

BoAML – 15<sup>th</sup> April 2019BoAML – 15<sup>th</sup> April 2019

**ENTERTAIN. INFORM. ENGAGE.**



# AGENDA

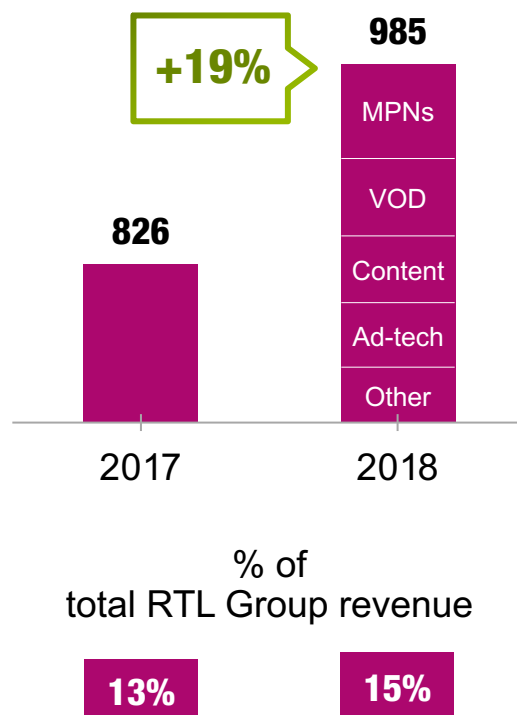
**NEW  
TRANSPARENCY &  
KPI'S**

**BUSINESS  
& STRATEGY  
UPDATE**

**SUMMARY  
& OUTLOOK 2019**

# MORE DIVERSIFIED THAN EVER BEFORE — DIGITAL REVENUE 3 YEARS AHEAD OF PLAN

## Digital revenue split In € million



MPNs: **€331m**

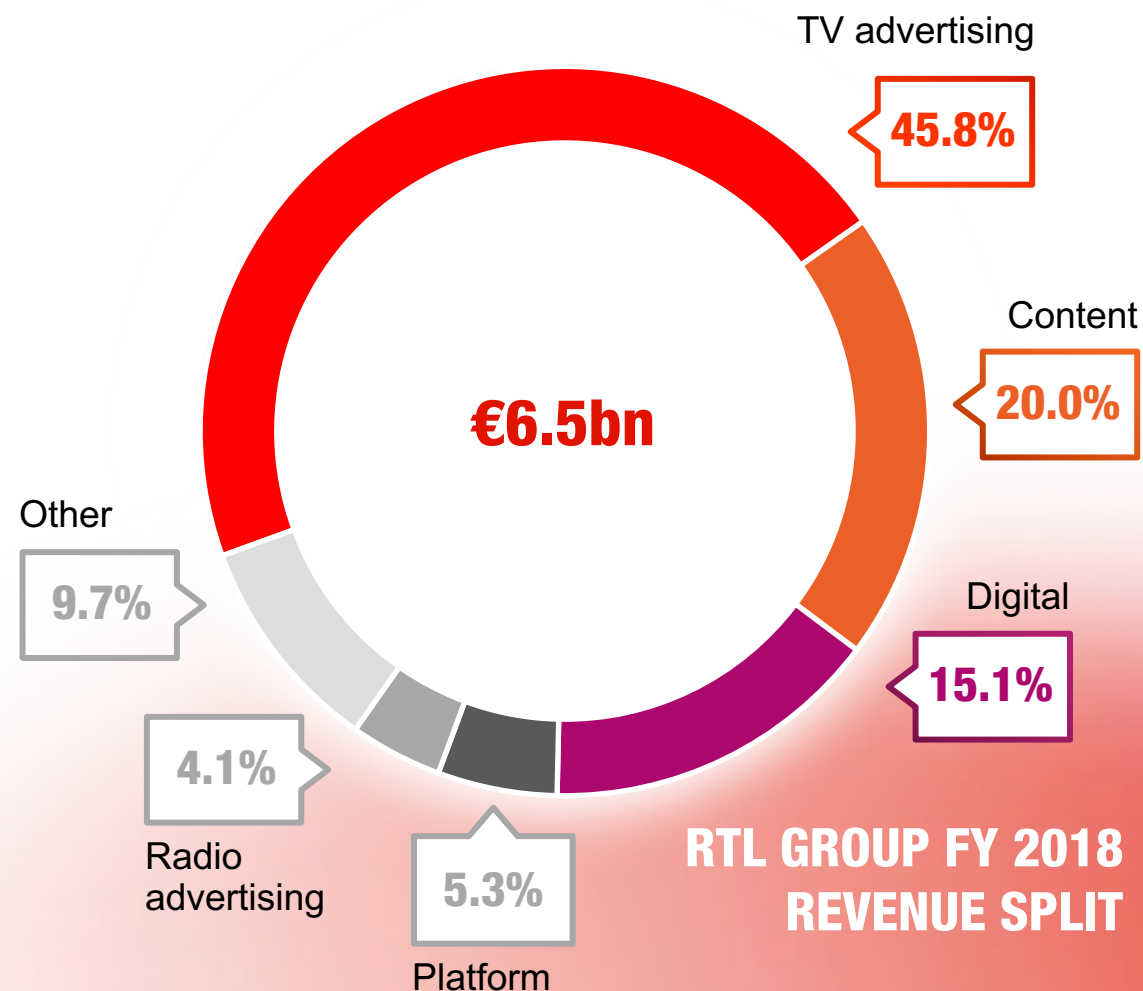
VOD<sup>1</sup>: **€216m**

Content:  
(Fremantle) **€165m**

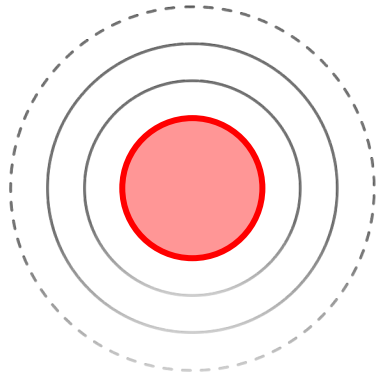
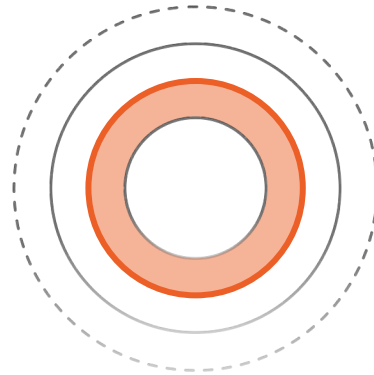
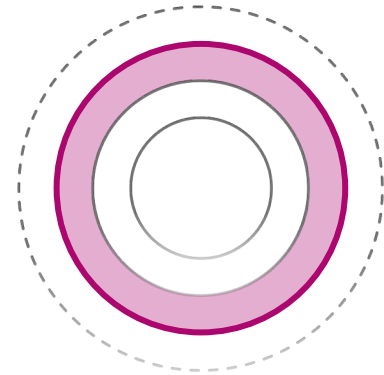
Ad-tech<sup>2</sup>: **€148m**

Other: **€125m**

Share of digital revenue **3 YEARS AHEAD** of plan

