Media24 media release

7 July 2020

Covid-19 hits Media24 hard – considers closures, reduced frequencies and accelerates digital

Media24 announced that it is considering the closure of five magazines and two newspapers, outsourcing and reducing the frequency of its remaining monthly magazines, taking two newspapers digital only and reducing staff in related support services. The company will start consultations with staff today.

Says Ishmet Davidson, CEO of Media24: "From the earliest days of the pandemic in South Africa, everything we've done focused on two main priorities. Firstly, the health and safety of our people, and secondly, business continuity – by implication also protecting employment for as long as possible.

"However, the pandemic has accelerated the pre-existing and long-term structural decline in print media, resulting in a devastating impact on our own already fragile print media operations with significant declines in both circulation and advertising since April. For many of our print titles the benefits of prior interventions to offset the structural declines and keep them on the shelf no longer exist and they've run out of options in this regard.

"Even with a return to pre-Covid-19 economic levels, the impact of the pandemic on our print media operations will be unrecoverable. Sadly, we have no choice but to restructure our business now to curtail the losses in our print portfolio and allow us to focus on keeping the retained titles sustainable and in print for as long as possible."

At the same time, says Ishmet, Media24 is reshaping to further accelerate its transition to an increasingly digital world. "In a very competitive landscape that includes major international brands, News24 and Netwerk24 are digital news destinations of choice for South Africans. News24 averaged 1.6m daily unique users for the year to date, 63% growth on the 2019 average. By the end of June Netwerk24 had almost 67 000 subscribers, up 36.5% on June 2019."

The planned interventions are expected to affect around 510 staff members (with a proposed reduction of close on 660 positions) out of a total staff complement of 2 971, largely across the print media and distribution divisions, and include:

<u>Magazine portfolio</u>:

- Closing Move! and the Hearst portfolio (Men's Health, Women's Health, Bicycling, Runner's World).
- Publishing DRUM in digital format only.

- A licensing agreement with editor Helen Schöer to publish the parenting titles (Baba & Kleuter and Your Pregnancy) independently.
- Outsourcing the editorial production of the remaining monthly portfolio (Fairlady, SARIE, SA Hunter/Jagter, True Love, tuis | home, Weg! | go! and Weg! Ry & Sleep | go! Drive & Camp) as well as the fortnightly Kuier.
- Reducing the frequency of the monthly magazines to six issues per year, and eight issues for tuis | home, SA Hunter/Jagter and Man Magnum.

The flagship weeklies Huisgenoot, YOU and Landbouweekblad will continue to be produced and published in-house.

<u>Newspaper portfolio</u>:

- Closing Son op Sondag and Sunday Sun.
- Closing the Eastern Cape edition of Son.
- Publishing Volksblad and Die Burger Oos-Kaap as weekday digital editions only, available as complete PDFs on Netwerk24.
- Closing four community newspapers in KwaZulu-Natal: Amanzimtoti Fever, East Griqualand Fever, Hillcrest Fever and Maritzburg Fever.
- Consolidating Noordkaap and Kalahari Bulletin into a single newspaper, Noordkaap Bulletin, and Kroonnuus and Vrystaat Nuus into Vrystaat Kroonnuus. At the same time, incorporating Theewaterskloof Gazette into Hermanus Times.
- Accelerating the digital transition of The Witness.

<u>Other</u>:

- Reducing staff in our media distribution business as well as in divisional and corporate services departments related to the proposed reduced print media operations.

“We are fully committed to managing this highly sensitive consultation with compassion while following the process as prescribed by law. Unfortunately, we cannot share any further details until the process has been concluded,” says Ishmet.

Ends

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Media24-mediavrystelling

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Covid-19 tref Media24 hard – oorweeg sluitings, minder uitgawes en groter fokus op digitaal

Media24 het aangekondig dat hy dit oorweeg om vyf tydskrifte en twee koerante te sluit, sy oorblywende maandelikse tydskrifte uit te kontrakteer en minder gereeld uit te gee, twee koerante net digitaal uit te gee, en personeel in steundienste-afdelings te verminder. Die maatskappy begin konsulteer vandag met personeel.

Ishmet Davidson, uitvoerende hoof van Media24, sê: “Van die begindae van die pandemie in Suid-Afrika het ons met alles wat ons doen op twee prioriteite gefokus. Eerstens, die gesondheid en veiligheid van ons mense, en tweedens, om ons besigheid aan die gang te hou – by implikasie ook om vir so lank ons kan, poste te beskerm.

