

TELEVISION ADVERTISEMENT CAKE 2017

Advertising Revenue Survey of the
Hungarian Television Market 2017

22 February 2018



Television Advertisement Cake 2017

- ▶ Methodology follows the practice of recent years. As in the previous year, EY examined the value of the public sector spending,* as well.
- ▶ The data used to determine the size of the television advertising market was provided directly by television companies, members of the Association of the Hungarian Electronic Broadcasters (hereinafter referred to as MEME) and the relevant sales houses.
- ▶ 68 television channels provided data.
- ▶ Data collection and analysis was performed by EY.
- ▶ All collected data have been destroyed after the analysis.

* Based on the 5/2017 decision (6 April) of the MEME general meeting: Public sector advertising revenue refers to all advertising revenue from the central budget and any advertising income derived from a business or market participant in which the state ownership - either directly or indirectly - holds at least 50% ownership or voting rights.

List of data providers: 68 channels

- ▶ ATV
- ▶ RTL Klub
- ▶ RTL II
- ▶ Cool
- ▶ Film+
- ▶ Film+ 2/RTL Gold
- ▶ Muzsika
- ▶ Sorozat+
- ▶ RTL+
- ▶ Life TV
- ▶ Ozone TV
- ▶ Paramount Channel
- ▶ Comedy Central
- ▶ Comedy Central Family
- ▶ Nickelodeon
- ▶ Nick Jr.
- ▶ Viva
- ▶ MTV
- ▶ RTL Spike
- ▶ AMC
- ▶ Film Café
- ▶ Film Mania
- ▶ Minimax
- ▶ Spektrum
- ▶ Spektrum Home
- ▶ TV Paprika
- ▶ Sport1
- ▶ Sport2
- ▶ Sláger tv
- ▶ DOQ
- ▶ AXN
- ▶ Viasat3
- ▶ Viasat6
- ▶ Sony Max
- ▶ Sony Movie Channel
- ▶ Disney channel
- ▶ Music Channel
- ▶ Cartoon Network
- ▶ Boomerang
- ▶ Nat Geo Wild
- ▶ National Geographic
- ▶ FOX
- ▶ Duna TV
- ▶ Duna World
- ▶ M1
- ▶ M2
- ▶ M3
- ▶ M4 Sport
- ▶ M5
- ▶ TV2
- ▶ Spíler TV
- ▶ Super TV2
- ▶ Prime
- ▶ Mozi+
- ▶ Izaura TV
- ▶ Zenebutik
- ▶ FEM3
- ▶ Kiwi TV
- ▶ Chili
- ▶ Humor +
- ▶ Story4
- ▶ Story5
- ▶ Galaxy
- ▶ Discovery Channel
- ▶ Investigation Discovery
- ▶ TLC
- ▶ History
- ▶ Travel Channel

Net-net revenue was used for our analysis

- ▶ Net-net revenue was used, i.e. revenue after deducting discounts and agency commissions.
- ▶ No barter revenue was included.
- ▶ No other revenue data were included (e.g. premium rate calls or text message charges, revenues from events or merchandise).
- ▶ Sponsorship contained revenue from product placement but in the case of sponsored programs it did not contain production costs.
- ▶ All data are presented in million HUF.

