



OPERATIONAL INITIATIVES

30 March 2020: Nine Entertainment Co. (ASX:NEC, 'Nine') presented at the JP Morgan Virtual Conference today. At this time, Nine highlighted a number of recent operational initiatives in response to the current CoVID-19 situation.

TRADING UPDATE

- Consistent with Nine's release of 19th March 2020, Group Revenues in Q3 were in line with previous guidance. However, the advertising market is increasingly uncertain with likely material negative impact from April.
- Nine has successfully transitioned the majority of its work-force to 'work at home' with minimal interruption. Notwithstanding, Nine's crucial newsrooms across the country remain open and will continue to provide premium news coverage to all Australians.
- Audiences across all of Nine's platforms are showing strong growth, including linear audience growth on core News and Current Affairs content - *Nine News* (+30%), *A Current Affair* (+13%) and the *Today Show* (+26%) vs levels recorded in late February-early March, as well as across Nine's digital mast-heads.
- Both Stan and 9Now are reporting accelerating growth in active subscribers/users and usage.

COST INITIATIVES

- In response to the current global crisis, Nine is focused on major short and long-term cost initiatives across all of its businesses, as well as expediting part of the \$100m, 3-year linear cost out that was announced with Nine's interim results in February.
- The table below broadly highlights the first round of these initiatives, premised on the crisis continuing for the duration of calendar 2020. Any earlier (or later) recovery will change the magnitude and/or timing of these metrics, with a prolonged economic impact likely to result in further initiatives.

Cost impact \$m	H2 FY20	H1 FY21	CY20	
Broadcast - NRL	65	65	130	- Assumes Season 2020 cancelled - P&L and cash impact
Broadcast Programming & Content	8	20	28	- Primarily local content format and timing changes incl Kids and Drama - P&L and cash impact
Operational	20	48	68	-Sales and product costs, operational changes, travel and the removal of bonuses and commissions - P&L and cash impact
Spectrum charge	5	5	10	- Deferral of payment to 2021 - Cash impact
CapEx	4	26	30	- Deferral of projects into CY21 - Cash impact



BALANCE SHEET

- As detailed in the ASX release dated 31 January 2020, Nine recently completed the refinancing of its corporate debt facilities. The new facilities comprise (equally) 3 and 4 year revolving cash advance facilities of \$545 million and a one year \$80 million working capital facility. As of today, Nine retains undrawn debt and cash of around \$300m.

Nine's CEO Hugh Marks said, 'This is a very difficult time for all Australians, on many levels. Notwithstanding an expected significant impact on our business as conditions continue to evolve, we are confident that with our enhanced audience position, our mix of assets and the commitment of the Nine team, we will emerge from this period a stronger and more competitive Company'.

This announcement was authorised for lodgment by the CEO of NEC.

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