

# News Corp

August 27, 2024

ASX Listing Compliance  
Exchange Centre  
20 Bridge Street  
Sydney NSW 2000

Re: *News Corporation*

*Announcement on August 9, 2024 of its fourth quarter and full year results for the financial year ended June 30, 2024 (the “Results Announcement”)*

Dear Madams and Sirs:

On behalf of News Corporation (the “Company”), we are responding to your Aware letter, dated August 22, 2024, relating to the above-referenced Results Announcement (the “Letter”). To facilitate your review, we have reproduced the text of your Requests for Information in italics below, followed by the Company’s response to the Request.

1. *Does NWS consider that any measure of its statutory or underlying earnings for either the fourth quarter of the 2024 financial year or the 2024 financial year, as disclosed in the Results Announcement (‘Earnings Information’) differed materially from the market’s expectations, having regard to the following three base indicators (in decreasing order of relevance and reliability):*
  - 1.1 *If NWS had published earnings guidance, that guidance.*
  - 1.2 *If NWS is covered by sell-side analysts, the earnings forecasts of those analysts.*
  - 1.3 *If paragraph 1.1 and 1.2 are not applicable, NWS’s earnings for the prior corresponding period, being (respectively):*
    - 1.3.1 *the fourth quarter of NWS’s 2023 financial year; and*
    - 1.3.2 *NWS’s 2023 financial year.*

*Please answer separately for each measure of earnings referred to in the Earnings Information and each relevant reporting period. In your response, please have regard to ASX’s commentary in paragraphs 4(a) and 4(b) of section 7.3 of Guidance Note 8 about when a variation from market expectations may be material.*

The Company does not publish earnings guidance and, therefore, uses the earnings forecasts of sell-side analysts as a guide for market expectations. Specifically, the Company uses consensus analyst estimates published by independent third parties to estimate market expectations for each of revenue, Total

Segment EBITDA (“EBITDA”) and adjusted diluted earnings per share (“Adjusted EPS”).<sup>1</sup> These are the only earnings measures for which the Company tracks market expectations as they are the primary earnings measures upon which consensus analyst estimates are based. The Company notes that Adjusted EPS is a proxy for net income, being calculated as net income divided by the number of shares outstanding, and net income is not a separate focus for analysts. Taking into account consensus analyst estimates and ASX’s guidance on materiality in paragraph 4(b) of Section 7.3 of Guidance Note 8, the Company does not believe its fourth quarter and full year fiscal 2024 revenues, EBITDA and Adjusted EPS differed materially from market expectations.

**2. *Please explain the basis for the view provided in response to question 1. In doing so, please specify how NWS determined market expectations in relation to each relevant measure of its earnings, including:***

**2.1 *If NWS had published earnings guidance, details of:***

**2.1.1 *that guidance and when it was released to the market; and***

**2.1.2 *the date when the entity first became aware with a reasonable degree of certainty that its expected earnings for the relevant reporting period would vary from, or be in line with, that guidance.***

**2.2 *If NWS used sell-side analyst forecasts to estimate the market’s expectations of its earnings, details of:***

**2.2.1 *the method that NWS used to translate sell-side analyst forecasts into its estimate of market expectations for each measure of earnings referred to in the Earnings Information and, in particular, whether or not NWS used a “consensus estimate” or an “adjusted consensus estimate” or a different specified approach for determining this estimate;***

**2.2.2 *the entity’s estimate of market expectations using that method; and***

**2.2.3 *the date when the entity first became aware with a reasonable degree of certainty that its expected earnings for the relevant reporting period would vary from, or be in line with, its estimate of these expectations.***

As referenced above, the Company uses consensus analyst estimates as a guide for market expectations. Consensus analyst estimates are generally based on between eight and ten sell-side analyst estimates depending on the applicable third-party provider and any adjustments made by those providers. While the Company does not separately adjust consensus analyst estimates, third party consensus providers may from time to time exclude individual analyst estimates that are outliers or contain errors.

