

# RTL GROUP

## TV stands for Total Video

JPM CEO Conference  
London, 29 June 2016  
Guillaume de Posch

# Agenda

## 1 STRATEGY



**Introduction to Total Video**



**Content**



**Ad Tech**

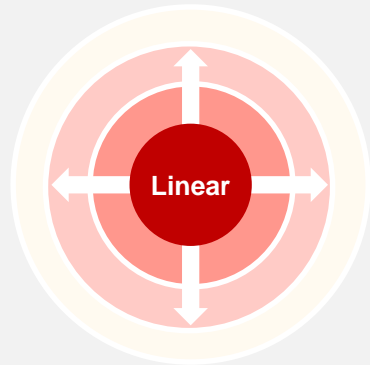


**Data**

# Overview

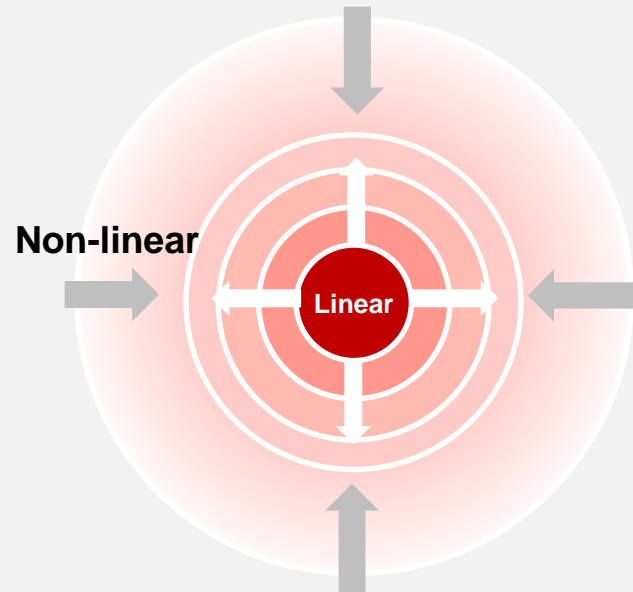
## 'Total Video' describes the dynamic expanding TV universe

TV as we know it ...



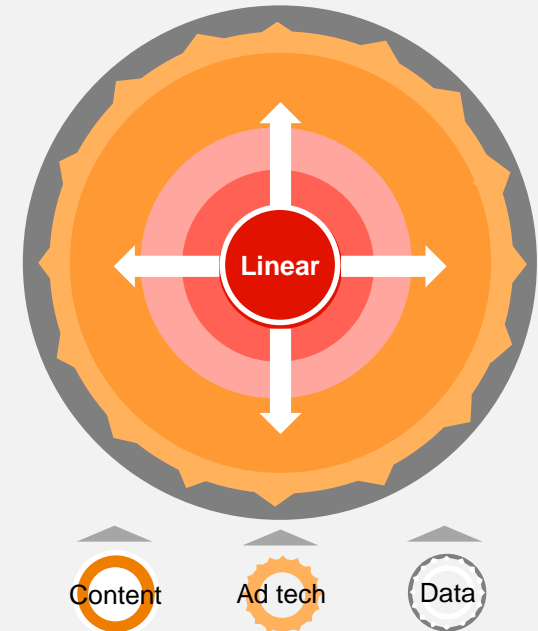
TV landscape has been fragmenting generation by generation

... evolving to Total TV ...



Now non-linear offers grow in quantity and quality, moving closer to traditional TV as TV-like offers

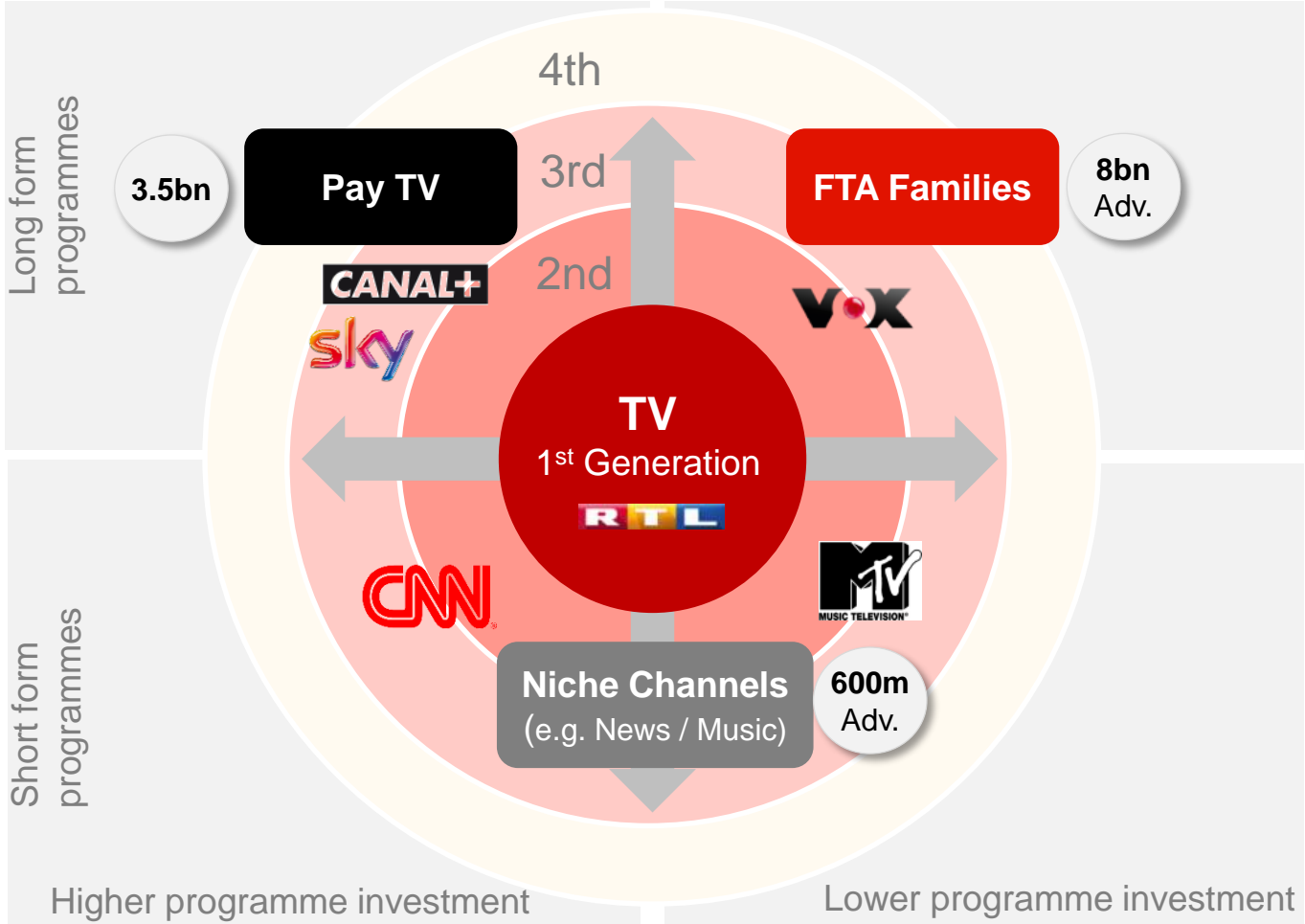
... as an integrated eco-system



Digital tech, data and new types of content are embedded in Total TV

# TV universe

**Linear TV universe has expanded for generations and this will continue ...**



**Fragmentation expected to accelerate**

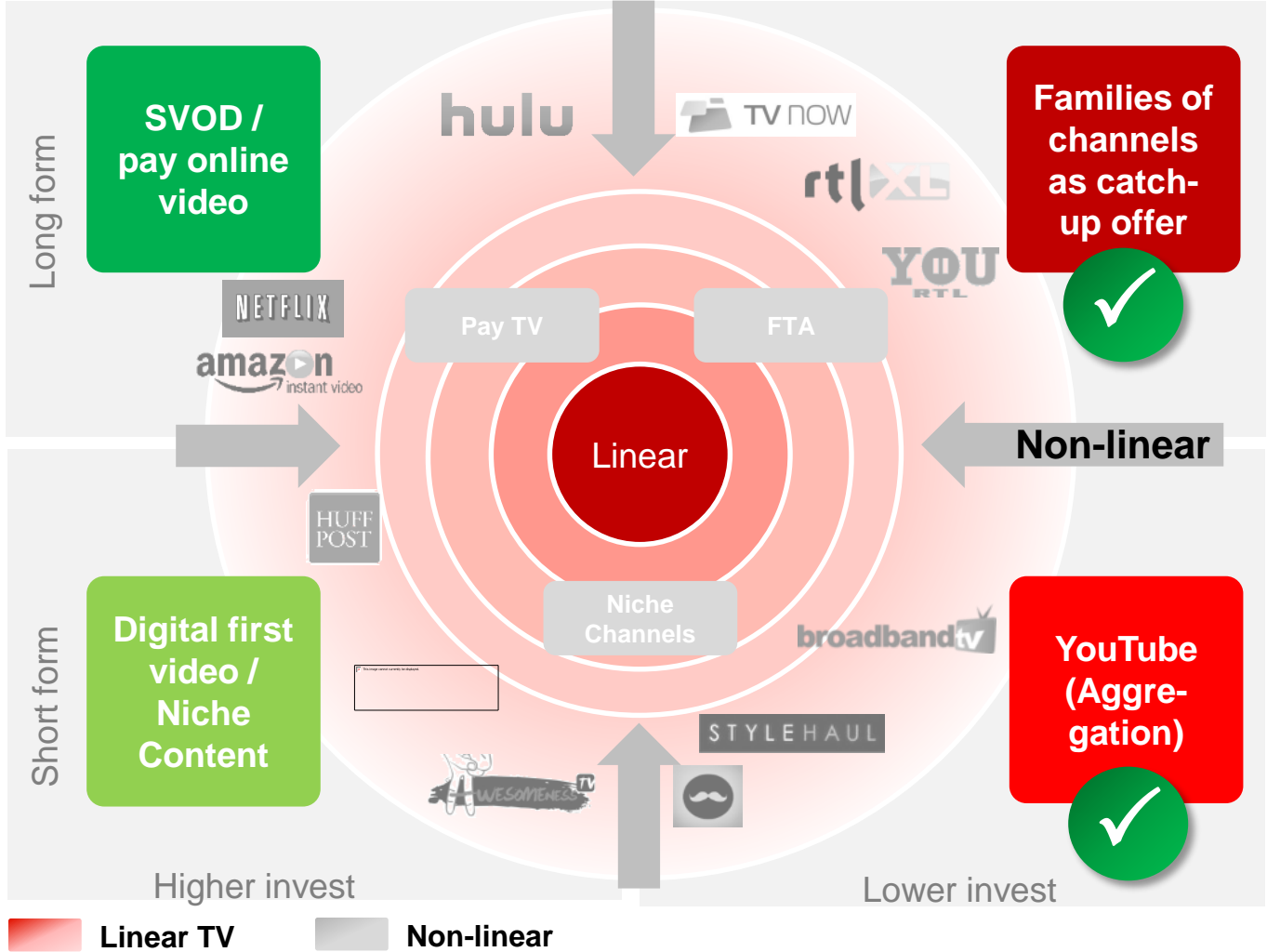
... targeting more niche audiences or business models

