

OUR BUSINESS MODEL



THE VALUE CHAIN OF THE 'TOTAL VIDEO' MARKET

What we do

FremantleMedia produces content for broadcasters and digital platforms globally. Our broadcasters also make and commission local content. We are active across most popular genres: news, entertainment shows, drama, sports, and factual entertainment.

How we make money

Broadcasters and digital platforms commission productions, with a guaranteed income for producers. The production company may also take some of the development risk, for later reward. Global hit formats can generate additional revenue by exploiting rights in gaming, music, merchandising and digital activities.

What makes us different

FremantleMedia is a global content and distribution network. We have a unique ability to roll out productions and hit formats internationally, and turn them into globally recognised brands. Established over a period of time, this model is hard to replicate.



What we do

TV channels and radio stations create and schedule programming that helps them shape their channel brands. Rather than focusing on a single genre, our flagship channels balance ingredients to create a general interest programming mix. A similar concept applies with multi-channel networks (MCNs), which aggregate attractive content into specific niches in the digital world.



How we make money

Advertising clients book spots in linear and non-linear programming. The price they pay generally depends on the reach and demographic structure of the audience they target.

What makes us different

We have a unique ability to create and promote new formats, refresh long-running hits, and promote major events. We are experts in 'audience flow', creating a programming schedule that will reassure and attract audiences and keep them tuned in.

Maintaining direction

The Group provides strategic direction and financial control, while overseeing a broad portfolio of autonomous businesses. These form a decentralised, scalable multi-region, multi-platform business model: television, radio and online services with leading market positions in key geographical markets or themes.

Allowing autonomy

TV and radio are local businesses that serve different cultures, traditions and markets, so each is led by its own CEO. This entrepreneurial approach ensures each business can act quickly and flexibly in its target market, create its own identity, and benefit from proximity to its audience. It can also build its own family of channels to complement its flagship channel.

Collaborating and coordinating

Group and local management meet regularly to share experiences, discuss opportunities and challenges, develop strategies, and collaborate across the Group, in particular in the digital domain where scale is becoming ever more important. We ensure knowledge, expertise and promising innovations are rapidly shared across our Group.

Creating synergy

Our Synergy Committees (Sycos) enable relevant experts and decision makers to exchange best practice and develop strategic and operational aspects for all key areas of our business, such as programming, digital, sales, radio, and news.

DISTRIBUTION

What we do

Our aim is to offer our content wherever the audience wants to watch it – on multiple platforms and devices. But distribution has to follow clearly defined business rules. First, our TV shows are never separated from our channel brands. Secondly, we remain in control of monetisation. In other words, we sell advertising.

How we make money

Our aim is to receive a fair share of the revenue generated by our brands and programmes on distribution platforms such as cable network operators, satellite companies and internet TV providers. These services include high-definition TV channels, on-demand platforms and digital pay channels. Our platform revenue is growing fast. It already accounts for 4.5 per cent of RTL Group's total revenue, and there is potential for this to grow.



What makes us different

The various platform operators need must-see content and strong brands – this is exactly what we offer.

MONETISATION

What we do

Advertising sales is our primary revenue stream. We provide advertisers with large audiences who are attracted by high-quality content.

We work closely with our advertising clients to provide all types of ad formats – not just the traditional 30-second TV commercial, but also packages tailored to each client's needs.



What makes us different

Advertising in audio-visual content has become very technology-driven, as digital advertising sales are much more fragmented and complex than in traditional broadcast. We are very early investors in the programmatic technology that automates the advertising sales process.