

Quarterly statement

Q1/2023: RTL Group's streaming services continue to grow strongly; TV advertising markets remain challenging

- Group revenue down 9.0 per cent to €1.4 billion due to challenging TV advertising markets, in particular in Germany, and scope effects; Group revenue down 7.7 per cent organically
- RTL Group's families of TV channels gained audience shares in Germany and France
- Digital Terrestrial Television (DTT) licence for French main channel M6 renewed for ten years
- Continued strong growth of RTL Group's streaming services RTL+ and Videoland: paying subscribers up 37.1 per cent to 5.9 million, streaming revenue up 15.6 per cent in Q1/2023
- Full-year outlook for 2023 confirmed, subject to a rebound of TV advertising markets in the second half of 2023: Group revenue of €7.3 billion to €7.4 billion; Adjusted EBITA of €1.0 billion to €1.05 billion

Luxembourg, 4 May 2023 – RTL Group today published the following quarterly statement for the first three months of 2023 (Q1/2023).

CEO's quote

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

"RTL Group made good progress on its strategic and operational agenda in the first quarter of 2023. We strengthened our core business with audience share gains in our largest markets, Germany and France, and renewed the exclusive broadcasting and streaming rights for the Uefa Europa and Conference League in Germany. We are pleased with the strong growth of our streaming businesses, adding more than 400,000 paying subscribers in the first quarter alone. Our global content business Fremantle has continued its creative success story across drama and film, entertainment and documentaries, with numerous awards and new partnerships with high-profile creatives such as Amy Berg and Edward Berger.

In line with our expectations, TV advertising markets were very challenging in the first quarter. As noted in March, our outlook is based on a rebound of the TV advertising markets in the second half of the year, in particular in Germany. On this basis, we confirm our outlook for the full year 2023."

Revenue

Group revenue was down 9.0 per cent to €1,422 million (Q1/2022: €1,562 million), mainly due to significantly lower TV advertising revenue and the disposals of RTL Belgium (31 March 2022) and RTL Croatia (1 June 2022), which were still fully consolidated in Q1/2022. Group revenue was down 7.7 per cent organically¹.

¹ Adjusted for portfolio changes and at constant exchange rates. Further details can be found in the section **Key performance indicators** on page 58 of RTL Group's Annual Report 2022

The revenue of RTL Group's content business, **Fremantle**, was down 5.6 per cent to €435 million (Q1/2022: €461 million), mainly due to timing effects of production deliveries.

Streaming revenue² from RTL+ and Videoland was up 15.6 per cent to €74 million (Q1/2022: €64 million), thanks to the rapidly growing number of RTL+ subscribers in Germany.

RTL Group's total **advertising revenue** was €700 million (Q1/2022: €829 million), of which €545 million represented **TV advertising revenue** (Q1/2022: €653 million), €76 million **digital advertising revenue** (Q1/2022: €83 million) and €39 million **radio advertising revenue** (Q1/2022: €46 million).

RTL Group's **distribution revenue**³ was slightly down by 1.8 per cent to €107 million (Q1/2022: €109 million) due to scope effects.

Net cash

As of 31 March 2023, RTL Group held net cash of €49 million⁴ (31 December 2022: net cash of €180 million). On 2 May 2023, RTL Group paid out the dividend for 2022 (€4.00 per share) amounting to €619 million.

TV markets

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

RTL Group estimates that in Q1/2023 net TV advertising markets were significantly down in Germany and France and slightly down in the Netherlands year on year. RTL Group does not yet see a recovery of the TV advertising markets in Q2/2023. 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.