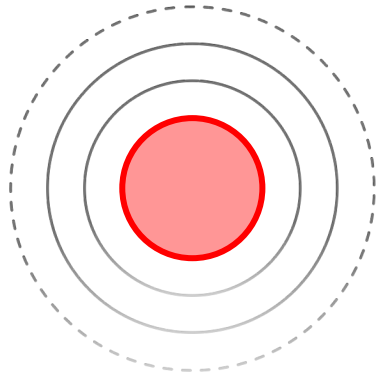


# INCREASED TRANSPARENCY TO TRACK ORGANIC GROWTH DRIVERS

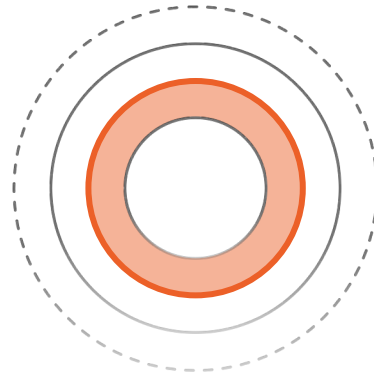

**BROADCAST**

**CONTENT**

**DIGITAL**
**2018/YOY**
**MPNs**
**Ad-tech**

Revenue:	<b>€4,740m</b>	<b>-1%</b>	Revenue:	<b>€1,592m</b>	<b>+8%</b>	<b>€331m</b>	<b>+28%</b>	<b>€112m<sup>1</sup></b>	<b>+2%</b>
Platform rev.:	<b>€343m</b>	<b>+7%</b>	# hrs produced:	<b>12,738 hrs</b>	<b>+2%</b>	Ad-tech ad-spend:	<b>\$576m</b>	<b>+49%</b>	
SVOD subscribers:	<b>1m</b>	<b>+77%</b>	% of drama:	<b>19%</b>	<b>-3pp</b>	MPN video views:	<b>463bn</b>	<b>+20%</b>	
Digital rev.:	<b>€377m</b>	<b>+11%</b>	Digital rev.:	<b>€165m</b>	<b>+39%</b>	MPN & Ad-tech rev.:	<b>€443m</b>	<b>+20%</b>	

