



## Quarterly statement

### January to September 2021: RTL Group reports strong revenue growth and raises its streaming targets

- January to September 2021: Group revenue up 17.2 per cent organically; Group revenue up 10.3 per cent to €4,469 million
- January to September 2021: TV advertising revenue up 19.0 per cent, Fremantle revenue up 24.4 per cent, streaming revenue up 30.6 per cent
- Q3/2021: Group revenue up 9.0 per cent organically; Group revenue up 3.9 per cent to €1,455 million, as strong growth from TV advertising revenue (+15.7 per cent), Fremantle revenue (+15.4 per cent) and streaming revenue (+25.0 per cent) more than compensated the deconsolidation effects from the disposals of SpotX in 2021 and BBTV in 2020
- Paying subscribers for RTL Group's streaming services RTL+ and Videoland up 90.6 per cent to 3.4 million
- H1/2022: RTL+ will be expanded to a cross-media entertainment service, comprising video, music, podcasts, audio books and e-magazines
- RTL Group raises its streaming targets and now aims for 10 million paying subscribers for RTL+ and Videoland by the end of 2026 and for €1 billion streaming revenue by 2026
- Full-year outlook for 2021 confirmed

Luxembourg, 4 November 2021 – RTL Group today published the following quarterly statement for the first nine months of 2021 (January to September 2021).

## CEO's quote

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

"In the third quarter of 2021, RTL Group continued to perform strongly. Revenue grew by 17.2 per cent organically in the first nine months of the year, thanks to the ongoing recovery of TV advertising markets and our growth businesses of content and streaming.

Following the launch of our new brand identity, we rebranded our German streaming service to RTL+ as of today, with a growing number of original formats across all genres. In the first half of 2022, we will expand RTL+ to a cross-media entertainment service, comprising video, music, podcasts, audio books and e-magazines. We will create Germany's first cross-media champion, offering our audiences the most diverse spectrum of high-quality entertainment and independent information.

With the rapid growth of our streaming services and the planned cross-media expansion of RTL+, we have significantly raised our streaming targets. Compared to 2021, we will triple the annual content investments to around €600 million by 2026. We aim to grow the number of paying subscribers for RTL+ and Videoland to 10 million by the end of 2026, to grow our streaming revenue to €1 billion and to reach profitability of the two services by 2026.

RTL Group has defined clear targets for its growth businesses of streaming, addressable TV advertising and content – and we will have the financial flexibility and capabilities to further boost these businesses to create value for our viewers, clients and shareholders.”

## Revenue

**Group revenue** was up 10.3 per cent to €4,469 million (January to September 2020: €4,053 million), thanks to strong growth of TV advertising revenue in the second and third quarter of 2021, Fremantle and the streaming businesses. Group revenue was up 17.2 per cent organically<sup>1</sup> compared to the first nine months of 2020. **Group revenue in the third quarter of 2021** was up 3.9 per cent to €1,455 million (Q3/2020: €1,401 million) as strong growth from TV advertising, Fremantle and streaming revenue more than compensated the deconsolidation effects from the disposals of SpotX in 2021 and BBTv in 2020. Organically, Group revenue was up 9.0 per cent in Q3/2021.

The revenue of RTL Group’s content business, **Fremantle**, was up 24.4 per cent to €1,291 million (January to September 2020: €1,038 million), with the delivery of the high-end drama series *American Gods* (season three), *The Mosquito Coast* and the scope effect of the full consolidation of Eureka (as of 17 May 2021). Fremantle’s revenue was up 22.8 per cent organically compared to the first nine months of 2020.

**Streaming revenue**<sup>2</sup> from RTL+ (formerly TV Now) and Videoland was up 30.6 per cent to €162 million (January to September 2020: €124 million), thanks to the strong growth in paying subscribers for both services.

