

**NZ
ME.**

NEW ZEALAND
MEDIA AND
ENTERTAINMENT

26 APRIL 2023

NZME ANNUAL SHAREHOLDERS' MEETING

KEEPING KIWIS IN THE KNOW

WELCOME

BARBARA CHAPMAN

INDEPENDENT CHAIRMAN



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NEW ZEALAND
MEDIA AND
ENTERTAINMENT

AGENDA

1. Chairman's Address
2. Chief Executive Officer's Address
3. Ordinary Resolutions
 - Resolution 1: Re-election of Director
 - Resolution 2: Auditor's Remuneration
4. General Business



CHAIRMAN'S ADDRESS

BARBARA CHAPMAN
INDEPENDENT CHAIRMAN



2022 FINANCIAL RESULTS

- Operating Revenue¹ ▲ 7%
- Statutory Net Profit ▼ 66%
- Operating Net Profit After Tax¹ ▲ 10%
- Operating Earnings per share 12.1 cents per share

1. Operating results presented are non-GAAP measures that include the impact of NZ IFRS 16 but exclude exceptional items to allow for a like-for-like comparison between 2021 and 2022 financial years. 2021 has been restated to exclude the impact of GrabOne (sold October 2021). Please refer to pages 38-39 of the NZME 2022 Full Year Results Presentation for a detailed reconciliation.

STRATEGIC PRIORITIES



Customer First



Win with Quality



Digital Acceleration



Audience Expansion



Top Performer



 **NEW ZEALAND'S LEADING AUDIO COMPANY**



Create New Zealand's best local audio content



Grow broadcast and digital reach



Grow market revenue share and digital revenue

 **NEW ZEALAND'S HERALD**



The #1 News brand for all New Zealanders



Subscriber first



Be a safe, scalable destination for advertisers

 **YOUR COMPLETE PROPERTY DESTINATION**



Strengthen core residential listings business



Be indispensable to agents



Expand the portfolio

STATE OF THE ECONOMY

Home / Business

[nzherald.co.nz](https://www.nzherald.co.nz)

PREMIUM

Inflation for longer and OCR to 5.75pc - Economists' grim forecast for New Zealand

