

Annual results 2020

Analyst Conference, 11 March 2021

Pietro Supino
Chairman & Publisher

Organisational structure of the TX Group



Group Management

Finances & Human Resources
Sandro Macciachini



Property
Zurich: Werdstrasse | Stauffacherquai | Bubenbergstrasse

Berne: Dammweg | Zentweg

Bussigny: Chemin de Mochettaz

Chairman & Publisher
Pietro Supino



Technology & Ventures
Samuel Hügli



Company

TX Markets
Olivier Rihs



Goldbach
Michi Frank



20 Minuten
Marcel Kohler



Tamedia
Marco Boselli
Andreas Schaffner

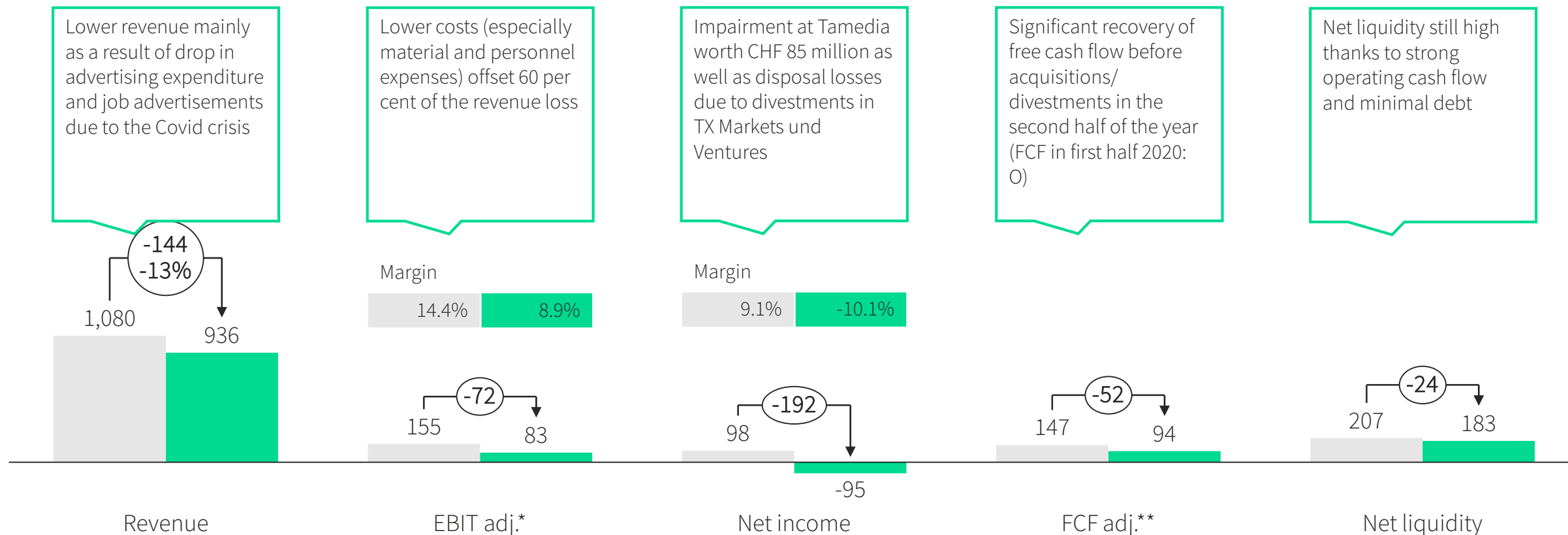


Sandro Macciaccchini

Head of Finances & Human Resources,
Member of Group Management

Result affected by the Covid-related economic downturn as well as the Tamedia impairment

■ 2019 ■ 2020 In CHF millions

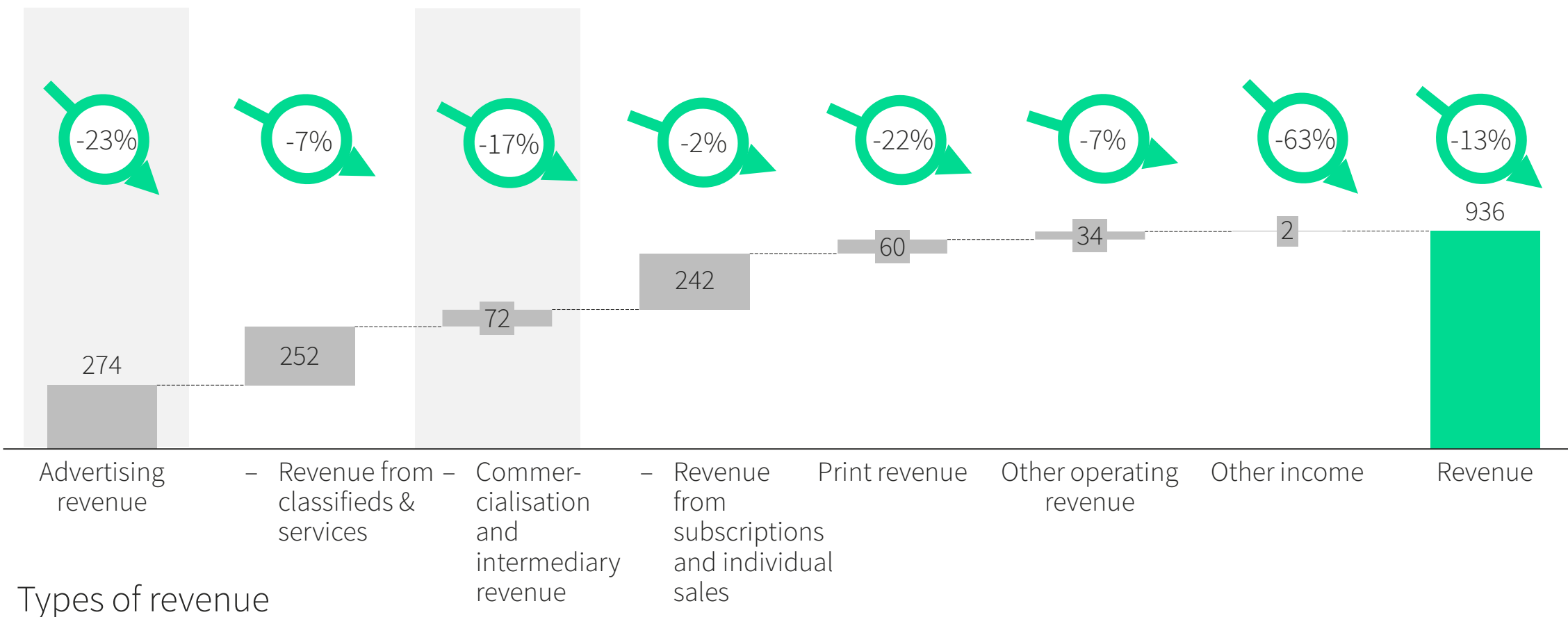


* Operating income before effects of business combinations

** Cash flow after investing activities in property, plant and equipment and intangible assets

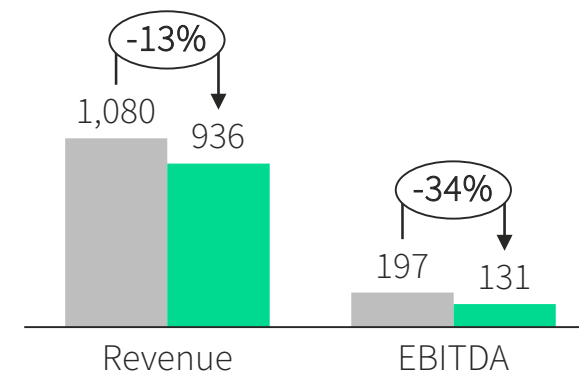
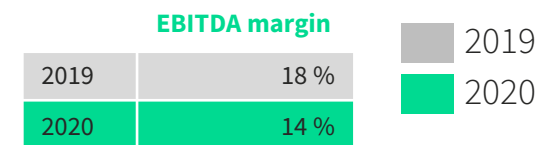
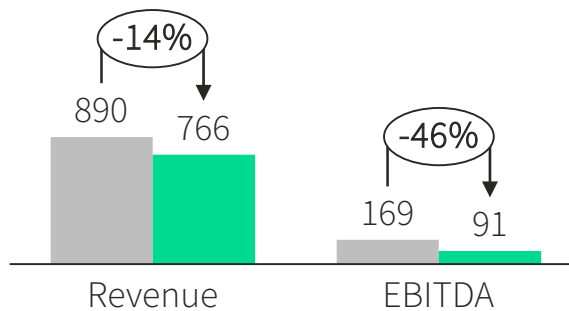
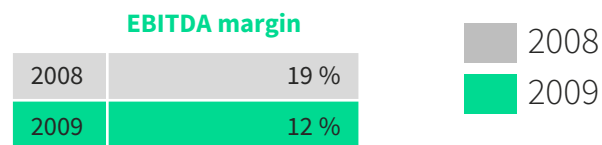
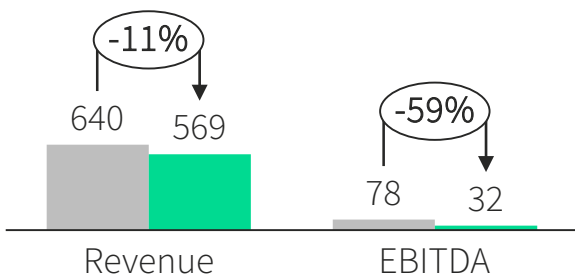
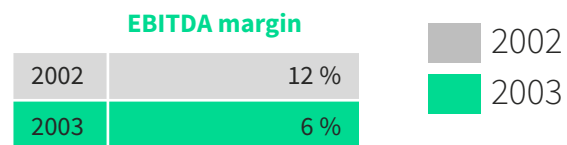


Decline in advertising accounts for two thirds of revenue loss – revenue from subscriptions and individual sales mostly stable



