



RTL

RTL Group
Full-year results 2023

Agenda

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Highlights

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Financials

03



Operations

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Strategy & Outlook

01 Highlights



Highlights

- **High operating profits in H2/2023** despite weak advertising markets and significant streaming start-up losses
- **Dynamic growth in streaming subscribers**
- **Strong audience performance in Germany** with RTL and Vox as no. 1 & no. 2 commercial channels
- Further **significant investments** in Fremantle to reach €3 billion revenue target by 2025/2026
- Planned **sale of RTL Nederland** crystallising significant value for RTL Group's shareholders
- Numerous **alliances & partnerships**
- Proposed **dividend** of €2.75 per share



02 Financials



FY 2023 results in line with outlook

in € million

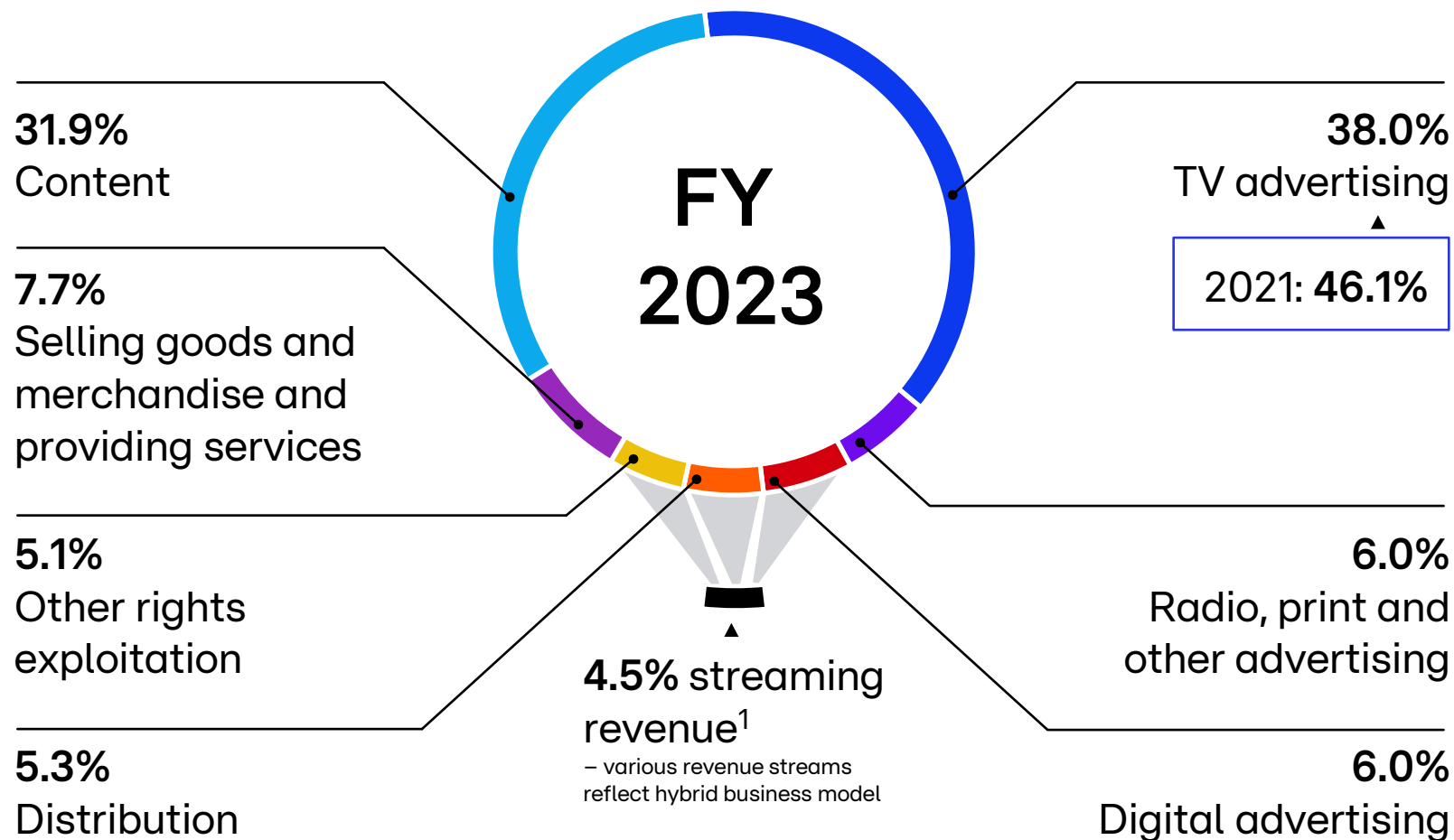
Pro- forma

Key financials	Full year to Dec 2023	Outlook 2023		Full year to Dec 2023
Revenue	6,854	~€6.9bn	✓	6,234
Adjusted EBITA	927	~€900m	✓	782
thereof streaming start-up losses	179	~€200m	✓	176
Streaming KPIs	Full year to Dec 2023			Full year to Dec 2023
Paying subscribers, in million	6.948			5.569
Streaming revenue	401			283
Content spend	341			270

