



ASX RELEASE

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## SCA delivers on transformation strategy

### Continued operating momentum translates to improved 1H FY25 results

Southern Cross Media Group Limited (ASX: SXL) (SCA) announces its financial results for the half-ended 31 December 2024.

- 1H FY25 reported revenue<sup>1</sup> was \$209.7 million, up 5.3%, and EBITDA of \$24.1 million was up by 24.6% on 1H FY24. NPAT including discontinued operations was \$3.2 million, up 5.5% on 1H FY24.
- For continuing operations (Audio & Corporate – excluding NRI's), strong operating momentum from 2H FY24 has driven improved 1H FY25 results. For the first half, revenue was \$209.7 million, up 5.3%, EBITDA of \$31.2 million was up \$10.0 million or 46.8%, and NPAT was \$3.6 million, up \$5.9 million vs 1H FY24.
- This improvement in financial performance was driven by SCA's continuing dominance of the lucrative 25-54 audiences in metro and regional radio markets, improving share of metro radio advertising markets, strong growth in digital audio revenues and disciplined approach to cost management.
- LiSTNR achieved underlying EBITDA profitability in the first half. Digital revenue grew to \$22.1 million, up 42% on 1H FY24, EBITDA was \$0.1 million, up \$8.7 million on the prior corresponding period. CY24 digital audio revenues are up 48% on CY23.
- Non-Revenue Related (NRR) costs for continuing operations (exc. NRI's) came in at \$135.4 million, down \$5 million vs 1H FY24. FY25 NRR costs for continuing operations are forecast to below \$270 million.<sup>1</sup>
- Capex of \$4.8 million was in line with guidance for 1H FY25, with full year FY25 capex expected to be less than \$10 million. The ongoing disciplined investment in LiSTNR related growth capex has delivered improvements to LiSTNR's advertising capabilities, that are now being monetised.
- Strong growth in both net cash from operations (up \$10 million) and cash conversion for 1H FY25 has resulted in a reduction in net debt, with leverage ratio down to 1.58 times<sup>2</sup>.
- The SCA Board has determined not to pay a half-year dividend for 1H FY25, as the Group focuses on debt reduction.

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<sup>1</sup> TV segment reported as discontinued operation

<sup>2</sup> Leverage ratio calculated based on adjusted EBITDA in accordance with the terms of our Syndicated Debt Facility

- Sale of the 3-Agg TV Licences to Network Ten has cleared all regulatory conditions and will complete on 1 March 2025. Binding proposal executed with Australian Digital Holdings (“ADH”) for sale of remaining TV assets.

### Results overview

The following table summarises SCA’s continuing operations, comprising Audio and Corporate results, for the six months ended 31 December 2024 including comparisons to the prior comparable period<sup>3</sup>.

|  | 1H FY25   | Comparison to 1H FY24 |           |
|--|-----------|-----------------------|-----------|
|  |           | 1H FY24               | Variance  |
| Revenue                                | \$209.7M  | \$199.1M              | 5.3%      |
| NRR Expenses                           | \$135.4M  | \$139.9M              | (3.1%)    |
| Total Expenses                         | \$178.5M  | \$177.8M              | 0.4%      |
| EBITDA                                 | \$31.2M   | \$21.3M               | 46.8%     |
| EBIT                                   | \$15.3M   | \$6.7M                | 127.4%    |
| NPAT                                   | \$3.6M    | (\$2.2M)              | +\$5.9M   |
| Digital EBITDA                         | \$0.1M    | (\$8.6M)              | +\$8.7M   |
| Net debt on 31 December 2024           | (\$92.9M) | (\$106.5M)            | \$13.6M   |
| Operating cash conversion <sup>4</sup> | 115.9%    | 70.4%                 | 45.5 %pts |
| Half year dividends (cps)              | 0         | 1.0                   | (1.0)     |

### FY25 Outlook

- Audio revenues continue to pace well into 2H FY25 and are expected to be ~6% ahead of PY for Q3 FY25.
- Our Digital Audio momentum is continuing and LiSTNR is forecast to be profitable for FY25, which will have been achieved in four years since launch in 2021. We expect double-digit revenue growth to continue for LiSTNR in FY25 and into FY26.
- With further H2 cost out activities now completed, we expect to deliver a Non-Revenue Related cost base of below \$270 million<sup>3</sup> for FY25 and FY26<sup>5</sup>.
- Following completion of SCA’s digital transformation investment cycle, capex in FY25 is forecast to reduce to less than \$10 million. Capex is expected to remain at ~\$10 million in FY26.
- Leverage ratio at December 2024 is now at 1.58<sup>2</sup> times with further reduction through improved cashflows by 30 June 2025.

