

26 August 2025

## NZME announces 2025 Half Year Results

**AUCKLAND, 26 August 2025:** NZME Limited (NZX and ASX: NZM) (NZME) has today announced its financial results for the half year ended 30 June 2025, reporting Operating Revenue<sup>1</sup> of \$165.7 million – down three percent from the previous corresponding period, in part because of the closure of the company's community newspaper network in December last year. Operating EBITDA<sup>1</sup> was \$23.9 million for the half, an increase of nearly 12 percent over the same period last year.

The Group reported a Statutory Net Loss After Tax of \$0.4 million after \$5.2 million of non-recurring costs. The majority of these were one off costs associated with restructuring across the business as well as legal and consulting costs associated with the Annual Shareholders' Meeting in June 2025, which was significantly more complex than in other years.

Michael Boggs, NZME Chief Executive Officer says: "Despite New Zealand's slower than expected economic recovery and the flow on impacts of that on the market, NZME has performed well with our underlying operating performance<sup>1</sup> increasing by 12 percent.

"Some one off costs impacted our overall reported profit. However, NZME's Operating Net Profit After Tax<sup>1</sup> was 22 percent higher than 2024, which was pleasing given the slower market recovery. We have already seen strong performance at the start of the second half of the year, with overall advertising revenue for July up 2 percent year on year and improved profitability."

### **Key highlights:**

- OneRoof delivered an EBITDA<sup>2</sup> improvement of \$0.6 million compared to the same period last year.
- OneRoof outperformed the market with a 16% growth in residential listings revenue compared with the 1% growth in Real Estate Industry NZ's (REINZ) market listings.
- Overall revenue in the Audio division grew from \$56.4 million to \$57.1 million compared to the first half of 2024. Digital revenue grew by 6% over the same period with growth expected to lift further in the second half of the year.
- NZME's podcast revenue increased from \$1.5 million to \$1.7 million and the share of digital audio revenue obtained from podcasts also grew by 3% to 32%.
- Subscriptions across NZME's Publishing division continued to grow with a 5% year on year increase, supported by sustained uptake in digital subscriptions.
- Free cash flow was \$2.2 million - a \$2.9 million improvement on the first half of 2024.
- Net debt of \$33.3 million at the end of June is \$9.2 million higher than the start of the year as a result of payment of the 2024 final dividend in March.
- Net debt remains within the target leverage range and was \$3.3 million higher than the end of June 2024.

### **Areas of focus**

Complementary to its three-year digital transformation, NZME is currently focused on three key areas:

#### **1) OneRoof value realisation**

NZME launched a strategic review to accelerate OneRoof's growth and realise its full potential in delivering value for shareholders. The review has highlighted the significant value creation opportunity of the OneRoof business. The new Board is focused in the short-term on growing OneRoof organically, while keeping strategic opportunities under constant review.

#### **2) Governance – additional specialists**

NZME also undertook to recruit additional specialists from a governance perspective. As well as the election of Steven Joyce and Jim Grenon at NZME's 2025 Annual Shareholders' Meeting, technology and marketplace expert Bowen Pan was subsequently appointed as a Director by the Board.

Additionally, the Board has now established an Editorial Advisory Board to provide advice, support and constructive challenge to the NZME editorial team on matters of editorial policy and direction. The Editorial Advisory Board does not have executive or decision-making powers but will provide independent counsel to the Chief Content Officer and the NZME Board on editorial standards, audience development and digital transformation initiatives.

The Editorial Advisory Board members are:

- **Miriyana Alexander (Chair)** - former Head of Premium at the NZ Herald who has held roles as Editor of the Weekend Herald and Herald on Sunday. She has also previously been Chair of the New Zealand Media Freedom Committee and was a winner of the prestigious Cambridge University Wolfson Press Fellowship.
- **Philip Crump** - lawyer and governance leader with more than 25 years of international experience in leveraged finance, debt restructuring, and private equity. Current member of Waitangi Tribunal and NZ on Air Board.
- **Josie Pagani** - CEO of Childfund New Zealand, international and political commentator and columnist.
- **Brent Webling** – former Chief Sub-Editor at The Dominion, The Sunday Times and The Dominion Post. Former Parliamentary and Ministerial Press Secretary. Current Director of WeblingMedia Ltd.

