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FOR IMMEDIATE RELEASE

NZME 2024 Annual Shareholders' Meeting Presentation and Addresses

AUCKLAND, 11 April 2024: NZME Limited (NZX: NZM, ASX: NZM) ("NZME") attaches the Chairman of the Meeting and the CEO's addresses, and presentation which will be delivered at the Annual Shareholders' Meeting being held in the NZME iHeart Lounge at 2 Graham Street, Auckland, and online today, commencing at 3:00pm (NZT).

At today's meeting, details of the company's revised three-year strategy will be shared and a first quarter 2024 trading update will be provided.

Strategic priorities

The company shares its refreshed strategic priorities for the next three years:

- To be number one in audio
- To be New Zealand's Leading News Destination
- OneRoof to be your essential property platform

Barbara Chapman, Chairman of the NZME Board, says that despite a tough economic environment impacting NZME's financial results for 2023, NZME has a performance-driven strategy with a relentless focus on digital innovation and transformation.

"We have challenged ourselves to set clear and aggressive targets under each of these strategic priority areas as we strive for excellence and deliver continued value for our shareholders. Our strong focus on digital transformation complements our print and broadcast businesses, which also remain incredibly strong given their significant contributions to profitability," she says.

"NZME is at the forefront of media in New Zealand with a hugely talented team that brings leading edge products and services to the local market, ensuring we are constantly adapting to changing consumer habits and how our audiences are choosing to consume content," she says.

2024 first quarter performance

The company also reports significant digital revenue growth of 69% year-on-year for its OneRoof property business in the first quarter of 2024, with overall EBITDA of \$1.4 million for the first quarter for OneRoof - a significant improvement from the loss in last year's first quarter and full year.

Michael Boggs, CEO of NZME, says the strong growth is a powerful demonstration of OneRoof delivering on its potential and supported by a recovery in the residential real estate listings market after last year's downturn and is driven by continued improvement in the number of residential for-sale listings upgrades.

"OneRoof is well placed to maintain its positive momentum in revenue and profitability, regardless of how the real estate market performs this year. With more agents and vendors than ever before seeing the value of OneRoof's offering and with a continued focus on increasing listings upgrades, we are capitalising on OneRoof's potential to deliver significant growth, he says.

Capital Management

Barbara Chapman says the Board is committed to maximising distributions to shareholders within the existing debt facilities and in line with the dividend policy.

“For the 2023 year, dividends totalling 9 cents per share have been paid, made up of a 3-cent interim dividend and a 6-cent final dividend paid on 20 March this year.

“With net debt of \$18 million at the end of December, the leverage ratio was at the low end of the target range. However, net debt is now at the upper end of the range following the payment of the final dividend in March.

“It remains an uncertain operating environment and the Board believes it is appropriate to continue to operate at the lower end of the target leverage ratio.

“In the absence of compelling investment opportunities, we expect to be below the lower end of the target leverage ratio at the end of 2024. Accordingly, the Board will continue to consider the capital management options that are available,” she says.

Outlook

Boggs says the operating environment continues to be challenging. However, NZME’s advertising revenue in the first quarter of 2024 has been stronger, with 4 percent growth year on year, reflecting the company’s increased overall market share.

“OneRoof has performed very well in the first quarter, with new real estate listings coming to market having recovered to historical averages. OneRoof’s revenue growth is outperforming listings’ market growth, and we are pleased to be delivering strong profitability.

“We remain cautious due to the current operating environment. However, we expect NZME 2024 EBITDA in the range of \$57-\$61 million, resulting in growth compared to last year,” he says.

ENDS

Authorised by the NZME Board

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CHAIRMAN OF MEETING'S ADDRESS: BARBARA CHAPMAN

Agenda

Today in my opening address I will firstly speak about some of NZME's high-level financial results from the 2023 financial year. I will also speak briefly about the current state of New Zealand's media industry and how NZME is faring within the market, given the current economic environment.

Following that, I'll share some details of our capital management plan and our sustainability commitment.

Michael Boggs, our Chief Executive, will cover the financial results in more detail and provide more insight into our refreshed three-year strategy, as well as providing an outlook on the remainder of the year.

We will then proceed to voting on the resolutions as set out in the Notice of Meeting you will have received. We are proceeding on the basis that the Notice of Meeting has been read.

Finally, we will turn to the General Business section of the meeting.

Voting on all resolutions will be conducted by way of a poll.

2023 Performance

NZME made good progress on our strategic transformation in the 2023 financial year. However, as we expected and foreshadowed with our shareholders throughout the year, the challenging economic environment significantly impacted our results for the year.

