

# NZME Limited

## 2026 ASM—Steady Tune, Quieter Volume

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NZME's (NZM) ASM update was broadly in line with our expectations. After the first four months of FY26, advertising revenue is growing modestly, and 1Q26 profitability has lifted year on year as NZM benefits from the full annualisation of its FY25 cost reset. Despite the steady improvement, commentary struck a more measured tone. Management remains constructive on NZM's positioning and upside leverage to a recovery, but global volatility has tempered the near-term view—most visibly for OneRoof. Audio and Publishing are tracking steadily, balance sheet risk is low, and the OneRoof opportunity remains intact—though this update makes clear the growth trajectory will not be linear. We retain our estimates, with trading in line. We await clearer evidence on property and ad market conditions before making changes to our forecasts. Our blended spot valuation is unchanged at NZ\$1.16.

NZX code	NZM	Financials: Dec/	25A	26E	27E	28E	Valuation (x)	25A	26E	27E	28E
Share price	NZ\$1.10	Rev (NZ\$m)	345.6	355.5	357.8	358.9	PE	10.8	8.7	8.6	8.4
Spot Valuation	NZ\$1.16	NPAT* (NZ\$m)	19.1	23.7	24.1	24.7	EV/EBIT	9.6	7.4	7.2	7.2
Risk rating	Medium	EPS* (NZc)	10.2	12.6	12.8	13.1	EV/EBITDA	4.9	4.3	4.1	4.0
Issued shares	188.2m	DPS (NZc)	9.0	9.0	9.0	10.0	Price / NTA	n/a	n/a	n/a	49.1
Market cap	NZ\$207m	Imputation (%)	100	100	100	100	Cash div yld (%)	8.2	8.2	8.2	9.1
Avg daily turnover	181.1k (NZ\$206k)	*Based on normalised profits					Gross div yld (%)	11.4	11.4	11.4	12.6

### Advertising still doing the job

The key read-through from NZM's ASM is that core trading remains in line. Advertising revenue is tracking ~+3% across the first four months of FY26, and 1Q26 profitability is up year on year on both revenue growth and the FY25 cost reset. That aligns with our FY26 revenue growth forecast of +3% and signals the 2H25 improvement—most visible in Audio—has carried into FY26. Management flagged the 2026 General Election as an incremental Audio tailwind.

### OneRoof tone softer, thesis intact

OneRoof was the softer note. Management now says the pace of growth may be moderated in the near term, given softer property market conditions, inflationary pressures, and the potential for higher interest rates. That is a measured step back from the more confident FY25 tone, but the medium-term earnings opportunity is unchanged. The app refresh is complete, user experience has improved, and the focus remains on engagement and higher-value actions—monetisation, not volume, remains the lever. We retain our FY26 OneRoof revenue growth estimate of +14%, driven by higher upgrade penetration and yield rather than listing volume.

### Steady undercurrent despite a softer economic tone

While February's result commentary pointed to gradual recovery and cost-out momentum, the ASM acknowledged a less certain backdrop—patchy economic conditions, firmer interest rate expectations, and global volatility make FY26 harder to call. That feels reasonable, not concerning. NZM retains a strong balance sheet (net debt 0.3x EBITDA), ongoing cost discipline, and a better-positioned portfolio following FY25 rationalisation (including community publication closures, newsroom reshaping, and a reduction in lower-margin activities), along with a refreshed strategic focus on OneRoof.

