

MARKET ANNOUNCEMENT

## AGM addresses by Chairman & CEO

**SYDNEY, 8 May 2025** – ARN Media Limited [ASX: A1N] provides the attached copies of the addresses to be given by the Chairman and CEO at the Company's 2025 AGM, to be held today from 9am (AEST).

Also being provided in a separate release will be the AGM Presentation & Trading Update.

As noted previously, the AGM will be conducted in person and online, with the online link being: <https://meetings.openbriefing.com/A1N25>

Details on how to attend and participate in the AGM online and the Notice of Meeting are available at: <https://investors.arn.com.au/shareholder-services/annual-meeting>

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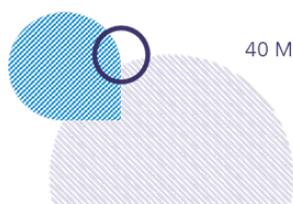
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This announcement has been authorised for release by the Board of ARN Media Limited.

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## **CHAIRMAN'S ADDRESS – AGM**

As Chair of ARN Media, it is my privilege to address shareholders at the conclusion of what has been a pivotal year.

ARN has navigated a series of macroeconomic challenges and evolving industry dynamics with resilience, adaptability and strength.

Despite challenges in the advertising market, we delivered sound financial performance in our core business while also accelerating prudent steps to ensure the business is well positioned to capitalise on an evolving Australian audio landscape, both now and in the years ahead.

As of 31 December 2024, the Group maintained a stable financial foundation with net assets of \$291.4 million.

Our balance sheet remains robust, with net debt of \$82.2 million and a pre-AASB-16 leverage ratio of 1.69 times EBITDA before significant items.

The Group retains sufficient financial flexibility, with undrawn debt facilities of \$64.2 million, the majority of which extend to January 2027.

And in 2024, a total dividend for the year of 2.3 cents per share was declared which represents a payout ratio of 60% of the full year net profit after tax and before significant items.

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Our ambition is to build the most profitable audio entertainment business in Australia. In a fragmented media landscape, we are uniquely positioned — with trusted radio brands, the leading digital audio platform, and a focus on long term growth.

We begin with our strongest asset: radio. It remains a resilient and highly effective medium, delivering scale, consistency, and strong returns. Our heritage metro brands of KIIS and Gold, our growing regional footprint, and deep audience engagement give us a powerful platform to build from.

But we are not standing still. Our strategy is built on growth and transformation. We're investing in the best content and the best talent — because we know great talent drives great audiences. And when we grow audiences, we grow commercial opportunities.

We're distributing content more widely than ever before — wherever, whenever, and however audiences choose to listen. At the same time, we're embracing new formats, and new technology to future-proof the business.

Across broadcast, streaming, and podcasting, we're expanding our Total Audio proposition — connecting advertisers to more Australians, more often, and across more platforms.

83% of Australians are accessing digital audio monthly and nearly half of the population is listening to podcasts every month. This is driven by demand for personalised, on-demand content.

Recent elections in Australia and the US reaffirmed the persuasive power of audio — particularly podcasting — in shaping opinion and influencing behaviour, illustrating its unique position in the media mix.

iHeartRadio continues to outperform, giving us a low-capital, high-impact gateway to global tech and innovation.

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Transformation is core to our strategy. We are reshaping operations, simplifying the way we work, and reinvesting in areas that generate long-term value — content creation, audience growth, and monetisation.

In short, we're focused on execution. A stronger cost base, a sharper commercial model, and a digital-first mindset will ensure we not only compete — but lead.

To assist the realisation of this ambition, and to capitalise the growing demand for personalised and immersive audio, we must continue to adapt to maintain our competitive edge.

We are looking to optimise our ways of working. Our current operating model carries **too much complexity**, limiting our ability to invest in the parts of the business that truly drive growth. Simplifying our business and **reallocating resources — shifting from internal admin to innovation is the goal**.

We have commenced a three-year business transformation programme that is expected to deliver cash cost out of \$40m, approximately 20% of the cash cost base, aimed at improving efficiency, fostering innovation and ensuring long-term returns for shareholders.

As part of this, we are changing the composition of our team to become leaner and more efficient.

Recently, this culminated in the difficult decision to significantly reduce headcount.

This is not a decision we take lightly, and I want to acknowledge the significant contribution of those impacted. We are committed to providing those impacted with support and practical assistance during the transition period.

This whole of business transformation is about **unlocking our potential** and creating an environment where **data, agility and creativity** are key.

