



13 AUGUST 2020  
INTERIM RESULTS H1/2020

**RTL**  
GROUP

ENTERTAIN. INFORM. ENGAGE.



# AGENDA

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





# RTL GROUP'S BUSINESSES DEMONSTRATE RESILIENCE

- 1 Unprecedented revenue decline in Q2
- 2 50% of revenue decline offset by cost savings
- 3 Operating cash conversion rate of 164%;  
reduction of net financial debt
- 4 Gains in advertising market shares
- 5 Outperformance of commercial competitors on  
audience ratings in GER, FR and NL
- 6 Boost of streaming services: paying subscribers  
in GER and NL up 45% to 1.77m





# GROUP FINANCIALS





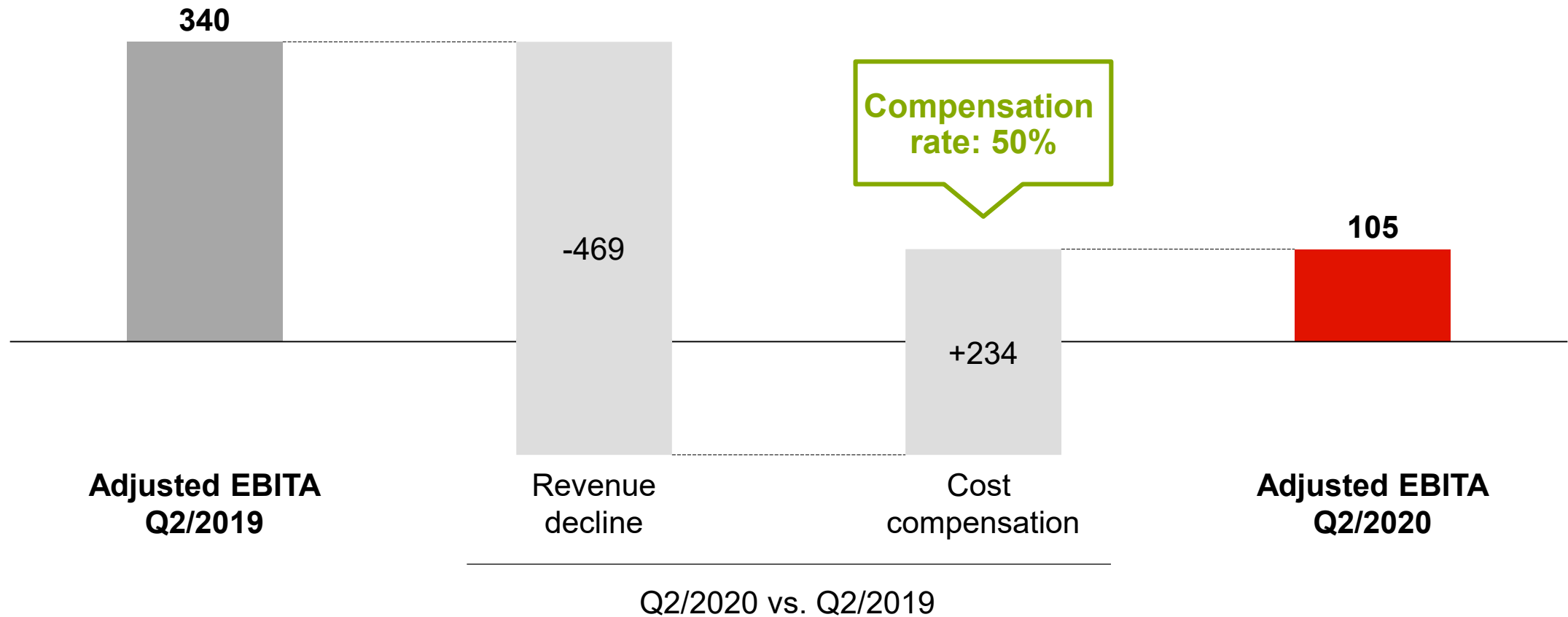
# PROFIT MARGIN AT 10% IN THE FIRST HALF OF 2020

