



Citi

Switzerland
3rd October 2019

RTL
GROUP

ENTERTAIN. INFORM. ENGAGE.

AGENDA

**HALF-YEAR 2019
HIGHLIGHTS**

**OPERATIONAL
HIGHLIGHTS**

**STRATEGY &
OUTLOOK 2019**

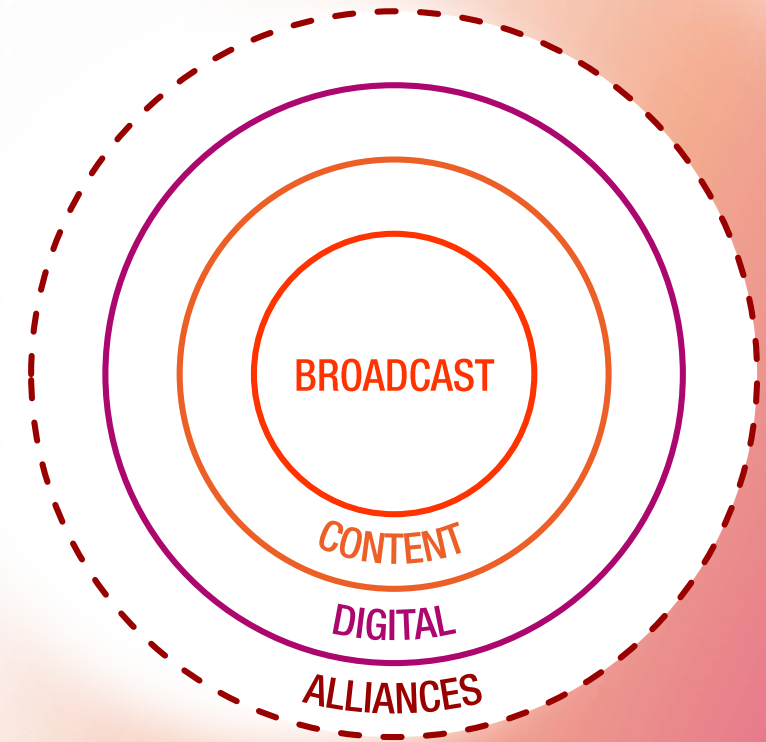


RTL GROUP CONTINUES TO DELIVER ON ITS TOTAL VIDEO STRATEGY...

1 **Leading market positions, high profitability –**
key for current investment cycle in the media industry

2 **Fast growth in VOD and content**
as subscriber growth continues and content strategy pays off

3 **New alliances and partnerships**
to actively shape the future of the European Total Video industry



