



Annual General Meeting 2018

HT&E Limited
ABN 95 008 637 643



2018 Annual General Meeting

Creating shareholder value

- ARN is performing well; growth in core business
- Adshel pioneering digital out-of-home; innovative opportunities for advertisers
- Benefits of ARN and Adshel ownership starting to be realised
- Focused on maximising performance of our core business
- Investing in their digital future
- Creating new business opportunities in a digital world

2017 financial result

- Statutory result impacted by acquisitions in 2016:
 - Revenue up \$174m – \$161m acquisition related
 - Costs up \$138m – \$126m acquisition related
 - Depreciation: acquired \$11m, digital growth ~\$3m
- Impairment of Adshel Australia intangibles of \$163m
- Underlying EPS¹ was 13.9 cents per share
- Final dividend of 4c brings full year payout to 40% of NPATA before exceptionals

Pro forma result:

\$472.3m
Group revenue
↑ **3%**

\$118.4m
EBITDA
↑ **1%**



A\$ million	2017	2016
Revenue before finance income	472.3	298.6
Other income	7.4	7.2
Share of associate profits	1.3	9.3
Costs	(362.5)	(224.1)
Underlying EBITDA¹	118.4	90.9
Depreciation	(22.4)	(7.4)
Underlying EBITA¹	96.0	83.5
Net interest expense	(9.0)	(17.7)
Net profit before tax and amortisation¹	87.0	65.9
Taxation on net profit before amortisation	(26.7)	(16.9)
Net profit after tax and before amortisation (NPATA)¹	60.3	48.9
Less non-controlling interest	(6.2)	(6.6)
NPATA attributable to HT&E shareholders¹	54.1	42.4
Amortisation (net of tax)	(11.2)	(0.8)
NPAT attributable to HT&E shareholders¹	42.9	41.6
Exceptional items	(160.4)	203.5
NPAT from discontinued operations	-	(251.1)
NPAT attributable to HT&E shareholders	(117.5)	(6.0)
Underlying EPS (cps) ¹	13.9	20.8
Final dividend per share (cps)	4.0	4.0

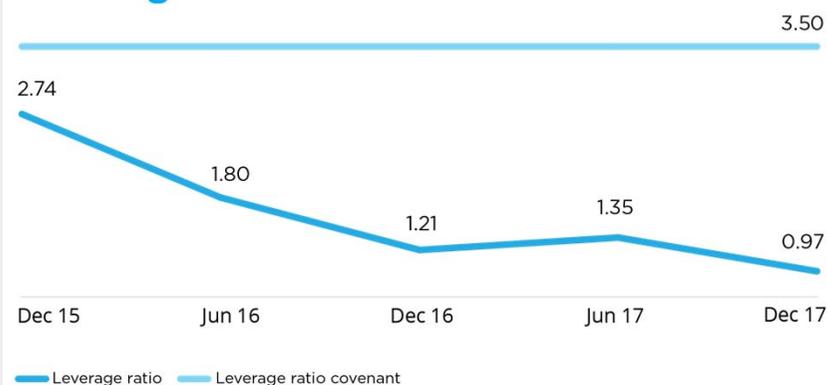
(1) Before non-operating items

Net debt

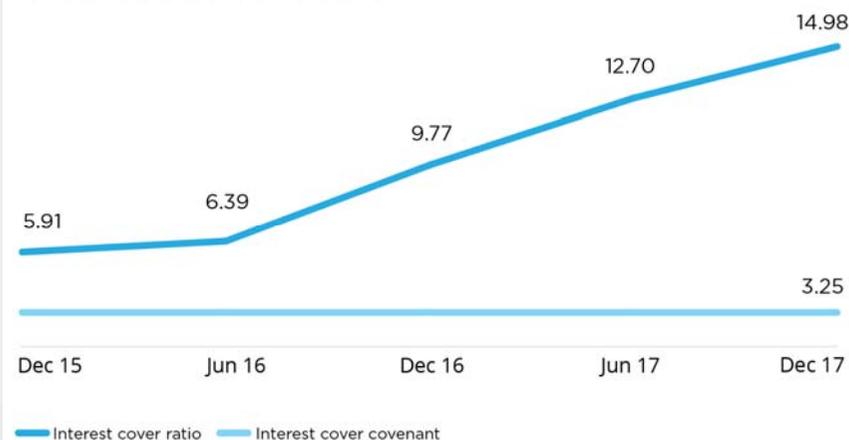
- Leverage: net debt less than 1x EBITDA; Interest cover nearly 15x
- Debt facility matures July 2019
- Undrawn facility limits of > A\$200m

