



KEEPING KIWIS IN THE KNOW.

2019 Full Year Results

For the year ended 31 December 2019

25 February 2020

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

AGENDA

Results Summary	03
Market Dynamics	04
Channel Performance	07
2019 Full Year Financial Results	15
Strategic Priorities	24
Our Sustainability Commitment	28
Proposed Acquisition of Stuff	29
Outlook	30
Q&A	31
Supplementary Information	32

We have the channels, brands, talent and audience to fulfil our commitment to Kiwis and to lead the future of news and journalism in New Zealand. We empower, enrich and enliven our audiences and connect them to the people, events, and decisions that matter.

RESULTS SUMMARY.

For the year ending 31 December 2019

- Strong momentum in all of our key strategic priorities:
 - Growth of NZ Herald Premium with 46,000 subscribers – **over 21,000 paid subscribers.**
 - Radio Revenue in **growth of 2%.**
 - OneRoof continues to grow with over 75% of total New Zealand residential for sale real estate listings² and **\$2.8 million revenue in 2019.**
- Operating EBITDA \$50.6 million, down 7%. 2018 benefitted from an extra publishing week compared to 2019³. On a comparable basis, 2019 Operating EBITDA was down 5% and **grew 4% in the second half.**
- 4% reduction in operating cost base.
- Net debt reduced by \$23.6 million to \$74.7 million.
- Statutory Net Loss After Tax \$165.2 million due to a \$175 million impairment of intangible assets.

\$371.7m

Operating Revenue¹

2018 \$388.9m ▼ 4%

\$50.6m

Operating EBITDA¹

2018 \$54.7m ▼ 7%

\$19.7m

Operating NPAT¹

2018 \$18.9m ▲ 4%

(\$165.2m)

Statutory Net Loss after Tax

2018 Stat. NPAT \$11.6m

10.0cps

Operating EPS¹

2018 9.6cps ▲ 4%

\$74.7m

Net Debt

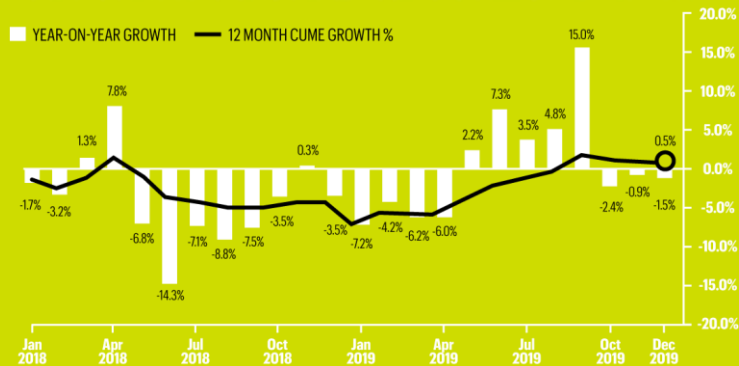
Reduced by \$23.6m

1. Operating results are presented excluding the impact of NZ IFRS 16 and exceptional items to allow for a like for like comparison between 2018 and 2019 financial years. Please refer to slide 33 and 34 of this results presentation for a detailed reconciliation.
2. OneRoof's listings as a percentage of residential for sale real estate listings on TradeMe.
3. 2018 Print revenue and EBITDA benefitted from 53 publishing weeks compared to 52 publishing weeks in 2019. Refer to Supplementary Information on Slide 36 of this results presentation for an analysis of Operating Results by channel adjusted for this timing difference.



MARKET DYNAMICS.

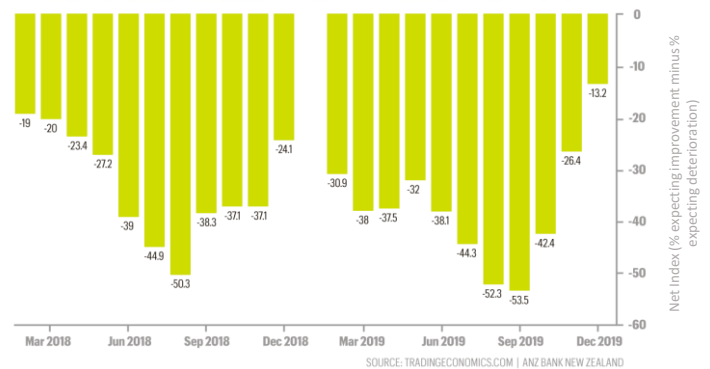
AGENCY ADVERTISING MARKET TRENDS.



- Agency advertising demand¹ recovered during the year with total agency advertising annual growth of 0.5% in 2019, in particular:
 - Radio showed positive growth finishing the year at 3.8%.
 - Digital display showed strong signs of recovery in August and September in the lead up to the 2019 Rugby World Cup, however finished the year down 2.4%.
 - Newspaper agency advertising was down 10.9% in the year.

1. Standard Media Index (SMI) NZ Data Release, December 2019

NEW ZEALAND BUSINESS CONFIDENCE.



- The ANZ Business Confidence Index shows New Zealand business confidence has improved at December 2019 to its most positive level since October 2017.

NZME PERFORMANCE COMPARED TO THE MARKET.

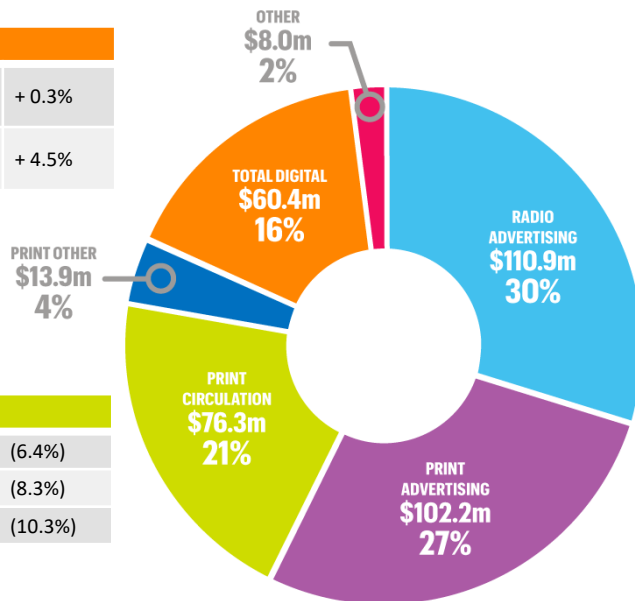
Total Operating Revenue \$371.7m

Digital advertising and classifieds

NZME digital advertising and classifieds revenue	+ 0.3%
Market growth – General Display revenue ¹	+ 4.5%