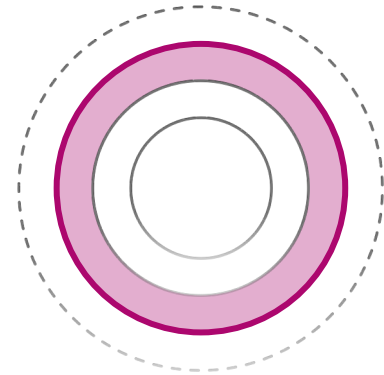
## FOCUS ON ORGANIC GROWTH DRIVERS: DIGITAL AND CONTENT



**BROADCAST**



**CONTENT**



**DIGITAL**

### Top-line drivers to 2021

VOD revenue to grow by  
**>€150m**  
SVOD subscribers to triple to  
**~3m**

Drama revenue to grow to  
**>€500m**

Ad-tech revenue to grow  
by **>€100m**

Strategic priority – VOD

# ACCELERATE COLLABORATION, CONVERGENT OFFERS AND CONTENT PRODUCTION

Top-line drivers to 2021



**1**

## LOCAL HERO

### COLLABORATION

VOD tech roadmap  
for RTL Group

**2**

## HYBRID MODEL

### CONVERGENCE

Expand hybrid model to  
more markets

**3**

## EXCLUSIVE IP

### CREATIVITY & IP

More co-productions  
within the Group

Additional investments of **€350m over next 3 years** – limited EBITA impact



# AGENDA

NEW  
TRANSPARENCY &  
KPI'S

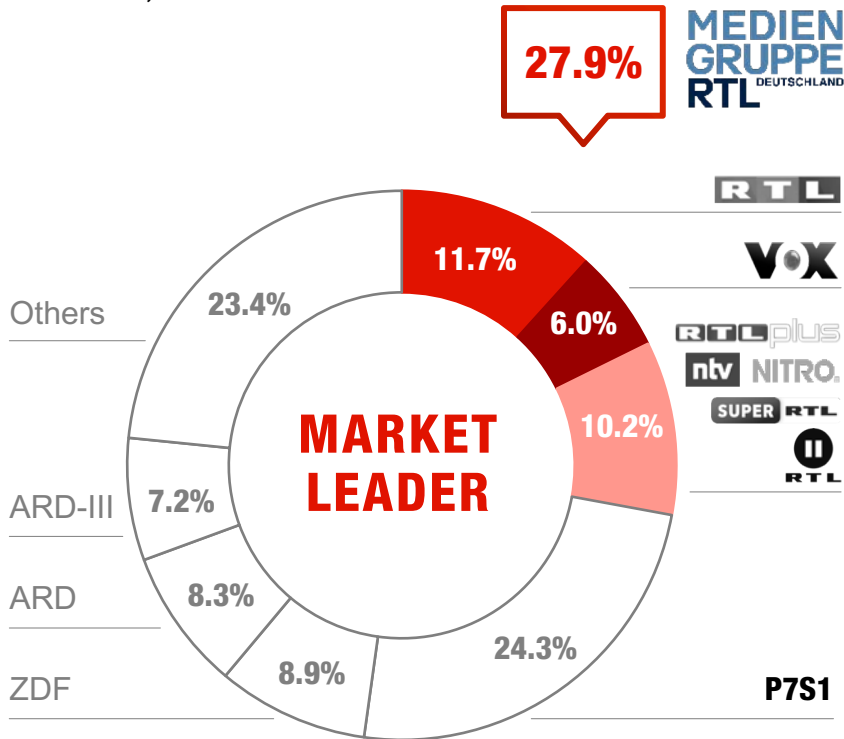
BUSINESS  
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# MARKET LEADERSHIP, HIGH PROFITABILITY

