, RTL Nederland's revenue increased by 19.8 per cent to €303 million (H1/2021: €253 million). This resulted in a significantly higher Adjusted EBITA of €86 million (H1/2021: €54 million).

Audience ratings

RTL Nederland's channels' combined prime-time audience share in the target group of viewers aged 25 to 54 was up to 34.5 per cent in the first half of 2022 (H1/2021: 33.1 per cent), ahead of the public broadcasters (29.0 per cent) and Talpa TV (20.4 per cent). RTL Nederland increased its lead over Talpa TV to 14.1 percentage points (H1/2021: 13.4 percentage points).

RTL Nederland's flagship channel, **RTL 4**, registered an average audience share of 22.4 per cent in the target group of shoppers aged 25 to 54 (H1/2021: 20.5 per cent). Popular programmes included the new format *Lago di Beau*, plus *De Verraders*, *Make Up Your Mind*, *Kopen Zonder Kijken*, *Married At First Sight* and the news and magazine formats *RTL Nieuws*, *RTL Boulevard* and *Editie NL*.

RTL Nederland's streaming service, **Videoland**, recorded paid subscriber growth of 6.2 per cent compared to 30 June 2021 and registered 1.079 million paying subscribers at the end of June 2022 (end of June 2021: 1.016 million). Videoland's growth was largely driven by the fourth season of the Videoland original series *Mocro Maffia* and the reality format *Temptation Island*, both of which are exclusively available on Videoland in the Netherlands.

Other segments

This segment mainly comprises the fully consolidated businesses RTL Hungary, RTL Group's Luxembourgish activities, RTL Group's digital video company, We Are Era, the streaming technology company Bedrock as well as RTL Belgium and RTL Croatia until the time of their disposals. It also includes the investment accounted for using the equity method, Atresmedia, in Spain.

Revenue split – Other segments	H1/2022 €m	H1/2021 €m	Per cent change
Total revenue of other segments	225	302	(25.5)
Thereof			
– RTL Belgium (until 31 March 2022)	40	81	(50.6)
– RTL Hungary	54	54	0.0
– RTL Croatia (until 1 June 2022)	19	22	(13.6)
– Other including elimination	112	145	(22.8)

In the first half of 2022, the Hungarian commercial net TV advertising market was estimated to be up by 7.1 per cent. RTL Hungary's revenue was stable at €54 million (H1/2021: €54 million), negatively impacted by foreign exchange rate effects. In the local currency, forint, revenue was up. The business unit's Adjusted EBITA increased to €15 million (H1/2021: €9 million), mainly driven by lower programme costs.

With a combined average prime-time audience share²⁰ of 29.0 per cent among viewers aged 18 to 49 (H1/2021: 29.8 per cent), the Hungarian RTL family of eight channels was 1.2 percentage points ahead of its main commercial competitor, TV2 Group, with 14 channels (H1/2021: 1.5 percentage points). RTL Hungary's flagship channel, RTL Klub, was the prime-time market leader in the first half of 2022, attracting an average 14.3 per cent of viewers aged 18 to 49 in prime time (H1/2021: 15.7 per cent), 1.9 percentage points ahead of TV2, with 12.4 per cent (H1/2021: 13.1 per cent).

The streaming service, RTL Most, is the leading local brand for professionally produced online video in Hungary. The service registered an increase of 10.4 per cent to 6.468 million registered users at the end of the first half of 2022 (30 June 2021: 5.878 million).

In the first half of 2022, **We Are Era** further strengthened its leading positions in talent management and content production and expanded its direct sales and media solutions business. Successful productions included the RTL+ documentary *Bolzplatzkönige – Mein Weg zum Profi*, and content productions for the Google Brandcast and YouTube Works events. We Are Era's revenue was up 7.4 per cent for the first six months of 2022.

Atresmedia: The Spanish net TV advertising market was estimated to be down year on year by 5.1 per cent. Atresmedia's total revenue was €460 million (H1/2021: €465 million), with first-half operating profit (EBITDA) of €88 million (H1/2021: €91 million). The company's profit for the period was €57 million (H1/2021: €62 million), and the profit share of RTL Group was €11 million (H1/2021: €11 million).

In the first half of 2022, Atresmedia's family of channels recorded an audience share of 27.3 per cent in the target group of viewers aged 25 to 59 (H1/2021: 28.0 per cent). Atresmedia's flagship channel, **Antena 3**, achieved an audience share of 14.9 per cent during prime time in the target group of viewers aged 25 to 59 (H1/2021: 15.0 per cent).

Principal risks and uncertainties

The June 2022 update of the December 2021 risk assessment reported a significant deterioration of the macroeconomic conditions, reflected in lower economic sentiment and growth expectations, in particular due to the war in Ukraine, inflation, energy supply and supply chain issues.

No other significant changes to the risk environment were reported, however, RTL Group continues to closely monitor the impact on its core businesses.

²⁰ RTL Hungary changed the publication of its audience figures from 2022 and is now using 'Linear SHR' audience share data, which is calculated without the 'Other' category of Nielsen

Outlook

Following the initial outlook for the full year 2022 dated 17 March 2022, RTL Group communicated on 6 May 2022 that the German advertising market had been weaker than expected in March and April. Since then, current trading and future prospects of most European advertising markets have continued to soften. Due to this development, the effects of the FIFA World Cup in November and December, and numerous external factors – in particular the war in Ukraine, inflation, energy supply and supply chain issues – RTL Group revised its outlook.

The outlook does not reflect the announced consolidation moves in France and the Netherlands as they are still subject to regulatory approvals, but reflects the acquisition of Lux Vide (as at 3 March 2022), Dancing Ledge Productions (as at 6 April 2022) and Element Pictures (as at 10 May 2022) by Fremantle and the sales of RTL Belgium (as at 31 March 2022) and RTL Croatia (as at 1 June 2022)²¹.

On this basis and subject to the above:

- RTL Group expects its **revenue** to increase to between €7.3 and €7.5 billion (previous guidance: ~€7.4 billion). The revenue increase is explained by positive scope and foreign exchange rate effects of approximately €0.5 billion and organic revenue growth of €0.2 billion to €0.4 billion, depending on the performance of the TV advertising markets in H2/2022.
- RTL Group expects its **Adjusted EBITA** for 2022 to be between €1.05 and €1.15 billion (previous guidance: ~€1.15 billion), including streaming start-up losses of approximately €250 million (2021: €166 million), unchanged from the previous guidance. The Group expects its 'Adjusted EBITA before streaming start-up losses' to be between €1.3 and €1.4 billion (previous guidance: ~€1.4 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.

	2021e	2021	2022e old	2022e new
Revenue	~€6.5bn	€6,637m	~€7.4bn	€7.3bn–€7.5bn
Adjusted EBITA	~€1,050m	€1,152m	~€1.15bn	€1.05bn–€1.15bn
Streaming start-up losses	~€150m	€166m	~€0.25bn	~€0.25bn
'Adjusted EBITA before streaming start-up losses'	~€1,200m	€1,318m	~€1.4bn	€1.3bn–€1.4bn

RTL Group: strategic targets for the streaming services RTL+ and Videoland

	2021	2026e
Paying subscribers	3.804m	10m
Streaming revenue	€223m	€1bn
Content spend per annum	€209m	~€600m

Profitability is expected by 2026²².