Furthermore, to support the growth and acceleration of OneRoof, the Board has also formalised the establishment of a OneRoof Advisory Board reporting to the main Board and chaired by NZME Board Director Bowen Pan.

### 3) Adapting to the difficult market conditions

The difficult economic environment continues, with business confidence showing signs of recovery but with consumer confidence continuing to fluctuate. With market commentators advising economic improvement is now expected to occur in 2026, NZME is adjusting its cost base to preserve profitability, while it works on lifting market share to benefit from the eventual market upswing.

#### Capital management

The final 2024 dividend of 6 cents per share was paid on 31 March 2025. Net debt at 30 June 2025 was \$33.3 million which was seasonally higher than the \$24.1 million at 31 December 2024. The leverage ratio of 0.9 at the end of the half remains within the target range of 0.5 to 1.0 times rolling 12 month EBITDA (pre NZ IFRS 16)<sup>3</sup>.

In June 2025 the company's bank loan facilities were extended to 31 August 2028, increasing the total facilities limit to \$60.0 million.

The Board has declared a fully imputed interim dividend for the 2025 year of 3.0 cents per share which is payable on 24 September 2025.

#### Outlook

Despite the market recovery continuing to be slow, economists remain optimistic there will be improvements in the year ahead.

Big brands, represented by media agencies, are investing in building their brand profiles, which is of benefit to NZME as they seek cross platform advertising opportunities. However, small to medium businesses are still challenged. As the economic environment improves, we expect their marketing investment to increase.

NZME has made annualised cost reductions of \$12.0 million during the half, \$2.0 million of which was recognised in the second quarter of the year. The full impact will be seen in the second half of 2025 and into 2026.

NZME has seen strong performance in advertising revenue in July 2025 – up 2% year on year (adjusting for the closure of our community newspaper network) and improved operating profit year on year.

Steven Joyce, NZME Board Chair says: “The Board is focused on improving shareholder value through short-term profitability improvements, OneRoof's growth strategy, continuation of the company's digital acceleration programme and improving the overall experience for NZME's audiences.”

Based on current performance, without allowing for significant economic improvements, NZME expects to deliver Operating EBITDA<sup>2</sup> for the full year in the range of \$57.0 million to \$59.0 million. Under the Company's dividend policy<sup>3</sup>, this level of EBITDA would enable a full year dividend similar to the 2024 year (3c interim plus 6c final), subject to a Board decision at the time.

## **Conclusion**

Michael Boggs says: "Despite challenging economic conditions, our team has delivered pleasing results and I'd like to thank them for their continued commitment to strive for further growth and improvement in the second half of the year.

"Thanks also to the 3.5 million New Zealanders<sup>4</sup> who connect with NZME via our platforms and to our shareholders for their ongoing support of our strategic vision and ongoing transformation journey," says Boggs.

## **ENDS**

Authorised by Michael Boggs, Chief Executive Officer

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1. Operating results presented are non-GAAP measures that include the impact of NZ IFRS 16, however, excludes non-recurring expenses to allow for a like for like comparison between 2024 and 2025 financial years. Please refer to pages 40-41 of the results presentation for a detailed reconciliation.
2. Operating EBITDA is a non-GAAP measure and excludes non-recurring expenses.
3. NZME Dividend Policy: <https://www.nzme.co.nz/investor-relations/dividends>
4. Nielsen CMI Q2 24 – Q1 25 June 25 Fused AP15+. Monthly coverage for Daily, Sunday & Weekend Sun titles, weekly coverage for Newspaper Inserted Magazines, monthly UA for Digital, weekly reach for Radio (GfK RAM S1 25). Note: Fused data has potential for duplication.