

**ASX RELEASE**

24 FEBRUARY 2022

**APPENDIX 4D  
FOR THE HALF YEAR ENDED 31 DECEMBER 2021**

Results for Announcement to the Market (All comparisons to 31 December 2020)

Key Financial Information	\$'000	up/down	% movement
Revenue from ordinary activities	259,650	Up	0.4%
Net profit from ordinary activities after tax (including significant items)	16,803	Down	48.3%
Net profit from ordinary activities after tax (excluding significant items)	16,803	Down	48.3%

Dividend Information	Amount per share cents	Franked amount per share cents	Tax rate for franking credit
Final FY2021 dividend per share (paid 1 October 2021)	5.00	5.00	30%
Interim FY2022 dividend per share (to be paid 7 April 2022)	4.50	4.50	30%

The dividend reinvestment plan has been suspended and will not apply in respect of the interim FY2022 dividend.

**Interim FY2022 Dividend Dates**

Ex-dividend date	9 March 2022
Record date	10 March 2022
Payment date	7 April 2022

	31 Dec 21	31 Dec 20
Net Tangible Assets Per Security	\$(0.54)	\$(0.60)

Additional Appendix 4D disclosure requirements can be found in the directors' report, financial statements and notes to the financial statements contained in the Southern Cross Austereo Interim Financial Report for the half year ended 31 December 2021. This report is based on the consolidated Interim Financial Report for the half year ended 31 December 2021 which has been reviewed by PricewaterhouseCoopers with the Independent Auditor's Review Report included in the Interim Financial Report.

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*Southern Cross Austereo comprises Southern Cross Media Group Limited and its subsidiaries.*

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**SOUTHERN CROSS AUSTereo**

**INTERIM FINANCIAL REPORT**

**FOR THE HALF YEAR ENDED 31 DECEMBER 2021**

Southern Cross Austereo comprises Southern Cross Media Group Limited and its subsidiaries. Southern Cross Media Group Limited is a company limited by shares and incorporated and domiciled in Australia. The registered office of Southern Cross Media Group Limited is Level 2, 257 Clarendon Street, South Melbourne, Victoria 3205 Australia. Tel: +61 3 9252 1019.

Directors' Report.....	1
<b>Directors</b> .....	1
<b>Principal Activities</b> .....	1
<b>Review and Results of Operations</b> .....	1
<b>Significant Items</b> .....	2
<b>Dividends</b> .....	2
<b>Significant Changes in State of Affairs</b> .....	2
<b>Events Occurring After Balance Sheet Date</b> .....	2
<b>Directors' Holdings of Shares</b> .....	2
Auditor's Independence Declaration .....	3
Consolidated Statement of Comprehensive Income .....	4
Consolidated Statement of Financial Position .....	5
Consolidated Statement of Changes in Equity .....	6
Consolidated Statement of Cash Flows .....	7
Notes to the Financial Statements.....	8
<b>1. Summary of Significant Accounting Policies</b> .....	8
<b>2. Segment Information</b> .....	10
<b>3. Revenue</b> .....	11
<b>4. Significant Items</b> .....	11
<b>5. Government Grants</b> .....	11
<b>6. Income Tax Expense</b> .....	12
<b>7. Dividends Paid</b> .....	13
<b>8. Non-Current Assets – Intangible Assets</b> .....	14
<b>9. Derivative Financial Instruments</b> .....	15
<b>10. Borrowings</b> .....	16
<b>11. Contributed Equity</b> .....	16
<b>12. Events Occurring after Balance Sheet Date</b> .....	17
Directors' Declaration .....	18
Independent auditor's review report to the members of Southern Cross Media Group Limited .....	19

## Directors' Report

The Directors of Southern Cross Media Group Limited ("the Company") submit the following report for Southern Cross Austereo, being Southern Cross Media Group Limited and its subsidiaries ("the Group"), for the half year ended 31 December 2021. In order to comply with the provisions of the *Corporations Act 2001*, the Directors report as follows:

### Directors

The following persons were Directors of the Company during the whole of the financial half year, unless otherwise stated, and up to the date of this report:

- Rob Murray (Chairman)
- Grant Blackley (Managing Director)
- Glen Boreham
- Carole Campbell
- Ido Leffler
- Heith Mackay-Cruise
- Helen Nash
- Melanie Willis

### Principal Activities

The principal activities of the Group during the course of the financial half year were the creation of audio content for distribution on broadcast (AM, FM and DAB radio) and digital networks. The Group also broadcasts free-to-air television content in regional markets. These media assets are monetised via revenue generated from the development and sale of advertising solutions for clients.