**NZME Limited (NZM)**

<b>Market Data (NZ\$)</b>						<b>Spot valuation (NZ\$)</b>						
Priced as at 22 Apr 2026						1.10	Peers comparable					1.22
52 week high / low						1.24 / 1.01	DCF					1.19
Market capitalisation (NZ\$m)						207.0	Dividend Discount Model					1.05
<b>Carbon and ESG (C&amp;ESG)**</b>						<b>Key WACC assumptions</b>						
C&ESG rating	n/a					Risk free rate						5.00%
C&ESG score	n/a					Equity beta						0.99
Sector average C&ESG score	n/a					WACC						11.1%
NZ average C&ESG score	n/a					Terminal growth						1.5%
<b>Profit and Loss Account (NZ\$m)</b>						<b>Valuation Ratios</b>						
	2024A	2025A	2026E	2027E	2028E		2024A	2025A	2026E	2027E	2028E	
Revenue	350.6	345.6	355.5	357.8	358.9	EV/Sales (x)	0.9	0.9	0.8	0.8	0.8	
<b>Normalised EBITDA</b>	<b>54.2</b>	<b>62.3</b>	<b>66.5</b>	<b>67.2</b>	<b>68.5</b>	EV/EBITDA (x)	5.7	4.9	4.3	4.1	4.0	
Depreciation and amortisation	(29.9)	(31.0)	(28.2)	(29.0)	(30.0)	EV/EBIT (x)	n/a	9.6	7.4	7.2	7.2	
<b>Normalised EBIT</b>	<b>24.3</b>	<b>31.4</b>	<b>38.3</b>	<b>38.2</b>	<b>38.5</b>	PE (x)	16.2	10.8	8.7	8.6	8.4	
Net interest	(7.8)	(6.7)	(5.4)	(4.7)	(4.1)	Price/NTA (x)	n/a	n/a	n/a	n/a	49.1	
Associate income	(0.2)	-	-	-	-	Free cash flow yield (%)	5.5	12.3	12.2	12.3	12.8	
Tax	(3.5)	(5.6)	(9.2)	(9.4)	(9.6)	Adj. free cash flow yield (%)	5.5	12.3	12.2	12.3	12.8	
Minority interests	-	-	-	-	-	Net dividend yield (%)	8.2	8.2	8.2	8.2	9.1	
<b>Normalised NPAT</b>	<b>12.8</b>	<b>19.1</b>	<b>23.7</b>	<b>24.1</b>	<b>24.7</b>	Gross dividend yield (%)	11.4	11.4	11.4	11.4	12.6	
Abnormals/other	(28.8)	(6.1)	-	-	-	<b>Capital Structure</b>						
<b>Reported NPAT</b>	<b>(16.0)</b>	<b>13.1</b>	<b>23.7</b>	<b>24.1</b>	<b>24.7</b>		2024A	2025A	2026E	2027E	2028E	
Normalised EPS (cps)	6.8	10.2	12.6	12.8	13.1	Interest cover EBIT (x)	n/a	4.7	7.1	8.1	9.3	
DPS (cps)	9.0	9.0	9.0	9.0	10.0	Interest cover EBITDA (x)	6.9	9.4	12.3	14.3	16.6	
<b>Growth Rates</b>						Net debt/ND+E (%)	22.0	16.1	7.5	-1.5	-9.6	
	2024A	2025A	2026E	2027E	2028E	Net debt/EBITDA (x)	0.4	0.2	0.1	n/a	n/a	
Revenue (%)	0.9	-1.4	2.9	0.6	0.3	<b>Key Ratios</b>						
EBITDA (%)	-3.6	15.0	6.7	1.1	1.8		2024A	2025A	2026E	2027E	2028E	
EBIT (%)	n/a	n/a	22.1	-0.3	0.8	Return on assets (%)	-0.2	13.1	16.4	16.7	17.4	
Normalised NPAT (%)	-7.2	50.0	23.7	1.8	2.6	Return on equity (%)	15.0	23.6	27.0	25.4	24.1	
