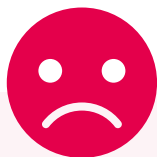


# COVID-19: THE CZECH ECONOMY AND THE TELEVISION MARKET DURING A PANDEMIC





First quarter of 2021 has been marked by a hard lockdown – schools, stores, and most of the services were all closed.

February has seen the retail sales' continuous decline with the total YoY decrease of 6%.

Over the next few months, the unemployment rate can be expected to rise.

Global Covid-19 pandemic has managed to reduce the incomes of almost 30% of the Czech households.

Mid-April has seen the start of a gradual easing of the anti-epidemic measures against the spread of Covid-19.

For the sixth month in a row, TV viewership continues to keep the TV viewing time above 4 hours a day.

Unemployment rate remains the second lowest in the whole of EU.

Regardless of a quite feeble first quarter, the Czech economy is predicted to grow this year.



# GOVERNMENT MEASURES AGAINST COVID-19

*„This is an absolute bare minimum (the current easing of the anti-epidemic restrictions). We must wait for at least another 14 days to see what the numbers will look like – only then we can consider another phase of the emergency relaxations.“*

*Ruth Tachezy, Member of Interdisciplinary Group for Epidemic Situations (MeSES)*

# The Czech Republic Has Started With a Gradual Easing Out of the Lockdown Measures

- On 12th April, the Czech Republic embarked on the first wave of relaxation of the anti-epidemic measures.
- In general, these primarily relate to **the free movement of persons**, some of **the shops, services and schools**.
- Each respective measure loosening is currently planned **with an at least 14 days gap**.

## What has been opened / allowed?

### ➤ Free Movement

- End of restrictions that limited people to travel within their municipality districts.
- End of the night curfew restrictions.

### ➤ Shops, Services and Leisure Activities

- Gradual loosening of the anti-epidemic measures has brought an opening of some sorts of shops and services (e.g. kids' clothing and footwear stores, stationery supplies stores, repair shops, dry cleaners, etc.)

### ➤ Schools

- Primary school pupils are now allowed to attend the classes taught in rotations.
- Kindergartens have also been opened in like manner.
- Vocational schools as well as high schools' have seen a reopening of their practical courses.



*There should always be a gap of at least 14 days between the individual loosening of the anti-epidemic restrictions. This is essentially for us to have an idea of how does the previous group of relaxations impact the whole loosening process.*

Karel Havlíček,  
Minister of Industry and Trade

# Nonetheless – Most Of the Measures Do Still Remain In Force

- In spite of the first wave of moderate relaxations of the anti-epidemic measures, **most of the existent ones do still remain in force.**
- These do predominantly have the implications for **most shops, services, leisure activities and social gatherings.**

## MEASURES IN FORCE: What does still remain closed / limited?

- Most Shops and Services
- Restaurants, Pubs, Coffee Shops (With an Exception of the Walk-Up Takeway Windows)
- Hotels and Other Accommodation Facilities
- Indoor and Outdoor Sports Grounds, Ski Resorts, Swimming Pools, Wellness & Fitness Centres
- Theatres, Cinemas, Museums, Castles, Galleries and Other Cultural and Social Events
- Social Meetings Are Strictly Limited to Two People Only

” *Our primary aim is to keep the children attending schools and kindergartens. The relaxations do require us to be quite prudent as we do not wish to repeat the same mistakes we did in the past.*

Petr Arenberger,  
Minister of Health



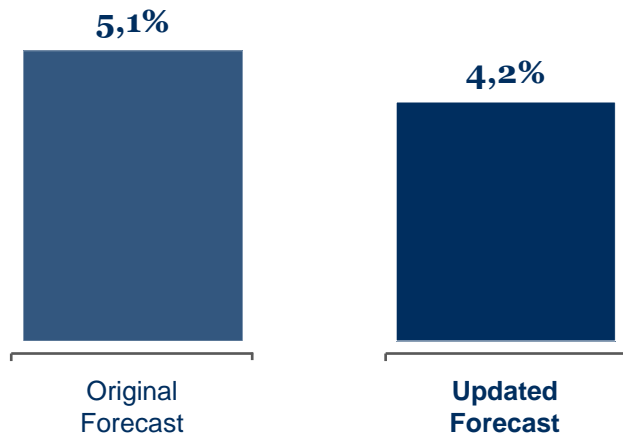
# IMPACT OF COVID-19 ON ECONOMIC SITUATION

