

TELEVISION ADVERTISEMENT CAKE 2016

Advertising Revenue Survey of the
Hungarian Television Market 2016

8 May 2017



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- ▶ Methodology follows the practice of recent years. This is the first year that EY examined the value of the public sector spending*.
- ▶ 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.
- ▶ 63 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: 63 channels

- ▶ ATV
- ▶ AXN
- ▶ Cartoon Network
- ▶ Chili
- ▶ Comedy Central
- ▶ Cool
- ▶ Discovery Channel
- ▶ Disney channel
- ▶ DOQ
- ▶ Duna TV
- ▶ Duna World
- ▶ FEM3
- ▶ Film Café
- ▶ Film+
- ▶ Film+2
- ▶ Filmmánia
- ▶ FOX
- ▶ Galaxy
- ▶ Humor +
- ▶ ID Extra
- ▶ Izaura TV
- ▶ Kiwi TV
- ▶ Lifenetwork
- ▶ M1
- ▶ M2
- ▶ M3
- ▶ M4 Sport
- ▶ M5
- ▶ Minimax
- ▶ Mozi+
- ▶ MTV
- ▶ Music Channel
- ▶ Muzsika
- ▶ Nat Geo Wild
- ▶ National Geographic
- ▶ Nick.Jr.
- ▶ Nickelodeon
- ▶ Ozonenetwork
- ▶ Paramount Channel
- ▶ Prime
- ▶ RTL II
- ▶ RTL Klub
- ▶ RTL Spike
- ▶ RTL+
- ▶ Sláger tv
- ▶ Sorozat+
- ▶ Spektrum
- ▶ Spektrum Home
- ▶ Spíler TV
- ▶ Sport1
- ▶ Sport2
- ▶ SportM
- ▶ Story4
- ▶ Story5
- ▶ Super TV2
- ▶ TLC
- ▶ Tv Paprika
- ▶ TV2
- ▶ Universal
- ▶ Viasat3
- ▶ Viasat6
- ▶ Viva
- ▶ Zenebutik

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.

A 56 billion television adcake in year 2016

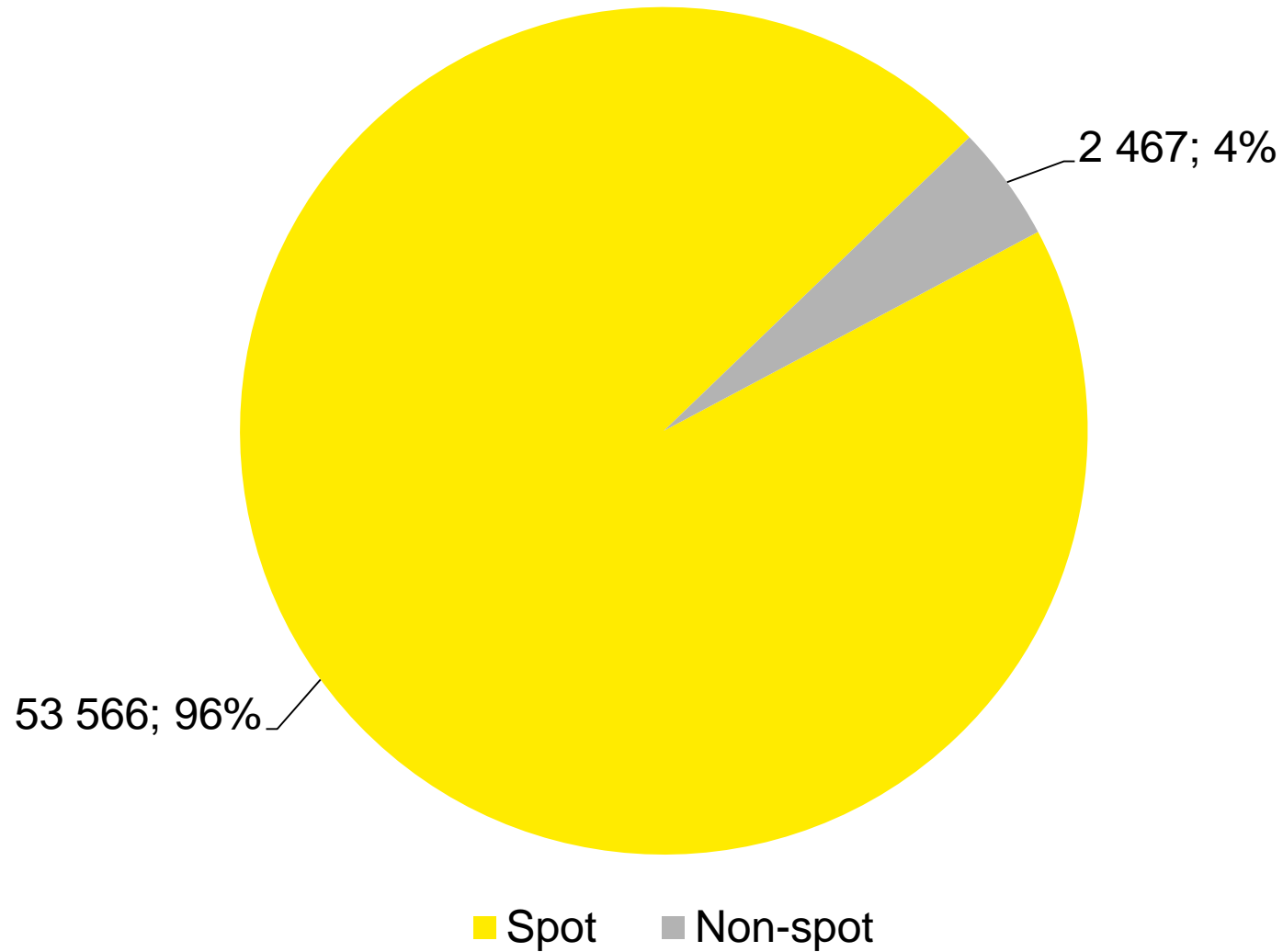
- ▶ Based on the calculation of EY, the total revenue of the television advertising market in 2016 is:

56 033
MILLION HUF

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

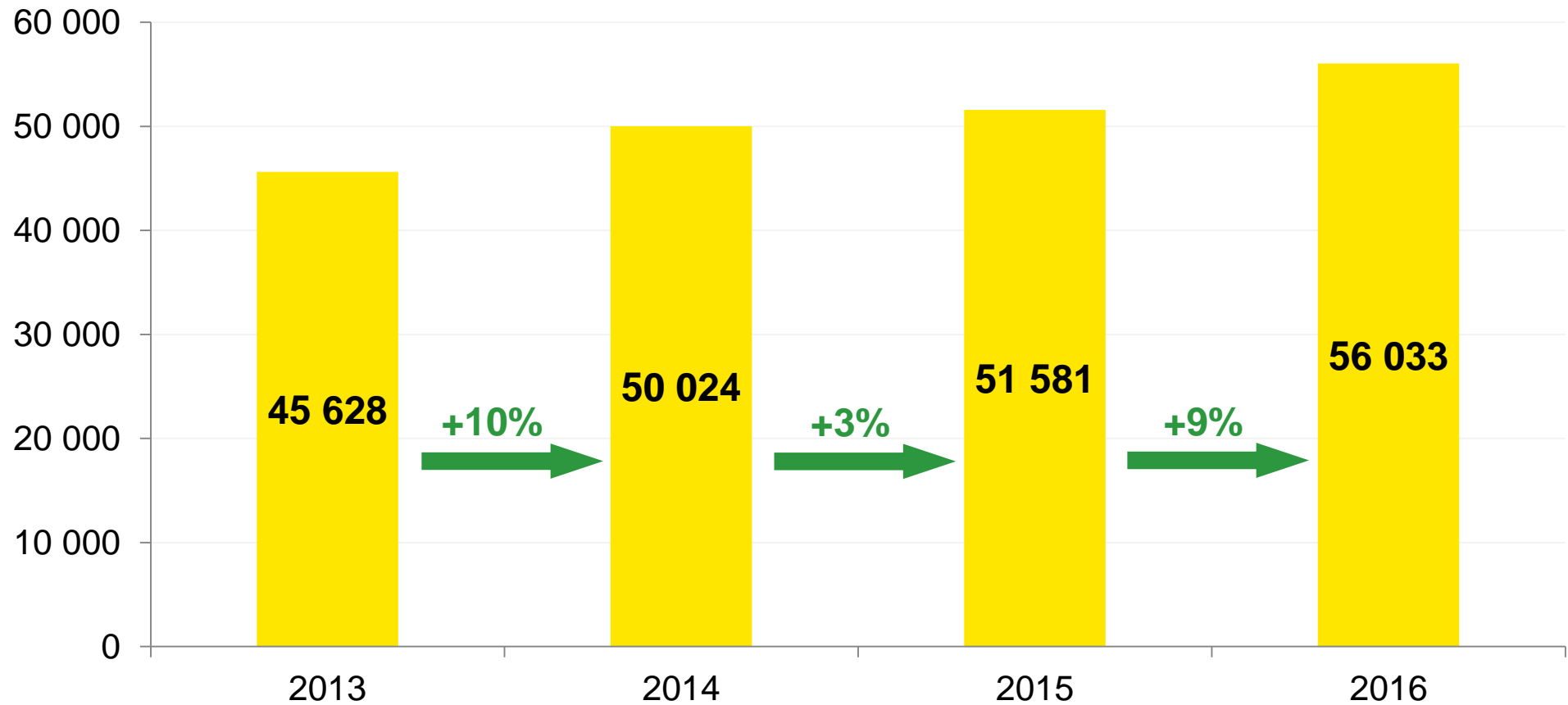
* Within the 18-49 age range, 2-26 hours range (data provided by MEME)

