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# **MEDIA INFLUENCE MATRIX: SLOVAKIA**

## **Funding Journalism**

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The Center for Media, Data and Society (CMDS) is a research center for the study of media, communication, and information policy and its impact on society and practice. Founded in 2004 as the Center for Media and Communication Studies, CMDS is part of Central European University's School of Public Policy and serves as a focal point for an international network of acclaimed scholars, research institutions and activists.

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*The Media Influence Matrix Project is run collaboratively by the Media & Power Research Consortium, which consists of local as well as regional and international organizations. The consortium members are academic institutions (universities and research centers), NGOs, journalism networks and private foundations.*

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## MAIN TRENDS

The most influential players on the Slovak news media market measured by financial power (either spending in the media or revenues generated by media businesses) are the government (which controls the system of license fees for the public broadcaster and also gives subsidies and state advertising contracts to the media) and several private actors, mainly politicians and financial groups.

Financially, the government retains a leading position with over €120m of public money invested in the media in 2018, a significant jump, of more than €20m, from 2016. Most of the public funding goes to RTVS, the Slovak public broadcaster. With the exception of several private players, the amount of public funding dwarfs the turnover of most media companies in Slovakia.

In the past two years, the decrease of foreign ownership and further consolidation of the oligarchic power were the key trends that characterized the Slovak news media market. The most important event was the purchase by PPF Group, a powerful financial conglomerate controlled by the Czech oligarch Petr Kellner, of Markiza TV, Slovakia's most watched and most profitable media company. Another important deal was the sale by Ringier Axel Springer, a Swiss-German publisher, of Novy cas, Slovakia's most read newspaper, to Anton Siekel, an oligarch connected with Slovakia's powerful financial and investment groups.

Following these two deals, the participation of foreign companies in the Slovak news media market is practically reduced to a single player, Ringier, which decided to narrow its focus to a clutch of online media, including its most important asset, Aktuality.sk, which has become the most read news portal in Slovakia.

Two large financial groups, Penta Investments and J&T, have a strong influence in the Slovak

news media. Penta Investments controls, via two companies, a large portfolio of print titles and websites. The company repeatedly claimed that they view media purely as a business. They are said to be eying even more acquisitions. In 2018, the acquisition of Novy cas by Siekel was reportedly made for Penta Investments.

Penta Investments and J&T in the 1990s reaped spectacularly high profits from state companies. They have vested interests, doing business with the government, especially in regulated sectors such as healthcare and energy.

The largest technology player invested in Slovakia's media is Slovak Telekom, one of the top advertisers and largest companies in the country with revenues of some €604m and net earnings of €106m in 2018. They own the third largest portal by audience, Zoznam.sk.

Other prominent players in the Slovak news media sector are a small group of businessmen and politicians, including Andrej Babis, prime minister in the Czech Republic.

News is not highly profitable in Slovakia, with six of the ten largest companies in the market incurring losses in the period 2014-2018, but a lucrative subscription-based model is emerging, primarily in digital publishing. The most popular, non-tabloid, daily in Slovakia, Sme is moving towards that model as their print circulation steadily declines. Encouragingly for the news business, DennikN, a news outlet established in 2014 by a group of breakaway reporters from Sme, continued to boost its profitability in recent years thanks to a paywall model that helped them break even in only two years after launch. NPress, the publisher of DennikN, became in 2018 the fourth most lucrative news business in the country following large players such as Markiza and Petit Press and a radio station.

## Who's who in Slovak media

*The key influencers in the Slovak media*

Direct & indirect influence	Operator	Prominent news media assets				Annual income 2018 (€ '000)
		TV	Radio	Print	Online	
Government	RTVS	Jednotka Dvojka	SRo1 SRo2 SRo4	-	-	119,669*
CME	Markiza-Slovakia	TV Markiza Doma Dajto	-	-	-	91,112
Penta Investments	NMH	-	-	Plus jeden den	Pluska.sk	51,489
	Petit Press**	-	-	Sme Uj Szo Korzar My	Sme.sk	
Ringier Axel Springer	Ringier Axel Springer	-	-	-	Aktuality.sk Azet.sk	12,710
J&T	Mac TV	TV Joj Plus Wau	-	-	-	24,100
Slovak Telekom	Slovak Telekom	-	-	-	Zoznam.sk Topky.sk	8,959***
Ivan Kmotrik	CEN	Ta3	-	-	-	8,410
Andrej Babis	Mafra Slovakia	-	-	Hospodarske noviny	HNonline.sk	8,299
Michal Voracek, Ivo Valenta	Perex	-	-	Pravda	Pravda.sk	6,614
Anton Siekel	FPD Media	-	-	Novy cas	Cas.sk	6,342

\*including revenue generated on its own such as advertising sales;

\*\*Penta Investments doesn't have a majority stake in Petit Press, which limits to a certain extent its influence in the publishing house;

\*\*\*solely the revenue from its online content business.

Source: CMDS, 2019

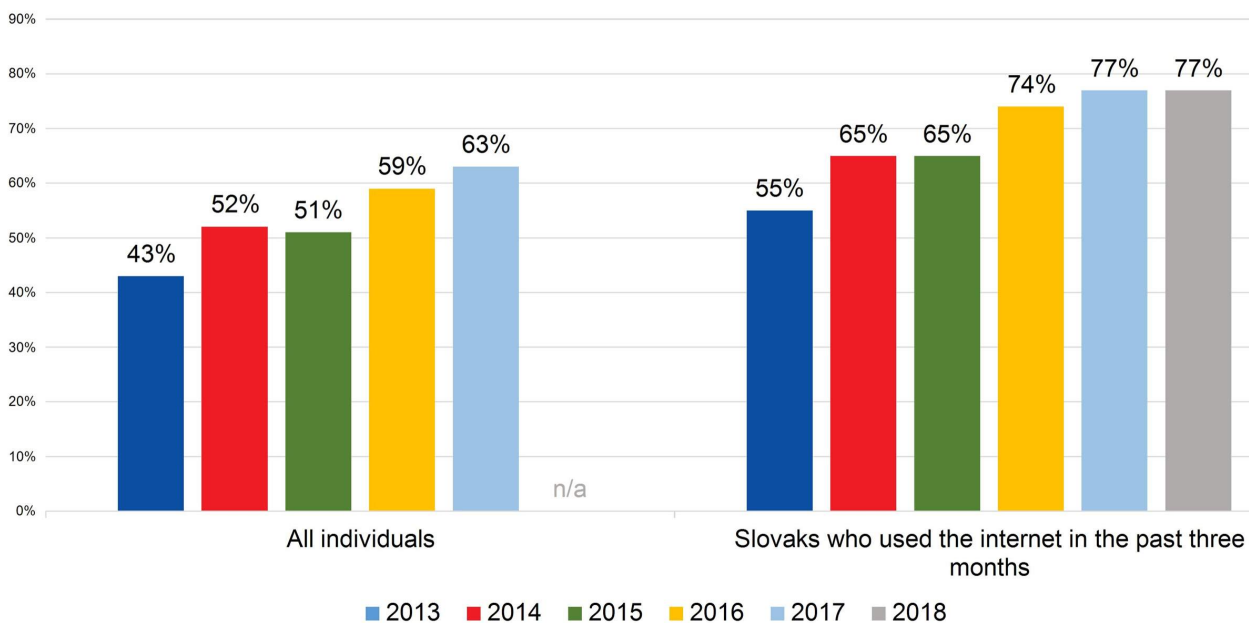
# POPULAR NEWS MEDIA

## Consumption Trends

News consumption in Slovakia is high compared to other countries in Europe, and growing. More than two-thirds of Slovaks read news portals, newspapers or news magazines in 2017, according to data from Eurostat, EU's official statistics agency. The figure is higher among internet users.

### News reading

*Share of individuals (%) reading online news sites, newspapers or news magazines in Slovakia, 2013-2018*



n/a: not available  
Source: Eurostat

Overall, television remains the most dominant news medium in Slovakia. Nearly every household in the country owns a television set, a proportion that has remained unchanged for decades, according to data from TNS BMRB, a market research agency.

Slovaks are avid consumers of television. In 2016, Slovaks on average watched television for three hours and 55 minutes a day, seven minutes more than in the previous year, according to Eurodata TV Worldwide. That makes Slovakia an average consumer of television in Europe. It lags behind big television consumers such as Romania and Bosnia & Herzegovina that sported more than five hours of television viewing time a day; but it surpasses low television consumption nations such as Iceland and the German Switzerland with roughly two hours of television viewing a day.

A total of 81% of Slovaks watch television every day or almost every day, according to 2016 data from the European Commission, which ranks Slovakia 12th among the 28 EU countries in terms of frequency of television watching.

Although less dominant than television, radio is also a popular medium in Slovakia. Some 87% of the Slovak population listened to radio in 2017, but less than two thirds (65.4%) said that they

listened to radio on a daily basis, according to data from Radioprojekt, a local radio listenership measurement initiative. In 2019, some 2.7 million Slovaks said that they listened to radio daily, which accounted for 61% of the population, according to Radioprojekt.

Among all media sectors, the print media industry has experienced the most dramatic decline in Slovakia. Between December 2013 and August 2019, the daily newspaper market lost nearly 97,000 sold copies, which is a decline of over 38%, according to data from the local press audit bureau ABC SR. In mid-2019, Slovak daily newspapers sold some 150,000 copies combined. Regional dailies suffered even steeper declines. The regional daily Korzar saw its paid circulation between 2013 and 2019 down by over 44% to some 6,300 copies.

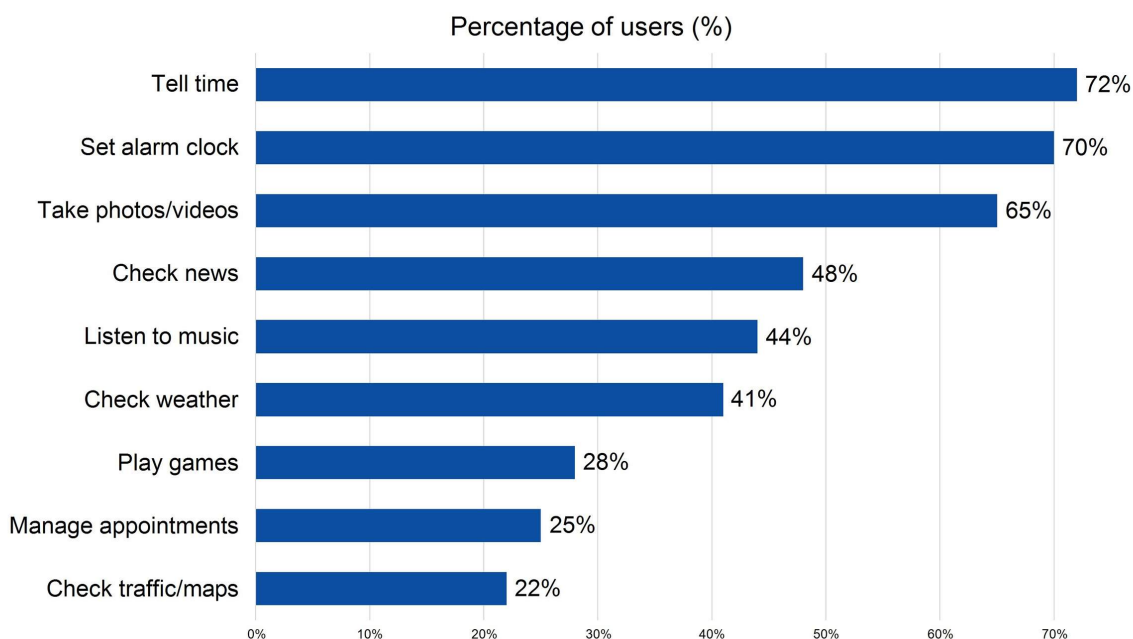
The weekly magazine market followed the trend, but its decline was less pronounced. The ten most read weeklies in Slovakia saw their combined circulation down by over 18% between 2013 and 2018. The weekly market in Slovakia is dominated by entertainment and hobby magazines.

Much of the decline of the print media has been triggered by the internet. Cheaper, easier ways to consume media online have prompted an increasing number of users to spend more time online. Some of the Slovak newspapers that moved fast to digital later began to reap the benefits of the online growth. Traffic on the ten most popular websites in Slovakia increased between 2013 and 2018 by more than 36% to an average of 1.83 million “real users,” according to AIMmonitor, an analytics company that defines “real user” as an actual living person visiting a site in a given monitoring period.

New technologies have further changed the media consumption patterns in Slovakia. Fast expansion of smartphones is a strong driver for news consumption. Checking news was the fourth most frequent activity on smartphones among Slovaks in 2015, according to a survey from TNS Infratest and Google. Still, smartphone penetration is yet to grow to its full potential. Some 44% of Slovaks in 2016 accessed the internet via computer and tablet more often than on smartphones.

### Smart communications in Slovakia

*For which activity is the smartphone primarily used?*



Source: TNS Infratest, Google

## Key Players

### Television



The television market in Slovakia is dominated by three players, two privately owned companies, Markiza-Slovakia and MAC TV, and the government. Markiza-Slovakia runs three television channels in Slovakia, including the leading one, TV Markiza. The company has been controlled for most of its existence by the U.S. Central European Media Enterprises (CME). In October 2019, CME was purchased by PPF Group, a Czech financial behemoth owned by the businessman Petr Kellner. Part of the acquisition was the takeover of CME's stations also in Bulgaria, Romania and Slovenia.[1]

The audience share of TV Markiza has declined significantly in the past decade. Since 2013, the station lost over 4 percentage points of audience share, according to data from PMT/TNS. It had an audience share of some 16% in 2017, which slightly improved in 2018. The decline was triggered by the digital switchover, which allowed new competitors on the market. Markiza-Slovakia itself launched the women-focused Doma and the male-targeted Dajto channels. Together, Markiza-Slovakia's channels are leading with a combined audience share of nearly 23%, the highest in the country.

