

MARKET ANNOUNCEMENT

16 April 2021

2021 Annual Shareholders' Meeting Presentation and Addresses

AUCKLAND, 16 April 2021: NZME Limited (NZX: NZM, ASX: NZM) ("**NZME**") attaches the Chairman of the Meeting and the CEO's addresses, and presentation which will be delivered at the Annual Shareholders' Meeting being held online today, commencing at 3:00pm (NZT).

ENDS

Authorised by the NZME Board

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CHAIRMAN OF MEETING'S ADDRESS: BARBARA CHAPMAN

Building Shareholder Value

Welcome, and thank you again for attending today.

Shareholder value creation remains a steadfast focus of the Board.

When we last addressed you at our annual shareholders meeting in June 2020, the NZME share price was 31 cents. As we gather today, I would note the share price at market close yesterday - was 80 cents.

While this is pleasing progress, there's plenty more work to be done, and there are several areas that I would like to discuss with you that we, as a board, have determined will support the ongoing delivery of continued shareholder value creation.

In summary these are:

- The implementation of a set of guiding principles applied to all NZME strategic initiatives
- The evolution of our business strategies set against targets to be delivered by 2023
- Strong capital management and a prudent dividend policy
- A continual focus on Board and management expertise
- Growing shareholder engagement
- And an effective sustainability commitment that supports our people and protects our business

I'll now talk to each of these specifically.

2023 Strategy Guiding Principles

Late in 2020 the Board shared with you a set of guiding principles to be applied to all key NZME strategic initiatives.

These ensure business activity stays steadfastly focussed on shareholder value creation, by providing the business with a robust framework to work within.

While we shared these with you in November, they are in fact principles that we have employed as a board for some time.

Some of you may be familiar with these already.

Customer First – this recognises that our success or failure depends on a relentless focus on always putting our customers first. Simply put, what we do for our customers must add true value to them and make NZME an indispensable part of their day.

This principle is highlighted with the ongoing design and development of our OneRoof property platform. We are always enhancing the platform to ensure we provide a service that is indispensable to real estate agents, vendors, and the property market generally. The appointment of focussed executive leadership for OneRoof is only enhancing this.

Win with Quality – this upholds the expectation that a "Premium Quality" lens be applied to all of our strategic priorities and those initiatives engaged to support them.

The ongoing success of the New Zealand Herald Premium offering shows what returns can be realised by setting a high bar in terms of NZME's content offering.

Digital Acceleration – This realises that customers' expectations for "more, better, faster" are not diminishing. Meeting those expectations requires initiatives that add momentum to delivering a world class digital business.

We see in each of our strategic pillars that digital initiatives are drivers of future growth for NZME, with the acceleration of digital content through NZ Herald Premium, digital audio through iHeartRadio and digital real estate offerings through OneRoof.

Audience Expansion – Continued and sustained audience growth and engagement is NZME's great opportunity. Compelling, quality content delivered where and how audiences dictate will deliver this growth.

The Board's been enthusiastic about the implementation of the Radio strategy that's focussed on growing audiences across NZME's brands – on air teams have been realigned to better suit audience demographics and brands have been developed to target unserved audiences such as Gold FM.

We're also looking forward to seeing growth in the NZ Herald audience through a focussed effort on building its brand in the South Island - we've supported more reporting resource being allocated to the South Island and the building of the news leadership team there.

Top Performance – This is a guiding principle that recognises we expect to be continually measured against global competitors, as well as against the performance of the publicly listed company environment. We will continue to set new standards and benchmarks for top performance across the business.

You will see shortly from Michael the application of this principle in the growth metrics that have been applied to each of the strategic priorities. As a board we have ensured that these targets represent, and will deliver, improved and sustained business performance.

2023 Strategic Priorities

Turning now to our 2023 Strategic Priorities.

With our guiding principles front of mind, we have evolved our strategic priorities, setting clearly defined and measurable targets to be delivered by 2023.

Michael will share further detail with you on the pillars that sit within each of these strategic priorities.

In summary by 2023 NZME is planning to be:

New Zealand's Leading Audio Company. This priority recognises the strength of NZME across this platform, with a portfolio that includes New Zealand's leading radio brands and New Zealand's predominant digital audio platform in iHeartRadio.

