

Q1/2021: RTL Group accelerates growth of its streaming services

- Group revenue up 3.9 per cent organically¹ year on year; reported Group revenue down 4.2 per cent to €1,404 million due to scope effects and negative exchange rate effects
- Fremantle revenue up 14.6 per cent year on year, streaming revenue up 40.5 per cent
- Paying subscribers for RTL Group's streaming services TV Now and Videoland up 71 per cent to 2.7 million year on year
- SpotX disposal closed; RTL Group received US-\$640 million in cash and 12.4 million shares of Magnite stock
- Full-year outlook for 2021 confirmed: Group revenue of around €6.2 billion; Adjusted EBITA² of around €975 million

Luxembourg, 6 May 2021 – RTL Group today published the following quarterly statement for the first three months of 2021 (Q1/2021).

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

“Our streaming services TV Now and Videoland accelerated their growth, adding more than half a million new paying subscribers in the first three months of the year. This demonstrates how our streaming investments in content, marketing and technology – and our strategic partnerships – boost our progress towards creating national streaming champions. With new high-end drama series and a broad portfolio of entertainment shows, our global content business, Fremantle, had a strong start to the year.

Driven by our streaming and content production business, RTL Group's revenue was up by almost 4 per cent organically in the first quarter – although lockdown measures led to lower TV advertising revenue. We see strong growth of our TV advertising revenue across our footprint for the second quarter of the year and confirm our outlook for the full year 2021.

As stated before, there is a strong case for consolidation in the European broadcasting industry. We are currently reviewing such options for our broadcasting businesses in France, Belgium and the Netherlands, 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.”

¹ Adjusted for portfolio changes and at constant exchange rates. Further details can be found in the section on “Key performance indicators” here www.rtlgroup.com/fy2020_pdf

² Adjusted EBITA represents a recurring operating result and excludes significant special items. Further details can be found in the section on “Key performance indicators” here www.rtlgroup.com/fy2020_pdf

Revenue

Group revenue was down 4.2 per cent to €1,404 million (Q1/2020: €1,466 million), mainly due to negative exchange rate effects and scope effects resulting from the disposals of BroadbandTV and the Groupe M6 diversification businesses Home Shopping Service and iGraal. Lower TV advertising revenue in Germany and the Netherlands was compensated by increasing content, streaming and ad-tech revenue. Group revenue was up 3.9 per cent organically.

The revenue of RTL Group's content business, Fremantle, was up 14.6 per cent to €433 million (Q1/2020: €378 million), driven by the delivery of the high-end drama series *American Gods* (season three) and *The Mosquito Coast*. Fremantle's revenue in Q1/2021 was negatively impacted by exchange rate effects. The unit's revenue grew 21.5 per cent organically.

RTL Group's advertising revenue was €745 million (Q1/2020: €796 million), of which €587 million represented TV advertising revenue (Q1/2020: €646 million), €78 million digital advertising revenue (Q1/2020: €67 million) and €48 million radio advertising revenue (Q1/2020: €50 million).

Streaming revenue³ from TV Now and Videoland was up 40.5 per cent to €52 million (Q1/2020: €37 million), thanks to the rapidly growing number of subscribers.

RTL Group's platform revenue was up 7.1 per cent to €106 million (Q1/2020: €99 million).

Net TV advertising market growth rates and RTL Group audience shares in main target groups

RTL Group estimates that the net TV advertising markets were down year on year in Germany and the Netherlands in Q1/2021, while the French TV advertising market was slightly up after strong growth in the month of March. A summary of RTL Group's key markets is shown below, including estimates of net TV advertising market growth rates and audience shares in the main target group.

	Q1/2021 net TV advertising market growth rate (in per cent)	RTL Group audience share in the main target group Q1/2021 (in per cent)	RTL Group audience share in the main target group Q1/2020 (in per cent)
Germany	(16.5) to (17.0) ⁴	27.2 ⁵	28.5 ⁵
France	1.0 ⁶	23.2 ⁷	22.0 ⁷
The Netherlands	(3.0) ⁴	34.5 ⁸	31.1 ⁸

³ Streaming revenue includes SVOD, TVOD and in-stream revenue from TV Now and Videoland/RTL XL

⁴ Industry and RTL Group estimates

⁵ Source: GfK. Target group: 14 to 59

⁶ Source: Groupe M6 estimate

⁷ Source: Médiamétrie. Target group: women under 50 responsible for purchases (free-to-air channels M6, W9, 6ter and Gulli)

⁸ Source: SKO. Target group: 25 to 54, 18h-24h

Net cash

As of 31 March 2021, RTL Group had net cash⁹ of €410 million (31 December 2020: net cash of €236 million). On 6 May 2021, RTL Group will pay out the dividend for 2020 amounting to €464 million.

