ASX Markets Announcement Office
ASX Limited
20 Bridge Street
Sydney NSW 2000

22 February 2024

Appendix 4D and Half Year Financial Report

Nine Entertainment Co. Holdings Limited (**ASX: NEC**) today announced the results for the half year ended 31 December 2023 (**H1 FY24**).

Attached is a copy of Nine Entertainment Co. Holdings Limited's Appendix 4D and Financial Report for the 6 months to 31 December 2023.

Rachel Launders
Company Secretary

Authorised for release: Nine Board sub-committee

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Appendix 4D (Rule 4.2A.3)

For the half year ended 31 December 2023

Results for announcement to the market

Key Financial Information		31 Dec 2023 $'000	31 Dec 2022 $'000
Revenue, excluding specific items	Down by 2%	1,375,747	1,407,802
Net profit after tax	Down by 40%	113,772	189,505
Net profit after tax, excluding specific items	Down by 21%	149,515	190,011
Total income attributable to:			
Net profit after tax – owners of the parent	Down by 46%	98,893	183,100
Net profit after tax – non-controlling interest	Up by 132%	14,879	6,405

Dividends

A fully franked dividend of 4.0 cents per share has been announced payable on 18 April 2024.

	Amount per share	Franked amount
Dividend per share (paid October 2023)	5.0 cents	5.0 cents
Interim 2024 dividend per share (to be paid April 2024)	4.0 cents	4.0 cents

A fully franked dividend amounting to $81,352,429 of 5.0 cents per share was paid on October 2023. Since 31 December 2023, the Directors have determined that an interim fully franked dividend of 4.0 cents per share will be payable in April 2024.

Interim 2024 dividend

Ex-dividend date: 8 March 2024

Record date: 11 March 2024

Payment date: 18 April 2024

Net tangble assets per share	1H FY24 cents	1H FY23 cents
Net tangible asset (deficit) / backing per ordinary share[1]	(50.4)	(43.4)
Net asset backing per ordinary share	116.3	123.6

1. If the deferred tax liability which relates to intangible assets is removed and the right of use asset is added back, the net tangible asset deficit per share is 12.1 cents (1H FY23: backing per share of 3.6 cents).

Supplementary information

Additional Appendix 4D disclosure requirements can be found in the Directors' Report and the Financial Report for the half year ended 31 December 2023.

Half Year Financial Report

Half year ended 31 December 2023

Nine will be instrumental in moulding and determining the future of Australia's media.

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Acknowledgement of Country

Nine Entertainment Co., acknowledges the Traditional Owners and Custodians of the land on which we work and live within Australia. We would also like to pay our respects to their Elders past and present, and acknowledge the ongoing connection that Aboriginal and Torres Strait Islander peoples have with Australia's land and waters.

Directors' Report

The Directors present the financial report for the half year ended 31 December 2023. The financial report includes the results of Nine Entertainment Co. Holdings Limited (the "Company") and the entities that it controlled during the period (the "Group").

Directors

The Directors of the Company at any time during the half year and up to the date of this report were as follows:

Name	Title	Date Appointed
Peter Costello	Independent Non-Executive Chairman	6 February 2013
Mike Sneesby	Chief Executive Officer	1 April 2021
Andrew Lancaster	Non-Executive Director	1 April 2021
Samantha Lewis	Independent Non-Executive Director	20 March 2017
Mandy Pattinson	Independent Non-Executive Director	1 August 2023
Mickie Rosen	Independent Non-Executive Director	7 December 2018
Catherine West	Independent Non-Executive Director	9 May 2016

Dividends

Nine Entertainment Co. Holdings Limited paid a dividend of 5.0 cents per share, fully franked, during the period ended 31 December 2023 amounting to $81,352,429. Since the end of the period, the Company has proposed an interim dividend in respect of the year ended 30 June 2024 of 4.0 cents per share, fully franked, amounting to $64,888,202.

Operating and Financial Review

Revenue before Specific Items decreased, from $1,405.5 million in the half year ended 31 December 2022 to $1,371.3 million in the half year ended 31 December 2023 and Group EBITDA before Specific Items decreased by $54.4 million (15%) to $316.1 million, reflecting markedly weaker economic and advertising market conditions impacting most of the markets that Nine operates in.

Depreciation and Amortisation decreased by 7% to $75.4 million, reflecting the age profile of assets, and Net Finance Costs increased from $18.7 million in the prior period to $27.1 million in the current period, principally as a result of the higher average interest rate across the period.

Specific Items of $51.7 million pre-tax (refer to Note 2.4) relate principally to specific provisions recognised in respect of onerous legacy production contracts which will not be utilised in the future ($29.5 million), impairment of other assets ($17.2 million) and group restructuring costs ($6.8 million).

The Group continued its on-market share buyback which commenced in FY23, with 5.1% of total issued share capital purchased to date, for a total of $164.8 million.

Net Debt and Cashflow

At 31 December 2023, the Group had net debt of $538.4 million (excluding lease liabilities), an increase of $15.2 million when compared to the net debt of $523.2 million at 30 June 2023. Leverage of 1.0x at 31 December 2023 is well within bank covenants.

Operating Cash Flow increased $45.9 million to $169.4 million compared to the comparative period, mainly due to a decrease in income taxes paid of $55.4 million. Tax payments for the half have decreased principally due to a reduction in profitability. The working capital outflow of $64.3 million largely relates to the timing of content payments, principally the Australian Open and Olympics. Excluding these payments, the working capital outflow of $4.5 million reflects improved working capital compared to the comparative period working capital outflow of $81.6 million (excluding the Australian Open). The prior period working capital was impacted by the implementation of Nine's new finance system late in calendar 2022, which resulted in a delay in issuing invoices and a short-term increase in working capital.

The Group made dividend payments of $81.4 million, or 5.0 cents per share, to shareholders during the first half of the year. The continued on-market share buyback resulted in payments of $10.8 million (FY23: $154.0 million) during the period.

Market Overview

During the period, macro-economic uncertainty has continued to impact the majority of the markets in which Nine operates, with inflation, increased interest rates and cost-of-living pressures weighing on consumer and business sentiment.

This has been reflected in a weaker advertising market, with Think TV reporting a 9.7% decline in the total television advertising market, to $1.45 billion, during the six months to 31 December 2023. This compares to a decline of 4.5% in the prior comparative period. However, the Broadcast Video on Demand (BVOD) market has continued to grow, with growth of 12.5% in the period (HY22: 5.4% growth).

This trend is also apparent in the metro linear radio advertising market, which has declined 3.6% to $339.5 million in the period as reported by Commercial Radio Australia, and the digital display market, which has declined by 14.0% to $189.5 million in the period.

The Australian property market has experienced some strengthening as listings return in major cities following stabilisation of interest rates, however strong growth in listing volumes in its key markets of Melbourne and Sydney were largely offset by declines in Queensland and Western Australia.