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<sup>1</sup> Adjusted EPS excludes the impact of certain unusual, one-time or non-cash items such as those described in the Results Announcement.

The tables below set forth consensus analyst estimates for the Company's fourth quarter and full year fiscal 2024 revenues, EBITDA and Adjusted EPS:

Q4 Fiscal 2024	Revenue	EBITDA	Adjusted EPS
FactSet Consensus	\$ 2,492	\$ 364	\$ 0.16
Visible Alpha Consensus	\$ 2,491	\$ 366	\$ 0.16
Full Year Fiscal 2024	Revenue	EBITDA	Adjusted EPS
FactSet Consensus	\$ 9,994	\$ 1,524	\$ 0.69
Visible Alpha Consensus	\$ 9,992	\$ 1,522	\$ 0.65

The Company continually monitors consensus analyst estimates, which are regularly revised to reflect updates in the underlying analyst estimates. Analyst estimates for the relevant reporting periods were issued between May and August 2024. At no time during the period leading up to the Results Announcement did the Company expect its fourth quarter or full year fiscal 2024 revenues, EBITDA and Adjusted EPS to vary materially from its estimate of market expectations.

3. ***Does NWS consider that, at any point prior to the release of the Results Announcement, there was a variance between its expected earnings and its estimate of market expectations for the relevant reporting period of such a magnitude that a reasonable person would expect information about the variance to have a material effect on the price or value of NWS's securities?***

***Please answer separately for each measure of earnings referred to in the Earnings Information and each relevant reporting period.***

See response to Request #2 above.

4. ***If the answer to question 3 is "no", please provide the basis for that view.***

As noted in the Company's response to Request #1, in determining that its expected fourth quarter and full year fiscal 2024 revenues, EBITDA and Adjusted EPS did not vary materially from its estimate of market expectations, the Company considered ASX's guidance on materiality in Guidance Note 8. Moreover, in the past, the Company's actual results have varied from estimated market expectations by a similar or greater degree than for the relevant reporting periods, and the price of the Company's stock remained flat or increased only modestly following the applicable results announcement. The Company also notes that the trading volume of its stock on the ASX is generally relatively low, and in the U.S., where trading volumes are higher, the Company's stock price was only up approximately 3.6% based on the Nasdaq closing price and approximately 4.4% based on intraday highs on the trading day immediately following the Results Announcement.

5. ***If the entity first became aware of the variance before the release of Results Announcement, did NWS make any announcement prior to the release of the Results Announcement which disclosed***

***the relevant variance? If so, please provide details. If not, please explain why this information was not released to the market at an earlier time, commenting specifically on when you believe NWS was obliged to release the information under Listing Rules 3.1 and 3.1A and what steps NWS took to ensure that the information was released promptly and without delay.***

No, as noted in its prior responses, the Company did not believe any variances were material and therefore no disclosure was made prior to the Results Announcement.

***6. Please provide details of any other explanation NWS may have for the trading in its securities following the release of the Results Announcement.***

The Company notes that its stock price increased by approximately 2.9% during the U.S. trading day immediately prior to (and therefore unrelated to) the Results Announcement. The Company believes that a portion of the gains in the Australian market on the trading day following the Results Announcement may be attributable to the positive momentum created by that U.S. trading performance, as it was also the first Australian trading day following those gains in the U.S. market.

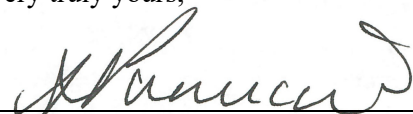
***7. Please confirm that NWS is in compliance with the Listing Rules and, in particular, Listing Rule 3.1.***

The Company believes it is in compliance with the Listing Rules, including Listing Rule 3.1.

***8. Please confirm that NWS's responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of NWS with delegated authority from the board to respond to ASX on disclosure matters.***

The Company confirms it has received the necessary authorizations and approvals for the responses to the Letter contained herein.

