

23 August 2022

FOR IMMEDIATE RELEASE

NZME 2022 Half Year Results

Please refer to the following documents in relation to the NZME Half Year Results to 30 June 2022:

1. NZME 2022 Half Year Results NZX Form
2. NZME 2022 Half Year Results Announcement
3. NZME 2022 Half Year Results Investor Presentation
4. NZME 2022 Consolidated Interim Financial Statements
5. Distribution Notice - NZX Form

Chief Executive Officer Michael Boggs, and Chief Financial Officer David Mackrell, will discuss the HY22 results by webcast at 10.00am New Zealand time today.

The webcast will be available later today at www.nzme.co.nz/investor-relations/webcasts

To register to attend please [CLICK HERE](#)

ENDS

Authorised by Michael Boggs, Chief Executive Officer.

For further information:

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Results announcement

(for Equity Security issuer/Equity and Debt Security issuer)

Results for announcement to the market		
Name of issuer	NZME Limited	
Reporting Period	6 months to 30 June 2022	
Previous Reporting Period	6 months to 30 June 2021	
Currency	NZD	
	Amount (NZ\$000s)	Percentage change
Revenue from continuing operations	\$176,936	2%
Total Revenue	\$176,936	2%
Net profit/(loss) from continuing operations	\$8,457	37%
Total net profit/(loss)	\$8,457	37%
Interim/Final Dividend		
Amount per Quoted Equity Security	\$0.03000000	
Imputed amount per Quoted Equity Security	\$0.01166667	
Record Date	15 September 2022	
Dividend Payment Date	27 September 2022	
	Current period	Prior comparable period
Net tangible assets per Quoted Equity Security	\$(0.03)	\$(0.05)
A brief explanation of any of the figures above necessary to enable the figures to be understood	Refer to attached NZX results announcement commentary, the 2022 Consolidated Interim Financial Statements and the 2022 Half Year Results Presentation for full commentary on the results. The percentage change is calculated on the June 2021 restated numbers following the accounting policy change in the second half of 2021.	
Authority for this announcement		
Name of person authorised to make this announcement	Michael Boggs, CEO	
Contact person for this announcement	David Mackrell, Chief Financial Officer	
Contact phone number	021 311 911	
Contact email address	david.mackrell@nzme.co.nz	
Date of release through MAP	23/08/2022	

Unaudited financial statements accompany this announcement.

23 August 2022

FOR IMMEDIATE RELEASE

NZME Limited 2022 Half Year Financial Results

AUCKLAND, 23 August 2022: NZME Limited (NZX: NZM, ASX: NZM) ("**NZME**") has today announced its financial results for the half year ended 30 June 2022, reporting Statutory Net Profit After Tax (NPAT) of \$8.5 million up 37 percent on the same period in 2021.

NZME also reported Operating Earnings before Interest, Tax, Depreciation and Amortisation (EBITDA)¹ of \$28.1 million - up three percent on the same period in 2021. Operating Revenue was five percent higher than the same period in 2021, with total revenue increasing across the three key strategic pillars: Audio, Publishing and OneRoof, with total digital revenue up 24 percent compared to the same period in 2021.

Michael Boggs, NZME Chief Executive Officer, says the results demonstrate NZME is delivering on its transformation objectives and continues to make excellent progress on its strategic priorities and targets.

"We've started the year strongly with revenue and profitability above the same period last year, and advertising revenues for the same period now at pre-Covid levels. Despite the continued challenges the recent Omicron outbreak has brought, across the business we have remained agile and we've adapted as needed, and I'm proud to deliver such a positive result for the first half of 2022," he said.

"NZME's digital transformation and diversification across our platforms continues to deliver excellent results across key areas of our business, particularly in digital revenue growth," said Boggs.

Key highlights:

- NZME reached 100,000 paid digital only subscriptions in June, with publishing subscriptions across digital and print increasing to 206,000.
- Strong growth in digital audio revenue up 56 percent in the first half of 2022 compared to the previous corresponding period.
- OneRoof achieved significant growth, including a 53 percent increase in digital revenue year-on-year, against a cooling housing market.
- NZME acquired BusinessDesk in January 2022, bolstering NZME's reputation as the country's pre-eminent business news provider.
- NZME celebrated its largest ever cumulative audience in July's GfK Commercial Radio Survey, reaching more than two million people across its radio platforms².
- NZME's digital audio platform - iHeartRadio, reaches one million devices and 6.4 million listening hours in June 2022³.
- NZME is the country's top podcast network, representing eight out of the ten top podcasts⁴ in New Zealand, with more than 4.5 million podcast downloads for the month of June 2022.

Capital management

NZME completed half of the planned \$30 million capital return through the buyback of \$5.3 million of shares, and the payment of a special dividend of 5.0 cents per share in July 2022.

NZME Chairman Barbara Chapman said: “Following the strong operating performance and capital position of the company, the NZME Board declared a fully imputed interim dividend of 3.0 cents per share.

“NZME remains in a very strong capital position and will recommence the on-market buyback on 24 August 2022. The Board remains committed to returning excess capital to shareholders and will review capital and dividend policy settings over the second half of 2022.”

Outlook

NZME also noted that while advertisers are exercising caution and there is some unease in the market as reported in business and consumer confidence metrics, advertising bookings for quarter three are currently tracking five percent above the previous corresponding period.

“NZME is not immune to the challenging macro-economic environment in New Zealand and globally, and cost pressures across the business continue. However, we are focused on carefully managing costs to ensure current business momentum continues into the second half of 2022,” said Boggs.

NZME reconfirmed its guidance of 2022 EBITDA in the range of \$67-\$72 million.

“I’d like to thank our commercial partners, our valued investors and our audiences for their continued support. Thanks also to our team of 1200 at NZME for their hard work and dedication to their roles and for playing their part in serving our valued audiences, customers and our fantastic business,” said Boggs.

The full suite of 2022 Interim Results material can be found [here](#).

ENDS

Source:

¹Operating results presented are non-GAAP measures that include the impact of NZ IFRS 16, however, exclude exceptional items to allow for a like for like comparison between 2021 and 2022 financial years. H1 2021 has been restated to exclude the impact of GrabOne (sold October 2021) and the adjustments necessary from the change in accounting policy relating to SaaS arrangements adopted retrospectively. Please refer to pages 37-38 of this results presentation for a detailed reconciliation.

²GfK Commercial RAM, S2/22, Total NZ, Cume, AP10+, M-S 12mn-12mn (unless otherwise stated), Historical data available on request

³Adswizz June 2022.

⁴Triton NZ Podcast Ranker June 2022

For further information:

For investor queries	For media queries
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NEW ZEALAND
MEDIA AND
ENTERTAINMENT

2022 HALF YEAR RESULTS

KEEPING KIWIS IN THE KNOW

SIX MONTHS TO 30 JUNE 2022

AGENDA

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RESULTS SUMMARY

For the half year ending 30 June 2022

- Strong revenue growth:
 - Total revenue increased across all strategic pillars: Audio, Publishing and OneRoof, with total digital revenue up 23%.
 - Radio market revenue share reached 41.1%² the highest since 2016, with audio revenue increasing by 5%.
 - Publishing subscriptions increased to 206,000, including 101,000 digital only subscriptions.
 - Increased OneRoof digital listings upgrades nationwide, delivering 53% increase in listings revenue year-on-year, despite a cooling housing market.
- Statutory Net Profit After Tax of \$8.5 million for half, 37% higher than the H1 2021.
- Operating EBITDA¹ of \$28.1 million up 3% on previous half.
- 31% growth in Operating Earnings Per Share¹.
- Completed half of the planned \$30 million capital return through the buyback of \$5.3 million of shares, combined with a special dividend of 5.0 cents per share declared 20 June 2022. On-market buyback to recommence 24 August 2022.
- Fully imputed interim dividend declared of 3.0 cents per share.

\$176.7m

Operating Revenue¹

H1 2021 \$168.0m ▲ 5%

\$28.1m

Operating EBITDA¹

H1 2021 \$27.2m ▲ 3%

\$8.5m

Statutory NPAT

H1 2021 \$6.2m ▲ 37%

\$9.0m

Operating NPAT¹

H1 2021 \$6.9m ▲ 30%

4.6 cps

Operating EPS¹

H1 2021 3.5cps ▲ 31%

3.0 cps

Interim Dividend

Payable on 27 Sep 2022

\$2.9m

Net Debt

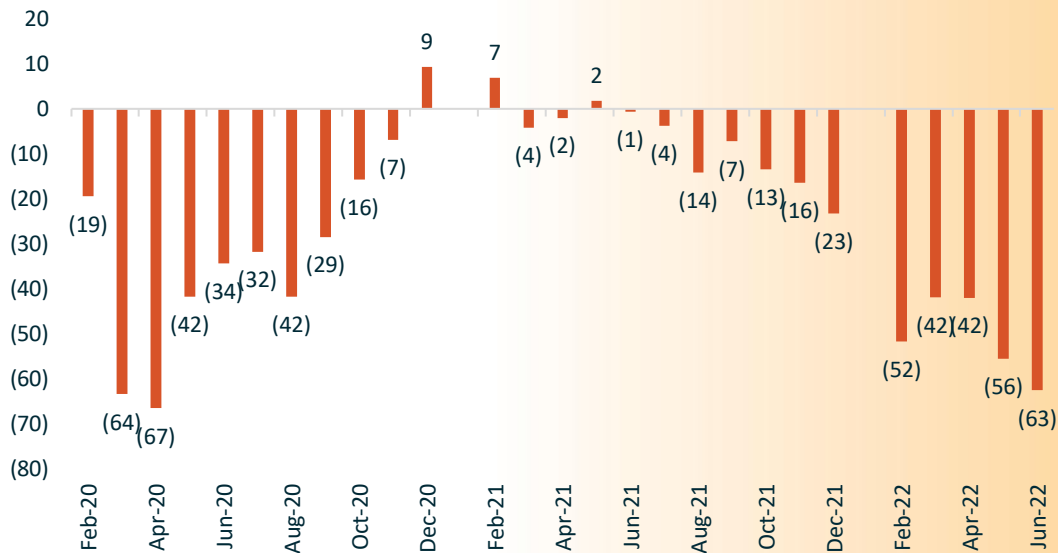
Increased by ▲ \$16.4m

1. Operating results presented are non-GAAP measures that include the impact of NZ IFRS 16, however, exclude exceptional items to allow for a like for like comparison between 2021 and 2022 financial years. H1 2021 has been restated to exclude the impact of GrabOne (sold October 2021) and the adjustments necessary from the change in accounting policy relating to SaaS arrangements adopted retrospectively. Please refer to pages 37-38 of this results presentation for a detailed reconciliation.

2. PwC Radio advertising market benchmark report, rolling 12 month average to 30 June 2022. Note: report excludes independent broadcasters and contra revenue.

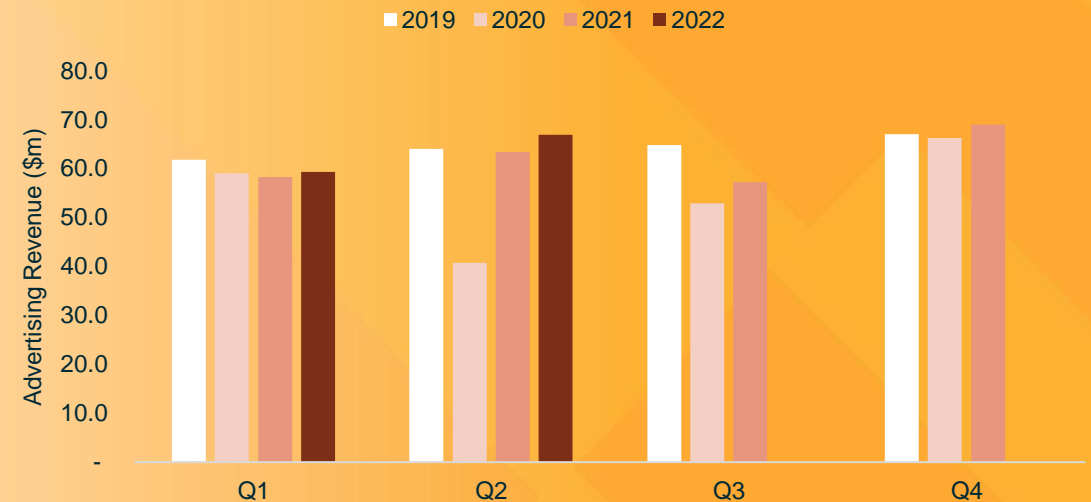
GROWING ADVERTISING REVENUE DESPITE LOW BUSINESS CONFIDENCE

Monthly Business Confidence - Net Index



- The ANZ Business Confidence Index¹ for New Zealand weakened in the first half of 2022 to be at similar levels to Q1 2020, when the initial outbreak of Covid-19 began.

NZME Total Advertising Revenue 2019-2022 YTD



- NZME's advertising revenue increased 3.7% compared to H1 2021 and up 0.4% compared to pre Covid-19 levels (i.e. H1 2019).
- Q1 2022 was up 1.7% compared to Q1 2021 but down 4.0% versus Q1 2019.
- Q2 2022 performed strongly, being 5.6% higher than 2021 and 4.6% higher than pre Covid-19 levels in 2019.

1. Net Index (% expecting improvement minus % expecting deterioration).






STRATEGIC PRIORITIES AND MARKET PERFORMANCE




OUR THREE STRATEGIC PRIORITIES WERE SET IN 2020 WITH TARGETS SET FOR 2023



NEW ZEALAND'S LEADING AUDIO COMPANY

-  Create New Zealand's best local audio content
-  Grow broadcast and digital reach
-  Grow market revenue share and digital revenue

NEW ZEALAND'S HERALD

-  The #1 News brand for all New Zealanders
-  Subscriber first
-  Be a safe, scalable destination for advertisers

YOUR COMPLETE PROPERTY DESTINATION

-  Strengthen core residential listings business
-  Be indispensable to agents
-  Expand the portfolio

LEADING AUDIENCE AND CUSTOMER CENTRIC BRANDS



Audio Audience

Reaches over 2.0 million²

- Over 6 million hours are listened to monthly through iHeartRadio³
- NZ's #1 radio station & breakfast show on Newstalk ZB²
- NZ's number one podcast network⁴, with over 780,000 monthly listeners⁴

Radio Advertising

Digital Advertising



Publishing Audience

Reaches over 2.8 million¹

- Over 2.2 million NZ Herald weekly brand audience¹
- #1 Daily newspaper in NZ¹
- 206,000 subscriptions across print and digital

Print Advertising

Digital Advertising

Reader Revenue

OneRoof Audience



Reaches over 800,000¹

- Over 500,000 Kiwis finding their next home at oneroof.co.nz⁵
- The most read real estate newspaper section¹
- 90% of residential for-sale listings nationwide⁶

Print Advertising

Digital Advertising

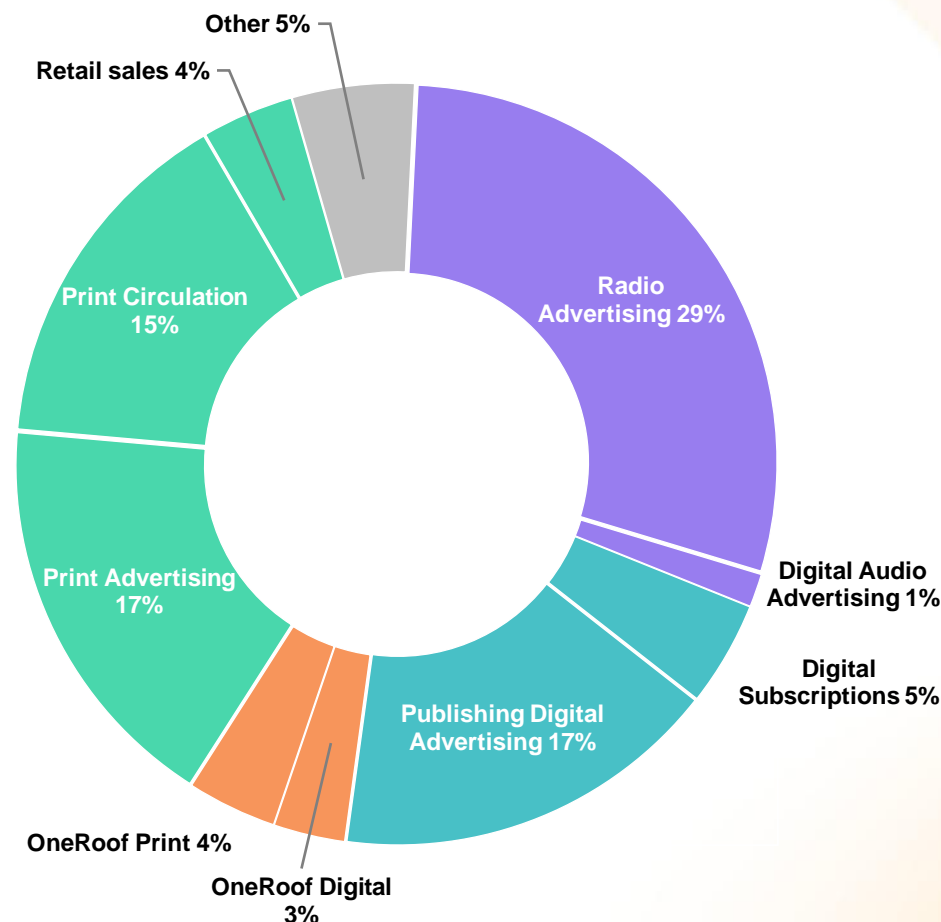
Digital Classifieds

NZME.
reaches over
3.4 million
New Zealanders¹

1. Nielsen CMI Q2 21 – Q1 22 Fused June 2022 AP15+ Note: NZME, Publishing and OneRoof audience includes weekly print and monthly digital.
2. GfK RAM, Commercial Radio, Total NZ 2/2022, M-S 12mn-12mn, M-F 6am-9am, Share %, Cume 000, AP10+.
3. Adswizz Jan-Jun 2022 TLH averaged.
4. Triton NZ Podranker June 2022 (1 Jun – 30 Jun).
5. Nielsen Online Ratings monthly average Q2 2022 AP15+ (excludes APP).
6. OneRoof's listings as a percentage of residential for-sale real estate listings on trademe.co.nz. June 2022 monthly average.

