

8 August 2023



# RTL Group Interim results H1/2023

# Agenda

01



Highlights

02



Financials

03



Operations

04



Strategy & Outlook



# 01 Highlights

# Highlights

- **Streaming:** paying subscribers **+34%** to >6.0 million
- Continued **high investments** in content, streaming, tech & data
  - Germany: renewal of Uefa Europa League rights
  - Continued international rollout of success format *The Traitors*: strong ratings in France and the Netherlands; launch in Germany and Hungary in the second half of 2023
  - Hungary: acquisition of Uefa Champions League rights
- Higher **TV audience shares** in Germany, RTL and Vox now the no. 1 & no. 2 commercial TV channels
- **Challenging TV advertising markets** in H1/2023, but first signs of market stabilisation in H2/2023
- **Outlook** for full year 2023 revised: Adjusted EBITA of ~€950m, after streaming start-up losses of ~€200m
- **Mid-term growth targets** for streaming and Fremantle confirmed



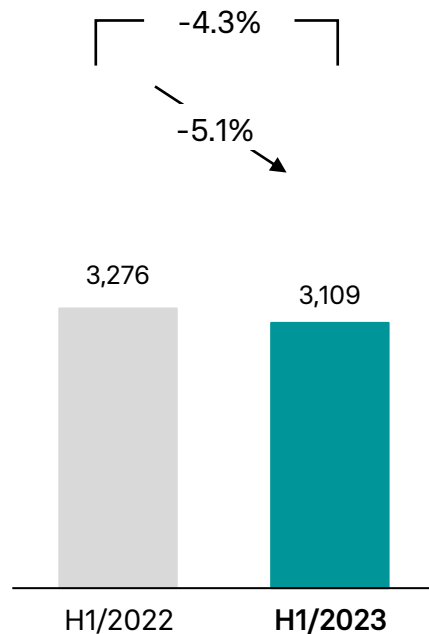
# 02 Financials



# Key financials

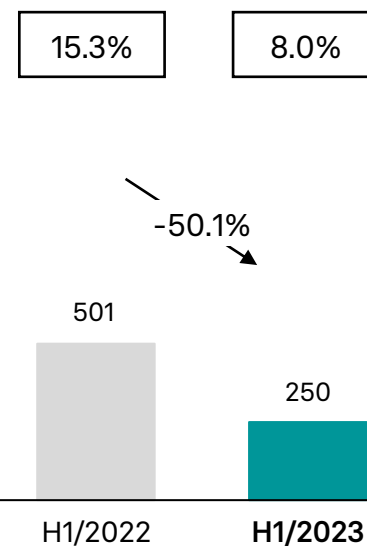
in € million  
Organic growth/  
decrease<sup>1</sup>

Change

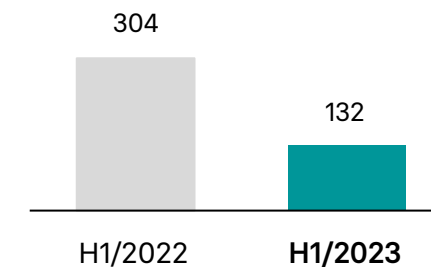


Group revenue

Margin



Adjusted EBITA<sup>2</sup>

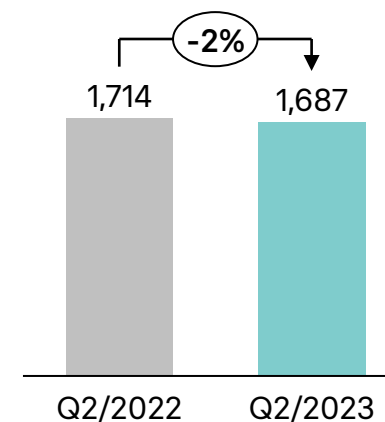
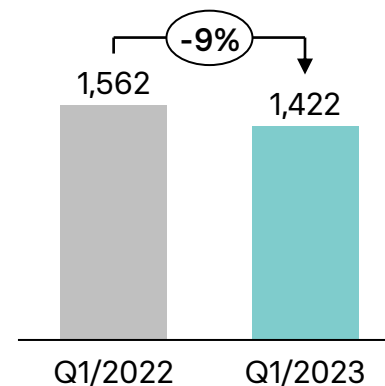
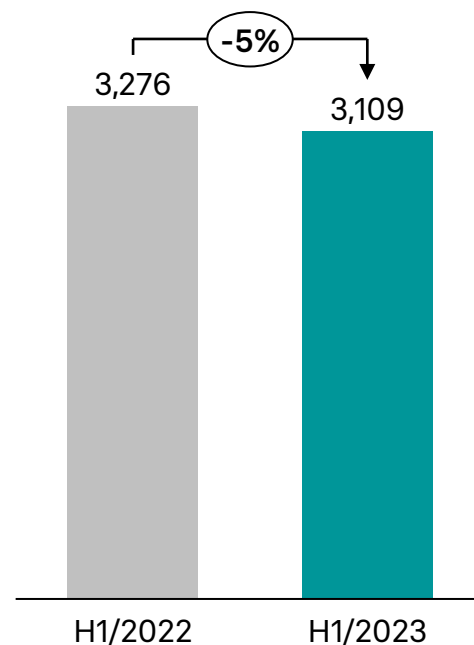