Print circulation

NZME circulation revenue	(6.4%)
NZME circulation volume	(8.3%)
Market growth – volume circulation ²	(10.3%)



Radio advertising

NZME radio advertising revenue	+ 2.4%
Market growth – Radio revenue ³	+ 2.0%
NZME radio revenue market share ³	39.5%

Print advertising

NZME print advertising revenue	(10.5%)
Market growth – Print revenue ⁴	(13.7%)
NZME print revenue market share ⁴	46.9%

1. IAB digital advertising revenue – General Display, IAB NZ Digital advertising revenue report, Q3 2019.
2. Audit Bureau Circulation, Audit Summary, year on year variance 30 September 2019.
3. PwC Radio advertising market benchmark report, December 2019, 12 months to 31 December 2019 vs 12 months to 31 December 2018.
4. PwC NPA quarterly performance comparison report, December 2019, 12 months to 31 December 2019 vs 12 months to 31 December 2018.

CHANNEL PERFORMANCE.



OUR CHANNELS AND BRANDS.

PRINT

 The New Zealand Herald

 Weekend Herald

 Herald *on* Sunday

The Northern
Advocate

Whanganui Chronicle

ROTORUA
Daily Post

Hawke's Bay
TODAY

Bay of Plenty Times

*Plus 20 other community publications
and 8 Newspaper Inserted Magazines
throughout NZ*

RADIO

Newstalk
ZB

ZM

THE HITS

 **RADIO HAURAKI**

Coast

MIX

RADIO SPORT

flava

hokonui

 **iHeartRADIO**

DIGITAL

 nzherald.co.nz

 **OneRoof**

DRIVEN

GrabOne

NZME CONTENT REACHES 3.2 MILLION* NEW ZEALANDERS.

PRINT

- **35 print publications across New Zealand**²
- 1.7 million NZ Herald weekly brand audience³
- 1.3 million weekly print readers¹
- 465,000 average issue readership³
- Print revenue market share 46.9%⁴ for 12 months to December 2019

RADIO

- **9 radio stations serving all key demographics**
- 2.0 million weekly listeners⁵
- Newstalk ZB - number one station and Mike Hosking Breakfast Show the most popular breakfast show⁶
- ZM Breakfast – the #1 breakfast show for all New Zealanders under 40⁶
- Radio audience market share 35.9%⁷
- Radio revenue market share 39.5%⁸ for 12 months to December 2019
- iHeart Radio - 944k registered users (up 14%), 3.9 million average monthly listening hours in 2019 (up 18%)⁹

DIGITAL

- 2.3 million digital users per month across our digital platforms¹
- **NZ Herald Premium:** Over 21,000 paid premium digital subscribers, 1.7 million monthly unique audience on nzherald.co.nz¹⁰
- **OneRoof:** 241,000 monthly unique audience¹⁰, 75% of residential for sale listings in New Zealand¹¹
- **Driven:** Over 40,000 for sale vehicle listings, 127,000 monthly unique audience¹⁰
- **GrabOne:** 352,000 monthly unique audience¹⁰

1. Nielsen CMI Fused Q4 18 - Q3 19, People 10+.

2. Print publications include 7 Metro and Regional newspapers, 20 community publications and 8 Newspaper Inserted Magazines.

3. Nielsen CMI Fused Q4 18 - Q3 19, People 15+.

4. PwC NPA quarterly performance comparison report, December 2019, NZME revenue market share for the 12 months to December 2019.

5. GfK Radio Audience Measurement, Commercial Radio Stations, NZME and Partners, Cumulative Audience, S4 2019, AP10+.

6. GfK Radio Audience Measurement, Commercial Radio Stations, NZME, S4 2019, Share (%).

7. GfK Radio Audience Measurement, Commercial Radio Stations, NZME and Partners in major markets, S4 2019, Monday-Sunday 12mn-12mn, station share %, AP 18-54.

8. PwC Radio advertising market benchmark report, December 2019.

9. Adswizz and StreamGuys, December 2019.

10. Nielsen Online Ratings, December 2019.

11. OneRoof's listings as a percentage of residential for sale listings on TradeMe.

PRINT.

For the year ended
31 December 2019



\$ million	2019	2018	% change
Print advertising revenue	102.2	114.2	(10%)
Circulation revenue	76.3	81.5	(6%)
Other print revenue	13.9	15.9	(13%)
Print revenue	192.4	211.6	(9%)
Direct print expenses	(69.4)	(77.0)	(10%)
Print contribution	123.0	134.6	(9%)

- 2018 Print revenue benefitted from an extra publishing week. Adjusting for this, 2019 total print revenue decreased 8% compared to 2018¹.
- Print circulation revenue was down 6% - excluding the extra publishing week in 2018, print circulation revenue declined 5% due to volume decrease of 8% and partially offset by a 4% increase in yield.
- Print advertising and circulation declines are in line with 2018 when adjusting for the extra publishing week in 2018.
- Print advertising market share increased to 46.9% for the 12 months to December 2019², up from 44.8% for the 12 months to December 2018.
- In 2019 Stuff started to print some of their own publications previously printed by NZME. This impacted NZME other print revenue. 2020 will see a further reduction of third-party print revenue of approximately \$4m, but will be substantially offset by print expenses.
- Readership levels continue to be strong with 1.7 million NZ Herald brand audience and 1.3 million weekly readers of NZME print publications³.

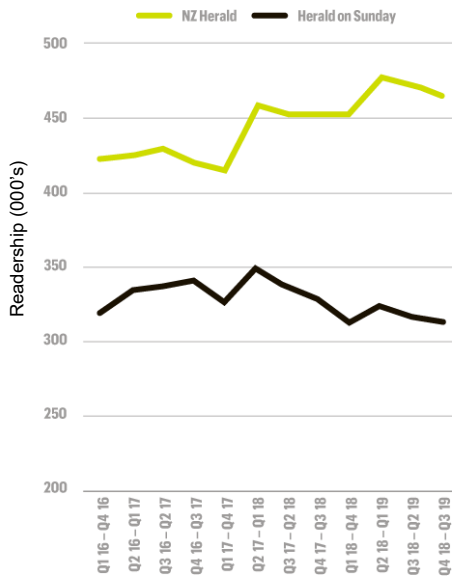
1. Refer to Supplementary Information on Slide 36 of this results presentation for an analysis of 2019 Operating Results compared to 52 weeks Operating Results in 2018.

