

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	% change	Reviewed year ended 31 March 2023 R'000	Audited year ended 31 March 2022 R'000
Revenue	7%	268 669	250 765
Cost of sales	(2%)	(68 402)	(69 705)
Gross profit		200 267	181 060
Operating expenses	10%	(146 624)	(133 885)
Operating profit before depreciation	14%	53 643	47 175
Depreciation		(7 395)	(7 365)
Operating profit	16%	46 248	39 810
Investment income	168%	4 118	1 537
Finance income	33%	5 607	4 225
Equity accounted earnings from associates	1%	304	301
Net profit before taxation		56 277	45 873
Taxation		(13 115)	(12 438)
SA normal taxation		(11 857)	(10 846)
Deferred taxation		(1 258)	(1 592)
Profit for the year	29%	43 162	33 435
Other comprehensive income: Items that will not be reclassified subsequently to profit and loss		4 704	(1 835)
Fair value losses on fair value through other comprehensive income financial assets		6 000	(2 400)
Deferred tax relating to fair value adjustment		(1 296)	565
Total comprehensive income for the year	51%	47 866	31 600
Profit attributable to:			
Non-controlling interest holders		6 560	4 101
Equity holders of the parent	25%	36 602	29 334
		43 162	33 435
Total comprehensive income attributable to:			
Non-controlling interest holders		6 560	4 101
Equity holders of the parent		41 306	27 499
		47 866	31 600
Earnings and diluted earnings per share (cents)	30%	485.5	372.2
Dividends per share (cents)		350	280
Weighted average number of shares in issue (000's)		7 539	7 882

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	Reviewed 31 March 2023 R'000	Audited 31 March 2022 R'000
ASSETS		
Non-current assets	183 372	179 081
Property, plant and equipment	118 456	119 560
Goodwill	36 997	36 997
Investments in associated companies	2 876	2 572
Other financial instruments	23 650	17 650
Deferred tax asset	1 393	2 302
Current assets	154 937	151 682
Trade receivables	63 866	54 213
Other receivables	8 774	5 465
Tax paid in advance	324	170
Cash and cash equivalents	81 973	91 834
Total assets	338 309	330 763
EQUITY AND LIABILITIES		
Total equity	260 889	264 495
Non-current liabilities	7 278	5 634
Deferred tax liability	7 278	5 634
Current liabilities	70 142	60 634
Trade payables	18 421	21 078
Other payables	48 051	37 035
Dividend payable	2 197	2 041
Provisions	735	190
Taxation	738	290
Total equity and liabilities	338 309	330 763

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Reviewed year ended 31 March 2023 R'000	Audited year ended 31 March 2022 R'000
Issued capital		
Balance at beginning of year	7 844	7 923
Shares repurchased and cancelled	(702)	(79)
Balance at end of year	7 142	7 844
Share premium		
Balance at beginning of year	3 846	3 846
Shares repurchased and cancelled	(3 846)	–
Balance at end of year	–	3 846
Retained earnings		
Balance at beginning of year	237 179	224 933
Total profit for the year	36 602	29 334
Change in shareholding	–	(373)
Dividend declared	(23 334)	(14 262)
Shares repurchased and cancelled	(18 045)	(2 453)
Balance at end of year	232 402	237 179
Non-distributable reserve		
Balance at beginning of year	1 678	3 513
Other comprehensive income	4 704	(1 835)
Balance at end of year	6 382	1 678
Non-controlling interests		
Balance at beginning of year	13 948	15 283
Change in shareholding	–	373
Share of total comprehensive income for the year	6 560	4 101
Share of dividend	(5 545)	(5 809)
Balance at end of year	14 963	13 948
Total capital and reserves	260 889	264 495