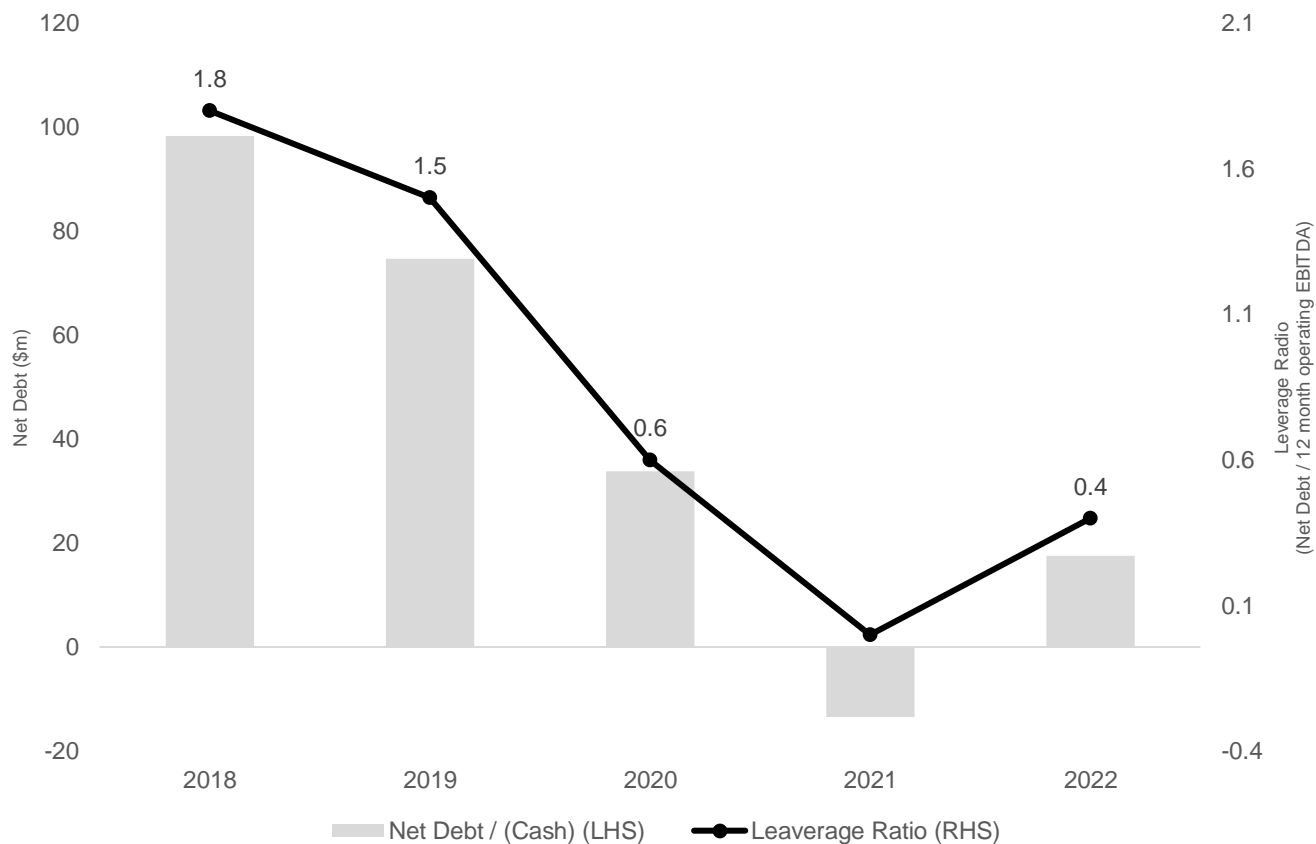
Home / [Economy](#) / Ella Somers

BusinessDesk

'Winter could expose a few more rocks' – ANZ on business confidence

LOW LEVERAGE AND STRONG RETURNS TO SHAREHOLDERS

Net Debt and Leverage Ratio



Distributions to shareholders were \$43 million during 2022 including:

- 2021 final dividend of 5 cents per share, totaling \$9.9 million;
 - Interim dividend of 3 cents per share, totaling \$5.8 million;
 - Special dividend of 5 cents per share, totaling \$9.7 million; and
 - On-market share buyback, totaling \$17.6 million.
- Fully imputed final dividend declared of 6 cents per share, paid on 22 March 2023.
 - Net debt position of \$17.5 million as at 31 December 2022.
 - Leverage ratio remains below target range.
 - The Board believes it is appropriate to operate at the lower end of the target leverage ratio in the current operating environment.
 - Capital Management remains a key focus of the Board. It is committed to returning excess capital to shareholders subject to the operating environment and investment opportunities. The Board will review commencing a further on-market share buyback as part of the half year results announcement in August 2023.

1. Operating results presented are non-GAAP measures that exclude exceptional items to allow for a like-for-like comparison between financial years. 2021 has been restated to exclude the impact of GrabOne (sold October 2021). Please refer to pages 38-39 of the NZME 2022 Full Year Results Presentation for a detailed reconciliation.

STRONG SUSTAINABILITY COMMITMENT

We look forward to the continued implementation of our sustainability initiatives and to have meaningful, sustainable practices for the wider community, the wellbeing of our people and the environment.

We are in the process of refreshing our Sustainability Commitment as part of a programme of work to prepare for making our first climate-related disclosures as part of our Annual Report to be issued in February 2024.

The following is a snapshot of our activity for 2022.



OUR COMMUNITIES



RESPONSIBLE REPORTING AND BROADCASTING

NZME maintains a balanced reporting platform as Covid-19 and other major events continued to disrupt countries around the world, directly impacting New Zealanders.



CONNECTING COMMUNITIES

NZME's *Great Minds* project examined the state of our nation's mental health and explored the growing impact mental health has on Kiwis while searching for ways to improve it.

Talanoa, Voices of the Pacific was launched with the NZ Herald, to increase the diversity of content and contributors on our platforms.

The first Te Rito journalism one-year cadet training programme was completed, part of a media industry partnership to inject the industry with voices that better reflect our diverse communities.



SHARING OUR PLATFORMS

NZME partners with a number of organisations to champion charitable causes including over 1.5 million dollars raised with World Vision through the Ukraine Appeal.

Other partners included the Graeme Dingle Foundation, Leukaemia & Blood Cancer New Zealand, Men's Health Week, Women's Refuge (Shielded Initiative), The Funding Network New Zealand and the Sir John Kirwan Foundation.

OUR PEOPLE



PROMOTING A HEALTHY, DIVERSE AND SAFE WORKPLACE

NZME strives to maintain its position as an employer of choice in the media industry. In 2022 NZME finished the year with an Employee Net Promoter Score that was within the top 25 percent, and approaching the top 10%, of consumer media businesses globally.

In 2022 the protection of our team from the risks of COVID-19 has again been a priority focus, which included continuing to support flexible ways of working that also help to ensure business continuity.



CHAMPIONING THE CRAFT

NZME continues to employ 21 interns and cadets across the business, including the Te Rito Programme and continuation of our TupuToa partnership.

NZME has been recognised with a number of industry awards and nominations including: Voyager Media Awards, NZ Radio Awards, IAB Awards, Beacon Awards, INMA Awards, Deloitte Top 200 Award, New Zealand HR Awards and Grad NZ's 2022 Student Survey.



EQUIPPING OUR PEOPLE

NZME has launched a leadership development programme for our leaders. The new programme, "Develop Me", will be rolled out in 2023 and aims to create vibrant and exceptional leadership across NZME.

OUR ENVIRONMENT



RECYCLING

NZME launched a new sustainable fashion-forward partnership with New Zealand clothing design house RUBY through Liam patterns. NZME and RUBY created a circular solution, turning wastepaper from the end of newspaper print rolls from NZME's Ellerslie printing press into printed clothing patterns under RUBY's Liam Patterns brand.

NZME's print operations at Ellerslie were awarded the Toitū enviromark gold certification. We are gold standard at reducing waste, working efficiently, and minimising harm to the environment and our people.



BEST PRACTICE

NZME continues to collaborate with our suppliers and partners to ensure best practice sustainable operations.