2. PwC NPA quarterly performance comparison report, December 2019.

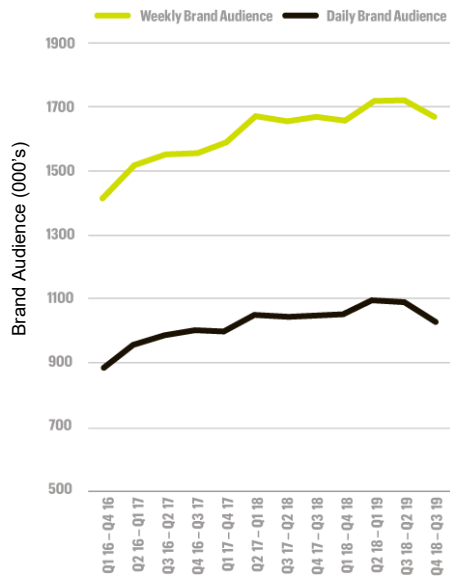
3. Nielsen CMI Fused Q4 18 - Q3 19, People 10+.

PRINT AUDIENCE & READERSHIP.

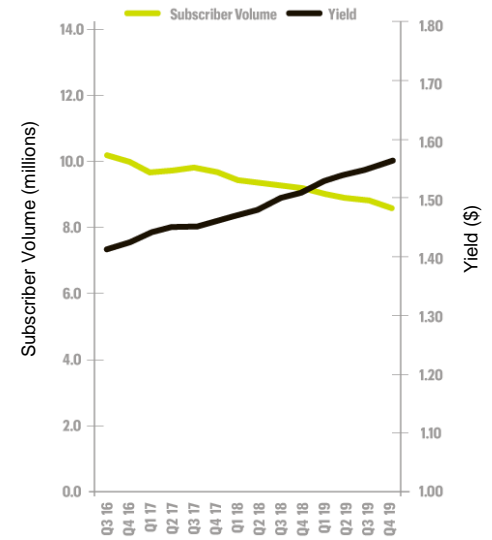
NZ Herald (Mon - Sat) and Herald on Sunday Average Issue Readership¹



NZ Herald Daily and Weekly Brand Audience²



NZME Subscriber Volume and Yield³



1. Nielsen CMI Fused Q4 18 - Q3 19, AP 15+, annual average issue readership trend.

2. Nielsen CMI Fused Q4 18 - Q3 19, AP 15+.

3. 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.

RADIO.

For the year ended
31 December 2019

\$ million	2019	2018	% change
Radio revenue	110.9	108.2	2%
Direct radio expenses	(39.4)	(38.3)	3%
Radio contribution	71.5	69.8	2%

- Strong growth in the second half of the year of 5%, contributed to full year growth of 2% to \$110.9 million.
- Radio audience market share increased to 35.9%¹ in December 2019 (up from 34.9% in December 2018).
- Radio revenue market share to 39.5%² for the 12 months to December 2019 (up from 39.0% for the 12 months to December 2018).
- Our focus on radio capability continues to prove itself with award winning stations and radio talent.
- iHeart showing strong growth of audience engagement in listening to music and podcasts:
 - 944,000 registered users, up 14%³ from December 2018
 - 3.9m average monthly listening hours in 2019, up 18%⁴ from 2018

1. GfK Radio Audience Measurement, Commercial Stations, NZME and Partners in major markets, S4 2019, Monday-Sunday 12mn-12mn, station share %, AP 18-54.

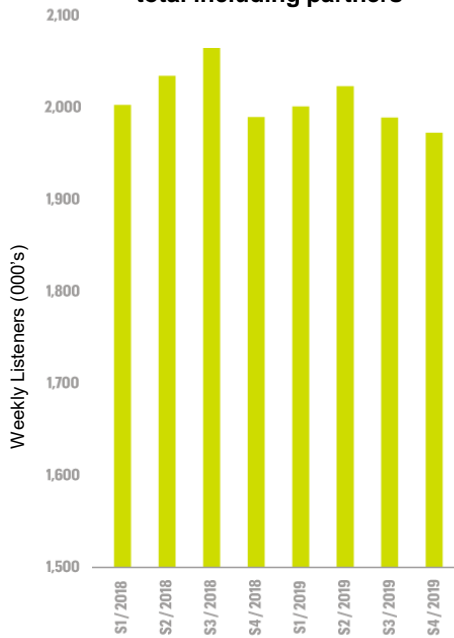
2. PwC Radio advertising market benchmark report, December 2019.

3. iHeartMedia, Adobe Analytics, December 2019.

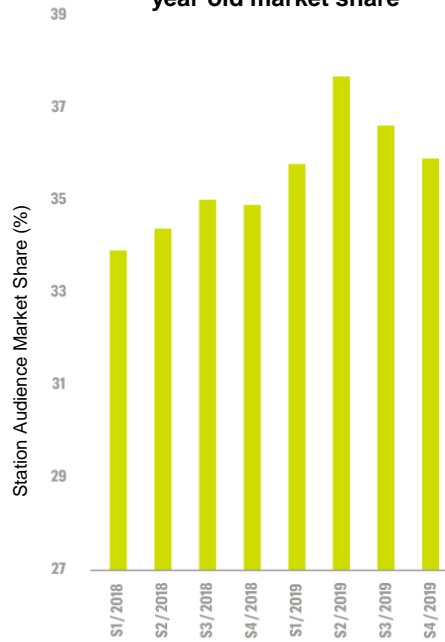
4. AdsWhizz and StreamGuys, December 2019.

RADIO LISTENERS & MARKET SHARE.