*„Further economic development is substantially dependent on the vaccine administration management. However, the vaccination in this country is still at its outset, and with a regard to the planned supply of the vaccines, we can't expect any significant economic recovery until the second half of the year.“*

*Martin Gürtler, Senior Economist at Komerční banka*

# This Year's Czech Economic Outlook Has Gone to Pot

YoY Comparison of GDP, 2021 Forecast

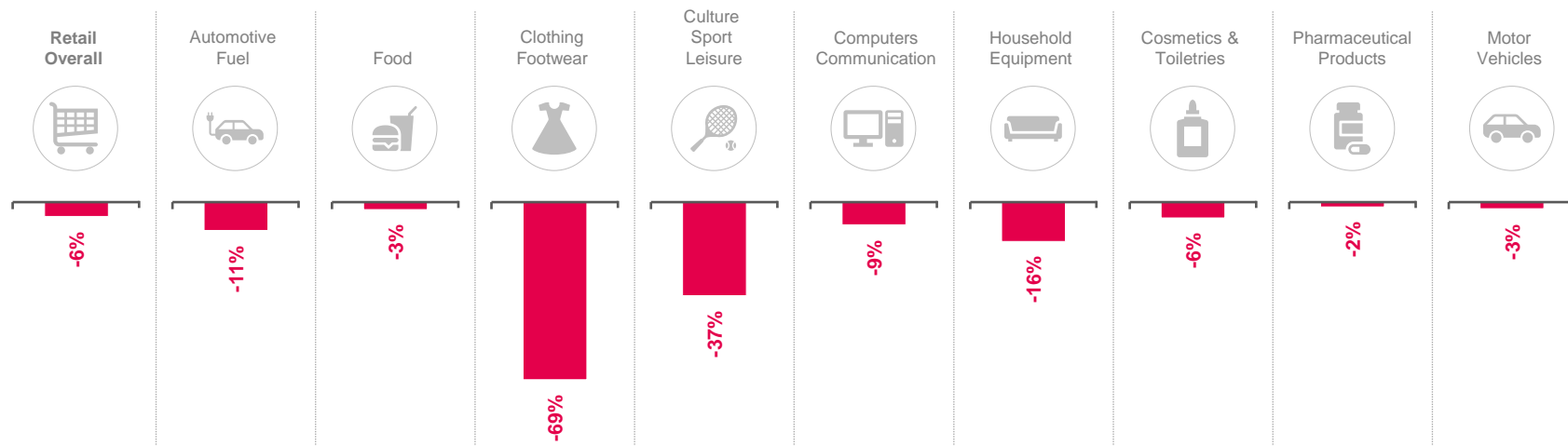


” *Fundamental issue lies in a quite hesitant start of the vaccination process. As a result, the economic recovery may eventually be much weaker than the current anticipations, which may even lead to a far more job redundancies and bankruptcies of even more businesses. It is very important to emphasize that a large wave of bankruptcies has so far been obviated by the comprehensive support measures. Anyhow, these can't last indefinitely.*

Christoph Witte,  
General Manager of Credendo

# February Has Again Seen the Retail Sales Declining Across All Sectors

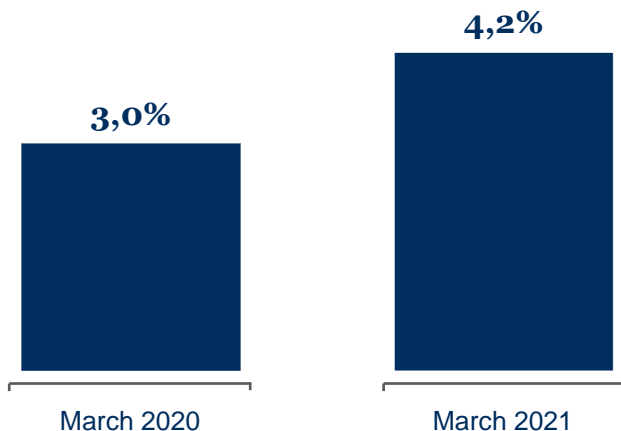
YoY Comparison of Retail Sales, February 2021





