



**RTL Group**

**JPMorgan CEO Conference, London, June 24<sup>th</sup> 2015**

# Media is in a state of constant evolution

## Television

Remains highly profitable – video consumption increasingly across all screens

## Monetisation

Multi-platform distribution leads to converging media sales and platform fee opportunities

**BROADCAST**

## Production & IP

New global hits are hard to find with genres from high-end drama to low-cost web content

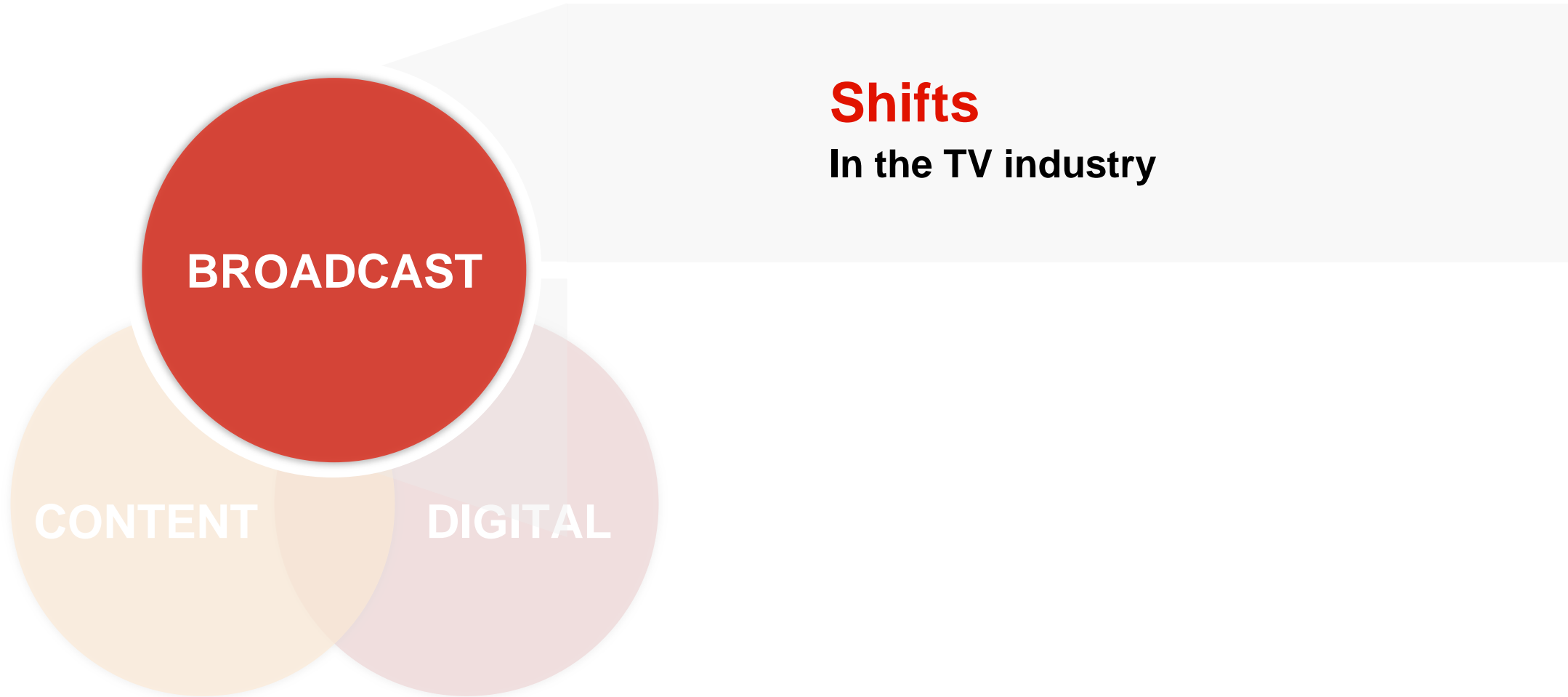
## Digital Video

Gaining reach as content quality improves, but still lacks profitability

**CONTENT**

**DIGITAL**

# Agenda



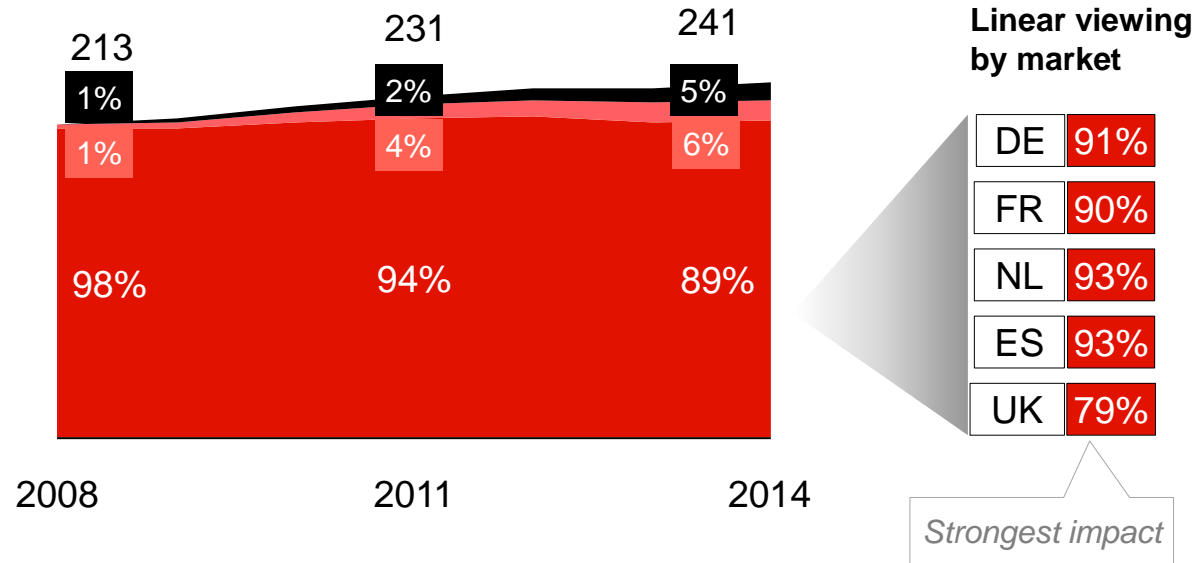
# Consumption

## Linear TV is still strong, with non-linear likely to accelerate

### Current video consumption<sup>1)</sup>

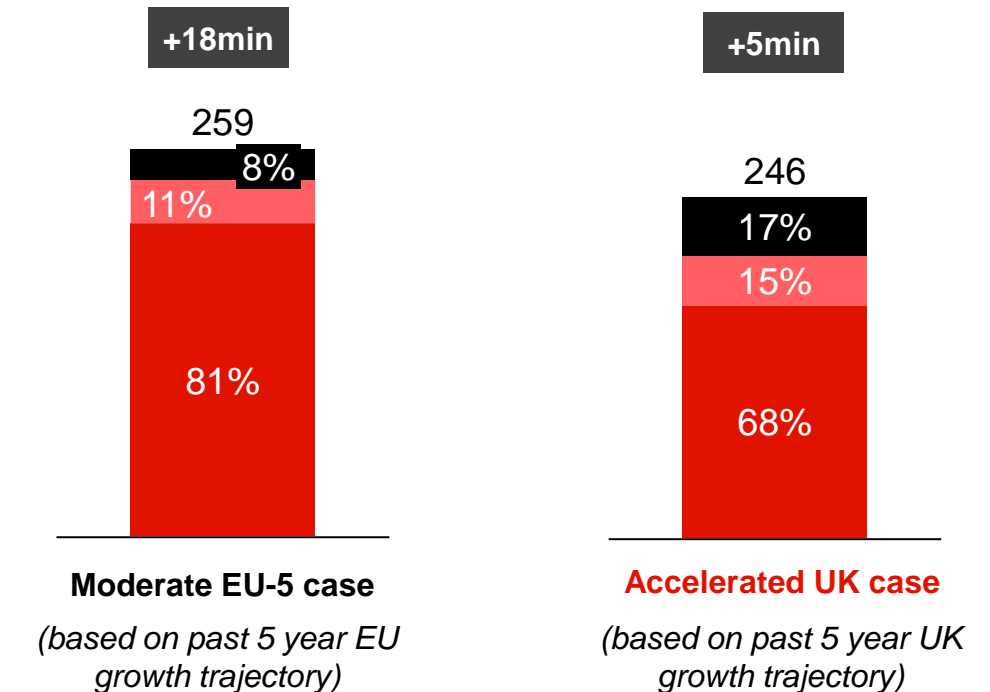
RTL Top 5 (GE/FR/NL/ES/UK), in minutes per day (avg.)

■ Linear TV 
 ■ Time-shifted TV 
 ■ VOD (incl. online short-form/long-form video)



### Potential 2020<sup>2)</sup> scenarios

RTL Top 5, in minutes per day (avg.)