In € million	Half year to June 2020	Half year to June 2019	Per cent change
<b>Revenue</b>	<b>2,652</b>	<b>3,173</b>	<b>(16.4)</b>
Operating cost base	2,441	2,684	(9.1)
<b>Adjusted EBITA</b>	<b>258</b>	<b>538</b>	<b>(52.0)</b>
<b>Adjusted EBITA margin (%)</b>	<b>9.7</b>	<b>17.0</b>	<b>(7.3)pp</b>
Reported EBITA	241	538	(55.2)
Reported EBITDA	362	662	(45.3)



## 50% OF REVENUE DECLINE IN Q2/2020 OFFSET BY COST REDUCTIONS

In € million





# POSITIVE NET RESULT

In € million	Half year to June 2020	Half year to June 2019	Per cent change
<b>Adjusted EBITA</b>	<b>258</b>	<b>538</b>	<b>(52.0)</b>
Special items	(17)	–	
<b>Reported EBITA</b>	<b>241</b>	<b>538</b>	<b>(55.2)</b>
Gain/(loss) from sale of subsidiaries, other investments and re-measurement to fair value of pre-existing interest in acquire	88	70	
Impairment of goodwill of subsidiaries, investments accounted for using the equity method, amortisation and impairment of fair value adjustments on acquisitions of subsidiaries	(69)	(10)	
Net financial expense	(19)	–	
Income tax expense	(85)	(155)	
<b>Profit for the period</b>	<b>156</b>	<b>443</b>	<b>(64.8)</b>
Profit for the period attributable to <b>RTL GROUP SHAREHOLDERS</b>	<b>94</b>	<b>393</b>	<b>(76.1)</b>



# HIGH OPERATING CASH FLOW & CONVERSION DUE TO WORKING CAPITAL MANAGEMENT

In € million	Half year to June 2020	Half year to June 2019
<b>Net cash from operating activities</b>	<b>336</b>	<b>354</b>
Add: Income tax paid	159	255
Less: Acquisition of assets, net	(100)	(96)
<b>Equals: Operating free cash flow (FCF)</b>	<b>395</b>	<b>513</b>
Acquisition/disposal of subsidiaries, net of cash acquired/disposed	27	83
Acquisition and disposal of other investments and financial assets, proceeds from the sale of investments accounted for using the equity method	(7)	(5)
Net interest paid	(19)	(17)
Transactions with non-controlling interests, treasury shares	(7)	(28)
Income tax paid	(159)	(255)
Dividends paid	(4)	(531)
<b>Cash generated (cash used)</b>	<b>226</b>	<b>(240)</b>
<b>Reported EBITA</b>	<b>241</b>	<b>538</b>
<b>OPERATING CASH CONVERSION RATE (FCF/EBITA)</b>	<b>164%</b>	<b>95%</b>



# REDUCED NET DEBT SINCE END OF 2019

In € million	As at 30 June 2020	As at 31 December 2019
Gross balance sheet debt	(923)	(788)
Add: Cash and cash equivalents	512	377
Add: Current deposit with shareholders	226	27
Add: Other effects	4	-
<b>Net debt</b>	<b>(181)</b>	<b>(384)</b>

