



ASX RELEASE

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## Chair's and CEO's addresses to AGM and trading update

Southern Cross Media Group Limited (ASX: SXL) (SCA) will hold its Annual General Meeting of shareholders today at 11:00am (AEDT). Shareholders and proxyholders will be able to attend and participate in the AGM in person at Level 15, 50 Goulburn Street, Sydney NSW 2000 or via a live webcast through the Computershare AGM online platform. Shareholders will be able to ask questions in relation to the business of the meeting and to vote in real time at the meeting. These processes are explained in the notice of meeting.

The addresses to be given by the Chair and the Chief Executive Officer at today's AGM are attached. The Chief Executive Officer's address includes a trading update.

Approved for release by the Board of directors.

For further information, please contact:

### Southern Cross Media Group Limited

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### About Southern Cross Austereo

Southern Cross Austereo (SCA) is one of Australia's leading media companies and the home of LiSTNR, the Hit and Triple M networks and regional television stations, reaching more than 95% of the Australian population. The LiSTNR digital audio app hosts a library of free and compelling digital audio content available anytime, anywhere. It houses SCA's 99 FM, AM, and DAB+ radio stations, including AFL, NRL and international cricket coverage, 27 music genre stations, and over 800 podcasts from leading Australian and global creators, plus local news and information. With more than two million signed-in users, LiSTNR has something to entertain, inform, and inspire all Australians and helps advertisers to connect with highly engaged and addressable audiences. The LiSTNR digital audio sales network reaches an estimated eight million people each month. SCA owns 99 radio stations across FM, AM, and DAB+ under the Triple M and Hit network brands and provides national sales representation for 56 regional radio stations, with 6.131 million listeners across the Hit and Triple M networks. SCA broadcasts 96 free to air TV signals across regional Australia and represents or has a joint venture with 39 TV stations, reaching 3.6 million people a week. SCA broadcasts Network 10 programs in regional Queensland, southern NSW, and Victoria and provides national advertising sales representation for Network 10 programming in all Australian states and territories. SCA also broadcasts and provides sales representation for Seven Network programming in Tasmania, Darwin, and Remote Central and Eastern Australia and for Seven and Nine Network programming in Spencer Gulf and Broken Hill. SCA also features Sky News Regional in regional Queensland, southern NSW, and Victoria and sales representation in northern NSW, Griffith, and Mount Gambier. SCA provides Australian sales representation for global open audio platform SoundCloud and Sonos Radio. [www.southerncrossaustereo.com.au](http://www.southerncrossaustereo.com.au).

This is my first AGM since becoming your Chair in March this year. I am honoured to have this opportunity to speak to our shareholders today and to meet in person those of you who have joined us in our Sydney office.

Let me start by acknowledging that the most recent financial year was a challenging and disappointing one for our company, and especially for our shareholders. With persistently high inflation and slowing economic conditions, broadcast advertising markets were depressed for much of the year. Group revenue of \$499.4 million was 1% below FY23, and underlying group EBITDA of \$66.2 million was 14.3% below FY23. The Board decided not to pay a final dividend for FY24. While the group's leverage remains well within our banking covenants, the Board considers that preserving cash to reduce the group's net debt is in the best interests of shareholders.

We responded to these macro challenges with initiatives to transform our operating model to capture a larger share of available revenues while also completing our digitisation capex program and resetting our cost base, and we expect to see the benefits of these actions in future periods.

Shareholders will also be acutely aware of the disruption caused by the non-binding indicative proposal received in October 2023 from the Consortium of ARN Media and Anchorage Capital Partners. The proposal was complex, requiring the break-up of highly integrated radio and other assets of both SCA and ARN to re-allocate them to the members of the Consortium and to a new digital joint venture. Most of the consideration for SCA shareholders would have been shares in a reconstituted ARN which was particularly difficult to value. Our Board and executive team engaged with the Consortium's proposal for more than six months, only for the Consortium to withdraw its proposal in May 2024. I expressed my frustration at the time that the Consortium should have identified any potential material concerns much earlier in the process. While our management team did not lose focus on daily business activities during this process, it did disrupt radio advertising markets, hampering our ability to monetise our audiences, and we delayed certain business transformation initiatives until the outcome of the Consortium's proposal was known.

