



Analyst call  
4 November 2021

The background of the slide is a promotional image for the TV show 'The Crown'. It features Claire Foy as Queen Elizabeth II and Matt Smith as Prince Philip, Duke of Edinburgh, in period costumes. Claire Foy is wearing a light-colored, ruffled dress, and Matt Smith is wearing a dark blue military uniform with gold epaulettes and medals. They are both looking towards the camera with serious expressions.

# RTL Group Results January to September 2021

# Agenda

R T L

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Streaming update

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RTL+



# Highlights

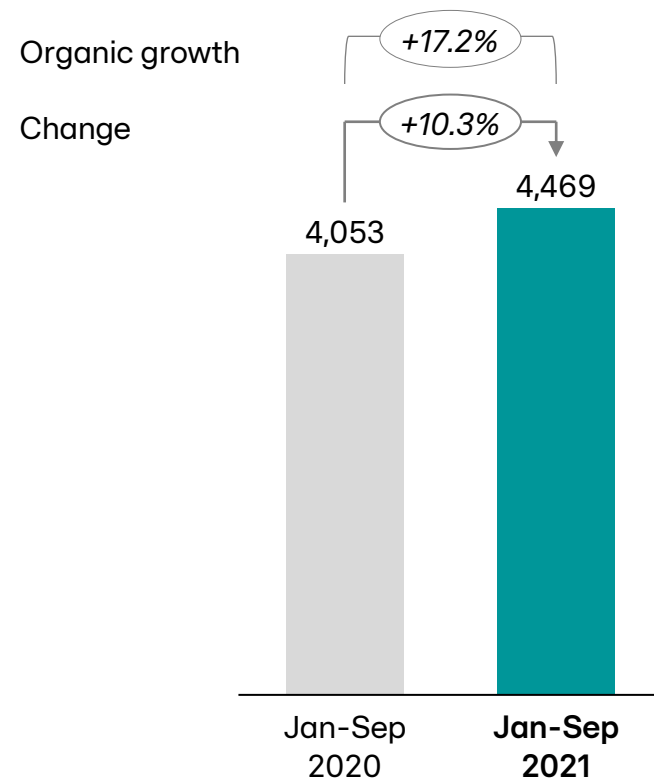
- Rebound of **TV advertising** markets continued in Q3/2021
- Strong **revenue growth** in Q3/2021 from TV advertising, Fremantle, streaming
- Major consolidation moves to build national **cross-media champions**
- **Portfolio** changes in Q3/2021: full acquisition of Super RTL and This is Nice Group (Nent labels in the Nordics), sale of Ludia
- Full-year **outlook for 2021 confirmed**
- **Further streaming boost:** cross-media extension of RTL+ in H1/2022, new streaming targets



