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FOR IMMEDIATE RELEASE

NZME updates investors on strategic progress

AUCKLAND, 16 November 2022: NZME Limited (NZX: NZM, ASX: NZM) (“**NZME**”) will today hold a virtual Investor Day for investors and analysts, with Chairman Barbara Chapman, CEO Michael Boggs and several of NZME’s Executive Team providing progress updates on NZME’s three-year strategy.

The NZME 2022 Investor Day Presentation is **attached** to this announcement.

NZME Barbara Chapman speaks to NZME’s ability to adapt to what has been another challenging operating environment in 2022.

“I’m proud of the adaptability and flexibility NZME has demonstrated in challenging times to remain largely on track to achieve the 2023 targets that were set under our three-year strategy. Supply chain challenges, labour shortages and inflationary pressures have resulted in overall business confidence in New Zealand falling to levels as low as have been seen in recent years.”

Strategy

At the end of 2020 NZME set three key targets and strategic priorities for 2023:

- To be New Zealand’s leading audio company
- For the NZ Herald to become New Zealand’s Herald
- And finally, for OneRoof to become your complete property destination

“Having a very clear and targeted strategy has ensured a strong focus on the initiatives that are going to move the dial by driving growth and transformation, ensuring the long-term sustainability of the business,” says Ms Chapman.

NZME now reaches 3.6 million New Zealanders across its multiple platforms – audio, publishing and OneRoof. That’s close to 90 percent of Kiwis over the age of 15. The company noted its market-leading brands across Audio, Publishing and OneRoof, with a number of record audiences achieved over the past year.

Several of NZME’s executive team will cover the company’s three strategic priorities across the Audio, Publishing and OneRoof divisions.

The strong growth across each of our strategic pillars means that digital revenues are now becoming a more significant part of NZME’s total revenues. The share of revenue has more than doubled in the last three years, with digital revenues now representing 27% of total revenue

Audio

NZME’s audio business – both across its terrestrial radio and digital audio platform iHeartRadio - continues to grow and deliver on its profitability goals, as well as celebrating record audiences. NZME has the largest digital audio advertising revenues in New Zealand, with digital audio currently

representing 5 percent of NZME's audio revenue. It's digital audio platform, iHeartRadio, saw revenue growth of 56 percent in the first half of 2022 compared to the previous corresponding period.

NZME's radio stations reached more than 2 million people for the first time in history in 2022, and NZME's podcast network recently celebrated hitting 50 million annual podcast downloads, having taken out the Top Network spot for each of the last 12 months. In the latest results for September 2022, NZME celebrated 4.8 million monthly downloads – more than 3.7 million more than its next network rival, and 800,000 monthly listeners over the same period.

NZME CEO Michael Boggs says: "We remain focused on growing our digital audio capability and offering, whilst maintaining traditional radio broadcast revenues to grow overall margin and EBITDA across our vast terrestrial and digital audio network."

Publishing

NZME's Publishing division is reaping the benefits of a well-advanced digital transformation strategy, with continued strong growth in digital subscriptions – now reaching 110,000 digital subscriptions – overtaking that of print subscriptions. Digital publishing revenue increased by 18 percent in the first half of FY22, compared to the previous corresponding period.

Having acquired premier business news website BusinessDesk at the start of the year, NZME is further elevating its premium digital offering, today announcing the launch of *Viva Premium* – an online subscription for access to Viva's first-class fashion, food, beauty, culture, and design content, offered in addition to New Zealand Herald's premium content. Viva Premium is part of NZME's ongoing focus on continuing to evolve its digital subscription offering to appeal to a wider audience.

Soon, the NZ Herald will unveil its new brand strategy and brand promise 'News Worth Knowing' as it looks to deliver on its vision to be 'New Zealand's Herald'. 'News Worth Knowing' emphasises the quality and depth of the Herald's journalism, with plans over the next year to bring the brand experience to life across the Herald website, mobile app, emails, social and content so readers can seamlessly engage with the news worth knowing.

"NZME has strong plans to further grow digital subscriptions, further personalise our offering and expand our audience, as well as delivering strong digital advertising revenue growth.

"We were pleased to reach a significant milestone this year, with Digital Publishing now profitable on a standalone basis," says Boggs.

OneRoof

OneRoof remains focused on strengthening its residential listing business, making the brand indispensable to real estate agents, and expanding the portfolio. Currently, due to consumer and advertising uncertainty and changes in the property market with fewer real estate properties for sale, this has led to lower than anticipated advertising revenue for OneRoof.

