



MARKET ANNOUNCEMENT

## AGM Presentation & Trading Update

**SYDNEY, 17 May 2023** – HT&E Limited [ASX: HT1] provides the attached copy of the AGM Presentation & Trading Update to be provided at the Company's 2023 AGM, to be held today from 9am (AEST).

Also being provided in a separate release are the Chairman and CEO's presentations.

ENDS

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These announcements have been authorised for release by the Board of HT&E Limited.

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**H T & E**

**2023 Annual General Meeting**

17 May

# Chairman's Address



# Well positioned despite challenging, cyclical environment

Strong performance in a year of considerable change

- Core business maintained market leading position
- Transformational regional acquisition
- Digital investments gaining traction towards profitability
- Group revenues and EBITDA<sup>(1)</sup> up 53%
- Non-cash impairment reflective of macro environment
- Confidence in future of audio and business model have not changed

One of the strongest balance sheets in Australian media

- Successful execution of strategic initiatives
- Net debt <0.5x<sup>(4)</sup>
- Exited Soprano - \$66.0m cash
- Exited remaining Luxury Escapes investment - \$8.8m
- Sold 4KQ on strong multiple - 12x normalised EBIT
- Cody Outdoor in Hong Kong returned to cashflow profitability

Capital management delivering for shareholders

- High cash generating business - \$54.7m<sup>(2)</sup> in 2022
- Commitment to dividends -5cps (Aug 2022); 5.2cps (Feb 2023)<sup>(3)</sup>
- Increased dividend payout ratio - 65-85%
- Commitment to pay at higher end if net debt <0.5x
- Executing accretive buyback of shares
- Aim is to strike the right balance between rewarding our shareholders and fuelling sustained growth
- Open and proactive in assessing value accretive opportunities that are in the best interest of shareholders

Organic and strategic growth opportunities

- ARN - track record as leading broadcaster
- Unique live and local content strategy forging real connections with communities
- Regional acquisition integration ahead of schedule
- Investments in content, distribution and commercialisation of digital audio creating new audiences and commercial opportunities



# CEO's Address



# Agenda

2022 Financial and Operational Highlights

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ARN All Audio - Strategy for growth

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Outlook

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# FY22 Financial Highlights

Revenue  
**\$344.9M**  
+53%

EBITDA<sup>1</sup>  
**\$91.8M**  
+53%

EBIT<sup>1</sup>  
**\$71.6M**  
+56%

NPAT<sup>1</sup>  
**\$45.1M**  
+57%

EPS<sup>1</sup>  
**14.6cps**  
+40%

HT&E

2023 AGM

1. Before significant items; NPAT attributable to HT&E shareholders
2. Triton Australian Podcast Ranker, Jun20-Dec20 vs Jan22-Dec22
3. SMI Dec 2022
4. PwC's Media Outlook 2022-2026

# FY22 Operational Highlights

## Attracting and expanding audiences

- Leading radio network; 8m nationally
- Growing new digital audio formats
- #1 podcast publisher in Australia
- 54% growth in listeners over the past 3 years <sup>(2)</sup>

## Shortening path to profitability in digital audio

- Digital Audio market - fastest growing digital market related to traditional content +30% <sup>(3)</sup>
- Digital Audio revenue (including streaming) forecast to reach A\$3.7bn by 2026 <sup>(4)</sup>
- Growing digital audience and revenue growth
- Forecast digital audio operations to be earnings positive by end 2024
- Successful audience launch of Cada; 3m+ connections
- Accelerating migration to more digital audio formats - Live Streaming, Podcasts
- Net positive earnings contributor by end 2024

## Regional integration ahead of schedule

- +7% revenue growth
- \$7m national revenue synergies
- Systems integration on track; Targeting Q3 2023 completion



# Statutory results

## Acquisition delivers underlying EPS growth, up 40%

- Revenue up \$119.9m (+53%); +5% on a pro forma basis
- Continued momentum across regional network; +7% on strong comparatives
- Total costs up \$91.2m (+52%); +9% on a pro forma basis
  - Incorporating launch of CADA
  - Broadcast radio cost base limited to +5%
- Underlying EBITDA up \$32m (+53%); back 4% on a pro forma basis
- Better market conditions for Cody Outdoor in Hong Kong
  - Revenue +9% (excl. HK Trams)
  - Cody Outdoor earnings +31% on a like contract basis
  - Business is cash flow positive
  - Actively investigating tender opportunities for new contracts as they arise

