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NZME Limited 2024 Full Year Financial Results

**Digital revenues continue to grow thanks to strong digital transformation strategy.
NZME announces three new significant areas of focus.**

AUCKLAND, 26 February 2025: NZME Limited (NZX: NZM, ASX: NZM) has announced its financial results for the full year ended 31 December 2024 reporting Operating Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA)¹ of \$54.2 million.

The company reported a Statutory Net Loss After Tax of \$16.0 million after a \$24 million non-cash impairment of intangible assets. Despite challenging economic conditions impacting the media industry with continued weaker demand in advertising, NZME lifted its Operating Revenue¹ for the year to \$345.9 million, up 2% from \$340.8 million in 2023.

Significant new areas of focus

NZME also shared three new areas of focus to drive success.

1. OneRoof value realisation

OneRoof continues to be a very strong performer, with significant future growth potential. To continue to accelerate its growth and realise its full potential in delivering value for shareholders, we have commenced an independent strategic review of OneRoof to evaluate opportunities including:

- The potential separation of OneRoof to enable raising external capital, either public or private, to surface its value;
- Potential pathways to value recognition and monetisation;
- Consolidation opportunities for OneRoof;
- Additional resourcing and extra capacity opportunities to accelerate OneRoof's growth.

A progress update on this independent review will be provided at part of NZME's half year results later in the year.

2. Governance – additional specialists

With digital transformation at the heart of NZME's overarching strategy, the NZME Board is seeking a new member with experience in digital acceleration to further complement the vast experience and skills of the current Board.

A new OneRoof Board will also be implemented this year which will include the appointment of a property marketplace specialist.

3. Setting a new tone for New Zealand

NZME will also focus on taking a leadership position to help New Zealand thrive, using its various platforms including the NZ Herald to support the reboot and acceleration of New Zealand's economic recovery, sharing stories of success and building positive momentum.

This is in line with the company's commitment to keeping Kiwis in the know and connecting communities by facilitating conversations about the topics that matter.

Key financial performance highlights:

- As one of New Zealand's largest media companies, NZME continues to reach nine in every ten Kiwis², with large scale audiences engaging with its brands across Audio, Publishing and OneRoof.
- 2.5 million Kiwis turn to NZME's digital platforms each month³ alone, and combined with our terrestrial audio and print publications, NZME has a total audience of 3.5 million people³.
- OneRoof has been a standout performer, once again demonstrating its significant potential in creating value for shareholders, reporting positive EBITDA of \$2.7 million compared to an EBITDA loss in 2023.
- OneRoof grew listings enquiries by 32% year on year and overtook its nearest competitor to become number one for online web audience for the first time in November 2024 and has continued to do so for the two months following⁴.
- NZME's digital audio performance has been particularly strong, with digital audio revenue reaching \$10.8 million - a 32% increase on the previous year's \$8.2 million.
- Podcast revenue has grown 67% year on year, while digital radio streaming revenue has increased by 19%.
- NZME's digital subscription business demonstrated resilience in a challenging market, with revenue growing 10% to \$22.6 million.

Michael Boggs, NZME Chief Executive Officer says: "Our integrated approach sees us leverage the strengths of both digital and traditional media to provide the best possible offering to our diverse audiences across the country.

"Despite continued challenges across the media industry, NZME has performed well thanks to our strong digital strategy and our uniqueness in offering a strong, diverse portfolio of platforms for advertisers. Our focus on product profitability and simplifying our business in 2024 was critical to NZME remaining strong and profitable."

NZME continues to perform exceptionally well digitally, with OneRoof's digital revenue increasing by 51% and now making up 61% of OneRoof's total revenue – up from 54% in 2023.

NZME's audio division continues to enhance advertising capabilities, enabling more precise targeting through improved data analytics, and the integration of first and third party data across a unified digital audio inventory.

As well as growing digital subscription revenue by 10%, NZME's publishing division demonstrated its commitment to digital innovation by implementing new automation technology to auto curate and personalise features on the NZ Herald homepage and using transformative tools to improve productivity and content quality.

Barbara Chapman, NZME Board Chairman says NZME's robust digital strategy is crucial not only in responding to the evolving ways audiences are consuming content, but in creating unique, diverse, high-impact opportunities for advertisers across multiple platforms.

"With a strong digital transformation strategy and a forward-thinking approach, this ensures NZME continues to be at the forefront of innovation and new technology. Leveraging our strong digital capabilities alongside our traditional media assets, maximising value from all channels is fundamental to our continued success in generating sustainable growth and delivering exceptional shareholder value both now and into the future," she says.

Capital management

NZME distributed \$16.8 million to shareholders over the past year comprising of \$11.2 million in a 2023 final dividend payout of 6.0 cents per share, and \$5.6 million through a 2024 interim dividend of 3.0 cents per share.

Net debt for the year was \$24.1 million which remains in the middle of NZME's target leverage ratio range.

Despite the difficult trading environment and lower profitability for 2024, the strong capital position enables NZME to deliver a final dividend in line with last year. The Board has declared a fully imputed final dividend of 6.0 cents per share bringing the total dividends declared in relation to the 2024 financial year to 9.0 cents per share.

We expect lower capital investment in 2025. However, we will assess opportunities that may become available to increase earnings and shareholder value from time to time.

Outlook

The beginning of 2025 has started well and is anticipated to deliver advertising revenue growth of 4% for the first quarter of 2025 after adjusting for the recent exit of community newspapers.

OneRoof has continued its strong audience performance into 2025 and is delivering year on year digital revenue growth of 30% across January and February 2025.

Given the revenue growth to date and our focus on cost control, subject to the continuing improvement in market advertising demand, we expect to deliver improved operating results during 2025.

The full set of NZME's 2024 Full Year Results materials can be found [here](#).

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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 2023 and 2024 financial years. Please refer to pages 50-51 of the results presentation for a detailed reconciliation.
2. NZME Reach Study, n=1000 nationally representative AP18+ (Jan 2024 unduplicated audience across NZME print, digital, radio & podcasts).
3. Nielsen CMI Q4 23 - Q3 24 Dec 24 Fused AP15+. *Monthly coverage for Daily & Weekend Sun titles, weekly coverage for Newspaper Inserted Magazines, monthly UA for Digital, weekly reach for Radio (GfK RAM S2 24).
4. Nielsen Online Ratings November 2024 – January 2025 (desktop, mobile web and domestic traffic only, does not include exclusive mobile app audience).