High degree of resilience compared to previous crises

TX Group / Tamedia in CHF millions



GDP/unemployment

2003	BFS	SECO
GDP	-0.7%	-
Unemployment	-	3.7%

2009	BFS	SECO
GDP	-2.1%	-
Unemployment	-	3.7%

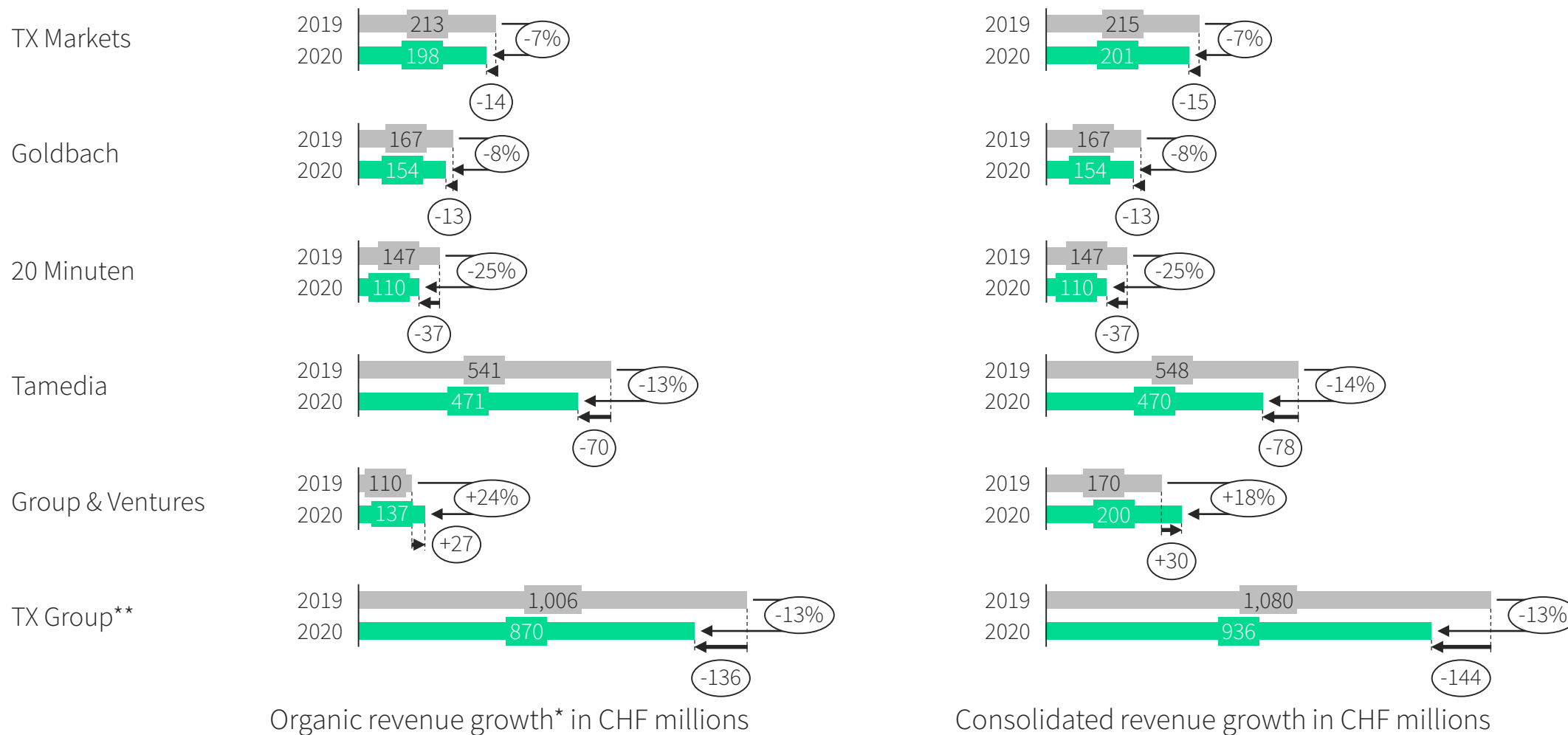
2020	SECO	KOF ETH
GDP	-3.3%	-3.5%
Unemployment	3.1%	3.1%

Source: BFS: Gross domestic product, long series; per capita GDP at the previous year's prices; annual rate of change in %
SECO: The situation on the job market in December 2003 and 2009 / annual average in 2003 and 2009

Source: SECO economic forecast, December 2020
KOF studies, 2020, no. 4, winter – KA, December 2020



Organic revenue performance also down by around 13 per cent



Organic revenue growth* in CHF millions

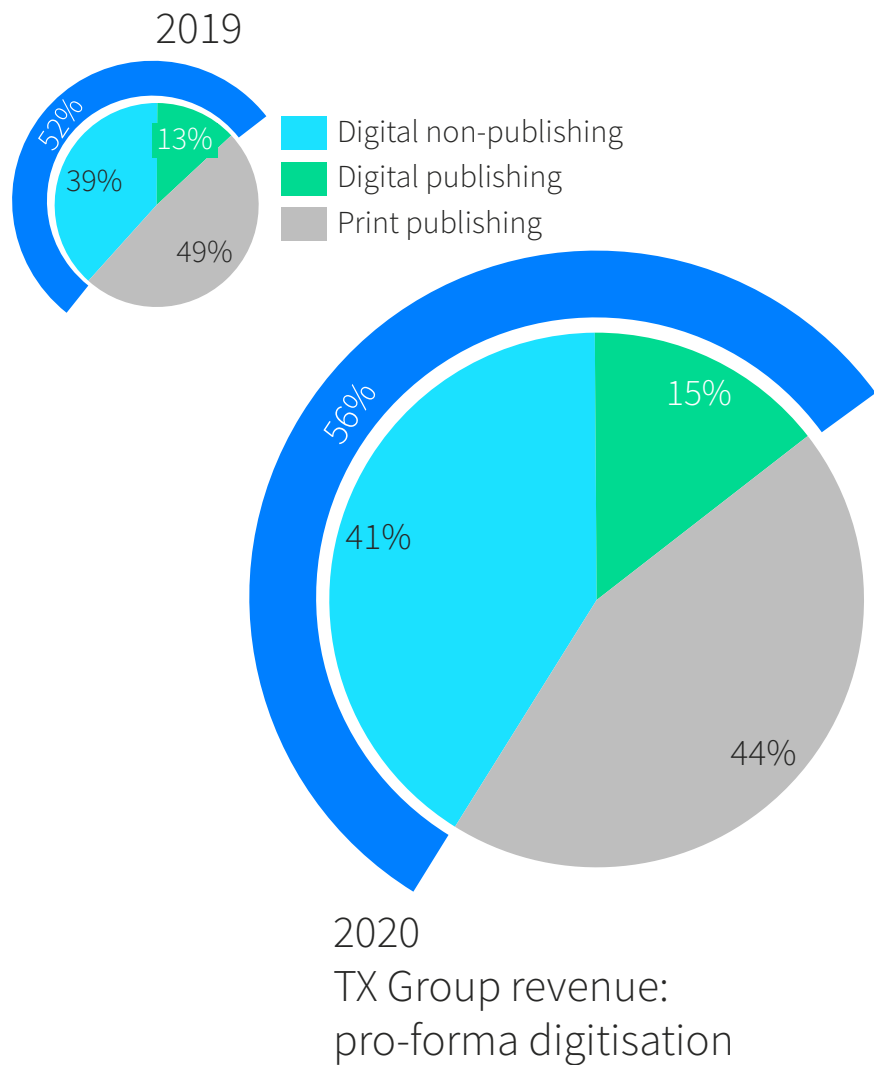
Consolidated revenue growth in CHF millions

* Business units or associated companies that were taken into account in the consolidation during the entire reporting period in both 2019 and 2020.

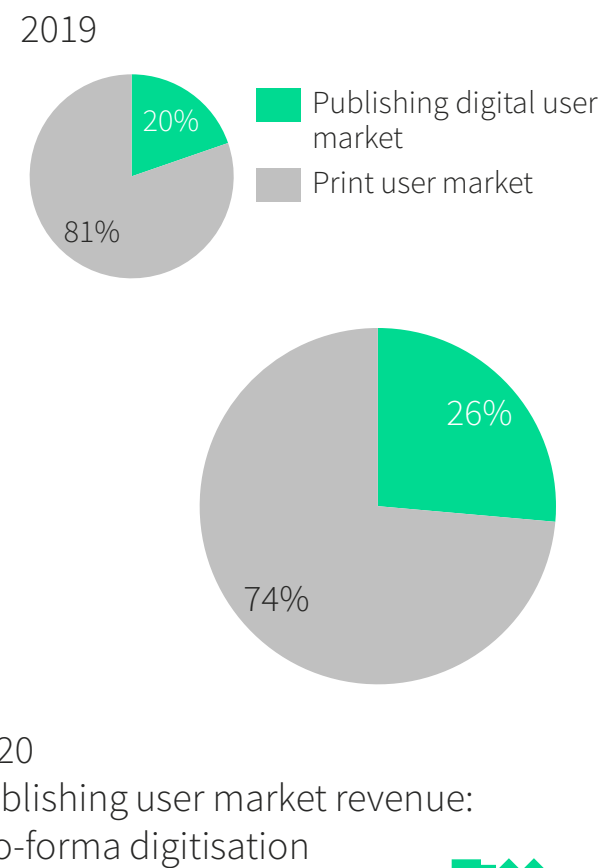
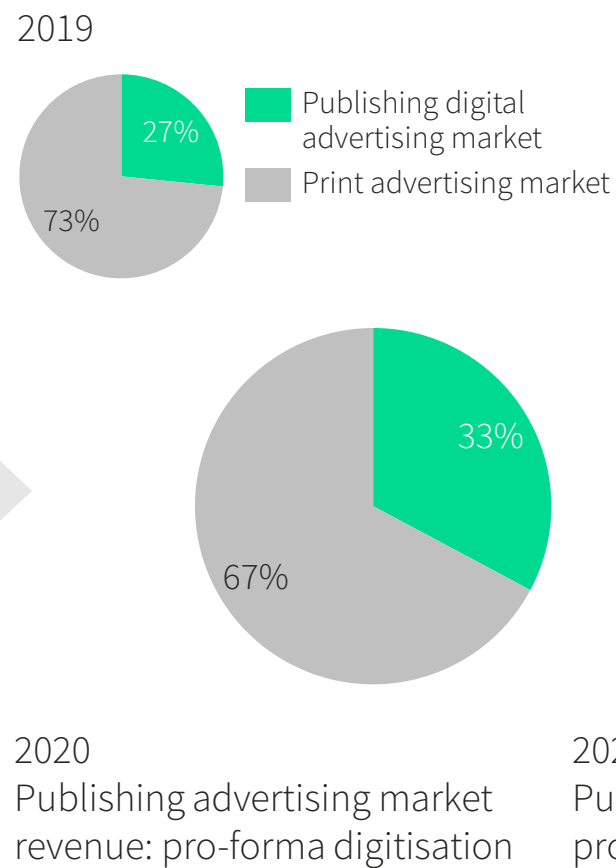
** Eliminations and IAS 19 reconciliations were taken into account