It's about becoming a business that invests according to the following principles:

- **In content**, original formats, and talent to deliver compelling audio experiences that resonate with today's connected audiences.
  - That is, increasing our reach and creating new touchpoints to engage listeners wherever they are. Better for consumers and more effective for brands.
  - **Developing big ideas for brands** and unlocking powerful capabilities — addressable advertising, rich audience insights, programmatic buying, and dynamic creative optimisation. This will allow us to better serve clients with measurable, high-impact campaigns.
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During the year, Cody Outdoor delivered notable achievements, securing two major advertising concession contracts in Hong Kong, marking a strong return to this key market.

With over 25 years experience managing profitable out-of-home contracts, these new agreements strengthen Cody's position in the Hong Kong out of home market

Cody has a balanced portfolio of quality out-of-home assets, long standing partnerships with leading advertising agency groups and blue-chip clients, and a reputation for delivering high-quality and innovative outdoor advertising solutions across Hong Kong,

With the investment and start-up phase now complete, and with a strong and established management team, Cody is well placed for future growth and the Board has commenced a full strategic review to assess optionality.

We will update shareholders on any progress at the appropriate time.

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The dominance of global digital platforms such as Google and Meta has fundamentally reshaped the advertising market, capturing a disproportionate share of digital ad spend and placing sustained pressure on traditional media companies.

In this environment, scale and operational efficiency are critical for survival and growth.

Australia's media landscape remains fragmented, governed by outdated ownership laws conceived in a pre-digital era. These regulations—many of which were established decades before the emergence of social media, podcasting, and on-demand streaming—no longer reflect how Australians consume content or how advertisers allocate budgets.

As a result, local media businesses are increasingly constrained in their ability to consolidate, innovate, and compete on equal footing with global tech giants.

We believe structural reform and industry consolidation are necessary to build a stronger, more sustainable domestic media sector, which Australia relies on every day.

A less fragmented market would unlock synergies, drive innovation, reduce duplication, and enhance the financial resilience of Australian media companies.

ARN Media supports the modernisation of media ownership regulations and intends to work with Government and industry to ensure the regulatory environment evolves to reflect current market dynamics.

In parallel, ARN will continue to evaluate strategic opportunities to expand its footprint, leverage cost efficiencies, and build a diversified, multi-platform audio business that delivers long-term value for shareholders.

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Finally, I wish to express my sincere appreciation to our Board of Directors for their guidance and oversight, and to our CEO and executive leadership team for their strategic vision. I also extend my thanks to every member of the ARN Media family for their dedication, which continues to drive our success.

To our shareholders, thank you for your trust and ongoing support. Your confidence inspires us to push boundaries and pursue innovation. As we look ahead to another year, I am optimistic about the opportunities before us and confident in our ability to continue delivering value, innovation and impact.

## **CEO'S ADDRESS - AGM**

Thank you, Hamish and good morning everyone.

Firstly, looking at the statutory results ...

Group revenues from ordinary activities grew 9% to \$366m million an increase of \$31.4 million. The driver of growth was Cody with two new significant advertising concession contracts secured.

A stable ARN result with revenues of \$307.9 million in a challenging media market with digital revenues growing 28% as we continue expanding our digital offering.

In a high inflationary year, tight cost control restricted Group costs before significant items to \$280m, an increase of 3.5% compared to the prior year. The increase in cost base is due to Cody direct costs incurred on the new advertising concession contracts.

Strong cost control was maintained at ARN, with revenue related costs increasing – driven by increased podcast costs from the growth in digital podcast revenue. People and operating costs are flat Year on Year – ahead of guidance.

Underlying Group earnings before significant items, interest, tax, depreciation and amortisation (EBITDA) of \$93m increased by \$21.5 million as compared to the previous period.

Group depreciation and amortisation expense before significant items of \$49m increased by \$29.0 million in the year due to the impact of new advertising concession contracts for Cody. This resulted in earnings before significant items, interest, tax (EBIT) before significant items of \$44.5 million compared with \$52.0 million in the prior year.

NPAT of \$3.9 million was impacted by significant items, including our share of transaction costs associated with the proposed acquisition of SCA, as well as restructuring costs associated with simplifying and standardising the radio operations.

### **NEW SLIDE**

Operationally, I'd like to take a moment to address Kyle & Jackie O, undoubtedly one of the most influential and successful shows in Australian audio history.

In Sydney, their dominance is unparalleled. They've now delivered #1 results across 50 consecutive surveys — an extraordinary achievement by any measure.

