2023 ANNUAL GENERAL MEETING
Chairman's Address – Mr Peter Costello, AC
9 November 2023

In FY23, Nine successfully built audience share and revenue share across all our key platforms. We have a strong balance sheet and unrivaled diversity in Australian media. Our focus is to create the best content, distribute it broadly and thereby engage our audiences and advertisers. In particular, we continue to use our premium content to build our digital future.

FY23 was more challenging than FY22. The local economy stumbled against a backdrop of higher inflation and rapid interest rate rises. Nine performed well, maintaining revenue on FY22 and taking market share.

There was some cyclical softness in advertising markets, but Nine's ability to create and monetise the best content was reflected in clear share gains across our unique suite of platforms – Television, Radio and Publishing. In FTA, our Metro market revenue share was above 40% in FY23, which is the highest share recorded by any broadcaster for at least 20 years. We reported growth in Digital revenue and EBITDA from our wholly owned businesses, and our success in diversifying the drivers of revenue is shown by subscription revenue now contributing 28% of the wholly-owned total.

Nine continued to implement its previously announced on-market buy-back. Since it began in September 2022, Nine has bought back around 78 million shares, or just under 5% of issued capital – reflecting both our strong balance sheet and conviction in the value and future opportunities of Nine's business. Across the financial year, Nine also announced fully franked dividends of 11 cents per share, totalling $182 million, and consistent with our stated policy of a 60-80% payout.

Content is the key to Nine's business and will be instrumental in our future success. Across all our platforms – Total Television, Radio, Publishing, Stan and Domain – Nine is focused on our audiences, the content they want, and how best to distribute and monetise it. Through 2023, we have been very pleased with the performance of our content – with strong audiences in Television, Talk Radio and Publishing resulting in further growth in revenue share.

Of course, premium content comes at a cost. This year the Federal Court handed down its decision in the defamation case brought against The Age and the Sydney Morning Herald by Mr Roberts-Smith. It is now on appeal by Mr Roberts-Smith. The legal costs have been high, in many ways unprecedented. We don't receive taxpayer funds to cover the cost of litigation. It is borne by the Company and ultimately the shareholders. The Board believes this is a matter of genuine public interest and has committed the resources to defending that position in Court.

We believe that sport will remain a key driver of Television into the future, and to this end we have renewed our agreement with Tennis Australia through to 2029 and brought the Olympics back to Nine for the next 10 years – 3 Summer Games and 2 Winter - the next five Games through to Brisbane in 2032. We will also broadcast the Paralympics in 2024. We are excited about the opportunities these events, including the NRL through to 2027, will give across all of our businesses – Television, Radio, Publishing and Streaming. We are committed to maximising the value of our partnerships with the various sporting bodies who conduct these competitions.

We believe the Olympics, and the Paralympics, epitomise Nine – the broadcaster of premium events that bring all of Australia together. We will bring those unforgettable Olympic and Paralympic moments to all screens, all publications and all audio and we will join with our audiences and advertisers to celebrate Australia as a sporting nation.

Our 60% owned associate Domain has been affected by interest rate impacts on the property market, but continues to make progress on being an integrated digital property market-place. Domain's ability to grow its yield through the cycle gives us confidence in the Group's longer term business model. We are working closely with Domain to ensure our two companies work most effectively for the longer term benefit of both.

We continue to work with the Government on a range of regulatory issues, all of which we believe could have a marked impact on Australia's media sector. The Government has stated its support for requiring free-to-air television and apps from Australian free-to-air television networks to be in a prominent position on screens, such as connected televisions, to ensure the continued relevance of locally made and focused content. We look forward to the Government progressing laws to give effect to that commitment.

The Government is also looking to make substantial reforms to the Privacy Act 1988. We continue to caution against the all encompassing changes which are being considered, including the right to sue media outlets for breaches of privacy which would harm our valued freedom of the press. This would clearly not be in the broader public interest.