RTL Group’s **advertising revenue** was €2,478 million (January to September 2020: €2,115 million), of which €1,998 million represented **TV advertising revenue** (January to September 2020: €1,679 million), €232 million **digital advertising revenue** (January to September 2020: €210 million) and €148 million **radio advertising revenue** (January to September 2020: €141 million). In the third quarter of 2021, TV advertising revenue was up 15.7 per cent to €686 million (Q3/2020: €593 million).

RTL Group’s **distribution revenue**<sup>3</sup> was up 4.9 per cent to €320 million (January to September 2020: €305 million).

## Net cash

On 30 September 2021, RTL Group had **net cash**<sup>4</sup> of €498 million (31 December 2020: net cash of €236 million).

<sup>1</sup> Adjusted for portfolio changes and at constant exchange rates. Further details can be found in **Key performance indicators** on page 9 of RTL Group’s Interim Report 2021

<sup>2</sup> Streaming revenue includes SVOD, TVOD, in-stream 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> The net cash/(debt) excludes current and non-current lease liabilities. Including these, net cash/(debt) amounts to €160 million (31 December 2020: €-148 million). See **Key performance indicators** on page 12 of RTL Group’s Interim Report 2021

## 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 up across RTL Group's key markets. A summary of RTL Group's key markets is shown below, including estimates of net TV advertising market growth rates and the audience shares in the main target audience group.

	Net TV advertising market growth rate January to September 2021 (in per cent)	RTL Group audience share in main target group January to September 2021 (in per cent)	RTL Group audience share in main target group January to September 2020 (in per cent)
Germany	+11.0 to +11.5 <sup>5</sup>	26.4 <sup>6</sup>	27.8 <sup>6</sup>
France	+23.9 <sup>7</sup>	22.8 <sup>8</sup>	22.8 <sup>8</sup>
Netherlands	+29.6 <sup>5</sup>	33.1 <sup>9</sup>	30.5 <sup>9</sup>

## Operational highlights

On 30 September 2021, RTL Group registered **3.402 million paying subscribers** for its streaming services RTL+ in Germany and Videoland in the Netherlands, up 90.6 per cent year on year (30 September 2020: 1.785 million paying subscribers).

- Paying subscribers for **RTL+** more than doubled to 2.389 million compared to the end of September 2020 with 0.973 million. The strategic partnership with Deutsche Telekom to bundle RTL+ Premium in Magenta TV and the growing number of original formats contributed significantly to the growth.
- Paying subscribers for **Videoland** grew 24.8 per cent to 1.013 million compared to the end of September 2020 with 0.812 million, which was largely thanks to the third season of the Videoland original series *Mocro Maffia* and the reality format *Temptation Island*.

The rapidly growing German streaming service today rebranded to **RTL+** and will provide additional 17 originals until the end of 2021. In the first half of 2022, RTL+ will be expanded to a cross-media entertainment service, comprising video, music, podcasts, audio books and e-magazines, which will be a unique selling proposition in the German-speaking market.

As a consequence of these increased investments into RTL+ and following the strong growth of the Group's streaming services, RTL Group has **raised its streaming targets** and will therefore grow:

- ...its **annual content spend** in RTL+ and Videoland to around €600 million in 2026 (previous target: around €350 million in 2025).
- ...the number of **paying subscribers** for RTL+ and Videoland to 10 million by the end of 2026 (previous target: between 5 and 7 million paying subscribers by the end of 2025).

<sup>5</sup> Industry/IREP and RTL Group estimates

<sup>6</sup> Source: GfK, Target group: 14 to 59, including pay-TV channels

<sup>7</sup> Source: Groupe M6 estimate

<sup>8</sup> Source: Mediamétrie. Target group: women under 50 responsible for purchases (free-to-air channels: M6, W9, 6ter and Gulli)

<sup>9</sup> Source: SKO. Target group: 25 to 54, 18h-24h

- ...its **streaming revenue**, to €1 billion by 2026 (previous target: at least €500 million by 2025),
- with the aim of reaching **profitability** by 2026 (previous target: Adjusted EBITA breakeven<sup>10</sup> by 2025). The peak of the investments (streaming start-up losses) is expected in 2022, with around €250 million.

