

A woman with long, wavy brown hair, wearing glasses and white headphones, is looking down at her smartphone. She is wearing a dark red top. The background is a blurred outdoor setting with a window. The image is framed by a large yellow arrow pointing right on the left side and a yellow triangle on the bottom right.

KEEPING KIWIS IN THE KNOW.

**Annual Shareholders
Meeting**

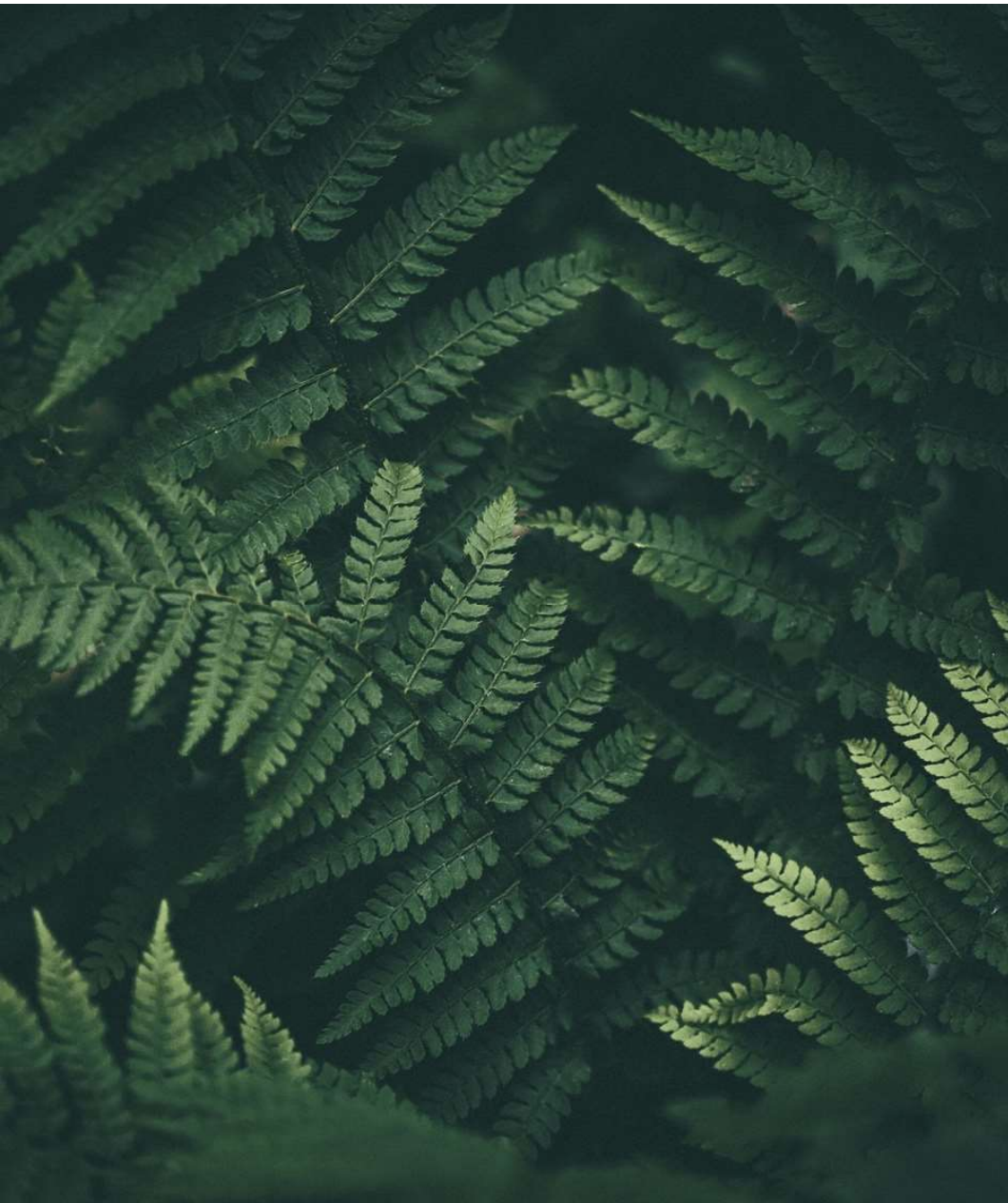
11 June 2020

**NZ
ME.**
NEW ZEALAND
MEDIA AND
ENTERTAINMENT



WELCOME

Carol Campbell
INDEPENDENT DIRECTOR