Noting these challenges, your Board and executive team are committed to improving the company's performance and the returns for shareholders in the current financial year and beyond.

As outlined in our recent trading update to the ASX, we have made a positive start to the financial year. Our leading radio shows and podcasts are growing their audiences and attracting strong advertising interest. Our group revenue for the first quarter was ahead of the same period last year with especially strong momentum in our digital audio brand LiSTNR. We have made significant progress in reducing our cost base and this work continues. In addition, with our major digitisation program complete, our capex will be significantly lower this year. Our restructured commercial teams are consistently growing SCA's share of metro radio advertising revenues, and we continue to connect advertisers to the largest radio audience in regional Australia.

John Kelly will talk more in a few moments about our positive momentum and areas of opportunity for further improvement.

As we have announced previously to the ASX, we have commenced a process to dispose of our television assets. While this process has taken longer than we originally expected, we remain in active negotiations with several parties who are interested in acquiring those assets. We will update shareholders as those negotiations progress.

Our discussions earlier this year with the ARN/Anchorage Consortium, the time we spent considering a potential transaction with Australian Community Media, and our more recent discussions in

relation to sale of our television assets have demonstrated how the regulatory environment constrains innovation, efficiency and the sustainability of Australian broadcast media businesses. Our largest competitors for audiences and advertising dollars are global giant digital platforms – such as Meta, Google and Spotify – but Australia’s pre-Internet regulation severely restricts our ability to compete with them on a level playing field. We celebrate our connection to local communities around Australia; but, without regulatory change to enable consolidation and modernise regulation of Australian media businesses, that connection will in time become economically unsustainable.

I would like to comment on a current topic in Australian media circles, and that is corporate culture. Revelations about workplace behaviour at some of our media peers have received high profile attention in recent months. We have looked closely at publicly available reports about these matters and considered the corresponding risks and opportunities for improvement in our own workplaces. Your Board firmly believes that SCA needs an inclusive and diverse workforce where all employees are treated fairly and enjoy a safe working environment. We believe that SCA’s current workplace arrangements are sound and adequate to address these risks; but, equally, we acknowledge the need for vigilance and for prompt action when problems emerge.

The past year has seen significant changes in your Board, with three longstanding directors retiring during the year. My predecessor as Chair, Rob Murray, along with Glen Boreham retired on 27 March and Helen Nash retired on 30 September. Each of them served on our Board for around nine years during which they made valuable contributions to the Board’s decision-making, as well as being active on the Board’s committees. Helen chaired the People & Culture Committee for three years, and Glen chaired the Digital Transformation Committee from its inception and for a similar period.

I would particularly like to acknowledge the contribution of Rob, who became Chair in the middle of the lockdowns and other challenges of the COVID-19 pandemic and led a process to refresh the Board and plan for future succession within the Board and SCA’s executive key management personnel.

Of course, I also thank my continuing colleagues on the Board, Carole Campbell and Ido Leffler, for their guidance and support during the year.

We were delighted on 1 October to welcome Marina Go as a director and as incoming Chair of the People & Culture Committee. Marina brings experience in executive and non-executive roles across a range of listed and private companies in diverse sectors including media. I encourage you to support her election later in the meeting.

Finally, on behalf of the Board, I would like to thank our many stakeholders including our leadership team and SCA’s people, along with our advertisers, partners and the communities we serve around Australia for your ongoing support of SCA. In particular, I extend my thanks to you, our shareholders, for your patience and trust as we commit to delivering you improved returns in future periods.

SCA is a company in transformation.

We can now clearly and confidently say SCA is All About Audio. It is our focus. It is our strength. It is our purpose. With this sharpened All About Audio approach, we can deliver more for our listeners, more for our business partners and advertisers, and in turn, more for our shareholders.

We have three key audience pillars we are capitalising on via our audio offering to reach the audiences that matter. One, is the metro radio 25-54 demographic, which we unquestionably and unequivocally dominate nationally. Beyond the capital cities, SCA reaches 70 percent of all regional Australians. And thirdly, we have the known and addressable audience via our digital offering through our owned and operated LiSTNR ecosystem.