# Unemployment Rate Still Remains to Be the Second Lowest In the Whole Of EU

Share of Unemployed Job Seekers Aged 15–64



” *Generally speaking, the coming months will most probably bring us a gradual increase in the unemployment rate, but the employment support government measures should continue to serve as a buffer to forestall an even more significant growth of the unemployment in the Czech economy. Nevertheless, I do think that at the turn of an upcoming spring and summer, the unemployment rate may temporarily exceed the five percent level.*

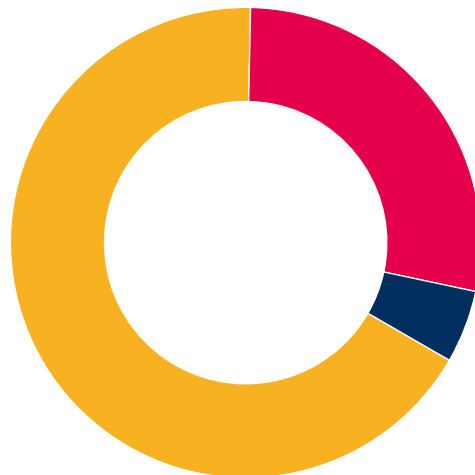
Radomír Jáč,  
Chief Economist at Generali Investments

# Covid-19 Pandemic Has Led to Approximately 30% Of Households to Obtain a Lower Income

Share Of People During the Covid-19 Pandemic Period

**67%**

**Unaffected Income**



**28%**

**Reduced Income**

**5%**

**Higher Income**



# GOVERNMENT ECONOMY **SUPPORT**

*„Compared to December last year, we can observe a surge in the share of people who do believe that the state is doing very little to support the economy affected by measures against the spread of coronavirus. The share of these people is seemingly the highest for the entire period of similar surveys. On the contrary, the share of those who do rate the economy support as adequate is currently by far the lowest of all.“*

*The Public Opinion Research Centre*

atmedia 

# Professional Organisations Do Criticise the Simplified Entrepreneurs Support Scheme

- Government has simplified the compensation programmes for entrepreneurs. It has introduced the **COVID - 2021** and **COVID – Uncovered Costs** programmes, which are aimed to accompany the existing Antivirus wage compensation and the self-employed compensation bonus.
- **Professional organisations as well as the parliamentary opposition do both criticise these programmes.** A large groups of businesses will not be able to gain the support.
- **Strictly speaking, the primary condition for entering the programme is a minimum of 50 percent drop in sales for the January – March period –** when compared to the same period last year or the year before.

” *The current support scheme does put a disadvantage on those entrepreneurs who’ve worked at saving their endeavours, built their own e-shop, or decided to sell their goods through their pick-up windows. They have thus scaled down their downturn so they won’t meet the conditions to be able to sign up for the government support.*

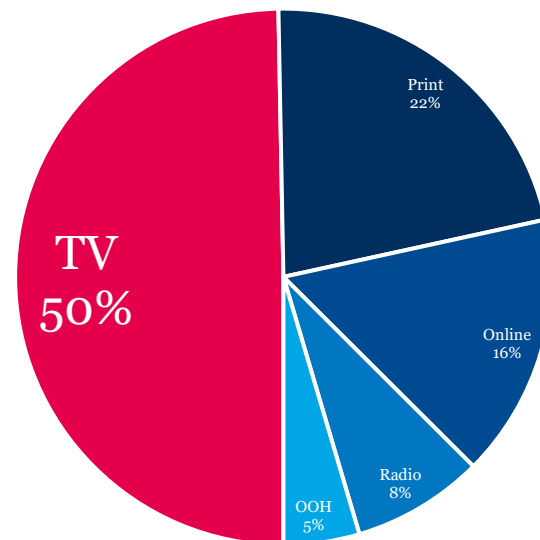
Professional Organisations’ Statement

# The State Has Launched the Vaccination Campaign – Half of the Campaign Budget Will Be Allotted to TV

- Campaign called „Udělejme tečku“ began on 12th April.
- Half of the campaign expenditure will be spent on **seven 30 seconds-long TV spots**.
- Spots will be broadcasted on TV channels currently achieving at least **15% reach**.
- Campaign is planned to be broadcasted up until **September this year**.

