



Full Year Results 2019

24th February 2020



HT&E Limited
ABN 95 008 637 643

Statutory Results

- Revenue from continuing operations down 7%
- Reported EBITDA up 5%; *down 17% before transition to AASB 16 Lease*
- Challenging, cyclical ad market; Radio remains relevant to listeners and advertisers
- Hong Kong political unrest impacted H2 revenue – down 18%³
- Reported EBIT down 15%; *down 18% before transition to AASB 16 Leases*
- NPAT down 7%
- Underlying EPS up 1%
- Fully franked final dividend of 4.6 cents per share

HT&E Reported Result (excluding Adshel in 2018)

A\$ million	2019	2018 ¹	% change reported	% change ex AASB 16
Revenue from continuing operations	252.7	271.8	(7%)	(7%)
EBITDA ²	75.6	71.8	5%	(17%)
EBIT ²	56.9	67.2	(15%)	(18%)
NPAT attributable to HT&E shareholders ²	34.2	36.7	(7%)	(5%)
Underlying EPS ²	12.0	11.9	1%	

(1) 2018 not restated for transition to AASB 16 *Leases*

(2) Before exceptional items and discontinued operations

(3) Like-for-like basis, excluding contracts exited in 2018. Reported H2 revenue down 29%.

Focus on core business



Content and Audiences

- Radio has grown 22% in reach over the last 10 years and continues to be the major source of audio entertainment¹
- ARN - No.1 metropolitan network; Audience growth outgrowing the market +3.8% growth in +1.4% market growth²
- Highest reach in history – 5.3m every week³
- Early contract extensions for breakfast talent in key markets – limited overall cost increase

Distribution and Digital Audio

- Growth in new audiences and commercial opportunities; Unique radio and digital audio strategy;
- iHeartRadio licence extended to 2036; roadmap for investment and ROI for shareholders
- Stronger on-air integration to drive usage in H2 - 960k Unique Monthly Users a month (+71%)⁴
- 'Catch Up Podcasts' launched H2 – low cost premium digital re-broadcast content; 2m downloads per month⁵
- 21% of digital listening is via smart speakers – 665,000 hours per month (+124%)⁶
- iHeartPodcast Australia launched; 30m monthly impressions of podcast content geo-targeted to Australia⁷

Commercialisation and Advertiser benefits

- Out-performing market in Q4 – Market -9.4% ARN -7.6%; Winning share⁸
- New commercial strategy launched H2; unique skills in integrating radio and digital audio
- 1.6m registered users (+33%) – building 1st party data for digital targeting; New DMP launched in Q4⁹
- 6m digital listening hours a month (+62%) delivering new in-stream digital revenue opportunity¹⁰

Source:

- (1) GfK Ratings: Metro: Mon-Sun 5:30am – 11:59pm, SMBAP, Commercial Market, AM/FM/DAB+, Share % and Cume 000's, All P10+, S8 2019 (trended data S1-8-2010 to S1-8-2019) GfK Share of Audio 2016-2019
- (2) GfK Radio Ratings; Avg S1-8 2019 vs Avg S1-8 2018, Commercial Metro Radio, ARN (AM/FM/DAB+), SMBAP markets, M-S 0530-2359, Cume figure % listener growth, P10+
- (3) GfK Radio Ratings; Survey 8 2019, AM/FM/DAB+, SMBAP, M-S 0530-2359, cumulative audience reach, P10+
- (4) Adswizz Dec 2019, User Growth measures Dec18-Dec19
- (5) ARN Hosting Platform statistics across 31 days from Jan 22-Feb 20 (UTC time zone)
- (6) ARN Server Logs
- (7) ARN and Partner Hosting platforms, Jan/Feb 2020.
- (8) Commercial Radio Australia
- (9) iHeartMedia, Braze, Adobe & Akamai streams
- (10) iHM & ARN Streaming / Server Logs

Strong balance sheet provides optionality

- Strong balance sheet and capital management in consolidating sector
- \$111m net cash and \$250m undrawn debt
- Increased dividend policy (60-80%)
- Accretive share buy-back optionality maintained
- Exiting ancillary businesses (Gfinity and Unbnd) protecting cash reserves
- Significant further value to be realised via potential Soprano and Lux Group divestment
- Corporate structure simplification completed (costs down 16%) and annual \$10m run rate (excluding tax matter preparation) achieved
- ATO Branch matter – we remain confident in our position and are prepared to pursue the matter fully through litigation; As a result of recent accounting standards interpretation on uncertain tax matters, \$30 million is now reflected on the balance sheet; This figure is only an estimate derived from a wide range of potential outcomes and may or may not reflect the final outcome. Litigation, and any resolution, may take several years

Financial Results

2019 Reported Financial Result

- Revenue from continuing operations down \$19.1m (7%)
 - Challenging Australian media market
 - Protests in Hong Kong in H2 and non-renewal of material Cody contract (end 2018)
- Costs down \$21.6m (10.4%); *down 3.0% pre transition*
 - \$15.7m attributable to adoption of AASB 16
 - \$4.4m Cody contract non-renewal
 - Lower Corporate costs
 - Offset by higher staff and talent costs at ARN – reflecting enhanced commercial capability and fixed contractual increases
- Underlying EBITDA from continuing operations up 5%; *down 17% pre transition*
- Effective tax rate on continuing operations of 29.4% (2018: 31.1%)
- \$30m provision estimate on Branch ATO tax matter in exceptional items
- Underlying NPAT down 7%

