

Content and digital continue to drive RTL Group's revenue growth in the first nine months of 2019

- **January to September 2019: revenue up 3.5 per cent organically to €4,531 million**
- **Total digital revenue¹ up 14 per cent to €755 million**
- **Paying subscribers for RTL Group's streaming services in Germany and the Netherlands up 50 per cent**
- **RTL Group confirms full-year 2019 outlook**

Luxembourg, 6 November 2019 – RTL Group today published the following quarterly statement for the first nine months of 2019.

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

“RTL Group continues its growth trajectory with revenue up 3.5 per cent organically in the first nine months of 2019, driven by our content and digital activities. We are on course to achieve all the targets in our outlook statement.

We also made good progress on our strategic priorities and partnerships: at the end of September 2019, RTL Group registered 1.4 million paying subscribers for its streaming services in Germany and the Netherlands – up 50 per cent year on year. As our streaming services are showing rapid growth and exceeding our expectations, we will significantly increase our ambition level and investments. In France, Groupe M6 is building the tech platform for Salto – the joint subscription service with TF1 and France Télévisions to be launched in 2020.

With our European ad-tech business, Smartclip, we are creating an open ad-tech platform, tailored to the needs of European broadcasters and streaming services. Together with the management team of RTL Deutschland, we have started a roadshow to present our solutions to other European broadcasters – creating a great deal of interest.”

¹ “Digital” refers to the internet-related activities with the exception of online sales of merchandise (“e-commerce”). Digital revenue spreads over the different categories of revenue, i.e. other advertising sales, revenue from distribution and licensing of content, consumer and professional services

Revenue

	January to September 2019 € million	January to September 2018 € million	Per cent change
Total revenue	4,595	4,468	+2.8
Underlying revenue²	4,531	4,377	+3.5
Broadcast³	3,178	3,245	(2)
Content (Fremantle)	1,225	1,054	+16
Digital (MPNs & SpotX)⁴	337	295	+14
Eliminations	(145)	(126)	–

Reported Group revenue was up 2.8 per cent to €4,595 million (January to September 2018: €4,468 million), largely thanks to the Group's global content business, Fremantle, and digital activities. Underlying revenue was €4,531 million (January to September 2018: €4,377 million), resulting in an organic growth rate of 3.5 per cent.

Revenue from RTL Group's broadcasting operations was down 2 per cent, to €3,178 million (January to September 2018: €3,245 million), mainly due to scope changes (sale of Universum Film and the football club Girondins de Bordeaux) and lower TV advertising revenue in Germany and the Netherlands.

Content revenue, which represents Fremantle, was up 16 per cent to €1,225 million (January to September 2018: €1,054 million), mainly driven by the delivery of new shows and series such as the second season of *American Gods*. For the full year 2019, RTL Group expects Fremantle's organic revenue to grow between 10 and 12 per cent on a constant currency basis.

Digital revenue generated by RTL Group's MPN activities and SpotX was up 14 per cent to €337 million (January to September 2018: €295 million), thanks to growth at both BroadbandTV and SpotX. VOD revenue⁵, generated by RTL Group's broadcasting operations, was up 24 per cent to €183 million (January to September 2018: €147 million).

As a result, RTL Group's total digital revenue was up 14 per cent to €755 million (January to September 2018: €660 million).

Net debt

As of 30 September 2019, RTL Group had a net debt⁶ position of €878 million (31 December 2018: net debt of €470 million).

² Adjusted for scope changes and at constant exchange rates

³ Combined revenue of Mediengruppe RTL Deutschland, Groupe M6, RTL Nederland, RTL Belgium, RTL Hungary, RTL Croatia and RTL Luxembourg

⁴ Combined revenue of RTL Group's MPN activities (BroadbandTV, Divimove, United Screens and StyleHaul, which is in the process of being wound down) and those of SpotX (ad-tech), excluding the SpotX/Smartclip joint ventures with Mediengruppe RTL Deutschland and RTL Nederland

⁵ VOD revenue includes SVOD, TVOD, in-page and in-stream revenue

⁶ Net debt excludes the impact of IFRS 16. Including this, net debt amounts to €1,286 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 in Germany and France and slightly up in the Netherlands. In Germany, RTL Group's family of channels outperformed the TV advertising market. A summary of RTL Group's key markets is shown below, including estimates of net TV advertising market growth rates and RTL Group's audience shares in the main target groups.