Very truly yours,



Susan Panuccio  
Chief Financial Officer



22 August 2024

Reference: 98230

Mr Owen O'Connor  
Company Secretary  
News Corporation  
2 Holt Street, Surry Hills NSW 2010

By email: owen.oconnor@news.com.au

Dear Mr O'Connor

**News Corporation ('NWS'): ASX Aware Letter**

ASX refers to the following:

- A. NWS's announcements released on the ASX Market Announcements Platform ('MAP') on 9 August 2024 in connection with its fourth quarter and full year results for the financial year ended 30 June 2024, being the announcement titled "News Corporation Reports Fourth Quarter and Full Year Results for Fiscal 2024" ('Results Announcement') released on MAP at 8:15 AM AEST.
- B. The change in the price of NWS's securities from \$41.38 immediately prior to the release of the Results Announcement to a high of \$45.10 following the release of the Results Announcement.
- C. Listing Rule 3.1, which requires a listed entity to immediately give ASX any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities.
- D. The definition of "aware" in Chapter 19 of the Listing Rules, which states that:  
*"an entity becomes aware of information if, and as soon as, an officer of the entity (or, in the case of a trust, an officer of the responsible entity) has, or ought reasonably to have, come into possession of the information in the course of the performance of their duties as an officer of that entity."*
- E. Section 4.4 in *Guidance Note 8 Continuous Disclosure: Listing Rules 3.1 – 3.1B* titled "When does an entity become aware of information?"
- F. Listing Rule 3.1A, which sets out exceptions from the requirement to make immediate disclosure as follows.

*"3.1A Listing rule 3.1 does not apply to particular information while each of the following is satisfied in relation to the information:*

*3.1A.1 One or more of the following 5 situations applies:*

- *It would be a breach of a law to disclose the information;*
- *The information concerns an incomplete proposal or negotiation;*
- *The information comprises matters of supposition or is insufficiently definite to warrant disclosure;*
- *The information is generated for the internal management purposes of the entity; or*
- *The information is a trade secret; and*

3.1A.2 *The information is confidential and ASX has not formed the view that the information has ceased to be confidential; and*

3.1A.3 *A reasonable person would not expect the information to be disclosed."*

- G. ASX's policy position on "market sensitive earnings surprises", which is detailed in section 7.3 of Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1 – 3.1B*. In particular:

*"...If an entity becomes aware that its earnings for the current reporting period will differ materially (downwards or upwards) from market expectations, it needs to consider carefully whether it has a legal obligation to notify the market of that fact."*...

*"...An earnings surprise will need to be disclosed to the market under Listing Rule 3.1 if it is market sensitive – that is, it is of such a magnitude that a reasonable person would expect information about the earnings surprise to have a material effect on the price or value of the entity's securities."*...

### **Request for information**

Having regard to the above, ASX asks NWS to respond separately to each of the following questions and requests for information:

1. Does NWS consider that any measure of its statutory or underlying earnings for either the fourth quarter of the 2024 financial year or the 2024 financial year, as disclosed in the Results Announcement ('Earnings Information') differed materially from the market's expectations, having regard to the following three base indicators (in decreasing order of relevance and reliability):
  - 1.1 If NWS had published earnings guidance, that guidance.
  - 1.2 If NWS is covered by sell-side analysts, the earnings forecasts of those analysts.
  - 1.3 If paragraph 1.1 and 1.2 are not applicable, NWS's earnings for the prior corresponding period, being (respectively):
    - 1.3.1 the fourth quarter of NWS's 2023 financial year; and
    - 1.3.2 NWS's 2023 financial year.

Please answer separately for each measure of earnings referred to in the Earnings Information and each relevant reporting period. In your response, please have regard to ASX's commentary in paragraphs 4(a) and 4(b) of section 7.3 of Guidance Note 8 about when a variation from market expectations may be material.

