

RTL Group reports highest-ever first-half revenue

- Group revenue up 4.2 per cent to €3.2 billion in H1/2019, and up 4.6 per cent on a like-for-like basis
- EBITA broadly stable at €538 million despite higher programming and video-on-demand (VOD) investments
- Profit for the period up 21.0 per cent to €443 million
- Paying subscribers for RTL Group's VOD platforms in Germany and the Netherlands up 46.2 per cent
- New alliances and partnerships: RTL Group shapes the future of the European TV industry
- RTL Group updates and confirms full-year 2019 outlook
- New dividend policy approved, targeting a pay-out ratio of at least 80 per cent of the adjusted net profit, payable after the Annual General Meeting

Luxembourg, 28 August 2019 – RTL Group announces its results for the six months ended 30 June 2019.

H1/2019: record first-half-year revenue, jump in net profit

Group revenue was up 4.2 per cent to a record level of €3,173 million (H1/2018: €3,046 million), driven by Fremantle and the digital businesses. On a like-for-like basis, revenue rose 4.6 per cent to €3,124 million (H1/2018: €2,988 million) – the highest growth rate since 2010.

RTL Group's digital revenue grew 21.0 per cent to €513 million (H1/2018: €424 million), driven by Fremantle, BroadbandTV, SpotX and the Group's streaming services TV Now and Videoland.

Reported Group EBITA¹ was broadly stable at €538 million (H1/2018: €548 million). Higher investments in programming and VOD services were largely compensated for by significantly higher profit contributions from Fremantle and Groupe M6. Reported EBITA margin came in at 17.0 per cent (H1/2018: 18.0 per cent).

Profit for the period was significantly up, to €443 million (H1/2018: €366 million), benefitting from gains from the disposal of assets.

Net cash from operating activities was up by 56.6 per cent to €354 million (H1/2018: €226 million), resulting in an operating cash conversion rate of 95 per cent (H1/2018: 77 per cent).

At 30 June 2019, RTL Group had a net debt position of €739 million (31 December 2018: net debt of €470 million). On 7 May 2019, RTL Group paid out €461 million for the final dividend for the financial year 2018 (€3.00 per share).

The Board of Directors of RTL Group approved a new dividend policy going forward, targeting a pay-out ratio of at least 80 per cent of the adjusted net profit attributable to RTL Group shareholders, payable after the Annual General Meeting².

¹ See note 4 to the Condensed Consolidated Interim Financial Information

² Adjusted for any material non-cash impacts such as goodwill impairments.

“We are actively shaping the future of the European Total Video industry.”

Statement from **Thomas Rabe**, Chief Executive Officer of RTL Group:

“RTL Group had a successful first half of the year 2019 as the content and digital businesses further accelerated our growth. Operating profitability remained at high levels – and this despite substantially higher programming and VOD investments and restructuring charges.

We will further increase our investments in content and technology. RTL Group is well positioned for the current investment cycle in the European TV industry: we have leading market positions, our streaming services are growing fast and our financial position is strong. With new alliances and partnerships, we are actively shaping the future of the European Total Video industry – from content creation to ad sales and technology.”

Thomas Rabe emphasised that RTL Group had made significant progress on the two priorities of its Total Video strategy in the first half of 2019: building national streaming champions in the European countries where RTL Group has leading families of channels and strengthening the Fremantle content business.

