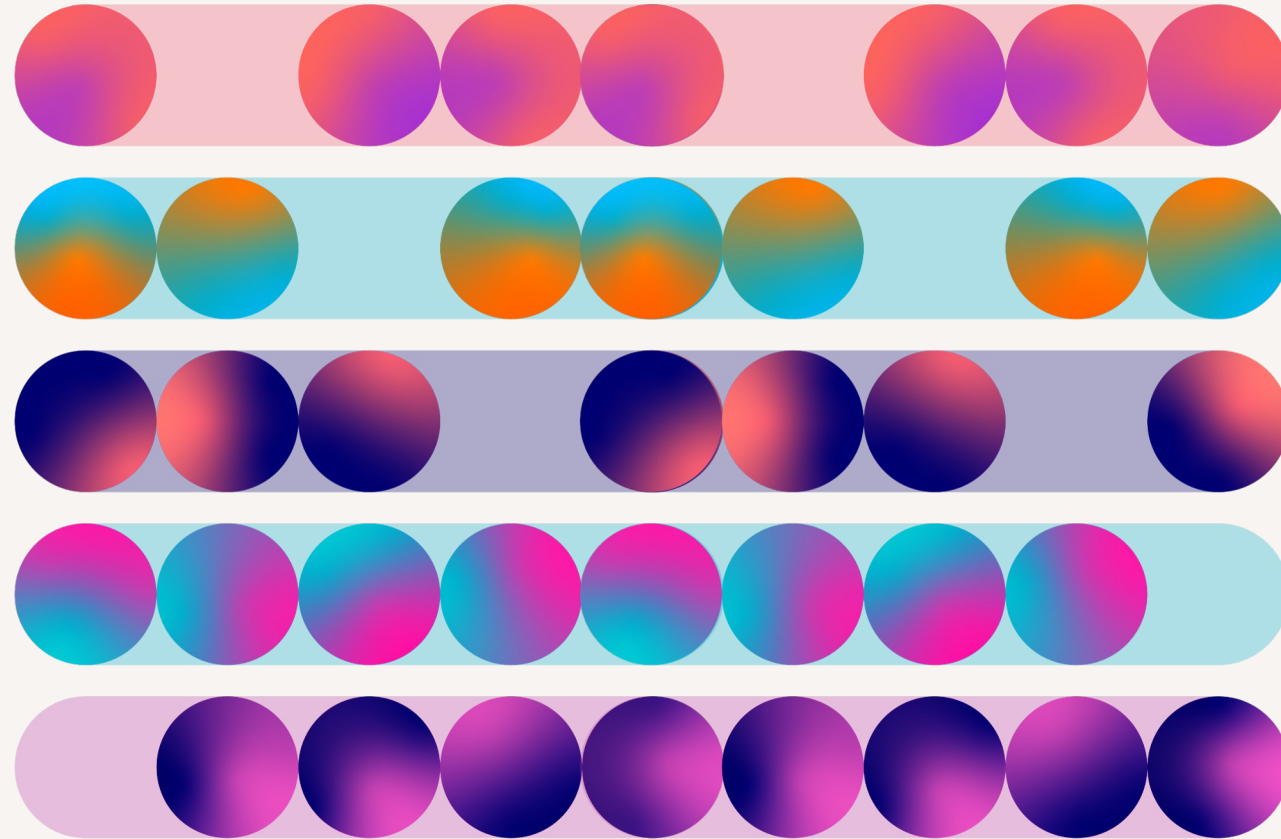
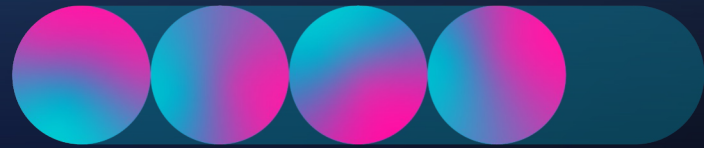


enero



ENERO GROUP 2023 Annual General Meeting (AGM)

19 October 2023



WELCOME  
Ann Sherry AO

# Enero's Board of Directors



Ann  
Sherry AO

Independent  
Non-Executive Chair



Brent  
Scrimshaw

CEO and  
Executive Director



David  
Brain

Independent  
Non-Executive  
Director



Ian  
Rowden

Independent  
Non-Executive  
Director



Anouk  
Darling

Independent  
Non-Executive  
Director



Louise  
Higgins

Independent  
Non-Executive  
Director

# QUESTIONS

## PRIOR

Questions addressed in prepared speeches.

