

oOh!media Limited ABN 69 602 195 380

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ASX Release

2022 ANNUAL GENERAL MEETING - ADDRESSES BY THE CHAIR AND CEO

oOh!media Limited (ASX:OML) (oOh! or Company) attaches a copy of the addresses to be given by the Chair and CEO at oOh!'s Annual General Meeting being held today.

This announcement has been authorised for release to the ASX by the Company Secretary.

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About oOh!media

oOh!media is a leading Out of Home media company that is enhancing public spaces through the creation of engaging environments that help advertisers, landlords, leaseholders, community organisations, local councils and governments reach large and diverse public audiences.

The Company's extensive network of more than 37,000 digital and static asset locations includes roadsides, retail centres, airports, train stations, bus stops, office towers, cafes, bars and universities.

Listed on the ASX, oOh! employs around 800 people across Australia and New Zealand and had revenues of \$504 million in 2021. It also owns the Cactus printing business.

The Company invests heavily in technology and is pioneering the use of sophisticated data techniques that enable clients to maximise their media spend through unrivalled and accurate audience targeting. Find out more at oohmedia.com.au



Chair's Address - Tony Faure

Introduction

Fellow shareholders, in my address today, I am pleased to provide an overview of our financial results in 2021; an update on the Board's continuing focus on capital management, and some brief commentary on changes to our Board.

FY21 Results

First a brief recap on our FY21 financial results.

Out of Home audiences started to recover strongly across key formats following periods of significant disruption caused by the COVID-19 pandemic.

oOh! was able to successfully leverage these improving conditions to deliver a solid financial result in FY21.

Total revenue increased by 18% to \$504 million.

Lockdown restrictions in NSW and Victoria impacted revenue growth in the first and third quarters; however, the return of audiences in the fourth quarter as lockdown restrictions were removed resulted in a strong rebound in revenue, particularly in November and December.

The 18% increase in revenue translated to a pre-AASB16 gross profit of \$222 million, which was up 23% on the prior year.

Underlying EBITDA (pre-AASB16) increased by 24% to \$78 million, reflecting our continued operating leverage to audience growth.

Net Profit After Tax (pre-AASB16) was \$0.8 million compared to a Net Loss After Tax (pre AASB16) for the prior year of \$24.3 million.

Cathy will discuss these financial results and also provide an update on trading for the current year in her address.

Capital Management and Dividend

Our financial position continued to strengthen during FY21 year with the Company's gearing ratio reducing to 0.8 times at 31 December 2021 with a corresponding 43% reduction in net debt to \$64 million.

This ensures oOh! is well equipped to manage through the short term uncertainty whilst remaining in a strong competitive position for the medium term.

Shareholders will recall that the Board suspended the Company's dividend policy in 2020 at the start of the COVID-19 pandemic. This policy is to pay 40-60 per cent of Underlying net profit after tax (pre AASB16) before amortisation of acquired intangibles (NPATA).

For FY21 Underlying NPATA (pre AASB16) was \$12.7 million compared to a loss of \$8.5 million for the prior year.



Given this return to profitability, the Board resumed the dividend policy and as a result declared a final dividend of 1 cent per share, fully franked.

Your Board will continue to assess capital management options with a focus on striking an appropriate balance of maintaining the Group's strong financial position and investment in growth initiatives with returns to shareholders.

Board Changes

I will make some comments on changes to the Board during the year and also more recently.

Joanne Crewes and Darren Smorgon retired from the Board in May and August 2021 respectively.

Both Joanne and Darren made significant contributions to the Board and on behalf of the Company, I thank them for their commitment to the business and wish them every success for the future.

Joe Pollard joined the Board in August. Joe is an experienced executive and director with over 30 years' experience in senior leadership roles across media, marketing, technology and customer management.

She is standing for election to the Board today, and subject to shareholders' support, we look forward to her continued contribution to the Board.

More recently, Mick Hellman resigned from the Board in April.

Mick is the Founder and Managing Partner of HMI Capital Management, which until recently, was the largest shareholder in oOh!.

Following the sale of HMI's shareholding in April, Mick resigned his position.

Our Board now comprises 7 directors which we think is appropriate both in terms of size but also in relation to the mix of skills and experience each director brings to the Board and to the Company.

Summary

In closing, I want to acknowledge and thank our people at oOh! for their focus and dedication over the past year.

