



R T L

**RTL Group Interim Report
January to June 2021**

“Strong operating performance and major consolidation moves will create significant value for RTL Group’s shareholders.”

Statement from Thomas Rabe, Chief Executive Officer of RTL Group:



“In the first half of 2021, RTL Group performed strongly. Adjusted EBITA and Group profit were up significantly, driven by the recovery of TV advertising markets and the growth of our content production and streaming businesses. This, combined with active portfolio management, led to a record Group profit of € 929 million. Following RTL Group’s strong performance in the first six months, we have raised our outlook for the full year 2021 and now expect an Adjusted EBITA of around € 1,050 million including streaming start-up losses and € 1,200 million before streaming start-up losses.

Over the past months, we have made significant progress in the execution of our national champions strategy. Major moves in Germany, France, the Netherlands and Belgium will create significant value for RTL Group’s shareholders and put us in a strong position to compete with the global tech platforms.

In addition, we will accelerate the expansion of our content production business, Fremantle – both organically and via M&A – targeting € 3 billion revenue by 2025. Fremantle will continue to focus on scripted, non-scripted and increasingly on factual shows and documentaries. The acquisitions of Abot Hameiri, Eureka and Nent Studios so far this year were first steps.

With all these changes, the time has come to reposition our core RTL brand with a new identity and a clear set of principles. We will strengthen RTL as Europe’s leading entertainment brand that stands for positive entertainment and independent journalism, as well as inspiration, energy and attitude. We will rebrand TV Now to RTL+ in Germany in autumn 2021 and will start the international roll-out in 2022.”



RTL – Europe's leading entertainment brand

RTL Group, together with RTL Deutschland, has developed a new purpose, promise and brand principles to strengthen RTL as Europe's leading entertainment brand which stands for positive entertainment, independent journalism, inspiration, energy and attitude.



This newly developed DNA was translated into a new design with a multicoloured logo that reflects the diversity of RTL's content and people. As part of the transformation, RTL's brand architecture will be harmonised across corporate, product and programme brands. With this, RTL Deutschland will rebrand its streaming service, TV Now, to RTL+.

The roll-out of the new branding starts with RTL Group, followed by RTL Deutschland and, in 2022, with other RTL-branded units.

H1/2021: RTL Group reports strong revenue growth, a record Group profit and more than 3 million paying streaming subscribers – significant progress in building national cross-media champions

- Group revenue up 13.7 per cent to €3.0 billion in H1/2021; Group revenue up 21.5 per cent organically vs H1/2020 and up 2.1 per cent organically vs H1/2019
- Q2/2021: Group revenue up 35.8 per cent to €1,610 million, TV advertising revenue up 65.0 per cent
- H1/2021: Adjusted EBITA up 87 per cent to €483 million; Adjusted EBITA margin up 6.3 percentage points to 16.0 per cent; Adjusted EBITA before streaming start-up losses at 2019 level
- H1/2021: Record Group profit at €929 million, due to strong operating performance and capital gains
- Paying subscribers for RTL Group's streaming services in Germany and the Netherlands up 72 per cent to more than 3 million; streaming revenue up 34 per cent to €107 million
- Major consolidation moves in Germany, France, the Netherlands and Belgium to build national cross-media champions which will create significant value for RTL Group's shareholders
- RTL Group to further boost its global content business, Fremantle, organically and via M&A – targeting full-year revenue of €3 billion by 2025
- Full-year outlook for 2021 raised: Group revenue of around €6.5 billion (previous guidance: €6.2 billion); Adjusted EBITA of around €1,050 million (previous guidance: €975 million) and 'Adjusted EBITA before streaming start-up losses' of around €1,200 million (previous guidance: €1,125 million)

Luxembourg, 6 August 2021 – RTL Group announces its reviewed results for the six months ending 30 June 2021.

H1/2021: Financial key performance indicators up strongly

- **Group revenue** was up 13.7 per cent to €3,014 million (H1/2020: €2,652 million), mainly due to strong growth of TV advertising revenue in the second quarter of 2021, of Fremantle and of the streaming businesses. Group revenue was up 21.5 per cent organically¹ compared to the first half of 2020 and up 2.1 per cent organically compared to the first half of 2019.
- In the first half of 2021, RTL Group's families of channels gained **net TV advertising market shares** in France, the Netherlands, Hungary and Croatia. Groupe M6 and RTL Nederland reported **higher audience shares** while RTL Deutschland's market share decreased slightly.
- **Q2/2021 Group revenue** was up 35.8 per cent to €1,610 million (Q2/2020: €1,186 million), with TV advertising revenue up 65.0 per cent to €726 million (Q2/2020: €440 million), above the Q2/2019 level (€718 million).
- **Streaming revenue**² from TV Now and Videoland was up 33.8 per cent to €107 million (H1/2020: €80 million).
- **Platform revenue**³ was up 3.4 per cent to €213 million (H1/2020: €206 million).
- **Adjusted EBITA** was up 87.2 per cent to €483 million (H1/2020: €258 million). The **Adjusted EBITA margin** was 16.0 per cent, up 6.3 percentage points year on year (H1/2020: 9.7 per cent). Adjusted EBITA before streaming start-up losses was at 2019 level.
- **Group profit** was up strongly to €929 million (H1/2020: €156 million), due to strong operating performance and capital gains.
- **Net cash from operating activities** was at €214 million (H1/2020: €336 million), while the operating cash conversion rate⁴ came in at 82 per cent (H1/2020: 164 per cent).
- On 30 June 2021, RTL Group had **net cash**⁵ of €173 million (31 December 2020: net cash of €236 million).

1 Adjusted for portfolio changes and at constant exchange rates, for 2019 additionally adjusted for the wind down of StyleHaul. Further details can be found in **Key performance indicators** on page 9

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

3 Revenue generated across all distribution platforms (cable, satellite, internet TV) including subscription and re-transmission fees

4 Operating cash conversion rate reflects the level of operating profits converted into cash. Further details can be found in **Key performance indicators** on page 11

5 The net cash/ (debt) excludes current and non-current lease liabilities. Including these, net debt amounts to €-166 million (31 December 2020: €-148 million). See **Key performance indicators** on page 12

Key financial figures (January to June 2021)

	H1/2021 € m	H1/2020 € m	Per cent change
Revenue	3,014	2,652	+13.7
Adjusted EBITA	483	258	+87.2
Adjusted EBITA margin (%)	16.0	9.7	
Adjusted EBITA	483	258	+87.2
Significant special items	(12)	(17)	
Impairment and reversals of investments accounted for using the equity method	–	(65)	
Impairment of goodwill and amortisation and impairment of fair value adjustments on acquisitions of subsidiaries	(7)	(4)	
Re-measurement of earn-out arrangements and gain/(loss) from sale of subsidiaries, other investments and re-measurement to fair value of pre-existing interest in acquiree	766	88	
Fair value measurement of investments	(28)	–	
EBIT	1,202	260	+>100.0
Net financial income/(expense)	5	(19)	
Income tax expense	(278)	(85)	
Group profit	929	156	+>100.0
Attributable to:			
– RTL Group shareholders	863	94	+>100.0
– Non-controlling interests	66	62	
Basic and diluted EPS (in €)	5.58	0.61	+>100.0

Strengthening RTL Group's core – creating national media champions

- RTL Group today announced that **RTL Deutschland** has agreed with Bertelsmann to fully acquire **Gruner + Jahr's (G+J) German publishing assets and brands** for €230 million on a cash-free and debt-free basis⁶ to create Germany's first cross-media champion. G+J will contribute popular and trusted media brands such as *Stern*, *Brigitte*, *Geo*, *Capital*, *Schöner Wohnen*, *Eltern* and *Art* as well as journalistic experience to RTL Deutschland. The transaction is expected to close on 1 January 2022.
- 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.
- In May 2021, Groupe TF1, Groupe M6, Groupe Bouygues and RTL Group announced that they had signed agreements to enter into exclusive negotiations to merge the activities of Groupe TF1 and **Groupe M6** and create a major French media group. The merger project was unanimously approved by the Boards of the four groups concerned. In July 2021, Groupe Bouygues and RTL Group signed agreements relating to the merger following the favourable opinions of the French employee representative bodies. The completion of the transaction remains subject to condition precedents, in particular the authorisations of the competent authorities⁷ and the general meetings of the shareholders of Groupe TF1 and Groupe M6. The transaction is aimed to close by the end of 2022.
- In June 2021, **RTL Group** and Talpa Network announced that they had signed agreements to merge their broadcasting and other media businesses in **the Netherlands**. In the growing competition with global tech platforms, the merger will allow the combined group to step up investments in local content, technology and data, offering Dutch audiences the broadest spectrum of high-quality entertainment and reliable information programmes. The transaction is subject to approval from the competition authorities and the respective works councils and is expected to close in the first half of 2022.
- In June 2021, RTL Group announced that it had signed a definitive agreement for the sale of **RTL Belgium** to the Belgian media companies DPG Media and Groupe Rossel. The transaction – with preliminary total cash proceeds of €250 million – is subject to regulatory approvals and is expected to close in the fourth quarter of 2021.

Boosting growth businesses

- On 30 June 2021, RTL Group registered 3.045 **million paying subscribers** for its streaming services TV Now in Germany and Videoland in the Netherlands, up 72.1 per cent year on year (30 June 2020: 1.769 million).
 - Paying subscribers for **TV Now** increased 118.9 per cent year on year to 2.029 million (30 June 2020: 0.927 million). The strategic partnership with Deutsche Telekom to bundle TV Now Premium within Magenta TV contributed significantly to the growth.
 - Paying subscribers for **Videoland** grew 20.7 per cent year on year to 1.016 million (30 June 2020: 0.842 million).
- In March 2021, **RTL Deutschland** and **Sky Deutschland** announced an agreement for closer collaboration in the areas of streaming and content. **TV Now Premium** has been available for an additional premium on the **Sky Q platform** since June 2021. As part of the agreement, Sky exclusively sub-licenses Formula One free-to-air rights to RTL Deutschland for the seasons 2021 and 2022.
- In June 2021, **RTL Nederland** and **T-Mobile** in the Netherlands announced that Videoland will become part of T-Mobile's new 'Unlimited & Entertainment' proposition. With the new offer, customers gain access to both Videoland Plus and Netflix Standard as well as unlimited 5G data, calling and SMS in the T-Mobile network in the Netherlands with an attractive price advantage.
- In July 2021, **Groupe M6** announced it would strengthen its advertising-funded streaming service **6play**, offering more original content, several international films and formats, and spin-offs from linear reality shows from Groupe M6. The streaming service will also include themed channels as well as live sports on the new channel Le Live by 6play.

⁶ 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

⁷ The antitrust authorities (Autorité de la Concurrence) and media regulator (Conseil Supérieur de l'Audiovisuel)

- **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 will significantly invest in Fremantle – both organically and via acquisitions – in all territories across scripted, non-scripted as well as factual shows and documentaries. In 2021, Fremantle already announced three acquisitions and step-ups:
 - In April 2021, Fremantle increased 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 May 2021, Fremantle also stepped up its shareholding in **Eureka** from 25 per cent to 51 per cent. Eureka is a production company for entertainment content in the US and Australia and creates original shows such as *Holey Moley* for ABC, *Dating Around* for Netflix and *Pick, Flip & Drive* for Facebook.
- In July 2021, Fremantle announced it would acquire **twelve production labels of Nent Studios** in Norway, Sweden, Finland and Denmark that operate across non-scripted, scripted and factual. Content created by some of the labels includes formats that travel the world, such as *The Farm*, which has aired in 50 territories. The transaction is expected to close in the fourth quarter of 2021, subject to competition authority approvals.
- As part of **Fremantle's** growth plan, a **new global factual division** was established in May 2021 to significantly grow the company's high-end documentary business. Fremantle has already announced the production of a number of premium documentaries including *Kingdom of Dreams*, a story set in the world of fashion, produced in collaboration with the production company Misfits Entertainment for Sky. Fremantle also has several high-end documentary acquisitions on its 2021 slate, including the water-scarcity documentary *Day Zero*. In Germany, UFA announced the launch of **UFA Documentary**, its new production unit, in April 2021. Recent documentaries include *Expedition Arktis*, *Der Große Fake – Die Wirecard-Story*, *Hannelore Kohl – Die erste Frau* and *Angela Merkel – Frau Bundeskanzlerin*.

