

RED HILL QLD 4059





AUSTRALIA
T 07 3858 9111 F 07 3858 9112
INFO@BRONCOS.COM.AU

BRONCOS.COM.AU

BRISBANE BRONCOS LIMITED CHAIRMAN'S ADDRESS ANNUAL GENERAL MEETING 21 JULY 2020

2019 was a challenging year for the Brisbane Broncos on and off the field. This was despite our best efforts in a challenging economy and some promising performances on the field.

2019 was successful for the Brisbane Broncos National Rugby League Women's (NRLW) team taking out back to back Premierships. The club further expanded its focus on engaging women in non-traditional roles achieving 57% female representation across the professional NRLW coaching and support team.

We welcome Kia Motors Australia as our Major Partner for the 2020 season and beyond. We could not have found a better partner. I would like to particularly thank Damien Meredith, the Chief Operating Officer of Kia Motors Australia, for his support and advice. We thank NRMA Insurance for their significant contribution to our club over many years and their continued ongoing support for our community programs.

Our Indigenous and Community programs continue to make a positive change to participants' lives and their communities. More than 1,600 young people benefited from the Broncos Indigenous programs in 2019, which support the Australian Government's commitment to Closing the Gap in educational and employment outcomes between Indigenous and non-Indigenous Australians.

The Group recorded \$2.3m in profit after tax for the 2019 financial year. This result was a 9.5% increase on the prior year and reflects the strong underlying commercial business and cash position of the Group.

Gross revenue of \$51.9m was recorded for the 2019 financial year. Sponsorship revenue grew 5% and government funding to deliver the expanded Indigenous and community programs increased by 25%. Membership, ticketing and corporate hospitality revenue were negatively impacted by match scheduling and discretionary spending choices.

Total Group recorded expenditure of \$48.6m for the 2019 financial year. Expenditure included increased occupancy and maintenance costs, contracted salary increases, football department restructure related salary increases, costs identified on transition to Single Touch Payroll and additional resourcing costs for the expanded Indigenous and Community Programs.

























CLIVE BERGHOFER CENTRE 81 FULCHER ROAD RED HILL OLD 4059 AUSTRALIA

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On 24 February 2020, the Board of Directors declared a fully franked final dividend of one cent per share in respect of the financial year ended 31 December 2019. Payment of the 2019 dividend has been deferred to a proposed date of 15 October 2020. The Board will reassess the financial position of the Group closer to the deferral date and make a further announcement at that time.

I wish to thank retired director, Katie Bickford, for her valuable contribution, playing an influential role in the success of the Brisbane Broncos NRL Women's team.

To my fellow directors, CEO Paul White, his executive team, staff, players, shareholders, members, sponsors, community partners and fans, I thank you for your ongoing support of this great club.

I'd also like to take this opportunity to provide a brief update on the 2020 year. As you will be aware, the Brisbane Broncos Board has provided regular market updates throughout the year regarding the complex and evolving situation with respect to the impact of the coronavirus disease (COVID-19) on the NRL competition and to the Brisbane Broncos business. It is expected to result in a significant reduction in the Group's revenue and profits for the 2020 financial year. Given the constantly evolving nature and uncertainty of the situation, it is not possible to accurately forecast the quantum of the financial effect on the Group or the timeframe for recovery at this stage.

The Board and management have identified and implemented cost saving initiatives to mitigate the financial impact whilst continuing to protect the underlying strength of the business. In addition to widespread operational cost reductions across all areas, a review has been undertaken of the fixed cost base of the business including remuneration levels, and both current and future staffing requirements. In conducting this review, the Board and management have taken a measured approach, balancing both the need for job preservation for when 'business as usual' resumes whilst also considering the current and future operating environment of the NRL competition. Given the extraordinary circumstances and the associated impacts on the industry, some difficult decisions have been made.

The NRL will continue to work closely with federal and state governments to ensure rugby league specific protocols and public health regulations are strictly adhered to. The landscape is evolving constantly and the NRL and clubs will continue to be flexible and adapt to changes in government guidelines and restrictions as required. The health and wellbeing of the players, staff and general public remain the absolute priority.

I extend a very special thank you to our loyal members, sponsors, shareholders and business partners who have continued to provide their highly valued and constructive support to the club.