



BALTIC MEDIA HEALTH CHECK 2019–2020

# The Media After Covid:

## Finding strategies to survive and thrive

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# TABLE OF CONTENTS

<b>Foreword from the Editor</b> .....	<b>2</b>
<b>What Changes Did the Most Popular Media Companies Experience in 2019?</b> .....	<b>3</b>
Breakdown of the most popular media and their owners' financial indicators	
<b>It Really Happened</b> .....	<b>7</b>
Events that shaped and shook the Baltic media in 2019-2020	
<b>Life After Covid-19: Lithuania</b> .....	<b>10</b>
Lithuanian media companies have been losing profitability, but are protecting jobs	
<b>Life After Covid-19: Estonia</b> .....	<b>16</b>
Estonian media companies have been pushing forward with digital transformation	
<b>Life After Covid-19: Latvia</b> .....	<b>22</b>
Cost cutting and government aid gives the Latvian media breathing space	
<b>Insider's View</b> .....	<b>28</b>
An advertising executive's perspective on factors impacting the Baltic advertising market and an outlook on future opportunities from three academics	
<b>Paying For Online Content</b> .....	<b>30</b>
What approaches have the Baltic media taken for their paid content products?	
<b>Lights Out For Third-Party Cookies</b> .....	<b>36</b>
What will happen to digital advertising when third-party cookies are ended?	
<b>TOP 5 TV Channels</b> .....	<b>39</b>
In the Baltics and their financial indicators	
<b>TOP 5 Internet Media Websites</b> .....	<b>42</b>
In the Baltics and their financial indicators	
<b>TOP 5 Radio Stations</b> .....	<b>45</b>
In the Baltics and their financial indicators	
<b>TOP 5 Newspapers</b> .....	<b>48</b>
In the Baltics and their financial indicators	
<b>TOP 5 Magazines</b> .....	<b>52</b>
In the Baltics and their financial indicators	

# FOREWORD FROM THE EDITOR



*By Aija Krutaine,  
the editor of the Baltic  
Media Health Check*

Just when it seemed that the financial situation of the Baltic media companies had stabilised and most of them were growing, the pandemic happened. The sudden, sharp drop in revenue, which all media companies faced, showed how fragile the financial stability of the media is; something that many have been struggling with for years. Year on year, we've followed the growth of the local advertising market, which still remains below the levels of 2008, and once again it will be pushed back several years. And the competition in the industry has not really decreased, which means that there is less money in the market for everyone.

The pandemic has also highlighted the contrasts between the larger and smaller media organisations. In a way, the circumstances have springboarded the larger media houses to the next level in advancing their digital transformation plans and pushed them forward in looking for new revenue streams. As for the smaller media outlets, the pandemic has revealed their vulnerabilities, both in terms of their already small revenue becoming even smaller, and their limited digital capabilities.

Therefore, this year the *Baltic Media Health Check* focuses on strategies to survive and thrive. Lessons from the experience that media organisations faced this spring, when they had to find new ways of working and look for cost savings quickly, are still important now in

November as the second wave of the pandemic is upon the Baltic countries.

Our second biggest source of pride in this report is the case studies we've prepared on the media which have introduced paid content products. While many have only relatively recently started charging their readers and viewers for content, examples from Estonia show that it is possible to grow digital subscriptions in tens of thousands. According to the Estonian Association of Media Enterprises, in October there were nearly 118,000 paid digital subscriptions in the nation of 1.3 million. Yes, it takes years, but it is doable, and growing revenue from readers is one of the ways to mitigate the effects of falling advertising in uncertain times, which are likely to continue for some time. Hopefully, media organisations will be able to seize the opportunity presented to them by the pandemic — to show that news, reliable information and the media are important and to convince more and more readers and viewers that digital content is worth paying for.

Lastly, I want to express my gratitude to all the executives who talked to the *Baltic Media Health Check* journalists. You were open in discussing the challenges you faced in the time of the crisis and your strategies for monetising digital content. I hope you will find our summary of your and your colleagues' experiences useful. ■

# WHAT CHANGES DID THE MOST POPULAR MEDIA COMPANIES EXPERIENCE IN 2019?

## Summary points for 2019

- The 75 most popular media outlets in the Baltics were owned by 45 companies (increasing from 43 a year ago). 29 of them operated with a net profit, but 13 made a loss. The 2019 financial data was not available for 3 companies.
- 23 media houses managed to increase their revenues.
- 10 companies made a net profit of over 1 million euros.
- The audience increased or remained unchanged for 25 outlets, but the majority – 40 – saw their audience decline.
- The most profitable private media company was the owner of *TV3* channel in Lithuania, *All Media Lithuania* UAB, which was also the most profitable media company in 2018.
- *Lietuvos Rytas* UAB, the publisher of the newspaper bearing its name, reported the highest loss in 2019 – 13.8 million euros – as it sold its subsidiary, *Lietuvos Rytas* TV channel, for a substantially lower price than the value of the investment into it.
- The most watched TV channels in Lithuania and Estonia remained the same – it was *TV3* in Lithuania and the public broadcaster's flagship channel *ETV* in Estonia.
- In Lithuania, *Lietuvos rytas TV* has dropped out of the most watched TV channels list, and *TV1* has become the fifth most watched TV channel. The channel's owner *Laisvas ir nepriklausomas kanalas* was the dominant broadcaster in Lithuania, owning 3 out of 5 of Lithuania's most watched TV channels.
- Russian-language channels *PBK*, as well as *NTV Mir Baltic* and *RTR Planeta* remain among the most watched channels in Latvia and Estonia. In Latvia, *PBK* overtook *LNT* and was the third most watched TV channel, increasing its consolidated TV share of viewing by 0.8 percentage points. According to *Kantar*, the 3-month rebroadcasting ban on the *RTR Planeta* Baltic channel was the most significant factor in the increase of *PBK* viewing time in Latvia as viewers who previously spent time on *RTR Planeta* searched for similar content and watched more not only on *PBK*, but also on other Russian TV channels.

## Changes in the most watched TV channels in 2019:

- 5 TV channels saw their consolidated share of viewing grow (*LRT* in Lithuania, *LTV* and *PBK* in Latvia, and *ETV* and *PBK* in Estonia).
- 9 TV channels saw their viewing time fall, while for 1 it remained the same.
- The public broadcasters have been flexing their muscles in 2019. In all three countries, their main TV channels were watched more than in the previous year.
- In Latvia, for the first time in a long time the public broadcaster's main TV channel *LTV1* took the position of most watched TV channel from *TV3*, which had held the crown for at least the last 5 years prior to 2019.
- When looking at the financials of the most watched TV broadcasters, *TV3 Group Latvia (All Media Latvia SIA)* was the fastest growing broadcaster. Its turnover increased by 30% in 2019 compared to 2018 and reached a record 24.2 million euros thanks to an increase in advertising and other revenue. The company's profit, though, declined due to higher sales and administrative costs.
- *TV3 Group* companies have also fared well in Lithuania and Estonia, where they have increased their turnover by 4.8% and 5.8% respectively. In both countries, the companies' profits have declined.
- The public broadcasters of Estonia and Lithuania are the largest broadcasting companies by turnover. Estonia's public broadcaster *ERR* saw its revenues increase by nearly 20% (the second fastest growth in 2019), reaching 47 million euros. The increase in its turnover came mainly from the sale of a property,

as well as services, and has resulted in a much higher profit, too.

- Lithuania's public broadcaster *LRT* had a turnover of 43.3 million euros in 2019, an increase of 11% compared to 2018.
- *Laisvas ir nepriklausomas kanalas* increased both their turnover and profit.

### Changes in the most listened to radio stations in 2019:

- Only two radio stations – both of which are main stations of public broadcasters – saw their audience grow (Estonia's *Vikerradio* and Latvia's *Latvijas Radio 1*).
- All the other 13 most popular radio stations saw their audience decline.
- The most popular radio stations across the Baltics haven't changed compared to 2018. In Lithuania, *M-1* was the most listened to radio station; in Latvia, it was the public broadcaster's second station, *Latvijas Radio 2*, while in Estonia, it was the public broadcaster's *Vikerradio*.
- Radio is the most stable media market which is illustrated by the fact that, in all three countries, the top five radio stations and their positions in the rankings have not changed, despite having slightly smaller audiences than in 2018.
- Looking at the radio broadcasters' financial situations, they are mostly sound – most companies have operated with a profit. 6 radio broadcasters had a higher turnover in 2019 compared to the previous year, but for 5 companies, revenues declined.
- Lithuania's *M-1* retains its crown as the most profitable radio broadcaster. The company's net profit last year was slightly above 1.5 million euros on a turnover of nearly 4 million euros.
- Lithuania's *Radiocentras UAB* and Estonia's *AS Mediainvest Holding* are two other profitable radio broadcasters. *Radiocentras'* net profitability (net profit vs its turnover) in 2019 was almost 37%, while *Mediainvest Holding*, part of *TV3 Group* in Estonia, had a net profitability of 17%.

### Changes in the most read newspapers in 2019:

- 3 newspapers managed to increase their audience last year – Latvia's Russian-language weekly *MK-Латвия* and the national daily *Diena*, and Estonia's *Eesti Ekspress*.
- The readership fell for the other 7 most read

newspapers in Latvia and Estonia.

- For Lithuania, we cannot assess the changes in audience relative to 2018 because in 2019 the data collection methodology for *Kantar's* readership survey changed from face-to-face interviews to computer-assisted telephone interviewing (CATI).
- No changes at the top – in Latvia the most read newspaper with the highest average number of readers for one issue of the press edition was *MK-Латвия*; in Estonia, it was the nationwide daily *Postimees*, and in Lithuania, it was *Lietuvos Rytas*, which is now published three times a week.
- Estonia's *Õhtuleht* remains unbeaten when it comes to circulation – it is the newspaper with the highest circulation not only in Estonia, but across the Baltic countries.
- In Estonia, the other most popular newspapers are the same as for the previous year and they also hold the same positions in the rankings.
- In Latvia, the daily *Diena*, which had not made it into the top five most popular newspapers since 2015, was the second most read newspaper last year. According to *Kantar*, the number of *Diena's* readers increased statistically significantly in the age group 40-49, and saw small increases in other age groups.
- Regarding financial situations, all three publishers of the most read newspapers operated at a loss.
- *Lietuvos Rytas UAB*, the publisher of the newspaper bearing its name, reported a loss of 13.8 million euros in 2019 and was the media company with the highest losses last year. Lithuania's media reported that the main reason behind the loss was the fact that *Lietuvos Rytas* sold its subsidiary, *Lietuvos rytas televizija TV channel*, for a substantially lower price than the value of the investment into it.
- Estonia's *Postimees Grupp*, which, besides publishing newspapers, also owns radio stations and TV channels and whose financial report covers the results of all its operations, also reported a loss of 5.6 million euros in the latest 2019/2020 financial year, which is less than in the previous year. The company invested 3.6 million euros in property, plant and equipment, and 2 million euros in intangible assets, according to its report, however, it does not give clear explanations as to why it continued to suffer losses. The group's financial results of 2019/2020 and 2018/2019 are not directly comparable, because it changed its financial reporting year in 2018 and the 2018 annual report covers a 16-month period, while the latest financial results cover 12 months.
- Estonia's publishers *Õhtuleht Kirjastus AS* and

*Ekspress Meedia AS*, both of which publish a range of newspapers and magazines, managed to increase their turnover by 18% and 11% respectively, as well as make a profit.

- In Lithuania, the publisher of *Kauno diena* regional daily, *Diena Media News UAB*, has the soundest financial situation of the newspaper publishers. It managed to increase its turnover to nearly 3.7 million euros and make a profit of nearly 580,000 euros.

### Changes in the most read magazines in 2019:

- Only one magazine – Estonian *Imeline Ajalugu (Fantastic History)* saw its audience grow in 2019. The other 9 most popular magazines saw their average number of readers of one issue drop.
- For Lithuania, we cannot assess the changes in audience relative to 2018 because in 2019 the data collection methodology for Kantar’s readership survey changed from face-to-face interviews to computer-assisted telephone interviewing (CATI).
- As with the newspapers, the top most read magazines have not changed across the three countries. In Lithuania, *Savaitė* weekly magazine had the highest cover; in Latvia, it was the weekly *Ieva*, and in Estonia – the weekly *Kroonika*.
- In Latvia, *Ilustrētā Pasaules Vēsture (Illustrated World History)* became the fifth most read magazine with the highest average number of readers for one issue, overtaking the long-time well-read magazine *Ievas Virtuve (Eve’s Kitchen)* which has dropped out of the top 5 in 2019.
- Meanwhile, in Lithuania, women’s weekly *Ji* has dropped out of the top 5 and in its place crossword puzzle magazine *Oho* is the magazine with the fifth highest average number of readers for one issue.
- In Estonia, the most read magazines in 2019 are the same as in 2018, though some of them have changed positions within the top 5.
- The Baltic magazine publishers traditionally are in a better financial situation than their colleagues in newspaper publishing. Only one magazine publisher – Latvian *Izdevniecība Dienas Žurnāli* – operated with losses. All the other magazine publishers were profitable.
- Besides publishers *Ekspress Meedia AS* and *Õhtuleht Kirjastus AS*, which managed to increase their revenues by over 10%, Estonia’s *Äripäev AS*, which publishes a business daily of the same name, several magazines, and organises events and training, also had a strong revenue growth of 9.2% compared to

2018, reaching a turnover of 16.7 million euros last year.

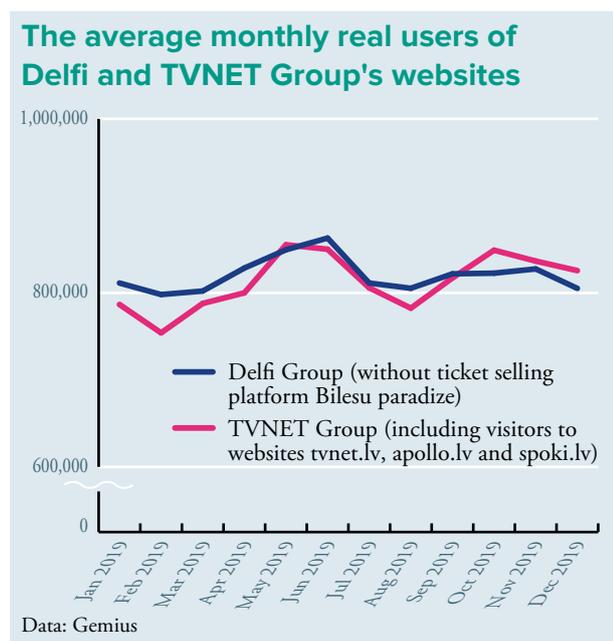
- Lithuanian magazine publishers *Savaitė UAB* and *UPG Baltic UAB* also saw their revenues increase, by 6.3% and 5.7% respectively. However, *Media bitės UAB*, which is the biggest of the magazine publishers in terms of revenue, saw their turnover slightly decrease to 5.2 million euros.
- All the three Latvian publishers who among them own the 5 most read magazines suffered slight revenue declines of between 2 to 9%.

### Changes in the most visited online media websites in 2019:

- This year, the *Baltic Media Health Check* obtained *Gemius* data, used by advertisers and online media, to determine the online news media outlet with the highest number of real users visiting their websites.
- The number of real users visiting online news media fluctuates considerably, therefore for the purpose of this report we selected **domains** with the highest average monthly number of real users over a 12-month period from January to December of 2019. We compared it with the average monthly real users over the corresponding 12-month period in 2018.
- Among Estonia’s 5 most popular online news websites almost certainly should be the website of the public broadcaster ERR, however the number of real users visiting Err.ee is not measured by *GemiusAudience* research. ERR said in its latest annual report that, at the end of 2019, its number of unique visitors according to *Gemius* reached 600,000 per week. *Gemius* noted that this metric is representing the web analytic *gemiusPrism* data and showing the number of unique browsers, which is incomparable with the metric of real users available in *gemiusAudience* research and representing the number of people. Alas, no comparable data – no entry in the rankings.
- Unsurprisingly, as people spend more time online, online media are the only ones that have mainly managed to increase their audience. 13 of the 15 websites with the highest average monthly number of real users saw their audience grow in 2019. Only two – Latvia’s *Delfi.lv* and Estonia’s *Postimees.ee* – saw slight decreases in their average monthly real users in 2019; 2.5% and 1.1% respectively.
- *Delfi* was the online news media with the highest number of average monthly real users in all three countries.
- *Postimees Grupp’s* online news media – *15min.lt* in

Lithuania, *Tvnet.lv* in Latvia and *Postimees.ee* in Estonia – are hot on *Delfi*'s heels. In all three countries, the difference in the average monthly real users of both websites is relatively small.

- In Estonia, *Delfi.ee* was consistently the website with the highest monthly number of visitors every month in 2019, overtaking *Postimees.ee*, which had the most visitors every month of 2018.
- In Lithuania, too, *Delfi.lt* consistently had the highest monthly number of real users in 2019, though the number of visitors of *15min.lt* was very close to it.



- In Latvia, the competition between *Delfi* and *TVNET Group* is fierce. While *Delfi* as a publisher has all its different online websites under one domain, *TVNET Group* has several domains – *Tvnet.lv*, *Apollo.lv* and *Spoki.lv*. And when looking at both media organisations as publishers, the total monthly number of real users visiting *TVNET Group*'s websites exceeded the number for *Delfi* in several months in 2019. However, looking at either the

monthly real users visiting the *Delfi.lv* and *Tvnet.lv* domains or the total number of visitors to both groups' websites, *Delfi* was slightly ahead of *TVNET Group* in 2019.

- *TV3 Group*'s online websites also feature prominently among the most popular online media. *Tv3.lt* was the third most visited website in Lithuania, and fourth most popular in Latvia and Estonia were *Skaties.lv* and *Tv3.ee* respectively.
- Apart from companies which operate *Ekspress Meedia* and *Postimees Grupp*'s subsidiaries in Latvia (*Delfi AS* and *TVNET Grupa SIA*) and Lithuania (*Delfi UAB* and *15min UAB*), all the other owners of the most visited websites are larger media groups that have either a television business (such as *TV3 Group*) or a print media business publishing newspapers, magazines or both. Most of these media companies operated with a profit. Those operating at a loss were *Delfi AS* and *TVNET Grupa* in Latvia, both of which have significantly decreased their losses, as well as the *Latvijas Mediji* publishing house, the owner of the website *la.lv* in Latvia, and Estonia's *Postimees Grupp*. ■

**The largest Baltic private media companies by turnover in 2019**

	Country	Company	Turnover in 2019 (euro)
1	Estonia	Postimees Grupp, AS	37,944,000
2	Lithuania	All Media Lithuania, UAB	27,467,000
3	Lithuania	Laisvas ir nepriklausomas kanalas, UAB	25,100,000
4	Latvia	All Media Latvia, SIA	24,246,446
5	Estonia	Ekspress Meedia AS	23,775,346

Source: Company annual reports

# IT REALLY HAPPENED

## Things to remember about the Baltic media in 2019–2020

### ESTONIA

#### 1. Commercial media take on public broadcaster

In September 2020, the Estonian Association of Media Enterprises (EML) submitted a complaint to the European Commission over what it calls unfair competition from Estonia's public broadcaster *Eesti Rahvusringhääling* (ERR). Estonia's largest private media groups, which are members of EML, are primarily contesting financing which comes from the state budget to produce ERR online news. In the past few years, the Estonian media have been working to increase their revenue from digital subscriptions. However, according to the EML, the ERR's subscription-free online service is distorting competition. The EML believes that the need for ERR to produce online news content is superfluous, as the private news media are doing this as well. Meanwhile, the CEO of ERR, Erik Roose considers the complaint to be baseless.

#### 2. Breakthrough in digital subscriptions

The past year has been a breakthrough for Estonian media houses who have been converting online news readers into paying digital subscribers. When the media began to introduce paywalls, they were quite reluctant to reveal their digital subscriber numbers. Now, as the tipping point looks to have been reached, the situation has changed. According to the EML, there were nearly 114,000 paid digital subscriptions in this nation of 1.3 million people at the end of September 2020. Over the last year (Sep 2020 vs Sep 2019), digital subscriptions have increased by 48%, adding an average of around 3,000 new digital subscribers every month. (Read more in **Paying For Online Content** on page 31).