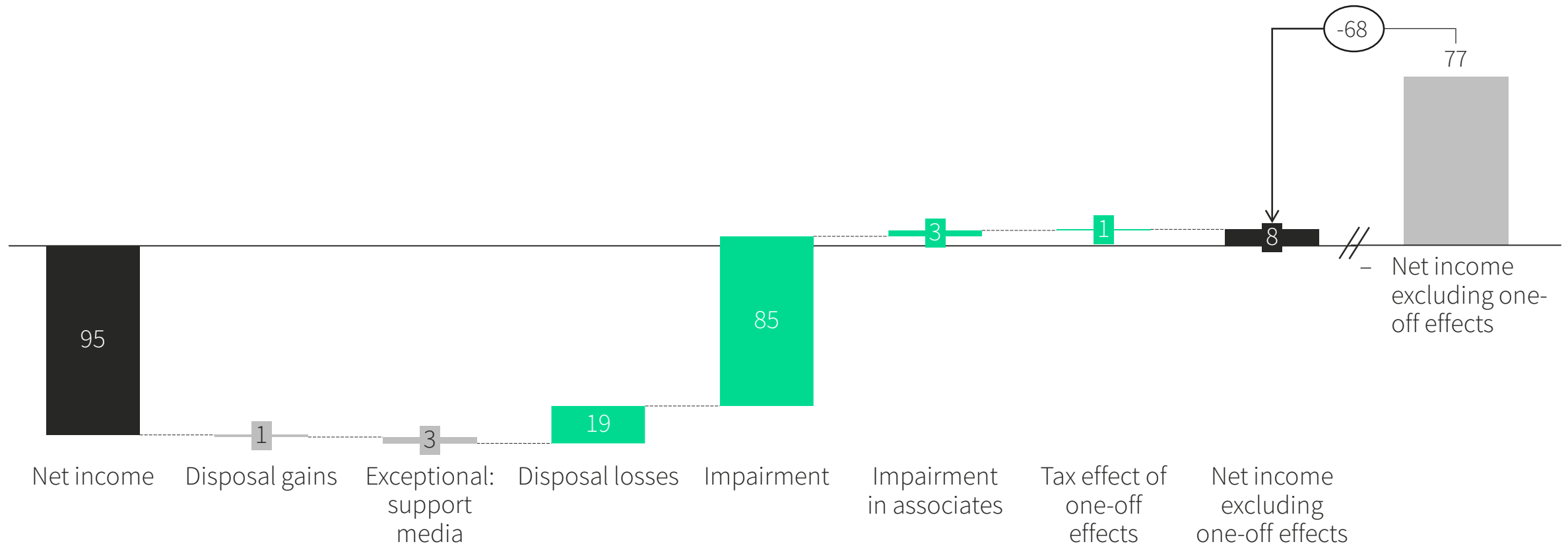
Digital revenue share of 56 per cent



of which publishing per se



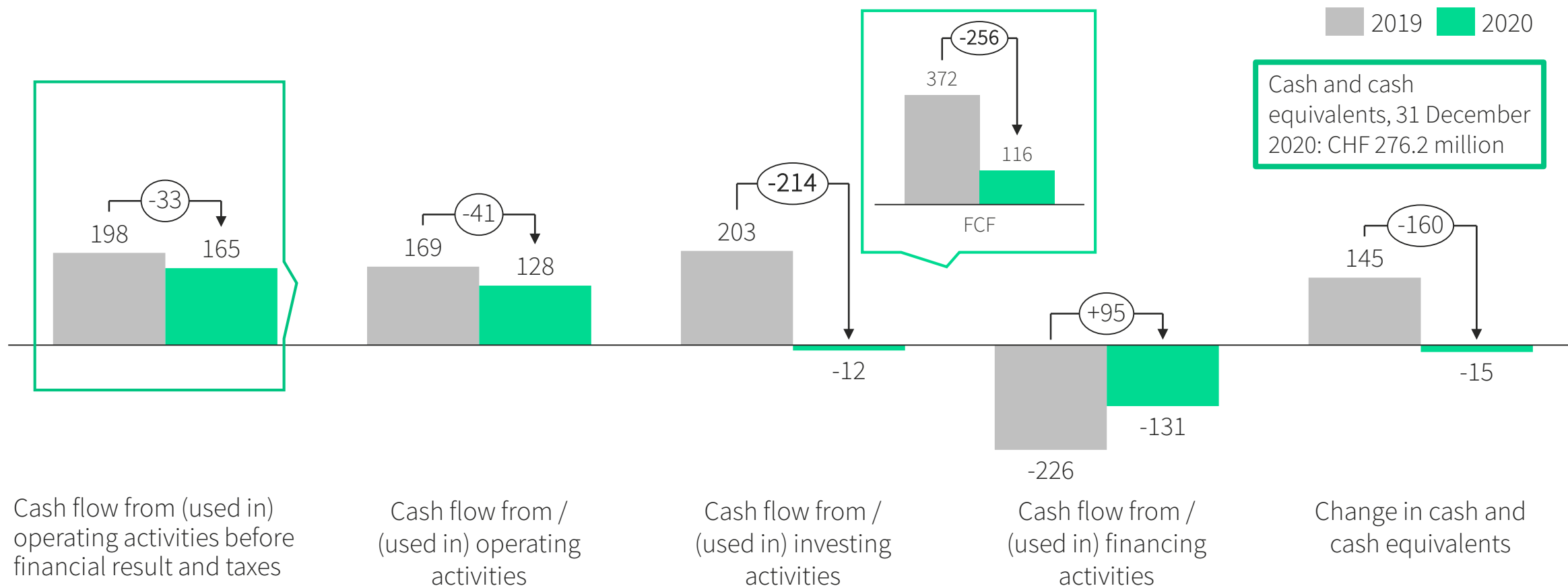
Normalised net income down CHF 68 million on previous year



Normalised net income in 2020 in CHF millions

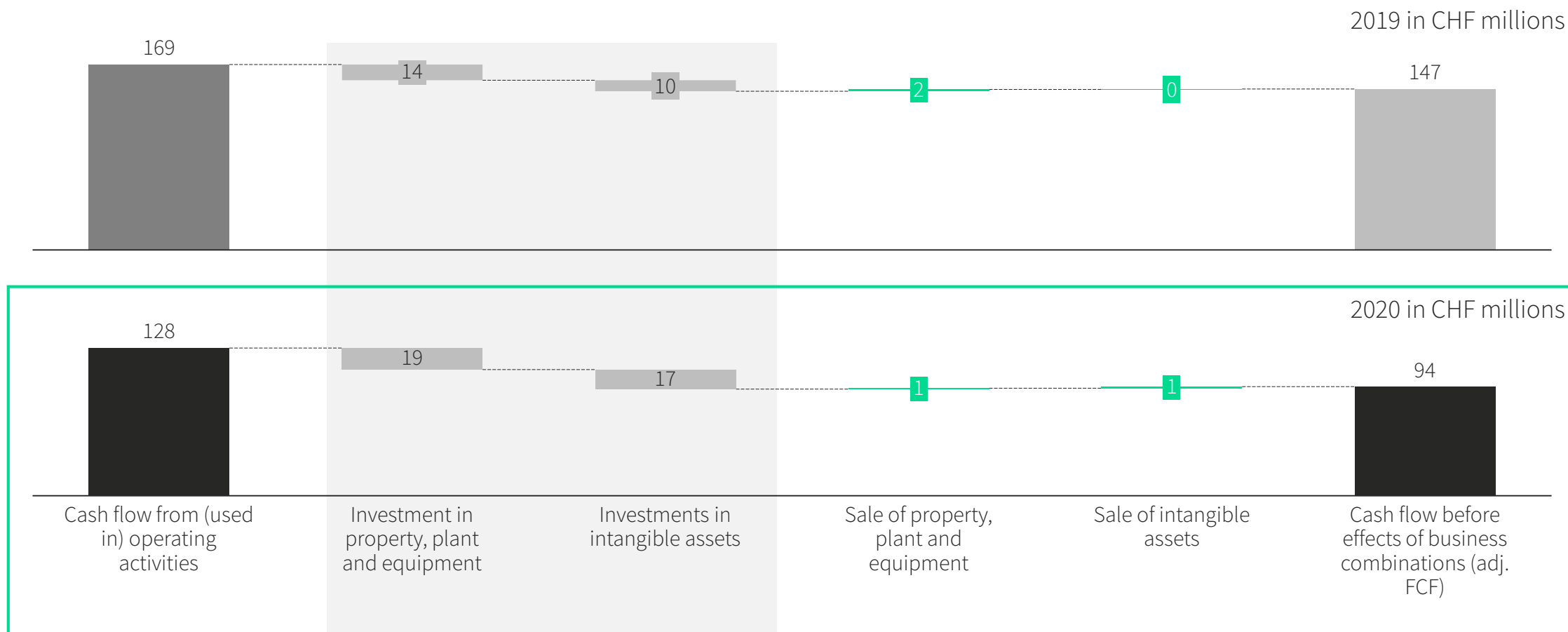


Cash flow from operating activities declined by CHF 41 million

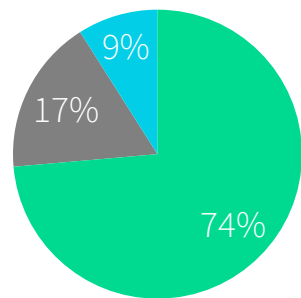


Cash flow statement for 2020 in CHF millions

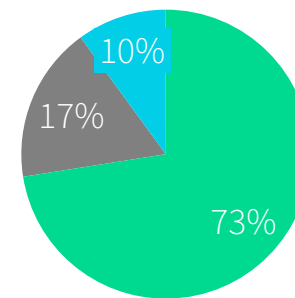
Investments in property, plant and equipment and intangible assets (Capex) – more than CHF 11 million up on previous year



