

# GLOSSARY

## **ADDRESSABLE TV**

Technically a form of programmatic TV (automated ad serving). Major distinguishing factors are its household-level and real-time targeting. Advertisers can now buy audiences instead of programmes.

## **ADVERTISING MARKET SHARE**

The advertising market share of a media owner; in other words total sales volume expressed as a percentage of the sales volume of a given market (for example the TV advertising market in Germany).

## **ADVERTISING SALES HOUSE**

An organisation that sells advertising on behalf of media owners. Sales houses include both in-house sales departments and independent businesses, which typically retain a percentage of sales revenues in exchange for their services.

## **ADVERTISING TECHNOLOGY (ALSO: AD-TECH)**

Technological tools to sell advertising in the digital environment, for example using automated processes, such as programmatic advertising, or exchanges and market places.

## **AGGREGATOR**

A business that collects and organises content from multiple sources.

## **AUDIENCE FRAGMENTATION**

The division of audiences into small groups across an increasing number of media outlets. Audience fragmentation is characteristic of digitisation and the associated proliferation of channels, and can lead to a growth in services catering to specific interest groups.

## **AUDIENCE SHARE**

The percentage of a radio or television audience that tuned in to a particular channel or programme during a given period, out of the total radio or television audience in the same period.

## **BRAND-BUILDING PLATFORM**

A platform, or medium, which, through its reach and the range of its viewers or listeners, enables brand owners and advertisers to establish and improve the identity of their brands.

## **BROADCASTING LICENCE**

A licence granting the licensee permission to broadcast in a given geographical area.

## **BUSINESS-TO-BUSINESS MARKET**

A market in which transactions are carried out between businesses – such as between a content producer and a broadcaster – as opposed to a business-to-consumer market, in which transactions are carried out directly between a business and the end consumer.

## **CABLE DISTRIBUTION**

A system of distributing television programmes to subscribers through coaxial cables or light pulses through fibre optic cables. Cable distribution as a means of distributing television signals is usually part of a free-TV broadcasting licence.

## **CABLE OPERATOR**

The company or individual responsible for the operation of a cable system that may offer cable television, telephony and/or internet access.

## **CASH CONVERSION RATE**

See note 3. to the consolidated financial statements.

## **CASH FLOW**

See note 3. to the consolidated financial statements.

## **CASH FLOW STATEMENT**

See note 3. to the consolidated financial statements.

## **COMMERCIAL BROADCASTER (FREE-TO-AIR)**

Usually a privately owned business, active in television and/or radio broadcasting. Commercial broadcasters are financed to a large extent by the sale of advertising.

## **COMMERCIAL TARGET GROUP**

A standard established by industry players, defining the largest common denominator within the total population, relevant for advertisers' demand and pricing. Commercial target groups can be defined by age, gender and other demographic factors.

**COMPOUND ANNUAL GROWTH RATE (CAGR)**

A measure of growth over multiple time periods. CAGR can be thought of as the growth rate that gets you from the value at one point in time to the value at another point in time, assuming that the investment has been compounding over the time period.

**CONNECTED TV (CTV)**

A web-connected television device.

**CONTENT PRODUCTION**

The creation of original content for television broadcast, either by the in-house production department of the broadcaster or an external production company. The production of television formats by a third party production company takes place either on a commissioning basis (ordered by the broadcaster, who owns all rights on a buy-out basis) or as a licensing model (the producer owns the rights and grants limited licence to the broadcaster).

**CONTENT RIGHTS**

Certain intellectual property rights, given to an originator of content to protect original works of authorship, or to an assignee, to distribute, sell, broadcast or otherwise exploit an audio-visual work.

**CONTENT VERTICAL**

A business or brand that aggregates content around a specific demographic or interest group.

**CONVERGENT CURRENCIES**

Measurement of audiences across multiple platforms, such as TV and online, using a single metric, to give a combined audience figure for all viewing, irrespective of delivery channel.

**CROSS-MEDIA OFFERS**

Advertising products that cover more than one medium at the same time: for example, TV and online.

**DEFICIT FUNDING MODEL**

A funding model for content production, in which the broadcaster commissions a production company to produce a show, and pays a licence fee that does not fully cover the costs of production. The producer funds the deficit in costs in return for retaining certain rights.

**DEMAND SIDE PLATFORM (DSP)**

A computer-based platform that advertisers or media agencies use to automate media buying across multiple sources with unified targeting, data, optimisation and reporting.

**DIGITAL REVENUE**

“Digital” refers to internet-related activities, excluding online sales of merchandise (“e-commerce”). Digital revenue encompasses different categories of revenue, for example other advertising sales, revenue from distribution and licensing of content, consumer and professional services. To summarise: unlike some competitors, RTL Group only recognises pure digital businesses in this category/revenue stream and doesn’t consider e-commerce, home shopping or platform revenue as part of its digital revenue.

**DIGITAL VIDEO AD**

An ad that is displayed online, through a web browser or browser-equivalent based internet activity that involves streaming video.