There were no changes in the nature of the Group during the half year.

### Review and Results of Operations

The Group reported revenue of \$259.7 million for the 6 month period ended 31 December 2021, which was broadly consistent with prior year revenue of \$258.5 million. EBITDA for the 6 months was \$48.2 million decreasing 36.0% from \$75.3 million for the same period in the prior year. Excluding government grants received of \$1.7 million (31 December 2020: \$35.4 million), EBITDA increased by 16.5% on prior year. Net profit after tax was \$16.8 million for the 6 months ended 31 December 2021, decreasing from a net profit after tax of \$32.5 million for the same period in the prior year.

EBITDA is a measure that, in the opinion of the Directors, is a useful supplement to net profit in understanding the cash flow generated from operations and available for payment of income taxes, debt service and capital expenditure. EBITDA is useful to investors because analysts and other members of the investment community largely view EBITDA as a widely recognised measure of operating performance. EBITDA disclosed within the Directors' Report is equivalent to "Profit before depreciation, amortisation, interest, fair value movements on financial derivatives and income tax expense for the half year from continuing operations" included within the Consolidated Statement of Comprehensive Income.

### **Significant Items**

In the 6 months to 31 December 2021 there were no significant items to report.

### **Dividends**

The final dividend for the year ended 30 June 2021 was 5.0 cents per fully paid share, fully franked and was paid on 1 October 2021 by the Company. Since the end of the financial half year ended 31 December 2021 the Directors have declared an interim ordinary dividend of 4.5 cents per fully paid share, fully franked (31 December 2020 interim dividend: nil). The interim dividend will be paid on 7 April 2022 by the Company.

### **Significant Changes in State of Affairs**

In the opinion of the Directors, there were no significant changes in the state of affairs of the Group that occurred during the half year under review.

### **Events Occurring After Balance Sheet Date**

Events occurring after balance date are outlined in Note 12 "Events Occurring after Balance Sheet Date" to the Financial Statements.

### **Directors' Holdings of Shares**

The aggregate number of Company fully paid shares held directly, indirectly or beneficially by directors of the Company at the date of this report is 621,439 (30 June 2021: 531,275).

### **Auditor's Independence Declaration**

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 3.

Signed in accordance with resolutions of the directors of Southern Cross Media Group Limited.



**Rob Murray**  
Chairman  
Southern Cross Media Group Limited  
Sydney, Australia  
24 February 2022



**Grant Blackley**  
Managing Director  
Southern Cross Media Group Limited  
Sydney, Australia  
24 February 2022



## Auditor's Independence Declaration

As lead auditor for the review of Southern Cross Media Group Limited for the half-year ended 31 December 2021, I declare that to the best of my knowledge and belief, there have been:

- (a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- (b) no contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Southern Cross Media Group Limited and the entities it controlled during the period.

A handwritten signature in blue ink that reads 'Trevor Johnston'.

Trevor Johnston  
Partner  
PricewaterhouseCoopers

Melbourne  
24 February 2022

# INTERIM FINANCIAL REPORT

## FOR THE HALF YEAR ENDED 31 DECEMBER 2021

### Consolidated Statement of Comprehensive Income

	Note	Consolidated	
		1 Jul 21 -31 Dec 21 \$'000	1 Jul 20 -31 Dec 20 \$'000
Revenue from continuing operations	3	259,650	258,497
Revenue-related expenses		(64,730)	(78,128)
Employee expenses	5	(94,171)	(58,823)
Program and production		(10,904)	(9,578)
Promotions and marketing		(9,959)	(6,266)
Technical expenses		(19,742)	(20,037)
Administration costs		(12,438)	(11,453)
Other income		115	672
Share of net profit of investments accounted for using the equity method		374	443
<b>Profit before depreciation, amortisation, interest, fair value movements on financial derivatives and income tax expenses for the half year from continuing operations</b>		<b>48,195</b>	<b>75,327</b>
Depreciation and amortisation expense		(15,705)	(15,889)
Interest expense and other borrowing costs		(8,355)	(12,934)
Interest revenue		65	1,002
<b>Profit before income tax expense for the half year from continuing operations</b>		<b>24,200</b>	<b>47,506</b>
Income tax expense from continuing operations	6	(7,397)	(15,018)
<b>Profit from continuing operations after income tax for the half year</b>		<b>16,803</b>	<b>32,488</b>
<i>Other comprehensive income for the half year that may be reclassified to profit or loss:</i>			
Changes to fair value of cash flow hedges, net of tax		669	1,961
<b>Total comprehensive profit for the half year attributable to shareholders</b>		<b>17,472</b>	<b>34,449</b>
<b>Earnings per share attributable to the ordinary equity holders of the Company:</b>			
Basic earnings per share		6.4	12.3
Diluted earnings per share		6.3	12.3

