

## MACQUARIE MEDIA LIMITED 2019 RESULTS ANNOUNCEMENT

**Sydney, 7 August 2019:** Macquarie Media Limited (ASX:MRN) (“**Macquarie Media**” or “**Company**”) today announced its results for the full year to June 2019.

\$m	FY18 Underlying	FY19 Statutory	FY19 Significant Items <sup>(1)</sup>	FY19 Underlying	Change %
Revenue	136.3	131.8		131.8	-3.3%
Operating costs	(103.9)	(114.1)	(9.4)	(104.7)	0.8%
EBITDA	32.4	17.7	(9.4)	27.1	-16.4%
EBIT	28.9	14.1	(9.4)	23.4	-18.7%
NPAT	21.5	7.6	(6.8)	14.4	-32.9%
Net debt	17.2	22.0		22.0	28.0%
Net debt ratio <sup>(2)</sup>	0.5	1.2		0.8	
Interest cover ratio <sup>(3)</sup>	19.4	9.4		15.7	
EPS (cents)	12.6	4.5		8.4	-33.0%
DPS (cents)	10.0	4.5		8.4	-15.7%

<sup>(1)</sup> Refer to Note 7 of the 2019 Annual Report

<sup>(2)</sup> Net debt ratio covenant maximum of 2.5

<sup>(3)</sup> Interest cover ratio covenant minimum of 3.5

### Summary of FY19 Financial Outcomes

- Group Underlying EBITDA of \$27.1 million represents a \$5.3 million, or 16% decrease as compared to the prior year
- Group Underlying Net Profit After Tax (“NPAT”) of \$14.4 million represents a \$7.1 million, or 33% decrease versus the prior year
- Group Revenues excluding discontinued operations were \$131.8 million, a decrease of \$4.5 million or 3.3% against the prior year
- Group Underlying Operating Costs increased by \$0.8 million, or 0.8% over the prior year
- FY19 Underlying Earnings Per Share decreased by 33% to 8.4 cents per share.
- Directors have declared a final fully franked dividend for FY 2019 of 2 cents per share to be paid on 26 August 2019

# ASX RELEASE



- FY19 Statutory results are impacted by the following Significant Items which are excluded from Underlying results:

\$m	EBITDA	EBIT	NPAT
Impairment	3.6	3.6	2.7
Legal claims	4.8	4.8	3.4
Doubtful debt on sale transaction	0.2	0.2	0.1
Redundancy, employment and restructuring	0.8	0.8	0.6
<b>Total significant items</b>	<b>9.4</b>	<b>9.4</b>	<b>6.8</b>

- An impairment was taken mid-year for the Perth business unit - the performance of the business unit has improved in the second half
- Legal claims represent an 'at this point in time' assessment based on the balance of all available information and advice

## FY19 Results Commentary

Commenting on the results, Macquarie Media Chief Executive Officer, Adam Lang, said:

"Whilst these results are within the range of our May 2019 guidance for Full Year 2019 earnings (underlying EBITDA), we recognise that this outcome is disappointing for our shareholders.

The Macquarie Media strategy is to leverage our market leading audience into a greater financial return. We have executed significant changes to improve customer service to our audience and clients and, ultimately, deliver a better return for our shareholders. This strategy continues to be the primary focus of our daily operations.

News Talk is the foundation of our strength. The twelve months to 30 June 2019 featured the delivery of sustained audience leadership by our top rating News Talk stations 2GB in Sydney and 3AW in Melbourne. 4BC has earned its best audience results since 2011 and 6PR has proven to be capable of leading the Talk radio audience in Perth. Compared to the previous Financial Year, the average audience for our News Talk network has grown over 5% <sup>1</sup>.

Our Macquarie Sports Radio network has evolved continually throughout the financial year to earn the engagement of a new audience of sports fans. In calendar 2019 we have grown the cumulative audience by 64% <sup>2</sup>.

Versus the same time last year, the average audience for our combined News Talk and Macquarie Sports Radio is up 4.8% <sup>3</sup>. We are delighted to acknowledge the strong performance of our presenters, program and news teams in achieving these results and are determined to build on that success in the Financial Year 2020.

# ASX RELEASE



In the Financial Year 2019, our Sales team has been dedicated to delivering a strong return to advertisers by connecting our large and affluent audience with an increased range of solutions on our broadcast and digital assets. Our News Talk network of stations continues to show mass audience reach and powerful engagement for clients. On Macquarie Sports Radio, we are able to demonstrate the commercial benefit to advertisers of connecting with complementary and cross promoted audiences through our targeted sports commentary and coverage.

While advertising conditions remain subdued, we are encouraged by our audience growth, our improving capacity to engage advertisers and our continued drive for efficiencies to deliver a strong return for shareholders in the Financial Year 2020.”

1. GfK Mon-Sun Average Audience All People 10+ Survey 5 2018 to Survey 4 2019 versus Survey 5 2017 to Survey 4 2018.
2. GfK Mon-Sun Cumulative Audience All People 10+ Survey 4 2019 versus Survey 1 2019.
3. GfK Mon-Sun Average Audience All People 10+ Survey 4 2019 versus Survey 4 2018.

## Ends

### Disclaimer

This document has been reviewed, which is not an audit, by Ernst & Young; however, IFRS data has been derived from the audited annual consolidated financial statements included in the 2019 Annual Report.

This document should be read in conjunction with the Group’s Appendix 4E and Annual Report for the financial year ended 30 June 2019.

Nothing contained in this document constitutes investment, legal, tax or other advice. You should make your own assessment and take independent professional advice in relation to the information contained in this document and any action taken on the basis of that information.

### Definitions

**Significant items:** items of income or expense which are, either individually or in aggregate, material to the Group and are part of the ordinary activities of the business but unusual due to their size or nature.

**Underlying Performance:** is a non-statutory measure that excludes discontinued operations and significant items.