

**NZ
ME.**

NEW ZEALAND
MEDIA AND
ENTERTAINMENT

2021 FULL YEAR RESULTS

KEEPING KIWIS IN THE KNOW

FOR THE YEAR ENDED 31 DECEMBER 2021

AGENDA

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RESULTS SUMMARY

FOR THE FULL YEAR ENDING 31 DECEMBER 2021

- Revenue growth through digital transformation in 2021, despite Covid restrictions continuing to impact demand:
 - Total digital revenue growth of 37% across three strategic pillars: Audio, Publishing and OneRoof.
 - Audio advertising revenue increased 11% year-on-year to \$104.6 million.
 - Total radio audience market share increased 1.8% pts (strategic target was > 1% p.a.).
 - Over 191,000 subscribers across print and digital, including 83,000 digital-only subscribers, up 54% year-on-year.
 - OneRoof digital revenue growth of 90% year-on-year.
- Statutory Net Profit After Tax of \$34.4 million, including gain on sale of GrabOne.
- Net cash position of \$13.5 million as at 31 December 2021, an improvement of \$47.4 million.
- Fully imputed and fully franked final dividend declared of 5.0 cents per share, taking total dividends for the year to 8.0 cents per share.

1. Operating results presented are non-GAAP measures that include the impact of NZ IFRS 16 and the IFRIC agenda decision on Software-as-a-Service (SaaS) arrangements, however, exclude exceptional items to allow for a like for like comparison between 2020 and 2021 financial years. For the avoidance of doubt, 2020 has been restated to include the impact of the IFRIC agenda decision on SaaS arrangements. Please refer to pages 38-39 of this results presentation for a detailed reconciliation. The 2020 operating and statutory results include \$8.6 million (net) of Covid-19 government wage subsidy received in H1 2020.

\$349.2m

Operating Revenue¹

2020 \$331.2m ▲ 5%

\$66.0m

Operating EBITDA¹

2020 \$66.0m

\$34.4m

Statutory NPAT

2020 \$14.5m ▲ 138%

\$23.6m

Operating NPAT¹

2020 \$22.2m ▲ 6%

11.9cps

Operating EPS¹

2020 11.3cps ▲ 6%

5.0 cps

Final Dividend

Payable on 23 March 2022

\$13.5m

Net Cash

Movement ▲ \$47.4m

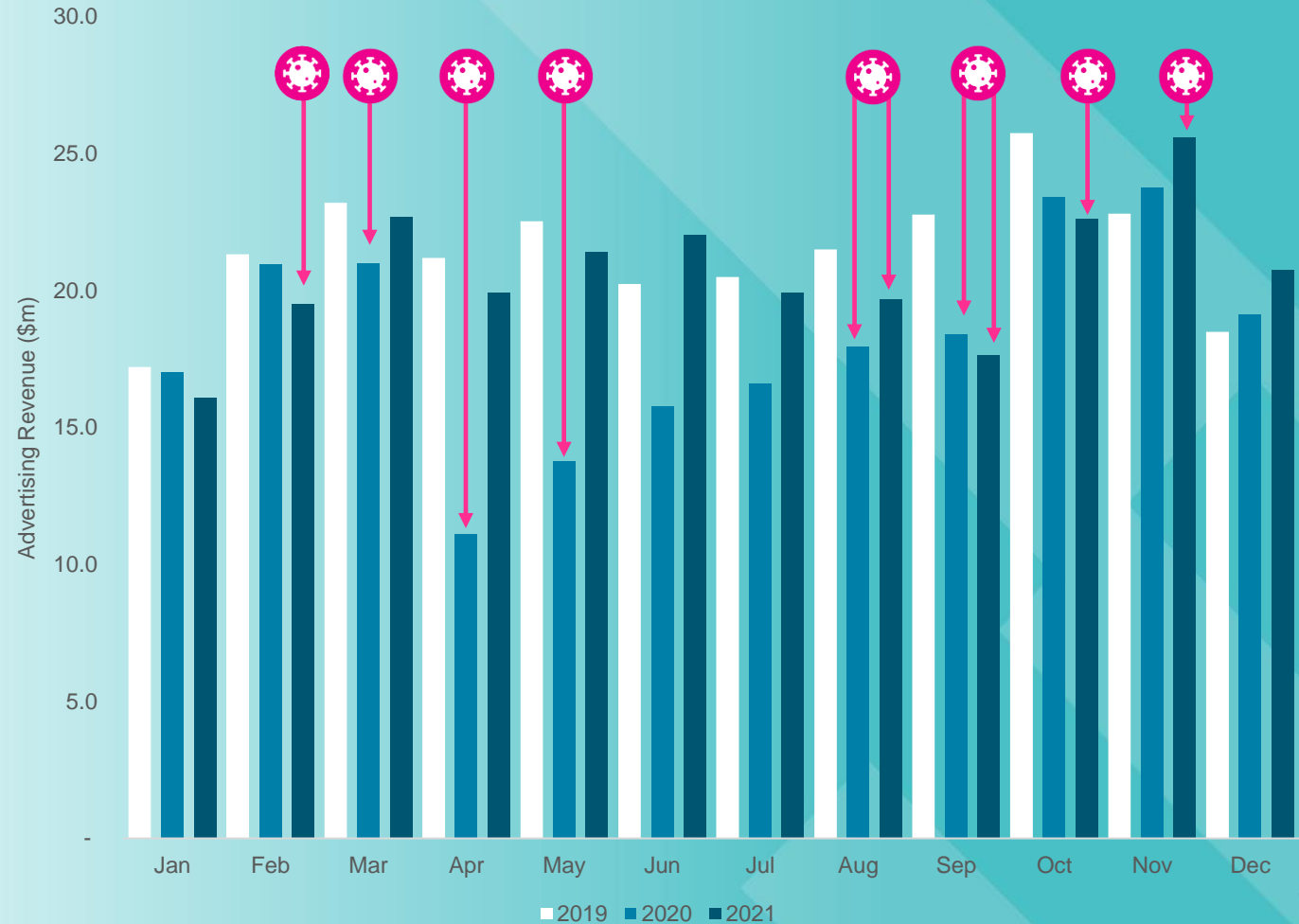
NZME ADVERTISING REVENUE IMPACTED BY COVID-19 RESTRICTIONS


Advertising revenue has remained resilient against Covid-19 related headwinds in 2021, growing 13% compared to 2020.

H1 2021 was down 3.2% to H1 2019, with a strong recovery reflected in June 2021 being ahead of June 2019.

Covid-19 restrictions were reintroduced nationwide in August 2021 with Q3 2021 down 11.7% to Q3 2019. Despite this, H2 2021 was only down 4.3%, supported by strong performance in November and December.

TOTAL ADVERTISING REVENUE 2019-2021



 Covid Lockdown Months



STRATEGIC PRIORITIES AND MARKET PERFORMANCE

2023 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

LEADING AUDIENCE AND CUSTOMER CENTRIC BRANDS



Audio Audience

Reaches over 1.9 million²

- Over 6 million hours are listened to monthly through iHeartRadio⁴
- NZ's #1 radio station & breakfast show on Newstalk ZB²
- New Zealand's number one podcast network³

Radio Advertising

Digital Advertising

NZME.
reaches over
3.5 million
New Zealanders¹

OneRoof Audience



Reaches over 850,000¹

- Over 490,000 Kiwi's finding their next home at oneroof.co.nz⁵
- The most read real estate newspaper section¹
- 91% of residential for-sale listings nationwide⁶

Print Advertising

Digital Advertising

Digital Classifieds



Publishing Audience

Reaches over 2.8 million¹

- Over 50% of New Zealanders engage with nzherald.co.nz each month¹
- #1 Daily newspaper in NZ¹
- More than 191,000 subscribers across print and digital

Print Advertising

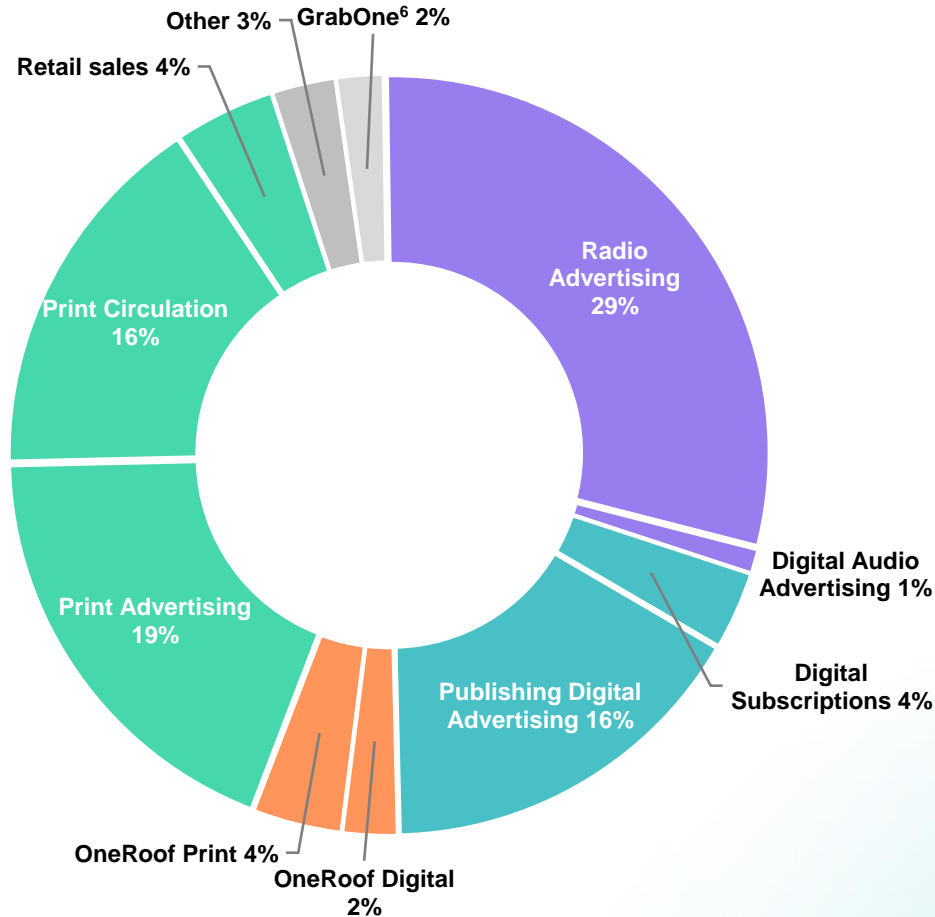
Digital Advertising

Reader Revenue

1. Nielsen CMI Q4 20 – Q3 21 Fused November 2021 AP15+ Note: NZME, Publishing and OneRoof audience includes weekly print and monthly digital
2. GfK RAM, Commercial Radio, Total NZ 4/2021, M-S 12mn-12mn, M-F 6am-9am, Share %, Cume 000, AP10+
3. Triton NZ Podranker December 2021 (1 Dec – 31 Dec)
4. Adswizz Jul-Dec 2021 TLH averaged
5. Nielsen Online Ratings monthly average Q4 2021 AP15+ (excludes APP)
6. OneRoof's listings as a percentage of residential for-sale real estate listings on trademe.co.nz as of 31 Dec 2021.