A\$ million	2022 Reported	2021 Restated <sup>2</sup>	% Change	% change Pro forma
Revenue before finance income	344.9	225.0	53%	5%
Other income	3.4	0.7	>100%	96%
Share of associate profits	9.7	9.1	7%	7%
Costs	(266.2)	(175.0)	52%	9%
<b>Underlying EBITDA<sup>1</sup></b>	<b>91.8</b>	<b>59.8</b>	<b>53%</b>	<b>(4%)</b>
Depreciation and amortisation	(20.2)	(13.8)	46%	1%
<b>Underlying EBIT<sup>1</sup></b>	<b>71.6</b>	<b>46.0</b>	<b>56%</b>	<b>(6%)</b>
Net interest expense	(5.6)	(3.5)	60%	33%
<b>Net profit before tax<sup>1</sup></b>	<b>66.0</b>	<b>42.5</b>	<b>55%</b>	<b>(8%)</b>
Taxation on net profit	(17.5)	(9.9)	78%	(6%)
<b>Net profit after tax (NPAT)<sup>1</sup></b>	<b>48.5</b>	<b>32.6</b>	<b>49%</b>	<b>(9%)</b>
Less non-controlling interest	(3.4)	(3.8)	(12%)	(12%)
<b>NPAT attributable to HT&amp;E shareholders<sup>1</sup></b>	<b>45.1</b>	<b>28.8</b>	<b>57%</b>	<b>(9%)</b>
Significant items net of tax	(221.5)	(13.9)	>100%	>100%
<b>NPAT attributable to HT&amp;E shareholders</b>	<b>(176.3)</b>	<b>14.9</b>	<b>&gt;(100%)</b>	<b>&gt;(100%)</b>
Underlying EPS (cps) <sup>1</sup>	14.6	10.4	40%	–
Dividend per share (cps)	5.0	7.4		
Dividend per share (cps) from 2023 profits <sup>3</sup>	5.2	–		



# Strengthening Group balance sheet

## Strong balance sheet with leverage under 0.8x <sup>(1)</sup>

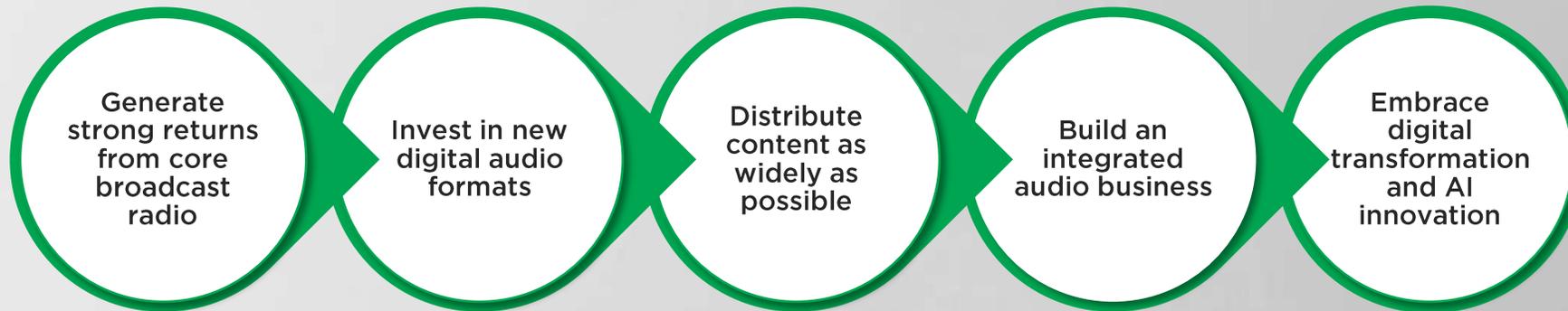
- Leverage further improved following receipt of Soprano proceeds in March 2023; now <0.5x leverage
- Low capital intensive model for digital audio ecosystem
- Benefitting from long term partnership with global technology platform - iHeartRadio
- Good tenure and undrawn limits remaining on Group financing facility
- Strength of balance sheet provides confidence to proactively consider value complimentary investment opportunities