## 50 Million CZK

### Projected Budget Plan for the Purchase of Advertising Space





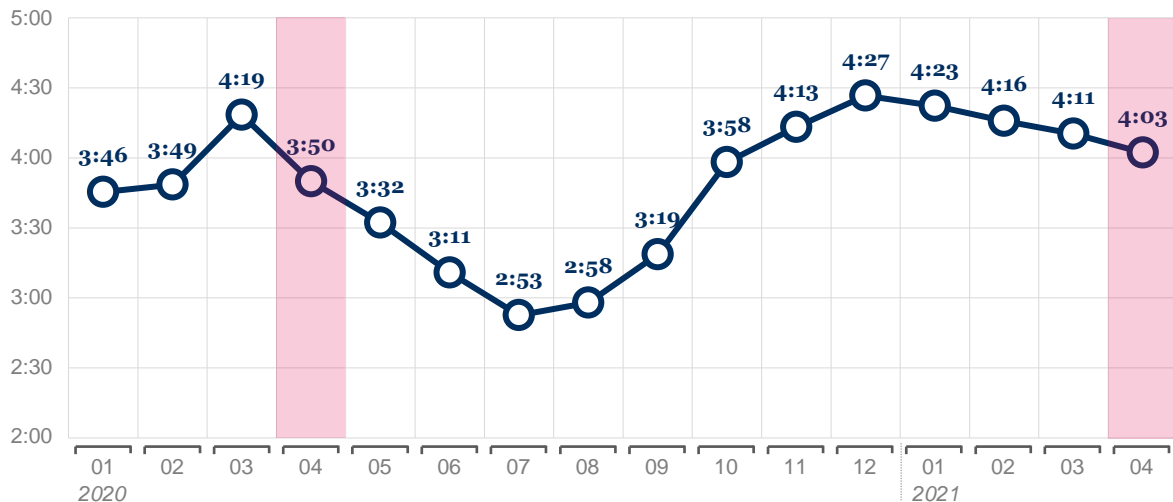
# IMPACT OF COVID-19 ON TV VIEWERSHIP

*„One of the latest trends is definitely an increase in the time-shift viewing. The hike in values is also most certainly influenced by the greater amount of time spent at home due to the pandemic – anyhow, we do firmly believe that the viewers will form a habit that will benefit the TV in its future tug-of-war with the internet.“*

*Vlasta Roškotová, CEO at Association of Television Organizations*

# For the Sixth Month in a Row, TV Viewership Continues to Keep the TV Viewing Time Above 4 Hours a Day

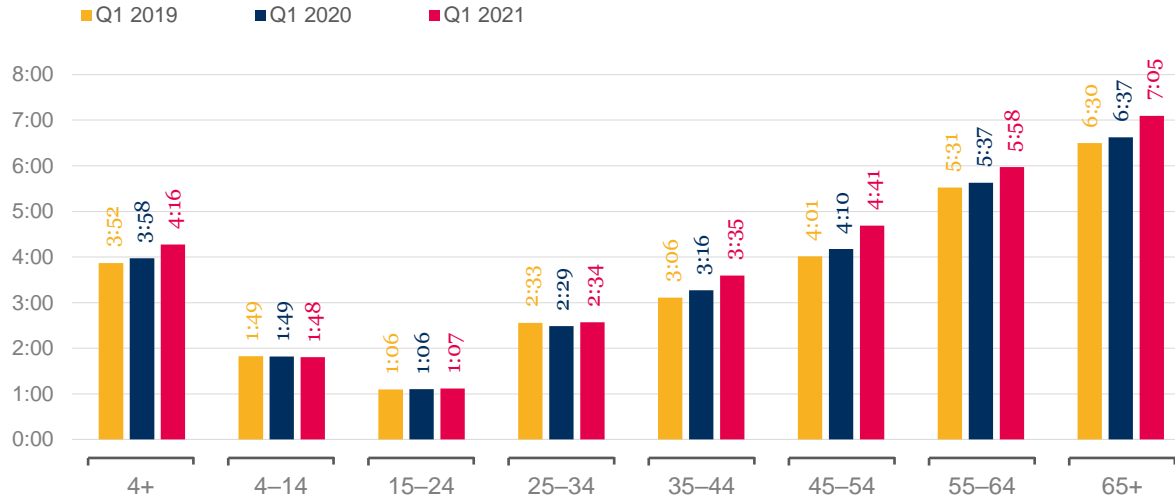
Average Daily TV Viewing Time by Months, TG 4+



- For the sixth month in a row, TV viewership continues to keep the TV viewing time above 4 hours a day. This phenomenon is essentially induced by the continuous lockdown, closed schools as well as closed restaurants and other services.
- Partial loosening of the anti-epidemic measures on 12th April is expected to bring us the viewership decline – even more topped off by an upcoming warmer weather.