Fremantle: revenue target

Fremantle targets full-year revenue of €3 billion by 2025.

To reach this goal and keep up with the increasing demand for content, RTL Group will invest significantly in Fremantle – both organically and via acquisitions – in all territories across drama and film, entertainment and factual shows and documentaries.

²¹ In addition, the outlook includes, among other scope effects, the deconsolidation of SpotX (as at 30 April 2021) and Ludia (as at 8 September 2021) and the full consolidation of Eureka (as at 17 May 2021), Super RTL (as at 1 July 2021), This is Nice Group (as at 30 September 2021) and Gruner + Jahr (as at 1 January 2022).

²² Total of Adjusted EBITA from RTL+, Videoland/RTL XL, Salto and Bedrock as consolidated on RTL Group level. The Adjusted EBITA of RTL+ and Videoland/RTL XL includes synergies with TV channels on business unit level. For the definition of Adjusted EBITA please see **Key performance indicators** on page 12.

Management responsibility statement

We, Thomas Rabe, Chief Executive Officer, Elmar Heggen, Chief Operating Officer and Deputy Chief Executive Officer, and Björn Bauer, Chief Financial Officer, confirm, to the best of our knowledge, that the condensed consolidated interim financial information, which has been prepared in accordance with IAS 34 as adopted by the European Union, gives a true and fair view of the assets, liabilities, financial position and profit or loss of RTL Group and the undertakings included in the consolidation taken as a whole, and that the Directors' report includes a fair review of the development and performance of the business and the position of RTL Group and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face.

Luxembourg, 4 August 2022



Thomas Rabe
Chief Executive Officer



Elmar Heggen
Chief Operating Officer
Deputy Chief Executive Officer



Björn Bauer
Chief Financial Officer

Condensed interim consolidated income statement

	H1/2022 €m	H1/2021 ²³ €m
Revenue	3,276	3,014
Other operating income	58	58
Consumption of current programme rights	(1,307)	(1,141)
Depreciation, amortisation and impairment	(110)	(100)
Other operating expenses	(1,524)	(1,402)
Impairment of goodwill and amortisation and impairment of fair value adjustments on acquisitions of subsidiaries	(18)	(7)
Gain/(loss) from sale of subsidiaries, other investments and re-measurement to fair value of pre-existing interest in acquiree	111	766
Profit from operating activities	486	1,188
Share of results of investments accounted for using the equity method	1	14
Impairment and reversals of investments accounted for using the equity method	–	–
Earnings before interest and taxes (EBIT)	487	1,202
Interest income	3	5
Interest expense	(9)	(9)
Other financial income	2	22
Other financial expense	(45)	(13)
Financial result	(49)	5
Profit before tax	438	1,207
Income tax expense	(134)	(278)
Group profit	304	929
Attributable to:		
RTL Group shareholders	245	863
Non-controlling interests	59	66
Earnings per share (in €)		
– Basic	1.58	5.58
– Diluted	1.58	5.58

²³ The figures from the previous half-year have been adjusted (see note 1.30 of RTL Group's Annual Report 2021)

Condensed interim consolidated statement of comprehensive income

	H1/2022 €m	H1/2021 €m
Group profit	304	929
Other comprehensive income (OCI):		
Items that will not be reclassified to profit or loss:		
Re-measurement of post-employment benefit obligations	83	11
Income tax	(22)	(1)
	61	10
Equity instruments at FVOCI – change in fair value	(2)	1
Income tax	–	–
	(2)	1
Share of other comprehensive income of investments accounted for using the equity method	21	–
Income tax	–	–
	21	–
	80	11
Items that may be reclassified subsequently to profit or loss:		
Foreign currency translation differences	53	(6)
Effective portion of changes in fair value of cash flow hedges	26	5
Income tax	(6)	(1)
	20	4
Recycling of cash flow hedge reserve	–	5
Income tax	–	–
	–	5
Share of other comprehensive income of investments accounted for using the equity method	2	–
Income tax	–	–
	2	–
	75	3
Other comprehensive income/(loss), net of income tax	155	14
Total comprehensive income	459	943
Attributable to:		
RTL Group shareholders	395	877
Non-controlling interests	64	66

Condensed interim consolidated statement of financial position

	30 June 2022 €m	31 December 2021 €m
Non-current assets		
Programme and other rights	75	74
Goodwill	3,316	3,043
Other intangible assets	477	437
Property, plant and equipment	269	264
Right-of-use assets	347	283
Investments accounted for using the equity method	366	366
Loans and other financial assets	135	117
Deferred tax assets	269	322
	5,254	4,906
Current assets		
Programme rights	1,635	1,298
Other inventories	27	15
Income tax receivable	41	24
Accounts receivable and other assets	2,043	3,502
Cash and cash equivalents	507	547
	4,253	5,386
Assets held for sale	–	196
Current liabilities		
Loans and bank overdrafts	559	49
Lease liabilities	82	59
Income tax payable	49	41
Accounts payable and other liabilities	2,003	2,762
Contract liabilities	706	449
Provisions	88	131
	3,487	3,491
Liabilities related to assets held for sale	–	113
Net current assets	766	1,978
Non-current liabilities		
Loans	139	635
Lease liabilities	311	273
Accounts payable and other liabilities	464	372
Contract liabilities	5	2
Provisions	245	276
Deferred tax liabilities	65	54
	1,229	1,612
Net assets	4,791	5,272
Equity attributable to RTL Group shareholders	4,067	4,538
Equity attributable to non-controlling interests	724	734
Equity	4,791	5,272

Condensed interim consolidated statement of changes in equity

	Share capital €m	Treasury shares €m	Currency translation reserve €m	Hedging reserve €m	Revaluation reserve €m	Reserves and retained earnings €m	Equity attributable to RTL Group shareholders €m	Equity attributable to non-controlling interests €m	Total equity €m
Balance at 1 January 2021	192	–	(181)	(7)	67	3,635	3,706	647	4,353
Total comprehensive income:									
Group profit	–	–	–	–	–	863	863	66	929
Other comprehensive income (OCI)	–	–	(5)	9	1	9	14	–	14
	–	–	(5)	9	1	872	877	66	943
Capital transactions with owners:									
Dividends	–	–	–	–	–	(464)	(464)	(101)	(565)
Equity-settled transactions, net of tax	–	–	–	–	–	1	1	1	2
Changes in treasury shares	–	–	–	–	–	–	–	–	–
Transactions on non-controlling interests without a change in control	–	–	–	–	–	(46)	(46)	1	(45)
Transactions on non-controlling interests with a change in control	–	–	–	–	–	–	–	12	12
Other changes	–	–	–	–	–	(8)	(8)	1	(7)
	–	–	–	–	–	(517)	(517)	(86)	(603)
Balance at 30 June 2021	192	–	(186)	2	68	3,990	4,066	627	4,693
Balance at 1 January 2022	192	–	(149)	5	68	4,422	4,538	734	5,272
Total comprehensive income:									
Group profit	–	–	–	–	–	245	245	59	304
Other comprehensive income (OCI)	–	–	53	21	19	57	150	5	155
	–	–	53	21	19	302	395	64	459
Capital transactions with owners:									
Dividends	–	–	–	–	–	(774)	(774)	(74)	(848)
Equity-settled transactions, net of tax	–	–	–	–	–	2	2	2	4
Changes in treasury shares	–	–	–	–	–	–	–	–	–
Transactions on non-controlling interests without a change in control	–	–	–	–	–	(80)	(80)	(19)	(99)
Transactions on non-controlling interests with a change in control	–	–	–	–	–	–	–	16	16
Other changes	–	–	(1)	(9)	–	(4)	(14)	1	(13)
	–	–	(1)	(9)	–	(856)	(866)	(74)	(940)
Balance at 30 June 2022	192	–	(97)	17	87	3,868	4,067	724	4,791