... via new distribution platforms

x Est. Market Size (GER/F/NL) in € **Definitions:** Long-form is > 30 minutes, Short-form is < 30 minutes, Lower invest is defined as content produced <50K per hour. Higher invest is defined as content produced for >50k.

# TV universe

... expanding from linear to non-linear – illustrated in four ‘Quadrants’



## Audiences expect...

...viewing experience better than “just” linear TV

- More choice
- More personalized viewing
- Less advertising, better experience

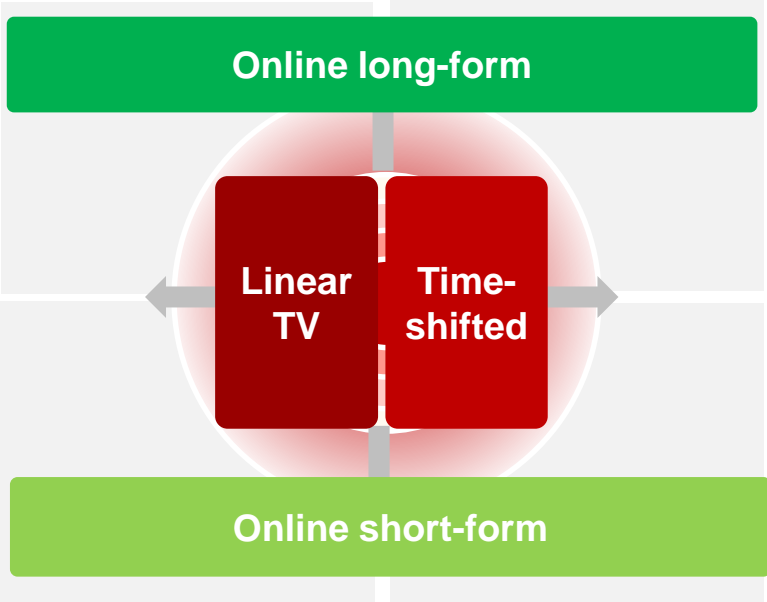
## Advertisers expect...

... digital standards to rise to TV level, but pricing to remain low

- Higher ROI (driven by efficiencies)
- Fully transparent reporting
- Innovative cross-platform or cross-market campaigns

# Viewing time

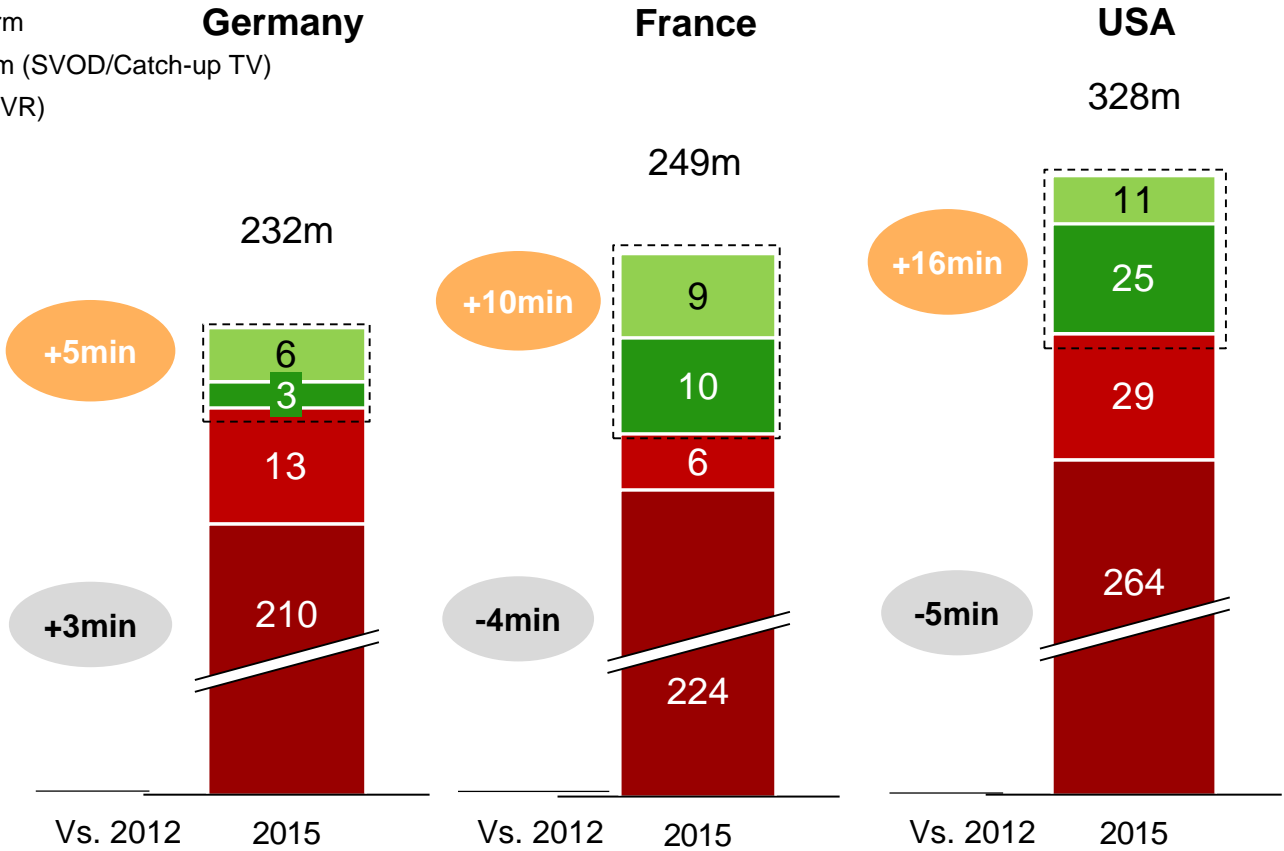
## 'Total Video' is currently not fully measured ...



**Total video viewing time**  
Minutes per user per day / estimated

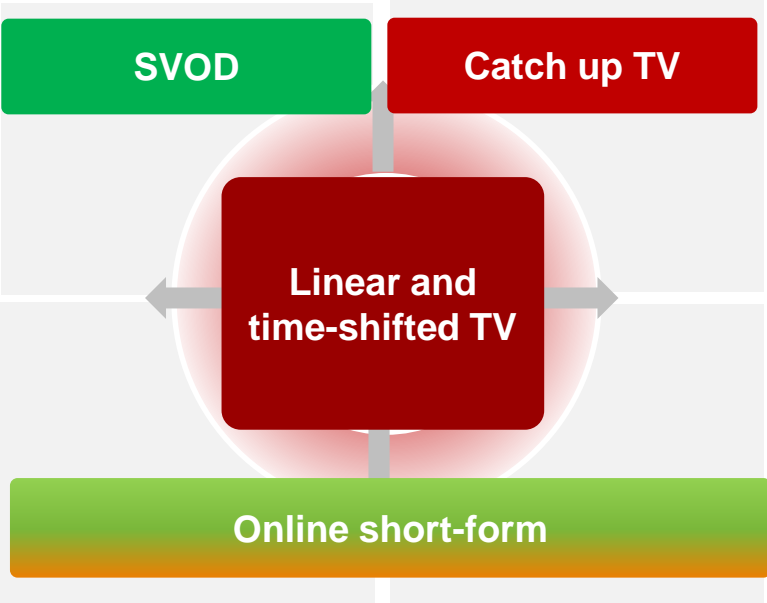
- Online short-form
- Online long-form (SVOD/Catch-up TV)
- Time-shifted (DVR)
- Linear TV

