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FY22 RESULTS

Grant Blackley
CEO

SCA



HEADLINE ACHIEVEMENTS

- **Radio recovery strong – record audiences with radio EBITDA up 13.9%**
- **#1 Radio network in Australia for People 25-54¹ (70%+ of all ad briefs)**
- **TV earnings maintained – EBITDA of \$30m and margin up to 23.7%**
- **Digital Audio revenue up 35%**
- **LiSTNR sign up's exceed 850,000**
- **Back of House digitisation complete – capex to reduce**

¹ Source: GFK Metro radio data, Survey 5, 2021 - Survey 4 2022



GROUP RESULTS SUMMARY

\$ millions	FY22	FY21	Var.
Revenue	519.7	529.2	(1.8%)
Expenses	(434.1)	(403.2)	7.7%
Underlying Expenses	(431.8)	(443.7)	(2.7%)
EBITDA	85.6	125.9	(32.0%)
Underlying EBITDA	87.9	85.5	2.8%
Underlying NPAT	27.4	19.8	38.4%
Net Debt	78.5	52.6	49.4%
Free Cash Conversion	67.2%	125.7%	
Dividends	9.25	5.0	85.0%

- Underlying EBITDA¹ of \$87.9m, 2.8% above prior corresponding period
- Underlying NPAT \$27.4m, up 38.4% on pcg
- Audio Revenues up 9.2% or \$33.1m over pcg
- Underlying expenses¹ reduced by \$11.9m or 2.7%, with lower affiliation fees partially offset by investment in maturing Digital Audio portfolio
- Net debt of \$78.5m and leverage below 1.0x
- Free cash conversion reflects normalisation of working capital and higher capex spend in year – reversion to typical range of 90-100% expected in FY23
- Final dividend declared at a fully-franked 4.75 cents per share - full year dividend of 9.25 cps.

¹ Underlying Expenses and Underlying EBITDA excludes government grants received in FY21 and FY22 and \$4.0m of significant items in FY22

FY22 FINANCIAL RESULTS

Nick McKechnie
CFO



\$ millions	FY22	FY21	Var.
Revenue	519.7	529.2	(1.8%)
Expenses	(434.1)	(403.2)	7.7%
EBITDA	85.6	125.9	(32.0%)
Underlying EBITDA	87.9	85.5	2.8%
<i>Underlying EBITDA Margin</i>	16.9%	16.2%	
Depreciation & Amortisation	(31.9)	(32.8)	(2.8%)
Impairments	(251.7)	0.0	
EBIT	(198.0)	93.2	
Net Finance Costs	(16.1)	(21.9)	(26.5%)
PBT	(214.1)	71.3	
Tax	60.3	(23.2)	
NPAT	(153.7)	48.1	
Underlying NPAT¹	27.4	19.8	38.4%



GROUP REPORTED STATUTORY RESULTS

- Underlying EBITDA up \$2.4m or 2.8%
- Underlying EBITDA margin rises from 16.2% to 16.9% over the pcp
- Tax-effected impairment charge of \$179m to radio licences reflecting increased discount rate and uncertain global outlook
- Net Finance costs 26.5% or \$5.8m below prior period at \$16.1m
- Effective tax rate of 31.5%
- Underlying NPAT up 38.4% at \$27.4m

Underlying EBITDA and Underlying NPAT excludes government grants received in FY21 and FY22 and \$4.0m of significant items in FY22

\$ millions	FY22	FY21	Var.
EBITDA	85.6	125.9	(32.0%)
Significant Items	4.0	0.0	
Jobkeeper/ Ping	(1.7)	(40.5)	
Underlying EBITDA	87.9	85.5	2.8%
<i>Margin</i>	16.9%	16.2%	
Impairment of Intangibles & Investments	(251.7)		
Depreciation & Amortisation	(31.9)	(32.8)	(2.8%)
EBIT	(198.0)	93.2	
Reverse Impairments	251.7		
Underlying EBIT	56.1	52.7	6.4%
Interest	(16.1)	(21.9)	(26.5%)
Underlying PBT	40.0	30.8	29.7%
Tax	60.3	(23.2)	(360.3%)
Tax Impact on Impairment	(72.3)	0.0	
Tax Impact of Significant Items / JK	(0.7)	12.1	
Underlying Tax	(12.6)	(11.1)	14.2%
Underlying NPAT	27.4	19.8	38.4%

SCA GROUP UNDERLYING RESULTS

- Underlying NPAT up 38.4% to \$27.4m
- Significant items include non-recurring restructuring costs and expenses associated with termination of finance systems refresh
- Cycling over \$40.5m government support received in FY21 compared to \$1.7m PING¹ funding in FY22 (ended August 2021)

