

# PRIME

MEDIA GROUP

Investor briefing on 24 February 2017

Financial result for the half-year ended  
31 December 2016

# INTERIM RESULT 2017 FINANCIAL YEAR

- CORE NET PROFIT: \$17.8 million, up 24.0% and ahead of market guidance
- TOTAL REVENUE: \$130.7 million up 4.9% on prior period
  - Audience share: up 0.4PP to 41.9 share\*
  - Total revenue share: maintains market leading share 44.8 share^
  - National advertising revenue share: market leading 47.9 share^
  - Advertising revenue: up 7.6% compared to market decline of 0.3%^
- COST CONTROL: operating costs excluding redundancies down \$570,000 or 2.3% on prior period
- EBITDA: \$31.2 million up 7.1% on prior period
- STATUTORY PROFIT AFTER TAX: \$17.4 million, up 7.2% on prior period
- NET INTEREST BEARING DEBT: \$55.4 million, down from \$65.6 million at 30 June 2016
- INTERIM DIVIDEND: 1.7 cents per share fully franked

\* Source: Regional TAM All People 0600-2359 financial year survey. Three aggregated regional markets of Northern New South Wales, Southern New South Wales and Victoria industry data

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

## STATUTORY RESULTS

	1H17	1H16	VARIANCE	
	\$000	\$000	\$000	%
Revenue from services	129,790	121,603	8,187	6.7%
Interest income	79	90	(11)	(12.2%)
Other income	812	2,850	(2,038)	(71.5%)
<b>TOTAL REVENUE</b>	<b>130,681</b>	<b>124,543</b>	<b>6,138</b>	<b>4.9%</b>
EBITDA	31,241	29,171	2,070	7.1%
<b>PROFIT FOR THE HALF-YEAR</b>	<b>17,402</b>	<b>16,238</b>	<b>1,164</b>	<b>7.2%</b>
BASIC EARNINGS PER SHARE (CPS)	4.8	4.4		

## CORE EARNINGS

	1H17	1H16	VARIANCE	
	\$000	\$000	\$000	%
<b>STATUTORY PROFIT AFTER TAX</b>	<b>17,402</b>	<b>16,238</b>	<b>1,164</b>	<b>7.2%</b>
<b>SPECIFIC ITEMS</b>				
Gain on sale of surplus assets	-	(2,005)	2,005	
Redundancies	502	119	383	
Income tax benefit related to specific items	(151)	(36)	(115)	
<b>CORE PROFIT AFTER TAX</b>	<b>17,753</b>	<b>14,316</b>	<b>3,437</b>	<b>24.0%</b>
<b>INTERIM DIVIDEND</b>	<b>1.7 cps</b>	<b>2.0 cps</b>		

# POWER RATIO

	1H17	1H16	VARIANCE (PP)
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Total revenue share\*

44.8%	41.5%	3.3
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Audience share^

41.9%	41.5%	0.4
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## POWER RATIO

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<b>1.1</b>	<b>1.0</b>	
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\* Total advertising 3AGG market - KPMG monthly shares

^ Regional TAM: All people 6am to midnight for the period 1 July 2016 to 31 Dec 2016, 3AGG market

## NET DEBT & GEARING

	31 DEC 16	30 JUN 16	VARIANCE
	\$000	\$000	\$000
Net interest bearing debt	55,351	65,569	10,218
Gearing ratio*	1.1	1.4	
Interest cover*	17.8	14.8	

\*FY17 EBITDA and net interest expense are based on the 12 month period ended 31 December 2016

# FULL YEAR OUTLOOK

- First half results included one-off events:
  - Rio Olympic Games (including Paralympics)
  - disrupted competitors changing affiliation agreements
- Decline in regional audiences expected to continue
- Prime's advertising revenue for the first quarter of the 2017 calendar year is expected to decline on the prior year
- Full year result expected to be softer but too early to forecast
- Trading update post Easter