

FY21 FINANCIAL RESULTS

Sports Entertainment Group Limited (**SEG**) today announced its financial results for the fiscal year ended 30 June 2021 (**FY21**). A summary of the results and outlook commentary is provided below. For further detail please refer to the Appendix 4E.

1. FY21 Result Commentary

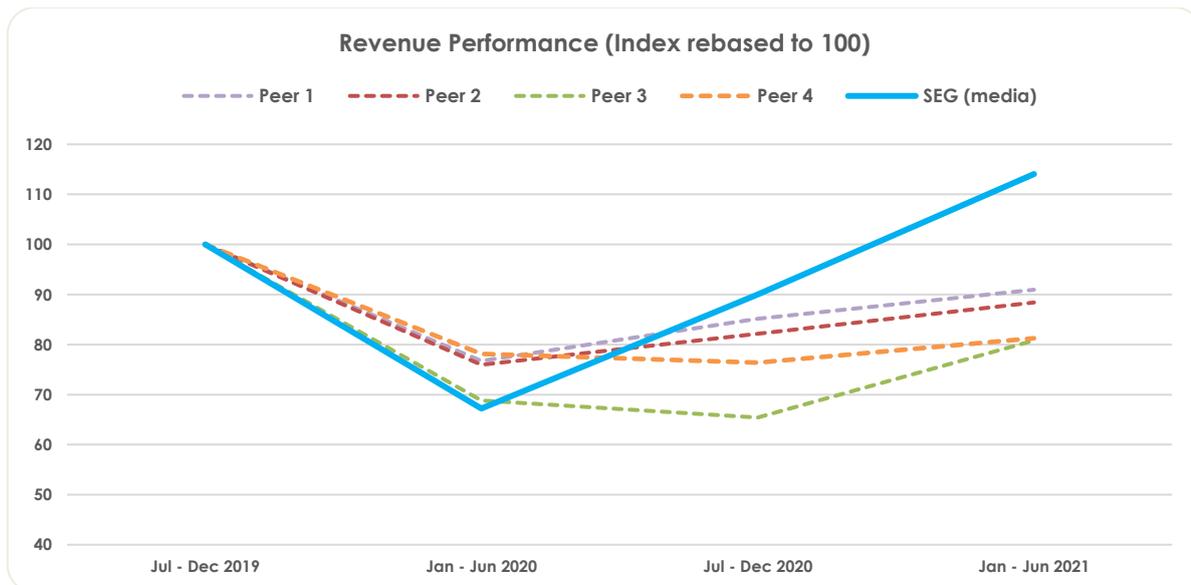
FY21 revenue¹ of \$73.7 million was up 10.4% and underlying EBITDA² of \$9.4 million was up 109.6% on the prior corresponding period (**pcp**), respectively. The table below reconciles FY21 underlying EBITDA³ to the pcp.

(\$ million)	FY21	FY20	Variance (\$)	Variance (%)
Total Revenue	73.7	66.8	6.9	10.4%
Operating Expenses	62.6	65.9	-3.3	-5.0%
EBITDA	11.1	0.9	10.2	1134.3%
+ Restructuring costs / abnormal items	-0.7	0.3	-1.0	-325.7%
+ Non-cash impairment of intangibles (COVID-19 impact)	0.0	3.4	-3.4	-100.0%
+ Non-cash loss on disposal of intangibles (Nine Radio Syndication)	0.0	1.6	-1.6	-100.0%
+ Non-cash loss on disposal of intangibles (1377AM)	0.7	0.0	0.7	n/a
Underlying EBITDA	11.1	6.2	4.9	79.4%
Underlying EBITDA (pre AASB16)	9.4	4.5	4.9	109.6%

Totals may not reflect arithmetic addition due to rounding

Media revenue was 24% up on the pcp reflecting positive returns from recent investments in organic and acquisitive growth initiatives, while Commercial Radio Australia reported a 2.4% decline in metropolitan radio advertising revenues on the pcp.

The graph below illustrates the strength of SEG's recovery from the acute impacts of the COVID-19 pandemic experienced last year compared to SEG's industry peers. Radio remains highly relevant for people, and its resilience particularly in and around sport, where Australians have again been starved of the opportunity to follow their teams and experience their sporting passions live at stadiums and venues.



