

RTL Group ends 2020 with strong rebound in TV advertising and high streaming growth – Proposed dividend of €3.00 per share

- Full-year Group revenue: €6,017 million (2019: €6,651 million)
- Full-year Adjusted EBITA: €853 million (2019: €1,156 million). Adjusted EBITA margin: 14.2 per cent (2019: 17.4 per cent); more than 70 per cent of revenue decrease offset by cost savings on a comparable basis¹
- Profit for the year: €625 million (2019: €864 million)
- Operating free cash flow: €1,005 million (2019: €1,199 million). Operating cash conversion rate: 123 per cent (2019: 105 per cent)
- Proposed dividend of €3.00 per share, in line with the Group's dividend policy
- RTL Group audience ratings outperform commercial competitors in the Group's largest territories: Germany, France and the Netherlands
- Paying subscribers for RTL Group's streaming services in Germany (TV Now) and the Netherlands (Videoland) up 52 per cent to 2.19 million
- Portfolio management: disposals of BroadbandTV and iGraal generate capital gains of €158 million; full acquisition of RTL Belgium; disposal of SpotX and full acquisition of Super RTL announced in Q1/2021

Luxembourg, 12 March 2021 – RTL Group announces its audited results for the year ended 31 December 2020.

Strong rebound of TV advertising in the second half of 2020

- Group revenue decreased 9.5 per cent to €6,017 million (2019: €6,651 million), mainly due to declining TV advertising markets across Europe in Q2/2020 and lower content production revenue as a result of the Covid-19 outbreak. Group revenue was down 6.8 per cent organically².
- TV advertising revenue across the Group was up 0.8 per cent year on year in the second half of 2020 and up 2.8 per cent year on year in Q4/2020.

¹ The compensation rate is defined as total cost reduction as percentage of total revenue decline in a defined period. The compensation rate on a comparable basis excludes streaming revenue and streaming start-up losses and significant effects from provisions in the defined period and the prior year baseline.

² Adjusted for portfolio changes, the wind-down of StyleHaul in 2019 and at constant exchange rates. Further details can be found in the chapter on "Key performance indicators" here www.rtlgroup.com/fy2020_pdf

- Streaming revenue³ from TV Now and Videoland grew by 20.6 per cent to €170 million (2019: €141 million).
- Adjusted EBITA⁴ was down to €853 million (2019: €1,156 million). The Adjusted EBITA margin was 14.2 per cent (2019: 17.4 per cent).
- Profit for the year decreased by 27.7 per cent to €625 million (2019: €864 million), mainly due to the decrease in Adjusted EBITA. This was partly compensated by lower income tax expense and capital gains.
- Net cash from operating activities was €933 million. The operating cash conversion rate⁵ was 123 per cent (2019: 105 per cent) due to working capital management. With no dividend payment for the financial year 2019 in 2020, RTL Group had net cash⁶ of €236 million at the end of 2020 (end of 2019: net debt of €(384) million).
- RTL Group's Board of Directors has proposed a dividend of €3.00 per share for 2020 of which €2.50 represents ordinary dividend while the remaining €0.50 relates to the distribution of cash capital gains.
- Based on the average share price in 2020 (€33.85⁷), the proposed dividend of €3.00 per share represents a dividend yield of 8.9 per cent.

“A year of unprecedented challenge and major achievements”

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

“2020 was a year of both unprecedented challenge and major achievements for RTL Group. We managed to strike the right balance between implementing cost and cash flow countermeasures, maintaining our market positions and investing in the future of our businesses, in particular in streaming and advertising technology. This is reflected in a net profit of €625 million, an operating cash conversion rate of more than 100 per cent, audience outperformance of our commercial competitors and rapid growth in numbers of paying subscribers for our streaming services.

Over the past six months, we sold non-core businesses, unlocking significant shareholder value. We continue to strengthen our portfolio with the full acquisitions of Super RTL in Germany and RTL Belgium. And we entered into new partnerships, for example with Deutsche Telekom to grow our streaming business in Germany and to cooperate in advertising technology, advertising sales and content. As stated on 29 January 2021, there is a strong case for consolidation in the European broadcasting industry. We are currently reviewing such options for our controlling stake in the French broadcaster Groupe M6, with a view to creating value for our shareholders. There can be no certainty that this may lead to any type of agreement or transaction.”