**DISTRIBUTION PLATFORM**

A system for disseminating media content such as audio and video, using infrastructure based on technologies such as cable, satellite, terrestrial broadcast, IPTV and the open internet.

**DIVIDEND**

All shareholders are entitled to the portion of the net profit distributed by a company that corresponds to the amount of their shareholding. This payment is known as a dividend. The amount of the dividend is proposed by the company’s Executive Committee and approved at the Annual General Meeting. The dividend depends, among other things, on the company’s financial position and the amount of cash earmarked for further growth opportunities.

**DOCU DRAMA / DOCU SOAP / DOCU SERIES**

A genre of radio and television programming that presents dramatised re-enactments of actual events in the style of a documentary.

**DTT**

Digital terrestrial television (DTT) is a distribution system that broadcasts digital TV signals ‘over-the-air’ from a ground-based transmitter to a receiving antenna attached to a digital receiver.

**EBIT**

See note 3. to the consolidated financial statements.

**EBITA**

See note 3. to the consolidated financial statements.

**EBITDA**

See note 3. to the consolidated financial statements.

**E-COMMERCE**

The buying and selling of products or services over electronic systems such as the internet and other computer networks.

**FLAT RATE SUBSCRIPTION**

A payment model for premium services that can be accessed during a specified period of time, in exchange for a recurring fixed fee, regardless of the quantity and/or length of usage in that same time period. (See also SVOD)

**FORMAT**

The overall concept, premise and branding of a copyrighted television programme. A format can be licensed by TV channels, so they can produce a version of the show tailored to their nationality and audience.

**FREE FLOAT**

The number of shares in a company that are not owned by major shareholders but owned by many different shareholders and can therefore be traded freely in the capital market.

**GAME SHOW**

A radio or television programming genre in which contestants, television personalities and/or celebrities, play games that involve answering questions or solving specific tasks usually for money and/or prizes.

**HBBTV**

Hybrid broadcast broadband television (HbbTV) is an industry technology standard for combining broadcast TV services with services delivered via the internet on connected TVs and set-top boxes.

**HDTV**

High-definition television (HDTV) is both a type of television that provides better resolution than standard definition television, and a digital TV broadcasting format that enables the broadcast of pictures with more detail and quality than standard definition.

**IMPRESSION**

The number of times a user is shown a video or ad – in other words, the number of chances they have to see the ad. The user doesn’t need to interact with the video or ad for it to count as an impression. Impressions are commonly accepted as a billing standard for video ads running across all types of content. Ad campaigns are usually measured in terms of number of impressions.

**IN-PAGE ADVERTISING**

In-page advertising is a sub-segment of online display advertising, in which online advertisements are displayed in the form of banners and other graphical units, directly within a web page.

**IN-STREAM ADVERTISING**

In-stream advertising is a sub-segment of online display advertising, in which audio-visual advertisements are shown within an online video stream, either before (pre-roll), during (mid-roll) or after (post-roll) the video content itself.

**IPTV**

Internet protocol television (IPTV) is the term used for television and/or video signals that are delivered to subscribers or viewers using internet protocol, the technology used to access the internet.

**KPI**

Key Performance Indicator (KPI) is a type of performance measurement. KPIs evaluate the success of an organisation or of a particular activity in which it engages.

**LINEAR TV**

The provision or viewing of television programmes in a fixed time sequence according to a given schedule.

**LONG-FORM VIDEO CONTENT**

A descriptive term for a type of video content that has a beginning, middle and end, and which typically lasts longer than 10 minutes in total. If the content is ad supported, it typically contains breaks (mid-roll).

**LTIP**

Long-term incentive plan ("LTIP"). See note 7.3.1. to the consolidated financial statements.

**MARKET CAPITALISATION**

The value of a listed company determined by multiplying the current market price of a stock with the number of outstanding shares.

**MDAX**

The MDAX is a stock index which lists companies listed in Germany. The index reflects the price development of the 50 largest companies from the Prime Standard segment of Deutsche Börse – excluding the technology sector – which rank below the DAX index. The composition of the index is reviewed on a semi-annual basis and adjusted in March and September. The criteria for weighting the shares in the index are: trading volume and market capitalisation on the basis of the number of shares in free float, and position in the respective sector.

**MULTI-PLATFORM NETWORK**

Multi-platform networks (MPNs) – previously also known as multi-channel networks (MCNs) – are service providers that affiliate with multiple channels on several online platforms such as YouTube to offer services that may include audience development, content programming, creator collaborations, digital rights management, monetisation, and/or sales. They offer these services in exchange for a share of revenue.

**NET DEBT TO EBITDA RATIO**

See note 3 to the consolidated financial statements.

**NET FINANCIAL DEBT**

See note 3 to the consolidated financial statements.

**NON-LINEAR CONTENT**

Content that is provided and/or viewed on demand, outside of a linear broadcast schedule.