A\$ million	2019 Reported	2019 Pre AASB 16	2018 ¹
Revenue before finance income	252.7	252.7	271.8
Other income	6.7	6.3	7.4
Share of associate profits	2.5	2.5	0.5
Costs	(186.2)	(201.6)	(207.9)
Underlying EBITDA²	75.6	59.9	71.8
Depreciation and amortisation	(18.8)	(4.8)	(4.6)
Underlying EBIT²	56.9	55.2	67.2
Net interest income / (expense)	(2.3)	0.1	(6.0)
Net profit before tax²	54.6	55.2	61.2
Taxation on net profit	(16.1)	(16.2)	(19.0)
Net profit after tax (NPAT)²	38.5	39.1	42.2
Less non-controlling interest	(4.3)	(4.3)	(5.5)
NPAT attributable to HT&E shareholders²	34.2	34.7	36.7
Exceptional items net of tax	(48.4)	(48.4)	0.9
NPAT from discontinued operations	–	–	188.0
NPAT attributable to HT&E shareholders	(14.2)	(13.7)	225.5
Underlying EPS (cps) ²	12.0	12.2	11.9
Final dividend per share (cps)	4.6	4.6	4.0

(1) 2018 not restated for transition to AASB 16 Leases
 (2) Before exceptional items and discontinued operations

ARN

- First year total ad market decline since 2012; radio share unchanged at 8.6%
 - ARN Radio revenue down 6% in line with Radio market decline for 2019
 - Radio market back 2.4% in H1 and 9.8% in H2
 - ARN Q4 revenues back 7.6%, but ahead of market
- iNC Digital Media revenues increased, but at low margins (~10%)
- Total costs down 1%; *up 1% pre transition to AASB 16*
 - Costs of sales down on lower revenues; full cut-through limited by higher COS attributable to iNC revenues
 - Staff and talent costs up 4% on contracted talent increases, ratings bonuses (not paid in 2018) and enhanced Commercial team capability
 - Operating costs include the benefit of reduced rental expense (\$3.0m) on adoption of AASB 16; *opex costs flat pre transition*
- Margin of 33% down on last year (36%); *31% pre transition*
- EBITDA down 13% on last year; *down 17% pre transition*

A\$ million	2019	2018 ^{1,2}	% change
Radio	208.4	222.3	(6%)
Digital & Other	14.9	13.2	13%
Total revenue	223.3	235.5	(5%)
Cost of sales	(40.9)	(41.9)	(2%)
Staff and talent	(80.9)	(77.9)	4%
Operating costs ³	(28.2)	(31.0)	(9%)
Total costs	(150.0)	(150.9)	(1%)
EBITDA	73.3	84.6	(13%)
D&A	(4.4)	(4.1)	7%
Depreciation – AASB 16	(2.4)	-	-
EBIT	66.5	80.5	(17%)
EBITDA margin	33%	36%	

(1) 2018 not restated for transition to AASB 16 *Leases*

(2) 2018 revenue and costs restated for impact of integration of Conversant Media

(3) Operating costs include \$3.0m of reduced rental expense on adoption of AASB 16 (2018: nil)

Hong Kong Outdoor - Cody

- Strong first half; well ahead of PY
- H2 revenues materially impacted by protests
 - Tram shelters down 24%
 - Western Harbour Tunnel up 7%, minimal impact from protests
 - Eastern Harbour Tunnel down 8% on lower H2 spend in key segments
- Hung Hing Road break-even / loss making contract exited in Dec 18:
 - Roadside revenue down 5% on a like basis
 - Contract revenues and costs of ~\$4.5m in FY18
- Costs down 61% (local currency); *down 22% pre transition*:
 - \$12.4m of rental expense recharacterised
 - \$4.5m lower rent - Hung Hing Road non-renewal
- EBIT broadly in-line with 2018

A\$ million	2019	2018 ^{1,2}	% change	Local currency % change
Roadside ²	16.6	20.7	(20%)	(26%)
Transit	8.3	10.1	(19%)	(24%)
Total revenue	24.8	30.9	(20%)	(25%)
Total costs ³	(12.4)	(29.6)	(58%)	(61%)
EBITDA	12.4	1.2	>100%	>100%
D&A	(0.1)	(0.3)	(66%)	(68%)
Depreciation – AASB 16	(11.3)	-	-	-
EBIT	1.0	0.9	7%	(2%)
EBIT margin	4%	3%		

(1) 2018 not restated for transition to AASB 16 *Leases*

(2) 2018 includes Hung Hing Road decommissioned in December 2018

(3) Total costs include \$12.4m of reduced rental expense on adoption of AASB 16 (2018: nil)

