



**NZ
ME.**

NEW ZEALAND
MEDIA AND
ENTERTAINMENT

NZME 2022 INVESTOR DAY

**KEEPING KIWIS IN
THE KNOW**

1. Chairman's Address



Barbara Chapman
Chairman

These strategic principles have guided the delivery and development of our strategy



Customer First



Win with Quality



Digital Acceleration



Audience Expansion



Top Performer

Supplemented by learnings developed through observation of global media markets

Board Members



Barbara Chapman
Independent
Chairman



Carol Campbell
Independent
Director



David Gibson
Independent
Director



Sussan Turner
Independent
Director



Guy Horrocks
Independent
Director

Strong performance supports increased dividend payout ratio

- NZME has made significant progress in recent years, including the navigation of the turbulent Covid impacted years while still delivering strong profit results.
- There has also been a strong focus on capital management:
 - Reduced debt
 - Re-commenced dividend payments
 - Undertook on-market share buyback
 - Supplemented buyback with special dividend
- The business is expected to continue to generate strong cash flows.
- Given the uncertain economic environment, the company intends to operate at the lower end of its target leverage ratio of 0.5 to 1.0 times EBITDA¹ (pre IFRS 16).
- However, given the expected investment profile, the Board intends to increase the overall dividend payout ratio to 50-80% of free cash flow.

Dividend Policy

"NZME intends to pay dividends of 50-80% 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."



Michael Boggs Chief Executive Officer



Michael Boggs
Chief Executive Officer



David Mackrell
Chief Financial Officer



Jason Winstanley
Chief Radio Officer



Carolyn Luey
Chief Digital and
Publishing
Officer



Paul Maher
Chief of OneRoof

Performance Overview	David Mackrell, Chief Financial Officer
Audio	Jason Winstanley, Chief Radio Officer
Publishing	Carolyn Luey, Chief Digital and Publishing Officer
OneRoof	Paul Maher, Chief of OneRoof
Summary & Q&A	All presenters

NZME REACHES AN AUDIENCE OF MORE THAN 3.6 MILLION¹



NewstalkZB

NZ's #1 radio station and favourite breakfast talk show²



NZ's #1 breakfast and drive show for 18-39s[~]

OneRoof

90% of residential for-sale listings nationwide³

NEWS

2.7 MILLION PEOPLE ENGAGE WITH OUR NEWS CONTENT¹

SPORTS

OUR SPORTS BRANDS ENGAGE WITH 1 MILLION PEOPLE¹

ENTERTAINMENT

IN ENTERTAINMENT WE ENGAGE WITH 2.4 MILLION PEOPLE¹

CLASSIFIEDS

WE ENGAGE WITH 630,000 PEOPLE WHO INTEND TO BUY/SELL/BUILD PROPERTY^{1*}

94% of the people living in Auckland¹

91% of the people living in the North Island¹




74% of the people living in South Island¹

SOURCE: ¹Nielsen 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. ^{1*}Those who intend to buy/sell/build in the next 12 months who engage with NZME. ²GfK RAM, Commercial Radio, S3 2022, Total NZ, M-S 12mn-12mn, Cume 000s, AP10+ (unless otherwise stated) –M-F 6-9am & 3-7pm. ³OneRoof's listings as a percentage of residential for-sale real estate listings on trademe.co.nz as of 30 June 2022.




Three strategic priorities set in 2020 with targets for 2023






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

Global platforms provide useful growth models that will deliver value for NZME



 **iHeart**MEDIA

- iHeartMedia is growing a leading digital audio offering utilising its broadcast radio heritage
- Digital now represents 28% of iHeartMedia's revenues
- NZME is gaining the largest digital audio advertising revenues in NZ and is the #1 podcaster. Digital audio currently represents ~5% of NZME's audio revenue
- Growing digital audio rapidly, while maintaining broadcast revenues, will grow overall margin and EBITDA



The New York Times

- NYT has built a strong digital subscriber brand, utilising the power of its strong journalism and brand
- Over 90% of NYT subscribers are digital, with incremental growth achieved through specialist verticals
- NZME is the leading digital news subscription business in NZ and its growth trajectory is in line with NYT to date
- NZME's digital publishing business (excluding print) is profitable on a standalone basis, with significant growth opportunities

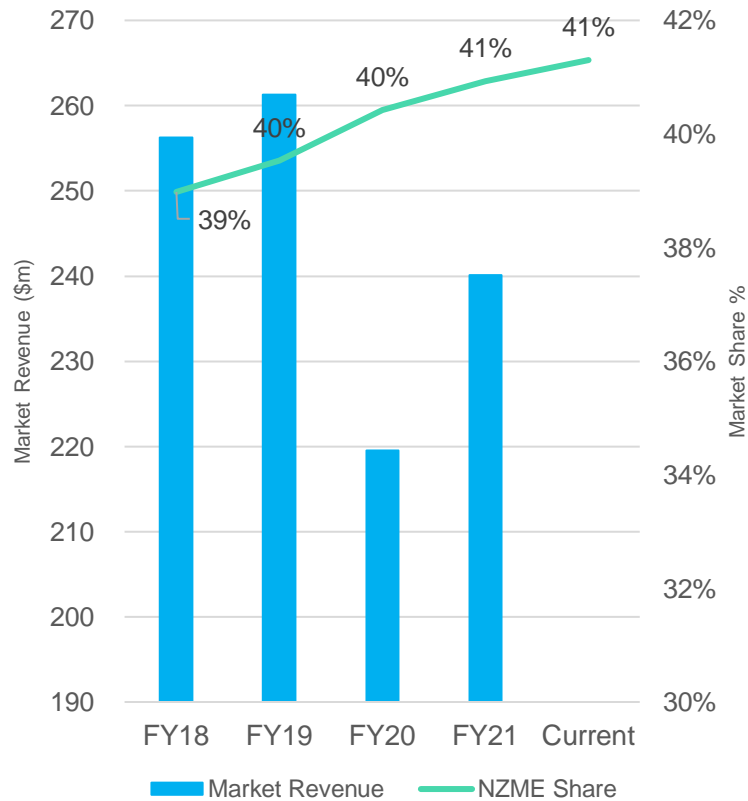


Domain

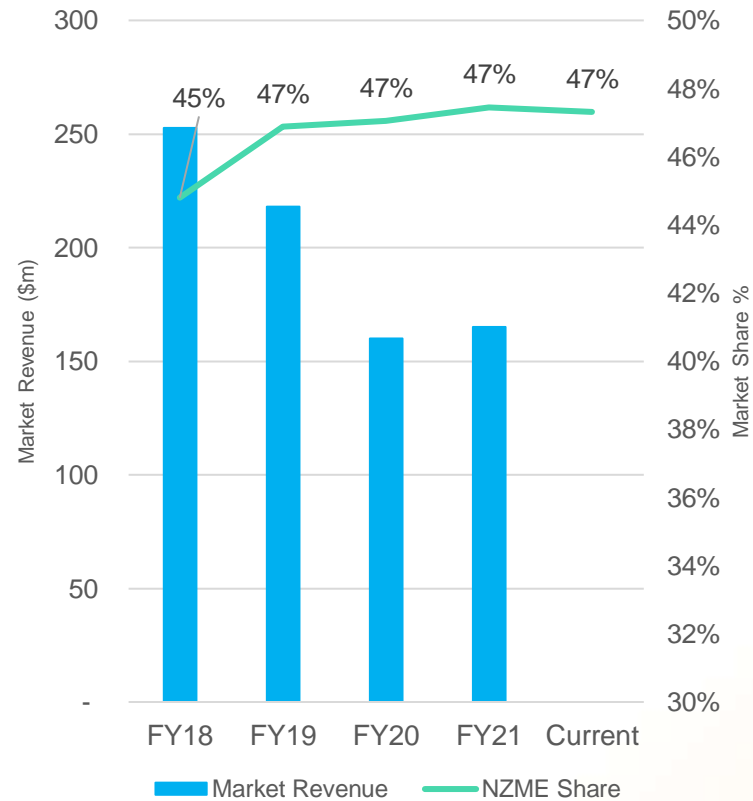
- Growing a strong real estate listings business has been highly successful within a number of publishing businesses globally
- Domain (Australia) launched its first website in 1999, mobile app in 2009, and started scaling the business in 2014
- Domain is consistently achieving an EBITDA margin of 32% with a recent Price to Revenue valuation of 5.5x
- Continuing to grow OneRoof digital revenue and delivering EBITDA margin growth will add significant value to NZME

Delivering market share growth across platforms

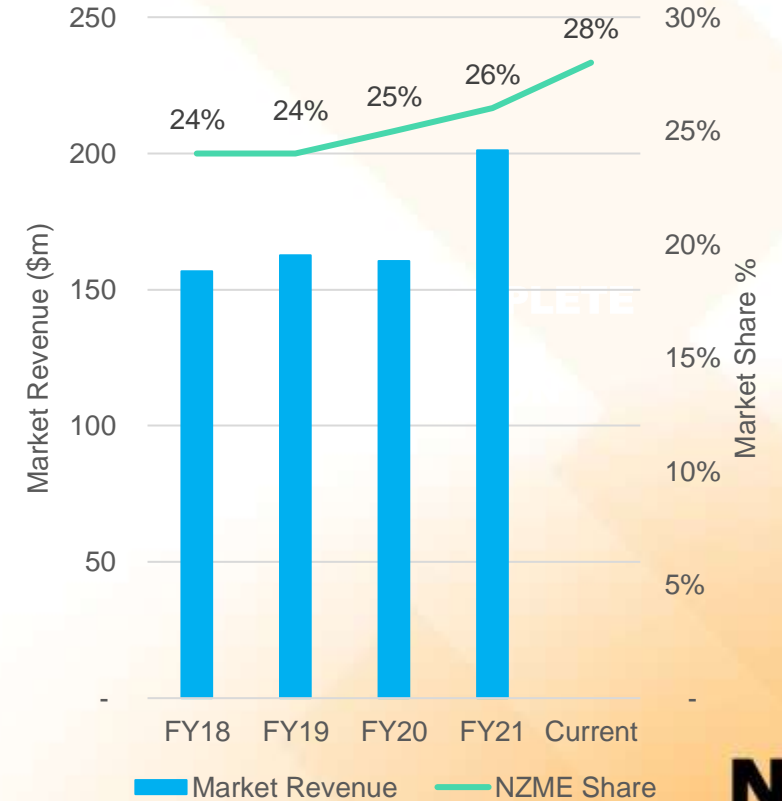
Total Radio Advertising Market Revenue and NZME Share %¹



Total Print Advertising Market Revenue and NZME Share %²



Digital Display Advertising Market Revenue and NZME Share %³



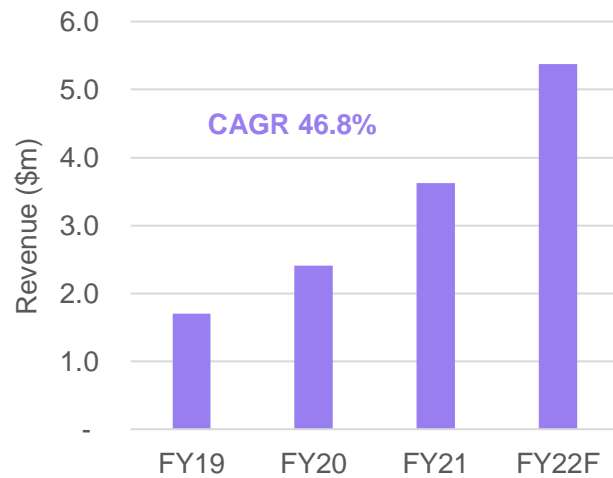
SOURCE:

1. PwC Radio advertising market benchmark report, 12 months to December 2018 – 8 months to 31 September 2022 (current). Excludes iHeart Radio Revenue.
2. PwC NPA quarterly performance comparison report, December 2018 - 6 months to 30 June 2022 (current)
3. IAB digital advertising revenue – General Display, IAB NZ Digital advertising revenue report, Q1 2018 – Q4 2021

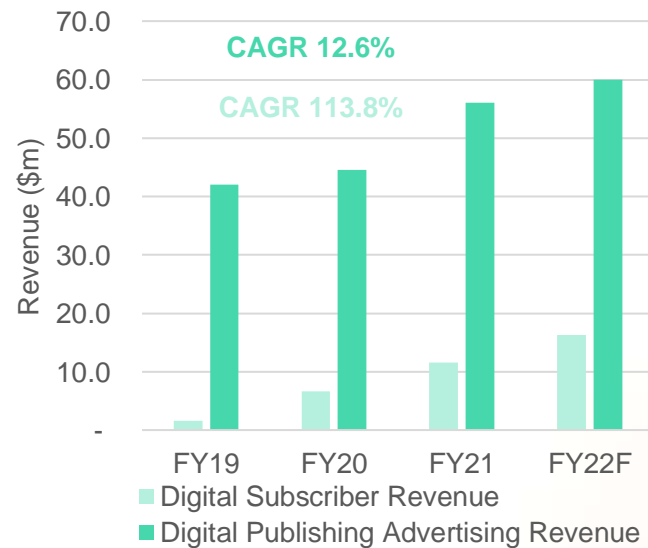
Digital media strategy continues to deliver revenue growth



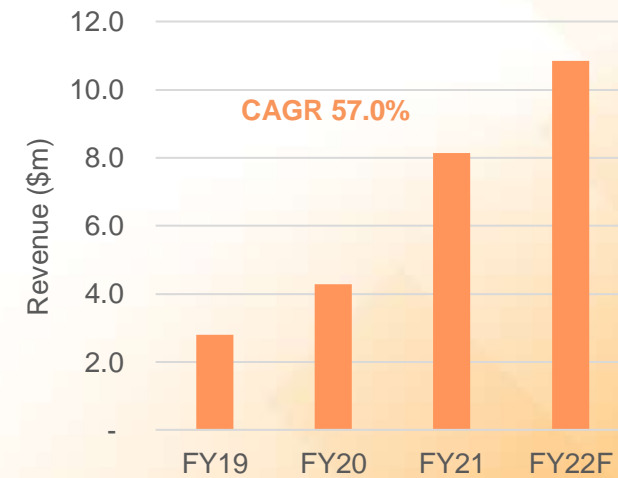
Digital Audio Revenue



Digital Publishing Revenue

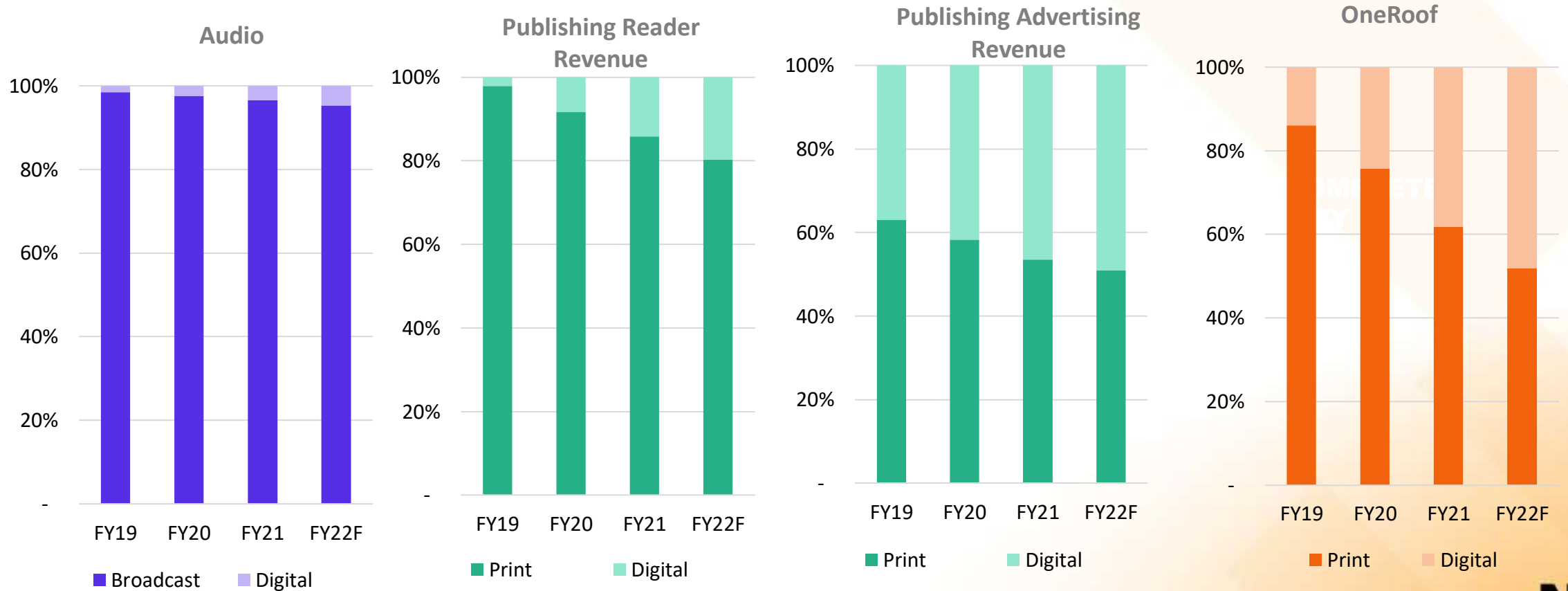


Digital OneRoof Revenue



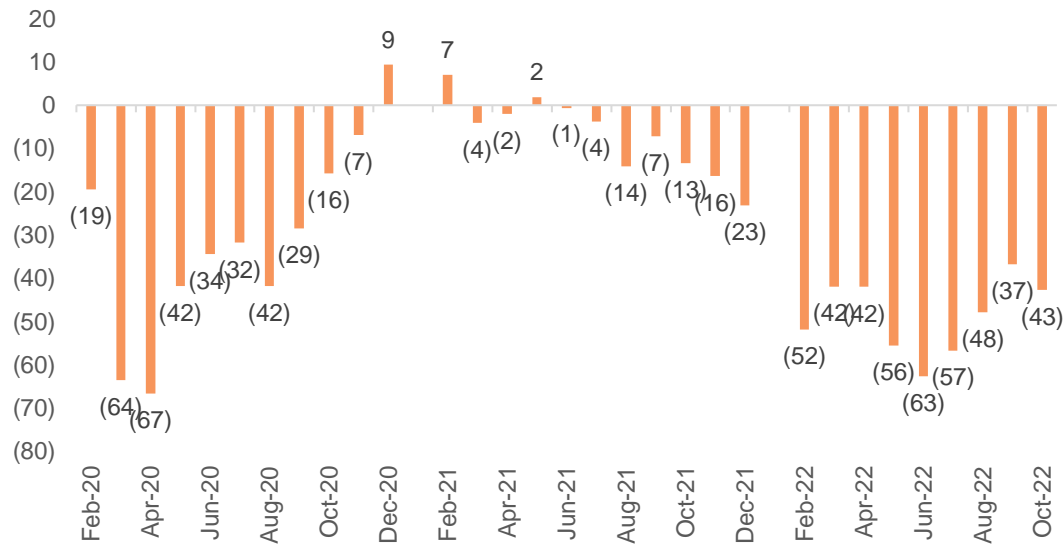
Digital revenue growth momentum continues

Total digital revenues now represent 27% of total revenue compared to 13% in 2019

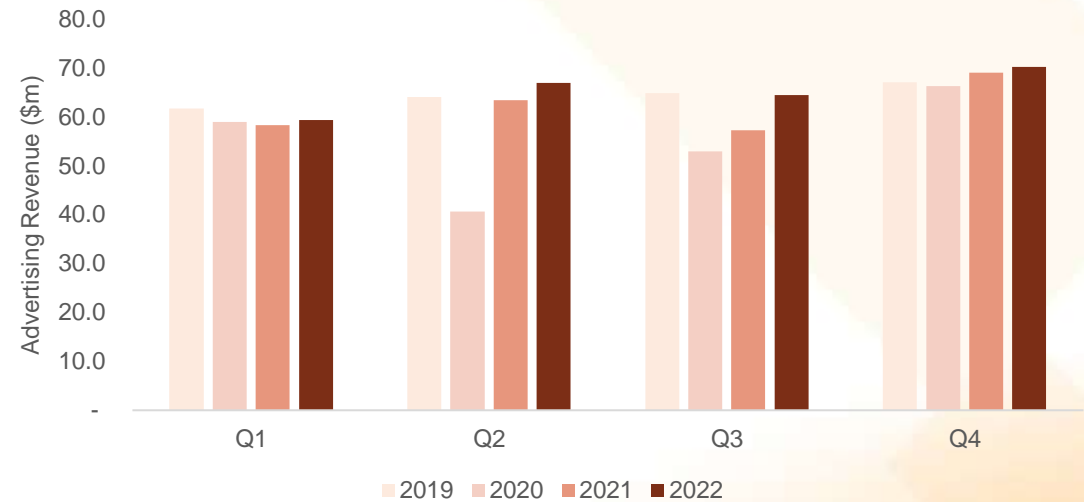


Growing advertising revenue despite low business confidence

Monthly Business Confidence - Net Index



NZME Total Advertising Revenue 2019-2022



- The ANZ Business Confidence Index¹ for New Zealand was improving through the 3rd quarter before higher than expected October CPI data and the resulting rise in OCR forecasts reinforced intense inflationary pressures and uncertainty in the economy

- NZME’s advertising revenue for the first 3 quarters of 2022 has increased 6.6% when compared to 2021 and is up 0.1% compared to 2019’s pre Covid-19 levels

Notes:

1. Net Index (% expecting improvement minus % expecting deterioration).

Outlook update

- It has been a difficult year:
 - The first half of 2022 was impacted by the peaks of New Zealand's Omicron outbreak.
 - There remains significant uncertainty in the market, as reported in business and consumer confidence metrics. However, these have been evident for some time and have now reduced from their peak lows.
- While there is a cautiousness being noted by advertisers, bookings for the remainder of the year continue to track ahead of the same time in 2021.
- There is continued pressure on costs across the business. However, the significant increases in paper and freight costs have been offset by cost saving initiatives. We will continue to focus on cost efficiency.
- Based on the above trends, NZME updated its guidance for 2022 EBITDA to be between \$64 million and \$67 million.
- The Board has updated the capital management settings and will consider a further buyback in 2023.

Tracking well to 2023 targets



<u>Audio</u>	FY 2020	H1 2022	Tracking	<u>Publishing</u>	FY 2020	H1 2022	Tracking	<u>OneRoof</u>	FY 2020	H1 2022	Tracking
Audience Share	35.6%	37.2%	✓	Subscriptions	169K	206K	✓	Residential for Sale Listings	89%	90%	-
Revenue Share	40.4%	41.1%	-	Subscription Mix	32%	49%	✓	Audience Gap to #1	250k	297k	✓
Digital Revenue	2.4%	4.6%	✓	Households Subscribing	9%	11%	✓	Listings Upgrade - Auckland	17.6%	28.6%	✓
EBITDA Margin	14%	11%	✓	Advertising Revenue Mix	42%	49%	✓	Revenue Mix	3.9%	9.0%	✓
				EBITDA Margin	19%	16%	✓	EBITDA Margin	(8%)	(1%)	✗

Note:

H1 earnings are seasonally lower than H2, resulting in a lower H1 margin than full year

OUR PURPOSE

Keeping Kiwis in the know

OUR VALUES

Curious. Confident. Connected.

OUR EMPLOYER PROMISE

**THIS
COULD
LEAD
ANYWHERE.**

OUR ACTIONS

DEVELOP ME

Creating exceptional leaders

COACH ME

Learning and Development for all

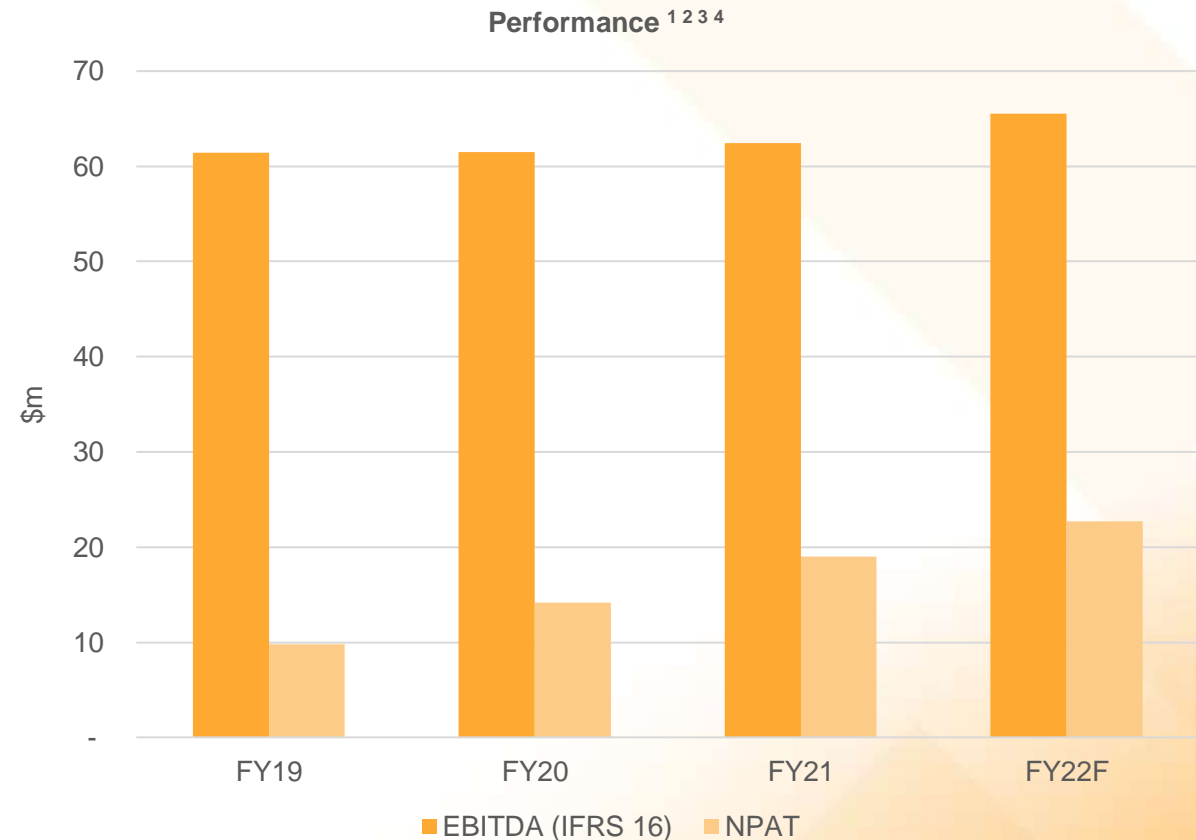
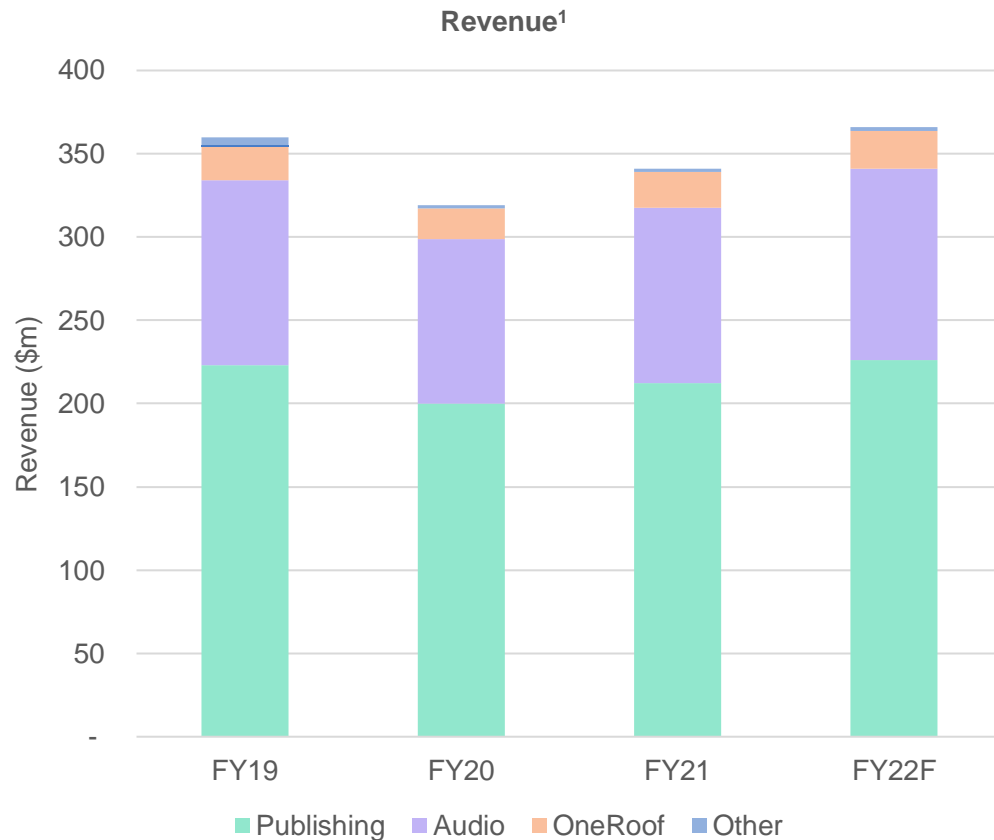
INSPIRE ME

Engagement



David Mackrell Chief Financial Officer

Improved revenue and earnings despite challenging environment



NOTE: ¹FY22 Forecast includes 10 months actuals and 2 months forecast. ²EBITDA is a non-GAAP measure and excludes the impacts of exceptional items (redundancy costs, one-off projects and other exceptional items) and has been adjusted to remove GrabOne from comparative years. Please refer to the NZME Results Presentation on NZX and ASX for a full explanation. ³FY19 NPAT excludes goodwill impairment of \$175m. ⁴FY21 NPAT excludes impact of GrabOne gain on sale

FY22 forecast divisional performance

\$m	Audio	Publishing	OneRoof	Other	Total
Reader Revenue					
Print		68			68
Digital		16			16
Total Reader Revenue	0	84	0	0	84
Advertising Revenue					
Radio	108				108
Print		63	12		75
Digital	6	61	11		78
Total Advertising Revenue	114	124	23	0	261
Other Revenue	1	18	0	2	21
Total Revenue	115	226	23	2	366
Total Costs	(92)	(178)	(24)	(6)	(300)
EBITDA¹	23	48	(1)	(4)	66
IFRS16 Adjustments	(8)	(8)	(0)	(0)	(16)
EBITDA (pre IFRS16)²	15	40	(1)	(4)	50
<i>EBITDA (pre IFRS16)² Margin %</i>	13%	18%	(5%)		13%
2021 Performance					
EBITDA (pre IFRS16) ²	13	39	2	(5)	48
<i>EBITDA (pre IFRS16)² Margin %</i>	12%	18%	7%		14%

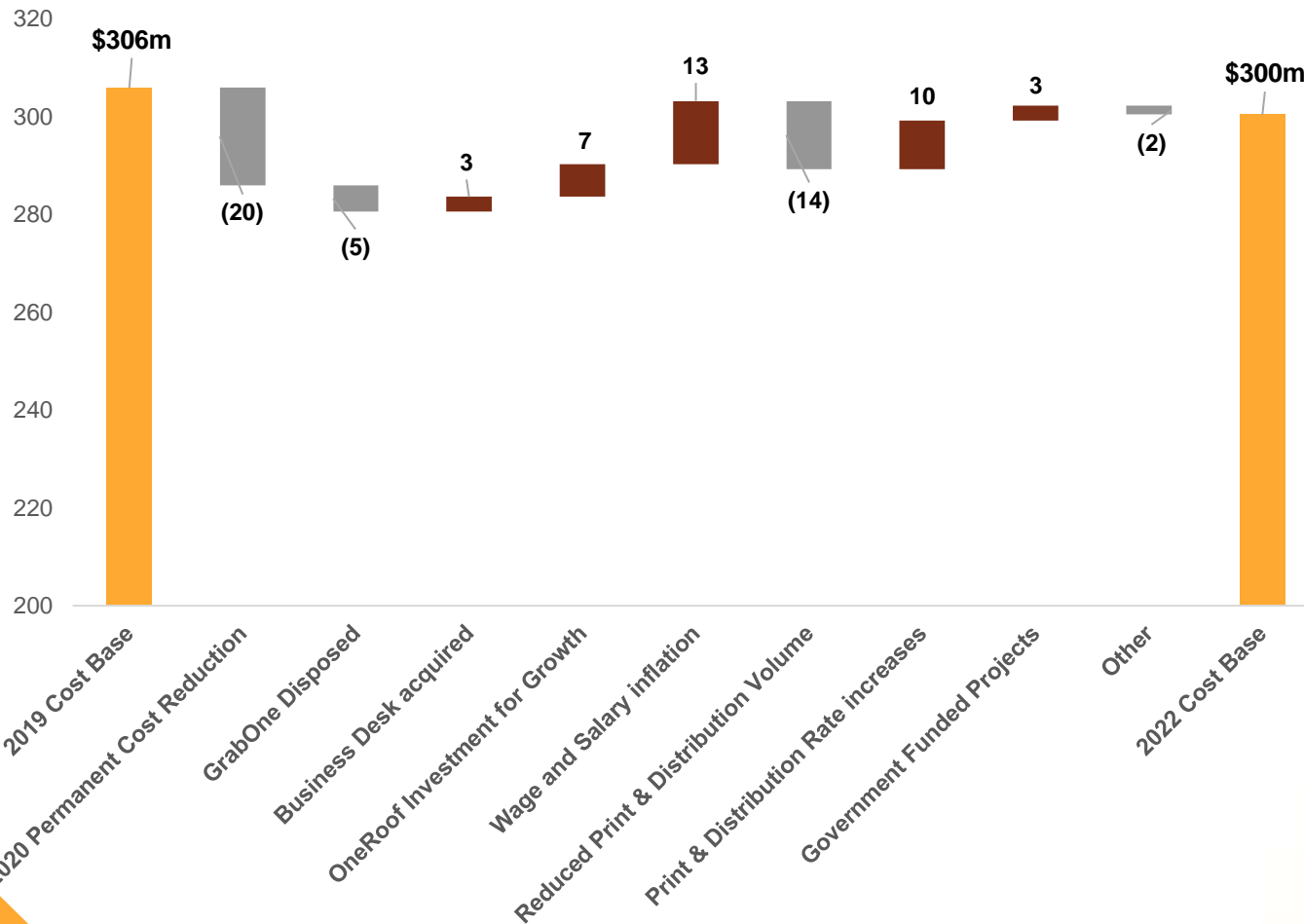
Forecast is based on midpoint of guidance range.

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

¹ Operating EBITDA is a non-GAAP measure which includes the impact of IFRS16 and excludes exceptional items (redundancy costs, one-off projects and other exceptional items) to allow for a like-for-like comparison between financial years. Please refer to the NZME Results Presentation on NZX and ASX for a full explanation. ² EBITDA is a non-GAAP measure equivalent to Operating EBITDA but excluding the impact of IFRS16.

