

5 August 2022



RTL Group Interim results H1/2022

Agenda

01



Highlights

02



Financials

03



Operations

04



Strategy & Outlook

01 Highlights



Highlights

- **Solid operating and financial performance**
 - Adjusted EBITA up despite more challenging macroeconomic conditions and higher streaming start-up losses
 - Higher TV audience shares in Germany and the Netherlands
- **Portfolio management:** sale of RTL Belgium, RTL Croatia and VideoAmp completed
- **Streaming:** paying subscribers +48% to more than 4.5 million
- Progress on **Fremantle** growth plan with five acquisitions and step-ups in H1/2022
- Proposed **consolidation moves** in France and the Netherlands: decisions from the competition authorities expected in autumn; strong case for market consolidation remains



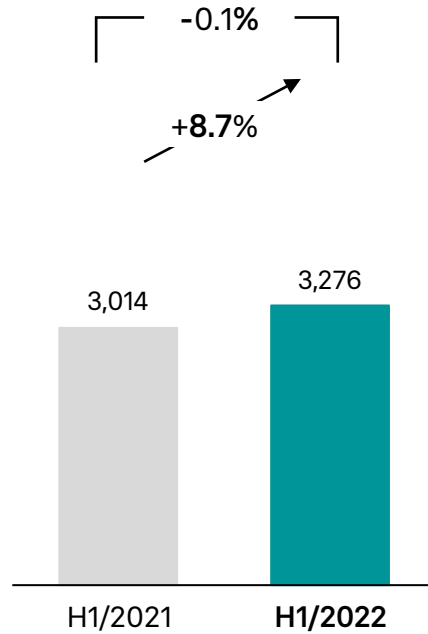
02 Financials



Key financials

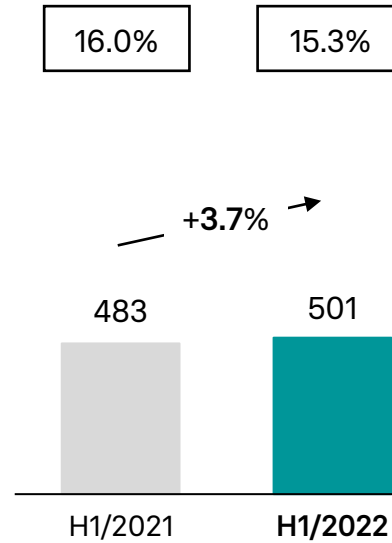
in € million
Organic growth/
decrease

Change



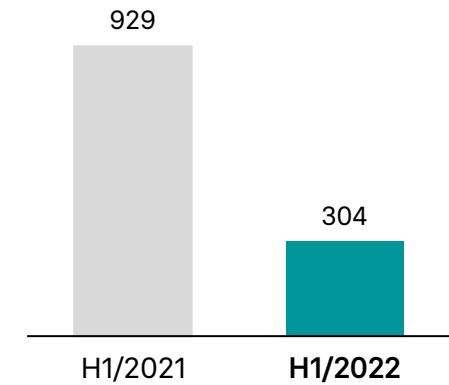
Group revenue

Margin



Adjusted EBITA¹

includes
capital gains
from the sale
of SpotX

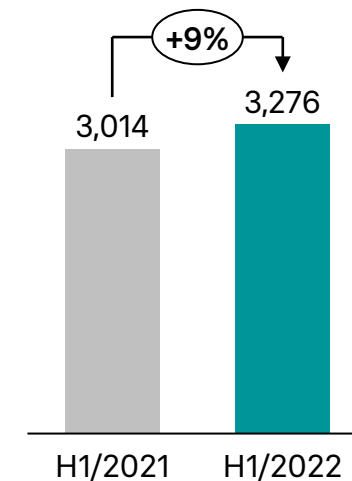
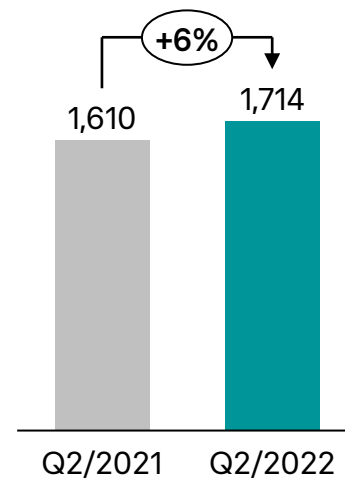
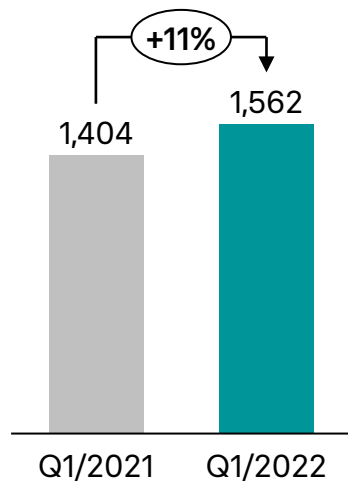