¹ From continuing operations

² Pre-AASB16 from continuing operations and excluding restructuring, transaction, and abnormal costs

³ Excluding restructuring, transaction, and abnormal costs

Complementary services revenue was down 48% on the pcp, hampered by the continual disruption of the lockdowns across Australia.

SEG received \$3.3 million of government JobKeeper support funding in the first half of FY21 and pleasingly did not meet the eligibility criteria in the second half of the year.

Operating costs were down \$3.3 million on the pcp, reflecting operational cost efficiencies identified during the year while also allowing for continued investment in strategic growth initiatives.

FY21 cash flow from operating activities was \$6.6 million and underlying EBITDA to ungeared pre-tax operating cash flow⁴ conversion was 92.8%.

FY21 net debt was \$11.2 million, up from \$7.1 million in the pcp and represented underlying EBITDA⁵ leverage of 1.2x. During the period, SEG:

- funded \$3.5 million of office, broadcast studio fit-out and transmitter site capital expenditure;
- acquired a \$1.8 million state-of-the-art TV broadcast truck, further enhancing its Rainmaker division's service capabilities;
- funded acquisitions totaling \$9.7 million of radio licences including 1170AM 2CH Sydney, 1539AM Sydney, 1593AM Melbourne and 90.7FM Darwin, partially offset by the divestment of 1377AM 3MP Melbourne for \$4.5 million; and
- successfully raised \$1.5 million through a pro-rata non-renounceable rights offer to eligible shareholders at \$0.225 per share.

SEG has renewed its existing financing facility of \$28.6 million with the Commonwealth Bank of Australia for a further three-year term expiring in August 2024. \$12.0 million of undrawn financing facilities were available as at 30 June 2021.

2. Strategic Initiatives Update

In the last 18 months, SEG has expanded from a two owned-station network in Melbourne to a 24 owned-station network spanning all capital cities and key regional towns across Australia. The national footprint of SEG's owned station network now consists of:

- 8 **SEN** branded stations – Sports/Talk
- 16 **SENTrack** branded stations – Racing, Chasing and Pacing
- 5 **SEN** branded app channels
- **SEN Spirit** – Sports/Music/Talk
- **2CH DAB+** - Classic Hits music

Subsequent to FY21, SEG:

- has launched **SENZ – New Zealand's Home of Sport** which can be heard on 28 stations across the North and South island regions; and
- signed an agreement on 1 July, 2021 to acquire 100% the **Perth Wildcats** basketball team and the transaction was completed on 9 August, 2021. The acquisition aligns with SEG's "Whole of Sport" strategy and provides a significant revenue contribution and positive earnings to the Group.

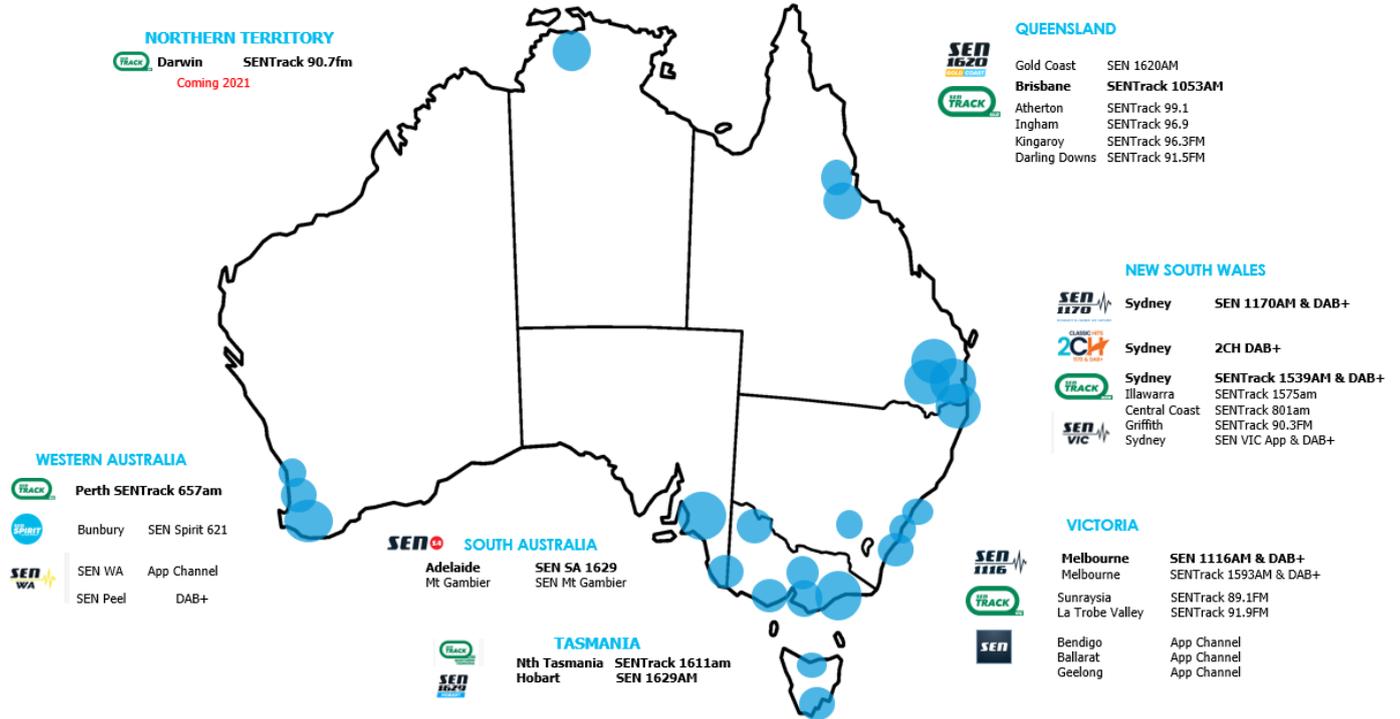
Over the last three years, SEG has now invested in \$42.3 million in strategic acquisitions, largely funded by operating cashflows and divested non-core assets of \$6.9 million creating a suite of operating assets with long-term growth in strategic value.