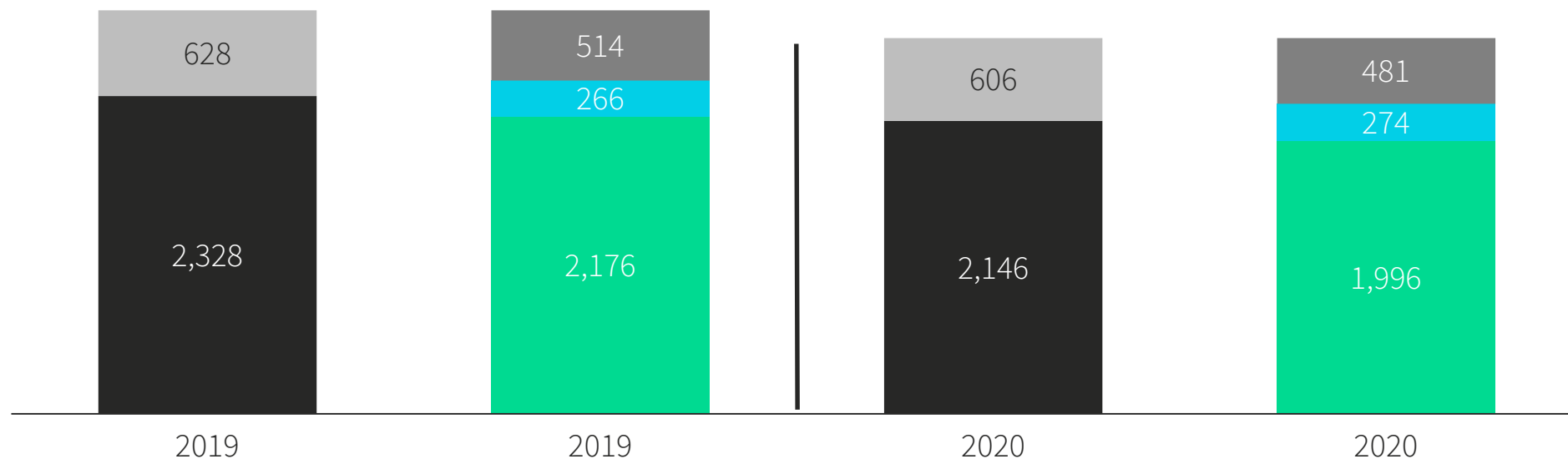
Equity ratio still high at 73 per cent



- Current assets
- Non-current assets
- Current liabilities
- Non-current liabilities
- Equity



Net liquidity, 31 December 2020:
CHF
182.9 million



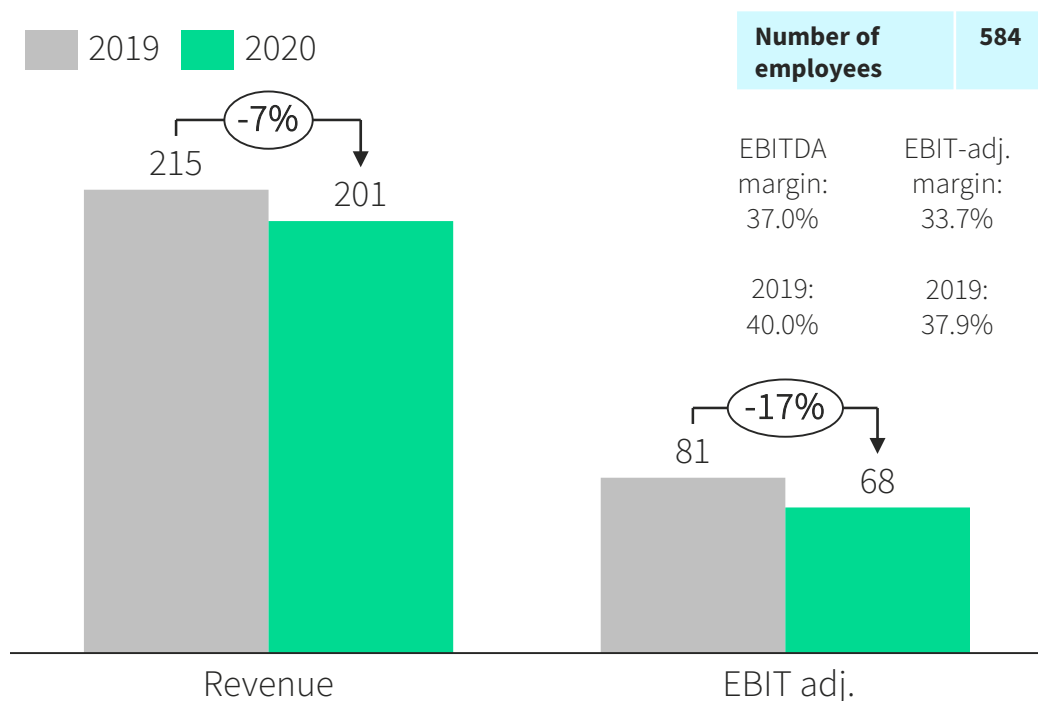
Excluding minority holdings, the equity ratio is 62 per cent

In CHF millions

TX Markets

Olivier Rihs
CEO

Ricardo and tutti.ch marketplaces perform well – JobCloud hit by Covid crisis

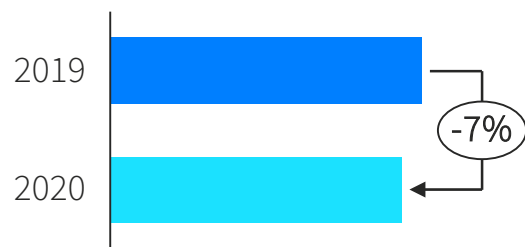


- TX Markets comprises the JobCloud job portal, the Homegate property platform, the Ricardo and Tutti online marketplaces, and the Car For You auto marketplace
- JobCloud suffered a decline in revenue and net income due to the tight job market. With regard to printed advertisements, volatility on the job portal is much lower than in previous crises.
- Business on the Homegate property platform generated less revenue in the first half of 2020 due to the Covid crisis, but more or less recovered in the second half of the year
- The number of transactions and the trading volume on Ricardo and Tutti increased due to greater environmental awareness and the fact that people spent more time at home
- Car For You benefited from cost pressure in the car industry and was able to improve its competitive position

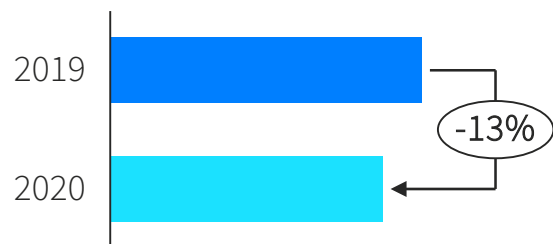
TX Markets overview in CHF millions

Job market highly sensitive to economic situation – Homegate performing well despite crisis – Ricardo and Tutti with strong growth

JobCLOUD

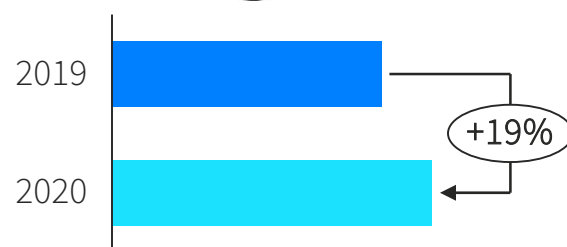


Sessions per month

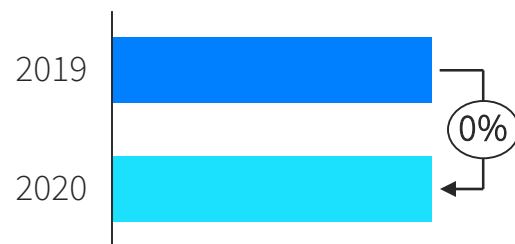


Number of listed jobs per month

homegate.ch

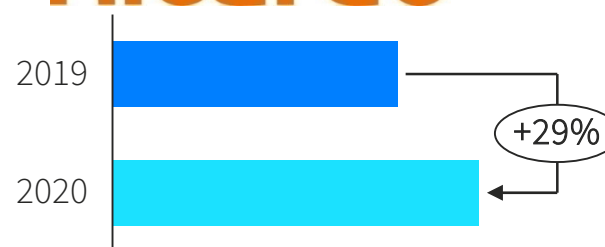


Sessions per month

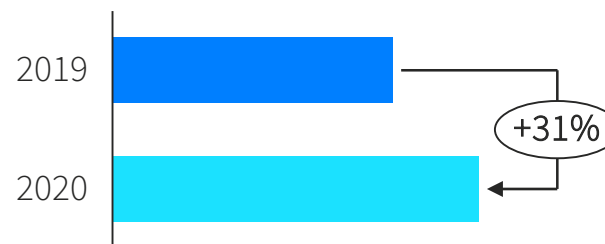


Average number of listed properties

Ricardo

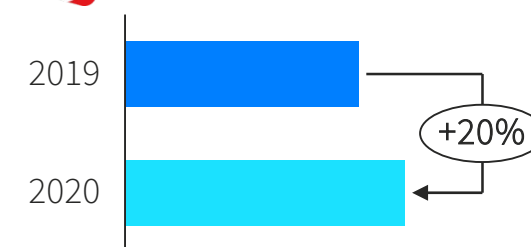


Sessions per month

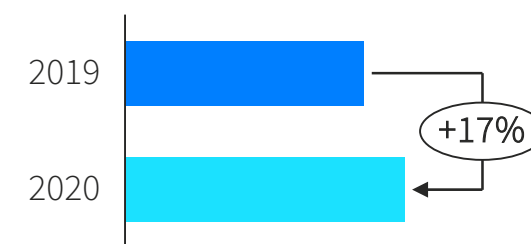


Average number of transactions by private individuals per month

tutti.ch



Sessions per month



Number of listed items per month

Key projects in 2021

1

- **Strengthen internal collaboration and synergies:** Strengthen cross-platform collaboration in various disciplines to promote knowledge sharing and best practice and extend leading positions.

2

- **JobCloud:** Despite a difficult 2020, JobCloud managed to extend its leading position in Switzerland and is well placed to overcome future challenges, thanks not least to the continual enhancements that it has made to its innovative recruitment technology.