Group profit

Quarterly development

in € million

Group revenue



TV advertising revenue development

vs. 2021

+11%

-3%

+3%

Adjusted EBITA

Before streaming start-up losses

483

501

537

575

Group profit

in € million	H1/2022	H1/2021	Per cent change
Adjusted EBITA	501	483	+4%
Significant special items	(23)	(12)	
EBITA	478	471	+1%
Impairment of goodwill of subsidiaries	-	-	
Amortisation and impairment of fair value adjustments on acquisitions of subsidiaries	(18)	(7)	
Impairment and reversals of investments accounted for using the equity method	-	-	
Fair value measurement of investments and re-measurement of earn-out arrangements	(84)	(28)	
Gain/(loss) from sale of subsidiaries, other investments and re-measurement to fair value of pre-existing interest in acquiree	111	766	
EBIT	487	1,202	(59%)
Financial result	(49)	5	
Income tax expense	(134)	(278)	
Group profit	304	929	(67%)
Group profit attributable to RTL Group shareholders	245	863	(72%)

Operating free cash flow

in € million	H1/2022	H1/2021	Per cent change
Net cash from operating activities	84	214	(61%)
<i>Adjusted by:</i>			
Income taxes paid	170	238	
Transaction-related costs	3	31	
Acquisitions of and proceeds from sale of programme rights and other intangible and tangible assets	(91)	(97)	
Operating free cash flow	166	386	(57%)
Income tax paid	(170)	(238)	
Acquisition/disposal of subsidiaries, net of cash acquired/disposed/transaction related costs	118	370	
Acquisition/disposal of other investments, financial assets & investments accounted for using the equity method	75	(8)	
Net interest paid	(11)	(15)	
Transaction with shareholders and its subsidiaries	585	5	
Changes from financing activities	(76)	(75)	
Acquisitions of companies under common control, net of cash acquired	163	-	
Transactions with non-controlling interests	(59)	(32)	
Dividends paid	(858)	(568)	
Net increase/(decrease) in cash and cash equivalents	(67)	(175)	(62%)



