

## **Radio Jamaica Limited Report to Stockholders**

The directors present the audited results of the RJRGLEANER Communications Group for the financial year ending March 31, 2020.

The Group recorded a pre-tax profit of \$40 million and an after-tax profit of \$38 million for the year compared with a pre-tax loss of \$24 million and an after-tax loss of \$22 million in the prior year.

The primary contributors to the year's performance were:-

- A \$110 million or 2% increase in revenues in all segments, Audio 6%; Audio/Visual 1% and Print 1%.
- Other income of \$98 million decreased by \$28 million or 22%, compared with the prior year, mainly driven by one off non-recurring income in the prior year.
- Direct expenses were \$156 million below prior year, due mainly to the FIFA World Cup and related costs in prior year which did not apply in the year under review.
- Selling expenses of \$853 million for the year were above prior year by 5% commensurate with revenue increases.
- Administrative expenses of \$1.2 billion for the year were down by \$13 million on the prior year as a result of reduction in amortization costs for Intangible assets.
- Other operating expenses of \$915 million were higher by \$151 million or 20% on prior year due mainly to costs related to new business feasibility study, and fees associated with the acquisition of new software across the group.

In spite of the Group's robust performance for eleven (11) months of the year, the impact of COVID-19, locally and internationally, dramatically and negatively impacted business revenues in the month of March 2020. For March alone, the Group incurred almost \$50 million in advertising contract cancellations, while staff welfare, sanitisation and related expenses increased due to measures implemented to safeguard staff and customers.

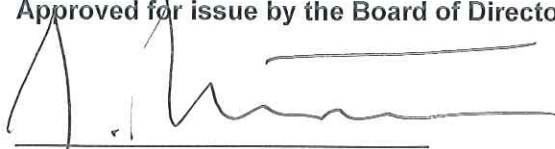
During the year under review, in addition to the Corporate Governance, Compensation, and the Finance Compliance & Audit Committees, two new committees were formed, a Human Resources Committee and a Technology Committee. An Objectives and Key Results (OKRs) driven Strategic Planning process has been advanced and several technology-driven planks have been introduced to the business, from which greater agility, efficiency and improved results are anticipated.

During the financial year under review the Group continued implementation of its roadmap towards full digital transformation, which adds conversion of business process functions to the already underway broadcast workflow transition pending digital switchover. TVJ brought in new revenue streams from the Cayman Islands through the launch of the TVJ International channel, while locally, TVJ started earning re-transmission fees from the largest cable provider, FLOW. The radio and television transmission networks were improved across the island, with further improvements slated for the new financial year, while the Group maintained its strong brand equity through continued unique product differentiation in quality local programming and relevant content.

The Group responded proactively to COVID-19, to maintain revenues, through TV's pivot with education programmes and virtual parties, as well as, the implementation of cost reduction measures to mitigate against the economic impact of the disease.

We thank our staff, advertisers, advertising agencies, and our loyal customers - listeners, viewers and readers for their support during the year.

**Approved for issue by the Board of Directors on July 14, 2020 and signed on its behalf by:**



Joseph M. Matalon  
Chairman



Gary Allen  
Chief Executive Officer