



KEEPING KIWIS IN THE KNOW.

2020 Half Year Results

Six months to 30 June 2020

25 August 2020

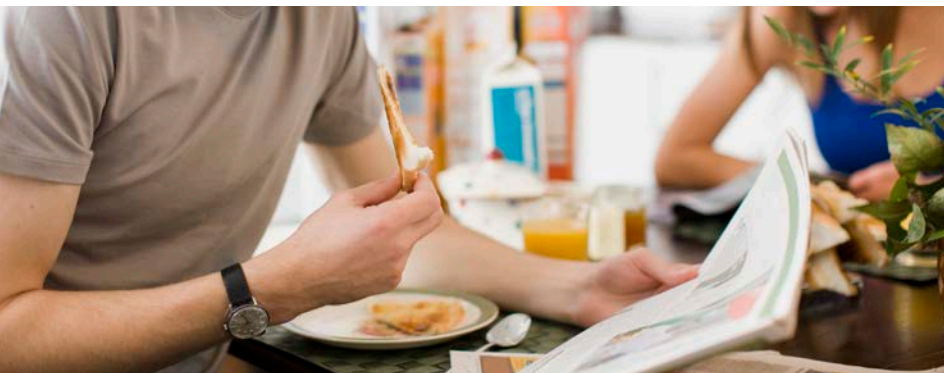
**NZ
ME.**

NEW ZEALAND
MEDIA AND
ENTERTAINMENT



AGENDA

Results Summary	3
Covid-19 Impact	4
Market Dynamics	7
Channel Performance	10
2020 Half Year Financial Results	16
Strategic Priorities	23
Outlook	27
Q&A	28
Supplementary Information	29



RESULTS SUMMARY.

For the half year ending 30 June 2020

- NZME reports strong performance, quickly navigating the impacts of Covid-19.
- Positive momentum in our key strategic priorities:
 - Growth of NZ Herald Premium with 82,000 subscribers - **more than 43,000 paid digital subscribers**. Combined Print and Digital **circulation revenues grew** year-on-year.
 - Continued **growth in Radio Revenue market share** and iHeartRadio listening.
 - OneRoof continues to grow; now **#1 in Auckland** for residential for-sale real estate listings and hosting more than 83% of New Zealand's listings²
- Operating EBITDA¹ \$28.9 million, up 5%.
- Operating result includes wage subsidy of \$8.6 million other revenue.
- 16% reduction in Operating cost base.
- Net debt reduced by \$19.5 million to \$55.2 million.
- Statutory Net Profit After Tax \$3.0 million, up from \$0.9m in H1 2019.

\$157.8m

Operating Revenue¹

H1 2019 \$181.1m ▼ 13%

\$6.8m

Operating NPAT¹

H1 2019 \$4.1m ▲ 66%

3.5cps

Operating EPS¹

H1 2019 2.1cps ▲ 65%

\$28.9m

Operating EBITDA¹

H1 2019 \$27.6m ▲ 5%

\$3.0m

Statutory NPAT

H1 2019 \$0.9m ▲ 217%

\$55.2m

Net Debt

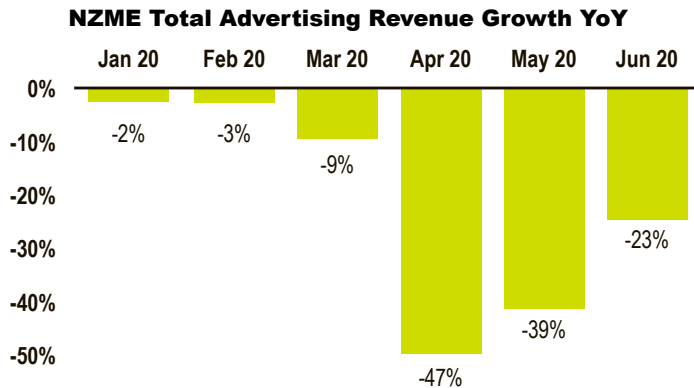
Reduced by \$19.5m ▼

1. Operating results presented include the impact of NZ IFRS 16, however exclude exceptional items to allow for a like-for-like comparison between 2019 and 2020 interim financial years. Please refer to pages 31-32 of this results presentation for a detailed reconciliation. Operating and statutory results include \$8.6 million of Covid-19 government wage subsidy received in H1 2020.
2. OneRoof's listings as a percentage of residential for-sale real estate listings on trademe.co.nz.

COVID-19 IMPACT.

The majority of NZME's operations are deemed an Essential Service. However, key revenue streams were significantly impacted in the first half:

1. Advertising Revenue:



2. **Circulation Revenue** down 5% with retail newspaper sales down 35% year-on-year in Q2, however print subscriber volume grew from Q1 to Q2 2020 for the first time since 2017.

KEY TIMELINE*

- 28 February:** NZ's first Covid-19 case
- 19 March:** Borders closed
- 23 March:** Alert Level 3 'Restrict'
- 25 March:** Alert Level 4 'Lockdown'
- 28 April:** Alert Level 3 'Restrict'
- 14 May:** Alert Level 2 'Reduce'
- 8 June:** Alert Level 1 'Prepare'
- 12 August:** Alert Level 3 in Auckland, Alert Level 2 rest of NZ

* Information on the NZ government's Covid-19 Alert Levels and their implications can be found at covid19.govt.nz.

ACTIONS TO MITIGATE THE IMPACTS OF COVID-19.

1. **Prioritised implementation of appropriate measures to protect the health and safety of our people, including access to support services and regular communications.**
2. **Took swift action to mitigate impacts on profitability and cash flow, contributing to a \$24.6 million reduction in Operating expenses:**
 - Temporarily suspended products including a number of newspaper inserted magazines and community newspapers.
 - Ceased broadcasting of Radio Sport.
 - Implemented wide scale workforce restructuring, resulting in reduction of more than 200 positions, representing 15% of the workforce.
 - Directors' fees and employee salaries reduced temporarily by 15-20% on a voluntary basis.
 - Accelerated annual leave utilisation.
 - Negotiated temporary reductions in key contracts and property leases.
 - Reduced overall discretionary spend.
 - Significantly reduced capital expenditure for the remainder of 2020.



COVID-19 GOVERNMENT RESPONSE.



