



ASX RELEASE

6 May 2021

## Presentation to Macquarie Investor Conference and trading update

Southern Cross Media Group Limited (ASX: SXL) (SCA) CEO, Grant Blackley, will make the attached presentation to the Macquarie Investor Conference today.

The presentation includes a trading update, which is set out on page 6 of the attached presentation.

Approved for release by Tony Hudson, Company Secretary.

For further information, please contact:

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### About Southern Cross Austereo

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 99 stations across FM, AM, and DAB+ radio. SCA provides national sales representation for 23 regional radio stations. SCA broadcasts 92 free to air TV signals across regional Australia, reaching 4.4 million people a week, 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 LiSTNR, Australia's free, personalised audio destination for consumers featuring radio, podcasts, music, and news. SCA also provides Australian sales representation for global open audio platform SoundCloud and Sonos Radio. SCA's premium brands are supported by social media, live events and digital platforms that deliver national and local entertainment and news content. <https://www.southerncrossaustereo.com.au/>

**SOUTHERN CROSS AUSTEREO  
PRESENTATION TO  
MACQUARIE INVESTOR CONFERENCE**

**6 May 2021**

# Disclaimer

## Summary information

The material in this presentation has been prepared by Southern Cross Media Group Limited ABN 91 116 024 536 (**SCA**) and contains summary information about SCA's activities current as at 6 May 2021. The information in this presentation is of a general background nature and does not purport to be complete. It should be read in conjunction with SCA's other periodic and continuous disclosure announcements which are available at [www.southerncrossaustereo.com.au](http://www.southerncrossaustereo.com.au)

## Past performance

Past performance information in this presentation is for illustrative purposes only and should not be relied upon as (and is not) an indication of future performance.

## Future performance

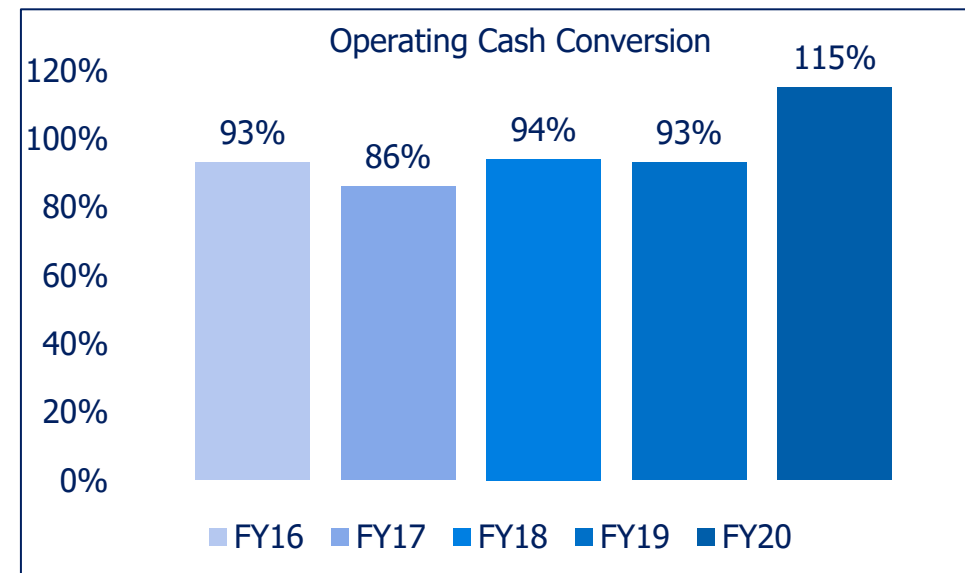
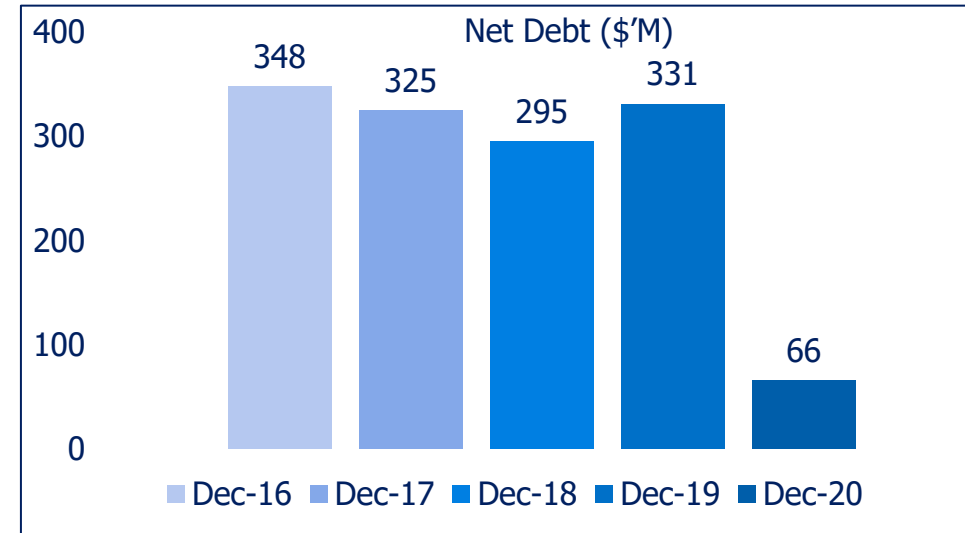
This presentation contains certain "forward-looking statements". Forward-looking statements, opinions and estimates provided in this presentation are based on assumptions and estimates which are subject to change without notice, as are statements about market and industry trends, which are based on interpretation of market conditions. Although due care has been used in the preparation of forward-looking statements, actual results and performance may vary materially because events and actual circumstances frequently do not occur as forecast. Investors should form their own views as to these matters and any assumptions on which any of the forward-looking statements are based.

