Half-year figures 2020
Media and Analyst Conference
Changes in the accounting standard

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

- IFRS 3, “Amendments regarding the definition of a business” (amendment to IFRS 3, “Business Combinations”) – 2020
- 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”) – 2020

The new and revised standards and interpretations that are to be applied to the consolidated financial statements for the first time in 2020 or later were not applied earlier than required. The introduction of the revised standards is not expected to have any material impact on the consolidated financial statements.
Changes to the group of consolidated companies

Significant changes to the consolidated and associated companies/activities in 2020
- There were no material changes to the group of consolidated companies during the first half of 2020

Significant changes to the consolidated and associated companies/activities in 2019
- 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
New segmentation as of 2020 financial year (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.

In addition to the division of the existing segments described above, the reorganisation also involved some other, non-material movements of activities. For example, Encore is now shown in the 20 Minuten segment (previously Paid Media) and La Séléction Immostreet is now shown in the Tamedia segment (previously Free Media and Commercialisation).
New segmentation as of 2020 financial year (2/2)

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

TX Markets
- Marketplaces

Goldbach
- Goldbach
- Paid Media marketing
- 20 Minuten marketing

20 Minuten
- 20 Minuten and other free-media ventures

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

TX Group Services
- Ventures
- Corporate & Group Services, Real Estate (incl. printing facilities), and IT
In the income statement, TX Group breaks down revenues 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. In particular, external salaries are now shown as services under the “costs of material and services” item, as opposed to under personnel expense. The previous year’s disclosures were adjusted accordingly.
Depreciation and amortisation of brand rights as of 2020 – impairment

Change in measurement principles for intangible assets
Depreciation and amortisation from business combinations increased from CHF 30.1 million to CHF 34.9 million. The CHF 5.5 million increase in depreciation and amortisation from business combinations is due to amortisation related to the Tamedia brands. 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
Printed newspapers are suffering from a decline in advertising revenue, which was accelerated by the coronavirus 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 half-year results for TX Group.
### Business results for first half 2020

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

<table>
<thead>
<tr>
<th>Year</th>
<th>Revenue (CHF millions)</th>
<th>EBIT (CHF millions)</th>
<th>EBIT margin (%)</th>
<th>EBIT-adjusted (CHF millions)</th>
<th>EBIT-adjusted margin (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019-6</td>
<td>524</td>
<td>-108</td>
<td>-24.9%</td>
<td>277</td>
<td>13.6%</td>
</tr>
<tr>
<td>2020-6</td>
<td>431</td>
<td>-109</td>
<td>-24.9%</td>
<td>466</td>
<td>2.9%</td>
</tr>
</tbody>
</table>

- **Revenue and net income in 2020-6 in CHF millions**

- **Depreciation and amortisation from business combinations + impairments in CHF millions**
  - 2019-6: -59
  - 2020-6: -148

- **Minority interests**
  - 2019-6: 40
  - 2020-6: 54

*Operating income before effects of business combinations*
Advertising down by around 20 per cent – income in March, April and May significantly lower year-on-year

Swiss advertising market in CHF millions (gross)

Source: Media Focus Jan-Jun 2019 / 2020

*Internet: Does not include advertising revenue from social media, online classifieds, online directories, or strictly performance-related networks
Supraregional daily newspapers and Sunday press hit particularly hard by decline in print advertising

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

Source: WEMF advertisement statistics for the Swiss press
Revenue loss of over 80 per cent due to decline in advertising
Organic growth down 20 per cent

TX Markets

<table>
<thead>
<tr>
<th></th>
<th>2019-6</th>
<th>2020-6</th>
</tr>
</thead>
<tbody>
<tr>
<td>Organic</td>
<td>108</td>
<td>101</td>
</tr>
<tr>
<td>Revenue</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Growth*</td>
<td>-7%</td>
<td></td>
</tr>
<tr>
<td>Non-Org.</td>
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</table>

Goldbach

<table>
<thead>
<tr>
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<th>2020-6</th>
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<tbody>
<tr>
<td>Organic</td>
<td>78</td>
<td>61</td>
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<tr>
<td>Revenue</td>
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<tr>
<td>Growth*</td>
<td>-22%</td>
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20 Minuten

<table>
<thead>
<tr>
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<th>2020-6</th>
</tr>
</thead>
<tbody>
<tr>
<td>Organic</td>
<td>70</td>
<td>39</td>
</tr>
<tr>
<td>Revenue</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Growth*</td>
<td>-45%</td>
<td>-51%</td>
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Tamedia

<table>
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<tr>
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<th>2019-6</th>
<th>2020-6</th>
</tr>
</thead>
<tbody>
<tr>
<td>Organic</td>
<td>272</td>
<td>225</td>
</tr>
<tr>
<td>Revenue</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Growth*</td>
<td>-17%</td>
<td>-19%</td>
</tr>
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<td>Non-Org.</td>
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Group & Ventures

<table>
<thead>
<tr>
<th></th>
<th>2019-6</th>
<th>2020-6</th>
</tr>
</thead>
<tbody>
<tr>
<td>Organic</td>
<td>60</td>
<td>76</td>
</tr>
<tr>
<td>Revenue</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Growth*</td>
<td>+26%</td>
<td></td>
</tr>
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</table>

