

MARKET ANNOUNCEMENT

**SYDNEY, 27 February 2025** – ARN Media Limited [ASX: A1N] today announced its financial results for the year ended 31 December 2024.

**Solid performance delivers strong cashflow in Australian operations;  
Transformation program to deliver \$40 million savings over 3 years**

**Group Highlights**

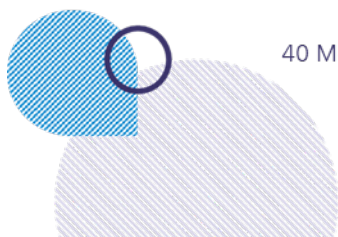
- Group revenue \$365.6 million (up 9%) and EBITDA before significant items of \$93.1 million (up 30%) driven by revitalised Hong Kong business.
- Fully franked final dividend of 1.1 cps was declared, bringing total dividends for the year to 2.3 cps for the year which represents a payout ratio of 60% of FY24 NPAT before significant items.

**Australia Highlights**

- Solid revenue and EBITDA before significant items performance in Australian operations delivering strong cash generation of \$27.5 million.
- Stringent cost management resulted in flat People and Operating costs at ARN compared to +2-4% guidance.
- KIIS was the #1 national network, delivering above-market revenue growth in Sydney and Melbourne following The Kyle & Jackie O Show's launch across both markets.
- Digital Audio listening continues to grow, iHeartRadio was #1 podcast publisher in 2024 and iHeartRadio now has over 2.9 million registered users (up 10%).
- Strong digital audio revenue performance (up 28%) delivered EBITDA before significant items and cashflow positive result for second half of the year.
- 'Leaders In Local' regional strategy delivering ratings leadership and commercial share gains (up 6%).
- New leadership team to drive further profitable commercial growth and accelerate digital audio revenue opportunities.
- Commenced 3-year Transformation program (2025-2027) to deliver \$40 million of cost out and transition to a fully digitised audio business.

**Hong Kong Highlights**

- Launched two new value creating contracts in Hong Kong business ('Cody') with investment phase now complete.
- Strong cash management running the Cody contracts with H2 working capital investment of \$10 million vs \$12-\$15 million guidance.
- Cash positive EBITDA after lease payments in Q4 2024.
- Targeting Cody to be cash flow positive in 2025.



## FY Financial Performance

A\$ million <sup>1</sup>	2024	2023
Revenue	365.6	334.3
Other income	2.5	2.5
Share of associate profits	4.8	5.1
Costs	(279.8)	(270.3)
<b>Underlying EBITDA<sup>2</sup></b>	<b>93.1</b>	<b>71.6</b>
Depreciation and amortisation	(9.0)	(8.2)
Depreciation – Leases	(39.6)	(11.4)
<b>Underlying EBIT<sup>2</sup></b>	<b>44.5</b>	<b>52.0</b>
Net interest	(6.5)	(4.6)
Finance cost – Leases	(11.8)	(2.1)
<b>Net profit before tax<sup>2</sup></b>	<b>26.1</b>	<b>45.2</b>
Taxation on net profit	(11.8)	(12.9)
<b>Net profit after tax (NPAT)<sup>2</sup></b>	<b>14.3</b>	<b>32.3</b>
Less non-controlling interest	(2.4)	(2.9)
<b>NPAT attributable to ARN Media shareholders<sup>2</sup></b>	<b>12.0</b>	<b>29.5</b>
Significant items, net of tax	(8.1)	(39.3)
<b>NPAT attributable to ARN Media shareholders</b>	<b>3.9</b>	<b>(9.8)</b>
Underlying EPS (cps) <sup>2</sup>	3.9	9.6
Dividend per share (cps)	2.3	7.1

(1) Totals may not add due to rounding

(2) Before significant items

**SYDNEY, 27 February 2025** – ARN Media Limited [ASX: A1N] today released its results for the year ending 31 December 2024, demonstrating a sound operational performance despite ongoing challenging economic conditions.