NZME applied for available government assistance:

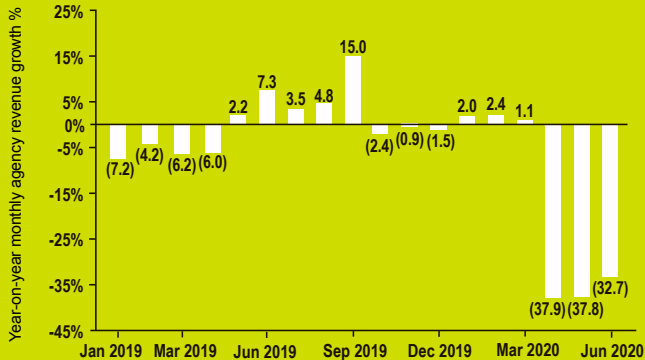
- Received the 12 week government wage subsidy (\$8.6 million net).
- Received transmission cost relief for 6 months from May to October 2020 (\$1.7 million) - not included in Operating earnings.
- Will receive a cash advance in H2 2020 as prepayment of 12 months of government advertising.



MARKET DYNAMICS.

NZME. NEW ZEALAND MEDIA AND ENTERTAINMENT

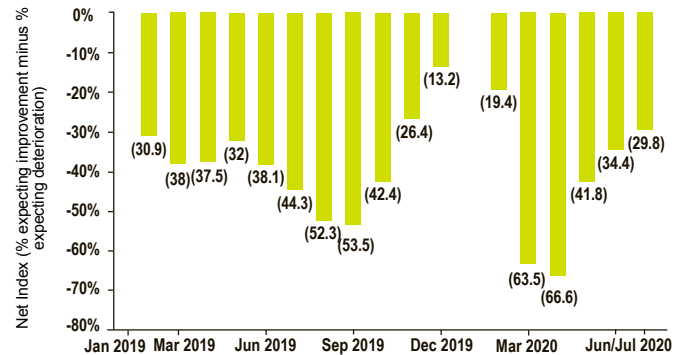
AGENCY YoY ADVERTISING MARKET TRENDS.



- Agency advertising market up 2.1% in Q1, prior to demand being affected by Covid-19, before falling 18.3% in the full six months to June 2020¹, with pressure across all channels:
 - Radio agency advertising up 7.7% in Q1, then down 11.0% for the half year-on-year;
 - Newspaper agency advertising up 7.4% in Q1, then down 14.2% for the half year-on-year; and
 - Digital agency advertising down 2.1% in Q1, then down 15.4% for the half year-on-year.

1. Standard Media Index (SMI) NZ Data Release, June 2020

NEW ZEALAND BUSINESS CONFIDENCE.



- The ANZ Business Confidence Index² for New Zealand shows initial signs of recovery in July 2020 after the impacts of Covid-19 earlier in the year. The July confidence score of -29.8% is an improvement on the 2019 average of -34.1% after progressively improving since April 2020.

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

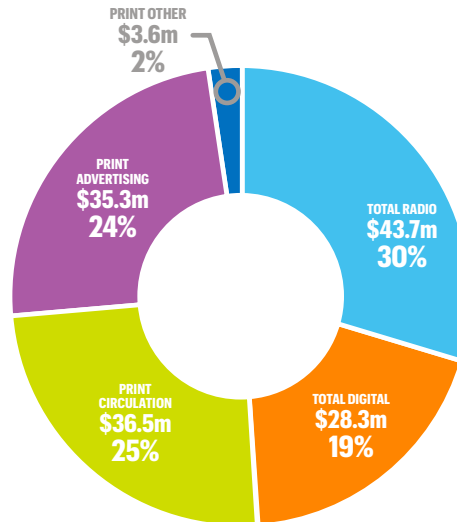
NZME PERFORMANCE COMPARED TO THE MARKET.

NZME has outperformed the market in all four key pillars.

H1 2020 Total Segment Revenue \$147.3m

Print advertising (YoY growth)	
NZME print advertising revenue	(30.9%)
Market movement – Print revenue ¹	(31.4%)
NZME print revenue market share ¹	46.8%

Print circulation (YoY growth)	
NZME circulation revenue	(5.3%)
NZME movement – print readership ²	(2.0%)
Market movement – print readership ²	(4.7%)
NZME print readership market share ²	51.1%

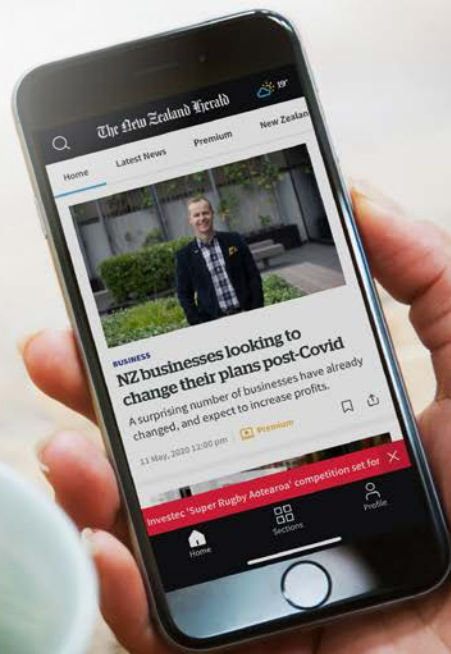


Radio advertising (YoY growth)	
NZME radio advertising revenue	(18.2%)
Market movement – Radio revenue ³	(19.5%)
NZME radio revenue market share ³	39.7%

Digital advertising (YoY growth)	
NZME digital advertising revenue	(8.4%)
Market movement – General Display revenue ⁴	(10.4%)
NZME general display market share ⁴	24.3%

1. PwC NPA quarterly performance comparison report, June 2020, 6 months to 30 June 2020 vs 6 months to 30 June 2019.
2. Nielsen CMI Fused Q2 19 – Q1 20, People 15+. We are unable to provide a market comparable for circulation growth at this time due to ABC suspending all audits until March 2021 due to Covid-19.
3. PwC Radio advertising market benchmark report, 6 months to 30 June 2020 vs 6 months to 30 June 2019.
4. IAB digital advertising revenue – General Display, IAB NZ Digital advertising revenue report, Q2 2020.

CHANNEL PERFORMANCE.



RADIO.