STRONG SHARE ACROSS DIVERSE PLATFORMS

H1 2022 TOTAL OPERATING REVENUE \$176.7M



Print circulation (PCP¹ growth)

NZME print circulation revenue	(3.3%)
NZME movement – print readership ²	(4.2%)
Market movement – print readership ²	(2.1%)

Print readership Market Share

NZME print readership market share ²	55.0%
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Print advertising (PCP growth)

NZME print advertising revenue ³	(6.3%)
Market movement – Print revenue ³	(4.6%)

Print advertising Market Share

NZME print revenue market share ³	46.9%
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Radio advertising (PCP growth)

NZME radio advertising revenue	4.4%
Market movement – Radio revenue ⁴	3.6%

Radio advertising Market Share

NZME radio revenue market share ⁴	41.1%
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Digital display advertising (PCP growth)

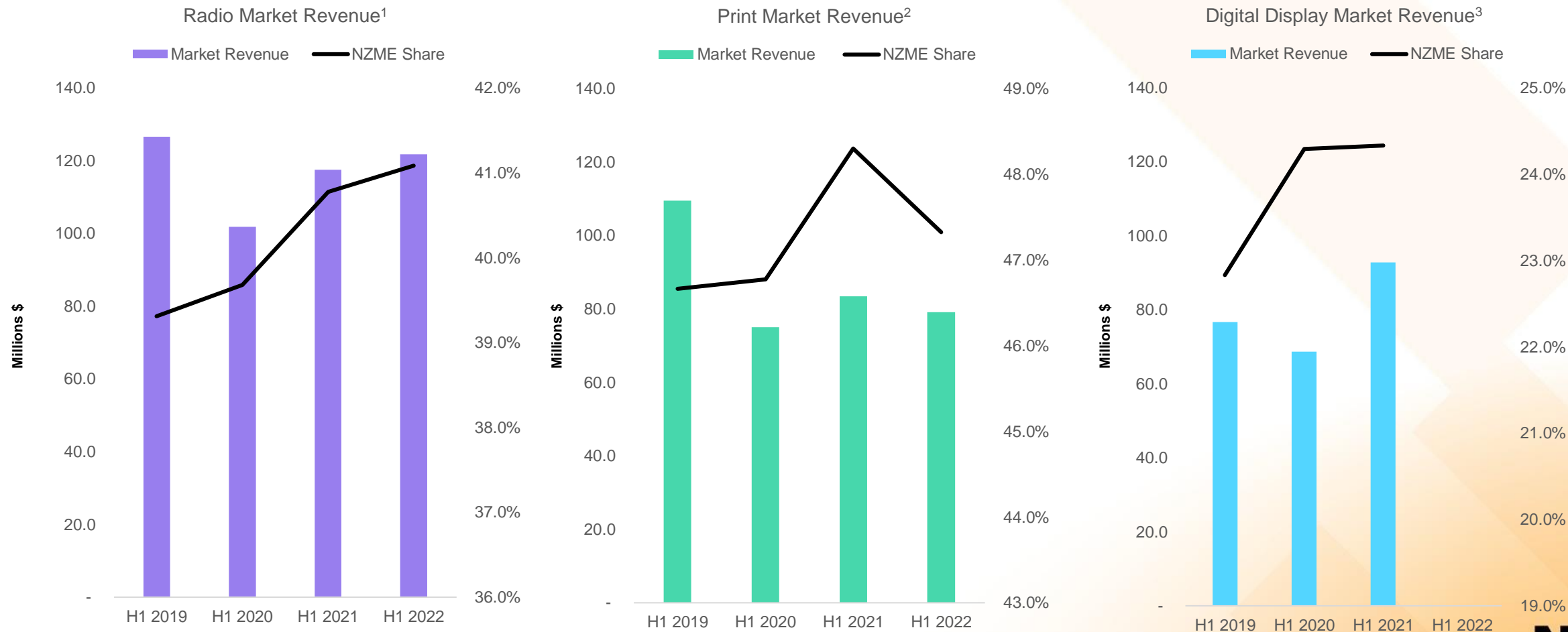
NZME total display advertising revenue ⁵	17.4%
Market movement – total display revenue ⁵	15.8%

Digital display advertising Market Share

NZME total display revenue market share ⁵	24.2%
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1. Prior Corresponding Period (PCP).
2. Nielsen CMI Fused Q2 21 – Q1 22, People 15+. Compared to Q2 20 – Q1 21.
3. PwC NPA quarterly performance comparison report, 12 months to June 2022 compared to 2021, rolling 4-quarter average for market share. Includes Publishing and OneRoof print advertising revenue.
4. PwC Radio advertising market benchmark report, 6 months to June 2022 compared to the prior corresponding period, rolling 4-quarter average for market share. Note: report excludes independent broadcasters, contra revenue and digital audio.
5. IAB NZ Digital advertising revenue report – total display, Q4 2021 compared to Q4 2020, rolling 4-quarter average for market share up till Q4 2021. Q1 / Q2 2022 report not released. Note: excludes digital audio.

MARKET OVERVIEW



1. PwC Radio advertising market benchmark report, H1 2019 – H2 2022. Note: report excludes independent broadcasters, contra revenue, and digital audio.
2. PwC NPA quarterly performance comparison report, Q1 2019 – Q2 2022. Note: report excludes any publishers that are not part of the NPA.
3. IAB NZ Digital advertising revenue report – total display, H1 2019 – H2 2021. *only up until H2 2021, H1 2022 report not available yet. Note: excludes digital audio and is display only.

DIGITAL REVENUE REACHES NEW HIGHS ACROSS STRATEGIC PILLARS



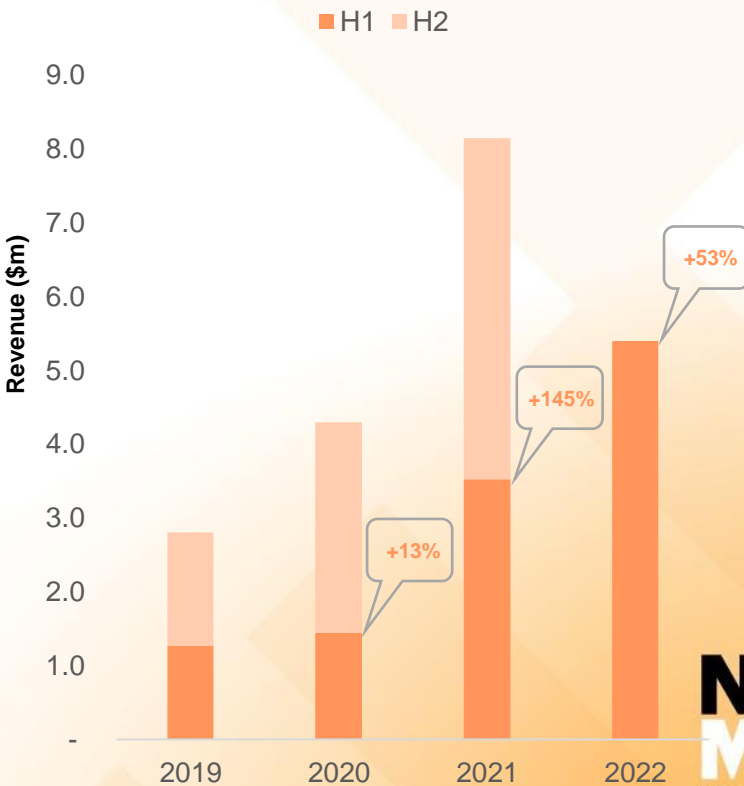
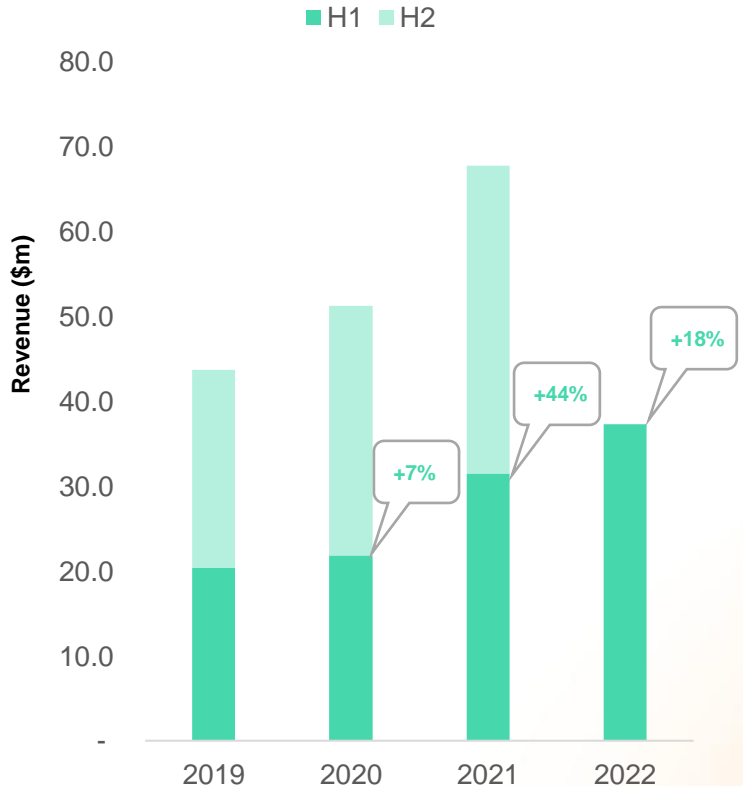
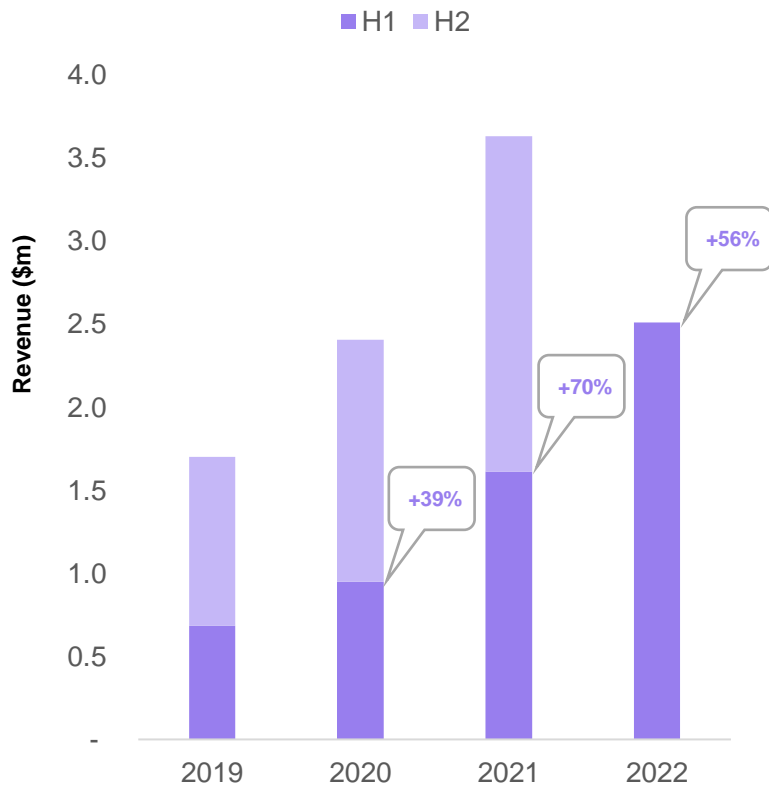
DIGITAL AUDIO
REVENUE



DIGITAL PUBLISHING
REVENUE



DIGITAL ONEROOF
REVENUE





2022 HALF YEAR FINANCIAL RESULTS

\$ million	H1 2022	H1 2021	% change
Reader revenue	41.8	40.2	4%
Advertising revenue	126.2	121.7	4%
Other revenue	8.8	6.2	41%
Operating Revenue¹	176.7	168.0	5%
Operating expenses ¹	(148.6)	(140.8)	6%
Operating EBITDA¹	28.1	27.2	3%
Depreciation and amortisation on owned assets	(7.7)	(7.7)	(1%)
Depreciation on leased assets	(5.3)	(5.9)	(10%)
Net finance cost	(2.7)	(3.9)	(31%)
Operating NPBT¹	12.5	9.7	28%
Taxation expense	(3.4)	(2.8)	24%
Operating NPAT¹	9.0	6.9	30%
Operating Earnings per Share (cents)¹	4.6	3.5	31%

OPERATING RESULTS

For the half year ended 30 June 2022

- Operating EBITDA grew 3%.
- Operating revenue grew 5% compared to the first half of last year.
- Reader revenue was 4% higher as a result of the continued growth in digital subscription revenue.
- Advertising revenue grew 4% driven by strong growth in digital and radio advertising revenue.
- Other revenue growth is primarily due to government grant income which funds specific projects and is offset by associated operating expenses.
- Operating NPAT¹ increased by 30% to \$9.0 million for the half year as a result of improved operating earnings and lower depreciation and finance costs.
- Operating Earnings Per Share improved to 4.6 cents per share due primarily to improved earnings.

1. Operating results presented are non-GAAP measures that include the impact of NZ IFRS 16, however, exclude exceptional items to allow for a like for like comparison between 2021 and 2022 financial years. H1 2021 has been restated to exclude the impact of GrabOne (sold October 2021) and the adjustments necessary from the change in accounting policy relating to SaaS arrangements adopted retrospectively. Please refer to pages 37-38 of this results presentation for a detailed reconciliation.

\$ million	H1 2022	H1 2021	% change
People and Contributors	78.3	70.8	11%
Print and Distribution	25.8	25.9	(0%)
Agency Commission and Marketing	21.4	22.7	(6%)
Content	8.9	8.1	9%
Other expenses:			
Property	3.4	2.9	18%
IT and communications	6.2	5.4	14%
Other	4.6	5.1	(9%)
Total Other expenses	14.2	13.4	6%
Total operating expenses¹	148.6	140.8	6%

Total exceptional items	0.7	1.6
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EXPENSES

For the half year ended 30 June 2022

- People and Contributors costs were up 11%. Half of this increase relates to the impact of the BusinessDesk acquisition, additional resources associated with the government grant projects and a one-off \$1,000 discretionary bonus paid to each eligible employee. The remaining increase relates to additional resources to deliver growth, and rate increases.
- Print and Distribution costs were similar year on year with increased distribution costs offset by lower volumes.
- Content costs grew 9%, in line with increased re-sale of digital services and increased licence costs.
- Total other expenses grew 6% reflecting the impact of the BusinessDesk / Radio Wanaka acquisitions and increase in radio broadcast costs.

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\$ million	30 June 2022	30 December 2021
Trade, other receivables and inventory	52.0	47.1
Trade and other payables	(54.8)	(53.8)
Current tax payable	0.1	(4.7)
Net working capital excluding cash	(2.7)	(11.4)
Plant property & equipment, intangibles and other non-current assets	176.5	175.0
Right-of-use assets (NZ IFRS 16)	62.6	67.5
Lease liabilities (NZ IFRS 16)	(91.5)	(96.8)
Finance lease receivable (NZ IFRS 16)	5.6	5.8
Dividend payable	(9.7)	-
Other payables	(1.1)	-
Net (interest-bearing liabilities) / cash	(2.9)	13.5
Deferred tax	4.5	3.5
Net Assets	141.2	157.1

BALANCE SHEET

For the half year ended 30 June 2022

- Net working capital excluding cash was \$8.7 million higher than December 2021, driven by an increase in trade receivables, and the reduction in tax payable with significant change in the timing of tax payments in the first half of 2022.
- The dividend payable reflects the special dividend of 5 cents per share declared on 20 June 2022 and paid on 12 July 2022.
- Other payables reflects the potential earn-out relating to the acquisition of BusinessDesk.
- Net debt increased by \$16.4 million to \$2.9 million as at 30 June 2022.

\$ million	H1 2022	H1 2021
Operating EBITDA¹	28.1	27.2
NZ IFRS 16 net interest on leases	(2.2)	(2.6)
Dividends and interest received	0.1	0.1
Interest paid on bank facilities	(0.5)	(1.3)
Working capital movement (excluding tax balances)	(3.9)	1.7
Exceptional items	(0.4)	(0.7)
Tax paid	(8.0)	(4.7)
Non-cash items	(1.4)	0.5
Cash flow from operations	11.9	20.1
Capital expenditure	(4.1)	(1.7)
Proceeds from sale of assets	-	1.8
BusinessDesk and Radio Wanaka purchases	(3.6)	-
NZ IFRS 16 net lease principal repayment	(5.7)	(5.6)
Repurchase of shares	(5.3)	-
Dividend paid	(9.9)	-
Cash movement in Net Debt	(16.7)	14.6
Non-cash borrowing costs	0.2	(0.1)
Movement in Net Debt	(16.4)	14.5

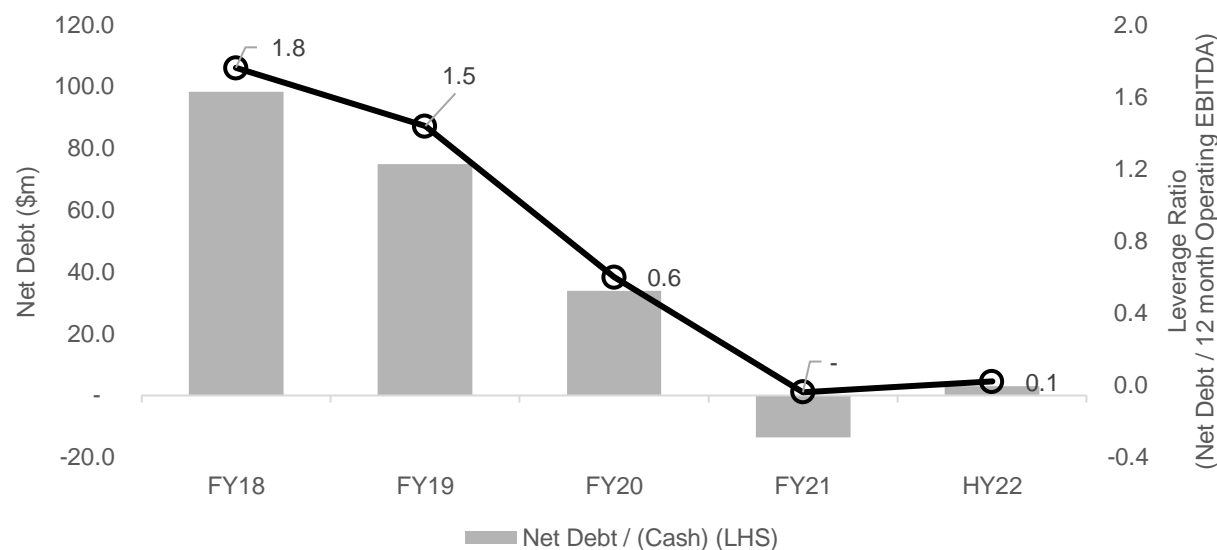
1. Operating results presented are non-GAAP measures that include the impact of NZ IFRS 16, however, exclude exceptional items to allow for a like for like comparison between 2021 and 2022 financial years. H1 2021 has been restated to exclude the impact of GrabOne (sold October 2021) and the adjustments necessary from the change in accounting policy relating to SaaS arrangements adopted retrospectively. Please refer to pages 37-38 of this results presentation for a detailed reconciliation.