	Reported	Restated <sup>(2)</sup>	Change
A\$ million	Dec 2022	Dec 2021	\$
Cash and cash equivalents	23.9	257.1	(233.2)
Receivables	65.7	51.4	14.3
Assets held for sale	23.8	–	23.8
Other current assets	4.1	1.9	2.2
Property, plant & equipment	49.1	16.2	33.0
Right-of-use assets	35.8	23.4	12.4
Intangible assets	437.3	372.6	64.7
Other non-current assets	34.9	58.4	(23.6)
<b>Total assets</b>	<b>674.5</b>	<b>781.0</b>	<b>(106.5)</b>
Payables	31.3	41.5	(10.1)
Income tax payable	4.1	20.5	(16.4)
Other current liabilities	19.5	11.7	7.9
Bank loans	84.4	67.3	17.1
Lease liabilities	38.4	31.6	6.8
Deferred tax liabilities	129.1	111.2	17.8
Other non-current liabilities	8.3	4.1	4.2
<b>Total liabilities</b>	<b>315.1</b>	<b>287.9</b>	<b>27.2</b>
<b>Net assets</b>	<b>359.4</b>	<b>493.1</b>	<b>(133.7)</b>



# ARN's Vision and strategic approach

To provide the most complete **audio experience** for listeners, and the most comprehensive **audio solutions** for advertisers



# Generate strong returns from Broadcast Radio

- Audiences growing; Highest reach ever
- Radio margin improving to 33%
- Low cap ex model
- Radio resilient in challenging cyclical advertising cycle



Sydney's No. 1 FM Breakfast show generating highest audience in its history



No. 1 for 23 surveys in a row



#1 National Drive show

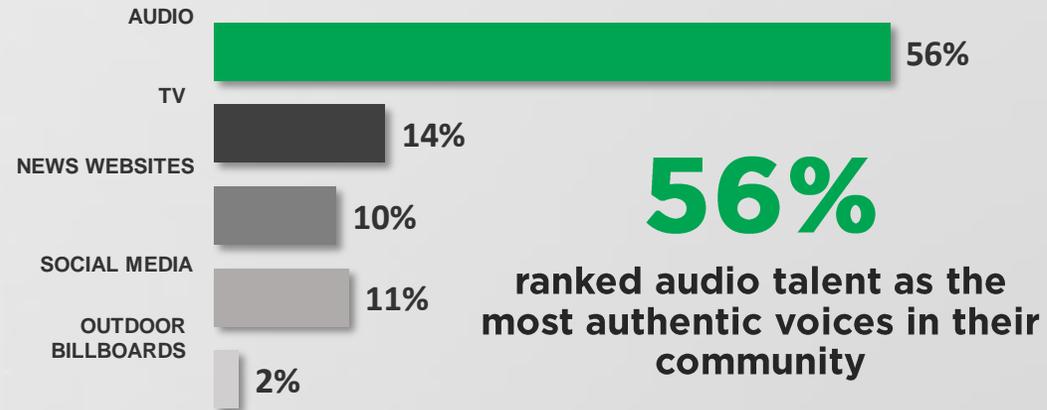


CADA helped grow younger audiences by +21%

A\$ million	2022	2021	% Change	2021 Pro forma	% change Pro forma
Radio	300.2	186.2	61%	286.5	5%
Digital	14.6	9.4	56%	13.5	8%
<b>Total revenue</b>	<b>314.8</b>	<b>195.6</b>	<b>61%</b>	<b>300.0</b>	<b>5%</b>
Radio	(206.9)	(132.5)	56%	(197.7)	5%
Digital	(26.6)	(14.1)	89%	(17.1)	56%
<b>Total costs</b>	<b>(233.6)</b>	<b>(146.5)</b>	<b>59%</b>	<b>(214.8)</b>	<b>9%</b>
Share of associates NPAT	5.3	4.8	12%	4.8	12%
<b>EBITDA – Radio</b>	<b>98.6</b>	<b>58.5</b>	<b>68%</b>	<b>93.6</b>	<b>5%</b>
<b>EBITDA – Digital</b>	<b>(12.0)</b>	<b>(4.7)</b>	<b>&gt;100%</b>	<b>(3.6)</b>	<b>&gt;100%</b>
EBITDA margin – Radio	33%	31%		33%	