Group profit

# Quarterly development

in € million

## Group revenue



## TV advertising revenue development

vs. 2022

-13%

-17%

-9%

# Group profit

in € million	H1/2023	H1/2022
<b>Adjusted EBITA</b>	<b>250</b>	<b>501</b>
Significant special items	(78)	(23)
<b>EBITA</b>	<b>172</b>	<b>478</b>
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	(23)	(18)
Impairment and reversals on other financial assets at amortised cost	(1)	-
Gain/(loss) from sale of subsidiaries, other investments and re-measurement to fair value of pre-existing interest in acquiree	16	111
Fair value measurement of investments and re-measurement of earn-out arrangements	14	(84)
<b>EBIT</b>	<b>178</b>	<b>487</b>
Financial result	11	(49)
Income tax expense	(57)	(134)
<b>Group profit</b>	<b>132</b>	<b>304</b>
<b>Group profit attributable to RTL Group shareholders</b>	<b>75</b>	<b>245</b>

# Operating free cash flow

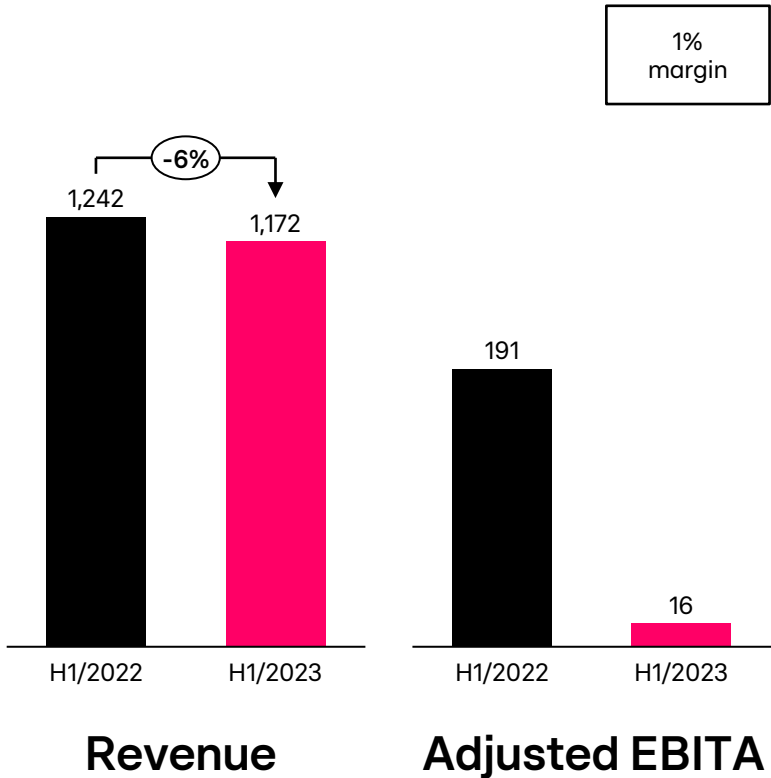
in € million	H1/2023	H1/2022
<b>Net cash from operating activities</b>	<b>(24)</b>	<b>84</b>
<i>Adjusted by:</i>		
Income taxes paid	77	170
Transaction-related costs	-	3
Acquisitions of and proceeds from sale of programme rights and other intangible and tangible assets	(86)	(91)
<b>Operating free cash flow</b>	<b>(33)</b>	<b>166</b>
Income tax paid	(77)	(170)
Acquisition/disposal of subsidiaries, net of cash acquired/disposed/transaction related costs	-	118
Acquisitions of companies under common control, net of cash acquired	-	163
Acquisition/disposal of other investments, financial assets & investments accounted for using the equity method	(8)	75
Net interest paid	(4)	(11)
Deposits with shareholders and its subsidiaries	251	585
Changes from financing activities	444	(76)
Transactions with non-controlling interests	(6)	(59)
Dividends paid	(694)	(858)
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>(127)</b>	<b>(67)</b>

