

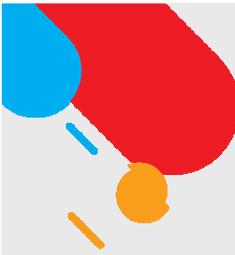


Morgan Stanley - Australian Emerging Companies Conference

Ciaran Davis
CEO & Managing Director
15 June 2017



HT&E Limited
ABN 95 008 637 643

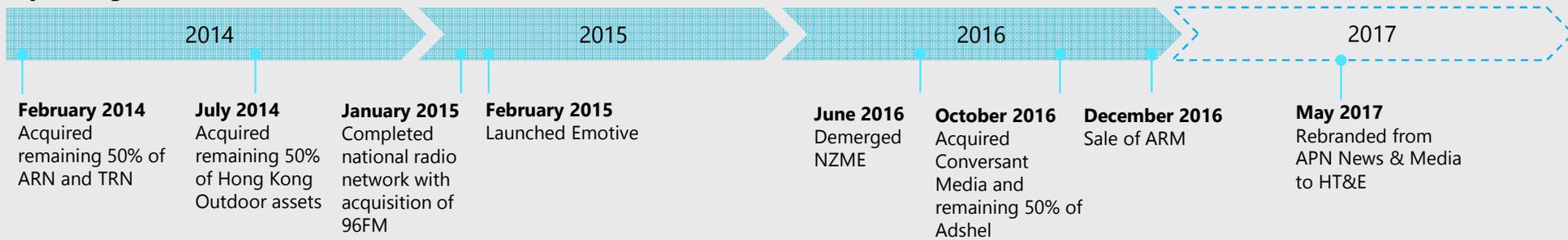


Agenda

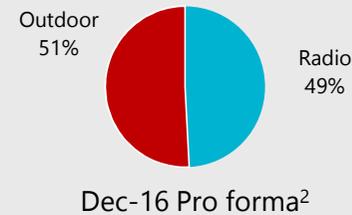
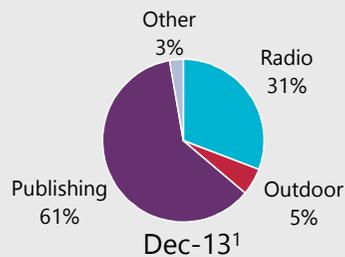
- Business transformation
- Outdoor
- Radio
- HT&E
- Q&A

Business transformation

Key strategic initiatives



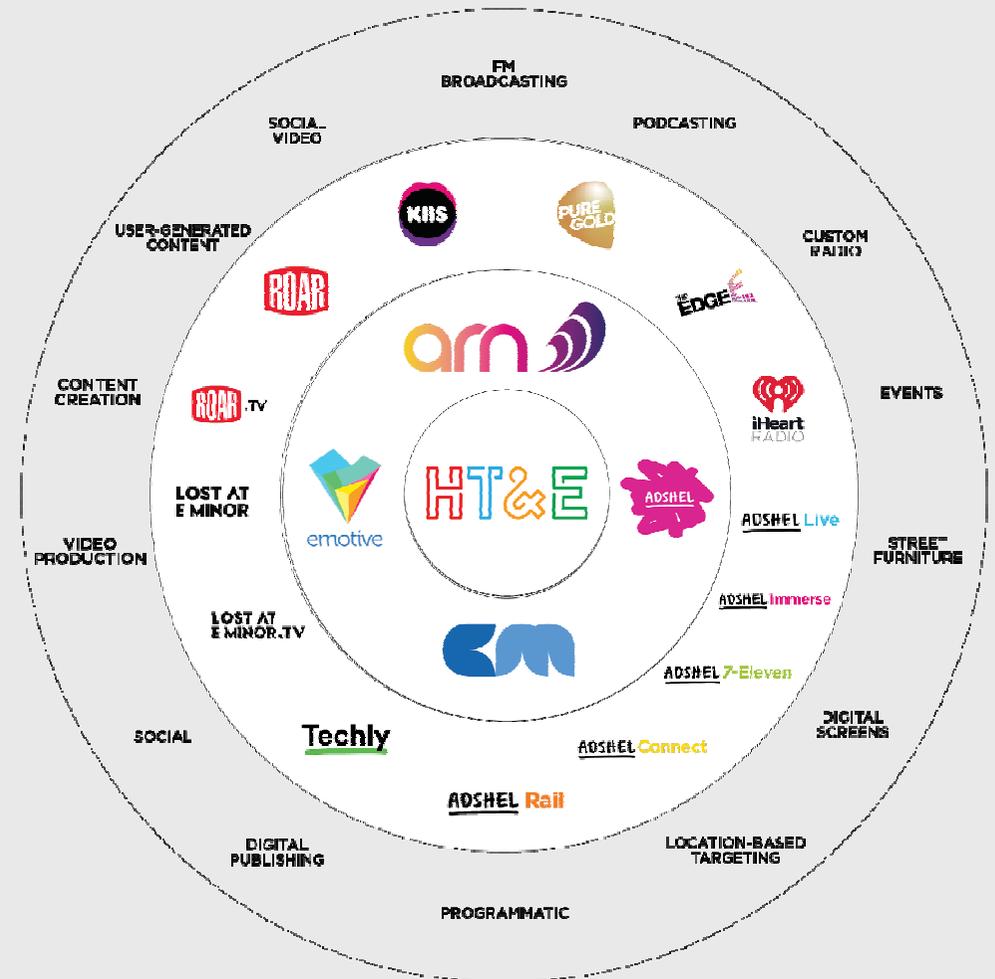
Transformation of APN's revenue mix: 2013 to 2016



(1) Revenue shown on statutory basis
 (2) Pro forma for acquisition of remaining 50% stake in Adshel and continuing operations of APN. Based on Trading Revenue

HT&E: a new business

- Australian focused Media & Entertainment company
- Full ownership of leading, high quality metropolitan assets
- Radio, Outdoor and Digital
- Unique in Australian media
- Audiences of scale, less fragmentation
- Platform for working closer
- Cross-platform solutions



