

## Press Release

# RTL Group reports record Group profit of €1.5 billion, strong growth in streaming subscribers and significant TV consolidation moves

- Full-year Group revenue up 10.3 per cent to €6.6 billion; Group revenue up 13.5 per cent organically vs 2020 and 4.3 per cent vs 2019
- TV advertising revenue +16.0 per cent, Fremantle revenue +25.3 per cent and streaming revenue +31.2 per cent vs 2020
- Full-year Adjusted EBITA up 35.1 per cent to €1,152 million (2020: €853 million). Adjusted EBITA margin up 3.2 percentage points to 17.4 per cent (2020: 14.2 per cent)
- Record Group profit at €1,454 million (2020: €625 million), due to strong operating performance and capital gains
- Proposed dividend of €5.00 per share, in line with the Group's dividend policy
- Paying subscribers up 73.8 per cent for RTL Group's streaming services in Germany and the Netherlands to more than 3.8 million
- Major consolidation moves in Germany, France, the Netherlands, Belgium and Croatia to build national cross-media champions
- Progress on Fremantle growth plan with four acquisitions completed since April 2021
- Portfolio management: disposals of SpotX, Ludia and VideoAmp

Luxembourg, 17 March 2022 – RTL Group announces its audited results for the year ended 31 December 2021.

### Strong growth in revenue, Adjusted EBITA, EBIT and Group profit

- Group revenue increased 10.3 per cent to €6,637 million (2020: €6,017 million), mainly due to strong growth of TV advertising revenue in the second, third and fourth quarters of 2021, of Fremantle and of the streaming businesses. Group revenue was up 13.5 per cent organically<sup>1</sup> compared to 2020 and 4.3 per cent compared to 2019.
- In 2021, RTL Nederland reported significantly higher audience share, while the audience share of Groupe M6 was up slightly. RTL Deutschland's audience share decreased in 2021 partly due to major sporting events broadcast by the public broadcasters.

<sup>1</sup> Adjusted for portfolio changes and at constant exchange rates, for 2019 additionally adjusted for the wind-down of StyleHaul. Further details can be found in **Key performance indicators** on page 25 of RTL Group's Full-year results 2021 report

- TV advertising revenue across the Group was up 16.0 per cent year-on-year and 10.7 per cent in Q4/2021.
- Streaming revenue<sup>2</sup> from RTL+ and Videoland grew by 31.2 per cent to €223 million (2020: €170 million).
- Distribution revenue<sup>3</sup> was up 9.0 per cent to €437 million (2020: €401 million).
- Adjusted EBITA<sup>4</sup> was up 35.1 per cent to €1,152 million (2020: €853 million), while the Adjusted EBITA margin<sup>4</sup> increased to 17.4 per cent (2020: 14.2 per cent). Streaming start-up losses<sup>4</sup> amounted to €166 million (2020: €55 million).
- EBIT more than doubled, reaching a record level of €1,908 million (2020: €903 million).
- Group profit grew strongly, reaching a record level of €1,454 million (2020: €625 million), mainly due to the increase in Adjusted EBITA, the capital gains from the disposals of SpotX and Ludia and positive effects from the re-measurements of Super RTL and Stéphane Plaza Immobilier.
- Net cash from operating activities was €932 million. The operating cash conversion rate<sup>5</sup> was 114 per cent (2020: 123 per cent). RTL Group had net cash<sup>6</sup> of €657 million at the end of 2021 (end of 2020: €236 million).
- RTL Group's Board of Directors has proposed a dividend of €5.00 per share for 2021 of which €3.50 represents ordinary dividend while the remaining €1.50 relates to the disposals of SpotX (cash proceeds only), Ludia and VideoAmp<sup>7</sup>.
- In 2021, RTL Group's share price increased by 17.3 per cent. Based on the average share price in 2021 (€48.6<sup>8</sup>), the proposed dividend of €5.00 per share represents a dividend yield of 10.3 per cent.

