



Tamedia AG
Corporate Communication

+41 44 248 41 90 D
communication@tamedia.ch
www.tamedia.ch

Media Release

Tamedia: marked fall in print advertising – normalised net income at previous year's level

In the first half of the year, the Swiss media group Tamedia generated operating revenues of CHF 475.1 million (-5.7 per cent). Net income rose to CHF 76.6 million (+37.1 per cent, net income margin 16.1 per cent), particularly due to lower pension costs in accordance with IAS 19. Excluding one-off effects, normalised net income after taxes stood at CHF 54.5 million (-2.5 per cent), virtually on a par with the previous year.

Zurich, 29 August 2017 – In the first half of 2017, Tamedia's revenues decreased by 5.7 per cent to CHF 475.1 million (previous year: CHF 503.6 million). This was mainly due to the print advertising market shrinking by 12 per cent year on year. Due to lower pension costs pursuant to IAS 19, net income before interest, taxes and depreciation and amortisation (EBITDA) rose by 27.7 per cent to CHF 127.3 million (previous year CHF 99.7 million). Net income before interest and taxes (EBIT) grew by 55.3 per cent to CHF 95.2 million (previous year CHF 61.3 million), in part due to lower depreciation and amortisation as a result of the extended operating life of Tamedia's three printing centres. Disregarding the non-recurring effects of pension costs pursuant to IAS 19, normalised net income after interest and taxes is almost on a par with the previous year at CHF 54.5 million (CHF 55.9 million). Equity rose by CHF 58.6 million to CHF 1,814.7 million. The rise is partially due to actuarial changes pursuant to IAS 19 (Valuation of employee benefits) of CHF 57.9 million. The self-financing ratio is a solid 75.8 per cent compared with 72.5 per cent at the end of 2016.

Christoph Tonini, CEO of Tamedia: "In a print advertising market that has remained in sharp decline, we have succeeded in closing the first half of 2017 with a good result on a par with the previous year in normalised terms. Although developments on the advertising market continue to pose a challenge, our digital offers – both in publishing and in Marketplaces and Ventures – are performing well. We will keep on investing in these growth areas over the next few years."

In total, the Marketplaces and Ventures offers and Tamedia's digital publishing media contributed CHF 174.8 million (previous year: CHF 155.4 million) or 37.1 per cent to total revenues (pro forma). The share of all digital offers in EBITDA reached CHF 63.3 million (previous year: CHF 49.7 million) or 49.7 per cent and the share in EBIT CHF

46.8 million (previous year: CHF 32.2 million) or 49.2 per cent. If pension costs pursuant to IAS 19 were to be disregarded, digital offers would have continued to make up over 50 per cent of EBITDA.

Key Figures	2017-6 in CHF mn	2016-6 in CHF mn	Change in per cent
Tamedia Group			
Revenues	475.1	503.6	-5.7
Operating income before depreciation and amortisation (EBITDA)	127.3	99.7	27.7
Margin (in per cent)	26.8	19.8	35.4
Operating income (EBIT)	95.2	61.3	55.3
Margin (in per cent)	20.0	12.2	64.7
Net income	76.6	55.8	37.1
of which attributable to Tamedia's shareholders	65.5	46.9	39.7
Cash flow from/(used in) operating activities before interest and tax	106.9	93.9	13.8
Total assets	2 394.3	2 421.1 ¹	-1.1
Equity ratio (in per cent) ²	75.8	72.5 ¹	4.6
Paid Media			
Revenues	296.2	319.9	-7.4
of which intersegment	9.1	12.1	-25.1
EBITDA	37.1	46.9	-20.8
EBITDA-Margin (in per cent) ³	12.5	14.7	-15.0
Free Media			
Revenues	71.8	79.4	-9.6
of which intersegment	1.0	0.1	1 503.6
EBITDA	18.9	18.9	0.2
EBITDA-Margin (in per cent) ³	26.4	23.8	10.9
Marketplaces and Ventures			
Revenues	117.2	117.0	0.2
of which intersegment	0.1	0.5	-72.4
EBITDA	47.6	44.9	6.0
EBITDA-Margin (in per cent) ³	40.6	38.4	5.7
Average number of employees ⁴	3 308	3 286	0.7

¹ as of 31.12.2016

² Equity to total assets

³ The margin relates to revenues

⁴ The average headcount does not include employees in associated companies/joint ventures

New Segment reporting

Segment reporting has been adjusted to reflect the new corporate structure. The adjusted presentation follows the internal reporting. The business divisions Publishing Regional and National are now divided into the business divisions "Paid Media" and "Free Media". Both business divisions encompass both print and digital revenues. The Digital business division remains unchanged, but has been renamed "Marketplaces and Ventures".

Paid Media: shaped by the shrinking print advertising market

The operating revenues of the Paid Media business division, which encompasses all paid daily and weekly newspapers as well as magazines, fell by 7.4 per cent to CHF 296.2 million. The decline is mainly due to falling print advertising revenue, which shrank by 12 per cent. Digital subscription revenues, in contrast, performed much better than expected. Operating income before depreciation and amortisation (EBITDA) of the Paid Media business division fell from CHF 46.9 million to CHF 37.1 million. This equates to an EBITDA margin of 12.5 per cent (previous year: 14.7 per cent). EBIT was CHF 22.9 million (previous year: CHF 27.3 million). At 7.7 per cent, the EBIT margin is 0.8 per cent lower than the previous year.

Free Media: net income maintained at the previous year's level

The Free Media business division, which combines the media network 20 Minuten and the investments in L'essentiel, Heute and heute.at as well as Metroxpress and BT, has reported revenues of CHF 71.8 million, which are 9.6 per cent lower. Again, the decline is due to falling print advertising revenues. As a result of the transfer of the Danish title Metroxpress to a joint publishing company with Berlingske Media, it was possible to largely eliminate the losses suffered by the free newspaper. Once the restructuring is complete this year, the publishing company will presumably return to profit as early as 2018. Operating income before depreciation and amortisation (EBITDA) of the Free Media business division has attained the previous year's figure of CHF 18.9 million. The EBITDA margin was 26.4 per cent (previous year: 23.8 per cent). Operating income (EBIT) also remained unchanged at the previous year's figure of CHF 17.5 million. The EBIT margin has now reached 24.3 per cent, above the previous year's level of 22.0 per cent .

Marketplaces and Ventures: net income up again

The Marketplaces and Ventures business division, which corresponds to the former Digital business division and encompasses all non-publishing products, has recorded revenues of CHF 117.2 million. JobCloud AG and property portal homegate.ch performed particularly well, significantly increasing their net income. The Marketplaces and Ventures business division's operating income before depreciation and amortisation (EBITDA) increased as a result to CHF 47.6 million (previous year: CHF 44.9 million). The EBITDA margin reached a pleasing 40.6 per cent (previous year: 38.4 per cent). Operating income (EBIT) improved from CHF 27.4 million in the previous year to CHF 31.1 million. The EBITDA margin reached 26.5 per cent (prior year: 23.4 per cent).

Press conference and information for financial analysts

The press conference call in German will take place today, 29 August 2017, at 10.00 am. A conference call in English will be held at 11.00 am for analysts and investors. The dial-in number for the conference calls is +41 (0)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

Christoph Zimmer, Head of Communications
+41 44 248 41 35, christoph.zimmer@tamedia.ch

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 3,400 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:

<https://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