

# ***FULL-YEAR RESULTS 2016***

COLOGNE, 9 MARCH 2017



**RTL**  
GROUP

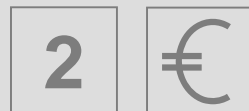
ENTERTAIN. INFORM. ENGAGE.

# Agenda



## Full-year 2016 highlights

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## Group financials

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## Business update

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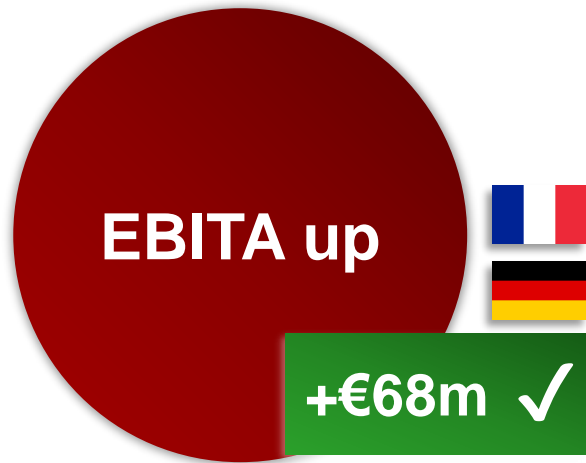
## Outlook 2017

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# Highlights

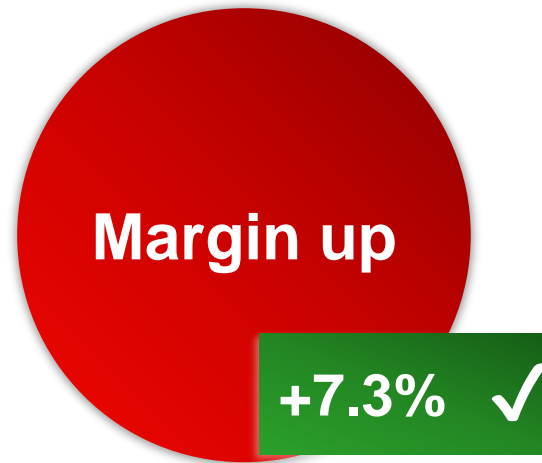
## Success across all three strategic pillars

### Broadcast



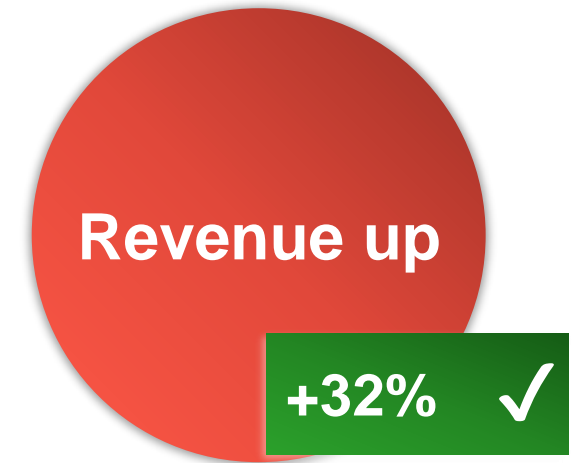
- Record year for MG RTL in Germany and Groupe M6 in France
- TV advertising indispensable for brand building

### Content



- FremantleMedia back on growth track
- High-end drama slate proving successful

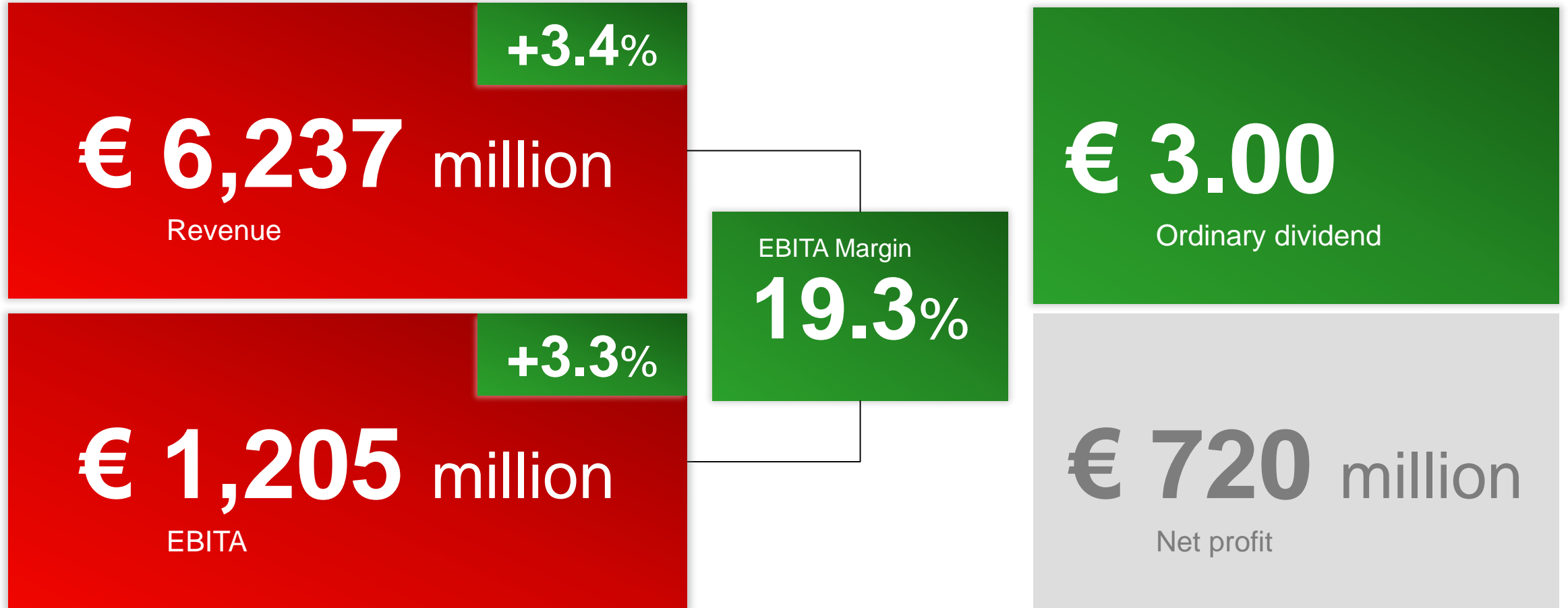
### Digital



- Global growth in ad tech and multi-channel networks
- Digital revenue reaches €670m