Outlook

RTL Group has raised its outlook for 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 (previous guidance: €6.2 billion). This includes, among others, the scope effects of the deconsolidation of BroadbandTV (as of 28 October 2020) and SpotX (as of 30 April 2021) and of the full consolidation of Eureka (as of 17 May 2021) and Super RTL (as of 1 July 2021).
- RTL Group expects its **Adjusted EBITA** for 2021 to grow to approximately €1,050 million (previous guidance: €975 million). This includes streaming start-up losses of approximately €150 million (unchanged guidance).
- 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 new	2021e old	2020
Revenue	~ €6.5 bn	~ €6.2 bn	€6.0 bn
Adjusted EBITA	~ €1,050 m	~ €975 m	€853 m
Streaming start-up losses	~ €150 m	~ €150 m	€55 m
'Adjusted EBITA before streaming start-up losses'	~ €1,200 m	~ €1,125 m	€908 m

Corporate profile

With interests in 67 television channels, ten streaming platforms and 38 radio stations, a global business for content production and distribution, and digital video networks, RTL Group entertains, informs and engages audiences around the world.

The Luxembourg-based company owns stakes in TV channels and radio stations in Germany, France, Belgium, the Netherlands, Luxembourg, Spain, Hungary and Croatia. With Fremantle, it is one of the world's leading producers of TV content: from talent and game shows to drama, daily soaps and telenovelas, including *Idols*, *Got Talent*, *Family Feud*, *American Gods* and *Charité*. Combining the streaming services of its broadcasters (such as TV Now/RTL+, 6play, Salto and 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, and the streaming-tech company Bedrock. RTL AdConnect is RTL Group's international advertising sales house.

The roots of the company date back to 1924, when Radio Luxembourg first went on air. Compagnie Luxembourgeoise de Radiodiffusion (CLR) was founded in 1931. As a European pioneer, the company broadcast a unique programme in several languages using the same wavelength.

RTL Group itself was created in spring 2000, following the merger of Luxembourg-based CLT-UFA and the British content production company Pearson TV, owned by Pearson PLC. CLT-UFA was created in 1997 when the shareholders of UFA (Bertelsmann) and the historic Compagnie Luxembourgeoise de Télédiffusion – CLT (Audiofina) merged their TV, radio and production businesses.

Bertelsmann has been the majority shareholder of RTL Group since July 2001. RTL Group's shares (ISIN: LU0061462528) are publicly traded on the regulated market (Prime Standard) of the Frankfurt and Luxembourg Stock Exchanges. From September 2013 to September 2020, RTL Group was listed in the MDAX stock index. Currently, RTL Group is listed in the SDAX stock index. RTL Group publishes its consolidated accounts in accordance with IFRS as adopted by the European Union.

For more information, see pages 38 to 39 of RTL Group's Annual Report 2020.

Strategy

RTL Group's strategy is built on three priorities:

1. Strengthening the Group's **core** businesses.
2. Expanding RTL Group's **growth** businesses, in particular in the areas of streaming, content production and technology.
3. Fostering **alliances and partnerships** in the European media industry.

RTL Group does not consider its corporate strategy to have changed in a material way since the publication of the Annual Report 2020.

RTL Group's strategy is outlined in more detail in RTL Group's Annual Report 2020. For more information, please see pages 46 to 50.

Key performance indicators (KPIs)

RTL Group analyses key performance indicators (KPIs) to manage its businesses, including revenue, organic growth/decline, Adjusted EBITA, Adjusted EBITA margin, net debt, operating cash conversion rate and audience shares in main target groups. RTL Group's key performance indicators are mostly determined on the basis of so-called alternative performance measures, which are not defined by IFRS. Management believes they are relevant for measuring the performance of the Group's operations, financial position

and cash flows, and for making decisions. These KPIs also provide additional information for users of the financial statements regarding the management of the Group on a consistent basis over time and regularity of reporting. These should not be considered in isolation but as complementary information for evaluating the Group's business situation. RTL Group's KPIs may not be comparable to similarly titled measures reported by other groups due to differences in the way these measures are calculated.

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.

Adjusted EBITA

EBIT, Adjusted EBITA and EBITDA are indicators of operating profitability. The key performance indicator for the operating profitability of RTL Group and its business units is Adjusted EBITA. Analysts also continue to also use EBITDA as a KPI for the Group's profitability. As a result, for these purposes the calculation of EBITDA for the Group is also disclosed.

RTL Group comments primarily on Adjusted EBITA as the KPI for measuring profitability.

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 (RTL Group Annual Report 2020, pages 44 to 45) and **Strategy** section (RTL Group Annual Report 2020, pages 46 to 50), RTL Group plans to increase its investments in business transformation including streaming, premium content, technology and data. At the same time, management is continually assessing

opportunities to reduce costs in its traditional broadcasting activities, i.e. to reallocate resources from its traditional businesses to its growing digital businesses, which 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
- 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.

Significant special items exceed 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. In the first half year of 2021, the total of special items amounts to €12 million and reflects the impact of restructuring expenses at RTL Deutschland (€12 million), reversal of negative effects from onerous advertising sales contracts (€-6 million) and the impact of expenses in connection with strategic portfolio management (€6 million).

	H1/2021 € m	H1/2020 ⁸ € m
Earnings before interest and taxes (EBIT)	1,202	260
Impairment of goodwill of subsidiaries	-	-
Amortisation and impairment of fair value adjustments on acquisitions of subsidiaries	7	4
Impairment and reversals of investments accounted for using the equity method	-	65
Re-measurement of earn-out arrangements	-	-
Fair value measurement of investments	28	-
Gain/(loss) from sale of subsidiaries, other investments and re-measurement to fair value of pre-existing interest in acquiree	(766)	(88)
EBITA	471	241
Significant special items	12	17
Adjusted EBITA	483	258

Adjusted EBITA margin

The Adjusted EBITA margin as a percentage of Adjusted EBITA of revenue is used as an additional criterion for assessing business performance.

EBITDA

EBITDA represents earnings before interest and taxes (EBIT) excluding some elements of the income statement:

- Impairment of goodwill and amortisation and impairment of fair value adjustments on acquisitions of subsidiaries
- Amortisation and impairment of non-current programme and other rights, of other intangible assets, depreciation and impairment of property, plant and equipment, (with the exception to the part concerning goodwill and fair value adjustments) and of right-of-use assets reported in 'Depreciation, amortisation, impairment and valuation allowance'

- Impairment and reversals of investments accounted for using the equity method
- Re-measurement of earn-out arrangements reported 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.

	H1/2021 € m	H1/2020 ⁸ € m
Earnings before interest and taxes (EBIT)	1,202	260
Impairment of goodwill and amortisation and impairment of fair value adjustments on acquisitions of subsidiaries	7	4
Depreciation, amortisation and impairment	100	106
Impairment and reversals of investments accounted for using the equity method	-	65
Re-measurement of earn-out arrangements	-	-
Fair value measurement of investments	28	-
Gain/(loss) from sale of subsidiaries, other investments and re-measurement to fair value of pre-existing interest in acquiree	(766)	(88)
EBITDA	571	347

⁸ The figures from the previous half-year have been adjusted (see note 1.30. in RTL Group's Annual Report 2020)

Operating cash conversion rate

The operating cash conversion rate (OCC) reflects the level of operating profits converted into cash available for investors after incorporation of the minimum investments required to sustain the current profitability of the business, and before reimbursement of funded debts (interest included) and payment of income taxes. The operating cash conversion rate of RTL Group's operations is subject to seasonality and investment cycles. RTL Group historically had – and expects in the future to have – a strong OCC due to a high focus on working capital and capital expenditure throughout the operations. OCC should be above 90 per cent in the long-term average and/or should normally exceed market benchmarks in a given year.

OCC means operating free cash flow divided by EBITA, operating free cash flow being net cash from operating activities adjusted by the following elements:

- 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
- Transaction-related costs with regard to significant disposals of subsidiaries.

	H1/2021 €m	H1/2020 €m
Net cash from operating activities	214	336
Adjusted by:		
Income tax paid	238	159
Transaction-related costs	31	–
Acquisitions of:		
– Programme and other rights	(41)	(39)
– Other intangible and tangible assets	(56)	(62)
Proceeds from the sale of intangible and tangible assets	–	1
Operating free cash flow	386	395
EBITA	471	241
Operating cash conversion rate	82%	164%

Net cash/(debt)

The net cash/(debt) is the gross balance sheet financial debt adjusted for:

- Cash and cash equivalents
- Cash pooling accounts receivable with investments accounted for using the equity method and not consolidated investments presented in 'Accounts receivable and other financial assets'
- Current deposit with shareholder and its subsidiaries reported in 'Accounts receivable and other financial assets'.

	30 June 2021 €m	31 December 2020 €m
Current loans and bank overdrafts	(83)	(124)
Non-current loans	(640)	(641)
	(723)	(765)
Deduction of:		
– Cash and cash equivalents	335	436
– Cash pooling accounts receivable with investments accounted for using the equity method and not consolidated investments	5	2
– Current deposits with shareholder and its subsidiaries	556	563
Net cash/(debt)	173	236

The net debt excludes current and non-current lease liabilities of €339 million (€384 million at 31 December 2020).

RVA

In 2020, RTL Group applied a performance indicator for assessing the profitability from operations and return on invested capital, RTL Group Value Added (RVA). From 2021, RTL Group management has decided to discontinue the application of this KPI.

Financial review

Revenue

Based on RTL Group's estimates, the net TV advertising market increased significantly in the first half of 2021 in all markets where the Group is active driven by the second quarter of 2021, recovering from the impact of the Covid 19 pandemic.

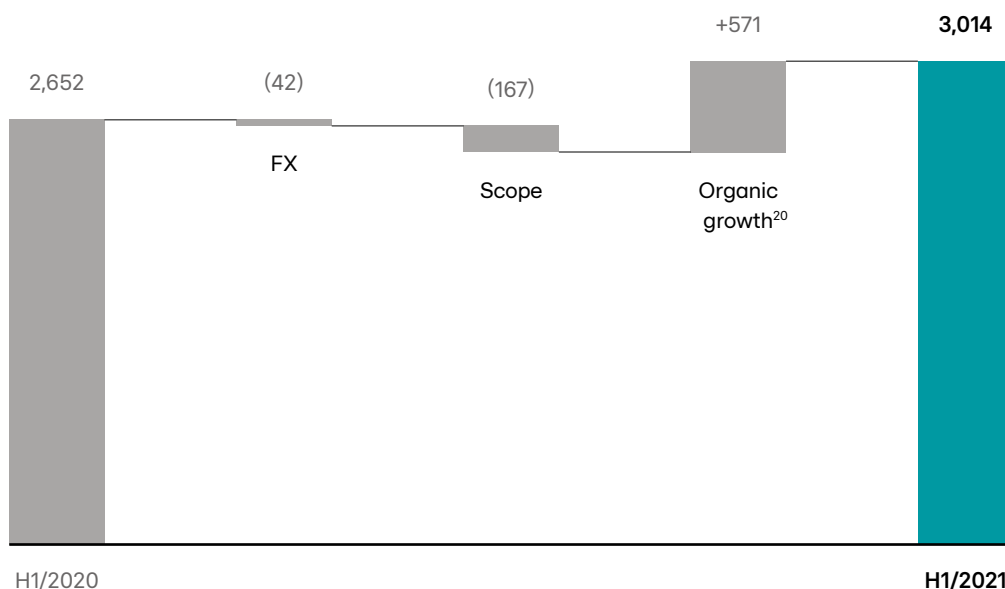
A summary of RTL Group's key markets is shown below, including estimates of net TV advertising market growth rates and the Group's audience shares in the main target group.