AGENDA

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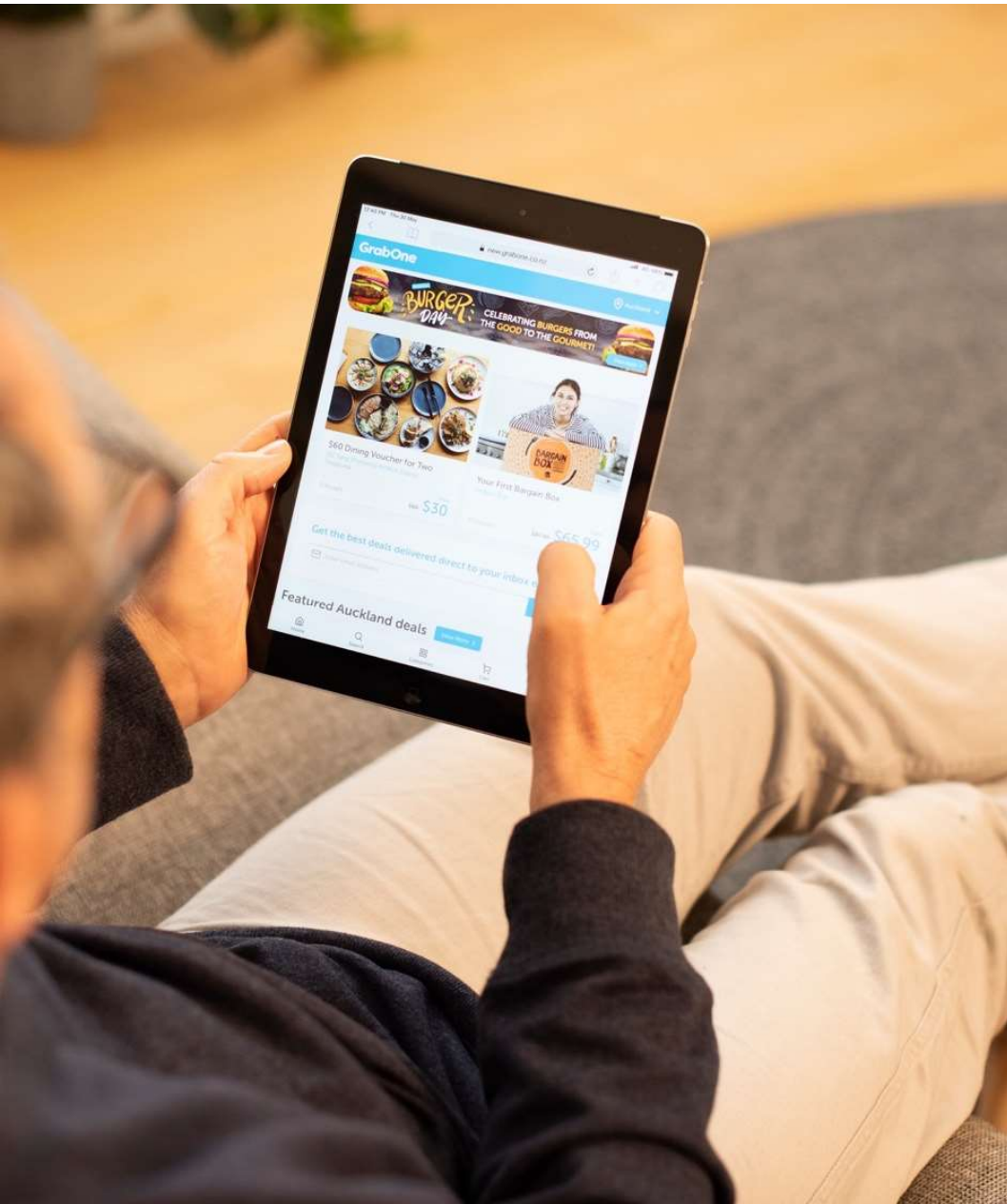
Carol Campbell

INDEPENDENT DIRECTOR



Building Shareholder Value

1. NZME participating in market consolidation
2. Cost management and efficiency
3. Building topline revenue performance and growth
4. Prudent capital management and dividend policy
5. Reviewing Board and management expertise
6. Improving communications with shareholders
7. Effectively managing the impacts of Covid-19 and Government support



