Radio Jamaica Limited
Report to Stockholders

The directors are pleased to present the audited financial results of the RJRGLEANER Communications Group for the financial year ended March 31, 2021.

The Group recorded a pre-tax profit of $232 million and an after-tax profit of $171 million for the year, compared with a pre-tax profit of $39 million and an after-tax profit of $38 million in the prior year.

Primary contributors to the year's performance were: -

- A $399 million or 7% year-on-year reduction in Group revenues driven by reductions in the Audio ($32 million/4%) and Print divisions ($529 million/19%), and an increase in the Audio/Visual division ($162 million/7%). In the Audio/Visual division, collaborations with the Ministry of Health and Education, along with the staging of General Elections during the year boosted revenues.

- Other income of $81 million decreased by $17 million or 17% compared with the prior year, mainly driven by income received in settlement of legal cases in the prior year.

- Direct expenses were $299 million below prior year, due mainly to the reduction in newsprint usage, programming and salary costs, directly related to adjustments made in response to reduced revenues, and other cost containment measures pursued.

- Selling expenses of $689 million for the year fell by $164 million or 19%, commensurate with the revenue shortfall.

- Administrative expenses of $1.4 billion for the year were up by $152 million compared with the prior year, mainly driven by redundancy cost, Expected Credit Losses (ECL) and IAS 19 provisions, as well as COVID-19 related expenses.

- Other operating expenses of $616 million were lower by $300 million or 33% compared with the prior year, due mainly to effective cost containment strategies aimed at bringing operating costs in line with the revenue shortfall during the year.

- The Group made over 106 positions redundant (Gleaner Company Media Limited-78/Independent Radio Company Limited-15/Radio Jamaica Limited-12/Reggae Entertainment Television Limited 1) during the year, at a cost of $184 million (Gleaner Company Media Limited-$157 million /Independent Radio Company Limited- $18 million /Radio Jamaica Limited-$8 million/ Reggae Entertainment Limited-$1 million).

In spite of the significant impact on the Group's revenues by COVID-19 throughout the year, the agility and creativity shown by the Board and management produced positive results that helped to enhance the business during this difficult period. Cost management improved, digital revenue targeting was refined, while we supported existing business streams. Tough financial measures that were taken bore fruit and enhanced efficiency. Content creation for multiple platforms was not disrupted as the Group grew both its traditional and its digital media assets.

During the year under review, in addition to the Corporate Governance, Compensation, and the Finance Compliance & Audit Committees, two new board committees were established, the Human Resources Committee and the Digital Business and Technology Committee. An Objectives and Key Results (OKRs) driven Strategic Planning framework and processes were advanced, while several technology-driven initiatives were also introduced to the business, from which greater agility, efficiency and improved results are being realised.

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 digital broadcast workflow transition already underway pending digital switchover (DSO). TVJ has added revenues from use of its TVJ International cable channel in the Cayman Islands, 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 into educational programming and radio's introduction of virtual parties, as well as the implementation of cost reduction measures to mitigate against the economic impact of the pandemic.

Special thanks are due to our staff, who made significant personal sacrifices to maintain operations; and to advertisers, advertising agencies, and our loyal customers - listeners, viewers and readers - for their continued support during the year.

Approved for issue by the Board of Directors on July 15, 2021 and signed on its behalf by:

Joseph M. Matalon CD
Chairman

Gary H. Allen CD, JP
Chief Executive Officer