**TOTAL VIDEO
STRATEGY**

... ACHIEVING ITS HIGHEST EVER FIRST-HALF REVENUE



Revenue: **€3,173m**

+4.2%

EBITA: **€538m**

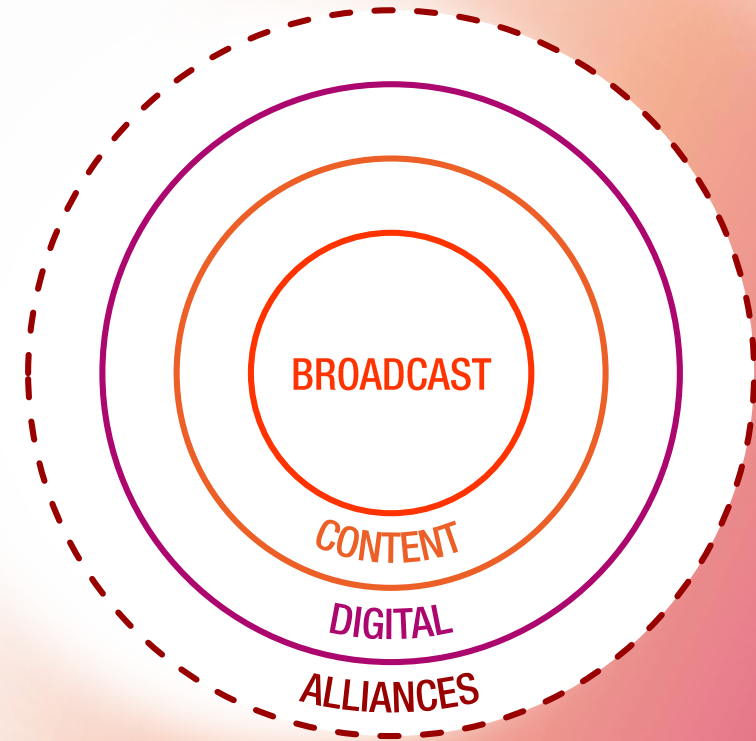
-1.8%

Margin: **17.0%**

-1.0pp

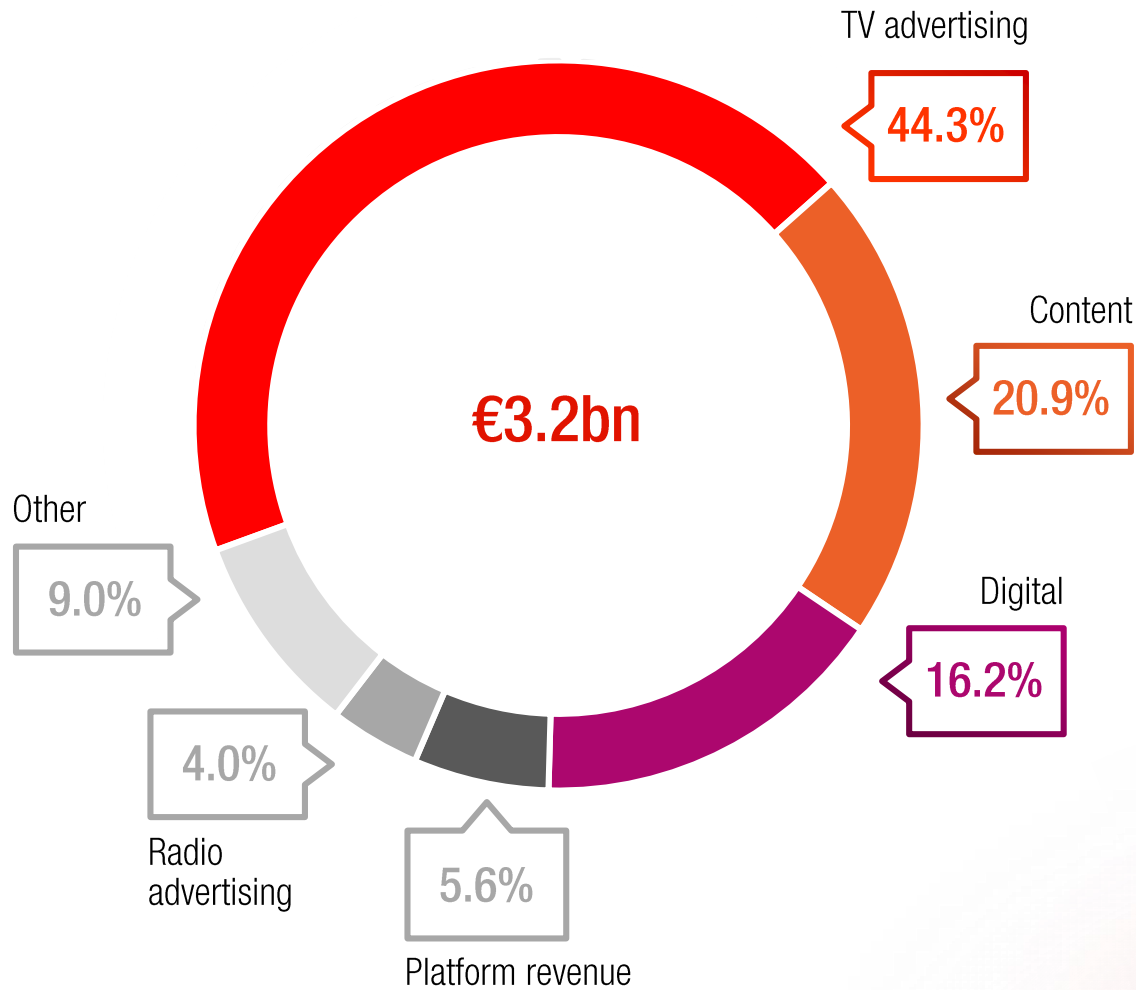
Profit for the period: **€443m**

+21.0%

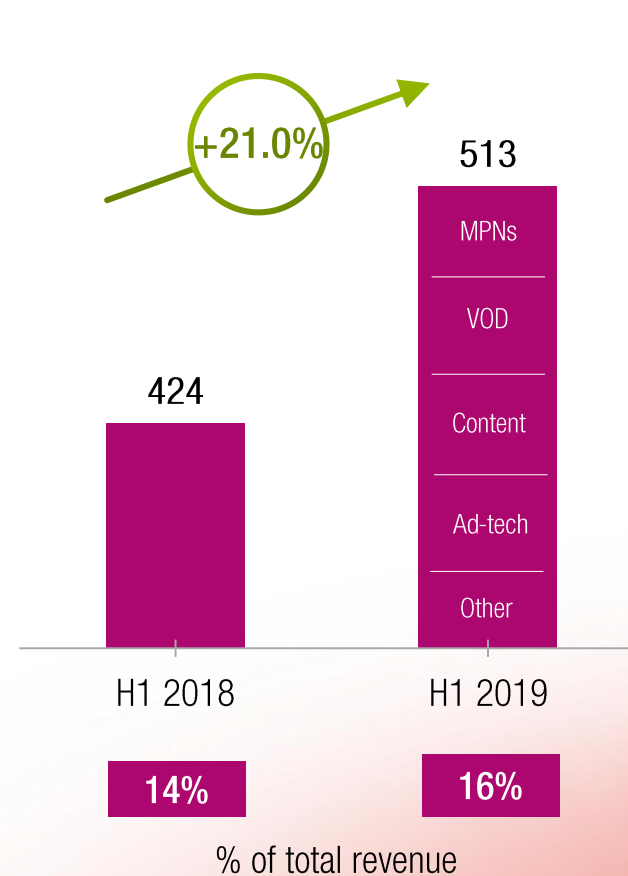


HIGHLY DIVERSIFIED – DYNAMIC DIGITAL REVENUE GROWTH

RTL Group H1 2019 revenue split