For the half year
ended 30 June 2020



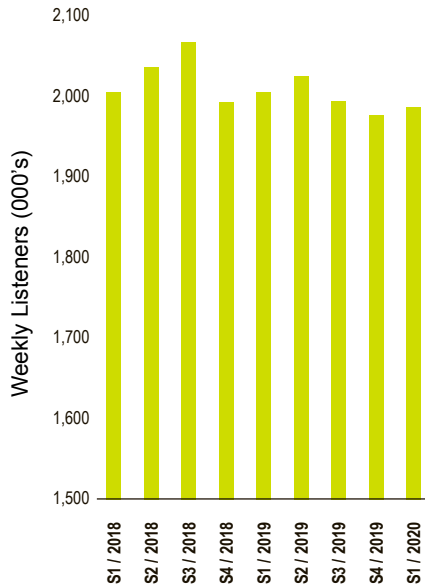
\$ million	H1 2020	H1 2019	% Change
Radio revenue	43.7	53.5	(18%)
Direct radio expenses	(14.6)	(17.7)	(17%)
Radio contribution	29.1	35.8	(19%)

- Radio revenue commenced the year in growth prior to the impact of Covid-19.
- Radio revenue market share grew year-on-year to 39.7% in H1 2020, up from 39.3% for the comparable period¹.
- iHeartRadio revenue grew 39% in H1 2020 to \$0.9 million, supported by significant growth in users and engagement in music and podcasts².
- Initiatives implemented in March 2020 to mitigate the impact of Covid-19 included the closure of Radio Sport.
- Significant audience maintained with 2.0 million weekly radio listeners³.

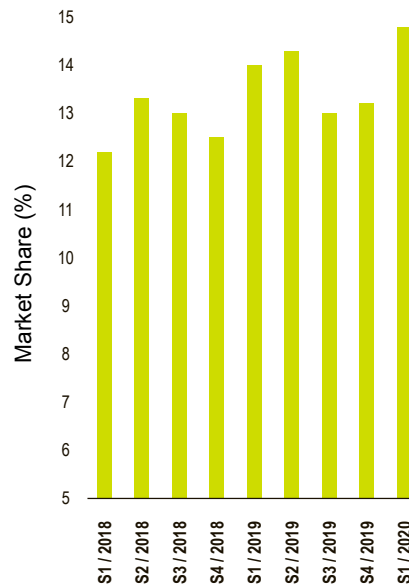
1. PwC Radio advertising market benchmark report, June 2020.
2. iHeartMedia, Adobe Analytics, June 2020.
3. GfK Radio Audience Measurement, Commercial Stations, NZME and Partners, Cumulative Audience, S1 2020, AP10+.

RADIO LISTENERS & MARKET SHARE.

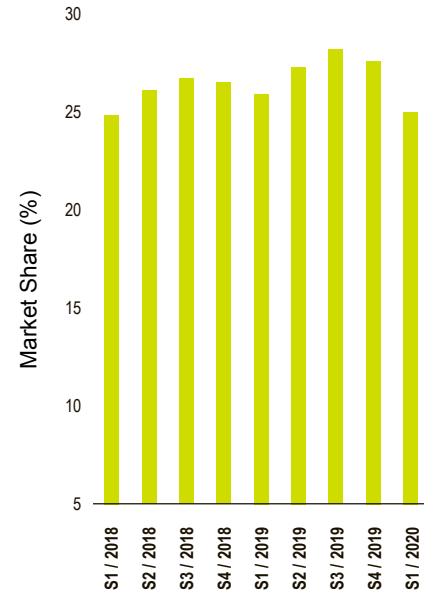
**NZME Radio weekly listeners
– Total including partners¹**



**NZME Talk Radio –
Major Markets All 10+ Share²**



**NZME Music Radio –
Major Markets 25-54 Share³**



1. GfK Radio Audience Measurement, Commercial Stations, NZME and Partners, Cumulative Audience, S1 2020, AP10+
2. GfK Radio Audience Measurement, Commercial Talk Stations, NZME, Market Share, S1 2020, AP10+.
3. GfK Radio Audience Measurement, Commercial Music Stations, NZME, Market Share, S1 2020, People 25 54 y/o.

PRINT.

For the half year
ended 30 June 2020



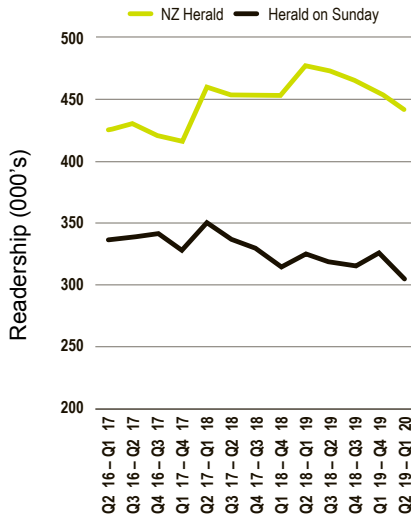
\$ million	H1 2020	H1 2019	% Change
Print advertising revenue	35.3	51.1	(31%)
Circulation revenue	36.5	38.5	(5%)
Other print revenue	3.6	7.0	(49%)
Print revenue	75.3	96.6	(22%)
Direct print expenses	(25.8)	(33.5)	(23%)
Print contribution	49.6	63.1	(21%)

- Print advertising market share maintained year-on-year at 46.8% for the 6 months to June 2020¹.
- Print circulation revenue was down 5% due to a volume decrease of 8% (subscriber -4%, retail -25%), partially offset by a 3% increase in yield in H1 2020. First subscriber volume lift from Q1 to Q2 20 since 2017 (79% of total volume, 75% of circulation revenue).
- In 2019 Stuff removed a number of publications previously printed by NZME which continues to impact other print revenue in H1 2020. Combined with reduced volumes, we expect an annual impact on third-party print revenue of approximately \$5 million, however this will be substantially offset by a reduction in print expenses.
- Initiatives implemented in March 2020 to mitigate the impact of Covid-19 included the temporary suspension of some newspaper inserted magazines and community newspapers.
- Readership continues to be strong with a NZ Herald brand audience of 1.6 million and 1.2 million weekly readers of NZME print publications².

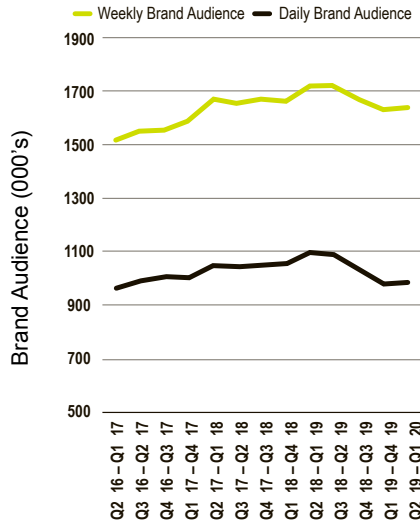
1. PwC NPA quarterly performance comparison report, June 2020.
2. Nielsen CMI Fused Q2 19 – Q1 20, June 2020, People 15+.