#### 3. More political attacks on independent journalism

Since 2019, the Estonian media have been witnessing previously unseen political attacks on press freedom. They began when the far-right Estonian Conservative People's Party (EKRE) joined the government and have intensified in 2020. In one of the latest acts, Martin Helme, the finance minister who is also the head of the EKRE, declined to answer questions from *Delfi* journalists at a government press conference. Meanwhile, another member of the EKRE, Urmas Reitelmann who served on the supervisory board of the public broadcaster ERR until October, has been threatening ERR journalists and management for publishing a secret memo that questioned some decisions by finance minister Martin Helme. Reitelmann stepped down from the ERR supervisory board in October, following a backlash arising from a social media post in which he attacked ETV presenters.

As a result, the EKRE is now threatening ERR to cut the promised state funding of 22 million euros for building of the new television centre.

Press freedom has also been eroded as press coverage from public hearings at Estonian courts has been restricted since the end of 2018. At this time legislation entered into force allowing a court to deem proceedings to be confidential even if a hearing is not closed. In 2020, Estonia fell three places in the World Press Freedom Index and is ranked in 14<sup>th</sup> place out of 180 countries.

#### 4. Digital publications get a lower VAT rate

Estonian media companies achieved a cut in the VAT rate applied to digital subscriptions, which they have been asking for since 2018. Digital subscriptions were previously taxed at the standard VAT rate of 20%, while print publications had a VAT rate of 9%. The media claimed that the higher VAT rate discriminated against digital products, which were becoming more popular. From May 2020, digital publications such as online journals or newspapers, e-books, recorded audiobooks, digitally posted educational materials and other digital content products have been taxed at the same lowered VAT rate of 9% as their paper-based equivalents.

#### 5. Another year of change for Postimees

Estonia's daily *Postimees* and its publisher *Postimees Grupp* have been going through a lot of change in recent years, with the past year being no exception. At the end of 2019, *Postimees* faced the departure of almost all of its investigative reporters and opinion desk editors, due to trust issues with company management. As a result, in early 2020, the former head of the Estonian Association of Media Enterprises, Mart Raudsaar, was appointed as *Postimees*' new editor-in-chief and executive publisher. In October 2020, another change was announced. Margus Linnamäe's company *UP Invest*, the owner of *Postimees Grupp*, will be merged with its parent company, *MM Grupp*. The group will also create a new company to develop its television business (*Postimees Grupp* owns *Kanal 2* and other TV channels) and include two television media experts as strategic partners and co-owners of the new venture. This move will reverse the organisational change of just three years ago, when the legal entity owning *Kanal 2* was added to *Postimees Grupp* (called *Eesti Meedia* at that time). *UP Invest* also stated that board member Sven Nuutmann had decided to leave the group. ■

By Piret Reiljan

## LATVIA

### 1. Two news services at popular TV channels have gone with the wind

In November 2019, *All Media Baltics* group, which among other media, owns the popular TV3 television channels across the three Baltic countries, announced the reorganisation of its LNT TV channel. This essentially meant closing it down, along with its news service. LNT was among the first commercial television channels in Latvia and its news service – the oldest on commercial TV. The Latvian Association of Journalists considers the closure of the LNT news service to be the worst event experienced by the Latvian electronic media industry in the last decade.

Meanwhile, in March 2020, the broadcaster of the popular Russian-language PBK TV channel announced that it would suspend production of local content, including the *Latvijas Laiks* (*Latvia's Time*) news broadcast. This took place about a month after the Latvian State Security Service raided the offices of the owner of PBK – *Baltijas Mediju Alianse* (*Baltic Media Alliance*) – in Riga and Tallinn, in connection with a criminal investigation launched into an alleged breach of European Union sanctions. PBK is the offspring of the similarly named television network in Russia, which is co-owned by Yuriy Kovalchuk, an oligarch from Vladimir Putin's circle. Kovalchuk has been placed under sanctions by the EU for supporting the Kremlin's policy to destabilise Ukraine.

### 2. New public service media law in the making

By the end of this year Latvia is expected to have a new law that will regulate the operation of public service media. The law has been passed in two readings by the parliament with the final reading still ahead. According to the new law, the Public Electronic Media Board will be the shareholder in public service media, and will be established specifically for this task. The independence of public service media will be ensured by creating a post for an editor-in-chief who will be independent of the general director of public service media. The law also foresees the formation of a public electronic media ombudsman. From 2021, Latvian public service media will leave the advertising market and will be fully funded from the state budget.

### 3. Business weekly fined for political campaigning

The publisher of the *Dienas Bizness* (*Daily Business*) business newspaper was fined 104,500 euros by the country's anti-corruption bureau in May 2020 for political campaign advertising before the 2018 general elections. Shortly before these, two special issues of *Dienas Bizness* were published and distributed, each with 800,000

copies. The publisher claimed that the special issues were part of a subscription campaign. The anti-corruption bureau had a different opinion and stated that it had been a pre-election campaign conducted by a third party in favour of the *Saskaņa* (Harmony) and KPV LV political parties.

Two months later, it was discovered that Edgars Kots, the owner of the *Dienas mediji* publishing house, had become the sole owner of the publisher of *Dienas Bizness*. The value of the deal has not been disclosed. *Dienas Bizness* has been operating in the red for the last few years, losing around 200,000 euros per year. In November 2019, the newspaper, which had been published daily for more than a quarter of a century, was transformed into a weekly magazine in a bid to cut losses.

### 4. The first of the printed dailies falls

In May 2020, the publisher of *Neatkarīgā Rīta Avīze* (*The Independent Morning Newspaper*) put an end to the print edition of the newspaper, which was one of the three remaining national dailies, and went purely digital. The paper had been operating at a loss for years. Anita Daukste, the editor-in-chief of the newspaper, who had held the position since 2007, left her position shortly before the newspaper's transformation was announced. Only two national dailies are continuing publishing print editions in Latvia – *Diena* (*The Day*) and *Latvijas Avīze* (*Latvia's Newspaper*).

### 5. Online news media changes hands

One of the most visited online news portals – *la.lv* – changed hands this year in a rather unconventional deal. The *la.lv* online website used to be part of the *Latvijas Avīze* national daily, but its publisher *Latvijas Mediji* announced in May 2020 that in future the online website would be included in the structure of broadcaster *RīgaTV 24*. In reality, the deal means that the broadcaster has taken over the *la.lv* domain and its software and covers the maintenance costs of the news portal. *Latvijas Mediji* continues to publish the *Latvijas Avīze* daily, along with magazines, books and other products, and some of the newspaper's articles are still published on the website, which now also prominently features videos. As a result of the change, some employees who previously worked at the online news portal were fired. The owners of the publisher and broadcaster are not connected, and the editorial desks at *Latvijas Mediji* and *RīgaTV 24* continue to function independently of each other. ■

By Madara Fridrihsone

# LITHUANIA

## 1. Commercial media challenge public broadcaster's funding

In June, the Lithuanian Internet Media Association, with members including such media companies as *Delfi.lt*, *15min.lt*, *Lrytas.lt* and *All Media Lithuania*, filed a complaint with the European Commission claiming that the fully budget-funded public broadcaster *Lietuvos nacionalinis radijas ir televizija* (LRT) is distorting fair competition in the media market. According to the complaint, the funding arrangements for LRT violate the EU's laws, as this financing has not been cleared with Brussels as state aid. The commercial media are asking that the money allocated to LRT since 2015, which adds up to 227 million euros, be returned to the state budget. The commercial media are arguing that LRT creates unnecessary competition online and its activities exceed the public mission to be performed under the law covering public service media. LRT is among the largest media companies in Lithuania by turnover, with a budget exceeding 46 million euros this year.

## 2. First media organisation in Lithuania to have an ombudsman

The intention of politicians to increase their control over the public service media has ended in favour of LRT, which will become the first Lithuanian media organisation to have an ombudsman. After attempts by politicians to change LRT's organisational structure, it has been left nearly untouched, but a new internal position – of ethics counsellor, otherwise known as an ombudsman – has been created. The competition for the ombudsman's position will take place at the beginning of 2021. The ombudsman will review the work of LRT's journalists from an ethical perspective, investigate complaints from audiences, advise journalists and LRT's council and general director on good ethical practices. The position of the ombudsman is independent of politicians.

## 3. He who must not be named

A dangerous precedent may have been set by the State Consumer Rights Protection Authority, which issued a warning to the media company *15min.lt* not to use Saulius Skvernelis' name to advertise a book written by former *15min.lt* investigative journalists, following a complaint from soon-to-be-former Lithuanian prime minister Skvernelis. The book investigates a network of business lobbyists connected to Skvernelis' government, which has been in power since 2016. Skvernelis complained that his name had been used in the book's promotional material. The authority based its decision on the Law on Advertising, according to which personal data, such as a name and a surname, cannot be used in an advertisement without the person's consent. The law does not, however, distinguish between public and

private individuals. This is not the first time that authorities have tried to withhold information from the two investigative journalists. Earlier this year, together with their colleagues, they won a case against a government's office which had deleted recordings of government hearings after the journalists had requested them. *15min.lt* has appealed against the warning issued by the State Consumer Rights Protection Authority.

## 4. Lockdown worsens journalists' working conditions

Although news media saw a steep increase in their audience during the Covid-19 lockdown, working conditions for journalists worsened. More media were pushed online (for example, *Valstybė* magazine ended its print edition and went purely digital), some print magazines merged (*IQ* and *IQ Life*), while a few regional newspapers decided to close (*Plungės žinios*, *Galvė*). Some media cut journalists' wages. Journalists' access to information during the lockdown was also restricted as hospitals and doctors were advised not to communicate with journalists. A deterioration in the commercial media's financial situation has also left it more dependent on the state. During the lockdown, the major support mechanism for the media in Lithuania included ministries and other state institutions purchasing publicity services from the media through public tenders. More than one million euros had been distributed in this way, though criteria for the allocation of funds have not been transparent. The country's president, Gitanas Nausėda, has called for the government to allocate another six million euros to provide support for the media. (Read more in **Life After Covid: Lithuania** on page 10)

## 5. Disinformation channels among the biggest spenders on social media

A well-known disinformation distributor in Lithuania, M.G. Maksimalietis, also known as Marius Gabrilavičius, and his online website have been spending more money on advertisements in social media than some political parties and candidates, even during the parliamentary election campaign, as revealed by analysis from the *Facebook Ad Library*. M.G. Maksimalietis has been sponsoring 2-3 posts per day, exceeding sponsored posts from the European Commission, the European Parliament, LRT and other commercial media. The efforts of local fact checkers from *Delfi.lt* and *15min.lt* have resulted in temporary disturbances for the disinformation networks; however, they eventually found new ways to continue to spread misinformation. In addition to various conspiracy theories and myths about Covid-19, the disinformation networks attack journalists, accusing them of corruption and spreading fake news. ■

By Džina Donauskaitė

# LIFE AFTER COVID-19: LITHUANIA

## Losing Profitability, But Protecting Jobs

By Miglė Krancevičiūtė

The Lithuanian news media has probably never had as demanding an audience as in early 2020, when the novel coronavirus turned our lives upside down and people were scrambling for information. True to their mission, the media diligently delivered the latest news to the public. Too often – at their own cost.

“While readership broke all records, advertising revenue (...) simply did not exist,” said Tautvydas Mikalajūnas, the editor-in-chief of *Lrytas.lt*, one of Lithuania’s most popular online news portals, recalling the situation at the peak of the pandemic.

Lithuania went into a three-month lockdown from March 17 to June 17. As the pandemic put brakes on the economy, the Lithuanian news media experienced a drastic decline in advertising revenue.

According to the head of the Lithuanian Association of Communication Agencies, Žydronė Amšiejūtė, the lockdown hit print and radio the hardest.

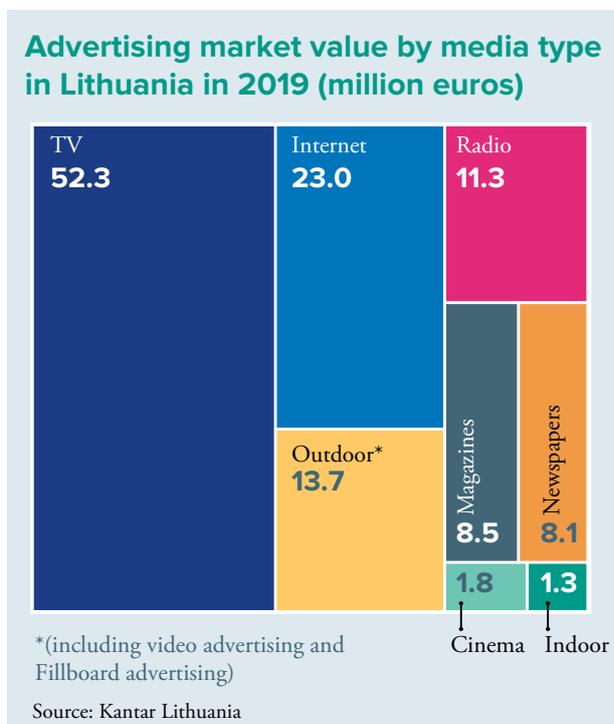
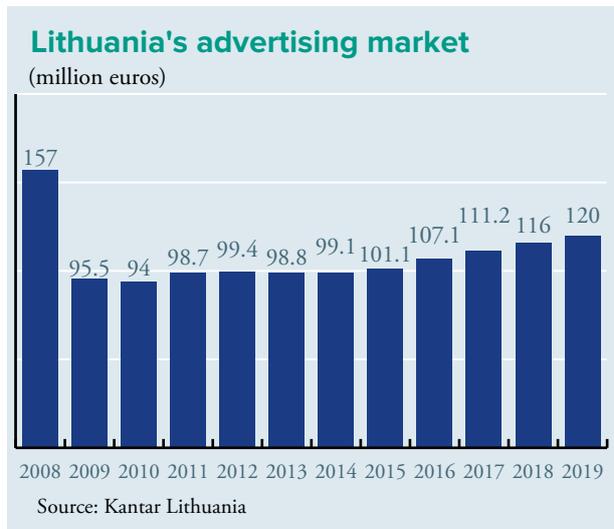
“Some of the media got out of the mud almost dry, and some barely alive. Print and radio have suffered the most and the future does not bode well for them. Television and the internet have survived and will survive more easily,” said Amšiejūtė.

The strategies implemented by media organisations for weathering these unprecedented times differed, dictated by their business model. While none can claim they did not have to cut any costs, the *Baltic Media Health Check* analysis shows that many organisations decided to put protection of their employees – their health and jobs – at the forefront.

### The Heaviest Blow

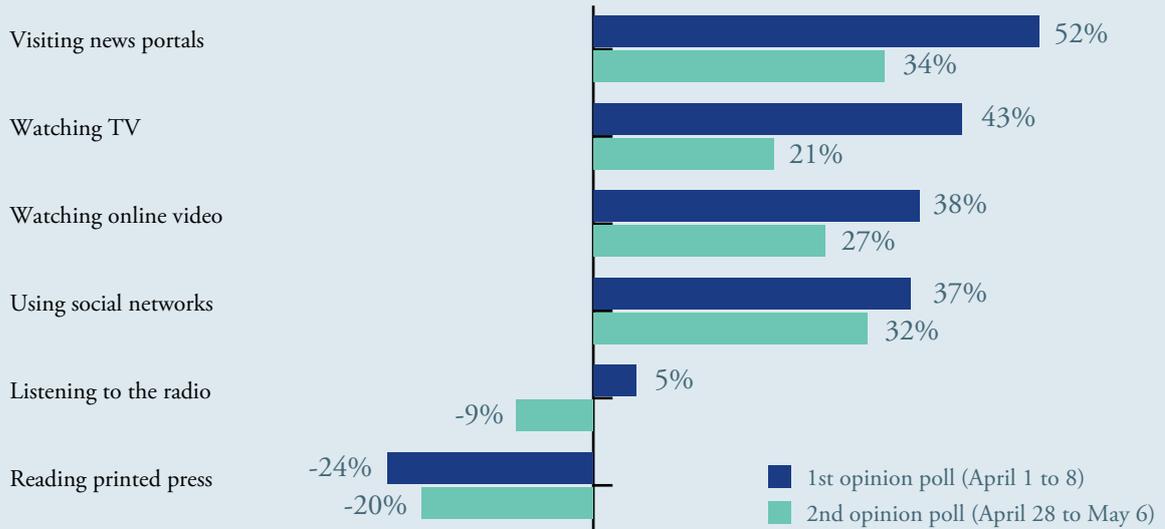
The media previously receiving a large part of their revenue from advertisements, were the first, of course, to feel the blow that the pandemic and the ensuing lockdown delivered to businesses.

When Covid-19 hit, Tomas Balžekas, the founder of the media company *Media bitės*, which publishes popular magazines such as *Žmonės* and *Ji*, as well as operating



online cinema, bookstore and other media related businesses online, still had a good recollection of the last crisis in 2008. Back then, he was managing *15min.lt*. He

### What people spent more time on during the lockdown



Q: Please think about the last week. Were you spending more, less, or as much time as you used to on the above, before the state of emergency was announced?

Figures in the chart indicate the percentage difference on how time was spent (net effect)

Base: All respondents regularly engaged in an activity

Source: Dentsu Aegis Survey

**While media consumption increased significantly during the lockdown, the revenue of the media outlets did not. The media had to figure out how to fund the gap in their budgets as the advertising market fell and the public expected (and was delivered) the latest information about the coronavirus.**



Photo: ŽMONĖS Foto/Gedmantas Kropio

**Media bitės, the publisher of popular Lithuanian magazines Žmonės and Ji, will lose around 1.2 million euros in revenue in 2020 due to the drastic decline in advertising revenue, says the co-founder of the company, Tomas Balžekas.**



Photo: Lrytas.lt

**Tautvydas Mikalajūnas, the editor-in-chief of *Lrytas.lt*, says that the cancellation of major world events due to coronavirus meant that his media missed out on advertising revenue “with five zeros”,**

understood that something similar would also happen now.

“All businesses always cut marketing budgets when it comes to something like that. And it happened. In two weeks [after the lockdown was introduced], the market lost about half of its advertising budget,” said Balžekas.

For the media, the resulting math was cruel. Around 40% of *Media bitės*’s revenue comes from advertising, while the rest is generated from magazine sales and subscriptions. Balžekas expects that his business will lose around 1.2 million euros in revenue this year. In 2019, the company’s revenues were 5.2 million euros.

Online news media such as *15min.lt* and *Lrytas.lt* were not spared from the decline in income either. In the first three days of quarantine, *15min.lt* lost half of all monthly advertising orders. It was a big deal for the company, which has 94% of its revenue coming from advertising.

Meanwhile, the *Lrytas.lt* online news portal and its parent company *Lietuvos rytas*, the publisher of a former daily now weekly newspaper with the same name, have lost about 20% of revenue since the beginning of this year. The most difficult months were April, May and June, when losses [in revenue] reached up to 50%, said the organisation’s editor-in-chief, Mikalajūnas.

According to him, a big part of the lost income was due to cancelled major world events. “There was no Eurovision, no football championship, and no Olympics. (...) That’s a sum with five zeros,” said Mikalajūnas.

### Safety Comes First

Dependence on advertising income does not mean an immediate crisis for the media, especially if businesses previously managed to be profitable.

During the first two months of the lockdown, *All Media*



Photo: personal archive

**While Lithuania’s advertising market has almost recovered from the coronavirus crisis, Žydrone Amšiejūtė, the head of Lithuanian Association of Communication Agencies, worries that if there is another lockdown, then smaller media players were at risk of survival.**

*Lithuania*, which owns Lithuania’s most popular TV channel *TV3*, as well as radio station *Power Hit Radio*, saw its revenues from advertising on television and its online news portal drop by 30%, while income from advertising on radio plunged by 50%.

“As a company, we decided to take care of our employees and to endure those few months with lower profitability,” said Laura Blaževičiūtė, the head of *All Media Lithuania*. The company’s net profit in 2019 was 3.8 million euros, while in 2018 it was 6.1 million euros.

Lithuania’s most popular radio station *M-1* also experienced a dire situation. Advertisements make up 99% of *M-1*’s turnover, with advertising orders falling by as much as 70% in the first two months of the lockdown, said Ramunė Grušnytė, the head of *M-1*’s self-promotion unit. *M-1*’s own accumulated funds for contingencies allowed it to keep all employees on the payroll on their existing salaries and to focus on employee safety.