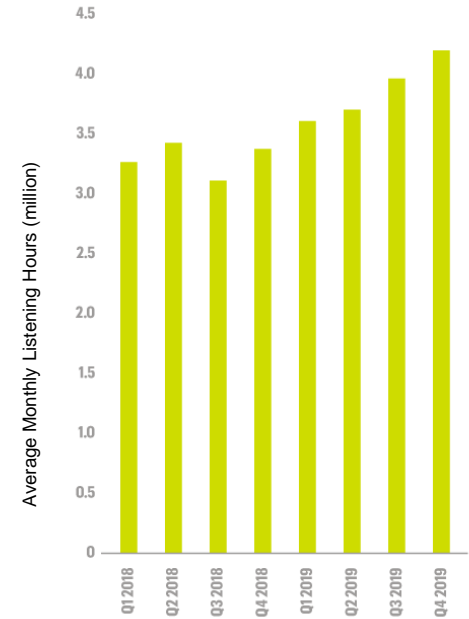
Radio Weekly Listeners – NZME total including partners¹



NZME Major Markets 18-54 year old market share¹



iHeart Average Monthly Total Listening Hours²



1. CfK Radio Audience Measurement, Commercial Stations, NZME and Partners, Cumulative Audience, S4 2019.
 2. AdsWhizz and StreamGuys, December 2019.

DIGITAL.

For the year ended
31 December 2019



\$ million	2019	2018	% change
Advertising revenue	45.9	48.0	(4%)
Classified revenue	3.2	0.9	257%
Subscription revenue	1.7	-	-
GrabOne revenue	9.7	11.0	(12%)
Digital revenue	60.4	60.0	1%
Direct digital expenses	(12.6)	(12.2)	3%
Incremental digital classified expenses	(7.1)	(6.1)	17%
Digital contribution	40.7	41.7	(2%)

- Growth in total digital revenue of 5% in the second half, contributed to 1% growth in 2019 to \$60.4 million.
- Digital advertising impacted by:
 - a decline in the market for digital display agency advertising of 2.4% in the year to December 2019¹; and
 - reduced audience and page impressions during the implementation of NZ Herald Premium.
- Digital classified revenue was \$3.2 million – \$2.8 million OneRoof revenue and \$0.4 million DRIVEN revenue with DRIVEN lead monetisation commenced in January 2020.
- 46,000 NZ Herald Premium subscribers including over 21,000 paid premium digital subscribers, generating \$1.7 million in the first 8 months since launch.
- GrabOne revenue declines continue to be offset by reduced costs in the year. Recent performance does show an improving trend.
- Digital classified expenses were \$7.1 million in 2019, predominately in OneRoof.

1. Standard Media Index (SMI) NZ Data Release, December 2019.



2019 FULL YEAR FINANCIAL RESULTS.

OPERATING RESULTS.

For the year ended 31 December 2019

- Operating revenue¹ decreased 4% with a decline in print revenue but partially offset by growth in radio and digital.
- Focus on cost efficiencies resulted in operating expense decrease of 4%.
- Operating EBITDA¹ decreased 7%. However, 2018 benefitted from an extra publishing week compared to 2019². Adjusting for this, 2019 Operating EBITDA¹ decreased by 5% against a comparable period in 2018.
- Operating NPAT¹ increased 4% to \$19.7 million, with Operating earnings per share increasing 4% to 10.0 cents per share.

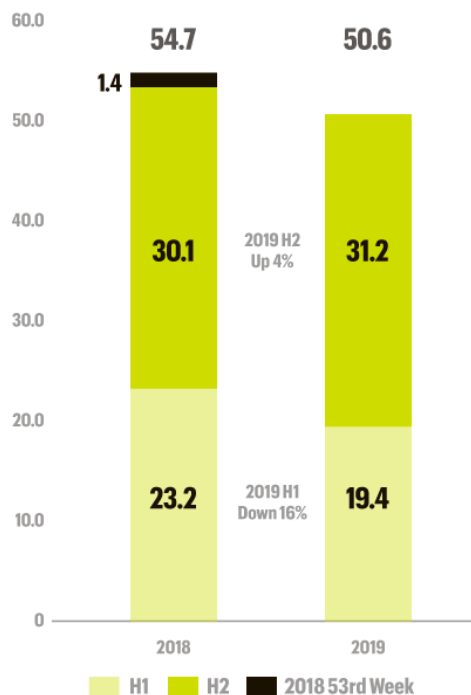
\$ million	2019	2018	% change
Operating revenue	371.7	388.9	(4%)
Operating expenses	(321.0)	(334.2)	(4%)
Operating EBITDA	50.6	54.7	(7%)
Depreciation and amortisation	(18.9)	(24.6)	(23%)
Net interest expense	(4.6)	(4.6)	1%
Operating NPBT	27.2	25.6	6%
Taxation expense	(7.5)	(6.7)	12%
Operating NPAT	19.7	18.9	4%
Operating Earnings per Share	10.0	9.7	4%

1. Operating results are presented excluding the impact of NZ IFRS 16 and exceptional items to allow for a like for like comparison between 2018 and 2019 financial years. Please refer to slide 33 and 34 of this results presentation for a detailed reconciliation.
2. Refer to Supplementary Information on Slide 36 of this results presentation for an analysis of 2019 Operating Results compared to 52 weeks Operating Results in 2018.

OPERATING RESULTS.

Half year analysis

2018 vs 2019 Operating EBITDA



\$ million	2018 H2	2018 H2 excluding 53 rd week	2019 H2	Adjusted H2 % Growth	Adjusted FY % Growth
Operating revenue	199.6	196.8	190.6	(3%)	(4%)
Operating expenses	(168.0)	(166.7)	(159.4)	(4%)	(4%)
Operating EBITDA	31.5	30.1	31.2	4%	(5%)
Operating NPAT	13.4	12.4	15.0	21%	10%

- Adjusting for the 53rd publishing week in 2018, Operating EBITDA improved significantly in the second half of 2019 to growth of 4%.
- Full Year 2019 Operating EBITDA decreased by 5% against a comparable period in 2018.

Refer to Supplementary Information on Slide 36 of this results presentation for an analysis of 2019 Operating Results compared to 52 weeks Operating Results in 2018.

EXPENSES.

