Global Media Finances Map

MJRC
MEDIA&JOURNALISM RESEARCH CENTER

Political Interference and Financial Outcomes

Analysis of Hungarian Media Companies

Authors:

Eva Vajda
Gabor Sitanyi

Editor:

Marius Dragomir

Published by

Media and Journalism Research Center (MJRC)

MJRC is an independent media research and policy think tank that seeks to improve the quality of media policymaking and the state of independent media and journalism through research, knowledge sharing and financial support. The center's main areas of research are regulation and policy, media ownership and funding, and the links between tech companies, politics and journalism.

Authors

Gabor Sitanyi has worked as a fund manager based in London running emerging market equity portfolios for nearly 30 years for Flemings, Schroders, Charlemagne and Fiera Capital, amongst others. Now, he works as an independent consultant.

Eva Vajda has been a Hungarian investigative reporter for almost two decades, covering corruption and misuse of power. Now she is based in London and works as a consultant for the Media and Journalism Research Center (MJRC) and Thomson Foundation, amongst others.

Acknowledgments:

We would like to say thank you to the following experts and organisations who provided help to finalize the study: Zsolt Somlói, Péter Szigeti, Mertek Media Monitor and Kantar Media Hungary.

Table of Contents

Executive Summary

This research report analyzes the interplay between political influence and financial outcomes across 20 Hungarian media companies. Our study builds on a recent set of in-depth analytical studies of political interference in Hungary's media sector.[1] Befitting the framework established by these analyses,[2] we have grouped the 20 Hungarian media companies covered in this report into 9 distinct clusters (see Appendix 1 and Appendix 2) primarily based on their their content delivery approach—whether online, print/online, or broadcasting—and their political leanings, with categorizations ranging from independent to those under government sway (gray zone)[3] and Fidesz-affiliated.[4]

While further confirming the fundamental arguments made by previous reports regarding the state capture of Hungary's media sector, this study offers a new angle. It sheds light on further evidence that media outlets under the influence of the state, or more precisely, the ruling party Fidesz, receive an excessively unfair portion of state advertising funds.[5] It also provides concrete, numerical data demonstrating that, when evaluated against their audience or market shares, this imbalanced distribution is quite irrational—essentially a waste of taxpayers' money. A recent in-depth study, which may well lay the groundwork for an EU Competition Commission investigation, further corroborates this conclusion.[6]

Through an in-depth financial evaluation of individual media entities and their respective industry subgroups, the report arrives at several noteworthy conclusions.

[1] See e.g. Kata Horváth, Gábor Polyák, Ágnes Urbán, A media system abandoned: The Hungarian media under siege and without support - Soft Censorship 2023
[2] Inforádió was recently taken over by an institute with strong ties to Fidesz, forcing its shift from a 'grey area' of partial independence to being closely aligned with Fidesz interests.
[3] While at first glance Hungary's media landscape appears to be bifurcated into pro-governmental (Fidesz-affiliated) and independent sectors, in reality, some media companies in Hungary operate in a 'grey zone', walking a fine line between a semi-independent editorial approach and financial survival (see Appendix 1 for more details) while operating in the cash-strapped environment of a small media market with relatively limited revenue potential.
[4] Fidesz is a right-wing, populist political party headed by Prime Minister Viktor Orbán, who has been at the helm continuously since 2010.
[5] As prior research points out: "Other media companies have been captured by the state through an extremely high proportion of state advertising, which could hardly operate without state support and thus cannot be considered independent (66% of Népszava's advertising comes from state advertisers, 37% for Inforádió and 33% for Blikk)." Source: Kata Horváth, Gábor Polyák, Ágnes Urbán, A media system abandoned: The Hungarian media under siege and without support - Soft Censorship 2023.
[6] Kai-Uwe Kuhn: Evidence of illegal selective state aid to media outlets in Hungary (2025) https://hang.hu/data/articles/175/1755/article-175565/Final_-_Economic_report_non-confidential_version_.pdf

- While the COVID-19 pandemic has accelerated already prevalent media consumption trends, enhancing the expansion and profitability of digital/online media in contrast to print and traditional broadcasting, the sector has experienced a certain normalization since the crisis abated.

- Financial health seems to be closely linked with political alignment; thus, pro-government traditional media benefit from higher profit margins, a robust asset portfolio, stable equity funding, and more favorable banking conditions. Conversely, independent media organizations grapple with revenue difficulties, yet exhibit ingenuity by implementing low-cost digital models sustained by more unpredictable revenue streams such as grants and reader contributions.

- Financial analysis suggests that most independent, online-exclusive media entities still lack the critical threshold, consequently facing subpar profitability and minimal capital strength, with survival levels often hanging in the balance, dependent on foreign donors and local reader backing.

- Although classical business wisdom may advocate merging or acquiring smaller, independent media operators to enhance economies of scale, such actions might not be prudent amid the current business landscape rife with formidable, often covert, political meddling. Recent Hungarian media history suggests that once independent media companies grow to a certain size, they could easily become acquisition targets for Fidesz affiliated media conglomerates and lose their precious editorial independence in the process.[7]

- However, our analysis also suggests that, while government ad spending often corresponds with the political leanings of the media outlet involved, private advertisers tend to allocate their ad budgets based on commercial considerations. This scenario offers a silver lining for local, independent media, exemplified by the case of the business media outlet HVG. By cultivating an affluent and loyal readership, these outlets can potentially rely less on foreign donors and readership contributions and stake their future on more stable financial foundations.

