

PRESS RELEASE

2020: pivotal year in the digital transformation of Mediahuis

Successful digital strategy leads to strong increase in subscribers

Antwerp 25 February 2021 – 2020 was a special and challenging year for Mediahuis, which ultimately resulted in a strong performance. Though the Covid-19 pandemic caused a significant impact on advertising turnover, the group achieved rock-solid results in readership income. The Mediahuis news sites registered unprecedented numbers of visitors, with the number of digital subscribers increasing significantly, and podcasts becoming a fixture within the journalistic portfolio. The total number of subscribers in the group exceeded 1.7 million at the year end.

In 2020, Mediahuis, operating in Belgium, the Netherlands, Luxembourg and Ireland, achieved a consolidated turnover of €990.5 million, a REBITDA of €171.5 million, and an operational result of €121.9 million. The group's net result amounted to €58.6 million.

Gert Ysebaert, CEO Mediahuis: *"The steps Mediahuis has taken in recent years in the area of digital transformation meant that we stood strong as a group when the Covid-19 crisis struck. The resilience and agility of our organisation were severely tested. But Mediahuis passed the test with flying colours. Our news brands continued to provide strong journalism and reached more people than ever before. The number of visitors to our news sites and apps went through the roof and the number of listeners to our podcasts also grew exponentially, a strong digital growth that led to an unprecedented increase in subscribers. But last year we also went through an accelerated digital transition as an organisation. Mediahuis managed to make the switch from being a print company with digital expertise to a digital company that also makes exceptionally strong print media. This makes 2020 a pivotal year in the digital transformation of our group, with which we have laid strong foundations for further growth."*

Key facts



€121.9 mio.
operating result
2020



4.335
employees

› The Netherlands
2.130
› Belgium
1.200
› Luxembourg
255
› Ireland
750

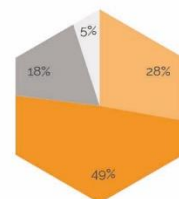


€990.5 mio.
consolidated
turnover
2020



**Revenue
contribution
per country**

incl. Saint-Paul Luxembourg and NDC mediagroep
pro-forma 12 months



+15%
vs. 2019



More than
30 news brands
**reaching
10 million
readers
every day**



**1.7 million
subscribers**

66% print 34% digital



1.7 million
daily app users



28.5 million
podcast plays

The past year has made it clear that, in times of uncertainty, people want accurate information and independent journalism more than ever. Covid-19 tested the resilience of the Mediahuis newsrooms. Yet journalists continued to publish breaking news, write thoroughly researched stories, carry out interviews and produce news reports. Readers were informed via all possible platforms, both in print and online.

- In Belgium, the news sites of *De Standaard*, *Het Nieuwsblad*, *Het Belang van Limburg* and *Gazet van Antwerpen* were visited daily by more than 1.6 million people in the past year. In addition, more than 300,000 users consulted the news apps daily, an increase of 57%.
- The Dutch news sites of Mediahuis were visited daily by some 2.3 million people. More than 1.1 million users consulted the news apps daily, representing an increase of almost 10%.
- Independent.ie reached about 800,000 people every day.
- The *Luxemburger Wort*, which was acquired in 2020, reached about 200,000 Luxembourg residents on average every day via the print newspaper, e-paper and the wort.lu news site.

Readers certainly valued the high-quality and independent journalism of the Mediahuis titles last year, and showed that they were also willing to pay for it.

Digital expansion results in unprecedented increase in subscriptions

Mediahuis saw the total number of subscribers in Belgium, the Netherlands, Luxembourg and Ireland exceed 1.5 million in 2020, an unprecedented 11% increase as a result of the strong rise in digital subscriptions. Adding the subscribers of the Dutch NDC Mediagroep, which was acquired in December, the total number of Mediahuis subscribers has reached 1.7 million. Where digital subscriptions represented about 25% in 2019, 1 in 3 Mediahuis subscriptions is now digital, often combined with a printed weekend paper.

