

# ASX ANNOUNCEMENT

## 2022 Full Year Results

### Enero continues to deliver strong results, with FY22 net revenue up 20% and underlying earnings up 40%

**12 August 2022:** Enero Group Limited (ASX: EGG) is pleased to announce its results for the 12 months ended 30 June 2022 (FY22), a year which saw the Company deliver on its operational strategy and continue to generate strong growth across all key financial metrics with net revenue and operating EBITDA slightly above the guidance provided on 8th June.

#### Key highlights (excluding significant times)

(\$ million)	FY22	FY21	% Change
Net revenue <sup>1</sup>	193.4	160.6	20.4%
Operating EBITDA <sup>1</sup>	62.2	45.6	36.4%
Operating EBITDA margin	32.2%	28.4%	380bps
Underlying Operating EBITDA (ex JobKeeper)	62.2	44.4	40.1%
Net profit after tax attributable to equity holders	27.1	22.8	18.8%
Earnings per share (EPS)	30.9 cents	26.4 cents	17.0%

#### Notes:

1. Net revenue is gross revenue recognised in accordance with AASB15 less directly attributable cost of sales. Operating EBITDA is net profit before interest, taxes, depreciation of plant and equipment, amortisation of intangibles, impairment of intangibles, incidental acquisition costs, contingent consideration fair value gains/losses and gains/losses on disposal of controlled entities. Operating EBITDA includes depreciation of Right of Use Assets recognised in accordance with AASB 16.

#### Commenting on the results, Enero Group CEO Brent Scrimshaw said:

“Throughout FY22 our global portfolio of innovative brands and services delivered strong operating results, continuing our trajectory of sustainable growth in revenue and earnings over the past five years. In line with our operational strategy, Enero’s revenue base is now highly diversified across segments, industries, and clients. Net revenue was up 20% over FY22, while underlying operating EBITDA was up 40%, underpinned by the business’ strong operating leverage. In addition, operating EBITDA margins grew to 32% as we delivered on our commitment to generate industry-leading margins.

“In today’s dynamic global marketplace, brands need to rapidly evolve and embrace digital transformation to ensure business success, continuity, and leadership. Our existing business, combined with the recent acquisitions of ROI DNA and GetIT by the Hotwire group, positions us well to accelerate digital agendas and transformations for clients and brands. The addition of ROI DNA and GetIT further strengthens Hotwire’s reputation and relationship credentials while adding revenue services for both global and high growth technology and innovation companies. Both ROI DNA and GetIT expand our performance marketing capabilities across the UK, Europe, North America, and for the first time into Asia with Hotwire owned offices.”

## **Growth across both business segments**

### *Brand Transformation*

The Brand Transformation segment saw continued revenue growth from all agencies, with net revenue up 11.3% to \$106.7 million. Hotwire benefited from growth in all geographies, with strength in the major markets of the US, UK and Australia. The “Reputation to Revenue” service offering continues to gain momentum in the UK particularly when combined with the performance marketing capabilities delivered from the McDonald Butler acquisition in April 2021. BMF benefited from higher-than-expected government initiatives in FY22 H1 associated with health and a period of government transition.

### *Creative Technology & Data*

The Creative Technology & Data segment growth was underpinned by Orchard and OB Media’s growth, with net revenue up 34.0% to \$86.7 million. OB Media’s performance delivered over 285 million consumers to advertiser websites, up 120% year on year and a 30% improvement in unique visitor conversion, while Orchard onboarded new clients including Tourism Tasmania and amaysim.

## **Strong balance sheet underpinned by growing cashflows**

The Group’s cash balance at 30 June 2022 increased to \$98.7 million (30 June 2021: \$50.7 million) due to a \$36.3m drawdown in debt from Enero’s new debt facility that was subsequently disbursed on 1 July 2022 to fund the acquisition of ROI DNA. Net cash adjusted for debt and contingent consideration was \$52.3 million, up from \$30.6 million at 30 June 2021.

FY22 operating cash flow was \$48.8 million, with the business delivering high EBITDA to cash conversion of 96%.

## **Dividend payment supported by FY22 performance, strong balance sheet and growth initiatives**

The Directors declared a final dividend of 6.5 cents per share, fully franked, up 48% on FY21’s final dividend. The final dividend will have a record date of 20 September 2022 and a payment date of 4 October 2022. This brings the total FY22 dividend to 12.5 cents per share, fully franked.

## **Positive start to FY23 underpins outlook for continued growth**

While still early in FY23, the first 5 weeks have seen a continuation of Enero Group’s growth trajectory. The Creative Technology & Data segment has continued its strong financial performance. The Brand Transformation segment pipeline remains robust with some near-term impact from macro conditions in the US and UK that may contribute to slower client decision making.

We remain focused on managing staff cost ratios and continuing to achieve strong margins across our diversified portfolio of businesses and geographies. Enero is well positioned for organic grow in FY23, along with the full year benefit of ROI DNA and GetIT (Hotwire Group).

**Commenting on Enero Group's outlook for continued growth in FY23, Brent Scrimshaw said:**

"Having positioned our business to be focused on high-growth brand transformation, creative technology, and data verticals, we are well positioned to utilise our specialist groups of agencies to sustainably grow in FY23 and beyond.

"The additional capabilities that Enero now has provide us with the opportunity to grow in markets of scale such as the USA, which has strong long-term growth dynamics. Through deep vertical expertise and integrated client support, we are confident that we can deliver ongoing growth as we leverage existing growth in programmatic digital media, marketing automation and data analytics services."

**Investor conference call being held at 10:30am AEST today**

An investor conference call with Brent Scrimshaw (CEO) and Carla Webb-Sear (CFO) will be held today at 10.30am AEST. To participate, please register [here](#). Registered participants will be able to participate in the Q&A.

Unregistered participants may join [here](#). Unregistered participants will not be able to participate in the Q&A.

- ENDS -

This announcement was authorised for release by the Board of Directors.

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**About Enero:**

Enero Group is a specialist portfolio of marketing, technology and communications businesses listed on the ASX (Australian Stock Exchange) that includes creative agency BMF, PR and integrated communications agencies Hotwire and CPR, digital & experiential agency Orchard and adtech platform OB Media.

**[www.enero.com](http://www.enero.com)**

### **Forward Looking Statements**

Certain statements made in this release are forward-looking statements. These forward-looking statements are not historical facts but rather are based on Enero Group's current expectations, estimates and projections about the industry in which Enero Group operates, and beliefs and assumptions. Forward looking statements can generally be identified by the use of forward looking words such as 'anticipate', 'believe', 'expect', 'project', 'forecast', 'estimate', 'likely', 'intend', 'should', 'will', 'could', 'may', 'target', 'plan' and other similar expressions within the meaning of securities laws of applicable jurisdictions. Indications of, and guidance or outlook on future earnings, distributions or financial position or performance are also forward looking statements. These statements are not guarantees of future performance and are subject to known and unknown risks, uncertainties and other factors, some of which are beyond the control of Enero Group, are difficult to predict and could cause actual results to differ materially from those expressed or forecasted in the forward -looking statements. Enero Group cautions shareholders and prospective shareholders not to place undue reliance on these forward-looking statements, which reflect the view of Enero Group only as of the date of this release. There can be no assurance that actual outcomes will not differ materially from these forward-looking statements.



