

## Press release

# RTL Group reports strong revenue growth and 5.5 million paying streaming subscribers

- Full-year Group revenue up 8.8 per cent to a record level of €7.2 billion, up 1.6 per cent organically despite decreasing advertising markets in Germany and France
- Full-year Adjusted EBITA in line with outlook guidance at €1,083 million; Adjusted EBITA margin of 15.0 per cent despite higher streaming start-up losses; Adjusted EBITA before streaming start-up losses stable on prior year's record level
- Fremantle revenue up 21.9 per cent, streaming revenue up 19.7 per cent, TV advertising revenue down 4.4 per cent
- Group profit at €766 million; the record Group profit of €1,454 million in 2021 was driven by significant capital gains on disposals, mainly from SpotX
- Proposed dividend of €4.00 per share, in line with the Group's dividend policy
- Paying subscribers for RTL Group's streaming services in Germany, the Netherlands and Hungary up 44.3 per cent to 5.5 million
- Significant progress on Fremantle growth plan with eight acquisitions and step-ups completed in 2022
- Market consolidation remains strategic priority; RTL Group will focus on alliances, partnerships and smaller consolidation opportunities

Luxembourg, 16 March 2023 – RTL Group announces its audited results for the year ended 31 December 2022.

### Strong revenue growth, Adjusted EBITA in line with outlook guidance despite challenging macroeconomic conditions and higher streaming start-up losses

- **Group revenue** increased 8.8 per cent to €7,224 million (2021: €6,637 million), mainly thanks to strong growth of Fremantle, RTL Deutschland (from the acquisitions of Gruner + Jahr in 2022 and Super RTL in 2021) and RTL Nederland. Group revenue was up 1.6 per cent organically<sup>1</sup> compared to 2021, driven by Fremantle and RTL Nederland.
- In 2022, RTL Deutschland and RTL Nederland reported higher **audience shares** and increased their audience lead over their main commercial competitors.
- **TV advertising revenue** across the Group was down 4.4 per cent year-on-year, due to the challenging macroeconomic environment.
- **Streaming revenue**<sup>2</sup> from RTL+ and Videoland grew by 19.7 per cent to €267 million (2021: €223 million), thanks to the rapidly growing number of paying subscribers.

<sup>1</sup> Adjusted for portfolio changes and at constant exchange rates. Further details can be found in **Key performance indicators** on page 25 of RTL Group's Full-year results 2022 report

<sup>2</sup> Streaming revenue includes SVOD, TVOD, in-stream and distribution revenue from RTL+ in Germany, RTL+ in Hungary (including RTL+/RTL+ Active/RTL+ Light) and Videoland/RTL XL in the Netherlands

- **Distribution revenue**<sup>3</sup> was stable at €438 million (2021: €437 million).
- **Adjusted EBITA**<sup>4</sup> was down by 6.0 per cent to €1,083 million (2021: €1,152 million), due to RTL Deutschland (with higher streaming start-up losses and lower TV advertising revenue), the scope exit of RTL Belgium, and Groupe M6. These effects were partly offset by record Adjusted EBITA contributions from RTL Nederland and Fremantle. The **Adjusted EBITA margin**<sup>4</sup> decreased to 15.0 per cent (2021: 17.4 per cent) as **streaming start-up losses**<sup>4</sup> increased to €233 million (2021: €166 million).
- **Group profit** was €766 million (2021: €1,454 million). 2021 was positively impacted by capital gains of €717 million from the sale of SpotX.
- **Net cash from operating activities** was €463 million. The operating cash conversion rate<sup>5</sup> was 54 per cent (2021: 114 per cent), impacted by investments in Fremantle and streaming. RTL Group had **net cash**<sup>6</sup> of €180 million at the end of 2022 (end of 2021: €657 million).
- For RTL Group's Annual General Meeting on 26 April 2023, RTL Group's Board of Directors has proposed a **dividend** of €4.00 per share for 2022, of which €3.50 represents an ordinary dividend, while the remaining €0.50 relates to the disposals of RTL Belgium and RTL Croatia (cash proceeds only). The ex-dividend date of the dividend payment would be 27 April 2023 and the payment date 2 May 2023.
- Based on the average share price in 2022 (€42.04<sup>7</sup>), the proposed dividend of €4.00 per share represents a **dividend yield** of 9.5 per cent.

