TX

Annual results 2019
Media and Analyst Conference

10 March 2020

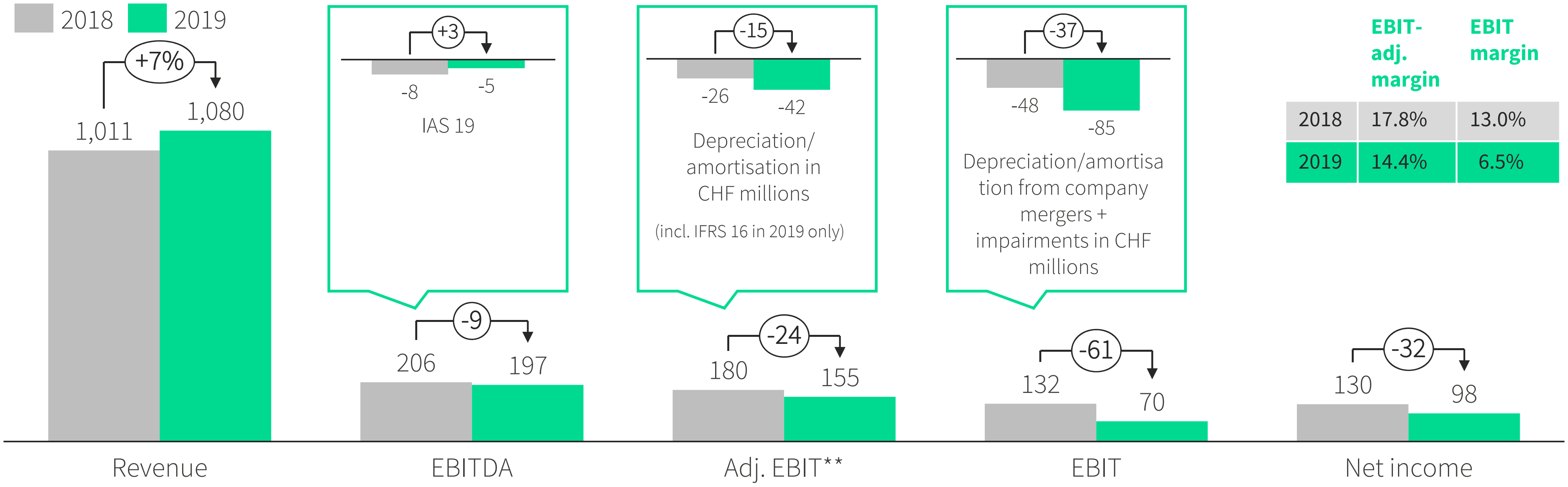
Pietro Supino

Chairman & Publisher

Christoph Tonini
CEO

10 March 2020

Decline in operating result – increase in depreciation and amortisation from company mergers + impairments

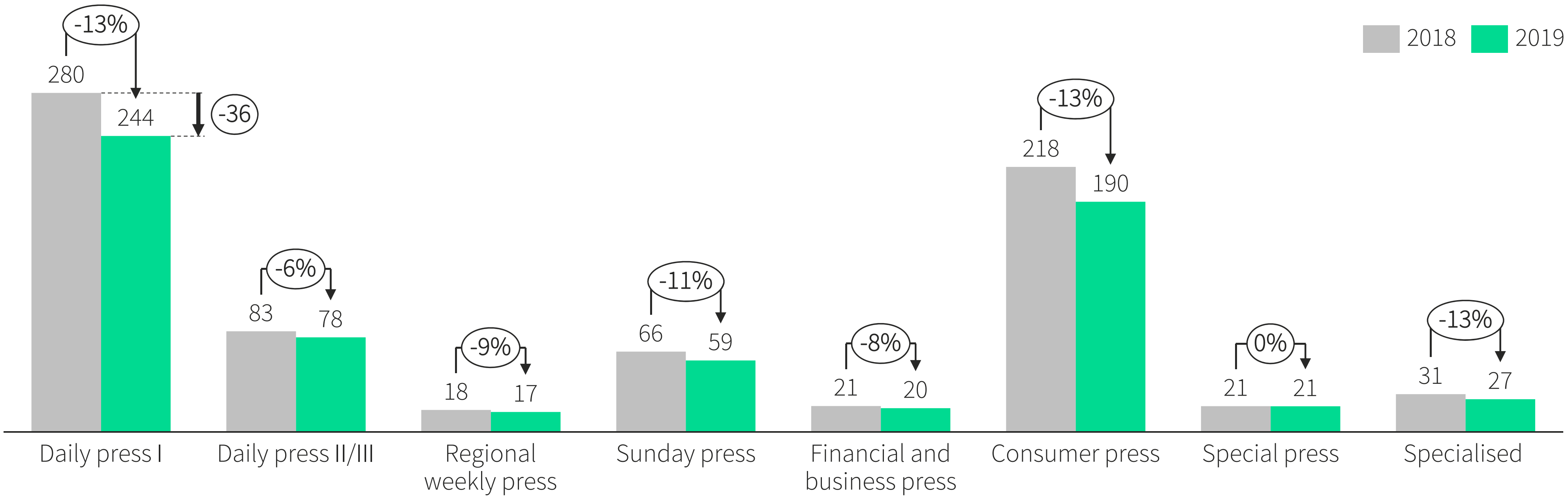


	EBIT-adj. margin	EBIT margin
2018	17.8%	13.0%
2019	14.4%	6.5%

Revenue and net income in 2019 in CHF millions

*Due to the introduction of the new IFRS 16 standard, operating income before depreciation and amortisation (EBITDA) was CHF 12.1 million higher in 2019.
** Operating income before business combinations

Overall decline in print advertising – supraregional daily newspapers hit particularly hard