So far overall consumption has grown ...

... but viewing may stagnate, while non linear accelerates

# Consumption

## Video measurement needs to follow the audience

Type of viewing		Trend	Data	DE	FR	NL
Linear TV	Linear viewing on TV set		Extended TV Panel Measurement	✓ 4 days	✓	✓
	Time shifted viewing within 7 days					
Online (PC)	Catch-Up TV (7+days)		Hybrid online data (Panel + Census)	Starting 2015	2016 Incl. IPTV	Starting 2015
	Other offers (e.g. YouTube, VOD services <sup>1)</sup> )			Planned 2015/16	n/a	Starting 2015
Mobile	Video viewing on mobile devices		Mobile integration with online panel	Planned 2015/16	Planned 2015/16	Starting 2015

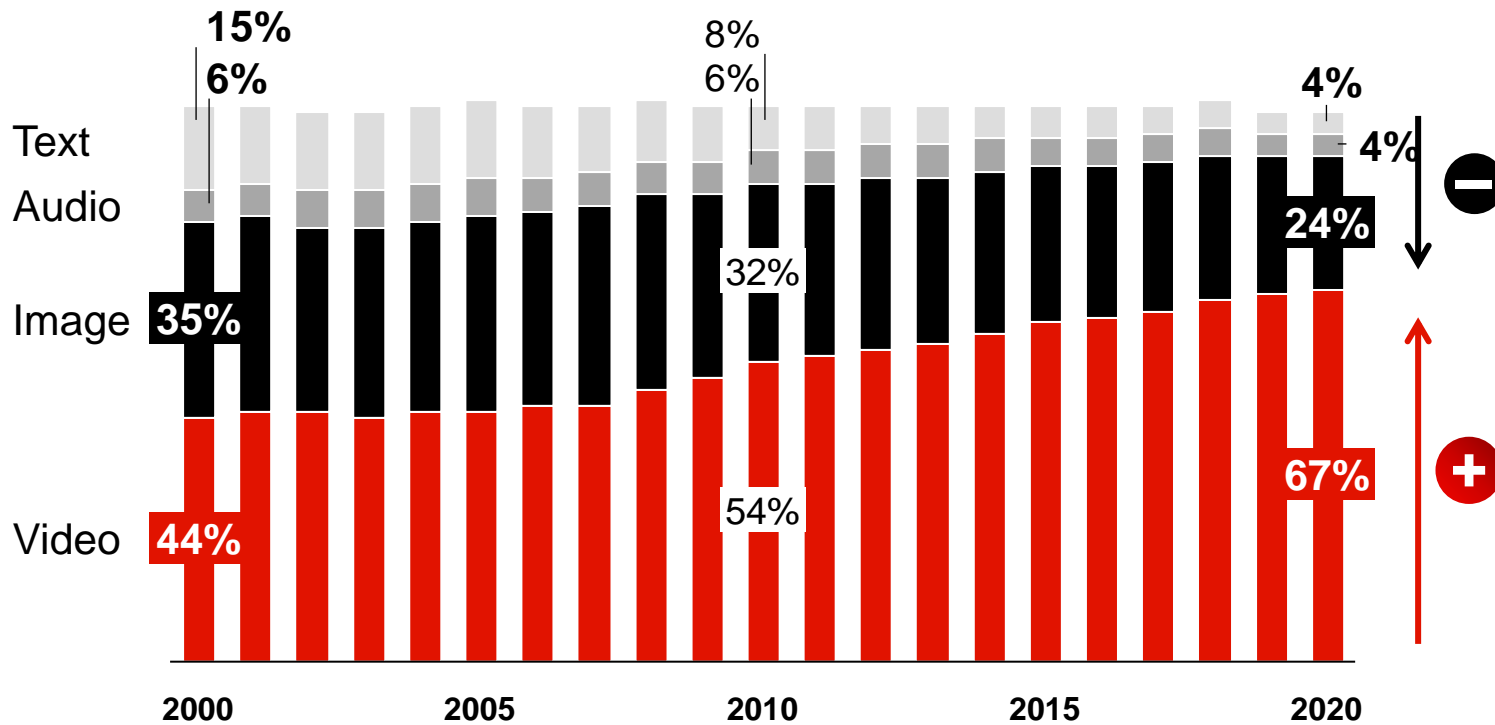
**Measurement is only gradually adapting - changes not expected until 2016**

1) Depending on participation (e.g. YouTube to join in GER, not in NL)

# Advertising

## Video is and will remain the dominant format in the future

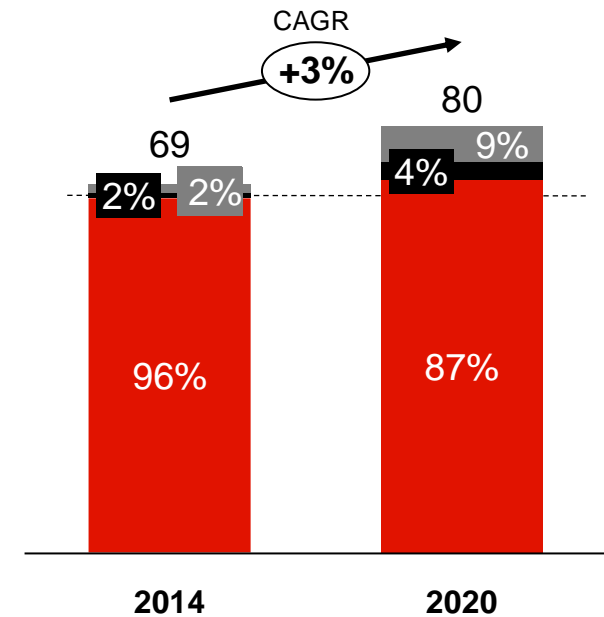
Forecast US ad spend by format <sup>1)</sup>