# OPERATIONS





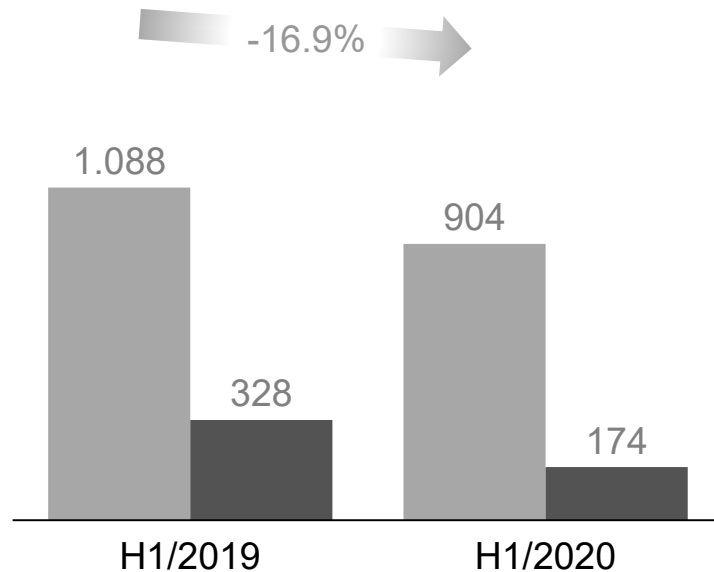
# OUTPERFORMING COMMERCIAL COMPETITION

## Key financials<sup>1</sup>

In € million

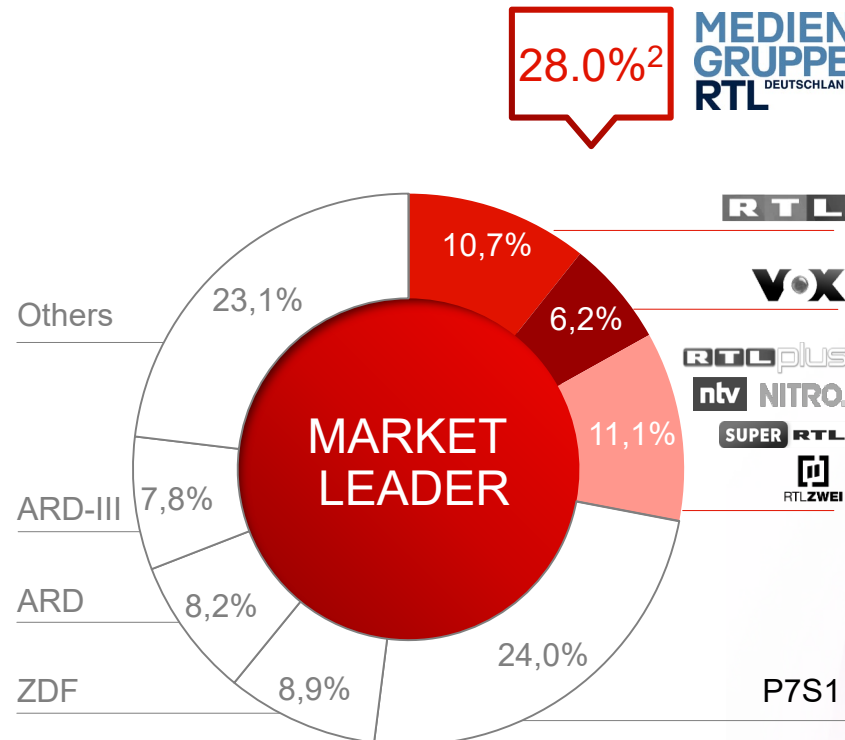
■ Revenue  
■ Adjusted EBITA

19%  
MARGIN



## Family of channels

14 to 59, H1/2020



## HIGHLIGHTS

ntv

NTV in March 2020 with best audience share ever

RTL STUDIOS 99pro media

RTL Studios to acquire 99 Pro Media

TV NOW FC GROUP

1st format developed by FC Group launched on TV Now:  
*Like me – I'm famous*