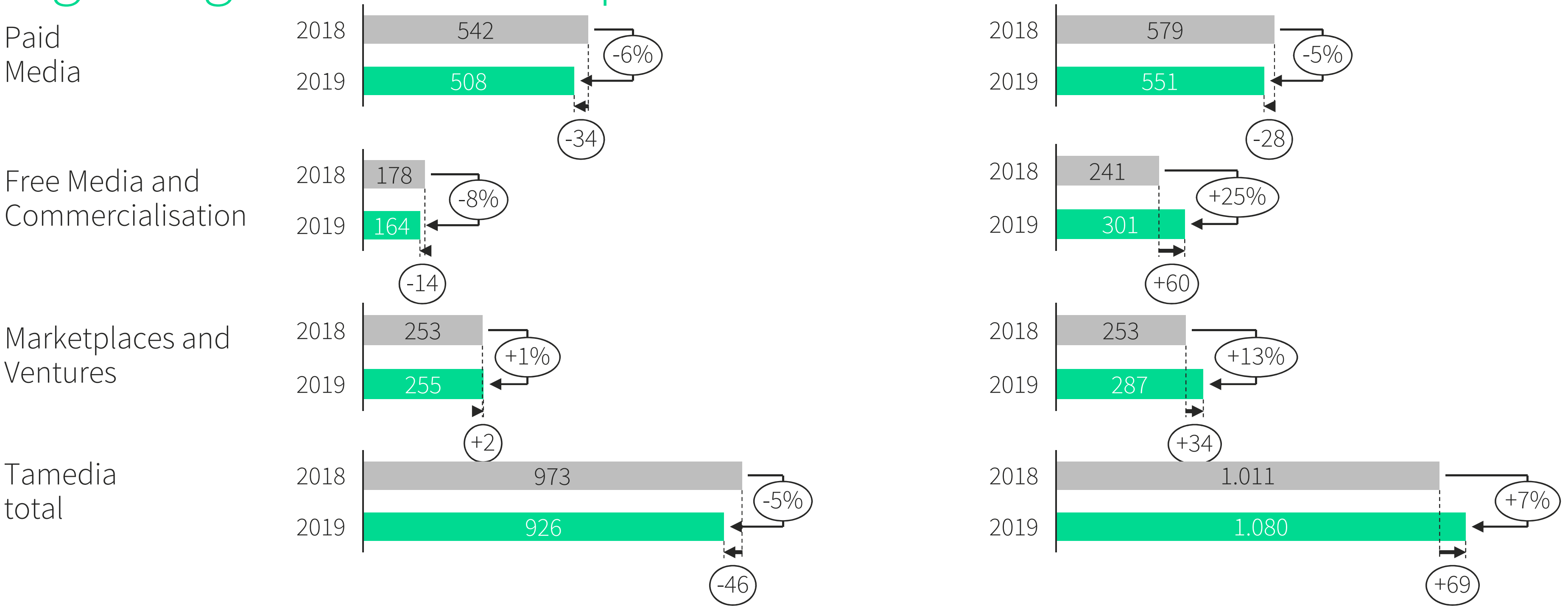


Net revenue for print advertising in CHF millions compared to the previous year

Source: WEMF advertisement statistics for the Swiss press

Acquisition-related revenue growth of 7 percent

Organic growth down 5 per cent

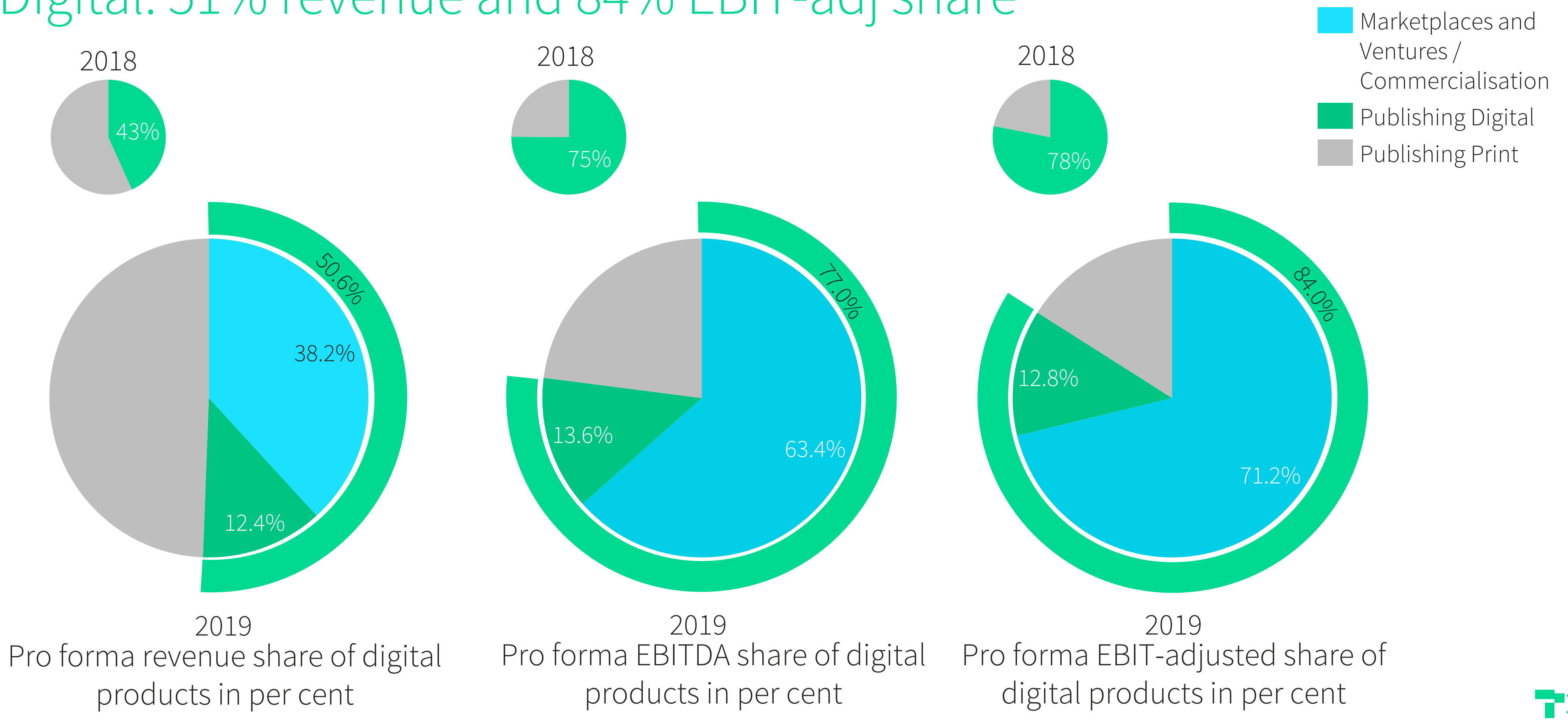


Organic revenue growth* in CHF millions

Consolidated revenue growth in CHF millions

*Products that were taken into account in the consolidation for 12 months in both 2018 and 2019

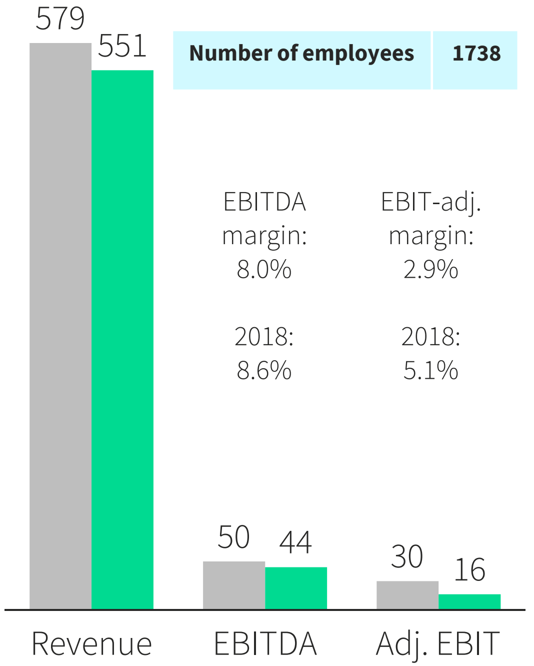
Digital: 51% revenue and 84% EBIT-adj share



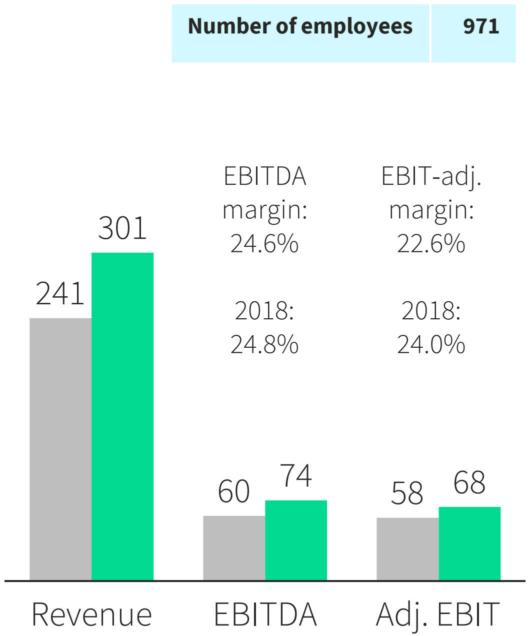
Employee pension costs pursuant to IAS 19 were allocated per segment