Non-audio Investments: review complete

A\$ million	Ownership	Investment Carrying Value	LTM EBITDA Pre AASB 16	Review decision	Commentary
Emotive	51%	Consolidated	\$0.5m	Retain	<ul style="list-style-type: none"> FY19 result impacted by challenging local media market Continues to deliver to long term strategic plan
HT&E Events / Gfinity Australia	50% / 35%	Nil	N/A	Shutdown	<ul style="list-style-type: none"> Closure at the end of Nov 19
Unbnd Group	0%	Nil	N/A	Divest	<ul style="list-style-type: none"> Divested in Sept 19 allowing for a new strategic partner for next stage of growth Should Unbnd be successful, the terms of the sale allow HT&E to share in its success
Lux Group	~ 7.3%	Nil	N/A	Divest	<ul style="list-style-type: none"> Minority shareholder position Trade sale process underway for full group
Soprano	~ 25%	\$17.3m	\$16.2m	Divest	<ul style="list-style-type: none"> Strong operating performance: FY19 best year ever

Soprano

- HT&E ~25% interest
- Revenue growth in all regions and majority of countries:
 - APAC up 23%
 - Europe and UK up 13%
 - Americas up 10%
- Strongest operating performance in the history of the company; EBITDA up 23% on pcp
- Improved margin through operating leverage
- Soprano have appointed UBS to review strategic options for the company; if successful would realise significant value for HT&E

A\$ million	LTM 2019	LTM 2018	% change
Revenue	67.4	56.2	20%
Cost of sales	(26.9)	(23.6)	14%
Gross profit	40.5	32.6	24%
Staff costs	(17.4)	(14.7)	19%
Operating costs	(6.9)	(4.8)	44%
Total costs	(24.3)	(19.5)	25%
EBITDA	16.2	13.1	23%
D&A	(1.1)	(1.1)	(6%)
EBIT	15.1	12.0	26%
GP margin	60%	58%	
EBITDA margin	24%	23%	

Soprano results are reported on a financial year ending June so results above include the half to Dec 2019 that have not been audited

Corporate Costs

- FY cost savings driven by post-Adshel team restructure and office downsizing during 2019.
- Lower incentive costs reflect FY19 performance; majority of cost attributable to FY18 scheme
- Compliance and advisor costs up associated with non-audio portfolio review (\$0.4m) and final transaction fees attributable to Adshel sale (\$0.4m)
- Cost base right-sized to achieve \$10m target in 2020 (before costs of running ATO Branch dispute)

A\$ million	2019	2018	% change
Salary and wages	4.1	5.0	(18%)
Incentives provided for	1.0	3.0	(65%)
Board costs	0.8	0.8	0%
Compliance and advisor costs	3.0	1.9	59%
Tax dispute costs	1.8	1.8	1%
Overheads (rent, office, other) ¹	2.1	2.9	(25%)
Total Corporate costs	12.8	15.2	(16%)

(1) Overheads include \$0.2m of reduced rental expense on adoption of AASB 16 (2018: nil)

Balance Sheet

Other key like-for-like balance sheet movements:

- Receivables lower on reduced Nov / Dec revenues and the timing of amounts billed in advance in Cody
- \$51m deposit of tax in dispute offset by \$30m tax provision estimate under the ATO Branch matter – based on a range of possible outcomes – in-line with new accounting interpretation on uncertain tax treatments
- Reduced tax provision - Final tax instalment for FY18 of \$16.6m paid in May 2019
- Tax receivable includes expected refunds from 2017 & 2018 tax years offset by current year payable

	Reported	Back out leases	Pro forma	Restated	Change
A\$ million	Dec 2019	Dec 2019	Dec 2019	Dec 2018	\$
Cash and cash equivalents	111.0	–	111.0	128.4	(17.4)
Receivables	45.7	(0.1)	45.6	55.2	(9.6)
Income tax receivable	3.3	–	3.3	–	3.3
Other current assets	4.0	(0.8)	3.2	2.3	0.9
Property, plant & equipment	22.1	–	22.1	16.6	5.5
Right-of-use assets	51.0	(51.0)	–	–	–
Intangible assets	427.4	–	427.4	429.6	(2.2)
Deposit of tax in dispute, net of provision	20.7	–	20.7	50.7	(30.0)
Other non-current assets	60.1	–	60.1	65.4	(5.3)
Total assets	745.3	(51.9)	693.4	748.1	(54.7)
Payables	24.1	–	24.1	24.2	(0.2)
Current tax provision	–	–	–	11.6	(11.6)
Other current liabilities	18.4	–	18.4	17.8	0.6
Lease liabilities	59.1	(59.1)	–	–	–
Deferred tax liabilities	108.6	1.1	109.7	110.0	(0.3)
Other non-current liabilities	5.2	2.0	7.2	4.9	2.3
Total liabilities	215.4	(56.1)	159.3	168.4	(9.1)
Net assets	529.9	4.2	534.1	579.7	(45.6)

Cash Flow

Operating cash inflow of \$31.3m before lease accounting, down 21% on 2018, impacted by;