The implementation of several strategic initiatives across 2021 target will growth in audience and radio revenue market share.

Our priority is for **The New Zealand Herald to be New Zealand's Herald** by becoming the number 1 news brand for all New Zealanders.

The NZ Herald's position as a leading news brand has been primarily supported by its strength across the North Island.

A great opportunity exists to grow audience engagement by expanding this brand's reach across the South Island through expanding news coverage and content via nzherald.co.nz, and through NZME's Premium digital paid content platform.

Property is NZME's largest advertising revenue category and provides significant opportunity for growth.

With its growing print and digital platform content offerings, expanded listings and growing relationships with the real estate agent community, along with New Zealanders continual focus on real estate as an investment platform – by 2023 we are aiming for **OneRoof – to be Your Complete Property Destination.**

As I mentioned, Michael will share more on the pillars that support these strategies as well as the targets and metrics aligned with each of these priorities shortly.

Strong Capital Management

I'd now like to discuss NZME's Capital Management Policy.

As you can see from the chart provided, an ongoing focus on effective capital management over recent years has resulted in a significant reduction in net debt.

During 2020, this maintained focus resulted in a further reduction in net debt to \$33.8 million at 31 December 2020.

You'll also note that NZME's net debt to Operating EBITDA ratio at the end of 2020 continued to be at the lower end of the target range of 0.5 to 1.0 times rolling 12-month EBITDA - pre IFRS16.

It is the intention of the Capital Management Policy to have debt within the business at a level that earnings, and bankers, support.

Our three-priority strategy does not require significant future investment to achieve the targets that have been laid out and we are not actively looking for large acquisitions to spend tens of millions of dollars to achieve the strategy.

Having said that, if an appropriate acquisition was identified, that would accelerate growth and add shareholder value, of course the Board would assess it and bring to shareholders if appropriate.

There may also be smaller investments or acquisitions that would allow NZME to improve and accelerate its performance in each of the three pillars and we will proceed with those as appropriate.

Dividend Policy

Turning to our Dividend policy.

As you will have noted from the 2020 Annual Report, 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.

Given the targeted financial performance that we have outlined, the leverage ratio is likely to be lower than the target range.

With that in mind, and in the absence of any compelling investment opportunities, we will consider and discuss with our bankers the opportunity to adjust potential constraints and allow excess cash to be returned to shareholders.

Strengthening the Board

I'd like to now talk briefly about the NZME Board.

When we spoke at the 2020 ASM in June last year, we recognised the opportunity to expand our depth of experience and insight in digital innovation and data and analytics.

This year we have been pleased to welcome New Zealand tech entrepreneur Guy Horrocks to the board of NZME, with Guy having returned from New York over the last year.

Guy brings a background in successfully growing digital business, strong capability in the commercialisation of data and adds to the entrepreneurial mindset of your board.

Guy is a great addition to the board and has quickly familiarised himself with the business and is already engaged supporting each of our digital properties, as they further develop their roadmaps and growth acceleration plans.

As a team we bring to the table extensive business strategy and leadership experience, listed company governance experience, and deep media industry knowledge.

We also bring extensive corporate finance capability, financial and audit experience and customer insight, marketing, and brand experience.

Growing Shareholder Engagement

We've been very pleased over the past year to have taken the opportunity to grow our investor engagement and communication, both in terms of the detail that we share with you, and the frequency that we communicate.

It's been our goal that our investor community has a deeper understanding of the inner workings of NZME and that through greater shareholder engagement we can gain a better understanding of your perspectives on shareholder value creation.

In 2020 we introduced an Investor Day to give our shareholders the opportunity to obtain a deeper insight into initiatives delivered across the business which support delivery against the strategic priorities. This included an opportunity to discuss progress directly with the NZME executives responsible for delivering on each priority.

Focusing on delivering investors a deeper understanding of business performance, we have developed and delivered a divisional framework to allocate the various cost pools and operating business performance across each division.

And as I mentioned previously, Michael will share with you detail on the specific targets and metrics which will ensure that NZME is operating with the ambition, accuracy and pace that we as a board are committed to, through the guiding principles I have shared with you.