However, investments have been made to OneRoof to grow the business as rapidly as is sensible within current operating parameters. Whilst OneRoof is unlikely to achieve its 2023 EBITDA goal, the current investment level is appropriate to ensure OneRoof benefits from future changes in the property cycle in coming years.

OneRoof boasts a strong, comprehensive, and competitive inventory offering, with the number of listings on the OneRoof platform remaining strong, with nearly all residential for sale properties listed on OneRoof.

OneRoof has also significantly grown its audience in the past three years – closing the gap with its nearest competitor, Trademe, to just 170,000 users, and having a 56 percent larger audience than realestate.co.nz.

A key driver of revenue in residential lies in the growth of upgrade or depth product conversion. OneRoof saw significant growth in listings upgrades and product conversion in the second half of FY22, with Auckland seeing upgrade penetration increase from 30 percent last November to 43 percent in October 2022 and the rest of the country increasing from 7 percent to 16 percent. OneRoof remains on track to deliver its FY23 target of 50 percent of listings upgraded in Auckland and more than 22 percent across the rest of New Zealand.

Creating and maintaining a pipeline for agents to acquire new listings is a key focus for OneRoof, and NZME's cross-platform data capability will help extend our suite of products to create further value for agent partners in FY23.

Our agent profiling products have proven attractive to the market and has grown recurring agent revenue by 89 percent in FY22. We are adding further value to this product through additional layers of data to enable more targeted agent profiling.

People

NZME will also provide analysts and investors with a sneak peek of its new employment brand campaign – *This could lead anywhere*. The new campaign is two pronged – an external campaign to advertise NZME as a fantastic place to work - highlighting the limitless growth opportunities, as well as being internal facing, with initiatives including a new induction programme for new starters and a new learning and development module for leaders within the business.

Michael Boggs says: "NZME has worked hard on engaging our team of 1,300 over recent years, and we've increased our Employee Net Promoter Score, or eNPS, that puts NZME close to being in the top 10 percent of consumer media businesses globally.

"I'm proud of how the entire NZME team has navigated the challenges of recent years, while staying steadfastly focused on delivering on our 2023 Strategic Goals," he says.

Outlook

NZME has faced several operating challenges, with the first half of 2022 impacted by the peaks of New Zealand's Omicron outbreak. Although there remains significant uncertainty in the market, as reported in business and consumer confidence metrics, these have been evident for some time and have now reduced from their peak lows.

Whilst there is a cautiousness being noted by advertisers, NZME notes that bookings for the remainder of the year continue to track ahead of the previous corresponding period in FY21.

Whilst there is continued pressure on costs across the business, NZME has offset the significant increases in paper and freight costs with several cost saving initiatives and continues to focus on cost efficiencies.

In speaking about the outlook for the remainder of FY22 and beyond, Chairman Barbara Chapman also reiterates the company's intention to operate at the lower end of its target leverage ratio, but that it still expects to continue to generate strong cash flows.

"Additional capital management options, including undertaking a further on-market share buyback programme in 2023, will be considered as we review our year end position in February. This will take into account the net debt position, the economic outlook and the NZME share price and liquidity at the time," she says.

Based on the above trends, on 9 November 2022 NZME updated its guidance for 2022 EBITDA to be between \$64 million and \$67 million.

Since September 2021, more than \$45 million has been returned to NZME shareholders through dividend payments and the share buyback programme.

A replay recording of the webcast will be available on our website after the call at:

<https://www.nzme.co.nz/investor-relations/webcasts/>

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Authorised by Michael Boggs, Chief Executive Officer.

Source: Nielsen CMI Q3 21 – Q2 22 August 22 Fused AP15+. Monthly coverage for Daily & Community titles, Weekly coverage for Newspaper Inserted Magazines, Monthly UA for Digital, Weekly Reach for Radio (GfK RAM S2 22). Note: Fused data has potential for duplication. IAB NZ, H1/Q2 2022 Digital Advertising Revenue Report. NZME revenue. Note some anomalies in market size where NZME actuals are larger than IAB reported total market. GfK, RAM, Total NZ, S2 2022, Mon-Sun 12mn-12mn, Cumulative Audience AP10+. Triton NZ Podranker Sep 2022. Nielsen Online Ratings September 2022.

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