



Half-year figures 2019

Media and Analyst Conference

27 August 2019



Pietro Supino

Publisher & Chairman of the Board of
Directors



27 August 2019

Christoph Tonini

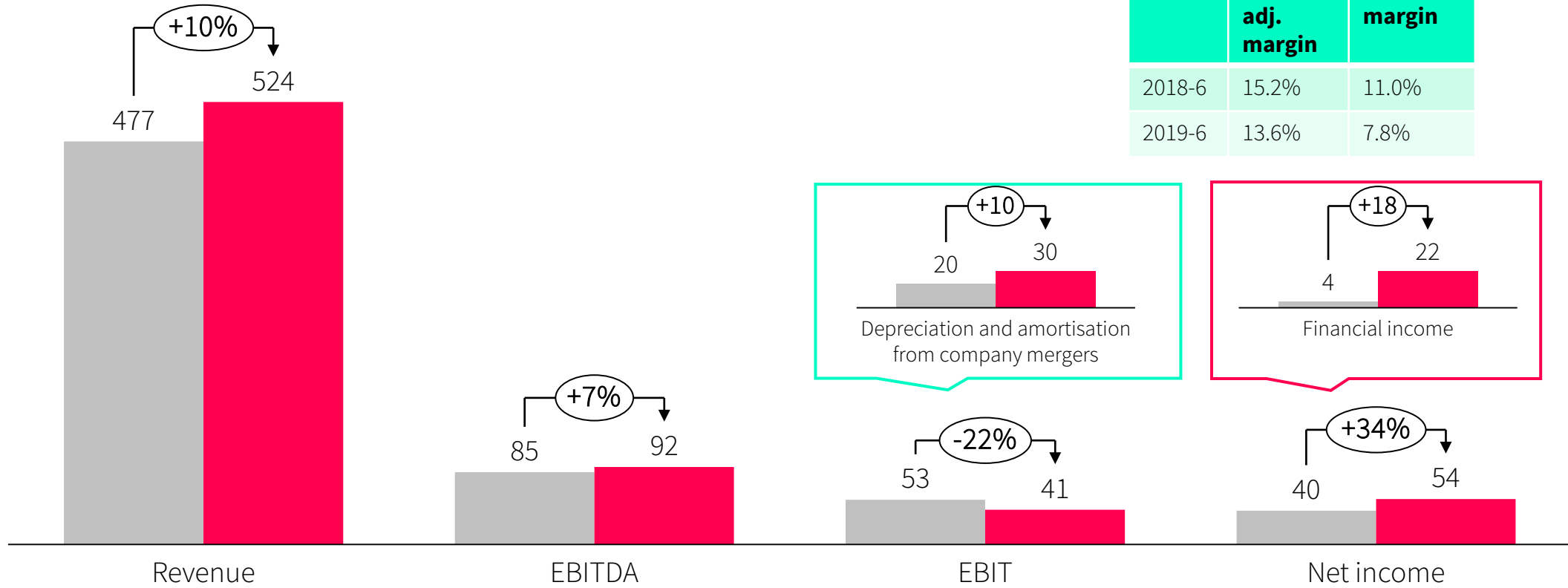
Chief Executive Officer

27 August 2019



Goldbach and Zattoo drive revenue growth

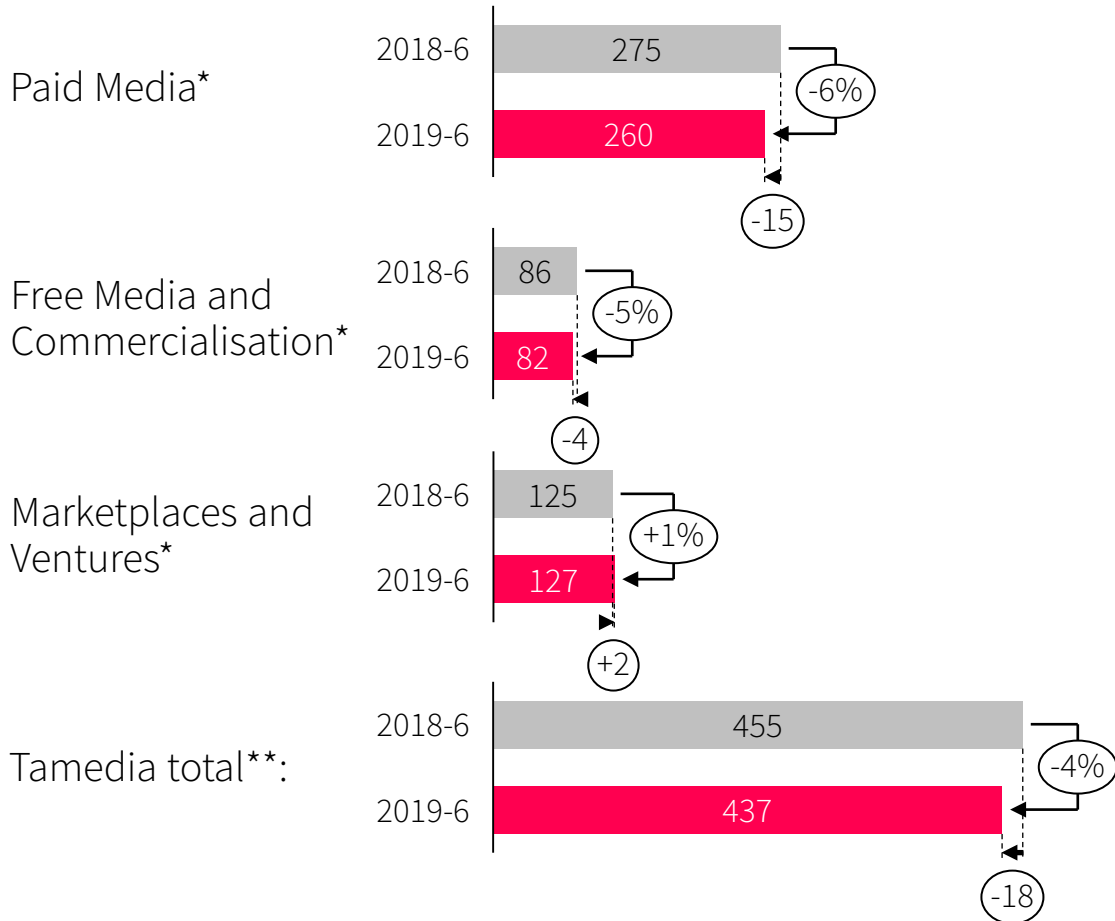
■ 2018-6 ■ 2019-6



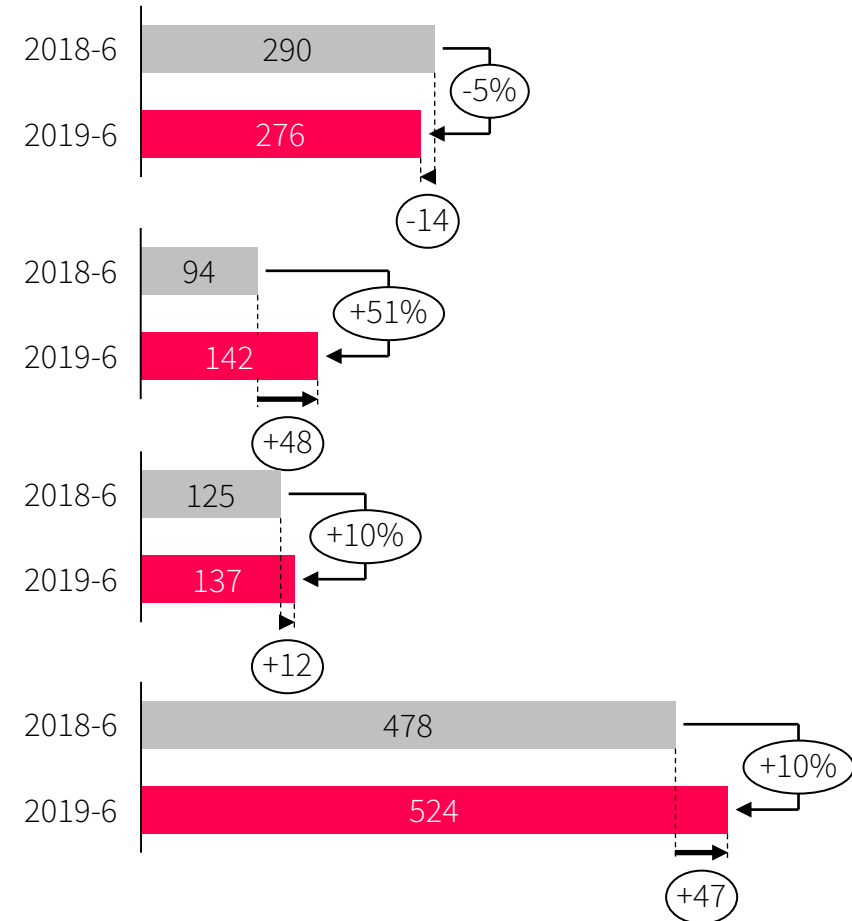
Revenue and net income in 2019-6 in CHF millions