Continuing operations

RTL Group is transforming its revenue streams

RTL Group revenue split



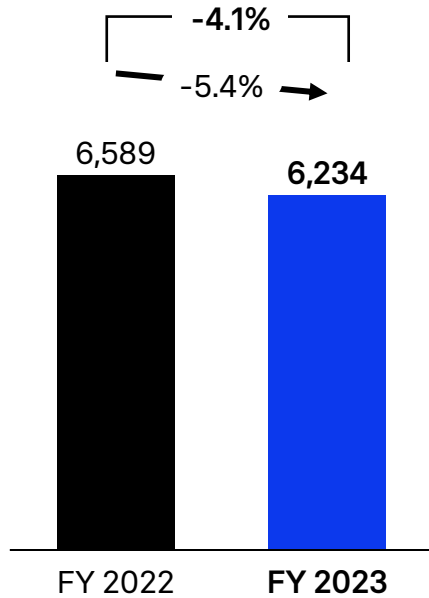
Note: 1. Streaming revenue included in digital advertising, distribution and other rights exploitation (SVOD)

Key financials

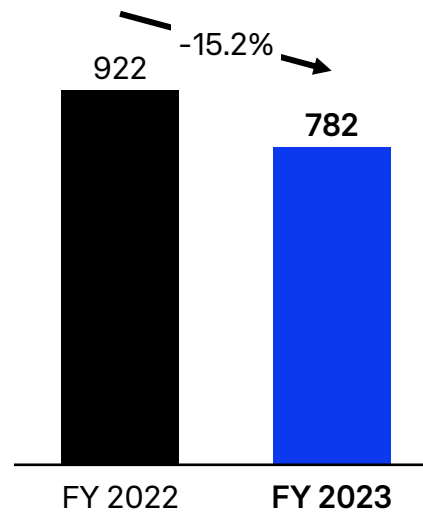
in € million

Organic growth¹

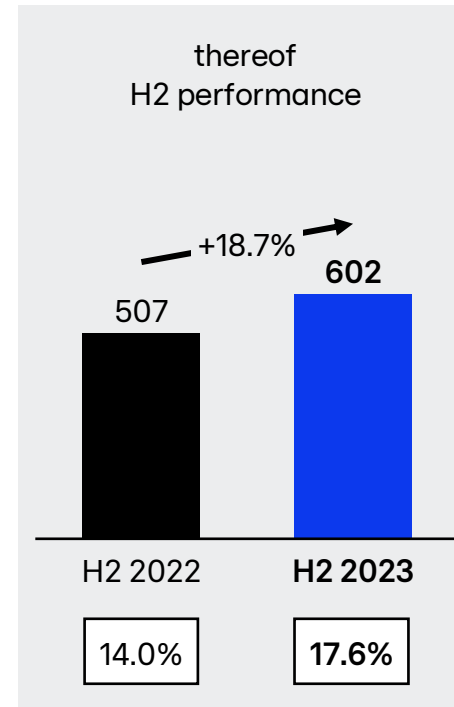
Group revenue



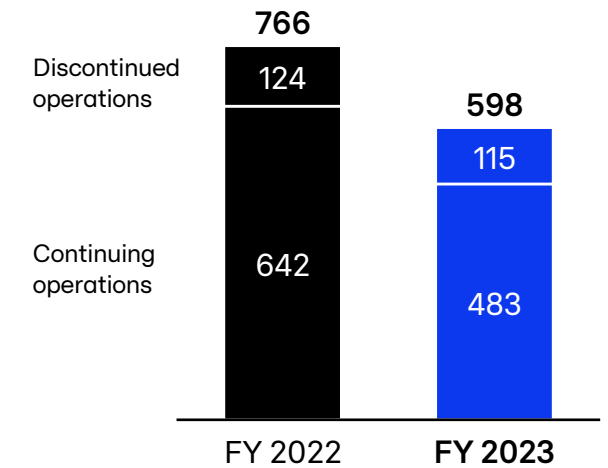
Adjusted EBITA¹



Adjusted EBITA margin¹



Total Group profit



Note: 1. For definition, see slide 28 to 30

Group profit

in € million	Full year to Dec 2023	Full year to Dec 2022
Adjusted EBITA	782	922
Significant special items	(125)	(42)
EBITA	657	880
Impairment of goodwill and amortisation and impairment of fair value adjustments on acquisitions of subsidiaries	(43)	(46)
Impairment and reversals of investments accounted for using the equity method	-	(5)
Impairment and reversals on other financial assets at amortised costs	(2)	(30)
Fair value measurement of investments and re-measurement of earn-out arrangements	(32)	(78)
Gain/(loss) from sale of subsidiaries, other investments and re-measurement to fair value of pre-existing interest in acquiree	40	107
EBIT	620	828
Financial result	(13)	(56)
Income tax expense	(124)	(130)
Group profit from continuing operations	483	642
Group profit from discontinued operations	115	124
Total Group profit	598	766
Total Group profit attributable to RTL Group shareholders	467	673

