



ASX RELEASE

25 October 2022

## Jarden Future Leaders Investor Conference

Southern Cross Media Group Limited (ASX: SXL) (SCA) announces that its CEO and Managing Director will present the attached materials at the Jarden Future Leaders Investor Conference on 26 October 2022.

Approved for release by Grant Blackley, CEO and Managing Director.

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 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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# JARDEN FUTURE LEADERS

Investor Conference  
26 October 2022

SCA



# DISCLAIMER

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## 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 26 October 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](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.

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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.

# SCA LEADING THE WAY

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- SCA is the largest Live and On Demand Audio creator and broadcaster in Australia
- Live Audio Broadcasting is strong and delivering record audiences
- Digital Audio on-demand market is growing rapidly
- 5 year Digital Transformation investment project complete
- Strong Balance Sheet with modest Net Debt
- Shareholder returns supported through fully franked dividends & a share buyback

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**SCA**

# OUR CORE ASSETS

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- 100 FM, AM and DAB+ Stations reaching 8.5 million listeners every week
- #1 DAB Radio Network – SCA has 11 of Top 20 stations reaching 1.4m weekly listeners
- #1 Podcast Network – with sales representation for 6.6 million monthly listeners
- #1 National Radio Network for P25-54's – representing ~70%+ of ad briefs
- Principal Audio Streaming partner for the AFL, NRL and Cricket Australia
- A world class Audio eco-system – owned & operated LiSTNR
- 96 FTA Regional TV licences – representing Ten, Seven & Nine
- Fully Digitised Operational Architecture across 60 workplaces
- Leading Culture with an engaged and effective workforce

## OUR MISSION

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

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## OUR MANTRA

Proudly National  
Fiercely Local

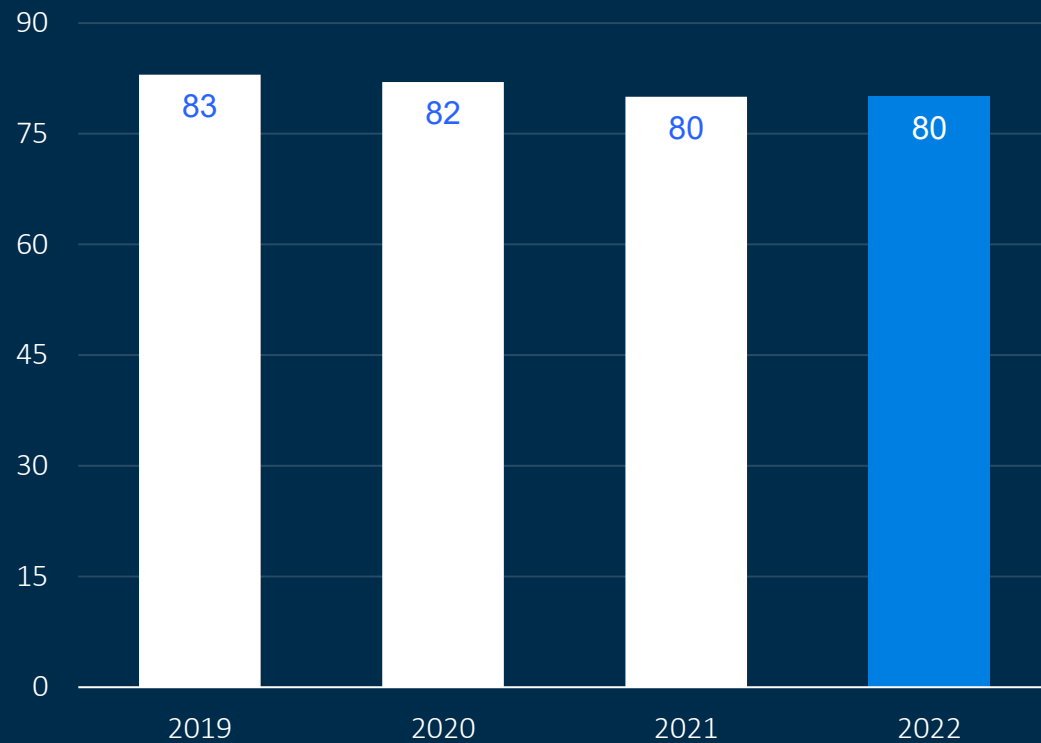
The SCA logo is centered within a blue circle, which is itself surrounded by two concentric blue circles. The letters 'SCA' are white and bold.