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BUILDING TOPLINE REVENUE PERFORMANCE AND GROWTH

1 Leading the future of news and journalism in New Zealand

 The New Zealand Herald



Your Premium

nzherald.co.nz/premium

 nzherald.co.nz

2 Growing radio and leading digital audio

Newstalk
ZB

ZM

THE
HITS

 **RADIO
HAURAKI**

Coast

MIX

flava

hokonui

 **iHeartRADIO**

3 Creating New Zealand's leading real estate platform


The
new home
of real estate

OneRoof.co.nz

NZME. NEW ZEALAND
MEDIA AND
ENTERTAINMENT

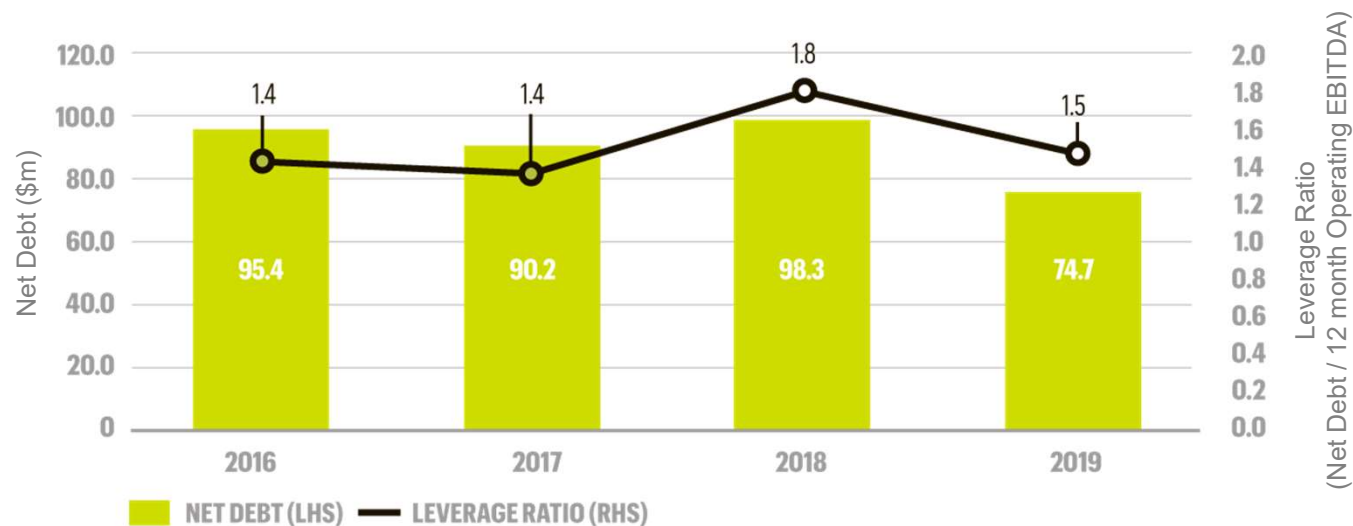
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PRUDENT CAPITAL MANAGEMENT AND DIVIDEND POLICY

Dividend Policy

Subject to achieving the annual debt reduction target, and having regard to NZME's capital requirements, operating performance and financial position at the time, NZME intends to pay dividends of 30% to 50% of reported NPAT. Full dividend policy is available at www.nzme.co.nz/investor-relations/dividends/

- Capital management plan is to reduce debt while maintaining investment in growth opportunities across the business.
- Net debt reduced by \$23.6 million in 12 months to \$74.7 million as at 31 December 2019, and to \$62.0 million at 31 May 2020.
- Agreed terms to extend existing debt facilities to 1 July 2023. The new term of the bank facilities provides the Company with certainty of funding for the next three years.
- Focus on strengthening balance sheet to enable a return to Dividend payments in 2021