CASH FLOWS

For the half year ended 30 June 2022

- Cashflow from operations for the half was \$11.9 million, which is lower than H1 2021 due to the increase in working capital and higher amount of tax paid during the half.
- Tax paid in the half was higher due to stronger 2021 earnings, resulting in a larger final tax payment in January 2022. In addition, supplementary dividends paid in March 2022 treated as a tax credit.
- Capital expenditure is consistent with our expected \$8 million to \$10 million per annum.
- \$5.3 million purchase of shares as part of the on-market buyback programme, which commenced 4 April 2022.
- 2021 Final Dividend of 5.0 cents per share paid 23 March 2022.

	30 June 2022	31 December 2021
12-months Operating EBITDA (pre NZ IFRS 16) ¹	49.5	50.4 ²
Interest Expense	1.1	1.9
Net interest cover (Operating EBITDA (pre NZ IFRS 16)¹ / Interest Expense)	43.3	26.4
Net Debt / (Cash) (\$ million)	2.9	(13.5)
Leverage Ratio (Net debt / 12-month Operating EBITDA (pre NZ IFRS 16)¹)	0.1	-



- Operating results presented are non-GAAP measures that exclude exceptional items to allow for a like for like comparison between 2021 and 2022 financial years. Please refer to pages 37-38 of this results presentation for a detailed reconciliation.
- 2021 Operating EBITDA (pre NZ IFRS 16) as previously stated in 2021 FY results announced on 23 February 2022.

CAPITAL MANAGEMENT

For the half year ended 30 June 2022

- Net debt position of \$2.9 million as at 30 June 2022. At the end of July, after the payment of the \$9.9 million special dividend net debt was \$12.6 million.
- Leverage ratio well below target range.
- Half of \$30 million capital return to shareholders completed through on-market share buyback programme and special dividend declared 20 June 2022, paid 12 July 2022.
- Fully imputed interim dividend declared of 3 cents per share, payable on 27 September 2022.
- On-market share buyback programme to recommence on 24 August 2022.

Dividend Policy

NZME intends to pay dividends of 30-50% of Free Cash Flow subject to being within its target leverage ratio and having regard to NZME's capital requirements, operating performance and financial position.

Target Leverage Ratio of 0.5 to 1.0 times rolling 12 month EBITDA¹ (pre NZ IFRS 16).

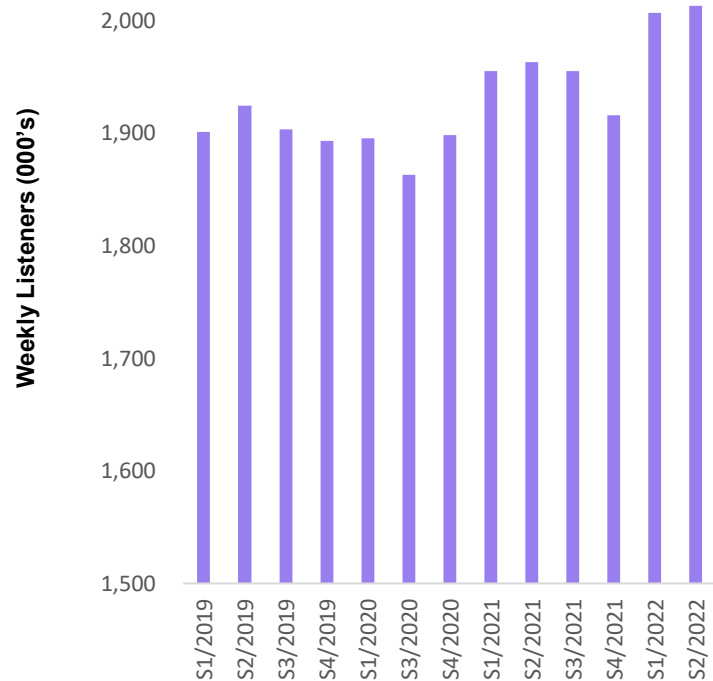
Full dividend policy is available at www.nzme.co.nz/investor-relations/dividends/



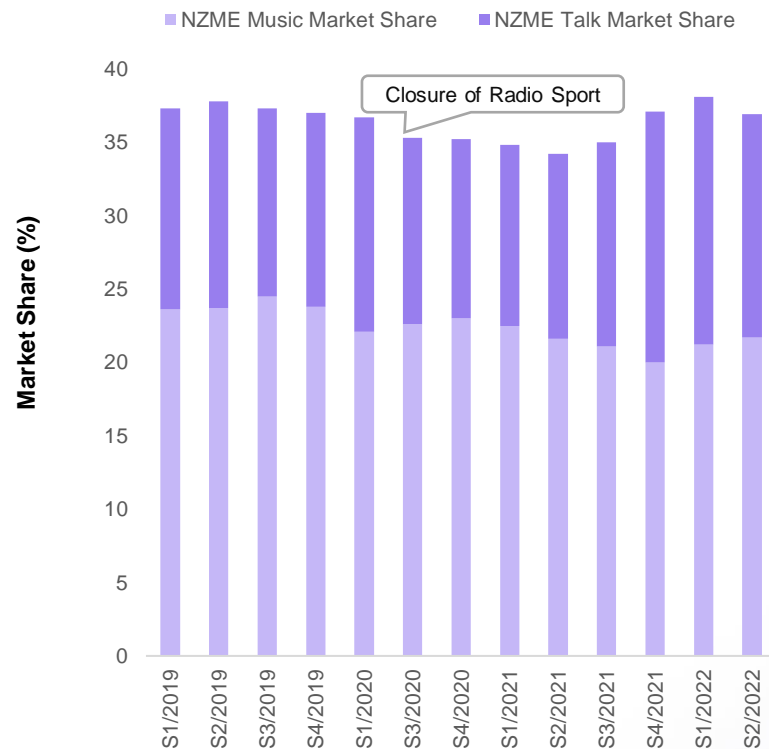
AUDIO

AUDIO LISTENERS AND MARKET SHARE

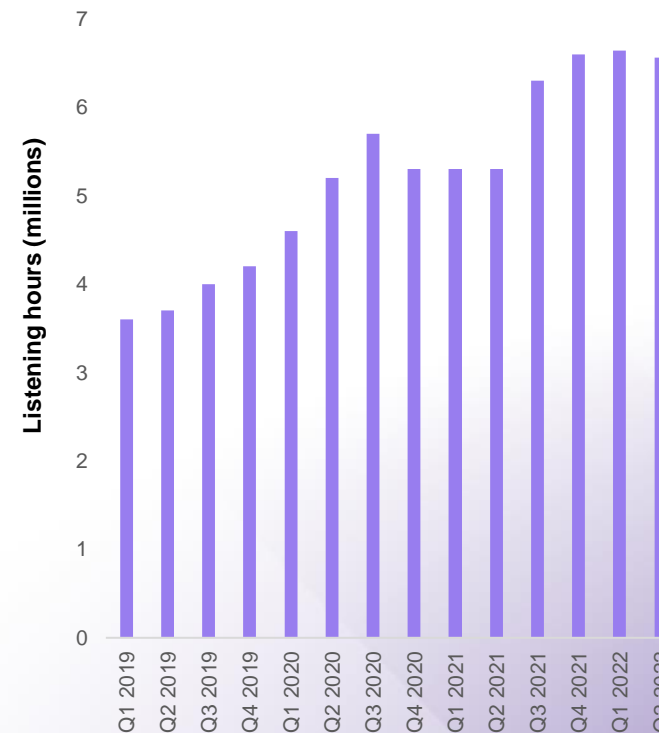
NZME Radio weekly listeners
-Total NZ All 10+ Cume¹



NZME Radio Share –
Total NZ All 10+ Share²



iHeartRadio Total Listening
Hours (million)³



1. GfK Commercial RAM, NZME excl. Partners, Cumulative Audience 000, M-S 12mn-12mn, Total NZ, S1 2019-S2 2022. AP10+.

2. GfK Commercial RAM, NZME excl. Partners (doesn't include BBC Auckland), Market Share %, M-S 12mn-12mn, S1 2019-S2 2022, AP10+. Note: Radio Sport closed prior to S3 2020.

3. Adswizz and StreamGuys, TLH, monthly average for the quarter.

\$ million	H1 2022	H1 2021	% Change
Radio advertising	51.1	49.6	3%
Digital audio advertising	2.5	1.6	56%
Other	0.8	0.6	39%
Audio revenue	54.4	51.8	5%
People & Contributors	(28.1)	(25.8)	9%
Agency Commission & Marketing	(8.1)	(9.4)	(13%)
Content	(3.3)	(3.2)	1%
Other	(5.5)	(4.5)	22%
Audio expenses	(45.0)	(42.9)	5%
Audio EBITDA¹ (incl. NZ IFRS 16)	9.4	8.7	7%
NZ IFRS 16 Adjustment	(3.5)	(3.7)	(8%)
Audio EBITDA¹ (pre NZ IFRS 16)	5.9	5.0	18%
EBITDA¹ Margin (pre NZ IFRS 16)	11%	10%	1 ppt

AUDIO

For the half year ending 30 June 2022

- Audio revenue increased 5% year-on-year and exceeded pre Covid-19 levels in the first half of 2019 by 1%.
- NZME's digital audio platform, iHeartRadio, continued to deliver strong growth, 56% higher than the first half of 2021.
- Radio market share grew to 41.1%, up 0.2 percentage points compared to 2021².
- Increase in People & Contributor costs driven by one-off bonus, investments in digital audio and rising labour costs.
- Agency Commission & Marketing costs were 13% lower, reflecting lower marketing during the half.
- Increase in Other costs due to costs associated with additional frequencies to expand the reach of the broadcast network.
- EBITDA¹ margin grew by 1 percentage point with 23% of the increased audio revenue year-on-year reflected in growth in EBITDA¹ (incl. NZ IFRS 16).

1. EBITDA is a non-GAAP measure and excludes exceptional items. H1 2021 has been restated to exclude the impact of GrabOne (sold October 2021) and the adjustments necessary from the change in accounting policy relating to SaaS arrangements adopted retrospectively in the second half of 2021.

2. PwC Radio advertising market benchmark report, rolling 12 month average to 30 June 2022 vs 12 months to 31 December 2021. Note: report excludes independent broadcasters and contra revenue.

NEW ZEALAND'S LEADING AUDIO COMPANY



Metric	FY 2020 Achievement	FY 2021 Achievement	H1 2022	2023 Target	Progress Update
NZME share of total audience	35.6% ¹	37.4% ¹	37.2% ¹	> 1% share point growth per annum	<ul style="list-style-type: none"> NZME's highest total NZ 10+ audience results in S2-2022 – over 2m^{1*}. Newstalk ZB continues to lead the talk market and is the #1 station share nationwide^{1**}. ZM had the most listeners of any station in key commercial demographics (18-39, 18-49, 25-44, 25-54).^{1*} Improved performance in music share based on changes undertaken Digital Radio consumption grew 23% for H1 generating 36 million listening hours. NZME podcast network leads all industry Podranker results since inception. NZME produced podcasts have seen significant growth with downloads up 85% on H1 2021.
Radio Revenue Share	40.4% ²	40.9% ²	41.1% ²	> 1% share point growth per annum	<ul style="list-style-type: none"> Industry wide radio advocacy has been elevated as a priority. NZME's leading digital audio revenues are excluded from radio revenue share metrics.
Digital audio revenue as a % of total audio revenue	2.4%	3.4%	4.6%	5%	<ul style="list-style-type: none"> iHeartRadio streaming digital ad insertion delivering strong revenue growth. Alternative Commentary Collective has begun monetising its strong audience engagement, though digital audio. Podcast revenue accelerating. Enhanced partner solutions for digital audio ad sales.
EBITDA³ Margin Target (pre NZ IFRS16)	14%⁴	12%	11%	15 – 17%	

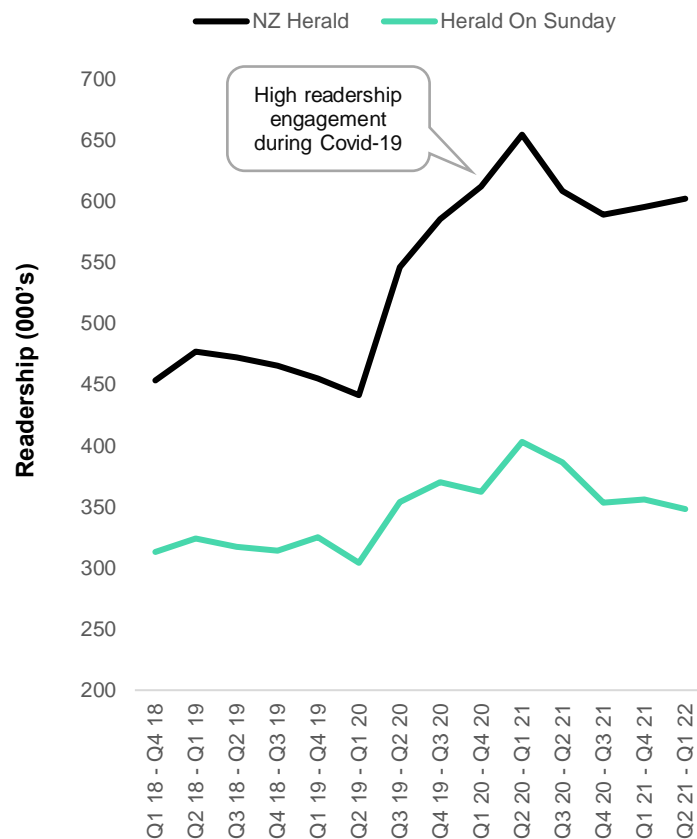
1. GfK Commercial RAM, NZME excl. Partners, M-S 12mn-12mn, Market Share %, S4 2020 – S2 2022, AP10+. 1* Cumulative Audience, S2 2022. 1** Commercial Market Share, S2 2022.
2. PwC Radio advertising market benchmark report, rolling 12 month average to 30 June 2022. FY 2020 and 2021 figures as previously stated in FY 2021 results announced on 23 February 2022. Note: report excludes independent broadcasters, contra revenue and digital audio.
3. EBITDA is a non-GAAP measure and excludes exceptional items.
4. Includes Covid-19 government wage subsidy received in 2020. Excluding the impact of the government wage subsidy received in 2020, the EBITDA margin was 10.5%.