“Maar die pandemie het die vooraf bestaande strukturele langtermyn-inkrimping van drukmedia verhaas, met ’n vernietigende uitwerking op ons eie, reeds kwesbare drukmediabedrywighede. Ons sirkulasie- en advertensie-inkomste het sedert April skerp gedaal. Terselfdertyd baat baie van ons druktitels nie meer by vorige ingrypings om strukturele dalings teen te werk en hulle langer op die rak te hou nie, en bly daar geen ander opsies oor nie.

“Selfs al sou die ekonomie herstel tot die vlakke voor Covid-19, sal ons drukmediabesigheid nie van die pandemie se impak daarop kan herstel nie. Ons het ongelukkig geen ander keuse nie as om ons besigheid nou te herstruktureer ten einde die verliese by ons drukmediaportefeulje te beperk, en ons ook in staat te stel om te fokus op die haalbaarheid van die titels wat behoue bly en om hulle so lank moontlik in druk te hou.”

Terselfdertyd, sê Ishmet, is Media24 besig om te omvorm om vinniger as ooit tevore by ’n toenemend digitale omgewing aan te pas. “In ’n baie mededingende mark, wat groot internasionale handelsmerke insluit, verkies Suid-Afrikaners News24 en Netwerk24 as hul bestemmings vir digitale nuus. Vir die jaar tot datum handhaaf News24 daagliks gemiddeld 1.6m unieke gebruikers, 63% meer as die gemiddeld vir 2019. Netwerk24 se intekenare het einde Junie op nagenoeg 67 000 gestaan, groei van 36.5% teenoor Junie 2019.

Die beplande ingrypings raak na verwagting bykans 510 personeellede (met ’n voorgestelde vermindering van nagenoeg 660 poste) uit ’n totale personeeltal van 2 971, oorwegend in die drukmedia- en verspreidingsdivisies, en sluit die volgende in:

Tydskrifportefeulje:

- Sluit Move! en die Hearst-titels (Men's Health, Women's Health, Bicycling, Runner's World).
- Gee DRUM net in digitale formaat uit.
- 'n Uitgewersooreenkoms met redakteur Helen Schöer om die ouerskaptitels (Baba & Kleuter and Your Pregnancy) onafhanklik uit te gee.
- Uitkontrakteer die redaksionele produksie van die oorblywende maandelikse tydskrifte (Fairlady, SARIE, SA Hunter/Jagter, True Love, tuis | home, Weg! | go! en Weg! Ry & Sleep | go! Drive & Camp) asook die tweeweeklikse Kuier.
- Verminder die frekwensie van die maandblaaie tot ses uitgawes per jaar, en agt uitgawes vir tuis | home, SA Hunter/Jagter en Man Magnum.

Die vlagskip-weekblaaie Huisgenoot, YOU en Landbouweekblad sal steeds intern saamgestel en uitgegee word.

Koerantportefeulje:

- Sluit Son op Sondag en Sunday Sun.
- Sluit die Oos-Kaapse uitgawe van Son.
- Gee Volksblad en Die Burger Oos-Kaap net digitaal uit en net op weeksdae – volledig in PDF-formaat beskikbaar op Netwerk24.
- Sluit vier gemeenskapskoerante in KwaZulu-Natal: Amanzimtoti Fever, East Griqualand Fever, Hillcrest Fever en Maritzburg Fever.
- Voeg die volgende titels saam: Noordkaap en Kalahari Bulletin word Noordkaap Bulletin, en Kroonnuus en Vrystaat Nuus word Vrystaat Kroonnuus. Theewaterskloof Gazette word by Hermanus Times ingelyf.
- Versnel die digitale oorgang van The Witness.

Ander:

- Verminder personeel in ons mediaverspreidingsbesigheid en in divisionele en korporatiewe steundienste-afdelings wat deur die voorgestelde verskraalde drukmediabedrywighede geraak word.

"Ons is ten volle daartoe verbind om hierdie hoogs sensitiewe konsultasies met deernis te bestuur, terwyl ons ook die wetlik voorgeskrewe proses volg. Ons kan ongelukkig geen verdere inligting bekend maak alvorens die proses afgehandel is nie," sê Ishmet.

Einde

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