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

	Reviewed year ended 31 March 2023 R'000	Audited year ended 31 March 2022 R'000
Cash generated by operating activities	49 588	47 115
Finance income	5 607	4 225
Taxation paid	(11 563)	(9 973)
(Decrease)/increase in working capital	(106)	3 336
– Increase in trade and other receivables	(8 464)	(14 169)
– Increase in trade and other payables	8 358	17 505
Cash flows from operating activities	43 526	44 703
Cash flows utilised in investing activities	(2 071)	(2 631)
– proceeds from investments and loans	–	900
– acquisition of subsidiary - net cash payment	–	(1 623)
– purchase of property, plant and equipment	(6 307)	(3 584)
– proceeds on disposal of property, plant and equipment	118	139
– dividends received	4 118	1 537
Cash flows utilised in financing activities	(51 316)	(22 519)
– dividends paid to equity holders	(23 178)	(14 178)
– dividends paid to non-controlling interest holder	(5 545)	(5 809)
– repurchase of shares	(22 593)	(2 532)
Net (decrease)/increase in cash and cash equivalents	(9 861)	19 553
Cash and cash equivalents at beginning of year	91 834	72 281
Cash and cash equivalents at end of year	81 973	91 834

CORPORATE INFORMATION

AFRICAN MEDIA ENTERTAINMENT LIMITED

Incorporated in the Republic of South Africa
Registration number 1926/008797/06
JSE code: AME ISIN: ZAE00005802
("AME", "the company" or "the group")

REGISTERED OFFICE

Block A, AME Office Park
No 5, 8th Street, Houghton Estate,
Johannesburg, 2198
PO Box 3014, Houghton, 2041

TRANSFER SECRETARIES

Computershare Investor Services (Pty) Ltd
Registration number 2004/003647/07
Rosebank Towers, 15 Biermann Avenue,
Rosebank
Private Bag X9000, Saxonworld 2132
Telephone: +27 11 370 5000
Telefax: +27 11 688 5238

SPONSOR

AcaciaCap Advisors (Pty) Ltd
Registration number 2006/033725/07
20 Stirrup Lane
Woodmead Office Park
Corner Woodmead Drive and Van Reenens Avenue
Woodmead, 2191
Suite #439, Private Bag X29
Gallo Manor, 2052

DIRECTORS

ACG Molusi (*Independent Non-executive Chairman*)
DS Qocha (*Independent Non-executive*)
J Edwards (*Independent Non-executive*)
Rosebank Towers, 15 Biermann Avenue,
Rosebank
MA Da Costa (*Independent Non-executive*)
MJ Prinsloo (*Independent Non-executive*)
KW Thihe (*Independent Non-executive*)
RCH Fedder (*Non-executive*)
SN Ngobese (*Independent Non-executive*)
AJ Isbister (*Financial director*)
DM Tiltmann (*Chief executive officer*)

COMPANY SECRETARY

C Roberts CA(SA)

AUDITORS

BDO South Africa Incorporated

SEGMENTAL REPORTING

	Reviewed year ended 31 March 2023 R'000	Audited year ended 31 March 2022 R'000
Revenue		
Radio Broadcasting	193 226	172 750
Media services	80 386	82 613
Less: Media services internal revenue	(4 943)	(4 598)
Corporate	12 257	20 904
Less: Corporate Internal revenue	(12 257)	(20 904)
Total	268 669	250 765
Profitability		
Radio Broadcasting	51 448	41 257
Media services	1 022	3 852
Corporate	1 173	2 066
Total operating profit	53 643	47 175
Depreciation	(7 395)	(7 365)
Profit from associates	304	301
Investment income	4 118	1 537
Finance income	5 607	4 225
Taxation	(13 115)	(12 438)
Profit for the year	43 162	33 435
Assets		
Radio Broadcasting	89 180	72 864
Media services	45 322	48 942
Corporate	118 958	114 551
Investment in associates	2 876	2 572
Total	256 336	238 929
Cash and cash equivalents	81 973	91 834
Total	338 309	330 763
Liabilities		
Radio Broadcasting	23 178	16 731
Media services	36 888	35 883
Corporate	17 354	13 654
Total	77 420	66 268
Capital expenditure		
Radio Broadcasting	3 533	2 835
Media services	1 894	545
Corporate	880	204
Total	6 307	3 584
Depreciation		
Radio Broadcasting	6 517	6 651
Media services	680	546
Corporate	198	168
Total	7 395	7 365