[7] The case of Index.hu is instructive: see https://en.ejo.ch/media-politics/press-freedom/the-decline-and-fall-of-hungarys-leading-news-brand

Methodology and Research Limitations

Our analysis, contrasting political influence and profitability in the Hungarian media industry, is based on financial data collected both at a company and at a sector level.[8] Some of the key research limitations include:

- **Limited revenue breakdown in our sample.** While traditionally, media companies generate most of their revenues from advertising and subscription fees, alternative income avenues like grants and donations can greatly skew both revenue figures and profitability for some outlets. The reliability of these alternative revenue streams is more precarious, notably within the current political landscape, where the halt or restriction of foreign grants is posing a potential threat to the operations of Hungarian independent media.[9] Moreover, conducting a thorough historical comparison of revenue sources was hampered by the limited availability of detailed and reliable revenue breakdown for 8 out of the 20 media companies analyzed.

- **Lack of operating cost and other operating income breakdown.** This lack of detail was important, especially when comparing the fixed costs associated with new media (solely online) against traditional media platforms like broadcasting and print. Online media outlets generally face much lower fixed expenses (such as rent, utilities, and fees for broadcast transmission). Moreover, various independent media companies receive financial support through international grants and donations, which could be applied to offset specific operating costs or accounted for as other operating income, instead of being included in sales revenue.[10]

[8] Most of the company data was sourced through Opten (https://www.opten.hu/index.php?lang=en) and directly from official government sources (https://e-beszamolo.im.gov.hu/oldal/kezdolap).
[9] Zoltán Molnár, "Trump támogatásmegvonása miatt millióktól esik el a független magyar sajtó is", Telex, 27 January 2025, available online at https://telex.hu/belfold/2025/01/27/magyar-media-civil-szervezetek-trump-tamogatas-megvonasa-okotars.
[10] See Appendix 1 for more details concerning individual media outlets and their funding sources.

- **Limited comparability of certain operations.** Certain business operations are difficult to compare, and Indamédia, an online media company linked to Fidesz, serves as an extreme illustration. Despite showing negative EBITDA throughout the stretch between 2018 and 2023, the company consistently reported positive net profits thanks to substantial dividend inflows.[11] We also had to tread carefully with specific one-off events that skewed financial results, such as the remarkable growth in Magyar Hírlap's 2023 net profit compared to its shareholders' equity. This led to a notable, yet unsustainable, uptick in its Return on Equity (ROE).[12]

Despite the aforementioned data limitations, the study stands on solid ground and has reached several noteworthy conclusions that are largely supported by the available financial data.

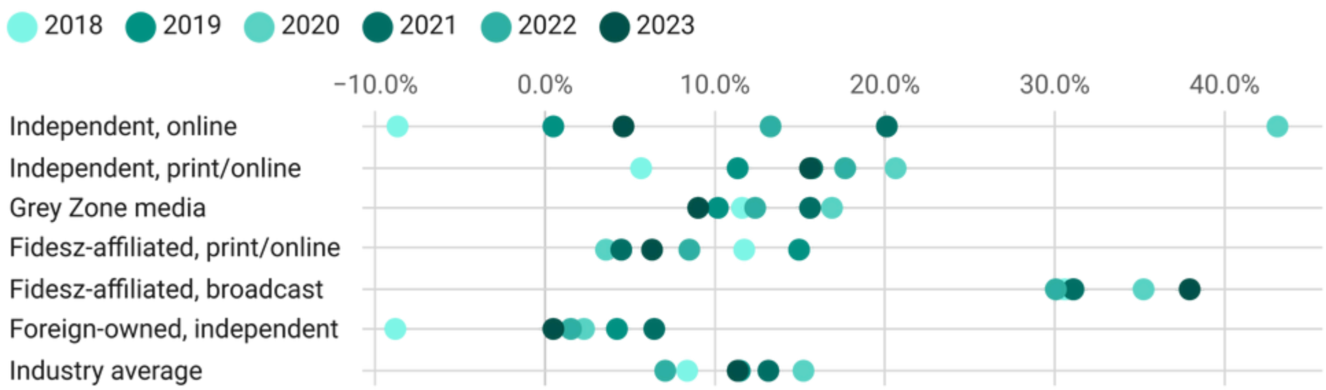
[11] As a holding company Indamédia's financial statements have a number of unusual features compared to the other media companies in the sample: despite negative operating results, negligible short-term financial liquidity, its P&L (Profit & Loss) always records significantly positive net financial results, the source of which is dividend payments from its subsidiaries, including Index.hu, Retikül, Velvet, Femina, etc.
[12] This has clearly not been driven by improvement in the underlying business (since the company's sales continued to significantly deteriorate in 2023) but by closing its print business in 2022, writing off fixed assets associated with the print business, which led to a collapse of depreciation costs as well as shareholders' equity, artificially inflating the company's ROE.