*M-1* is one of the most profitable media businesses in the Baltic countries. In the last five years, it has consistently



Photo: TV3

**All Media Lithuania, which owns Lithuania’s most popular TV channel TV3 as well as radio station Power Hit Radio, saw its advertising revenues drop by 30-50% depending on the media outlet during the first two months of the lockdown, revealed Laura Blaževičiūtė, the CEO of the company.**

managed to earn a net profit above 1 million euros a year, from revenue of 3 to 4 million euros.

Grušnytė explained that the most important mission for their radio station during the pandemic was to ensure the safety of radio presenters. If they had fallen ill, the radio station would not have been able to fully function.

“The main task was healthy radio workers. It was necessary to continue working and ensure that in the event of the illness of one radio host, not everyone else would be isolated,” said Grušnytė.

During the first wave of coronavirus, the main challenge for the publisher of the highest-selling Lithuanian magazine, *Savaitė*, was to ensure that the magazines were produced on time and at the same level of quality as before, while organising the work remotely.

“Many employees started to work from home, so we had to think about new ways of communication, change the work process itself. Of course, there were also some elementary problems such as how to supply people left in the office with disinfectant fluid, face masks and so on,” said Asta Jelinskienė, the head and co-owner of *Savaitė* publishing house.

*Savaitė’s* business model is built on magazine sales, that bring in around 80% of the publisher’s revenue, with

only 20% coming from advertisements. In a similar way as *M-1*, the *Savaitė* publishing house has had a healthy profit of more than 500,000 euros a year for the past five years.

“We have always prioritised magazine sales as high as possible, in order to be less dependent on changes in the advertising market,” said Jelinskienė.

### Inevitable Cuts

Still, to survive these extraordinary times, there was little that other media businesses could do other than lay off workers, cut salaries or freeze projects. *Media bitės* did both. It laid off some staff and cut salaries to balance costs and revenue.

“To operate without losses, we had to lay off about 10 people and cut the salaries of the remaining [employees] by 20-30%. We did all this because the staff [salaries] make up the largest part of the costs,” said Balžekas, the co-founder and CEO of *Media bitės*.

The first Lithuanian internet television, *Laisvės TV*, funds its operations mostly through subscriptions from the *Patreon* membership platform, selling tickets to live events, offering commercial filming services, as well as from grants. The plunge in the advertising market did not impact *Laisvės TV*, as it hardly has any revenue from it. However, its revenue still declined and cost cutting ensued.



Photo: Delfi/Andrius Ufartas

**Delfi.lt CEO Vytautas Benokraitis says that the most important principle that his organisation adopted during lockdown was the promise not to reduce salaries or lay off employees.**

“Covid-19 did not drive away patrons, but all the proceeds from ticketing and commercial sales were lost. In total, we lost about 30% of revenue. We had to optimise, cut some shows and give up on the development of some projects. In reality, we did not suffer very badly. We did not reduce salaries and only let go a few people,” said Andrius Tapinas, the founder of *Laisvės TV*.

*Delfi.lt* committed not to reduce salaries or lay off employees, said the company’s CEO Vytautas Benokraitis. Despite the grim outlook, it decided to focus on opportunities. “There are people who immediately focused on cutting costs and other negative thoughts. We have focused 90% of our time on finding money, so that it does not affect our employees,” said Benokraitis.

The organisation cut some external costs, such as costs for procuring video content and copyright shows from other parties. It also applied for relief grants that tech giant *Google*, among others offered to the media. “By connecting all other sources of income and all our strength, we even managed not to fall [in terms of revenue] compared to last year,” said Benokraitis.

*15min.lt* also committed to protect its employees’ jobs. “We did not lay off people, but let some of them on downtime, because a lot of people had their workload reduced,” said Ramūnas Šaučikovas, the CEO of *15min.lt*. It looked to reduce expenses instead, by publishing less content and trying to negotiate with suppliers.

### Help from the Government

Many governments in Europe, including Lithuania, decided to provide extra funding for the media to help them survive the consequences of the coronavirus. In Lithuania, the government allocated 1 million euros to the media. However, according to media representatives, the money distribution stalled, and the process was not entirely transparent. At first, the type of available support was not clear, or the forms of media that could receive it. It was later decided that the support would be provided through public procurement, meaning that the ministries paid the media for publicity. This model provoked debates, and most of the media say they did not feel any real help.

*Lrytas.lt* editor-in-chief Mikalajūnas said that his organisation really looked forward to receiving support from the state, but was left somewhat disappointed. “We got some money but [it was] very symbolic. True, there has been an increase in publicity projects from ministries, especially from the Ministry of Health. It was the only expression of help from the state, but very limited. The help itself didn’t feel like much anyway, because it was far from equal to the losses suffered,” said Mikalajūnas.

Ramūnas Šaučikovas said the main help from the government was not direct. “What has helped us was the increase in public sector advertising purchases. Many companies in that sector spend a large part of the money on advertising on foreign portals. So, they directed part of that money to the Lithuanian media. It was not



**Ramūnas Šaučikovas, the CEO of online news media *15min.lt*, says that increased advertising purchases from state companies was a relief at a moment, when other advertisers were cutting back on spending.**

an action organised by the government, but individual companies [and some governmental institutions] deliberately decided to do so, and it was a lot of help,” said Šaučikovas.

### The Day After Tomorrow

The future remains uncertain for the media. Advertisers are still reluctant to spend money, which means that the media are in limbo as well. In October, as the number of people falling ill with coronavirus increased, the Baltic countries were bracing for the second wave of the pandemic.

“Advertisers continue to be unsure about the future, so they don’t talk much about orders until the end of the year, buying [advertisement] just for the next week,” said Ramunė Grušnytė of *M-1* radio.

**Jelinskienė: “We have always prioritised magazine sales as high as possible, in order to be less dependent on changes in the advertising market.”**

Žydronė Amšiejūtė, the head of Lithuanian Association of Communication Agencies, agrees that advertisers are extremely careful with orders. According to her, the lockdown changed people’s habits and the general culture of

consumption, which will have an effect on the media.

“While some advertisers are planning to keep advertising spending next year the same as this year, others are cutting [their budgets] already by 40-50%,” said Amšiejūtė.

The association estimates that Lithuania’s advertising market will decline by 10 to 12% this year in general, which according to Amšiejūtė, is not too disastrous. “From the current perspective, the level of advertising has already more or less recovered to last year’s level. Not everywhere, but that is a general trend,” said Amšiejūtė.

What worries her a lot is the near future. “If the lockdown were to recur, then there can be no future for smaller media players at all,” said Amšiejūtė.

Tautvydas Mikalajūnas, the editor-in-chief of *Lrytas.lt*, the financial results of which have fluctuated between the black and the red in recent years, is rather sceptical of the future. “I do not rule out the possibility that we may suffer greatly. The media is still a business, and if it’s hard for the media to survive in good times, then what about critical periods?” said Mikalajūnas.

Tomas Balžekas the head of *Media bitės* said that following the lockdown, advertising revenues recovered somewhat, but then fell again, and it is hard to predict what will happen. “As a business we have to be profitable, otherwise there is no purpose to the work,” said Balžekas. ■

# LIFE AFTER COVID-19: ESTONIA

## One Daily Newspaper Less, But Rocketing Digital Subscriptions

By Piret Reiljan

The managers of the biggest Estonian media companies are relieved, at least for now, that the media were not hit by the coronavirus crisis as hard as everybody dreaded in the spring of 2020. The response to the challenges posed by the pandemic of local media houses was quick and determined.

“We laughed that the things planned for the whole year were done within a few days,” said Mari-Liis Rüütsalu, CEO of Ekspress Grupp.

The ‘things’ she was referring to were all concerned with digital transformation, such as establishing remote work processes, raising employees’ capabilities to use digital tools, developing internal tools (for example, used by journalists to publish content) and not freezing investments in digitalisation.

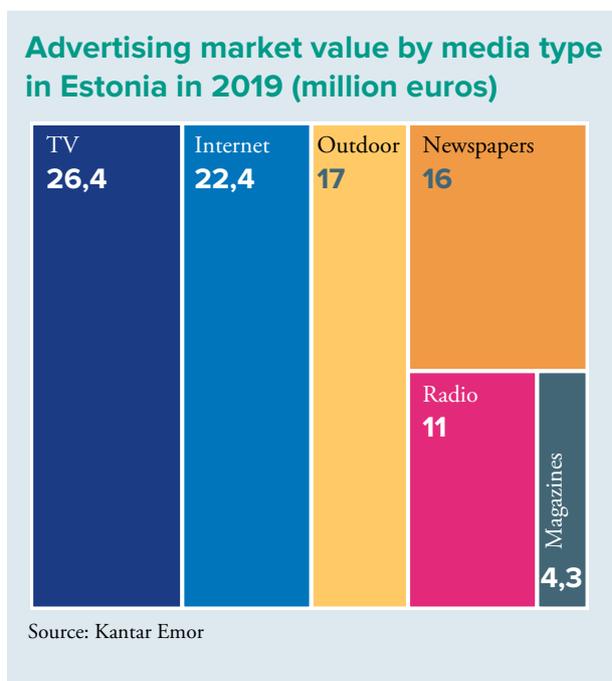
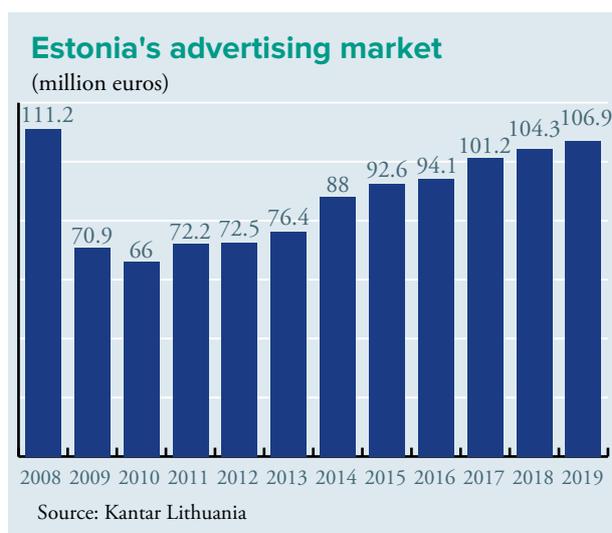
This characterises the overall way in which Estonian media companies have been battling the crisis: digitally and fast. The other inevitable action, common to them all, was cutting salaries or laying off people.

### Wage Cuts by up to a Third

Cost savings through wage cuts and other measures were an inevitable outcome of the economic decline brought around the world by the pandemic. Estonia’s lockdown was shorter than that of its neighbours, lasting for two months from March 12 to May 17. During this time, the two largest Estonian media houses and fiercest competitors – *Ekspress Grupp* and *Postimees Grupp* – both decided to cut wages for a limited time.

*Ekspress Grupp*, the owner of *Delfi*, the most popular online news media across the Baltics, and publisher of various magazines and newspapers, cut salaries on average by 20% to 25% for two to three months, depending on the company, according to the group’s CEO Rüütsalu. The wage cut for the management team was higher than for other employees. In their response to the crisis, *Ekspress Grupp* reduced their cost base and applied for various public measures to prevent employee layoffs and improve the company’s financial position.

*Postimees Grupp*, which publishes one of Estonia’s most



popular newspapers, *Postimees*, owns the country’s second most watched TV channel, *Kanal 2*, and also the second most popular online news media across the Baltics, convinced its team to accept a wage cut and reduced



Photo: TV3 Group/Küllil Rummel

**TV3 Group Estonia saw its turnover decline by more than 30% in the second quarter of the year, but by July/August the revenue was back to the previous year's level, said Signe Suur, the CEO of TV3 Group Estonia.**

its employees' salaries by 30% from mid-April until the end of May.

Wage cuts were one of the conditions to qualify for state aid, with both media houses applying for and receiving aid. Two out of three conditions had to be fulfilled in order to receive the government subsidy: a company had to reduce salaries by 30% or more, have its turnover drop by at least 30%, or an equivalent decline in employee workload. Ragne Kõuts-Klemm, the associate professor in the Sociology of Journalism at the University of Tartu, believes that both publishers cut salaries temporarily, mainly to get support from the state. "It was exactly the right amount so that you would qualify for the support," said Kõuts-Klemm.

Estonia's leading business media company, *Äripäev*, took a slightly different road. First, unlike others, *Äripäev* laid off 36 people or approximately 15% of its staff of 230, including staff from their editorial desk.

In preparing for the worst, in addition to the redundancies, *Äripäev* also cut salaries by 15% at the start of the pandemic, but the company made a commitment

to repay them if the situation improved and the business results would permit this. And it will, according to *Äripäev*'s CEO Igor Rõtov, who stated that the cut in wages that company staff took in the spring will be paid back in full in December.

Like *Ekspress Grupp* and *Postimees Grupp*, *Äripäev* also applied for state aid. However, unlike the two largest media houses, *Äripäev* was looking for compensation to support employees working with events, not salaries for journalists, who had more work during the crisis. "The situation is actually unbelievably good right now," said Rõtov in mid-September, adding that unpredictability was still huge. Nevertheless, *Äripäev* has decided to bring its employee wages back up to the previous level from January 2021.

*TV3 Group Estonia (All Media Eesti)*, which owns several TV channels, radio stations, online portals and a print magazine, is the only one of the larger media houses that did not reduce the wages of its employees. "We only cut additional bonuses for the second quarter," said Signe Suur, the CEO of the group. She added that the group did not fire anybody. "But we already have quite a lean and effective organisation, and none of our business lines, like events, disappeared," said Suur.

### Rapid Recovery

Marketing activities are among the first to go during an economic crisis. Although there was a sharp decline in advertising revenue during the pandemic, media companies quickly recovered it in most cases.

According to Suur, the Covid-19 blow landed on the media, including *TV3 Group Estonia*, at the end of March, when revenues sank by 40% to 60%, depending on the media. "The biggest drop hit radio, which was affected by the discontinued or postponed events, restrictions at shopping malls, and smaller and mid-sized clients suspending their marketing. TV advertising was most affected by the strategic decisions of big international clients, that cut their marketing in all regions. We had more than one TOP5 client doing this," said Suur. "The real decrease in total turnover in the second quarter was over 30%," added Suur.

While protecting employees, *TV3 Group* did look for cost savings elsewhere, and the company cut its spring programme in particular. This resulted in a shorter season of its shows being produced. "That helped a bit," said Suur. Despite the shorter season, TV viewing was up 20% during spring. Thankfully, signs of recovery arrived already in June and by July/ August the revenue of *TV3 Group Estonia* was back to the level of the previous year, said the CEO of the company.

The recovery was quite fast for others too. "We cut our costs with the assumption that the second wave would not be very drastic," said the CEO of *Postimees Grupp*, Andrus Raudsalu.



Photo: Postimees

**The decline in revenue from their TV business was the most painful for *Postimees Grupp*, but the recovery was quite quick, as it was for other market players, said the CEO of the company Andrus Raudsalu.**

According to him, in the spring, media agencies forecast that Estonia's advertising market would fall by 40% this year and another 5% next year. The drop, in actual fact, has been smoother so far. Raudsalu says that the advertising market had really declined by 40% at its worst. The contraction in advertising revenue has now remained between 30% to 40% for print media, and may never fully recover to pre-Covid levels. However, revenue from advertising on TV and digital media increased quite quickly, back to the pre-crisis level.

For *Postimees Grupp*, the most painful thing was the decline in revenue from their TV business, as the revenue from *Kanal2* constitutes 25% of the group's turnover. *Kanal 2*'s advertising revenue fell by over 30% at the peak of the pandemic, revealed Raudsalu.

How did *Postimees Grupp* respond? It cut its programme where possible, and looked to negotiate terms of cooperation with business partners. For example, it cut the length of a daily evening prime-time talk show from 60 to 30 minutes and laid off the entire team of five

journalists hired to provide coverage for the Olympic games. Like for *All Media Eesti*, the recovery was quite swift. *Postimees Grupp*'s revenue from advertising on TV had returned to the previous year's level by August. The revenue from advertising on the group's digital channels, which was down by 25% to 30% at the peak of the crisis, had also surged to its previous levels by the end of summer. However, print advertising has not yet recovered, remaining lower than in 2019.

The publisher of the *Äripäev* business daily saw its advertising revenue, which brings around 25% of the company's total turnover, suffer most in April and May, when it fell by roughly 50%. Yet, it started to grow again in June, and by July, revenue from advertising was already comparable with the results of the previous year. When *Baltic Media Health Check* talked with Igor Rõtov, the CEO of *Äripäev* in August, he was conservative and expected that monthly advertising revenues would still be around 50% of their pre-crisis level in the autumn. In September, Rõtov said that they had actually observed a smaller fall in advertising revenues of approximately 20%.

### From Business Daily to Weekly

The effect of the coronavirus crisis has varied across different types of media, but it is fair to say, that the pandemic helped media companies to shift towards digital transformation more decisively than they had previously planned. The *Äripäev* business newspaper, which had been published daily since 1995, changed to a weekly format. *Äripäev*'s CEO Rõtov said that this was a strategic cut.

"We were actually very happy to do this, Covid-19 simply helped us," said Rõtov. The change has nudged *Äripäev*'s subscribers, who had been used to the paper's print version, to start using their digital accounts.

"There has been very little negative reaction from our customers. We think we may lose 10% of our customers due to changing to a weekly paper, but we win more from growing in digital," said Rõtov. The savings of about 20,000 euros a month from publishing a weekly instead of a daily will not harm the company's financial performance either.

*Äripäev* estimates that it will increase the company's subscription revenue from all products (such as business paper and the *Äripäev* portal, magazines, information assets, and dedicated topic websites) by roughly 10% this year, to 7.1 million euros from 6.5 million in 2019. This would cover the expected cut in advertising revenue from 3.5 million in 2019 to 2.9 million this year.

*Äripäev*'s revenues are well diversified, but some of the areas which contribute most to its turnover, such as revenue from events and training (30% of total revenues before Covid and 20% now) were among the most affected because of the lockdown and its restrictions. *Äripäev* estimates that the company's income from events will drop



Photo: Äripäev/Liis Treimann

The publisher of *Äripäev* business daily used the pandemic to change the paper's print edition from a daily to a weekly format. While it managed to increase subscription revenue, *Äripäev* still expects its total revenue for 2020 to be around 8% lower than in 2019, according to *Äripäev*'s CEO Igor Rõtov.

from 4.3 million euros in 2019 to 3.2 million this year.

The revenue from events quickly dropped by 50% as gatherings were not allowed during the lockdown, but the media house reacted with speed. Both the larger and smaller events were organised online which helped to save the other 50% of revenue that *Äripäev* receives from its events. Rõtov believes it will also help the company to ride through the second wave of the virus. "We learned fast how to do it digitally."

### Boost for Digital Subscriptions

The larger Estonian media houses have seen another benefit from the coronavirus crisis – digital subscriptions have rocketed.

**Rõtov: "The situation is actually unbelievably good right now."**

"There was a Covid jump," said Rõtov, the CEO of *Äripäev*. Subscription revenue made up 50% of the company's total revenue before the Covid-19 crisis. Now subscription revenue has jumped to 65%

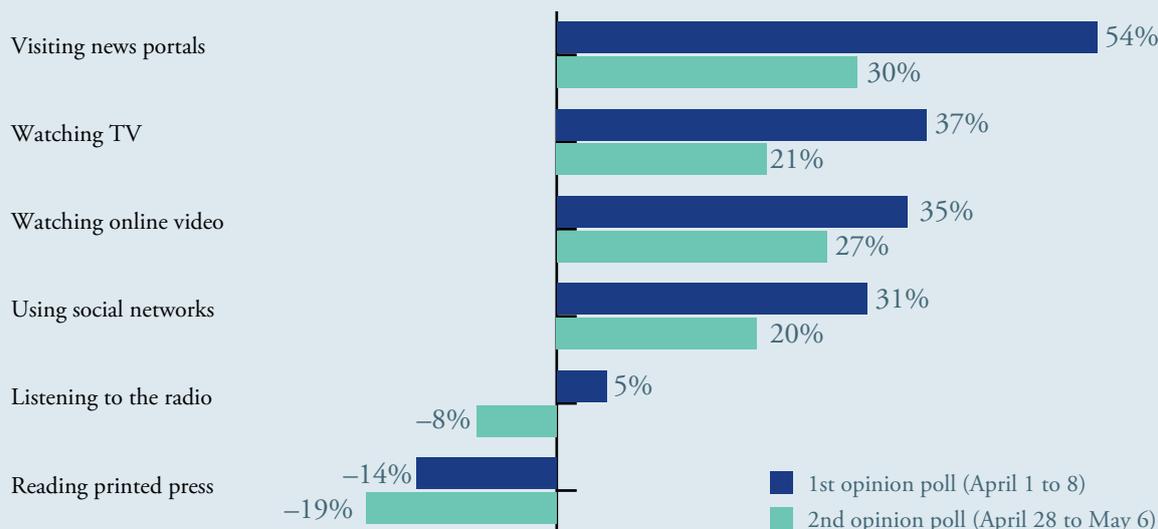
of *Äripäev*'s turnover – thanks to the digital breakthrough. During the crisis, subscription revenue grew 10% to 15% across all of *Äripäev*'s product portfolio, with their namesake business daily-turned-weekly, their online news site, magazines and radio. When everything else was falling, revenue from digital content did not.