For the year ended 31 December 2019

- People and contributors expense reduced 4% reflecting the reduction in headcount.
- Printing and distribution expense reduced 9% due to an 8% reduction in print volumes, combined with additional production efficiencies.
- Incremental digital classified expenses increased due to continued development of OneRoof and DRIVEN, delivering revenue growth.
- Exceptional items include:
 - redundancies due to restructured areas of the business to improve efficiencies;
 - one off project costs including disposal costs, historical holiday pay obligations and costs in relation to the potential acquisition of Stuff;
 - impairment costs on joint venture initiatives; and
 - impairment of intangible assets.

\$ million	2019	2018	% change
People and contributors	150.7	156.5	(4%)
Print and distribution	57.6	63.2	(9%)
Agency commission and marketing	40.9	40.4	1%
Property	20.7	21.1	(2%)
Content	15.6	15.8	(1%)
IT and communications	11.7	12.4	(6%)
Other	16.6	18.6	(11%)
Operating expenses (excl Digital Classifieds)	313.9	328.1	(4%)
Incremental digital classified expenses	7.1	6.1	17%
Total operating expenses	321.0	334.2	(4%)
Exceptional items:			
Redundancies	6.0	5.3	
One off projects and other exceptional items	3.0	1.7	
Impairment of financial assets	0.9	2.2	
Impairment of intangible assets	175.0	-	
Total exceptional items	184.9	9.2	

IMPACT OF NEW LEASES STANDARD NZ IFRS16.

- NZME adopted NZ IFRS16 from January 2019.
- NZ IFRS16 requires most leases to be recognised as a lease liability on the Balance Sheet with a corresponding “right-of-use” asset.
- NZ IFRS16 results in the following changes:
 - EBITDA increases as operating lease expenses are reclassified to interest expense and depreciation;
 - NPAT is negatively impacted by higher interest expense in a lease’s earlier years which will be offset by a positive impact in later years; and
 - Total Assets increase, offset by an increase in Total Liabilities.

\$ million	2019 Operating Results prior to adoption	NZ IFRS16 Impact	2019 Operating Results after NZIFRS16 before exceptional items
Income Statement:			
Revenue	371.7	0.6	372.3
Expenses	(321.0)	15.1	(306.0)
EBITDA	50.6	15.7	66.3
Depreciation and amortisation	(18.9)	(12.8)	(31.7)
Net interest expense	(4.6)	(4.8)	(9.4)
NPBT	27.2	(1.9)	25.3
Tax	(7.5)	0.2	(7.3)
NPAT	19.7	(1.7)	18.0
Balance Sheet:			
Increase in right-of-use assets			75.5
Increase in lease liabilities and other movements			83.1
Decrease in Equity			7.6

IMPAIRMENT OF INTANGIBLES.

For the year ended 31 December 2019

- The assessment recognises that the difference between the value of the company implied by its share price and the accounting value of equity has increased to a level that can no longer be supported without an accounting adjustment.
- The impairment assessment requires the use of a set of assumptions which are more conservative than the company's medium term expectations.

\$ million	Goodwill	Masthead Brands	Other Brands	Total
Non-amortising intangible assets				
Opening balance – 1 January 2019	70.8	147.0	59.1	276.8
Impairment	(70.8)	(74.3)	(29.9)	(175.0)
Closing balance – 31 December 2019	-	72.6	29.2	101.8

- A comprehensive impairment review is undertaken each year.
- As a result of this year's review, the Directors have resolved to impair the carrying value of non-amortising intangible assets by \$175 million as at December 2019.
- The non-amortising intangible assets include Goodwill, Masthead Brands and Other Brands. These intangible assets are the result of historic transactions that occurred prior to the demerger.
- This is an accounting charge only with no change to cash flows and no impact on bank covenants.
- The result of this is to reduce the carrying value of net assets from \$1.46 per share as at 31 December 2018 to \$0.59 per share as at 31 December 2019.

BALANCE SHEET.

As at 31 December 2019

- Net working capital decreased due to lower receivables balance and a movement from tax receivable in 2018 to a tax payable in 2019.
- Non-current assets have decreased due to the impairment of intangible assets of \$175.0 million.
- The lease liability in 2018 has been replaced under NZ IFRS 16 to lease liabilities and a corresponding “right-of-use” asset.
- Net debt reduced by \$23.6 million in 12 months to \$74.7 million as at 31 December 2019.

\$ million	31 December 2019	31 December 2018
Trade, other receivables and inventory	54.4	59.0
Trade and other payables	(51.5)	(52.0)
Current tax (payable)/receivable	(0.3)	0.9
Net working capital excluding cash	2.7	7.9
Plant property & equipment, intangibles and other non-current assets	209.5	391.2
Right of use assets (NZ IFRS16)	75.5	-
Lease liabilities (NZ IFRS16)	(95.9)	-
Lease liabilities	-	(13.7)
Net interest-bearing liabilities	(74.7)	(98.3)
Deferred tax	(0.6)	(0.4)
Net Assets	116.5	286.6

CASH FLOWS.

For the year ended 31 December 2019

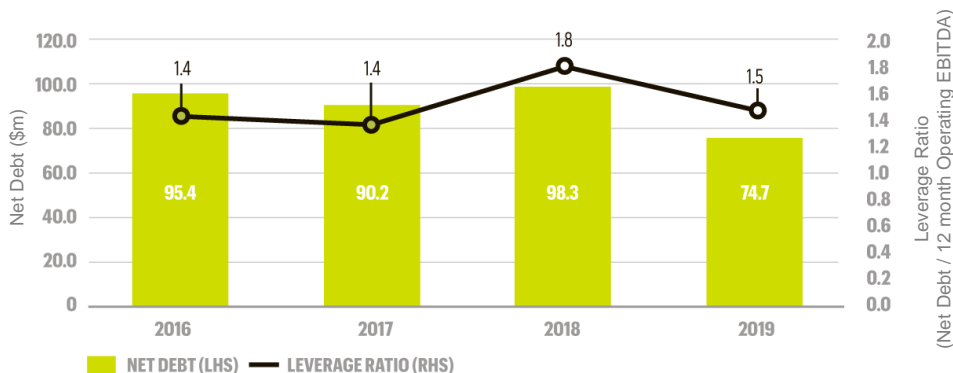
- Net debt reduced by \$23.6 million to \$74.7 million as at 31 December 2019.
- Operating EBITDA decreased in the period, but is offset by a positive movement in working capital compared to 2018.
- In 2019, the impact on EBITDA due to NZ IFRS16 is partially offset by interest paid on leases and lease liability principal payments. In 2018 the total operating lease payments were included in Operating EBITDA.
- Tax paid was lower in 2019 at \$4.5 million, compared to \$14.1 million in 2018 which was higher due to timing of 2017 tax payments falling into 2018.
- Capital expenditure was \$11.8 million in 2019, lower than \$14.1 million in 2018.
- 2020 capital expenditure is expected to be similar to 2019.