# **Enero Group FY22 Full Year Results**

**12 August 2022**

# Agenda

- Growth trajectory continues
- Strong growth across key financial metrics
- Delivering on strategy
- Positioned for continued growth in FY23
- Q&A

# Growth trajectory continues

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**Brent Scrimshaw**  
CEO

# Our strategy delivers strong growth in earnings



## Delivering on our strategy

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- ✓ Well diversified revenue base across businesses; all contributing profit
- ✓ Active reshaping of Enero portfolio through acquisitions (ROI DNA and GetIT) and divestment (The Leading Edge and Digital Edge)
- ✓ Continued investment in Centres of Excellence to support growth ambition



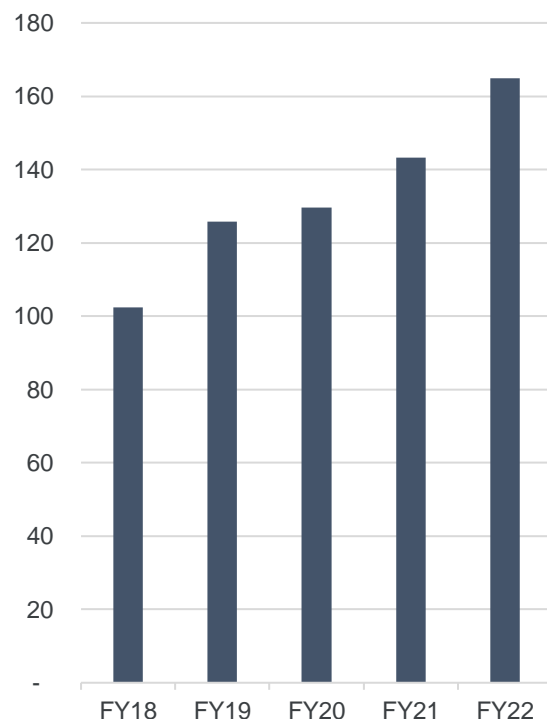
## Strong financial results

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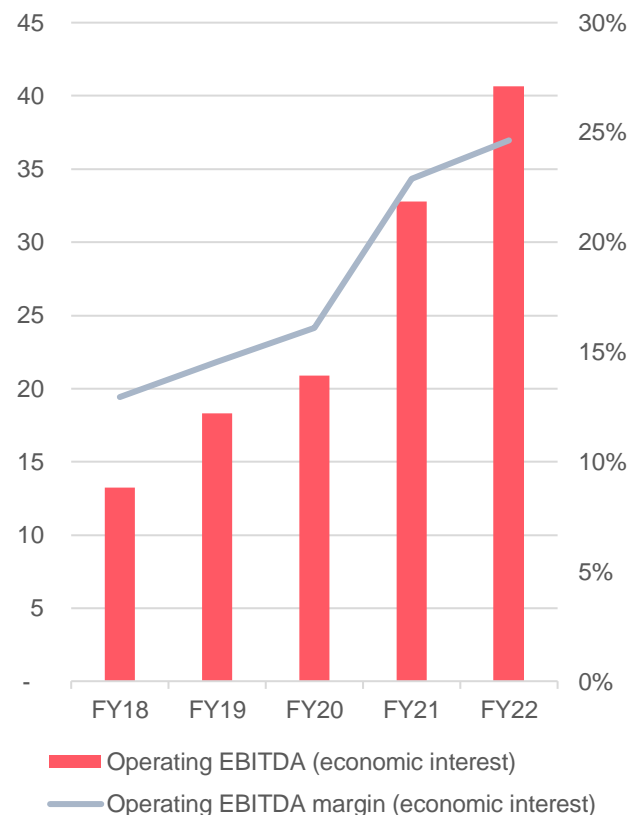
- ✓ Net revenue growth of 20% continues the track record of strong growth
  - ✓ Brand Transformation up 11.3% to \$106.7m
  - ✓ Creative Technology and Data up 34.0% to \$86.7m
- ✓ Operational EBITDA margin up 380bps to 32.2%

# Strong track record of growth

GROWING NET REVENUE (A\$M)\*



GROWING OPERATING EBITDA (A\$M) AND MARGIN (%)\*



## HIGHLIGHTS

- Net revenue continues to grow both organically and through acquisitions over the past 5 years. Acquisitions include Orchard in FY18, MBA in FY21
- GetIT and ROI DNA to contribute to earnings from FY23
- CAGR over 4 years for Net revenue is 12.7% and Operating EBITDA is 32.3%
- Operating EBITDA margin expansion from 13% to 25.0%\* driven through growth in higher margin businesses such as OB Media and continued efficient operating cost base

# Consistent performance across all key metrics

(A\$M)	FY22	FY21	% Change
Net revenue <sup>1</sup>	193.4	160.6	20.4%
Expenses	(131.2)	(115.0)	14.1%
Operating EBITDA <sup>1</sup>	62.2	45.6	36.4%
Operating EBITDA margin <sup>2</sup>	32.2%	28.4%	380bps
Net profit attributable to equity owners <sup>3</sup>	27.1	22.8	18.8%
Earnings per share (EPS) - basic <sup>3</sup>	30.9 cents	26.4 cents	17.0%
Dividend per share (interim plus final) – fully franked	12.5 cents	14.9 cents	

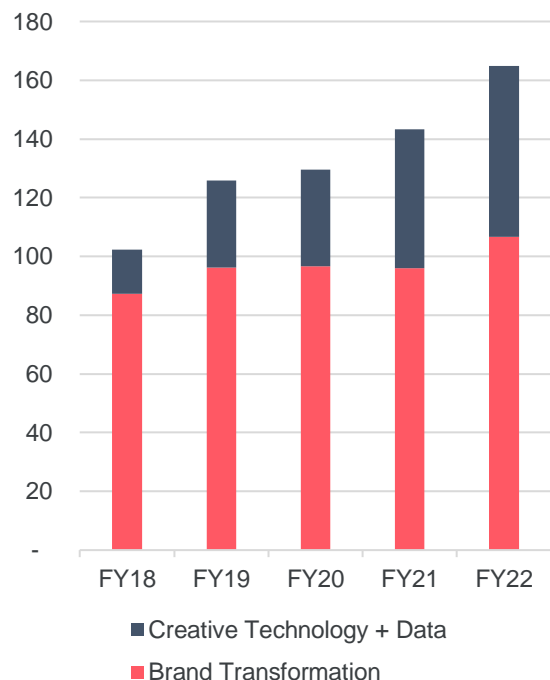
1. Net revenue is gross revenue recognised in accordance with AASB 15 less directly attributable cost of sales. Operating EBITDA is net profit before interest, taxes, depreciation of plant & equipment, amortisation of intangibles, impairment of intangibles, contingent consideration fair value loss, incidental acquisition costs and gain/losses on disposal of controlled entities. Operating EBITDA includes depreciation of Right-of-use assets recognised in accordance with AASB 16.
2. Operating EBITDA margin is Operating EBITDA / Net revenue.
3. Refer to Slide 31 for a reconciliation to statutory results.