The above Consolidated Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

# INTERIM FINANCIAL REPORT

## FOR THE HALF YEAR ENDED 31 DECEMBER 2021

### Consolidated Statement of Financial Position

		Consolidated	
	Note	31 Dec 21 \$'000	30 Jun 21 \$'000
<b>Current assets</b>			
Cash and cash equivalents		60,425	75,420
Receivables		104,052	98,687
Current tax asset		348	-
<b>Total current assets</b>		<b>164,825</b>	<b>174,107</b>
<b>Non-current assets</b>			
Receivables		12,368	12,974
Right-of-use asset		115,554	98,689
Investments		6,548	5,969
Property, plant and equipment		79,557	87,199
Intangible assets	8	953,645	947,903
<b>Total non-current assets</b>		<b>1,167,672</b>	<b>1,152,734</b>
<b>Total assets</b>		<b>1,332,497</b>	<b>1,326,841</b>
<b>Current liabilities</b>			
Payables		47,544	56,884
Deferred Income		5,924	7,306
Provisions		16,959	17,125
Leases liability		7,177	9,868
Current tax liability	9	-	5,843
Derivative financial instruments		17	319
<b>Total current liabilities</b>		<b>77,621</b>	<b>97,345</b>
<b>Non-current liabilities</b>			
Deferred Income		89,201	90,142
Provisions		5,823	5,546
Borrowings	10	126,789	127,225
Lease liability		123,499	103,101
Deferred tax liability		261,652	259,701
Derivative financial instruments	9	608	1,262
<b>Total non-current liabilities</b>		<b>607,572</b>	<b>586,977</b>
<b>Total liabilities</b>		<b>685,193</b>	<b>684,322</b>
<b>Net assets</b>		<b>647,304</b>	<b>642,519</b>
<b>Equity</b>			
Contributed equity	11	1,542,884	1,542,884
Reserves		4,752	3,559
Other equity transaction		(77,406)	(77,406)
Accumulated losses		(822,926)	(826,518)
<b>Total equity</b>		<b>647,304</b>	<b>642,519</b>

The above Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.



# INTERIM FINANCIAL REPORT

## FOR THE HALF YEAR ENDED 31 DECEMBER 2021

### Consolidated Statement of Changes in Equity

#### 2021

	Contributed equity	Share-based payment reserve	Hedge reserve	Other equity transactions	(Accumulated losses) /retained profits	Total	Non-controlling interest	Total equity
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Total equity at 1 July 2021</b>	1,542,884	4,664	(1,105)	(77,406)	(826,518)	642,519	-	642,519
Profit for the half year	-	-	-	-	16,803	16,803	-	16,803
Other comprehensive income	-	-	669	-	-	669	-	669
<b>Total comprehensive income</b>	-	-	669	-	16,803	17,472	-	17,472
<b>Transactions with equity holders in their capacity as equity holders:</b>								
Employee share entitlements	-	524	-	-	-	524	-	524
Dividends paid	-	-	-	-	(13,211)	(13,211)	-	(13,211)
	-	524	-	-	(13,211)	(12,687)	-	(12,687)
<b>Total equity at 31 December 2021</b>	<b>1,542,884</b>	<b>5,188</b>	<b>(436)</b>	<b>(77,406)</b>	<b>(822,926)</b>	<b>647,304</b>	<b>-</b>	<b>647,304</b>

#### 2020

	Contributed equity	Share-based payment reserve	Hedge reserve	Other equity transactions	(Accumulated losses) /retained profits	Total	Non-controlling interest	Total equity
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Total equity at 1 July 2020</b>	1,540,569	4,436	(4,886)	(77,406)	(874,614)	588,099	298	588,397
Profit for the half year	-	-	-	-	32,488	32,488	-	32,488
Other comprehensive income	-	-	1,961	-	-	1,961	-	1,961
<b>Total comprehensive income</b>	-	-	1,961	-	32,488	34,449	-	34,449
<b>Transactions with equity holders in their capacity as equity holders:</b>								
Contributions of equity net of transaction costs	2,315	-	-	-	-	2,315	-	2,315
Employee share entitlements	-	115	-	-	-	115	-	115
	2,315	115	-	-	-	2,430	-	2,430
<b>Total equity at 31 December 2020</b>	<b>1,542,884</b>	<b>4,551</b>	<b>(2,925)</b>	<b>(77,406)</b>	<b>(842,126)</b>	<b>624,978</b>	<b>298</b>	<b>625,276</b>