## Not financial product advice

Information in this presentation, including forecast financial information, should not be considered as advice or a recommendation to investors or potential investors in relation to holding, purchasing or selling securities. Before acting on any information, you should consider the appropriateness of the information having regard to your particular objectives, financial situation and needs, any relevant offer document and in particular, you should seek independent financial advice.

# Strengthened Balance Sheet as we enter a period of strong economic recovery

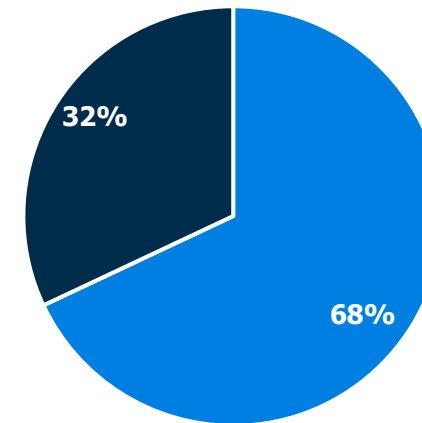
- Balance sheet has been strengthened
- Net debt at a historic low
- High quality of earnings with consistent strong cash conversion
- Meaningful reduction in cost base - \$30M or 10% of non-revenue related costs out since FY19
- Dividends to recommence with FY21 final dividend<sup>1</sup>



# Primary focus on audio, with accelerating digital audio portfolio

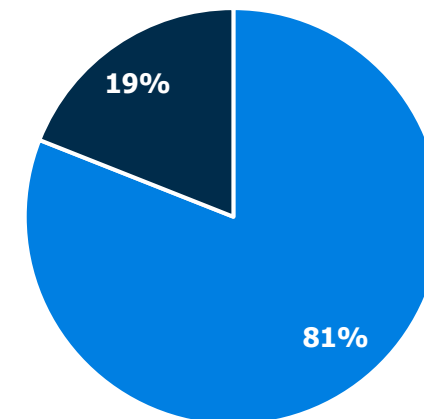
- Audio revenue growing – underpinned by a strong increase in digital audio listening and resulting monetisation
- The Digital Audio revenue pool is expanding – and SCA is well positioned to take a leading role in the deployment of new audio products and services – evidenced through our investment in LiSTNR and its considerable audio library
- Digital Audio is a high margin sector – delivering premium yields per customer – based on addressable advertising demand and targeting
- Television affiliation negotiation proceeding well for the 3-aggregated markets (Regional Queensland, SNSW and Regional Victoria). Workflows will ensure a seamless transition back to Ten. Lower programming costs will naturally mitigate TV revenue reduction
- Audio representing >80% of group earnings and is expected to expand - led by an accelerating digital audio market