<sup>3</sup> For continuing operations and excluding NRI’s, TV segment reported as discontinued operations

<sup>4</sup> Operating cash conversion is calculated as Net Cash from Operations/EBITDA

<sup>5</sup> FY26 NRR forecast at below \$276m due to inclusion of additional \$6m in Local Sales costs related to the Local Sales Representation agreement with Network Ten, this will be fully offset by incremental revenue

## Management commentary

SCA CEO, John Kelly, said:

“SCA has delivered a strong result for the first half of FY25 as we continue on our transformation journey.

The SCA Team have worked very hard and we have delivered on all our key commitments – with continued operating momentum translating to improved financial performance.

We highlighted our strong operating momentum from 2H FY24 at our FY24 Results, this momentum continued into the first half of FY25, and we have maintained dominant audience shares in our core metro, regional and digital audio markets. Despite continued challenging advertising market conditions, our focus on executing our key commitments, including a focus on revenue growth, LiSTNR profitability, cost and capital discipline has translated to improved financial performance, with Audio EBITDA up 47%, on the back of 5% Audio revenue growth.

In the fast-growing digital audio sector, LiSTNR is leading and growing the market. LiSTNR has reached over 2.2 million signed-in and addressable users. The strong growth in users has been fueled by the scale and breadth of content on LiSTNR and the outstanding personalised user experience delivered by LiSTNR.

The LiSTNR AdTech Hub is driving premium commercial returns for our advertisers by connecting with their target audiences on LiSTNR, and other digital audio distribution platforms. Our Digital business grew 42% for the first half, double the growth of the market, and 48% in calendar year 2024. Our AdTech Hub was a key driver of this growth with 62% of Q2 revenues involving targeting components of our unique LiSTNR AdTech, further improving the value to our Advertisers.

With the LiSTNR AdTech Hub and centralisation of SCA’s audio operations largely complete, our capex program continues to reduce - Capex will be below \$10 million in FY25.

The embedded cost discipline and effective cost management within the business has meant that we have again been able to reduce costs, despite the ongoing inflationary market pressures. For the first half, non-revenue-related costs in our continuing operations reduced by \$5 million or 3.2% (excluding non-recurring items), down to \$135.4 million, and total expenses were flat at \$178.5 million. With further H2 cost activities now completed we expect to deliver a NRR cost base for FY25 below \$270 million for continuing operations (excluding non-recurring items).

Strong growth in net cash from operating cashflows has led to an improvement in our operating cash conversion, and ongoing declines in capex has resulted in a reduction in net debt, with leverage down to 1.58 times<sup>2</sup>, with further improvement expected by June 2025.

The entire SCA Team is re-energized by the delivery of our consecutive half yearly improvement in our operating and financial performance – our focus remains on further improving the positive operating momentum within SCA to drive improved results and returns for all SCA stakeholders.”

## TV Divestment

SCA is all about Audio – the sale of the 3-Agg-Market TV Licences to Network 10 has satisfied all regulatory conditions and will complete on 1 March 2025 and this morning we announced that we have signed a binding proposal with Australian Digital Holdings (“ADH”) to divest our remaining TV assets.

The successful exit from Television allows SCA to focus on building upon the positive operating momentum within our leading radio and digital audio assets, led by LiSTNR, HIT and Triple M.

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 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 104 FM, AM, and DAB+ radio stations, including AFL, NRL, and international cricket coverage, 43 music genre stations, and over 700 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 connect with highly engaged, addressable audiences. The LiSTNR digital audio sales network reaches an estimated eight million people each month.

SCA owns 104 radio stations across FM, AM, and DAB+ under the Triple M and Hit network brands and provides national sales representation for 49 regional radio stations, with 8.71 million listeners across the Hit and Triple M networks. SCA also provides Australian sales representation for global open audio platforms SoundCloud and Sonos Radio.

[www.southerncrossaustereo.com.au](http://www.southerncrossaustereo.com.au).