Sustainability Commitment

I'd like to turn now to NZME's Sustainability Commitment.

As we outlined in our 2020 Full Year Annual Report, NZME is at the early stages of its sustainability plan and we are looking forward to the on-going development of an extensive range of initiatives that will ensure we have meaningful, sustainable practises supporting the well-being of our people, the wider community and the environment.

I'd like for a moment to focus on our commitment to our people.

If the Covid-19 pandemic has proven one thing, it's the value of providing a workplace that fosters innovation, engagement and inclusion.

This approach meant NZME's people and leadership teams were able to transition swiftly into new modes of operating under the Covid-19 environment, ensuring productivity was maintained, opportunities explored, and initiatives executed.

As we have acknowledged, along with the support of NZME's suppliers, business partners and advertisers, our 2020 financial result was made possible thanks to the dedication of our people.

Promoting a healthy, diverse and safe workplace is an ongoing commitment and one the executive and leadership teams remain focussed on.

Attracting the best talent by maintaining NZME's position as an employer of choice in the media industry is key to delivering on our strategic priorities.

It's therefore pleasing to note that NZME was recently recognised as the most popular media and communications company with New Zealand university graduates.

In the interests of being open with you, we wish to inform you that we have two matters before the NZ Markets Disciplinary Tribunal.

The matters relate to disclosures made to the market in May 2020 regarding the Stuff negotiations and in June 2020 regarding Peter Cullinane's resignation.

This Board takes its obligations and responsibilities around continuous disclosure extremely seriously. At all times we strive to ensure the market is appropriately informed and in a timely fashion.

The disclosures do not relate to ongoing matters. We followed specialist external legal advice at the time the disclosures were made.

We are focused on managing and resolving those matters in the best interests of the company. Details of the matters and outcomes will be released as soon as the regulatory processes are concluded. The outcome is not expected to materially impact the business financially.

Before I hand over to Michael, I'd like to make some brief observations regarding NZME's response to Covid-19 and share some perspectives on the months and indeed years ahead.

NZME's swift and purposeful people first response to the impacts of COVID-19 meant our audiences remained well served and commercial partners and advertisers continued to reach their audiences.

Business continuity plans were deployed and NZME was able to operate effectively and confidently delivered on its responsibilities as an Essential Service keeping audiences informed and safe.

All of this contributed to NZME maintaining the momentum required to respond swiftly to, and support, the COVID-19 recovery that New Zealand and many of our commercial partners and advertisers are now experiencing.

The pace and strength of the domestic recovery to COVID-19 has been pleasing and we expect this to continue as the vaccine roll-out gains momentum, and as New Zealand's commercial and small business sectors gain the confidence that further disruption to economic activity, due to COVID-19 lockdowns, will be limited and localised.

However, the economy is still in the rebuild phase and as such resilience to the impact of other influences, such as government policy changes and supply chain disruptions, remains challenged for now.

Again, we remain positive that the vaccination rollout and the gradual opening of borders to international travel will add impetus to the economic recovery and ongoing growth in advertiser confidence.

I will now hand you over to our CEO Michael Boggs.

CEO'S ADDRESS – MICHAEL BOGGS

Delivering NZME's Strategy

Delivering NZME's Strategy Thank you, Barbara, and I too would like to welcome everyone to our 2021 Annual Shareholders' Meeting.

Before I start, I'd like to thank all NZME shareholders for your ongoing support and commitment during what has been an incredibly tumultuous and uncertain time.

Content Overview

I'd like to begin with an overview of New Zealand Media and Entertainment as at 31 December 2020.

Across our 32 print publications, 9 radio networks, 17 websites and 19 real estate publications, NZME reaches 3.3 million New Zealanders.

NZME is a prominent player in the New Zealand media market with leading and growing brands across each of the sectors that we are present in.

The New Zealand Herald is the powerhouse of our news portfolio - read by 1.2 million Kiwis each week.

It's digital arm nzherald.co.nz is New Zealand's number one digital news provider.

New Zealand Herald Premium boasts over 102,000 digital news subscribers.