Audio/TV Revenue



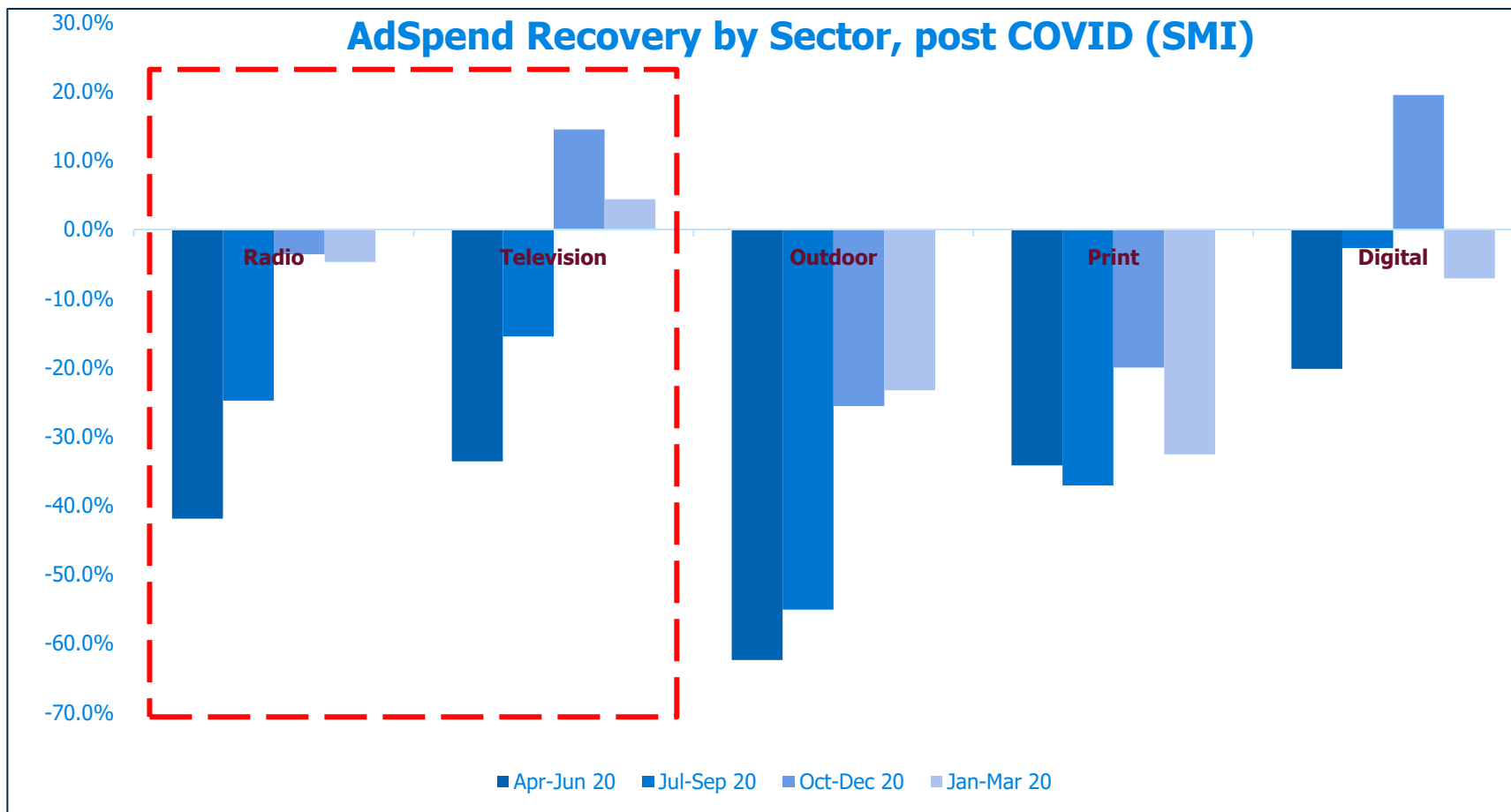
■ Audio revenue % ■ TV revenue %

EBITDA % (excluding corporate costs)



