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FOR IMMEDIATE RELEASE

## **NZME updates FY22 guidance and announces new dividend policy**

**AUCKLAND, 8 November 2022:** NZME Limited (NZX: NZM, ASX: NZM) ("**NZME**") is continuing to make significant progress in delivering on its targets set out in its 2023 strategy with NZME to update shareholders at its Investor Day on 16 November 2022.

NZME expects advertising revenues to return to pre-COVID levels for the full year ended December 2022, despite significant business and consumer uncertainty in the second half of 2022. This uncertainty has resulted in lower than anticipated advertising revenue and a reduced number of new real estate listings being marketed for sale.

Given this, NZME's EBITDA is expected to be in the range of \$64 million to \$67 million for the year ended December 2022 (a reduction on the guidance reconfirmed on 23 August 2022 of \$67 million to \$72 million). This compares to an EBITDA of \$62.6 million for FY21 excluding GrabOne.

NZME Chief Executive, Michael Boggs, says: "NZME is very experienced at delivering through times of uncertainty, having made significant progress in recent years to deliver strong profit results despite navigating the challenges of the COVID operating environment".

NZME has a strong focus on Capital Management, which is evidenced by a reduction in debt levels, re-commencing dividend payments, the buyback programme and the payment of a special dividend.

In the last 14 months, more than \$40 million has been returned to NZME shareholders through dividend payments and the share buyback programme.

The strength of the business' performance has enabled NZME's Board to review the Capital Management settings.

Noting the uncertain economic environment, the company intends to operate at the lower end of its target leverage ratio of 0.5 to 1.0 times EBITDA (pre IFRS 16 and excluding exceptional items). However, the Board believes that NZME's strong cashflows support an increase in the dividend payout ratio.

Given the expected investment profile, the Board intends to increase the dividend payout ratio to 50-80% of free cash flow subject to being within its target leverage ratio range of 0.5 to 1 times EBITDA (pre IFRS 16 and excluding exceptional items) and having regard to NZME's capital requirements, operating performance and financial position. This is an increase from the previously advised dividend payout ratio of 30-50% on the same basis. By way of example, on \$30 million of free cash flow, this new dividend payout ratio would result in dividends of between 8 cents and 13 cents per share.

The current on-market share buyback programme will end on 16 December 2022. The Board will consider undertaking a further on-market share buyback programme during 2023, taking into account the net debt position, the economic outlook and the NZME share price and liquidity at the time.

**ENDS**

Authorised by the Board of NZME Limited.

**For further information:**

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