Television adcake 2016 (in million HUF and percentage)



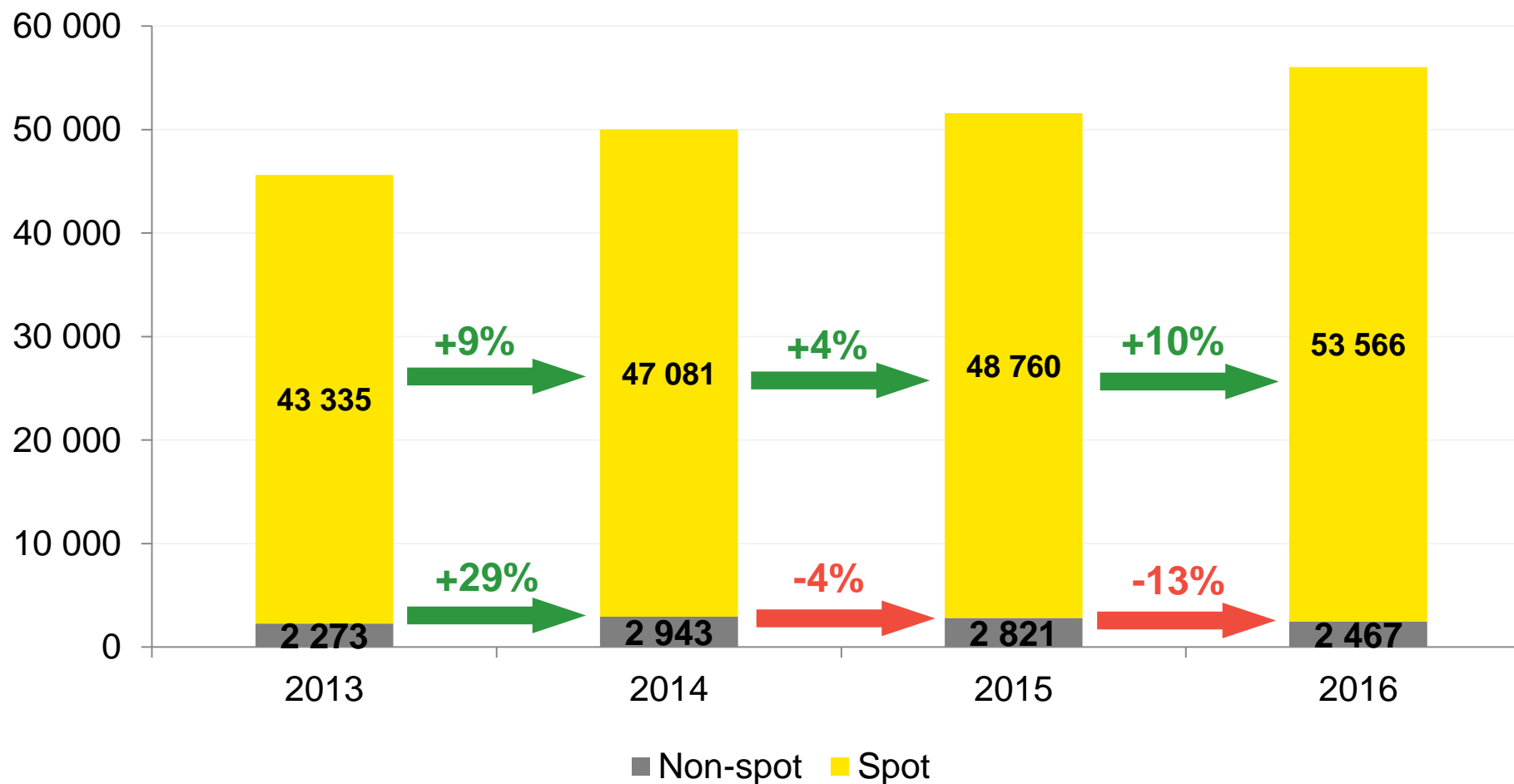
Television advertising revenue increased by 9%