## IN PERSON

Shareholders in attendance will be able to ask questions during the course of the meeting.

## ONLINE

Shareholders online may also submit a question via the chat function at the bottom of the zoom screen, please include which resolution it relates to so that it can be addressed at the appropriate time.

# VOTING

## POLL

Voting on all resolutions will be conducted by poll.  
Jonathan Kim of Automic Group will act as the Returning Officer.

## IN PERSON

Shareholders in attendance will have received a yellow voting card. Raise the yellow voting card to assist the counting of votes.

## ONLINE

Instructions on screen momentarily for how to register and vote using the online voting portal which you must do separately to the zoom meeting.



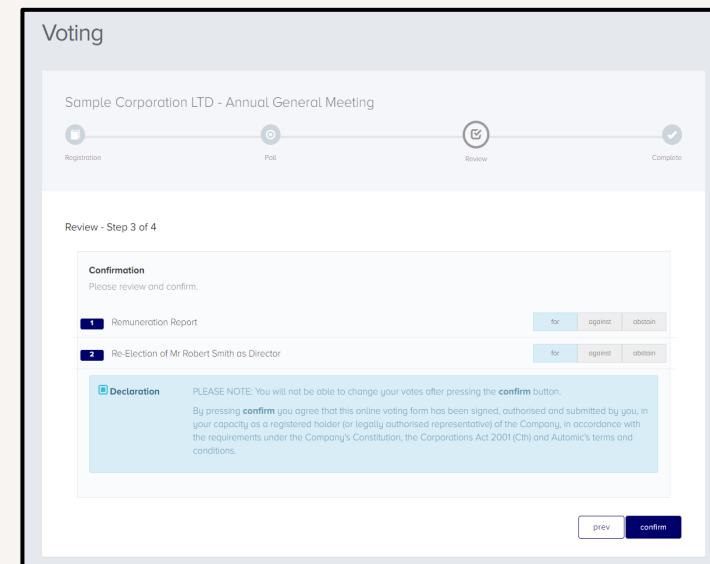
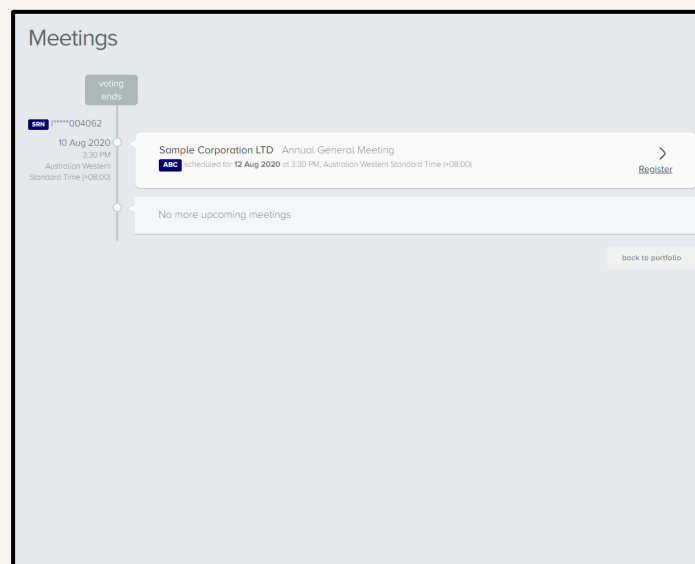
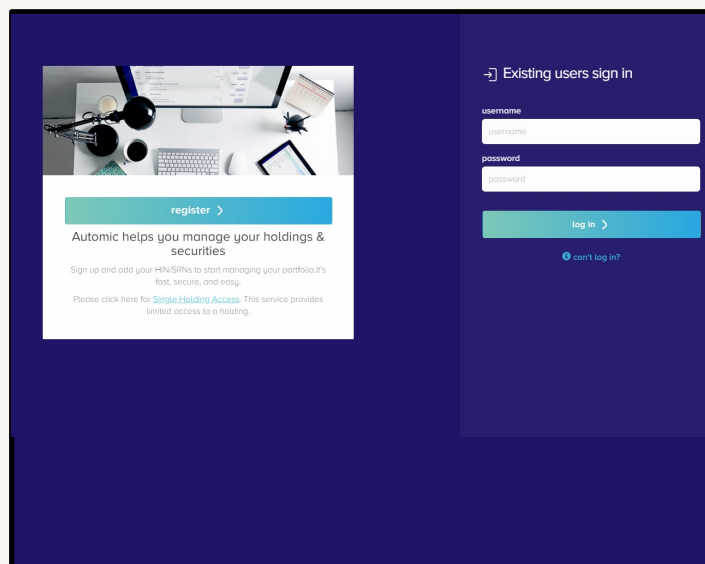
# Registration and Voting

