



ASX RELEASE

5 May 2022

Macquarie Australia Conference and trading update

A copy of the presentation to be given today at the 2022 Macquarie Australia Conference is attached. The presentation includes a trading update.

Approved for release by the board of directors.

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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 94 free to air TV signals across regional Australia, reaching 2.8 million people a week, with Network 10 programming and advertising representation across Australia's East Coast, Seven Network programming in Tasmania and Darwin, and Seven, Nine and Network 10 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/>

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

Nick McKechnie
CFO
5 May 2022

SCA

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 5 May 2022. 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

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.

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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.

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SCA BENEFITTING FROM AUDIO MARKET RECOVERY COMBINED WITH RAPID DIGITAL TRANSFORMATION



Radio market in recovery with audiences increasing in 2022



Digital Audio market is rapidly growing



SCA transforming business model and operations with Digital Audio First strategy



Successful first year of LiSTNR with significant growth in signed-in users and listening



Strong balance sheet with shareholder returns supported through dividends and share buyback

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SCA TRANSFORMATION TO DIGITAL AUDIO FIRST BUSINESS

Premium Audio Content



99 Radio Stations



112 Premium Australian Podcasts



80 On-demand Radio Shows



25 New Music Streams



Local News and Information



Strong partner content

Broadcast and Digital Distribution



Commercial Drivers

Enhanced audience measurement

National reach and scale – 7.8m broadcast audience reach ¹

Personalisation

Data and insights

Targeting and context

5.7m podcasting and streaming audience ²

¹ GfK, Xtra Insights – metro and regional survey data

² Triton Podcast and Streaming Metrics – March 2022

STRATEGY

SCA's strategy will transform the business and maximise the returns from its content across all platforms

CONTENT



**Entertain, Inform
and Inspire our
Audiences**

DISTRIBUTION



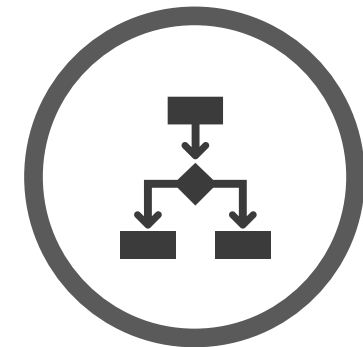
**Evolve LiSTNR into
a Unique World
Class Audio
Platform**

