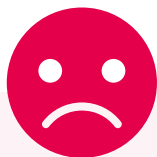


# COVID-19: THE CZECH ECONOMY AND THE TELEVISION MARKET DURING A PANDEMIC





**Increased demand for goods does upsurge the inflation, which is now unlikely to fall below the 3% level in the coming months.**

**A number of business owners and entrepreneurs do criticise the government support programmes' discontinuation.**



**This year's Czech economy shall experience an increase of up to 3,4%.**

**Relaxations of the anti-epidemic measures have heightened the household consumption.**

**Viewers do spend more time in front of the TV screen than before the crisis.**

**Atmedia's thematic TV channels have managed to attain the highest audience share level in history.**

**TV advertising is still being in a very high demand – the coming months should bring us an even further positive development.**



# GOVERNMENT MEASURES AGAINST COVID-19

*„I do firmly hope that we'll succeed and that the end of July will potentially see us leading a normal life again. I do not, however, wish to make any promises.“*

*Andrej Babiš, Prime Minister of the Czech Republic*

# The Czech Republic Is Gradually Returning to Normal – Shops, Services, and Restaurants Have Now Opened Their Gates Again

## Relaxed Anti-Epidemic Restrictions

- Retail and Services
- Restaurants, Bars, Beer Gardens (indoor areas included)
- Hotels and Inns
- Cinemas, Theatres, Galleries (outdoor areas without any further restrictions)
- Castles and Manors
- Zoos and Botanical Gardens
- Trade Shows and Fairs
- Sports Grounds (outdoor areas without any further restrictions)
- Swimming Pools, Saunas and Wellness (maximum capacity 50%)
- Schools

## Projected Relaxations

- **June 21**  
Prospects of travelling to the Czech Republic without any further restrictions (valid Coronavirus test and other requirements).
- **July 1**  
Termination of mandatory coronavirus testing in companies.
- **Further Predictions of Lockdown Measures' Relaxations**  
Positive trend in the daily number of Coronavirus cases will lead to a gradual loosening of the existing anti-epidemic measures – particularly those relating to the indoor activities.



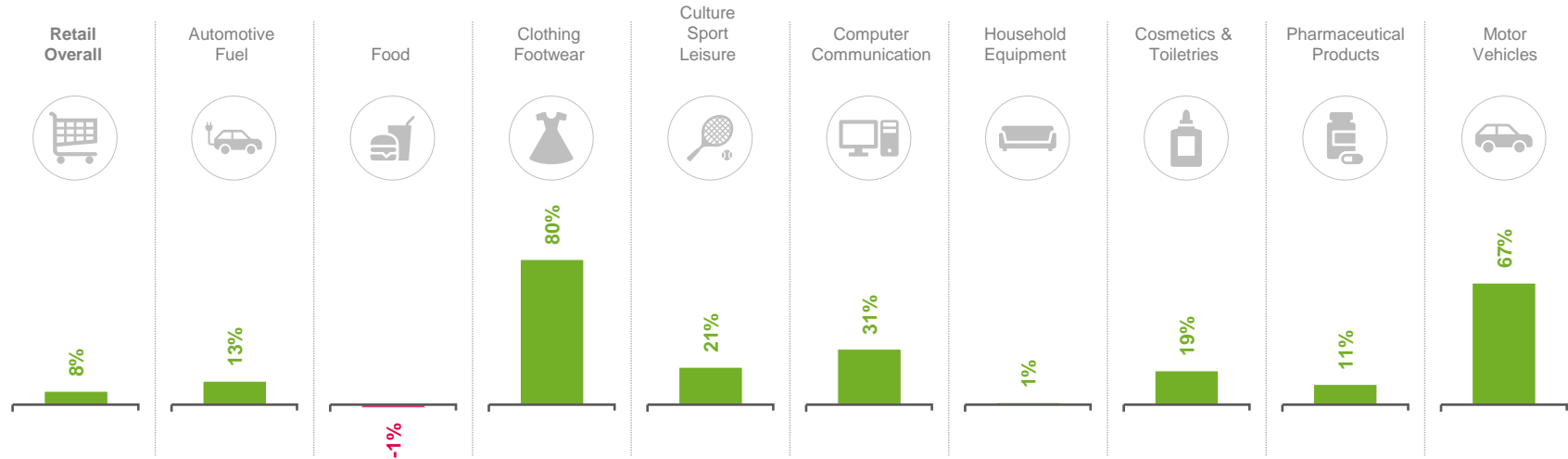
# IMPACT OF COVID-19 ON ECONOMIC SITUATION