## Family of channels

14 to 59, YTD FEB 2019



Maintain clear lead over P7S1

## 2019 update

New programmes to display confident attitude and clear values

+35% YOY March to March – significant increase of users in free trial period

Leverage content alliance to become a magnet for creatives and talent through cross-divisional offers

## STRATEGIC PRIORITIES

Accelerate development of **new local TV formats**, gain audience shares

Boost VOD investments with successful TV Now relaunch, **+44% subscribers YOY<sup>1</sup>**

**Become most attractive employer** and partner for creative talents

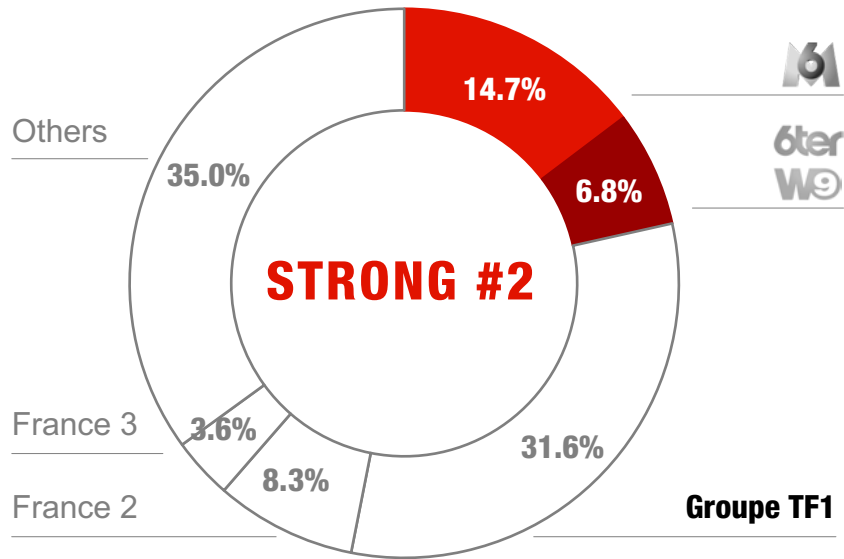


# STRONG OPERATIONAL PERFORMANCE, RECORD EBITDA

## Family of channels

Women < 50 responsible for purchases, YTD FEB 2019

21.5%



Good overall performance –smaller channels up while new formats on main channel struggle a little

## 2019 update

On-going process – proceeding faster than initially expected

Now in the hands of local regulator (not EU). M6 to provide technical platform

On-going process

## STRATEGIC PRIORITIES

Finalise acquisition & **integrate** Lagardère's TV businesses



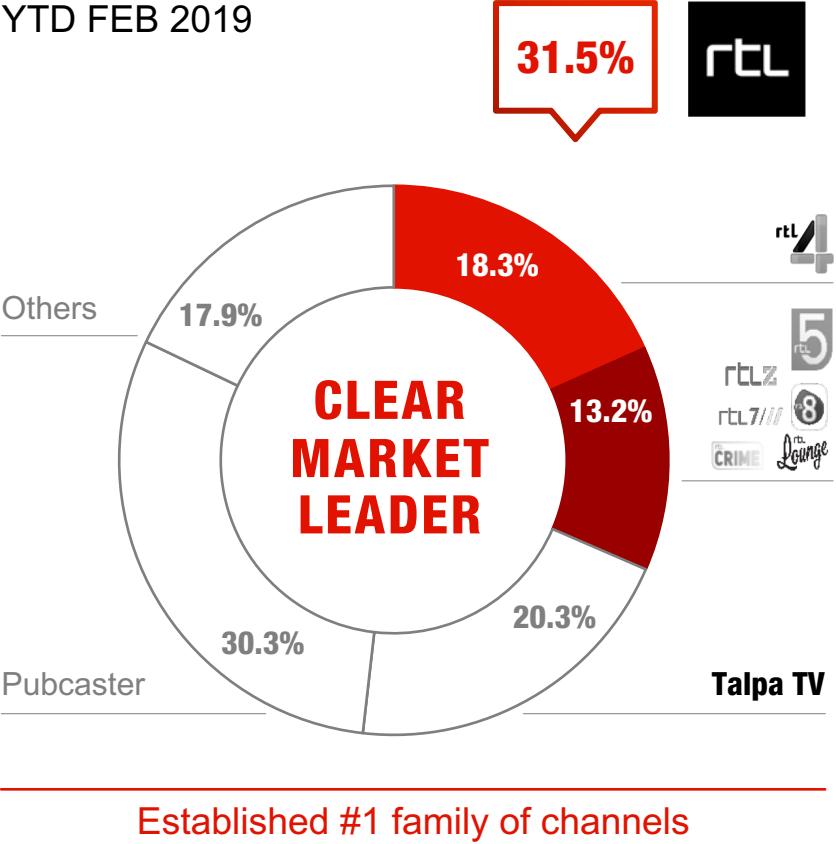
**Obtain regulatory approval** and prepare for successful launch