PRINT AUDIENCE & READERSHIP.

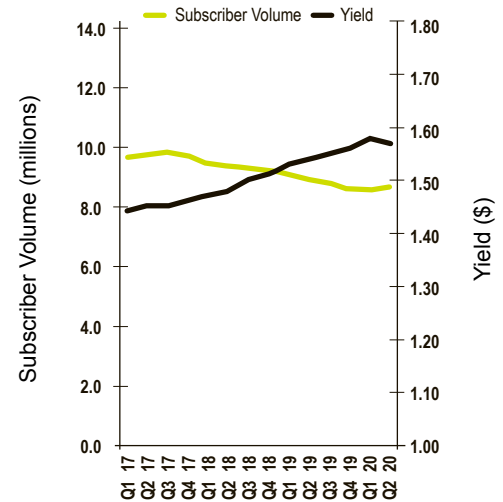
NZ Herald (Mon-Sat) and Herald on Sunday Average Issue Readership¹



NZ Herald Daily and Weekly Brand Audience²



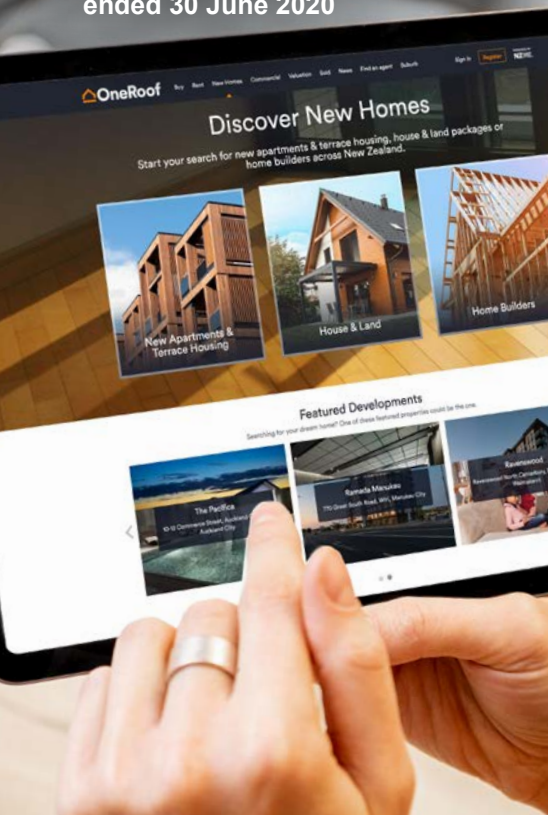
Print Subscriber Volume and Yield³



- Nielsen CMI Q2 16 – Q1 20, June, AP 15+, average issue readership trend.
- Nielsen CMI Q2 16 – Q1 20, June, AP 15+.
- Subscriber volume drives revenue and represents the count of individual paid papers delivered including the NZ Herald, Herald on Sunday and Regionals. Subscriber yield includes promotional volumes.

DIGITAL.

For the half year
ended 30 June 2020



\$ million	H1 2020	H1 2019	% Change
Advertising revenue	20.2	22.0	(8%)
Subscription revenue	2.4	0.2	-
Classified revenue	1.7	1.4	16%
GrabOne revenue	4.0	4.6	(12%)
Digital revenue	28.3	28.2	0%
Direct digital expenses ¹	(9.3)	(9.0)	3%
Digital contribution	19.0	19.2	(1%)

- Digital revenue held flat for the half at \$28.3 million after growing 7% in Q1, as growth in digital subscriptions and classifieds revenue offset the impacts of Covid-19 on advertising revenues.
- Growth in Digital display market share to 24.3% compared to 22.8% in H1 2019².
- Subscription revenue of \$2.4 million represents revenue from the NZ Herald Premium digital subscriber base.
- OneRoof, now #1 in Auckland for residential for-sale real estate listings, contributed \$1.4 million of digital classifieds revenue, of which 73% relates to listings and 18% sponsorship³.
- GrabOne revenue has quickly recovered from the impacts of Covid-19 and is now delivering year-on-year growth.
- 2.4 million digital users per month across NZME's digital platforms⁴ and 1.6 million monthly unique audience on nzherald.co.nz⁵.

1. H1 2019 direct digital costs include reclassifications.
2. IAB NZ digital advertising revenue General Display, IAB NZ Digital advertising revenue report, Q2 2020.
3. OneRoof's listings as a percentage of residential for-sale real estate listings on trademe.co.nz.
4. Nielsen CMI Fused Q2 19 – Q1 20, May, People 10+.
5. Nielsen Online Ratings, June 2020.



2020 HALF YEAR FINANCIAL RESULTS.

EXPENSES.

For the half year ended 30 June 2020

- People and contributors expense reduced 11% reflecting cost saving initiatives in response to Covid-19.
- Printing and distribution expense reduced 24% due to an 8% reduction in print volumes, mostly relating to the temporary suspension of some print products due to Covid-19.
- Property costs decreased 19% due to transmission cost relief and savings in repairs and maintenance.
- IT and communications costs increased 3% due to implementation of new systems.
- Exceptional items largely relate to redundancies due to workforce restructuring.

\$ million	H1 2020	H1 2019	% Change
People and contributors	69.2	77.4	(11%)
Print and distribution	22.5	29.6	(24%)
Agency commission and marketing	16.4	21.1	(22%)
Property	2.8	3.4	(19%)
Content	7.2	8.1	(11%)
IT and communications	6.0	5.8	3%
Other	4.8	8.1	(40%)
Total Operating expenses¹	128.9	153.5	(16%)
Exceptional items:			
Redundancies	7.0	3.2	
One off projects and other exceptional items	0.2	1.1	
Total exceptional items	7.2	4.3	

Note: Net exceptional items of \$5.8 million on pages 31-32 includes other revenue relating to transmission and property lease cost relief.

1. Operating results presented include the impact of NZ IFRS 16, however exclude exceptional items to allow for a like-for-like comparison between 2019 and 2020 interim financial years. Please refer to pages 31-32 of this results presentation for a detailed reconciliation. Operating and statutory results include \$8.6 million of Covid-19 government wage subsidy received in H1 2020.

ONGOING COST BASE REDUCTIONS.

While some of the impacts and actions taken in response to Covid-19 were temporary, Management expect to achieve a permanent reduction in cost base as a result of:

- Permanent product changes; and
- Improved efficiency following the restructure.