Organic growth down 4 per cent



Organic revenue growth in CHF millions



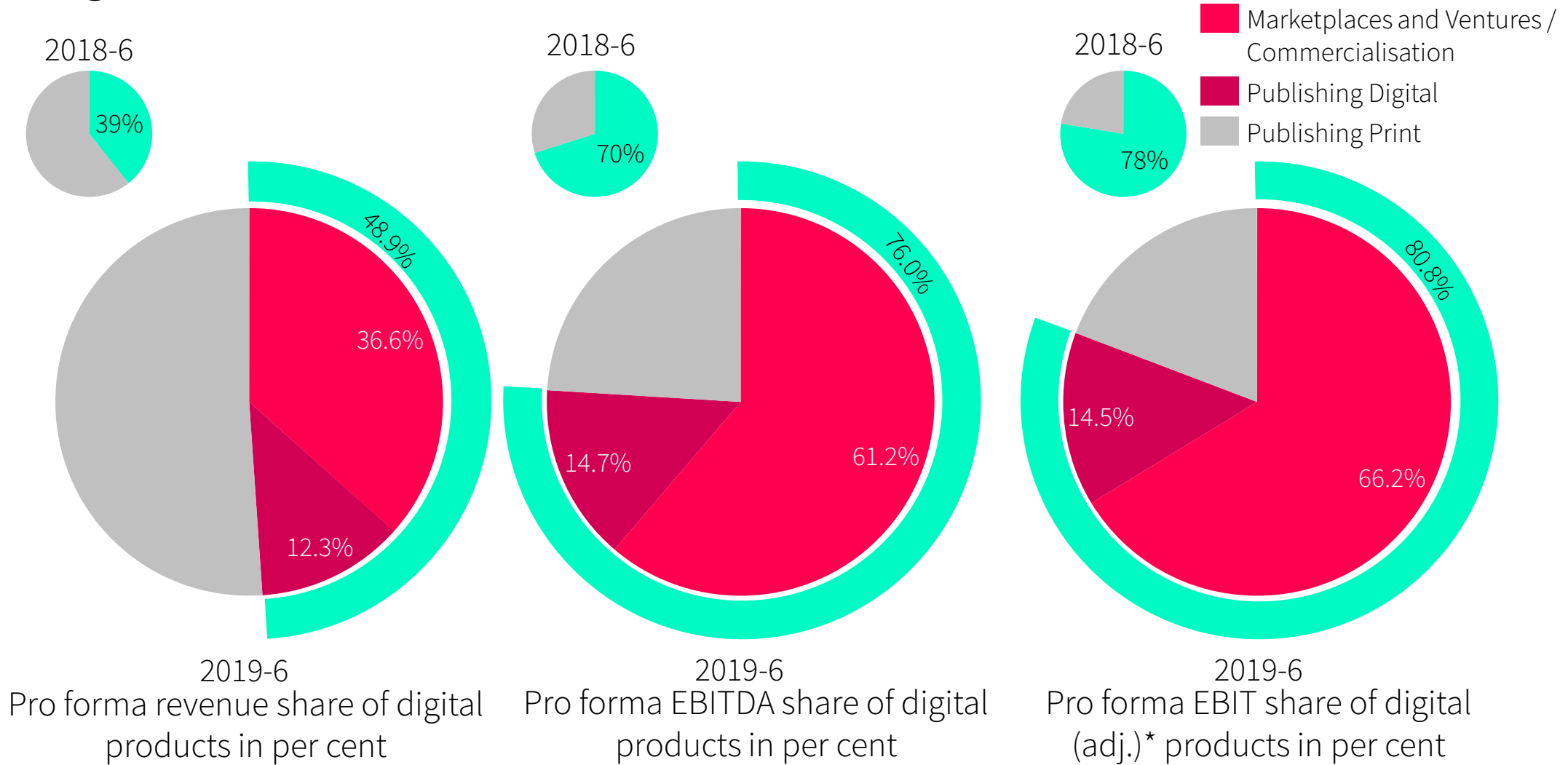
Consolidated revenue growth in CHF millions

*Business units or associated companies that were taken into account in the consolidation for six months in both 2018-6 and 2019-6; eliminations and IAS 19 reconciliations were not taken into account

** Eliminations and IAS reconciliations were taken into account

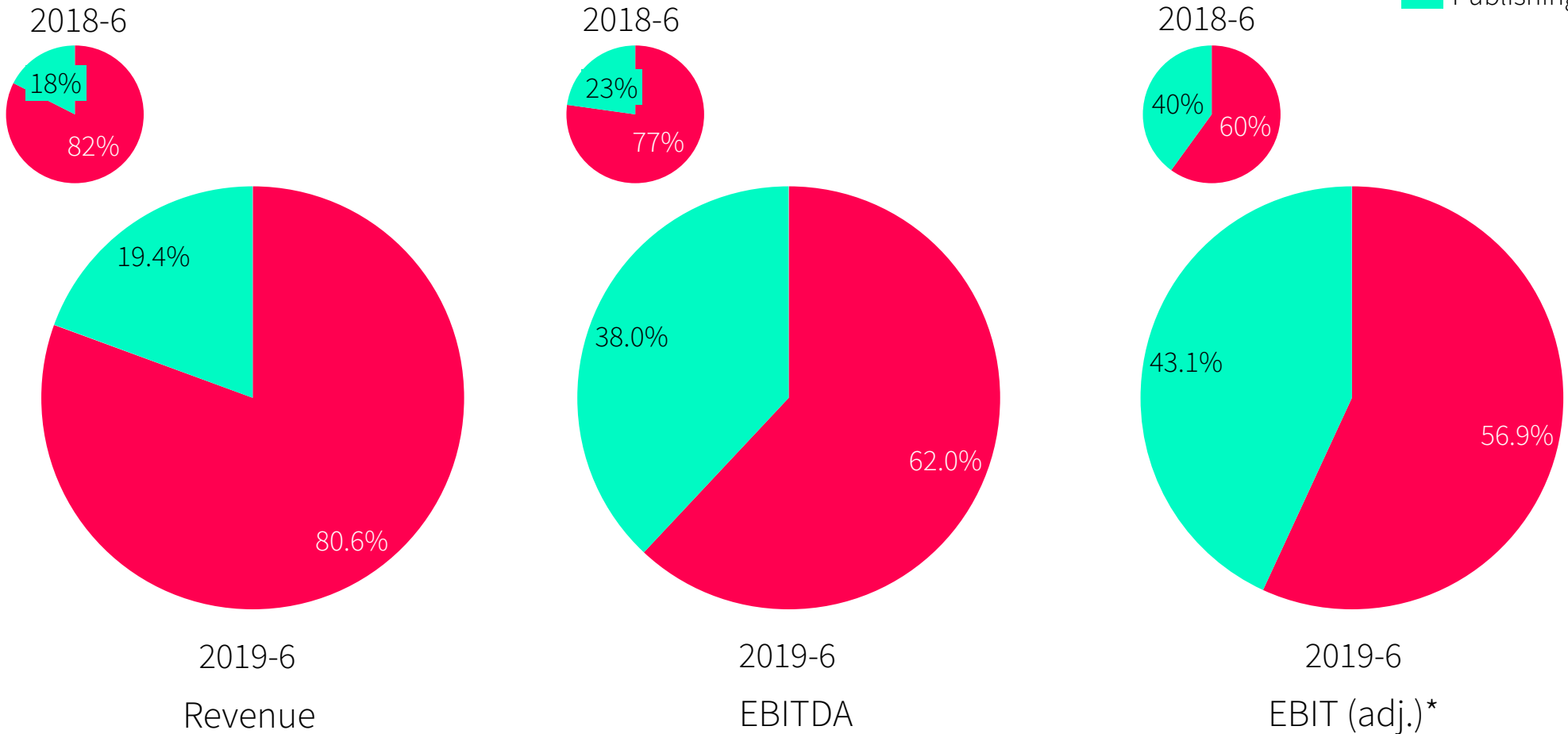


Digital offers: 49% revenue and 81% EBIT share



Digital offers account for 43 per cent of Publishing EBIT (adj.)*

■ Publishing Print
■ Publishing Digital

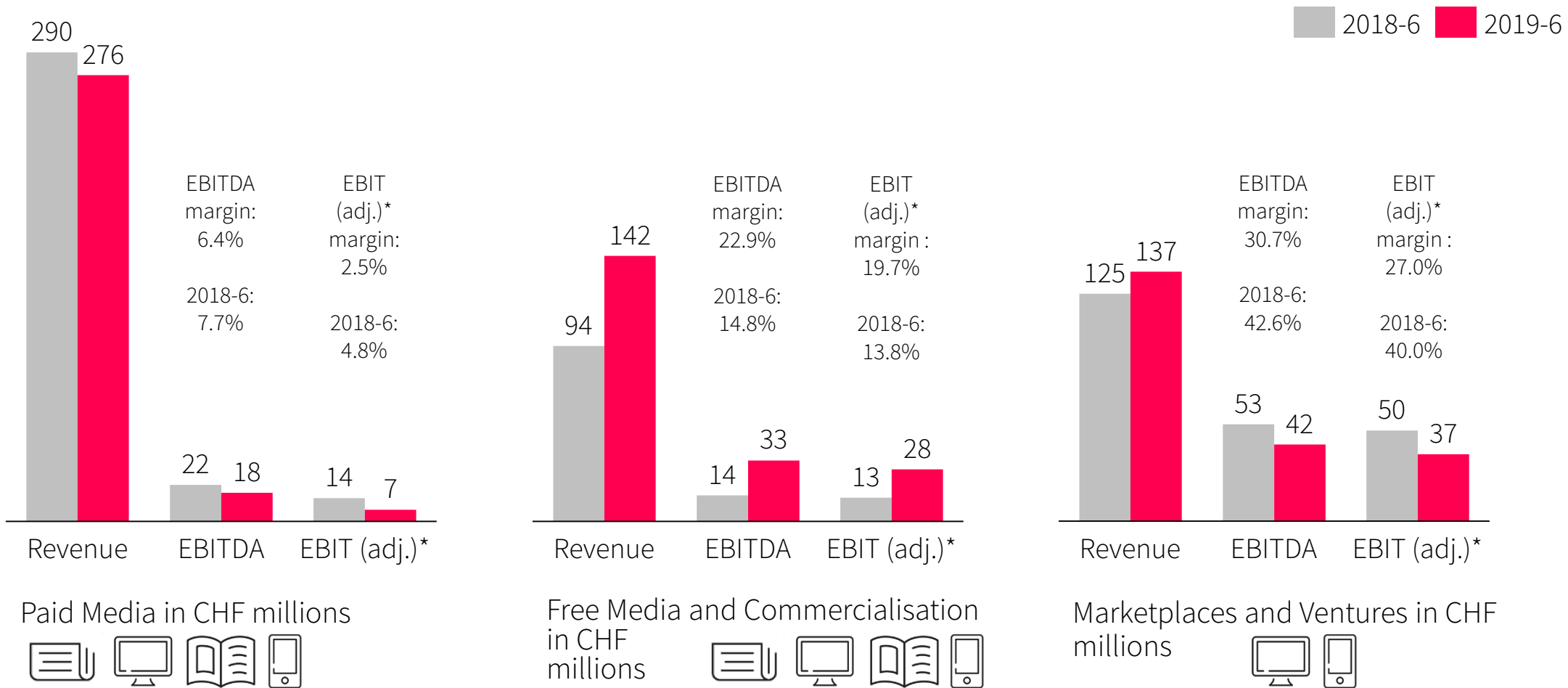


Employee pension costs pursuant to IAS 19 were allocated per segment, based on the headcount

