

12 March 2021

RTL GROUP FULL-YEAR RESULTS 2020

Entertain. Inform. Engage.



AGENDA

- / HIGHLIGHTS
- / GROUP FINANCIALS
- / OPERATIONS
- / STRATEGY & OUTLOOK

HIGHLIGHTS

RTL^{''}
GROUP



The Voice of Holland (RTL 4)

RESILIENCE AND TRANSFORMATION

1

High audience ratings: Outperformance of commercial competitors in GER, FR and NL

2

Boost of streaming services: paying subscribers in GER and NL up 52% to 2.19 million

3

Resilient core business: more than 70% of revenue decrease offset by cost savings on a comparable basis

4

Portfolio management: full acquisitions of RTL Belgium and Super RTL¹; disposals of BBTv and SpotX¹

5

Industry consolidation

6

Attractive shareholder returns: dividend of €3.00 per share

Denn sie wissen nicht, was passiert (RTL Television)

GROUP FINANCIALS

RTL
GROUP



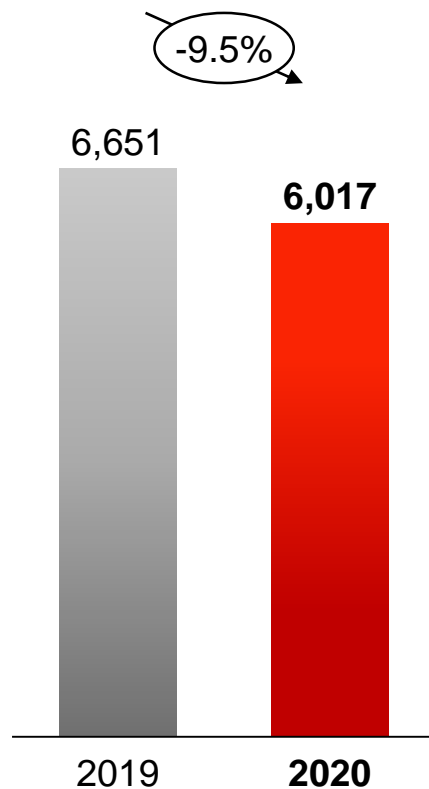
La France a une incroyable Talent (M6)