Condensed interim consolidated cash flow statement

	H1/2022 €m	H1/2021 ²⁴ €m
Cash flows from operating activities		
Profit before tax	438	1,207
Adjustments for:		
– Depreciation, amortisation and impairment	127	107
– Share-based payments expenses	3	3
– Re-measurement of earn-out arrangements	–	–
– Fair value measurement of investments	84	28
– Gain/(loss) from sale of subsidiaries, other investments and re-measurement to fair value of pre-existing interest in acquiree	(111)	(766)
– Financial results including net interest expense and share of results of investments accounted for using the equity method	114	7
Change of provisions	(99)	(20)
Working capital changes	(302)	(114)
Income tax paid	(170)	(238)
Net cash from operating activities	84	214
Cash flows from investing activities		
Acquisitions of:		
– Programme and other rights	(30)	(41)
– Subsidiaries, net of cash acquired	(73)	(120)
– Companies under common control, net of cash acquired	163	–
– Other intangible and tangible assets	(61)	(56)
– Other investments and financial assets	(26)	(28)
Proceeds from the sale of intangible and tangible assets	–	–
Disposal of other subsidiaries, net of cash disposed of	194	521
Proceeds from the sale of investments accounted for using the equity method, other investments and financial assets	101	20
Interest received	7	5
Current deposits with shareholder and its subsidiaries	585	5
Net cash from/(used in) investing activities	860	306
Cash flows from financing activities		
Interest paid	(18)	(20)
Transactions on non-controlling interests	(59)	(32)
Proceeds from loans	8	42
Repayment of loans	(33)	(81)
Payment of lease liabilities	(38)	(32)
Dividends paid	(858)	(568)
Other changes from financing activities	(13)	(4)
Net cash from/(used in) financing activities	(1,011)	(695)
Net increase/(decrease) in cash and cash equivalents	(67)	(175)
Exchange rate effects and other changes in cash and cash equivalents	(1)	6
Cash and cash equivalents and bank overdrafts at the beginning of the period	570	506
Cash and cash equivalents and bank overdrafts at the end of the period	502	337
Less cash and cash equivalents included within assets held for sale	–	(6)
Cash and cash equivalents and bank overdrafts at the end of the period (without assets held for sale)	502	331

24 The figures from the previous half-year have been adjusted (see note 1.30 of RTL Group's Annual Report 2021)

Notes to the condensed interim consolidated financial statements

Reporting entity and statement of compliance

RTL Group SA (the 'Company'), the parent company, is domiciled and incorporated in Luxembourg. These condensed interim consolidated financial statements are presented in accordance with the requirements of IAS 34 'Interim Financial Reporting' as adopted by the European Union.

RTL Group's ('the Group') forecasts and projections – which take into account reasonably possible changes in trading performance – show that the Group will be able to operate within the level of its current credit facilities. Management have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Therefore, RTL Group continues to adopt the going concern basis in preparing its condensed interim consolidated financial statements.

The condensed interim consolidated financial statements do not include all notes required for a complete set of financial statements prepared in accordance with IFRS Standards and should be read in conjunction with the consolidated financial statements as at 31 December 2021. However, they include selected explanatory notes to explain events and transactions that are significant for an understanding of the changes in the Group's financial position and performance since the consolidated financial statements 2021.

The condensed interim consolidated financial statements were approved on 4 August 2022 by the Board of Directors of RTL Group.

Significant accounting policies and changes

The accounting policies applied to the condensed interim consolidated financial statements as at 30 June 2022 are the same as those of the previous financial year, except for the adoption of new standards, and amendments to existing standards and interpretations that can be found in the consolidated financial statements as at 31 December 2021.

The first-time application of new financial reporting standards and interpretations had no material impact on RTL Group.

RTL Group has not opted for early adoption of any additional standards, interpretations or amendments that have been issued by the IASB or the IFRS IC but are not yet mandatory.

Accounting estimates and judgements

The preparation of condensed interim consolidated financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

In preparing these condensed interim consolidated financial statements, the significant judgements made by the management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those applied to the consolidated financial statements as at 31 December 2021.

In preparing these condensed interim consolidated financial statements, management made judgements to determine whether the sale of non-current assets or disposal groups is considered highly probable or not in order to meet the criteria for classification as held-for-sale. In particular, judgements relate to key assumptions about whether the outstanding shareholders' approvals or pending regulatory approvals are substantive and thus prevent the sale from being highly probable.

The information on significant discretionary decisions, estimates and assumptions in the notes to the Annual Report 2021 still applies. RTL Group management is of the opinion that the additional estimates and discretionary decisions required by the current geopolitical uncertainties take appropriate account of the currently foreseeable microeconomic and macroeconomic situation.

Segment reporting

	RTL Deutschland		Groupe M6		Fremantle		RTL Nederland		Other segments ²⁵		Eliminations		Total Group	
	H1/2022 €m	H1/2021 €m	H1/2022 €m	H1/2021 €m	H1/2022 €m	H1/2021 €m	H1/2022 €m	H1/2021 €m	H1/2022 €m	H1/2021 €m	H1/2022 €m	H1/2021 €m	H1/2022 €m	H1/2021 €m
Revenue														
from external customers	1,243	1,023	660	638	887	827	303	252	183	274	–	–	3,276	3,014
Inter-segment revenue	(1)	(1)	4	7	96	82	–	1	42	28	(141)	(117)	–	–
Total revenue	1,242	1,022	664	645	983	909	303	253	225	302	(141)	(117)	3,276	3,014
Depreciation, amortisation and impairment including on goodwill and on fair value adjustments on acquisitions of subsidiaries	(34)	(20)	(48)	(42)	(25)	(20)	(4)	(4)	(17)	(21)	–	–	(128)	(107)
Impairment and reversals of investments accounted for using the equity method	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Share of results of investments accounted for using the equity method	7	17	(18)	(12)	–	1	1	–	11	8	–	–	1	14
Adjusted EBITA	191	201	149	151	60	61	86	54	15	16	–	–	501	483
Adjusted EBITA margin	15.4%	19.7%	22.4%	23.4%	6.1%	6.7%	28.4%	21.3%	6.7%	5.3%	n/a	n/a	15.3%	16.0%

The following table shows the reconciliation of segment information to the consolidated financial statements.