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

# INTERIM FINANCIAL REPORT

## FOR THE HALF YEAR ENDED 31 DECEMBER 2021

### Consolidated Statement of Cash Flows

		Consolidated	
	Note	1 Jul 21 - 31 Dec 21 \$'000	1 Jul 20 - 31 Dec 20 \$'000
<b>Cash flows from operating activities</b>			
Receipts from customers		280,249	275,390
Payments to suppliers and employees		(252,211)	(231,820)
Government grants received	5	-	40,702
Interest received from external parties		65	1,117
Tax paid		(11,925)	(4,688)
<b>Net cash inflows from operating activities</b>		<b>16,178</b>	<b>80,701</b>
<b>Cash flows from investing activities</b>			
Payments for purchase of property, plant and equipment		(8,693)	(4,440)
Payments for purchase of intangibles		(36)	(43)
Proceeds from sale of property, plant and equipment		57	1,552
Payment for purchase of investments		(1,173)	-
Dividends received from equity accounted investments		640	560
<b>Net cash flows used in investing activities</b>		<b>(9,205)</b>	<b>(2,371)</b>
<b>Cash flows from financing activities</b>			
Dividends paid to security holders	7	(13,211)	-
Net repayment of borrowings from external parties		-	(100,000)
Interest paid to external parties		(4,884)	(10,501)
Principal elements of lease payments		(3,873)	(2,699)
<b>Net cash flows used in financing activities</b>		<b>(21,968)</b>	<b>(113,200)</b>
Net decrease in cash and cash equivalents		(14,995)	(34,870)
Cash assets at the beginning of the half year		75,420	271,431
<b>Cash assets at the end of the half year</b>		<b>60,425</b>	<b>236,561</b>

The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.

## Notes to the Financial Statements

### 1. Summary of Significant Accounting Policies

This condensed consolidated interim financial report for the half year reporting period ended 31 December 2021 has been prepared in accordance with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*.

This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report of the Company for the year ended 30 June 2021 and any public announcements made by the Company during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period.

### Basis of Preparation

#### i) Compliance with IFRS

Compliance with Australian Accounting Standards ensures that the financial statements and notes of the Group comply with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). Consequently, this financial report has also been prepared in accordance with and complies with IFRS as issued by the IASB.

#### ii) Historical cost convention

These financial statements have been prepared under the historical cost convention, as modified by the revaluation of certain financial assets and liabilities (including derivative instruments) at fair value through profit or loss. All amounts are presented in Australian dollars, unless otherwise noted.

#### iii) Comparative figures

Where necessary, comparatives have been adjusted to conform to changes in presentation in the current period. During the period management has reclassified certain expense categories as represented in the Consolidated Statement of Comprehensive Income to align with the way the Group manages expenses. The following table summarises the restatement of the comparative numbers.

	FY2021 Expense Categories						FY2021
	Broadcast & production	Employee expenses	Selling costs	Occupancy costs	Promotions & marketing	Admin costs	
Revenue-related	(47,172)	-	(30,956)	-	-	-	(78,128)
Employee expenses	-	(58,823)	-	-	-	-	(58,823)
Program & production	(6,303)	-	-	-	-	(3,275)	(9,578)
Promotions & marketing	-	-	-	-	(6,266)	-	(6,266)
Technical	(7,439)	-	-	(2,843)	-	(9,755)	(20,037)
Admin costs	(170)	253	(152)	(3,828)	224	(7,780)	(11,453)
<b>Total FY2021</b>	<b>(61,084)</b>	<b>(58,570)</b>	<b>(31,108)</b>	<b>(6,671)</b>	<b>(6,042)</b>	<b>(20,810)</b>	<b>(184,285)</b>

## Notes to the Financial Statements (continued)

### 1. Summary of Significant Accounting Policies (continued)

- Revenue-related - include program affiliation and licence costs, previously disclosed in broadcast and production along with commissions previously disclosed in selling costs.
- Employee expenses - include salaries, wages and other employee expenses.
- Program and production – include all remaining broadcast and production expenses with the exception of transmitter costs, now classified as technical.
- Technical – include transmitter costs, playout fees, repairs and maintenance, software, electricity, distribution, and telecoms. These costs were previously disclosed as either broadcast and production, occupancy or admin costs.
- Promotions and marketing – include expenses relating to promotions and marketing activities.
- Admin costs – include bad and doubtful debts, previously classified as a selling cost and office rental, previously disclosed as an occupancy cost. In addition, research, electricity, distribution, software and telecoms have been removed from this category as they are technical in nature