A\$ million	2017	2016	2015
Gross debt	133.6	162.9	477.2
Less: Cash	(18.8)	(20.2)	(21.7)
Net debt	114.8	142.7	455.5
Unamortised borrowing costs	(0.5)	(1.6)	(5.8)

Leverage ratio¹



Interest cover ratio¹



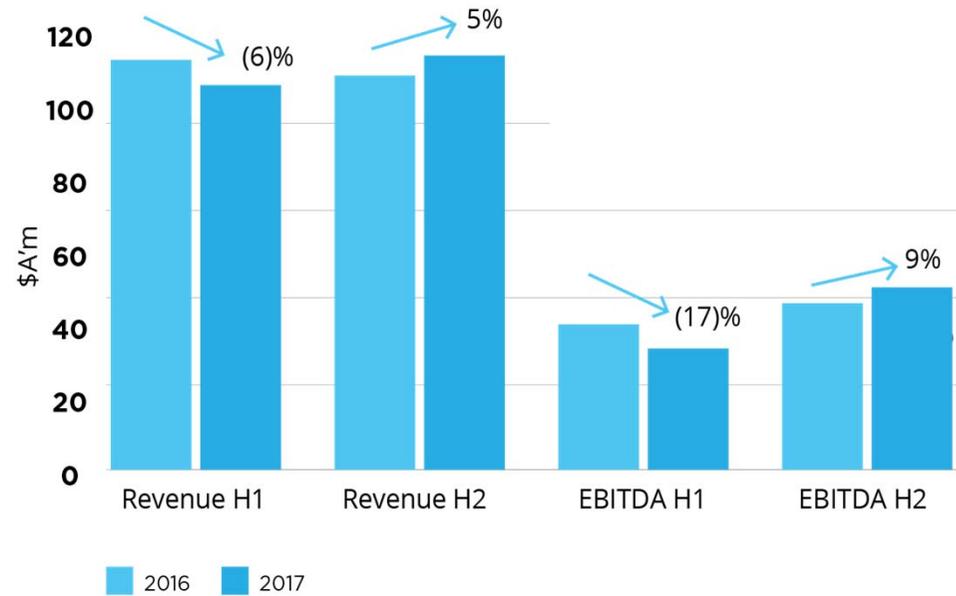
(1) Dec 16 adjusted to exclude ARM, NZME and include Adshel and Conversant Media, Jun 16 adjusted to exclude NZME.



ARN financials

A\$ million	2017	2016 ¹	% change
Total revenue	218.7	220.1	(1%)
Total costs	(135.6)	(134.7)	1%
EBITDA	83.1	85.4	(3%)
EBITDA Margin	38%	39%	