MONETISATION



**Optimise & Simplify
our Sales Offering
to Grow Revenue**

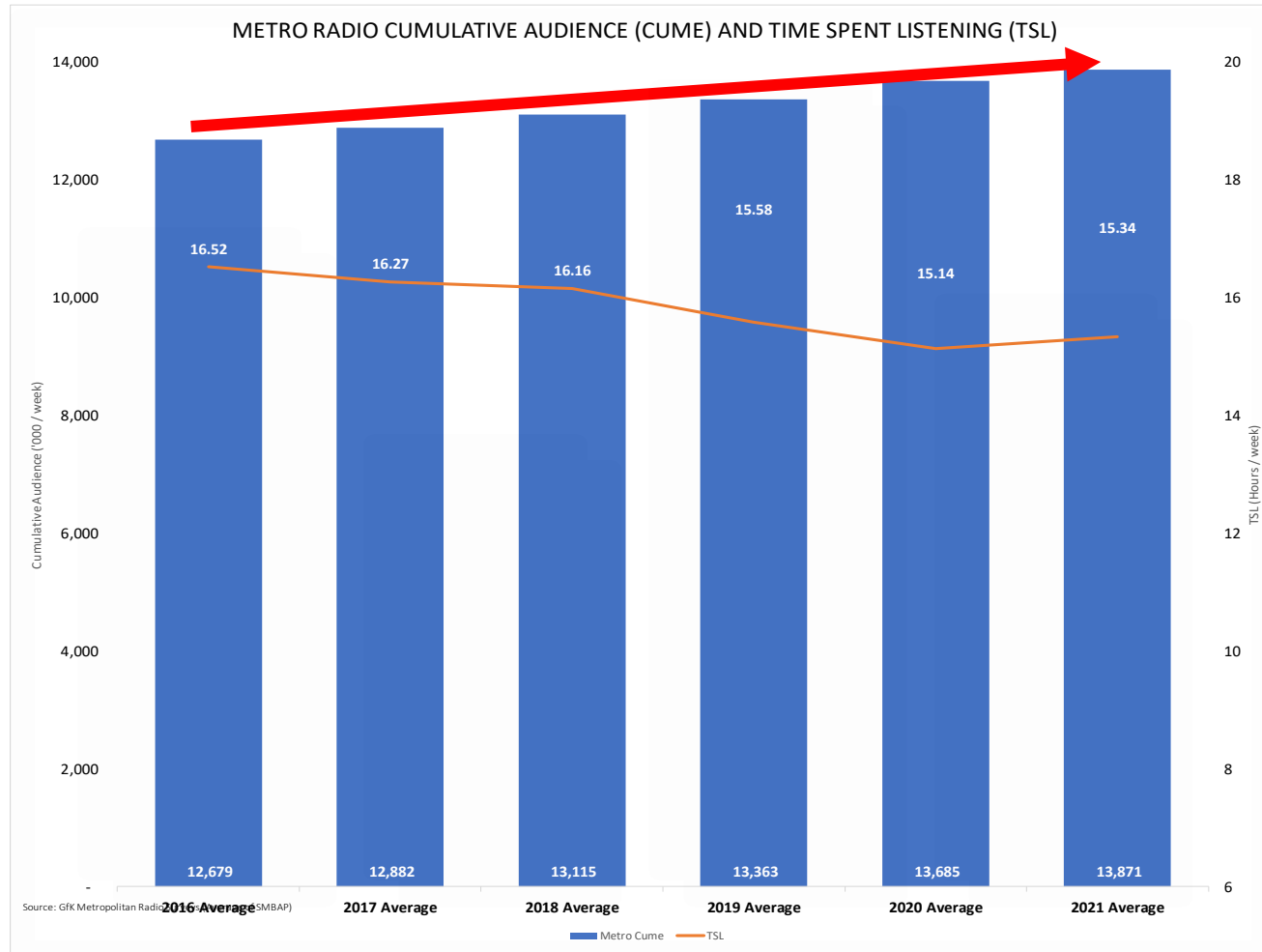
OPERATING MODEL



**Re-imagine &
Restructure SCA's
Audio Model**

RADIO CONSUMPTION

Radio listening continues to grow and reaches over 90% people weekly

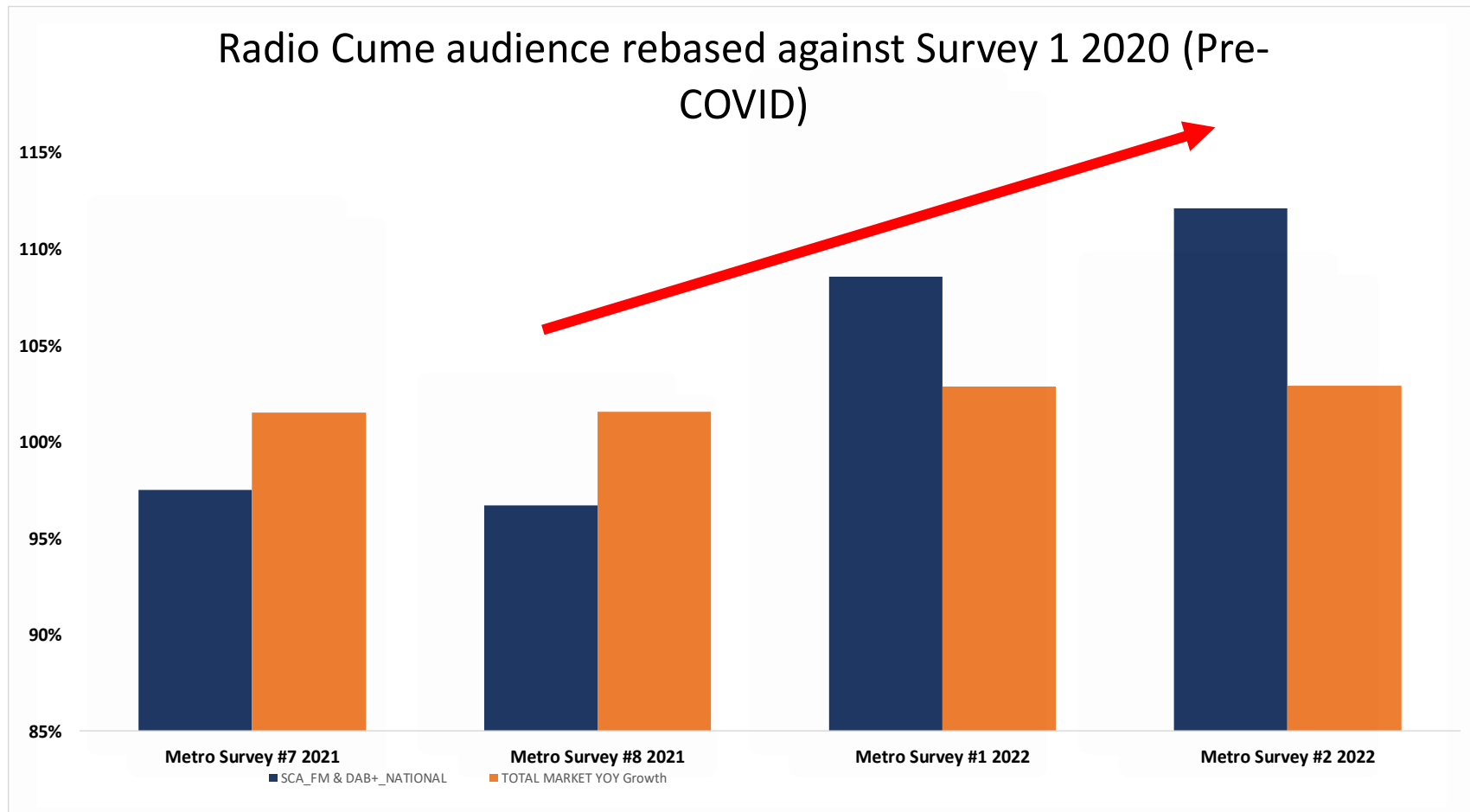


- Radio ecosystem benefitting from SCA and industry investment in digital distribution in new devices – mobile, smart speaker, web, connected cars and smart TVs
- Digital listening across smart speakers and web has long session duration averaging over 2 hours¹