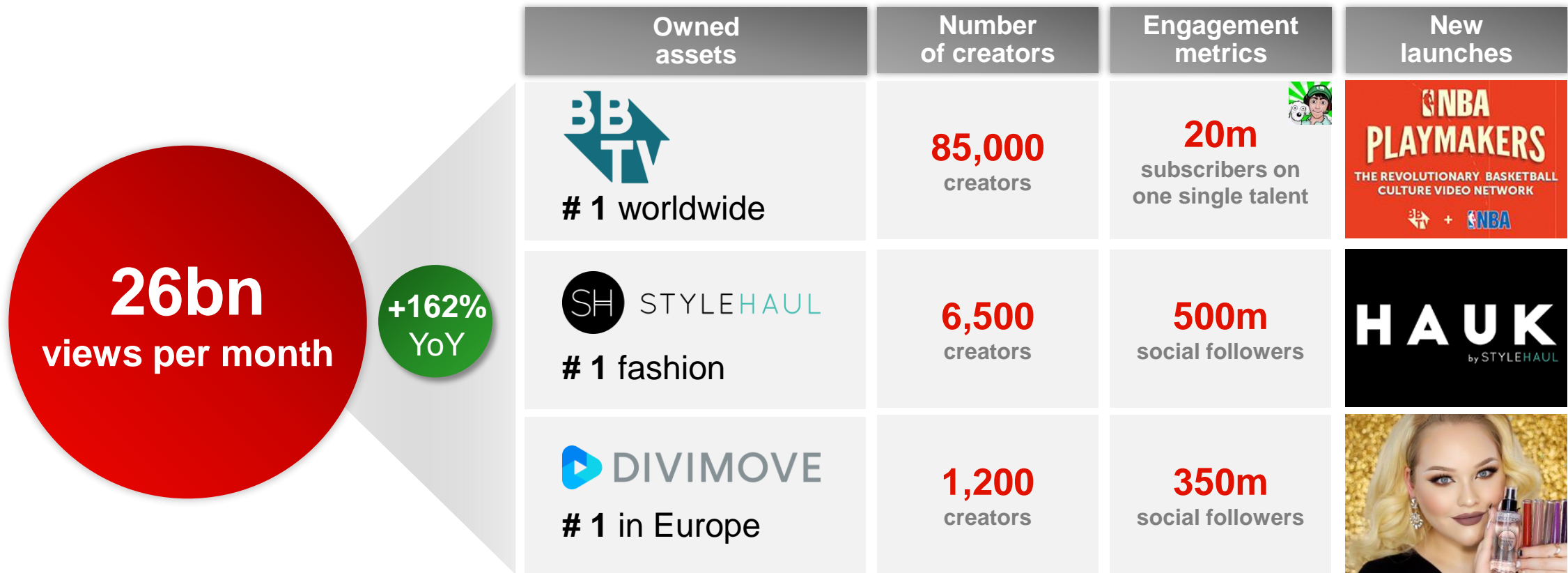
# Highlights

## Record results in 2016



## Highlights

### Global force in total video: engaging Millennials



Source: Internal figures, monthly views for Q4/2016



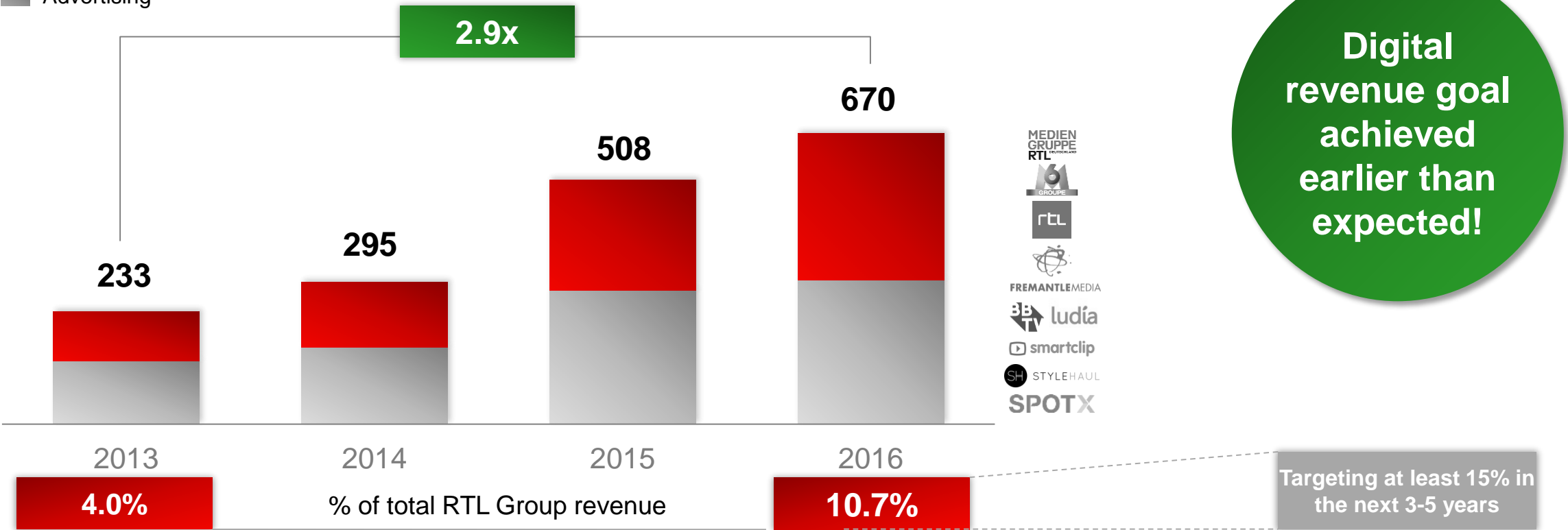
# Highlights

## Digital: a very dynamic third strategic pillar

### DIGITAL REVENUE

In € million

- Non-advertising
- Advertising

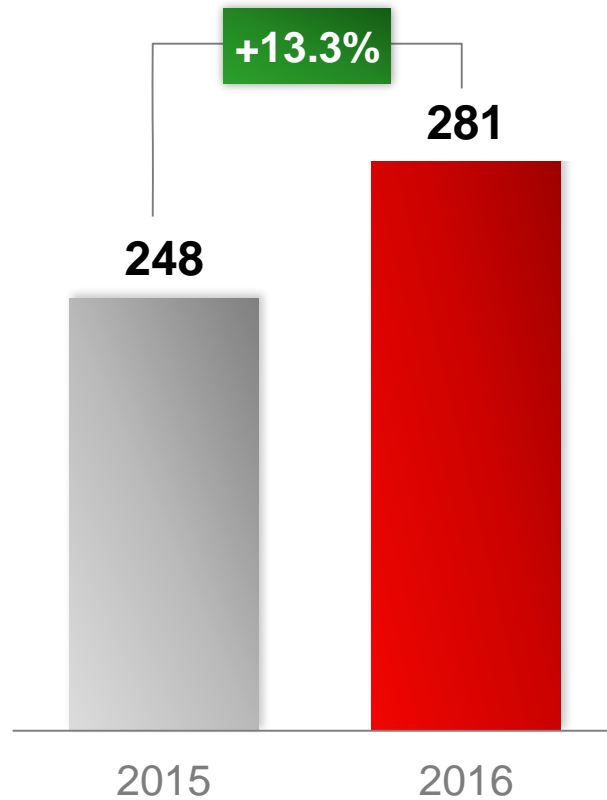


Source: Internal figures

# Highlights

## Platform revenue: well-established revenue stream

RTL GROUP PLATFORM REVENUE  
In € million<sup>1)</sup>



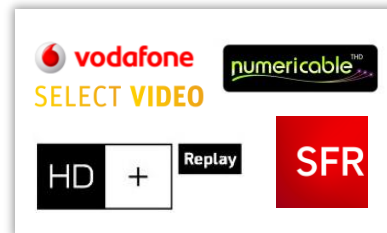
### HD channels



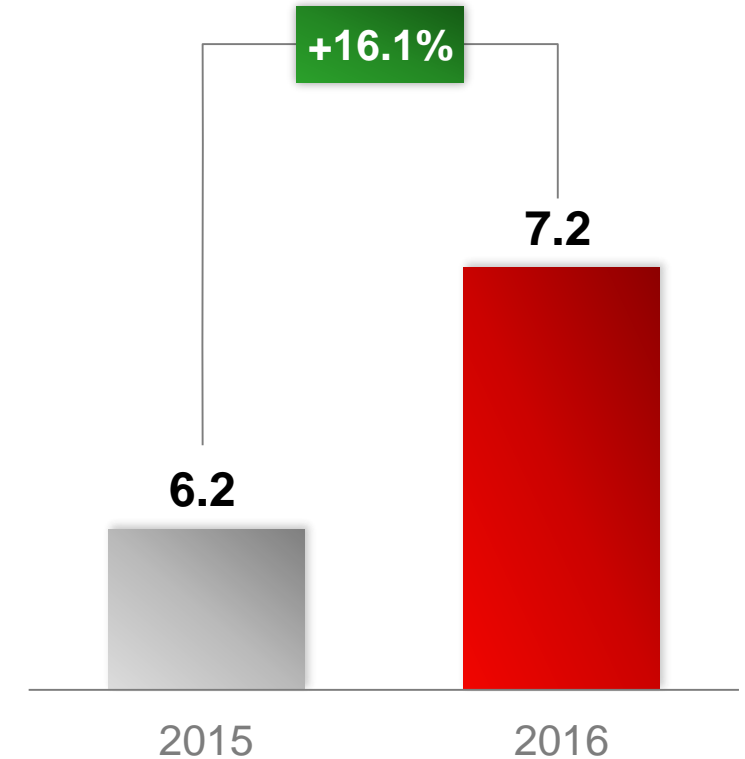
### Thematic channels



### VOD on managed platforms



HD SUBSCRIBERS, GERMANY  
In million



<sup>1)</sup> Platform revenue defined as revenue generated across all pay platforms (cable, satellite, IPTV) including subscription and re-transmission fees

# Highlights

## Revenue mix: highly diversified

### RTL GROUP 2016 REVENUE SPLIT

In %

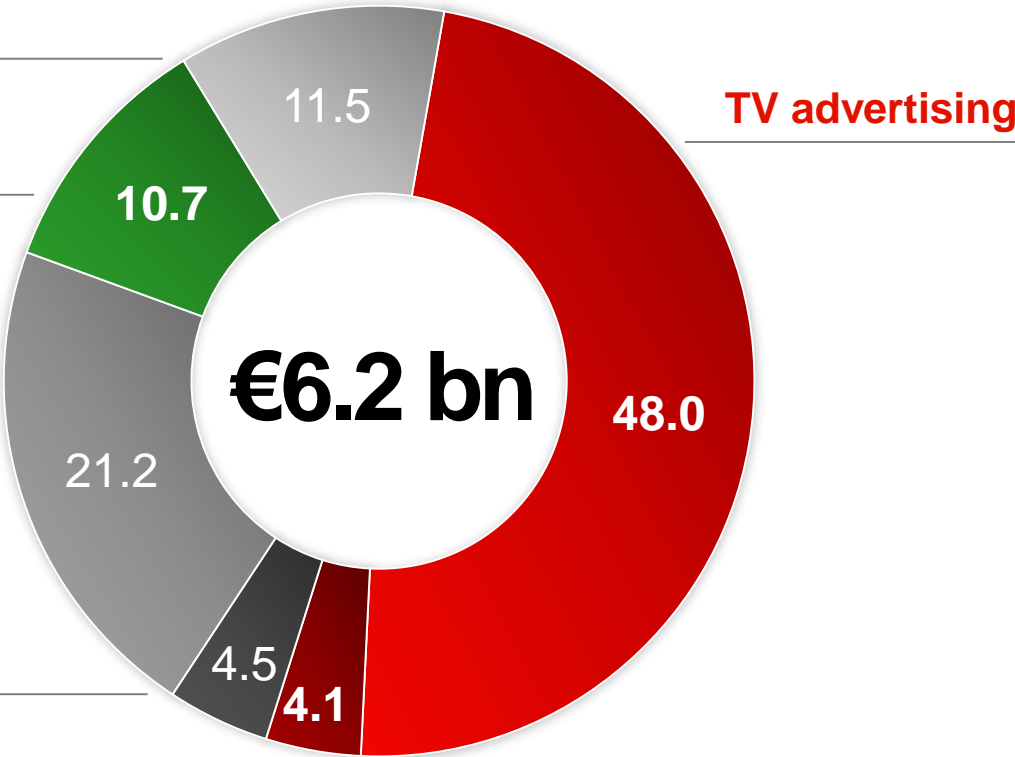
Other<sup>1)</sup>

Digital

Content

Platform revenue

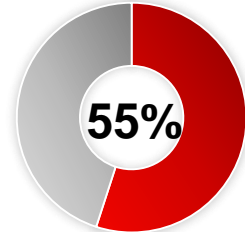
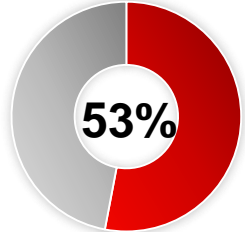
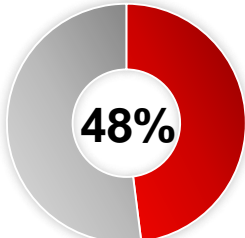
Radio advertising



1.) Others include home shopping, merchandising, e-commerce, technical services...

