NZME Limited
A Sound Benchmark for NZME

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ASX-listed Sports Entertainment Group (SEG), the Australian sports media company, has agreed to acquire MediaWorks, the principal commercial radio competitor to NZME Limited (NZM), for NZ$130m. The 5.1x EV/EBITDA multiple on CY26 budget earnings matches listed Australian audio peers and sits only modestly above NZM's 4.1x group multiple on our FY26 estimates. We see the comparison as supporting NZM's current valuation rather than indicating a material mispricing, although SEG is paying for control and the multiple assumes MediaWorks delivers its CY26 budget. The acquisition gives SEG immediate scale in New Zealand radio and national distribution for its sports, events, and digital content. MediaWorks already holds the larger commercial radio audience share, so the transaction does not alter the existing scale gap with NZM. The key change is MediaWorks' access to SEG's sports content and digital capabilities. NZM has a smaller dedicated sports-audio offering, limiting direct programme overlap, although MediaWorks should be able to sell advertisers a broader mix of music, entertainment, and sports inventory. For NZM, we view the transaction as supportive of our valuation and modestly negative for competition. We make no changes to our forecasts or NZ$1.20 spot valuation.

NZX code	NZM
Share price	NZ$1.070
Spot Valuation	NZ$1.20
Risk rating	Medium
Issued shares	188.2m
Market cap	NZ$201m
Avg daily turnover	196.2k (NZ$222k)

Financials: Dec/	25A	26E	27E	28E
Rev (NZ$m)	345.6	353.5	355.8	356.7
NPAT* (NZ$m)	19.5	22.9	24.2	24.2
EPS* (NZc)	10.4	12.2	12.8	12.9
DPS (NZc)	9.0	9.0	9.0	10.0
Imputation (%)	100	100	100	100

*Based on normalised profits

Valuation (x)	25A	26E	27E	28E
PE	10.3	8.8	8.3	8.3
EV/EBIT	9.0	7.2	6.9	7.0
EV/EBITDA	4.5	4.1	3.9	3.9
Price / NTA	n/a	n/a	36.7	12.9
Cash div yld (%)	8.4	8.4	8.4	9.3
Gross div yld (%)	11.7	11.7	11.7	13.0

Transaction valuation

SEG is buying MediaWorks' radio/audio assets. MediaWorks' outdoor division was separated and folded into QMS from 1 October 2025, before QMS was sold to Nine Entertainment (NEC) in March 2026. SEG is paying NZ$130m, or 5.1x MediaWorks' NZ$25.4m CY26 budgeted Radio EBITDA. This matches the 5.0x median for ASX-listed audio peers, which span 4.9–5.1x. The multiple falls to 4.2x after A$5.0m of identified synergies. Against NZM at 4.1x our FY26 estimated EBITDA and our peer multiple SOTP valuation using 5.2x, the transaction provides modest support for the multiple.

Market position

MediaWorks held c.54% commercial radio audience share in May 2026, against c.36% for NZM and c.10% for others. NZM monetises above its audience weight, holding 44.3% of the two groups' FY25 radio revenue against c.40% of their combined audience. As such, SEG is buying the established market leader, and its sports and events catalogue can be distributed through MediaWorks' c.2.4m weekly listeners (versus NZM at c.1.9m) and sold alongside existing music and entertainment inventory.

Competitive position

MediaWorks' rova digital audio platform generated c.NZ$19.1m revenue following a +32% FY24–FY26F CAGR and has 540,000 monthly active users, with 800,000 targeted by FY30. Integration with SEG's Australian digital platform should broaden content and monetisation, while NZM's smaller sports-audio offer limits programme overlap. Competitive pressure is more likely through advertiser bundles, talent, and audience acquisition. NZM retains Newstalk ZB, iHeartRadio, and cross-platform reach across Publishing and OneRoof.