1. Log in or register at:

<https://investor.automic.com.au/#/home>

2. Click view and register your attendance for the meeting

3. Record your vote. Once you confirm it is lodged and final



To contact support:  
Call 1300 816 159

# AGENDA

## Chair Address

Ann Sherry AO

## CEO Strategic Outlook and Trading Update

Brent Scrimshaw

## Formal Business

Financial Report, Directors' Report and Auditor's Report

Resolution 1 – Remuneration Report

Resolution 2 – Re-election of Ann Sherry

Resolution 3 – Re-election of Anouk Darling

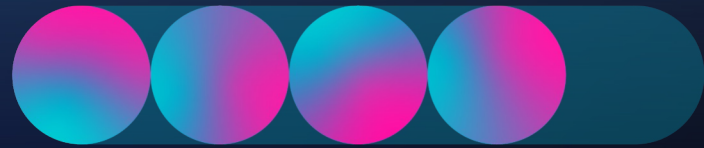
Resolution 4 – Change of Auditor

Resolution 5 – Approval of the Enero Share Appreciation Rights Plan

Resolution 6 – Allocation of CEO Share Appreciation rights

Resolution 7 – Special Resolution to amend the Constitution

## Q&A



# CHAIR ADDRESS

Ann Sherry AO



# FY23 Financial Results – Statutory



REVENUE<sup>1</sup>

**\$241.6 million**

+24.9% YoY



EBITDA<sup>1</sup>

**\$78.8 million**

+19.1% YoY



NET PROFIT<sup>2</sup>

**\$24.4 million**

-10.0% YoY



FREE  
CASH FLOW<sup>3</sup>

**\$54.4 million**

+29.8% YoY



NET  
CASH

**\$13 million**



DIVIDEND  
PER SHARE

**11.0 cents**

1. Net revenue is gross revenue recognised in accordance with AASB 15 less directly attributable cost of sales. EBITDA is profit before interest, taxes, depreciation, amortisation and any significant items.

2. Net profit is after non-controlling interest and equates to net profit attributable to equity holders of the parent.

3. Free cash flow is operating cash flow less capex and lease liability payments.

# FY23 Financial Results – Economic Interest<sup>1</sup>



REVENUE<sup>2</sup>

**\$197.8 million**

+19.9% YoY



EBITDA<sup>2</sup>

**\$46.8 million**

+4.8% YoY



NET PROFIT<sup>3</sup>

**\$24.4 million**

-10.0% YoY

1. Economic interest reflect 51% economic interest in OBMedia.

2. Net revenue is gross revenue recognised in accordance with AASB 15 less directly attributable cost of sales. EBITDA is profit before interest, taxes, depreciation, amortisation and any significant items.

3. Net profit is after non-controlling interest and equates to net profit attributable to equity holders of the parent.



# Enero's investment case

Portfolio approach	Global offering	Track record of transformation	Significant growth potential	Delivering shareholder returns	OBM strategic review
<ul style="list-style-type: none"> <li>• Deliberate strategic framework in long-term growth verticals</li> <li>• 31% of revenue from clients working with multiple Enero businesses</li> <li>• Diversified across industry, geography and capability</li> </ul>	<ul style="list-style-type: none"> <li>• Global blue-chip clients with large marketing budgets</li> <li>• 37% of revenue are from clients in more than one geography</li> <li>• Ability to deliver quality work from lower cost markets</li> </ul>	<ul style="list-style-type: none"> <li>• FY20-23 Net Revenue<sup>1</sup> CAGR 21%</li> <li>• FY20-23 EBITDA<sup>1</sup> CAGR 39%</li> <li>• Industry-leading margins</li> <li>• Ongoing cost management initiatives, including \$26m annualised cost reduction in FY23</li> <li>• Continued portfolio evolution</li> </ul>	<ul style="list-style-type: none"> <li>• PR/Comms total addressable market is USD50 billion<sup>2</sup></li> <li>• Total addressable market with acquisitions (including digital transformation) is USD1.2 trillion and growing<sup>2</sup></li> <li>• Global advertising market expected to grow 5.2% CAGR to 2025<sup>3</sup></li> </ul>	<ul style="list-style-type: none"> <li>• Repurchased ~1 million shares (at 13 October)</li> <li>• FY23 Dividend of 11cps fully franked, representing a payout ratio of 42%</li> <li>• 34% ROIC<sup>4</sup> in FY23</li> </ul>	<ul style="list-style-type: none"> <li>• Appointed Citi Group with deep industry expertise to advise on strategic review</li> <li>• Conclusion expected by early 2024</li> <li>• Board to recommend value-maximising outcome</li> </ul>