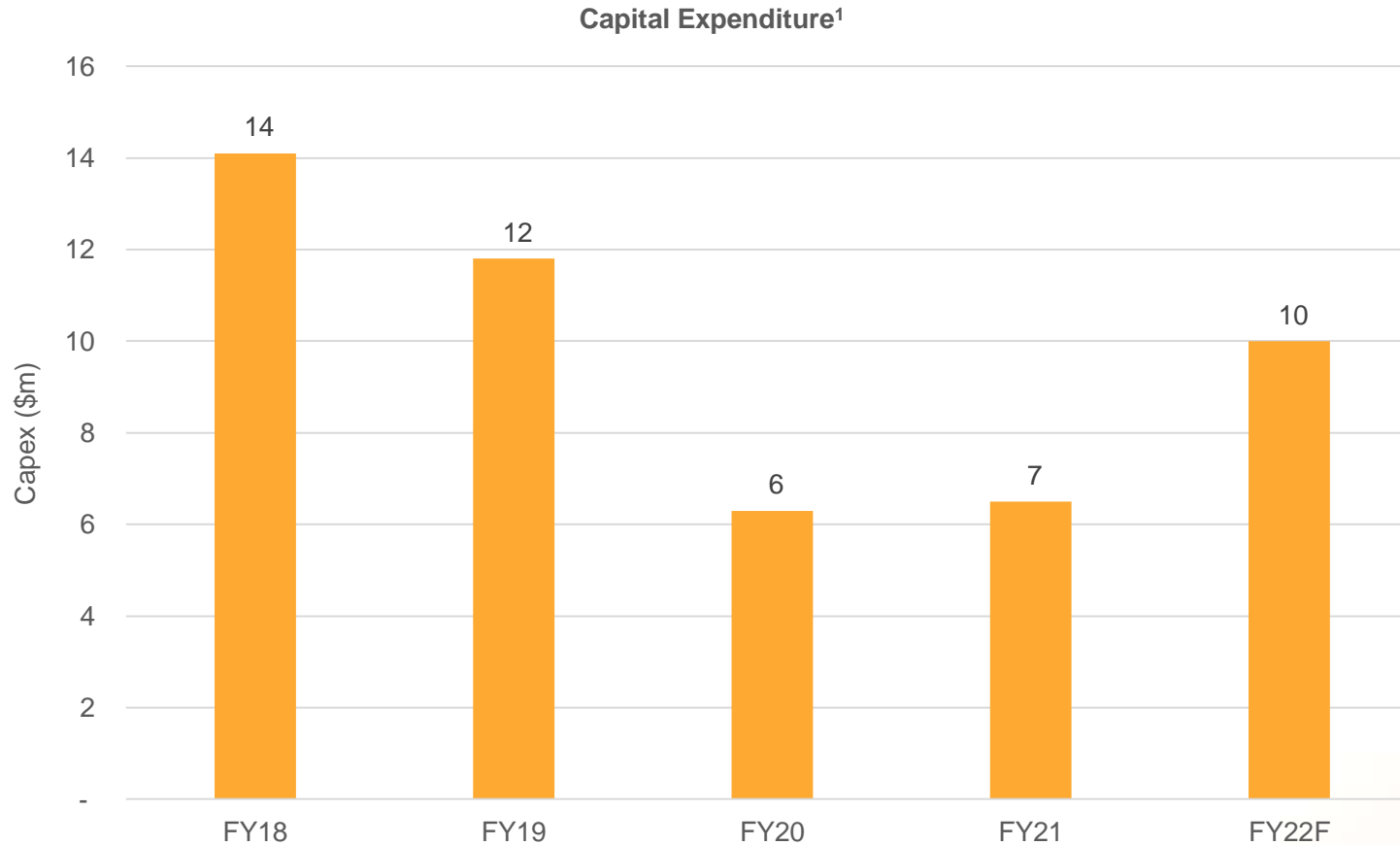
Cost Base remains below 2019 level

Cost Base 2019 to 2022



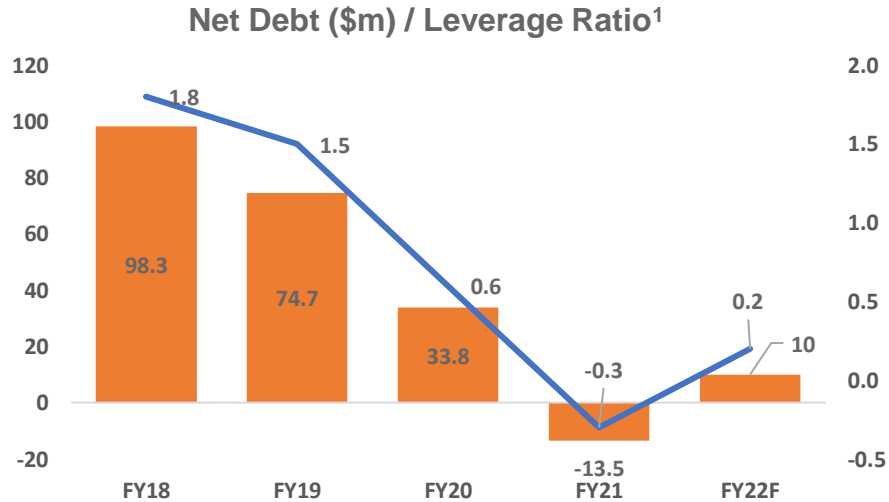
- The cost base remains below the 2019 level.
- Albeit the benefit of the permanent reductions made in 2020 has been partly eroded by wage and salary inflation and investments for growth.
- Key areas of growth have been investment in OneRoof and acquisition of BusinessDesk offset by the disposal of GrabOne.
- Wages and salaries are the largest cost pool. Inflation has been controlled over the three years but it has had a significant impact on the cost base.
- Print volumes have reduced significantly which combined with lower 3rd party print volumes have resulted in lower print and distribution costs, partly offset by distribution and paper cost rate increases.

Capital expenditure returned to normal level of \$8m - \$10m per year



- Capital expenditure in 2022 expected to be ~\$10m

Capital management – \$45m returned to shareholders since September 2021



Leverage Ratio¹

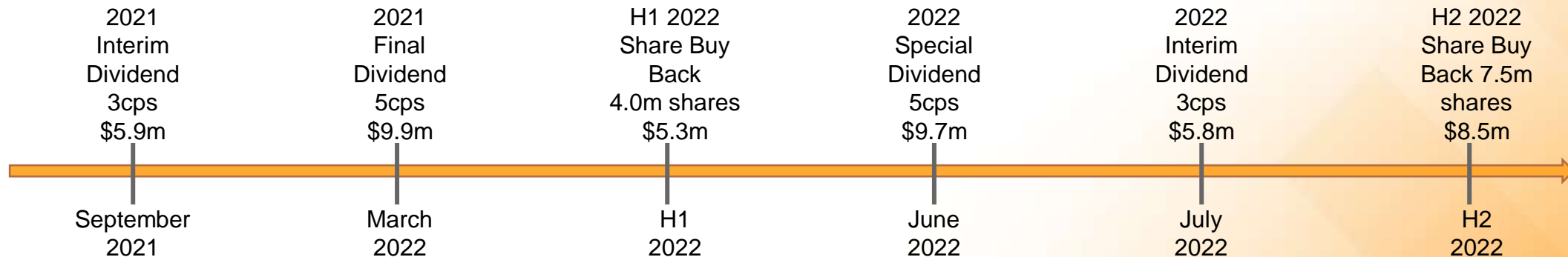
- Free cash flow remains strong and the leverage ratio is expected to be 0.2 times at the end of 2022

Dividends (\$21.6m)

- Recommended dividend payments in September 2021
- Dividends of 8 cents per share were paid in respect of 2021 year

Capital Return Programme² (\$23.5m)

- A special dividend of 5 cents per share was declared in June 2022 (\$9.7m)
- On market share buy backs commenced on 4th April 2022 and 4.0m shares (\$5.3m) had been repurchased by 20th June 2022
- Following the announcement of the half year results a further 7.5m shares (\$8.5m) had been repurchased by 11 November 2022



Notes:

- Leverage Ratio is net debt / 12 month Operating EBITDA (pre IFRS 16)
- Based on share buy back to 11 November 2022 and special dividend

Dividend and Capital Return

- Repayment of debt has resulted in a leverage position well below the target leverage range.
- Forecast to continue to generate strong free cash flows.
- With the uncertain economic environment the company intends to operate at the lower end of its target leverage ratio of 0.5 to 1.0 times EBITDA¹ (pre IFRS 16).
- However, given the expected investment profile, the Board has increased the dividend payout ratio to 50-80% of free cash flow.

Projected Free Cash Flow 2022

	Projected 2022 \$m
Midpoint of Guidance EBITDA (inc IFRS 16)	66
Depreciation and Amortisation	(16)
Interest on loans	(1)
Interest and Depreciation on Leases	(15)
Non-Recurring	(1)
Tax	(10)
NPAT	23
Add Depreciation	16
Less Capital Expenditure	(10)
Working Capital Movement	(2)
Free Cash Flow	27

Dividend Policy

"NZME intends to pay dividends of 50-80% 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."



School
& Radio

AUDIO



Jason Winstanley Chief Radio Officer

New Zealand's Leading Audio Company

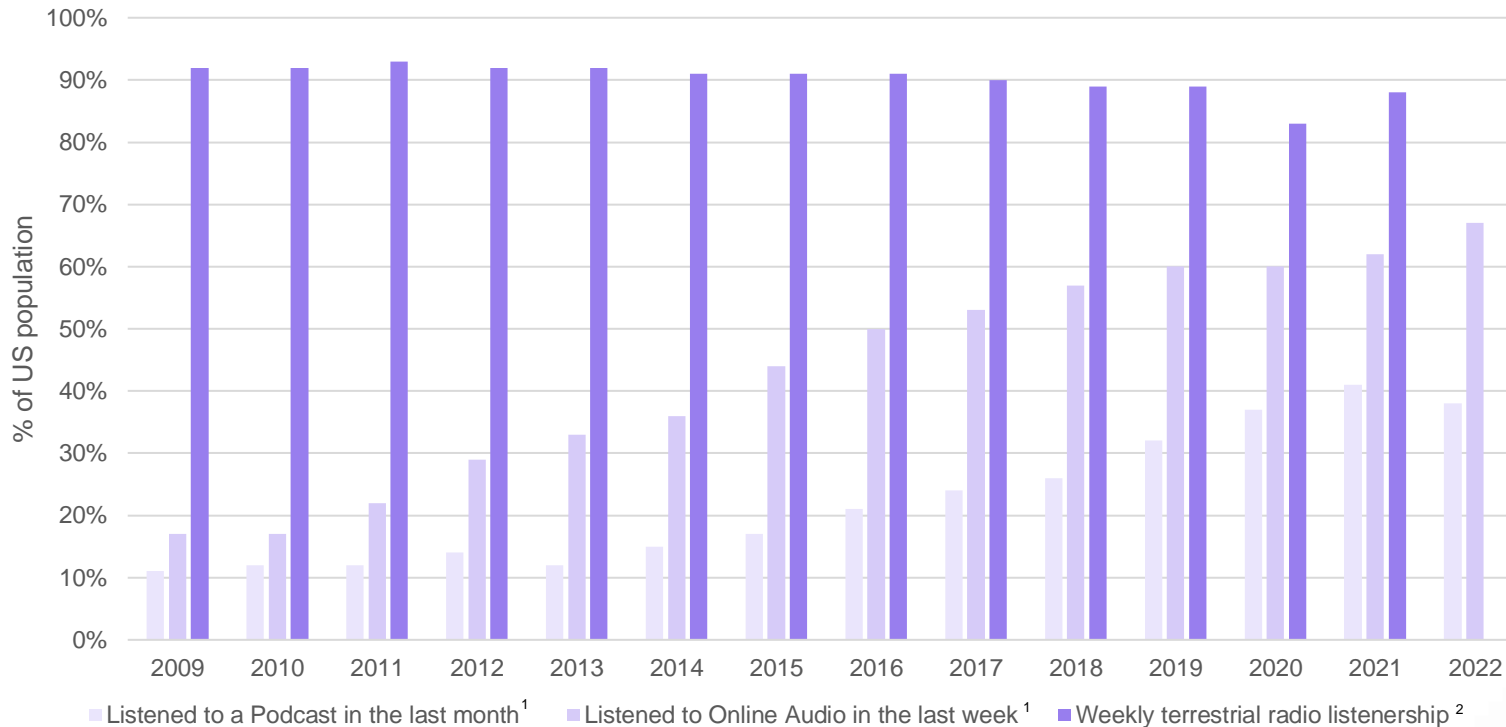
Metric	FY 2020 Achievement	FY 2021 Achievement	H1 2022	2023 Target
NZME Share of total audience	35.6% ¹	37.4% ¹	37.2% ¹	>1% share point growth per annum
Radio Revenue Share	40.4% ²	40.9% ²	41.1% ²	>1% share point growth per annum
Digital audio revenue as a % of total audio revenue	2.4%	3.4%	4.6%	5%
EBITDA³ Margin Target (pre NZ IFRS 16)	14%⁴	12%	11%*	15 – 17%

* H1 earnings are seasonally lower than H2, resulting in a lower H1 margin than full year

SOURCE: ¹GfK Commercial RAM, NZME excl. Partners, M S 12mn-12mn, Market Share %, S4 2020 - S2 2022, AP10+. ²PwC Radio advertising market benchmark report, rolling 12 month average to 30 June 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. ³EBITDA is a non-GAAP measure and excludes exceptional items. H1 earnings are seasonally lower than H2, resulting in a lower H1 margin than full year. ⁴Includes 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%.

Digital and podcast audience reach is quickly approaching the levels of broadcast

AUDIO CONSUMPTION US

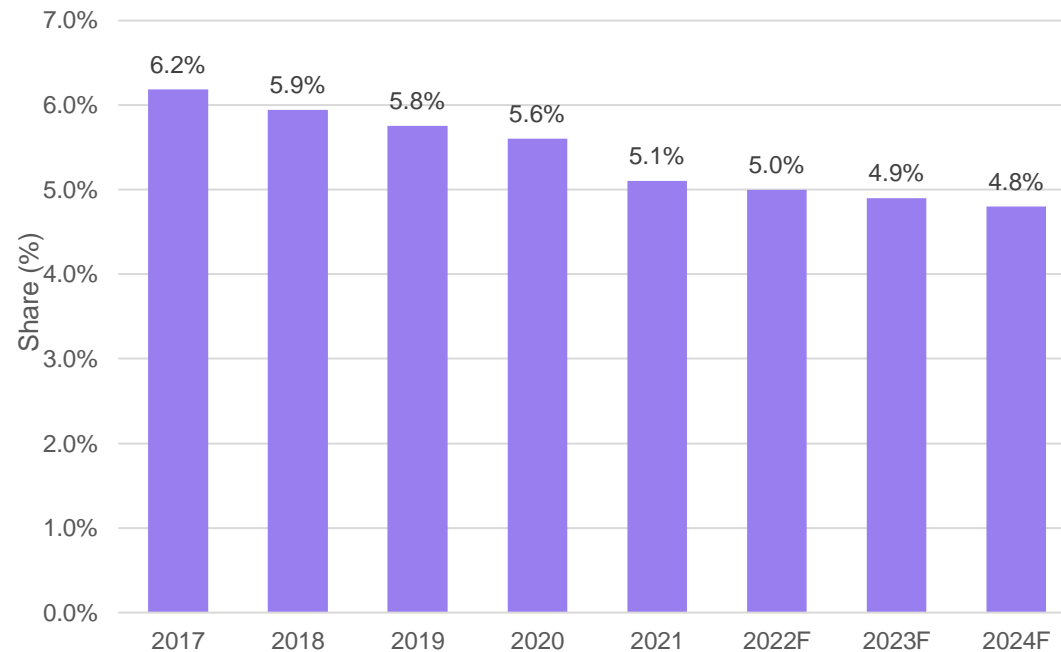


- Broadcast radio continues its strong reach, with 88% of Americans listening each week.
- Digital listening and podcast engagement is continuing its strong growth, expanding the overall audience reach.

Note: Online Audio = listening to AM/FM radio stations online or listening to streamed audio content available only on the internet.

Radio continues to command a steady share of total advertising revenue – podcasting is monetised and reported incrementally

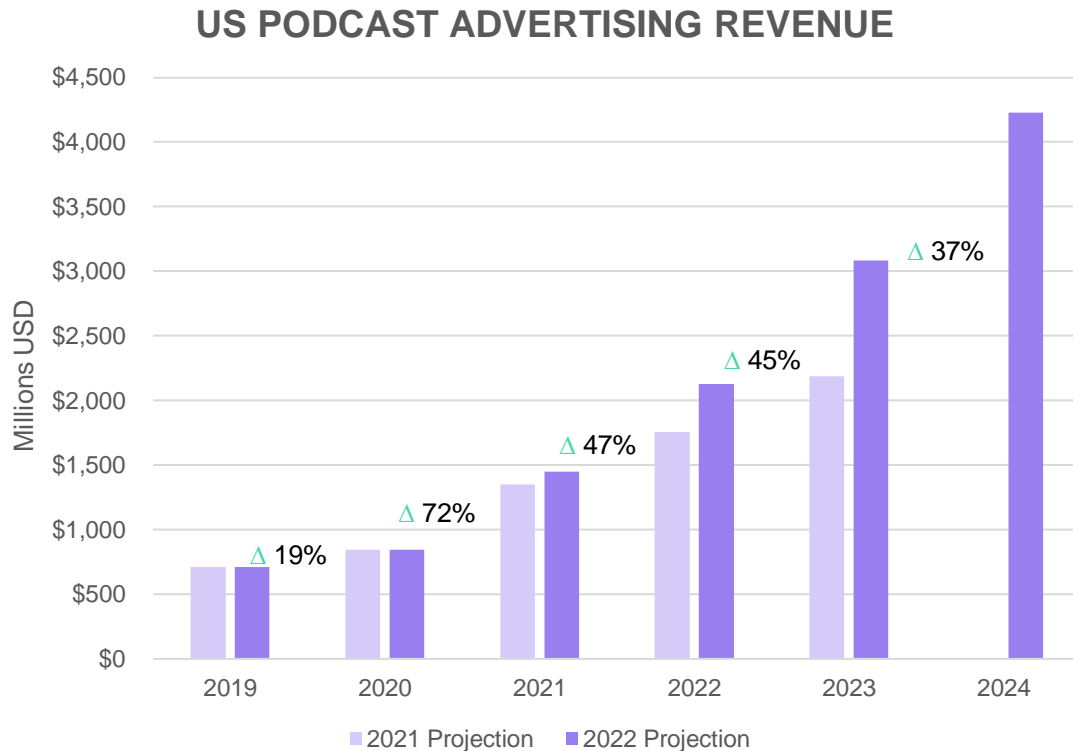
Radio Share of Advertising Revenue – Global¹



- In the US, broadcast radio revenue remains the major driver in Audio revenues – share of total advertising revenue market forecast slightly under 5% in 2022-2024¹.
- While broadcast revenue shares are expected to remain stable in the USA, digital audio and podcast growth is expected to grow rapidly.

US Podcast Advertising Revenue

US podcast revenue has far exceeded original projections. PwC have increased the projected podcasting revenue in 2023 from \$2.19 billion last year to a revised forecast of \$3.08 billion



“The global pandemic created new listening behaviours which audiences have maintained. Consumers are continuing to regularly use online streaming platforms for music, radio, podcasts and audiobooks at high rates. The embrace of new technologies is not only supporting total audio consumption, it represents significant future growth opportunity for audio.”

PwC's Global Entertainment & Media Outlook

iHeartMedia USA

iHeartMedia continues to experience rapid growth in digital revenues in the USA

- iHeartMedia is the leading audio media company in the USA based on consumer reach.
- Radio advertising revenue in growth, 9% up YoY.
- Digital revenues comprised 28% in H1 2022, up from 24% in H1 2021.
- Podcasting revenue has grown 68% YoY and now makes up 9% of Audio revenue.

Revenue from contracts with customers:

	2022 H1		2021 H1	
	Revenue (\$millions)	%Total	Revenue (\$millions)	%Total
Revenue Total	1,671		1,458	
Radio	1,204	72%	1,103	76%
Digital (excluding Podcasts)	313	19%	264	18%
Podcast	154	9%	91	6%

Radio revenue includes Broadcast, Networks, Sponsorship & Events and Other

iHeartMedia's growth strategy is predominantly connected to advertising revenue:

"Our strategy is centered on building strong consumer relationships with national reach. Providing this kind of at-scale companionship creates high-value advertising inventory for current audio advertisers as well as new advertisers and delivers superior returns to both. Moreover, we believe that we can leverage our investments in technology and data-informed decision making to capture increasing market share of the long tail of national and local revenue."

Here, There & Everywhere (ARN)

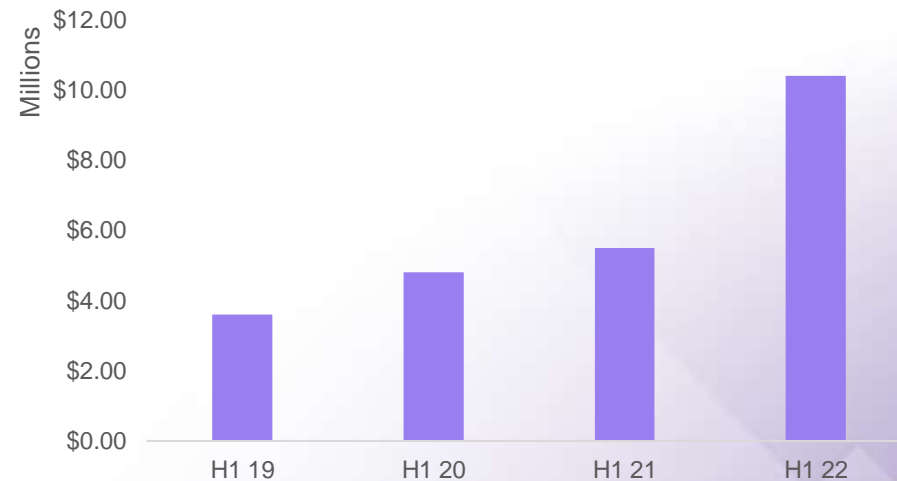
HT&E are reporting an acceleration in digital audio revenues

- Digital Audio Billings continue to grow rapidly.
- Flow through to revenue impacted by a higher percentage of 3rd party inventory (typically managed through a revenue-share agreement with content owner).
- ARN have dominated the Australian Podranker since launch, with the September 2022 Podranker representing 29 successive months at #1 by audience reach, having successfully implemented a broadcast to podcast strategy.

	H1 2022		Proforma H1 2021	
	Rev (\$millions)	%Total	Rev (\$millions)	%Total
Revenue Total	\$161.8		\$147.7	
Radio	\$151.4	93.6%	\$141.7	95.9%
Digital (billings)	\$10.4	6.4%	\$6.0	4.1%

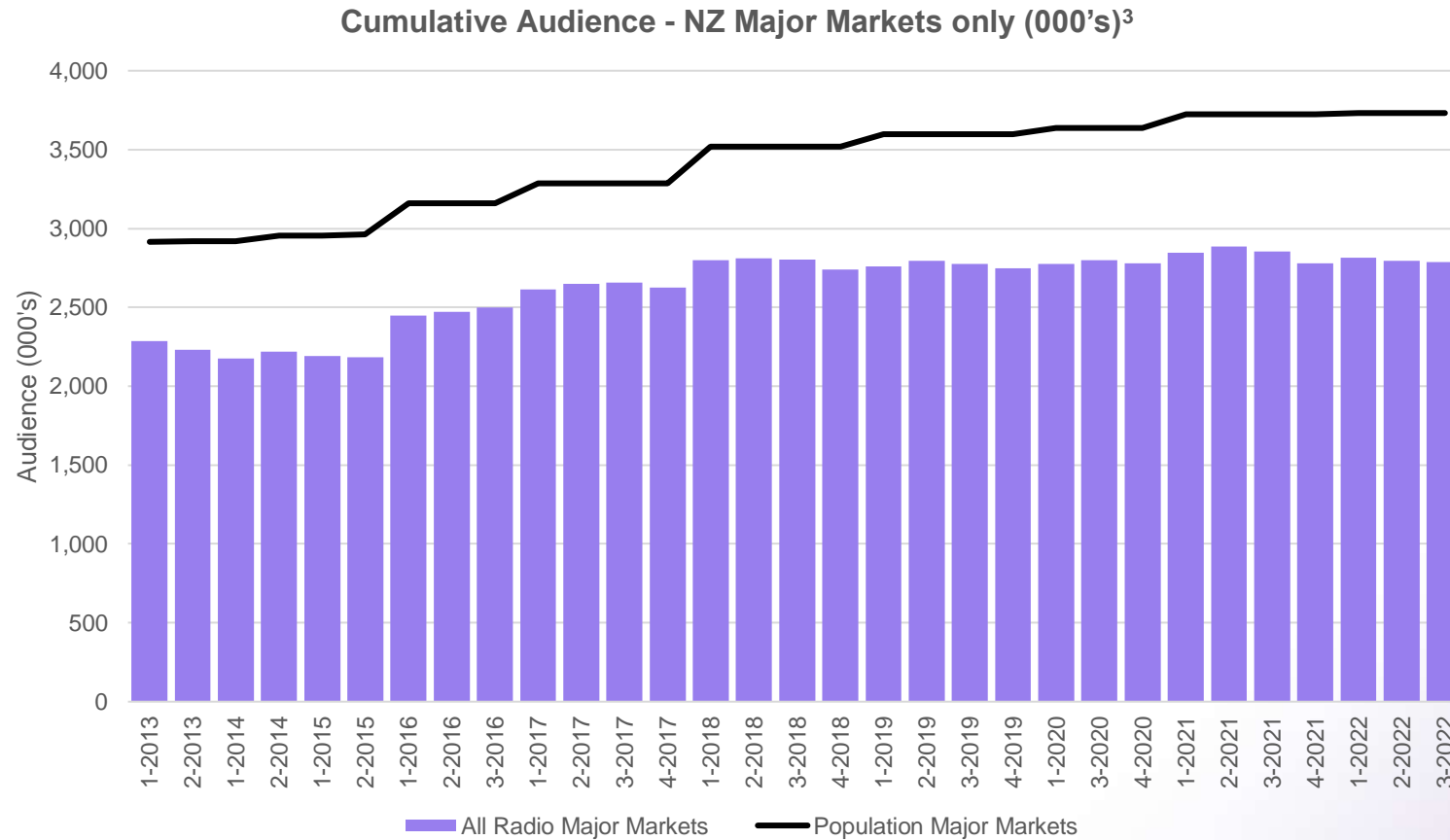
Note : Proforma H12021 is due to the acquisition of Grant Broadcasters

ARN Digital Audio Billings to Customers



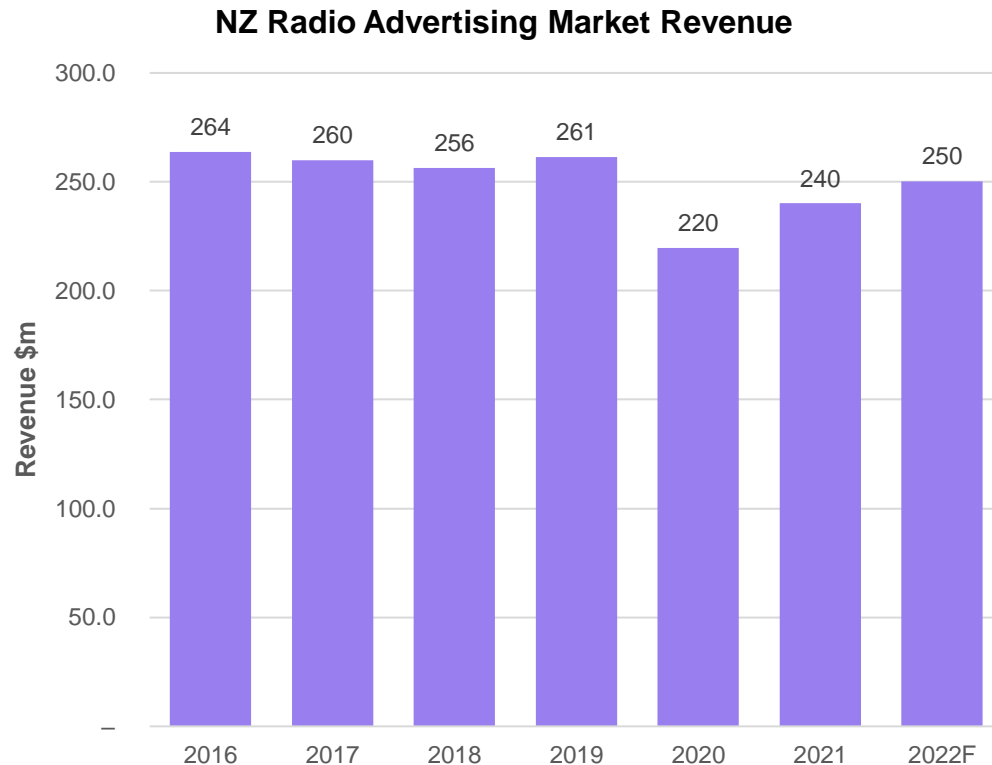
Commercial radio reaches 75% of New Zealanders

3.4 million New Zealanders 10+ listen to Commercial Radio each week¹ and listen on average for 15 hours 22 minutes each week². Major Markets have been growing over the past 10 years.



SOURCE: ¹GfK, RAM, Total NZ, S3 2022, Mon-Sun 12mn-12mn, Cumulative Audience AP10+. ²GfK, RAM, Total NZ, S3 2022, Mon-Sun 12mn-12mn, Time Spent Listening AP10+. ³GfK, RAM, Commercial Radio, S1/2017-S3/2022, Major Markets, M-S 12mn-12mn, Cumulative Audience (000s), AP10+ *Radios 2013-2016 (NZ Major Markets include Auckland, Wellington, Christchurch, Northland, Waikato, Tauranga, Rotorua, Hawke's Bay, Taranaki, Manawatu, Nelson, Dunedin and Southland.) Total NZ Audience has only been surveyed since 2017 therefore regional (i.e. non major market) audience is excluded from this chart)

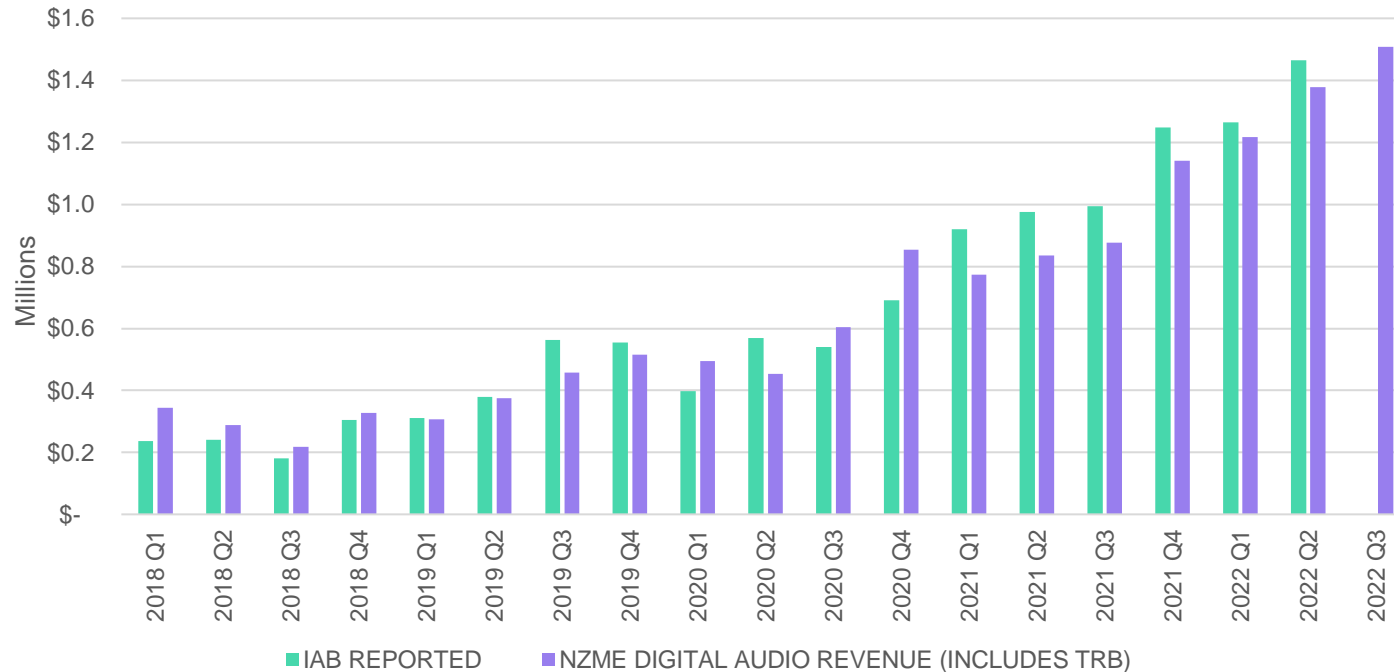
NZ radio revenue forecast to grow year-on-year



- New Zealand's radio advertising market is returning to pre-pandemic levels.
- Agency revenue continues to generate approximately 30% of total radio revenue, with 70% of revenues delivered from customers that are not represented by an agency.

