

ANNUAL GENERAL MEETING

CHAIRMAN & MANAGING DIRECTOR ADDRESSES

November 2019.

AGENDA

1. Introduction
2. Chairman's Address
3. Formal Business and Resolutions
4. Managing Director's Operating Update
5. Q&A

CHAIRMAN'S ADDRESS.

1. PNW's Objectives (Crocmedia merger and next three to five years)

a. Strategic Ambition

- Build a national specialist sports media and entertainment business

b. Operating Priorities

- Sports led content
- Audio led distribution (on the dial and digital on demand), niche streaming and broadcasting
- Complimentary Services (event and marketing activation, talent management, publications)

All designed or packaged to create unique and effective brand advertising solutions – “connecting brands to fans”

c. Financial and Capital Flightpath

- Growth - increase enterprise value and earnings in each fiscal year
- Invest in strategic ambition – new stations, sports rights, talent, content and production infrastructure
- Performing along the way – double digit revenue and underlying EBITDA growth, audience reach and relevance, brand reach and satisfaction
- Funding sources – merger synergies, operating cash flow, reasonable debt and equity

2. A Perspective on Ownership and Share Price

Trailing EV/EBITDA	FY19a	FY20e
Nine Entertainment Co. Holdings Limited	7.2x	7.0x
HT&E Limited ¹	6.8x	5.7x
Southern Cross Media Group Limited	6.5x	6.6x
Seven West Media Limited	5.5x	5.1x
Macquarie Media Limited ²	10.0x	n/a
Average	7.2x	6.1x
Average ex Macquarie Media Limited	6.5x	6.1x
 Pacific Star Network Limited³	 6.6x	 6.0x

Source: S&P Capital IQ as at 22 November 2019

1. FY20e multiple is based on the average of EBITDA estimates for CY19 and CY20 given calendar year end balance date. FY19a has been derived from actual results to calculate a fiscal year end multiple.
2. Based on Nine Entertainment Co. Holding Limited's successful cash takeover offer price of \$1.46 per share
3. FY19a based on underlying EBITDA. FY20e multiple assumes an illustrative 10% EBITDA growth rate, based on management's near-term double-digit earnings growth guidance

CEO'S ADDRESS.

FY19 result was in-line with guidance

(\$ million)	FY19	FY18	Variance	Notes
Total Revenue	67.0	27.9	39.1	FY18 includes three months of Crocmedia and no AFL Publishing
Operating Expenses	58.9	25.7	33.2	FY18 includes three months of Crocmedia and no AFL Publishing
EBITDA	8.1	2.2	5.9	FY18 includes three months of Crocmedia and no AFL Publishing
+ Restructuring costs	1.0	-	0.9	
+ Merger Normalisations	-	0.5	(0.5)	As disclosed in the merger documents
+ Abnormal Raceforce Media costs	-	0.2	(0.2)	Predominantly discontinued licence fees
Underlying EBITDA⁴	9.0	2.9	6.1	

- The above table reconciles FY19 'continuing operations' underlying EBITDA¹ to the prior corresponding period (**pcp**), reflecting:
 - a full 12-month contribution from Crocmedia (acquired March 2018)
 - a full 12-month contribution from the AFL Record (acquired July 2018)
 - a significant investment in resources (costs) to support organic growth initiatives and an initial return on these
 - operational benefits from a 25% shareholding in Melbourne United Basketball Club (acquired July 2018)
 - no contribution from Morrison Media (divested September 2018)
- FY19 net debt was \$3.5 million reflecting underlying EBITDA leverage of 0.4x
- \$6.0 million of undrawn financing facilities were available as at 30 June 2019

¹ excludes restructuring, transaction and abnormal costs

RECENT INITIATIVES AND ACQUISITIONS.

STRATEGIC INVESTMENT – RAPID TV.

July 2019.



Rapid TV provides live satellite and internet-based vision transfer services through state-of-the-art facilities, in Australia and internationally.

Rapid TV will integrate seamlessly into PNW's Rainmaker division enhancing its production capabilities.

The acquisition positions Rainmaker as a true industry leader in bespoke outside broadcast and streaming production services capable of providing turn-key solutions for a host of clients.

STRATEGIC INVESTMENT – 24 RADIO LICENCES.

July 2019.

The transformational acquisition of 24 radio licences:

- Hobart 1629 AM frequency commercial radio broadcasting licence
- 23 narrowband area radio licences covering several regional radio markets as well as Brisbane, Adelaide, Sydney, Perth, Darwin, Alice Springs and Gold Coast

The licences transform PNW's radio platform ownership, significantly expanding its audience reach and providing opportunity to leverage its extensive content portfolio.

PNW will progressively activate licences having regard to available content solutions and respective market considerations. Markets where PNW does not currently provide syndicated content will be a key focus.

An orderly activation strategy and associated investment will be undertaken in a manner that supports continued earnings growth.



STRATEGIC INVESTMENT – PRECISION TALENT MANAGEMENT.

August 2019.



The acquisition brings two leading Australian talent management agencies, Bravo and Precision, together.

Precision aligns with PNW's 'Whole of Sport' offering, representing over 80 past and present AFL and AFLW players and coaches, cricketers and other media talents. Precision's talent includes Gary Ablett Jnr, Jack Riewoldt, Darcy Moore, Jordan Lewis, Josh Dunkley, Dane Swan, Isaac Smith, Jacob Weir, John Longmire and David Teague.

Our ability to 'connect a brand to a fan' using our 'Whole of Sport' strategy, via radio, television, print, stadium, digital and events remains a strength during volatile media advertising markets

FY20 Trading Update

- Our FY20 budget included an annualised \$8m growth in operating cost investment
- We have experienced revenue growth of 7% to October compared to the pcp (in a media spend environment down ~10%)
- As a result of our growth opex, we expect our H1 underlying EBITDA to be in the range of \$3.5m – \$4.0m and an expectation of continued revenue growth and increased earnings in H2
- Earnings guidance for the full year will be updated with release of the half year results in February