With 1.7 million listeners and growing digital performance across podcasting, streaming, and social platforms, the show delivers far more than just broadcast ratings. It

commands a total audio footprint, drawing double the weekly audience of Australia's top free-to-air TV shows, and engaging audiences wherever they choose to listen.

And it activates large-scale brand partnerships that deliver results for clients such as the very successful \$5m Dawn Dig in Melbourne, sponsored by Greenworks. Having personally spoken to the proprietors of Greenworks, the brand exposure, ROI and positive business results of this promotion way overdelivered on their expectations.

The Melbourne launch in 2024 was the subject of much debate and rightly is a topic of investor interest.

We've always said this is a long-term project and that there would be a natural bedding in process. While early survey results in 2025 show growth — with breakfast and station share both growing — we're realistic. Shifting market behaviour in a highly competitive landscape takes time with any radio show. Remember, Christian O'Connell took nearly 2 years to become #1 on Gold.

We also recognise that Kyle & Jackie O's content won't be for everyone. They are entertaining and provocative by design — and that can spark debate. We've seen this recently from social activist groups who campaign actively against the show.

We respect the right to protest and the diversity of views in public discourse — that is part of a functioning democracy. But we also stand firmly for freedom of speech, we stand firmly against censorship, bullying and for the role that broadcast media plays in reflecting a wide range of voices and entertainment formats within accepted standards.

The show always takes on feedback to refine programming, and I'm confident the refocus Kyle and Jackie O have made in recent months maintain the DNA of the show, while having wider appeal with first time listeners.

This is a strategic, multi-year commitment to build an audience and commercial base in Melbourne. We are tracking the metrics that matter — growth, engagement, revenue — and remain focused on long-term shareholder value.

This was never meant to be an overnight success but they are great talent and we believe in the strategic, long-term investment.

## **NEW SLIDE**

We delivered a strong regional performance in 2024.

One third of Australians live in regional areas, and ARN's stations reach 2m of them via our network of 49 stations across 29 markets.

Regional audiences are being viewed as increasingly valuable amongst advertisers, with share of non-digital budgets having increased for the third consecutive year to 17.8%.

Amid the closure of regional print and TV outlets, this trend highlights the significance of our footprint for both audiences and advertisers. It is our commitment to delivering live and local content that connects deeply with the regional communities we serve that is yielding results.

Regional advertising revenues was \$105m in the period. This was up slightly on the prior period despite continued challenging market conditions and we continue to deliver revenue synergies against the original investment case.

The regional segment now accounts for 34% of ARN's total revenue and serves as a strong value creation lever, with most individual sites operating at a high margin.

In 2024, ARN stations solidified their dominance in regional markets, delivering strong listenership results across 12 markets, with 10 stations achieving the coveted #1 position and five stations securing #2.

There is no doubt the importance of regional markets will continue to grow and ARN is well placed to play a significant role in the cultural and economic role of these markets.

## **NEW SLIDE**

Digital audio revenue growth of 28% to \$25m driven by exceptionally strong podcast growth.

At the half year we guided to an EBITDA and a cashflow positive result for 2024 and pleasingly that was delivered .. with profitability continuing this year.

A number of factors give us confidence –

Firstly, diversification of formats into areas like podcasting is attracting new categories of advertisers.

ARN is the #1 podcast publisher in the country with 7m monthly users.

Downloads of iHeartRadio are up 10% to 3m registered users.

We are growing our addressable audience and our Ad Tech capability enables us to deliver tailored solutions to clients effectively, transparently and with precision.

Our iHeartMedia partnership allows us the benefit of a development pipeline that is in keeping with other global ad tech players without the need for ongoing cap ex demands.

And Our sales teams are becoming increasingly sophisticated and proficient selling broadcast and digital audio – including live streaming.

## **NEW SLIDE**

Despite the ad market challenges, we firmly believe the audio sector continues to present a very compelling long term growth opportunity for ARN investors.

It is one of the few consumption growing platforms of media in Australia. 94% listen to audio weekly, and they spend, on average, 11 hours a week engaged with it.

Broadcast radio continues to demonstrate remarkable resilience, reaching over 80% of the population—underscoring its role as a powerful, high-reach platform that commands attention.

At the same time, we're seeing strong and sustained momentum in digital formats. Since 2021, online radio streaming has grown by 39%, and podcasts are now reaching 43% of Australians each month. This isn't just incremental growth—it's expansion into new listening behaviours and untapped audience segments.