Overall operating revenue was \$346.6 million, which was 5 percent lower than last year due to a weaker advertising and real estate market.

NZME's Statutory Net Profit After Tax (NPAT) was \$12.2 million for the year. Operating Earnings Per Share (EPS) were 7.7 cents per share.

Operating Free cash flows were \$17.3 million, which was 17 percent higher than last year. Out of free cash flows, \$16.5 million was distributed to shareholders during the year. As a result, the net debt at the end of the year was just half a million higher at \$18 million.

Michael will provide further information on the financial results and an outlook for 2024 in his address.

State of the market

As we have all read in the media, and seen within business or consumer confidence reports, the economic environment remains tough.

With consumer confidence at low levels, businesses are more reluctant to spend on advertising, and combined with a weak real estate market, this made 2023 another tough year for the media industry.

The headlines you can see on screen are examples of the difficulties being experienced in the sector, with several of our competitors needing to make significant staff cuts or being forced to close part of their operations due to poor financial performance.

Despite the challenges, NZME has fared well compared to many within our industry, which is testament to our performance driven strategy, our relentless digital focus, excellent leadership and clear direction.

Michael will speak further about how NZME has outperformed the market in several key areas, during what has undoubtedly been a very challenging period.

Strategic priorities

Despite the tough environment, NZME continued to focus on the 2023 targets that we set for ourselves. At our Investor Day last November, we shared our refreshed strategy, evolving our strategic pillars across our Audio, Publishing and OneRoof divisions and setting goals for the next three years.

Our key strategic priorities are:

- We want to be number one in audio.
- We want to be New Zealand's Leading News Destination.
- We want OneRoof to be your essential property platform.

We challenge ourselves to set clear and aggressive targets under each of these strategic priority areas, as we strive for excellence.

NZME is at the forefront of media in New Zealand with a hugely talented team that brings leading edge products and services to the local market, ensuring we are constantly adapting to changing consumer habits and how our audiences are choosing to consume content.

When developing our strategy and looking at innovative solutions, we draw inspiration from other successful media businesses globally, looking at those who are winning in their area of the world. From there we challenge ourselves to think about how some of those cutting-edge ideas could work for us here in New Zealand.

Digital transformation is at the very heart of our strategy – we are relentless in that focus. However, although digital growth is important, our print and broadcast businesses remain incredibly strong given their significant contributions to profitability. The two must complement each other, so opportunities in both traditional and modern media can be realised in a business sense.

Michael will share more on that shortly.

Capital Management

As a Board we are committed to maximising distributions to shareholders within the existing debt facilities and in line with the dividend policy.

For the 2023 year, dividends totalling 9 cents per share have been paid, made up of a 3 cent interim dividend and a 6 cent final dividend paid on 20 March this year.

With net debt of \$18 million at the end of December, the leverage ratio was at the low end of the target range. However, net debt is now at the upper end of the range following the payment of the final dividend in March.

It remains an uncertain operating environment and the Board believes it is appropriate to continue to operate at the lower end of the target leverage ratio.

In the absence of compelling investment opportunities, we expect to be below the lower end of the target leverage ratio at the end of 2024. Accordingly, the Board will continue to consider the capital management options that are available.

Sustainability in action

Moving now to NZME's Sustainability Commitment, which you'll see on the screen. We are committed to protecting the craft of journalism and broadcasting.

We do this every day at NZME by making a positive impact for our communities, our people, and playing our part in protecting the environment.

We benchmark our efforts against global sustainability standards, industry trends, and our media peers here in New Zealand, and globally.

Across NZME we strive to connect and empower our communities, providing diverse, balanced, quality, trusted news and facilitating conversations about the topics that matter most to Kiwis. An example of this was NZ Herald's launch of 'What the Actual?!' – a new social and digital platform to engage with a younger audience. What the Actual?! delivers easily consumable, video-led content across social media channels frequented by youth and covers the biggest breaking stories, current events, sports, entertainment, social justice and political news.

We are also committed to our people - providing a workplace that fosters innovation, engagement, and inclusion. Last year saw the introduction of Develop Me – a new leadership programme aimed at supporting vibrant and exceptional leadership across NZME, with the second cohort due to start the programme this year.

Protecting Our Environment

NZME is committed to protecting our environment and we're driving meaningful action in this space that has had a positive impact.

You'll see several examples on the screen of some of our key focus areas and achievements in reducing our waste, lowering our emissions and optimising our business operations to allow us to do so.

When compared to other NZX listed companies, NZME is a very small emitter. However, we continue to do what we can to optimise our operations to play our part in protecting our environment.