*Äripäev*'s main product *aripaev.ee* will soon reach 14,000 subscribers, said Rõtov in mid-October. A year ago, there were 10,200. "Advertising gives only 20% of our revenue now, whereas during the last crisis, its part was 70%!" underlined Rõtov.

For *Postimees Grupp*, the growth of digital subscriptions rocketed in July and August, said Raudsalu, the CEO of the group. Previously, during the peak of the crisis, there was a minor setback, but nothing remarkable. *Postimees Grupp* has been adding 1,000 to 2,000 new digital subscribers a month since the summer. By November, the group had around 37,000 digital subscribers in Estonia.

*Ekspress Grupp*'s revenues from subscriptions also grew during the crisis. "In the second quarter, the number of digital subscriptions for *Ekspress Grupp*'s periodicals grew

### What people spent more time on during the lockdown



Q: Please think about the last week. Were you spending more, less, or as much time as you used to on the above, before the state of emergency was announced?

Figures in the chart indicate the percentage difference on how time was spent (net effect)

Base: All respondents regularly engaged in an activity

Source: Dentsu Aegis Survey

strongly and reached a total of 63,000 subscribers in the Baltic States, which is a 26% increase as compared to the end of 2019,” said Rüütsalu, the CEO of the company.

#### Private Media vs the Public Broadcaster

In Estonia, there was no special funding for media companies to help them survive and continue producing content, as there was in Latvia, Lithuania and other countries. The media were able to apply for various state offered measures which were the same for every business, and the media executives did not mind this.

However, Estonian commercial media have been vocal for a long time about what they call unfair competition in the media market, as the public broadcaster *Eesti Rahvusringhääling* (ERR) distributes its digital content online for free. Therefore, the Estonian private media filed a complaint to the European Commission in September, mainly opposing the funding of ERR’s online news production from the state budget.

Raudsalu, the CEO of *Postimees Grupp*, said that there was no need for national broadcasters to compete with private media in providing information, such as news and entertainment, and also popular sports, which would be reported anyway.

While it is unclear when a decision may be made regarding this complaint and whether it will improve the market conditions for private media, the government did take one important decision in favour of Estonian media. From May 1, 2020, a reduced VAT rate of 9% has been applied to digital publications, such as online

magazines and newspapers, e-books and other digital content products. Before that, the VAT standard rate of 20% was applied to digital content products, while print publications had a reduced VAT rate.

“In future, VAT should be 0% for media products, as it is in many EU countries, especially in smaller ones,” added Rõtov, the CEO of *Äripäev*.

**Suur: “If the Estonian Central Bank forecasts that the pre-crisis situation will return by mid-2022, we are more optimistic and will hope for a faster recovery.”**

Estonian commercial media have also been advocating for the introduction of a digital tax on big advertising platforms such as Google and Facebook. “There are at least 10 to 20 million euros waiting to be gathered through digital tax,” said Rüütsalu, the CEO of *Ekspress Grupp*. “It’s clearly weakening the media’s situation [here] when some are selling ads on unequal conditions,” she added. The question of taxing digital services offered by the big platforms is currently on the table at global negotiations led by the Organisation for Economic Co-operation and Development (OECD).

#### Looking Forward with Cautious Optimism

The million-dollar question at the moment, when the second wave of the virus is building up, is how long the



Photo: Delfi/Rauno Völmar

The lockdown accelerated the digital transformation of *Ekspress Grupp*, raising employees' and the organisation's digital capabilities and implementing new digital working processes in a much shorter period of time than planned, said Mari-Liis Rüütsalu, the CEO of *Ekspress Grupp*.

relief, which media executives experienced from July to October, will last. The CEO of *TV3 Group Estonia*, Signe Suur noted that it is certainly difficult these days to make any longer forecasts and plans, but for the last quarter of the year, she predicts not more than 10% to 15% difference compared to last year's results.

"If the Estonian Central Bank forecasts that the pre-crisis situation will return by mid-2022, we are more optimistic and will hope for a faster recovery, which could be reflected in our economic performance as early as the second half of 2021, but it all depends on how severely the second wave will hit," said Suur.

*Postimees Grupp* has cut its expectations for the financial results of the ongoing business year (which for them lasts from May till April) by approximately 25%. "We're taking it quarter by quarter. I might be an optimist, but I'm hoping that there will not be any major setbacks ahead

and that the second and third wave of the virus will come differently. I hope that politicians will have enough common sense not to lock down the country," said Raudsalu, the CEO of *Postimees Grupp*.

The CEO of *Äripäev* is optimistic too. Rõtov said that *Äripäev's* revenue this year might be around 8% less than 2019, which was a much smaller fall than was expected in spring.

*Ekspress Grupp*, as a listed company, avoided making concrete predictions. "Our main goal has been to gather some liquidity buffer, in case things get harder again. The state can't share grants endlessly," stated Rüütsalu, the CEO of *Ekspress Grupp*. Rõtov agreed: "We have gathered a very strong cash flow position from which we could hold on for about 6 months, even in case of full collapse." Hopefully this will not be the case for any media. ■

# LIFE AFTER COVID-19: LATVIA

## Cost Cuts and Government Aid Gives Latvian Media Breathing Space

By Anastasija Tetarenko

The Latvian media have withstood the first wave of the coronavirus by combining inevitable cost cuts with a financial boost from the state and from political campaigning.

Latvia is receiving the smallest advertising share of the three Baltic countries, and many of its media have been struggling for years. The Latvian government allocated 2 million euros to support the media during the pandemic. While the state's helping hand has been perceived ambiguously, it has helped to patch at least some holes in media wallets.

However, the smaller media, especially regional newspapers, are still at risk. The biggest challenges for them may still lie ahead next year.

### The Cost of the Pandemic

When the first Covid-19 case was registered in Latvia in March 2020, nearly all of the 20 most-visited websites saw an increase in their audiences, a few as high as 22% (the public broadcaster's online news website *lsm.lv*) and 31% (the *Diena* daily online website *diena.lv*). The share of viewing time also surged for all of the most-watched TV channels.

However, while audiences were growing, advertising revenues were going in the opposite direction – they were shrinking.

“This was the golden age for advertisers to reach audiences. At the same time, I cannot say that any media were very successful in monetising this, rather – that was a nice number to reach,” said Mindaugas Rakauskas, the CEO of *TV3 Group Latvia (All Media Latvia)*.

According to data from the Latvian Advertising Association, the size of the local advertising market shrank by almost 25%, or more than 10 million euros in the first half of 2020, compared to the same period a year ago. The media industry – the internet, television, radio, magazines and newspapers – lost 8 million euros in revenue during this time.

The drop in advertising revenue was the steepest for



Mindaugas Rakauskas, the CEO of *TV3 Group Latvia (All Media Latvia)* said that as some of the larger advertisers decided to pull their campaigns or reduce spending, the doors opened for other smaller companies and *TV3 Group* group was able to attract new advertisers that would not typically advertise on the group's media channels.

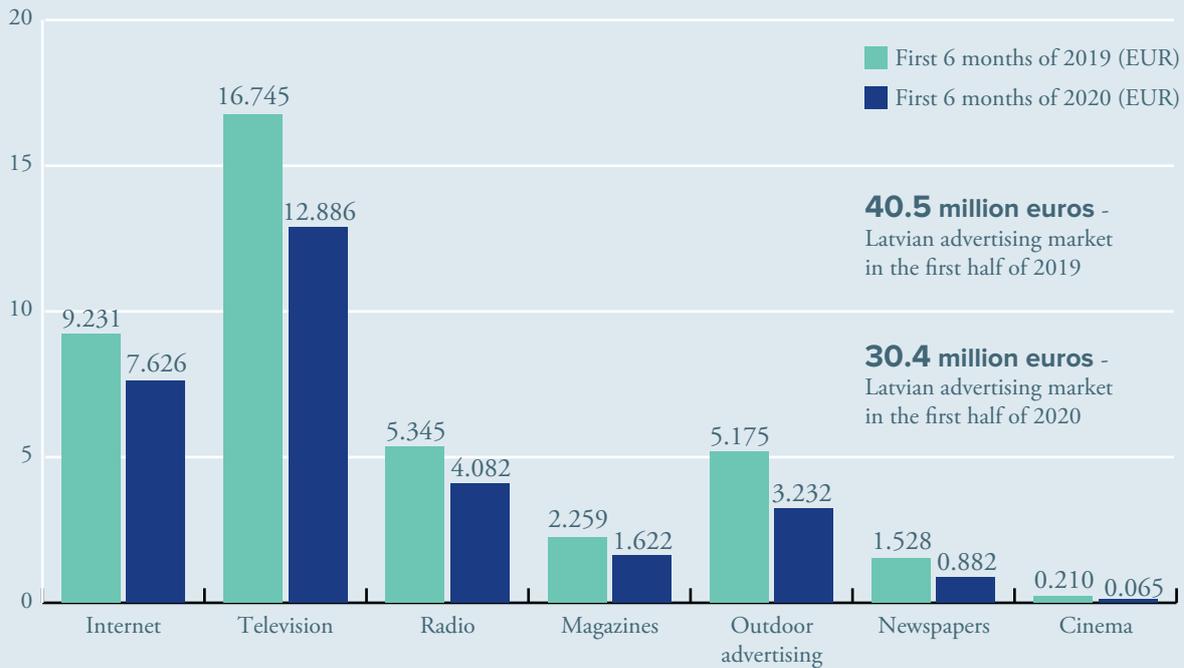
the print media. “Suddenly, there was no advertising in printed media. Who needed this when people were not going to shops anymore and would not see those magazines?!” said Aija Šmidre, the CEO and owner of the *Rīgas Viļņi* publishing house.

**Šmidre: “Suddenly, there was no advertising in printed media.”**

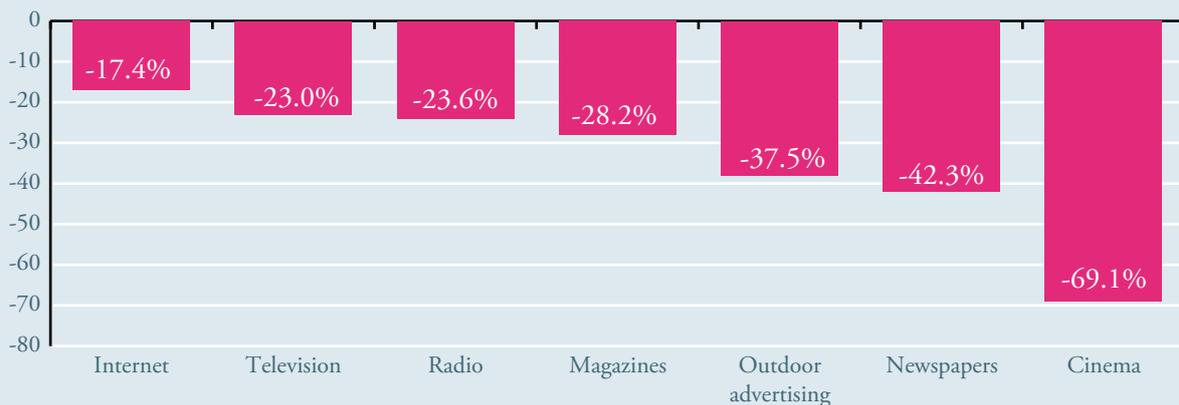
The internet media were in a somewhat better position. “During Covid-19, everyone understood that more money needed to be invested online,” said Konstantīns Kuzikovs, the CEO of Latvia's most popular online news media, *Delfi*, adding that it protected the online media from a more dramatic decline in advertising revenue.

Either way, cost cutting was inevitable. As in Estonia and Lithuania, many media companies cut employee wages

### Latvian advertising market value (million euros)



### Change in advertising volume by media type, the first half of 2020 vs the first half of 2019



The size of the Latvian advertising market reached 30.4 million euros in the first six months of 2020, which is 25% or 10.1 million euro less than in the first six months of 2019.

Source: Latvian Advertising Association

either temporarily or permanently, and there were also some layoffs. Publishing houses reduced the frequency of their print editions or the number of pages in them. One of the three remaining national dailies, *Neatkarīgā Rīta Avīze* went purely digital.

#### The Financial Boost from the State

Latvia had already set up a media support fund in 2017, which has been allocating up to 1 million euros annually to support public interest journalism in national and regional media on a competitive basis. Just under 30 projects usually get funding.

In addition to the regular funding, this year the government allocated an extra 2 million euros to help stabilise

the commercial media, after an industry-staged campaign outlined that Covid-19 was killing them.

“The funds allocated for media support came just in time and helped to recover at least part of the lost revenue,” said Andra Gaņģe, the chairwoman of the board and editor-in-chief of a regional newspaper, *Druva*, which received approximately 13,000 euros.

Some of the 2 million euros were spent as “helicopter money”, distributed to nearly all media that applied for it. Another amount went to cover broadcasting expenses, and some – to compensate the delivery of newspapers and magazines to their subscribers.



Photo: personal Archive

**Aija Šmidre, the CEO of the *Rīgas Viļņi* publishing house, said her company has been exploring e-commerce to find new revenues, and plans to launch an e-commerce shop, offer video products and online training soon.**

The criteria for receiving the funds were rather loose. In addition to public interest journalism, the media outlets focusing on entertainment were also funded, along with media known for spreading disinformation, such as *bb.lv* and the Russian language newspaper, *Segodnya*. After a public outcry, the media support fund brought in the state security service and asked for their opinion. Although the discussions never made public, they resulted in both outlets being disqualified.

“The Latvian government was quite fast with suggestions and solutions. Of course, the amount of support is far from the full damage Covid-19 has done, but generally it was a great reaction and approach,” said Rakauskas from the *TV3 Group*, which was the top receiver of state support in Latvia. The group collected nearly 362,000 euros across the various available grant calls.

“The bureaucracy was long, but the compensation for postal deliveries was very important,” said Edgars Kots, the CEO and owner of *Dienas Mediji* publishing house.

For the head of the *Rīgas Viļņi* publishing house, Aija Šmidre, the biggest setback was the amount that each media was able to receive. “If we are planning for our publishing house to have losses of around 350,000 euros this year, and the support we received from the state was around 61,000 euros, these numbers are just incomparable,” said Šmidre. Her publishing house has also secured delayed tax payments. However, she stresses that this is

essentially a loan and her company will owe the state tax payments for another three years.

Meanwhile, *Delfi Latvia* CEO Kuzikovs was disappointed that the state did not support the media by placing ads in local media. “When we say that millions were allocated and at the same time each media got 15,000 to 20,000 euros, while Lithuanian and Estonian media had ads placed in each individually for tens of thousands of euros as part of the [government] advertising campaigns, I can’t say that the state has supported us,” said Kuzikovs. *Delfi* received nearly 29,000 euros from the emergency funding for the media.

Jānis Lecinskis, the financial director of the *Žurnāls Santa* publishing house, agrees that ads from public authorities were an unused opportunity to support local media. According to him, the most effective way for the state to provide support for the media would be by reimbursing a portion of the direct costs, such as printing or postal delivery. He also believes that the amount of state support for specific media should be tied to taxes or the gross salaries paid by the company, as well as the size of the audience.

### Those at Risk

Larger media houses have more room for manoeuvre, but the lockdown highlighted the degree to which smaller and regional publications are lagging behind, said Anda Rožukalne, Professor of Communication Science at Riga



Photo: Delfi

During Covid-19, everyone understood that more money needed to be invested online, said Konstantīns Kuzikovs, the CEO of *Delfi* in Latvia.

Stradins University in Latvia. “The regional media don’t have enough resources, and they lack both intellectual and monetary resources to develop their technological capabilities,” said Rožukalne.

The local *Druva* newspaper, which covers the region around the city of Cēsis in the middle of Latvia, had an annual turnover of nearly 317,000 euros in 2019. The pandemic forced it to change its strategy and its ways of working during the lockdown. The organising of remote work required additional resources, as part of the newspaper’s 11 employees who worked from home needed the internet, microphones and headsets. The workload also increased due to changes in internal communication. Despite advertising revenue dropping by around 30%, *Druva* did not reduce salaries or lay off employees. However, it was also unable to raise wages to compensate for the increased workload. While employee enthusiasm saved the day, “in the long-term, that is not viable,” said editor-in-chief Andra Gaņģe.

**Kots: “The bureaucracy was long, but the compensation for postal deliveries was very important.”**

According to Guntars Līcis, a representative of the Latvian Press Publishers Association, the plunge in advertising revenue was smaller for regional publications compared

to national ones. However, many of them operate very frugally, and even a small drop in revenue threatens their existence, said Līcis.

### New Opportunities

You have certainly heard the saying that crisis is an opportunity a hundred times, and there have been several, indeed, for the Latvian media. According to Kuzikovs, the lockdown nudged many businesses to explore e-commerce and subsequently advertise online. “Many companies saw a need to open online stores. Companies such as *Cēsu Alus* and *Food Union* are striking examples of businesses that had never been ‘online’ and were trying to conquer this niche, which means that they needed an online audience,” said the CEO of *Delfi*.

As some of the larger advertisers decided to pull their campaigns or reduce spending, the doors opened for other smaller companies. “We were able to attract new advertisers that would not typically be on one of our media,” said the CEO of *TV3 Group*, adding that the crisis was the perfect time for such smaller companies to test it.

Another positive turn was the increase in new subscribers for paid content products. During the lockdown, *TV3 Group* saw an increase in people choosing their subscription-based products such as *Go3*. *Delfi* also saw more people subscribing to *Delfi plus*, however, Kuzikovs attributes this to better content and not the pandemic itself.

### What people spent more time on during the lockdown



Q: Please think about the last week. Were you spending more, less, or as much time as you used to on the above, before the state of emergency was announced?

Figures in the chart indicate the percentage difference on how time was spent (net effect)

Base: All respondents regularly engaged in an activity

Source: Dentsu Aegis Survey

For the *Žurnāls Santa* publishing house, the pandemic provided the final impetus to introduce a paid online platform, *Santa+*, which was launched in May.

Meanwhile, the *Rīgas Viļņi* publishing house has been exploring e-commerce to find new revenues. “In the coming months, we plan to launch an e-commerce shop, offer video products and online training, among other things,” said the CEO of the publishing house.

Another boost – which had already happened after the end of the first lockdown – were the local elections in the Latvian capital, Riga. According to spending reports from the political parties, they paid more than 1.3 million euros for advertising in the media.

#### Anticipation – a Thankless Job

Media executives are wary of the second wave of the pandemic and what it would mean for the industry. Another big slug for the Latvian media might be the planned changes in the taxation of royalty fees next year, which are often paid to editorial staff and are expected to increase their employers’ costs.

According to the head of the Latvian Advertising Association, Baiba Liepiņa, the local advertising market might need up to three years to get back to the pre-Covid volume. “If the market was supposed to grow by 3% to 5% this year, but fell by 10% to 15%, there is no economic reason to think that a fundamental change will happen suddenly,” she said.

The increasing flow of advertising euros into the pockets of tech giants like *Facebook* and *Google* might slow down the recovery. The idea of compensating this by introducing a digital tax has been set aside for now.

Advertisers usually spend most in autumn, but it is difficult to count on the trend this year, said Kuzikovs. Despite the revenue drop during the lockdown, *Delfi* had a higher turnover and profit in the first eight months of 2020, than a year ago. Kuzikovs is cautious in predicting whether it will be able to maintain the momentum of growth for the whole year.

**Rakauskas: “We were able to attract new advertisers that would not typically be on one of our media.”**

Most media executives are quite certain that turnover will be lower this year than in 2019. *Žurnāls Santa* expects a 10% drop, the highest since the previous global crisis in 2009, said CFO Jānis Lecinskis. This would mean a slide to around 6.2 million euros.

The *TV3 Group* estimates that it might experience a drop in turnover of 15% and still remain profitable, but not at the level of 2019, said Mindaugas Rakauskas. In 2019, *TV3 Group Latvia (All Media Latvia)* had a turnover of 24.25 million euros and a net profit of 1.25 million.