*Result before effects of company mergers



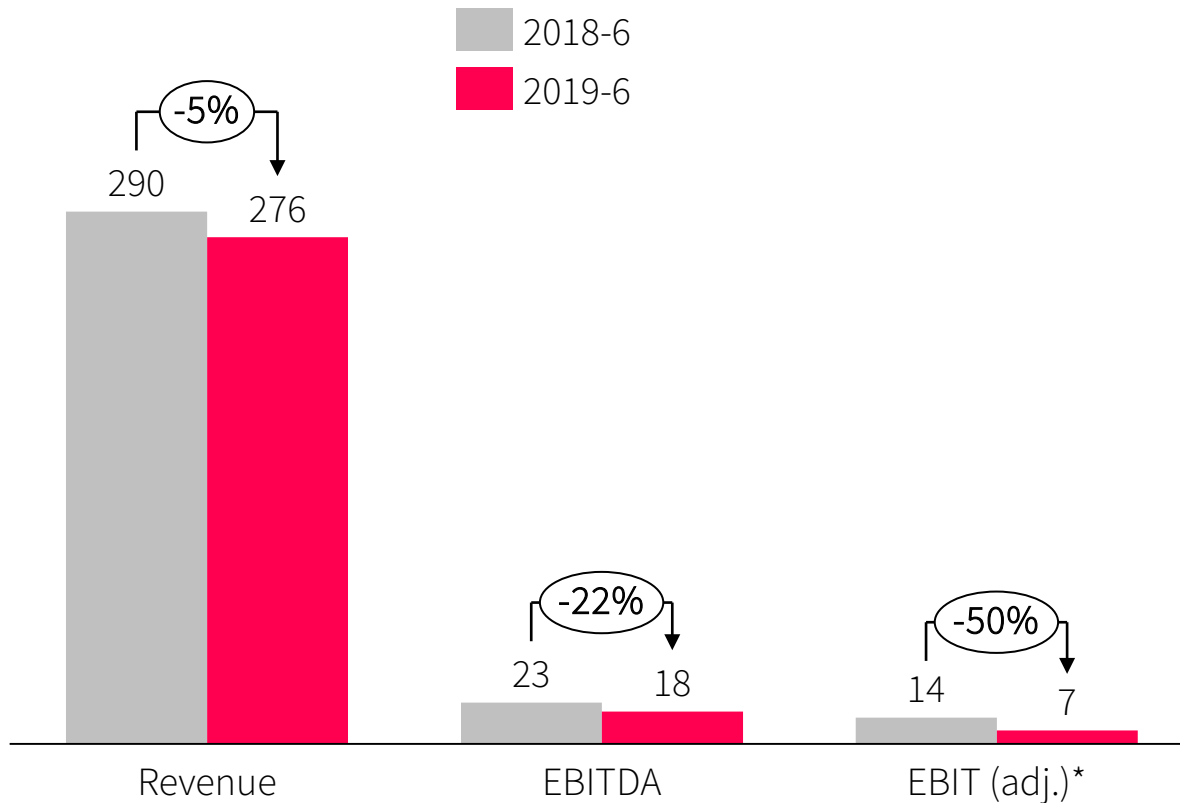
Marketplaces and Ventures with biggest EBIT



Paid Media



Declining advertising markets significantly affect result

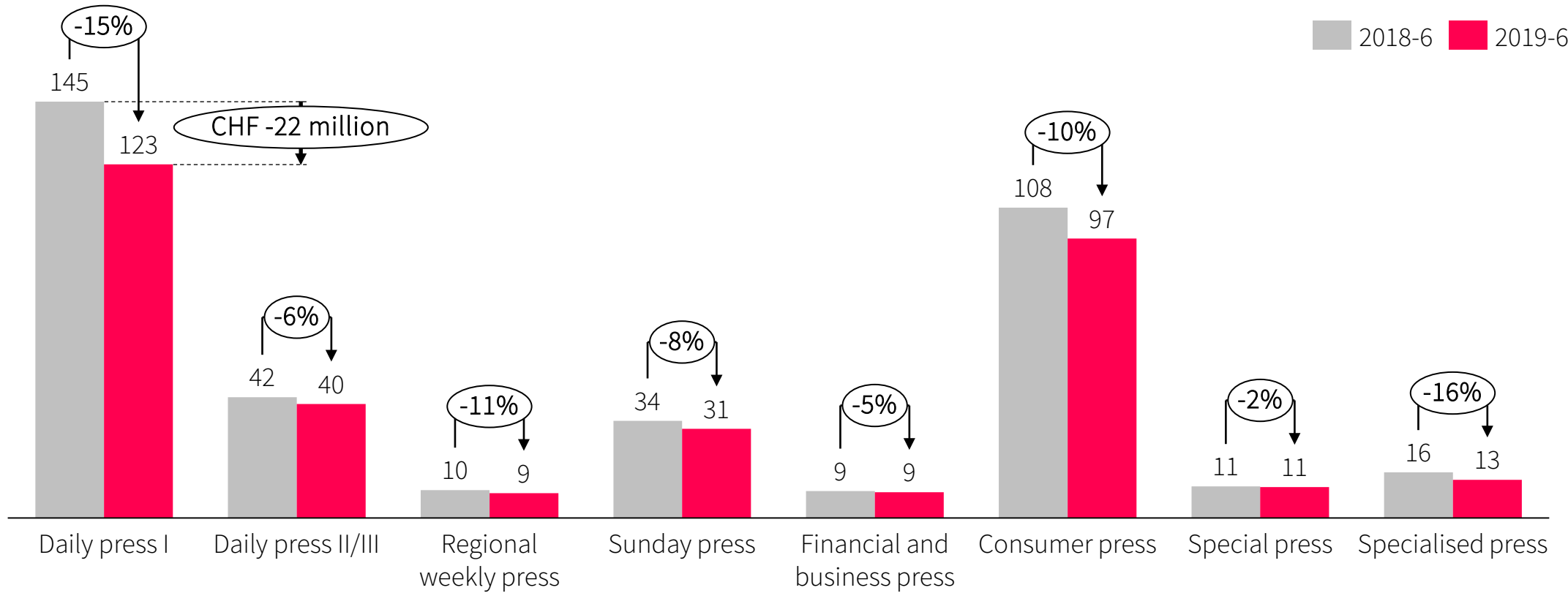


- Advertising market declined again sharply for superregional newspapers and consumer magazines
- Digital subscriptions continue to rise
- Investments in the expansion of digital Paid Media
- Schweizer Familie celebrates 125th anniversary with special issue and events
- Finanz und Wirtschaft expands its portfolio to include “Invest” und “Die Analyse”

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



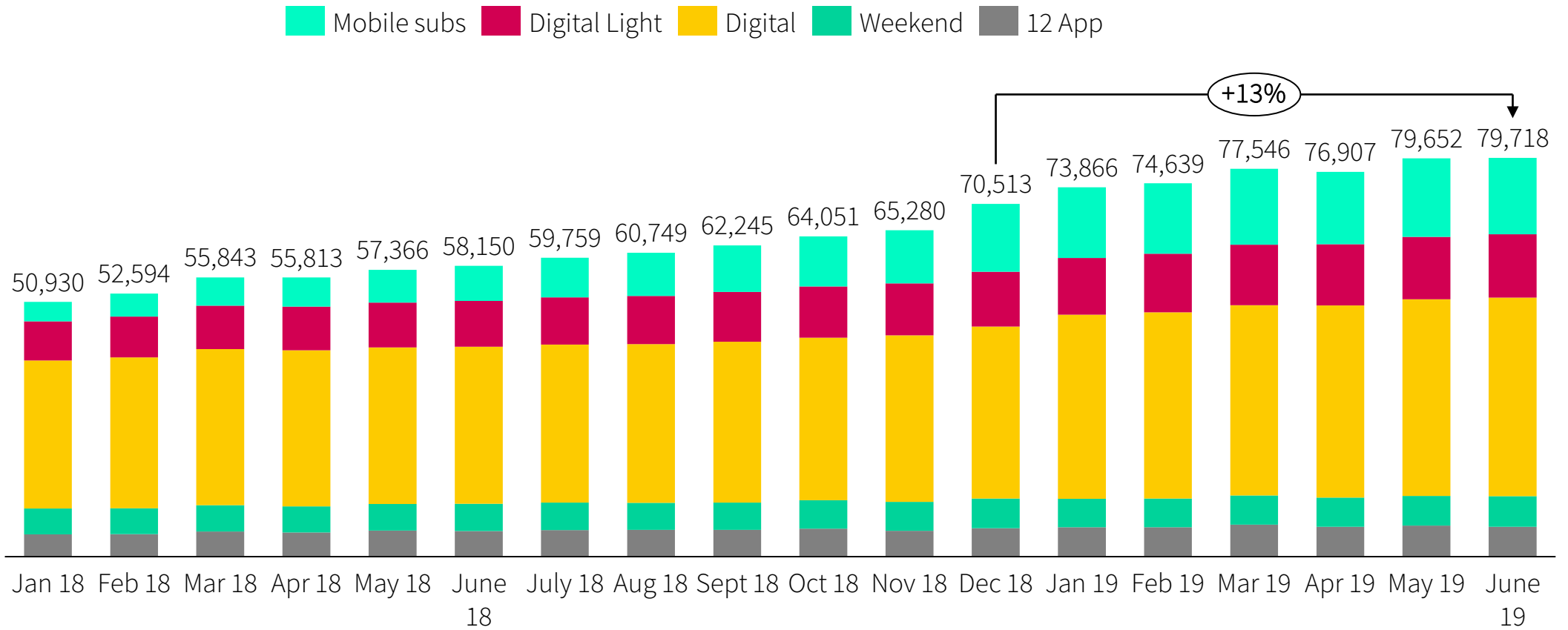
Superregional daily newspapers in particularly sharp decline



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



80,000 digital subscriptions – 13 per cent growth in 6 months



Development of digital subscriptions 2018/2019



Interactive reports very popular – three examples

Wie populistisch sind Sie?