- **In Belgium, the number of digital subscriptions increased by 46%.** Driven by this strong growth in digital subscribers, the total number of print and digital subscribers grew by 6%. **Each of the four news brands was thus able to compensate for the decline in subscriber numbers since 2014.** *Het Nieuwsblad*, with 63%, experienced the largest increase in the number of digital subscribers. At *De Standaard*, the number of subscribers opting for a digital reading experience rose by 43%, and *Het Belang van Limburg* and *Gazet van Antwerpen* were good for increases of 37% and 30% respectively.
- **In the Netherlands, the number of digital subscriptions increased by almost half (47%).** The increase in the total number of subscriptions, both print and digital, was about 11%. NRC's subscriber base increased by 16% last year, reaching the highest number of subscribers in the newspaper's history. The number of subscribers to *De Telegraaf* rose by 14%, with some 40% opting for digital or a combination of digital and print. Finally, *De Limburger* also managed to halt the structural decline in subscribers last year. The race to attract more new digital subscribers, which started in September, appears to have been successful and *De Limburger* is now showing the first signs of growth again.
- INM also took major steps towards digital transformation in the Irish market last year. **The introduction of a paid-for subscription for Independent.ie and Belfasttelegraph.co.uk was the most striking fact.** The increasing willingness of readers to pay for high-quality online journalism is clear from the fact that

Independent.ie closed the year with more than 30,000 paying digital subscribers, from a standing start in February 2020.

Final breakthrough in audio-on-demand journalism

2020 marked the definitive breakthrough of audio-on-demand as an extension of written journalism. Last year, more than 5 million episodes of Mediahuis news brand podcasts were listened to in Belgium, 2.5 times more than the year before. Both *De Standaard* (DS Audio) and *Het Nieuwsblad* (*Slimmer Leven*, *De Stemmen van Assisen*, *Sjotcast*...) more than doubled their podcast listenership. At the end of 2020, Mediahuis Belgium launched the podcast studio *Uitgesproken*, which aims to help companies and brands tell their story in podcast form and find an audience for it.

In the Netherlands, almost 21 million episodes of Mediahuis news brand podcasts were listened to. *De Telegraaf*'s podcasts accounted for some 4 million plays, more than triple the previous year. At NRC, a pioneer in podcasts, the number of podcast plays multiplied by 2.5 to more than 16 million. *NRC Vandaag* is also the most listened-to podcast in the Netherlands. In October, NRC launched the new NRC Audio app, which combines NRC's strong audio journalism with a selection of the most outstanding podcasts from the Netherlands and abroad.

Radio and regional television recording good growth in reach

In Belgium, the French-language radio station Nostalgie remained the clear market leader with a daily reach of almost 213,000 listeners (target group 35-54) and a market share of 18%. In Flanders, Nostalgie grew to a total reach of 1.4 million listeners, or a 10% market share in the 35-54 target group, its highest share ever. NRJ also achieved a good result, reaching a total of 170,000 listeners, double its figures for 2019. 64% of NRJ listeners are younger than 34, making NRJ the most favoured radio station for the young target group.

The reach figures of the regional television channels ATV, TVL, TVO and ROB-tv experienced a 33% growth during the last quarter compared to 2019. The four channels together reach an average of around 714,000 viewers daily.

Access to Luxembourg market and strengthening of position in the Netherlands

2020 was also the year in which Mediahuis strengthened its position as a leading European media player. The acquisition of the largest Luxembourg media group, Saint-Paul Luxembourg, publisher of titles including *Luxemburger Wort*, led to the expansion of the group's activities into the prosperous and dynamic Luxembourg region. In the autumn of 2020, Saint-Paul Luxembourg implemented a significant reorganisation and efficiency improvement plan, aimed at restoring its declining profitability in the Luxembourg market.

