

H1 2020 results presentation



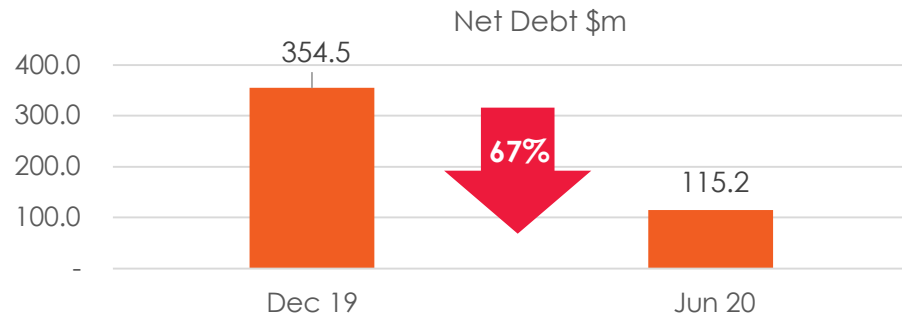
24 August 2020

Highlights



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- Gearing more than halved to 1.2X
- \$80m+ in cash / cost savings
- Green shoots in Q3 / New Zealand



- Decisive early action by the business to raise additional capital¹, cut costs and capex, and manage cash flows. Net debt reduced by 67% (\$239m)
- Increased bank covenant to 4.0X with substantial cash liquidity of \$125m at 30 June. \$232m available facilities to be drawn
- Out Of Home achieved a broadly flat Q1², but along with all Media³ experienced an unprecedented decline in Q2 due to COVID-19. oOh! held share in H1
- New Zealand business demonstrated a strong recovery in late Q2 & early Q3 - August & September revenues pacing in excess of 80% of pcip. Australian Q3 green shoots
- Longer term cost and capex streamlining progress to enable oOh! to emerge as a stronger company and grow margins



“oOh! positioned well for the economic recovery with leading market share”

CEO Brendon Cook



H1 20 key financials

Balance sheet resilience and cost control

Pre AASB 16¹ outcomes and changes vs the pcp

Revenue \$205.0m	(33%)	NPAT (\$23.0m)	(355%)
Gross Profit \$69.1m	(45%)	EPS (5.7 cents)	(251%)
COGS and Opex \$194.2	(22%)	Interim Dividend No dividend declared	n/a
Underlying² EBITDA \$10.8m	(81%)	Gearing 1.2X	(1.3X)
Underlying² NPATA³ (\$16.9m)	(193%)	Cash \$125.1m	104%

COVID-19 impact & mitigations

← 4-5 Platforms

**No dot
No spot**

Maintain physical distance.



Sit or stand where you see a green dot,
or wait for the next service.



Service Time now 11:11
Central (i)
Parramatta
Strathfield
Central (i)
Limited Stops
Next Services
Gordon
via Central
Lindfield
via Central

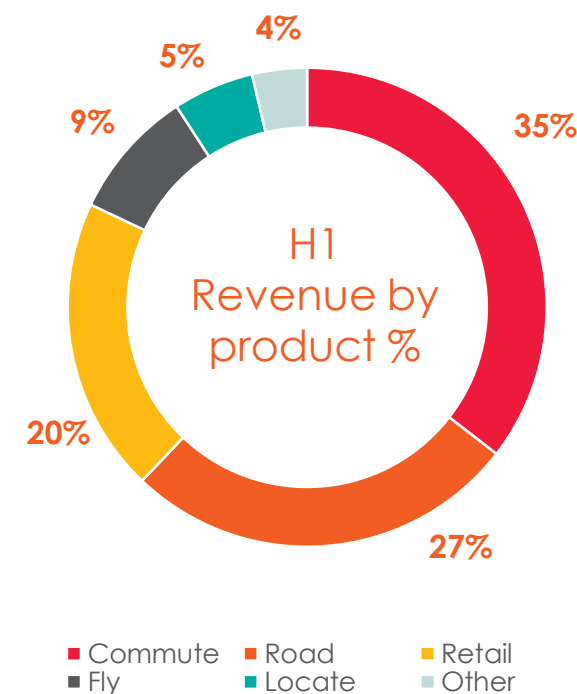
Revenues impacted in Q2 by COVID-19

oOh!'s diverse portfolio partially mitigated reduced CBD and Fly audiences

	H1 2020 (\$m)	H1 2019 (\$m)	Change % vs pcp	Q1 % change vs pcp	Q2 % change vs pcp
Commute	72.7	111.5	(35%)	3%	(69%)
Road	54.6	67.5	(19%)	8%	(45%)
Retail	40.9	61.6	(34%)	(14%)	(52%)
Fly	18.0	32.9	(45%)	2%	(86%)
Locate	11.2	23.1	(51%)	(5%)	(83%)
Other	7.6	8.2	(8%)	(3%)	(15%)
Total revenue	205.0	304.9	(33%)	(0%)	(62%)