### Rounding of Amounts

The Company is of a kind referred to in ASIC Legislative Instrument 2016/191, relating to the 'rounding off' of amounts in the Directors' Report and Financial Report. Amounts have been rounded off in accordance with the Instrument to the nearest thousand dollars, unless otherwise indicated.

### Critical Accounting Estimates and Judgement

The preparation of the interim financial report in accordance with Australian Accounting Standards requires the use of certain critical accounting estimates. It also requires the Group to exercise judgement in the process of applying the accounting policies. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances. The Group believes the estimates used in the preparation of the interim financial report are reasonable. Actual results in the future may differ from those reported.

The critical estimates and judgements adopted are consistent with those of the previous financial year and corresponding interim reporting period.

### Notes to the financial statements

Notes relating to individual line items in the financial statements now include accounting policy information where it is considered relevant to an understanding of these items, as well as information about critical accounting estimates and judgements. No new accounting standards were introduced in the current period.

## Notes to the Financial Statements (continued)

### 2. Segment Information

AASB 8 requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segments and to assess their performance.

The Group has determined operating segments are based on the information reported to the Group CEO and the Company Board of Directors. The Group has determined that it has two main operating segments being:

- Audio, comprising metro and regional radio, digital and other related businesses; and
- Television, comprising the regional television business

	Audio		Television		Corporate		Consolidated	
	1 Jul 21- 31 Dec 21 \$'000	1 Jul 20- 31 Dec 20 \$'000	1 Jul 21- 31 Dec 21 \$'000	1 Jul 20- 31 Dec 20 \$'000	1 Jul 21- 31 Dec 21 \$'000	1 Jul 20- 31 Dec 20 \$'000	1 Jul 21- 31 Dec 21 \$'000	1 Jul 20- 31 Dec 20 \$'000
<b>Segment revenue</b>	<b>193,744</b>	<b>173,260</b>	<b>65,744</b>	<b>84,942</b>	<b>162</b>	<b>295</b>	<b>259,650</b>	<b>258,497</b>
<b>National revenue<sup>1</sup></b>	<b>104,964</b>	<b>94,880</b>	<b>40,302</b>	<b>51,938</b>	<b>-</b>	<b>-</b>	<b>145,266</b>	<b>146,818</b>
<b>Local revenue<sup>2</sup></b>	<b>68,078</b>	<b>63,335</b>	<b>21,256</b>	<b>27,376</b>	<b>-</b>	<b>-</b>	<b>89,334</b>	<b>90,711</b>
<b>Other revenue</b>	<b>20,702</b>	<b>15,045</b>	<b>4,186</b>	<b>5,628</b>	<b>162</b>	<b>295</b>	<b>25,050</b>	<b>20,968</b>
<b>Total revenue</b>	<b>193,744</b>	<b>173,260</b>	<b>65,744</b>	<b>84,942</b>	<b>162</b>	<b>295</b>	<b>259,650</b>	<b>258,497</b>
<b>EBITDA / Segment result</b>	<b>46,204</b>	<b>70,744</b>	<b>18,298</b>	<b>19,515</b>	<b>(16,307)</b>	<b>(14,932)</b>	<b>48,195</b>	<b>75,327</b>
EBITDA % of Revenue	23.8%	40.8%	27.8%	23.0%	-	-	18.6%	29.1%
Depreciation and amortisation	-	-	-	-	-	-	(15,705)	(15,889)
<b>Statutory EBIT / Segment result</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>32,490</b>	<b>59,438</b>
Financing costs	-	-	-	-	-	-	(8,290)	(11,932)
Income tax expense	-	-	-	-	-	-	(7,397)	(15,018)
<b>Profit for the half year attributable to shareholders</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>16,803</b>	<b>32,488</b>

<sup>1</sup> National revenue is sold by SCA's national sales team who are able to sell all SCA products across all markets.

<sup>2</sup> Local revenue is sold directly by SCA's local sales team who are only able to sell local products specific to the particular market.