As Heith mentioned, we are in active negotiations with several parties with a view to disposing of our television assets, consistent with our All About Audio focus. We expect to be able to meaningfully update our shareholders in the coming weeks as to the progress of these sale negotiations.

Against the backdrop of a challenging macro and market operating environment for SCA for over the last 18 months, we have remained focused on our core business and strategic priorities, and we now have positive operating momentum. That momentum is already showing signs of improved financial performance and will soon start translating and transforming into stronger financial performance and results.

This transformation can be seen in the improvement in our results for the second half of FY24, with EBITDA growth of 6 percent on the prior period with Audio EBITDA growth up 8 percent.

We also recently released a market update on our results for the First Quarter of FY25, which demonstrated our positive operating momentum has continued.

- In the first quarter of this financial year, total revenue of \$122.5 million was 1.5 percent higher than the same quarter last financial year.
- Our Total Audio revenue for the first quarter of \$100.4 million was up 4.8 percent compared to the corresponding quarter in FY24. This was driven by growth of 48.2 percent in Digital and 1.1 percent in Broadcast Radio, and both these segments have delivered three consecutive quarters of share growth among our radio peers.
- Total Audio sales in the December quarter are pacing for growth consistent with the first quarter.
- In metro radio, SCA has maintained its leading share of the core buying demographics for men and women aged 25-54 for 27 surveys in a row.
- LiSTNR continues to perform strongly, with over 2.1 million signed-in and addressable users.
- LiSTNR remains the number one podcast sales network in the October Australian Podcast Ranker, with over seven million monthly listeners and over 21 million downloads.
- We are continuing to optimise our operating model, supported by strong cost discipline. We maintain our FY25 guidance for Non-Revenue-Related costs (excluding non-recurring items) to be below FY24 costs of \$308.4 million on a current state basis.

- We are continuing to invest in the advertising capabilities of LiSTNR, but capex in the current financial year is on track to be below \$10 million.

We have been growing metro radio revenue share consistently since December 2023. This revenue comes to SCA because we are the audio company which dominates the audiences that matter. We have been leading the metro radio 25 to 54 demographic for 27 consecutive surveys.

Our audio audience across the Hit Network for Total FM and DAB+ is 5.8 million Australians. For Triple M, it's 4.6 million. De-duplicated, this gives SCA an FM and DAB+ Total Radio audience of over 8.6 million Australians.

But that's not all. Our ongoing digital transformation and momentum means we reach even more people in even more places. We have 1.95 million monthly unique radio streamers, generating a total of 12.6 million monthly listening hours.

Importantly, LiSTNR too has strong momentum. It is increasingly demonstrating its potential and appeal for audiences and advertisers to be able to sit at the heart of our audio ecosystem. We knew it would take time, investment, effort, foresight, and commitment to establish LiSTNR as the locally owned, locally built, locally run All-of-Audio destination. And we are delivering. LiSTNR reached EBITDA profitability in the final quarter of FY24. And digital growth is only accelerating. Our digital audio revenue grew 42 percent last financial year, and we are on track to be cash flow positive in the current financial year.

There are 7.2 million monthly unique podcast listeners in the SCA ecosystem, and LiSTNR boasts over 2.1 million signed-up users.

We know FY24 offered up tough economic and operating conditions, which impacted our performance. We have, however, taken control of the factors that we can, completing the digital transformation of our business, and creating a future where we keep costs low, without compromising our operational and commercial performance.

So far, our business transformation program has permanently removed more than \$40 million from our cost base. Our Non-Revenue Related Costs came in below the \$310 million guidance for FY24, at \$308.4 million. We have not, however, compromised on our content or our advertising products, and how we reach the audiences we seek – being the audiences that matter.

The LiSTNR AdTech hub has been part of our digital transformation and is now driving premium commercial returns for our advertisers. There is growing interest in the product and commercial offering because it enhances our advertisers' ability to connect with relevant audiences on LiSTNR and other digital audio distribution platforms.

Advertisers want certainty. They want clarity. And they want compelling content. They are willing to pay a premium to connect their messages to targeted and addressable audiences with measurable attribution.