salto

Continue to push for **easing of regulation**

# REVENUE BOOSTED BY VIDEOLAND AND POSITIVE TV AD MARKET

**Family of channels**  
Adults 25–54, Prime time,  
YTD FEB 2019



2019 update

On-going : fight for talent in competitive landscape

+112% YOY Feb to Feb

Complicated market environment with strong competition from pubcaster & Talpa

## STRATEGIC PRIORITIES

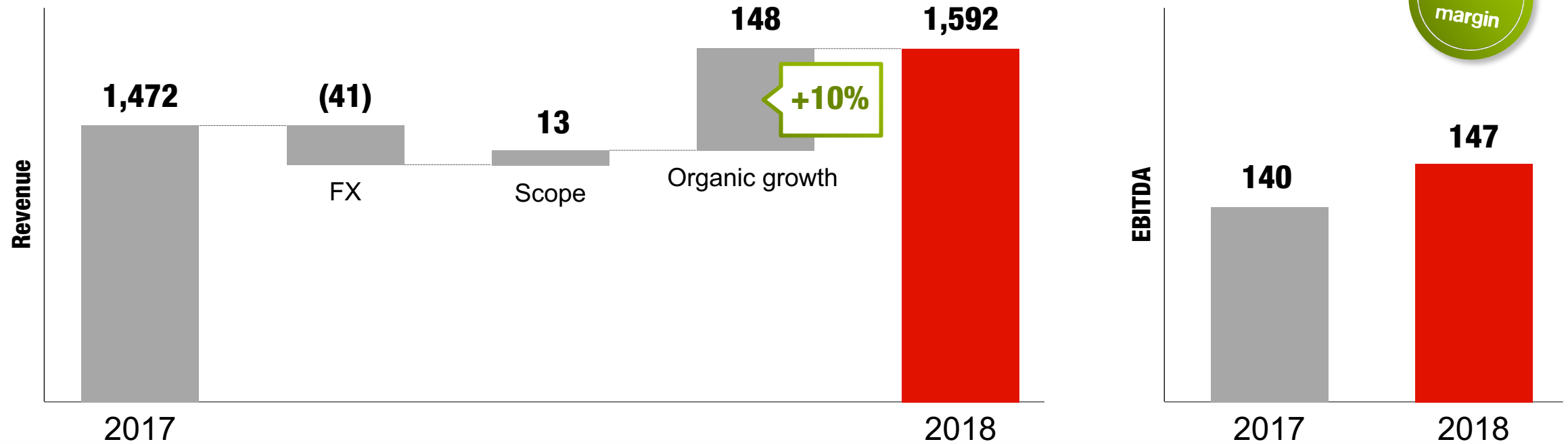
**Create own IP** for key timeslots, develop and retain key talent