	H1/2021 Net TV advertising market growth rate (in per cent)	H1/2021 RTL Group audience share in main target group (in per cent)	H1/2020 RTL Group audience share in main target group (in per cent)
Germany	8.5 to 9.0 ⁹	26.5 ¹⁰	28.0 ¹⁰
France	33.0 ¹¹	23.1 ¹²	22.5 ¹²
The Netherlands	34.9 ⁹	33.1 ¹³	30.8 ¹³
Belgium	31.6 ⁹	33.9 ¹⁴	35.9 ¹⁴
Hungary	26.7 ⁹	24.4 ¹⁵	26.1 ¹⁵
Croatia	39.7 ⁹	23.7 ¹⁶	28.9 ¹⁶
Spain	22.9 ¹⁷	28.0 ¹⁸	27.5 ¹⁸

Group revenue was up 13.7 per cent to €3,014 million (H1/2020: €2,652 million), mainly due to strong growth of TV advertising in the second quarter of 2021, of Fremantle and of streaming. Group revenue was up 21.5 per cent organically¹⁹ compared to the first half of 2020 and up 2.1 per cent organically compared to the first half of 2019.

Foreign exchange rate had a negative effect of €42 million on Group revenue in the first half of 2021.

RTL Group revenue bridge in the first half of 2021 (in € million)



9 Source: Industry and RTL Group estimates
 10 Source: GFK. Target group: 14 to 59, including pay-TV channels
 11 Source: Groupe M6 estimate
 12 Source: Médiamétrie. Target group: women under 50 responsible for purchases (free-to-air channels: M6, W9, 6ter and Gulli)
 13 Source: SKO. Target group: 25 to 54, 18 – 24h
 14 Source: Audimétrie. Target group: shoppers 18 to 54, 17 – 23h
 15 Source: AGB Hungary. Target group: 18 to 49, prime time (including cable channels and for 2020 also guest viewers)
 16 Source: AGB Nielsen Media Research. Target group: 18 to 49, prime time
 17 Source: Infoadex
 18 Source: TNS Sofres. Target group: 25 to 59
 19 Adjusted for portfolio changes and at constant exchange rates
 20 Adjusted for portfolio changes and at constant exchange rates. Further details can be found in Key performance indicators on page 9

Streaming revenue – which includes SVOD, TVOD and in-stream revenue from TV Now and Videoland/RTL XL – was up 33.8 per cent to €107 million (H1/2020: €80 million), thanks to the growth in paying subscribers for the services.

RTL Group's **advertising revenue** was €1,634 million (H1/2020: €1,361 million), of which €1,312 million represented TV advertising revenue (H1/2020: €1,087 million), €156 million represented digital advertising revenue (H1/2020: €139 million) and €99 million represented radio advertising revenue (H1/2020: €89 million).

RTL Group's **digital revenue** was up by 12.6 per cent to €537 million (H1/2020: €477 million). The effect of the disposals of BroadbandTV in 2020 and SpotX in 2021 was compensated by Fremantle (mainly the launch of the third season of *American Gods* on Amazon Prime Video and *The Mosquito Coast* on Apple TV+) and higher streaming revenue.

Digital revenue is spread over the different categories of revenue, i.e. digital advertising sales, revenue from distribution and licensing content, and consumer and professional services. In contrast to some competitors, RTL Group recognises only pure digital businesses as digital revenue and does not consider e-commerce, home shopping and platform revenue as digital revenue. Revenue from e-commerce and home shopping is included in 'revenue from selling goods and merchandise and providing services'.

RTL Group's **platform revenue**²¹ was up 3.4 per cent to €213 million (H1/2020: €206 million).

RTL Group's revenue is well diversified, with 43.5 per cent from TV advertising, 19.7 per cent from content, 17.8 per cent from digital activities, 7.1 per cent from platform revenue, 3.3 per cent from radio advertising, and 8.6 per cent from other revenue.

Adjusted EBITA

Adjusted EBITA was up to €483 million (H1/2020: €258 million). The **Adjusted EBITA margin** came in at 16.0 per cent, up 6.3 points year on year (H1/2020: 9.7 per cent).

For more detailed information and reconciliation of these measures see **Key performance indicators** on page 9 to 10.

Financial development over time

	H1/2021 €m	H1/2020 €m	H1/2019 €m	H1/2018 €m	H1/2017 €m
Revenue	3,014	2,652	3,173	3,046	2,978
Adjusted EBITA	483	258	538	-	-

Investments accounted for using the equity method

The total share of results of these investments was €14 million (H1/2020: €13 million).

No impairment and reversals of investments accounted for using the equity method were recognised in the first half of 2021 (H1/2020: impairment of €65 million).

Gain from sale of subsidiaries, other investments and re-measurement to fair value of pre-existing interest in acquiree

In the first half of 2021, RTL Group recorded a gain of €766 million (H1/2020: €88 million), due to capital gains of €745 million from the disposal of SpotX.

Interest expense

Net interest expense amounted to €9 million (H1/2020: €16 million) for the six months ending 30 June 2021.

Income tax expense

In the first half of 2021, the tax expense was €278 million (H1/2020: €85 million).

Profit attributable to RTL Group shareholders

The Group profit attributable to RTL Group shareholders was up strongly to €863 million (H1/2020: €94 million), mainly driven by the disposal of SpotX and significantly higher Adjusted EBITA.

Earnings per share

Basic and diluted earnings per share, based upon 154,742,806 shares, was €5.58 (H1/2020: €0.61 per share based upon 153,574,105 shares).

²¹ Revenue generated across all distribution platforms (cable, satellite, internet TV) including subscription and re-transmission fees

Main portfolio changes

In April 2021, RTL Group sold its interests in SpotX to the US ad-tech company, Magnite. Since the announcement of the transaction on 5 February 2021, RTL Group exercised an option to increase the cash component of the transaction and received €585 million in cash and 12.37 million shares of Magnite stock.

In May 2021, Fremantle acquired a 26 per cent shareholding in Eureka through direct acquisition of shares and thus increased its total interest to 51 per cent. As a result of obtaining control, the investment previously accounted for using the equity method is fully consolidated from the date of acquisition.

Related-party transactions

See **Related-party transactions** in the Condensed consolidated interim financial statements 2021 on page 41 to 42.

Subsequent events

See **Subsequent events** in the Condensed consolidated interim financial statements 2021 on page 43.

Review by segments

Half year to June 2021 (H1/2021)

Revenue	H1/2021 € m	H1/2020 € m	Per cent change
RTL Deutschland	1,022	904	+13.1
Groupe M6	645	557	+15.8
Fremantle	909	707	+28.6
RTL Nederland	253	207	+22.2
Other segments	302	392	(23.0)
Eliminations	(117)	(115)	
Total revenue	3,014	2,652	+13.7

Adjusted EBITA	H1/2021 € m	H1/2020 € m	Per cent change
RTL Deutschland	201	174	+15.5
Groupe M6	151	85	+77.6
Fremantle	61	23	+>100.0
RTL Nederland	54	2	+>100.0
Other segments	16	(26)	(>100.0)
Adjusted EBITA	483	258	+87.2

Adjusted EBITA margin	H1/2021 per cent	H1/2020 per cent	Percentage point change
RTL Deutschland	19.7	19.2	+0.5
Groupe M6	23.4	15.3	+8.1
Fremantle	6.7	3.3	+3.4
RTL Nederland	21.3	1.0	+20.3
RTL Group	16.0	9.7	+6.3

RTL Deutschland

Financial results

In the reporting period, the German net TV advertising market was estimated to be up between 8.5 and 9.0 per cent year on year. Total revenue of RTL Deutschland was up 13.1 per cent to €1,022 million (H1/2020: €904 million), driven by significantly higher TV advertising revenue in the second quarter and growing streaming revenue. Accordingly, Adjusted EBITA was up to €201 million (H1/2020: €174 million).

Audience ratings

RTL Deutschland's combined average audience share in the target group of viewers aged 14 to 59 was 26.5 per cent in the first six months of 2021 (H1/2020: 28.0 per cent). The lead over its main commercial competitor, ProSiebenSat.1, remained stable at 4.0 percentage points (H1/2020: lead of 4.0 percentage points). With its portfolio of eight free-TV and four pay-TV channels and the streaming service TV Now, RTL Deutschland reached 30 million viewers every day in the first half of 2021 (H1/2020: 31 million viewers)²³.

RTL Television remained the viewers' number one choice in Germany, with an audience share of 9.4 per cent in the target group of viewers aged 14 to 59 (H1/2020: 10.7 per cent). Successful formats included live shows such as *Let's Dance*, *Ich bin ein Star – Holt mich hier raus!* (I'm a Celebrity, Get Me Out of Here!), matches of the German national football team and the evening news show, *RTL Aktuell*, which scored an average audience share of 18.5 per cent in the target group of viewers aged 14 to 59 (H1/2020: 18.4 per cent).

With 2,029 million paying subscribers, the streaming service **TV Now** has more than doubled its paying subscribers compared to the same period in 2020 (30 June 2020: 0.927 million). The number of originals that were available on TV Now more than doubled to 24 originals compared to the same period last year (H1/2020: 10 originals). The viewing time increased by 50.5 per cent. This positive development was mainly driven by the wide range of programmes available, including the original TV Now reality shows *Princess Charming*, the second season of *Are you the One?* and true crime shows such as *Die Obduktion – Echte Fälle mit Tsokos und Liefers*, and *Der große Fake – die Wirecard-Story*.

In three of the first six months of 2021, **Vox** was among the top three commercial channels in the target group of viewers aged 14 to 49 in Germany. Vox achieved an average audience share of 6.1 per cent in the target group of viewers aged 14 to 59 (H1/2020: 6.2 per cent). Successful formats included *Die Höhle der Löwen* (Dragons' Den), *Grill den Henssler* and *Sing meinen Song*.

During the first six months of 2021, **Nitro** recorded an average audience share of 2.1 per cent (H1/2020: 2.1 per cent) in the target group of viewers aged 14 to 59. The soccer games of the Uefa Europa League and motorsport highlights *ADAC GT Masters* were particularly popular.

The news channel **NTV** attracted 1.3 per cent of viewers aged 14 to 59 in the first half of 2021 (H1/2020: 1.3 per cent).

RTL Plus recorded an audience share of 1.7 per cent in the first half of 2021 in the target group of viewers aged 14 to 59 (H1/2020: 1.7 per cent). The channel scored its record in June 2021 with an average audience share of 2.0 per cent in the target group.

With an average daytime audience share of 20.8 per cent in its target group of children aged 3 to 13 between 6:00 and 20:15 (H1/2020: 21.1 per cent), **Super RTL** continued to be the most popular children's channel in Germany.

During the first half of 2021, **RTL Zwei** attracted 3.8 per cent of viewers aged 14 to 59 (H1/2020: 3.9 per cent).

²³ Source: TV: own calculations based on AGF/GFK figures and rights, AGF in cooperation with GFK, KFA (0/1 – method), usage filter viewer, finally evaluated

Groupe M6

Financial results

The French net TV advertising market was estimated to be up 33.0 per cent compared to the first half of 2020. Groupe M6's total revenue was up to €645 million (H1/2020: €557 million), mainly due to higher advertising revenue. Accordingly, Adjusted EBITA in the first half of 2021 was up significantly, to €151 million (H1/2020: €85 million).

