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ASX Announcement

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Revised Guidance

PMP Limited advises EBITDA (unaudited and pre-significant items) for the first half of fiscal 2018 is expected to be \$20.2M.

This is \$3M-\$4M below PMP's expectations for 1HFY18, which underpinned the FY18 guidance that was provided to the market on 20 November 2017, and is primarily a result of market factors relating to the mix of work.

Based on the three months trading since the previous guidance, and its latest forecast for the 2HFY18, PMP's revised guidance for FY18 is now \$40M-\$45M EBITDA (pre-significant items).

Whilst overall Australian print volumes (collectively for catalogues, magazines and newspapers) are in line with what has previously underpinned guidance, and noting that all cost initiatives are largely being met, the revised guidance is driven by a reduction in expected volumes of higher margin magazines and newspapers (offset by higher than expected volumes of lower margin catalogues).

All other business units within PMP are performing largely in line with previous guidance.

Whilst PMP remains confident that the changes to industry structure and its continued focus on costs will provide the opportunity to improve profitability over the medium term, it recognises the ongoing challenging conditions in the retail, publishing and newspaper industries. As such, guidance for FY19 will be provided at the appropriate time. Notwithstanding this, previously reported cost out initiatives are expected to provide circa \$20M-\$25M of annualised savings in FY19.

Net Debt

Net debt at June 2018 is now expected to be \$35M-\$40M, up from our November 2017 guidance of \$30M-\$35M. The \$10M reduction in EBITDA has been partially offset by \$5M favorable outcomes in working capital, capital expenditure and significant items.

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