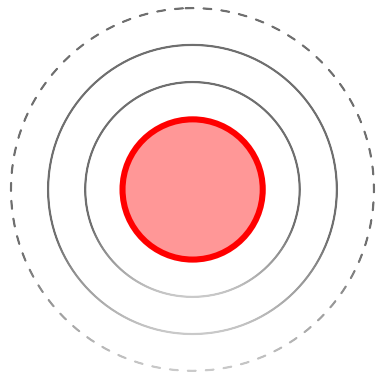


Digital revenue split
In € million

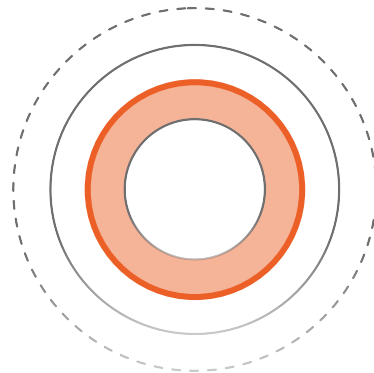


| | | |
|-------------------------|-------|---------|
| MPNs: | €153m | +9.3% |
| VOD ¹ : | €122m | +27.1% |
| Content: (Fremantle) | €104m | +89.1% |
| Ad-tech ² : | €83m | +18.6% |
| Other: | €51m | (20.3)% |

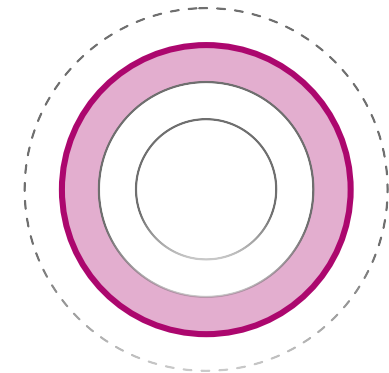
ORGANIC GROWTH DRIVERS: UPDATE AS OF H1 2019