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NZME Limited (NZM)

Market Data (NZ$)	
Priced as at 12 Aug 2026	**1.07**
52 week high / low	1.24 / 1.01
Market capitalisation (NZ$m)	201.4

Key WACC assumptions	
Risk free rate	5.00%
Equity beta	0.99
WACC	11.1%
Terminal growth	1.5%

Profit and Loss Account (NZ$m)	2024A	2025A	2026E	2027E	2028E
Total revenue	350.6	345.6	353.5	355.8	356.7
Normalised EBITDA	**54.2**	**62.3**	**65.2**	**67.4**	**67.8**
Depreciation and amortisation	(29.9)	(31.0)	(28.2)	(29.2)	(30.2)
Normalised EBIT	**24.3**	**31.4**	**37.0**	**38.2**	**37.6**
Net interest	(7.4)	(6.3)	(5.3)	(4.6)	(4.0)
Associate income	(0.2)	-	-	-	-
Tax	(3.5)	(5.6)	(8.9)	(9.4)	(9.4)
Minority interests	-	-	-	-	-
Normalised NPAT	**13.1**	**19.5**	**22.9**	**24.2**	**24.2**
Abnormals/other	(29.2)	(6.4)	-	-	-
Reported NPAT	**(16.0)**	**13.1**	**22.9**	**24.2**	**24.2**
Normalised EPS (cps)	7.0	10.4	12.2	12.8	12.9
DPS (cps)	9.0	9.0	9.0	9.0	10.0

Growth Rates	2024A	2025A	2026E	2027E	2028E
Revenue (%)	0.9	-1.4	2.3	0.7	0.3
EBITDA (%)	-3.6	15.0	4.7	3.3	0.7
EBIT (%)	-11.9	29.0	18.1	3.1	-1.6
Normalised NPAT (%)	-7.6	48.6	17.4	5.6	0.1
Normalised EPS (%)	-9.6	48.6	17.2	5.6	0.1
Ordinary DPS (%)	0.0	0.0	0.0	0.0	11.1

Cash Flow (NZ$m)	2024A	2025A	2026E	2027E	2028E
EBITDA	**54.2**	**62.3**	**65.2**	**67.4**	**67.8**
Working capital change	(2.4)	(4.3)	(0.8)	(1.3)	(1.0)
Interest & tax paid	(12.5)	(8.2)	(14.4)	(14.3)	(13.7)
Other	(1.5)	0.6	-	-	-
Operating cash flow	**37.9**	**50.4**	**50.1**	**51.8**	**53.1**
Capital expenditure	(12.7)	(10.7)	(16.6)	(17.2)	(14.8)
(Acquisitions)/divestments	-	-	-	-	-
Other	(13.8)	(13.6)	(14.6)	(14.9)	(15.2)
Funding available/(required)	**11.3**	**26.1**	**18.9**	**19.7**	**23.2**
Dividends paid	(16.8)	(16.9)	(16.9)	(16.9)	(18.8)
Equity raised/(returned)	-	-	-	-	-
(Increase)/decrease in net debt	**(5.5)**	**9.2**	**2.0**	**2.8**	**4.4**

Balance Sheet (NZ$m)	2024A	2025A	2026E	2027E	2028E
Working capital	(0.4)	(2.1)	(1.1)	0.4	1.7
Fixed assets	18.2	15.7	19.4	23.4	24.8
Intangibles	115.8	110.2	107.0	103.1	98.4
Right of use asset	54.7	49.0	42.0	35.1	28.3
Other assets	17.2	13.4	13.4	13.4	13.4
Total funds employed	**205.5**	**186.2**	**180.7**	**175.5**	**166.6**
Net debt/(cash)	24.1	15.5	13.5	10.7	6.4
Lease liability	66.1	57.2	47.7	38.0	30.1
Other liabilities	14.1	15.7	15.7	15.7	13.7
Shareholder's funds	101.3	97.9	103.8	111.0	116.4
Minority interests	-	-	-	-	-
Total funding sources	**205.5**	**186.2**	**180.7**	**175.5**	**166.6**

* Forsyth Barr target prices reflect valuation rolled forward at cost of equity less the next 12-months dividend** Information on Forsyth Barr's Carbon and ESG (CESG) ratings can be found at www.forsythbarr.co.nz/corporate-news-events/cesg-report