# 03 Operations



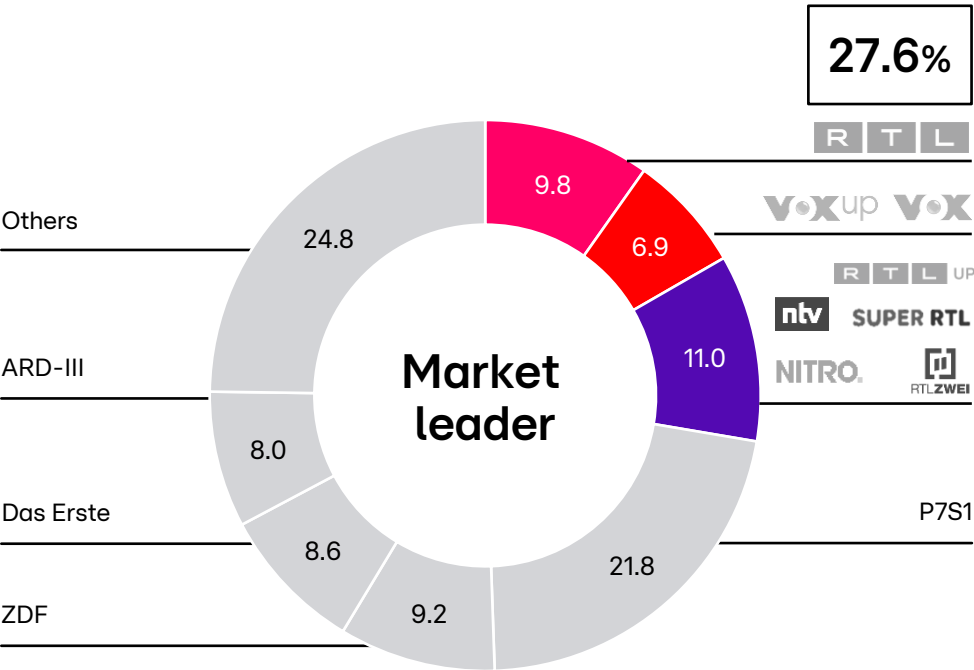
## Key financials

in € million



## Family of channels

Audience shares, in %  
14 to 59, H1/2023



## Highlights

RTL+

4.489 million paying subscribers  
at 30 June 2023: +31% yoy

In the process of launching the  
RTL+ multimedia app

RTL Vox

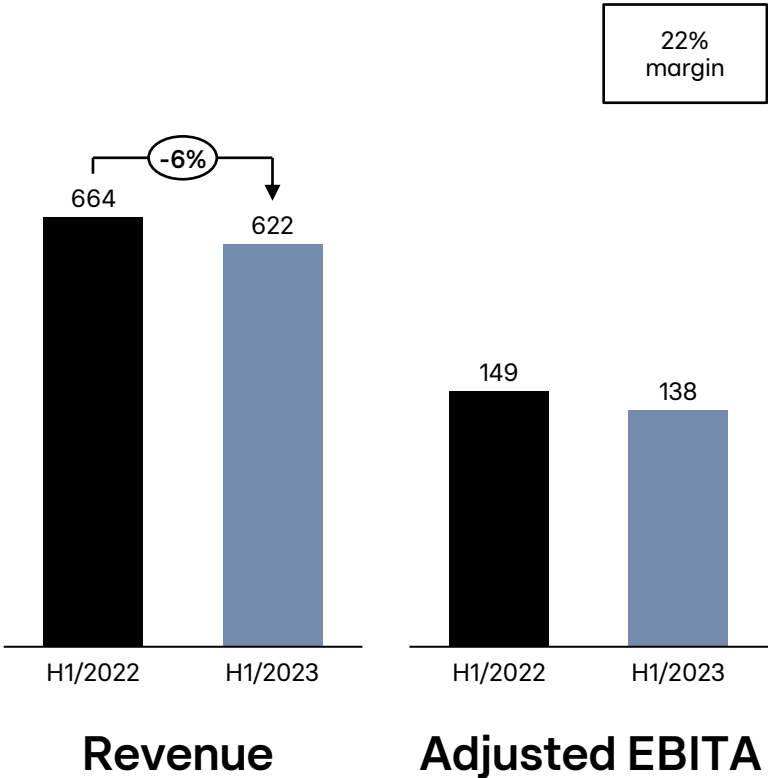
RTL and Vox now the no. 1 and no. 2  
commercial channels in Germany  
(14-59 and total audience)



Renewal of exclusive broadcasting  
and streaming rights for seasons  
2024/25 to 2026/27

