



**QMS Media Limited**

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**ASX RELEASE**

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**QMS Media's strong digital platform delivers record full year result**

QMS Media Limited (ASX: QMS) today announced its financial results for the 12 months to 30 June 2018 (FY18).

**Financial highlights:**

- Revenue up 21% to \$204.2 million.
- Underlying EBITDA up 22% to \$45.8 million.
- Statutory NPAT up 10% to \$18.4 million.
- Digital revenue represents 79% of Australian media revenue and 70% of total Group media revenue.
- Total dividend up 10% to 2.2 cents per share.

**Operational highlights:**

- Delivered on upgraded FY18 operational and financial guidance, achieving market leading revenue growth.
- Maintained strong momentum in digital roll-out with 112 landmark digital billboards operational at 30 June 2018, leading quality digital footprint across Australia and New Zealand.
- Australian media revenue continues to significantly outperform the market.
- Secured new contracts and renewals:
  - Successful integration of Canberra Airport.
  - Continued expansion of QMS Sport portfolio, 800+ sporting/event content plays, up from 588 in H1 FY18.
- Ongoing investment in digital and data capabilities to deliver rich audience insights and customised technology:
  - DataLab and DigiLab driving improved audience understanding, targeting and engagement.
  - Industry-first Digital Transaction Platform (DTP) launched in NZ.
  - Introduction of reach and frequency measurement across the airport category in NZ.

Commenting on the results, QMS Group Chief Executive Officer Barclay Nettlefold said:

"QMS has delivered another convincing performance, as we continue to focus and deliver on our strategic imperatives across our Digital, Outdoor and Sports media platforms, as well as advancing our data and analytics capabilities. I am very pleased that QMS has once again outperformed the market, with revenue growing faster than our competitors.

"The 2018 financial year was one of significant growth for the business, driven by our continued focus on building an industry leading digital portfolio in key strategic markets. Our digital development roll-out has maintained momentum, with 37 new landmark billboards switched on during 2018, and more than 135 sites planned to be live by June 30 2019.

"The Out-of-Home industry continues to experience strong structural growth, with Roadside Billboards, the core of QMS' portfolio, outperforming the market and realising growth of 35% year on year, compared to the

industry average of 13%. This category remains the cornerstone of the Out-of-Home industry and is integral to the industry's ongoing and sustainable growth.

"We will continue to leverage our diversified customer base and low level contract risk, with a market leading average digital lease tenure of 13 years in Australia and 11 years in New Zealand.

"QMS is always looking to enhance its quality portfolio to fund and manage future growth, seek alignment across the operation and to maximise value. We will continue to look for opportunities that support our unique strengths in Digital and Outdoor and realise the untapped potential of Sport, both locally and internationally.

"The recent announcements of an agreement in principle to acquire the majority interest in key internationally recognised sport media companies and our investment in Place Capital, provides significant opportunities to unlock additional value from our unique portfolio. We remain focused on balancing financial discipline with our entrepreneurial spirit to create shareholder value," Mr Nettlefold concluded.

### **Results commentary**

Strong earnings and revenue growth has been driven by the continued landmark digital development and the full year contribution from QMS Sport. Underlying EBITDA of \$45.8 million, delivers at the higher end of our upgraded guidance range.

The Company delivered solid operating cash conversion of 81% for the year reflecting the ongoing focus on working capital management.

The Board has declared a final dividend of 1.2 cent per share (fully franked) bringing the full year dividend payment to 2.2 cents per share (fully franked). This equates to a full year dividend payout ratio of 40% of NPAT, consistent with QMS' policy to pay dividends of between 30% and 50% of NPAT.

### **FY19 outlook**

The Out of Home industry continues to see strong structural growth.

The Board of Directors confirms FY19 EBITDA guidance of \$56m - \$58m. Guidance includes the impact of the International Sport acquisition.

### **Analyst and investor briefing**

The company will conduct an analyst and investor briefing on the FY18 results today at 10.00am AEDST. The investor presentation has been lodged with ASX, and the teleconference dial-in details are below:

<b>Australian toll-free:</b>	1800 123 296
<b>International:</b>	+61 2 8038 5221
<b>Conference ID:</b>	7079299

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#### **For further information:**

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QMS Media Limited is a publicly listed company on the Australian Stock Exchange. QMS is a leading outdoor media company in Australia, New Zealand and Indonesia, specialising in premium landmark digital and static billboards, street furniture, sport, airport and transit media.