



Morgan Stanley

Barcelona
13th November 2019

RTL
GROUP

ENTERTAIN. INFORM. ENGAGE.

AGENDA

9 mths 2019
HIGHLIGHTS

OPERATIONAL
HIGHLIGHTS

STRATEGY &
OUTLOOK 2019

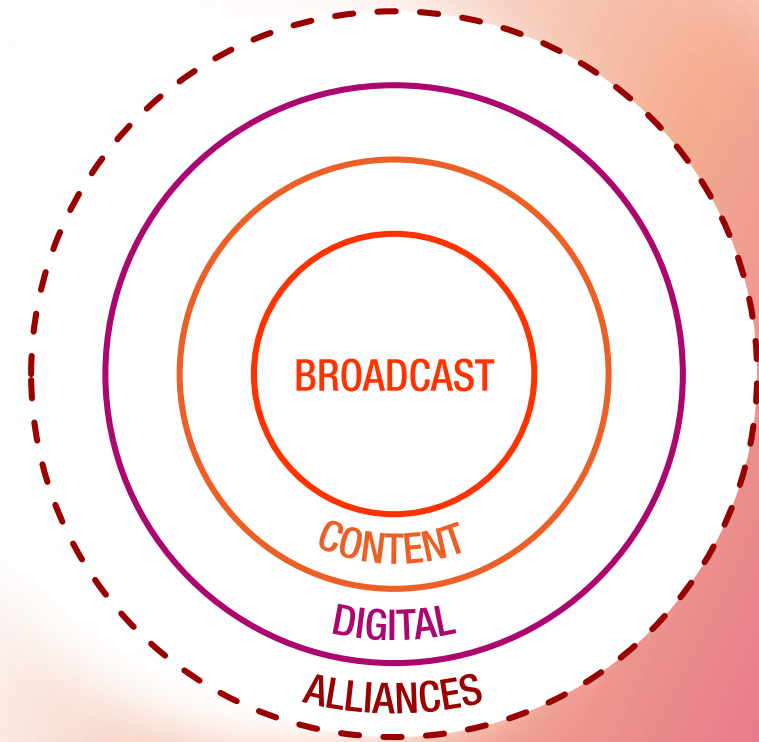


RTL GROUP CONTINUES TO DELIVER ON ITS TOTAL VIDEO STRATEGY...

1 **Leading market positions, high profitability -**
enabling the Group to invest and build new business models

2 **Fast growth in VOD and content -**
subscriber growth continues, proven content strategy

3 **New alliances and partnerships -**
actively shaping the European market



**TOTAL VIDEO
STRATEGY**

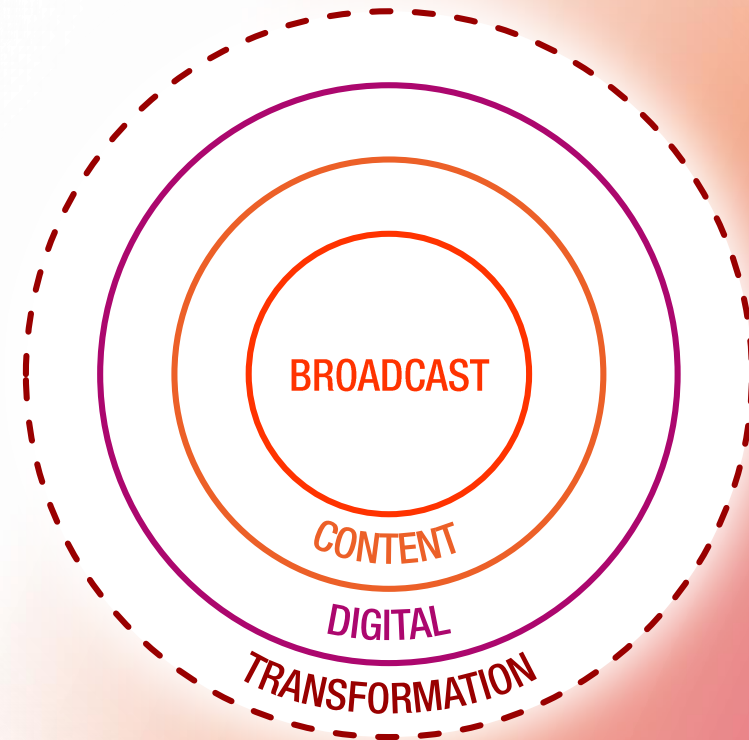
STRONG REVENUE GROWTH



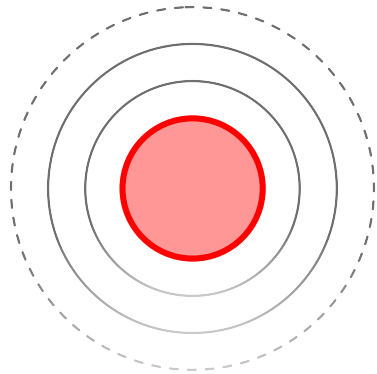
Revenue: **€4,595m** +2.8% +3.5% Organic growth