Audience ratings

The audience share of the **Groupe M6** family of free-to-air channels in the commercial target of women under 50 responsible for purchases was up, to 23.1 per cent, (H1/2020: 22.5 per cent). The total audience share also increased to 14.7 per cent (H1/2020: 14.5 per cent).

The main channel, **M6**, reached an audience share of 15.1 per cent among women under 50 responsible for purchases (H1/2020: 14.1 per cent). M6 remained the second most-watched channel in France in this target group thanks to successful shows such as *Top Chef* with its best season since its first broadcast (in the commercial target group), the drama series *Chernobyl* and the broadcast of the Uefa Euro 2020. The first match of the French national team against the German national team recorded an historic audience share of 63.0 per cent of the commercial target group.

The advertising-financed streaming service, **6play**, continued to grow significantly by 16.3 per cent to 20.0 million active users in the first half of 2021 (H1/2020: 17.2 million active users). The streaming service generated 645 million video views across all screens in the first half of 2021 (H1/2020: 715 million) with 280 million hours streamed (H1/2020: 280 million hours).

W9 reached an average audience share of 3.9 per cent in the target group of women under 50 responsible for purchases (H1/2020: 3.9 per cent). **6ter** recorded an average audience share of 2.5 per cent (H1/2020: 2.8 per cent). **Gulli** reached an average audience share of 1.6 per cent in the same target group (H1/2020: 1.7 per cent).

During the first six months of 2021, **Groupe M6's radio family** (RTL, RTL 2, Fun Radio) recorded an average audience share of 18.1 per cent (H1/2020: 19.2 per cent)²⁴. The French RTL radio family was the number-one commercial radio group, 4.5 percentage points ahead of the next commercial radio group.

The average audience share of the flagship station **RTL Radio** was 12.3 per cent (H1/2020: 13.4 per cent), 6.0 percentage points ahead of the next commercial competitor (H1/2020: 7.4 percentage points).

²⁴ From 16 March 2020 to 10 May 2020 the radio audience measurement was stopped, therefore this period is not included in these figures

Fremantle

Financial results

Revenue at RTL Group's content business, Fremantle, was up by 28.6 per cent to €909 million in the first half of 2021 (H1/2020: €707 million), with the delivery of the high-end drama series *American Gods* (season three) and *The Mosquito Coast*. Fremantle's revenue in the first half of 2021 was negatively affected by exchange rate effects. The business unit's revenue grew 30.8 per cent organically²⁵. Accordingly, Fremantle's Adjusted EBITA more than doubled, to €61 million (H1/2020: €23 million).

Scripted

The Mosquito Coast, produced by Fremantle North America, launched on Apple TV+ on 30 April 2021. The critically acclaimed drama was recommissioned for a second season just before the first season's finale.

In the Nordics, *Exit* finished its second season, scoring record viewing figures of over two million per episode in Norway – a country of just 5.4 million inhabitants. Holding the record for NKR's most streamed drama ever, *Exit* has now sold to 109 territories.

The Investigation launched internationally in January 2021 on HBO and in February 2021 in the UK on BBC2 after a successful domestic premiere on TV2 in Denmark in 2020. In the UK, the series about the investigation of the murder of the Swedish journalist Kim Wall launched with an audience share of 6.9 per cent of total viewers, the highest rated non-English language drama launch on BBC2 since October 2019 and the highest rated non-English language drama in the UK for the 2020/2021 season.

Non-scripted

American Idol's 19th season in 2021 won an average audience of 7.1 million viewers and a market share of 9.3 per cent for total viewers, ranking as ABC's number one entertainment series of the 2020/21 season (as at June 2021). The 16th season of *America's Got Talent* launched in June 2021 with an average audience share of 12.3 per cent and 8.7 million total viewers, ranking as the highest-rated entertainment series in the US for the first half of 2021.

In the same period, *Game of Talents* launched in four new markets and was the UK's highest-rated new entertainment show of the year – the series premiere attracted a total audience share of 21.6 per cent. *The Masked Singer* continued its success in the first half of 2021, airing in six countries. In Sweden, *The Masked Singer* launched as the highest-rated entertainment show premiere on TV4 for more than eight years and attained a total average audience share of 51.4 per cent across the series.

Too Hot to Handle returned for a second season on Netflix in June 2021 and was featured on Netflix's top 10 most watched list in several countries a few days after its launch and attracted an audience of 29 million within its first four weeks online. Celebrated by Ted Sarandos, Co-CEO and Chief Content Officer at Netflix, as a 'standout unscripted title', localised adaptations of the show aired in Brazil in July 2021 and will air in Mexico in September 2021.

²⁵ Adjusted for portfolio changes and at constant exchange rates. Further details can be found in Key performance indicators on page 9

Fremantle

Factual shows and documentaries

In Germany, UFA produced the documentary series *Expedition Arktis*, which follows the scientific expedition to undertake crucial climate research. The international version, *Arctic Drift*, has been sold to 162 territories.

In Italy, Fremantle launched its original series *Veleno: The Town of Lost Children*, with Amazon Prime Video. Written and directed by award-winning Hugo Berkeley, this factual series chronicles the true events of the Satanic Panic phenomenon, a decades-long saga of families torn apart.

Since May 2021, Fremantle has been in production with award-winning producer Richard Brown, his production company, Passenger, and sports marketing company Infront, with an original documentary series telling the story of the launch and inaugural season of the Basketball Africa League.

Fremantle also distributed a number of high-end documentaries in the first half of 2021, including the water-scarcity documentary *Day Zero*, the Samuel L. Jackson-fronted seminal series *Enslaved*, the Hulu docuseries *Von Dutch*, and *How it Feels to Be Free*, executive-produced by Alicia Keys.

RTL Nederland

Financial results

The Dutch net TV advertising market was estimated to be up, by 34.9 per cent in the first half of 2021 with RTL Nederland performing better than the market.

Accordingly, RTL Nederland's revenue increased by 22.2 per cent to €253 million (H1/2020: €207 million). This resulted in a significantly higher Adjusted EBITA of €54 million (H1/2020: €2 million).

Audience ratings

RTL Nederland's channels' combined prime-time audience share in the target group of viewers aged 25 to 54 was up to 33.1 per cent in the first half of 2021 (H1/2020: 30.8 per cent), ahead of the public broadcasters (30.8 per cent) and Talpa TV (19.7 per cent). RTL Nederland increased its lead over Talpa TV to 13.4 percentage points (H1/2020: 9.3 percentage points).

RTL Nederland's flagship channel, **RTL 4**, registered an average audience share of 20.5 per cent in the target group of shoppers aged 25 to 54 (H1/2020: 18.0 per cent). Popular programmes included the new formats *De Verraders* and *Make Up Your Mind* as well as *Lego Masters*, *The Voice Of Holland*, *RTL Nieuws* and *Married At First Sight*.

RTL Nederland's streaming service, **Videoland**, recorded paid subscriber growth of 20.7 per cent compared to 30 June 2020. The viewing time was up 11.8 per cent compared to the first half of 2020. Videoland's high growth was largely due to the third season of the Videoland original series *Mocro Maffia* and the US drama series *The Handmaid's Tale* – both of which are exclusively available on Videoland in the Netherlands – and the reality formats *Temptation Island: Love or Leave*, *Love Island* and *Prince Charming*.

Other segments

This segment mainly comprises the fully consolidated businesses RTL Belgium, RTL Hungary, RTL Croatia, RTL Group's Luxembourgish activities, RTL Group's digital video company, We Are Era, and the global ad-tech company SpotX until 30 April 2021. It also includes its investment accounted for using the equity method, Atresmedia in Spain.

Revenue split – Other segments

	H1/2021 € m	H1/2020 ²⁶ € m	Per cent change
Total revenue of other segments	302	392	(23.0)
Thereof			
SpotX (until 30 April 2021)	55	58	(5.2)
RTL Belgium	81	66	+22.7
RTL Hungary	54	49	+10.2
RTL Croatia	22	17	+29.4
Other incl. elimination	90	202	(55.4)

In the first half of 2021, the net TV advertising market in French-speaking Belgium was estimated to be up 31.6 per cent. Accordingly, **RTL Belgium's** revenue was up to € 81 million (H1/2020: € 66 million). Adjusted EBITA increased to € 15 million (H1/2020: € 3 million), reflecting higher TV and radio advertising revenue.

In the first half of 2021, the combined prime-time audience share of **RTL Belgium's** family of TV channels in the target group (shoppers aged 18 to 54) decreased to 33.9 per cent (H1/2020: 35.9 per cent). RTL Belgium's lead over the public channels was 9.2 percentage points (H1/2020: lead of 15.1 percentage points), the decrease partly resulted from the Uefa Euro 2020 broadcast by the public channels.

The market-leading channel in French-speaking Belgium, **RTL-TVI**, achieved an average audience share of 24.8 per cent in the target group (H1/2020: 27.3 per cent). Successful new formats included *En route avec la police locale*, *Belges dans la légion étrangère* and *C'est ma plaque* as well as the well-known formats *Face au Juge* and *L'amour est dans le pré – les portraits*.

In the first half of 2021, RTL Belgium's streaming platform, **RTL Play**, registered an average of 307,000 active users per month (H1/2020: 180,700 active users per month) with 20.1 million video views (H1/2020: 9.0 million).

According to the most recent CIM audience survey, covering September 2020 to February 2021, the **Belgian radio family** had a combined audience share of 24.6 per cent²⁷ (September 2019 to February 2020: 24.6 per cent).

In the first half of 2021, the Hungarian commercial net TV advertising market was estimated to be up, by 26.7 per cent with **RTL Hungary** outperforming the market. As a result, RTL Hungary's revenue was up by 10.2 per cent to € 54 million (H1/2020: € 49 million). Accordingly, the business unit's Adjusted EBITA increased to € 9 million (H1/2020: € 5 million).

With a combined average prime-time audience share of 24.4 per cent among viewers aged 18 to 49 (H1/2020: 26.1 per cent), the Hungarian RTL family of eight channels was 1.2 percentage points ahead of its main commercial competitor, TV2 Group, with 14 channels (H1/2020: equal audience share for both groups). Flagship channel **RTL Klub** was the prime-time market leader in the first half of 2021, attracting an average 12.9 per cent of viewers aged 18 to 49 in prime time (H1/2020: 13.1 per cent), 2.1 percentage points ahead of TV2, with 10.8 per cent (H1/2020: 12.7 per cent).

The streaming service, **RTL Most**, is the leading local brand for professionally produced online video content. The service generated an increase of 22.3 per cent of registered users in the first half of 2021 compared to H1/2020.

²⁶ Following a review of the Group's segment structure the previous segment RTL Belgium is presented within 'Other segments' from 31 December 2020 onwards. The figures from the previous half year have been adjusted accordingly.

²⁷ Due to the Covid 19 outbreak, CIM will not publish more recent figures for the first half of 2020.

Other segments

In Croatia, the net TV advertising market was estimated to be up 39.7 per cent. **RTL Croatia** performed better than the market. Total revenue was up to €22 million (H1/2020: €17 million). Accordingly, Adjusted EBITA was up to €3 million (H1/2020: €-4 million).

RTL Croatia's channels achieved a combined prime-time audience share of 23.7 per cent in the target audience of viewers aged 18 to 49 (H1/2020: 28.9 per cent). The flagship channel **RTL Televizija** recorded a prime-time audience share of 17.3 per cent (H1/2020: 18.8 per cent).

RTL Croatia's streaming platform **RTL Play** – the largest streaming platform in Croatia – registered 7.7 million video views (H1/2020: 9.4 million video views).

Atresmedia in Spain: The Spanish net TV advertising market was estimated to be up year on year by 22.9 per cent. Atresmedia's total revenue was up to €465 million (H1/2020: €375 million), while first-half operating profit (EBITDA) increased to €91 million (H1/2020: €43 million). The company's profit for the period was €62 million. The profit share of RTL Group was €11 million (H1/2020: €4 million).