US: TV will see further growth from Online<sup>2)</sup>

Video ad spend, in \$ billion

■ Premium VOD ■ Non-premium VOD<sup>3)</sup> ■ TV advertising



**Video, as a % of total ad spend, is accelerating and will be the clear winner**

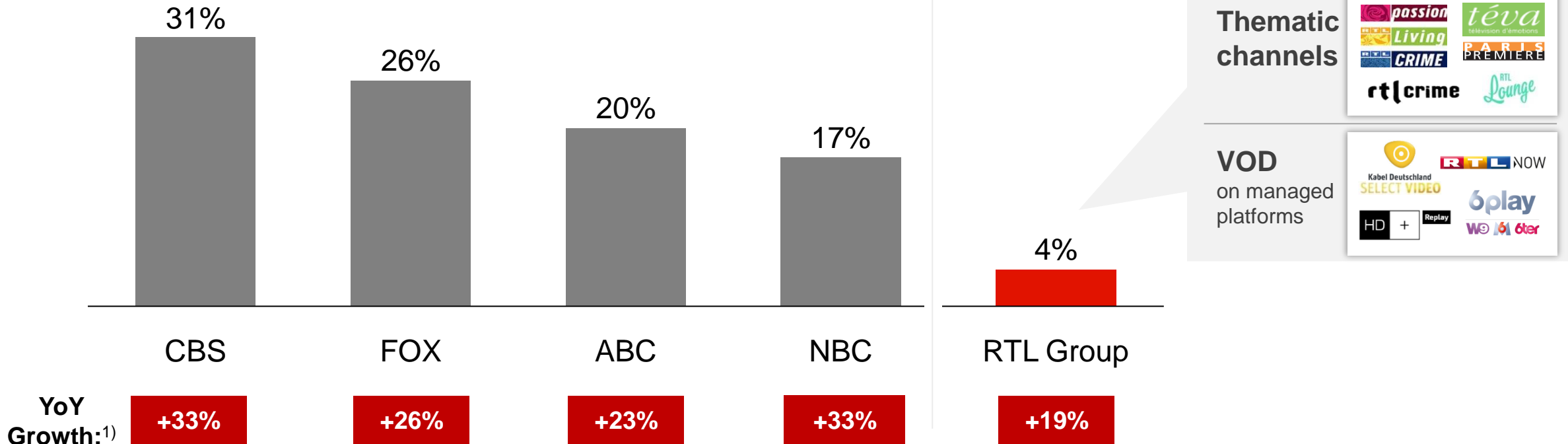
# Distribution

## Re-transmission fees have some growth potential for RTL Group

### Re-transmission fees as % of total revenue

In 2014

#### US Broadcasters



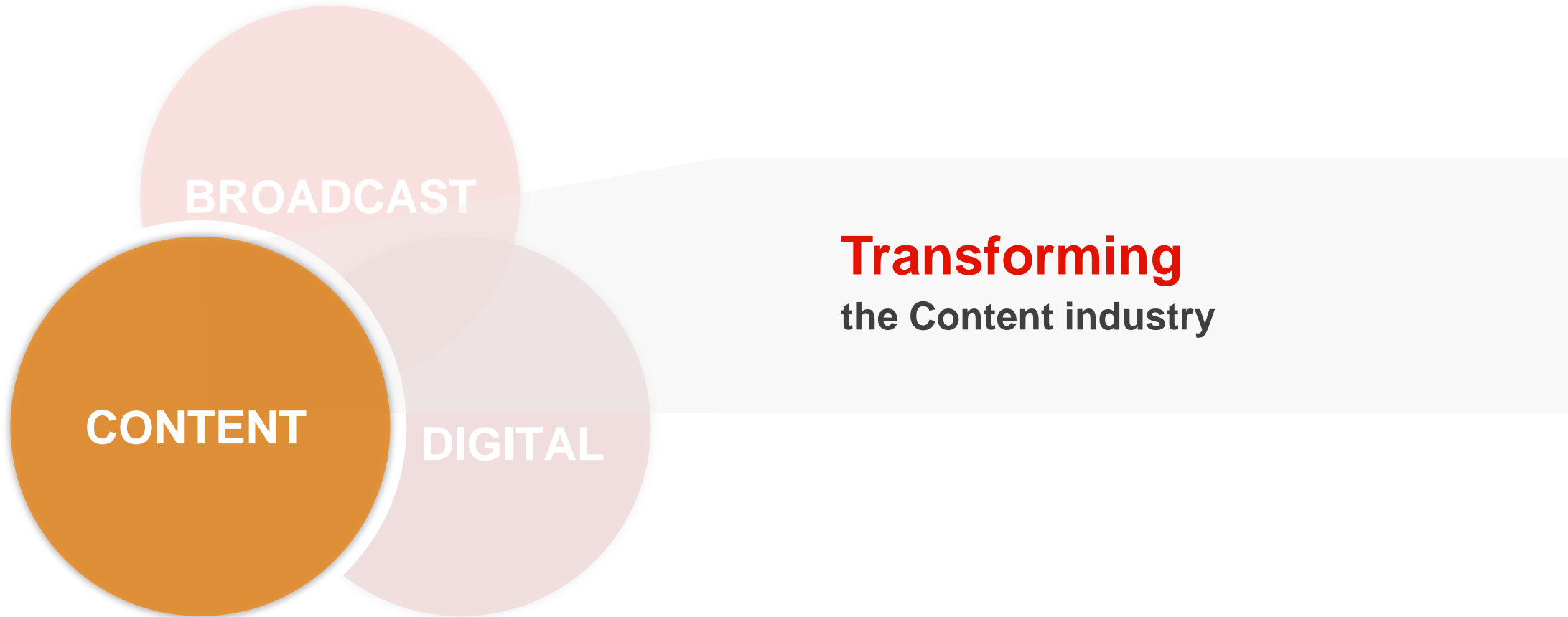
# Distribution

## New thematic channels generate additional reach and exploitation options





# Agenda



# FremantleMedia

## Re-positioning ongoing

### Our strategic priorities

- |          |   |   |
|----------|---|---|
| <b>1</b> | <b>Maintaining core business</b>            | <ul style="list-style-type: none"><li>■ Keep existing shows on air</li><li>■ Roll out formats to new territories</li></ul>                |
| <b>2</b> | <b>Developing the pipeline</b>              | <ul style="list-style-type: none"><li>■ Create new entertainment formats</li><li>■ Strengthen new genres</li></ul>                        |
| <b>3</b> | <b>Maximising the network</b>               | <ul style="list-style-type: none"><li>■ Develop organically in new territories</li><li>■ M&amp;A for market entry/consolidation</li></ul> |
| <b>4</b> | <b>Building a scalable digital business</b> | <ul style="list-style-type: none"><li>■ Expand capabilities across value chain</li><li>■ Develop new content verticals</li></ul>          |

