

8 November 2018



**ANALYST PRESENTATION**



# INTERIM RESULTS

**JANUARY TO  
SEPTEMBER 2018**



**RTL**  
GROUP

ENTERTAIN. INFORM. ENGAGE.

# Agenda



**9 months  
2018 highlights**

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Group  
financials

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Business  
segments

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Outlook 2018

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## 9 months 2018 financial highlights

### Revenue growth continues

Revenue	€ 4,468 million	+2.7%	EBITDA margin <b>20.0%</b>
EBITDA	€ 892 million		
EBITA	€ 746 million		

# Agenda

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9 months  
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Outlook 2018

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# Review of results 30 September 2018

## Quarter 3 2018: Content and digital drive third quarter revenue

(in € million)	3 months to September 2018	3 months to September 2017	Per cent change
<b>Revenue</b>	<b>1,422</b>	<b>1,372</b>	<b>+3.6</b>
Underlying revenue	1,408	1,362	+3.4
Operating cost base	1,271	1,202	+5.7
<b>EBITDA</b>	<b>254</b>	<b>263</b>	<b>-3.4</b>
EBITDA margin (%)	17.9	19.2	-1.3pp
<b>EBITA</b>	<b>198</b>	<b>199</b>	<b>-0.5</b>
EBITA margin (%)	13.9	14.5	-0.6pp

# Review of results 30 September 2018

## 9 months 2018: Fremantle and digital fuel revenue growth

(in € million)	9 months to September 2018	9 months to September 2017	Per cent change
<b>Revenue</b>	<b>4,468</b>	<b>4,350</b>	<b>+2.7</b>
Underlying revenue	<b>4,489</b>	<b>4,333</b>	<b>+3.6</b>
Operating cost base	<b>3,813</b>	<b>3,696</b>	<b>+3.2</b>
<b>EBITDA</b>	<b>892</b>	<b>889</b>	<b>+0.3</b>
EBITDA margin (%)	<b>20.0</b>	<b>20.4</b>	<b>-0.4pp</b>
<b>EBITA</b>	<b>746</b>	<b>732</b>	<b>+1.9</b>
EBITA margin (%)	<b>16.7</b>	<b>16.8</b>	<b>-0.1pp</b>
<b>Net debt</b>	<b>(928)</b>	<b>(1,097)</b>	<b>+15.4</b>

# Review of results 30 September 2018

## 9 months 2018: EBITDA to net profit

(in € million)	9 months to September 2018	9 months to September 2017	Per cent change
<b>Reported EBITDA</b>	<b>892</b>	<b>889</b>	<b>+0.3</b>
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	
Impairment of disposal group	(8)	–	
Impairment of investments accounted for using the equity method	(2)	(4)	
Net financial income/(expense)	(12)	(12)	
Income tax expense	(243)	(236)	
<b>Profit for the period</b>	<b>501</b>	<b>490</b>	<b>+2.2</b>
<i>Attributable to:</i>			
<b>RTL Group shareholders</b>	<b>424</b>	<b>434</b>	<b>(2.3)</b>

# Review of results 30 September 2018

## 9 months 2018: Improved cash conversion

In € million	9 months to September 2018	9 months to September 2017
<b>Net cash flow from operating activities</b>	<b>422</b>	<b>387</b>
Add: Income tax paid	316	304
Less: Acquisition of assets, net	(120)	(132)
<b>Equals: Reported free cash flow (FCF)</b>	<b>618</b>	<b>559</b>
<b>Reported EBITA</b>	<b>746</b>	<b>732</b>
<b>EBITA conversion (FCF/EBITA)</b>	<b>83%</b>	<b>76%</b>