Spot valuation (NZ$)	**1.20**
Peers comparable	1.35
DCF	1.21
Dividend Discount Model	1.05

DCF valuation summary (NZ$m)	
Total firm value	434
(Net debt)/cash	-16
Less: Capitalised operating leases	(185)
Value of equity	233

Valuation Ratios***	2024A	2025A	2026E	2027E	2028E
EV/Sales (x)	0.8	0.8	0.8	0.7	0.7
EV/EBITDA (x)	5.4	4.5	4.1	3.9	3.9
EV/EBIT (x)	12.0	9.0	7.2	6.9	7.0
PE (x)	15.3	10.3	8.8	8.3	8.3
Price/NTA (x)	n/a	n/a	n/a	36.7	12.9
Free cash flow yield (%)	5.6	12.6	9.4	9.8	11.5
Adj. free cash flow yield (%)	5.6	12.6	9.4	9.8	11.5
Net dividend yield (%)	8.4	8.4	8.4	8.4	9.3
Gross dividend yield (%)	11.7	11.7	11.7	11.7	13.0

Capital Structure	2024A	2025A	2026E	2027E	2028E
Interest cover EBIT (x)	n/a	5.0	7.0	8.2	9.4
Interest cover EBITDA (x)	7.3	9.9	12.4	14.5	16.9
Net debt/ND+E (%)	19.6	14.0	11.8	9.0	5.3
Net debt/EBITDA (x)	0.4	0.2	0.2	0.2	0.1

Key Ratios	2024A	2025A	2026E	2027E	2028E
Return on assets (%)	-0.2	13.1	15.9	16.8	17.1
Return on equity (%)	13.3	20.4	22.6	22.2	21.2
Return on funds employed (%)	6.1	10.0	11.8	12.5	12.8
EBITDA margin (%)	15.5	18.0	18.5	18.9	19.0
EBIT margin (%)	6.9	9.1	10.5	10.7	10.5
Capex to sales (%)	3.6	3.1	4.7	4.8	4.1
Capex to depreciation (%)	-69	-57	-93	-98	-85
Imputation (%)	100	100	100	100	100
Pay-out ratio (%)	129	87	74	70	78

Operating Performance	2024A	2025A	2026E	2027E	2028E
Audio					
External customers revenue	116.0	122.2	126.8	129.3	131.2
Operating EBITDA	21.9	26.9	28.8	29.7	30.3
Operating EBITDA margin	19%	22%	23%	23%	23%
Publishing					
External customers revenue	199.9	192.1	190.3	187.9	185.2
Operating EBITDA	34.5	37.6	36.0	34.7	33.9
Operating EBITDA margin	17%	20%	19%	18%	18%
OneRoof					
External customers revenue	27.1	28.5	32.4	35.0	37.0
Operating EBITDA	2.7	3.6	6.2	7.7	8.5
Operating EBITDA margin	10%	13%	19%	22%	23%