THE NZME BOARD

Carol Campbell
Independent Director

A

Barbara Chapman
Independent Director

B

David Gibson
Independent Director

C

Sussan Turner
Independent Director

D



THE NZME EXECUTIVE TEAM

Michael Boggs
Chief Executive Officer

A



David Mackrell
Chief Financial officer

B



Laura Maxwell
Chief Digital Officer

C

Wendy Palmer
Chief Radio & Commercial Officer

D



Shayne Currie
Managing Editor

E

Matt Wilson
Chief Operations Officer

F

Allison Whitney
General Counsel

G



Paul Hancox
Chief Revenue Officer

H

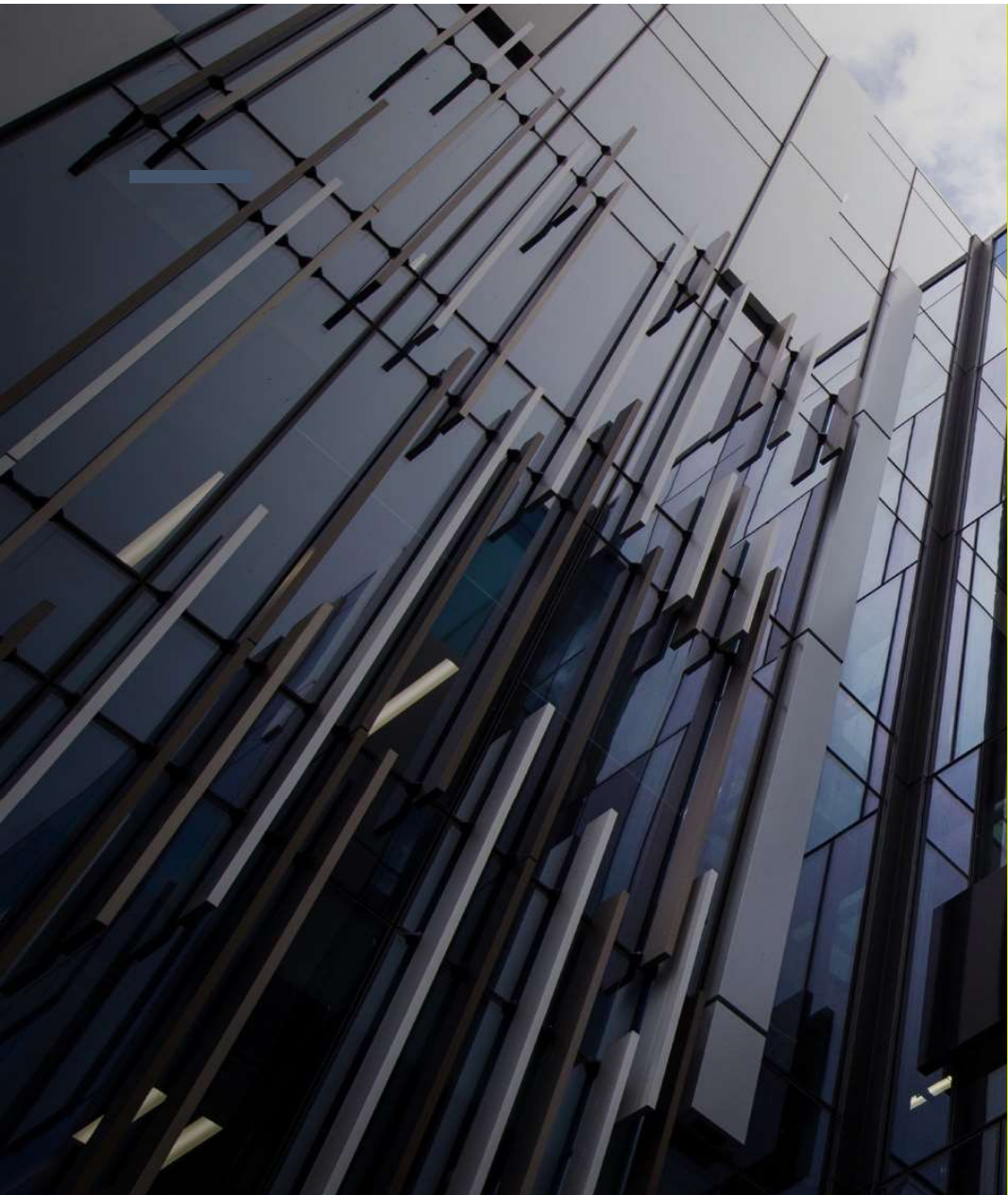
Katie Mills
Chief Marketing Officer

I



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OUR PURPOSE AND SUSTAINABILITY COMMITMENT

We are committed to protecting the craft of journalism and broadcasting to keep Kiwis in the know.