Costs were down \$24.6 million for the first half, with approximately \$7.0 million relating to permanent cost reductions and the balance relating to variable or short-term savings.

The annualised permanent reduction in cost base is expected to be \$20.0 million per annum.

BALANCE SHEET.

As at 30 June 2020

- Net working capital decreased due to revenue decline, resulting in a lower receivables balance, partially offset by lower payables at June 2020.
- Agreed terms to extend existing debt facilities to 1 July 2023 (due to expire January 2022), including additional covenant headroom over the term of the facility.
- Net debt reduced by \$19.5 million in 6 months to \$55.2 million as at 30 June 2020.
- Net debt reduction is expected to be lower in the second half as net working capital is expected to grow.

\$ million	31 June 2020	31 December 2019
Trade, other receivables and inventory	40.8	54.4
Trade and other payables	(48.5)	(51.5)
Current tax (payable)/receivable	(0.5)	(0.3)
Net working capital excluding cash	(8.1)	2.7
Plant property & equipment, intangibles and other non-current assets	203.1	209.5
Right of use assets (NZ IFRS 16)	69.1	75.5
Lease liabilities (NZ IFRS 16)	(89.6)	(95.9)
Net interest-bearing liabilities	(55.2)	(74.7)
Lease liabilities (NZ IFRS 16)	(0.2)	(0.6)
Net Assets	119.1	116.5

CASH FLOWS.

For the half year ended 30 June 2020

- Operating cash flows increased \$9.4 million in the half to \$27.7 million, substantially due to lower working capital.
- Capital expenditure was \$3.3 million in H1 2020, a decrease compared to \$4.5 million in H1 2019.
- Full year 2020 capital expenditure is expected to be approximately \$7.0 million.
- Lease liability principal repayments reduced to \$4.8 million due to transmission cost relief received from the government and rent concessions.

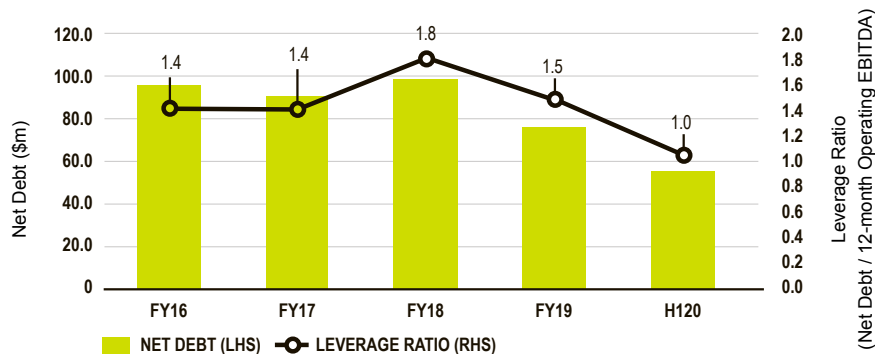
\$ million	H1 2020	H1 2019
Operating EBITDA¹	28.9	27.6
NZ IFRS 16 Interest paid on leases	(2.3)	(2.5)
Interest paid on bank facilities	(1.5)	(2.0)
Working capital movement	11.0	0.4
Exceptional items	(7.2)	(4.3)
Tax paid	(1.2)	(2.0)
Non-cash items in EBITDA	(0.2)	1.0
Cash flow from operations	27.7	18.3
Capital expenditure	(3.3)	(4.5)
NZ IFRS 16 lease liability principal repayment	(4.8)	(5.7)
Cash movement in Net Debt	19.6	8.1
Non-cash borrowing costs	(0.1)	(0.1)
Movement in Net Debt	19.5	8.0

1. Operating results presented include the impact of NZ IFRS 16, however exclude exceptional items to allow for a like-for-like comparison between 2019 and 2020 interim financial years. Please refer to pages 31-32 of this results presentation for a detailed reconciliation. Operating and statutory results include \$8.6 million of Covid-19 government wage subsidy received in H1 2020.

CAPITAL MANAGEMENT.

- Capital management plan is to reduce debt while maintaining investment in growth opportunities across the business.
- Net debt reduced by \$19.5 million in 6 months to \$55.2 million as at 30 June 2020.
- Leverage ratio (Net Debt to 12-month Operating EBITDA¹) decreased to 1.0 times as at 30 June 2020.
- New bank facilities limit dividend payments until after 30 June 2021.

	30 June 2020	31 December 2019
Net Debt (\$ million)	55.2	74.7
Net interest cover (Operating EBITDA ¹ / Interest Expense)	14.8	11.5
Leverage Ratio (Net debt to 12-month Operating EBITDA ¹)	1.0	1.5



Dividend Policy

Subject to achieving the annual debt reduction target, and having regard to NZME's capital requirements, operating performance, financial position and cash flow at the time, NZME intends to pay dividends of 30% to 50% of reported NPAT.

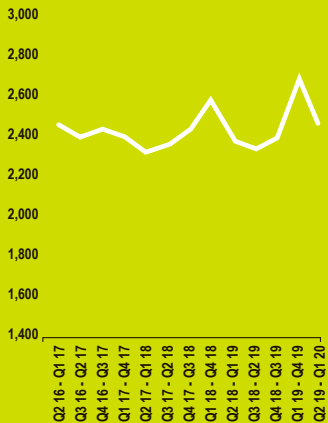
Full dividend policy is available at www.nzme.co.nz/investor-relations/dividends/

1. Operating results presented include the impact of NZ IFRS 16, however exclude exceptional items to allow for a like-for-like comparison between 2019 and 2020 interim financial years. Please refer to pages 31-32 of this results presentation for a detailed reconciliation. Operating and statutory results include \$8.6 million of Covid-19 government wage subsidy received in H1 2020.

STRATEGIC PRIORITIES.

