

## Strong second quarter drives RTL Group half-year results

- **Q2/2018: Group revenue up 3.6 per cent; EBITDA up 4.7 per cent**
- **H1/2018: Group revenue up 2.3 per cent; EBITDA up 1.9 per cent**
- **RTL Group confirms full-year 2018 outlook**
- **Interim dividend of €1.00 per share to be paid in September 2018**

Luxembourg, 29 August 2018 – RTL Group announces its results for the six months ended 30 June 2018.

In the first half of 2018, RTL Group continued its successful business development and Total Video strategy. First-half revenue 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. RTL Group's business model stands for resilient top-line growth, a highly diversified revenue mix and high-quality earnings. RTL Group will foster more organic growth initiatives in two main areas: building video-on-demand services that attract mass audiences across all content genres and continuing FremantleMedia's push into scripted drama.

### **H1/2018: record first-half revenue, exceeding €3 billion**

- Group revenue was up 2.3 per cent to a record level of €3,046 million (H1/2017: €2,978 million), driven by digital (+€35 million), FremantleMedia (+€33 million) and RTL Nederland (+€13 million). On a like-for-like basis (adjusted for portfolio changes and at constant exchange rates) revenue was up 3.7 per cent – the highest organic revenue growth rate since 2010
- Platform revenue grew by 5.0 per cent to €167 million (H1/2017: €159 million), mainly driven by Groupe M6's renewed distribution agreements signed during the first half of 2018
- RTL Group's digital revenue<sup>1</sup> continued to show dynamic growth, up 9.0 per cent to €424 million (H1/2017: €389 million). This was mainly driven by organic growth at BroadbandTV, Ludia and Videoland, as well as portfolio effects such as the first-time consolidation of United Screens
- RTL Group's revenue is highly diversified, with 47.7 per cent from TV advertising, 18.7 per cent from content, 13.9 per cent from digital activities, 5.5 per cent from platform revenue, 4.2 per cent from radio advertising and 10.0 per cent other revenue

<sup>1</sup> Excluding e-commerce, home shopping and platform revenue for digital TV

- Reported EBITDA<sup>2</sup> was up by 1.9 per cent to €638 million (H1/2017: €626 million), mainly thanks to RTL Nederland. Reported EBITDA margin came in at 20.9 per cent (H1/2017: 21.0 per cent)
- Despite higher income tax expenses, net profit attributable to RTL Group shareholders was almost stable at €318 million (H1/2017: €320 million)
- Net cash from operating activities was up 5.6 per cent to €226 million (H1/2017: €214 million), resulting in an operating cash conversion rate of 77 per cent (H1/2017: 78 per cent)
- As of 30 June 2018, RTL Group had a net debt position of €943 million (31 December 2017: net debt of €545 million). On 26 April 2018, RTL Group paid out €460 million for the final dividend for the financial year 2017 (€3.00 per share)
- On 28 August 2018, RTL Group's Board of Directors authorised the distribution of an interim dividend of €1.00 per share, to be paid in September 2018. This reflects the Group's strong cash flows and its target net debt to full-year EBITDA ratio of 0.5 to 1.0 times

#### **Q2/2018: FremantleMedia drives strong revenue growth**

- In the second quarter of 2018, RTL Group's revenue was up by 3.6 per cent to €1,630 million (Q2/2017: €1,573 million), mainly driven by digital and FremantleMedia. The successful return of *American Idol* on the US network ABC more than compensated for negative exchange rate effects
- Reported EBITDA was up 4.7 per cent to €379 million (Q2/2017: €362 million), driven by RTL Nederland and Groupe M6
- Net profit attributable to RTL Group shareholders was €207 million (Q2/2017: €183 million)

#### **Outlook**

RTL Group confirms its outlook for the full-year 2018, as most recently communicated at the Q1/2018 results presentation on 17 May 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 FremantleMedia (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)

<sup>2</sup> See note 4 to the Condensed Consolidated Interim Financial Information

## “Continued organic growth through a broad and diversified revenue mix”

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

“The good results for the first half of 2018 highlight once again the key strengths of RTL Group: with our broad international footprint across broadcast, content, digital, and an ever-more diversified revenue mix, we continue to grow organically, even in challenging market environments. Our high levels of profit margins and cash generation allow us to combine attractive dividends with significant organic growth initiatives.

In our rapidly changing Total Video industry, growth mainly comes from non-linear or streaming services. We will further increase investments in our video-on-demand services, with a clear focus on local, exclusive content, and gradually adopt a hybrid model – combining a free, advertising-financed service with a premium pay product. First examples of our building strong local streaming champions are the upcoming massive expansion of TV Now in Germany and Videoland in the Netherlands.