"Leakage" can only be estimated – TV measurement systems only slowly catching up



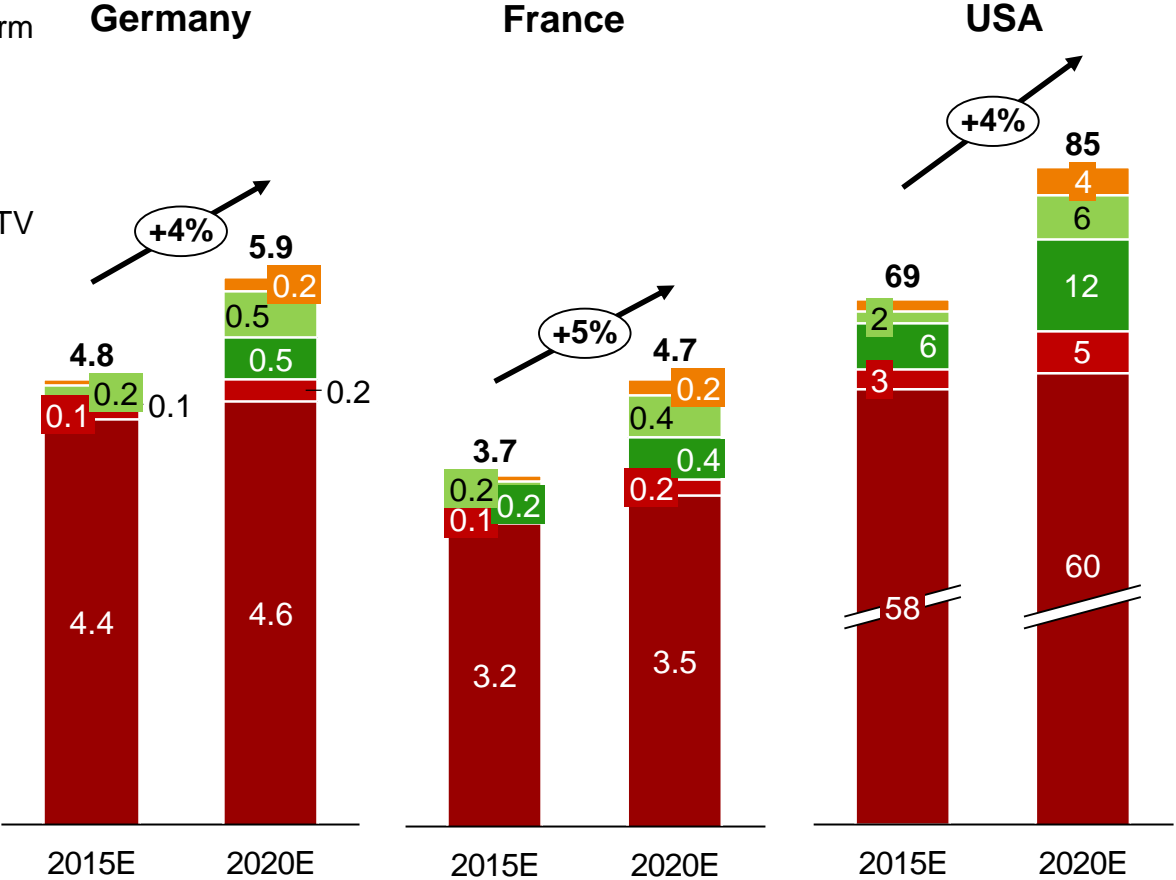
# Market

... while the total addressable video market is steadily increasing



**Estimated 'Total Video' market development**  
In € billion

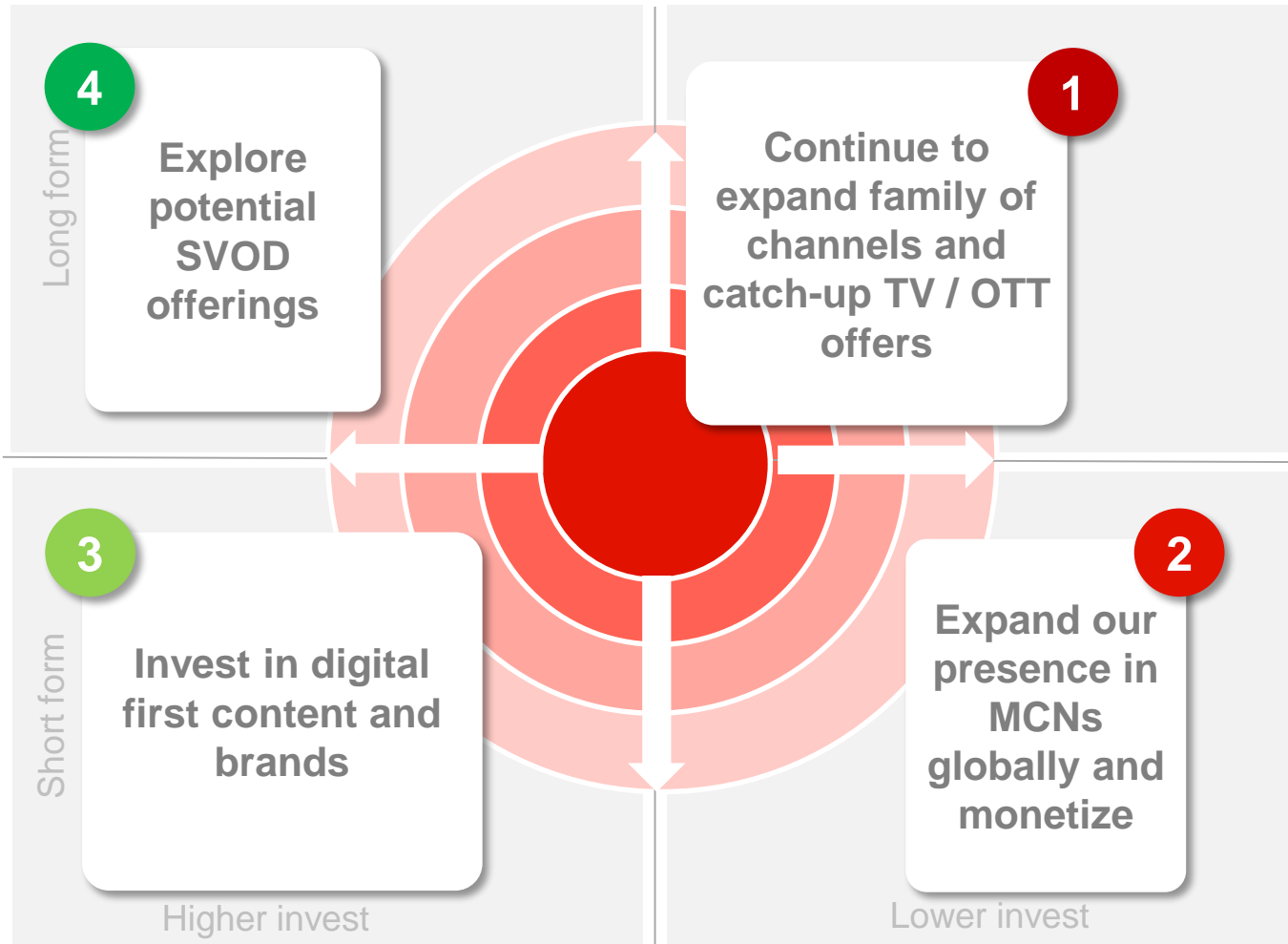
- Other online short-form
- YouTube / Facebook
- SVOD
- Catch-up TV
- Linear /Time shifted TV
- CAGR





Our strategic priorities across the 4 quadrants

**Follow the viewers and explore presence in all video segments...**



**Our ambition for ... audience**

Capture growth in total video, regain younger audiences, prevent unmeasured viewing