Industry Trends

1. Impact of COVID-19 crisis

While declining economic activity in the wake of the pandemic initially led to cuts in corporate advertising budgets, it also seems to have boosted the profitability of online-only media content providers. This could be explained by enforced isolation, which likely made online media a more convenient choice for consumers than buying physical print copies. Moreover, reader donations and donor grants seem to have skyrocketed during the COVID-19 crisis,[13] as audiences probably valued impartial reporting amid such turbulent times, thereby supporting independent online channels. This has led to improvements in EBITDA margins for online platforms during 2019 and 2020. However, as inflation soared and production costs inflated (by 15% year-on-year in the past few years), coupled with a decrease in donations as the crisis waned, extraordinary EBITDA margins have been increasingly squeezed from 2021 onwards (see Figure 1), particularly affecting the independent online media sector.

Figure 1. EBITDA margin trend (2018-2023), including grants and donations



*Numbers over 100% are excluded from data

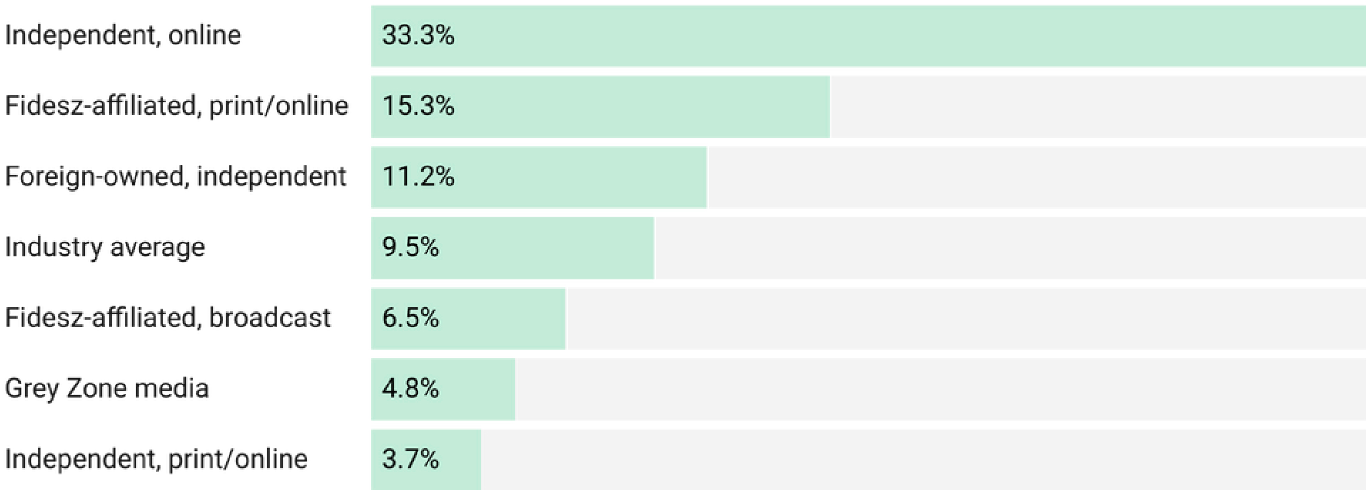
Source: MJRC analysis based on data from Opten • Created with Datawrapper

[13] These revenue streams generally appear under the "other income" section of the profit and loss statement.

2. New vs old media

Independent online media have enjoyed more significant revenue growth compared to their traditional offline counterparts (see Figure 2) and boast a fairly robust EBITDA margin, surpassed only by broadcasters affiliated with Fidesz (see Figure 3).

Figure 2. Average annual sales growth (2019-2023)

