

Successful 2018 fiscal year for the Ringier Group: Operational earnings increase for the fourth consecutive year Digital share of EBITDA at 71%

Zurich, 10 April 2019

- **EBITDA rises to CHF 113.0 million (previous year CHF 110.6 million)**
- **Revenue of CHF 1,004.2 million exceeds previous year**
- **Investments of around CHF 100 million in core businesses journalism and digital marketplaces**
- ***Blick TV* signs deal with CNN**
- **Promising developments in African growth market**
- **Progress in Swiss digital alliance**

The Ringier Group managed to increase its operational earnings in fiscal year 2018 – for the fourth consecutive year. With EBITDA (earnings before interest, taxes, depreciation and amortisation) in the amount of CHF 113.0 million, Ringier achieved an EBITDA margin of 11.3%, with revenues of CHF 1,004.2 million. Despite a persistently difficult market environment in the traditional publishing business, operational earnings rose once again in 2018. Patterns of development differed in the two major divisions of the Ringier Group, digital marketplaces and journalism, in line with international trends.

The Ringier Group consistently advanced its programme of digital transformation throughout 2018. Digital business models now represent 46% of revenue. With an EBITDA digital share of 71% (+5 percentage points over the previous year), Ringier takes a leading position in Europe among media companies. This growth doesn't come from digital marketplaces alone, but also from increased monetisation of digital products in the publishing, or journalism, division.

Ringier CEO Marc Walder: «In a challenging year for the media sector, we managed to increase operational earnings for the fourth consecutive year. This shows that the Ringier Group has succeeded in transforming from a traditional publisher to a diversified and digitalised media company in recent years. We will also remain focused on this development in the future. We will continue to expand digital marketplaces into ecosystems, with new services. In the field of journalism, we are investing in video, technology and data skills.»

The continuity of the Ringier Group was underscored in the past fiscal year by the CEO Marc Walder's 10% share in the company. In addition, Robin Lingg will assume a leading role in the medium term as the sixth generation of the owner family. This sets the course for the future of this family company.

Blick TV

As a response to the enormous leap in video viewer numbers and the changed requirements of advertising markets, the *Blick* Group will begin broadcasting *Blick TV* in 2020. By launching its own digital broadcaster, it intends to further expand the market lead of *Blick* in the video field. Among its focal points are national reporting and breaking news.

In order to strengthen its international coverage alongside *Blick's* domestic expertise, *Blick* has entered into a premium affiliate partnership with the world's leading news broadcaster CNN. This collaboration will be giving *Blick* access to content for the Swiss and Lichtenstein market to launch *Blick TV*. Right from the start, *Blick TV* will benefit from CNN's expertise in breaking news broadcasting and will have access to its global newsgathering network.

«We are delighted to welcome *Blick* to the global CNN network of partners,» said Roland Nikolaou, Senior Director, Content Sales and Partnerships at CNN International Commercial. «This is an exciting partnership that will enable us to make CNN content available to an even wider audience in Switzerland and Liechtenstein via *Blick TV's* digital platform».

Ringier CEO Marc Walder: «With CNN, we have not only gained a leading global news channel, but also the best partner for international coverage. This means that *Blick TV* is ideally positioned for breaking news coverage immediately, giving our station a strong competitive advantage.»

The Pressehaus in Zurich will also boast two modern TV studios directly integrated into the newsroom. The *Blick* newsroom will be rebuilt and restructured in the coming months. To further increase competencies in the digital live TV field, there will be additions to the *Blick* team. *Blick TV* has already secured Jonas Projer, one of the most prestigious TV experts in the country, as its Editor-in-Chief. He will take up his position on 1 May 2019.

Swiss digital alliance

The Swiss digital alliance, driven by Ringier, Tamedia, NZZ, SRG and CH Media, is starting to take form. The project group, which gathers specialists from all the participating media companies covering the areas of journalism, technology, legal affairs and products, has evaluated various possible data alliance concepts according to economic, legal and data protection-specific criteria.

The goal of the national initiative is to generate added value for the Swiss media user with a login alliance. At the same time, it will improve the providers' data foundation for product development in the user and advertising market. This in turn will strengthen Switzerland as a media location in the future and improve the foundations for online journalism.

The representatives of the participating media houses and the SRG will jointly announce concrete results and next steps as soon as the concept is fully developed. The aim is for the alliance to begin in autumn 2019.

Ringier Group areas:

Digital marketplaces

In the area of digital marketplaces, Ringier can look back – once again – on a highly successful year.

Scout24 Schweiz AG assumed a new leading position in early 2018 with its platforms *AutoScout24* and *ImmoScout24* as well as *anibis.ch*. Throughout the year, the Scout24 Group laid the foundation for further strategic development. This aside, the Scout24 Group reported an excellent operational performance with high-level growth once more.

This also applies to JobCloud AG, which saw growth in its primary services *jobs.ch* and *jobup.ch* and achieved an outstanding result in every area.

Ticketcorner, the leading ticketing company in Switzerland, managed not just to expand on an already strong market position in 2018 but also drive digital transformation. *Ticketcorner* now sells around 85% of all tickets online.

The Ringier e-commerce platforms *DeinDeal/My-Store* and *geschenkidee.ch* made huge investments in product quality in 2018. It was a gratifying year for *DeinDeal/MyStore*, which managed to significantly improve on the previous year's results.

There was growth in 2018 with participations in the start-up BOT Labs, with which the Ringier Group conducted its first investment in blockchain technology.