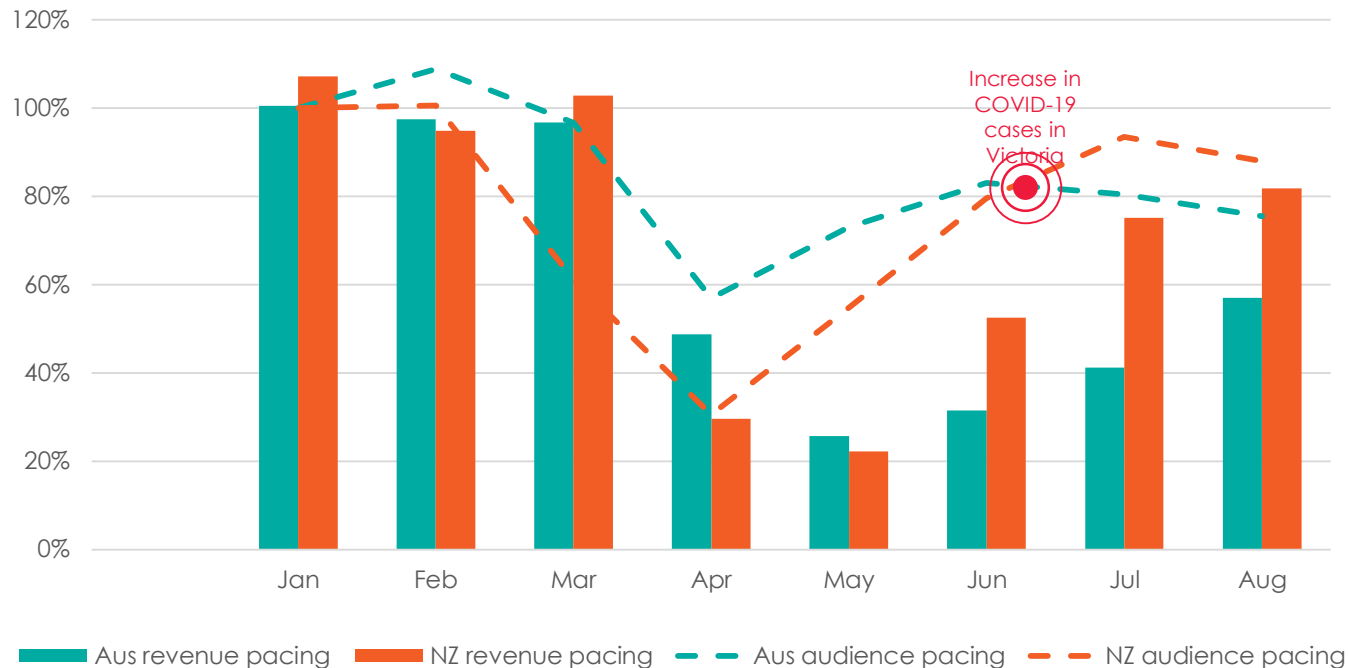
Differences in balances due to rounding

- **Q1 flat and Q2 down 62% vs pcp – share held¹**
- Commute was heavily impacted in Q2. Rail revenue performed similar to Fly in Q2, due to passenger declines in key stations in the Sydney and Melbourne rail networks
- Road was the best performing format with audiences recovering strongly in June
- Retail was mixed with smaller / grocery weighted centres performing better than destination / Tier 1 centres and performed broadly in line with Road in Q2
- Fly and Locate were heavily impacted in Q2 with a significant reduction in passengers and CBD audiences
- Other consist of Cactus and Junkee



Case study: a strong NZ rebound, Aus improving

oOh! revenue pacing vs audience¹ pacing (monthly pcp)