We are also focused on using our platforms to raise awareness of environmental issues – growing connection and engagement.

This year for the first time we also started reporting our Climate Related Disclosures, a new requirement for certain entities, including large listed issuers such as NZME.

Board Reflections/Closing Remarks

Reflecting on our 2023 outcomes, the Board is pleased with NZME's performance in a very tough operating environment.

NZME has a clear strategy with a strong focus on digital evolution and innovation, meaning we are well-positioned for a sustainable future. I am confident NZME is well positioned to deliver improved results as market conditions improve.

On behalf of the Board and NZME, thank you to our shareholders for your support and confidence in NZME. As always, we are committed to creating value for you, and we appreciate your feedback and engagement today and throughout the year whether it be at our regular reporting events, or otherwise.

I'd also like to thank the NZME Board for their valuable input, creativity, excellent ideas, commitment, and leadership. Each of our Board members brings very different skills, experience, and insights to the Board table, which makes for robust and healthy discussion. Thank you for your support over the past year.

I'd like to thank Michael Boggs, the executive team and the 1200 people from NZME across the country for your efforts in 2023, and in the first quarter of this year. We know you work hard to achieve the company's strategic priorities, and you all play a very important role in helping deliver on those targets, so thank you.

And of course, to our customers and commercial partners– thank you for your ongoing support of NZME and for trusting us to help grow your brand or business.

And finally, to our audiences across the country – thanks for picking up one of our newspapers, connecting with NZME through one of our websites or apps, tuning in to the radio or listening via our digital audio platform – we value your interest and engagement.

I will now pass on to Michael to deliver his Chief Executive Address. Thank you, Michael.

CHIEF EXECUTIVE OFFICER'S ADDRESS – MICHAEL BOGGS

Welcome

Thank you, Barbara and good afternoon, everyone.

Thank you to all of you for joining us today, whether it's here in person at our NZME Auckland Central office, or online.

Results summary

I'm pleased that NZME made good progress towards our strategic targets in 2023, despite the challenging economic environment having an impact on our results for the year.

As Barbara mentioned, our Operating Revenue was down for the year due to a weaker advertising and real estate market. A 3 percent reduction in our cost base partially offset this lower revenue result, resulting in 2023 Operating EBITDA of \$56.2 million. Operating Net Profit After Tax was \$14.1 million. Operating Earnings per share was 7.7 cents per share.

Barbara also mentioned the fact that our net debt at the end of the year was half a million higher than the year prior. That's after \$16.5 million being distributed to shareholders as dividends during the year.

Although the results were impacted by a tough economic environment, NZME continues to demonstrate excellence in innovation and creativity, with a continued focus on its digital transformation. This has seen us at the forefront of digital innovation in the media industry, and we're firmly focused on that well into the future.

Challenging economic environment

As Barbara briefly touched on, business confidence and consumer confidence have both impacted NZME as a business, with the economic environment over the past few years being very challenging.

However, it looks as if business confidence is starting to recover with it trending upwards until just recently when we saw what we hope is a small blip in the latest ANZ Business Confidence figures. While we know it's very tough in the market, with business confidence recovering, this bodes well for us for the future. We are seeing a number of customers investing to take advantage of this tough environment.

However, consumer confidence remains under pressure with high interest rates and increasing unemployment in New Zealand expected to hold consumer confidence lower for some time.

As a business we watch these figures with great interest. All recent commentary points to New Zealand remaining on course for a period of subdued economic growth as the impact of high interest rates continues. However, strong migration and a strengthening housing market will provide some offset.

We are cautiously optimistic that things will improve, but one thing that is a real strength for NZME is that we have a clearly defined strategy, a focus on ensuring sustainability well into the future through our digital transformation efforts, and a very strong team to deliver on it.

NZME has outperformed the market during this challenging period

Speaking of our strong team that delivers results, we are outperforming the market during this challenging period. As Barbara said, we are faring well within the industry and the markets in which we operate.

The graph on the left shows the variance in agency advertising revenue, with the dotted lines showing the market across print, radio and digital content sites, and the thick blue line being NZME's agency advertising revenue change year on year. As you can see, since April last year we have continually outperformed the market.

The second graph shows our revenue variance year on year, over the past two years. As you'll see, recent months have seen an improvement, with advertising revenue delivering year on year growth, despite the difficult market environment.

NZME reaches 9 out of 10 Kiwis monthly

At NZME we are committed to creating news, entertainment and content that resonates with our audiences, grabs the attention of Kiwis and delivers scalable audiences for our customers.