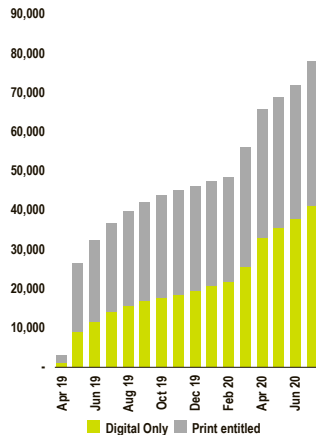
Focused on Growth:

NZME Total Monthly Digital Users¹



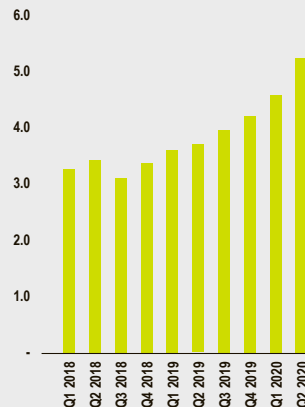
1 Leading the future of news and journalism in New Zealand

NZ Herald Premium Digital Subscriptions



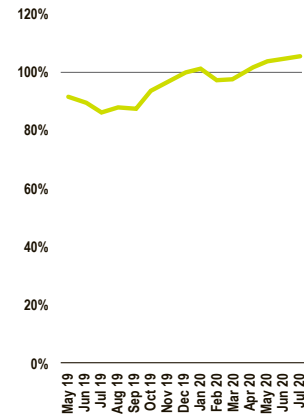
2 Growing radio and leading digital audio

iHeartRadio Average Monthly Total Listening Hours (million)²



3 Creating New Zealand's leading real estate platform

OneRoof Auckland residential for-sale listings as a % of total³



1. Nielsen CMI Fused Q2 19 – Q1 20, May, People 10+.
2. AdsWhizz and StreamGuys, June 2020.
3. OneRoof's listings as a percentage of residential for-sale real estate listings on trademe.co.nz.

1







LEADING THE FUTURE OF NEWS & JOURNALISM IN NEW ZEALAND.



Your Premium

nzherald.co.nz/premium



2020 Focus	Key Success Metrics	2020 Results to date
 <p>Grow digital subscription revenues</p>	 <p>Growth in digital subscriptions and revenue while maintaining NZ Herald site audience and engagement</p>	<ul style="list-style-type: none"> 82,000 NZ Herald Premium subscribers; 43,000 paid, up from 21,000 at February 2020, and 39,000 print subscribers who have activated their premium access, up from 25,000 at February 2020 Digital subscription revenue of \$2.4 million in H1 2020, an annualised revenue run-rate of \$7.5 million based on current subscriber volumes Investment in Business and Regional journalism to enhance content offering
 <p>Enhance digital product and revenues</p>	 <p>Return digital advertising revenue to growth</p>	<ul style="list-style-type: none"> 2.4 million digital users per month across NZME's digital platforms¹ and 1.6 million monthly unique audience on nzherald.co.nz² Total Digital revenue flat despite impacts of Covid-19 Growth in Digital display market share to 24.3% compared to 22.8% in H1 2019³ NZ Herald App upgraded to enhance personalisation, allow offline reading and in-App purchasing of Premium subscription access
 <p>Improve core print revenue trends</p>	 <p>Improve print subscriber retention and reduce advertising revenue declines</p>	<ul style="list-style-type: none"> Print advertising and circulation revenues impacted by Covid-19 Print subscribers grew in the half, representing 83% of total print volume and 75% of total circulation revenue

1. Nielsen CMI Fused Q2 19 – Q1 20, May, People 10+.
 2. Nielsen Online Ratings, June 2020.
 3. IAB digital advertising revenue – General Display, IAB NZ Digital advertising revenue report, Q2 2020.

2

GROWING RADIO AND LEADING DIGITAL AUDIO.



2020 Focus		Key Success Metrics		2020 Results to Date	
	Enhance radio sales capability		Growth in radio revenue	<ul style="list-style-type: none"> Radio revenue in growth year-on-year prior to the impact of Covid-19 Radio revenue market share grew year-on-year to 39.7% for the half, up from 39.3% for the comparable period¹ 	
	Improve radio content offering		Grow radio audience share in the 25-54 demographic	<p>Brand optimisation, talent and content changes in June 2020:</p> <ul style="list-style-type: none"> Launch of Gold FM to replace Mix Auckland Coast's new 'Feel Good' sound Flava 'Old School Hip Hop & R&B' The Hits Breakfast 	
	Maximise the potential of the iHeart product		Growth in iHeartRadio and podcast consumption	<p>iHeartRadio revenue growth of 39% in H1 2020 supported by significant growth in users and engagement in music and podcasts:</p> <ul style="list-style-type: none"> 1,021,000 registered users, up 12%² from June 2019 4.9 million average monthly listening hours in H1 2020, up 34%³ from H1 2019 Significant growth in iHeartRadio weekly listening hours since new content launched; Flava +290%, The Hits +224%³ 	
			Revenue growth from digital audio products		









1. PwC Radio advertising market benchmark report, June 2020.
 2. iHeartMedia, Adobe Analytics, June 2020.
 3. AdsWizz and StreamGuys, June 2020

3

CREATING NEW ZEALAND'S LEADING REAL ESTATE PLATFORM.



2020 Focus	Key Success Metrics	2020 Results to Date
 <p>Develop OneRoof as a prominent national brand</p>	 <p>Improve listings, audience and engagement metrics</p>	<ul style="list-style-type: none"> Now having more residential for-sale listings in Auckland than any other site and 83% of NZ's residential for-sale listings¹ Monthly unique web audience has grown to 300,000², with less than a quarter³ now referred from the NZ Herald site More than 175,000 app downloads Enquiries to agents in June were up 24% in February (pre-Covid-19) and more than 50% up year-on-year
 <p>Deliver data driven agent promotion product</p>	 <p>Increase revenue from agent products</p>	<ul style="list-style-type: none"> Agent profile product revenue increase of 89% YoY Product range includes data based on user search behaviour, NZME wider-network data points and geo-location. Ads served across print, radio and digital channels Off-NZME network amplification products due to launch in H2
 <p>Maximise potential of existing products</p>	 <p>OneRoof revenue growth and improved contribution</p>	<ul style="list-style-type: none"> 73% of OneRoof revenues year to date generated from vendor listings upgrades Year-on-year revenue growth to \$1.4 million despite a 29% decrease in market property sales volumes due to Covid-19⁴ June 2020 listings revenue ~3 times June 2019 H1 development has improved the foundations for audience growth along with launching Virtual Viewings, Open Homes and Auctions during lockdown New OneRoof local print products launched and have increased print revenue share