REVIEWED PROVISIONAL RESULTS

For the year ended 31 March 2023

CHAIRMAN'S REVIEW

During the year under review, group revenue increased by 7% from R250,8 million in 2022 to R268,7 million. In line with the increase in revenue, profitability recovered satisfactorily resulting in an operating profit of R46,2 million compared to a prior year of R39,8 million. Various revenue initiatives implemented over the last year as well as increased market share have resulted in improved performance. During the year shares were repurchased to the value of R18,1 million (2022: R2,5 million) and dividends of R23,3 million (2022: R14,3 million) were paid. This has resulted in a cash balance of R82 million (2022: R91,8 million) at the end of the year. The earnings per share for the year improved from 372,2 cents in 2022 to 485,5 cents.

The group generated cash from operating activities of R49,6 million (March 2022: R47,1 million), paid tax of R11,6 million (2022: R10 million), spent R6,3 million (2022: R3,6 million) on capital expenditure and paid dividends to its equity holders and non-controlling interest holders of R28,7 million (2022: R20 million). The group also repurchased 701 775 shares (2022: 79 174 shares) during the period which resulted in a cash outflow of R22,6 million (2022: R2,4 million).

OPERATIONS

Operations throughout the various business units performed well during the year, despite the demanding trading conditions and challenging economic circumstances. Innovation and tight cost control remain imperative focus points.

Algoa FM produced excellent results for the year ended 31 March 2023. Collectively, national and direct sales contributed to Net Radio Revenue ending 12% above budget, which together with tight financial controls, resulted in EBITDA last experienced pre-Covid. This performance was achieved despite a magnitude of conditions such as the severe water crisis, failing municipal infrastructure, disruptive power outages and rising inflation, which was further exacerbated by the State of Disaster, which was only lifted during April of 2022. During the period under review, audiences have grown, online engagement is on an upward trajectory, and cash flow remains positive.

Central Media Group ("CMG") delivered a solid performance in 2023. OFM EBITDA improved despite continued unfavourable trading conditions. Mahareng Publishing and Digital Platforms both maintained their marketshare compared to the prior year through innovation and maintaining strong client relationships. Third party suppliers and input costs into each business remain a challenge and sustainability of the business units will continue to be a focus into the new financial year.

MediaHeads 360 has come out of a difficult year and though they ended the fiscal with a profit they fell short of achieving their 2023 target and ended with an EBITDA of 69% lower than the prior year. The current economic climate and load shedding crisis have impacted on linear television's performance, in turn hampering the company's diversification strategy into the television realm. The focus for the upcoming financial year is to cement the business's television strategy and long term vision.

United Stations continued to grow its market share and increase advertiser demand across its full portfolio of media platforms, by aggressively leveraging the many marketing tools at its disposal, including events, streaming, activations, content and marketing services. The team worked hand in hand with its media clients to integrate their assets and as a result, has generated valuable advantages in a highly contested media marketplace. The overriding intention is to create a much broader and more lucrative business than just terrestrial radio.

Moneyweb Despite enormous effort on Moneyweb's behalf, the performance for the year did not deliver as expected. Despite the shortfall, we are seeing marginal growth of 8% year on year. The challenge remains growing revenue to required levels to ensure Moneyweb returns to a healthier financial position. As a result, we are focusing on adding more alternative revenue models to complement the current advertising and subscription streams.

DIVIDENDS

An interim dividend for the period ended 30 September 2022 of 100 cents per ordinary share (gross) was declared (September 2021: 80 cents) and paid on 19 December 2022. Due to the cash reserves available, a final dividend (dividend no. 20) for the year ended 31 March 2023 of 250 cents per ordinary share (gross) (March 2022: 200 cents gross) was declared.

Declaration of final dividend no. 20

The board resolved to declare a final dividend (dividend no. 20) of 250 cents per ordinary share (gross) for the year ended 31 March 2023. The dividend is subject to the Dividends Withholding Tax ("DWT") that was introduced with effect from 1 April 2012. In accordance with the provisions of the JSE Listings Requirements, the following additional information is disclosed:

- the dividend has been declared out of distributable retained earnings;
- the local Dividend Tax rate is 20%;
- the gross dividend amount is 250 cents per ordinary share for shareholders exempt from DWT;
- the net dividend amount is 200 cents per ordinary share for shareholders liable for DWT;
- the company has 7 142 177 ordinary shares in issue;
- the company's income tax reference number is 9100/169/71/4.