- EBITDA down 17% pre-transition
- \$5.5m cash on exceptional items (slide 28)
- Higher non-cash share of NPAT in Soprano
- Offset by positive net change in Working Capital
- Capex includes ~\$4m for fit-out at new ARN Brisbane premises and ~\$1.5m for network broadcast upgrades; remainder BAU
- Payments for treasury shares to satisfy equity obligations for 2017 and 2018 TIP incentives
- Share buyback: 5.4m shares acquired at an average of \$1.65 per share

A\$ million	Dec 2019	Dec 2018 Continuing Operations	Dec 2018 Reported
EBITDA	75.6	71.8	105.5
Net change in working capital, non-cash and exceptional items	(7.1)	2.6	(22.4)
Net interest received / (paid)	0.8	(6.3)	(6.4)
Net tax instalments paid	(22.2)	(28.4)	(31.2)
Lease payments (principal and interest)	(15.8)	–	–
	31.3	39.7	45.5
Deposit of tax in dispute	–	(50.7)	(50.7)
Net operating cash flow after lease payments	31.3	(11.0)	(5.2)
Capital expenditure	(8.0)	(5.1)	(20.6)
Investments	(2.3)	558.3	558.3
Cash received from associates and other entities	0.7	1.6	1.6
Net cash flow before financing	21.7	543.8	534.0
Payments for borrowing costs	(0.3)	(2.1)	(2.1)
Payments for treasury shares	(2.5)	(0.2)	(0.2)
Dividends paid to shareholders	(22.8)	(244.0)	(244.0)
Share buy back	(8.9)	(39.0)	(39.0)
Payments to non-controlling interests	(4.7)	(5.5)	(5.5)
Net cash flow before debt items	(17.4)	252.9	243.2
Net proceeds of borrowing	–	(133.8)	(133.8)
Net cash flow	(17.4)	119.1	109.4

Exceptional Items

- Costs in exiting non-core investments and simplifying structure – largely complete
- Unbnd – mechanism to recover investment, should it be successful
- Branch matter provision \$30m – estimate only, in accordance with accounting standards on uncertain tax treatments.
- Tax provision estimate \$3m – legacy financing arrangement – unrelated to Branch matter.

Exceptional items: continuing operations

Continuing operations (A\$ million)	H1 2019	H2 2019	2019	2018
Redundancies	(1.7)	(3.1)	(4.8)	–
Impairment and related closure costs of HT&E Events	(5.3)	(0.2)	(5.4)	–
Loss on sale of Unbnd	–	(13.4)	(13.4)	–
Loss on sale of The Roar	–	(1.5)	(1.5)	–
Dividend received by ARN from DRB	–	0.5	0.5	–
Onerous contracts and other costs	–	–	–	(0.5)
Reversal of Conversant Media earn out provision	–	–	–	1.4
	(6.9)	(17.6)	(24.6)	0.9
Income tax expense on exceptional items	2.2	4.2	6.3	(0.0)
2016 and 2017 income tax return true up	–	2.9	2.9	–
Tax provision estimate – Branch matter	–	(30.0)	(30.0)	–
Tax provision estimate – legacy financing arrangement	–	(3.0)	(3.0)	–
Exceptional items, net of tax	(4.8)	(43.6)	(48.4)	0.9

Cash / Debt

- Net cash balance \$111m & no drawn debt as at 31 December 2019
- 73% of limits under debt facilities extended a further 12 months to Jan 2024 on largely unchanged pricing; remainder of facility expires across 2022 and 2023; total limits of \$260m
- Lease liabilities now included in "Net Debt", however excluded for assessing covenant compliance.

A\$ million	Dec 2019	Jun 2019	Dec 2018
Cash at beginning of period	128.4	128.4	18.8
Foreign exchange	0.0	0.0	0.2
Net cash flow	(17.4)	(20.7)	109.4
Closing cash	111.0	107.7	128.4
Debt at beginning of period	-	-	133.6
Foreign exchange	(0.1)	0.3	0.2
Non-cash increase to lease liabilities	75.1	69.8	-
Debt repayments	-	-	(133.8)
Lease repayments	(15.8)	(7.6)	-
Closing debt	59.1	62.6	-
Unamortised borrowing costs	(1.6)	(1.8)	(2.0)