TX Group**

<table>
<thead>
<tr>
<th></th>
<th>2019-6</th>
<th>2020-6</th>
</tr>
</thead>
<tbody>
<tr>
<td>Organic</td>
<td>503</td>
<td>404</td>
</tr>
<tr>
<td>Revenue</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Growth*</td>
<td>-20%</td>
<td>-18%</td>
</tr>
<tr>
<td>Non-Org.</td>
<td></td>
<td></td>
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</table>

*Business units or associated companies that were taken into account in the consolidation during the entire reporting period in both 2018-6 and 2019-6
**Eliminations and IAS reconciliations were taken into account
Digital revenue share climbs to 55 per cent

2019-6
TX Group revenue: pro-forma digitisation

2020-6
Publishing advertising market revenue: pro-forma digitisation

2020-6
Publishing user market revenue: pro-forma digitisation
Normalised net income down CHF 59 million on prior-year period

Normalised net income in 2020-6 in CHF millions
Margin remains high for TX Markets

Losses for other companies

*The figures from the previous period were adjusted due to a restatement.
Cash flow from operating activities declined by CHF 50 million

Cash flow statement for first half 2020 in CHF millions

Cash and cash equivalents, 30 June 2020: CHF 184.3 million
Investments in property, plant and equipment and intangible assets (Capex) – CHF 6 million up on previous year

Cash flow from (used in) operating activities
Investment in property, plant and equipment
Investments in intangible assets
Sale of property, plant and equipment
Sale of intangible assets
Cash flow before effects of business combinations (FCF adj.)
Business results for first half 2020

Equity ratio up to 74 per cent

In CHF millions

<table>
<thead>
<tr>
<th>Year</th>
<th>Current assets</th>
<th>Non-current assets</th>
<th>Non-current liabilities</th>
<th>Current liabilities</th>
<th>Equity</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019-6</td>
<td>532</td>
<td>482</td>
<td>290</td>
<td>2,310</td>
<td>73%</td>
</tr>
<tr>
<td>2020-6</td>
<td>459</td>
<td>437</td>
<td>252</td>
<td>1,925</td>
<td>74%</td>
</tr>
</tbody>
</table>

Excluding minority holdings, the equity ratio is 63 per cent

Net liquidity, 30 June 2020: CHF 112.0 million
TX Markets
### Ricardo and tutti.ch marketplaces perform well

JobCloud hit by coronavirus crisis

**TX Markets overview in CHF millions**

<table>
<thead>
<tr>
<th></th>
<th>2019-6</th>
<th>2020-6</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenue</strong></td>
<td>$108</td>
<td>$101</td>
<td>-7%</td>
</tr>
<tr>
<td><strong>EBIT-adj.</strong></td>
<td>$43</td>
<td>$36</td>
<td>-16%</td>
</tr>
<tr>
<td><strong>Number of employees</strong></td>
<td>582</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>EBITDA margin:</strong></td>
<td>38.5%</td>
<td>41.4%</td>
<td></td>
</tr>
<tr>
<td><strong>EBIT-adj. margin:</strong></td>
<td>35.5%</td>
<td>39.4%</td>
<td></td>
</tr>
</tbody>
</table>

- TX Markets comprises the JobCloud job portal, the Homegate property platform, the Ricardo and Tutti online marketplaces, the Car For You auto marketplace, and the Trendsales fashion marketplace in Denmark.
- JobCloud suffered a decline in revenue and net income due to the coronavirus crisis, but continued to expand its services while consolidating its position as market leader.
- Despite the coronavirus crisis hitting it too, business on the Homegate property platform generated 20 per cent more leads compared to the prior-year period.
- Ricardo: Gross product volume 16 per cent higher and sales 30 per cent up compared to the prior-year period, with a marked improvement in net income as well.
Business results for first half 2020
Operational reporting – TX Markets

Job market highly sensitive to economic situation – Homegate performing well despite crisis – Ricardo and Tutti with sharp growth
Outlook: TX Markets will expand its platform ecosystem to generate cooperation potential

**Two-pillar strategy:**
- Expand market leadership in Switzerland
- Operate as an active investor in Switzerland and other European countries

**Objectives:**
- Expand the platform ecosystem to increase business resilience – this will enhance our “local champion” strategic approach
- TX Markets to identify greater potential for cooperation between individual marketplaces and classifieds platforms
Goldbach
Goldbach hit hard by coronavirus crisis related advertising downturn

- Goldbach includes Goldbach Media (video marketing); Goldbach Audience (online marketing); Swiss Radioworld (audio marketing); Goldbach Publishing and 20 Minuten Advertising (newspaper marketing); Neo Advertising (out-of-home marketing); Goldbach Next (technology and service expertise); and the digital performance agency Dreifive.
- Sharp decline in television and print advertising due to the coronavirus crisis, resulting in negative operating income.
- New third-party marketing contracts: acquisition of new marketing contracts in the publishing sector.
- Neo Advertising begins to market out-of-home advertising space in Berne.
- Industry solution identified for catch-up TV (from 2022).
Ad impressions video inventory up sharply – 47 per cent market share among 15- to 49-year-olds in German-speaking Switzerland