NZME HAS A STRONG POSITION IN EACH MARKET IT PARTICIPATES IN

2021 Total Segment Revenue \$345.5m



Print circulation (YoY growth)

NZME print circulation revenue	(3.3%)
NZME movement – print readership ¹	7.3%
Market movement – print readership ¹	4.4%

Print readership Market Share

NZME print readership market share ¹	55.6%
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Print advertising (YoY growth)

NZME print advertising revenue ⁵	3.7%
Market movement – Print revenue ²	3.1%

Print advertising Market Share

NZME print revenue market share ²	47.4%
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Radio advertising (YoY growth)

NZME radio advertising revenue	10.2%
Market movement – Radio revenue ³	9.4%

Radio advertising Market Share

NZME radio revenue market share ³	40.9%
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Digital display advertising (YoY growth)

NZME total display advertising revenue ⁴	49.1%
Market movement – total display revenue ⁴	49.1%

Digital display advertising Market Share

NZME total display revenue market share ⁴	24.2%
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1. Nielsen CMI Fused Q4 20 – Q3 21, People 15+. Compared to Q4 19 – Q3 20.

2. PwC NPA quarterly performance comparison report, 12 months to Dec 2021 compared to 2020, rolling 4-quarter average for market share.

3. PwC Radio advertising market benchmark report, 12 months to Dec 2021 compared to 2020, rolling 4-quarter average for market share. Note: report excludes independent broadcasters and contra revenue.

4. IAB NZ Digital advertising revenue report – total display, Q2 2021 compared to Q2 2020, rolling 4-quarter average for market share up till Q2 2021. Q3 report not available yet. Note: excludes digital audio.

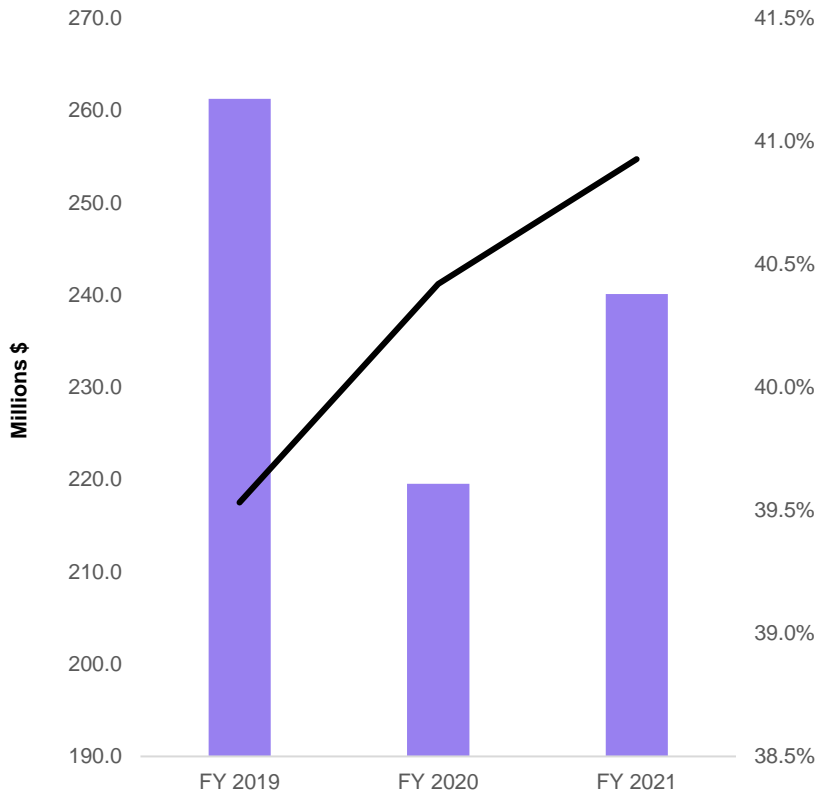
5. This includes publishing and OneRoof print advertising revenue.

6. The sale of GrabOne was completed 29 October 2021.

MARKET OVERVIEW

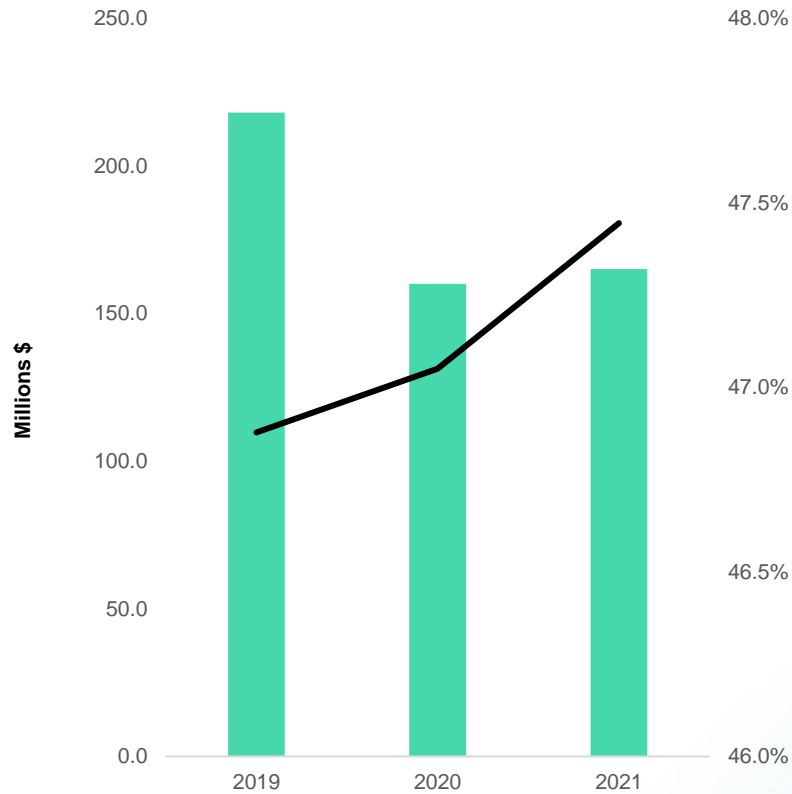
Radio Market Revenue¹

Market Revenue NZME Share



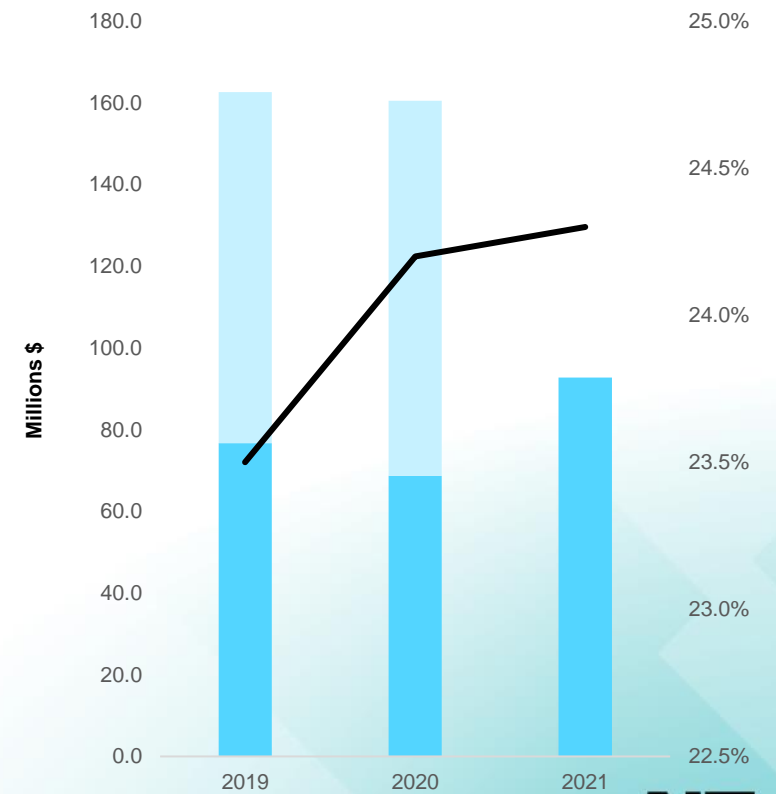
Print Market Revenue²

Market Revenue NZME Share



Digital Display Market Revenue³

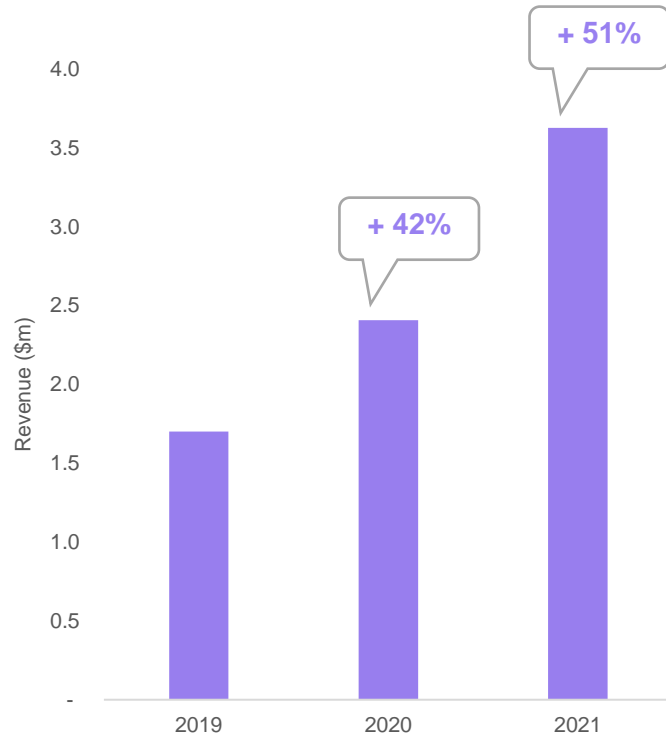
H1 H2 NZME Share



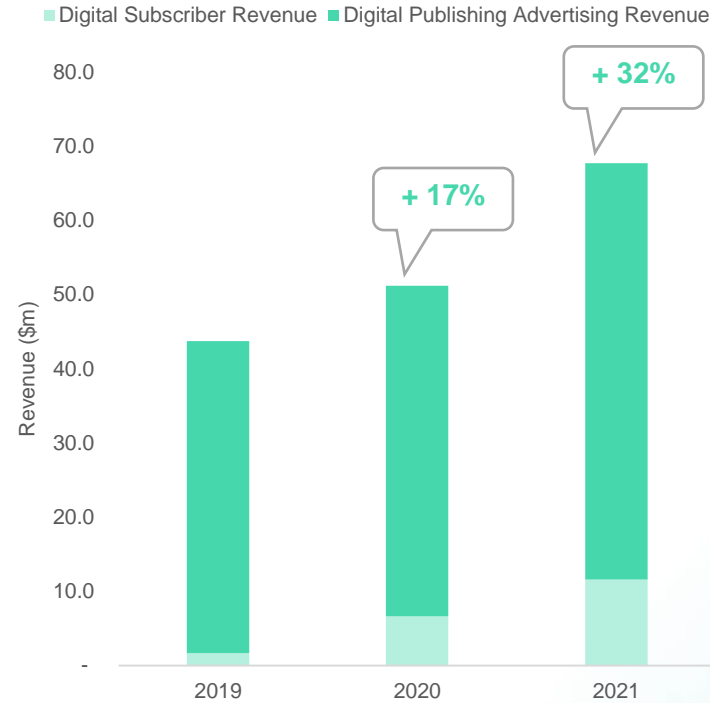
1. PwC Radio advertising market benchmark report, Q1 2019 – Q4 2021. Note: report excludes independent broadcasters and contra revenue.
 2. PwC NPA quarterly performance comparison report, Q1 2019 – Q3 2021. Note: report excludes any publishers that are not part of the NPA.
 3. IAB NZ Digital advertising revenue report – total display, Q1 2019 – Q2 2021. *only up until Q2 2021, Q3/Q4 report not available yet. Note: excludes digital audio and is display only.

