

ASX ANNOUNCEMENT

2023 Annual General Meeting Chair Address

19 October 2023

Enero Group Limited (ASX: EGG) 2023 Annual General Meeting Chair Address – Ann Sherry:

Enero Group sits at the convergence of a rapidly evolving global market that offers large-scale opportunities for future growth. We are a truly global business with over 70% of revenue now derived outside of Australia.

From a statutory perspective in FY23, we continued to deliver strong growth, albeit impacted by the challenging operating environment for the entire industry over the last 12 months:

- Net Revenue increased 25% with 3yr CAGR of 21% to \$241.6 million
- EBITDA increased 19% with 3yr CAGR of 39% to \$78.8 million
- Net profit after tax before significant items declined 10%. The decline in FY23, reflects the reduction in earnings contribution of the agency businesses, offset by the growth of 51% owned OB Media along with higher amortisation and interest expense associated with acquisitions.

The Group also delivered \$54.4 million in free cash flow, an increase of 30% reflecting strong cash conversion at 102% of EBITDA. The strong cash flow contributed to rapid debt reduction. Enero also retains financial flexibility through adequate cash reserves with net cash of \$13.0 million at 30 June 2023. This enables us to pursue Enero's long-term growth ambitions building on our momentum.

As a result of Enero's financial performance in FY23, strong balance sheet, and attractive growth opportunities, the Board declared total dividends for FY23 of 11 cents per share, fully franked. This equated to a 42% dividend payout ratio.

In line with FY23 results disclosures, Enero's results on an Economic interest basis were:

- Net Revenue increased 20% to \$197.8 million
- EBITDA increased 4.8% to \$46.8 million
- Net profit after tax before significant items consistent with statutory results.

Given a disappointing second-half decline in Enero's share price, the Board continues to believe that Enero remains undervalued relative to its financial performance and potential, and I want to highlight the Group's compelling investment case.

1. Portfolio Approach - Our strategic framework and portfolio approach is delivering diversified revenue and earnings growth while building differentiated capabilities. We now derive over 30% of revenue from clients working with multiple Enero businesses across geographies.

2. Global Offering - Enero Group now has a truly global offering working with blue-chip clients with large marketing budgets. 37% of the Group's revenue is derived from clients in more than one geography which is a deliberate expansion strategy.

3. Track Record of Transformation – Notwithstanding current market place conservatism, we have transformed the Group over the past three years growing Net Revenue at 21% CAGR between FY20 and FY23 while growing EBITDA even faster at 39% CAGR. We have also demonstrated our ability to manage costs in a dynamic marketplace whilst sharpening our focus on the services that matter to our clients.

4. Significant Growth Potential - The growth opportunities for the Group remain large. Our current addressable market is estimated at US\$ 50 billion, with the potential to grow to US\$ 1.2 trillion including digital transformation.

5. Delivering Shareholders Returns - We continue to deliver strong returns to shareholders, through our share buy-back programme which remains ongoing our FY23 dividend of 11cps fully franked, representing a payout ratio of 42% and Return on Invested Capital of 34% in FY23. Enero's clear capital management strategy reflects the Board's ongoing commitment to delivering increasing shareholder returns and confidence in the Group's value and progress.

6. OBMedia Strategic Review - Enero has appointed Citi Group to advise on strategic options for our 51% stake in OB Media. Citi have a deep connection to the global digital advertising marketplace from their New York office and having commenced work, we expect to update shareholders on progress in early 2024.

The Board believes that Enero has more robust and diverse capabilities than ever before. Our portfolio of businesses remains well positioned, with enormous growth potential in markets of scale.

In summary, I would like to thank my fellow Board members for their ongoing effort and expertise throughout a demanding FY23.

On behalf of the Board, I would also like to thank the talented and tireless Executive Leadership team for their continued dedication and commitment to our business, as well as our talented employees for their resilience and commitment to our clients throughout FY23.

Finally, to our loyal shareholders, thank you for your continued support and belief in our long-term vision and strategy for the Group.

I will now hand it over to Brent who will provide an update on the business.

Authorised for release by the Board of Directors.

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 Group (Hotwire, ROI DNA, GetIT) and CPR, digital & experiential agency Orchard and adtech platform OB Media.

www.enero.com

For further information, please contact:

Investors:

Aline van Deventer
Investor Relations
m. +61 423 553 434

aline.vandeventer@automicgroup.com.au

Media:

Abigail Dawson
Group Communications Director
m. +61 415 169 987

abigail.dawson@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.