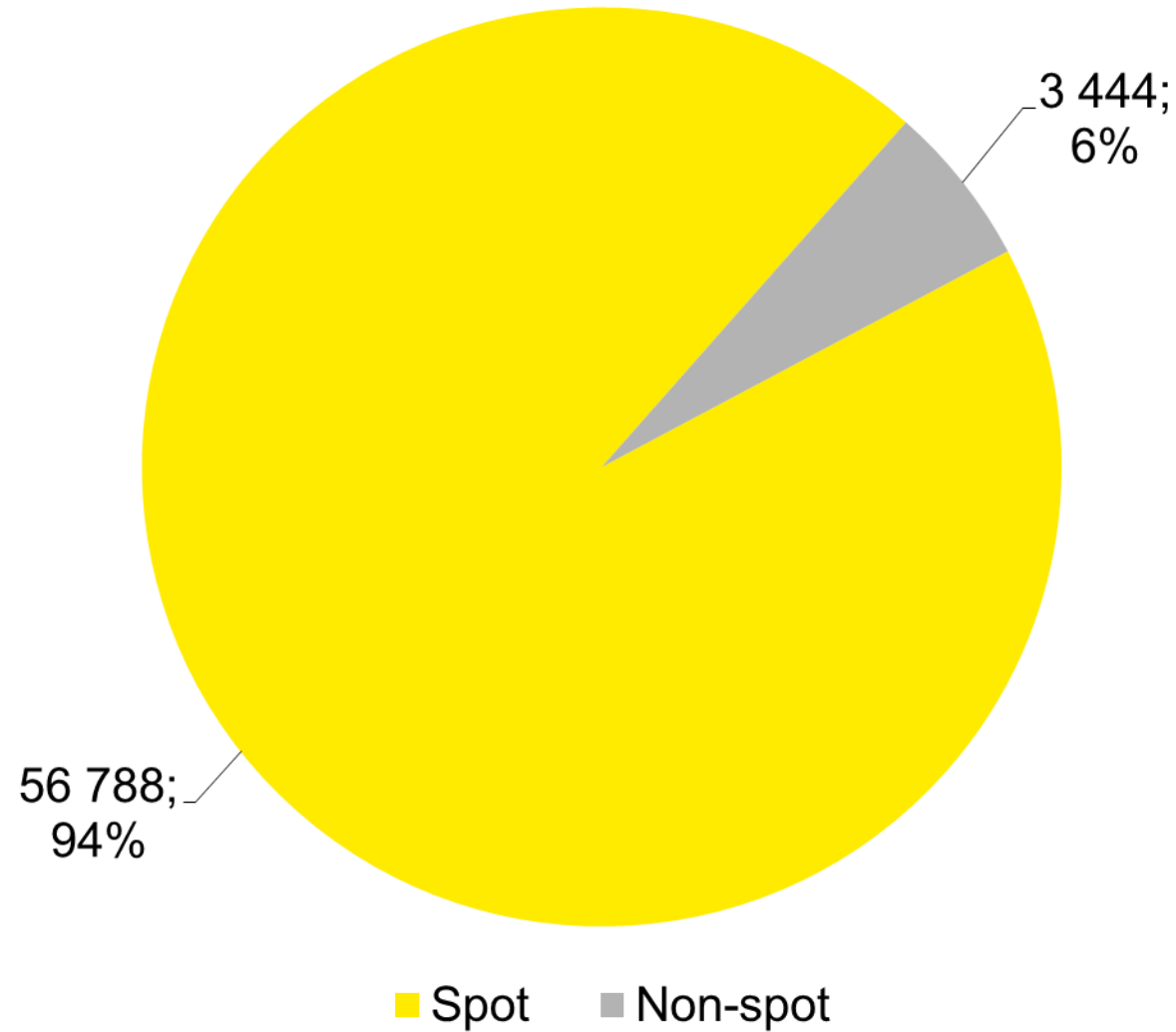
The television ad cake revenue exceeded 60 billion HUF in 2017

- ▶ Based on the calculation of EY, the total revenue of the television advertising market in 2017 is:

60 232
MILLION HUF

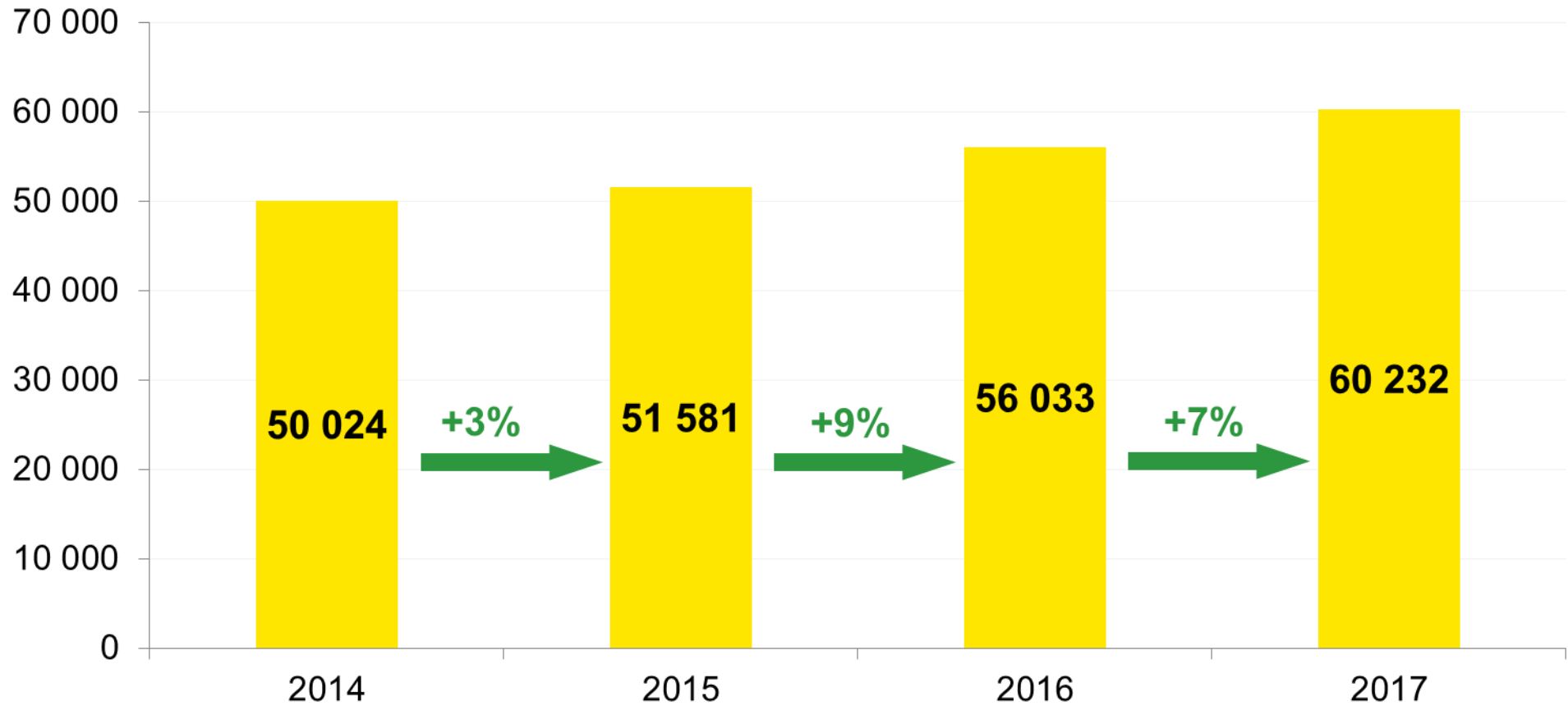
- ▶ The market share of the participating television companies based on television viewership data is approximately 99%.

Distribution of the television adcake 2017 (in million HUF and percentage)



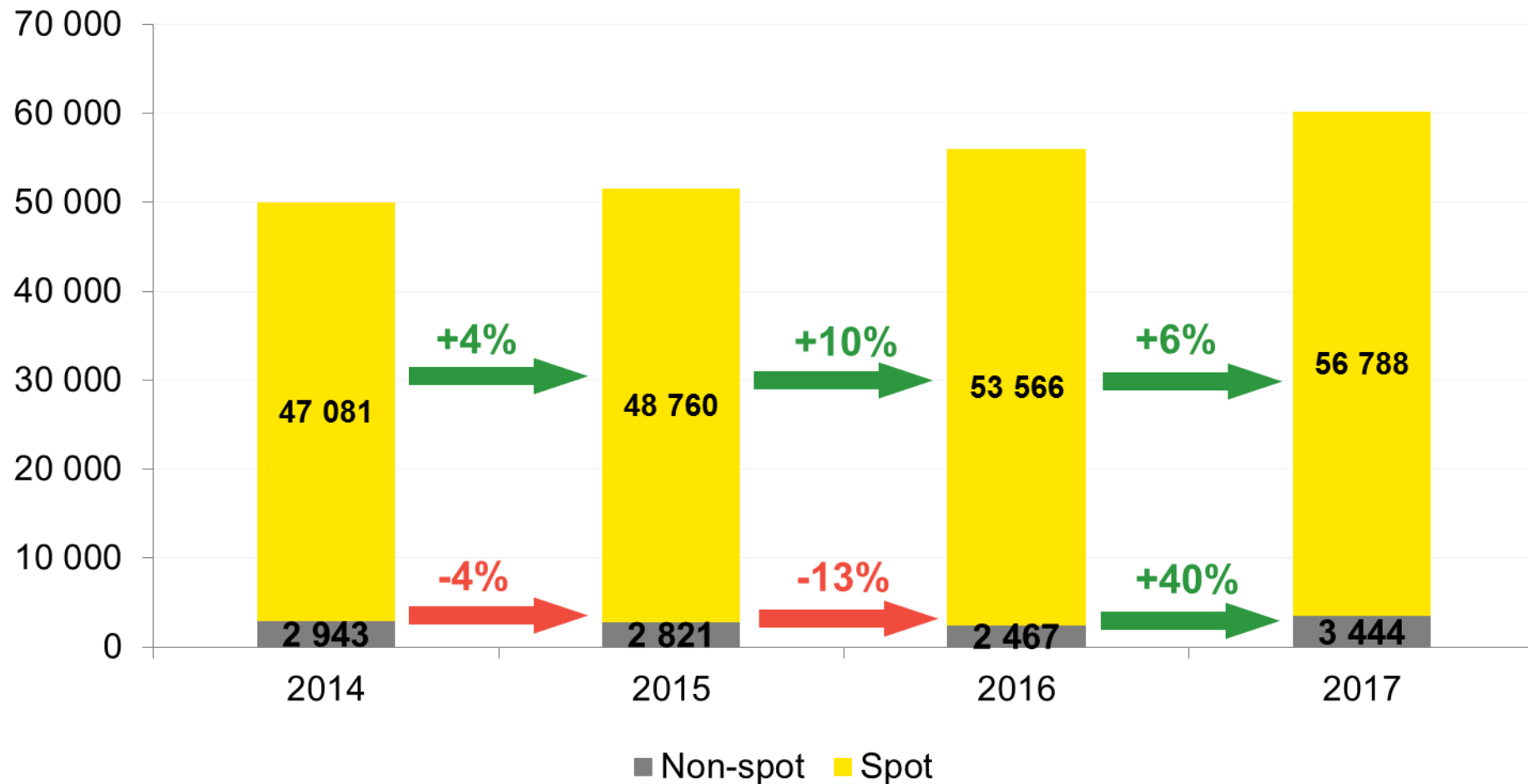
Television advertising revenue increased by 7%