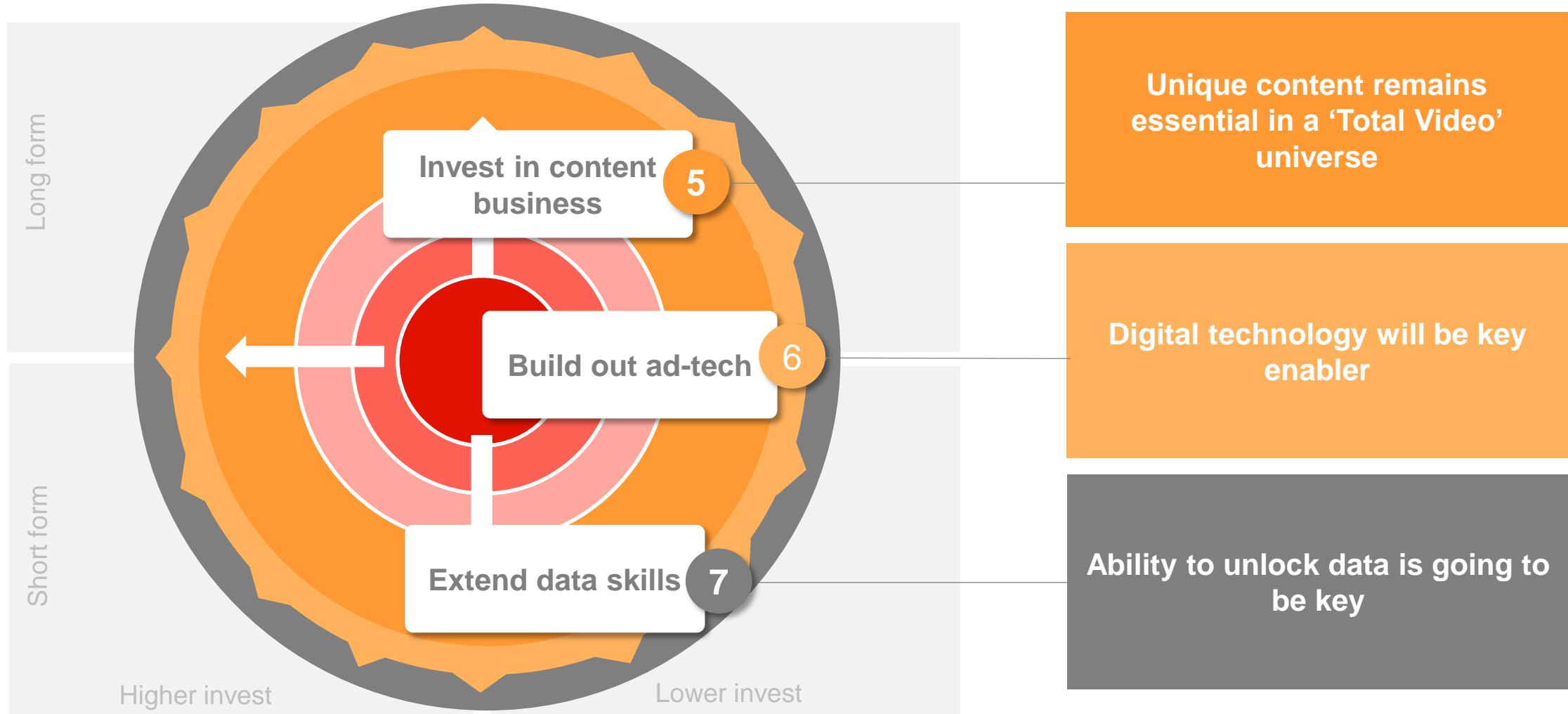
**... advertisers**

Offer wider scope of advertising products in 'Total Video'