*„Czech National Bank’s forecast for next year has so far been quite optimistic. All the same, the rise in unemployment rate, debt and the inflation growth will surely uncover some other new pandemic repercussions. The price of money will get devalued, and people could expect to afford to buy much fewer things than before.“*

*Jaroslava Rezlerová, Managing Director at ManpowerGroup*

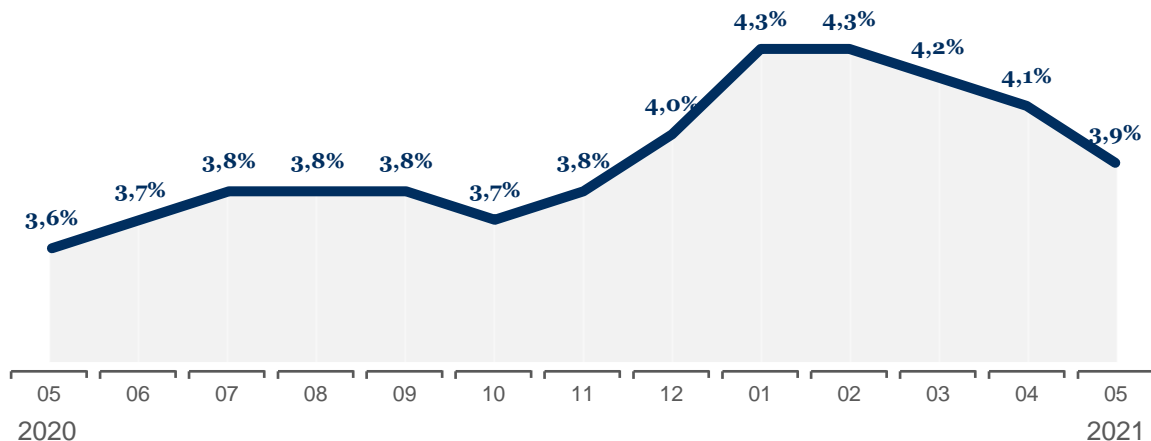
# Relaxation of Measures and Last Year's Reduced Base Level Have Both Led to an Increase in April's Retail Sales

## YoY Comparison of Retail Sales, April 2021



# Unemployment Rate Has Fallen Below 4% – Despondent Prognoses Have Not Yet Been Fulfilled

Share of Unemployed Job Seekers Aged 15–64

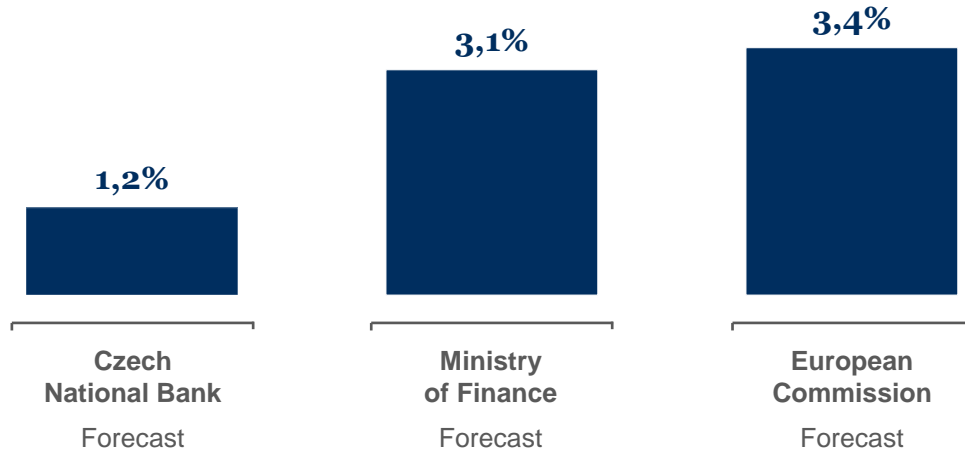


” *It seems like the pandemic has not provoked any consequential shakeout of the Czech labour market, and we can only assume that it'll not even come about.*