## Notes to the Financial Statements (continued)

### 3. Revenue

The profit before income tax from continuing operations included the following specific items of revenue:

	Consolidated	
	1 Jul 21 - 31 Dec 21	1 Jul 20 - 31 Dec 20
	\$'000	\$'000
<b>Revenue from continuing operations</b>		
Sales revenue	259,508	258,308
Rental revenue	142	189
<b>Total revenue from continuing operations</b>	<b>259,650</b>	<b>258,497</b>

### 4. Significant Items

Significant items are those items of such a nature or size that separate disclosure will assist users to understand the financial statements. There were no significant items in the current period.

### 5. Government Grants

As part of its response to COVID-19, in March 2020 the Australian Government announced various stimulus measures resulting from the economic fallout due to the coronavirus lockdown.

#### *JobKeeper*

In prior years, the Group determined it was eligible to receive the initial Jobkeeper Payment Scheme ("JobKeeper") for the period April to September 2020 and the first period of the extension from 28 September 2020 to 3 January 2021.

#### *PING*

In the prior year, the Group applied and was found eligible for funding of approximately \$10.3 million under the Commonwealth Government's Public Interest News Gathering (PING) program.

The Group received \$9.3 million in September 2020 and a further \$1.0 million in June 2021 under the PING program for the period from September 2020 to August 2021. The PING program is a Government incentive to support commercial television, radio and newspaper businesses in regional Australia during COVID-19.

JobKeeper and PING payments are government grants and are accounted for under AASB 120 *Accounting for Government Grants and Disclosure of Government Assistance*.

Government Grants are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions. The impact on the Statement of Comprehensive Income is shown below.

## Notes to the Financial Statements (continued)

### 5. Government Grants (continued)

	Consolidated	
	1 Jul 21	1 Jul 20
	- 31 Dec 21	- 31 Dec 20
	\$'000	\$'000
JobKeeper	-	31,908
PING program	1,711	3,443
Employee costs	(95,882)	(94,174)
<b>Total employee costs after government assistance</b>	<b>(94,171)</b>	<b>(58,823)</b>

### 6. Income Tax Expense

	Consolidated	
	1 Jul 21	1 Jul 20
	- 31 Dec 21	- 31 Dec 20
	\$'000	\$'000
<b>Income tax expense</b>		
<b>Current tax</b>		
Current tax on profits for the year	5,306	14,319
Adjustments for current tax of prior periods	427	297
<b>Total current tax expense</b>	<b>5,733</b>	<b>14,616</b>
<b>Deferred income tax</b>		
Increase in net deferred tax liabilities	2,317	309
Adjustment for deferred tax of prior periods	(653)	93
<b>Total deferred tax expense</b>	<b>1,664</b>	<b>402</b>
<b>Income tax expense</b>	<b>7,397</b>	<b>15,018</b>

## Notes to the Financial Statements (continued)

### 7. Dividends Paid

	Consolidated	
	1 Jul 21 - 31 Dec 21 \$'000	1 Jul 20 - 31 Dec 20 \$'000
<b>The dividends were paid/payable as follows:</b>		
Final dividend paid for the year ended 30 June 2021 – fully franked at the tax rate of 30% and paid in cash	13,211	-
	13,211	-
	Cents per share	Cents per share
Final dividend paid for the year ended 30 June 2021	5.0	-

Since the end of the financial half year ended 31 December 2021 the Directors have declared an interim ordinary dividend of 4.5 cents per fully paid share, fully franked. The interim dividend will be paid on 7 April 2022 by the Company. The dividend reinvestment plan has been suspended and this interim dividend will be paid fully in cash.



## Notes to the Financial Statements (continued)

### 8. Non-Current Assets – Intangible Assets

Consolidated	Goodwill	Broadcasting Licences	Brands and Trademarks	Other	Total
31 December 2021	\$'000	\$'000	\$'000	\$'000	\$'000
Cost	362,088	1,502,031	90,193	10,102	1,964,414
Accumulated amortisation expense	-	-	-	(3,461)	(3,461)
Accumulated impairment expense	(352,129)	(630,331)	(24,848)	-	(1,007,308)
<b>Net carrying amount</b>	<b>9,959</b>	<b>871,700</b>	<b>65,345</b>	<b>6,641</b>	<b>953,645</b>

#### Movement

Net carrying amount at 30 June 2021

	9,959	871,700	65,308	936	947,903
Transfers <sup>1</sup>	-	-	-	4,031	4,031
Additions	-	-	37	2,329	2,366
Amortisation expense	-	-	-	(655)	(655)