\$ million	2019	2018
Operating EBITDA	50.6	54.7
NZ IFRS 16 impact on EBITDA	15.1	-
NZ IFRS 16 Interest paid on leases	(4.8)	-
Interest paid on bank facilities	(4.7)	(4.0)
Working capital movement	3.8	(8.6)
Exceptional items	(8.8)	(7.0)
Tax paid	(4.5)	(14.1)
Non-cash items in EBITDA	0.3	0.8
Cash flow from operations	47.0	21.8
Capital expenditure	(11.8)	(14.1)
Proceeds from sale of plant property and equipment	0.1	-
Lease liability principal repayment	(11.5)	-
Dividend paid	-	(15.7)
Cash movement in Net Debt	23.8	(8.0)
Non-cash borrowing costs	(0.2)	(0.1)
Movement in Net Debt	23.6	(8.1)

CAPITAL MANAGEMENT.

- Capital management plan is to reduce debt while maintaining investment in growth opportunities across the business.
- Net debt reduced by \$23.6 million in 12 months to \$74.7 million as at 31 December 2019.
- Leverage ratio (Net Debt to 12 month operating EBITDA) decreased to 1.5 times as at 31 December 2019.
- NZME continues to target a net debt reduction of \$10 - \$15 million per annum with a target leverage ratio of 1.0 to 1.5 times rolling 12-month EBITDA.

	31 December 2019	31 December 2018
Net Debt (\$ million)	74.7	98.3
Net interest cover (Operating EBITDA / Interest Expense)	11.5	12.0
Leverage Ratio (Net debt to 12 month Operating EBITDA)	1.5	1.8



Dividend Policy

Subject to achieving the annual debt reduction target, and having regard to NZME's capital requirements, operating performance and financial position 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/

STRATEGIC PRIORITIES.

Focused on Growth


- 1** Leading the future of news and journalism in New Zealand

 The New Zealand Herald



Your Premium

nzherald.co.nz/premium

 nzherald.co.nz

- 2** Growing radio and leading digital audio

THE HITS

 RADIO HAURAKI

Coast

ZM

flava

MIX

RADIO SPORT

Newstalk ZB

hokonui

 iHeartRADIO

- 3** Creating New Zealand's leading real estate platform

The
new home
of real estate

OneRoof.co.nz

1

LEADING THE FUTURE OF NEWS & JOURNALISM IN NEW ZEALAND.









Your Premium

nzherald.co.nz/premium

- More than 46,000 total subscribers – over 21,000 paid subscribers plus 25,000 print subscribers who access premium content with their print bundle packages.
 - Exceeding subscription and revenue expectations.
 - More than 35% of subscribers have an annual subscription.
- 2020 will see us focus on growing digital premium content and subscriptions, while improving digital advertising revenue.
- We will revitalise our print products with a focus on improving the subscriber and revenue trends.

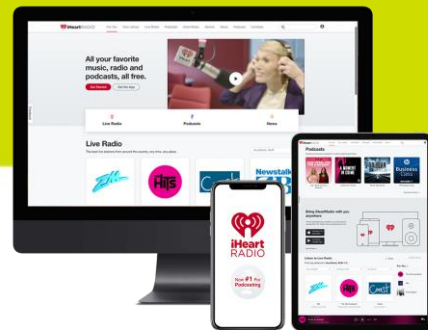
2019 Focus	2019 Achievements
Launch digital subscriptions	✓ Paid content launched on 30 April 2019
New Zealand's destination for trusted premium news content	✓ More than 46,000 total premium subscribers ✓ Premium subscribers are 3 times more engaged ¹
Enhancing print subscriber value proposition	✓ 25,000 print subscribers who access premium content with print bundles ✓ Improved print subscriber retention

2020 Focus	2020 Key Success Metrics
 Grow digital subscription revenues	 Growth in digital subscriptions and revenue while maintaining NZ Herald site audience and engagement
 Enhance digital product and revenues	 Return digital advertising revenue to growth
 Improve core print revenue trends	 Improve print subscriber retention and reduce advertising revenue declines

1. Premium subscribers average session durations are approximately 3x longer than a non-subscriber. Source: Google Analytics, total traffic, Dec 9 2018 – Jan 26 2019.








2

GROWING RADIO AND LEADING DIGITAL AUDIO.



- Revenue returned to growth in second half with 5% contributing to full year growth of 2%.
- Radio audience market share increased to 35.9%¹ in December 2019, up from 34.9% in December 2018.
- Continue momentum into 2020.

2019 Focus	2019 Achievements
Enhance radio sales skills to support integrated selling	✓ Improved sales capability and technology interface for inventory management and cross channel bundling
Digital audience and revenue growth leveraging iHeart capability	✓ 944,000 registered users ² , up 14% ✓ 3.9m average monthly listening hours ³ in 2019, up 18% on 2018. ✓ iHeart revenue up 40% to ~2% of total radio revenue.
Successfully develop an engaged following for new shows	✓ New music shows embedded successfully ✓ NewstalkZB remained the number one commercial radio network

2020 Focus	2020 Key Success Metrics
 Enhance radio sales capability	 Growth in radio revenue.
 Improve radio content offering	 Grow radio audience share in the 25-54 demographic
 Maximise the potential of the iHeart product	 Growth in iHeart Radio and podcast consumption  Revenue growth from digital audio products

1. GfK Radio Audience Measurement, Commercial Stations, NZME and Partners in major markets, S4 2019, Monday-Sunday 12mn-12mn, station share %, AP 18-54.
 2. iHeartMedia, Adobe Analytics, December 2019.
 3. AdsWhizz and StreamGuys, December 2019

3

CREATING NEW ZEALAND'S LEADING REAL ESTATE PLATFORM.



- Real estate remains the largest vertical with revenue of \$40.0 million, down 3.7% in 2019 negatively impacted by property market conditions.
- OneRoof Revenue \$2.8 million – up from \$0.7 million in 2018.
- Strong listings and audience growth achieved.
- 2020 focus continues to be growth in listings, audience and revenue.