Operational Performance

Radio maintaining listener strength

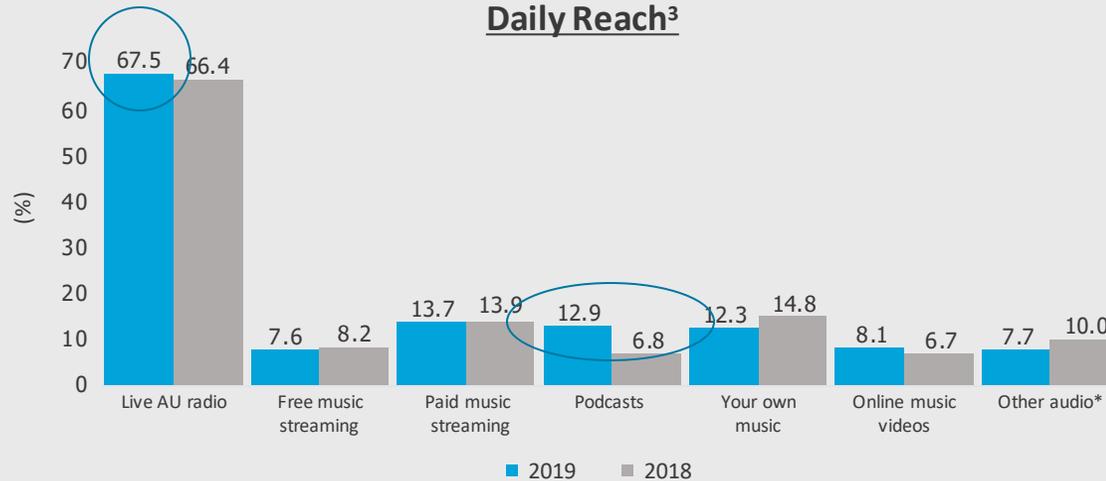
Digital audio growth is complementary

- Radio has grown 22%¹ in reach over the last 10 years and continues to be the major source of audio entertainment
- At the same time,, digital audio has grown overall audio consumption
- Digital audio plays a complementary role to radio for listeners, while creating new revenue streams for audio broadcasters

Commercial Metro Radio Audience – Cumulative Weekly Reach²



Daily Reach³



Daily time spent⁴



Source:

(1) GfK Ratings: Metro: Mon-Sun 5:30am – 11:59pm, SMBAP, Commercial Market, AM/FM/DAB+, Share % and Cume 000's, All P10+, S8 2019 (trended data S1-8 2010 to S1-8 2019)
 (2) P10+, Daily Cumulative Audience (%), Mon-Sun 12mn-12mn (*Other Audio includes audio books, TV music channels & other) Jan-20 GfK Australian Share of Audio 2019
 (3) P10+, Daily average time spent listening (h:mm), Mon-Sun 12mn-12mn (*Other Audio includes audio books, TV music channels & other) Jan-20 GfK Australian Share of Audio 2019
 (4) Metro: Mon-Sun 5:30am – 11:59pm, SMBAP, Commercial Market, AM/FM/DAB+, Share % and Cume 000's, All P10+, S8 2019 (trended data S1-8 2010 to S1-8 2019) GfK Share of Audio 2016-2019

Radio maintaining advertiser support

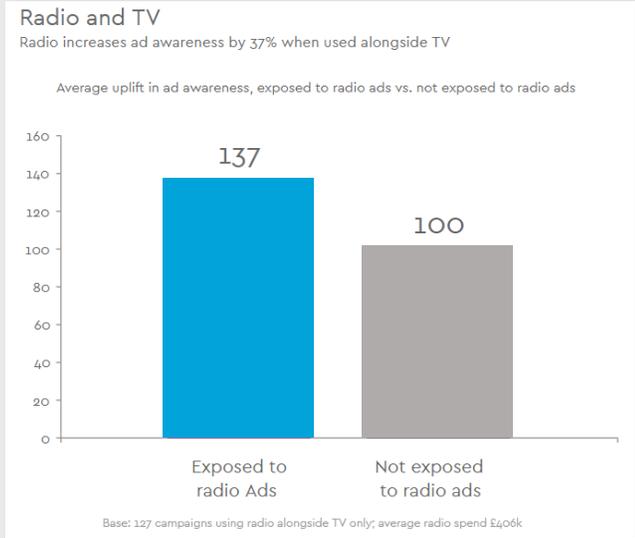
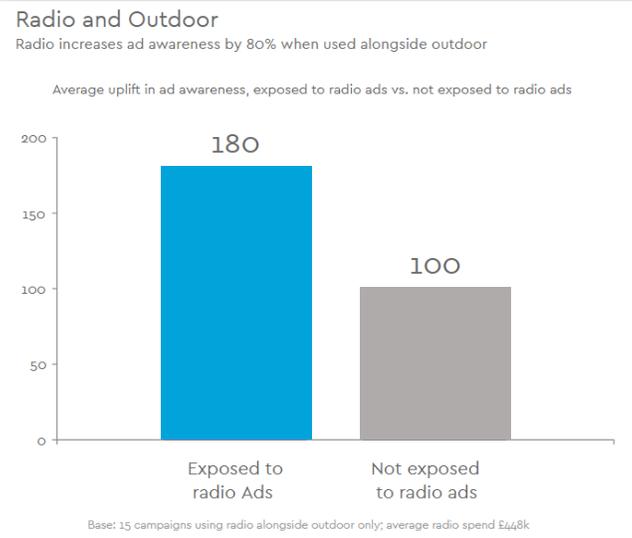
Combining with digital audio growth opportunity

- Metro radio market is worth \$760m in 2019¹
- Radio secured 8.6% share of advertising in 2019 – joint highest on record with 2018
- Radio remains the ultimate incremental effectiveness driver when combined with other media²
 - +80% ad awareness with OOH
 - +37% ad awareness with TV
- Broadcast radio, combined with other cross-platform audio is the #1 way agencies intend to buy audio advertising over the next 12 months
- 9 in 10 agencies and advertisers are satisfied with audio advertising delivering results – 88% for brand awareness, 87% for specific promotions
- Podcast usage for advertising has increased by 65% over the last year.