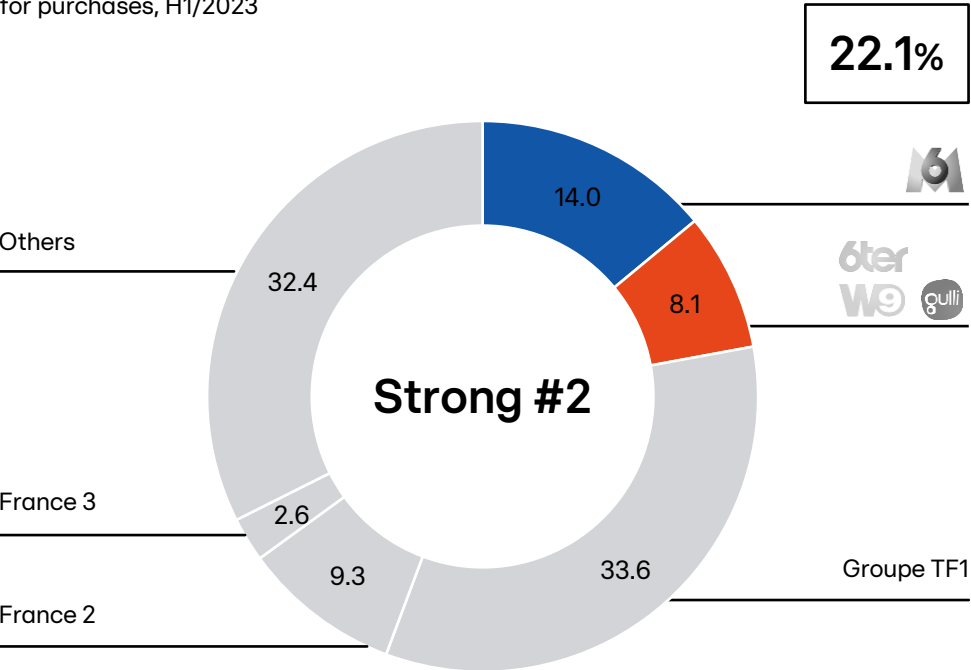
## Key financials

in € million



## Family of channels

Audience shares, in %  
Women < 50 responsible  
for purchases, H1/2023



## Highlights



DTT license for main channel M6 renewed for the next 10 years



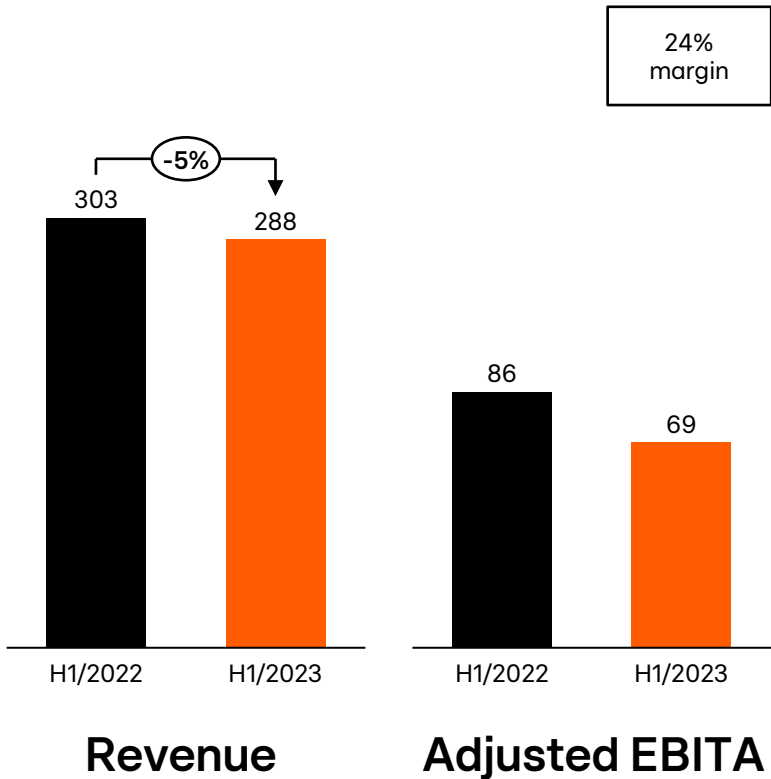
Attractive sports rights to strengthen Groupe M6's TV channels and streaming service 6play



Expansion of streaming service 6play, with a particular focus on original and exclusive content and soap operas