SEG will continue to identify opportunities to build a unique multi-national sports media and entertainment business across multi-media platforms (radio, TV, print, digital), sports team ownership and complementary services.

⁴ Pre-AASB16 from continuing operations and excluding restructuring, transaction, and abnormal costs

⁵ Pre-AASB16 from continuing operations and excluding restructuring, transaction, and abnormal costs

SEN Owned Stations – we can be heard right across the country



SENZ – New Zealand’s new home of sport.
 We’ve got you covered.



Auckland	1476AM
Wellington	711AM
Christchurch	1260AM
Hamilton	954AM
Rotorua	1548AM
Taupo	91.2FM
Taranaki	97.2FM
Nelson	990AM
Westport	93.3FM
Greymouth	93.9FM
Hokitika	89.1FM
Wanaka	106.8FM
Oamaru	89.6FM & 89.8FM
Timaru	1242AM
Queenstown	93.6FM
Invercargill	1224AM
Dunedin	1206AM
Ashburton	1071AM
Alexandra	104.7FM
Masterton	91.1FM
Palmerston North	828AM
Hawke’s Bay	549AM
Gisborne	1485AM
Whakatane	96.1FM
Tauranga	873AM
Whangarei	92.4FM
Waitangi	94.4FM
Kapiti	93.5FM



3. Trading Update and Outlook Commentary

Revenue for July and August 2021 was up approximately 50% on pcp (excluding any government funding support). The media segment performed strongly with 40% growth on pcp (versus industry growth of 19.3%) and complementary services also improved by 117% on pcp as a result of capitalizing on opportunities in jurisdictions that have been impacted less significantly by lockdown restrictions across Australia.

SEG is budgeting to continue the strong revenue recovery and positive EBITDA achieved in FY21 whilst continuing to invest in future growth in FY22. Management will closely monitor the continued volatility of the COVID-19 pandemic and associated impact on economic conditions both in Australia and New Zealand.

For more details please contact:

Craig Hutchison
Managing Director
Sports Entertainment Group Limited
(03) 8825 6600

Chris Tan
Chief Financial Officer
Sports Entertainment Group Limited
(03) 8825 6600

E-mail: info@sportsentertainmentgroup.com.au
Internet: <http://www.sportsentertainmentnetwork.com.au>

About Sports Entertainment Group Limited

Sports Entertainment Group Limited is a sports media content and entertainment business, which through its other complementary business units, has capabilities to deliver "Whole of Sport" solutions for brands to national, metropolitan and regional audiences with unique and exclusive content via multiple platforms including radio, print, television, online, in-stadium and events.