

RTL Group: first quarter 2020

- **Group revenue down 3.4 per cent to €1,466 million**
- **Increased audience shares in Germany, France and the Netherlands; RTL Group's comprehensive news reporting generates record ratings**
- **Paying subscribers for RTL Group's streaming services TV Now and Videoland up 34 per cent to 1.53 million**

Luxembourg, 30 April 2020 – RTL Group today published the following quarterly statement for the first three months of 2020 (Q1/2020).

Thomas Rabe, Chief Executive Officer of RTL Group, says:

“At RTL Group, we continue to monitor the rapid worldwide spread of the coronavirus disease closely, placing the highest priority on the health of our employees and on protecting our businesses. Our TV channels, radio stations, streaming services and websites have registered significantly higher reach and usage as they provide information and entertainment to millions of people who face unprecedented disruption to their daily lives. RTL Group's businesses are part of their countries' critical infrastructure. I am pleased that we are running numerous initiatives that include awareness campaigns and thank-you messages for the daily heroes in the current crisis.

At the beginning of March, we registered first cancellations of advertising bookings, as well as postponements of productions. This trend has accelerated with the introduction of wide-ranging lockdown measures across Europe in later March. We are making good progress in implementing counter measures to reduce costs and preserve liquidity.

Despite the economic uncertainty, RTL Group's three-priority strategy – core, growth, alliances & partnerships – remains unchanged. We maintain our mid-term targets for the streaming services TV Now in Germany and Videoland in the Netherlands to grow their total number of paying subscribers to between 5 and 7 million, to grow streaming revenue to at least €500 million and to break even by 2025. The growth in paying subscribers and streaming revenue in the first quarter of 2020 is in line with the boost plans we presented in March.”

Revenue

| | Q1/2020 € million | Q1/2019 ¹ € million | Per cent change |
|---------------------------------------|----------------------|-----------------------------------|--------------------|
| Total revenue | 1,466 | 1,518 | (3.4) |
| Underlying revenue² | 1,441 | 1,490 | (3.3) |
| Broadcast³ | 1,035 | 1,087 | (4.8) |
| Content (Fremantle) | 378 | 383 | (1.3) |
| Digital | 103 | 100 | +3.0 |
| (BBTV, Divimove & SpotX) | | | |
| Eliminations | (50) | (52) | – |

Reported Group revenue was down 3.4 per cent to €1,466 million (Q1/2019: €1,518 million), mainly due to lower TV advertising revenue resulting from the impact of the coronavirus pandemic. Underlying revenue was €1,441 million (Q1/2019: €1,490 million).

Revenue from RTL Group's broadcasting operations was down 4.8 per cent to €1,035 million (Q1/2019: €1,087 million).

Content revenue, which represents Fremantle, was down 1.3 per cent to €378 million (Q1/2019: €383 million), mainly as a result of timing effects.

Digital revenue generated by BBTV, Divimove and SpotX was up 3.0 per cent to €103 million (Q1/2019: €100 million), thanks to growth at all three businesses. Streaming revenue⁴ from TV Now and Videoland was up 19.4 per cent to €37 million (Q1/2019: €31 million), thanks to the increased number of streaming subscriptions.

As a result, RTL Group's total digital revenue⁵ was up 5.9 per cent to €233 million (Q1/2019: €220 million).

Net debt

RTL Group has low levels of debt and significant, unused and committed Bertelsmann credit facilities with no maturities before 2023. As of 31 March 2020, RTL Group had a net debt⁶ position of €200 million (31 December 2019: net debt of €384 million).

¹ As the management of RTL Group's European ad-tech businesses report to Mediengruppe RTL Deutschland, the figures for Q1/2019 were re-stated

² Adjusted for scope changes, the wind-down of StyleHaul and at constant exchange rates

³ Combined revenue of Mediengruppe RTL Deutschland, Groupe M6, RTL Nederland, RTL Belgium, RTL Hungary, RTL Croatia and RTL Luxembourg

⁴ Streaming revenue includes SVOD, TVOD, in-stream revenue from TV Now and Videoland

⁵ "Digital" refers to internet-related activities with the exception of online sales of merchandise ("e-commerce"). Digital revenue spreads over the different categories of revenue, i.e. other advertising sales, revenue from distribution and licensing content, consumer and professional services

⁶ The net debt excludes current and non-current lease liabilities. Including these, net debt amounts to €625 million (31 December 2019: €816 million)

Net TV advertising market growth rates and RTL Group audience shares in main target groups

RTL Group estimates that the net TV advertising markets were down across RTL Group's key markets. 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 group.

