TX Group Ltd
Corporate Communications

Ad hoc release as per Art. 53 LR

Zurich, 31 August 2021

The TX Group achieves 8 per cent organic growth in revenues and ends the first half of 2021 with operating income (EBIT b. PPA) of CHF 48.2 million

"Tamedia and 20 Minuten impressed with their solid journalism. This was confirmed by our annual quality monitoring and is of major importance to wider society, particularly in the current climate. Our marketplaces and platforms performed well too in the first half of 2021. JobCloud benefited from the improvement in the job market, while Ricardo and Tutti from the ongoing trend towards sustainability. The situation on the advertising and brokerage market remained challenging. With the relaxation of coronavirus restrictions in the second quarter, there was something of a recovery in TV advertising and advertisements in printed paid media. All companies – TX Markets, Goldbach, 20 Minuten and Tamedia – showed a positive result after adjustments. The margin increased to over 10 per cent. I feel confident about the second half of 2021."

Pietro Supino, Chairman and Publisher of TX Group

Main results for the first half of 2021

TX Group increased net income significantly in the first half of the year, as compared with the previous year. The decisive factors were the economic upturn, the growth in digital offers and a disciplined approach to costs. It is particularly pleasing that all companies – TX Markets, Goldbach, 20 Minuten and Tamedia – made a contribution to the positive normalised operating income(EBIT adj.).

- **Revenues:** Consolidated revenues increased by CHF 22.2 million to CHF 453.3 million (+5.1 per cent). Disregarding units sold (organic growth), revenues increased by 8 per cent.
- **Operating income before effects of business combinations (EBIT b. PPA):** EBIT (b. PPA) increased by CHF 35.8 million to CHF 48.2 million. This is four times the figure for the previous year, which was badly affected by coronavirus. The margin for EBIT (b. PPA) was 10.6 per cent (previous year: 2.9 per cent).
- **Net income (EAT)**: EAT increased significantly from CHF –109.4 million to CHF 21.2 million; compared with the previous year, financial income of CHF 11.7 million was recorded and no impairments recognised.

- **Free Cash Flow (FCF b. M&A):** Cash flow after investing in property, plant and equipment and intangible assets increased to CHF 49.3 million, which represents a significant improvement on the previous year (previous year: CHF –0.0 million).
- **Net liquidity:** Net liquidity amounted to CHF 194.2 million, a 73.3 per cent increase on the previous year. The main drivers of this development are the increased cash flow from (used in) operating activities, the decision not to pay dividends to TX Group shareholders and the reduction in dividend payments to non-controlling interests.
- **Key revenue figures:** Significant recovery in terms of advertising revenues (CHF +16.1 million or +17.2 per cent) as well as revenues from commercialisation and intermediary activities (CHF +9.0 million or +34.2 per cent); revenues from classifieds and services incl. classifieds ads in printed media (CHF –1.3 million or –0.9 per cent) would have increased by 4.8 per cent without the change to the group of consolidated companies; revenues from subscriptions and individual sales (CHF 121.3 million) remained stable.

Key Figures	**2021-6 in CHF mn**	**2020-6 in CHF mn**	**Change[4] in per cent**
TX Group			
Revenues	453.3	431.2	5.1
Operating income / (loss) before depreciation and amortisation (EBITDA)	72.5	34.1	112.3
Margin in %[1]	16.0	7.9	8.1p
Operating income / (loss) before effects of business combinations (EBIT b. PPA)	48.2	12.3	290.4
Margin in %[1]	10.6	2.9	7.8p
Operating income / (loss) (EBIT)	15.4	–107.5	n.a.
Margin[1]	3.4	–24.9	28.3p
Operating income (EBIT adj.)	47.2	11.3	318.6
Margin in %[1]	10.4	2.6	7.8p
Net income / (loss) (EAT)	21.2	–109.4	n.a.
of which attributable to TX Group shareholders	9.0	–116.5	n.a.
Cash flow from / (used in) operating activities	61.1	15.4	296.7
Cash flow after investing activities in property, plant and equipment and intangible assets (FCF b. M&A)	49.3	–0.0	n.a.
Total assets	2 776.9	2 613.4	6.3
Equity ratio in %[2]	74.7	73.6	1.1p
TX Markets			
Revenues	108.4	100.8	7.6
of which intersegment	0.2	0.8	–75.2
EBIT (adj).	43.4	35.8	21.4
Margin in %[1]	40.1	35.5	4.6p
Goldbach			
Revenues	74.0	61.1	21.3
of which intersegment	24.5	21.0	16.3