Net debt: **€878m** €50m lower yoy despite acquisition of Gulli

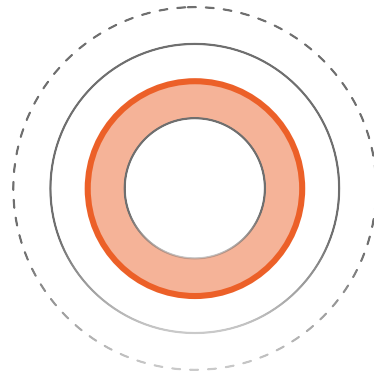
Digital Revenue: **€755m** +14.4%



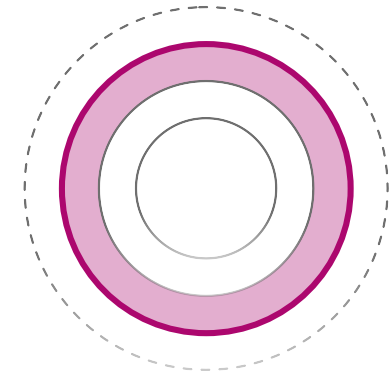
ORGANIC GROWTH DRIVERS: UPDATE AS OF 9 MONTHS TO 30 SEPTEMBER 2019



BROADCAST



CONTENT



DIGITAL

		YOY			MPNs	Ad-tech
Revenue:	€3,178m	-2.1%	Revenue:	€1,225m	+16%	€231m +6% €106m¹ +40%
Underlying revenue:	€3,161m	+0.2%	Digital revenue:	€142m	+38%	
SVOD subscribers:	1.4m	+50%				
Digital revenue:	€276m	+5%				



TOTAL DIGITAL REVENUE

AGENDA

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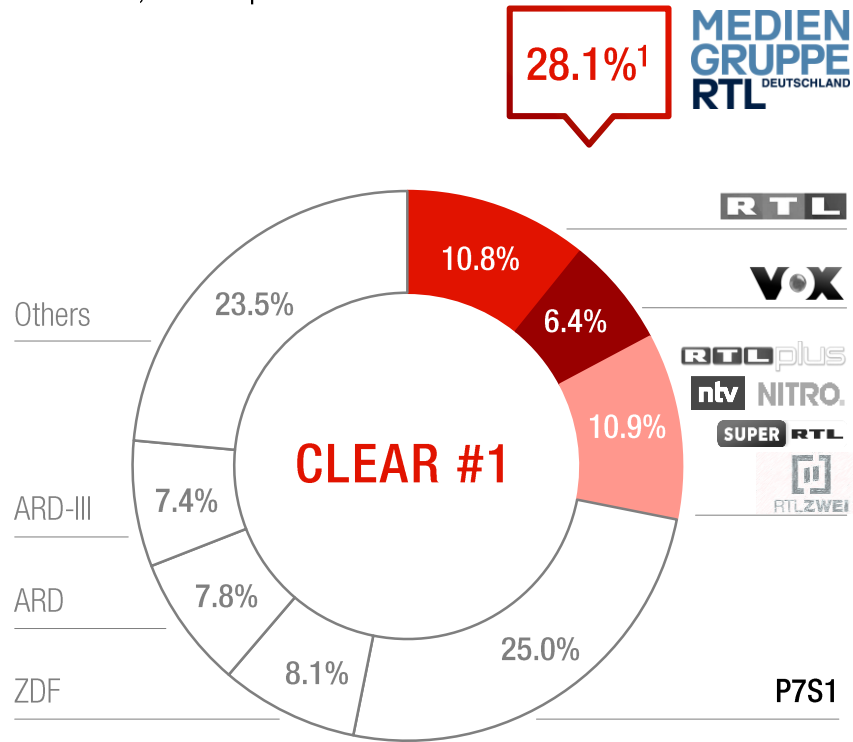


STRATEGY &
OUTLOOK 2019



STRONG OPERATIONAL PERFORMANCE — EXPANDING TV OFFER

Family of channels
14 to 59, YTD Sept 2019



Increased audience share by 1.0pp YOY due to improved performance of flagship channels