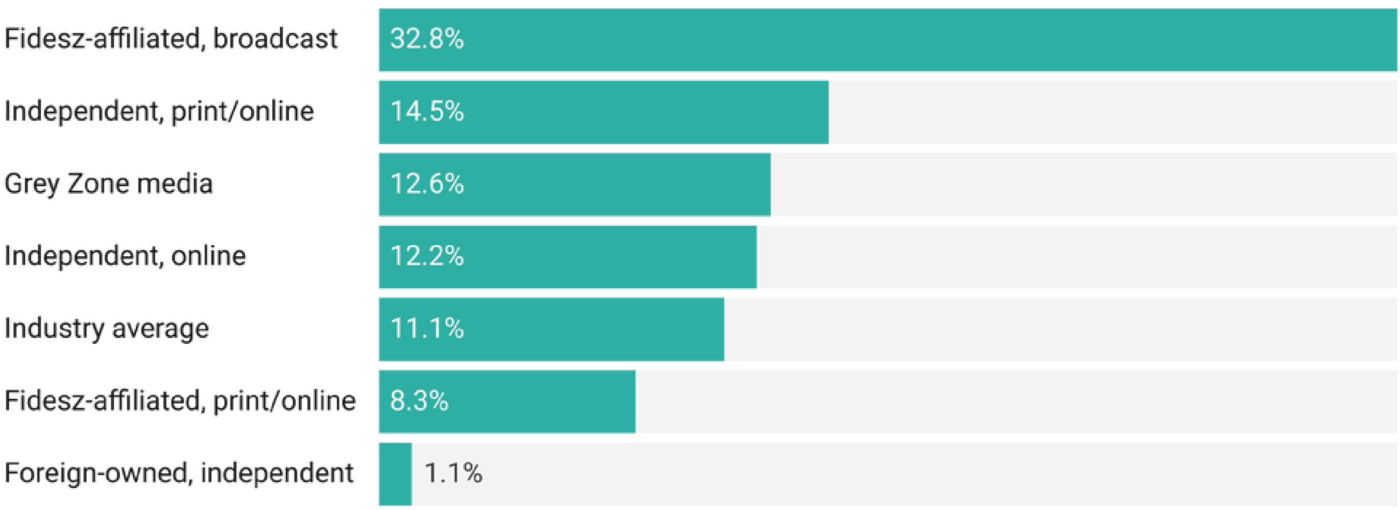


Source: MJRC analysis based on data from Opten • Created with Datawrapper

One may presume that the shift toward digital and online media content consumption has been a significant driving force. Indeed, digital platforms already booked 51% of the HUF 300bn (US$ 769m) advertising expenditure in 2022.[14] However, Google and Facebook typically absorb 60% of the digital ad spend, therefore the profitability of local, online-only, independent media operators is mostly sustained by a combination of other incomes such as grants and donations (see Figure 3) and a relatively low cost base despite their significantly smaller economies of scale (see Figure 4).

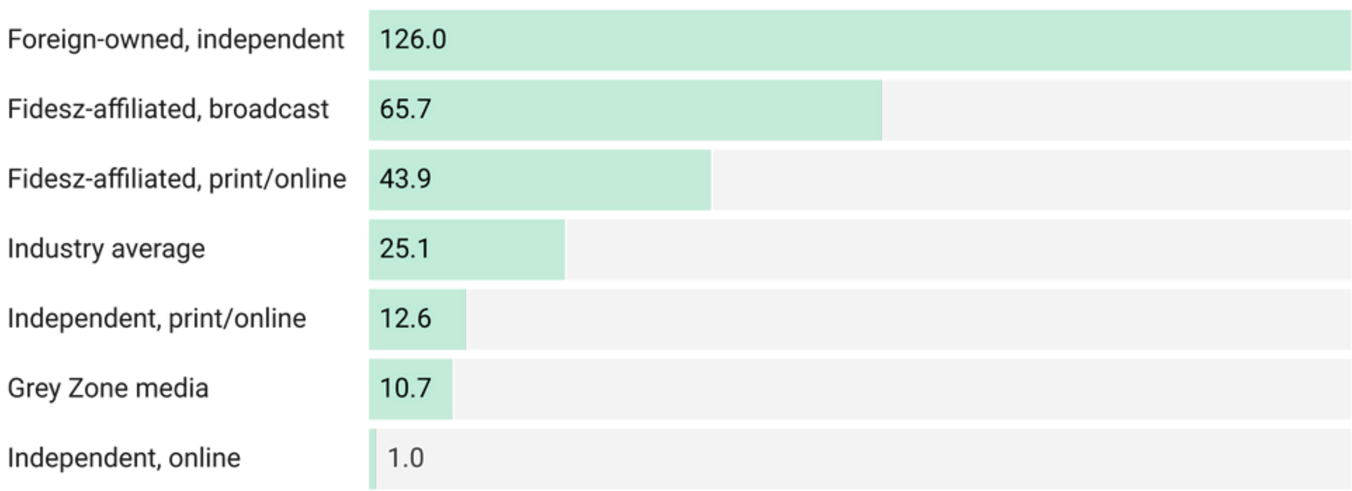
[14] See more data at: https://mrsz.hu/kutatas/media-es-kommunikacios-torta/2022-mrsz-media-es-kommunikacios-torta.

Figure 3. Weighted average EBITDA margin (2018-2023), including grants and donations



Source: MJRC analysis based on data from Opten • Created with Datawrapper

Figure 4. Average sales in 2018-2023 (EUR m)

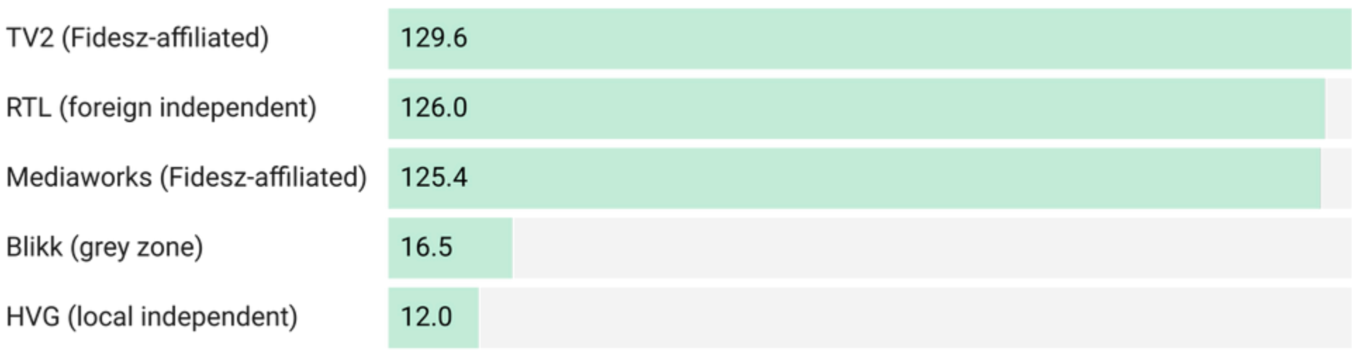


Annual average exchange rate, based on the official exchange rates of the Hungarian Central Bank (https://www.mnb.hu/en/arfolyam-lekerdezes)

Source: MJRC analysis based on data from Opten • Created with Datawrapper

However, the category averages fail to illustrate the extent to which media companies connected to Fidesz, specifically TV2 and Mediaworks, have grown thanks to government backing, even when compared to international broadcast powerhouses like RTL (see Figure 5). Their growth dwarfs even some of the largest local independent and gray zone media groups such as HVG and Blikk.