³ Streaming revenue includes SVOD, TVOD and in-stream revenue from TV Now and Videoland/RTL XL; prior year restated to reflect in-stream revenue from RTL XL

⁴ Adjusted EBITA represents a recurring operating result and excludes significant special items. Further details can be found in the chapter on “Key performance indicators” here www.rtlgroup.com/fy2020_pdf

⁵ Operating cash conversion rate reflects the level of operating profits converted into cash. Further details can be found in the chapter on “Key performance indicators” here www.rtlgroup.com/fy2020_pdf

⁶ The net cash/(debt) excludes current and non-current lease liabilities. Including these, net debt as of 31 December 2020 was €(148) million (31 December 2019: €(816) million). Further details can be found in the chapter on “Key performance indicators” here www.rtlgroup.com/fy2020_pdf

⁷ Frankfurt Stock Exchange

Strengthening RTL Group's core

- Mediengruppe RTL Deutschland continued to outperform the German TV advertising market, also thanks to the German **Ad Alliance**.
- In October 2020, RTL Group completed the sale of its digital video network **BroadbandTV** to BBTV Holdings Inc. for €102 million in cash.
- In December 2020, RTL Group agreed with its co-shareholders to acquire their shares in **RTL Belgium** against a payment in cash and RTL Group treasury shares. The transaction was finalised on 28 December 2020 and took RTL Group's shareholding in RTL Belgium to 100 per cent.
- In February 2021, RTL Group signed a definitive agreement for the sale of **SpotX** to the US ad-tech company Magnite. The transaction is subject to regulatory approvals and is expected to close in Q2/2021. The purchase price consists of US-\$560 million (€468 million) in cash and 14.0 million shares of Magnite stock. The agreement implied an enterprise value (100 per cent) for SpotX of US-\$1.17 billion (€977 million), based on the closing price of Magnite stock as of 4 February 2021.
- In March 2021, Mediengruppe RTL Deutschland announced a binding agreement with its current joint venture partner, The Walt Disney Company, to acquire the outstanding 50 per cent shareholding in **Super RTL**. The transaction – which is subject to approval from the German and Austrian competition authorities – will take RTL Group's shareholding in Super RTL to 100 per cent.

Boosting growth businesses

- At the end of 2020, RTL Group registered 2.19 million **paying subscribers** for its streaming services TV Now in Germany and Videoland in the Netherlands, up 52 per cent year on year.
 - Paying subscribers for TV Now grew 64 per cent to 1.286 million (end of 2019: 0.783 million)
 - Paying subscribers for Videoland grew 38 per cent to 0.903 million (end of 2019: 0.653 million)
- **TV Now** continues to expand its content offer, with a substantial increase in TV Now originals of around one new format per week – including more than 10 new German fiction series – in 2021. Another driver for TV Now will be the streaming of exclusive matches of the Uefa Europa and Uefa Europa Conference Leagues, starting with the 2021/22 season. In addition, TV Now introduced a new Premium+ subscription in April 2020. Premium+ subscribers can enjoy two streams in parallel, largely ad-free, and with original sound for non-German productions.
- In November 2020, **Mediengruppe RTL Deutschland and Deutsche Telekom announced a strategic partnership**. The partners integrated the RTL streaming service TV Now Premium in Deutsche Telekom's TV offer, Magenta TV. Both companies have also agreed to increase cooperation in advertising technology, advertising sales and content, with a special focus on addressable TV.

- RTL Nederland introduced a new hybrid model for **Videoland** with an entry subscription tier (Basis) at a lower price that shows ads and a Premium tier that includes the parallel use of four screens.
- RTL Group aims to grow its total number of paying subscribers in Germany and the Netherlands to between 5 and 7 million, to grow streaming revenue to at least €500 million and to reach Adjusted EBITA break even by 2025. To reach these goals, the Group will grow the annual content spend for TV Now and Videoland to €350 million in 2025.
- On 20 October 2020, **Salto** – the joint subscription streaming service of Groupe TF1, France Télévisions and Groupe M6 – was launched in France with more than 10,000 hours of content, and the chance to stream 20 TV channels live in HD quality. RTL Group's technology company Bedrock provides the tech platform for the streaming service with state-of-the-art content curation and personalisation features.
- **Fremantle** continued its push into **drama and high-end factual production** with the launches of *The New Pope* on Sky Italia, *The Investigation* on TV2 in Denmark, *We Are Who We Are* on HBO and Sky Italia, *The Sister* on ITV, *Deutschland 89* and *La Jauria* on Amazon Prime, and *No Man's Land* on Starzplay. With *Expedition Arktis*, produced by UFA, Fremantle launched its first high-end documentary, which will be rolled out internationally in 2021. In 2020, Fremantle delivered a total of 54 dramas (including movies, high-end scripted series and daily dramas) from 15 territories – compared to 53 from 14 territories in 2019.
- With its **European ad-tech companies Smartclip and Yospace**, RTL Group made significant progress in building an open European ad-tech platform and in tapping into the high-growth market of addressable TV (ATV) advertising. In Germany alone, the market for addressable TV advertising is expected to grow to more than €500 million by 2025, with Mediengruppe RTL Deutschland then generating approximately €200 million in ATV advertising revenue.