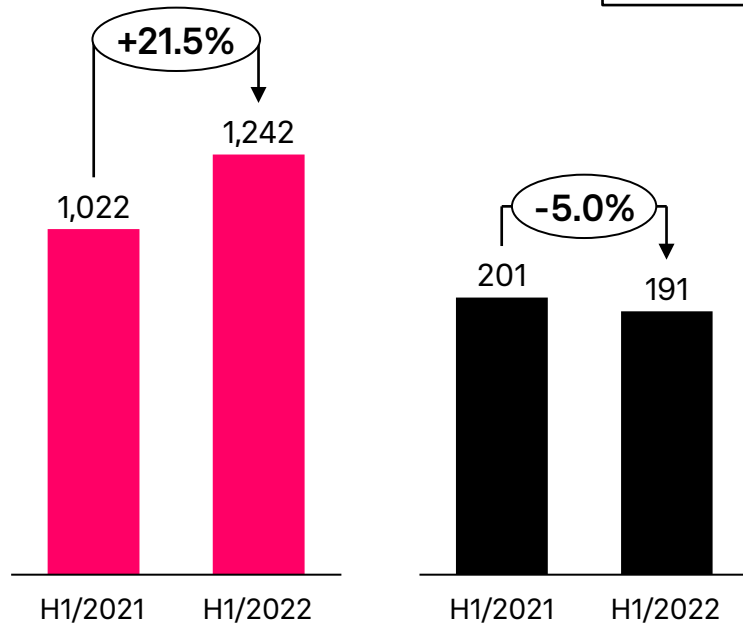
03 Operations

Key financials

in € million

■ Revenue
■ Adjusted EBITA

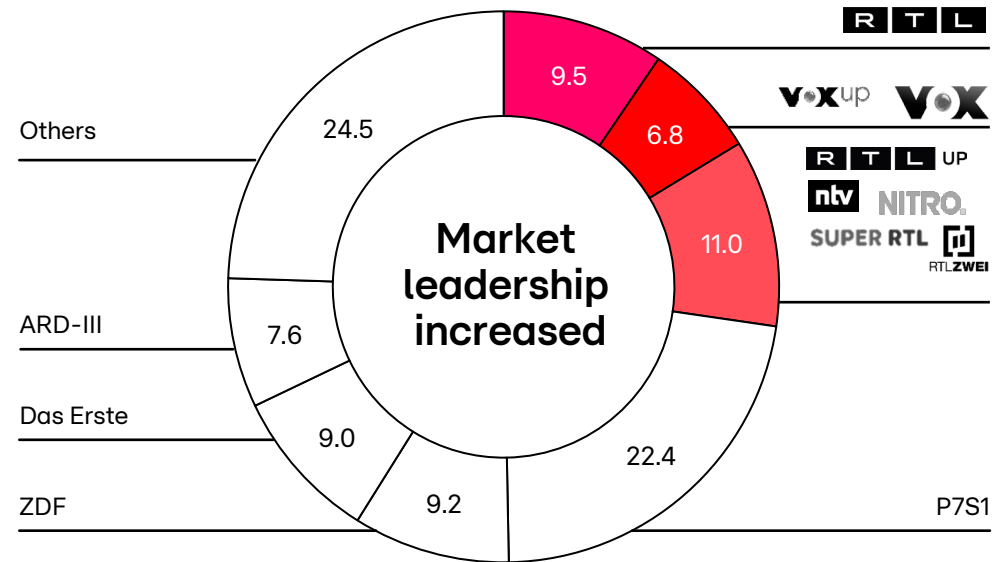
15%
Margin



Family of channels

Audience shares
14 to 59, H1/2022

27.3%



Highlights

RTL+

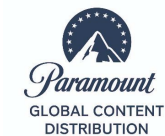
3.427 million paying subscribers on 30 June 2022; +69% yoy

VOX

H1/2022: Vox ranked 3rd among all channels in Germany (14-49)



WARNER BROS.