# "AUDIO IS ON FIRE" - THE EVIDENCE



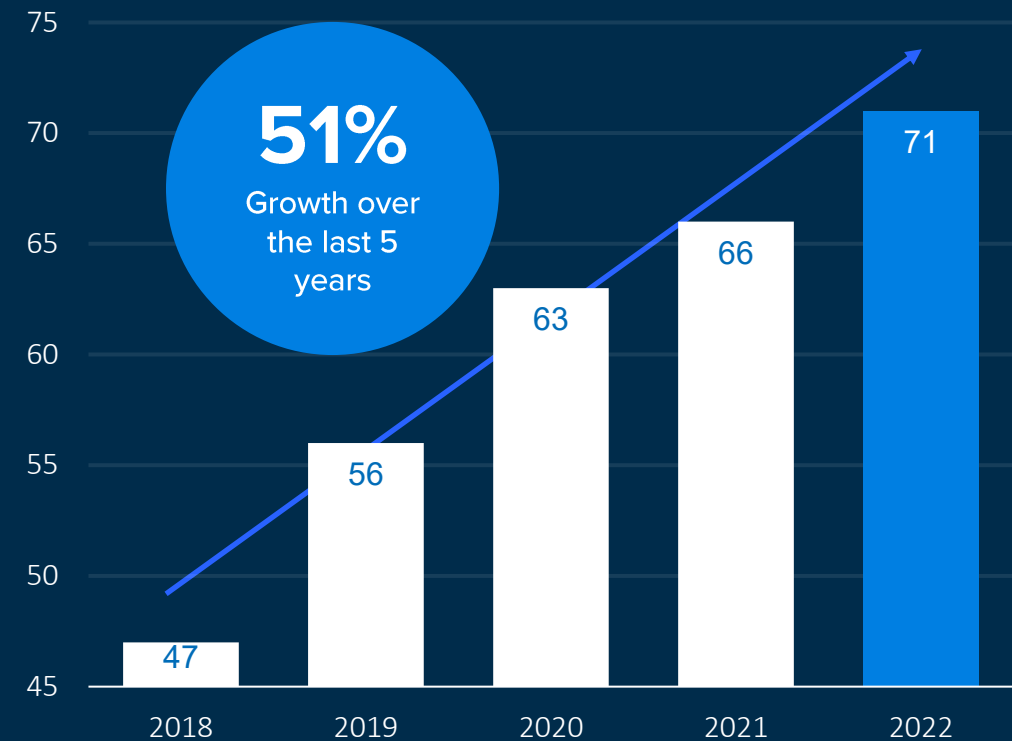
## Radio Listening – Live & On Demand (weekly)

Total Australian population 12+ | % listened to over the air or online AM/FM/DAB+ radio