<sup>2</sup> Streaming revenue includes SVOD, TVOD, in-stream and distribution revenue from RTL+ and Videoland/RTL XL

<sup>3</sup> Revenue generated across all distribution platforms (cable, satellite, internet TV) including subscription and re-transmission fees

<sup>4</sup> See **Key performance indicators** on pages 25 to 26 of RTL Group's Full-year results 2021 report

<sup>5</sup> Operating cash conversion rate reflects the level of operating profits converted into cash. Further details can be found in **Key performance indicators** on page 27 of RTL Group's Full-year results 2021 report

<sup>6</sup> The net cash/(debt) excludes current and non-current lease liabilities. Including these, net cash as of 31 December 2021 was €325 million (31 December 2020: net debt of €-148 million). See **Key performance indicators** on page 28 of RTL Group's Full-year results 2021 report

<sup>7</sup> Effective closing 5 January 2022

<sup>8</sup> Frankfurt Stock Exchange

## CEO's quote

**"A strong year in terms of operating performance and strategic progress"**

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

"2021 was a successful year for RTL Group. Revenue, Adjusted EBITA and Group profit were up significantly, driven by the recovery of the advertising markets, our strong market positions and active portfolio management, leading to a record Group profit of almost €1.5 billion.

We have also made significant progress in executing our strategy to establish national cross-media champions. Major consolidation moves in Germany, France, the Netherlands, Belgium and Croatia will create significant value for RTL Group's shareholders and stronger positions to compete with the global tech and streaming platforms.

RTL Group's growth businesses of streaming and content progressed significantly in 2021, with more than 3.8 million paying subscribers for RTL+ and Videoland, and 81 new drama productions from Fremantle. We have significantly raised our streaming targets. Compared to 2021, we plan to triple the annual content investments to around €600 million by 2026. On this basis, we aim to grow the number of paying subscribers for RTL+ and Videoland to 10 million by the end of 2026, to increase our streaming revenue to €1 billion and to reach profitability in 2026. In 2022, we will expand RTL+ to become a cross-media entertainment service, comprising video, music, podcasts, audio books and e-magazines. This will add significantly to the growth of RTL+. In addition, we will accelerate the expansion of our content production business, Fremantle – both organically and via M&A – with a revenue target of €3 billion by 2025."

## Strategy

**Strengthening RTL Group's core – creating national cross-media champions**

In May 2021, Groupe TF1, Groupe M6, Groupe Bouygues and RTL Group announced they had signed agreements to enter into exclusive negotiations to merge the activities of **Groupe TF1 and Groupe M6** and create a major French media group. The merger project was unanimously approved by the Boards of the four groups concerned. In July 2021, Groupe Bouygues and RTL Group signed agreements relating to the merger following the favourable opinions of the employee representative bodies. The completion of the transaction remains subject to conditions precedent, in particular the authorisations of the competent authorities<sup>9</sup> and the general meetings of the shareholders of Groupe TF1 and Groupe M6. The potential for synergies (Adjusted EBITA run-rate impact) is estimated at between €250 million and €350 million per year, to be fully realised by 2026. The transaction is expected to close at the beginning of 2023.

In June 2021, **RTL Group and Talpa Network** announced they had signed agreements to merge their broadcasting and other media businesses in **the Netherlands**. The merger will allow the combined group to step up investments in local content, streaming, technology and data, offering Dutch audiences the broadest spectrum of high-quality entertainment and reliable information programmes. The transaction is subject to approval from the competent authorities. The potential synergies of the merger (Adjusted EBITA run-rate impact) are estimated at between €100 million and

<sup>9</sup> The antitrust authorities (Autorité de la Concurrence) and media regulator (Autorité de Régulation de la Communication Audiovisuelle et Numérique)

€120 million per year, to be fully realised by 2025. The transaction is expected to close in the third quarter of 2022.

In June 2021, RTL Group announced it had signed a definitive agreement for the sale of **RTL Belgium** to the Belgian media companies DPG Media and Groupe Rossel. The transaction – with total cash proceeds of €250 million – is subject to regulatory approvals and is expected to close at the end of March 2022.