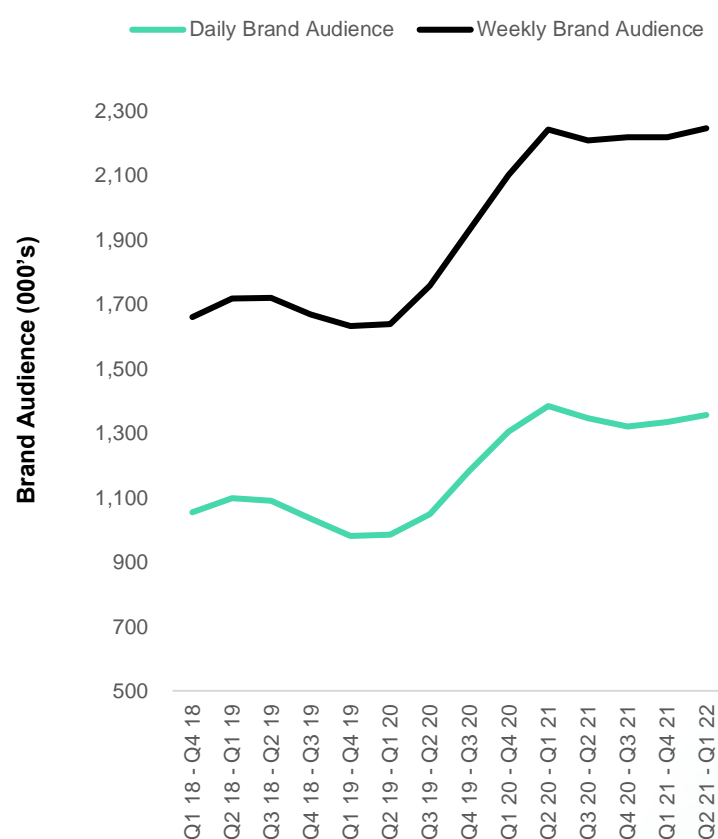
PUBLISHING

STRONG ENGAGEMENT CONTINUES POST COVID PEAKS

NZ Herald (Mon-Sat) and Herald on Sunday Average Issue Readership¹



NZ Herald Daily and Weekly Brand Audience¹



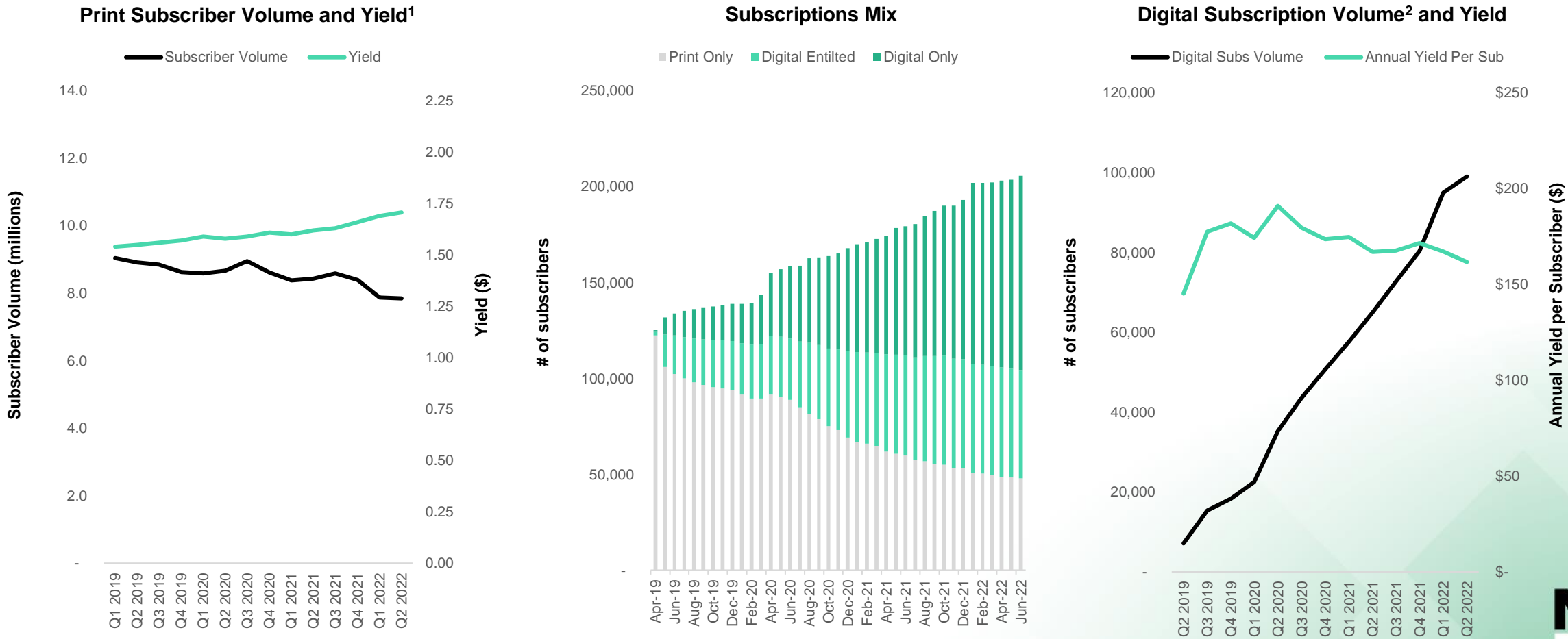
NZME Total Monthly Digital Users²



1. Nielsen CMI Q1 18 – Q1 22, AP 15+.

2. Nielsen CMI Fused Q2 21 – Q1 22, June 2022, AP 15+. (Fused Jan 20 – Fused June 22).

INCREASING DIGITAL SUBSCRIPTIONS



1. Print subscriber volume drives revenue and represents the count of individual paid papers delivered including the NZ Herald, Herald on Sunday and Regionals. Subscriber yield includes promotional volumes.
2. Digital subscription volumes, quarterly average.

\$ million	H1 2022	H1 2021	% Change
Print subscriptions	26.9	27.2	(1%)
Digital subscriptions	7.9	5.1	54%
Retail outlet sales	7.0	7.8	(11%)
Total reader revenue	41.8	40.2	4%
Print advertising	30.7	33.3	(8%)
Digital advertising	29.3	26.3	12%
Total advertising revenue	60.0	59.6	1%
Other	7.8	4.4	78%
Publishing revenue	109.5	104.2	5%
People & Contributors	(44.1)	(39.7)	11%
Print & Distribution	(22.6)	(22.2)	2%
Agency Commission & Marketing	(9.7)	(10.9)	(11%)
Content	(4.8)	(4.0)	20%
Other	(6.9)	(6.4)	6%
Publishing expenses	(88.1)	(83.2)	6%
Publishing EBITDA¹ (incl. NZ IFRS 16)	21.5	20.9	2%
NZ IFRS 16 Adjustment	(3.8)	(4.2)	(8%)
Publishing EBITDA¹ (pre NZ IFRS 16)	17.6	16.8	5%
EBITDA¹ Margin (pre NZ IFRS 16)	16%	16%	0 ppt

PUBLISHING

For the half year ending 30 June 2022

- Total reader revenue increased 4% year-on-year, with strong digital subscriptions revenue growth more than offsetting the decline in print reader revenue.
- H1 2022 results include the impact of the BusinessDesk acquisition, completed on 17 January 2022.
- Total advertising revenue grew 1%, with digital advertising revenue making up nearly half of the Publishing division's advertising revenue in the first half of 2022.
- Other revenue increase predominantly due to the impact of the government grants for specific projects.
- Higher People & Contributor costs of 11% includes the one-off bonus, the impact of the acquisition of BusinessDesk and costs associated the government grant projects. The remaining increase relates to additional resource and labour cost increases.
- Agency Commission & Marketing costs were 11% lower, representing reduced spend in the half, some timing related.
- Content costs are up 20% in line with increased re-sale of third-party digital services and increased license costs.

NEW ZEALAND'S HERALD



Metric	FY 2020 Achievement	FY 2021 Achievement	H1 2022	2023 Target	Progress Update
Subscription Volume Target	169,000	191,000	206,000 ¹	More than 210,000 by 2023 year-end	<ul style="list-style-type: none"> Acquisition of BusinessDesk added 8,000 subscribers and positions NZME as pre-eminent Business news provider. Simplified corporate pricing and bundles developed across Herald Premium and BusinessDesk. Herald Premium customer experience improvements implemented - subscriber buy journeys, subscriber management portal and get help experience. Enhanced editorial quality and trust focus with new code of ethics, newsroom mission and engagement driven article scoring engine. My NZH News personalised home page module launched for logged in users. Reach new audiences - launched Pasifika vertical, Open Justice and Te Rito cadet scheme. Grow regional brand and content - focus on Christchurch in Q3 launched.
Subscription Volume Mix	32% / 68%	43% / 57%	49% / 51%	Digital Only > Print	
% Households Subscribing	9% ²	10% ²	11%	> 12% by year-end	
Advertising Revenue Mix	42% Digital	46% Digital	49% Digital	> 45% Digital	
EBITDA³ Margin Target (pre NZ IFRS16)	19%⁴	18%	16%	18-19%⁵	<ul style="list-style-type: none"> Launched Audience Connect, NZME's 1st Party Data Portfolio offering. NZME AdHub Self Service built and in trial. Simplification programme commenced; revitalisation of Communities proposition and refresh of daily print products.

1. Includes the impact of the BusinessDesk acquisition.

2. Stats.govt.nz Dwelling and household estimates: June 2022 quarter.

3. EBITDA is a non-GAAP measure and excludes exceptional items.

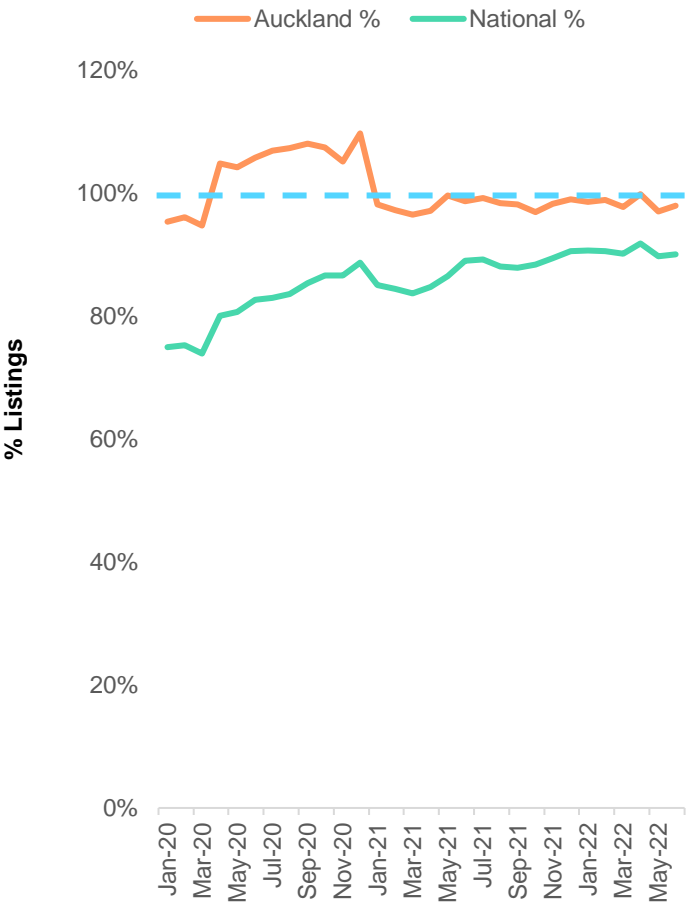
4. Includes Covid-19 government wage subsidy received in 2020. Excluding the impact of the government wage subsidy received in 2020, the EBITDA margin was 17.0%.

5. Adjusted from 19-20% to reflect the change in accounting policy on SaaS arrangements. Capital expenditure is expected to reduce by a similar amount.

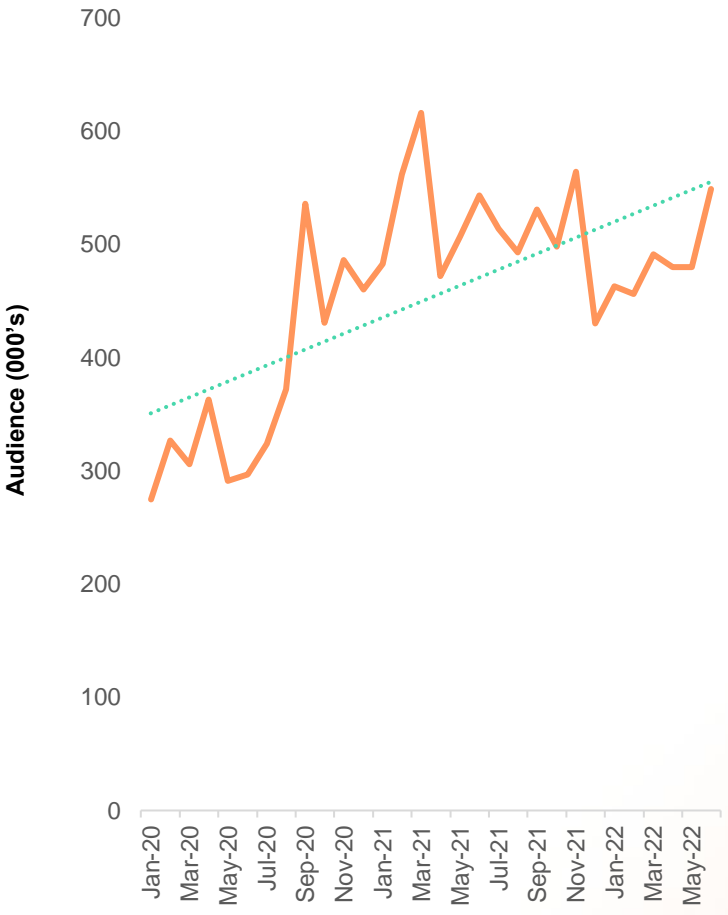
ONEROOF

ONEROOF AUDIENCE & LISTINGS

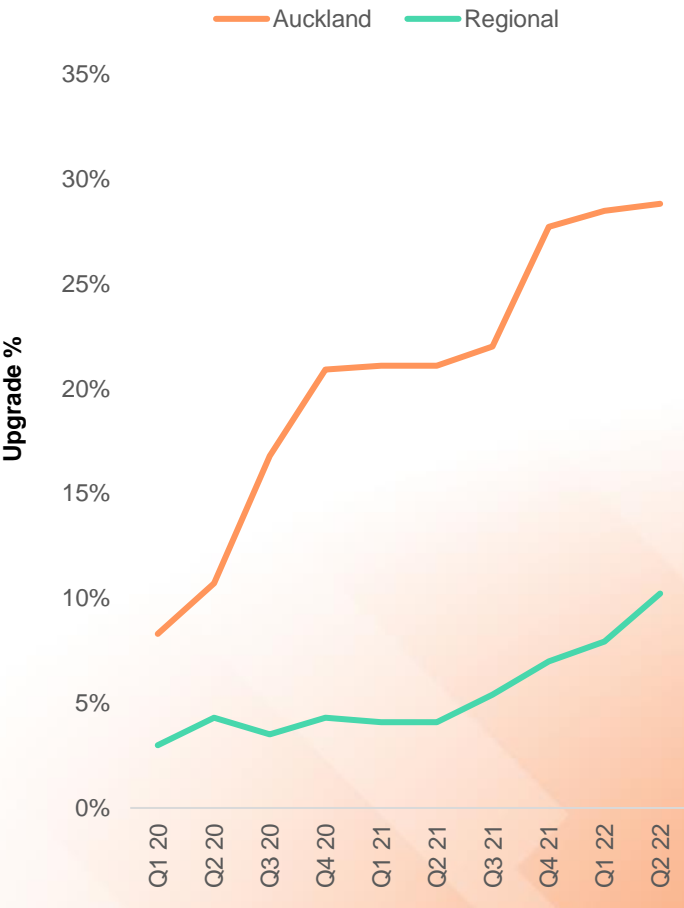
OneRoof Auckland and National Residential For-sale Listings as a % of Trade Me¹



OneRoof Monthly Unique Online Audience²



OneRoof Digital Residential for-sale Listings Upgrade %



1. OneRoof's listings as a percentage of residential for-sale real estate listings on trademe.co.nz. Note: From June 2021 onwards lifestyle properties and sections were added to the OneRoof count.
2. Nielsen Online Ratings, Jan 2020 - Jun 2022.

\$ million	H1 2022	H1 2021	% Change
Print	6.8	7.0	(2%)
Digital	5.4	3.5	53%
OneRoof revenue	12.2	10.5	16%
People & Contributors	(4.2)	(3.1)	33%
Print & Distribution	(3.2)	(3.7)	(12%)
Agency Commission & Marketing	(3.4)	(2.3)	48%
Content	(0.7)	(0.6)	6%
Other	(0.5)	(0.4)	39%
OneRoof expenses	(12.0)	(10.1)	19%
OneRoof EBITDA¹ (incl. NZ IFRS 16)	0.2	0.4	(49%)
NZ IFRS 16 Adjustment	(0.3)	(0.3)	30%
OneRoof EBITDA¹ (pre NZ IFRS 16)	(0.1)	0.1	(204%)
EBITDA¹ Margin (pre NZ IFRS 16)	(1%)	1%	-2 ppt
Total Real Estate revenue across all NZME brands	23.5	20.5	15%

ONEROOF

For the half year ending 30 June 2022

- Total OneRoof revenue was up 16% higher than the first half of 2021, with 53% growth in digital revenue despite a cooling housing market.
- People costs higher as additional sales resource was deployed to achieve growth.
- Decrease in Print and Distributions costs due to fewer publications.
- Marketing costs increased as OneRoof continued to focus on growing the brand, listings penetration and conversion rates nationwide.
- With the continued investment in growth including additional resource and marketing costs, EBITDA was lower than the first half of 2021.

1. EBITDA is a non-GAAP measure and excludes exceptional items. H1 2021 has been restated to exclude the impact of GrabOne (sold October 2021) and the adjustments necessary from the change in accounting policy relating to SaaS arrangements adopted retrospectively in the second half of 2021.

YOUR COMPLETE PROPERTY DESTINATION



Metric	FY 2020 Achievement	FY 2021 Achievement	H1 2022	2023 Target	Progress Update
Residential Listings	89% ¹	91% ¹	90% ¹	96% of listings (100% of non-private listings)	<ul style="list-style-type: none"> Key accounts identified and strategy deployed to secure listings. Platform development undertaken to correctly attribute residential listings to New Build.
Audience	459k, gap to #1 of 250k ²	497k, gap to #1 of 396k ²	503k, gap to #1 of 297k ²	Reduce gap to #1	<ul style="list-style-type: none"> Brand campaign delivering increased unprompted awareness and preference. Full customer experience analysis completed with action plan to increase audience engagement in H2. Reviewed and deployed new digital marketing strategies to build total platform sessions. Increasing audience flow across entire site.
Listings Upgrade %	17.6% Auckland 3.9% Regional	23.5% Auckland 5.4% Regional	28.6% Auckland 9.0% Regional	50% of Auckland residential listings 22% of regional residential listings	<ul style="list-style-type: none"> OneRoof bespoke bundles deployed nationally. Launched entry level conversion product targeting new agents. Continued progress on listing conversions nationally utilising local resources.
Revenue	24% / 76%	38% / 62%	44% / 56%	Digital > Print	<ul style="list-style-type: none"> Digital growth delivered 53% year on year growth against cooling housing market.
EBITDA ³ Margin Target (pre NZ IFRS16)	8% ⁴	7%	(1%)	15 - 25%	

1. OneRoof's listings as a percentage of residential for-sale real estate listings on trademe.co.nz. June 2022 monthly average. Excluding private listings. FY 2020 and 2021 figures as previously stated in 2021 FY results announced on 23 February 2022.

2. Nielsen Online Ratings, monthly average for Q2 2022. FY 2020 and 2021 figures as previously stated in 2021 FY results announced on 23 February 2022.

3. EBITDA is a non-GAAP measure and excludes exceptional items.

4. Includes Covid-19 government wage subsidy received in 2020. Excluding the impact of the government wage subsidy received in 2020, the EBITDA margin was 4.7%.