ACCELERATED DIGITAL REVENUE GROWTH

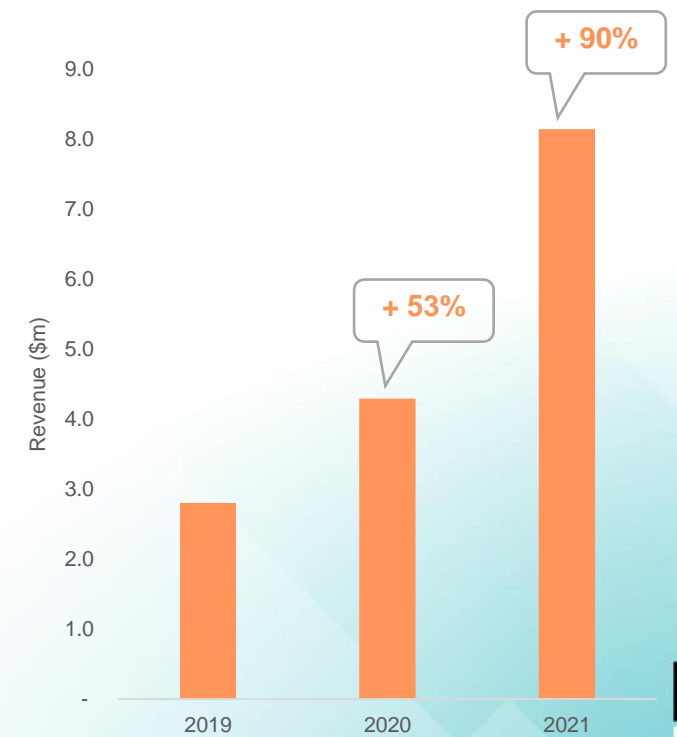
DIGITAL AUDIO REVENUE



DIGITAL PUBLISHING REVENUE



DIGITAL ONEROOF REVENUE

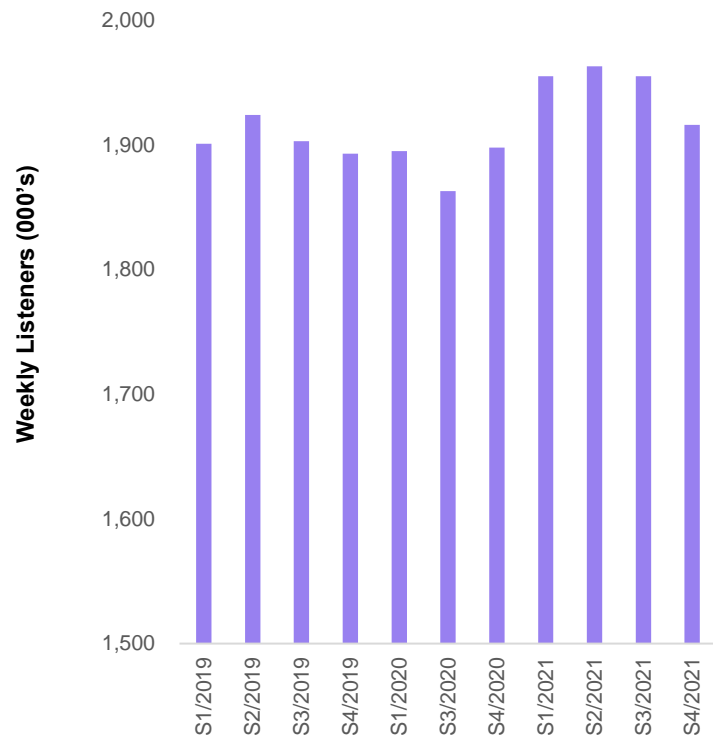




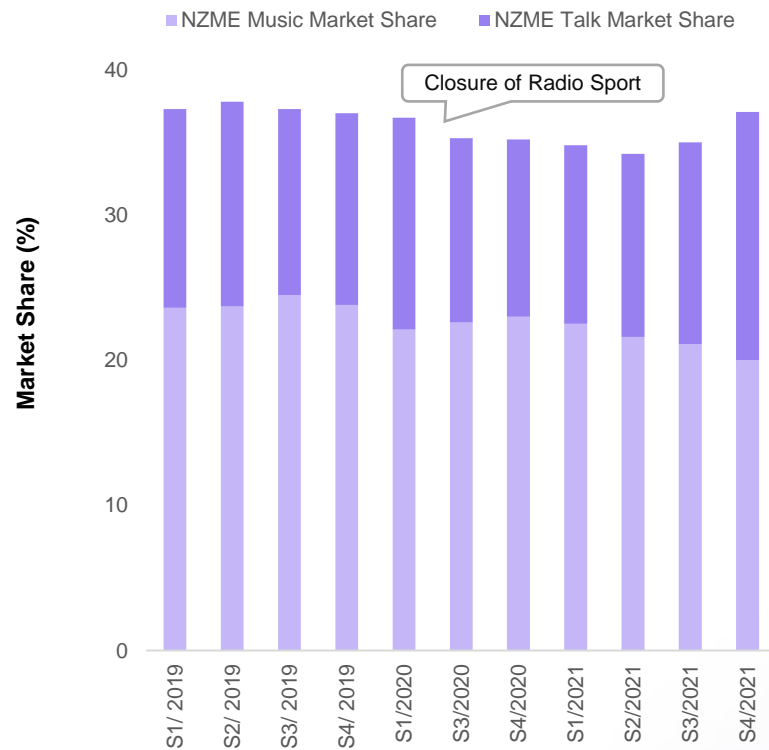
AUDIO

AUDIO LISTENERS AND MARKET SHARE

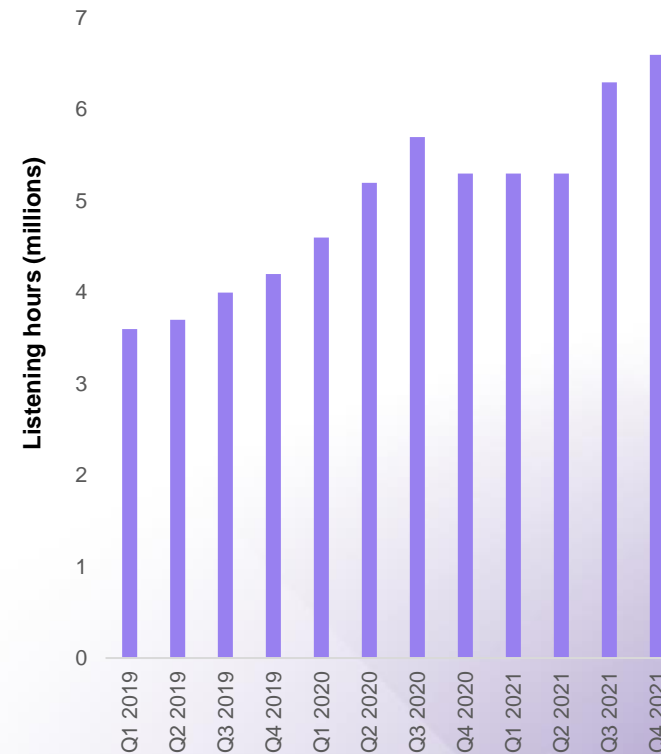
NZME Radio weekly listeners
-Total NZ All 10+ Cume¹



NZME Radio Share –
Total NZ All 10+ Share²



iHeartRadio Total Listening
Hours (million)³



1. GfK Radio Audience Measurement, Commercial Stations, NZME excl. Partners, Cumulative Audience 000, M-S 12mn-12mn, Total NZ, S1 2019-S4 2021. AP10+.

2. GfK Radio Audience Measurement, Commercial Stations, NZME excl. Partners (doesn't include BBC Auckland), Market Share %, M-S 12mn-12mn, S1 2019-S4 2021, AP10+. Note: Radio Sport closed prior to S3 2020.

3. Adswizz and StreamGuys, TLH, monthly average for the quarter.

\$ million	2021	2020	% Change
Radio advertising	101.0	91.6	10%
Digital audio advertising	3.6	2.4	51%
Other	1.1	5.6	(80%)
Audio revenue	105.7	99.6	6%
People & Contributors	(52.3)	(50.0)	4%
Agency Commission & Marketing	(17.6)	(14.9)	18%
Content	(6.7)	(5.8)	14%
Other	(9.2)	(9.1)	1%
Audio expenses	(85.7)	(79.8)	7%
Audio EBITDA¹ (incl. NZ IFRS 16)	20.0	19.8	1%
NZ IFRS 16 Adjustment	(7.0)	(5.7)	24%
Audio EBITDA¹ (pre NZ IFRS 16)	13.0	14.2	(8%)
EBITDA¹ Margin (pre NZ IFRS 16)	12%	14%	-2 ppt

AUDIO

For the full year ending 31 December 2021

- Radio advertising revenue grew 10% compared to 2020, with the H1 2021 showing signs of recovery with 17% growth compared to H1 2020, prior to the reintroduction of Covid-19 restrictions in August 2021.
- Radio revenue market share increased to 40.9% compared to 40.4% in 2020².
- iHeartRadio's advertising revenue growth trajectory continued with 51% growth year-on-year, supported by continued increases in listening hours³.
- Other revenue in 2020 includes government wage subsidy received of \$3.7 million.
- Higher advertising revenue resulted in an increase in agency commission and content costs.
- EBITDA¹ margin was artificially high in 2020 due to the impact of the government wage subsidy received. Excluding this impact, 2020 EBITDA margin was 10.5%.

1. EBITDA is a non-GAAP measure and is presented as including the impact of the IFRIC agenda decision on SaaS arrangements, however, it excludes exceptional items (redundancy costs, one-off projects and other exceptional items).
2. PwC Radio advertising market benchmark report, rolling 12 month average to 31 December 2021 vs 12 months to 31 December 2020. Note: report excludes independent broadcasters and contra revenue.
3. Adswizz and StreamGuys, TLH, monthly average for the quarter.

NEW ZEALAND'S LEADING AUDIO COMPANY



Metric	FY 2020 Achievement	FY 2021 Achievement	2023 Target	2022 Initiatives
NZME share of total audience	35.6% ¹	37.4% ¹	> 1% share point growth per annum	<ul style="list-style-type: none"> Continue to grow 10+ audience market share with a focus on key 25-54 demographic Integrate FM frequency acquisitions in Wanaka and Coromandel Growing iHeartRadio usage and attracting new audiences utilising NZME channels Invest in podcast content development Expand the content offering for youth audio with KICK Grow The Alternative Commentary Collective sport proposition to reach new audiences
Radio Revenue Share	40.4% ²	40.9% ²	> 1% share point growth per annum	<ul style="list-style-type: none"> Leverage market studies to increase overall market size Lead the market in advertising effectiveness with innovative and measurable ad formats Utilise strength of NZME's reach and platforms to grow regional radio share
Digital audio revenue as a % of total audio revenue	2.4%	3.4%	5%	<ul style="list-style-type: none"> Further develop programmatic sales channel Improve performance and monetisation with increased addressability rates Grow the audio market by accessing digital advertising budgets Develop premium podcast products
EBITDA³ Margin Target (pre NZ IFRS16)	14%⁴	12%	15 – 17%	

1. GfK Radio Audience Measurement, Commercial Stations, NZME excl. Partners, M-S 12mn-12mn, Market Share %, S4 2020 – S4 2021, AP10+.