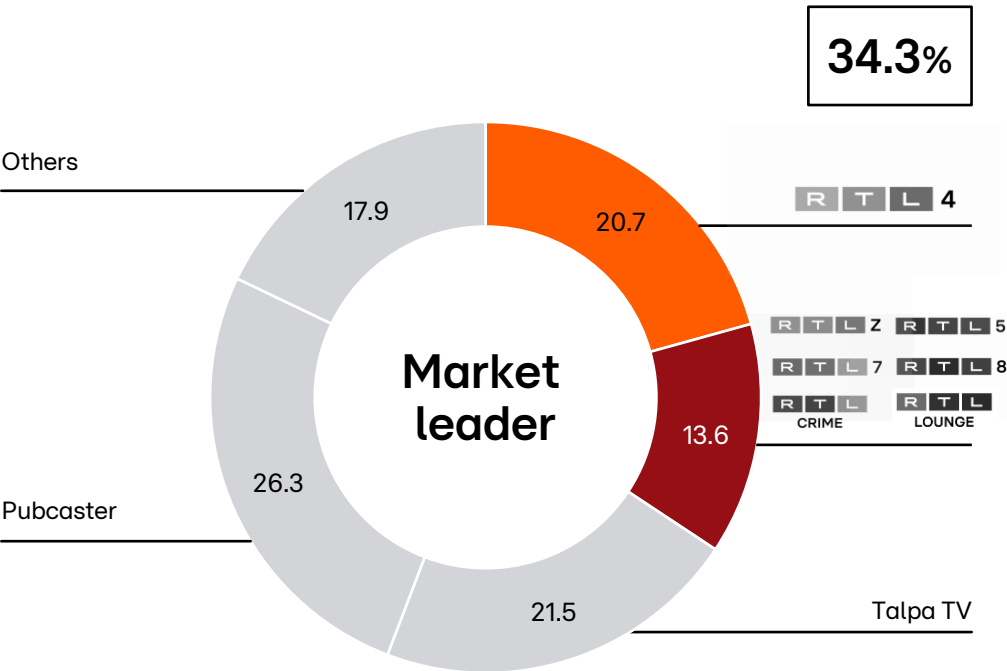
## Key financials

in € million



## Family of channels

Audience shares, in %  
Adults 25 to 54, prime time, H1/2023



## Highlights

### videoland.

1.268 million paying subscribers  
at 30 June 2023: +18% yoy

Successful migration to Bedrock tech platform

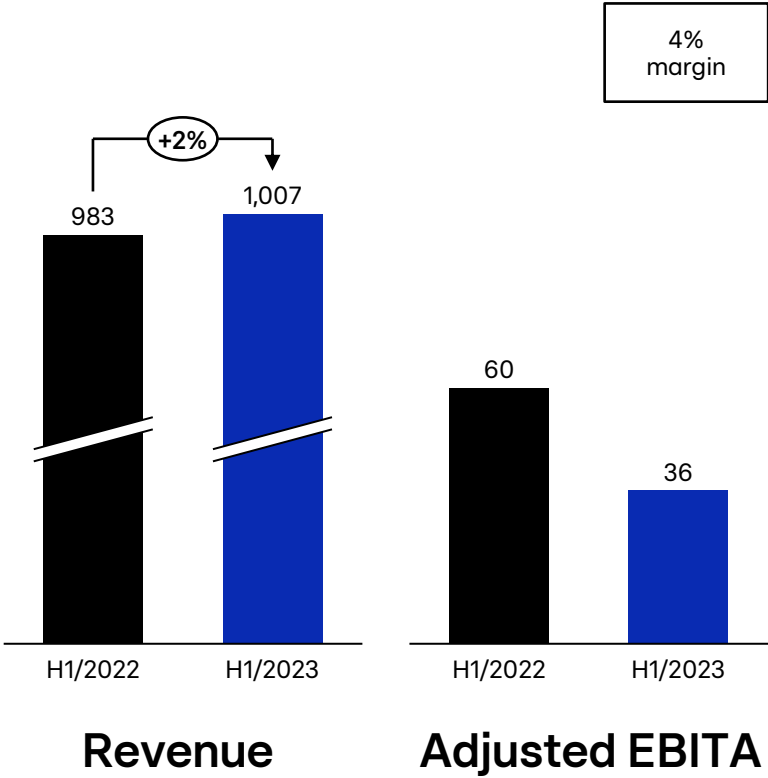


Videoland's growth driven by formats such as *Echte Meisjes In De Jungle* and season 5 of original series *Mocro Maffia*

RTL 4: clear market leader thanks to formats such as *De Verraders*, *Make Up Your Mind*, *RTL Nieuws*, *RTL Boulevard* and *Editie NL*

## Key financials

in € million



## Highlights

### Entertainment



The Farm (2023)

### Drama & Film

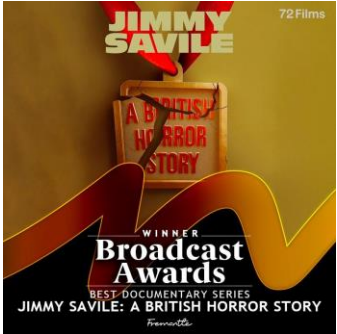


Adolfo (2023)



The Good Mothers (2023)

### Documentaries



Jimmy Savile: A British Horror story (2023)

In total, Fremantle won **60 awards** in the first half of 2023



# 04 Strategy & Outlook

# Strategy framework unchanged

Core

Growth

Alliances & partnerships



Creativity & Entrepreneurship

People

Communications & Marketing

Regulation

Enabler

Portfolio transformation

# Strategy update – Alternative paths to scale





## Initial consolidation plans blocked by regulators





## Need to scale, alternative paths defined



## Main vehicles/partner examples

 	▶ ~€250-350m run-rate synergies to be fully realised by 2026
 	▶ ~€100-120m run-rate synergies to be fully realised by 2025

 	▶ ~€100m run-rate synergies to be fully realised by 2025
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- Portfolio review completed
- Integration approach adjusted
- Synergy target ~ €75m