### DEPENDENCY FROM TV ADVERTISING

■ TV advertising  
■ Other revenue

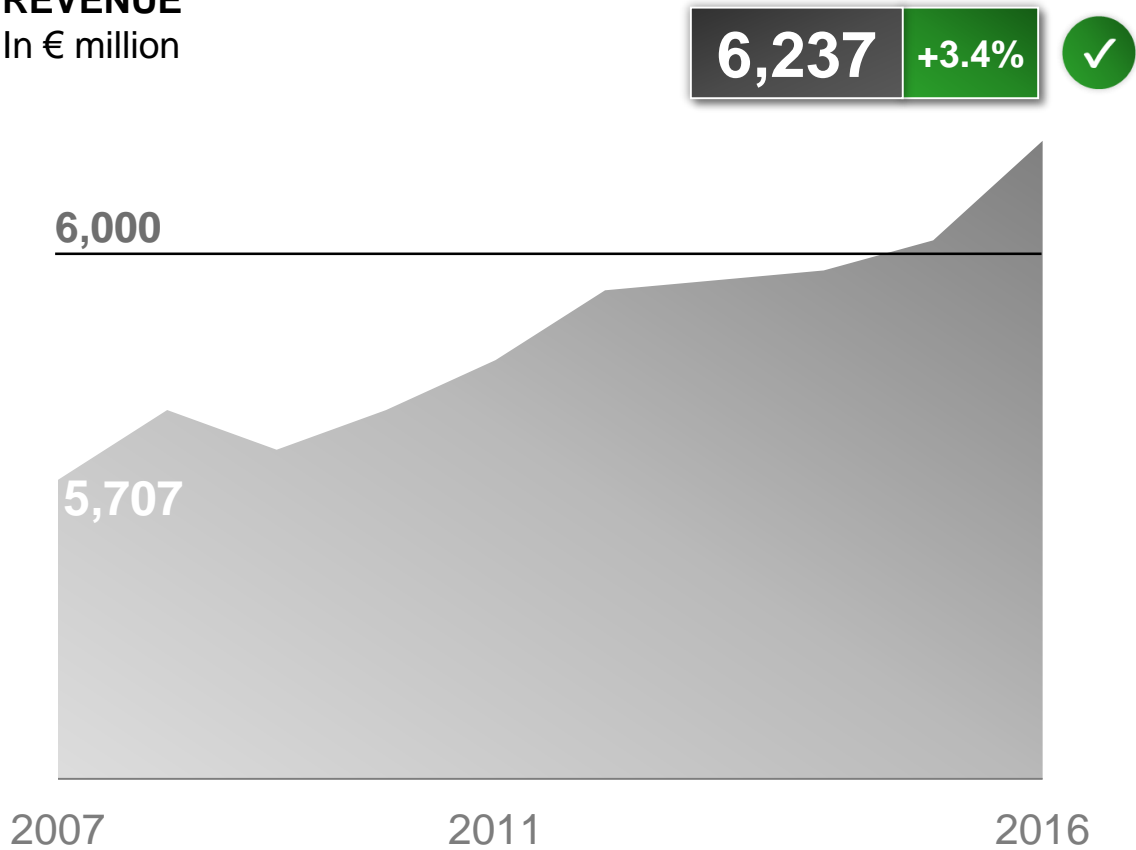




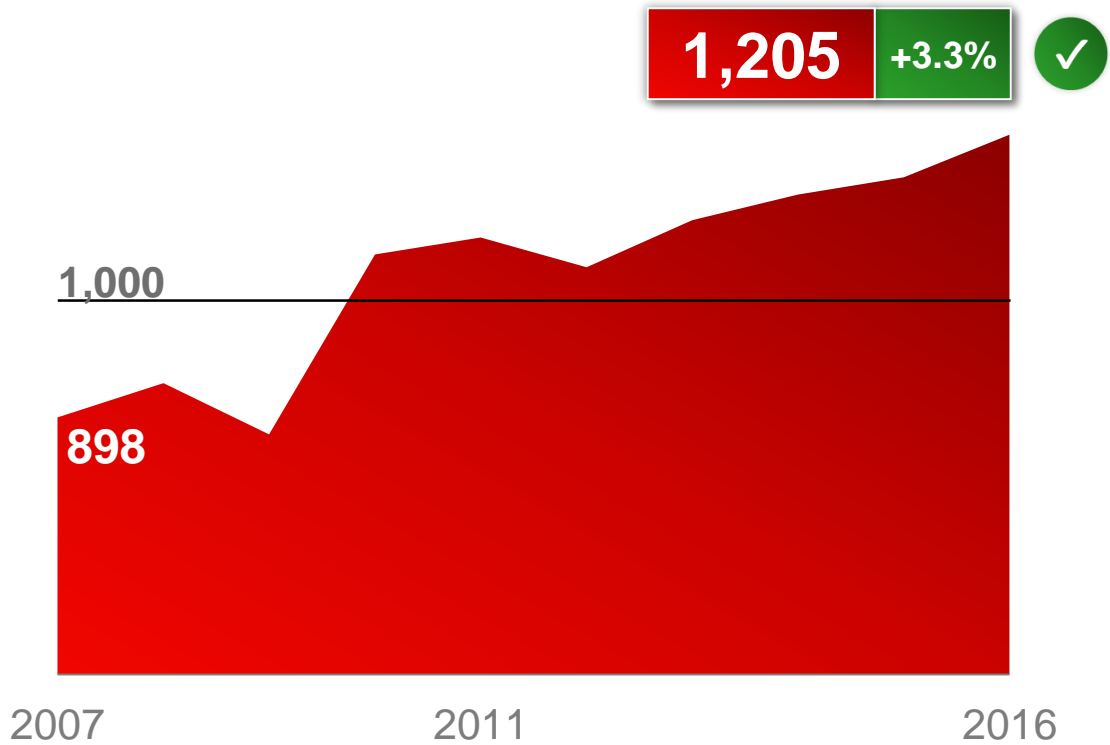
# Highlights

## Revenue and EBITA reaching new all-time highs

REVENUE  
In € million

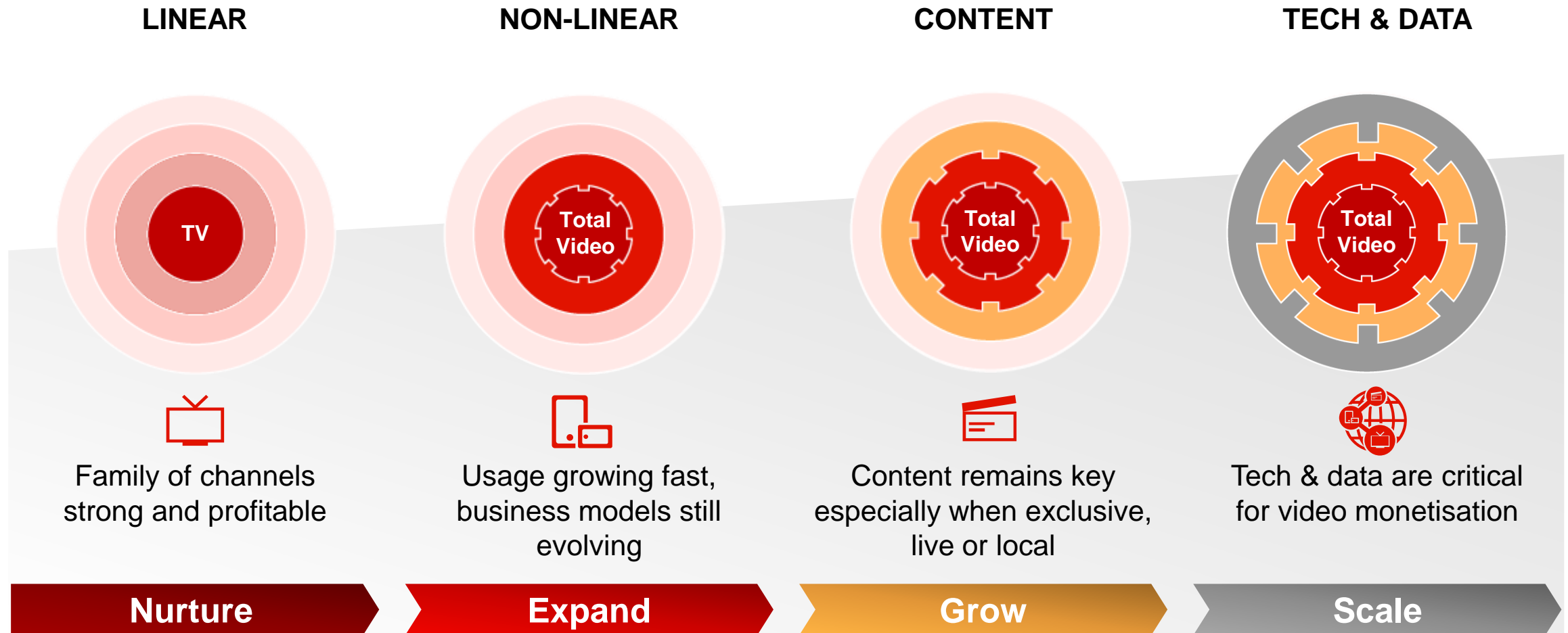


EBITA  
In € million



# Group Strategy

## Redefining 'TV' to 'Total Video'



# Agenda



Full-year  
2016 highlights

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Group  
financials

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Business  
update

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Outlook  
2017

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# Review of results 31 December 2016

## Revenue, EBITA and EBITDA at record levels

| In € million                         | Full-year to<br>December 2016 | Full-year to<br>December 2015 | Per cent<br>change |
|--------------------------------------|-------------------------------|-------------------------------|--------------------|
| <b>Revenue</b>                       | <b>6,237</b>                  | <b>6,029</b>                  | <b>+3.4</b>        |
| Underlying revenue                   | 6,202                         | 6,020                         | +3.0               |
| Operating cost base                  | 5,209                         | 4,964                         | +4.9               |
| <b>EBITA</b>                         | <b>1,205</b>                  | <b>1,167</b>                  | <b>+3.3</b>        |
| EBITA margin (%)                     | 19.3                          | 19.4                          |                    |
| <b>EBITDA</b>                        | <b>1,411</b>                  | <b>1,360</b>                  | <b>+3.8</b>        |
| EBITDA margin (%)                    | 22.6                          | 22.6                          |                    |
| <b>Net debt</b>                      | <b>(576)</b>                  | <b>(671)</b>                  | <b>–</b>           |
| Net debt EBITDA ratio at end of year | 0.41                          | 0.49                          | –                  |

**Highest organic revenue growth since 2010**

# Review of results 31 December 2016

## Lower net profit mostly due to higher tax expense

| In € million  | Full-year to<br>December 2016 | Full-year to<br>December 2015 | Per cent<br>change |
|---|-------------------------------|-------------------------------|--------------------|
| <b>EBITA</b>  | <b>1,205</b>                  | <b>1,167</b>                  | <b>+3.3</b>        |
| Amortisation and impairment of fair value adjustments on acquisitions of subsidiaries and re-measurement of earn-out arrangements | (14)                          | 4                             |                    |
| Gain from sale of investments and re-measurement to fair value of pre-existing interest in acquire                                | 6                             | 4                             |                    |
| Net financial expense   | (18)                          | (12)                          |                    |
| Income tax expense  | (363)                         | (300)                         |                    |
| <b>Profit for the year</b>  | <b>816</b>                    | <b>863</b>                    | <b>(5.4)</b>       |
| <i>Attributable to:</i>   |                               |                               |                    |
| <b>RTL Group shareholders</b>   | <b>720</b>                    | <b>789</b>                    | <b>(8.7)</b>       |

# Review of results 31 December 2016

## Significantly higher cash generation

| In € million   | Full-year to<br>December 2016 | Full-year to<br>December 2015 |
|--|-------------------------------|-------------------------------|
| <b>Net cash flow from operating activities</b>                         | <b>1,106</b>                  | <b>983</b>                    |
| Add: Income tax paid   | 267                           | 238                           |
| Less: Acquisition of assets, net                                       | (210)                         | (207)                         |
| <b>Equals: Reported free cash flow (FCF)</b>                           | <b>1,163</b>                  | <b>1,014</b>                  |
| Acquisition and disposal of subsidiaries and JVs, net of cash acquired | (60)                          | (82)                          |
| Other financial assets (deposit excluded), net                         | (23)                          | 17                            |
| Net interest   | (12)                          | (15)                          |
| Transactions with non controlling interests & treasury shares          | (17)                          | (3)                           |
| Income tax paid  | (267)                         | (238)                         |
| Dividends paid   | (689)                         | (766)                         |
| <b>Cash generated / (used)</b>   | <b>95</b>                     | <b>(73)</b>                   |
| <b>EBITA</b>   | <b>1,205</b>                  | <b>1,167</b>                  |
| <b>EBITA conversion (FCF/EBITA)</b>                                    | <b>97%</b>                    | <b>87%</b>                    |



# Review of results 31 December 2016

## Attractive dividend yield

| In € million  | Full-year to<br>December 2016 |
|---|-------------------------------|
| <b>Profit for the year attributable to RTL Group shareholders</b> | <b>720</b>                    |
| <i>Adjustments for:</i>   |                               |
| Contract termination M6 Mobile                                    | (21)                          |
| <b>Adjusted net result</b>  | <b>699</b>                    |
| <b>Ordinary dividend, in € per share</b>                          | <b>3.00</b>                   |
| Ordinary dividend, absolute amount <sup>1)</sup>                  | 461                           |
| <b>Dividend payout, in %<sup>2)</sup></b>                         | <b>66%</b>                    |

**Dividend  
yield of  
5.4%<sup>3)</sup>**

1) Based on total share capital less treasury shares held by the Group

2) Ordinary dividend, absolute amount / adjusted net result

3) Including €1.00 interim dividend and based on average share price in 2016 (€73.68)