We are in the process of finalising a Responsible Sourcing Policy to ensure we partner with suppliers aligned with our focus on the environment and sustainability.

NZME has adopted Modern Slavery Statements and continues to work on adopting a Responsible Sourcing Policy.



RESPONSIBILITY

The NZ Herald continues to take part in Covering Climate Now - a global news media initiative.

NZME BOARD



Barbara Chapman
Independent Chairman



Carol Campbell
Independent Director



David Gibson
Independent Director



Sussan Turner
Independent Director



Guy Horrocks
Independent Director

BARBARA CHAPMAN

INDEPENDENT CHAIRMAN



MICHAEL BOGGS

CHIEF EXECUTIVE OFFICER



**NZ
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RESULTS SUMMARY

For the full year ending 31 December 2022

\$364.6m

Operating Revenue¹

2021 \$342.2m ▲ 7%

\$64.7m

Operating EBITDA¹

2021 \$62.4m ▲ 4%

\$22.7m

Statutory NPAT

2021 \$34.4m ▼ 66%

\$23.3m

Operating NPAT¹

2021 \$21.1m ▲ 10%

12.1 cps

Operating EPS¹

2021 10.7cps ▲ 13%

9.0 cps

Total Ordinary Dividends for
2022

\$43.0m

Distributed to shareholders
during the year

\$17.5m

Net Debt

1. Operating results presented are non-GAAP measures that include the impact of NZ IFRS 16, however, exclude exceptional items to allow for a like for like comparison between 2021 and 2022 financial years. 2021 has been restated to exclude the impact of GrabOne (sold October 2021). Please refer to pages 38-39 of this results presentation for a detailed reconciliation.

COMPELLING PLATFORMS FOR AUDIENCES AND ADVERTISERS



Audio Audience

Reaches 2.0 million¹

- 1.2 million digital audio listeners are reached monthly²
- NZ's #1 radio station & breakfast show on Newstalk ZB¹
- NZ's #1 podcast network³, with over 800,000 monthly listeners³

Digital Advertising

Radio Advertising

NZME.

Reaches over 3.6 million New Zealanders¹



OneRoof Audience

Reaches over 820,000⁴

- 564,000 Kiwis are using oneroof.co.nz⁵
- The most read property newspaper print section in NZ⁴
- 89% of residential for-sale listings nationwide⁶

Digital Classifieds

Digital Advertising

Print Advertising

Publishing Audience



Reaches 2.7 million⁴

- Over 2.2 million NZ Herald weekly brand audience⁴
- #1 Daily newspaper in NZ⁴
- 209,000 subscriptions across print and digital

Digital Advertising

Print Advertising

Reader Revenue

1. GfK RAM, Commercial Radio, Total NZ 4/2022, M-S 12mn-12mn, M-F 6am-9am, Share %, Cume 000, AP10+.

2. Adswizz monthly reach Jan-Dec 2022 (monthly average).

3. Triton NZ Podranker Dec 2022 (monthly average Jan- Dec 22).

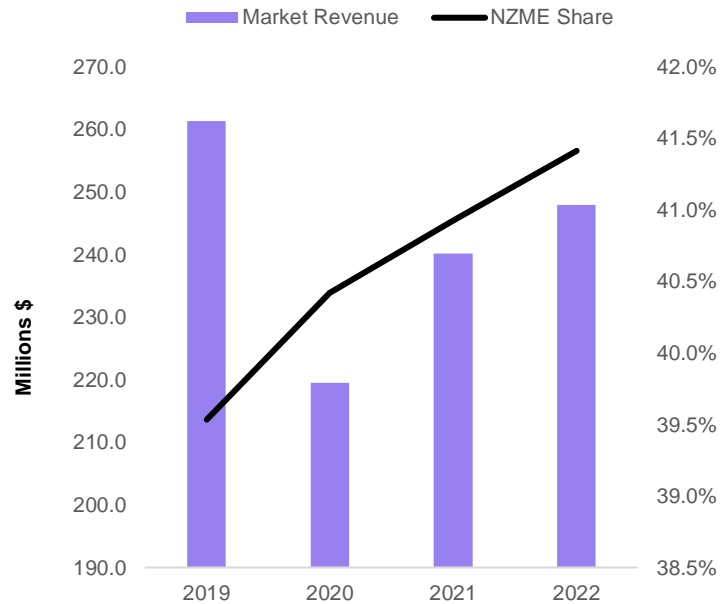
4. Nielsen CMI Q4 21 – Q3 22 November 22 Fused AP15+. Monthly coverage for Daily & Community titles, Weekly coverage for Newspaper Inserted Magazines, Monthly UA for Digital (domestic web traffic only, doesn't include app), Weekly Reach for Radio (GfK RAM S3 22). Note: Fused data has potential for duplication