In radio, the ZM music brand has the #1 breakfast show with 25-54-year olds, while Newstalk ZB leads the talk market with New Zealand's number one breakfast show.

OneRoof is delivering excellent growth boasting 89% of residential-for-sale listings nationwide.

And, we have 2.6 million users engaging with our digital platforms every month.

All of which makes NZME, New Zealand's preeminent audience and customer centric, multi-channel media business.

2020 Annual Results Summary

I'd now like to share with you a summary of our 2020 Annual Results.

Despite the challenges and disruption brought on by Covid-19 NZME returned a statutory Net Profit After Tax of \$14.2 million and Operating EBITDA of \$67.3 million.

Adjusted for impairment, 2020 statutory NPAT is up by 45% on 2019.

As I mentioned in our Annual Results presentation, this was achieved through a determined focus on our strategic priorities alongside a swift and purposeful response to the challenges posed by Covid-19 across much of 2020.

Operating Revenue gives the best illustration of the impact of Covid-19, being down 11% year-on-year. During the month of April 2020, total advertising revenues were down 47% year-on-year, and only recovered in the last two months of 2020.

The impacts of the pandemic were also offset by a 14% reduction in our Operating cost base. We expect that this will deliver an ongoing annual cost reduction of \$20 million.

I'd also like to draw your attention to the significant reduction in net debt of \$40.9 million, bringing net debt to \$33.8 million at 31 December 2020.

2023 Strategic Priorities

As Barbara has mentioned, we have re-tuned our strategy with a clear focus on digital transformation, and an emphasis on delivering to a set of well-defined targets, together with specific metrics - the attaining of which will determine success for NZME through to 2023.

I will take you through these now.

Audio

Our strategic priority to be New Zealand's leading audio company will be supported by three pillars, these focus on

- creating New Zealand's best local audio content
- growing broadcast and digital audience reach and
- growing market revenue share and digital revenue.

We will target growth in both share of total audience and radio revenue share, alongside growth of digital audio revenue share as a percentage of total audio revenue.

We are targeting a lift in Audio's EBITDA margin from the 14 per cent achieved in 2020 to our target of between 15 and 17 per cent by 2023.

We completed a significant repositioning of our radio brands and talent in mid-2020. This included the launch of new radio brands, Gold and Gold AM. We still have a range of initiatives here to grow the 10 plus audience market share, with a focus on the key 25 to 54-year-old demographic and realising regional opportunities to increase revenue share.

In terms of digital audio, revenue initiatives include leading the industry in digital audio monetisation. This is supported by the appointment of a Head of Digital Audio - a role that started with us in February this year.

While we won't have updated audience share metrics until later this month, we are pleased with ongoing revenue market share growth which is currently delivering on our annual target of at least one share point growth per annum.

Publishing

Our Publishing strategy to create **New Zealand's Herald** is supported by the 3 pillars which include

- The New Zealand Herald being the number one news brand for all New Zealanders
- a subscriber first focus, and for the
- NZ Herald to be a safe scalable destination for advertisers.

Targets here are focused on subscription growth both in terms of volume, and the volume mix, with an aim of an overall subscription volume target of 210,000 subscribers by the end of 2023.

This will give NZME more than 12% of New Zealand households subscribing to NZME across our digital and print platforms.

An important feature of our Publishing strategy is the growth in the share of digital revenue in the advertising revenue mix, up from the 42% achieved in 2020 and targeting more than 45% by 2023.

We're targeting Publishing to hold its EBITDA margin through to 2023.

Our 2021 initiatives here include growing local and national audience engagement through community connections and reader personalisation, building business, political and investigative journalism output, and increasing the use of authenticated audience and customer data across the NZME network.

I'm pleased to report that we continue to see strong growth in the New Zealand Herald Premium proposition, with over 110,000 subscribers accessing the service, including over 60,000 paying digital subscribers, up from 53,000 paid digital subscribers at December 2020.

This is well on track to achieving the 2021 subscriber goals set as part of the 2023 strategy.

OneRoof

We've evolved our OneRoof strategy with a determined focus on being **Your Complete Property Destination**.

Supporting these targets is a focus on

- strengthening the core residential listings business
- being indispensable to real estate agents and by
- expanding the OneRoof portfolio.