<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 2022 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 2022 report

<sup>6</sup> Net cash/(debt) excludes current and non-current lease liabilities. Including these, net cash as of 31 December 2022 was €-205 million (31 December 2021: net cash of €325 million). See **Key performance indicators** on page 28 of RTL Group's Full-year results 2022 report

<sup>7</sup> Frankfurt Stock Exchange

## CEO's quote

**"2022 was a strong year for RTL Group, although we faced an unprecedented number of external challenges."**

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

"2022 was a strong year for RTL Group, although we faced an unprecedented number of external challenges. Revenue reached €7.2 billion, representing the highest revenue in the company's history. With our families of TV channels in Germany, France and the Netherlands continuing to generate high operating profits, and our global content business Fremantle reporting record results, our Adjusted EBITA before streaming start-up losses remained stable, on the same record level as last year.

RTL Group's growth businesses streaming and content progressed significantly in 2022, with 5.5 million paying subscribers for RTL+ and Videoland, and over 100 drama productions from Fremantle. We are on course to reach our ambitious streaming targets, and Fremantle is on track to becoming a €3 billion company by 2025.

RTL Group demonstrates high earnings, cost discipline and significant investments in content, streaming, tech and data. This enables us to pay a high dividend of €4.00 per share to our shareholders, including €0.50 relating to the disposals of RTL Belgium and RTL Croatia."

## Strategy

### Strengthening RTL Group's core

On 1 January 2022, RTL Deutschland fully acquired **Gruner + Jahr's (G+J) German publishing assets and brands** for the final purchase price of €228 million.<sup>8</sup> In February 2023, RTL Deutschland announced a reorganisation of its publishing business to focus on its core brands *Stern*, *Geo*, *Capital*, *Stern Crime*, *Brigitte*, *Gala*, *Schöner Wohnen*, *Häuser*, *Couch*, *Eltern*, *Chefkoch*, *Geolino* and *Geolino Mini*, which account for around 70 per cent of its publishing revenue. Other brands will be sold or discontinued. RTL Deutschland will invest €80 million in its publishing business by 2025, €30 million thereof in the expansion of the paid offer Stern+. The potential synergies of the transaction (Adjusted EBITA run-rate impact) are estimated at around €75 million per year, to be fully realised by 2025 (previous guidance before reorganisation: €100 million per year).

On 31 March 2022, RTL Group closed the sale of **RTL Belgium** to the Belgian media companies DPG Media and Groupe Rossel, which resulted in net cash inflows of €154 million. On 1 June 2022, RTL Group completed the sale of **RTL Croatia** to Central European Media Enterprises (CME) for €41 million net of cash disposed.

<sup>8</sup> €210 million was already paid in 2021. The following Gruner + 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; on 1 April 2022 RTL Deutschland also fully acquired 50 per cent of Deutsche Medien-Manufaktur (DMM)

RTL Group continues to invest significantly in content across all genres. Investments in **rights for live sports events** strengthen its linear TV channels and play an important role in gaining new subscribers for its streaming services by attracting male audiences and enhancing news and magazine formats.

- In May 2022, RTL Deutschland announced an extensive deal with Uefa to broadcast half of all football matches of the **German national team** in the Uefa Nations League until 2028, and the European Qualifiers for both the Fifa World Cup 2026 and Uefa Euro 2028.
- In September 2022, RTL Deutschland acquired the rights to broadcast live the **US National Football League (NFL)** games, including the Super Bowl, starting in September 2023.
- In 2022, Groupe M6 acquired for the first time the free-TV rights of the **Uefa Champions League** finals in 2025, 2026 and 2027 and the channel shares free-TV rights for 25 matches of the **Uefa Euro 2024** with TF1. M6 will also exclusively broadcast 18 matches of the **2023 Rugby World Cup** in France.
- In March 2023, RTL Deutschland announced the renewal of the full broadcasting rights of the **Uefa Europa League** and **Uefa Europa Conference League** for the seasons 2024/25 to 2026/27. The matches will be shown on its linear channels RTL and Nitro as well as its streaming service RTL+.

Next to local, exclusive content and sports rights, RTL Group invests in internationally popular TV and film formats:

- In February 2022, RTL Group announced that **RTL Deutschland** 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 receives access to exclusive films and series, including HBO Max originals. RTL Deutschland will also 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.
- In April 2022, RTL Deutschland expanded its licensing agreement with **Paramount Global Content Distribution** to acquire an attractive programme package for the streaming service RTL+ and its free-TV channels, including German premieres and highlights from Paramount's library.

### **Boosting growth businesses – Streaming**

At the end of 2022, RTL Group registered **5.488 million paying subscribers** for its streaming services RTL+ in Germany and Hungary, and Videoland in the Netherlands, up 44.3 per cent year-on-year (31 December 2021: 3.804 million).