Markiza-Slovakia's closest competitor is MAC TV, the owner of the broadcast license for the TV stations TV Joj and TV Joj Plus. MAC TV is owned by the company Slovenska Produkna, which is part of JOJ Media House, a group formed in 2010 that consists mostly of media assets. MAC TV has ownership links with the financial group J&T. Richard Flimel, who leads JOJ Media House, worked for J&T in the past; J&T is also one of the investors in JOJ Media House. A total of 99.9% of JOJ Media House is owned by the Cyprus-registered TV JOJ L.P. The rest of 0.1% is owned by Flimel.

The government's biggest media asset is RTVS, a public service broadcaster with nine radio stations and two television channels. The broadcaster's first channel, Jednotka, produces a significant news programming output.

A smaller, yet prominent player, in the Slovak TV market is CEN, company that owns the broadcast license for the all-news TV station Ta3. CEN is fully controlled by the Grafobal group belonging to the local businessman Ivan Kmotrik.

TV Markiza's programs follow the station's strategy around family entertainment, with movies, series and popular shows dominating the schedules. Its news programs are the most watched in spite of a continuous decline in recent years. In 2017, TV Markiza's news output had an average audience of over 25%, ahead of JOJ Group with 22% and RTVS with some 14%. The media controlled by JOJ Group have a rather stable audience share. On the other hand, the audience share of RTVS' Jednotka channel has seen a notable increase for several years, mostly due to marked improvements in its programs, including its news and current affairs shows.

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[1] "Czech billionaire takes control over private broadcaster TV Markiza," The Slovak Spectator, 28 October 2019, available online at <https://spectator.sme.sk/c/22246994/tv-markiza-changes-hands.html> (accessed on 29 October 2019).



## The big TV boys in Slovakia

Most popular TV stations in Slovakia by 2018 audience share (%), 2013-2019

	2013	2014	2015	2016	2017	2018	2019*	Operating company	Owner
TV Markiza	20.8	21.2	19.6	17.3	16.1	17.4	15.8	Markiza-Slovakia	PPF
TV Joj	13.6	13.7	13.1	13.4	14.4	14.7	14.4	MAC TV	Slovenska produkčna
Jednotka	10.4	10.4	12.4	13	14	11.4	8.9	Public enterprise	Government
Doma	5.9	5.2	4.7	4.6	4.3	5	4.7	Markiza-Slovakia	PPF
Dvojka	3.5	2.5	3.1	3.2	3.3	3.9	2.3	Public enterprise	Government
Plus	4.6	4.6	3.8	3.4	3.6	3.5	2.9	MAC TV	Slovenska produkčna
Dajto	3.1	4.6	3.7	3.1	3.5	3.5	3.2	Markiza-Slovakia	PPF
Wau	0.9	1.1	1.7	1.9	3.1	2.4	3.1	MAC TV	Slovenska produkčna
Ta3	1.7	1.5	1.6	1.7	1.2	1.3	1.7	CEN	Grafobal
Nova International						0.4	0.8	Nova	PPF
Prima Plus						0.4	0.5	FTV Prima	Denemo Media

Note: data for December; \*latest available data (August 2019)  
Source: PMT/TNS, CMDS

## Radio

The Slovak radio market is more diverse than television or print media. However, the government dominates in this segment thanks to its large portfolio of radio stations and their nationwide coverage. Especially in the news market, the public service Slovak Radio (*Slovensky Rozhlas*, SRo), part of RTVS, has a strong position. Together, its three most popular channels garner over a quarter of Slovakia's radio audience, according to data from Median SK.



Another major player is D.Expres, company fully owned by Germany's Bauer Media Group through Bauer Ausland, a daughter company. The Germans purchased D.Expres in 2013 from EMMIS International Holding, company registered in the Netherlands.[2] D.Expres runs the radio station Expres, which is the leader on the Slovak radio market. The station's programming consists mostly of music, but the station also offers short, yet frequent, news bulletins. The main player in the Slovak news radio market is the first channel of the public broadcaster, SRo1

[2] Tomas Czwickovics, "Bauer dostal súhlas na kúpu Expresu" (Bauer received approval for the purchase of Expres), Trend.sk, 12 Feb 2013, available at <https://medialne.etrend.sk/radia/bauer-moze-dostat-suhlas-na-ovladnutie-expresu-buducityzden.html>

whose output consists mostly of news and current affairs programs accompanied by music (much of it from the 1980s). Another prominent channel in the news market is SRo2, also belonging to RTVS, which focuses on regional news.

All other radio stations air mainly music. Most of them offer short news bulletins throughout the day. Of all, only Radio Lumen is fully focused on religion.

### Slovakia's loudest voices

*Most popular radio stations in Slovakia by 2018 audience share, 2013-2019*

	2013	2014	2015	2016	2017	2018	2019*	Operating company	Majority owner
Radio Expres	19	20.2	19.4	19.3	19.2	18.5	18.1	D.Expres	Bauer Auslas
Radio Slovensko (SRo 1)	16.3	18	17.4	17.4	17.2	16.5	16.3	Public enterprise	Government
Fun radio	12.2	11.6	11.4	11	10.9	10.6	10	Radio	Patriol
Radio Europa 2	7.3	7.5	7.3	7.2	7	7.3	7.1	Europa 2	Forward-Media
Jemne	8.2	8.3	7.6	7.3	7.2	7.1	6.8	Tam Art Productions	Michal Holik
Radio Vlna	4.1	n/a	2.8	5.6	5.5	6.6	6.6	Corporate Legal	P-D-R-V
Radio Regina (SRo 2)	6.2	7.2	6.7	6.7	6.2	6.1	6	Public enterprise	Government
Radio Antena Rock	1.7	1.6	2	2.5	3	3.2	3.2	GES Slovakia	Peter Korbacka
Radio Lumen	2.7	1.9	2.6	2.4	2.7	2.5	2.2	Radio Lumen	Catholic churches
Radio_FM (SRo 4)	2.8	3	2.9	2.8	2.6	2.4	2.9	Public enterprise	Government

Note: data for Q3-Q4 of the year; n/a: not available; \*latest data available (H1 2019)  
Source Median SK, MML-TGI

## Print

Like television, the daily newspaper market in Slovakia is concentrated in the hands of a few players. The biggest publisher by reach used to be Ringier Axel Springer, company with Swiss and German capital, that published Slovakia's best-selling daily, the tabloid *Novy cas*. Its circulation is higher than the circulations of the next three largest daily newspapers combined.

However, like many of its competitors, *Novy cas* has seen its sales continuously dwindling since 2013. The newspaper lost nearly 37,000 paying readers between 2013 and 2018, which was almost half of its paid circulation in 2018, according to data from the press auditor ABC SR.

That is the main reason why Ringier Axel Springer has been trying for several years to sell its print business in Slovakia<sup>[3]</sup> to focus instead on online portals, chiefly entertainment ones, but



[3] Adam Valcek, Michaela Stalmach Kusnirova, "Ringier predáva denník Nový Čas, kupuje ho milionár Siekel" (Ringier sells the daily *Novy Cas*, millionaire Siekel buys it), 6 Nov 2017, available online at <https://ekonomika.sme.sk/c/20690073/ringier-predava-dennik-novy-cas-kupuje-ho-milionar-siekel.html>

also several prominent news websites.[4] In summer 2018, the company finally sold the newspaper to a group controlled by Anton Siekel, an influential oligarch who is also the president of the Slovak Olympic Committee.[5] Siekel founded FPD, a conglomerate with investments in hotels, real estate, car dealerships and wine production. Siekel has links with the country's large financial groups and powerful oligarchs. To buy *Nový čas*, he took a loan from *Postova banka*, company controlled by J&T Finance Group. He has reportedly purchased the newspaper for Penta Investments, one of the biggest financial groups in Slovakia, with a growing media portfolio.

Another major player in the Slovak daily market is News and Media Holding (NMH), company controlled by the Cyprus-registered *Trahere Limited*. The investment in the company comes from the financial group Penta Investments, which purchased NMH in 2014. The following year, several publishers and online platform operators controlled by Penta Investments, including 7 Plus, *Centrum Holdings*, *Trend Holding* and *Trend Representative* merged into NMH.[6] Penta Investments has a slew of assets in various industries in Slovakia, including the insurer *Dovera*, the pharmacy chain *Dr. Max* and the betting agency *Fortuna*.

The publisher with the highest number of dailies on the market is *Petit Press*, owner of the dailies *Sme*, *Korzar* and *Uj Szo*, the latter in Hungarian. *Petit Press* announced in summer 2017 that it sold its Hungarian language media, *Uj Szo* and the weekly *Vasarnap* to the rival NMH.[7] *Petit Press* owns a string of serious news magazines targeting more affluent, educated audiences such as the business magazine *Profit* or the expat-focused English newspaper *The Slovak Spectator*. *Petit Press* also owns the chain of regional weeklies "My".

Some changes in *Petit Press*' shareholding structure took place in 2017. *Prva slovenska investicna skupina* (PSIS), the original founder of the publisher, bought a 5% stake in *Petit Press* from the other shareholder, Penta Investments.[8] After the deal, PSIS and Penta Investments control 60% and 40%, respectively. Before 2014, *Petit Press* was 50% owned by the German publisher *Rheinisch-Bergische Verlagsgesellschaft* (RBVG) and the rest by PSIS. By increasing its stake in the company in 2017, PSIS has been trying to gradually push Penta Investments out of the publishing house, according to journalists and experts interviewed for this report.

Another notable player in the Slovak publishing industry is *Mafra Slovakia*, company controlled by the Czech owned firm *Mafra*, which belongs to the *Agrofert* group. *Agrofert* is a multi-billion conglomerate owned by the businessman and politician *Andrej Babis*, prime minister of the Czech Republic since 2017. In Slovakia, this publisher used to operate as *Ecopress* until 2015. *Babis* bought the company in 2013.[9] *Mafra* in Slovakia publishes the business daily

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[4] "Ringier Axel Springer predáva časť slovenského portfólia – Aktuálny.sk ostávajú" (Ringier Axel Springer sells part of its Slovak portfolio-Aktuality.sk stays), *Aktuality.sk*, 6 Nov 2017, available online at

<https://www.aktuality.sk/clanok/536468/uplne-digitalne-nova-zostava-portfolia-ringier-axel-springer-na-slovensku/>

[5] "Ringier Axel Springer completes the sale of *Nový Čas*," *The Slovak Spectator*, 2 August 2018, available online at <https://spectator.sme.sk/c/20883473/ringier-axel-springer-completes-the-sale-of-novy-cas.html> (accessed on 25 October 2019).

[6] "Penta na Slovensku: Nákupem médií to nekončí" (Penta in Slovakia: Purchase of media doesn't stop), *Mediaguru.cz*, 15 Sep 2015, available online at <http://www2.mediaguru.cz/2015/09/penta-na-slovensku-nakupem-medii-to-nekonci/>

[7] "Penta predáva časť svojho podielu v *Petit Presse*. *Petit Press* predáva NMH maďarské tituly" (Penta sells part of its stake in *Petit Press*. *Petit Press* sells Hungarian titles to NMH), 21 Aug 2017, *Strategie.sk*, available online at <https://strategie.hnonline.sk/media/1013822-penta-predava-cast-svojho-podielu-vo-vydavatelstve-petit-press-phis-potvrduje-poziciu-majoritneho-akcionara>

[8] "Penta predáva časť podielu v *Petit Press*" (Penta sells part of the stake in *Petit Press*), 22 Aug 2017, *Hnonline.sk*, available online at <https://finweb.hnonline.sk/ekonomika/1014151-penta-predava-cast-podielu-v-petit-press>

[9] *Babišův Agrofert koupil slovenské vydavatelství Ecopress* (*Babišův Agrofert* bought the Slovak publishing house *Ecopress*), *Novinky.cz*, 12 Apr 2013, available online at <https://www.novinky.cz/ekonomika/298900-babisuv-agrofert-koupil-slovenske-vydavatelstvi-ecopress.html>

Hospodarske noviny and several magazines, primarily industry publications such as Horeca, targeted at the hotel and restaurant industry, and Strategie, which covers the media and advertising sectors.

One other prominent print media publisher in Slovakia is the company Perex, owned by Our Media SR. They bought Perex in March 2018 from its former owner, Karol Biermann.[10] Perex, which publishes the daily Pravda, used to be owned until 2010 by The Northcliffe International, a daughter company belonging to the British holding Daily Mail and General Trust (DMGT). Our Media is the owner of the site ParlamentneListy, a political news portal available both in Slovak and Czech. The company runs several media outlets in the neighboring Czech Republic. It is co-owned by Michal Voracek, a Czech magnate and businessman, and Ivo Valenta, a Czech politician and businessman.

Ringier Axel Springer and NMH have dominated for long the magazine market where most of the titles are focused on entertainment and leisure. There are very few weeklies devoted to serious topics and doing solid reporting. They include NMH's Trend, an economic weekly and .tyzden, a weekly published by W Press, a domestically owned company. With the exit of Ringier from print and the purchase by Mafra, in October 2018, of the magazine portfolio run by the German publisher Bauer SK[11], NMH and Mafra consolidated their positions in the magazine segment.