On a statutory basis, ARN Media revenues from ordinary activities reached \$365.6 million, an increase of \$31.4 million (up 9%) over the prior year. These results were driven by a solid revenue performance at ARN in a challenging market with revenues up \$0.9 million, and a revitalised Hong Kong ('Cody') business launching two new contracts during the year, Hong Kong Tramways and KMB Bus Body, growing revenues to \$47.0 million.

Total underlying group costs were \$279.8 million, an increase of 4% compared to the prior year driven by set up costs related to Cody launching and delivering new contracts and marketing costs

at ARN. Stringent cost management at ARN delivered flat People and Operating costs ahead of the +2-4% previously guided.

This results in EBITDA before significant items of \$93.1 million, compared with \$71.6 million (up 30%) in the prior period.

Underlying depreciation and amortisation expense before significant items was \$48.6 million, up \$29.0 million on prior year, driven by lease accounting related to the establishment of long-tenure contracts in Hong Kong and North Sydney.

Net profit after tax (NPAT) attributable to ARN Media shareholders before significant items was \$12.0 million.

The balance sheet of the group remains sound, with net debt of \$82.2 million and leverage on a pre-AASB 16 basis of 1.69 times EBITDA before significant items. The group views this level of gearing as satisfactory, offering ARN Media the flexibility to execute its strategy and seize emerging growth opportunities as they arise.

Australian operations (consisting of ARN, Investments and Corporate costs) generated strong free cash after lease payments, interest and tax of \$27.5 million with capex managed within the target range and the benefit of tax refunds relating to prior periods.

Investment in Cody free cash flow of \$20.8 million (after lease payments) in 2024 was required to support the early months of the new contracts and the timing difference between monthly upfront lease payments and the extended credit terms customary in the Hong Kong market. An improved last quarter performance resulted in cash-positive earnings before significant items, interest, tax, depreciation, and amortisation (EBITDA) after lease payments in the final quarter of the year.

The Company declared a fully franked dividend of 1.1 cents per share, bringing total dividends to 2.3 cents per share for the year (FY23: 7.1 cents per share). The Board continues to balance their ongoing commitment to delivering shareholder value with prudent capital management. The buyback continues to remain on hold.

**ARN Media Chairman, Hamish McLennan, said:** “The past year has been marked by macroeconomic pressures and shifting industry dynamics, yet ARN Media has demonstrated resilience, adaptability, and strength. In the face of challenges in the advertising market, we have delivered sound financial performance in our core business while continuing to take a leading position in the evolving Australian audio landscape.

“Looking ahead, the enduring power of radio and the growing demand for personalised and immersive audio experiences continues to create new avenues for growth and ARN Media is well placed to capitalise on them.



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“We have commenced a business transformation program that is expected to deliver cost out of \$40 million over 3 years positioning ARN as the most profitable audio business in Australia. Our strategic priorities are clear – create a digitised audio business that leverages technology and AI to simplify the operating model and create efficiencies; to grow audiences by expanding reach and launching new innovative formats; and position ARN as the leading ‘All Audio’ commercial platform connecting brands with over 10 million listeners across broadcast, streaming and podcast assets.

“In Hong Kong, Cody Outdoor (Cody) secured two pivotal advertising concession contracts reestablishing its market presence as one of the leading outdoor operators in region. The investment phase launching the contracts is now complete and the business is targeting to be free cash positive in 2025. With a balanced portfolio of quality assets, long standing partnerships with major advertising and blue-chip clients, Cody is strategically positioned for future growth and value-enhancing opportunities”.

**ARN Media CEO & Managing Director, Ciaran Davis, said:** “ARN delivered a solid result in 2024 highlighting its resilient model and strong cash generating operations.

“While the launch of The Kyle & Jackie O Show into Melbourne has been subject to much attention, overnight the breakfast show went from reaching 851,000 people in Sydney to 1.2 million people across Australia’s two largest cities, and across the country remains Australia’s most listened to radio show, reaching over 1.7 million listeners each week.