- The number of paying subscribers for the German streaming service **RTL+** increased by 48.1 per cent to 4.016 million, compared to 2.712 million at the end of December 2021. The strategic partnership with Deutsche Telekom to bundle RTL+ Premium in Magenta TV, reality TV formats, football matches of the Uefa Europa League and the growing number of original formats such as *Sisi*, *Der König von Palma* and the *Bushido* documentary contributed significantly to this growth, with 62 new originals available in 2022 (2021: 67).

**RTL Deutschland** is gradually expanding its cross-media offer. In August 2022, it launched the **RTL+ Musik app**. In addition to video content, this gives RTL+ users access to more than 90 million songs and more than 100 radio streams. RTL+ entered an exclusive partnership with Deezer, one of the world's leading music streaming services. In November 2022, podcasts were added to the RTL+ Musik app, followed by a growing selection of audiobooks in December 2022.

- Paying subscriber numbers for the Dutch streaming service **Videoland** grew 11.8 per cent to 1.221 million, compared to 1.092 million at the end of December 2021, largely thanks to exclusive content such as the original series *Sleepers* and *Mocro Maffia*, the documentary about the Dutch singer André Hazes, the fifth season of the US series *The Handmaid's Tale* and the Dutch kickboxing live events of the Glory series, all of which are exclusive to Videoland in the Netherlands.
- The number of paying subscribers for the **Hungarian streaming service RTL+** (including RTL+ Active) was 0.251 million at the end of December 2022. The successful launch of RTL+ was especially supported by the exclusive series *A Király* (The King), as well as daily series and reality formats such as *ValóVilág powered by Big Brother*.

In November 2022, **RTL Hungary** launched its streaming service RTL+. Offering exclusive local content, the new service – which is based on the technology of **Bedrock**, RTL Group's streaming tech company – is a unique feature in the Hungarian streaming landscape. The previous services, RTL Most and RTL Most+, were integrated into RTL+ under the packages RTL+ Light and RTL+ Active. Therefore, RTL+ has three models: a direct-to-consumer subscription model without advertising, a TV subscription model (for example via an IPTV subscription), and a registration-based advertising-funded model.

### **Boosting growth businesses – Fremantle**

**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 is investing significantly in Fremantle in all territories, across all three content pillars – **drama and film, entertainment and documentaries**.

Within its **entertainment** business, Fremantle scored successes with *America's Got Talent*, the quiz show *Password* and various adaptations of *Farmer Wants a Wife*. Within **drama and film**, the delivery of the second season of *The Mosquito Coast* to Apple TV+ was a huge success while Fremantle's film business continued to grow, with 17 films delivered in 2022 (2021: seven).

In March 2022, Fremantle signed a three-year international filmmaking agreement with Oscar-winning actress **Angelina Jolie**. In February 2023, Fremantle signed a two-year partnership with Edward Berger, the director of *All Quiet on the Western Front*. Within its **documentary** business, Fremantle successfully launched the documentary *Planet Sex* with Cara Delevingne.

In 2022, Fremantle completed eight transactions:

In March 2022, **Fremantle** acquired 70 per cent of the shareholding in the leading Italian independent television production company **Lux Vide**. Successful series from the production company include *Medici* for Netflix, *Leonardo* for Amazon Prime, *Devils* for Sky, *The Bible Collection* – sold in 144 countries, *Don Matteo* – now in its 13<sup>th</sup> season and *DOC* – the medical drama that’s rapidly becoming Rai’s highest-rated series in 15 years. In the same month, Fremantle acquired a 25 per cent stake in **Fabel Entertainment**, known for the series *Bosch*.

In April 2022, **Fremantle** increased its stake in **Dancing Ledge Productions** from 25 per cent to 61 per cent. The UK-based production company is behind drama series such as *The Responder* and *The Salisbury Poisonings*.

In May 2022, **Fremantle** acquired 51 per cent of **Element Pictures**, the production company behind Academy Award, Golden Globe and BAFTA-winning films *The Favourite* and *Room*, the global drama *Normal People*, and the mini-series *Conversations With Friends*.

In June 2022, **Fremantle** increased its ownership in the US/Australian production company **Eureka** to 100 per cent, having already acquired a majority stake in 2021.

In November 2022, **Fremantle** acquired a 55 per cent stake in **72 Films**, the TV production company behind the sports documentary *All or Nothing: Arsenal* and *9/11: One Day in America*. In the same month, Fremantle acquired a 51 per cent stake in **Wildstar Films**, a production company focused on natural history documentaries and responsible for successful films and series such as *America the Beautiful* and *Epic Adventures with Bertie Gregory*. This was followed by the acquisition of a 51 per cent stake in **Silvio Productions**, a production company behind documentary series such as *Shadow of Truth*.