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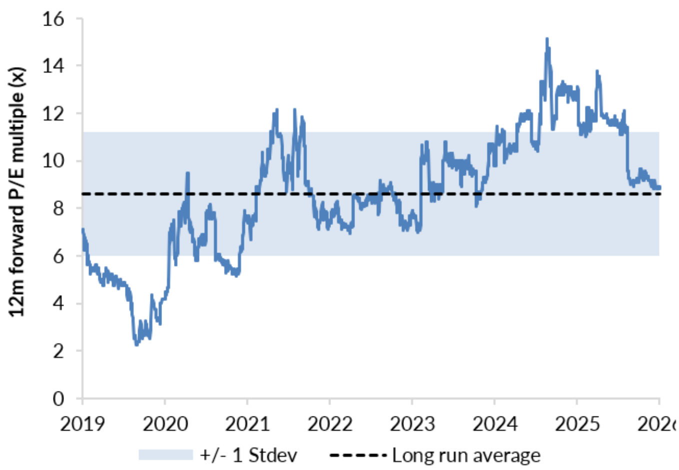
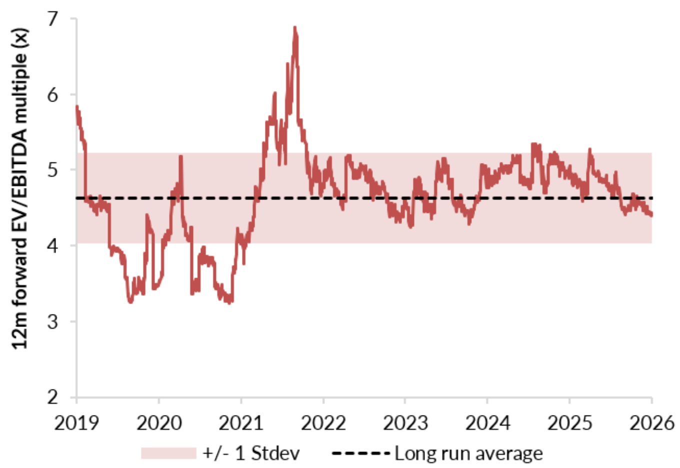
Key charts

Figure 1. NZM—Historical PE multiples



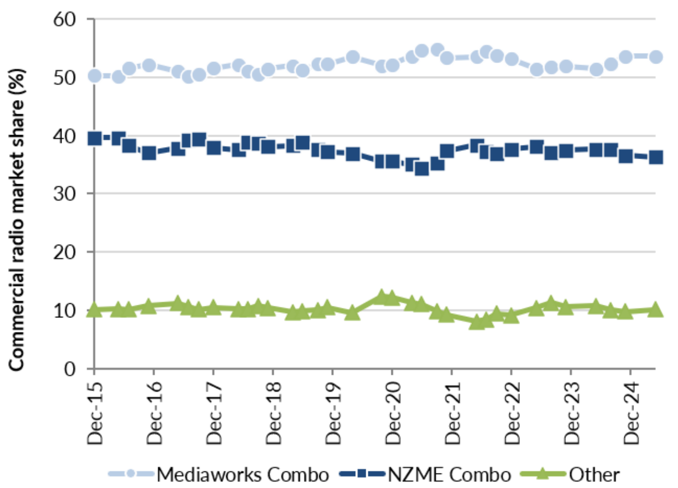
Source: Refinitiv Datastream, Forsyth Barr analysis

Figure 2. NZM—Historical EV/EBITDA multiples



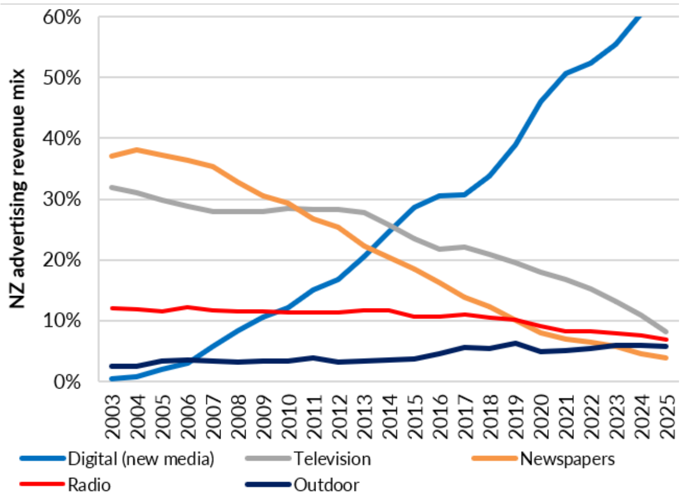
Source: Refinitiv Datastream, Forsyth Barr analysis

Figure 3. Audience share of NZ radio by owner (%)