EBIT (adj).	9.4	–3.3	n.a.
Margin in %[1]	12.8	–5.4	n.a.
20 Minuten			
Revenues	51.0	39.8	28.1
of which intersegment	3.6	2.4	53.0
EBIT (adj).	1.4	–7.0	n.a.
Margin in %[1]	2.6	–17.6	n.a.
Tamedia			
Revenues	222.4	224.7	–11.1
of which intersegment	7.7	10.8	–28.5
EBIT (adj).	7.5	–5.4	n.a.
Margin in %[1]	3.4	–2.4	n.a.
Group & Ventures			
Revenues	88.6	102.3	–13.4
of which intersegment	55.2	62.6	–11.9
EBIT (adj).	–9.0	–4.6	n.a.
Margin in %[1]	–10.2	–4.5	–5.7
Numbers of employees (FTE)[3]	3 667	3 640	0.7

[1] As a percentage of revenue
[2] Equity to total assets
[3] Average number of employees, excluding employees in associates / joint ventures
[4] No indication is given for changes in comparative variables with different signs (n.a.). The change in relative values (e.g. margins) is given in percentage points (p).

Alternative key performance figures

TX Group uses the following alternative key performance figures:

- Operating income before depreciation and amortisation (EBITDA)
- Operating income before effects of business combinations (EBIT b. PPA)
- Consolidated normalised income statement
- Cash flow after investing activities in property, plant and equipment and intangible assets (FCF b. M&A)

Detailed information on how the alternative key performance figures are derived can be found at https://tx.group/en/investor-relations/alternative-performance-figures

Restatement

There was an adjustment from 1 January 2021 to the allocation of individual transactions to revenue categories with the aim of harmonising external reporting with the internal view used for management purposes. The previous year was adjusted accordingly. Restatement of the disclosures of the operating revenues for 2020 only involves a transfer within revenue categories and therefore has no other effect on the consolidated income statement or on other elements of financial reporting.

For the first time, with the interim financial statements for 2021, consolidated cash flows are being determined and disclosed using the indirect method. The indirect method is the preferred method under the accounting standard (IAS 7.19). The previous year's disclosures were adjusted accordingly.

TX Markets: JobCloud benefited from the recovery on the job market; Ricardo continued to grow

TX Markets increased its revenues year-on-year by a gratifying 7.5 per cent to CHF 108.4 million. This improvement is primarily down to the recovery on the Swiss job market as well as the second-hand and circular economy continuing to go from strength to strength. Operating income before depreciation and amortisation (EBITDA) amounted to CHF 47.0 million (previous year: CHF 38.8 million). The EBITDA margin rose from 38.5 per cent in the previous year to 43.4 per cent. Operating income before the effects of business combinations (EBIT b. PPA.) improved to CHF 43.4 million (previous year: CHF 35.8 million). Overall, the broad platform ecosystem of TX Markets proved to be extremely resilient. Positive performance is leading to an increase in value, with the market valuation of digital platforms generally being determined as a multiple of revenues or EBITDA.

Goldbach: Recovery in the second quarter in terms of TV and print advertising; out-of-home advertising and free media continued to suffer due to coronavirus restrictions

The advertising market, in particular the market for free media and out-of-home advertising, continued to suffer under the ongoing coronavirus restrictions in the first half of 2021. The recovery did begin, however, towards the end of the first half of the year. TV advertising profited from this in particular, as did print advertising in paid media. In this challenging environment, Goldbach increased revenues by 21.3 per cent compared with the previous year to CHF 74.0 million. Operating income before depreciation and amortisation (EBITDA) increased to CHF 14.5 million (previous year: CHF –0.1 million). The EBITDA margin came to 19.6 per cent (previous year: –0.2 per cent). Operating income before the effects of business combinations (EBIT b. PPA) rose to CHF 10.2 million (previous year: CHF –3.3 million). At Goldbach in the first half of 2021, both impairments from business combinations and the hardship funds received for Neo Advertising AG were normalised. Normalised operating income (EBIT adj.) amounted to CHF 9.4 million (previous year: CHF –3.3 million).