## Online Audio Listening (weekly)

Total Australian population 12+ | % listened to online audio in last week

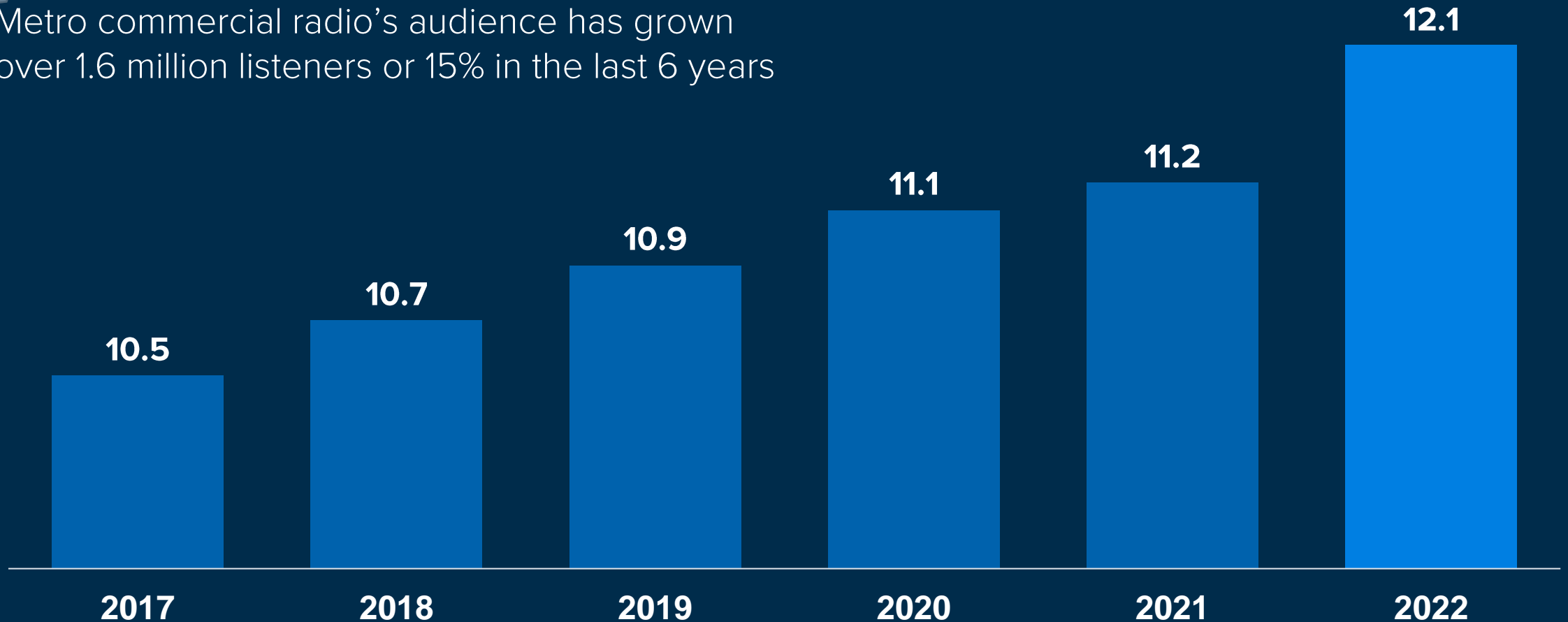


Online Audio = listening to AM/FM/DAB+ radio stations online and/or listening to audio content available only on the internet including podcasts and streaming services.

# RECORD HIGH METRO COMMERCIAL RADIO AUDIENCES



Metro commercial radio's audience has grown over 1.6 million listeners or 15% in the last 6 years



