FROM PRINT TO DIGITAL ONLY

Driving GROWTH!

Andiara Petterle
Vice-President of Product & Operation
Grupo RBS IMPACTS 11MM PEOPLE MONTHLY

- News and entertainment for TV, radio, newspaper and digital platforms
- 3 regional and local newspapers
- One of the largest multimedia business groups in Brazil
- 62 years of operations in southern Brazil
## INTEGRATED STRUCTURE & NEW ROLES

<table>
<thead>
<tr>
<th>AD SALES</th>
<th>MARKETING</th>
<th>PRODUCT &amp; OPERATIONS</th>
</tr>
</thead>
<tbody>
<tr>
<td>AD SALES TEAM</td>
<td>B2B</td>
<td>NEWSPAPER OPERATIONS</td>
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<tr>
<td></td>
<td>MARKET RESEARCH</td>
<td>IT, ENGINEERING</td>
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<td></td>
<td>CORPORATE COMMUNICATION</td>
<td>&amp; BROADCAST OPERATIONS</td>
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<td></td>
<td>BRAND MANAGEMENT</td>
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<td></td>
<td></td>
<td>NEWSROOMS</td>
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<td>CONSUMER REVENUE</td>
</tr>
<tr>
<td></td>
<td></td>
<td>DIGITAL</td>
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</tbody>
</table>

- BROADCAST TVS
- NEWSPAPERS
- BROADCAST RADIOS
- DIGITAL
25% EBITDA margin in 2018

Print is still a good business and it helps us to buy the time needed for digital. **Premium price** is the key to sustainability.

Print advertising declining

1. **Sustain the printed edition** for as long as possible with a **positive margin**
2. **Build a perfect digital segmented product portfolio** for cross-selling and upselling to increase average ticket
3. **Accelerate digital only subscription acquisition**
4. **Manage digital only operation as an e-commerce startup**
5. **Develop strategic sales channels** with telcos and universities
PRINT + DIGITAL

Carteira final ano: em mil.

<table>
<thead>
<tr>
<th>Ano</th>
<th>Print</th>
<th>Digital</th>
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</thead>
<tbody>
<tr>
<td>2015</td>
<td>186,7</td>
<td>14,4</td>
</tr>
<tr>
<td>2016</td>
<td>158,7</td>
<td>21,8</td>
</tr>
<tr>
<td>2017</td>
<td>174,5</td>
<td>61,1</td>
</tr>
<tr>
<td>2018</td>
<td>185,1</td>
<td>90</td>
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<tr>
<td>2019</td>
<td>208,3</td>
<td>126,1</td>
</tr>
<tr>
<td>2020</td>
<td>216,8</td>
<td>150,6</td>
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</table>

TOTAL

Carteira final ano: em mil.
ACCELERATING
DIGITAL ONLY
DRIVING DIGITAL GROWTH

- product
  - New Entry Level Product: Newspaper + Radio
- process
  - New Organizational Structure and Roles: Agile Teams
- acquisition & retention
  - Implementing “Growth” and “Usage and Retention” Squads
NEW ENTRY LEVEL PRODUCT NEWS PAPER+RADIO SEGMENTED SPORTS PRODUCT

NEW ORGANIZATIONAL STRUCTURE AND ROLES AGILE TEAMS

IMPLEMENTING “GROWTH” AND “USAGE AND RETENTION” SQUADS

DRIVING DIGITAL GROWTH

product
process
acquisition & retention
16MM
Unique visitors per month

METERED PAYWALL
85% mobile
Audio is a key feature

NEW DIGITAL PAID CONTENT PRODUCT:
NEWSPAPER + RADIO
GAUCHAZH PORTFOLIO

BASIC
GauchaZH Entry Product

PREMIUM
E-paper / Club Membership Upselling Retention

SOCCEER TEAMS APP
Entry product Upselling

CITIZEN JOURNALISM
Engagement Traffic

BEAUTY CLUB
Entry product Upselling
DRIVING DIGITAL GROWTH

- **product**
  - NEW ENTRY LEVEL PRODUCT
  - NEWSPAPER+RADIO
  - SEGMENTED SPORTS PRODUCT

- **process**
  - NEW ORGANIZATIONAL STRUCTURE AND ROLES
  - AGILE TEAMS

- **acquisition & retention**
  - IMPLEMENTING “GROWTH” AND “USAGE AND RETENTION” SQUADS
BECOMING AN E-COMMERCE STARTUP
WHAT DOES IT TAKE?

Communicate and engage everyone in the business strategy – especially the newsrooms.

Be extremely agile and have the governance to make it happen FAST.

Have digital startup obsessions and develop new critical capabilities.