# Strategic priorities

...while investing in key success factors: exclusive content, ad-tech and data



# Agenda

## 1 STRATEGY

1

TV Broadcast Family

2

MCN

3

Originals

4

Content

5

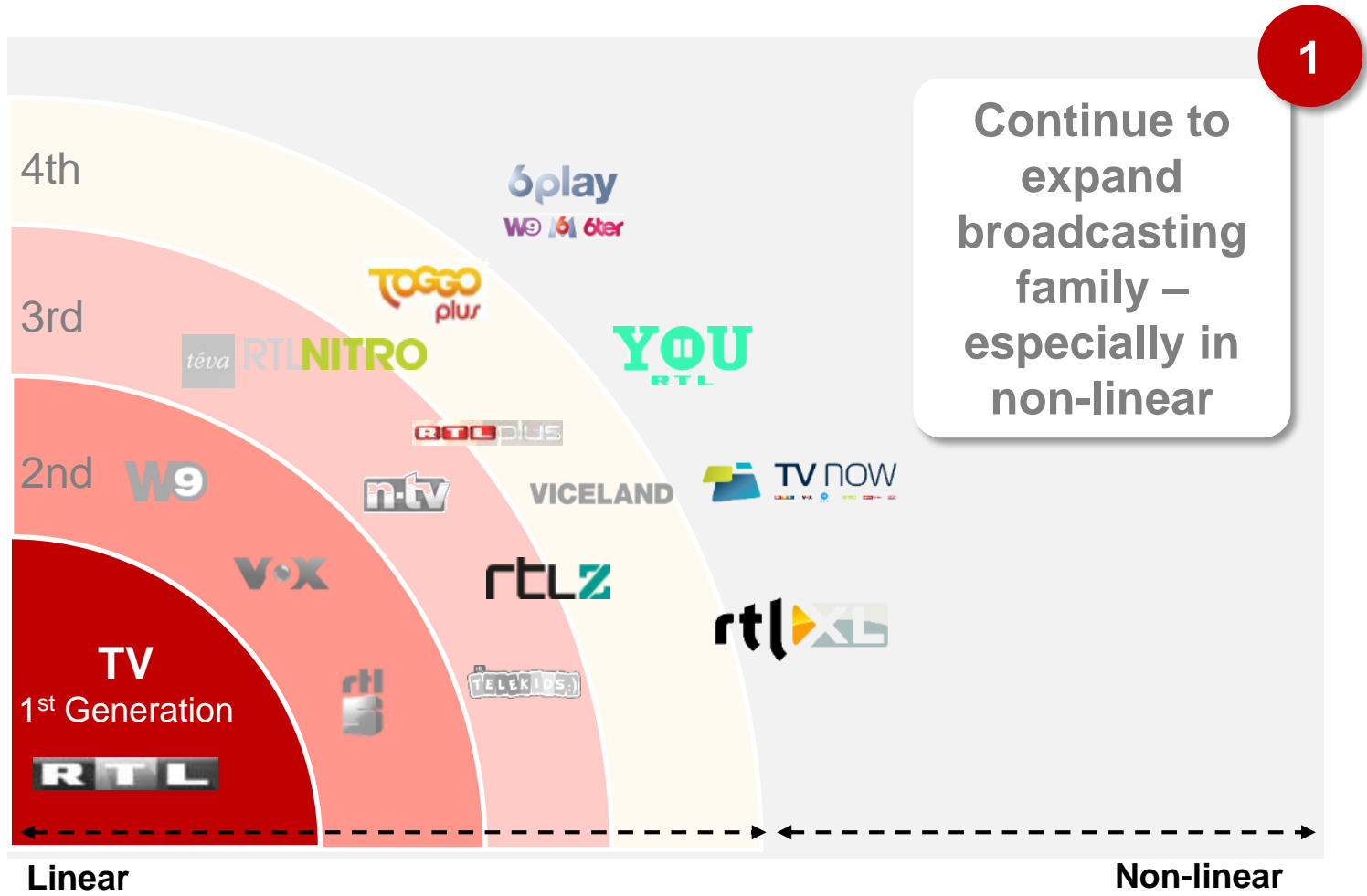
Ad tech

6

Data

# Broadcast family

## Expansion of RTL broadcast family – linear and non-linear



Investing in our family of channels remains top-priority

Catch-up is now an integral part of our family – and is treated as its own brand

Continue to optimize channel portfolio & launch new channels

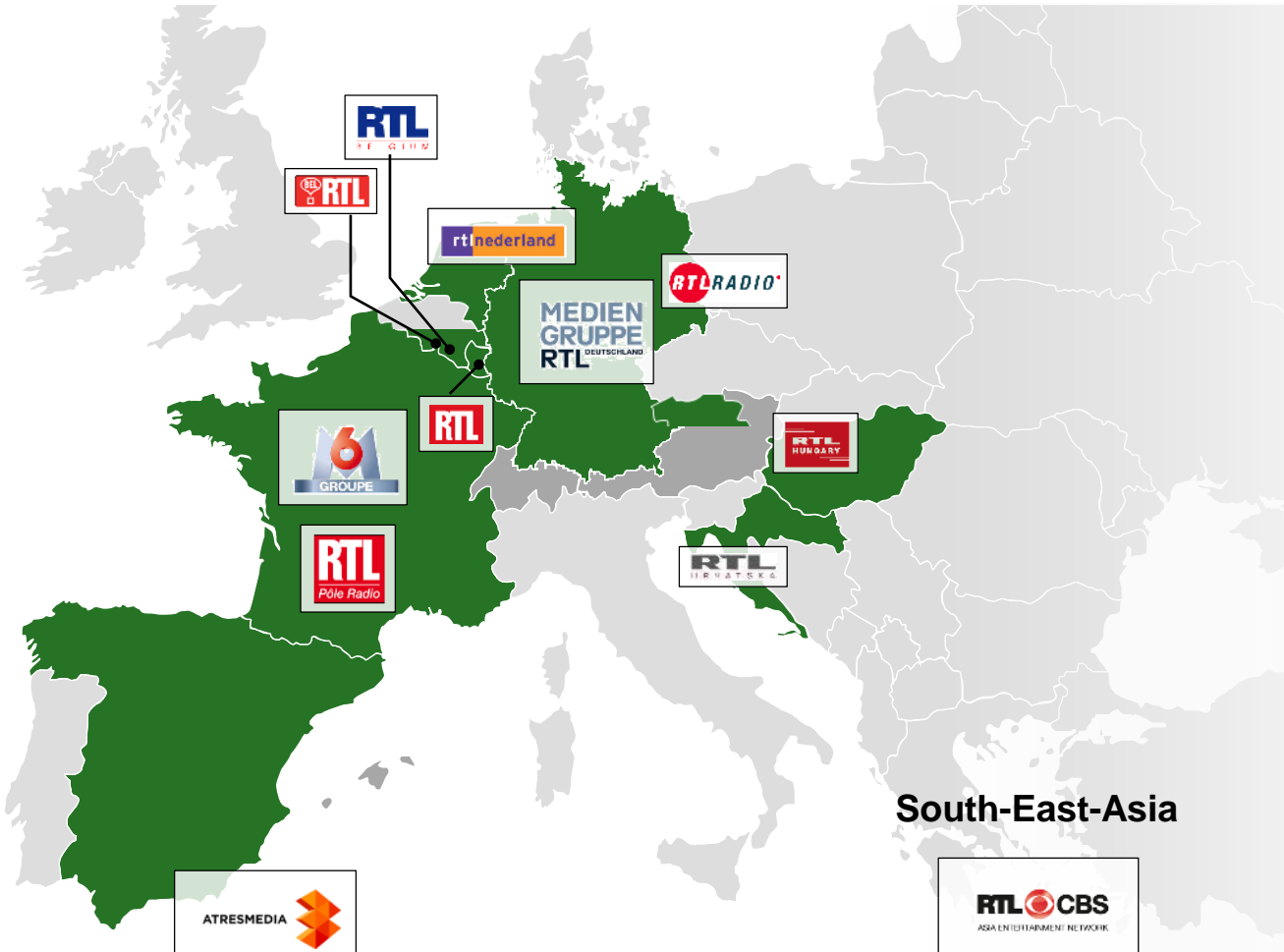
# Broadcast family

## We have never launched as many new channels as in the last three years

27 FTA channels

32 basic pay channels

31 radio channels



+6 FTA channels added since 2013



+9 Pay-TV channels added since 2013

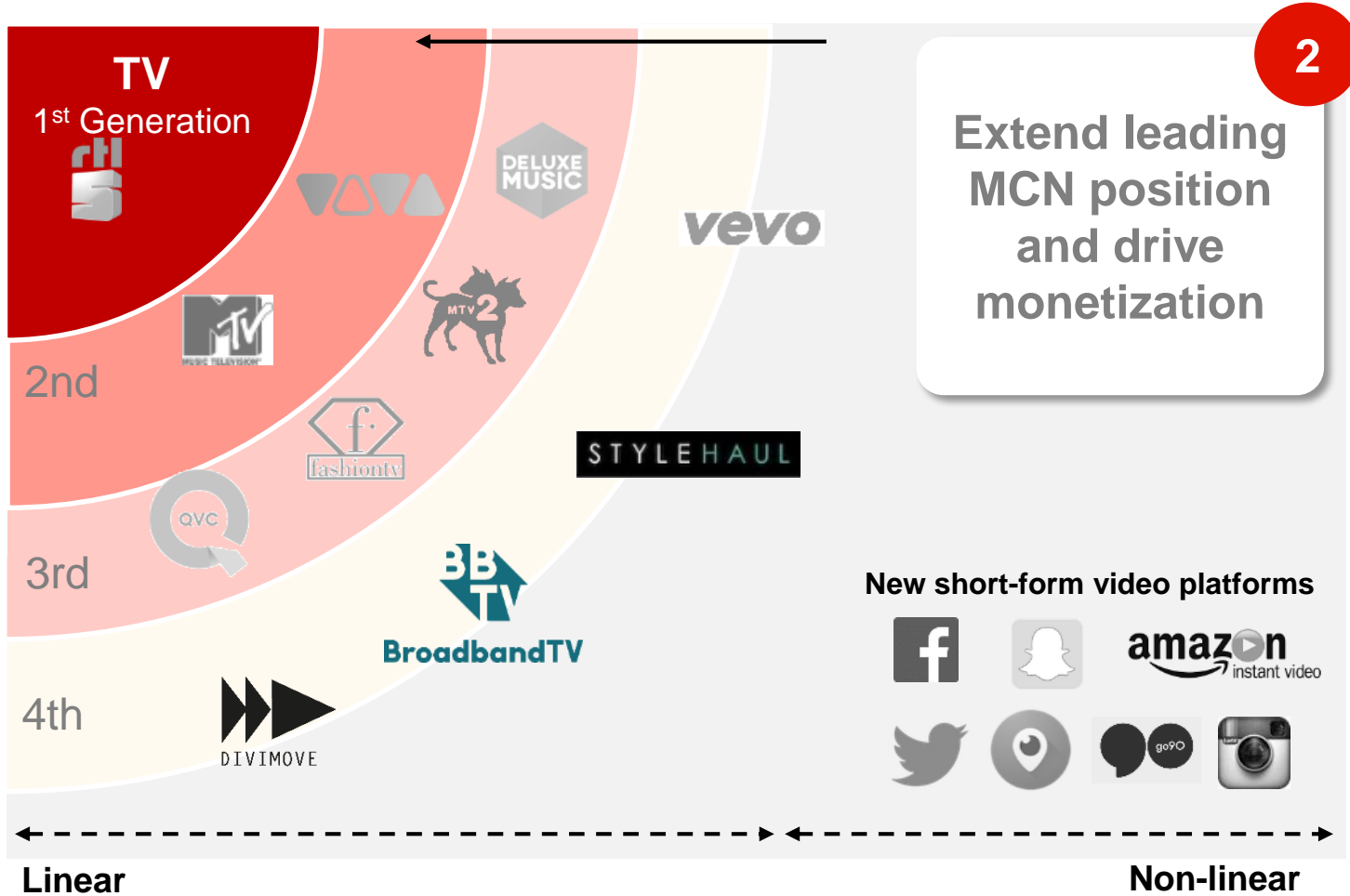


+2 radio stations added since 2013



# MCNs

## Short-form business expanding beyond YouTube



New platforms are gaining scale – driving growth and monetisation opportunities

Our MCNs enjoy high audience growth

Continue to build the RTL Group Digital Hub

# Growth

## Multi-platform presence likely to become more & more relevant to distribution

### Platforms expanding to videos

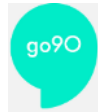
#### Facebook

- Serious about video, now focus on live
- 8bn daily video views (Nov'15), x2 April 2015



#### Go90

- Verizon sub. OTT, packed with originals
- Launch – Fall 2015
- Commissioned StyleHaul 2 original series



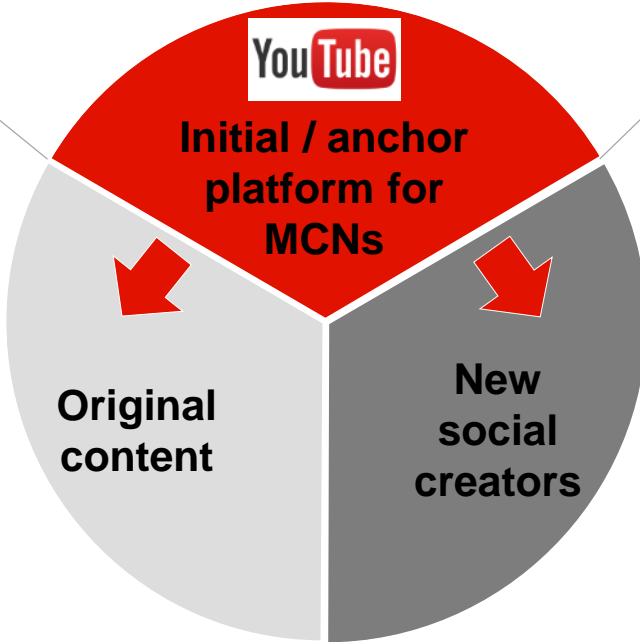
#### Amazon

- Launching various video initiatives: SVOD as stand-alone, Video Direct for UGC
- Commissioned StyleHaul 2 original series



#### The Huffington Post

- Outspeak – citizen journalism with BBTv
- Launch – Fall 2015
- 41m video impressions in 2015



### The rise of new social video platforms



#### Snapchat

- Very popular among younger audiences
- 10bn daily video views (April 2016)



#### Instagram

- Very strong, well integrated with Facebook
- 400m active users, 51% are male (2015)



#### YouNow

- Livestreaming app
- 100m user sessions / month (April 2015)



#### Vine

- 6-second looping videos sharing app
- 200m active users, 1.5bn daily loops (Dec 2015)



#### Twitter

- Own and embeddable videos + Focus on live with Periscope
- 90% of Twitter video watch happen on mobile
- Periscope: 1m users

