

2019 revenue of €6.7 billion at all-time high, profit up 10 per cent

- Revenue up 3.2 per cent on an underlying basis
- Adjusted EBITA broadly stable at €1.16 billion, despite higher investments
- Profit for the year up 10.1 per cent to €864 million
- Attractive shareholder returns: dividend of €4.00 per share represents 81 per cent of the reported EPS, in line with the new dividend policy
- Mediengruppe RTL Deutschland and Groupe M6 with higher audience and TV advertising market shares; Fremantle with revenue growth of 12.6 per cent
- Paying subscribers for RTL Group's streaming services TV Now and Videoland up 37 per cent to 1.44 million
- RTL Group to boost its streaming services, targeting 5 to 7 million paying subscribers by 2025

Luxembourg, 13 March 2020 – RTL Group announces its audited results for the year ended 31 December 2019.

RTL Group reports record revenue for the fifth consecutive year

- Group revenue increased 2.2 per cent to €6,651 million (2018: €6,505 million), mainly driven by higher revenue from Fremantle and RTL Group's digital businesses. On an underlying basis¹, revenue grew by 3.2 per cent.
- Digital revenue² was up by 8.9 per cent to €1,073 million (2018: €985 million). Digital revenue accounted for 16.1 per cent of RTL Group's total revenue (2018: 15.1 per cent).
- Streaming revenue³ from TV Now and Videoland was up by 46.7 per cent, to €135 million (2018: €92 million).
- RTL Group's revenue is well diversified, with 44.2 per cent from TV advertising, 21.6 per cent from content, 16.1 per cent from digital activities, 5.5 per cent from platform revenue, 4.1 per cent from radio advertising, and 8.5 per cent from other revenue.

¹ Adjusted for scope changes, the wind-down of StyleHaul and at constant exchange rates

² "Digital" refers to the internet-related activities with the exception of online sales of merchandise ("e-commerce"). Digital revenue spreads over the different categories of revenue, i.e. other advertising sales, revenue from distribution and licensing content, consumer and professional services

³ Streaming revenue includes SVOD, TVOD and in-stream revenue from TV Now and Videoland

- Adjusted for one-time effects related to the restructuring of RTL Group's Corporate Centre in Luxembourg (€17 million in 2019), EBITA was broadly stable at €1,156 million (2018: €1,171 million). The Adjusted EBITA margin was 17.4 per cent. Reported EBITA⁴ was €1,139 million compared to €1,171 million in 2018 (down 2.7 per cent).
- Profit for the year increased by 10.1 per cent to €864 million (2018: €785 million), mainly due to the capital gain from the disposal of Universum Film, and lower impairments.
- Net cash from operating activities was €1,085 million, representing an operating cash conversion rate of 105 per cent (2018: 90 per cent). Net debt⁵ was €384 million at the end of 2019 (2018: €470 million).
- RTL Group's Board of Directors has proposed a dividend of €4.00 per share for 2019 – on the same level as in previous years.
- Based on the average share price in 2019 (€45.80⁶), the dividend of €4.00 per share represents a dividend yield of 8.7 per cent and 81 per cent of the reported EPS (€4.91; up 12.9 per cent year on year).

“We are boosting our streaming services and global content businesses.”

Thomas Rabe, Chief Executive Officer of RTL Group, says:

“Driven by the strong performances of our three largest business units, RTL Group achieved all financial goals in 2019: revenue grew on an underlying basis by 3.2 per cent, EBITA remained broadly stable despite higher investments, and Group profit was up by 10 per cent.

Our strategy builds upon three priorities. Firstly, strengthening our core businesses including consolidation across our broadcasting footprint. Secondly, boosting our streaming services and global content business, Fremantle. And thirdly, fostering alliances and partnerships in the European media industry. Within this framework, we put a particular focus on becoming national streaming champions in the countries where RTL Group has leading families of channels and on building an open European tech platform for streaming services. Over the next five years, we aim to grow the number of paying subscribers for our streaming services TV Now in Germany and Videoland in the Netherlands to between 5 and 7 million, to grow our streaming revenue to at least €500 million and to break even by 2025.”