2. PwC Radio advertising market benchmark report, rolling 12 month average to 31 December 2021 vs 12 months to 31 December 2020. Note: report excludes independent broadcasters and contra revenue.

3. EBITDA is a non-GAAP measure and is presented as excluding the impact of NZ IFRS 16 but including the impact of the IFRIC agenda decision on SaaS arrangements. However, it excludes exceptional items (redundancy costs, one-off projects and other exceptional items).

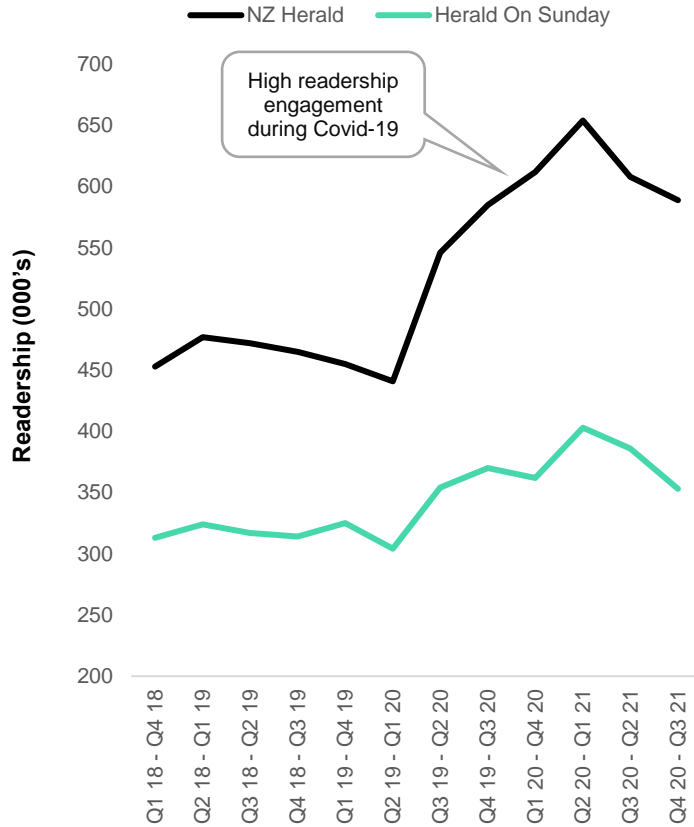
4. Includes Covid-19 government wage subsidy received in 2020.



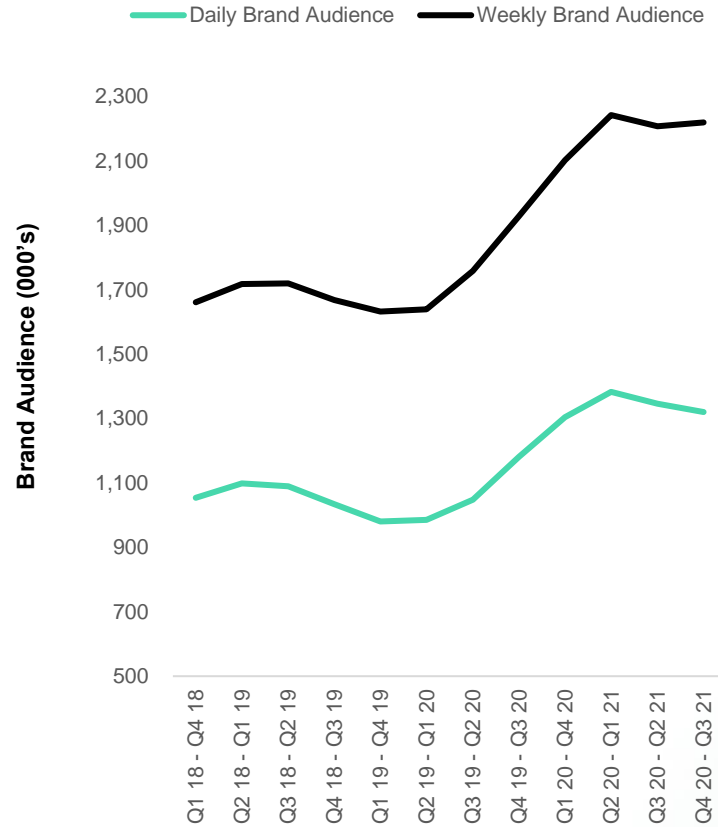
PUBLISHING

AUDIENCES CONTINUE TO ENGAGE

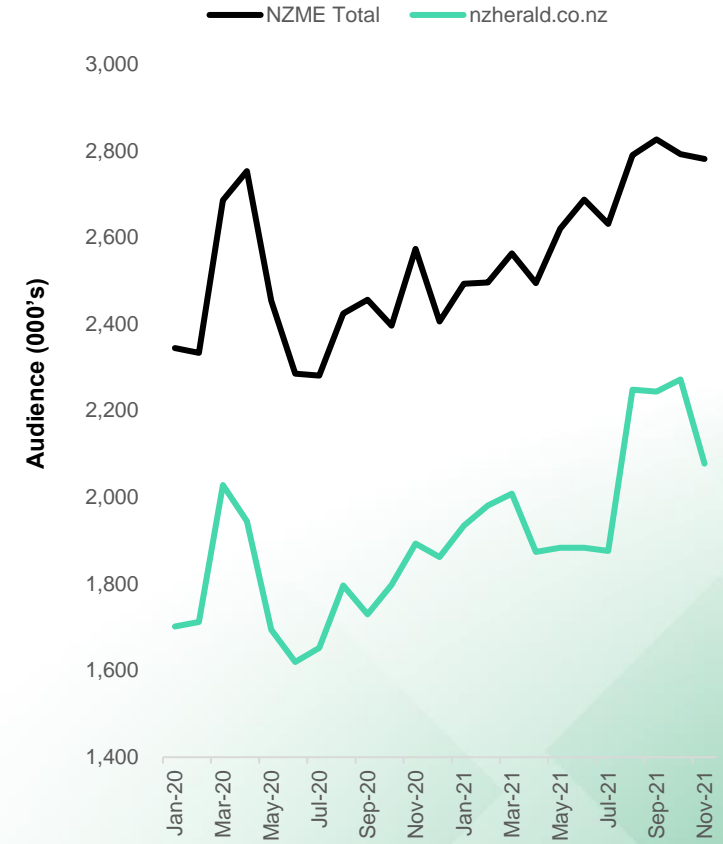
NZ Herald (Mon-Sat) and Herald on Sunday Average Issue Readership¹



NZ Herald Daily and Weekly Brand Audience¹



NZME Total Monthly Digital Users²

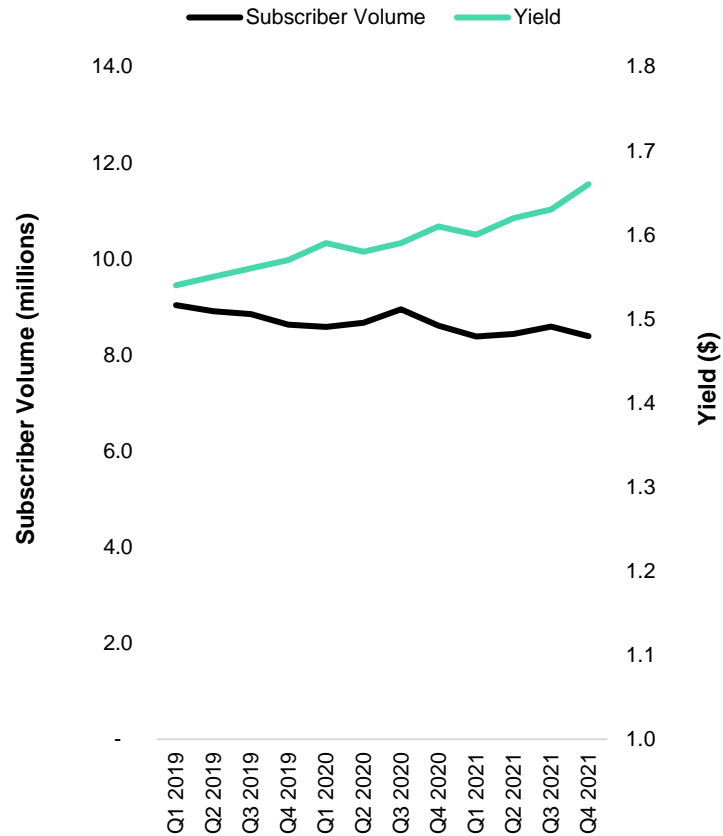


1. Nielsen CMI Q1 18 – Q3 21, AP 15+

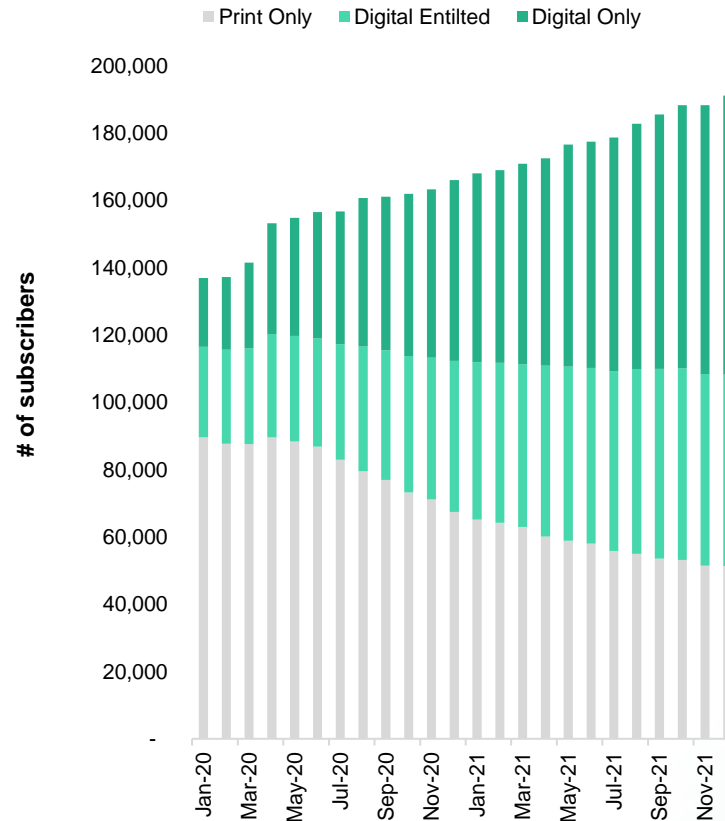
2. Nielsen CMI Fused Q4 20 – Q3 21, Nov 2021, AP 15+. (Fused Jan 20 – Fused Nov 21) Note: Dec is not released until March 2022.