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**Outlook 2018**

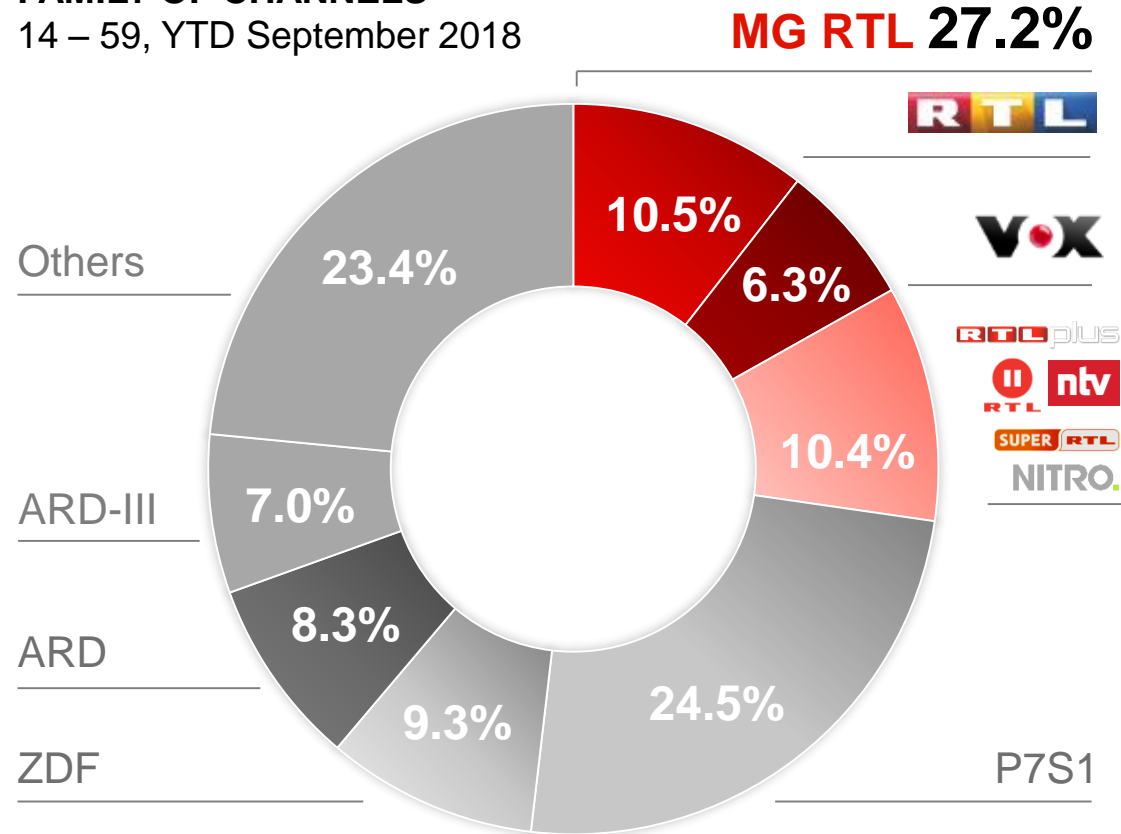
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# Mediengruppe RTL Deutschland

## Advertising revenue growth slows in tough market

### FAMILY OF CHANNELS

14 – 59, YTD September 2018

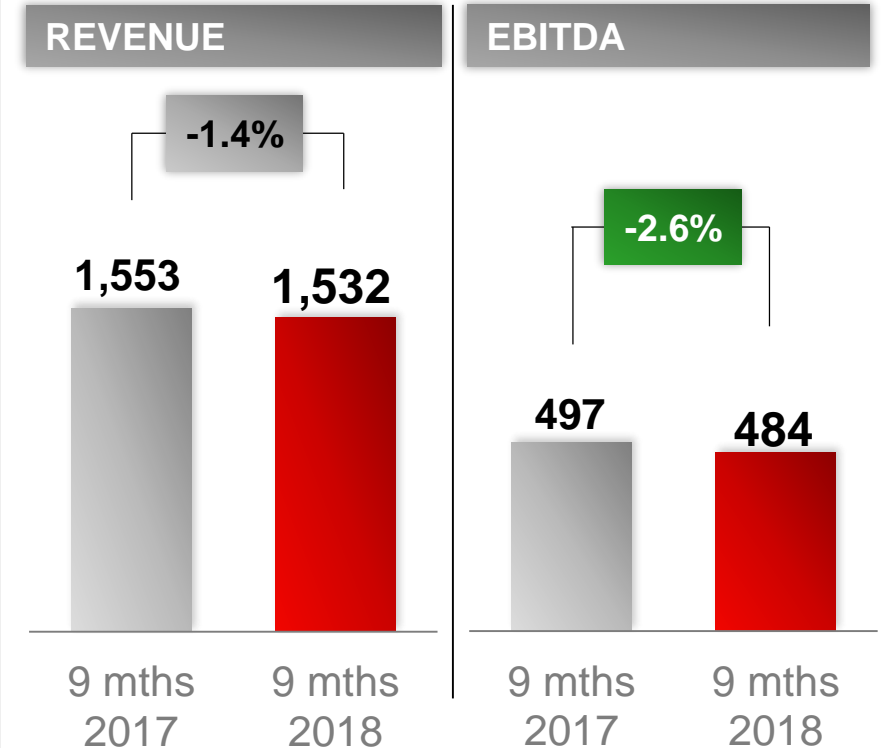


### KEY FINANCIALS\*

(in € million)