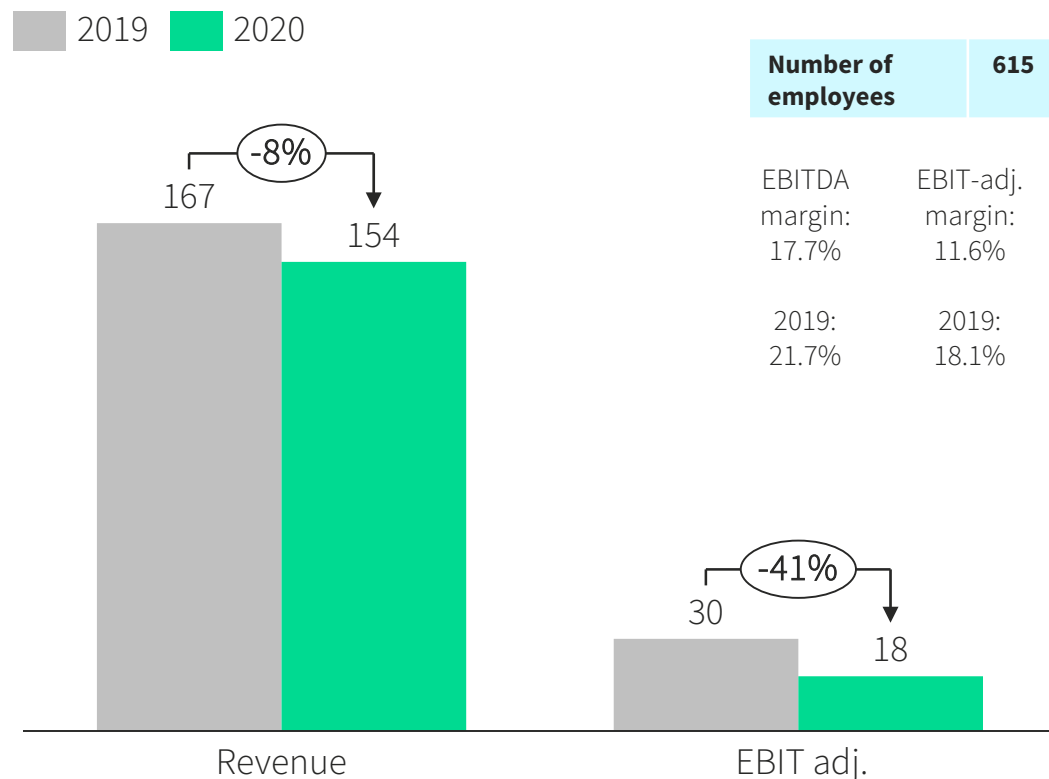
3

- **Intensify start-up investment and M&A activities:** Invest in marketplace business models and associated technologies that strengthen or supplement the existing portfolio. Focus on early-stage as well as market leaders.

Goldbach

Michi Frank
CEO

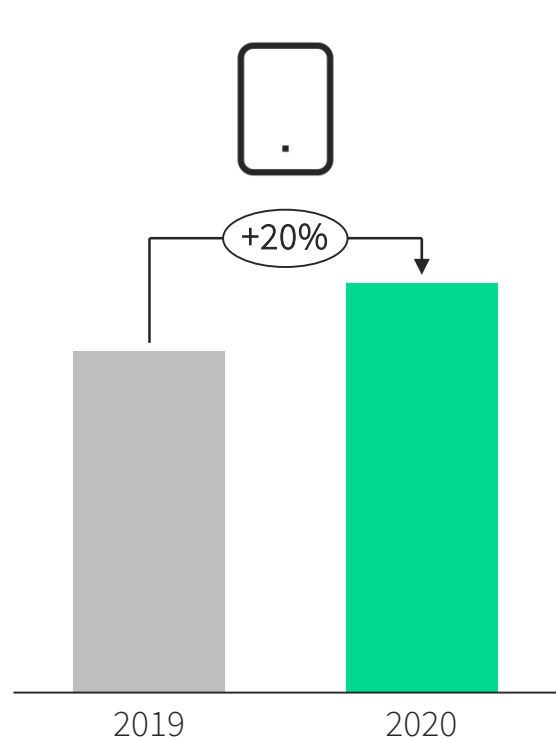
Goldbach hit hard by Covid-related advertising downturn



- Advertising broker Goldbach comprises the following Swiss entities: 20 Minuten Advertising, Admanufaktur, Dreifive, Goldbach Audience, Goldbach Media, Goldbach Next, Goldbach Publishing, Neo Advertising, Swiss Radioworld; Goldbach also operates in Germany and Austria
- Sharp decline in television and print advertising as well as in the out-of-home sector due to the Covid crisis
- Sharp increase in video portfolio as well as increased network marketing relevance
- Sharp increase in national, regional and international third-party marketing contracts at Goldbach Publishing

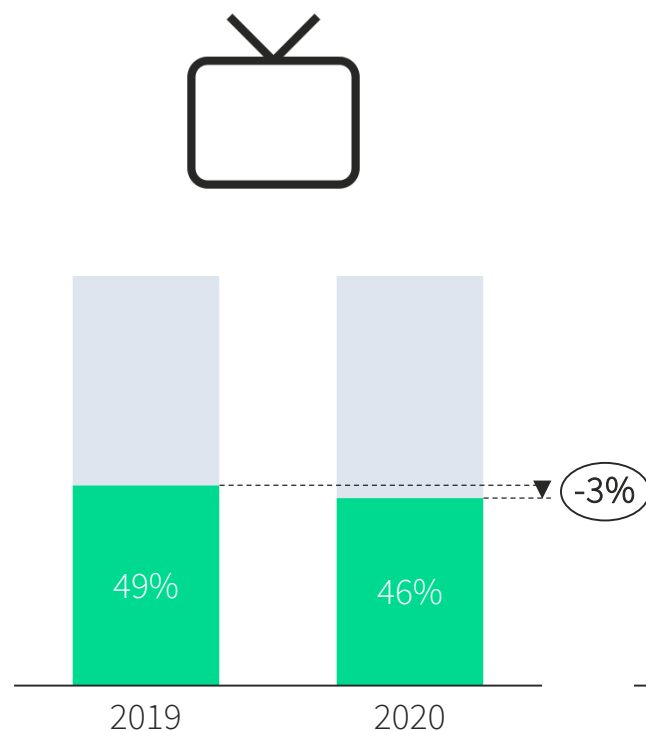
Goldbach overview in CHF millions

Big increase in third-party marketing of media titles – 46 per cent TV market share among 15- to 49-year-olds in Ger.-speak. CH

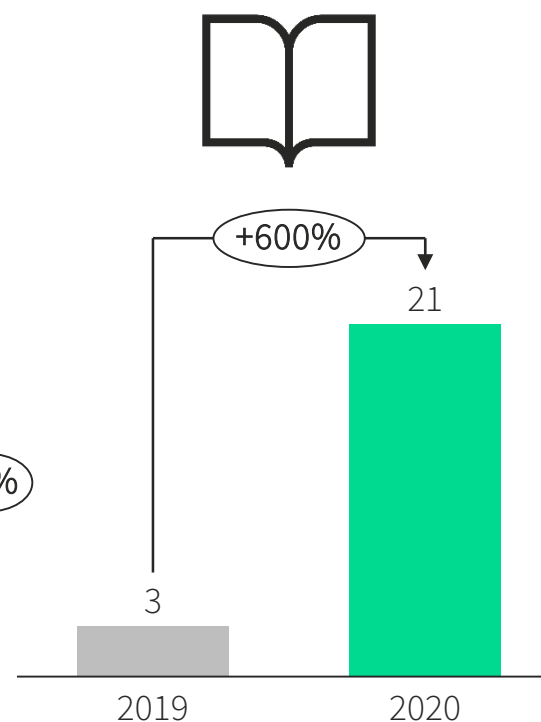


Ad impressions video inventory

All figures relate to the Swiss market



TV market share among 15- to 49-year-olds in German-speaking Switzerland



Titles marketed by third parties

Neo Advertising:
Portfolio expanded in 2020 to include 2,445 new advertising spaces

Key projects in 2021

1

- **TV: Expand replay ad platform:**
Develop market platform (replay ad portal) in 2021 as well as technical interface with marketers' planning and booking tools in order to exploit new forms of television advertising (replay ads) in 2022.

2

- **Network marketing:**
Intensify network marketing with improved data quality thanks to collaboration with TX Markets. High-quality reach of video and display ads, offering brand safety to customers.

3

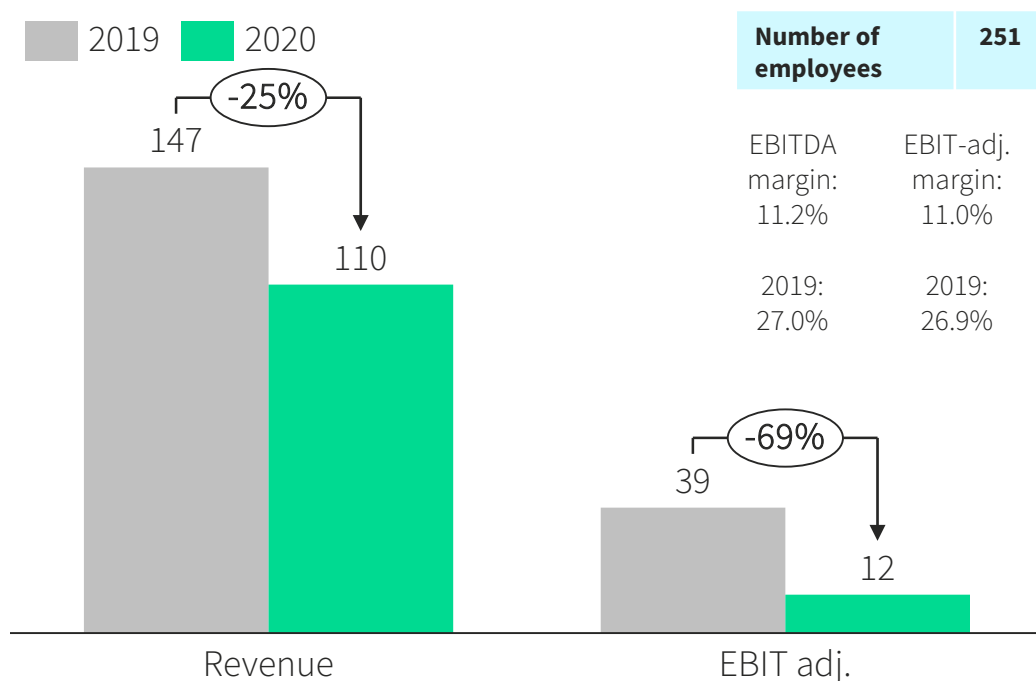
- **Cross-media offers:**
Sell 360-degree cross-media offer. Two major cross-media offers in 2021: Easter and Christmas.