NZ digital audio revenue continues to grow rapidly

IAB REPORTED SPEND VS NZME DIGITAL AUDIO



- NZME audio revenue represents majority of IAB reported revenue
- NZME digital radio is consumed across 1.15 million devices a month², whilst our commercial podcast network reached 795k individual Kiwis³

NZME. NEW ZEALAND
MEDIA AND
ENTERTAINMENT

**New Zealand's Leading
Audio Company**



New Zealand's Leading Audio Company

There are three pillars to the Audio Strategy:



Create New Zealand's
best local audio content



Grow broadcast and
digital reach



Grow market revenue
share and digital
revenue

New Zealand's Leading Audio Company

There are three pillars to the Audio Strategy:



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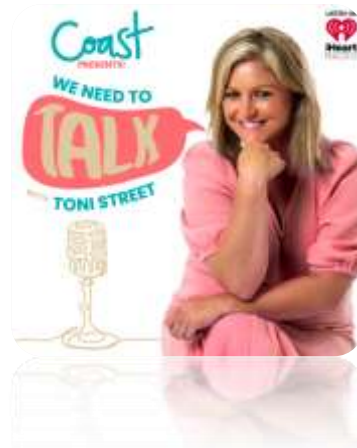
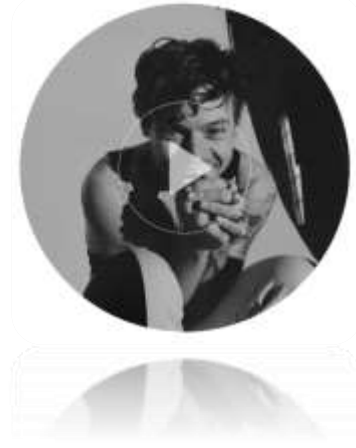


Grow broadcast and
digital reach



Grow market revenue
share and digital
revenue

NZME Audio Landscape



We are active in **27 markets**

147 commercial radio stations and **55** local partner or digital only stations

39 Catch up radio show podcasts

67M music tracks through Artist Radio

32 NZME Original Owned or Partner Podcasts. **18** launched this year

Premium international content with over **350k podcasts** available on iHeartRadio

BROADCAST

DIGITAL

NZME's leading audio brands



- Brand portfolio covering all core demographics
- NZME was the leading company at the 2022 NZ Radio Awards, winning six of the seven premier awards:
 - Station of the Year - Newstalk ZB
 - Broadcaster of the Year - Mike Hosking, Newstalk ZB
 - Best Network Team Show - Fletch Vaughan & Hayley, ZM
 - Best Talk Presenter Breakfast or Drive – Heather du Plessis-Allan, Newstalk ZB
 - Best Talk Presenter - Non-Breakfast or Drive – Marcus Lush, Newstalk ZB

NZME radio audience has hit record highs in 2022 with talk radio normalising post Covid and growth for music radio

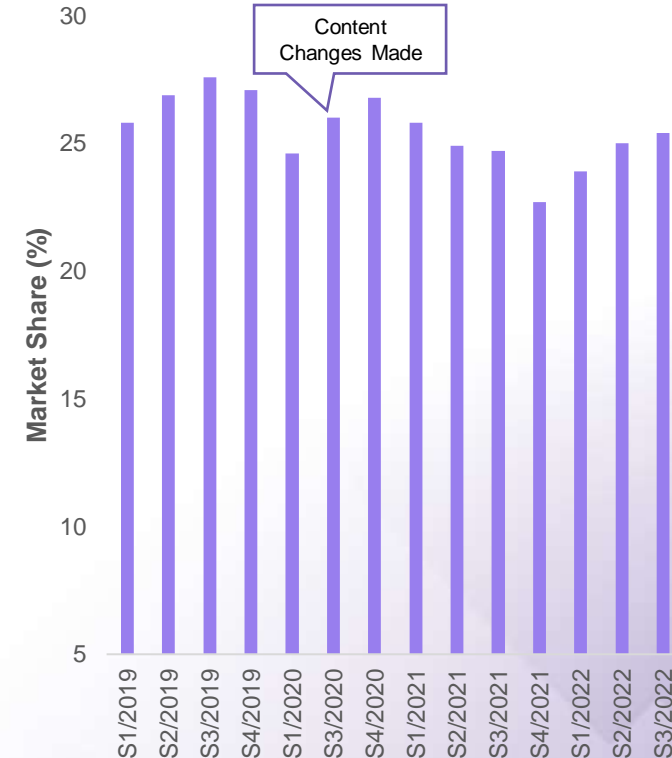
NZME Radio weekly listeners¹



NZME Radio Share – Total NZ All 10+ Share²



NZME Music Radio – Total NZ 25-54 Share³

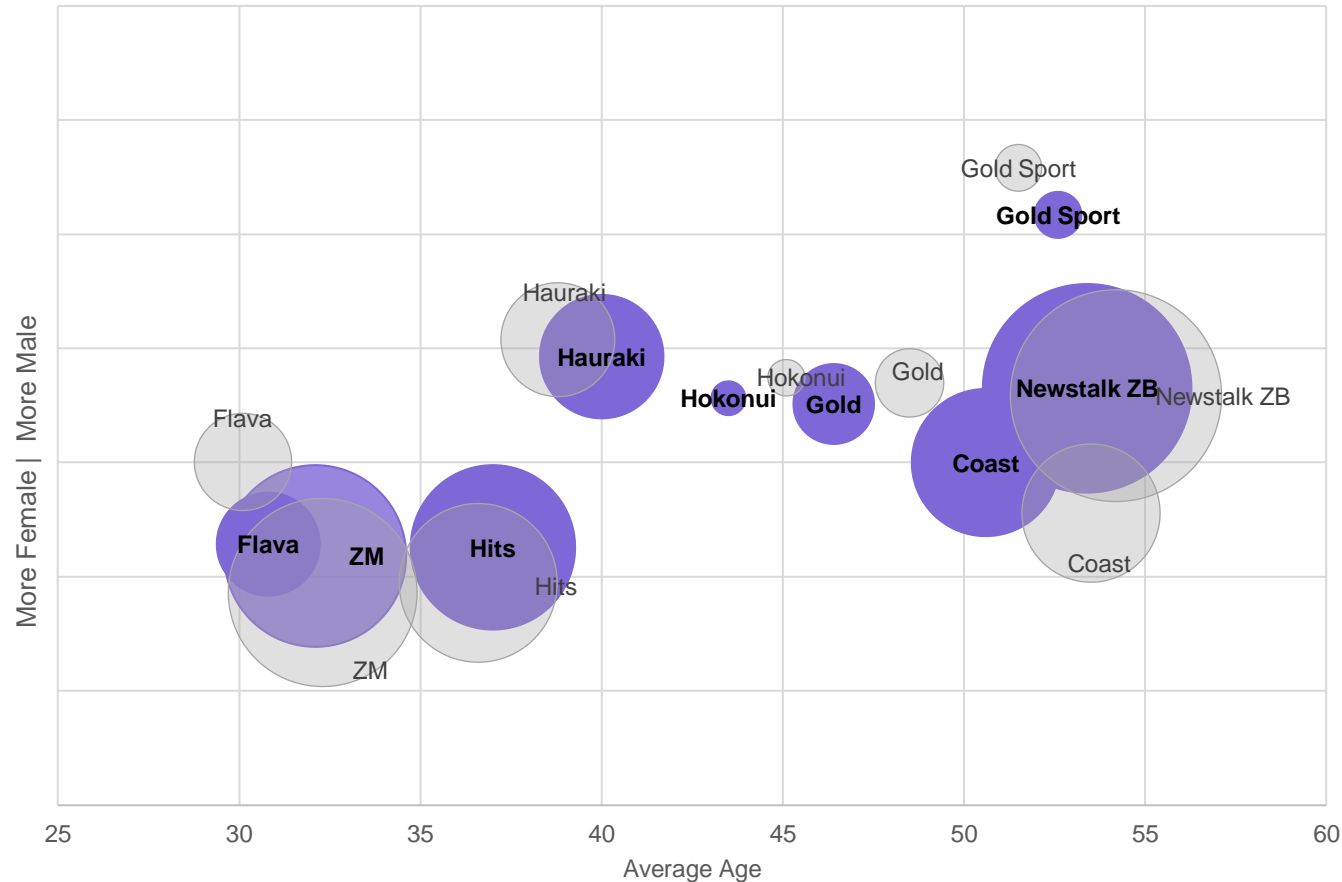


SOURCE: ¹GfK, RAM, Commercial Stations, NZME ,Cumulative Audience (000s), Total NZ S1 2019-S3 2022 AP10+. ²GfK, RAM, Commercial Stations, NZME ,Market Share, Total NZ S1 2019-S3 2022 AP10+. Note Radio Sport closed prior to S3 2020. ³GfK, RAM, Commercial Music Stations, NZME ,Market Share, Total NZ, S1 2019-S3 2022 AP25-54



NZME's strategy is this year successfully down ageing its older targeted brands

Relative Radio Audience Size by Demographic



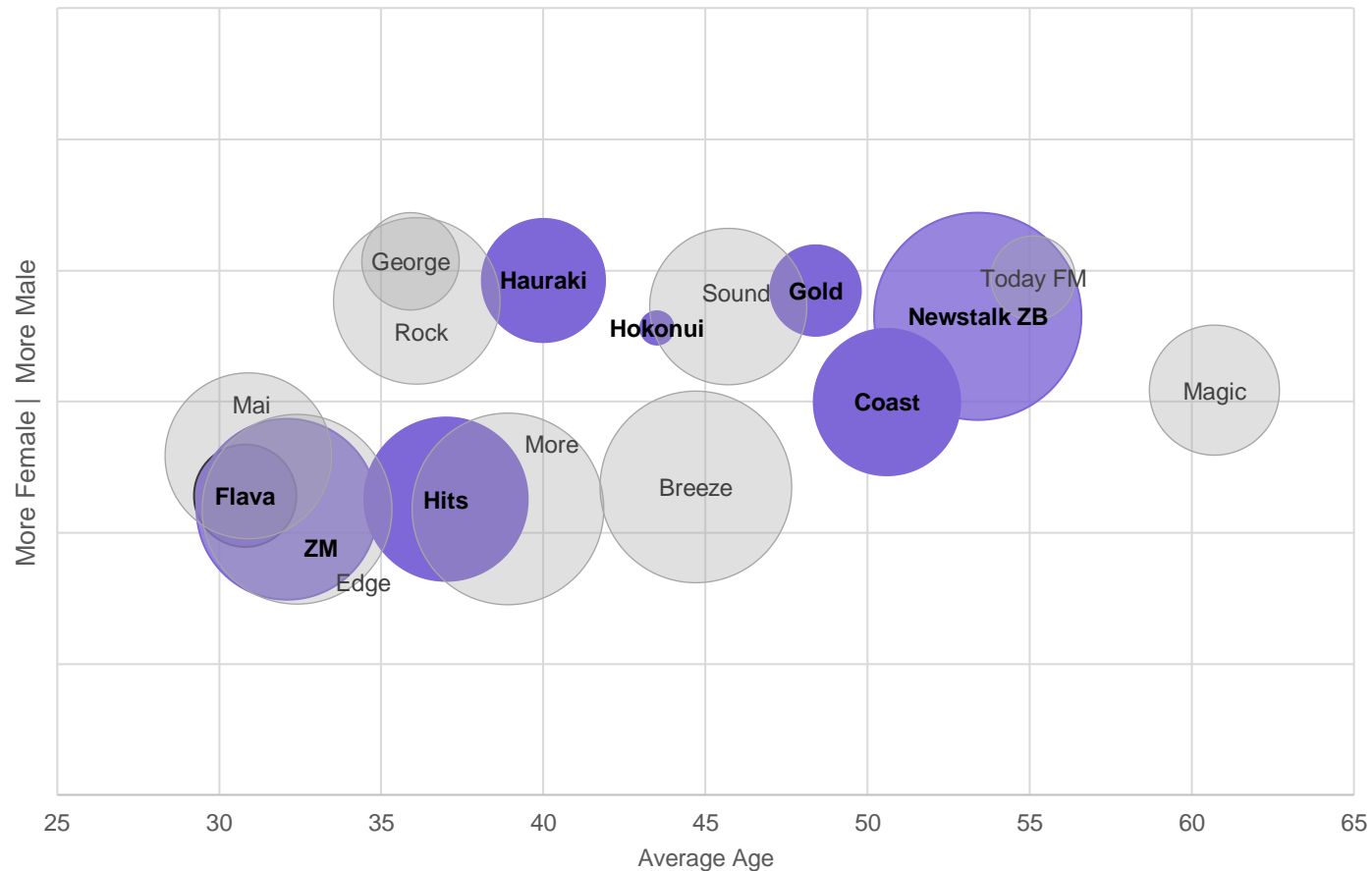
- Newstalk ZB audience surged during Covid, while also attracting a younger demographic.
- The Coast audience profile has moved younger (53 years vs 50 years).
- The Hits average audience age has moved one year older (36 years vs 37 years) and we expect this to move further given the strategy changes we have made.

S3 2022

S4 2021

Newstalk ZB is the number one station and ZM has the most listeners in the 25-54 demographic

Relative Radio Audience Size by Demographic



There remains significant opportunity for NZME in the 40-50 demographic

Significant repositioning of Coast is well underway

Strategy implemented to change content and marketing, moving the audience profile younger and making the brand more appealing to advertisers



Coast

- New brand positioning statement *Feel Good*
- Enhanced broadcast footprint with the addition of new frequencies
- Successful podcast series *We Need To Talk* with Toni Street delivering over 100k downloads to date¹
- 46% growth in iHeartRadio Total Listening Hours 2020 vs 2022²

New breakfast show headlined by star broadcaster Toni Street

Music

Broad 70's focused

Positioning

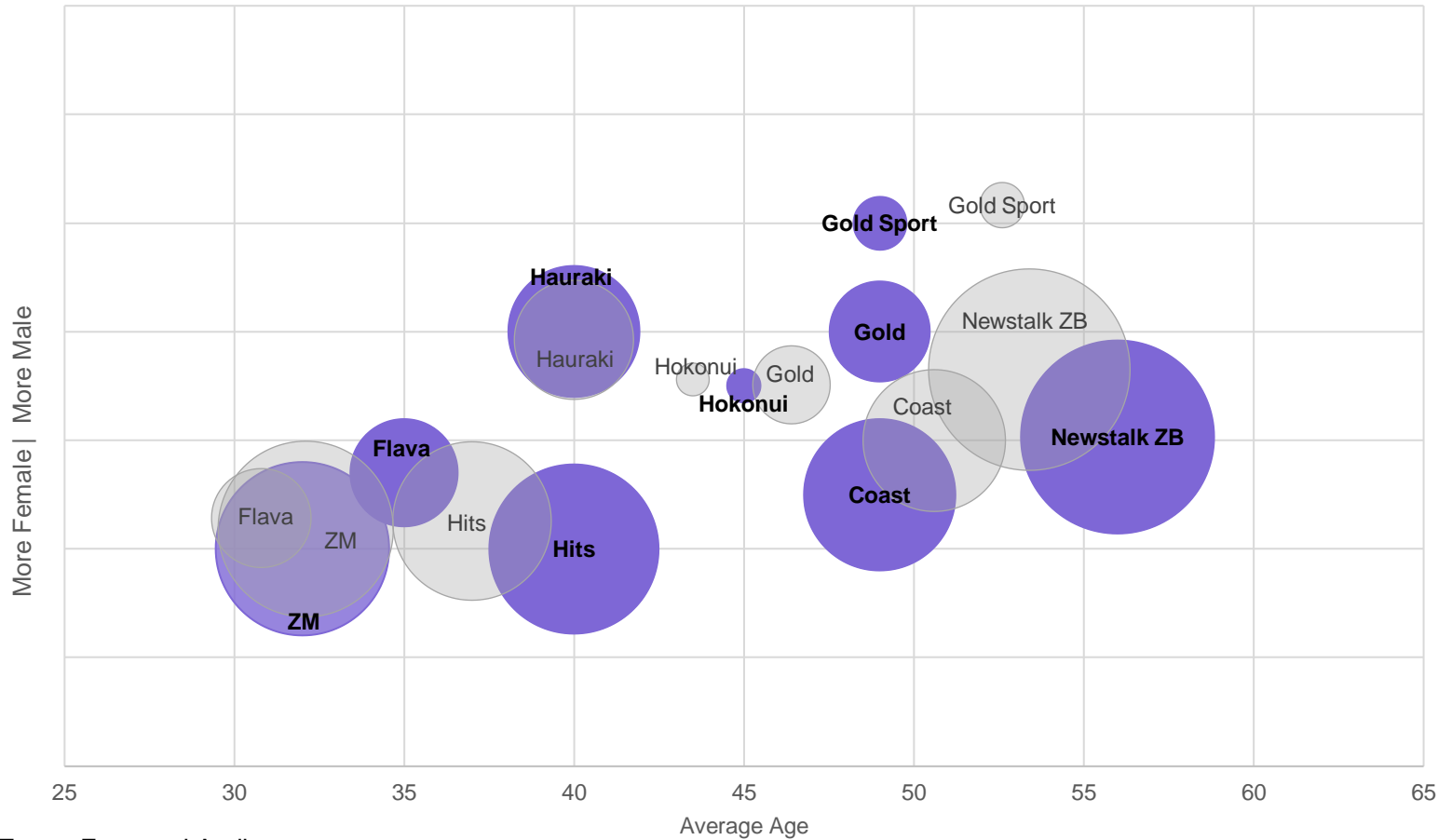
Love The Music

Feel Good 80's focused

Feel Good

Continued focus on 25-54 demographic to deliver revenue ambitions

Relative Radio Audience Size by Demographic



Growth in cumulative audience of each brand and improving the spread of brand demographics will increase overall share.

The Hits and Coast are key to growing our 25-54 audience.

NZME Target Expected Audience
NZME Current Audience

A Global Digital Audio Platform with Complete Local Control

LIVE

Radio and Music Streaming



6.2 million
STREAMING HOURS
+12.1% YoY¹



ON DEMAND

New Zealand's #1 Podcast Network for every Podranker since its inception



3.775 million
DOWNLOADS
+96% YoY³

In September, we served digital audio content to more than

1.4 MILLION KIWIS²



iHeartRadio functionality provides NZME with market leading capability for audiences and advertisers

Launched iHeart 'Talkback' functionality as part of ZM's Secret Sound promotion enabling listeners to record a 30 second voice note and share directly with the producer of the show. Over 13,000 queue jump/talkback entries on the iHeartRadio app.

iHeartRadio Functionality

Live Radio

Custom Radio

Artist Radio (algorithm-driven music streaming)

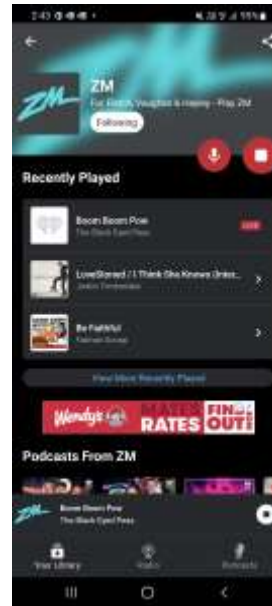
Podcatcher (access to millions of Podcasts)

Connected device integration

(250+ native integration across Smart speakers, connected car, smart TVs etc)

Talkback

(instead of only being able to call in, users can send a message directly from their iHeart Radio app)



“NZME leads the way for iHeartRadio globally in driving listener engagement with the new Talkback feature which allows listeners to interact with their favorite radio and podcast hosts. We’re excited to see NZME continue to use Talkback to expand listener engagement even further across its stations.”

– Uta Knablein, Chief Product Officer for iHeartMedia USA.

NZ's leading podcast commercial offering

WHAT WE MAKE AND SELL

RADIO CATCH-UP DAILY PODCASTS



NZME ORIGINALS ONGOING



LIMITED SERIES



Commercial reach of 795k Kiwis, 2.5 x larger than our nearest competitor¹

WHAT WE SELL

AMPLIFY NETWORK SALES REPRESENTATION



MULTI-PLATFORM RESPONSE

CLIENT COMMISSIONED ORIGINAL



ADVERTISING FUNDED

PRODUCTION & PROMOTION



The ACC – Multi-Channel Sports Entertainment

The Alternative Commentary Collective (ACC) is NZME's multi-channel sports entertainment brand encompassing digital audio channels, social channels, on-air integration with NZME broadcast brands, and content integration with the NZ Herald.



Progress in 2022

- 2 new podcasts in The ACC suite bringing the total to 7 :
 - The Agenda - General sport
 - Between Two Beers – Long form interview
 - Mad Monday – Rugby League
 - BYC - Cricket
 - NOOB Squad – Gaming
 - NEW - Boys Get Paid – Horse racing
 - NEW - Benchwarmers – Basketball
- 1.2 million podcast listens/downloads YTD¹ (+95% on all of 2021)
- 107 million social video views YTD² (+68% on all of 2021)
- Signed 2-year Content Partnership Agreement with Sky TV to have ACC 'Alternative' commentary running on Sky Sport across select rugby, netball, cricket and rugby league matches.
- Long term commercial partnerships in place with DB, Wendys, Leader NZ.

Home Of New Zealand's Most Loved Audio Content

Be the place where creators bring their content to be Made, be Heard, and be Sold

Be
MADE

The home of NZ's Podcast and Digital Audio content.

Greater production capabilities to accelerating partner and NZME owned content.

Be
HEARD

Leveraging NZME platforms, audiences and expertise to connect audience and content.

Increased discoverability capabilities delivering larger Podcast CUME.

Be
SOLD

Unlock commercial opportunities through ad placement, sponsorship and integration.

Accessing NZME's commercial team to achieve revenue objective.

New Zealand's Leading Audio Company

There are three pillars to the Audio Strategy:



Create New Zealand's best local audio content



Grow broadcast and digital reach



Grow market revenue share and digital revenue

Broadcast radio has significant reach across all age demographics

Commercial Radio reaches 3.4 million New Zealanders each week¹, and on average listeners tune in for 15 hours 22 minutes each week². NZME broadcast radio reaches 1.98 million Kiwis each week³.



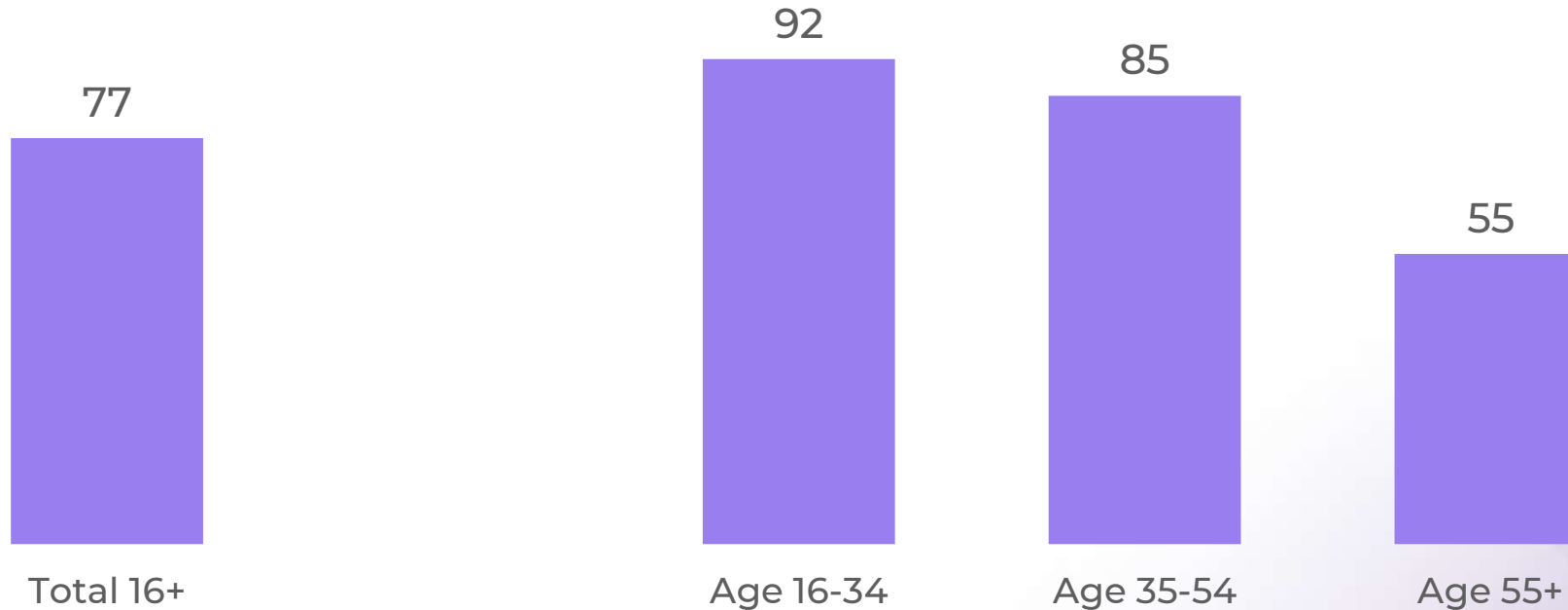
Digital audio consumption provides opportunity to grow from youth up

The highest consumption is occurring by 16-34 year olds, with 92% consuming either digital radio or unique streamed audio content in a month.

TOTAL NEW ZEALAND POPULATION 16+

% LISTENED TO ONLINE AUDIO IN LAST MONTH

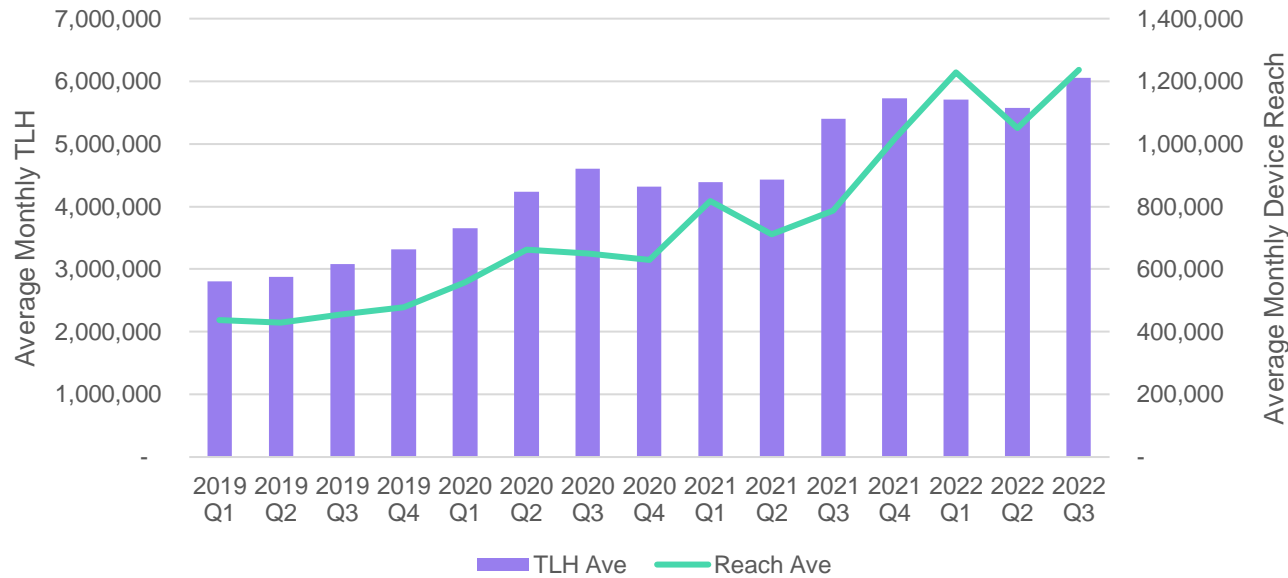
Online Audio = Listening to AM/FM radio stations online and/or listening to streamed audio content available only on the Internet



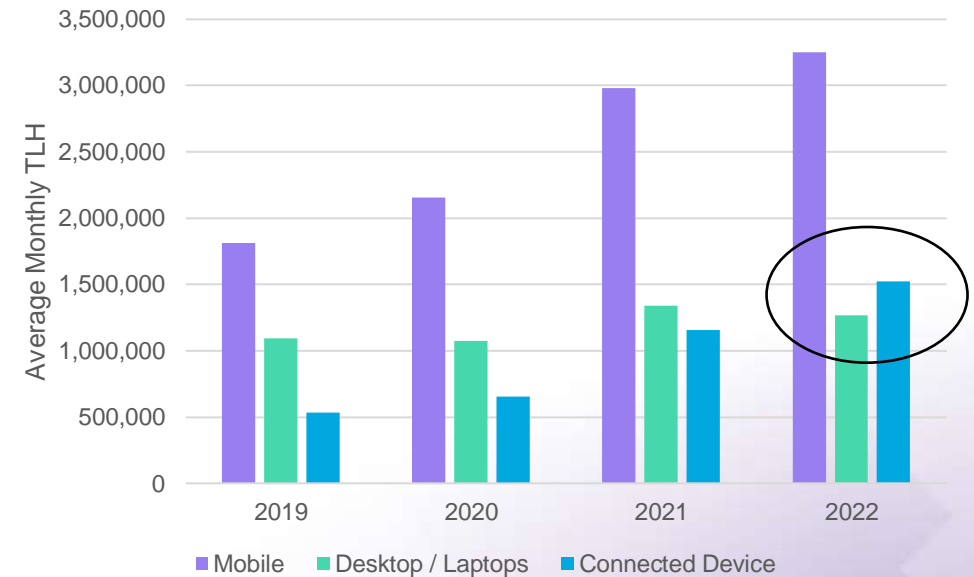
NZME digital radio audience continues to extend its reach

NZME's digital audio audience and Total Listening Hours continues to grow. Connected devices listening, including smart speakers, is now larger than Desktop / Laptops.

DIGITAL RADIO REACH AND CONSUMPTION



DIGITAL RADIO LISTENING BY DEVICE



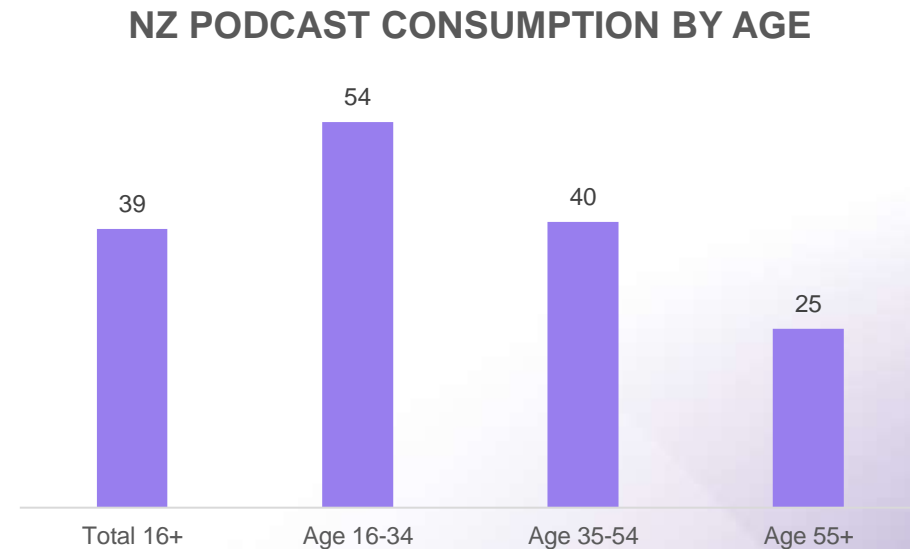
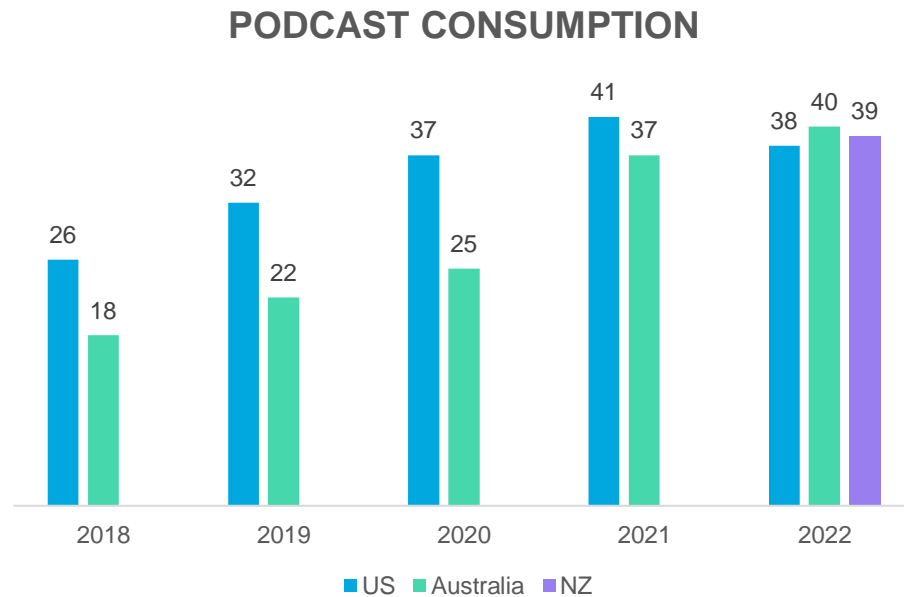
- Total digital radio listening and reach has again grown with H1 2022 Total Listening Hours up 28% on 2021.

- Whilst mobile remains the primary device, connected device listening has more than doubled in the last 2 years.
- Smart speaker ownership in NZ is still some way behind global markets with 16+ ownership currently 20%, USA at 35% and AUS 27% respectively².

NZ podcast consumption is following international trends

Monthly podcast listening in NZ is inline with US/AUS at 39%. Predominantly driven by a younger demographic, with 54% of 16-34 year olds listening to a podcast in the last month and 41% listened in the last week.

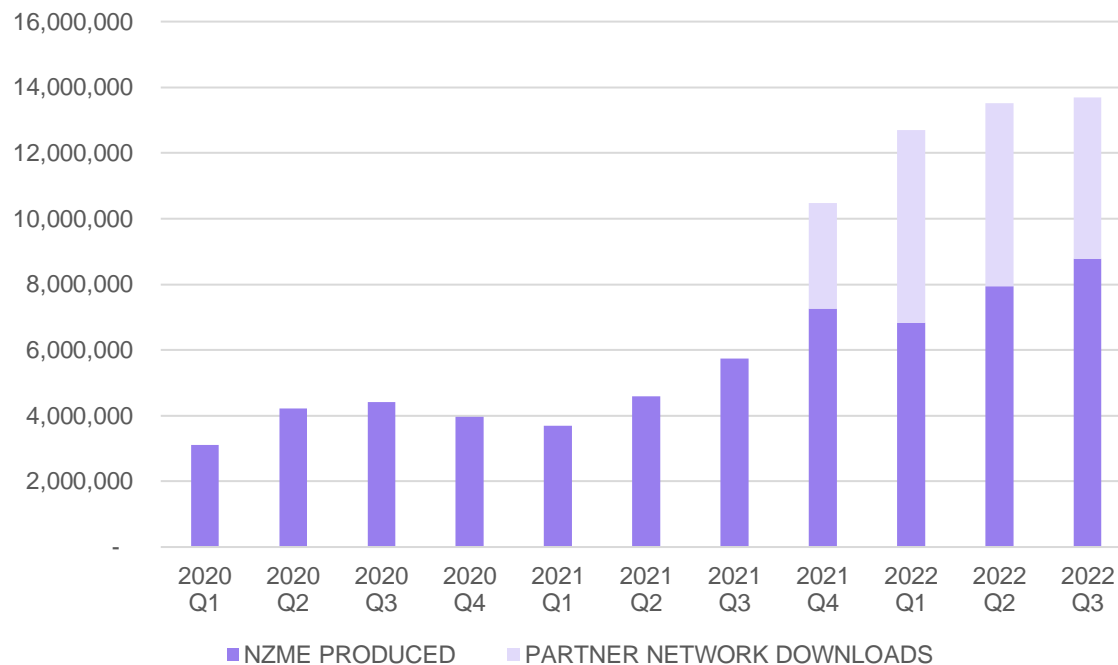
AUSTRALIAN, USA, AND NEW ZEALAND TOTAL POPULATIONS 16+ % LISTENED TO A PODCAST IN THE LAST MONTH



NZME Podcast Listenership

Podcast downloads continue to grow. Downloads for NZME produced content in H1 2022 are up 86% on H1 2021. NZME not only generates revenue from content it makes, but also locally represents some of the leading podcast publishers from around the world that are being listened to by Kiwis. These publishers add on average 30% incremental reach¹ to our commercial offering.

NZME PODCAST COMMERCIAL DOWNLOADS



Publisher	Sep 2022 CUME
NZME / iHeartRadio	795,359
Audioboom (NZME Sales Representation)	303,624
Stitcher	297,644
Mediaworks	117,226
Kast Media	100,357
LiSTNR (SCA)	93,629
Studio71	32,422
Sports Entertainment Network (SEN)	19,225
Nova Entertainment (Mediaworks Sales Representation)	8,549
Headgum	8,234

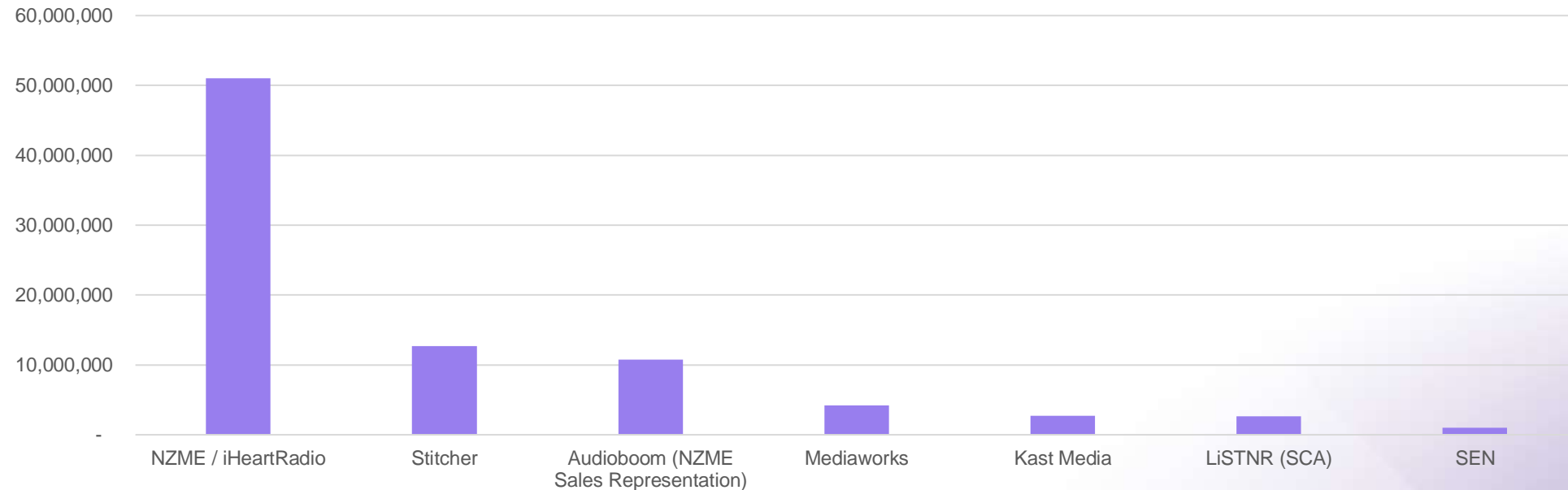
* Audioboom CUME cannot be de-duplicated from NZME so is reported separately

NZME is the largest podcaster in NZ

NZME has dominated every Podranker since the industry initiative commenced in September 2021.

Total podcast downloads within the NZME Network over 5 times nearest competitor.