The process of acquiring NDC mediagroep in the north of the Netherlands was completed just before year-end. This acquisition is aimed at strengthening both parties. NDC's geographic coverage complements the other activities of Mediahuis in the Dutch market, and the NDC brands, including *Dagblad van het Noorden*, *Leeuwarder Courant* and *Friesch Dagblad*, represent an enrichment of the Mediahuis portfolio. Meanwhile, the necessary plans are being developed within NDC for the further digital transformation of the portfolio, the evolution towards a sustainable and financially healthy organisation, and successful integration within Mediahuis.

Turnover of advertising market and digital market places impacted by Covid-19

Both advertising turnover and the turnover of digital marketplaces were hit hard by the Covid-19 pandemic and the public health measures that were imposed. Mediahuis was nevertheless able to limit the impact by fully responding to the expectations and needs of advertisers during the crisis. The first signs of a market recovery became visible towards the end of the year, though it is expected that the pressure on advertising turnover will continue through the upcoming period.

In Belgium, Mediahuis, Telenet/SBS, Proximus/Skynet and Pebble Media announced the creation of a new national advertising strategy shortly before the end of the year. This unique partnership, in which local media players bring together their extensive portfolio of media brands and advertising solutions, aims to offer advertisers the most creative and efficient way to reach their customers, across media types and platforms. A significantly expanded data offering will ensure relevance and effectiveness. The start of the new direction is planned for spring 2021.

In Ireland INM connected with the technological platforms and expertise within Mediahuis last year. High-performing systems, combined with a strong digital advertising offer, ensured that INM was able to significantly increase its proportion of digital and programmatic advertising.

In the Dutch advertising market, Mediahuis Nederland, NDC mediagroep and Mediahuis Limburg joined forces at the beginning of 2021, bringing their national advertising sales together in a new proposition: Mediahuis Connect.

New initiatives and sale of some non-strategic participations

In 2020, Mediahuis took further steps in its diversification strategy, aimed at broadening the group's development potential. With its investment in the Dutch scale-up Lepaya, a specialist in providing blended soft-skill training programmes, Mediahuis entered the education technology market.

To further strengthen its growth strategy in audio, NRC in the Netherlands acquired radio station SUBLIME, which, in addition to a nationwide FM radio station, includes five digital radio stations and an audio production house.

In the Belgian market, Mediahuis launched Voilà, a partnership with Vanbreda Risk & Benefits in which the parties joined forces as a digital insurance broker to offer insurance to consumers. The online platform will be launched later this spring.

In Ireland INM launched the price comparison website Choosy.ie and acquired a 100% shareholding in Cartell.ie, the Irish leader in data and history management of cars and a supplier of innovative solutions for the automotive sector in Ireland and the European mainland. In combination with CarsIreland, one of the country's leading car platforms, this acquisition puts INM at the forefront of providing digital solutions to the Irish car industry.

As part of bringing extra focus to the Mediahuis portfolio, INM sold its 50% shares in the *Irish Daily Star* to Reach plc. In Belgium, Mediahuis sold its 50% stake in the publishing company Mass Transit Media (MTM), publisher of the free newspaper *Metro*, to Groupe Rossel. Through its participation in Audiopresse, Mediahuis also exited the capital of RTL Belgium. Finally, the sale of its 30% minority stake in the European puzzle and

braintainment company Keesing Media Group will result in a significant capital gain in 2021.

Financial key figures

The group's revenue growth is attributable to the inclusion of INM for a full year in 2020 (compared to just five months in 2019), and the addition of Saint-Paul Luxembourg (from May) and NDC mediagroep (from December). Due to Covid-19, the advertising revenue of the news and other media decreased by 10 to 20% in 2020, depending on the brand and the market. Thanks to the successful sale of digital subscriptions and the significant growth of e-commerce, however, the group was able to compensate for part of this loss of revenue. The cost base has grown as a result of the acquisitions of INM, Saint-Paul Luxembourg and NDC mediagroep. Underlying this, Mediahuis was able to record important structural cost reductions in 2020 as a result of a number of reorganisation plans that were implemented throughout the group in 2019, in addition to the further decrease in production and distribution costs due to the accelerating transition from print to digital and a number of savings that were decided on to mitigate the negative effect of Covid-19. All this together means that Mediahuis has succeeded in almost completely making up for the impact of Covid-19 on advertising revenue and achieving the growth that was expected before the crisis in terms of operational result.

