



ASX RELEASE

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Trading update and earnings guidance

Southern Cross Austereo (SCA) (ASX:SXL) provides the following trading update and guidance for the six months ending 31 December 2019.

Media markets have been weak across the first quarter. SCA's revenues were 8.5% adverse to the prior year in the quarter ended 30 September 2019, with declines in both audio and television segments. SCA believes that it has consolidated advertising share gains achieved in the prior corresponding period and is currently trading in line with media markets.

First quarter operating costs were \$1M below the prior comparable period. This includes one-off restructuring costs of \$1.5M related to the outsourcing of transmission services.

EBITDA for the first half is expected to be in the range of \$60M to \$68M, before adjustments for AASB16 (Leases). As foreshadowed in SCA's FY2019 results announcement, this range includes the above one-off restructuring costs of \$1.5M and, compared to the prior comparable period, approximately \$2M in incremental operating costs associated with outsourcing transmission and television playout services.

Depreciation for the first half is expected to be about \$4M lower compared to the prior comparable period, and full year capex will be \$5M to \$7M lower than in FY19. These reductions are a direct result of the decisions to outsource transmission and television playout services.

Cost discipline remains a core focus, and a series of actions have been taken to mitigate full year costs in response to adverse market conditions. The majority of these savings will be realised in the second half.

Advertising markets remain short and volatile and SCA will continue to focus on maximising its market share while maintaining strict cost control across all divisions.

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Southern Cross Austereo (SCA) is one of Australia's leading media companies reaching more than 95% of the Australian population through its radio, television and digital assets. Under the Triple M and Hit network brands, SCA owns 76 analogue radio stations across metropolitan and regional Australia plus an additional 10 digital radio brands in Australia's capital cities. SCA provides national sales representation for a further 34 regional radio stations. SCA broadcasts 92 free to air TV signals across regional Australia with Nine Network programming and advertising representation across Australia's East Coast, Seven Network programming in Tasmania and Darwin, and Seven, Nine and Ten programming in Spencer Gulf. SCA operates Australia's leading premium podcasting network - PodcastOne Australia – and provides Australian sales representation for global open audio platform SoundCloud. SCA's premium brands are supported by social media, live events, video, online and mobile assets that deliver national and local entertainment and news content. <https://www.southerncrossaustereo.com.au/>