Marketplaces with lower adjusted EBIT, mainly due to investing in platforms

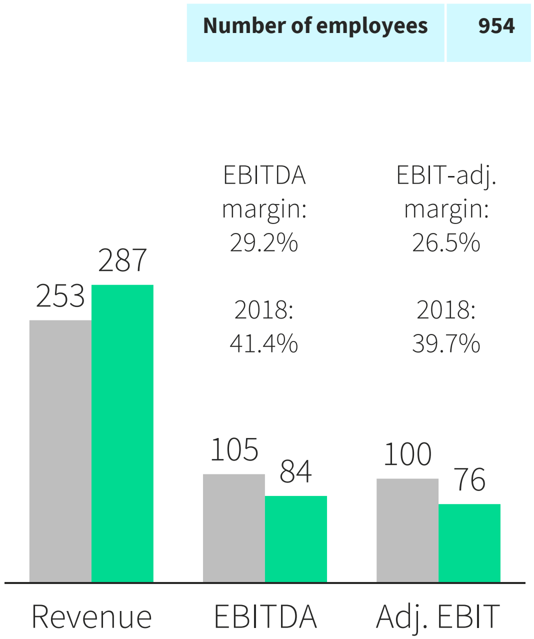
2018 2019



Paid Media in CHF millions



Free Media and Commercialisation in CHF millions

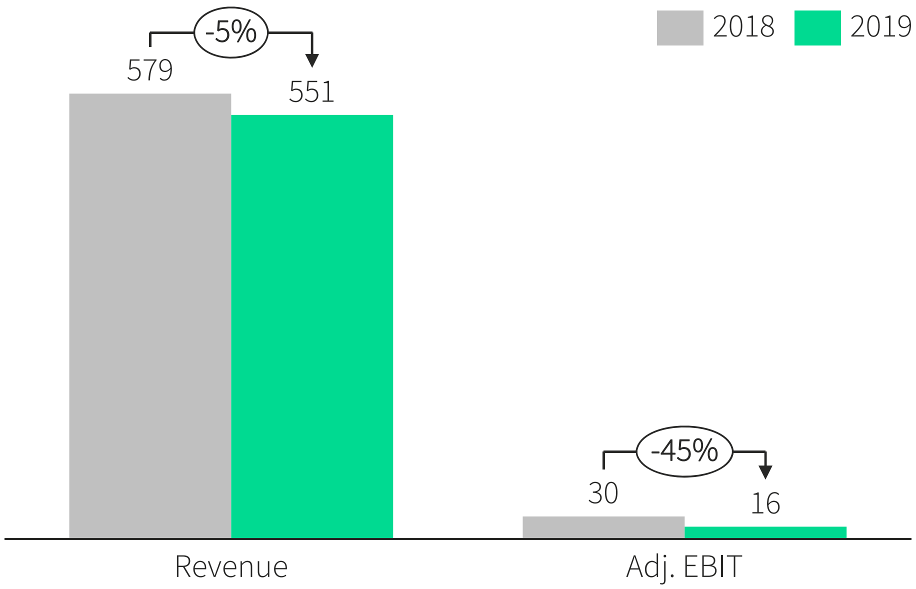


Marketplaces and Ventures in CHF millions

*The figures from the previous period were adjusted due to the introduction of a new operating and management model.

Paid Media

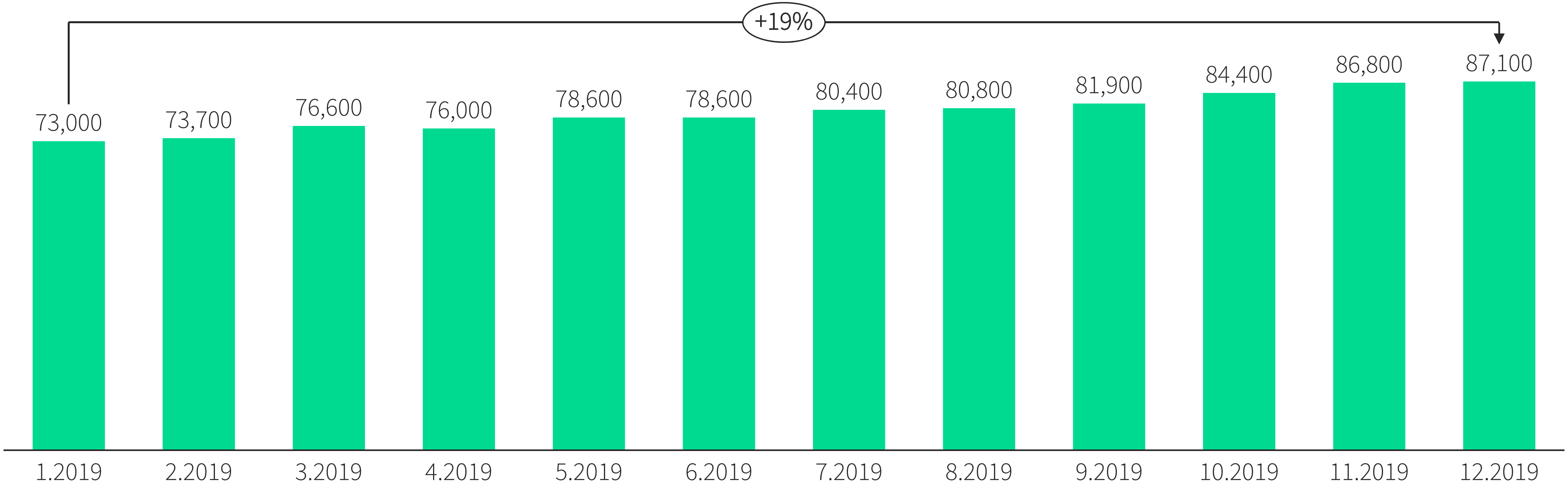
Adjusted EBIT almost halved from the previous year



Paid media overview in CHF millions

- Advertising market declined again sharply for superregional newspapers and consumer magazines
- Investment in audio and video formats as well as in the expansion of digital Paid Media in general
- Digital subcriptions continue to rise
- Sale of women’s magazine Annabelle

Digital subscriptions increase by 19 per cent



Digital subscriptions in 2019

New digital offer to be introduced by summer 2020

A new digital offer will replace the existing portfolio in summer 2020

– User feedback played a central role in helping to shape the offer:

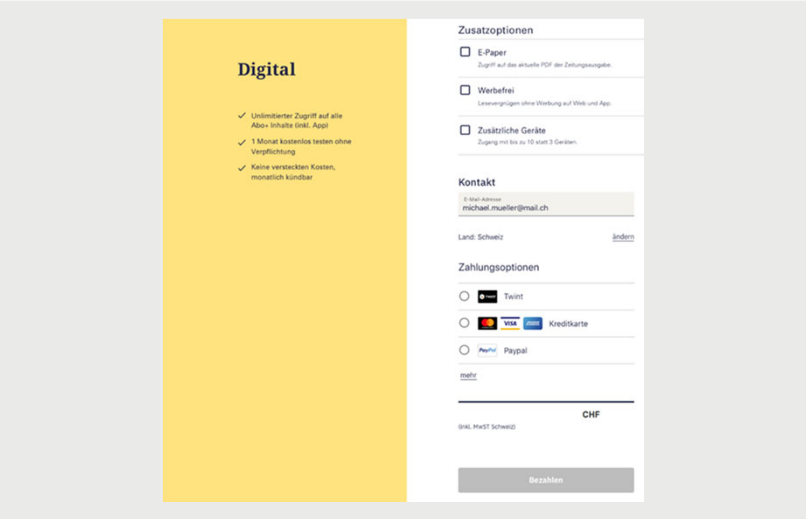
Digital CHF 15/month

✓ Subs + Tages-Anzeiger web & app
✓ Use on up to three devices

☐ Use on up to 10 devices (+ CHF 3)
☐ Ad-free and without ad-tracking (+ CHF 4)
☐ E-paper (+ CHF 10)