Figure 5. Average sales of selected media companies in 2018-2023 (EUR m)



Annual average exchange rate, based on the official exchange rates of the Hungarian Central Bank (https://www.mnb.hu/en/arfolyam-lekerdezes)

Source: MJRC analysis based on data from Opten • Created with Datawrapper

3. Independent media and the role of grants and donations

In addition, if grants and donations are excluded, the profitability of local independent and Fidesz-affiliated media is turned upside-down (see Figure 6).

Figure 6. Weighted average EBITDA margin (2018-2023), excluding grants and donations

Source: MJRC analysis based on data from Opten • Created with Datawrapper

Compared to the global media industry, the following insights emerge.

- First, without factoring in grants and donations, the Hungarian media industry shows an average EBITDA margin languishing at just 7-8%, scarcely more than half the international benchmark of 13.5%.[15] When grants and donations are considered, it aligns more closely with worldwide figures, reaching around 11%.
- Secondly, Hungarian independent online media also illustrates a significant disparity, with its EBITDA margin plunging dramatically by almost 90 percentage points—from a positive 12% to a negative 77%—in a scenario where it has to rely solely on operational income without supplementary support such as donor grants and reader contributions. In contrast, Fidesz-aligned online media would exhibit only a slight decrease of 1.2 percentage points in similar circumstances.
- Finally, apart from a select few well-capitalized independent players like Central Media, HVG, and RTL, most independent media entities in Hungary find themselves increasingly cornered into the digital domain, their survival heavily reliant on donor grants and reader donations.

[15] See more at https://fullratio.com/ebitda-margin-by-industry.

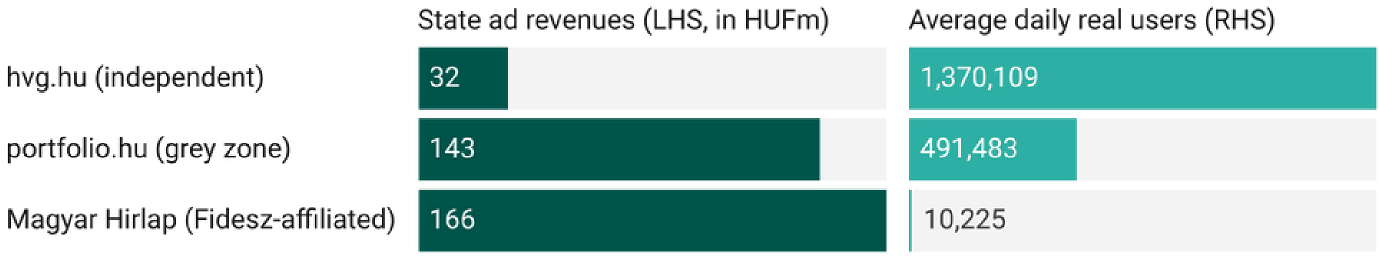
4. Political interference and financial outcomes

The regulation of Hungarian media is significantly influenced by the state, primarily through the National Media and Info-communications Authority (NMHH). State advertising shows a marked preference for pro-government outlets, distorting the market landscape. In the 2023 budget, media aligned with the Fidesz party reportedly secured around HUF 50bn (US$ 130m) through state-backed advertisements, underscoring their financial reliance on public resources. This state advertising favoritism cripples independent media by reducing the market dependency of pro-government platforms.

Political backing boosts profitability, most notably in market segments with scant competition. In capital-intensive media operations (e.g. TV broadcasting) where political influence is more readily exerted, Fidesz affiliated media companies boast profit margins exceeding the average. By contrast, in digital media, characterized by minimal entry costs and thriving competition, Fidesz affiliated print/online operators lag in profitability compared to independent challengers. This is mainly because audiences tend to gravitate towards affordable independent online sources. Absent grants and reader contributions, most independent media outlets on the internet, impeded by a lack of economies of scale, would teeter on becoming unprofitable (see Figure 6).