Share of Advertising

	CY 2010	CY 2011	CY 2012	CY 2013	CY 2014	CY 2015	CY 2016	CY 2017	CY 2018	CY 2019
Radio	7.0%	7.0%	7.0%	7.1%	7.4%	7.8%	8.3%	8.4%	8.6%	8.6%

Standard Media Index (SMI)



Radiocentre (UK), Radiogauge Predict, 2019



Source:
 (1) Commercial Radio Metro Ad Revenue 2019 – Deloitte
 (2) Standard Media Index (SMI)
 (3) Radiocentre (UK), Radiogauge Predict, 2019

Radio talent key to ratings success

- #1 Overall Share in the Commercial Metro Market
- Highest Reach ever for ARN, over 5.3 million weekly metro reach with commercial radio



#1 Reach Sydney
1,048,000

Momentum
building with record
Reach

#1 Share
Brisbane

#1 Share
Adelaide

#1 Share 25-54
Perth

#2 Share
FM breakfast show
in Sydney

#1 Reach Melbourne
1,085,000

#1 Share AM
Brisbane

#1 Reach AM
Adelaide

#1 Breakfast
Show (Reach)

in 2019*

#1 Breakfast Show
(Share)

#1 FM Breakfast
Show (Share)

31% growth in 2019**

#1 Reach in the country

WILL & WOODY FOR THE DRIVE HOME

Reaching 1.3 million listeners nationally each week

Sydney's #1 Drive Show



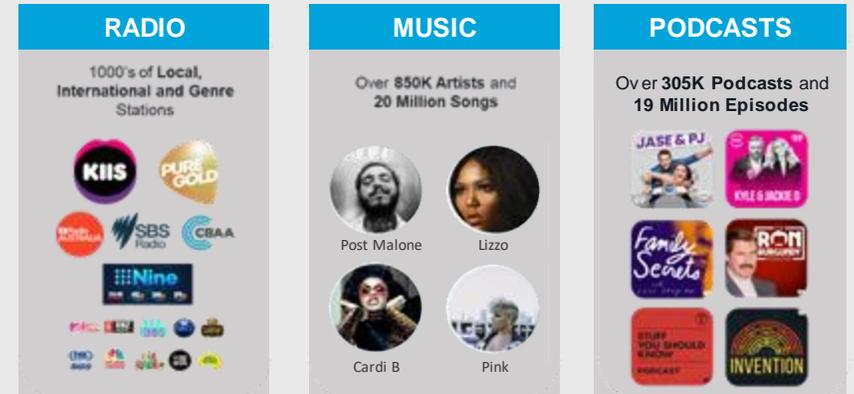
ARN's DAB+ STATIONS REACHING 581,000 LISTENERS EACH WEEK

SYDNEY'S #1 DAB+ STATION AND BREAKFAST SHOW

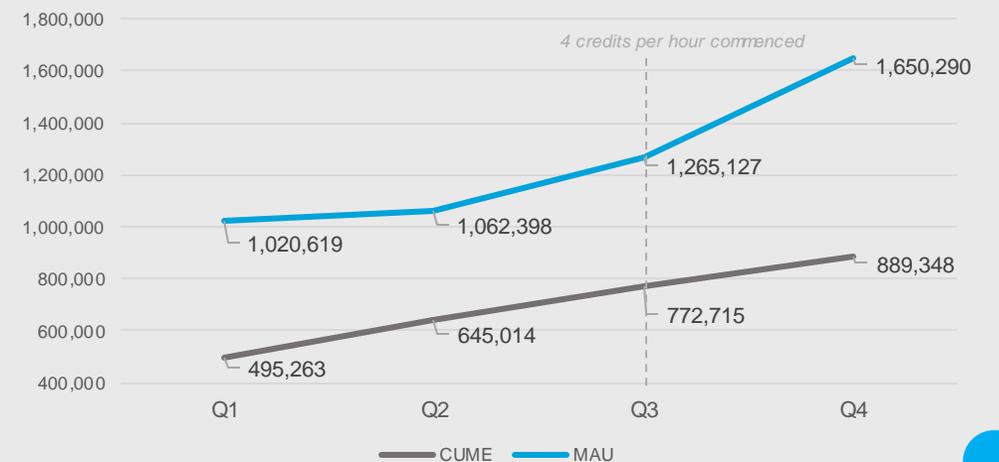


Digital content and distribution expansion

- ARN's iHeartRadio offers all-in-one digital listening to radio, music and podcasts
- Product offerings –
 - Live Radio
 - Catch Up Podcasts
 - Music streaming
 - Podcasts
 - 3rd Party Broadcasters (ABC, SBS, Nine Radio)
- Downloads – 2.2m (+22%)²; Registered Users 1.6m (+33%)³, 6m listening hours a month (+62%)⁴
- On-air integration commenced H2; 4 mentions an hours, every hour, every station; +77% growth¹
- Exclusive content for Australia; cross promoted distribution to expand audience reach
- Integrated into 65 devices; one of only 3 radio apps in the world to be integrated into Siri
- 21% of digital listening is via smart speakers – 665,000 hours per month⁵



