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Media release

Tamedia: Marketplaces and Ventures performing well – marked downturn in print advertising market affects net income for the year

The Swiss media group Tamedia achieved operating revenues of CHF 1,010.6 million (+3.7 per cent) in 2018. Net income before interest, taxes and depreciation and amortisation (EBITDA) fell to CHF 205.9 million (-16.0 per cent, EBITDA margin 20.4 per cent), due in particular to the sharp downturn in the print advertising market and the increase of CHF 28.3 million in pension costs in accordance with IAS 19, as well as the CHF 6.0 million valuation allowance following the bankruptcy of Publicitas. This pushed operating income before interest and taxes (EBIT) down to CHF 131.6 million (-27.2 per cent, EBIT margin 13.0 per cent) and net income to CHF 129.5 million (-23.9 per cent). Taking all extraordinary factors into account, operating income is down slightly on the previous year. Andreas Schulthess will be put forward for election to the Board of Directors at the AGM in April 2019. Tamedia also plans to invest CHF 30 million in the digital development of paid media and to review its corporate structure by the end of the summer.

Zurich, 12 March 2019 – In 2018 Tamedia's revenues increased by 3.7 per cent, or CHF 36.4 million, to CHF 1,010.6 million. The increase in revenues is due to the acquisitions of Basler Zeitung, Goldbach Group and Neo Advertising SA, which more than compensated for any structural decline in revenues associated with existing publishing activities. Operating income before depreciation and amortisation (EBITDA) fell by CHF 39.3 million or 16.0 per cent to CHF 205.9 million. The EBITDA margin decreased therefore from 25.2 per cent in the previous year to 20.4 per cent. Personnel expenses in accordance with IAS 19 have been a key factor behind this development, increasing by CHF 28.3 million year on year. Specific valuation allowances in the amount of CHF 6.0 million also had to be recorded in 2018 for receivables due from Publicitas. Operating income (EBIT) fell by 27.2 per cent or CHF 49.1 million to CHF 131.6 million. The EBIT margin fell therefore from 18.6 per cent in the previous year to 13.0 per cent. The increase in amortisation resulting from business combinations is due to the additional amortisation from the customer bases of Basler Zeitung AG, Goldbach Group and Neo Advertising SA, which were taken into account for the first time in 2018. The goodwill of CHF 2.3 million of the activity of

Tradono Switzerland was fully impaired due to its discontinuation in September 2018. Eligible Tamedia employees have a profit participation of CHF 5.5 million in net income (previous year: CHF 6.5 million).

Key Figures	2018 in CHF mn	2017 in CHF mn	Change in per cent
Tamedia Group			
Revenues	1 010.6	974.2	3.7
Operating income before depreciation and amortisation (EBITDA)	205.9	245.2	-16.0
Margin (in per cent)	20.4	25.2	-19.1
Operating income (EBIT)	131.6	180.7	-27.2
Margin (in per cent)	13.0	18.6	-29.8
Net income	129.5	170.2	-23.9
of which attributable to Tamedia's shareholders	96.5	146.9	-34.3
Cash flow from/(used in) operating activities before interest and tax	187.7	223.3	-15.9
Total assets ¹	2 948.4	2 513.3	17.3
Equity ratio (in per cent) ²	71.3	78.4	-9.0
Paid Media			
Revenues	569.6	603.8	-5.7
of which intersegment	16.5	17.8	-7.5
EBITDA	47.4	82.6	-42.7
EBITDA-Margin (in per cent) ³	8.3	13.7	-39.2
Free Media and Commercialisation			
Revenues	206.4	154.4	33.7
of which intersegment	1.4	1.2	17.9
EBITDA	62.0	50.7	22.4
EBITDA-Margin (in per cent) ³	30.0	32.8	-8.4
Marketplaces and Ventures			
Revenues	252.8	235.5	7.3
of which intersegment	0.4	0.6	-38.3
EBITDA	104.7	91.8	14.0
EBITDA-Margin (in per cent) ³	41.4	39.0	6.2
Average number of employees ⁴	3 330	3 204	3.9
Dividends per share (in CHF)	4.50 ⁵	4.50	0.0

¹ as of 31.12.2017

² Equity to total assets

³ The margin relates to revenues

⁴ The average headcount does not include employees in associated companies/joint ventures

⁵ Proposed appropriation of profit by the Board of Directors

Paid Media

Revenues from third parties generated by the Paid Media business division fell by 5.6 per cent in 2018 to CHF 553.2 million (previous year: CHF 586.0 million). This decline in revenues was partly caused by a significant downturn in the print advertising market. Consequently, operating income before depreciation and amortisation (EBITDA) fell by

42.7 per cent to CHF 47.4 million (previous year: CHF 82.6 million), with the EBITDA margin also decreasing to 8.3 per cent (previous year: 13.7 per cent). Important factors contributing to the decrease in EBITDA included the CHF 3.6 million valuation allowance in this business division following the bankruptcy of the advertising agency Publicitas, the costs of closing the print version of Le Matin and lower net income from newspaper printing facilities, which faced higher purchase costs for paper, printing plates and ink due to a strong euro.