KEY FINANCIALS

Revenue

in € million

Change



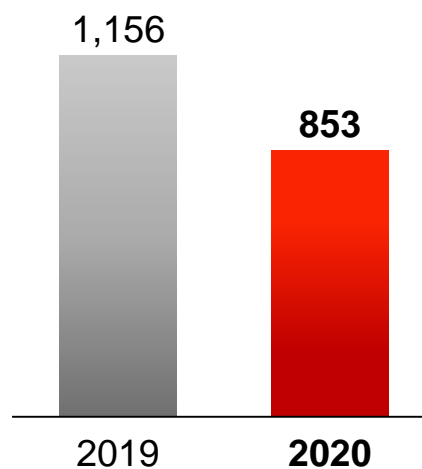
Adjusted EBITA¹

in € million

Margin

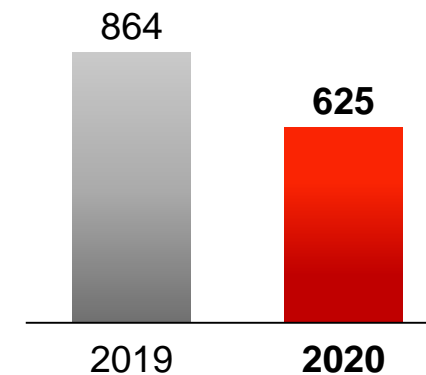
17.4%

14.2%



Profit for the year

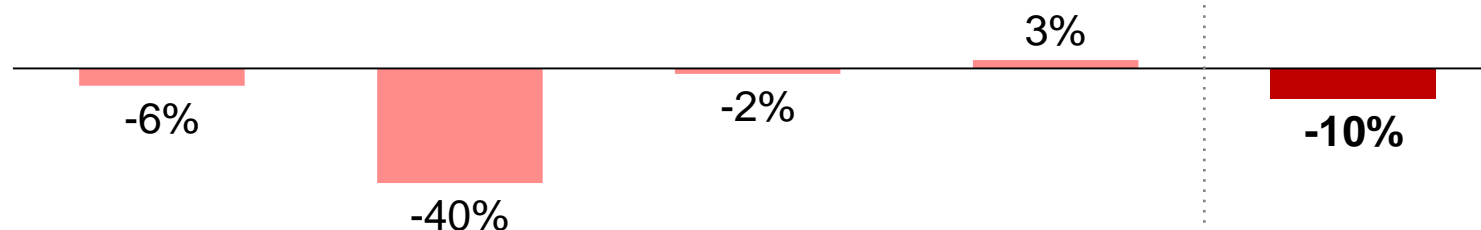
in € million



STRONG REBOUND OF TV ADVERTISING IN Q3 AND Q4

TV advertising revenue

in %, change yoy

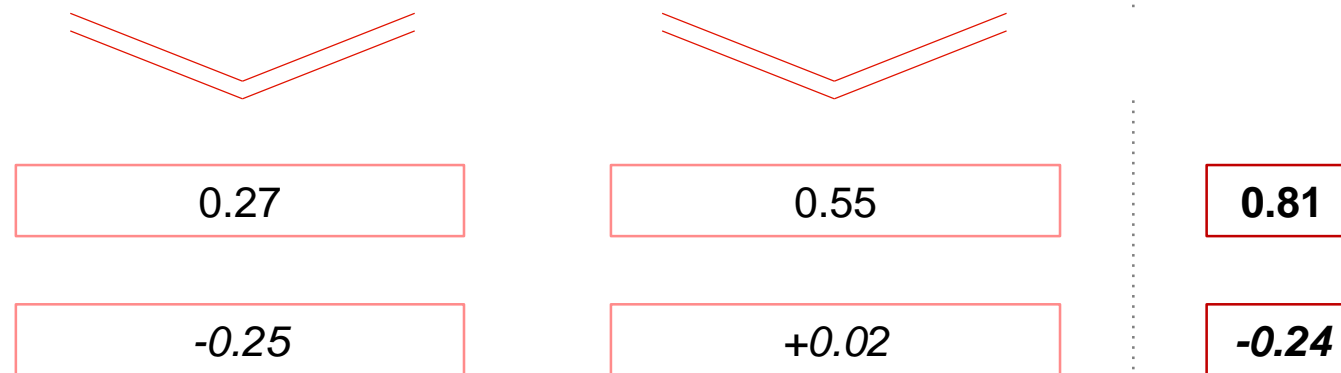


Adjusted EBITA

broadcasting businesses¹

in € billion

vs. prior year



Q1

Q2

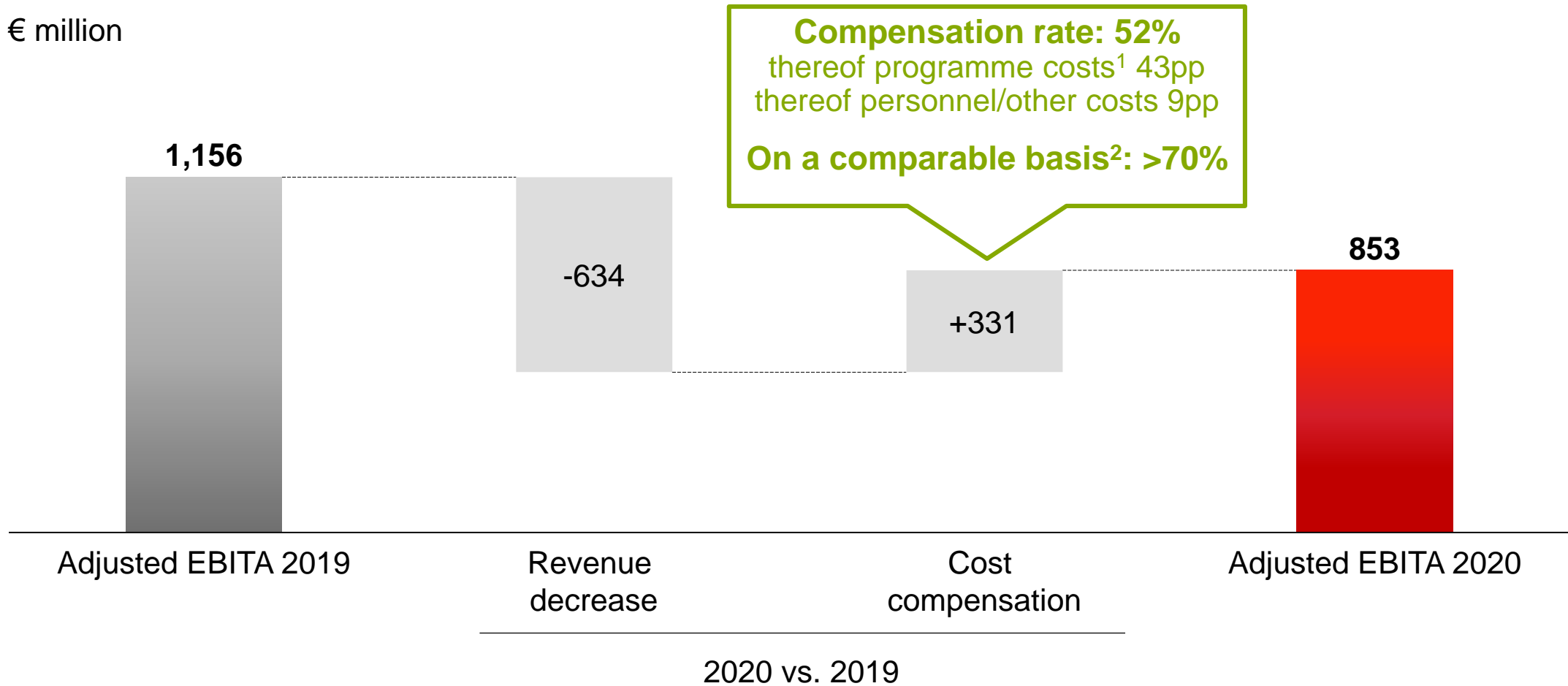
Q3

Q4

Full
year

MORE THAN 70% OF REVENUE DECREASE OFFSET ON A COMPARABLE BASIS

In € million



ACTIVE CASH MANAGEMENT LEADS TO CONVERSION RATE OF 123%

In € million	Full year to December 2020	Full year to December 2019
Net cash from operating activities	933	1,055
Add: Income tax paid	248	334
Less: Acquisition of assets, net	(176)	(190)
Equals: Operating free cash flow (FCF)	1,005	1,199
Acquisition/disposal of subsidiaries, net of cash acquired/disposed	110	(133)
Acquisition and disposal of other investments and financial assets, proceeds from the sale of investments accounted for using the equity method	(13)	21
Transactions with non-controlling interests, treasury shares	(63)	(42)
Net interest paid	(25)	(23)
Income tax paid	(248)	(334)
Dividends paid	(4)	(538)
Cash generated (cash used)	762	150
EBITA	819	1,139
OPERATING CASH CONVERSION RATE (FCF/EBITA)	123%	105%

DISPOSALS OF NON-CORE ASSETS LEAD TO HIGHER CAPITAL GAINS

In € million	Full year to December 2020	Full year to December 2019
Adjusted EBITA	853	1,156
Significant special items ¹	(34)	(17)
EBITA	819	1,139
Gain/(loss) from sale of subsidiaries, other investments and re-measurement to fair value of pre-existing interest in acquiree and earn-out arrangements	171	87
Impairment of goodwill of subsidiaries, investments accounted for using the equity method, amortisation and impairment of fair value adjustments on acquisitions of subsidiaries	(87)	(65)
Net financial expense	(28)	(5)
Income tax expense	(250)	(292)
Profit for the year	625	864
Profit for the year attributable to RTL GROUP SHAREHOLDERS	492	754