¹ Public Interest News Gathering

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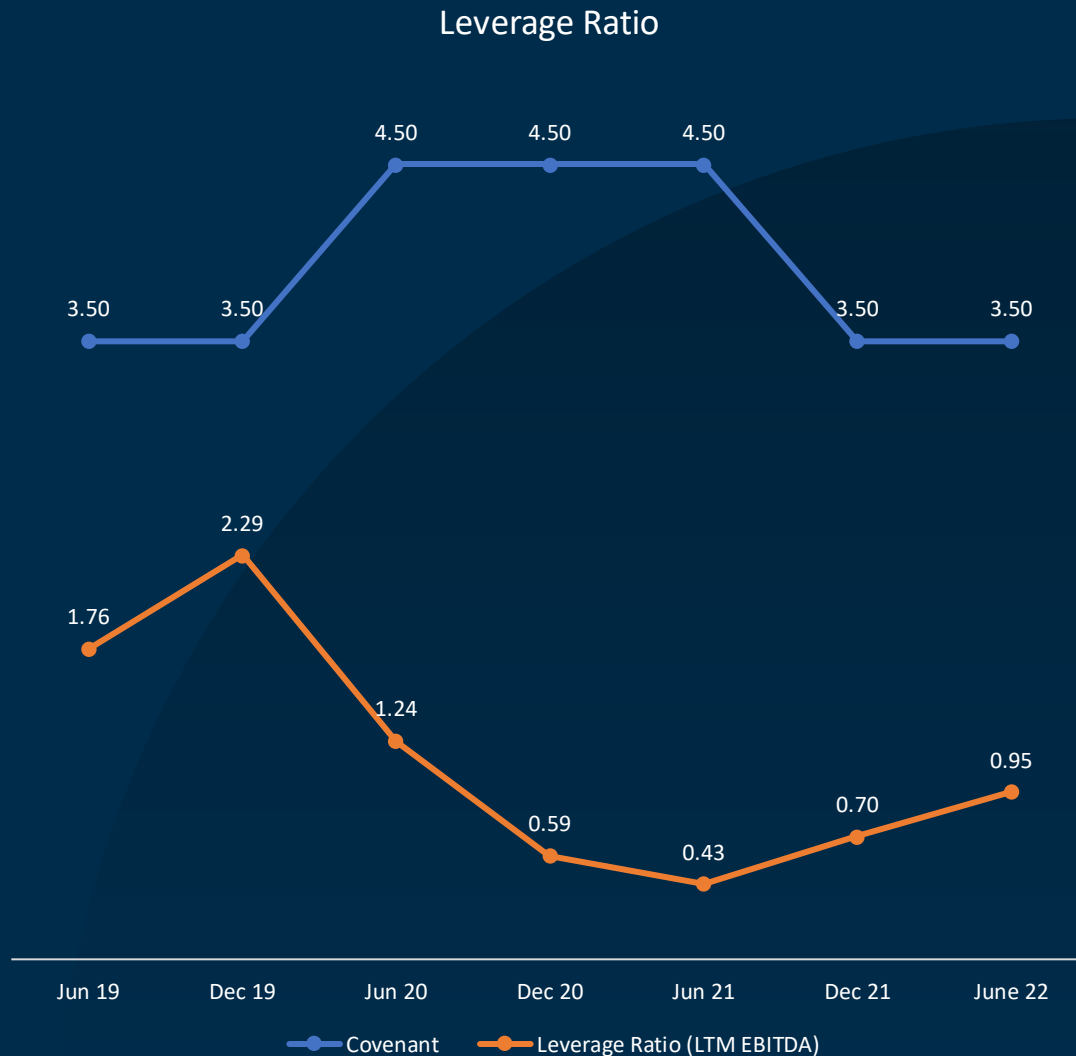
CASHFLOW

- Consistent cashflow generation with working capital normalised into FY23
- Capex increased in FY22 due to last major property investment - Melbourne office relocation
- Capex expected to reduce from \$30m to ~\$20m in FY23
- 5 Year Digital Infrastructure program creating a national connected footprint of offices and studios is complete. FY23 capex will reflect lower property reinvestment with ~80% of FY23 capex to be invested in innovation and core systems enhancements
- Normalised free cash conversion range of 90-100% expected in FY23 on back of reduced capex and normalised working capital

\$ millions	FY22	FY21
Net Debt Start of Period	(52.6)	(131.6)
Net Cash from Operations	75.5	83.9
Government Grants	0.0	47.4
Leases	(8.0)	(6.2)
Cash from Operations less Leases	67.5	125.1
Tax Payment	(20.8)	(16.0)
Capital Expenditure	(29.9)	(13.9)
Proceeds from sale of Non Core Assets	0.1	2.5
Net Interest	(9.9)	(18.2)
Cash flow pre-dividend & non recurring items	7.0	79.5
Investments	(1.2)	(0.5)
Refinancing Costs	(1.2)	0.0
Dividends to security holders	(25.1)	0.0
Share Buy Back	(5.5)	
Net Debt End of Period	(78.5)	(52.6)
Underlying EBITDA	87.9	85.5
Operating Cash Conversion	85.9%	98.2%
Free Cashflow (Cash from Ops. - Net Capital Exp. & Leases)	37.7	66.3
Underlying EBIT	56.1	52.7
Free Cash conversion	67.2%	125.7%