Cash flow

in € million	2023	2022
Net cash from/(used in) operating activities	537	463
-thereof discontinued operations	77	140
Operating free cash flow	523	565
-thereof discontinued operations	74	136
Income tax paid	(162)	(293)
Acquisitions/ Disposals of subsidiaries, at-equity investments and other financial assets	(18)	295
Transactions with shareholders and their subsidiaries (deposits)	199	544
Term loan facility with shareholders and their subsidiaries	229	(14)
Dividends paid	(696)	(860)
Other changes	(90)	(208)
Net increase/(decrease) in cash and cash equivalents	(15)	29

Proposal in line with dividend policy

in € million	Full year to Dec 2023
Profit for the year attributable to RTL Group shareholders	467
Dividend policy adjustments	26
Adjusted profit for the year attributable to RTL Group shareholders	493
Dividend, in € per share	2.75
Dividend, absolute amount	426
Dividend payout ratio, in %¹	86%

7.2%²
Dividend yield

Notes:

1. Dividend, absolute amount/adjusted profit attributable to RTL Group shareholders, 2. Based on average share price in 2023 (€38.44)

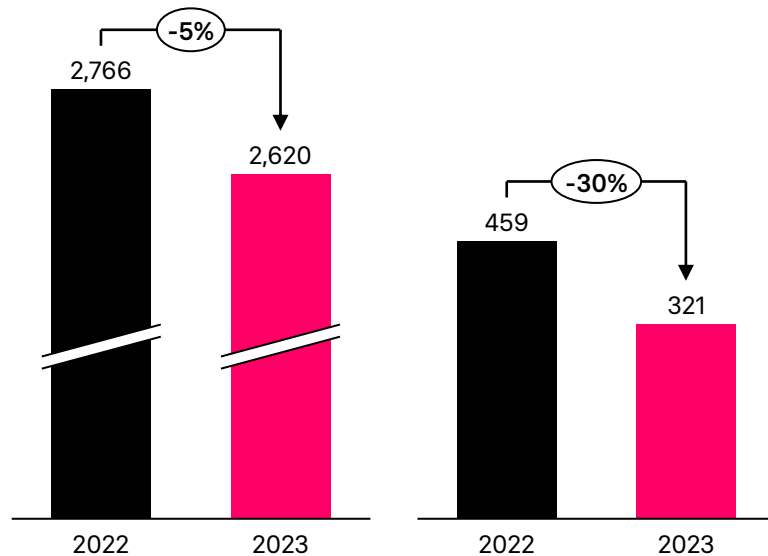
03 Operations



Key financials

in € million

12%
Margin



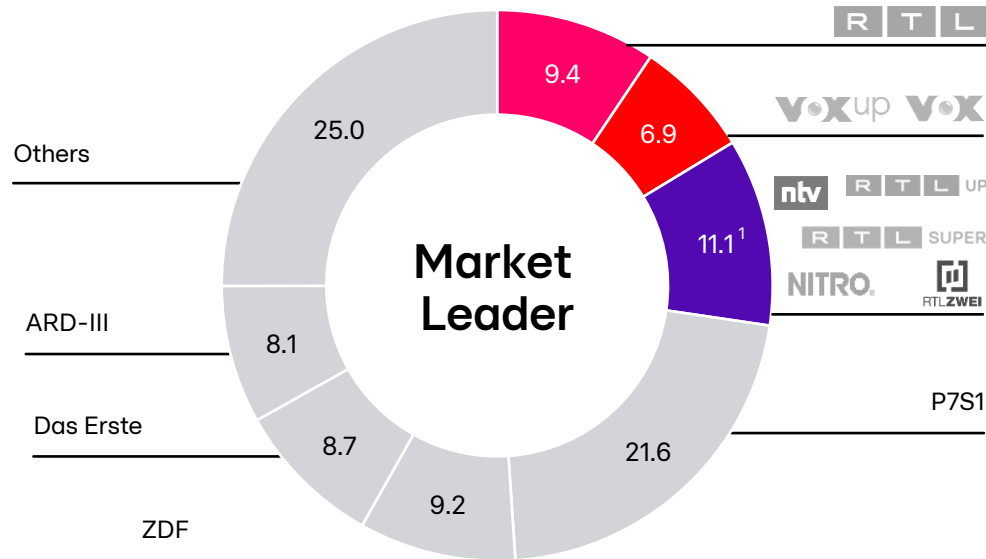
Revenue

Adjusted EBITA

Family of channels

Audience shares, in %
14 to 59, 2023

27.4%



Highlights

RTL+

4.941 million paying subscribers
at 31 Dec 2023: +23% yoy
56 originals in 2023

RTL VOX

RTL and Vox are the no. 1 and no. 2 commercial channels in Germany (14-59)



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



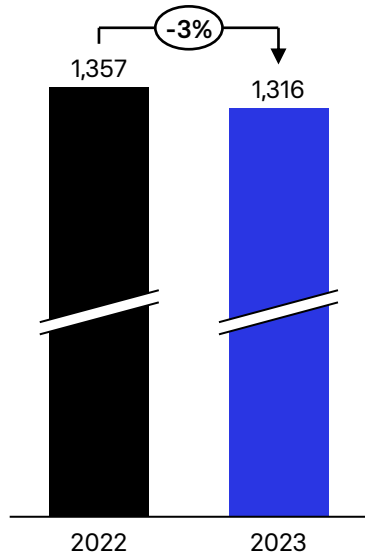
Renewal of exclusive broadcasting and streaming rights for seasons 2024/25 to 2026/27