HT&E – 2016 Pro Forma Financial Information

A\$ million	2016 Pro forma revenue	2015 Pro forma revenue	YoY change	2016 Pro forma EBITDA	2015 Pro forma EBITDA	YoY change
Australian Radio Network ¹	225.3	221.1	2%	86.1	82.8	4%
Adshel	205.8	176.4	17%	46.2	38.3	21%
Hong Kong Outdoor	27.1	37.9	(29%)	(1.3)	0.4	>(100%)
Corporate	-	-	-	(13.9)	(12.7)	10%
Total^{2,3}	458.2	435.5	5%	117.1	108.9	8%

- There has been no change to market conditions and trading performance as outlined at the AGM in May 2017



- (1) ARN includes interests in Emotive, Brisbane FM Radio, Canberra Radio and Nova Perth Radio
 (2) Pro forma revenue and EBITDA includes 100% of Adshel and excludes Conversant Media
 (3) Before exceptional items

Outdoor



Adshel overview

#1 position in street furniture in AU & NZ

- Adshel is a **leading outdoor** and **digital out-of-home provider** in Australia and New Zealand
- Adshel has over **23,500** static and digital advertising **faces** across ANZ, in **street furniture, rail** and **petro-convenience** environments
- Commenced launch of its **digital street furniture network, Adshel Live**, in 2015.
- There are currently **385** digital roadside screens in **Australia**, and **150** in **NZ**, with approximately **200 more planned** in 2017
- In **Adshel Rail**, there are an additional **186 digital screens** across the Sydney Trains network, which offer large format **station domination** and experiential campaign opportunities for high impact
- Investment in **data, digitisation** and **technology** are **key drivers** of Adshel's **growth** going forward



HT&E

(1) MOVE 2015, People 14yrs and older, every 14 days (Adshel posting period)

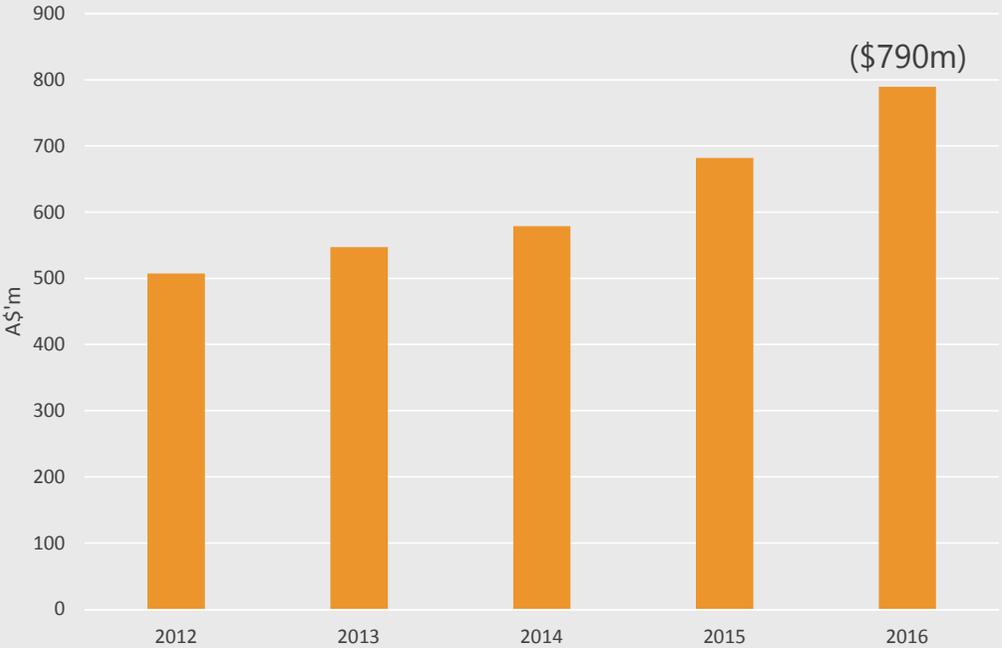
Pro Forma Adshel financials – FY16

A\$ million	2016	2015	% change
Trading revenue	187.8	158.3	19%
Other revenue	18.0	18.2	(1%)
Total revenue	205.8	176.4	17%
Costs	(159.6)	(138.1)	16%
EBITDA	46.2	38.3	21%
D&A	(15.5)	(11.3)	37%
EBIT	30.7	27.0	14%
EBITDA Margin	22.5%	21.7%	0.8%

- Continued share improvement and strong market momentum delivering revenue and earnings growth
- Strong earnings performance in NZ; digitisation well progressed, good contract tenure
- Digital investment metrics maintained, premium rates holding
- Costs up 16% to \$159.6m – revenue-related, selling and capability costs represent the majority of cost growth