	RTL Group estimate Q1/2023 net TV advertising market growth rate (in per cent)	RTL Group main target group audience share Q1/2023 (in per cent)	RTL Group main target group audience share Q1/2022 (in per cent)
Germany	-17.0 to -18.0 ⁵	27.6 ⁶	26.9 ⁶
France	-8.0 to -9.0 ⁷	22.6 ⁸	22.3 ⁸
Netherlands	-1.4 ⁵	33.5 ⁹	34.3 ⁹

² Streaming revenue includes SVOD, TVOD, in-stream and distribution revenue from RTL+ in Germany, RTL+ in Hungary (including RTL+/RTL+ Active/RTL+ Light) and Videoland/RTL XL in the Netherlands

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

⁴ Net cash/(debt) excludes current and non-current lease liabilities. Including these, net cash as of 31 March 2023 was €-222 million (31 December 2022: net cash of €-205 million). See **Key performance indicators** on page 61 of RTL Group's Annual Report 2022

⁵ Industry and RTL Group estimates

⁶ Source: GfK, Target group: 14 to 59

⁷ Source: Groupe M6 estimate

⁸ Source: Médiamétrie. Target group: women under 50 responsible for purchases (free-to-air channels: M6, W9, 6ter and Gulli)

⁹ Source: SKO. Target group: 25 to 54, 18h-24h

Operational highlights

As of 31 March 2023, RTL Group registered **5.909 million paying subscribers** for its streaming services RTL+ in Germany and Hungary, and Videoland in the Netherlands, an increase of **37.1** per cent year on year (end of March 2022: 4.309 million).

- Paying subscribers for **RTL+ in Germany** increased by **38.4** per cent year on year to **4.389** million (end of March 2022: 3.172 million). The strategic partnership with Deutsche Telekom to bundle RTL+ Premium in Magenta TV continued to contribute significantly to the growth.
- Paying subscribers for **Videoland** in the Netherlands grew **9.4** per cent year on year to **1.243** million (end of March 2022: 1.136 million).
- The number of paying subscribers for **RTL+ in Hungary** (including RTL+ Active) was 0.277 million at the end of March 2023. RTL+ in Hungary was launched in November 2022.¹⁰

In the first quarter of 2023, RTL Group's families of TV channels in Germany and France gained audience shares. In **Germany**, RTL Deutschland's combined audience share in the main commercial target group of viewers aged 14 to 59 increased to 27.6 per cent (Q1/2022: 26.9 per cent), extending the lead over its main commercial competitor ProSiebenSat1 to 6.4 percentage points (Q1/2022: lead of 4.7 percentage points). This was primarily driven by the main channel RTL which gained one percentage point and scored an average audience share of 10.5 per cent in the target group (Q1/2022: 9.5 per cent). In **France**, Groupe M6's combined audience share in the main commercial target group was slightly up to 22.6 per cent (Q1/2022: 22.3 per cent). **RTL Nederland's** combined primetime audience share in the main commercial target group decreased by 0.8 percentage points, but remained on a high level, at 33.5 per cent (Q1/2022: 34.3 per cent) – this was 13.0 percentage points ahead of the main commercial competitor, Talpa Network (Q1/2022: lead of 14.6 percentage points).

In February 2023, **RTL Deutschland** announced a **reorganisation of its publishing business** to focus on its core brands such as *Stern*, *Geo*, *Capital*, *Brigitte*, *Gala*, *Schöner Wohnen*, *Eltern* and *Chefkoch*, which account for around 70 per cent of the unit's publishing revenue. Other brands will be sold or discontinued. RTL Deutschland will invest a total of €80 million in its publishing business by 2025, €30 million thereof for the expansion of its paid offer Stern+. The reorganisation is progressing with the social plan signed at the end of March 2023 and portfolio adjustments underway.

In March 2023, RTL Deutschland announced the renewal of the exclusive broadcasting and streaming rights for the **Uefa Europa League** and **Uefa Europa Conference League**. For the seasons 2024/25 to 2026/27 the matches will be shown on its linear channels RTL and Nitro as well as its streaming service RTL+.

On 22 February 2023, French media authority **Arcom** announced it had selected **M6** as part of the bidding process for the allocation of the Digital Terrestrial Television (DTT) channel 6. On 27 April 2023, the media authority announced that Groupe M6 and Arcom signed an agreement defining the obligations and commitments of the company's flagship

¹⁰ The previous services, RTL Most and RTL Most+, were integrated into RTL+ under the packages RTL+ Light and RTL+ Active. Therefore, RTL+ has three models: a direct-to-consumer subscription model without advertising, a TV subscription model (for example via an IPTV subscription), and a registration-based advertising-funded model.

channel, M6. The final authorisation for the next ten years will come into effect on 6 May 2023.