CORPORATE & OTHER

For the half year ended 30 June 2022

- No Events in the first half of 2022 results in lower revenue.
- Other expenses lower as no events costs.

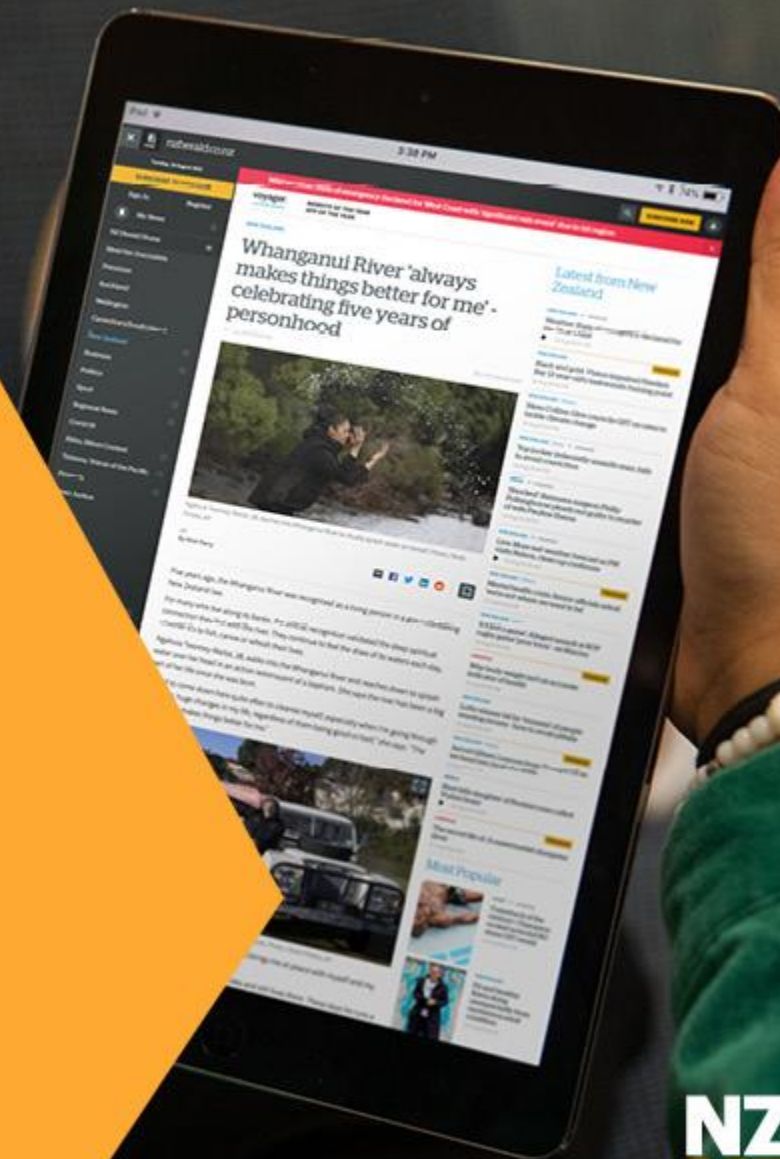
\$ million	H1 2022	H1 2021	% Change
Revenue	0.6	1.6	(64%)
People & Contributors	(1.8)	(2.0)	(6%)
Agency Commission & Marketing	(0.1)	(0.1)	-
Content	(0.2)	(0.2)	-
Other	(1.3)	(2.2)	(39%)
Corporate & other expenses	(3.5)	(4.4)	(22%)
Corporate & other EBITDA¹ (incl. NZ IFRS 16)	(2.9)	(2.8)	(2%)

1. EBITDA is a non-GAAP measure and excludes exceptional items. H1 2021 has been restated to exclude the impact of GrabOne (sold October 2021) and the adjustments necessary from the change in accounting policy relating to SaaS arrangements adopted retrospectively in the second half of 2021.



OUTLOOK

- The first half of 2022 saw New Zealand move through the peaks of its Omicron outbreak. Despite this, we were pleased to see advertising revenue recovery during the half to pre-pandemic levels.
- There remains significant unease in the market, as reported in business and consumer confidence metrics. However, these have been evident for some time and appear to be beginning to recover.
- While there is a cautiousness being noted by advertisers, Quarter 3 2022 bookings are currently tracking 5% above the same time in 2021.
- There continues to be cost pressures across the business, however the significant increases in paper and freight costs have been offset by cost saving initiatives.
- Based on the above trends, NZME reconfirms its guidance of 2022 EBITDA in the range of \$67-\$72 million.
- NZME remains in a very strong capital position and will recommence the on-market buy-back on 24 August 2022. The Board remains committed to returning excess capital to shareholders and will review capital and dividend policy settings over the half.
- We look forward to providing further updates on NZME's progress and strategy at an Investor Day to be held in November 2022.





Q&A

SUPPLEMENTARY INFORMATION

OUR SUSTAINABILITY COMMITMENT

In 2022, again impacted by the ongoing impacts of Covid-19, we have continued to share our platforms to ensure our communities are connected, and our people kept safe.

We look forward to the continued implementation of our initiatives to have meaningful, sustainable practices for the wider community, the wellbeing of our people and the environment.

The following is a snapshot of progress to date for 2022.



OUR COMMUNITIES



RESPONSIBLE REPORTING AND BROADCASTING

NZME maintains a balanced reporting platform as Covid-19 and other major events continued to disrupt countries around the world, directly impacting New Zealanders.



CONNECTING COMMUNITIES

NZME's *Great Minds* project examined the state of our nation's mental health and explored the growing impact mental health has on Kiwis while searching for ways to improve it.

Talanoa, Voices of the Pacific was launched with the NZ Herald, to increase the diversity of content and contributors on our platforms.

Te Rito journalism one-year cadet training programme is underway, part of a media industry partnership to inject the industry with voices that better reflect our diverse communities.



SHARING OUR PLATFORMS

NZME partners with a number of organisations to champion charitable causes including over 1.5 million dollars raised with World Vision through the Ukraine Appeal.

Other partners included the Graeme Dingle Foundation, Leukaemia & Blood Cancer New Zealand, Men's Health Week, Women's Refuge (Shielded Initiative), The Funding Network New Zealand and the Sir John Kirwan Foundation.

OUR PEOPLE



PROMOTING A HEALTHY, DIVERSE AND SAFE WORKPLACE

Given the importance of our essential services during the ongoing Covid-19 pandemic, NZME has a robust set of measures to manage the risk of outbreaks among teams and minimise impacts to production.

Understanding Unconscious Bias training has been offered to all NZME leaders, through our partnership with Diversity Works NZ.

Matariki (marking the beginning of the new year in the Māori lunar calendar) was celebrated with a programme developed by our diversity committee and our Te Rito cadets.



CHAMPIONING THE CRAFT

NZME continues to employ 21 interns and cadets across the business, including the Te Rito Programme and continuation of our TupuToa partnership.

NZME has been recognised with a number of industry awards and nominations including: Voyager Media Awards, NZ Radio Awards, IAB Awards, Beacon Awards, INMA Awards, Deloitte Top 200 Award, New Zealand HR Awards and Grad NZ's 2022 Student Survey.



EQUIPPING OUR PEOPLE

NZME continues to offer a range of training courses to its people and has provided 7,503 hours of training to date in 2022.

OUR ENVIRONMENT



RECYCLING

We have recycling stations in place across the Ellerslie print plant. Daily waste is separated into three streams: landfill, recycling and food waste.

The Waste Committee chaired by Ellerslie Plant's General Manager has implemented the following initiatives in H1 2022: (1) removal of all general rubbish bins, our people are required to actively separate waste, (2) all cardboard materials are now diverted from landfill to a dedicated collection point, (3) our people are encouraged to reuse broken or unserviceable wood pallets as firewood or DIY projects, diverting them from landfill.



BEST PRACTICE

Photocopiers have been upgraded across all offices and is expected to deliver an 85% reduction in power consumption.

To reduce plastic usage at the plant we have optimised the number of papers per bundle to reduce total bundle numbers, anticipating a reduction of 41,000 metres of plastic per year.

NZME has adopted Modern Slavery Statements and continues to work on adopting a Responsible Sourcing Policy.



RESPONSIBILITY

The NZ Herald continues to take part in Covering Climate Now - a global news media initiative.

2022 DIVISIONAL PERFORMANCE

For the half year ended 30 June 2022

\$m	Audio	Publishing	OneRoof	Other	H1 22 Total	H1 21 Total	% Change
Reader Revenue:							
- <i>Print</i>	-	33.8	-	-	33.8	35.0	(3%)
- <i>Digital</i>	-	7.9	-	-	7.9	5.1	54%
Reader Revenue	-	41.8	-	-	41.8	40.2	4%
Advertising Revenue:							
- <i>Radio</i>	51.1	-	-	-	51.1	49.6	3%
- <i>Print</i>	-	30.7	6.8	-	37.4	40.3	(7%)
- <i>Digital</i>	2.5	29.3	5.4	0.5	37.7	31.9	18%
Advertising Revenue	53.6	60.0	12.2	0.5	126.2	121.7	4%
Other Revenue	0.8	7.8	0.0	0.1	8.8	6.2	41%
Total Revenue	54.4	109.5	12.2	0.6	176.7	168.0	5%
People and Contributors	(28.1)	(44.1)	(4.2)	(1.8)	(78.3)	(70.6)	11%
Print & Distribution	-	(22.6)	(3.2)	-	(25.8)	(25.9)	(0%)
Agency Commission & Marketing	(8.1)	(9.7)	(3.4)	(0.1)	(21.4)	(22.7)	(6%)
Content	(3.3)	(4.8)	(0.7)	(0.2)	(8.9)	(8.1)	10%
Other	(5.5)	(6.9)	(0.5)	(1.3)	(14.2)	(13.6)	5%
Total Costs	(45.0)	(88.1)	(12.0)	(3.5)	(148.6)	(140.8)	6%
Operating EBITDA¹	9.4	21.5	0.2	(2.9)	28.1	27.2	3%
NZ IFRS 16 Adjustments	(3.5)	(3.8)	(0.3)	(0.0)	(7.7)	(8.2)	(7%)
EBITDA (pre NZ IFRS 16)²	5.9	17.6	(0.1)	(2.9)	20.5	19.0	8%
EBITDA (pre NZ IFRS 16)² Margin %	11%	16%	(1%)	-	12%	11%	0 ppt

Cost pools that relate to multiple divisions have been allocated based on revenue, geography and headcount.

H1 2021 has been restated to exclude the impact of GrabOne and include the impact of the IFRIC guidance on SaaS arrangements.

- Operating results presented are non-GAAP measures that include the impact of NZ IFRS 16, however, exclude exceptional items to allow for a like for like comparison between 2021 and 2022 financial years. H1 2021 has been restated to exclude the impact of GrabOne (sold October 2021) and the adjustments necessary from the change in accounting policy relating to SaaS arrangements adopted retrospectively. Please refer to pages 37-38 of this results presentation for a detailed reconciliation.
- EBITDA is a non-GAAP measure equivalent to Operating EBITDA but excluding the impact of NZ IFRS 16.

RECONCILIATION OF OPERATING RESULTS TO FINANCIAL STATEMENTS

HALF YEAR ENDED 30 JUNE 2022

\$ million	Operating Results excl. NZ IFRS 16	NZ IFRS 16 Adjustments	Operating Results incl. NZ IFRS 16	Reclass of Items	Exceptional and Other Items	Per Financial Statements
Total revenue and other income	177.2	(0.4)	176.7	0.2	-	176.9
Expenses	(156.7)	8.1	(148.6)	-	(0.7)	(149.3)
EBITDA	20.5	7.7	28.1	0.2	(0.7)	27.6
Depreciation and amortisation	(7.7)	(5.3)	(13.0)	-	-	(13.0)
EBIT	12.8	2.3	15.1	0.2	(0.7)	14.6
Share of loss of JV's	-	-	-	-	-	-
Impairment of assets	-	-	-	-	-	-
Net interest expense	(0.4)	(2.3)	(2.7)	(0.2)	-	(2.9)
Net profit/(loss) before tax	12.4	-	12.5	-	(0.7)	11.8
Tax	(3.4)	-	(3.4)	-	0.1	(3.3)
Net profit/(loss) after tax	9.0	-	9.0	-	(0.6)	8.5

RECONCILIATION OF OPERATING RESULTS TO FINANCIAL STATEMENTS

HALF YEAR ENDED 30 JUNE 2021

\$ million	Operating Results excl. IFRS 16 and SaaS	Restatement (SaaS)	Operating Results excl. IFRS 16	NZ IFRS 16 Adjustments	Operating Results incl. IFRS 16	GrabOne	Exceptional and Other Items	Per Restated Financial Statements
Total revenue and other income	168.0	-	168.0	-	168.0	4.4	0.6	173.0
Expenses	(148.6)	(0.4)	(149.0)	8.2	(140.8)	(2.0)	(0.7)	(143.5)
EBITDA	19.4	(0.4)	19.0	8.2	27.2	2.4	(0.1)	29.5
Depreciation and amortisation	(9.0)	1.3	(7.7)	(5.9)	(13.7)	(0.3)	-	(14.0)
EBIT	10.4	0.9	11.3	2.3	13.6	2.1	(0.1)	15.5
Share of loss of JV's	-	-	-	-	-	-	(0.4)	(0.4)
Impairment of assets	-	-	-	-	-	-	(2.6)	(2.6)
Net interest expense	(1.3)	-	(1.3)	(2.6)	(3.9)	-	(0.0)	(3.9)
Net profit/(loss) before tax	9.2	0.9	10.0	(0.3)	9.7	2.1	(3.1)	8.7
Tax	(2.5)	(0.2)	(2.8)	-	(2.8)	(0.6)	0.8	(2.5)
Net profit/(loss) after tax	6.7	0.6	7.3	(0.3)	6.8	1.5	(2.2)	6.2

DISCLAIMER

The information in this presentation is of a general nature and does not constitute financial product advice, investment advice, legal, financial, tax or any other recommendation or advice. This presentation constitutes summary information only, and you should not rely on it in isolation from the full detail set out in NZME's Consolidated Financial Statements for the half year ended 30 June 2022.

This presentation may contain projections or forward-looking statements regarding a variety of items. Such projections or forward-looking statements are based on current expectations, estimates and assumptions and are subject to a number of risks and uncertainties. There is no assurance that results contemplated in any projections or forward-looking statements in this presentation will be realised. Actual results may differ materially from those projected in this presentation. No person is under any obligation to update this presentation at any time after its release to you or to provide you with further information about NZME Limited.

The Group adopted NZ IFRS 16 Leases on 1 January 2019 and IFRS Interpretations Committee's (IFRIC's) agenda decision on configuration and customisation costs in relation to Software as a Service (SaaS) arrangements in 2021. Operating results as stated throughout this presentation refer to results including the adjustments for the adoption of NZ IFRS 16, and prior to exceptional items. 2021 half year operating results have been restated to exclude the impact of GrabOne and include the adjustments required in relation to the change in accounting policy relating to SaaS arrangements that were applied retrospectively. Please refer to pages 37-38 of this presentation for detailed reconciliation of these results to the statutory results. See note 1.2.1 of the consolidated interim financial statements for the six months ended 30 June 2022 for the restatement adjustments that have been applied.

While reasonable care has been taken in compiling this presentation, none of NZME Limited nor its subsidiaries, directors, employees, agents or advisers (to the maximum extent permitted by law) give any warranty or representation (express or implied) as to the accuracy, completeness or reliability of the information contained in it nor take any responsibility for it. The information in this presentation has not been, and will not be, independently verified or audited.

 The New Zealand Herald  THE COUNTRY  The Northern Advocate  THE HITS DRIVEN  travel VIVA  OneRoof

NewstalkZB  HOROWHENUA CHRONICLE ROTORUA  Daily Post GOLD GOLD SPORT  Herald on Sunday BusinessDesk.

 iHeartRADIO Te Puke Times  RADIO HAURAKI  HASTINGS Leader  HC POST  nzherald.co.nz  canvas Education Gazette  ZM

 radiowanaka  be well ROTORUA Weekender  ALTERNATIVE COMMENTARY COLLECTIVE  Kāpiti News Bay of Plenty Times Whanganui Chronicle Coast

 The Awamutu Courier *essence* Manawatu GUARDIAN *flava*  BUSHTELEGRAPH Katikati Advertiser The Northland Age  spy  CHB Mail

WHANGANUI MIDWEEK *Women's lifestyle expo* **reset**  KICK HOME & LIFESTYLE SHOW **hokonui**  NAPIER Courier  TimeOut  nzherald focus

 Weekend  Taupo & Tūrangi Herald  Hawke's Bay TODAY Stratford PRESS  RESTAURANT HUB Waikato Herald

EVERYONE'S HERE.

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



NEW ZEALAND
MEDIA AND
ENTERTAINMENT

NZME LIMITED 2022 HALF YEAR RESULTS

KEEPING KIWIS IN THE KNOW

SIX MONTHS TO 30 JUNE 2022



NZME.

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* In an attempt to make these financial statements easier to read, the notes to the financial statements have been grouped into six sections; aimed at grouping items of a similar nature together. The Basis of Preparation section presents a summary of material information and general accounting policies that are necessary to understand the basis on which these consolidated interim financial statements have been prepared. A summary of the key judgments and estimates is also included under the Basis of Preparation section on pages 14 to 16.



CHAIRMAN AND CHIEF EXECUTIVE REPORT

Kia ora. We are pleased to present New Zealand Media and Entertainment's (NZME) Interim Report for the half year ended 30 June 2022.

Having set our strategic priorities in 2020 with very clear targets across our three strategic pillars of Audio, Publishing and OneRoof, we are now halfway through our three-year target period. The business is delivering on its transformation objectives with revenue and growth supported by total digital revenues up 24 percent year on year. We continue to assess our performance against the strategic targets that we set, remaining agile and adapting as needed.