STRONG BALANCE SHEET



Leverage ratio calculated under Syndicated Facility Agreement definition

Secure Financing

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

Capital Management initiatives

- Increased dividend yield with a fully franked 9.25cps full year dividend
- Dividend payout at upper end of range (policy: 65-85% of NPAT)
 - Further recovery in audio markets will lift earnings growth
 - Modest capital requirements - majority of investment in digital audio is through operating expenses, with moderating cost growth in FY23
- On-market share buyback to continue

OPERATIONAL REVIEW





OPERATIONAL REVIEW

- Underlying Group EBITDA¹ up 2.8% to \$87.9m
- Audio revenues continue to grow and recover, increasing by \$33.1m or 9.2% over pcp
- Underlying expenses¹ down 2.7% or \$11.9m
- Television expenses down 30.8% or \$42.9m, offsetting a 25.3% reduction in revenue following affiliation change. Underlying EBITDA up 0.3% on prior year
- Underlying Audio EBITDA of \$86.7m, inclusive of on-going investment in growing and maturing our world class owned and operated digital audio eco-system LiSTNR

\$ millions	FY22	FY21	Var.
Audio Revenue	392.9	359.8	9.2%
Television Revenue	126.2	168.9	(25.3%)
Corporate Revenue	0.7	0.4	n.m
Revenue	519.7	529.2	(1.8%)
Audio Expenses	(306.1)	(274.6)	11.5%
Television Expenses	(96.3)	(139.2)	(30.8%)
Corporate Expenses	(29.3)	(29.9)	(2.0%)
Underlying Expenses	(431.8)	(443.7)	(2.7%)
Audio EBITDA	86.7	85.2	1.8%
Television EBITDA	29.9	29.8	0.3%
Corporate EBITDA	(28.7)	(29.5)	2.7%
Underlying EBITDA	87.9	85.5	2.8%

¹ Underlying Expenses and Underlying EBITDA excludes government grants received in FY21 and FY22 and \$4.0m of significant items in FY22

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OPERATING COSTS

\$ millions	FY22	FY21	Var
Revenue	519.7	529.2	(1.8%)
Revenue Related Expenses	(127.3)	(158.4)	(19.6%)
<i>Revenue related expenses as % of revenue</i>	24%	30%	-
Underlying Non Revenue Related Expenses	(304.5)	(285.3)	6.7%
Underlying EBITDA	87.9	85.5	2.8%

- Non revenue related (NRR) expenses increased 6.7% to \$304.5m driven by investment in a rapidly scaling digital audio business and cycling over COVID related savings in FY21
- Revenue related expenses are 24% compared to 30% of revenue in pcp, primarily due to change in affiliation agreement for east coast TV markets



BROADCAST AUDIO - OVERVIEW

- Underlying EBITDA of \$104.0m up 13.9%, with underlying EBITDA margin expanding to 28.0%
- Broadcast radio market continues its recovery, with revenue growth of 8% over the prior year
- Expense growth limited to 5.9% with operating efficiencies limiting labour expense growth.
- Workforce evolution continues to drive greater efficiencies and automation – following investment in upgraded systems and processes
- Other non-revenue related expenses up 9.3% primarily due to software licensing increases and an increase in discretionary costs post COVID restrictions

\$ millions	FY22	FY21	Var.
Revenue	372.1	344.4	8.0%
Revenue Related Expenses	(64.2)	(58.3)	10.0%
Employee Expenses	(145.7)	(141.5)	3.0%
Other NRR Expenses	(58.2)	(53.2)	9.3%
Total NRR Expenses	(203.9)	(194.7)	4.7%
Expenses	(268.0)	(253.1)	5.9%
Underlying EBITDA	104.0	91.4	13.9%
Underlying EBITDA Margin	28.0%	26.5%	

Underlying Expenses and Underlying EBITDA excludes government grants received in FY21 and FY22 and \$1.8m of significant items in FY22



AUDIO – RADIO ADVERTISING REVENUES

- Metropolitan revenues grow by 9.4% or \$15.7m, in line with market recovery
- Regional radio revenues grow by 6.4% or \$10.1m over the pcip, led by strong national revenue growth of 8.9%
- Regional local revenues up 4.3% or \$3.8m - lagging national recovery rate - stronger in H2 compared to H1 despite local impacts including east coast floods and supply chain issues

	FY22	FY21	Var.
Metro Radio			
National	136.7	124.5	9.7%
Local	46.0	42.5	8.4%
Total Revenue	182.7	167.0	9.4%
Regional Radio			
National	76.7	70.4	8.9%
Local	91.8	88.0	4.3%
Total Revenue	168.5	158.4	6.4%