TOTAL SUBSCRIBERS GROWING

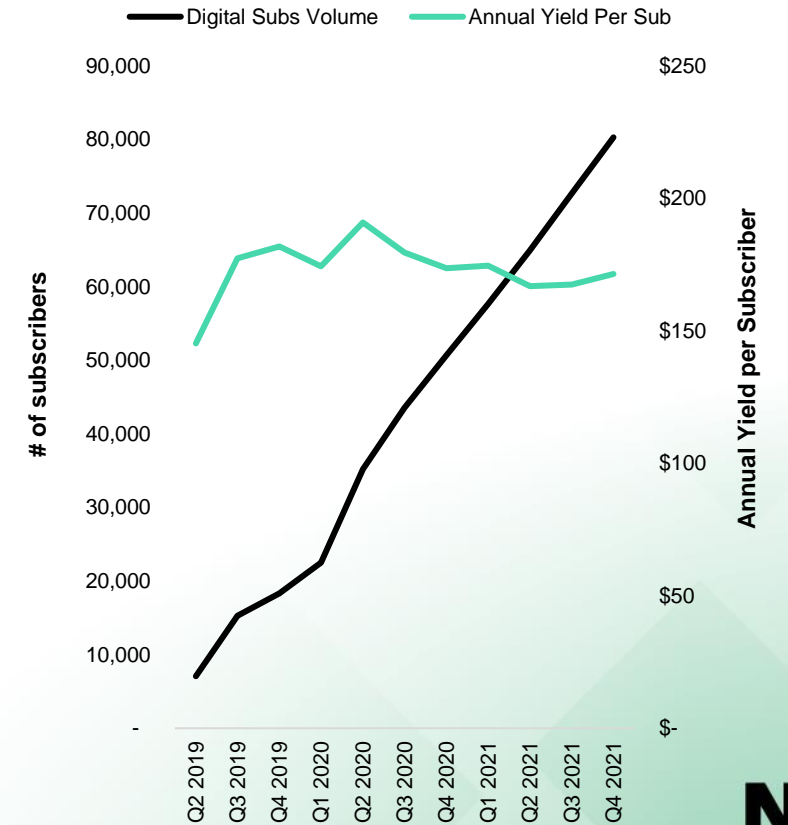
Print Subscriber Volume and Yield¹



Subscriptions Mix



Digital Subscription Volume and Yield



1. Subscriber volume drives revenue and represents the count of individual paid papers delivered including the NZ Herald, Herald on Sunday and Regionals. Subscriber yield includes promotional volumes.

\$ million	2021	2020	% Change
Print subscriptions	55.4	55.8	(1%)
Digital subscriptions	11.6	6.6	75%
Retail outlet sales	14.9	16.9	(12%)
Total reader revenue	81.9	79.3	3%
Print advertising	65.0	62.1	5%
Digital advertising	56.1	44.6	26%
Total advertising revenue	121.1	106.7	14%
Other	8.9	15.5	(42%)
Publishing revenue	212.0	201.5	5%
People & Contributors	(79.6)	(77.2)	3%
Print & Distribution	(45.2)	(40.2)	13%
Agency Commission & Marketing	(20.4)	(16.8)	22%
Content	(7.7)	(7.0)	10%
Other	(12.5)	(14.2)	(12%)
Publishing expenses	(165.5)	(155.4)	6%
Publishing EBITDA¹ (incl. NZ IFRS 16)	46.5	46.1	1%
NZ IFRS 16 Adjustment	(7.7)	(7.8)	(1%)
Publishing EBITDA¹ (pre NZ IFRS 16)	38.8	38.4	1%
EBITDA¹ Margin (pre NZ IFRS 16)	18%	19%	-1 ppt

PUBLISHING

For the full year ending 31 December 2021

- Total reader revenue grew 3% year-on-year with growth in digital subscription revenue offsetting declines in retail outlet sales and print subscription revenue.
- Print subscription revenue declined marginally with decrease in volume of 3% mostly offset by a 2% increase in yield. Retail outlet sales decline slowed in 2021.
- Digital subscriptions revenue increased 75% year-on-year, driven by an increase of 30,000 digital subscribers.
- Digital and print advertising revenue grew 26% and 5% respectively compared to 2020, resulting in digital making up 46% of total publishing advertising revenue in 2021.
- Other revenue in 2020 includes government wage subsidy received of \$4.2 million.
- Agency commission increased in line with increased revenue through the agency channel. Print & distribution costs increased given the temporary cost savings achieved in 2020.
- Excluding the impact of government wage subsidy received in 2020, EBITDA margin was 17.0%.

NEW ZEALAND'S HERALD



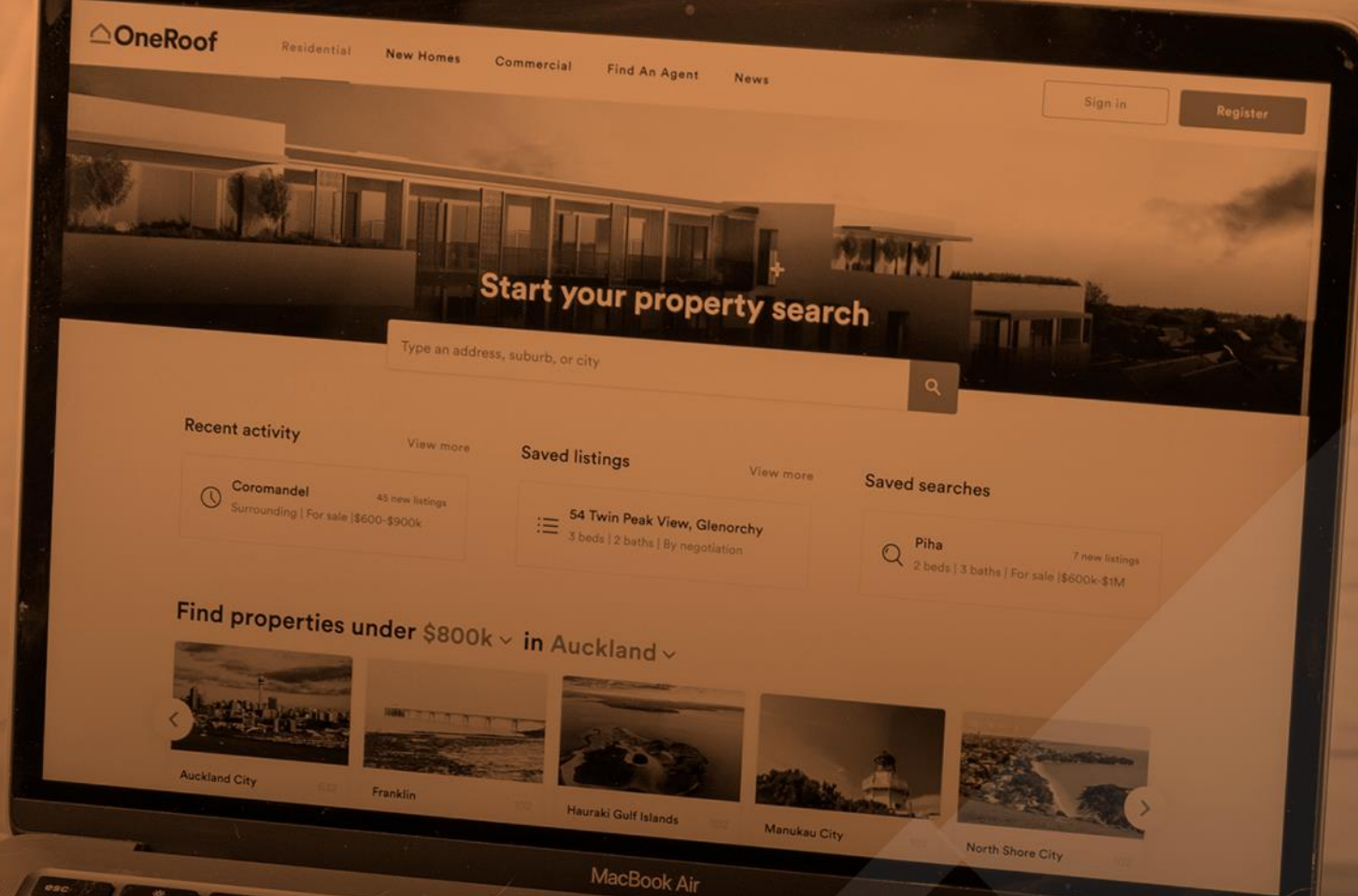
Metric	FY 2020 Achievement	FY 2021 Achievement	2023 Target	2022 Initiatives
Subscription Volume Target	169,000 subscribers	191,000 subscribers	More than 210,000 subscribers by 2023 year-end	<ul style="list-style-type: none"> • Improve Herald Premium customer value proposition and customer experience, across key 'moments that matter' • Expand homepage and newsletter personalisation • Enhance multi-media story telling – video, podcasts and data journalism • Further differentiate through exclusive quality journalism • Optimise pricing, packaging and bundling for subscriber growth • Simplify and automate operating models • Launch new subscription verticals • Accelerate BusinessDesk growth • Grow regional brands and content offering
Subscription Volume Mix	32% / 68%	43% / 57%	Digital Only > Print	
% Households Subscribing	9% ¹	10% ¹	> 12% by year-end	
Advertising Revenue Mix	42% Digital	46% Digital	> 45% Digital	
EBITDA² Margin Target (pre NZ IFRS16)	19%³	18%	18-19%⁴	

1. Stats.govt.nz Dwelling and household estimates: Dec 2021 quarter.

2. EBITDA is a non-GAAP measure and is presented as excluding the impact of NZ IFRS 16 but including the impact of the IFRIC agenda decision on SaaS arrangements. However, it excludes exceptional items (redundancy costs, one-off projects and other exceptional items).

3. Includes Covid-19 government wage subsidy received in 2020.

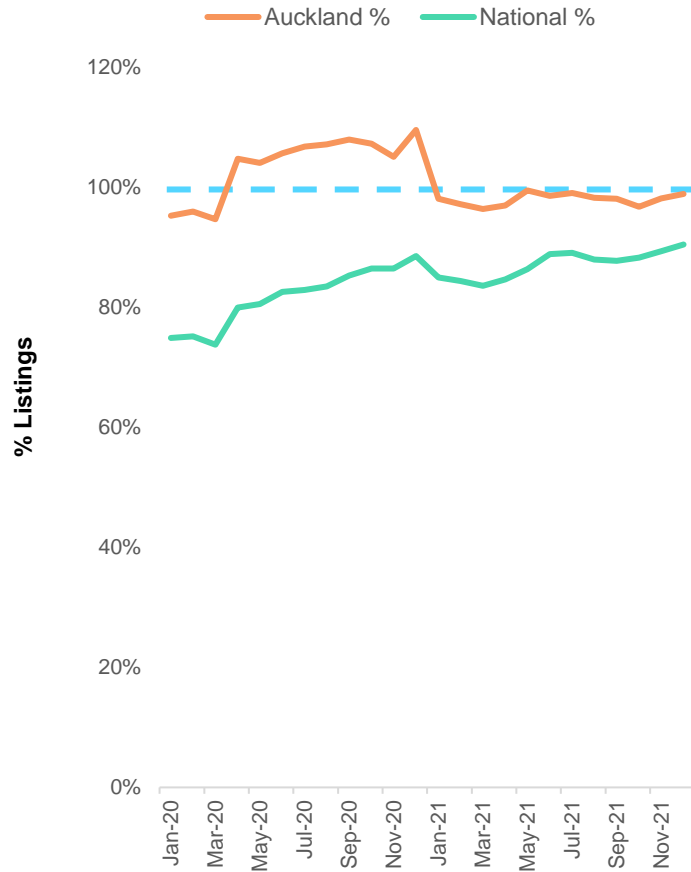
4. Adjusted from 19-20% to reflect the change in accounting policy on SaaS arrangements. Capital expenditure is expected to reduce by a similar amount.