20 Minuten: The good digital performance of 20 Minuten more than compensated for the reduced revenues from printed newspapers

The good digital performance of 20 Minuten in the first half of the year more than compensated for the reduced revenues from printed newspapers. Printed free newspapers suffered from the sustained enforcement of the obligation to work from home and the resulting reduction in the number of newspapers taken away by people (take-away rate), which was down 5 per cent compared with the previous year. Compared with the same period the previous year, which was even more challenging, the revenues of 20 Minuten increased by 28.1 per cent to CHF 51.0 million. Operating income before depreciation and amortisation (EBITDA) was CHF 0.1 million (previous year: CHF –6.9 million). The EBITDA margin was 0.2 per cent on the reporting date (previous year: –17.4 per cent). Operating income before the effects of business combinations (EBIT b. PPA) was CHF –0.3 million (previous year: CHF –7.0 million). By contrast, normalised operating income (EBIT adj.) was CHF 1.4 million. The main aspect here was normalisation of the impairment on goodwill in the amount of CHF 1.7 million resulting from the sale of non-controlling interests in BT in Denmark.

Tamedia: Stable revenues, with improvement in result largely due to cost-reduction measures

In the first half of 2021, Tamedia achieved revenues of CHF 222.4 million, which is just below the previous year's level (–1.1 per cent). Advertising revenues increased by almost CHF 4 million compared with the previous year, while revenues from subscriptions and individual sales remained stable. By contrast, other operating revenue fell, as did paper revenues with third parties. Operating income before depreciation and amortisation (EBITDA) improved to CHF 9.8 million (previous year: CHF –4.3 million). The improvement in the result is largely due to measures taken to reduce costs. Around a quarter of the envisaged savings target of CHF 70 million was achieved in the first half of the year. This does not take into account any coronavirus support measures at federal level. The EBITDA margin was 4.4 per cent (previous year: –1.9 per cent). Operating income before the effects of business combinations (EBIT b. PPA) was CHF 9.4 million (previous year: CHF –5.4 million), while normalised operating income (EBIT adj.) was CHF 7.5 million. The main factor here was normalisation of the extraordinary support at federal level for the reduced supply of subscription daily and weekly newspapers (CHF 1.6 million) and the extraordinary federal contributions towards financing the basic services of the national news agency (CHF 0.3 million).

Group & Ventures: Revenues from Ventures grew by 15 per cent, without the effects of disposals
Compared with the previous year, revenues for Group & Ventures fell by 13.4 per cent to CHF 88.6 million. The reason for the decline is the disposal of the platforms Olmero and Renovero and lower offset costs in the Group area. Without the effects of disposals, the Ventures area enjoyed organic growth of 15 per cent. Operating income before depreciation and amortisation (EBITDA) amounted to CHF 6.5 million (previous year: CHF 10.9 million). The EBITDA margin was 7.4 per cent (previous year: 10.7 per cent). Normalised operating income (EBIT adj.) amounted to CHF –9.0 million (previous year: CHF –4.6 million). The negative result is largely attributable to expenditure at Group level.

Media call in German today, 31 August 2021

Time	2 p.m. CEST
Dial-in	+41 (0) 58 310 50 00 Please dial in a few minutes before the conference starts.

Analysts' call in English today, 31 August 2021

Time	3 p.m. CEST
Dial-in	+41 (0) 58 310 50 00 Please dial in a few minutes before the conference starts.

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About TX Group
TX Group forms a network of digital platforms that provides users with information, orientation, entertainment and services every day. Four independent companies operate under the umbrella of TX Group: TX Markets comprises the classifieds and marketplaces; Goldbach stands for advertising marketing in Switzerland, Germany and Austria; 20 Minuten is the company for commuter media in Switzerland and abroad; Tamedia leads the paid daily and weekly newspapers and magazines into the future.
www.tx.group