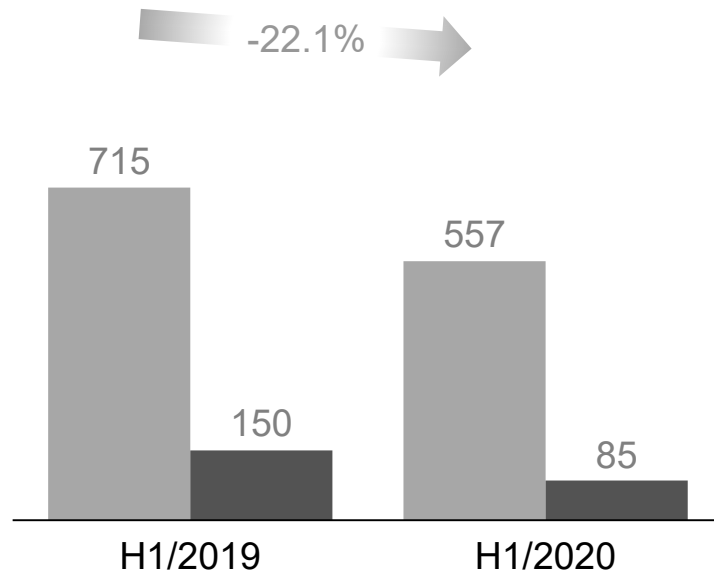
# GAINS IN AUDIENCE SHARE, SIGNIFICANT COST REDUCTION

## Key financials<sup>1</sup>

In € million

■ Revenue  
■ Adjusted EBITA

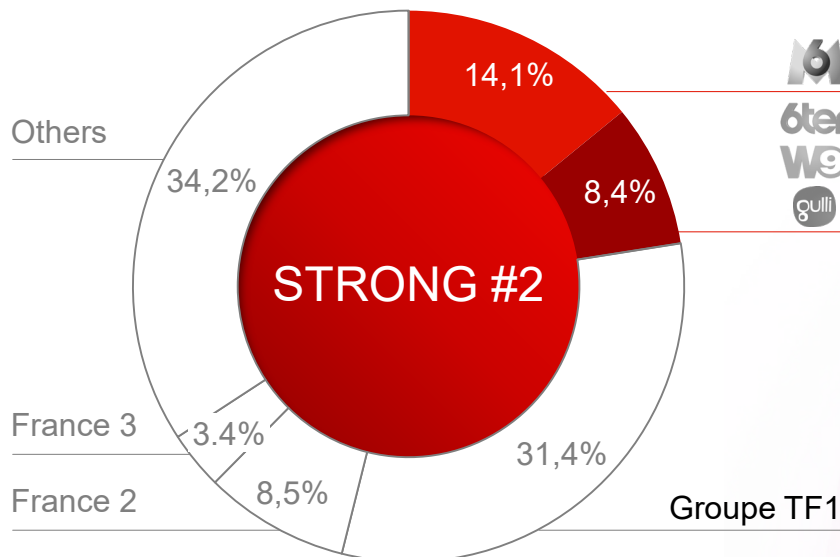
15%  
MARGIN



## Family of channels

Family of channels  
Women < 50 responsible  
for purchases, H1/2020

22.5%



## HIGHLIGHTS

LE12<sup>45</sup> LE19<sup>45</sup>

News shows with  
massive **audience**  
**growth** in March 2020



Exclusive negotiations  
with Stars to sell  
Groupe M6's home  
shopping business