“In Sydney, ARN and The Kyle & Jackie O Show’s partnership has seen the show maintain its position as #1FM breakfast show for an incredible 48 surveys straight while also claiming #1 overall in Sydney. In Melbourne, the focus remains on building familiarity, audience loyalty and the reinforcement of the show’s DNA for bringing the biggest entertainment, celebrities and prizes on Australian radio.

“Regional audiences remain a strong and a growing segment of our business. ARN’s commitment to its Leaders in Local content strategy in regional markets delivering outstanding results across 12 markets, with 10 stations achieving #1 position with our sales strategy to deliver increased share of national regional advertising also seeing market share gains for the year.

“Digital audio continues to experience robust growth, and a key driver of ARN’s success is our exclusive Australian license for iHeartRadio, a low-capital investment that gives us access to cutting-edge technology while allowing us to focus on our core strengths – content creation, distribution, and monetisation. Our disciplined approach to investing in this growth category has delivered positive EBITDA and cash flow in the second half of 2024, positioning us to accelerate profitable revenue growth in 2025 and beyond.

"In 2025, we are accelerating the commercialisation of streaming live radio broadcasts in digital formats, confident in maintaining the digital audio growth we experienced last year. Digital is no longer an emerging category – it is a mainstream revenue driver."

### **Australian Radio Network (ARN)**

ARN had a stable year with revenue of \$307.9 million and EBITDA before significant items of \$71.5 million.

Total advertising revenues were up \$0.9 million in challenging market conditions. Metro revenues back 3% impacted by market decline and year-on-year 25-54 ratings on the GOLD network. Regional revenues performed ahead of prior year with national revenues continuing to gain market share on competitors. Digital audio revenues of \$25.3 million were up 28% driving positive EBITDA in H2.

Total costs before significant items of \$241.3 million (up 1%) primarily due to higher revenue share costs following the increase in podcast revenue. People and operating costs were managed decisively and ahead of guidance, with investment in metro marketing to support broadcast shows offset by strong discretionary cost management.

While ARN delivered mixed audience results nationally, on a station-by-station basis, the network achieved some significant milestones and highlights.

### **ARN Metro**

ARN was the top-ranking network group in the Sydney market, with a 22.0% share of all people aged 10+ years and 26.9% share of people aged 25–54 years across Surveys 1–8 in 2024. ARN also had more listeners than any other network, with a cumulative reach of 2.21 million on average each week tuning in to ARN's metro stations.

In 2024, KIIS was the #1 national network, commanding a 9.4 share and reaching over 3.6 million people weekly, while Sydney's KIIS1065 delivered its second-best year ever for people 10+. The station continues to appeal to people 25–54 with more listeners in this demographic than any other station in Australia, 755,000 people 25–54 tuning in each week, and 14.8% share of listening in Sydney.

In April 2024, The Kyle & Jackie O Show launched in Melbourne. Sydney and Melbourne together comprise 62% of the metro commercial radio market value and growing the show to mirror the audience success of that in Sydney, will unlock the potential to capture up to a 10-share point opportunity. While the launch into Melbourne has been subject to much attention, the show remains Australia's most listened to radio show, reaching over 1.7 million listeners each week.

In Sydney, ARN and The Kyle & Jackie O Show's partnership has seen the show maintain its position as #1FM breakfast show for an incredible 48 surveys straight while also claiming #1 overall in Sydney, more than half of the time across the last two years. This performance reflects their second-best year of results ever. In Melbourne, the focus remains on building familiarity,

audience loyalty and a reinforcement of the show's DNA for bringing the biggest entertainment, celebrities and prizes on Australian radio.

The GOLD Network, targeted at people 40-54, saw programming and structural changes made in 2024 to enhance the listener experience, improve efficiency, and position the brand for a younger, more commercially appealing audience. The network reached 2.3 million weekly listeners and held a 7 share, playing a key supporting role to KIIS.

### **ARN Regional**

One third of Australians live in regional areas, and ARN reaches 2 million of them across 46 stations in 26 markets. Regional audiences are being viewed as increasingly valuable amongst advertisers with regional media continuing to grow its share of non-digital media advertising for the third consecutive year to 17.8%.