And whilst we support the Government's objectives to develop the local production industry, we believe that its proposed policy to impose Australian content quotas on all streaming services would lead to damaging unintended consequences such as stretching finite creative and production resources which would diminish quality and significantly increase costs for Australian production. Across all of these issues, we continue to work cooperatively with the Government to ensure a suitable outcome for the Australian media industry and our Australian audiences.

The Government has also been reviewing the anti-siphoning list, which seeks to ensure the key sporting events are available to all Australians for free. Audiences for events like the State of Origin and Olympics highlight the commitment of Australians to their favourite sports. We urge the Government to complete their review of the anti-siphoning list and ensure that loopholes which allow key sports to be behind streaming paywalls are tightened for the good of all Australians.

Much has been written, particularly over the past six months, about the impact of Artificial Intelligence, or AI, and specifically Generative AI on the media sector, as well as the rest of the Australian economy. Over the past 12 months, both the Board and management team have spent time assessing how Nine currently uses AI, what the opportunities are for further development of these uses and new initiatives that could be implemented. We also see potential for Nine to use AI to drive significant longer-term benefits across content production, optimisation and commercialisation throughout the business.

Of course there will be challenges. We see the biggest challenge being our content and our data being used or 'mined' for training AI models that could eventually produce future copy without human intervention. This would mean the past and current work of journalists and our intellectual property being used, without fair compensation, to compete against them in future news reporting. The News Media Bargaining Code where large digital platforms that are using third party content to drive their business models are required to fairly compensate the owners of that content is a model that could be adopted for fair compensation in the AI space. We encourage the Government to publicly reinforce their commitment to the News Media Bargaining Code and similarly consider a broader use of this model of regulation in future applications.

This year, we have furthered our commitment to Community, Company and Climate after completing our initial Materiality Assessment, and Environmental, Social and Governance Policy. We appointed global sustainability consultants South Pole, to help with progressing our planning on carbon reduction. We have also actively engaged through industry steering groups on these issues.

After a thorough search to fill the Board vacancy created when Nick Falloon retired, we welcomed Mandy Pattinson to the Board in August. Mandy has a wealth of experience in the Australian media sector, and brings particular strength in premium subscription television content and multi-platform strategies. We believe Mandy adds valuable skills to our Board as we continue to navigate and build Nine's position within the Australian media sector.

I would like to thank our CEO Mike Sneesby and his leadership team, on behalf of our Board and all our shareholders, for ensuring the continued focus and momentum of the business. Nine is well positioned and continues to gain ground in a competitive market – a testament to the management team and their vision and implementation.

We are excited about where our business is, but we do not lose sight of the challenges ahead. We believe we are in a leading position to weather those challenges and emerge a stronger, and more innovative Australian media company.

2023 ANNUAL GENERAL MEETING
Chief Executive Officer's Address – Mr Mike Sneesby
9 November 2023

Through FY23, Nine has continued to solidify its position at the forefront of Media in Australia and further build on its digital strength. Whilst we have faced tougher economic conditions which have impacted the broader industry, Nine has risen to the challenge, continuing to drive audience and revenue share and invest in the future of the business. In FY23, Nine's EBITDA and Net Profit were both our second strongest on record, beaten only by FY22's record results.

For the year to June, Nine reported Group revenues of $2.7b and Group EBITDA before Specific Items of $591m. Group Net Profit after Tax, pre Specific items, was $262m for the year, which resulted in earnings per share of 15.7c and enabled the payment of an 11 cent fully franked dividend.

As a result, our cash flows and balance sheet are strong, with leverage at June 30 of just 0.7X. This, coupled with our confidence in the outlook for our business, underpinned the decision to continue our on-market buy-back through FY24 up to a total of 10% of the issued capital.

In FY23, our premium content underpinned amazing share results. In FY23, we were the Number 1 Metro FTA Network and primary channel in our targeted 25-54s as well as Total people; Number 1 in BVOD; Number 1 in Talk Radio; Number 1 in Publishing readership and Australia's leading local SVOD business.