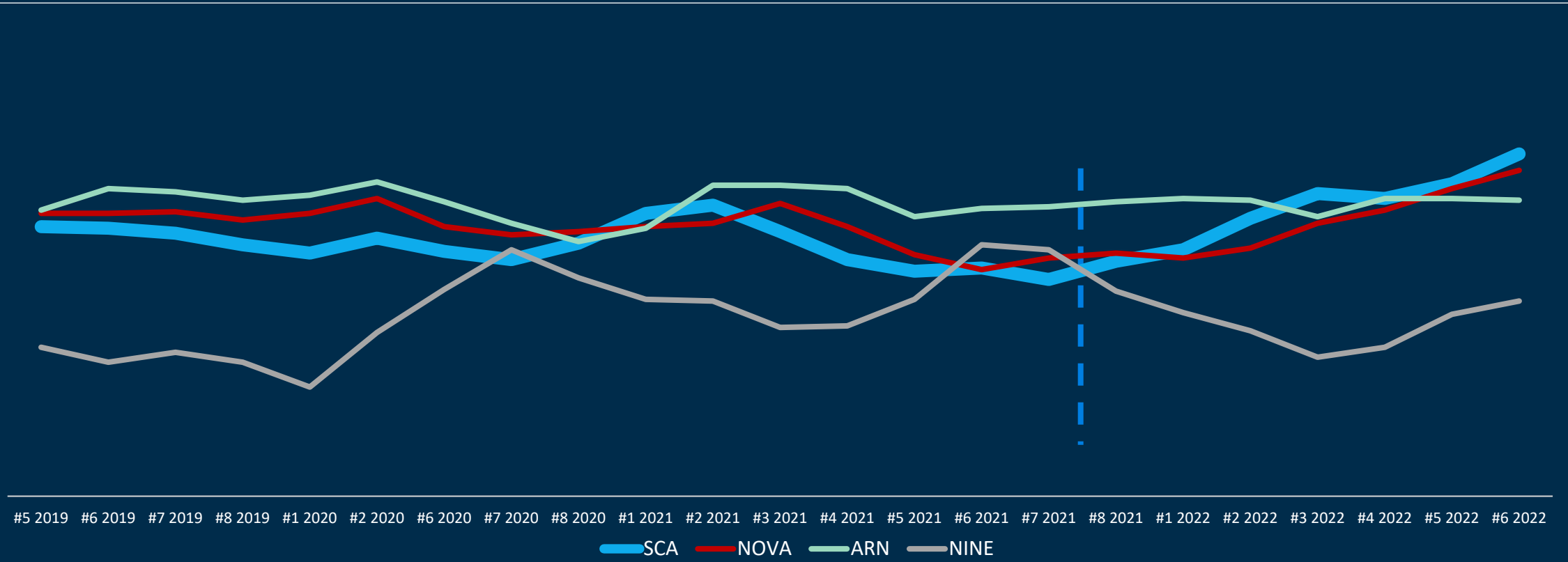
Source : Commercial Radio & Audio



# SCA'S METRO RADIO AUDIENCE GROWING FASTER THAN OUR PEERS UP 32% OVER LAST 6 SURVEYS<sup>1</sup>



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<sup>1</sup> GFK – 5 cap cities, Cume audience All People 10+ (incl DAB), Survey 8, 2021 v Survey 6, 2022. GFK – 5 Cap Cities, share of audience People 10+ (incl DAB).