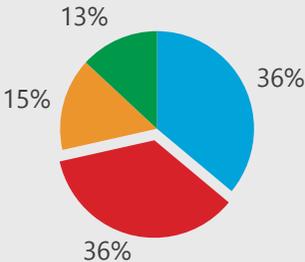
Market growth trends are positive

Revenue - all formats outdoor market

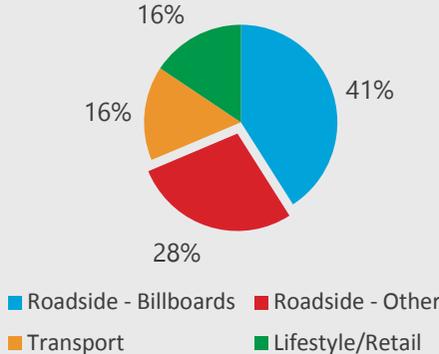


Source: OMA 2012-2016

OMA-AU 2012



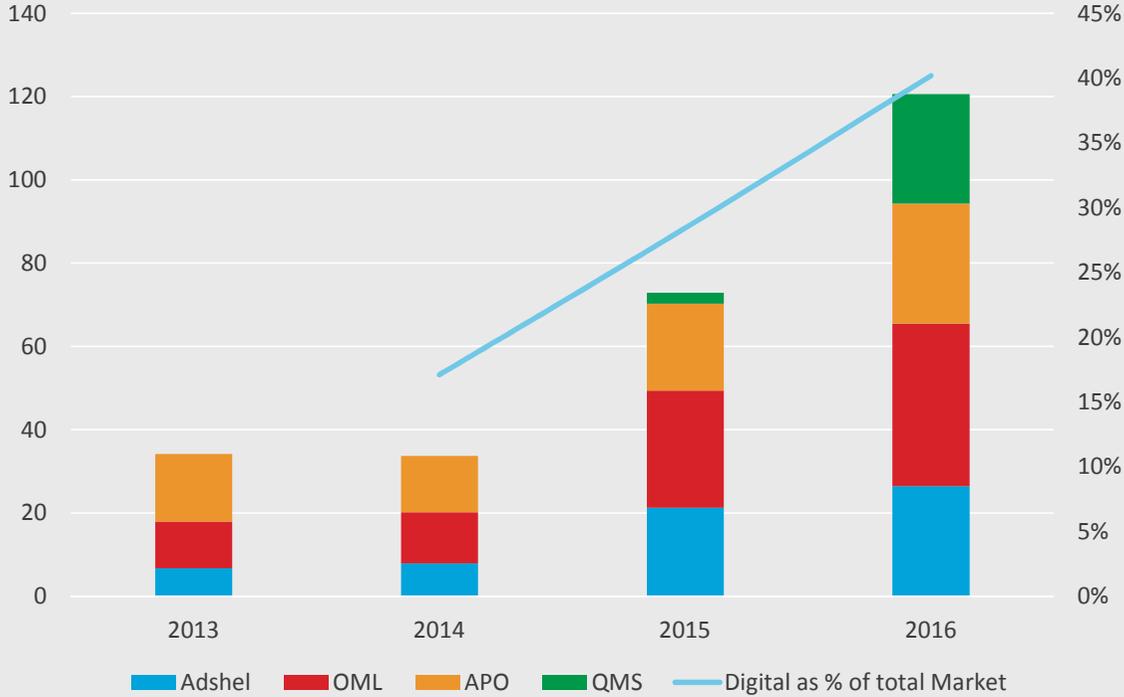
OMA-AU YTD May 2017



Source: OMA 2012 and May 2017

Digitisation of out-of-home driving revenue growth

Capex spend and digital share of OMA market



*OMA commenced tracking digital revenues in 2014
 Source: OMA 2014-2016; Results presentations of OML, APO, QMS; Adshel internal management reports

Digital street furniture catching up

- **Growth rates by segment differ**
 - Early growth of retail and billboards
 - SF catching up but has given up much ground
- **Digital is the headline but the subplot is more interesting for the future**
 - Structural and organic factors
 - Competition and innovation
 - Data and ad tech
- **Major defocus on and decline in classic (static) formats for some**

2014 – 2017F	Adshel	AU All OOH
Billboards	-	70%
Roadside Other	46%	17%
Transport	64%	25%
Retail	-	86%
Total	45%	45%

Our coverage

Adshel Live digital roadside network

Perth CBD
St. Georges Terrace
Adelaide Terrace
Wellington Street
South Perth
Mount Hawthorn

Adelaide CBD
King William Street
North Terrace
Grote Street
Glenelg

Unrivalled digital street furniture coverage across all of Australia

BRISBANE CBD
Brisbane CBD
Fortitude Valley
Newmarket
Kangaroo Point
Greenslopes
Cannon Hill
Windsor

Sydney CBD
Drummoyne
Bondi Junction
Mascot
Lane Cove
Macquarie Park
Chatswood
North Sydney
Mosman
North Ryde
Tempe
Liverpool

Melbourne CBD
Fitzroy
St. Kilda
Southbank
Elwood
Hawthorn
Port Melbourne



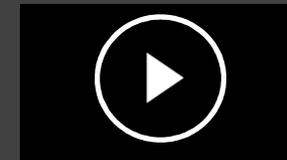
DYNAMIC MESSAGING



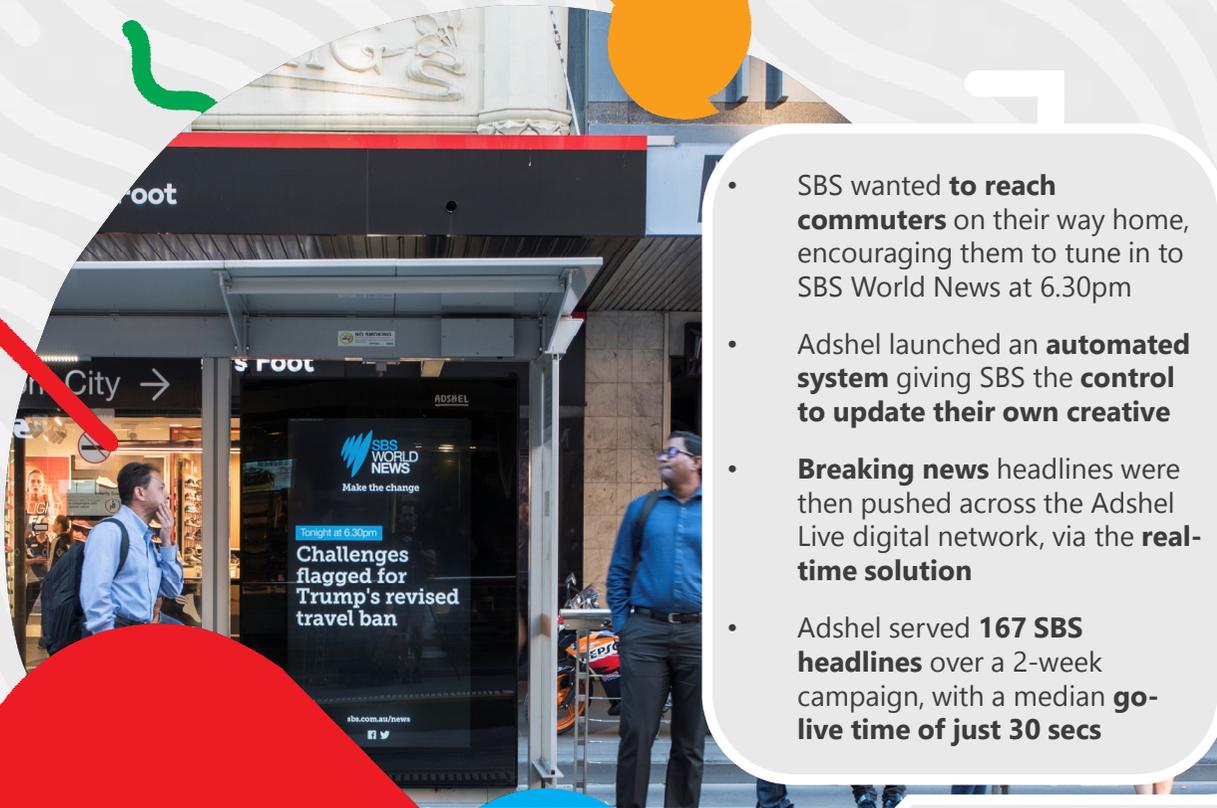
CONTEXTUAL RELEVANCE



SUPERIOR NETWORK



Case studies – Adshel Live



- SBS wanted to **reach commuters** on their way home, encouraging them to tune in to SBS World News at 6.30pm
- Adshel launched an **automated system** giving SBS the **control to update their own creative**
- **Breaking news** headlines were then pushed across the Adshel Live digital network, via the **real-time solution**
- Adshel served **167 SBS headlines** over a 2-week campaign, with a median **go-live time of just 30 secs**