CUME VS MAU Quarterly 2019¹



Source:
 (1) Adobe & Google Analytics
 (2) App Stores - Dec 2018 vs Dec 2019
 (3) iHeartMedia
 (4) iHM & ARN Streaming / Server Logs
 (5) ARN Server Logs

Digital targeting capabilities for advertisers

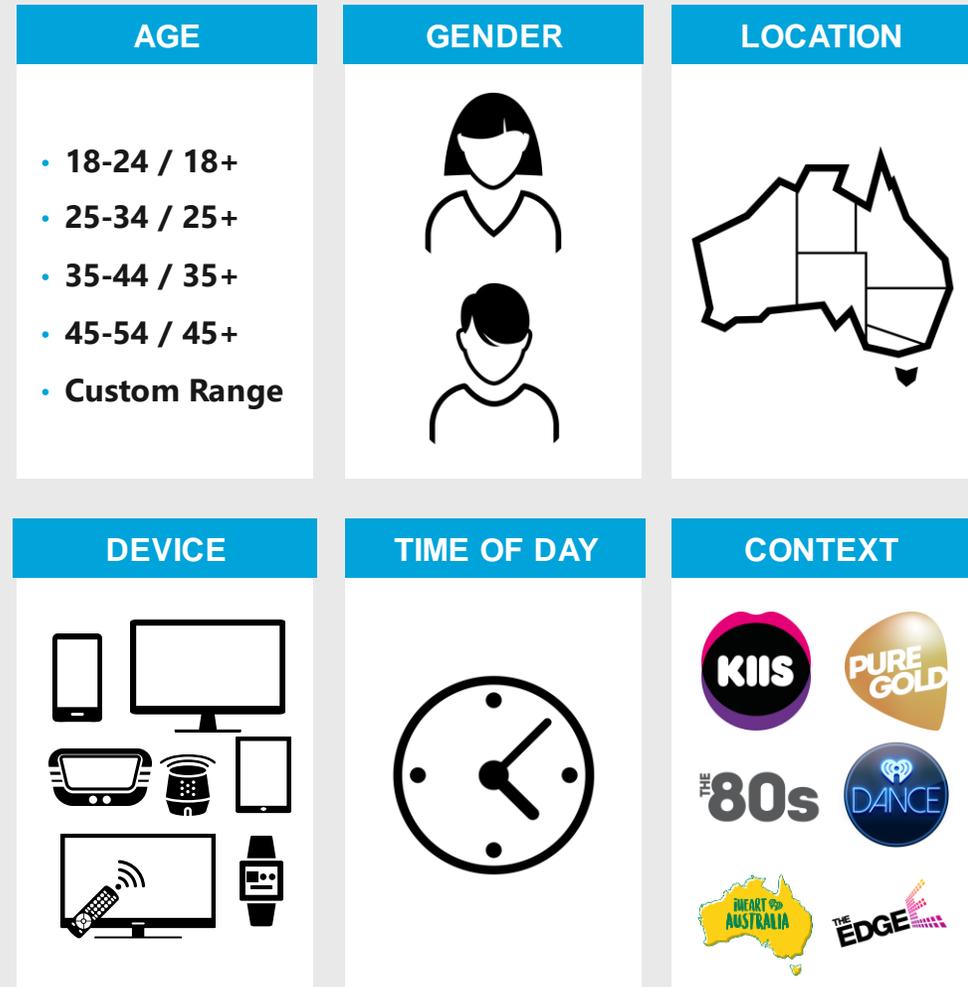
- Investing in digital audio revenue growth strategies
- Digital Audio - break-even by Q4 2020

Commercial Offerings

- In-stream digital advertising – 54% of app usage is listening to Live Radio¹
- Catch Up Radio - Premium, talent-voiced reads
- Podcasts – 30m impressions a month²
- New DMP launched in Q4 2019 - flexibility and accuracy

Advertiser Benefits

- Reach and scale – Radio campaigns integrated with digital audio
- Rich, impression-based buying
- Premium, content led engagement
- Targeting effectiveness and tracking



Trading Update

Trading Update

In Radio, market trading conditions in January were consistent with H2 2019. ARN remain ahead of market with mid-single digit declines. Strong cost management is being maintained as we continue to assess market conditions. Overall cost growth limited to CPI as savings in core operations are offset by incremental investments in digital audio content, audiences and revenue growth strategies.

In Hong Kong, trading at the start of the year, against strong comps, saw some recovery from declines in H2 due to the easing of protests. No bookings have been cancelled to date due to Coronavirus. Clients non-committal for Q2 as the impact of the outbreak is still being assessed.

