

**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 \$'000	FY20 \$'000	VARIANCE	
			\$'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	-%
<b>EBITDA (NON-IFRS)</b>	<b>36,813</b>	<b>20,272</b>	<b>16,541</b>	<b>81.6%</b>
<b>NET PROFIT AFTER TAX</b>	<b>19,545</b>	<b>6,611</b>	<b>12,934</b>	<b>195.6%</b>
Basic EPS	5.3	1.8		

# CORE EARNINGS

	FY21 \$'000	FY20 \$'000	VARIANCE	
			\$'000	%
<b>REPORTED PROFIT AFTER TAX</b>	<b>19,545</b>	<b>6,611</b>	<b>12,934</b>	<b>195.6%</b>
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		
<b>CORE NET PROFIT AFTER TAX AND BEFORE SPECIFIC ITEMS</b>	<b>12,254</b>	<b>5,809</b>	<b>6,445</b>	<b>110.9%</b>

## POWER RATIO

	FY21	FY20	Variance (PP)
Total revenue share*	40.4	41.0	(0.6)
Audience share^	42.7	41.3	1.4
<b>POWER RATIO</b>	<b>0.95</b>	<b>0.99</b>	<b>(0.4)</b>

\* 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