

Prime Media Group
Financial result for the year ended 30 June 2020
Investor Briefing 28 August 2020

2020 Financial Year Result

- STRONG BALANCE SHEET: Net Cash \$17.1 million
- CORE NET PROFIT*: \$6.0 million, down 64.8% on prior year
- STATUTORY PROFIT: \$6.6 million, down 10.0% on prior year
- TOTAL REVENUE: \$163.7 million down 14.7% on prior year:
 - Total advertising revenue share: market leading 41.0 share points^
 - JobKeeper subsidy \$3.0 million
- OPERATING COSTS: down \$2.0 million or 3.9% on prior year (including one-off items)
- EBITDA: \$20.3 million down 47.3% on prior year
- NET OPERATING CASHFLOW: \$28.9 million, up \$6.4 million or 28.6% on prior year
- FUTURE STRATEGY REVENUE DIVERSIFICATION
- DIVIDEND PROGRAM REMAINS SUSPENDED

* 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

	FY20	FY19	VARIANCE	
	\$'000	\$'000	\$'000	%
Total Revenue (excl. interest)	163,605	191,721	(28,116)	(14.7%)
Cost of Sales	93,594	101,465	7,871	7.8%
Operating expenses (incl. share of associates)	48,156	50,219	2,063	4.1%
AASB 16 Leases	-	1,568	1,568	-%
Non-recurring transaction costs	1,583	-	(1,583)	-%
EBITDA (NON-IFRS)	20,272	38,469	(18,197)	(47.3%)
NET PROFIT AFTER TAX	6,611	7,348	(737)	(10.0%)
Basic EPS	1.8	2.0		

CORE EARNINGS

	FY20	FY19	VARIANCE	
	\$'000	\$'000	\$'000	%
PROFIT AFTER TAX	6,611	7,348	737	10.0%
SPECIFIC ITEMS				
Impairment (non-cash)	532	14,018		
Release of deferred tax liability arising from impairment	-	(4,205)		
JobKeeper subsidy	(2,976)	-		
Non-recurring scheme of arrangement expenses	1,583	-		
Redundancies	43	-		
Income tax benefit related to specific items	245	-		
CORE PROFIT BEFORE SPECIFIC ITEMS AND AFTER TAX	6,038	17,161	11,123	(64.8%)

POWER RATIO

	FY20	FY19	Variance (PP)
Total revenue share*	41.0	41.5	(0.5)
Audience share^	41.3	41.0	0.3
POWER RATIO	0.99	1.01	(0.2)

* Total advertising 3AGG market - KPMG monthly shares

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

OUTLOOK

- Future performance highly dependent on conditions in Prime's advertising markets in regional New South Wales and Victoria and possible disruption to broadcast schedule for AFL and cricket
- Regional advertising market difficult to forecast due to significant uncertainty:
 - Q4FY20 Advertising revenue declined 34.7% on prior year
 - July 20 advertising revenues down 10.6% on prior year
 - Forward bookings: August down 4%; September down 26% on prior year
 - Victorian regional market remains challenged
- Public Interest News Gathering (PING) grant of \$4.7 million awarded in Q1FY21
- Prime unlikely to be eligible for JobKeeper extension from 28 September
- Board renewal a priority
- Significantly improved balance sheet with net cash of \$17.1M. Prime positioned to explore revenue diversification opportunities.



QUESTIONS