Publishing/Journalism

It was another challenging year in the field of publishing, which encompasses all journalistic activities of the Ringier Group (offline and online) including print. The structural decrease in ad revenues in printed newspapers and magazines persisted in 2018. The impact of this ongoing and substantial reduction was revealed in 2018, in this case in the Swiss market, where the print edition of *Blick am Abend* was discontinued. In addition, the insolvency of Publicitas, the traditional advertising agency, led to a substantial write-off for Ringier and most other Swiss publishers. Finally, there was the painful closure of the Ringier newspaper print works in Adligenswil (LU), a victim of the structural reduction in the traditional print business.

The digital advertising market, on the other hand, was distinguished in 2018 by a major proportion of advertising orders going directly to the global technology platforms Google and Facebook – and also increasingly Amazon.

In our joint venture Ringier Axel Springer Schweiz AG (RASCH), the *Beobachter* managed to expand its digital advisory platform *Guider* in both the B2C and B2B areas. This means, for example, that customers of Mobiliar now benefit from digital legal advice.

RASCH also saw *Le Temps* increasing its digital subscriptions by over 80% between early 2017 and late 2018. This proves that users also have a willingness to pay for relevant journalism in the digital realm.

The young Swiss social media brand *izzy* only began in the second half of 2017 but made great progress in 2018, both in journalistic and business terms. *izzy* proves that innovative storytelling can quickly find a large audience.

International

The tragic murder of Slovakian investigative journalist Ján Kuciak and his fiancée Martina Kušnírová in February overshadowed the whole of 2018. Kuciak was researching links between politics and the Mafia in Slovakia for the news platform *aktuality.sk*, part of Ringier Axel Springer (RASMAG). The Slovakian population responded to this double murder with enormous demonstrations. Ultimately, the protests led to resignations at the highest political level, including Prime Minister Robert Fico and Interior Minister Robert Kalinak.

This comes as confirmation of the Ringier Group's determination to invest further in independent, critical journalism.

Ringier Axel Springer Media AG operates within a politically challenging environment in most eastern European countries. Nonetheless, it managed to further strengthen its market position in Poland, Slovakia, Hungary, Serbia and the Baltic region.

In Poland, *Onet* transformed from a news aggregator to the leading digital news platform in the country – with a focus on in-house high-quality video formats. The result: *Onet* notched up around 300 million video views per month in 2018. This makes *Onet* one of Europe's leading news portals.

In Hungary, targets in the print area were exceeded despite state concentration in the print field and a significant increase in paper, postal and distribution costs. In the digital publishing business, the company's revenue grew significantly compared to the previous year's figures. In Serbia, online advertising revenues for 2018 exceeded print advertising revenues for the first time. In the print area, *Blic* remained the most relevant title in the daily newspaper market with the highest readership figures in its segment.

Ringier Romania managed to position itself as the number one in journalism. This was due in part to its takeover of the largest sport portal, *Gazeta Sporturilor*. Ringier's digital portfolio in Romania attracted over 18 million unique visitors per month.

In Africa, an extremely promising market with enormous growth opportunities, Ringier remains on a growth trajectory. *Ringier Africa Digital Publishing* (RADP), with cross-border operations under the brand Pulse in Nigeria, Ghana and Kenya, now attracts around 200 million video views per month, a growth of over 70% since the previous year. The joint venture *Ringier One Africa Media* (ROAM) operates a dozen digital marketplaces, mostly leaders in their respective markets of jobs, vehicles and property in seven countries in east and west Africa. Ringier has held the majority stake in ROAM since 2018.

In Asia, Ringier has been focusing on the two growth markets of Vietnam and Myanmar as of 2018. It took over *MyJobs.com.mm*, Myanmar's leading online platform, that year.

Technology & Data

Technology and data are the central drivers for further development both in digital journalism and online marketplaces.

Ringier is focused on using best-in-class technologies and is at the same time developing differentiated technology solutions for the Group in house.

With the product «Sherlock», developed by Ringier, it can offer revolutionary tracking, profiling and recommendation technology that is being implemented across the Group. With help from AI (artificial intelligence), Sherlock can offer visitors to Ringier websites an individualised range of products and services. The outstanding quality of Sherlock technology attracted a range of international awards in 2018. In New York, for instance, the World Newsmedia Network awarded the project «Using advanced Artificial Intelligence to generate reader revenue and boost user engagement» the «Best of Show» award for its best-in-class technology based on artificial intelligence.

In the future, Sherlock will allow Ringier to create cross-platform personalised user experiences and increasingly monetise the resulting synergy potential.

At the same time, Ringier is devoting more attention to its core platform technologies for the areas of journalism and digital marketplaces. These core technologies, used throughout the world, facilitate both centralised economies of scale and local differentiation.

Ringier AG, Corporate Communications

Ringier Group
Key figures

In CHF million

2017

2018

Revenue by region	1,002.9	1,004.2
Switzerland	798.5	798.0
Eastern Europe	193.2	198.6
Asia & Africa*	11.2	7.6

Revenue by type	1,002.9	1,004.2
Digital revenue	425.3	466.1
Sales revenue	247.3	236.8
Advertising revenue	164.7	144.6
Print revenue	100.0	82.9
Other revenue	65.5	73.8

EBITDA	110.6	113.0
EBITDA margin	11.0%	11.3%

* Business activities ceased in China in late 2017, e-commerce business ceased in Africa in 2017

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Ringier is a diversified media company with about 7,300 employees across 19 countries. Founded in 1833, Ringier manages leading brands in print, TV, radio, online and mobile media and runs successful print, entertainment and internet businesses. In a history that spans more than 180 years, Ringier stands for a pioneering spirit, independence, freedom of expression and diversity of information. Ringier is a Swiss family-owned business with head offices in Zurich.