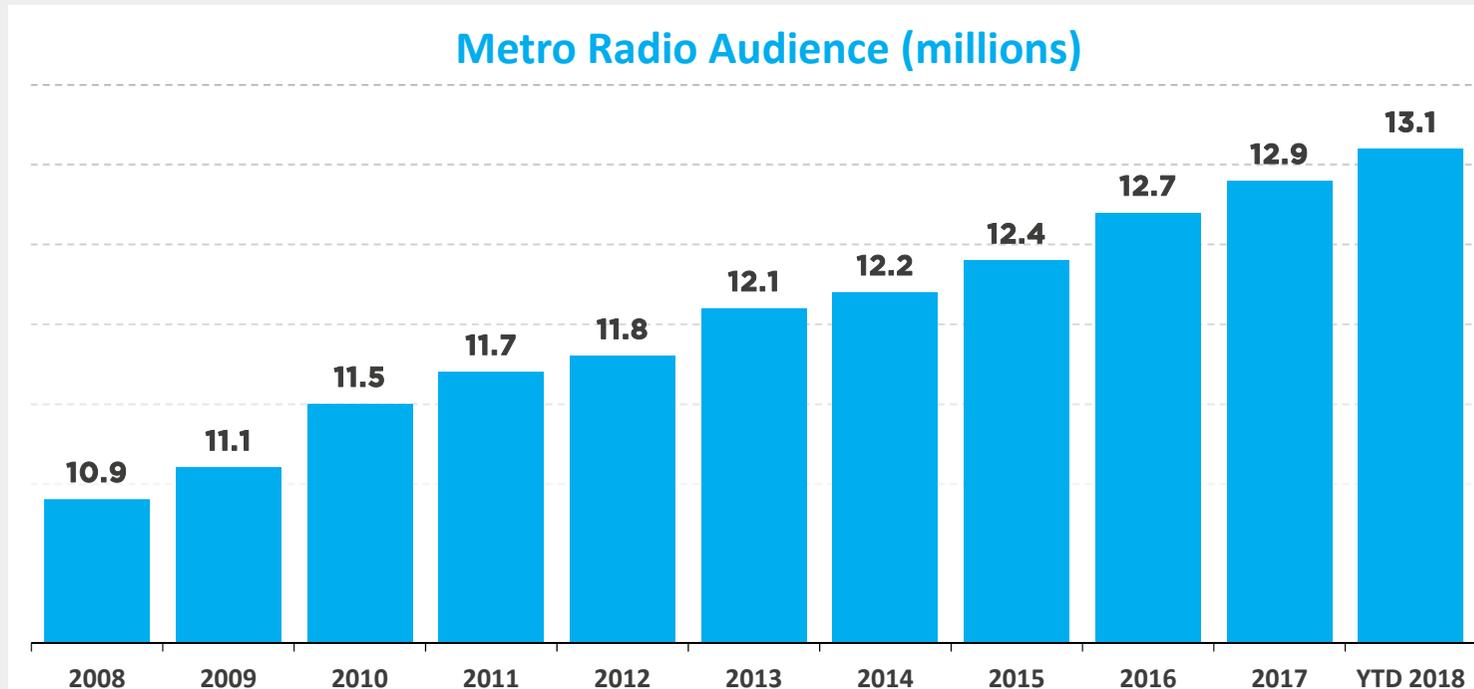
Revenue & EBITDA improvement in H2



(1) Comparatives have been updated to reflect the change in segment disclosure (i.e. excludes Emotive) in the current period



Radio is a growth medium



Growth in the core business

FM Ratings & Position by Market

Market	FY17 Market value	2016 FY Av %	2017 FY Av %	2018 YTD Av %	2018 YTD FM ranking
Sydney	\$245m	16.1	17.3	17.5	#1 & #2
Melbourne	\$241m	14.3	15.5	15.5	#3 & #6
Brisbane	\$121m	21.3	19.8	20.6	#1
Adelaide	\$69m	21	21.6	25.1	#1
Perth	\$105m	8	9.5	8.2	#5