Radio



Power of Radio – fast facts



261 commercial radio stations on air in Australia

84%

of Australians listen in their car every week



10.3m

Australians tune into commercial radio each week



OVER 3.8 MILLION Australian's listen to DAB+ each week

8.1 million people listen during Weekday Breakfast



Average time spent listening to commercial radio each week
13 HOURS + 18 MINS



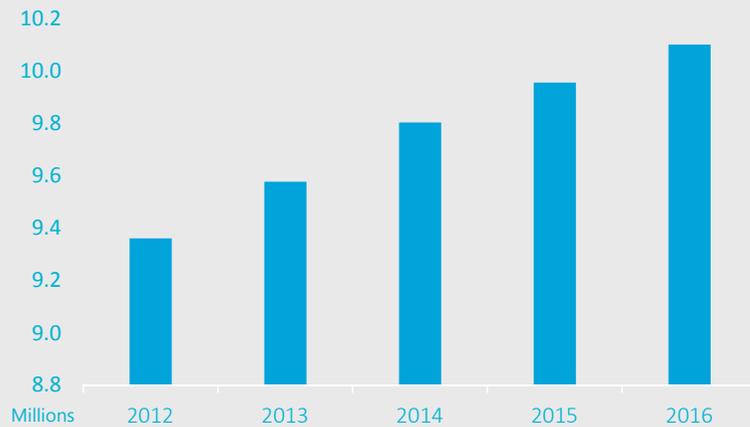
6.8 million people listen during Weekday Drive

65% of all audio listening is to Radio

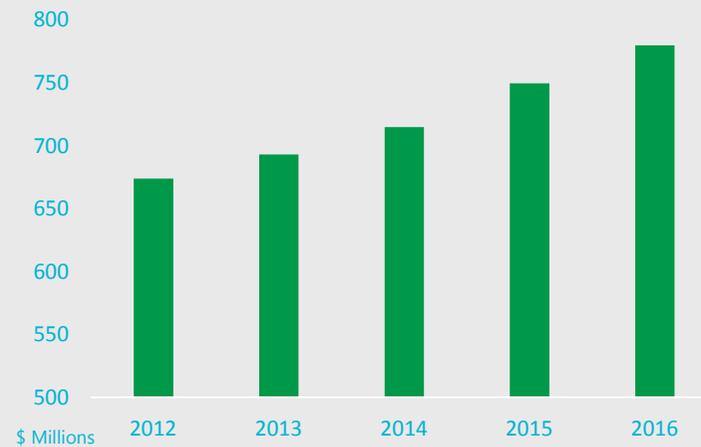
Radio – continues to grow

- Overall listenership continues to grow
- Industry working well together
- RadioApp launched by CRA in Oct 2016
- Focus on multi-platform content delivery and commercialisation