The year has started strongly with advertising revenues for the first half above the pre-Covid levels of 2019 and 2022's revenue and profitability above last year's. The operating environment has continued to be challenging with the Covid pandemic impacting activity in the first half of the year. This combined with supply chain challenges, inflationary pressures and labour shortages for businesses has resulted in overall business confidence falling to levels as low as have been seen in recent years.

Financial Results

We are pleased to report growth in Operating Revenue of five percent compared to the first half of 2022. Total revenue increased across all strategic pillars: Audio, Publishing and OneRoof, and total digital revenue was up by 24 percent compared to the same period last year.

NZME's Operating Earnings before Interest, Tax, Depreciation and Amortisation (EBITDA)¹ grew by three percent to \$28.1 million on the previous corresponding period.

NZME's Statutory Net Profit After Tax (NPAT) was \$8.5 million for the first half of 2022, 37 percent higher than the first half of 2021.

NZME completed half of the planned \$30 million capital return through the buyback of \$5.3 million of shares, and the payment of a special dividend of 5.0 cents per share which was paid to shareholders on 12 July 2022. The on-market buyback will recommence on 24 August 2022.

In addition, given the strong operating performance and capital position of the company, the NZME Board is pleased to have declared a fully imputed interim dividend of 3 cents per share.

Key achievements

In June NZME celebrated reaching 100,000 paid digital only subscriptions - a significant milestone driven by our continued focus on digital transformation. Publishing subscriptions across digital and print have now increased to 206,000 - an exceptional achievement in challenging economic times. The number of paid digital subscriptions overtook print subscriptions for the first time ever, as well as digital advertising revenue for June 2022 being equal to print advertising revenue across the same period. This further demonstrates the strength of our digital platforms.

The transition to digital is ultimately ensuring NZME's trusted and quality content is available to a broader audience, in turn ensuring the long-term future and sustainability of our newsrooms and our news platforms.

In January 2022, the acquisition of BusinessDesk was completed, further bolstering NZME's reputation as New Zealand's pre-eminent business news provider, supporting the country's business community with trusted, quality reporting and analysis, opinion and journalism.

NZME also expanded its reach into regional radio markets including in Central Otago with the purchase of Radio Wānaka in February 2022, which joins NZME's existing stable of stations in the Southern Lakes region - Newstalk ZB, The Hits and ZM.

We also celebrated our largest ever cumulative audience in the latest GfK Commercial Radio Survey² in July 2022, reaching more than two million people across our radio platforms. This is further complemented by our digital audio platform - iHeartRadio, which reaches one million devices and boasted 6.4 million listening hours in June 2022³. NZME is the country's top podcast network, representing eight out of the ten top podcasts⁴ in New Zealand, with more than 4.5 million podcast downloads. This further demonstrates the strength of our digital audio platform.

We have also seen strong growth in digital audio revenue through our digital audio platform iHeartRadio, up 56 percent this half compared to the previous corresponding period. This further demonstrates the positive impact our digital transformation and diversification of our audio platforms is having on revenue growth.

¹ Operating results presented are non-GAAP measures that include the impact of NZ IFRS 16, however, exclude exceptional items to allow for a like for like comparison between 2021 and 2022 financial years. H1 2021 has been restated to exclude the impact of GrabOne (sold October 2021) and the adjustments necessary from the change in accounting policy relating to SaaS arrangements adopted retrospectively. Please refer to pages 37-38 of this results presentation for a detailed reconciliation.

² GfK Commercial RAM, S2/22, Total NZ, Cume, AP10+, M-S 12mn-12mn (unless otherwise stated), Historical data available on request

³ Adswizz June 2022.

⁴ Triton NZ Podcast Ranker June 2022.



OneRoof has achieved significant growth in key areas, including a substantial increase in audience and continued growth in digital listings upgrades across both Auckland, and other regions. This helped drive a 53 percent increase in digital revenue year-on-year, against a cooling housing market.

In June we announced that we reached agreement with Google to support a number of digital transformation initiatives. The new partnership will see NZME supplying content to Google News Showcase when it officially launches in New Zealand, with selected material from our national, regional and community publications being published.

NZME also announced an agreement with Meta (the company that owns Facebook) to secure their support for a number of projects over the next year to drive subscriber growth and retention across NZME.

The partnerships further support NZME's focus on digital transformation and will bolster digital growth, increase audience reach across our platforms as well as growing digital revenue and enhancing our digital subscriptions.

Finally, the Board has been pleased to support a strong and renewed focus on our newsroom Quality and Trust principles and initiatives this year, and these principles are captured in our updated Editorial Code of Conduct and Ethics, available on NZME's website. The focus is on ensuring that our journalism is of a world class standard and that our audiences are reading, listening to, or watching our news more frequently. This will be supported by improved customer experiences across the NZ Herald website and app. NZME is committed to cementing ourselves as the home of New Zealand's best journalism.

We continue to focus on making NZME a great place to work. Insights from NZME's HearMe employee survey from May 2022 saw NZME in the top quartile globally for employee engagement - approaching the top ten percent of companies worldwide.

Outlook

Despite the challenges that came with New Zealand moving through the peaks of its Omicron outbreak in the first half of 2022, we were pleased to see advertising revenue for the half recovering to pre-pandemic levels.

Whilst advertisers are exercising caution and there is some unease in the market, as reported in business and consumer confidence metrics, pleasingly, bookings for quarter three are currently tracking five percent above the previous corresponding period.

NZME is not immune to the challenging macro-economic environment in New Zealand and globally, and there continues to be cost pressures across the business. However, we continue to carefully manage costs to ensure current business momentum continues into the second half of 2022.

Based on the above trends, NZME reconfirms its guidance of 2022 EBITDA in the range of \$67-\$72 million.

NZME remains in a very strong capital position and will recommence the on-market buy-back on 24 August 2022. The Board remains committed to returning excess capital to shareholders and will review capital and dividend policy settings over the second half of 2022.

We would like to thank our valued shareholders for your ongoing support during challenging and difficult economic times. We are committed to ensuring that NZME continues to deliver shareholder value through its business transformation.

We'd also like to acknowledge everyone at NZME for their hard work and dedication to their roles and for playing their part in serving our valued audiences, customers and our fantastic business.

Ngā mihi nui,

**Barbara Chapman
and Michael Boggs**

NZME LIMITED

2022 HALF YEAR FINANCIAL RESULTS

BUILDING B

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DIRECTORS' STATEMENT

The Directors are pleased to present the consolidated interim financial statements of NZME Limited (the "Company") and its subsidiaries (together the "Group") for the six months ended 30 June 2022, incorporating the consolidated interim financial statements and the independent auditor's review report.

The Directors are responsible, on behalf of the Company, for presenting these consolidated interim financial statements in accordance with applicable New Zealand legislation and New Zealand equivalent to International Accounting Standard 34: *Interim Financial Reporting* and International Accounting Standard 34: *Interim Financial Reporting* and the NZX Listing Rules.

The consolidated interim financial statements for the Group as presented on pages 9 to 35 are signed on behalf of the Board of Directors, and are authorised for issue on the date below.

For and on behalf of the Board of Directors



Barbara Chapman

Chairman



Carol Campbell

Director

Date: 22 August 2022

CONSOLIDATED INTERIM INCOME STATEMENT

FOR THE SIX MONTHS ENDED 30 JUNE 2022 (UNAUDITED)

	Note	June 2022 \$'000	June 2021 Restated \$'000
Revenue	2.1	173,342	172,283
Finance and other income	2.1	3,594	752
Total revenue and other income	2.1	176,936	173,035
Expenses from operations before finance costs, depreciation and amortisation		(149,294)	(143,507)
Depreciation and amortisation	2.3.2	(12,998)	(14,019)
Finance costs	2.3.2	(2,874)	(3,884)
Share of joint ventures and associates net profit / (loss) after tax		13	(354)
Impairment of assets	2.3.2	-	(2,582)
Profit before income tax expense		11,783	8,689
Income tax expense		(3,326)	(2,511)
Net profit after tax		8,457	6,178
Profit for the period is attributable to:			
Owners of the Company		8,735	6,333
Non-controlling interests		(278)	(155)
		8,457	6,178
		Cents	Cents
Earnings per share attributable to the ordinary shareholders of the Company			
Basic earnings per share (cents per share)	2.2	4.44	3.21
Diluted earnings per share (cents per share)	2.2	4.27	3.13

The above Consolidated Interim Income Statement should be read in conjunction with the accompanying notes.

CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME

FOR THE SIX MONTHS ENDED 30 JUNE 2022 (UNAUDITED)

	June 2022 \$'000	June 2021 Restated \$'000
Net profit after tax	8,457	6,178
Other comprehensive income		
<i>Items that may be reclassified to profit or loss</i>		
Effective gain on hedging instruments	110	260
Hedging reclassification to profit or loss	(23)	129
Net gain on hedging instruments	87	389
Net exchange differences on translation of foreign operations	3	(26)
Other comprehensive income net of taxation	90	363
Total comprehensive income	8,547	6,541
Total comprehensive income attributable to:		
Owners of the Company	8,825	6,696
Non-controlling interests	(278)	(155)
	8,547	6,541

CONSOLIDATED INTERIM BALANCE SHEET

AS AT 30 JUNE 2022

	Note	June 2022 (unaudited) \$'000	December 2021 (audited) \$'000
Current assets			
Cash and cash equivalents		6,847	13,538
Trade and other receivables	3.5	50,729	45,176
Inventories	3.6	1,223	1,909
Derivative financial instruments		87	25
Income tax receivable		142	-
Total current assets		59,028	60,648
Non-current assets			
Intangible assets	3.1	142,671	138,195
Property, plant and equipment	3.2	23,298	26,976
Right-of-use assets	3.3	62,609	67,513
Capital work in progress	3.4	4,869	4,006
Other financial assets		815	815
Equity accounted investments	5.2.2	3,589	3,623
Other receivables and prepayments	3.5	6,413	6,879
Derivative financial instruments		312	228
Deferred tax assets		4,476	3,485
Total non-current assets		249,052	251,720
Total assets		308,080	312,368
Current liabilities			
Trade and other payables		54,770	53,780
Gross dividend payable	4.2.1	9,678	-
Current lease liabilities	4.3.2	11,329	11,340
Income tax payable		-	4,689
Total current liabilities		75,777	69,809
Non-current liabilities			
Other payables	3.8	1,137	-
Non-current lease liabilities	4.3.2	80,193	85,445
Interest bearing liabilities	4.3.1	9,752	-
Total non-current liabilities		91,082	85,445
Total liabilities		166,859	155,254
Net assets		141,221	157,114
EQUITY			
Share capital		356,499	361,758
Reserves		5,126	4,920
Retained earnings		(220,040)	(209,478)
Total Company interest		141,585	157,200
Non-controlling interests		(364)	(86)
Total equity		141,221	157,114

The above Consolidated Interim Balance Sheet should be read in conjunction with the accompanying notes.

CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY

FOR THE SIX MONTHS ENDED 30 JUNE 2022 (UNAUDITED)

	Note	Attributable to owners of the company			Total \$'000	Non-controlling interests \$'000	Total equity \$'000
		Share capital \$'000	Reserves \$'000	Retained earnings \$'000			
Balance at 1 January 2021		361,758	3,485	(233,280)	131,963	125	132,088
Change in accounting policy	1.2.1	-	-	(5,587)	(5,587)	-	(5,587)
Restated balance at 1 January 2021		361,758	3,485	(238,867)	126,376	125	126,501
Profit / (loss) for the period restated		-	-	6,333	6,333	(155)	6,178
Other comprehensive income		-	363	-	363	-	363
Total comprehensive income / (loss)		-	363	6,333	6,696	(155)	6,541
Share based payments		-	294	-	294	-	294
Balance at 30 June 2021		361,758	4,142	(232,534)	133,366	(30)	133,336
Balance at 1 January 2022		361,758	4,920	(209,478)	157,200	(86)	157,114
Profit / (loss) for the period		-	-	8,735	8,735	(278)	8,457
Other comprehensive income		-	90	-	90	-	90
Total comprehensive income / (loss)		-	90	8,735	8,825	(278)	8,547
Dividends paid or declared	4.2.1	-	-	(19,556)	(19,556)	-	(19,556)
Supplementary dividends paid or declared	4.2.1	-	-	(2,354)	(2,354)	-	(2,354)
Tax credit on supplementary dividends		-	-	2,354	2,354	-	2,354
Repurchase of shares	4.1	(5,259)	-	-	(5,259)	-	(5,259)
Transfer of associates revaluation reserve		-	(259)	259	-	-	-
Share based payments		-	375	-	375	-	375
Balance at 30 June 2022		356,499	5,126	(220,040)	141,585	(364)	141,221

The above Consolidated Interim Statement of Changes in Equity should be read in conjunction with the accompanying notes.

CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS

FOR THE SIX MONTHS ENDED 30 JUNE 2022 (UNAUDITED)

	Note	June 2022 \$'000	June 2021 Restated \$'000
Cash flows from operating activities			
Receipts from customers		168,133	170,681
Payments to suppliers and employees		(147,789)	(140,706)
Government grants		2,095	-
Dividends received		47	61
Interest received on bank facilities		47	20
Interest received on leases	3.5.1	151	-
Interest paid on bank facilities		(475)	(1,263)
Interest paid on leases	4.3.2	(2,393)	(2,604)
Income taxes paid		(7,959)	(4,720)
Net cash inflows from operating activities	4.4	11,857	21,469
Cash flows from investing activities			
Payments for property, plant and equipment and intangible assets (including work in progress)		(4,109)	(2,318)
Acquisition of BusinessDesk	3.8	(2,717)	-
Acquisition of Radio Wanaka assets		(892)	-
Proceeds from sale of property, plant and equipment		8	1,853
Net cash outflows from investing activities		(7,710)	(465)
Cash flows from financing activities			
Proceeds from borrowings		17,000	10,500
Repayments of borrowings		(7,000)	(26,500)
Repurchase of shares	4.1	(5,259)	-
Dividends paid to Company's shareholders	4.2.1	(9,878)	-
Payments for lease liability principal	4.3.2	(5,701)	(5,616)
Net cash outflows from financing activities		(10,838)	(21,616)
Net decrease in cash and cash equivalents	4.3.1	(6,691)	(612)
Cash and cash equivalents at beginning of the period		13,538	11,560
Cash and cash equivalents at end of the period		6,847	10,948

The above Consolidated Interim Statement of Cash Flows should be read in conjunction with the accompanying notes.

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS (UNAUDITED)

1.0 BASIS OF PREPARATION

1.1 REPORTING ENTITY AND STATUTORY BASE

NZME Limited (NZX:NZM, ASX:NZM) is a for-profit company limited by ordinary shares which are publicly traded on the NZX Main Board and the Australian Securities Exchange as a Foreign Exempt Listing. NZME Limited is incorporated and domiciled in New Zealand. It is registered under the Companies Act 1993 and is a FMC reporting entity under Part 7 of the Financial Markets Conduct Act 2013.

The entity's registered office is 2 Graham Street, Auckland, 1010, New Zealand.

NZME Limited (the "Company" or "Parent") and its subsidiaries' (together the "Group") principal activity during the financial period was the operation of an integrated media and entertainment business.

1.2 GENERAL ACCOUNTING POLICIES

These consolidated interim financial statements have been prepared in accordance with New Zealand equivalent to International Accounting Standard 34: *Interim Financial Reporting*, International Accounting Standard 34: *Interim Financial Reporting* and the NZX Listing Rules.

The consolidated interim financial statements do not include all notes of the type normally included in an annual financial report. Accordingly, these consolidated interim financial statements should be read in conjunction with the audited consolidated financial statements for the year ended 31 December 2021. These consolidated interim financial statements are presented for the Group.

The material accounting policies used in the preparation of these consolidated interim financial statements are generally consistent with those used in the audited consolidated financial statements for the year ended 31 December 2021. Where there have been changes to accounting policies or the Directors

consider it necessary to disclose an accounting policy in these consolidated interim financial statements, accounting policies have been included in the relevant note.

These consolidated interim financial statements are presented in New Zealand dollars, which is the Company's functional and the Group's presentation currency, and rounded to the nearest thousand, except where otherwise stated. These consolidated interim financial statements were approved for issue by the Board of Directors on 22 August 2022.

These consolidated interim financial statements have not been audited, but have been reviewed in accordance with New Zealand Standard on Review Engagement 2410: *Review of Financial Statements Performed by the Independent Auditor of the Entity*. The 30 June 2022 and 30 June 2021 figures and narrative are unaudited while those for 31 December 2021 are audited figures and narrative.

1.2.1 Basis of measurement

In the second half of 2021 the Group reconsidered its accounting treatment in relation to Software-as-a-Service (SaaS) arrangements, as a result of an agenda decision issued by the IFRS Interpretations Committee (IFRIC) on Configuration or Customisation Costs in a Cloud Computing Arrangement, and has changed its accounting policy. The Group determined certain intangible assets should be de-recognised as the costs did not create separate intangible assets controlled by the Group.

The consolidated financial statements for the year ended 31 December 2021 contain further details in relation to the change in accounting policy for SaaS arrangements. The change in accounting policy was applied retrospectively and the comparative equity position has been restated. This retrospective restatement requires a similar restatement of the 1 January 2021 and 30 June 2021 comparative balances contained in these consolidated interim financial statements for the six months ended 30 June 2022 where applicable.

The restatement adjustments are detailed in the following tables:

CONSOLIDATED INCOME STATEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2021

	Previously reported \$'000	SaaS adjustment (note 1.2.1) \$'000	Restated \$'000
Expenses from operations before finance costs, depreciation and amortisation	(143,091)	(416)	(143,507)
Depreciation and amortisation	(15,288)	1,269	(14,019)
Profit before income tax	7,836	853	8,689
Income tax expense	(2,272)	(239)	(2,511)
Net profit after tax	5,564	614	6,178

	Previously reported Cents	SaaS adjustment (note 1.2.1) Cents	Restated Cents
Earnings per share attributable to the ordinary shareholders of the Company			
Basic earnings per share	2.89	0.32	3.21
Diluted earnings per share	2.82	0.31	3.13

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE SIX MONTHS ENDED 30 JUNE 2021

	Previously reported \$'000	SaaS adjustment (note 1.2.1) \$'000	Restated \$'000
Payments to suppliers and employees	(140,290)	(416)	(140,706)
Net cash inflows from operating activities	21,885	(416)	21,469
Payments for property, plant and equipment and intangible assets (including work in progress)	(2,734)	416	(2,318)
Net cash outflows from investing activities	(881)	416	(465)

1.2.2 Comparatives

Certain prior period information has been re-presented to ensure consistency with current year disclosures and to provide more meaningful comparison.