Review of Operations

Nine's Broadcast division comprises Total Television (Nine Network and 9Now) and Nine Radio. Broadcast revenue decreased by 9% to $654.6 million (31 December 2022: $715.8 million) and EBITDA decreased by 27% to $163.7 million (31 December 2022: $223.5 million), driven by weakness in the related advertising markets. Key drivers of this result are as follows:

- Nine Network reported a revenue decline of 11% for the six months to $508.3 million (31 December 2022: $573.1 million), driven by the weaker economic conditions impacting the broader advertising market, with ThinkTV reporting a 13% decline in the Metro free to air advertising market for the six months to 31 December 2023. However, Nine Network continued to perform with a leading revenue share of 39.0%.
- 9Now revenue of $93.8 million for the period compares to $88.6 million in the comparative period (a 6% increase). As reported by ThinkTV, the traditional BVOD market of 9Now, 7-Plus and Ten Play grew by 13%, with the Women's World Cup underpinning part of this market outperformance, and 9Now attained a 45% revenue share and a market leading audience share. This was underpinned by strong growth in Live, with Daily Active Users up by 14% and live streaming minutes up 45%.
- Nine Radio revenue of $52.5 million for the period represents a decline of 3% compared to the prior comparative period of $54.1 million. Whilst the metro linear radio advertising market declined 3.6% across the period, as reported by Commercial Radio Australia, digital revenues have experienced growth exceeding 40%.

Digital and Publishing revenue declined by 4% to $288.7 million (31 December 2022: $301.8 million) and EBITDA declined by 19% to $77.8 million (31 December 2022: $96.1 million). Within this result, Nine's core Metro business performed well, particularly in digital subscriptions which experienced strong growth in subscriber numbers and price increases across The Age, The Sydney Morning Herald and The Australian Financial Review leading to 5% growth in Average Revenue Per User (ARPU). Total subscribers grew by 480,000 (7%) and registered users increased by more than 1.5 million, more than offsetting the decline in print masthead sales and reflecting investment in quality content and the paywall tightening strategy. However, the softness in the broader advertising market also impacted Nine's advertising-based publishing assets, with a decline in digital advertising revenue of 17% across the period, predominantly driven by the programmatic advertising market. In total, Digital now accounts for around 61% of Publishing revenue.

Stan revenue has increased 11% to $228.4 million (31 December 2022: $206.4 million), underpinned by solid subscriber performance, with paying subscribers currently above 2.2 million, and price increases driving an 11% increase in ARPU. EBITDA has increased by 41% to $25.3 million (31 December 2022: $17.9 million), highlighting both the strength of Stan's content proposition and continued cost control throughout the half.

Revenue for Domain has increased 11% to $207.1 million (31 December 2022: $186.6 million) and EBITDA increased by 37% to $67.6 million (31 December 2022: $49.3 million). Whilst strong growth in listing volumes in its key markets of Melbourne and Sydney were largely offset by declines in Queensland and Western Australia, Domain recorded strong growth in controllable yield, a function of both price and depth, which resulted in 16% growth in Residential revenues.

Management of the Group's cost base remains a key area of focus for the Group in response to the revenue market challenges experienced during the period. Excluding the impact of content growth, principally from Sport and Stan, total Group costs were $741 million, $12 million or 2% lower than the prior comparative period, with total cost savings initiatives of $28.0 million offsetting inflationary pressures across the cost base.

Significant changes in the state of affairs

On 25 August 2022, the Group announced an on-market buyback of up to 10 percent of the Group's current issued share capital. This commenced in September 2022 and was ongoing as at 31 December 2023. During the period, 5,501,730 shares have been purchased for a cost of $10.8 million. At 31 December 2023, 83,188,202 shares, equating to 5.1% of total issued share capital, have been purchased since the commencement of the buyback for a total cost of $164.8 million.

Significant events after the balance sheet date

There has not arisen in the interval between the end of the financial period and the date of this report any item, transaction or event of a material and unusual nature, to affect significantly the operations of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity, in future years.

Auditor's Independence Declaration

The Directors have received the Auditor's Independence Declaration, a copy of which is included on page 7.

Rounding

The amounts contained in the financial statements have been rounded off to the nearest thousand dollars (where rounding is applicable) under the option available to the Group under ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191. Nine Entertainment Co. Holdings Limited is an entity to which the Instrument applies.

Signature

Signed on behalf of the Directors in accordance with a resolution of the Directors.

Peter Costello
Chairman

Mike Sneesby
Chief Executive Officer and Director

Sydney, 22 February 2024

Auditor's Independence Declaration

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Auditor's Independence Declaration to the Directors of Nine Entertainment Co. Holdings Limited

As lead auditor for the review of the half-year financial report of Nine Entertainment Co. Holdings Limited for the half-year ended 31 December 2023, I declare to the best of my knowledge and belief, there have been:

a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review;

b) no contraventions of any applicable code of professional conduct in relation to the review; and

c) no non-audit services provided that contravene any applicable code of professional conduct in relation to the review.

This declaration is in respect of Nine Entertainment Co. Holdings Limited and the entities it controlled during the financial period.

Ernst & Young

Ernst & Young

Megan Wilson

Megan Wilson
Partner
22 February 2024

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the half year ended 31 December 2023

	Note	31 Dec 2023 $'000	31 Dec 2022 $'000
Revenues	2.1	1,378,069	1,412,758
Expenses	2.3	(1,182,334)	(1,121,434)
Finance costs	2.3	(31,911)	(21,045)
Share of (losses)/profits of associate entities		(1,844)	(179)
Net profit before income tax expense		**161,980**	**270,100**
Income tax expense	5.1	(48,208)	(80,595)
Net profit after income tax expense		**113,772**	**189,505**
Net profit for the period attributable to:			
Owners of the parent		98,893	183,100
Non-controlling interest		14,879	6,405
Net profit for the period		**113,772**	**189,505**
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss:			
Foreign currency translation		(97)	(491)
Fair value movement in derivative financial instruments (net of tax)		(1,257)	(800)
Items that will not be reclassified subsequently to profit or loss:			
Fair value movement in investment in listed and unlisted equities (net of tax)		170	–
Actuarial gain/(loss) on defined benefit plan (net of tax)		1,828	1,355
Other comprehensive income for the period		**644**	**64**
Total comprehensive income attributable to equity holders		**114,416**	**189,569**
Total comprehensive income attributable to:			
Owners of the parent		99,537	183,164
Non-controlling interest		14,879	6,405
Total comprehensive income for the period		**114,416**	**189,569**
Earnings per share			
Basic and diluted earnings attributable to ordinary equity holders of the parent	2.5	**$0.06**	**$0.11**