RTL Group continues to deliver on its Total Video strategy

- At the end of June 2019, RTL Group registered 1.2 million paying subscribers for its VOD platforms in Germany and the Netherlands – up 46.2 per cent year on year.
- Groupe M6 made a major step in strengthening its position in France with the acquisition of France’s leading free-to-air digital channel for children, Gulli, and five pay-TV channels from Lagardère. After the approval by the French Audiovisual Regulator in July 2019, the transaction is expected to close on 2 September 2019.
- Fremantle had a very successful first half of 2019 with *America’s Got Talent: The Champions* in the US and with UFA’s second season of *Charité* in Germany. Fremantle continued its push into scripted drama with the launch of the second season of *American Gods*, which was commissioned for a third season shortly after.
- RTL Group has created Europe’s leading digital studio and home for digital content creators with the combination of Divimove and United Screens. Driven by significant investments in content, ad sales and technology, the combined company’s revenue is expected to double to more than €100 million by 2022.
- RTL Group launched a new creative unit – Format Creation Group (FC Group) – to develop non-scripted formats exclusively for RTL broadcasters and streaming services.
- RTL Group expanded its position in the high-growth market of podcasts and audio-on-demand with the launches of Audio Alliance and Audio Now in Germany. Groupe M6 launched its native podcasts, RTL Originals, in France. The first five RTL Originals generated more than 2 million downloads since the launch.

New alliances and partnerships open significant growth opportunities across RTL Group's value chain

- **Content:** 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, including a themed month in September 2019 which will focus on climate change and environmental protection. This project was initiated by Mediengruppe RTL Deutschland and will involve all its channels and platforms.
- **VOD:** Groupe M6 will build the tech platform for the subscription video-on-demand (SVOD) service Salto, backed by Groupe M6, Groupe TF1 and France Télévisions. After the recent approval by the French competition authority, the commercial launch of Salto is planned for the first quarter of 2020.
- **Ad sales:** Media Impact (Axel Springer/Funke) will become a new partner of Ad Alliance (for digital inventory) on 1 January 2020. Ad Alliance is the clear market leader in Germany, reaching 99 per cent of the country's population.
- **Ad sales:** On 1 January 2019, RTL Nederland began selling advertising for Discovery Benelux, Fox Networks Group Benelux and Viacom International Media Networks for a minimum of three years.
- **Ad sales:** IP Belgium will sell advertising for TF1 in the French-speaking part of Belgium from 1 September 2019.
- **Ad-tech:** Mediengruppe RTL Deutschland plans to launch a joint venture, called "d-force", together with ProSiebenSat1, to further develop the demand-side platform with the aim of boosting addressable TV and online video advertising in Germany.
- **Data:** The log-in alliance European *NetID* Foundation – initiated by Mediengruppe RTL Deutschland, ProSiebenSat1 and United Internet – now has around 65 partner websites in Germany.

Outlook

RTL Group updates and confirms its outlook for the full-year 2019:

- RTL Group continues to expect its total revenue for the fiscal year 2019 to grow moderately (+2.5 per cent to +5.0 per cent) excluding foreign exchange rate effects.
- RTL Group continues to expect its EBITA before restructuring costs to decrease moderately (-2.5 per cent to -5.0 per cent), reflecting higher investments into programming and VOD services.

Key financial figures (January to June 2019)

In € million	H1/2019	H1/2018	Per cent change
Revenue	3,173	3,046	+4.2
Underlying revenue³	3,124	2,988	+4.6
EBITA	538	548	(1.8)
Reported EBITA margin (%)	17.0	18.0	
Reported EBITA	538	548	
Impairment of investments accounted for using the equity method	–	(2)	
Amortisation and impairment of fair value adjustments on acquisitions of subsidiaries	(10)	(7)	
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	70	9	
EBIT	598	548	+9.1
Net financial income/(expense)	–	(6)	
Income tax expense	(155)	(176)	
Profit for the period	443	366	+21.0
<i>Attributable to:</i>			
<i>Non-controlling interests</i>	50	48	
RTL Group shareholders	393	318	+23.6
Reported EPS (in €)	2.56	2.07	+23.7

The full report for the interim results 2019 will be available to download at <http://www.rtlgroup.com/results-H1-2019>

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³ Adjusted for minor scope changes and at constant exchange rates

About RTL Group

RTL Group is a leader across broadcast, content and digital, with interests in 60 television channels, eight video-on-demand 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 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 12,700 hours of original programming and distributing over 20,000 hours of content worldwide. Combining the on-demand services of its broadcasters, the digital video businesses BroadbandTV, 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 ad-tech businesses Smartclip and SpotX. For more information, please visit RTLGroup.com.

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