- Launching 1 December
- Brand extension of existing VOX channel
- Aligned advertising breaks



HIGHLIGHTS

Achieved a **53% increase in subscribers** YOY²



“d-force” JV with P7S1 to boost addressable TV and online video advertising – first campaign run (ING)



Strong position in high-growth **podcast and audio** market



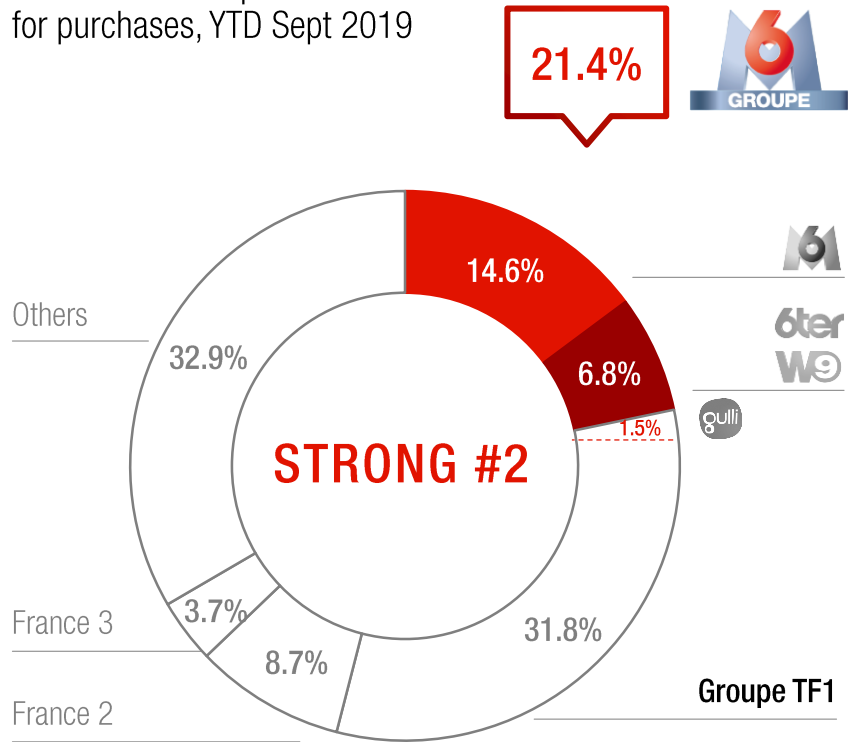
Launch of **complementary new FTA channel**



SOLID PERFORMANCE WITH SYNERGIES AND REGULATORY UPSIDE

Family of channels

Women < 50 responsible for purchases, YTD Sept 2019



Growth of 2nd generation channels stabilised audience share of family of channels

Acquisition completed 2 September



- Leader on DTT for kids; catch-up services and international distribution activities



- Pay TV channels (kids and pre-school)



- Music & general entertainment channels (pay)