## HIGHLIGHTS

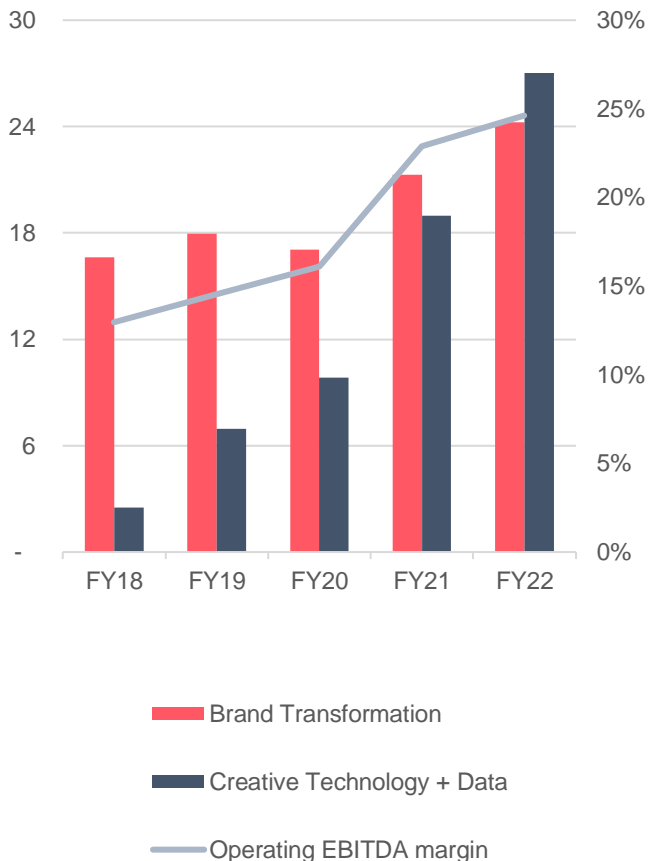
- Operating EBITDA growth of 36.4% YoY. Adjusting for impact of JobKeeper in FY21, operating EBITDA growth of 40.1%
- NPAT growth of 18.8% impacted by:
  - Higher tax rate due to full recoupment of historic tax losses in H2FY21
  - Higher non-controlling interest due to strong growth at 51%-owned OB Media
- Final dividend of 6.5c up 48% on FY21's final dividend. Representing a payout ratio of 43% (FY21 40%)

# Growth in all segments

GROWING NET REVENUE (A\$M)\*



GROWING OPERATING EBITDA (A\$M) AND MARGIN (%)\*



## HIGHLIGHTS

- Brand Transformation:
  - '18-22 Net revenue CAGR of 5.2%
  - '18-22 Operating EBITDA CAGR of 9.9%
- Creative Technology and Data:
  - '18-22 Net revenue CAGR of 40%
  - '18-22 Operating EBITDA CAGR of 81.6%
- Corporate costs as % of net revenue continue to decrease as economies of scale are achieved at 17% for FY22 (FY21 16% from 43% in FY18)

# Balanced contribution in FY22

Strong operating EBITDA performance in both segments

(A\$M)	Net revenue			Operating EBITDA			Operating EBITDA margin	
	FY22	FY21	% Change	FY22	FY21	% Change	FY22	FY21
Brand Transformation	106.7	95.9	11.3%	24.2	21.3	13.6%	22.7%	22.2%
Creative Technology and Data	86.7	64.7	34.0%	48.6	31.8	52.8%	56.1%	49.1%
Corporate Costs	-	-	-	(10.6)	(7.5)	41.3%	-	-
ENERO Group	193.4	160.6	20.4%	62.2	45.6	36.4%	32.2%	28.4%

## HIGHLIGHTS

### Brand Transformation

- Hotwire growth in all geographies, 'Reputation to Revenue' service offering gaining momentum
- BMF strong performance with government clients in H1 FY22
- Margins grew despite wage inflation and the return of travel & entertainment in H2 FY22

### Creative Technology and Data

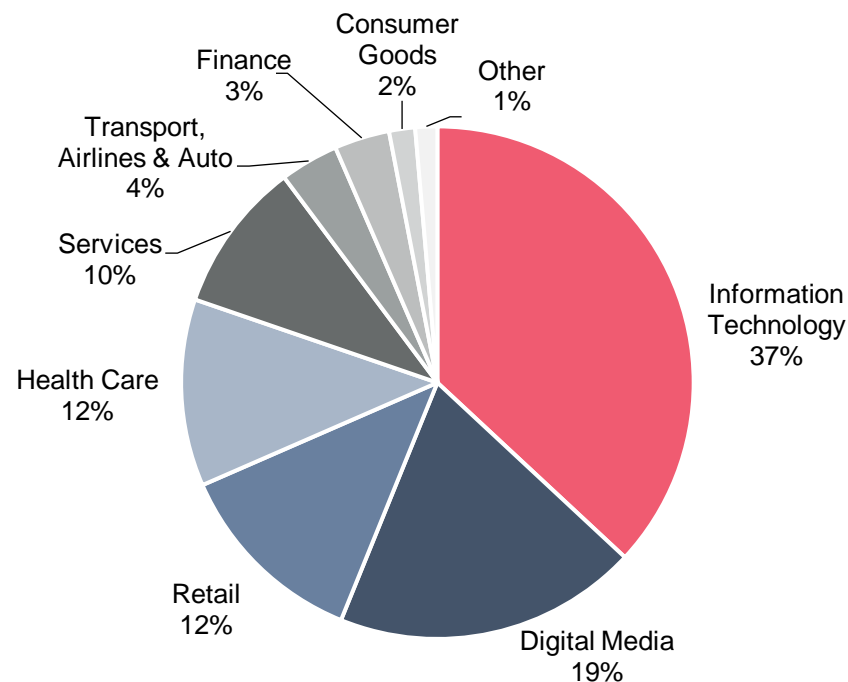
- OBMedia performance underpinned by Search engine partnership growth
- Orchard delivered strong growth in Health business, with additional key wins in Consumer marketing

### Corporate Costs

- Investment in additional systems & capability to support global growth
- Valuation driving increased expense associated with Share Appreciation Rights (SAR) for senior executives