Michael Boggs

CHIEF EXECUTIVE OFFICER

RESULTS SUMMARY

For the year ending 31 December 2019

\$371.7m

Operating Revenue¹

2018 \$388.9m ▼ 4%

\$50.6m

Operating EBITDA¹

2018 \$54.7m ▼ 7%

\$19.7m

Operating NPAT¹

2018 \$18.9m ▲ 4%

(\$165.2m)

Statutory Net Loss after Tax

2018 Stat. NPAT \$11.6m

10.0cps

Operating EPS¹

2018 9.6cps ▲ 4%

\$74.7m

Net Debt

Reduced by \$23.6m

1. Operating results are presented excluding the impact of NZ IFRS 16 and exceptional items to allow for a like for like comparison between 2018 and 2019 financial years.

NZME CONTENT REACHES 3.3 MILLION¹ NEW ZEALANDERS

PRINT

- 33 print publications across New Zealand²
- 1.6 million NZ Herald weekly brand audience³
- 1.2 million weekly print readers³
- 455,000 average issue readership³
- Print revenue market share 46.9%⁴ for 12 months to March 2020

RADIO

- 8 radio stations serving all key demographics
- 2.0 million weekly listeners⁵
- Newstalk ZB - number one station and Mike Hosking Breakfast Show the most popular breakfast show⁶
- Radio audience market share 39%⁷
- Radio revenue market share 39.6%⁸ for 12 months to April 2020
- iHeart Radio – 1 million registered users (up 13%), 4.7 million listening hours in April 2020 (up 21% compared to 2019)⁹

DIGITAL

- 2.6 million digital users per month across our digital platforms¹
- **NZ Herald Premium:** Over 36,000 paid premium digital subscribers, 1.9 million monthly unique audience on nzherald.co.nz¹⁰
- **OneRoof:** 363,000 monthly unique audience¹⁰, 81% of active residential for sale listings in New Zealand¹¹
- **Driven:** Over 45,000 for sale vehicle listings, 164,000 monthly unique audience¹⁰
- **GrabOne:** 322,000 monthly unique audience¹⁰

1. Nielsen CMI Q1 19 - Q4 19, Fused March 2020, People 10+.
 2. Print publications include 8 Metro and Regional newspapers, 18 community publications and 7 Newspaper Inserted Magazines.
 3. Nielsen CMI Fused Q1 19 - Q4 19, People 15+.
 4. PwC NPA quarterly performance comparison report, March 2020, NZME revenue market share for the 12 months to March 2020.
 5. GfK Radio Audience Measurement, Commercial Radio Stations, NZME and Partners, Cumulative Audience, S1 2020, AP10+. (1,982,800)
 6. GfK Radio Audience Measurement, Commercial Radio Stations, NZME, S1 2020, Commercial Market Share (%).
 7. GfK Radio Audience Measurement, Commercial Radio Stations, NZME and Partners in major markets, S1 2020, Monday-Sunday 12mn-12mn, station share %, AP 10+.
 8. PwC Radio advertising market benchmark report, April 2020.
 9. Adswizz and StreamGuys, April 2020.
 10. Nielsen Online Ratings, April 2020.
 11. OneRoof's listings as a percentage of residential for sale listings on Trade Me.

STRATEGIC PRIORITIES

Focused on Growth


1 Leading the future of news and journalism in New Zealand

 The New Zealand Herald



Your Premium

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2 Growing radio and leading digital audio

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1

LEADING THE FUTURE OF NEWS & JOURNALISM IN NEW ZEALAND

2020 Focus



Grow digital subscription revenues



Enhance digital product and revenues



Improve core print revenue trends

2020 Key Success Metrics



Growth in digital subscriptions and revenue while maintaining NZ Herald site audience and engagement



Return digital advertising revenue to growth



Improve print subscriber retention and reduce advertising revenue declines

Results to Date

- Over 36,000 paid NZ Herald Premium Subscribers up from 21,000 at February 2020
- An additional 34,000 print subscribers who have activated their premium access up from 25,000 at February 2020
- NZ Herald App upgraded to allow in App Purchasing of Premium access
- NZ Herald awarded Website of the Year, Best News Website or App, Newspaper of the Year
- NZME NZ Herald awarded Best Global media brand in Asia/Pacific (for the second year running)



Your Premium

nzherald.co.nz/premium

2

GROWING RADIO AND LEADING DIGITAL AUDIO

2020 Focus



Enhance radio sales capability



Improve radio content offering



Maximise the potential of the iHeart product

2020 Key Success Metrics



Growth in radio revenue.