# Agenda



**Full-year  
2016 highlights**

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**Group  
financials**

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**Business  
update**

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**Outlook  
2017**

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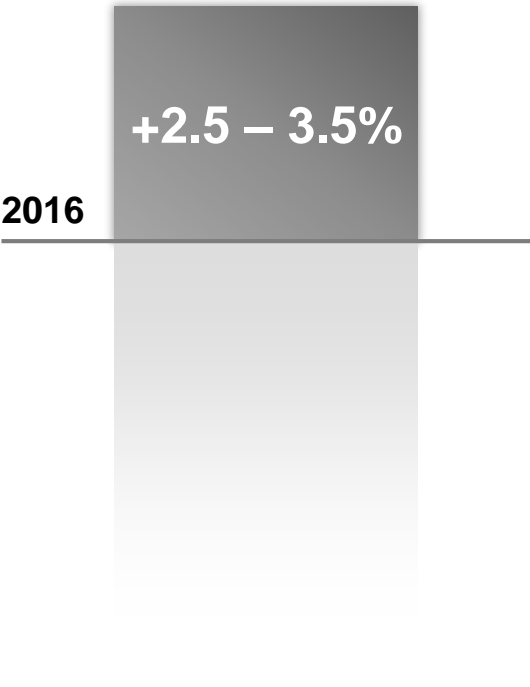
# #1 TV FAMILY IN GERMANY

MEDIEN  
GRUPPE  
RTL DEUTSCHLAND

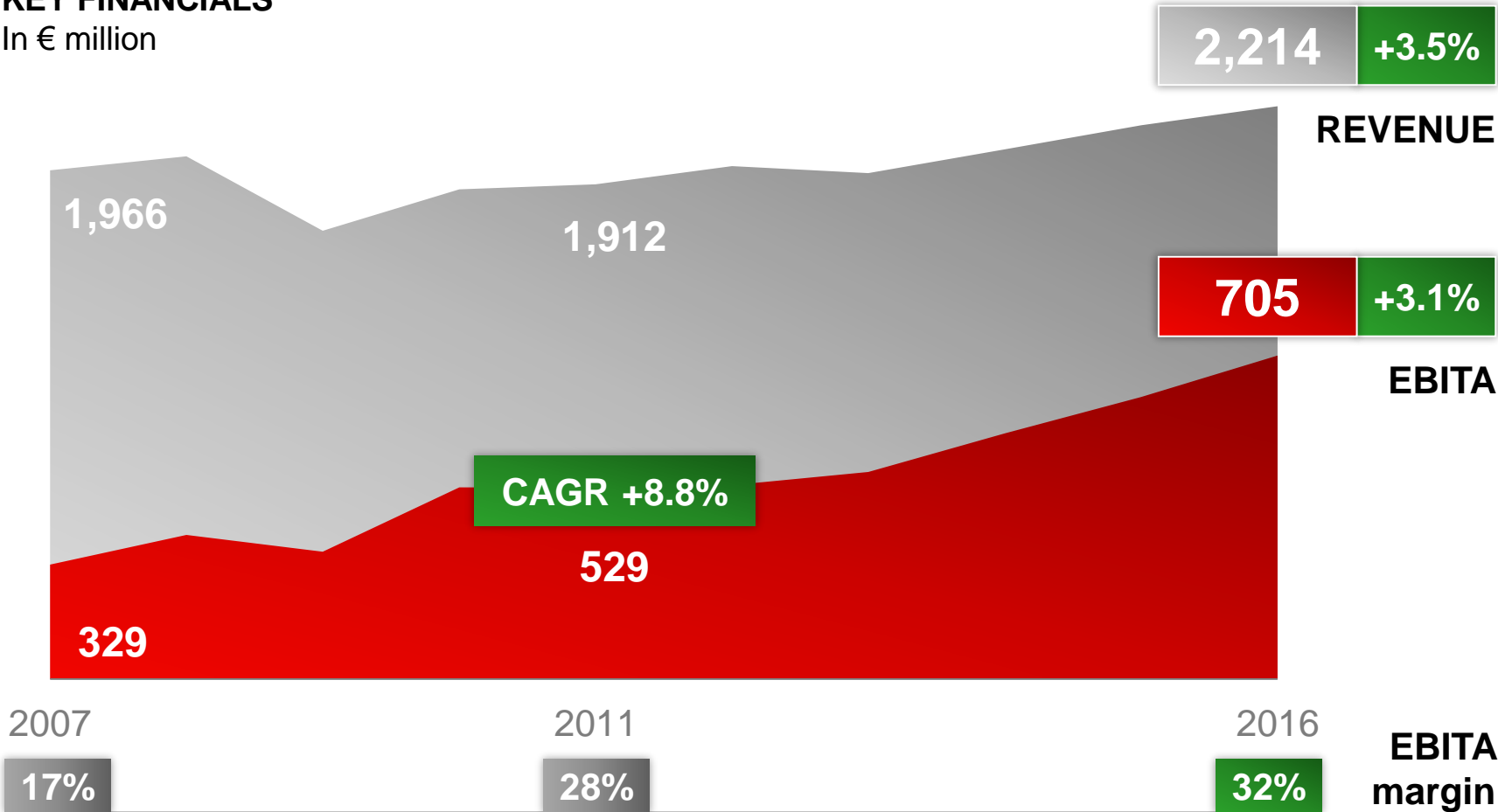
# Mediengruppe RTL Deutschland

## Fifth consecutive year of record earnings

NET TV ADVERTISING  
MARKET GROWTH<sup>1)</sup>  
In %



KEY FINANCIALS  
In € million

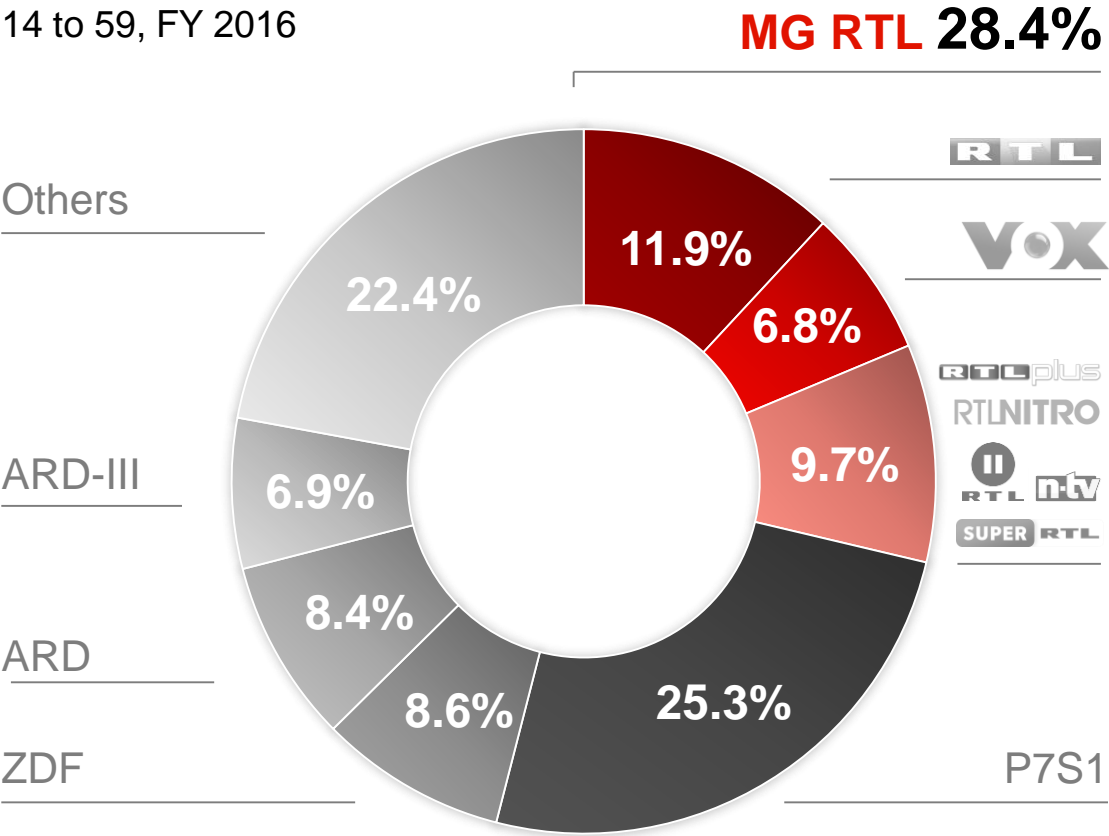


<sup>1)</sup> RTL Group estimate

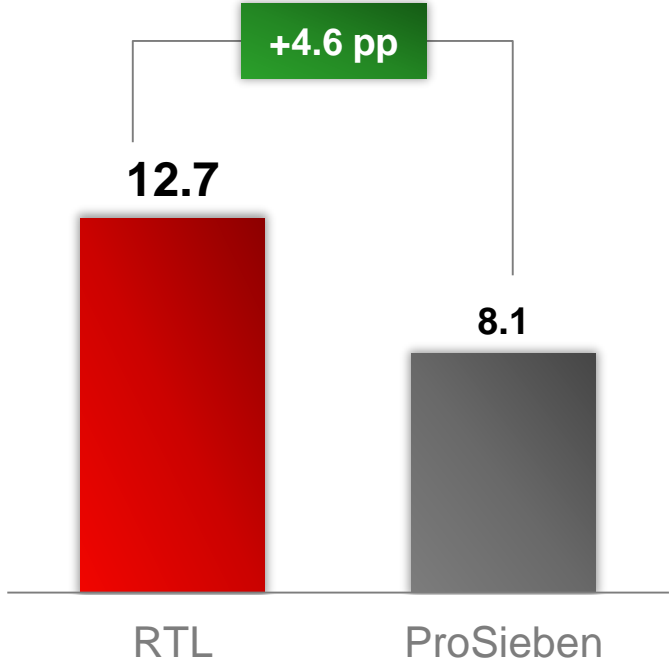
# Mediengruppe RTL Deutschland

## Clear #1: audience lead over P7S1 further increased in 2016

FAMILY OF CHANNELS  
14 to 59, FY 2016



PRIME TIME  
(20 – 23h), 14 to 59 (in %)



Source: AGF in cooperation with GfK  
P7S1: Pro7, Sat.1, Kabel 1, SIXX, P7Maxx & Sat.1Gold, P7S1 K1doku

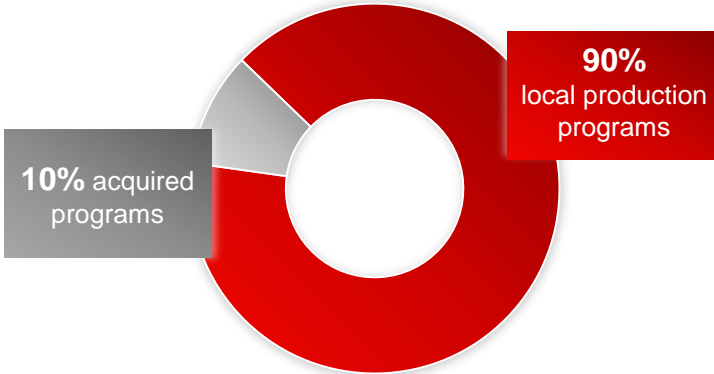
# Mediengruppe RTL Deutschland

## Growing strategic advantage with local content



#1 commercial broadcaster

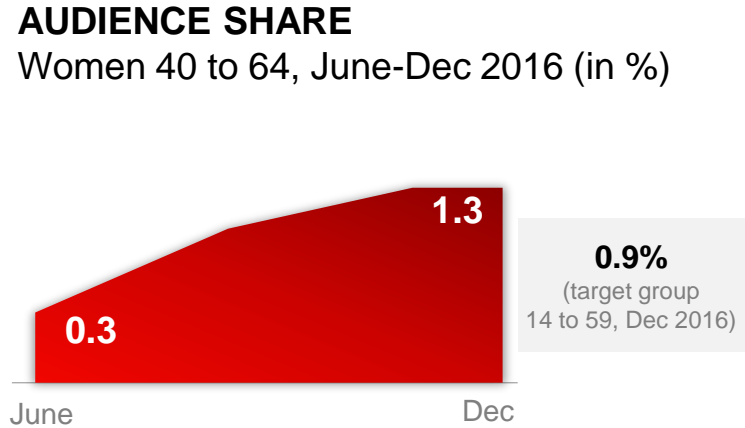
PROGRAMME HOURS<sup>1)</sup>  
In 2016



Vox surpassing ProSieben in total audience



Most successful channel launch in Germany



1) Programme hours – share of local productions divided by total programming hours excluding ad breaks 2) Total audience 3+ 3) Average audience share for programmes are in the target group 14 to 59