# Audio is resilient in challenging cyclical advertising times

- Enduring power of radio for listeners; Growing audiences
- Thrives on live content, real-time engagement and human connection
- Radio's role is well understood by advertisers; Consistently 7-8% of total advertising
- Mass medium; wide reach
- Cost effective; dynamic targeting
- Flexibility and immediacy
- Trusted medium
- High engagement; Local impact and support



# Investing in digital audio formats - podcasting

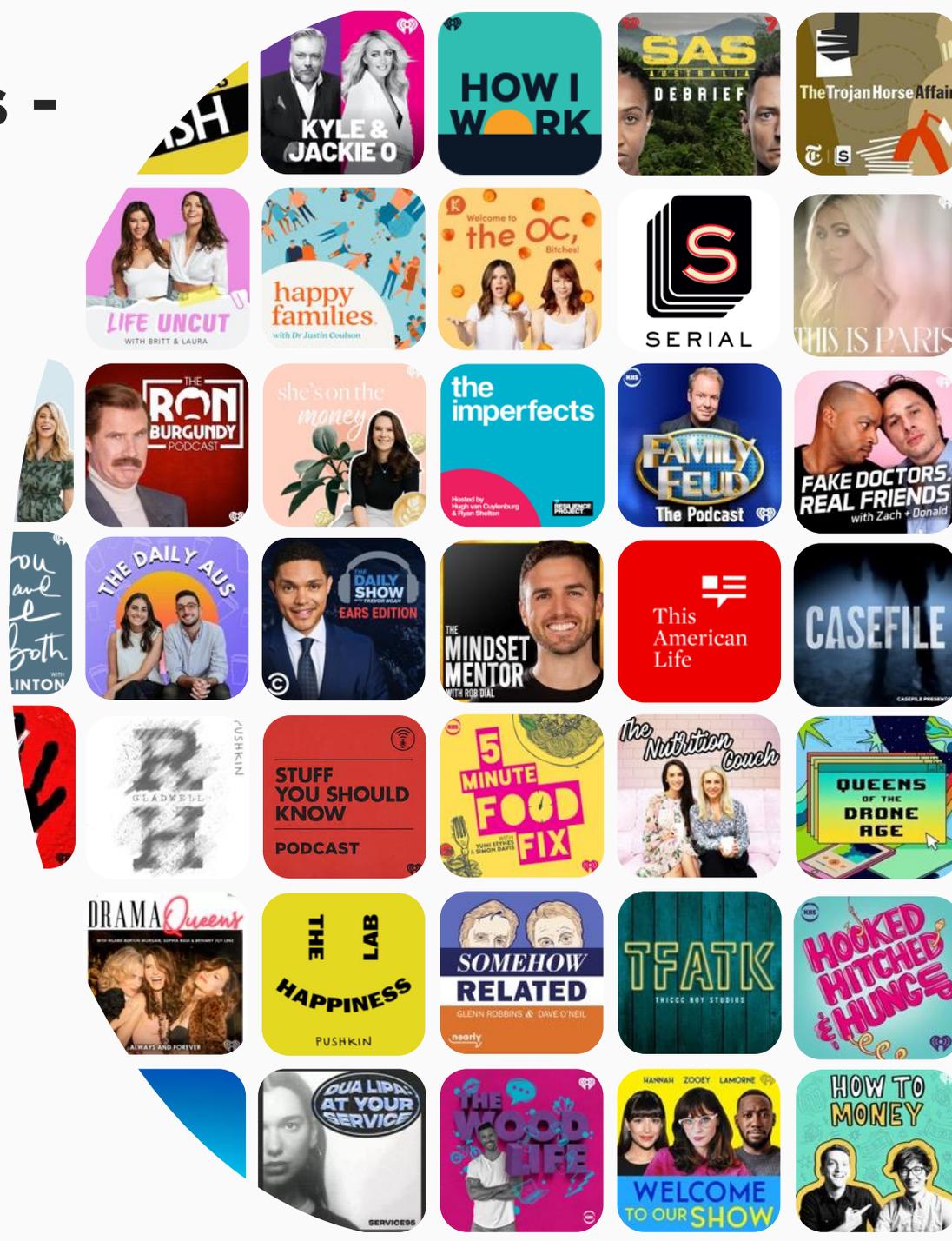
- Podcasting is a mass medium
- Reaching 9.2m Australian podcast listeners every month
- April of this year we reached **6.6 million combined listeners** and 28.5 million monthly downloads
- Brands eager to tap into engaged audiences
- Dynamic ad insertion allows for personalisation; contextually relevant placements