Vít Hradil,  
Analyst at Raiffeisenbank

# Higher Consumption Will Generate Czech Economic Growth – the Question Is How Large Will It Actually Be

YoY Comparison of GDP, 2021 Forecast



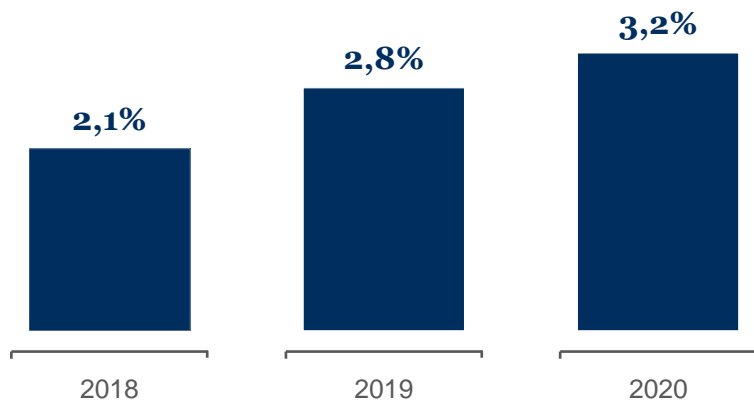
” *We do foresee the Czech economy to begin its recovery over the course of summer 2021 – just as the vaccination process will make its headway and the anti-epidemic restrictions will be lifted. Shortfall of uncertainty will get reflected in household consumption and purchases.*

OECD,  
Economic Outlook 2021



# Inflation Has Now Become a Huge Concern as It May Make the Goods Even More Expensive

Average Annual Inflation Rate



” *March inflation of 2,3% has plummeted to a greater 3,1% in April – we must keep in mind that this was when all shops and services did all still stand closed. Much as the reopened stores with everyday consumer goods (including clothing and footwear) have all welcomed their customers with plentiful discounts, it is exactly the opposite that’s expected of the services’ sector – rising prices. Post-coronavirus price lists may quite surprise us. For all that, let us not be taken aback by the upcoming months’ inflation being above the level of 3%.*

Helena Horská,  
Chief Economist at Raiffeisenbank



# GOVERNMENT ECONOMY **SUPPORT**

*„Government has once more come to a standstill in the middle-of-the-road and their actions will have a single outcome – just as we’ve weathered thousands of unnecessary deaths that were brought about by the half-hearted anti-epidemic measures, we will also face dissolving companies and people needlessly losing their jobs – all due to the indifferent economic support.“*

*Tomáš Prouza, President at the Confederation of Commerce and Tourism of the Czech Republic and Vice President of the Czech Chamber of Commerce*

# Support for Entrepreneurs Has Come to a Close – Government Has Declared a ‘Back to Normal’ Mode

Gradual relaxations and reopening of retail sector, restaurants and services have now prompted the government support to come to its end. Government support termination has been broadly disapproved by small and medium-size businesses that may open their establishments, but their financial situation is still being quite grim. Companies and services must also adhere to some strict hygiene measures, which do often discourages the customers from visiting their premises..

## Extensive Support Programmes Close to Expiry

- **COVID – 2021:** Application Due Date – 2.6.2021  
All affected commercial sectors are entitled to request a compensation of 500 CZK per day per one employee.
- **COVID – Uncovered Costs:** Application Due Date – 19.7.2021  
Aid assistance to support the companies and entrepreneurs by covering a part of their uncovered fixed costs. It is a comprehensive support programme for companies regardless of the specific sector, form of ownership or number of employees.
- **Compensation Bonus:** Application Due Date – 2.8.2021  
Programme providing a direct compensation of up to 1000 CZK per day for all small businesses and entrepreneurs.
- **Nursing Fees:** Application Due Date – 30.6.2021 (End of School Year)

## Recurring Support Programmes

- **Guarantee Schemes and Loans:**  
Majority of these programmes shall expire at the end of 2021.
- **Other Sectoral Compensations:**  
E.g. support for small transport carriers or food industry.
- **Antivirus Programme to Be Followed by Kurzarbeit:**  
The Antivirus programme which serves as an employment support has now been terminated. In the event of further obstacles, it will be replaced by the so-called kurzarbeit. In this manner, employers shall receive wage allowances to avoid any redundancies.



