

INTERIM RESULTS H1/2017

JANUARY TO JUNE 2017



LUXEMBOURG, 30 AUGUST 2017

RTL
GROUP

ENTERTAIN. INFORM. ENGAGE.

Agenda



Group highlights



Group financials



Operational highlights



Future proofing our business and Outlook

Group highlights

'Total Video' strategy paying off

A	Revenue growth	➤	Solid performance in challenging TV ad markets, content revenue moderately up
B	Diversified revenue streams	➤	Dependency on TV advertising below 50%, high growth in digital and platform revenue
C	Consistent strategy	➤	'Total Video' approach accelerating, additional investments in ad tech

A Revenue growth
Solid interim financial results

Revenue	€ 2,978 million	+3.5%	EBITDA Margin 21.0%
EBITDA	€ 626 million		
EBITA	€ 533 million		
Net Profit	€ 320 million	€ 1.00 interim dividend	

B Diversified revenue streams

Share of TV ad revenue below 50%, digital growing rapidly

RTL GROUP HY 2017 REVENUE SPLIT

(in %)

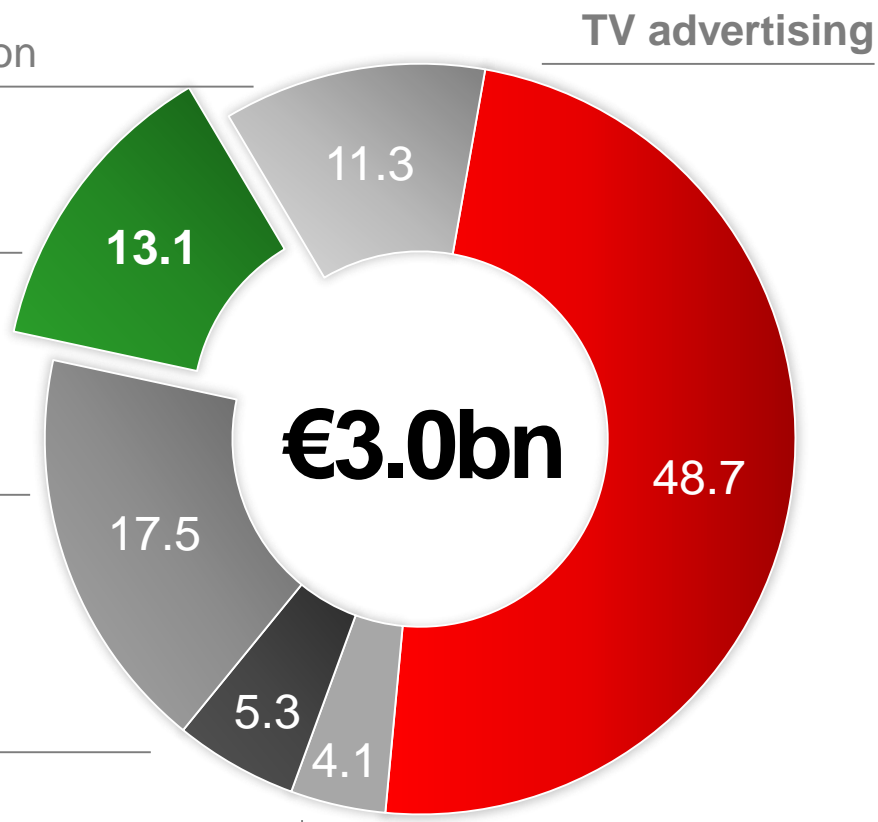
Other diversification

Digital

Content

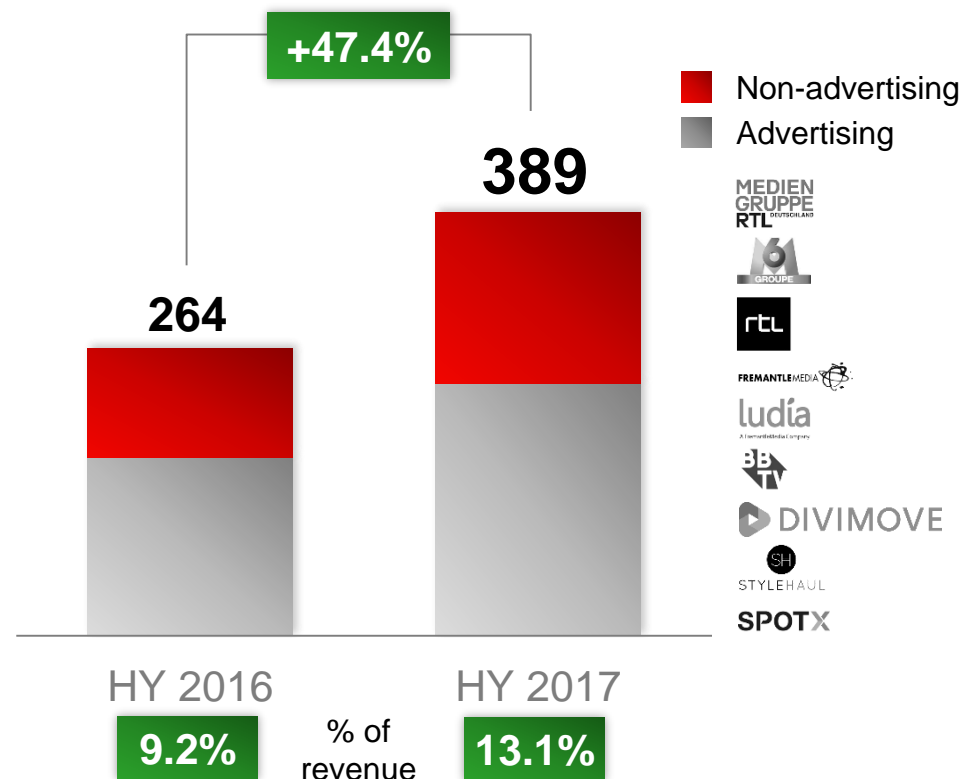
Platform revenue¹

Radio advertising



DIGITAL REVENUE

(in € million)¹



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

B Diversified revenue streams

TV platform revenues are continuing to grow by double-digits

RTL GROUP HY 2017 REVENUE SPLIT

(in %)