Television advertising revenue of prior years (million HUF)



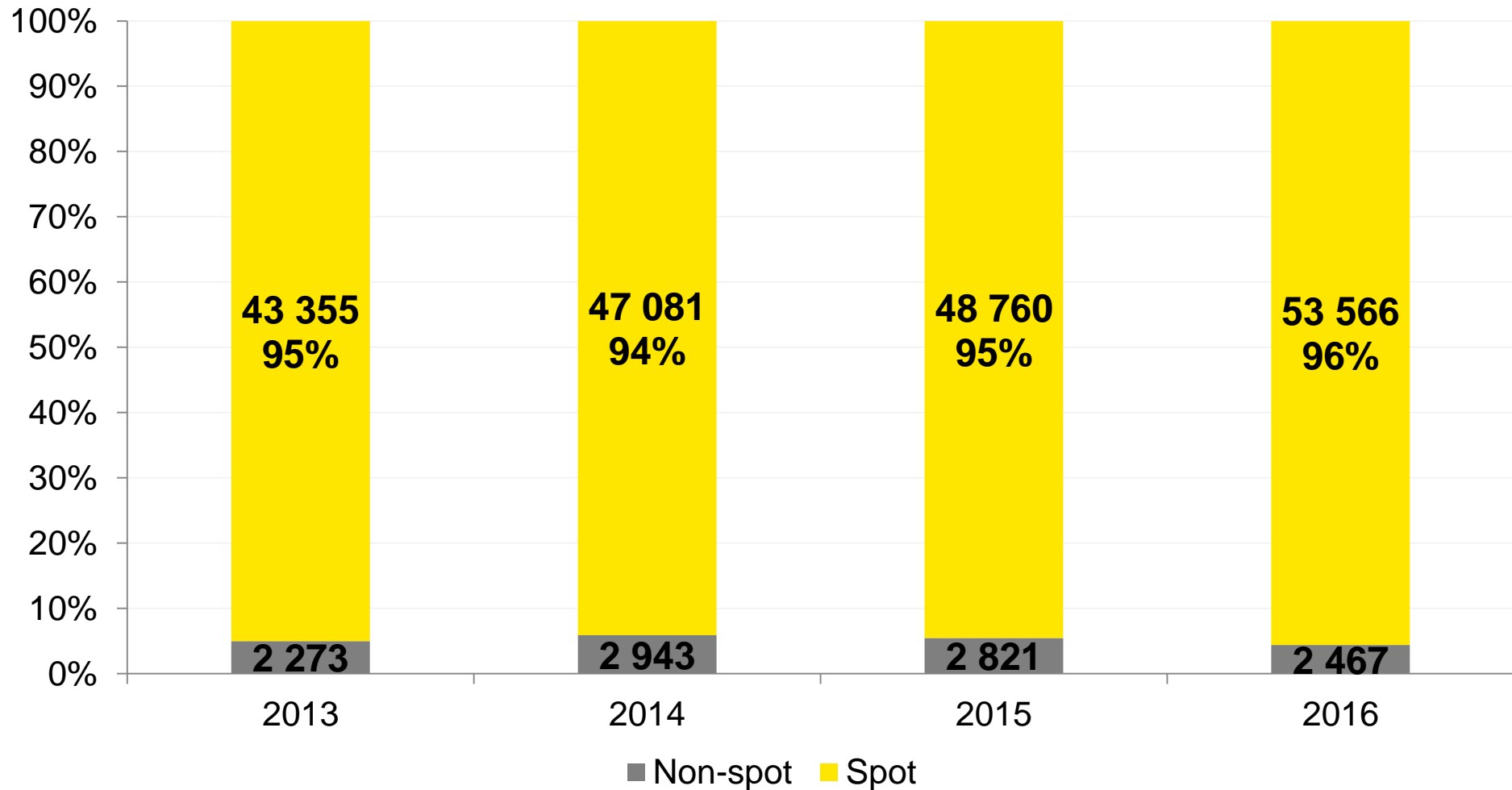
Spot advertising revenue increased by 10% compared to last year