1. Net revenue and EBITDA reflect 100% of OBMedia  
 2. Calculation based on WPP, IPG, OMN, Publicis 2021, S4 Annual reports, various market research reports  
 3. Average of PwC, Forrester, Zenith and Dentsu global ad spend forecasts  
 4. ROIC is EBIT after tax divided by the average of Invested Capital at the beginning and end of the period (shareholders equity plus net debt including contingent consideration)



# STRATEGIC OUTLOOK

Brent Scrimshaw, CEO



# Market is challenging, but with early signs of recovery

## Advertising spend is recovering



CYQ2 search revenues: +5% vs prior year



CYQ2 advertising revenues: +12% vs prior year



Q4 (to June 30) search and advertising revenues: +8% vs prior year



CYQ2 advertising revenues: +22% vs prior year

## Clients are indicating signs of positivity

“*[Revenue] improved for the first time in 6 quarters ... we view this as a positive indicator that private markets may have troughed.*”

**Kelly Rodriguez, CEO Forge Global**

“*Visitation numbers and length of stay are returning to pre-COVID levels in May – Aug 2023, while spending remains up slightly.*”

**Marketing Director, Tourism Body**

“*Sentiment across the biopharma sector has strengthened since the lows seen in Summer 2022*”

**William Blair, BioPharma Q2 Quarterly Review**



# We continue to win new blue-chip brands

## TECHNOLOGY

paloalto NETWORKS  
 elasticsearch  
 opentext™  
 SAMSUNG  
 salesforce  
 SONY  
 Informatica  
 ontra  
 Salesloft.  
 HubSpot  
 cognizant  
 LECTRA  
 Hewlett Packard Enterprise  
 .vivint

## HEALTHCARE

BeiGene  
 Johnson & Johnson  
 Pfizer  
 MSD  
 Takeda  
 janssen  
 GILEAD  
 Eisai  
 Clear Skincare

## CONSUMER

LEGO  
 alintaenergy  
 Walmart  
 afterpay  
 TURO  
 tennis  
 amaysim  
 The a2 Milk Company  
 Disney+  
 QBE  
 CARLISLE  
 Continental



# We continue to attract best-in-class talent

**HOTWIRE**



Jeremy Lucas  
CEO, UK



Will  
Hutchinson  
Chief Financial  
& Strategy  
Officer



Melissa Cullen  
MD, APAC  
Comms

**BMF**



Tara McKenty  
Chief Innovation Officer



Lonne Snijkers  
Group Business Director

**bmedia**



Nathan Collier  
Chief Growth  
Officer



Dimitar Grablev  
CTO



Gustavo Toran  
VP, Audience  
Development



# Our strategic intent



Operate in long-term growth industries where deep industry knowledge enables competitive differentiation



Offer clients modern marketing services that reflect their evolving needs



Support clients in markets of strategic importance and scale





# Enero's corporate strategy

**enero**

A CREATIVE TECHNOLOGY COMPANY

A globally integrated offering...

Develop end-to-end offerings with simple engagement models for clients

... of the most modern marketing services ...

Build deep expertise in Digital and Data, underpinned by outstanding Creativity

... specialising in the verticals that count

Known as the go-to specialists in Technology, Healthcare and Growth Consumer

People and culture as a competitive advantage

Efficient systems and processes

Disciplined capital management

Innovation and artificial intelligence

New in FY24



# Strategy in practice: the evolution of Hotwire



**HOTWIRE**

**Traditional PR** agency working in London and EU

**HOTWIRE**

+

**EAST WICK**

**Transatlantic** Tech PR powerhouse, serving major global brands

**HOTWIRE**

+

**McDONALDBUTLER**

Scaled Tech PR business, testing the combination of **PR / ABM / Marketing** capabilities in UK