5. Nielsen Online Ratings monthly average Q4 2022 AP15+ (domestic web traffic only, doesn't include app).

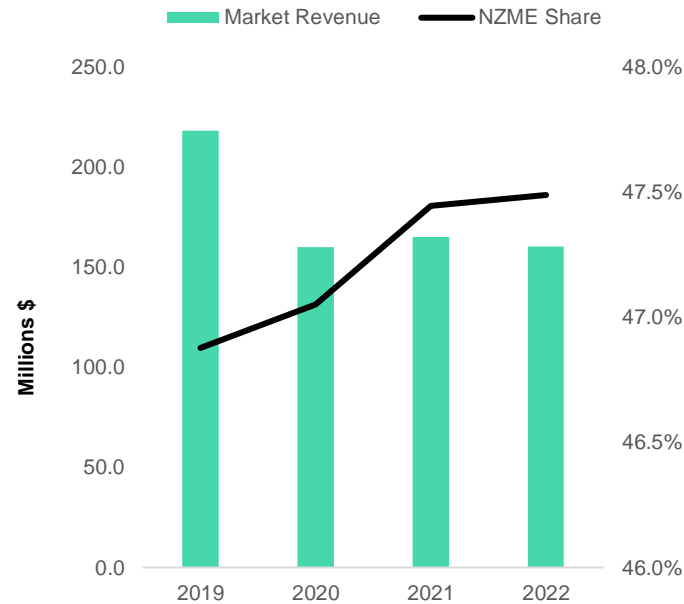
6. OneRoof's listings as a percentage of residential for-sale real estate listings on trademe.co.nz. Dec 2022 monthly average.

MARKET SHARE GROWTH ACROSS ALL PLATFORMS

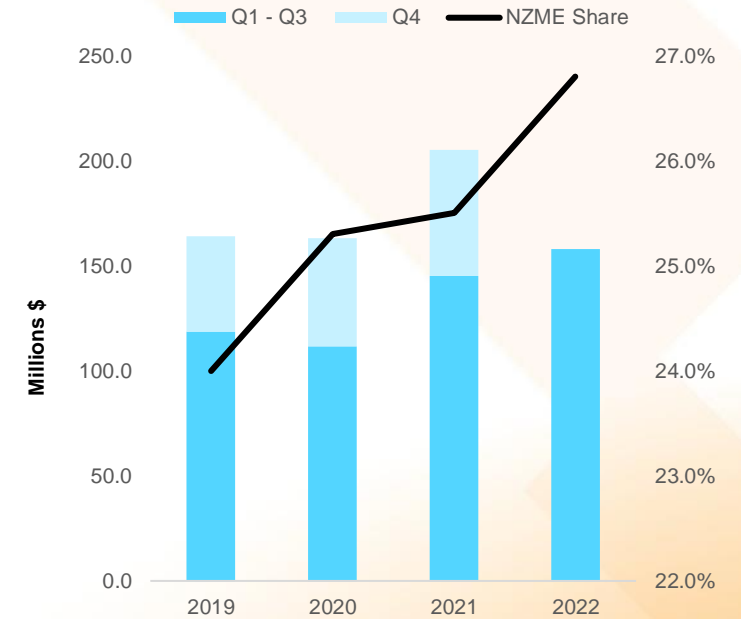
Radio Market Revenue¹



Print Market Revenue²



Digital Market Revenue³



Radio advertising (PCP growth)

NZME radio advertising revenue ¹	4.5%
Market movement – Radio revenue ¹	3.2%
NZME radio revenue market share ¹	41.4%

Print advertising (PCP growth)

NZME print advertising revenue ²	(2.8)%
Market movement – Print revenue ²	(2.9)%
NZME print revenue market share ²	47.5%

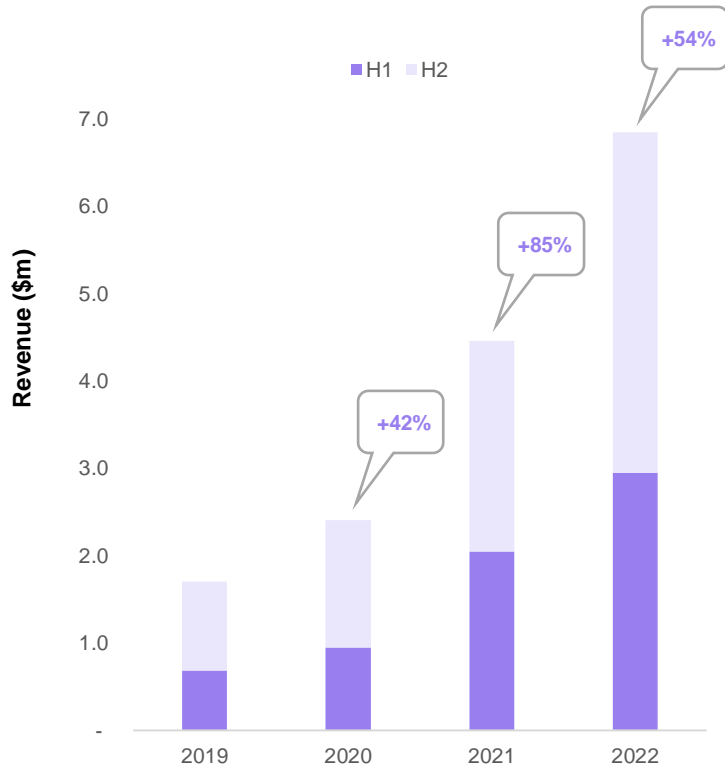
Digital total display advertising (PCP growth)