Other diversification

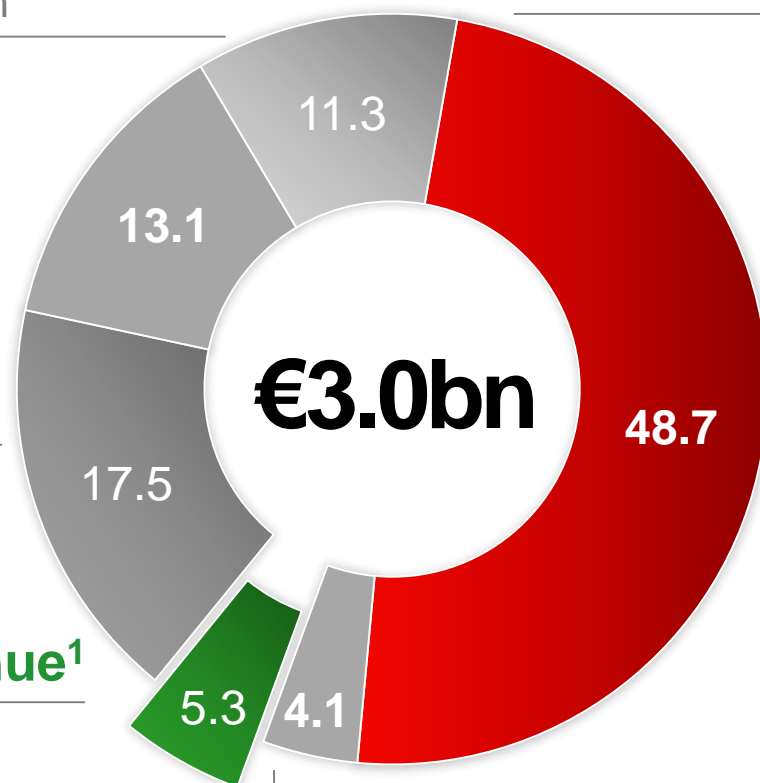
Digital

Content

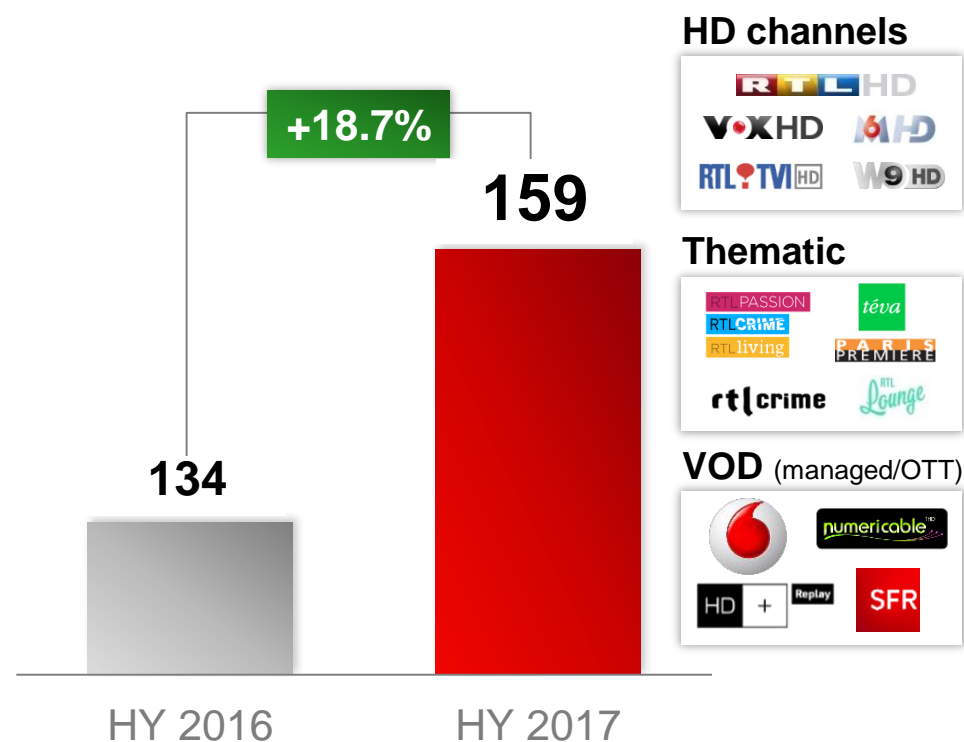
Platform revenue¹

Radio advertising

TV advertising



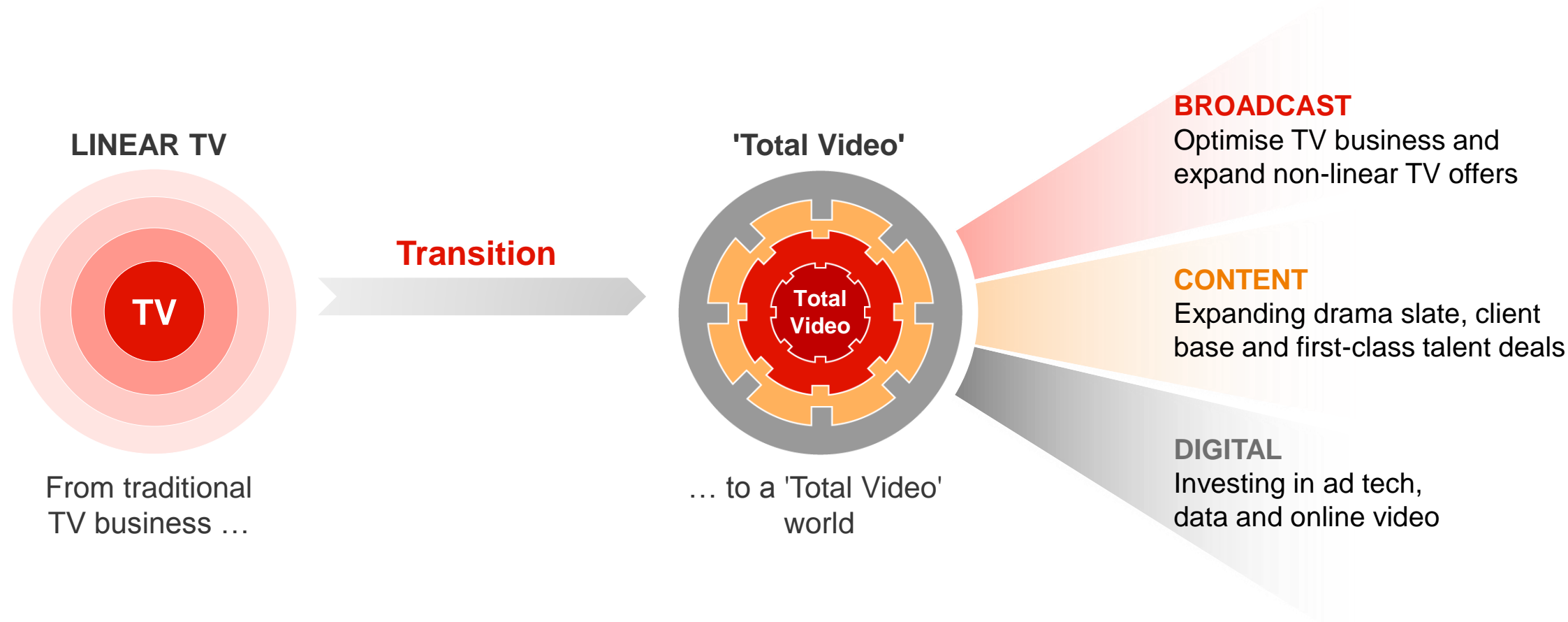
RTL GROUP PLATFORM REVENUE (in € million)¹