RTL Group's global content business **Fremantle** had a successful start to 2023, across all three pillars of entertainment, drama and film, and documentaries. Within its **entertainment** business, Fremantle hit several firsts with a debut series of *Japan's Got Talent* and *Saudi Idol* wowing audiences; the launch of a German version of *Too Hot to Handle* for Netflix and a US version of the iconic reality format *Farmer Wants a Wife* for Fox. Fremantle also announced the acquisition of the global rights to the hit UK series *The Piano* from Love Productions. Within **drama and film**, Fremantle launched *Wreck* on Hulu and the third season of *Exit* on NRK in Norway. The Wildside series *The Good Mothers* launched on Disney+ after winning the inaugural Series Award at the 2023 Berlinale. In **documentaries**, Fremantle's Original Productions launched *Waco: American Apocalypse* on Netflix.

In February 2023, Fremantle secured a **two-year partnership** with Nine Hours, the new label from **Edward Berger**, the director of the Oscar-winning film *All Quiet on the Western Front*. The agreement will provide Fremantle with first-look access to Nine Hours' television projects and second-look access to new film projects.

Fremantle has continued to **expand its documentary business**. In March 2023:

- Fremantle signed an exclusive first-look agreement with Oscar-nominated filmmaker Amy Berg to develop a new slate of premium documentaries. The deal is the first of its type within the company's new unit, Fremantle Documentaries, which will work in close collaboration with Amy Berg's Disarming Films.
- Fremantle acquired a majority stake in A Teams Productions, based in Belgium. The company is behind the short film *Baghdad Messi*, which won more than 50 international film awards, alongside being shortlisted for an Academy Award in 2014.
- Fremantle announced the launch of Udeniable, a new label dedicated to producing world-class premium documentaries.

Outlook

The geopolitical and macroeconomic environment remains volatile and the impact on RTL Group's businesses continues to be hard to predict.

On this basis and subject to a rebound of the TV advertising markets in the second half of 2023, in particular in Germany:

- RTL Group expects its full-year **revenue** for 2023 to increase to between €7.3 and €7.4 billion.
- RTL Group expects its **Adjusted EBITA** for 2023 to be between €1.0 and €1.05 billion. Streaming start-up losses are expected at just below €200 million (2022: €233 million). Consequently, the Group expects its Adjusted EBITA before streaming start-up losses to be between €1.2 and €1.25 billion (2022: €1,316 million).
- 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, resulting in an ordinary dividend paid in 2024 and 2025 (for the financial years 2023 and 2024) of approximately €3.50 per share, based on current projections.

Outlook for the full year 2023

	2022	2023e
Revenue	€7,224m	€7.3bn to €7.4bn
Adjusted EBITA	€1,083m	€1.0bn to €1.05bn
Streaming start-up losses	€233m	Just below €0.2bn
Adjusted EBITA before streaming start-up losses	€1,316m	€1.2bn to €1.25bn

Strategic targets for RTL Group's streaming services¹¹

	2022	2026e
Paying subscribers	5.5m	10m
Streaming revenue	€267m	€1bn
Content spend per annum	€304m	~€600m

Profitability is expected by 2026¹².

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.

Figures presented in this quarterly statement are not audited.

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¹¹ RTL+ in Germany and Hungary and Videoland in the Netherlands

¹² Total of Adjusted EBITA from RTL+, Videoland/RTL XL, Salto and Bedrock as consolidated on RTL Group level. The Adjusted EBITA of RTL+ in Germany and Hungary and Videoland/RTL XL in the Netherlands includes synergies with TV channels at business unit level. For the definition of Adjusted EBITA please see **Key performance indicators** on pages 58 to 59 of RTL Group's Annual Report 2022

About RTL Group

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, digital and publishing. RTL Group's streaming services include RTL+ in Germany and Hungary, Videoland in the Netherlands and 6play in France. Fremantle is one of the world's largest creators, producers and distributors of scripted and unscripted content, responsible for around 12,000 hours of programming per year, alongside an international network of teams operating in 27 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 Ad Alliance. Bertelsmann is the majority shareholder of RTL Group, which is listed on the Luxembourg and Frankfurt stock exchanges and in the MDAX stock index.