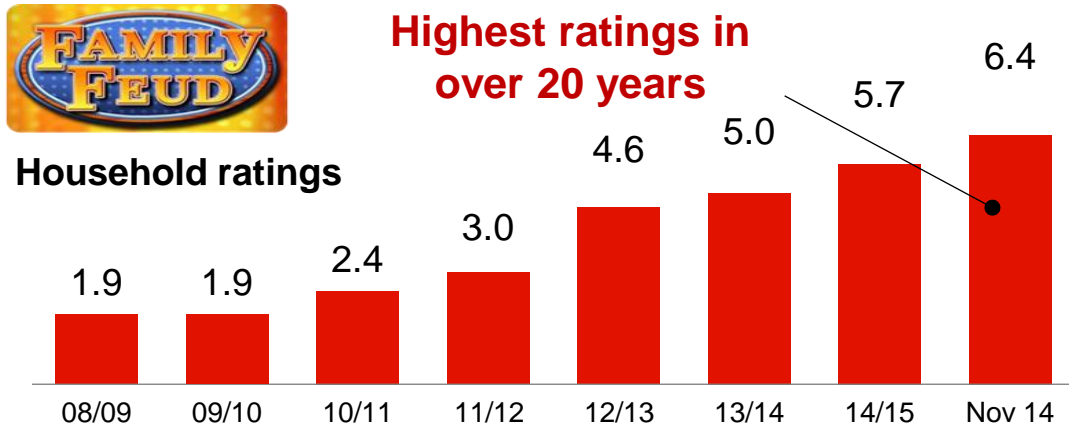


**Through organic growth  
and M&A**

# FremantleMedia

## Maintaining the core business

### Long-running game shows performing well



### Some cancellations are unavoidable

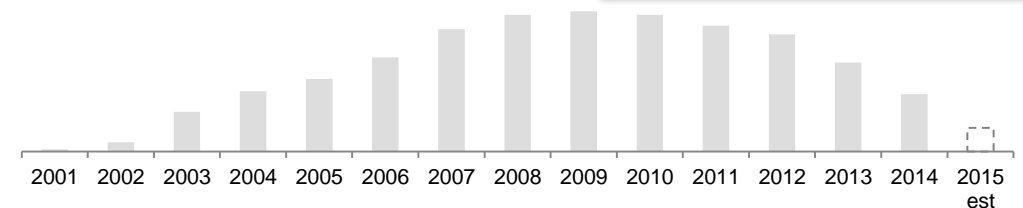


### Talent shows continue to roll out



### Inevitably, older shows will decline in profitability

#### Indicative Gross Profit



**American Idol 2016 will be the last series**

# FremantleMedia

## Developing the pipeline – entertainment shows

### 2014/2015 launches with potential to travel



RTL Germany launch, headliner at MIPTV 2015



Sold into 12 markets (incl. Argentina, Turkey, Romania, Croatia, Czech Republic, Indonesia, Ireland, Peru)



Beat The Brain – 30 Episodes BBC2 across prime



Series 1 in production M6 France  
Series 2 Netherlands in production RTL4



On air TV3 Denmark, in production Kanal5 Finland.  
Launched at MIPTV 2015



Aired Canada, successfully launched in Sweden.  
Piloting for VOX Germany



La Banda – In production for Univision launching  
Autumn 2015



Series 2 commissioned SVT Sweden. Interest in Germany,  
Belgium, Portugal, Serbia, India, China, UK, US



Successful pilot launch on BBC2 primetime, in  
negotiation for a further 5 episodes, launched at  
MIPTV 2015



Couples version launching July 2015 on ProSieben,  
piloting NBC USA, sold to NBC Pan Arabia



Launched successfully on BBC3, sold to Kabel 1  
Germany



Series 2 in production in the USA, Syndication

# FremantleMedia

## Developing the pipeline – non-US drama

### Dramas with travelling potential (non-US)



First German drama to be aired on major US network. Sold to 7+ territories



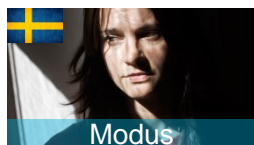
International distribution deal with AbbottVision



TV2's highest ever rated drama premiere #1 in slot with 39% share



Original Australian drama with German and Dutch local versions



Anne Holt's Vik/Stubo novels being adapted for TV by Miso Film

### Local drama series



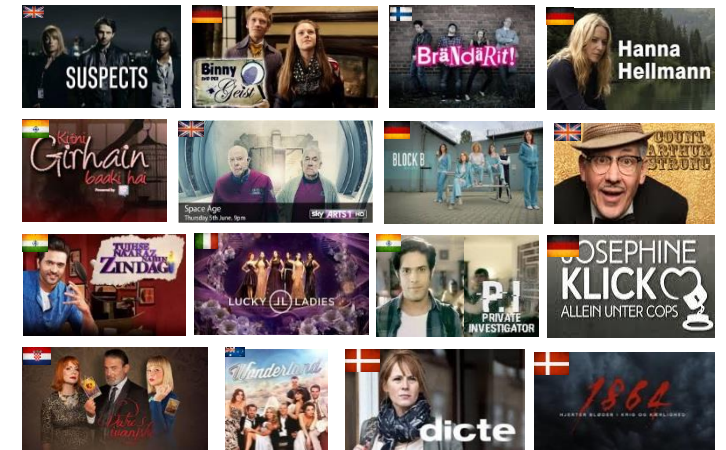
ITV's highest rated sitcom of 2015 with peak audience of 5.6m / 20%



No.1 Show on SBS6 for 2014 with a peak episode audience of 1.6m / 22%



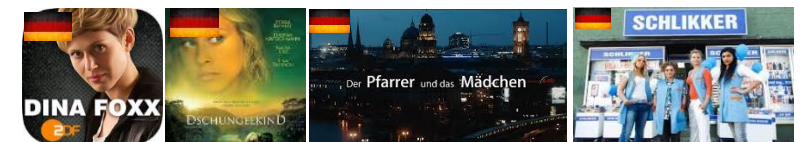
No.1 drama on SBS6 for 2014 in the commercial target (shoppers 20-49) – Dutch version of Wentworth