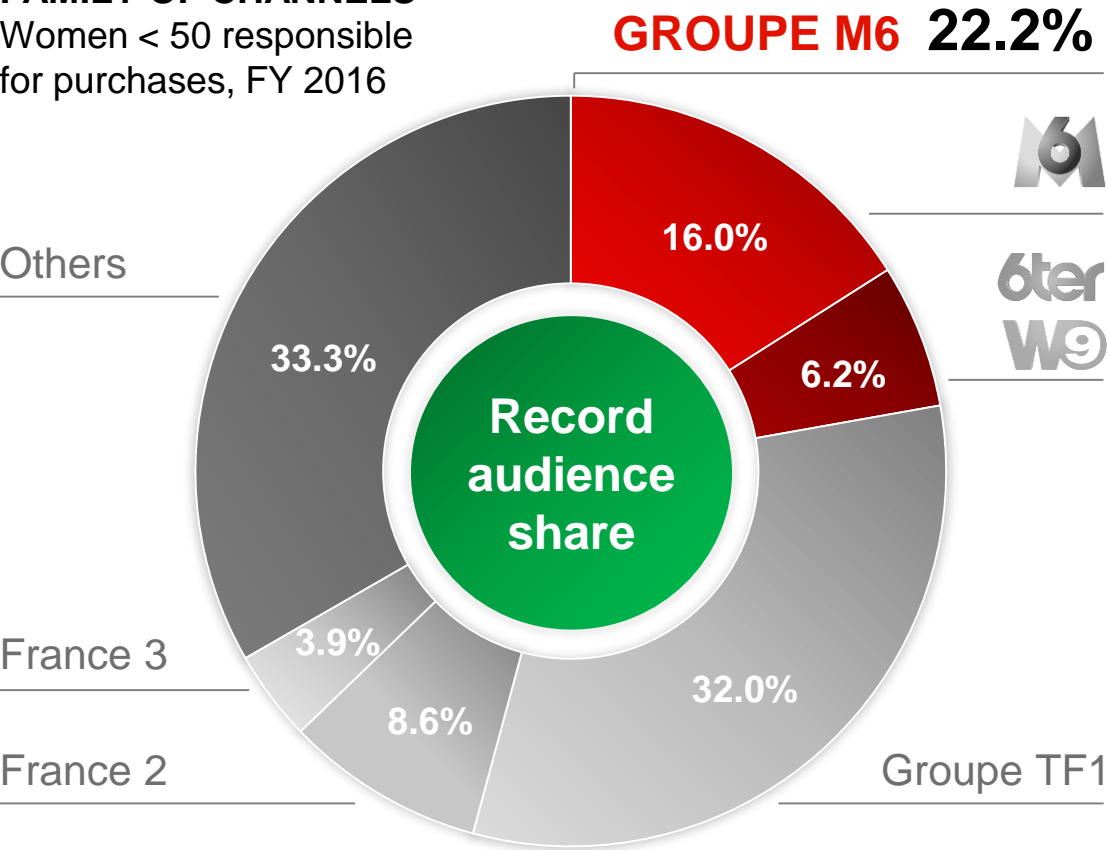
# #2 TV FAMILY IN FRANCE



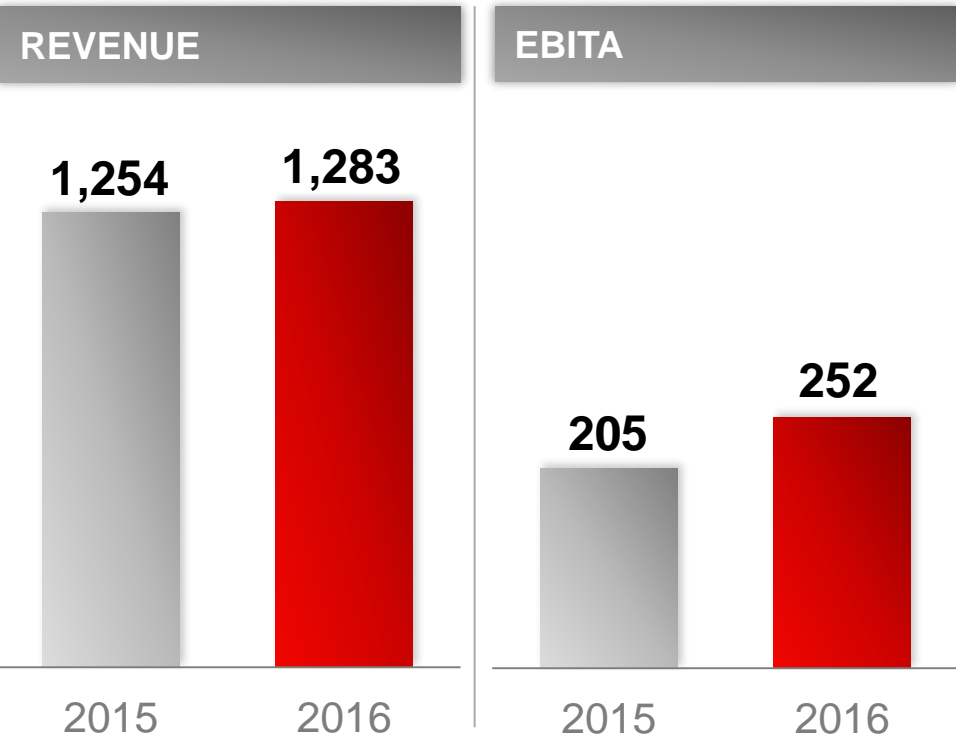
# Groupe M6

## Record EBITA, outstanding audience shares

**FAMILY OF CHANNELS**  
Women < 50 responsible  
for purchases, FY 2016



**KEY FINANCIALS**  
In € million



Source: Médiamétrie  
Groupe M6: M6, W9 and 6ter; TF1 Group: TF1, TMC, NT1 and HD1

## Groupe M6

### Live TV events fuel non-linear success



**5th highest TV audience ever**

**72%** total audience share  
Watched by **21 million** viewers (4+)



**Reached 15m registered users**

Euro 2016 drives 6play usage to  
**1.5bn video views**, +54% YoY growth





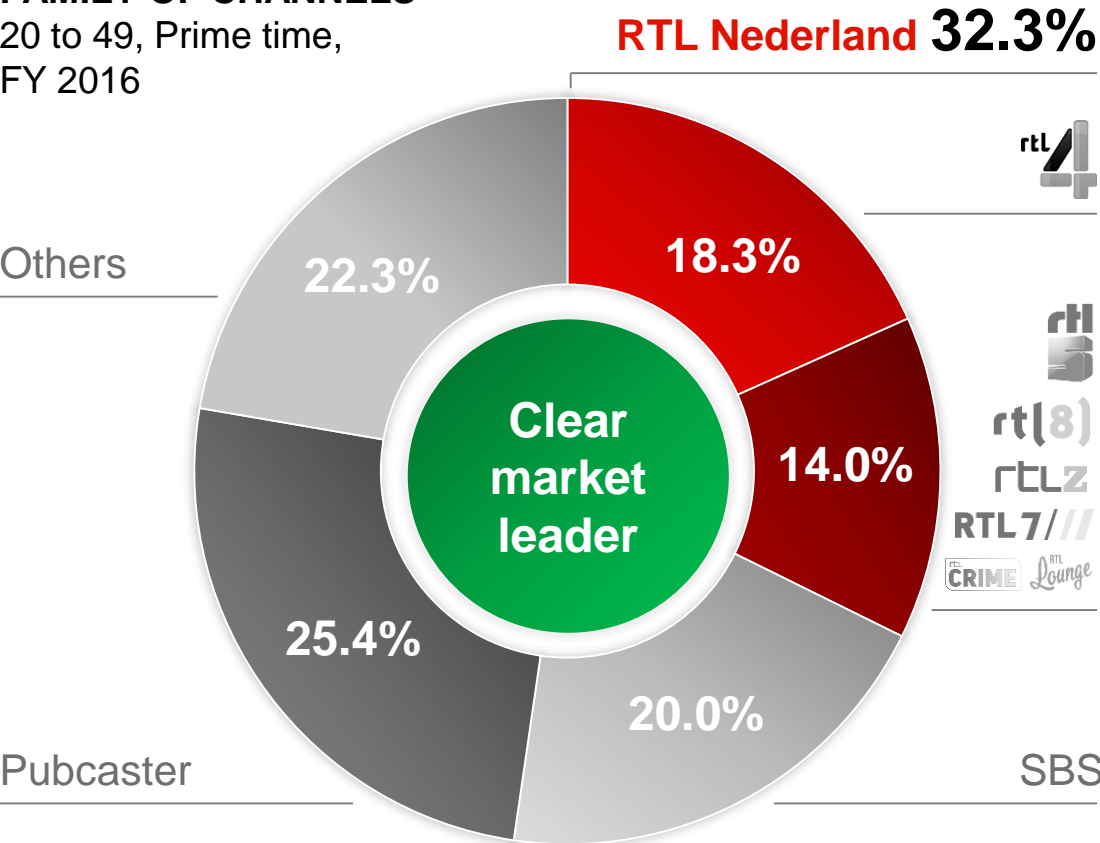
**#1 TV FAMILY  
IN NETHERLANDS**

**rtl**

# RTL Nederland

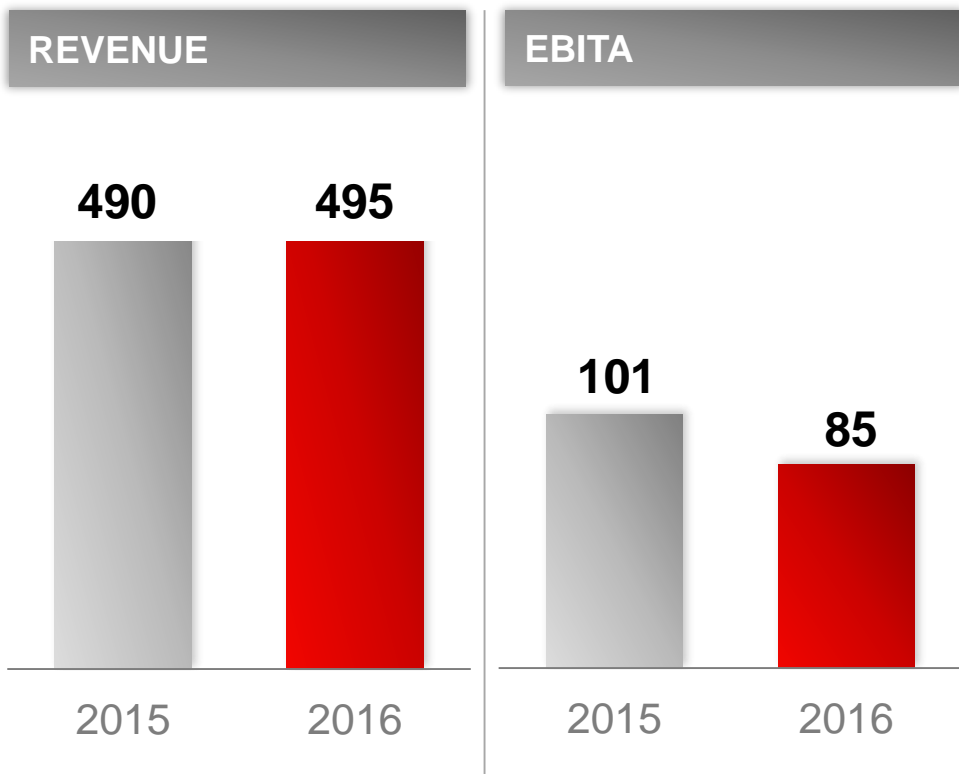
## Strong audience shares – challenging TV ad market