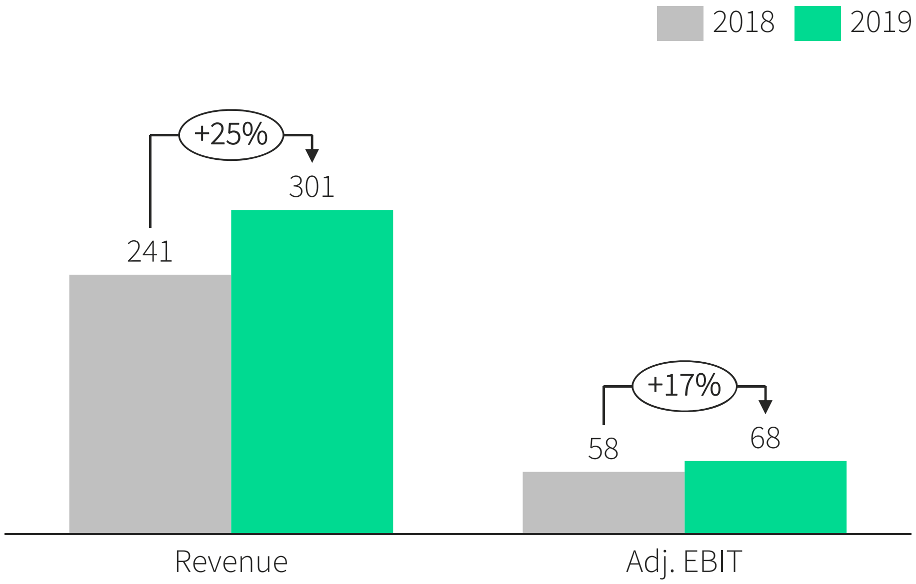
A simplified check-out process will also be rolled out for the new digital offer:

– Check-out process reduced to two clicks



Free Media & Commercialisation

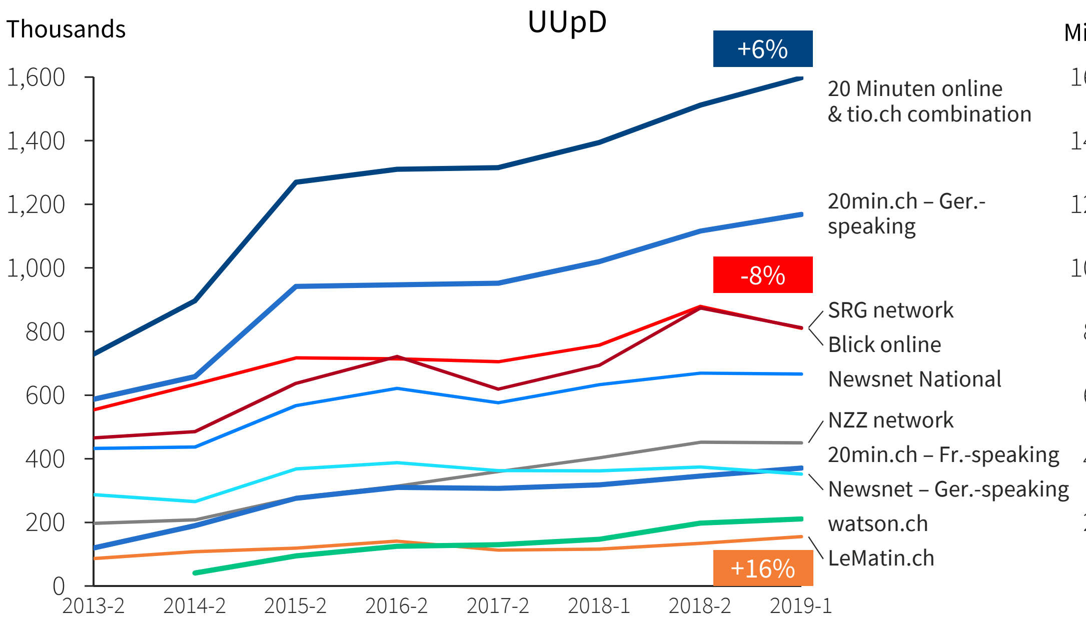
Increase in revenue and net income thanks to Goldbach

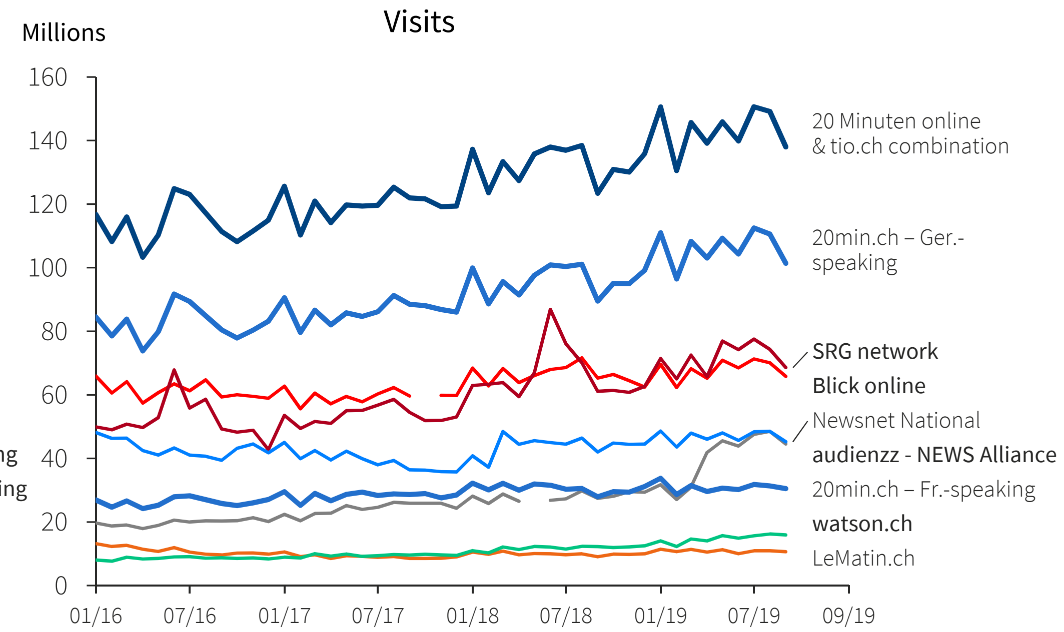


Free Media and Commercialisaton in CHF millions

- Increase in revenue and adjusted EBIT due to the first-time consolidation of Goldbach for a full year
- 20 Minuten celebrated 20th anniversary in German-speaking Switzerland
- Goldbach acquired new advertising inventory
- Launch of 20 Minuten Radio
- Expansion of video and audio reporting
- Further development of 20 Minuten Friday as a digital product