Note: 1. Including pay-TV channels RTL Crime, RTL Living, RTL Passion and Geo Television

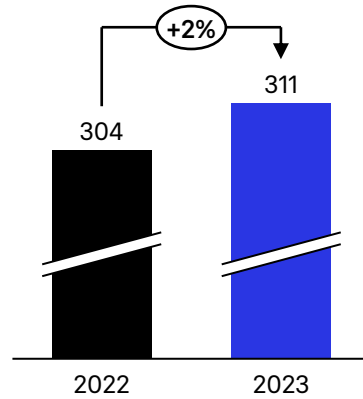
Key financials

in € million

24%
Margin



Revenue

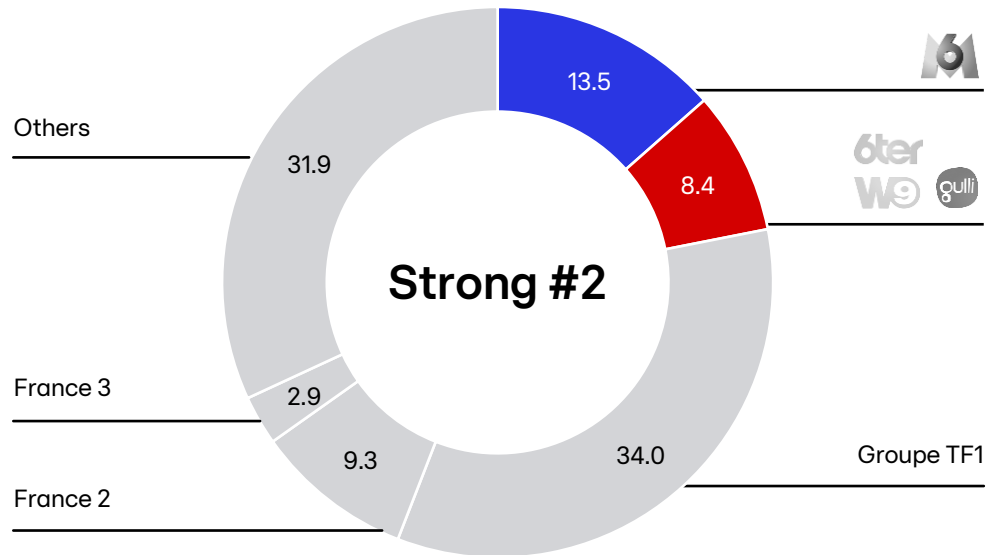


Adjusted EBITA

Family of channels

Audience shares, in %
Women < 50 responsible
for purchases, 2023

21.9%



Strong #2

Highlights



DTT license for main channel M6 renewed for the next 10 years



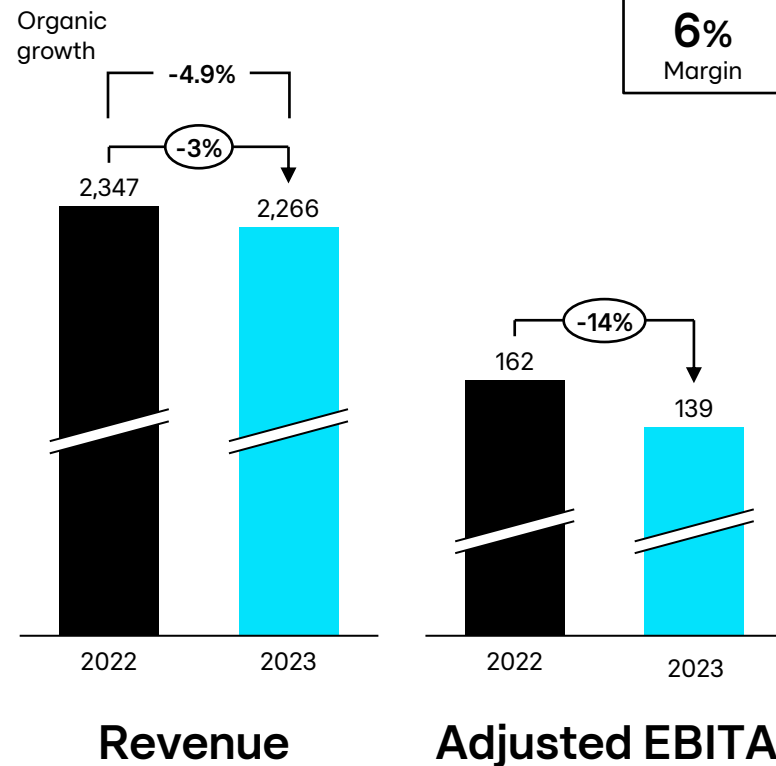
Attractive sports rights to strengthen Groupe M6's TV channels and streaming service 6play



