

## Quarterly statement

### January to September 2022: RTL Group reports strong revenue and paying streaming subscriber growth

- January to September 2022: Group revenue up 12.0 per cent to €5,006 million; Group revenue up 3.2 per cent organically
- January to September 2022: Fremantle revenue up 27.8 per cent, streaming revenue up 20.4 per cent, TV advertising revenue down 1.3%
- Q3/2022: Group revenue up 18.9 per cent to €1,730 million; Group revenue up 10.0 per cent organically
- Paying subscribers for RTL Group's streaming services RTL+ and Videoland up 40.6 per cent to 4.8 million
- Full-year Adjusted EBITA outlook for 2022 confirmed: Adjusted EBITA of €1.05 to €1.15 billion and streaming start-up losses of up to €250 million ('Adjusted EBITA before streaming start-up losses' of €1.3 to €1.4 billion). As the TV advertising markets have been weaker than expected, in particular in Germany, RTL Group expects Adjusted EBITA to come in at the lower end of the range
- Full-year revenue outlook for 2022 revised to around €7.2 billion (previous guidance: €7.3 to €7.5 billion) due to timing effects at Fremantle

Luxembourg, 4 November 2022 – RTL Group today published the following quarterly statement for the first nine months of 2022 (January to September 2022).

## CEO's quote

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

"RTL Group had a solid first nine months of the year 2022, in the face of a challenging macroeconomic environment and its impact on advertising markets. The high revenue growth in the third quarter was primarily driven by Fremantle, which continues to deliver on its boost plan and is on track to reach a new record revenue in 2022. Organically, Fremantle grew 10 per cent from January to September 2022.

RTL Group's streaming services also continued with very good traction in the third quarter of 2022, with paying streaming subscribers growing to 4.8 million at the end of September.

Looking at the fourth quarter, we expect the challenging advertising market environment to continue, especially in Germany. Despite this and numerous external factors, in particular the war in Ukraine, inflation, energy supply and supply chain issues, RTL Group expects to perform in line with the Adjusted EBITA guidance provided in August."

## Revenue

**Group revenue** was up 12.0 per cent to €5,006 million (January to September 2021: €4,469 million), mainly thanks to the strong performance of Fremantle and RTL Nederland, scope effects at RTL Deutschland (from the acquisitions of Gruner + Jahr and Super RTL), and positive foreign exchange rate effects. Group revenue was up 3.2 per cent organically<sup>1</sup> compared to the first nine months of 2021. **Group revenue in the third quarter of 2022** was up 18.9 per cent to €1,730 million (Q3/2021: €1,455 million) as strong growth from Fremantle revenue and streaming revenue more than compensated for lower TV advertising revenue. Organically, Group revenue was up 10.0 per cent in Q3/2022.

Revenue from RTL Group's content business **Fremantle** was up 27.8 per cent to €1,650 million (January to September 2021: €1,291 million) driven by scope effects from acquisitions in 2021 and 2022 and positive foreign exchange rate effects. Fremantle's revenue was up 9.8 per cent organically compared to the first nine months of 2021.

**Streaming revenue**<sup>2</sup> from RTL+ and Videoland was up 20.4 per cent to €195 million (January to September 2021: €162 million), thanks to the rapidly growing number of paying subscribers.

RTL Group's **advertising revenue** was €2,517 million (January to September 2021: €2,478 million), of which €1,972 million represented **TV advertising revenue** (January to September 2021: €1,998 million), €259 million **digital advertising revenue** (January to September 2021: €232 million) and €135 million **radio advertising revenue** (January to September 2021: €148 million). In the third quarter of 2022, TV advertising revenue was €614 million (Q3/2021: €686 million).

RTL Group's **distribution revenue**<sup>3</sup> was up 2.8 per cent to €329 million (January to September 2021: €320 million).

## Net cash

As of 30 September 2022, RTL Group had **net cash** of €38 million<sup>4</sup> (31 December 2021: net cash of €657 million).

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

RTL Group's estimates for the net TV advertising markets across its key markets show a mixed picture for the first nine months of 2022. After strong growth in the first quarter, current trading and future prospects of most European TV advertising markets have softened. A summary of RTL Group's key markets is shown in the following table, including estimates of net TV advertising market growth rates and the audience shares in the main target audience group.

<sup>1</sup> Adjusted for portfolio changes and at constant exchange rates. Further details can be found in the section **Key performance indicators** on page 11 of RTL Group's Interim Report 2022

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

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

<sup>4</sup> The net cash/(debt) excludes current and non-current lease liabilities. Including these, net cash/(debt) amounts to €(341) million (31 December 2021: €325 million). See **Key performance indicators** on page 14 of RTL Group's Interim Report 2022

	Net TV advertising market growth rate January to September 2022 (in per cent)	RTL Group audience share in main target group January to September 2022 (in per cent)	RTL Group audience share in main target group January to September 2021 (in per cent)
Germany	-7.0 to -7.5 <sup>5</sup>	27.1 <sup>6</sup>	26.4 <sup>6</sup>
France	-2 <sup>7</sup>	22.4 <sup>8</sup>	22.8 <sup>8</sup>
Netherlands	+10.7 <sup>5</sup>	34.6 <sup>9</sup>	33.1 <sup>9</sup>

## Operational highlights

At the end of September 2022, RTL Group registered **4.784 million paying subscribers** for its streaming services RTL+ in Germany and Videoland in the Netherlands, up 40.6 per cent year on year (end of September 2021: 3.402 million).