2019 Focus	2019 Achievements
Secure further market listings and launch new property categories	<ul style="list-style-type: none"> ✓ 22,000 total listings ✓ 75% of NZ residential listings¹ and 95% of Auckland-wide residential listings¹ ✓ New homes and new development categories launched
Continue to develop user features and tools to enhance listings engagement	<ul style="list-style-type: none"> ✓ 241,000 monthly unique audience² ✓ Over 150,000 app downloads ✓ 65% of audience comes direct to the OneRoof site
Lead property market commentary and insights	<ul style="list-style-type: none"> ✓ Four Property Reports published during 2019
Continue revenue growth through premium listings and agent products	<ul style="list-style-type: none"> ✓ OneRoof revenue of \$2.8m in 2019, up from \$0.7m in 2018

2020 Focus	2020 Key Success Metrics
<ul style="list-style-type: none"> Develop OneRoof as a prominent national brand 	<ul style="list-style-type: none"> Improve listings, audience and engagement metrics
<ul style="list-style-type: none"> Deliver data driven agent promotion product 	<ul style="list-style-type: none"> Increase revenue from agent products
<ul style="list-style-type: none"> Maximise potential of existing products 	<ul style="list-style-type: none"> OneRoof revenue growth and improved contribution

\$ million	2019	2018
Revenue	2.8	0.7
Direct expenses	(5.6)	(3.9)
OneRoof Contribution	(2.8)	(3.2)

1. OneRoof's listings as a percentage of residential for sale real estate listings on TradeMe.
 2. Nielsen Online Ratings, December 2019.

OUR SUSTAINABILITY COMMITMENT.

We are committed to protecting the craft of journalism and broadcasting to keep Kiwis in the know.

OUR COMMUNITIES

We connect and empower our communities.



Responsible reporting



Connecting communities



Sharing our platforms



OUR PEOPLE

We provide a workplace that fosters innovation, engagement and inclusion.



Promoting a healthy, diverse & safe workplace



Championing the craft



Equipping our people



OUR ENVIRONMENT

We take our responsibility to the environment seriously.



Recycling



Best practice



Responsibility

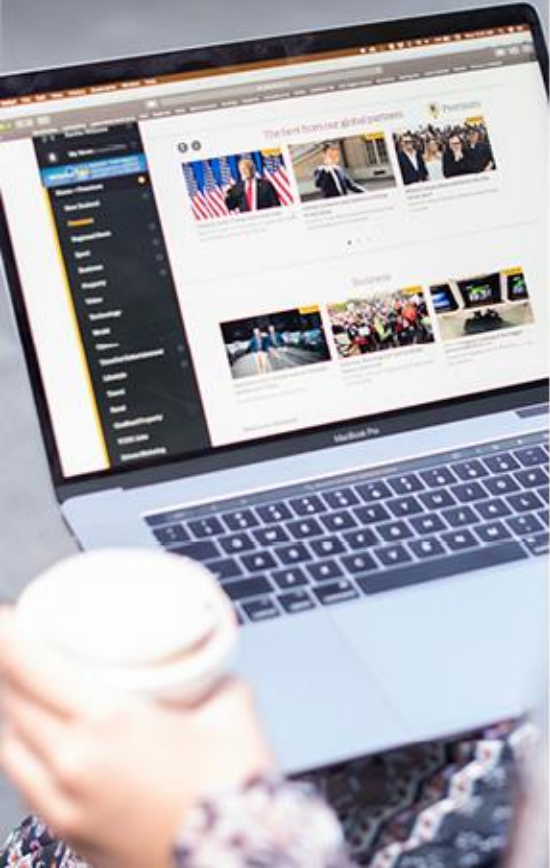


PROPOSED ACQUISITION OF STUFF.



- NZME firmly believes it is the right owner for the Stuff Limited (Stuff) business.
- An acquisition of Stuff is aligned with NZME’s strategic priorities, our commitment to protecting the craft of journalism, and would deliver the following strategic benefits to NZME:
 - Creation of a stronger and more sustainable media presence;
 - Enhanced audience and advertising proposition;
 - Cost savings and synergy benefits arising from the merger of back office functions; and
 - Increased financial scale.
- The proposed transaction would involve the Stuff newsroom being transferred to a NZME subsidiary company in which a Kiwi Share would be held by the Government.
- The proposed Kiwi Share arrangement imposes certain obligations on NZME and Stuff to address the competition concerns that were ultimately upheld by the Court of Appeal in 2017.
- We are actively engaged with the Government regarding the Kiwi Share arrangement and are encouraged by the progress to date.
- No agreement in relation to the transaction has been reached, however we continue to progress towards the required regulatory approvals.
- The proposed transaction is therefore subject to Government’s agreement to hold the proposed Kiwi Share, NZ Commerce Commission clearance, agreement with Nine, shareholder approval and finance.

OUTLOOK.



- It was an encouraging 2019 second half which provides momentum into 2020 – driven by continued growth in Radio, Digital classifieds, and Digital subscriptions.
- Although NZ businesses are showing an increased confidence about the future, we remain cautious of the potential impact of trading and economic uncertainty following the coronavirus outbreak.
- Advertising bookings for Q1 2020 are tracking 2% below Q1 2019.
- Improved real estate sentiment is expected to benefit print and OneRoof.
- Cost containment remains a focus.
- The company continues to target lower net debt and a reduced leverage ratio to be within our target range in line with our Capital Management Policy.
- We expect industry consolidation to drive activity and opportunities for NZME in 2020.



Q&A



SUPPLEMENTARY INFORMATION

RECONCILIATION OF OPERATING RESULTS TO FINANCIAL STATEMENTS.