0.0 to -1.0%

TV ad market



Source: AGF in cooperation with GfK

Note: MG RTL De including RTL II and Super RTL, excluding pay-TV channels

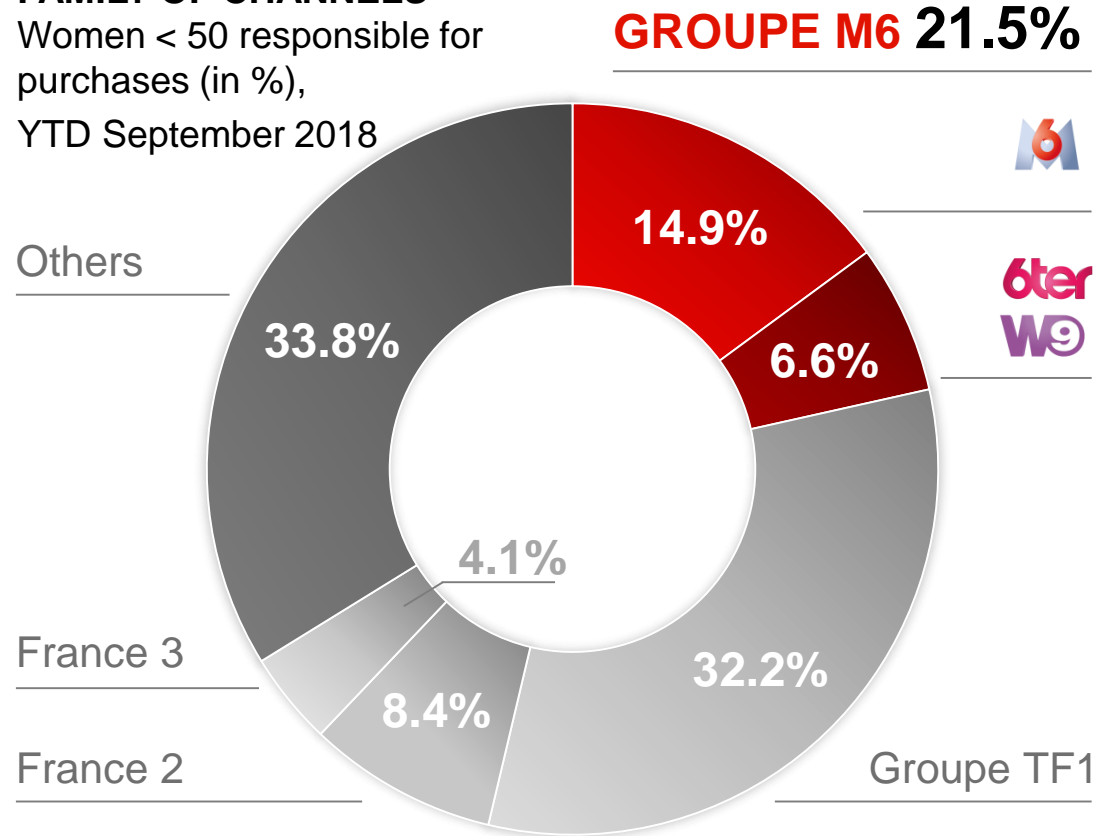
\* 2017 re-presented, please see the financial report for details

