



ASX Announcement: 27 August 2020

2020 RESULTS ANNOUNCEMENT

PRIME MEDIA GROUP (ASX:PRT) today released its results for the financial year ended 30 June 2020.

STATUTORY RESULTS SUMMARY

- Total revenue \$163.7M, down 14.7% on the prior year
- EBITDA \$20.3M, down 47.3% on the prior year
- Operating costs down \$2.1M excluding one-off transaction costs of \$1.5M and pre-AASB 16 Leases
- Statutory profit after tax of \$6.6M, down 10.0% on prior year

CORE NET PROFIT AFTER TAX

- \$6.0M down 64.8% on prior year

CAPITAL MANAGEMENT

- Net operating cashflow up \$6.4M or 28.6% on prior year
- Net cash of \$17.1M

Prime Media Group Limited core net profit after tax for the 2020 financial year of \$6.0M, declined \$11.1M or 64.8% on the prior year. Prime's statutory net profit after tax of \$6.6M, declined \$737K or 10.0% on the prior year.

Total revenue of \$163.7M declined \$28.2M or 14.7% on the prior year. Revenue from contracts with customers was materially impacted by the COVID-19 pandemic, declining \$16.7M or 34.7% in the final quarter of this financial year compared to the same period last year. Revenue declines were recorded across national agency and local direct advertisers, as consumer sentiment weakened and advertiser categories such as retail, household furnishings and the motor vehicle sector declined.

During the financial year, the Company achieved a market leading revenue share in the aggregated regional market of New South Wales and Victoria of 41.0%. Advertising revenue in the aggregated regional market of New South Wales and Victoria declined by 16.4% on the prior year, compared to the market, which declined 15.4% in the same period.

Cost of sales, including affiliation payments to the Seven Network under the program supply agreement, declined by \$7.9M or 7.8% on the prior year. Affiliation payments made to the Seven Network are based on a percentage of gross advertising revenue.

Operating expenses declined \$2.1M or 4.1% on the prior year, primarily due to a reduction in employee benefit expense of \$2.6M. The Company took steps in the final quarter of the year to mitigate the financial impact of the COVID-19 pandemic including key management agreeing a temporary reduction in



base salary from May to September 2020; forgoing short and long term incentives in respect of this financial year; Non-executive directors agreed a temporary reduction in director fees; a hiring freeze was enacted and employees whose duties were curtailed by the pandemic worked reduced work hours.

Chief Executive Officer, Mr Ian Audsley said, “Prime’s result for the 2020 financial year is a resilient result in what has been an incredibly difficult and challenging year. Regional markets were impacted as early as October 2019 when the Company reported the fires in Northern NSW. The second half of the financial year has been underlined by the COVID-19 pandemic. Prime’s second largest advertising market of Regional Victoria is currently subject to Stage 4 lockdown. Prime’s staff in Melbourne and Regional Victoria, media buyers and regional advertisers have been directly affected by the lockdown.

Regional advertising markets remain subdued and difficult to forecast. We appear to have turned a corner from the peak declines experienced from April through June 2020, and advertiser briefs, while encouraging for July and August, remain below the same time last year.

A positive outcome for the year has been the repayment of debt and Prime’s net cash at 30 June of \$17.2M. Prime has significantly improved its balance sheet and is positioned to explore revenue diversification opportunities.

Prime’s Board once again reviewed the Company’s ongoing capital requirements and determined not to re-instate the dividend program in light of the continued uncertainty in regional advertising markets.

This announcement was approved by the Board for lodgement.

*Audience data source: Regional TAM | 3 Aggregated markets of NNSW, SNSW & VIC combined | Total People | Consolidated data

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INVESTOR BRIEFING

A telephone briefing will be held for shareholders and the investment community at 9:00am (AEST) tomorrow (28 August 2020). The teleconference details are as follows:

Sydney: +61 02 9193 3706
Toll free Australia: 1800 573 793
Conference code: 9593148

John Palisi
Chief Financial Officer & Company Secretary
john.palisi@primemedia.com.au