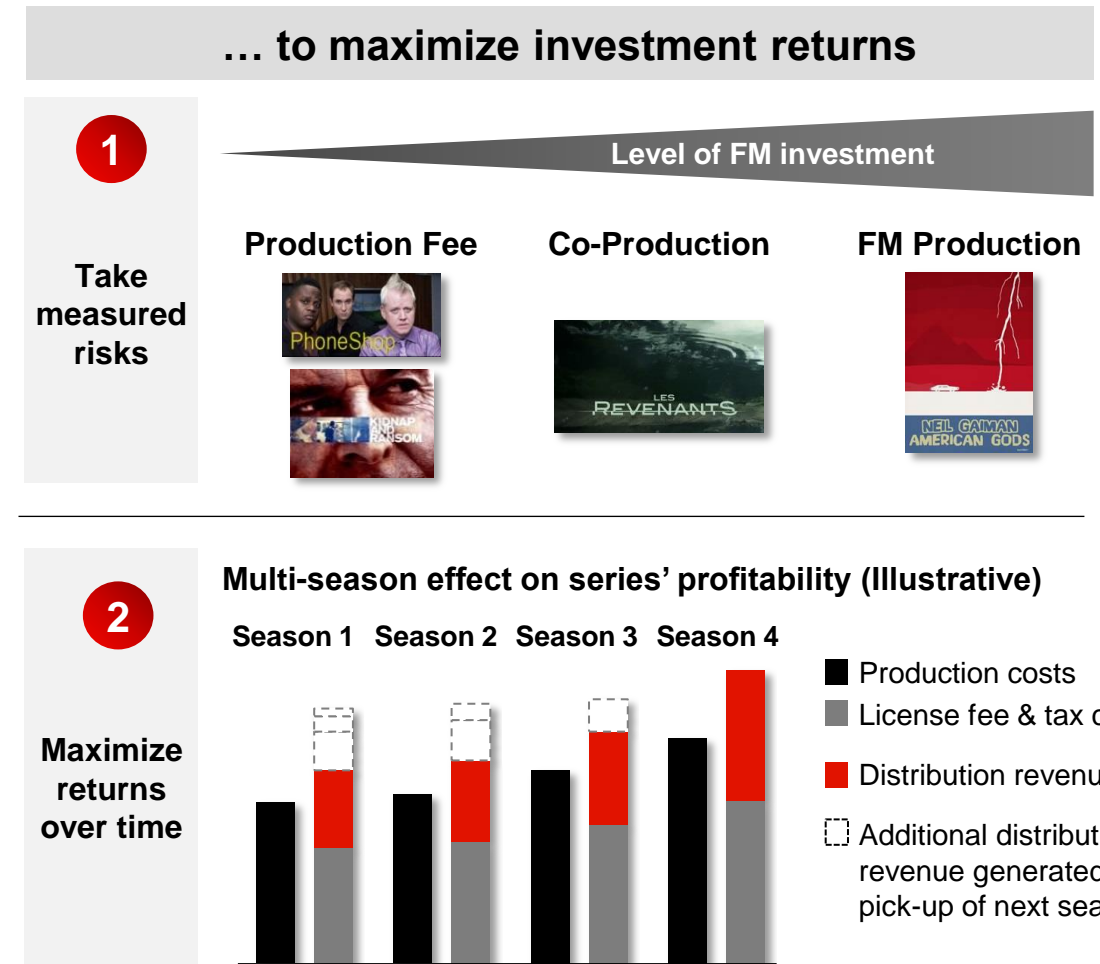
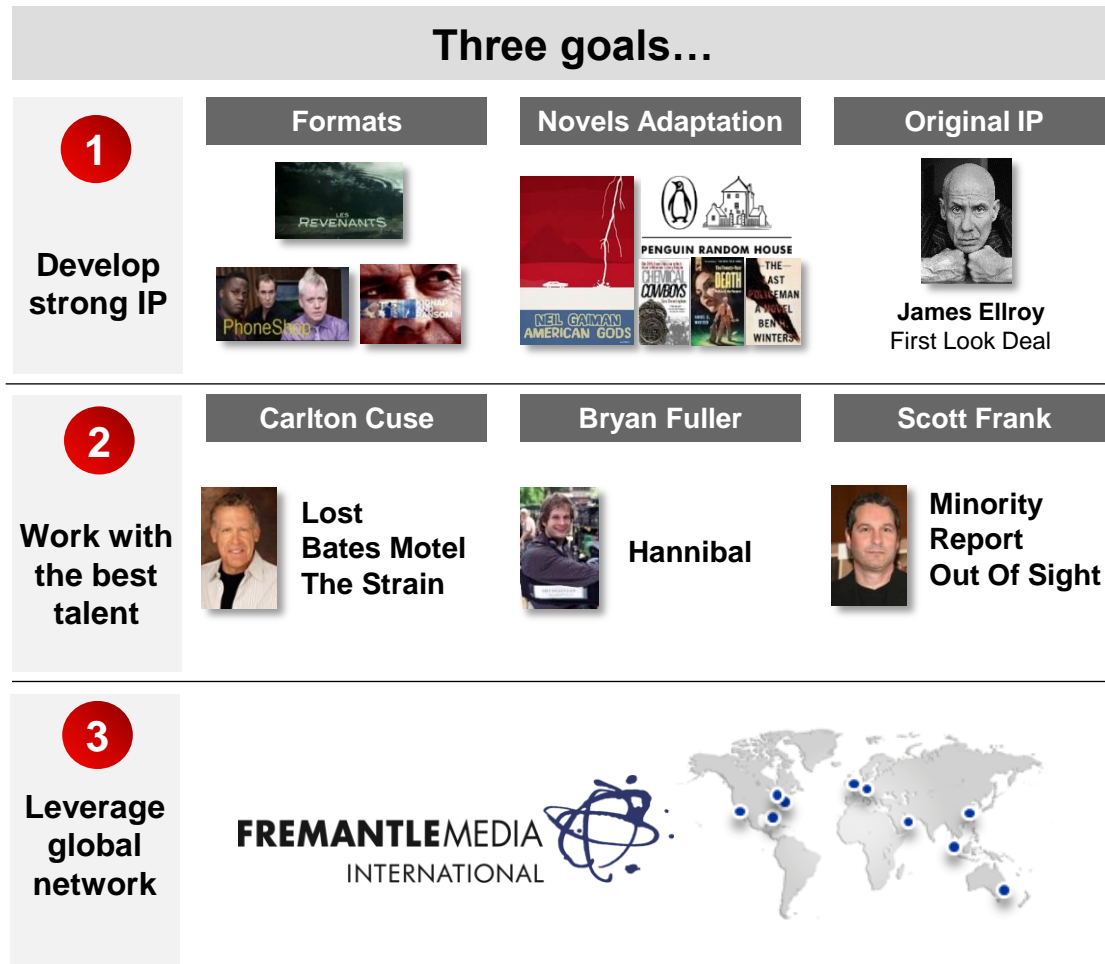
### Movies (UFA)



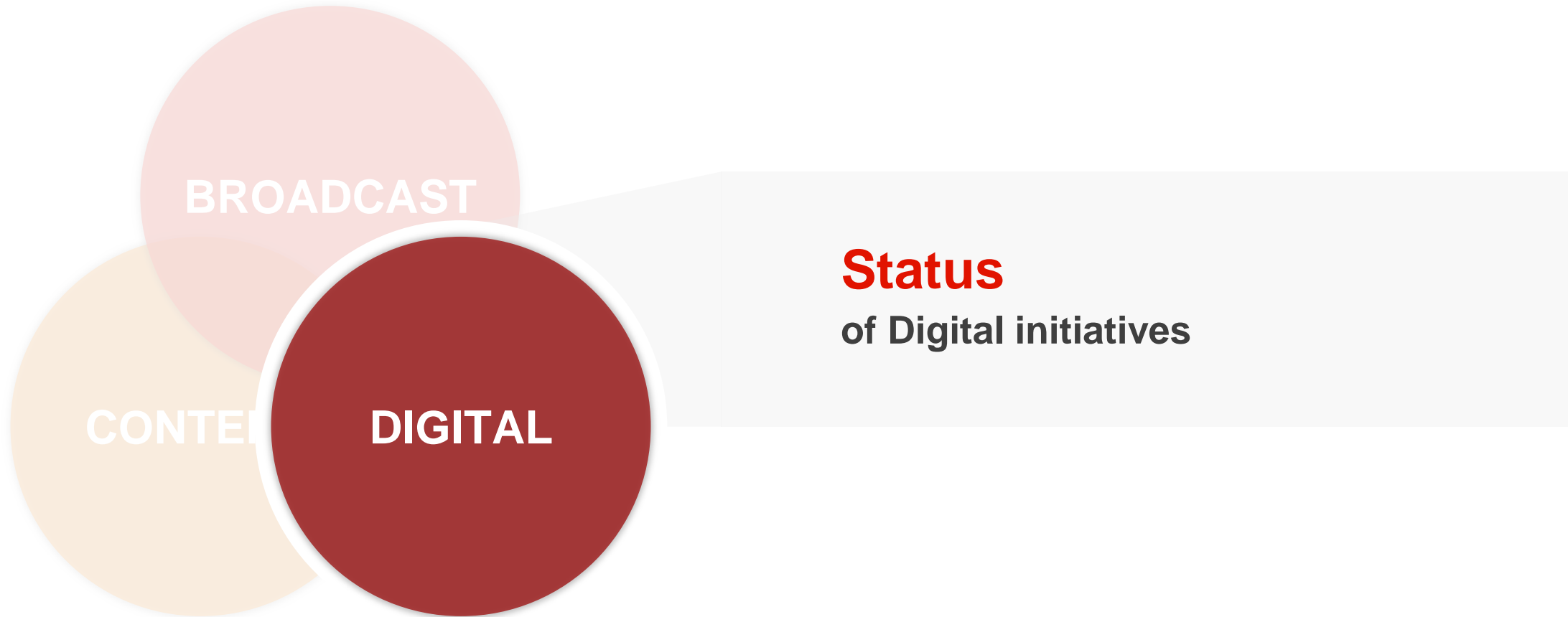
Bornholmer Strasse and Der Medicus were Germany's #1 and #2 non-franchise movies on TV in 2014