The monthly magazine market is dominated by entertainment publications. The leading one, with nearly 68,000 copies sold, is Novy cas krizovky, a crosswords and games magazine that is part of the Novy cas daily operation. It is followed by Zahradkar, a gardening publication and Evita, a monthly magazine targeting women.

### The paper tigers in Slovakia

*Most popular daily newspapers in Slovakia, by 2018 sold circulation, 2013-2018*

	2013	2014	2015	2016	2017	2018	2019*	Operating company	Majority owner
Novy cas	106,542	96,748	95,283	87,266	78,594	74,291	69,402	FPD Media	Treenote Holding
Plus jeden den	48,001	42,140	39,791	40,978	46,401	40,732	35,078	News and Media Holding (NMH)	Trahere Limited
Pravda**	51,169	48,176	42,812	38,198	37,523	34,545	28,358	Perex	Our Media SR
Sme	44,775	35,965	31,056	28,002	25,791	23,799	21,834	Petit Press	PSIS
Uj Szo	19,883	18,656	18,190	17,245	16,225	15,666	14,264	Petit Press	PSIS
Hospodarske noviny	13,081	13,662	11,881	11,246	10,406	10,084	10,102	Mafra Slovakia	Mafra
Korzar	14,665	11,742	10,150	9,040	7,708	6,976	6,306	Petit Press	PSIS

Note: data for end of year; \*latest data available (August 2019);

\*\*Pravda is not part of the official circulation monitoring system run by ABC SR. They use an independent system to monitor their readership.

Source: ABC SR

[10] "Vydavateľ Parlamentných listů kúpil slovenský denník Pravda" (Publisher of ParlamentniListy bought Slovak daily Pravda), Mediahub.cz, 5 Mar 2018, available online at <https://mediahub.cz/media/1705373-ivo-valenta-koupil-slovensky-denik-pravda>

[11] "Mediální dům Mafra z Agrofertu kupuje Bauer Media v Česku a na Slovensku, získá tak tři desítky časopisů včetně Cosmopolitanu," (The media house Mafra of Agrofert buys Bauer Media in the Czech Republic and Slovakia, gains 30 magazines, including Cosmopolitan), Hospodarske Noviny, 9 October 2018, available online at <https://byznys.ihned.cz/cl-66281830-medialni-dum-mafra-z-agrofertu-kupuje-bauer-media-v-cesku-a-na-slovensku-ziska-tak-tri-desitky-casopisu-cenu-obchodu-nezverejnili> (accessed on 26 October 2019).



## Weeklies: an entertainment business

*Most popular weeklies in Slovakia, by 2018 sold circulation, 2013-2019*

	2013	2014	2015	2016	2017	2018	2019*	Operating company	Majority owner
Plus 7 dni	140,520	127,998	120,959	122,834	113,140	102,279	93,373	NMH	Trahere Limited
Eurotelevizia	115,476	118,587	112,602	101,865	97,352	100,223	63,798	Mafra Slovakia	Mafra
My*	-	-	-	-	81,064	75,912	68,877	Petit Press	PSIS
Zivot	88,919	88,149	86,227	84,225	75,742	70,990	60,525	Zivot Publishing	NMH
Novy cas pre zeny	131,164	115,702	105,863	110,462	101,543	70,062	54,423	Zivot Publishing	NMH
Katolicke noviny	78,493	74,858	72,286	67,543	65,463	63,177	54,759	Spolok Sv. Vojtecha	Spolok Sv. Vojtecha Trnava
Bajecna zena	98,033	88,919	88,540	72,715	68,289	50,127	46,754	NMH	Trahere Limited
Rytmus zivota	47,627	46,615	40,372	48,457	48,061	40,970	41,201	Mafra Slovakia	Mafra
Slovenka	43,246	42,998	42,494	40,014	39,266	35,960	31,030	Star Production	Maria Rehakova
Novy cas Nedela	42,130	39,927	42,165	36,735	32,847	31,742	28,026	FPD Media	Treenote Holding

Note: data for end of year; \*latest data available (August 2019)  
Source: ABC SR

## Online News



The dominant press publishers have gained a foothold in the Slovak online market as well. Six of the 10 most visited portals in Slovakia includes are news portals run by press publishing houses. The most notable change in the online news market in Slovakia in the past two years was the rise of the news portal *Aktuality.sk*, which became the most read website in the country in 2018. Sadly, the audience of *Aktuality.sk* increased significantly after the murder of its journalist Jan Kuciak, in February 2018. The portal, however, was already growing thanks to the strategy of its owner, Ringier Axel Springer, to invest in digital and serious journalism. Already in 2014, *Aktuality.sk* moved its newsroom from Zilina to Bratislava, the capital city. Three months before Kuciak's death, the publisher announced that it boosted the portal's budget by 30%.<sup>[12]</sup>

Ringier Axel Springer also owns *Azet.sk*, a search and aggregation portal that was the most visited site in the country for many years, fighting for eyeballs with *Zoznam.sk*, a pioneer of internet services in Slovakia, founded back in 1997. However, as Ringier's attention moved to *Aktuality.sk*, the audience of *Azet.sk* has declined. The rise of *Sme.sk*, the flagship news portal of Petit Press,

[12] "Ringier zainvestuje do Aktualít, chce z nich najsilnejší spravodajský web" (Ringier invests in *Aktuality.sk*, wants it to become the strongest news website), *Etrend.sk*, 29 November 2017, available online at <https://medialne.etrend.sk/internet/ringier-zainvestuje-do-aktualit-chce-z-nich-najsilnejši-spravodajsky-web.html> (accessed on 29 October 2019).



which for the first time in 2019 had a higher audience than Zoznam.sk, Slovakia's leading portal for decades. Zoznam.sk is run by Slovak Telekom, the largest telecom operator in Slovakia by revenues, controlled by Deutsche Telekom.

### The big digital players

*Most popular internet portals in Slovakia, by 2018 number of users, 2013-2019*

	2013	2014	2015	2016	2017	2018	2019*	Operating company	Majority owner
<b>Aktuality.sk</b>	1.81	1.83	2.07	2.08	2.12	2.14	2.6	Ringier Axel Springer SK	Ringier Axel Springer
<b>Sme.sk</b>	1.99	2.04	2.11	2.29	2.26	2.31	2.45	Petit Press	PSIS
<b>Zoznam.sk</b>	2.16	2.32	2.35	2.47	2.44	2.54	2.25	Zoznam	Slovak Telekom
<b>Pluska.sk</b>	0.68	0.93	1.06	1.48	1.55	1.7	1.97	NMH	Trahere Limited
<b>HNonline.sk</b>	0.51	0.58	0.67	0.89	0.79	1.6	1.8	Mafra Slovakia	Mafra
<b>Heureka.sk</b>	1.17	1.34	1.36	1.65	1.81	2	1.78	Heureka Group	Heureka Group
<b>Pravda.sk</b>	1.25	1.36	1.38	1.6	1.49	1.55	1.75	Perex	Our Media SR
<b>Cas.sk</b>	1.38	1.81	1.83	1.99	1.84	1.66	1.7	FPD Media	Treenote Holding
<b>Bazos.sk</b>	-	-	-	1.17	1.6	1.69	1.7	Radim Smicka	Radim Smicka
<b>Topky.sk</b>	1.51	1.65	1.61	1.67	1.6	1.56	1.63	Slovak Telekom	Slovak Telekom

Note: data for end of year; \*latest data available (August 2019)  
Source: ABC SR

## Funding Trends

The government plays a significant role in the Slovak media market. Thanks to government money, the public broadcaster RTVS is by far the biggest player in the country's media with income of €119.7m in 2018, the bulk of it coming from public funding, a combination of license fee and state subsidies, according to data from the broadcaster's annual reports. *(See more in Government Funding in this report)*

Among privately owned companies, by far the largest player in the market is Markiza-Slovakia. The company's revenues exceed the combined sales of the four next largest players. From a financial point of view, the Slovak media market is highly concentrated with only five privately held companies able to generate more than €10m a year in revenue.

## The big boys in Slovak media

*Top media companies in Slovakia, by 2018 revenue, 2016-2018*

Company	Income (€ '000)			Sector
	2016	2017	2018	
RTVS	115,730	117,081	119,669	Radio/TV
Markiza-Slovakia	82,524	85,646	91,112	TV
NMH	28,189	27,352	27,219	Print/Online
Petit Press	24,630	24,800	24,270	Print/Online
Mac TV	21,057	22,371	24,100	TV
Ringier Axel Springer	37,553	32,151	12,710	Online
CEN	7,359	7,485	8,410	TV
Mafra Slovakia	7,567	7,447	8,299	Print/Online
Perex	7,260	6,980	6,614	Print/Online
FPD Media	-	-	6,342	Print/Online
D.Expres	5,213	5,544	5,560	Radio

Source: CMDS research

But profitability is a different story. The most lucrative company in the Slovak media market is Markiza-Slovakia with a profit dwarfing all other players in 2018. However, that result comes after many years of galloping losses. (*See financial data from Markiza-Slovakia under Television Funding in this study*)

Radio seems to be a lucrative niche for some. D.Expres boasted a high profit margin in 2018 when it netted over €4.3m on revenues of just €1.2m or so higher.

Most remarkably, the youngest player on the Slovak market, DennikN became in 2018 the fourth most profitable player in the Slovak media with net earnings of some €204,000. That illustrates how innovative DennikN is in its subscription-focused business approach. On the other hand, the most worrying trend in the Slovak media is the accelerated slide in profitability. In 2018, only six players were profitable, of which only two could boast a healthy profitability rate (Markiza-Slovakia and Petit Press). All other major media operators finished the year 2018 in the red, some of them incurring galloping losses. Of those, NMH stands out with five consecutive years in the red that led to accumulated losses of over €20m.

## Top earners

*The most profitable media companies in Slovakia, by 2018 net profit, 2016-2018*

Company	Net profit (€ '000)			Sector
	2016	2017	2018	
Markiza-Slovakia	15,401	14,458	14,154	TV
D.Expres	3,757	4,103	4,345	Radio
Petit Press	413	829	3,361	Print/Online
N Press	-202	5	204	Online
Mafra Slovakia	200	-34	135	Print/Online
Radio	11	40	7	Radio
Tam Art Productions	0	6	0	Radio
CEN	-644	-58	-282	TV
Mac TV	-439	-265	-311	TV
Europa 2	-113	-56	-453	Radio
FPD Media	-	-	-534	Print/Online
Perex	-1,320	-1,562	-1,375	Print/Online
NMH	-4,281	-6,809	-2,900	Print/Online
Ringier Axel Springer	1,485	-6,833	-6,471	Online

Source: CMDS based on data from the Slovak Trade Registry, 2018

Media companies generally had a sparkling performance in 2017. However, that followed many years of massive decline as a result of worsening economic conditions coupled with major technological changes, to which some players responded poorly or belatedly.

Six of the ten largest companies in the market incurred losses during the period 2014-2016, according to data on combined net earnings in the period. Markiza-Slovakia lost a staggering €19m during the period. Markiza-Slovakia and NMH lost on average more than €3m a year during the same period. The most resilient seemed to be Ringier Axel Springer with hefty yearly earnings, D.Expres, which found a profitable formula in the radio niche, and Petit Press, with a much smaller profit, but still showing commendable resilience during a difficult economic time.

In the period 2014-2018, Markiza TV has improved its financial performance, becoming by far the most profitable player with nearly €40m in net profits during the period. On the other hand, NMH further sank in loss, with nearly €4m lost on average yearly during the period.

## Winners and losers

*The top loss-incurring and profit-making media companies in Slovakia, 2012-2016 and 2014-2018*

Company	Combined net results (€ '000)		Yearly average net results (€ '000)		Sector
	2012-2016	2014-2018	2012-2016	2014-2018	
NMH	n/a	-19,629	-3,306*	-3,925	Print/online
Perex	-4,239	-6,516	-848	-1,303	Print/online
Ringier Axel Springer	18,641	-4,825	3,728	-965	Online
Mac TV	-1,223	-2,352	-245	-470	TV
CEN	-1,447	-1,761	-289	-352	TV
N Press	-	-712	-	-142	Online
Mafra Slovakia	-1,540	558	-308	112	Print/online
Petit Press	1,878	5,292	376	1,058	Print/Online
D.Expres	14,547	18,287	2,909	3,657	Print/Online
Markiza-Slovakia	-18,938	39,830	-3,788	7,966	TV

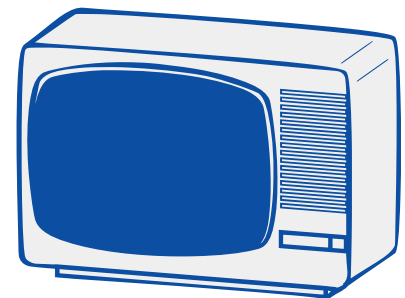
Note: Net combined profit/loss in the period 2012-2016 and 2014-2018;

\*based on the data from the period 2014-2016

Source: CMDS

## Television Funding

After it drowned for several years in red ink, the leader on the Slovak television market, Markiza-Slovakia, finally finished a year with profits in 2015 followed by two more years. A big driver behind the return to profitability was the increase in advertising. The amount of funding from carriage fees (on television distributors) has also contributed to growth.