- **New Zealand rapidly accelerated to circa 80% of pcp pacing after the initial lock down ended on 15 June²**
- oOh!'s presence in New Zealand is mostly represented by bus shelters and to a lesser extent retail
- **Revenues typically lag audience metrics in both Australia and New Zealand. H2 Australian audience uplifts are expected to deliver meaningful revenue growth across Q3 and Q4 vs Q2**
- **Large national advertisers in both markets increasing their briefing activity, and acting in a more measured approach vs the initial April lockdown**

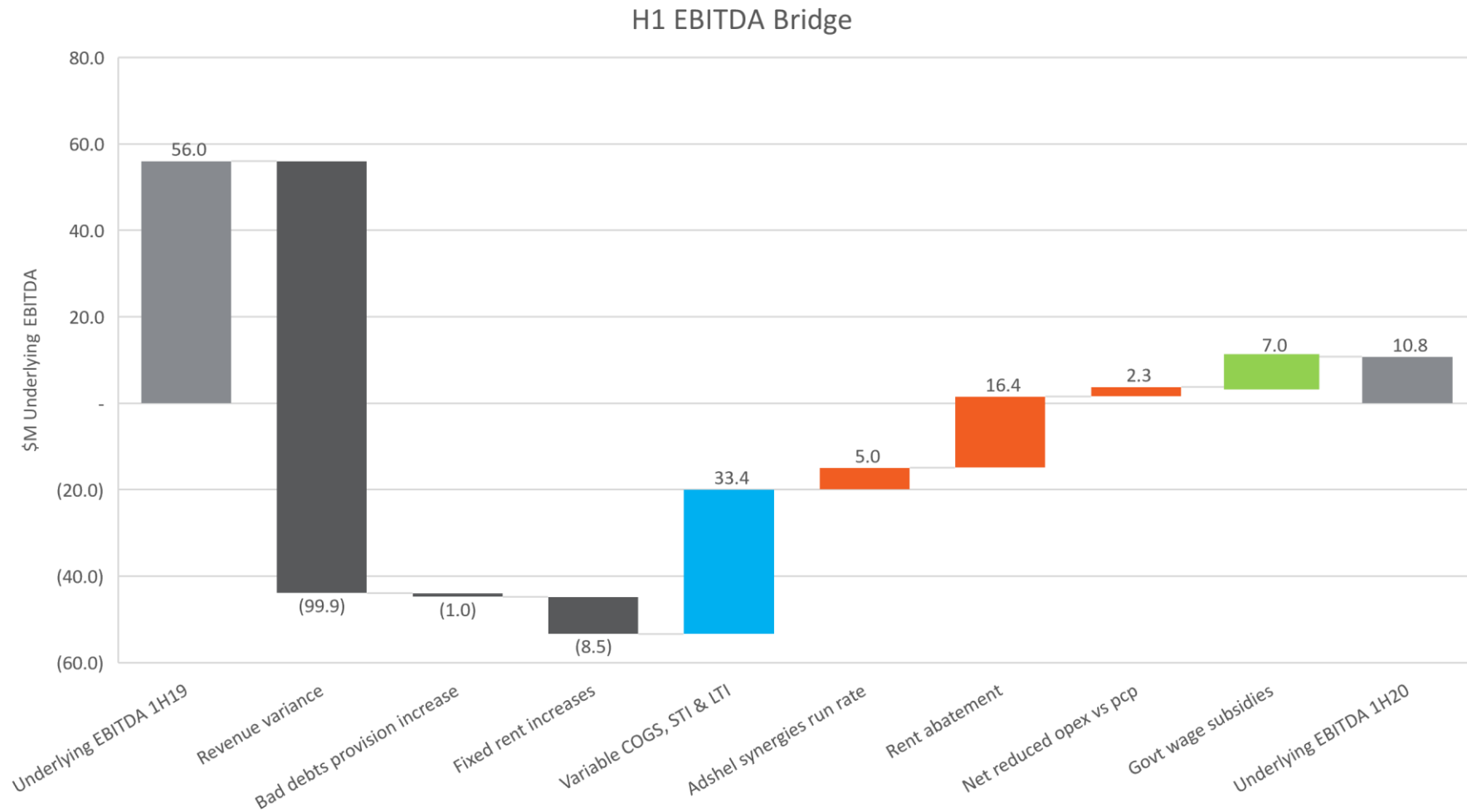
GroupM Australian CEO Mark Lollback³: *Marketers were acting far more "optimistically" during the second wave of lockdown. He says there have been far fewer campaign cancellations, with clients learning from the first lockdown period that "activity needs to remain on".*

"What's different this time is marketers and agencies have learned how to rapidly adjust and redeploy budgets to still meet their objectives, something media owners have been a part of supporting."