## AUSTRALIA'S #1 PODCAST PUBLISHER

### AUSTRALIAN PODCAST RANKER MARCH 2023

PODCAST NETWORK	MONTHLY AUSTRALIAN LISTENERS	MONTHLY AUSTRALIAN DOWNLOADS
 iHeart PODCAST NETWORK AUSTRALIA	5,198,733	24,424,578
 LISTNR	3,687,927	11,027,785
 ((SiriusXM))	2,557,328	8,999,053
 Audioboom	2,504,291	7,346,125
News Corp Australia	1,597,537	5,105,385
WONDERY	1,508,084	5,714,104
MamaM!a	1,439,662	6,306,534
Nine	1,290,998	3,570,468
nova	1,110,810	3,905,409
 DM	707,278	1,563,197

Triton Digital Podcast Metrics, March 2023. Excludes New York Times.



# Investing in digital audio – live streaming

## Live streaming data to grow addressable market

Commercial Radio & Audio is undergoing a major evolution of the measurement system used when trading radio.

The new system, RADIO 360, is the result of a targeted investment over five years.

It adds the streaming logs of the millions of devices streaming radio to the existing survey data of 60,000 people.



It will give radio planners and buyers improved insights through more granularity of data and better planning tools across the traditional signal of AM/FM, DAB+ and now radio streaming.

Further, it future proofs the audience measurement system, enabling ingestion of new data sources, such as podcast listening data.

It brings great optimism for the future of audio planning across channels and devices. And will be embraced by advertisers seeking more accountability and addressability.

## ARN's live streaming audience growing

**10m+** hours consumed every month



**+78%** growth in listeners and time spent over the last 3 years

# Distributing content as widely as possible

Platform agnostic content across as many platforms as possible so that our audiences can consume whenever, wherever they want



