

FY22 FINANCIAL RESULTS

Sports Entertainment Group Limited (**SEG**) is pleased to report its financial results for the year ended 30 June 2022 (**FY22**).

1. FY22 RESULTS COMMENTARY

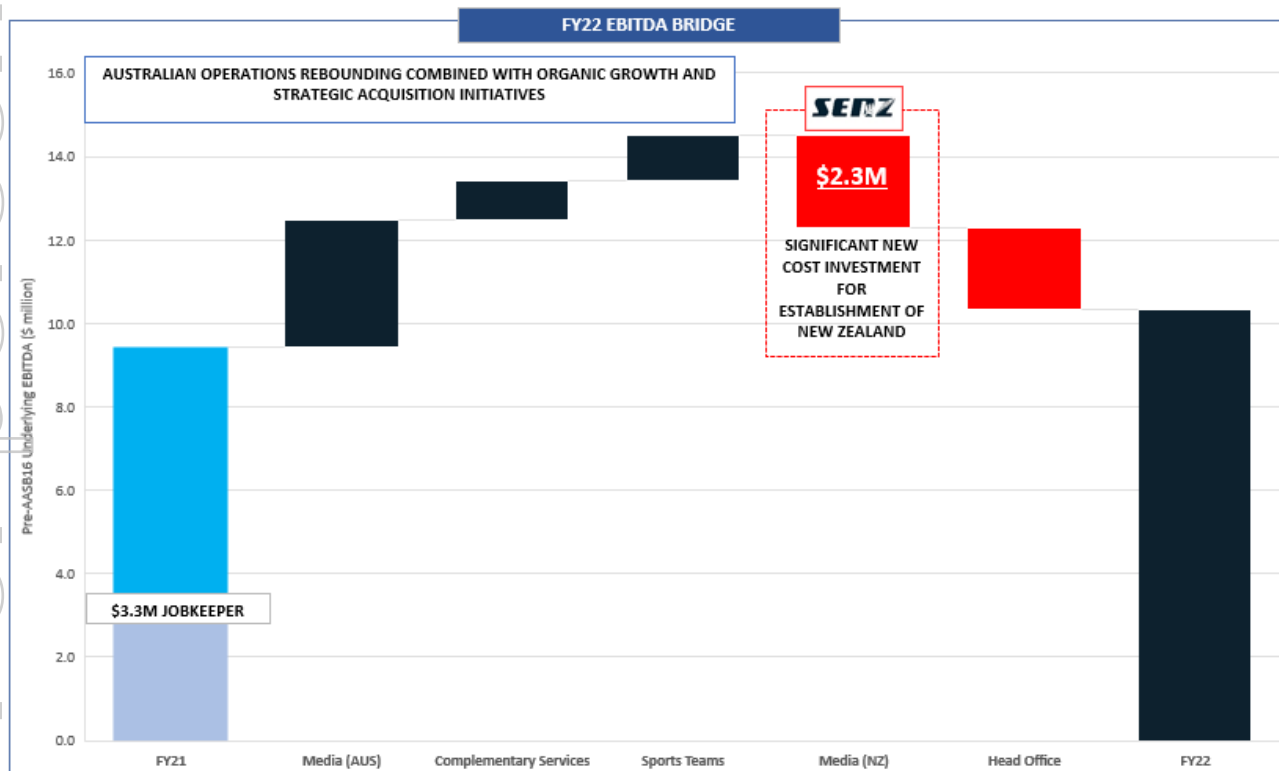
FY22 revenue¹ of \$109.0 million was up 47.8% on the prior corresponding period (**pcp**). Double-digit growth was reported across all business segments, notably positive Australian operations driven by organic growth and an expanded national station network. The result also includes incremental revenue of \$4.1 million from the launch of New Zealand operations and \$12.3 million revenue attributed to the acquisition of the Perth Wildcats.

FY22 underlying EBITDA² of \$10.3 million was up 9.6% on the pcp. The current period included \$2.3 million of net new investment/start-up costs relating to the establishment of the New Zealand network. No JobKeeper was received during the period, with the prior period benefiting by \$3.3 million.

The table and chart below reconciles FY22 underlying EBITDA³ to the pcp.

(\$ million)	FY22	FY21	Variance (\$)	Variance (%)
Total Revenue	109.0	73.7	35.2	47.8%
Operating Expenses	94.2	62.6	31.6	50.5%
EBITDA	14.7	11.1	3.6	32.8%
+ Restructuring costs / abnormal items	-0.7	-0.7	0.0	3.2%
+ Non-cash loss on disposal of intangibles (1377AM)	0.0	0.7	-0.7	n/a
Underlying EBITDA³	14.1	11.1	2.9	26.3%
Underlying EBITDA (pre AASB16)	10.3	9.4	0.9	9.6%

ATTRACTIVE RETURNS ON CAPITAL REALISED BY LEVERAGING NATIONAL SALES TEAMS, BROADCAST RIGHTS, CONTENT PORTFOLIO AND TALENT



¹ From continuing operations

² Pre-AASB16 from continuing operations and excluding restructuring, transaction, and abnormal costs

³ Excluding restructuring, transaction, and abnormal costs

FY22 cash flow from operating activities was \$10.7 million and underlying EBITDA to ungeared pre-tax operating cash flow conversion was 123.8%³. Net debt as at 30 June 2022 was \$11.6 million, up from \$11.2 million at 30 June 2021 and represents underlying EBITDA leverage of 1.1x. \$4.5 million of undrawn funds remained available as at 30 June 2022.

