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FOR IMMEDIATE RELEASE

NZME Limited 2022 Half Year Financial Results

AUCKLAND, 23 August 2022: NZME Limited (NZX: NZM, ASX: NZM) (“**NZME**”) has today announced its financial results for the half year ended 30 June 2022, reporting Statutory Net Profit After Tax (NPAT) of \$8.5 million up 37 percent on the same period in 2021.

NZME also reported Operating Earnings before Interest, Tax, Depreciation and Amortisation (EBITDA)¹ of \$28.1 million - up three percent on the same period in 2021. Operating Revenue was five percent higher than the same period in 2021, with total revenue increasing across the three key strategic pillars: Audio, Publishing and OneRoof, with total digital revenue up 24 percent compared to the same period in 2021.

Michael Boggs, NZME Chief Executive Officer, says the results demonstrate NZME is delivering on its transformation objectives and continues to make excellent progress on its strategic priorities and targets.

“We’ve started the year strongly with revenue and profitability above the same period last year, and advertising revenues for the same period now at pre-Covid levels. Despite the continued challenges the recent Omicron outbreak has brought, across the business we have remained agile and we’ve adapted as needed, and I’m proud to deliver such a positive result for the first half of 2022,” he said.

“NZME’s digital transformation and diversification across our platforms continues to deliver excellent results across key areas of our business, particularly in digital revenue growth,” said Boggs.

Key highlights:

- NZME reached 100,000 paid digital only subscriptions in June, with publishing subscriptions across digital and print increasing to 206,000.
- Strong growth in digital audio revenue up 56 percent in the first half of 2022 compared to the previous corresponding period.
- OneRoof achieved significant growth, including a 53 percent increase in digital revenue year-on-year, against a cooling housing market.
- NZME acquired BusinessDesk in January 2022, bolstering NZME’s reputation as the country’s pre-eminent business news provider.
- NZME celebrated its largest ever cumulative audience in July’s GfK Commercial Radio Survey, reaching more than two million people across its radio platforms².
- NZME’s digital audio platform - iHeartRadio, reaches one million devices and 6.4 million listening hours in June 2022³.
- NZME is the country’s top podcast network, representing eight out of the ten top podcasts⁴ in New Zealand, with more than 4.5 million podcast downloads for the month of June 2022.

Capital management

NZME completed half of the planned \$30 million capital return through the buyback of \$5.3 million of shares, and the payment of a special dividend of 5.0 cents per share in July 2022.

NZME Chairman Barbara Chapman said: “Following the strong operating performance and capital position of the company, the NZME Board declared a fully imputed interim dividend of 3.0 cents per share.

“NZME remains in a very strong capital position and will recommence the on-market buyback on 24 August 2022. The Board remains committed to returning excess capital to shareholders and will review capital and dividend policy settings over the second half of 2022.”

Outlook

NZME also noted that while advertisers are exercising caution and there is some unease in the market as reported in business and consumer confidence metrics, advertising bookings for quarter three are currently tracking five percent above the previous corresponding period.

“NZME is not immune to the challenging macro-economic environment in New Zealand and globally, and cost pressures across the business continue. However, we are focused on carefully managing costs to ensure current business momentum continues into the second half of 2022,” said Boggs.

NZME reconfirmed its guidance of 2022 EBITDA in the range of \$67-\$72 million.

“I’d like to thank our our commercial partners, our valued investors and our audiences for their continued support. Thanks also to our team of 1200 at NZME for their hard work and dedication to their roles and for playing their part in serving our valued audiences, customers and our fantastic business,” said Boggs.

The full suite of 2022 Interim Results material can be found [here](#).

ENDS

Source:

¹Operating results presented are non-GAAP measures that include the impact of NZ IFRS 16, however, exclude exceptional items to allow for a like for like comparison between 2021 and 2022 financial years. H1 2021 has been restated to exclude the impact of GrabOne (sold October 2021) and the adjustments necessary from the change in accounting policy relating to SaaS arrangements adopted retrospectively. Please refer to pages 37-38 of this results presentation for a detailed reconciliation.

²GfK Commercial RAM, S2/22, Total NZ, Cume, AP10+, M-S 12mn-12mn (unless otherwise stated), Historical data available on request

³Adswizz June 2022.

⁴Triton NZ Podcast Ranker June 2022

For further information:

For investor queries	For media queries
David Mackrell	Kelly Gunn
Chief Financial Officer	GM Communications
+64 21 311 911	+64 27 213 5625
Email: david.mackrell@nzme.co.nz	kelly.gunn@nzme.co.nz