¹ Adswizz – SCA digital listening, March 2022

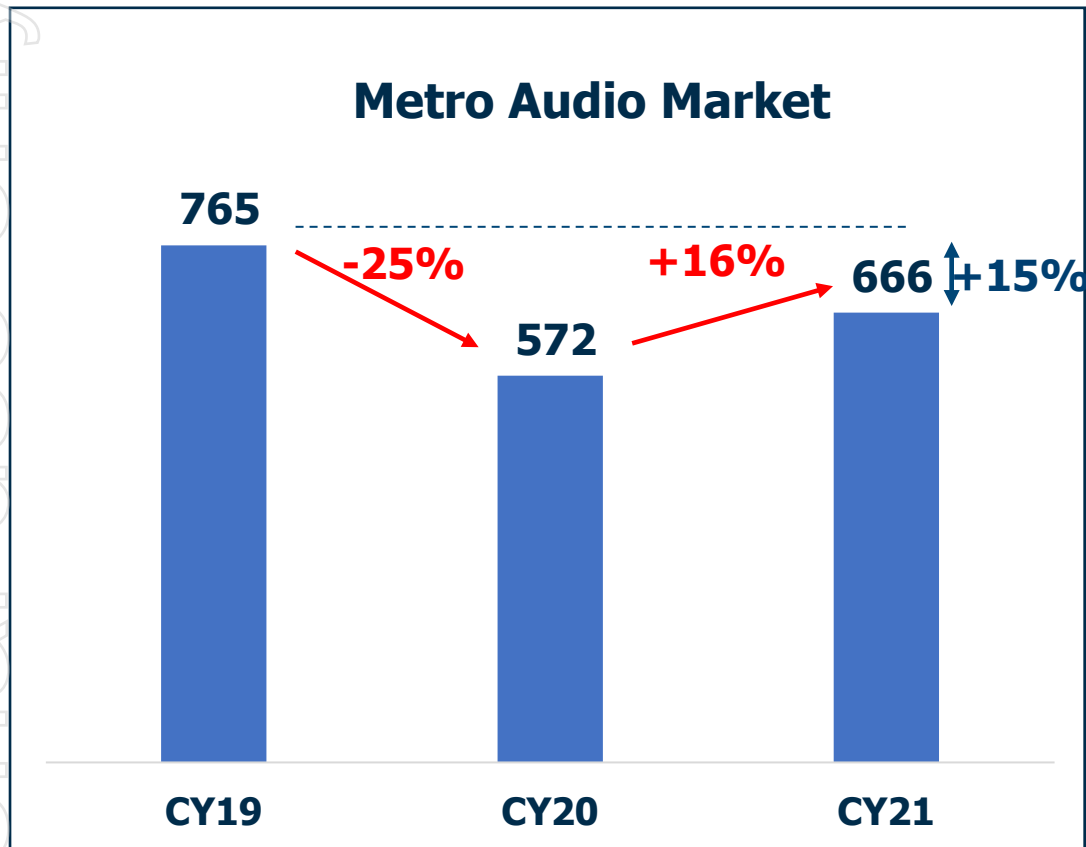
SCA RADIO AUDIENCE RECOVERY

Sharp rebound in listening in 2022 with SCA cumulative audiences up 12% over pre-COVID period. SCA delivers record metro cume audience in Survey 2, 2022¹



Source: GfK metro survey data, Cume audience (5 metro markets), P10+

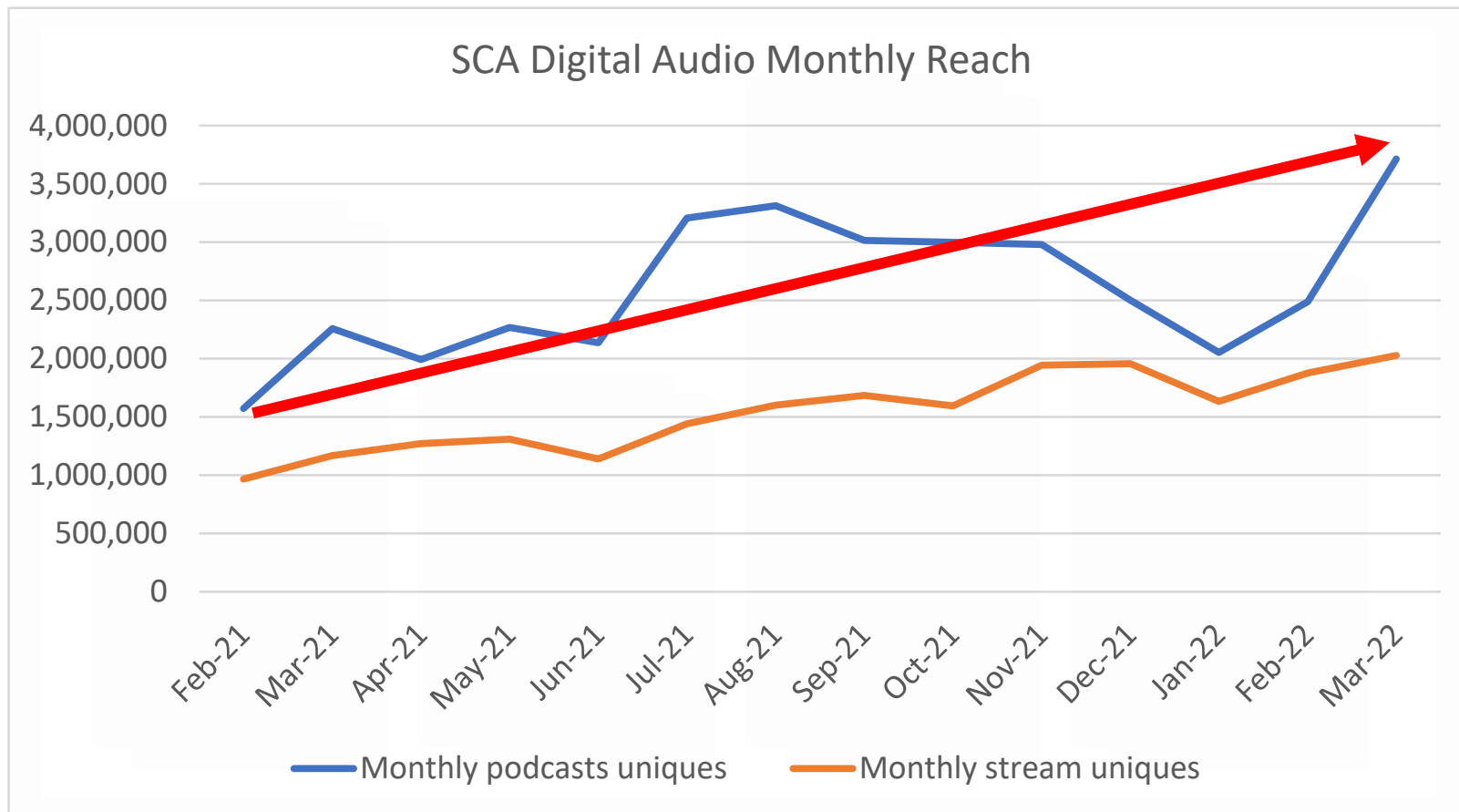
RADIO AUDIENCE RECOVERY WILL SUPPORT MARKET RECOVERY OVER TIME



- Growth in audience to underpin further investment in metro radio markets given higher audiences
- National advertising categories directly impacted by COVID are recovering - but will take further time to fully normalise due to supply chain issues
- SME led recovery on East Coast temporarily impacted by the severity of the floods