*Rīgas Viļņi* expects that its revenues in 2020 will be

below the level of the previous year, when it was nearly 5.4 million euros. The company is likely to operate with losses this year and next year as well.

Anda Rožukalne believes that while the spring of 2020

was tough, the consequences of the crisis may become visible around next spring. “It is possible that some media might exit the market – they simply might not be able to make it. They have some savings to sustain them for now, but that time is not infinite.” ■

#### ***Delfi* cost saving measures**

*Delfi* saw its revenue drop during the peak of the pandemic in the second quarter of the year, but the plunge did not reach 30%.

*Delfi* cut the salaries of employees for three months but promised to repay the cut-backs later. “If all goes well and we achieve our goals, then in 1 ½ years we will be able to pay these savings to all employees,” said Konstantīns Kuzikovs, the CEO of *Delfi* in Latvia.

The company’s revenues recovered quickly and its turnover in July was already higher than a year ago.

Since the middle of the summer, employee wages have been back to their pre-pandemic level.

#### ***Rīgas Viļņi* cost saving measures**

The *Rīgas Viļņi* publishing house saw a decline in its print advertising by up to 80% at the worst moment and online by 50%, according to its CEO, Aija Šmidre.

*Rīgas Viļņi* reduced the frequency of its printed magazines and actively ran campaigns to increase their subscriptions.

Yet, the subscription income that it gained did not offset the losses in retail sales.

The company has actively worked to create new products.

#### ***Dienas mediji* cost saving measures**

The *Dienas Mediji* publishing house, which publishes the *Diena* national daily, faced a 35% drop in advertising revenue, in general, and a 15–20% drop in retail sales as shops were closed, revealed Edgars Kots, the owner and head of the publishing house.

*Dienas Mediji* cut employee royalty fees by 30% and has not been able to return them to the previous level yet.

It also made some savings by reducing the number of pages in newspapers and magazines.

# INSIDER'S VIEW

## Factors Impacting the Baltic Advertising Market



*By Māris Naglis,  
global customer success  
director at Httpool*

It was late 2008, and everything seemed superb – the Baltic media advertising market had just exceeded 400 million euros for the first time, and the ad industry was booming. We love to recall those times and update ourselves on year-on-year progress in climbing back towards the spotlight. Currently, the GDP per capita across the Baltics is above 2008 levels. Purchasing power is at its highest level, but the economy has pushed the advertising market to different models for recovery – we have just surpassed the 300 million euros mark. There is still a long way to go. Or is there...?

It is all about the methodology and the approach as the advertising landscape has changed significantly since 2008. According to various sources, Facebook and Google advertising targeted at the local audience has already exceeded 60 million euros in the Baltics, which is not included in official market estimates. While regional online display advertising growth has slowed down, investment in advertising on global platforms is thriving. According to Kantar Emor, investment in advertising on Google and Facebook increased by 38% and 22% in 2018 and 2019 respectively in Estonia, while the increase has arguably been even higher in Latvia and Lithuania.

Furthermore, the marketing landscape has reached its highest fragmentation to date with influencers, eCommerce platforms, direct marketing technology, and others all cutting into traditional above the line (ATL) media advertising budgets.

Changes in the marketing landscape are influencing the direction of ad market development.

Digital media outlets are adapting to this ever-changing environment by introducing new revenue models, which will lead to a new order of things; for example, several subscription models require an inevitable trade-off with advertising solutions.

If only 300 million euros are invested annually in the Baltics, one might ask whether too few of the big global advertisers are interested in our markets? Or are our economies too small, or are there too many media channels? The answer – a bit of everything.

To illustrate some of the challenges, the size of the TV advertising market in Latvia has decreased by 29% compared to 2008 (34.9 million euros in 2019 vs 49.4 million euros in 2008), while the total number of commercial TV channels tripled to 30 by 2019.

External factors are not helping either. For example, advertising legislation, although it differs slightly across the Baltics, has a significant impact on local ad markets. It seems that it is easier to regulate advertising than to control the product or service itself, with categories such as pharmaceuticals, alcohol, gambling, and consumer lending all being affected.

There are also some factors that we had hoped to improve over the years, with little progress, such as socio-demographic influences on ad market development. The bilingual societies across the Baltics, in particular, have had a massive impact on the splitting of the media space. In terms of audiences, this is rather obvious with the Latvian TV audience, where “other nationalities” spend less than 8% of their viewing time on TV content in Latvian.

There are many challenges for the media advertising industry. 2020 will not make things any more comfortable, however we are coping. Advertising solutions and services – both those from advertisers and modern media offerings – are keeping up with global trends.

Hopefully, external factors will not influence the road ahead as much, and the media market will come out of 2020 more robust than ever.

There are various options to enable local media outlets to succeed. The key – effective advertising solutions to bring tangible business results. Anything can deliver the impact – reduced ad clutter on TV, data-driven creativity, or relatively new formats, such as digital outdoor.

Advertising investment across mature EU markets is usually between 200 and 400 euros per capita; our

current range in Baltics is 40-80 euros per capita, showing clear potential to gradually increase local ad market investment.

The digital environment continues to mutate, and in doing so, provides an opportunity for local players. The aforementioned new business models, and partial paywalls in particular, offer a chance to move away from quantity, and the rat-race for audience impressions, to serving and selling quality advertising spots. In the

transition to marketing in a cookie-less world, the undeniable beneficiaries will be the so-called “walled gardens” such as Facebook, and local media channels too, if we succeed in introducing relevant regional “know-your-audience” solutions.

The secret to success is hidden somewhere between highlighting the benefits of local media offerings and mastering one’s role in any media mix alongside global platforms. ■

## An Outlook on Future Opportunities from Three Academics

*Auksė Balčytienė,  
professor of journalism at the Vytautas Magnus  
University in Lithuania:*

A positive development is that people have rediscovered the significance and importance of news and journalists. They have understood that news, information and communication in general has a very significant function in contemporary societies. But of course, we have also seen a lot of misinformation circulating around. And a new responsibility for

media organisations is not only to produce news, but also to play an active role in fact checking and to follow the public communications arena. It is a kind of new growing demand from society, which the media are picking up. The media aren’t standing aside, but through activities such as debunking misinformation, they are protecting their own journalistic discourse. They are showing what journalism is and what it is not. I think it is a positive trend that, hopefully, will lead to trust in the media growing among citizens. It is an opportunity. ■

*Anda Rožukalne,  
professor of communication science at Riga Stradins  
University in Latvia:*

In the future we will see more project-based journalism. I see a transformation of journalism and media content where an increasing amount of resources, including energy, is put into content aimed at promoting change, collaboration and achieving something real. Such a model of journalism promotes collaboration among various media organisations, and involves other parties, such as NGOs. The media not only report, but offer solutions and discuss

possible changes with stakeholders. This is one of the ways in which journalism is changing and enabling journalists to show that their work has genuine purpose.

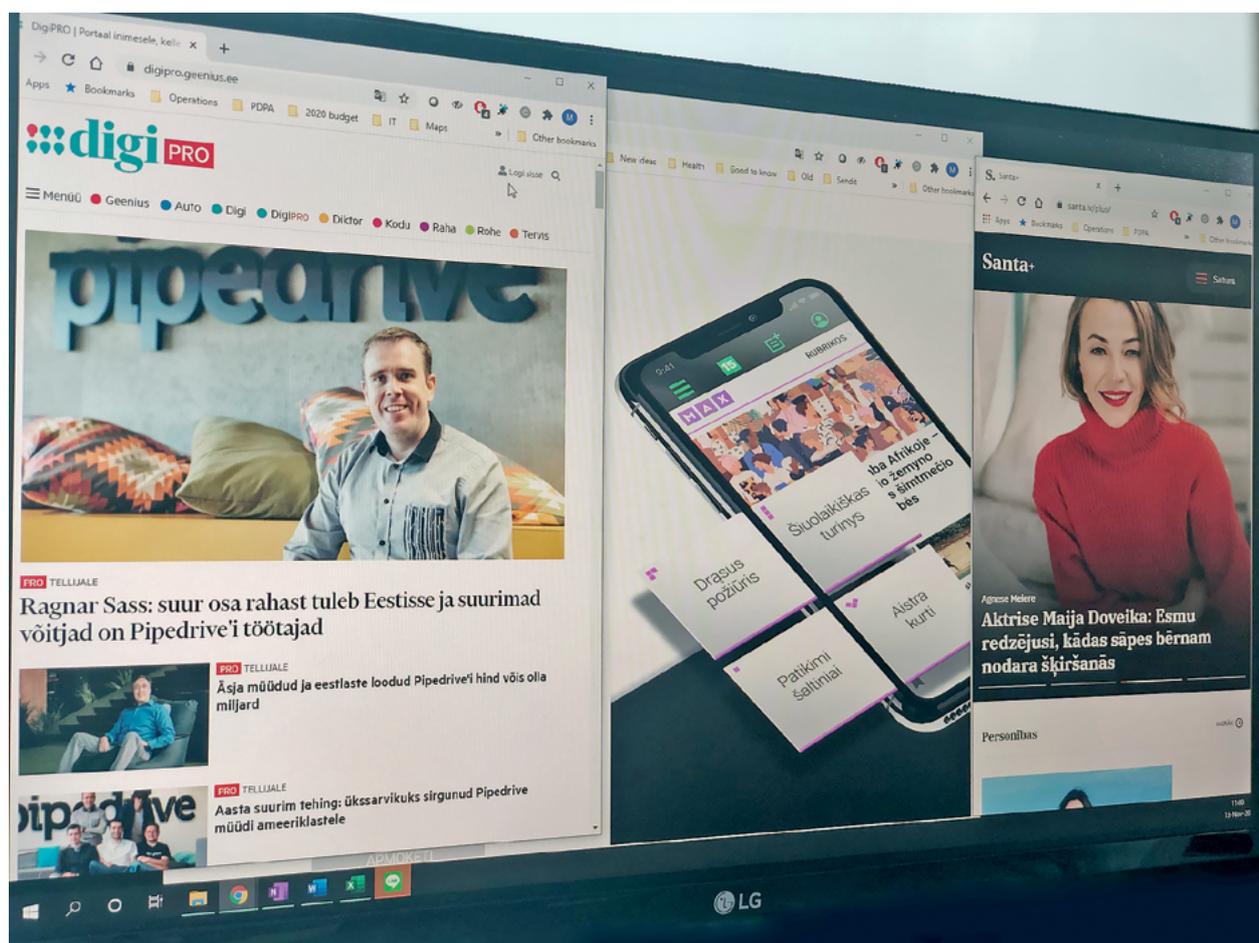
Despite media organisations often saying that they lack the skills and time to apply for grants, these capabilities are being developed. There are various grants available on both a local and an international level, and we see more of the media applying for these funds. This too facilitates project-based production of media content and collaboration between regional, national and foreign media outlets. ■

*Ragne Kõuts-Klemm,  
associate professor of the sociology of journalism at the  
University of Tartu in Estonia:*

Currently, media decision makers and leaders see a need to improve their organisations and develop strategically, so the potential for improvement is really strong. The crisis was a good opportunity for major media organisations to make rapid changes. The media have developed their organisations’ and employees’ digital capabilities. They have also started reflecting on how to connect with their audience better and on what is important to publish and what is not. This

could lead to higher quality content in the future.

I also see potential for cooperation even between the private and public service media, though their relationship is problematic at the moment. The complaint filed by the private media [about the public broadcaster’s production of online content] could lead to a discussion about the roles of the public and private media. Maybe we might even start a discussion about the Estonian media policy, what kind of media policy we need in the digital environment, and what the roles of the state and other participants are in this field. ■



## PAYING FOR ONLINE CONTENT

Within the past few years, several Baltic media organizations, including some digital-only ones, have started offering their audience content for which readers and viewers have to pay. The introduction of paid content products has been a hot topic in the media industry for some years now. Revenue from readers provides an alternative to the dwindling advertising money upon which many media outlets still depend. Here, the Baltic Media Health Check looks at the various approaches the media across Estonia, Latvia and Lithuania have taken and how they have fared in their endeavours.

*By Aija Krūtaine, Piret Reiljan, Miglė Krancevičiūtė and Anastasija Tetarenko*

## Estonia

## Delfi.ee



**Mari-Liis Rüütsalu,**  
CEO  
AS Ekspress Grupp

Subscription introduced in the second half of 2011

## Approach &amp; Pricing

Selling Ekspress Meedia's digital content as a package instead of separate products. The main package includes access to Delfi, the digital content of 4 newspapers (Eesti Ekspress, Eesti Päevaleht, LP, Maaleht) and 7 magazines (Kroonika, Anne ja Stiil, Eesti Naine, Pere ja Kodu, Tervis Pluss, Maakodu, Oma Maitse). Unlike other media houses, Ekspress Meedia also takes micro-payments for single articles. It's a stable sales element and gives the audience more choice.

**1 euro** for the first month  
**6,99 euros** per month for the main package after that or **9,99 euros** per month for a family package (shared with 4 people)  
**1,99 euros** per single article

Subscribers as of October 2020:

**46 400** (Ekspress Meedia)

## What works for growing subscriptions?

“ The focus is no longer on winning a new subscriber, but on maintaining and prolonging the subscription. Delfi Estonia has reached a phase of increasing the average price. This does not necessarily mean a higher price, but a reduction in discounts.

## Future Plans:

We divide our business into digital and analogue, rather than content and advertising. The goal is **to rapidly grow the digital part**. In 2019, digital represented 68% of Ekspress Grupp's media segment revenues and 44% of the group's total income, but by the end of September 2020 these numbers were 70% and 48% (across all Baltic states).

## Estonia

## Postimees.ee



**Andrus Raudsalu,**  
CEO  
AS Postimees Grupp

Subscription introduced in 2010 as a value-added side project, revised in February 2018

## Approach &amp; Pricing

Selling a digital package that gives access to the main product postimees.ee, entertainment portal Elu24, 6 regional newspaper portals and 2 magazines (60+ and MaaElu). Postimees does not offer single article sales.

**1 euro** for the first month  
**7,99 euros** per month for the main package after that or  
**9,99 euros** per month for ads-free package (it has ~2000 subscribers and gained popularity during Rally Estonia)

Subscribers as of November 2020:

**37 000**

## What works for growing subscriptions?

“ Content, content, content, exclusivity. You have to have something that others don't. All the rest is secondary.

## Future Plans:

Postimees plans to reach **100 000 digital subscribers in 2024**.

One goal for Postimees is to find a way **to monetise the content of its TV channel Kanal 2 online**. Competitor TV3 is a step ahead with its Go3 and 3play digital packages. Postimees has digital TV too, but has not developed it to offer subscriptions yet. One step towards the goal is a new separate entity that Postimees has established for its TV business.

Estonia

# Aripaev.ee



Igor Rõtov,  
CEO  
AS Äripäev

Subscription introduced in 2012

Approach & Pricing

Äripäev’s strategy is to sell digital-only products, which means that the print edition of the business weekly is available at a small additional cost. The strategy is to sell at a high but fair price and for the income from subscriptions to fully cover editorial costs. Äripäev’s digital package includes all Äripäev’s digital content/products, as well as access to Äripäev’s radio podcasts and its business analytics portal Infopank, which provides various companies’ data, such as annual reports, etc.

**3,90 euros** for the first month  
**25 euros** per month for the digital package after that  
No single article sales

Subscribers as of October 2020:

14 000

What works for growing subscriptions?

“ What works best is a good story marketed in a good way. But a good story is not always what the editorial thinks is good. You have to measure everything! For all media organisations, it is essential to move from clickbait journalism to quality subscriber journalism. Currently, Äripäev is probably the only media house in the Baltics that is not dependent on advertising revenue.

Future Plans:

1,5 years ago, Äripäev started with the project North Star, which was copied from the Financial Times. The goal set was to grow subscriber numbers from 9 000 to 15 000. That goal is within close reach and is expected to be reached by the end of 2020 or beginning of 2021. **The next goal would be 20 000 subscribers.** North Star’s strategy is to focus only on subscribers, not on all users.

Estonia

# Geenius.ee



Siim Saidla,  
CEO  
Geenius Meedia OÜ

Subscription introduced in April 2020

Approach & Pricing

Geenius media company, which started as a technology portal but has expanded over time, offers two packages: Geenius (for standard users) and PRO (for business users). The Geenius package includes all articles from Geenius portals and digital versions of the magazines Digi, Mood and Muki. The PRO package includes additional articles from the portal DigiPRO (the voice of Estonia’s IT sector) and paper editions of the magazine Digi.

**0,96 euros** per month for the first 3 months for Geenius package  
**7,96 euros** per month for the Geenius package after that  
**1,96 euros** per month for the first 3 months for PRO package  
**23,96 euros** per month for the PRO package after that

Subscribers as of August 2020:

1200

What works for growing subscriptions?

“ To reach paying subscribers, you have to publish stories that go viral. We have started to plan our paid content separately and have changed some measurements, but otherwise it remains simple: good stories sell.

Future Plans:

Currently, 90% of Geenius Meedia’s turnover comes from advertising and 10% from subscriptions, but the goal is **to increase revenue from subscriptions to 15% of turnover** by the end of the year. Geenius is expanding at a rapid pace. For example, in October, Geenius added new portals for three of Tallinn’s districts to the collection of Geenius portals.

Latvia

# DELFI plus



**Konstantīns Kuzikovs,**  
CEO  
DELFI AS

**Subscription introduced in May 2019**

**Approach & Pricing:**

Original content is written by Delfi journalists and fewer ads are offered at a low starting price to try to get as many people as possible to subscribe to paid content. To motivate other market players to introduce paid content.

**1 euro** for the first 4 weeks  
**2,99 euros** every 4 weeks after that

**Subscribers as of November 2020:**

8800

**What works for growing subscriptions?**

“ Content is king. Audience growth is mainly driven by quality content. People don't value services as highly as they do good content. The exciting story is the main tool for driving subscriptions. The volume of paid articles is not as important as content diversity and topic choice. It is better to focus on a smaller volume of very well prepared articles than on a larger volume. Tricks don't work if you don't have the content that people are willing to buy. Never forget that paywall technology is also essential and should be developed all the time alongside paid content.

**Future Plans:**

The long-term goal is to earn 50% of revenue from advertising and the other **50% from paid content subscriptions.**

Short-term goal – **to reach 10,000 subscribers.**

Latvia

# Santa+



**Ieva Smilga,**  
editor in chief  
SIA ŽURNĀLS SANTA

**Subscription introduced in May 2020**

**Approach & Pricing:**

The best content from all magazines on a daily basis at an average monthly magazine price. No ads. Only original content.

**2,49 euros** per month

**Subscribers as of August 2020:**

500

**What works for growing subscriptions?**

“ Consistency & Quality. Consistency is the best driver of sales. Regular delivery of quality content to the reader in a convenient format and on time. Our customers value content of the highest quality on a variety of topics. Behind “Santa+” stands the publishing house's more than 15 print magazines.

**Future Plans:**

**The first 1000 active subscriptions by 2021.** Currently, the revenue share of paid content is small compared to other revenue streams. However, this revenue component is growing every month and we expect positive dynamics for the forthcoming periods as well.

## Lithuania

# Delfi Plius



**Vytautas Benokraitis,**  
CEO  
UAB DELFI

Subscription introduced in September 2019

### Approach & Pricing:

Original content written by Delfi journalists and independent authors. Translated articles from foreign publications The Economist, Foreign Policy and Bloomberg. No ads.

**1 euro** for the first month  
**3,99 euros** per month after that or  
**24 euros** per year (2 euros per month)

Subscribers as of October 2020:

4100

### What works for growing subscriptions?

“ It is still a bit premature to talk about the formula for success. Our product is only one year old and we are the first of the major news portals to offer paid content. This shows that Lithuania has just taken the first steps on this path, and I do not doubt that the remaining news portals will follow. Currently, our market for this product is very fresh and our audience is just getting used to paying for content on online news portals.

### Future Plans:

To reach a point in 3 to 5 years when **income from Delfi Plius accounts for 15-20%** of the total Delfi revenue. In other words, that means to reach 5850 subscribers to paid content this year, 15 000 subscribers next year, and have around 30 000 subscribers in 2022.