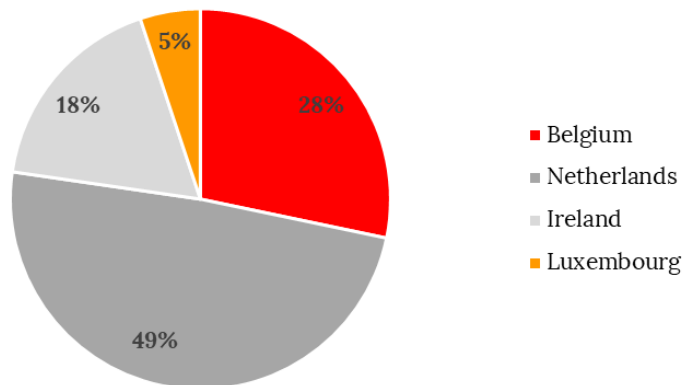
This strong operational result lead to a significant increase in free cashflow. Combined with the proceeds from the sale of surplus real estate in Amsterdam, this has made it possible to further reduce the group's net debt to €66 million, thereby improving its financial leverage from 1.7 at the end of 2019 to 0.4 at the end of 2020. This means that after collecting the proceeds from Keesing in January 2021, the group was practically debt-free.

Kristiaan De Beukelaer, CFO Mediahuis: "After 2019, a year in which we invested heavily in further growth through acquisitions, in digital acceleration and in the optimisation and integration of our business processes, we had planned to reap the benefits in 2020. Then came Covid-19, and all the good prospects and plans came under pressure because of the economic tsunami that was heading our way. Our continuous sharp focus on customers and products, the resilience of all our employees and the fast and adequate mitigating measures have nevertheless delivered us the result we had anticipated. In addition, we also kept a close eye on opportunities for further growth, as evidenced by the acquisitions of Saint-Paul Luxembourg, NDC Mediagroep, Cartell.ie and the successful start of Mediahuis Ventures. Despite our projections looking less than optimistic in the spring due to Covid-19, we ended the year in a stronger financial position than ever."

(In millions of euro)	2020	2019	change
Operating income	990.5	857.9	+132.6
REBITDA	171.5	118.9	+52.6
Operating result (1)	121.9	65.9	+56.0
Net recurring result (2)	89.2	50.8	+38.4
Net result (group share)	58.6	14.7	+43.9
Net debt (3)	-66.1	-201.2	+135.1

Turnover allocation per country

(including Saint-Paul Luxembourg and NDC mediagroep, pro-forma 12 months)



(1) Operating result excluding the amortisation of acquisition-goodwill and non-recurrent results.

(2) Operating result plus financial and equity accounted for results, after deducting corporate tax.

(3) Cash and cash equivalents less bank and subordinated loans, excluding operating lease obligations denominated under IFRS16 as debt (since 2019).

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About Mediahuis

Mediahuis is one of the leading media groups in Belgium, the Netherlands, Ireland and Luxembourg. As a publisher, Mediahuis believes unconditionally in independent journalism and strong and relevant media that makes a positive contribution for people and society. From this vision, Mediahuis is continuously investing in its brands, both printed and digital. With about 4,300 employees, Mediahuis has an annual turnover of approximately €1 billion. Since its creation in 2013, Mediahuis has built a highly diversified portfolio of news media and digital brands. Its national and regional news titles deliver daily news to more than 10 million readers, both digitally and in print. In addition to these news brands, Mediahuis operates a number of important digital marketplaces in Belgium, the Netherlands, Luxembourg and Ireland, in particular in the domains of real estate, the job and recruitment market and the automotive market.