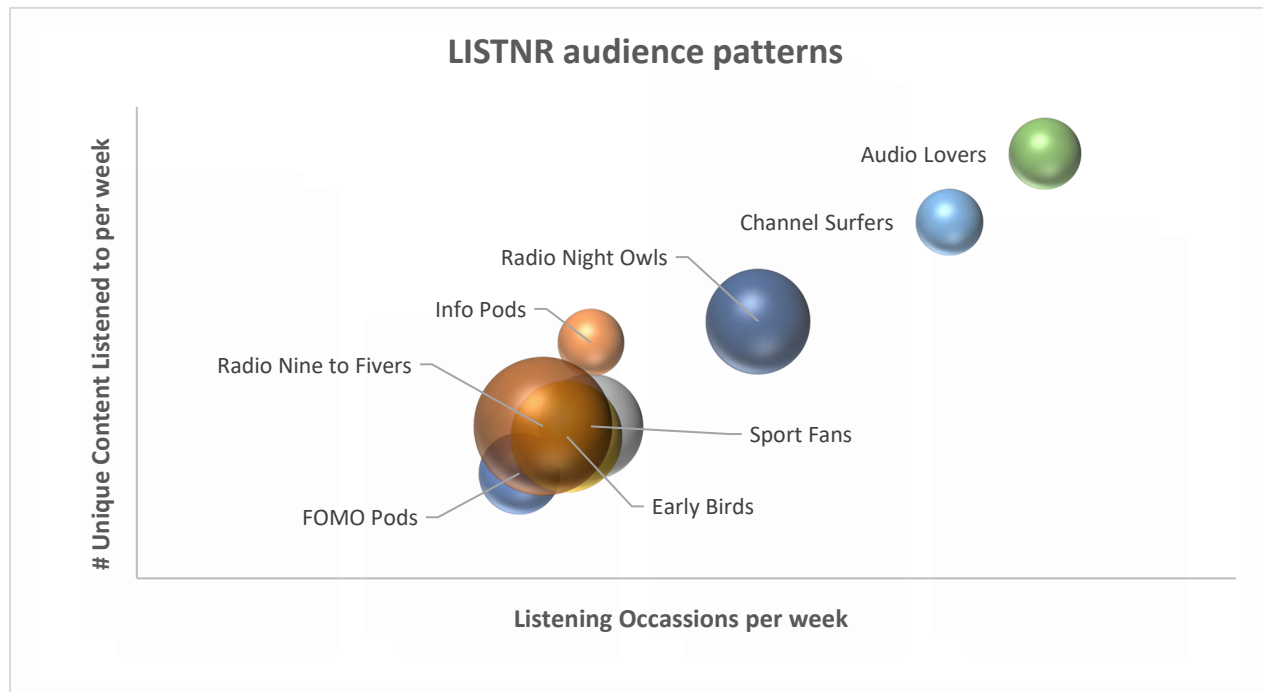
DIGITAL AUDIO TRANSFORMATION

Rapid adoption of digital audio – SCA podcasting and streaming monthly audiences have each grown more than 200% in last year



Source: Triton Podcasting and Streaming Metrics (February 2021 – March 2022)

SCA INVESTMENT IN AI TOOLS UNLOCKING STRONGER DATA AND INSIGHTS



Consumption of content on LiSTNR is being analysed using AI tools

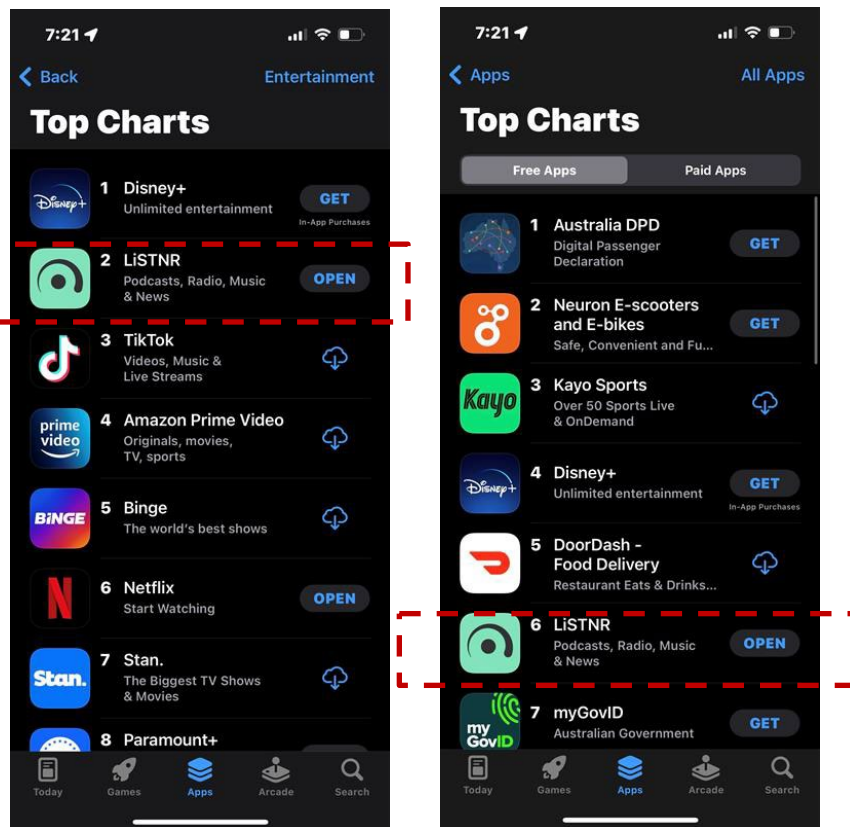
Like-minded groups identified with specific preferences and listening habits

Recommendation engine will target extending listening times – increasing monetisation

Provides insights to content commissioning teams for future content development

LiSTNR WORLD CLASS AUDIO PRODUCT

Mobile is the predominant device for digital audio consumption – LiSTNR developed to provide market leading user experience



80% of SCA audiences reach digital audio content through mobile devices – with smart speakers and desktop both at 10% of consumption²