New investment plan for M6+ to boost Groupe M6's streaming business

Key financials

in € million



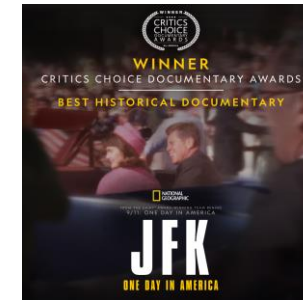
Highlights

Entertainment



Got Talent Spain

Documentaries

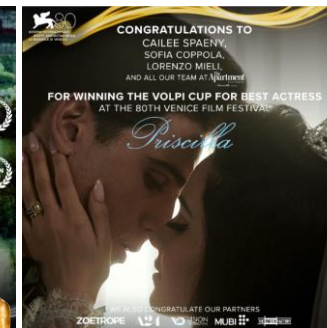


JFK: One Day in America

Drama & Film



Poor Things
4 Oscars



Priscilla



C'è ancora domani

In total,
Fremantle
won
145 awards
in 2023

04 Strategy & Outlook



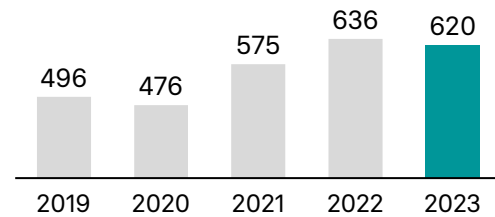
Strategy update – Consolidation

Value creation at RTL Nederland reflected in attractive deal terms

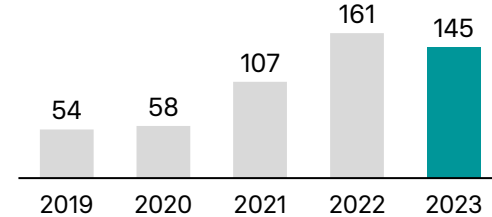
+ strategic partnership with DPG Media¹

5-year development of key figures

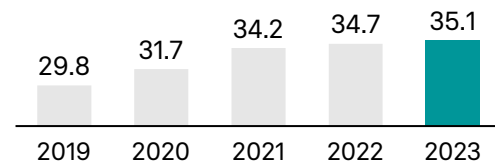
Revenue in € million



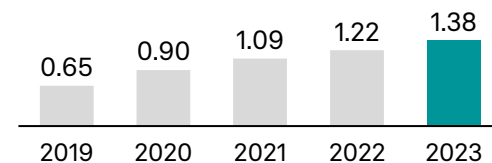
Adjusted EBITA in € million



Audience shares in %, adults 25 to 54, prime time



Paying subs Videoland in million



Deal terms

- **€1.1bn cash** on debt- and cash-free basis
- **Capital gain** of approx. €0.8bn (mostly tax free)
- **Signing** in mid-December 2023, **closing** expected around mid-2024

Technical services (4 years)

Streaming tech (3 years)

International advertising sales (3 years)

First-look rights for content developed by RTL Nederland (3 years)

Explore ad-tech cooperation



Note: 1. Upon closing of the transaction

Strategy framework unchanged

Core

Growth

Alliances & partnerships



Portfolio transformation

Creativity & Entrepreneurship

People

Communications & Marketing

Regulation

Enabler

Strategy update – Core

Highly attractive & successful sports portfolio for RTL Group's broadcasters

RTL Deutschland

- Uefa Euro 2024 sub-licenses from Deutsche Telekom for 12 matches
- Uefa Europa League & Uefa Conference League exclusively until 2027
- Formula 1, 2nd Bundesliga & Premier League via Sky partnership
- NFL from 2023-2028 for up to 80 matches per season



Groupe M6

- Fifa World Cup 2026 & 2030
- Uefa Euro 2024 for 13 matches
- Uefa Champions League for final matches from 2025-2027
- NFL from 2023-2027 for 22 matches per season
- Rugby World Cup 2023 for 18 matches



RTL Hungary

- Uefa Champions League main package from 2024-2027
- Uefa Europa League & Uefa Conference League until 2027 for 200 matches per season



- **Selective investment approach, focused on premium sports rights**
- **Strong performance of sports content on linear TV & streaming**