The chart on the right of slide 10 illustrates this well: digital listening formats such as online radio, DAB+, podcasts, and ad-supported streaming music have grown every year—consistently building on, rather than replacing, traditional listening. This additive effect is what makes audio so unique; we're not cannibalising traditional formats, we're growing the total addressable market.

## **NEW SLIDE**

And the ARN Audiosphere illustrates exactly what that means - a connected ecosystem that puts brands into the ears of Australians, no matter where, what or how they listen.

At the centre is the listener—surrounded by a powerful combination of platforms and touchpoints:

- Broadcast radio still commands scale, where we reach 7.5 million Australians every week.
- DAB+ extends that reach even further, with 1 million digital radio listeners.
- Streaming adds another 1.6 million monthly listeners who engage on their terms, on mobile and connected devices.
- Podcasts deliver deep engagement, with 6.9 million Australians listening monthly to iHeart—the #1 podcast network in the country.
- Our social footprint spans 1.3 billion impressions and 1.2 million monthly visitors to our digital properties.
- And we activate it all through dynamic audio, data-led targeting, branded content, and real-world events.

Our Total Audio commercial proposition means building integrated campaigns that reach more people, across more moments, with greater impact and ARN's competitive edge is the scale of radio, the intimacy of podcasts, the precision of data — all in one unified audio strategy.

For advertisers, Total Audio isn't just more inventory—it's more connection. One campaign, one creative idea, extended seamlessly across FM, DAB+, apps, podcasts, and digital streams—delivering unmatched reach, precision, and frequency.

For audiences, it means freedom to listen on their terms—whether it's waking up to radio, streaming in the car, or diving into a podcast on the run.

## **NEW SLIDE**

While ARN's total audience is increasingly digital, there is a monetisation gap.

Today, 42% of ARN's total audience is engaging with our content on digital platforms—across live streaming, podcasts, and digital radio. However, only 10% of our revenue is currently derived from digital channels.

Digital inventory commands a higher CPM due to its addressability, measurement, and targeting capabilities. As we scale these platforms, we are commercialising them at a premium.

One of our key enablers is ARN's first-party data asset. By capturing and activating audience data through iHeartRadio and other digital touchpoints, we can offer advertisers targeting precision that just isn't possible with traditional channels.

As we continue to invest in digital product innovation and commercial capability, we are confident this will be a meaningful contributor to ARN's future revenue growth and margin expansion.

## **NEW SLIDE**

As the Chairman mentioned earlier, we commenced a three-year business transformation programme.

A comprehensive review of the whole business has taken place and all expenditures and processes examined to ensure we leave no stone unturned. Even our proposed change of auditors today is a reflection of the scrutinisation being undertaken.

This transformation underscores our commitment to drive shareholder value and will focus on three areas –

- Digitising and simplified operating model
- Investing to growing audiences and engagement

- Delivering Total Audio commercial solutions

To help execute this transformation, we are partnering with a global specialist to take over delivery of several core operational functions—finance, technology, and media services—allowing us to introduce smarter tools, reduce complexity, and scale efficiently.

We have delivered ~\$6m in FY 24, \$22m in FY25 with the balance in FY26. With around 25% of the workforce impacted by these changes, we acknowledge the human cost of this transformation and are ensuring a responsible and respectful process for all involved.

FY25 costs will be skewed to the first half due to upfront restructuring and transition expenses with savings realised in H2. From 2026 onwards, we expect further cost optimisation and improved earnings leverage as savings flow through the P&L.

The chart on the right illustrates the declining opex trendline over the transformation period. We are confident this program will reshape our cost base, position us for sustainable growth, and strengthen our ability to generate strong commercial outcomes in the years ahead.

## **NEW SLIDE**

And finally, our trading update....

## **ARN**

- Total April YTD revenue finished ~2% behind the prior comparative period with digital audio revenues continuing to experience strong growth.
- YTD ratings improvements in FY25 and the ongoing transition to a new commercial team is expected to deliver radio revenue share improvement in 2H.
- In respect of gross margins, we have seen a modest improvement for the period to date, driven by product mix and pricing.
- Significant progress in relation to our cost out program has been made as we target \$40m cash cost out over 3 years.
- We continue to target flat people and operating costs in 2025, with a number of organisational changes made in April and May.
- Overall costs to be skewed to the H1 due to the front-ending of certain operating costs with savings realised in H2.

**Cody**

- Cody working capital performance in Hong Kong to end April was in line with expectations requiring no cash funding.
- Tariff introductions have impacted revenue in Q2 resulting in a focused sales strategy on more local buyers.
- Strategic review commenced.