



## TRADING UPDATE

7 November 2024: Nine Entertainment (ASX:NEC, Nine) has today updated the market regarding current trading, coinciding with the Group's Annual General Meeting.

Across Nine's wholly-owned businesses, operating performance for the first quarter was broadly consistent with the comments made at our FY24 result in August. While we are continuing to report strong performances from our subscription businesses within Publishing, as well as Stan, and similarly growth at Domain, 9Now, Radio and Drive, the overall Television advertising market remains challenging.

Audiences have been strong across both the Nine Network and primary Channel Nine, as well as 9Now, improving the trends of recent history and reminding us of the value of the Television audience Nine provides to its advertisers. These are quality audiences, in a brand safe environment, that are measurable and verifiable.

In the September quarter (Q1), Nine's Total TV revenues grew by around 15%, reflecting the positive impact through July and August of the Olympics and Paralympics, justifying our significant investment. Metro FTA revenues were up in the high single digits, with BVOD revenues growing by close to 50%.

The underlying Total TV market, however, remains challenging. At this stage, Q2 looks to be reverting to the rate of decline of FY24 (of around 10% down on previous corresponding period). While we remain more optimistic about the second half of FY25, we are seeing no tangible signs of improvement to date.

Nine is continuing to focus on the costs and efficiency of the Group's Total Television business. While incremental savings have been extracted, we continue to expect Total TV costs, ex Olympics, to be marginally higher in FY25 on FY24. This includes a step-up in Tennis rights under the new AO contract. Ongoing cost initiatives across Total Television are helping to absorb inflationary costs, as well as our material investment in technology, including cyber security.

Through Q1, Stan's paying Entertainment and Sport subscribers performed strongly, with better-than-expected post Olympic/Paralympic churn to date. We continue to expect FY25 to be another year of growth at Stan, with revenue growth, driven primarily by ARPU, expected to more than offset higher costs, most notably from the new UEFA contract.

Nine's Publishing business continues to benefit from its focus on quality, differentiated journalism, with digital subscription revenue growth of 14% in Q1, slightly ahead of earlier expectations. However, with the absence of digital platform revenue from Meta, revenue and earnings from Nine Publishing are expected to be down in FY25 on FY24. On a longer term basis, continued growth in digital subscriptions coupled with an ongoing focus on a sustainable cost base, is expected to lay the foundations for increasing underlying profitability for the mastheads.



As Domain commented at its AGM yesterday, in the September quarter, Digital Revenue increased by around 9% year on year, underpinned by Residential revenue growth of 12%. This growth in Domain's core business reflects growth in new paid listings of 6% coupled with higher pricing. This positive momentum has continued to improve in October. Total Revenue growth for the quarter was 8%.

With FY24 cost expectations unchanged from its result in August, Domain continues to expect stable EBITDA margins in FY25, with investment in the ongoing growth of the Company balanced by productivity improvements.

Nine Radio's Q1 advertising revenues grew by around 6% on pcp, supported by strong growth in digital revenues, and with an increasing contribution from live audio streaming.

Nine is very focussed on expediting the evolution of its business - continuing to invest in premium content, supporting the growth areas and improving the efficiency of our cost base. To this end, we are accelerating our strategic transformation program that covers the re-setting of Nine's operating model, focusing on business improvement and encompassing the cultural priorities.

The Media industry is evolving quickly, and we need to similarly expedite the evolution of our business. We have the right assets, but need to ensure they work together more effectively and with a clearer focus on our competitive strengths of premium Content and Data.

Authorised for release: by Nine's Board

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