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

Consolidated Statement of Financial Position

As at 31 December 2023

	Note	31 Dec 2023 $'000	30 Jun 2023 $'000
Current assets			
Cash and cash equivalents		134,006	119,676
Trade and other receivables		362,207	425,599
Program rights & inventories		334,007	299,452
Prepayments		58,769	44,065
Other assets		13,159	77
Derivative financial instruments		716	2,852
Income tax receivable		15,571	2,053
Assets held for sale		8,200	7,146
Total current assets		**926,635**	**900,920**
Non-current assets			
Receivables		4,996	2,094
Program rights & inventories		169,255	156,470
Investments accounted for using the equity method		29,918	33,056
Other financial assets		4,697	4,526
Property, plant and equipment		424,833	442,136
Intangible assets	3.1	2,455,014	2,448,156
Prepayments		2,532	4,122
Defined benefit plan		27,079	24,149
Total non-current assets		**3,118,324**	**3,114,709**
Total assets		**4,044,959**	**4,015,629**
Current liabilities			
Trade and other payables	3.2	516,739	532,596
Financial Liabilities	4.1	137,905	136,036
Provisions	3.3	194,163	192,602
Derivative financial instruments		301	1,038
Liabilities held for sale		–	5,146
Total current liabilities		**849,108**	**867,418**
Non-current liabilities			
Payables	3.2	100,064	107,420
Financial Liabilities	4.1	890,185	877,203
Deferred tax liabilities	5.2	280,588	268,858
Provisions	3.3	38,283	18,243
Derivative financial instruments		–	142
Total non-current liabilities		**1,309,120**	**1,271,866**
Total liabilities		**2,158,228**	**2,139,284**
Net assets		**1,886,731**	**1,876,345**
Equity			
Contributed equity	4.2	1,950,744	1,958,642
Reserves		(61,481)	(63,545)
Retained earnings		(195,917)	(212,397)
Total equity attributable to equity holders of the parent		**1,693,346**	**1,682,700**
Non-controlling interest		**193,385**	**193,645**
Total equity		**1,886,731**	**1,876,345**

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

Consolidated Statement of Changes in Equity

For the half year ended 31 December 2023

	Contributed equity $'000	Rights Plan Shares $'000	Foreign currency translation reserve $'000	Fair Value reserve of financial assets at FVOCI $'000	Share-based payments reserve $'000	Cash flow hedge reserve $'000	Other reserves $'000	Retained earnings $'000	Total attributable to equity holders of the parent $'000	Non-controlling interests $'000	Total Equity $'000
At 1 July 2023	1,980,792	(22,150)	(926)	(9,144)	16,612	945	(71,032)	(212,397)	**1,682,700**	193,645	**1,876,345**
Profit for the period	–	–	–	–	–	–	–	98,893	**98,893**	14,879	**113,772**
Other comprehensive income/(loss) for the period	–	–	(97)	1,998	–	(1,257)	–	–	**644**	–	**644**
Total comprehensive income/(loss) for the period	**–**	**–**	**(97)**	**1,998**	**–**	**(1,257)**	**–**	**98,893**	**99,537**	**14,879**	**114,416**
Transfers from reserves to equity	–	–	–	–	530	–	–	(530)	**–**	–	**–**
Vesting of Rights Plan shares (Note 4.4)	–	2,904	–	–	(2,904)	–	–	–	**–**	–	**–**
Vesting of Share Based Payments	–	–	–	–	(1,327)	–	811	(531)	**(1,047)**	–	**(1,047)**
Transactions with non-controlling interests	–	–	–	–	–	–	–	–	**–**	(889)	**(889)**
Derecognition of NCI	–	–	–	–	–	–	–	–	**–**	133	**133**
Share buy-back (Note 4.2)	(10,802)	–	–	–	–	–	–	–	**(10,802)**	–	**(10,802)**
Share-based payment expense, net of tax	–	–	–	–	4,310	–	–	–	**4,310**	–	**4,310**
Dividends to shareholders	–	–	–	–	–	–	–	(81,352)	**(81,352)**	(14,383)	**(95,735)**
At 31 December 2023	**1,969,990**	**(19,246)**	**(1,023)**	**(7,146)**	**17,221**	**(312)**	**(70,221)**	**(195,917)**	**1,693,346**	**193,385**	**1,886,731**
At 1 July 2022	2,134,803	(23,051)	(1,028)	(6,715)	19,545	1,693	(68,417)	(178,820)	**1,878,010**	193,540	**2,071,550**
Profit for the period	–	–	–	–	–	–	–	181,806	**181,806**	12,737	**194,543**
Other comprehensive income/(loss) for the period	–	–	102	(2,429)	–	(748)	–	–	**(3,075)**	–	**(3,075)**
Total comprehensive income/(loss) for the period	**–**	**–**	**102**	**(2,429)**	**–**	**(748)**	**–**	**181,806**	**178,731**	**12,737**	**191,468**
Transfers from reserves to equity	–	–	–	–	(4,791)	–	–	4,177	**(614)**	–	**(614)**
Vesting of Rights Plan shares (Note 4.4)	–	901	–	–	(901)	–	–	–	**–**	–	**–**
Vesting of Share Based Payments	–	–	–	–	(3,000)	–	(2,615)	–	**(5,615)**	–	**(5,615)**
Transactions with non-controlling interests	–	–	–	–	–	–	–	–	**–**	7,103	**7,103**
Share buy-back (Note 4.2)	(154,011)	–	–	–	–	–	–	–	**(154,011)**	–	**(154,011)**
Share-based payment expense, net of tax	–	–	–	–	5,759	–	–	–	**5,759**	–	**5,759**
Dividends to shareholders	–	–	–	–	–	–	–	(219,560)	**(219,560)**	(19,735)	**(239,295)**
At 30 June 2023	**1,980,792**	**(22,150)**	**(926)**	**(9,144)**	**16,612**	**945**	**(71,032)**	**(212,397)**	**1,682,700**	**193,645**	**1,876,345**

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

Consolidated Statement of Cash Flows

For the half year ended 31 December 2023

	Note	31 Dec 2023 $'000	31 Dec 2022 $'000
Cash flows from operating activities			
Receipts from customers		1,557,293	1,533,508
Payments to suppliers and employees		(1,309,584)	(1,287,419)
Interest received		3,492	2,016
Interest and other costs of finance paid		(31,687)	(19,027)
Income tax paid		(50,142)	(105,587)
Net cash flows generated from operating activities		**169,372**	**123,491**
Cash flows from investing activities			
Purchase of property, plant and equipment		(13,898)	(9,154)
Purchase of intangible assets	3.1	(46,543)	(35,546)
Proceeds on disposal of property, plant and equipment		–	1,838
Acquisition of subsidiaries, net of cash acquired		–	(46)
Net proceeds from disposal of investments and assets held for sale		1,250	1,250
Net cash flows used in investing activities		**(59,191)**	**(41,658)**
Cash flows from financing activities			
Proceeds from borrowings		150,000	828,500
Repayments of borrowings		(121,050)	(667,500)
Payment of debt refinancing fees		–	(2,846)
Payment of the principal portion of leases		(20,904)	(20,814)
Net receipt/(repayment) of loan to non-controlling shareholder		2,640	1,840
Dividends paid to non-controlling interest		(14,383)	(14,688)
Dividends paid to shareholders of the Group	4.3	(81,352)	(119,378)
Share buyback	4.2	(10,802)	(66,863)
Net cash flows used in financing activities		**(95,851)**	**(61,749)**
Net increase/(decrease) in cash and cash equivalents		**14,330**	**20,084**
Cash and cash equivalents at the beginning of the financial period		119,676	153,464
Cash and cash equivalents at the end of the period		**134,006**	**173,548**

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

Notes to the Consolidated Financial Statements

For the half year ended 31 December 2023

1. About This Report

The financial report includes the consolidated entity consisting of Nine Entertainment Co. Holdings Limited (the "Company" or "Parent Entity") and its controlled entities (collectively, the "Group") for the half year ended 31 December 2023.