TOTAL PODCAST NETWORKS BY DOWNLOADS
12 months to September 2022



Leverage NZME platform reach of 3.6m New Zealanders to grow audio audience



Build iHeartRadio's digital reach by attracting new audience and encouraging active engagement

New Zealand's Leading Audio Company

There are three pillars to the Audio Strategy:



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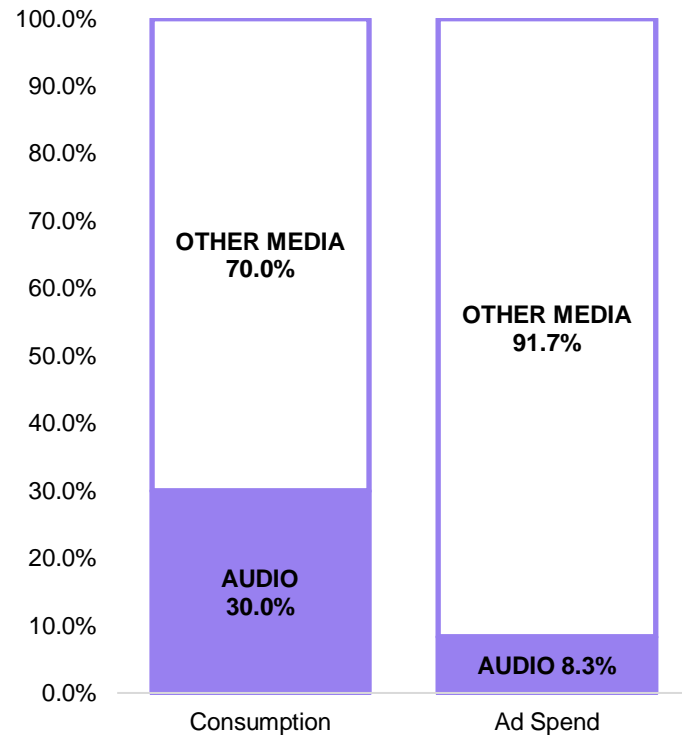
Grow broadcast and digital reach



Grow market revenue share and digital revenue

Audio advocacy will help grow market revenues

30% of Kiwis' media consumption is with audio, yet only 8.3% of advertising spend is within audio. There is a need for a co-ordinated approach to audio advocacy with advertisers to position radio in the multi-media landscape, articulate its strategic digital transition, and grow audio's share of total advertising spend.



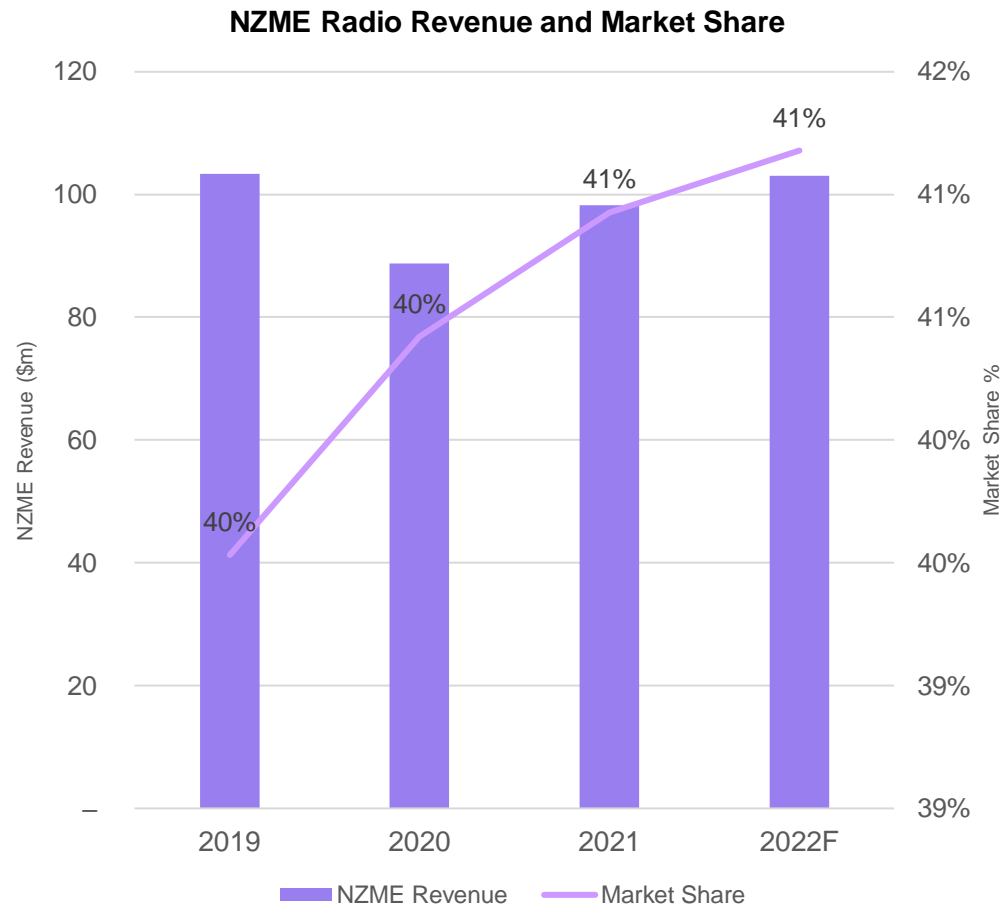
Audio does not currently have a coordinated and strategic advocacy organisation for the medium across all buying channels. The Radio Bureau's advocacy is limited and focussed on agency buyers. The Radio Broadcasters Association performs advocacy at a Government level but not with advertisers.

“Good advocacy should deliver an uplift for the entire Industry - improving revenue, awareness, engagement and perception. Ultimately, it's about making a bigger pie, not fighting over the last remaining slices of the existing one. And Customers are willing to help.”¹

Radio Advocacy Research 2022

Radio revenue market share growth remains a focus

NZME's revenue market share has continued to improve since 2019.

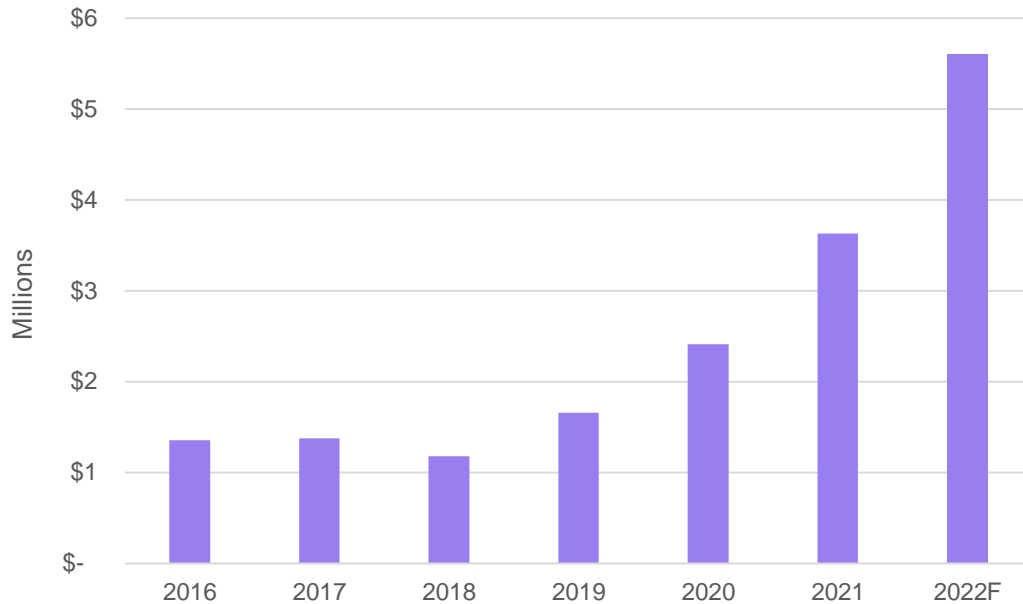


- This is NZME and Mediaworks broadcast revenue only and does not include any digital audio revenue.
- Broadcast revenues are expected to return to pre-Covid levels this year.
- NZME's market revenue share continues to improve. Share has been growing outside of Auckland by utilising multi platform sales teams.

The leading digital audio commercial opportunity in market

Growing digital consumption results in significant inventory opportunity across digital radio listening as well as podcasting.

NZME DIGITAL AUDIO REVENUE



- Podcasting represents incremental audience and listening and therefore incremental revenue opportunity.
- Lower sell through rates on digital radio inventory provides significant commercial opportunity from existing audience.
- Audience targeting commands a higher eCPM whilst enabling advertisers to target specific audiences based on behaviours or demographic profiles.
- Advertising travels with the podcast content and therefore 3rd party platforms represent new audiences which NZME can commercialise.

Case study: DB Export and The Alternative Commentary Collective (ACC)

The Alternative Commentary Collective (ACC) is NZME's multi-channel sports entertainment brand. DB Export partnered with NZME to engage The ACC's passionate male audience.



Monetise ACC via product integration across The ACC portfolio, including:

- Live Commentary
- Podcasts
- Live Events
- Merchandise

“Export believes that there is no better place to have a beer than with some mates while enjoying a classic Kiwi pastime, watching sport! The ACC is a true staple for sports fans, and we’re thrilled to be partnering with this group of like-minded broadcasters, comedians and entertainers who are renowned for their irreverent, unique and popular coverage of all things sport.”
Fraser Shrimpton, Marketing Director at DB Breweries.



PUBLISHING



Carolyn Luey **Chief Digital &** **Publishing Officer**

NZME. NEW ZEALAND
MEDIA AND
ENTERTAINMENT

**The NZ Herald is
New Zealand's Herald**





New Zealand's Herald

Metric	FY 2020 Achievement	FY 2021 Achievement	H1 2022	2023 Target
Subscription Volume Target	169,000	191,000	206,000 ¹	More than 210,000 by 2023 year-end
Subscription Volume Mix	32% / 68%	43% / 57%	49% / 51%	Digital Only > Print
% Households Subscribing	9% ²	10% ²	11%	> 12% by year-end
Advertising Revenue Mix	42% Digital	46% Digital	49% Digital	> 45% Digital
EBITDA³ Margin Target (pre NZ IFRS 16)	19%⁴	18%	16%*	18-19%⁵

* H1 earnings are seasonally lower than H2, resulting in a lower H1 margin than full year

1. Includes the impact of the BusinessDesk acquisition.

2. Stats.govt.nz Dwelling and household estimates: June 2022 quarter.

3. EBITDA is a non-GAAP measure and excludes exceptional items. H1 earnings are seasonally lower than H2, resulting in a lower H1 margin than full year.

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.

The NZ Herald is New Zealand's Herald

There are three pillars to the Publishing Strategy:



AUDIENCE

The #1 News brand for all New Zealanders



SUBSCRIBERS

Subscriber first



ADVERTISING

Be a safe, scalable destination for advertisers



SIMPLIFICATION Simplify and automate operating model

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National coverage and award-winning content



NewstalkZB

New Zealand's Newsroom

Reach a combined news audience of 3 million Kiwis each month¹

- Newsroom with more than 300 editorial staff across NZ
- Achieved NZ Herald's biggest-ever brand audience of 2.26M¹
 - Digital reach of 1.9 million²
 - Print reach of 1.4 million³
- NZ's biggest commercial radio station with a reach of 700K⁴
- NZ's biggest daily newspaper³
- NZ's biggest Sunday newspaper³
- Biggest share of regional newspaper readership³

Award Winning Journalism



NewstalkZB

NETWORK STATION
OF THE YEAR

The NZ
Radio
Awards



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

The #1 News brand for all New Zealanders

Embed **trust and quality** in the newsroom and across NZ Herald journalism



Audience expansion by focusing on next generation audience and creating personalised experiences



Multi-platform story-telling to create immersive content experiences that drive engagement



Building quality and trust is a key focus for the newsroom

Newsroom Quality Focuses

- 1 Having the best data to inform our editorial decision-making
- 2 Identifying the best journalism to engage our audiences – and build new ones
- 3 Reinforcing a culture of quality – through learning and development and a focus on continuous improvements
- 4 Quality first workflows and automation – having the right tools

Daily & Monthly Scorecards

NZH Editorial Scoring Report

Author	Title	Date	Engagement	Conversion	Recirculation	Score
...
...



- New article scoring engine focuses on engagement metrics; Average Time On Page, Recirculation and Conversion
- Monthly journalist report focuses on quadrants to; Replicate / Optimise / Support / Amplify

Culture & Workflow



- Introduction of new quality-first workflows with new authoring tool
- Extensive learning and development programmes to grow journalism craft
- Future developments include;
 - AI-driven workflow efficiencies
 - Audio and video workflow automation
 - Business of journalism incentives

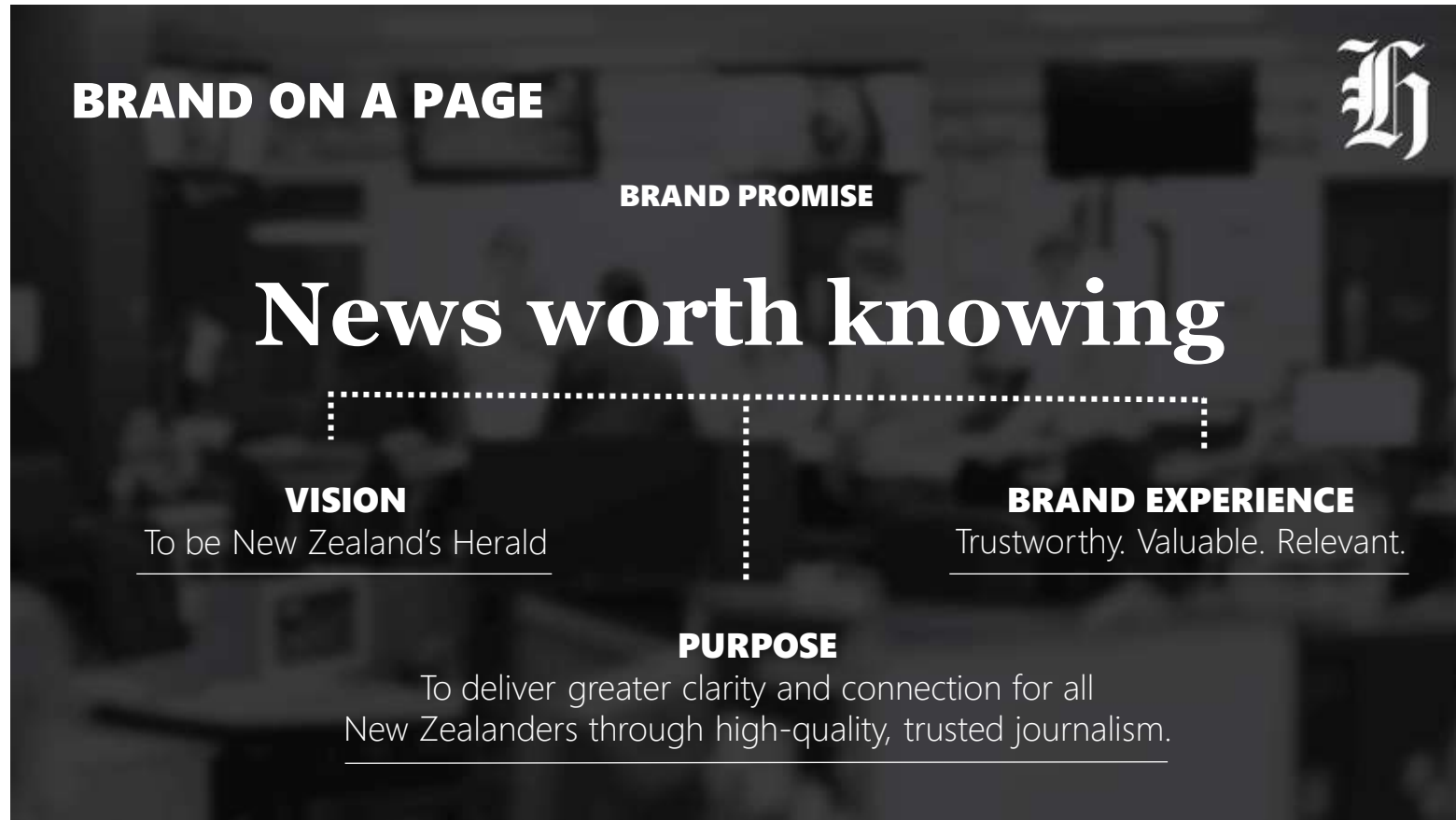


Focus on distinctive quality journalism that sets the agenda

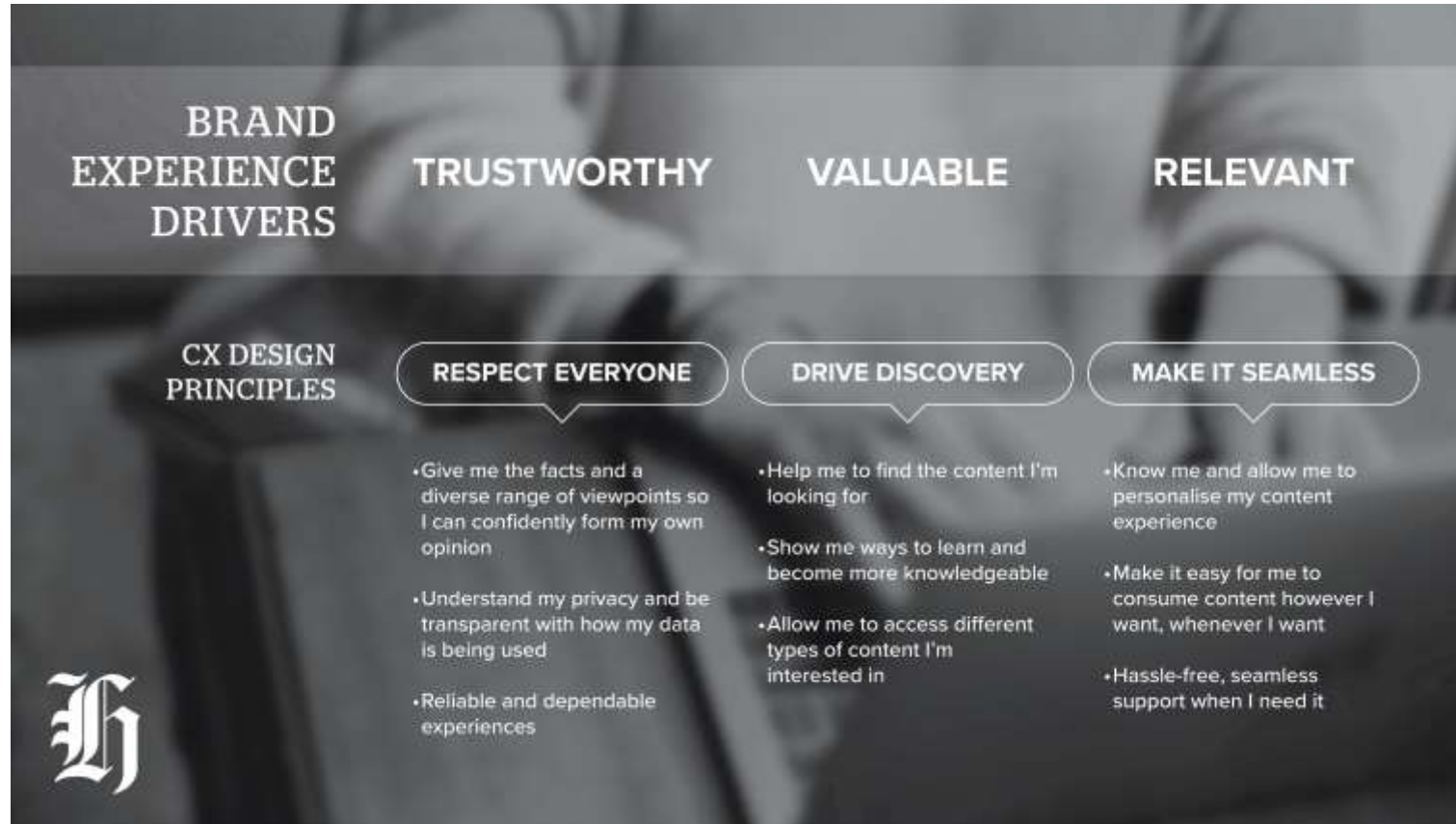


- Breaking big news stories – Police faked car thefts to access CTV data
- How mental campaign uncovered major failing in our health system
- Mood of the Boardroom took the temperature of the business community in challenging times
- World Vision campaign to highlight plight of refugees from war in Ukraine
- Queen Elizabeth II passing and celebration of her life

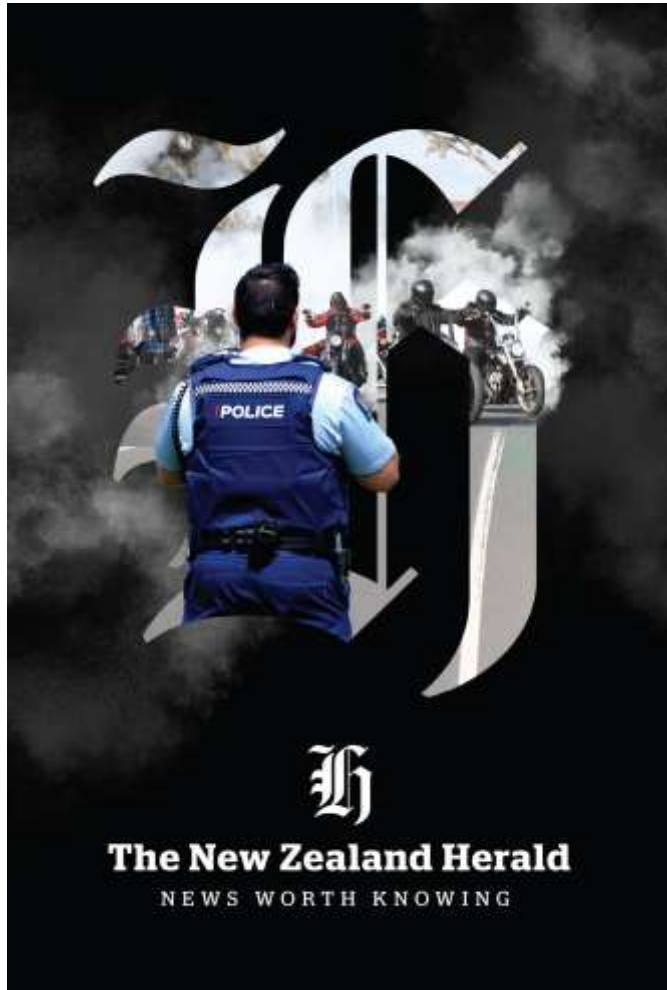
NZ Herald's new brand promise emphasises the quality and depth of the Herald's journalism



Building brand advocacy by bringing the brand experience to life across all touch points



Invest to grow brand preference and continue to be well known as a modern trusted source of news worth knowing



- New brand codes
- Brand experience integration across all touch points
- Local marketing

Focus on expanding audience reach through diversified content that connects with new audiences



- Showcase Māori community stories and journalism talent
- Stories told through a te ao Māori lens
- Monthly audience of 275K



- Connect Pacific Island community
- Real life stories and news from the Pacific
- Monthly audience of 265K

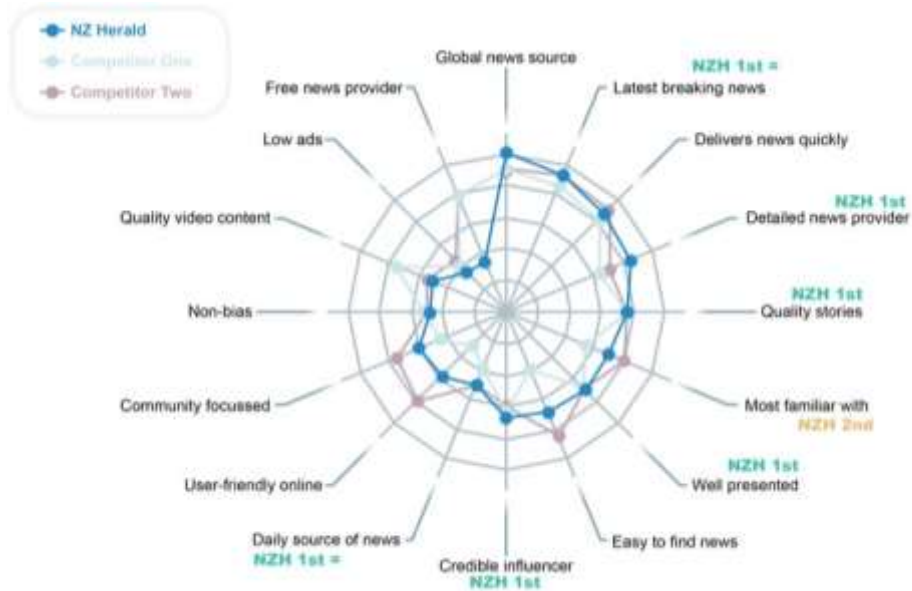


- 15 dedicated journalists covering legal and court reporting across NZ
- Monthly audience of 1.3M, with strong regional engagement making up 48% of audience

Next generation audience strategy will launch a new proposition focused on authentically connecting with young people

NZ Herald reaches 882,000 18-34 year olds each month and has strong quality brand associations

Brand Perceptions 18-34 year olds



'Our goal is to give the next generation a voice in the day's news conversation'

Social Reels First

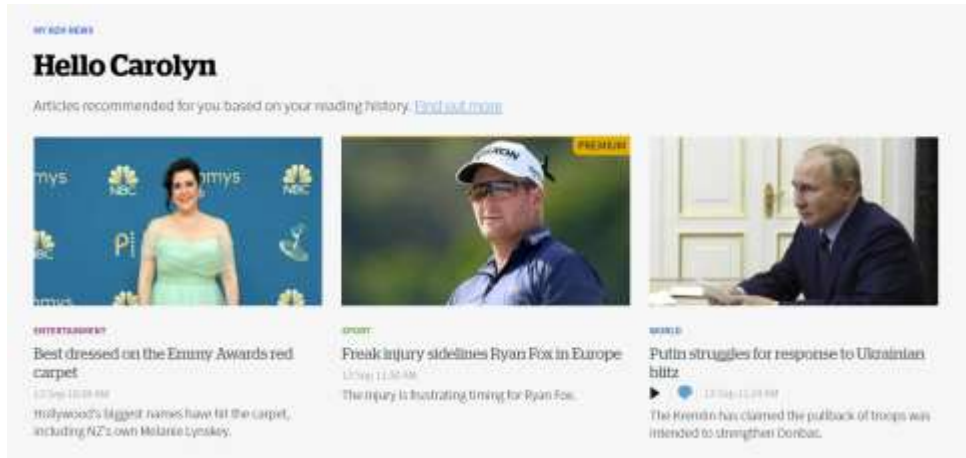
Podcast

Newsletters



Personalisation has been expanded, delivering 2x lift in engagement

Homepage Promoted Module



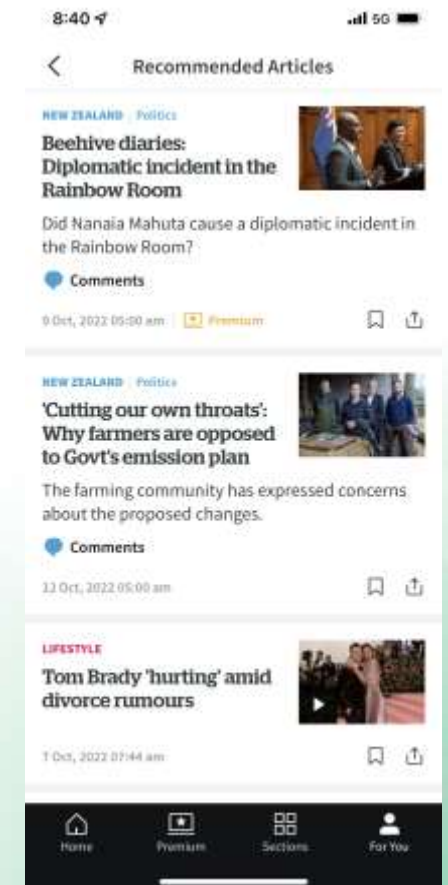
Article Page Module



Personalised Newsletter



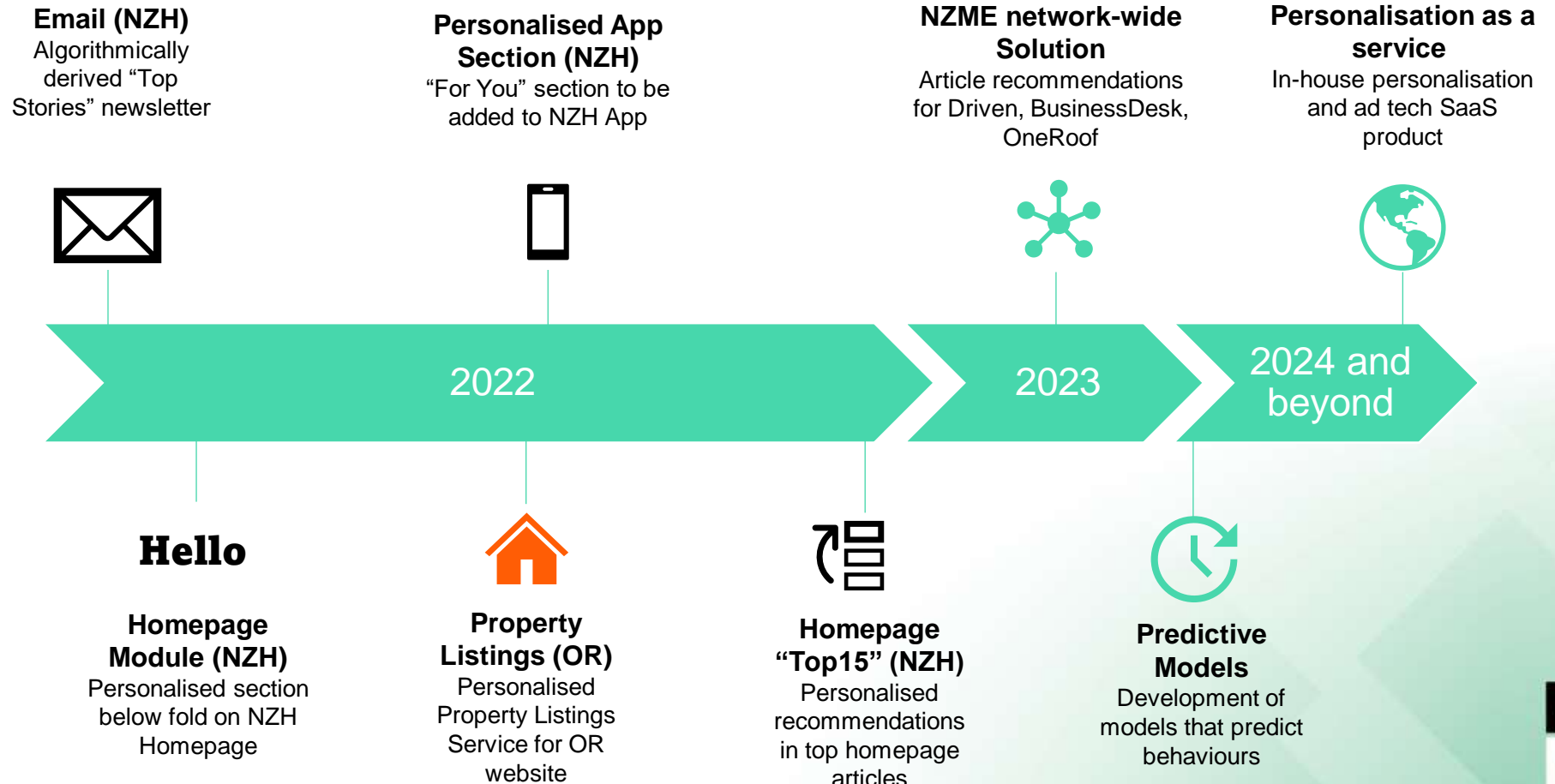
Personalised App Content



Personalisation roadmap is focused on growing audience engagement through delivering relevant content recommendations based on location and stories read

Early personalisation initiatives

- Proof of concept article recommendation service
- Enhanced article recommendation service developed in-house



To optimise content discovery, shift to a segmented and personalised homepage so readers can easily discover relevant content

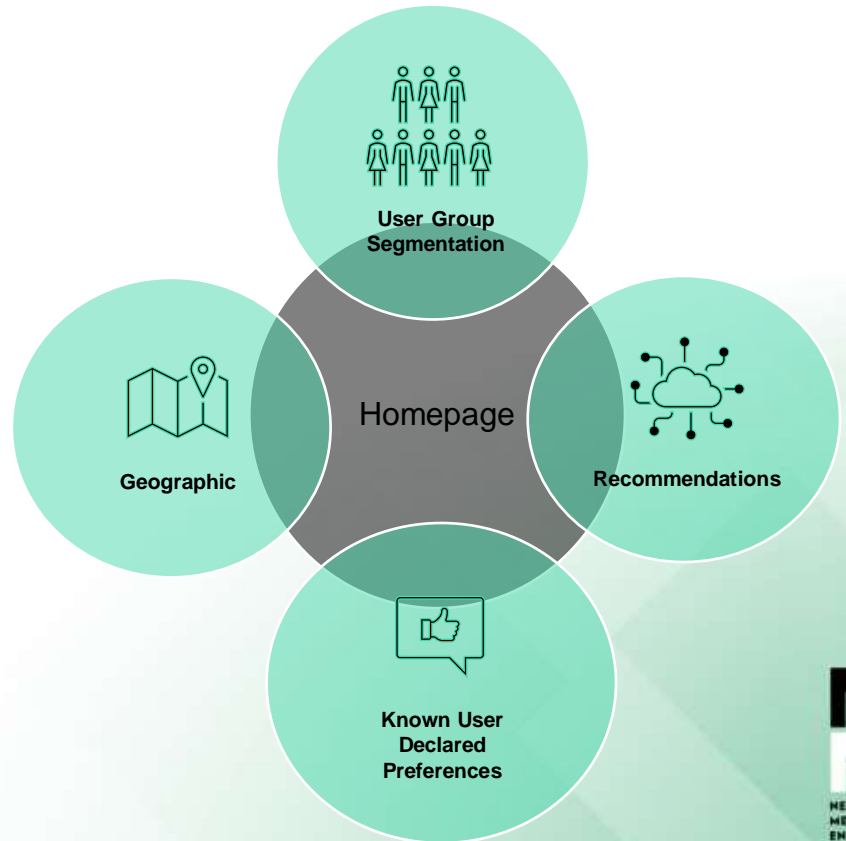
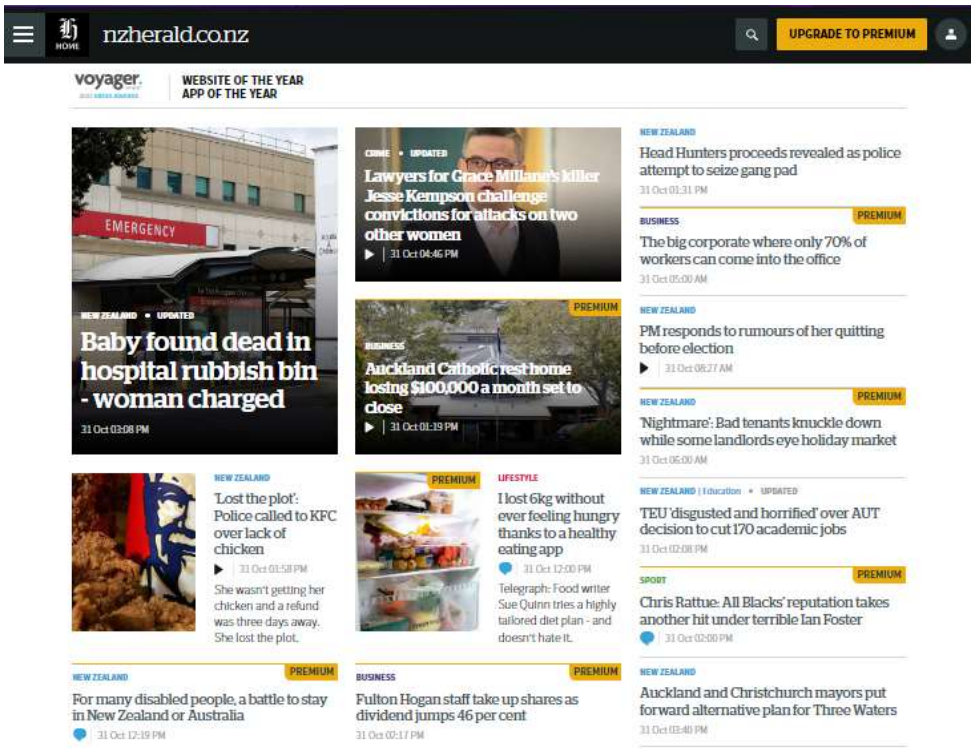
~800K daily web users