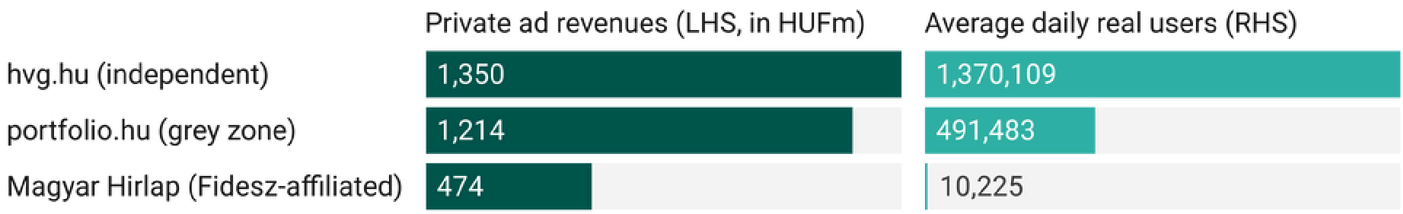
While independent online news outlets survive on grants and reader donations, Fidesz affiliated news portals reap excessive state ad revenues, amplified beyond their actual user bases (see Figure 7). This is in contrast with the ad disbursement method of private sector advertisers (see Figure 8). When it comes to private ad spending, all sources, including independent outlets like HVG and Portfolio.hu, proportionately gain ad earnings aligned with their reach, notwithstanding the over-allocation of commercial advertising towards gray zone and Fidesz affiliated media outlets.

Figure 7. Fidesz affiliated online media enjoy significantly higher state ad revenues than justified by their real user shares (2022)



Source: Kantar, NMHH (Nemzeti Média és Hírközlési Hatóság), Opten • Created with Datawrapper

Figure 8. Private ad revenues are allocated more in line with real online user shares (2022)



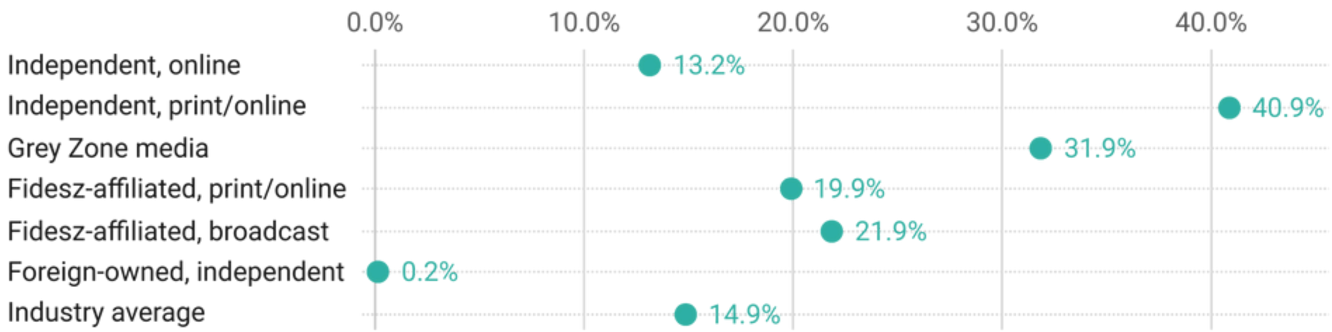
Source: Kantar, NMHH, Opten • Created with Datawrapper

Overall, it seems that political backing significantly bolsters financial stability. While both the Return on Equity (ROE) (see Figure 9) and net margin (see Figure 10) indicate that independent media outlets are more lucrative compared to those tied to Fidesz, this appearance is deceptive for two key reasons.

Firstly, Fidesz affiliated media companies generally possess a much larger physical asset base, which results in higher depreciation expenses. Although this doesn't influence the EBITDA (that is why EBITDA margins of Fidesz affiliated media are significantly higher), it depresses net earnings, hence reducing nominators in both net margin and ROE calculations,[16] leading to lower ratios. Secondly, media linked to Fidesz are far better capitalized, operating with a significantly larger equity base than independent media. This financial bedrock provides enhanced stability but simultaneously enlarges the denominator in their ROE calculations, leading to lower ROE figures.

[16] Net margin = net earnings / sales, and ROE = net earnings / average shareholders' equity.

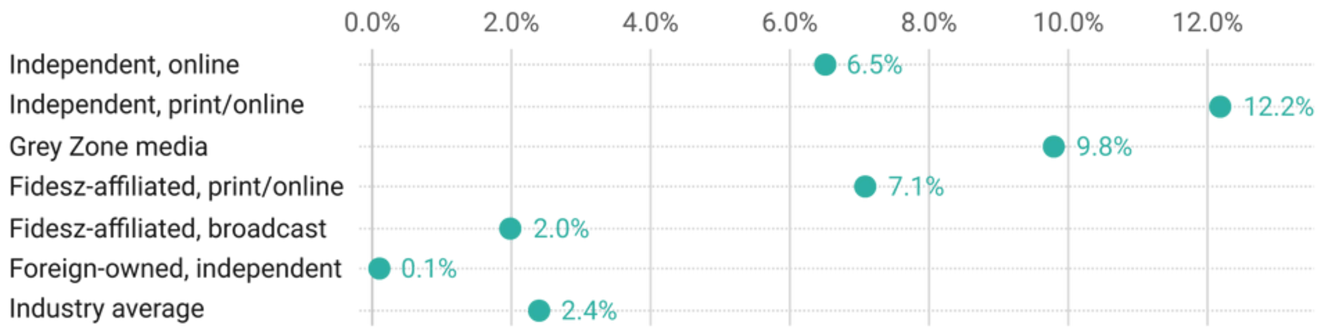
Figure 9. Weighted average ROE (2018-2023, in %)