Mobile strength is of strategic importance in developing a compelling audio app and ecosystem

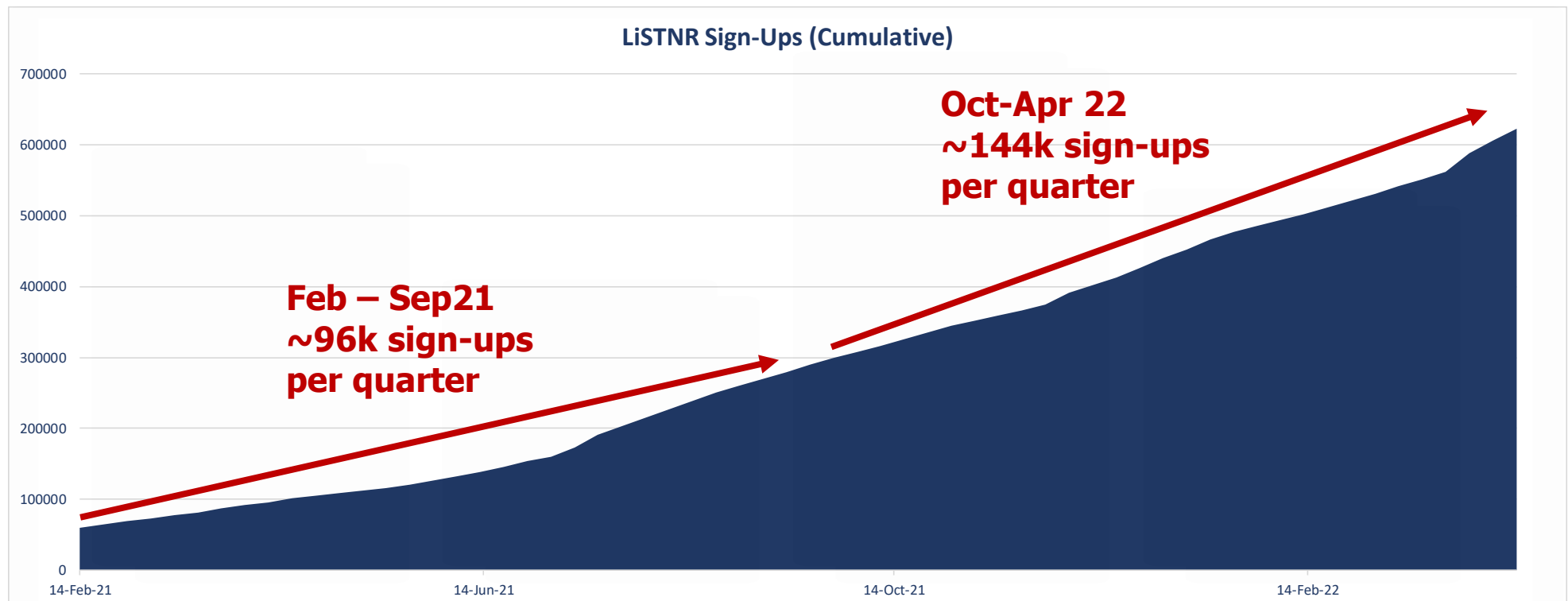
Strong appeal of LiSTNR app - #2 in entertainment chart and #6 in overall ranking¹