# Diversified revenue with deep client relationships

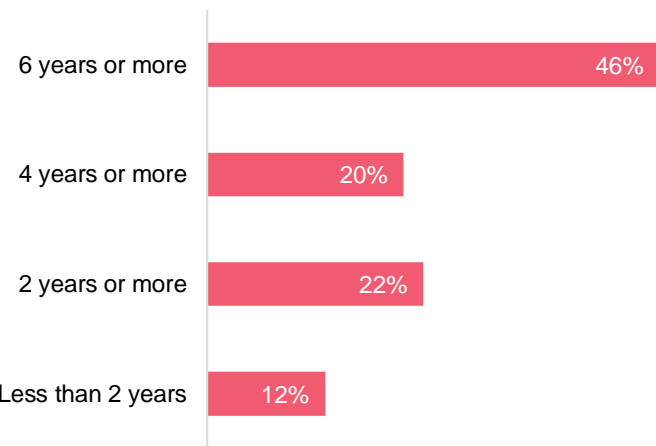
## Net revenue is diversified across industry and geography



Tech exposure is predominately B2B and in sustainable growth segments including cloud computing, security and digital transformation

## High client longevity

% of clients by length of relationship



66% of clients have been with the Enero group for 4 years or more

50:50 project and retainer revenue split in FY22 for agencies

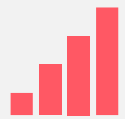
# Brand Transformation



THE GLOBAL TECH  
COMMUNICATIONS CONSULTANCY



CREATIVE AGENCY:  
HOME OF THE LONG IDEA – ENDURING,  
EFFECTIVE, EMOTIVE END TO END IDEAS



## Key Metrics

- Double digit top and bottom-line growth
- 110bp EBIT margin improvement YoY
- 305 FTE before recent acquisitions

- Double digit top and bottom-line growth
- 170bp EBIT margin improvement YoY
- 140 FTE plus strong bench of contractors



## Highlights

- Momentum with 'Reputation to Relationship to Revenue' offering through acquisitions of MBA, ROI DNA and GetIT
- GetIT provides a platform for AsiaPac
- 20+ award wins

- Delivered multiple health and social impact campaigns for Fed Govt
- ALDI Australia recognized as #4 Effective Brand in the world (WARC 100)
- Named #3 Most Effective Creative Agency in the world (WARC 100)

# Creative Technology and Data



**PROGRAMMATIC MARKETING PLATFORM:  
HELPING BUSINESSES ACCESS ONLINE  
ADVERTISING MARKETS**



**DIGITAL AGENCY:  
TRANSFORMING BUSINESSES THROUGH  
BETTER CONNECTED EXPERIENCES**



## Key Metrics

- Substantial top and bottom-line growth
- ~120% increase in customers delivered to advertisers to 285 million
- 30% improvement in traffic conversion

- Net revenue and EBITDA growth YoY
- EBIT Margins consistent with 2021
- 117 FTE plus strong bench of contractors



## Highlights

- Investment in Audience Development capability with key new hires
- Continued enhancements of campaign optimisation and platform development
- Technology investments driving more informed media buying capability

- Won Amaysim and delivered first CDP Optimizely deployment in Aust for Tourism Tasmania
- Strong performance in Aust Health
- Most awarded agency at 2021 PRIME Healthcare Marketing Awards

# Strong growth across key financial metrics

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**Carla Webb-Sear**  
CFO

# Record profitability in FY22

PROFIT AND LOSS SUMMARY (A\$M)	FY22	FY21	% Change
<b>Net revenue</b>	<b>193.4</b>	<b>160.6</b>	<b>20.4%</b>
Other income	0.3	1.6	
Staff costs	(111.7)	(98.4)	
Operating expenses	(15.8)	(13.9)	
<b>EBITDA</b>	<b>66.2</b>	<b>49.9</b>	<b>32.7%</b>
Depreciation ROUA	(4.0)	(4.3)	
<b>Operating EBITDA</b>	<b>62.2</b>	<b>45.6</b>	<b>36.4%</b>
Depreciation & amortisation	(2.9)	(2.8)	
<b>EBIT</b>	<b>59.3</b>	<b>42.8</b>	<b>38.5%</b>
Net finance costs	(1.0)	(1.4)	
<b>Net profit before tax before significant items</b>	<b>58.3</b>	<b>41.4</b>	<b>40.8%</b>
Tax expense	(14.4)	(8.5)	
Non-controlling interests	(16.8)	(10.1)	
<b>NPAT before significant items to equity owners</b>	<b>27.1</b>	<b>22.8</b>	<b>18.8%</b>
Significant items	(1.7)	(23.2)	
<b>Statutory net profit after tax to equity owners</b>	<b>25.4</b>	<b>(0.4)</b>	

## HIGHLIGHTS

- 20% year-on-year net revenue growth demonstrating ongoing strong momentum
- Staff costs ratio lower at 58% (FY21 - 61%) despite investment in OB Media. Staff costs includes all fulltime employees and freelance/contractors
- Operating costs ratio (including right-of-use asset charge) down 10% (FY21: 11%) with continued strong cost discipline across all businesses
- Group net revenue and operating EBITDA represents OB Media consolidated at 100%
- Effective tax rate of 25% increased from 21% in FY21 due to Australia tax losses being fully recouped
- Weaker Australian dollar had positive impact of \$1.6m on Net revenue and \$0.9m on EBITDA

# Strong cash balance supports growth plans

(A\$M)	30 June 2022	30 June 2021
Cash	98.7	50.7
Trade and other receivables	63.9	46.9
Other assets	14.5	15.1
Intangible assets	114.7	118.2
Property, Plant and Equipment	3.2	3.8
<b>Total assets</b>	<b>295.0</b>	<b>234.7</b>
Other current liabilities & provisions	84.0	69.9
Lease liabilities	8.6	11.9
Contingent consideration payable	10.1	20.1
Interest bearing liabilities	36.3	-
Provisions	0.7	0.7
<b>Total liabilities</b>	<b>139.7</b>	<b>102.6</b>
<b>Net assets</b>	<b>155.3</b>	<b>132.1</b>

## HIGHLIGHTS

- Increased cash position of \$98.7m due to debt draw down (\$36.3m) at 30 June 2022, consistent strong cash collection at period end and offset by higher tax payments following utilisation of tax losses in Australia
- Final dividend of 6.5 cps fully franked payable in October 2022, a payout ratio of 43%
- \$9.9m franking credit balance at 30 June 2022
- Balance sheet retains flexibility to pursue Enero Group's growth plans

# Balance Sheet & Capital Management

CASH AND CONTINGENT CONSIDERATION (A\$M)	FY22	FY21
Contingent consideration Opening 1 July (at present value)	20.1	25.6
Recognition on acquisition - MBA	-	8.9
Fair value loss recognised on reassessment of contingent consideration	1.0	-
Present value interest unwind / FX revaluations	-	0.5
Payments	(11.0)	(14.9)
<b>Contingent consideration balance at end of period</b>	<b>10.1</b>	<b>20.1</b>
Cash	98.7	50.7
Debt	(36.3)	-
<b>Net cash adjusted for debt and contingent consideration</b>	<b>52.3</b>	<b>30.6</b>

## HIGHLIGHTS

- Contingent consideration balance relates to MBA acquired in April 2021. Maturity profile is over the FY23 to FY25 periods
- Actual payments are subject to performance subsequent to the reporting date and capped on the purchase price with minimum thresholds. Actual future payments may therefore differ from the estimated liability at reporting date
- Final contingent consideration relating to Orchard Marketing paid in September 2021
- Strong net cash position of \$52.3m (30 June 2021 - \$30.6m) at balance date
- Debt drawn and held in cash at 30 June 2022, but subsequently disbursed on 1 July 2022 for acquisition of ROI DNA

Note: Contingent consideration payable for the ROI DNA & GetIT acquisitions totalling \$53.5million has been disclosed as a subsequent event due to the acquisition occurring on 1 July 2022 and is not included in the balance above. Maturity profile is over the next 3 years to 30 September 2025 subject to earnings targets being achieved.