BROADCAST



CONTENT



DIGITAL

H1 2018/YOY

MPNs

Ad-tech

Revenue: **€2,225m** **-2%**

Revenue: **€828m** **+23%**

€153m **+9%** | **€67m¹** **+40%**

Platform revenue: **€179m** **+7%**

% of drama: **20%**

MPN & ad-tech revenue: **€220m** **+17%**

SVOD subscribers: **1.2m** **+46%**

Digital revenue: **€104m** **+89%**

Digital revenue: **€189m** **+4%**



TOTAL DIGITAL REVENUE

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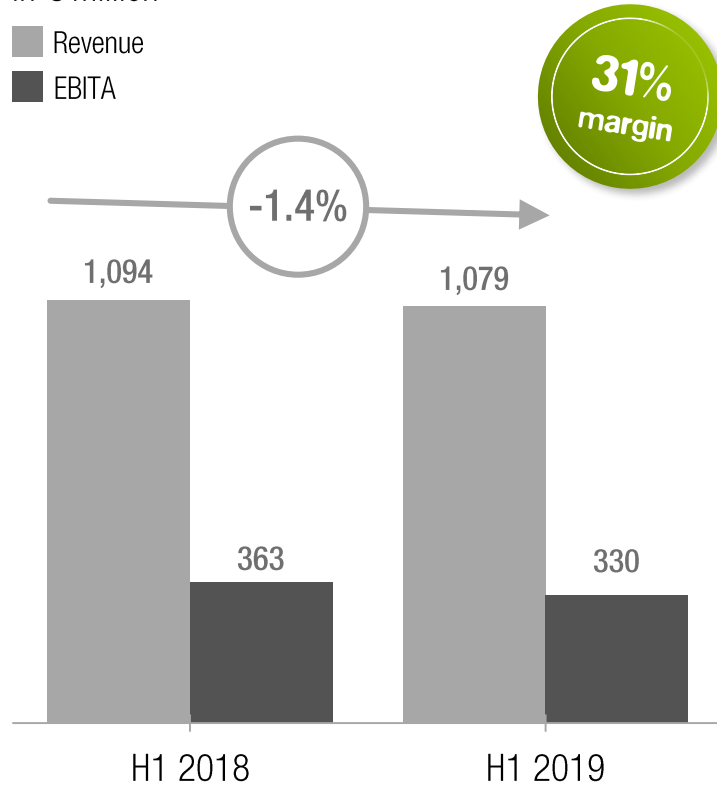
STRONG OPERATIONAL PERFORMANCE AND HIGH PROFITABILITY

Key financials¹

In € million

■ Revenue

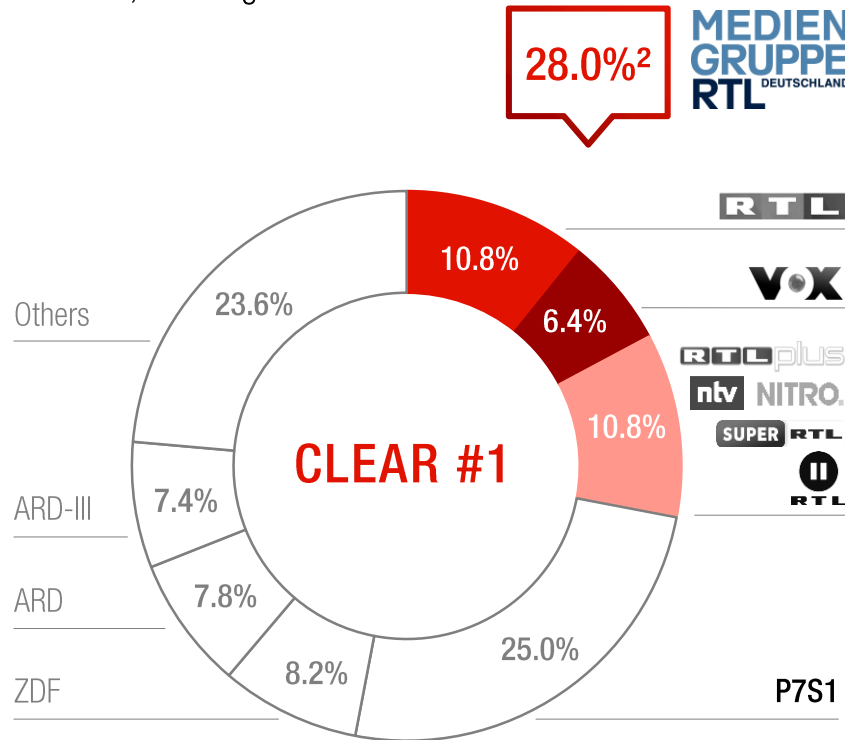
■ EBITA



Outperforming the net TV advertising market

Family of channels

14 to 59, YTD Aug 2019



Increased audience share by 1.0pp YOY due to improved performance of flagship channels

HIGHLIGHTS

Achieved a **36% increase in subscribers** YOY³, driven by strong original programming



Set-up “d-force” joint venture with P7S1 to boost addressable TV and online video advertising