Be consumer-centric.

New fresh leaders who understand the purpose of journalism.
DIGITAL ACCELERATION PLAN 2019

- **Customer success**: Management and development of the active customer base. To assure value proposition delivery of the product acting on Customer’s LTV.
- **Value proposition and product bundle**: Value proposition redefined, new product’s ecosystem and packaging.
- **New sales and relationship channels**: Obsession with current sales channels’ performance - and creation of opportunity in new channels, observing origin saturation.
- **Technologies**: New systems supporting digital acceleration strategy and allowing scalable and sustainable growth of digital subscriber base, detaching from print paper.
- **People, processes and structures**: Agile culture, more horizontal team, common goals, very solid alignment, and search for autonomy and speed.

Startup:
New approach to product/service development in a cheaper and faster way.
AGILE METHODOLOGY APPLIED

ACQUISITION STRATEGY

SQUAD GROWTH

USAGE/RETENTION STRATEGY

ACQUISITION

CLIENT RELATIONSHIP

OMNICHANNEL COMMUNICATION STRATEGY - ALL LIFE CYCLE

RETENTION

PAYWALL
PAID
EMM / NEW CHANNELS
LTV

ux design
**CONVERSION CIRCLE**

**NEW STRUCTURE TO DELIVER GREATER RESULTS**

<table>
<thead>
<tr>
<th>ATTRACTION</th>
<th>IDENTIFICATION</th>
<th>FREQUENCY</th>
<th>ACQUISITION</th>
<th>USAGE RETENTION</th>
<th>UPSELL AND CROSS SELL</th>
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</thead>
<tbody>
<tr>
<td>(SIGN WALL)</td>
<td>(UNTIL PAYWALL)</td>
<td></td>
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</table>
NEW ENTRY LEVEL PRODUCT
NEWSPAPER+RADIO
SEGMENTED SPORTS PRODUCT

NEW ORGANIZATIONAL STRUCTURE AND ROLES
AGILE TEAMS

IMPLEMENTING “GROWTH” AND “USAGE AND RETENTION” SQUADS

DRIVING DIGITAL GROWTH

product

process

acquisition & retention
GROWTH

38%
BASIC

30%
PREMIUM

97k
STUDENTS/PARTNERSHIPS

29%
SOCkker APPS

3%

INCREASING ACQUISITION

CAGR +84%

14,4
21,8
61,1
90

2015
2016
2017
2018
AGILE MARKETING APPLIED
INCREASING USAGE & RETENTION

> USAGE = < CHURN

<table>
<thead>
<tr>
<th>USAGE CONTENTS PER MONTH</th>
<th>none</th>
<th>up to 50</th>
<th>51 to 100</th>
<th>101 to 200</th>
<th>over 200</th>
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<tbody>
<tr>
<td>CHURN</td>
<td>3.8%</td>
<td>2.7%</td>
<td>1.9%</td>
<td>1.4%</td>
<td>1.1%</td>
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</table>
THE USER OF APPS IS ON AVERAGE 2X MORE ENGAGED THAN THE USER OF THE SITE

ENGAGEMENT (monthly visits in millions)

- Engaged
- 53
- 63
- 95
- 103

resulting in

CHURN
- 3.8%
- 2.6%
- 1.8%
- 1.6%
- 1.1%

> USAGE = < CHURN

Source: Kissmetrics
**INITIAL CONDITIONS**
Different areas acting as separate parts (production line)
Teams driven by leadership decisions
Speed determined by management capacity, which becomes bottleneck
Development team using agile methods

**CHALLENGE SPACE**
Squads Growth and Use & Distribution as pilots of the integration process
Use of OKRs as a tool to create a culture of alignment with teams
Creation of safe space for learning through structured tests (A/B culture test)
Application of agile methods to Squads Growth & Use

**TARGET STATUS**
Multi-disciplinary tribes and squads, with integrated processes (different team skills)
Self-managed teams, guided by very strong alignment regarding the objectives
Speed and agility for decision-making and learning
Agile company

**BUSINESS VALUE**
NEWSROOM DATA STRATEGY

ENGAGEMENT
- Aligned objectives (OKRS)
- Unfolded KPIs
- Individual goals
- Focus on subscribers

DATA ECOSYSTEM
- Reliable and accessible data
- Real time information
- Wide and complete tracking

DATA DRIVEN CULTURE

DATA ECOSYSTEM

ANALYTICAL MATURITY

DESCRIPTIVE
- Past
- Why did it happen?

PREDICTIVE
- Past/future
- What will happen?

PRESCRIPTIVE
- Future
- How can we make it happen?

BUSINESS VALUE