In the first half of 2021, Atresmedia's family of channels recorded an audience share of 28.0 per cent in the target group of viewers aged 25 to 59 (H1/2020: 27.5 per cent). Flagship channel, **Antena 3**, achieved an audience share of 15.0 per cent during prime time in the target group of viewers aged 25 to 59 (H1/2020: 12.8 per cent).

After the combination of RTL Group's digital video companies Divimove, United Screens, UFA X and RTL MCN, as well as the acquisition of Tube One Networks, Divimove was repositioned and rebranded as **We Are Era**. In the first half of 2021, We Are Era strengthened its leading positions in talent management, digital content production and influencer marketing and launched projects on TikTok for *ZDF Sportstudio* and successful branded-content campaigns for brands such as Coca Cola. We Are Era's revenue was up 9.6 per cent for the first six months of 2021.

Principal risks and uncertainties

The June 2021 update of the December 2020 risk assessment found no significant changes in RTL Group's risk environment. The economic environment is still uncertain due to the pandemic.

RTL Group continues to monitor the impact on its core businesses closely. It reported a slight decrease in risk thanks to some recovery in production development by Fremantle, related to the economic cycle, combined with the sale of SpotX and some legal-related risks.

Outlook

RTL Group has raised its outlook for 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 (previous guidance: €6.2 billion). This includes, among others, the scope effects of the deconsolidation of BroadbandTV (as of 28 October 2020) and SpotX (as of 30 April 2021) and of the full consolidation of Eureka (as of 17 May 2021) and Super RTL (as of 1 July 2021).

- RTL Group expects its **Adjusted EBITA** for 2021 to grow to approximately €1,050 million (previous guidance: €975 million). This includes streaming start-up losses of approximately €150 million (unchanged guidance).
- 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 new	2021e old	2020
Revenue	~ €6.5 bn	~ €6.2 bn	€6.0 bn
Adjusted EBITA	~ €1,050 m	~ €975 m	€853 m
Streaming start-up losses	~ €150 m	~ €150 m	€55 m
'Adjusted EBITA before streaming start-up losses'	~ €1,200 m	~ €1,125 m	€908 m

Management responsibility statement

We, Thomas Rabe, Chief Executive Officer, Elmar Heggen, Chief Operating Officer and Deputy Chief Executive Officer, and Björn Bauer, Chief Financial Officer, confirm, to the best of our knowledge, that the condensed consolidated interim financial information, which has been prepared in accordance with IAS 34 as adopted by the European Union, gives a true and fair view of the assets, liabilities, financial

position and profit or loss of RTL Group and the undertakings included in the consolidation taken as a whole, and that the Directors' report includes a fair review of the development and performance of the business and the position of RTL Group and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face.

Luxembourg, 5 August 2021



Thomas Rabe
Chief Executive Officer



Elmar Heggen
Chief Operating Officer
Deputy Chief Executive Officer



Björn Bauer
Chief Financial Officer

Condensed interim consolidated income statement

	H1/2021 €m	H1/2020 €m
Revenue	3,014	2,652
Other operating income	58	17
Consumption of current programme rights	(1,141)	(955)
Depreciation, amortisation, impairment and valuation allowance	(99)	(112)
Other operating expenses	(1,403)	(1,374)
Impairment of goodwill and amortisation and impairment of fair value adjustments on acquisitions of subsidiaries	(7)	(4)
Gain/(loss) from sale of subsidiaries, other investments and re-measurement to fair value of pre-existing interest in acquiree	766	88
Profit from operating activities	1,188	312
Share of results of investments accounted for using the equity method	14	13
Impairment and reversals of investments accounted for using the equity method	-	(65)
Earnings before interest and taxes (EBIT)	1,202	260
Interest income	5	2
Interest expense	(14)	(18)
Financial results other than interest	14	(3)
Profit before tax	1,207	241
Income tax expense	(278)	(85)
Group profit or loss	929	156
Attributable to:		
RTL Group shareholders	863	94
Non-controlling interests	66	62
Group profit or loss	929	156
Earnings per share (in €)		
- Basic	5.58	0.61
- Diluted	5.58	0.61

The figures from the previous half-year have been adjusted (see note 1.30 of the Annual Report 2020).

Condensed interim consolidated statement of comprehensive income

	H1/2021 €m	H1/2020 €m
Group profit or loss	929	156
Other comprehensive income (OCI):		
Items that will not be reclassified to profit or loss:		
Re-measurement of post-employment benefit obligations	11	16
Income tax	(1)	(3)
	10	13
Equity investments at fair value through OCI – change in fair value	1	(1)
Income tax	–	–
	1	(1)
	11	12
Items that may be reclassified subsequently to profit or loss:		
Foreign currency translation differences	(6)	(22)
Effective portion of changes in fair value of cash flow hedges	5	4
Income tax	(1)	–
	4	4
Recycling of cash flow hedge reserve	5	(4)
Income tax	–	1
	5	(3)
	3	(21)
Other comprehensive income/(loss), net of income tax	14	(9)
Total comprehensive income	943	147
Attributable to:		
RTL Group shareholders	877	83
Non-controlling interests	66	64
Total comprehensive income	943	147

Condensed interim consolidated statement of financial position

	30 June 2021 € m	31 December 2020 € m
Non-current assets		
Programme and other rights	63	54
Goodwill	2,874	2,871
Other intangible assets	347	313
Property, plant and equipment	275	291
Right-of-use assets	290	329
Investments accounted for using the equity method	378	384
Loans and other financial assets	161	139
Deferred tax assets	307	333
	4,695	4,714
Current assets		
Programme rights	1,251	1,211
Other inventories	13	8
Income tax receivable	16	24
Accounts receivable and other financial assets	3,023	2,248
Cash and cash equivalents	335	436
	4,638	3,927
Assets held for sale	171	429
Current liabilities		
Loans and bank overdrafts	83	124
Lease liabilities	55	60
Income tax payable	125	24
Accounts payable	2,374	2,201
Contract liabilities	364	328
Provisions	126	144
	3,127	2,881
Liabilities related to assets held for sale	111	234
Net current assets	1,571	1,241
Non-current liabilities		
Loans	640	641
Lease liabilities	284	324
Accounts payable	380	347
Contract liabilities	3	4
Provisions	212	238
Deferred tax liabilities	54	48
	1,573	1,602
Net assets	4,693	4,353
Equity attributable to RTL Group shareholders	4,066	3,706
Equity attributable to non-controlling interests	627	647
Equity	4,693	4,353

Condensed interim consolidated statement of changes in equity

	Share capital €m	Treasury shares €m	Currency translation reserve €m	Hedging reserve €m	Revaluation reserve €m	Reserves and retained earnings €m	Equity attributable to RTL Group shareholders €m	Equity attributable to non-controlling interests €m	Total equity €m
Balance at 1 January 2020	192	(41)	(129)	7	66	3,197	3,292	533	3,825
Total comprehensive income:									
Group profit or loss	–	–	–	–	–	94	94	62	156
Re-measurement of post-employment benefit obligations, net of tax	–	–	–	–	–	11	11	2	13
Equity investments at fair value through OCI – change in fair value, net of tax	–	–	–	–	(1)	–	(1)	–	(1)
Foreign currency translation differences	–	–	(22)	–	–	–	(22)	–	(22)
Effective portion of changes in fair value of cash flow hedges, net of tax	–	–	–	4	–	–	4	–	4
Recycling of cash flow hedge reserve, net of tax	–	–	–	(3)	–	–	(3)	–	(3)
	–	–	(22)	1	(1)	105	83	64	147
Capital transactions with owners:									
Dividends	–	–	–	–	–	–	–	(2)	(2)
Equity-settled transactions, net of tax	–	–	–	–	–	2	2	1	3
Changes in treasury shares	–	3	–	–	–	(3)	–	–	–
Transactions on non-controlling interests without a change in control	–	–	–	–	–	(4)	(4)	1	(3)
Transactions on non-controlling interests with a change in control	–	–	–	–	–	–	–	–	–
Derivatives on equity instruments	–	–	–	–	–	2	2	2	4
	–	3	–	–	–	(3)	–	2	2
Balance at 30 June 2020	192	(38)	(151)	8	65	3,299	3,375	599	3,974
Balance at 1 January 2021	192	–	(181)	(7)	67	3,635	3,706	647	4,353
Total comprehensive income:									
Group profit or loss	–	–	–	–	–	863	863	66	929
Re-measurement of post-employment benefit obligations, net of tax	–	–	–	–	–	9	9	1	10
Equity investments at fair value through OCI – change in fair value, net of tax	–	–	–	–	1	–	1	–	1
Foreign currency translation differences	–	–	(5)	–	–	–	(5)	(1)	(6)
Effective portion of changes in fair value of cash flow hedges, net of tax	–	–	–	4	–	–	4	–	4
Recycling of cash flow hedge reserve, net of tax	–	–	–	5	–	–	5	–	5
	–	–	(5)	9	1	872	877	66	943
Capital transactions with owners:									
Dividends	–	–	–	–	–	(464)	(464)	(101)	(565)
Equity-settled transactions, net of tax	–	–	–	–	–	1	1	1	2
Changes in treasury shares	–	–	–	–	–	–	–	–	–
Transactions on non-controlling interests without a change in control	–	–	–	–	–	(46)	(46)	1	(45)
Transactions on non-controlling interests with a change in control	–	–	–	–	–	–	–	12	12
Derivatives on equity instruments	–	–	–	–	–	–	–	–	–
Other changes	–	–	–	–	–	(8)	(8)	1	(7)
	–	–	–	–	–	(517)	(517)	(86)	(603)
Balance at 30 June 2021	192	–	(186)	2	68	3,990	4,066	627	4,693

Condensed interim consolidated cash flow statement

	H1/2021 €m	H1/2020 €m
Cash flows from operating activities		
Profit before tax	1,207	241
Adjustments for:		
– Depreciation and amortisation	108	112
– Value adjustments and impairment	(2)	19
– Share-based payments expenses	3	3
– Fair value measurement of investments	28	–
– Gain/(loss) from sale of subsidiaries, other investments and re-measurement to fair value of pre-existing interest in acquiree	(766)	(87)
– Financial results including net interest expense and share of results of investments accounted for using the equity method	7	113
Change of provisions	(20)	11
Working capital changes	(113)	83
Income tax paid	(238)	(159)
Net cash from operating activities	214	336
Cash flows from investing activities		
Acquisitions of:		
– Programme and other rights	(41)	(39)
– Subsidiaries, net of cash acquired	(120)	(4)
– Other intangible and tangible assets	(56)	(62)
– Other investments and financial assets	(28)	(11)
	(245)	(116)
Proceeds from the sale of intangible and tangible assets	–	1
Disposal of other subsidiaries, net of cash disposed of	521	31
Proceeds from the sale of investments accounted for using the equity method, other investments and financial assets	20	4
Interest received	5	1
	546	37
Current deposits with shareholder and its subsidiaries	5	(199)
Net cash from/(used in) investing activities	306	(278)
Cash flows from financing activities		
Interest paid	(20)	(20)
Transactions on non-controlling interests	(32)	(7)
Proceeds from loans	42	213
Repayment of loans	(81)	(74)
Payment of lease liabilities	(32)	(28)
Dividends paid	(568)	(4)
Other changes from financing activities	(4)	–
Net cash from/(used in) financing activities	(695)	80
Net increase/(decrease) in cash and cash equivalents	(175)	138
Exchange rate effects and other changes in cash and cash equivalents	6	(4)
Cash and cash equivalents and bank overdrafts at the beginning of the period	506	376
Cash and cash equivalents and bank overdrafts at the end of the period	337	510
Less cash and cash equivalents included within assets held for sale	(6)	–
Cash and cash equivalents and bank overdrafts at the end of the period (according to the consolidated statement of financial position)	331	510

The figures from the previous half-year have been adjusted (see note 1.30 of the Annual Report 2020).