Reach diverse audiences



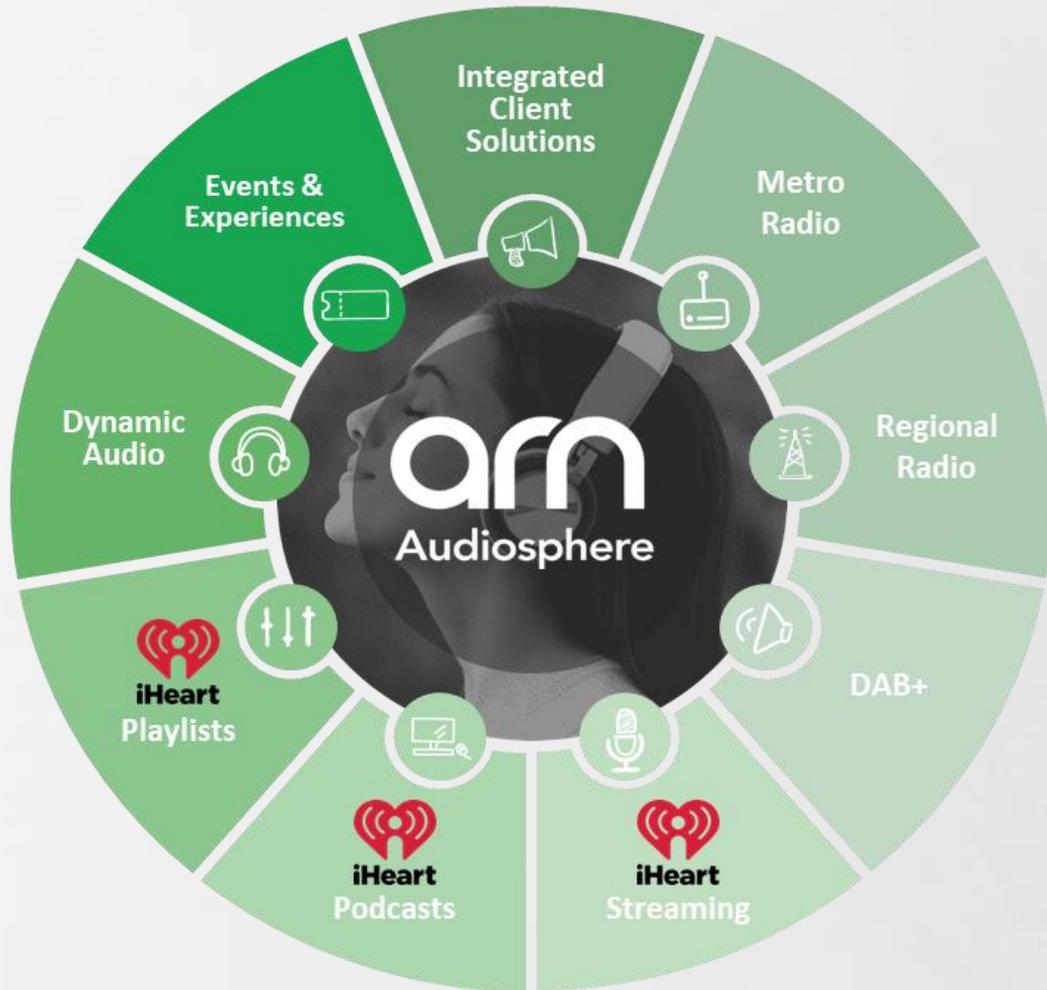
Maximise revenue potential



Ensure long term relevance



# Building an integrated audio business

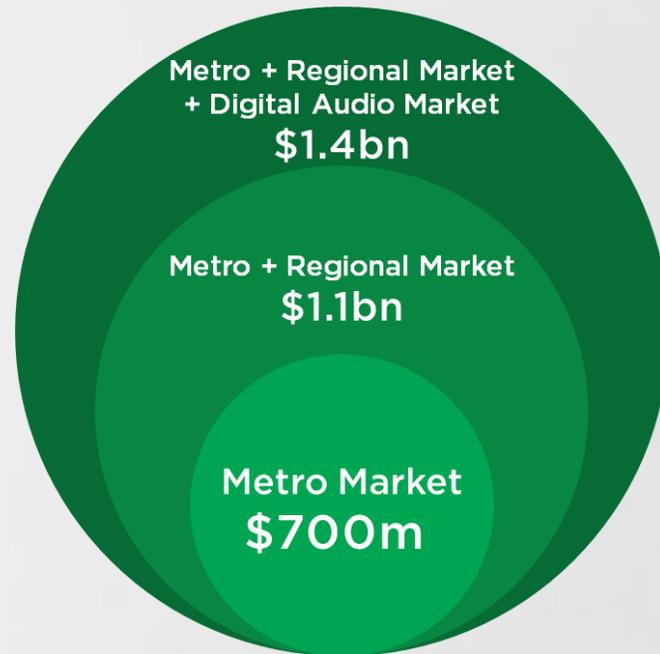
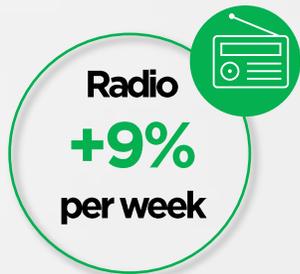


## Convergence of digital platforms creates synergies

- Enduring reach of broadcast radio
- Diversified revenue model in regional markets
- The growth of DAB+ listening
- Live streaming is an interactive, real-time experience
- Podcasting is a mass market with on-demand, niche content
- Music playlists offers global functionality with low cost investment
- Rich, data driven targeting commercial modelling
- The power of real and local connections for brand extensions
- Specialised commercial teams to bring it all together