The digital audio future

Support the transition of ARN Audiences & Revenues to digital audio world

Enhance data-rich audience targeting for advertisers and increase accountability

Create & acquire audio content



Growing usage and revenue



**1.6 Million +
APP DOWNLOADS**

**1 Million +
REGISTERED USERS**

**3.1 Million +
STREAMING HOURS
IN APRIL**

**370,000
MONTHLY ACTIVE
USERS**

**LARGEST
LIBRARY OF
PODCASTS**

**DYNAMIC
AD
INSERTION**

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Adshel Financials



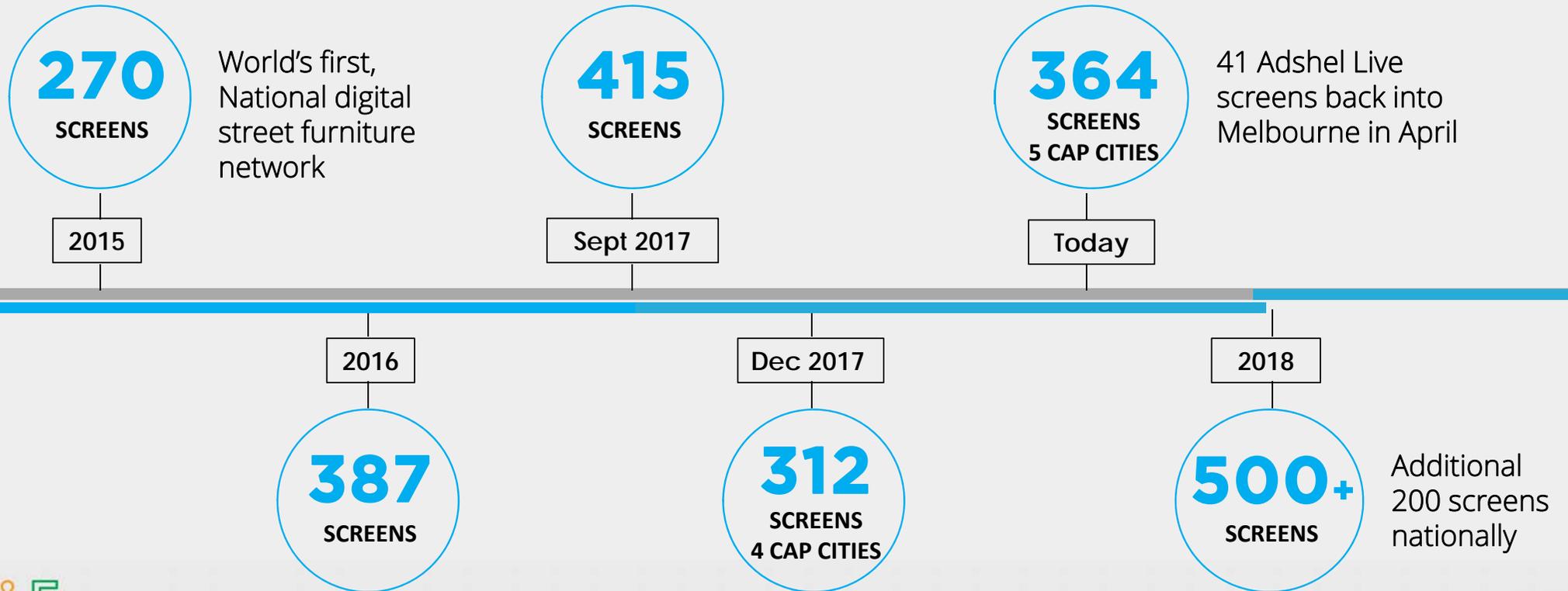
A\$ million	2017	2016	% change
Total revenue & income	221.3	205.8	8%
Total Costs	(169.8)	(159.6)	6%
EBITDA	51.5	46.2	11%
EBITDA margin	23.3%	22.5%	



**Largest
Street Furniture
network
in Australia
and New
Zealand**



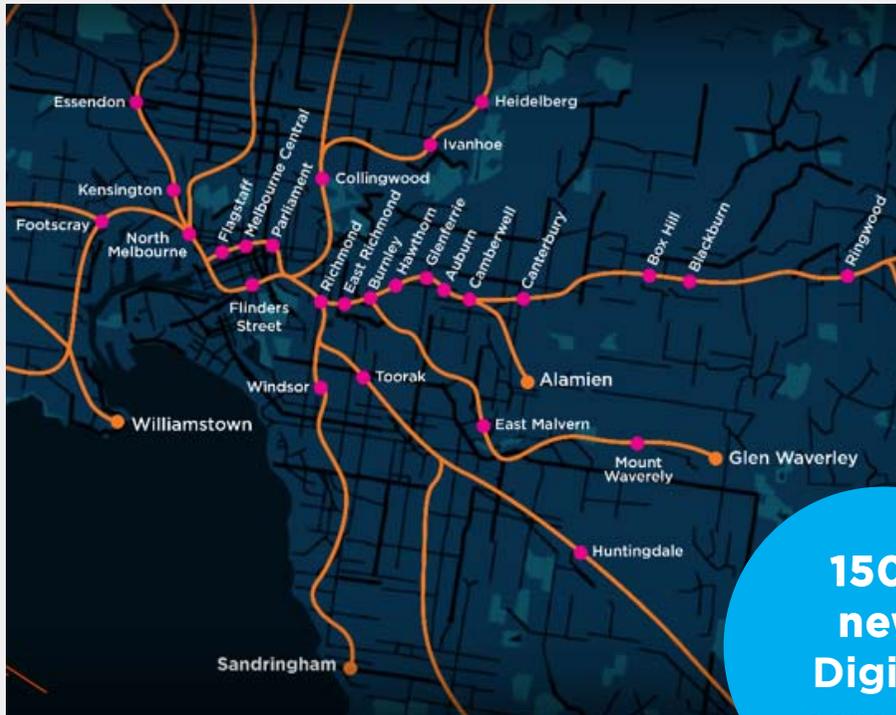
Adshel – National Live Network (Australia)



