

The Manager
Company Announcements Office
Australian Stock Exchange Limited
Level 4, 20 Bridge Street
SYDNEY NSW 2000

1H21 FINANCIAL RESULTS

Sports Entertainment Group Limited (**SEG**) is pleased to report its financial results for the half-year ended 31 December 2020 (**1H21**).

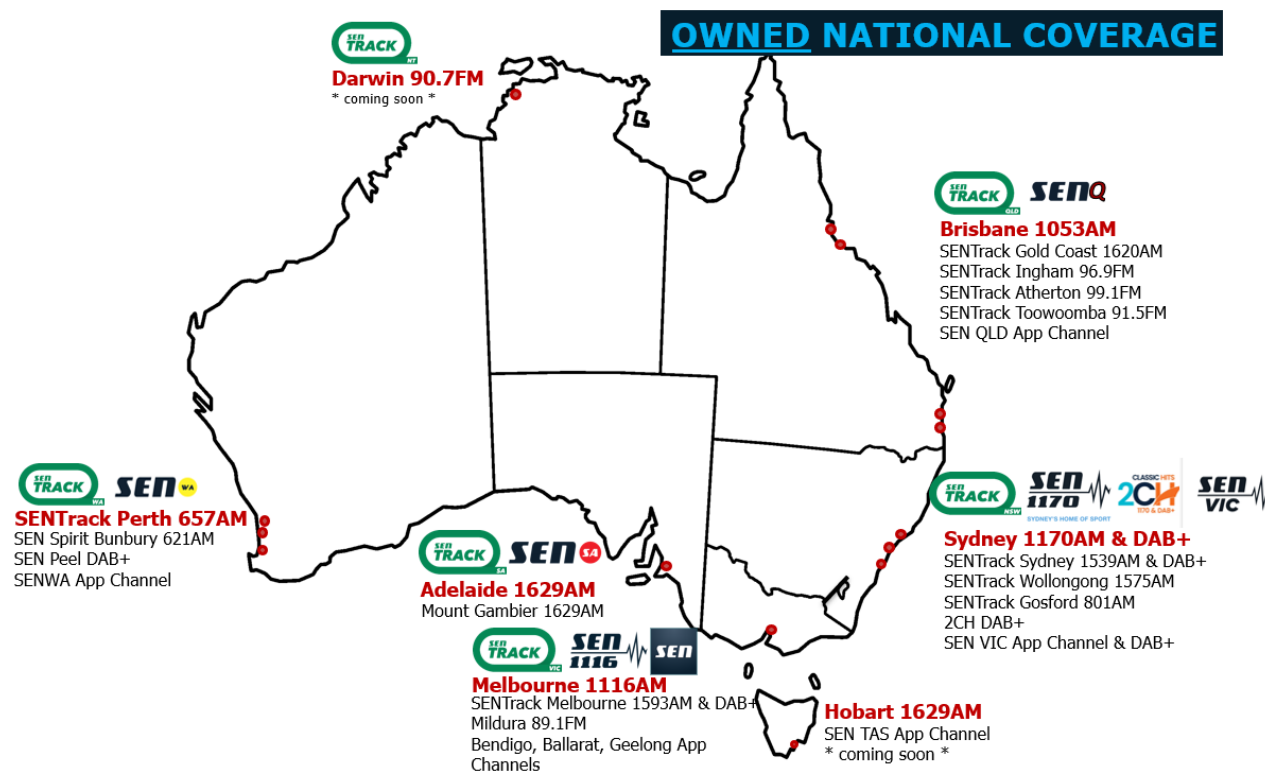
1. 1H21 Financial Results

1H21 revenue of \$34.0 million met expectations and was down 12%¹ on the prior corresponding period (**pcp**) due to the continued volatility of media advertising markets impacted by COVID-19 and also outperforming a radio advertising market that was down ~19%.

Underlying EBITDA² of \$5.8 million was up 45% on the pcp. The positive result is in line with commentary provided in November 2020.

The 1H21 result reflects:

- continuity and completion of the AFL and NRL seasons;
- completion of the BBL and international cricket fixtures;
- strong performance from the expanded owned national station network resulting from the activation of several radio licences (launch of SENTrack brand and acquisition of 1170AM 2CH Sydney, 1539AM Sydney, 1593AM Melbourne and 90.7FM Darwin) during the period which are low cost and have operational synergies;
- benefit of the termination of a number of multi-term supply and rights agreements;
- strict cost control initiatives and benefit of production costs relating to live sport broadcasts; and
- receipt of \$3.3 million of government stimulus support funding.



¹ Revenue from continuing operations (refer to Appendix 4D)

² EBITDA from continuing operations and excludes restructuring and transaction costs, in the respective period and pre impact of AASB16 Leases

1H21 cash flow from operating activities was \$6.4 million and underlying EBITDA to ungeared pre-tax operating cash flow conversion was 128%³. Net debt as at 31 December 2020 was \$4.4 million, down from \$7.1 million at 30 June 2020 resulting from diligent working capital management in response to the impacts of COVID-19.

SEG remains appropriately geared with 0.8x Underlying EBITDA leverage and was granted appropriate covenant relief to account for the impact of COVID-19.

During the period, SEG:

- funded \$2.3 million of property, plant and equipment expenditure;
- funded \$2.1 million of the 1539AM Sydney, 1593AM Melbourne and 90.7FM Darwin radio licence acquisitions; and
- funded \$5.0 million for the acquisition of the 1170AM 2CH Sydney radio licence partially offset by \$4.5 million of proceeds received for the divestment of 1377AM 3MP Melbourne radio licence.

\$13.9 million of undrawn funds including the entire \$13.5 million facility extension remains available as at 31 December 2020.

For more details please refer to the attached Appendix 4D.

2. FY21 Guidance and Outlook

The market sentiment is improving, aided by the commencement of COVID-19 vaccinations in Australia and around the world which is encouraging for the return of live sport and attendance by fans.

January and February 2021 revenue continues to improve and was down 5.5% on the pcp.

Subject to no material changes in economic and COVID-19 pandemic conditions, SEG remains confident of building on the 1H21 result and achieving a positive EBITDA result in FY21.

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³ From continuing operations, excludes restructuring and transaction costs in the respective period and pre impact of AASB16 Leases