**HOTWIRE**

+

**ROI·DNA**

+

**GETIT**

**Global** communications consultancy, with a differentiated **Reputation, Relationships and Revenue** offering



A repeatable and scalable strategy in other growth verticals (i.e., Health)



Recently won a multi-region assignment for Palo Alto Networks, utilising end-to-end communications capabilities



# Enero's businesses are embracing AI

Our AI opportunities:



## Content creation

- obmedia** • Enhanced campaign creation
- orchard** • Using AI tools to enhance project creative delivery



## Data + analytics

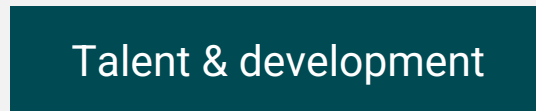
- obmedia** • OBM data optimisation
- HOTFIRE** • AI tech in new data product



## Strategic insight

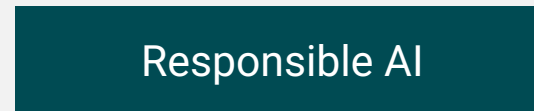
- BMF** • Using AI to accelerate strategic research
- ROI-DNA** • AI to delivering strategic insight to client sales teams

Enabled by:



## Talent & development

- BMF** • Hired head of Innovation & Creative from Google
- enero** • Using AI tools to enhance project creative delivery



## Responsible AI

- HOTFIRE** • Co-created the PR Council Guidelines on Ethical GenAI
- enero** • AI Council launched to ensure AI governance



## Marketing & thought leadership

- ROI-DNA** • GenAI-powered marketing content for internal comms
- HOTFIRE** • New research on Brands in the Age of Generative AI



# AI driving outcomes for clients

## Transformational data + analytics for Indeed



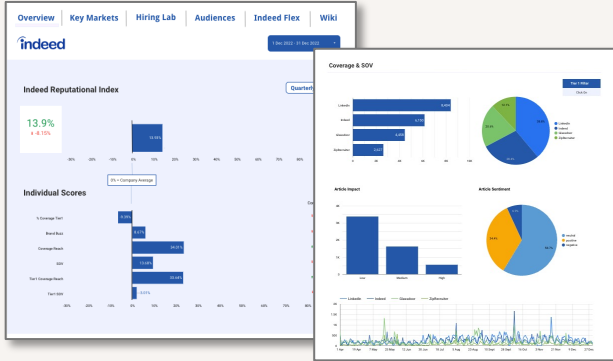
### THE CHALLENGE

- Indeed needed to improve the visibility back to its business of the results and impact of communications activities.



### THE SOLUTION

- Hotwire developed a reputational impact scorecard that merges multiple data sources into a holistic solution. This includes an AI-driven solution that analyses Indeed's performance against key competitors.



## Delivering strategic insight for HPE



### THE CHALLENGE

- HPE was looking for innovative ways to deliver strategic insights about their Top 200 target accounts to their sales teams



### THE SOLUTION

- ROI·DNA used Generative AI to extract strategic insights from target account 10-K reports in a user-friendly, accessible format





# TRADING UPDATE

Brent Scrimshaw, CEO



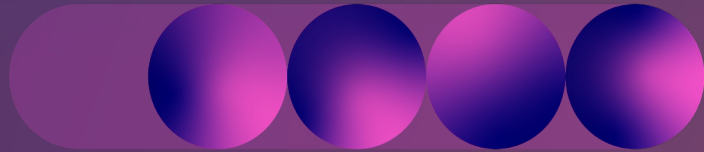
# Trading update

- In Q1 FY24, Agencies are cycling a strong comparative period and revenue has declined by -7% YoY but above levels seen in H2 FY23.
- Recent client wins such as Sobi, Alinta Energy, ABB and Palo Alto Networks building momentum in Q2.
- Q1 FY24 Agencies margin of 16% is above prior year despite lower revenue, benefiting from cost initiatives in FY23 and are expected to be within the guided range of above 18% in Q2 FY24.
- OBMedia continues to build back from rebased revenue and is expected to grow from Q1 FY24 trading.
- OBMedia EBITDA margin in line with guidance of 55-65% in Q1 FY24.
- OBMedia strategic review in progress, expected to be concluded by early 2024.