Operational highlights

At the end of March 2021, RTL Group registered **2.72 million paying subscribers** for its streaming services TV Now in Germany and Videoland in the Netherlands, up 71 per cent year on year (end of March 2020: 1.59 million).

- Paying subscribers for **TV Now** doubled year on year to 1.718 million (end of March 2020: 0.857 million). The strategic partnership with Deutsche Telekom to bundle TV Now Premium in Magenta TV contributed significantly to the growth
- Paying subscribers for **Videoland** grew 38 per cent year on year to 1.006 million (end of March 2020: 0.728 million)

In March 2021, **Mediengruppe RTL Deutschland** and **Deutsche Telekom** agreed on the **sub-licensing of exclusive rights to 17 Uefa Euro 2024 matches**, as part of the companies' strategic partnership announced in November 2020. The agreement covers the broadcast of 14 group phase matches, two rounds of 16 finals and one quarter-final exclusively on free-to-air TV on RTL Television and live streaming on TV Now. Extensive highlights, on-demand and news access rights are also included in the package, enabling Mediengruppe RTL Deutschland to report on all 51 Uefa Euro 2024 matches across all channels and platforms.

In March 2021, **Mediengruppe RTL Deutschland** and **Sky Deutschland** announced an agreement for closer collaboration in the areas of streaming and content. **TV Now Premium will be available via an upselling option on the Sky Q platform** from mid-2021, increasing the potential reach of TV Now by more than 2.5 million Sky Q customers. As part of the agreement, **Sky exclusively sublicenses Formula One free-to-air rights** to Mediengruppe RTL Deutschland. The main channel RTL Television will live broadcast four Formula One races per season. The agreement, initially concluded for two years, also includes extensive news access rights, enabling the German RTL family of channels to report on Formula One across all channels.

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.

In Q1/2021, **RTL Nederland's** family of channels grew its combined prime-time audience share in the target group of viewers aged 25 to 54 to 34.5 per cent (Q1/2020: 31.1 per cent), 4.8 percentage points ahead of the public broadcasters. This audience growth was mainly driven by a strong audience performance of the main channel RTL 4, which scored high ratings with news and infotainment programmes in the early evening and shows such as *The Traitors* and *Lego Masters*.

⁹ The net cash excludes current and non-current lease liabilities. Including these, net cash as of 31 March 2021 was €1 million (31 December 2020: net debt of €(148) million). Further details can be found in the section on "Key performance indicators" here www.rtlgroup.com/fy2020_pdf

Fremantle had a successful start to 2021, with the continued roll-out of *Game of Talents* in the United States, UK, Sweden and Belgium, the return of *American Idol* and the launch of *Top Star*, a brand-new format from Fremantle Spain. On the scripted side of Fremantle's business, Miso Film's *The Investigation* launched to critical acclaim and delivered record audiences on HBO and the BBC in the first quarter of 2021. Abot Hameiri's hit drama *Shtisel* launched its third season on Netflix, while *The Mosquito Coast* launched on Apple TV+ this April.

In April 2021, Fremantle announced to increase its stake in **Abot Hameiri**, taking full ownership of one of the leading entertainment producers in Israel. The company is behind shows such as *Power Couple*, *Find Me Somebody To Love*, *Hear Me Love Me See Me* and the hit drama *Shtisel*. Abot Hameiri is also the Israeli producer for global formats such as *Got Talent*, *Survivor* and *The X Factor*.

In April 2021, **Fremantle's** UFA announced the **launch of its new production unit UFA Documentary**. The unit will work alongside UFA Fiction, UFA Serial Drama and UFA Show & Factual as a standalone production company under the UFA umbrella, with a focus on documentaries, hybrid-docs and serialised features. Recent productions that prove UFA's strong credentials in the field include *Expedition Arktis*, *Der Große Fake – Die Wirecard-Story* and *Hannelore Kohl – Die erste Frau*.

On 30 April 2021, **RTL Group closed the transaction to sell its US ad-tech company SpotX** to Magnite. As part of the transaction, RTL Group received US-\$640 million (€528 million¹⁰) in cash and 12.37 million shares of Magnite stock. Based on the closing price of Magnite stock as at 29 April 2021, the agreement implies an enterprise value (100 per cent) for SpotX of US-\$1.14 billion (€942 million¹⁰). SpotX continued its strong business performance in Q1/2021 with revenue up around 50 per cent.

¹⁰ Based on the €/US-\$ exchange rate at 29 April 2021

Outlook

RTL Group confirms its outlook for 2021, as published on 12 March 2021. This 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

The figures presented in this quarterly statement are not audited.

For further information please contact:

Media/Investor Relations

Oliver Fahlbusch

Phone: +352 2486 5200

oliver.fahlbusch@rtlgroup.com

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.

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