20 Minuten

Marcel Kohler

Managing Director

Recovery in second half of year – in the black despite downturn in advertising revenue and a lack of commuters

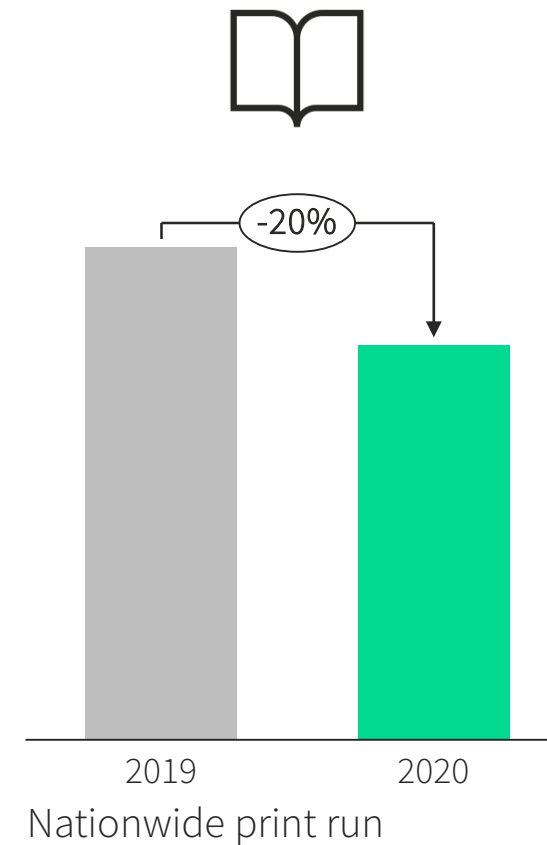
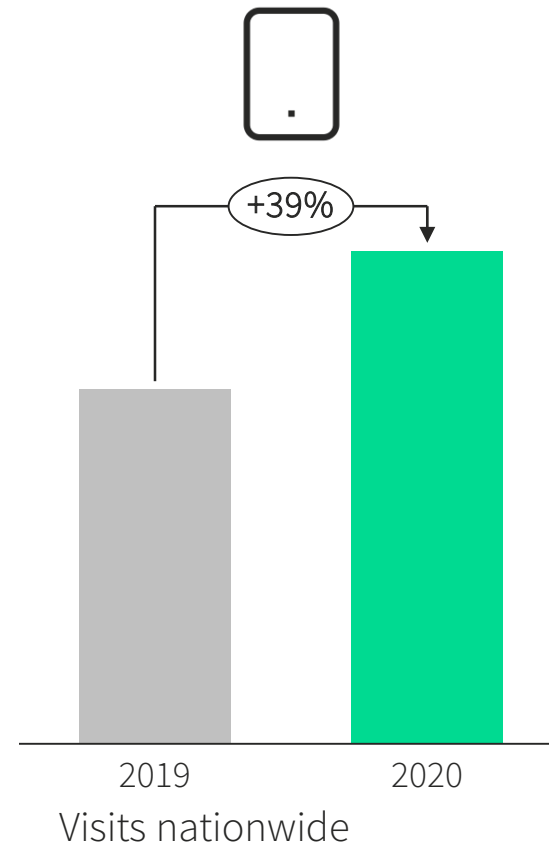
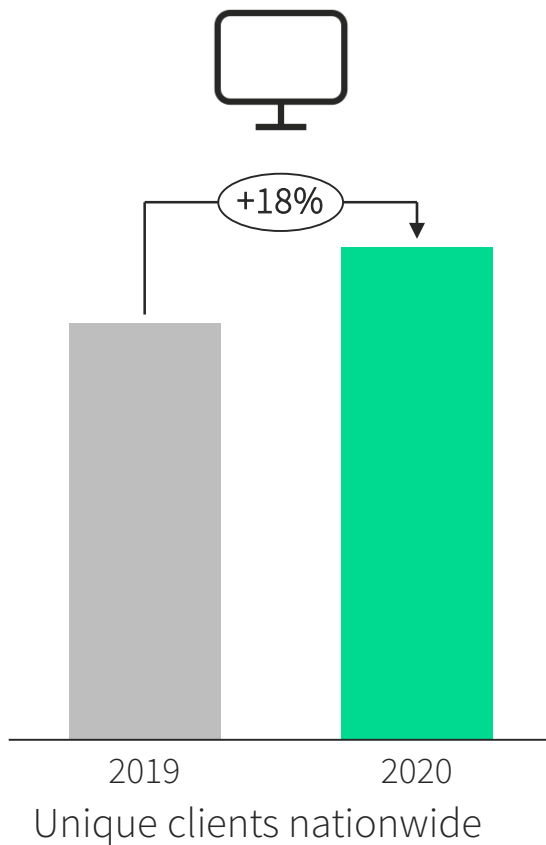


- 20 Minuten comprises the 20 Minuten media network as well as stakes in Heute and heute.at (Austria), BT (Denmark) and L’essentiel (Luxembourg)
- Marked decline in revenue due to a lack of commuters during lockdown
- Development of new distribution channels in the retail sector during lockdown – further development planned
- Launch of new mobile app and news platform in April 2020
- Successful launch of video campaign with 20 Min Now!
- Digital use of 20 Minuten at record levels
- Establishment of our own video and photo agency
- Launch of Lifestyle

20 Minuten overview in CHF millions



20 Minuten with strong digital growth – nationwide print run at 80 per cent of prior-year level despite lockdown and home working



Key projects in 2021

1

- Develop circle of experts and introduce quality assurance
Every free-media editorial team should include at least one expert for every important theme. Introduce free-media-related quality assurance.

2

- Expand French-speaking Switzerland:
Twenty new jobs in the video, social media, and sales areas in French-speaking Switzerland.

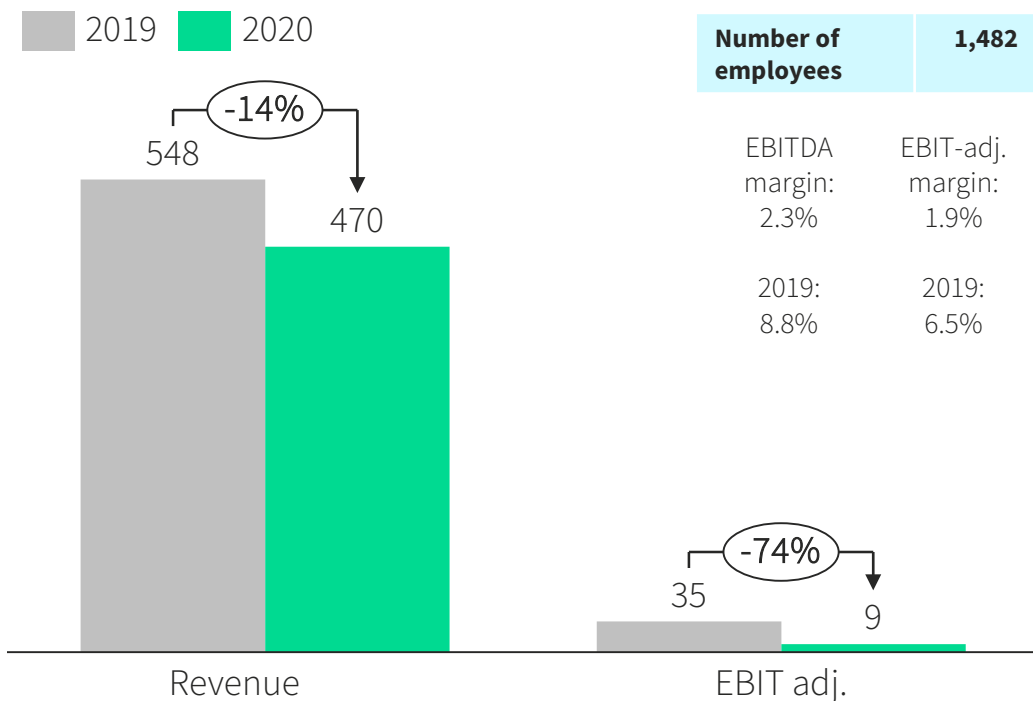
3

- Continue developing multi-channel strategy:
Use video and audio to develop and improve tried-and-trusted reach model for free newspapers and news platforms.

Tamedia

Marco Boselli and Andreas Schaffner
Managing Directors

Covid crisis accelerated the advertising downturn but led to an increase in digital use

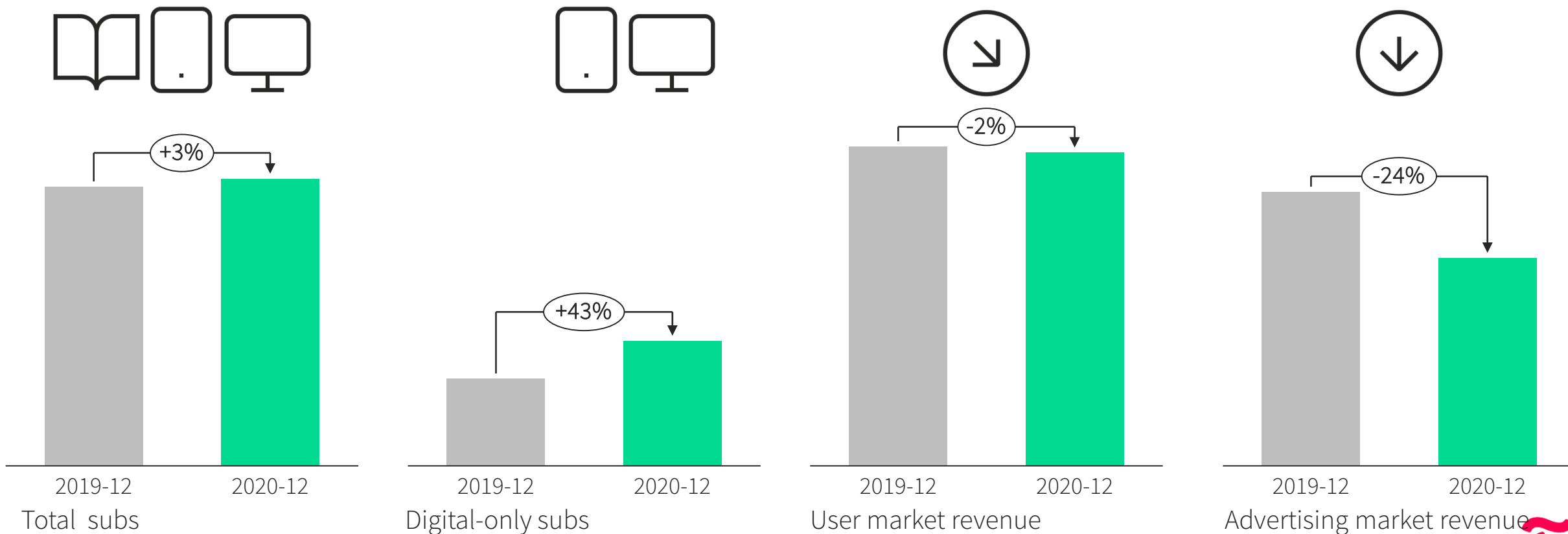


- Tamedia comprises paid daily and weekly newspapers as well as all publishing services
- Decline in advertising market due to the Covid crisis
- Introduction of “Mobile first” – digital creation of reports that appear on the news platform before being published in the printed newspaper
- The total number of subscribers increased due to a sharp rise in digital subscriptions. In financial terms, the sharp increase in the number of digital subscriptions could not offset the drop in print users.
- Plan to cut costs by 15 per cent or CHF 70 million by the end of 2022

Tamedia overview in CHF millions



Subscription numbers increasing overall – advertising revenue down due to the Covid crisis



Key projects in 2021

1

- Newspaper editorial teams at cantonal level:
Examine the possibility of organising editorial teams by canton.