## Developing the pipeline – a portfolio strategy to US scripted



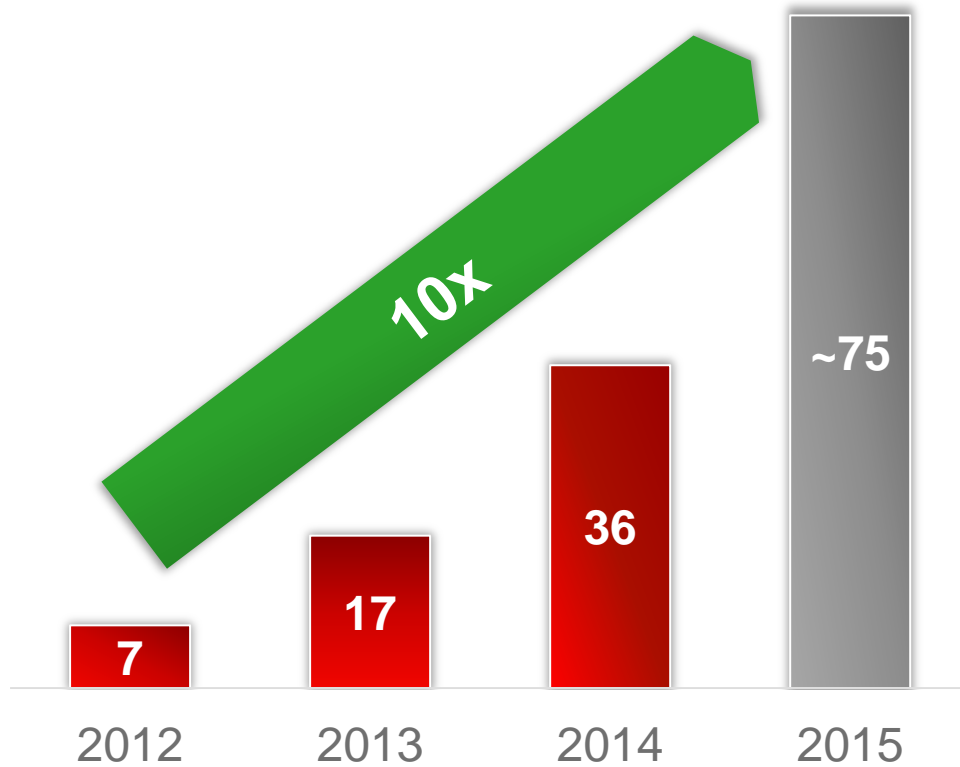
# Agenda



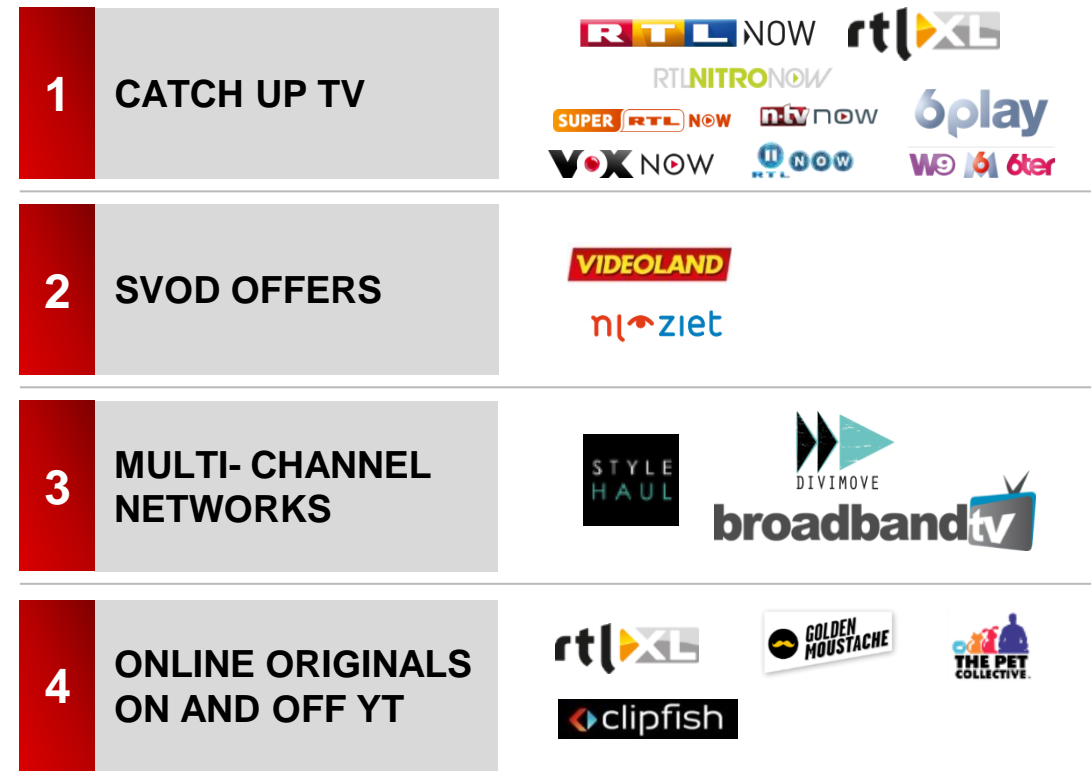
# Online Video

## Video views growth fuelled by MCNs, with revenue getting more diversified

RTL Group video views  
In billion, consolidated<sup>1)</sup>



RTL Group online video offers





# Catch-Up TV

## Our broadcasters continue to develop their catch-up offers

### MG RTL De



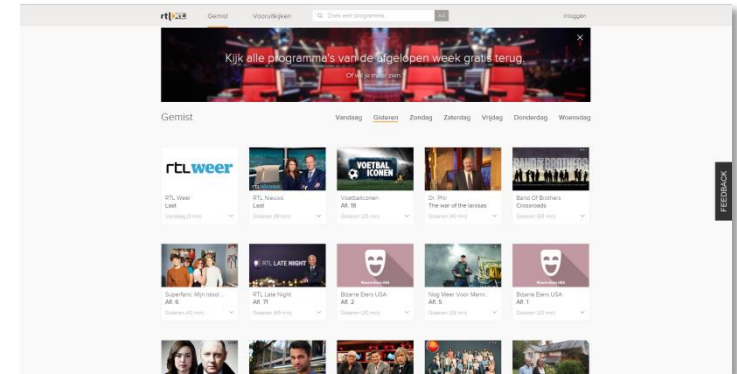
- **Meta brand in development :**  
App for 6 Free TV channels (as pay subscription)
- **Rollout** to other devices (e.g. Apple TV) shortly

### Groupe M6



- **+22%** video views and **+112%** mobile views in 2014 YoY
- **Mandatory sign-in** and SVOD element planned
- **Programmatic sales** of IPTV inventory being studied

### RTL Nederland



- **SVOD** offer launched, providing **1 year catch-up** and 7 day preview for €3.99/month
- **63%** of views generated on mobile devices in 2014