For the 12 months ended 31 December 2019

12 MONTHS ENDED 31 DECEMBER 2019					
\$ million	Operating Results	NZ IFRS16 Adjustment	Exceptional Items	Reclass interest income	Per Financial Statements
Segment revenue	363.7	-	-	-	363.7
Other revenue	8.0	0.6	-	0.1	8.7
Total revenue	371.7	0.6	-	0.1	372.4
Expenses	(321.0)	15.1	(9.9)	-	(315.8)
EBITDA	50.6	15.7	(9.9)	0.1	56.6
Depreciation and amortisation	(18.9)	(12.8)	-	-	(31.7)
Impairment of intangible assets	-	-	(175.0)	-	(175.0)
EBIT	31.8	2.9	(184.9)	0.1	(150.1)
Net interest expense	(4.6)	(4.8)	-	(0.1)	(9.5)
Net profit/(loss) before tax	27.2	(1.9)	(184.9)	-	(159.6)
Tax	(7.5)	0.2	1.7	-	(5.6)
Net profit/(loss) before tax	19.7	(1.7)	(183.1)	-	(165.2)

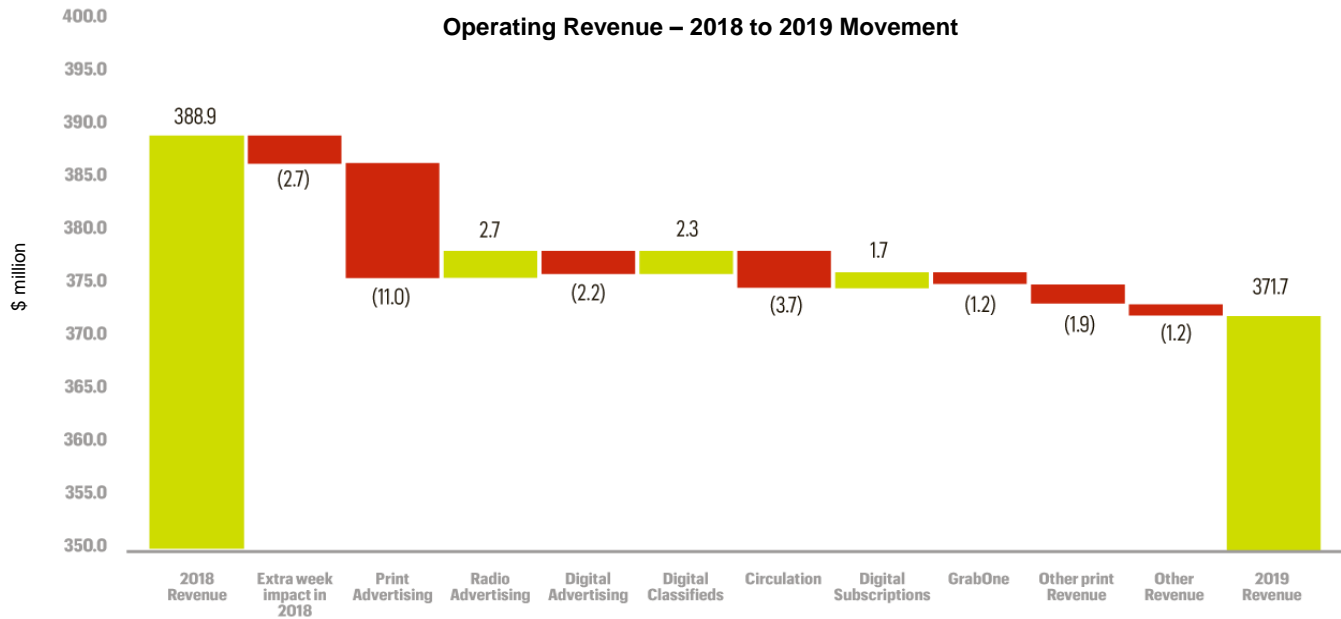
RECONCILIATION OF OPERATING RESULTS TO FINANCIAL STATEMENTS.

For the 12 months ended 31 December 2018

12 MONTHS ENDED 31 DECEMBER 2018							
\$ million	2018 Reported Trading Results	NZ IFRS15	Reclass events to other revenue	2018 Restated Operating Results	Exceptional Items	Reclass interest income	Per Financial Statements
Segment revenue	378.4	6.5	(5.1)	379.8	-	-	379.8
Other revenue	4.1	-	5.1	9.2	-	0.1	9.2
Total revenue	382.5	6.5	-	388.9	-	0.1	389.0
Expenses	(327.7)	(6.5)	-	(334.2)	(9.2)	-	(343.4)
EBITDA	54.7	-	-	54.7	(9.2)	0.1	45.6
Depreciation and amortisation	(24.6)	-	-	(24.6)	-	-	(24.6)
EBIT	30.2	-	-	30.2	(9.2)	0.1	21.0
Net interest expense	(4.6)	-	-	(4.6)	-	(0.1)	(4.6)
Net profit before tax	25.6	-	-	25.6	(9.2)	-	16.4
Tax	(6.7)	-	-	(6.7)	1.9	-	(4.8)
Net profit before tax	18.9	-	-	18.9	(7.3)	-	11.6

OPERATING RESULTS.

REVENUE ANALYSIS



2019 OPERATING RESULTS COMPARED TO 52 WEEKS IN 2018.

	FY 2019 Operating Results	FY 2018 Operating Results	2018 53rd Week	FY 2018 52 Weeks	Full Year Reported % Growth	Full Year % Growth compared to 52 Weeks in 2018
Print revenue	192.4	211.6	2.6	209.0	(9%)	(8%)
Radio revenue	110.9	108.2	-	108.2	2%	2%
Digital revenue	60.4	60.0	0.2	59.8	1%	1%
Other revenue	8.0	9.2	-	9.2	(13%)	(13%)
Total Operating Revenue	371.7	388.9	2.7	386.2	(4%)	(4%)
Operating expenses	(321.0)	(334.2)	(1.3)	(332.9)	(4%)	(4%)
Operating EBITDA	50.6	54.7	1.4	53.3	(7%)	(5%)
Depreciation	(18.9)	(24.6)	-	(24.6)	(23%)	(23%)
Net Interest expense	(4.6)	(4.6)	-	(4.6)	1%	1%
Tax	(7.5)	(6.7)	(0.4)	(6.3)	12%	19%
Operating NPAT	19.7	18.9	1.0	17.9	4%	10%



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 Financial Statements for the year ended 31 December 2019.

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 IFRS16 Leases on 1 January 2019 without restating the full year 2018 comparatives. Operating results as stated throughout this presentation refers to results prior to adjustments for the adoption of NZ IFRS16 and prior to exceptional items. Please refer to slide 33 and 34 of this presentation for a detailed reconciliation.

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.