In 2024, ARN stations solidified their dominance in regional markets through their commitment to Leaders in Local, delivering outstanding results across 12 markets, with 10 stations achieving #1 position and 5 stations securing #2.

After a solid 2023, regional advertising revenues continued its strong trajectory totalling \$104.9 million in the period, up slightly on the prior period despite continued challenging market conditions. The regional segment now accounts for 34% of ARN's total revenue and since acquiring a regional network, ARN has continually grown its share of national regional advertising spend.

### **ARN Digital Audio Investments**

As audiences embrace digital formats alongside traditional radio, digital audio has become the fastest-growing display category. In FY24, total online audio advertising surged by 23.6% to \$290 million, highlighting the sectors strong momentum. With 71% of media agencies planning to increase streaming audio investment and 78% intending to expand their podcast advertising spend, digital audio growth remains on an upward trajectory.

In H2 2024, ARN's digital audio segments became EBITDA and cashflow positive, a trend set to continue in 2025. ARN delivered 28% year-on-year growth in direct sold digital products which was almost double the market growth across the same period.

The iHeartRadio platform, ARN's global technology partner, continues to see strong growth with over 2.9m registered users (up 10%) and in podcasts, ARN continues to drive the industry with Australia's #1 iHeart Podcast Network – reaching nearly 7 million listeners each month. Across the year, ARN accounted for 273 million downloads and delivered some 590 million ads to audiences. ARN continues to scale its podcast footprint by onboarding premium content networks. In December, a multi-year partnership was signed with BBC Studios and The Athletic to represent their podcasts in Australia, expanding high-value audience reach and ad revenue.

Digital audio is no longer an emerging category – it is a dominant force in the media landscape. Through a premium content portfolio, strategic investments, and a partnership with iHeartMedia,

ARN has strengthened its ability to attract and retain top advertisers. In 2025, ARN will accelerate the commercialisation of live radio streaming and build on the digital audio growth achieved last year.

### **Cody (HK Outdoor)**

In May 2024, Cody commenced a five-year contract (with multi-year extension options) for tram body advertising on Hong Kong Tramways, providing large-scale access to affluent CBD consumers. Building the sales team from start-up impacted performance in the early months as recruitment progressed combined with reduced spend by luxury brand advertisers affected profitability in Q3 and, to a lesser extent, Q4.

In July 2024, Cody commenced a bus body advertising contract with The Kowloon Motor Bus Company, covering nearly 4,000 buses across Kowloon and the New Territories until 2030. This high-volume product has outperformed expectations and remained resilient against macroeconomic pressures.

The addition of these two contracts has increased revenue and EBITDA before significant items to \$47.0 million and \$29.6 million respectively. Net profit after tax before significant items decreased to a loss of \$13.0 million due to interest and depreciation costs associated with leases.

Working capital rebuild in H2 was limited to \$10 million on Cody contracts, below the \$12-\$15 million estimated at half year, to support early challenges with the Trams contract and customary but protracted cash collections in the Hong Kong market. The business is targeting to be free cash positive in 2025.

With a track record of managing profitable contracts for over 25 years, these new contracts strengthen Cody's valuation and growth trajectory.

## **OUTLOOK**

### **ARN**

Stronger audience ratings and renewed commercial strategy to see total revenue growth build during the year with low single digit growth forecast for the full year.

Digital Audio revenues will outpace 2024 growth levels with recently launched live streaming commercialisation to drive accelerated growth rates.

Strong cash generation set to continue in Australia by targeting flat people and operating costs in 2025 despite investment for sustained growth in new talent contracts, digitising the business and capability to grow digital audio business.

Transformation program targeting \$40 million cash cost out over 3 years to drive new commercial opportunities.

**Cody**

Cody targeting to be cash flow positive in 2025 as revenue at KMB bus body and Trams continues to build.

\*\*\* ENDS \*\*\*

This and today's other full year results announcements have been authorised for release by the Board of ARN Media Limited. For further information, please contact:

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