**Net carrying amount at end of period**

	<b>9,959</b>	<b>871,700</b>	<b>65,345</b>	<b>6,641</b>	<b>953,645</b>
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Consolidated	Goodwill	Broadcasting Licences	Brands and Trademarks	Other	Total
31 December 2020	\$'000	\$'000	\$'000	\$'000	\$'000
Cost	362,088	1,502,031	90,076	3,577	1,957,772
Accumulated amortisation expense	-	-	-	(2,508)	(2,508)
Accumulated impairment expense	(352,129)	(630,331)	(24,848)	-	(1,007,308)
<b>Net carrying amount</b>	<b>9,959</b>	<b>871,700</b>	<b>65,228</b>	<b>1,069</b>	<b>947,956</b>

#### Movement

Net carrying amount at 30 June 2020

	9,959	871,700	65,185	1,203	948,047
Additions	-	-	43	-	43
Amortisation expense	-	-	-	(134)	(134)

**Net carrying amount at end of period**

	<b>9,959</b>	<b>871,700</b>	<b>65,228</b>	<b>1,069</b>	<b>947,956</b>
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- The transfer of \$4.031 million of net intangibles relate to the LiSTNR app, which was transferred from Property, plant and equipment following a review of the accounting treatment.

#### Impairment of goodwill and intangible assets with indefinite useful lives

The value of licences, trademarks, brands and goodwill is allocated to the Group's cash generating units ("CGUs") identified as Audio, being the regional and metro free-to-air commercial radio broadcasting and related operations and Television, being the regional television broadcasting operations. The indefinite lived intangible assets relating to the Television CGU were fully impaired in the year ended 30 June 2019.

The Group tests at least annually whether goodwill and intangible assets with indefinite useful lives have suffered any impairment and when there is an indication of impairment. The tests incorporate assumptions regarding future events which may or may not occur, resulting in the need for future revisions of estimates.

## Notes to the Financial Statements (continued)

### 9. Derivative Financial Instruments

	Consolidated	
	31 Dec 21	30 Jun 21
	\$'000	\$'000
Interest rate swap contracts – current liability	17	319
Interest rate swap contracts – non current liability	608	1,262
<b>Total derivative financial instruments</b>	<b>625</b>	<b>1,581</b>

#### Hedge accounting

The Group designated interest rate swaps held as cash flow hedges and has applied hedge accounting.

The Group documents the relationship between hedging instruments and hedged items, as well as its risk management objective and strategy for undertaking the hedge transactions. The Group also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions have been and will continue to be highly effective in offsetting changes in cash flows of hedged items.

The fair values of derivative financial instruments used for hedging purposes are presented within the balance sheet. Movements in the hedging reserve are shown within the Statement of Changes in Equity. The full fair value of a hedging derivative is classified as a non-current asset or liability when the remaining maturity of the hedged item is more than 12 months; it is classified as a current asset or liability when the remaining maturity of the hedged item is less than 12 months.

In 2017 the Group entered into \$200 million of interest rate swap contracts under which it is obliged to receive interest at variable rates and pay interest at fixed rates starting in January 2018 at an average fixed rate of 2.43%. These interest rate swap contracts expired on 8 January 2021. In 2018 the Group entered into \$100 million of interest rate swap contracts under which it is obliged to receive interest at variable rates and pay interest at fixed rates starting in January 2018 at an average fixed rate of 2.25%. On 8 April 2021, the Group terminated \$72 million of these swaps. The remaining \$28 million interest rate swap contracts expired on 10 January 2022. In the 2020 financial year the Group entered into \$100 million of interest rate swap contracts under which it is obliged to receive interest at variable rates and pay interest at fixed rates starting in January 2021 at an average fixed rate of 1.04%. These interest rate swap contracts will expire in January 2023.

#### Cash flow hedge

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income and accumulated in reserves in equity. The gain or loss relating to the ineffective portion is recognised immediately in the Statement of Comprehensive Income.

Amounts accumulated in equity are reclassified to profit or loss in the periods when the hedged item affects profit or loss (for instance when the forecast sale that is hedged takes place). The gain or loss relating to the effective portion of interest rate swaps hedging variable rate borrowings is recognised in profit or loss within "interest expense and other borrowing costs". When a hedging instrument expires or is sold or terminated, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in profit or loss. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately reclassified to profit or loss.