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

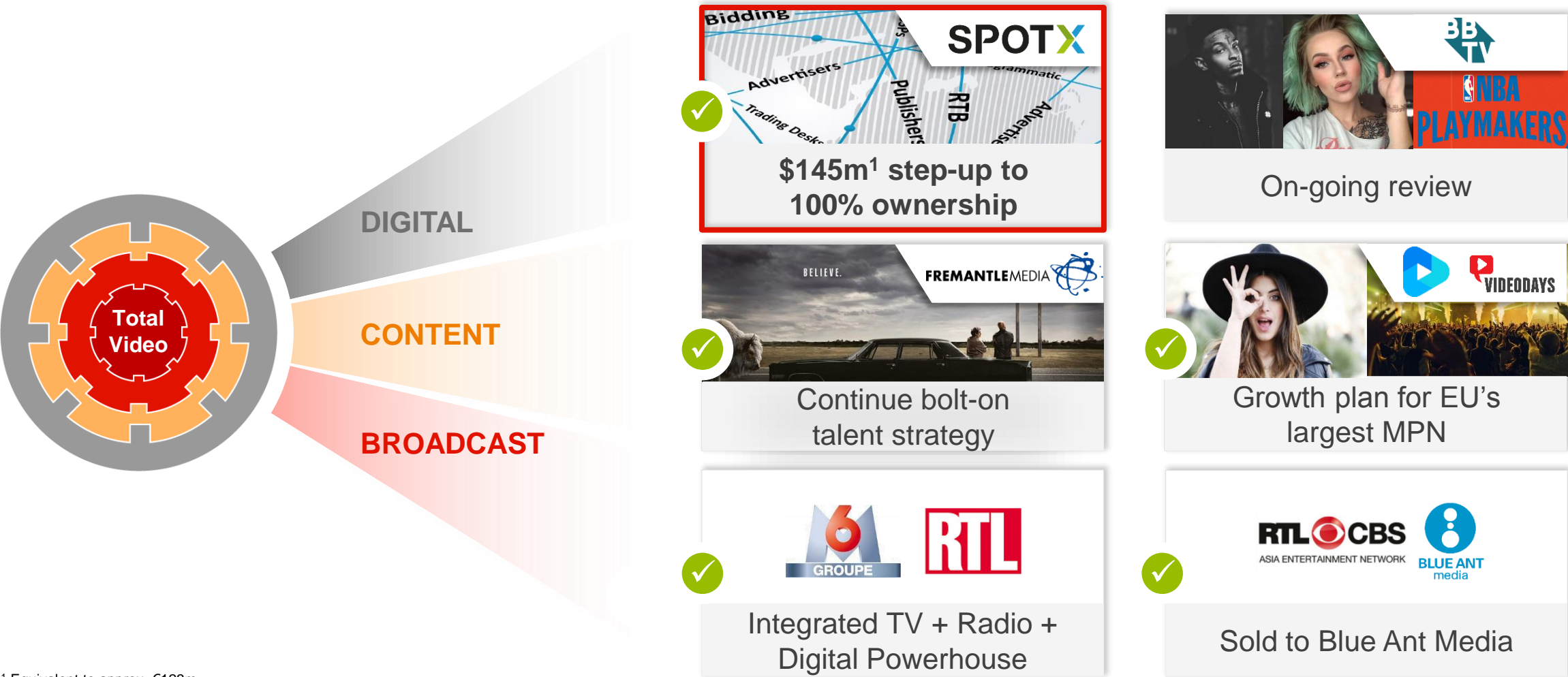


Consistent strategy
RTL Group transitioning to 'Total Video'



Group highlights

We continue to optimise our investment portfolio



¹ Equivalent to approx. €123m

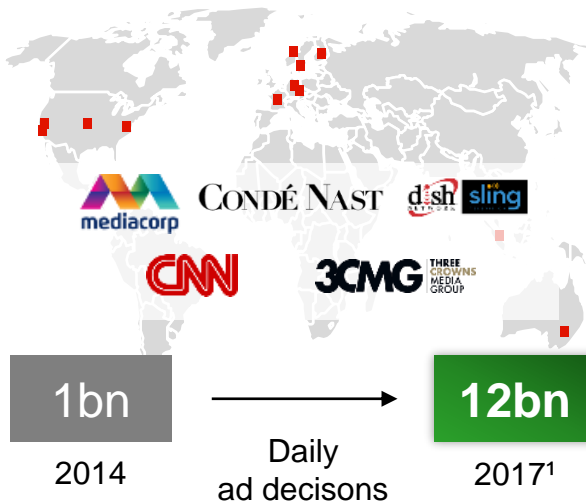
SpotX step-up

Doubling down on SpotX – a cornerstone of our future monetisation skills

RTL Group agreed to exercise call option and acquire remaining 36.4% of SpotX

SPOTX

**Growing client base
on global platform**



**Already advanced to a
leading global ad-stack**

- 1 DoubleClick
by Google
- 2 Freewheel[®]
- 3 **SPOTX**

**Close collaboration between
Smartclip and SpotX**



- Build ad tech hub for RTL Group
- Increase development power, building innovative services (e.g. Connected TV)

¹ Comparison of beginning of 2014 to 2017

Agenda



**Group
Highlights**



**Group
financials**



**Operational
highlights**



**Future proofing our
business and Outlook**

Review of results 30 June 2017

Q2/2017: Strong revenue growth

(in € million)	Quarter to 30 June 2017	Quarter to June 2016	Per cent change
Revenue	1,573	1,446	+8.8
Reported EBITDA	362	391	(7.4)
Reported EBITDA margin (%)	23.0	27.0	
Adjusted EBITDA¹	362	348	+4.0
Adjusted EBITDA margin (%)	23.0	24.1	
Reported EBITA	315	351	(10.3)
EBITA margin	20.0	24.3	

¹ Adjusted EBITDA: 2016 reported EBITDA adjusted for one-off income from the M6 Mobile compensation (€43 million)

Review of results 30 June 2017

H1/2017: Moderate revenue growth

(in € million)	Half-year to June 2017	Half-year to June 2016	Per cent change
Revenue	2,978	2,878	+3.5
Underlying revenue	2,938	2,874	+2.2
Operating cost base	2,494	2,413	+3.4
EBITDA	626	679	(7.8)
EBITDA margin (%)	21.0	23.6	
Adjusted EBITDA¹	626	636	(1.6)
Adjusted EBITDA margin	21.0	22.1	
EBITA	533	580	(8.1)
EBITA margin (%)	17.9	20.2	
Net debt	(1,000)	(958)	–

¹ Adjusted EBITDA: 2016 reported EBITDA adjusted for one-off income from the M6 Mobile compensation (€43 million)

Review of results 30 June 2017

Bridge from EBITDA to net profit

(in € million)	Half-year to June 2017	Half-year to June 2016	Per cent change
Reported EBITDA	626	679	(7.8)
Depreciation, amortisation and impairment	(101)	(107)	
Re-measurement of earn-out arrangements and gain / (loss) from sale of subsidiaries other investments and re-measurement to fair value of pre-existing interest in acquire	13	-	
Impairment of investments accounted for using the equity method	(2)	-	
Net financial income/(expense)	(8)	1	
Income tax expense	(165)	(183)	(9.8)
Profit for the period	363	390	(6.9)
<i>Attributable to:</i>			
RTL Group shareholders	320	341	(6.2)

Review of results 30 June 2017

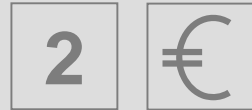
Lower cash generation reflects FremantleMedia's drama investments

(in € million)	Half-year to June 2017	Half-year to June 2016
Net cash flow from operating activities	214	403
Add: Income tax paid	264	190
Less: Acquisition of assets, net	(62)	(82)
Equals: Reported free cash flow (FCF)	416	511
Reported EBITA	533	580
EBITA conversion (FCF/EBITA)	78%	88%

