

MARKET ANNOUNCEMENT

18 November 2021

Digital acceleration delivering on New Zealand Media and Entertainment's 2023 strategy

AUCKLAND, 18 November 2021: Today NZME Limited (NZX: NZM, ASX: NZM) ("**NZME**") will deliver its 2021 strategy update through a virtual Investor Day.

The NZME 2021 Investor Day Presentation is **attached** to this announcement.

NZME's Chairman Barbara Chapman highlights NZME's significant transformation into a digitally focussed media business, supported by strong brands, platforms, and people.

Digital audience and revenue transformation are illustrated across all three of NZME's strategic pillars – Audio, Publishing and OneRoof.

Ms Chapman also attributes NZME's achievements during 2021 to a commitment across the business to its key strategic priorities and to the Board's guiding principles introduced during 2020.

These principles are now firmly established, ensuring NZME delivers to the expectations of its customers, and through them to NZME's shareholders:

- Customer First
- Win with Quality
- Digital Acceleration
- Audience Expansion
- Top Performance

CEO Michael Boggs outlines how NZME's focus on its three strategic priorities has supported NZME's achievements across 2021 including revenue market share growth across all platforms and audience growth to record levels especially across NZME's digital platforms.

NZME's strategic priorities are:

- New Zealand's Leading Audio Company
- New Zealand's Herald
- OneRoof – Your Complete Property Destination

In the presentation NZME executives provide performance and achievement updates across NZME's Audio, Publishing and OneRoof business units.

The presentation also includes the following Outlook Update:

- Despite the restricted operating environment, 4th Quarter revenues have been encouraging
- Real Estate markets have shown signs of a positive recovery over recent weeks
- Our audiences have been at record levels particularly on our digital platforms nzherald.co.nz and iHeartRadio as we Keep Kiwis in the know

- NZME has been adapting to the economic and operating environment as the Covid-19 restrictions have continued. NZME continues to expect to deliver EBITDA¹ in the range of \$63m to \$67m for the full year 2021 (2020 EBITDA¹ of \$67.3m)
- We are engaging with Google and Facebook with regards to them accessing and supporting editorial content

Audio

Jason Winstanley, Chief Radio Officer, provides updates on the growth in digital audio audience and revenues via NZME's digital audio platform, iHeartRadio.

Also shared are details of broadcast audio growth across NZME's leading talk brand Newstalk ZB and in key breakfast audiences across the majority of NZME's music radio networks, especially in the key 25 to 54-year-old audience demographic.

And investors are given insights into future focussed audience growth initiatives in sports entertainment, youth audiences and podcasting.

Publishing

Carolyn Luey, Chief Digital and Publishing Officer, outlines the transition of NZME's publishing business to its current state of a digital centric business with a focus on digital subscriptions.

Shayne Currie, Managing Editor, updates audience expansion initiatives, multi-platform storytelling and personalisation alongside initiatives to revitalise NZME's regional and community titles as well as plans to build a digitally focussed youth audience model designed to build engagement with New Zealand's future leaders and decision makers.

Matt Wilson, Chief Operating Officer, provides an update on NZME's subscription offering. Digital subscriber growth continued at pace across 2021 with digital and print enabled subscribers now totalling 135,500 and digital only subscribers totalling 78,500.

Also highlighted are continuous improvements to the NZ Herald Premium value proposition, with enriched personalisation a key focus of future subscriber benefits.

OneRoof

Paul Maher, Chief of OneRoof, details progress of OneRoof property listings, which have shown robust growth through 2021 alongside significant growth in OneRoof awareness as a national brand.

The update also highlights initiatives supporting OneRoof's strategy by strengthening core residential listings, being indispensable to agents and by expanding the OneRoof portfolio.

Performance Overview

NZME's Chief Financial Officer, David Mackrell, provides an overview of NZME's financial performance, including strong growth in digital advertising revenue and radio advertising showing recovery from 2020. Both have contributed to stable earnings during 2021 despite the ongoing impacts of COVID-19.

Details on NZME's net debt position are confirmed with \$100m fully repaid in the last three years.

Investors are also supplied details of NZME's Dividend and Capital programme. NZME advises investors that with a clearer business outlook, and with the completion of the sale of GrabOne, the NZME Board intends to undertake an on-market share buy-back of up to \$30m to commence in early 2022.

NZME also confirms the permanent cost reductions implemented in 2020 have been maintained across 2021.

Details are presented of the EBITDA margin growth NZME is targeting for each of its strategic divisions as represented in the following table:

	FY21F EBITDA ¹ Margin	FY23 EBITDA ¹ Margin Target
Audio	11%	15% – 17%
Publishing	18%	19% – 20%
OneRoof	2%	15% – 25%

1. EBITDA is a non-GAAP measure and is presented as excluding the impact of IFRS16, and excluding exceptional items (redundancy costs, one-off projects and other exceptional items).

ENDS

Authorised by Michael Boggs, CEO.

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