DIGITAL AUDIO - OVERVIEW

- Digital audio revenues grew 35.2% across the full year to \$20.8m, underpinned by the expansion of SCA's premium content slate and a stronger digital audio market
- SCA has built its capability and platforms to ensure that it is positioned to serve further growth in digital audio consumption
- SCA's primarily owned and operated content model serving high conversion of billings to revenue
- Cost growth is moderating following material investment in FY21 and H1 FY22 to build greater capability and market leadership with LiSTNR
- Digital Audio revenues forecast to continue to grow at similar rate across FY23, combined with slowing rate of cost growth. Reduction in EBITDA loss is forecast for FY23
- Forecast for EBITDA breakeven by FY25

\$ millions	FY22	FY21	Var.
Revenue	20.8	15.4	35.2%
Revenue Related Expenses	(3.6)	(3.0)	
Employee Expenses	(16.9)	(11.0)	
Other NRR Expenses	(17.6)	(7.5)	
Total NRR Expenses	(34.5)	(18.5)	
Expenses	(38.1)	(21.5)	77.0%
EBITDA	(17.3)	(6.1)	



TELEVISION – OVERVIEW

- Underlying EBITDA consistent with prior year at \$29.9m
- Underlying margin increased to 23.7% following the change in affiliation to Network 10 for Queensland, Southern NSW and Victoria
- Non-revenue related expenses were 12.6% or \$5.3m below the prior period

\$ millions	FY22	FY21	Var.
Revenue	126.2	168.9	(25.3%)
Revenue Related Expenses	(59.5)	(97.0)	(38.7%)
Employee Expenses	(18.8)	(21.4)	(11.9%)
Other NRR Expenses	(18.0)	(20.8)	(13.4%)
Total NRR Expenses	(36.8)	(42.1)	(12.6%)
Expenses	(96.3)	(139.2)	(30.8%)
Underlying EBITDA	29.9	29.8	0.3%
Underlying EBITDA Margin	23.7%	17.6%	34.3%

Television Strategy

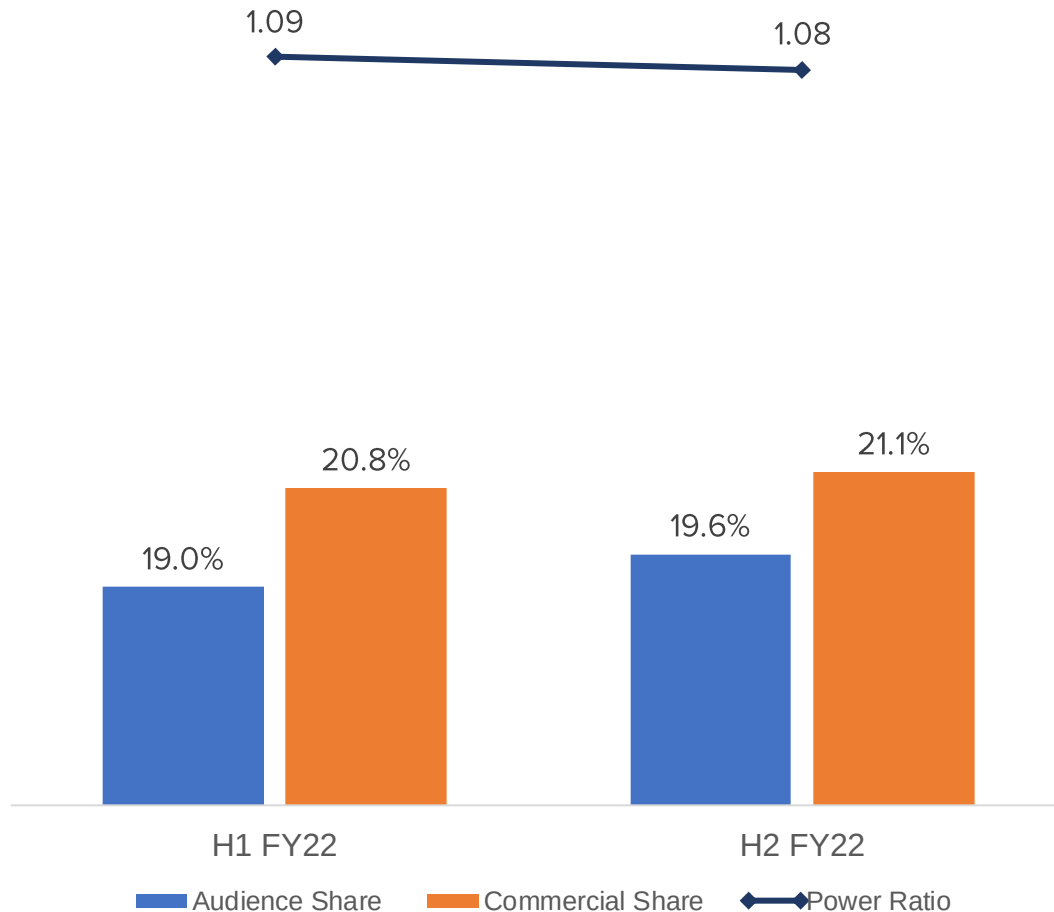
- **SCA to retain TV assets following engagement with interested parties. Multiple bids received but not aligned with SCA's valuation**
- Television is a solid contributor to earnings and cashflow. The asset is streamlined, efficient and capex light - following the outsourcing of playout, distribution and transmission services
- Television provides SCA with scale when combined with our Radio and Digital Audio portfolio in the regions. Television also contributed circa \$10m of in-kind marketing support to fuel the growth of LiSTNR