FAMILY OF CHANNELS  
20 to 49, Prime time,  
FY 2016



KEY FINANCIALS  
(in € million)

-2%  
TV ad market



Source: SKO  
SBS: SBS6, Net 5, Veronica & SBS 9; Pubcaster: NPO 1, NPO 2 & NPO 3





# #1 IN EUROPE

**RTL**  
BELGIUM

**RTL**  
HUNGARY

**RTL**  
HRVATSKA

**RTL**  
Pôle Radio

ATRESMEDIA

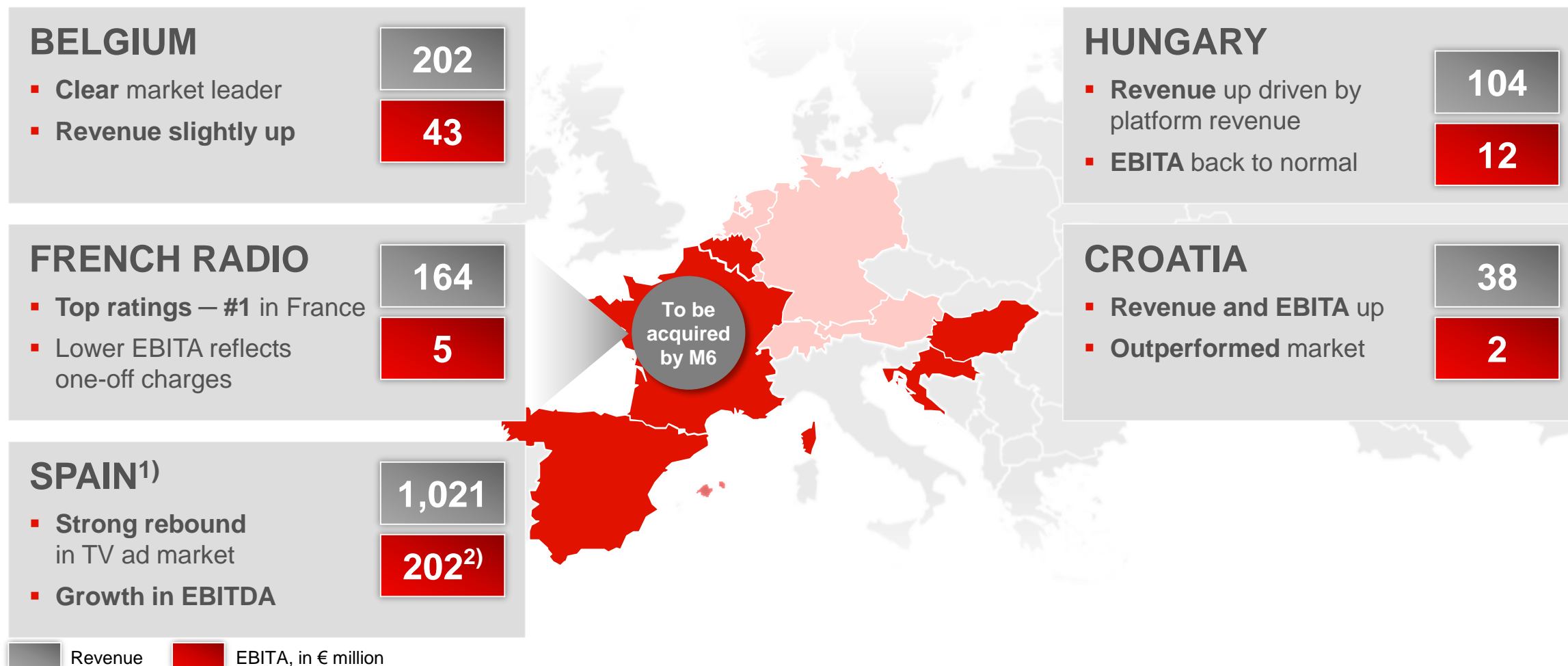


**RTL**  
GROUP



## Other markets

### Good performance overall



1) On a 100 per cent basis 2) EBITDA, in € million

A close-up photograph of a man's face, showing his eyes and a wide smile. A white paint splatter is positioned over his mouth. A semi-transparent white horizontal bar spans across the middle of the image, containing the text 'MORE CREATIVE POWER'.

# MORE CREATIVE POWER



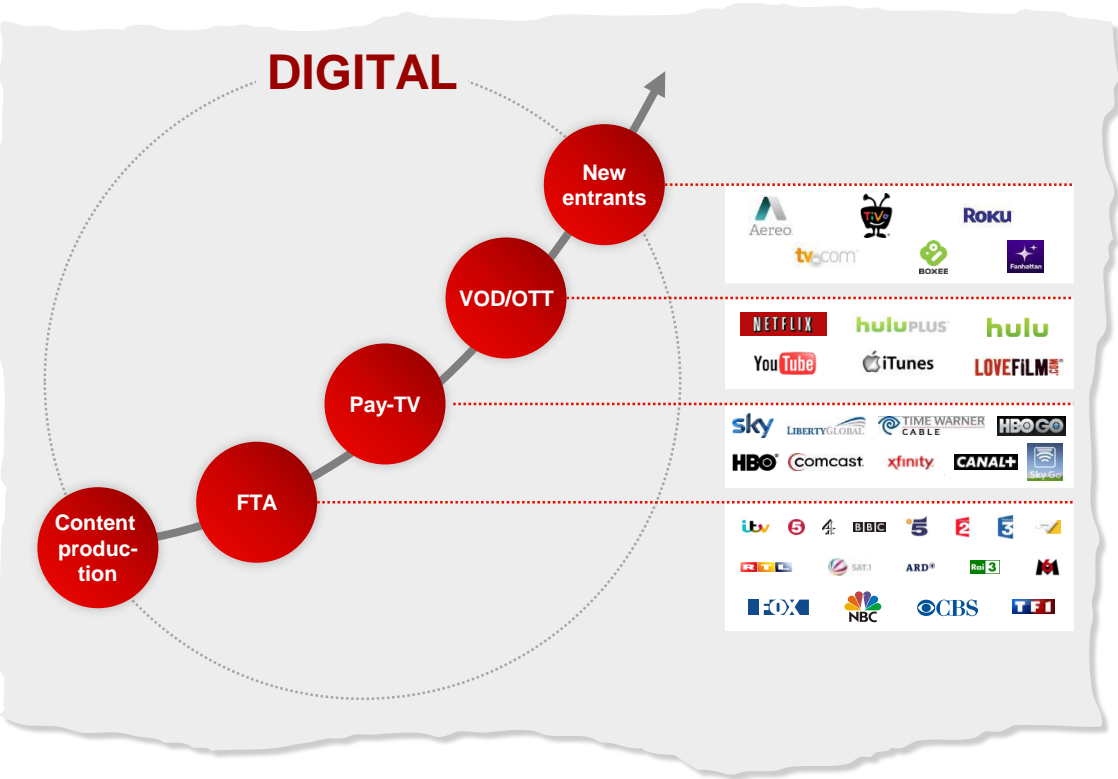
**FREMANTLEMEDIA**

# FremantleMedia

## Delivering on promise to expand client base

### What we announced

IPO PRESENTATION — MARCH 2013



### What we delivered

|  |                                      |   |
|--|--------------------------------------|---|
|  | <b>WILDSIDE</b>                      | HBO sky CANAL+                                  |
|  | <b>UFAFICTION</b>                    | MEDIEN GRUPPE RTL DEUTSCHLAND amazon primevideo |
|  | <b>FREMANTLE MEDIA NORTH AMERICA</b> | STARZ amazon primevideo                         |
|  | <b>BBC</b>                           | hulu  |
|  | <b>NETFLIX ORIGINAL THE RAIN</b>     | MISO FILM NETFLIX                               |