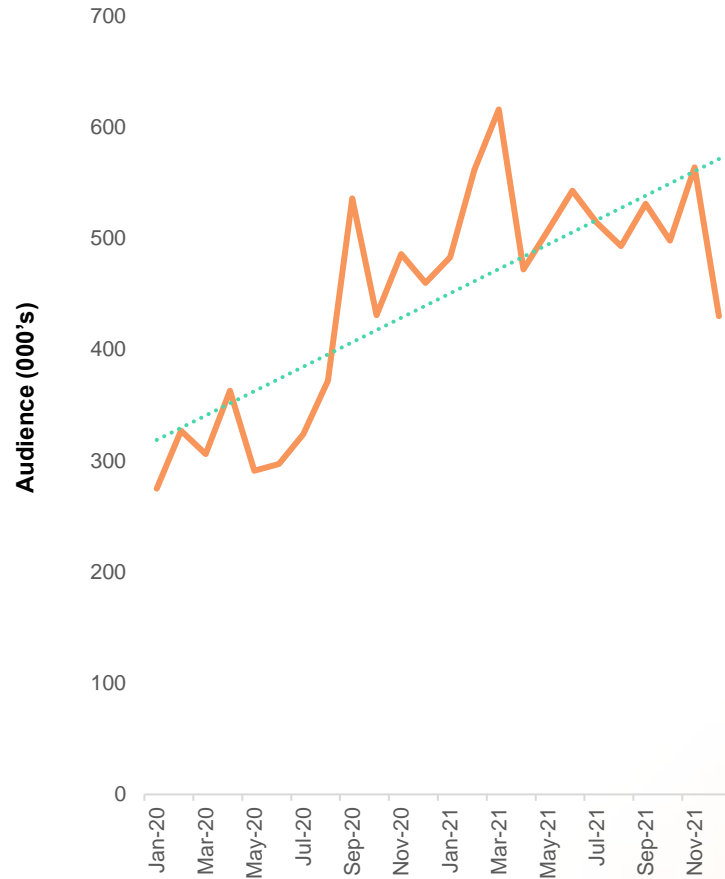
ONEROOF

ONEROOF AUDIENCE & LISTINGS

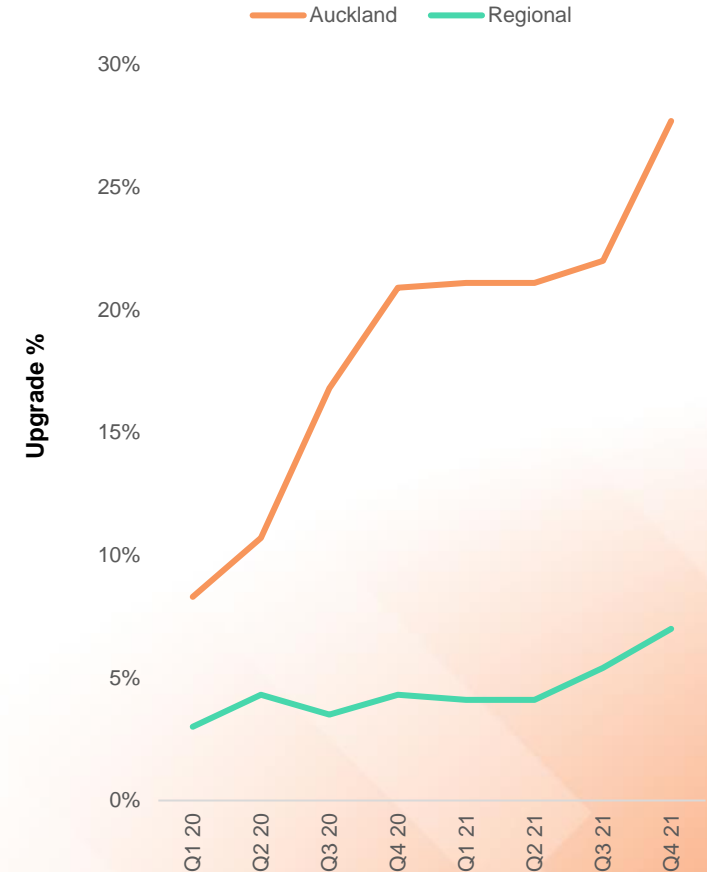
OneRoof Auckland and national residential for-sale listings as a % of Trade Me¹



OneRoof Monthly Unique Online Audience²



OneRoof Digital Residential for-sale Listings Upgrade %



1. OneRoof's listings as a percentage of residential for-sale real estate listings on trademe.co.nz. Note: From June 2021 onwards lifestyle properties and sections were added to the OneRoof count.
 2. Nielsen Online Ratings, Jan 2020 - Dec 2021

\$ million	2021	2020	% Change
Print	13.2	13.4	(1%)
Digital	8.1	4.3	90%
Other	0.1	0.9	(92%)
OneRoof revenue	21.5	18.6	15%
People & Contributors	(6.4)	(6.3)	2%
Print & Distribution	(6.5)	(6.3)	4%
Agency Commission & Marketing	(4.4)	(1.8)	149%
Content	(1.2)	(1.2)	(0%)
Other	(0.7)	(0.9)	(16%)
OneRoof expenses	(19.3)	(16.5)	17%
OneRoof EBITDA¹ (incl. NZ IFRS 16)	2.1	2.1	1%
NZ IFRS 16 Adjustment	(0.6)	(0.5)	5%
OneRoof EBITDA¹ (pre NZ IFRS 16)	1.6	1.6	0%
EBITDA¹ Margin (pre NZ IFRS 16)	7%	8%	-1 ppt
Total Real Estate revenue across all NZME brands	41.3	34.9	18%

ONEROOF

For the full year ending 31 December 2021

- OneRoof revenue increased 15% with growth in digital advertising and listings revenue generating 90% year-on-year growth.
- Print advertising revenue remained flat compared to 2020.
- Other revenue in 2020 includes government wage subsidy received of \$700K.
- Marketing costs increased as OneRoof continued to invest for growth to improve brand awareness, listings penetration and listings upgrade conversion nationwide.
- Excluding the impact of the government wage subsidy received in 2020, EBITDA¹ margin was 4.7%.
- Real Estate revenue across all NZME brands increased 18% year-on-year, with digital being the largest contributor.

YOUR COMPLETE PROPERTY DESTINATION



Metric	FY 2020 Achievement	FY 2021 Achievement	2023 Target	2022 Initiatives
Residential Listings	89% ¹	91% ¹	100% of listings	<ul style="list-style-type: none"> OneRoof focused resources nationally to drive listings growth New Build vertical strategy to increase listing penetration
Audience	459k, gap to #1 of 250k ²	497k, gap to #1 of 396k ²	Reduce gap to #1	<ul style="list-style-type: none"> Continue OneRoof Brand campaign and increase localised marketing to drive National Brand awareness and organic audiences to site Target audiences in the real estate funnel Launch new depth products to grow consumer and agent audiences Invest in stronger digital capability in Search and Conversion optimisation
Listings Upgrade %	17.6% Auckland 3.9% Regional	23.5% Auckland 5.4% Regional	50% of Auckland residential listings 22% of regional residential listings	<ul style="list-style-type: none"> Delivery of bespoke product bundles and pricing models for different customer segments Leverage data capability to increase targeting
Revenue	24% / 76%	38% / 62%	Digital > Print	<ul style="list-style-type: none"> Develop new listing verticals Evolve agent subscription solutions with new toolkit and solutions Continue growth in advertising revenue through key category sponsors and acceleration of data led audience solutions
EBITDA³ Margin Target (pre NZ IFRS16)	8%⁴	7%	15 - 25%	

1. OneRoof's listings as a percentage of residential for-sale real estate listings on trademe.co.nz as of 31 Dec 2021. Excluding private listings

2. Nielsen Online Ratings, monthly average for Q4 2021 (FY 20 has been amended to be the gap as of Q4 2020).

3. EBITDA is a non-GAAP measure and is presented as excluding the impact of NZ IFRS 16 but including the impact of the IFRIC agenda decision on SaaS arrangements. However, it excludes exceptional items (redundancy costs, one-off projects and other exceptional items).

4. Includes Covid-19 government wage subsidy received in 2020.

CORPORATE & OTHER

For the full year ended 31 December 2021

- Revenue increased 25% to \$3.0 million, due to increase in Driven and Events income offset by reduced share service revenue from third parties.
- Other costs reflects the increased number of events delivered during the year.

\$ million	2021	2020	% Change
Revenue	3.0	2.4	25%
People & Contributors	(3.7)	(3.4)	7%
Agency Commission & Marketing	(0.2)	(0.3)	(41%)
Content	(0.4)	(0.5)	(25%)
Other	(3.9)	(3.2)	23%
Corporate & other expenses	(8.1)	(7.4)	10%
Corporate & other EBITDA¹ (incl. NZ IFRS 16)	(5.1)	(5.0)	2%
NZ IFRS 16 Adjustment	(0.1)	(0.1)	25%
Corporate & other EBITDA¹ (pre NZ IFRS 16)	(5.2)	(5.0)	2%

1. EBITDA is a non-GAAP measure and is presented as including the impact of the IFRIC agenda decision on SaaS arrangements, however, it excludes exceptional items (redundancy costs, one-off projects and other exceptional items).

2021 FULL YEAR FINANCIAL RESULTS

\$ million	2021	2020	% change
Segment revenue	345.5	317.3	9%
Other revenue	3.7	13.8	(73%)
Operating Revenue¹	349.2	331.2	5%
Operating expenses ¹	(283.2)	(265.2)	7%
Operating EBITDA¹	66.0	66.0	0%
Depreciation and amortisation on owned assets	(14.9)	(16.0)	(7%)
Depreciation on leased assets	(11.4)	(12.5)	(9%)
Interest income	0.1	0.1	116%
Finance cost	(7.3)	(8.3)	(12%)
Operating NPBT¹	32.6	29.3	11%
Taxation expense	(9.0)	(7.0)	28%
Operating NPAT¹	23.6	22.2	6%
Operating Earnings per Share (cents)¹	11.9	11.3	6%

OPERATING RESULTS

For the full year ended 31 December 2021

- Operating EBITDA¹ was flat year-on-year.
- Segment revenue increased 9% to \$345.5 million, reflecting a strong growth in digital revenue and some recovery from the impacts of Covid-19.
- Other revenue in 2020 includes government wage subsidy received of net \$8.6 million.
- Operating expenses increased 7% to \$283.2 million, driven by higher costs in line with increased volumes and higher revenue. 2020 also included temporary cost savings.
- Operating NPAT¹ increased 6% to \$23.6 million and Operating Earnings per Share increased to 11.9 cents per share.

\$ million	2021	2020	% change
People and contributors	144.8	140.5	3%
Print and distribution	51.8	46.5	11%
Agency commission and marketing	43.3	34.7	25%
Content	16.2	14.9	9%
Other expenses:			
Property	6.2	5.6	10%
IT and communications	11.0	11.9	(8%)
Other	10.0	11.0	(9%)
Total other expenses	27.1	28.6	(5%)
Total operating expenses¹	283.2	265.2	7%
Exceptional items:			
Redundancies	2.0	8.3	
One off projects and other exceptional items	1.7	0.5	
Gain on sale of GrabOne	(15.4)	-	
Other	0.9	(0.8)	
Total exceptional items	(10.8)	8.0	

EXPENSES

For the full year ended 31 December 2021

- People and contributors expenses were 3% higher, but remains well down on 2019 levels of \$153.8 million².
- Print and distribution costs were 11% higher due to temporary cost savings achieved in 2020.
- Agency commission and marketing costs increased to \$16.2 million, largely driven by increases in revenue and investment in OneRoof.
- Content expenses increased 9% year-on-year, in line with increases in music royalties and digital content.
- Exceptional items includes \$15.4 million profit on the sale of GrabOne, which was completed on 29 October 2021.