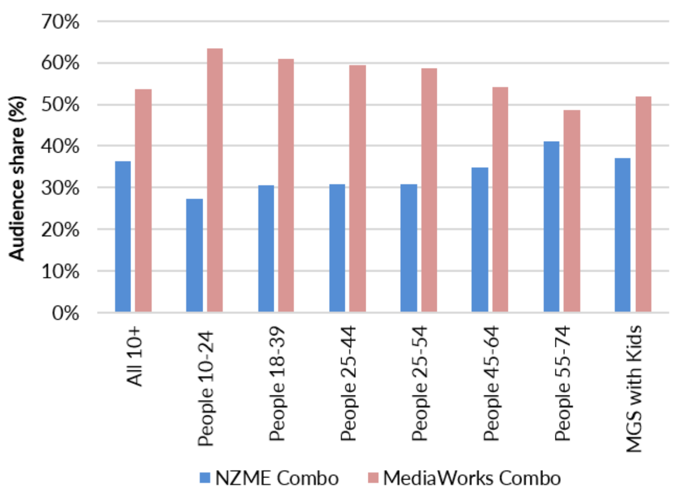
Source: GFK, Forsyth Barr analysis

Figure 4. Segment share of ad spend (%)



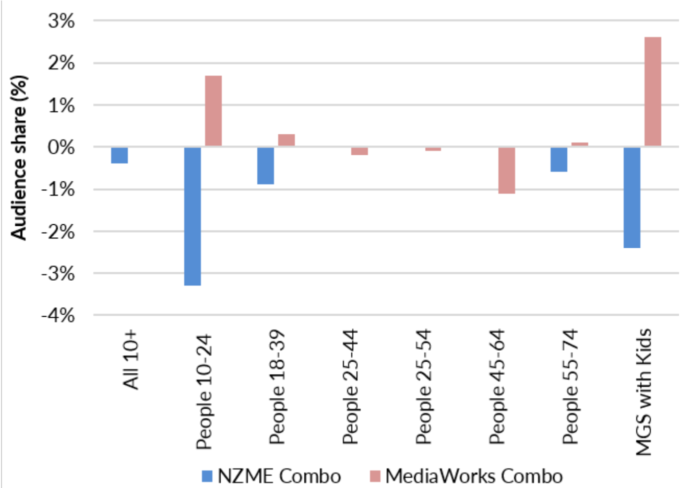
Source: ASA, Forsyth Barr analysis

Figure 5. Audience share of NZ radio by owner (May 2026) *



Source: GfK, Forsyth Barr analysis. * Station Share (%) by Demographic... Mon-Sun 12mn-12mn... All 10+ share

Figure 6. One-year change in audience share (May 2026)*



Source: GfK, Forsyth Barr analysis.* Station Share (%) by Demographic... Mon-Sun 12mn-12mn... All 10+ share

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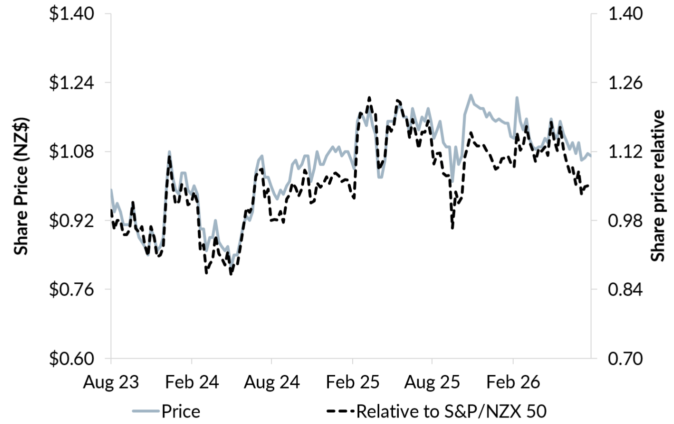
Additional data

Figure 7. Share price performance



Source: LSEG, Forsyth Barr analysis

Figure 8. Substantial shareholders

Shareholder	Latest Holding
James T. Grenon	19.9%
Spheria Asset Management	15.7%
Pinnacle Investment Management Group	8.0%
Salt Funds Management	5.6%

