

ASX ANNOUNCEMENT

2019 Annual General Meeting CEO Address

24 October 2019

Good morning ladies and gentlemen, many thanks attending our Annual General Meeting. I am pleased to be here today to recap on FY19 and also brief you on the Group's strategic direction and ambitions moving forward. FY19 proved to be an excellent year with very good results demonstrating that our businesses are performing in a stronger and more consistent manner.

Financially the Group has delivered substantial increases across key metrics including:

- Revenue up 25% to \$129.5m;
- EBITDA up 53% to \$20.7m;
- Operating EBITDA margin up to 16%;
- EBIT up 69% to \$17.4m; and
- Net profit after tax pre significant up 54% to \$12.1m.

While FY19 has been a very good year, we take nothing for granted and cannot afford to lose momentum in our fast paced and rapidly changing sector. I would like to take this opportunity now to introduce some of our key leaders who will be sharing a little bit more about their respective businesses.

First, we have Barbara Bates, Global CEO of Hotwire Group. Hotwire is the largest and most networked business we have in the Group, with presence across the USA, UK, Europe and Australia and many more countries beyond when including their affiliate network.

Second, we have Steve McArdle, Managing Director of BMF. BMF is one of Australia's leading creative agencies and as mentioned earlier was recently named 'Australia's most effective agency' for the second time.

Third, we have Wai Kwok, one of the Managing Partners and Founders at Orchard. Orchard is our most recent acquisition and they have brought significant digital capability to our Group.

As we now look forward to FY20 and beyond, the Group strategy of the past few years of 'Remedial, Reliable and Reimagined' has served us well and ultimately delivered shareholder growth.

However, changes in our sector have required fresh thinking so we revisited the Group strategy planning process and have now implemented a new strategic plan for the period FY20 to FY23.

Our sector has always been dynamic but is also now highly volatile and very fragmented. No one dominant player, school of thought or consensus exists and there is an opportunity for a new alternative offer that is clear, distinct and scaled at a level to be a great partner for clients. We have two competing forces, on the one hand, the traditional Holding companies are investing in data and divesting other assets; while on the other hand Consultancies are entering the sector via business strategy and marketing technology.

We have a great opportunity:

- We are right-sized;
- We are nimble and agile;
- We are international and independent;
- We do highly effective work for substantial clients;
- We have aligned but distinctive capabilities;
- We have a positive culture where people are energised about what they do; and
- We are primarily a digital business where 60% of our team members have tech or digital roles.

Yet we also have gaps to fill and opportunity areas to unlock. Enero is in a growth phase and the new strategy embraces themes of 'Simplify, Evolve and Grow'.

We will be successful if we can create:

- Cohesive, integrated, end-to-end solutions
- Draw on our deep sector based knowledge and expertise
- Focus on clients and industries in adjacent fields

This will assist to reduce complexity and make our group simpler and easier to navigate for our clients and our staff.

Our Group's three core brands and related capabilities are:

- Hotwire – which helps clients build and protect their reputation;
- BMF – which helps clients build their brands; and
- Orchard – which helps clients succeed in conversion and sales.

The Group will be integrated on the premise of three experience products:

- Stakeholder Experience – led by Hotwire
- Brand Experience – led by BMF
- Customer Experience – led Orchard

Our expertise in strategy, insight, data & analytics continues to be as important as ever, and to that end, we will be building that capability within our core brands.

We will also focus on six key vertical industries which are high growth, high value and high opportunity sectors, where we already have significant expertise and many long-term relationships. We can further deepen our category understanding

and provide our clients in these sectors with a better bespoke offer. Our outstanding credentials in the technology sector can allow us to become the preferred advisor for any brand needing to become more of a technology brand and any tech brand needing a more human touch. Indeed, every brand must become a technology brand, while every technology brand needs the right narrative, so the addressable market is huge.

By backing the stronger, larger businesses we can 'build upon the peaks' and enhance platforms, processes and cultural alignment so that cross company collaboration becomes as frictionless as possible. We will ultimately end up with a simpler, more scalable offer, better replicated across key markets, with co-located teams working alongside each other as they do in our Sydney hub. This will allow us to further build out our skills, capabilities and talent base across our international office network of 15 cities and growing. As John mentioned earlier, we have capital to deploy on acquisitions, and we will ensure these are aligned with the strategy.

If we achieve this, we will become a stronger Group, an even better partner for our clients and able to offer more exciting career development opportunities for our people.

I would like to sincerely thank all our talented employees who give so much every day in their passion for their work and their care for their clients and for their teammates.

I want to also thank the excellent Enero Executive team of:

- Brendan York, Chief Financial Officer;
- Fiona Chilcott, Chief People & Culture Officer;
- Gavin Coombes, Chief Strategy Officer; and
- Cathy Hoyle, Group General Counsel.

I want to thank our Board for their guidance, support and wisdom. We have an exceptionally skilled Board with highly relevant experience. We are living through a time of great change through the impact of technology disrupting many sectors plus substantial uncertainty around the geopolitical and macroeconomic forces at play, which are outside our control. Still while accepting that reality, the re-shaping and disruption in the marketing services sector also offers wonderful opportunities for a small nimble and focussed Group like ours. We believe Enero is at a fantastic inflection point and is perfectly placed to capitalise upon the tide of opportunity that is flowing in our favour.

We are building a high performing Group and all of our team are very excited about the year ahead – simplifying, evolving and growing a better future-facing business for our clients, our staff and our shareholders, and we remain very grateful for your continued engagement and ongoing support.

For further information please contact:

Matthew Melhuish

CEO

t. +61 2 8213 3031

matthew.melhuish@enero.com

Brendan York

Chief Financial Officer

d. +61 2 8213 3084

brendan.york@enero.com