Strong position in high-growth **podcast and audio** market



Launch of **complementary** new FTA channel end 2019



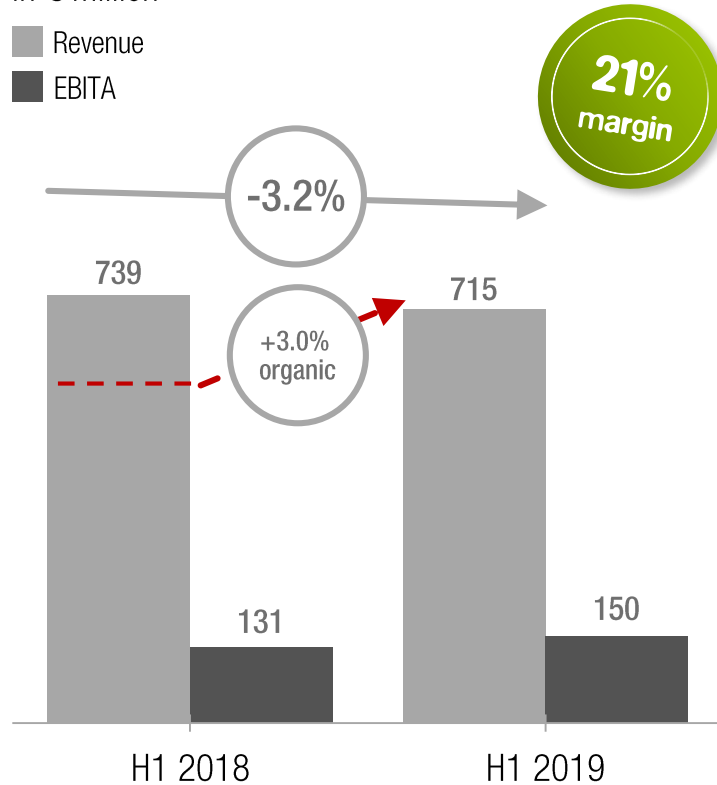
GOOD ORGANIC GROWTH

Key financials

In € million

■ Revenue

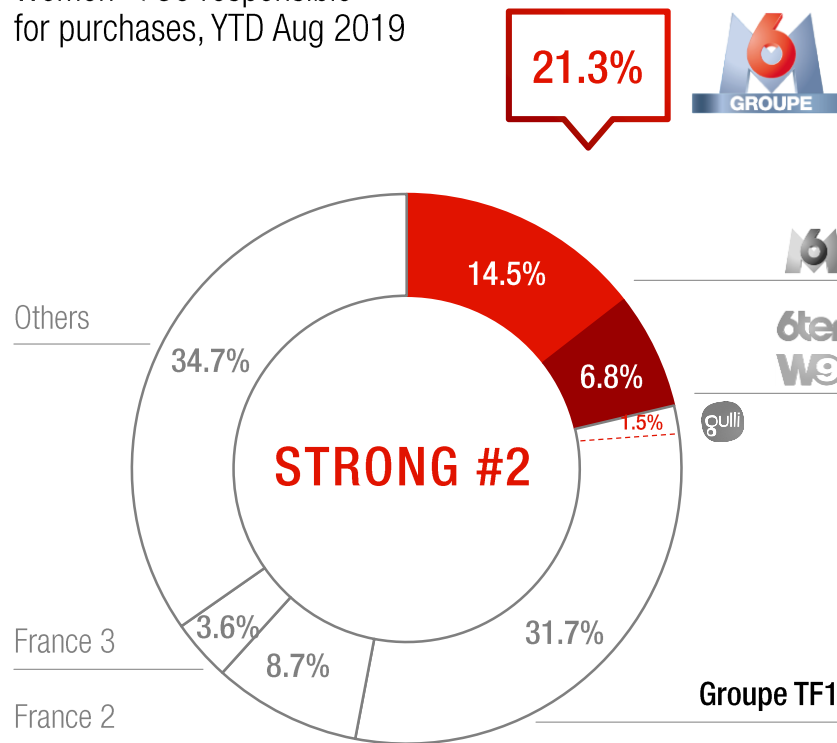
■ EBITA



Higher film distribution revenues at SND and Girondins de Bordeaux scope exit foster profitability

Family of channels

Women < 50 responsible for purchases, YTD Aug 2019



Growth of 2nd generation channels stabilised audience share of family of channels

HIGHLIGHTS

Received regulatory approval, tech platform to be provided by M6



Acquisition of Gulli further complements strong family of channels



Successful launch of RTL Originals podcasts, generating >2 million downloads since start