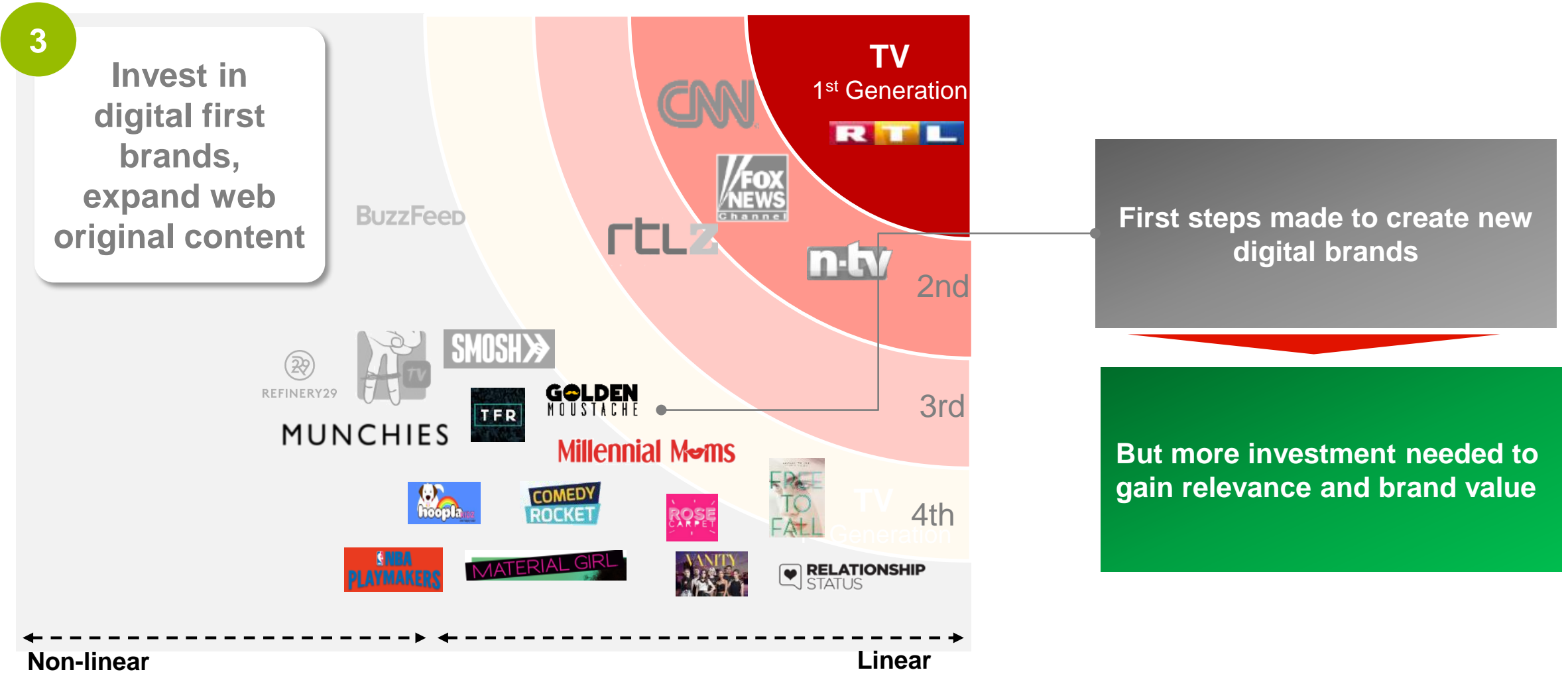


**Develop longer-form content and create editorial partnerships**

**Multiply innovative short-form formats and recruit new talent**

# Digital first brands

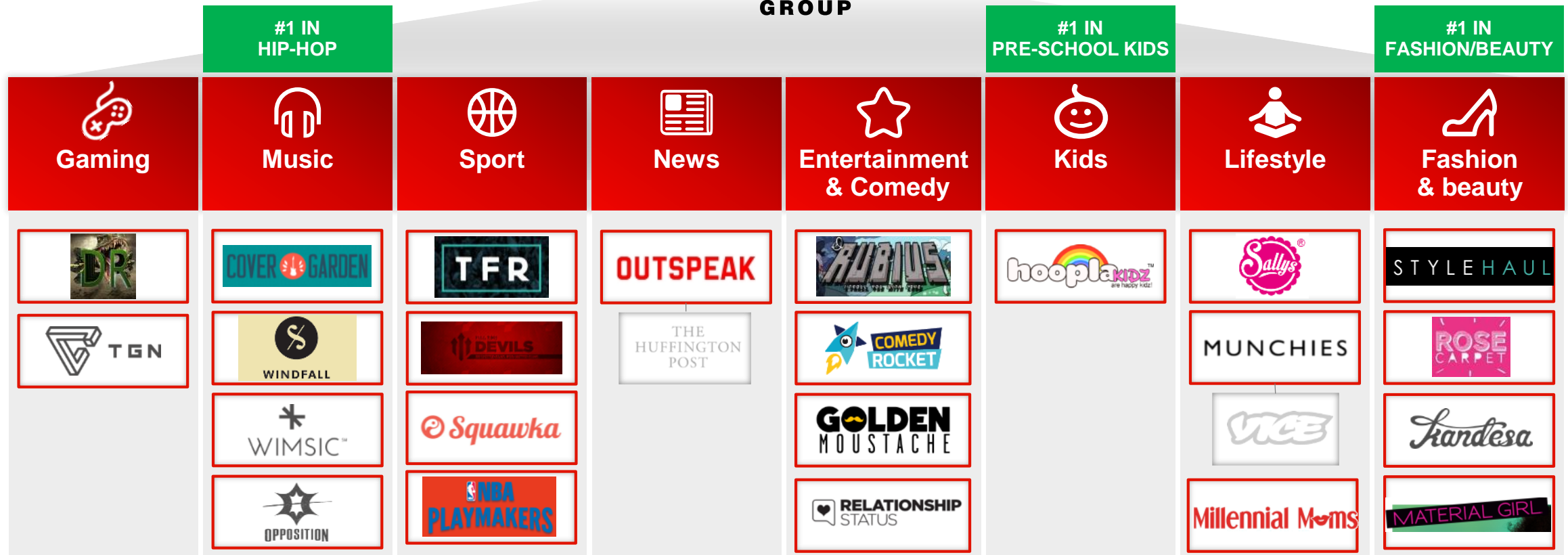
## Invest into digital first brands and web-original content





## Digital first brands

# We are building digital brands in key verticals...



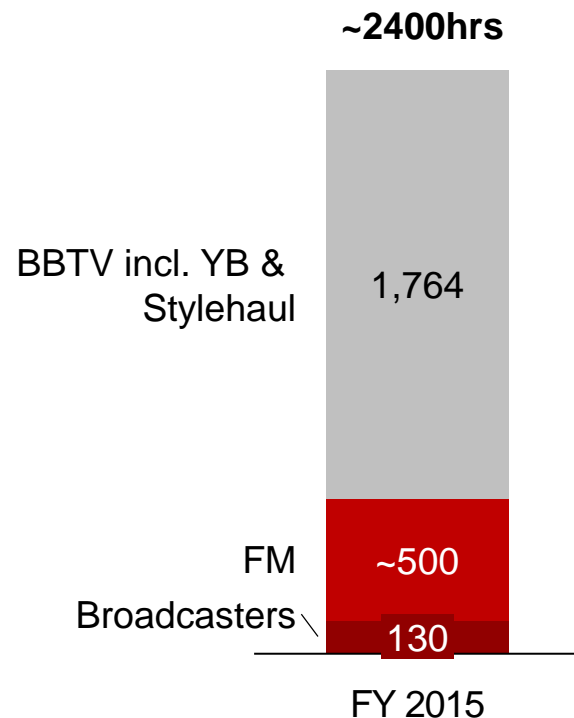
Examples: non-exhaustive  Partners

# Digital first brands ... as well as ramping-up our web original content

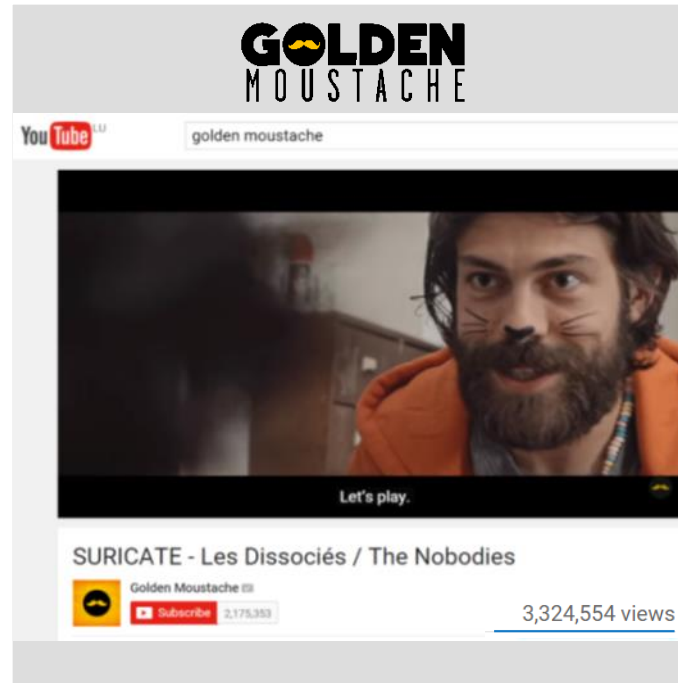
## RTL Group web original content

Purely commissioned for web, excl. branded content

*Estimate*



Illustrative examples only



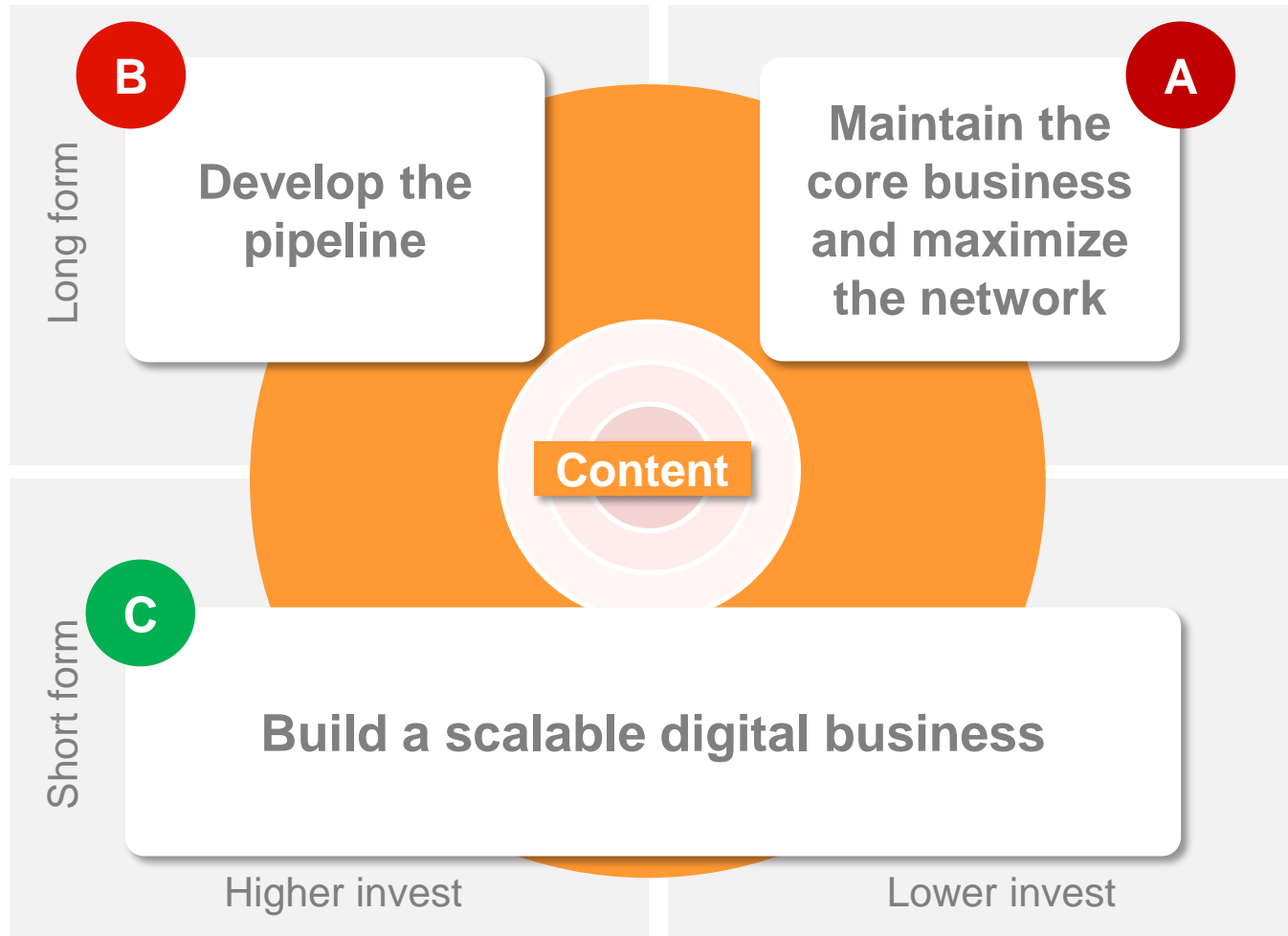
- 1h15 movie on YouTube
- 75% of budget covered by product placement
- 3.3 million views