Our strong revenue and earnings growth in FY21, demonstrates our capacity to leverage the return of Out of Home audiences.

While some of our formats such as Fly and Office, continue to be impacted by the pandemic, we remain confident in the medium to longer term outlook for the Out of Home advertising sector.

As the market leader in Out of Home across Australia and New Zealand, we remain exceptionally well positioned to leverage the ongoing recovery in audience growth and advertiser sentiment.



We have a growth strategy focused on generating enhanced leverage from our existing network and disciplined investment in building our assets and capability to deliver improved returns to shareholders.

I want to acknowledge and thank our people at oOh! for their focus and dedication during the year in continuing to support each other and our clients.

Let me conclude with thanking our shareholders for your continued support of the Company.



Chief Executive Officer's Address – Cathy O'Connor

Introduction

Good morning and welcome everyone. Thank you for attending either in person or online.

I am pleased to present my CEO address to shareholders today.

It's a privilege to serve as MD & CEO of this great company.

Having now been in the role for nearly 18 months, it has reinforced my view that as the largest player in the industry with the most diverse asset network, backed by a passionate and dedicated team, we have significant capacity for growth.

Our results last year demonstrated that as we emerge from the pandemic, and as audiences return, oOh! is exceptionally well placed to leverage these improved conditions.

Today I will talk about our growth prospects to deliver further value for shareholders.

In terms of an agenda, I first will present a summary of our financial results for FY21.

I will then discuss the Out of Home Industry, an industry that is growing, and an industry with a strong place in the future media landscape.

I will then review our strategy at oOh!media. Specifically about how we will harness the significant opportunities in Out of Home and also our growth strategy to generate further shareholder value over time.

I will conclude with an update on our trading for the first quarter and for April.

FY21 Results Highlights

First – an overview of our FY21 results.

We had a strong result in FY21.

Revenue grew by 18% on the prior year and underlying EBITDA grew by 24%.

It is pleasing that Road, Retail, Street Furniture and our New Zealand business performed above pre COVID 2019 levels in aggregate across November and December.

We continued to digitise in key locations and are well placed to participate in this strong return to growth in the sector.

The improved earnings performance and strong balance sheet resulted in the Board declaring a 1c fully franked final dividend, payable in March this year.

FY21 Key Financials



Looking into the results in a little more detail.

This slide [slide 6] provides a summary of our key financial metrics.

Underlying EBITDA was \$77.6 million, which was 24% above the prior year on a pre AASB16 basis.

Revenue was up 18% with COGs and Opex growth at 17% above the prior year.

Free cash flows returned to more normalised levels relative to EBITDA.

The balance sheet is in a strong position gearing at 0.8 times and the declaration of a dividend which I mentioned earlier.

The diversity and breadth of our assets across a range of formats ensured

oOh! was able to deliver this improved performance despite some formats (Fly, Office, Rail) continuing to be impacted by the pandemic.

I would now like to turn to the key fundamentals of our industry.

As business and ways of living return to normal, we are seeing a return to structural growth for the Out of Home sector.

I will spend a couple of minutes highlighting how OOH has recovered from the pandemic and how the industry is positioned for growth.

OOH Sector

OOH grew significantly from 2014 (when oOh! listed) to 2019 –this was all about the initial digitisation of screens against a backdrop where there was accelerating fragmentation of other forms of traditional media

Over that 2014-2019 period, the share growth of major agency spend increased by nearly 50%

As we know, in 2020, COVID 19 had a disproportionate impact on OOH due to the significant restriction of audience movements in most environments

However, by the end of 2021, with a largely vaccinated population and a lifting of government restrictions, we saw an immediate audience and revenue rebound in key formats of Road, Retail and Street furniture.

This in turn led to an acceleration of media spend share gain in Q1 this year

As we stand here today in Q2, the Out of Home industry is continuing to go from strength to strength. The sector's industry body, the OMA now encompasses all key industry players. This demonstrates an intent to work together to advance the sector and it leads to a consistency of approach to the planning effectiveness of campaigns such that has not existed in the recent past.



So to summarise – the Out of Home media sector is returning to growth and we can be very confident that Out of Home will continue to gain share of the overall media pie.

Let me now share some detail on our strategy in how we will harness this growth.