Television advertising revenue of prior years (million HUF)



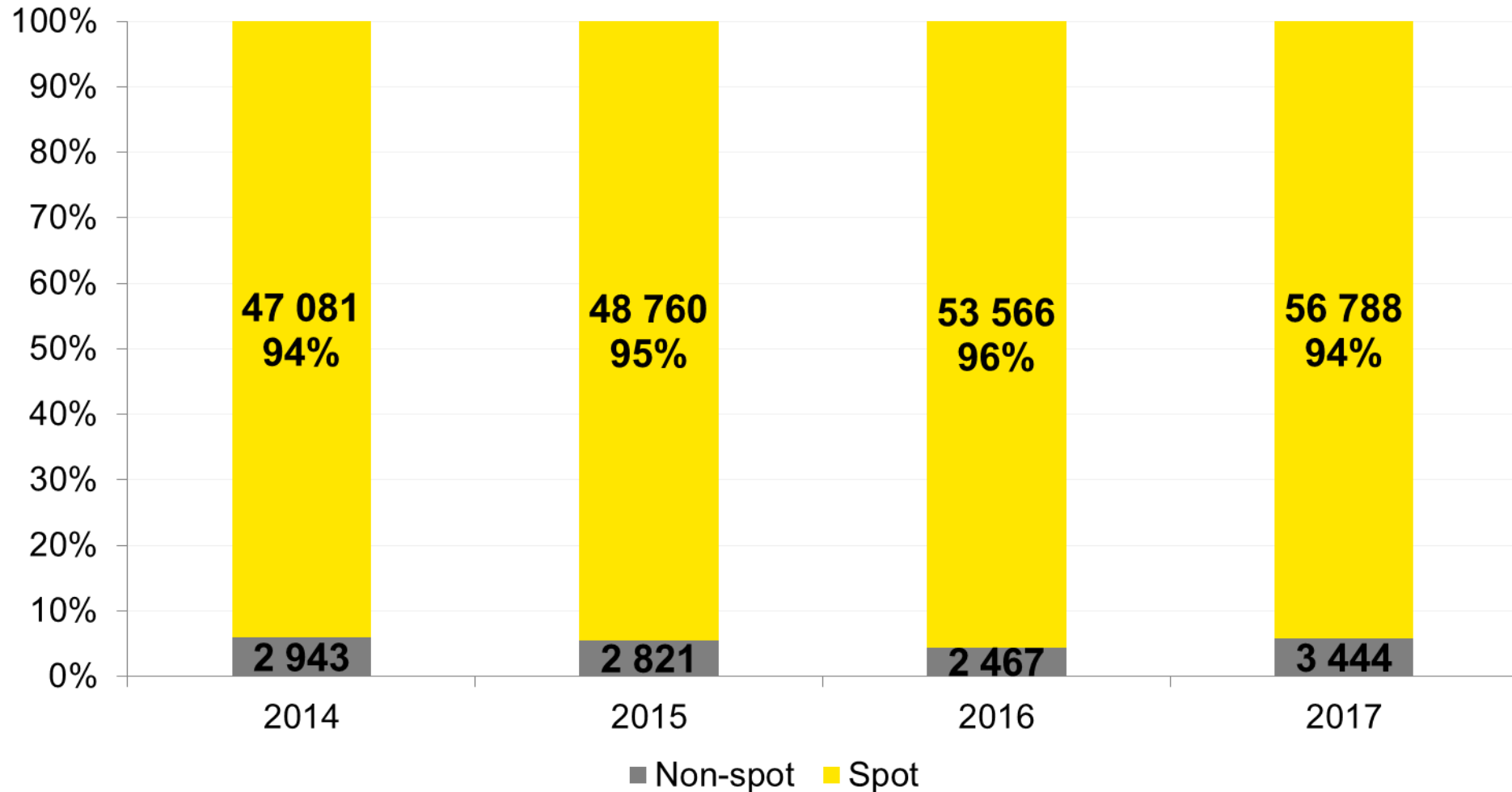
Distribution of advertising revenue from spot and non-spot spending