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**Group
highlights**



**Group
financials**



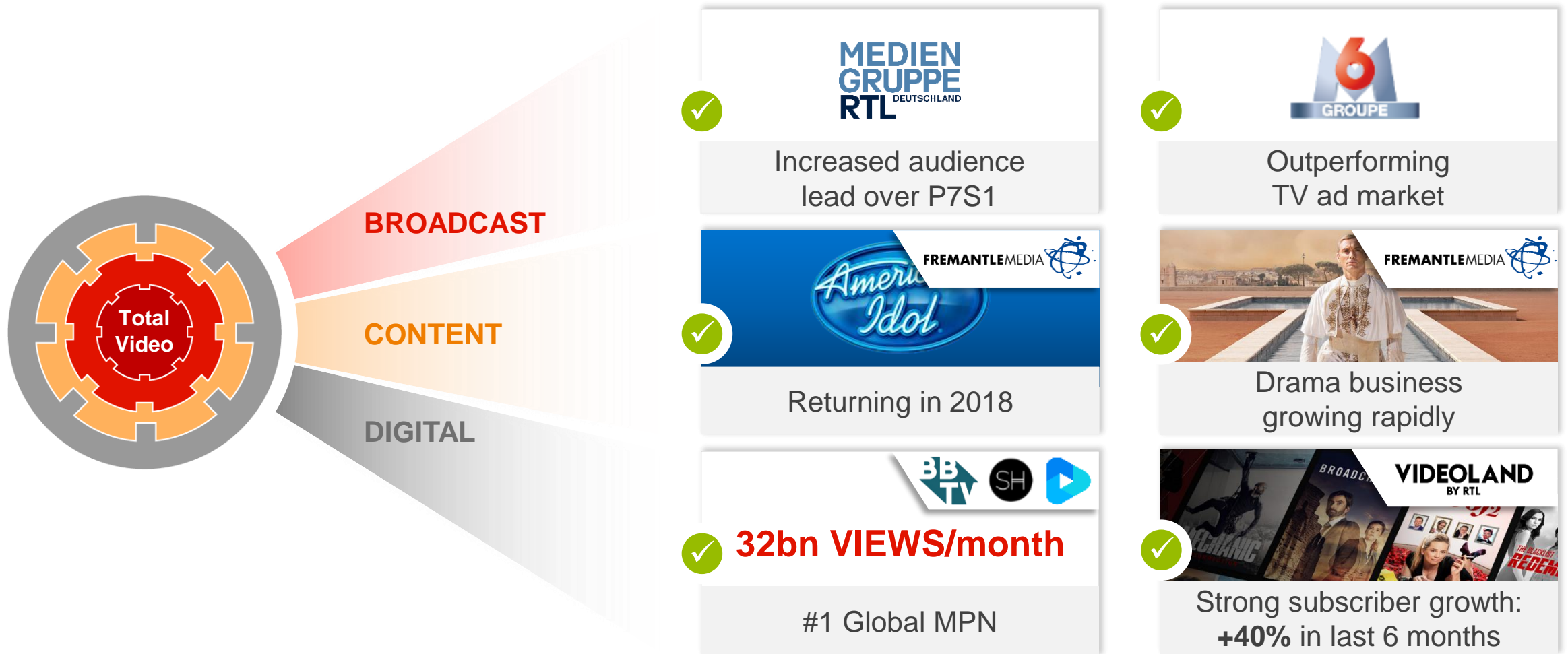
**Operational
highlights**



**Future proofing our
business and Outlook**

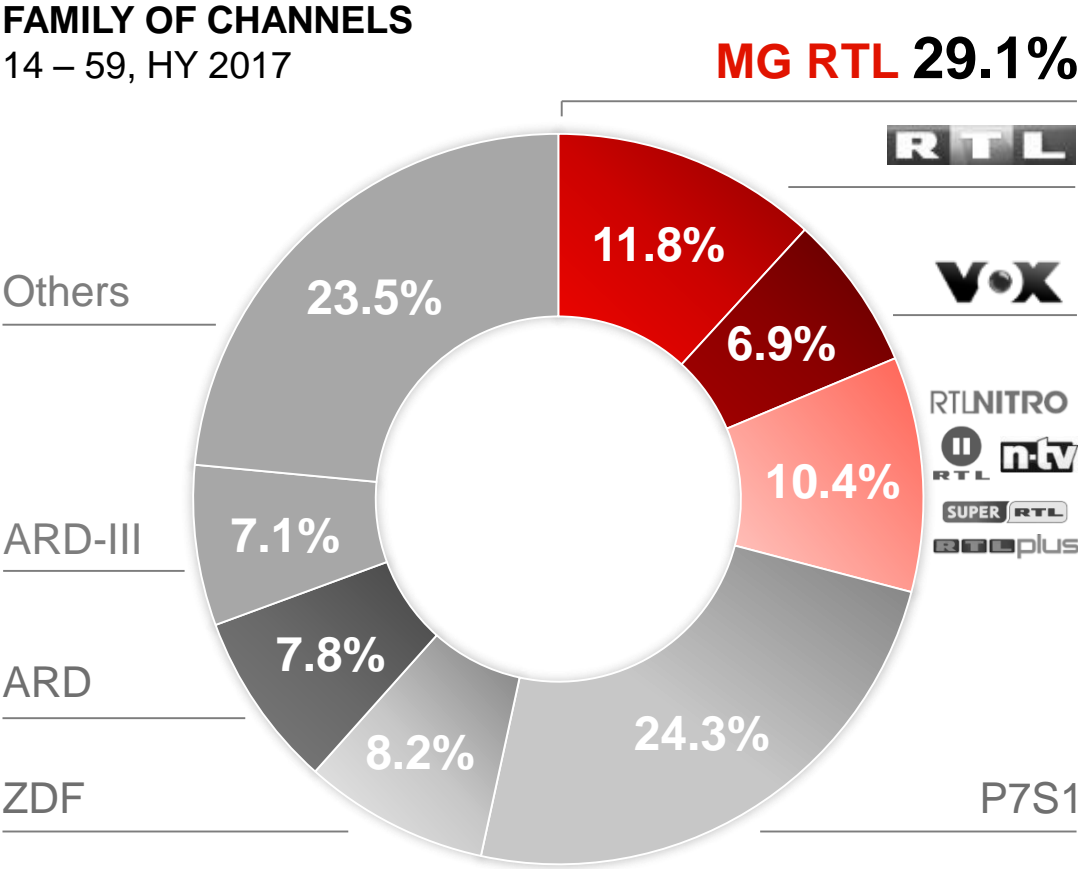
Operational highlights

We continue to strengthen our competitive position



Mediengruppe RTL Deutschland

Out-performing TV advertising market ...

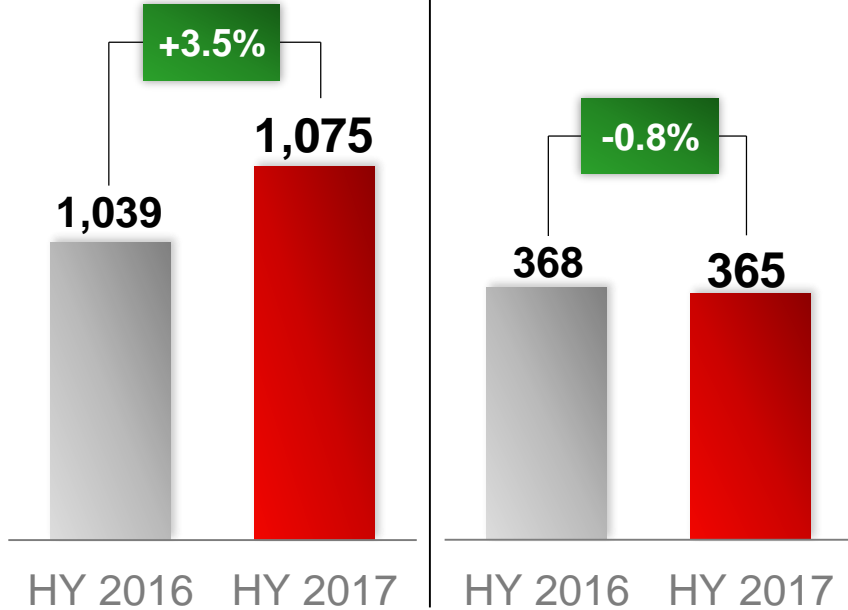


KEY FINANCIALS
(in € million)