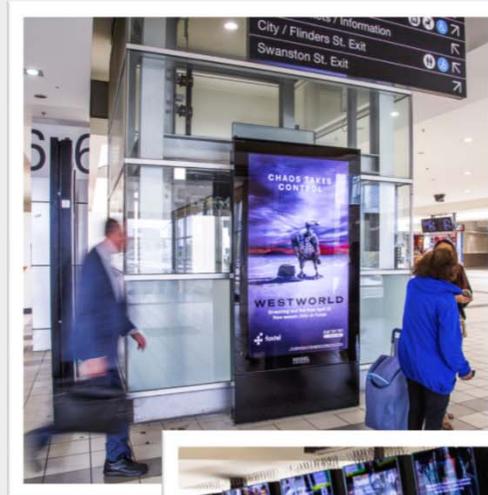


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Unique rail packages



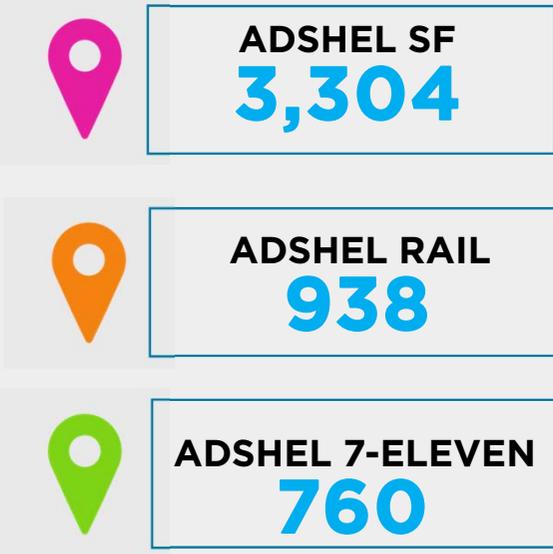
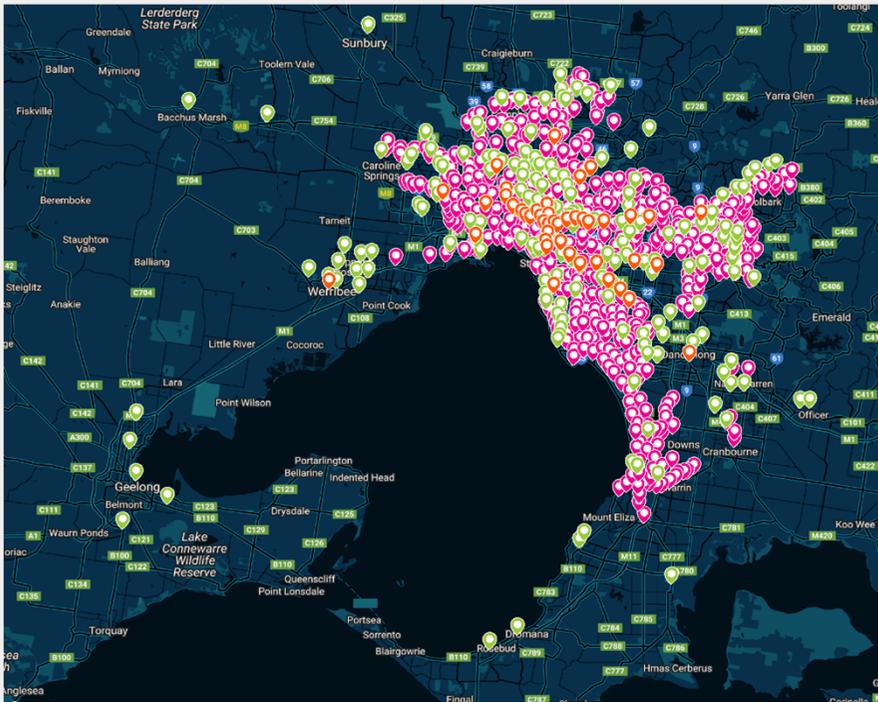
150+
new
Digital
screens