Appendices

Reconciliation of Segment Result to Statutory Result

A\$ million	Segment result		Exceptional items		Statutory result	
	2019	2018 ¹	2019	2018	2019	2018 ¹
Revenue before finance income	252.7	271.8	–	–	252.7	271.8
Other income	6.7	7.4	0.5	–	7.2	7.4
Share of associate profits	2.5	0.5	–	–	2.5	0.5
Costs	(186.2)	(207.9)	(25.1)	0.9	(211.3)	(207.0)
Underlying EBITDA²	75.6	71.8	(24.6)	0.9	51.1	72.7
Depreciation and amortization	(4.8)	(4.6)	–	–	(4.8)	(4.6)
Depreciation – AASB 16	(14.0)	–	–	–	(14.0)	–
Underlying EBIT²	56.9	67.2	(24.6)	0.9	32.3	68.1
Net interest	0.1	(6.0)	–	–	0.1	(6.0)
Finance cost – AASB 16	(2.3)	–	–	–	(2.3)	–
Net profit before tax²	54.6	61.2	(24.6)	0.9	30.0	62.1
Taxation on net profit	(16.1)	(19.0)	(23.8)	(0.0)	(39.9)	(19.1)
Net profit after tax (NPAT) ²	38.5	42.2	(48.4)	0.9	(9.9)	43.0
Less non-controlling interest	(4.3)	(5.5)	–	–	(4.3)	(5.5)
NPAT attributable to HT&E shareholders²	34.2	36.7	(48.4)	0.9	(14.2)	37.5
NPAT from discontinued operations	–	13.8	–	174.2	–	188.0
NPAT attributable to HT&E shareholders	34.2	50.5	(48.4)	175.0	(14.2)	225.5



(1) 2018 not restated for transition to AASB 16 Leases
(2) Before discontinued operations

Transition adjustment for adoption of AASB 16 *Leases*

A\$ million	Reported 2019	AASB 16 Leases Adjustment ARN	AASB 16 Leases Adjustment HK Outdoor	AASB 16 Leases Adjustment Digital Investments	AASB 16 Leases Adjustment Corporate	Result without adoption of AASB 16	Reported 2018
ARN	73.3	(3.0)	–	–	–	70.3	84.6
HK Outdoor	12.4	–	(12.4)	–	–	0.0	1.2
Digital Investments	2.7	–	–	(0.1)	–	2.6	1.3
Corporate	(12.8)	–	–	–	(0.2)	(13.0)	(15.2)
Underlying EBITDA¹	75.6	(3.0)	(12.4)	(0.1)	(0.2)	59.9	71.8
Depreciation and amortisation	(18.8)	2.4	11.3	0.1	0.1	(4.8)	(4.6)
Underlying EBIT¹	56.9	(0.6)	(1.1)	0.0	(0.0)	55.2	67.2
Net interest	(2.3)	1.0	1.3	0.0	0.0	0.1	(6.0)
Net profit before tax¹	54.6	0.4	0.3	0.0	(0.0)	55.2	61.2
Taxation on net profit	(16.1)	(0.1)	–	(0.0)	0.0	(16.2)	(19.0)
Net profit after tax (NPAT)¹	38.5	0.3	0.3	0.0	(0.0)	39.2	42.2
Less non-controlling interest	(4.3)	–	–	–	–	(4.3)	(5.5)
NPAT attributable to HT&E shareholders¹	34.2	0.3	0.3	0.0	(0.0)	34.7	36.7
Exceptional items net of tax	(48.4)	–	–	–	–	(48.4)	0.9
NPAT from discontinued operations	–	–	–	–	–	–	188.0
NPAT attributable to HT&E shareholders	(14.2)	0.3	0.3	0.0	(0.0)	(13.7)	225.5

H1 and H2 Performance

Continuing operations A\$ million	H1 Revenue		H1 EBITDA			H2 Revenue		H2 EBITDA		
	2019	As reported	2019	As reported	Pre AASB 16	2019	As reported	2019	Local currency	Pre AASB 16
Australian Radio Network ⁽¹⁾	115.0	(4%)	37.3	0%	(3%)	108.3	(7%)	36.0	(24%)	(28%)
HK Outdoor	13.5	(9%)	6.9	>100%	>100%	11.4	(29%)	5.5	>100%	(>100%)
Digital Investments	2.4	(13%)	0.7	19%	8%	2.2	(26%)	2.0	>100%	>100%
Corporate	-	-	(6.8)	(11%)	(10%)	-	-	(6.0)	(21%)	(20%)
Group eliminations	-	(100%)	-	-	-	-	(100%)	-	-	-
Total	130.9	(4%)	38.1	26%	1%	121.8	(10%)	37.5	(10%)	(29%)

(1) Includes Conversant Media

Currency rates

	AUD / HKD	
	2019	2018
Full year average	5.448	5.859
Period end rate	5.467	5.523

Cash Flow – Working Capital

A\$ million	2019	2018 Continuing Operations	2018 Reported
Net changes in working capital	2.5	5.8	(6.3)
Deduct non-cash items, share of associates NPAT net of cash / dividends from investments	(4.1)	(2.8)	(2.8)
Recurring	(1.6)	3.0	(9.1)
Redundancies	(4.5)	(0.5)	(0.5)
Acquisition related incentive paid to Unbound JV partner	(1.0)	–	–
Transaction costs	–	–	(12.9)
Non-recurring	(5.5)	(0.5)	(13.3)
Net change in working capital, non-cash and exceptional items	(7.1)	2.6	(22.4)

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