-2 to -3%
TV ad market

REVENUE

EBITDA

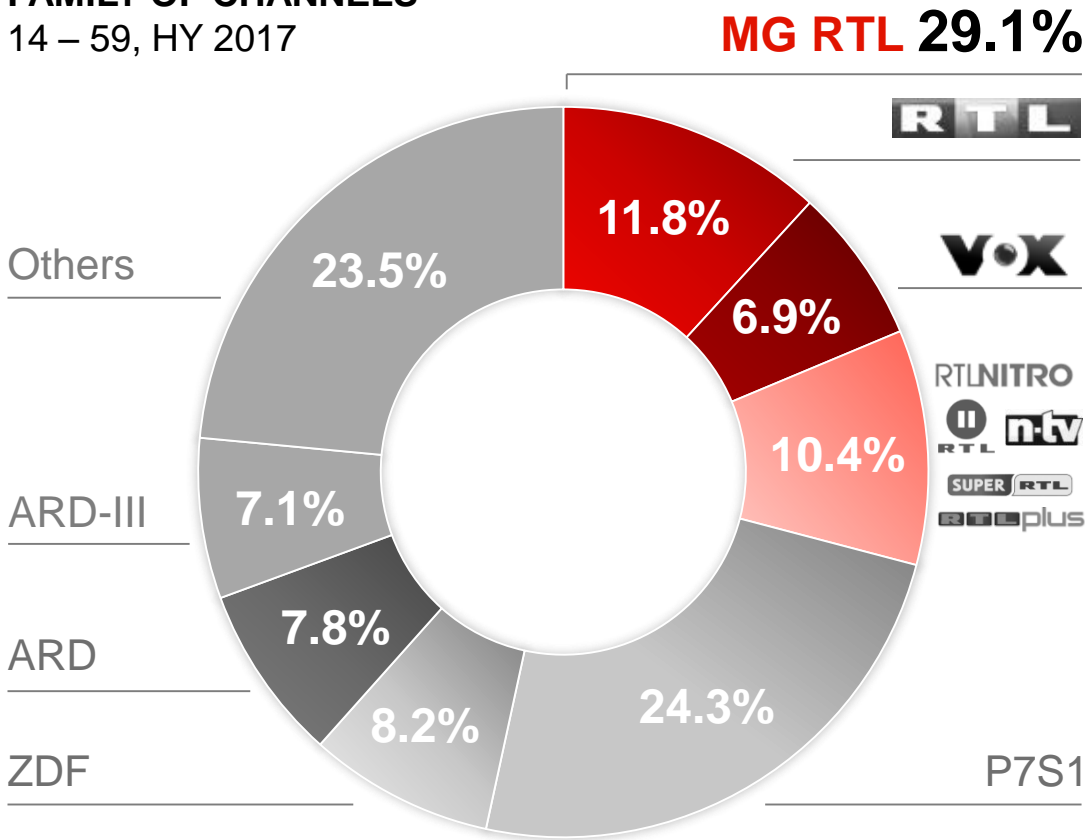


Source: AGF in cooperation with GfK
Note: MG RTL De including RTL II and Super RTL, excluding pay-TV channels

Mediengruppe RTL Deutschland

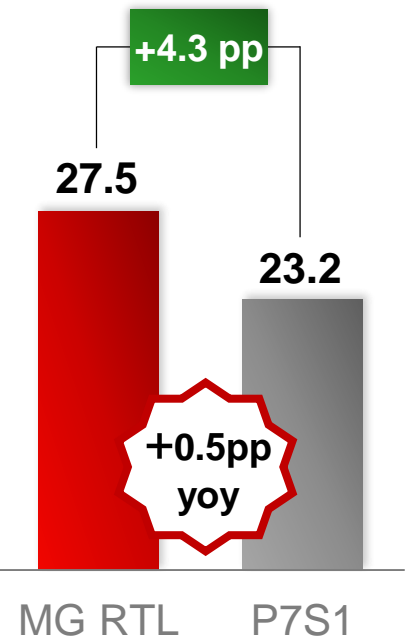
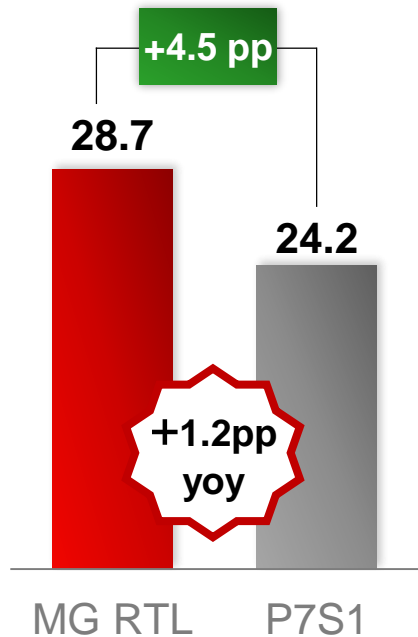
...and also growing audience share lead over P7S1

FAMILY OF CHANNELS
14 – 59, HY 2017



ACCESS PRIME TIME
(17 – 20h) 14 – 59 (in %)

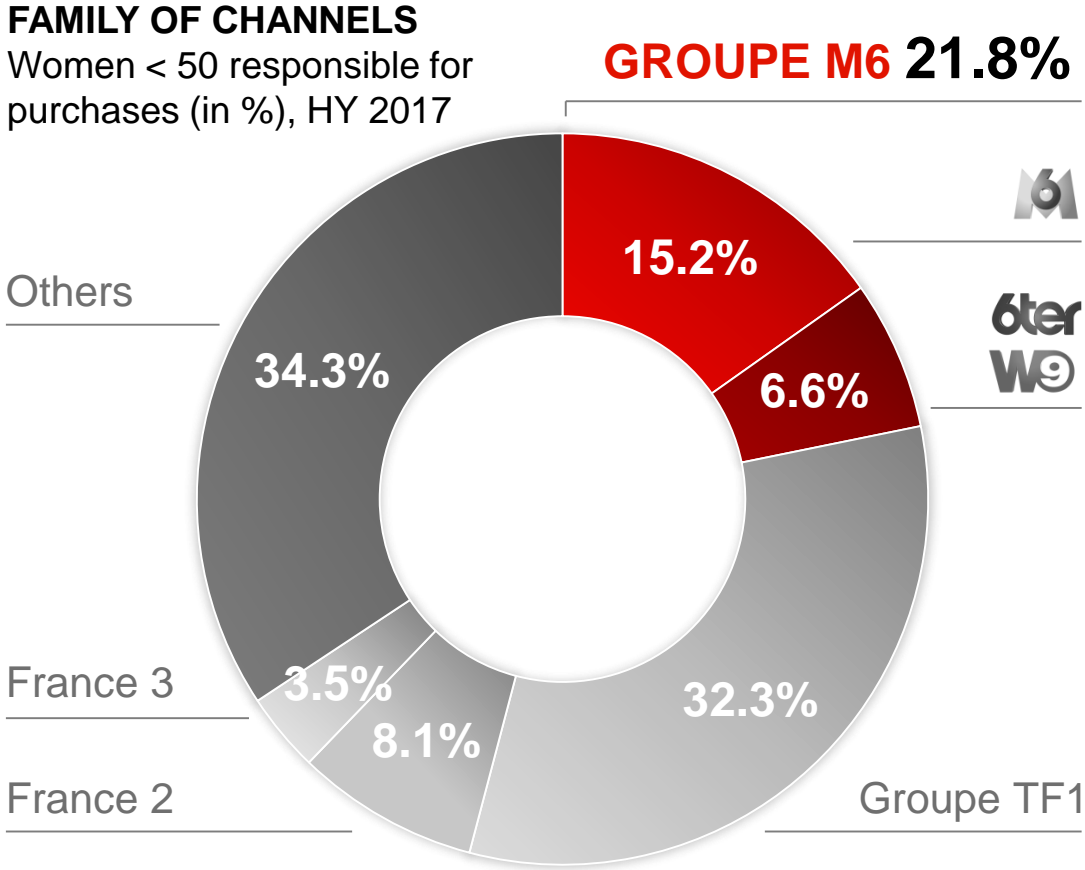
PRIME TIME
(20 – 23h) 14 – 59 (in %)



Source: AGF in cooperation with GfK
Note: MG RTL De including RTL II and Super RTL, excluding pay-TV channels

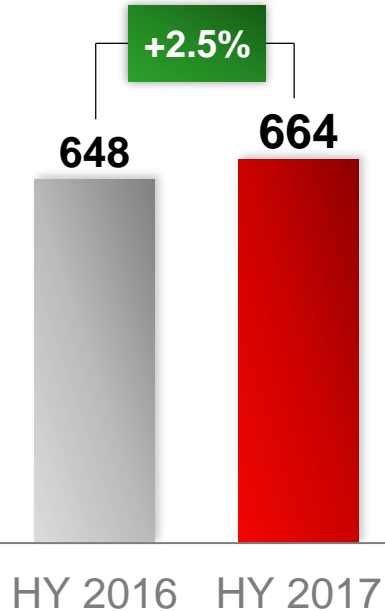
Groupe M6

Continues to out-perform TV ad market

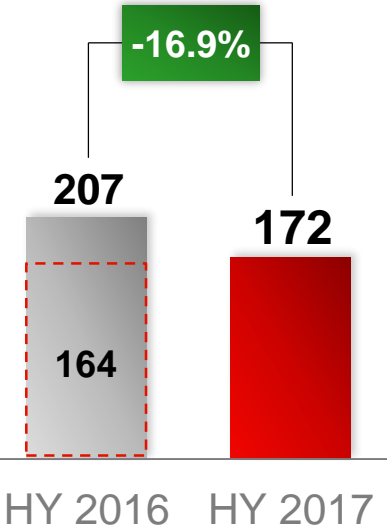


KEY FINANCIALS
(in € million)