Notes to the condensed interim consolidated financial statements

Reporting entity and statement of compliance

RTL Group SA (the 'Company'), the parent company, is domiciled and incorporated in Luxembourg. These condensed interim consolidated financial statements are presented in accordance with the requirements of IAS 34 'Interim Financial Reporting' as adopted by the European Union.

RTL Group ('the Group') forecasts and projections – taking into account reasonably possible changes in trading performance – show that the Group will be able to operate within the level of its current credit facilities. Management have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Therefore, RTL Group continues to adopt the going concern basis in preparing its condensed interim consolidated financial statements.

The condensed interim consolidated financial statements do not include all notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the consolidated financial statements as at 31 December 2020.

The condensed interim consolidated financial statements were approved on 5 August 2021 by the Board of Directors of RTL Group.

Significant accounting policies and changes

The accounting policies applied to the condensed interim consolidated financial statements as of 30 June 2021 are the same as those of the previous financial year, except for the adoption of new standards, and amendments to existing standards and interpretations that can be found in the consolidated financial statements as at 31 December 2020.

The first-time application of new financial reporting standards and interpretations had no material impact on RTL Group.

RTL Group has not opted for early adoption of any additional standards, interpretations or amendments that have been issued by the IASB or the IFRS IC but are not yet mandatory.

Effects of the Covid 19 pandemic on the condensed interim consolidated financial statements

The negative effects of the Covid 19 pandemic on RTL Group's financial information have declined in the first half 2021. As the development of the first half of 2021 shows, RTL Group's positioning – particularly in the advertising market – has recovered and this has contributed to a positive business development during the first half of 2021. As a result, revenue and Adjusted EBITA are significantly above the previous year's level.

Nevertheless, accounting impacts continue to be evaluated for the particularly relevant areas of impairment testing for goodwill and individual assets, leases, inventories, trade receivables, government grants, deferred tax assets, contingent losses and revenue. Due to the overall economic situation in 2021 – which is expected to continue to recover from 2020 – there is no indication that any recognition of impairment losses on goodwill is necessary. No significant negative effects on RTL Group's financial position and results of operations are currently expected for the other accounting areas classified as vulnerable to the Covid 19 pandemic.

Economic uncertainties arising from the Covid 19 pandemic continue to require discretionary decisions, estimates and assumptions. The assessment of the extent to which current and future customers will continue to be able to fulfil their contractual payment obligations depends on the current economic climate. RTL Group will examine this criterion both before and at the time of performance obligations, as part of revenue recognition.

Due to the Covid 19 pandemic, RTL Group companies have, in some instances, received grants in various forms. If the conditions for a government grant are met, cash flows from grants are generally deferred and recognised in income over the term of the grant, while investment grants reduce the cost of the acquired asset. Due to the fact that newly created conditions are subject to interpretation ex post, the risk that the conditions for a granted subsidy may not be fulfilled cannot be ruled out, despite intensive checks in advance.

Accounting estimates and judgements

The preparation of condensed interim consolidated financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

In preparing these condensed interim consolidated financial statements, the significant judgements made by the management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those applied to the consolidated financial statements as at 31 December 2020, with the exception of the estimation of the consumption pattern of current programme rights. Following the continuous evaluation of the consumption patterns, RTL Group has adopted an updated model for consumption of current programme rights resulting in a consumption over a maximum of four runs on a degressive basis starting from 1 January 2021. For the half-year ended 30 June 2021, the positive impact over the period of this prospective change in estimate on the consumption expense amounted to €13 million.

Further, in preparing these condensed interim consolidated financial statements, management made judgements to determine whether the sale of non-current assets or disposal groups is considered highly probable or not in order to meet the criteria for classification as held-for-sale. In particular, judgements relate to key assumptions about whether the outstanding shareholders' approvals or pending regulatory approvals are substantive and thus prevent the sale from being highly probable.

Furthermore, the information on significant discretionary decisions, estimates and assumptions in the notes to the Annual Report 2020 still applies. RTL Group management is of the opinion that the additional estimates and discretionary decisions required by the Covid 19 pandemic take appropriate account of the currently foreseeable microeconomic and macroeconomic situation.

Scope of consolidation

The condensed interim consolidated financial statements as of 30 June 2021, include RTL Group S.A. and all material subsidiaries over which RTL Group S.A. is able to exercise control in accordance with IFRS 10. Joint ventures and associates are accounted for using the equity method in accordance with IAS 28. As of 30 June 2021, the scope of consolidation including RTL Group S.A. consists of 297 companies (31 December 2020: 309) with 8 additions and 20 disposals in the first half of 2021. This includes 256 consolidated companies (31 December 2020: 260). In addition, investments in 11 joint ventures (31 December 2020: 15) and 30 associates (31 December 2020: 34) are accounted for using the equity method in the condensed interim consolidated financial statements. A total of 55 companies were excluded from the scope of consolidation (31 December 2020: 58). These consist of entities without significant business operations and of negligible importance for the financial position and financial performance of RTL Group.

Financial risk management

Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk and interest rate risk), credit risk and liquidity risk. The Group is exposed in particular to risks from movements in foreign exchange rates as it engages in long-term purchase contracts for programme rights (output deals) denominated in foreign currency.

The June 2021 update of the assessment of the risks existing as of 31 December 2020, did not report significant changes within the RTL Group risk environment. A slight decrease in risks relating to both the cyclical development of the economy and legal matters was reported. These condensed interim consolidated financial statements do not include all financial risk management information and disclosures required in the annual consolidated financial statements, and should, therefore, be read in conjunction with the Group's consolidated financial statements as at 31 December 2020.

Accounting classifications and fair value hierarchy

Financial instruments by category

Except for the long-term loan arrangement with Bertelsmann Business Support Sàrl, an indirect subsidiary of Bertelsmann SE & Co KGaA, and the external funding of Groupe M6, the fair value of each class of financial assets and liabilities is equivalent to its carrying amount. The fair value of the 10-year-term facility – calculated as the present value of the payments associated with the debt and based on the applicable yield curve and RTL Group credit spread – amounts to € 538 million (31 December 2020: € 537 million). The fair value of the seven-year Euro private placement bond – calculated as the present value of the payments associated with the debt and based on the applicable yield curve and Groupe M6 credit spread – amounts to € 51 million (31 December 2020: € 51 million). The fair value of the seven-year Euro Schuldschein loan of € 65 million – calculated as the present value of the payments associated with the debt and based on the applicable yield curve and Groupe M6 credit spread – amounts to € 66 million (31 December 2020: € 65 million).

Fair value hierarchy

The following table presents the Group's financial assets and liabilities measured at fair value.

The different levels have been defined as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets (or liabilities)

Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. prices) or indirectly (i.e. derived from prices)

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs). Listed financial instruments with contractual trading restrictions (lock-ups) are also measured on the basis of unobservable factors.

	Total €m	Level 1 €m	Level 2 €m	Level 3 €m
Assets				
Equity investments at fair value through OCI	36	5	–	31
Equity instruments accounted at FVTPL	346	–	–	346
Debt instruments measured at FVTPL	13	–	3	10
Derivatives used for hedging	24	–	24	–
Other cash equivalents	6	–	6	–
At 30 June 2021	425	5	33	387
Liabilities				
Derivatives used for hedging	18	–	18	–
Contingent consideration	5	–	–	5
At 30 June 2021	23	–	18	5

Of the item 'Derivatives used for hedging' on the assets side, € 9 million relates to derivatives used to offset currency exposure relating to recognised monetary assets and liabilities for which hedge accounting as defined under IFRS 9 is applied, and a further € 15 million relates to derivatives used to offset currency exposure relating to recognised monetary assets and liabilities for which hedge accounting as defined under IFRS 9 is not applied. Of the item 'Derivatives used for hedging' on the liabilities side, € 3 million relates to derivatives used to offset currency exposure relating to recognised monetary assets and liabilities for which hedge accounting as defined under IFRS 9 is applied, and a further € 15 million relates to derivatives used to offset currency exposure relating to recognised monetary assets and liabilities for which hedge accounting as defined under IFRS 9 is not applied.

There were no transfers between Levels 1, 2 and 3 during the first half of 2021.

The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. These instruments are included in Level 1. The quoted market price used for financial assets by the Group is the current bid price.

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.

If one or more significant inputs is not based on observable market data, the instrument is included in Level 3. Listed financial instruments with contractual trading restrictions (lock-ups) are also measured on the basis of unobservable factors and included in Level 3.

The Group's finance teams – which include Treasury and Controlling & Investments – perform the recurring and non-recurring valuations of items to be valued at fair value for financial purposes, including Level 3 fair values. These teams report directly to the Chief Financial Officer, who reports to the Audit Committee at least once every quarter, in line with the Group's quarterly reporting dates. The main Level 3 related inputs used by RTL Group relate to the determination of the expected discounted cash flows and the discount rates used in the different valuations.

Specific valuation techniques used to value financial instruments include:

- Quoted market prices or dealer quotes for similar instruments (Level 2)
- The fair value of forward foreign exchange contracts classified under Level 2 are determined using forward exchange rates at the balance sheet date, with the resulting value discounted back to present value
- For instruments classified under Level 3, other techniques, such as discounted cash flow analysis or option pricing models are used. These are based for the main instruments on significant unobservable inputs (for example, forecast revenue growth rates and market multiples) to determine fair value for the remaining financial instruments. Volatility is primarily determined by reference to comparable publicly traded peers.

The following table presents the change in Level 3 instruments.

	Assets			Liabilities
	Financial assets at fair value through profit or loss €m	Equity investments at fair value through OCI €m	Total assets €m	Liabilities at fair value through profit or loss €m
Balance at 1 January 2021	18	31	49	5
Acquisitions and additions	382	–	382	1
Gains and losses recognised in other comprehensive income	(3)	–	(3)	–
Gains and losses recognised in profit or loss	(28)	–	(28)	–
Settlements	(13)	–	(13)	(1)
Balance at 30 June 2021	356	31	387	5

In the first half-year 2021, the amount disclosed in the line 'Acquisitions and additions' mainly (€380 million) relates to the Magnite shares RTL Group received as a part of the non-cash consideration from the sale of SpotX. The effect from re-measurement of these shares amounted to €-33 million and is disclosed in the line 'Gains and losses recognised in profit or loss'. The effect in 'Settlements' relates to the partial repayment of the convertible note obtained from BBTV Holdings Inc.

Segment reporting

	RTL Deutschland		Groupe M6		Fremantle		RTL Nederland		Other segments ²⁸		Eliminations ²⁸		Total Group	
	H1/2021 €m	H1/2020 €m	H1/2021 €m	H1/2020 €m	H1/2021 €m	H1/2020 €m	H1/2021 €m	H1/2020 €m	H1/2021 €m	H1/2020 €m	H1/2021 €m	H1/2020 €m	H1/2021 €m	H1/2020 €m
Revenue from external customers	1,023	906	638	553	827	624	252	206	274	363	-	-	3,014	2,652
Inter-segment revenue	(1)	(2)	7	4	82	83	1	1	28	29	(117)	(115)	-	-
Total revenue	1,022	904	645	557	909	707	253	207	302	392	(117)	(115)	3,014	2,652
Depreciation, amortisation and impairment ²⁹	(20)	(19)	(42)	(39)	(20)	(20)	(4)	(5)	(21)	(27)	-	-	(107)	(110)
Impairment and reversals of investments accounted for using the equity method	-	-	-	(2)	-	-	-	(3)	-	(60)	-	-	-	(65)
Share of results of investments accounted for using the equity method	17	10	(12)	-	1	1	-	1	8	1	-	-	14	13
Adjusted EBITA	201	174	151	85	61	23	54	2	16	(26)	-	-	483	258
Adjusted EBITA margin	19.7%	19.2%	23.4%	15.3%	6.7%	3.3%	21.3%	1.0%	5.3%	(6.6)%	n/a	n/a	16.0%	9.7%

The following table shows the reconciliation of segment information to the consolidated financial statements.