1/3 of homepage views are generated by users looking for their next article

200+ articles published each weekday, covering 13 regions and 20 sections

75% of clicks generated from top 14 articles

Shift to curated homepage focused on key segments: free users, premium subscribers and regions



Mobile-first video experience with a focus on live, short form and snackable reel formats

NZH App Video Experience



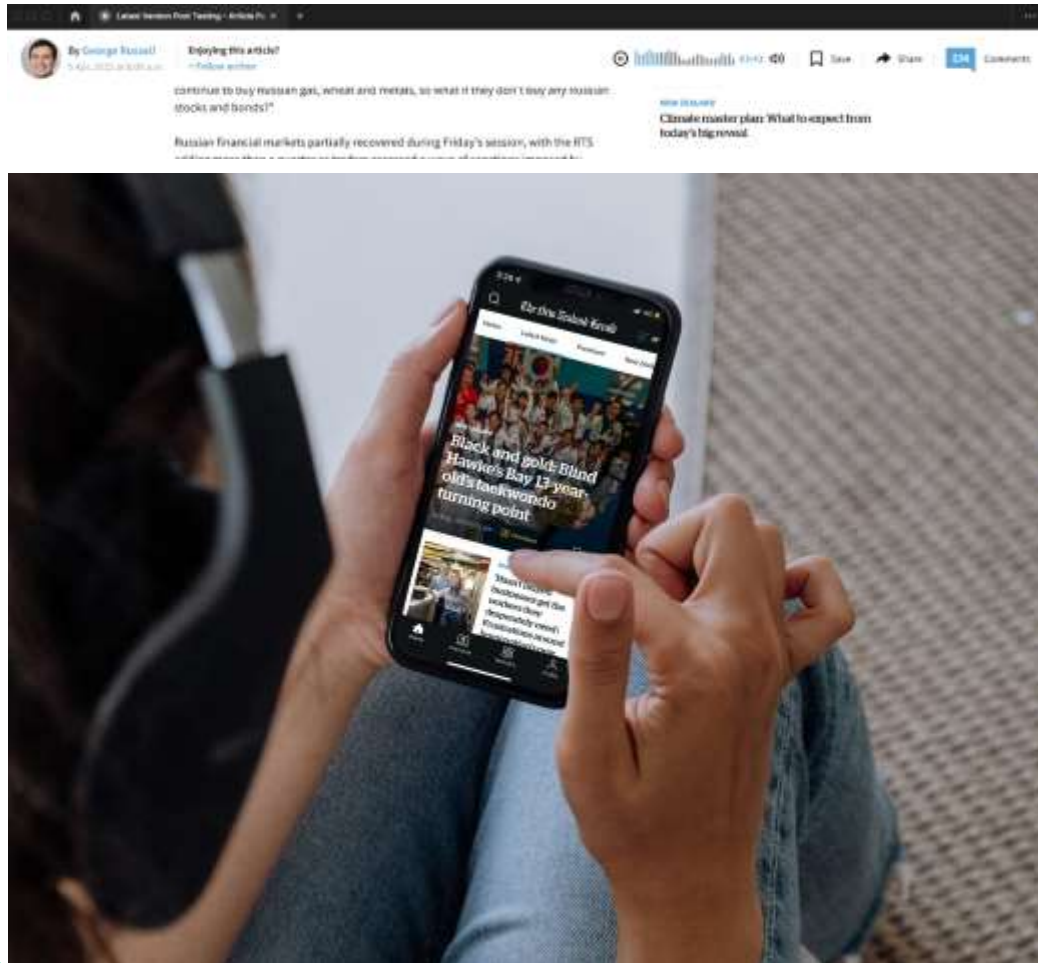
- Vertical video format
- Inline vertical video carousels
- Snackable content focus

NZH Video Web Experience



- Live streaming and short form focus
- Easy content discovery and navigation
- Content recommendations and playlists

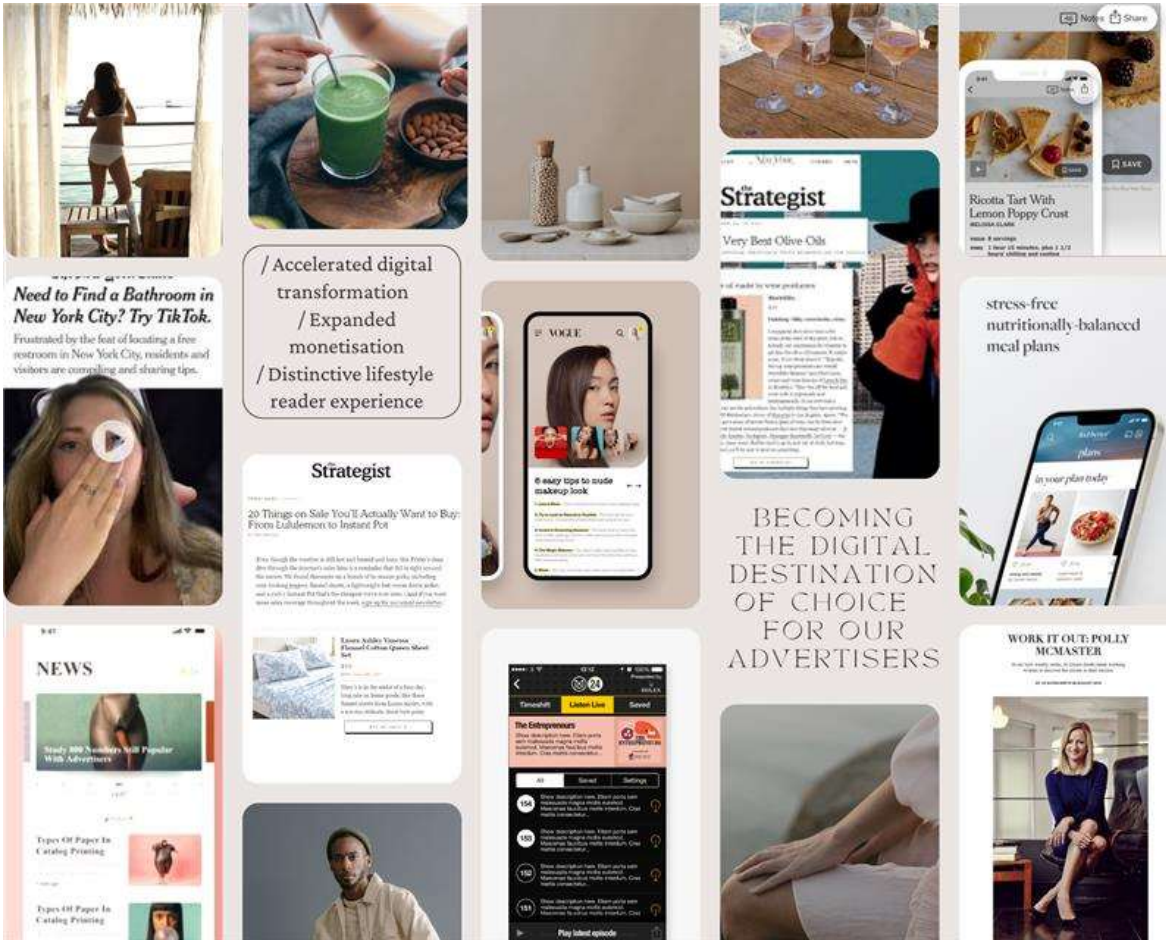
Grow accessibility to NZ Herald's journalism via audio, leveraging text to speech and news podcasts



NZ Herald immersive audio experience

- Leverage NZME's strength in news and audio to create a connected multi-channel experience
- Bring text and audio together, providing audiences with choice on how to engage
- New features like:
 - Text to speech listen option on all articles
 - Articles converted to podcasts
 - Playlists and recommendations
 - Development of NZME voice with Te Reo Māori vocabulary

Create a digital lifestyle hub that delivers a high-quality, immersive, glossy, magazine-like experience for our readers

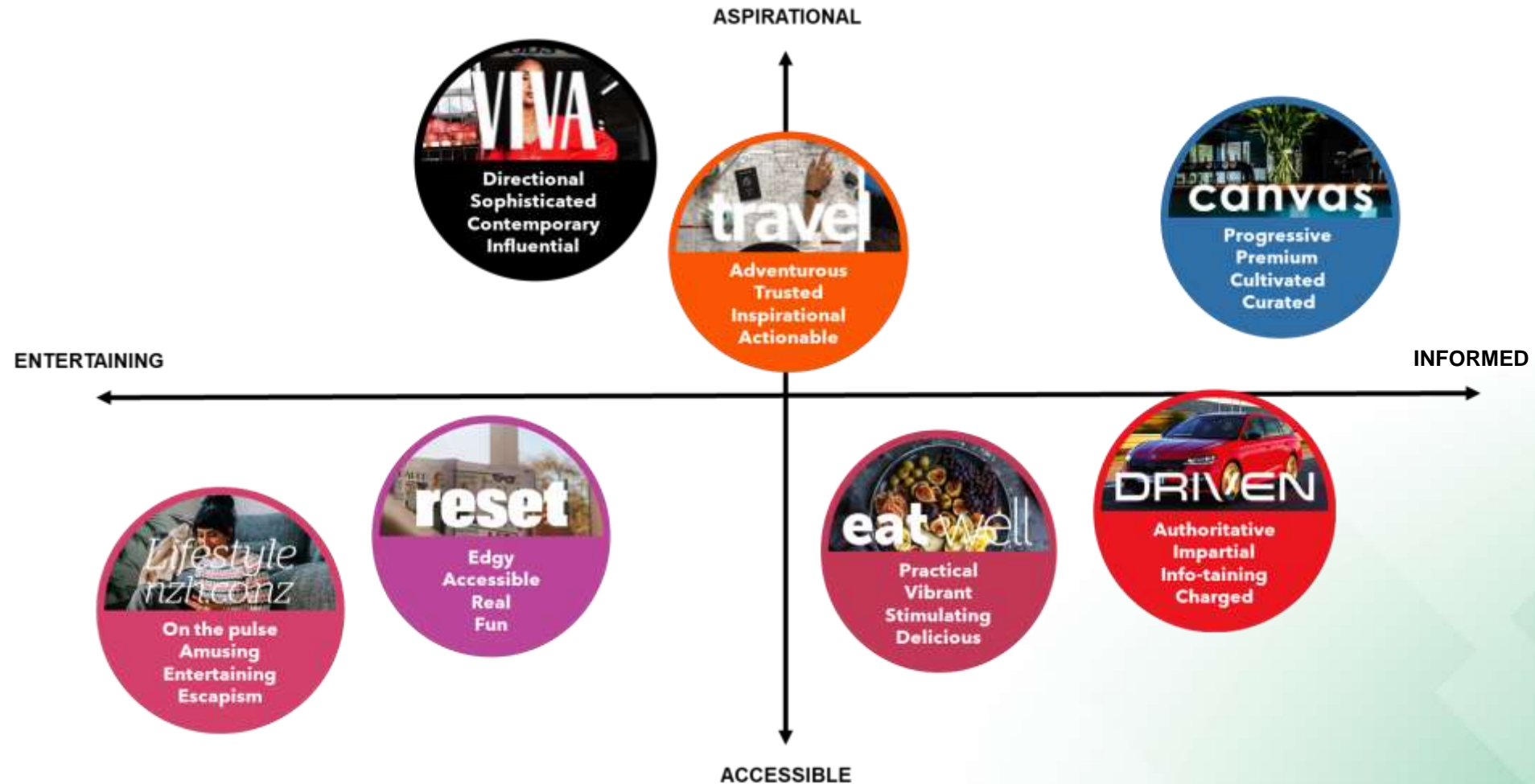


Our vision is to be New Zealand's home of lifestyle with a diverse range of the best lifestyle content

Digital Audience 500K+

Digital Revenue +50%

Each of our lifestyle brands will be distinctive, creating unique content environments for our audiences and advertisers



Continue to deliver more tools and technology to support journalism and audience engagement strategies



Audience
Engagement

Delivered in 2022

- New Subscription Vertical Product
- Enhanced Content Recommendation Engine
- Personalised Homepage Module and App
- Article Page Optimisation
- Enhanced Video Player

2023 and Beyond

- Premium Subscriber Article Sharing
- Site Search and Navigation
- Live News Experience – web / app
- Lifestyle Destination Hub
- NZH App Refresh
- Video – vertical format and experience enhancements
- Audio – Text to Speech / Podcast



Editorial
Automation

- Editorial Automation – Phase 2 (New Authoring Interface)
- Smart Workflow Automation
- Latest News Module
- Article Scoring Engine & Editorial Scorecards

- Automated homepage curation
- Content Performance Prediction Engine
- Video and audio workflow automation
- Automated content moderation

The NZ Herald is New Zealand's Herald

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AUDIENCE

The #1 News brand for
all New Zealanders



SUBSCRIBERS

Subscriber first



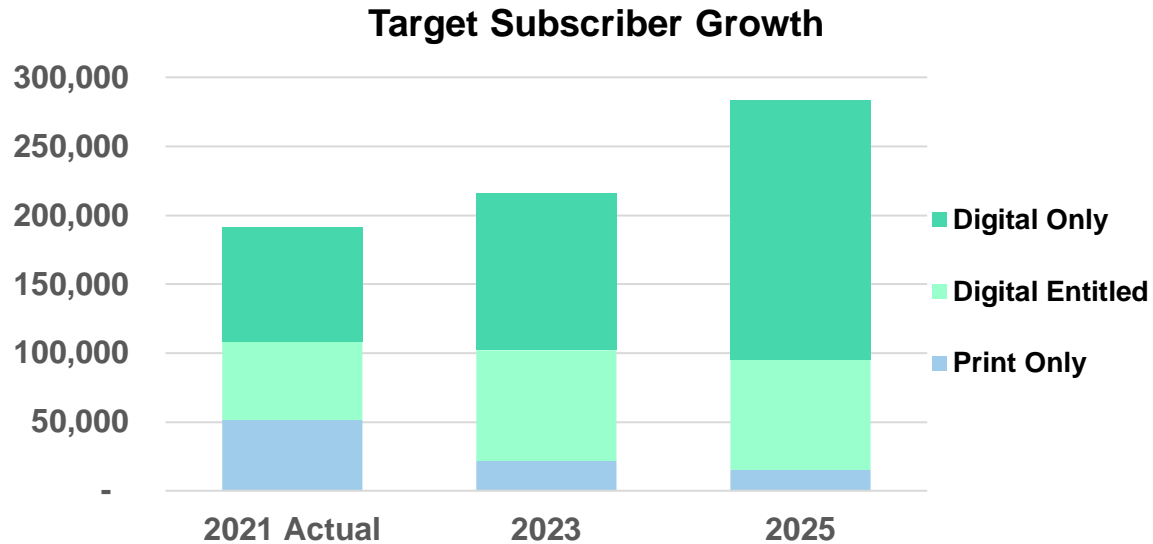
ADVERTISING

Be a safe, scalable
destination for
advertisers



SIMPLIFICATION Simplify and automate operating model

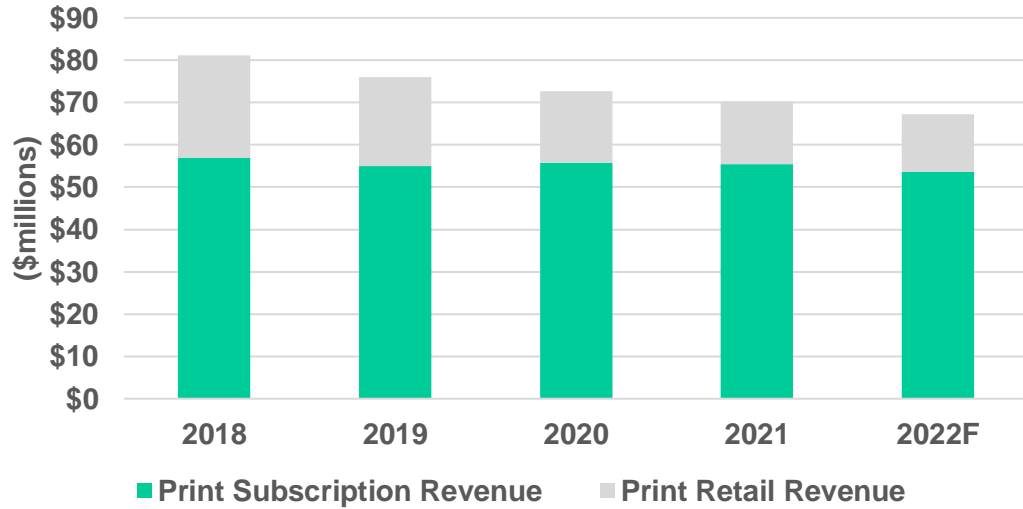
Scorecard – 2023 and beyond targets



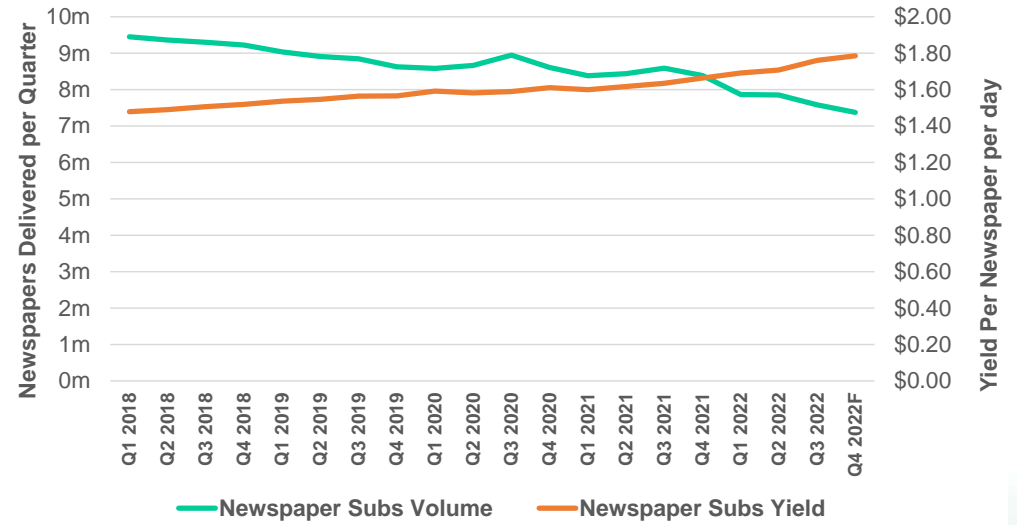
- Digital-only subscriptions exceed print subscriptions in 2023
- More than 210,000 subscribers by the end of 2023
- Over 15% of NZ households subscribing to NZ Herald, in print or digital, by the end of 2025

Print reader revenue trend continues – yield growth accelerated

Print Reader Revenue 2018 to 2022F



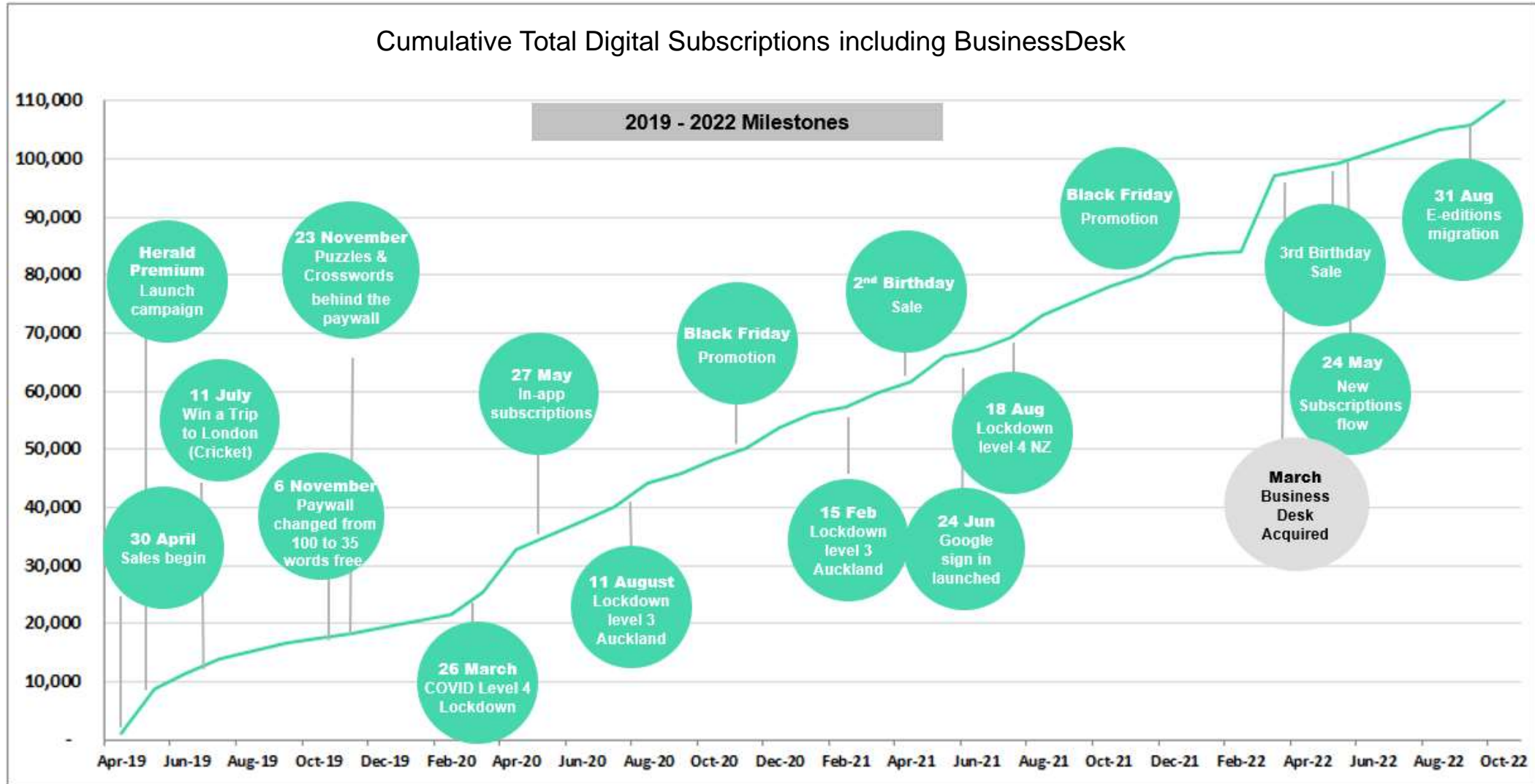
Print Subscription Volume vs. Yield 2018 - 2022F



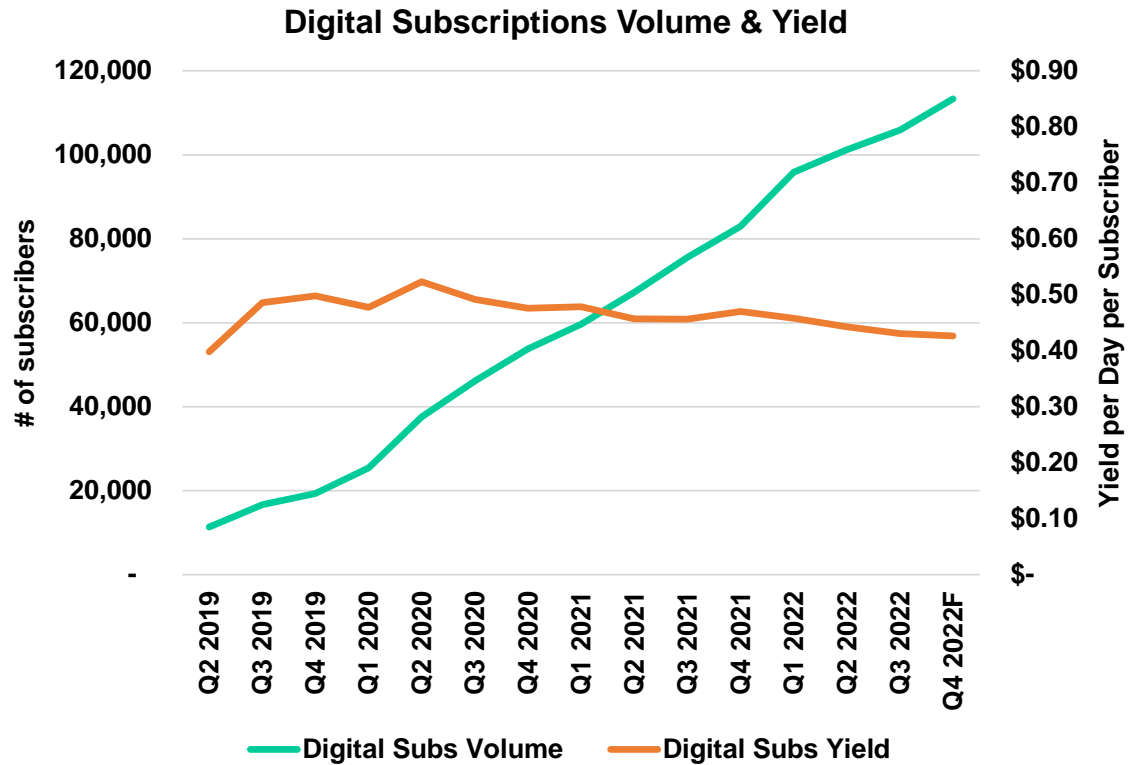
- Stronger subscriber yield growth focus to help offset increased printing and distribution costs
- Retail revenue decline trend continues. Subscriber revenue now more than 85% of total
- In May, NZ Herald retail cover price increased 50c per day and regional titles 20c per day

- Increasing the focus on subscriber acquisition offers to partially offset downscaling of the free trial acquisition programme due to cost of sales increases
- This change will reduce acquisition, improve yield and reduce churn

Digital subscriptions have continued to grow, despite slower news cycle













Yield management critical as growth continues



- Corporate subscription base grown to 24% of total subscriptions
- Reduction in 2022 yield driven by a combination of the increasing corporate customer base and longer introductory offers periods on individual subscriptions
- Annual recurring revenue (ARR) of the current subscriber base is \$16.6m

NZ Herald Premium is performing well versus global benchmarks

Measure	 Subscriber Penetration Rate	 Monthly ARPU	 Paywall Stop Rate	 Paid Stop Conversion Rate	 Monthly Churn Rate
International Benchmark	0.70% <small>INMA Median</small>	\$8.13 <small>INMA Median USD</small>	16.1% <small>INMA Median</small>	0.10% <small>INMA Median</small>	3.33% <small>INMA Median</small>
NZH Premium	5.04%	\$7.59 (USD) \$13.08 (NZD)	20.5%	0.72%	3.47%
Status					

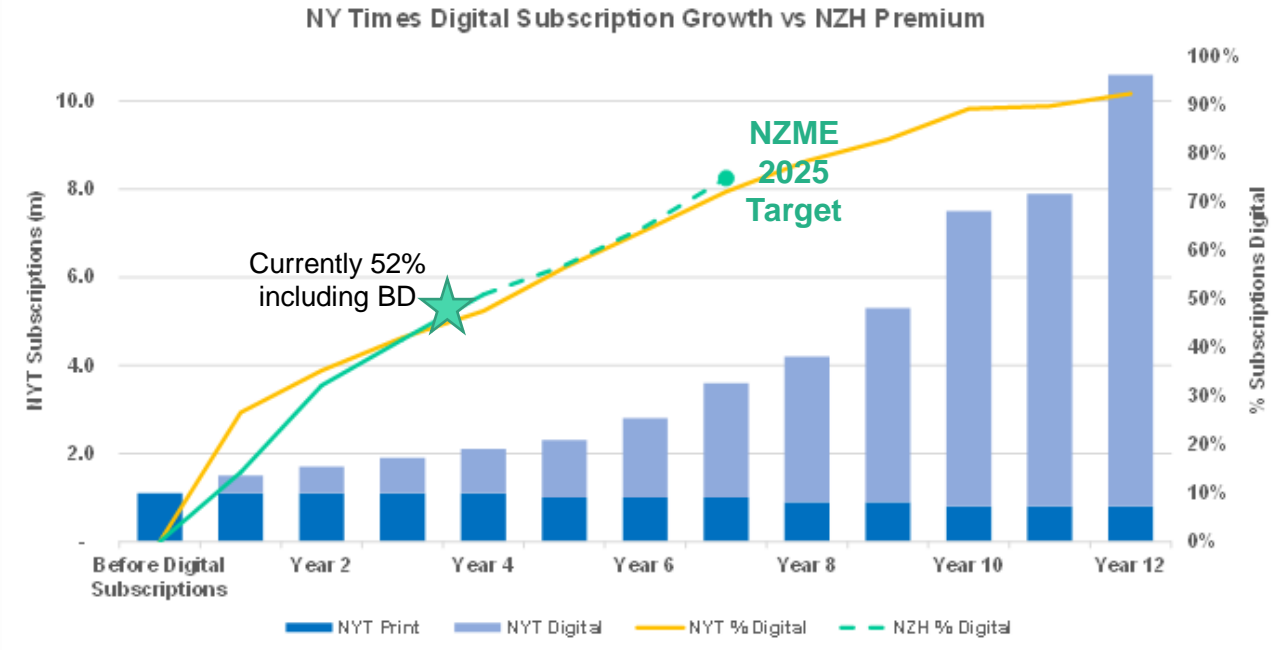
SOURCE: INMA Q2 2022 Benchmark Survey. INMA Median Range across whole world of participating publishers
Benchmark definitions;

- Subscriber Penetration Rate: Subscribers divided by Monthly Unique Audience
- Monthly ARPU: Average revenue per user each month
- Paywall Stop Rate: Measures effectiveness of paywall, ratio of users who are stopped by the paywall and shown a subscription offer in a month
- Paid Stop Conversion Rate: Ratio of check out finishes to paywall stops in a month
- Monthly Churn Rate: Ratio of online subscriptions that were stopped in a given month to online subscriptions at the end of the previous month

Digital subscriptions are tracking in line with leading publishers

NZ Herald Premium including BusinessDesk:

- Digital subscriptions penetration of average monthly unique audience at 5.5% ahead of global publishers.
- On track to deliver >70% digital subscriptions by 2025.
- Digital subscription ARPU₃ NZ\$160 per annum, Print subscription NZ\$510 per annum.
- Digital subscriptions direct contribution per subscription ~10% higher than Print.

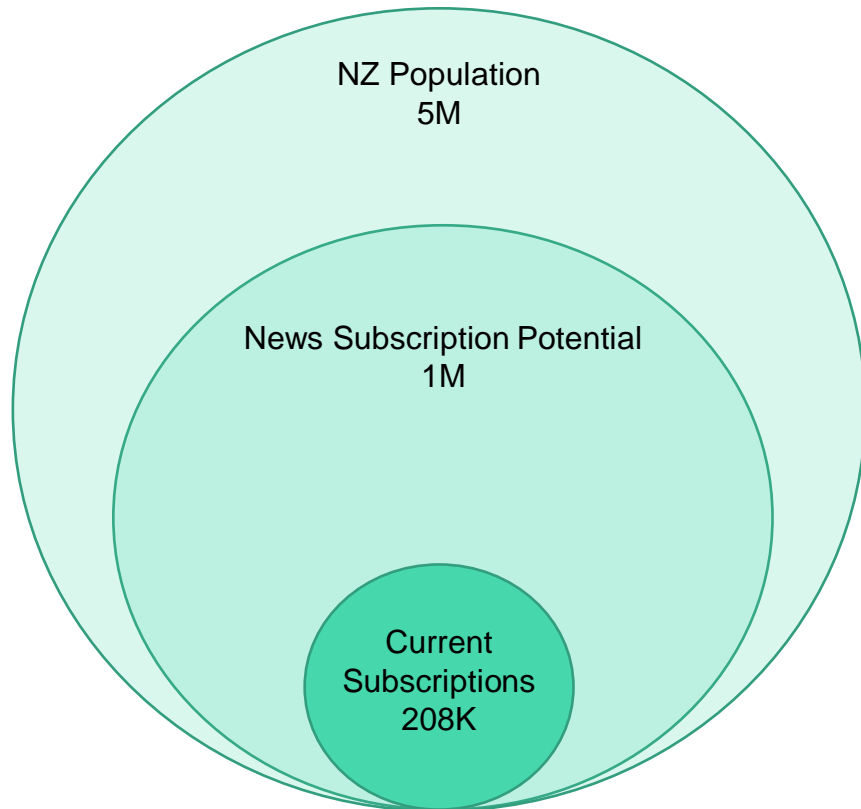


	Digital Subs	% HH ⁴	% Population	% UA ⁵
New York Times (Company) ¹	9,810,000	6.9%	2.8%	-
News Corp Australia ²	882,000	8.9%	3.3%	4.6%
The Times & Sunday Times ²	445,000	1.6%	0.7%	3.3%
NZ Herald (inc. Business Desk)	105,500	5.4%	2.1%	5.5%

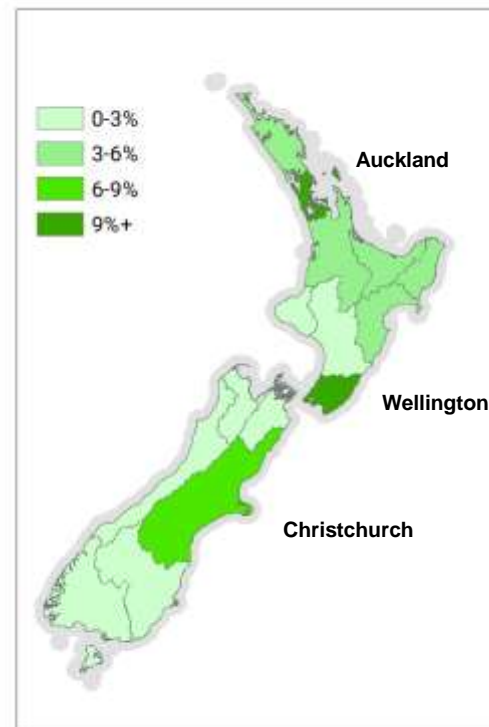
SOURCE: ¹The New York Times Press Release 3 August 2022 available from www.nytimes.com and 2021 Financial Report. <https://advertising.nytimes.com/audience-and-insights/> ²News Corp full year results 8 August 2022. ³ARPU = average revenue per user (Total Revenue / Total subscribers). ⁴HH = households. ⁵UA = unique audience.