10 Note: 1. In 2020, the special items reflect mainly the impact of a restructuring programme at Mediengruppe RTL Deutschland (€27.4 million) and onerous advertising sales contracts (€9.7 million) as well as reversal of the restructuring provision in Luxembourg (€2.6 million)

PROPOSAL IN LINE WITH DIVIDEND POLICY

In € million	Full year to December 2020
Profit for the year attributable to RTL Group shareholders	492
Adjustments	71
Adjusted profit for the year attributable to RTL Group shareholders	563
from ordinary activities	466
from cash capital gains	97
DIVIDEND , in € per share	3.00
from ordinary activities	2.5
from cash capital gains	0.5
Dividend, absolute amount	464
Dividend payout ratio, in % ¹	83%

Dividend
yield
of 8.9%²

OPERATIONS

RTL[®]
GROUP



The Masked Singer (RTL 4)

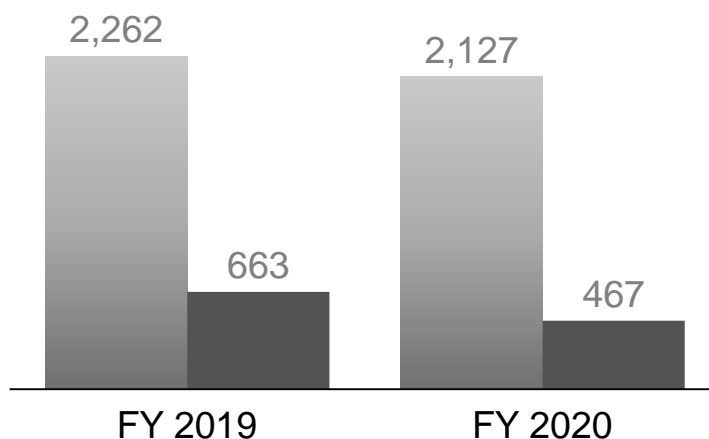
70% OF REVENUE DECREASE OFFSET ON A COMPARABLE BASIS – SIGNIFICANT INVESTMENTS IN STREAMING AND AD-TECH