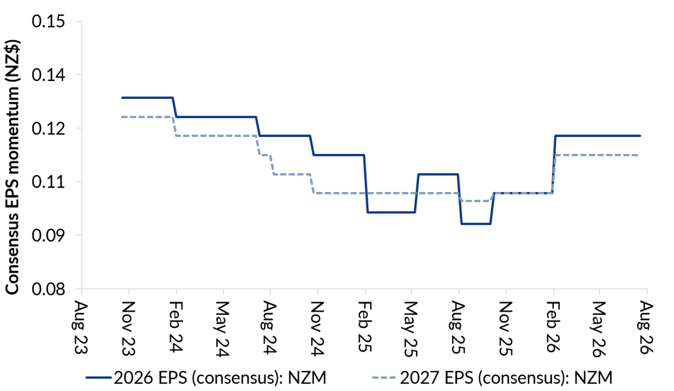
Source: NZX, Forsyth Barr analysis, NOTE: based on SPH notices only

Figure 9. International valuation comparisons using consensus data (one and two year forward)

Company	Code	Price	Mkt Cap	PE		EV/EBITDA		EV/EBIT		Cash Yld
			(m)	1yr	2yr	1yr	2yr	1yr	2yr	1yr
NZME Ltd	**NZM NZ**	**NZD1.07**	**NZD199.5**	**8.5x**	**8.3x**	**4x**	**3.9x**	**7x**	**6.9x**	**8.4%**
Nine Entertainment	NEC AT	AUD0.99	AUD1,589.7	12.2x	10x	8x	5.6x	13.4x	10x	6.1%
New York Times	NYT US	USD63.73	USD10,400.6	21.5x	19.5x	12.9x	11.6x	14.7x	13.2x	1.6%
Reach	RCH LN	GBP0.43	GBP134.5	2.1x	2.4x	2x	2.2x	2.4x	2.7x	9.5%
Gannett	GCI US	USD6.84	USD1,045.3	25.2x	19.3x	7.7x	7.4x	16.9x	15.2x	0.0%
Arn Media	A1N AT	AUD0.26	AUD76.7	4.4x	4.5x	6.4x	6.4x	9.4x	9.6x	0.0%
Southern Cross Media Group	SXL AT	AUD0.56	AUD260.9	3.9x	3.6x	3.9x	4x	6x	6.1x	4.5%
Sirius XM Holdings	SIRI US	USD28.51	USD9,700.8	9x	8.4x	7.5x	7.5x	10.6x	10.5x	3.9%
Cumulus Media	CMLS US	USD0.01	USD0.2	n/a	n/a	n/a	n/a	n/a	n/a	n/a
REA GROUP	REA AT	AUD179.14	AUD23,184.4	30.4x	26.5x	18.8x	16.6x	21x	18.6x	2.0%

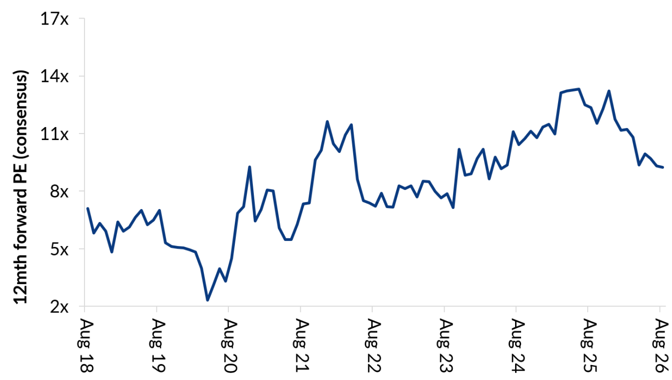
Source: Forsyth Barr analysis, Bloomberg. NOTE: all multiples based on Bloomberg consensus estimates. EV = market cap + net debt + lease liabilities + min interests - investments

Figure 10. Consensus EPS momentum (NZ$)



Source: Bloomber, Forsyth Barr analysis

Figure 11. Consensus one year forward PE (x)



Source: LSEG, Forsyth Barr analysis, NOTE: Data excluded when PE<0x or >75x

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