In July 2021, RTL Deutschland acquired the outstanding 50 per cent shareholding in **Super RTL** from its former joint-venture partner, The Walt Disney Company. RTL Group's shareholding in Super RTL is now 100 per cent.

In January 2022, **RTL Deutschland** fully acquired **Gruener + Jahr's (G+J) German publishing assets and brands** from Bertelsmann for the purchase price of €213 million on a cash-free and debt-free basis<sup>10</sup>, to create Germany's first cross-media champion. G+J contributes popular and trusted media brands such as *Stern*, *Brigitte*, *Geo*, *Capital*, *Schöner Wohnen*, *Eltern* and *Art* to RTL Deutschland. The potential synergies of the transaction (Adjusted EBITA run-rate impact) are estimated at around €100 million per year, to be fully realised by 2025.

In February 2022, RTL Group announced that it had reached an agreement with Central European Media Enterprises (CME) for the sale of **RTL Croatia**. The preliminary total consideration to be paid at closing amounts to €50 million. In addition, RTL Group will benefit from royalties under a long-term trademark license agreement with CME. The transaction is subject to regulatory approvals and is expected to close in the second quarter of 2022.

### Strengthening RTL Group's core – portfolio management

In April 2021, RTL Group sold its interests in **SpotX** to the US ad-tech company, Magnite. Following the announcement of the transaction on 5 February 2021, RTL Group exercised an option to increase the cash component of the transaction and received US-\$640 million (€587 million) in cash and 12.37 million shares of Magnite stock.

In September 2021, **Fremantle** completed the sale of its 100 per cent shareholding in Ludia Inc. to US-based mobile entertainment company, Jam City, for US-\$165 million (€146 million) in cash.

In January 2022, RTL Group sold its entire shareholding in **VideoAmp**, a US software and data company for media measurement, for US-\$104 million (€92 million) in cash.

<sup>10</sup> The following Gruener + Jahr assets are not part of the transaction and will remain with Bertelsmann: DDV Mediengruppe (*Sächsische Zeitung*), Territory, AppLike Group and G+J's 25 per cent shareholding in Spiegel Gruppe

### Boosting growth businesses

At the end of 2021, RTL Group registered **3.804 million paying subscribers** for its streaming services RTL+ in Germany and Videoland in the Netherlands, up 73.8 per cent year-on-year (31 December 2020: 2.189 million).

- The number of paying subscribers for RTL+ more than doubled to 2.712 million compared to 1.286 million at the end of December 2020. The strategic partnership with Deutsche Telekom to bundle RTL+ Premium in Magenta TV and the growing number of original formats such as *Sisi* contributed significantly to the growth.
- Paying subscriber numbers for Videoland grew 20.9 per cent to 1.092 million compared to 0.903 million at the end of December 2020, partly thanks to the third season of the Videoland original series *Mocro Maffia* and the reality format *Temptation Island*.

In November 2021, the rapidly growing German streaming service rebranded to **RTL+** and continued to expand its content offer, with 67 new originals available in 2021 (2020: 37).

In February 2022, RTL Group announced that **RTL Deutschland** had signed an exclusive agreement for an extensive, multi-year programme volume deal with the US production company **Warner Bros. Entertainment**. Starting from Q1/2022, RTL Deutschland will receive access to exclusive films and series, including HBO Max originals. In addition, RTL Deutschland will receive exclusive free-TV rights to future feature films and access to Warner Bros.' vast library of high-quality series and feature films across all genres.

**Fremantle**, RTL Group's global content business, targets full-year revenue of €3 billion by 2025. To reach this goal and keep up with the increasing demand for content, RTL Group will invest significantly in Fremantle in all territories, across all three content pillars – **drama and film, entertainment and factual shows and documentaries**. Fremantle's film business continued to grow, with seven movies produced in 2021. Its film, *The Hand of God*, directed by Paolo Sorrentino and produced by The Apartment for Netflix, was nominated for the 'Best International Feature Film' category of the 2022 Oscars. In March 2022, Fremantle signed a three-year international filmmaking agreement with Oscar-winning actress **Angelina Jolie**. Fremantle and Angelina Jolie will jointly develop a variety of feature films, documentaries and original series, that she will produce, direct, or star in.