REVENUE



EBITDA



-0.4%
TV ad market

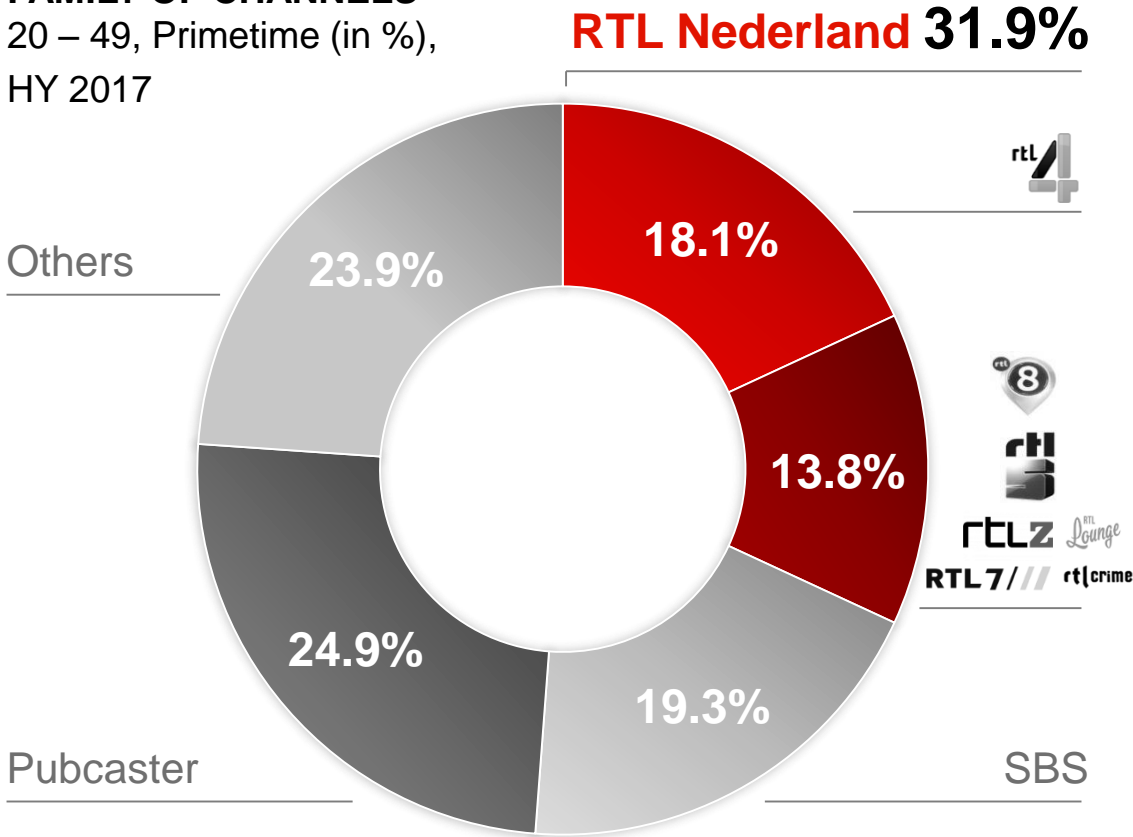
- Adjusted EBITDA

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

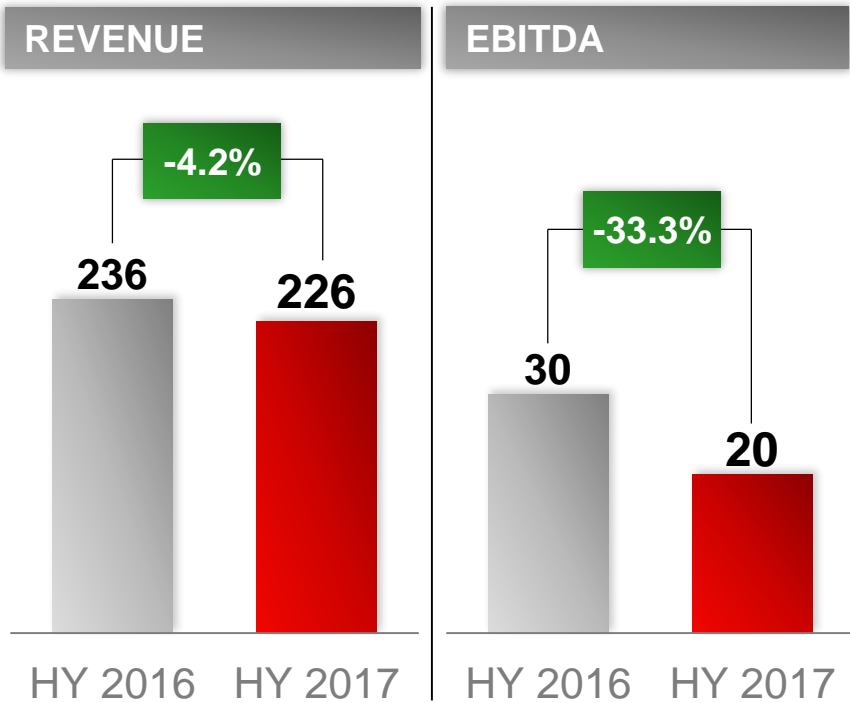
RTL Nederland

Strong audience performance in tough market

FAMILY OF CHANNELS
20 – 49, Primetime (in %),
HY 2017



KEY FINANCIALS
(in € million)



Source: SKO

Other markets

Mixed picture across Europe

■ Revenue ■ EBITDA (in € million)

BELGIUM

- Clear market leader
- Lower revenue in weak ad market

96

19

FRENCH RADIO

- #1 Radio in France
- Lower revenue and EBITDA

79

6

SPAIN (shown at 100%)