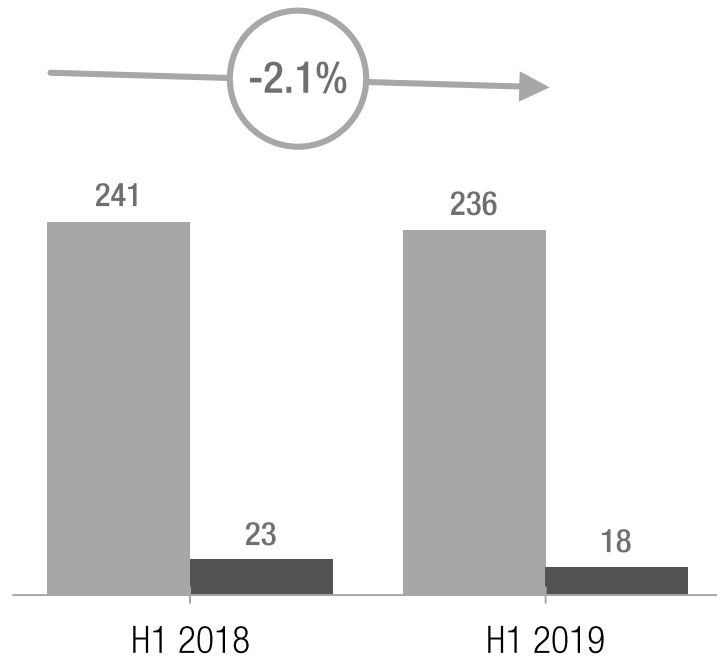
CHALLENGING MARKET CONDITIONS, GROWING DIGITAL BUSINESS

Key financials

In € million

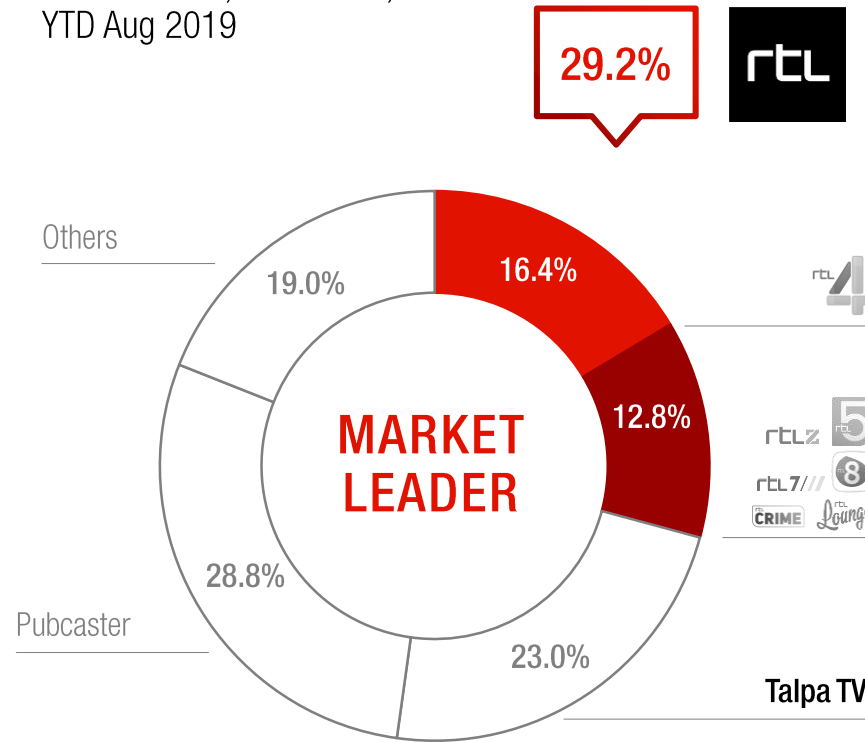
■ Revenue

■ EBITA



Family of channels¹

Adults 25–54, Prime time,
YTD Aug 2019



Confirmed position as leading channel portfolio

HIGHLIGHTS

No. 1 platform for Dutch video content, strong subscriber growth (+58% YOY²)