01 National advertising sales/subscription management

02 International advertising sales

03 Advertising technology

04 Streaming distribution partnerships

05 Streaming technology

06 Data

07 Joint content generation & distribution

08 Smaller consolidation steps

 AdAlliance



 smartclip













RTL Group  
Synergy Committees

Programme

Sales

Streaming

Tech

Data

Social Media

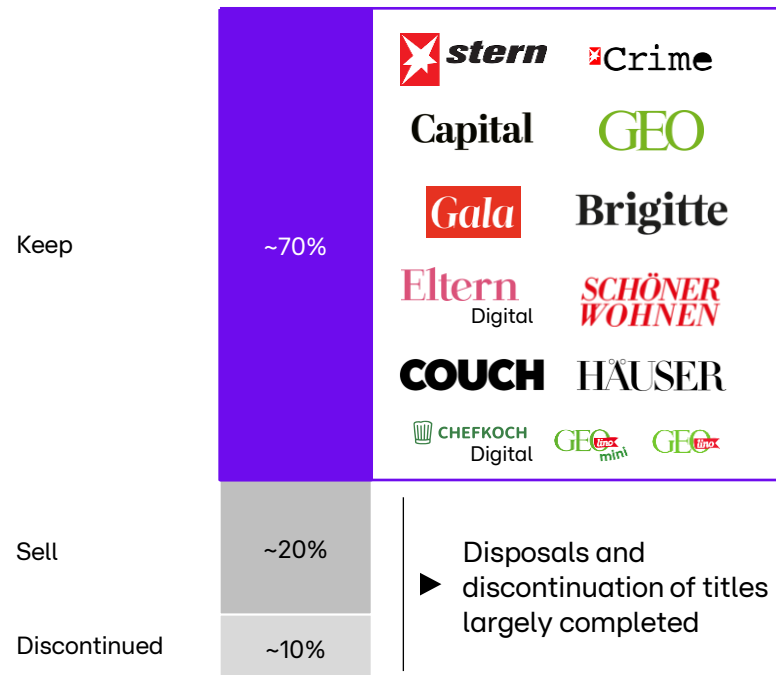
# Strategy update – Core

RTL Deutschland: Reorganisation of publishing business

## Focus on core brands and titles



Proportion of sold copies per year (in %)



Disposals and discontinuation of titles largely completed

## Cost reduction

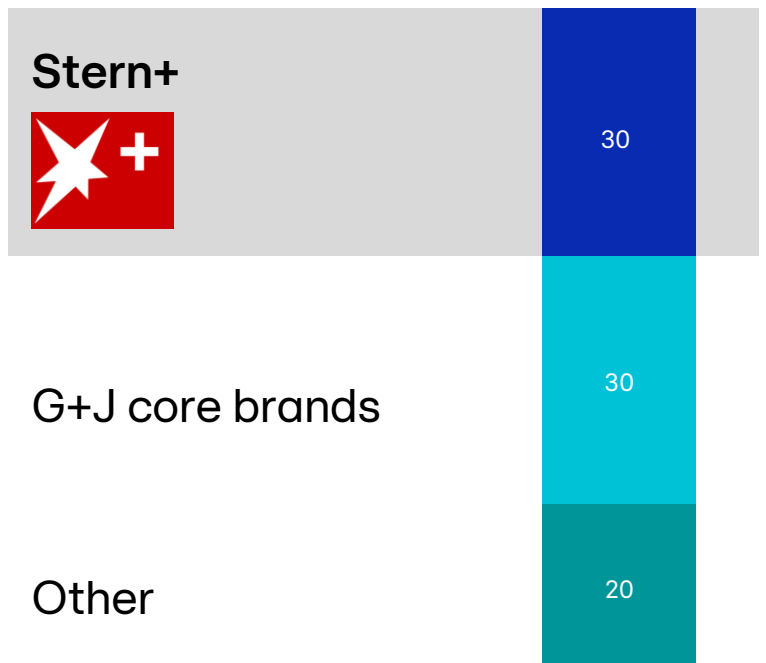


- Cost reduction of €70m per annum until 2025, primarily in corporate functions, facilities, IT
- Social plan is being implemented, staff reduction of ~700 FTEs

## Significant investments

Investments in € million

80



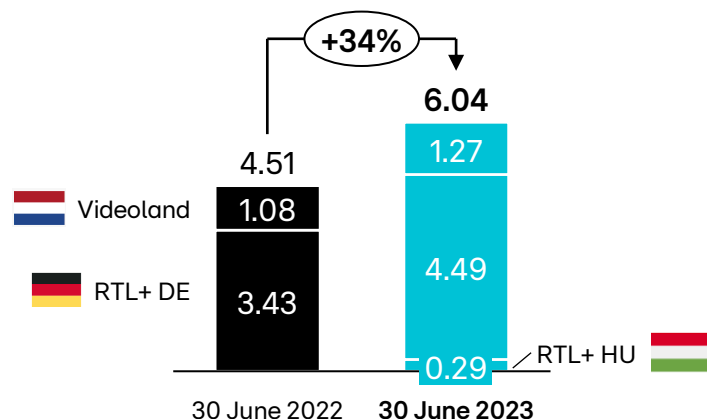
# Strategy update – Growth

## Build national streaming champions

**RTL + videoland.**

### Paying subscribers

in million



### Key figures

in € million

Streaming revenue<sup>1</sup>

Content spend

Streaming start-up losses<sup>2</sup>

130	152
124	158
74	87

## Targets by 2026

**10m**

paying  
subscribers

**€1bn**

streaming  
revenue

**~ €600m**

content  
spend p.a.