- Good performance in tough market

551

117

HUNGARY

- Higher platform revenue
- EBITDA up including one-off ad tax reimbursement

51

18

CROATIA

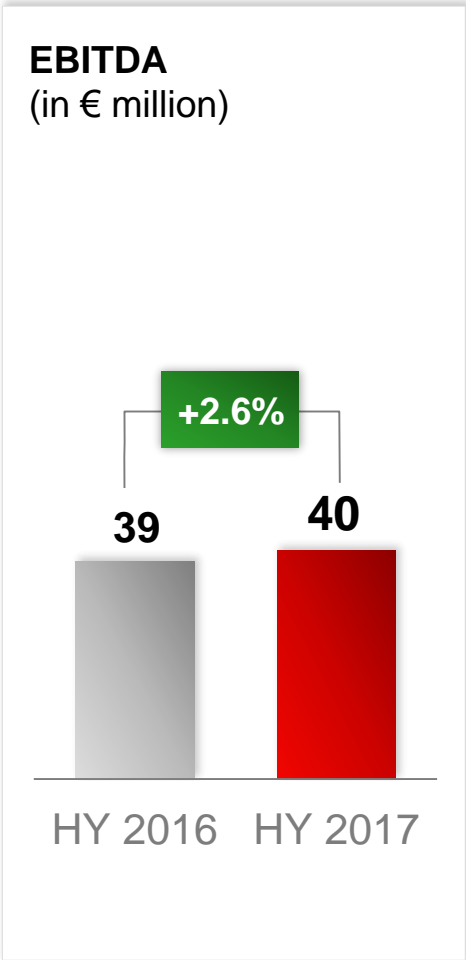
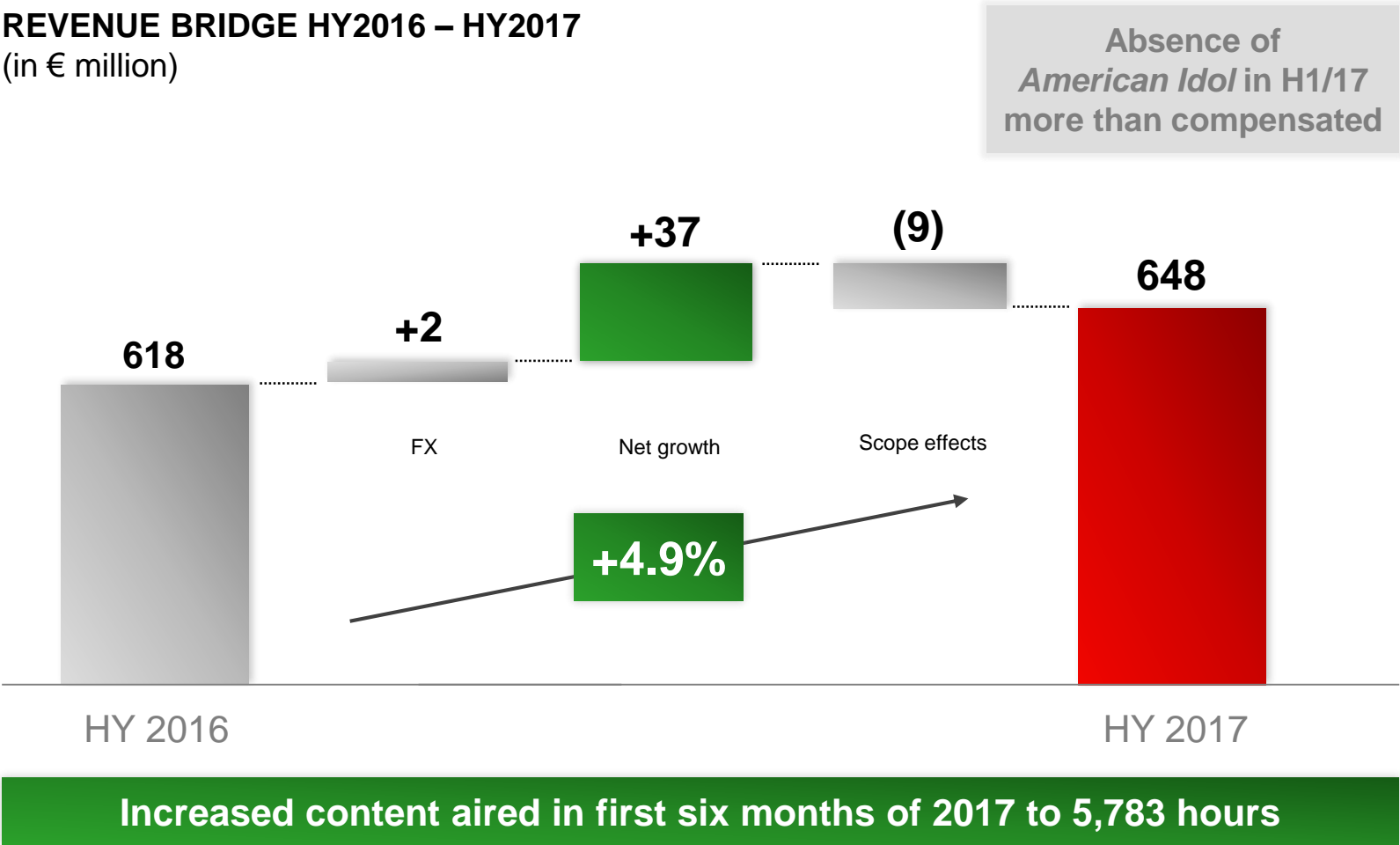
- Revenue stable; out-performing TV ad market

19

(3)

FremantleMedia

Moderate revenue and EBITDA growth driven by...



FremantleMedia

... a strong drama performance, especially by American Gods

Successful season with
both critics & audiences¹

Ratings

94%

Critics

84%

Audiences

3rd best original series
debut for Starz, renewed
for a 2nd season

starz

Among top 10 downloaded
series on Amazon Prime
Video in the UK²

amazon
prime video



¹ Refers to ratings from rottentomatoes.com, ² Variety

American Idol



2002



2005



2009



2018

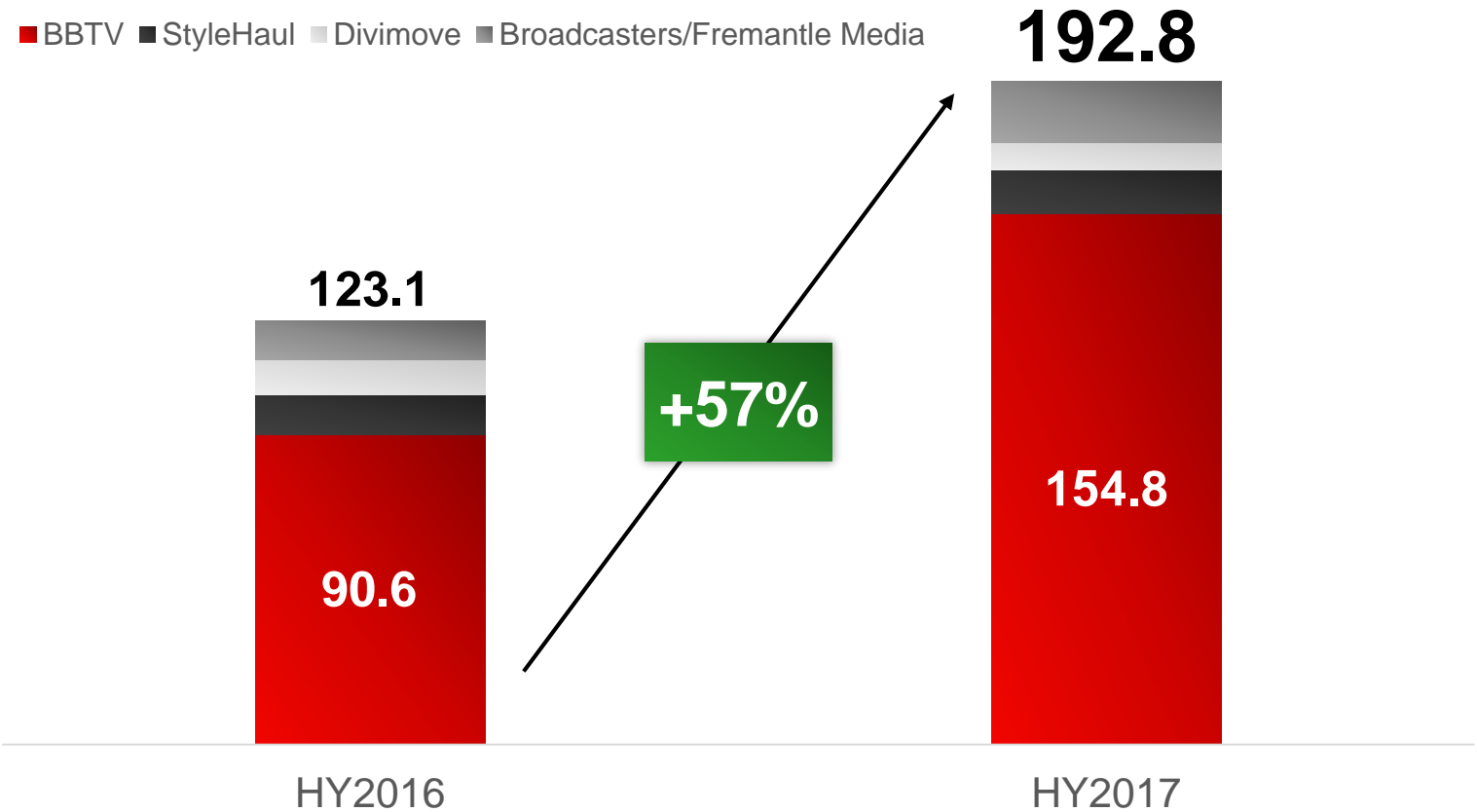


Multi-platform networks

Global No. 1 position in YouTube ecosystem

RTL GROUP TOTAL VIDEO VIEWS¹ HY2016 – HY2017
(in billions)