Beantworten Sie 20 Fragen und sehen Sie, wie populistisch Sie im Vergleich zu Weltführern, Schweizer Politikern und den anderen Leserinnen und Lesern sind.



Von Philippe Zweifel und Kaspar Manz, Interaktiv-Team

Quiz for measuring the degree of populist attitudes

- 125,000 people completed the quiz
- Quiz was shared thousands of times on social media
- Quiz went viral on Twitter under #Populistenquiz
- Produced in collaboration with the Guardian

Ein Leben lang trächtig und am Ende eine

Von der Geburt bis zum Tod: das typische Leben einer Milchkuh in der Schweiz.

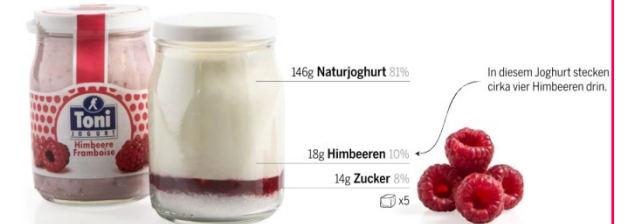


The life of a cow from birth to death

- Good readership score of \bar{x} 4.4 (out of 5) / even as high as \bar{x} 4.8 under “How informative?”
- Praised by Berliner Tagesspiegel
- Interactive report generated a lot of constructive feedback from readers

Toni Joghurt Himbeer 180g

enthält:



Product ingredients explained through images

- Good scrolling depth – almost 90% looked at all the images
- Among the top 25 best-selling stories of 2019
- Already second series on the theme
- Very good readership score of \bar{x} 4.5 (von 5); long-seller

FuW expanded to include new products



- Presented transparently without any hidden fees
- 100% FuW content and FuW investment decisions
- Listed on the stock exchange
- Investments of CHF 100 upwards
- Experienced partner (Leonteq)
- Favourable conditions for FuW readers

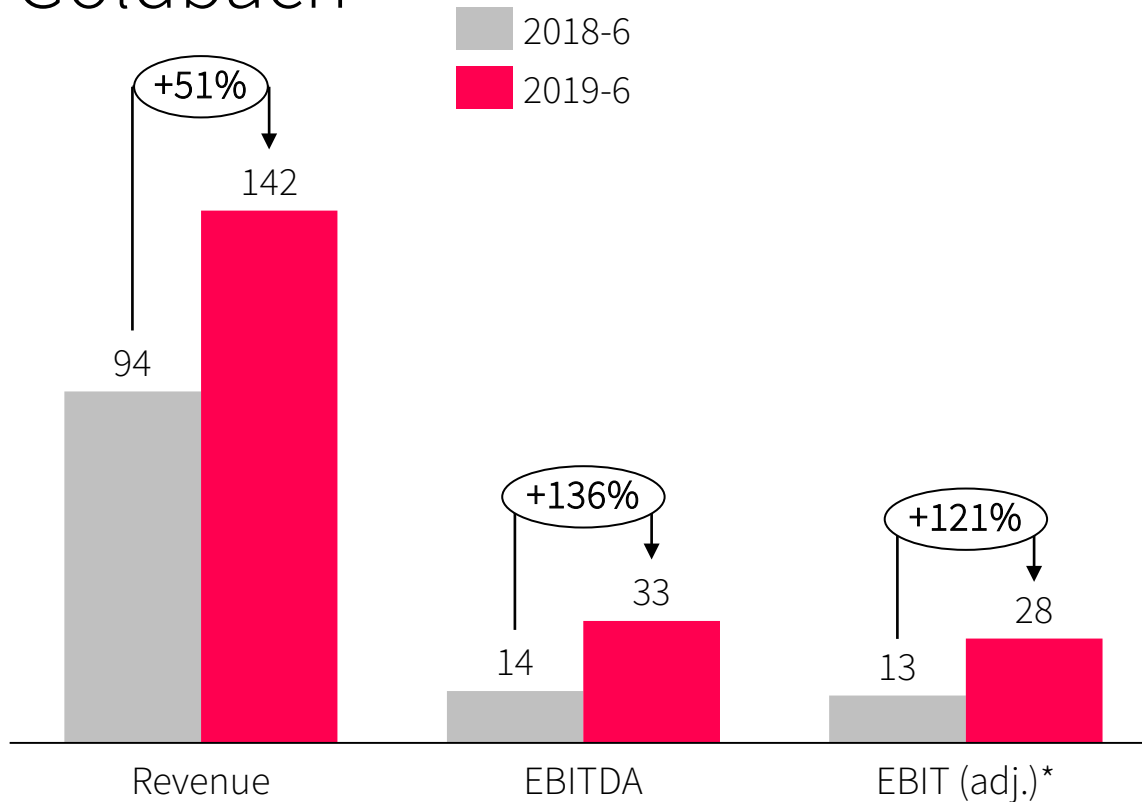


- In particular for private investors, equity analyses are often difficult to obtain
- The Mifid2 financial market regulations have improved cost transparency
- Investors should be able to obtain information at all times on how FuW views individual stocks
- Opinionated, independent, analytical, sober and conservative
- Inexpensive compared to financial sector offers

Free Media and Commercialisation



Significant revenue increase due to the integration of Goldbach

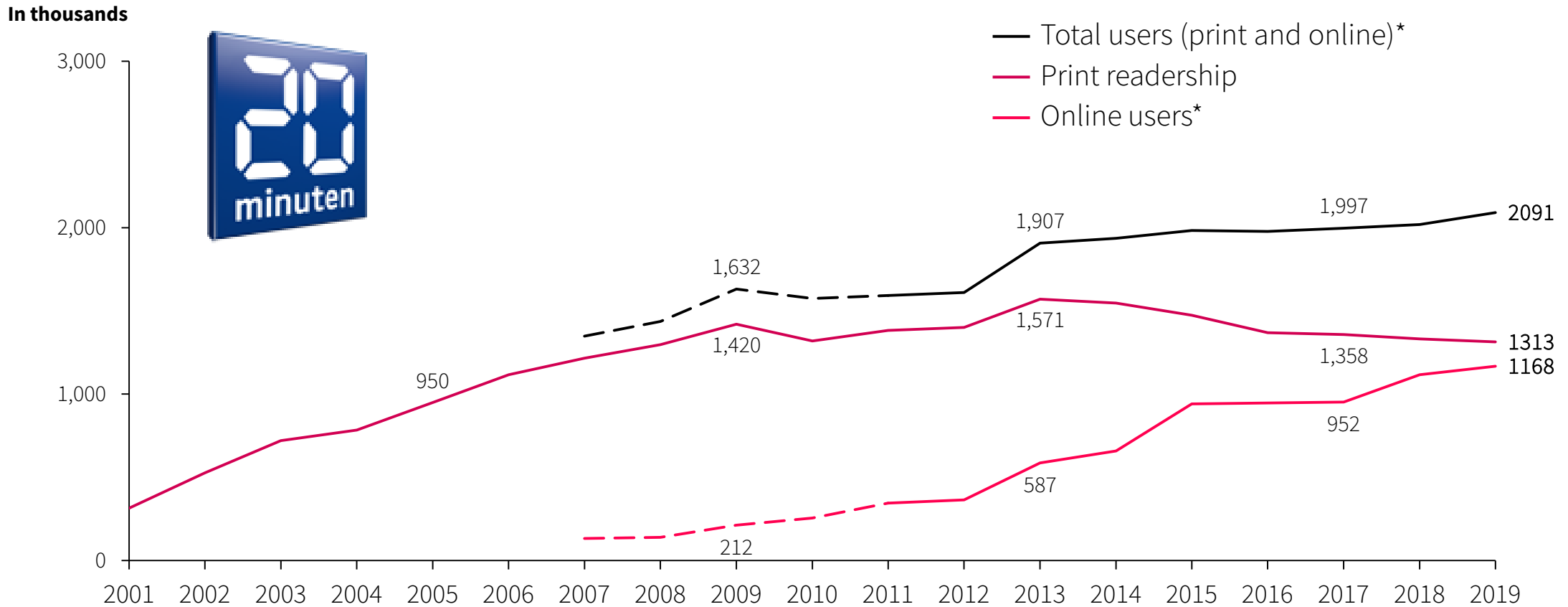


- Significant increase in revenue and net income due to the first-time consideration of Goldbach
- Strong growth in digital advertising revenue could not fully offset the decline in print advertising revenue in Free Media
- Overall use of 20 Minuten continues to increase
- Launch of social brand “Venty”
- Acquisition of youth radio station “Planet 105” planned
- Neo Advertising and Goldbach acquired new advertising inventory

Free Media and Commercialisation segment overview in CHF millions



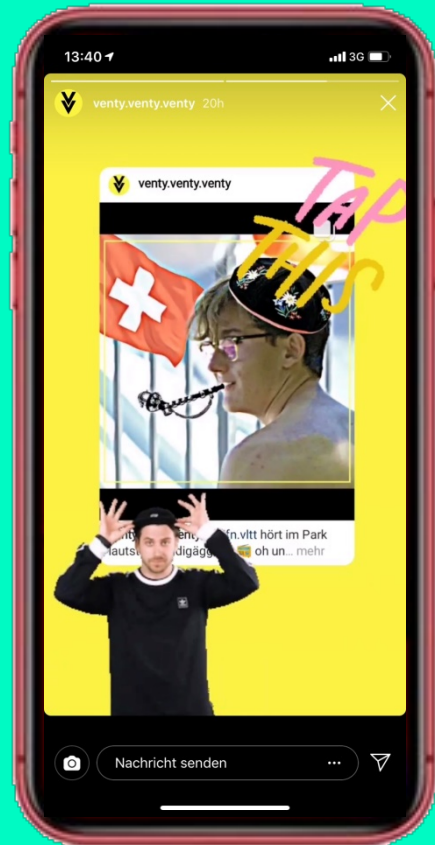
Further growth in combined use at 20 Minuten



20 Minuten in German-speaking Switzerland (UUpD / cRR)



New storytelling formats with “Venty”



- Social brand Venty is geared to a young 15-to-25-year-old target audience
- Venty is a humorous, breezy, entertaining platform providing a young target audience with the information they want
- Focus on video content
- Stories produced in vertical format and shared via social media and on 20 Minuten channels
- New offer for advertising customers, including social and influencer marketing
- Additional plan to launch Venty in French-speaking Switzerland