## Lithuania

# 15MAX



**Ramūnas Šaučikovas,**  
CEO  
UAB 15 MIN

Subscription introduced in December 2019

### Approach & Pricing:

Original content written by 15min journalists and popular public figures. Translated articles from foreign publishers such as The Atlantic, Quartz, MIT Technology Review, New Scientist, Psychology Today, Rolling Stone, Fast Company and other media partners.

**4,99 euros** per month or  
**47,88 euros** per year (3,99 euros per month)

Subscribers as of August 2020:

500

### What works for growing subscriptions?

“ We don't have a recipe or formula, but we experiment and negotiate with the user via content distribution channels – newsletters and social media.

### Future Plans:

The short-term goal is **to reach 3 000 users in a year.**

The long-term goal is **to generate revenue from paid content at around 10% of total revenue.**

The Estonians are an example for us as they have around 30 000 subscribers to paid content and have achieved that in four years.

## Estonia/Latvia/Lithuania

## Go3



Jan Wykrytowicz,  
PayTV business unit  
manager  
TV3 Group

## Service launched in December 2019

## Approach &amp; Pricing:

To provide Estonians, Latvians and Lithuanians with a convenient way to access their favourite local, foreign and sports video content for a reasonable price, anytime and wherever they are, across all screens from smartphone to smart TV. We would like to be on the “must-have” list of every household in the Baltics.

**4,99 euros** per month for the TV package  
**4,99 euros** per month for the Films package  
**6,99 euros** per month for the Sports package  
**12,99 euros** per month for the All-Inclusive plan

## Subscribers as of July 2020:

**150,000** across all three countries

## What works for growing subscriptions?

“ Local content. In attracting new subscriptions, your tactics or fantastic prices are not the main factor – the primary reason why people choose to have the service is the content. The biggest selling points for us are local content and foreign content in the local language. The biggest waves of new subscribers come with pieces of new and exclusive content. Great sport events. The unrivaled sports offering is what drives customers to choose Go3. No matter where they are, with Go3, they can watch the best live sport, including KHL, Champions League, Premier League and NBA, on their smartphones, tablets, computers or smart TVs.

## Future Plans:

Provide customers with **even more top-class original and local Go3 productions**; not only series, but also movies, documentaries, reality shows and other forms of content loved by our viewers. Content that is not available anywhere else. Bring **even more exclusive broadcasts of the best and most popular sports**.

## Are other online media organisations thinking about introducing paid content products?



Zane Bārtniece,  
member of the board of  
TVNET Group, a Postimees  
Grupp subsidiary in Latvia

We are actively working on the introduction of a paid content product. Given global advertising buying trends, we’re looking for ways to diversify and stabilise our revenue streams. By offering a subscription, we see that we can develop relationships with our readers in a new way, offering interesting solutions from both the technical and the content side.

Experience elsewhere clearly shows that it is not possible to determine the right strategic direction for paid content prior to the actual implementation. We prefer testing and customisation. It is also a never-ending learning process, especially given the great untapped potential of such products in the Latvian market. The unprecedented experience of the pandemic has also affected people’s consumption habits and shown new trends that need to be taken into account in product development. We have done so, and adapted the solution to the new reality.

We anticipate that ours will be a model where users pay for specific article packages. The price category will be similar to the current market offering.



Tautvydas Mikalajūnas,  
editor-in-chief of Lrytas.lt

We are not planning to introduce a paid content product, at least not yet. In the U.S. and other Western countries, there is a demand for that kind of content.

There, when customers have a need, they subscribe and pay. Lithuanian customers are not yet like that. If we would charge for the content in full, we would not survive. Our readership would fall and the current number of subscribers would not cover our costs. And the advertising would also decline because there would not be as many readers.

I respect *Delfi* and *15min* for what they do. However, I take the view that the main user would go where the content is offered for free. Maybe, attitudes will change and the younger generation will be willing to pay for digital content, but the question is – how much and for what?

We don’t want to take risks yet, because the introduction of paid content also requires technological developments which mean additional costs. For the time being, our priority is to improve our portal without charging for content.

# LIGHTS OUT FOR THIRD-PARTY COOKIES

By Alina Lastovska

Third-party cookies have been widely used by ad tech companies to track internet users' behaviour and help advertisers target ads better. But in 2022 they will no longer be supported in the world's most popular web browser – Google's Chrome. Executives of Baltic online media outlets are optimistic that the phasing out of third-party cookies will work to their benefit. Meanwhile, experts recommend that the online media do their homework and collect as much data as possible about their audience before the lights go out for third-party cookies.

“The digital advertising market in Latvia does not always rely on third-party cookies. Accordingly, direct transactions in the local media should not suffer from these changes,” said Zane Bārtņiece, member of the board of *TVNET Group*, one of the biggest online publishers in Latvia. “On the contrary, they could benefit because other ad networks rely on third-party cookies, and without these cookies these ad networks might become less effective.”

In a world without third-party cookies, advertisers will have to put greater emphasis on contextual targeting, reaching a wider audience and creating customized advertising solutions. Bārtņiece is confident that, for such solutions, local media are able to offer advertisers more opportunities.

Konstantīns Kuzikovs, CEO of Latvia's biggest internet media organization, *Delfi*, agrees that local online media could benefit from such changes. While third-party cookies will be blocked, cookies in general will not disappear, and online media will still have information about their audience – time spent, pages viewed, and other data. According to Kuzikovs, *Delfi* are ready for these changes, partly because in 2019 it introduced paid content, which requires readers to log in on their website.

“We know when they log in, we know their demographics and, accordingly, we can target [ads] more precisely,” said Kuzikovs. His thinking goes that, without third-party cookies, online media will be nudged to think more about the users who visit their sites, instead of just a cookie being registered or not.

While Bārtņiece agrees that the most reliable audience data can be obtained from users who log in on the

website they visit, she notes that such users account for a relatively small part of the total audience. However, as first-party cookies will still be available, within a single website or platform it will be possible to obtain audience profiles. “All major ad tech developers are currently working on solutions to enable the synchronization of first-party identifiers between multiple portals using data management platforms. Once these solutions have been developed, there will be the potential to develop a platform capable of aggregating profiles between several local media outlets,” said Bārtņiece.

The dropping of third-party cookies will not leave a hole as Google has said it is working on a *Privacy Sandbox*, an initiative that should replace the third-party cookie technology currently in use and help all parties – readers, advertising agencies and media agencies – to ensure greater data security without incurring financial losses. Lithuania's online news portal *Lrytas.lt* is following the development of this initiative and is preparing to adapt to these technological changes, says Tautvydas Mikalajūnas, the editor-in-chief of *Lrytas.lt*. He isn't too worried about the change.

“As advertising segmentation is not currently a very effective tool in the Lithuanian online media market, advertising agencies usually rely on aggregated data, the total number of users, or time spent on the portal,” said

**Cookies** are files created by websites you visit.  
**First-party cookies** – those generated directly by the website itself – are used to remember your site preferences, give you locally relevant content, and keep you signed in, if applicable.  
**Third-party cookies** are usually generated by advertisers and can be used to track users' behavior and to target ads.

Since January 2020, when Google said it would phase out support for third-party cookies within two years, Chrome has started limiting cross-site tracking and has rolled out changes in the web browser to mitigate deceptive and intrusive tracking techniques, such as fingerprinting.

Mikalajūnas.

### Preparing for the change

While the online media seem to be confident that the blocking of third-party cookies will not impact them too much, other market participants are getting ready for the change. Among them is *Gemius*, a research company used by advertisers and online media organizations to track real users visiting online sites, their demographics and other data which is gathered with the help of third-party cookies. Linda Egle, the company's regional manager in Latvia and Estonia, confirms that *Gemius* has established a new approach with *Gemius ID*. If some metrics can be calculated using first-party cookies, other indicators, such as number of real users, social demographics and audience overlap can not, and that is what *Gemius ID* would help to achieve.

For now, *Gemius* is still using the existing methodology, but in parallel the new approach will be implemented in the market. *Gemius ID* will also allow online media visitors using the *Firefox* web browser to be tracked. Third-party cookies are already blocked on *Firefox* and *Safari*, therefore *Gemius's* existing measurement possibilities in those browsers are limited. "The current results with *Gemius ID* give us confidence that the new approach will be successful and will allow us to continue to perform audience measurements with the usual quality," said Egle.

Preparing for the change is important because the ending of third-party cookies will affect a lot of companies. Māris Naglis, global customer success director at *Httpool*, an international partner of major media platforms, recommends that the online media do their homework.

"Whatever solution is found, that which will be of greatest value will be first-party data. Any serious company needs to start building its technological capacity and collecting permitted customer data," said Naglis at the business technology conference *Riga Comm* in mid-October, 2020.

Technologically advanced companies will be able to offer very precise targeting after third-party cookies have ended. For example, *Facebook* will still hold a lot of information about its users, said Naglis.

### The future of programmatic advertising

Third-party cookies have been widely used in programmatic advertising, the automated buying and selling of virtual ad space employed by many online media companies and facilitated by *Google*. In 2019, the tech giant carried out research to see what effect disabling access to third-party cookies would have on the ad revenues of online publishers, and the results show that the change is not favorable to online media. According to their research, which was conducted using data from 500 global publishers that run programmatic ads via *Google Ad Manager*, the average

publisher's revenue decreased by 52%.

*Google* is a dominant player in the programmatic advertising field and good monetisation cannot be achieved without *Google Ad Exchange*, says Toms Panders, founder of the advertising technology company *Setupad*.

Panders agrees that the third-party cookie ban could decrease publishers' revenues. "Any restrictions, even users choosing not to accept cookies, have a great impact on ad targeting," he explained, adding that, currently, users mostly accept cookies.

While all programmatic ads use cookies in some way, less than 50% of programmatic ads are heavily targeted based on third-party cookies, says Panders. On websites dedicated to a specific topic, such as cooking recipes or IT, financial services ads can be placed based on content by targeting a particular domain. Programmatic advertising tools are used to place branding campaigns as well.

"I don't think it's the end of the story. The industry is working to find solutions for another user identifier [that can be used instead of third-party cookies]," the *Setupad* founder added. There is still time – more than a year – until the changes are planned to take effect, and new tools for ad targeting can be developed by then.

Latvia's two biggest online media organizations – *Delfi* and *TVNET* – have been trying to find the best solutions and the right balance between programmatic and traditional online display advertising. *Delfi's* strategy is to limit the amount of programmatic advertising on its website as it produces local content, which provides added value that allows it to sell online advertising directly at a higher price than it could programmatic advertising. For those cases when it makes financial sense to place programmatic ads on the website, *Delfi* uses its sister company *Adnet*.

*TVNET Group's* experience with programmatic advertising has had its ups and downs because, at first, it was not clear what to do, how or why. "That's why we experimented a lot, looking at which advertisers to allow to reach our readers and at what price. Over the past year we have successfully understood the nuances of supply and demand, the best formats and prices, and can generate additional revenue by selling advertising on ad exchanges," said Bārtņiece.

*TVNET Group* expects that programmatic advertising will remain a steady revenue stream for them. "We do not plan a significant increase [in our use of programmatic advertising], because there are still many advantages when [advertisers] buy the media directly," said Bārtņiece. *TVNET Group* now uses only the *Google Ad Exchange*. They have tried various solutions and partners, but "no offer has been able to increase revenue and justify the cost of implementing and maintaining the solutions". ■

## Owners of the most popular media across the Baltic countries ranked by turnover in 2019

	Country	Company	Number of media outlets owned	Turnover in 2019 (euro)	Turnover change 2019 vs 2018	Net profit/loss in 2019 (euro)
1	Estonia	Eesti Rahvusringhääling	2	47,033,000	19.7%	6,056,000
2	Lithuania	Lietuvos nacionalinis radijas ir televizija	2	43,255,934	11.3%	360,827
3	Estonia	Postimees Grupp, AS	4	37,944,000	nm	-5,576,000
4	Lithuania	All Media Lithuania, UAB	2	27,467,000	4.8%	3,817,000
5	Lithuania	Laisvas ir nepriklausomas kanalas, UAB	3	25,100,000	1.8%	2,369,000
6	Latvia	All Media Latvia, SIA	3	24,246,446	30.2%	1,252,512
7	Estonia	Ekspress Meedia AS	5	23,775,346	11.2%	646,610
8	Latvia	Latvijas Televīzija, VSIA	1	19,532,589	-0.1%	-233,939
9	Estonia	Äripäev, AS	2	16,666,000	9.2%	1,343,000
10	Estonia	All Media Eesti, AS	2	15,304,948	5.8%	175,800
11	Estonia	Õhtuleht Kirjastus, AS	3	13,840,035	18.4%	319,838
12	Latvia	Baltijas Mediju Alianse, SIA	1	13,421,988	-2.5%	1,315,930
13	Latvia	Latvijas Radio, VSIA	2	9,676,144	-3.0%	-182,794
14	Lithuania	Delfi, UAB	1	9,471,207	8.0%	1,382,189
15	Latvia	Žurnāls Santa, SIA	4	6,835,915	-4.2%	1,344,796
16	Latvia	Izdevniecība Rīgas Viļņi, SIA	2	5,377,235	-8.9%	36,144
17	Lithuania	Lietuvos rytas, UAB	1	5,273,363	-7.3%	-13,826,943
18	Lithuania	Media bitės, UAB	1	5,226,210	-4.2%	277,906
19	Lithuania	15min, UAB	1	4,813,168	nm	579
20	Lithuania	Savaitė, UAB	2	4,512,479	6.3%	723,534
21	Latvia	Pirmais Baltijas Kanāls, SIA	2	4,286,040	10.3%	1,076,324
22	Latvia	Latvijas Mediji AS	2	4,123,721	-8.5%	-323,237
23	Lithuania	M-1, UAB	1	3,951,147	2.0%	1,531,500
24	Latvia	Delfi, AS	1	3,808,667	3.7%	-80,401
25	Lithuania	Diena Media News, UAB	2	3,684,550	7.9%	578,436
26	Latvia	Radio SWH, AS	1	2,920,305	-0.2%	181,232
27	Lithuania	Lrytas UAB	1	2,703,437	10.6%	38,978
28	Latvia	TVNET Grupa, SIA	1	2,412,553	nm	-438,752
29	Latvia	Izdevniecība Dienas Žurnāli, SIA	1	2,249,386	-1.7%	-217,358
30	Estonia	Mediainvest Holding, AS	1	2,116,986	2.2%	365,463
31	Estonia	Ühinenud Ajakirjad AS	1	2,019,862	0.8%	155,108
32	Latvia	Dienas Mediji, SIA	1	1,882,396	-14.3%	-579,160
33	Lithuania	Respublikos leidiniai, UAB	2	1,768,125	-9.6%	-87,044
34	Latvia	Radio Skonto, SIA	1	1,738,004	-12.0%	133,590
35	Lithuania	UPG Baltic UAB	1	1,469,328	5.7%	100,022
36	Lithuania	Radijo stotis Ultra Vires, UAB	1	1,404,236	19.5%	225,527
37	Latvia	EHR Mediju grupa, SIA	1	1,315,626	-13.1%	-34,250
38	Lithuania	Radiocentras, UAB	2	1,183,379	8.5%	434,932
39	Latvia	Izdevniecības nams Print Media, SIA	1	1,181,120	3.1%	-63,466
40	Estonia	Nord Print OÜ	1	835,344	5.8%	128,817
41	Estonia	Taevaraadio, OU	2	272,855	-14.8%	37,177
42	Estonia	Balti Autorite ja Leviliit	1	130,671	-35.8%	-36,590
43	Lithuania	Kaimo žinios, UAB	1	na	na	na
44	Lithuania	SS Leidyba, UAB	1	na	na	na
45	Latvia	Zīme, SIA	1	na	na	na

# TOP 5 TV CHANNELS IN THE BALTICS AND THEIR FINANCIAL INDICATORS

TOP5 Most Popular TV Stations	Lithuania	Latvia	Estonia
#1 TV channel	<b>TV3</b>	<b>LTV1</b>	<b>ETV</b>
Share (%), 2019	16.5	9.6	15.9
Share (%), 2018	17.8	9.3	14.7
Change in share 2019 vs 2018, pp	<b>-1.3</b>	0.3	1.2
Broadcaster	All Media Lithuania, UAB	Latvijas Televīzija, VSIA	Eesti Rahvusringhääling
Turnover in 2019 (euros)	27,467,000	19,532,589	47,033,000
Turnover in 2018 (euros)	26,214,002	19,556,153	39,300,000
Change in Turnover 2019 vs 2018, %	4.8%	<b>-0.1%</b>	19.7%
Profit/Loss 2019 (after tax, euros)	3,817,000	<b>-233,939</b>	6,056,000
Profit/Loss 2018 (after tax, euros)	6,109,538	<b>-733,506</b>	1,005,000
Change in Profit 2019 vs 2018, %	<b>-37.5%</b>	nm	502.6%
Global Ultimate Owner	Bitė Lietuva, UAB (controlled by Providence Equity Partners LLC)	Public Broadcaster	Public Broadcaster
#2 TV channel	<b>LNK</b>	<b>TV3</b>	<b>Kanal2</b>
Share (%), 2019	13.6	9.5	9.0
Share (%), 2018	16.4	9.7	10.4
Change in share 2019 vs 2018, pp	<b>-2.8</b>	<b>-0.2</b>	<b>-1.4</b>
Broadcaster	Laisvas ir nepriklausomas kanalas, UAB	All Media Latvia, SIA	Postimees Grupp, AS*
Turnover in 2019 (euros)	25,100,000	24,246,446	37,944,000
Turnover in 2018 (euros)	24,647,000	18,617,426	52,973,000
Change in Turnover 2019 vs 2018, %	1.8%	30.2%	nm
Profit/Loss 2019 (after tax, euros)	2,369,000	1,252,512	<b>-5,576,000</b>
Profit/Loss 2018 (after tax, euros)	1,793,000	2,870,303	<b>-8,901,000</b>
Change in Profit 2019 vs 2018, %	32.1%	<b>-56.4%</b>	nm
Global Ultimate Owner	MG Baltic Media, UAB (Darius Mockus), Amber Trust S.C.A.	Bitė Lietuva, UAB (controlled by Providence Equity Partners)	Media Investments & Holding, OÜ (Margus Linnamäe)

TOP5 Most Popular TV Stations	Lithuania	Latvia	Estonia
#3 TV channel	LRT Televizija	PBK	TV3
Share (%), 2019	13.1	8.1	8.7
Share (%), 2018	12.2	7.3	10.2
Change in share 2019 vs 2018, pp	0.9	0.8	-1.5
Broadcaster	Lietuvos nacionalinis radijas ir televizija	Pirmais Baltijas Kanāls, SIA	All Media Eesti, AS
Turnover in 2019 (euros)	43,255,934	4,286,040	15,304,948
Turnover in 2018 (euros)	38,865,029	3,884,451	14,472,298
Change in Turnover 2019 vs 2018, %	11.3%	10.3%	5.8%
Profit/Loss 2019 (after tax, euros)	360,827	1,076,324	175,800
Profit/Loss 2018 (after tax, euros)	-796,735	648,062	584,782
Change in Profit 2019 vs 2018, %	nm	66.1%	-69.9%
Global Ultimate Owner	Public Broadcaster	Baltijas Mediju Alianse, SIA (Oļegs Solodovs, Alexey Plyasunov)	Bitē Lietuva, UAB (controlled by Providence Equity Partners LLC)
#4 TV channel	BTV	LNT	PBK
Share (%), 2019	5.4	6.7	4.8
Share (%), 2018	6.3	7.6	4.3
Change in share 2019 vs 2018, pp	-0.9	-0.9	0.5
Broadcaster	Laisvas ir nepriklausomas kanāls, UAB	All Media Latvia, SIA	Pirmais Baltijas Kanāls, SIA
Turnover in 2019 (euros)	25,100,000	24,246,446	4,286,040
Turnover in 2018 (euros)	24,647,000	18,617,426	3,884,451
Change in Turnover 2019 vs 2018, %	1.8%	30.2%	10.3%
Profit/Loss 2019 (after tax, euros)	2,369,000	1,252,512	1,076,324
Profit/Loss 2018 (after tax, euros)	1,793,000	2,870,303	648,062
Change in Profit 2019 vs 2018, %	32.1%	-56.4%	66.1%
Global Ultimate Owner	MG Baltic Media, UAB (Darius Mockus), Amber Trust S.C.A.	Bitē Lietuva, UAB (controlled by Providence Equity Partners LLC)	Baltijas Mediju Alianse, SIA (Oļegs Solodovs, Alexey Plyasunov)
#5 TV channel	TV1	NTV Mir Baltic	RTR Planeta
Share (%), 2019	4.1	6.6	4.5
Share (%), 2018	4.1	6.9	4.8
Change in share 2019 vs 2018, pp	0.0	-0.3	-0.3
Broadcaster	Laisvas ir nepriklausomas kanāls, UAB	Baltijas Mediju Alianse, SIA**	Balti Autorite ja Leviliit***
Turnover in 2019 (euros)	25,100,000	13,421,988	130,671
Turnover in 2018 (euros)	24,647,000	13,765,423	203,649
Change in Turnover 2019 vs 2018, %	1.8%	-2.5%	-35.8%
Profit/Loss 2019 (after tax, euros)	2,369,000	1,315,930	-36,590
Profit/Loss 2018 (after tax, euros)	1,793,000	3,188,406	24,585
Change in Profit 2019 vs 2018, %	32.1%	-58.7%	nm
Global Ultimate Owner	MG Baltic Media, UAB (Darius Mockus), Amber Trust S.C.A.	Oļegs Solodovs, Alexey Plyasunov	Ljubov Domanina, Oleg Domanin

Decline in audience and/or financial results marked in red

\* In 2018, Postimees Grupp changed its financial reporting year to start from May 1 and end on April 30. The year 2019 data covers their latest financial report, which lasted from 01.05.2019 until 30.04.2020 (a 12-month period), meanwhile the year 2018 data covers a 16-month period from 01.01.2018 until 30.04.2019, therefore it is not meaningful to compare the financial performance in 2019 (12-month period) vs 2018 (16-month period).