All figures relate to the Swiss market

Neo Advertising:
Start of 2020: market 1,800 new advertising spaces, of which 730 are billboard locations in Berne.
Outlook: Goldbach will continue to prioritise the establishment of a “Swiss Media Sales House”

- Decline in advertising reservations during lockdown offset by a massive increase in media use
- Further market consolidation as cross-media offers become more important
- Well-known marketers invest in ad technologies, thereby expanding new lines of business
- Calmer advertising climate with the prospect of the market becoming much livelier again in the second half of the year

**Strategic objectives**

- Establishment of a “**Swiss Media Sales House**” as well as the continued development of business models and the integration of partners
- Consolidation of core Swiss business through cross-media offers and data expertise
- Profitable growth in external advertising through technological innovations and strategic alliances
20 Minuten
Reduction in the advertising budget plus a lack of commuters = negative operating income

20 Minuten overview in CHF millions

- 20 Minuten comprises the 20 Minuten media network as well as stakes in Heute (Switzerland), heute.at (Austria), BT (Denmark) and L’essentiel (Luxembourg)
- Digital use of 20 Minuten at a record high
- Marked decline in revenue due to a reduction in the advertising budget during the coronavirus crisis
- Share of digital advertising revenue is already 56 per cent
- Reduction in free-newspaper print run in order to cut costs during the lockdown; development of new distribution channels (in the retail sector)
- Launch of new digital mobile app and news platform in April 2020
20 Minuten with strong digital growth – nationwide print run also reduced as a result of the lockdown
Outlook: One third of journalists are working in the video segment – television studio to be launched in autumn.

- Daily
  Daily selection of videos offering high entertainment value

- Serial
  Regular formats (weekly to monthly) offering a broad range of content

- Seasonal
  Seasonal series

- Signature
  Top-quality in-house productions

Focus on formats until 2020

Video News team
Head: Silvana Guanziroli

Video Content team
Head: Beat Krapf

Video desk
Head: Jan Derrer

Video segment since July 2020

Also from autumn 2020

- Launch of new television studio
- Non-linear television featuring news as and when it happens
Tamedia
Negative operating income due to the advertising downturn and the decline in print users

- Tamedia comprises paid daily and Sunday newspapers as well as all publishing services
- Slump in advertising market due to the coronavirus crisis
- Sharp increase in digital subscriptions cannot offset the continued drop in print users
- The interactive dashboard showing the latest daily COVID-19 figures proved to be very popular
- Plan to cut costs by 15 per cent or CHF 70 million over the next three years
Subscription numbers increasing overall – user market revenue down due to decline in print subscribers
Outlook: Stronger focus on readers; supraregional collaboration; and targeted increase in digital subscriptions at Tamedia

**Challenges:**
Negative revenues:
- Print subscriptions down; growth in digital subscriptions cannot offset this decline
- Decline in advertising income

**Strategy:**
- Focus on readers and their wishes
- Closer collaboration across regions
- Remain Switzerland’s biggest editorial network
- Focus on digital while ensuring a good-quality print offer
- Focus on increasing the number of digital subscriptions by 35 per cent each year
Group & Ventures
Restructure central services to reduce costs by 20 per cent

- 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 continues to show solid revenue growth, hence a very positive result is expected for the 2020 financial year.
- Doodle was able to double its ARR over the past 12 months. Neon already has a customer base of over 30,000.
- Active management: sale of Renovero follows that of Starticket.
- Central services will be restructured; decisions have been taken to increase standardisation and automation as well as reduce the cost of materials – the idea is to achieve savings of 20 per cent over the next three years.
Doodle and Zattoo continue to grow – particularly in terms of subscriptions and the B2B segment.

**Doodle**
- **ARR (annual recurring revenue; annual run rate)**
  - 2019-6
  - 2020-6
  - +98%

- **Number of B2C subscribers (CH and D)**
  - 2019-6
  - 2020-6
  - +88%

- **Number of free Doodle polls per month**
  - 2019-6
  - 2020-6
  - +5%

**Zattoo**
- **ARR (annual recurring revenue; annual run rate)**
  - 2019-6
  - 2020-6
  - +9%

- **Number of B2C subscribers (CH and D)**
  - 2019-6
  - 2020-6
  - +9%

- **B2B customer revenue**
  - 2019-6
  - 2020-6
  - > 2.1 million polls
  - > CHF 4 million
  - > 220,000 subscriptions
Overview: Expansion and restructuring dominate the Group & Ventures outlook

**Ventures:**
- Expand the consumer fintech ecosystem
- Accelerate growth of the Zattoo entertainment cluster
- Expand the Doodle software-as-a-service business

**Technology:**
- Continued restructuring to create a cloud company, e.g. via the BeyondCorp security model
- Increase login rates and improve advertising products
- Further investment in various TX data platform projects

**Group:**
- Continue to implement the new company structure
- Implement K2 cost project (target: CHF 20 million)
- Active portfolio management and growth strategy for the entire group