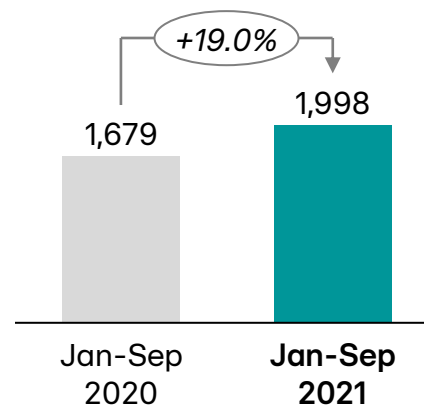
# Strong revenue growth

## Group revenue

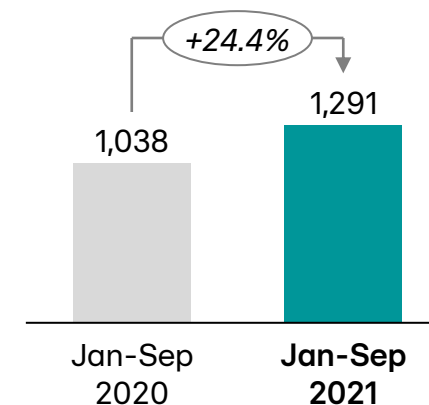
in € million



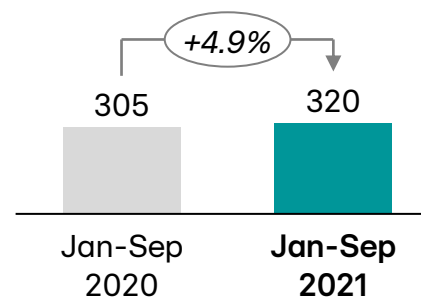
## TV advertising revenue



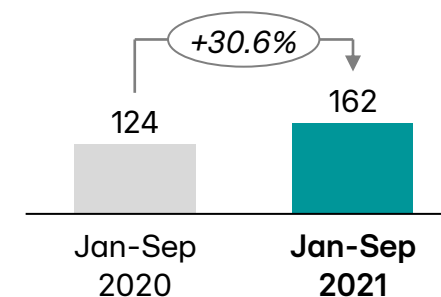
## Fremantle revenue



## Distribution revenue<sup>1</sup>



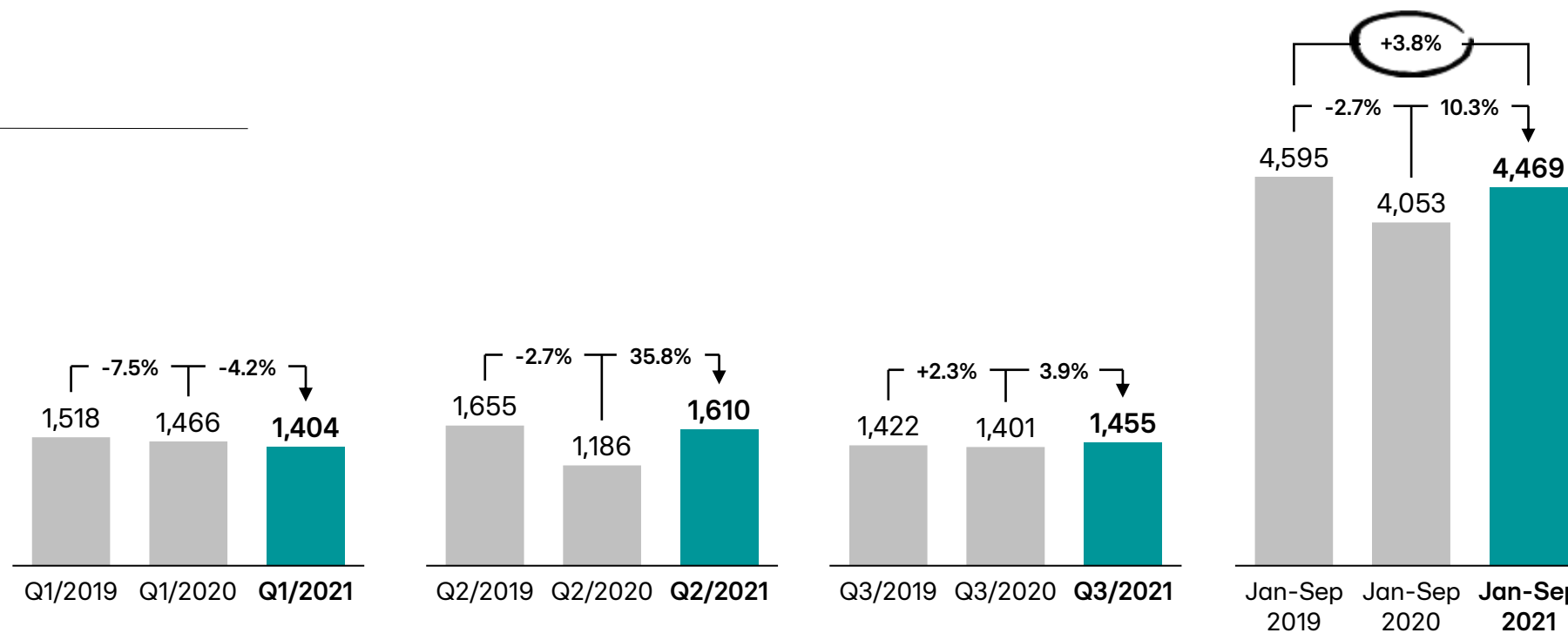
## Streaming revenue<sup>2</sup>



# Q3 above pre-crisis level

## Group revenue

in € million, Organic growth in %



## TV advertising revenue

vs. 2019

-15%

+1%

+15%

+/-0%

vs. 2020

-9%

+65%

+16%

+19%





## Outlook 2021 confirmed

	2021	2020
Revenue	~€6.5bn	€6.0bn
Adjusted EBITA	~€1,050m	€853m
Streaming start-up losses	~€150m	€55m
'Adjusted EBITA before streaming start-up losses'	~€1,200m	€908m