	H1/2022 €m	H1/2021 €m
Adjusted EBITA	501	483
Impairment of goodwill of subsidiaries	–	–
Amortisation and impairment of fair value adjustments on acquisitions of subsidiaries	(18)	(7)
Impairment and reversals of investments accounted for using the equity method	–	–
Re-measurement of earn-out arrangements	–	–
Fair value measurement of investments	(84)	(28)
Gain/(loss) from sale of subsidiaries, other investments and re-measurement to fair value of pre-existing interest in acquiree	111	766
Significant special items	(23)	(12)
Earnings before interest and taxes (EBIT)	487	1,202
Financial result	(49)	5
Profit before tax	438	1,207
Income tax expense	(134)	(278)
Group profit	304	929

In the first half of 2022, 'Significant special items' reflects integration costs for the Gruner + Jahr transaction in Germany as well as transaction costs for the consolidation initiatives.

²⁵ Other segments include the Adjusted EBITA loss of €-10 million generated by Group Corporate Centre (H1/2021: €-19 million)

Scope of consolidation

The condensed interim consolidated financial statements as at 30 June 2022, include RTL Group SA and all material subsidiaries over which RTL Group SA is able to exercise control in accordance with IFRS 10. Joint ventures and associates are accounted for using the equity method in accordance with IAS 28. As at 30 June 2022, the scope of consolidation excluding RTL Group SA consists of 354 companies (31 December 2021: 294) with 76 additions and 16 disposals in the first half of 2022. This includes 320 consolidated companies (31 December 2021: 263). In addition, investments in 11 joint ventures (31 December 2021: 9) and 23 associates (31 December 2021: 22) are accounted for using the equity method in the condensed interim consolidated financial statements. A total of 64 companies were excluded from the scope of consolidation (31 December 2021: 64). These consist of entities without significant business operations and which are of negligible importance for the financial position and financial performance of RTL Group.

Acquisitions and disposals

In the first half of 2022, the cash flow from acquisition activities totalled €–73 million. Of this amount, after consideration of cash and cash equivalents acquired, €–70 million relates to new acquisitions during the first half of the year. The consideration transferred in accordance with IFRS 3 amounted to €116 million, taking into account contingent consideration of €10 million.

In March 2022, Fremantle acquired 70 per cent of **Lux Vide**, Italy's leading independent television production company. The acquisition of Lux Vide forms part of Fremantle's wider international growth strategy to invest in premium production companies, content creators, and talent from around the world – developing and securing original formats and exclusive IP. The consideration transferred amounted to €43 million and was fully paid in cash. The preliminary purchase price allocation resulted in goodwill of €8 million, mainly reflecting the expertise of the management and synergy potential with Fremantle. Goodwill is not tax deductible and was allocated to the Fremantle cash-generating unit. Further, in connection with the acquisition, the related put options on the remaining 30 per cent share capital were recognised for an amount of €32 million through equity for the present value of the redemption amount. In the first half of 2022, transaction-related costs amounted to €1 million and have been recognised in profit or loss as other operating expenses. Since the initial consolidation, Lux Vide has contributed €40 million to Group revenue and €4 million to Group profit or loss. If consolidated as at 1 January 2022, Lux Vide would have contributed €51 million to Group revenue and €6 million to Group profit or loss.

In April 2022, Fremantle acquired a further 36 per cent of the shares in **Dancing Ledge Productions**. RTL Group's shareholding in Dancing Ledge Productions is now 61 per cent. The acquisition underlines Fremantle's strategic plan to invest in and grow premium production companies and creative talents from around the world. As a result of obtaining control, the investment previously accounted for using the equity method is fully consolidated from the date of acquisition. The consideration transferred in terms of IFRS 3 was €6 million and was fully paid in cash. Obtaining control led to a derecognition of the associate previously accounted for using the equity method, the fair value of which amounted to €1 million immediately before the acquisition date. The re-measurement of the investment already held resulted in an income of €3 million recognised in 'Gain/(loss) from sale of subsidiaries, other investments and re-measurement to fair value of pre-existing interest in acquiree'. The preliminary purchase price allocation resulted in goodwill of €5 million, mainly reflecting growth opportunities in the UK market and international distribution opportunities for their content. Goodwill is not tax deductible and was allocated to the Fremantle cash-generating unit. Further, in connection with the acquisition, the related put option on the 39 per cent share capital was recognised for an amount of €9 million through equity for the present value of the redemption amount. In the first half of 2022, transaction-related costs were insignificant and have been recognised in profit or loss as other operating expenses. Since the initial consolidation, Dancing Ledge Productions has contributed €nil million to Group revenue and €–1 million to Group profit or loss. If consolidated as at 1 January 2022, Dancing Ledge Productions would have contributed €nil million to Group revenue and €–2 million to Group profit or loss.

In May 2022, Fremantle acquired 51 per cent of **Element Pictures**, the production company behind Academy-Award-, Golden-Globe- and BAFTA-winning films *The Favourite* and *Room*, the global drama *Normal People*, and the mini-series *Conversations With Friends*. The acquisition of Element Pictures also forms part of Fremantle's wider growth strategy to invest in production companies, content, and talent around the world to source the best creative ideas, develop and create strong and exclusive IP. The consideration transferred amounted to €55 million and comprises a purchase price payment already made in the amount of €45 million and a contingent consideration in the amount of €10 million. The preliminary purchase price allocation resulted in provisional goodwill of €56 million, mainly reflecting synergies with Fremantle and international distribution growth opportunities. Goodwill is not tax deductible and was allocated to the Fremantle cash-generating unit. Further, in connection with the acquisition, the related put options on the remaining 49 per cent share capital were recognised for an amount of €54 million through equity for the present value of the redemption amount. In the first half of 2022, transaction-related costs amounted to €1 million and have been recognised in profit or loss as other operating expenses. Since the initial consolidation, Element Pictures has contributed €47 million to Group revenue and €13 million to Group profit or loss. If consolidated as at 1 January 2022, Element Pictures would have contributed €49 million to Group revenue and €6 million to Group profit or loss.

In May 2022, Smartclip – the adtech business of RTL Deutschland – acquired 100 per cent of **Realtytics**, an adtech company that is spearheading the convergence between TV and digital in France and Europe. The combined adtech solutions of Smartclip and Realtytics will help to measure the impact of TV campaigns on websites. The integration of Paris-based Realtytics into Smartclip's adtech stack marks Smartclip's entry into the French market. The consideration transferred amounted to €9 million and was fully paid in cash. The preliminary purchase price allocation resulted in provisional goodwill of €11 million, mainly reflecting revenue synergies by the roll-out of Realtytics' offerings across other RTL Group countries and cost synergies. Goodwill is not tax deductible and was allocated to the RTL Deutschland cash-generating unit. In the first half of 2022, transaction-related costs were insignificant and have been recognised in profit or loss as other operating expenses. Since the initial consolidation, Realtytics has contributed €nil million to Group revenue and €–1 million to Group profit or loss. If consolidated as at 1 January 2022, Realtytics would have contributed €1 million to Group revenue and €–1 million to Group profit or loss.

At the time the condensed interim consolidated financial statements were authorised for issue, RTL Group had not yet completed the accounting for the acquisitions of Element Pictures and Realtytics. As the valuations have not yet been finalised, the fair values of identifiable assets – especially intangible assets – and liabilities acquired have only been determined provisionally and have not been recognised accordingly. The accounting for these acquisitions will be revised in the second half of 2022 based on facts and circumstances that existed at the date of gain of control.

RTL Group also made a further acquisition in the first half of 2022, which was not material on a standalone basis. The consideration transferred in terms of IFRS 3 for the minor acquisition was €3 million. The acquisition resulted in goodwill totalling €3 million, which reflects synergy potential and is not tax deductible. Transaction-related costs were immaterial and have been recognised in profit or loss as other operating expenses.

