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Media Release

Growth in revenue and EBITDA.
EBIT affected by investments, declining advertising market as well as depreciation and amortisation. Healthy net income thanks to gains on disposals

The operating revenues of the Swiss media group Tamedia increased (by 9.8 per cent) to CHF 524.1 million during the first half of the year. Operating income before the effects of business combinations slightly decreased to CHF 71.1 million (-2.3 per cent), with EBIT now standing at CHF 41.0 million (-22.3 per cent). The steep decline in EBIT can be attributed to the slump affecting the print advertising market, higher depreciation and amortisation associated with business combinations and investments in both the development of the marketplaces and the digital transformation of Paid Media. Net income increased (by 34.3 per cent) to CHF 53.6 million, particularly as a result of gains on disposals.

Zurich, 27 August 2019 – The Swiss media group Tamedia achieved revenues of CHF 524.1 million during the first half of 2019 (previous year: CHF 477.5 million). The nearly 10 per cent increase in revenues is due above all to the first-time consolidation of the Goldbach Group and the Zattoo Group. Net income before interest, taxes, depreciation and amortisation (EBITDA) increased by 7.2 per cent to CHF 91.5 million (previous year: CHF 85.4 million). This increase is largely due to the introduction of the IFRS 16 “Leases” accounting standard. Net income before the effects of business combinations fell slightly by 2.3 per cent to CHF 71.1 million (previous year: CHF 72.7 million). Due to the depreciation and amortisation from business combinations – which increased by 50.7 per cent and resulted from the acquisitions of the Goldbach Group and the Zattoo Group as well as Neo Advertising and Basler Zeitung – net income before interest and taxes (EBIT) fell by 22.3 per cent to CHF 41.0 million (previous year: CHF 52.7 million).

Christoph Tonini, Chief Executive Officer of Tamedia: “Compared with the previous year, we have lost around CHF 18 million in the print advertising market that could not be

offset on the digital side. And even our successful digital marketplaces are feeling the competition from international providers. To avoid any potential disruption, we have made significant investments in both personnel and IT for our digital platforms. Combined with the investments in our Paid Media, these effects altogether have a negative impact on the operating result – I am however convinced that these investments will prove to be profitable over the long term.”

Key figures	2019-6 in CHF millions	2018-6 in CHF millions	Change in per cent
Tamedia Group			
Operating revenues	524.1	477.5	9.8
Operating income before depreciation and amortisation (EBITDA)	91.5	85.4	7.2
Margin (in per cent)	17.5	17.9	-2.4
Operating income before effects of business combinations	71.1	72.7	-2.3
Operating income (EBIT)	41.0	52.7	-22.3
Margin (in per cent)	7.8	11.0	-29.2
Net income (loss)	53.6	39.9	34.3
Of which attributable to Tamedia shareholders	39.6	26.3	50.6
Cash flow from (used in) trading activities	64.9	98.8	-34.3
Total assets	2 841.6	2 948.4 ¹	-3.6
Equity ratio (in per cent) ²	72.8	71.3 ¹	2.2
Paid Media			
Operating revenues	276.1	290.1	-4.8
Of which intersegment	17.7	21.7	-18.7
EBITDA	17.6	22.5	-21.5
EBITDA margin (in per cent) ³	6.4	7.7	-17.6
Free Media and Commercialisation			
Operating revenues	141.8	93.6	51.4
Of which intersegment	7.2	4.1	73.7
EBITDA	32.5	13.8	135.3
EBITDA margin (in per cent) ³	22.9	14.8	55.4
Marketplaces and Ventures			
Operating revenues	137.0	124.9	9.7
Of which intersegment	6.0	5.3	12.4
EBITDA	42.1	53.2	-20.9
EBITDA margin (in per cent) ³	30.7	42.6	-27.9
Average number of employees ⁴	3 642	3 224	13.0

¹ As of 31.12.2018

² Equity to total assets

³ The margin relates to operating revenues

⁴ The average number of employees does not include employees of associates / joint ventures

Alternative key performance figures

Tamedia uses the following alternative key performance figures:

- Operating income before depreciation and amortisation (EBITDA)
- Operating income before the effects of business combinations
- Consolidated normalised income statement

Detailed information on how the alternative key performance figures are derived can be found at www.tamedia.ch/key-performance-figures

Paid Media: print advertising market loses over 10 per cent

The operating revenues of the Paid Media business division, which encompasses all paid-for daily and weekly newspapers as well as magazines and printing facilities, fell to CHF 276.1 million (previous year: CHF 290.1 million). The continuing decline in print advertising revenue is the main driver behind this trend. Operating income before depreciation and amortisation (EBITDA) of the Paid Media business division fell from CHF 22.5 million to CHF 17.6 million. This equates to an EBITDA margin of 6.4 per cent (previous year: 7.7 per cent). Operating income before the effects of business combinations duly declined too from CHF 14.4 million to CHF 7.2 million. EBIT is CHF 2.2 million (previous year: CHF 10.1 million) and the EBIT margin is still 0.8 per cent.

Free Media and Commercialisation: Goldbach included in full reporting period for the first time

In addition to the media network 20 Minuten and the interests in L'essentiel, Heute / heute.at and Metroxpress / BT, the Free Media and Commercialisation business division also encompasses the advertising marketer Goldbach and the out-of-home company Neo Advertising. At CHF 141.8 million, operating revenues in the Free Media and Commercialisation segment increased by 51.4 per cent year-on-year. This rise is primarily attributable to the acquisition of Goldbach. As a result, operating income before depreciation and amortisation (EBITDA) increased to CHF 32.5 million (previous year: CHF 13.8 million), putting the EBITDA margin at 22.9 per cent (previous year: 14.8 per cent). Operating income before the effects of business combinations was CHF 27.8 million (previous year: CHF 12.6 million). Operating income (EBIT) increased from CHF 11.1 million to CHF 17.9 million. The EBIT margin is 12.6 per cent (previous year: 11.8 per cent).

Marketplaces and Ventures: revenues increasing – investments affecting net income

The Marketplaces and Ventures business division, which encompasses all non-publishing digital products, posted operating revenues of CHF 137.0 million. This represents a 9.7 per cent increase year-on-year and can be attributed to organic growth and the acquisition of the Zattoo Group. The Marketplaces and Ventures business division's operating income before depreciation and amortisation (EBITDA) reduced to CHF 42.1 million (previous year: CHF 53.2 million). The reasons behind this decline include an increase in operating expenses due to the acquisition of the Zattoo Group, the launch of the car platform carforyou.ch and investments in additional staff to further develop the digital platforms. As a result, the EBITDA margin stands at 30.7 per cent (previous year: 42.6 per cent). Operating income before the effects of business combinations is CHF 36.8 million (previous year: CHF 49.8 million). Operating income (EBIT) reached CHF 21.6 million (previous year: CHF 35.6 million). This equates to an EBIT margin of 15.7 per cent (previous year: 28.5 per cent).

Press conference and information for financial analysts

The press conference call in German will take place today, Tuesday, 27 August 2019, at 10.00 a.m. A conference call will also be held in English at 11.00 a.m. for analysts and

investors. The dial-in number for the conference calls is +41 58 310 50 00. Please dial in a few minutes before the conference starts.

If required, a conference call in English will be offered on the following day for investors and analysts from abroad.

Contact

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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:

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.

www.tamedia.ch