Free Media and Commercialisation

Revenues from third parties generated by the Free Media and Commercialisation business division rose by 33.8 per cent in 2018 to CHF 205.0 million (previous year: CHF 153.2 million). The main reason for the increase in revenue was the first-time consolidation of the marketing company Goldbach Group and the out-of-home advertising company Neo Advertising. Operating income before depreciation and amortisation (EBITDA) rose accordingly by 22.4 per cent to CHF 62.0 million (previous year: CHF 50.7 million) and includes value adjustments of CHF 2.4 million due to the bankruptcy of Publicitas. The EBITDA margin was 30.0 per cent (previous year: 32.8 per cent).

Marketplaces and Ventures

Revenues from third parties generated by the Marketplaces and Ventures business division rose by 7.4 per cent in 2018 to CHF 252.5 million (previous year: CHF 235.0 million). The organic growth of the platforms of JobCloud AG, homegate.ch, olmero.ch and doodle.com made a particularly important contribution to revenue growth. Operating income before depreciation and amortisation (EBITDA) rose significantly by 14.0 per cent to CHF 104.7 million (previous year: CHF 91.8 million). The EBITDA margin was 41.4 per cent (previous year: 39.0 per cent).

Martin Coninx to step down from Board of Directors – Andreas Schulthess to be put forward as his successor

The Board of Directors will propose to the Annual General Meeting on 5 April 2019 that Andreas Schulthess be elected to its ranks. He has already been on the Board of Directors from 2007 to 2013. Andreas Schulthess began his career in 1993, working as a student trainee in Tamedia's Human Resources Department. After completing his university studies, he became an IT business consultant in 2000, specialising in new technologies and e-business at Applied International Informatics and Cap Gemini (Switzerland) Ltd. After training as a coach and gaining relevant work experience in the field of management and personal development, he returned to operational human resources. He worked at Swiss Life Schweiz AG from 2005 to 2011, heading up Human Resources Management Switzerland. From 2011 to 2015, he devoted his attention to a family foundation and took care of various HR projects before joining Swiss Re Ltd in Zurich as Head HR Switzerland, a position he held until 2018. Andreas Schulthess graduated from the University of Zurich in 1999 with a Master's degree in economics. He also completed a postgraduate programme, obtaining an Executive Master of Human Resources Management from the Institute for Applied Psychology in Zurich.

Martin Coninx, who is part of the same line of the founding family as Andreas Schulthess, is stepping down from the Board of Directors in line with the rotation policy for family members. The 48-year-old will retain his ties with Tamedia as a shareholder and member of the pool of family shareholders.

Tamedia to invest CHF 30 million in the digital development of paid media

Tamedia will be investing CHF 30 million in its core business over the next three years. This investment is motivated by the positive experiences of recent years and will be in addition to the usual expenditures. Two thirds of the available funds will be used in the editorial sphere of paid media and one third in the commercial sphere. The purpose of the investments is to launch new digital offerings that meet users' changing demands and habits while also deploying new technologies.

Tamedia reviewing its corporate structure

In recent years, Tamedia has consolidated its leading position as a private Swiss media group and opened up new areas of business, most recently with the acquisitions of Basler Zeitung, Goldbach Group, Neo Advertising and Zattoo.

In light of its dynamic growth across the board, Tamedia has decided to review its own corporate structure. Its considerations are based on the fact that its various business areas – paid media, free media, advertising marketing and brokerage, digital marketplaces and ventures – each operate in very different contexts. They face different challenges and are therefore presented with different opportunities. We need to exploit this in a strategic fashion.

The project is geared towards laying the ideal foundations for transparency and growth in all areas of the business with their differing cultures. The project is expected to deliver a viable basis for decision-making by the summer.

Press conference and information for financial analysts

The press conference will take place today, 12 March 2019, at 10.00 a.m. at the Tamedia head office at Werdstrasse 21 in Zurich. An analysts' conference will also be held for analysts and investors at 12.00 p.m. If required, a conference call in English will be offered tomorrow, 13 March 2019, for investors and analysts from abroad.

Information on the Annual General Meeting 2019

The Annual General Meeting of Tamedia Ltd will take place on Friday, 5 April 2019 at 3.00 p.m. at Lake Side, Bellerivestrasse 170, 8008 Zurich.

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About Tamedia

Tamedia is the leading private media group in Switzerland. The digital platforms, daily and weekly newspapers and magazines of Tamedia offer overview, classification and selection. The company was founded in 1893 and employs a staff of approximately 3,700 in Switzerland, Austria, Denmark, France, Germany, Israel, Luxembourg and Serbia. It has been traded at the Swiss stock exchange since 2000.

Further information for media representatives about Tamedia:

<https://www.tamedia.ch/en/group/newsroom/media-releases>

A series of new pictures about Tamedia, including pictures of corporate buildings with the new logo mounted and on display, are to be found and downloadable free of charge in the photo gallery, the new corporate design and logo being introduced in January 2017.

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