This commitment to great Australian content has resulted in strong revenue share growth across all of our advertising platforms - a 20 year high for Metro FTA revenue share of 40.7%, up 2.5% points on FY22; a 49.2% revenue share in BVOD; growth in radio with a leading share of streaming audiences. Our content and journalism also underpinned around 9% growth in Subscription and Licensing revenues at Nine's wholly owned businesses, Stan and Publishing, as Nine continues to successfully diversify its revenue base.

Supported by the growth of our digital television platforms, Nine's Total Television reach is now close to 18m people. Together with Nine's publishing and audio platforms as well as Stan and Domain, we reach almost 20m Australians every month. It is this broader reach which gives Nine its unique position - our ability to distribute content to the broadest possible audience; to monetise that content in multiple ways and to use our extensive first party data to ensure optimisation of audience and revenue.

The Group EBITDA result of $591m was in line with the guidance we gave in May and, whilst down on FY22, was the second largest profit we have delivered and one we are proud of.

I would like to thank and congratulate the team at Nine on this strong result. They have focused on the priorities that drive revenue and growth opportunities across the business, while remaining disciplined on cost management.

Our business is all about using Nine's leading content to deliver increasingly diverse revenue streams from both consumer subscriptions and advertising, across all available distribution platforms.

Nine's Digital businesses contributed more than half of total Group EBITDA in FY23 with growth from Stan, as well as increased Digital EBITDA from both Total Audio and Total Television. Overall, digital revenue increased by 6% to more than $1.1b.

In FY23, Nine reported Broadcasting EBITDA of $320m, which includes Nine's Total Television business as well as Nine Radio.

Total Television Revenue declined by 2% in FY23 - a creditable result against the backdrop of an 8% National market decline, with clear share gains across both FTA and BVOD. Around 15% of our Total Television revenues are now derived digitally as 9Now continues to grow strongly. These results reflected Nine's strong ratings performance - in calendar 2023 to date Nine has achieved a market-leading Network Metro and BVOD share in all of its targeted demographics.

The Metro free to air ad market declined by 11% in FY23, with both difficult comps and a weakening economic outlook. Nine's free to air revenues were down a modest 4% with our Metro Free To Air revenue share of 40.7% a more than 20 year high.

Regional markets overall performed better, with regional FTA ad revenue down 4.7%, while Nine's owned and affiliated regional stations recorded growth of more than 5% driven by improved revenue share.

Nine's live streaming and catch-up business 9Now, grew its revenues by 16% - recording growth in all key metrics. 9Now is key to the future of Total Television at Nine and we will continue to focus on the opportunities ahead. Through content and technology, we continue to stand at the forefront of Total Television in Australia and we believe Nine is well positioned to further build on its position in the broader digital video market which we estimate at around $3.5b.

Higher costs in Total TV reflected increased investment in content, which underpinned our strong share results. The 12% first half cost increase, mainly content driven, was followed by a 2% increase in the second half which highlights our increased focus on cost efficiency as the market softened. Total TV EBITDA was $307m.

On revenue growth of 4% to $106m, Nine Radio reported EBITDA of $12.6m. Whilst our Ratings and revenue performance in Radio has continued to be strong across all of our live and local stations, the revenue contribution from digital streaming has now become material, and is the fastest growing revenue segment for Radio.

In FY23, Stan delivered an impressive set of financial results - headlined by growth in EBITDA of 30% to $37m, Stan's 4th consecutive year of profit and positive cash flow. Stan's revenue growth of 12% to $428m for the year reflects the strength of the Group's engaged customer base and strong content proposition, which enabled price increases across both entertainment and sport subscriptions. Stan has successfully managed the balance of growth and profitability and continues to consolidate its strong market position.