# Streaming update

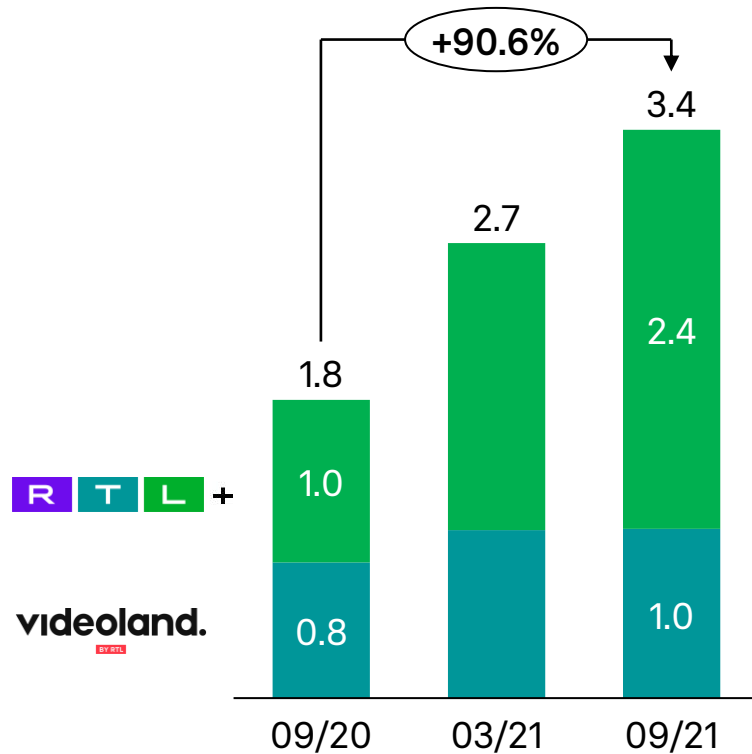




# Continued strong growth in streaming

## Development of paying subscribers

in million



Gossip Girl (2021)





One app,  
all media.  
Germany's  
biggest  
entertainment  
platform.



# H1/2022: Cross-media extension of RTL+

## Watch

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- Growing number of RTL+ originals
- Programming library of >50,000 hours across all genres
- Live stream of all 14 TV channels from RTL Deutschland in HD quality

## Listen

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- Music
- Audio books
- Podcasts
- Radio



## Read

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- Premium magazines from Gruner + Jahr



**Technology:** Personalisation (“My feed”) and content recommendation for a cross-media user experience





## New streaming targets for RTL+ and Videoland

	2026e new	2025e old
Paying subscribers	10 million	5 to 7 million
Streaming revenue	€1 billion	~€500 million
Content spend per annum	~€600 million	~€350 million

- Profitability by 2026 (previous target: breakeven by 2025)
- Peak streaming start-up losses in 2022, with around €250 million



# Q&A

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**#RTLresults**



# Definitions

Alternative performance measure	Explanation
Adjusted EBITA	<p>Adjusted EBITA represents a recurring operating result and excludes significant special items. RTL Group management has established an 'Adjusted EBITA' that neutralises the impacts of structural distortions for the sake of transparency. Based on the accelerated industry trends explained in the Market-section (RTL Group Annual Report 2020, pages 44 to 45) and Strategy-section (RTL Group Annual Report 2020, pages 46 to 50), RTL Group plans to increase its investments in business transformation including streaming, premium content, technology and data. At the same time, management is continuously assessing opportunities to reduce costs in its traditional broadcasting activities, i.e. to reallocate resources from its traditional businesses to its growing digital businesses, which may lead to restructuring expenses that are neutralised in the Adjusted EBITA.</p> <p>Adjusted EBITA is determined as earnings before interest and taxes (EBIT) as disclosed in the income statement, excluding the following elements:</p> <ul style="list-style-type: none"><li>• Impairment of goodwill of subsidiaries and amortisation and impairment of fair value adjustments on acquisitions of subsidiaries</li><li>• Impairment and reversals of investments accounted for using the equity method</li><li>• Re-measurement of earn-out arrangements presented in 'Other operating income' or 'Other operating expenses'</li><li>• Fair value measurement of investments presented in 'Other operating income' or 'Other operating expenses'</li><li>• Gain/(loss) from sale of subsidiaries, other investments and re-measurement to fair value of pre-existing interest in acquiree</li><li>• Significant special items.</li></ul>
Significant special items	<p>Significant special items exceed the cumulative threshold of €5 million, need to be approved by management, and primarily consist of restructuring expenses or reversal of restructuring provisions and other special factors or distortions. The adjustments for special items serve to determine a sustainable operating result that could be repeated under normal economic circumstances and is not affected by special factors or structural distortions.</p>

# Definitions

Alternative performance measure	Explanation
Operating free cash flow	Operating free cash flow is equal to net cash from operating activities adjusted by income tax paid; cash outflows from the acquisitions of programme and other rights and other intangible assets and tangible assets; cash inflows from proceeds from the sale of intangible and tangible assets; and transaction-related costs with regard to significant disposals of subsidiaries.
Operating cash conversion rate	Operating cash conversion rate means operating free cash flow divided by EBITA.
Net cash/(debt)	The net cash/(debt) is the gross balance sheet financial debt adjusted for 'Cash and cash equivalents'; cash pooling accounts receivable with investments accounted for using the equity method and not consolidated investments presented in 'Accounts receivable and other financial assets'; current deposit with shareholder and its subsidiaries reported in 'Accounts receivable and other financial assets'.
Organic growth/decline	The organic growth is calculated by adjusting the reported revenue growth mainly for the impact of exchange rate effects as well as corporate acquisitions and disposals. It should be seen as a component of the reported revenue shown in the income statement. Its main objective is for the reader to isolate the impacts of portfolio changes and exchange rates on the reported revenue. When determining the exchange rate effects, the functional currency that is valid in the respective country is used. Potential other effects may include changes in methods and reporting.



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