# FremantleMedia

## Signature shows for global media brands

### Recently aired



The Young Pope

HBO sky CANAL+

### To be continued...



Deutschland 86



Baron Noir



Modus

amazon prime video

MEDIEN GRUPPE RTL DEUTSCHLAND

CANAL+

TV4-GRUPPEN



### Coming in 2017/18



American Gods

STARZ amazon prime video



Hard Sun

BBC hulu



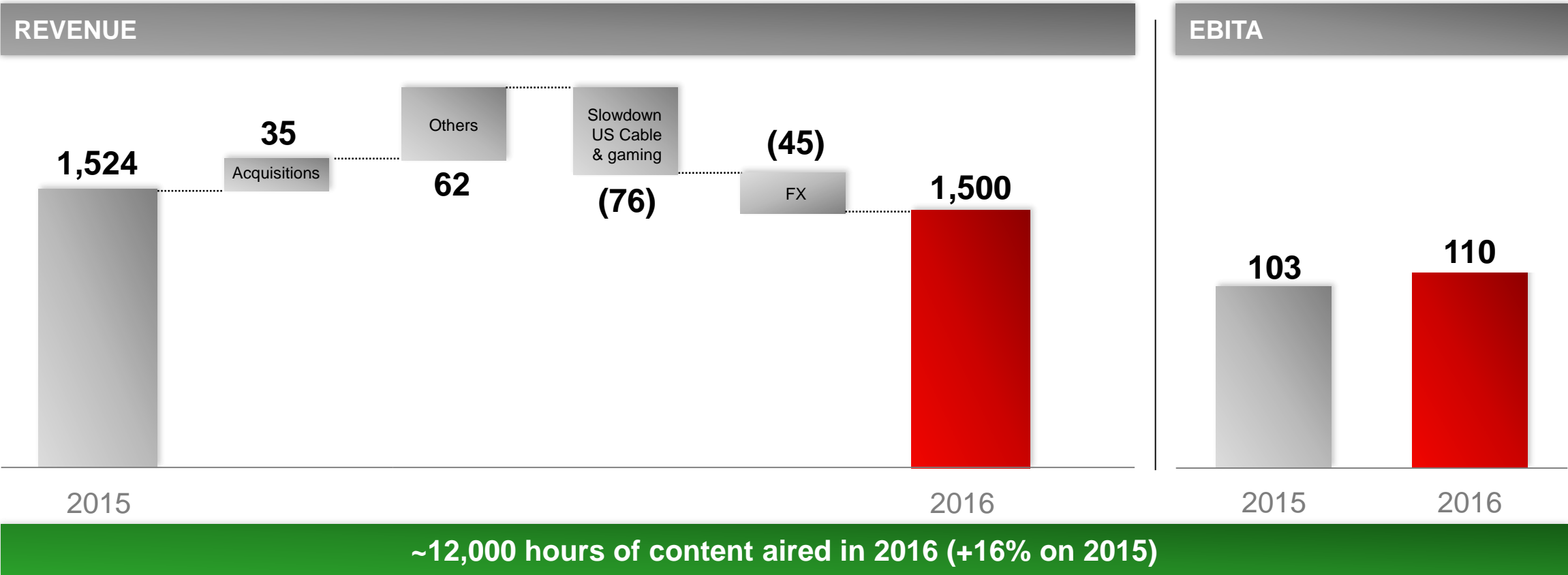
Picnic at Hanging Rock

FOXTEL

# FremantleMedia

## Investments in content pipeline pay off

KEY FINANCIALS  
In € million





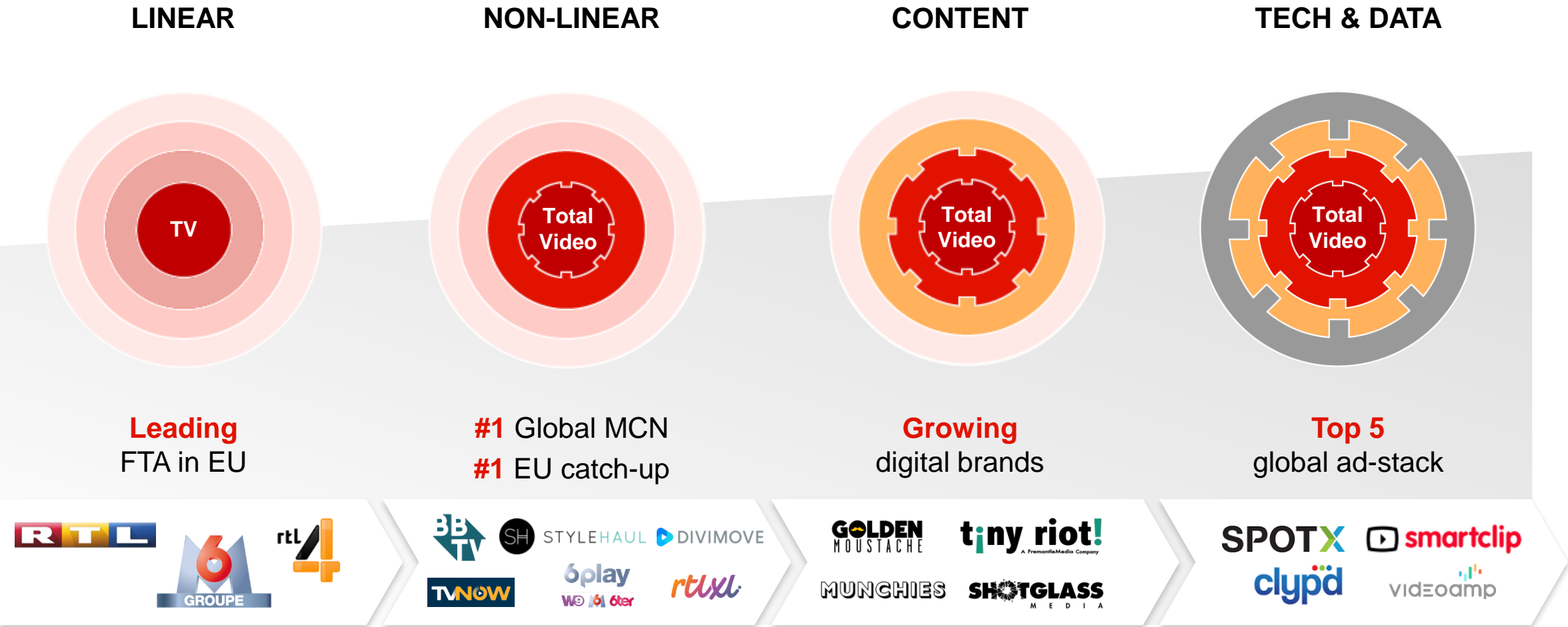
# DIGITAL LEADER





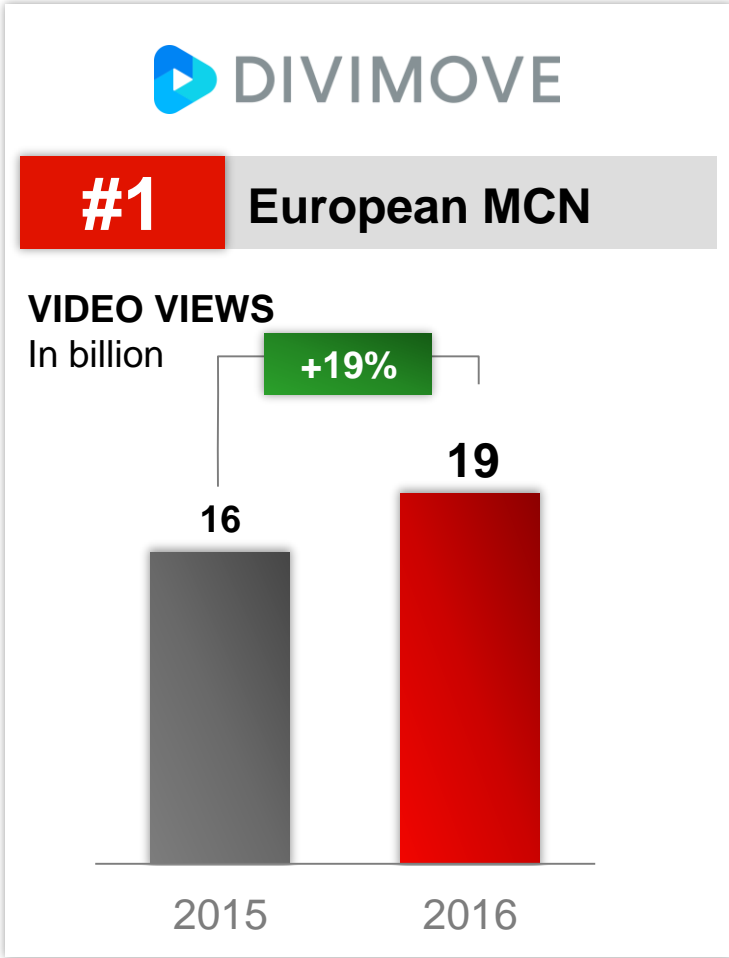
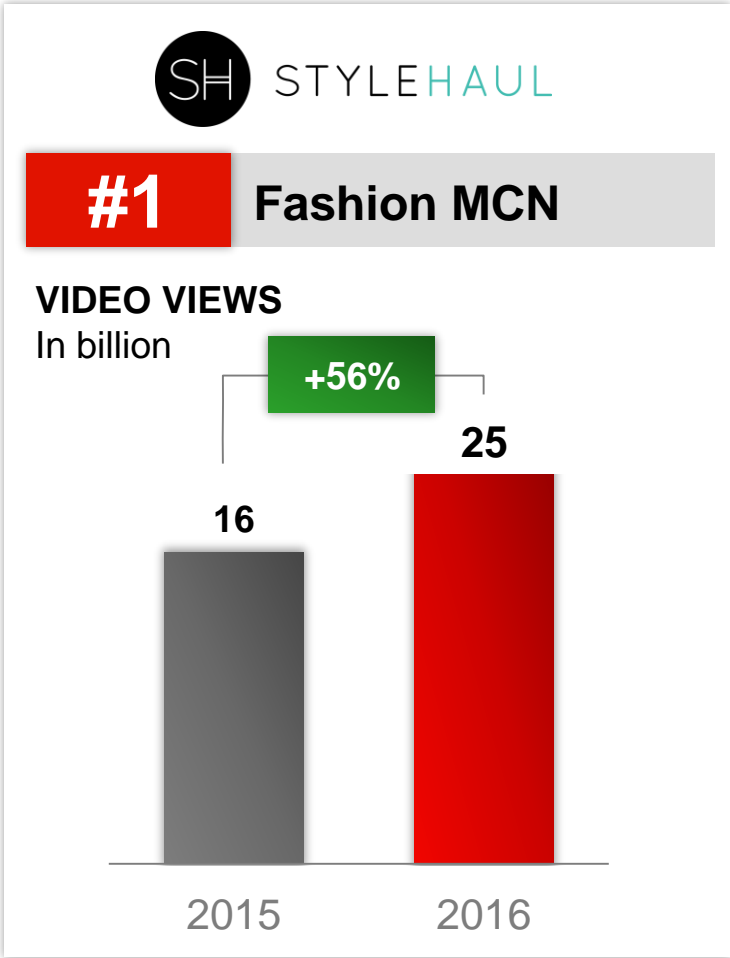
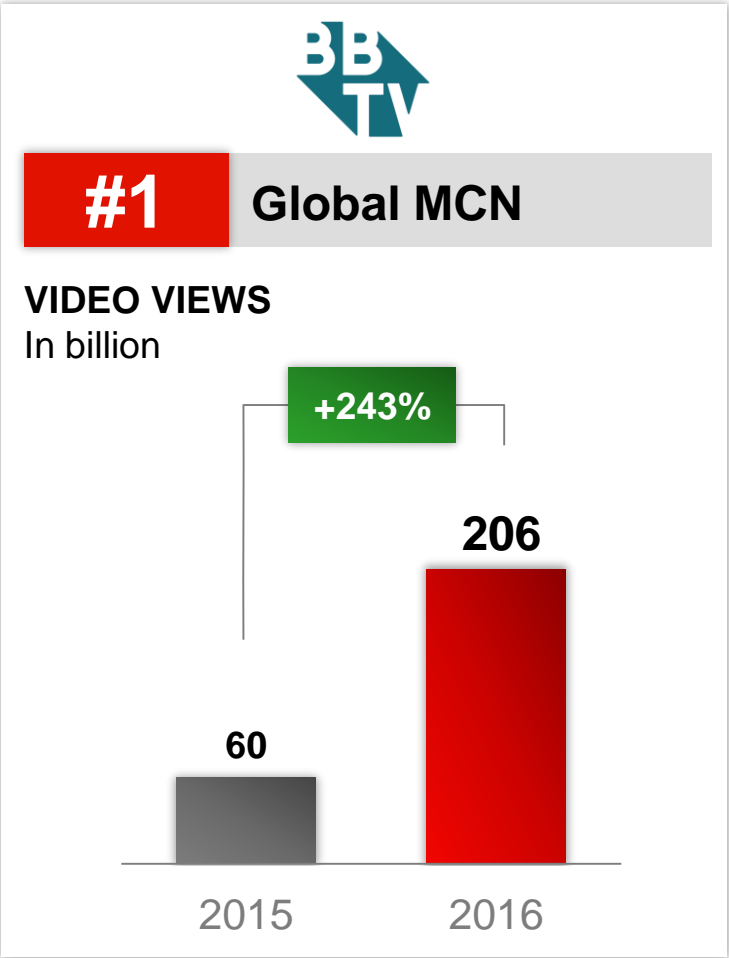
Digital transformation