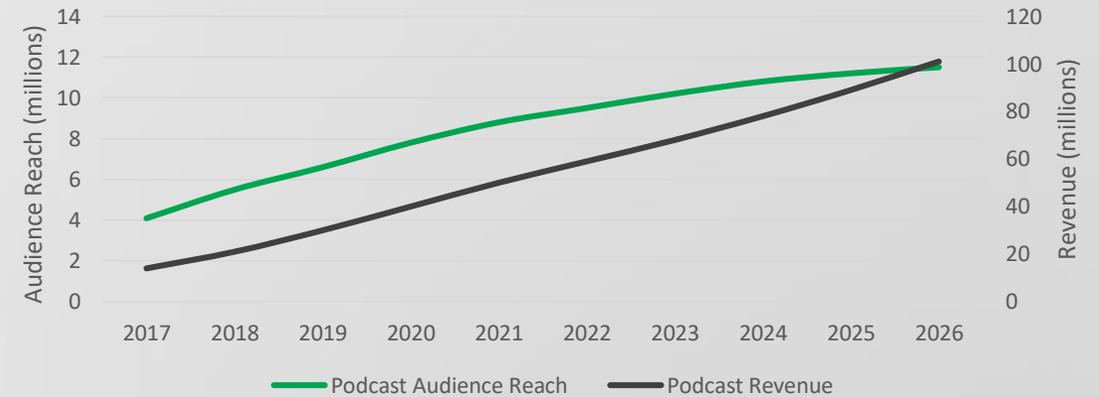
# Audience demand is expanding commercial opportunity

Audio Listening is experiencing strong growth; Growing ARN's available revenue market with strong CAGR growth expectations