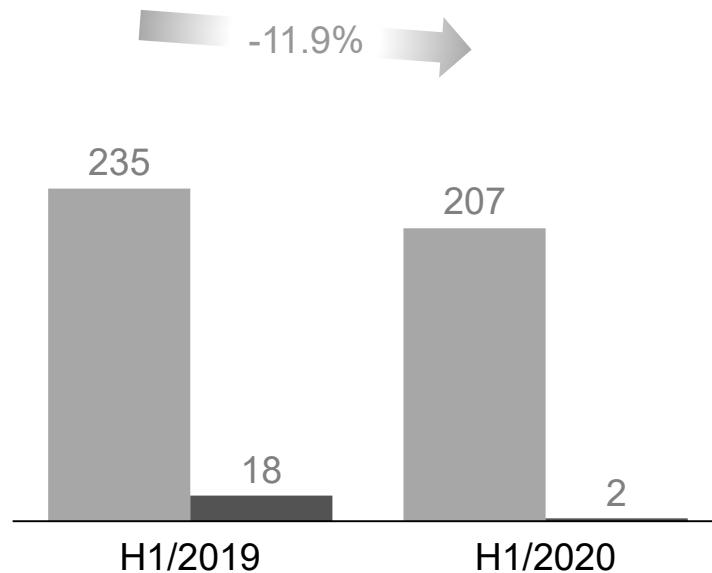


# GROWTH OF STREAMING SERVICE VIDEOLAND

## Key financials

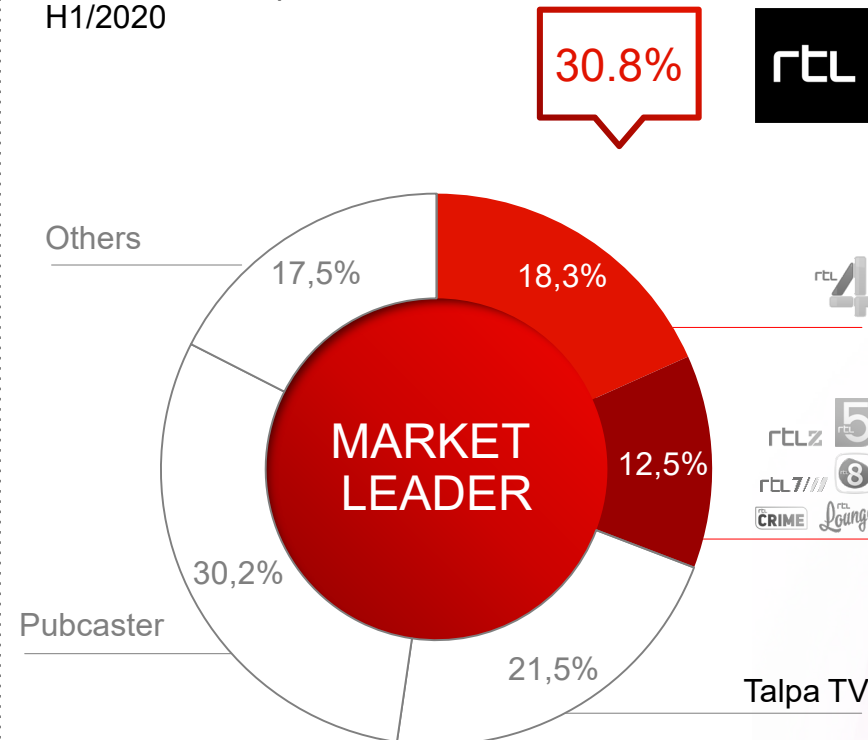
In € million

■ Revenue  
■ Adjusted EBITA



## Family of channels

Adults 25 to 54, prime time, H1/2020



## HIGHLIGHTS

rtl

Strong performance of **entertainment formats**  
(*The Voice of Holland*,  
*Legomasters*)

**videoland.** AdAlliance

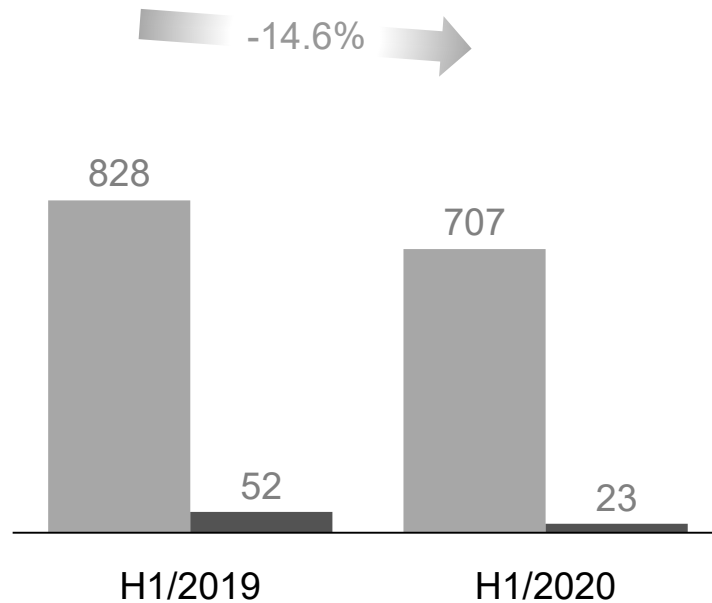
New hybrid model launched for Videoland; premium inventory available to Dutch Ad Alliance