HIGHLIGHTS

M6 tech platform, also **salto** to be used within RTL Group

Acquisition of Gulli further **complements** strong **family of channels**

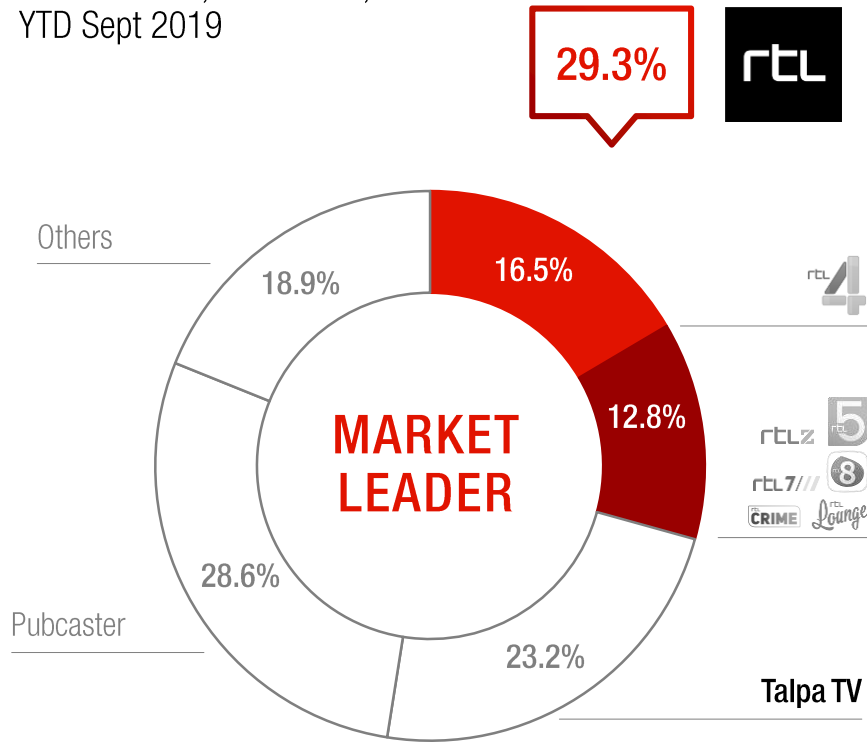


Regulatory reform on-going with limited impact expected for 2020 (due to timing) with first full-year positive impact expected in 2021

CHALLENGING MARKET CONDITIONS, GROWING DIGITAL BUSINESS

Family of channels¹

Adults 25–54, Prime time,
YTD Sept 2019



Confirmed position as leading channel portfolio

Creation of new video sales network “Ad Alliance”

Combines four entities: RTL, BrandDeli, Adfactor, Triade Media to provide a better service, innovation in the domains of ad-tech, targeting and data, and customised (reach-related) solutions for TV, social media and online

5 areas of expertise:

Sales -> a single primary point of contact for advertisers and media agencies

Creativity -> creative concepts for every customer request

Marketing, Intelligence & Operations -> research and data-driven knowledge

Partnership Management & Innovation -> making innovation scalable, with partners

Product -> focus on product development to provide optimal, tailor-made customer service

HIGHLIGHTS

No. 1 platform for Dutch video content, strong subscriber growth (+48% YOY²)

VIDEOLAND
BY RTL

Create and own original IP, strengthen market leader position

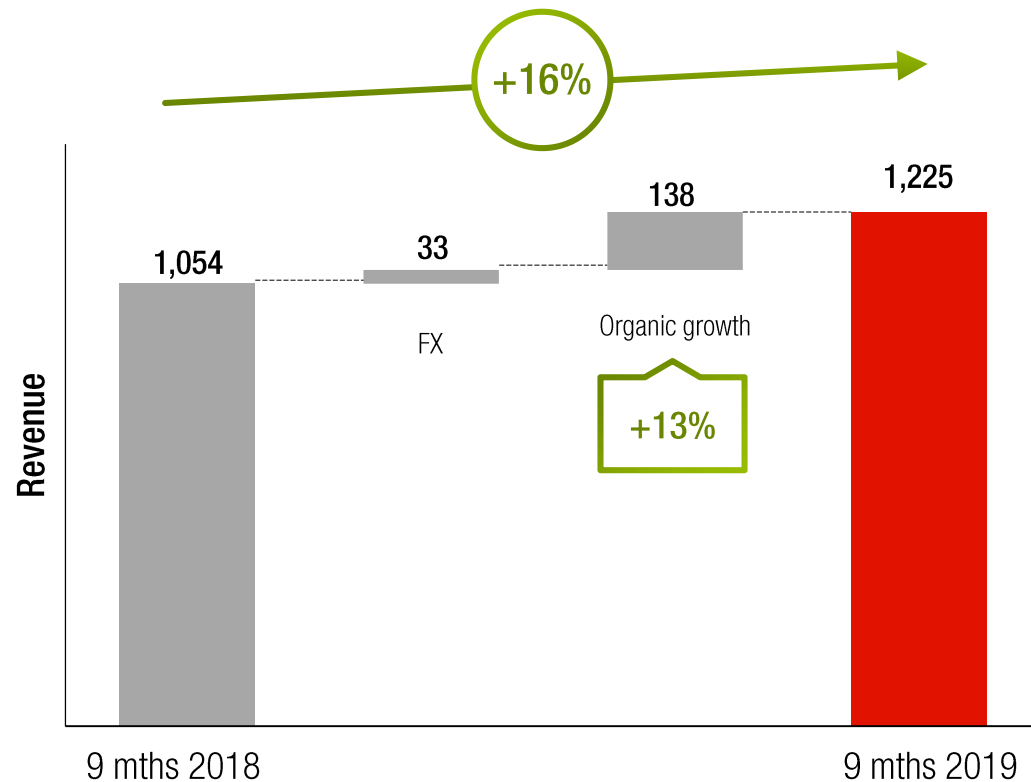
RTL

Acquired complementary inventory to strengthen sales house position

branddeli

SIGNIFICANT DOUBLE-DIGIT ORGANIC GROWTH

Key financials
In € million



Continuing to invest in production companies:



producer of premium dramas that focus on Hispanic and Latinx content in the US and abroad