# OUR COMPETITIVE ADVANTAGE

## WHY ARE WE DIFFERENT?



**LOCALISM**



**OWNED & OPERATING DIGITAL  
AUDIO ECOSYSTEM**

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# DIGITAL AUDIO LiSTNR

## STRATEGIC RATIONALE

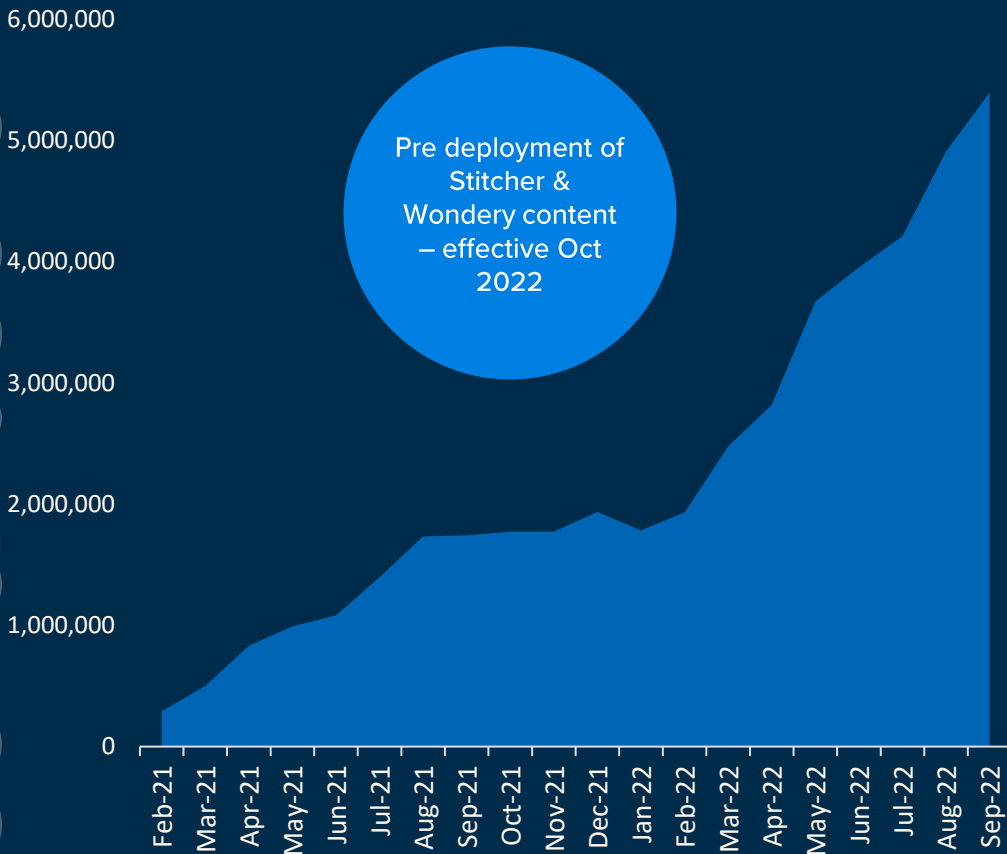
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- SCA intentionally invested ahead of the curve – as consumers migrate at pace to digitally enabled IP listening - multiple devices and platforms like car dashboards, mobile, desktop, smart speakers and smart TV's
- Strategic imperative to own and operate our digital audio eco-system (not licence)
- Exceptional performance in the design and deployment of LiSTNR
- Localism is the antidote to globalism – first created a premium Australian content slate, then complemented with world class content partnerships and collaborations
- LiSTNR offers an intuitive personalised customer experience with a signed in user base, expanding our data & insights