Planned acquisition of “Planet 105”

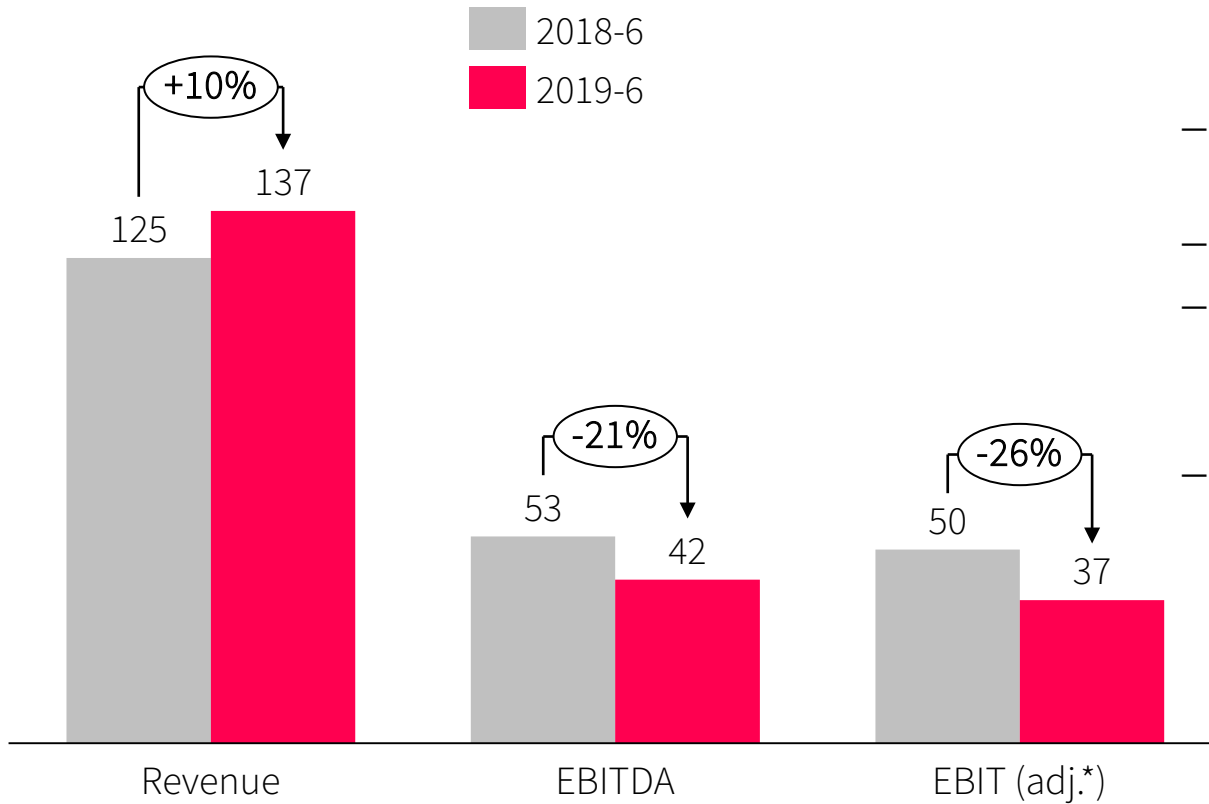


- Free Media intends to acquire the youth radio station Planet 105 from Radio 1
- Planet 105 will be integrated into 20 Minuten Music
- Consolidation and development of the 20 Minuten online music radio station through additional FM/DAB+ connectivity and expansion of editorial content
- The existing team of Planet 105 presenters and editors will continue to run the station on behalf of Tamedia

Marketplaces and Ventures



Growth investments negatively affect current results



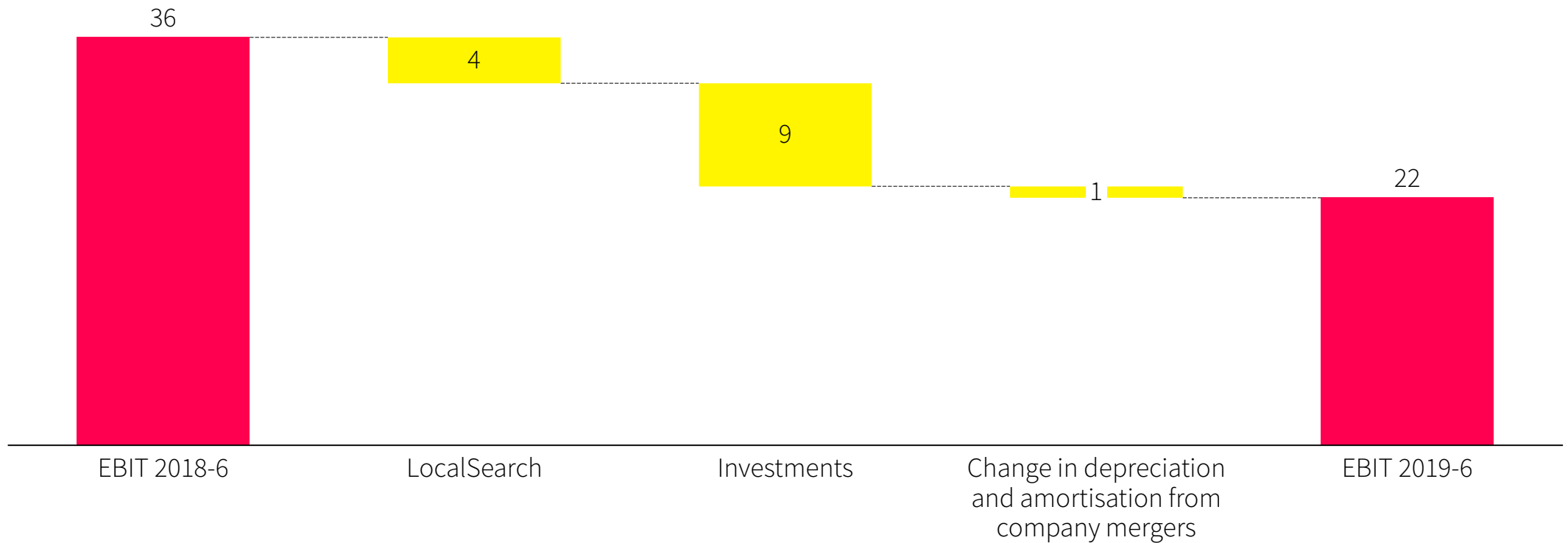
- Revenue growth mainly due to acquisition of Zattoo Group
- Upturn at Ricardo
- Drop in revenue due to investments to improve platforms and thereby pre-empt possible disruptions
- Investments to develop carforyou.ch in partnership with AXA are having a negative effect on results (full consolidation at Tamedia)

Marketplaces and Ventures segment overview in CHF millions



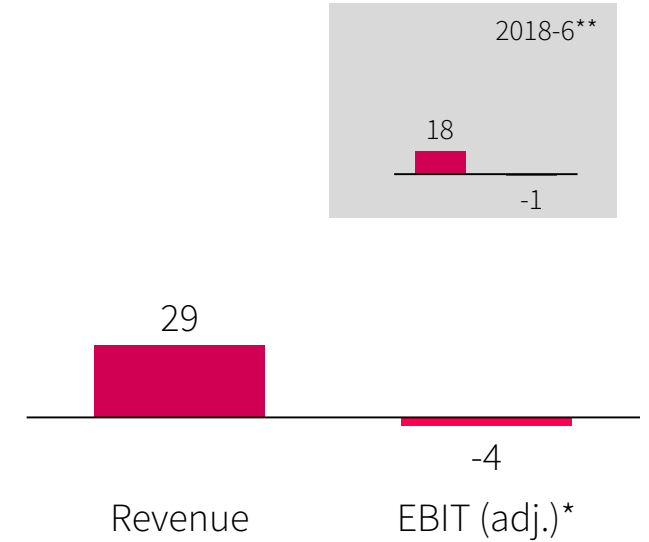
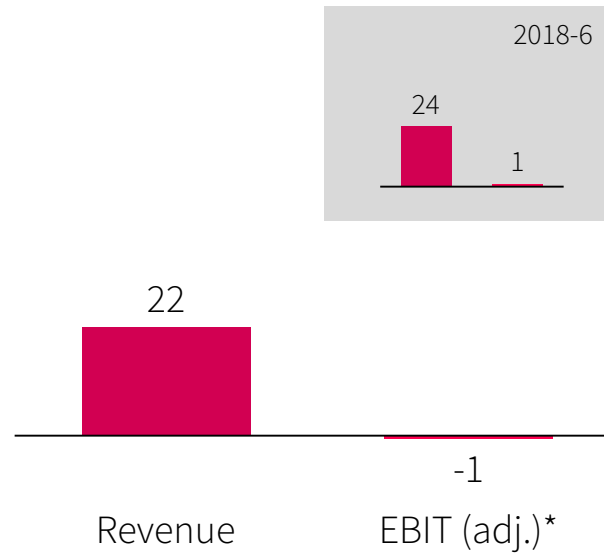
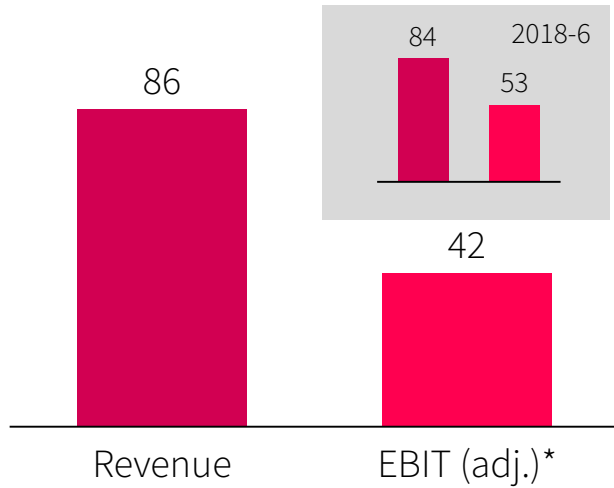
Investments and divestiture of LocalSearch negatively affect results