\$80m+ achieved in cash / cost savings for FY20

Item	Outlined on 26 March ¹	Updated FY20 position
Fixed rent expense savings	\$10m to \$15m ☒	\$31m currently confirmed for FY20, of which \$17m benefitted the second quarter - Separately \$14m of fixed rent payments due in 2020 have been deferred to 1H21 (cash timing benefit)
Operating expenditure savings	\$10m to \$15m (excluding JobKeeper) ☒	- Will exceed \$15m for FY20, excluding JobKeeper. \$7m benefit in the second quarter – predominantly from annual and long service leave reductions, part working week adopted and discretionary expenditure reduced materially - Job Keeper delivered a further circa \$7m for the second quarter. Expect \$7m for the third quarter, and a reduced amount for the fourth quarter²
Capex reductions	\$25m to \$35m ☒	- FY20 Capex projected to be below \$30m versus a mid-point of \$65m guidance provided in February. Savings in excess of the \$25m to \$35m range provided in March. H1 capex below \$10m - The business will continue to develop key sites to protect market share, its investment in upgrading its operating platform and the new offices which are contractually locked in

Fixed cost actions enhancing EBITDA



- "Natural stabilisers"
 - "Active cost base management"
 - "External support"
- oOh!'s natural variable component of its cost base complemented by management actions
 - Rent abatements contributed a circa \$17m reduction in the fixed rent base, offset by a circa \$1m substitution to variable rent
 - The variable cost base, fixed rent abatements, cost savings and Job Keeper will all contribute to H2 savings

Longer term initiatives actioned

Focusing on margin growth through the recovery cycle

Cost of Goods Sold

- The business is committed to achieving rent reductions beyond 2020
- This will be delivered through selective site terminations with further network pruning efforts and negotiations