¹ iOS App store charts, 25 April 2022

² Company data – audience reach by platform

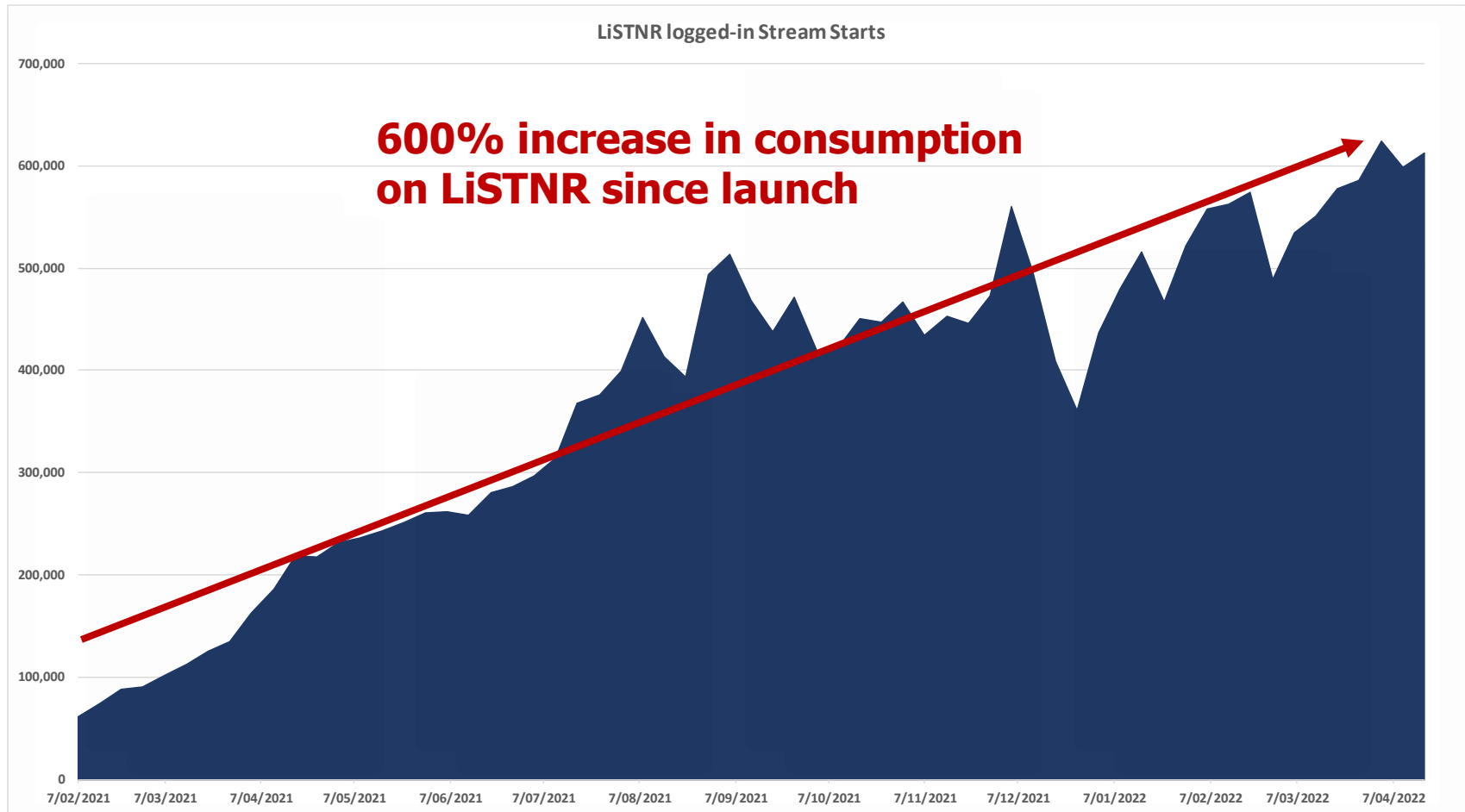
STRONG LiSTNR SIGNED-IN USER GROWTH

Accelerating growth and increasing awareness post launch of new web player. Increasing signed-in users providing first party data essential to success in evolving digital landscape



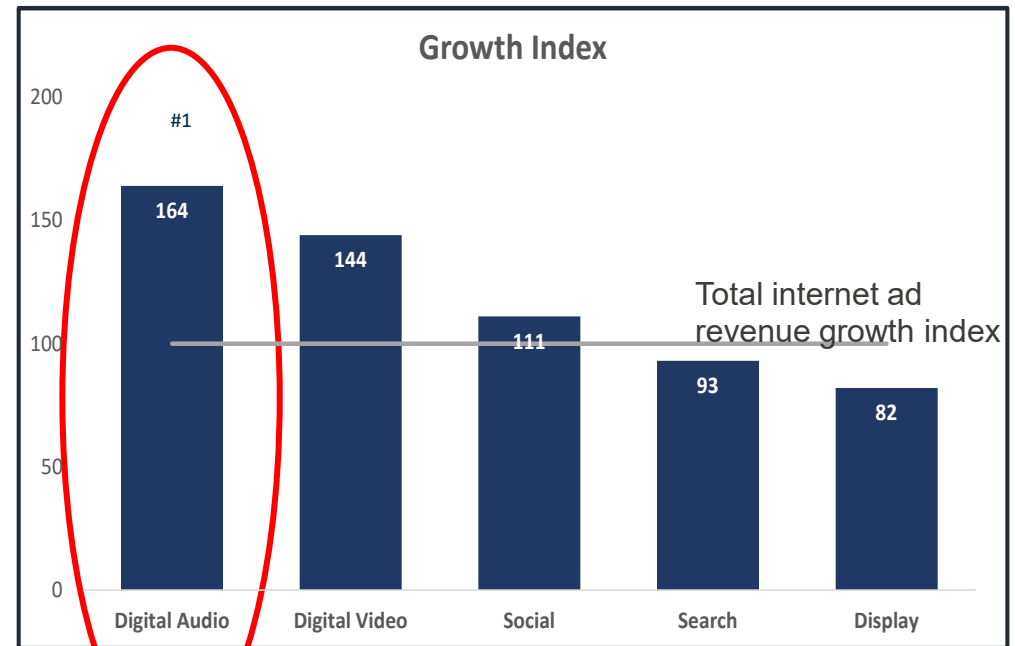
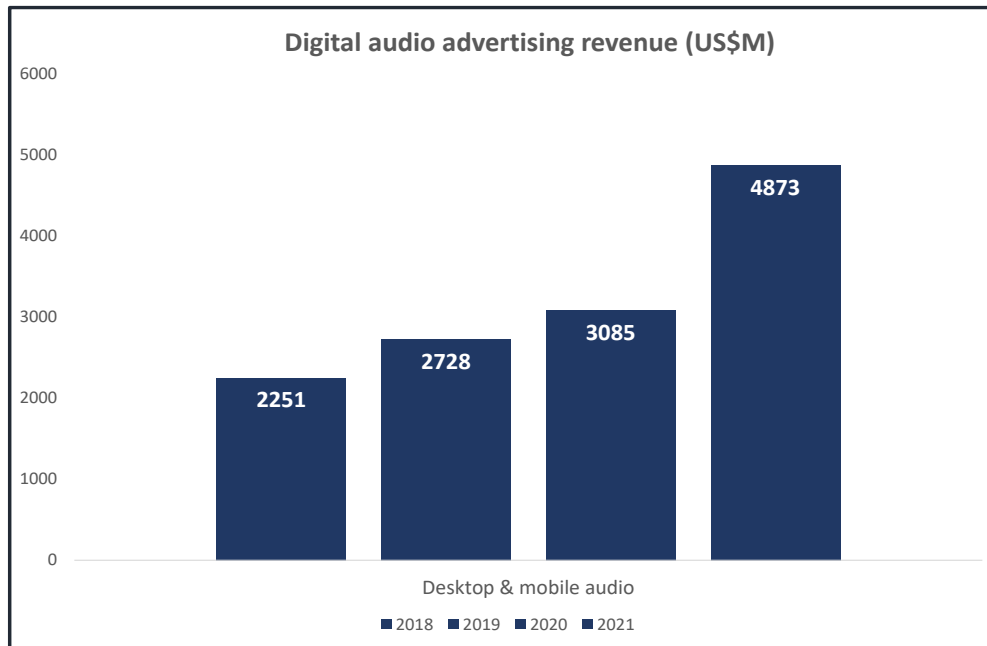
CONSUMPTION OF AUDIO ON LiSTNR