There is a large total addressable market for digital news subscriptions in NZ and opportunity to grow regional penetration

Total Addressable Market



Herald Premium Digital Subscriber Household Penetration



Tactics to improve subscriber penetration:

- Grow brand preference in key regions
- Leverage new verticals to unlock new audiences
- Distribution partnerships

Digital subscriber acceleration through three strategies



Enhance Value Proposition



Launch New Verticals



Optimise Pricing and Packaging

Enhanced value proposition with focus on quality distinctive journalism, customer experience and utility

Distinctive quality journalism



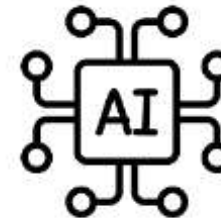
Smart upgrade, downgrade and cross sell



Subscription features



Data-led content optimisation



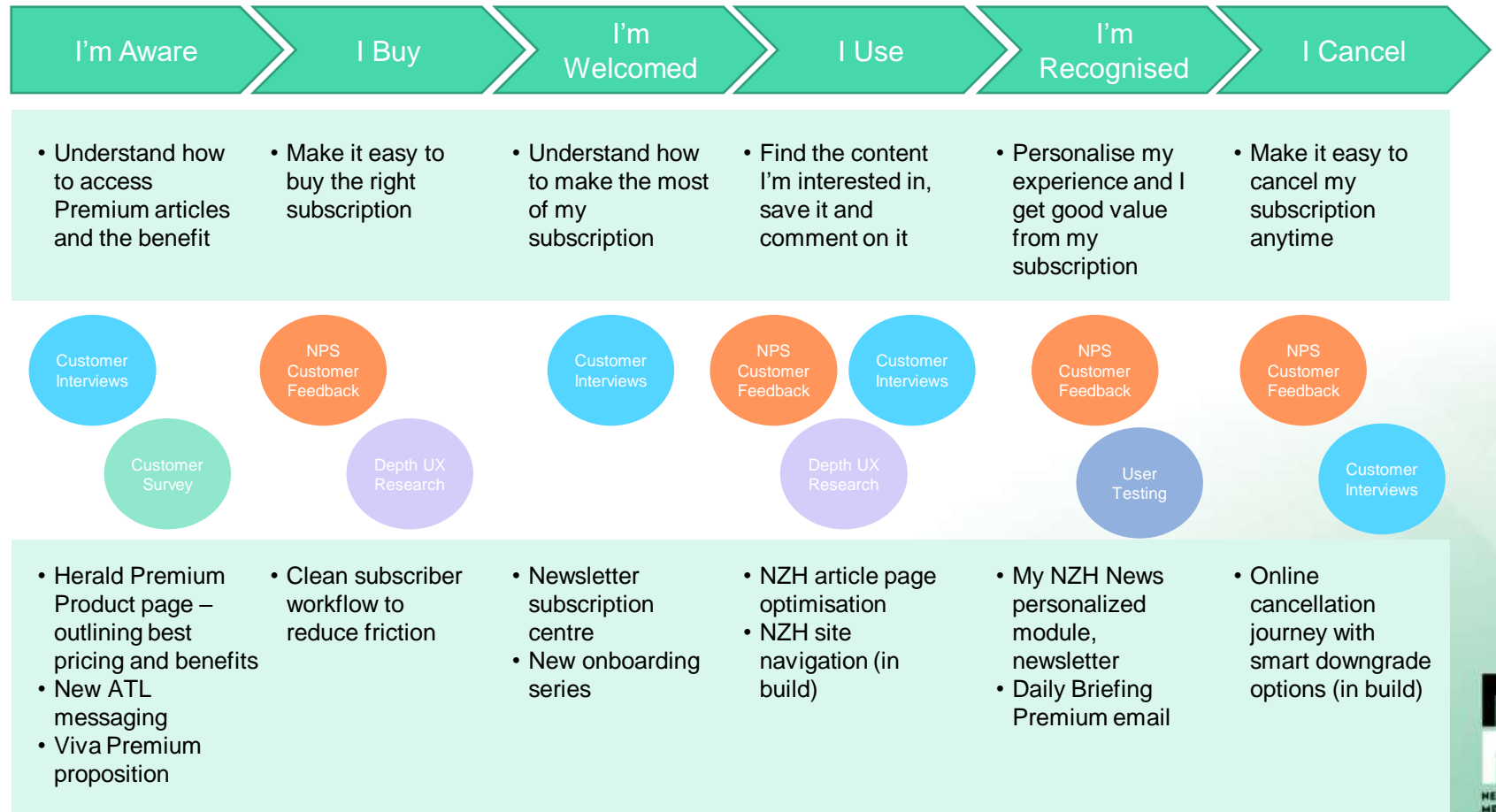
Subscription products



Mobile App Only Subscriptions

Taking a customer-first approach and continuing to deliver a distinctive customer experience is a key priority

Example: Premium Subscriber Customer Journey



Customer Experience Vision

To empower New Zealanders with knowledge, by providing personalised experiences built on empathy and trust.

Create new subscription verticals through a build, partner, buy strategy to broaden appeal and grow ARPU

NOW

FUTURE



NEWS



BUSINESS



LIFESTYLE



BusinessDesk is now a core part of a deep business offering, with plans to accelerate growth

BusinessDesk.

Highlights

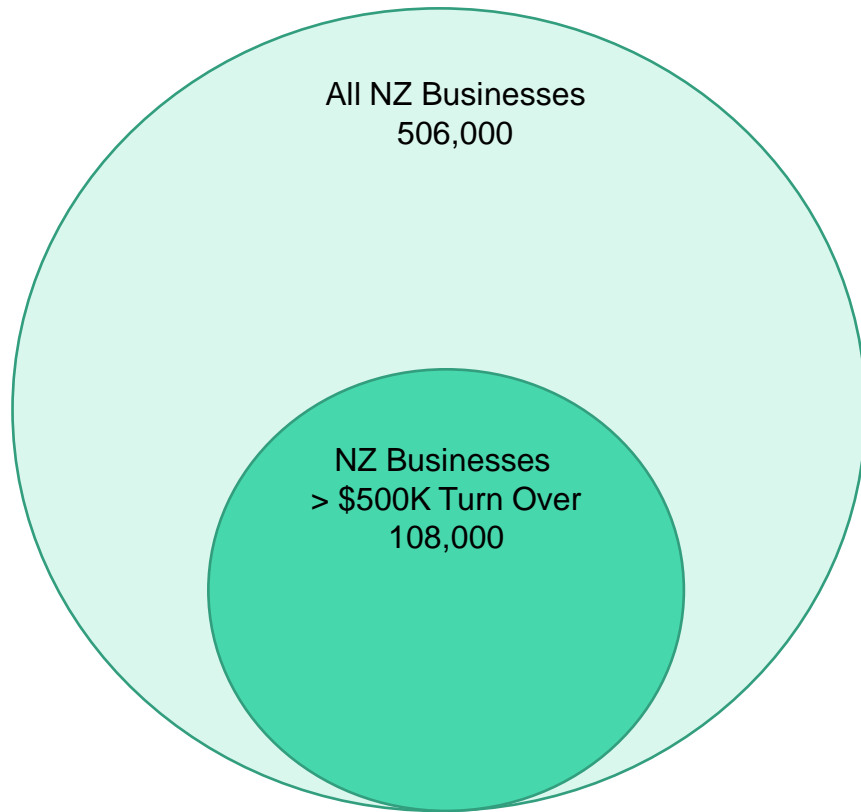
- Full integration with NZME is complete, delivering:
 - double monthly audience
 - strong growth in advertising revenues
 - increased corporate subscriber penetration, with new corporate bundle
- New site design offering a premium reader experience
- FundSource added to grow penetration of wealth management industry

The screenshot displays the BusinessDesk website. At the top, there's a navigation bar with 'BusinessDesk' and various menu items like Home, Affairs, Finance, Markets, etc. Below the navigation is a large banner image with the text 'HOW CAN WE MAKE ELECTRIC VEHICLES GO FURTHER?' and 'COLLABORATION. DISCOVER MORE.'.

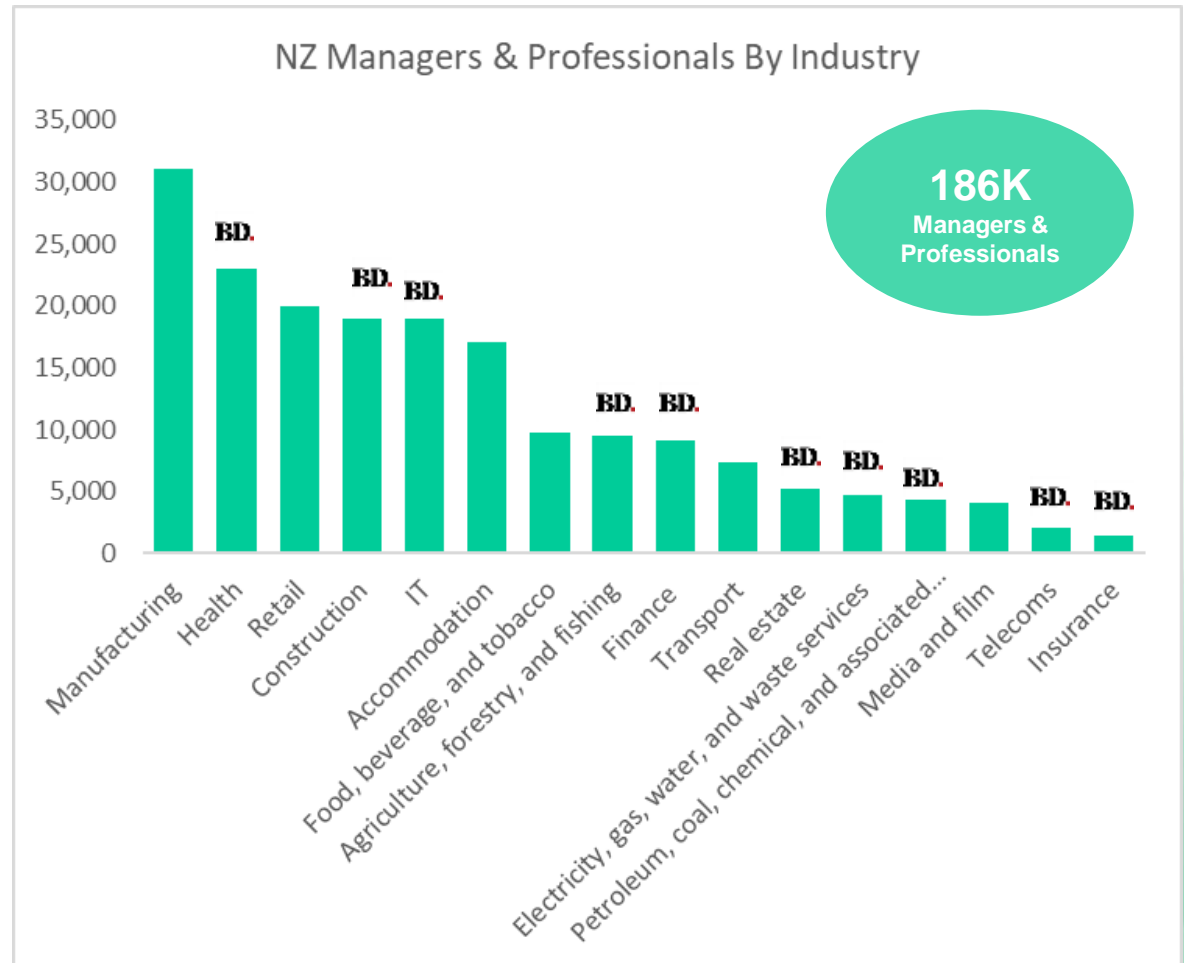
The main content area features a large article titled 'Reserve Bank stress test shows more bank capital is unnecessary' with a sub-headline 'The costs of the additional capital the banks must hold could result in higher interest rates and lower economic growth.' and a photo of a man speaking at a podium. To the right of this article is a 'Today in Brief' sidebar with several news items, including 'Aulric increases revenue 8% in third quarter', 'Govt backs mining investment in international waters', 'SkyCity's third-quarter earnings up 10%', 'Economic NZ gets \$40m cash injection', and 'Wellington Airport profit surge'. Below the sidebar is a large orange advertisement for Regus with the text 'Work your way' and 'SAVE SLEEP NOW'. At the bottom of the page, there are several smaller news snippets with titles like 'On the money: Ralph Naciri, Nick Grayston, Mark Troughton, Jen...', 'Kings Ora's deficit more than doubles', 'First Fair Pay Agreement on the way', 'Face the music: Emma's dispute pops up again', 'Christchurch's 'scaffolding' stadium design a cost saver', and 'China registration 'not certain': A2 Milk's regulatory risk'.

BusinessDesk will target 25%+ penetration of managers and professionals across key industry verticals

NZ Business Addressable Market



Target Industry Verticals



Viva has been a leader in Lifestyle, its content reflects modern Kiwi style and attitude so is well-placed to become a leading digital subscription brand



FASHION & BEAUTY



FOOD & DRINK



AT HOME



TRAVEL



LIFE



CULTURE

We have launched Viva Premium to expand our digital subscription offering into the lifestyle category



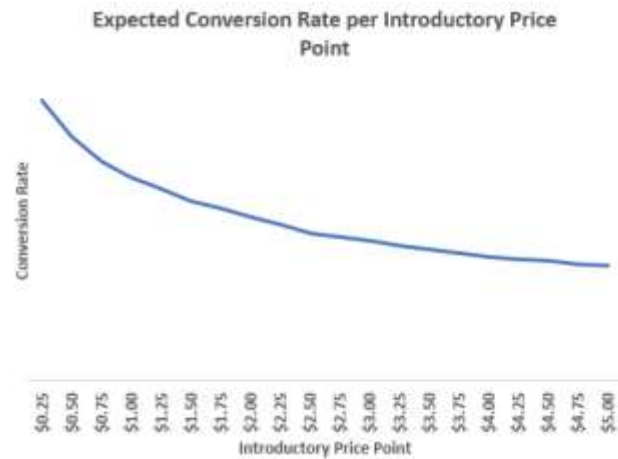
VIVA
PREMIUM

- Rich content-led value proposition with expert opinion and thought-leadership
- Multi-platform storytelling with immersive live experiences
- Integrated across NZ Herald platforms and subscription customer journeys

Strategic pricing model has been implemented to optimise long-term value

Strategic Pricing Modelling and Benchmarking Outputs

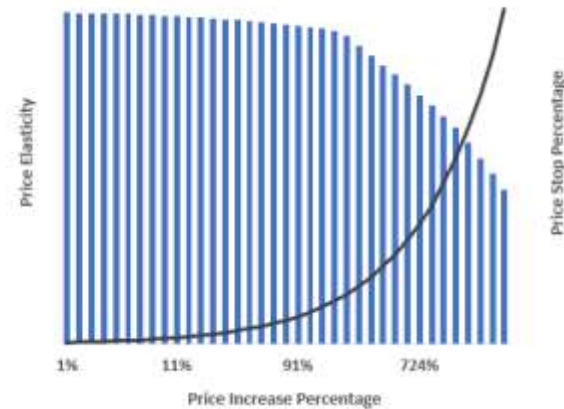
Lower introductory price drives conversion of starts



Longer introductory offer periods reduces churn rate



Yield can be optimised once we have a mature sticky proposition with low price elasticity



Key Pricing Strategies

Introductory Price & Length

Longer introductory offers to build '100 day habit'

Retention Programmes

Stepped pricing post introductory period and upgrades to annual subscriptions

Yield and Cross Sell

Dynamic offer engine to grow yield and drive cross sell of discounted bundles

The NZ Herald is New Zealand's Herald

There are three pillars to the Publishing Strategy:



AUDIENCE

The #1 News brand for all New Zealanders



SUBSCRIBERS

Subscriber first



ADVERTISING

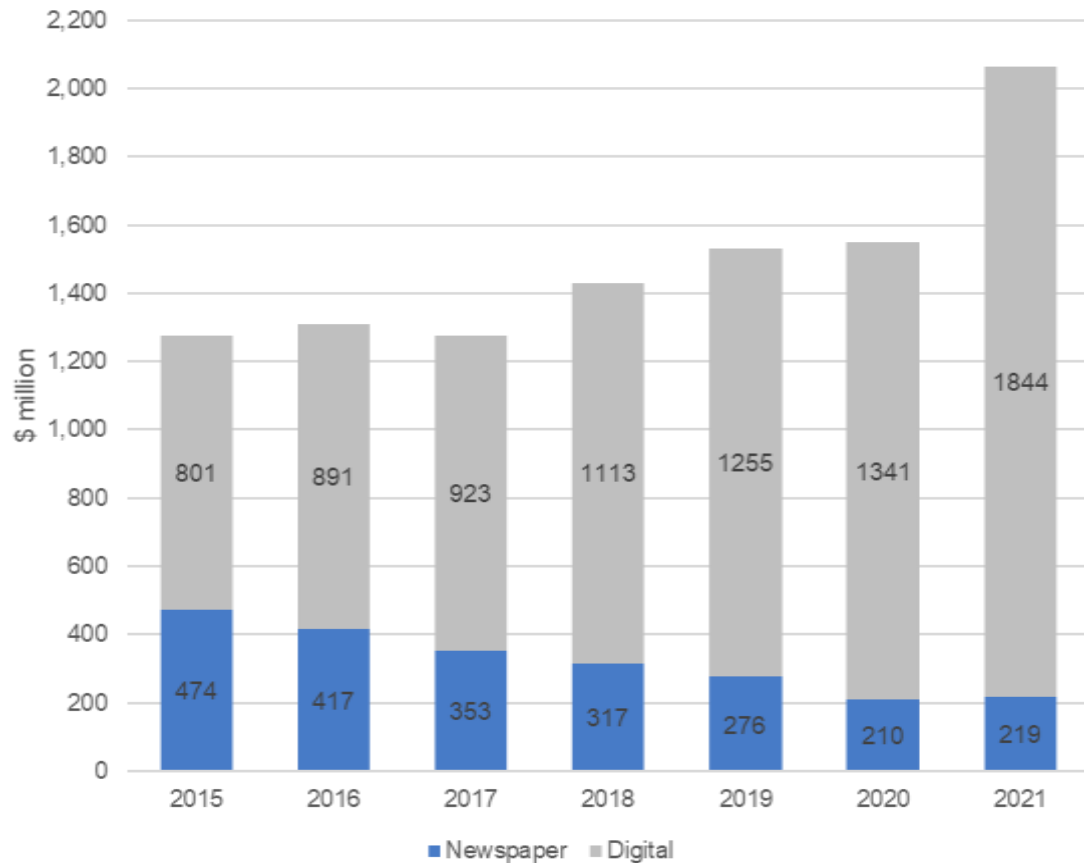
Be a safe, scalable destination for advertisers



SIMPLIFICATION Simplify and automate operating model

Digital market growth continues

Newspaper and Digital Advertising Spend in NZ 2015 - 2021



Digital Revenue Categories¹
 Display - \$205M
 Search – \$1,188M
 Social – \$163M
 Classifieds & Directories – \$292M

Digital Revenue²
 Share of Total NZ Advertising Market
 2015 31%
 2021 58%
 CAGR 2015–2021: +13%

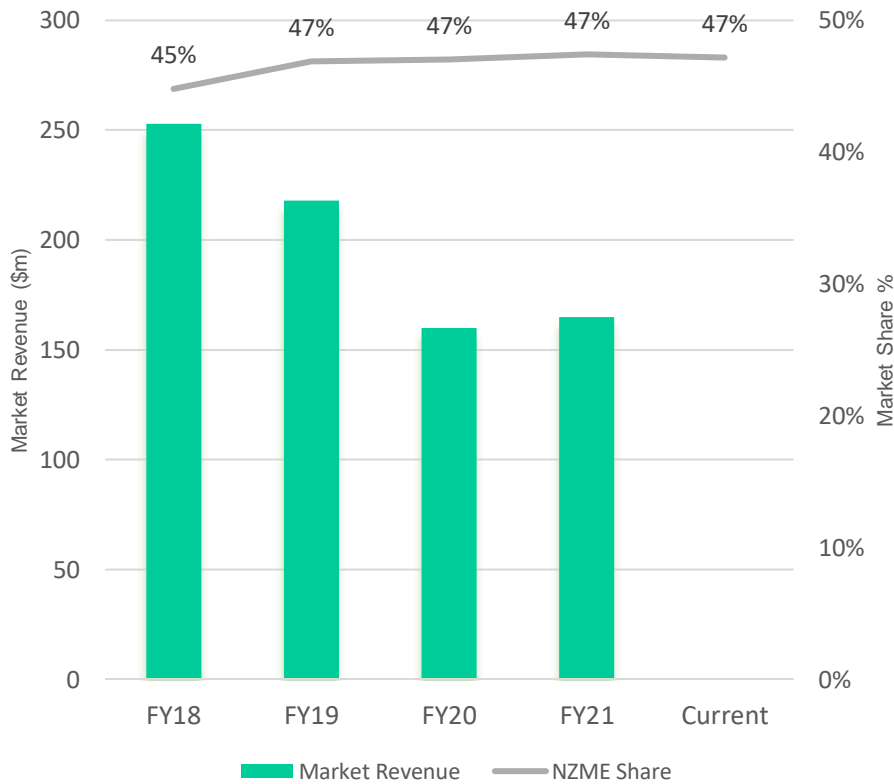
Newspaper Revenue³
 Share of Total NZ Advertising Market
 2015 18%
 2021 7%
 CAGR 2015–2021: -10%

SOURCE: ¹IAB Revenue Report 2021. ²Digital Advertising includes Digital display, classifieds, search and directories, excludes programmatic. ³Advertising Standards Authority.

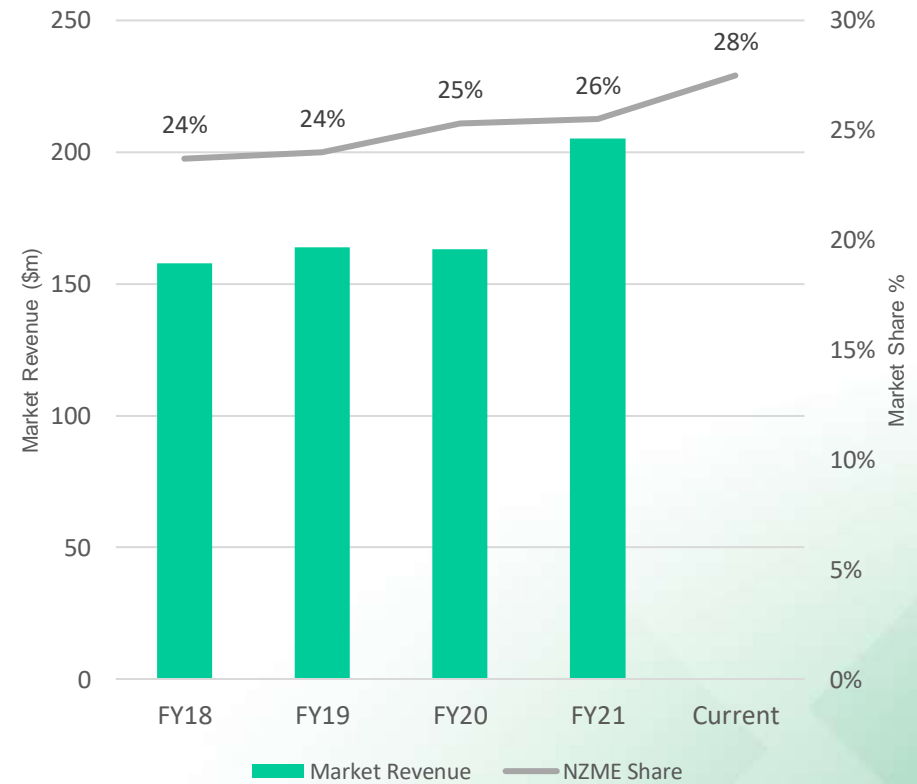


NZME revenue market share is stable in print and growing strongly in digital

Total Print Advertising Market Revenue and NZME Share %¹



Total Digital Advertising Market Revenue and NZME Share %²



Brand safe and scalable destination for advertisers



1st Party Data Driven



**Quality Advertiser
Environments**



**Self Service
Experience**

NZME 1st party data is built from our diverse audience touch points, enriched through Artificial Intelligence, Machine Learning and Natural Language Processing

Data diversity and scale

- Data processing has grown by 300% to 15TB data, 12M data points and 28M ad impressions per day

800+ audience segments

- Refreshed regularly and **ready to purchase off the shelf** via programmatic or direct sold channels

Best in class partnerships

- **LiveRamp ATS** (Authenticated Traffic Solution) customer matching on 1st party data
- **LandmarksID** delivers the “Pinpoint” micro-geofencing that delivers audience insights and targeting based on real-world behaviours

Futureproof cookie-less targeting

- Using Artificial Intelligence and Machine Learning pipelines, NZME has developed targeting solutions based on purchase **intent signals**, **page context** and **advertisers own 1st party data** to deliver effective addressability solutions without 3rd party cookies.



Retail product offering will be expanded to take advantage of the exponential growth in e-commerce

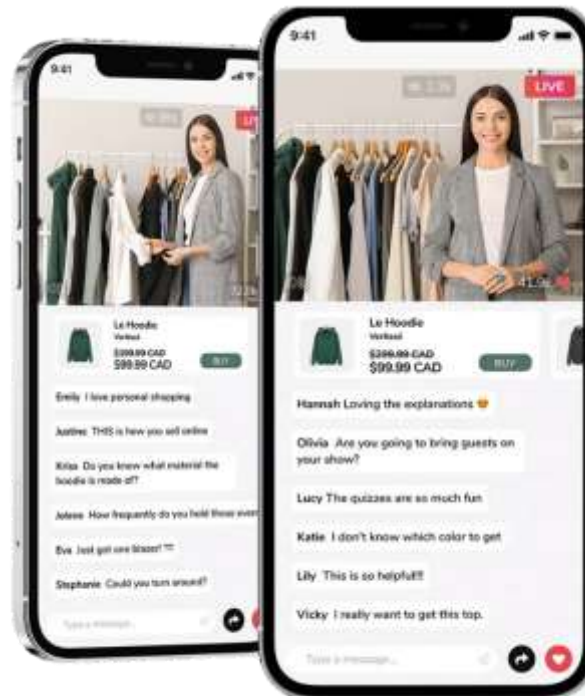
SHOPME IN-ARTICLE CAROUSEL



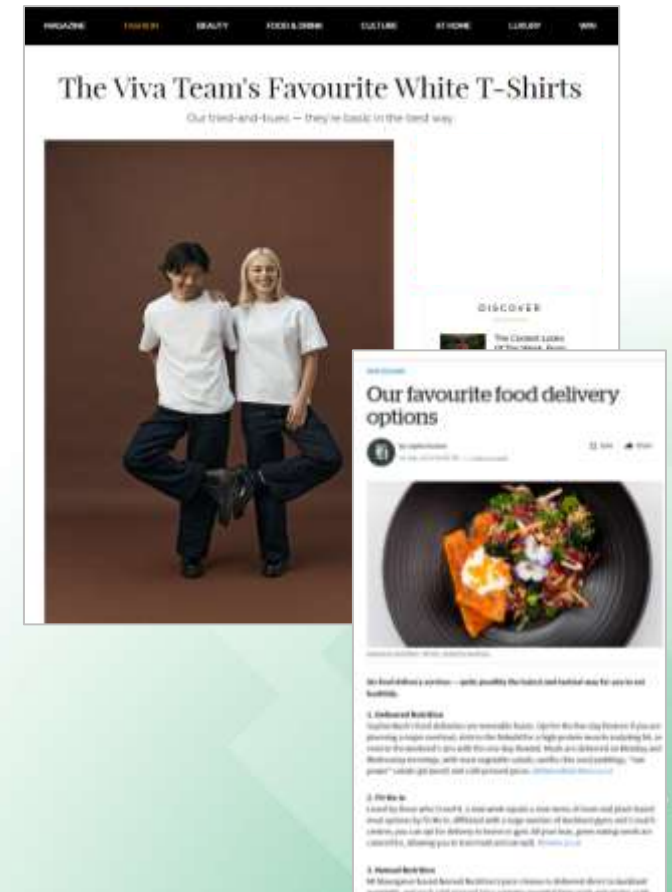
SHOPME NATIVE RECOMMENDATIONS



LIVE SHOPPING

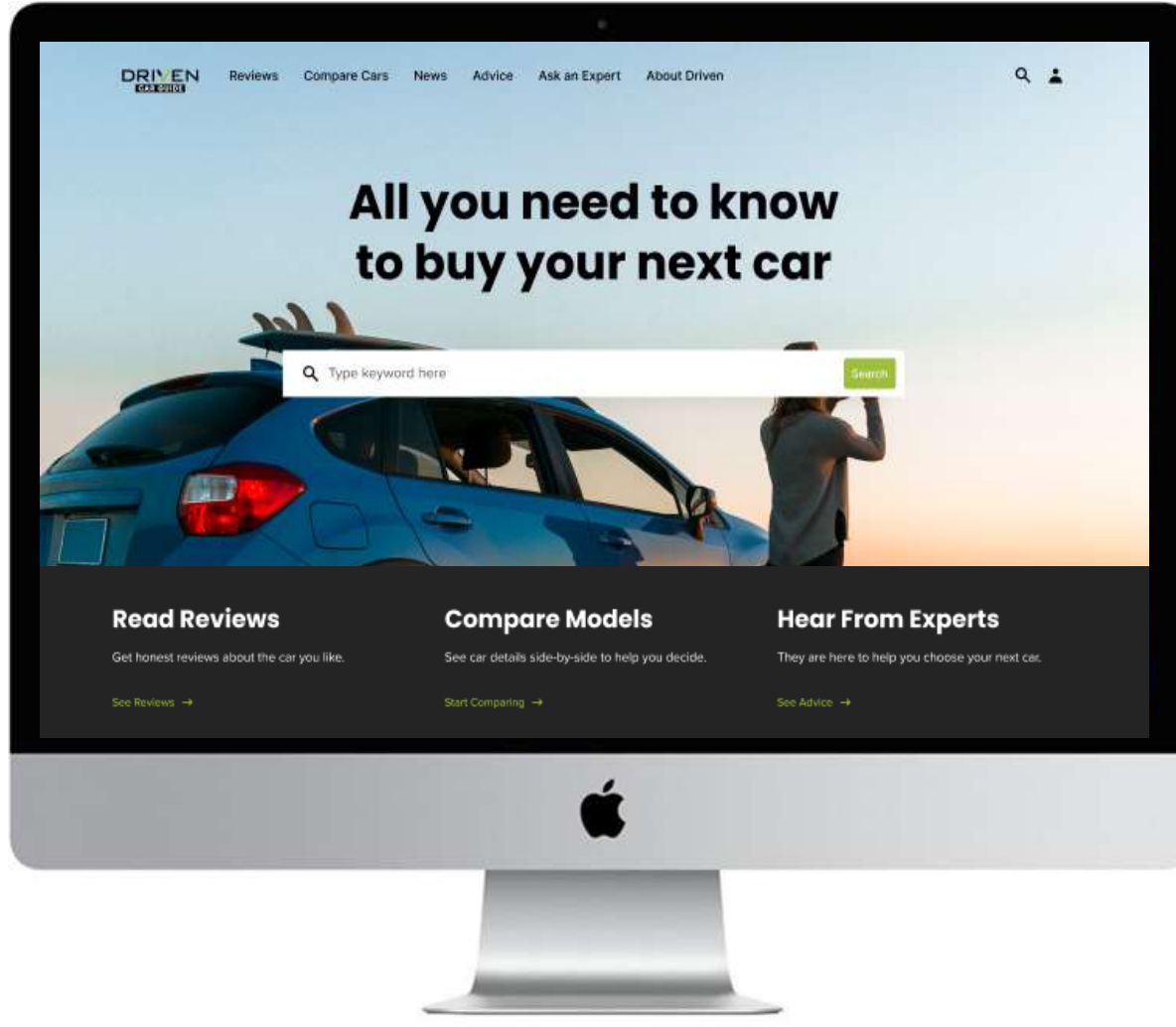


SHOPPING VERTICAL



Driven Car Guide will be positioned as an independent car advice site leveraging deep automotive expertise

DRIVEN CAR GUIDE



New Car
Showroom

In-Depth
Reviews

Comparison
Tool

Ask
An
Expert

Modern
New
Website

To future-proof the advertiser experience, an end-to-end self-service experience targeted at the long tail of small advertisers has launched

50%+ of clients booking via self service

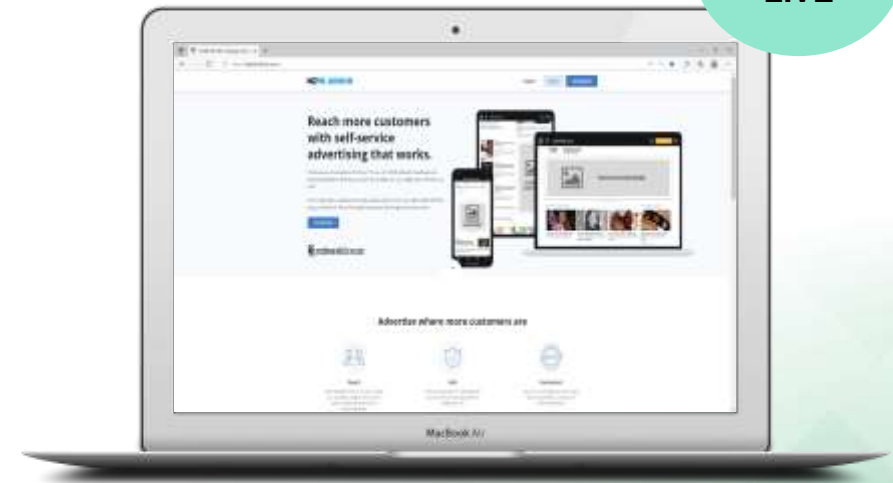


Key client benefits

- Available 24/7
- 100% control and visibility
- Create / book / monitor all in one place

NZME.ADHUB

NOW LIVE



The NZ Herald is New Zealand's Herald

There are three pillars to the Publishing Strategy:



AUDIENCE

The #1 News brand for all New Zealanders



SUBSCRIBERS

Subscriber first



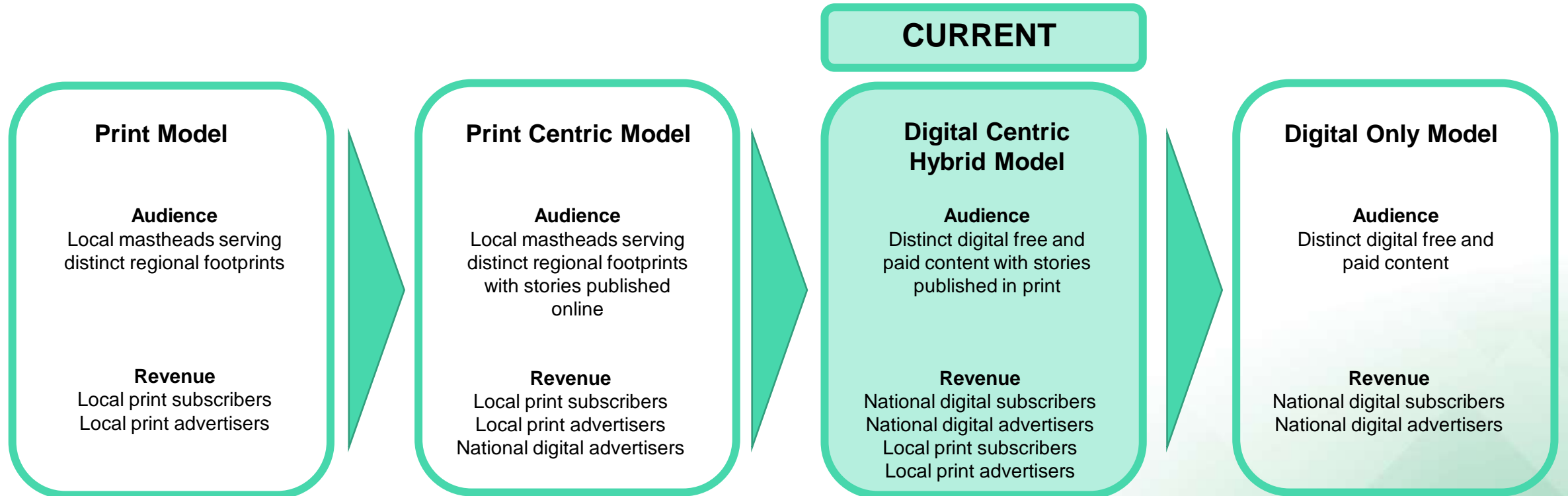
ADVERTISING

Be a safe, scalable destination for advertisers

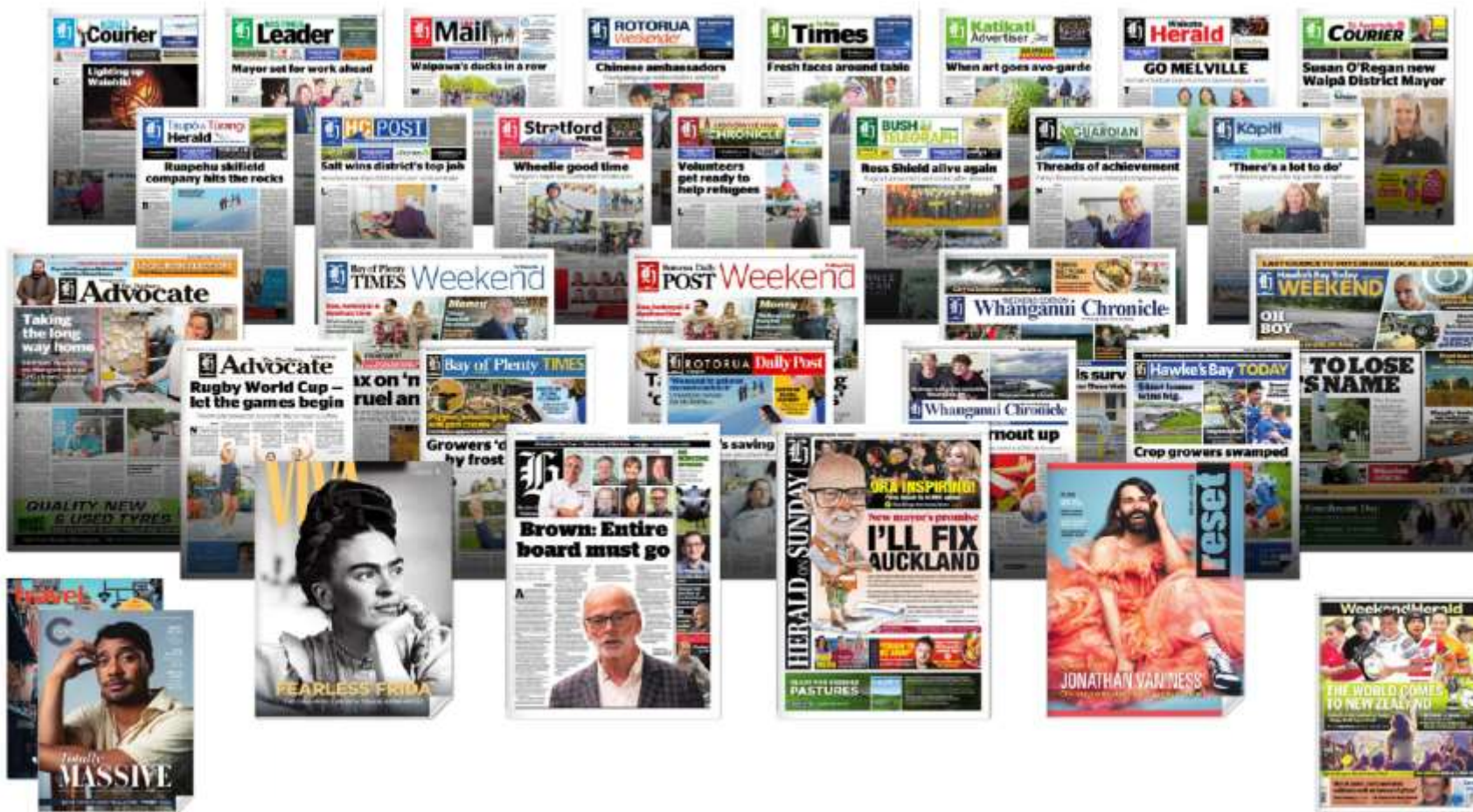


SIMPLIFICATION Simplify and automate operating model

Simplifying and automating the business will enable the transition to a digital only business in the future