2

- Digital subscriptions:
Target the long-term objective of funding our activities through the sale of digital subscriptions without neglecting our printed newspapers. Continue investing in editorial, marketing and technology solutions, as planned.

3

- Printing facilities:
Develop synergies between printing facilities in Berne, Lausanne and Zurich

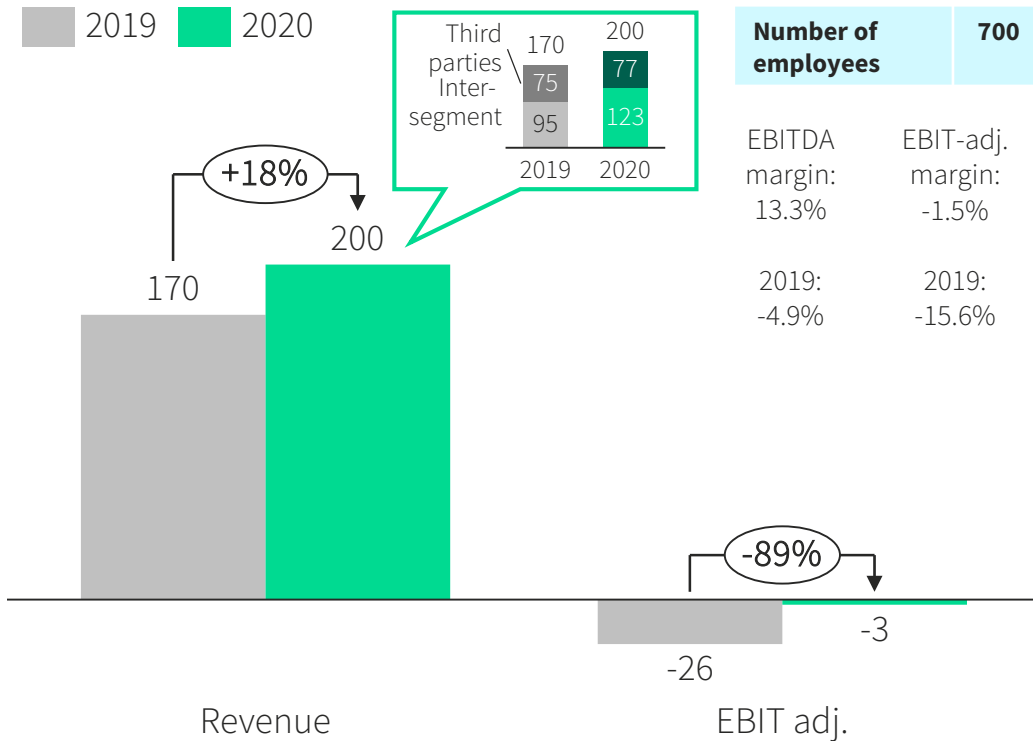


Group & Ventures

Samuel Hügli

Head Technology & Ventures, Member of Group Management

Good performance from Zattoo – cost saving of 20 per cent from the restructuring of central services

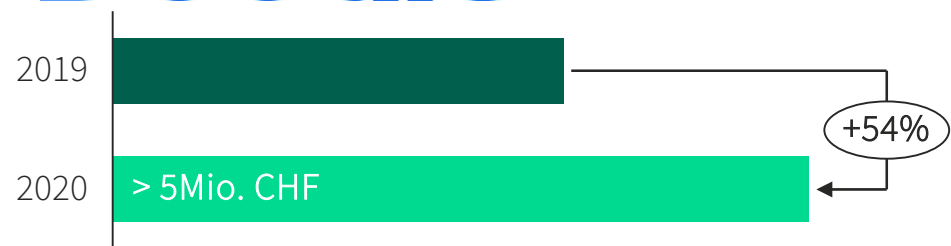


- The Group & Ventures segment holds the majority interests of TX Group in Doodle, Olmero and Zattoo as well as investments in fintech companies such as Neon and Monito. Group & Ventures also comprises the group’s real estate portfolio and central services departments
- Zattoo has achieved solid revenue growth and very positive results since its establishment
- Covid has led to a sharp decline in private scheduling on Doodle. However, the number of Doodle subscribers has increased.
- Active management: sale of Olmero and Renovero follows that of Starticket.
- Central services are being restructured; increase in standardisation and automation as well as a reduction in the cost of materials

TX Group & Ventures overview in CHF millions

Doodle and Zattoo with strong subscription growth

Doodle

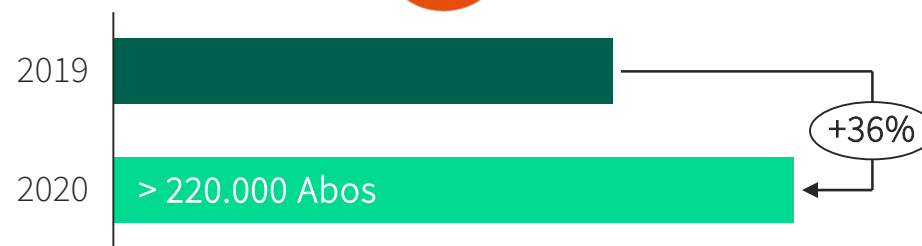


ARR (annual recurring revenue; annual run rate)



Average number of free users active at least once a month

ZATTOO



B2B customer revenue



Number of B2C subscribers (CH and D)

Key projects in 2021

1

- **Zattoo and Doodle:**
Invest in improving Doodle as a professional scheduling tool (product upgrades for SMEs).
Zattoo: (product) upgrade as well as regional expansion of B2B business

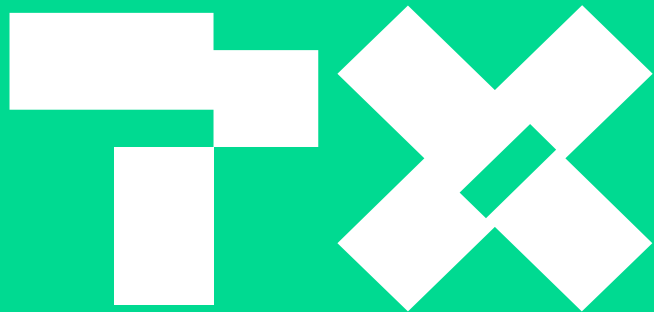
2

- **TX data platform:**
Continue preparing new use cases in the new TX data platform

3

- **Creation of Investment Committee:**
Plans to enter into start-up ventures and invest in innovative digital business models over the next few years; Investment Committee created at the beginning of 2021 – chaired by Romy Schnelle.

Questions?



Glossary

EBITDA: Earnings before interest, taxes, depreciation and amortisation, including share of net income of associates / joint ventures.

Operating income before effects of business combinations (adj. EBIT): EBITDA less less ongoing depreciation and amortisation. Amortisation resulting from business combinations and impairments are excluded. Amortisation resulting from business combinations includes the amortisation from customer bases, brand rights, publishing rights, and capitalised software project costs acquired and recognised in connection with mergers.

Consolidated normalised income statement: Omission of one-off effects.

Digital: All non-publishing offers + digital publishing offers (e.g. 20 Minuten Online, Tages-Anzeiger Digital).

Digital Publishing: All digital publishing offers (e.g. 20 Minuten Online, Tages-Anzeiger Digital).

Organic growth: Business units or associated companies that were taken into account in the consolidation during the entire reporting period in both the reporting year and the previous year.

Cash flow after investing activities in property, plant and equipment and intangible assets (adj. FCF): Cash flow from operating activities less cash flow used in investments in tangible and intangible assets, plus cash flow from disposals of tangible and intangible assets.

Net liquidity/debt: Current and non-current financial liabilities less cash and cash equivalents.

Changes in the accounting standard

TX Group applied the following new and revised standards and interpretations for the first time in the financial statements for 2020.

- IFRS 3, “Amendments regarding the definition of a business” (amendment to IFRS 3, “Business Combinations”)
- IAS 1 / IAS 8, “Definition of Material” (amendment to IAS 1, “Presentation of Financial Statements” and IAS 8, “Accounting Policies, Changes in Accounting Estimates and Errors”)
- IAS 39 / IFRS 9 / IFRS 7, “Interest Rate Benchmark Reform” (amendment to IAS 39, “Financial Instruments: Recognition and Measurement”, IFRS 9, “Financial Instruments” and IFRS 7, “Financial Instruments: Disclosures”)

The first-time application did not lead to any significant changes in the consolidation and measurement principles or in the assets or income situation.