The purchase price allocations consider all facts and circumstances prevailing as at the respective dates of acquisition that were known prior to the preparation of the consolidated financial statements. In accordance with IFRS 3, should further facts and circumstances become known within the 12-month measurement period, the purchase price allocation will be adjusted accordingly.

The following table shows the fair values of the assets and liabilities of the acquisitions on their dates of initial consolidation based on the purchase price allocations, some of which are currently preliminary:

	Lux Vide €m	Dancing Ledge Productions €m	Element Pictures €m	Realtytics €m	Other €m	Total €m
Non-current assets						
Other intangible assets	9	5	–	1	–	15
Property, plant and equipment	11	–	1	–	–	12
Right-of-use assets	9	–	1	–	–	10
Current assets						
Programme rights	41	34	71	–	–	146
Trade and other accounts receivable	40	2	4	–	–	46
Other current assets	24	–	1	–	–	25
Cash and cash equivalents	3	7	24	2	1	37
Liabilities						
Loans and bank overdrafts	(32)	–	(5)	(3)	–	(40)
Lease liabilities	(5)	–	(1)	–	–	(6)
Other liabilities	(50)	(42)	(99)	(2)	–	(193)
Net assets acquired	50	6	(3)	(2)	1	52
Goodwill	8	5	56	11	3	83
Non-controlling interests	(15)	(2)	2	–	–	(15)
Fair value of pre-existing interests	–	(3)	–	–	(1)	(4)
Consideration transferred according to IFRS 3	43	6	55	9	3	116
Less contingent consideration	–	–	(10)	–	–	(10)
Consideration paid in cash	43	6	45	9	3	106
Cash and cash equivalents acquired	(3)	(7)	(24)	(2)	(1)	(37)
Financial debt repaid at closing	–	–	–	1	–	1
Cash outflow/(inflow) on acquisitions	40	(1)	21	8	2	70

Since initial consolidation, all new acquisitions in accordance with IFRS 3 in the first half of 2022 have contributed €87 million to revenue and €16 million to Group profit or loss. If consolidated as at 1 January 2022, these would have contributed €101 million to revenue and €9 million to Group profit or loss.

In addition, RTL Group made transactions under common control in the first half of 2022.

In January 2022, RTL Deutschland acquired 100 per cent of the share capital of **Gruner + Jahr Deutschland GmbH**. The acquisition was preceded by the decision of RTL Group in August 2021 to acquire Gruner + Jahr's German publishing assets and brands from Bertelsmann to create a German cross-media champion across TV, streaming, print, radio and digital. As part of the Gruner + Jahr acquisition, 50 per cent of the capital of Deutsche Medien Manufaktur (DMM) was transferred downstream to RTL Deutschland in April 2022.

The total consideration transferred – including final working capital adjustment – amounted to €228 million. Thereof €210 million was paid in 2021. The transactions were accounted for as a transaction under common control, whereby RTL Group applies the accounting policy choice to recognise assets acquired and liabilities assumed at carrying amounts, while the difference between assets/liabilities and consideration transferred amounted to €16 million, recognised in equity under 'Other changes'.

The following table provides an outline of the impact of the transaction on RTL Group's financial position:

	Total €m
Non-current assets	
Goodwill	179
Other intangible assets	18
Property, plant and equipment	3
Right-of-use assets	4
Investments accounted for using the equity method	13
Other non-current assets	7
Deferred tax assets	23
Current assets	
Other inventories	13
Trade and other accounts receivable	50
Other current assets	7
Cash and cash equivalents	181
Liabilities	
Provisions for pensions and similar obligations	(96)
Lease liabilities	(4)
Income tax payable	(31)
Trade and other accounts payable	(82)
Other liabilities	(10)
Contract liabilities	(46)
Other provisions	(15)
Deferred tax liabilities	(2)
Net assets acquired	212

The following table summarises the total cash flow from acquisition activities during the first half year:

	Total €m
Cash outflow/(inflow) on acquisitions in terms of IFRS 3	70
Cash outflow/(inflow) on acquisition of businesses under common control	(163)
Payments on prior years' acquisitions	3
Total cash flow from acquisition activities	(90)

In March 2022, RTL Group sold its interests held in **RTL Belgium** to the Belgian media companies DPG Media and Groupe Rossel for €154 million net of cash disposed of. Net of transaction-related costs, the transaction resulted in an overall gain of €97 million recognised in 'Gain/(loss) from sale of subsidiaries, other investments and re-measurement to fair value of pre-existing interest in acquiree'. RTL Group's shareholders will benefit from the transaction in line with the stated dividend policy.

In June 2022, RTL Group sold its interests held in **RTL Croatia** to Central European Media Enterprises (CME) for €40 million net of cash disposed of. Net of transaction-related costs, the transaction resulted in an overall gain of €13 million recognised in 'Gain/(loss) from sale of subsidiaries, other investments and re-measurement to fair value of pre-existing interest in acquiree'. In addition, RTL Group has agreed to a long-term trademark licensing agreement with the buyer. RTL Group's shareholders will benefit from the cash proceeds in line with the stated dividend policy.

From all disposals in the first half of 2022, RTL Group generated cash flows totalling €194 million after considering the cash and cash equivalents disposed of. The disposals led to a gain from deconsolidation of €110 million, which is recognised in 'Gain/(loss) from sale of subsidiaries, other investments and re-measurement to fair value of pre-existing interest in acquiree'. The following table shows their impact on RTL Group's assets and liabilities at the time of deconsolidation.

	RTL Belgium €m	RTL Croatia €m	Total €m
Non-current assets			
Goodwill	32	–	32
Other intangible assets	3	4	7
Property, plant and equipment	14	4	18
Right-of-use assets	26	5	31
Deferred tax assets	5	2	7
Current assets			
Programme rights	28	16	44
Accounts receivable and other assets	49	14	63
Other current assets	6	1	7
Cash and cash equivalents	51	2	53
Liabilities			
Deferred tax liabilities	2	–	2
Lease liabilities	26	5	31
Income tax payable	3	–	3
Accounts payable and other liabilities	60	18	78
Contract liabilities	2	–	2
Provisions	15	–	15

Assets held for sale and liabilities related to assets held for sale

As at 30 June 2022, RTL Group had no assets classified as held for sale.

Revenue

The Group's operations and main revenue streams are those described in RTL Group's Annual Report 2021. Revenue is disaggregated below by nature and timing of recognition. The table also includes a reconciliation with reportable segments.

