

Quarterly statement

Q1/2022: RTL Group reports strong revenue growth across TV advertising, content and streaming

- Group revenue up 11.3 per cent to €1,562 million; Group revenue up 4.4 per cent organically
- TV advertising revenue up 11.2 per cent, Fremantle revenue 6.5 per cent, streaming revenue 23.1 per cent
- Paying subscribers for RTL Group's streaming services RTL+ and Videoland up 58.2 per cent to 4.3 million
- Sale of RTL Belgium closed on 31 March 2022; sale of RTL Croatia expected to close in Q2/2022
- Full-year outlook for 2022 confirmed: Group revenue of approximately €7.4 billion; Adjusted EBITA of approximately €1.15 billion

Luxembourg, 6 May 2022 – RTL Group today published the following quarterly statement for the first three months of 2022 (Q1/2022).

CEO's quote

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

"RTL Group started dynamically into the new year despite the uncertainties resulting from the war in Ukraine. In the first quarter of 2022, revenue grew by 11.3 per cent, thanks to growth across TV advertising, content and streaming, partly driven by scope effects.

In the first three months of this year, we reached important milestones in our strategy to create national media champions. The combination of RTL Deutschland and Gruner + Jahr was finalised, and the integration process is progressing well. At the end of March, we closed the sale of RTL Belgium. Our global content business Fremantle acquired majority stakes in Lux Vide and Dancing Ledge Productions to further boost its scripted business. To create an international advertising sales champion, we will combine our international sales houses RTL AdConnect, G+J iMS and the media division of Smartclip.

We are expecting to close the sale of RTL Croatia and to get the regulatory approvals for the major consolidation moves in France and the Netherlands. These moves will create significant value for RTL Group's shareholders and put us in a strong position to compete with the global tech and streaming platforms.

RTL Group continues to deliver on its targets for its growth businesses of streaming, content and addressable TV advertising – and we have the resources and capabilities to further boost these businesses to create value for our viewers, clients and shareholders."

Revenue

Group revenue was up 11.3 per cent to €1,562 million (Q1/2021: €1,404 million), mainly thanks to scope effects at RTL Deutschland (from the acquisitions of Gruner + Jahr and Super RTL) and Fremantle as well as positive foreign exchange rate effects. Group revenue was up 4.4 per cent organically¹, mainly driven by TV advertising growth in the core markets.

The revenue of RTL Group's content business, **Fremantle**, was up 6.5 per cent to €461 million (Q1/2021: €433 million), thanks to positive foreign exchange rate effects and scope effects from the acquisitions of This is Nice Group and Eureka. Fremantle's revenue in the first quarter of 2021 was boosted by the deliveries of season one of *The Mosquito Coast* and season three of *American Gods*.

Streaming revenue² from RTL+ and Videoland was up 23.1 per cent to €64 million (Q1/2021: €52 million), thanks to the rapidly growing number of subscribers.

RTL Group's **advertising revenue** was €829 million (Q1/2021: €745 million), of which €653 million represented **TV advertising revenue** (Q1/2021: €587 million), €83 million **digital advertising revenue** (Q1/2021: €78 million) and €46 million **radio advertising revenue** (Q1/2021: €48 million).

RTL Group's **distribution revenue**³ was up 2.8 per cent to €109 million (Q1/2021: €106 million).

Net cash

As of 31 March 2022, RTL Group had net cash of €1,053 million⁴ (31 December 2021: net cash of €657 million). On 5 May 2022, RTL Group paid out the dividend for 2021 amounting to €774 million.

Net TV advertising market growth rates and RTL Group audience shares in main target groups

RTL Group estimates that the net TV advertising markets were up across RTL Group's key markets. A summary of RTL Group's key markets is shown below, including estimates of net TV advertising market growth rates and the audience shares in the main target audience group.

| | Q1/2022 net TV advertising market growth rate (in per cent) | RTL Group audience share in the main target group Q1/2022 (in per cent) | RTL Group audience share in the main target group Q1/2021 (in per cent) |
|-------------|---|--|--|
| Germany | +3.5 to +4.5 ⁵ | 26.9 ⁶ | 27.2 ⁶ |
| France | +7.0 to +8.0 ⁷ | 22.3 ⁸ | 23.2 ⁸ |
| Netherlands | +24.3 ⁵ | 34.3 ⁹ | 34.5 ⁹ |

¹ Adjusted for portfolio changes and at constant exchange rates. Further details can be found in the section **Key performance indicators** on page 56 of RTL Group's Annual Report 2021

² Streaming revenue includes SVOD, TVOD, in-stream and distribution revenue from RTL+ and Videoland/RTL XL