Statutory Results (A\$M)	Q1 FY24	Q1 FY23	% Change
Net revenue <sup>1</sup>	<b>49.4</b>	61.8	(20.0%)
EBITDA <sup>1</sup>	<b>11.0</b>	20.2	(45.6%)
EBITDA margin	<b>22.3%</b>	32.7%	(10.4) ppts

Economic Interest <sup>2</sup> (A\$M)	Q1 FY24	Q1 FY23	% Change
Net revenue <sup>1</sup>	<b>43.1</b>	50.8	(15.3%)
EBITDA <sup>1</sup>	<b>7.5</b>	12.0	(36.9%)
EBITDA margin	<b>17.5%</b>	23.5%	(6.0) ppts

1. Net revenue is gross revenue recognised in accordance with AASB 15 less directly attributable cost of sales. EBITDA is profit before interest, taxes, depreciation, amortisation and any significant items.  
 2. Economic interest reflect 51% economic interest in OBMedia.



# FORMAL BUSINESS

Ann Sherry AO

# Financial Report, Directors' Report and Auditor's Report

To receive and consider the Annual Financial Report of Enero Group Limited (**Company**) and its controlled entities (**Group**), the Directors' Report and the Auditor's Report for the year ended 30 June 2023.



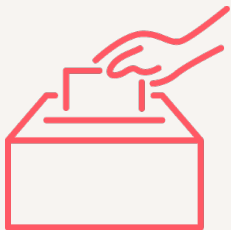
**Note: No resolution is required to be moved in respect of this item of general business.**



# Resolution 1: Non-binding resolution to adopt the Remuneration Report

To consider, and if thought fit, to pass the following as a non-binding **ordinary resolution**:

*“That the ‘Remuneration Report’ included in the Enero Annual Financial Report for the year ended 30 June 2023, be adopted.”*



**Each Director recommends that shareholders vote in favour of Resolution 1 to adopt the Remuneration Report.**

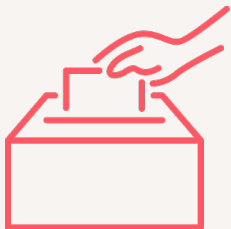
# Resolution 1: Non-binding resolution to adopt the Remuneration Report

<b>PROXY COUNT</b>	<b>NUMBER</b>	<b>%</b>
For	<b>46,913,050</b>	<b>77.23</b>
Against	<b>13,801,157</b>	<b>22.72</b>
Open	<b>29,864</b>	<b>.05</b>
Abstain	<b>22,585</b>	

# Resolution 2: Re-election of Ann Sherry

To consider, and if thought fit, to pass the following as an **ordinary resolution**:

*“That Ann Sherry, who retires in accordance with rule 6.1(f) of the Company’s Constitution and, being eligible, offers herself for election, be re-elected as a Director of the Company.”*



**Each Director (other than Ann Sherry) recommends that shareholders vote in favour of Resolution 2 to elect Ann Sherry as a Director of Enero.**

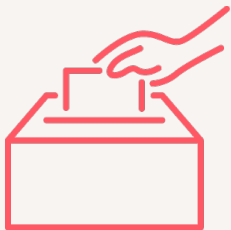
# Resolution 2: Re-election of Ann Sherry

<b>PROXY COUNT</b>	<b>NUMBER</b>	<b>%</b>
For	<b>48,026,572</b>	<b>78.33</b>
Against	<b>13,262,857</b>	<b>21.63</b>
Open	<b>26,864</b>	<b>.04</b>
Abstain	<b>50,219</b>	

# Resolution 3: Re-election of Anouk Darling

To consider, and if thought fit, to pass the following as an **ordinary resolution**:

*“That Anouk Darling, who retires in accordance with rule 6.1(f) of the Company’s Constitution and, being eligible, offers herself for election, be re-elected as a Director of the Company.”*



**Each Director (other than Anouk Darling) recommends that shareholders vote in favour of Resolution 2 to elect Anouk Darling as a Director of Enero.**

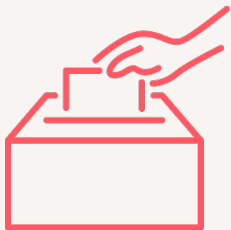
# Resolution 3: Re-election of Anouk Darling

<b>PROXY COUNT</b>	<b>NUMBER</b>	<b>%</b>
For	47,980,239	78.25
Against	13,309,190	21.71
Open	26,864	.04
Abstain	50,219	

# Resolution 4: Change of Auditor

To consider, and if thought fit, to pass the following as an **ordinary resolution**:

*“That, for the purpose of 327B of the Corporations Act 2001 (Cth) (**Act**) and for all other purposes, Ernst & Young, having been nominated by a shareholder (in accordance with Section 328B(1) of the Act) and consented in writing to act as auditor of the Company, be appointed as auditor of the Company, (subject to ASIC consenting to the resignation of the current auditor (**KPMG**), on the terms and conditions in the Explanatory Memorandum.”*



**Each Director recommends that shareholders vote in favour of Resolution 4 to change the Auditor.**

# Resolution 4: Change of Auditor

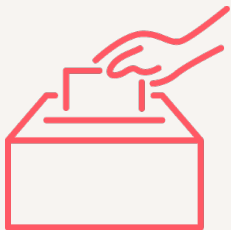
<b>PROXY COUNT</b>	<b>NUMBER</b>	<b>%</b>
For	<b>60,221,667</b>	<b>98.56</b>
Against	<b>848,519</b>	<b>1.39</b>
Open	<b>30,314</b>	<b>.05</b>
Abstain	<b>266,012</b>	



# Resolution 5: Approval of the Enero Share Appreciation Rights Plan

To consider, and if thought fit, to pass the following as an **ordinary resolution**:

*“That the Enero Share Appreciation Rights Plan (**SAR Plan**) described in the Explanatory Notes accompanying the Notice of Meeting is approved for all purposes (including for the purpose of Listing Rule 7.2, Exception 13(b)) so that any securities (or rights to securities) issued in accordance with the terms of the SAR Plan qualify as an exception to Listing Rule 7.1).” Note: A voting exclusion applies to Resolution 5.*



**Each Director (other than Brent Scrimshaw who abstains from making a recommendation because of his interest in the resolution) recommends that shareholders vote in favour of Resolution 5 to approve the Share Appreciation Rights Plan.**

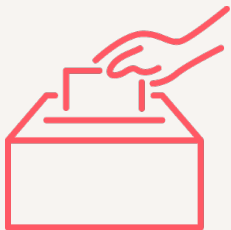
# Resolution 5: Approval of the Enero Share Appreciation Rights Plan

<b>PROXY COUNT</b>	<b>NUMBER</b>	<b>%</b>
For	<b>44,192,989</b>	<b>72.75</b>
Against	<b>16,522,409</b>	<b>27.20</b>
Open	<b>27,086</b>	<b>.04</b>
Abstain	<b>24,172</b>	

# Resolution 6: Allocation of Share Appreciation Rights to a Director under the Enero Share Appreciation Rights Plan

To consider, and if thought fit, to pass the following as an **ordinary resolution**:

*“That approval is given for all purposes (including for the purpose of Listing Rule 10.14) for the issue of 1,275,000 Enero Group Share Appreciation Rights (**Share Rights**) to the Chief Executive Officer, Brent Scrimshaw, under the SAR Plan as described in the Explanatory Notes accompanying the Notice of Meeting, and any issue of shares upon the vesting of those Share Rights.”*



**Each Director (other than Brent Scrimshaw who abstains from making a recommendation because of his interest in the resolution) recommends that shareholders vote in favour of Resolution 6 to grant share rights to Brent Scrimshaw.**

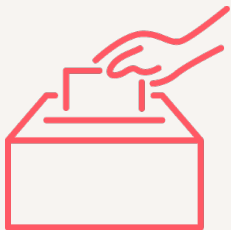
# Resolution 6: Allocation of Share Appreciation Rights to a Director under the Enero Share Appreciation Rights Plan

<b>PROXY COUNT</b>	<b>NUMBER</b>	<b>%</b>
For	44,277,411	72.76
Against	16,512,831	27.14
Open	62,364	.10
Abstain	22,772	

# Resolution 7: Special Resolution to amend the Constitution

To consider, and if thought fit, to pass the following as a **special resolution**:

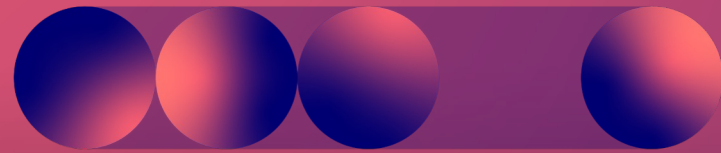
*“That for the purposes of section 136(2) of the Corporations Act and for all other purposes, the Constitution of the Company be amended in the manner set out in the Explanatory Statement accompanying the Notice of Meeting, with effect from the close of the Meeting.”*