Paramount
GLOBAL CONTENT
DISTRIBUTION



UEFA



Content deals to strengthen RTL+ and RTL Deutschland's TV channels



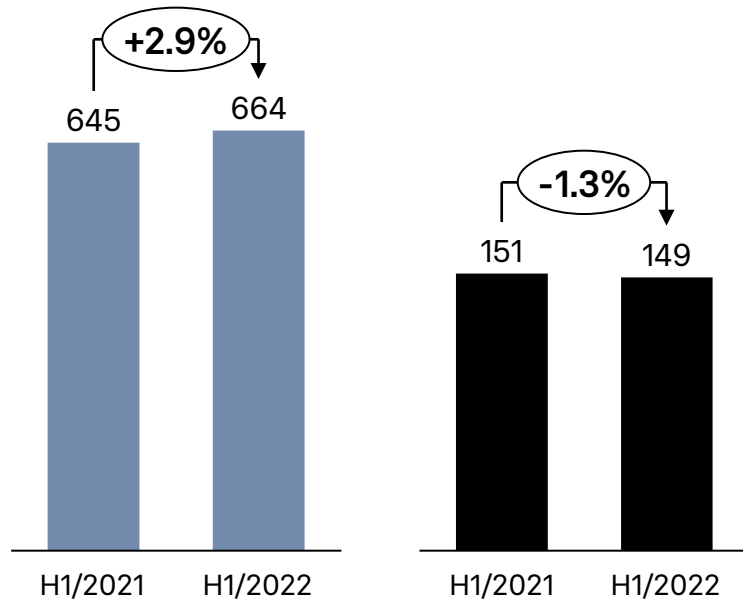
Extension of publishing brands to TV

Key financials

in € million

■ Revenue
■ Adjusted EBITA

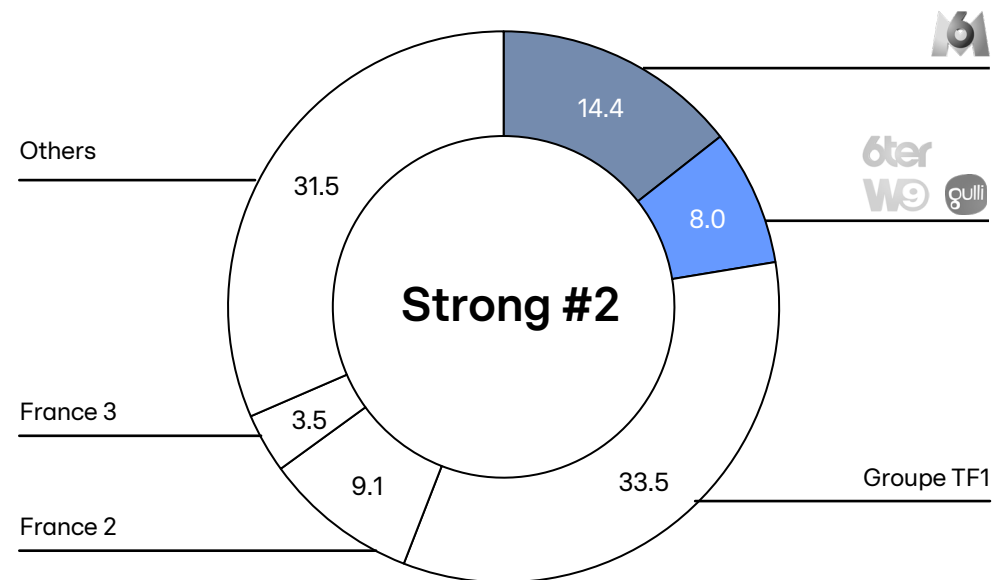
22%
Margin



Family of channels

Audience shares
Women < 50 responsible
for purchases, H1/2022

22.4%



Highlights



M6: best audience share performance during prime time in the past 10 years



New deal: official free-TV broadcaster of the Uefa Champions League finals in 2025, 2026 and 2027



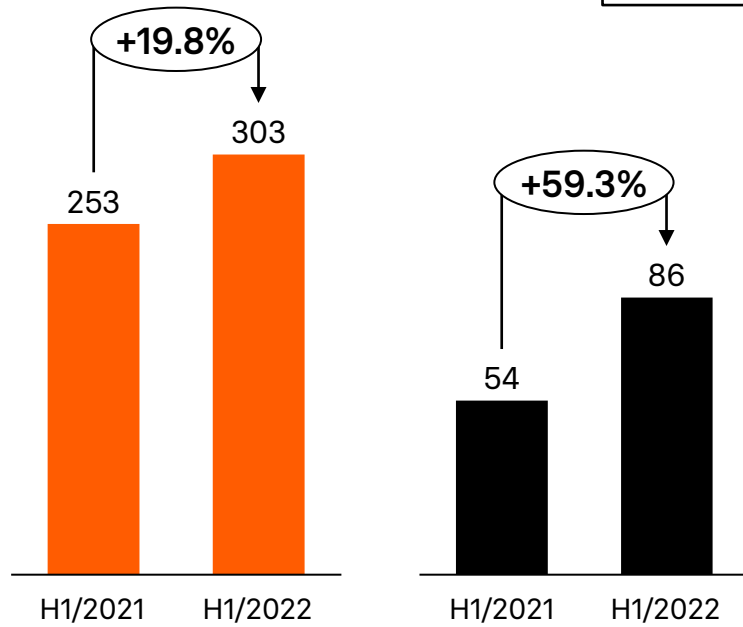
Partnership agreement: Salto to be included in Prime Video