# Q1 TV Viewership Has Been Breaking the Records

Average Daily TV Viewing Time by Different Age Groups

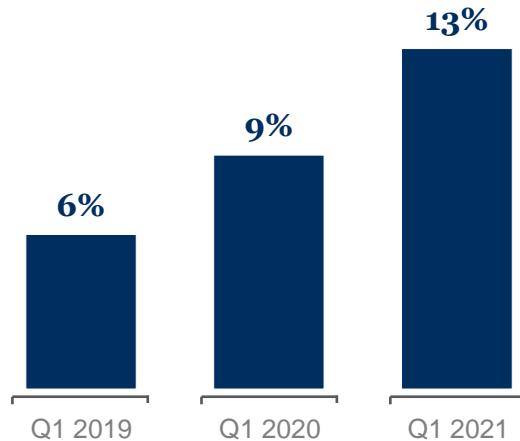


- First quarter of this year has seen the viewership standing for 8% higher values than in the same period last year.
- With the exception of viewers aged 4-14, the time spent in front of the TV screen has increased amongst all age groups YoY.
- The biggest increase occurred amongst viewers aged 45-54 years (+ 12%) and 35-44 years (+ 10%).



# Time-Shift Viewing Is Presently Striking a 13% Share Of the Total TV Viewership

Share of the Time-Shift Viewing Out of the Total TV Viewership (TS0-7)



**22%**  
Share of the Time-Shift Viewing Amongst Viewers Aged 15-34

- First quarter of this year has recorded the time-shift viewing (TS0-7) reaching a 13% share out of the total TV viewership, meaning that it has increased by almost 50 %.
- To some extent, the time-shift increase may also be associated with the higher TV viewership – caused by the measures against the spread of Covid-19. Nonetheless, a much bigger contribution must also naturally be an increased interest in the IPTV services.

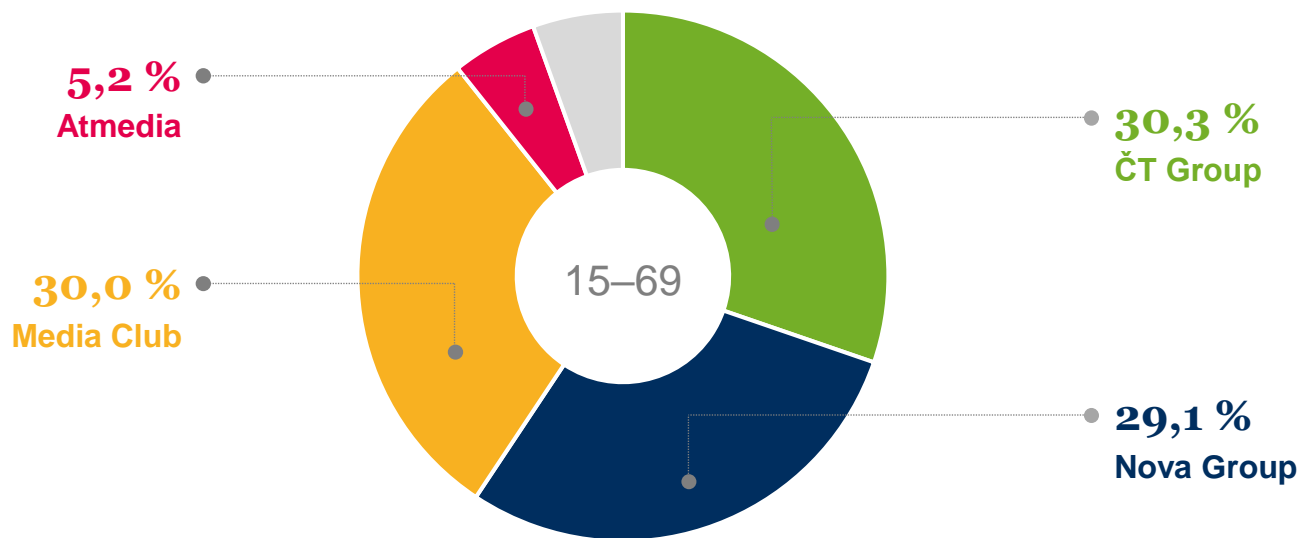


# IMPACT OF COVID-19 ON TV MARKET & ATMEDIA

*„As a result of the pandemic crisis, the advertising industry has got trapped in a vicious circle of the ever-decreasing prices, costs and investments.“*