Nine Entertainment Co. Holdings Limited is a for-profit company limited by shares incorporated in Australia whose shares are publicly traded on the Australian Securities Exchange.

The consolidated general purpose financial report of the Group for the half year ended 31 December 2023 was authorised for issue in accordance with a resolution of the directors on 22 February 2024. The Directors have the power to amend and reissue the financial report.

1.1 Significant events during the period

On 25 August 2022, the Group announced an on-market buyback of up to 10 percent of the Group's current issued share capital. This commenced in September 2022 and was ongoing as at 31 December 2023. During the period, 5,501,730 shares have been purchased for a cost of $10.8 million. At 31 December 2023, 83,188,202 shares, equating to 5.1% of total issued share capital, have been purchased since the commencement of the buy back for a total cost of $164.8 million.

1.2 Basis of preparation

This financial report is a general-purpose financial report, which has been prepared in accordance with the requirements of the Corporations Act 2001 and AASB 134 Interim Financial Reporting.

The half year report does not include notes of the type normally included in an annual financial report and therefore should be read in conjunction with the 2023 annual report of Nine Entertainment Co. Holdings Limited and its controlled entities and any public announcements made by Nine Entertainment Co. Holdings Limited during the interim period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The accounting policies adopted in the preparation of the half year financial report are consistent with those applied and disclosed in the 2023 annual report.

The financial report is presented in Australian dollars and all values are rounded to the nearest thousand dollars ($'000) unless otherwise stated under the option available to the Company under ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191. The Company is an entity to which the instrument applies.

The consolidated financial statements provide comparative information in respect of the previous period, which is reclassified where necessary in order to provide consistency with the current period.

New accounting standards, interpretations and amendments adopted by the Group

There were no new accounting standards, interpretations and amendments significantly impacting the Group in the half year ended 31 December 2023.

Standards issued but not yet effective

Certain new accounting standards, amendments and interpretations have been issued that are not yet effective for the half year ended 31 December 2023. The Group intends to adopt the following new or amended standards and interpretations, if applicable, when they become effective with no significant impact being expected on the Consolidated Financial Statements of the Group:

- Amendments to AASB 101 Classification of Liabilities as Current or Non-current.
- Amendments to AASB Sale or Contribution of Assets between an Investor and its Associate or Joint Venture.

1.3 Key Judgements and Estimates

The preparation of the Group's Consolidated Financial Statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the accompanying disclosures. Uncertainty about these assumptions and estimates could result in an outcome that requires a material adjustment to the carrying amount of assets and liabilities in future periods. The Group's material judgements and estimates were disclosed in Note 1 within the Group's 2023 Consolidated Financial Statements.

2. Group Performance

2.1 Segment Information

	Segment revenue[1]		EBITDA before specific items		Depreciation and amortisation		EBIT before specific items	
	31 Dec 2023 $'000	31 Dec 2022 $'000	31 Dec 2023 $'000	31 Dec 2022 $'000	31 Dec 2023 $'000	31 Dec 2022 $'000	31 Dec 2023 $'000	31 Dec 2022 $'000
Broadcast	654,571	715,807	163,708	223,548	(27,256)	(28,163)	136,452	195,385
Digital and Publishing	288,727	301,791	77,757	96,106	(20,557)	(22,762)	57,200	73,345
Domain Group	207,087	186,593	67,551	49,320	(21,902)	(23,140)	45,649	26,180
Stan	228,396	206,380	25,324	17,910	(5,715)	(6,620)	19,609	11,289
Segment total	**1,378,781**	**1,410,571**	**334,340**	**386,884**	**(75,430)**	**(80,685)**	**258,910**	**306,199**
Corporate	–	1,730	(16,365)	(16,232)	–	–	(16,365)	(16,232)
Associates	–	–	(1,844)	(179)	–	–	(1,844)	(179)
Total Group	**1,378,781**	**1,412,301**	**316,131**	**370,473**	**(75,430)**	**(80,685)**	**240,701**	**289,788**

1. Includes inter-segment revenue of $7,451,000 (31 December 2022: $6,850,000).

The reportable segments for continuing operations for the period ended 31 December 2023 are:

- **Broadcast:** includes free to air television activities, 9Now and metropolitan radio networks in Australia.
- **Digital and Publishing:** includes Nine Digital (Nine.com.au and other digital activities) and Metropolitan Media (metropolitan news, sport, lifestyle and business media across various platforms).
- **Domain Group:** real estate media and services businesses.
- **Stan:** subscription video on demand service.

Reconciliation of segment revenue to total group revenue on the Consolidated Statement of Profit or Loss and Other Comprehensive Income	Note	31 Dec 2023 $'000	31 Dec 2022 $'000
Total Group revenue (per above)		1,378,781	1,412,301
Inter-segment eliminations		(7,451)	(6,850)
Total Group revenue		**1,371,330**	**1,405,451**
Interest income		4,417	2,351
Net gain on contingent consideration payable and sale of financial assets	2.4	2,322	4,956
Revenue per the Consolidated Statement of Profit or Loss and Other Comprehensive Income		**1,378,069**	**1,412,758**

Reconciliation of EBIT before specific items to profit after tax	Note	31 Dec 2023 $'000	31 Dec 2022 $'000
EBIT before specific items (per above)		240,701	289,788
Interest income		4,417	2,351
Finance costs before specific items		(31,478)	(21,045)
Income tax expense		(64,125)	(81,083)
Profit before specific items		**149,515**	**190,011**
Specific items expense	2.4	(51,660)	(994)
Income tax benefit on specific items	2.4	15,917	488
Net profit after income tax expense		**113,772**	**189,505**

Geographic Information

A majority of the Group's external revenues arise out of sales to customers within Australia.

Major customers

The Group did not have any customers which accounted for more than 10% of operating revenue for the period (31 December 2022: none).

2.2 Revenue and other income

In the following table, revenue is disaggregated by major products/service lines. The table also includes a reconciliation of the disaggregated revenue with the Group's reportable segments (see Note 2.1).