# From a broadcaster to a global 'Total Video' powerhouse



# Multi-channel networks

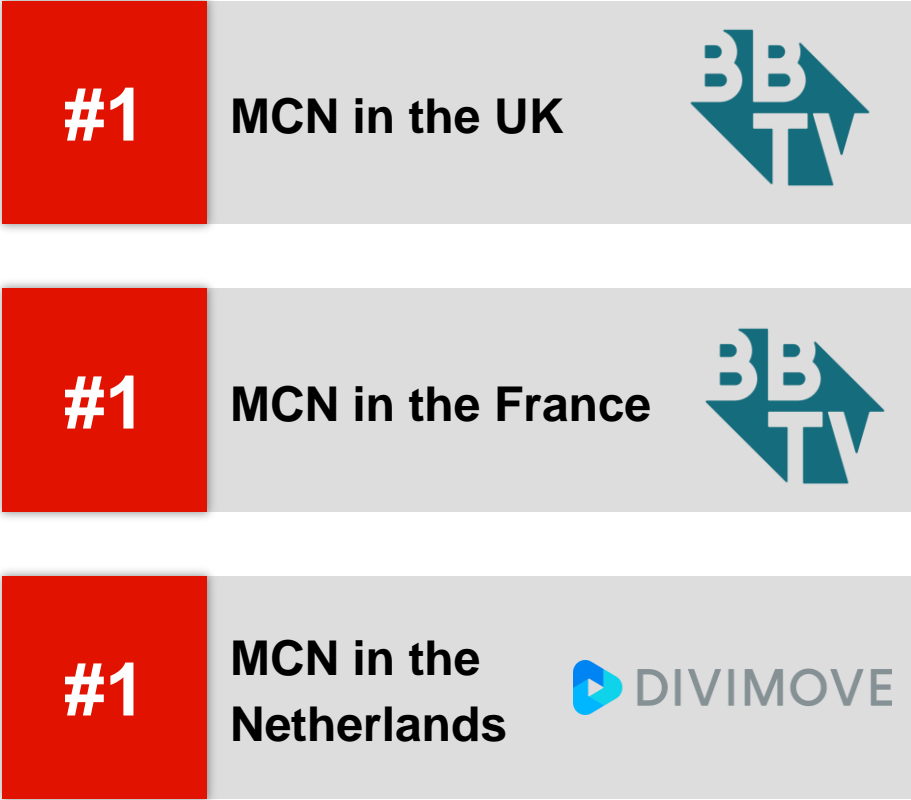
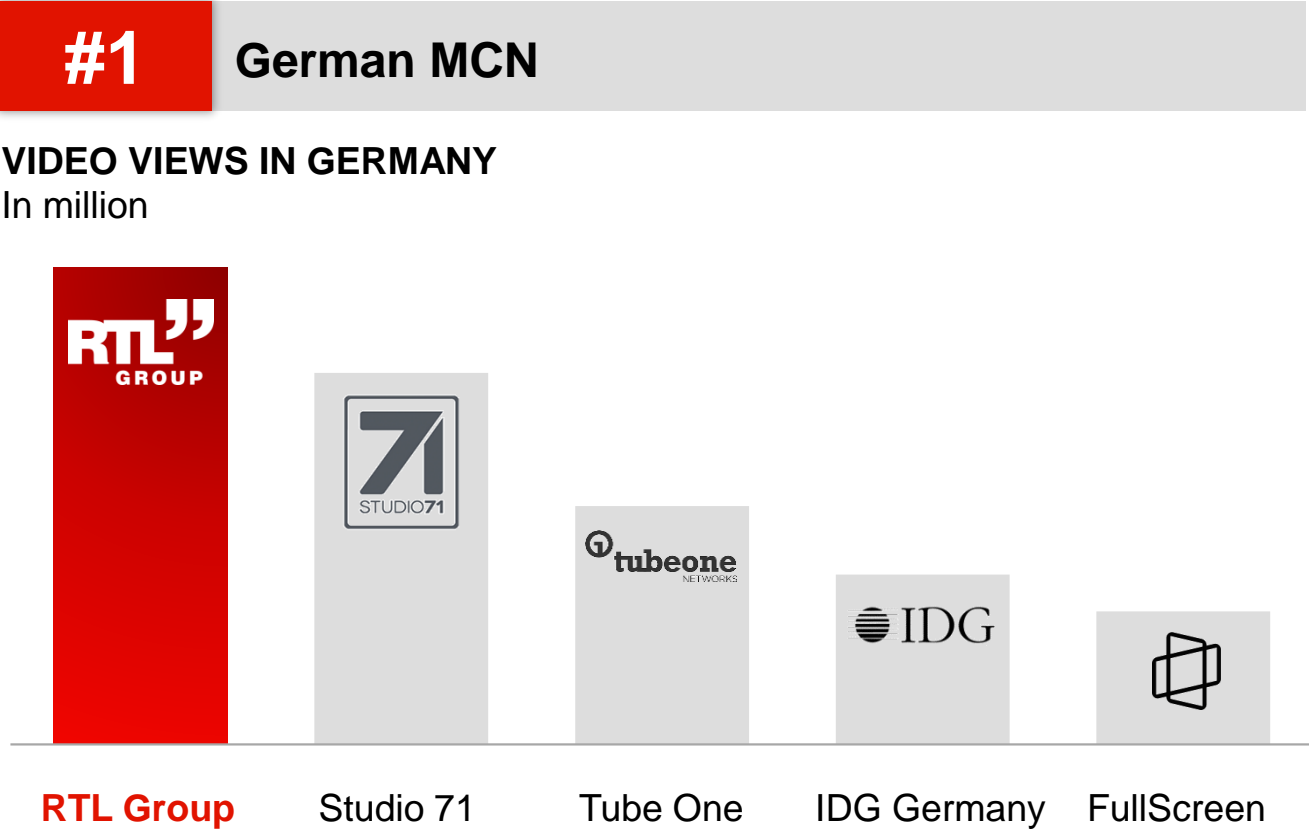
## Our MCNs are market leaders



Source: Internal figures

# Multi-channel networks

## Leading presence in key European markets

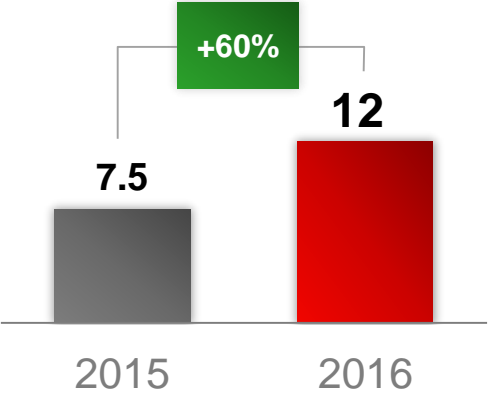


Source: Figures from ComScore data from Dec 16, RTL Group includes BBTv, Divimove, StyleHaul & FremantleMedia

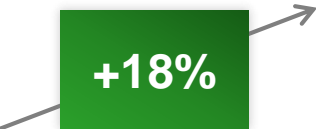
Advertising technology  
Our platforms are growing and already profitable

SPOTX

AD DECISIONS  
In billion, per day



FY 2016 REVENUE GROWTH  
YOY



Strong business growth

SPOTX + smartclip



KEY EXPERTISE  
~470 FTE in ad-tech

smartclip



>15m

Addressable TV  
households in Germany

+99%

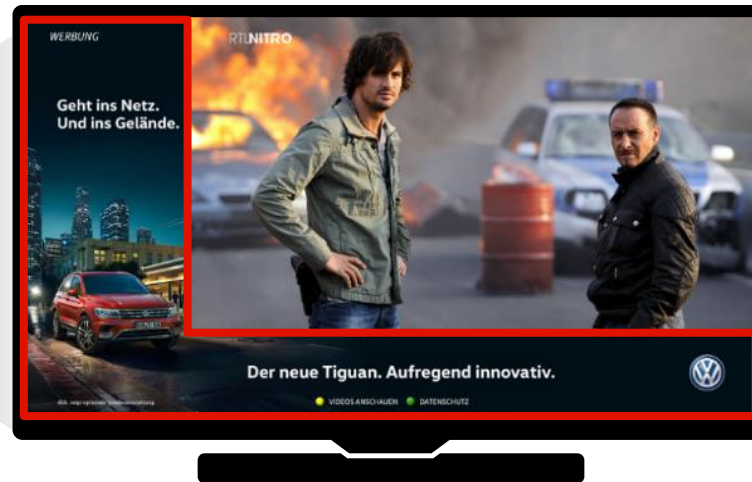
PROGRAMMATIC  
REVENUE  
YoY growth

# Advertising technology

## Clear leader in Addressable TV<sup>1)</sup> in Germany



Ad overlays during  
normal TV programme



- **Linked** to interactive microsites via red button
- **Enriched** with additional information (e.g. weather data)
- **Individualised** for target groups (e.g. by city)



### FAST GROWING MARKET

Growth of Addressable TV enabled (HbbTV) households in 2016

**+56%**

### EXCLUSIVE PARTNER

18 German TV channels use Smartclip as exclusive technical provider for their addressable TV inventory<sup>2)</sup>

**18**

### LEADING CHANNELS ONBOARDED

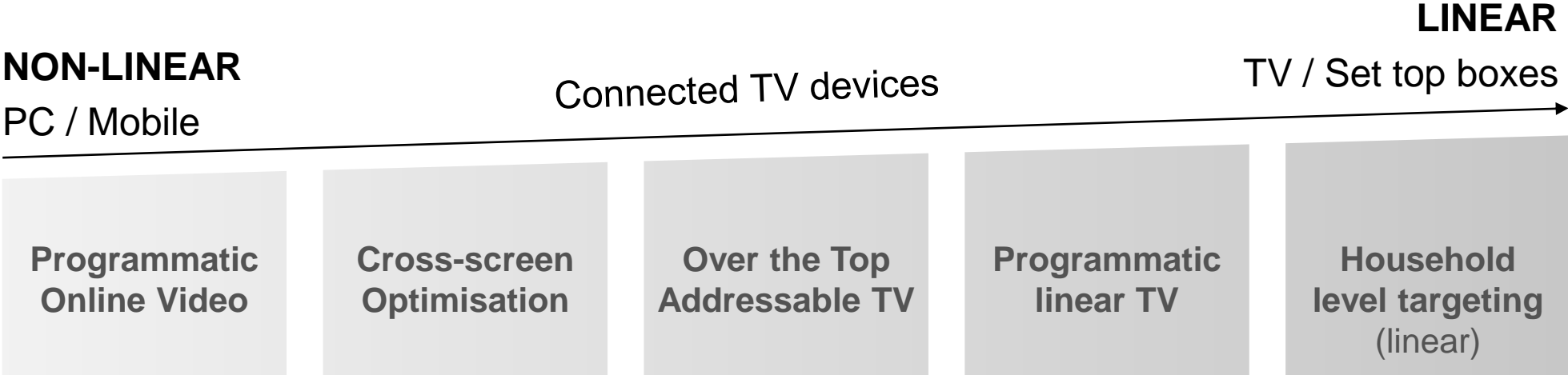
Combined audience share of partner channels (in TG 14-59)

**40%**

1.) Via HbbTV SmartTVs 2.) Incl. 7 channels of Mediengruppe RTL Deutschland

Advertising technology

Covering the ‘Total TV’ advertising monetisation



# Agenda



**Full-year  
2016 highlights**

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**Group  
financials**

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**Business  
update**

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**Outlook  
2017**

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# RTL Group Outlook for 2017

1

**Revenue** expected to grow moderately, predominantly driven by the Group's digital businesses



2

**EBITDA** to be broadly stable







**THANK YOU!**





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conversation  
using  
**#RTLResults**

# QUESTIONS & ANSWERS

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