NZME digital advertising revenue ³	16.0%
Market movement – digital revenue ³	10.7%
NZME digital revenue market share ³	26.5%

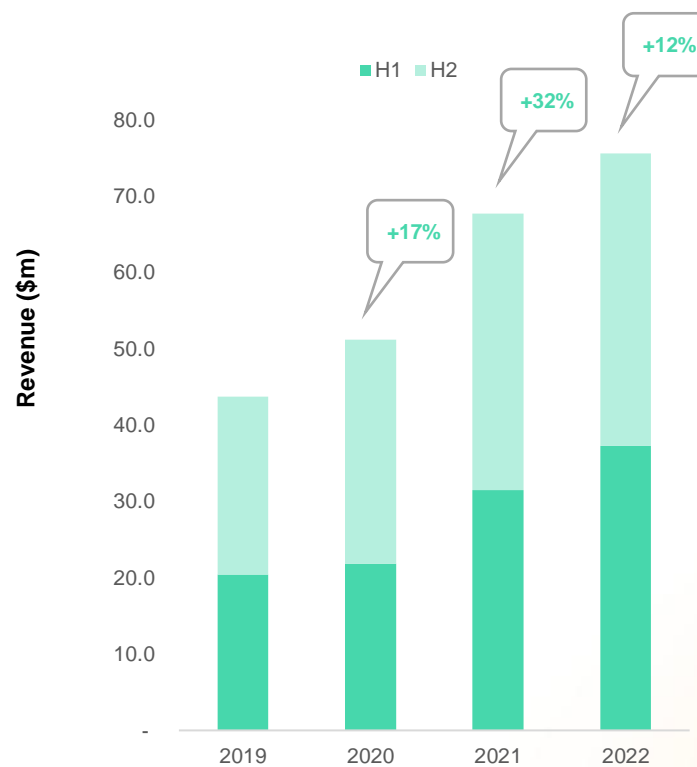
1. PwC Radio advertising market benchmark report, FY19 – FY22. Note: report excludes independent broadcasters, contra revenue, and digital audio. 12 months to Dec 2022 compared to the prior corresponding period, rolling 12 month average for market share.
2. PwC NPA quarterly performance comparison report, Q119 – Q422. Note: report excludes any publishers that are not part of the NPA. 12 months to Dec 2022 compared to the prior corresponding period, rolling 4-quarter average for market share.
3. IAB NZ Digital advertising revenue report, Q119 – Q322. *only up until Q3 2022, Q4 2022 report not available yet. 12 months to Sept 2022 compared to the prior corresponding period for 2022, rolling 4-quarter average for market share, YTD market share for 2022. Note: Includes digital audio.

DIGITAL TRANSFORMATION DELIVERING GROWTH

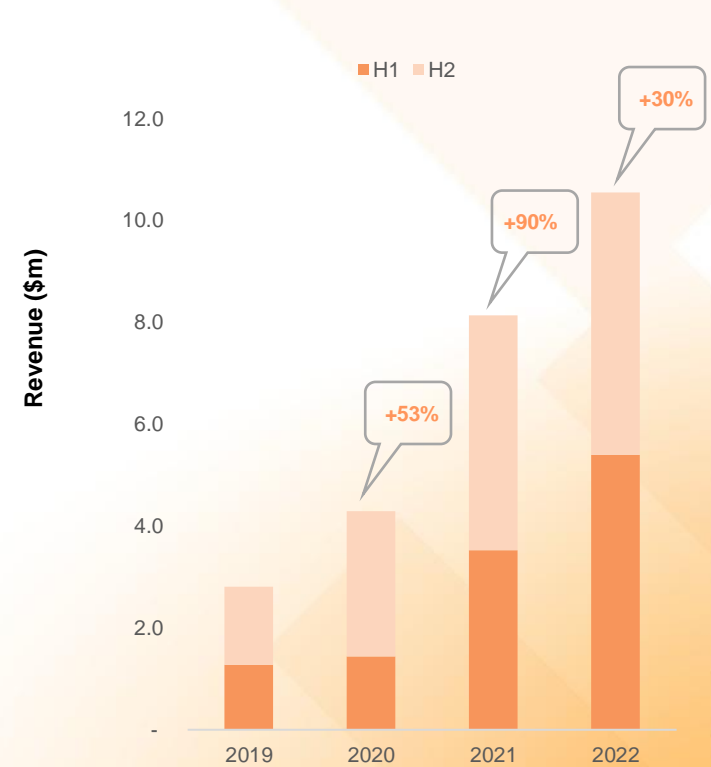
DIGITAL AUDIO REVENUE



DIGITAL PUBLISHING REVENUE



DIGITAL ONEROOF REVENUE




STRATEGIC PRIORITIES




**NEW ZEALAND'S
LEADING AUDIO
COMPANY**

 Create New Zealand's best local audio content

 Grow broadcast and digital reach


 Grow market revenue share and digital revenue



**NEW ZEALAND'S
HERALD**


 The #1 News brand for all New Zealanders

 Subscriber first

 Be a safe, scalable destination for advertisers



**YOUR COMPLETE
PROPERTY
DESTINATION**

 Strengthen core residential listings business

 Be indispensable to agents

 Expand the portfolio



NEW ZEALAND'S LEADING AUDIO COMPANY



Create New Zealand's best local audio content



Grow broadcast and digital reach



Grow market revenue share and digital revenue

2023 Target set in 2020	2020 Achievement	2021 Achievement	2022 Achievement
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NZME share of total audience