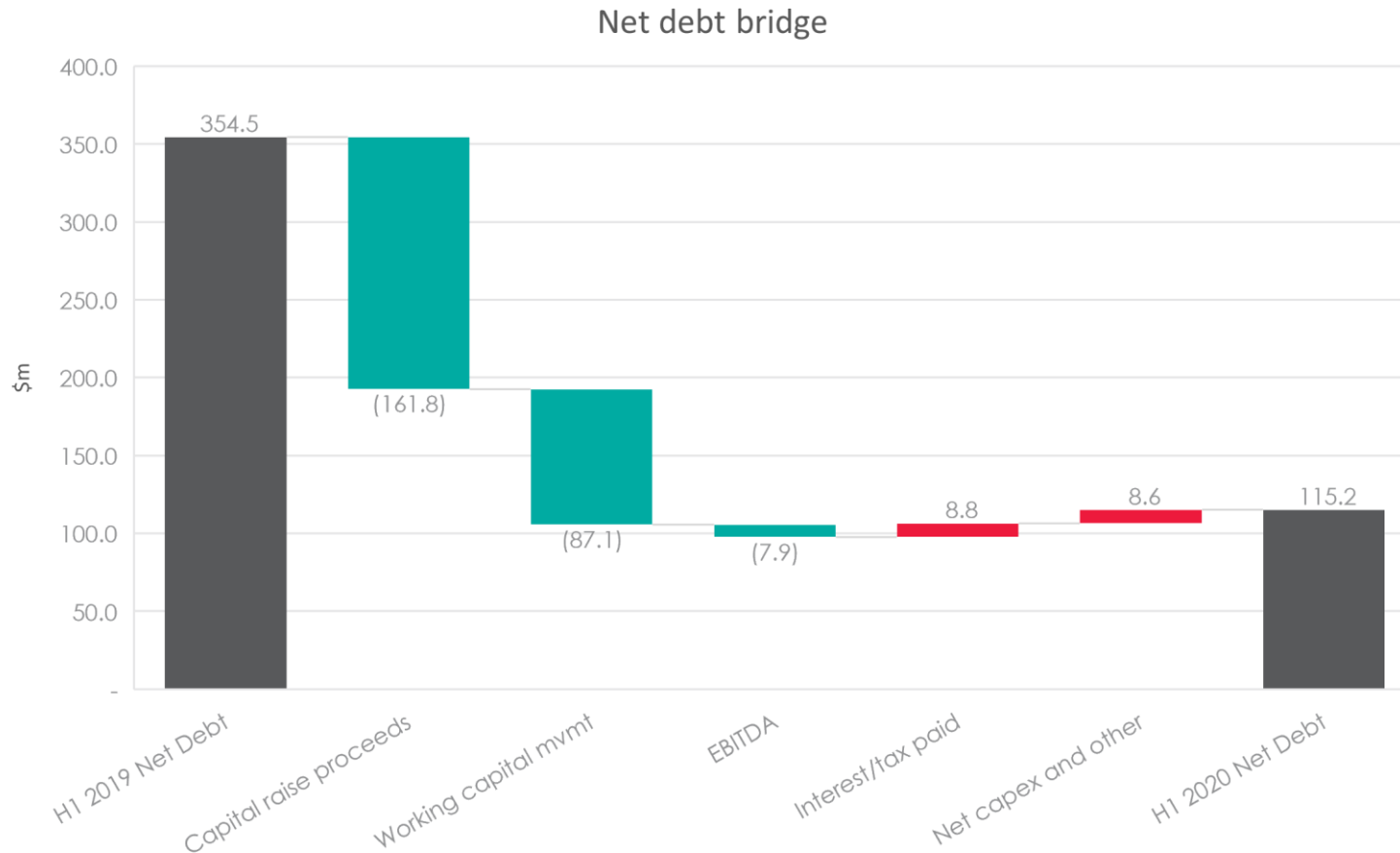
Operating expenditure

- Restructure cost savings - a \$10m exit run rate implemented in H2
- Additional opportunities to streamline and optimize to be targeted in FY21

Capex

- The business will continue to balance returns on capital and liquidity with the longer term growth opportunity in Out Of Home
- Capex for 2021 is not expected to return to pre COVID levels

Gearing halved to 1.2X and net debt down 67%



- Early capital raise reduced FY19 proforma¹ gearing from 2.6X to 1.4X, versus a covenant of 4.0X
- Strong receivables collection, substitution of pre-paid fixed rent to post paid variable rent, and significantly reduced capex during the half further lowered 30 June net debt and LTM² gearing of 1.2X to historic lows
- \$520m of total facilities and \$125m in cash at 30 June. Circa \$232m available facilities³
- Any STI applicable to 2020 will be paid in shares in lieu of cash

Sparks will fly.

The 340kW Cayenne E-Hybrid.



PORSCHE

Financial
performance

Decisive cost actions partially mitigated revenue decline

P&L pre AASB 16 ¹	H1 2020 (\$m)	H1 2019 (\$m)	Change (\$m)
Revenue	205.0	304.9	(99.9)
Cost of media sites and production	(135.9)	(178.2)	42.3
Gross profit	69.1	126.6	(57.6)
Gross profit margin (%)	33.7%	41.5%	-7.8 ppts
Total operating expenditure	(58.3)	(70.6)	12.3
Underlying EBITDA	10.8	56.0	(45.2)
Underlying EBITDA margin (%)	5.3%	18.4%	-13.1 ppts
Non-operating items	(2.9)	(6.9)	4.1
EBITDA	7.9	49.1	(41.2)
Depreciation and amortisation	(27.8)	(24.8)	(3.0)
EBIT	(19.9)	24.3	(44.2)
Net finance costs	(12.2)	(10.4)	(1.8)
Profit before tax	(32.2)	13.8	(46.1)
Income tax expense	9.2	(4.8)	14.0
NPAT	(23.0)	9.0	(32.1)
Underlying NPATA³	(16.9)	18.2	(35.1)

- **Q1 flat with pcg and Q2 decline in line with Out Of Home market**
- Share held across ANZ
- Gross profit and margin decline - largely as a function of lower revenues in Q2 partially mitigated by rent abatements
- Operating expenditure declined by \$12.3m through actions outlined on slides 8 and 9. This includes a Job Keeper benefit of \$7m
- Non-operating items of \$2.9m consists of a non-cash \$1.9 impairment of the remaining goodwill and intangibles of Junkee. The balance of \$0.9m represents residual integration costs relating to the Adshel acquisition
- Depreciation and amortisation increased by \$3.0m due to the capitalization of new sites, including Brisbane Airport sites, key external digital sites at Sydney Airport and other Road sites
- Net finance costs have increased due to \$110m of the \$280m interest rate hedges no longer being effective following the capital raise. This charge includes \$4.4m of current and prior year hedge losses that were previously captured in the balance sheet