### Markiza: the source of money

*Markiza-Slovakia, funding sources, US\$ m, 2014-2019*

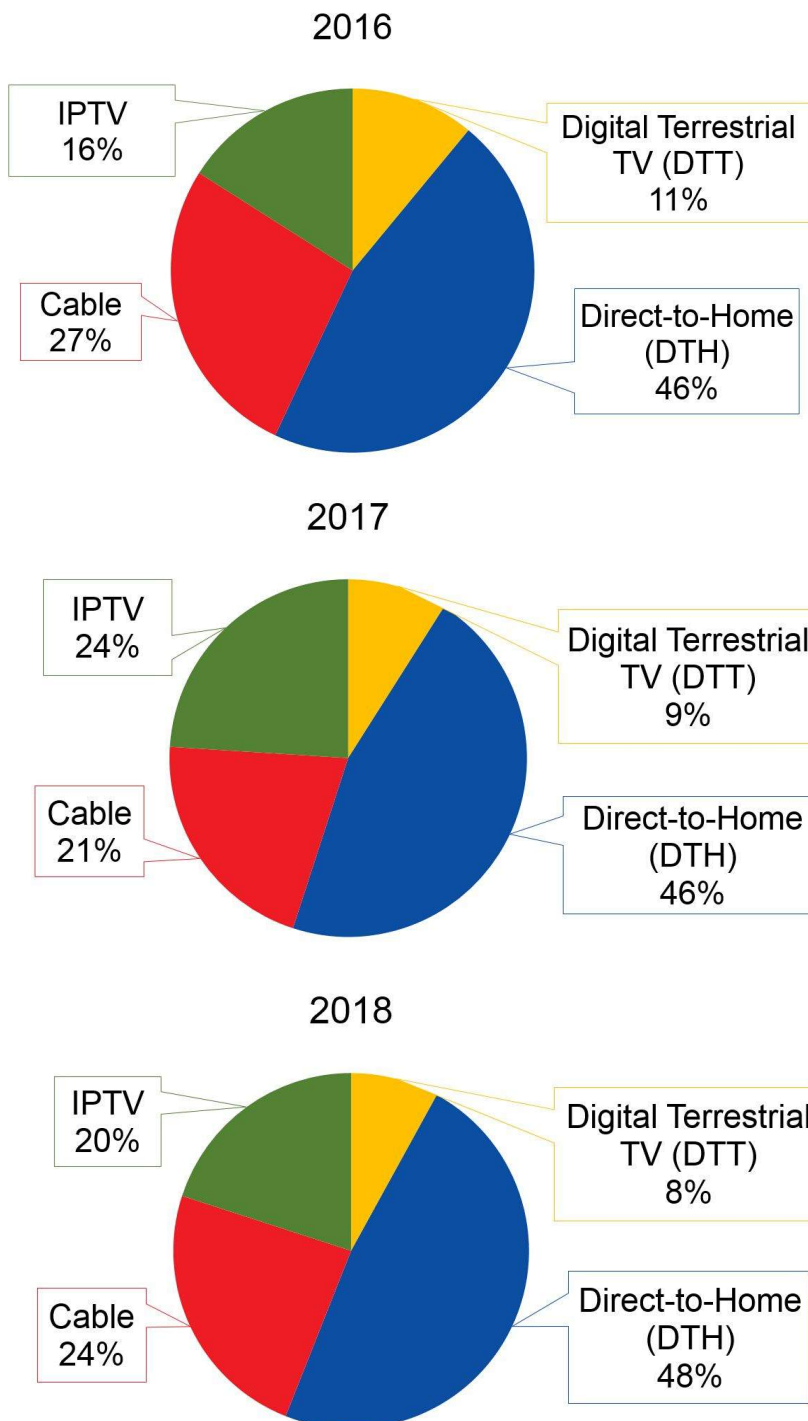
	2014	2015	2016	2017	2018	Q1-Q3 2019
Advertising revenues	85.4	79.1	84.8	85.7	94	60.6
Carriage fees and subscription revenue	1	1.3	2.1	7.6	8.6	6.7
Other	4.2	4	3.7	4.4	4.3	3.5

Source: CMDS research

More than 90% of Slovaks consume television through a non-terrestrial (non-free-to-air) platform, which is an opportunity for television operators to increase their revenues. However, mostly big players, able to bring a large audience to the television distributors, can benefit from that. As of January 2017, Markiza TV moved its channels exclusively to cable, satellite and IPTV platforms.

### Ways to consume TV

*TV consumption in Slovakia, by distribution platform, 2016-2018*



Source: TNS, 2018



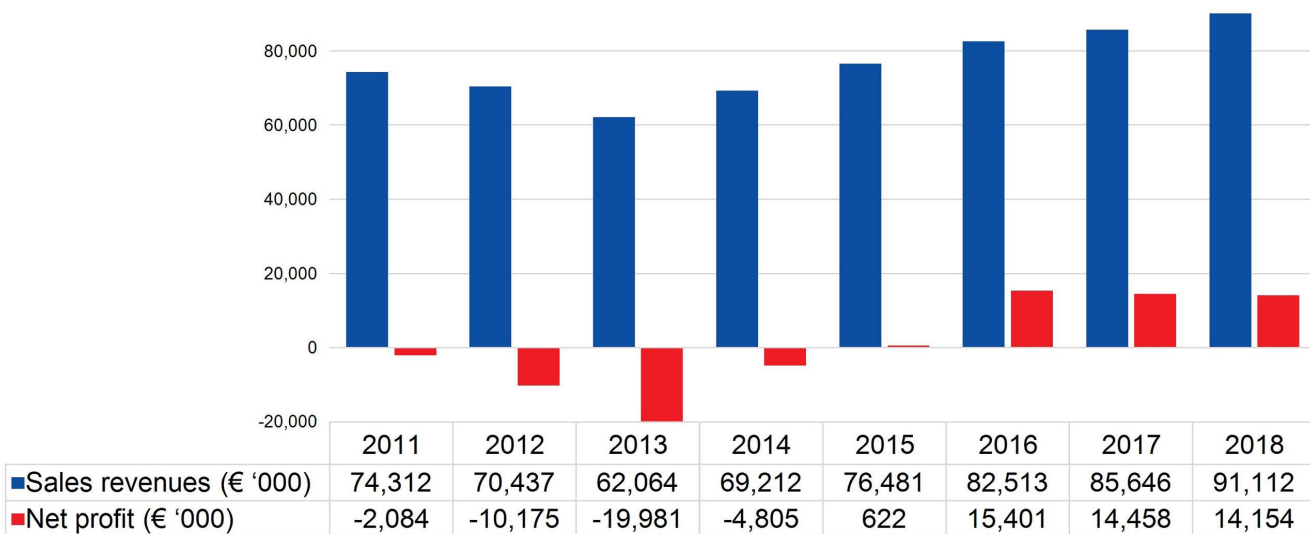
The bulk of revenues for most of the Slovak commercial TV stations remains advertising. At Markiza, it accounted for over 87% of its total revenues in both 2017 and 2018. Although carriage fees are constantly increasing, the dominant business model in television remains advertising. As Markiza controls some 60% of the television ad spend in the market, they are in a good position to remain profitable in the coming years.

However, advertising seems insufficient to accommodate other players on the market. Both MAC TV and CEN have incurred losses for six years in a row since 2013. Much of that is caused by Markiza's strong position on the market. The takeover of Markiza in October 2019 by the powerful financial group PPF is expected to further strengthen the station's dominance at the expense of other players. Markiza-Slovakia, the company running the station, had massive losses before 2015. They grew to €37m between 2011 and 2014. However, the station earned a high-record €15.4m in 2016, followed by two years with similar profits.

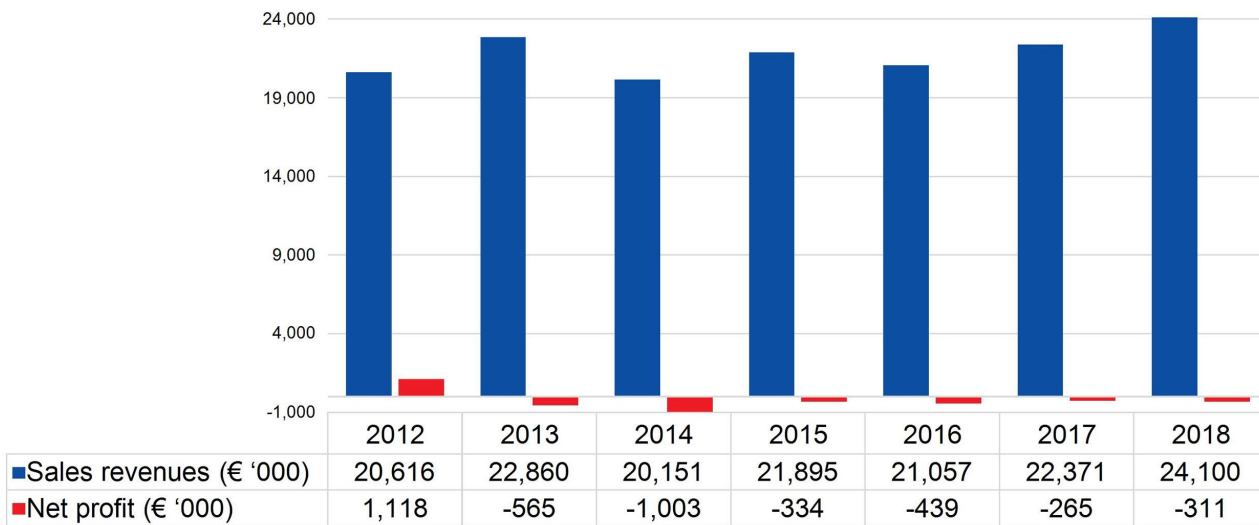
Thus, the perspectives for television are far from rosy. Television operators are likely to either sell or significantly shrink their operations. The third option is to have oligarchs take over these stations and use them as tools for political influence or to pursue other business interests. Markiza-Slovakia's owner, CME, took that road, selling to PPF Group.

### TV players: financial results

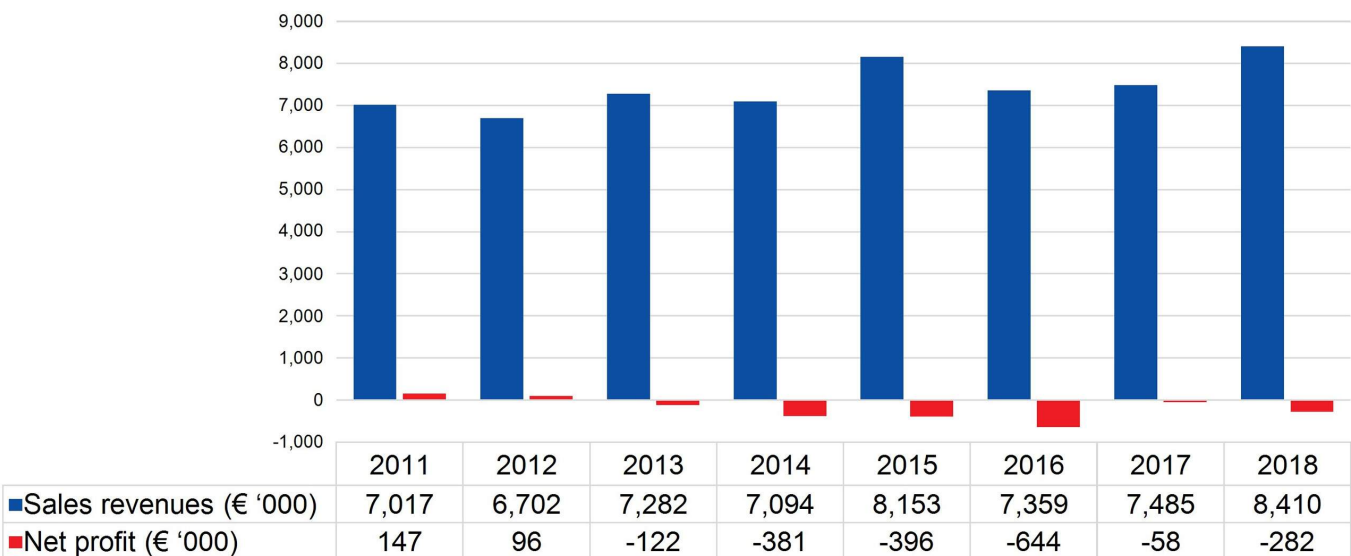
#### *Markiza-Slovakia, 2011-2018*



Source: CMDS based on data from Slovak Trade Registry

*Mac TV, 2012-2018*

Source: CMDS based on data from Slovak Trade Registry

*CEN, 2011-2018*

Source: CMDS based on data from Slovak Trade Registry

## Print Media Funding

The print industry has been badly ravaged by both the economic crisis (with the subsequent decline in ad spending) and technological disruption. The number of companies active in the print industry dropped from 25 in 2009 to ten in 2015, according to data from the Slovak Statistical Office.

The sole solution for revival or survival is, according to media companies, in the revenues generated on digital platforms. In 2016, the advertising revenues of the biggest print media publisher, Ringier Axel Springer Slovakia declined in print by 4.8%, but increased online by 14.5%.

The rapid decline of print media circulation in Slovakia prompted Ringier Axel Springer to sell its entire portfolio of print magazines, including the best-selling daily *Nový čas*, and to focus on digital platforms. Much of its investment went into *Aktuality.sk*, the company's most popular news portal.