We already have compelling evidence that this is delivering for us, and for our advertisers. Digital revenue grew 57 percent year-on-year in the second half of FY24, directly coinciding with the launch of the LiSTNR AdTech Hub. The Ad Tech Hub is now included in over 33 percent of LiSTNR's digital audio campaigns.

Beyond our compelling content and our advancing technology-based offerings, our people are our power. And they are what makes SCA one of Australia's leading media companies. We are

implementing processes to ensure our people are happy, productive, engaged and working towards our business transformation targets.

We are committed to retaining the talent that our audiences and business partners love.

The Hit network's *Carrie & Tommy* have been Australia's Number One drive show across the nation for much of 2024. The Fox breakfast show with *Fifi, Fev & Nick* continues to hold onto a loyal Melbourne audience and deliver winning results, despite new entrants to the market. And we recently re-signed Brisbane's No.1 Breakfast show, B105 Brisbane's *Stav, Abby & Matt* to long-term contracts. They are about to celebrate seven-years on air together and have consistently led the ratings in 2024 in one of the tightest and most competitive metro radio markets.

On the Triple M side, we've made some game-changing programming announcements which sets us up for a 2025 calendar year of further growth and momentum. Triple M has grown faster than any network in the past three years. Triple M is the home of sport, comedy, banter, and greatest hits in our cities, but it is also a key part of regional communities, where it is leading the conversation and dominating the ratings. Our recently announced new Mick Molloy and Nick Riewoldt-led Triple M Melbourne Breakfast show – *Mick in the Morning with Roo, Titus & Rosie* – will deliver a local, lovable, laugh fest with some of the city's favourite personalities, for audiences and clients alike.

The move of Mick Molloy to Melbourne Breakfast of course means we have an exciting opportunity at Triple M Sydney in the key Breakfast slot, which we will be announcing soon.

Both Triple M Sydney and 2DayFM in Sydney are active in their local communities, embedded in the city's day-to-day and cutting through in the key Western Sydney districts. This means that not only are listeners engaged in the communities, the conversations, and the content, but advertisers are highly visible, get cut-through, and get results.

We will continue to be the industry-leading developer of exciting new talent for radio, as we have shown in Adelaide with Emma G and Bernie Vince, in Perth with Katie Lamb, on 2DayFM with Jimmy and Nath, in Melbourne with Nick Riewoldt, nationally with Nikki and Lucy, and more to be announced soon.

We're also gearing up for a massive summer of cricket on Triple M, and a host of exciting programming announcements across our network.

And then, of course, there's our ever-growing suite of high-ranking, advertiser-friendly podcasts which continue to engage audiences, produce compelling content, and redefine the audio landscape.

Australia's #1 podcast, *Hamish & Andy* is proudly a long-term LiSTNR show. Its peak monthly audience is over one million listeners.

As well as established and well-loved talent, such as Hamish Blake and Andy Lee, LiSTNR has consistently and successfully backed emerging and game-changing talent.

Our growing podcast talent roster of strong female voices, including Nikki and Lucy's *Happy Hour*, Chloe and Ellidy's *Darling Shine*, and Steph and Laura's *KICPOD* are some of the most exciting and successful podcasts in the country. Plus, we recently signed the hugely popular and thought-provoking *The Imperfects*, who will move to LiSTNR on 7 January. Our podcasts lead the national conversations on news, sport, entertainment, and everything in between.

The future is LiSTNR, and we couldn't be more excited about what's to come.

I thank our shareholders for their ongoing support as we drive our business towards improving cash flow earnings and consequently shareholder returns.

At a personal level, I would like to thank the Board and our Executive Team for their hard work and support during FY24. I also want to acknowledge the entire SCA Team for their commitment and passion for our Company.

Finally, I would also like to reaffirm our commitment to consistency, our positive revenue and earnings movement and momentum, and our All-of-Audio strategy. We have the building blocks for success in place. Our digital transformation is now reaping rewards. Our products, regionally and in the metro markets, are unrivalled. All this combined makes me, and the wider SCA team, confident and excited about the opportunities ahead.

John Kelly  
CEO and Managing Director