Since April 2021, Fremantle completed four transactions:

- In April 2021, Fremantle increased its stake in **Abot Hameiri**, taking full ownership of one of the leading entertainment producers in Israel.
- In May 2021, Fremantle also increased its shareholding in **Eureka**, a production company for entertainment content in the US and Australia, from 25 per cent to 51 per cent.
- In September 2021, Fremantle acquired **12 production labels from Nent Group** – now called This is Nice Group – in Norway, Sweden, Finland and Denmark that operate across non-scripted, scripted and factual.
- In March 2022, Fremantle acquired 70 per cent of the shareholding in the leading Italian scripted production company, **Lux Vide**.

### Fostering alliances and partnerships

In October 2021, RTL Group announced a comprehensive cooperation with the advertising technology company Amobee, in order to strengthen both companies' ad-tech businesses in continental Europe. As part of **TechAlliance**, RTL Group and Amobee will establish a jointly owned sales and services company for the ad-tech services of Amobee and Smartclip in Europe. The TechAlliance offering will also benefit from Yospace's technology solutions. The agreement is subject to regulatory approvals and expected to close in the first half of 2022.

In January 2022, **RTL AdConnect** entered into a partnership with **NBCUniversal**, which will provide the opportunity for the company's clients and partner agencies in Germany, Austria, Switzerland, Belgium, the Netherlands and Luxembourg to access all premium, brand-safe TV and digital inventory owned and operated by NBCUniversal. NBCUniversal will represent RTL AdConnect's European inventory to its clients based in China and the US, providing them with strong reach and advertising solutions.

In February 2022, RTL Group announced its decision to combine its fully-owned businesses **RTL AdConnect**, **G+J iMS** and the media division of **Smartclip** to create an international advertising sales champion. The new unit will provide international advertisers with simplified access to a unique portfolio of media brands across TV, digital video, radio/audio, online, mobile and print.

## Outlook

The following outlook assumes that the economic recovery continues – mainly driven by private consumption – and that there is no significant impact from Covid-19 and the war in Ukraine. It is too early to quantify the potential impact of the war in Ukraine on consumer sentiment, inflation and economic growth – and thus on RTL Group's results in 2022.

The outlook does not reflect the announced consolidation moves in France, the Netherlands and Croatia as they are still subject to regulatory approvals, but reflects the acquisition of Lux Vide by Fremantle (as of 3 March 2022) and the sale of RTL Belgium (as of end of March 2022)<sup>11</sup>.

On this basis and subject to the above:

- RTL Group expects its revenue to increase to approximately €7.4 billion. This includes organic growth of approximately 5 to 6 per cent.
- RTL Group expects its Adjusted EBITA for 2022 to be stable at approximately €1.15 billion, despite significantly higher streaming start-up losses of approximately €250 million (2021: €166 million). Consequently, the Group expects its Adjusted EBITA before streaming start-up losses to increase to approximately €1.4 billion (2021: €1,318 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.

<sup>11</sup> In addition, the outlook includes, among other scope effects, the deconsolidation of SpotX (as of 30 April 2021) and Ludia (as of 8 September 2021) as well as the full consolidation of Eureka (as of 17 May 2021), Super RTL (as of 1 July 2021), This is Nice Group (as of 30 September 2021) and Gruner + Jahr (as of 1 January 2022)

	2021	2022e
<b>Revenue</b>	€6,637m	~€7.4bn
<b>Adjusted EBITA</b>	€1,152m	~€1.15bn
Streaming start-up losses	€166m	~€0.25bn
'Adjusted EBITA before streaming start-up losses'	€1,318m	~€1.4bn

#### RTL Group: strategic targets for the streaming services RTL+ and Videoland

	2021	2026e
Paying subscribers	3.804m	10m
Streaming revenue	€223m	€1bn
Content spend per annum	€209m	~€600m

Profitability is expected by 2026<sup>12</sup>.