As the country's largest multi-media company, we have a number of assets across Publishing, Audio and OneRoof and that makes us unique. Until recently it was difficult for us to measure our total audience number as our platforms are so diverse. We have undertaken independent research to ensure we could get a figure that also encompasses our apps, social media and podcast listenership.

I'm delighted to share that we reach more than 9 in every 10 Kiwis, in fact 92 percent of Kiwis with our offerings.

NZME bringing global excellence locally

Barbara mentioned the fact we draw inspiration from world class businesses and brands across the globe.

When we're planning for the future, we look at the businesses that are winning in their areas of the world and what brands are industry leading, like these ones you can see on your screen.

One thing these leading businesses and brands all have in common is that they are digital led, like us here at NZME, and that has helped us shape our digital led strategy – a strategy that we firmly believe will deliver value for our shareholders.

Embracing the digital mix shift

Every business within NZME is showing a change in the digital mix of revenue.

While the growth is significant for NZME, with total digital revenue as a percentage of total revenue more than doubling since 2019, it shows the ongoing strength of traditional media such as print and terrestrial radio, and the huge part that it continues to play in our business.

Digital audio is making inroads, with us having more than 70% market share compared to our key competitor and that we have significant potential for rapid growth.

Digital revenues within publishing advertising reader revenue have now significantly changed the mix of print versus digital revenues.

Finally, the growth in OneRoof.co.nz is transformational - OneRoof remains a massive opportunity for us.

Number one in Audio

We're really proud of the momentum we've made over the last three years, and we're focused on capitalising on this to be the Number One In Audio.

To do this, we are focusing on three pillars within our audio division.

Firstly, creating the most listened to and loved content. This ensures we can grow our audience share.

Secondly, delivering customer solutions will help us grow revenue share.

And finally, growing podcast engagement and monetisation will help us to continue to grow our digital audio revenues.

You'll see on the screen the metrics we have set for ourselves over the next three years.

In 2023, NZME's audience share was 37.5 percent and we have made a number of changes in our programming that sets us up well for further audience growth. We are focusing on two key growth radio brands for us in The Hits and Coast, where we think there is real potential, whilst ensuring the remaining brands continue to deliver for their audiences.

Our radio revenue market share has also continued to grow, hitting its high since measurement began in 2016. With digital audio continuing to grow, this saw our overall share grow to 44.5 percent. As an industry we are focused on growing the overall radio advertising market, and at NZME we will use our strengths, particularly in the digital space and the strength of our brands and on-air talent, to grow our share further.

Given the high share we already have in digital audio, we are continuing our focus on rapid growth of our digital products including podcasts, digital streaming and other content via our iHeartRadio platform.

The fact we are able to bundle our offering with other NZME products across our various platforms allows us to deliver innovative campaigns for our advertising customers. This is what sets us apart from our competitors and makes NZME truly market leading.

We are also expecting to maintain the disciplined cost control we have exhibited in past years to deliver profitability margin improvements.

Leading the way with podcasting

Here on the screen you can see some examples of what we have available on NZME's podcast network, with podcasting being one of the fastest growing digital channels in the world.

With more than 88 million downloads of podcasts across NZME's Podcast Network, we have 12 times as many downloads as our nearest competitor, which is a phenomenal result.

New Zealand's leading news destination

Now onto our publishing business.

Our vision is to be 'New Zealand's leading news destination'. To achieve this, we are focused on 3 key pillars:

To build a scalable digital audience and advertising news platform.

To deliver expert journalism that grows subscriber lifetime value.

And finally, given print continues to be an important part of our business, we are focused on delivering high quality print products for our readers and our advertisers.

Each of these pillars is focused on delivering high quality trusted local journalism and ensuring we deliver great reader experiences and advertiser solutions across digital and print.

We are really proud that we now have a digital publishing business that can now completely fund NZME's journalism.

We have significant growth aspirations for our digital publishing business while we also ensure we maintain our highly valued and profitable print business well into the future.

We will continue to grow our digital subscriber base and we are focused on improving the content and product offering. During the year we will increase our targeting and retention capability through platform enhancements that are in progress.

We will continue to maximise the print relationships and use these to leverage digital relationships as well.

The advertising mix will change to skew more digitally. However, we will ensure we have a sales model that supports a loyal and valuable print base of advertisers.

Given the above, digital margins and profitability are expected to improve while we expect that print will decline over time. However, NZME is well positioned for this evolution, thanks to our very clear and relentless focus.

A true digital-first model

Our Publishing business continues to adapt to the changing market demands. Late last year we separated our business into Digital and Print Business Units to give a dedicated focus to each.