# IMPACT OF COVID-19 ON TV VIEWERSHIP

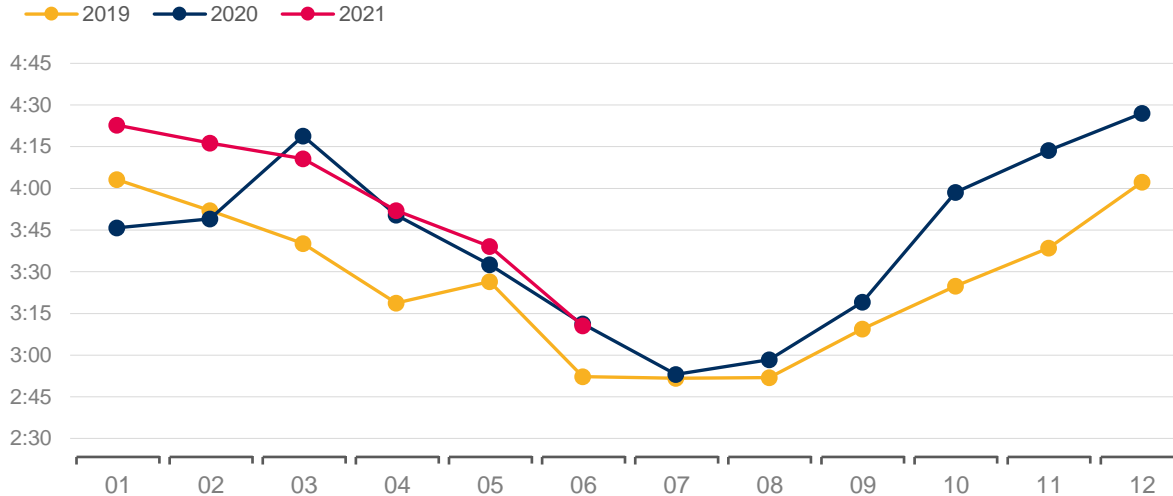
*„Following an onset of warmer weather and an even greater relaxation of measures against the spread of Covid-19, we do observe the TV viewership returning to its typical seasonality levels. Figures do still remain above the 2019 pre-crisis level – however, we’ve been witnessing a continuous return to the trend of a gradual TV viewership decline amongst the youngest age group of viewers.“*

Atmedia

atmedia 

# TV Viewership Does Follow a Typical Seasonality Trend – Its Values Are Still Higher Than in 2019

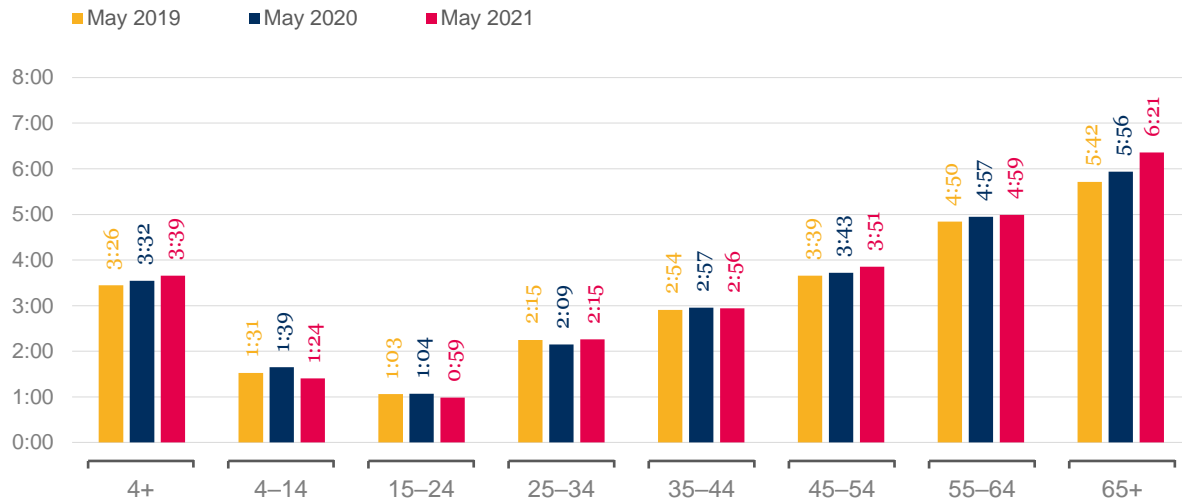
Average Daily TV Viewing Time by Months, TG 4+



- Thus far, June has seen the average daily TV viewing time dropping to the level of 3 hours and 11 minutes which is essentially the same value as in June last year.
- Loosening of the anti-epidemic measures and the arrival of warmer weather has led the viewership to copy seasonal trends familiar from previous years.
- Nonetheless, TV viewership is still being above the 2019 pre-crisis level, which has been primarily evoked by the middle-aged and older viewers.