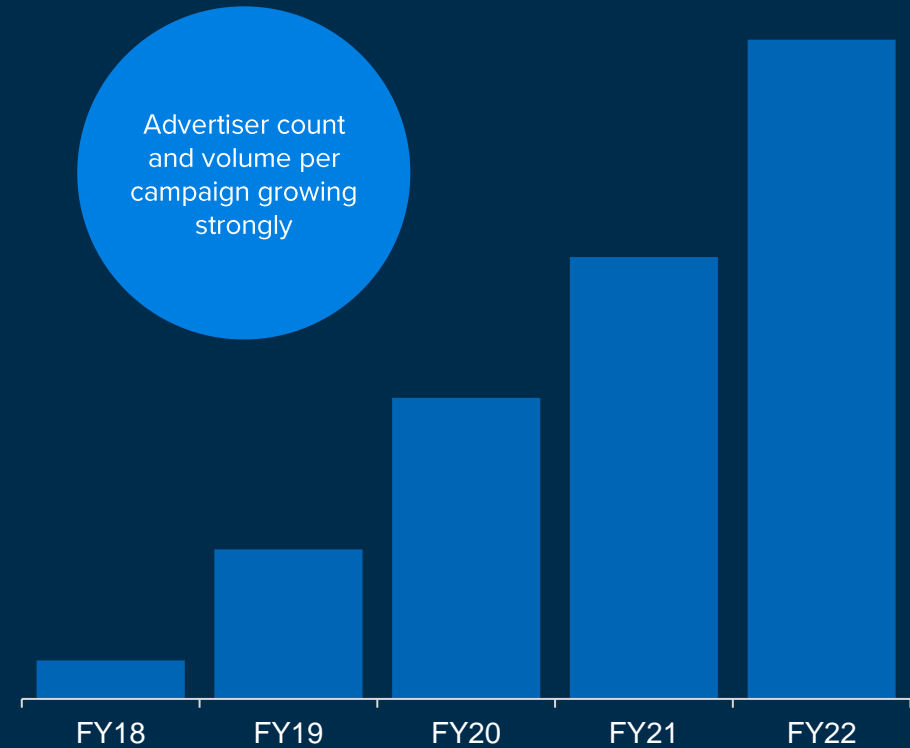


# DIGITAL AUDIO – ACCELERATING AT PACE

## STREAM STARTS BY MTH (APP + WEB PLAYER)



## DIGITAL AUDIO REVENUES

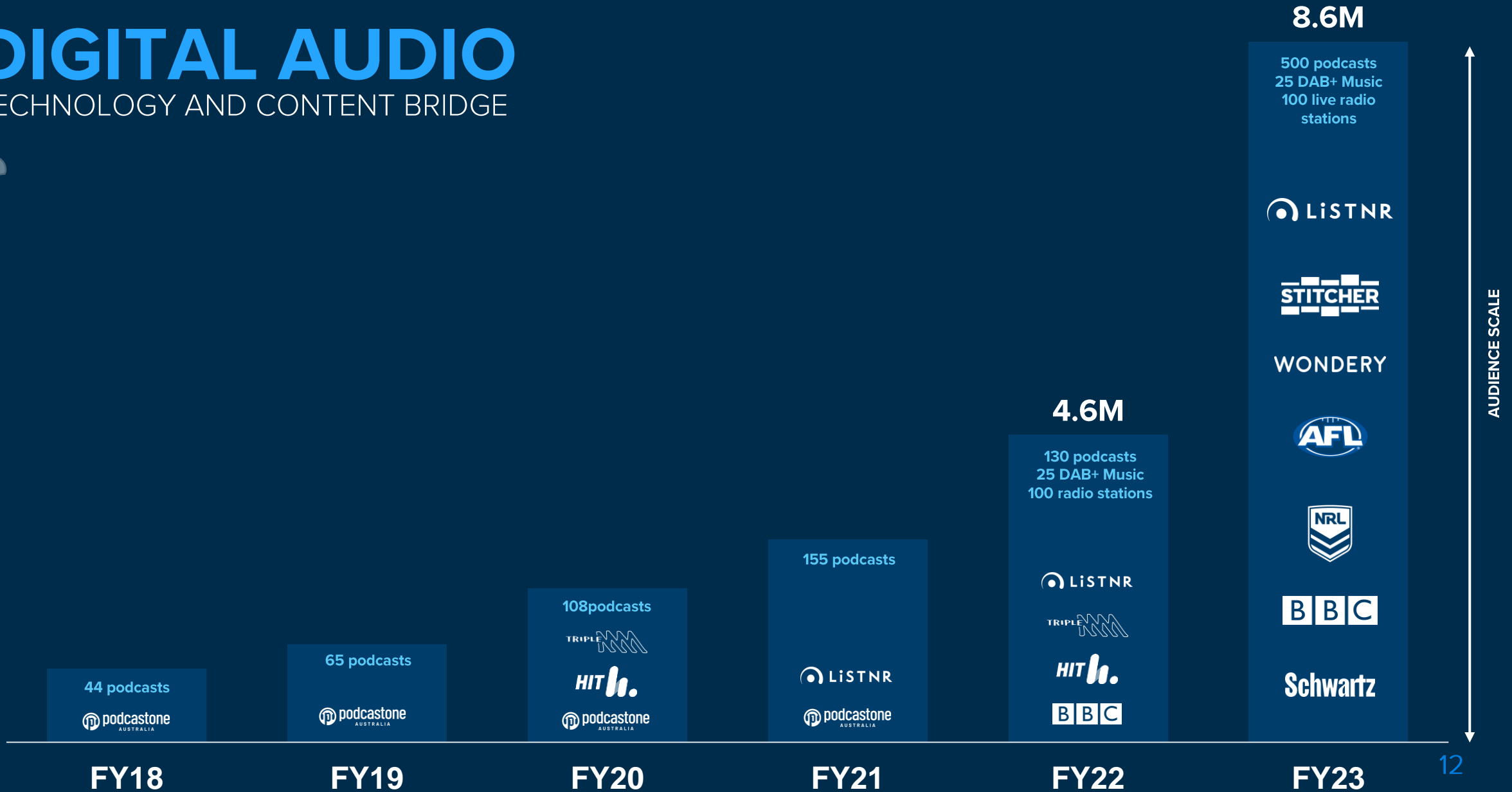


Source: Firebase Analytics, stream start event counts. Feb 2021 – September 2022. Podcast plays = player\_stream\_start. Radio plays = Radio\_player\_stream\_starts & live\_show\_player\_stream\_starts. Only counts streams from logged in users of the web player