In CHF millions



Growth investments in Classifieds negatively affect results

In CHF millions



EBIT (adj.)* margin: 48.4 per cent

Classifieds 2019-6



EBIT (adj.)* margin: -2.7 per cent

Marketplaces 2019-6

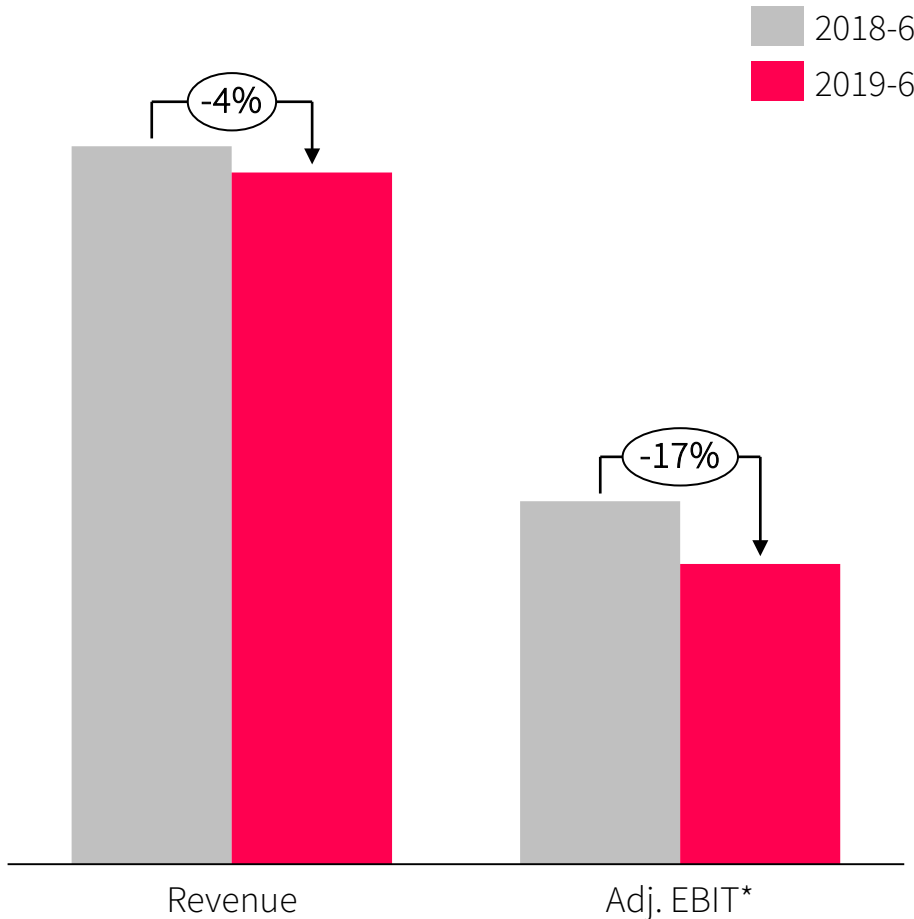


EBIT (adj.)* margin: -12.5 per cent

Services & Ventures 2019-6



homegate.ch: investment in the platform, strong competition

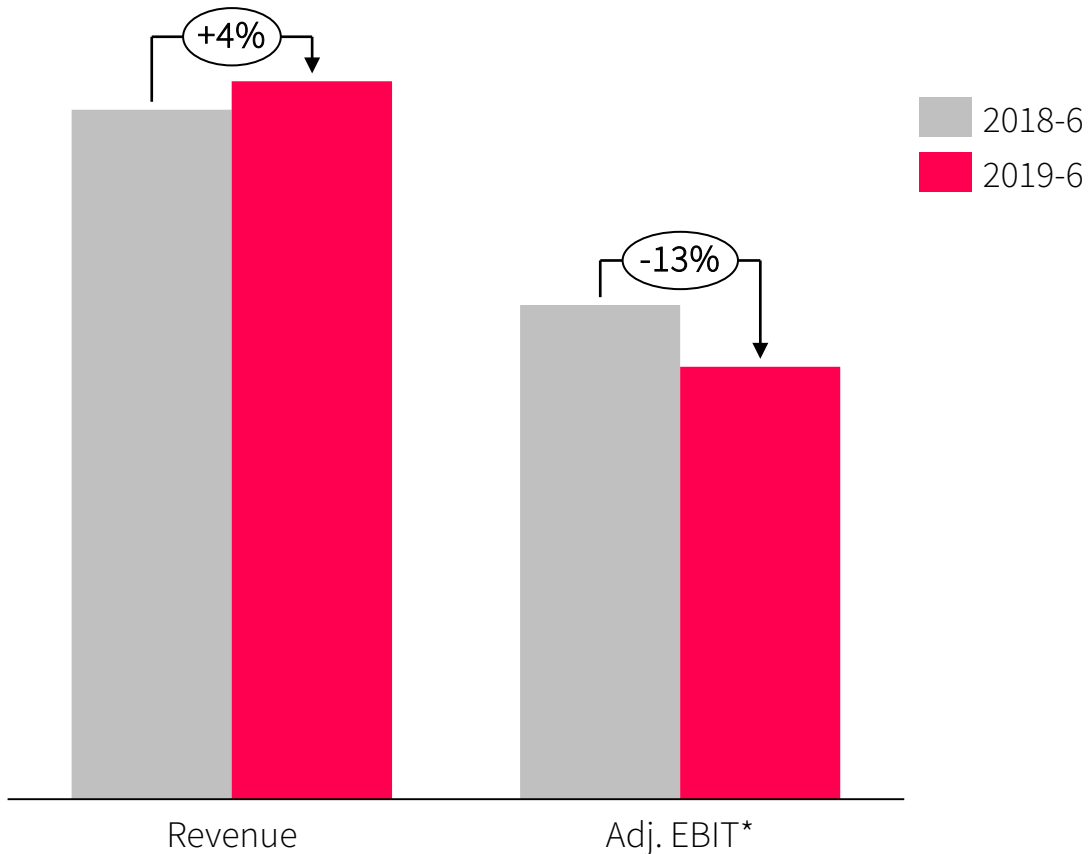


Revenue and adjusted EBIT*

- Further investment to expand the team/platform and thereby consolidate market position
- App with new search functions
- Strong growth in listings
- Strong market competition has resulted in narrower margins
- More and more private vendors are using free platforms to sell their properties



JobCloud: focus on improving platforms



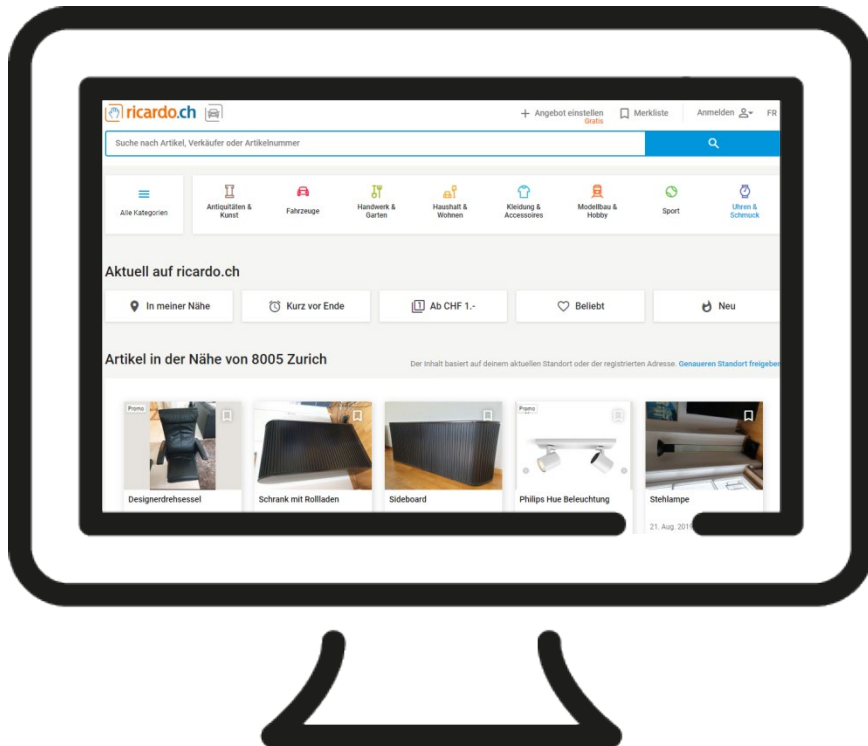
- Economic slowdown also has an impact on the job market
- Investment in platforms and personnel
- Offer expanded to include new employer branding products that specifically help SMEs to position their company brands additionally as a employer brands
- Recruitment consultants can use “Applify” to target prospective employees automatically on job portals and other digital channels

Revenue and adjusted EBIT*

*Result before effects of company mergers



Upturn at Ricardo



- Increase in the number of products featured as well as in the number of active vendors and buyers
- Positive response to advertising campaign, resulting in greater platform usage
- 10 per cent more sessions in the second quarter year-on-year
- Simplification and digitalisation of registration process
- Platform update completed at the beginning of the year



Car For You launched from joint venture with Axa



CAR FOR YOU



- Joint venture between Tamedia and AXA begins in January 2018 with the creation of a dedicated team
- Launch of a completely new product (MVP) at the beginning of 2019, supported by a multi-channel campaign from April 2019
- Integration of a car finder website that helps through the whole process of finding the perfect car
- A service you can trust: highly transparent price check function and 360° views, in addition to a money-back guarantee
- Highly attractive service popular among car dealerships



New fintech investments



- The Neon app is a simple and ultra-fast smartphone banking solution
- Users get a no-basic-fee bank account and a free Mastercard
- Account is opened at Hypothekarbank Lenzburg and therefore offers deposit protection



**F10 FINTECH
INCUBATOR &
ACCELERATOR**

- F10 is a Swiss fintech incubator and accelerator for start-ups
- Promotion of start-ups from the financial and insurance technology and the regulatory technology sectors
- F10 is a non-profit organisation
- Scope for collaborations, giving established companies the chance to interact with young talents
- Access to key innovations and new ideas

Projects and outlook



An agile structure to drive growth

Four separate business segments

- Establishment of four largely independent business segments: Paid Media, Free Media, Advertising Marketing and Marketplaces
- Per business segment: dedicated Board of Directors, dedicated management team and own income statement
- Autonomy and greater responsibility will drive growth