Outstanding user performance by 20 Minuten





Traffic: 20 Minuten vs. competitors

Source: NET-Metrix-Audit, NET-Metrix-Profile

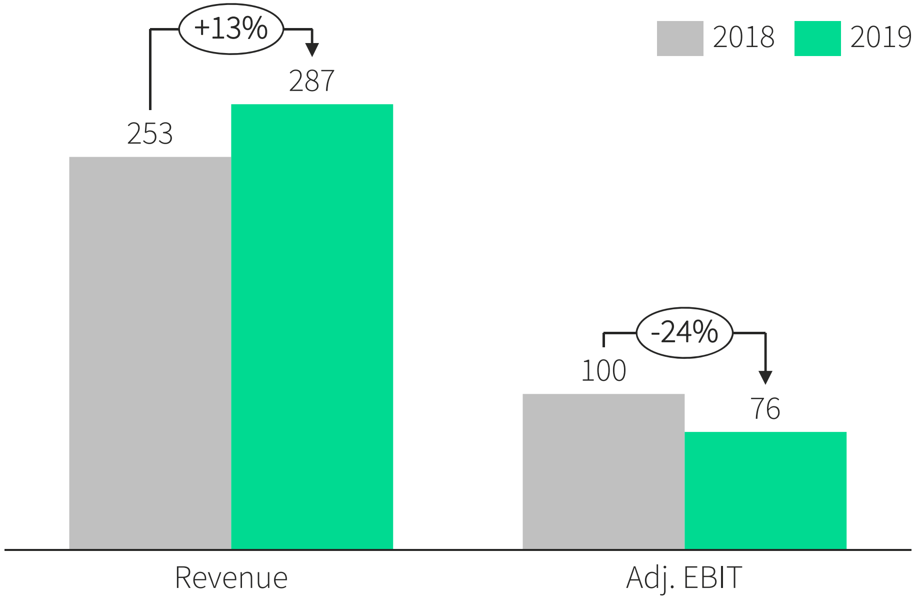
Goldbach able to secure new mandates; successful integration of Neo Advertising

- Acquisition of marketing mandate for the entire television portfolio of CH Media (3+, 4+, 5+, TV24, TV25 and S1)
- Goldbach Austria acquired the heute.at digital marketing portfolio
- Tamedia Advertising integrated into Goldbach Publishing at the beginning of the year
- Goldbach won the Horizont Media Award for the eighth time in a row

- Neo Advertising was integrated into Goldbach
- Won tender to manage the city of Berne's public display space

Marketplaces & Ventures

Further platform investments lead to a decline in operating income

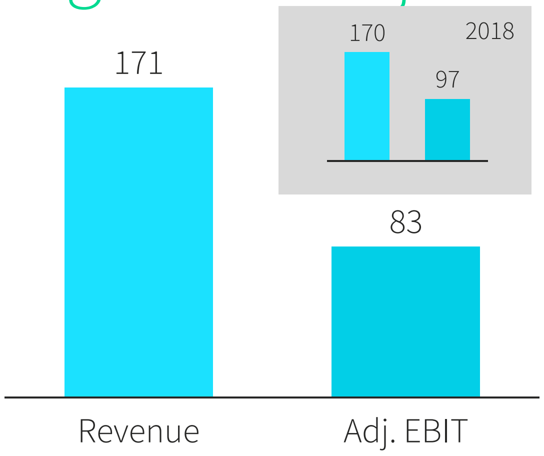


- Increase in revenue due to the first-time consolidation of Zattoo for a full year, and to organic revenue growth at JobCloud
- Drop in net income due to further platform investments aimed at pre-empting possible disruption
- Investment helps to improve non-financial KPIs
- Sale of the stake in LocalSearch in early 2019 and Starticket at the end of 2019

Marketplace and Ventures overview in CHF millions

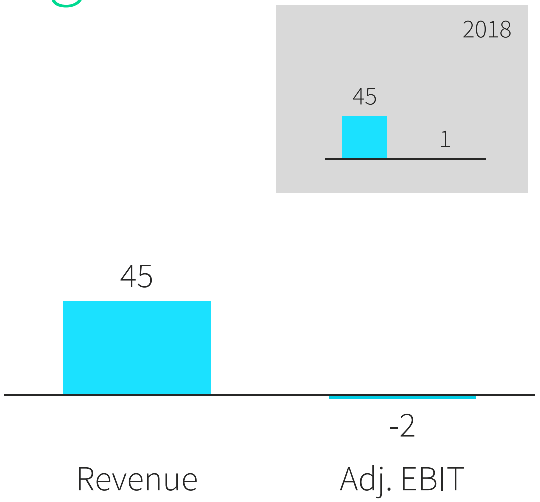
High EBIT-adjusted margin for Classifieds despite investments

In CHF millions



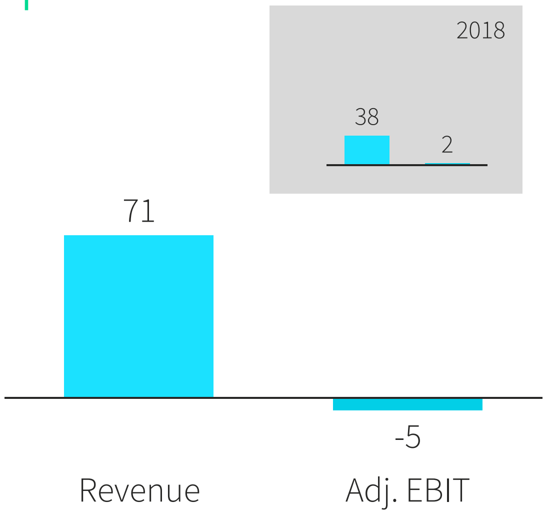
EBIT-adj.* margin: 48.7 per cent

Classifieds 2019



EBIT-adj.* margin: -4.0 per cent

Marketplaces 2019



EBIT-adj.* margin: -7.3 per cent

Services & Ventures 2019

*Result before effects of company mergers, excluding IC eliminations

Double-digit growth in operational KPIs at Homegate and Jobcloud

homegate.ch

Sessions per month

Average number of listed properties

JobCLOUD

Sessions per month

Number of leads per month

Ricardo: sessions and transactions increase by 8 per cent
Tutti: growth of more than 10 per cent

Ricardo

Sessions per month

Average number of transactions by private individuals per month

tutti.ch

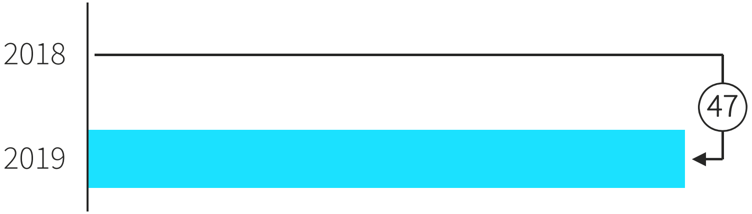
Sessions per month

Number of listed properties per month

Doodle and Zattoo achieve C2C and B2C growth

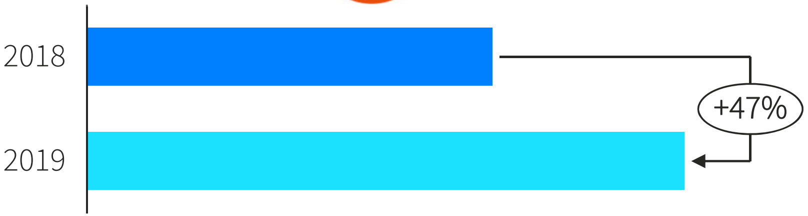
Doodle

Average number of users per month

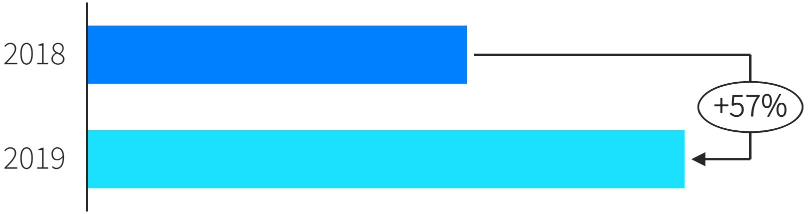


Number of business customers*

ZATTOO



Number of premium users in Germany



Number of business customers

*e.g. Slack, Salesforce, New York City Department of Education, ETH, EPFL

Outlook

TX Group reviewing its range of corporate services – company considering measures to improve efficiency