# DIGITAL AUDIO

TECHNOLOGY AND CONTENT BRIDGE

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# DIGITAL AUDIO

TECHNOLOGY AND CONTENT BRIDGE

## PHASE ONE

Ideate & Design

44 podcasts



FY18

65 podcasts



FY19

## PHASE TWO

Build & Plan

108 podcasts



FY20

## PHASE THREE

Launch & Scale

4.6M

130 podcasts  
25 DAB+ Music  
100 radio stations

155 podcasts



FY21



FY22

## PHASE FOUR

Accelerate at pace



Schwartz

FY23

AUDIENCE SCALE

WONDERY

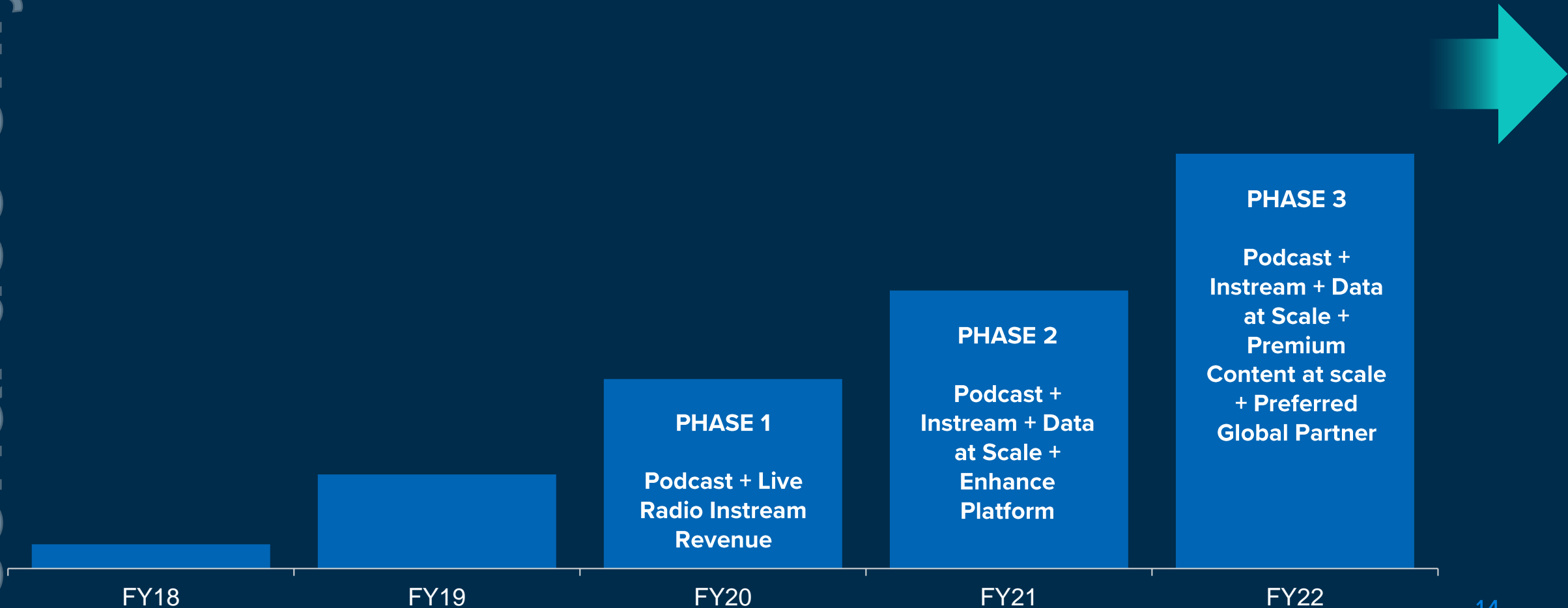


**INCREASING LiSTNR's PODCAST AUDIENCE BY 105%**

# DIGITAL AUDIO REVENUE BRIDGE



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# DIGITAL AUDIO REVENUE BRIDGE



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Data is enhancing our decision making, improving revenue return per spot (targeting advertising) and providing smart recommendations for consumers



It's official.  
We've reached

**1 MILLION+**

**SIGNED IN  
USERS!**

# STRONG BALANCE SHEET



## Cashflow

- Normalised free cash conversion range of 90-100% expected in FY23 on back of reduced capex and normalised working capital

## Secure Financing

- Bank facility refinanced through to January 2026 – providing long tenure coupled with low margins. Significant headroom under bank leverage covenant

## Net Debt & Franking Credits

- Net Debt of \$101m as at 24/10/22. Franking Credit balance of circa \$180m

# STRONG BALANCE SHEET



## Capital Management

- In FY22 we increased dividend by 85% over pcp - paying a fully franked 9.25cps full year dividend (Gross yield circa 13%)<sup>1</sup>
- Dividend policy: 65-85% of NPAT
- FY23 Capex to reduce from \$30m to ~\$20m p.a with approx. 80% of funds directed at improving core systems and driving digital audio innovation
- On-market share buyback, to date we have expended \$13m to buy back just over 4% of issued capital<sup>2</sup> and up to 10% of issued capital across the year