- Paying subscribers for **RTL+** increased by 53.8 per cent year on year to 3.675 million (end of September 2021: 2.389 million). The strategic partnership with Deutsche Telekom to bundle RTL+ Premium in Magenta TV contributed significantly to the growth.
- Paying subscribers for **Videoland** grew 9.5 per cent year on year to 1.109 million (end of September 2021: 1.013 million), driven by the Dutch kickboxing live events of the *Glory* series, Videoland Original series *Mocro Maffia* and the fifth season of international drama series *The Handmaid's Tale*, all of which are exclusively available on Videoland in the Netherlands.

**RTL Deutschland** is gradually expanding its cross-media offer. In August 2022, RTL Deutschland launched the **RTL+ Musik** app. In addition to video content, this gives RTL+ users access to more than 90 million songs as well as more than 100 radio streams. RTL+ entered into an exclusive partnership with Deezer, one of the world's leading music streaming services. The starting price of the bundle offers comprising video and music is €9.99 per month in the 'RTL+ Max' tariff (instead of €12.99 – from the seventh month).

On 16 September 2022, Groupe Bouygues, RTL Group, Groupe TF1 and Groupe M6 decided to call off their plan to merge **Groupe TF1** and **Groupe M6**, due to excessive remedies requested by the French competition authority, including at least the sale of either M6 or TF1. The parties therefore concluded that the proposed merger no longer had any strategic rationale and regret that the competition authority did not take into account the speed and extent of the changes sweeping through the French broadcasting sector.

Proposed merger between **Talpa Network** and **RTL Nederland**: The transaction is subject to approval from the competent authorities. A decision is expected in the fourth quarter of 2022.

**Fremantle** reported a successful first nine months of the year 2022 across all three pillars of entertainment, drama & film, and documentaries. Within its **entertainment** business, Fremantle scored successes with *America's Got Talent*, the quiz show *Password* and various adaptations of *Farmer Wants a Wife*. Within **drama & film**, the delivery of the

<sup>5</sup> Industry/IREP and RTL Group estimates

<sup>6</sup> Source: GfK, Target group: 14 to 59, including pay-TV channels

<sup>7</sup> Source: Groupe M6 estimate

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

<sup>9</sup> Source: SKO. Target group: 25 to 54, 18h-24h

second season of *The Mosquito Coast* to Apple TV+ significantly boosted Fremantle's third quarter results. Within the **documentary** business, Fremantle Italy launched *Wanna* on Netflix, a documentary on the Italian teleshopping host Wanna Marchi, which has ranked in the top ten TV shows in Italy.

Within the next three months, **RTL Hungary** will launch its streaming service **RTL+** in Hungary. The new subscription service is based on the technology of Bedrock, the streaming tech company of RTL Group.

## Outlook

RTL Group confirms its Adjusted EBITA outlook presented on 5 August 2022. Due to timing effects at Fremantle, RTL Group revised its revenue outlook.

The outlook does not reflect the announced combination of RTL Nederland and Talpa Network in the Netherlands as it is still subject to regulatory approval, but reflects the full consolidation of Gruner + Jahr (as at 1 January 2022), the acquisition of Lux Vide (as at 3 March 2022), Dancing Ledge Productions (as at 6 April 2022) and Element Pictures (as at 10 May 2022) by Fremantle and the sales of RTL Belgium (as at 31 March 2022) and RTL Croatia (as at 1 June 2022)<sup>10</sup>.

On this basis and subject to the above:

- RTL Group expects its **revenue** to increase to around €7.2 billion (previous guidance: €7.3 to €7.5 billion). The revenue increase is explained by positive scope and foreign exchange rate effects of approximately €0.5 billion and organic revenue growth of around €0.1 billion (previously €0.2 billion to €0.4 billion), depending on the performance of the TV advertising markets in the fourth quarter of 2022.
- RTL Group expects its **Adjusted EBITA** for 2022 to be between €1.05 and €1.15 billion, including streaming start-up losses of up to €250 million (2021: €166 million). The Group expects its 'Adjusted EBITA before streaming start-up losses' to be between €1.3 and €1.4 billion. As the TV advertising markets have been weaker than expected, RTL Group expects Adjusted EBITA to come in at the lower end of the range.
- 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.

<sup>10</sup> In addition, the outlook includes, among other scope effects, the deconsolidation of SpotX (as at 30 April 2021) and Ludia (as at 8 September 2021) and the full consolidation of Eureka (as at 17 May 2021), Super RTL (as at 1 July 2021) and This is Nice Group (as at 30 September 2021)

	2021e	2021	2022e
<b>Revenue</b>	~€6.5bn	€6,637m	~€7.2bn
<b>Adjusted EBITA</b>	~€1,050m	€1,152m	€1.05bn- €1.15bn
Streaming start-up losses	~€150m	€166m	up to €0.25bn
'Adjusted EBITA before streaming start-up losses'	~€1,200m	€1,318m	€1.3bn-€1.4bn

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

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

Profitability is expected by 2026<sup>11</sup>.

#### 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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## About RTL Group

RTL Group is a leading entertainment company across broadcast, streaming, content and digital, with interests in 56 television channels, eight streaming services and 36 radio stations. The Group's families of TV channels are either number one or number two in six 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,

<sup>11</sup> 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 page 12 of RTL Group's Interim Report 2022

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 Ad Alliance. Bertelsmann is the majority shareholder of RTL Group, which is listed on the Luxembourg and Frankfurt stock exchanges and in the MDAX stock index.

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