# Groupe M6

## Good performance across all business lines

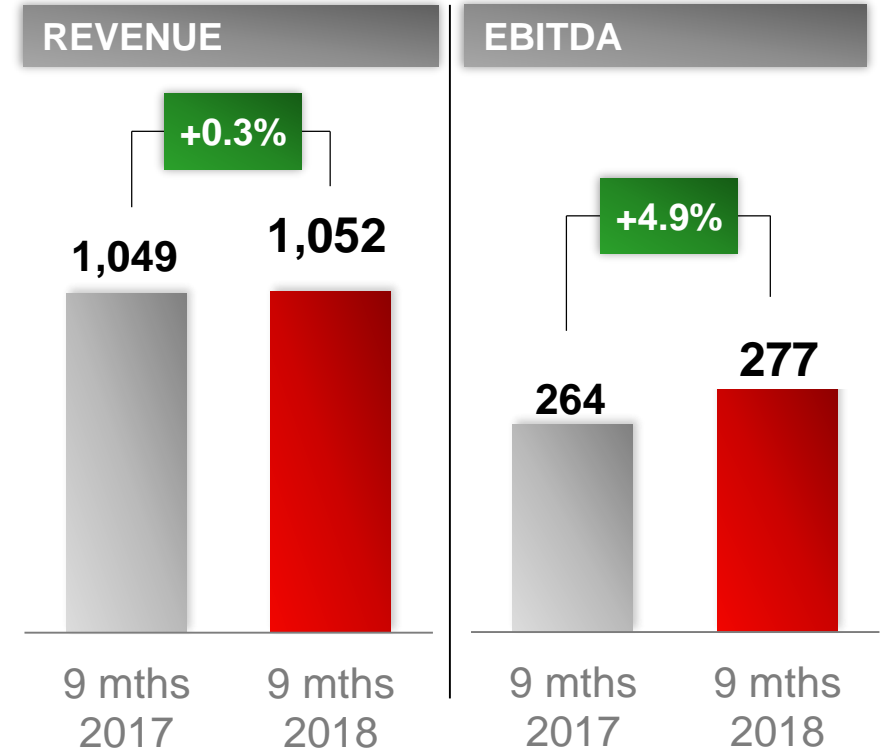
### FAMILY OF CHANNELS

Women < 50 responsible for purchases (in %),  
YTD September 2018



### KEY FINANCIALS\* (in € million)

**+2.0%**  
TV ad market



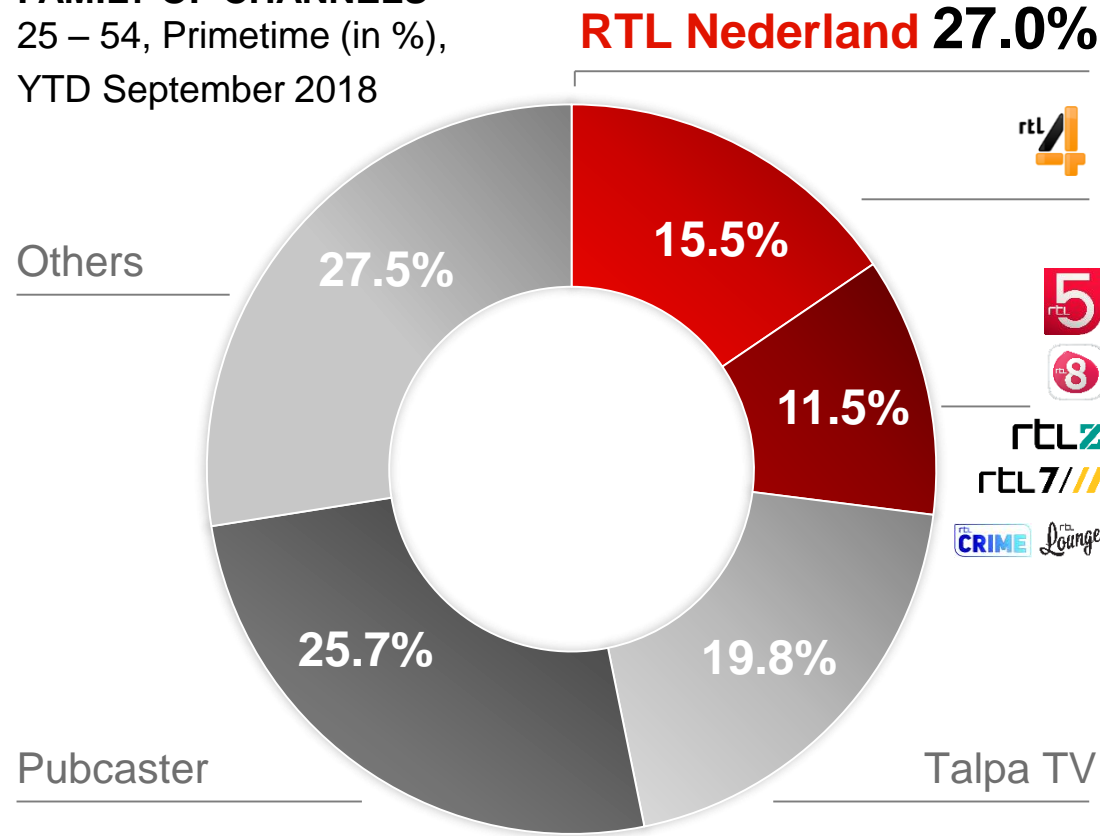
Source: Médiamétrie  
Groupe M6: M6, W9 and 6ter; Groupe TF1 includes TF1, TF1 Series Films, TFX and TMC

