

RTL Group on track to reach full-year targets

- **January to September 2018: Group revenue up 2.7 per cent to €4,468 million, Group EBITDA at €892 million**
- **Q3/2018: Fremantle with strong revenue growth; Group revenue up 3.6 per cent**
- **Full-year 2018 outlook confirmed**

Luxembourg, 8 November 2018 – RTL Group announces its results for the nine months ending 30 September 2018.

In the first nine months of 2018, RTL Group continued its successful business development and Total Video strategy. Revenue from the period January to September was up for the fourth consecutive year – despite significant negative exchange rate effects and major sporting events such as the Winter Olympics and the Fifa Football World Cup 2018. Based on its very healthy financial position, RTL Group will continue to foster additional organic growth initiatives in two main areas: building video-on-demand services that attract mass audiences across all content genres, and continuing Fremantle's push into scripted drama.

January to September 2018: Fremantle and digital businesses fuel revenue growth

- Reported Group revenue increased by 2.7 per cent to €4,468 million (January to September 2017: €4,350 million), reaching a new record level despite negative exchange rate effects of €64 million. This was driven by higher revenue from Fremantle, the Group's rapidly growing digital businesses and RTL Nederland
- RTL Group's digital revenue¹ continued to show very dynamic growth, up 17.9 per cent to €660 million (January to September 2017: €560 million). This was mainly driven by organic growth at BroadbandTV, Fremantle and Videoland
- Platform revenue grew by 7.3 per cent to €251 million (January to September 2017: €234 million)
- RTL Group's revenue is well diversified, with 46.0 per cent from TV advertising, 19.7 per cent from content, 14.8 per cent from digital activities, 5.6 per cent from platform revenue, 4.0 per cent from radio advertising and 9.9 per cent other revenue
- Reported EBITDA was stable at €892 million for the first nine months of 2018 (January to September 2017: €889 million). Higher contributions from Groupe M6 and RTL Nederland were partly balanced by lower contributions from Mediengruppe RTL Deutschland and RTL Hungary
- As a result, reported EBITDA margin was at 20.0 per cent (January to September 2017: 20.4 per cent)

¹ Excluding e-commerce, home shopping and platform revenue for digital TV

- Net profit attributable to RTL Group shareholders was down year on year to €424 million (January to September 2017: €434 million)
- Net cash from operating activities was €422 million, leading to a higher operating cash conversion of 83 per cent (January to September 2017: 76 per cent)
- Following the payment of an interim dividend of €154 million on 6 September 2018, RTL Group's net financial debt was €928 million as at 30 September 2018 as expected (30 June 2018: €943 million; 31 December 2017: €545 million)

Outlook

RTL Group confirms its outlook for the full-year 2018, as most recently communicated at the interim results presentation on 29 August 2018:

- RTL Group expects its total revenue for the fiscal year 2018 to continue to grow moderately (+2.5 per cent to +5.0 per cent), driven by the Group's digital businesses and Fremantle (excluding exchange rate effects)
- The 2017 EBITDA included a positive one-off effect of €94 million from the sale of buildings in Rue Bayard, Paris. Normalised for this effect, RTL Group expects EBITDA in 2018 to be broadly stable (-1.0 per cent to +1.0 per cent)

Q3/2018: Fremantle and digital businesses drive third-quarter results

- In the third quarter of 2018, reported Group revenue was up 3.6 per cent to €1,422 million (Q3/2017: €1,372 million), mostly due to higher revenue from Fremantle and the digital businesses
- EBITDA was down 3.4 per cent to €254 million (Q3/2017: €263 million), mainly as a result of lower EBITDA contribution from Mediengruppe RTL Deutschland, reflecting lower TV advertising revenue. This was partly balanced by the positive effect, at the level of Groupe M6, from the gain on disposals from the transfer of Girondins de Bordeaux players at the end of the season 2017/18
- Net profit attributable to RTL Group shareholders was down to €106 million (Q3/2017: €114 million)

“Content and video-on-demand are our growth drivers”

Statement from Bert Habets, Chief Executive Officer of RTL Group:

“In the first nine months of 2018, RTL Group once again demonstrated its position of strength – even in challenging market conditions. This is thanks to our broad international footprint and well-diversified revenue mix. Our main goal is to grow organically across our portfolio, while maintaining attractive shareholder returns.

The mixed developments of the European TV advertising markets show that we are on the right track with our clear focus on two growth areas: building and expanding our non-linear streaming platforms, and producing local exclusive content.

We will substantially increase the content offers of our streaming services across all genres – this includes showing programmes online first and developing original productions for these services. Combined with state-of-the-art user experience, RTL Group is determined to become the European pioneer for the next level of Total Video.”

January to September 2018² – Segments: RTL Nederland reports strong performance driven by Videoland and other digital activities

- During the first nine months of 2018, Mediengruppe RTL Deutschland’s EBITDA decreased by 2.6 per cent to €484 million (January to September 2017: €497 million), mainly due to lower TV advertising revenue, in particular in the third quarter of 2018. The months of July and August 2018 were negatively affected by a combination of tough comparisons to a very strong Q3/2017, and the final matches of the Fifa World Cup 2018 being broadcast on the public TV channels
- Groupe M6’s EBITDA was up by 4.9 per cent to €277 million (January to September 2017: €264 million), thanks to the gain on disposals from the transfer of Girondins de Bordeaux players at the end of the season 2017/18
- Fremantle’s EBITDA was up 3.1 per cent to €66 million (January to September 2017: €64 million), mainly driven by the strong performances of Fremantle in North America, Germany (UFA) and the Canadian video game company Ludia
- RTL Nederland’s EBITDA was up 22.2 per cent to €55 million (January to September 2017: €45 million), mainly driven by Videoland and other digital activities