** Extreme numbers (over 150% and below -150%) are excluded Note: MagyarNarancs operates with negative equity, which makes ROE calculation meaningless*

Source: MJRC analysis based on data from Opten • Created with Datawrapper

Figure 10. Weighted average net margin (2018-2023, in %)



Source: MJRC analysis based on data from Opten • Created with Datawrapper

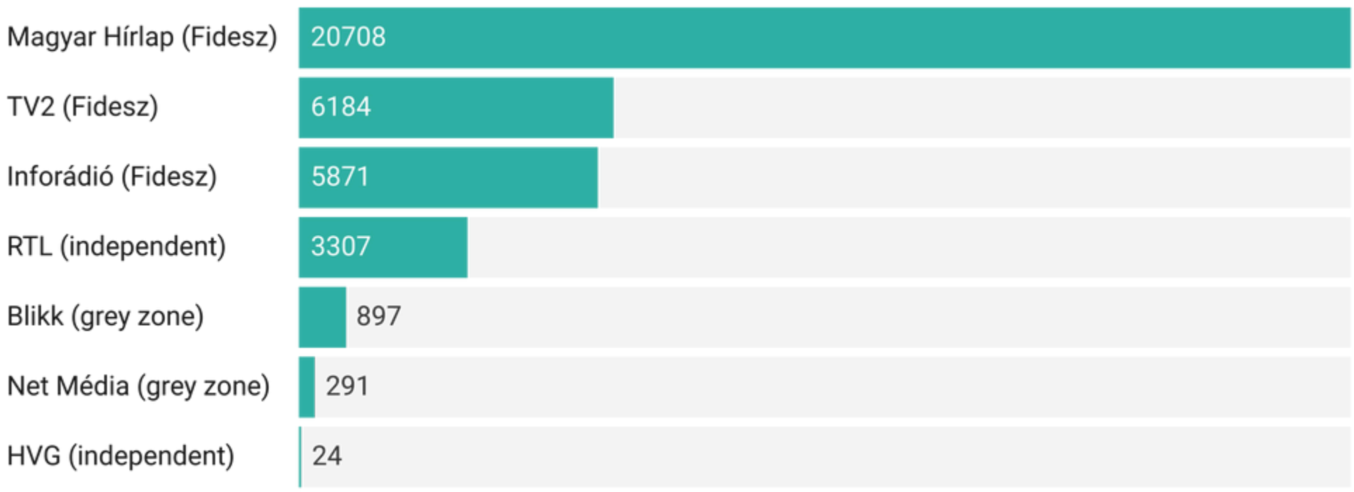
Political affiliation also plays a key role in financial leverage, tilting the borrowing landscape heavily in favor of media corporations with ties to Fidesz. While independent media outlets are all net cash companies without exception,[17] certain Fidesz-linked entities (notably Indamédia, Mediaworks, and TV2) are all running net debt positions. This trend does not inherently suggest that local banks succumb to political coercion, refusing to extend credit to independent media. Rather, it's more plausibly attributed to the precarious and sporadic nature of independent outlets' revenue streams—often dependent on grants and donations—which hinders their ability to reliably service debt. Moreover, these independent entities largely lack substantial physical assets for collateral and do not have high enough shareholder equity to robustly support any loan-taking.

[17] Meaning that their cash position is larger than their debt position, since almost all operate with zero debt.

Conclusions

This study has provided some new evidence and analysis showing that political interference (more precisely, close ties to Fidesz, the ruling party) lead to significant financial repercussions within Hungary's media landscape. The current government, for the most part, allocates its advertising budget primarily according to political affiliations rather than actual user engagement. The disparity is glaring, with HVG receiving merely HUF 24 from the state advertisement budget per visit from a daily user, while Magyar Hirlap, benefiting from the proximity to political power, garners over HUF 20,000 per user.

Figure 11. State ad spending per number of daily users (2022, in HUF)



Note: This is based on actual ad pricing, not listed ad pricing, i.e. how much the government actually spends on advertising

Source: MJRC based on data from Kantar, NMHH, Infostart.hu • Created with Datawrapper

Faced with an environment marred by state or ruling party interference, one may wonder what steps independent media outlets can take. Striving for critical mass often appears to be a prudent strategy, as evidenced by the profitability of publications such as HVG, which sustains itself, thanks to its impressive draw of over a million daily online users, despite its meager allocation of state advertising revenue.

Yet, achieving critical mass can turn into a double-edged sword: while it assures financial viability, it can also attract the attention of Fidesz-aligned corporate entities.[17] Furthermore, with the government bent on forbidding media outlets from receiving foreign financial aid,[18] a smarter tactic might be for independent media to collectively negotiate key cost burdens—such as IT, financial and auditing services, office rentals, and utilities. Rather than direct monetary contributions, donors could opt for indirect support by securing discounted office spaces or services in IT and finance for the benefit of media recipients.

[17] The case of Index.hu is instructive in this respect. See Gábor Polyák, "The decline and fall of Hungary's leading news brand", European Journalism Observatory, 3 September 2020, available online at https://en.ejo.ch/media-politics/press-freedom/the-decline-and-fall-of-hungarys-leading-news-brand.
[18] Dezső András, Andrea Horváth Kávai (translation), "Anyone funded from abroad should not deal with public affairs! – how the Hungarian government is going after NGOs it doesn't like", Telex, 27 February 2025, available online at https://telex.hu/english/2025/02/27/anyone-who-receives-money-from-abroad-should-not-concern-themselves-with-public-affairs-how-the-hungarian-government-deals-with-ngos-it-doesnt-like.