25% equity stake, with option to increase

Multiple projects in active development, including a co-pro with Wildside

HIGHLIGHTS

Continued push into scripted drama, renewals of key titles (*American Gods S3, My Brilliant Friend S2*)



Successful format spin-off with *America's Got Talent: The Champions*



Successful sale of remastered *Baywatch* series to over 110 territories



WITH GROWTH IN 2019 AND BEYOND SUPPORTED BY NEW SHOWS AND RENEWALS



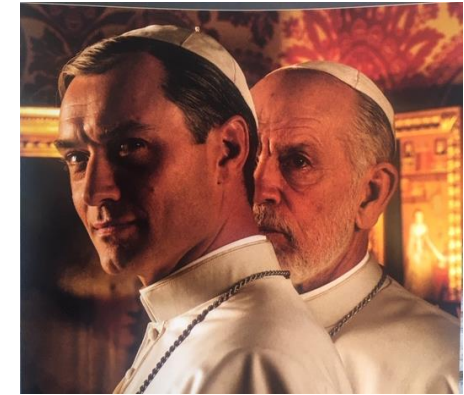
American Gods s.2 – s.3 confirmed



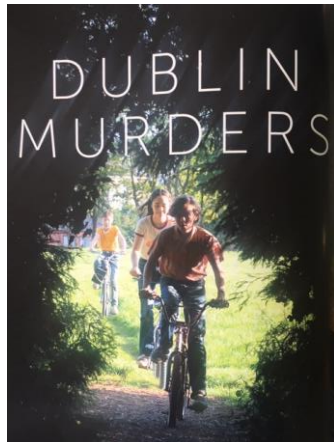
Beecham House - new



La Jauria - new



The New Pope s.2



Dublin Murders - new



The Luminaries - new



Baghdad Central - new



The Story of a New Name s.2



Mosquito Coast- new

AGENDA

HALF-YEAR 2019
HIGHLIGHTS




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NEW ALLIANCES: SHAPING THE FUTURE OF THE EUROPEAN TOTAL VIDEO INDUSTRY




External alliances

-  **Ad Alliance:** Expanded portfolio with digital assets of Axel Springer's Media Impact sales house
-  **D-force with P7S1:** DSP joint venture to drive growth in addressable TV and online video market
-  **European netID:** Now has around 65 partner websites in Germany

Form alliances to accelerate growth

Internal alliances

Examples / non-exhaustive

-  **Bertelsmann Content Alliance:** Cross-divisional offers across TV, audio and print well received by creatives and advertisers
-  **Audio Alliance:** Develop and distribute audio products across Bertelsmann, RTL Group, G+J, PRH and BMG
-  **Format Creation Group:** Create and control non-scripted IP to fulfil demand for exclusive content
-  **VOD tech platform provided by Groupe M6:** Serving streaming offers across RTL Group

Leverage RTL Group's unique position

CREATE EUROPE'S LEADING AD-TECH DEVELOPMENT UNIT

Strategic review of RTL Group's ad-tech businesses

SPOTX

 **smartclip**

- 1** EU operations (except the UK) to be led by Mediengruppe RTL Deutschland, bundled under Smartclip brand

- 2** Create open ad-tech platform customised for European broadcasters and streaming services

- 3** Reviewing strategic partnership options for the SpotX Global business

PRIORITIES GOING FORWARD

- 1 FOCUS ON OPERATIONAL PERFORMANCE** and strengthen families of channels across the Group
- 2 GROW NATIONAL STREAMING CHAMPIONS** with focus on technology and exclusive content
- 3 ACCELERATE CONTENT CREATION / PRODUCTION** across Fremantle and TV broadcasters
- 4 DEEPLY INTEGRATE AD-TECH** and create Europe's leading ad-tech development unit
- 5 PURSUE INTERNAL AND EXTERNAL COLLABORATION / ALLIANCES**
- 6 INVEST IN DATA AND TECHNOLOGY** across the Group

TOTAL VIDEO
STRATEGY

OUTLOOK FOR 2019

2019 Guidance

1

REVENUE expected to grow moderately, driven by digital businesses and Fremantle

Revenue outlook
In € million and %



+2.5%
€6,668m

+5.0%
€6,830m

2

EBITA pre-restructuring costs expected to decrease moderately, reflecting investments in TV programming and VOD

EBITA outlook
In € million and %



-2.5%
€1,142m

-5.0%
€1,112m

3

NEW DIVIDEND POLICY: at least 80% pay-out ratio of adjusted net result¹

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