Strong H1 cash flows support financial resilience

Cash flows ¹	H1 2020 (\$m)	H1 2019 (\$m)	Change (\$m)
EBITDA (pre AASB 16)	7.9	49.1	(41.2)
Net change in working capital and non-cash items	87.1	2.3	84.8
Interest and income tax	(8.8)	(34.2)	25.4
Net cash from operating activities	86.2	17.1	69.1
Capital expenditure	(9.7)	(28.3)	18.6
Proceeds from disposal of PP&E / Other	1.3	0.5	0.8
Net cash flow before financing / free cash flow	77.8	(10.7)	88.5
Operating cash flow / EBITDA	1,089.1%	34.9%	1,054%
Net proceeds from equity raised	161.8	0.0	161.8

Differences in balances due to rounding

- **First half free cash inflows of \$77.8m compared to a \$10.7m outflow in the pcip**
- Working capital benefit from receivables unwind in H1 is not expected to be repeated in H2
- Minimal tax payments were made in the half and interest payments fell in the second quarter following the capital raise
- Investment in capital expenditure of \$9.7m decreased by 66% versus \$28.3m in the pcip. All non-critical developments have been deferred or will no longer continue
- Other proceeds include the receipts from the disposal of two minor businesses in the half

Strengthened balance sheet - gearing more than halved

Balance sheet ¹	30 Jun 2020 (\$m)	31 Dec 2019 (\$m)	Change (\$m)
Cash and cash equivalents	125.1	61.2	63.9
Trade and other receivables	37.7	133.5	(95.9)
Other assets	28.3	41.2	(12.9)
Property, plant and equipment	232.6	248.3	(15.7)
Right of use assets	758.0	807.6	(49.6)
Intangible assets and goodwill	787.3	792.0	(4.7)
Total assets	1,969.0	2,083.8	(114.8)
Trade payables	48.2	79.4	(31.2)
Other liabilities	62.8	71.0	(8.2)
Loans and borrowings	240.3	415.7	(175.4)
Lease liabilities	818.7	851.7	(33.0)
Total liabilities	1,170.1	1,417.9	(247.8)
Net assets	798.9	665.8	133.0
Credit metrics			
Gross debt	240.3	415.7	(175.4)
Net debt	115.2	354.5	(239.3)
Net debt / Underlying EBITDA	1.2x	2.6x	-1.3x

Differences in balances due to rounding

- **Strong receivables collection and cost savings complemented the capital raising to reduce net debt**
- **Gearing at an all time low of 1.2X**
- In excess of \$125m held in cash as at 30 June, with further facilities of \$232²m available
- Minimal bad debt experienced during Q2 and a significantly reduced working capital position vs the pcip
- Gearing covenants increased to 4.0X for June to December 2020 testing, and then reducing to 3.5X in March 2021³
- July net debt balance of \$122.1m

Business strategy



oOh! is well positioned to capitalise on structural growth of Out Of Home

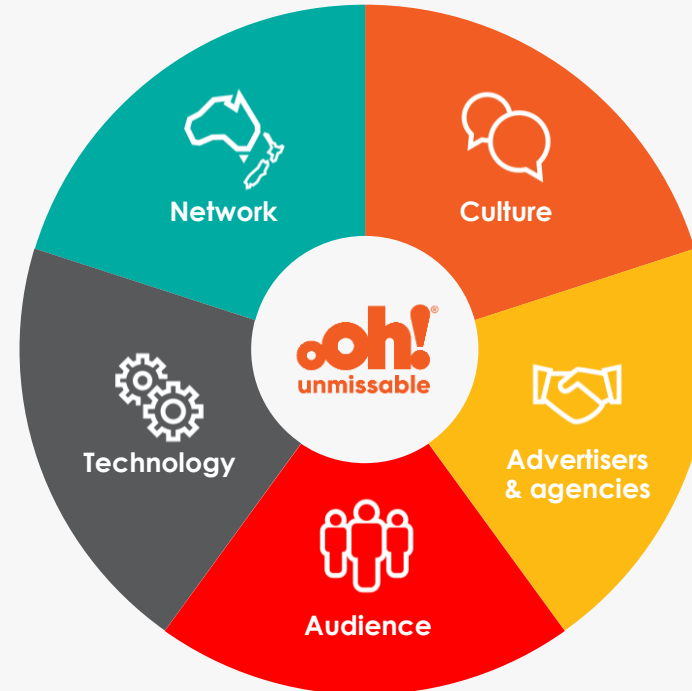
Redefine Out Of Home in ANZ as a **Public Space Media** captivating, connecting and informing citizens