	H1/2021 €m	H1/2020 €m
Adjusted EBITA	483	258
Impairment of goodwill of subsidiaries	-	-
Amortisation and impairment of fair value adjustments on acquisitions of subsidiaries	(7)	(4)
Impairment and reversals of investments accounted for using the equity method	-	(65)
Re-measurement of earn-out arrangements	-	-
Fair value measurement of investments	(28)	-
Gain/(loss) from sale of subsidiaries, other investments and re-measurement to fair value of pre-existing interest in acquiree	766	88
Significant special items	(12)	(17)
Earnings before interest and taxes (EBIT)	1,202	260
Interest income	5	2
Interest expense	(14)	(18)
Financial results other than interest	14	(3)
Profit before tax	1,207	241
Income tax expense	(278)	(85)
Group profit or loss	929	156

²⁸Following a review of the Group's segment structure the segment RTL Belgium is presented within 'Other segments' from 31 December 2020 onwards. The figures from the previous half year have been adjusted accordingly. Other segments include the Adjusted EBITA loss of €-19 million generated by the Group's Corporate Centre (H1/2020: €-20 million)

²⁹The figures from the previous half-year have been adjusted (see note 1.30 of the Annual Report 2020)

Acquisitions and disposals

In the first half of 2021, the cash flow from acquisition activities totalled €–120 million, of which, after consideration of cash and cash equivalents acquired, €11 million relates to new acquisitions during the first half of the year. The consideration transferred in accordance with IFRS 3 amounted to €24 million. There was no contingent consideration in accordance with IFRS 3.

In May 2021, Fremantle increased its interest in the share capital of Eureka Productions, LLC (Eureka) by 26 per cent to 51 per cent by exercising a call option. The acquisition of the majority interest in Eureka strengthens RTL Group's position in the creation of new formats and helps to broaden the client base. As a result of obtaining control, the investment previously accounted for using the equity method is fully consolidated from the date of acquisition. The consideration transferred in terms of IFRS 3 was €24 million and comprises a purchase price payment of €2 million and the fair value of call option of €22 million, recognised in financial results other than interest. Obtaining control led to a derecognition of the investment previously accounted for using the equity method, the fair value of which amounted to €20 million immediately before the acquisition date. The re-measurement of the investment already held resulted in an income of €17 million recognised in 'Gain/(loss) from sale of subsidiaries, other investments and re-measurement to fair value of pre-existing interest in acquiree'. The preliminary purchase price allocation resulted in goodwill of €32 million, mainly reflecting synergy potential and representing the value of creative talent and market competence of the Eureka personnel. Goodwill is not tax deductible. Further in connection with the acquisition the related put option on the remaining share capital was recognised for an amount of €38 million through equity for the present value of the redemption amount. In the first half of 2021, transaction-related costs were insignificant and have been recognised in profit or loss. The initial consolidation led to an increase of €20 million in Group revenue and an increase in Group profit or loss of €1 million. Consolidation of Eureka from 1 January 2021, would have resulted in an increase of €51 million in Group revenue and an increase of €3 million in Group profit or loss.

In addition, RTL Group made several acquisitions including transactions under common control in the first half of 2021, none of which were material on a standalone basis. The consideration transferred in terms with IFRS 3 for other minor acquisitions was insignificant. The other acquisitions resulted in goodwill totalling €2 million, which reflects synergy potential and is not tax deductible. Transaction-related costs were insignificant in the first half of 2021 and have been recognised in profit or loss. Payments amounted to €–7 million are attributable to the transactions under common control.

The purchase price allocations consider all the facts and circumstances prevailing as of the respective dates of acquisition that were known prior to the preparation of these condensed interim consolidated financial statements. In accordance with IFRS 3, should further facts and circumstances become known within the 12-month measurement period, the purchase price allocation will be adjusted accordingly.

The following table shows the fair values of the assets and liabilities of the acquisitions on their dates of initial consolidation based on the purchase price allocations, some of which are currently preliminary:

	Eureka €m	Other €m	Total €m
Non-current assets			
Other intangible assets	24	–	24
Property, plant and equipment	2	–	2
Right-of-use assets	1	–	1
Trade and other accounts receivable	–	–	–
Current assets			
Programme rights	36	1	37
Trade and other accounts receivable	8	–	8
Cash and cash equivalents	12	1	13
Liabilities			
Provisions for pensions and similar obligations	–	–	–
Loans and bank overdrafts	(5)	(1)	(6)
Lease liabilities	(1)	–	(1)
Other liabilities	(53)	(2)	(55)
Net assets acquired	24	(1)	23
Goodwill	32	2	34
Non-controlling interests	(12)	–	(12)
Fair value of pre-existing interests	(20)	(1)	(21)
Retained earnings	–	–	–
Consideration transferred according to IFRS 3	24	–	24
Less fair value of contributed assets	(22)	–	(22)
Less earn-out consideration	–	–	–
Less other deferred consideration	–	–	–
Consideration paid in cash	2	–	2
Cash and cash equivalents acquired	(12)	(1)	(13)
Cash outflow/(inflow) on acquisitions in terms of IFRS 3	(10)	(1)	(11)

The following table summarises the total cash flow from acquisition activities during the first half year 2021:

	Total €m
Cash outflow/(inflow) on acquisitions in terms of IFRS 3	(11)
Payments on acquisition of businesses under common control	7
Payments on prior years' acquisitions	–
Advance payment on acquisition of shares in Super RTL	124
Total cash flow from acquisition activities	120

Since initial consolidation, all new acquisitions in accordance with IFRS 3 in the first half of 2021 have contributed €23 million to revenue and €2 million to Group profit or loss. If consolidated as of 1 January 2021, these would have contributed €54 million to revenue and €3 million to Group profit or loss.

In April 2021, RTL Group sold its interests held in its subsidiary SpotX to the US ad-tech company Magnite for €965 million. The purchase price was settled by the transfer of 12.4 million shares of Magnite stock, for a total of €380 million after considering the lock-up adjustment measured at fair value through profit or loss (level 3), and a cash payment of €585 million after considering closing adjustments in accordance with the sales and purchase agreement. Net of transaction-related costs, the transactions resulted in an overall gain of €745 million recognised in the item 'Gain/(loss) from sale of subsidiaries, other investments and re-measurement to fair value of pre-existing interest in acquiree'.

From all disposals in the first half of 2021, RTL Group generated cash flows totalling €521 million after considering the cash and cash equivalents disposed of. The disposals led to a gain from deconsolidation of €749 million, which is recognised in 'Gain/(loss) from sale of subsidiaries, other investments and re-measurement to fair value of pre-existing interest in acquiree'. The following table shows their impact on RTL Group's assets and liabilities at the time of deconsolidation.

	SpotX €m	Other €m	Total €m
Non-current assets			
Goodwill	109	1	110
Other intangible assets	21	-	21
Property, plant and equipment	6	-	6
Right-of-use assets	5	-	5
Loans and other financial assets	1	-	1
Current assets			
Accounts receivable and other financial assets	168	1	169
Other current assets	2	-	2
Cash and cash equivalents	68	-	68
Liabilities			
Deferred tax liabilities	3	-	3
Lease liabilities	4	-	4
Accounts payable	170	1	171
Contract liabilities	1	-	1

Assets held for sale and liabilities related to assets held for sale

The carrying amounts of the assets classified as held for sale and related liabilities are presented in the following table:

	Total €m
Assets	
Non-current assets	
Goodwill	32
Other intangible assets	2
Property, plant and equipment	11
Right-of-use assets	25
Deferred tax assets	6
Current assets	
Programme rights	31
Accounts receivable and other financial assets	58
Cash and cash equivalents	6
Impairment on assets held for sale	–
Assets held for sale	171
Liabilities	
Non-current liabilities	
Lease liabilities	25
Accounts payable	1
Provisions	20
Current liabilities	
Lease liabilities	4
Income tax payable	1
Accounts payable	53
Contract liabilities	7
Liabilities related to assets held for sale	111

The carrying amounts of the assets classified as held for sale and related liabilities are attributable to RTL Belgium. In June 2021, RTL Group announced that it had signed a definitive agreement for the sale of RTL Belgium to the Belgian media companies DPG Media and Groupe Rossel. The transaction – with an expected consideration of €215 million and after a dividend distribution of €35 million – is subject to regulatory approvals and is expected to be closed in the fourth quarter of 2021.

In the first half of 2021, no impairment losses were recognised for disposal groups that are measured at fair value less costs to sell. The fair values are based on level 3 of the hierarchy of non-recurring fair values. Valuations for level 3 are based on information from the contract negotiations.

Revenue

Revenue is disaggregated below by nature and timing of recognition. The table also includes a reconciliation with reportable segments.

	RTL Deutschland		Groupe M6		Fremantle		RTL Nederland		Other segments ³⁰		Total Group	
	H1/2021 €m	H1/2020 €m	H1/2021 €m	H1/2020 €m	H1/2021 €m	H1/2020 €m	H1/2021 €m	H1/2020 €m	H1/2021 €m	H1/2020 €m	H1/2021 €m	H1/2020 €m
Revenue												
from advertising	787	707	521	395	8	6	152	114	166	139	1,634	1,361
Revenue from exploitation of programmes, rights and other assets	147	111	76	82	813	613	94	88	52	167	1,182	1,061
Revenue from selling goods and merchandise and providing services	89	88	41	76	6	5	6	4	56	57	198	230
	1,023	906	638	553	827	624	252	206	274	363	3,014	2,652
Timing of revenue recognition												
At a point in time	57	49	42	92	804	605	–	5	39	145	942	896
Over time	966	857	596	461	23	19	252	201	235	218	2,072	1,756
	1,023	906	638	553	827	624	252	206	274	363	3,014	2,652

Other operating income

The increase in other operating income is, among other things, attributable to the new tax credit for audiovisual and film creation expenses for €15 million and operating subsidies of €4 million (including €2 million in radio broadcasting aid) within Groupe M6. Additional increase consists of a number of individually immaterial matters in the subsidiaries.

Financial results other than interest

	H1/2021 €m	H1/2020 €m
Gains/(losses) resulting from swap points	(4)	6
Net gains/(losses) on put/call options	22	(9)
Other financial results	(4)	–
	14	(3)

Tax

The tax expense for the first half of 2021 was calculated in accordance with IAS 34 using the average annual tax rate expected for the whole of 2021, which is calculated at 31 per cent according to RTL Group management's current estimation. In addition, special tax effects were recognised in current and deferred taxes, resulting in a lower tax rate in the income statement (23 per cent).

The tax rate for the current reporting period 2021 is lower than in the first half of 2020 (35 per cent), mainly due to transactions in the first half year 2021, which are subject to a lower tax rate than the Group tax rate.

³⁰ Following a review of the Group's segment structure the segment RTL Belgium is presented within 'Other segments' from 31 December 2020, onwards. The figures from the previous half year have been adjusted accordingly

Earnings per share

The determination of basic earnings per share is based on the profit attributable to RTL Group shareholders of € 863 million (H1/2020: € 94 million) and a weighted average number of ordinary shares outstanding during the period of 154,742,806 (30 June 2020: 153,574,105) calculated as follows:

	H1/2021	H1/2020
Profit attributable to RTL Group shareholders (in € million)	863	94
Weighted average number of ordinary shares:		
Issued ordinary shares at 1 January	154,742,806	154,742,806
Effect of treasury shares held	–	(1,168,701)
Weighted average number of ordinary shares	154,742,806	153,574,105
Basic earnings per share (in €)	5.58	0.61
Diluted earnings per share (in €)	5.58	0.61

Equity

Based on the resolution of the Annual General Meeting of Shareholders on 28 April 2021, the Annual General Meeting of Shareholders decided to distribute a final dividend of € 3 per share. Accordingly, an amount of € 464 million was paid out on 6 May 2021 (no dividends were paid in H1/2020).