The following dates are applicable to the dividend:

Last date to trade in order to be eligible for the dividend: Tuesday, 4 July 2023

Date trading commences *ex-dividend*: Wednesday, 5 July 2023

Record date: Friday, 7 July 2023

Date of payment to shareholders: Monday, 10 July 2023

Share certificates may not be dematerialised/rematerialised between Wednesday, 5 July 2023 and Friday, 7 July 2023, both days inclusive.

PROSPECTS

The board expects the trading conditions for the 2024 financial year to remain challenging due to the unpredictable economy.

The board is responsible for the preparation of the provisional consolidated financial statements in accordance with the requirements of the JSE Listings Requirements for preliminary reports and the requirements of the Companies Act of South Africa as applicable to summarised financial statements, and for such internal controls as the directors deem necessary to ensure that the provisional consolidated financial statements are free from material misstatement due to fraud or error.

ACG Molusi

Independent Non-executive Chairman

2 June 2023

AJ Isbister CA (SA)

Financial Director

These results have been reviewed by BDO South Africa Inc and their unmodified review report is available for inspection at the company's registered office and can also be reviewed on the following web-link: <https://www.ame.co.za>.

The auditor's reviewed report does not necessarily report on all of the information contained in these financial results. Shareholders are therefore advised that in order to obtain a full understanding of the nature of the auditor's engagement they should obtain a copy of the auditor's review report with the accompanying financial information from the issuers' registered office or via the weblink: <https://www.ame.co.za>.

SUMMARISED NOTES TO THE PROVISIONAL FINANCIAL STATEMENTS

1. BASIS OF PREPARATION

These provisional results have been prepared by the financial director in accordance with International Financial Reporting Standards ("IFRS"), the Companies Act no. 71 of 2008, as amended, IAS 34: Interim Financial Reporting, the Listings Requirements of the Johannesburg Stock Exchange, Financial Pronouncements as issued by the Financial Reporting Standards Council, on a basis consistent with the policies and methods of computation as used in the annual financial statements for the year ended 31 March 2023.

2. HEADLINE EARNINGS PER SHARE

	Reviewed year ended 31 March 2023 R'000	Audited year ended 31 March 2022 R'000
Headline earnings per share (cents)	484.5	371.6
Headline earnings reconciliation		
Profit attributable to equity holders	36 602	29 334
Adjustments:	(74)	(42)
Profit on disposal of fixed assets	(102)	(59)
Tax on disposal of fixed assets	28	17
Headline earnings	25% 36 528	29 292

3. RELATED PARTY TRANSACTIONS

Other than in the ordinary course of business, there have been no transactions during the financial year with related parties.

4. OTHER FINANCIAL INSTRUMENTS

	Group 2023 R'000	2022 R'000
Investments in unlisted securities – Level 3	23 650	17 650

Level 3 fair value is determined by a valuation that uses inputs that are not based on observable market data. The movement in the current year relates to fair value adjustments processed through other comprehensive income of R6 million (2022: R2,4 million).

Investments are valued based on discounted cash flow models. Should the variables differ by 1% the value of the investments will differ by between (11%) and 10% (2022: between 10% and 12%). The discount rates used vary between 18,4% and 20,4% (2022: between 16,7% and 18,7%) and the terminal growth rates applied were 4,5% (2022: 4%). A marketability discount of 15,3% (2022: 16,5%) and a minority discount of 16,9% (2022: 17,4%) were considered in determining the value.

5. SIGNIFICANT TRANSACTIONS AND EVENTS DURING THE PERIOD

Other than the transactions already mentioned in this report, there were no other significant transactions or events for the year ended 31 March 2023.

6. GOING CONCERN

The financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis assumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

7. EVENTS AFTER THE REPORTING PERIOD

To the best of the directors' knowledge, there have been no material events between the end of the reporting period up to the date of signature of this report that may materially affect the ability of the user to make proper financial investment decisions.