Most extensive & diversified network

- Further digitisation opportunity
- Investments to drive enhanced yield and performance
- Network optimisation opportunities as business scales

Market leading tech and operating platform

- Continued investment to drive operating leverage
- Market leading new operating platform to drive growth without more headcount
- Seamless processes and experiences



Biggest audience and best data

- Biggest audience reach and frequency
- Continued long term growth in audience across formats
- Market leading data enhancing audience understanding and value

Innovative and disciplined culture

- Growth and innovation culture
- Coupled with cost and capex discipline
- Robust risk management framework

Advertisers & agencies

- Market leading sales team with best in class NPS
- Strong relationships with agencies
- Direct business opportunity for growth



Outlook

Outlook

FY 2020

- Trading conditions remain uncertain and difficult to forecast
- Q3 continues to build on Q2 with August currently pacing at 60% of pcp versus 25% for the month of May, and growing month on month momentum
- The market appears to be trading circa two weeks shorter than normal so it is difficult to form a view of how September will finish at this point. Briefing activity from major national advertisers continues to improve from Q2
- oOh! continues to promote its metro suburban and regional audience strength as the #1 in the market
- oOh! will continue to manage its costs and liquidity to ensure the resilience of the business to rebound when the growth cycle returns



Questions



Appendix



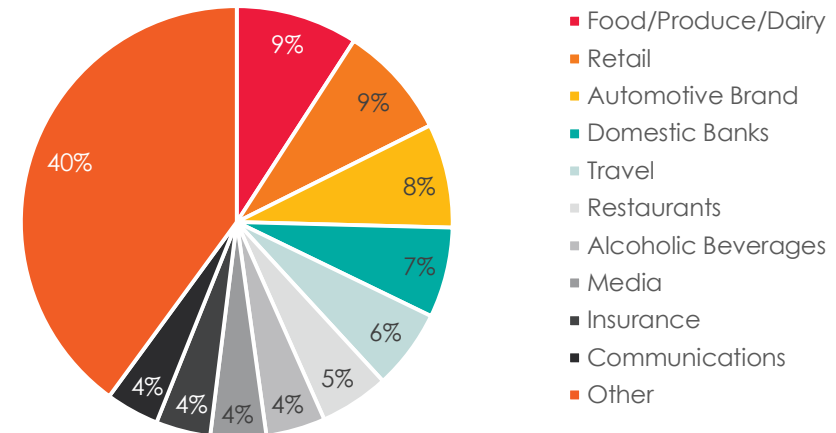
oOh! performed in a challenged Q2 per SMI¹

oOh! Q2	oOh! Vs Out of Home	Out of Home Vs Media Market
Food/Produce/Dairy	-8%	-28%
Domestic Banks	14%	-40%
Automotive Brand	7%	-32%
Retail	2%	-39%
Travel	4%	3%
Insurance	12%	-48%
Restaurants	7%	-39%
Communications	11%	-46%
Alcoholic Beverages	-8%	-8%
Gambling	14%	-29%
Total Top 10	5%	-30%
Other	1%	-23%
Total	4%	-27%

Q2 vs PCP

- Out Of Home impacted more heavily than other media given the greater audience impact of COVID-19
- Within Out Of Home, oOh! performed well with the agencies covered by SMI taking share in eight of the top ten categories as it responded to the COVID-19 challenged market with the diversity of its audience coverage and actionable audience insights

oOh! Australian revenues by category²



Advertiser category diversity improving

- oOh! has increasingly diversified its advertiser categories since IPO³
- It has less reliance on Auto and traditional travel, with travel now including UBER etc...