Key financials

in € million

■ Revenue
■ Adjusted EBITA

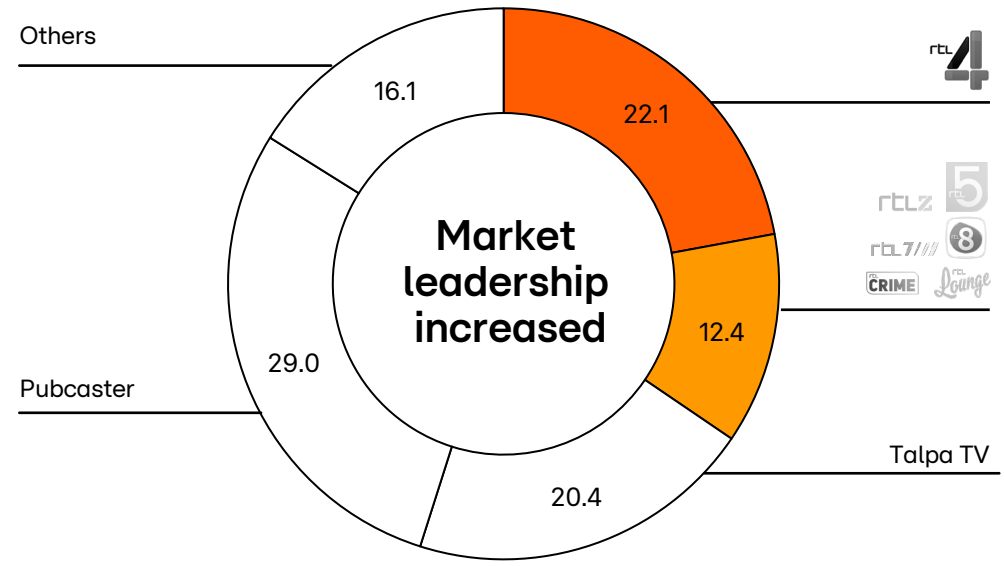
28%
Margin



Family of channels

Audience shares
Adults 25 to 54, prime time,
H1/2021

34.5%



Highlights

videoland.

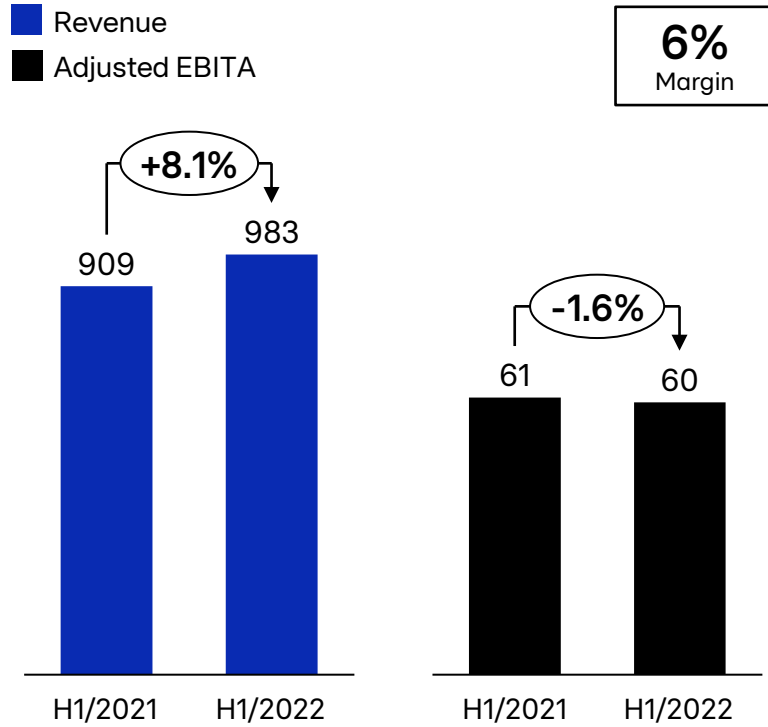
1.079 million paying subscribers on 30 June 2022; +6% yoy