# MCN business

## Build a global leader in the high growth native online video market

1

Rapidly acquire scale and technology capabilities in “horizontal” MCNs



2

Develop depth in key verticals, quality of content and production capability



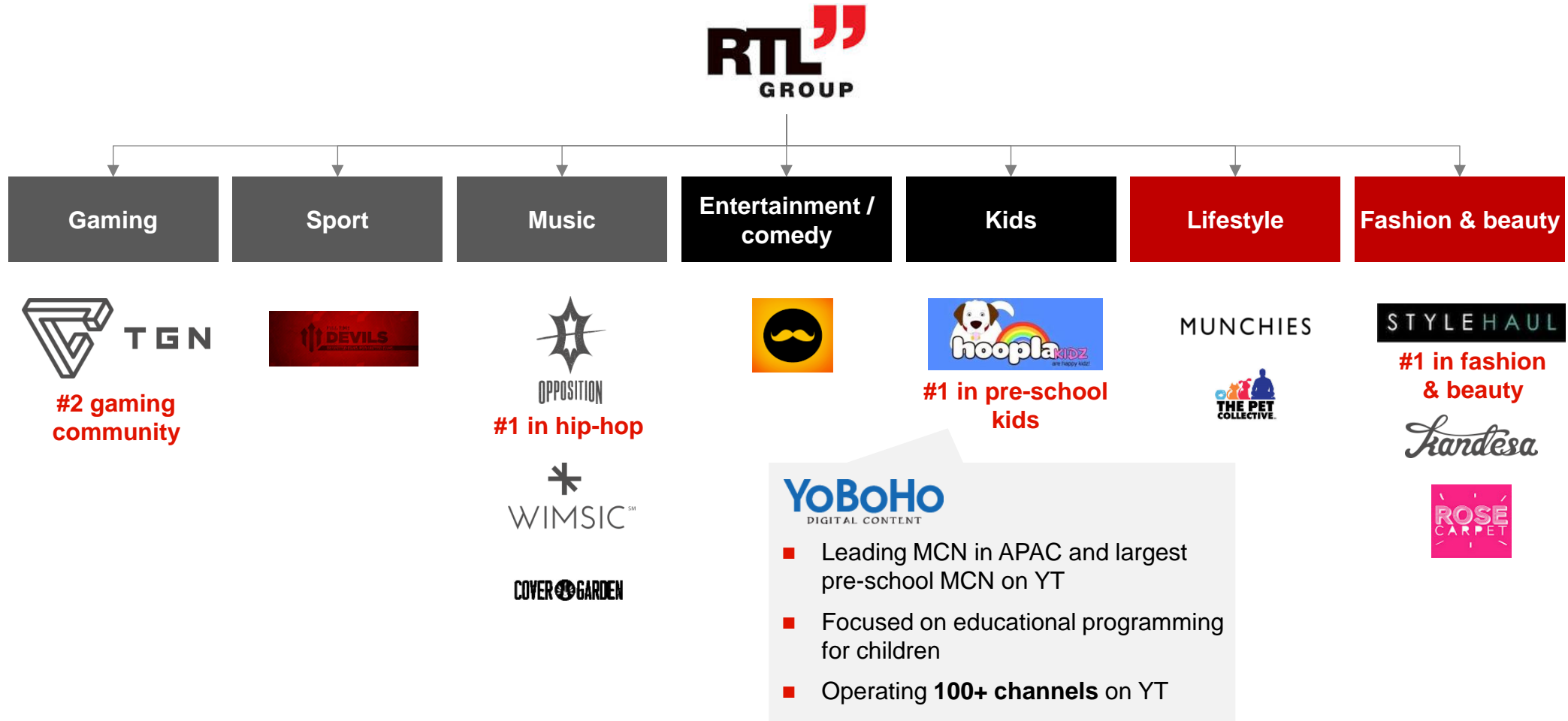
3

Strengthen monetisation and develop strategically important value-chain components

- Ad sales and brand integration capability
- Multi-platform distribution, especially off-YouTube
- Talent management capability
- E-commerce

# MCN business

## Acquisition of YoBoHo adds an important new strand to our portfolio

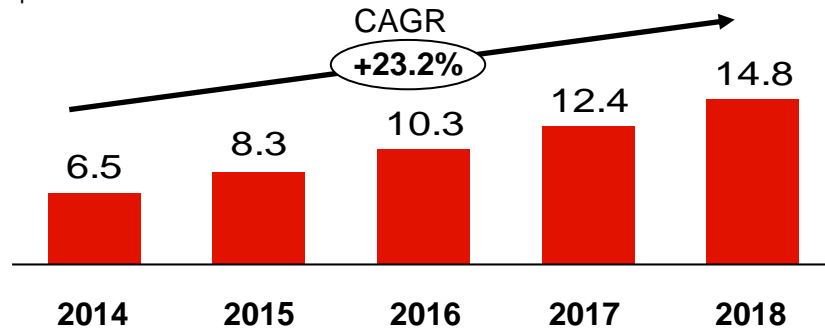


# MCN business

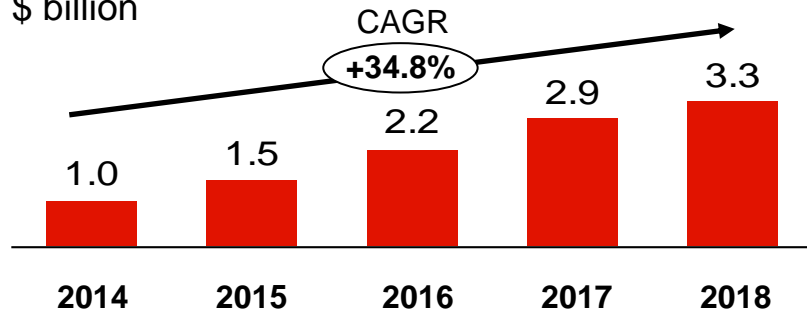
## Trends in online video suggest significant growth opportunity

### Strong outlook for online video advertising and for YouTube

Global online video ad revenue  
In \$ billion



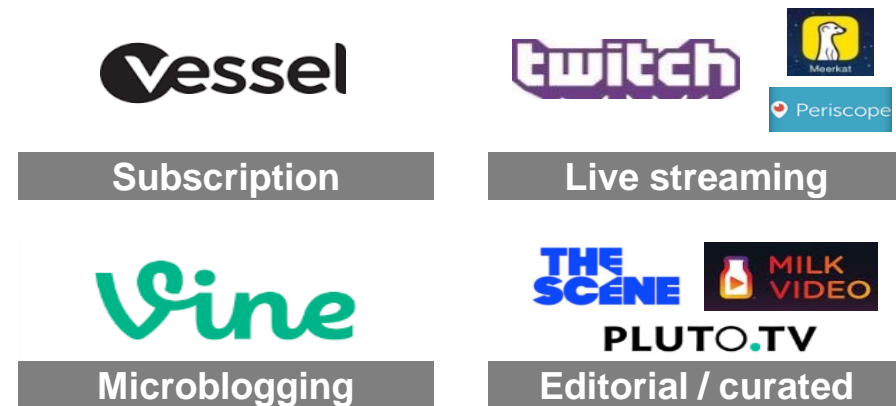
YouTube US video ad revenue  
In \$ billion