■ Audio EBITDA % ■ TV EBITDA %

# Advertising market in strong recovery – meaningful quarterly improvement in radio and television since Q420



**Radio has followed Television through the economic recovery cycle – typical with historical economic events**

Source: SMI Dataminer, Interim Dataset, last updated April 14, 2021

# Trading Update

- SCA revenues continue to improve with Q3 advertising revenues -4.3%, ahead of guidance of -6% to -8%
- Cost control remains a key focus with FY21 Non-Revenue Related costs forecast \$250M - \$255M (ahead of guidance of \$255M - \$260M)
- TV Affiliation negotiations on-going – multiple workstreams progressing to ensure seamless transition
- FY21 EBITDA forecast \$118M - \$125M
- Net Debt forecast \$55M - \$65M



**PROUDLY  
NATIONAL**  
**FIERCELY  
LOCAL**

## **OUR MISSION:**

**To entertain, inform  
and inspire Australians.  
Anytime. Anywhere.**



# SCA STRATEGY – FOUR KEY PILLARS

## CONTENT



**Entertain, inform  
and inspire our  
audiences**

## DISTRIBUTION



**Establish LiSTNR  
as Australia's  
ultimate audio  
destination**

## MONETISATION



**Use our assets to  
help our clients  
succeed**

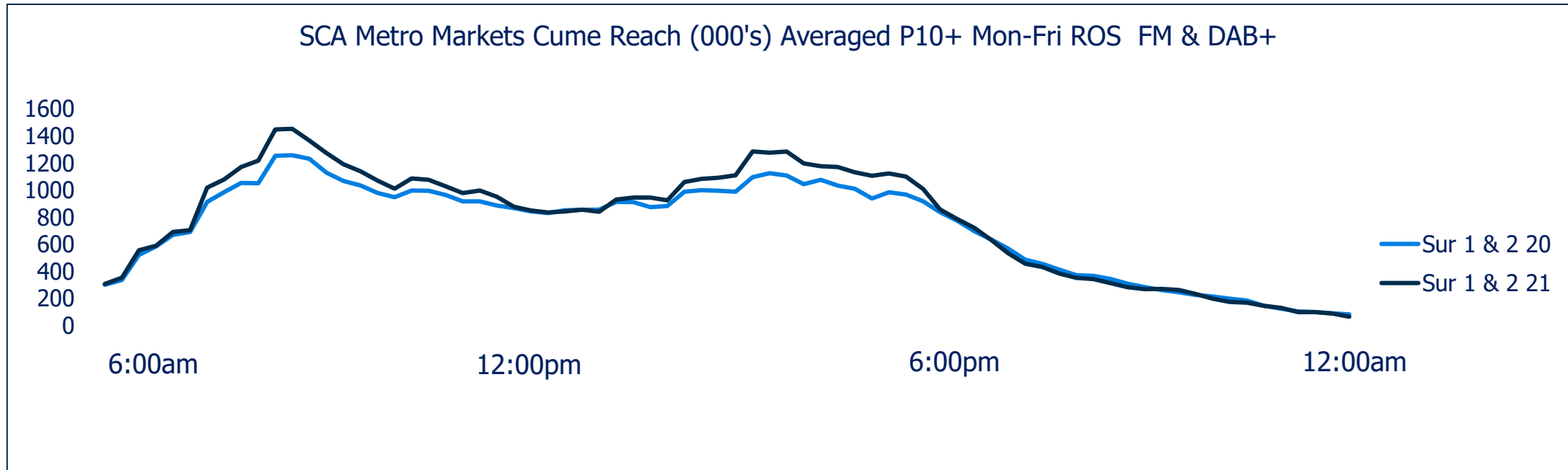
## OPERATING MODEL



**Drive and embed  
a new Digital  
Audio First  
Operating Model**

# Radio listening has recovered above pre-COVID levels

## SCA metro radio listening in 2021 exceeds same period in 2020



Source: GFK Metro Surveys, SCA Internal analysis

# SCA has a large digital Audience that is continuously growing



**142%**

**INCREASE YOY**

In original podcast listening from November 2019 to November 2020

**ORIGINAL  
PODCASTING**



**70%**

**INCREASE YOY**

Over 1.6M live radio streaming listeners during March 2021

**LIVE STREAMS**



**61%**

**INCREASE YOY**

2.4M listening hours, accounting for 23% of total listening

**SMART SPEAKER  
LISTENING**



**11%**

**INCREASE YOY**

Recording more than 3.1M total listening hours

**MOBILE & TABLET  
LISTENING**





A billboard advertisement for the LiSTNR app. The billboard is divided into five sections. The first two sections on the left feature headshots of two men: a bald man with a beard and a man with short blonde hair. The third section in the center features the LiSTNR logo, which consists of a stylized red and white circular icon above the word "LiSTNR" in white capital letters. Below the logo, the text "RADIO | PODCASTS | MUSIC | NEWS" is written in smaller white capital letters. The fourth and fifth sections on the right feature headshots of two women: a woman with long red hair wearing a leopard-print beret and a woman with short dark hair. A red banner runs across the bottom of the billboard, containing the text "Open your ears to a new world of audio" in white. On the right side of the banner, there is a dark button with the text "DOWNLOAD THE FREE APP" in red. The billboard is set against a backdrop of a sunset sky and a highway overpass.

**LiSTNR**  
RADIO | PODCASTS | MUSIC | NEWS

Open your ears to a new world of audio

DOWNLOAD THE FREE APP

# LiSTNR WILL EXPAND SCA's DIGITAL AUDIO ECOSYSTEM

**SCA's digital transformation is accelerating through the launch of LiSTNR, capitalising on the rapidly growing digital audio environment**

1	<b>Changing audience behaviour</b>	The number of Australians accessing digital audio has doubled since 2016 & is projected to reach 80% of Australians by 2024. <sup>1</sup>
2	<b>Creating category leadership</b>	Scale and Simplicity. High quality, personalised and free app – aggregating SCA's extensive depth of digital audio content in a single destination
3	<b>Customer Experience</b>	A personalised listening experience that enables consumers to easily discover a new world of premium, relevant audio that's live, timely and timeless
4	<b>Value of data</b>	A real time deep understanding of SCA's audiences' listening behaviour enables SCA to deliver targeted audiences at scale
5	<b>The time is now</b>	Depth of insights and new audience identities, accelerated digital audio listening and a focus on digital-first behaviour across SCA