Television Advertising Revenue by Type of Advertisement
Spot vs. Non-spot advertising (in million HUF)



Share of advertising revenue generated by spots increased by 1% within the television advertisement cake in 2016

Television Advertising Revenue by Type of Advertisement
Spot vs. Non-spot advertising (in million HUF)



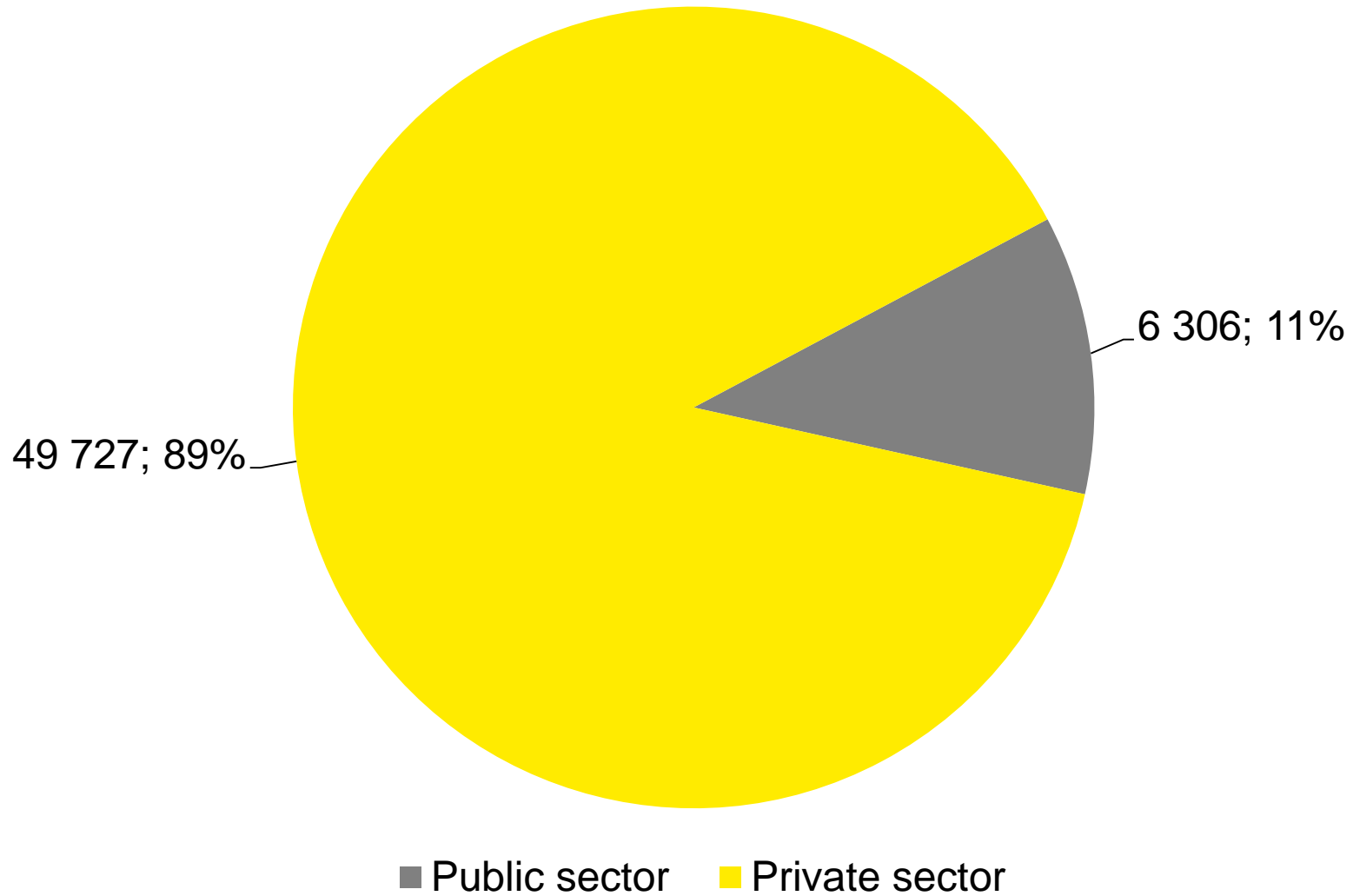
A 6.3 billion public sector advertising revenue of the television adcake in year 2016