	RTL Deutschland		Groupe M6		Fremantle		RTL Nederland		Other segments		Total Group	
	H1/2022 €m	H1/2021 €m	H1/2022 €m	H1/2021 €m	H1/2022 €m	H1/2021 €m	H1/2022 €m	H1/2021 €m	H1/2022 €m	H1/2021 €m	H1/2022 €m	H1/2021 €m
Revenue from advertising	906	787	529	521	8	8	191	152	102	166	1,736	1,634
Revenue from exploitation of programmes, rights and other assets	164	147	84	76	871	813	101	94	48	52	1,268	1,182
Revenue from selling goods and merchandise and providing services	173	89	47	41	8	6	11	6	33	56	272	198
	1,243	1,023	660	638	887	827	303	252	183	274	3,276	3,014
Timing of revenue recognition												
At a point in time	164	57	47	42	844	804	1	–	32	39	1,088	942
Over time	1,079	966	613	596	43	23	302	252	151	235	2,188	2,072
	1,243	1,023	660	638	887	827	303	252	183	274	3,276	3,014

Financial result

	H1/2022 €m	H1/2021 ²⁶ €m
Interest income on loans and accounts receivable	3	4
Tax-related interest income	–	1
Interest income	3	5
Interest expense on financial liabilities	(9)	(9)
Interest expense	(9)	(9)

	H1/2022 €m	H1/2021 ²⁶ €m
Net gains on put/call options	–	22
Sundry financial income	2	–
Other financial income	2	22
Losses resulting from swap points	(1)	(4)
Interest expense on lease liabilities	(3)	(3)
Interest on defined benefit obligations	(2)	(1)
Net loss on put/call options	(6)	–
Sundry financial expenses	(33)	(5)
Other financial expense	(45)	(13)

Tax

The tax expense for the first half of 2022 was calculated in accordance with IAS 34 using the average annual tax rate expected for the whole of 2022, which is calculated at 30 per cent according to RTL Group management's current estimation. In addition, special tax effects were recognised in current and deferred taxes, resulting in a slightly higher tax rate in the income statement (31 per cent).

The tax rate for the current reporting period 2022 is higher than in the first half of 2021 (23 per cent), mainly due to transactions in the previous first half year, which were subject to a lower tax rate than the Group tax rate.

²⁶ The figures from the previous half-year have been adjusted (see note 1.30 of RTL Group's Annual Report 2021)

Earnings per share

The determination of basic earnings per share is based on the profit attributable to RTL Group shareholders of €245 million (H1/2021: €863 million) and a weighted average number of ordinary shares outstanding during the period of 154,742,806 (30 June 2021: 154,742,806) calculated as follows:

	H1/2022	H1/2021
Profit attributable to RTL Group shareholders (in € million)	245	863
Weighted average number of ordinary shares:		
Issued ordinary shares at 1 January	154,742,806	154,742,806
Effect of treasury shares held	–	–
Weighted average number of ordinary shares	154,742,806	154,742,806
Basic earnings per share (in €)	1.58	5.58
Diluted earnings per share (in €)	1.58	5.58

Equity

Based on the resolution of the Annual General Meeting of Shareholders on 27 April 2022, the Annual General Meeting of Shareholders decided to distribute a final dividend of €5 per share (H1/2021: €3 per share). Accordingly, an amount of €774 million was paid out on 5 May 2022 (H1/2021: €464 million).

RTL Group's subsidiary, Groupe M6, declared and paid cash dividends during the first half year 2022. The amount received within the Group was eliminated on consolidation and the amount paid to non-controlling interests was €65 million (H1/2021: €98 million).

Transactions on non-controlling interests without changes of control

In June 2022, RTL Group exercised its right to acquire the remaining interest in Eureka, increasing its ownership from 51 per cent to 100 per cent. The consideration paid amounted to €53 million and related to the settlement of a put option liability on the remaining share capital, which was recognised in connection with the acquisition of the majority interest in Eureka in 2021. The transaction was accounted for as an equity transaction in accordance with IFRS 10. The transaction resulted in an increase of the equity attributable to RTL Group shareholders in the amount of €17 million and a decrease of the equity attributable to non-controlling interests in the amount of €–17 million.

	Change in RTL Group shareholders' equity €m
Carrying amount of interests acquired	17
Increase in RTL Group shareholders' equity	17
– thereof increase in retained earnings	17
– thereof increase in other comprehensive income	–

Financial risk management

Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk and interest rate risk), credit risk and liquidity risk. The Group is exposed in particular to risks from movements in foreign exchange rates as it engages in long-term purchase contracts for programme rights (output deals) denominated in foreign currency.

The June 2022 update of the assessment of the risks existing as at 31 December 2021, reported a sharp increase in the cyclical development of the economy-related risk, driven by the centrally computed inflation risk for RTL Group. The risk management process is forward-looking, and the inflation hikes are expected to impact the Group as part of the three-year outlook (2022 to 2024). Increases in the cost of royalties and license fees, personal costs, and the possibility of a decline in revenue (less spending in advertising and subscription) are also contributing factors to the increase. The increase in the cost of paper has also resulted in a significant increase in the supplier risk for the Group. These condensed interim consolidated financial statements do not include all financial risk management information and disclosures required in the annual consolidated financial statements, and should, therefore, be read in conjunction with the Group's consolidated financial statements as at 31 December 2021.

Accounting classifications and fair value hierarchy

Financial instruments by category

Except for the long-term loan arrangement with Bertelsmann Business Support Sàrl, an indirect subsidiary of Bertelsmann SE & Co KGaA, and the external funding of Groupe M6, the fair value of each class of financial assets and liabilities is equivalent to its carrying amount. The fair value of the 10-year-term facility – calculated as the present value of the payments associated with the debt and based on the applicable yield curve and RTL Group credit spread – amounts to €535 million (31 December 2021: €538 million). The fair value of the seven-year Euro private placement bond – calculated as the present value of the payments associated with the debt and based on the applicable yield curve and Groupe M6 credit spread – amounts to €52 million (31 December 2021: €51 million). The fair value of the seven-year Euro Schuldschein loan of €65 million – calculated as the present value of the payments associated with the debt and based on the applicable yield curve and Groupe M6 credit spread – amounts to €66 million (31 December 2021: €65 million).

Fair value hierarchy

The following table presents the Group's financial assets and liabilities measured at fair value.

The different levels have been defined as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets (or liabilities)

Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. prices) or indirectly (i.e. derived from prices)

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs). Listed financial instruments with contractual trading restrictions (lock-ups) are also measured on the basis of unobservable factors.

	Total €m	Level 1 €m	Level 2 €m	Level 3 €m
Assets				
Equity instruments at FVOCI	37	3	–	34
Equity instruments at FVTPL	116	106	–	10
Debt instruments at FVTPL	13	–	–	13
Derivatives used for hedging	59	–	59	–
Other cash equivalents	–	–	–	–
At 30 June 2022	225	109	59	57
Liabilities				
Derivatives used for hedging	38	–	38	–
Contingent consideration	11	–	–	11
At 30 June 2022	49	–	38	11

The amount disclosed in 'Equity instruments at FVTPL' mainly (€106 million) relates to the Magnite shares RTL Group received as part of the non-cash consideration from the sale of SpotX in 2021. The effect from re-measurement of these shares amounted to €–85 million and is disclosed in 'Fair value measurement of investments'.

Of 'Derivatives used for hedging' on the assets side, €20 million relates to derivatives used to offset currency exposure relating to recognised monetary assets and liabilities for which hedge accounting as defined under IFRS 9 is applied, and a further €39 million relates to derivatives used to offset currency exposure relating to recognised monetary assets and liabilities for which hedge accounting as defined under IFRS 9 is not applied. Of 'Derivatives used for hedging' on the liabilities side, €6 million relates to derivatives used to offset currency exposure relating to recognised monetary assets and liabilities for which hedge accounting as defined under IFRS 9 is applied, and a further €32 million relates to derivatives used to offset currency exposure relating to recognised monetary assets and liabilities for which hedge accounting as defined under IFRS 9 is not applied.