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS (UNAUDITED)

CONTINUED

1.3 SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of the consolidated interim financial statements requires the use of certain significant judgments, accounting estimates and assumptions, including judgments, estimates and assumptions concerning the future. The estimates and assumptions are based on historical experiences and other factors that are considered to be relevant. The resulting accounting estimates will by definition, seldom equal the related actual results and are reviewed on an ongoing basis. Significant areas of estimation and judgment in these consolidated interim financial statements are consistent with

those disclosed in the audited consolidated financial statements for the year ended 31 December 2021 and are as follows:

Areas of significant accounting estimates or judgements	Note
<i>Determination of the number of reportable segments</i>	2.3.1
<i>Assumptions and judgments used in the impairment review of indefinite life intangible assets</i>	3.1.1

1.4 NEW STANDARDS AND INTERPRETATIONS ADOPTED IN THE CURRENT PERIOD

There have been no changes to accounting policies or new standards adopted during the period.

1.5 COVID-19

The global pandemic that was declared by the World Health Organisation on 11 March 2020 continues to impact the world and New Zealand as new variants continue to evolve. In the six months to 30 June 2022 New Zealand has re-opened its borders to returning citizens and international travellers.

The risks and uncertainty faced by the Group relate to (and are not limited to) the impact of wider economic pressures in New Zealand and globally.

1.6 WORKING CAPITAL

As at 30 June 2022 the Group had negative working capital of \$16.7 million compared to \$9.2 million as at 31 December 2021. The Group's level of negative working capital is primarily due to deferred revenue of \$18.6 million (31 December 2021: \$16.9 million) and

dividends payable of \$9.7 million (31 December 2021: \$nil). The Directors are satisfied that there will be adequate cash flows generated from operating and financing activities to meet the obligations of the Group over the next 12 months.

2.0 GROUP PERFORMANCE

2.1 DISAGGREGATION OF REVENUE AND OTHER INCOME

	Print \$'000	Radio \$'000	Digital ^A \$'000	Total \$'000
For the six months ended 30 June 2022				
Advertising	37,442	53,575	35,363	126,380
Circulation & subscription	33,848	-	7,929	41,777
External printing & distribution	2,257	-	-	2,257
Other	1,590	481	485	2,556
Segment revenue from integrated media and entertainment activities	75,137	54,056	43,777	172,970
Shared services centre				372
Total revenue from external customers				173,342
Other income ^B				3,396
Finance income				198
Total finance and other income				3,594
Total revenue and other income				176,936

^A Following the sale of the GrabOne business in 2021, the Group has no e-Commerce revenue.

^B Other income includes Government grants of \$2,094,530 received from the Ministry of Culture and New Zealand On Air for the production of content, journalism training & creating greater cultural awareness.

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS (UNAUDITED)

CONTINUED

	Print \$'000	Radio \$'000	Digital & e-Commerce \$'000	Total \$'000
For the six months ended 30 June 2021				
Advertising	40,270	51,168	30,584	122,022
Circulation & subscription	35,007	-	5,148	40,155
External printing & distribution	2,359	-	-	2,359
Other	1,165	397	4,514	6,076
Segment revenue from integrated media and entertainment activities	78,801	51,565	40,246	170,612
Shared services centre				694
Events				977
Total revenue from external customers				172,283
Other income				732
Finance income				20
Total finance and other income				752
Total revenue and other income				173,035

2.2 EARNINGS PER SHARE

	June 2022 \$'000	June 2021 Restated \$'000
Reconciliation of earnings used in calculating basic / diluted earnings per share (EPS)		
Profit attributable to owners of the parent entity	8,735	6,333

	June 2022 '000	June 2021 '000
Weighted average number of shares		
Weighted average number of shares for calculating basic EPS	196,698,866	197,570,061
Adjusted for calculation of diluted EPS	7,716,996	5,007,950
Weighted average number of shares in the denominator in calculating diluted EPS	204,415,862	202,578,011

	June 2022 Cents	June 2021 Restated Cents
Basic / diluted earnings per share		
Basic earnings per share (cents per share)	4.44	3.21
Diluted earnings per share (cents per share)	4.27	3.13

2.3 SEGMENT INFORMATION

2.3.1 Determination and description of segments

Significant judgements: The Group has one reportable segment – being “Integrated Media and Entertainment”. All significant operating decisions are based upon analysis of NZME as one operating segment. The Executive Team and the Board of Directors have been identified as the Chief Operating Decision Maker. The Group's major products and services are split by channel only at the revenue level into Print, Radio and Digital & e-Commerce which is the way in which revenue is reported to the Chief Operating Decision Maker. Although the Group operates in many different markets within New Zealand, for management reporting purposes the Group operates in one principal geographical area being New Zealand as a whole.

Integrated Media and Entertainment incorporates the sale of advertising, goods and services generated from the audiences attached to the Group's media platforms.

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS (UNAUDITED)

CONTINUED

2.3.2 Segment revenue and results

The segment information provided to the Directors and Executive Team for the six months ended 30 June 2022 is as follows:

	June 2022 \$'000	June 2021 Restated \$'000
Revenue from external customers by channel		
Print	75,137	78,801
Radio	54,056	51,565
Digital & e-Commerce	43,777	40,246
Segment revenue from integrated media and entertainment activities	172,970	170,612
Shared services centre	372	694
Events	-	977
Total revenue from external customers	173,342	172,283
Other income ^A	3,396	167
Expenses from operations before finance costs, depreciation, amortisation and exceptional items	(148,603)	(142,806)
Total segment adjusted EBITDA ^B	28,135	29,644
Depreciation and amortisation on owned assets	(7,656)	(8,076)
Depreciation on right-of-use assets	(5,342)	(5,943)
Total depreciation and amortisation	(12,998)	(14,019)
Interest expense on bank facilities	(452)	(1,028)
Interest rate swaps	36	(128)
Fair value adjustment on interest rate swaps	59	-
Borrowing cost amortisation	(124)	(124)
Interest expense on leases	(2,393)	(2,604)
Total finance cost	(2,874)	(3,884)
Impairment of right-of-use asset ^C	-	(1,230)
Impairment of property plant and equipment ^C	-	(1,352)
Total impairment of assets	-	(2,582)
Interest income	198	20
Other lease adjustments ^D	(29)	100
Share of joint ventures and associates net profit / (loss) after tax	13	(354)
<i>Exceptional items:</i>		
Gain on disposal of transmission site	-	465
Redundancies and associated costs ^E	(146)	(292)
Costs in relation to one-off projects ^F	(516)	(409)
Profit before tax	11,783	8,689

^A Other income includes rental income of \$102,361 relating to operating sub-leases of right-of-use assets (2021: \$125,621).

^B Adjusted Earnings before Interest, Tax, Depreciation and Amortisation (Adjusted EBITDA) which excludes exceptional items, is a non-GAAP measure that represents the Group's total segment result which is regularly monitored by the Chief Operating Decision Maker. Exceptional items are those gains, losses, income and expense items that are not directly related to the primary business activities of the Group which are determined in accordance with the NZME Exceptional Items Recognition Framework adopted by the Board. Exceptional items include redundancies, impairment, one-off projects and the disposal of properties or businesses. These items are excluded from the segment result that is regularly reviewed by the Chief Operating Decision Maker.

^C In 2021 the Group entered into an agreement to sub-lease part of 2 Graham Street. The portion sub-leased was 24.8% of the headlease which resulted in an impairment to the Graham Street right-of-use asset and an impairment to property, plant and equipment in relation to the Graham Street building fitout costs.

^D The 2022 lease adjustment relates to the sub-lease of Graham Street and reflects the rent concession provided to the sub-tenant in response to Covid-19. The 2021 lease adjustments primarily relate to changes in building leases.

^E The redundancies and associated costs relate to the restructuring of the Group's operations.

^F The 2022 costs primarily relate to the sub-lease of Graham Street and the disposal of assets in relation to the Wellington office space. The 2021 costs primarily relate to onerous contracts and the sale of GrabOne Limited.

As the Group has one operating segment, the assets and liabilities as reported on the consolidated balance sheet are also the segment assets and liabilities, and the income tax expense in the consolidated income statement is also the segment income tax.

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS (UNAUDITED)

CONTINUED

3.0 OPERATING ASSETS AND LIABILITIES

3.1 INTANGIBLE ASSETS

	Goodwill \$'000	Software \$'000	Masthead brands \$'000	Radio licences \$'000	Brands \$'000	Total \$'000
As at 31 December 2021						
Cost	166,397	53,909	146,976	79,059	59,019	505,360
Accumulated amortisation and impairment	(166,397)	(46,273)	(74,336)	(50,309)	(29,850)	(367,165)
Net book value	-	7,636	72,640	28,750	29,169	138,195
For the period ended 30 June 2022						
Opening net book value	-	7,636	72,640	28,750	29,169	138,195
Additions	3,830	120	-	889	603	5,442
Amortisation	-	(1,899)	-	(1,587)	-	(3,486)
Transfers from capitalised work in progress	-	2,520	-	-	-	2,520
Net book value	3,830	8,377	72,640	28,052	29,772	142,671
As at 30 June 2022						
Cost	170,227	56,534	146,976	79,948	59,622	513,307
Accumulated amortisation and impairment	(166,397)	(48,157)	(74,336)	(51,896)	(29,850)	(370,636)
Net book value	3,830	8,377	72,640	28,052	29,772	142,671

3.1.1 Half year impairment review

Significant judgement: As disclosed in note 2.3.1 the Group has one reportable segment - being "Integrated Media and Entertainment". The Directors have also determined that this is the only cash generating unit for the purposes of impairment testing. In the consolidated financial statements for the year ended 31 December 2021 it was stated by Management that there were no reasonably possible changes to key assumptions which could result in impairment. Management has conducted a review of possible impairment indicators as at 30 June 2022 and concluded that there are no such indicators which would require a full impairment assessment to be performed. Specifically, Management has considered the trading performance of the Group compared to forecasts used in the impairment assessment at 31 December 2021 as well as the market capitalisation of the Group at 30 June 2022.

3.2 PROPERTY, PLANT AND EQUIPMENT

	Freehold land \$'000	Buildings \$'000	Leasehold improvements \$'000	Plant and equipment \$'000	Total \$'000
As at 31 December 2021					
Cost or fair value	265	67	14,854	264,070	279,256
Accumulated depreciation and impairment	-	(14)	(10,722)	(241,544)	(252,280)
Net book value	265	53	4,132	22,526	26,976
For the period ended 30 June 2022					
Opening net book value	265	53	4,132	22,526	26,976
Additions	-	-	-	28	28
Disposals	-	-	(184)	(54)	(238)
Depreciation	-	(1)	(430)	(3,739)	(4,170)
Transfers from capitalised work in progress	-	5	18	679	702
Net book value	265	57	3,536	19,440	23,298
As at 30 June 2022					
Cost or fair value	265	67	14,410	257,308	272,050
Accumulated depreciation and impairment	-	(10)	(10,874)	(237,868)	(248,752)
Net book value	265	57	3,536	19,440	23,298

3.3 RIGHT-OF-USE ASSETS

	Buildings \$'000	Transmission \$'000	Vehicles \$'000	Total \$'000
As at 31 December 2021				
Net book value	43,486	23,040	987	67,513
For the period ended 30 June 2022				
Additions	104	-	366	470
Depreciation	(3,438)	(1,619)	(285)	(5,342)
Changes in lease payments or lease terms	(33)	-	1	(32)
Net book value	40,119	21,421	1,069	62,609

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS (UNAUDITED)

CONTINUED

3.4 CAPITAL WORK IN PROGRESS

	\$'000
As at 31 December 2021	4,006
Additions	4,085
Transfers to property, plant and equipment	(702)
Transfers to intangible assets	(2,520)
As at 30 June 2022	4,869

Capital work in progress is transferred to the relevant asset category once the project is completed. Capitalised work in progress is not depreciated or amortised prior to being transferred to the relevant asset category.

3.5 TRADE AND OTHER RECEIVABLES

	Note	June 2022 \$'000	December 2021 \$'000
Trade receivables net of provisions		43,002	38,179
Amounts due from related companies	6.1	23	9
Finance lease receivables	3.5.1	380	356
Other receivables and prepayments		7,324	6,632
Total current trade and other receivables		50,729	45,176
Other receivables and prepayments		832	1,101
Finance lease receivables	3.5.1	5,581	5,778
Total non-current other receivables and prepayments		6,413	6,879

3.5.1 Finance lease receivables

	\$'000
As at 31 December 2021	
Current assets	356
Non-current assets	5,778
Net investment in lease receivables at 31 December 2021	6,134
Interest on lease receivables	151
Rent concession	(29)
Total lease receivables before cash payments	6,256
Interest received	(151)
Principal received	(144)
Net investment in lease receivables at 30 June 2022	5,961
Current assets	380
Non-current assets	5,581
Net investment in lease receivables at 30 June 2022	5,961

3.6 INVENTORIES

Inventories is predominantly the stock of newsprint held at the Ellerslie print plant and is valued at cost. The stock of newsprint held is, on average, seven weeks' supply. The longevity of the commodity, and the short period of time that stock is on hand, reduces the Group's risk of holding obsolete stock.

3.7 NET TANGIBLE ASSETS AND LIABILITIES

Net tangible assets per share is a non-GAAP measure that is required to be disclosed by the NZX Listing Rules. The calculation of the Group's net tangible assets per share and its reconciliation to the consolidated balance sheet is presented below:

	June 2022 \$'000	December 2021 \$'000
Total assets	308,080	312,368
Deferred tax asset	(4,476)	(3,485)
Intangible assets	(142,671)	(138,195)
Total liabilities	(166,859)	(155,254)
Net tangible (liabilities) / assets	(5,926)	15,434
Minority interest	364	86
Net tangible (liabilities) / assets for the owners of the company	(5,562)	15,520
Number of shares issued (in thousands)	193,558	197,570
Net tangible (liabilities) / assets per share (in \$)	(\$0.03)	\$0.08

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS (UNAUDITED)

CONTINUED

3.8 BUSINESSDESK ACQUISITION

On 17 January 2022 the Group acquired the assets, certain liabilities and business of BusinessDesk from Content Limited. The ultimate purchase price to be paid for the acquisition of BusinessDesk is still to be determined. In addition to the cash paid in January 2022 of \$2.7 million a maximum earn-out of \$1.5 million is payable on 31 December 2023 with the exact amount payable on that date to be determined in accordance with the terms of the sale and purchase agreement.

The assessment of the fair value of the identifiable assets and liabilities acquired is provisional as at 30 June 2022 and is expected to be finalised in the consolidated financial statements at 31 December 2022.

The purchase of BusinessDesk by the Group will assist BusinessDesk to reach its full potential by utilising the Group's strong digital publishing experience, subscription growth experience and international partnerships, and will enable the Group to provide BusinessDesk and NZ Herald Premium subscribers with comprehensive and trusted business news.

The following is a summary of the provisional purchase transaction that includes an estimation of the fair value of the earn-out payment of \$1,136,966. The goodwill generated in the acquisition is non-deductible for tax purposes.

	\$'000
Software	121
Goodwill	3,830
Brands	603
Total intangible assets	4,554
Minor assets	7
Deferred revenue	(647)
Employee entitlements	(53)
Total provisional purchase price	3,861

The goodwill of \$3,829,689 arising on acquisition is attributed to the business know-how and the premium paid for a proven business.

The results for the Group for the six months to 30 June 2022 include revenue of \$1,409,923 and a net loss before tax of \$121,622 from BusinessDesk with these amounts being \$1,573,132 and \$74,488 respectively if BusinessDesk had been owned for the entire period.

4.0 CAPITAL MANAGEMENT

4.1 SHARE CAPITAL

On 4 April 2022 the Group commenced a share buyback programme for up to 21,428,571 shares, approximately 11% of NZME's issued share capital as at 31 December 2021, and an aggregate purchase price of up to \$30.0 million. The share buyback programme will finish on 16 December 2022.

The shares purchased by the Group under the programme are cancelled upon repurchase.

The table below is a summary of the buyback programme in the period from 4 April 2022 to 30 June 2022.

	Number of shares '000	Share capital \$'000
Balance at 31 December 2021	197,570	361,758
Repurchase of shares	(4,012)	(5,259)
Balance at 30 June 2022	193,558	356,499

On 20 June 2022 a special dividend was declared, see note 4.2.1 for details. This special dividend was declared due to the slower than anticipated progress of the buyback programme and, as a result, the

maximum aggregate purchase price for shares to be acquired by the Group through the buyback programme has been reduced to \$20.3 million including the \$5.3 million already purchased.

4.2 DIVIDENDS

4.2.1 Dividends paid and declared

On 21 February 2022 the Directors declared a fully imputed and franked dividend for the year ended 31 December 2021 of 5.0 cents per share paid on 23 March 2022 to registered shareholders as at 11 March 2022. The total amount paid was \$9,878,503. The Directors also declared a supplementary dividend of 0.882353 cents per share paid on 23 March 2022 to registered shareholders who were not tax residents in New Zealand and who held less than 10% of the shares in the Company. The total supplementary dividend paid was \$1,165,821.

On 20 June 2022 the Directors declared a special dividend of 5.0 cents per share, which was fully imputed and partially franked, to be paid on 12 July 2022 to registered shareholders as at 28 June 2022. The total amount to be paid was \$9,677,877. The Directors also declared a supplementary dividend of 0.882353 cents per share payable on 12 July 2022 to registered shareholders who were not tax residents in New Zealand and who held less than 10% of the shares in the Company. The total supplementary dividend paid was \$1,187,983.