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Adshel in Melbourne



**LARGEST
COVERAGE
IN MELBOURNE**



Numbers are based on April 2018. Adshel SF includes static inventory within rail and 8 Adshel Live screens. Digital screens include all six displays per location.



Adshel contract renewal

16 contracts won, extended or in the process of being renewed, since October 2017:

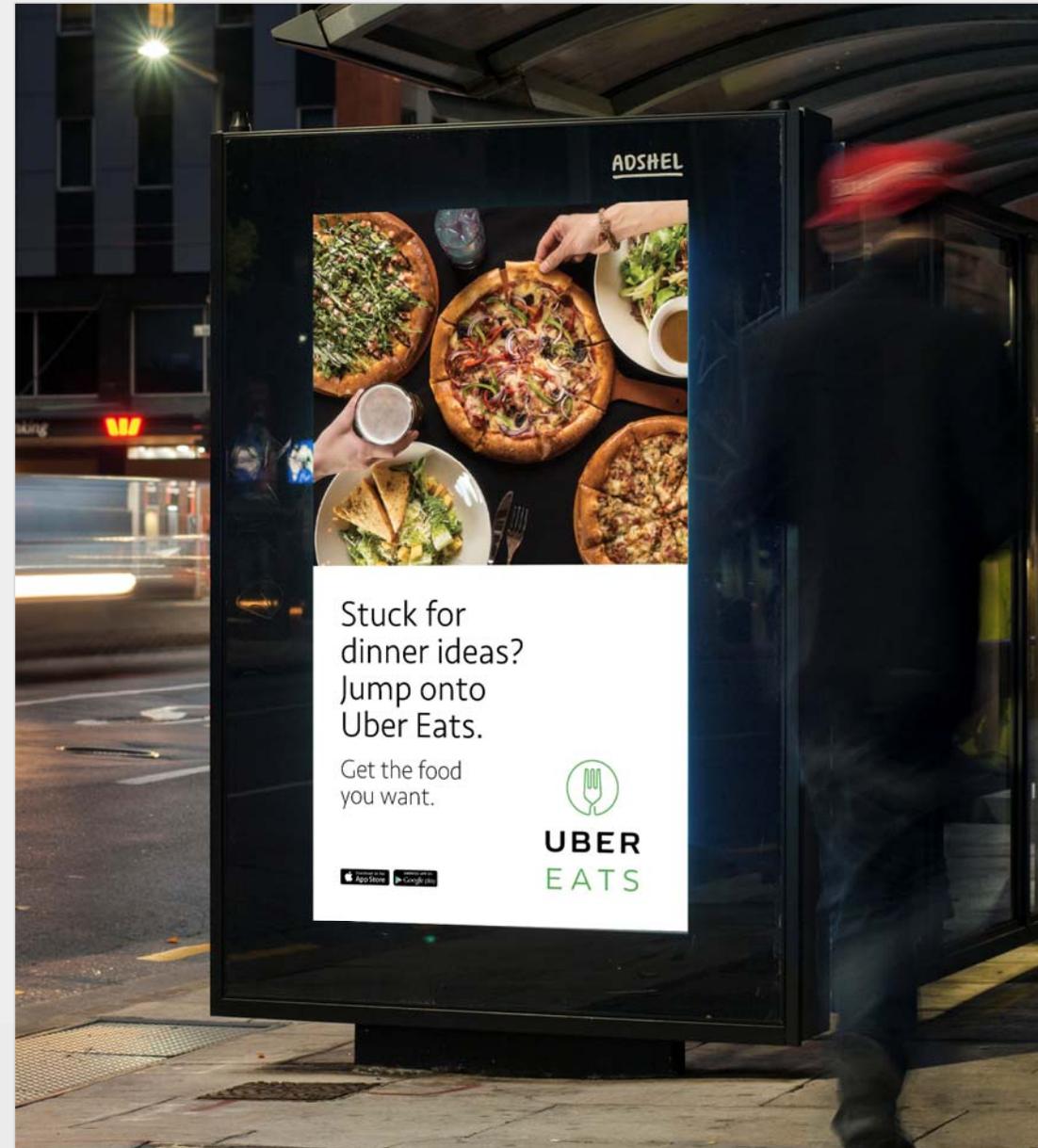
- Blacktown NSW
- Mosman NSW
- Ryde NSW
- Strathfield NSW
- Sydney Trains NSW
- Warringah NSW
- Gandel VIC
- Glen Eira VIC
- Highpoint Shopping Centre VIC
- Metro Trains Melbourne VIC
- PTV VIC
- Burnside SA
- City of Adelaide SA
- Joondalup WA
- Peppermint Grove WA
- Wanneroo WA