| | Q1/2020 net TV advertising market growth rate (in per cent) | RTL Group audience share in main target group Q1/2020 (in per cent) | RTL Group audience share in main target group Q1/2019 (in per cent) |
|-----------------|---|---|---|
| Germany | (4.0) to (4.5) ⁷ | 28.5 ⁸ | 28.2 ⁸ |
| France | (12.0) ⁹ | 22.0 ¹⁰ | 21.5 ¹⁰ |
| The Netherlands | (7.0) ⁷ | 31.1 ¹¹ | 31.0 ¹¹ |

Operational highlights

At the end of March 2020, RTL Group registered **1.53 million paying subscribers** for its streaming services TV Now in Germany and Videoland in the Netherlands, up 34 per cent year on year. Both services have seen a higher growth rate for new subscribers since the introduction of lockdown measures in mid-March 2020. In France, Groupe M6's streaming service 6play recorded additional one million registered users and a 45 per cent increase of videos viewed between 16 March and 16 April 2020.

During the coronavirus pandemic, RTL Group was able to increase its net reach, viewing times and digital usage across its channels, platforms and countries. In March 2020, **Mediengruppe RTL Deutschland's** news channel, NTV, more than doubled its audience share to 1.9 per cent for 14 to 59-year-olds year on year (March 2019: 0.9 per cent), was watched increasingly by younger audiences and was the leading news brand among information broadcasters in Germany. In France, **M6's** news formats *Le 1245* and *Le 1945* registered average audience shares of 21.1 per cent and 19.0 per cent in the commercial target group for March 2020. From the beginning of lockdown in France until the end of March 2020, *Le 1245* recorded an audience growth of 90 per cent compared to the average of the season 2019/2020.

Fremantle had a successful start to 2020 with *American Idol*, *America's Got Talent: The Champions* and the reality-dating formats *Five Guys a Week* on Channel 4 and *Too Hot to Handle* on Netflix. Fremantle also continued its push into drama production with the launches of *The New Pope* on Sky Italia, *Baghdad Central* on Channel 4 and the UFA Fiction film *Betonrausch* on Netflix. *Too Hot to Handle* is about to become one of the biggest competition shows on Netflix. The show has reached the top of Netflix's 'most-watched' charts in the UK, US and Canada, numerous European countries as well as Pakistan and South Africa.

⁷ Industry/IREP and RTL Group estimates

⁸ Source: GfK, Target group: 14 to 59, including pay-TV channels

⁹ Source: Groupe M6 estimate

¹⁰ Source: Médiamétrie. Target group: women under 50 responsible for purchases (free-to-air channels M6, W9, 6ter and Gulli as of September 2019)

¹¹ Source: SKO. Target group: 25 to 54, 18h-24h

One year after the launch of the German audio platform **Audio Now** in March 2019, the service has launched 80 original podcasts and already registered an average of 6 million monthly users.

Outlook

Given the current economic uncertainty, RTL Group's Board of Directors decided on 2 April 2020 to withdraw the previous outlook (dated 13 March 2020) which did not reflect the coronavirus outbreak.

As stated on 2 April 2020, global economic development and prospects have significantly deteriorated since mid-March, when RTL Group gave its outlook statement. The Group is currently not in a position to provide a new outlook for the full year 2020.

Figures presented in this quarterly statement are not audited.

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About RTL Group

RTL Group is a leader across broadcast, content and digital, with interests in 68 television channels, eight streaming platforms and 30 radio stations. RTL Group also produces content throughout the world and owns several rapidly growing digital video businesses. The television portfolio of Europe's largest broadcaster includes RTL Television in Germany, M6 in France, the RTL channels in the Netherlands, Belgium, Luxembourg, Croatia, Hungary and Antena 3 in Spain. RTL Group's families of TV channels are either the number one or number two in eight European countries. The Group's flagship radio station is RTL in France, and it also owns or has interests in other stations in France, Germany, Belgium, Spain and Luxembourg. RTL Group's content business, Fremantle, is one of the world's largest creators, producers and distributors of scripted and unscripted content. Fremantle has an international network of production teams, companies and labels in over 30 countries, producing over 12,800 hours of original programming and distributing over 20,000 hours of content worldwide. Combining the streaming-services of its broadcasters (such as TV Now, 6play, Videoland), the digital video networks BroadbandTV and Divimove; and Fremantle's more than 300 YouTube channels, RTL Group has become the leading European media company in online video. RTL Group also owns the ad-tech businesses Smartclip and SpotX. RTL AdConnect is RTL Group's international advertising sales house. Bertelsmann is the majority shareholder of RTL Group. RTL Group is listed on the Luxembourg and Frankfurt stock exchanges and in the MDax stock index.

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