



oOh!media Limited
ABN 69 602 195 380

13 May 2021

ASX Release

2021 ANNUAL GENERAL MEETING – ADDRESSES BY THE CHAIR AND CEO

oOh!media Limited (ASX:OML) (oOh!) 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 \$649 million in 2019. It also owns digital publisher Junkee Media, printing business Cactus, and experiential provider oOh! Experiential.

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

Ladies and Gentlemen, in my Chair address today, I will focus on the Company's priorities over the past year, first in managing through the COVID-19 pandemic and second in ensuring our business was equipped to respond to the short term market volatility whilst remaining in a strong competitive position for the medium term.

I will discuss our financial results in 2020, our continued focus on capital management and changes to our Board, including the appointment of a new Managing Director and CEO, Cathy O'Connor.

Managing through the COVID-19 pandemic

COVID-19 had a major impact on advertising spend throughout 2020. The Out of Home sector was impacted more heavily than other forms of media, given the significant audience decline as a direct result of restrictions on the movement of people caused by the pandemic.

Our response was considered and decisive. Our priority was to ensure the Company's balance sheet remained sufficiently robust to manage through the volatile conditions whilst supporting our competitive position for the medium to long term as structural growth returns.

We also focused on reducing the Company's costs to adjust to the significantly reduced revenue environment, with a specific emphasis on negotiating rent relief from our commercial partners, and swiftly and significantly reducing the Company's capital and operating expenditure for 2020.

As a result of these direct initiatives, oOh! has successfully negotiated the myriad challenges faced during 2020.

We saw improvements across some of our formats from the third quarter of the year onwards, and we remain focused on maintaining the strength of our business in the short term, while preserving our assets and resources to ensure revenue and earnings recovery as audiences return to our advertising environments in the medium and long term.

FY20 Financial Results

In a very challenging market, total revenue fell by 34% to \$426.5 million. In our key formats of Road, Retail, Street Furniture and New Zealand, revenue started to recover in the third quarter as government restrictions were relaxed.

However, the Fly, Rail and Office formats remained impacted by travel and working restrictions.

The 34% decline in revenue resulted in a gross profit of \$180.2 million, which was down 36% on the prior year. This decline reflects the significantly lower revenue, only partially offset by fixed rent relief negotiated with our commercial partners and lower variable rent during the period.



Underlying EBITDA (pre AASB16) declined by 55% to \$63.2 million. The Net Loss After Tax (pre AASB16) was \$23.9 million compared to a Net Profit After Tax for the prior year of \$27.2 million. On a reported basis, (including the adoption of AASB16), the Net Loss After Tax was \$35.7 million.

Cathy will discuss the financial results in further detail in her address.

Capital Management and Dividends

In response to the significant uncertainty caused by COVID-19, we responded quickly to ensure the Company was well-equipped to manage through the short-term volatility.

We took the prudent decision to strengthen the balance sheet with a \$167 million equity raising in March 2020. Our priority in undertaking this raising was to protect the rights of our existing shareholders to the fullest extent possible with 91% of the institutional entitlement offer and 73% of the retail entitlement offer subscribed to by existing shareholders.

I want to thank and acknowledge shareholders for your support in this raising.

At 31 December 2020, net debt was \$112.2 million reduced from \$354.5 million at the start of the year.

The Company's gearing ratio (Net Debt / Underlying EBITDA) as at 31 December 2020 was 1.8 times, compared to the bank covenant level of 4 times (which is to reduce to 3.25 times by September 2021).

As we announced at the time of the equity raising, we have temporarily suspended dividends. As a result, no dividends were payable for CY20. We will revisit this intent in future periods based on the prevailing market conditions and with the consent of our lenders.

Board Changes

There were some changes to the Board during the year.

Mick Hellman joined the Board as a Non-executive Director in April 2020 and his election was supported by shareholders at last year's AGM.

Mick is Founder and Managing Partner of investment management company, HMI Capital Management L.P. which is the largest shareholder in oOh!.

Mick brings significant international investment experience to the Board, including investments in several Out of Home companies.

Andrew Stevens joined the Board as an independent Non-executive Director in September 2020.

Andrew has extensive experience in technology and consulting, including as Managing Director of IBM Australia and New Zealand from 2011 to 2014 and previously several consulting roles at PwC, before being appointed Managing Partner of PwC Consulting across Asia Pacific.

Andrew is standing for election at today's AGM, and subject to shareholders' support, we look forward to his continued contribution to the Board.



Finally, I would like to acknowledge Joanne Crewes who has retired from the Board for personal reasons with effect from 11 am this morning.

Joanne joined the Board in 2017 and has made a valuable and significant contribution to the Board over that time.

I know I speak on behalf of all Board members and management in offering Joanne our very best wishes for the future.

We are currently engaged in a process to appoint a replacement for Joanne.

Appointment of New Managing Director and CEO

Shareholders will recall that Brendon Cook indicated his intention to step down as Managing Director & CEO and from the Board during 2020. Brendon founded oOh! in 1989 and he has been an innovator and passionate industry leader for the past 30 years.