Every investment in local, exclusive content strengthens both our linear TV channels and our non-linear on demand services. This local, exclusive content focus is the power engine for our Total Video offers. Especially with FremantleMedia’s push into scripted drama, we are fuelling our content pipeline. Currently, FremantleMedia is seeking funding for at least 35 scripted series ideas that we want to realise. As a consequence, international drama productions will already generate more than 20 per cent of FremantleMedia’s total revenue in 2019.”

### **H1/2018<sup>3</sup> – Segments: Mediengruppe RTL Deutschland and Groupe M6 report solid performance despite Fifa Football World Cup 2018**

- Mediengruppe RTL Deutschland’s first-half EBITDA was up slightly, to €366 million compared to H1/2017 (€363 million)
- At Groupe M6, reported EBITDA increased to €182 million (H1/2017: €178 million)
- FremantleMedia’s EBITDA was stable at €42 million (H1/2017: €42 million)
- RTL Nederland’s EBITDA was up to €32 million (H1/2017: €19 million). This was mainly driven by higher TV advertising revenue

<sup>3</sup> 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 FremantleMedia to “Other segments”

## Highlights

### Growing on-demand services

- In June 2018, Mediengruppe RTL Deutschland announced its plans to significantly expand its video-on-demand platform TV Now, in particular by offering additional local, exclusive content. The number of paid subscribers for TV Now Plus grew by 43.5 per cent<sup>4</sup>
- In April 2018, RTL Nederland announced that it plans to merge its advertising-financed platform RTL XL and its rapidly growing subscription video-on-demand service, Videoland, into a single platform. Videoland recorded paid subscriber growth of 122 per cent<sup>4</sup>. Total subscriber viewing time increased by 204 per cent in the first six months of 2018, compared to the same period last year
- In June 2018, Groupe M6 announced it would team up with France Télévisions and Groupe TF1 to build Salto – a joint French online video platform providing news, including magazines and special events, sport, entertainment, French fiction, US series, documentaries and films

### More exclusive content across all platforms

- From March to May 2018, *American Idol* returned to US screens – for the first time on US network ABC. By the end of the season, *American Idol* had accumulated more than 1 billion video views across all social media platforms and the *American Idol* app was downloaded over 1.2 million times. In May 2018, ABC commissioned another season of *American Idol*, which is expected to air in 2019
- The FremantleMedia Australia production, *Picnic at Hanging Rock*, was successfully launched on Foxtel, BBC and Entertain TV of Deutsche Telekom. The drama series was also sold to Canal+ (France) and Amazon Prime Video (USA)
- Mediengruppe RTL Deutschland continued its strategic focus on in-house productions, with around 70 new productions airing in the first half of 2018, and over 100 planned new formats for the coming season. The number of local fictional series has tripled since 2016 and so reduced the dependence on US fiction

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<sup>4</sup> As at 30 June 2018 compared to 30 June 2017

## Key financial figures (January to June 2018)

In € million	H1/2018	H1/2017	Per cent change
<b>Revenue</b>	<b>3,046</b>	<b>2,978</b>	<b>+2.3</b>
<b>Underlying revenue<sup>5</sup></b>	<b>3,081</b>	<b>2,971</b>	<b>+3.7</b>
<b>Reported EBITDA<sup>6</sup></b>	<b>638</b>	<b>626</b>	<b>+1.9</b>
<b>Reported EBITDA margin (%)</b>	<b>20.9</b>	<b>21.0</b>	
<b>Reported EBITDA</b>	<b>638</b>	<b>626</b>	
Impairment of investments accounted for using the equity method	(2)	(2)	
Depreciation, amortisation and impairment	(97)	(101)	
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	9	13	
<b>EBIT</b>	<b>548</b>	<b>536</b>	<b>+2.2</b>
Net financial income/(expense)	(6)	(8)	
Income tax expense	(176)	(165)	
<b>Profit for the period</b>	<b>366</b>	<b>363</b>	<b>+0.8</b>
<i>Attributable to:</i>			
<i>Non-controlling interests</i>	48	43	
<b>RTL Group shareholders</b>	<b>318</b>	<b>320</b>	<b>(0.6)</b>
<b>Reported EPS (in €)</b>	<b>2.07</b>	<b>2.08</b>	<b>(0.5)</b>

The full report for the interim results 2018 will be available to download at <http://www.rtlgroup.com/results-h1-2018>

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<sup>5</sup> Adjusted for minor scope changes and at constant exchange rates

<sup>6</sup> 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 61 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, FremantleMedia, is one of the largest international creators, producers and distributors of multi-genre content outside the US. With operations in 30 countries, FremantleMedia's comprehensive global network is responsible for more than 12,500 hours of programming a year and distributes 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 FremantleMedia'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](http://RTLGroup.com) and follow RTL Group on Twitter @rtlgroup.

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