VIDEOLAND
BY RTL

Create and own original IP, strengthen market leader position

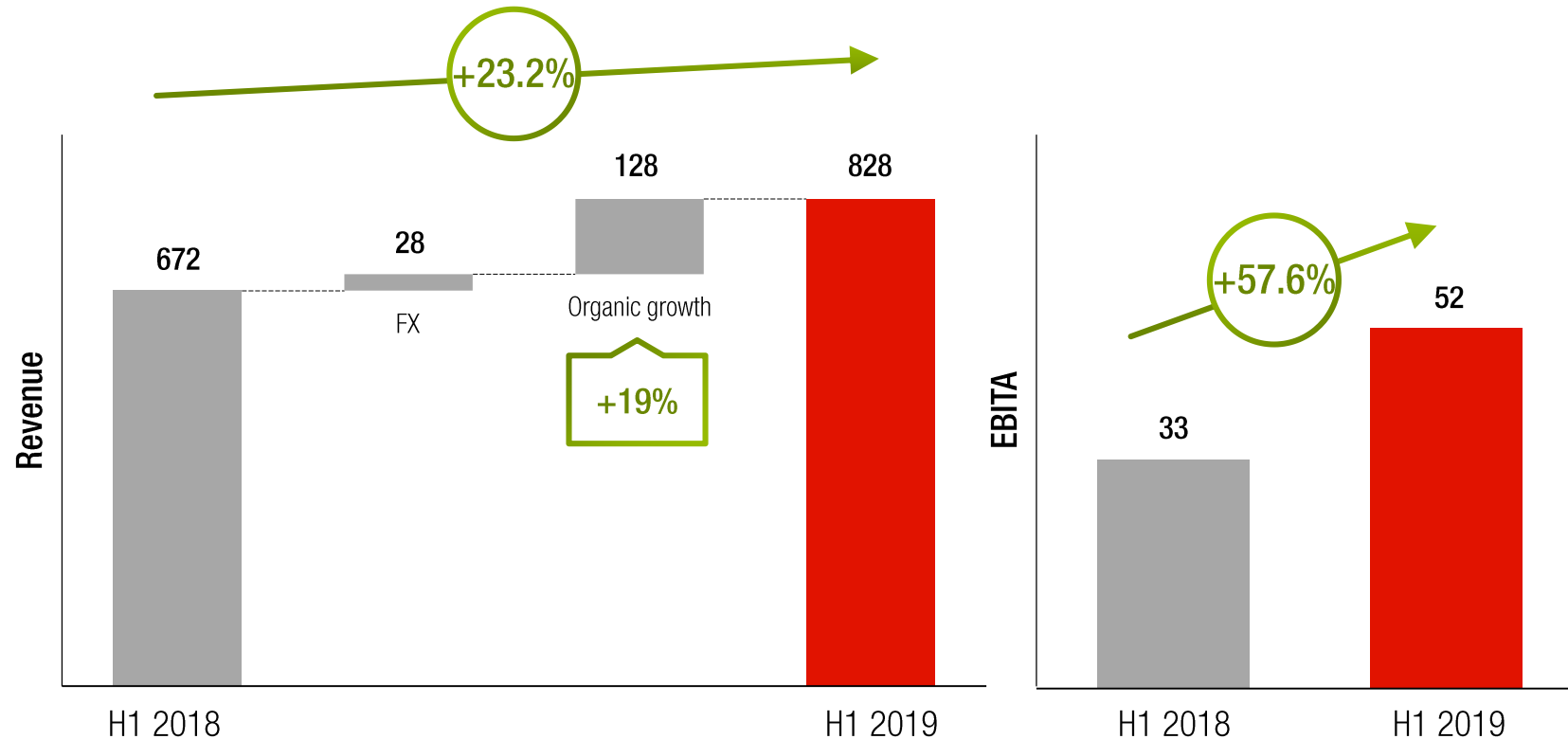
rtl

Acquired complementary inventory to strengthen sales house position

branddeli

SIGNIFICANT DOUBLE-DIGIT ORGANIC GROWTH

Key financials
In € million



HIGHLIGHTS

Continued push into scripted drama, renewals of key titles (*American Gods S3, My Brilliant Friend S2*)