> 1% share point growth per annum	35.6% ¹	37.4% ¹	37.7% ¹
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Radio Revenue Share

> 1% share point growth per annum	40.4% ²	40.9% ²	41.4% ²
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Digital audio revenue as a % of total audio revenue

5%	2.4%	3.4%	5.1%
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EBITDA³ Margin Target (pre NZ IFRS16)

15 – 17%	14% ⁴	12%	13%
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1. GfK Commercial RAM, NZME excl. Partners, M-S 12mn-12mn, Market Share %, S4 2020 – S4 2022, AP10+. 1* Cumulative Audience, S2 2022.

2. PwC Radio advertising market benchmark report, rolling 12-month average to 31 Dec 2022. FY 2020 and 2021 figures as previously stated in FY 2021 results announced on 23 February 2022. Note: report excludes independent broadcasters, contra revenue and digital audio.

3. EBITDA is a non-GAAP measure and excludes exceptional items.

4. Includes Covid-19 government wage subsidy received in 2020. Excluding the impact of the government wage subsidy received in 2020, the EBITDA margin was 10.5%.



NEW ZEALAND'S HERALD



The #1 News
brand for all
New Zealanders



Subscriber first



Be a safe, scalable
destination for
advertisers

2023 Target set in 2020	2020 Achievement	2021 Achievement	2022 Achievement
Subscription Volume Target			
More than 210,000 by 2023 year-end	169,000	191,000	209,000 ¹
Subscription Volume Mix			
Digital Only > Print	32% / 68%	43% / 57%	54% / 46%
% Households Subscribing			
> 12% by year-end	9% ²	10% ²	11% ²
Advertising Revenue Mix			
> 45% Digital	42% Digital	46% Digital	48% Digital
EBITDA³ Margin Target (pre NZ IFRS16)			
18-19% ⁵	19% ⁴	18%	18%

1. Includes the impact of the BusinessDesk acquisition.
2. Stats.govt.nz Dwelling and household estimates: Dec 2022 quarter.
3. EBITDA is a non-GAAP measure and excludes exceptional items.
4. Includes Covid-19 government wage subsidy received in 2020. Excluding the impact of the government wage subsidy received in 2020, the EBITDA margin was 17.0%.
5. Adjusted from 19-20% to reflect the change in accounting policy on SaaS arrangements. Capital expenditure is expected to reduce by a similar amount.



YOUR COMPLETE PROPERTY DESTINATION



Strengthen core residential listings business



Be indispensable to agents



Expand the portfolio

1. OneRoof's listings as a percentage of residential for-sale real estate listings on trademe.co.nz. Dec 2022 monthly average. Excluding private listings. FY 2020 and 2021 figures as previously stated in 2021 FY results announced on 23 February 2022.
2. Nielsen Online Ratings, monthly average for Q4 2021, Q2 2022 & Q4 2022 (domestic web traffic only, doesn't include app).
3. EBITDA is a non-GAAP measure and excludes exceptional items.
4. Includes Covid-19 government wage subsidy received in 2020. Excluding the impact of the government wage subsidy received in 2020, the EBITDA margin was 4.7%.
5. As of Q4 2022

2023 Target set in 2020	2020 Achievement	2021 Achievement	2022 Achievement
Residential Listings			
96% of listings (100% of non-private listings)	89% ¹	91% ¹	89% ¹
Audience			
Reduce gap to #1	459k, gap to #1 of 250k ²	497k, gap to #1 of 396k ²	564k, gap to #1 of 152k ²
Listings Upgrade %			
50% of Auckland residential listings 22% of regional residential listings	17.6% Auckland 3.9% Regional	23.5% Auckland 5.4% Regional	40.9% Auckland 14.9% Regionals
Revenue			
Digital > Print	24% / 76%	38% / 62%	46% / 54%
EBITDA³ Margin Target (pre NZ IFRS16)			
15 - 25%	8% ⁴	7%	(9%)