² 2017 comparatives have been re-presented as if the following transfers had occurred on 1 January 2017:

- The transfer of the international activities of Smartclip from Mediengruppe RTL Deutschland to SpotX (shown in ‘Other segments’);
- The transfer of Smartclip Benelux from Mediengruppe RTL Deutschland to RTL Nederland;
- The transfer of RTL Radio (France) to Groupe M6; and
- The transfer of Divimove from Fremantle to ‘Other segments’

Highlights

Strengthening on-demand services

- In winter 2018/19, Mediengruppe RTL Deutschland plans to relaunch its video-on-demand service, TV Now. The relaunch will include a new platform, additional exclusive content – namely ‘TV Now Originals’ – online-first formats and also exclusive and non-exclusive third license content across all genres. An example for a TV Now Original in the fiction genre will be *M – Eine Stadt sucht einen Mörder* (M – A City Searches For A Murderer)
- The number of paid subscribers for TV Now Plus grew by 40 per cent³ and it registered video views growth of 45 per cent from January to September 2018 compared to the same period last year
- In the Netherlands, Videoland recorded paid subscriber growth of 119 per cent³. Total subscriber viewing time increased by 245 per cent in the first nine months of 2018, compared to the same period last year. Videoland’s strong growth was primarily driven by local original content shows such as reality format *Temptation Island Vips*, which was exclusively available on the subscription video-on-demand service

Creating a strong digital video group

- As part of its Total Video strategy, RTL Group is determined to grow its multi-platform network (MPN) businesses significantly. By combining StyleHaul, Divimove and United Screens during the course of 2019, RTL Group aims to build a strong and profitable digital video group which operates at global scale, to reach and entertain young audiences with compelling short-form video content

Fostering enduring partnerships

- On 27 September 2018, RTL Group and ITV, the largest commercial television network in the UK, signed an agreement to strengthen and extend their existing partnership in international advertising sales. RTL AdConnect will represent ITV globally outside the UK and foster closer collaboration in advertising technology
- On 11 October 2018, RTL Nederland and De Persgroep signed a three-year agreement on content sharing and development as well as establishing creative branded content partnerships, resulting in a new strategic alliance which will combine their respective strengths. In addition, RTL Nederland will partner with Qmusic, one of De Persgroep’s radio stations
- In October 2018, the *NetID* open log-in standard developed by the European NetID Foundation and initiated by Mediengruppe RTL Deutschland, ProSiebenSat1 and United Internet was launched. The standard offers a single sign-on which can be used on numerous German websites by 35 million users. The partner network of *NetID* includes media companies such as *Süddeutsche Zeitung*, Spiegel Gruppe, Gruner + Jahr, retail companies such as Zalando, Otto Group, C&A, Conrad Elektronik and Douglas as well as the parcel delivery company DPD

³ As at 30 September 2018 compared to 30 September 2017

Key financial figures: January to September 2018

In € million	January to September 2018	January to September 2017	Per cent change
Revenue	4,468	4,350	+2.7
Underlying revenue⁴	4,489	4,333	+3.6
Reported EBITDA⁵	892	889	+0.3
Reported EBITDA margin (%)	20.0	20.4	
Reported EBITDA	892	889	
Impairment of disposal group	(8)	-	
Impairment of investments accounted for using the equity method	(2)	(4)	
Depreciation, amortisation and impairment	(157)	(168)	
Re-measurement of earn-out arrangements and gain/(loss) from sale of subsidiaries, other investments and re-measurement to fair value of pre-existing interest in acquiree	31	21	
EBIT	756	738	+2.4
Net financial income/(expense)	(12)	(12)	
Income tax expense	(243)	(236)	
Profit for the period	501	490	+2.2
<i>Attributable to:</i>			
<i>Non-controlling interests</i>	77	56	
RTL Group shareholders	424	434	(2.3)
Reported EPS (in €)	2.76	2.83	(2.5)

The full report for the interim results 2018 will be available to download at www.rtlgroup.com/results-q3-2018

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⁴ Adjusted for minor scope changes and at constant exchange rates

⁵ See note 4 to the Condensed Consolidated Interim Financial Information

About RTL Group

RTL Group is a leader across broadcast, content and digital, with interests in 60 television channels and 30 radio stations, content production throughout the world and rapidly growing digital video businesses. The television portfolio of Europe's largest broadcaster includes RTL Television in Germany, M6 in France, the RTL channels in the Netherlands, Belgium, Luxembourg, Croatia, Hungary and Antena 3 in Spain. RTL Group's families of TV channels are either the number one or number two in eight European countries. The Group's flagship radio station is RTL in France, and it also owns or has interests in other stations in France, Germany, Belgium, Spain and Luxembourg. RTL Group's content production arm, Fremantle, is one of the largest international creators, producers and distributors of scripted and unscripted content in the world. Fremantle has an international network of production teams, companies and labels in over 30 countries, producing over 12,500 hours of original programming and distributing over 20,000 hours of content worldwide. Combining the on-demand services of its broadcasters, the multi-platform networks BroadbandTV, StyleHaul, Divimove, United Screens and Fremantle's more than 300 YouTube channels, RTL Group has become the leading European media company in online video. RTL Group also owns the advanced video ad serving platform SpotX. For more information, please visit RTLGroup.com and follow RTL Group on Twitter @rtlgroup.

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