Television advertising revenue by type of advertisement
(in million HUF)



Share of advertising revenue generated by spots has decreased compared to 2016

Television advertising revenue by type of advertisement
(in million HUF)



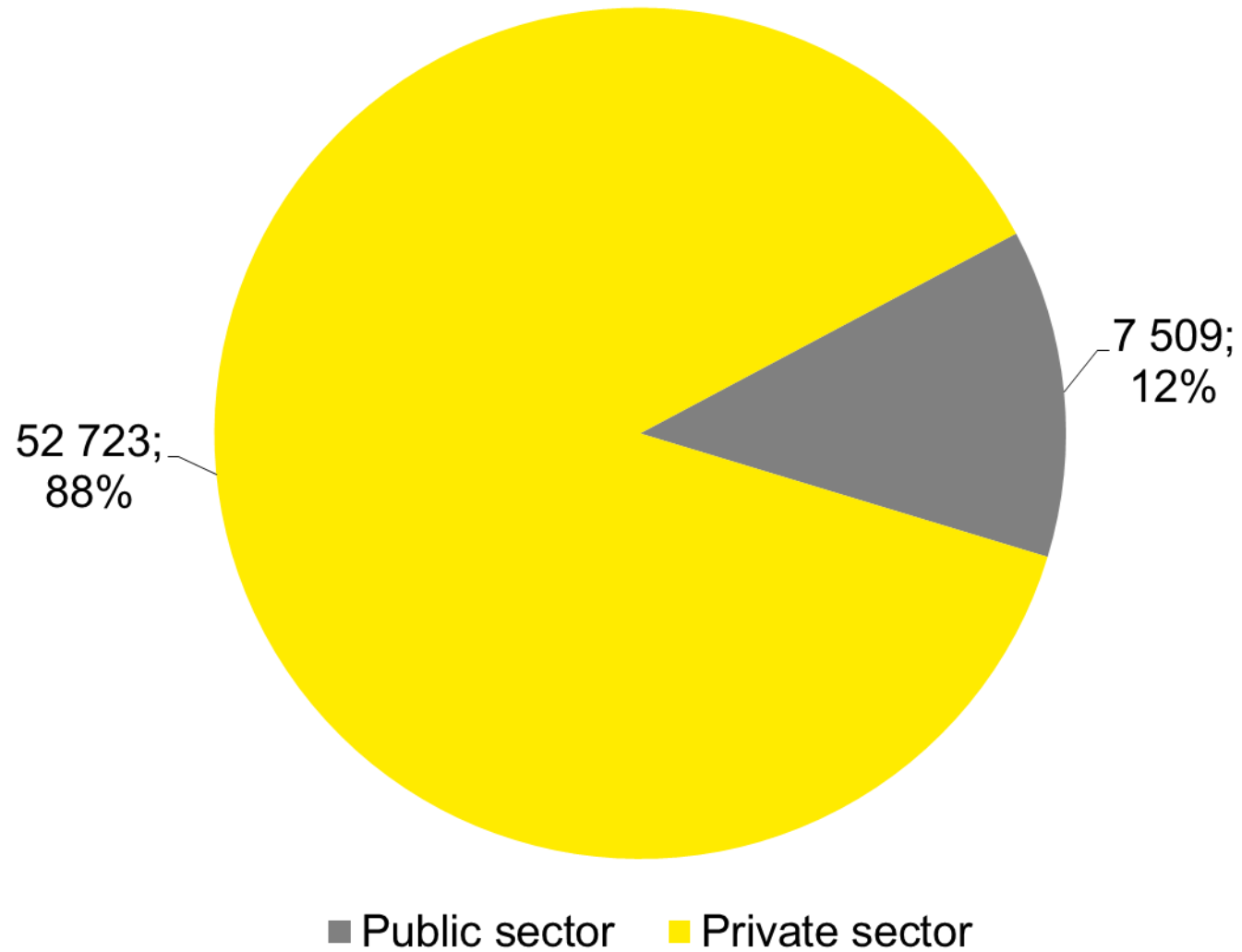
The share of public sector advertising revenue of the television ad cake was 7.5 billion in 2017