Normalised EPS (%)	1.5	50.0	23.5	1.8	2.6	Return on funds employed (%)	6.0	9.8	12.6	13.3	14.0	
Ordinary DPS (%)	0.0	0.0	0.0	0.0	11.1	EBITDA margin (%)	15.5	18.0	18.7	18.8	19.1	
<b>Cash Flow (NZ\$m)</b>						EBIT margin (%)	-0.2	9.1	10.8	10.7	10.7	
	2024A	2025A	2026E	2027E	2028E	Capex to sales (%)	3.6	3.1	3.0	3.2	3.3	
<b>EBITDA</b>	<b>54.2</b>	<b>62.3</b>	<b>66.5</b>	<b>67.2</b>	<b>68.5</b>	Capex to depreciation (%)	-69	-57	-59	-64	-69	
Working capital change	1.7	1.7	(1.3)	(1.5)	(1.3)	Imputation (%)	100	100	100	100	100	
Interest & tax paid	(12.3)	(7.9)	(14.6)	(14.1)	(13.7)	Pay-out ratio (%)	133	88	72	70	76	
Other	(5.7)	(5.7)	-	-	-	<b>Operating Performance</b>						
<b>Operating cash flow</b>	<b>37.9</b>	<b>50.4</b>	<b>50.5</b>	<b>51.6</b>	<b>53.4</b>		2024A	2025A	2026E	2027E	2028E	
Capital expenditure	(12.7)	(10.7)	(10.7)	(11.3)	(11.8)	<b>Audio</b>						
(Acquisitions)/divestments	-	-	-	-	-	External customers revenue	116.0	122.2	129.0	131.5	133.4	
Other	(13.8)	(13.6)	(14.6)	(14.9)	(15.2)	Operating EBITDA	21.9	26.9	30.7	31.7	32.5	
<b>Funding available/(required)</b>	<b>11.3</b>	<b>26.1</b>	<b>25.3</b>	<b>25.5</b>	<b>26.4</b>	Operating EBITDA margin	19%	22%	24%	24%	24%	
Dividends paid	(16.8)	(16.9)	(16.9)	(16.9)	(18.8)	<b>Publishing</b>						
Equity raised/(returned)	-	-	-	-	-							
<b>(Increase)/decrease in net debt</b>	<b>(5.5)</b>	<b>9.2</b>	<b>8.4</b>	<b>8.6</b>	<b>7.6</b>	External customers revenue	199.9	192.1	191.4	188.5	185.7	
<b>Balance Sheet (NZ\$m)</b>						Operating EBITDA	34.5	37.6	36.6	35.1	34.8	
	2024A	2025A	2026E	2027E	2028E	Operating EBITDA margin	17%	20%	19%	19%	19%	
Working capital	(0.4)	(2.1)	(0.8)	0.7	2.0	<b>OneRoof</b>						
Fixed assets	18.2	15.7	13.4	11.6	10.2							
Intangibles	115.8	110.2	107.1	103.2	98.5	External customers revenue	27.1	28.5	32.4	35.0	37.0	
Right of use asset	54.7	49.0	42.0	35.1	28.3	Operating EBITDA	2.7	3.6	5.0	6.2	7.1	
Other assets	17.2	13.4	13.4	13.4	13.4	Operating EBITDA margin	10%	13%	15%	18%	19%	
<b>Total funds employed</b>	<b>205.5</b>	<b>186.2</b>	<b>175.1</b>	<b>164.0</b>	<b>152.4</b>							
Net debt/(cash)	24.1	15.5	7.1	(1.4)	(9.0)							
Lease liability	79.8	71.7	62.2	52.5	42.6							
Other liabilities	14.1	15.7	15.7	15.7	13.7							
Shareholder's funds	87.6	83.3	90.1	97.2	105.1							
Minority interests	-	-	-	-	-							
<b>Total funding sources</b>	<b>205.5</b>	<b>186.2</b>	<b>175.1</b>	<b>164.0</b>	<b>152.4</b>							