Related party transactions

Transactions with shareholder and its subsidiaries

Deposit Bertelsmann SE & Co KGaA

At 30 June 2021, the total of the deposit of RTL Group GmbH with Bertelsmann SE & Co KGaA amounts to € 183 million (31 December 2020: € 563 million). The interest income for the period is insignificant (H1/2020: insignificant).

Deposit Bertelsmann Inc

On 30 April 2021, RTL US Holding Inc entered into a promissory note agreement with Bertelsmann Inc. Interest rates are nil. At 30 June 2021, the total of the deposit of RTL US Holding Inc with Bertelsmann Inc amounts to € 373 million.

Loan from Bertelsmann Business Support Sàrl

At 30 June 2021, the balance of the term loan facility with Bertelsmann Business Support Sàrl, an indirect subsidiary of Bertelsmann SE & Co KGaA, amounts to € 500 million (31 December 2020: € 500 million). The interest expense for the period amounts to € 7 million (H1/2020: € 7 million). The commitment fee charge for the period amounts to € 1 million (H1/2020: € 1 million).

Profit and Loss Pooling Agreement with Bertelsmann Capital Holding GmbH

In the absence of specific guidance in IFRS, RTL Group has elected to recognise current income taxes related to the tax pooling of its indirect subsidiary RTL Group GmbH (RGG) with Bertelsmann Capital Holding GmbH (BCH) (a direct subsidiary of Bertelsmann SE & Co KGaA) based on the amounts payable to Bertelsmann SE & Co KGaA and BCH as a result of the Profit and Loss Pooling Agreement (PLP) and Compensation Agreements described in the consolidated financial statements 2020. Deferred income taxes continue to be recognised in the condensed interim consolidated financial statements based upon the enacted tax rate and on the amounts expected to be settled by the Group in the future. The Commission, providing for the payment to CLT-UFA SA – a direct subsidiary of RTL Group – of an amount compensating the above profit transfer and being economically and contractually closely related to the Compensation, is accounted for as a reduction of the tax due under the Agreements.

For the interim periods, the Commission is determined on management's reasonable estimate on both expected annual taxable results of the tax group RGG and the tax group Bertelsmann SE & Co KGaA. This estimate is reviewed on a quarterly basis to take into account actual year-to-date results and material known developments affecting the two entities for the remaining part of the year.

At 30 June 2021, the balance payable to BCH amounts to € 612 million (31 December 2020: € 325 million) and the balance receivable from Bertelsmann SE & Co KGaA amounts to € 593 million (31 December 2020: € 216 million).

For the period ended 30 June 2021, the German income tax in relation to the tax pooling with Bertelsmann SE & Co KGaA amounts to € 37 million (H1/2020: € 30 million) and the Commission amounts to € 17 million (H1/2020: € 7 million).

The UK Group relief of FremantleMedia Group to Bertelsmann Group resulted in a tax income of € 1 million for the first half of 2021 (H1/2020: insignificant).

On 1 April 2021 RTL Deutschland acquired Gruner + Jahr advertising sales business activities and Audio Alliance podcast activities for a total purchase price of € 7 million. The transactions were accounted for as transaction under common control with assets acquired and liabilities assumed at carrying amount and any difference between assets/liabilities and consideration transferred recognised in equity under the caption 'Other changes'.

Main transaction with investments accounted for using the equity method

At 30 June 2021, RTL Group owed a cash pooling payable to RTL Disney Fernsehen GmbH & Co KG for an amount of € 28 million (31 December 2020: € 56 million).

Other information

Seasonality

RTL Group's core business is subject to seasonal fluctuations as well as being affected by the macroeconomic effects of the Covid 19 pandemic. In a year with a regular revenue development, the Group's revenue is generally lower in the summer months of July and August due to a reduction in advertising spend, with September being the most important month in the third quarter. The Group's content business, Fremantle, usually generates a higher proportion of both revenue and Adjusted EBITA in the second half of the year due, in part, to the seasonality of programme sales but also to the revenue generated by the distribution, licensing and merchandising business. This seasonality may potentially deviate in 2021 from historical comparisons given global economic circumstances and varying Covid 19-related restrictions in the different territories. Despite an overall trend of recovery across the portfolio of RTL Group in the fiscal year 2021, it has an impact on advertisers' behaviour (both in the quarterly spending of prior year comparison and in the current fiscal year).

Impairment

Fremantle continued to recover in the first half of 2021, despite the ongoing impact of the Covid 19 pandemic. Driven by the high overall market demand for content from a diversified set of potential clients (including broadcasters, platforms and streaming services) and Fremantle's well-diversified territorial coverage (Fremantle's network of local production and distribution companies operates in over 30 territories around the world), the exposure of Fremantle towards potentially long-lasting recessions of specific economies is limited. The streaming platforms are expected to continue to increase their content spend. Further initiatives to develop new formats, to expand Fremantle's slate of scripted, entertainment and factual productions and to further diversify Fremantle's global footprint support the continued growth of the business. Based on a Discounted Cash Flow (DCF) model with revised budget assumptions, a discount rate of 8.15 per cent (31 December 2020: 8.21 per cent), a long-term growth rate of 1.80 per cent (31 December 2020: 1.80 per cent) and with a perpetual EBITA margin of 7.92 per cent, the headroom at the level of Fremantle has increased to € 306 million (31 December 2020: € 213 million).

Despite the recovery of the share price of Atresmedia, and the indicated increase of TV advertising spend for the upcoming months the ongoing challenging economic environment in Spain due to the Covid 19 pandemic combined with strong competition, changing viewing preferences and continued dependence on linear television still leads to high uncertainty in terms of forecasts. As at 30 June 2021 neither additional impairment loss or reversal of impairment loss had to be recognised on the at equity investment in Atresmedia.

Portfolio changes

In March 2021 RTL Deutschland announced that it had signed an agreement for the acquisition of the remaining 50 per cent of the shares in Super RTL (RTL Disney Fernsehen GmbH & Co KG) from The Walt Disney Company (Buena Vista International Television Investments, Inc). The transaction will be accounted for as a business combination in accordance with IFRS 3. As of 30 June 2021, the purchase price payment of €124 million was already paid and is included in the cash flow statement under 'Acquisitions of subsidiaries, net of cash acquired'. In accordance with IFRS 3 the acquisition date is assumed to be 1 July 2021. As a result of the early stage of the preliminary purchase price allocation, it is not possible to quantify any adjustments relating to the fair value prior to the preparation of the condensed interim consolidated financial statements and to provide any other information required by IFRS 3 on the transaction.

In May 2021, Groupe TF1, Groupe M6, Groupe Bouygues and RTL Group announced that they have signed agreements to enter into exclusive negotiations to merge the activities of Groupe TF1 and Groupe M6 and create a major French media group. The new group would be well positioned to master the challenges arising from the accelerating competition with global platforms, being active on the French advertising market, and to produce quality audiovisual content. The merger project has been unanimously approved by the Boards of Groupe Bouygues, RTL Group, Groupe TF1 and Groupe M6. The completion of the transaction remains subject to the approval of the extraordinary general meetings of the shareholders of Groupe M6 and Groupe TF1 and is also subject to approval from the antitrust authorities (Autorité de la Concurrence) and media regulator (Conseil Supérieur de l'Audiovisuel). Despite the firm commitment from the shareholders of Groupe M6 and Groupe TF1 the criteria to be classified as assets held for sale or discontinued operations are not fulfilled at the end of the reporting period. This is because Groupe M6 is not available for immediate sale in its present condition and the expectation of sale could not be assumed as highly probable at the end of the period. In consequence, the proposed transaction had no impact on the presentation of Groupe M6 within RTL Group's consolidated financial statements as at 30 June 2021.

In June 2021, RTL Group and Talpa Network announced that they have signed agreements to merge their broadcasting and affiliated media businesses in the Netherlands and to create a Dutch cross-media group. According to the agreements, Talpa Network will contribute its TV, radio, print, digital, e-commerce and other assets to RTL Nederland and will receive a 30 per cent stake in the enlarged RTL Nederland in return. RTL Group will hold the remaining 70 per cent in the combined group and will continue to fully consolidate RTL Nederland. The transaction is subject to approval from the competition authorities and the respective works councils and is expected to close in the first half of 2022.

Subsequent events

In July 2021, Fremantle announced the purchase of twelve Nent Studios production labels in Norway, Sweden, Finland and Denmark that operate across non-scripted, scripted and factual businesses. The transaction is subject to customary closing conditions and regulatory approvals and is expected to close in the second half of 2021.

On 5 August 2021, the Board of Directors of RTL Group approved a proposed transaction between RTL Deutschland and Bertelsmann to fully acquire Gruner + Jahr's German publishing assets and brands for €230 million on a cash-free and debt-free basis. The transaction is expected to close on 1 January 2022. The transaction will be accounted for as a transaction under common control, with assets acquired and liabilities assumed at carrying amount and any difference between assets/liabilities and consideration transferred recognised in equity. Due to the early stage of the transaction no disclosures on quantitative impact can be provided.



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To the Shareholders of
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REPORT ON REVIEW OF CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Introduction

We have reviewed the accompanying condensed interim consolidated financial statements of RTL Group S.A. and its subsidiaries (the "Group"), which comprise the condensed interim consolidated statement of financial position as at 30 June 2021, and the related condensed interim consolidated income statement, statement of comprehensive income, statement of changes in equity and cash flow statement for the six-month period then ended, and a summary of significant accounting policies and other explanatory information.

Board of Directors' responsibility for the condensed interim consolidated financial statements

The Board of Directors is responsible for the preparation and presentation of these condensed interim consolidated financial statements in accordance with IAS 34, "Interim Financial Reporting" as adopted by the European Union, and for such internal control as the Board of Directors determines is necessary to enable the preparation of condensed interim consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Responsibility of the Réviseur d'Entreprises Agréé

Our responsibility is to express a conclusion on these condensed interim consolidated financial statements based on our review. We conducted our review in accordance with International Standard on Review Engagements (ISRE 2410 "Review of interim financial information performed by the independent auditor of the entity") as adopted for Luxembourg by the "Institut des Réviseurs d'Entreprises".

This standard requires us to comply with relevant ethical requirements and conclude whether anything has come to our attention that causes us to believe that the condensed interim consolidated financial statements, taken as a whole, are not prepared in all material respects in accordance with the applicable financial reporting framework.

A review of condensed interim consolidated financial statements in accordance with ISRE 2410 is a limited assurance engagement. The "Réviseur d'Entreprises Agréé" performs procedures, primarily consisting of making inquiries of management and others within the Group, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less than those performed in an audit conducted in accordance with International Standards on Auditing. Accordingly, we do not express an audit opinion on these condensed interim consolidated financial statements.



Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34, "Interim Financial Reporting" as adopted by the European Union.

Luxembourg, 5 August 2021

KPMG Luxembourg
Société coopérative
Cabinet de révision agréé

A handwritten signature in blue ink, appearing to read 'Philippe Meyer', written over a light blue rectangular background.

Philippe Meyer

Financial calendar

4 November 2021 ————— Quarterly Statement January to September 2021
(08:00 CET)

17 March 2022 ————— Full-Year Results 2021
(08:00 CET)

27 April 2022 ————— Annual General Meeting 2022
(15:00 CEST)

5 May 2022 ————— Quarterly Statement January to March 2022
(08:00 CEST)

5 August 2022 ————— Interim Results January to June 2022
(08:00 CEST)

4 November 2022 ————— Quarterly Statement January to September 2022
(08:00 CET)

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