	Broadcast $'000	Digital and Publishing $'000	Domain Group $'000	Stan $'000	Corporate $'000	Total $'000
Period ended 31 December 2023						
Advertising revenue	589,939	117,080	155,990	–	–	**863,009**
Subscription revenue	–	116,139	23,947	228,396	–	**368,482**
Affiliate revenue	41,030	–	–	–	–	**41,030**
Circulation revenue	–	32,021	–	–	–	**32,021**
Program Sales	7,254	–	–	–	–	**7,254**
Other revenue	16,348	23,487	27,150	–	–	**66,985**
Total segment revenue (Note 2.1)[1]	**654,571**	**288,727**	**207,087**	**228,396**	**–**	**1,378,781**

1. Includes inter-segment revenue of $7,451,000.

	Broadcast $'000	Digital and Publishing $'000	Domain Group $'000	Stan $'000	Corporate $'000	Total $'000
Period ended 31 December 2022						
Advertising revenue	653,232	131,676	142,273	–	–	**927,181**
Subscription revenue	–	109,179	25,567	206,380	–	**341,126**
Affiliate revenue	41,016	–	–	–	–	**41,016**
Circulation revenue	–	33,423	–	–	–	**33,423**
Program Sales	7,062	–	–	–	–	**7,062**
Other revenue	14,497	27,513	18,753	–	1,730	**62,493**
Total segment revenue (Note 2.1)[2]	**715,807**	**301,791**	**186,593**	**206,380**	**1,730**	**1,412,301**

2. Includes inter-segment revenue of $6,850,000.

2.3 Expenses

	31 Dec 2023 $'000	31 Dec 2022 $'000
Expenses		
Broadcast	564,235	520,258
Digital and Publishing	234,616	228,446
Domain Group	163,735	164,869
Stan	208,788	195,091
Other[1]	10,960	12,770
Total expenses	**1,182,334**	**1,121,434**
Included in the expenses above are the following:		
Depreciation and amortisation (excluding program rights)	75,430	80,685
Salary and employee benefit expenses	407,201	402,080
Program rights	292,342	252,985
Total depreciation, salary and program rights	**774,973**	**735,750**
Finance Costs		
Interest on debt facilities	24,017	13,266
Interest on lease liabilities	7,021	7,025
Amortisation of debt facility establishment costs	873	754
Total finance costs	**31,911**	**21,045**

1. Includes corporate costs and specific items not allocated to segments, offset by inter-segment expense elimination of $7,451,000 (31 December 2022: $6,850,000).

2.4 Specific items

The net profit after tax includes the following specific items, which by size and nature or incidence are relevant in explaining the financial performance of the Group:

	31 Dec 2023 $'000	31 Dec 2022 $'000
Net gain on contingent consideration payable	835	2,085
Net profit on sale of investments and other assets	1,487	2,871
Impairment of other assets	(17,209)	–
Other specific provisions	(29,486)	–
Restructuring costs	(6,835)	(4,930)
Other	(452)	(1,020)
Net specific items expense before tax	**(51,660)**	**(994)**
Income tax benefit on specific items	15,917	488
Net specific items expense after tax	**(35,743)**	**(506)**

Net gain on contingent consideration payable

Current year net remeasurement gain on contingent consideration amounting to $0.8 million relates to the $0.4 million loss on revaluation of the Commercialview Pty Ltd contingent consideration and $1.2 million gain on revaluation of the Insight Data Solutions Holdings Pty Ltd contingent consideration.

In the half year ended 31 December 2022, the remeasurement gain of $2.1 million relates to the release of the Commercialview Pty Ltd tranche 3B contingent consideration payable and remeasurement of the Insight Data Solutions Holdings Pty Ltd contingent consideration payable.

Net profit on sale of investments and other assets

The net profit on sale of investments and assets held for sale is $1.5 million, related to the divestment of the Rate City Pty Ltd associate investment of $1.3 million, and a $0.2 million gain on disposal from the Domain Group's divestment of their investment in Digital Home Loans Pty Ltd.

In the half year ended 31 December 2022, net profit on sale of investments and assets held for sale was $2.9 million, consisting of $1.6 million gain on disposal of land and property in Tamworth and $1.3 million profit on divestment of the Rate City Pty Ltd associate investment.

Impairment of other assets

The impairment of other assets includes:

- $16.6 million of impairments related to Total TV content no longer considered recoverable; and
- $1.1 million impairment of assets related to the write-down of the Intrepica associate investment; offset by
- $0.5 million reversal of previous debtor write offs.

Other specific provisions

Onerous production contracts related to expected future commitments for legacy Total TV content which will not be used, and other content provisions related to prior periods.

Restructuring costs

Restructuring costs include:

- $4.5 million of redundancy and restructuring costs; and
- $2.3 million related to costs incurred for Domain Group's technology transformation project and platform improvement.

In the half year ended 31 December 2022, $3.3 million related to the implementation of new pricing models and the development of the new organisational structure at Domain Group; and $1.6 million related to the implementation of new financial systems.

Other

The Group has incurred $0.5 million of legal and advisory fees and other costs related to acquisition activity during the period. In the half year ended 31 December 2022, the Group incurred $1.0 million of other costs primarily consisting of legal and advisory fees related to acquisition activity during the period.

2.5 Earnings per share

	31 Dec 2023 In cents	31 Dec 2022 In cents
Basic and diluted earnings per share before specific items[1] (non-IFRS Measure)	$0.08	$0.11
Basic and diluted earnings per share after specific items[1] (IFRS Measure)	$0.06	$0.11
Profit attributable to the ordinary equity holders of the parent used in calculating the basic and diluted earnings per share ($'000)	98,893	183,100
Weighted average number of ordinary shares used as denominator for basic earnings per share ('000)	**1,623,106**	**1,692,344**
Effect of dilution:		
Rights Plan shares under the performance rights plan (Note 4.4) ('000)	8,453	7,004
Weighted average number of ordinary shares adjusted for the effect of dilution ('000)	**1,631,559**	**1,699,348**

1. Diluted earnings per share assumes that the executive long term incentive plan (Refer Note 4.4) is satisfied by issuing new shares. The Group's practice to date has been to purchase the shares on the open market and if this practice continues there will be no difference between basic and diluted earnings per share.

3. Operating Assets and Liabilities

3.1 Intangible assets

	Goodwill $'000	Licences[2] $'000	Mastheads and Brand Names $'000	Customer relationships $'000	Software[1] $'000	Total $'000
Half year ended 31 December 2023						
At 1 July 2023, net of accumulated amortisation and impairment	1,080,466	525,134	575,056	133,590	133,910	**2,448,156**
Purchases	–	–	–	–	46,543	**46,543**
Disposals	–	–	–	–	–	**–**
Amortisation expense	–	–	(561)	(8,244)	(30,880)	**(39,685)**
At 31 December 2023, net of accumulated amortisation and impairment	**1,080,466**	**525,134**	**574,495**	**125,346**	**149,573**	**2,455,014**
Year ended 30 June 2023						
At 1 July 2022, net of accumulated amortisation and impairment	1,149,027	598,471	562,460	112,222	90,105	**2,512,285**
Purchases	–	–	–	–	77,254	**77,254**
Finalisation of Purchase Price Allocation (Note 6.1)	(67,994)	–	14,466	43,344	31,784	**21,600**
Disposals	–	–	(471)	–	(388)	**(859)**
Impairment	(567)	(73,337)	–	–	(5,088)	**(78,992)**
Amortisation expense	–	–	(1,399)	(21,976)	(59,757)	**(83,132)**
At 30 June 2023, net of accumulated amortisation and impairment	**1,080,466**	**525,134**	**575,056**	**133,590**	**133,910**	**2,448,156**

1. Capitalised development costs of software being, in part, an internally generated intangible asset.
2. In the year ended 30 June 2023, an impairment charge of $73.3 million for licences was recognised in relation to the Radio CGU.