Strong growth in LiSTNR sign-ups is driving rapid increase in listening



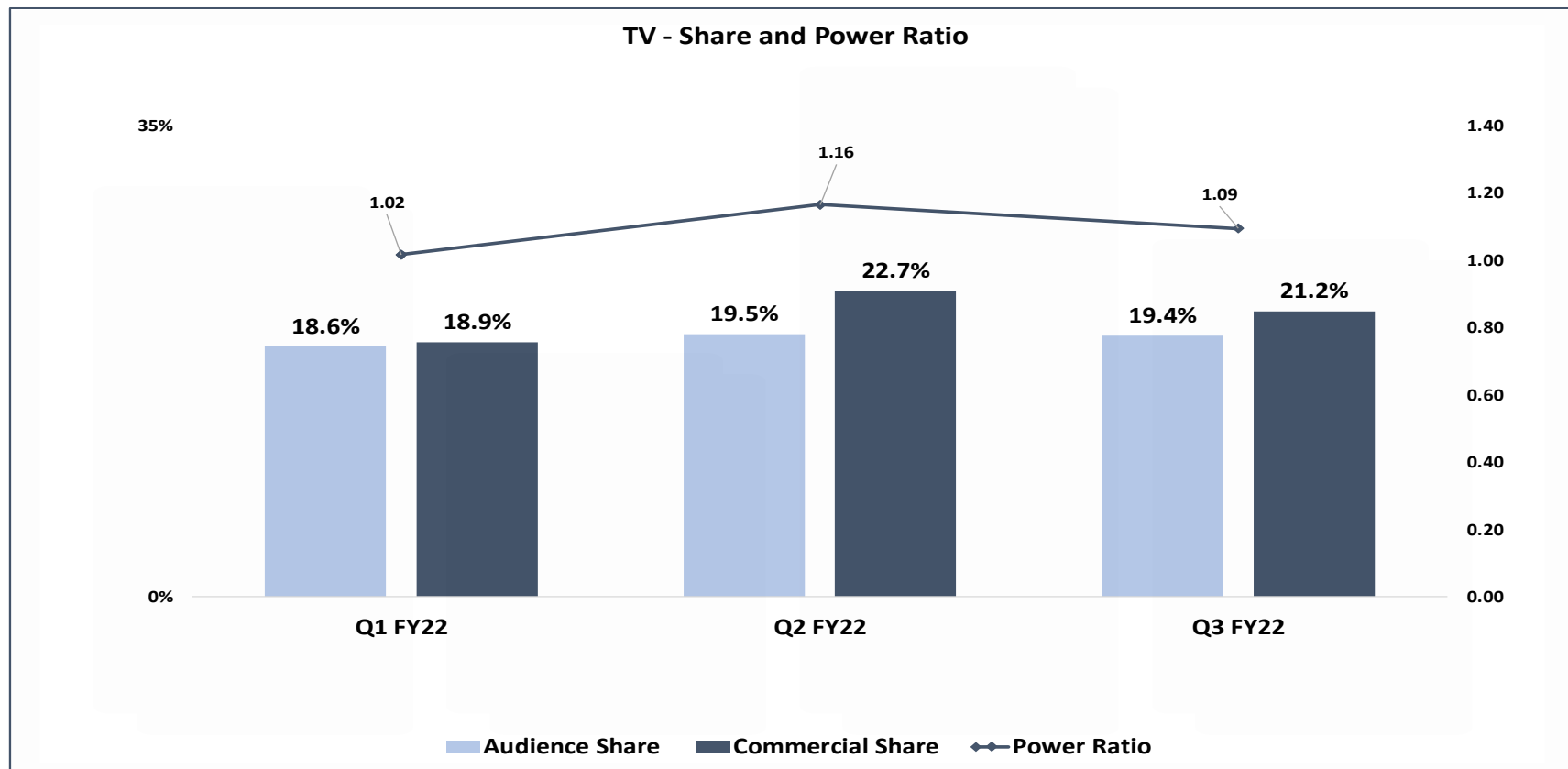
RAPID DIGITAL AUDIO MARKET GROWTH

- **Digital audio in U.S. fastest growing digital advertising sector in 2021**
- **U.S. market grew 58% in 2021 to US\$4.9 Billion**
- **84% of revenue from mobile devices**



TELEVISION - STRONG SALES PERFORMANCE

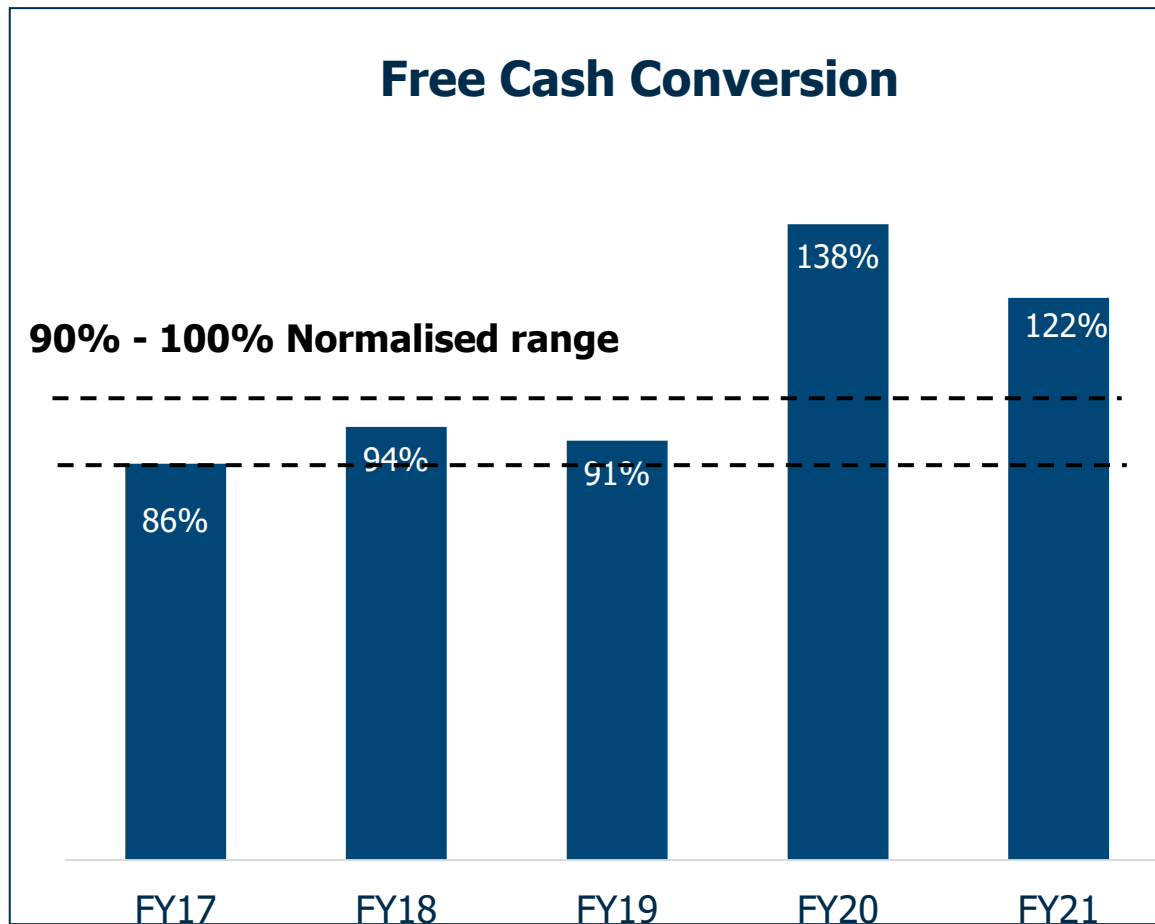
Monetisation of television asset remains strong – SCA sales teams delivering consistently high power ratios