Focus of oOh!media

growth:

Our strategy is focused on growth – in revenue, in margin and in delivering ROI.

In our first column on the left of this slide [slide 10] we focus on delivering Revenue

- We continue to invest in our digital asset footprint
- Our Investments in measurement (at an industry level) will continue from Move
 1.5 to Move 2.0 in 2024 and this is all about demonstrating the benefits of DOOH and the scale of the OOH sector
- The SME segment represents a significant largely untapped opportunity we are seeing strong growth within this category which grew by 7% since Q1 2019, compared to the overall business being back by 7%
- oOh! commenced programmatic revenue sales in both Australia and New Zealand in late 2021. Currently this is small but certainly growing.

Onto the second column, it's about Margin expansion:

- Our fixed cost structure supports margin expansion as revenues grow
- The biggest single cost in the business is our rent
- 75% of our fixed rent base of \$160m is not directly linked to inflation
- Our opex was \$145m in FY21 and is subject to changes in inflation
- Rate and occupancy management is a focus and we are building our capability in this area
- We continue to apply a disciplined approach commercial bids to ensure that revenue growth delivers to the bottom line.
- Better workforce planning remains a strong focus so that we are able to continue
 to invest in skills and capabilities to attract and retain the talent required to
 achieve our ambitions but through self-funding through efficiency measures or
 a reprioritisation of resources where possible

Finally Increasing ROI

- Our capital investments are targeted to revenue growth and return on investment
- The business has strong free cash flow generation



 As Tony mentioned, we reinstated the dividend in February in line with our dividend policy and at the time we also indicated that the Board would continue to look at capital management strategies.

Digital Opportunity

As we know, an increasing share of the advertising market is migrating to digital, where OOH is incredibly well placed. The digitisation of OOH presents a far greater opportunity than just the conversion of a static image to a digital image.

This slide [slide 11] demonstrates the breadth of opportunity to engage advertisers in new ways using digital Out of home.

Digital brings the opportunity for superior targeting, real time messaging, the delivery of content beyond advertisements, interactivity through technology and a range of other benefits, making DOOH a high impact experience for consumers and therefore, advertisers.

This profound evolution of OOH is happening globally and is one of the reasons why OOH is well placed to increase its share of the overall media sector.

oOh!media has led the industry with innovations around data led audience selling and this remain a key part of our operating strategies.

So in summary - our strategy is focused on oOh! being a more digital and digitised Out Of Home business generating enhanced leverage from our portfolio of existing assets and disciplined investments in building our assets and capability to deliver further growth.

Trading Update

Let me conclude with an update on our trading

- Q1 revenue growth was 15% consistent with what was outlined in February
- April paced slightly stronger at +18% although May will be impacted by the election as Out Of Home generally does not benefit from elections vs other media due to landlord restrictions on political advertising
- We had strong performances in Road, Street Furniture and Retail pacing at +14% above 2019 April YTD. Continue to be impacted by audience led lags in the Fly and Office portfolios (performing at circa 35% of 2019 levels).
- On capex, like many businesses we are impacted by some delays caused by freight and installation delays and severe weather along the east coast, in addition to timing of contract renewals and regulatory planning approvals. We currently anticipate capex to be at or below the low end of the \$45m to \$55m FY22 range provided in February.



Before concluding my presentation. I would like to acknowledge and thank all our team at oOh! We have a fantastic and dedicated team which is fundamental to our success.

In particular I want to acknowledge Sheila Lines and Noel Cook.

After 4 years as our CFO, Sheila announced her intention to leave the business later this year. Sheila has made an outstanding contribution to oOh!, and has been instrumental in steering oOh! through the pandemic and strengthening our financial and competitive position.

I have personally valued Sheila's counsel and support since joining as CEO and on behalf of everyone at oOh!, I wish Sheila every future success.

Noel, our Chief Commercial and Operations Officer, has announced his intention to depart the business after more than 30 years.

Noel is nothing short of an institution at oOh!, but after three decades, I understand his desire to turn his considerable talents elsewhere. He has been instrumental in making oOh! what it is today, and I want to thank and congratulate Noel for such an outstanding tenure. I'm delighted he will remain with us until the end of June to support the transition to new leadership and I wish him well with his new endeavours.

Ladies and Gentlemen, that concludes my address today.

Thank you for your continuing support of oOh!media.