One Roof's 2020 achievement delivered residential for sale listings at 89% share of the market - we're targeting 100% market share by 2023.

9% of those listings attracted an upgrade in 2020 - we are targeting to lift that to 50% by 2023.

We're also targeting digital revenue to surpass print revenue from OneRoof by 2023.

Along with audience growth we expect achieving these targets will deliver OneRoof EBITDA margin of between 15 and 25 %.

Among the initiatives supporting this growth across 2021, including the appointment of Paul Maher as OneRoof's dedicated executive leader, we will continue to grow solid agency relationships to build listings coverage and provide a suite of products that provide scale and relevancy to deliver results for vendors and advertisers.

We have strong growth aspirations for OneRoof as evidenced by these metrics. I'm pleased to report that the OneRoof Digital platform has achieved year on year revenue growth of over 95% for the first quarter of 2021.

Executive Team

These specific targets and the metrics associated with each provides a dedicated focus for your executive team.

We have continued to ensure the NZME senior leader retain the most appropriate mix of skills and experience and that we remain responsive to effectively deliver on our strategic priorities.

With this in mind, and as just noted, in February this year we were pleased to welcome Paul Maher to the executive as Chief of OneRoof.

Ensuring OneRoof has dedicated executive leadership and ownership is vital to the ongoing development of this strategic priority to ensure it delivers on the targets set.

Multinational Digital Media Platforms

I'd now like to take this opportunity to update you on progress regarding moves to ensure large multinational digital media platforms fairly compensate New Zealand based news media for the content they currently access for free and then monetise.

Our observations of overseas jurisdictions where this issue is being dealt with, is that meaningful engagement is usually only experienced when governments signal an intent to impose change through regulation or even, as in Australia's case, legislation.

You may have noted, as we have with interest, that Minister Kris Faafoi as recently as late last month, has publicly encouraged global digital platforms to begin meaningful discussions with companies such as NZME.

We look forward to working on this issue with all parties in New Zealand including Google, Facebook, the New Zealand government and our fellow news media industry players.

Trading Update

Let me now update you on current trading conditions.

It's pleasing to note that we saw a solid improvement in advertiser spend at the end of last year, with a tangible lift in business confidence.

The global economic reality remains one of some uncertainty, with the ongoing effects of Covid-19 impacting market dynamics, and business confidence monitors have been variable in recent months.

After a strong finish to 2020, trading in the first quarter of 2021 made a slower start, with real estate requiring less marketing and a number of international travel providers only recently re-commencing advertising.

Despite these challenges, pleasingly, March 2021 delivered advertising revenues on par to those achieved in 2019.

Our focus remains on being able to deliver this performance on a consistent basis during the year.

Based on continued recovery of revenue and the permanent cost reductions made during 2020, we continue to expect profit growth for 2021.

The process to divest GrabOne is well advanced with ongoing interest from potential purchasers.

As Barbara has outlined – given that net debt is expected to continue to reduce and based on this outlook and NZME’s capital requirements, the Board continues to expect to pay an interim dividend for 2021, in the second half of the year.

Michael Boggs - Conclusion

This concludes my address. I look forward to discussing any questions you have before the conclusion of today’s meeting.

Before I hand you back to Barbara, I’d like to thank the entire NZME team of 1,200 for their commitment to delivering for our audience, our customers, and for you, our shareholders over this last year.

I’d like to share with a you a short video that captures much of what we mean when we describe NZME as an audience and customer centric multi-channel business and the talented team that creates, sells and supports this content every day.

NZME’s 2020 election night coverage was a convergence of the best of our radio, our print and our digital journalism with breaking and developing election coverage delivered across all platforms.

Journalists in our regional newsrooms teamed up with our metropolitan based news teams and our roving political journalists to ensure all New Zealanders, regardless of where they were, could stay up to date with our coverage.

The content was also channelled into a video show live streamed on our nzherald.co.nz platform.

This all built up to an impressive 7.9 million-page views on nzherald.co.nz on the day after the election, following on from the election day’s 7.2 million-page views. These are some of the biggest single event audience numbers in the site’s history.

This is NZME on election night 2020.