RTL 4: strong audience growth thanks to formats such as *De Verraders*, *Make Up Your Mind*, the new format *Lago di Beau* and the news and magazine formats

Key financials

in € million



Highlights



Drama & film

The Shadow in my Eye, The Responder, Bang Bang Baby, The King, Don Matteo



Entertainment

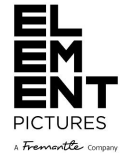
American Idol, Britain's Got Talent, Snowflake Mountain, The Farmer Wants a Wife

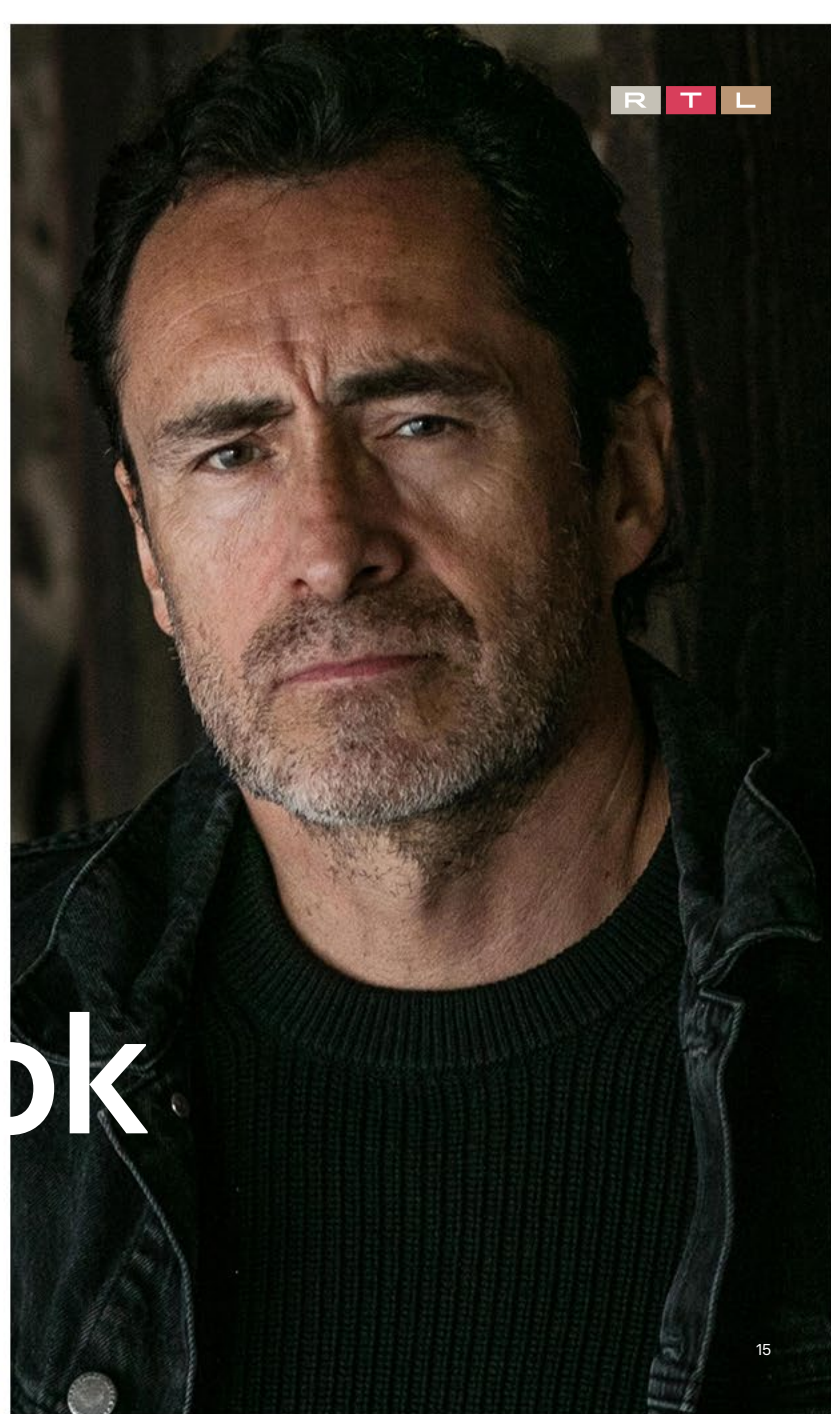


Factual shows & documentaries

Phat Tuesdays, Lola indigo, La niña, Mr. Good: Cop or Crook?, Ghislaine, Prince Andrew and the Paedophile