**Fuel subscriber growth**

Implement **new sales house strategy**

# STRONG ORGANIC GROWTH IN 2018

**Key financials**  
In € million



**12,738 hours** of content aired in 2018 (+2% on 2017)



# WITH GROWTH IN 2019 AND BEYOND SUPPORTED BY NEW SHOWS AND RENEWALS



American Gods s.2 – s.3 confirmed



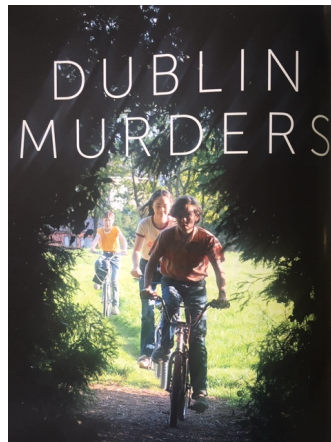
Beecham House -  
new



La Jauría -  
new



The New Pope  
s.2



Dublin Murders -  
new



The Luminaries -  
new



Baghdad Central -  
new



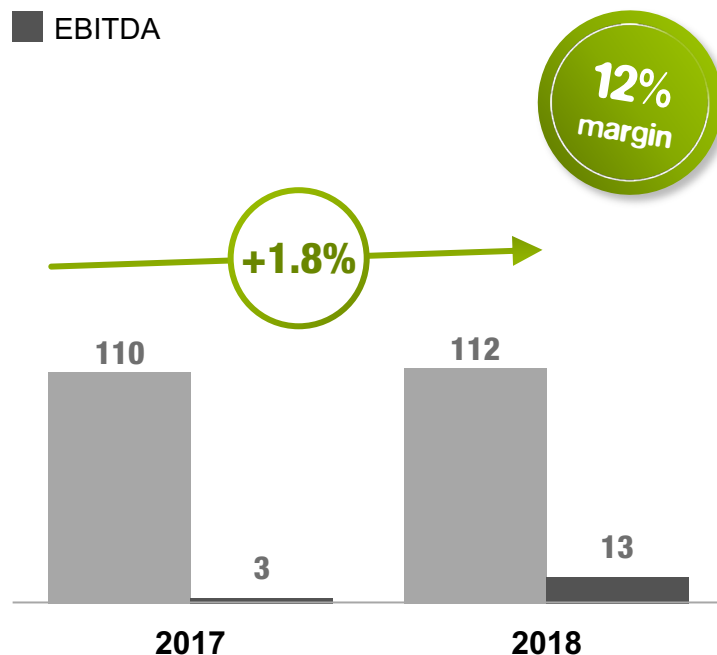
The Story of a New  
Name s.2

# SPOTX: REPOSITIONING AND INTEGRATION COMPLETED

## Key financials<sup>1</sup>

In € million

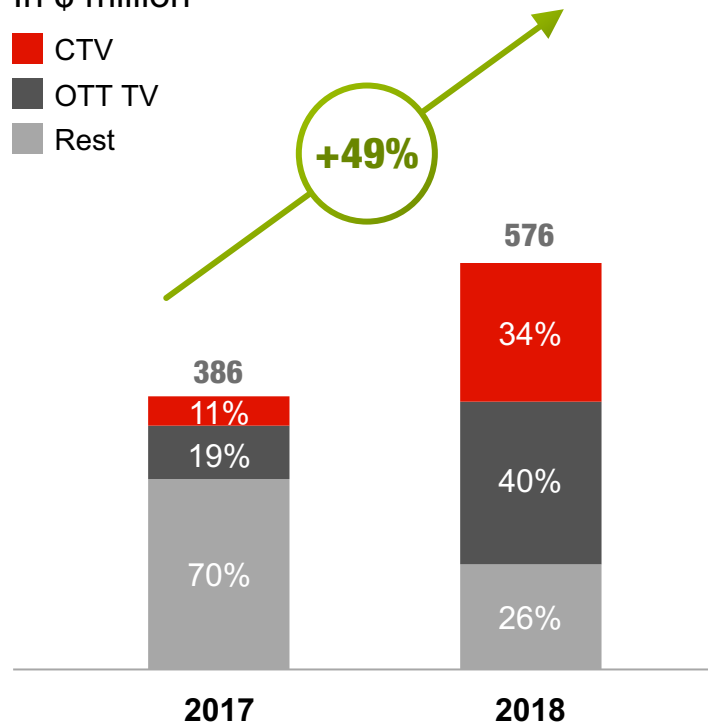
■ Revenue  
■ EBITDA



## Gross ad-spend at SpotX platform

In \$ million

■ CTV  
■ OTT TV  
■ Rest



Key clients **FOX** **itv** **ESPN** **JWPLAYER**

**abc** **Roku** **AT&T** **fubo** **xumo** **PLUTO**

## STRATEGIC PRIORITIES

### PREMIUM

**Move to premium paying off** with strong growth in OTT/CTV, net revenue in HY2 2018 grew +32%

### INTEGRATION

**Expand SpotX solutions** into our broadcaster footprint

### ORGANIC GROWTH

**Foster organic growth in the OTT/CTV market** following Yospace investment

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”



# OUTLOOK FOR 2019

1

**REVENUE** expected to grow moderately, driven by digital businesses and Fremantle

## 2019 GUIDANCE

**Revenue outlook**  
In € million and %



**+2.5%** → **€6,668 m**

**+5.0%** → **€6,830 m**

2

**EBITA** expected to decrease moderately, reflecting investments in TV programming and VOD

**EBITA outlook**  
In € million and %



**-2.5%** → **€1,142 m**

**-5.0%** → **€1,112 m**

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