TELEVISION – POWER RATIO

- Strong monetisation in first year of new affiliation agreement with Network 10
- Power ratio of 1.09 across year1 (respecting the competition of Olympics on Prime in Q1). Result demonstrates the quality of SCA's TV sales teams
- SCA secured incremental sales representation rights for NSW, Tasmania, Western Australia and Mildura. This has resulted in stronger regional reach and offers a simpler buying process for national advertisers

Commercial Share & Power Ratio



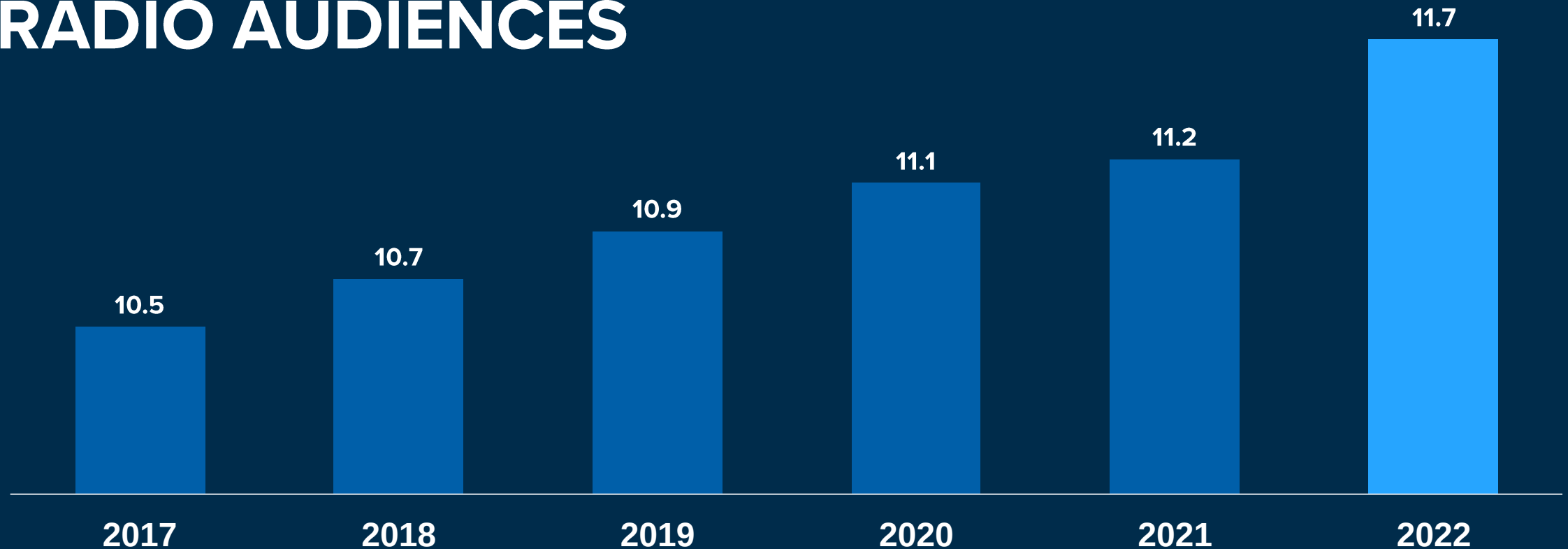
THE OUTLOOK FOR FY23



RECORD HIGH METRO COMMERCIAL RADIO AUDIENCES

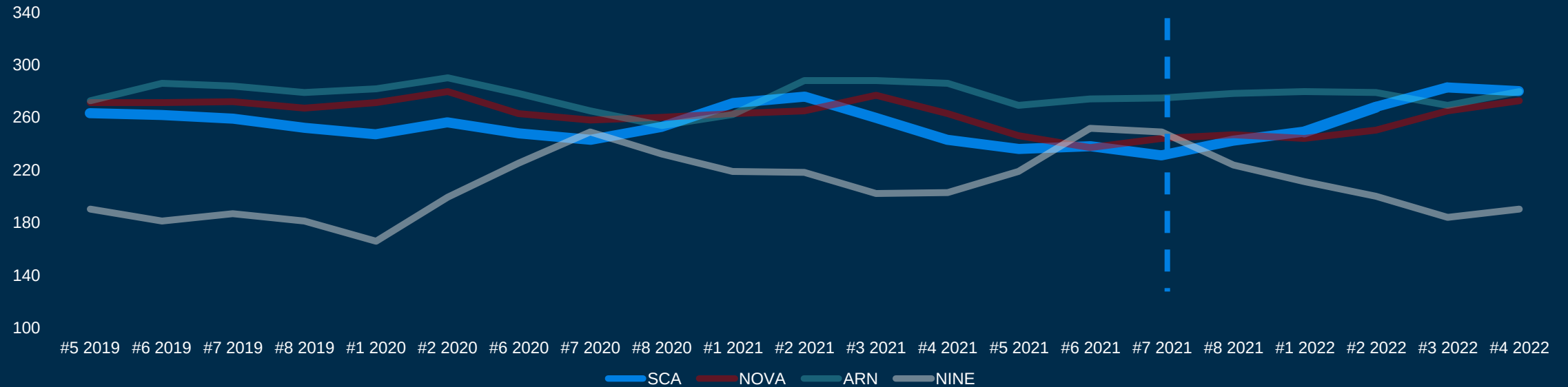


Metro commercial radio's audience has grown over 1.2 million listeners (nearly 12%) in the last 5 years



SCA'S METRO RADIO AUDIENCE UP 24% OVER LAST 4 SURVEYS¹

AVERAGE METRO RADIO AUDIENCE – ALL PEOPLE 10+ CUME²



- Radio audiences remain resilient with SCA average audiences above pre-COVID times
- Rapid recovery for SCA stations in 2022, improving competitive positioning

¹ GFK – 5 cap cities, Cume audience All People 10+ (incl DAB), Survey 8, 2021 v Survey 4, 2022

² GFK – 5 Cap Cities, share of audience People 10+ (incl DAB). Commercial Radio Australia

DIGITAL AUDIO

STRATEGIC RATIONALE – OWN OUR DESTINY

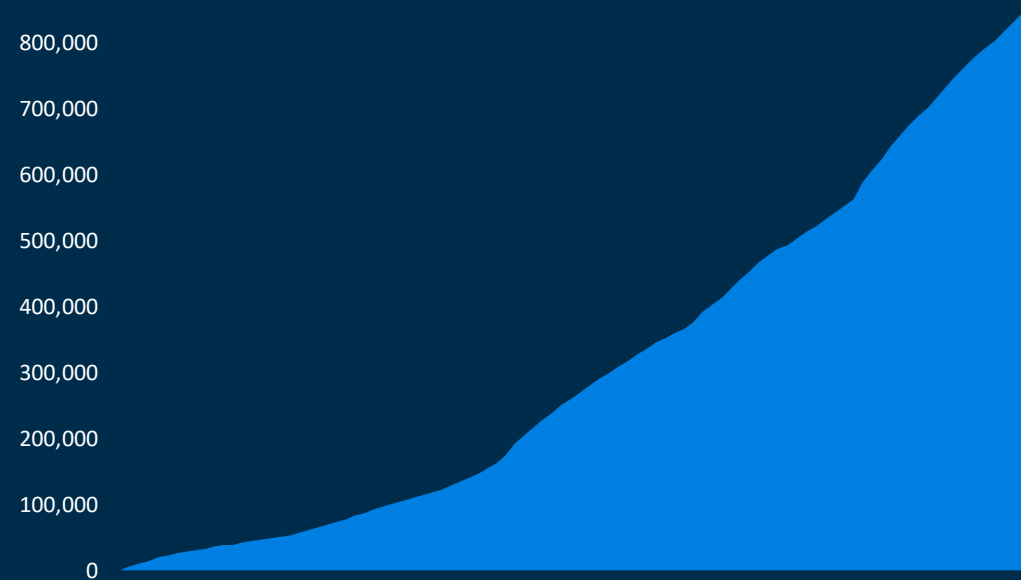
- **Consumers migrating at pace to digitally enabled IP listening** across multiple devices and platforms. In time this will become the dominant mode of audio consumption
- **Strategic imperative to own and operate** our digital audio eco-system (not licence)
- **Localism is our key differentiator** to global tech platforms
- **On-demand content growing the audio market** on top of an already resilient radio platform
- **Digital Audio First Strategy** – re-thinking the way we program and commission content