	Goodwill $'000	Licences $'000	Mastheads and Brand Names $'000	Customer relationships $'000	Software $'000	Total $'000
At 31 December 2023, net of accumulated amortisation and impairment						
Cost (gross carrying amount)	2,590,283	651,745	1,679,678	241,936	422,731	**5,586,373**
Accumulated amortisation and impairment	(1,509,817)	(126,611)	(1,105,183)	(116,590)	(273,158)	**(3,131,359)**
Net carrying amount	**1,080,466**	**525,134**	**574,495**	**125,346**	**149,573**	**2,455,014**
At 30 June 2023, net of accumulated amortisation and impairment						
Cost (gross carrying amount)	2,590,283	651,745	1,679,678	241,936	376,188	**5,539,830**
Accumulated amortisation and impairment	(1,509,817)	(126,611)	(1,104,622)	(108,346)	(242,278)	**(3,091,674)**
Net carrying amount	**1,080,466**	**525,134**	**575,056**	**133,590**	**133,910**	**2,448,156**

3.1(a) Allocation of non-amortising intangibles and goodwill

The Group has allocated intangibles and goodwill to the following cash generating units ("CGUs"):

	Goodwill $'000	Licences $'000	Mastheads and Brand Names $'000
Half year ended 31 December 2023			
Total TV	–	457,884	–
NBN	3,300	11,000	–
Stan	315,302	–	71,452
Domain	635,836	–	418,630
Metropolitan Media	105,052	–	84,413
Nine Radio	–	56,250	–
Other[1]	20,976	–	–
Total licences and goodwill as at 31 December 2023	**1,080,466**	**525,134**	**574,495**
Year ended 30 June 2023			
Total TV	–	457,884	–
NBN	3,300	11,000	–
Stan	315,302	–	71,452
Domain	635,836	–	419,191
Metropolitan Media	105,052	–	84,413
Nine Radio	–	56,250	–
Other[1]	20,976	–	–
Total licences and goodwill as at 30 June 2023	**1,080,466**	**525,134**	**575,056**

1. Other goodwill is made up of Nine.com.au $6.7 million (June 2023: $6.7 million) and PedestrianTV $14.3 million (June 2023: $14.3 million).

3.1(b) Determination of recoverable amount

The Group determined Total TV, NBN, Domain, Nine Radio, Metro Media, Stan and each of the components of Other (Nine.com.au and Pedestrian TV) to be CGUs subject to an annual impairment test.

At 31 December 2023, a review was performed for indicators of impairment in order to determine whether a formal impairment assessment was required.

The Directors have determined that there are no impairment indicators as at 31 December 2023. In reviewing for such indicators, the Group assessed internal and external factors which could impact any of the key assumptions used in determining CGU recoverable value in 30 June 2023 impairment modelling. This assessment included growth rates, discount rates and a comparison of actual performance during the period to forecasted cash flow projections utilised. The cash flow projections which are used in determining any impairment require the Group to make significant judgements and estimates. Key assumptions in preparing the cash flow projections for each CGU are set out in the 2023 annual financial report.

3.2 Trade and other payables

	31 Dec 2023 $'000	30 Jun 2023 $'000
Current – unsecured		
Trade and other payables	265,475	281,395
Program contract payables	172,981	162,605
Deferred income	77,238	87,943
Contingent consideration	1,045	653
Total current trade and other payables	**516,739**	**532,596**
Non-current – unsecured		
Program contract payables	89,105	94,081
Deferred income	1,648	2,800
Contingent consideration	9,311	10,539
Total non-current trade and other payables	**100,064**	**107,420**

3.3 Provisions

	Employee entitlements $'000	Onerous contracts $'000	Other[1] $'000	Total $'000
At 1 July 2023	138,198	10,165	62,482	**210,845**
Arising during the period	39,955	26,187	13,513	**79,655**
Utilised during the period	(38,878)	(6,059)	(12,845)	**(57,782)**
Reversal during the period	(272)	–	–	**(272)**
At 31 December 2023	**139,003**	**30,293**	**63,150**	**232,446**
Represented by:				
Current	123,538	9,101	61,524	**194,163**
Non-current	15,465	21,192	1,626	**38,283**
At 31 December 2023	**139,003**	**30,293**	**63,150**	**232,446**

1. Included in other provisions are defamation provisions $25.4 million (June 2023: $30.9 million), content and royalties provisions $35.2 million (June 2023: $29.5 million), provision for property $1.7 million (June 2023: $0.9 million) and provisions for restructuring $0.9 million (June 2023: $0.6 million).

	Employee entitlements $'000	Onerous contracts $'000	Other $'000	Total $'000
At 1 July 2022	149,805	17,572	69,796	**237,173**
Arising during the period	68,581	1,842	17,769	**88,192**
Utilised during the period	(76,722)	(9,249)	(25,083)	**(111,054)**
Reversal during the period	(3,466)	–	–	**(3,466)**
At 30 June 2023	**138,198**	**10,165**	**62,482**	**210,845**
Represented by:				
Current	122,784	8,408	61,410	**192,602**
Non-current	15,414	1,757	1,072	**18,243**
At 30 June 2023	**138,198**	**10,165**	**62,482**	**210,845**

3.4 Commitments

	<1 year $'000	1-5 years $'000	>5 years $'000	Total $'000
Half year ended 31 December 2023				
Capital expenditure	5,285	–	–	**5,285**
Lease commitments – Group as lessee	15,637	47,077	28,570	**91,284**
Lease commitments – Group as lessor[1]	(2,773)	(33)	–	**(2,806)**
Television and Subscription Video on Demand program and sporting broadcast rights	394,122	930,507	172,418	**1,497,047**
Total Commitments	**412,271**	**977,551**	**200,988**	**1,590,810**

	<1 year $'000	1-5 years $'000	>5 years $'000	Total $'000
Year ended 30 June 2023				
Capital expenditure	6,556	–	–	**6,556**
Lease commitments – Group as lessee	15,837	48,964	33,536	**98,337**
Lease commitments – Group as lessor[1]	(5,422)	–	–	**(5,422)**
Television and Subscription Video on Demand program and sporting broadcast rights	422,907	1,024,902	240,634	**1,688,443**
Total Commitments	**439,878**	**1,073,866**	**274,170**	**1,787,914**

1. The Group has commercial subleases on office premises and amounts disclosed above represent the future minimum rentals receivable under non-cancellable operating leases.

Lease commitments include lease of land and buildings where the lease term has not yet commenced, and outgoings where the application of AASB 16 Leases is not applicable. Renewal terms are included in certain contracts, whereby renewal is at the option of the specific entity that holds the lease. On renewal, the terms of the leases are usually renegotiated. There are no restrictions placed upon the lessee by entering into these leases.