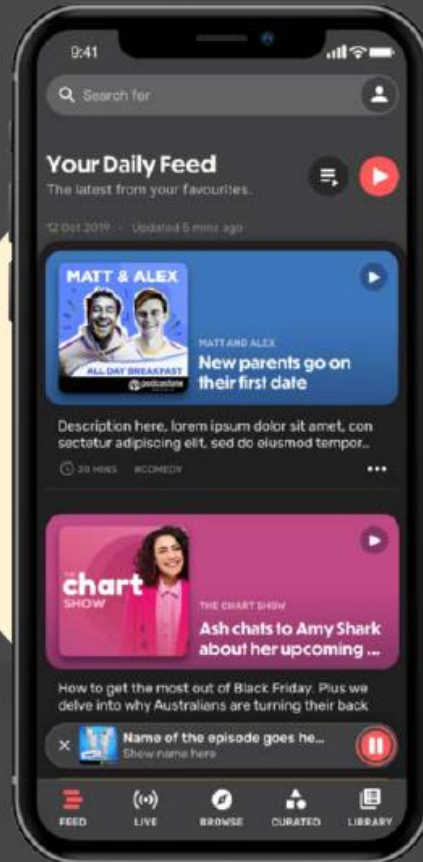




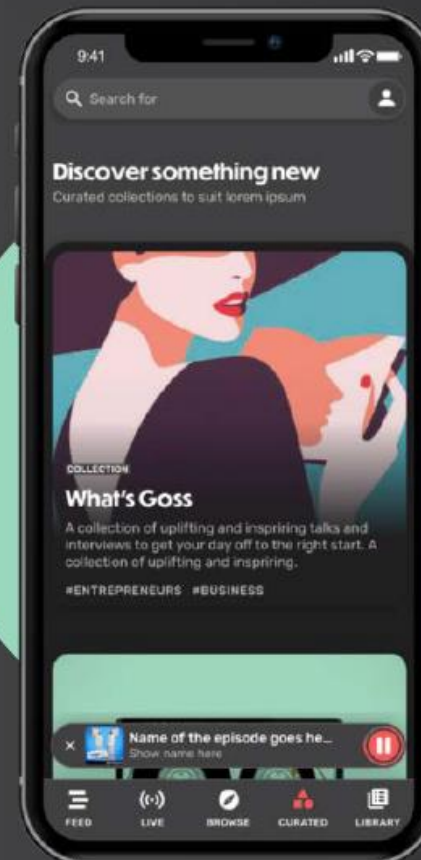
# A TAILORED CONSUMER APP EXPERIENCE



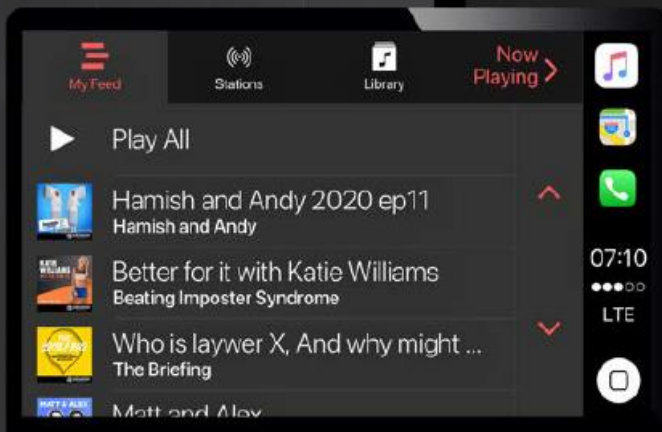
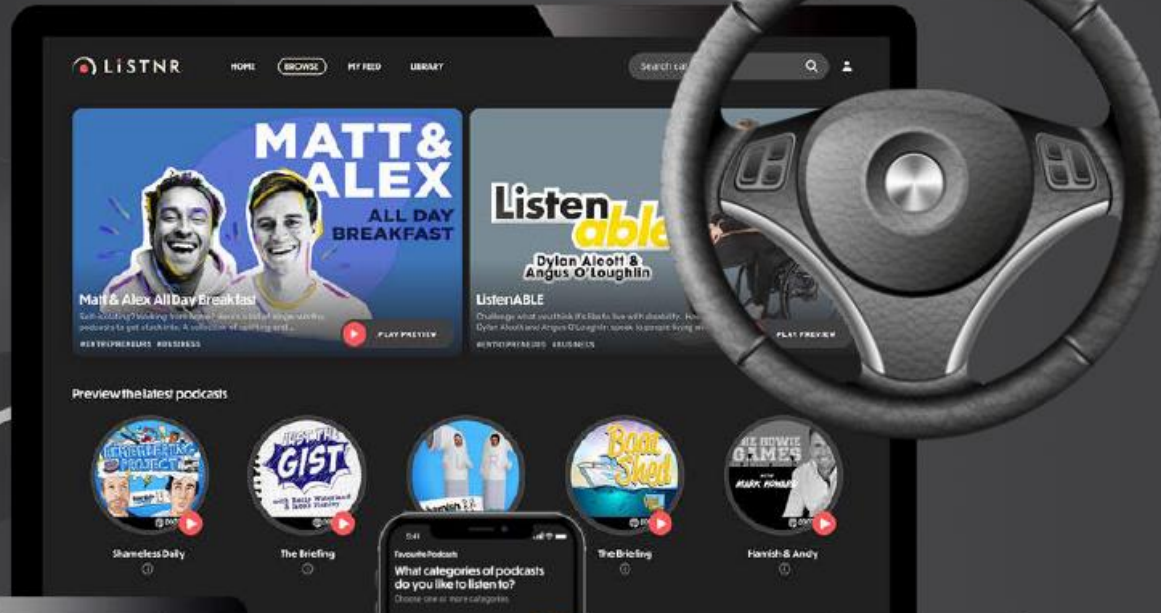
**Intuitive  
Onboarding**



**Personalised  
Daily Feed**



**Ease  
of Discovery**



AUDIO  
ANYTIME  
ANYWHERE





# WHAT IS LISTNR

RADIO | PODCASTS | MUSIC | NEWS

RADIO



PODCASTS



MUSIC




NEWS





# OPEN YOUR EARS TO A NEW WORLD OF AUDIO

## PARTNERS / BRANDS

RADIO 

PODCASTS 

MUSIC 

NEWS 

- ORIGINAL CONTENT
- LIVE & ON DEMAND
  - DISCOVERY
  - PERSONALISED

 **LISTNR**

- INCREMENTAL REACH
- ACTIVE KNOWN USERS
- TARGETING
- PREMIUM CONTENT



ENGAGED AUDIENCES AT SCALE

ersonal use only

**SCA**