³ Revenue generated across all distribution platforms (cable, satellite, internet TV) including subscription and re-transmission fees

⁴ The net cash/(debt) excludes current and non-current lease liabilities. Including these, net cash/(debt) amounts to €670 million (31 December 2021: €325 million). See **Key performance indicators** on page 59 of RTL Group's Annual Report 2021

⁵ Industry/IREP and RTL Group estimates

⁶ Source: GfK, Target group: 14 to 59, including pay-TV channels

⁷ Source: Groupe M6 estimate

⁸ Source: Médiamétrie. Target group: women under 50 responsible for purchases (free-to-air channels: M6, W9, 6ter and Gulli)

⁹ Source: SKO. Target group: 25 to 54, 18h-24h

Operational highlights

At the end of March 2022, RTL Group registered **4.31 million paying subscribers** for its streaming services RTL+ in Germany and Videoland in the Netherlands, up 58.2 per cent year on year (end of March 2021: 2.72 million).

- Paying subscribers for **RTL+** increased by 84.6 per cent year on year to 3.172 million (end of March 2021: 1.718 million). The strategic partnership with Deutsche Telekom to bundle RTL+ Premium in Magenta TV contributed significantly to the growth
- Paying subscribers for **Videoland** grew 12.9 per cent year on year to 1.136 million (end of March 2021: 1.006 million)

In January 2022, **RTL Deutschland** fully acquired **Gruener + Jahr's (G+J) German publishing assets and brands** from Bertelsmann for the preliminary purchase price of €213 million on a cash-free and debt-free basis¹⁰, to create Germany's first cross-media champion. G+J contributed popular and trusted media brands such as *Stern*, *Brigitte*, *Geo*, *Capital*, *Schöner Wohnen*, *Eltern* and *Art* to RTL Deutschland, and the integration is progressing well. The potential synergies of the transaction (Adjusted EBITA run-rate impact) are estimated at around €100 million per year, to be fully realised by 2025.

In February 2022, **RTL Deutschland** signed an exclusive agreement for an extensive, multi-year programme volume deal with the US production company **Warner Bros. Entertainment**. Starting from Q1/2022, RTL Deutschland received access to exclusive films and series, including HBO Max originals. In addition, RTL Deutschland will receive exclusive free-TV rights to future feature films and access to Warner Bros.' vast library of high-quality series and feature films across all genres.

In the first quarter of 2022, **RTL Deutschland** recorded audience successes with the live broadcast of the **Uefa Europa League matches** on its linear TV channels and on the streaming service RTL+. In May 2022, RTL Deutschland announced an extensive deal with Uefa to broadcast half of all football matches of the German national team in the Uefa Nations League until 2028, the European Qualifiers for the Fifa World Cup 2026 and Uefa Euro 2028. In addition, the deal includes the broadcast of test matches of the German national team as well as final round matches of the Uefa Nations League even without German participation. The acquisition of these sports rights is part of RTL Deutschland's strategy to further grow in both linear television and streaming.

On 31 March 2022, RTL Group closed the sale of **RTL Belgium** to the Belgian media companies DPG Media and Groupe Rossel. The sale is in line with RTL Group's strategy to drive consolidation in the European TV industry to build national cross-media champions.

In February 2022, RTL Group announced that it had reached an agreement with Central European Media Enterprises (CME) for the sale of **RTL Croatia**. The preliminary total consideration to be paid at closing amounts to €50 million. In addition, RTL Group will benefit from royalties under a long-term trademark license agreement with CME. The transaction is subject to regulatory approvals and is expected to close in the second quarter of 2022.

¹⁰ The following Gruener + Jahr assets are not part of the transaction and will remain with Bertelsmann: DDV Mediengruppe (*Sächsische Zeitung*), Territory, AppLike Group and G+J's 25 per cent shareholding in Spiegel Gruppe

In March 2022, **Fremantle** signed a three-year international filmmaking agreement with Oscar-winning actress **Angelina Jolie**. Fremantle and Angelina Jolie will jointly develop a variety of feature films, documentaries and original series, that she will produce, direct, or star in.

In March 2022, **Fremantle** acquired 70 per cent of the shareholding in the leading Italian scripted production company **Lux Vide**. Successful series from the production company include *Medici* for Netflix, *Leonardo* for Amazon Prime and *Devils* for Sky. In April 2022, Fremantle increased its stake in **Dancing Ledge Productions** from 25 per cent to 61 per cent. The UK-based production company is behind drama series such as *The Responder* and *The Salisbury Poisonings*. The transactions further demonstrate Fremantle's strategic plan to invest and grow in premium production companies and creative talents from around the world.