- ▶ Based on the calculation of EY, the public sector advertising revenue of the television advertising market in 2017 is:

7 509
MILLION HUF*

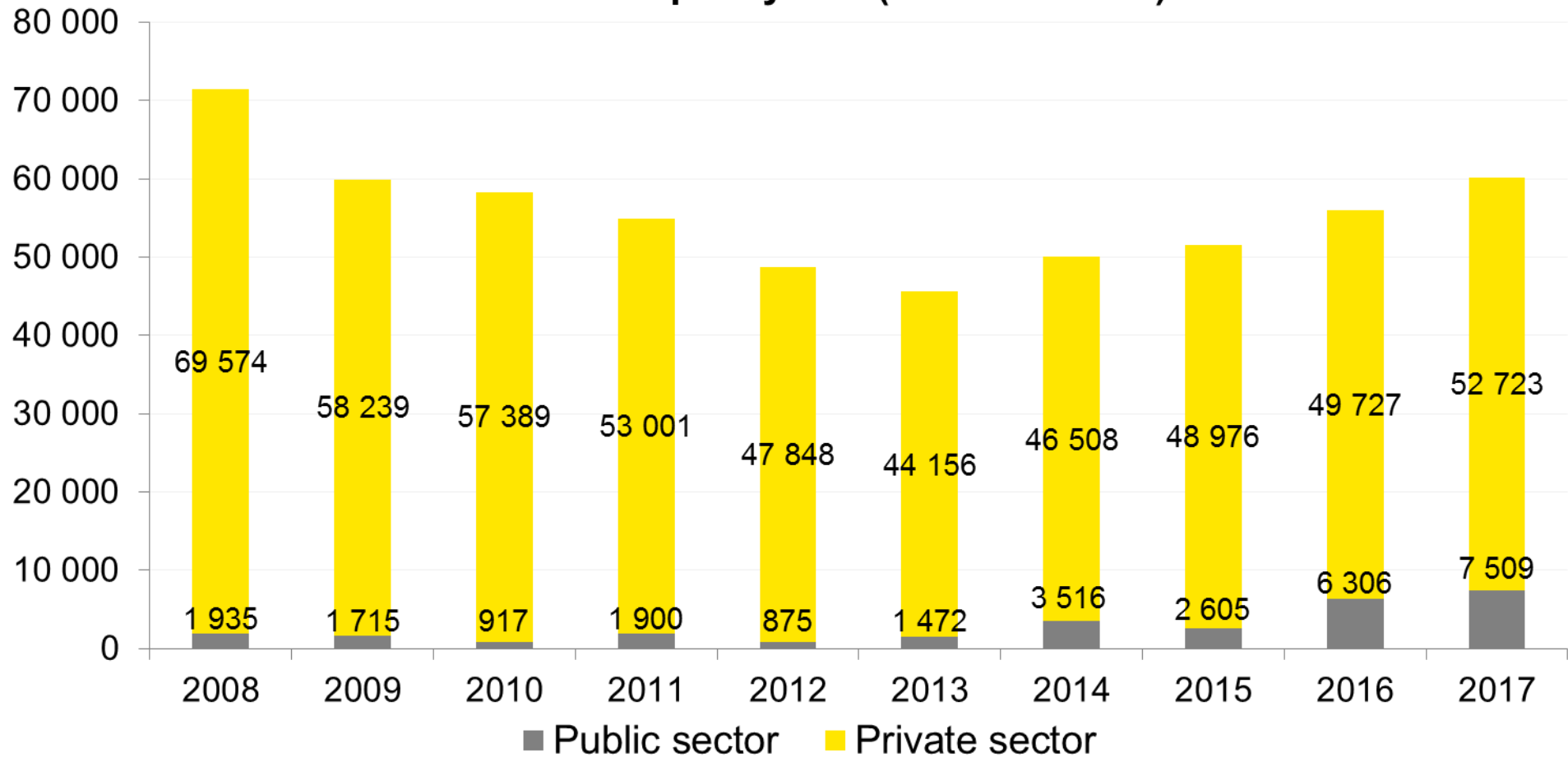
* Based on the **5/2017 decision (6 April)** of the MEME general meeting: Public sector advertising revenue refers to all advertising revenue from the central budget and any advertising income derived from a business or market participant in which the state ownership - either directly or indirectly - holds at least 50% ownership or voting rights.