\* 2017 re-presented, please see the financial report for details

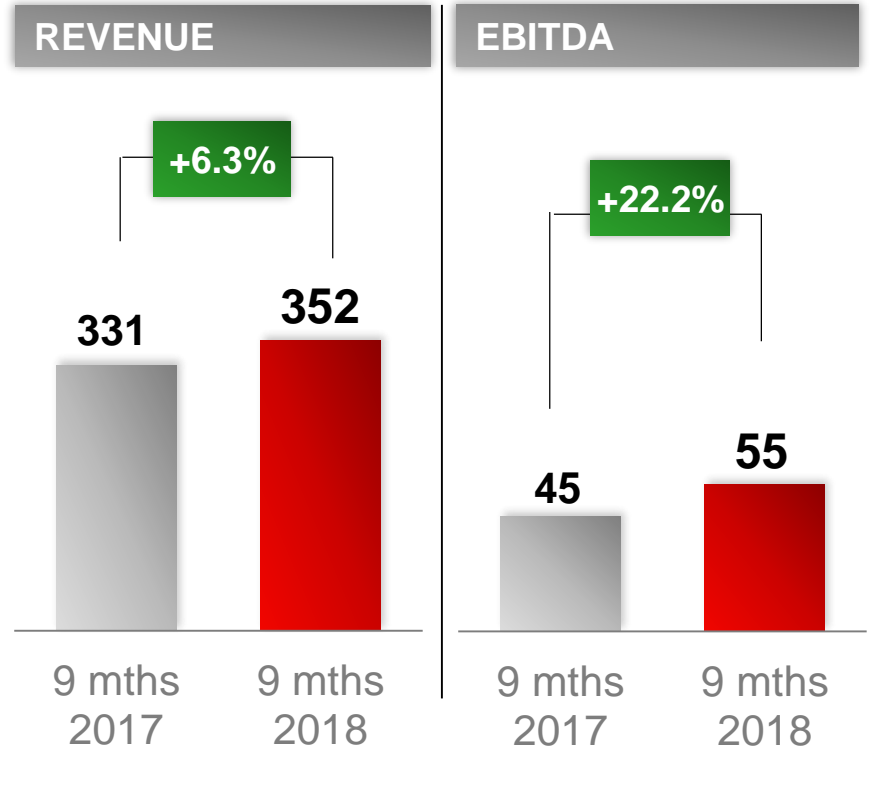
# RTL Nederland

## Growth in ad revenue and digital businesses drive results

**FAMILY OF CHANNELS**  
25 – 54, Primetime (in %),  
YTD September 2018



**KEY FINANCIALS\***  
(in € million)



Source: SKO

\* 2017 re-presented, please see the financial report for details

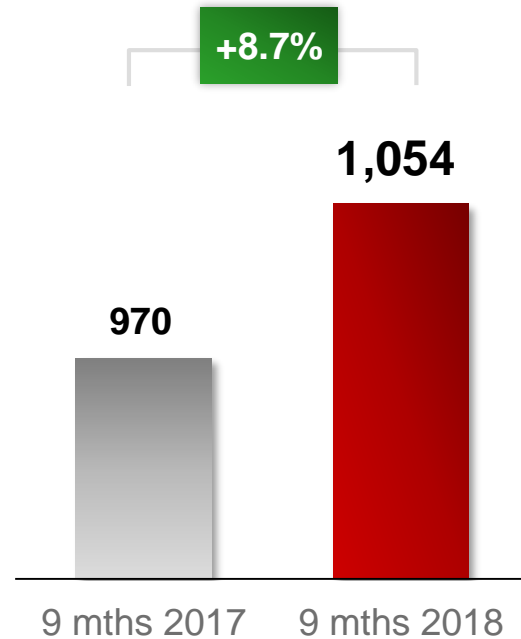
## Fremantle

## Revenue up strongly with organic growth into double-digits

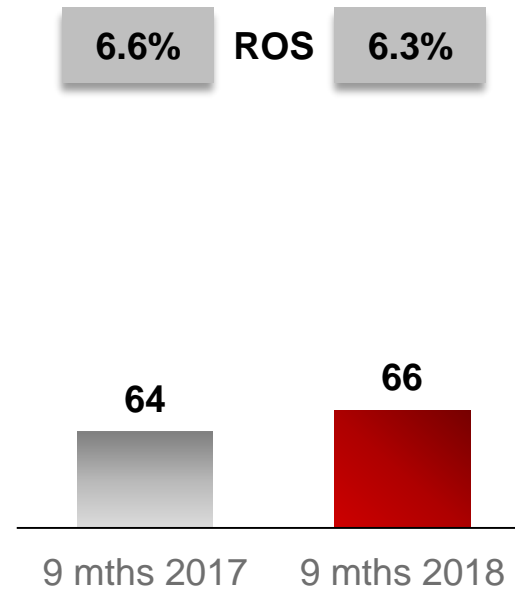
## KEY FINANCIALS\*

(in € million)

## REVENUE

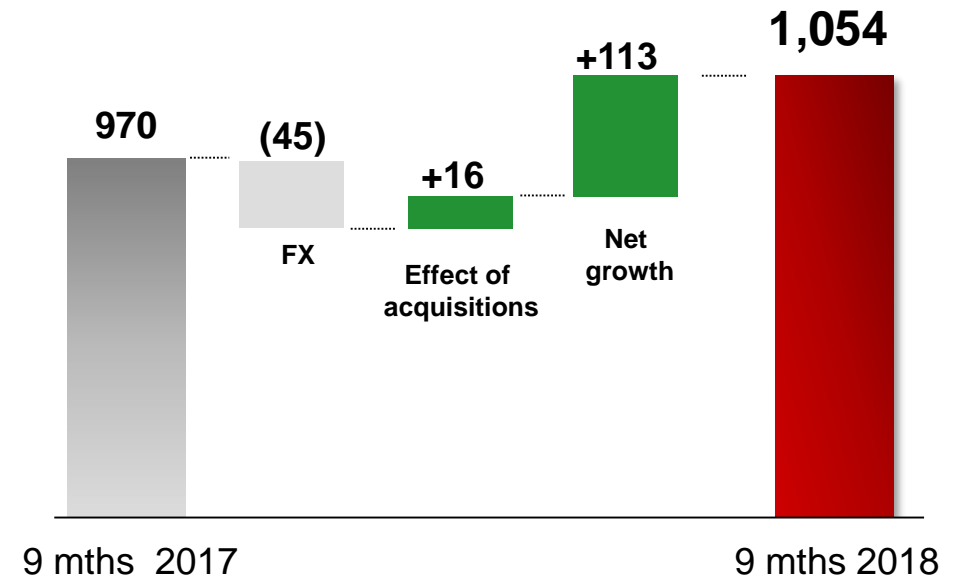