## Notes to the Financial Statements (continued)

### 10. Borrowings

	Consolidated	
	31 Dec 21	30 Jun 21
	\$'000	\$'000
<b>Non-current secured borrowings</b>		
Total committed non-current bank facilities	250,000	250,000
Undrawn facilities	(122,000)	(122,000)
Drawn bank facilities	128,000	128,000
Borrowing costs	(1,211)	(775)
<b>Total secured non-current interest bearing liabilities</b>	<b>126,789</b>	<b>127,225</b>
<b>Total current and non-current borrowings</b>	<b>126,789</b>	<b>127,225</b>

For all non-current borrowings, the carrying amount approximates fair value in the balance sheet.

On 9 December 2021, the Group announced that it had successfully negotiated the refinancing of its syndicated debt facility. The new facility comprises a 4-year revolving \$250 million facility and was used to repay the existing drawn debt of \$128 million on 10 January 2022 and will provide financial flexibility to support the business moving forward. Financial covenants remained at a maximum 3.5 times Net Debt: EBITDA and minimum interest cover of 3.0 times, providing significant headroom compared to the ratios at 31 December 2021 of 0.70 times and 22.3 times respectively. A modification loss of \$0.542 million has been recorded in interest expense and other borrowing costs during the half year ended 31 December 2021.

### 11. Contributed Equity

	Consolidated			
	31 Dec 21	30 Jun 21		
	\$'000	\$'000		
Ordinary Shares	1,542,884	1,542,884		
Contributed equity	<b>1,542,884</b>	<b>1,542,884</b>		

	1 Jul 21 - 31 Dec 21 \$'000	1 Jul 20 - 31 Dec 20 \$'000	1 Jul 21 - 31 Dec 21 Number of securities '000	1 Jul 20 - 31 Dec 20 Number of securities '000
On issue at the beginning of the half year	1,542,884	1,540,569	264,214	2,642,106
One for 10 share consolidation	-	-	-	(2,377,892)
Contributions of equity net of transaction costs	-	2,315	-	-
<b>On issue at the end of the financial year</b>	<b>1,542,884</b>	<b>1,542,884</b>	<b>264,214</b>	<b>264,214</b>

On 6 November 2020 the Group announced completion of the one for ten share consolidation which was approved by shareholders at the AGM on 30 October 2020.

## Notes to the Financial Statements (continued)

### **12. Events Occurring after Balance Sheet Date**

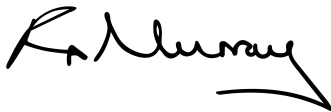
Other than matters outlined elsewhere in this report, in particular Note 10 “Borrowings”, no matters or circumstances have arisen since the end of the half year that have significantly affected or may significantly affect the operations of the Group, the results of these operations in future financial years or the state of affairs of the Group in periods subsequent to the half year ended 31 December 2021.

## Directors' Declaration

The directors of the Company declare that:

- (a) the financial statements and notes set out on pages 4 to 17 are in accordance with the Corporations Act 2001, including:
- (i) complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
  - (ii) giving a true and fair view of the financial position of the Group as at 31 December 2021 and the financial performance of the Group, as represented by the results of its operations, changes in equity, and cash flows, for the interim financial period ended on that date; and
- (b) there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the directors of Southern Cross Media Group Limited.



Rob Murray  
Chairman  
Sydney, Australia  
24 February 2022



Grant Blackley  
Director  
Sydney, Australia  
24 February 2022



## Independent auditor's review report to the members of Southern Cross Media Group Limited

### Report on the half-year financial report

#### Conclusion

We have reviewed the half-year financial report of Southern Cross Media Group Limited (the Company) and the entities it controlled during the half-year (together the Group), which comprises the consolidated statement of financial position as at 31 December 2021, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, significant accounting policies and explanatory notes and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of Southern Cross Media Group Limited does not comply with the *Corporations Act 2001* including:

1. giving a true and fair view of the Group's financial position as at 31 December 2021 and of its performance for the half-year ended on that date
2. complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

#### Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity* (ASRE 2410). Our responsibilities are further described in the *Auditor's responsibilities for the review of the half-year financial report* section of our report.

We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional & Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to the audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

#### Responsibilities of the directors for the half-year financial report

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement whether due to fraud or error.

#### Auditor's responsibilities for the review of the half-year financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true



and fair view of the Group's financial position as at 31 December 2021 and of its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

A handwritten signature in blue ink, appearing to read 'PricewaterhouseCoopers', written over a light blue horizontal line.

PricewaterhouseCoopers

A handwritten signature in blue ink, appearing to read 'Trevor Johnston', written over a light blue horizontal line.

Trevor Johnston  
Partner

Melbourne  
24 February 2022