- #1 Pre-school Kids MCN on YouTube
- Creating in-house kids content at scale

## Strategic priorities in content

### Fremantle is positioning itself in all 'Total Video' quadrants



**A**

- Keep existing hits on air
- Roll out formats to new territories

**B**

- Create new formats
- Accelerate the scripted strategy

**C**

- Expand across value chain
- Strengthen off-YouTube distribution
- Develop new verticals

## B Develop pipeline

# Our scripted strategy is showing growth potential

### 1 Major series *American Gods* and *Young Pope* progressing

#### *American Gods* (Starz)



- Casting for major roles complete with Ricky Whittle (*Hollyoaks*, *Mistresses*) as lead



- Filming started, launch in 2017

#### *The Young Pope* (HBO/Sky/Canal+)



- Paolo Sorrentino mini-series starring Jude Law and Diane Keaton



- Produced by **Wildside**
- Launches in 2016 (TBC)

### 2 Continued success in non-English language



- First subtitled drama ever to be aired in the US
- Highest rated subtitled drama in UK history



- #1 in the Scandinavia
- Season 2 in development



- Season 2 in production
- UK adaptation in development (Euston)



- Successful launch season on Canal+
- Second season commissioned

### 3 Wide range of new commissions / developments



#### *Hard Sun* (BBC/Hulu)

- Euston Films' first commission. In pre-production



#### *Wentworth* (SoHo Aus)

- S4 launching, two more commissioned
- 2 international remakes



#### *Picnic at Hanging Rock* (Foxtel)

- FM Australia adaptation of 1970 mystery film

#### *Ruby King* (ITV)

- Euston Films legal drama
- At script stage with Graham Mitchell







#### *Baghdad Central* (C4)

- Euston Films post-war Iraq drama
- At script stage with Stephen Butchard







## B Develop pipeline

### Helped by a range of bolt-on talent and M&A deals over the past year

These deals are already contributing IP to the pipeline

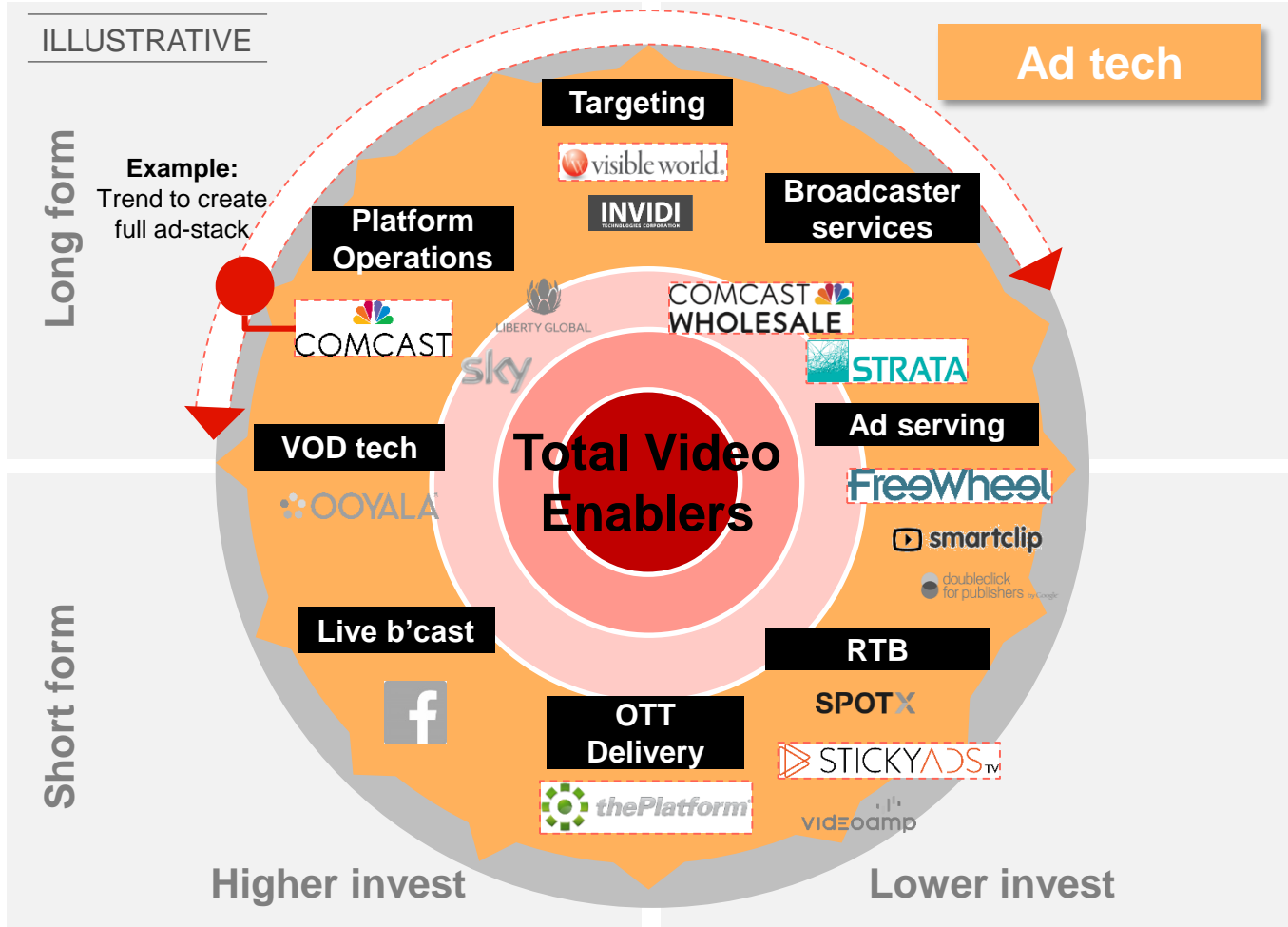
	DATE	HOLDING
 FONTARAM PRODUCTIONS SCRIPTED	Sep 2015	51%
 CORONA SCRIPTED	Jan 2015	25%
 naked entertainment ENTS	Sep 2015	25%
 FULL FAT TV ENTS	Dec 2015	25%
 M LIVE ENTERTAINMENT ENTS	Dec 2015	25%
 DR PLUTO FILMS ENTS	May 2016	25%

# of IP

 FONTARAM PRODUCTIONS	3	Shows in production or funded development
 CORONA	2	Shows in funded development
 naked entertainment	5	Shows in production or funded development in UK and US
 FULL FAT TV	4	Shows in production or funded development
 M LIVE ENTERTAINMENT	1	Show in funded development
 new	Wild Blue Media and Dancing Ledge	June 2016 25%