Appendix 1. The Background of Media Corporates

Company	Brands	Media interest	Political affiliation & funding
Átlátszó.hu Közhasznú Nonprofit Kft	Atlatszo (online)	Online only	Independent, liberal (local, funded by grants and reader donations)
Direkt36 Nonprofit Kft	Direkt 36 (online)	Online only	Independent, liberal (local, funded by grants and reader donations)
Klubrádió Szolgáltató Zrt.	Klubradio (broadcast - internet only)	Online broadcast	Independent, liberal (local, funded by grants and cash-rich, private owners)
Magyar Jeti Zrt	444.hu (Lakmusz.hu and Qubit.hu) online	Online only	Independent, liberal (local, funded by grants, reader donations, subscription fees and private ads)
Válasz Online Kft	Válasz Online (online)	Online only	Independent, conservative (local, funded by reader donations)
Van Másik Zrt.	Telex.hu (online)	Online only	Independent, liberal (funded by grants, reader donations and private ads)
Alhambra Press Bt.	Magyar Hang (print and online)	Print / online	Independent, liberal (funded by subscription, grants, and reader donations)
Central Médiacsoport Zrt	24.hu (print and online)	Print / online	Independent, centre/liberal (local, well-capitalized, mostly funded by subscription fees, private and state ads, small grants)
HVG Kiadó Zrt	HVG (print and online)	Print / online	Independent, centre/liberal (well-capitalized, funded by subscription fees and private ads)
Magyarnarancs.hu Lapkiadó Kft.	Magyar Narancs (print and online)	Print / online	Independent, liberal (funded by grants, subscription fees and mostly private ads)
Magyar RTL Televízió Zrt	RTL Klub (broadcast)	Broadcast / TV	Independent, foreign-owned, well-capitalized, mostly funded by private ads
Blikk Kft	Blikk (print and online)	Print / online	Grey zone (foreign-owned, but close to Fidesz, high rate of state ads)
Net Média Zrt	Portfolio.hu (online)	Online only	Grey zone (local, funded by events, subscriptions and private and state ads)
ATV Első Magyar Magántelevíziós Zrt	ATV (broadcast)	Broadcast / TV	Grey zone (mostly funded by state-owned company ads)
Magyar Hírlap Kiadó Kft	Magyar Hirlap (online), divany.hu (divány.hu Kft.), femina.hu (Femina Média Kft.)	Online only	Fidesz-affiliated (mostly funded by direct state and state-owned company ads)
Indamédia Network Zrt	index.hu, napi.hu (napi.hu Kft.), port.hu (Port Ticket Kft.), totalbike, totalcar.hu (TotalCar.hu Kft.), velvet	Online only	Fidesz-affiliated (well capitalized, supported by state and private ads)
Index.hu Zrt	Index.hu (online)	Online only	Fidesz-affiliated (well capitalized, owned by Indamedia, supported by state-owned company and private corporate ads)
TV2 Médiacsoport Zrt	TV2 (broadcast)	Broadcast / TV	Fidesz-affiliated, well capitalized (linked to Mészáros corporate empire) funded by state and private ads
Inforádio Kft	Inforádio (broadcast)	Broadcast/Radio	Since Dec 2024 it is owned by Mathias Corvinus Collegium (MCC), a Fidesz-affiliated institute, equally supported by state and private ads
Mediaworks Zrt	Figyelo.hu, vg.hu and most regional print media	Full media offering	Fidesz-affiliated, well capitalized (owned by Mészáros corporate empire) equally supported by state and private ads

Appendix 2. Categorisation of Key Hungarian Media Corporates for Analytical Purposes

Independent: Independent editorial approach, not influenced by ruling party/government; Grey Zone: Semi-independent editorial approach, with some (mostly indirect) influence by ruling party/government; Fidesz-affiliated: Editorial is strongly (and often directly) influenced by ruling party/government

Affiliation			
	Online only	**Online / print**	**Broadcasting**
Independent	Átlátszó.hu, Direkt36, Klubrádió, Magyar Jeti, Válasz Online, Van Másik	Alhambra Press, Central Médiacsoport, HVG, Magyar Narancs,	Magyar RTL
Grey Zone	Net Média Zrt	Blikk Kft	ATV
Fidesz-affiliated	Indamédia, Index.hu, Magyar Hírlap	Mediaworks	TV2 Group, Inforádió

Media and Journalism Research Center

Legal address
Tartu mnt 67/1-13b, 10115,
Tallinn, Harju Maakond, Estonia

Postal address
6 South Molton St, London,
W1K 5QF, United Kingdom

Academic affiliation
Universidade de Santiago de Compostela (USC)
Colexio de San Xerome, Praza do Obradoiro s/n,
CP 15782 de Santiago de Compostela.

Contact
www.journalismresearch.org
mjrc@journalismresearch.org

Artificial Intelligence (AI) Disclosure Statement
No AI tools were used in the creation of this report.

May 2025