Fostering alliances and partnerships

- After the sales house Media Impact (Axel Springer) became a partner of the German **Ad Alliance** for its digital inventory in January 2020, Ad Alliance and Media Impact have expanded their advertising sales cooperation to Media Impact's print titles, for example *Bild* and *Welt*, starting in January 2021.
- On 1 January 2021 Deutsche Telekom has become a partner of the German log-in alliance **European NetID Foundation** – initiated by Mediengruppe RTL Deutschland, ProSiebenSat1 and United Internet.
- Fremantle, Penguin Random House UK and BMG launched a joint podcast business as part of the Bertelsmann Content Alliance UK. The new podcast company, **Storyglass**, produces podcast projects across scripted, non-scripted, documentary, true crime, lifestyle, music and talent-led series for all major podcast distribution platforms.

Outlook

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.

- RTL Group expects its revenue to increase to approximately €6.2 billion. This includes organic growth of 8 per cent and the effects of the deconsolidation of BroadbandTV.
- RTL Group expects its Adjusted EBITA for 2021 to grow to approximately €975 million. This includes streaming start-up losses of approximately €150 million.
- 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.

	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

RTL Group: strategic targets for the streaming services TV Now and Videoland

	2020	2025e
Paying subscribers	2.19m	5m to 7m
Streaming revenue	€170m	>€500m
Content spend per annum	€117m	~€350m

Adjusted EBITA break-even expected by 2025.

Financial review	2020	2019	Per cent change
	€ m	€ m	
Revenue	6,017	6,651	(9.5)
Adjusted EBITA	853	1,156	(26.2)
Adjusted EBITA margin (%)	14.2	17.4	
Adjusted EBITA	853	1,156	(26.2)
Significant special items	(34)	(17)	
Impairment and reversals of investments accounted for using the equity method	(62)	(50)	
Impairment of goodwill and amortisation and impairment of fair value adjustments on acquisitions of subsidiaries	(25)	(15)	
Re-measurement of earn-out arrangements and gain/(loss) from sale of subsidiaries, other investments and re-measurement to fair value of pre-existing interest in acquiree	171	87	
EBIT	903	1,161	(22.2)
Net financial expense	(28)	(5)	
Income tax expense	(250)	(292)	
Profit for the year	625	864	(27.7)
Attributable to:			
– RTL Group shareholders	492	754	(34.8)
– Non-controlling interests	133	110	
Reported EPS (in €)	3.20	4.91	(34.8)

The documents with the more detailed full-year results 2020 will be available to download at www.rtlgroup.com/results_fy2020.

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About RTL Group

RTL Group is a leader across broadcast, content and digital, with interests in 67 television channels, ten streaming platforms and 38 radio stations. RTL Group also produces content throughout the world and owns digital video networks. The television portfolio of Europe's largest broadcaster includes RTL Television in Germany, M6 in France, the RTL channels in the Netherlands, Belgium, Luxembourg, Croatia, Hungary and Antena 3 in Spain. RTL Group's families of TV channels are either the number one or number two in eight European countries. The Group's flagship radio station is RTL in France, and it also owns or has interests in other stations in France, Germany, Belgium, Spain and Luxembourg. RTL Group's content business, Fremantle, is one of the world's largest creators, producers and distributors of scripted and unscripted content. Fremantle has an international network of production teams, companies and labels in over 30 countries, producing over 12,000 hours of original programming and distributing over 30,000 hours of content worldwide. Combining the streaming-services of its broadcasters (such as TV Now, 6play, Salto, Videoland), the digital video network Divimove, and Fremantle's more than 360 YouTube channels, RTL Group has become the leading European media company in digital video. RTL Group also owns the ad-tech businesses Smartclip and Yospace, as well as the streaming-tech company Bedrock. RTL AdConnect is RTL Group's international advertising sales house. Bertelsmann is the majority shareholder of RTL Group, which is listed on the Luxembourg and Frankfurt stock exchanges and in the SDAX stock index.

For more information, please visit [RTLGroup.com](https://www.rtlgroup.com).

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