In March 2021, **RTL Deutschland** announced a binding agreement with its former joint-venture partner, The Walt Disney Company, to acquire the outstanding 50 per cent shareholding in **Super RTL**. The transaction was approved by the German and Austrian competition authorities and closed on 1 July 2021. RTL Group's shareholding in Super RTL is now 100 per cent.

**RTL Nederland** had a very successful first nine months of 2021 with its channels' combined prime-time audience share in the target group of viewers aged 25 to 54 increasing to 33.1 per cent (January to September: 30.5 per cent). Popular programmes included the game show *De Verraders*, which was also sold internationally to NBC and the BBC. The Dutch net TV advertising market was estimated to be up by 29.6 per cent in the first nine months of 2021 with RTL Nederland outperforming the market.

**Fremantle** also had a very successful first nine months of 2021 across all three content pillars – Entertainment, Drama & Film, and Documentaries. Within its **Entertainment** business, the second season of *Too Hot to Handle* registered over 29 million views in its first month on Netflix. Other successful formats included *Game of Talents*, the French version of *Farmer Wants A Wife* and *Indian Idol*. On the **Drama & Film** side, Fremantle celebrated successful launches of *The Mosquito Coast* on Apple TV+, the third season of *Shtisel* on Netflix as well as *The Investigation* on HBO and the BBC. Fremantle's film business continues to grow with 14 movies being produced in 2021 and its film *Hand of God*, directed by Paolo Sorrentino and produced by The Apartment for Netflix, has been selected by Italy to represent the country in the 2022 Oscars 'Best International Feature Film' category. Within their **Documentaries** business, Fremantle's documentary *Arctic Drift: A Year In The Ice* was sold to 170 territories worldwide, while the series *Veleno: The Town of Lost Children* launched on Amazon Prime Video.

In September 2021, Fremantle acquired **twelve production labels from Nent Group** – now called This is Nice Group – in Norway, Sweden, Finland and Denmark, operating across non-scripted, scripted and factual.

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. RTL Group's shareholders will benefit from the transaction in line with the stated dividend policy.

In October 2021, RTL Group announced a comprehensive cooperation with the advertising technology company Amobee, in order to strengthen their 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. Yospace's technology solutions will also be leveraged by the TechAlliance offering. The agreement is subject to regulatory approvals and expected to close in the first quarter of 2022.

<sup>10</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 page 9 of RTL Group's Interim Report 2021

## Outlook

RTL Group confirms its outlook that was presented on 6 August 2021. This outlook assumes that the economic recovery from Covid 19 will continue in 2021, as vaccination programmes progress and no new lockdown measures are put in place.

RTL Group expects its **revenue** to increase to approximately €6.5 billion. This includes, among others, the scope effects of the deconsolidation of SpotX (as of 30 April 2021) and Ludia (as of 8 September 2021) and of the full consolidation of Eureka (as of 17 May 2021), Super RTL (as of 1 July 2021) and This is Nice Group (as of 30 September 2021).

RTL Group expects its **Adjusted EBITA** for 2021 to grow to approximately €1,050 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, including cash capital gains.

	2021e	2020
Revenue	~€6.5bn	€6.0bn
Adjusted EBITA	~€1,050m	€853m
Streaming start-up losses	~€150m	€55m
'Adjusted EBITA before streaming start-up losses'	~€1,200m	€908m

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

	2026e new	2025e old	2020
Paying subscribers	10m	5m to 7m	2.19m
Streaming revenue	€1,000m	>€500m	€170m
Content spend per annum	~€600m	~€350m	€117m

Figures presented in this quarterly statement are not audited.

## Downloads

Downloads at <http://www.rtlgroup.com/results-Q3-2021>

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## 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 teams across production and distribution, operating in more than 25 countries, producing over 12,700 hours of original programming and distributing over 30,000 hours of content worldwide. Combining the streaming-services of its broadcasters (such as RTL+, 6play, Salto, Videoland), the digital video company We Are Era, 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.