Given the significant uncertainty caused by the pandemic, Brendon agreed to remain as CEO through to the end of the year and his last day was 31 December 2020.

Separately, Brendon has agreed to remain with oOh! in a non-executive consulting role, which means the Company continues to benefit from his unparalleled knowledge and industry insights. On behalf of the Company, I want to personally thank Brendon for his enormous commitment and dedication to building and leading our business for the past 30 years.

We were very pleased to welcome Cathy O'Connor as oOh!'s new Managing Director and Chief Executive Officer in January this year.

Cathy brings extensive experience from her 35 years working for Australian media organisations, including the last 12 years as CEO of Nova Entertainment Group and five years prior to that as Managing Director of DMG Radio. Cathy is recognised as one of the most influential leaders in Australian media.

Her outstanding qualities, including her proven success in steering media sales organisations by leading strategy and driving organic growth initiatives - even in the most challenging of environments - will be of enormous benefit to oOh!.

You will have the opportunity to hear from Cathy shortly.

Summary

In closing I want to acknowledge and thank our people at oOh! for their focus and dedication in what has been an extraordinarily challenging year.

While the market remains uncertain, as the market leader in Out of Home across Australia and New Zealand, oOh! remains well positioned to leverage the ongoing recovery in audience growth and advertiser sentiment.



Our strategy remains focused on capitalising on the positive key structural drivers of growth in Out of Home and leveraging our diverse product portfolio, backed by data, to deliver results for advertisers to create value for our shareholders.

Thank you once again for your support.



Chief Operating Officer's Address – Cathy O'Connor

Ladies and Gentlemen,

It's my privilege to present my first address to shareholders at the AGM as Managing Director and CEO of oOh!.

I am honoured to serve in this position.

Today, I would like to provide my initial observations since joining the Company with a focus on the strong platform I believe we have to grow our business to deliver sustainable value creation for shareholders.

I will also provide some further information regarding our financial results for FY20 and conclude with some commentary on our trading for the first quarter of this year and an update on current market conditions, including audience metrics across our key formats.

Initial observations

First, I want to acknowledge the significant contribution of Brendon Cook as founder and CEO of oOh! for the past 30 years. As Tony has just said, Brendon has been a true pioneer of the Out of Home industry and his enormous contribution to the business will be felt for many years to come.

While I joined the company only 4 months ago; having worked in the media industry for 36 years, I have long been an admirer of oOh! and indeed the Out of Home sector more broadly.

Having now had the opportunity over that time to interact with our people, our clients and business partners, I am even more excited by the opportunity we have to grow our business.

Let me start with the Out of Home sector in a broad sense.

It is a media sector that has a number of natural, strategic advantages as a mass reach medium.

While COVID-19 has clearly reduced Out of Home audiences for the first time in the Company's history, the long term trends of continued population growth and urbanisation remain very supportive for audience growth across Out of Home formats.

That provides the unmatched scale which enables the medium to reach millions of Australians and New Zealanders every day.

While traditional media continue to be disrupted by digitisation, Out of Home continues to benefit from changes to digital technology.

Digitisation and technology provide a number of benefits to Out of Home.

It allows us to improve our physical assets to provide compelling creative media opportunities for advertisers.



It improves the measurement of the sector and ease of transacting.

And it will enhance the way content can be distributed in dynamic ways.

These drivers lead to improved Return on Investment for advertisers which is the key fundamental for continued share growth of the Out of Home sector compared to other forms of media.

The PWC media outlook report predicts continued growth in Out of Home in taking share from other forms of media through to 2024.

Let me now turn specifically to oOh!media.

As the market leader across both Australia and New Zealand, oOh! is uniquely placed to capitalise on the expected growth in Out of Home.

oOh! has unrivalled scale and diversity of formats to deliver for advertisers. This scale enables us to reach 77% of all metropolitan and regional Australians across more than 35,000 locations across our diverse formats. In New Zealand we reach a similar per cent of the population with over 4,000 locations.

The combination of these formats ensures we can provide maximum reach and frequency for advertisers.

At the same time, our data capability means we can combine oOh!'s audience environments and our extensive audience data sets (such as Quantum) to determine the best inventory to use and when to engage with the desired audiences to maximise campaign effectiveness.

We continue to educate our clients on how they can harness the power of oOh's diversity of formats and compelling reach. As an example, we recently launched the Audience Intelligence Hub, which is a new online data resource to provide clients with up to date insights for engaging Out of Home audiences.

The platform references data from over 4,000 Out of Home locations across Australia for deep insight into people movement patterns and audience and behavioural trends across roadside billboards, shopping centres, offices, cafes and university campuses in Australia.

As people movement patterns remain dynamic due to COVID-19, this capability enables us to assist advertisers to target audiences more effectively in the current environment.

While I have mentioned the diversity of our formats, let me also mention the balance and diversity of our lease profile. This is an important aspect of the diversity of our revenue base across multiple formats and concessions.

No individual concession contributes more than 6% of group revenue.

That provides a high degree of revenue diversification and also supports our strategy to remain disciplined on contract renewals. We have continued to add quality assets to our network including digital large format billboards in iconic locations in the Eastern Suburbs and Northern Beaches of Sydney.