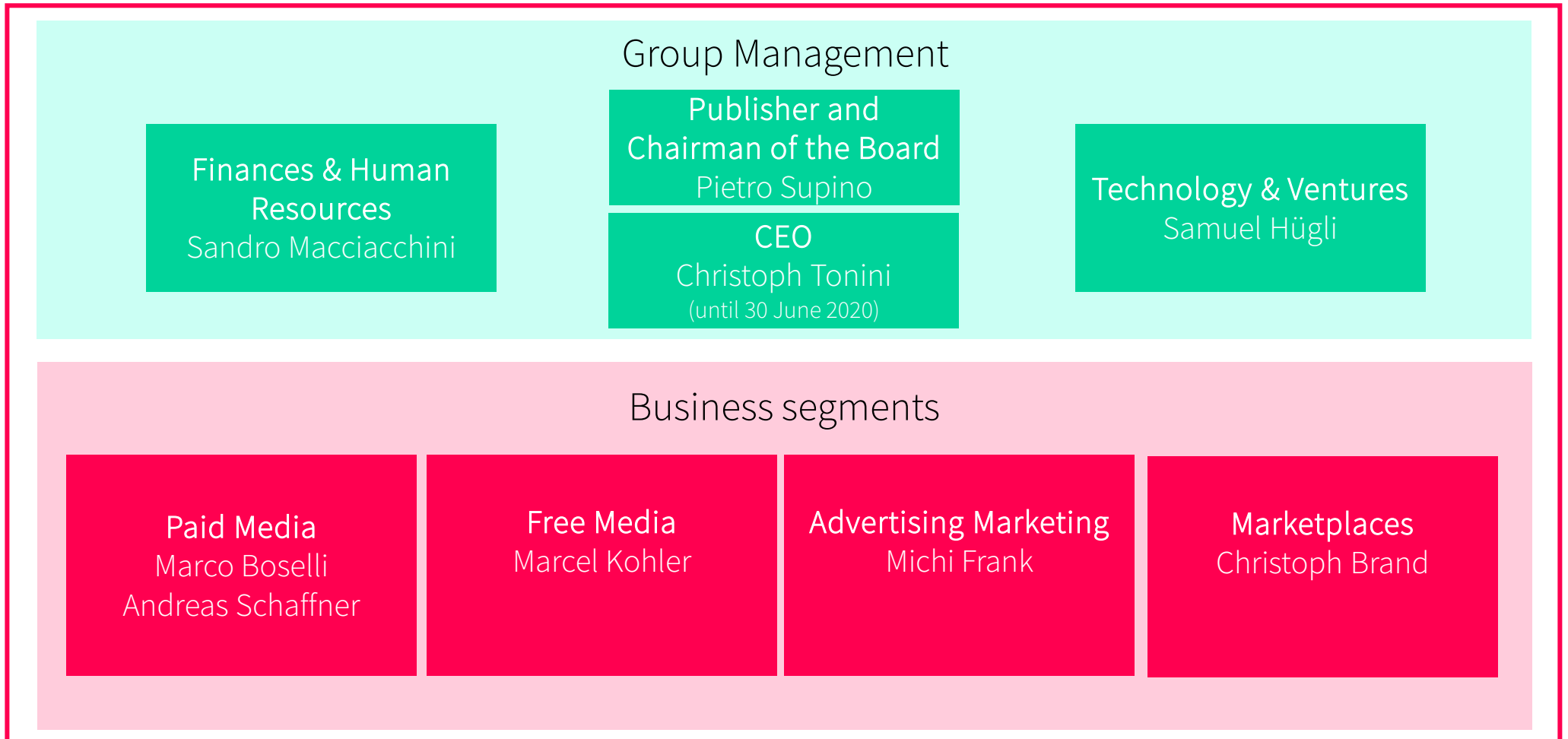
Focus on markets, partners and customers

- Business models, resources and organisations tailored to respective markets
- Scope for partnerships

Group specifies framework and scales while providing support

- Board of Directors and Group Management will determine ownership strategy and oversee the exploitation of economies of scale, e.g. in terms of using data throughout the Group
- In future, Publisher and Chairman Pietro Supino will head the Group as part of a holding-like management structure
- The respective heads of Technology & Ventures and Finance & Human Resources will be members of the operational management team at Group level

Overview of Group Management and business segments



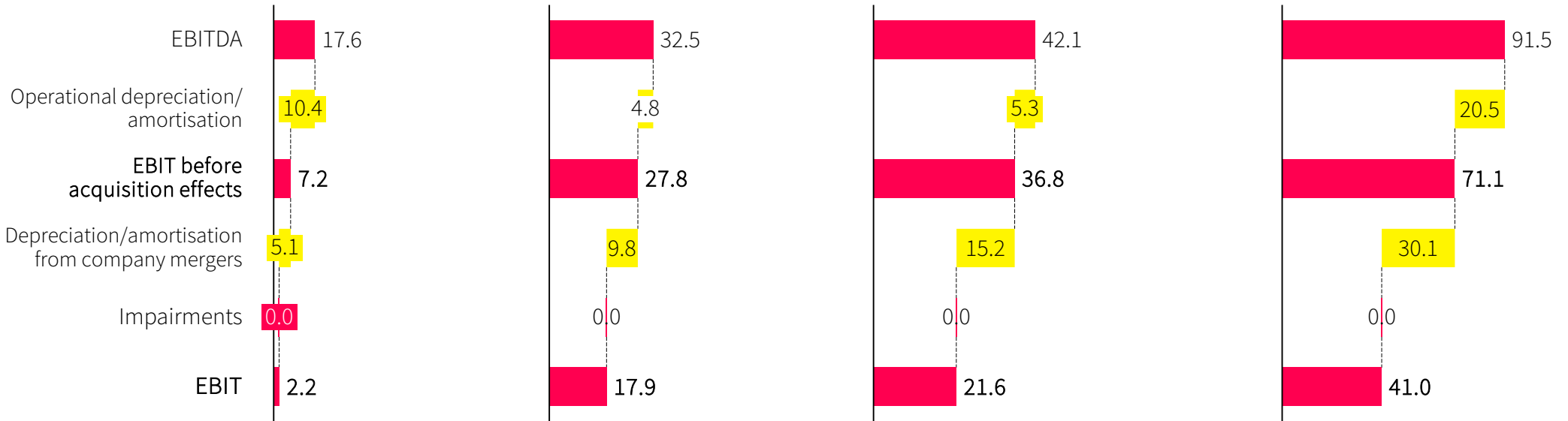
Sandro Macciaccchini

Chief Financial Officer & Head of Human
Resources

27 August 2019



Depreciation/amortisation from effects of company mergers has risen to CHF 30 million (previous year: CHF 20 million)



Number of employees 1778

Number of employees 966

Number of employees 898

Number of employees 3642

Paid Media in CHF millions

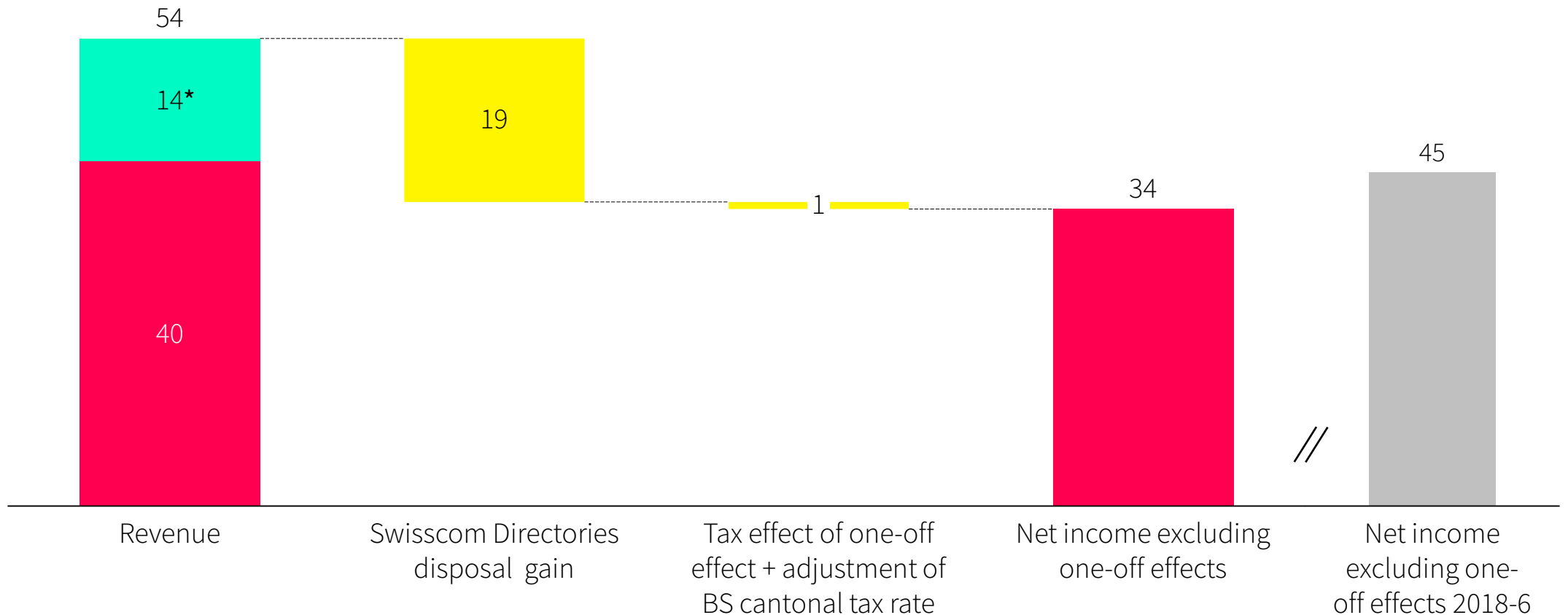
Free Media and Commercialisation in CHF millions