Distribution of the television adcake 2017 (in million HUF and percentage)



Distribution of public and private sector advertising revenues in the past years

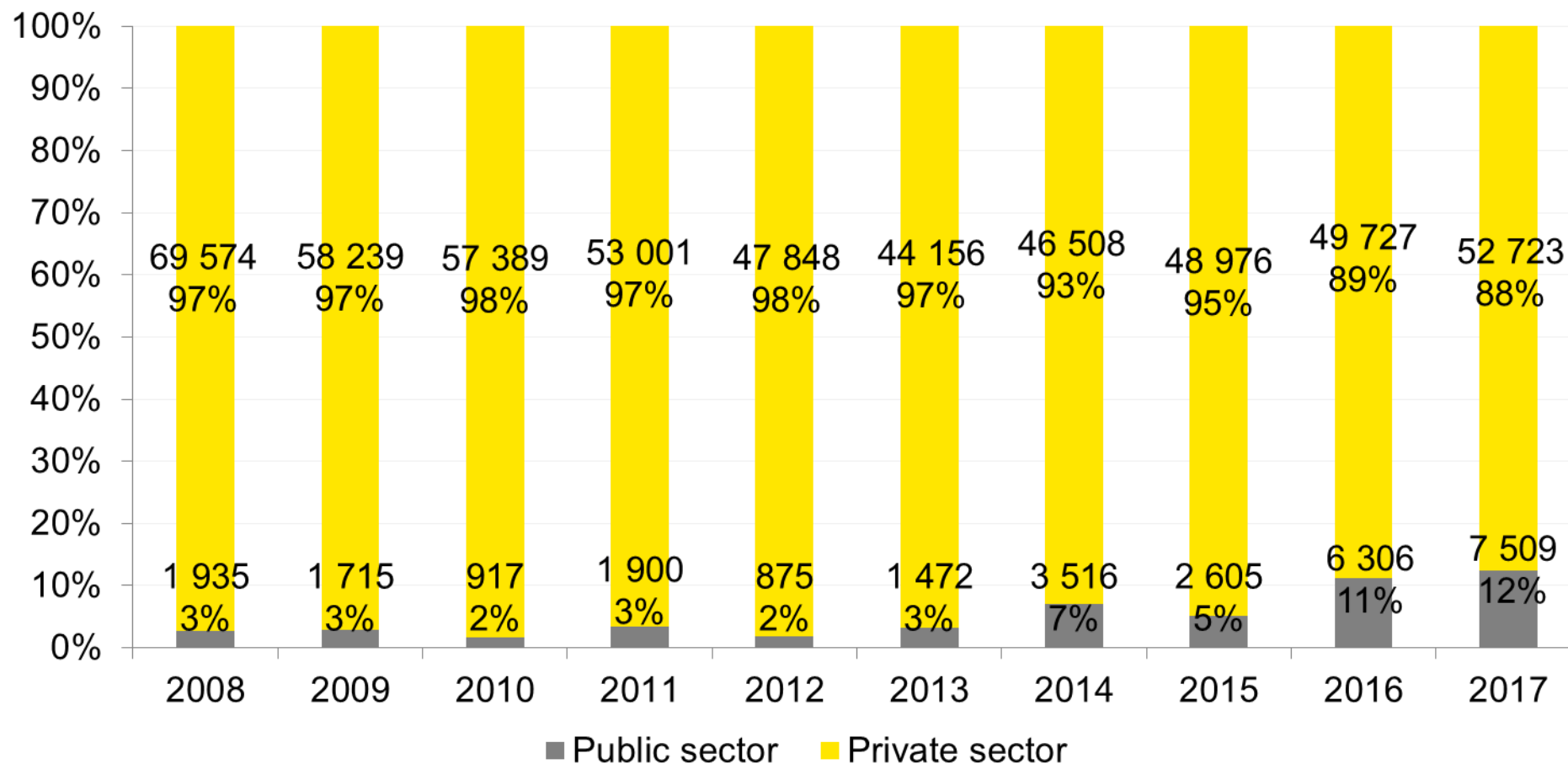
Amount of television advertising revenues in the public and private sector of the past years (in million HUF)*



*Data was not available regarding MTVA's public sector revenues for the period 2008-2010, so these values are not included in the chart above.