- ▶ Based on the calculation of EY, the public sector advertising revenue of the television advertising market in 2016 is:

6 306
MILLION HUF*

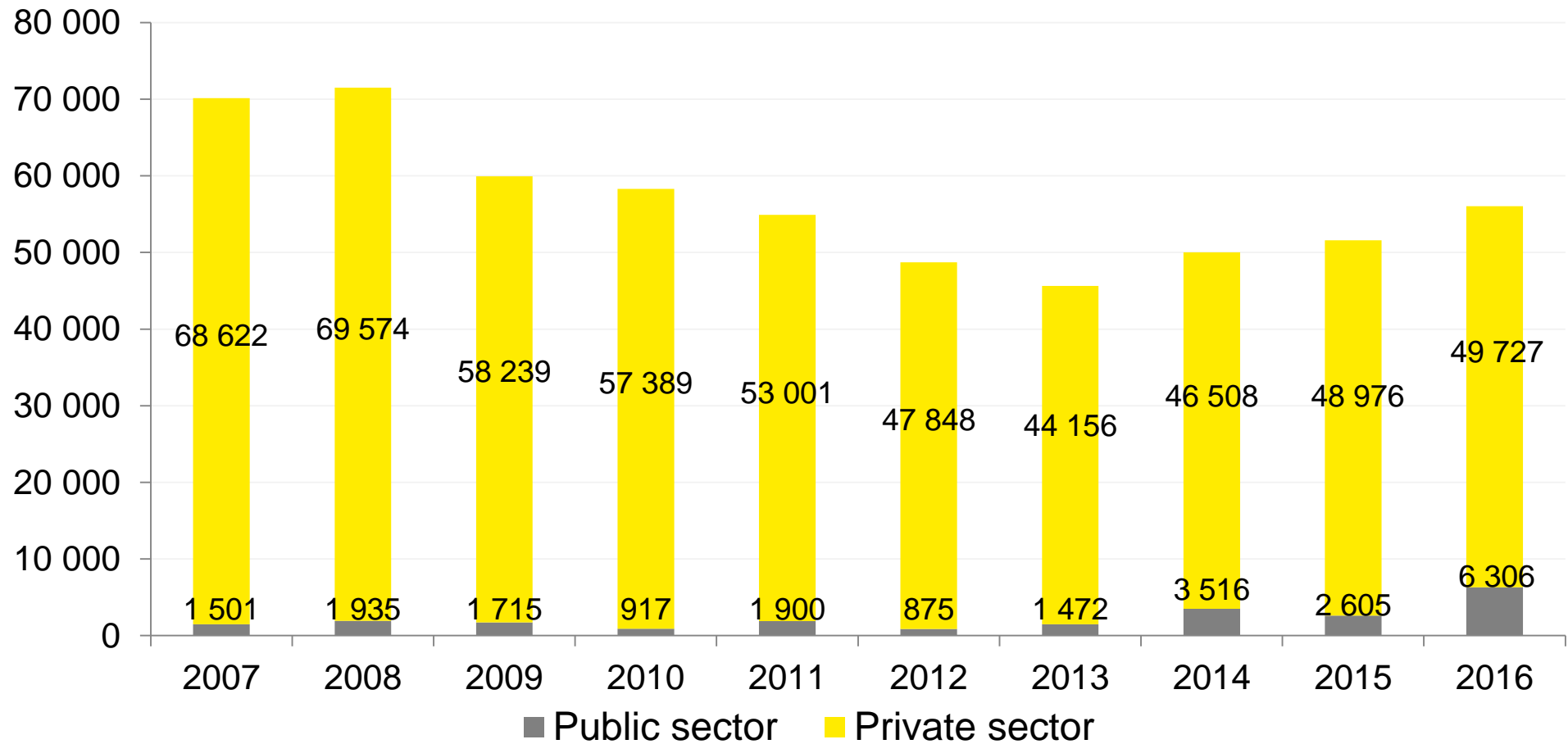
* Based on the 5/2017 decision (6 April) of the MEME general meeting: Public sector advertising revenue refers to all advertising revenue from the central budget and any advertising income derived from a business or market participant in which the state ownership - either directly or indirectly - holds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

Television adcake 2016 (in million HUF and percentage)