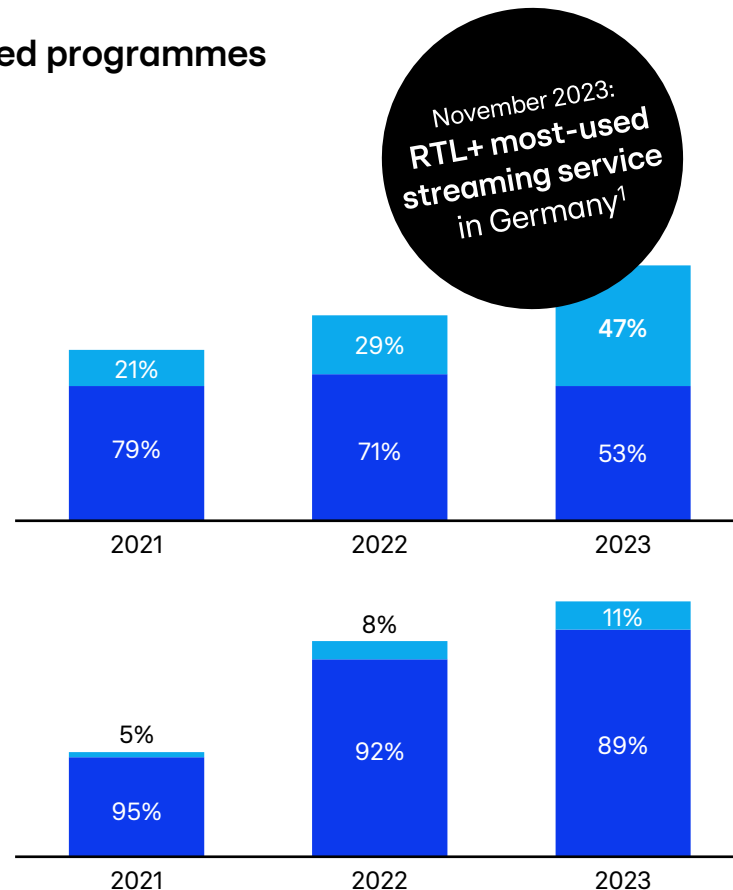
Strategy update – Core

RTL+ and RTL linear viewing go hand in hand...

Total viewing of selected programmes from RTL Deutschland

in % of all hours watched

RTL+ TV



...providing RTL with a unique competitive edge

- 01 Broadcasting and streaming operate under one established brand: **RTL & RTL+**
- 02 Successful broadcasting formats drive streaming inflow and usage
- 03 Joint sourcing and sharing of content improves access to content and positions RTL as content partner of choice
- 04 Massive cross-promotion and RTL advertising reduces marketing spend
- 05 Group synergies (streaming platform, advertising sales) and access to content beyond video (via Bertelsmann)

Strategy update – Growth

New streaming service M6+



M6+ value proposition

Launch

Mid-May 2024 on all screens; new design & brand

Product

Primarily financed by advertising (AVOD), complemented by a premium subscription tier (SVOD); expanded **distribution**; tech platform by **Bedrock**

Content

Linear channels, exclusive **events**, expanded films and series **catalogue**, integration of **podcasts**

Advertising

Higher CPMs through the combination of reach, data/targeting, premium ad experience

Investments

Additional annual costs for content, technology and marketing ramping up to **€100m**

New targets by 2026

Streaming targets for RTL+ in Germany and Hungary and M6+ in France

~9m
paying
subscribers

~€750m
streaming
revenue

~€500m
content
spend p.a.

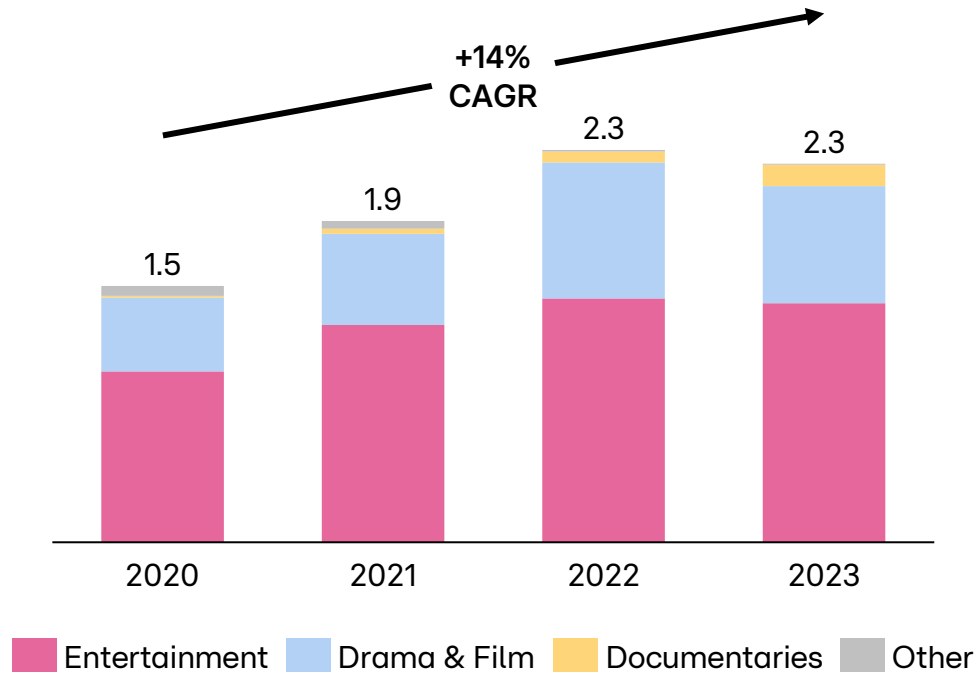
Profitability
Adjusted
EBITA¹

Strategy update – Growth

Expand global content business *Fremantle*

Revenue development

in € billion



Acquisitions

ASACHA

European production group focusing on scripted & non-scripted productions in France, Italy & UK

Selected productions



Death in Paradise
(for BBC One)



Scènes de ménages
(for M6)

BEACH HOUSE PICTURES

Singapore-based production company focusing on non-scripted content for the Asian market

Selected productions



Mind Your Manners
(for Netflix)