**Each Director recommends that shareholders vote in favour of Resolution 7 to amend the Constitution.**

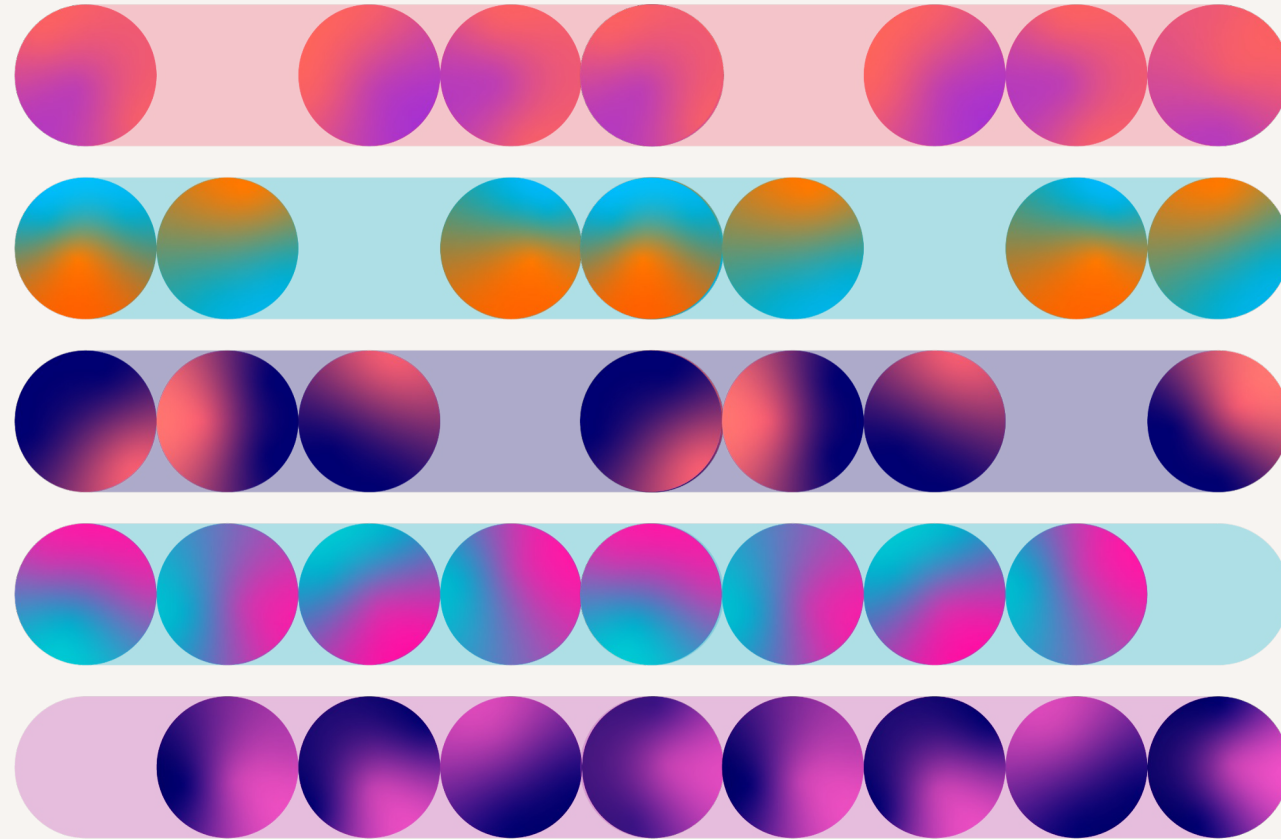
# Resolution 7: Special Resolution to amend the Constitution

<b>PROXY COUNT</b>	<b>NUMBER</b>	<b>%</b>
For	<b>43,961,985</b>	<b>71.66</b>
Against	<b>17,356,332</b>	<b>28.29</b>
Open	<b>27,294</b>	<b>.04</b>
Abstain	<b>20,901</b>	



Q&A

enero



ENERO GROUP 2023 Annual General Meeting (AGM)

19 October 2023



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## **NON-IFRS PERFORMANCE MEASURES**

This results presentation uses non-IFRS performance measures which have not been audited or reviewed. The Company believes that, in addition to the conventional measures reported under IFRS, the Company and investors use this information to evaluate the Company's performance. Non-IFRS performance measures include Net Revenue and EBITDA which is defined in the presentation.