During the period, SEG:

- funded \$6.3 million of property, plant and equipment expenditure which predominantly relates to owned station network expansion;
- funded \$2.7 million of the 1539AM Sydney, 1593AM Melbourne and 90.7FM Darwin radio licence acquisitions;
- funded \$7.1 million for the acquisition of the Perth Wildcats;
- divested 25% of the Melbourne United shareholding for \$4.1 million; and
- raised \$5.0 million via an equity placement to partially fund the acquisition of 4KQ in July 2022.

2. STRATEGIC INITIATIVES UPDATE

SEG is pleased to have established a national network of owned stations with the latest addition in July 2022 of **SENQ 693AM** in Brisbane, which completes a key part of the owned commercial licence station network on the east coast of Australia in the AFL and NRL heartlands of Melbourne, Sydney and Brisbane.

Our strategy for growth has sought to not acquire more traditional media assets that have reached maturity, where there is no immediate operational opportunity beyond their existing earnings stream alone.

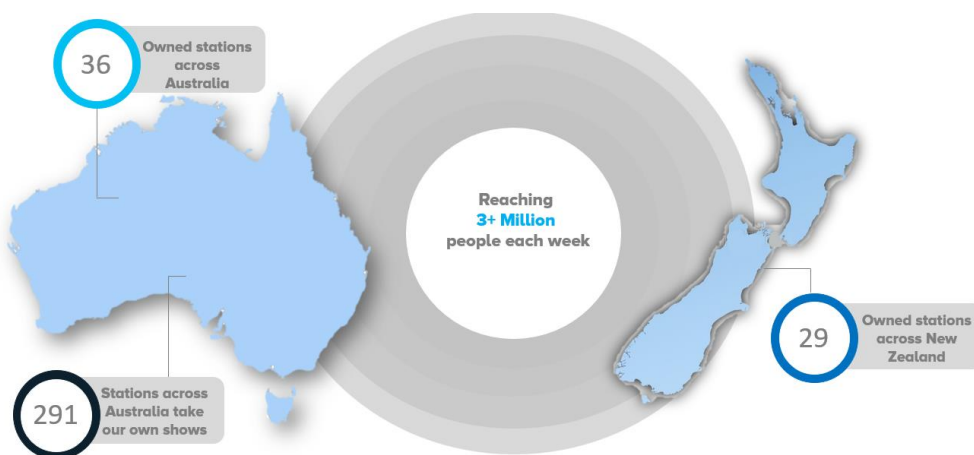
Focus has been placed on low costs organic initiatives (for example *SENTrack*) and acquisitions underpinned by infrastructure or licence value. This provides opportunity for SEG to generate attractive returns on capital by leveraging:

- national sales teams with offices in each state and territory in Australia and across both North and South islands in New Zealand;
- portfolio of broadcast rights for all major sporting codes in Australia and New Zealand as well as one off marquee events like the Olympics, Commonwealth Games, international cricket fixtures;
- extensive content portfolio consisting of 205+ radio shows and podcasts being produced a week.

Owned Station Network

SEG's owned station network covering all Australian states and territories and New Zealand has now grown to 60+ consisting of:

- 14 **SEN** branded stations – Sports/Talk
- 17 **SENTrack** branded stations – Racing, Chasing and Pacing
- 4 **SEN** branded app channels
- **SEN Spirit** – Sports/Music/Talk
- 29 **SENZ** branded stations – Sports/Talk



Digital

SEG's digital assets continue to experience strong double digit and some triple digit growth in its audience and consumption metrics with a number of SEN podcasts (**Whateley**, **SEN Breakfast**, **The Sounding Board**) consistently featuring in the Australian Podcast Ranker's Top 100.

During the year, "**The Quaddie**" and "**Same Racer**" apps were launched to support and enhance the highly engaged audience of the **SENTrack** station network.



Sports Team Ownership

Aligning with SEG's "Whole of Sport" strategy and supported by a global trend of sporting franchises, media companies and the wagering industry finding synergies in collaboration, during the year, SEG acquired:

- the **Perth Wildcats** men's basketball team that competes in the National Basketball League and are the most successful team in its history;
- the **Bendigo Spirit** that competes in the Women's National Basketball League which is an extension of SEG's strong connection with regional Australia through its radio network;
- the **Otago Nuggets** that competes in the New Zealand National Basketball League who won the 2022 Championship in our inaugural year after previously winning in 2020;
- the **Southern Hoiho** which was a brand new franchise that competed in the newly launched New Zealand Women's National Basketball League

With the acquisition of the Perth Wildcats, SEG divested its 25% share in Melbourne United.



3. TRADING UPDATE AND OUTLOOK COMMENTARY

Revenue opportunities are continuing to grow as the profile of the expanded owned network matures and builds audiences, with July and August 2022 up 17% and 37% on the pcp respectively.

SEG is budgeting to continue double digit revenue and underlying EBITDA growth in FY23 subject to no material changes in the broader economic conditions in both Australia and New Zealand.

We are confident we have created a suite of assets with long-term growth and in strategic value. Our significant investment to establish multiple media platforms – radio, TV, digital, print, teams – supported by broadcast rights, talent and extensive content is unique and hard to replicate.

We also believe we are operating in an attractive media segment, with sports media assets attracting significant investment globally.

Approved for release by the Board.

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