## EBITDA



## REVENUE BRIDGE


























YTD 2017 – YTD 2018 (in € million)



\* 2017 re-presented, please see the financial report for details

## Fremantle

## Drama launches to come – and expected timing of delivery

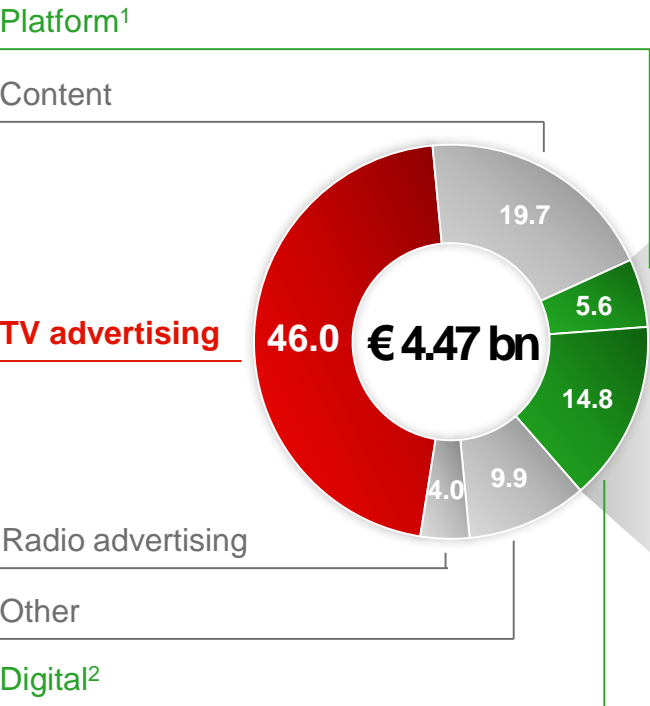
2018		2019			
Q4		Q1	Q2	Q3	Q4
  <b>My Brilliant Friend</b>  On air HBO from 18 November		  2 <sup>nd</sup> season	  Baghdad Central	  Dublin Murders	  2 <sup>nd</sup> season
		  Charité 2 <sup>nd</sup> season	  The Rain 2 <sup>nd</sup> season	  The Luminaries	  My Brilliant Friend 2 <sup>nd</sup> season
		  3 <sup>rd</sup> season			  Réunion
		  Beecham House			