**NOPAT**

See note 3 to the consolidated financial statements.

**ONLINE ADVERTISING**

A form of advertising that uses the internet to deliver marketing messages to an audience of online users.

**ONLINE DISPLAY ADVERTISING**

A form of online advertising in which an advertiser's message is shown on a web page in a variety of formats – both in-page (such as banner ads) and in-stream (such as pre-roll videos) – which use various techniques to enhance the visual appeal of the advertising, as opposed to online classified and search advertising.

**ORIGINAL CONTENT**

Content that is produced specifically for a certain distribution platform (such as TV) and shown for the first time on that platform.

**OTT**

Over-the-top (OTT) is a term for the delivery of content or services over the open internet rather than via a managed network.

**OVERLAYING**

The superimposition of content (such as text, graphics, video) on a TV programme or advertisement shown on a TV screen.

**PAY-TV**

A commercial service that broadcasts or provides television programmes to viewers in exchange for a monthly charge or per-programme fee.

**PHASING EFFECT**

Financial effects (positive or negative) on revenue or profit over a period longer than the reporting period, resulting from the time difference between the allocation of costs and return of investment.

**PLAYLIST START**

The number of times a playlist – including video content and ads – is started.

**PRIME TIME**

That part of a broadcaster’s programming schedule that attracts the most viewers and is therefore the most relevant in terms of advertising. The start and end time of prime time is typically determined by the medium (such as radio or television) and defined by the industry in each market, and can therefore vary from one country to another.

**PROGRAMME FORMAT**

See “format”.

**PUBLIC BROADCASTER**

A publicly owned company, active in television and/or radio broadcast, whose primary mission is often public service related. Public broadcasters may receive funding from diverse sources including licence fees, individual contributions, public financing and advertising.

**REAL TIME BIDDING (RTB)**

The means by which ad inventory is bought and sold on a per-impression basis, via programmatic instantaneous auction, similar to financial markets.

**REVENUE**

The income received by a company in the form of cash or cash equivalents.

**RVA**

“RTL Group Value Added” is an RTL Group specific measure of shareholder value creation based on economic value added. RVA measures the profit realised above and beyond the expected return on invested capital. This form of value orientation is reflected in strategic investment and portfolio planning – including the management of Group operations – and is the basis for senior management variable compensation. For more information, see note 3 to the consolidated financial statements in the Annual Report 2018.

**SALES HOUSE**

See “advertising sales house”.

**SECOND SCREEN**

An electronic device such as a tablet or smartphone that is used simultaneously with television consumption. Second screen applications may allow audiences to access additional content and services related to the broadcast programme, or to interact with the content consumed through the primary screen.

**SHORT-FORM VIDEO**

A descriptive term for a type of video content that lacks a content arc, and which typically lasts less than 10 minutes in total.

**SUPPLY SIDE PLATFORM (SSP)**

An advertising technology platform that represents inventory (for example through publishers), and its availability. An SSP allows many of the world’s larger web publishers to automate and optimise the selling of their online media space.

**SSDAI**

Server-side dynamic ad insertion is a technology, which allows the replacement of existing commercials from a broadcast stream with more targeted, personalised advertising.

**SYCOS**

RTL Group's synergy committees (Sycos) are comprised of executives and experts from each segment and from the Corporate Centre, and meet regularly to discuss topics such as programming, news, radio, advertising sales and new media. While each segment makes its own management decisions, it is free to draw on the understanding and expertise of other RTL Group companies to replicate successes and share ideas.

**TERRESTRIAL BROADCASTING**

A system to disseminate audio-visual content in the form of radio waves over the air from a ground-based transmitter to a receiving antenna.

**TIME-SHIFTED VIEWING**

The viewing of programming recorded to a storage medium (such as personal video recorder), at a time more convenient to the viewer than the scheduled linear broadcast.

**TV HOUSEHOLD**

A household equipped with at least one TV set.

**UNDERLYING REVENUE**

Revenue adjusted for minor scope changes and at constant exchange rates.

**UNIQUE USER**

A metric that seeks to count as individuals, visitors who visit a website more than once in a given period of time.

**VERTICAL NETWORK**

A business that aggregates multiple content publishers into themed content verticals for which it may offer centralised advertising sales services.

**VIDEO VIEW**

The number of times a video has been viewed. Technology vendors may use the metric 'creative view' to help track which technical version of an ad was played in a particular environment, but that metric is used for technological analysis and not for measuring user engagement. Often confused with impression.

**VOD/VIDEO-ON-DEMAND**

A service that enables viewers to watch video content when they choose to, outside of any linear schedule.

- **AVOD – ADVERTISING-FUNDED VOD**

A typical example includes services from TV channels that allow free access to video content seven days after the broadcast, funded by advertising.

- **SVOD – SUBSCRIPTION-FUNDED VOD**

A VOD service that is financed by subscription fees.

- **TVOD – TRANSACTION-FUNDED VOD**

A VOD service that is financed on single transactions per view or content item.