# High cash conversion

(A\$M)	FY22	FY21
Operating EBITDA	62.2	45.6
Right-of-use asset depreciation charge	4.0	4.3
Movement in working capital	(4.4)	9.5
Equity incentive expense	1.9	0.9
<b>Gross cash flow</b>	<b>63.7</b>	<b>60.3</b>
Tax paid	(14.9)	(7.1)
<b>Operating cash flow</b>	<b>48.8</b>	<b>53.2</b>
Cash funded capex	(1.1)	(1.0)
Lease liability payments	(5.7)	(6.1)
<b>Free cash flow</b>	<b>42.0</b>	<b>46.1</b>

## HIGHLIGHTS

- Cash conversion at 96% of EBITDA (excludes right-of-use asset depreciation charge) as compared to 121% in FY21 resulting from expected unwinding of working capital. The Group targets a cash conversion of 85%
- Tax payments made in all jurisdictions with increase predominantly in the USA and Australia (operations commenced to pay tax in FY21H2)
- Marginally lower lease payment relating to Frank PR (divested in March 2021)
- FX impact on cash held between reporting periods (\$1.9m gain) given cash held in US

# Delivering on strategy

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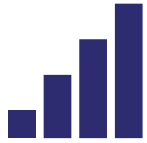
**Brent Scrimshaw**  
CEO

# Refining our offering at scale



1

Further expansion into **digital transformation**



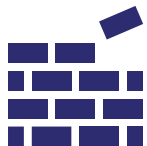
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We are well positioned in **growing** segments



3

We offer **what clients want**



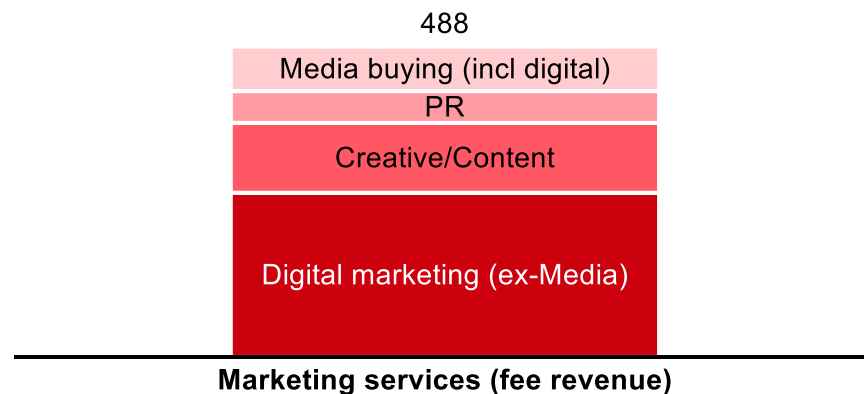
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We are investing in **modern capabilities**

# 1. Further expansion into digital transformation

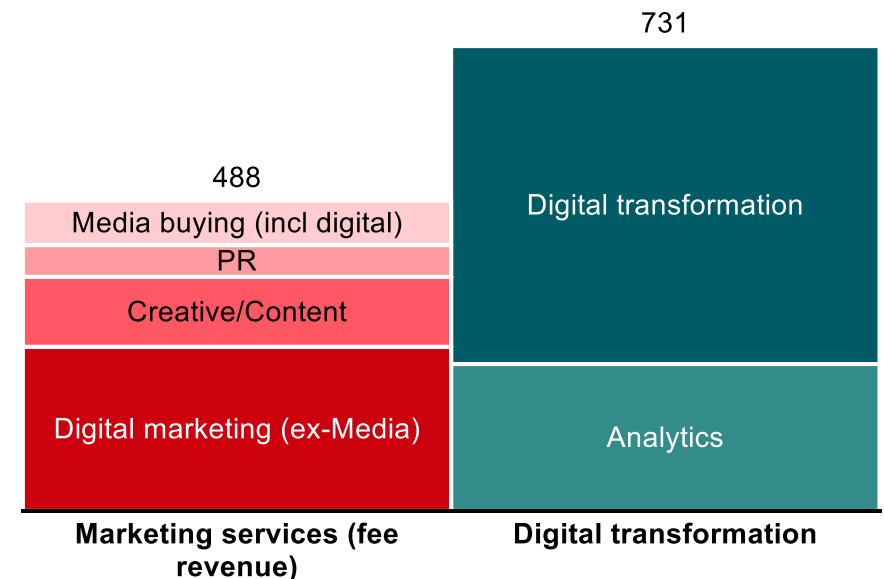
**\$488 billion historic  
addressable market**

Traditional marketing services industry  
addressable market (US\$ billion)



**\$1.2 trillion new  
addressable market**

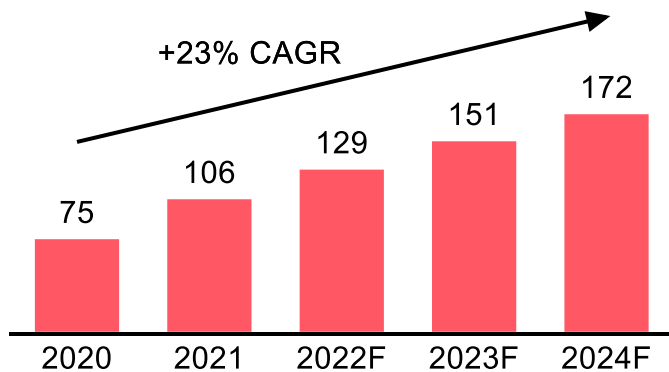
Modern marketing services industry  
addressable market (US\$ billion)



## 2. We are well positioned in growing segments

### Programmatic advertising

US Programmatic Digital Display Ad Spend (US\$bn)

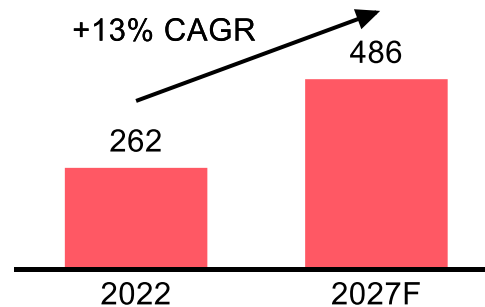


**“Performance marketing stands up in recessions.** You see shifts from brand advertising into performance because of the demonstrable ROI.”