4.2.2 Dividends declared after balance date

On 22 August 2022, the Directors declared a fully imputed dividend of 3.0 cents per share, to be paid on 27 September 2022 to registered shareholders as at 15 September 2022 (total amount to be paid \$5,806,726).

The dividends declared and paid were approved by the Directors to be paid out of profits from NZME Limited, as a standalone legal entity, which had been specifically earmarked as being available for the declaration of the dividend and had not been appropriated or earmarked for other purposes.

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS (UNAUDITED)

CONTINUED

4.2.3 Franking and imputation credits

	June 2022 \$'000	December 2021 \$'000
Imputation credits available for subsequent reporting periods based on the New Zealand 28% tax rate for the Group	NZ\$ 21,892	NZ\$ 25,047
Franking credits available to the Company for subsequent reporting periods based on the Australia 30% tax rate for the Group	\$ - ^A	A\$ 6,700 ^A

^A Following the payment of the special dividend on 12 July 2022, there are no further franking credits available and the Company does not expect to frank any further dividends. At 31 December 2021, there were A\$6,699,711 of franking credits available for use by the Company.

4.3 INTEREST BEARING LIABILITIES

The following table details the Group's combined net debt at 30 June 2022. The movements in these balances during the year are provided in notes 4.3.1 Secured bank loans and note 4.3.2 Lease liabilities.

	\$'000
Bank loans	9,752
Cash and cash equivalents	(6,847)
Net bank debt	2,905
Lease liabilities	91,522
Net debt at 30 June 2022	94,427

4.3.1 Secured bank loans

	\$'000
Bank loans	
As at 31 December 2021	-
Cash flows	10,000
Amortisation of borrowing costs	124
Reclassification of unamortised borrowing costs from prepayments	(372)
As at 30 June 2022	9,752
Cash and cash equivalents	
As at 31 December 2021	(13,538)
Cash flows	6,691
Net bank debt at 30 June 2022	2,905

Capitalised borrowing costs of \$248,507 are included in the secured bank loans balance at 30 June 2022.

At 31 December 2021 capitalised borrowing costs of \$372,671 were reclassified as current prepayments (\$248,507) and non-current prepayments (\$124,254). Capitalised borrowing costs are the costs incurred on acquiring the loan less accumulated amortisation to 30 June 2022 with the costs being amortised over the period of the loan.

The Group is funded from a combination of its own cash reserves and NZ\$50.0 million bilateral bank loan facilities, which NZME refinanced on 21 November 2018 and 22 July 2020, of which \$10.0 million (31 December 2021: \$nil million) is drawn and \$40.0 million (31 December 2021: \$50.0 million) is undrawn as at 30 June 2022.

The interest rate for the drawn facility is the BKBM plus credit margin.

The NZME bilateral facilities contain undertakings which are customary for facilities of this nature including, but not limited to, provision of information, negative pledge and restrictions on priority indebtedness and disposals of assets. The assets of the Group are collateral for the interest bearing liability.

In addition, the Group must comply with financial covenants (a net debt to EBITDA ratio and an EBITDA to net interest expense ratio) for each 12 month period ending on 31 March, 30 June, 30 September and 31 December. The Group has complied with these covenants throughout the reporting period.

This facility expires on 1 July 2023 and is expected to be renewed in the normal course of business.

4.3.2 Lease liabilities

	\$'000
As at 31 December 2021	
Current lease liabilities	11,340
Non-current lease liabilities	85,445
Total lease liabilities at 31 December 2021	96,785
Interest on lease liabilities	2,393
New leases	470
Changes in scope, lease terms and other adjustments	(32)
Total lease liabilities before cash payments	99,616
Interest paid on leases	(2,393)
Principal payments	(5,701)
Total cash payments	(8,094)
Total lease liabilities at 30 June 2022	91,522
Current lease liabilities	11,329
Non-current lease liabilities	80,193
Total lease liabilities at 30 June 2022	91,522

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS (UNAUDITED)

CONTINUED

4.4 CASH FLOW INFORMATION

	June 2022 \$'000	June 2021 Restated \$'000
Reconciliation of cash		
<i>Cash at end of the period, as shown in the statement of cash flows, comprises:</i>		
Cash and cash equivalents	6,847	10,948
Reconciliation of net cash inflows / (outflows) from operating activities to profit for the period:		
Profit for the period	8,457	6,178
Depreciation and amortisation expense	12,998	14,019
Borrowing cost amortisation	124	124
Fair value movement on over hedged swaps	(59)	-
Net loss / (gain) on sale of non-current assets	230	(442)
Change in current / deferred tax payable	(4,633)	(2,209)
Lease adjustments	29	(100)
Impairment of property plant and equipment	-	1,352
Impairment of right-of-use assets	-	1,230
Group's share of retained losses in joint ventures and associates net of distributions received	34	415
Share based payment expense	375	294
Changes in assets and liabilities:		
Trade and other receivables	(5,827)	1,013
Inventories	686	(897)
Prepayments	340	(222)
Trade and other payables and employee benefits	(897)	714
Net cash inflows from operating activities	11,857	21,469

4.5 FAIR VALUE MEASUREMENT

The Group measures and recognises the following assets and liabilities at fair value on a recurring basis:

- Financial assets at fair value through profit or loss (FVTPL);
- Land and buildings (excluding leasehold improvements).

4.5.1 Fair value hierarchy

NZ IFRS 13 requires disclosure of fair value measurements by level of the following fair value measurement hierarchy:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly, and
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

4.5.2 Recognised fair value measurements

	June 2022 \$'000	December 2021 \$'000
<i>Recurring fair value measurements</i>		
Financial assets (Level 2)		
Derivative financial instruments current assets	87	25
Derivative financial instruments non-current assets	312	228
Financial assets (Level 3)		
There are no financial assets carried at fair value. Other financial assets of \$815,000 (2021: \$815,000) are measured at amortised cost and therefore have been excluded from this table.		
Total financial assets	399	253
Non-financial assets (Level 3)		
Freehold land and buildings		
Freehold land	265	265
Buildings (excluding leasehold improvements)	57	53
Total non-financial assets	322	318

All fair value measurements referred to above are either level 2 or level 3 of the fair value hierarchy and there were no transfers between levels.

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS (UNAUDITED)

CONTINUED

4.5.3 Disclosed fair values

The Group also has a number of assets and liabilities which are not measured at fair value but for which fair values are disclosed in these notes.

The carrying amounts of trade receivables and payables are assumed to approximate their fair values due to their short-term nature.

The fair value of the non-current trade receivables are assumed to approximate their carrying values as the balances comprise of prepayments in relation to cash already received by the Group and lease receivables where the carrying value has been calculated based on net present values of future cash inflows.

The fair value of interest bearing liabilities disclosed in note 4.3 is estimated by discounting the future contractual cash flows at the current market interest rates that are available to the Group for similar financial instruments. For the period ending 30 June 2022, the borrowing rates were determined to be between 3.8% and 5.6% (31 December 2021: between 3.0% and 3.6%), depending on the type of borrowing. The fair value of borrowings approximates the carrying amount, as the impact of discounting is not significant (level 2).

4.5.4 Valuation techniques used to derive at level 2 and 3 fair values

Recurring fair value measurements

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

The Group carries freehold land and buildings at a Directors valuation less subsequent depreciation for buildings. The land and buildings owned by the Group are transmission sites and associated buildings, and as such are specialised and have limited saleability. The best evidence of fair value is current prices in an active market for similar properties; however, these are not readily available for such specialised sites in such locations. The Directors believe that the current carrying value of the assets equates to their fair value given the nature and location of the assets. All resulting fair value estimates for properties are included as level 3.

5.0 GROUP STRUCTURE AND INVESTMENTS IN OTHER ENTITIES

5.1 CONTROLLED ENTITIES

The consolidated interim financial statements incorporate the assets, liabilities and results of the subsidiaries listed below. Unless otherwise stated, they have share capital consisting solely of ordinary shares that are held directly by the Group, and the

proportion of ownership interest held equals the voting rights held by the Group. All entities are incorporated in, and operate in, New Zealand unless otherwise stated. There were no changes in control during the period ended 30 June 2022.

	June 2022 Ownership Interest	December 2021 Ownership Interest
Name of entity		
NZME Advisory Limited (previously GrabOne Limited) ^A	100%	100%
NZME Australia Pty Limited ^B	100%	100%
NZME Educational Media Limited	100%	100%
NZME Holdings Limited	100%	100%
NZME Investments Limited	100%	100%
NZME Print Limited	100%	100%
NZME Publishing Limited	100%	100%
NZME Radio Investments Limited	100%	100%
NZME Radio Limited ^C	100%	100%
NZME Specialist Limited	100%	100%
The Hive Online Limited	100%	100%
New Zealand Radio Network Limited	100%	100%
The Radio Bureau Limited	100%	100%
OneRoof Limited	80%	80%

^A GrabOne Limited's name was changed to NZME Advisory Limited on 29 October 2021 following the sale of GrabOne Limited's assets and certain liabilities to Global Market Place.

^B Incorporated in, and operates in, Australia.

^C One "Kiwi Share" held by the Minister of Finance. The rights and obligations are set out in the NZME Radio constitution.

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS (UNAUDITED)

CONTINUED

5.2 INTERESTS IN OTHER ENTITIES

5.2.1 Associates, joint ventures and joint operations

The Group has the following associates, joint ventures and joint operations:

	June 2022 Ownership Interest	December 2021 Ownership Interest
Eveve New Zealand Limited ^A	40%	40%
New Zealand Press Association Limited ^A	38.82%	38.82%
Restaurant Hub Limited ^A	38%	38%
The Beacon Printing & Publishing Company Limited ^A	21%	21%
The Gisborne Herald Company Limited (held through Essex Castle Limited as a trust company for NZME Publishing Limited) ^A	49%	49%
The Wairoa Star Limited ^A	40.41%	40.41%
The Radio Bureau ^B	50%	50%

^A These entities are classified as joint ventures or associates and are accounted for using the equity method in these consolidated interim financial statements.

^B The Radio Bureau is classified as a joint operation and the Group has included its direct right to the assets, liabilities, revenues and expenses of joint operations and its share of any jointly held or incurred assets, liabilities, revenues and expenses in these consolidated interim financial statements.

5.2.2 Equity accounted investments

	\$'000
As at 31 December 2021	3,623
Share of profits in joint ventures and associates	13
Dividends received	(47)
As at 30 June 2022	3,589

The equity accounted investments are not considered to be material to the Group's operations or results and therefore no disclosures of the summarised financial information for these investments have been made.

6.0 OTHER NOTES

6.1 RELATED PARTIES

The following table details the period end balances between the Group and its associates.

	June 2022 \$'000	December 2021 \$'000
Balances with associates		
Receivables	23	9
Payables	(6)	(24)

The following table details the transactions between the Group and its associates during the six months ended 30 June 2022.

	June 2022 \$'000	June 2021 \$'000
Transactions with associates		
Advertising revenue earned	6	4
Services provided by the Group	48	46
Paper usage reimbursed	46	1
Services received by the Group	(1)	(10)

6.2 COMMITMENTS AND CONTINGENT LIABILITIES

In 2021 the Group entered into an agreement to lease office space in Christchurch. The agreement is for an initial period of 10 years with two 5 year renewal periods. The lease commences in September 2022 and includes fixed rent increases of 1.5% on the anniversary of the commencement date. A market rent review will take place at each renewal date. The total amount payable over the initial 10 years is \$3.5 million.

The Group is subject to litigation incidental to the business, none of which is expected to be material.

No provision has been made in the consolidated financial statements in relation to its current litigation and the directors believe that such litigation will not have a significant effect on the Group's financial position, results of operations or cash flows.

6.3 SUBSEQUENT EVENTS

The Directors are not aware of any other material events subsequent to the reporting date.



Independent auditor's review report

To the Shareholders of NZME Limited

Report on the consolidated interim financial statements

Our conclusion

We have reviewed the consolidated interim financial statements of NZME Limited (the Company) and its subsidiaries (the Group), which comprise the consolidated interim balance sheet as at 30 June 2022, and the consolidated interim income statement, the consolidated interim statement of comprehensive income, the consolidated interim statement of changes in equity and the consolidated interim statement of cash flows for the six months ended on that date, and significant accounting policies and other explanatory information.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying consolidated interim financial statements of the Group do not present fairly, in all material respects, the financial position of the Group as at 30 June 2022, and its financial performance and cash flows for the six months then ended, in accordance with International Accounting Standard 34 *Interim Financial Reporting* (IAS 34) and New Zealand Equivalent to International Accounting Standard 34 *Interim Financial Reporting* (NZ IAS 34).

Basis for conclusion

We conducted our review in accordance with the New Zealand Standard on Review Engagements 2410 (Revised) *Review of Financial Statements Performed by the Independent Auditor of the Entity* (NZ SRE 2410 (Revised)). Our responsibilities are further described in the *Auditor's responsibilities for the review of the consolidated interim financial statements* section of our report.

We are independent of the Group in accordance with the relevant ethical requirements in New Zealand relating to the audit of the annual financial statements, and we have fulfilled our other ethical responsibilities in accordance with these ethical requirements. In addition to our role as auditor, our firm carries out other services for the Group in the areas of agreed upon procedures relating to the benchmarking of market revenue data, and agreed upon procedures relating to the Broadcasting Standards Authority. In addition, certain partners and employees of our firm may deal with the Group on normal terms within the ordinary course of the trading activities of the Group. The provision of these other services has not impaired our independence.

Responsibilities of Directors for the consolidated interim financial statements

The Directors of the Company are responsible on behalf of the Group for the preparation and fair presentation of these consolidated interim financial statements in accordance with IAS 34 and NZ IAS 34 and for such internal control as the Directors determine is necessary to enable the preparation and fair presentation of the consolidated interim financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibilities for the review of the consolidated interim financial statements

Our responsibility is to express a conclusion on the consolidated interim financial statements based on our review. NZ SRE 2410 (Revised) requires us to conclude whether anything has come to our attention that causes us to believe that the consolidated interim financial statements, taken as a whole, are not prepared in all material respects, in accordance with IAS 34 and NZ IAS 34.

A review of consolidated interim financial statements in accordance with NZ SRE 2410 (Revised) is a limited assurance engagement. We perform procedures, primarily consisting of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures.



The procedures performed in a review are substantially less than those performed in an audit conducted in accordance with International Standards on Auditing and International Standards on Auditing (New Zealand) and consequently does not enable us to obtain assurance that we might identify in an audit. Accordingly, we do not express an audit opinion on these consolidated interim financial statements.

Who we report to

This report is made solely to the Company's Shareholders as a body. Our review work has been undertaken so that we might state those matters which we are required to state to them in our review report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Shareholders, as a body, for our review procedures, for this report, or for the conclusion we have formed.

The engagement partner on the review resulting in this independent auditor's review report is Lisa Croke.

For and on behalf of:

A handwritten signature in black ink that reads 'PricewaterhouseCoopers'.

Chartered Accountants
22 August 2022

Auckland

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HERE.**

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ME.**
NEW ZEALAND
MEDIA AND
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Please note: all cash amounts in this form should be provided to 8 decimal places

Section 1: Issuer information				
Name of issuer	NZME Limited			
Financial product name/description	Ordinary shares			
NZX ticker code	NZM			
ISIN (If unknown, check on NZX website)	NZNZME0001S0			
Type of distribution (Please mark with an X in the relevant box/es)	Full Year		Quarterly	
	Half Year	X	Special	
	DRP applies			
Record date	15/09/2022			
Ex-Date (one business day before the Record Date)	14/09/2022			
Payment date (and allotment date for DRP)	27/09/2022			
Total monies associated with the distribution ¹	\$5,806,726.11000000			
Source of distribution (for example, retained earnings)	Retained earnings			
Currency	NZD			
Section 2: Distribution amounts per financial product				
Gross distribution ²	\$0.04166667			
Gross taxable amount ³	\$0.04166667			
Total cash distribution ⁴	\$0.03000000			
Excluded amount (applicable to listed PIEs)	\$			
Supplementary distribution amount	\$0.00529412			
Section 3: Imputation credits and Resident Withholding Tax ⁵				
Is the distribution imputed	Fully imputed	X		
	Partial imputation			
	No imputation			

¹ Continuous issuers should indicate that this is based on the number of units on issue at the date of the form

² "Gross distribution" is the total cash distribution plus the amount of imputation credits, per financial product, before the deduction of Resident Withholding Tax (RWT).

³ "Gross taxable amount" is the gross distribution minus any excluded income.

⁴ "Total cash distribution" is the cash distribution excluding imputation credits, per financial product, before the deduction of RWT. This should include any excluded amounts, where applicable to listed PIEs.

⁵ The imputation credits plus the RWT amount is 33% of the gross taxable amount for the purposes of this form. If the distribution is fully imputed the imputation credits will be 28% of the gross taxable amount with remaining 5% being RWT. This does not constitute advice as to whether or not RWT needs to be withheld.

If fully or partially imputed, please state imputation rate as % applied ⁶	28%	
Imputation tax credits per financial product	\$0.01166667	
Resident Withholding Tax per financial product	\$0.00208333	
Section 4: Distribution re-investment plan (if applicable)		
DRP % discount (if any)	%	
Start date and end date for determining market price for DRP		
Date strike price to be announced (if not available at this time)		
Specify source of financial products to be issued under DRP programme (new issue or to be bought on market)		
DRP strike price per financial product	\$	
Last date to submit a participation notice for this distribution in accordance with DRP participation terms		
Section 5: Authority for this announcement		
Name of person authorised to make this announcement	Michael Boggs	
Contact person for this announcement	Allison Whitney	
Contact phone number	027 479 0697	
Contact email address	allison.whitney@nzme.co.nz	
Date of release through MAP	23/08/2022	

⁶ Calculated as (imputation credits/gross taxable amount) x 100. Fully imputed dividends will be 28% as a % rate applied.