Key financials

In € million

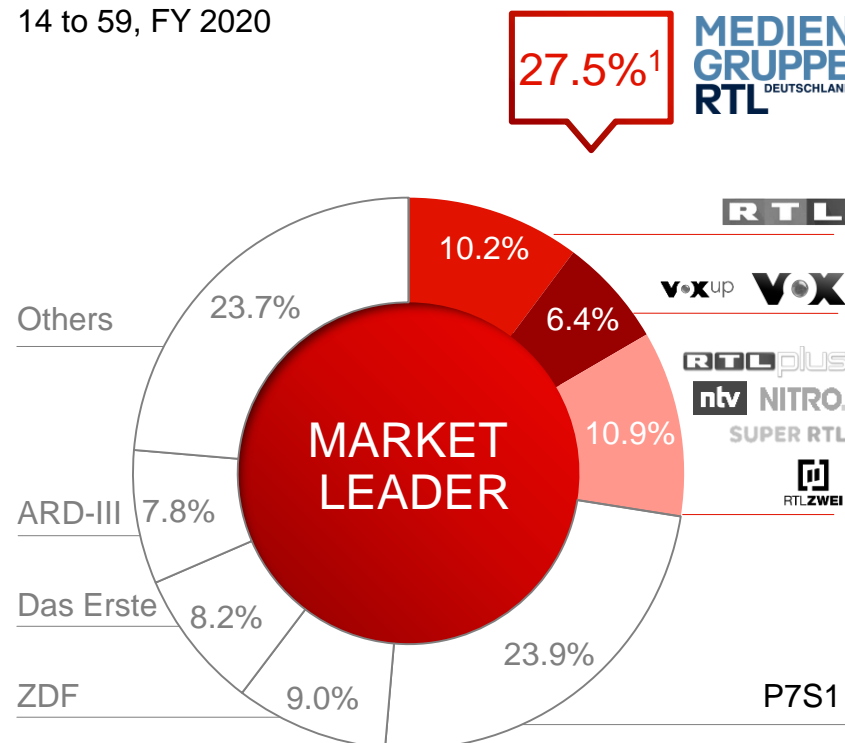
■ Revenue
■ Adjusted EBITA

22%
MARGIN



Family of channels

Audience shares
14 to 59, FY 2020



HIGHLIGHTS



Strong news ratings for
RTL and NTV



Strategic partnership with
Deutsche Telekom; streaming,
addressable TV, content, ad sales

SUPER RTL

Agreements signed for full
acquisition of Super RTL²

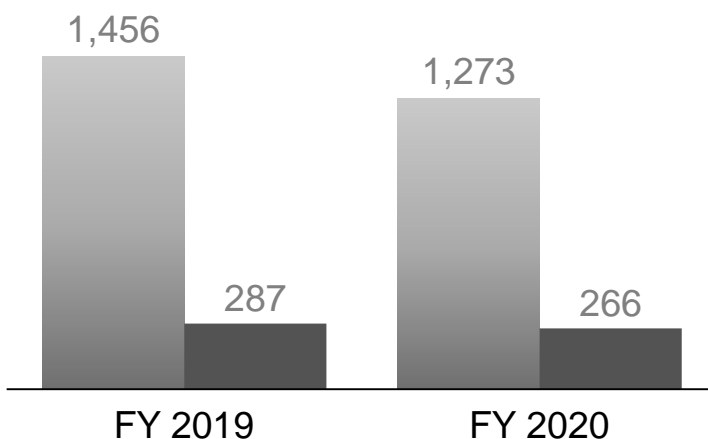
REVENUE DECREASE LARGELY OFFSET, HIGHER MARGIN

Key financials¹

In € million

■ Revenue
■ Adjusted EBITA

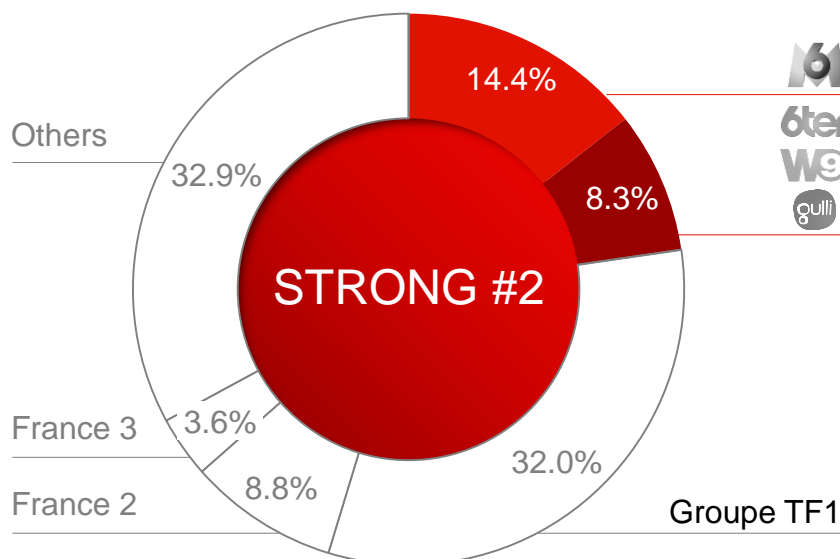
21%
MARGIN



Family of channels

Audience shares
Women < 50 responsible
for purchases, FY 2020

22.7%



HIGHLIGHTS

LE1945 LE1245

News shows with massive
audience growth in 2020

SALTO

Launch of French
streaming service (JV)



