

Chairman's statement

Dear shareholders,

2022 proved to be an unexpectedly difficult year for businesses around the world – including RTL Group. After rebounding strongly from the Covid-19 downturn in 2021, we were affected by the consequences of the war in Ukraine, which was accompanied by rising energy prices, more general inflationary pressure and serious supply chain problems. I am pleased to report that – despite these challenges – we once again achieved impressive financial results.



Martin Taylor
Chairman of the Board of Directors

RTL Group's 2022 revenue reached €7.2 billion, exceeding €7 billion for the first time, with particularly strong performances at RTL Nederland and Fremantle. As for profitability, our Adjusted EBITA reached €1,083 million, a level in line with the guidance we issued in March 2022, despite significantly higher streaming start-up losses. The Board of Directors is therefore proposing a dividend of €4.00 per share in respect of 2022, which corresponds to a yield of 9.5 per cent on the average share price for the year.

Among many notable operational successes across our Group, RTL Nederland increased its audience share, while growing its streaming service Videoland. In Germany, RTL Deutschland also increased its audience share and its lead over its main commercial competitor. The free-to-air channel Vox, which celebrated its 30th anniversary in 2022, enjoyed a particularly strong year – and is now the third most-watched commercial channel among young viewers. Our German streaming service RTL+ increased subscriber numbers by 48 per cent in 2022, reaching more than 4 million by the end of the year. Meanwhile, our global content business Fremantle achieved many prominent nominations and awards, most notably an Oscar nomination for *The Hand of God* and two awards for *Bones and All* at the Venice Film Festival.

From a strategic viewpoint, the picture was more mixed in 2022. We made a number of important steps, especially at Fremantle, which completed eight acquisitions and step-ups during the year across various genres – fiction, film, drama, documentaries – on its path to becoming a €3 billion company by 2025. We continue to reshape our portfolio to focus on our larger units, and 2022 saw the disposal of RTL Belgium, VideoAmp and RTL Croatia.

But there were also strategic setbacks. In particular, plans in France to merge Groupe M6 with Groupe TF1, and in the Netherlands to combine RTL Nederland with Talpa Network, failed to secure approval from the relevant competition authorities. In my statement last year, I explained the Board's enduring conviction that in-country consolidation in broadcasting will eventually be required to enable us to compete with the global streaming giants. We knew, of course, that it was far from certain that the competition authorities would be prepared to look beyond the traditional definition of the linear TV advertising market – even though global players such as Netflix and Disney have recently added ad-supported models to their streaming services. The official answer, for the time being at least, was disappointing, but the answer is only found by asking the question. I regard it as noteworthy that, in both France and the Netherlands, a serious and mature public debate about developments in the international media market took place – even if our own preferred solutions did not prevail.

One unfortunate consequence of the blocking of the proposed French transaction has been the closure of the streaming platform Salto, set up as a joint project between Groupe TF1, Groupe M6 and the French public broadcaster. Salto may truly be said to have been regulated out of existence. The competition authorities took a year to approve its creation and imposed such significant constraints on its management that its development was severely handicapped. Our plan was, had the TF1/M6 merger been approved, to run it with the merged entity as the sole shareholder, which would have allowed the control and flexibility necessary for Salto's success. This was not to be.

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One of the side-effects of the Russian invasion of Ukraine, alongside much higher energy prices, was a sharp increase in the cost of paper. As a result, RTL Deutschland's publishing business Gruner + Jahr, which was already facing decreasing advertising and circulation revenue, was beginning to rack up serious losses and we decided that, unfortunately, a fundamental restructuring had to be undertaken. It would be fair to say this was not a popular decision, but one that was necessary to find a future for our publishing brands in a digital world. We now need to move this enterprise forward: as Thomas Rabe explains in his CEO report, we plan to invest €80 million in the transformation of our core magazine brands in order to strengthen their leading position and journalistic relevance in Germany.

Your Board has once again been busy, working to advise the Executive Committee on numerous transactions planned and undertaken, reviewing budgets and business performance, and paying particular attention to matters as varied as RTL Deutschland's programme strategy and the Group's positioning in the increasingly important area of ad-tech. Corporate responsibility topics have also been very much on our minds. We have been particularly pleased to note the progress made towards our target of increasing the share of female executives in top and senior management to 40 per cent by 2025, and the reduction in our carbon footprint on the way to becoming carbon neutral by 2030.

Last year we said goodbye to James Singh, an independent Board member and the Chair of our Audit Committee since 2011, who also served as Vice Chairman since 2019. Alongside his considerable business experience, he brought great wisdom and humanity. On behalf of the entire Board, I would like to thank him for his service to RTL Group. His place as Vice Chairman has been taken by Jean-Louis Schiltz, while Pernille Erenbjerg has become Chair of the Audit Committee. I count myself lucky to work with such colleagues, not only at Board level but throughout the Group.

My thanks go to all those who have contributed to the success of our company in 2022. The achievements of the last year would not have been possible without the dedication, flexibility and resilience of the many diverse and talented individuals who make up RTL Group – and it is these individuals that we rely on for our future success.



Martin Taylor
Chairman of the Board of Directors