TX Group

Current situation

- Group reorganisation promotes greater independence among the individual companies
- Group Management define the service catalogue in consultation with the companies
- In future, companies will be free in certain areas to decide which services they wish to use

Objective

- Cost reductions are to be achieved by increasing efficiency, relocation, flexibilisation and cutting back on services

Companies

Current situation

- Greater independence among the individual companies means greater budget responsibility
- Until now, efficiency-enhancing measures have been drawn up at Group Management level; these will now be drawn up by the individual companies' respective management boards

Objective

- The individual companies will consider and implement cost-saving measures

Sandro Macciacchini

Chief Financial Officer & Head of Human Resources

Notes on the 2019 financial year (1/2)

Significant changes to the consolidated and associated companies/activities

- Sale of stake in Swisscom Directories AG in January 2019
- On 1 April 2019, Tamedia acquired a further 21.1 per cent stake in Zattoo International AG. This, together with the existing 28.9 per cent stake, means that Tamedia now has a majority holding of 50 per cent plus one share
- On 30 December 2019, Tamedia AG sold its 100 per cent stake in Starticket AG to See Tickets S.A., Paris
- In November 2019, Tamedia AG acquired the activities of radio station Planet 105 from Radio 1 AG

Changes in the accounting standard

Tamedia has adopted the following new and revised standards and interpretations:

- IFRS 16, “Leases” – 2019
- IAS 19, “Plan Amendment, Curtailment or Settlement” (amendment to IAS 19, “Employee benefits” – 2019)
- IFRS 9, “Prepayment Features with Negative Compensation” (amendment to IFRS 9, “Financial Instruments” – 2019)
- IAS 28, “Long-term Interests in Associates and Joint Ventures” (amendment to IAS 28, “Investments in Associates and Joint Ventures” – 2019)
- IFRIC 23, “Uncertainty over Income Tax Treatments” – 2019

Apart from the introduction of the new IFRS 16 standard “Leases”, the adoption of the revised standards is not expected to have any material impact on the consolidated financial statements.

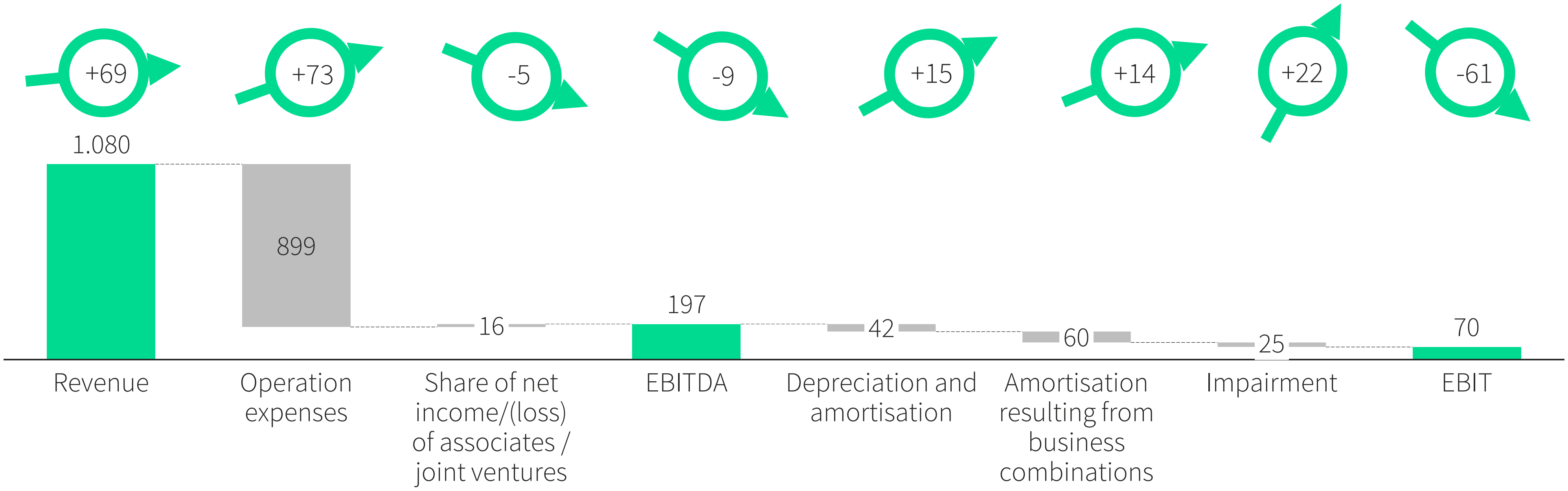
Notes on the 2019 financial year (2/2)

Adjustment of segmentation and of previous year's figures

- On 1 January 2019, in connection with the launch of a new management model, Tamedia introduced a commission model and made adjustments to inter-company billing and to the mechanisms for distributing operating income and expenses that cannot be directly allocated. Inter-company services will now be settled and reported as revenue. Group services constitute an exception to this rule and will continue to be allocated as costs. In particular, in-house settlement of advertising revenue will now be subject to a commission, whereas previously a cost allocation would have taken place. (For the purposes of the restatement for the full year 2018, the relevant commissions correspond to costs, whereby differences may occur during the course of the year.) This switch to reporting in-house commission income and expenses on a gross basis will result in greater amounts being offset between the respective segments. Advertisers and the products for which they are responsible will now be recorded entirely under the Free Media and Commercialisation segment, which, in terms of passing on internal revenue, will also lead to greater offsetting between the respective segments. The lematin.ch news platform will also be included in the Free Media and Commercialisation segment accounts.

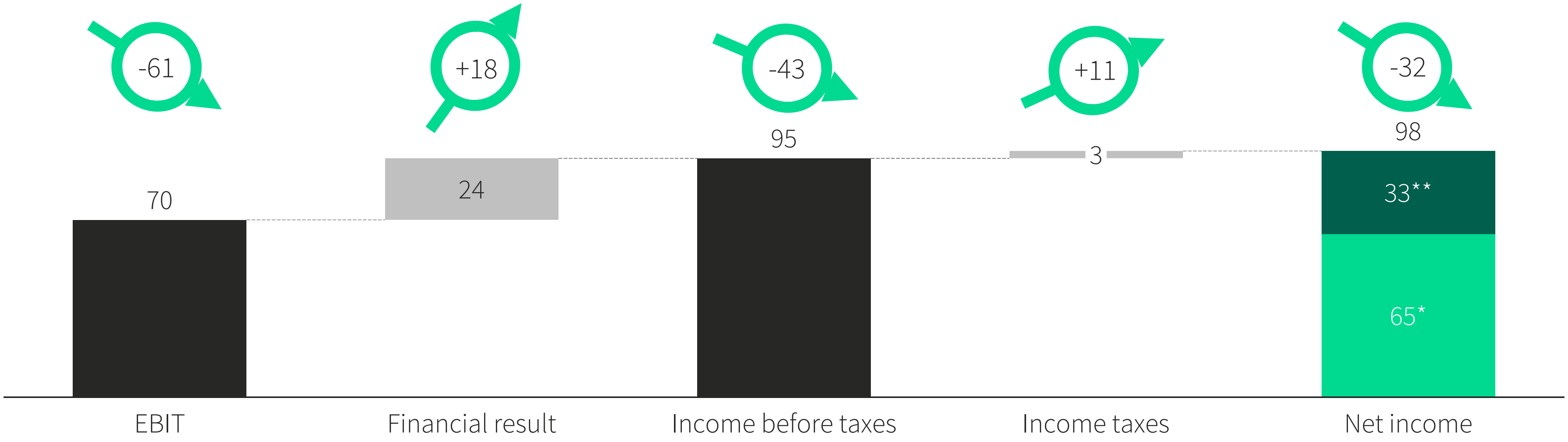
- FTEs related to group services – previously allocated to the Paid Media segment – will now be distributed among the respective segments on the basis of operating revenue. The new management model will see a fairer distribution of depreciation and amortisation across the individual segments.