\$ million	31 December 2021	31 December 2020
Trade, other receivables and inventory	47.1	45.4
Trade and other payables	(53.8)	(43.8)
Current tax payable	(4.7)	(1.6)
Net working capital assets held for sale	-	(7.1)
Net working capital excluding cash	(11.4)	(7.2)
Plant property & equipment, intangibles and other non-current assets	175.0	185.7
Right of use assets (NZ IFRS 16)	67.5	85.4
Lease liabilities (NZ IFRS 16)	(96.8)	(107.5)
Finance lease receivable (NZ IFRS 16)	5.8	-
Net cash / (interest-bearing liabilities)	13.5	(33.8)
Deferred tax	3.5	1.9
Net assets held for sale	-	1.9
Net Assets	157.1	126.5

BALANCE SHEET

For the full year ended 31 December 2021

- Net working capital excluding cash continues to be a net liability due to increases in tax payable, deferred revenue, creditors and other accruals. These more than offset the reduction in merchant liabilities as a result of the sale of GrabOne.
- Plant property & equipment, intangibles and other non-current assets decreased due to depreciation and amortisation exceeding capital expenditure.
- Right of Use assets reduced in line with the reduction in lease liabilities as the term reduces together with the reclassification of a portion of the asset to a finance lease receivable in relation to the sub-leased part of the Auckland and Whangarei offices.
- Debt was fully repaid and the company finished the year with a net cash position of \$13.5 million.

\$ million	2021	2020
Operating EBITDA¹	66.0	66.0
NZ IFRS 16 net interest on leases	(5.0)	(4.8)
Dividend and interest received	0.1	0.1
Interest paid on bank facilities	(2.1)	(3.1)
Working capital movement	4.2	9.8
Exceptional items	(3.7)	(8.0)
Tax paid	(7.3)	(2.7)
Non-cash items in EBITDA	(0.4)	(1.6)
Cash flow from operations	51.8	55.6
Capital expenditure	(6.5)	(5.0)
Proceeds from sale of assets	19.4	0.0
NZ IFRS 16 net lease principal repayment	(10.8)	(9.5)
Dividend paid	(5.9)	-
Cash movement in Net Debt	48.0	41.1
Non-cash borrowing costs	(0.6)	(0.2)
Movement in Net Debt	47.4	40.9

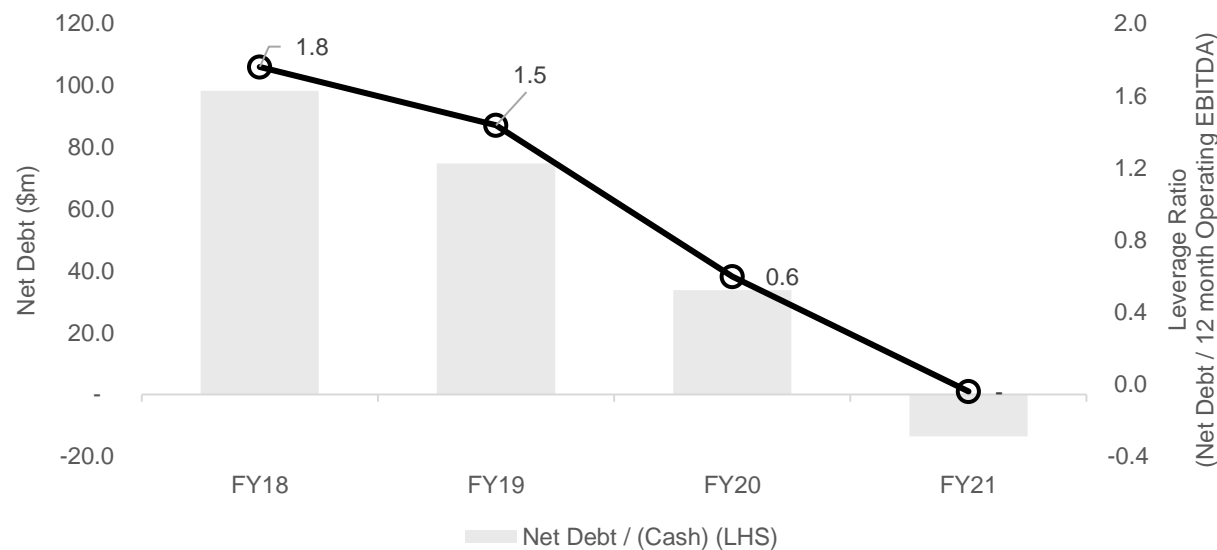
CASH FLOWS

For the full year ended 31 December 2021

- Cash flow from operations was \$3.8m lower than 2020 primarily as a result of higher tax paid for the year, a smaller movement in working capital partly offset by lower exceptional items.
- Capital expenditure was \$6.5 million for the year, which was \$1.5 million higher than 2020. Both years have been adjusted for the SaaS accounting policy change.
- Ongoing capital expenditure is expected to be approximately \$8 million - \$10 million per annum.
- Proceeds from sale of assets includes cash proceeds on sale of GrabOne of \$17.5 million.

1. Operating results presented are non-GAAP measures that include the impact of NZ IFRS 16 and the IFRIC agenda decision on Software-as-a-Service (SaaS) arrangements, however, exclude exceptional items to allow for a like for like comparison between 2020 and 2021 financial years. For the avoidance of doubt, 2020 has been restated to include the impact of the IFRIC agenda decision on SaaS arrangements. Please refer to pages 38-39 of this results presentation for a detailed reconciliation. The 2020 operating and statutory results include \$8.6 million (net) of Covid-19 government wage subsidy received in H1 2020.

	31 December 2021	31 December 2020
12-months Operating EBITDA (pre NZ IFRS 16) ¹	50.4	53.0 ²
Interest Expense	1.9	2.9
Net interest cover (Operating EBITDA (pre NZ IFRS 16) ¹ / Interest Expense)	26.4	18.1
Net Debt / (Cash) (\$ million)	(13.5)	33.8
Leverage Ratio (Net debt / 12-month Operating EBITDA (pre NZ IFRS 16) ¹)	(0.3)	0.6



- Operating results presented are non-GAAP measures that include the impact of NZ IFRS 16 and the IFRIC agenda decision on Software-as-a-Service (SaaS) arrangements, however, exclude exceptional items to allow for a like for like comparison between 2020 and 2021 financial years. For the avoidance of doubt, 2020 has been restated to include the impact of the IFRIC agenda decision on SaaS arrangements. Please refer to pages 38-39 of this results presentation for a detailed reconciliation. The 2020 operating and statutory results include \$8.6 million (net) of Covid-19 government wage subsidy received in H1 2020.
- 2020 Operating EBITDA (pre NZ IFRS 16) as previously stated in 2020 FY results announced on 24 February 2021.

CAPITAL MANAGEMENT

For the full year ended 31 December 2021

- Repaid remaining debt resulting in a net cash position of \$13.5 million as at 31 December 2021.
- Leverage ratio below target range.
- Fully imputed and fully franked final dividend declared of 5 cents per share, taking total dividends for the year to 8 cents per share.
- Market buy back expected to commence in March 2022.

Dividend Policy

NZME intends to pay dividends of 30-50% of Free Cash Flow subject to being within its target leverage ratio and having regard to NZME's capital requirements, operating performance and financial position.

Target Leverage Ratio of 0.5 to 1.0 times rolling 12 month EBITDA¹ (pre NZ IFRS 16).

Full dividend policy is available at www.nzme.co.nz/investor-relations/dividends/



KEEPING KIWIS IN THE KNOW

NZME leveraged its powerful platforms to inform, improve and foster conversations on key topics in 2021



The 90% Project

An audacious bid by the NZ Herald team to see 90% of the eligible population immunised by Christmas, helping Kiwis reach the target by 16 December 2021.



Kāhu and Te Rito

NZME launched Kāhu in 2021, NZ Herald's digital platform showcasing Māori journalism across Aotearoa. Te Rito is a collaboration to train twenty-five new cadets, to help future-proof journalism as a career pathway and enhance content diversity.



Myth-busting in an age of misinformation

NZME used its news and social platforms to ensure audiences were delivered accurate facts, and fair and balanced journalism.

Home Truths campaign

Exclusive journalism that tackled and uncovered New Zealand's housing affordability crisis.



KICK

NZME's new digital brand, KICK, developed by youth and focused on content formats and strategies for New Zealand's youth audience, broadcast across multiple platforms.



Impact of COVID-19 on business

Deep dives into how businesses are coping during COVID-19, including the self-isolation business trial campaign.



OUTLOOK

- We are early in our Omicron variant outbreak. The housing market is cooling, and inflationary pressures are building. Given this, businesses are cautious in their marketing approach at this time.
- Despite the uncertainty, we are pleased to see advertising revenues continue to track above 2021, with Q1 2022 bookings currently tracking 4% above 2021 levels. This revenue growth is offsetting the inflationary cost pressures.
- Based on the early trends to date, we would expect EBITDA growth over 2021 despite the loss of the GrabOne contribution from 2021.
- We continue to engage in dialogue with Google and Facebook regarding accessing and supporting NZME's editorial content. To date neither Google or Facebook have provided offers in line with those achieved by media businesses in Australia, once adjusted for New Zealand's smaller market and audience size. NZME anticipates a decision from the Commerce Commission regarding provisional authorisation to commence collective bargaining in the first week of March 2022.
- Following this decision, NZME expects to commence the on-market buyback. A further announcement will be made ahead of the on-market buyback to confirm the commencement.
- The Annual Shareholders' Meeting is scheduled for 11 April 2022. We look forward to providing you with a progress update on the strategic priorities.



vstalkZB

ZB

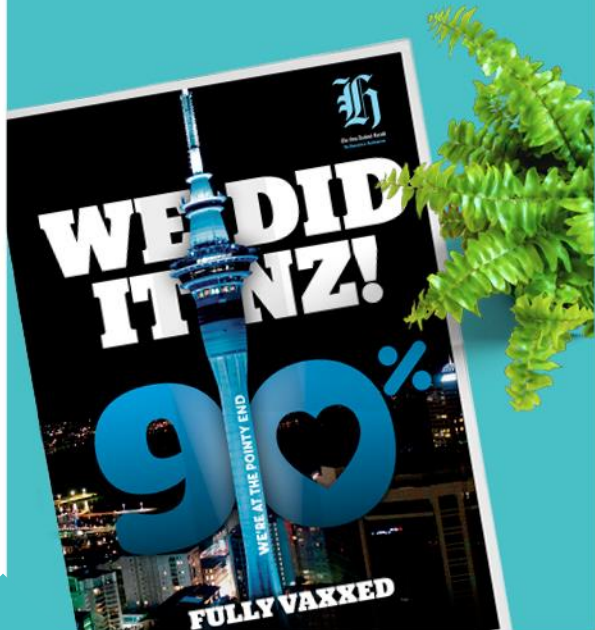
Q&A

SUPPLEMENTARY INFORMATION

OUR SUSTAINABILITY COMMITMENT

Keeping Kiwis in the know requires a commitment to sustainable practices and the wellbeing of our communities, our people and our environment.