**Profitability**

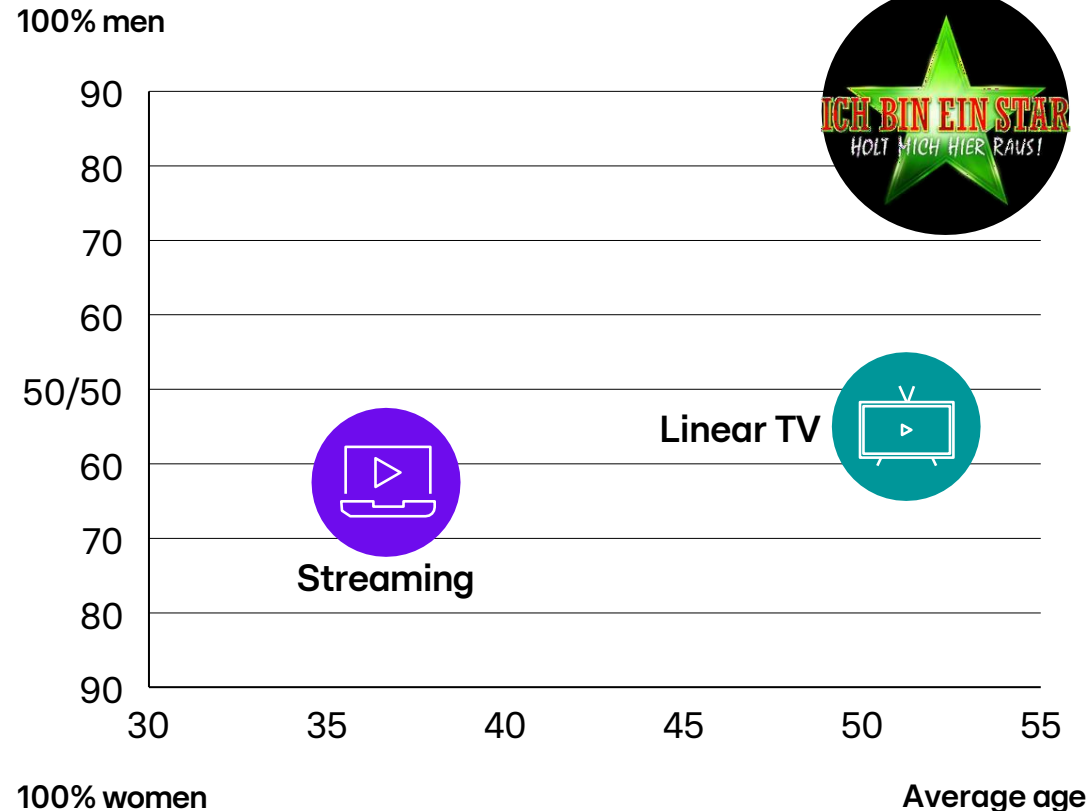
Adjusted  
EBITA

Notes: 1. Streaming revenue includes SVOD, TVOD, in-stream and distribution revenue from RTL+ in Germany, RTL+ in Hungary (incl. RTL+/RTL+ Active/RTL+ Light) and Videoland/RTL XL in the Netherlands, 2. Total of Adjusted EBITA from RTL+ in Germany and Hungary, 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

# Strategy update – Growth

## Streaming and linear TV address complementary viewer groups ...

**Example:** viewer group demographics on linear TV and streaming







## ... providing RTL Group with an important competitive edge

- 01 Broadcasting and streaming operating under one established brand: **RTL & RTL+**
- 02 **Successful broadcasting formats** drive streaming inflow and retention
- 03 **Joint sourcing and sharing of content** improves access to content and positions RTL as partner of choice
- 04 Massive **cross-promotion and RTL advertising** reduces marketing spend
- 05 **Group synergies** (streaming platform, advertising sales) and access to content beyond video (via Bertelsmann)