Significant increase in depreciation and amortisation from business combinations



Revenue, EBITDA and EBIT 2019 in CHF millions

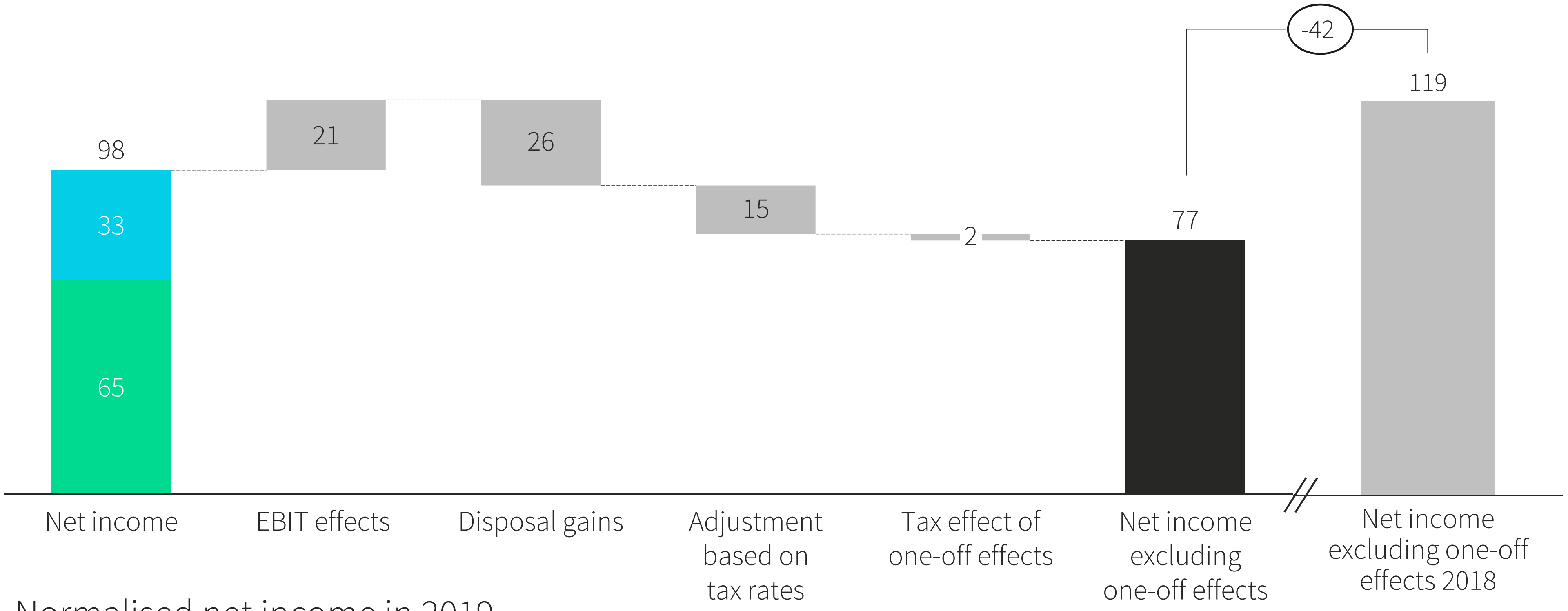
High financial result due to sale of LocalSearch and Starticket



EBIT and net income 2019
in CHF millions

* attributable to Tamedia shareholders
**attributable to non-controlling interests

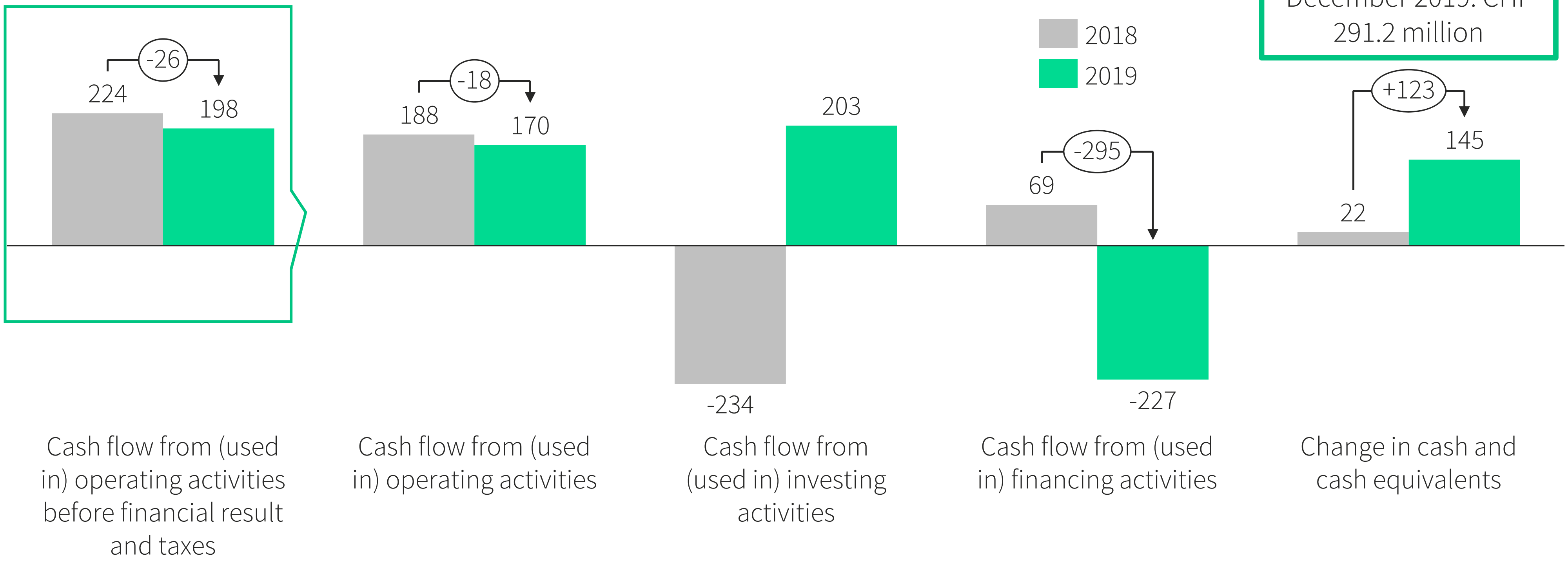
Normalised net income down CHF 42 million on previous year