Another player likely to prosper is Petit Press. A major asset in Petit Press' portfolio is the daily *Sme* where digital transformation seems to be on the right path. Sales of digital subscriptions to *Sme* increased year-on-year by 27% in 2016. At the end of 2016, *Sme* had upwards of 18,400 digital subscribers and some 15,400 subscribers to both digital and print. A year later, their subscription base increased to over 38,000. Of those, 25,000 subscribed to the digital edition and 13,000 to both print and digital, according to data from Petit Press, *Sme*'s publisher.[13]

*Sme* charges €4 a month for access to its articles, following a jump in price by €1 in March 2017 and another slight increase (of 10 cents) in 2018. Access for the whole year costs €34.9. The company also offered its content through Piano, a pay-walled news services platform, but two years ago Piano Media exited Slovakia.[14] Between 2011 and 2016, Petit Press doubled the turnover from its online business to some €5m. Some 80% of that is accounted by *Sme.sk*.

The company is trying to also monetize on "My" (meaning "we" in Slovak), its network of local weeklies. These publications attract people thanks to their very low price. The *My Bardejov* weekly, in the town of Bardejov, consisting of 28 pages, is sold for €0.50. However, these publications are still slow money-makers. In fact, one of them, the *My Humenske* weekly folded in 2016. In March 2018, the "My" network had 30 weeklies with a combined readership of 110,000 and a staff of 70. In September 2019, the network was reduced to 26 titles. However, Petit Press continued to show interest in local news. In September 2019, it purchased *Pardon*, the third largest chain of mail publications (publications distributed free-of-charge in people's mail boxes). *Pardon* has been operational for 28 years. In September 2019, it had a print-run of 185,000 copies.[15]

The sales revenues of Mafra Slovakia were pushed up by advertising, particularly in its industry publications and on its websites. The business daily *Hospodárske noviny* continued its decline in revenue from both print copies and advertising. The company is trying to offset those losses by introducing a new subscription system.

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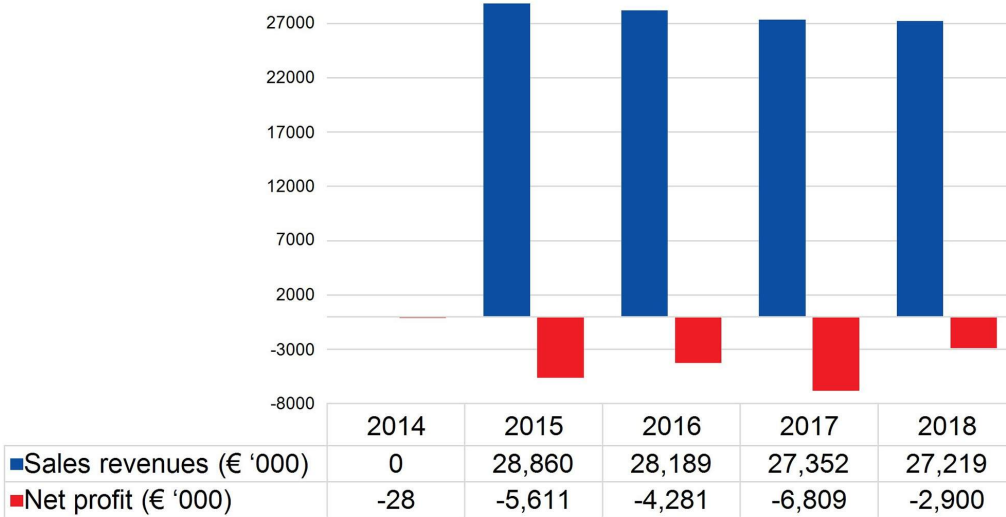
[13] Martin Polas, "Denník *Sme* vyšiel prvý raz pred 25 rokmi" (Daily *Sme* first published 25 years ago), *Etrend.sk*, 15 January 2018, available online at <https://medialne.etrend.sk/tlac/dennik-sme-vysiel-prvy-raz-pred-25-rokmi.html> (accessed on 28 October 2019).

[14] "Piano loses its sound in Slovakia," *The Slovak Spectator*, 27 October 2016, available online at <https://spectator.sme.sk/c/20361306/piano-loses-its-sound-in-slovakia.html> (accessed on 28 October 2019).

[15] "Vydavateľstvo Petit Press kupuje sieť schránkových novín *Pardon*" (The publisher Petit Press buys the mailbox newspapers *Pardon*), *Etrend.sk*, 13 September 2019, available online at <https://medialne.etrend.sk/tlac/vydavatelstvo-petit-press-kupuje-siet-schrankovych-novin-pardon.html> (accessed on 28 October 2019).

## Print media operators: financial results

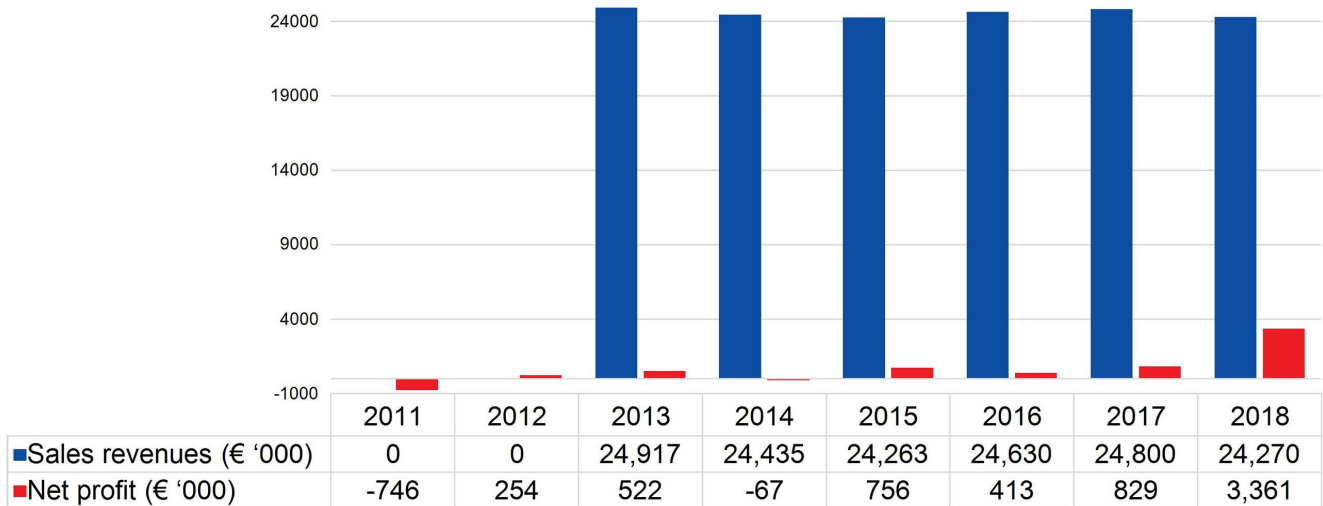
### *News and Media Holding (NMH), 2014-2018*



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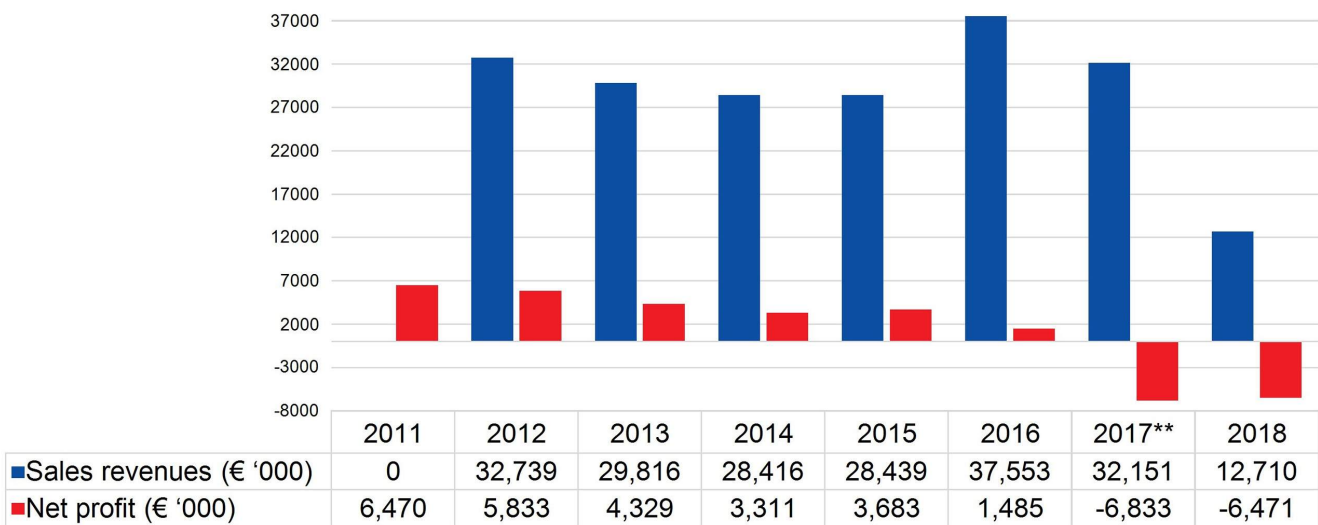
Source: CMDS based on data from Slovak Trade Registry

### *Petit Press, 2011-2018*



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Source: CMDS based on data from Slovak Trade Registry

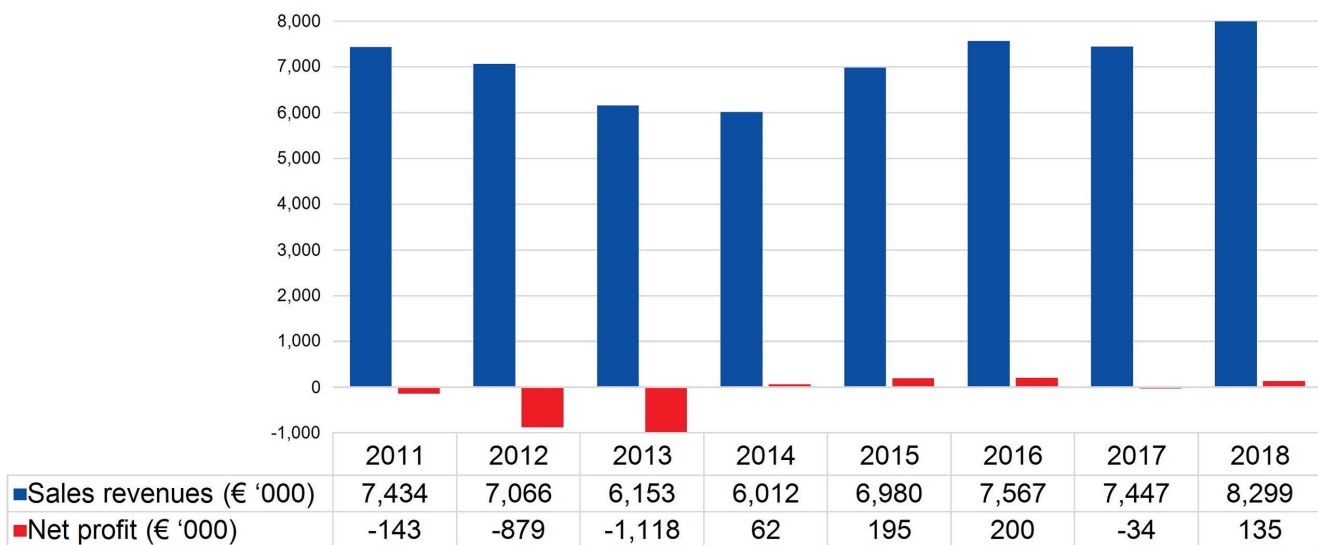
*Ringier Axel Springer SK\*, 2011-2018*

\*it operated as Ringier Axel Springer Slovakia until 2018;

\*\*accounting for less than 12 months

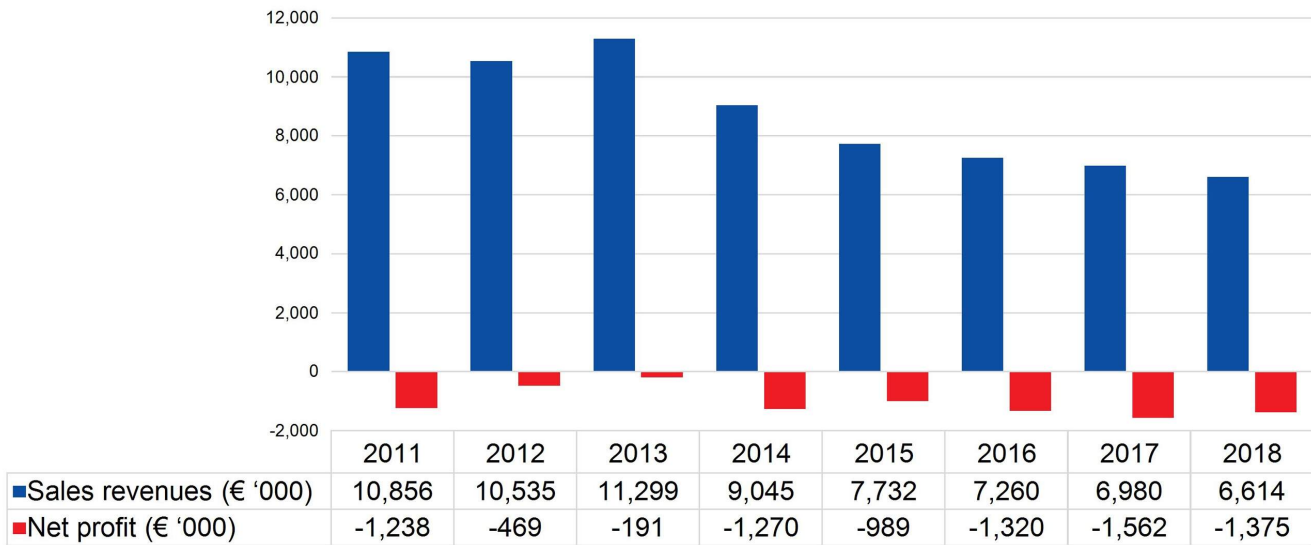
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Source: CMDS based on data from Slovak Trade Registry