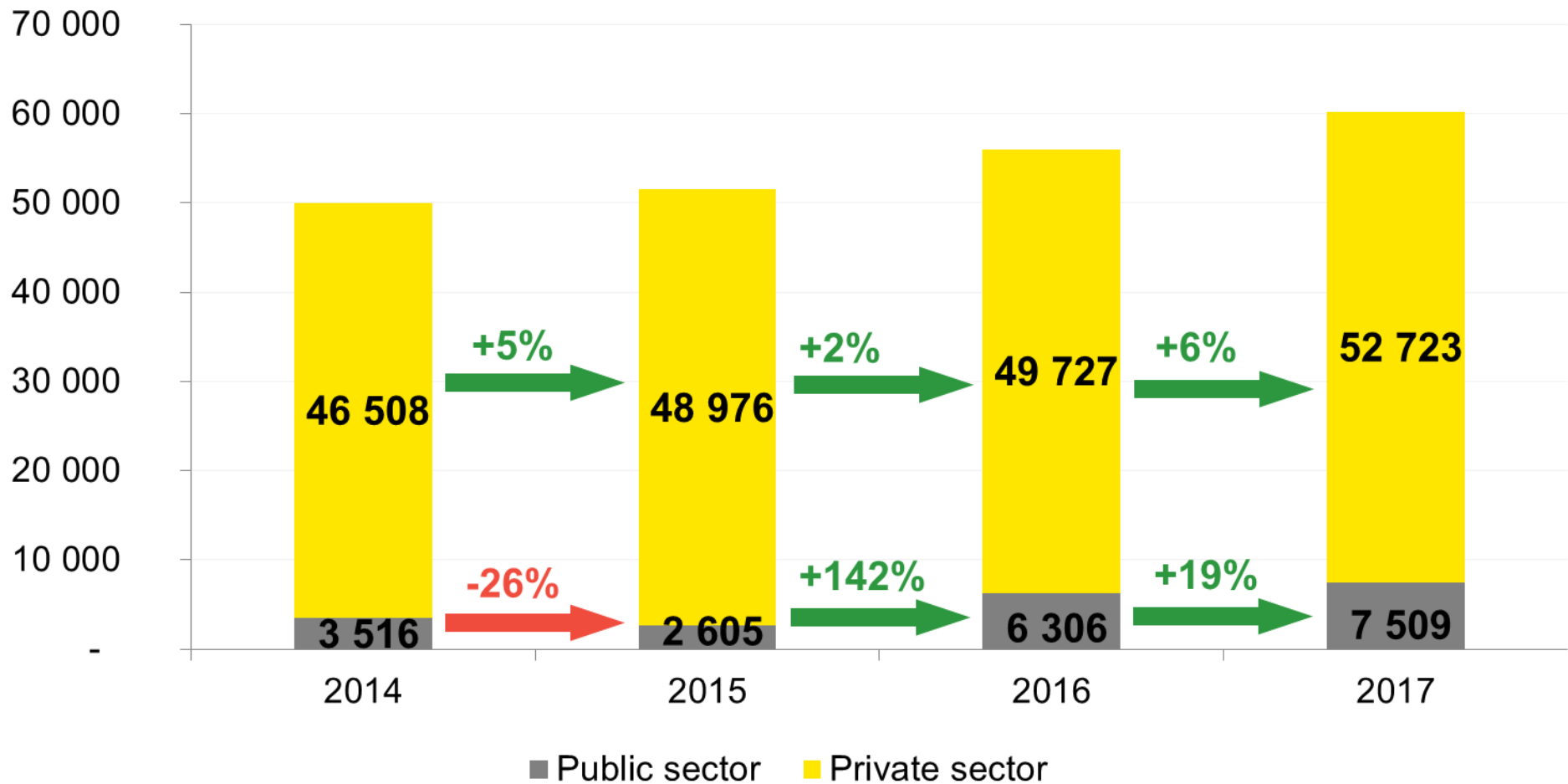
The share of advertising revenue from public sector companies increased by 1% across the entire television ad cake in 2017

Amount of television advertising revenues in the public and private sector of the past years (in million HUF)



The development of advertising revenue from public and non-public spending

Distribution of television advertising revenues between public and private sectors (in million HUF)



Summary

- ▶ In 2017 the television advertising revenue exceeded 60 billion HUF, of which 7.5 billion HUF was public sector advertising revenue.
- ▶ On the whole, the advertising revenues have increased compared to last year. The growth rate was 4.199 million HUF in 2017, which is equivalent to a 7% growth. The private sector revenues have increased by 6%, while the public sector revenues rose by 19%.
- ▶ Last year's 13 percent decline of the non-spot advertising revenue increased with 40 percent in 2017. The amount of spot advertising revenues increased by another 6 percent this year after a 10 percent increase last year.

**Thank you for your
attention!**

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