Grow radio audience share in the 25-54 demographic



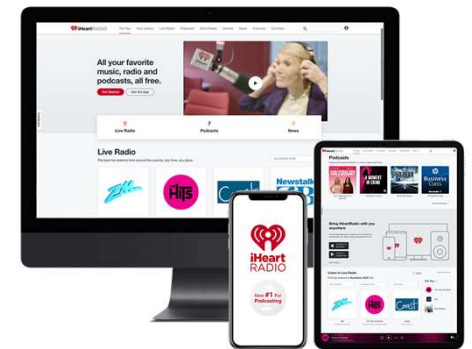
Growth in iHeart Radio and podcast consumption



Revenue growth from digital audio products

Results to Date

- Radio revenue market share continues to increase year on year
- Content changes in progress and will be completed in June 2020
- iHeart Radio registered users more than 1 million¹ and average monthly listening hours 4.7m² per month year to date.



1. iHeartMedia, Adobe Analytics, April 2020.
2. AdsWizz and StreamGuys, April 2020

3

CREATING NEW ZEALAND'S LEADING REAL ESTATE PLATFORM

2020 Focus



Develop OneRoof as a prominent national brand



Deliver data driven agent promotion product



Maximise potential of existing products

2020 Key Success Metrics



Improve listings, audience and engagement metrics



Increase revenue from agent products



OneRoof revenue growth and improved contribution

Results to Date

- OneRoof now the largest platform for sales listings in Auckland
- OneRoof for sales listings increased to 81%¹ of NZ residential listings
- 70% of OneRoof revenues year to date generated from vendor listings upgrades
- New OneRoof local print products launched to fill gap in market
- Awarded second place globally for best idea to acquire or retain advertising clients



1. OneRoof's listings as a percentage of active residential for sale real estate listings on Trade Me.

TRADING UPDATE

- It was an encouraging start to 2020 – driven by continued growth in Radio, Digital classifieds, and Digital subscriptions.
- The impacts of Covid-19 have been significant with Advertising Revenue in April 2020 around 47% lower than April 2019, May 2020 39% lower than May 2019.
- June 2020 expected to be around 30% lower than June 2019.
- The cost initiatives, including temporary salary reductions, are currently tracking 25% below 2019 levels for quarter two of this year, and significant reduction on last year will continue.
- It's impossible to predict with any accuracy the impact of the pandemic on NZME's full year financial performance.
- We expect first half 2020 operating EBITDA, including the wage subsidy, to be higher than that achieved in the first half of 2019.

CURIOUS, CONFIDENT & CONNECTED





ORDINARY RESOLUTIONS



ORDINARY RESOLUTIONS

Resolution 2

Resolution supported by your board

To consider and, if thought fit, to pass the following ordinary resolutions:

Resolution 2: Election of Director

It is hereby resolved, as an ordinary resolution, that Barbara Chapman, who stands for re-election before the end of her term and is eligible for re-election, be re-elected as a Director of NZME.



ORDINARY RESOLUTIONS

Resolution 3

Resolution supported by your board

To consider and, if thought fit, to pass the following ordinary resolutions:

Resolution 3: Auditor's Remuneration

It is hereby resolved, as an ordinary resolution, that the Directors of NZME are authorised to fix the auditor's remuneration.



ORDINARY RESOLUTIONS

Resolution 4

Resolution not supported by your board

To consider and, if thought fit, to pass the following ordinary resolutions:

Resolution 4: Shareholder Proposal

That the directors instigate a plan to breakup the Company so as to realise the commercial values of Masthead brands and encourage an ethos of shareholder wealth creation in the endeavours that make up NZME.



ORDINARY RESOLUTIONS

Resolution 5

Resolution not supported by your board

To consider and, if thought fit, to pass the following ordinary resolutions:

Resolution 5: Shareholder Proposal

That the directors acknowledge the importance of dividend income to shareholders and there be a more appropriate dividend policy.



ORDINARY RESOLUTIONS

Resolution 6

Resolution not supported by your board

To consider and, if thought fit, to pass the following ordinary resolutions:

Resolution 6: Shareholder Proposal

That the directors obtain the approval of shareholders before they proceed with any action (costing more than \$1 million, including legal fees) to acquire Stuff.

GENERAL BUSINESS





Carol Campbell

INDEPENDENT DIRECTOR

DISCLAIMER.



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The Group adopted NZ IFRS16 Leases on 1 January 2019 without restating the full year 2018 comparatives. Operating results as stated throughout this presentation refers to results prior to adjustments for the adoption of NZ IFRS16 and prior to exceptional items.

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