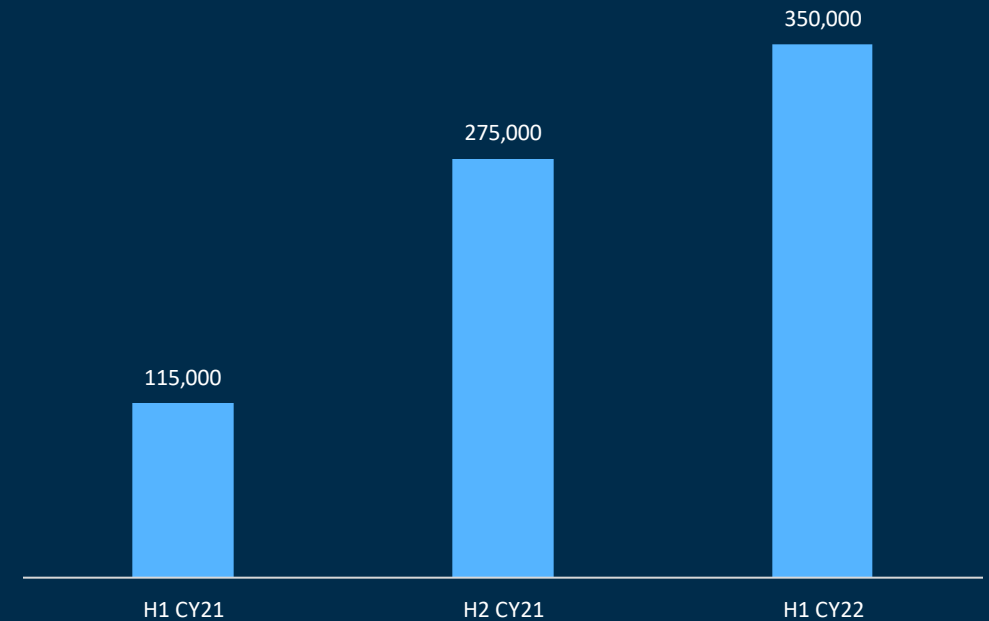
LiSTNR - FASTEST GROWING AUDIO APP

Signed-in users to LiSTNR exceeds 850,000 – with accelerating profile since launch - awareness growing and product and content enhancements maturing