# Strategy update – Growth

Expand global content business *Fremantle*

Content pillar	Strategy	Deep dive
Entertainment	<ul style="list-style-type: none"><li>— Remain leading producer &amp; distributor of quality entertainment shows</li><li>— Invest in new formats &amp; expand client base with global streaming platforms</li></ul>	<div><div><b>Growth</b> 18 labels in 12 territories telling local and global stories  2021    <b>31</b> documentaries 2022    <b>52</b> documentaries 2023    <b>80</b> documentaries</div><div><b>Launch of new label</b>  New premium documentaries label  9 projects in development 8 projects in production</div></div>
Drama & film	<ul style="list-style-type: none"><li>— Invest in founder-led scripted labels</li><li>— Be the best choice for talent</li></ul>	
Documentaries	<ul style="list-style-type: none"><li>— Become leading producer of high-end documentaries</li><li>— Elevate and grow labels</li><li>— Seek M&amp;A opportunities</li><li>— Diversity in storytelling</li><li>— Strategic broadening of commissioning partners</li></ul>	<div><b>Acquisitions</b>  <b>72 Films</b> <div><div><b>8 titles aired</b> Jan 2022 - June 2023  <b>11 titles</b> in production</div><div><b>4 titles aired</b> Jan 2022 - June 2023  <b>7 titles</b> in production</div><div><b>3 titles aired</b> Jan 2022 - June 2023  <b>2 titles</b> in production</div></div></div>

# Outlook 2023

	2022e	2022	2023e old	2023e new
Revenue	€7.3bn to €7.5bn	€7.2bn	€7.3bn to €7.4bn	~€7.0bn
Adjusted EBITA	€1.05bn to €1.15bn	€1.08bn	€1.0bn to €1.05bn	~€950m
Streaming start-up losses	~€0.25bn	€0.23bn	Just below €0.2bn	~€200m
Adjusted EBITA before streaming start-up losses	€1.3bn to €1.4bn	€1.3bn	€1.2bn to €1.25bn	~€1.15bn





8 August 2023

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#RTLresults

# Financial calendar 2023

## RTL Group Financial Results

**16 March 2023**

at 08:00 CET

Full-Year Results: January to December 2022

**26 April 2023**

at 15:00 CET

Annual General Meeting

**4 May 2023**

at 08:00 CET

Quarterly Statement: January to March 2023

**8 August 2023**

at 08:00 CET

Interim Results: January to June 2023

**8 November 2023**

at 08:00 CET

Quarterly Statement: January to September 2023

## Dividend payment schedule

26 April 2023: Annual General Meeting

27 April 2023: Ex-dividend date

28 April 2023: Record date

2 May 2023: Payment date

### January

1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31

### February

1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28

### March

1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31

### April

1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30

### May

1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31

### June

1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30

### July

1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31

### August

1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31

### September

1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30

### October

1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31

### November

1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30

### December

1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31

## Alternative performance measure

## Explanation

### Adjusted EBITA

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** and **Strategy** sections (pages 48 to 54) of RTL Group's Annual Report 2022, 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
- Impairment and reversals on other financial assets at amortized amortised cost presented in 'Other operating expenses' or 'Other operating income'
- 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

### Adjusted EBITA margin

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

# Definitions

Alternative performance measure	Explanation
Adjusted EBITA before streaming start-up losses	In accordance with RTL Group's strategy, the company continued to invest heavily in its streaming services, RTL+ in Germany and Hungary and Videoland in the Netherlands, all of which have seen a rapid increase in the number of paying subscribers (for further details please refer to <b>Building national streaming champions</b> on page 52 of RTL Group's Annual Report 2022). The Adjusted EBITA of RTL Group is impacted by effects relating to the growth of its streaming services. These are operational in nature and are not included in 'Significant special items'. RTL Group believes the disclosure of 'streaming start-up losses' and 'Adjusted EBITA before streaming start-up losses' provide important context for its business performance, hence it discloses information relating to both KPIs in addition to its leading alternative performance measure, 'Adjusted EBITA'. Streaming start-up losses are defined as a total of Adjusted EBITA from RTL+ in Germany and Hungary, Videoland/RTL XL, Salto and Bedrock as consolidated on RTL Group level.
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 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.
Streaming start-up losses	In accordance with RTL Group's strategy significant efforts were spent in growth businesses of streaming activities. Furthermore, the company is continuing to heavily invest in its streaming services RTL+ (Germany and Hungary) and Videoland with a rapidly increasing number of paying subscribers. Therefore, RTL Group discloses additionally the streaming start-up losses defined as total of Adjusted EBITA from RTL+ in Germany and Hungary, Videoland/RTL XL, Salto and Bedrock as consolidated on RTL Group level.
Operating free cash flow	Operating free cash flow is equal to net cash from operating activities adjusted by 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; and transaction-related costs with regard to significant disposals of subsidiaries.

# Definitions

Alternative performance measure	Explanation
Operating cash conversion rate	Operating cash conversion rate means operating free cash flow divided by EBITA.
Net cash/(debt)	The net cash/(debt) is the gross balance sheet financial debt adjusted for 'Cash and cash equivalents'; current deposits with shareholder and its subsidiaries reported in 'Accounts receivable and other financial assets'.
Organic growth/decline	The organic growth is calculated by adjusting the reported revenue growth mainly for the impact of exchange rate effects as well as 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.

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