*Jan Marcinek, Publicis Group*

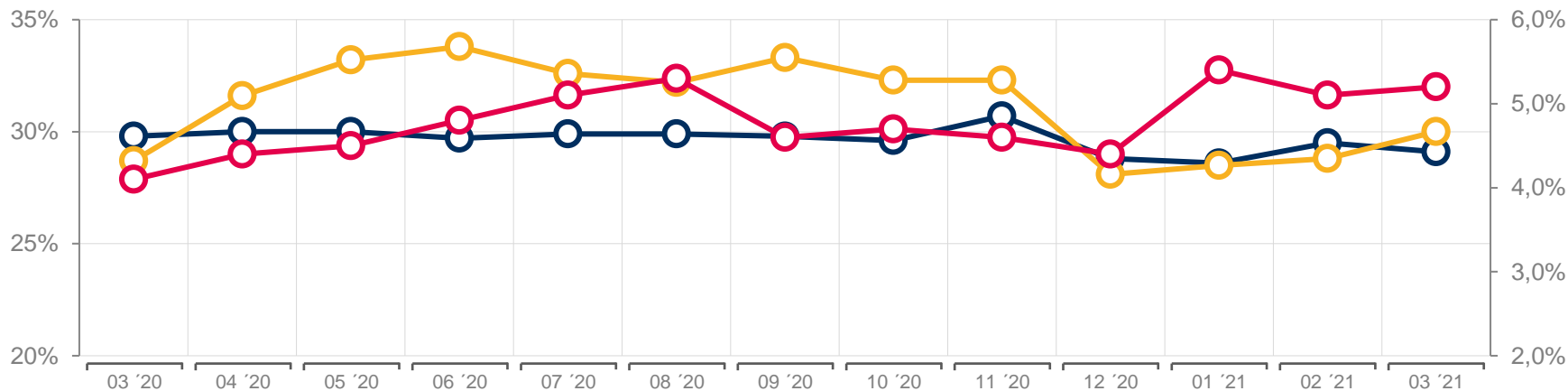
## Atmedia Again Over 5% in March, ČT Kept the First Place



# Atmedia Holds a Stable 5% Share In 2021

Share Development of Nova, Media Club and Atmedia

● Nova ● Media Club ● Atmedia (secondary axis)



20 | Source: ATO – Nielsen Admosphere, Live + TS0–3, 03/2021, Share, CS 15–69, Atmedia calculated including AMC Networks and since 01/2021 also Seznam.cz TV

# Kids Advertisers Do Keep Sidestepping the TV



YoY Decline  
of GRPs Sold in Q1 2021



*What's the reason behind the kids advertisers' decline in the thick of the TV advertising investment? It most definitely isn't the TV viewership. No ifs ands or buts about it. On top of the other age categories, it is specially the group of children aged 4–14, that has spent as well as still continues to spend more time in front of the TV than any other time before the global pandemic.*

Michaela Vasilová,  
Atmedia's Managing Director

## First Quarter Can Surely Be Considered as Successful!



” *To sum it all up – the time certainly zips along and the first quarter of this year has already passed. What was it like, then? Undeterred by the continuous lockdown together with the harsh anti-epidemic measures against the spread of Covid-19, we have definitely managed to be successful which is also closely related to a greater number of TV channels that we currently represent. Much as we saw some advertisers’ inactivity in March, it is inimitable in comparison to last year. I do strongly believe that we will not repeatedly encounter such a huge decline as we did experience in April and May last year. On the contrary, I do anticipate the future months’ development of the TV advertising spending to be positive. By all means – the vaccination process is sluggish, the experts do talk a lot about the future unemployment increase, and a fair number of households have lost their income. While this is the case, TV has already proven last year to be a media type that has always been drawing the advertisers’ attention due to its potential and strength.*

Michaela Vasilová, Managing Director

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