# Czech Viewers Do Still Break the Record Times Spent in Front of the TV Screen

Average Daily TV Viewing Time by Different Age Groups



- May's viewership has reached a higher level than it did in May for the last two years. Longer time spent in front of the TV screen has been brought about by viewers aged 45 and older.
- In contrast, viewers aged 4-14 and 15-24 have all spent less time in front of the TV screen than in the last two years. Unless we undergo another wave of Covid-19, these figures do suggest that the trend of a gradual viewership decline amongst the youngest viewers will most definitely perpetuate.

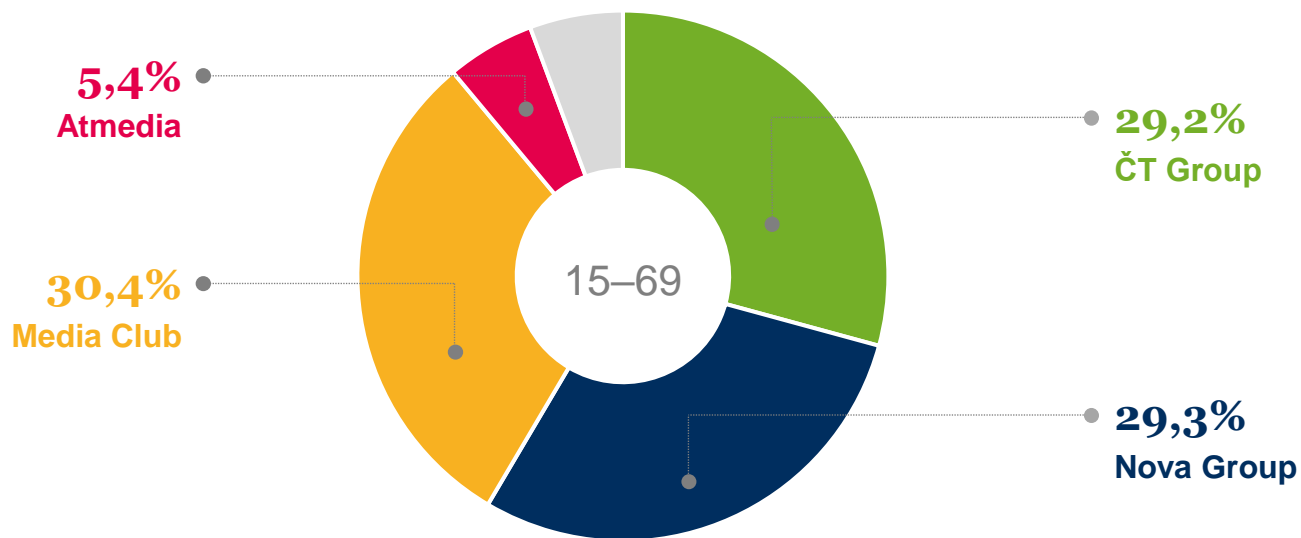


# IMPACT OF COVID-19 ON TV MARKET & ATMEDIA

*„If I do look at it all from a market demand standpoint, then I must say that the arrival of Covid-19 has made the market suffer a shock. It has radically fallen by tens of percent. Every single media type have gone through a considerable damage, but TV has probably suffered the least. Nowadays, we can say that clients have once again gone back to advertising their products.“*