Public and private sector advertising revenues in the past years

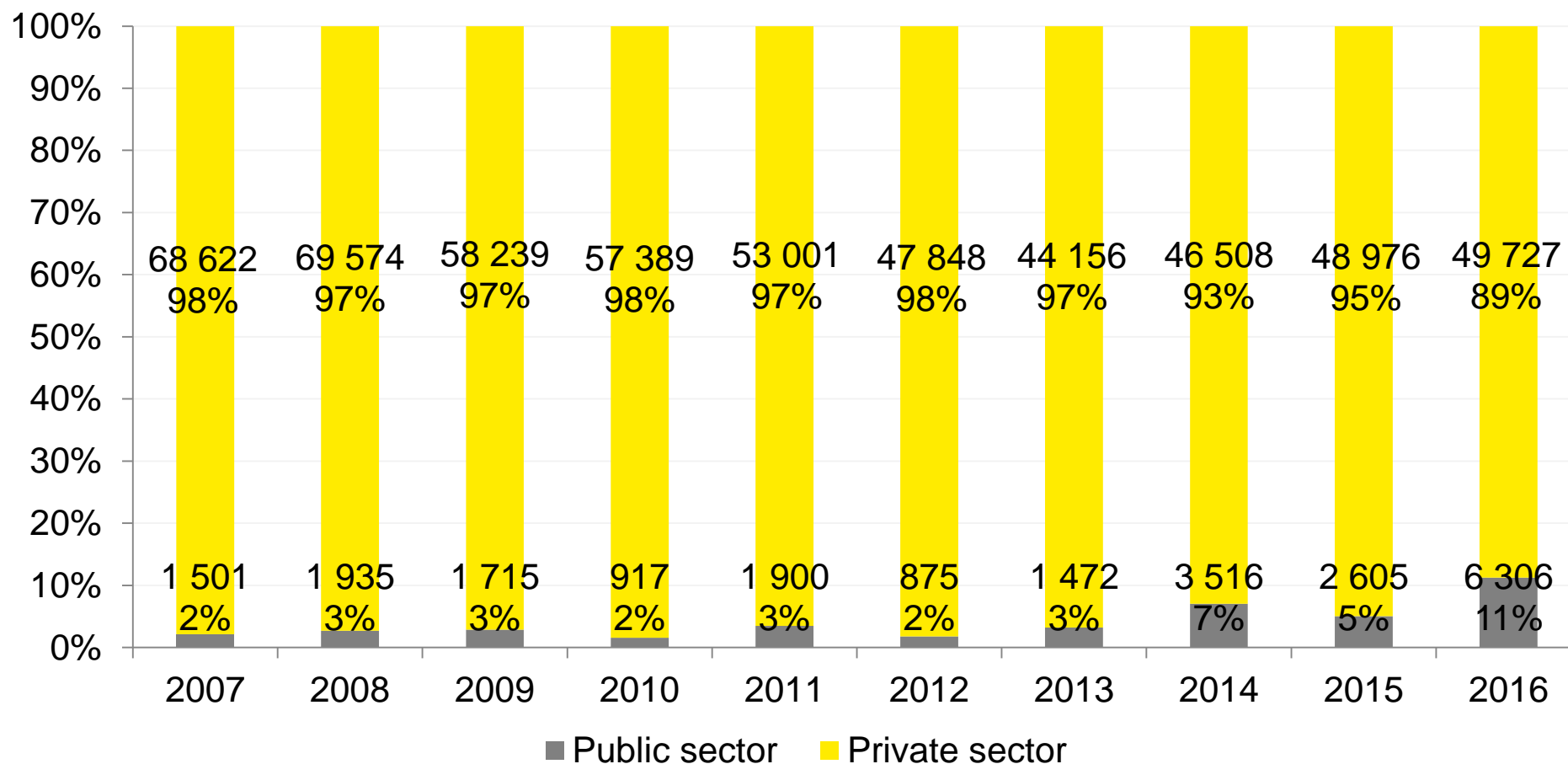
Amount of television advertising revenues in the public and private sector of the past years (in million HUF)*



*Data was not available regarding MTVA's public sector revenues for the period 2007-2010, so these values are not included in the chart above.