In February 2022, RTL Group announced its decision to combine its fully-owned businesses **RTL AdConnect**, **G+J iMS** and the media division of **Smartclip** to create an international advertising sales champion. The new unit will provide international advertisers with simplified access to a unique portfolio of media brands across TV, digital video, radio/audio, online, mobile and print.

In January 2022, RTL Group sold its entire shareholding in **VideoAmp**, a US software and data company for media measurement, for US-\$104 million (€92 million) in cash.

Outlook

The following outlook assumes that the economic recovery continues – mainly driven by private consumption – and that there is no significant impact from Covid-19. It is still too early to quantify the potential impact of the war in Ukraine on consumer sentiment, inflation and economic growth and thus on RTL Group's results in 2022 – although the German advertising market has been weaker than expected in March and April.

The outlook does not reflect the announced consolidation moves in France, the Netherlands and Croatia as they are still subject to regulatory approvals, but reflects the acquisition of Lux Vide by Fremantle (as of 3 March 2022) and the sale of RTL Belgium (as of 31 March 2022)¹¹.

On this basis and subject to the above:

- RTL Group expects its revenue to increase by 11 to 12 per cent to approximately €7.4 billion. This includes organic growth of approximately 5 to 6 per cent.
- RTL Group expects its Adjusted EBITA for 2022 to be stable at approximately €1.15 billion, despite significantly higher streaming start-up losses of approximately €250 million (2021: €166 million). Consequently, the Group expects its Adjusted EBITA before streaming start-up losses to increase to approximately €1.4 billion (2021: €1,318 million).
- RTL Group's dividend policy remains unchanged: RTL Group plans to pay out at least 80 per cent of the adjusted full-year net result.

¹¹ In addition, the outlook includes, among other scope effects, the deconsolidation of SpotX (as of 30 April 2021) and Ludia (as of 8 September 2021) as well as the full consolidation of Eureka (as of 17 May 2021), Super RTL (as of 1 July 2021), This is Nice Group (as of 30 September 2021) and Gruner + Jahr (as of 1 January 2022)

| | 2021 | 2022e |
|---|---------|----------|
| Revenue | €6,637m | ~€7.4bn |
| Adjusted EBITA | €1,152m | ~€1.15bn |
| Streaming start-up losses | €166m | ~€0.25bn |
| 'Adjusted EBITA before streaming start-up losses' | €1,318m | ~€1.4bn |

RTL Group: strategic targets for the streaming services RTL+ and Videoland

| | 2021 | 2026e |
|-------------------------|--------|--------|
| Paying subscribers | 3.804m | 10m |
| Streaming revenue | €223m | €1bn |
| Content spend per annum | €209m | ~€600m |

Profitability is expected by 2026¹².

Fremantle: revenue target

Fremantle targets full-year revenue of €3 billion by 2025.

To reach this goal and keep up with the increasing demand for content, RTL Group will invest significantly in Fremantle – both organically and via acquisitions – in all territories across drama and film, entertainment and factual shows and documentaries.

Figures presented in this quarterly statement are not audited.

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¹² Total of Adjusted EBITA from RTL+, Videoland/RTL XL, Salto and Bedrock as consolidated on RTL Group level. The Adjusted EBITA of RTL+ and Videoland/RTL XL includes synergies with TV channels on business unit level. For the definition of Adjusted EBITA please see Key performance indicators on pages 56 to 57 of RTL Group's Annual Report 2021

About RTL Group

RTL Group is a leading entertainment company across broadcast, streaming, content and digital, with interests in 64 television channels, nine streaming services and 36 radio stations. The Group's families of TV channels are either number one or number two in seven European countries, while RTL Group owns or has interests in radio stations in France, Germany, Spain and Luxembourg. RTL Deutschland is the Group's largest business unit and Germany's first cross-media champion, operating across TV, streaming, radio, digital and publishing. RTL Group's streaming services include RTL+ in Germany, Videoland in the Netherlands and 6play and Salto in France. Fremantle is one of the world's largest creators, producers and distributors of scripted and unscripted content, responsible for around 12,000 hours of programming per year, alongside an international network of teams operating in more than 25 countries. The streaming tech company Bedrock and the ad-tech company Smartclip are also owned by RTL Group. As a market leader, RTL Group strives to foster alliances and partnerships within the European media industry, for example by building one-stop advertising sales houses in Germany and the Netherlands with Ad Alliance and driving international advertising sales with RTL AdConnect. Bertelsmann is the majority shareholder of RTL Group, which is listed on the Luxembourg and Frankfurt stock exchanges and in the MDAX stock index.