<sup>1</sup> 13% yield calculated at share price of 91 cents. <sup>2</sup> Share buyback of \$13m as at 24/10/22

# FY22 REVIEW & FY23 GUIDANCE



## FY22 Review

- Underlying Group EBITDA of \$87.9m up 2.8% and Underlying NPAT of \$27.4m, up 38.4% on pcp
- Group Revenues were \$519.7m. Audio revenues were up 9.2% or \$33.1m over pcp
- Digital Audio revenues grew 35.2% over pcp
- Underlying expenses reduced by \$11.9m or 2.7%
- Underlying Broadcast Audio and Television margins of 28.0% and 23.7% respectively

## Year to Date Trading (Jul-Oct, 2022)

- Broadcast Audio revenue YTD +7%
- TV revenue YTD back 6% (given TV is cycling over strong comps)
- Digital Audio revenue YTD +40%
- Tight cost control maintained - FY23 guidance for Non-Revenue Related Cost growth of 2-4% maintained
- LiSTNR achieves milestone – 1m signed-in users
- LiSTNR targeting 1.75m signed-in users over next 24 months

# IMPROVING SHAREHOLDER VALUE



- **Over last 3 years we have created, launched and scaled a world class Audio eco-system**
- **Digital Transformation underpins** stronger and more sustainable audio consumption - for both live and on-demand content
- **LiSTNR is a world class personalised eco-system** – creating a large known user base (moving from the unknown to the known listener). In turn, Data is enhancing our content selection and revenue momentum
- **LiSTNR successfully launched and is scaling quickly** – evidenced by accelerating audio streams, creating more advertising inventory with improved revenue margins
- **LiSTNR and SCA developing the reputation** as the “go to audio platform of choice” for domestic and international creators (evidenced by Stitcher, Wondery, BBC, Schwartz, AFL, NRL and CA)
- **Operating model actively being reshaped** – with workforce evolution driving greater efficiencies and increased automation (SCA producing twice the volume output vs 4 years ago at a lower cost base)

# SUMMARY & QUESTIONS