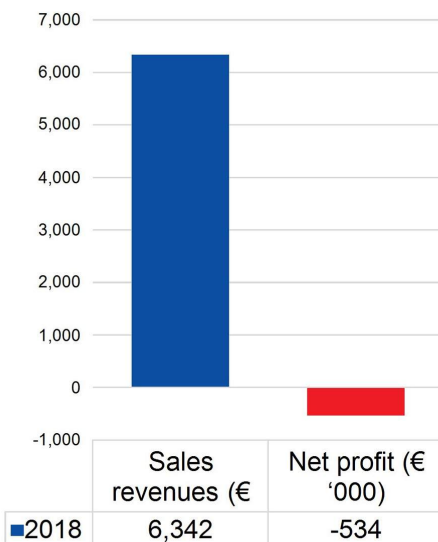
*Mafra Slovakia, 2011-2018*

Source: CMDS based on data from Slovak Trade Registry



*Perex, 2011-2018*

Source: CMDS based on data from Slovak Trade Registry

*FPD Media, 2018*

Source: CMDS based on data from Slovak Trade Registry

The subscription model seems to be embraced by most publishers in Slovakia. Many see in it the basis for the future digital journalism business model. So far, only tabloids such as the leading *Nový čas* and *Plus jeden den* have not embarked on a subscription-driven strategy, principally because their lowbrow content attracts plenty of eyeballs and ad cash. However, they are offering some forms of registration.

Yet, many publishers and media outlets struggle to strike the right balance between the value of news production and the price that readers are willing to pay for such content. Most of the publishers that have adopted the subscription model do not yet see that there is often a gap between the cost of their operation and the market offer. Simply put, they often fail to scale their operation according to how many people are committed to paying for news.

Nonetheless, some of the media outlets such as the daily Sme or the young website DennikN seem to be on the right track. For example, readers of the daily Sme were paying 15 Slovak crowns for a copy of the daily in 2008, the year before the introduction of the euro. That was roughly €0.50 at the current prices. For a loyal reader who would buy Sme every day, that would have cost roughly €10 a month back then. Today, Sme offers its readers access to all its articles online for a monthly €4. In the past, some 45% of the sales revenues from copies of Sme went to the press distribution company and up to 15% covered the cost of paper and ink. If we compare that with what Sme charges today (subtracting the digital subscription transaction fee), Sme has more or less the same margin in their digital sales as in the paper sales.

Naturally, most of the media outlets are still in a digital transition period, making money also from sales of hard copies. But as that source of revenue continues to fall, Slovak media is moving towards a fully digital model paid by a community of staunch readers, according to journalists interviewed for this report. “Those who fail to have this discussion will probably lose the digital challenge,” said a journalist interviewed for this report.

The news outlet leading the subscription revolution is DennikN (*dennik* means “daily paper” in Slovak and N stands for *nezavislost*, which means “independence” in Slovak). The entry of the financial group Penta Investments in the daily Sme in 2014 prompted a group of journalists to leave the newspaper and set up their own shop.[16] That is how DennikN was born. The rebellious journalists did not agree with Penta because of the company’s alleged involvement in a 2011 scandal[17] about corrupt links that the company allegedly had with the Slovak government, a charge the company denies. DennikN started with a private investment of €1m from the software company Eset. DennikN launched the website in January 2015. A print version followed shortly.

In 2017, DennikN had 23,000 paying subscribers and 110,000 registered users, a readership that helped the outlet’s publisher N Press to enter a positive cash flow as of July 2016, as their management claimed.[18] By 2018, that readership increased to 30,000 subscribers and over 120,000 users, according to the outlet’s own data.[19]

Eset is one of the most successful software manufacturers in the world. The company wants to invest some €100m into a research and development campus in Bratislava, which local observers say is likely to become the Slovak Silicon Valley. The company was established back in 1992 in Bratislava by a group of Slovak IT experts with expertise in antivirus programs. The company today has offices and distributors in 180 countries. In 2016, it declared sales revenues of nearly €404m and netted €73.7m in Slovakia, according to data from the company.

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[16] “Do SME prichádza Penta. Vzniká nový nezávislý denník” (Penta arrives at Sme. A new independent daily appears), Omediach.com, 14 Oct 2014, available online at <https://www.omediach.com/tlac/item/5239-do-sme-prichadza-penta-vznika-novy-nezavisly-dennik>

[17] “Slovak politics rocked by ‘Gorilla’ corruption scandal”, 17 Jan 2012, Euractiv, available online at <https://www.euractiv.com/section/justice-home-affairs/news/slovak-politics-rocked-by-gorilla-corruption-scandal/>

[18] Rob Sharp, “These Slovak journalists quit their paper and built an independent rival with 23,000 digital subscribers”, NiemanLab, 12 May 2017, available online at <http://www.niemanlab.org/2017/05/these-slovak-journalists-quit-their-paper-and-built-an-independent-rival-with-23000-digital-subscribers/>

[19] Filip Struharik, “Independent news website Denník N in 2018 (infographic),” Medium, 8 January 2018, available online at [https://medium.com/@filip\\_struharik/independent-news-website-denn%C3%ADk-n-in-2018-infographic-765fc72cf95](https://medium.com/@filip_struharik/independent-news-website-denn%C3%ADk-n-in-2018-infographic-765fc72cf95) (accessed on 27 October 2019).

### The DennikN experiment

*Financial performance and audience data for N Press (DennikN publisher), 2014-2018*

	2014	2015	2016	2017	2018
Sales revenues (€ '000)	9	1,063	1,434	1,665	2,140
Net profit (€ '000)	-69	-650	-202	5	204
Number of paying subscribers	-	15,000	21,500	22,500	30,000
Number of registered readers	-	22,000	90,000	140,000	220,000

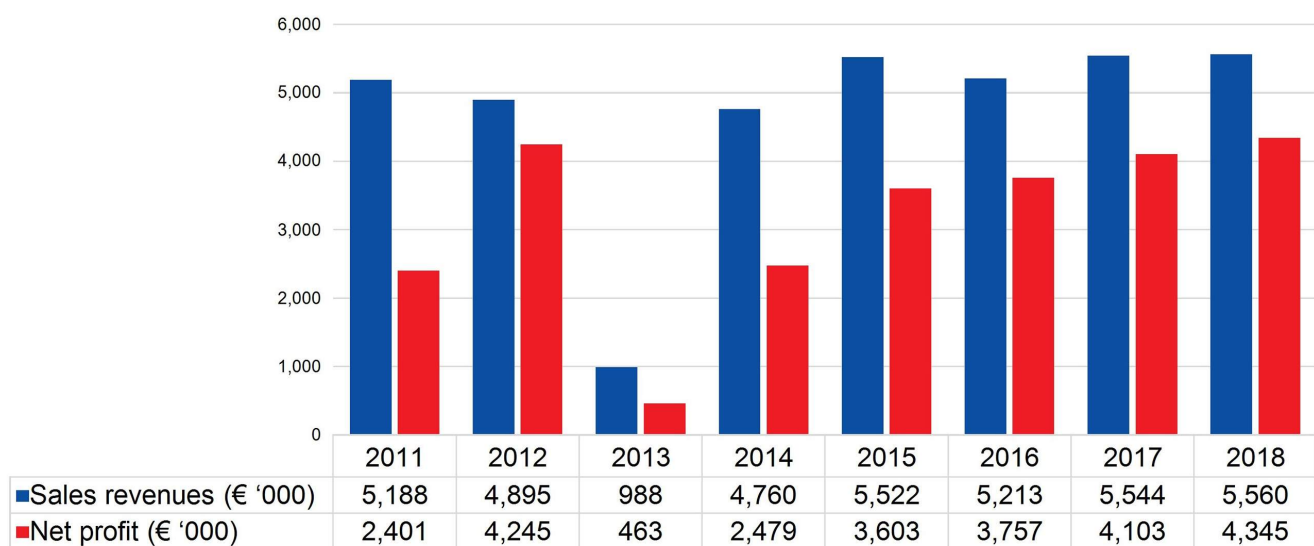
Source: CMDS based on data from Slovak Trade Registry and DennikN

## Radio Funding

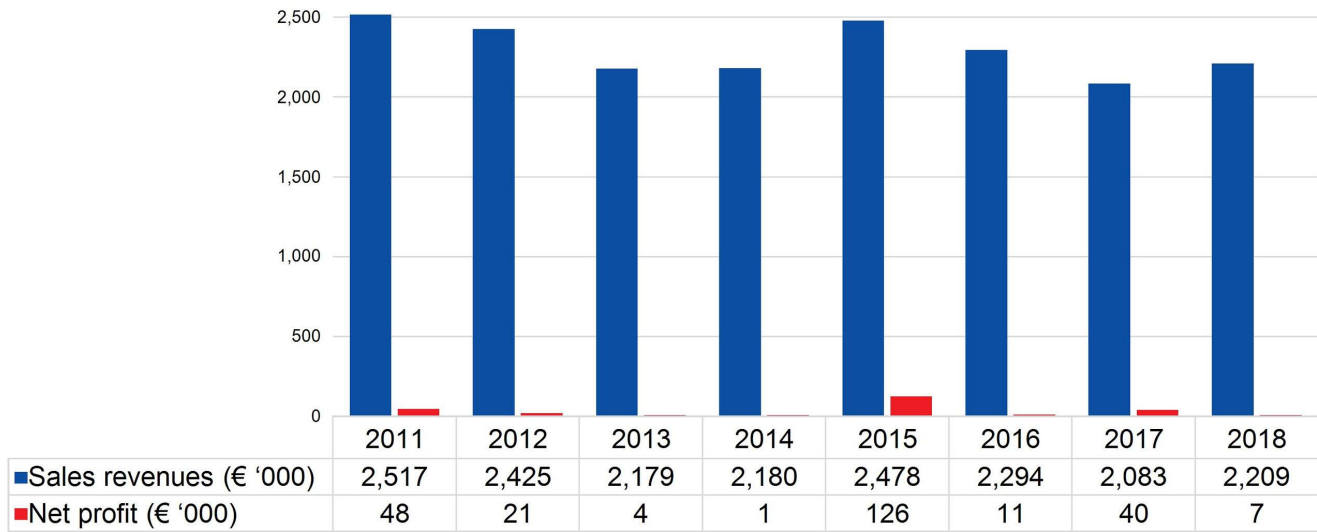
Radio is a much smaller market than all the others and less important when it comes to news consumption. However, unlike major players in other media sectors such as television or print, some of the largest companies operating radio stations turn a profit mainly because the costs involved in running these operations are much lower. D.Expres, the company that runs the Expres Radio, has a spectacularly high profit margin of over 72%, which is an exception among the other radio station operators.

