

FY23 FINANCIAL RESULTS

Sports Entertainment Group Limited (**SEG**) today announced its financial results for the year ended 30 June 2023 (**FY23**).

1. **FY23 RESULTS COMMENTARY**

The table and chart below reconciles FY23 revenue and underlying EBITDA¹ to the pcg.

| (\$ million) | FY23 | FY22 | Variance (\$) | Variance (%) |
|--|------------|-------------|---------------|----------------|
| Total Revenue | 118.0 | 109.0 | 9.0 | 8.3% |
| Operating Expenses | 116.1 | 94.2 | 21.9 | 23.2% |
| EBITDA | 1.9 | 14.8 | (12.9) | (87.2%) |
| + Restructuring costs / abnormal items | 1.1 | (0.7) | 1.8 | n/a |
| + Non-cash loss on impairment of NZ operations | 5.5 | 0.0 | 5.5 | n/a |
| Underlying EBITDA³ | 8.6 | 14.1 | (5.5) | (39.2%) |
| - AASB16 impact | (3.8) | (3.7) | (0.1) | 1.9% |
| Underlying EBITDA (pre AASB16) | 4.8 | 10.3 | (5.6) | (53.9%) |

FY23 revenue² of \$118.0 million was up 8.3% on the prior corresponding period (**pcp**).

The Australian operations achieved revenue growth across all divisions. Strong revenue growth was experienced across the SEN, SENTrack and SEN Spirit brands in our owned audio and digital platforms. This allowed us to fully offset the negative revenue impact caused by a number of long-term syndication distribution agreements which expired during the year.

Digital audience consumption via the SEN app, www.sen.com.au, podcasts and social media platforms experienced 1.4 million monthly average users and a 27% increase in revenues. The introduction of streaming listeners to traditional radio surveys of AM, FM and DAB+ and the introduction of podcast metrics in 2024 should have a positive impact on revenue, particularly in our Sydney and Brisbane expansion markets.

The Complementary Services segment experienced strong growth (up 84%), particularly in the experiential business as clients look to these activities post COVID-19.

FY23 underlying EBITDA³ of \$4.8 million was down 53.9% on the pcg.

This includes a drag of \$4.7 million associated with the establishment of new assets in Sydney, Brisbane and New Zealand. To establish brand awareness and attract audiences, and initial revenue in these markets we have incurred up-front costs associated with but not limited to talent, content, broadcast rights, sales, programming and support personnel.

Excluding this drag, underlying EBITDA³ would have been an adjusted \$9.5 million.

While operational costs for the complementary services divisions will fluctuate relative to revenue, we believe the cost base for the media and corporate segments to have normalised and expect margin to be accretive as revenue continues to grow.

FY23 cash flow from operating activities was \$8.1 million. Net debt as at 30 June 2023 was \$21.4 million with \$1.3 million of undrawn funds remained available.

During the period, SEG:

- funded the \$12.0 million acquisition of the 4KQ radio licence, completing the Group's national radio footprint investment;
- funded \$3.9 million of property, plant and equipment expenditure which predominantly relates to owned station network expansion which is largely complete;

¹ Excluding restructuring, transaction, and abnormal costs

² From continuing operations

³ Pre-AASB16 from continuing operations and excluding restructuring, transaction, and abnormal costs

We are confident we have created a suite of assets with long-term growth potential and 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 remain confident we are operating in an attractive media segment, with sports media assets attracting significant investment globally. SEG has built long-term strategic value in its radio licence assets independent of earnings, as well as creating significant equity value in its sports teams portfolio.

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 2023 up 17% on the pcp.

In FY23 SEG is budgeting to low double-digit revenue growth and underlying EBITDA to improve with cost stabilisation, subject to no material changes in the broader economic conditions in both Australia and New Zealand.

Approved for release by the Board.

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