2. Please explain the basis for the view provided in response to question 1. In doing so, please specify how NWS determined market expectations in relation to each relevant measure of its earnings, including:
  - 2.1 If NWS had published earnings guidance, details of:
    - 2.1.1 that guidance and when it was released to the market; and
    - 2.1.2 the date when the entity first became aware with a reasonable degree of certainty that its expected earnings for the relevant reporting period would vary from, or be in line with, that guidance.
  - 2.2 If NWS used sell-side analyst forecasts to estimate the market's expectations of its earnings, details of:
    - 2.2.1 the method that NWS used to translate sell-side analyst forecasts into its estimate of market expectations for each measure of earnings referred to in the Earnings Information and, in particular, whether or not NWS used a "consensus estimate" or an "adjusted consensus estimate" or a different specified approach for determining this estimate;

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- 2.2.2 the entity's estimate of market expectations using that method; and
- 2.2.3 the date when the entity first became aware with a reasonable degree of certainty that its expected earnings for the relevant reporting period would vary from, or be in line with, its estimate of these expectations.
3. Does NWS consider that, at any point prior to the release of the Results Announcement, there was a variance between its expected earnings and its estimate of market expectations for the relevant reporting period of such a magnitude that a reasonable person would expect information about the variance to have a material effect on the price or value of NWS's securities?
- Please answer separately for each measure of earnings referred to in the Earnings Information and each relevant reporting period.
4. If the answer to question 3 is "no", please provide the basis for that view.
5. If the entity first became aware of the variance before the release of Results Announcement, did NWS make any announcement prior to the release of the Results Announcement which disclosed the relevant variance? If so, please provide details. If not, please explain why this information was not released to the market at an earlier time, commenting specifically on when you believe NWS was obliged to release the information under Listing Rules 3.1 and 3.1A and what steps NWS took to ensure that the information was released promptly and without delay.
6. Please provide details of any other explanation NWS may have for the trading in its securities following the release of the Results Announcement.
7. Please confirm that NWS is in compliance with the Listing Rules and, in particular, Listing Rule 3.1.
8. Please confirm that NWS's responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of NWS with delegated authority from the board to respond to ASX on disclosure matters.

### **When and where to send your response**

This request is made under Listing Rule 18.7. Your response is required as soon as reasonably possible and, in any event, by no later than **9:30 AM AEST Wednesday, 28 August 2024**.

You should note that if the information requested by this letter is information required to be given to ASX under Listing Rule 3.1 and it does not fall within the exceptions mentioned in Listing Rule 3.1A, NWS's obligation is to disclose the information 'immediately'. This may require the information to be disclosed before the deadline set out above and may require NWS to request a trading halt immediately if trading in NWS's securities is not already halted or suspended.

Your response should be sent by e-mail to [ListingsComplianceSydney@asx.com.au](mailto:ListingsComplianceSydney@asx.com.au). It should not be sent directly to the ASX Market Announcements Office. This is to allow us to review your response to confirm that it is in a form appropriate for release to the market, before it is published on the ASX Market Announcements Platform.

### **Suspension**

If you are unable to respond to this letter by the time specified above, ASX will likely suspend trading in NWS's securities under Listing Rule 17.3.

### **Listing Rules 3.1 and 3.1A**

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In responding to this letter, you should have regard to NWS's obligations under Listing Rules 3.1 and 3.1A and also to Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1 – 3.1B*. It should be noted that NWS's obligation to disclose information under Listing Rule 3.1 is not confined to, nor is it necessarily satisfied by, answering the questions set out in this letter.

**Release of correspondence between ASX and entity**

We reserve the right to release all or any part of this letter, your reply and any other related correspondence between us to the market under listing rule 18.7A. The usual course is for the correspondence to be released to the market.

Yours sincerely

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ASX Compliance

CC: Michael Bunder, Company Secretary  
mbunder@newscorp.com