## CREATIVE SUCCESSES ACROSS ALL GENRES

## Key financials

In € million

■ Revenue  
■ Adjusted EBITA



## HIGHLIGHTS

**TOO HOT TO HANDLE**

Ted Sarandos, Co-CEO of Netflix: "biggest competition show ever"

**THE SALISBURY POISONINGS**

BBC's highest-rated drama since August 2018, sold to AMC in the US

**BAGHDAD CENTRAL**

MY  
BRILLIANT  
FRIEND

THE  
LUMINARIES

Continued push into  
drama production



# STRATEGY & OUTLOOK



*Let's Dance / RTL Television*



# NEW STRATEGY FRAMEWORK





# STRATEGIC PRIORITIES – GROWTH

## BUILDING NATIONAL STREAMING CHAMPIONS

## TARGETS 2025<sup>1</sup>

**TV NOW** **videoland.**



**Streaming revenue: +23%** in H1/2020



**Paying subscribers: +45% to 1.77m**  
Viewing time up 36% in GER, up 31% in NL



**TV Now originals:** increase to around one new format per week for the season 2020/2021



**UNCHANGED**

**5m to 7m** paying subscribers

**> €500m** streaming revenue

**~ €350m** content spend p.a.,  
4x higher than 2019

**EBITA** break-even

# STRATEGIC PRIORITIES – GROWTH

## DELIVERING STRONG DRAMA PIPELINE

*Fremantle*

**55** scripted drama series in production (incl. local dramas and dailies) and over **450** dramas in development



*The Hand of God –  
directed by Paolo Sorrentino*



*Deutschland 89*



*My Brilliant Friend Season 3*



# STRATEGIC PRIORITIES – ALLIANCES & PARTNERSHIPS

## LEVERAGING TECHNOLOGY & DATA SOLUTIONS



**Smartclip:** open advertising technology platform for European broadcasters; new partnership with Atresmedia



**Bedrock:** open streaming technology platform for European broadcasters



**RTL Radio (France):** announced a joint venture to develop a common digital content platform, open to partners



**Content Alliance UK:** launched joined podcast company Storyglass



# OUTLOOK

- Outlook withdrawn in April 2020
- Q3/2020 net TV advertising market decline expected to slow down
- RTL Group projects its TV advertising revenue to be down by around minus 10% in Q3/2020 compared to approximately minus 40% in Q2/2020 (assuming further normalisation of the market conditions)
- High level of uncertainty regarding TV advertising revenue in Q4/2020  
→ no new outlook for FY 2020
- FY 2020 revenue and Adjusted EBITA expected to be significantly below FY 2019 and other recent years





THANK YOU!

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# DEFINITIONS

Alternative performance measure	Explanation
Reported EBITA	EBITA represents earnings before interest and taxes excluding some elements of the income statement: “Impairment of goodwill and amortisation and impairment of fair value adjustments on acquisitions of subsidiaries”, impairment of investments accounted for using the equity method “Share of result of investments accounted for using the equity method”, re-measurement of earn-out arrangements presented in “Other operating income” or “Other operating expenses” and “Gain/(loss) from sale of subsidiaries, other investments and re-measurement to fair value of pre-existing interest in acquiree”.
Special items	Special items exceed the threshold of €5 million, and need to be approved by management, and primarily consist of restructuring expenses and other special factors or distortions.
Adjusted EBITA	Adjusted EBITA represents a recurring operating result and excludes significant special items (see above). It is calculated as reported EBITA less special items.
Operating cost base	Operating cost base is calculated as the sum of “Consumption of current programme rights”, “Depreciation, amortisation, impairment and valuation allowance” and “Other operating expenses”
Operating free cash flow	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.
Operating cash conversion rate	Operating cash conversion rate means operating free cash flow divided by EBITA.
Net 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”.



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