### In the radio business

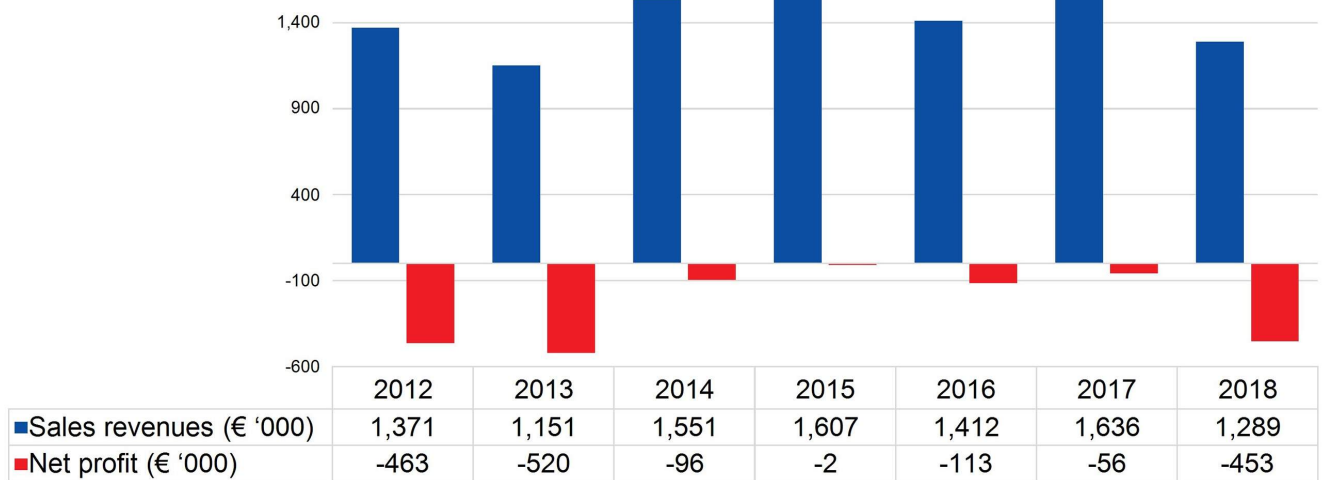
*D.Expres, 2011-2018*



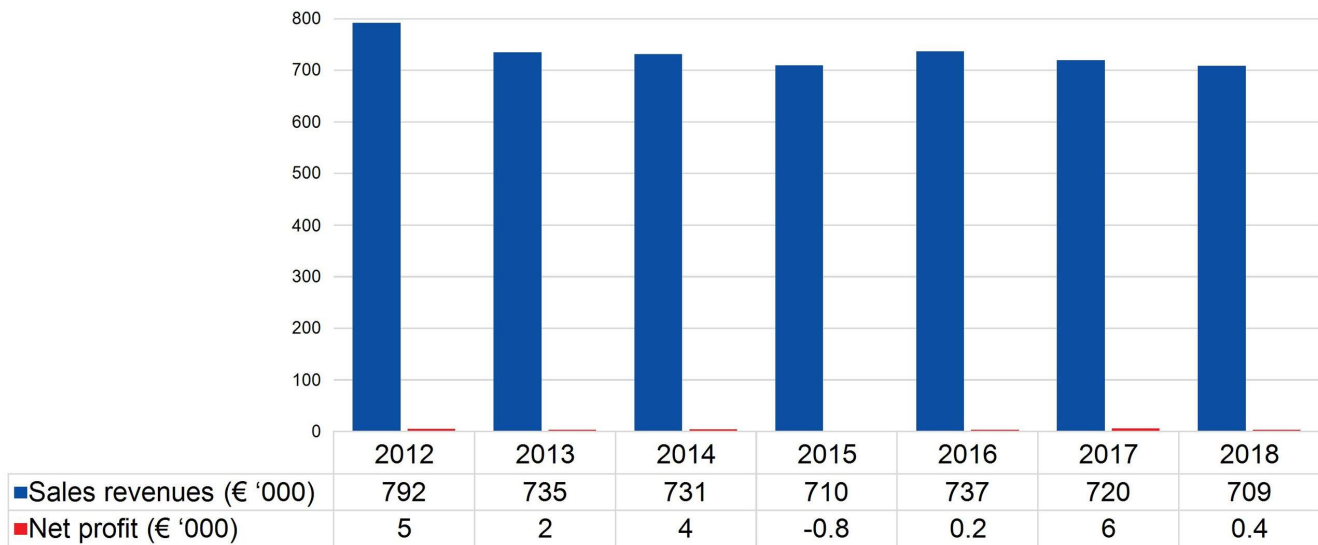
Source: CMDS based on data from Slovak Trade Registry

*Radio a.s., 2011-2018*

Source: CMDS based on data from Slovak Trade Registry

*Europa 2, 2011-2018*

Source: CMDS based on data from Slovak Trade Registry

*Tam Art Productions, 2012-2018*

Source: CMDS based on data from Slovak Trade Registry

## INFLUENTIAL NEWS MEDIA

Markiza TV remains one of the most influential media outlets in the country, particularly among politicians, due to its popularity. Markiza TV's news programs command a large audience, which is of particular interest to politicians and political parties. The station's main newscast has a strong 26% audience share, the highest share for news in all the Eastern European countries where Markiza TV's owner, CME, operates. However, that share is rapidly declining.

Some of Markiza TV's viewers were lured away in the past five years or so by the public broadcaster. RTVS television channels attracted from Markiza TV and other smaller stations many young viewers, according to the RTVS annual report from 2016. RTVS is primarily influential among educated Slovaks. Less than 15% of the broadcaster's first channel Jednotka and 12.5% of its second channel Dvojka have just basic education. Dvojka, in fact, has the second highest share of viewers with higher education, 20.8%, among TV stations, after Ta3 that leads with 23.5%, according to data from PMT/TNS. A survey carried out in May-June 2019 found that the generation Y (people born between 1980 and 2000 known also as millennials) trust RTVS the most when it comes to news. Ta3 and Aktuality.sk come next. In the millennial group, the older (born between 1980 and 1990) tend to follow more RTVS and Aktuality.sk. The older ones (born between 1990 and 2000) follow more Markiza TV.[20]

[20] "Prieskum: Generácia Y verí najviac RTVS, TA3 a portálu Aktuality.sk" (Survey: The Y generation trusts most RTVS, TA3 and the portal Aktuality.sk), TASR, 13 June 2019, available online at <https://www.teraz.sk/slovensko/prieskum-generacia-y-veri-najviac-rtv/401352-clanok.html> (accessed on 29 October 2019).



The large non-tabloid media, print and online, are believed to be highly influential among Slovakia's politicians and state institutions, according to journalists in Slovakia interviewed for this report. The best-selling non-tabloid daily Sme, the business daily Hospodarske noviny, the daily Pravda and the weekly Trend are closely followed by politicians and people in government. But influence is exerted both ways. Journalists and media outlets are proactively seeking the attention of the political class, often offering space in their media to politicians. Sme, Trend, Hospodarske noviny and DennikN habitually hosted blogs of Slovak politicians. Sme, for example, hosted Andrej Danko, the head of the Slovak National Party (*Slovenska Narodna Strana*, SNS), a nationalist party in the government formed after the 2016 elections. Hospodarske noviny hosted opinions of Jozef Mihal, an MP from the Freedom and Solidarity (*Sloboda a Solidarita*, SaS), a liberal party.

Sme also hosted views of Bela Bugar, leader of Most-Hid, an interethnic political party representing the Hungarian minority in Slovakia. Accounting for some 8.5% of Slovakia's population, Hungarians are targeted for their votes by all politicians. The two major publications targeting the Hungarian community in Slovakia are the daily Uj Szo and weekly Vasarnap. With a combined circulation of some 37,000, the two publications reach 25% of the Hungarian readers in Slovakia.

The news outlets specializing in serious journalism are closely followed by the business community. Besides the daily roundup of articles in the mainstream dailies, particularly the serious ones such as Sme and Pravda, the business community closely follows the economic daily Hospodarske noviny, the news platform DennikN and the magazines Trend and Forbes, according to data from publishers and journalists interviewed for this report.

### A serious business

#### *Sold circulation of Trend magazine, 2013-2019*

Year	Sold copies	Year on year change*
2013	12,927	-833
2014	12,586	-341
2015	11,268	-1,481
2016	10,801	-304
2017	11,625	824
2018	10,778	-847
2019	9,550	1,032

Data for the end of year (except 2019 when the latest data, for August, are presented);

\*Number of copies sold

Source: ABC SR

*Sold circulation of Forbes magazine, 2013-2019*

Year	Sold copies	Year-on-year change*
2013	13,473	565
2014	13,973	500
2015	11,819	-2,154
2016	11,511	-308
2017	12,573**	n/a
2018	12,201	-372
2019	12,436	-381

Data for the end of year (except 2019 when the latest data, for August, are presented);

\*Number of copies sold;

\*\*Data for October, comparison not possible;

n/a: not available

Source: ABC SR

## KEY FUNDERS

### Non-Governmental Funders

#### Advertising

The advertising market has constantly grown in the past five years. In 2018, the Slovak ad market was worth €332m, an increase of roughly 5% compared to the previous year, according to estimates made by CMDS based on data from ad agencies in Slovakia. In 2019, the advertising market in Slovakia is expected to grow by 3.5% year on year to some €371.2m, according to forecasts from Unimedia, an ad agency in Slovakia. The figure includes cinema and outdoor advertising spend.[21] When it comes only to spending in the media, the expected growth is slower, of some 2% year on year, to €339m.

Television continues to lead with the highest share of the total ad spend in Slovakia. In 2018, it accounted for about 48% of the total ad expenditures, a figure that has remained stable for five years or so. On the other hand, the internet has continued to record high rates of growth. Between 2013 and 2018, the volume of ad spend online has nearly doubled in Slovakia. In 2018, some €118m was spent on online advertising, an increase of more than 7% compared to the year

[21] Ivan Krasko, "Slovenský reklamní trh letos poroste, i když pomaleji" (The Slovak advertising market grows this year, albeit more slowly), MediaGuru.cz, 19 January 2019, available online at <https://www.mediaguru.cz/clanky/2019/01/slovensky-reklamni-trh-letos-poroste-i-kdyz-pomaleji/> (accessed on 29 October 2019).

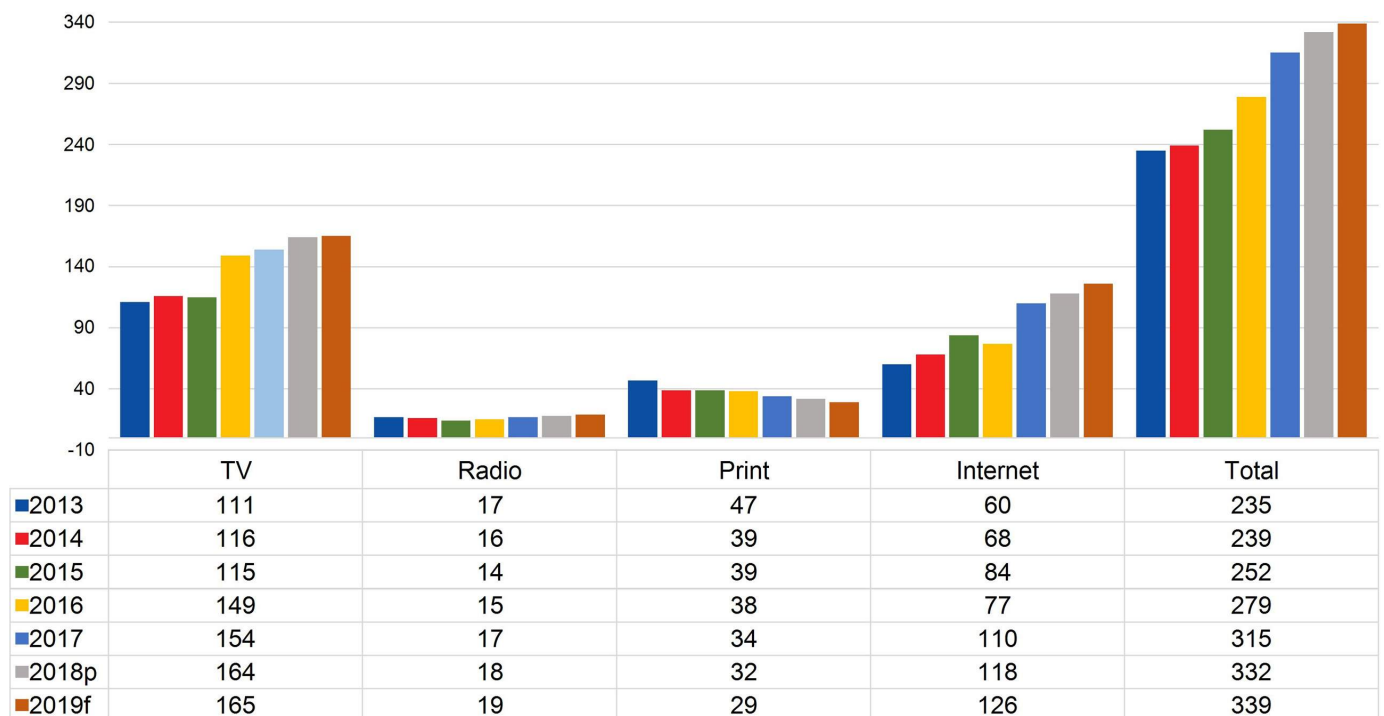
before. Some of the ad spend gained by the internet comes from print media. However, since 2015, the print sector has lost between €1m and €4 a year, which means that the growth of the internet ad spend was fueled to a big extent by a general increase in ad spend.

Only few players have access to the big advertising contracts. Markiza-Slovakia is, by and large, the biggest recipient of ad money, accounting more or less for 30% of the entire ad market. That shows the strong link between mass-market players such as big television stations and large advertisers. That is likely to change, according to advertising experts interviewed for this study. An increasing number of advertisers are planning to move their budgets to digital, and much of that to video campaigns online, which are gaining massive popularity. Mobile video spend is forecast by Carat, an advertising agency, to triple by 2020.

The share of mobile ads in the total digital ad spend has grown from 23.4% in 2016 to over 33% in 2018. The display (banners) ad spend, in contrast, is declining in Slovakia. In 2018, paid search and social media are forecast by Carat to jointly generate more ad revenue than banners do.

## Ad spending spree

*Advertising spend by medium in Slovakia, €m, 2013-2019*



p: preliminary data;

f: forecast;

Source: CMDS based on estimates from advertising agencies in Slovakia

Desktop advertising continues to dominate the online ad market in Slovakia. However, its share in the total ad spend online continuously declines. In 2019, desktop ads accounted for some 58% of the total ad spend on the Slovak internet, 5 percentage points less than two years ago. In terms of formats, display advertising is the most popular for internet advertisers, attracting some 41% of the total ad spend online. However, its share of ad revenue is slowly, yet steadily declining. The formats that are attracting an increasing amount of investment are classifieds and native ads.