*Jan Vlček, Co-General Director at TV Nova*

## In May, Media Club Has Managed to Surpass the 30% Audience Share

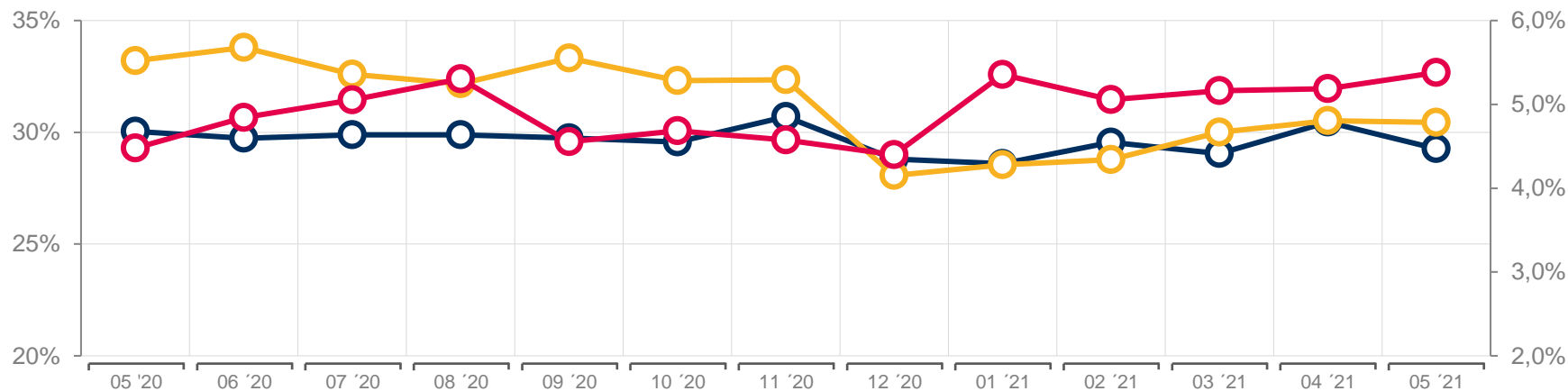




# YoY, Atmedia Has Boosted Up Its Audience Share by 16%

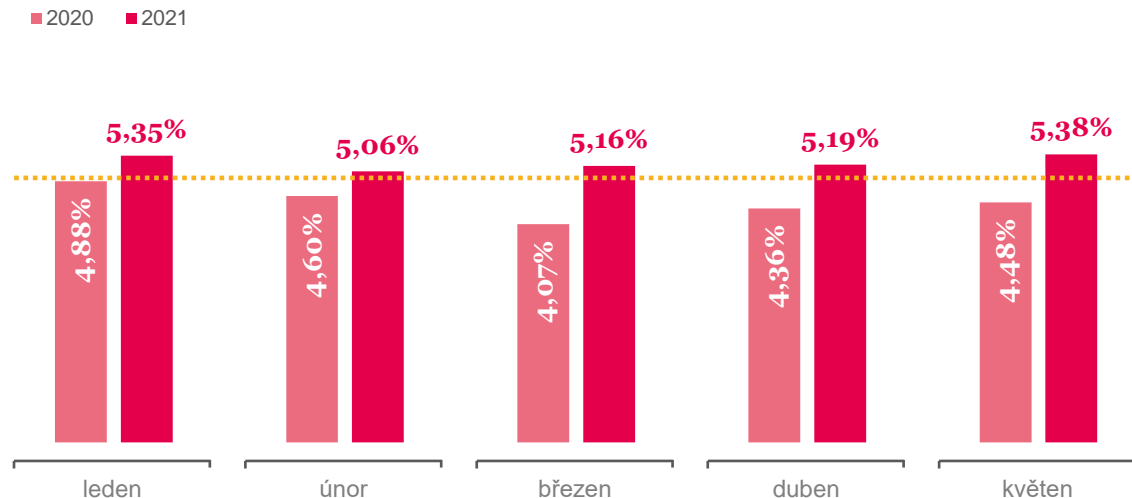
Monthly Audience Share Evolution of Nova, Media Club and Atmedia Sales Groups

—●— Nova —●— Media Club —●— Atmedia (vedlejší osa)



# In May, Thematic TV Channels Have Managed to Attain the Highest Audience Share Level in History

Audience Share, TG 15–69



- Every single month, Atmedia's thematic TV Channels have all been reaching the 5% audience share level within the 15–69 target group. Thus and so, they have ranked themselves behind the two most powerful commercial groups – Nova and Prima.
- The increased audience share is a result of our thematic channels' portfolio expansion, and above all, the TV viewership increase of documentary and movie channels.

# Forthcoming Months Do Suggest a Pretty High Advertising Demand



*What a year it has been! An exactly one year since we began sending our clients the presentations with information on the current situation in the Czech Republic as well as we've acknowledged some of their frequently asked questions and commented on which economic sectors have been the most affected ones, or even what's the impact of government anti-epidemic measures on TV viewership and particularly on the TV market. We have also tried to forecast a further development for the upcoming periods.*

*Our media sales house's major activity is the sale of thematic TV channels' advertising space. At the same time though, we do act as our thematic channels' trusted partner for the whole of the Czech TV market. It has been our mission to help our channels overcome the quite difficult period of the global Covid-19 pandemic, to be their ever-present eyes and ears of the Czech TV market, and to continue to help them grow. After all, our long-term goal has always been to strengthen the thematic TV channels' market in the Czech Republic.*

*In view of a positive outlook for the upcoming months, we've also made a decision to take some summer time off from these presentations, and we're already looking forward to being able to focus on some other projects that'll target a further strengthening of the thematic TV channels' market in the Czech Republic.*

**Michaela Vasilová, Managing Director, Atmedia**

# Keep an Eye Out For Our New Projects!

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