LISTNR SIGN-UPS
850,000+



INCREMENTAL LISTNR SIGN-UPS BY HY
SINCE LAUNCH

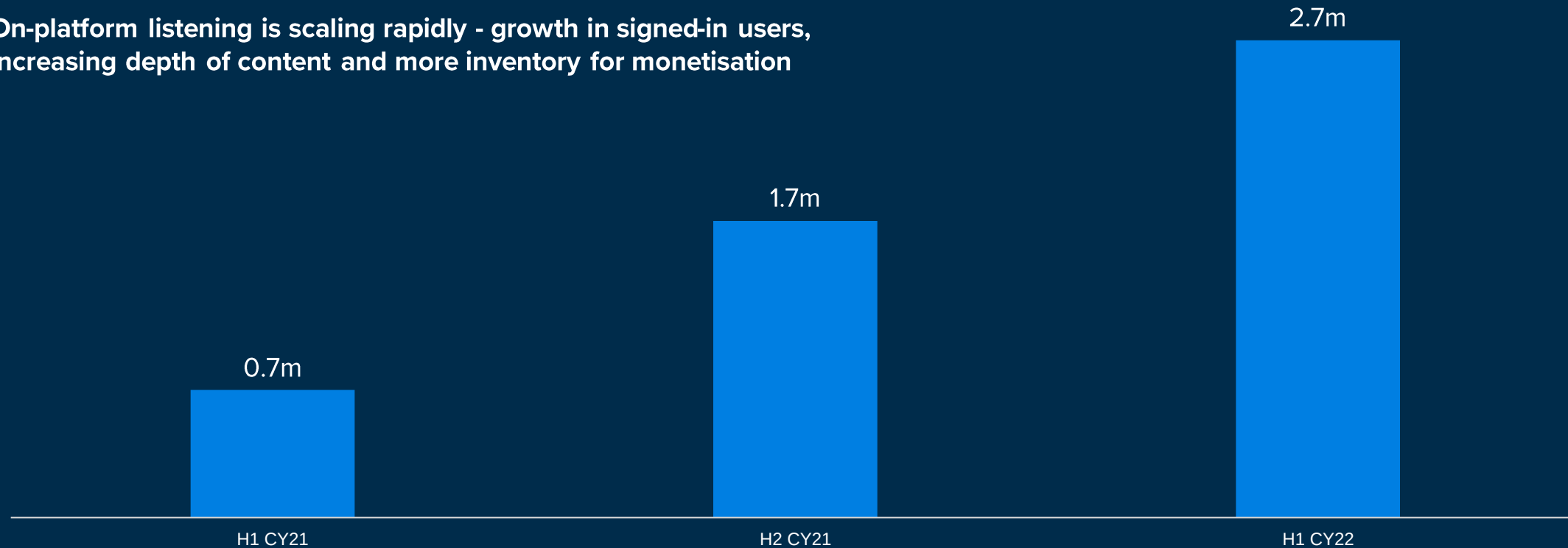


LiSTNR ON-PLATFORM CONSUMPTION RAPIDLY GROWING

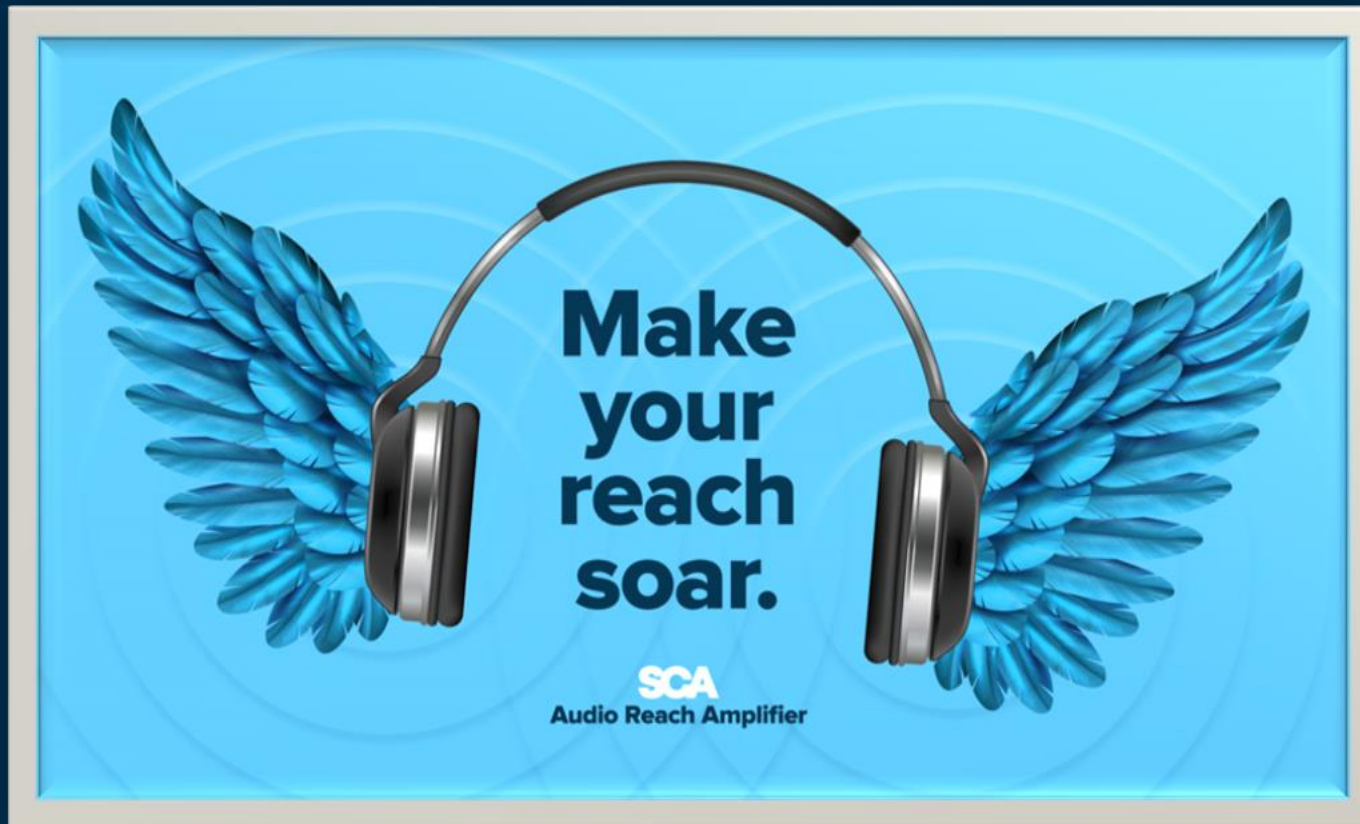


Average Monthly Streams on LiSTNR by HY - 3.7x Growth in Listening

On-platform listening is scaling rapidly - growth in signed-in users, increasing depth of content and more inventory for monetisation



RADIO IS AN INFLATION BUSTER



- **Audio has a unique and meaningful opportunity in a cost conscious market where consumer behaviour is changing**
- Radio and Audio On-Demand are both cost effective and efficient
- 'Reach extender' – audio provides the cost effective solution to meet reach targets at lower cost through blended media campaigns

SUMMARY

KEY PRIORITIES
& TRADING
OUTLOOK



SCA | KEY PRIORITIES

REVENUE & AUDIENCE

- Build stronger radio audiences in key markets
- Drive higher revenue from improving radio audiences
- Secure new premium partnerships to supercharge LiSTNR

OPERATIONAL IMPROVEMENTS

- LiSTNR – accelerate user sign-ups and time spent on platform
- LiSTNR - enhance customer experience with new and innovative content and product enhancements
- Continuously review our cost structures to gain greater efficiencies

FINANCIAL

- Quality of earnings – deliver strong cash conversion
- Shareholder returns – deliver improved operating performance
- Capital management – fully franked dividends and resume buy back

TRADING UPDATE

REVENUE

- Q1 Broadcast radio forecast to be up 5-7% with stronger momentum in metro radio
- Q1 Digital Audio forecast to be up ~30%
- TV market tracking below last year – cycling tougher comps

COST GUIDANCE

- Non-Revenue Related Cost growth for FY23 forecast to be up 2-4%
- Total financing costs ~\$17m
- Capital expenditure forecast to reduce from ~\$30m to ~\$20m for FY23

OUTLOOK FOR LISTNR

- LiSTNR – targeting 1.75m signed-in users over next 24 months
- LiSTNR – increase platform engagement with new premium content partners