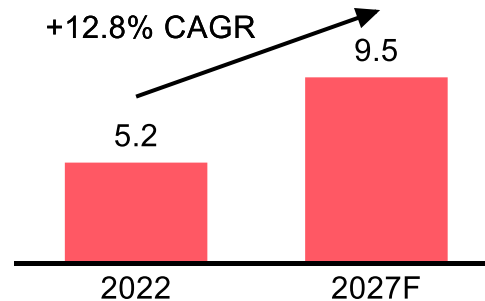
- FirstMark Capital on CNBC, May 2022

### Marketing automation and data analytics

Data analytics spend (US\$bn)



Marketing automation spend (US\$bn)

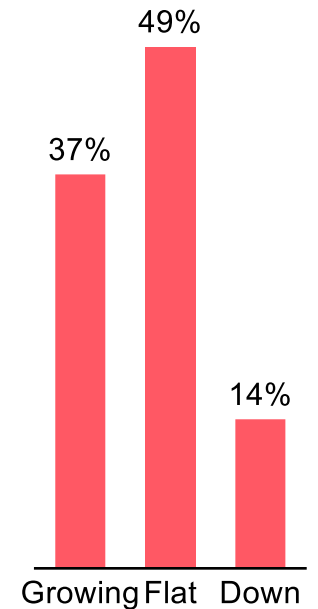


### Healthcare marketing

Life Sciences US marketing budgets (US\$bn)



2022 Budget intentions (% of respondents)



# 3. We offer what clients want

Our model provides integrated services and deep vertical expertise

## Clients need (and want) integrated support ...

- Client roles/buyers are merging (CMO=CRO)
- Communications specialties no longer work in siloes
- Procurement's role is expanding, and prefers single providers

## ... but not at the expense of deep vertical expertise

- As marketing becomes more personalised and more closely tied to revenue, critical to understand the unique client context
- Ever increasing digital complexity requires support navigating organizational and technical change

## Enero's operating model



# 4. Investing in modern capabilities



## Overview

- On 1 July 2022, Enero acquired two leading digital marketing businesses to strengthen Hotwire's Reputation, Relationship and Revenue service offering
  - ROI DNA:** a leading B2B digital marketing agency in the US
  - GetIT:** APAC's leading B2B technology marketing agency

## Example clients



## Capabilities acquired

- ABX/ABM strategy & execution; GTM digital strategy; Digital/web development; UX/UI design; Paid media planning & management; Data analytics and visualisation

## Geography

- ROI DNA focused on North America; GetIT a platform to establish Hotwire's owned office network across Asia (Singapore, India, Malaysia, Japan)

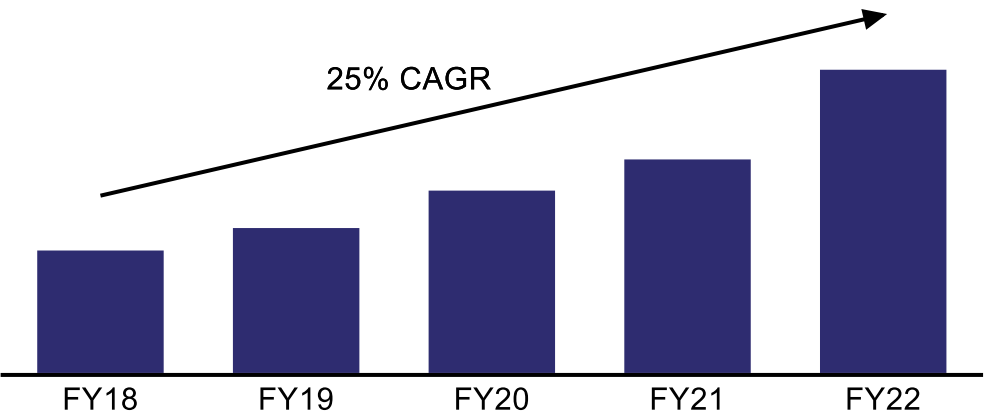
## Investment

- Upfront payments:** ROI DNA – US\$26.4m cash, US\$6.6m EGG shares; GetIT – S\$2.7m cash, S\$1.8m EGG shares
- Earnouts:** self funding and depend on management hitting earnings targets over 3 years
- EPS:** accretive to EPS in Year 1
- Funding:** \$50m Westpac bank facility and strong cash balance and cash flows to support these important acquisitions, which will underpin long-term growth

# Transforming the Hotwire offering

## B2B tech marketing is a growth business

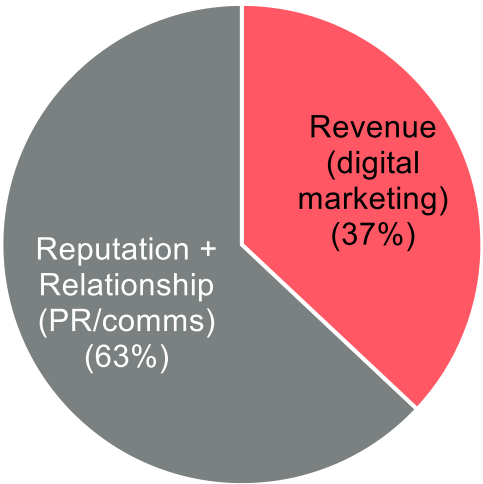
Historic net revenue growth of ROI DNA, GetIT and McDonald Butler Associates



Note: Historic non-fiscal years net revenue converted to Enero fiscal through average of CY results

## Acquisitions materially change Hotwire's business

Hotwire pro-forma FY22 business mix (% of net revenue)



### REPUTATION



#### Drive Reputation

Brand & communications strategy, narrative development, awareness and positioning.