Selection of drama slate

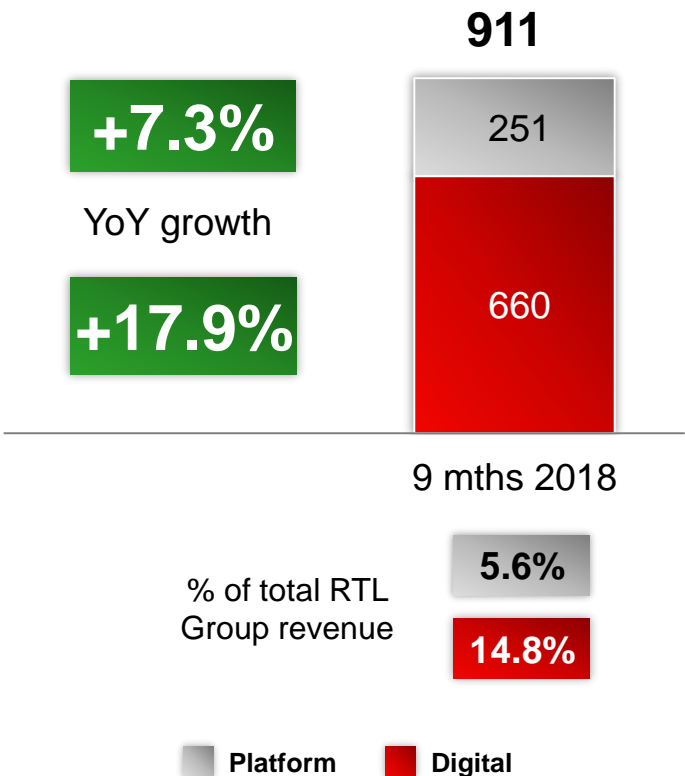
# Digital and platform revenue

## Continued strong organic growth

RTL GROUP REVENUE SPLIT  
9 months to 30 September 2018  
In %



PLATFORM AND DIGITAL REVENUE  
In € million<sup>3</sup>



New and improved distribution agreements



Strong development in MPN & adtech revenue (especially in Q3)



Paid subscribers for Videoland and TVNow growing at a fast rate



Notes: 1. Platform revenue defined as revenue generated across all pay platforms (cable, satellite, IPTV) including subscription and re-transmission fees. 2. Excl. e-commerce, home shopping, and platform revenue for digital TV. 3. In EUR, impacted materially by negative FX effects

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# Outlook

## Maintain financial guidance for full-year 2018

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Revenue expected to grow **moderately**<sup>1</sup>, in line with previous guidance



### 2018 Guidance – Growth rates

#### REVENUE OUTLOOK

In % and € million

Low

**+2.5%**

6,532

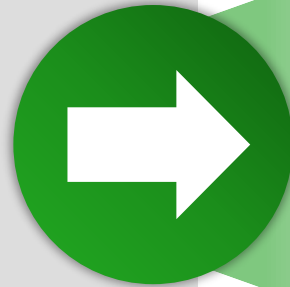
High

**+5.0%**

6,692

2

EBITDA expected to be **broadly stable** in 2018 on a normalised basis



#### EBITDA OUTLOOK

In % and € million

1,464

One-off gain

1,370

EBITDA 2018

**+1%**

1,384

**-1%**

1,356

2017 Reported  
EBITDA

2017 Operational  
EBITDA

Notes: 1. Excluding exchange rates effects

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