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ASX ANNOUNCEMENT

04 February 2021

BEYOND INTERNATIONAL LIMITED (ASX: BYI)

TRADING UPDATE

Beyond International Limited provides the following update to its projected financial result for the six months ending 31 December 2020.

Management is expecting to report a significant improvement in both operational EBITDA and EBIT for the six months ending 31 December 2020 compared to that reported for the prior corresponding period. The EBITDA is expected to be in the range of \$3.0m to \$3.5m compared with \$1.3m reported in the prior year, and EBIT is expected to be positive in the range of \$0.8m to \$1.0m compared with a loss of \$1.0m before impairments reported in the prior corresponding period.

Operations saw a strong improvement in the six months to 31 December 2020 compared to the same period last year, with all divisions showing improvement except for Copyright and Digital marketing. The improvement is despite the significant impact of Covid-19 on productions with a number of production projects deferred because of lockdowns imposed in both Australia and the US. The impact was partly offset by the Company continuing to qualify and receive Government support in the form of Job Keeper, and a reduction in salaries initiated from 1 April 2020 as announced to the market on 31 March 2020. By 1 January 2021, 50% of the salary reduction has been reinstated. It is intended to reinstate the remaining 50% of the salary reduction in the next six months, subject to a continuation of current trading conditions. Note that the result to 31 December 2020 is currently subject to audit.

EBITDA and EBIT has been affected by the 12% appreciation of the Australian dollar against the US dollar since 30 June 2020, with realised and unrealised foreign exchange losses of \$0.8m expected in the current first half.

The Production division excluding Copyright is expected to show an improvement in the six months to 31 December 2020 of \$0.8m compared to the result for the six months ended 31 December 2019, despite a number of key shows being deferred by Covid-19. Shows impacted include Pooch Perfect US, Deadly Women series 14 and Love It Or List It Australia series 4. Production on these shows were able to commence after lockdowns ended by ensuring that each production was certified as being Covid safe. Production in the UK was not impacted and the UK version of Pooch Perfect was delivered and commenced broadcast in January 2021 on the BBC.

Copyright is expected to be lower than the prior corresponding period by \$0.8m due to the receipt of music royalties in the period to 31 December 2019 that did not occur in the six months to 31 December 2020. Sales of internally produced programming such as Mythbusters and Deadly Women were comparable to the corresponding period in 2019.

The acquisition of TCB Media in April 2020 has strengthened the Distribution division, which is expected to deliver a significant improvement in trading results over the corresponding period last year. Despite restructuring costs of \$0.6m the division is expected to report a contribution of \$2.7m compared to \$1.8m for the prior corresponding period.

The digital marketing division was impacted by the Covid-19 lockdowns in New Zealand and Australia, particularly Victoria. There are a number of major clients that operate in the travel industry and work from these clients has remained on hold during the six months to 31 December 2020. The difficulties in arranging face to face meetings with clients due to lockdowns and social distancing requirements has also led to a slowdown in pitching for new work. It is expected that the division will report an operating loss of \$0.4m against a loss of \$0.2m for the corresponding period last year.

The Home Entertainment division was effectively closed at 30 June 2020. Certain key licences were novated to our logistics partner Regency Media, while Regency are also managing remaining inventory for those titles that were not novated. The division is expected to report a small profit for the six months to 31 December 2020 against a loss for the prior corresponding period of \$0.2m.

It is not currently possible to give guidance on net profit after tax due to the complex and multi-jurisdictional nature of the Group's businesses in determining income tax expense for the year.

Given the current status of the Covid-19 pandemic in Europe, UK and the US it is difficult to assess the potential impact on the business for the remaining six months of the 2021 financial year and no guidance is given for the full financial year.

This announcement has been authorised for release to ASX by the Board of Beyond International Limited.

This announcement is made pursuant to Listing Rule 3.1.

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