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Giving advertisers more

- Digitisation is more than just the roll-out of screens
- Investments in technology platforms & data
- New sales approach pioneering how digital OOH is bought
- Launched TDL – Time/ Day/ Location
- Ability to buy digital in a tactical way
- Precise targeting capability
- Campaigns already signed up

HT&E



[VIDEO]

ADSHEL LAUNCHES FLEXIBLE TRADING

ADSHEL

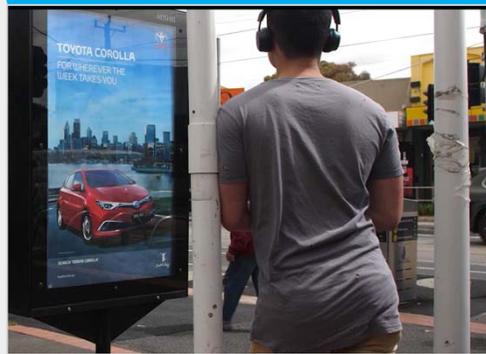
ARN & Adshel together

Research



- 2.5x more alert
- More receptive to advertising

Case studies



- **Automotive:**
175% greater brand impacts per dollar spent
- **Banking:**
3x more cost efficient
- **Grocery:**
11.6% increase in purchase consideration

Products



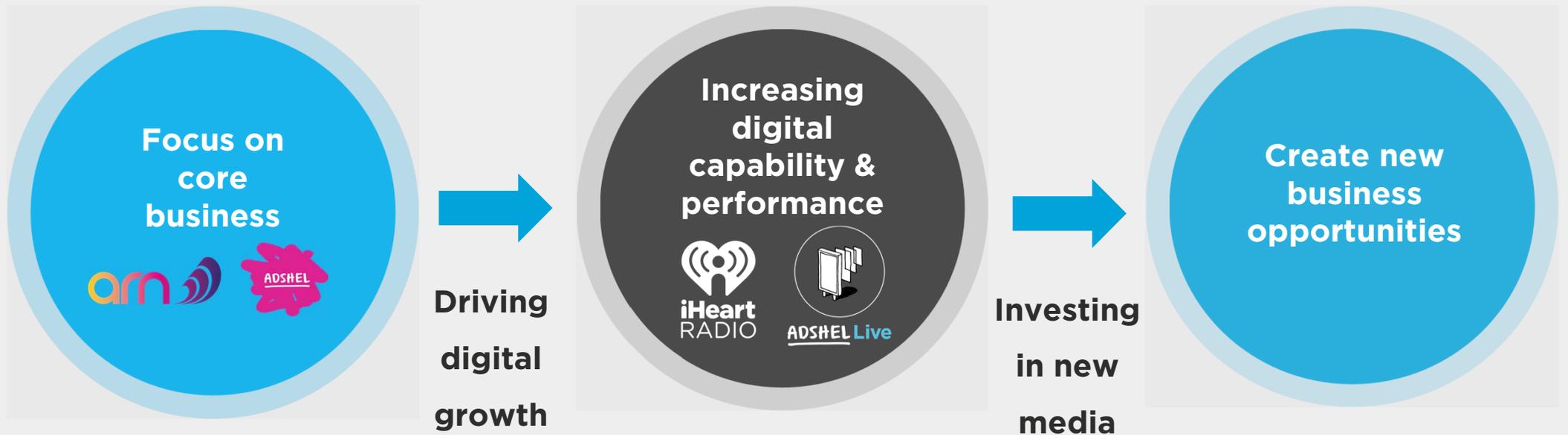
- Time/ Day/ Location
- ARN/ Adshel Package