Successful format spin-off with *America's Got Talent: The Champions*



Successful sale of remastered *Baywatch* series to over 110 territories



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



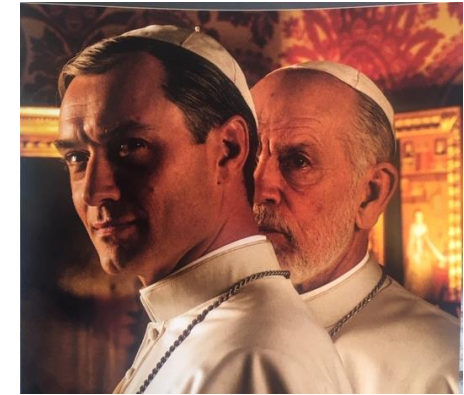
American Gods s.2 – s.3 confirmed



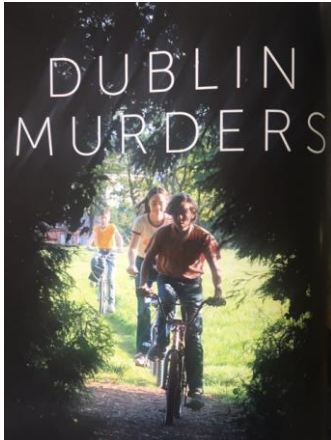
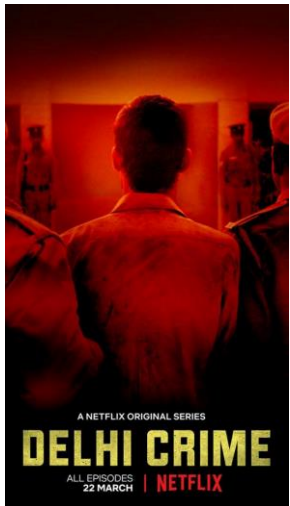
Beecham House - new



La Jauria - new



The New Pope s.2



Dublin Murders - new



The Luminaries - new



Baghdad Central - new



The Story of a New Name s.2



Mosquito Coast- new

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NEW ALLIANCES: SHAPING THE FUTURE OF THE EUROPEAN TOTAL VIDEO INDUSTRY

External alliances

-  **Ad Alliance:** Expanded portfolio with digital assets of Axel Springer's Media Impact sales house
-  **D-force with P7S1:** Planned DSP joint venture to drive growth in addressable TV and online video market
-  **European netID:** Now has around 65 partner websites in Germany

Form alliances to accelerate growth

Internal alliances

Examples / non-exhaustive

-  **Bertelsmann Content Alliance:** Cross-divisional offers across TV, audio and print well received by creatives and advertisers
-  **Audio Alliance:** Develop and distribute audio products across Bertelsmann, RTL Group, G+J, PRH and BMG
-  **Format Creation Group:** Create and control non-scripted IP to fulfil demand for exclusive content
-  **VOD tech platform provided by Groupe M6:** Serving streaming offers across RTL Group

Leverage RTL Group's unique position

NATIONAL STREAMING CHAMPIONS SEE FAST GROWTH AND COLLABORATE ON TECH



Achievements



COMPETE

>1.2M PAYING SUBSCRIBERS
for TV Now and Videoland
+46% YOY



COLLABORATE

INTEGRATED TECH PLATFORM
for RTL Group streaming offers in
FR, NL, BE, HU, CR, LU
Component sharing with TV Now



CREATE

48 EXCLUSIVE TITLES
across TV Now and Videoland
in HY 2019

CREATE EUROPE'S LEADING AD-TECH DEVELOPMENT UNIT

Strategic review of RTL Group's ad-tech businesses

SPOTX

 **smartclip**

- 1** EU operations (except the UK) to be led by Mediengruppe RTL Deutschland, bundled under Smartclip brand

- 2** Create open ad-tech platform customised for European broadcasters and streaming services

- 3** Reviewing strategic partnership options for the SpotX Global business

PRIORITIES GOING FORWARD

- 1 FOCUS ON OPERATIONAL PERFORMANCE** and strengthen families of channels across the Group
- 2 GROW NATIONAL STREAMING CHAMPIONS** with focus on technology and exclusive content
- 3 ACCELERATE CONTENT CREATION / PRODUCTION** across Fremantle and TV broadcasters
- 4 DEEPLY INTEGRATE AD-TECH** and create Europe's leading ad-tech development unit
- 5 PURSUE INTERNAL AND EXTERNAL COLLABORATION / ALLIANCES**
- 6 INVEST IN DATA AND TECHNOLOGY** across the Group

TOTAL VIDEO
STRATEGY

OUTLOOK FOR 2019

2019 Guidance

1

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

Revenue outlook
In € million and %



+2.5%
€6,668m

+5.0%
€6,830m

2

EBITA pre-restructuring costs expected to decrease moderately, reflecting investments in TV programming and VOD

EBITA outlook
In € million and %



-2.5%
€1,142m

-5.0%
€1,112m

3

NEW DIVIDEND POLICY: at least 80% pay-out ratio of adjusted net result¹

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