Television and Subscription Video on Demand program and sporting broadcast rights commitments relate to future committed expenditure for long-term content rights contracts which the Group is party to at the reporting date. Commitments include free-to-air Television, Broadcast Video on Demand and Subscription Video on Demand content.

4. Capital Structure and Management

4.1 Financial Liabilities

	31 Dec 2023 $'000	30 Jun 2023 $'000
Current		
Lease liabilities	38,345	36,607
Bank facilities unsecured	99,560	99,429
Total current financial liabilities	**137,905**	**136,036**
Non-current		
Lease liabilities	317,354	333,749
Bank facilities unsecured	572,831	543,454
Total non-current financial liabilities	**890,185**	**877,203**

100% Owned Facilities

The Group is party to a $750 million (30 June 2023: $750 million) syndicated bank facility which is comprised of a $100 million working capital facility expiring in December 2024, a $225 million revolving facility expiring in December 2025, a $225 million revolving facility expiring in December 2026, and a $200 million facility expiring in December 2027. At 31 December 2023, $465 million (30 June 2023: $426 million) of the syndicated facilities was drawn.

A $33.1 million bank guarantee facility is also available to the Group's 100% owned subsidiaries on a rolling annual basis. As of 31 December 2023, $24.2 million was drawn (30 June 2023: $24.0 million).

The corporate facilities available to the Group for its 100% owned subsidiaries are provided by a syndicate of banks and financial institutions. The interest rate for drawings under these facilities is the applicable bank bill rate plus a credit margin.

These facilities are supported by guarantees from most of the Company's wholly-owned subsidiaries but are otherwise provided on an unsecured basis. These facilities impose various affirmative and negative covenants on the Company and the Group, including restrictions on encumbrances, and customary events of default, including a payment default, breach of covenants, cross-default and insolvency events.

As part of the corporate facilities, the Group is subject to certain customary financial covenants measured on a six monthly basis. The Group has been in compliance with its financial covenant requirements to date including the period ended 31 December 2023.

Domain

Domain Group is party to a $350 million syndicated bank facility which is available to a controlled entity, Domain Holdings Australia Limited (Domain). This facility consists of tranches maturing in December 2025 ($210 million) and December 2026 ($140 million).

The interest rate for drawings under this facility is the applicable bank bill rate plus a credit margin. At 31 December 2023, $210 million (30 June 2023: $220 million) was drawn on this facility.

Domain is subject to certain customary financial covenants measured on a six monthly basis. Domain has been in compliance with its financial covenant requirements during the period ended 31 December 2023.

4.2 Share capital

	31 Dec 2023 $'000	30 Jun 2023 $'000
Issued share capital		
Ordinary shares authorised and fully paid	1,950,744	1,958,642
	1,950,744	**1,958,642**
Movements in issued share capital – ordinary shares		
Carrying amount at the beginning of the financial period	1,958,642	2,111,752
Share buy backs	(10,802)	(154,011)
Vesting of Rights Plan shares (Note 4.4)	2,904	901
Carrying amount at the end of the financial period	**1,950,744**	**1,958,642**

	31 Dec 2023 No. of shares	30 Jun 2023 No. of shares
Balance at beginning of the financial period	1,627,706,781	1,705,393,253
Share buy back	(5,501,730)	(77,686,472)
Balance at the end of the financial period	**1,622,205,051**	**1,627,706,781**

On 12 September 2022, the Group commenced an on-market buyback of up to 10 percent of the Group's issued share capital at that date. During the period, 5,501,730 shares have been purchased for a cost of $10.8 million. As at 31 December 2023, a total of 83,188,202 shares have been purchased since the commencement of the buy back at an average price of $1.99 per share. (30 June 2023: 77,686,472 had been purchased at an average price of $1.98 per share).

At 31 December 2023, a trust controlled by the Company held 2,708,547 (30 June 2023: 4,037,680) ordinary fully paid shares in the Company. During the period, no shares (30 June 2023: nil shares) were acquired by the Trust. Shares are purchased for the purpose of allowing the Group to satisfy performance rights obligations to certain senior management of the Group.

Terms and Conditions of Contributed Equity

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up or sale of the Company in proportion to the number of shares held.

4.3 Dividends paid and proposed

	31 Dec 2023 $'000	31 Dec 2022 $'000
Dividends paid in the period		
Dividend of 5 cents per share fully franked (31 December 2022: 7 cents)	81,352	119,378
Dividends not recognised at 31 December 2023 Since 31 December 2023, the Directors have announced a fully franked interim dividend for the year ending 30 June 2024 of 4 cents per fully paid ordinary share (30 June 2023: 6 cents)	**64,888**	100,337

4.4 Share-based payments

Under the executive long-term incentive plan for Nine Entertainment Co. Holdings Limited ("Parent Entity" or "NEC"), performance rights ("NEC Rights") have been granted to executives and other senior management who have an impact on the Group's performance. On satisfaction of vesting conditions, each NEC Right will convert to a share in the Parent Entity on a one-for-one basis or entitle the Participant to receive cash to the value of a share. Details of the plan are included in the Remuneration Report of the 2023 Annual Report. In addition, there are long-term incentive plans in Domain Group; further details of Domain Group's employee share plans are detailed in the Domain Group annual report for the year ended 30 June 2023.

The total expense (pre-tax) recognised for share based payments during the financial period for the Group was $4,428,647 (December 2022: $4,773,758), of which $2,892,478 (December 2022: $2,514,546) relates to Domain Group. The share-based payments reserve includes amounts relating to on-foot schemes of Domain Group totaling $12.3 million (June 2023: $10.7 million).

Movement during the period

The following table sets out the number of NEC Rights outstanding as at 31 December:

	31 Dec 2023 Number	30 Jun 2023 Number
Outstanding at 1 July	7,080,159	6,156,372
Granted during the period	3,144,106	2,943,337
Forfeited during the period[1]	(150,435)	–
Exercised	(1,763,780)	(1,085,940)
Lapsed during the period	(7,119)	(933,610)
Outstanding at period end[2,3]	**8,302,931**	**7,080,159**

1. These NEC Rights were forfeited by executives that left during the period.
2. This includes 154,075 (30 June 2023: 450,797) NEC Rights in relation to executives that left in prior years which may be cash settled if they vest at the end of the testing period.
3. 2,385,517 (30 June 2023: 2,167,293) of the performance rights have been issued with approval under ASX Listing Rule 10.14.

During the period ended 31 December 2023, the Group awarded 220,318 shares (30 June 2023: 581,329) to senior management as part payment of their short-term incentives for the year ended 30 June 2023. An expense of $444,161 was recognised in respect of these incentives in the prior period (30 June 2023: $1,230,682).

4.5 Financial instruments

Carrying value and Fair Values of Financial Assets and Financial Liabilities

The carrying value of a financial asset or liability will approximate its fair value where the balances are predominantly short-term in nature, can be traded in highly liquid markets, and incur little or no transaction costs.