There were no transfers between Levels 1, 2 and 3 during the first half of 2022.

The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. These instruments are included in Level 1. The quoted market price used for financial assets by the Group is the current bid price.

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.

If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3. Listed financial instruments with contractual trading restrictions (lock-ups) are also measured on the basis of unobservable factors and included in Level 3.

The Group's Treasury and Controlling teams perform the recurring and non-recurring valuations of items to be valued at fair value for financial purposes, including Level 3 fair values. These teams report directly to the Chief Financial Officer, who reports to the Audit Committee at least once every quarter, in line with the Group's quarterly reporting dates. The main Level 3 related inputs used by RTL Group relate to the determination of the expected discounted cash flows and the discount rates used in the different valuations.

Specific valuation techniques used to value financial instruments include:

- Quoted market prices or dealer quotes for similar instruments (Level 2)
- The fair value of forward foreign exchange contracts classified under Level 2 is determined by using forward exchange rates at the balance sheet date, with the resulting value discounted back to present value
- For instruments classified under Level 3, other techniques, such as discounted cash flow analysis or option pricing models are used. These are based for the main instruments on significant unobservable inputs (for example forecast revenue growth rates and market multiples) to determine fair value for the remaining financial instruments. Volatility is primarily determined by reference to comparable, publicly traded peers.

Transfers between levels of the fair value hierarchy are recognised at the date of the event or change in circumstances that caused the transfer.

The following table presents the change in Level 3 instruments:

	Assets		Liabilities	
	Financial assets at fair value through profit or loss €m	Equity investments at FVOCI €m	Total assets €m	Liabilities at fair value through profit or loss €m
Balance at 1 January 2022	101	32	133	4
Acquisitions and additions	2	2	4	10
Gains and losses recognised in other comprehensive income	–	–	–	–
Gains and losses recognised in profit or loss	12	–	12	–
Settlements	(92)	–	(92)	(3)
Balance at 30 June 2022	23	34	57	11

In the first half-year 2022, the amount disclosed in 'Settlements' relates to the sale of the investment in VideoAmp – a US software and data company for media measurement – in January 2022.

Related-party transactions

Transactions with shareholder and its subsidiaries

Sales and purchases of goods and services

During the first half year the Group made sales of goods and services, purchases of goods and services to Bertelsmann Group amounting to €16 million (H1/2021: €54 million) and €29 million (H1/2021: €30 million) respectively. At 30 June 2022, the Group had trade accounts receivable and payable due from/to Bertelsmann Group amounting to €10 million (30 June 2021: €8 million) and €22 million (30 June 2021: €18 million) respectively.

Lease agreement

As at 1 January 2022, RTL Group has entered into a sub-lease agreement with RM Hamburg Holding GmbH, a subsidiary of Bertelsmann SE & Co KGaA, for premises in Hamburg, Germany. The lease contract expires on 31 January 2025. The lease payments in the first half year 2022 amount to €6 million. The payables from this lease agreement as of 30 June 2022 amount to €32 million. The lease payments of RTL Group correspond to the payments of Bertelsmann from the head lease.

Deposits Bertelsmann SE & Co. KGaA

At 30 June 2022, the deposit of RTL Group GmbH with Bertelsmann SE & Co. KGaA amounted to €160 million (31 December 2021: €458 million). The interest income for the first half-year is €nil million (H1/2021: €nil million).

Promissory note Bertelsmann, Inc

At 30 June 2022, the outstanding amount of the promissory note signed with Bertelsmann, Inc was EUR-equivalent €66 million (31 December 2021: €336 million). The interest income/expense for the first half year was €nil million (H1/2021: €nil million).

Loans from Bertelsmann SE & Co. KGaA and Bertelsmann Business Support Sàrl

At 30 June 2022, the term loan balance amounts to €500 million (31 December 2021: €500 million). The fair value of the 10-year-term facility – calculated as the present value of the payments associated with the debt and based on the applicable yield curve and RTL Group credit spread – amounts to €535 million (31 December 2021: €538 million). At 30 June 2022, the total of revolving and swingline loan amounts to €nil million (31 December 2021: €nil million). The interest expense for the first half year amounts to €7 million (H1/2021: €7 million). The commitment fee charge for the period amounts to €1 million (H1/2021: €1 million).

Tax

In the absence of specific guidance in IFRS, RTL Group has elected to recognise current income taxes related to the tax pooling of its indirect subsidiary RTL Group GmbH (RGG) with Bertelsmann Capital Holding GmbH (BCH) (a direct subsidiary of Bertelsmann SE & Co KGaA) based on the amounts payable to Bertelsmann SE & Co KGaA and BCH as a result of the Profit and Loss Pooling Agreement (PLP Agreement) and Compensation Agreements described in the consolidated financial statements 2021. Deferred income taxes continue to be recognised in the condensed interim consolidated financial statements based upon the enacted tax rate and on the amounts expected to be settled by the Group in the future. The Commission, providing for the payment to CLT-UFA SA – a direct subsidiary of RTL Group – of an amount compensating the above profit transfer and being economically and contractually closely related to the Compensation, is accounted for as a reduction of the tax due under the Agreements.

For the interim periods, the Commission is determined on management's reasonable estimate on both expected annual taxable results of the tax group RGG and the tax group Bertelsmann SE & Co KGaA. This estimate is reviewed on a quarterly basis to take into account actual year-to-date results and material known developments affecting the two entities for the remaining part of the year.

At 30 June 2022, the balance payable to BCH amounts to €72 million (31 December 2021: €731 million) and the balance receivable from Bertelsmann SE & Co KGaA amounts to €70 million (31 December 2021: €648 million).

For the first half-year 2022, the German income tax in relation to the tax pooling with Bertelsmann SE & Co KGaA amounts to €2 million (H1/2021: €37 million) and the Commission amounts to €nil million (H1/2021: €17 million).

The UK Group relief of FremantleMedia Group to Bertelsmann Group resulted in a tax income of €3 million for the first half of 2022 (H1/2021: €1 million).

Transactions under common control

In January 2022, RTL Deutschland acquired 100 per cent of the share capital of **Gruner + Jahr Deutschland GmbH**. The acquisition was preceded by the decision of RTL Group in August 2021 to acquire Gruner + Jahr's German publishing assets and brands from Bertelsmann to create a German cross-media champion across TV, streaming, print, radio and digital. As part of the Gruner + Jahr acquisition, 50 per cent of the capital of Deutsche Medien Manufaktur (DMM) was transferred downstream to RTL Deutschland in April 2022. For further details see section **Acquisitions and disposals**.

Other information

Seasonality and current uncertainties

Generally, RTL Group's broadcasting, radio and print businesses are subject to seasonal fluctuations. In a year with a regular revenue development, the Group's revenue is generally lower in the summer months of July and August due to lower spending of advertisers, with September being the most important month in the third quarter. The Group's content business, Fremantle, usually generates a higher proportion of both revenue and Adjusted EBITA in the second half of the year due, in part, to the seasonality of programme sales but also to the revenue generated by the distribution, licensing and merchandising business.