⁴ See note 3 to the consolidated financial statements in the RTL Group Annual Report 2019

⁵ See note 3 to the consolidated financial statements in the RTL Group Annual Report 2019

⁶ Frankfurt Stock Exchange

Strengthening RTL Group's core

- Mediengruppe RTL Deutschland's channels increased their combined audience share in the main target group of viewers aged 14 to 59, by 0.6 percentage points to 28.1 per cent. This was largely due to the positive performance of the main channel **RTL Television**, which increased its audience share for the first time since 2011.
- Mediengruppe RTL Deutschland outperformed the German net TV advertising market, also thanks to the power of the German **Ad Alliance**.
- **Vox Up** was the latest addition to the German family of channels. The new free-to-air channel shares the advertising breaks with its sister channel Vox, while broadcasting different programmes and thus offering more net reach for advertisers.
- Groupe M6 completed the acquisition of France's leading free-to-air digital channel for children, **Gulli**, and five pay-TV channels from Lagardère. As a result, Groupe M6 gained audience and TV advertising market shares in 2019.

Boosting growth businesses

- At the end of 2019, RTL Group registered 1.44 million paying subscribers for its streaming services (TV Now in Germany and Videoland in the Netherlands), up 37 per cent year on year. The viewing times of TV Now and Videoland also increased over the year, by 31 per cent and 45 per cent respectively.
- RTL Group aims to grow its total number of paying subscribers in Germany and the Netherlands to between 5 and 7 million, to grow streaming revenue to at least €500 million and to break even by 2025.
- With **Bedrock**, Groupe M6 is building the tech platform for the subscription video-on-demand (SVOD)/streaming service Salto, backed by Groupe TF1, France Télévisions and Groupe M6. The commercial launch of Salto is planned for 2020. The Bedrock tech platform will be used by Videoland in the Netherlands, as well as the RTL services in Belgium, Hungary and Croatia. RTL Group has agreed to become a 50 per cent shareholder of Bedrock, which will be a European platform open to third parties.
- **Fremantle's** revenue was up 12.6 per cent to €1,793 million (2018: €1,592 million). Its drama business continued to grow, with the second season of *American Gods*, the first commission for Norway with *Exit*, and the second seasons of *The New Pope* and *My Brilliant Friend: The Story of a New Name*. As a result, Fremantle's drama revenue increased by 36.2 per cent to €414 million (2018: €304 million).
- RTL Group has created Europe's leading digital talent network and content studio with the combination of **Divimove** and United Screens, recently strengthened by the acquisition of Tube One in Germany.

Fostering alliances and partnerships

- The sales house **Ad Alliance** is the clear market leader in Germany, reaching 99 per cent of the country's population. Media Impact (Axel Springer/Funke Mediengruppe) became a new partner of Ad Alliance (for digital inventory) on 1 January 2020.
- RTL Nederland launched an advertising sales network for the Dutch market. The Dutch **Ad Alliance** integrates the sales activities of RTL Nederland, BrandDeli, Adfactor and Triade Media and will be open to new partners.
- Within the newly launched **Bertelsmann Content Alliance**, RTL Group companies (Mediengruppe RTL Deutschland, UFA and RTL Radio Deutschland) are working on several content cooperation projects such as a themed month in September 2019 which focused on climate change and environmental protection.
- Mediengruppe RTL Deutschland took over the responsibility for RTL Group's ad-tech business **Smartclip**. The objective is to create an open European ad-tech platform, based on technology developed by Smartclip and tailored for the needs of broadcasters and streaming services.
- Mediengruppe RTL Deutschland and ProSiebenSat1 launched the joint venture, **d-force**. The joint demand-side platform aims to boost addressable TV and online video advertising in Germany. In February 2020, d-force was also rolled-out to Austria.