Measurement of NZME's key sustainability initiatives commenced in 2020 and the following is a snapshot of our 2021 activity.



OUR COMMUNITIES



RESPONSIBLE REPORTING AND BROADCASTING

In 2021, again with the presence of Covid-19, NZME (as an essential service) had a critical role to play to keep Kiwis connected and informed. Using its extensive range of platforms, three significant campaigns were undertaken - The 90% Project, #RollUpYourSleevesNZ and a partnership with World Vision to raise money for India, to deliver aid.

NZME has continued to invest in legal challenges to suppressions, take down orders and other media challenges.



CONNECTING COMMUNITIES

NZME has increased the diversity of content and contributors across our platforms, including through the launch of Kāhu, NZ Herald's digital platform showcasing Māori journalism from newsrooms across Aotearoa.

NZME continued to host two NZ On Air funded Local Democracy Reporters in our newsrooms.



SHARING OUR PLATFORMS

NZME continue to partner with a number of organisations to champion charitable causes and facilitate conversations that matter. For example: Attitude Trust, Cure Kids, Himalayan Trust, Prostate Cancer Foundation of New Zealand, Ronald McDonald House, Rotorua Community Hospice, Variety and World Vision.

OUR PEOPLE



HEALTH AND SAFETY

The Wellbeing Advocates initiative launched where our people volunteered and undertook training to provide guidance and support to anyone at NZME facing a challenging time.



DIVERSITY AND INCLUSION

The employee-led Diversity & Inclusion Committee is formed under five pou (support streams): Tangata Whenua and Pasifika, Cultural Diversity, Gender Equality, Rainbow Diversity and Mental Health and Wellbeing. The Committee has worked closely with our partners, Diversity Works and Rainbow Tick to provide awareness training and also celebrates a calendar of cultural and awareness events.



CHAMPIONING THE CRAFT

NZME employs 19 interns and cadets, and its partnership with TupuToa has been a success.

NZME was involved in the formation of Te Rito, an industry collaboration to train and develop 25 new journalism cadets – including those from Māori, Pasifika, LGBTQ and other communities traditionally under-represented in media.

KICK launched on iHeartRadio - a digital audio youth brand designed and built by graduates of the New Zealand Broadcasting School.



EQUIPPING OUR PEOPLE

Working from home continues to be embraced by our people, providing them with opportunities to manage their day.

OUR ENVIRONMENT



RECYCLING

We have identified and initiated recycling of batteries, ink and toner cartridges at more of our offices in 2021. NZME supported Plastic-Free July and Recycling Week in October.



BEST PRACTICE

NZME's print operations were again awarded the Toitu Enviromark Gold certificate in 2021.

There has been continued focus on reducing the NZME motor vehicle fleet.



RESPONSIBILITY

Our motoring product and DRIVEN team led the conversation on New Zealand's clean car electric vehicle feebate scheme.

NZ Herald continued to take part in the annual Covering Climate Now - a global news media initiative - along with providing extensive coverage of COP26 in Glasgow.

2021 DIVISIONAL PERFORMANCE

For the full year ended 31 December 2021

\$m	Audio	Publishing	OneRoof	GrabOne	Other	2021 Total	2020 Total	% Change
Reader Revenue:								
- Print	-	70.3	-	-	-	70.3	72.7	(3%)
- Digital	-	11.6	-	-	-	11.6	6.6	75%
Reader Revenue	-	81.9	-	-	-	81.9	79.3	3%
Advertising Revenue:								
- Radio	101.0	-	-	-	-	101.0	91.6	10%
- Print	-	65.0	13.2	-	-	78.3	75.5	4%
- Digital	3.6	56.1	8.1	-	0.8	68.7	51.8	33%
Advertising Revenue	104.6	121.1	21.4	-	0.8	247.9	218.9	13%
Other Revenue	1.1	8.9	0.1	7.0	2.2	19.4	32.9	(41%)
Total Revenue	105.7	212.0	21.5	7.0	3.0	349.2	331.2	5%
People and Contributors	(52.3)	(79.6)	(6.4)	(2.9)	(3.7)	(144.8)	(140.5)	3%
Print & Distribution	-	(45.2)	(6.5)	-	-	(51.8)	(46.5)	11%
Agency Commission & Marketing	(17.6)	(20.4)	(4.4)	(0.7)	(0.2)	(43.3)	(34.7)	25%
Content	(6.7)	(7.7)	(1.2)	(0.2)	(0.4)	(16.2)	(14.9)	9%
Other	(9.2)	(12.5)	(0.7)	(0.8)	(3.9)	(27.1)	(28.6)	(5%)
Total Costs	(85.7)	(165.5)	(19.3)	(4.6)	(8.1)	(283.2)	(265.2)	7%
Operating EBITDA¹	20.0	46.5	2.1	2.4	(5.1)	66.0	66.0	0%
NZ IFRS 16 Adjustments	(7.0)	(7.7)	(0.6)	(0.2)	(0.1)	(15.6)	(14.3)	9%
EBITDA (pre NZ IFRS 16)²	13.0	38.8	1.6	2.2	(5.2)	50.4	51.7	(2%)
EBITDA (pre NZ IFRS 16)² Margin %	12%	18%	7%	32%	-	14%	16%	-1 ppt

Cost pools that relate to multiple divisions have been allocated based on revenue, geography and headcount.

NZME received no Government wage subsidy compared to \$8.6 million (net) received in 2020.

2020 has been restated to include the impact of the IFRC guidance on SaaS arrangements.

1. Operating results presented include the impact of NZ IFRS 16 and the IFRIC agenda decision on Software-as-a-Service (SaaS) arrangements, however, exclude exceptional items to allow for a like for like comparison between 2020 and 2021 financial years. For the avoidance of doubt, 2020 has been restated to include the impact of the IFRIC agenda decision on SaaS arrangements. Please refer to pages 35-36 of this results presentation for a detailed reconciliation. The 2020 operating and statutory results include \$8.6 million (net) of Covid-19 government wage subsidy received in H1 2020.

2. EBITDA is a non-GAAP measure equivalent to Operating EBITDA but excluding the impact of NZ IFRS 16.

RECONCILIATION OF OPERATING RESULTS TO FINANCIAL STATEMENTS

12 MONTHS ENDED 31 DECEMBER 2021

\$ million	Operating Results excl. SaaS Adjustment and NZ IFRS 16	SaaS Adjustment	Operating Results excl. NZ IFRS 16	NZ IFRS 16 Adjustments	Operating Results incl. NZ IFRS 16	Reclassification of Items	Exceptional and Other Items	Per Financial Statements
Segment revenue	345.5	-	345.5		345.5	3.1	-	348.6
Other revenue	4.0	-	4.0	(0.3)	3.7	(2.9)	16.3	17.1
Total revenue	349.5	-	349.5	(0.3)	349.2	0.1	16.3	365.6
Expenses	(300.7)	1.7	(299.0)	15.9	(283.2)	-	(3.7)	(286.9)
EBITDA	48.8	1.7	50.4	15.6	66.0	0.1	12.6	78.8
Depreciation and amortisation	(12.8)	(2.1)	(14.9)	(11.4)	(26.3)	-	-	(26.3)
EBIT	36.0	(0.4)	35.6	4.1	39.7	0.1	12.6	52.5
Share of loss of JV's	-	-	-	-	-	-	(0.5)	(0.5)
Impairment of assets	-	-	-	-	-	-	(2.5)	(2.5)
Net interest expense	(2.1)	-	(2.1)	(5.0)	(7.1)	(0.1)	-	(7.3)
Net profit/(loss) before tax	33.8	(0.4)	33.4	(0.9)	32.6	-	9.7	42.3
Tax	(9.1)	0.1	(9.0)	-	(9.0)	-	1.2	(7.8)
Net profit/(loss) after tax	24.7	(0.3)	24.4	(0.9)	23.5	-	10.8	34.4

RECONCILIATION OF OPERATING RESULTS TO FINANCIAL STATEMENTS

12 MONTHS ENDED 31 DECEMBER 2020

\$ million	Operating Results excl. IFRS 16 (previously reported)	Restatement (SaaS)	Operating Results excl. IFRS 16	NZ IFRS 16 Adjustments	Operating Results incl. IFRS 16	Reclass of items	Exceptional and Other Items	Per Restated Financial Statements
Segment revenue	317.3	-	317.3	-	317.3	4.8	-	322.1
Other revenue	13.8	-	13.8	-	13.8	(4.7)	4.0	13.1
Total revenue	331.2	-	331.2	-	331.2	0.1	4.0	335.2
Expenses	(278.1)	(1.3)	(279.5)	14.3	(265.2)	-	(10.1)	(275.3)
EBITDA¹	53.0	(1.3)	51.7	14.3	66.0	0.1	(6.2)	59.9
Depreciation and amortisation	(17.7)	1.7	(16.0)	(12.5)	(28.5)	-	-	(28.5)
EBIT¹	35.3	(0.3)	35.7	1.8	37.5	0.1	(6.2)	31.4
Share of loss of JV's	-	-	-	-	-	-	(0.4)	(0.4)
Impairment of software	-	-	-	-	-	-	(3.5)	(3.5)
Net interest expense	(3.2)	-	(3.2)	(5.0)	(8.2)	(0.1)	-	(8.3)
Net profit/(loss) before tax¹	32.2	0.3	32.5	(3.2)	29.3	-	(10.1)	19.2
Tax	(6.9)	(0.1)	(7.0)	-	(7.0)	-	2.3	(4.7)
Net profit/(loss) after tax¹	25.2	0.2	25.5	(3.2)	22.2	-	(7.8)	14.5

1. 2020 operating and statutory results include \$8.6 million (net) of Covid-19 government wage subsidy received.

IMPACT OF GRABONE SALE

For the full year ended 31 December 2021

\$ million	2021
Gain on Sale	
Sale Price	17.5
Book Value of Assets	(1.6)
Sale Costs	(0.6)
Gain on Sale	15.4
Cash Flow	
Sale Price	17.5
Merchant Liabilities to be settled	(3.9)
Sale Costs	(0.5)
Net Cash Inflow	13.1

- GrabOne sale was announced in August 2021 and completed on 29 October 2021.
- The business and assets were sold for \$17.5 million which, after settling merchant liabilities and sale costs, will result in a total net cash inflow of \$13.1 million.
- Historically, GrabOne has contributed approximately \$3m to EBITDA annually.

DISCLAIMER

The information in this presentation is of a general nature and does not constitute financial product advice, investment advice, legal, financial, tax or any other recommendation or advice. This presentation constitutes summary information only, and you should not rely on it in isolation from the full detail set out in NZME's Consolidated Financial Statements for the full year ended 31 December 2021.

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, SaaS arrangements and prior to exceptional items. For the avoidance of doubt, 2021 operating results include the adoption of SaaS Arrangements and 2020 has been restated for comparison purposes. Please refer to pages 38-39 of this presentation for a detailed reconciliation to these results excluding NZ IFRS 16 adjustments, SaaS arrangements and to the statutory results. Further detail has been provided in note 1.2.3 of the financial statements in the 2021 Annual Report for the restatement of the 2020 balance sheet in relation to SaaS arrangements.

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**EVERYONE'S
HERE.**

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