We are now operating as a truly digital first business – this is focused on creating content to deliver on our digital reader needs and a print business that curates the best of our digital journalism into high quality newspapers.

This now allows us to optimise both businesses and accelerate the growth of digital while still maintaining a quality print offering. We now have separate P&Ls for each and our digital business is profitable and, as I just mentioned, it can cover the cost of our whole newsroom which is a really important milestone.

Your essential property platform

Now onto our OneRoof business. There are three pillars to our OneRoof strategy:

We are committed to giving a superior listings experience and performance. This sees us delivering quality enquiries for our clients that other portals can't, through our extensive passive audience.

We are focused on growing our revenue across all listings by maximising the number of packages we sell and the yields we receive for those packages and we are accelerating the strong gains we have already made in this area.

Finally, we will grow our non-listings portfolio of products and services.

OneRoof improved Q1 performance

Significant digital revenue growth through the first quarter of this year has delivered strong profitability for OneRoof and reflects our commitment to continued investment for growth in this space.

Supported by a recovery in residential real estate listings market after last year's downturn, OneRoof's digital revenue growth has been driven by continued improvement in the number of residential for-sale listings upgrades. Pleasingly we're seeing these gains in both Auckland and the rest of the country.

This is a powerful demonstration of OneRoof delivering on its potential, with more agents and vendors seeing the real value of OneRoof's offering.

I'm delighted to report that we have seen year on year growth of 69% in OneRoof digital revenue for the first quarter of the year. This has allowed us to deliver an overall OneRoof EBITDA of \$1.4m for the first quarter, a significant improvement from the loss in last year's first quarter and full year.

With a continued focus on increasing listings upgrades, along with disciplined yield management, OneRoof is well-placed to maintain its positive momentum in revenue and profitability. This is regardless of how the real estate market performs over the remainder of the year.

Executive Team

Now I'd like to introduce our NZME Executive team, who are all here with us today. Can I please ask you to stand up so our shareholders here with us in person can see where you are.

We were really pleased to announce the appointment of James Butcher as our Chief Commercial Officer last month, and next week we will welcome Chris Wallace as our Chief People Officer.

I am really proud of the strength we have in our senior leadership at NZME – we have a fantastic Executive team who all bring a wide range of skills and experience that benefit NZME. They are all firmly focused on our strategy, and their leadership is invaluable as we continue to deliver value for our shareholders and ensure the long term sustainability of NZME well into the future. Thank you team.

Our People

And of course, we couldn't do it without our people – our team of 1200 across NZME.

We are proud of our NZME promise, which is "This Could Lead Anywhere". It's a promise to our team and to future employees of NZME that if you work with us, the opportunities are endless. We have many examples of this across our business, including with Mitch Powell who you see on the screen. As part of his role, Mitch heads up our social media strategy for our newsroom.

Last year at our Annual Shareholder Meeting I spoke about how NZME was almost within the top 10 percent of media companies globally for our employee satisfaction metric. I am really pleased to say that we now sit within that 10 percent, having grown our Employee Net Promoter Score by 3 points recently.

We are committed to fostering an innovative, engaged, inclusive workplace. We have three pillars – Inspire Me, Coach Me and Develop Me, and we are ensuring our people experience a great workplace culture, and have exceptional learning and development opportunities here at NZME.

Market and outlook

Now moving on to how 2024 looks for NZME. As I mentioned earlier, the operating environment continues to be challenging.

However, despite the advertising market overall being down, NZME's advertising revenue in the first quarter of 2024 has been stronger, with 4 percent growth year on year. This reflects our increased market share overall.

OneRoof has performed very well in the first quarter, with new real estate listings coming to market having recovered to historical averages. OneRoof's revenue growth is outperforming listings' market growth, and we are pleased to be delivering strong profitability.

We remain cautious due to the current operating environment. However, we expect NZME 2024 EBITDA in the range of \$57-\$61 million, resulting in growth compared to last year.

Conclusion

In finishing, can I say a really big thank you on behalf of myself and our Executive Team to our team of 1200 across NZME. As you've seen in today's presentation, it's been a challenging year once again.

Our team has been steadfast in our commitment to delivering on our strategy and as a result we have celebrated some really positive outcomes, faring well compared to many of our competitors in what has been a really tough and hugely competitive market.

I'd like to say a big thanks to you, our shareholders, for your ongoing support of NZME, as well as thanking our audiences and customers for choosing NZME.

Thank you also to Barbara Chapman and the Board for their ongoing support.

I will be available to answer any questions you may have in the general business section of this meeting and look forward to speaking with you further then.

I'll now hand you back to Barbara.