Five acquisitions and step-ups completed in H1/2022:





04 Strategy & Outlook

Strategy framework unchanged

Core



Growth



Alliances & Partnerships



Creativity & Entrepreneurship

People

Communications & Marketing

Regulation

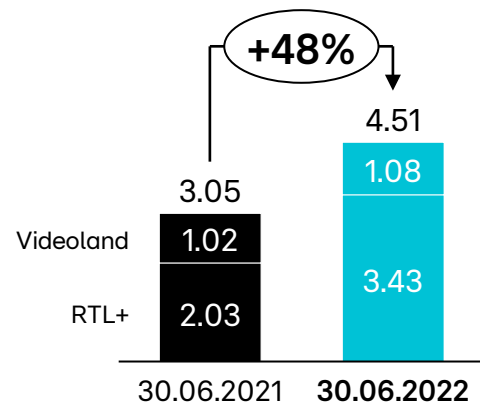
Enabler

Dynamic growth in streaming continues

RTL + videoland.

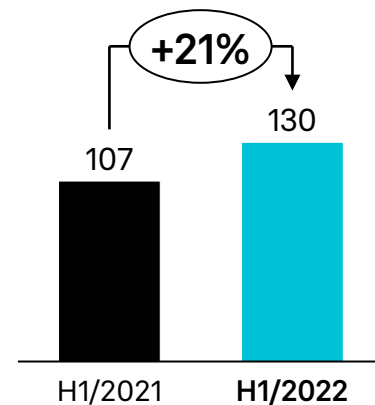
Paying subscribers

in million



Streaming revenue¹

in € million



in € million

Content spend

Streaming start-up losses²



Targets by 2026 unchanged

10m paying subscribers

€1bn streaming revenue

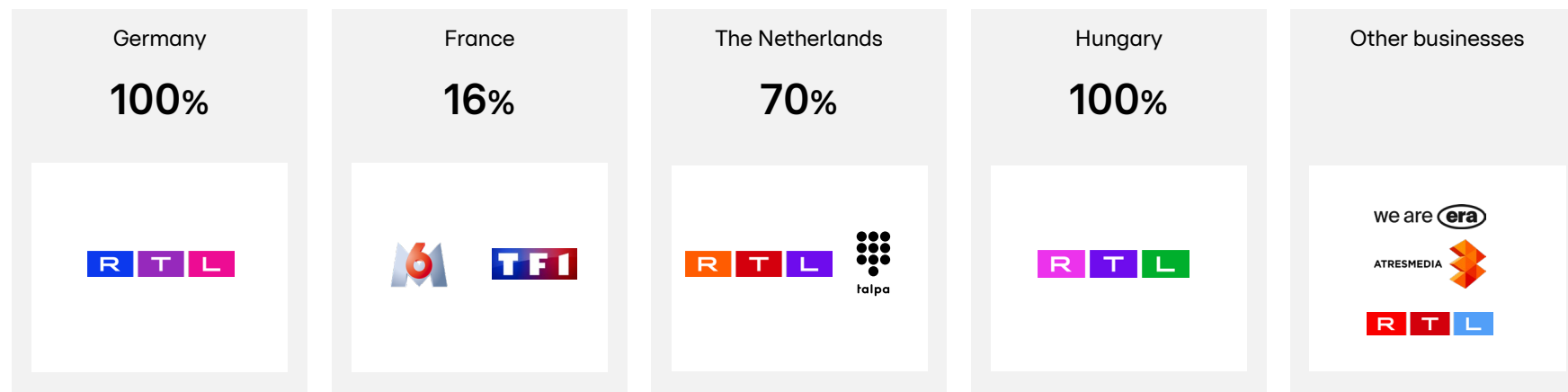
~ €600m content spend p.a.