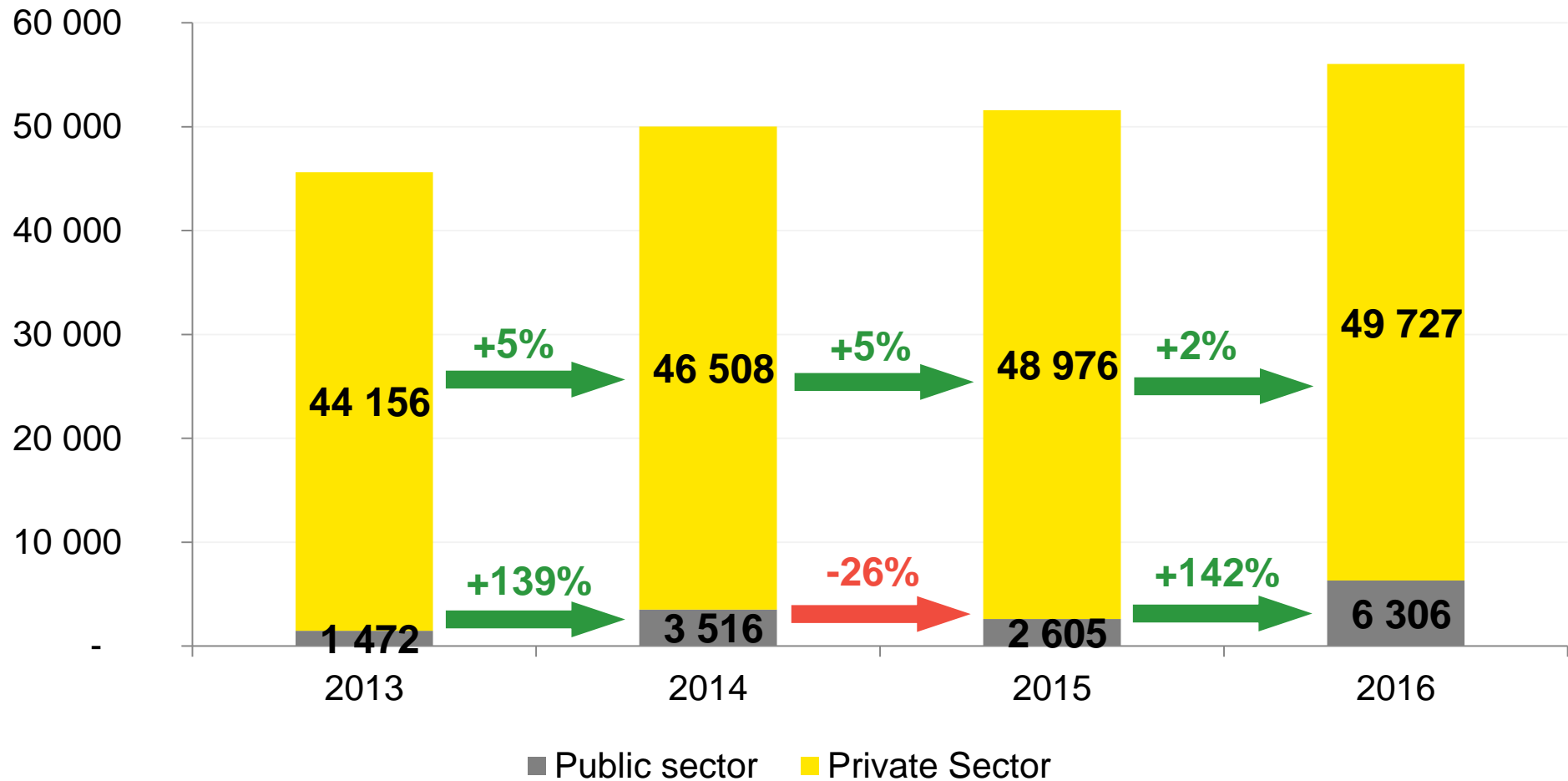
The share of advertising revenue from public sector companies increased by 6% across the entire television ad cake in 2016

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



The public sector advertising revenues have increased by 142% and the private sector revenues by 2% compared to last year

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



Summary

- ▶ In 2016 the television advertising revenue exceeded 56 billion HUF, of which 6.3 billion HUF was public sector advertising revenue.
- ▶ On the whole, the advertising revenues have increased compared to last year. The growth rate was 4.452 million HUF in 2016, which is equivalent to a 9% growth. The private sector revenues have increased by 2%, while the public sector revenues rose by 142%.
- ▶ Last year's 4 percent decline of the non-spot advertising revenue decreased with an additional 13 percent in 2016. By contrast, after the 4% increase of spot advertising revenue in 2015, the trend continued this year with a 10% increase compared to the previous year.

**Thank you for your
attention!**

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