Simplification of Herald print portfolio has improved the reader experience and reduced operational complexity



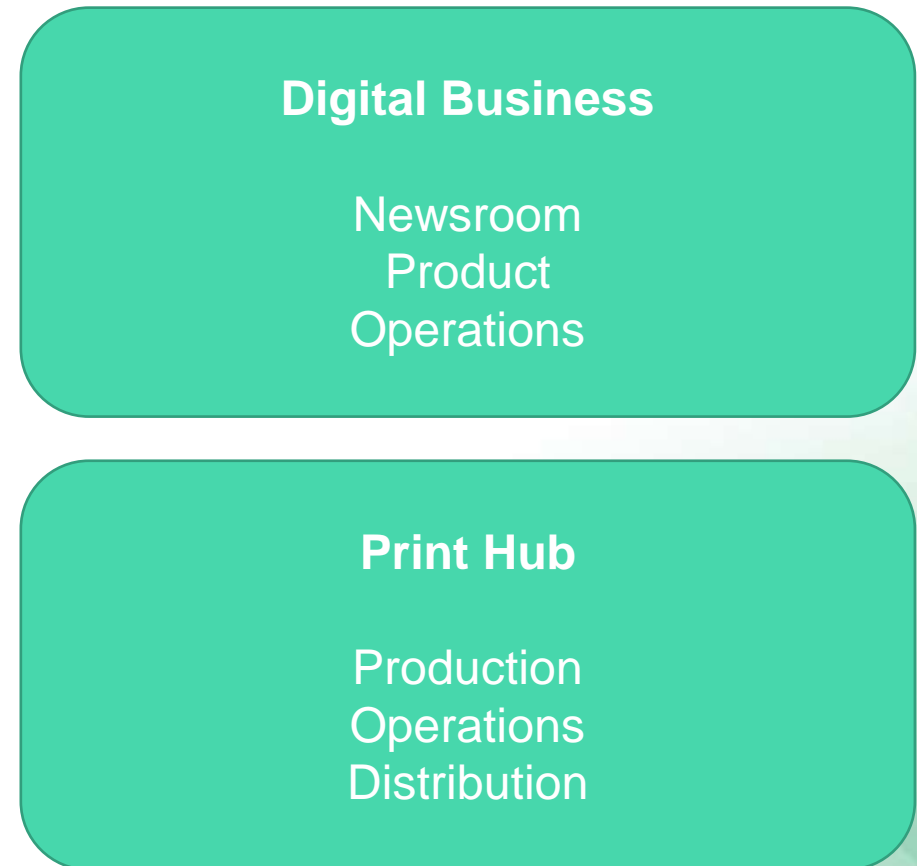
- Community publications have been standardised and grown advertising revenues
- NZ Herald Monday to Friday refreshed and introduced BusinessDesk
- Herald On Sunday revamped and introduced new lifestyle magazine; Reset
- Regional daily publications have been standardised
- Automated production processes

Transform the operating model to simplify and streamline end-to-end processes and dial up the focus on the future digital business

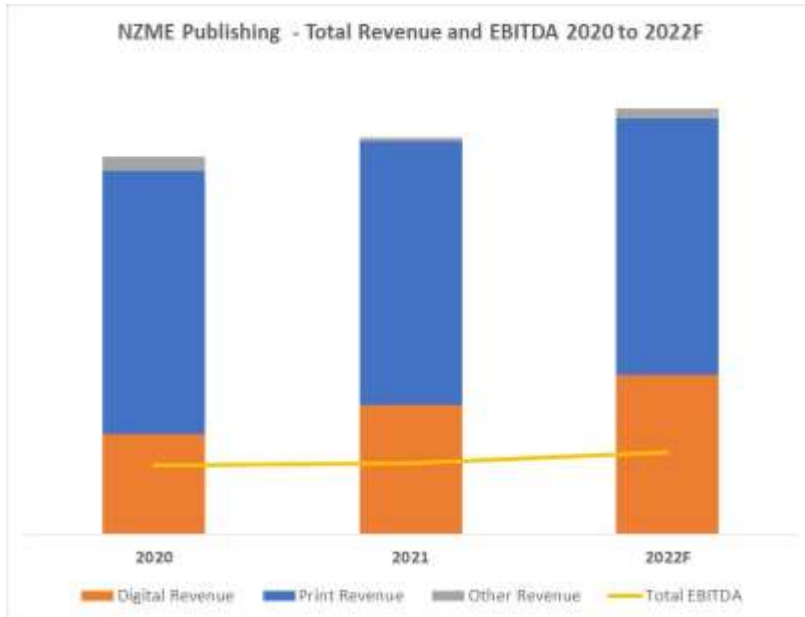
FROM



TO



Digital acceleration strategy has delivered a sustainable digital business with positive EBITDA¹ and significant growth potential



- Publishing revenue in growth, with change in mix to digital

- Print revenue decline stabilised
- Print EBITDA¹ impacted by cost inflation across paper and distribution
- Print contribution remains positive in the long term

- Digital revenues have grown 60% over the last 3 years
- Digital is EBITDA¹ positive with editorial and overhead costs fully loaded
- Solid platform for significant future growth

Transition focus to nationwide coverage to accelerate digital growth and New Zealand's Herald

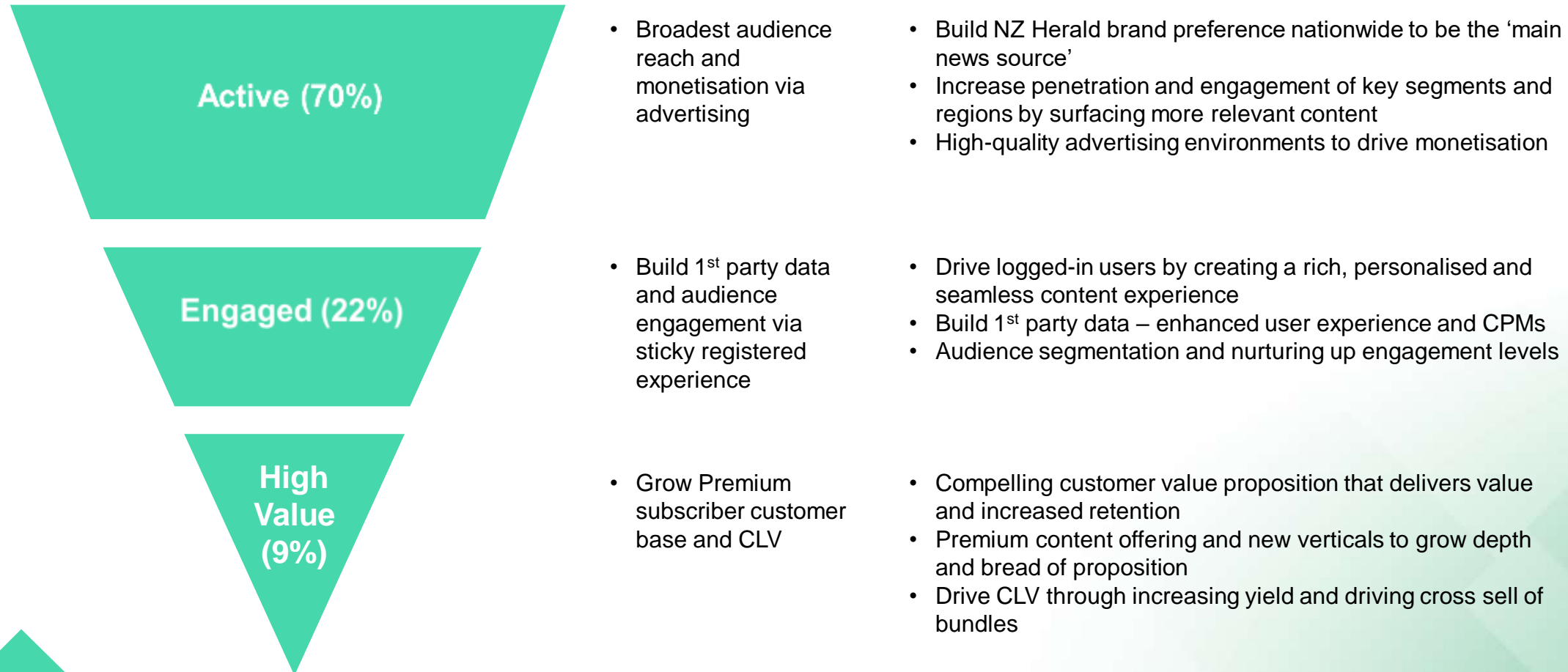
FROM



TO



Strategic focus on increasing reader lifetime value is critical to driving future digital growth





ONEROOF



Paul Maher Chief of OneRoof



Scorecard

Metric	FY 2020 Achievement	FY 2021 Achievement	H1 2022 Achievement	2023 Target
Residential Listings	89% ¹	91% ¹	90% ¹	96% of all listings (100% of agent listings)
Audience	#2, 459k, gap to #1 of 250k ²	#2, 497k, gap to #1 of 396k ²	#2, 503k Gap to #1 of 297k ²	Reduce gap to #1
Listings Upgrade %	17.6% Auckland 3.9% Regional	23.5% Auckland 5.4% Regional	28.6% Auckland 9.0% Regional	50% of Auckland residential listings 22% of regional residential listings
Revenue	24% / 76%	38% / 62%	44% / 56%	Digital > Print
EBITDA³ Margin Target (pre NZ IFRS 16)	8% ⁴	9%	(1%)	15 - 25%

1. One Roof's listings as a percentage of residential for-sale real estate listings on trademe.co.nz ¹as of 30 September 2022
 2. Nielsen Online Ratings, monthly average for Q2 2022 (FY2020 and FY2021 as previously stated in FY2021 results announced on 23 February 2022).
 3. EBITDA is a non-GAAP measure and is presented as excluding the impact of NZ IFRS 16, however excluding exceptional items (redundancy costs, one-off projects and other exceptional items)
 4. Includes Covid-19 government wage subsidy received in 2020

Profit performance in FY23

OneRoof invested in talent and marketing through FY22 and is committed to holding investment in FY23

- Investment is paying off in a number of areas:
 - The only real estate portal to show growth in digital audiences
 - Strong brand awareness and preference growth
 - Accelerating growth in listing conversion both in Auckland and rest of New Zealand

OneRoof is positioning itself for success in a highly challenging and competitive market.

FY22 and Forecast FY23 real estate market conditions create challenge to profit expectations

- Sales volume down versus original expectations
- Total stock in market up more than 50%
- New Listings down in Auckland in H1 with expectations that H2 will see the rest of the county follow
- Economic and lending conditions challenging

Overall Vendor confidence low, impacting willingness to commit to marketing programmes and has created challenges to speed of EBITDA growth.

Impact to FY23 Profit delivery

- The more challenging market conditions and the growth focused investments have resulted in a forecast profit below the target range of 15-25%

Expectation is that as the market normalises, with a continuation of growth seen in FY22, OneRoof is well positioned to deliver to EBITDA targets in the FY24 year and beyond.

Real Estate is a key market

Real Estate remains NZME's largest vertical and fastest growing digital revenue vertical

In New Zealand there are¹:

680,000
INVESTORS

863,000
FIRST HOME BUYERS

1,173,000
RENOVATORS

130,000
MOVERS

Residential Property remains NZ's preferred investment ³

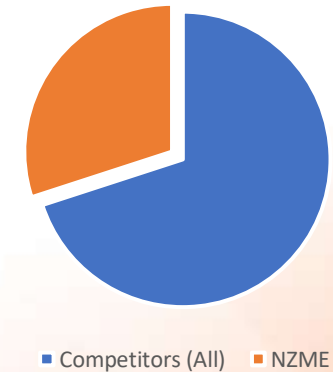
- Share of GDP amongst the highest in the world and growing

Figure 11: Residential investment as a share of GDP



FY22 ~\$166 million
REAL ESTATE CLASSIFIEDS MARKET SIZE²

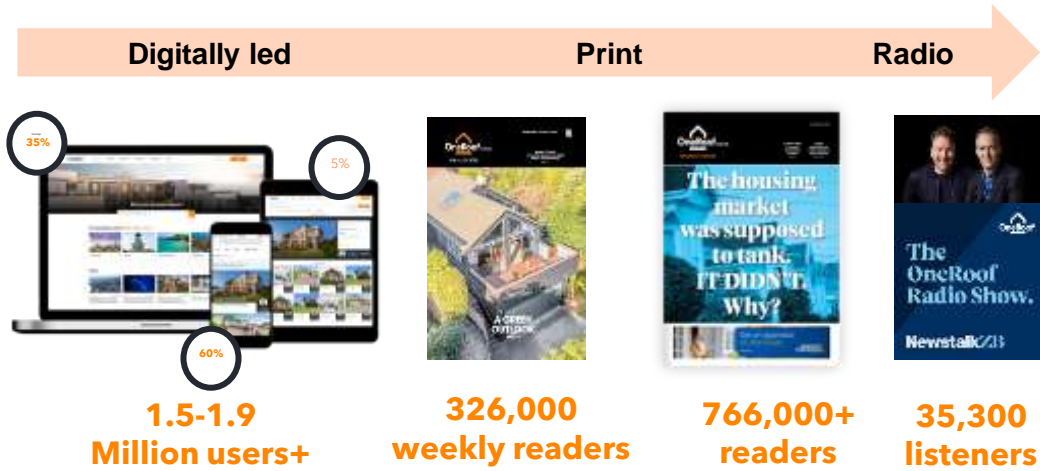
Total Real Estate Advertising Spend



SOURCE: ¹Nielsen CMI Q3 21 - Q2 22 August 22 Fused 15+ - NZME. Investors - Expect to buy/sell/build property next 12 months. FHB - age 25+ in paid employment and living in shared accommodation (with housemates, as a boarder, or with extended family/parents/siblings) or renting. Renovators - homeowners planning to renovate n12m. Movers (buy n12m) - plan to buy a property live in and are homeowners. ²NZME estimate. ³ Reserve Bank of New Zealand

OneRoof's unique value proposition

New Zealand's only multi-media real estate platform with market leading offers and with a unique audience



OneRoof digital platform is more than simply a listing portal

- Delivering 34% of its audience that is not on competitor sites
- The only platform to deliver through the entire consumer lifecycle

OneRoof helps Kiwis become property prepared by giving them the information they need to make informed decisions

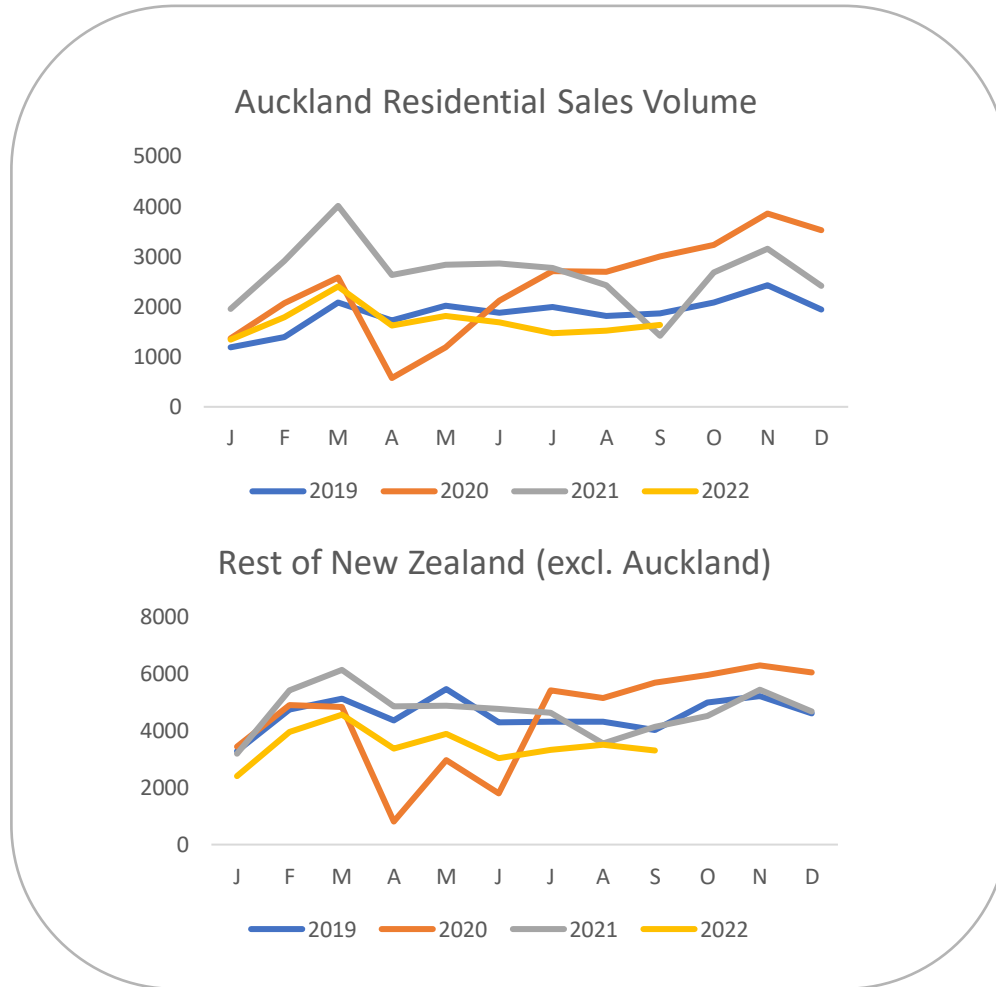


OneRoof has market leading commercial offers:
(OneRoof Boost 2.0 compared to Market Leading Competitor)

OneRoof Commercial Offer	OneRoof's Competitive Advantage*
Homepage Carousel	Reach of combined Herald / OneRoof
Feature refresh	33% More
Social Media	Double the number of weeks
Google Display	Double the number of weeks
Audience Targeting - NZME / OneRoof first party data	Unique to OneRoof
Sentiment Analysis	Unique to OneRoof
PRICE	~40% Lower

Residential property sales slow in 2022

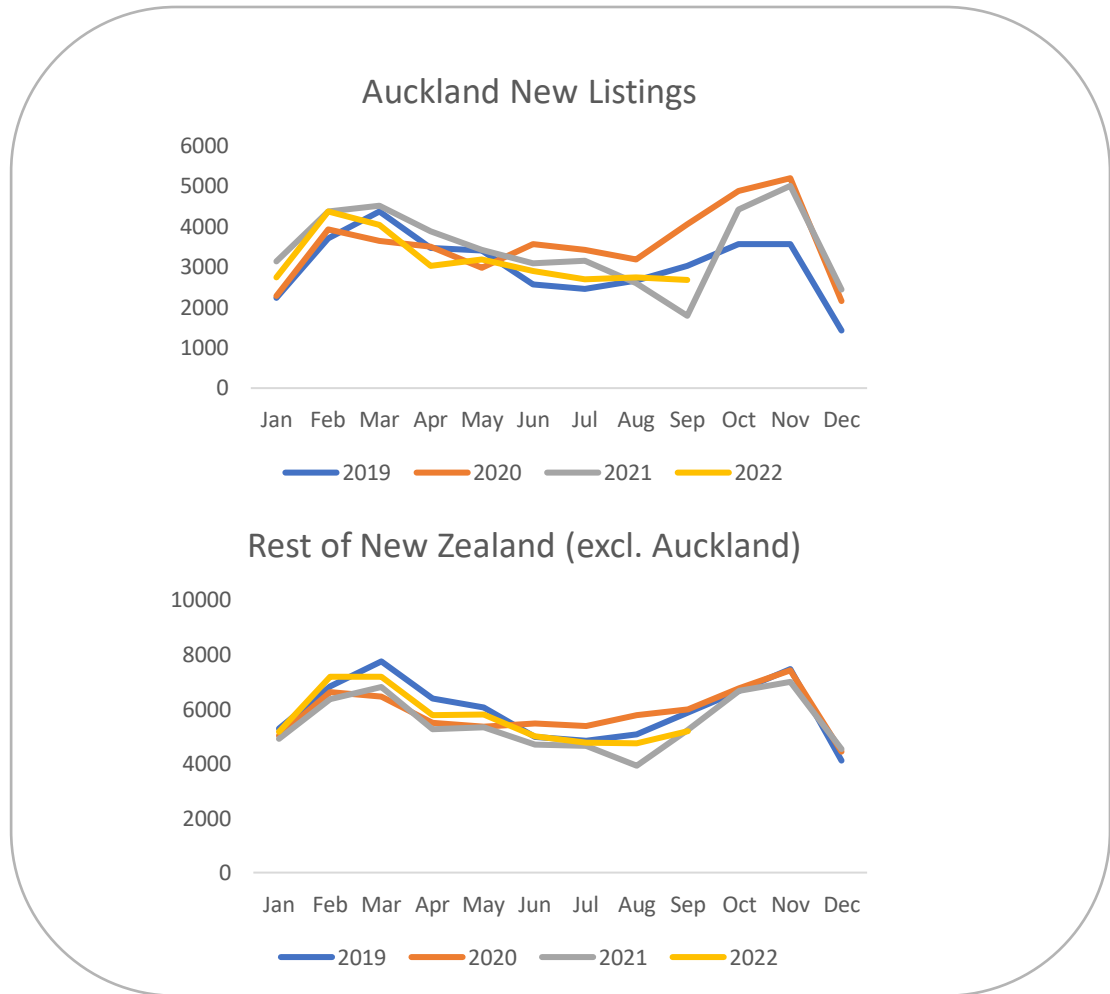
Auckland market sales down by over 35%



- Auckland sales impacted to a higher level due to levels of lock-down due to COVID-19
 - YTD September 2022
 - 36% below 2021
 - 16% below 2020
 - 4% below 2019
- Rest of New Zealand also lower than previous years
 - YTD September 2022
 - 25% below 2021
 - 10% below 2020
 - 21% below 2019
- Property clearance by auction down an estimated 40-50% in 2022 Vs LY

New listings hold up through the year

However, late Quarter 3 has not seen the seasonal lift commence.



- Nationally New Listings (YTD September) have been relatively flat year-on-year
- Auckland has seen listing declines moving through 2022:
 - H1 new listings down 10% year-on-year
 - August and September report increases versus 2021 given COVID lock-down in Auckland in 2021
 - H1 2022 was up 1-2% versus 2019/2020
- Rest of New Zealand has shown increases September 2022 YTD (+ 8% versus 2021) but showing signs of following the Auckland market in September

NZME. NEW ZEALAND
MEDIA AND
ENTERTAINMENT

**OneRoof - Your Complete
Property Destination**



Your complete property destination

There are three pillars to the OneRoof Strategy:



**Strengthen Core
Residential Listings
Business**



**Be indispensable to
Agents**



Expand the Portfolio

Your complete property destination

There are three pillars to the OneRoof Strategy:



**Strengthen Core
Residential Listings
Business**

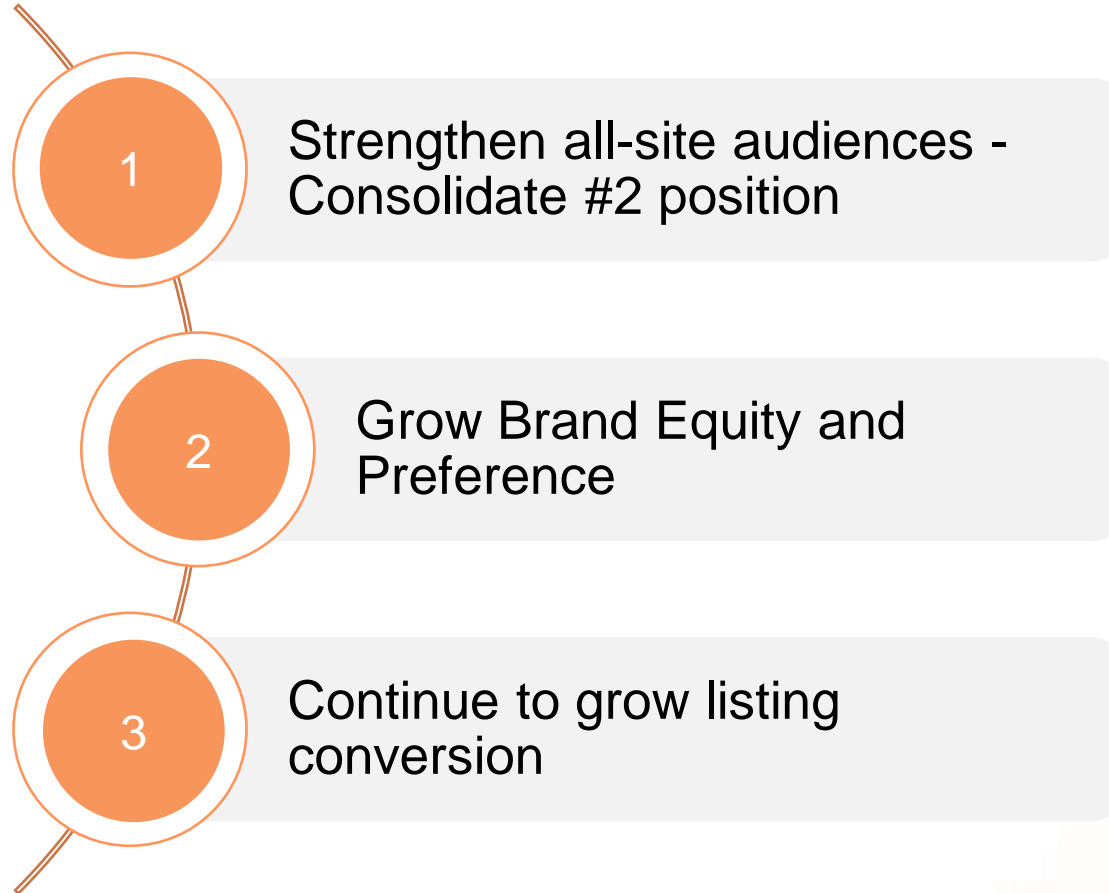


**Be indispensable to
Agents**



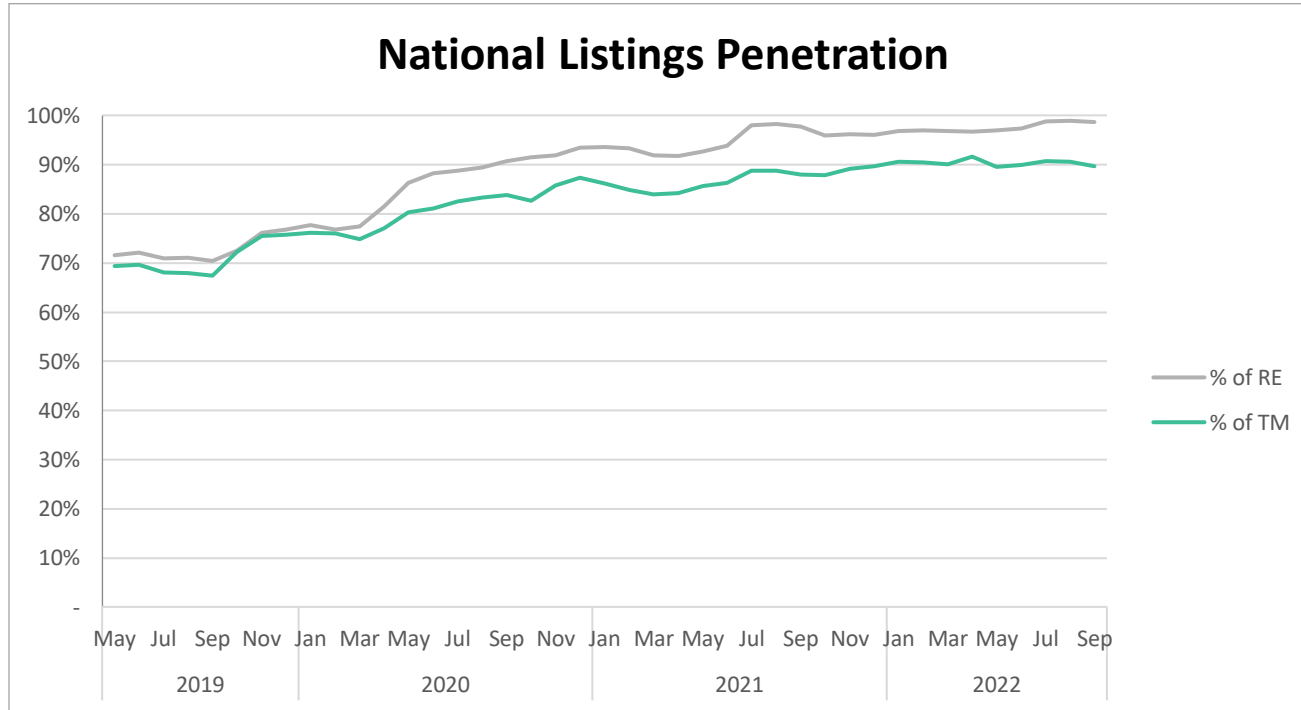
Expand the Portfolio

Strengthen Core Residential Listings Business

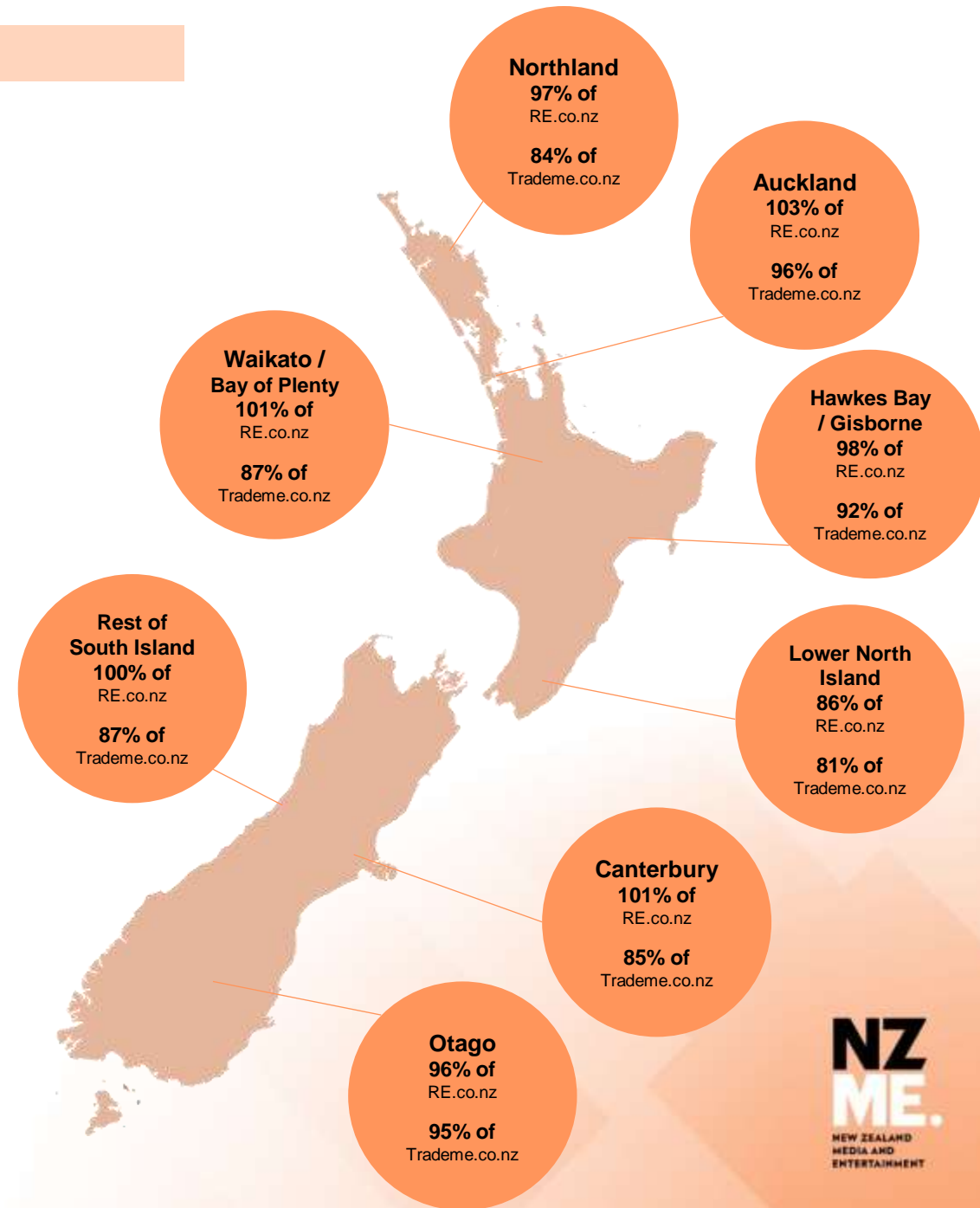


OneRoof has comprehensive listing inventory

Focus remains on increasing total market coverage



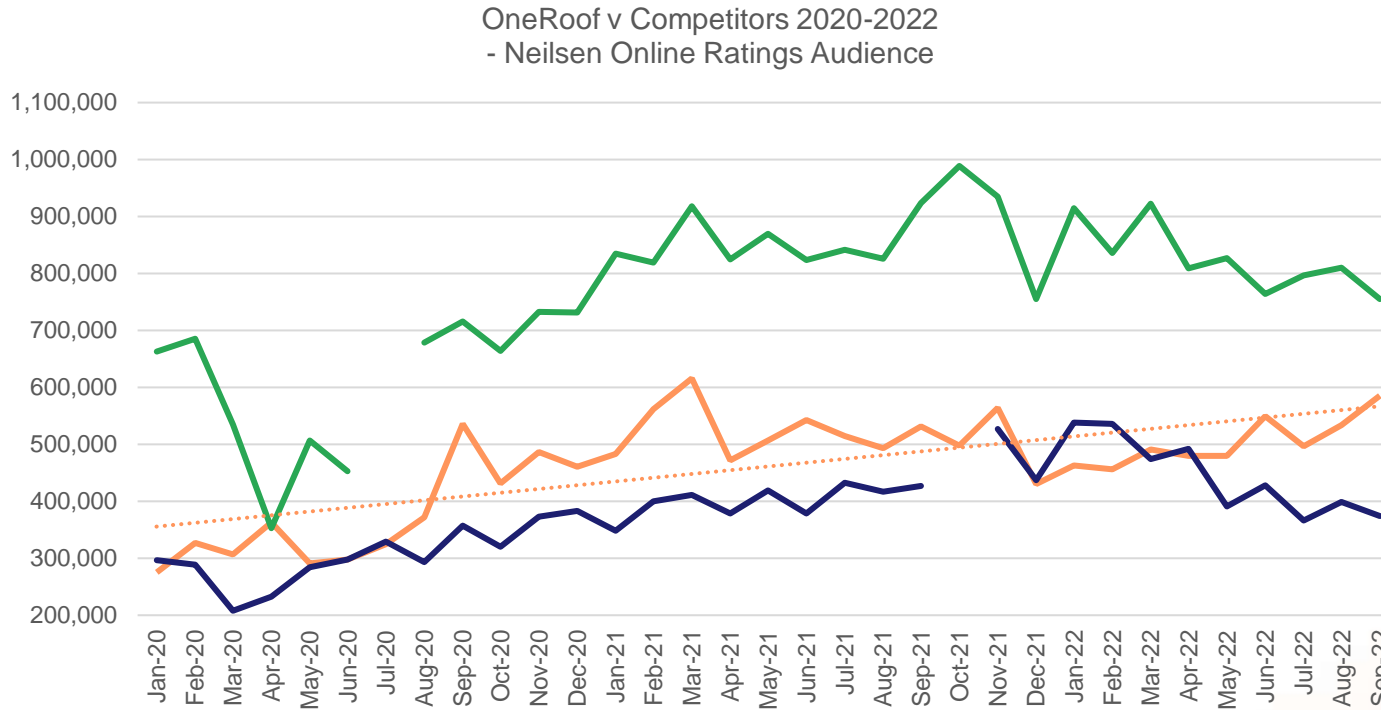
Note: TM includes Private listings – assumed to be ~4-5%
 Excluding Private listings we estimate OneRoof to be ~94-95%