\*\* TV channel NTV Mir Baltic is registered in the United Kingdom and the owner of its licence is a UK based entity, Reveno Media Ltd (previously called Baltic Baltic Media Alliance Ltd), however, in Latvia the rights holder for the program is SIA Baltijas Mediju Alianse, which had not yet submitted its 2019 annual report by early November.

\*\*\*TV channel RTR Planeta is owned by the Russian state-owned broadcaster VGTRK (*Всероссийская государственная телевизионная и радиовещательная компания*), and in Estonia the rights holder for the program is Balti Autorite ja Leviliit. Balti Autorite ja Leviliit is registered as a non-profit association, therefore it does not have owners, it is controlled by its board members Oleg Domanin and Ljubov Domanina.

Sources:			
Audience data	Kantar Lithuania, TV Audience Survey, TV Meter panel 2019; 2018	Kantar Latvia, TV Audience Survey 2019; 2018	TV Audience Measurement 2019; 2018
Share (%)	Consolidated TV share of viewing, the percentage of the total viewing time over a given period of time		
Target audience	Lithuanian residents aged 4+ years	Latvian residents aged 4+ years	Estonian residents aged 4+ years
Financial data	State Enterprise Centre of Registers	Lursoft	Centre of Registers and Information Systems
na	data not available		
nm	not meaningful to calculate		

# TOP 5 INTERNET MEDIA WEBSITES IN THE BALTICS AND THEIR FINANCIAL INDICATORS

TOP 5 Internet Media Websites	Lithuania	Latvia	Estonia
<b>#1 portal</b>	<b>delfi.lt</b>	<b>delfi.lv</b>	<b>delfi.ee</b>
The website is a part of other media outlet	No	No	yes
Average monthly real users in 2019 (Jan to Dec)	1,332,781	820 029	630 816
Average monthly real users in 2018 (Jan to Dec)	1,294,472	840 708	578 843
Change in average monthly real users 2019 vs 2018, %	3.0%	-2.5%	9.0%
Owner	Delfi, UAB	Delfi, AS	Ekspress Meedia, AS
Turnover in 2019 (euros)	9,471,207	3,808,667	23,775,346
Turnover in 2018 (euros)	8,768,616	3,673,529	21,380,704
Change in Turnover 2019 vs 2018, %	8.0%	3.7%	11.2%
Profit/Loss 2019 (after tax, euros)	1,382,189	-80,401	646,610
Profit/Loss 2018 (after tax, euros)	1,242,866	-444,006	478,925
Change in profit 2019 vs 2018, %	11.2%	nm	35.0%
Global Ultimate Owner	Ekspress Grupp, AS (Hans H. Luik)	Ekspress Grupp, AS (Hans H. Luik)	Ekspress Grupp, AS (Hans H. Luik)
<b>#2 portal</b>	<b>15min.lt</b>	<b>tvnet.lv</b>	<b>postimees.ee</b>
The website is a part of other media outlet	No	No	yes
Average monthly real users in 2019 (Jan to Dec)	1,244,773	708 225	618 156
Average monthly real users in 2018 (Jan to Dec)	1,183,135	697 063	625 278
Change in average monthly real users 2019 vs 2018, %	5.2%	1.6%	-1.1%
Owner	15min, UAB**	TVNET Grupa, SIA**	Postimees Grupp, AS**
Turnover in 2019 (euros)	4,813,168	2,412,553	37,944,000
Turnover in 2018 (euros)	5,561,509	2,078,875	52,973,000
Change in Turnover 2019 vs 2018, %	nm	nm	nm
Profit/Loss 2019 (after tax, euros)	579	-438,752	-5,576,000
Profit/Loss 2018 (after tax, euros)	-277,711	-1,035,253	-8,901,000
Change in profit 2019 vs 2018, %	nm	nm	nm
Global Ultimate Owner	Postimees Grupp AS (Margus Linnamäe)	Postimees Grupp AS (Margus Linnamäe)	Media Investments & Holding, OÜ (Margus Linnamäe)

#3 portal	tv3.lt	jauns.lv	ohtuleht.ee
The website is a part of other media outlet	Yes	Yes	yes
Average monthly real users in 2019 (Jan to Dec)	1,063,194	547 780	399 114
Average monthly real users in 2018 (Jan to Dec)	969 642	471 026	313 843
Change in average monthly real users 2019 vs 2018, %	9.6%	16.3%	27.2%
Owner	All Media Lithuania, UAB	Izdevniecība Rīgas Viļņi, SIA	Õhtuleht Kirjastus, AS
Turnover in 2019 (euros)	27,467,000	5,377,235	13,840,035
Turnover in 2018 (euros)	26,214,002	5,902,865	11,684,301
Change in Turnover 2019 vs 2018, %	4.8%	-8.9%	18.4%
Profit/Loss 2019 (after tax, euros)	3,817,000	36,144	319,838
Profit/Loss 2018 (after tax, euros)	6,109,538	81,400	-178,747
Change in profit 2019 vs 2018, %	-37.5%	-55.6%	nm
Global Ultimate Owner	Bitė Lietuva, UAB (controlled by Providence Equity Partners LLC)	Izdevniecība Pulss Plus (Aija Šmidre)	Ekspress Grupp, AS (Hans H. Luik), Alexela Grupp (Heiti Hääl)
#4 portal	lrytas.lt	skaties.lv	tv3.ee
The website is a part of other media outlet	Yes	Yes	yes
Average monthly real users in 2019 (Jan to Dec)	1,043,749	537 753	218 981
Average monthly real users in 2018 (Jan to Dec)	958 499	481 460	197 795
Change in average monthly real users 2019 vs 2018, %	8.9%	11.7%	10.7%
Owner	Lrytas UAB	All Media Latvia, SIA	All Media Eesti, AS
Turnover in 2019 (euros)	2,703,437	24,246,446	15,304,948
Turnover in 2018 (euros)	2,444,681	18,617,426	14,472,298
Change in Turnover 2019 vs 2018, %	10.6%	30.2%	5.8%
Profit/Loss 2019 (after tax, euros)	38,978	1,252,512	175,800
Profit/Loss 2018 (after tax, euros)	-247,015	2,870,303	584,782
Change in profit 2019 vs 2018, %	nm	-56.4%	-69.9%
Global Ultimate Owner	Lietuvos Rytas, UAB (Vitas Tomkus, Lina Tomkienė, Justinas Tomkus Rytis Tomkus)	Bitė Lietuva, UAB (controlled by Providence Equity Partners)	Bitė Lietuva, UAB (controlled by Providence Equity Partners LLC)

TOP 5 Internet Media Websites	Lithuania	Latvia	Estonia
#5 portal	diena.lt	la.lv	mke.ee
The website is a part of other media outlet	Yes	Yes	yes
Average monthly real users in 2019 (Jan to Dec)	772 247	527 931	48 132
Average monthly real users in 2018 (Jan to Dec)	541 909	430 215	21 119
Change in average monthly real users 2019 vs 2018, %	42.5%	22.7%	127.9%
Owner	Diena Media News, UAB	Latvijas Mediji AS*	Nord Print OÜ
Turnover in 2019 (euros)	3,684,550	4,123,721	835,344
Turnover in 2018 (euros)	3,414,989	4,505,439	789,540
Change in Turnover 2019 vs 2018, %	7.9%	-8.5%	5.8%
Profit/Loss 2019 (after tax, euros)	578,436	-323,237	128,817
Profit/Loss 2018 (after tax, euros)	567,014	-479,057	138,534
Change in profit 2019 vs 2018, %	2.0%	nm	-7.0%
Global Ultimate Owner	Sunra, UAB, Mindaugas Mickevičius, Vytautas Stankus,	N & J Sabiedrība, SIA (Olafs Berķis)	Jekaterina Solodova****

Decline in audience and/or financial results marked in red

\* Among Estonia's 5 most popular online news websites almost certainly should be the website of the public broadcaster ERR, however the number of real users visiting Err.ee is not measured by gemiusAudience research. ERR said in its latest annual report that, at the end of 2019, its number of unique visitors according to Gemius reached 600,000 per week. Gemius noted that this metric is representing the web analytic gemiusPrism data and showing the number of unique browsers, which is incomparable with the metric of real users available in gemiusAudience research and representing the number of people.

\*\* In 2018, Postimees Grupp changed its financial reporting year to start from May 1 and end on April 30. The year 2019 data covers their latest financial report, which lasted from 01.05.2019 until 30.04.2020 (a 12-month period), meanwhile the year 2018 data covers a 16-month period from 01.01.2018 until 30.04.2019, therefore it is not meaningful to compare the financial performance in 2019 (12-month period) vs 2018 (16-month period). The same change was implemented in its subsidiaries in Latvia and Lithuania, TVNET Grupa and 15min accordingly, therefore the financial performance of these companies in 2018/2019 and 2019/2020 financial years are not comparable.

\*\*\* In 2019, la.lv website was owned by the publishing house Latvijas Mediji, AS, however, in May 2020 the publisher announced that la.lv website would be included in the structure of broadcaster RigaTV 24.

\*\*\*\* Jekaterina Solodova became the sole owner of Nord Print OU, which publishes Russian-language weekly MK Estonia in October, 2020, before that the company's owner was Olegs Solodovs, who is the co-owner of Baltijas Mediju Alianse (Baltic Media Alliance) media group.

Sources:			
Audience data	gemiusAudience, 2018-01-01–2019-12-31 (7–74 y.o.)	gemiusAudience, 2018-01-01–2019-12-31 (7–74 y.o.)	gemiusAudience, 2018-01-01–2019-12-31 (15–74 y.o.)
Real Users	The number of individuals who generated at least one page view on the monitored web site (or a group of sites) within a given time period. This indicator represents the number of real people – not computers, cookies or IP addresses – who visited the web site.		
Financial data	State Enterprise Centre of Registers	Lursoft	Centre of Registers and Information Systems
na	data not available		
nm	not meaningful to calculate		

# TOP 5 RADIO STATIONS IN THE BALTICS AND THEIR FINANCIAL INDICATORS

TOP5 Most Popular Radio Stations	Lithuania	Latvia	Estonia
<b>#1 Radio</b>	<b>M-1</b>	<b>Latvijas Radio 2</b>	<b>Vikerraadio</b>
Reach daily, 2019	309 700	227 300	149 000
Reach daily, 2018	323 000	236 800	137 000
Change in daily reach 2019 vs 2018, %	-4%	-4%	9%
Reach daily (%), 2019	14.9	14.6	14.5
Reach daily (%), 2018	15.2	15.1	13.5
Change in daily reach (%) 2019 vs 2018, pp	- 0.3	- 0.5	1.0
Owner	M-1, UAB	Latvijas Radio, VSIA	Eesti Rahvusringhääling
Turnover in 2019 (euros)	3,951,147	9,676,144	47,033,000
Turnover in 2018 (euros)	3,874,457	9,979,580	39,300,000
Changes in Turnover 2019 vs 2018, %	2.0%	-3.0%	19.7%
Profit/Loss 2019 (after tax, euros)	1,531,500	-182,794	6,056,000
Profit/Loss 2018 (after tax, euros)	1,499,261	162,628	1,005,000
Changes in Profit 2019 vs 2018, %	2.2%	nm	502.6%
Global Ultimate Owner	Ramunė Grušnytė-Mikalauškienė	Public Broadcaster	Public Broadcaster
<b>#2 Radio</b>	<b>Lietus</b>	<b>Radio Skonto</b>	<b>Sky Plus</b>
Reach daily, 2019	269 300	192 500	97 000
Reach daily, 2018	276 600	198 100	112 000
Change in daily reach 2019 vs 2018, %	-2.6%	-2.8%	-13.4%
Reach daily (%), 2019	12.9	12.3	9.5
Reach daily (%), 2018	13.0	12.6	11.0
Change in daily reach (%) 2019 vs 2018, pp	-0.1	-0.3	-1.5
Owner	Radījo stotis Ultra Vires, UAB	Radio Skonto, SIA*	Taevaraadio, OU
Turnover in 2019 (euros)	1,404,236	1,738,004	272,855
Turnover in 2018 (euros)	1,174,646	1,975,395	320,068
Changes in Turnover 2019 vs 2018, %	19.5%	-12.0%	-14.8%
Profit/Loss 2019 (after tax, euros)	225,527	133,590	37,177
Profit/Loss 2018 (after tax, euros)	321,717	218,479	102,113
Changes in Profit 2019 vs 2018, %	-29.9%	-38.9%	-63.6%
Global Ultimate Owner	Rūta Grušnienė, Giedre Grušnytė	RS Media (Laimonis Ivars Embrehts, Jurgis Ābele, Edijs Akolovs)	Harald Tehver

TOP5 Most Popular Radio Stations	Lithuania	Latvia	Estonia
<b>#3 Radio</b>	<b>LRT Radijas</b>	<b>Latvijas Radio 1</b>	<b>Raadio Elmar</b>
Reach daily, 2019	195 500	141 800	81 000
Reach daily, 2018	215 900	134 700	96 000
Change in daily reach 2019 vs 2018, %	-9.4%	5.3%	-15.6%
Reach daily (%), 2019	9.4	9.1	8.0
Reach daily (%), 2018	10.2	8.6	9.5
Change in daily reach (%) 2019 vs 2018, pp	-0.8	0.5	-1.5
Owner	Lietuvos nacionalinis radijas ir televizija	Latvijas Radio, VSIA	Postimees Grupp, AS**
Turnover in 2019 (euros)	43,255,934	9,676,144	37,944,000
Turnover in 2018 (euros)	38,865,029	9,979,580	52,973,000
Changes in Turnover 2019 vs 2018, %	11.3%	-3.0%	nm
Profit/Loss 2019 (after tax, euros)	360,827	-182,794	-5,576,000
Profit/Loss 2018 (after tax, euros)	-796,735	162,628	-8,901,000
Changes in Profit 2019 vs 2018, %	nm	nm	nm
Global Ultimate Owner	Public Broadcaster	Public Broadcaster	Media Investments & Holding, OÜ (Margus Linnamäe)
<b>#4 Radio</b>	<b>Radiocentras</b>	<b>Eiropas Hitu Radio</b>	<b>Star FM</b>
Reach daily, 2019	183 400	117 100	80 000
Reach daily, 2018	203 900	128 200	85 000
Change in daily reach 2019 vs 2018, %	-10.1%	-8.7%	-5.9%
Reach daily (%), 2019	8.8	7.5	7.8
Reach daily (%), 2018	9.6	8.2	8.3
Change in daily reach (%) 2019 vs 2018, pp	-0.8	-0.7	-0.5
Owner	Radiocentras, UAB	EHR Mediju grupa, SIA	AS Mediainvest Holding
Turnover in 2019 (euros)	1,183,379	1,315,626	2,116,986
Turnover in 2018 (euros)	1,090,548	1,513,450	2,071,629
Changes in Turnover 2019 vs 2018, %	8.5%	-13.1%	2.2%
Profit/Loss 2019 (after tax, euros)	434,932	-34,250	365,463
Profit/Loss 2018 (after tax, euros)	269,474	-37,540	353,256
Changes in Profit 2019 vs 2018, %	61.4%	nm	3.5%
Global Ultimate Owner	Achemos grupė (Lyda Lubienė, Viktorija Lubytė, Jūratė Žadeikienė), Mindaugas Pleskevičius	Uģis Polis, Ričards Zakss	Bitē Lietuva, UAB (controlled by Providence Equity Partners LLC)

#5 Radio	Rusradio LT	Radio SWH	Retro FM
Reach daily, 2019	113 000	106 100	56 000
Reach daily, 2018	129 200	115 900	64 000
Change in daily reach 2019 vs 2018, %	-12.5%	-8.5%	-12.5%
Reach daily (%), 2019	5.4	6.8	5.5
Reach daily (%), 2018	6.1	7.4	6.3
Change in daily reach (%) 2019 vs 2018, pp	-0.7	-0.6	-0.8
Owner	Radiocentras, UAB	Radio SWH, AS	Taevaaradio, OU
Turnover in 2019 (euros)	1,183,379	2,920,305	272,855
Turnover in 2018 (euros)	1,090,548	2,927,118	320,068
Changes in Turnover 2019 vs 2018, %	8.5%	-0.2%	-14.8%
Profit/Loss 2019 (after tax, euros)	434,932	181,232	37,177
Profit/Loss 2018 (after tax, euros)	269,474	101,959	102,113
Changes in Profit 2019 vs 2018, %	61.4%	77.7%	-63.6%
Global Ultimate Owner	Achemos grupė (Lyda Lubienė, Viktorija Lubytė, Jūratė Žadeikienė), Mindaugas Pleskevičius	DLT Capital OU (Tatiana Tolstaya), Jānis Šipkēvics, Filips Rubenis	Harald Tehver

Decline in audience and/or financial results marked in red

\* The Radio Skonto brand operates within 3 companies (SIA Radio Skonto, SIA Radio Vidzeme and SIA Radio Skonto Kurzeme) offering programs in Riga and separately in Latvia's regions of Vidzeme and Latgale, as well as Kurzeme. The audience data (reach daily) represents the number of listeners of Radio Skonto across the whole country, and the financial results as stated here represent the consolidated turnover and profit of all three companies combined.

\*\* In 2018, Postimees Grupp changed its financial reporting year to start from May 1 and end on April 30. The year 2019 data covers their latest financial report, which lasted from 01.05.2019 until 30.04.2020 (a 12-month period), meanwhile the year 2018 data covers a 16-month period from 01.01.2018 until 30.04.2019, therefore it is not meaningful to compare the financial performance in 2019 (12-month period) vs 2018 (16-month period).