Outlook

The following outlook does not reflect the Covid-19 ("Corona") virus outbreak as it is currently too early to quantify its impact on RTL Group's results. However, we already see first cancellations of advertising bookings and impacts on productions. Several organisations such as the OECD and IMF have lowered their growth forecasts for 2020 over the past days.

- RTL Group expects its total revenue for the fiscal year 2020 to grow organically by +2 per cent to +3 per cent with TV advertising revenue slightly down and Fremantle's revenue up organically by +4 per cent to +6 per cent. This guidance excludes foreign exchange rate and scope effects.
- RTL Group expects its Adjusted EBITA before additional streaming start-up losses to be broadly stable. After additional streaming start-up losses, Adjusted EBITA is expected to be down by up to -7 per cent.
- The dividend policy presented in August 2019 remains unchanged: RTL Group plans to pay out at least 80 per cent of the adjusted full-year net result.

RTL Group: outlook for the year 2020

| | 2019 | change | 2020e |
|-----------------------|-------------|---|---|
| Revenue | €6,651m | +2% to +3% | €6,784m to €6,851m |
| Adjusted EBITA | €1,156m | Before additional streaming start-up losses: broadly stable | Before additional streaming start-up losses: ~€1,156m |
| | | After additional streaming start-up losses: up to -7% | After additional streaming start-up losses: >€1,075m |

RTL Group: strategic targets for the streaming services TV Now and Videoland

| | 2019 | 2025e |
|-------------------------|-------------|--------------|
| Paying subscribers | 1.44m | 5m to 7m |
| Streaming revenue | €135m | >€500m |
| Content spend per annum | €85m | ~€350m |

EBITA break-even expected by 2025.

Financial review

| In € million | 2019 | 2018 | Per cent change |
|--|--------------|--------------|-----------------|
| Revenue | 6,651 | 6,505 | +2.2 |
| Underlying revenue⁷ | 6,518 | 6,317 | +3.2 |
| Adjusted EBITA | 1,156 | 1,171 | (1.3) |
| Adjusted EBITA margin (per cent) | 17.4 | 18.0 | |
| Reported EBITA | 1,139 | 1,171 | (2.7) |
| EBITDA⁸ | 1,405 | 1,380 | +1.8 |
| Impairment losses of goodwill | – | (105) | |
| Impairment of investments accounted for using the equity method | (50) | (2) | |
| Depreciation, amortisation and impairment | (281) | (224) | |
| 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 | 87 | 27 | |
| EBIT | 1,161 | 1,076 | +7.9 |
| Net financial expense | (5) | (13) | |
| Income tax expense | (292) | (278) | |
| Profit for the year | 864 | 785 | +10.1 |
| <i>Attributable to:</i> | | | |
| <i>Non-controlling interests</i> | 110 | 117 | |
| RTL Group shareholders | 754 | 668 | +12.9 |
| Reported EPS (in €) | 4.91 | 4.35 | +12.9 |

The documents with the more detailed full-year results 2019 will be available to download at www.rtlgroup.com/results_fy2019.

Join the conversation on social media using #RTLresults.

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⁷ Adjusted for scope changes, the wind-down of StyleHaul and at constant exchange rates

⁸ See note 3 to the consolidated financial statements in the RTL Group Annual Report 2019

About RTL Group

RTL Group is a leader across broadcast, content and digital, with interests in 68 television channels, eight streaming platforms and 30 radio stations. RTL Group also produces content throughout the world and owns several 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 business, Fremantle, is one of the world's largest creators, producers and distributors of scripted and unscripted content. Fremantle has an international network of production teams, companies and labels in over 30 countries, producing over 12,800 hours of original programming and distributing over 20,000 hours of content worldwide. Combining the streaming-services of its broadcasters (such as TV Now, 6play, Videoland), the digital video networks BroadbandTV and Divimove; 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 ad-tech businesses Smartclip and SpotX. RTL AdConnect is RTL Group's international advertising sales house. Bertelsmann is the majority shareholder of RTL Group. RTL Group is listed on the Luxembourg and Frankfurt stock exchanges and in the MDax stock index.

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