1. Excluding Private listings (assumes 5% of listings on Trade Me)

OneRoof audiences strong despite market downturn

Audience gap to #1 reducing with total market audiences declining during 2022



OneRoof strengthening over the past 6 months, while overall market down

September gap to Trade Me **170K** (Vs 396K Dec 21)

Sessions increase **12% YTD**

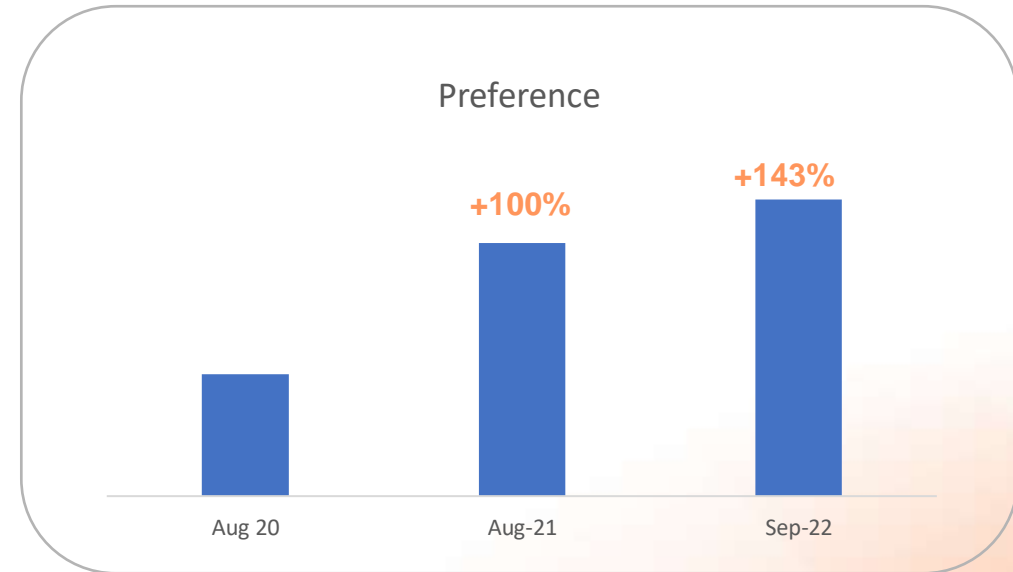
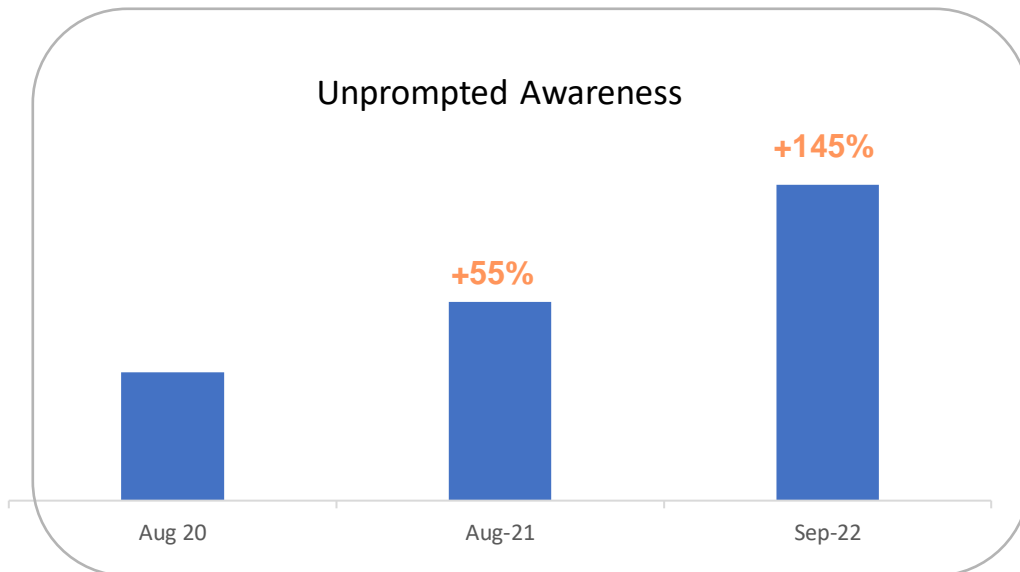
333K App downloads (+23% YTD)

Awareness and preference have more than doubled since 2020

Investment in marketing paying strong dividends

OneRoof unprompted awareness 71% Nationally¹

OneRoof the only real estate portal to grow year-on-year



FY22 Strategy was to grow awareness in key regions – YoY unprompted awareness grew
Wellington +83%
Canterbury +166%

Continue to grow brand equity across all of New Zealand

Growing the OneRoof awareness and preference critical to both consumer and customer growth

Continue

- Investment in brand campaign nationally
- Leverage strength of NZME Print, Radio and Digital to create “an advantage”

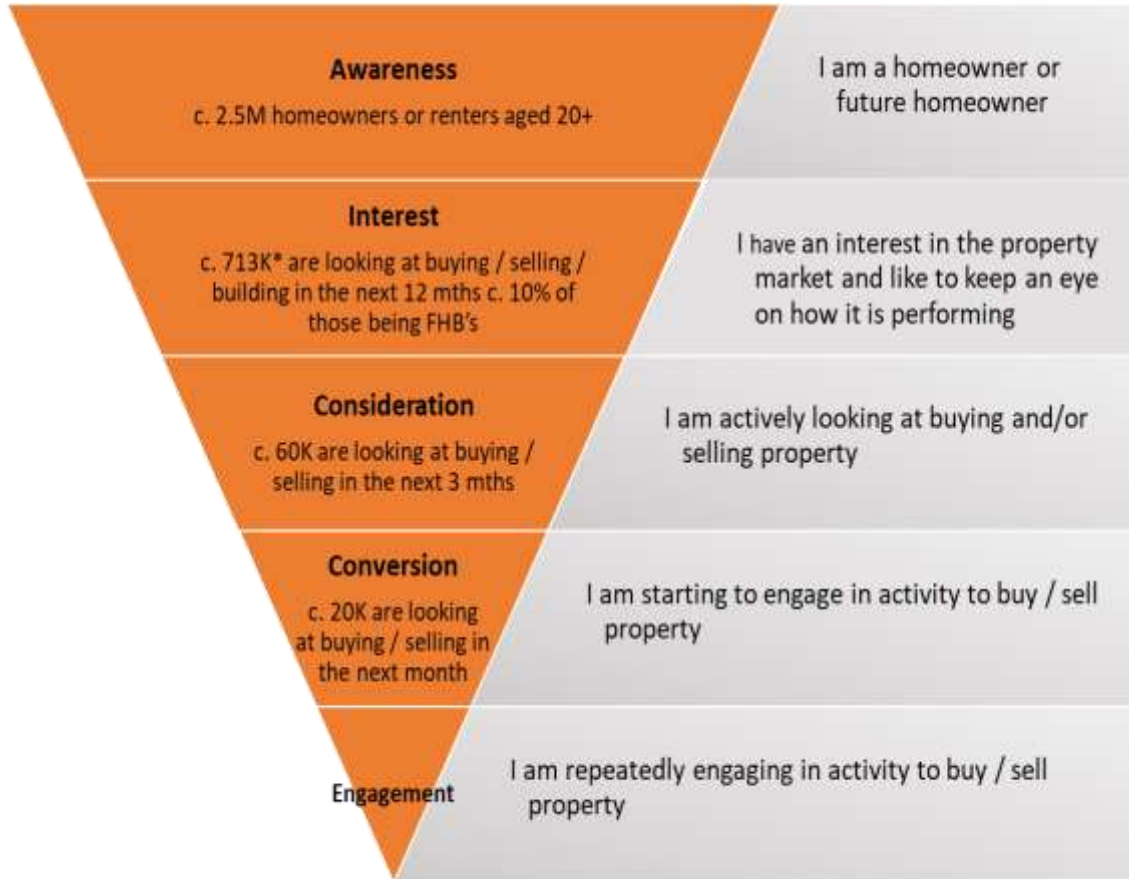
Start

- Apply segmentation study to communication strategy and brand value proposition
- Deploy continuous brand survey to enable more agility in marketing investment
- Increase investment in key regional markets to grow brand awareness and preference
- Increase utilisation of NZME media assets
- Development of Brand Ambassadors across key markets
- Regional sponsorships and events to increase local relevance



Continue to deliver audiences across the entire real estate funnel

OneRoof converts passive audiences to active and engaged buyers and sellers



Continue

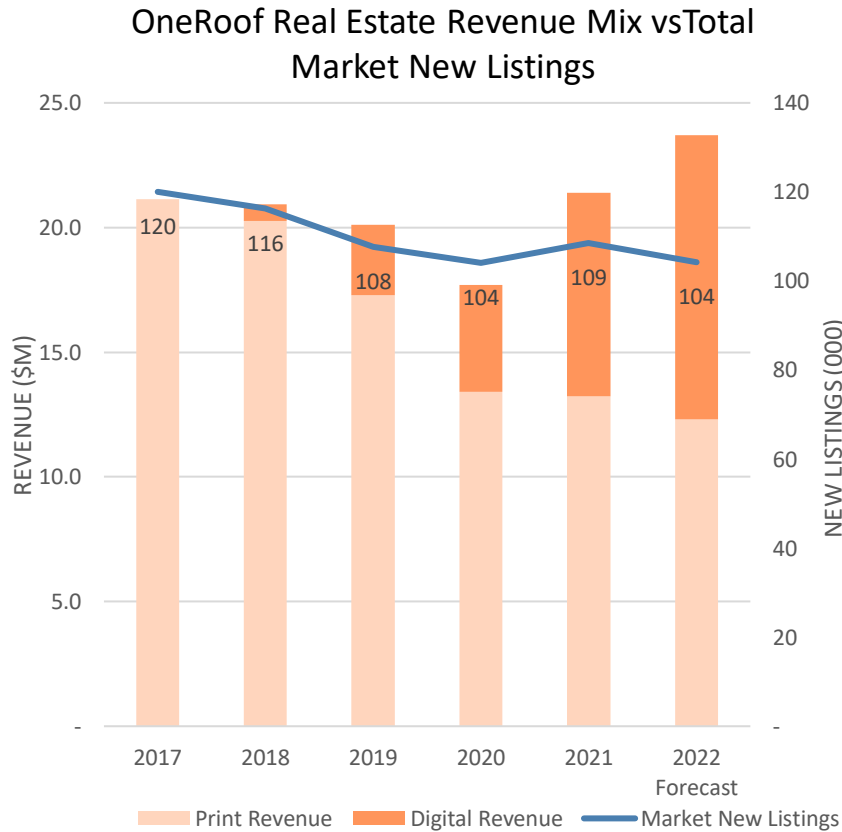
- Engage real estate consumers across all stages of their real estate journey
- Develop relevant content to meet their needs

Start

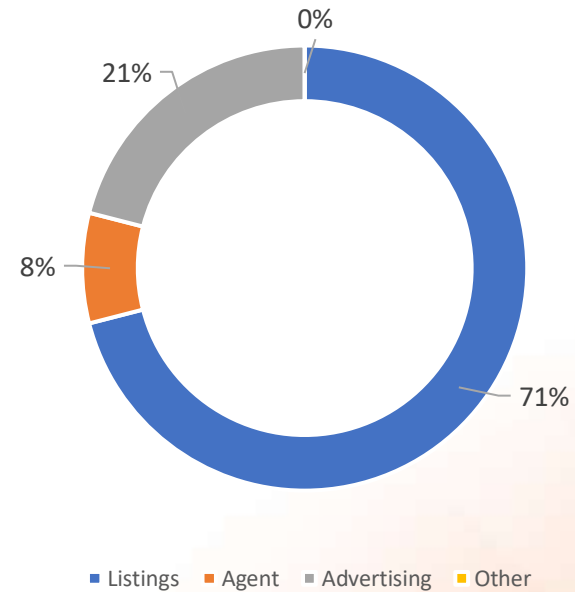
- Improved understanding of consumers by segment and journey
- Investment in understanding and improving Customer experience
- Increase in SEO optimised content
- Increased personalisation including “next action” analysis
- Strengthen editorial positioning through OneRoof research

OneRoof revenue growth driven by digital OneRoof.co.nz

Listing revenues make up 71% of digital revenue

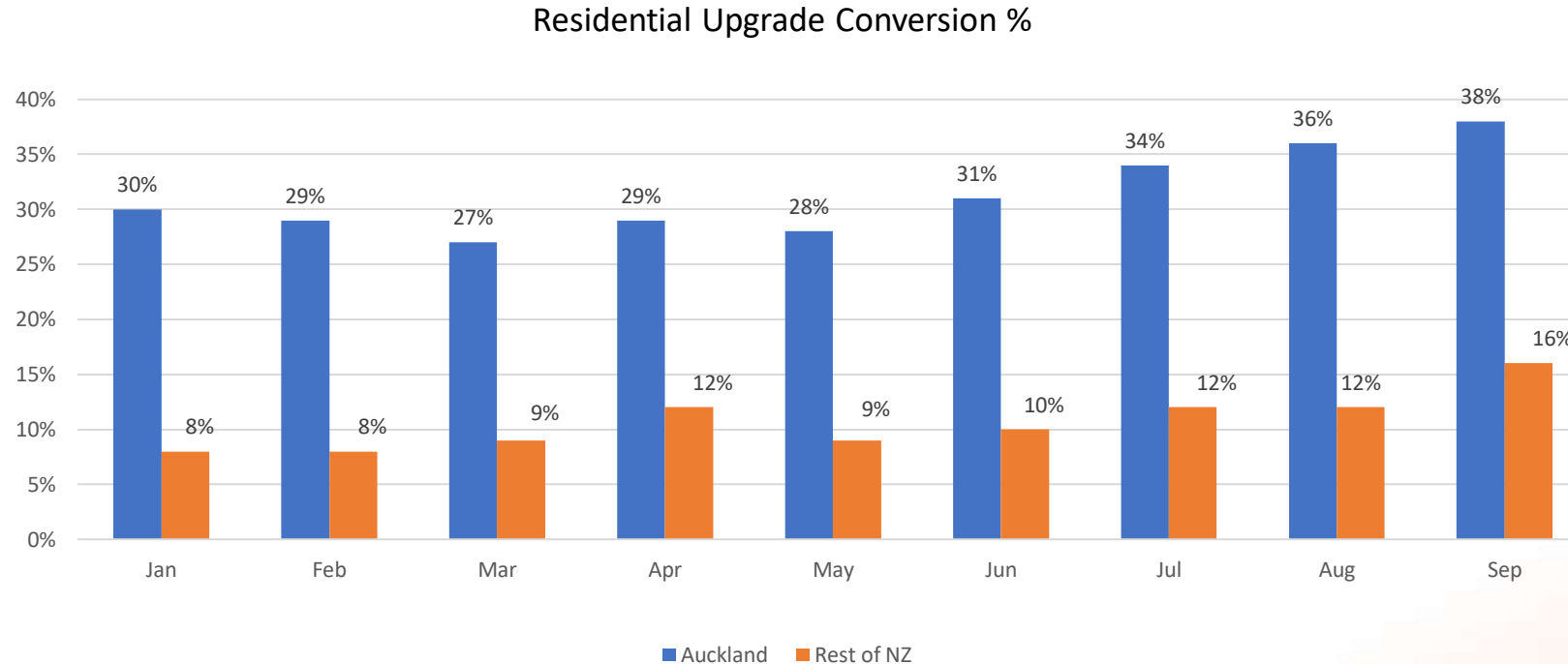


Digital Revenue by Source: FY22F



Residential listings upgrade conversion rates continue to increase

Growth rates accelerated in back half of year with increased resourcing across NZ



Significant conversion growth in second half of the year:

- Auckland conversion increased to 38% in September
- Rest of NZ conversion increased to 16% in September

Continue to grow residential listing upgrades/conversion

Continue to build relationships and value for vendors

Continue

- Developing relationships with major agencies
- Bundling of OneRoof platforms to grow revenue
- Measurement and yield management at an office level
- Growth of Boost products – including successful implementation of Boost 2.0*
- Maintain competitive pricing and lower cost products to drive conversion (specifically in developing regions)

Start

- Building stronger relationships and trade activity with regional and boutique agencies
- Focus on building conversion with lead agents to build advocacy
- Balance yield and conversion to ensure profitable growth
- Deploy multi-year pricing and yield strategy

OneRoof Boost Packages

OneRoof's new improved Boost Packages to help reach qualified property buyers across OneRoof, the NZME network, Social Property, and iStockphoto and iStock.

The highly targeted approach uses OneRoof and NZME audience data to deliver **quality leads**.

		Boost Package 2.0*	Boost Package 2.0**	Boost Package 2.0***	Boost Package 2.0****
Standard OneRoof Package components	Search	✓	✓	✓	✓
	Photo/Video	✓	✓	✓	✓
	Appointments	✓	✓	✓	✓
	NEW! High-visibility leads to 100% of mobile			✓	✓
+ Boost	NEW! High-visibility leads to 100% of mobile			✓	✓
	Targeted Search Ads			✓	✓
	NEW! High-visibility leads to 100% of mobile			✓	✓
	NEW! High-visibility leads to 100% of mobile			✓	✓
Price		1,000 / 100	1,000 / 100	1,000 / 100	1,000 / 100

New Ad Solutions

Targeted Search Ads: Ads will no longer be sent to your target audience based on their search history and site visit of your competition. (Historic Campaign Spend data as of 12/31/2021)

NEW! High-visibility leads to 100% of mobile: NZME will provide you with 100% of mobile leads to 100% of mobile. (Historic Campaign Spend data as of 12/31/2021)

Improved Audience Targeting: Boost 2.0 now also includes NZME audience targeting to ensure your property is seen by a highly qualified audience. This is done via our 2022 purchase database to target.

Your complete property destination

There are three pillars to the OneRoof Strategy:



**Strengthen Core
Residential Listings
Business**



**Be indispensable to
Agents**



Expand the Portfolio

Be indispensable to Agents

- 1 Create a strong value-based agent proposition
- 2 Build a market leading appraisal / vendor lead product
- 3 Strengthen trade and relationship activity



Create a strong value-based agent proposition

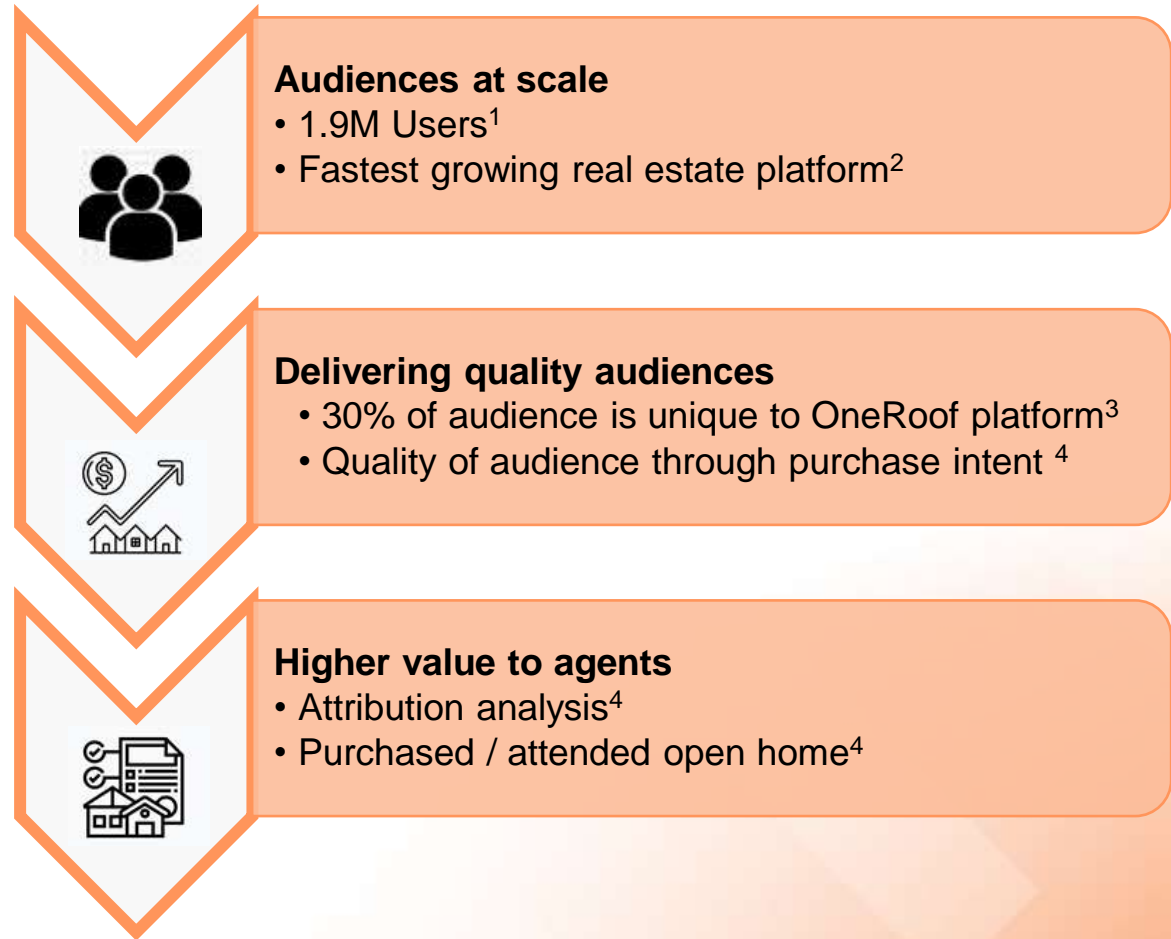
Demonstrate the value of OneRoof to agents and vendors – Over 30% of audience is unique

Continue

- Delivering multi-media reach that delivers engagement and enquiry for vendors
- Providing vendor reporting and enhanced integration into agents CRM
- Educating agents on the unique reach and value of both active and passive audiences
- Leveraging OneRoof and NZME content to build the agent and agency brand

Start

- Agent research and NPS score to better understand agents and their needs
- Delivering strong localised data to enable agents to provide insights to their vendors
- Develop OneRoof research that supports the unique value of our audiences
 - Audience intent
 - Attribution
- Market leading agent appraisal and lead generation tools



1. Google Analytics September 2022.
2. Nielsen Online Ratings 2022
3. Nielsen CMI
4. Proposed research

Build a market leading lead generation product

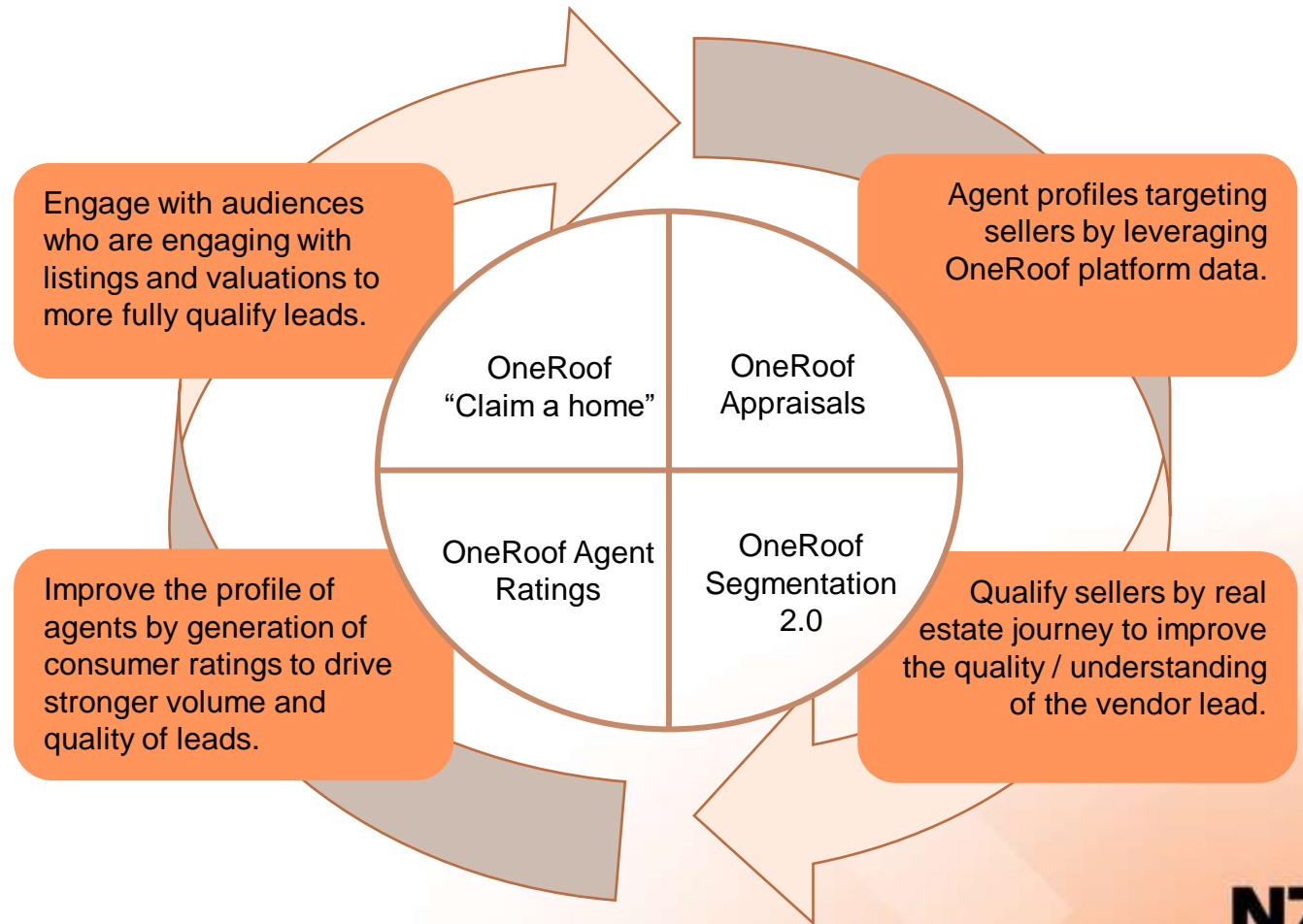
Create a suite of connected products to create quality leads

Continue

- Agent appraisal penetration and revenue growth
- Provision of localised data to add value to their vendor relationships
- Including OneRoof segmentation 2.0* to improve quality of agent leads
- Soft launch / trial of OneRoof agent ratings to improve agent profile through consumer feedback

Start

- Development of attribution research to qualify value of leads to agents
- Scale OneRoof agent ratings through agent review tool and incentives for sharing in social media
- On-going improvement to integration of segmentation and vendor leads
- Development of “claim a home” function to drive qualified leads
- Explore partnerships with other market participants to improve lead generation tools



* Segmentation 2.0 provides analysis of the type of real estate customer (Journey e.g. Retiree) and where they are on that journey using OneRoof and NZME first party and look alike data)

Strengthen agent relationships

Support and build the agent relationship to become 'preferred partner'

Continue

- Sponsorship of agency brands
- Support of all key agency events and awards
- Recognition and profile building of top agents through our strength in editorial / content
- Agent education on how best to create value from OneRoof and NZME platforms

Start

- Broaden sponsorship and support across agency brands and regions
- Invest in building deeper relationships with agent / agency teams – including support staff
- Deepen agent profiling through leveraging our platforms (Print / Radio / Digital)



Your complete property destination

There are three pillars to the OneRoof Strategy:



**Strengthen Core
Residential Listings
Business**



**Be indispensable to
Agents**



Expand the Portfolio

Expand the portfolio

- 1 Grow advertising revenue
- 2 Leverage verticals to drive additional revenue



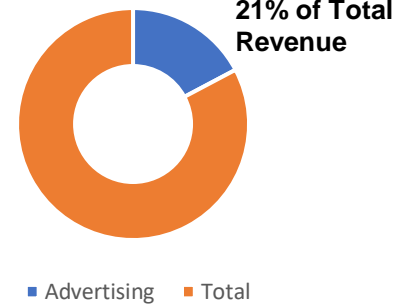
Grow advertising revenue

Further monetise premium audiences on OneRoof.co.nz

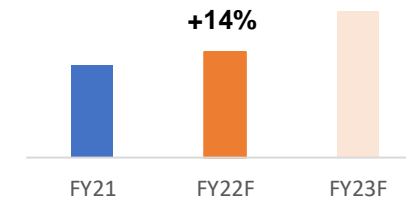
Continue

- To grow revenue to OneRoof platform ahead of advertising market
- Provide high value data-led real estate audiences through leverage of OneRoof and NZME data
- Deliver quality real estate environments and products to drive advertising and sponsorship environment that are unmatched in market

OneRoof Digital Revenue FY22F



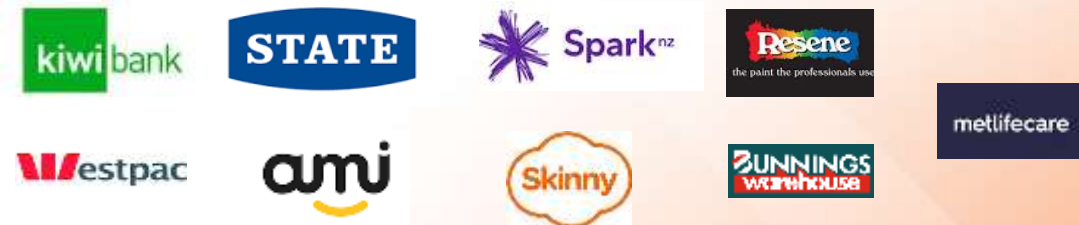
Advertising / Sponsorship Revenue



Start

- Secure key sponsorships of banking and insurance through packaging of OneRoof and NZME media assets
- Strengthen advertising relationships to grow revenue and sponsorship
- Engage with market to create new advertising audiences and products
- Increase revenue and sponsorship from real estate agency brands
- Evaluate partnerships to move into provision of consumers services (without significant investment)

Some of our key advertisers in FY22



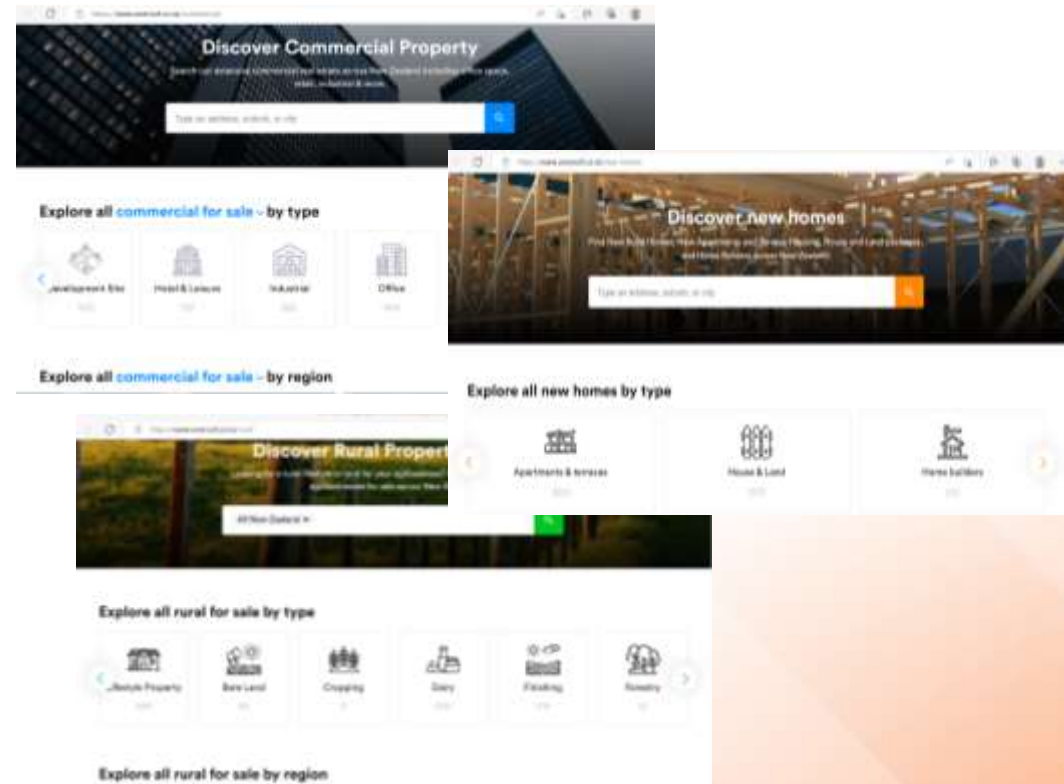
Leverage verticals to drive additional upgrade / revenue

Continue

- Compete across all category verticals
 - Maintain our position without over-investment
- Improve user experience to drive stronger audience engagement
- Increase referral across OneRoof and NZME platforms
- Create products and content to meet customer demand

Start

- Stronger bundling across NZME assets and client base
- Expand home builder, investor and developer content pages and products
- Explore partnerships to leverage OneRoof audiences and create stronger relevance with audiences
- Discovery on role and value of rental vertical





Paul Maher
Chief of OneRoof



Michael Boggs Chief Executive Officer

Shareholder value creation is at the centre of NZME's strategy

- Each NZME division is a leading performer in its market
 - Audio – #1 news radio station, #1 breakfast radio show, #1 digital audio and podcaster
 - Publishing – Leading digital and print publisher evolving at the forefront of global publishing trends
 - OneRoof – Fast growing digital real estate platform combined with real estate print products
- Well advanced digital transformation across the three pillars of the strategy, providing revenue growth opportunities and margin expansion
- Core business delivering strong cash flows that are being utilised for growth investment and shareholder returns
- Improving profitability and cash flows with a clear strategy to continue to do so
- Strong balance sheet with disciplined capital management

COMPLETE

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