In total, Publishing reported revenue of $575m and a combined EBITDA of $165m, down 8%, after a first half that was marginally higher on pcp. In FY23, our combined Publishing business derived more than 60% of its revenue from Digital sources, and around 40% from subscriptions and licensing, both key to the long term future of the business.

Nine's business model continues to evolve as the market embraces the digital delivery of our premium content. We believe that we are at the forefront of the Australian media market and our outperformance against our traditional peers is tangible - in Digital television, Audio and Publishing our share in Digital against our traditional peers is markedly higher than our historical share. We are proud of our progress as our business extends across multiple digital platforms.

Finally, in FY23, Domain reported EBITDA of $103m on revenue of $355m, which reflected the challenging property environment, particularly in Sydney and Melbourne, and included the performance of the Domain Home Loans joint venture, which Domain has announced its intention to exit. Core digital revenue increased by 1%. Residential listings revenue declined by 7%, with an 8% increase in controllable yield, more than offset by a 14% decline in property listings. Revenue from Agent Solutions nearly doubled, primarily due to the acquisition of Realbase in April 2022 and 25% revenue growth at Real Time Agent, while Domain Insights recorded revenue growth of 16%, boosted by a full period contribution from IDS. In what was a difficult property market, Domain made clear progress diversifying its revenue base, and building on the foundations of its Marketplace Strategy.

We continue to work closely with Domain as a key part of our Group. As Nine's audiences become increasingly digital, we see growing synergies between Domain's business model of digital classified and associated marketplaces, and ours. Nine's core strength is the ability to reach audiences and engage with those audiences, key to the future success of Domain.

Nine and Domain already collaborate across a number of areas to our mutual benefit. Our successful partnership through The Block saw the Domain brand amplified across all of our major platforms with brand integrations throughout the series. The transition of Domain's property editorial content to Nine's mastheads has resulted in a 13% increase in listing views FY24 YTD while the combination of our data pools is delivering unique data-driven insights across our 20M+ user profiles.

Before we return to the official business of the meeting, I thought I would update you on how preparations for the Paris Olympics are progressing.

Nine has a unique portfolio of assets - across our Broadcast and Streaming Television, Audio and Publishing, Nine will bring the Paris Olympics and Paralympics to all Australians, with an unprecedented cross-platform strategy, - we will deliver more content from the Olympic and Paralympic games with greater opportunities for commercialisation than ever before.

We have recently gone to market with the first wave of commercial opportunities for advertisers. We have developed a powerful games advertising proposition which is built on Uniting Australia through our unrivaled content offering. Our proposition includes an almost 10 month marketing platform for advertisers - the Road to Paris - starting with the Gangwon Winter Youth Olympic Games in January and running all the way through the Paris Olympic Games and culminating with the Paris Paralympic Games in September.

We have presented our full integrated Olympics partnerships to all IOC and AOC partners as well as a range of Australia's largest advertisers and the results to date have been very pleasing. We have a number of partnerships confirmed and we are on track to sell all major partnership and sponsorship packages. We are also confident that progress in our commercial partnerships around tentpole assets like the Olympic and Paralympic Games will contribute further to underlying revenue share performance across all of our platforms.

At the close of today's meeting, we will present a sneak peak from our campaign video that we have shown to prospective partners and advertisers.

As consumer technology continues to underpin growth in digital content distribution, the opportunities for Nine to benefit from these advancements become broader and more significant, both in terms of maximisation of audience reach and cost efficiency of delivery. In Paris, we will see almost 10,000 hours of content available over 32 different sports across Nine's broadcast and streaming Television platforms, with even more content available across our Audio and Publishing platforms.

There are significantly more widespread examples of the positive impact of technology across all of Nine's businesses.

The extended features we continue to roll out across 9Now are timely examples - start-over, interactive ads as well as Nine's FAST channel strategy, the roll-out of which began last week with Pedestrian Television, and will continue over the next 12 months.

We have recently launched Nine Ad Manager, a ground-breaking self-serve tech platform utilising Artificial Intelligence that will give Australian small to medium sized businesses the ability to buy video advertising on 9Now, target to postcode level and instantly build video creative using AI.