90inma
International News Media Association

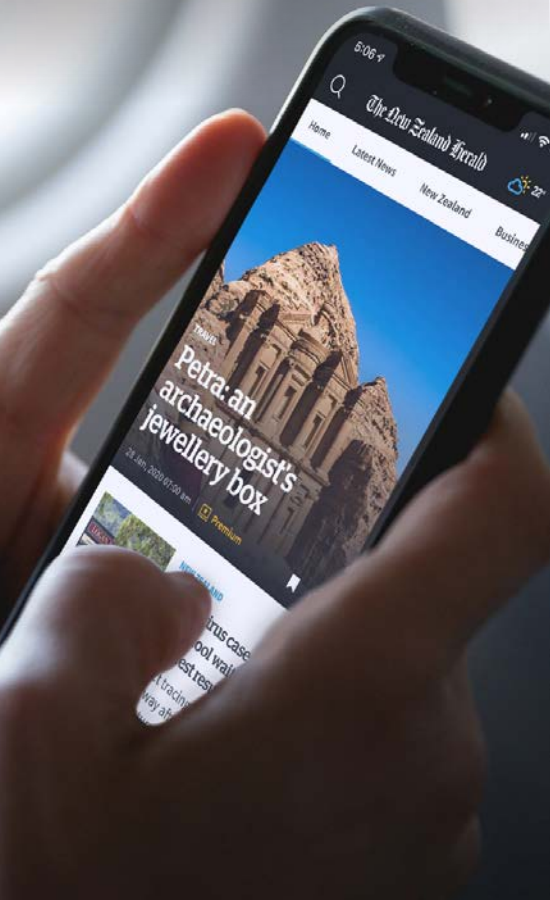
AWARDED SECOND PLACE GLOBALLY FOR BEST IDEA TO ACQUIRE OR RETAIN ADVERTISING CLIENTS

\$ million	H1 2020	H1 2019
Revenue	1.4	1.3
Direct Expenses	(2.1)	(2.6)
OneRoof Contribution	(0.6)	(1.3)
Total NZME Real Estate Revenue⁵	15.3	20.3

1. OneRoof's listings as a percentage of active residential for-sale real estate listings on trademe.co.nz.
 2. Nielsen Online Ratings, 2020.
 3. Google Analytics (July 2020).

4. OneRoof / Valocity.
 5. Total NZME Real Estate revenue restated for H1 2019 due improvements in industry booking tagging processes and therefore reporting accuracy.

OUTLOOK.



- We have seen a stronger than anticipated recovery from Covid-19.
- We remain cautious regarding the future economic environment.
- Advertising revenue expected to be down 16% year-on-year in Q3 2020.
- Cost containment remains a focus.
- Based on our current expectation of recovery we expect to deliver a FY 2020 Operating EBITDA of \$60 - \$63 million¹.
- Based on continued improvement in economic conditions, Covid-19 recovery, improved revenue trends and permanent cost reductions, we would expect profit growth in 2021.
- Based on this outlook and NZME's capital requirements, the Board expects to be able to consider a dividend payment when facility terms permit, after 30 June 2021.
- We look forward to providing you with further updates on our strategic priorities at an Investor Day in Q4.

1. Operating EBITDA includes IFRS 16.

Q&A.



SUPPLEMENTARY INFORMATION.



OUR SUSTAINABILITY COMMITMENT

JUNE 2020 UPDATE

No one could have anticipated the impact of Covid-19 on the nation, our economy, our business or our people – nor the flow on effect across our sustainability commitment.

Covid-19 in many respects has accelerated our sustainability initiatives, from ways of working through to reductions in travel and our fleet. In other respects, it has simply brought initiatives to a complete halt (as we have been unable to access our buildings, for example).

The following is a snapshot of 2020 activity – results will be reported following the conclusion of the financial year.



OUR COMMUNITIES

RESPONSIBLE REPORTING AND BROADCASTING



NZME provided a balanced reporting platform keeping Kiwis in the know as Covid-19 swept the globe and directly impacted New Zealanders.

CONNECTING COMMUNITIES



During Covid-19's impact NZME's Go NZ! campaign across newspapers, websites and radio networks highlighted how we can all play a part in rebuilding local economies. NZME delivered stories of local business innovation, success stories and tales of inspirational thinking.

SHARING OUR PLATFORMS



NZME has partnered with the following organisations to champion charitable causes and facilitate conversations that matter.

- Surf Lifesaving NZ
- KidsCan End Child Poverty
- MusicHelps (Covid-19)
- KidsCan '19' (Covid-19)
- Fairfood (Covid-19)

OUR PEOPLE

HEALTH AND SAFETY



NZME promoted a healthy and safe workforce through all levels of Covid-19 lockdown with regular transparent communications and support from senior leaders.

CHAMPIONING THE CRAFT



NZME has started ten Internships and /or cadetships including a virtual internship during Covid-19.

- NZME voted in Top 100 Graduate Employers in Grad NZ's 2020 Student Survey.
- 18 x NZ Radio Awards
- 14 x Voyager Media Awards
- PRINZ Awards – finalist for best Internal Communications (our Purpose)
- 4 x INMA Awards (International News Media Association)

EQUIPPING OUR PEOPLE



Covid-19 meant the successful, rapid deployment of working from home guidelines and video conferencing for our people. NZME has embraced videoconferencing to stay connected.

OUR ENVIRONMENT

RECYCLING



Identified and initiated recycling of batteries, ink and toner cartridges at our seven largest offices.

Encouraging the use of photocopy paper that comes in a fully recyclable wrapper.

BEST PRACTICE



Reduced our motor vehicle fleet.



Reduction in domestic travel.

RESPONSIBILITY



Climate Change and environmental stories to promote environmental issues impacting Kiwis.

RECONCILIATION OF OPERATING RESULTS TO FINANCIAL STATEMENTS.

For the 6 months ended 30 June 2020

6 MONTHS ENDED 30 JUNE 2020					
\$ million	Operating Results excl. IFRS 16	NZ IFRS 16 Adjustments	Operating Results incl. IFRS 16	Exceptional Items	Per Financial Statements
Segment revenue	147.3	-	147.3	-	147.3
Other revenue	10.5	-	10.5	1.5*	12.0
Total revenue	157.8	-	157.8	1.5	159.3
Expenses	(136.0)	7.1	(128.9)	7.2	(136.1)
EBITDA	21.8	7.1	28.9	(5.8)	23.2
Depreciation and amortisation	(8.7)	(6.3)	(15.0)	-	(15.0)
EBIT	13.2	0.7	13.9	(5.8)	8.2
Net interest expense	(1.6)	(2.3)	(4.0)	-	(4.0)
Net profit/(loss) before tax	11.5	(1.6)	9.9	(5.8)	4.2
Tax	(3.1)	-	(3.1)	1.9	(1.2)
Net profit/(loss) after tax	8.4	(1.6)	6.8	(3.8)	3.0

*This \$1.5 million relates to the accounting treatment of rent concessions received as a direct result of Covid-19 which, under an IFRS 16 practical expedient provision, has been classified as other revenue.