MasterChef Singapore

Strategy update – Growth

>100

AI use case applications across RTL Group's value chain, focusing on content, sales and efficiency

Examples →



RTL Deutschland / Fremantle

Unter uns Christmas special: AI-generated content/storyline, virtual backgrounds & narrator voice



Fuel creativity & efficiency along entire content production chain



RTL Deutschland

Pumuckl's New Adventures: Recreation of the voice of Pumuckl's narrator Hans Clarin with the use of AI



Revive legacy IP & unlock efficiency gains in production



Fremantle

America's Got Talent & Britain's Got Talent: AI-generated dubbing & subtitling of social media clips



Make content accessible to a broader audience at limited incremental cost



Groupe M6

Cé6lia by M6 Publicité: AI-powered chatbot designed to answer questions about programming & advertising solutions



Elevate client engagement & customer experience

Strategy update – Alliances & partnerships



Content

Access to sports & fiction content



Rationale & terms

- Deliver greater value to both RTL and Sky viewers; next major step for RTL's all-inclusive entertainment brand promise
- Optimise monetisation and cross promotion of premium sports rights across free-to-air TV, pay TV and streaming
- Efficient production, e.g. RTL to use Sky signal/commentary for certain airings
- Agreement to explore further partnership opportunities

Ad tech

Access to entire ad-tech value chain



Rationale & terms

- Technology partnership will bundle the services of ad-tech companies Smartclip (RTL) and Virtual Minds (ProSiebenSat1)...
- ...enabling advertisers to book advertising campaigns across all inventories – linear and non-linear, including the streaming services RTL+ and Joyn
- Implementation planned for H2/2024