Synergies



- Funding
- Cross-promotion
- Market intelligence
- Advertising

Creating shareholder value



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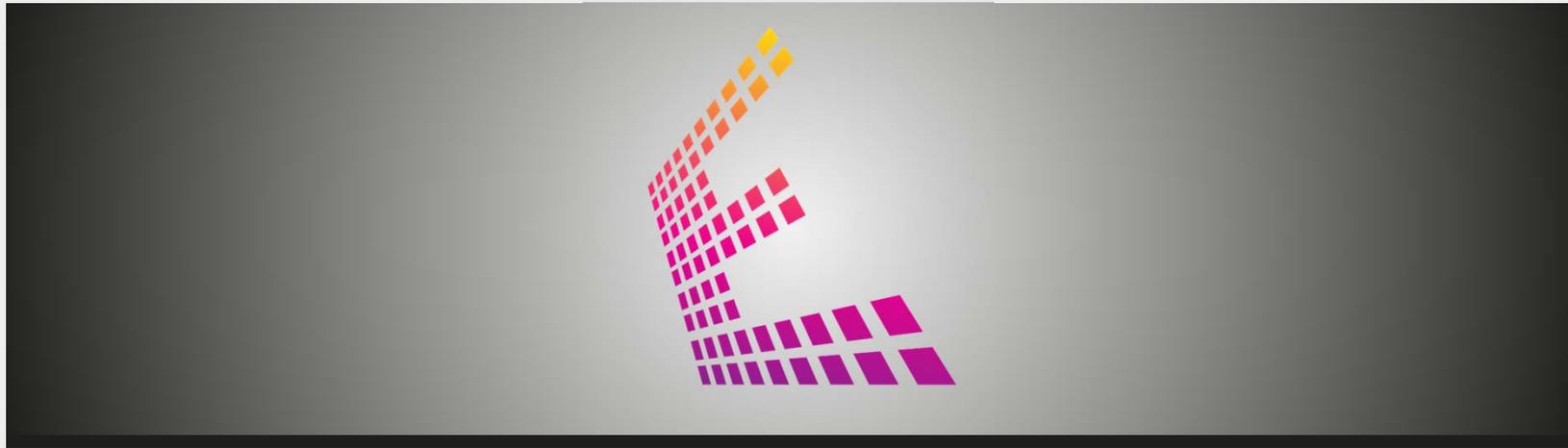
Leading esports player in Australia



- Global audience 380m people
- \$2bn invested globally in first 3 months of 2018
- Gfinity esports Australia: \$10m invested over 3yrs
- City-based franchise league
- Dedicated, state-of-the-art esports arena
- Dell – Presenting Partner
- Broadcast deals with digital & terrestrial partners
- \$10m in committed funds, before 1st tournament begins in June



Media business of the future... today



GENERATION E MEDIA



ONE-STOP MEDIA POWERHOUSE WITH ALL
OUR DIGITAL ASSETS UNDER ONE ROOF

Trading Update

- Trading conditions remain consistent with the updates released on 15 February and 11 April 2018.
- At Adshel:
 - The launch of MTM and reinstatement of the National Live Network from early May has seen an improvement in Australian bookings in recent weeks.
 - For Q2: visibility is good, and after adjusting for \$6m of Yarra Trams revenue in Q2 2017, bookings are in line with last year.
 - Costs will be approximately 7-8% lower than prior year in Q2.
- At ARN:
 - After a strong finish to Q1, current market conditions indicate ARN H1 revenue growth is now tracking ahead of prior year by 6-7%.
 - Cost growth remains slightly ahead of revenue.
 - On this basis, if current market conditions continue, H1 EBITDA is expected to be ahead of pro-forma prior year by approximately 5-6%.
- Assuming current market conditions continue, we remain confident the Company will achieve, and may exceed, current analyst 2018 EBITDA consensus estimates of between \$113-114m.

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Thankyou

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