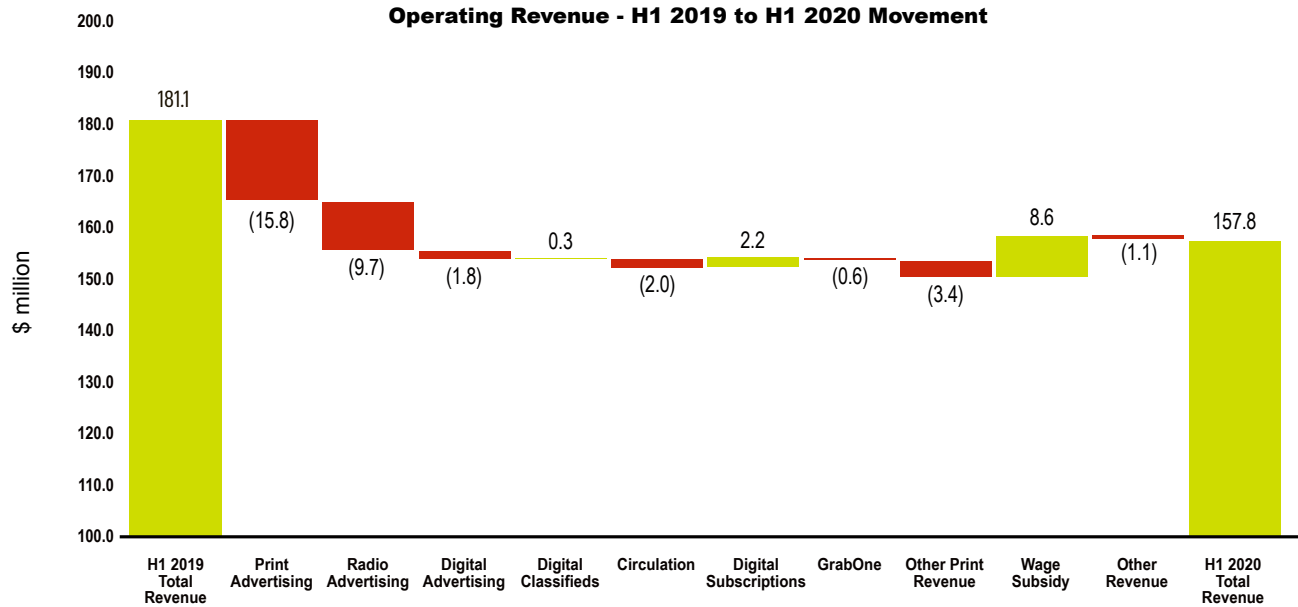
RECONCILIATION OF OPERATING RESULTS TO FINANCIAL STATEMENTS.

For the 6 months ended 30 June 2019

6 MONTHS ENDED 30 JUNE 2019					
\$ million	Operating Results excl. IFRS 16	NZ IFRS 16 Adjustments	Operating Results incl. IFRS 16	Exceptional Items	Per Financial Statements
Segment revenue	178.3	-	178.3	-	178.3
Other revenue	2.8	-	2.8	-	2.8
Total revenue	181.1	-	181.1	-	181.1
Expenses	(161.7)	8.2	(153.5)	(4.3)	(157.8)
EBITDA	19.4	8.2	27.6	(4.3)	23.3
Depreciation and amortisation	(10.6)	(6.4)	(17.0)	-	(17.0)
EBIT	8.8	1.8	10.6	4.3)	6.3
Net interest expense	(2.4)	(2.5)	(5.0)	-	(4.9)
Net profit/(loss) before tax	6.4	(0.7)	5.6	(4.3)	1.4
Tax	(1.7)	0.2	(1.6)	1.1	(0.5)
Net profit/(loss) after tax	4.7	(0.5)	4.1	(3.2)	0.9

OPERATING RESULTS.

REVENUE ANALYSIS



DISCLAIMER.



The information in this presentation is of a general nature and does not constitute financial product advice, investment advice, legal, financial, tax or any other recommendation or advice. This presentation constitutes summary information only, and you should not rely on it in isolation from the full detail set out in NZME's Consolidated Interim Financial Statements for the half year ended 30 June 2020.

This presentation may contain projections or forward-looking statements regarding a variety of items. Such projections or forward-looking statements are based on current expectations, estimates and assumptions and are subject to a number of risks and uncertainties. There is no assurance that results contemplated in any projections or forward-looking statements in this presentation will be realised. Actual results may differ materially from those projected in this presentation. No person is under any obligation to update this presentation at any time after its release to you or to provide you with further information about NZME Limited.

The Group adopted NZ IFRS 16 Leases on 1 January 2019. Operating results as stated throughout this presentation refer to results including the adjustments for the adoption of NZ IFRS 16 and prior to exceptional items. Please refer to pages 31-32 of this presentation for a detailed reconciliation to these results excluding IFRS 16 adjustments and to the statutory results.

While reasonable care has been taken in compiling this presentation, none of NZME Limited nor its subsidiaries, directors, employees, agents or advisers (to the maximum extent permitted by law) give any warranty or representation (express or implied) as to the accuracy, completeness or reliability of the information contained in it nor take any responsibility for it. The information in this presentation has not been, and will not be, independently verified or audited.



 The New Zealand Herald THE COUNTRY Advocate The Northern THE HITS Bay of Plenty Times DRIVEN

indulge  OneRoof Midweek WHANGANUI Stratford PRESS Guardian MANAWATU NewstalkZB Chronicle HOKIOHANGU

 Taupo & Turangi Weekender ROTORUA Daily Post hokonui  Herald on Sunday GOLD

 RESTAURANT HUB Kapiti News GrabOne  iHeartRADIO  spy Te Puke Times  RADIO HAURAKI

HASTINGS Leader Coast  JETmag COAST  nzherald.co.nz VIBE  canvas Hawke's Bay TODAY  NAPIER Courier

The Aucklander Education Gazette NEW ZEALAND  Mail WatchMe.  Weekend Herald VIVA

ROTORUA Weekender Hamilton NEWS  ZM nzherald  focus Health Central .nz  Toi Aotearoa Courier  travel

Whanganui Chronicle flava  be well Waihi Leader & Coastal News BUSHTELEGRAPH Taranaki

 OneRoof Commercial Education Central .conz Katikati Advertiser  TimeOut The Northland Age

**EVERYONE'S
HERE.**

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