### RELATIONSHIP



#### Grow Relationships

Develop relationships with media, influencers, analysts, and target accounts

### REVENUE



#### Deliver Revenue

Support revenue generation across targeted accounts with a data and digital first approach (ABM)

# Expanding Hotwire's Global Reach

500+

Employees



11

Countries

15

Offices



20+

Partner Offices



Hotwire  
Companies

**HOTWIRE**

 ROI-DNA

**GETIT**

## North America

San Francisco  
New York  
Minneapolis  
Mexico City  
Toronto

## Europe & Middle East

London  
Frankfurt  
Madrid  
Milan  
Munich  
Paris  
Amsterdam  
Dubai  
Copenhagen  
Helsinki  
Istanbul  
Oslo  
Stockholm  
Tel Aviv

## Asia Pacific

Singapore  
Malaysia  
Beijing  
Shanghai  
Hong Kong  
Taipei  
Seoul  
Jakarta  
Tokyo  
Bangalore  
Chennai  
Delhi  
Mumbai

## Latin America

São Paulo  
Montevideo  
Buenos Aires  
Santiago  
Lima  
Bogota

## Africa

Johannesburg

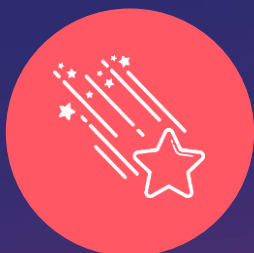
## Australia

Sydney  
Melbourne

● Hotwire Company Offices  
● Partners

# Delivering on our key strategic priorities

## STRATEGIC PRIORITIES



### TALENT

Enhance leadership and diversify skillsets to drive organic growth



### CAPABILITY

Undertake M&A to strengthen current portfolio



### PRODUCTIVITY

Implement technology and processes to improve productivity and profitability



### INNOVATION

Create an innovation engine to drive new business growth

## FY22 PROGRESS

Strong talent acquisitions in key roles at OB Media, Orchard and BMF

Acquired senior talent from ROI DNA and GetIT acquisitions

Continued strong NPS scores in competitive environment for talent

Hotwire MBA proposition delivers joint wins and cross selling to existing client base

ROI DNA and GetIT add sophisticated performance marketing capabilities in N.A. and APAC

Global systems continue to be implemented

Earnings growing faster than revenues

Ongoing assessment of internal and external investment opportunities

Flexible balance sheet with cash to support growth initiatives

# Positioned for continued growth in FY23

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**Brent Scrimshaw**  
CEO

# FY23 key priorities



## Focus on Core

- Drive key initiatives to strengthen and accelerate existing business
- Develop ESG approach



## Capability Enhancement

- Continued investment in new capabilities
- Build internal innovation mindset



## Commercialise Investments

- Complete integration of recent acquisitions
- Drive commercial success with refined go-to-market



## Drive Efficiency

- Systems and processes to improve productivity
- Diligent cost management to preserve profitability



## Magnet for Talent

- Refine post-COVID workplace of the future
- Global Learning & Development model
- Invest in DEI initiatives



# Trading Update

While still early in FY23, the first 5 weeks have seen a continuation of the Group's growth trajectory.

The Creative Technology segment has continued its strong financial performance.

The Brand Transformation segment pipeline remains robust with some near-term impact from macro conditions in the US and UK that may contribute to slower client decision making.

We remain focused on managing staff cost ratios and continuing to achieve strong margins across our diversified portfolio of businesses and geographies.

Enero is well positioned for organic growth in FY23, along with the full year benefit of ROI DNA and GetIT (Hotwire Group).

# Q&A

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**Brent Scrimshaw**  
**Carla Webb-Sear**

# Appendix

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# Reconciliation of statutory (4E) to continuing business results

FY22 (A\$M)	4E	Less Significant items	Statutory excluding significant items	Less Disposals	Continuing businesses
Net revenue (statutory gross profit)	193.4	-	193.4	(1.8)	191.6
Other income	0.9	(0.6)	0.3	-	0.3
Expenses	(129.8)	2.3	(127.5)	1.8	(125.7)
Depreciation ROUA	(4.0)	-	(4.0)	0.1	(3.9)
<b>Operating EBITDA</b>	<b>60.5</b>	<b>1.7</b>	<b>62.2</b>	<b>0.1</b>	<b>62.3</b>
Depreciation & Amortisation	(2.9)	-	(2.9)	-	(2.9)
<b>EBIT</b>	<b>57.6</b>	<b>1.7</b>	<b>59.3</b>	<b>0.1</b>	<b>59.4</b>
Net finance costs	(1.0)	-	(1.0)	-	(1.0)
<b>Net profit before tax</b>	<b>56.6</b>	<b>1.7</b>	<b>58.3</b>	<b>0.1</b>	<b>58.4</b>
Tax expense	(14.4)	-	(14.4)	-	(14.4)
<b>Net profit after tax</b>	<b>42.2</b>	<b>1.7</b>	<b>43.9</b>	<b>0.1</b>	<b>44.0</b>
Net profit attributable to non-controlling interests	(16.8)	-	(16.8)	-	(16.8)
<b>Net profit attributable to equity owners</b>	<b>25.4</b>	<b>1.7</b>	<b>27.1</b>	<b>0.1</b>	<b>27.2</b>
<b>Earnings per share (EPS) - basic</b>	28.9 cents	-	30.9 cents		31.0 cents

# Reconciliation of statutory (4E) to continuing business results

FY21 (A\$M)	4E	Less Significant items	Statutory excluding significant items	Less Disposals	Continuing businesses
Net revenue (statutory gross profit)	160.6	-	160.6	(8.0)	152.6
Other income	1.6	-	1.6	(0.3)	1.3
Expenses	(135.5)	23.2	(112.3)	5.7	(106.6)
Depreciation ROUA	(4.3)	-	(4.3)	0.5	(3.8)
<b>Operating EBITDA</b>	<b>22.4</b>	<b>23.2</b>	<b>45.6</b>	<b>(2.1)</b>	<b>43.5</b>
Depreciation & Amortisation	(2.8)	-	(2.8)	0.1	(2.7)
<b>EBIT</b>	<b>19.6</b>	<b>23.2</b>	<b>42.8</b>	<b>(2.0)</b>	<b>40.8</b>
Net finance costs	(1.4)	-	(1.4)	-	(1.4)
<b>Net profit before tax</b>	<b>18.2</b>	<b>23.2</b>	<b>41.4</b>	<b>(2.0)</b>	<b>39.4</b>
Tax expense	(8.5)	-	(8.5)	0.4	(8.1)
<b>Net profit after tax</b>	<b>9.7</b>	<b>23.2</b>	<b>32.9</b>	<b>(1.6)</b>	<b>31.3</b>
Net profit attributable to non-controlling interests	(10.1)	-	(10.1)	0.3	(9.8)
<b>Net profit attributable to equity owners</b>	<b>(0.4)</b>	<b>23.2</b>	<b>22.8</b>	<b>(1.3)</b>	<b>21.5</b>
<b>Earnings per share (EPS) - basic</b>	(0.5) cents		26.4 cents		24.9 cents

# USA

(A\$M) AS REPORTED	FY22	FY21	% Change	Constant Currency Variance
Net revenue	88.0	60.1	46.5%	42.3%
Operating EBITDA	51.5	32.4	59.2%	54.7%
Operating EBITDA margin	58.5%	53.8%	470bpt	

(A\$M) ECONOMIC INTEREST*	FY22	FY21	% Change	Constant Currency Variance
Net revenue	59.6	42.7	39.5%	35.5%
Operating EBITDA	29.9	19.5	53.4%	49.0%
Operating EBITDA margin	50.2%	45.7%	460bpt	

## US PORTFOLIO



# Australia

(A\$M) AS REPORTED	FY22	FY21	% Change	Constant Currency Variance
Net revenue	68.8	65.0	5.7%	-
Operating EBITDA	13.3	13.1	1.5%	-
Operating EBITDA margin	19.4%	20.2%	(80bpt)	-

(A\$M) EXCL. JOB KEEPER and TLE	FY22	FY21	% Change	Constant Currency Variance
Net revenue	67.0	62.3	7.5%	-
Operating EBITDA	13.4	11.6	15.5%	-
Operating EBITDA margin	20.0%	18.6%	140bpt	-

## AUSTRALIA PORTFOLIO



The Leading Edge/Digital Edge were sold in FY 22.