The seasonality of RTL's businesses is expected to deviate in 2022 from historical comparisons given current geopolitical tensions as well as the overall economic uncertainty affecting the expected business performance in the second half of the year. Therefore, balance sheet effects are evaluated for the particularly relevant areas of goodwill and individual assets, leasing, authors' fees, programming rights, inventories, trade receivables, government grants, deferred tax assets, impending losses, and revenue.

Based on the current development of RTL's businesses, no requirement for impairment of goodwill was seen, despite the aforementioned uncertainties in the market environment. This also applies to the accounting areas classified as vulnerable, for which no significant negative impact on the financial position and results of operations of RTL Group is currently expected. The assessment is partially based on management judgments, estimates and assumptions, which are believed to reflect external uncertainties appropriately.

Impairment

The Group performed its annual impairment test in December and when circumstances indicated that the carrying value may be impaired. The key assumptions used to determine the recoverable amount for the different cash generating units were disclosed in the annual consolidated financial statements for the year ended 31 December 2021.

While analysing adherence to budget on individual CGU level and considering headroom in latest impairment testing, the Group did not identify any triggering events as at 30 June 2022 – despite the ongoing economic uncertainty and general increase in discount rates to reflect the current market assessment of the risks. The exception was the cash generating unit We Are Era, for which the Discounted Cash Flow (DCF) model has been updated.

The DCF model for We Are Era was based on a revised discount rate of 12.0 per cent (31 December 2021: 10.0 per cent) and a perpetual growth rate of 2.0 per cent (31 December 2021: 2.0 per cent) resulting in a headroom of €3 million.

As at 30 June 2022 neither additional impairment loss nor reversal of impairment loss had to be recognised on the at equity investment in Atresmedia.

Portfolio changes

In May 2021, Groupe TF1, Groupe M6, Groupe Bouygues and RTL Group announced that they have signed agreements to enter into exclusive negotiations to merge the activities of Groupe TF1 and Groupe M6 and create a major French media group. The new group would be well positioned to master the challenges arising from the accelerating competition with global platforms, being active on the French market, and to produce quality audiovisual content. The merger project has been unanimously approved by the Boards of Groupe Bouygues, RTL Group, Groupe TF1 and Groupe M6. The completion of the transaction remains subject to the approval of the extraordinary general meetings of the shareholders of Groupe M6 and Groupe TF1 and is also subject to approval from the French competition authority ADLC (Autorité de la Concurrence) and French media regulator ARCOM (Autorité de Régulation de la Communication Audiovisuelle et Numérique). Despite the firm commitment from the shareholders of Groupe M6 and Groupe TF1 the criteria to be classified as assets held for sale or discontinued operations are not fulfilled at the end of the reporting period. This is because Groupe M6 is not available for immediate sale in its present condition and the expectation of sale could not be assumed as highly probable at the end of June 2022. In consequence, the proposed transaction had no impact on the presentation of Groupe M6 within RTL Group's consolidated financial statements as at 30 June 2022.

In June 2021, RTL Group and Talpa Network announced that they have signed agreements to merge their broadcasting and affiliated media businesses in the Netherlands to create a Dutch cross-media group. According to the agreements, Talpa Network will contribute its TV, radio, print, digital, e-commerce and other assets to RTL Nederland and will receive a 30 per cent stake in the enlarged RTL Nederland in return. RTL Group will hold the remaining 70 per cent in the combined group and will continue to fully consolidate RTL Nederland. In September 2021, the works councils of RTL Nederland and Talpa Network issued their favourable opinions on the proposed merger. The completion of the transaction remains subject to approval from the Dutch competition authority ACM (Authority for Consumers and Markets). A decision is expected in autumn 2022.

Other

In January 2022, RTL Group sold its entire investment in VideoAmp – a US software and data company for media measurement – for US-\$104 million (€92 million) in cash. The transaction was carried out as a share buyback by VideoAmp. The cash inflow is recognised in the consolidated cash flow statement under 'Proceeds from the sale of investments accounted for using the equity method, other investments and financial assets'.

RTL Group is party to legal proceedings in the normal course of its business, both as defendant and claimant. Details can be found in the consolidated financial statements as at 31 December 2021. Among others, several subsidiaries of RTL Group were being sued by the broadcaster RTL 2 Fernsehen GmbH & Co KG and its sales house El Cartel Media GmbH & Co KG before the regional court in Düsseldorf, Germany, seeking disclosure of information to substantiate a possible claim for damages. Management's assessment based on the independent legal advice, is that the basis for the claim has little merit, and it is not probable that an outflow will be required to settle the claim. As no further outflows of resources are expected, the provision was reversed.

In the condensed interim consolidated statement of comprehensive income, the increase of 'Re-measurement of post-employment benefit obligations' mainly relates to an increase in the discount rate.

Subsequent events

On 26 July 2022, in the framework of the review of the proposed merger between Groupe TF1 and Groupe M6, the case team of the French competition authority (Autorité de la Concurrence) has issued its report. In this report, which does not prejudice the final decision by the Board (Collège) of the authority, the case team considers that the proposed transaction raises significant competition concerns (in particular on the advertising market). The nature and scope of the remedies required in the report of the case team would render the parties' proposal irrelevant, in which case the parties would withdraw it. The parties – who intend to maintain their proposal as presented – will respond to the competition authority by around mid-August. The hearings before the Board of the French competition authority are scheduled for the beginning of September 2022.



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REPORT ON REVIEW OF CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Introduction

We have reviewed the accompanying condensed interim consolidated financial statements of RTL Group S.A. and its subsidiaries (the "Group"), which comprise the condensed interim consolidated statement of financial position as at 30 June 2022, and the related condensed interim consolidated income statement, statement of comprehensive income, statement of changes in equity and cash flow statement for the six-month period then ended, and a summary of significant accounting policies and other explanatory information.

Board of Directors' responsibility for the condensed interim consolidated financial statements

The Board of Directors is responsible for the preparation and presentation of these condensed interim consolidated financial statements in accordance with IAS 34, "Interim Financial Reporting" as adopted by the European Union, and for such internal control as the Board of Directors determines is necessary to enable the preparation of condensed interim consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Responsibility of the Réviseur d'Entreprises Agréé

Our responsibility is to express a conclusion on these condensed interim consolidated financial statements based on our review. We conducted our review in accordance with International Standard on Review Engagements (ISRE 2410 "Review of interim financial information performed by the independent auditor of the entity") as adopted for Luxembourg by the "Institut des Réviseurs d'Entreprises".

This standard requires us to comply with relevant ethical requirements and conclude whether anything has come to our attention that causes us to believe that the condensed interim consolidated financial statements, taken as a whole, are not prepared in all material respects in accordance with the applicable financial reporting framework.

A review of condensed interim consolidated financial statements in accordance with ISRE 2410 is a limited assurance engagement. The "Réviseur d'Entreprises Agréé" performs procedures, primarily consisting of making inquiries of management and others within the Group, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less than those performed in an audit conducted in accordance with International Standards on Auditing. Accordingly, we do not express an audit opinion on these condensed interim consolidated financial statements.



Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34, "Interim Financial Reporting" as adopted by the European Union.

Luxembourg, 4 August 2022

KPMG Luxembourg
Société anonyme
Cabinet de révision agréé

A handwritten signature in dark ink, appearing to read 'Jean Manuel Séris', with a stylized flourish at the end.

Jean Manuel Séris

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