

Prime Media Group Limited
Financial result for the year ended 30 June 2021
Investor Briefing 27 August 2021

Approved for release by the Board

Financial Results Summary

- STATUTORY PROFIT: \$19.5 million, up 195.7% on prior year, and above previous guidance of \$17.0 million to \$19.0 million
- TOTAL REVENUE: \$178.7 million up 9.2% on prior year:
 - Total advertising revenue share: market leading 40.4 share points^
 - Advertising in aggregated market of NSW and Victoria up 4.1%
- OPERATING COSTS: down \$3.7 million or 7.5% on prior year
- EBITDA: \$36.8 million up 81.6% on prior year, and above previous guidance of \$33.0 million to \$35.0 million
- NET OPERATING CASHFLOW: \$27.6 million, down \$1.6 million or 5.4% on prior year
- STRONG BALANCE SHEET: Net Cash \$41.2 million
- DIVIDEND: 2.0 cents per share fully franked
- REVENUE DIVERSIFICATION REMAINS A PRIORITY

* Core net profit is a non IFRS measure that in the opinion of the Directors is useful in understanding and appraising the company's performance.

^ Source: KPMG aggregated regional markets of Northern New South Wales, Southern New South Wales and Victoria industry data

STATUTORY RESULTS

| | FY21 | FY20 | VARIANCE | |
|--|---------------|---------------|-----------------|---------------|
| | \$'000 | \$'000 | \$'000 | % |
| Total Revenue (excl. interest & Govt Grants) | 170,945 | 160,491 | 10,454 | 6.5% |
| Government Grants | 7,674 | 3,114 | 4,560 | 146.4% |
| Total Revenue (excl. interest) | 178,619 | 163,605 | 15,014 | 9.2% |
| Cost of Sales | 95,224 | 93,594 | (1,630) | (1.7%) |
| Operating expenses (incl. share of associates) | 46,582 | 48,156 | 1,574 | 3.3% |
| Non-recurring transaction costs | - | 1,583 | 1,583 | -% |
| EBITDA (NON-IFRS) | 36,813 | 20,272 | 16,541 | 81.6% |
| NET PROFIT AFTER TAX | 19,545 | 6,611 | 12,934 | 195.6% |
| Basic EPS | 5.3 | 1.8 | | |

CORE EARNINGS

| | FY21 | FY20 | VARIANCE | |
|---|---------------|--------------|---------------|---------------|
| | \$'000 | \$'000 | \$'000 | % |
| REPORTED PROFIT AFTER TAX | 19,545 | 6,611 | 12,934 | 195.6% |
| Impairment (non-cash) | - | 532 | | |
| Gain on sale of property | (1,320) | - | | |
| Gain on sale of investments | (117) | - | | |
| JobKeeper subsidy | (3,413) | (2,976) | | |
| PING grant revenue | (4,123) | - | | |
| Non-recurring legal and consulting expenses | - | 1,583 | | |
| Redundancies | - | 43 | | |
| Employee cost savings including JobKeeper stand down directions | (379) | (303) | | |
| Expected credit loss adjustment | (448) | (24) | | |
| Income tax benefit related to specific items | 2,509 | 343 | | |
| CORE NET PROFIT AFTER TAX AND BEFORE SPECIFIC ITEMS | 12,254 | 5,809 | 6,445 | 110.9% |

POWER RATIO

| | FY21 | FY20 | Variance (PP) |
|----------------------|-------------|-------------|---------------|
| Total revenue share* | 40.4 | 41.0 | (0.6) |
| Audience share^ | 42.7 | 41.3 | 1.4 |
| POWER RATIO | 0.95 | 0.99 | (0.4) |

* Total advertising 3AGG market - KPMG quarterly shares

^ Regional TAM: All people 6am to midnight, aggregated regional market of New South Wales and Victoria

OUTLOOK

- Future performance highly dependent on Prime's advertising markets in regional New South Wales and Victoria not being materially disrupted by the COVID-19 pandemic. The COVID-19 pandemic has the potential to disrupt broadcasting schedules, particularly for the AFL final series and Ashes cricket.
- Regional advertising markets have continued to improve:
 - July 21 advertising revenues up 40% on same time last year due to Olympic broadcast
 - Forward bookings: August up 38%; September up 23% on same time last year
- Significantly improved balance sheet with net cash of \$41.2M
- Dividend of 2.0 cents per share fully franked
- The decline in regional audiences and advertising revenues is expected to continue. Prime's advertising revenue in the aggregated market of NSW and Victoria is back 13.1% when compared to the 2019 financial year
- Prime currently expects to pay future dividends based on a dividend policy of up to 50% of statutory net profit after tax and subject to Prime's regional advertising markets, business operations and financial performance not being materially impacted by the COVID-19 pandemic. This remains subject to performance and will be the subject of ongoing review. In particular, Prime notes that the policy may require review in the 2023 financial year on the basis that Prime's program supply agreement with the Seven Network completes in June 2023 and is subject to renewal
- The Company continues to actively review revenue diversification opportunities, including options for inorganic growth and will focus on maintaining adequate cash reserves with a view to funding such opportunities



QUESTIONS