NZME EXECUTIVE TEAM



Michael Boggs
Chief Executive Officer



Paul Hancox
Chief Commercial Officer



Greg Hornblow
Acting Chief of OneRoof



Carolyn Luey
Chief Digital & Publishing
Officer



David Mackrell
Chief Financial Officer



Katie Mills
Chief Marketing Officer



Matt Wilson
Chief Operating Officer



Allison Whitney
General Counsel



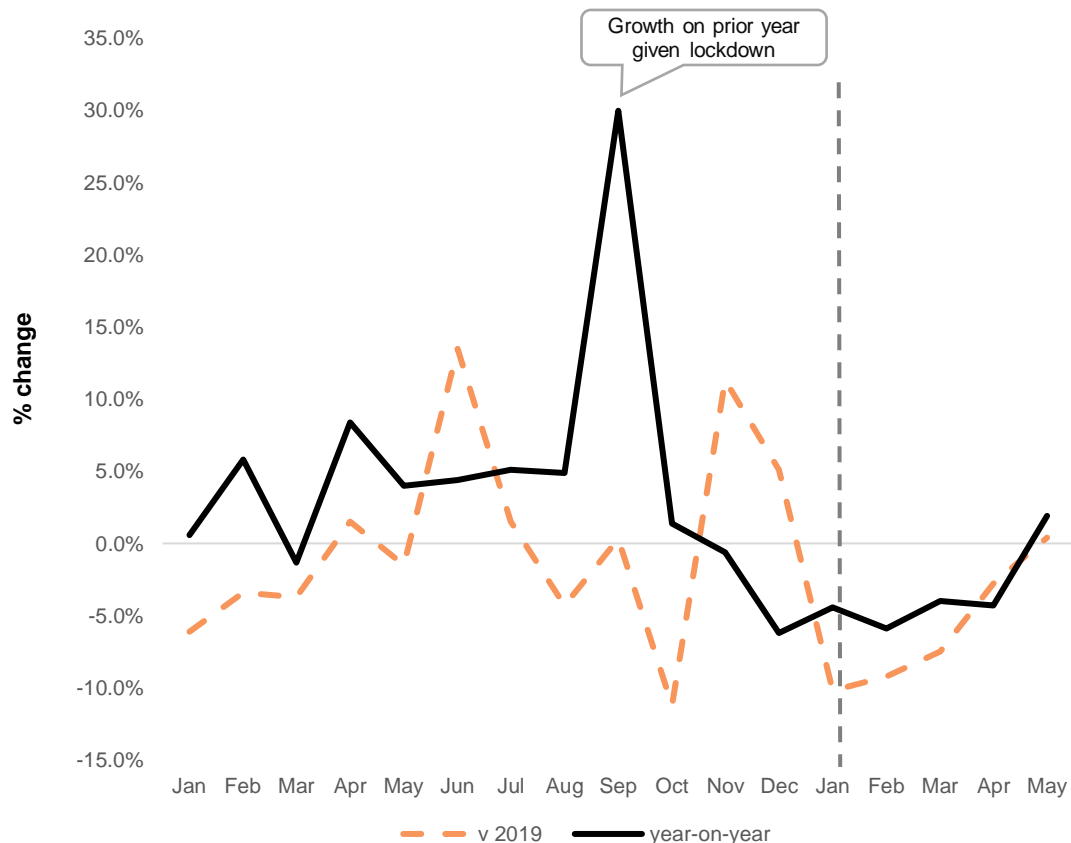
Jason Winstanley
Chief Radio Officer

OUR PEOPLE

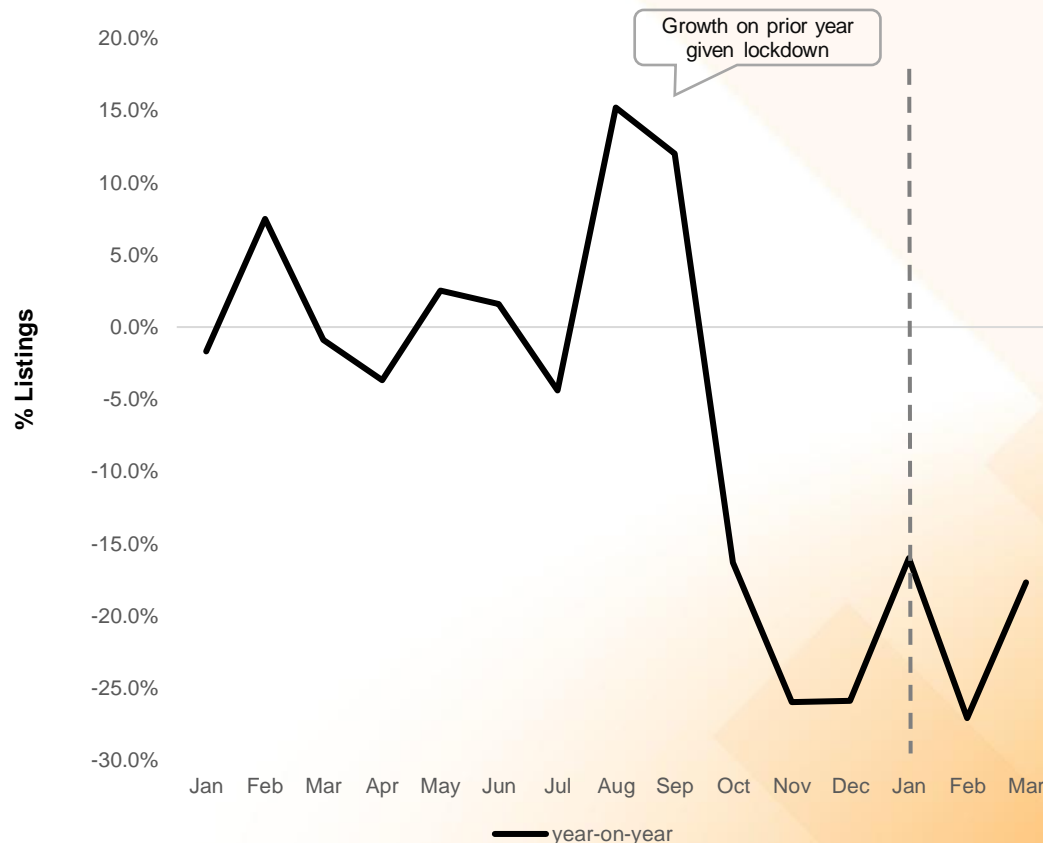


BUSINESS AND CONSUMER CONFIDENCE IMPACTS MARKET

NZME Advertising Revenue Jan 2022 – May 2023¹



Residential Real Estate New Listings Total Market Jan 2022 – Mar 2023²



- Second half of 2022 and start of 2023 impacted by business uncertainty.