\* 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](http://www.forsythbarr.co.nz/corporate-news-events/cesg-report)

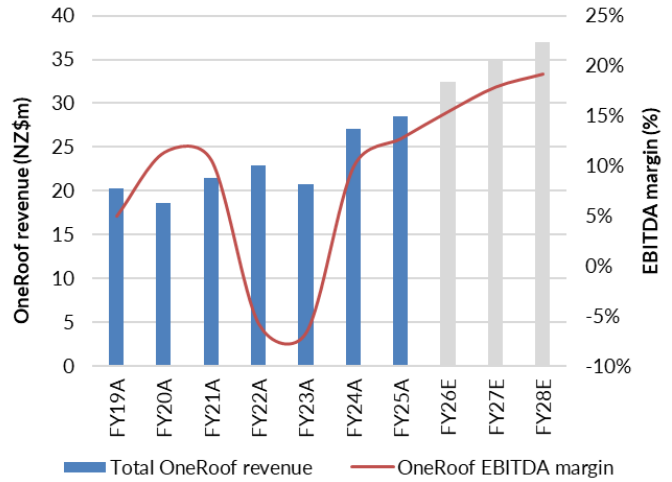
## Key charts

**Figure 1. March new property listings moderated after a positive start to the year**



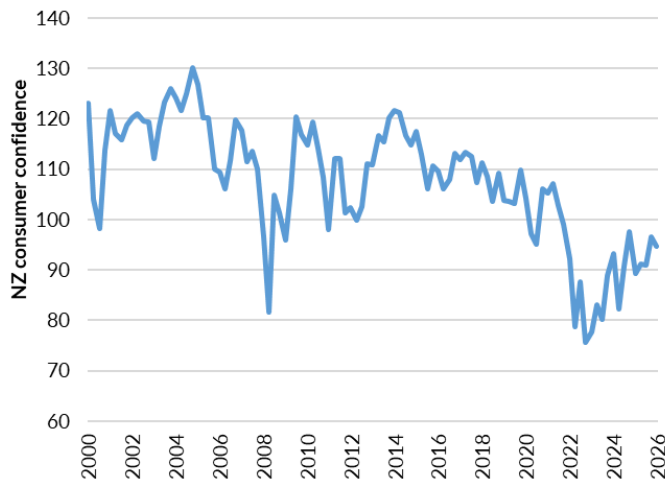
Source: realestate.co.nz, Forsyth Barr analysis

**Figure 2. OneRoof estimates held—yield and penetration underpin the forecast**



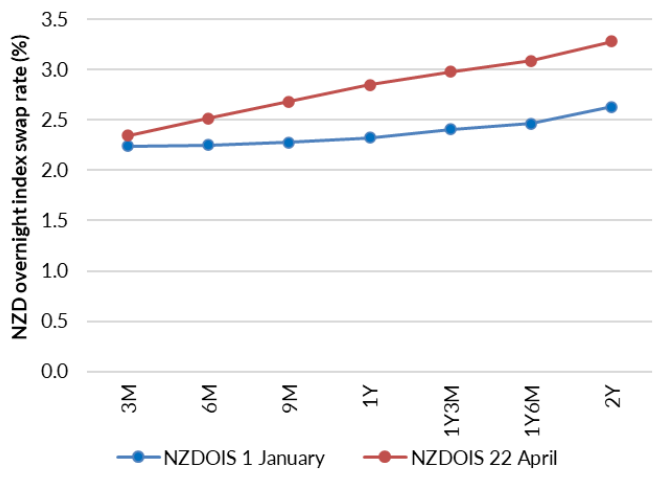
Source: REINZ, Forsyth Barr analysis

**Figure 3. Consumer confidence fell in March on rising global volatility**



Source: Bloomberg, Forsyth Barr analysis

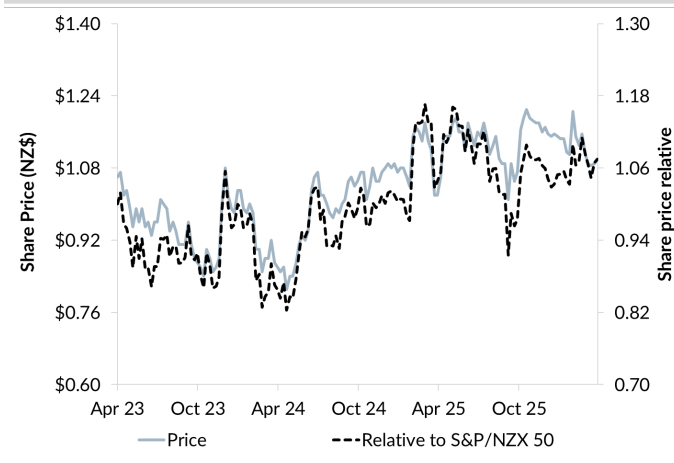
**Figure 4. Near-term interest rate expectations have re-based higher, dampening the outlook**



Source: Workspace, Forsyth Barr analysis

## Additional data

**Figure 5. Share price performance**



Source: LSEG, Forsyth Barr analysis

**Figure 6. Substantial shareholders**

Shareholder	Latest Holding
James T. Grenon	19.9%
Spheria Asset Management	15.7%
Pinnacle Investment Management Group	8.0%
Osmium Partners	5.5%