## The digital ad revolution will not be televised

Advertising spending on the internet in Slovakia, 2017-2019

	2017	2018	H1 2019	Share (%) 2017	Share (%) 2018	Share (%) H1 2019
<b>PLATFORM</b>						
Desktop	74.7	78.2	36.9	63%	61%	58%
Mobile	43	50	26.6	37%	39%	42%
<b>Total</b>	<b>117.8</b>	<b>128.2</b>	<b>63.6</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>
<b>FORMAT</b>						
Display	51.5	53.2	26.1	44%	42%	41%
Video	19.6	22.2	10.6	17%	17%	17%
Paid for search	26.8	29	14.6	23%	23%	23%
Classifieds and directories	13.2	16.1	9.1	11%	13%	14%
Text ads	1.9	1.3	-	2%	1%	-
Native	3	4.2	2.6	3%	3%	4%
Other	1.7	2.2	0.5	1%	2%	1%
<b>Total</b>	<b>117.8</b>	<b>128.2</b>	<b>63.6</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

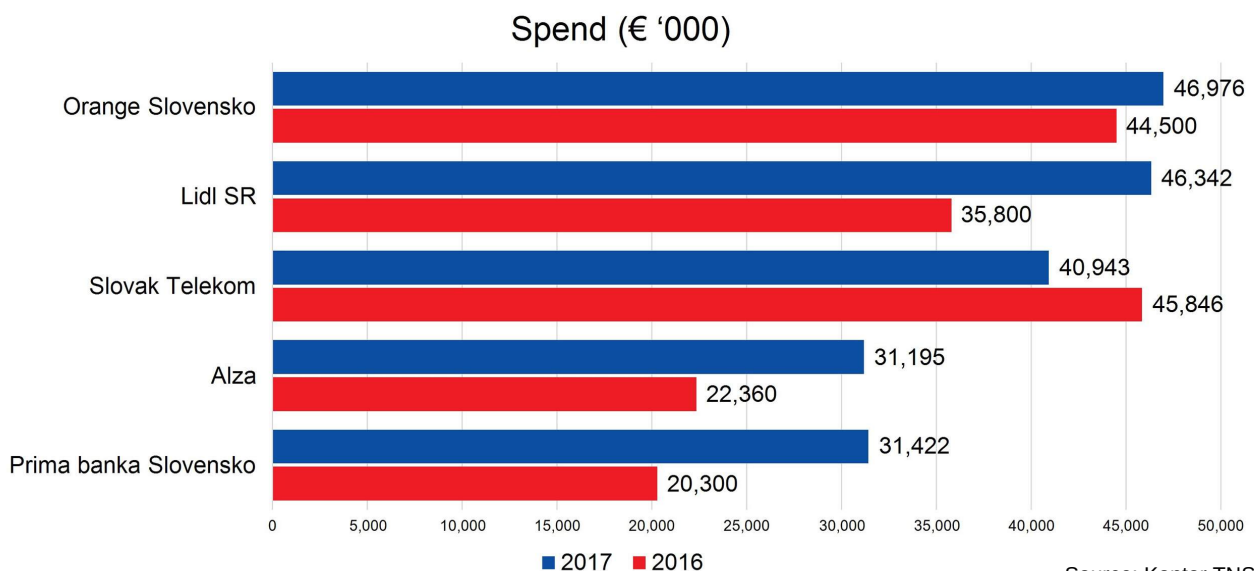
Note: The value of the total internet advertising in Slovakia given by IAB Slovakia differs from the figures collected from the ad industry because of different methodologies used in tracking gross and net spend.

Source: IAB Slovakia

Like elsewhere in Europe, the biggest ad spending sectors in Slovakia include the telecoms, automotive sector, retail industry, banking and food manufacturing. The two major telecom groups in the country, Slovak Telekom and Orange Slovensko are among the largest advertisers. They spent together over €86m on advertising in 2017, according to the latest data available from Kantar.

## The deep advertising pockets

Largest advertising spenders in Slovakia, 2016



Source: Kantar TNS

## Philanthropy

Media Development Investment Fund (MDIF), an affordable lender registered in New York, was active in Slovakia in the 1990s when an MDIF loan (the organization at the time was known as Media Development Loan Fund or MDLF) helped the daily Sme buy their own printing press, which saved them from crashing. Sme was created by a group of journalists who, following political pressures, broke away in the 1990s with the now-defunct, then state-owned Smena newspaper. Sme, which paid back the loan even before its maturity, was the very first client of the then MDLF.

Today, there is no foreign philanthropic funding invested in the Slovak news media. Since 2009, only 10 media donors came to Slovakia, giving a combined US\$ 1.8m, according to data collected by Media Impact Funders (MIF), a research outfit. That is a piddling amount compared to the total media spend in the country. The largest donor in Slovak media to date was EEA and Norway Grants, a government initiative set up by the states of Liechtenstein, Iceland and Norway.

Because of its limited size, foreign philanthropic money does not influence the power relations in the Slovak media market. However, some smaller investments into journalistic projects generate important results. For example, a project mapping media ownership in Slovakia with the participation of the Open Society Institute, a donor organization endowed by the philanthropist and investor George Soros, and the local office of Transparency International, a Berlin-headquartered NGO fighting corruption globally, led to the creation of a valuable media ownership registry that helps shed light on people and companies owning media in Slovakia.[22]

Also, funding coming to Slovakia through various global investigative journalism networks is important because it enables journalists to break major stories that otherwise would not be pursued. The killing of the Slovak investigative journalist Jan Kuciak in February 2018 attests to that. At the time of his death, Kuciak was working with the Organized Crime and Corruption Reporting Project (OCCRP) and his outlet, Aktuality.sk, on an in-depth investigation into the Slovak operations of the Italian criminal group 'Ndrangheta.[23] The OCCRP is an investigative reporting platform comprising 40 non-profit investigative centers as well as journalists and news organizations around the globe. It is funded by the American government and a raft of private donors including the Open Society Foundations (OSF), the Skoll Foundation, the Sigrid Rausing Trust and the Knight Foundation. OCCRP operated in 2017 with revenues of US\$ 4.57m, more than double compared to the year before. an increase of over 30% compared to the year before. Nearly two thirds of its 2016 budget came from the U.S. Government. The following year, that share went down to less than 50%, according to data from OCCRP.

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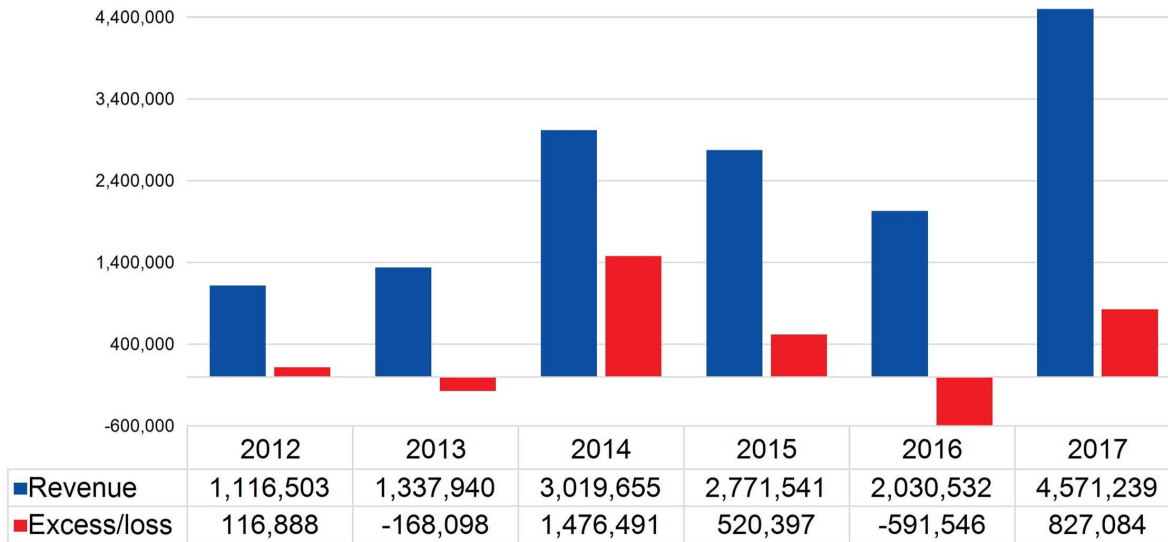
[22] This database of owners can be consulted online at <https://medialne.etrend.sk/vlastnici-medii.html>

[23] Kuciak's last investigation was published by OCCRP at <https://www.occrp.org/en/amurderedjournalistslastinvestigation/>



## Funding for investigations

OCCRP financial data, €, 2012-2017



Source: CMDS based on OCCRP Annual Reports, donor data

## Government Funding

The government is a key player in the Slovak media market, competing neck to neck with private advertisers in funding media. In 2018, funding allocated by the government to the media (including the license fees) represented the equivalent of 48% of the advertising spending in the media (excluding cinema, outdoor and other non-media sectors), an increase of 8 percentage points compared to 2016, according to CMDS estimates.

Much of the public funding, administered by the government, goes to the public broadcaster RTVS. The broadcaster operates nine radio and two TV channels. RTVS is funded in a proportion of 93% from public financing sources. A big part of that is revenue raised through license fee, a tax of up to €5 a month that Slovak households are legally obliged to pay to RTVS. The station also gets a subsidy from the government, which includes money from EU sources. The remainder 7% of the RTVS' budget is generated from advertising and other sources such as sales of broadcast rights, rental of facilities or sale of property. RTVS sells ads worth €5m-€6m a year.

## The public broadcaster's coffers

*The budget of RTVS, in € '000, 2014-2018*

Year	Source of revenue	Radio	Television	Total
2014	License fee	21,338	49,789	71,127
	State subsidy	5,714	23,149	28,864
	Advertising	1,732	3,346	5,078
	Other revenues	161	110	271
	<b>Total</b>	<b>28,945</b>	<b>76,394</b>	<b>105,340</b>
2015	License fee	22,554	52,628	75,183
	State subsidy*	4,816	24,831	29,648
	Advertising	1,833	4,372	6,206
	Other revenues	714	1,144	1,858
	<b>Total</b>	<b>29,918</b>	<b>82,975</b>	<b>112,894</b>
2016	License fee	23,482	54,792	78,275
	State subsidy*	4,141	24,794	28,935
	Advertising	1,450	4,052	5,502
	Other revenues	806	2,212	3,018
	<b>Total</b>	<b>29,880</b>	<b>85,850</b>	<b>115,730</b>
2017	License fee	24,294	56,687	80,982
	State subsidy*	4,153	24,180	28,333
	Advertising	1,443	4,146	5,590
	Other revenues	748	1,428	2,176
	<b>Total</b>	<b>30,639</b>	<b>86,441</b>	<b>117,081</b>
2018	License fee	24,771	57,799	82,570
	State subsidy*	4,172	24,586	28,758
	Advertising	1,316	5,175	6,492
	Other own generated revenues	613	1,236	1,849
	<b>Total</b>	<b>30,873</b>	<b>88,796</b>	<b>119,669</b>

\*including EU funding

Source: CMDS compilation and calculations based on RTVS data and information from annual reports

A big part of the budget at RTVS goes into wages. In 2018, a total of some €33.4m, or approximately 40% of the RTVS' budget was spent on salaries and other employee benefits.

## The public broadcaster's people

### *Staff and wages at RTVS, 2013-2018*

Year	Number of employees	Average monthly salary (€)
2013	1,324	1,118
2014	1,317	1,181
2015	1,318	1,233
2016	1,404	1,293
2017	1,420	1,322
2018	1,467	1,392

Source: CMDS based on RTVS data and information from annual reports

RTVS has come under fierce criticism after the appointment of Jaroslav Reznik at the broadcaster's helm in summer 2017. Known to be close to right-win, nationalist parties that helped to appoint him in parliament, Reznik has made since his arrival a series of controversial decisions that affected the station's reputation, which had improved significantly before his appointment. In early 2018, he ordered the cancellation of *Reporteri* (Reporters), the sole investigative program on RTVS. He reportedly did that under pressures from organizations criticized on the program. The program was reintroduced to the schedules later in 2018.

Reznik is also close to politicians who want to scrap the license fee and allow instead RTVS to carry unlimited advertising. Such a decision is likely to financially clobber the station, making it even more reliant on the state budget as advertising is clearly not sufficient to keep RTVS afloat. Moreover, experts say, advertising will change the nature of the RTVS' programming, making it more commercial to suit the advertisers' tastes. The broadcaster has been slow in generating digital advertising. In 2016, its sales of ads online were a dismal €17,000.

Under the previous management of Vaclav Mika, RTVS dramatically improved its public image thanks to investments in quality programming and solid news reporting. RTVS' television channels gained recognition for airing more and better documentaries, newscasts and sports programs. The share of such programs on both the group's channels, *Jednotka* and *Dvojka*, is higher than on private television channels.

Another important form of state spending in the media is state advertising. Much of that comes from EU-funded projects. State advertising has traditionally gone to media supportive of the government. Changes in the government have led to changes in the priorities of spending state ad money.

There is no consolidated data or official statistics on state advertising in Slovakia. The state ad spend is much lower than the funds that the government directs to RTVS. Overall, we estimate that the government spent some €10m on adverts in the media in 2017, according to data from the Central Registry of Contracts (*Centralny Register Zmluv*, CRZ), a government body.

For many of the recipients, state advertising represents only a small part of their total income. For example, in 2017, Ringier Axel Springer signed ad contracts with state authorities and companies worth some €250,000 in total, which represents less than 1% of the group's overall revenues. In 2018, Ringier was awarded some €290,000 in state advertising. Markiza-Slovakia also received a hefty sum, over €2.3m, in 2017. For the size of a company like Markiza-Slovakia, that did not mean much either. However, contracts for purchasing media services on Markiza-Slovakia increased significantly. By October 2019, the station received more than €5m in state contracts from institutions such as Tipos, the local lottery, several ministries and Všeobecná zdravotná poisťovňa, Slovakia's dominant, state-controlled, health insurer.



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