



TRADING UPDATE

Sydney, November 2019

Prime Media Group Limited (ASX:PRT) provides the following trading update to the market.

Total advertising revenue for the financial year to 31 October 2019 has declined 5.4% on the prior period. National agency revenue was back 6.1% while local direct revenue declined 3.5%.

Trading conditions for the financial year to date have been difficult, with national advertising revenues impacted by subdued consumer sentiment leading to year-on-year declines across a number of major advertising categories including retail, insurance and automotive. Local direct revenue has proven to be more resilient however weakening consumer sentiment and the impact of the drought on the east coast has resulted in slower trading conditions for November and December 2019.

The short-term outlook for the summer will depend on the success of the summer cricket broadcast. Revenue from major sponsorship agreements with national advertisers for Test, WBBL and BBL cricket currently exceed last year's revenue. On a lesser scale, overall bookings from regional advertisers are subject to wider market conditions and are less favourable at this time.

As a result of the above, Prime's earnings before interest tax depreciation and amortisation for the half-year to 31 December is expected to be \$11.0 million to \$12.5 million excluding one-off transactions costs of up to \$1.7 million for the proposed scheme of arrangement and the impact of AASB 16 Leases. Core net profit after tax and before one off transactions costs is expected to be between \$4.5 million and \$5.5 million.

The full year forecast continues to depend on an improvement in advertiser sentiment, the roll out of the Boomtown initiative and the successful packaging of Olympic partner and sponsorship opportunities in the lead up to the Tokyo Olympics in July/August 2020. Olympic sponsorships to-date have been encouraging and are ahead of expectations.

PRIME Chief Executive Officer, Ian Audsley said:

"Trading this first half has been below our expectation due to a softer than anticipated national market, particularly banking, automotive and retail. Local Direct Sales has also experienced soft conditions in retail, regional banking and major regional event due to seasonality. However, national advertiser sponsorships for the summer of cricket and in the lead up to the Tokyo Olympics have been encouraging.

Prime continues to maintain its full year guidance for EBITDA of \$23.0M to \$25.0M and net profit after tax of \$8.0 million and \$10.0M excluding adjustment for AASB 16 Leases and one-off transaction costs for the proposed merger with the Seven Network. AASB 16 Leases is not expected to be material to the full year result. Prime also continues to expect its debt facility to be paid down during this financial year".



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