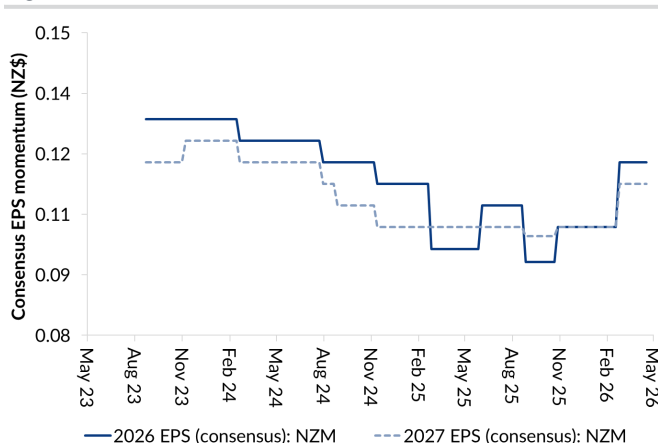
Source: NZX, Forsyth Barr analysis, NOTE: based on SPH notices only

**Figure 7. International valuation comparisons using consensus data (one and two year forward)**

Company	Code	Price	Mkt Cap (m)	PE		EV/EBITDA		EV/EBIT		Cash Yld 1yr
				1yr	2yr	1yr	2yr	1yr	2yr	
NZME	NZM NZ	NZ\$1.10	NZ\$207	9.3x	9.6x	6.2x	6.2x	11.1x	11.2x	8.4%
Nine Entertainment	NEC AT	A\$0.98	A\$1,550	9.3x	8.4x	6.1x	5.4x	9.6x	8.6x	7.8%
New York Times	NYT US	US\$81.62	US\$13,160	28.9x	25.7x	18x	16.1x	20.2x	17.9x	1.1%
Reach	RCH LN	£0.65	£207	2.9x	3x	2.4x	2.5x	2.9x	2.9x	11.1%
Gannett	GCI US	US\$7.34	US\$1,077	65x	27.2x	8.2x	7.7x	21.8x	19.2x	0.0%
Arn Media	A1N AT	A\$0.26	A\$83	4.9x	4.6x	17.5x	17.3x	25.7x	25.6x	3.8%
Southern Cross Media Group	SXL AT	A\$0.58	A\$276	4.5x	5.1x	3.8x	4x	5.7x	6.2x	8.8%
Sirius XM Holdings	SIRI US	US\$26.18	US\$8,811	8.2x	7.7x	7.4x	7.4x	10.4x	10.4x	4.3%
Cumulus Media	CMLS US	US\$0.01	US\$0	n/a	n/a	n/a	n/a	n/a	n/a	n/a
REA GROUP	REA AT	A\$176.69	A\$23,260	32.6x	28.2x	19.8x	17.4x	22.7x	19.9x	1.8%

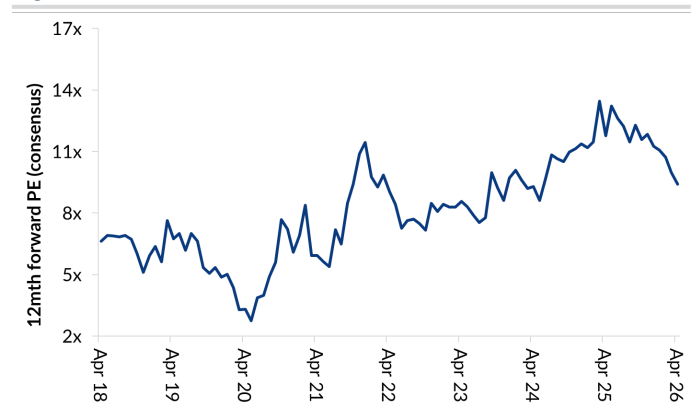
Source: Forsyth Barr analysis, Bloomberg. NOTE: all multiples based on Bloomberg consensus estimates. EV = market cap + net debt + lease liabilities + min interests - investments

**Figure 8. Consensus EPS momentum (NZ\$)**



Source: Bloomberg, Forsyth Barr analysis

**Figure 9. Consensus one year forward PE (x)**



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

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