Normalised net income in 2019
in CHF millions

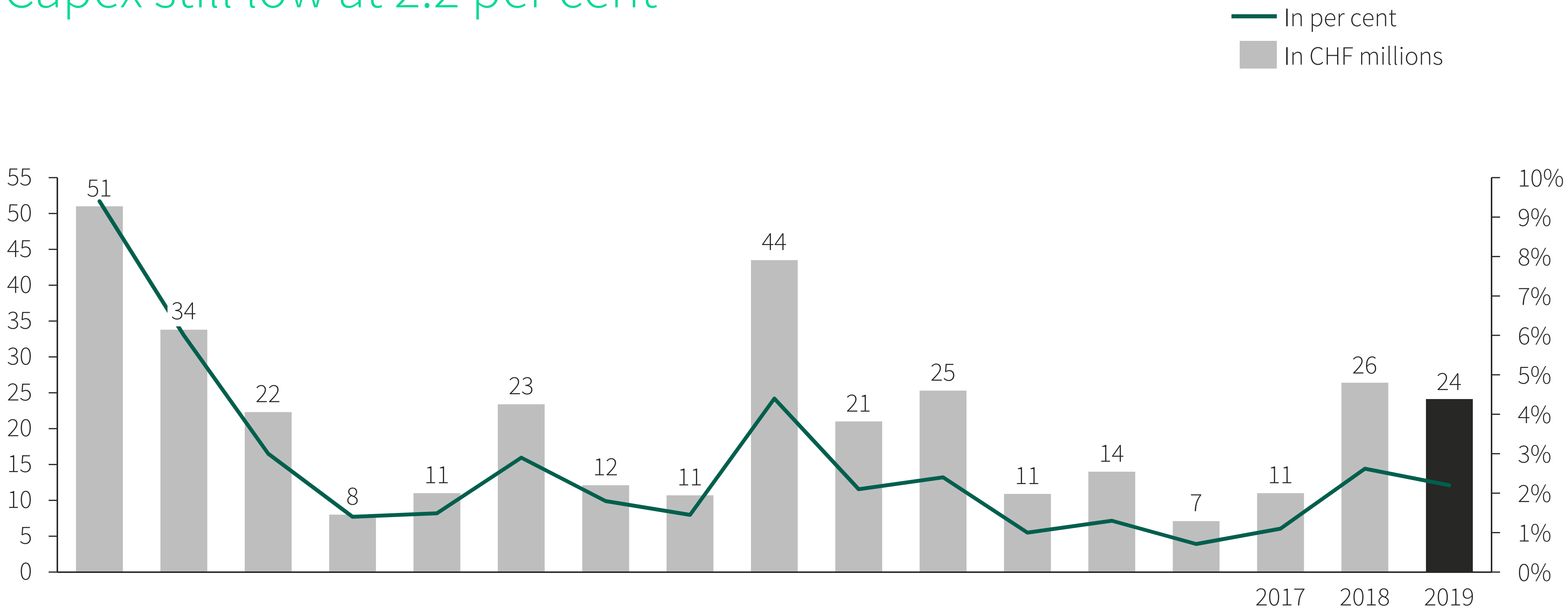
Full repayment of credit facililty

Cash and cash equivalents, 31 December 2019: CHF 291.2 million



Cash flow statement for the 2019 financial year in CHF millions

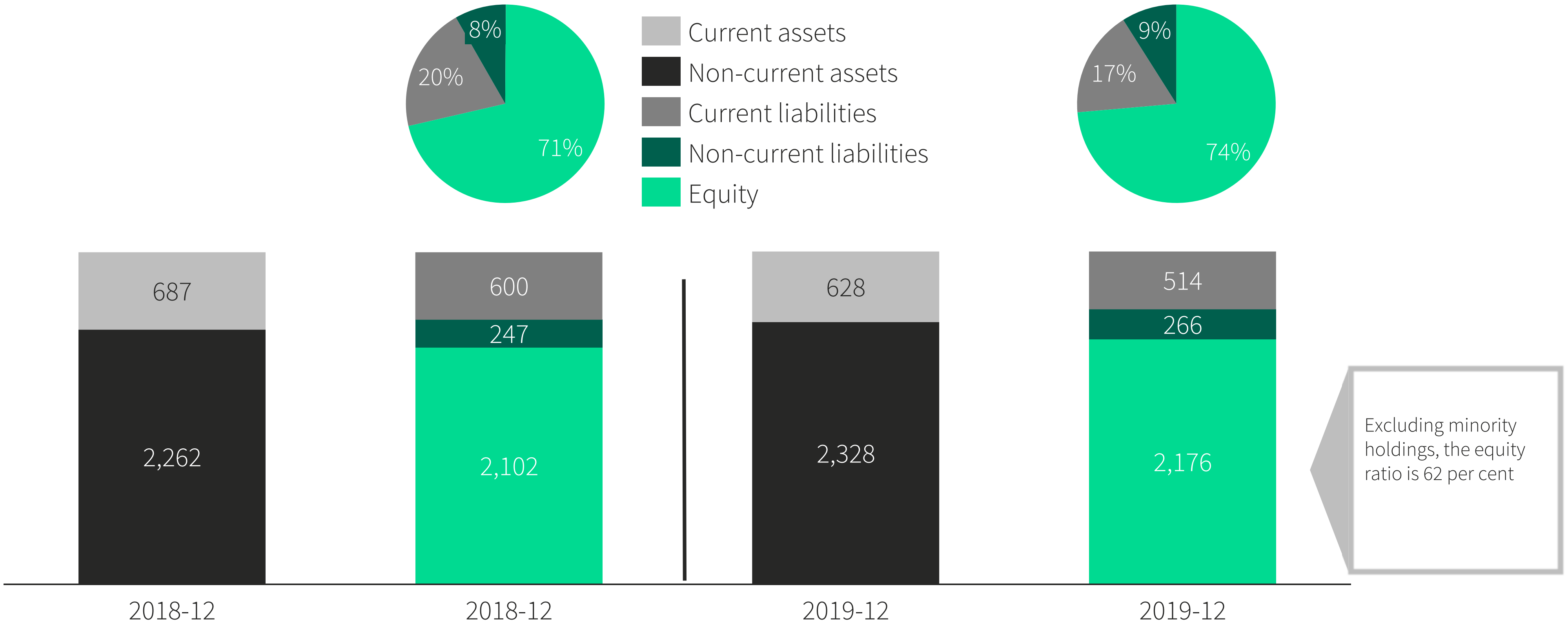
Capex still low at 2.2 per cent



Investment in property, plant and equipment (Capex)* in CHF millions and as a percentage of revenue

*Excluding acquisition of holdings and business units

Equity ratio at 74 per cent



New segmentation as of 2020 financial year

2019

Paid Media
- Daily newspapers, Sunday newspapers, and magazines
- Printing facilities
- Paid Media marketing
- Part of Corporate & Group Services, Real Estate, and IT

Free Media & Commercialisation
- Goldbach
- 20 Minuten and other free-media ventures
- 20 Minuten marketing
- Part of Corporate & Group Services, Real Estate, and IT

Marketplaces & Ventures
- Marketplaces
- Ventures
- Part of Corporate & Group Services, Real Estate, and IT

2020

Tamedia
- Daily newspapers, Sunday newspapers, and magazines
- Printing facilities

20 Minuten
- 20 Minuten and other free-media ventures

Goldbach
- Goldbach
- Paid Media marketing
- 20 Minuten marketing

TX Markets
- Marketplaces

TX Group Services
- Ventures
- Corporate & Group Services, Real Estate (incl. printing facilities), and IT

Depreciation and amortisation of brand rights as of 2020

Change in measurement principles for intangible assets

During the process of devising the operational plans for implementing the new corporate structure, it became clear that the media offers on the reader and user market as well as on the advertising market are still under considerable pressure – and this pressure has further intensified in the recent past. Particularly in relation to Paid Media, this negative trend calls for continued focus on collaboration across publications and the need to increase efficiency. Against this background, Tamedia is expecting a certain decline in relevance for the individual brand rights associated with the various activities within Paid Media. This means that the useful life of the Paid Media brand rights can no longer be classified as indefinite. The expected useful life was defined for each brand in the light of the expected decline in revenues.

For the brand rights concerned, based on an amount of CHF 115.5 million, the useful life thus determined is between eight and 20 years. Depreciation and amortisation totalling CHF 11.1 million are expected for the 2020 financial year.