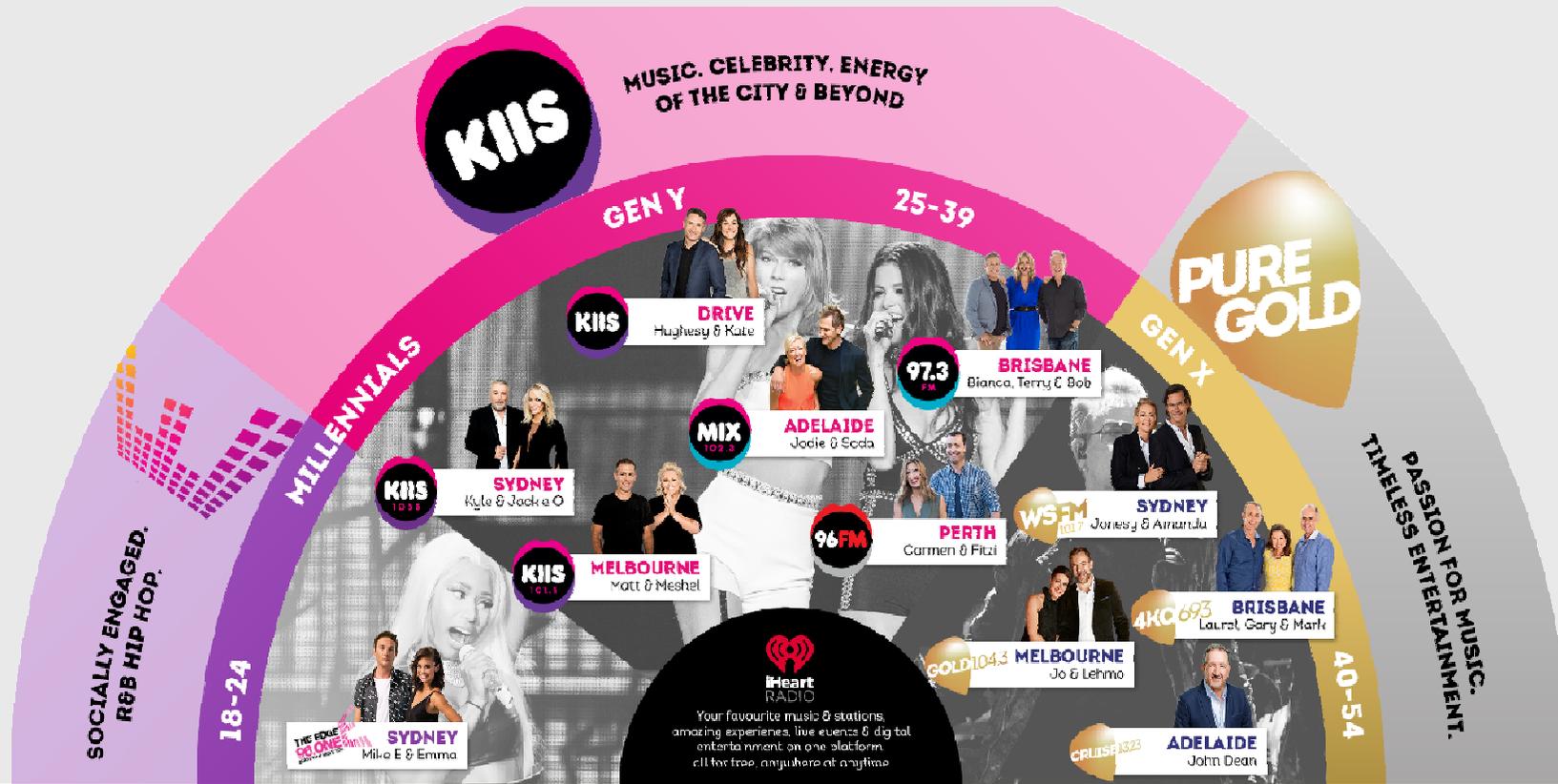
Growth in commercial radio listeners¹



Metro radio market revenue²



Australian Radio Network



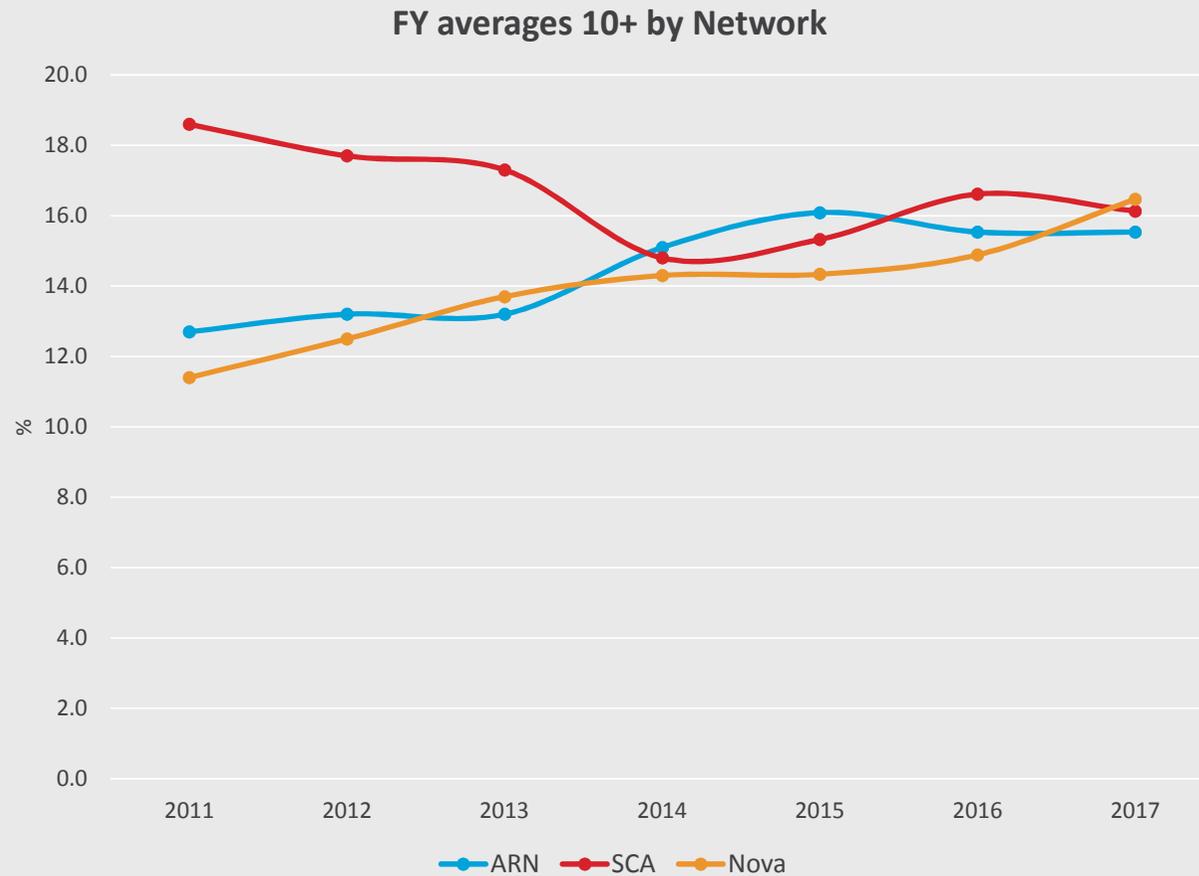
- ON AIR
- MUSIC
- TALENT
- LIVE
- CONTENT
- DIGITAL
- SOCIAL
- MOBILE
- VIDEO
- LOCAL
- EXPERIENCES
- EVENTS

ARN financials – FY16

A\$ million	2016	2015	% change
Revenue	225.3	221.1	2%
Costs	(139.1)	(138.2)	1%
EBITDA	86.1	82.8	4%
D&A	(4.7)	(4.6)	2%
EBIT	81.4	78.2	4%
EBITDA Margin	38%	37%	1%

- Revenue behind market in H2 2016
- Costs actions taken
- Good mix of Agency:Direct revenues
- Strong margin and conversion to cash
- Growth opportunities within the core business

Ratings by network





SURVEY 3 HIGHLIGHTS

KYLE & JACKIE O REIGN OVER SYDNEY BREAKFAST



#1 for the 13th consecutive survey up 0.4 to 9.7% share AND an increased in listener base, up 42K to 562,000 each week

#2

FM STATION ACROSS SYDNEY, WITH AN INCREASE SHARE TO 8.4%

STATION IS **#1**

AMONGST CORE DEMOGRAPHICS OF PEOPLE 25-39 AND WOMEN 25-44

HIGHLIGHTS



RADIO FIRST!
KYLE & JACKIE O'S 'YOU GET A CAR' 12 CARS GIVEN AWAY IN 1 SHOW. PARTNERING WITH HYUNDAI



INTERVIEWS WITH THE WORLDS BIGGEST STARS!
Russel Crowe, Liam Payne, Zac Effron, Miley Cyrus, Lara Bingle, Harry Styles and more!