■ BBTV ■ StyleHaul ■ Divimove ■ Broadcasters/Fremantle Media



**32bn
views/month**

#1 Global MPN



#1 Fashion MPN

STYLEHAUL

#1 MPN in EU



DIVIMOVE

MEDIEN
GRUPPE
RTL
DEUTSCHLAND

rtl

6
GRUPE

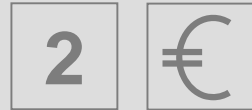
FREMANTLEMEDIA

¹ Internal figures includes views from all RTL Group entities including own and operated platforms, consolidated view for BroadbandTV, StyleHaul and Divimove

Agenda



Group Highlights



Group financials



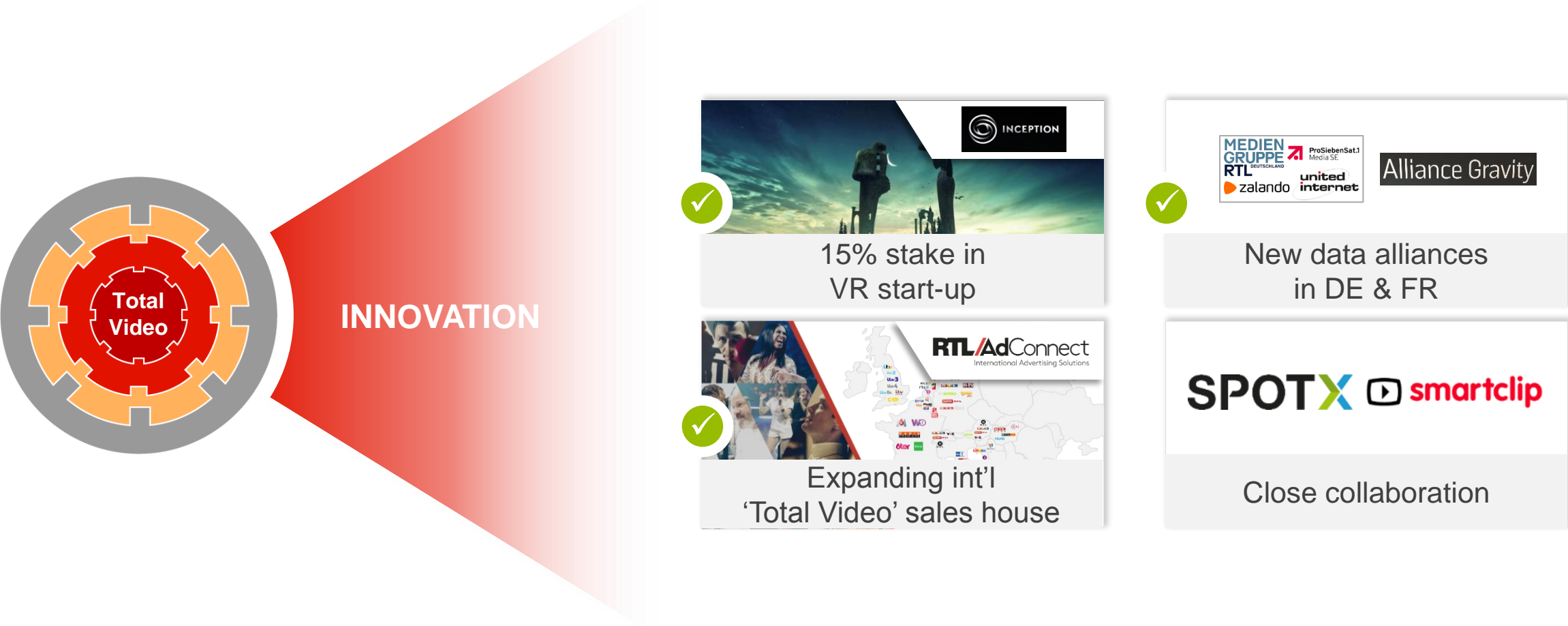
Operational highlights



Future proofing our business and Outlook

Future proofing our business and Outlook

We continue to invest for the future



RTLAdConnect

Launch of 1st international 'Total Video' sales house



- **Unique 'Total Video' footprint**
 - 100 TV channels, 30 radio stations,
 - 300 digital platforms in 12 markets
- **Reaching more audiences**
 - 160m TV viewers every day
 - 26bn video views per month
- **Providing innovative solutions**
 - From branded content to programmatic video across screens



Growing business representing leading international media partners

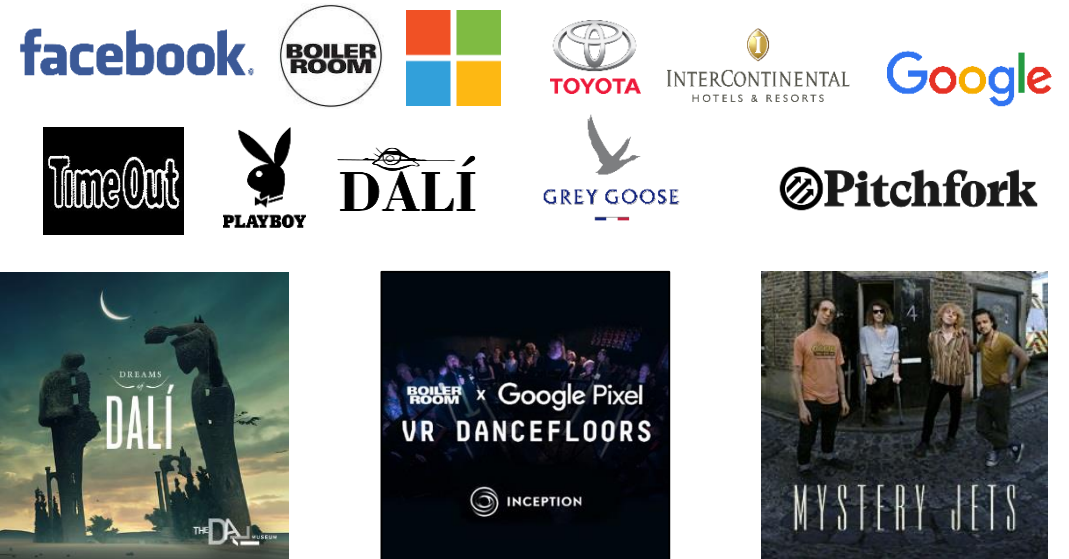
Innovation

Investment in Virtual Reality



Acquisition of 15% minority stake in Israeli VR/AR start-up

- VR startup founded in 2016 in Tel Aviv
- Leading next generation content network
- Top 5 entertainment virtual reality app
- End-to-end production, tech and distribution skills
- Focused on producing & aggregating premium VR & AR experiences



Selected as beta partner for Facebook's AR pilot



Selected as core partner for Microsoft's 'Mixed Reality' project

Outlook

Maintain financial guidance for full-year 2017

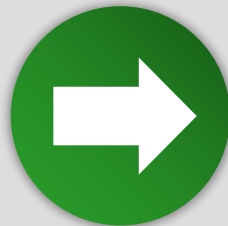
1

Revenue expected to grow **moderately**, in line with previous guidance



2

Reported EBITDA expected to be **broadly stable**



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