Transition to Network Ten delivered H1 FY22 EBITDA +27%

CONSISTENT CASH GENERATION

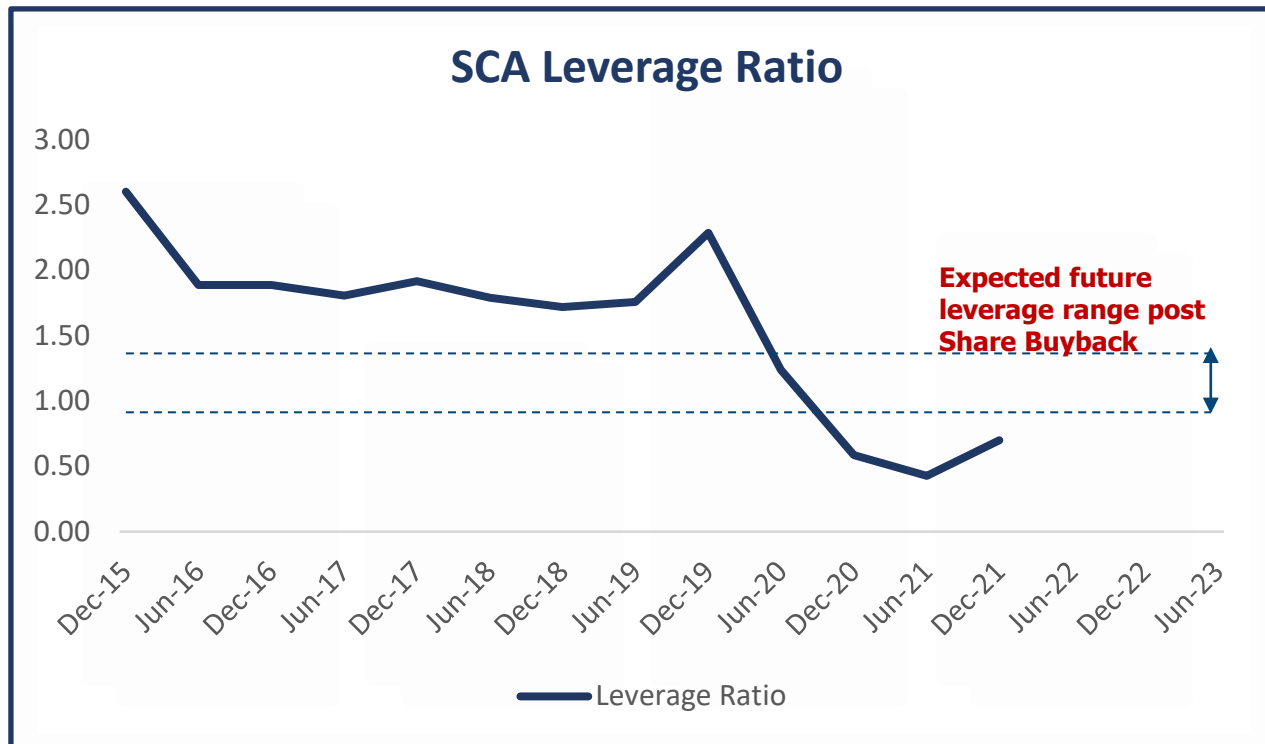
SCA generates strong, consistent cashflow from its assets



- Monetisation of advertising at good margins generating consistently strong cashflow for shareholders
- Elevated cash conversion in FY20 and FY21 due to working capital unwind during COVID and with correspondingly lower conversion in FY22 as working capital cycle normalises
- Return to prior trends expected from FY23

CAPITAL MANAGEMENT

Strong balance sheet with dividend and buyback increasing shareholder returns



- Fully franked dividends restarted October 2021
- On-market share buyback of up to \$40M commenced
- Leverage to remain comfortably below pre-COVID levels

TRADING UPDATE

- **Audio revenue growth Jan – April 2022 of 5%**
- **Digital Audio market in Q3 grew 48%¹ with SCA monetising in line with market. Net investment in digital audio in H2 will be similar to H1 (-\$8M)**
- **Regional TV market grows 3.2%². SCA's power ratio remains best in class and consistent at 1.09² . FY22 TV revenues to be \$125M - \$130M**
- **FY22 EBITDA forecast \$85M - \$90M**

¹ SMI, March 2022

² KPMG Market Share report for Queensland, SNSW and Regional Victoria (3-aggr markets)

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