Sources:			
Audience data	Kantar Lithuania, Radio Audience Survey (Day-After-Recall) 2019; 2018	Kantar Latvia, Radio Audience Measurement (Day-After-Recall) 2019; 2018	Kantar Emor, Radio Audience Survey (Day-After-Recall) 2019; 2018
Reach daily	The number of people who listen to a certain radio station for at least 15 minutes per day		
Reach daily (%)	The average percentage of people in a target group who listen to a certain radio station for at least 15 minutes per day		
Target audience	Lithuanian residents aged 16 to 74 years	Latvian residents aged 16 to 74	Estonian residents aged 12 to 74 years
Financial data	State Enterprise Centre of Registers	Lursoft	Centre of Registers and Information Systems
na	data not available		
nm	not meaningful to calculate		

## TOP 5 NEWSPAPERS IN THE BALTICS AND THEIR FINANCIAL INDICATORS

TOP5 Most Popular Newspapers	Lithuania	Latvia	Estonia
#1 Newspaper	Lietuvos Rytas	МК-Латвия/МК Latvija (rus)	Postimees
Frequency	3 issues per week	1 issue per week	6 issues per week
Cover in 2019	173 200*	166 500	146 000
Cover in 2018	188 800	167 200	158 000
Change in Cover 2019 vs 2018, %	nm	-0.4%	-7.6%
Cover (%) in 2019	8.3*	10.7	14.9
Cover (%) in 2018	8.8	10.6	16.2
Change in the Cover (%) 2019 vs 2018, pp	nm	0.1	-1.3
Circulation in 2019	23 667	na	39 100
Circulation in 2018	26 278	na	41 910
Publisher	Lietuvos rytas, UAB	Izdevniecības nams Print Media, SIA	Postimees Grupp, AS**
Turnover in 2019 (euros)	5,273,363	1,181,120	37,944,000
Turnover in 2018 (euros)	5,691,087	1,145,595	52,973,000
Change in Turnover 2019 vs 2018, %	-7.3%	3.1%	nm
Profit/Loss 2019 (after tax, euros)	-13,826,943	-63,466	-5,576,000
Profit/Loss 2018 (after tax, euros)	-990,234	312,519	-8,901,000
Change in Profit 2019 vs 2018, %	nm	nm	nm
Global Ultimate Owner	BIG group, UAB, Gedvydas Vainauskas, Vidmantas Strimaitis	Baltijas Mediju Alianse, SIA (Oļegs Solodovs, Alexey Plyasunov)	Media Investments & Holding, OÜ (Margus Linnamäe)

#2 Newspaper	Vakaro Žinios	Diena	Õhtuleht
Frequency	5 issues per week	5 issues per week	6 issues per week
Cover in 2019	81 400*	49 400	109 000
Cover in 2018	138 900	42 100	134 000
Change in Cover 2019 vs 2018, %	nm	17.3%	-18.7%
Cover (%) in 2019	3.9*	3.2	11.2
Cover (%) in 2018	6.5	2.7	13.7
Change in the Cover (%) 2019 vs 2018, pp	nm	0.5	-2.5
Circulation in 2019	22 880	na	42 100
Circulation in 2018	25 470	na	44 370
Publisher	Respublikos leidiniai, UAB	Dienas Mediji, SIA	Õhtuleht Kirjastus, AS
Turnover in 2019 (euros)	1,768,125	1,882,396	13,840,035
Turnover in 2018 (euros)	1,955,292	2,197,745	11,684,301
Change in Turnover 2019 vs 2018, %	-9.6%	-14.3%	18.4%
Profit/Loss 2019 (after tax, euros)	-87,044	-579,160	319,838
Profit/Loss 2018 (after tax, euros)	-47,583	-515,870	-178,747
Change in Profit 2019 vs 2018, %	nm	nm	nm
Global Ultimate Owner	Respublikos investicija UAB (Vitas Tomkus, Lina Tomkienė, Jusinas Tomkus Rytis Tomkus), Justinas Tomkus, Rytis Tomkus	Edgars Kots	Ekspress Grupp, AS (Hans H. Luik), Alexela Grupp (Heiti Hääl)
#3 Newspaper	Kauno Diena	Latvijas Avīze	Maaleht
Frequency	6 issues per week	5 issues per week	1 issue per week
Cover in 2019	79 100*	46 000	74 000
Cover in 2018	41 100	49 700	88 000
Change in Cover 2019 vs 2018, %	nm	-7.4%	-15.9%
Cover (%) in 2019	3.8*	3.0	7.6
Cover (%) in 2018	1.9	3.2	9.1
Change in the Cover (%) 2019 vs 2018, pp	nm	-0.2	-1.5
Circulation in 2019	18 980	11 190	40 800
Circulation in 2018	18 486	12 654	42 500
Publisher	Diena Media News, UAB	Latvijas Mediji, AS	Ekspress Meedia AS
Turnover in 2019 (euros)	3,684,550	4,123,721	23,775,346
Turnover in 2018 (euros)	3,414,989	4,505,439	21,380,704
Change in Turnover 2019 vs 2018, %	7.9%	-8.5%	11.2%
Profit/Loss 2019 (after tax, euros)	578,436	-323,237	646,610
Profit/Loss 2018 (after tax, euros)	567,014	-479,057	478,925
Change in Profit 2019 vs 2018, %	2.0%	nm	35.0%
Global Ultimate Owner	Sunra UAB, Mindaugas Mickevičius, Vytautas Stankus	N & J, SIA (Olafs Berķis)	Ekspress Grupp, AS (Hans H. Luik)

TOP5 Most Popular Newspapers	Lithuania	Latvia	Estonia
#4 Newspaper	Respublika	Латвийские Вести/ Latvijskie Vesti (rus)	Eesti Ekspress
Frequency	1 issue per week	1 issue per week	1 issue per week
Cover in 2019	77 600*	44 900	73 000
Cover in 2018	59 600	50 100	70 000
Change in Cover 2019 vs 2018, %	nm	-10.4%	4.3%
Cover (%) in 2019	3.7*	2.9	7.5
Cover (%) in 2018	2.8	3.2	7.2
Change in the Cover (%) 2019 vs 2018, pp	nm	-0.3	0.3
Circulation in 2019	9 000	na	24 800
Circulation in 2018	11 154	na	25 600
Publisher	Respublikos leidiniai, UAB	Zīme, SIA	Ekspress Meedia AS
Turnover in 2019 (euros)	1,768,125	na	23,775,346
Turnover in 2018 (euros)	1,955,292	2,785,078	21,380,704
Change in Turnover 2019 vs 2018, %	-9.6%	na	11.2%
Profit/Loss 2019 (after tax, euros)	-87,044	na	646,610
Profit/Loss 2018 (after tax, euros)	-47,583	-151,154	478,925
Change in Profit 2019 vs 2018, %	nm	na	35.0%
Global Ultimate Owner	Respublikos investicija UAB (Vitas Tomkus, Lina Tomkienė, Jusinas Tomkus Rytis Tomkus), Justinas Tomkus, Rytis Tomkus	Jeļena Ustinova	Ekspress Grupp, AS (Hans H. Luik)
#5 Newspaper	Valstiečių laikraštis	Ievas padomu avīze	Eesti Päevaleht
Frequency	2 issues per week	1 issue per week	5 issues per week
Cover in 2019	44 500*	43 400	67 000
Cover in 2018	30 000	49 300	64 000
Change in Cover 2019 vs 2018, %	nm	-12.0%	4.7%
Cover (%) in 2019	2.1*	2.8	6.8
Cover (%) in 2018	1.4	3.1	6.6
Change in the Cover (%) 2019 vs 2018, pp	nm	-0.3	0.2
Circulation in 2019	17 624	na	14 500
Circulation in 2018	17 753	23 000	15 200
Publisher	Kaimo žinios, UAB***	Žurnāls Santa, SIA	Ekspress Meedia AS
Turnover in 2019 (euros)	na	6,835,915	23,775,346
Turnover in 2018 (euros)	na	7,131,909	21,380,704
Change in Turnover 2019 vs 2018, %	na	-4.2%	11.2%
Profit/Loss 2019 (after tax, euros)	na	1,344,796	646,610
Profit/Loss 2018 (after tax, euros)	na	1,343,242	478,925
Change in Profit 2019 vs 2018, %	na	0.1%	35.0%
Global Ultimate Owner	Gintautas Misiukeviči- us, Edvardas Balčiūnas, Ingrida Misiukevičienė	Santa Anča, Ivars Zariņš	Ekspress Grupp, AS (Hans H. Luik)

 Decline in audience and/or financial results marked in red

\* In 2019, data collection methodology for Readership survey in Lithuania changed from face-to-face interviews to computer-assisted telephone interviewing (CATI), therefore 2019 Cover data cannot be compared to 2018 Cover data.

\*\* In 2018, Postimees Grupp changed its financial reporting year to start from May 1 and end on April 30. The year 2019 data covers their latest financial report, which lasted from 01.05.2019 until 30.04.2020 (a 12-month period), meanwhile the year 2018 data covers a 16-month period from 01.01.2018 until 30.04.2019, therefore it is not meaningful to compare the financial performance in 2019 (12-month period) vs 2018 (16-month period).

\*\*\* The publisher of Kaimo žinios, UAB has not submitted financial reports for year 2019 or 2018 to State Enterprise Centre of Registers, and the Baltic Media Health Check was unable to receive financial information from the publisher itself.

Cover data	Kantar Lithuania Readership Survey 2019; 2018 Spring	Kantar Latvia National Readership Survey 2019; 2018	Kantar Emor, TNSAtlas 2019; 2018
Target Audience	Lithuanian residents aged 16-74 years (2019), Lithuanian residents aged 15-74 (2018)	Latvian residents aged 16-74	Estonian residents aged 15-74 years
Cover	The average number of readers in target group for one issue of press edition		
Cover, %	The average percentage of readers in target group for one issue of press edition		
Circulation data	Ministry of Culture of Lithuania	Circulations of print publications are not audited in Latvia, here data as disclosed by the publishers of newspapers.	The Association of Estonian Media Companies
Period for circulation data	Second half of 2019; second half of 2018	December 2019; December 2018	Average monthly circulation 2019; 2018
Financial data	State Enterprise Centre of Registers	Lursoft	Centre of Registers and Information Systems
na	data not available		
nm	not meaningful to calculate		

## TOP 5 MAGAZINES IN THE BALTICS AND THEIR FINANCIAL INDICATORS

TOP5 Most Popular Magazines	Lithuania	Latvia	Estonia
#1 Magazine	Savaitė	Ieva	Kroonika
Type of the Magazine	TV listings, household and lifestyle tips	women, lifestyle	Entertainment, celebrities
Frequency	weekly	weekly	weekly
Cover in 2019	321 700*	146 600	61 000
Cover in 2018	533 800	166 600	64 000
Change in Cover 2019 vs 2018	nm	-12.0%	-4.7%
Cover in 2019, %	15.4*	9.4	6.2
Cover in 2018, %	24.8	10.6	6.5
Change in the Cover 2019 vs 2018, pp	nm	-1.2	-0.3
Circulation in 2019	195 501	na	30 300
Circulation in 2018	195 898	47 100	31 400
Publisher	Savaitė, UAB	Žurnāls Santa, SIA	Ekspress Meedia AS
Turnover in 2019 (euros)	4,512,479	6,835,915	23,775,346
Turnover in 2018 (euros)	4,246,583	7,131,909	21,380,704
Change in Turnover 2019 vs 2018, %	6.3%	-4.2%	11.2%
Profit/Loss 2019 (after tax, euros)	723,534	1,344,796	646,610
Profit/Loss 2018 (after tax, euros)	590,941	1,343,242	478,925
Change in Profit 2019 vs 2018, %	22.4%	0.1%	35.0%
Global Ultimate Owner	Asta Jelinskienė, Aleksandras Maccina	Santa Anča, Ivars Zariņš	Ekspress Grupp, AS (Hans H. Luik)

#2 Magazine	Žmonės	Privātā Dzīve	Naisteht
Type of the Magazine	Entertainment, celebrities	Entertainment, celebrities	Women
Frequency	weekly	weekly	weekly
Cover in 2019	265 300*	104 700	46 000
Cover in 2018	204 200	116 000	50 000
Change in Cover 2019 vs 2018	nm	-9.7%	-8.0%
Cover in 2019, %	12.7*	6.7	4.7
Cover in 2018, %	9.5	7.4	5.1
Change in the Cover 2019 vs 2018, pp	nm	-0.7	-0.4
Circulation in 2019	48 333	na	26 900
Circulation in 2018	55 089	31 300	28 400
Publisher	Media bitēs, UAB	Žurnāls Santa, SIA	Õhtuleht Kirjastus, AS
Turnover in 2019 (euros)	5,226,210	6,835,915	13,840,035
Turnover in 2018 (euros)	5,457,861	7,131,909	11,684,301
Change in Turnover 2019 vs 2018, %	-4.2%	-4.2%	18.4%
Profit/Loss 2019 (after tax, euros)	277,906	1,344,796	319,838
Profit/Loss 2018 (after tax, euros)	397,617	1,343,242	-178,747
Change in Profit 2019 vs 2018, %	-30.1%	0.1%	nm
Global Ultimate Owner	Tomas Balžekas, Martynas Basokas, Vytautas Kaikaris, Gabrielė Burbienė, Tomas Bindokas	Santa Anča, Ivars Zariņš	Ekspress Grupp, AS (Hans H. Luik), Alexela Grupp (Heiti Hääl)
#3 Magazine	Prie Kavos	Kas Jauns	Imeline Ajalugu
Type of the Magazine	Women	entertainment, celebrities	popular history, education
Frequency	weekly	weekly	monthly
Cover in 2019	128 300*	102 100	20 200
Cover in 2018	125 300	112 100	21 800
Change in Cover 2019 vs 2018	nm	-8.9%	-7.3%
Cover in 2019, %	6.2*	6.5	4.4
Cover in 2018, %	5.8	7.1	4.4
Change in the Cover 2019 vs 2018, pp	nm	-0.6	0.0
Circulation in 2019	na	na	19 700
Circulation in 2018	na	na	21 100
Publisher	SS Leidyba, UAB	Izdevniecība Rīgas Viļņi, SIA	Äripäev, AS
Turnover in 2019 (euros)	na	5,377,235	16,666,000
Turnover in 2018 (euros)	1,049,336	5,902,865	15,262,000
Change in Turnover 2019 vs 2018, %	nm	-8.9%	9.2%
Profit/Loss 2019 (after tax, euros)	na	36,144	1,343,000
Profit/Loss 2018 (after tax, euros)	13,086	81,400	558,000
Change in Profit 2019 vs 2018, %	nm	-55.6%	140.7%
Global Ultimate Owner	Regina Sudakoviene	Izdevniecība Pulss Plus (Aija Šmidre)	Bonnier Group AB

TOP5 Most Popular Magazines	Lithuania	Latvia	Estonia
#4 Magazine	Namie Ir Sode	Ievas stāsti	Imeline Teadus
Type of the Magazine	Household and garden tips	biographies, stories	popular science, education
Frequency	bi-weekly	bi-weekly	monthly
Cover in 2019	126 900*	87 800	33 000
Cover in 2018	87 900	106 300	45 000
Change in Cover 2019 vs 2018	nm	-17.4%	-26.7%
Cover in 2019, %	6.1*	5.6	3.4
Cover in 2018, %	4.1	6.8	4.7
Change in the Cover 2019 vs 2018, pp	nm	-1.2	-1.3
Circulation in 2019	22 240	na	16 700
Circulation in 2018	26 381	36 200	17 400
Publisher	Savaitė, UAB	Žurnāls Santa, SIA	Äripäev, AS
Turnover in 2019 (euros)	4,512,479	6,835,915	16,666,000
Turnover in 2018 (euros)	4,246,583	7,131,909	15,262,000
Change in Turnover 2019 vs 2018, %	6.3%	-4.2%	9.2%
Profit/Loss 2019 (after tax, euros)	723,534	1,344,796	1,343,000
Profit/Loss 2018 (after tax, euros)	590,941	1,343,242	558,000
Change in Profit 2019 vs 2018, %	22.4%	0.1%	140.7%
Global Ultimate Owner	Asta Jelinskienė, Aleksandras Maceina	Santa Anča, Ivars Zariņš	Bonnier Group AB
#5 Magazine	Oho	Ilustrētā Pasaules Vēsture	Kodu&Aed
Type of the Magazine	crossword puzzles	1 issue per month	Interior design, gardening
Frequency	monthly	monthly	monthly
Cover in 2019	126 500*	77 000	33 000
Cover in 2018	76 860	78 100	45 000
Change in Cover 2019 vs 2018	nm	-1.4%	-26.7%
Cover in 2019, %	6.1*	4.9	3.3
Cover in 2018, %	3.6	5.0	4.6
Change in the Cover 2019 vs 2018, pp	nm	-0.1	-1.3
Circulation in 2019	na	na	14 100
Circulation in 2018	na	na	17 000
Publisher	UPG Baltic UAB	Izdevniecība Dienas Žurnāli, SIA	Ühinenud Ajakirjad AS
Turnover in 2019 (euros)	1,469,328	2,249,386	2,019,862
Turnover in 2018 (euros)	1,390,624	2,289,017	2,004,797
Change in Turnover 2019 vs 2018, %	5.7%	-1.7%	0.8%
Profit/Loss 2019 (after tax, euros)	100,022	-217,358	155,108
Profit/Loss 2018 (after tax, euros)	100,756	-321,879	206,017
Change in Profit 2019 vs 2018, %	-0.7%	nm	-24.7%
Global Ultimate Owner	Redakcija UAB, Audrius Murauskas, Linas Krapavickas	Edgars Kots	Marko Tamme

Decline in audience and/or financial results marked in red

\* In 2019, data collection methodology for Readership survey in Lithuania changed from face-to-face interviews to computer-assisted telephone interviewing (CATI), therefore 2019 Cover data cannot be compared to 2018 Cover data.

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na	data not available		
nm	not meaningful to calculate		

With the firm belief that strong, independent and investigative media is necessary for economic, social and democratic development the Centre was established in 2009 with the support of the Swedish foundation Anne-Marie och Gustaf Anders Stiftelse för Medieforskning.

Since its launch, the Centre has seen a remarkable expansion of its activities. From the first year's programme for Baltic journalists to today's broad portfolio of programmes and activities for journalists from Eastern Europe, Russia, Central Asia and Scandinavia.

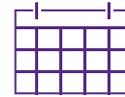
**3295** training participants



**141** training programmes  
**673** training days



**6044** event participants  
**67** events



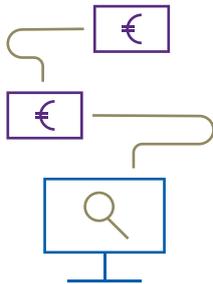
participants from  
**25** countries



## Indicators and Impact

(from 2010 until 2020)

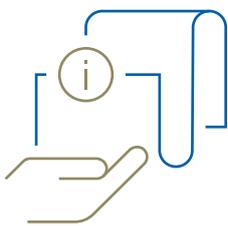
## The Centre's activities are focused around three priorities:



### Investigative Reporting

delivers support and training programmes for journalists on how to investigate corruption and organised crime on a global scale.

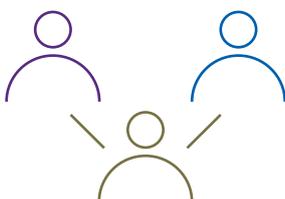
- Three-week investigative Journalism for Future Challenges programme
- Week-long Safety trainings
- Summer School on Investigative Journalism
- Masterclasses on Macroeconomics and Politics
- Data Journalism and News verification trainings



### Sustainability and Media Management

delivers support and training programmes in business strategy, finance, leadership and management for independent media.

- International Ander Forum Reinventing Media Business addressing sustainability, newsroom management, technology and innovation advances in media
- Four-week Mini-MBA programme for top Media Management
- Three-week Media Management programme for mid-level managers
- Week-long Newsroom Management programme
- Quarterly media manager network meetings
- Seven-day Self-management programme



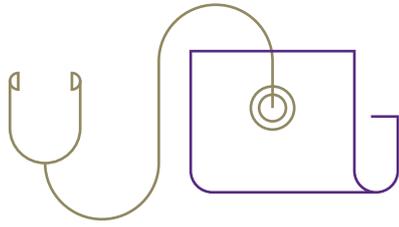
### Networking and capacity building

fosters cross-border cooperation between journalists and media managers from independent media outlets.

- Youth Journalism training programmes and internships
- Member of the Global Investigative Journalism Network
- Member of World Association of Newspapers and News Publishers (WAN-IFRA)
- Member of the Latvian Media Ethics Council

## Other activities

### Research: Baltic Media Health Check

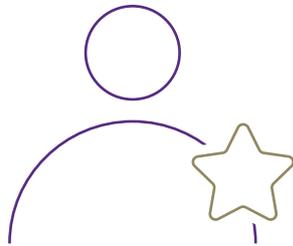


### Resources:

**Community-Powered Journalism**  
**GDPR Guide for Journalists**  
**Legal Guide for Journalists**  
**News Verification Guide**

## Podcast

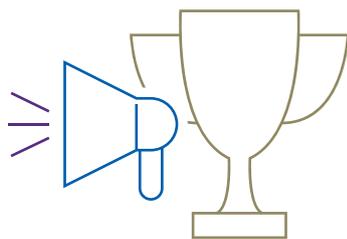
### Person of Interest Podcast



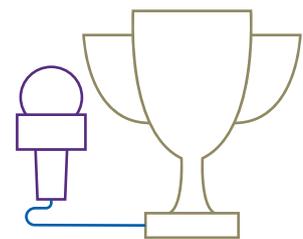
All guests are experts in a particular field, from CEOs and artists in the Baltics to media strategists and leading researchers from around the globe.

## Awards

### Greste Baltic Freedom of Speech Award



### Latvian Journalist Association Awards



## Partners

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