AASB 16 Reconciliation

	H1 2020 Pre AASB 16 (\$m)	H1 2020 Post AASB 16 (\$m)	Change ¹ (\$m)
Revenue	205.0	205.0	-
Cost of media sites and production	(135.9)	(37.2)	98.7
Gross profit	69.1	167.8	98.7
Gross profit margin (%)	33.7%	81.9%	48.2 ppts
Total operating expenditure	(58.3)	(54.9)	3.4
Underlying EBITDA	10.8	112.9	102.1
Underlying EBITDA margin (%)	5.3%	55.1%	49.8 ppts
Non-operating items	(2.9)	(2.9)	-
EBITDA	7.9	110.0	102.1
Depreciation and amortisation	(27.8)	(115.1)	(87.3)
EBIT	(19.9)	(5.1)	14.8
Net finance costs	(12.2)	(33.5)	(21.3)
Profit before tax	(32.2)	(38.6)	(6.4)
Income tax expense	9.2	11.1	1.9
NPAT	(23.0)	(27.5)	(4.5)
Underlying NPATA	(16.9)	(21.4)	(4.5)

Differences in balances due to rounding

Key changes: EBITDA increase of \$102.1m offset by a Depreciation and Amortisation increase of \$87.3m and an Interest expense increase of \$21.3m. Resulting NPAT & NPATA decrease of \$4.5m which is temporary and non-cash over the life of lease maturity

- Revenue unaffected by AASB 16
- COGS reduced By \$98.7m due to fixed rents no longer captured in COGS under AASB 16. These are now in amortization and interest. COVID-19 short term fixed rent abatements have been captured as reductions in COGS as allowed by the accounting standards
- Operating expenditure has declined by \$3.4m due to the fixed rent agreements for premises being captured in amortization and interest per AASB 16
- Depreciation and amortisation has increased by circa \$87.3m due the adoption of AASB 16
- Depreciation and amortization costs are disproportionately high on adoption of AASB 16 compared to later years. This is because oOh! was unable to apply the full retrospective approach to Commute's long tail leases that existed at 30 September 2018 as it was not the owner of the Commute business on the origination of the underlying leases. Additionally two material leases were renewed shortly after the adoption of this standard (Brisbane City Council and Brisbane Airport).
- Net finance costs have increased by circa \$21.3m due the adoption of AASB 16
- PBT, NPAT and NPATA have all been adversely impacted by AASB 16. All of these impacts are timing differences over the average lease life and have no bearing on the business's economic performance or ability to generate cash

NPAT to NPATA reconciliation

	H1 2020 Pre AASB 16 (\$m)	H1 2019 Pre AASB 16 (\$m)	Change ¹ (\$m)
NPAT	(23.0)	9.0	(32.0)
Add: Non-operating items	2.9	6.9	(4.0)
Less: tax impact of non-operating items	(0.3)	(2.1)	1.8
Underlying NPAT	(20.4)	13.9	(34.3)
Add: Amortisation relating to acquired intangibles	5.1	6.2	(1.1)
Less: tax impact of amortisation	(1.5)	(1.9)	0.4
Underlying NPATA	(16.9)	18.2	(35.1)
<i>Underlying NPATA % of revenues</i>	<i>(8.2%)</i>	<i>6.0%</i>	<i>-14.0 ppts</i>

Differences in balances due to rounding

Financial information notice

oOh!'s Financial Statements for the half year ended 30 June 2020 presented in accordance with Australian Accounting Standards.

oOh!media has also chosen to include certain non-IFRS financial information. This information has been included to allow investors to relate the performance of the business to the measures used by management and the Board to assess performance and make decisions on the allocation of resources.

Non-IFRS and Underlying measures have not been subject to audit or review.

Glossary

COMMUTE	oOh!'s street furniture and rail categories – acquired from the rebranded Adshel acquisition
EBIT	Earnings before interest and tax
EBITDA	Earnings before interest, tax, depreciation and amortisation
ORGANIC	Excludes the financial impact of acquisitions
NPAT	Net profit after tax
NPATA	Net profit after tax before acquired amortisation and non-cash items such as impairments
Pre AASB 16	The accounts for 1H 2020 as they would have been reported if not for the adoption of the new leasing standard AASB 16
Underlying	Financial measure which reflects adjustments for certain non-operating items including impairment, acquisition and merger-related expenses. Underlying represents the same concept as in the CY2019 Annual Report

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Important notice and disclaimer

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oOh!media considers that this non-IFRS financial information is important to assist in evaluating oOh!media's performance. The information is presented to assist in making appropriate comparisons with prior periods and to assess the operating performance of the business.

All dollar values are in Australian dollars (A\$) unless otherwise stated.

Authorisation

The Directors of oOh!media Limited authorise the release of the 1H 2020 results on 24 August 2020, as outlined in this presentation. The release of this document to the ASX has been authorised by the Board of Directors.

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