SURVEY 3 HIGHLIGHTS

JONESY & AMANDA



UP 0.4 to 7.1% share, with 362,000 loyal listeners each week

#2

FM ACROSS MORNINGS, WITH STRONG INCREASE OF 2.1 TO 10% SHARE OF AUDIENCE

WSFM OVERALL SHARE SITS AT

7.7%
an increase of 0.7

HIGHLIGHTS

SYDNEY'S PURE GOLD
BETTER MUSIC AND MORE OF IT



JONESY & AMANDA'S HAWAIIAN ESCAPE
5 TRIPS GIVEN AWAY

Source: GfK, Survey 3 2017, Mon-Fri 5:30am-12midnight, All People 10+, Share % Unless otherwise stated



SURVEY 3 HIGHLIGHTS

HIGHEST
share since
Survey 5/2015,
with a 0.5
increase to
7.0% share

MATT & MESHEL



for Breakfast
best share
ever on 7.0%
up 0.2

The station
increased
audience
numbers to
915,000
listeners each week

HUGHESY & KATE
best result in a
year with 8.8%
share for drive, an
increase of 1.1

SURVEY 3 HIGHLIGHTS

MELBOURNE'S
#1
STATION FOR
40 - 54 YEAR OLDS

JO & LEHMO
FOR BREAKFAST
ATTRACTS NEW
LISTENERS WITH
359,000 TUNING
IN EACH WEEK

The station
remains steady
with overall
share at
8.1%

HIGHLIGHTS

**KIIS
WORLD
TOUR**

GAGA IN LONDON,
BIEBER IN ITALY,
SHAWN MENDEZ
IN VANCOUVER,
AND BRUNO
MARS IN NEW YORK



HUGHESY & KATE

Kate creates her
own perfume and
TVC Gina Liano style...



HIGHLIGHTS

**GOLD
104.3'S**
\$10K NO REPEAT
WORKDAY



JO & LEHMO'S
'SNOW' IDEA.
SKI TRIP TO
UTAH USA

Source: GfK, Survey 3 2017, Mon-Fri 5:30am-12midnight, All People 10+, Share % Unless otherwise stated



SURVEY 3 HIGHLIGHTS

BIANCA, TERRY & BOB

 for Breakfast up 0.6 to 10.6% share of audience

#2

station across Brisbane, with share of 11.3% and 479,000 people listening across the week

Growth for **HUGHES & KATE** FOR THE DRIVE HOME, up 0.7 to 11.3% share



SURVEY 3 HIGHLIGHTS

IN ITS BEST RESULT SINCE SURVEY 6, 2006, 4KQ IS BRISBANE'S

#1 
CHOICE ON AM, UP 0.9 TO 9% SHARE

#1
AM COMMERCIAL
Laurel, Gary & Mark for Breakfast, up 1.3 to 8.6% share

DOMINATE
#1
AM Commercial across Mornings, Afternoons, Drive, Evenings and Weekends

HIGHLIGHTS

BIANCA, TERRY & BOB

COMPETE TO PRESENT THE BEST MENU WITH NETWORK TEN'S MASTERCHEF



BIANCA

INTERVIEWS PM MALCOLM TURNBULL AND RECEIVES NATIONAL ATTENTION FOR ASKING... "DO YOU NETFLIX & CHILL?"



HIGHLIGHTS

CLASSIC HITS
REWIND



LAUREL
CELEBRATES 25 YEARS ON-AIR AT 4KQ



Source: GfK, Survey 3 2017, Mon-Fri 5:30am-12midnight, All People 10+, Share % Unless otherwise stated



SURVEY 3 HIGHLIGHTS

ONCE AGAIN ADELAIDE'S
#1 FM
 station for the eighth
 survey in a row with
 12.1% share

JODIE & SODA
 for Breakfast once again
#1 for the
 seventh
 consecutive
 survey,
 11.1% share

The station
 has Adelaide's
 highest
 listener base
 with 314,000
 each week

SURVEY 3 HIGHLIGHTS

CRUISE 1323
 ACHIEVED A
9.9%
 SHARE
 OVERALL



Increased
 listeners
 by 7k to
 178,000
 listeners
 per week

JOHN DEAN
 for breakfast increased
 share by 0.3 with a
 total share of 8.0%

HIGHLIGHTS

2017 THE YEAR
 WE GIVE BACK
 TO ADELAIDE
 OVER 100K GIVEN
 TO FAMILIES IN NEED

**JODIE
 & SODA**
 MEET TOM
 CRUISE



HIGHLIGHTS

ICONIC HITS



Source: GfK, Survey 3 2017, Mon-Fri 5:30am-12midnight, All People 10+, Share % Unless otherwise stated



SURVEY 3 HIGHLIGHTS

CARMEN & FITZI



for Breakfast up 0.7 to 8.6% share, the sessions best result since Survey 6, 2015

OVERALL STATION SHARE SITS AT **8.9%**

296,000 listeners tune into 96FM each week

HIGHLIGHTS

PERTH'S **REAL GOLD,**
EXPERIENCE
THE CHANGE

WIN \$10,000
WITH THE NO REPEAT WORKDAY



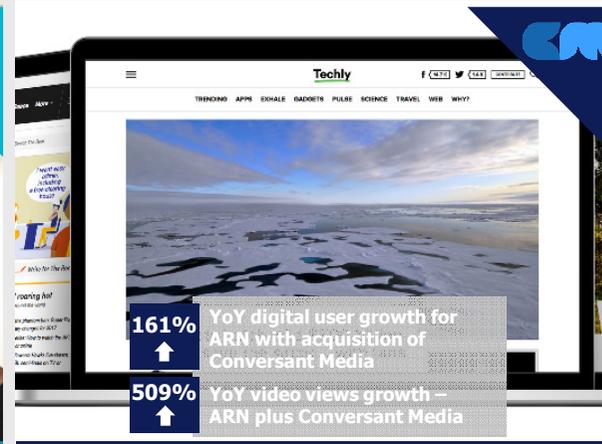
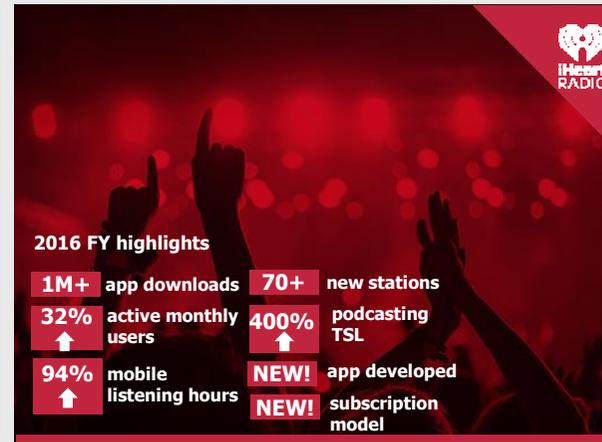
Source: GfK, Survey 3 2017, Mon-Fri 5:30am-12midnight, All People 10+, Share % Unless otherwise stated