### **Fostering alliances and partnerships**

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 called **RTL Ad Alliance**. RTL Ad Alliance will provide international advertisers with simplified access to a unique portfolio of media brands across TV, digital video, radio/audio, online, mobile and print.

In May 2022, RTL Group’s European ad-tech business, **Smartclip**<sup>9</sup>, fully acquired the French ad-tech company **Realytics**. The acquisition complements RTL Group’s ad-tech stack: Realytics systematically analyses the impact of TV advertising on advertiser websites and ensures data availability for digital ad decisioning.

In November 2022, **Bedrock** successfully migrated more than one million subscribers of Videoland to a more advanced version of the service with more features, stronger personalisation, better data management and editorial tools. This represented the largest streaming migration in Europe to date.

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<sup>9</sup> Smartclip is part of RTL Deutschland

## Outlook

The geopolitical and macroeconomic environment remains volatile and the impact on RTL Group's businesses is hard to predict.

On this basis and subject to the above:

- RTL Group expects its **revenue** to increase to between €7.3 and €7.4 billion.
- RTL Group expects its **Adjusted EBITA** for 2023 to be between €1.0 and €1.05 billion. Streaming start-up losses are expected at just below €200 million (2022: €233 million). Consequently, the Group expects its Adjusted EBITA before streaming start-up losses to be between €1.2 and €1.25 billion (2022: €1,316 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, resulting in an ordinary dividend paid in 2024 and 2025 (for the financial years 2023 and 2024) of approximately €3.50 per share, based on current projections.

	2022	2023e
<b>Revenue</b>	€7,224m	€7.3bn to €7.4bn
<b>Adjusted EBITA</b>	€1,083m	€1.0bn to €1.05bn
Streaming start-up losses	€233m	Just below €0.2bn
Adjusted EBITA before streaming start-up losses	€1,316m	€1.2bn to €1.25bn

### Strategic targets for RTL Group's streaming services<sup>10</sup>

	2022	2026e
Paying subscribers	5.5m	10m
Streaming revenue	€267m	€1bn
Content spend per annum	€304m	~€600m

Profitability is expected by 2026<sup>11</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>10</sup> RTL+ in Germany and Hungary and Videoland in the Netherlands

<sup>11</sup> Total of Adjusted EBITA from RTL+, Videoland/RTL XL, Salto and Bedrock as consolidated on RTL Group level. The Adjusted EBITA of RTL+ in Germany and Hungary and Videoland/RTL XL in the Netherlands includes synergies with TV channels at 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 2022 report

## Financial review

	2022	2021	Per cent change
	€ m	€ m	
<b>Revenue</b>	<b>7,224</b>	6,637	<b>+8.8</b>
<b>Adjusted EBITA</b>	<b>1,083</b>	1,152	<b>(6.0)</b>
<b>Adjusted EBITA margin (%)</b>	<b>15.0</b>	17.4	
<b>Adjusted EBITA</b>	<b>1,083</b>	1,152	<b>(6.0)</b>
Significant special items	(44)	(61)	
Impairment and reversals of investments accounted for using the equity method	(5)	2	
Impairment of goodwill and amortisation and impairment of fair value adjustments on acquisitions of subsidiaries	(46)	(19)	
Impairment and reversals on other financial assets at amortised cost	(30)	-	
Gain/(loss) from sale of subsidiaries, other investments and re-measurement to fair value of pre-existing interest in aquiree	107	949	
Fair value measurement of investments and re-measurement of earn-out arrangements	(78)	(115)	
<b>EBIT</b>	<b>987</b>	1,908	<b>(48.3)</b>
Financial result	(55)	(27)	
Income tax expense	(166)	(427)	
<b>Group profit</b>	<b>766</b>	1,454	<b>(47.3)</b>
Attributable to:			
– RTL Group shareholders	<b>673</b>	1,301	<b>(48.3)</b>
– Non-controlling interests	93	153	
<b>Basic and diluted EPS (in €)</b>	<b>4.35</b>	8.41	<b>(48.3)</b>

## Download

All documents on the full-year results 2022 are available to download at <https://company.rtl.com/en/RTL-Group-full-year-results-2022/>

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## About RTL Group

RTL Group is a leading entertainment company across broadcast, streaming, content and digital, with interests in 56 television channels, nine streaming services and 36 radio stations. The Group's families of TV channels are either number one or number two in six European countries, while RTL Group owns or has interests in radio stations in France, Germany, 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 and Hungary, Videoland in the Netherlands, and 6play 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 27 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 Ad Alliance. Bertelsmann is the majority shareholder of RTL Group, which is listed on the Luxembourg and Frankfurt stock exchanges and in the MDAX stock index.