- Second half of 2022 and start of 2023 reflects a significantly weaker property market.

1. NZME Analysis Jan 2019 – May 2023, April and May based on current bookings
 2. Realestate.co.nz monthly new listings report Jan 2019 – March 2023.

MARKET AND OUTLOOK

The operating environment continues to be uncertain.

Advertising revenue has been weaker in the first quarter of 2023 compared to 2022.

NZME advertising revenue would be in growth year-on-year if we adjusted for advertising spend by the Ministry of Health in 2022 and Real Estate customer declines this year:

- First quarter 2022 included advertising spend by the Ministry of Health regarding Covid-19 information.
- Given the current decline in the real estate market, real estate customer revenue across all of our platforms has contributed to 60% of the revenue reduction in the first quarter of 2023.

May 2023 advertising revenue bookings to date reflect an improving trend for NZME.

We are mitigating cost pressure through disciplined cost management across the business.

Despite the weaker economic environment and lower business confidence, NZME expects 2023 EBITDA in the range of \$59-\$64 million.

MICHAEL BOGGS

CHIEF EXECUTIVE OFFICER



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ORDINARY RESOLUTIONS



ORDINARY RESOLUTION 1: RE-ELECTION OF DIRECTOR

To consider and, if thought fit, to pass the following ordinary resolution:

Barbara Chapman

That Barbara Chapman, who retires by rotation and is eligible for re-election, be re-elected as a Director of NZME.



ORDINARY RESOLUTION 2: AUDITOR'S REMUNERATION

To consider and, if thought fit, to pass the following ordinary resolution:

Auditor's Remuneration

That the Directors of NZME be authorised to fix the fees and expenses of the auditor for the financial year ending 31 December 2023.

A professional Sony FX6 camera is mounted on a tripod, positioned in a warm, golden-lit environment. The camera's rear panel is visible, showing various controls and the 'SONY' and '4K' branding. The background is a blurred interior space with warm lighting, suggesting a studio or office setting. The overall mood is professional and focused.

GENERAL BUSINESS

 The New Zealand Herald **THE COUNTRY** **Advocate** **THE HITS** **DRIVEN**  **travel** **VIVA**  **OneRoof**

NewstalkZB **HOROWHENUA CHRONICLE** ROTORUA **Daily Post** **GOLD** **GOLD SPORT**  **HERALD on SUNDAY** **BusinessDesk.**

 **iHeartRADIO** **Te Puke Times**  **RADIO HAURAKI** **HASTINGS Leader** **HCPOST**  **nzherald.co.nz**  **canvas** **Education Gazette** 

 **radiowanaka** **Taupō & Tūrangi Herald** **ROTORUA Weekender** **ALTERNATIVE COMMENTARY COLLECTIVE** **Kāpiti News** **Bay of Plenty Times** **Whanganui Chronicle** **Coast**

The Ashburton Courier **essence** **Manawatu GUARDIAN** **flava** **BUSHTELEGRAPH** **Katikati Advertiser** **The Northland Age**  **spy** **CHB Mail**

WHANGANUI MIDWEEK **Women's lifestyle expo** **reset** **Hawke's Bay TODAY** **HOME & LIFESTYLE SHOW** **hokonui** **NAPIER Courier**  **TimeOut** 

Weekend Herald **Stratford PRESS**  **RESTAURANT HUB** **Waikato Herald**

**EVERYONE'S
HERE.**

**NZ
ME.**
NEW ZEALAND
MEDIA AND
ENTERTAINMENT

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This presentation may contain projections or forward-looking statements regarding a variety of items. Such projections or forward-looking statements are based on current expectations, estimates and assumptions and are subject to a number of risks and uncertainties. There is no assurance that results contemplated in any projections or forward-looking statements in this presentation will be realised. Actual results may differ materially from those projected in this presentation. No person is under any obligation to update this presentation at any time after its release to you or to provide you with further information about NZME Limited.

The Group adopted NZ IFRS 16 Leases on 1 January 2019 and IFRS Interpretations Committee's (IFRIC's) agenda decision on configuration and customisation costs in relation to Software as a Service (SaaS) arrangements in 2021. Operating results as stated throughout this presentation refer to results including the adjustments for the adoption of NZ IFRS 16, and prior to exceptional items. 2021 has been restated to exclude the impact of GrabOne. Please refer to pages 38-39 of the annual results presentation for detailed reconciliation of these results to the statutory results. See note 1.2.2 of the consolidated interim financial statements for the year ended 31 December 2022 for the restatement adjustments that have been applied.

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