#### Fremantle: revenue target

Fremantle targets full-year revenue of €3 billion by 2025.

To reach this goal and keep up with the increasing demand for content, RTL Group will invest significantly in Fremantle – both organically and via acquisitions – in all territories across drama and film, entertainment and factual shows and documentaries.

<sup>12</sup> Total of Adjusted EBITA from RTL+, Videoland/RTL XL, Salto and Bedrock as consolidated on RTL Group level. The Adjusted EBITA of RTL+ and Videoland/RTL XL includes synergies with TV channels on business unit level. For the definition of Adjusted EBITA please see **Key performance indicators** on pages 25 to 26 of RTL Group's Full-year results 2021 report

## Financial Review

	2021	2020	Per cent change
	€ m	€ m	
<b>Revenue</b>	<b>6,637</b>	6,017	<b>+10.3</b>
<b>Adjusted EBITA</b>	<b>1,152</b>	853	<b>+35.1</b>
<b>Adjusted EBITA margin (%)</b>	<b>17.4</b>	14.2	
<b>Adjusted EBITA</b>	<b>1,152</b>	853	<b>+35.1</b>
Significant special items	(61)	(34)	
Impairment and reversals of investments accounted for using the equity method	2	(62)	
Impairment of goodwill and amortisation and impairment of fair value adjustments on acquisitions of subsidiaries	(19)	(25)	
Gain/(loss) from sale of subsidiaries, other investments and re-measurement to fair value of pre-existing interest in acquiree	949	172	
Fair value measurement of investments and re-measurement of earn-out arrangements	(115)	(1)	
<b>EBIT</b>	<b>1,908</b>	903	<b>+111.3</b>
Financial result	(27)	(28)	
Income tax expense	(427)	(250)	
<b>Group profit</b>	<b>1,454</b>	625	<b>+132.6</b>
Attributable to:			
– RTL Group shareholders	<b>1,301</b>	492	<b>+164.4</b>
– Non-controlling interests	153	133	
<b>Basic and diluted EPS (in €)</b>	<b>8.41</b>	3.20	<b>+162.8</b>

## Download

All documents on the full-year results 2021 are available to download at <http://rtl.com/results-fy2021>.

## Contact

### RTL Group Media & Investor Relations

Oliver Fahlbusch

+352 2486 5200

[Oliver.Fahlbusch@rtlgroup.com](mailto:Oliver.Fahlbusch@rtlgroup.com)

Irina Mettner-Isfort

+49 221 456 56410

[Irina.Mettner.Isfort@rtlgroup.com](mailto:Irina.Mettner.Isfort@rtlgroup.com)

## About RTL Group

RTL Group is a leading entertainment company across broadcast, streaming, content and digital, with interests in 67 television channels, ten streaming services and 39 radio stations. The Group's families of TV channels are either number one or number two in eight European countries, while RTL Group owns or has interests in radio stations in France, Germany, Belgium, Spain and Luxembourg. RTL Deutschland is the Group's largest business unit and Germany's first cross-media champion, operating across TV, streaming, radio, digital and publishing. RTL Group's streaming services include RTL+ in Germany, Videoland in the Netherlands and 6play and Salto in France. Fremantle is one of the world's largest creators, producers and distributors of scripted and unscripted content, responsible for around 12,000 hours of programming per year, alongside an international network of teams operating in more than 25 countries. The streaming tech company Bedrock and the ad-tech company Smartclip are also owned by RTL Group. As a market leader, RTL Group strives to foster alliances and partnerships within the European media industry, for example by building one-stop advertising sales houses in Germany and the Netherlands with Ad Alliance and driving international advertising sales with RTL AdConnect. Bertelsmann is the majority shareholder of RTL Group, which is listed on the Luxembourg and Frankfurt stock exchanges and in the SDAX stock index.