Marketplaces and Ventures in CHF millions

Tamedia in CHF millions



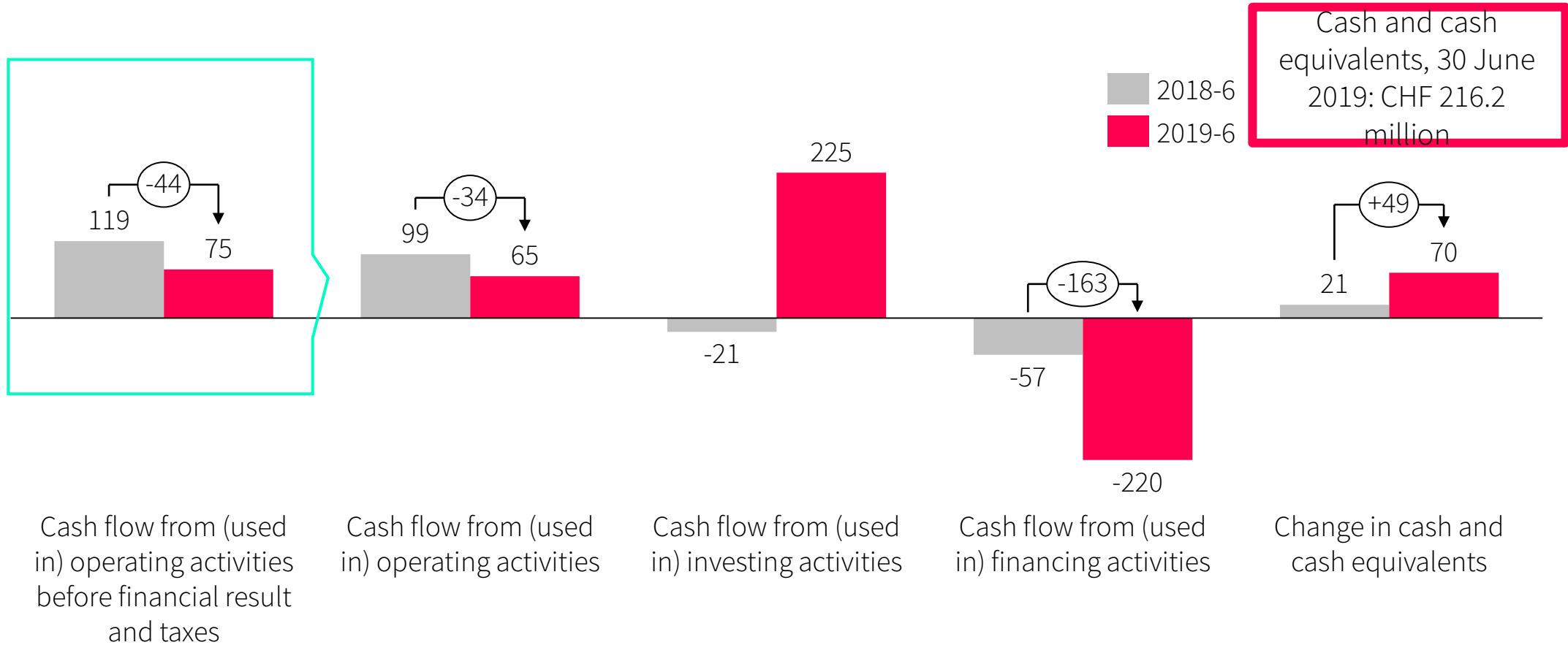
Normalised net income CHF 11 million down on the previous year



Normalised net income in 2019-6 in CHF millions



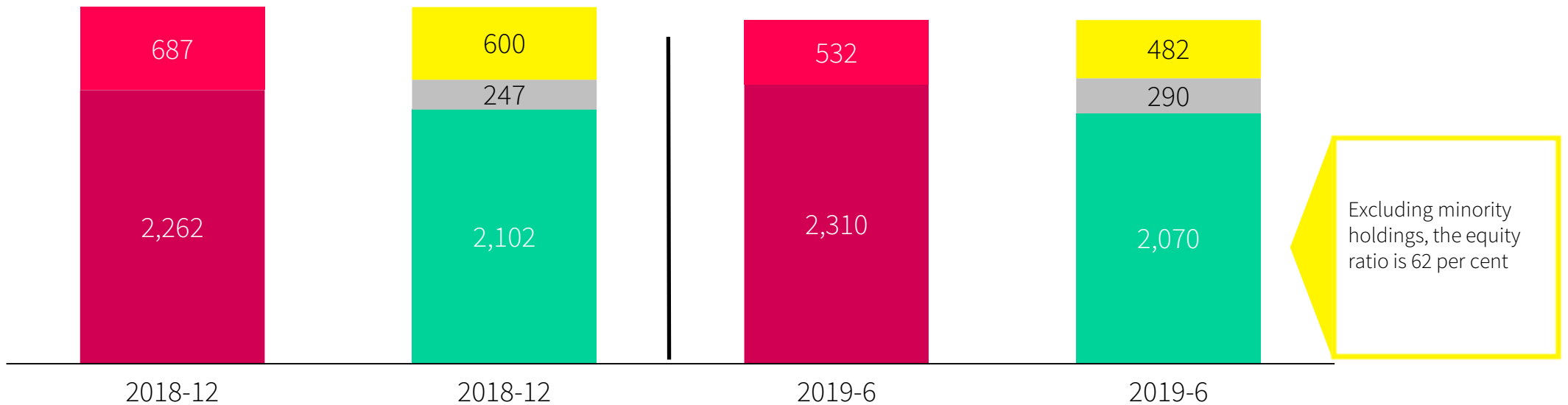
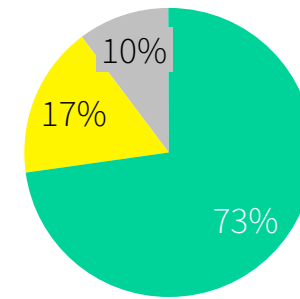
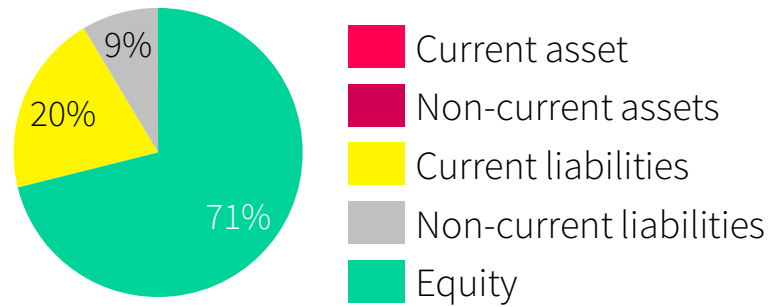
Complete repayment of credit facility in the first half of 2019



Cash flow statement for first half 2019 in CHF millions



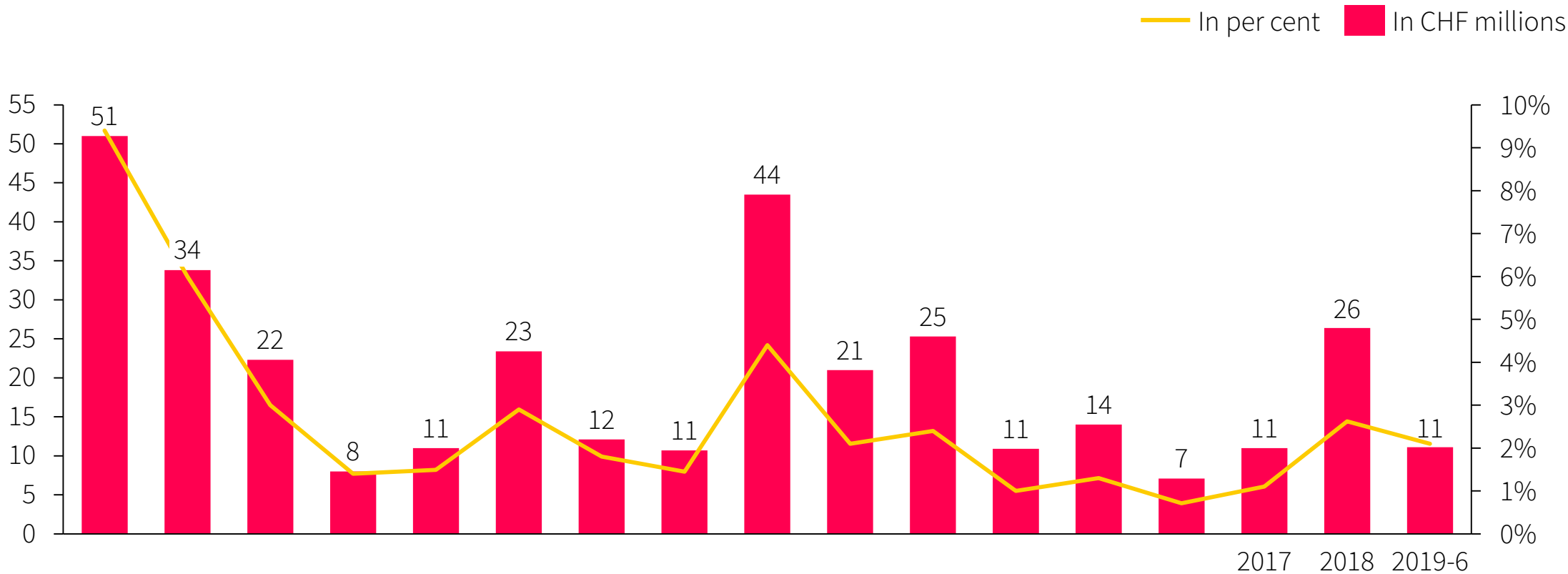
Equity ratio up to 73 per cent



In CHF millions



Capex still relatively low, at 2.1 per cent of revenue



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





Appendix



Notes on first half of 2019 (1/2)

Significant changes to the consolidated and associated companies/activities

- 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

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 first half of 2019 (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.

New commission model and minor adjustments to depreciation/amortisation and segments

What	Before restatement	After restatement	Effect
New commission model	Cost allocation	Commission	Increase in inter-segment revenues and operating expenses within individual segments by switching to the gross recording method for internal commission revenues and expenses
Lematin.ch	Listed under Paid Media	Listed under Free Media and Commercialisation	Slight increase in Free Media and Commercialisation revenue and net income
Depreciation/amortisation effects	Coding of certain depreciations/amortisations	Depreciation/amortisation based on internal billing	Small additional burden on Free Media & Commercialisation and Marketplaces & Ventures, with Paid Media conversely benefiting
	Depreciation and amortisation	Depreciation and amortisation from company mergers	Increase in depreciation/amortisation from company mergers



Restatement of segments 2018-6

In CHF millions