iGraal

Disposals of non-core assets

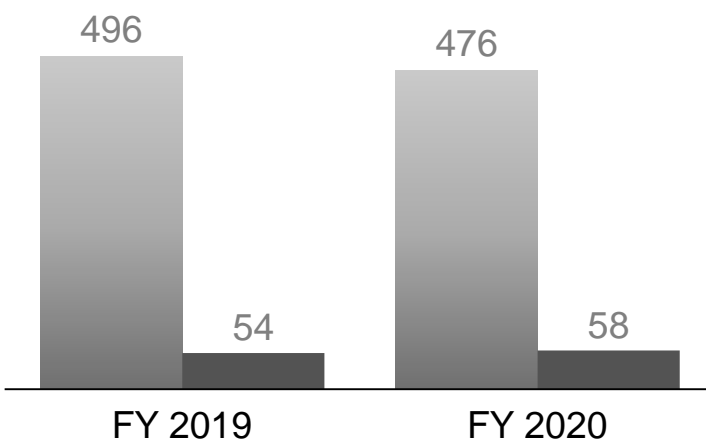
SIGNIFICANT GAINS IN AUDIENCE SHARE

Key financials

In € million

■ Revenue
■ Adjusted EBITA

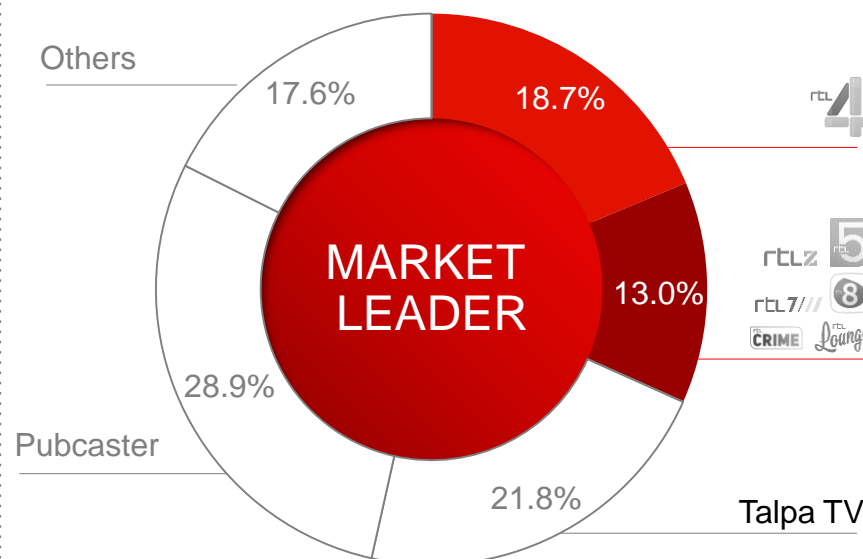
12%
MARGIN



Family of channels

Audience shares
Adults 25 to 54, prime time,
FY 2020

31.7%



HIGHLIGHTS



Main channel RTL 4 with significant audience share gains, driven by *The Masked Singer*, *Lego Masters*, *The Voice of Holland*

videoland.

Launch of ad-supported price tier

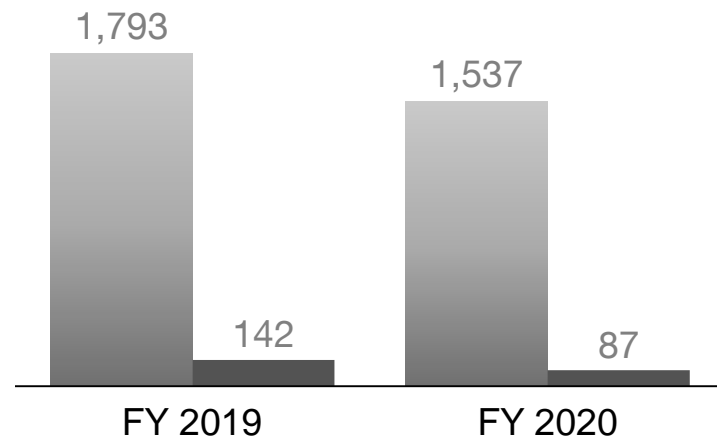


Distribution deals extended

Key financials

In € million

■ Revenue
■ Adjusted EBITA

6%
MARGIN

HIGHLIGHTS

Strict safety protocols implemented – productions gradually resumed after first lockdowns:

54 dramas delivered

26 different gameshow formats aired

working on the realisation of at least 60 scripted series ideas

Arctic Drift

STRATEGY & OUTLOOK



American Gods Season 3

STRATEGIC FRAMEWORK UNCHANGED



CORE

GROWTH



ALLIANCES+
PARTNERSHIPS



PORTFOLIO
TRANSFORMATION

CREATIVITY &
ENTREPRENEURSHIP

PEOPLE

COMMUNICATIONS &
MARKETING

REGULATION

ENABLER

DRIVERS FOR LONG-TERM PORTFOLIO TRANSFORMATION



OPPORTUNITIES

LINEAR

- High-quality ad inventory
- CPMs
- Addressable TV
- Platform revenue
- Efficiency
- Alliances & Partnerships
- Consolidation

NON-LINEAR

- Subscriber growth
- Viewing time increase
- ARPU
- Distribution partnerships
- Alliances

CONTENT

- Global demand from TV networks/streamers and across all genres
- Scripted and high-end documentaries
- M&A



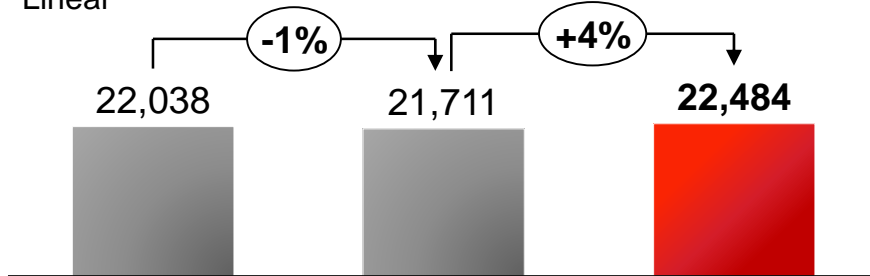
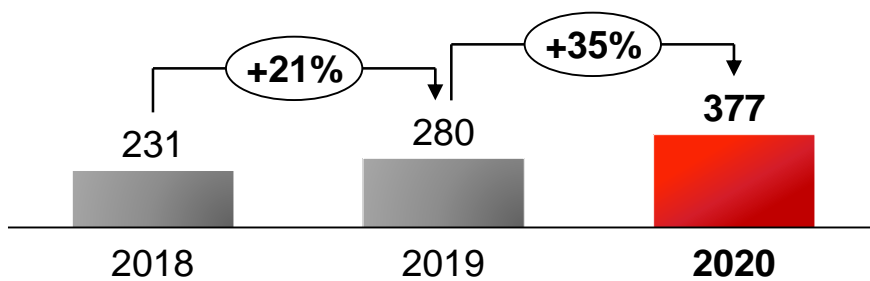
CHALLENGES

- Viewing time decrease, particularly among younger demos

- Competition with US platforms

- Production cost increase
- Rights retention

HIGHER REACH IN LINEAR AND NON-LINEAR

Total viewing time of RTL Deutschland
in million hoursLinear¹Non-linear²

Ninja Warrior (RTL Television)

- Combine value of TV and digital advertising:

Linear TV

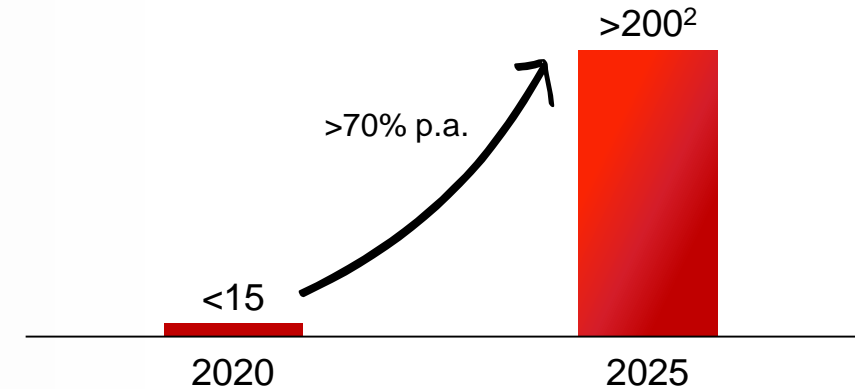
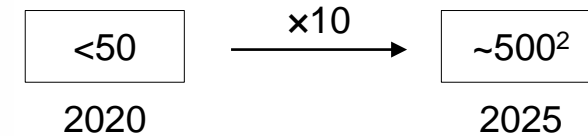
- Brand safety
- Mass reach

**Addressable TV**

- Behavioral data
- Real time
- Geo data



- Attract new advertisers, deliver higher CPMs
- Technical reach key driver to grow the German market for Addressable TV

TARGET 2025**Addressable TV revenue RTL Deutschland¹**
in € million**Market size in Germany**
in € million

BUILDING NATIONAL STREAMING CHAMPIONS

Paying subscribers
in million

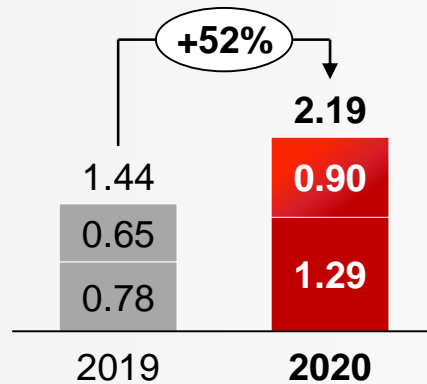
videoland.
TV NOW

Key figures¹
in € million

Revenue²

Content spend

Streaming start-up losses³



TARGETS 2025¹

UNCHANGED

5m to 7m

paying subscribers

> €500m

streaming revenue

~ €350m

content spend p.a.

break-even

adjusted EBITA

The following outlook assumes that the economic recovery continues in 2021, in particular in Q2/2021, as current lockdown measures are gradually eased and vaccination programmes against Covid-19 progress.

	2020	2021e
Revenue	€6,017m	~€6,200m
Adjusted EBITA	€853m	~€975m
Streaming start-up losses	€55m	~€150m
“Adjusted EBITA before streaming start-up losses”	€908m	~€1,125m

#RTLRESULTS



RTL
GROUP



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 to the readers. Driven by the accelerated industry trends explained in the sections “Market” and “Strategy” in the Directors’ report, 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 neutralized 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"> • “Impairment of goodwill and amortisation and impairment of fair value adjustments on acquisitions of subsidiaries”; • “Impairment of investments accounted for using the equity method”; • Re-measurement of earn-out arrangements presented in “Other operating income” or “Other operating expenses”; • “Gain/(loss) from sale of subsidiaries, other investments and re-measurement to fair value of pre-existing interest in acquiree”
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>
Operating cost base	<p>Operating cost base is calculated as the sum of “Consumption of current programme rights”, “Depreciation, amortisation, impairment and valuation allowance” and “Other operating expenses”</p>
Operating free cash flow	<p>Operating free cash flow is equal to net cash from operating activities adjusted by income tax paid, acquisitions of programme and other rights, acquisitions of other intangible and tangible assets and proceeds from the sale of intangible and tangible assets.</p>

DEFINITIONS

Alternative performance measure	Explanation
Operating cash conversion rate	Operating cash conversion rate means operating free cash flow divided by EBITA.
Net cash/ (debt)	The net 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 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.
Dividend payout ratio	<p>Dividend payout ratio means the absolute dividend amount divided by the profit attributable to the RTL Group shareholders.</p> <p>The absolute dividend amount is based on the number of issued ordinary shares at 31 December multiplied with the dividend per share. The main adjustments on profit attributable refer to impairment losses on Atresmedia and Divimove in 2020.</p>

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