	January to September 2019 net TV advertising market growth rate (in per cent)	January to September 2019 RTL Group audience share in main target group (in per cent)	January to September 2018 RTL Group audience share in main target group (in per cent)
Germany	(3) to (4) ⁷	28.2 ⁸	27.4 ⁸
France	(0.5) ⁹	22.9 ^{10,11}	21.5 ¹⁰
Netherlands	+1 ⁷	29.3 ¹²	30.4 ¹²

Operational highlights

- **VOD:** At the end of September 2019, RTL Group registered 1.4 million paying subscribers for its streaming services (the pay services TV Now in Germany and Videoland in the Netherlands), up 50 per cent year on year. The viewing times of TV Now in Germany and Videoland in the Netherlands also increased year on year, by 27 per cent and 59 per cent respectively.
- **Content:** Fremantle had a successful first nine months of 2019, with the second seasons of *American Gods* and *American Idol* and the game show *Ask Me Anything* on RTL 4 in the Netherlands. Fremantle also continued its push into drama with the first commission in Norway for *Exit* on NRK, the commission of *Ku'damm 63* and the production launches of *Deutschland 89* and the second seasons of *The New Pope* and *My Brilliant Friend*.
- **Broadcast:** The German family of channels increased its audience share in the main target group of viewers aged 14 to 59, by 0.8 percentage points year on year. This was largely driven by the performance of the main channel RTL Television, which increased its audience share for the first time since 2011.
- **Broadcast:** On 2 September 2019, Groupe M6 completed the acquisition of France's leading free-to-air digital channel for children, Gulli, and five pay-TV channels from Lagardère.
- **Ad-tech:** In September 2019, the first addressable TV advertising campaign was booked through the demand-side platform d-force, the joint venture of Mediengruppe RTL Deutschland and ProSiebenSat1.

⁷ Industry/IREP and RTL Group estimates

⁸ Source: GfK. Target group: 14 to 59, including pay-TV channels

⁹ Source: Groupe M6 estimate

¹⁰ Source: Médiamétrie. Target group: women under 50 responsible for purchases (free-to-air channels only)

¹¹ Audience share in main target group in France including Gulli

¹² Source: SKO. Target group: 25 to 54, 18h–24h. Restated for a different audience measurement method, now excluding the screen use coming from devices such as hard disk, DVD and video recorders

- **Ad sales:** In October 2019, RTL Nederland announced to build an integrated advertising sales network for the Dutch market – Ad Alliance – following the German example. The Dutch Ad Alliance will sell advertising for RTL Nederland, BrandDeli, Adfactor and Triade Media and will also be open for new partners.
- **Digital:** Within the scope of the strategic review of its ad-tech businesses, RTL Group has sold its 33.9 per cent shareholding in Clypd to AT&T’s advertising company, Xandr, effective 18 October 2019.

Outlook

RTL Group confirms its outlook for the full-year 2019:

- RTL Group continues to expect its total **revenue** for the fiscal year 2019 to grow moderately (+2.5% to +5.0%) excluding foreign exchange rate effects.
- RTL Group continues to expect its **EBITA** before restructuring costs to decrease moderately (-2.5% to -5.0%), reflecting higher investments into programming and VOD services.

Figures presented in this quarterly statement are not audited.

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About RTL Group

RTL Group is a leader across broadcast, content and digital, with interests in 66 television channels, eight video-on-demand platforms and 30 radio stations. RTL Group also produces content throughout the world and owns several rapidly growing digital video businesses. 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 12,700 hours of original programming and distributing over 20,000 hours of content worldwide. Combining the streaming-services of its broadcasters (such as TV Now, 6play, Videoland), the digital video businesses BroadbandTV, Divimove, United Screens and Fremantle’s more than 300 YouTube channels, RTL Group has become the leading European media company in online video. RTL Group also owns the ad-tech businesses Smartclip and SpotX. RTL AdConnect is RTL Group’s international sales house. Bertelsmann is the majority shareholder of RTL Group with 75.1 per cent. RTL Group is listed on the Luxembourg and Frankfurt stock exchanges and in the MDax stock index.

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