ARN.COM.AU

 @ausradionetwork



ARN – Multi-platform business



iHeartRADIO

 **LIVE RADIO**

 **CUSTOM STATIONS**

 **PODCASTING**



1.2M
APP DOWNLOADS



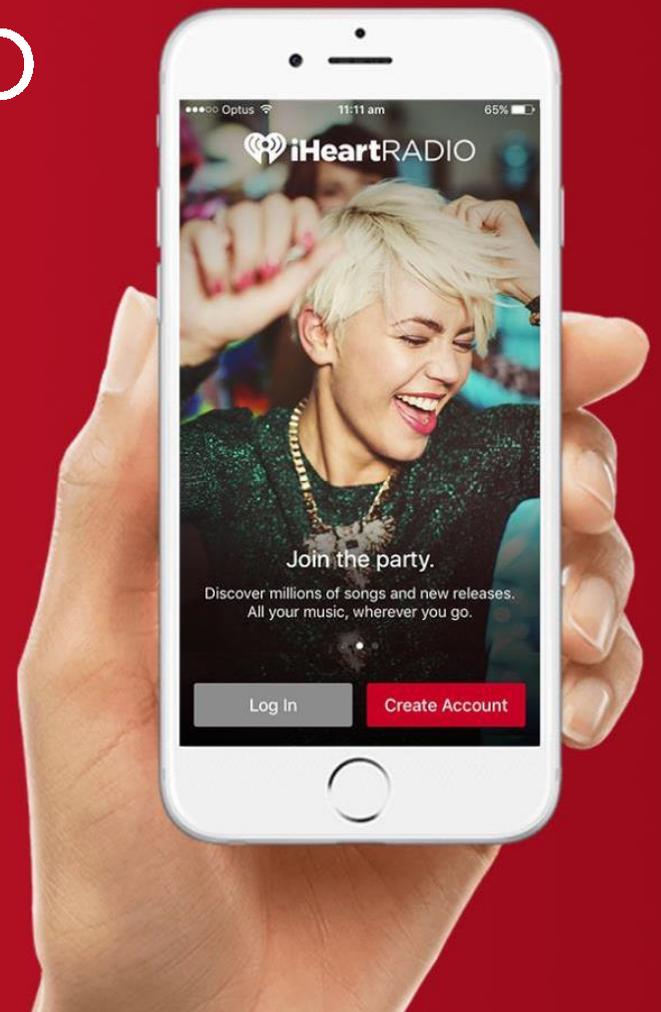
782,000
REGISTERED USERS



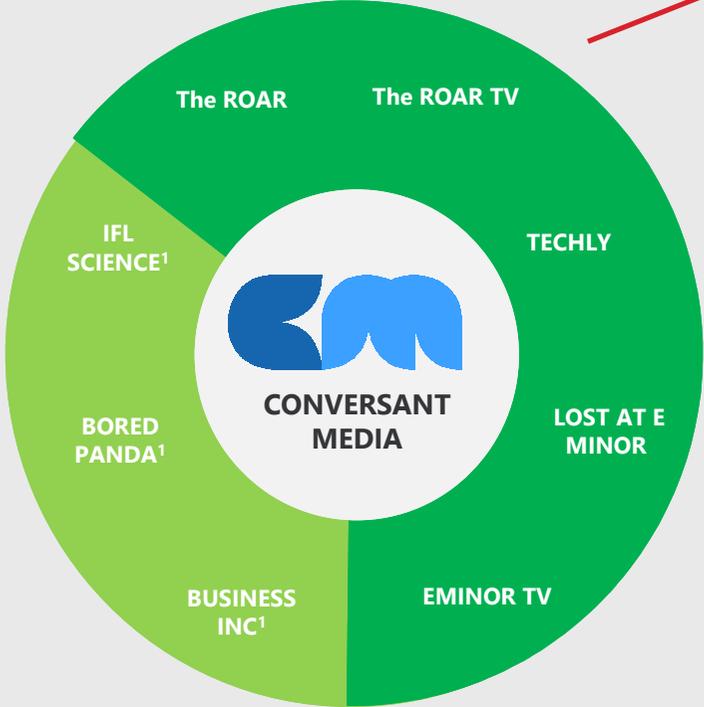
54%
UNDER 30 YRS



70
NEW STATIONS ADDED



Conversant Media



320 VIDEO SUBMISSIONS

8M VIDEO VIEWS

1M VIDEO VIEWS IN MAY
official Club Roar Inception

80%+ MOBILE TRAFFIC



- 175K views
- 430K reach
- 5.5K engagements
- Averaging 3K views per month since initial post

HT&E



KIIS
1065
KJSHOW



19

KIIS
1065

THERE'S ONLY ONE
KYLE &
JACKIE O

#KJSHOW

KIIS
1065

#KJSHOW

Why rebrand?