Looking forward, we have a pipeline of five new large format digital billboards and between 50 to 100 small format digital billboards across street furniture and retail in the next few months. We were very pleased to renew our partnership with Melbourne Airport earlier this year.



Meanwhile, nearly 60% of pre COVID-19 2019 revenue by concession is attached to contracts that expire beyond 2023.

Our People

Notwithstanding the key strengths of the business I have just mentioned, it is the people across oOh! that continue to be our greatest asset. Over the past months, I have been greatly impressed by the experience, calibre and also the resilience of our staff in delivering results for advertisers.

oOh! has a very strong culture and this was never more evident than during 2020 when our people responded admirably to the challenges of COVID-19 to deliver a financial result that exceeded our initial targets.

This included negotiation with property partners to deliver \$63 million in net fixed rent savings, capital expenditure reduction of \$49 million and operational cost savings of \$16 million (excluding JobKeeper).

FY20 Results

Total revenue in CY20 decreased by 34% to \$426.5 million, impacted by people movement restrictions which caused an immediate and steep decline in revenue in the second and third quarters.

Underlying EBITDA (pre AASB16) declined by 55% to \$63.2 million, reflecting the decline in revenue, which was partially mitigated by the significant reduction in costs across the business I have just mentioned.

Underlying NPATA (pre AASB16) was a loss of \$8.0 million.

On a reported basis (which includes the adoption of AASB16), Net Loss After Tax was \$35.7 million.

Following the strong focus on capital management initiatives, net debt at 31 December 2020 was \$111.2 million; a reduction of \$243 million from the prior year.

Sustainability

oOh! remains committed to operating as a sustainable business.

Our focus in 2020 was the health and safety of our people to enable working from home, mental health and other initiatives to ensure our people have been supported through the pandemic and can continue to deliver for our clients.

We take our responsibility for public messaging seriously and this was particularly important during the pandemic in conveying important health updates and advice to the public. oOh! was able to play a central role in dissemination of important public messaging by leveraging our nation-wide network of inventory across Australia/NZ.



We also continued to support a range of community and charitable organisations. In Australia during the year, oOh! supported various causes and donated 7 media packages at a value of \$295,000 each and provided over \$25 million in media space to charity and community causes.

Update on Trading

I will now provide an update on revenue for the first quarter and current audience and revenue pacing.

oOh!'s key formats of Road, Retail, Street Furniture and New Zealand account for approximately 75% of Group revenue in a pre-COVID environment. These formats have continued to recover strongly from the impact of COVID-19 in the first quarter of FY21 and in aggregate are performing at approximately 95% of the first quarter of both 2019 and 2020 and represented approximately 88% of Q1 revenue in FY21. Road in particular has performed well – consistently pacing above 2019. The other more affected COVID formats of Fly, Office, Rail and Youth traditionally account for about 25% of Group revenue and given the reduction in audiences, revenue in these formats is expected to recover over FY21/FY22. In the first quarter, these more affected audience formats were trading at approximately 36% of the first quarter in 2019 and 2020 and represented approximately 12% of Q1 revenue in FY21.

For the first quarter FY21, oOh! total revenue in Australia declined by 22% compared to the prior corresponding quarter. This decline compares to an overall 24% decline in the broader Out of Home sector as measured by the Outdoor Media Association.

In New Zealand, first quarter FY21 revenue declined by 6% compared to an overall 8% decline for the Out of Home sector.

April 2021 paced at a similar level as Q1 overall and was a softer month for the Out of Home market, but May pacing is stronger. The Road format in particular remains in strong demand.

Market share was gained during the first quarter and preliminary April data indicates that oOh! has held share April year to date.

Separately, COVID rent abatements contracted to date approximate \$12m for the first half of the year. These are subject to final confirmation of audience and revenue attached to specific contracts or environments and are expected to reduce in the second half, consistent with the expected improvement in audience and revenue in environments still affected, including Fly. As we outlined at the interim results in February, capital expenditure for CY21 is expected to be materially lower than FY19 (\$56m) with decisions aligned to revenue growth opportunities and concession renewals.

oOh! remains well positioned to leverage the audience and revenue recovery already evident across our key formats.

We continue to promote our metropolitan, suburban and regional audience strength as the market leader.



For example, in Retail, oOh! is present in over 460 retail centres of which over 50% are in large or medium centres. This delivers the number one overall network and largest concentration in large and medium centres in Australia.

We continue to invest across our asset base. oOh! has an identified pipeline of \$100m to \$150m for investment into revenue generating assets over the next four years.

Conclusion

Ladies and Gentlemen, over the past year oOh! demonstrated its adaptability and flexibility to meet the unprecedented challenges caused by COVID-19.

This is a testament to our people and also the strong relationships oOh! maintains with all our stakeholders, including banks, commercial partners and various governments and of course, our shareholders.

We remain grateful for your ongoing support.

We are well placed to leverage the improvement in market conditions and audience growth with the most comprehensive network of assets across Australia/NZ and the most insightful data to help advertisers reach desired audiences.

As I said at the start of my address, I am excited by this opportunity and I look forward to sharing our continued progress with shareholders.