

## BREAKING: Media24 considers closures, reduced frequencies and accelerates digital due to Covid-19

The pandemic has hit the media industry hard. Recently publishing giants <u>Associated Media Publishing</u> and <u>Caxton's magazine division</u> closed its doors within two weeks of each other and now Media24 has announced that it is considering the closure of five magazines and two newspapers, outsourcing and reducing the frequency of its remaining monthly magazines, taking two newspapers digital-only and reducing staff in related support services. The company will start consultations with staff today.



Says Ishmet Davidson, CEO of Media24: "From the earliest days of the pandemic in South Africa, everything we've done focused on two main priorities. Firstly, the health and safety of our people, and secondly, business continuity – by implication also protecting employment for as long as possible.

However, the pandemic has accelerated the pre-existing and long-term structural decline in print media, resulting in a devastating impact on our own already fragile print media operations with significant declines in both circulation and advertising since April. For many of our print titles the benefits of prior interventions to offset the structural declines and keep them on the shelf no longer exist and they've run out of options in this regard.

"Even with a return to pre-Covid-19 economic levels, the impact of the pandemic on our print media operations will be unrecoverable. Sadly, we have no choice but to restructure our business now to curtail the losses in our print portfolio and allow us to focus on keeping the retained titles sustainable and in print for as long as possible."

At the same time, says Ishmet, Media24 is reshaping to further accelerate its transition to an increasingly digital world. "In a very competitive landscape that includes major international brands, News24 and Netwerk24 are digital news destinations of choice for South Africans. News24 averaged 1.6m daily unique users for the year to date, 63% growth on the 2019 average. By the end of June Netwerk24 had almost 67,000 subscribers, up 36.5% on June 2019."

The planned interventions are expected to affect around 510 staff members (with a proposed reduction of close on 660 positions) out of a total staff complement of 2,971, largely across the print media and distribution divisions, and include:

## Magazine portfolio:

- Closing Move! and the Hearst portfolio (Men's Health, Women's Health, Bicycling, Runner's World).
- Publishing *Drum* in digital format only.
- A licensing agreement with editor Helen Schöer to publish the parenting titles (*Baba & Kleuter* and *Your Pregnancy*) independently.
- Outsourcing the editorial production of the remaining monthly portfolio (Fairlady, Sarie, SA Hunter/Jagter, True Love, tuis | home, Weg! | go! and Weg! Ry & Sleep | go! Drive & Camp) as well as the fortnightly Kuier.
- Reducing the frequency of the monthly magazines to six issues per year, and eight issues for *tuis* | *home, SA Hunter/Jagter* and *Man Magnum*.

The flagship weeklies *Huisgenoot, YOU* and *Landbouweekblad* will continue to be produced and published in-house.

## Newspaper portfolio:

- Closing Son op Sondag and Sunday Sun.
- Closing the Eastern Cape edition of Son.
- Publishing Volksblad and Die Burger Oos-Kaap as weekday digital editions only, available as complete PDFs on Netwerk24.
- Closing four community newspapers in KwaZulu-Natal: *Amanzimtoti Fever, East Griqualand Fever, Hillcrest Fever* and *Maritzburg Fever*.
- Consolidating Noordkaap and Kalahari Bulletin into a single newspaper, Noordkaap Bulletin, and Kroonnuus and Vrystaat Nuus into Vrystaat Kroonnuus. At the same time, incorporating Theewaterskloof Gazette into Hermanus Times.
- Accelerating the digital transition of The Witness.

## Other:

 Reducing staff in our media distribution business as well as in divisional and corporate services departments related to the proposed reduced print media operations.

"We are fully committed to managing this highly sensitive consultation with compassion while following the process as prescribed by law. Unfortunately, we cannot share any further details until the process has been concluded," says Ishmet.