- APN = Australian Provincial Newspapers
- Zero exposure to traditional publishing
- Move from a holder of media assets to an operator
- Re-position APN as Tier 1 media business
- Uniquely positioned





Here, There & Everywhere

Our purpose is to unlock the power of Marketing in Motion



We welcome relevant entertainment



We welcome relevant education



We welcome relevant content



We reward brands that can deliver relevance with our attention



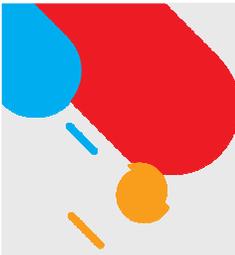
Consumers are more open to marketing messages when out and about

**It's the opposite to
the in-home
experience**



Our Unique Proposition





A rapidly changing landscape places greater emphasis on quality data

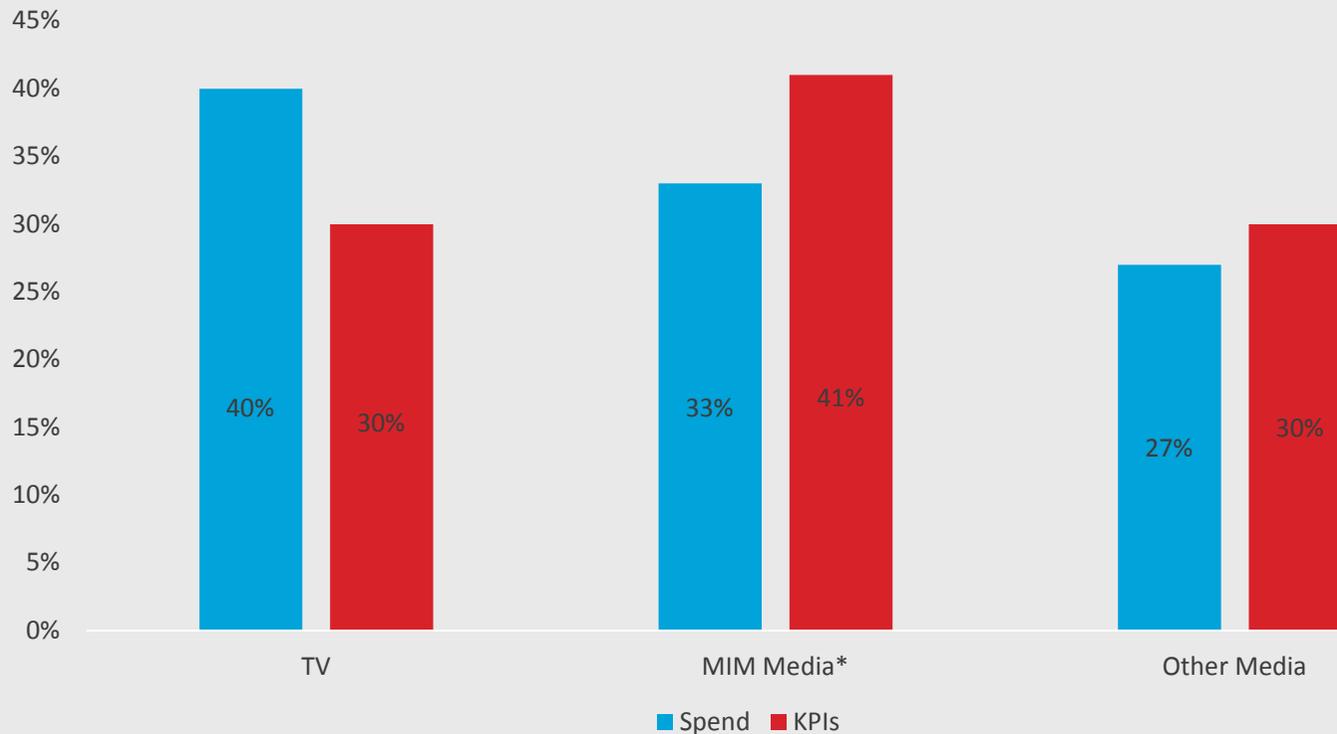
- Media buying margins narrowing for agencies
- In-house buying on the rise: a wider market in future
- Agencies and brands increasingly sophisticated in usage of data, and 'know what they want'
- Consumers are powerful
 - Expectations on convenience and personalisation being set by sophisticated global brands, using data-driven insight and design – consumers have shown they will change media consumption very rapidly
 - Better informed about data and are acting to enforce their privacy preferences (e.g. ad blockers)



More insights will lead to a differentiated HT&E position

Research:

The combination of OOH, Radio and Digital is the most efficient way to deliver on a brand's campaign KPIs



Based on the aggregated measurement of **more than 90 campaigns** representing **\$240 million in media expenditure**, global research agency Kantar Millward Brown demonstrated:

10% of media spend is wasted and could be reallocated to more efficient media to increase campaign impact

40% of the budget was spent on TV but it only achieved 30% of the KPIs

The combination of OOH + Radio + Digital received 33% of spend however they delivered 41% of the KPIs



*MIM Media = Marketing in Motion Media (OOH + Radio + Digital)

Source: Kantar Millward Brown CrossMedia Database, AU/NZ – 2012- Q1 2017 (91 campaigns)

Case study: Xero

- In April 2016, HT&E worked with Xero, a provider of cloud accounting software for small businesses, to create an integrated advertising campaign across outdoor (Adshel), radio (ARN) and video content (Emotive)
- The collaboration led to a unique and high-impact campaign delivered nationwide



- Generated significant results including:
 - 33% increase in unprompted awareness¹
 - 40% YOY increase in direct trials¹
 - Seamless execution across the Group
 - Xero engaged HT&E for a second year; campaign currently in market



(1) Source: Xero



1 MILLION VIDEO VIEWS



2.2 MILLION SOCIAL REACH



11 MILLION OOH INTERACTIONS



2.05 MILLION RADIO REACH



Deal with the financial elephant in the room

Xero in on your small business finances



Start your free trial

xero.com

Case study: WA Government

Radio and outdoor synchronisation



ROAD
SAFETY
COMMISSION



The 'Might Be a Mate' campaign ran across the Adshel Live digital network over 3 weeks, with 7 creative executions on rotation in 14 locations in the Perth CBD

Messages were synched with ARN's 96FM. When the client's 30-sec ads were on-air, the outdoor creative appeared simultaneously across Adshel



Results:

- High reach – 46% of Perth population recalled being exposed to campaign
- Almost 1 in 5 (17%) saw & heard both ads when synchronised
- 33% said the campaign positively changed their attitude & behaviour
- 79% agreed drivers must allow more room for cyclists
- This increases to 88% for those exposed to both radio & outdoor

Summary

- Repositioned business
- Strong portfolio of assets
- Audiences of scale and less fragmentation
- Positioned for digital expansion
- Platform to work closer together
- Provide full service solutions to audiences and advertisers



Thank
you

