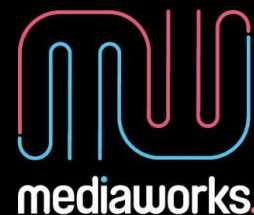


MEDIAWORKS MEDIA RELEASE

30 MAY 2024

FOR IMMEDIATE RELEASE



MEDIAWORKS FY23 RESULTS SHOW TURN AROUND IS ON TRACK DESPITE CHALLENGING MARKET BACKDROP

MediaWorks today reported its full-year results for the year ending December 31, 2023 (FY23), showing an increase in earnings before interest, tax and depreciation and amortisation (EBITDA) on FY22, despite a 5% drop in revenue.

The business reported EBITDA of \$34.6 million (up from \$34.4 million in FY22) and a one-off impairment of \$86.5 million.

Highlights:

- **Revenue:** Total revenue of \$204.1 million, a 5% decrease on FY22 reflecting continued soft advertising spend in the New Zealand market
- **Sustained cost reduction:** Operating expenses were \$11 million lower than FY22 despite 4.7% inflation for the year
- **Radio:** New Zealand's leading radio company for over 10 years, delivering 2.38m listeners (AP 10+) nationwide per week, including almost double the AP 18-39 audience share of our closest competitor*
- **Outdoor:** Direct channel revenues grew 13% from FY22 with very strong growth in Programmatic (pDOOH) revenue, up 174% on FY22
- **Digital:** 20% year on year growth in digital revenue, outpacing the market which was up 4.3% for the same period. Our digital app rova grew 106% against market growth of 32% for Digital Audio**
- **Balance sheet impairment:** A one-off impairment of \$86.5 million reflects accounting write-off of goodwill recognised historically on the MediaWorks balance sheet as a result of lower than expected growth of the business
- **Banking arrangements:** Existing debt facilities were amended with the support of our shareholders and lenders shortly after the finalisation of our FY23 accounts

MediaWorks Chair Barclay Nettlefold said the business had performed well in unfavourable conditions.

"The media industry in New Zealand continued to weather a storm in 2023, with high interest rates, high inflation and the country dipping into recession.

"In this difficult environment, CEO Wendy Palmer and the team managed to maintain earnings by restructuring aspects of the business to save costs, which has been critical in the current economic environment.

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CHANNEL X

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THE ROCK

rova

HUMM

magic

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THE BREEZE



“The Board is confident in the strategy the Executive Team has put in place to turn the business around and transition to a digital future.

“We have extended our banking arrangements with the support of our existing lenders, which gives the team the flexibility and runway needed to execute their strategy.

“They are simplifying the business around the two core pillars of customer and audience and we’re backing them all the way.”

CEO Wendy Palmer said she was pleased with the progress MediaWorks made in delivering on its strategy in another challenging year for the industry.

“We made some difficult decisions and set a path to turn the business around. We are reshaping our business to ensure we are the first choice for media - for our customers, audiences and for our people. While there’s still work to do, I’m really proud of how we’re tracking against that plan.

“We have continued to innovate and invest in people and platforms to grow our audio, digital and outdoor audiences.

“Channel X, has just celebrated one year on air, having exceeded our expectations in ratings and revenue.

“Our digital app rova has an ever-expanding catalogue of quality audio including the popular Duncan Garner Editor-in-Chief podcast, which has just relaunched as a live breakfast show.

“We are also thrilled to be welcoming Simon Barnett, one of the country’s most loved broadcasters, back to More FM in 2025.

“I’m incredibly grateful to the passionate team at MediaWorks for continuing to create brilliant content that audiences keep coming back for.

“Our strength lies in our people and our diverse portfolio that delivers mass reach at an efficient cost for Kiwi advertisers.”

Outlook:

Looking ahead, MediaWorks Chief Financial Officer Mike Asbridge said this year had got off to a solid start. “In Q1 we’ve seen revenue and EBITDA on target despite the economic conditions being worse than expected.

“We have strengthened our sales leadership across both agency and direct sales. This is starting to pay dividends, with direct and committed revenue growing as a proportion of overall revenue. We’ve also added dedicated resource to provide our agency customers with specialist platform advice across radio, out of home and digital.



“While business confidence remains low impacting advertising spend, we’ve seen growth in digital revenue outpace the market. We are continuing to invest in our digital platforms and audio content to further capitalise on this growth.

“It’s still tough out there for the media industry. We have made good progress in finding efficiencies and need to ensure that we remain focused on these opportunities across the business. MediaWorks has a clear strategy, and the right people and portfolio to continue to grow our audience, revenue and profitability.”

*Source: S1 / 2024 GFK Commercial Radio Total NZ Survey

** Source: IAB 2023 Digital Revenue Report

-ENDS-

Additional images and FY23 Financial Statements available on request by contacting:

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About MediaWorks:

MediaWorks is New Zealand's leading radio and outdoor media company with over 2.4 million weekly listeners and over 5,000 outdoor touch points nationwide. The company owns and operates radio brands The Edge, The Rock, More FM, The Breeze, The Sound, Mai FM, George FM, Magic, Humm FM, Channel X and rova. MediaWorks brands and people are household names with local, highly engaged audiences. www.mediaworks.co.nz

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