# Ad tech

## Technology connects content, publishers and advertisers in the online world



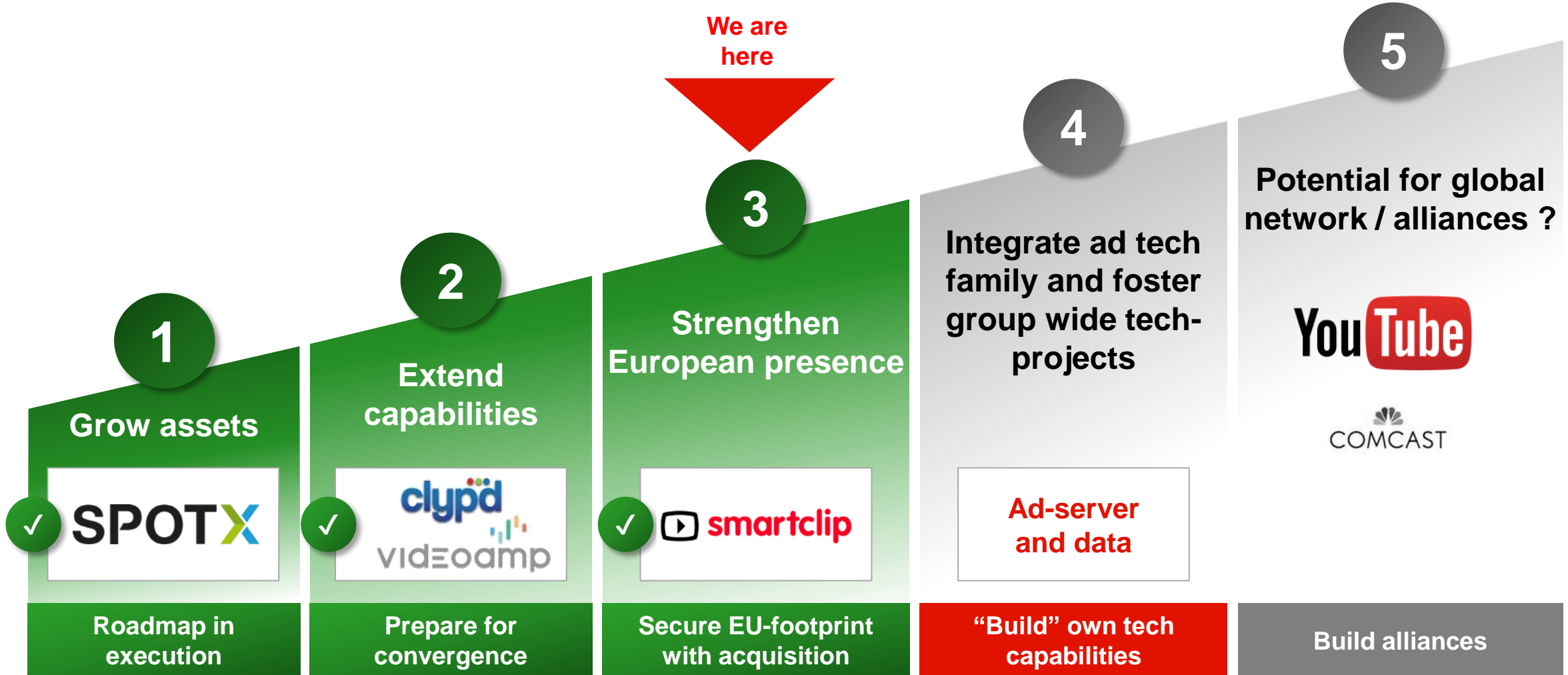
Media tech becoming relevant – publishers selecting ad-tech

SpotX capturing market growth but face full ad-stack competition

Need to develop own integrated ad-stack

# Ad tech strategy

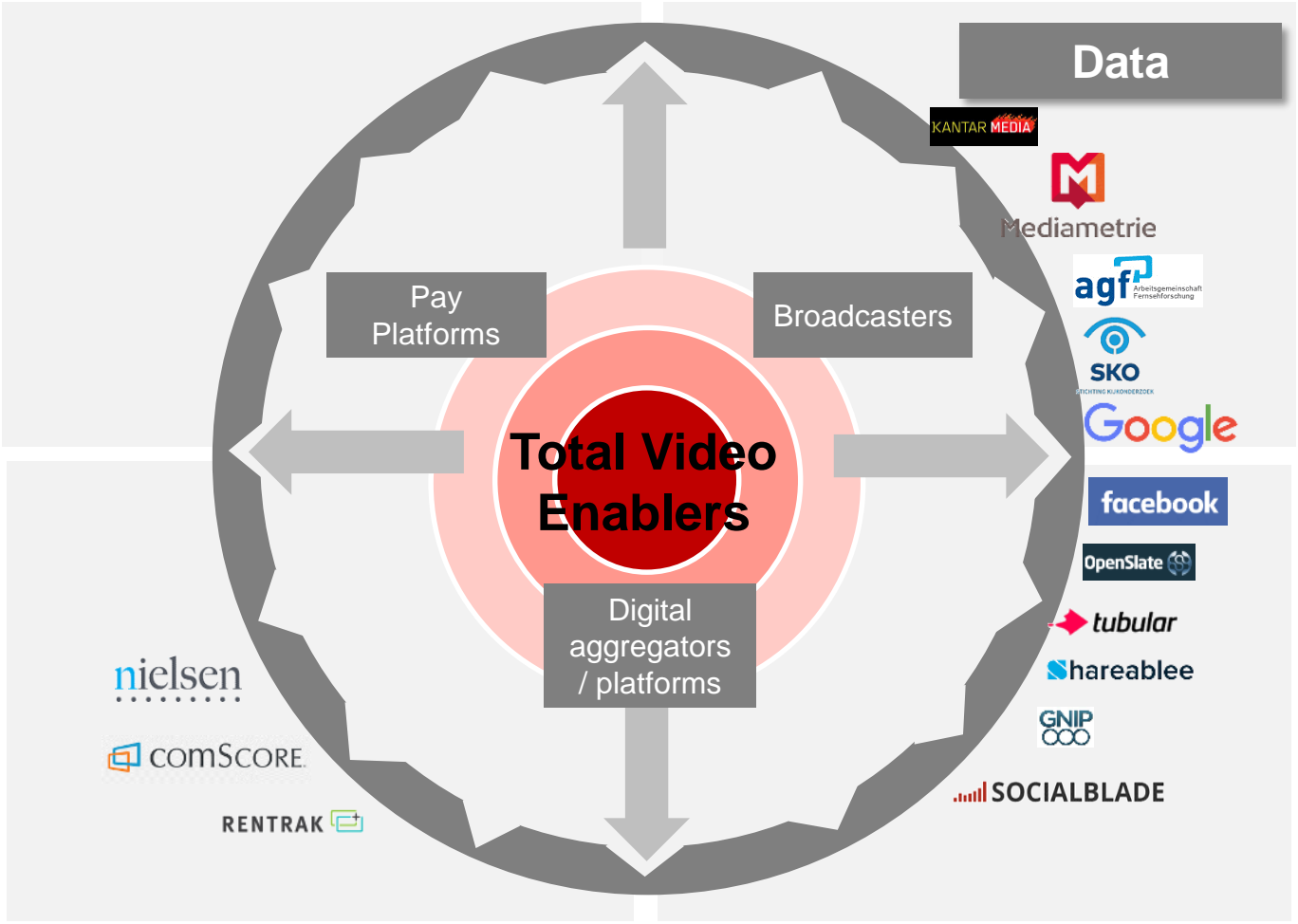
## We are accelerating our position to build a holistic ad-stack for RTL Group





# Data

## Data will be key facilitator to drive media sales and user experience



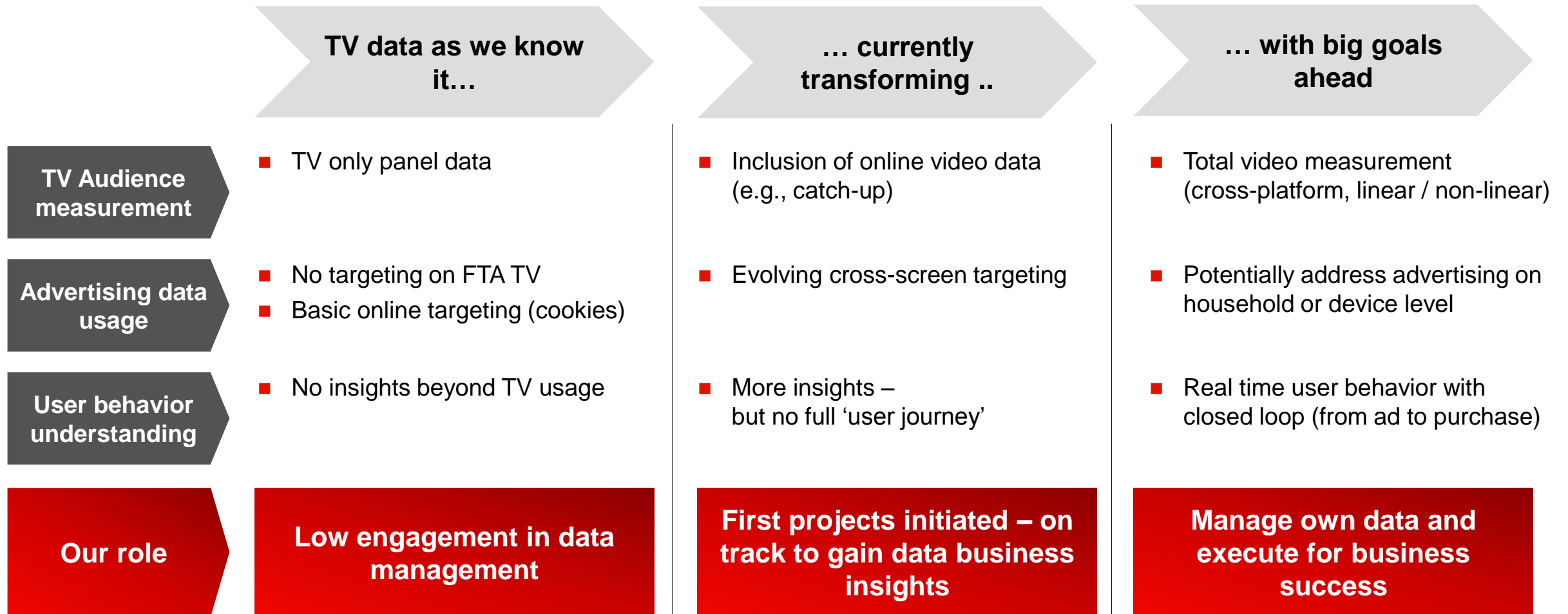
Data is a new battleground

First moves to develop data strategies

We will increase efforts and potentially acquire additional competencies

## Data 1.0

## Digital data and traditional TV are moving closer together



# RTL GROUP

## TV stands for Total Video

JPM CEO Conference  
London, 29 June 2016  
Guillaume de Posch