



MARKET ANNOUNCEMENT

## HT&E response & initiatives to COVID-19

### Key Points

- HT&E entered 2020 with no debt, \$111m net cash and \$250m undrawn facilities
- Total non-repeat cost savings of circa \$10.5m in 2020
- Reduced work hours and pay-cuts to generate further cost savings of \$1.0m per month
- Assessing eligibility to JobKeeper package benefits announced last week
- Radio broadcasting unaffected across all metropolitan networks
- Cody Outdoor in Hong Kong is implementing cost cutting programme to combat political unrest and COVID-19 impact

**SYDNEY, 6 April 2020** – HT&E Limited [ASX: HT1] today announced details regarding the measures it has been undertaking to deal with the impact and escalating uncertainty from COVID-19.

Whilst HT&E does not provide earnings forecasts, COVID-19 has resulted in a widespread fall in marketing and advertising activity, with the forward advertising market very difficult to predict.

HT&E's ARN remains the #1 metropolitan radio network in Australia, with ratings success in 2019 and the first survey of 2020 starting to deliver commercial share gains. HT&E is in a strong financial position, with \$111m in net cash and \$250m of undrawn debt facilities as at 31 December 2019.

HT&E has actively managed its balance sheet and cost base over a number of years, which has placed the company on a relatively strong footing leading into COVID-19. The company has commenced a further series of cost control and operational measures across the business in anticipation of a protracted economic downturn.

Cost control measures taken to date in response to COVID-19 amount to largely non-repeat operational savings in 2020 of circa \$10.5m, across a range of expenditure lines, including marketing, travel, entertainment, bonuses and incentives and new employee hires.

The Board, CEO and management team are taking a 20% pay cut and will forego all incentive payments for 2020.

In addition, staff are being asked to work reduced hours, use up excess annual leave and in some instances take short term pay-cuts, which is expected to generate cost savings of circa \$1.0m per month. The company is also assessing the JobKeeper package benefits announced by the Government last week.

To date, the protection of jobs for all staff has been a key priority for the Board and no redundancies are being announced, however, this is being reviewed on an on-going basis as the business assesses the revenue performance over the coming weeks and months.



The impact on operations of a working from home policy has been controlled and managed effectively. ARN's technology investments have ensured radio broadcasts have been unaffected, with all staff able to work from home efficiently. Under any potential tightening of lock-down measures across the community, ARN is confident all of its shows will remain broadcasting uninterrupted across its network.

In Hong Kong, Cody Outdoor has been operating in challenging conditions for the past 12 months which has been further impacted by COVID-19. New infection rates in Hong Kong are low and whilst strict Government controls remain in place, staff have been able to work remotely and cost reduction programmes, where possible, have been implemented.

Despite the challenging conditions, ARN continues its position as the #1 rating metropolitan radio network in Australia. Radio remains a highly relevant medium for listeners and advertisers, and the resilience and importance of radio across the community is particularly pertinent in the current environment. Real time data from ARN's digital platform, iHeartRadio, is showing increased usage across all of ARN's digital assets in Radio, Music and Podcasting.

CEO of HT&E, Ciaran Davis, said the lean cost structure of the business combined with a strong balance sheet and no debt, provided the company with the strongest possible footing to manage its way through the current situation.

"Listeners crave engagement, community and a sense of normality in this isolating environment and I know our radio talent are making lives slightly easier for many Australians. In an uncertain market, advertisers are being reminded of radio and digital audio's great strengths - immediacy, connection, trust and cost effectiveness with increasing targeting capability. We have an important community role to play and our investments in technology will ensure we remain broadcasting across the country."

Chairman of HT&E, Hamish McLennan, said the media industry will continue to evolve.

"Whilst taking a prudent approach to balance sheet management is the right approach, I am confident the company will emerge through the current difficult trading environment in the best possible position."

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The release of this announcement was authorised by the Board of HT&E Limited.