### New distribution opportunities emerging following push by leading tech players

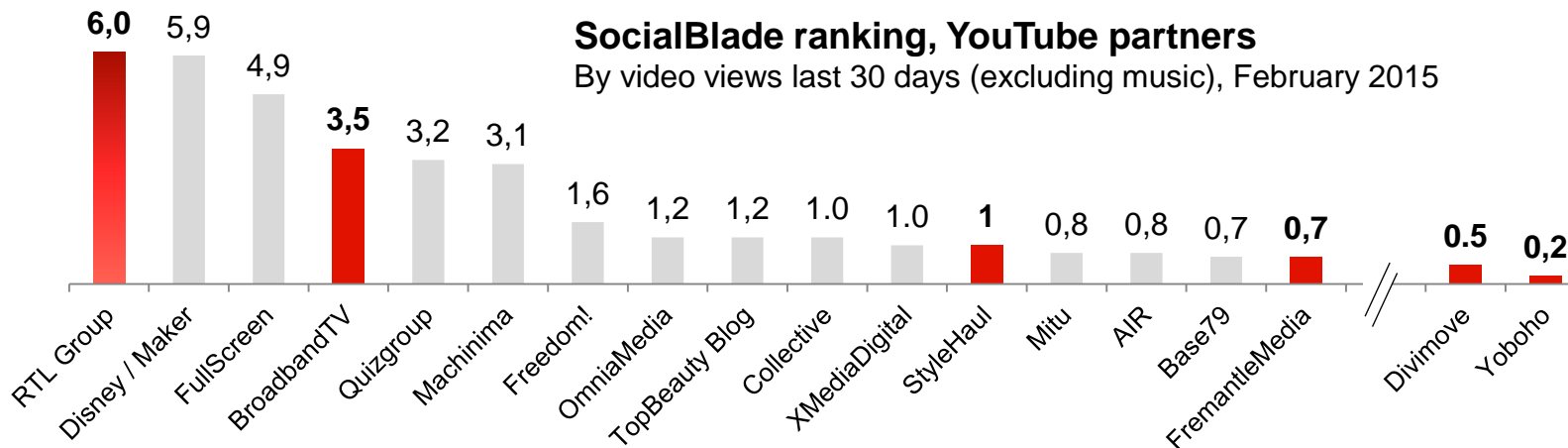
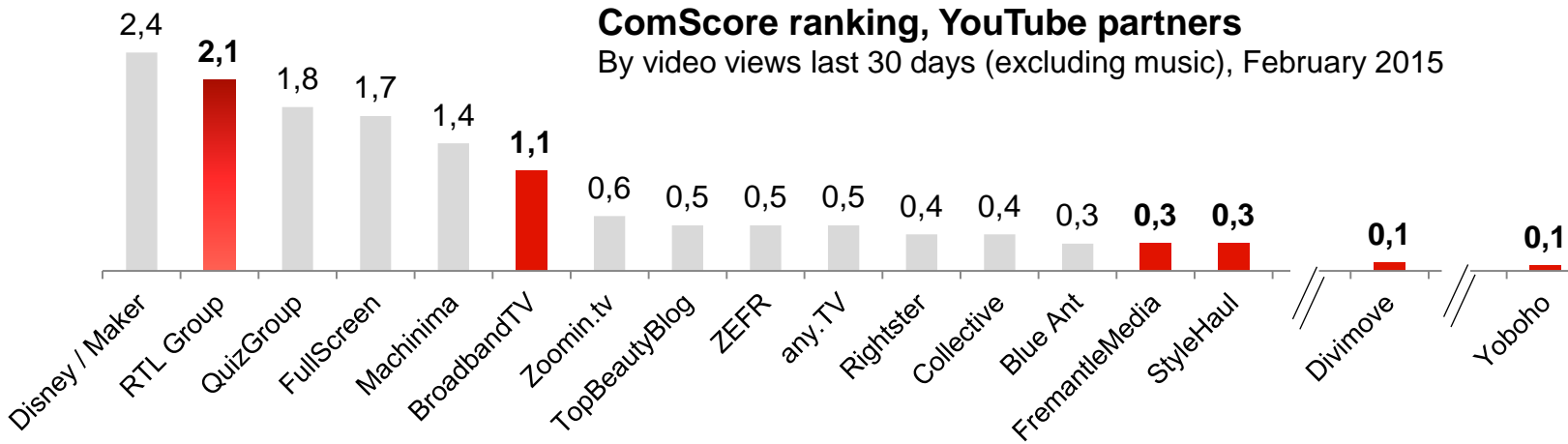


### New entrants, new business models:













# MCN business

## RTL Group – in a leadership position



### Growing portfolio of vertical brands

-  **#1** in fashion and beauty on YT
-  **#1** pre-school kids network on YT
-  **#3** gaming network on YT
-  **#2** hip-hop network on YT
-  **Leading** EDM network on YT
-  **Leading** food network
-  **Growing** female lifestyle network
-  Sports fan network
-  **#1** in French comedy
-  **Leader** in style in France

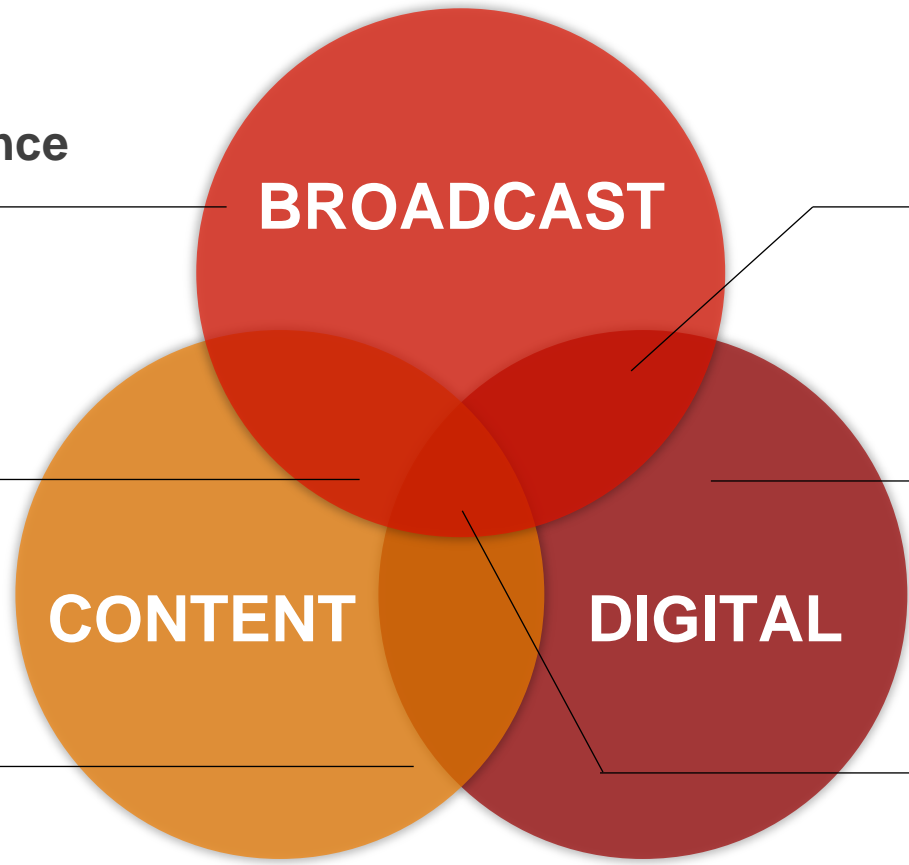
# Summary

## RTL Group's strategic focus

**Strengthen & reinforce**  
Reach and audience performance

**Develop & innovate**  
Broadcaster programming

**Re-spin & grow**  
FremantleMedia



**Improve & extend**  
Sales and monetisation (ad/pay)

**Broaden & intensify**  
Digital capabilities (e.g. ad-tech)

**Scale & expand**  
Video presence (esp. off-YT)

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