The Group uses various methods in estimating the fair value of a financial asset or liability. The different methods have been defined as follows:

Level 1: The fair value is calculated using quoted prices in active markets.

Level 2: The fair value is estimated using inputs other than quoted prices included in Level 1 that are observable for the asset or liability, through valuation techniques including forward pricing and swap models and using present value calculations. The models incorporate various inputs including credit quality of counterparties and foreign exchange spot rates, forward rates and listed share prices. Fair values of the Group's financial liabilities are determined by using a DCF method and a discount rate that reflects the issuer's borrowing rate as at the end of the reporting period.

Level 3: Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

The fair values hierarchy has been determined as follows for financial assets and financial liabilities of the Group at 31 December 2023.

Level 1: Investment in listed equities.

Level 2: Forward foreign exchange contracts and financial liabilities.

Level 3: Unlisted shares, acquisition contingent consideration and CGU recoverable amount for Domain.

There has been a transfer of the Group's investment in Yellow Brick Road (ASX:YBR) shares of $2.9m (30 June 2023: $2.9m) from a Level 1 classification to Level 3 following the delisting of the entity from the ASX on 27 November 2023.

5. Taxation

5.1 Income tax expense

	31 Dec 2023 $'000	31 Dec 2022 $'000
Current tax expense	36,624	80,715
Deferred tax expense/(benefit) relating to the origination and reversal of temporary differences	11,584	(120)
Income tax expense	**48,208**	**80,595**
Reconciliation of tax expense to prima facie tax payable		
Profit before income tax	**161,980**	**270,100**
Prima facie income tax expense/(benefit) at the Australian rate of 30%	48,594	81,030
Tax effect of:		
Share of associates' net loss	553	83
Difference between tax and accounting adjustments from acquisition and disposal of investments	–	(1,237)
Adjustments in respect of current income tax of previous years	(425)	1,495
Research and development tax offset	(1,462)	(1,677)
Other items – net	948	901
Income tax expense	**48,208**[1]	**80,595**

1. The income tax expense comprises an expense of $64,125,000 (31 December 2022: $81,083,000) on profit before specific items and a tax credit of $15,917,000 (31 December 2022: $488,000) on specific items.

5.2 Deferred tax assets and liabilities

Deferred tax relates to the following:

	Consolidated statement of financial position		Consolidated statement of profit or loss and other comprehensive income	
	31 Dec 2023 $'000	30 June 2023 $'000	31 Dec 2023 $'000	30 June 2023 $'000
Employee benefits provision	38,332	38,763	(431)	1,575
Other provisions and accruals	48,092	41,743	6,349	(1,796)
Property, plant and equipment	13,569	13,541	28	7,003
Intangible assets	(372,636)	(374,119)	1,483	24,812
Tax losses	3,856	8,507	(4,651)	(16,285)
Business related costs deductible over five years	3,233	3,851	(618)	(12,896)
Accelerated depreciation - program stock	(44,700)	(35,038)	(9,662)	11,961
Leases AASB16	32,030	31,811	219	(431)
Other	(2,364)	2,083	(4,447)	4,242
Net deferred income tax liabilities	**(280,588)**	**(268,858)**	**(11,730)**[1]	**18,185**

1. Consists of $11,584,000 of deferred tax expense to the Consolidated Statement of Profit or Loss and $146,000 of deferred tax expense through equity reserves.

6. Other

6.1 Business combinations

Acquisitions

There were no acquisitions for the half year ended 31 December 2023 (30 June 2023: none).

Disposals

On 15 December 2023, the Group sold its 60% shareholding in Digital Home Loans Pty Limited (DHL). At that time, the Group deconsolidated the net assets of DHL and stopped recognising the results of DHL in the Group's Consolidated Statement of Profit or Loss and Other Comprehensive Income, recognising a gain on sale of $0.2m.

DHL was held for sale and therefore DHL's assets and liabilities were separately disclosed in the Statement of Financial Position as at 30 June 2023. The major classes of assets and liabilities of DHL classified as asset held for sale as at 30 June 2023 are, as follows:

	31 Dec 2023 $'000	30 Jun 2023 $'000
Assets held for sale		
Cash and cash equivalents	–	1,336
Trade and other receivables	–	5,810
Total assets held for sale	**–**	**7,146**
Liabilities held for sale		
Trade and other payables	–	5,146
Total liabilities held for sale	–	**5,146**
Net assets held for sale	**–**	**2,000**

There were no disposals for the year ended 30 June 2023.

6.2 Events after the balance sheet date

Other than described above, there has not arisen in the interval between the end of the financial period and the date of this report any item, transaction or event of a material and unusual nature, to affect significantly the operations of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity, in future years.

6.3 Contingent liabilities and related matters

The consolidated entity has made certain guarantees regarding contractual leases, performance and other commitments of $27,123,547 (June 2023: $26,959,080). All contingent liabilities are unsecured. The probability of having to meet these commitments is remote and there are uncertainties relating to the amount and the timing of any outflows.

Certain entities in the Group are party to various legal actions and exposures, including defamation claims, that have arisen in the ordinary course of business. Appropriate provisions have been recorded, however the outcomes cannot be predicted with certainty.

The Parent Entity is a party to the Deed of Cross Guarantee entered into with various Group companies. The operation of the Deed of Cross Guarantee has the effect of joining the Parent Entity as a guarantor to the Group's commitments and contingencies.

Directors' Declaration

In accordance with the resolution of the Directors of Nine Entertainment Co. Holdings Limited, in the opinion of the Directors:

1. The consolidated financial statements and notes that are set out on pages 8 to 26 are in accordance with the Corporations Act 2001, including:

- **i.** giving a true and fair view of the consolidated entity's financial position as at 31 December 2023 and of its performance for the financial period ended on that date; and
- **ii.** complying with Australian Accounting Standards and the Corporations Regulations 2001.

2. There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

On behalf of the Board

Peter Costello
Chairman

Mike Sneesby
Chief Executive Officer and Director

Sydney, 22 February 2024

Independent Auditor's Report

Building a better working world

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Independent auditor's review report to the members of Nine Entertainment Co. Holdings Limited

Conclusion

We have reviewed the accompanying half year financial report of Nine Entertainment Co. Holdings Limited (the Company) and its subsidiaries (collectively the Group), which comprises the consolidated statement of financial position as at 31 December 2023, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half year financial report of the Group does not comply with the *Corporations Act 2001*, including:

a. Giving a true and fair view of the consolidated financial position of the Group as at 31 December 2023 and of its consolidated financial performance for the half year ended on that date; and

b. Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity* (ASRE 2410). Our responsibilities are further described in the *Auditor's responsibilities for the review of the half year financial report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Directors' responsibilities for the half year financial report

The directors of the Company are responsible for the preparation of the half year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's responsibilities for the review of the half year financial report

Our responsibility is to express a conclusion on the half year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2023 and its performance for the half year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Ernst & Young

Ernst & Young

Megan Wilson

Megan Wilson
Partner
Sydney
22 February 2024

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