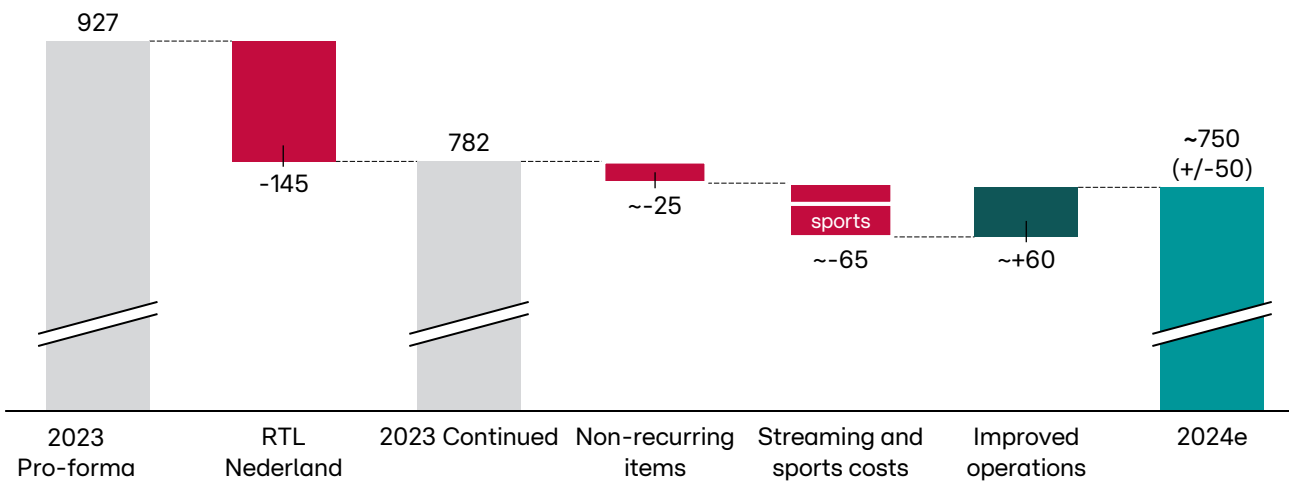
Outlook 2024

in € million

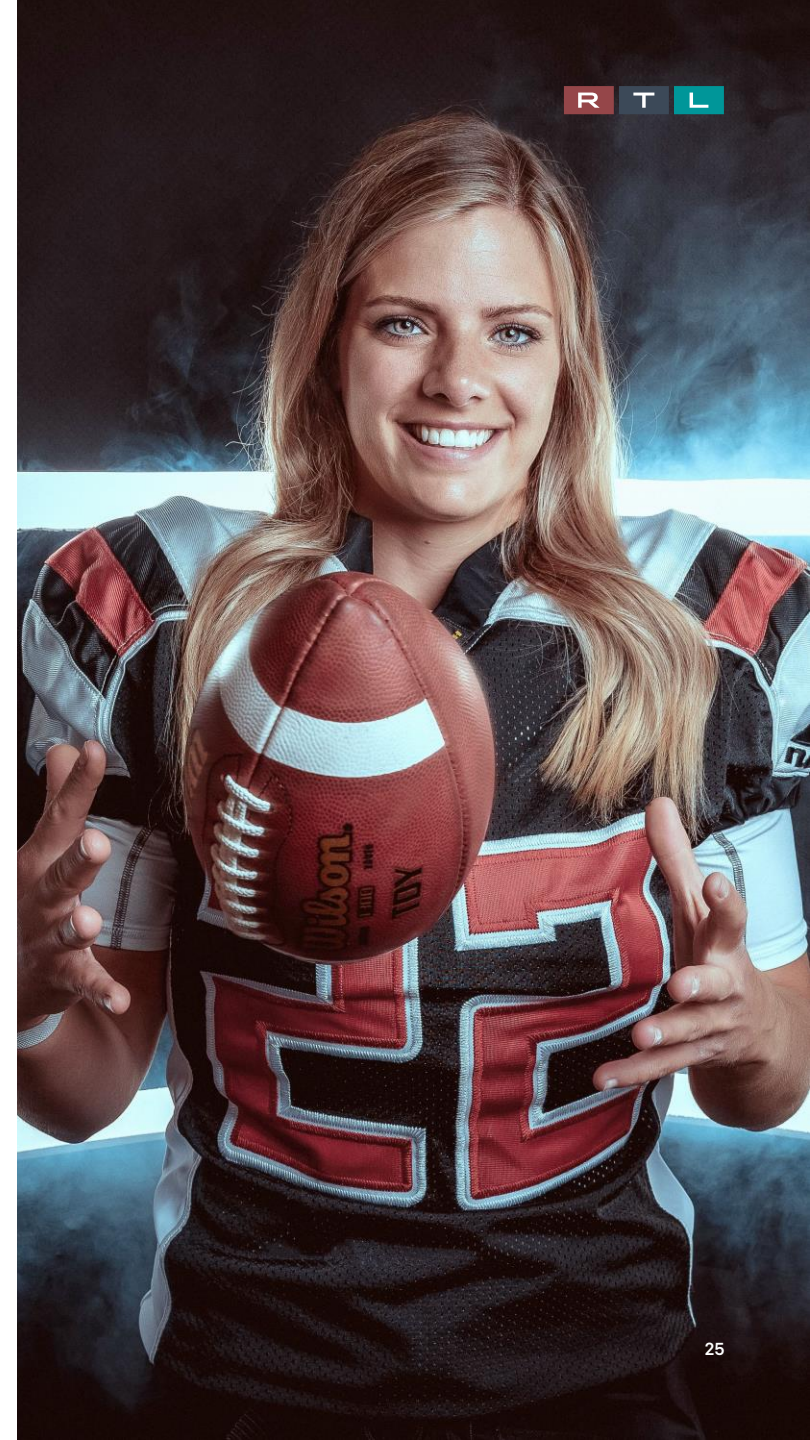
Revenue



Adjusted EBITA



thereof streaming start-up losses





R T L

#RTLresults

Financial calendar 2024

RTL Group Financial Results

14 March 2024

at 08:00 CET

Full-Year Results: January to December 2023

24 April 2024

at 15:00 CET

Annual General Meeting

8 May 2024

at 08:00 CET

Quarterly Statement: January to March 2024

9 August 2024

at 08:00 CET

Interim Results: January to June 2024

13 November 2024

at 08:00 CET

Quarterly Statement: January to September 2024

Dividend payment schedule

24 April 2024: Annual General Meeting

25 April 2024: Ex-dividend date

26 April 2024: Record date

29 April 2024: Payment date

January

1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31

February

1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29

March

1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31

April

1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30

May

1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31

June

1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30

July

1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31

August

1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31

September

1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30

October

1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31

November

1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30

December

1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31

Alternative performance measure

Explanation

Adjusted EBITA

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 (pages 12 to 13) and **Strategy** section (pages 14 to 18) in RTL Group's Full-year results 2023 report, RTL Group plans to increase its investments in business transformation including streaming, premium content, technology and data. At the same time, management continually assess opportunities to reduce costs in the Group's traditional broadcasting activities – for example, reallocating resources from its traditional businesses to its growing digital businesses – and this may lead to restructuring expenses that are neutralised in the 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
- Impairment and reversals on other financial assets at amortised cost presented in 'Other operating expenses' or 'Other operating income'
- 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.

Alternative performance measure

Explanation

Adjusted EBITA before streaming start-up losses

In accordance with RTL Group's strategy, the company continued to invest heavily in its streaming services, RTL+ in Germany and Hungary and 6play in France (to be rebranded M6+ in 2024), all of which have seen a rapid increase in the number of paying subscribers (for further details please refer to **Building national streaming champions** on page 16 of RTL Group's Full-year results 2023 report). The Adjusted EBITA of RTL Group is impacted by effects relating to the growth of its streaming services. These are operational in nature, and are not included in 'Significant special items'. RTL Group believes the disclosure of 'streaming start-up losses' and 'Adjusted EBITA before streaming start-up losses' provides important context for its business performance, hence it discloses information relating to both KPIs in addition to its leading alternative performance measure, 'Adjusted EBITA'. Streaming start-up losses are defined as a total of Adjusted EBITA from RTL+ in Germany and Hungary, 6play in France (from 2023), Salto and Bedrock as consolidated on RTL Group level.

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

Streaming start-up losses are defined as a total of Adjusted EBITA from RTL+ in Germany and Hungary, 6play in France (from 2023), 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.

Definitions

Alternative performance measure

Explanation

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 deposits 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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