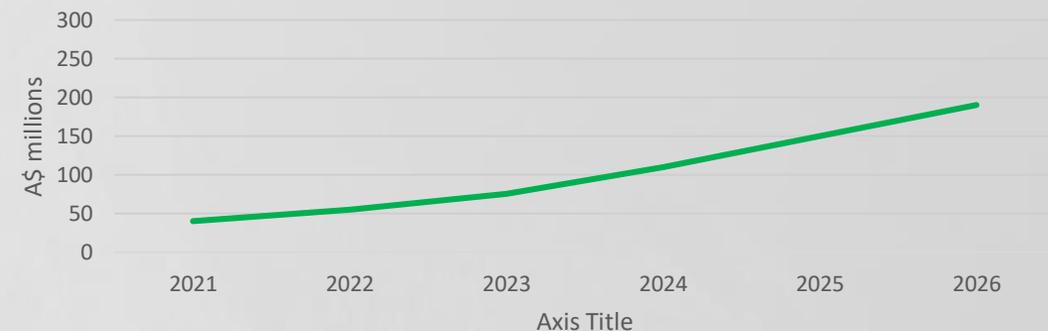


**2022 - Total Market available to ARN**  
**\$1.4bn**

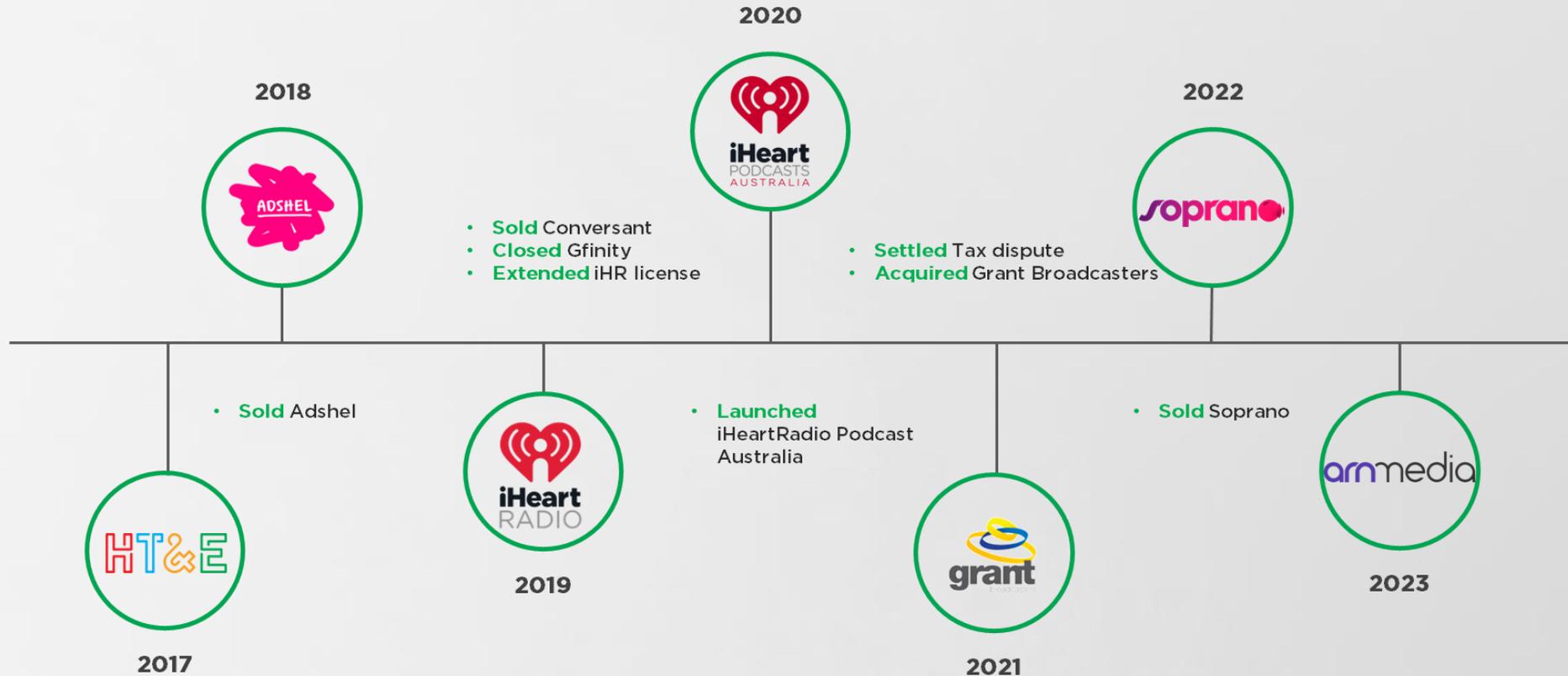
Podcasts - Australian Forecast (PwC)



Indicative Radio Digital streaming advertising revenue forecast 2021 - 2026



# ARN Media



**Embracing the world of audio and audio entertainment  
and leveraging **advancements in technology**  
to drive shareholder value**



# Outlook



# Trading Update

## ARN

- ARN has had a strong start to the ratings year with continued growth in key 25-54 year old audiences across the first 2 surveys
- Radio revenues<sup>(1)</sup> to the end of April finished back -5%
- Excluding the impact of government spend in the prior year radio revenues would be back -2% yoy
- Regional markets are proving defensive in the current environment, with local regional revenues (comprising ~70% of total regional revenues) to the end of April finishing flat yoy.
- Against a strong election spend comparison in May 2022, Radio revenues<sup>(1)</sup> for the month of May are pacing back -10% yoy
- Excluding the impact of Federal government election spend in the prior year, revenues would have been in line
- In a shortening market, June bookings continue to build, and radio revenues<sup>(1)</sup> are pacing low single digit back yoy.
- Digital audio revenues to the end of June are pacing +20% yoy
- In light of current trading, we have initiated temporary cost measures to limit total people and operating costs to near flat yoy for 2023 (February guidance +4%).

## Cody

- Cody Outdoor has had a strong start to the year with revenues<sup>(2)</sup> for the first half expected to finish up over 25% yoy.

1) *Comprising Metro and Regional radio businesses on a pro forma basis*

2) *Adjusted for the removal of HK Tramways contract (Q122 revenues A\$2.3m)*

Thank You



HT&E

2023 AGM

# Disclaimer

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# Appendices



# ARN Stations

58 stations, 46 DAB+ stations  
across 33 markets