Profitability Adjusted EBITA

Notes: 1. Streaming revenue includes SVOD, TVOD, in-stream and distribution revenue from RTL+ and Videoland/RTL XL. 2. 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

Target structure

National cross-media champions



Cross-country cooperation and competencies

Ad tech



Streaming tech



International ad sales



Further cross-country initiatives



Global content business



Target:
€3bn in revenue via organic growth and M&A by 2025

Growth with global streaming platforms and expanding into new genres

Outlook 2022

Key assumptions for 2022 outlook

Markets

Softer than expected; lower TV advertising markets, in particular in Germany, due to external factors such as the war in Ukraine, inflation, energy supply and supply chain issues

Stable to negative TV advertising markets across RTL Group's portfolio in H2/2022

Continued growth of streaming and content markets

Portfolio

FY/2022: Continued full consolidation of Groupe M6 and RTL Nederland, full consolidation of Gruner + Jahr (RTL DE)

Closed acquisitions: Lux Vide (3 March 2022), Dancing Ledge (6 April 2022) and Element Pictures (10 May 2022)
Closed disposals: RTL Belgium (31 March 2022) and RTL Croatia (1 June 2022)

Full-year de-/consolidation effects of 2021 transactions, mainly This is nice, Super RTL, Eureka, SpotX, Ludia

Business

Continued strong audience performance of RTL channels

Partial compensation of lower TV advertising revenue through cost measures

Organic growth of Fremantle, significant expansion in streaming (RTL+, Salto, Videoland and Bedrock)

Outlook 2022

	2021	2022e old	2022e new ¹
Revenue	€6.6bn	~€7.4bn	€7.3bn to €7.5bn
Adjusted EBITA	€1,152m	~€1.15bn	€1.05bn to €1.15bn
Streaming start-up losses	€166m	~€0.25bn	~€0.25bn
'Adjusted EBITA before streaming start-up losses'	€1,318m	~€1.4bn	€1.3bn to €1.4bn

Note: includes positive foreign exchange rate effects



5 August 2022

R T L

#RTLresults



Alternative performance measure

Explanation

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. Based on the accelerated industry trends explained in the **Market** section (see RTL Group full-year results 2021 report pages 15 to 16) and **Strategy** section (see RTL Group full-year results 2021 pages 17 to 21) 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 continually 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 neutralised in the Adjusted EBITA.

Adjusted EBITA

Adjusted EBITA is determined as earnings before interest and taxes (EBIT) as disclosed in the income statement excluding the following elements:

- Impairment of goodwill of subsidiaries and amortisation and impairment of fair value adjustments on acquisitions of subsidiaries
- Impairment and reversals of investments accounted for using the equity method
- Re-measurement of earn-out arrangements presented in 'Other operating income' or 'Other operating expenses'
- Fair value measurement of investments 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

Adjusted EBITA margin

The Adjusted EBITA margin as a percentage of Adjusted EBITA of revenue is used as an additional criteria for assessing business performance.

Definitions

Alternative performance measure	Explanation
Significant special items	Significant special items exceeding 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.
Streaming start-up losses	In accordance with RTL Group's strategy significant efforts were spent in growth businesses of streaming activities. Furthermore, the company is continuing to heavily invest in its streaming services RTL+ and Videoland with a rapidly increasing number of paying subscribers. Therefore, RTL Group discloses additionally the streaming start-up losses defined as total of Adjusted EBITA from RTL+, Videoland/RTL XL, Salto and Bedrock as consolidated on RTL Group level.
Operating free cash flow	Operating free cash flow is equal to net cash from operating activities adjusted by income tax paid; cash outflows from the acquisitions of programme and other rights and other intangible assets and tangible assets; cash inflows from proceeds from the sale of intangible and tangible assets; and transaction-related costs with regard to significant disposals of subsidiaries.
Operating cash conversion rate	Operating cash conversion rate means operating free cash flow divided by EBITA.
Net cash/(debt)	The net cash/(debt) is the gross balance sheet financial debt adjusted for 'Cash and cash equivalents'; current deposit with shareholder and its subsidiaries 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.

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