AI also drives content recommendations on Stan, 9Now and on our publishing sites which helps to acquire audiences and increase their consumption across the Nine ecosystem. It is key to our recent launch of the `listen to this article' text to audio feature available on the AFR, The Age and The SMH - the first phase of our generative AI tools and a likely precursor to new products that can further customise content to each reader's preference and habits.

It is also helping us produce our sport 'Minis' on 9Now and Stan, condensing full games into 20-30 minute packages, increasing engagement by offering new consumption alternatives to our premium sporting content. This was particularly successful with the recent Ashes series where consumers could catch up on a whole overnight session from the UK in around 40 mins the next morning.

What is significant about a number of these initiatives is that they are utilising Nine's existing premium content from all platforms to develop new products and applications and ultimately generate revenue.

We will continue to roll-out AI-driven initiatives throughout 2024 with the goal of creating more relevant content in more formats with greater efficiency, increasing the amount of time our audiences spend with us and building more advertising products that deliver outcomes for our clients.

Moving now to current trading. Across Nine's wholly-owned businesses, operating performance for the first quarter was broadly consistent with the comments made at our FY23 result in August.

The Nine Network and primary Channel Nine are once again expected to win the Metro TV and BVOD ratings in all of our targeted demographics for calendar 2023.

The Metro FTA television market however, remains challenging, with Q1 revenues down around 12%. While September showed some improvement on the rate of decline in July and August, Nine has seen no discernible improvement into the December quarter.

By contrast, in the September quarter, 9Now's revenues and the BVOD market, continued to grow in the low-mid teens on a percentage basis.

Nine is continuing to focus on the costs and efficiency of the Group's Total Television business. We are now expecting Total TV costs to be slightly down in FY24 on pcp, excluding the NRL step-up and the cost of additional cricket. Ongoing cost initiatives across Total Television are expected to enable us to more than absorb inflationary costs, as well as our material investment in technology, including cyber security.

Nine Radio's Q1 advertising revenues declined by around 3% on pcp, supported by strong growth in digital revenues, and with an increasing contribution from live audio streaming.

Stan's paying Entertainment and Sport subscribers have shown clear growth since our result in August, driven by exclusive content, including the Rugby World Cup, the return of the UEFA Champions League and the Stan Original series C*A*U*G*H*T as well as exclusive licensed shows. We continue to expect that higher ARPU and paying subscribers will drive further growth in both revenue and EBITDA in FY24 for Stan.

Nine's Publishing business continues to benefit from its focus on quality, differentiated journalism, with strong digital subscription revenue growth of 12% in Q1, slightly ahead of earlier expectations. Nevertheless as cited in August, given the challenging digital advertising market, we continue to expect FY24 Publishing EBITDA to be slightly ahead of the H2 FY23 run-rate.

As Domain commented at its AGM yesterday, in the September quarter, both Digital and Total Revenue increased by around 8%. Residential revenue growth of 9% comprised very strong growth in average revenue per sale listing (+21%, which included a controllable yield increase of 13% and positive market mix). This was offset by a 3% National listing volume decline with strong growth in Melbourne and Sydney offset by weakness in Queensland and WA.

With FY24 cost expectations unchanged from its result in August, Domain continues to expect to resume EBITDA margin expansion from FY24 supported by improving listings, price increases, take up of new depth contracts and products and continued cost restraint, balanced with investment in its Marketplace strategy.

Nine remains confident that the diversification and balance of its earnings profile, across growth, subscription and advertising-based businesses will ensure ongoing, strong profit and margin performance, with more than half of Nine's revenues now coming from outside traditional advertising.

I'd like to thank the entire Nine team for their commitment, insights and tireless application this year. I'd also like to thank the Chairman and the Board, for their guidance and support.

This announcement was authorised for lodgment by the Company Secretary of Nine (ASX: NEC).

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