Changes to the group of consolidated companies

Significant changes to the consolidated and associated companies/activities in 2020

- On 30 October 2020, TX Group AG sold its 97.7 per cent stake in Olmero AG to Docu Group Sweden AB, Ljusdal (Sweden). Olmero AG sold Renovero in April 2020.
- On 30 October 2020, TX Group AG sold its 55.6 per cent stake in Trendsales ApS to the Trendsales management (CEO Mads Mathiesen and CFO Caspar Wolffsen) and to existing minority shareholders
- Goldbach Management AG was merged into Goldbach Group AG on 1 January 2021
- Doodle USA Inc. was established in June 2020 as a 100 per cent subsidiary of Doodle AG
- dreifive digital marketing GmbH, Konstanz, was established in November as a 51 per cent subsidiary dreifive AG

Significant changes to the consolidated and associated companies/activities in 2019

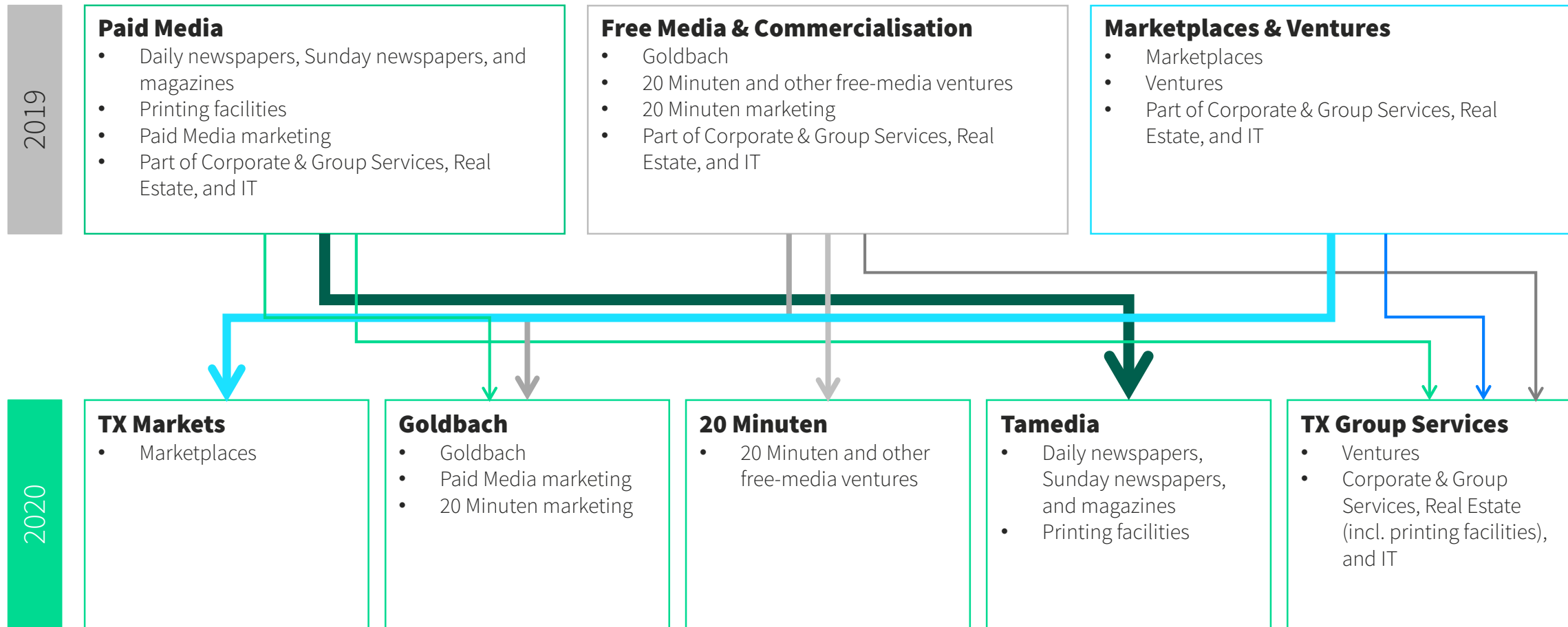
- Sale of stake in LocalSearch to Swisscom Directories AG in January 2019
- On 1 April 2019, Tamedia acquired a further 21.1 per cent stake in Zattoo International AG. This, together with the existing 28.9 per cent stake, means that Tamedia now has a majority holding of 50 per cent plus one share
- On 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

New segmentation as of 2020 financial year 2020 (1/2)

Restatement of segment information

- As of 1 January 2020, a decentralised organisational structure was formed under the umbrella of TX Group comprising four largely self-contained companies:
 - All specialised platforms and marketplaces are integrated in the TX Markets segment
 - Advertising marketing is incorporated in the Goldbach segment
 - The 20 Minuten segment includes free media in Switzerland and abroad
 - Paid media will be run under the name Tamedia in future
 - The group's ventures and services are grouped within the Group & Ventures segment
- Transactions that have taken place within a segment prior to restatement and were therefore eliminated within the segment accordingly will now take place with another segment in some cases. They are now therefore shown as revenues and operating expenses vis-à-vis other segments.
- Brokered revenues are now shown as third-party revenues in the segments for which the revenues were brokered, and the brokerage commission for these advertising revenues is shown as intersegment revenues in the Goldbach segment. Until now, revenues brokered for other segments have been shown under the commercialisation business as third-party revenues (and the share of revenues passed on to the segments as a reduction in revenues). As regards the segments for which the revenues were brokered, these were shown as intersegment revenues.
- Prior to restatement, any central services that cannot be allocated directly were passed on to the segments with the help of an allocation key. These costs now accrue to Group & Ventures and are charged to the segments. The employees of core functions are now listed under Group & Ventures. In this case as well, an allocation key was used for allocation to the segments prior to restatement.

New segmentation as of 2020 financial year (2/2)

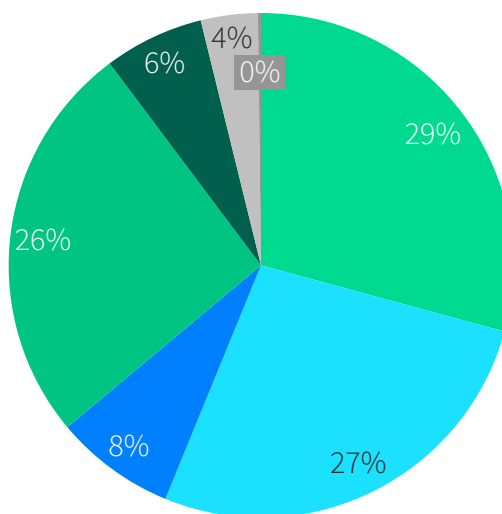
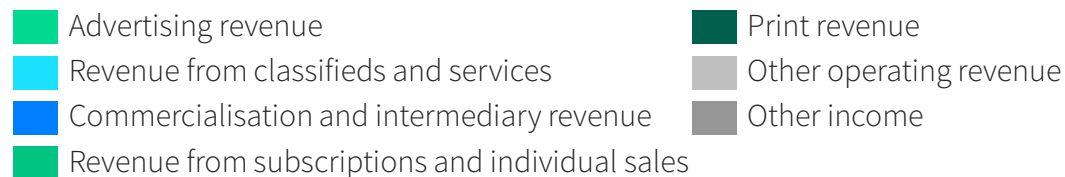


Restructuring as of 2020 financial year

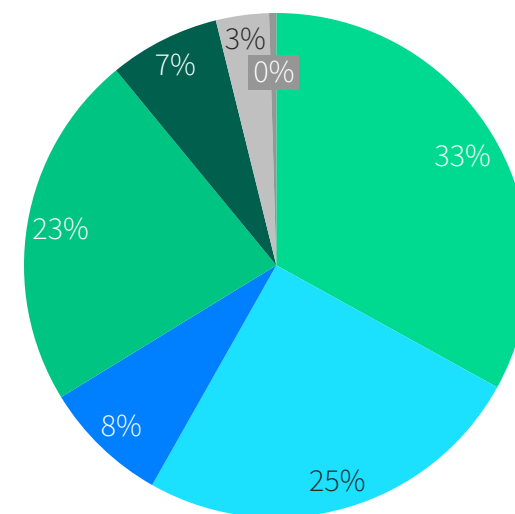
- Until the end of 2019, buildings and machinery associated with the three printing facilities were part of the Tamedia segment which used to bear the operating expenses as well as depreciation and amortisation up to that point in time. As part of the restructuring process, the buildings and machinery associated with the three printing facilities were sold to TX Group AG as of 1 January 2020 and have been part of the Group & Ventures segment since then. This segment has borne the operating costs and depreciation and amortisation for these facilities since that point in time. Also since then, Group & Ventures has been charging rent to Tamedia's printing centres for their use.
- As regards 20 Minuten Advertising AG and Goldbach Publishing AG, the two companies founded as of the end of 2019, 51.0 per cent is owned by Goldbach and 49.0 per cent by 20 Minuten and Tamedia respectively. The two companies are therefore deemed to be fully consolidated within the Goldbach segment. The 20 Minuten and Tamedia segments show the share of net income / (loss) of associated companies attributable to them. These shares of net income / (loss) are eliminated in the reconciliation to the group view.

Expanded income statement: new revenue categories

– TX Group breaks down revenues by its areas of core expertise according to the kind of service involved. As a result of the transformation in the media industry, new lines of business have become more important to TX Group. In order to reflect these developments, the consolidated income statement now shows revenues in greater detail. The allocation of revenues and expenses to the items reported has also been revised and in some cases adjusted. The previous year’s disclosures were adjusted accordingly.



2020
TX Group revenue



2019
TX Group revenue

Increased depreciation/amortisation + impairment in Tamedia unit

Change in measurement principles for intangible assets

Total depreciation and amortisation from business combinations increased by CHF 14.9 million year-on-year to CHF 116.5 million. Out of the increase in depreciation and amortisation CHF 9.1 million is attributable to higher depreciation and amortisation from business combinations. The increase is mainly due to amortisation related to the Tamedia brands, which accounts for CHF 11.1 million in the reporting year. In regard to this, it has already been pointed out in the 2019 financial statements that the useful life of the brands is no longer considered as indefinite, and these brands are being amortised with effect from 1 January 2020.

The expected useful life was defined for each brand in the light of the expected decline in revenues. For the brands concerned, amounting to CHF 115.5 million (as of 31 December 2019), the useful life thus determined is between eight and 20 years.

Impairment as at half-year 2020

Printed newspapers are suffering from a decline in advertising revenue, which was accelerated by the Covid crisis. The number of printed-newspaper subscribers is also falling. New digital subscriptions and advertising revenues are still nowhere near able to compensate for this. In view of these developments, the goodwill and intangible assets with indefinite useful lives were tested for impairment for the cash-generating unit Tamedia. These were tested for impairment on the basis of the value in use, the calculation of which took into account growth rate, discount rate and other assumptions. The values in use were calculated using the discounted cash flow method. In view of current developments and the ongoing uncertainty regarding the long-term market prospects for paid media, estimates for expected future cash flows were lowered, with growth forecasts reduced accordingly from -4.4 per cent to -5.4 per cent. The increase in the discount rate before tax from 7.6 per cent to 8.5 per cent also had a negative impact on valuation.

The test showed a recoverable amount of CHF 176.0 million and that impairment of CHF 85.0 million was needed for Tamedia, which is reflected accordingly in the annual results for TX Group.

The test for impairment at the end of 2020 showed that no impairment was needed for any cash-generating unit.