# UK and Europe

(A\$M) AS REPORTED	FY22	FY21	% Change	Constant Currency Variance
Net revenue	36.6	35.5	3.1%	3.8%
Operating EBITDA	8.0	7.6	5.4%	2.7%
Operating EBITDA margin	21.9%	21.4%	50bpt	

(A\$M) CONTINUING BUSINESSES*	FY22	FY21	% Change	Constant Currency Variance
Net revenue	36.6	30.2	21.3%	23.8%
Operating EBITDA	8.0	5.9	34.8%	39.8%
Operating EBITDA margin	21.9%	19.5%	230bpt	

UK/CONTINENTAL EUROPE PORTFOLIO

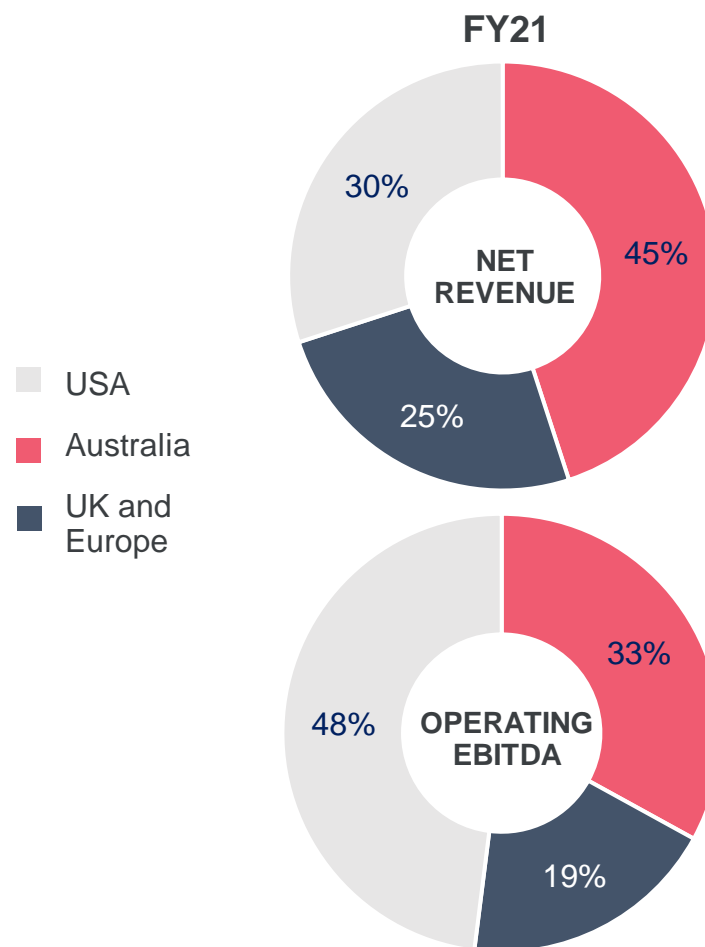
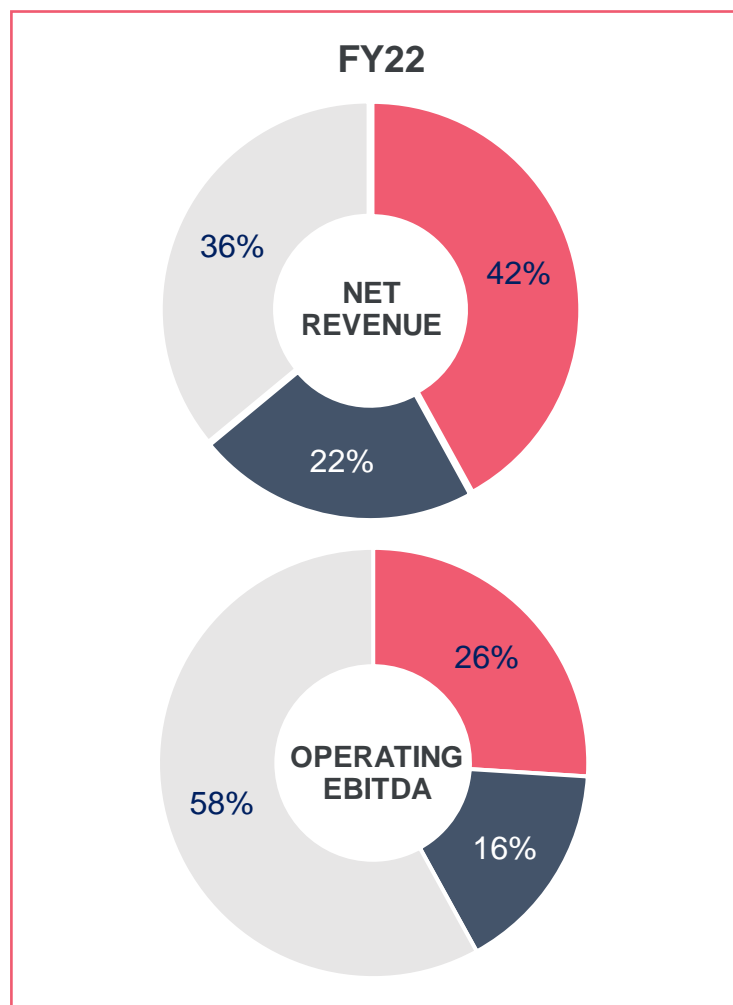
**HOTWIRE**

# Results by Geography

(A\$M)	FY22	FY21	% Change	Constant Currency Variance
<b>Net revenue</b>				
USA	88.0	60.1	46.5%	42.3%
Australia	68.8	65.0	5.7%	5.7%
UK and Europe	36.6	35.5	3.1%	3.8%
<b>Total</b>	<b>193.4</b>	<b>160.6</b>	<b>20.4%</b>	19.2%
<b>Operating EBITDA</b>				
USA	51.5	32.4	59.2%	54.7%
Australia	13.3	13.1	1.5%	1.5%
UK and Europe	8.0	7.6	5.4%	2.7%
<b>Total</b>	<b>72.8</b>	<b>53.1</b>	<b>37.2%</b>	34.8%
Corporate costs	(10.6)	(7.5)	41.3%	
<b>Group Operating EBITDA</b>	<b>62.2</b>	<b>45.6</b>	<b>36.4%</b>	33.8%

# Results by Geography

Geographical contribution from operating companies\*



Note: \*Reflects Enero's 51% ownership of OB Media

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