



oOh!media Limited
ABN 69 602 195 380

25 June 2018

ASX Announcement

oOh!media to acquire Adshel from HT&E and launch capital raising

oOh!media Limited (ASX:OML) (**oOh!media**) is pleased to announce entry into a binding agreement to acquire 100% of the share capital in Adshel¹ from HT&E Limited (**HT&E**) for cash consideration of \$570 million² (the **Acquisition**). The Acquisition value implies an EV/EBITDA multiple of 11.6x pre synergies,³ or 8.7x post synergies.³ Completion of the Acquisition is expected in 2018 and is subject to ACCC approval. The Acquisition purchase price will be funded with a combination of new debt and an equity capital raising.

oOh!media is undertaking a fully underwritten 1 for 2.3 pro rata accelerated non-renounceable entitlement offer to raise approximately \$329.9 million (**Entitlement Offer**).

oOh!media has arranged fully underwritten new debt facilities in connection with the Acquisition, with a total facility limit of \$450 million (**New Debt**). The New Debt will be used to refinance existing oOh!media debt, partly fund the Acquisition purchase price, and to retain flexibility for future capital expenditure and general corporate purposes.

The Acquisition is expected to be low double digit EPSA accretive on a pro forma CY2018F basis⁴ for oOh!media. This includes expected cost synergies but excludes one off integration costs and transaction costs. Cost synergies from the Acquisition are estimated to be \$15 – \$18 million and are expected to be ~60% realised in 2019 and fully realised in 2020. These synergies are expected to predominantly comprise savings from leveraging combined infrastructure with duplicated resource rationalisation and reducing outsourcing costs.

oOh!media CEO Brendon Cook said “oOh!media has a history of developing a diverse product portfolio to offer advertisers a range of audiences. Adshel is complementary to our existing portfolio and we are excited to be entering the new segments of street furniture and rail. The digitisation opportunity in the Adshel business is expected to provide a significant avenue for further growth beyond what has been achieved to date. We are confident that oOh! shareholders will enjoy the benefit of cost synergies arising from the Acquisition.”

About Adshel

Adshel is a major provider of poster and digital advertising faces on street furniture across Australia and New Zealand

- Adshel⁵ has a portfolio of 21,000+ poster faces and 800+ screens across Australia and New Zealand
- Reach extends to 92% of the Australian population and 87% of the New Zealand population
- Well positioned to leverage the Melbourne and Sydney rail network offerings

¹ “Adshel” comprises the Australian and New Zealand entities, Adshel Street Furniture Pty Limited ACN 000 081 872 and Adshel New Zealand Limited CN 902243, respectively.

² Assumes Adshel is acquired on a cash-free / debt-free basis and excludes any completion adjustments. The Acquisition is subject to approval from the ACCC.

³ Based on the midpoints of Adshel expected CY2018PF normalised EBITDA of \$48 – \$50 million including the full-year run rate of certain new contracts secured and associated digitisation, and the impact of renewals, and in addition including \$15 – \$18 million of expected annual cost synergies; refer to the investor presentation released to ASX by oOh!media today (**Investor Presentation**) for key assumptions and risks relating to forward-looking statements and information regarding Adshel.

⁴ EPSA refers to earnings per share excluding amortisation of acquired intangibles, and is adjusted for the bonus factor associated with the Entitlement Offer (mid single digit accretion excluding this adjustment); pro forma adjustments include \$15 – \$18 million of annualised run-rate expected cost synergies, excluding integration and other one-off costs associated with the Acquisition and Offer. EPSA is calculated on a full year basis, as if the acquisition had occurred on 31 December 2017, and this assumes the full year run-rate effect of certain new contracts during 2018. The impact of purchase price accounting has not been completed, which will impact future depreciation and amortisation charges.

⁵ Under the terms of the Acquisition, oOh!media must cease using the Adshel brand within three months of completion of the Acquisition.

Adshel on a standalone basis is expected to achieve CY2018PF normalised EBITDA of \$48 – \$50 million,⁶ including the full-year run rate of certain new contracts secured and associated digitisation, and the impact of renewals.

Highlights

Adshel is highly complementary to oOh!media's business:

- Adshel complements oOh!media's existing portfolio of sites in differing audience locations (Road, Retail, Fly and Office)
- The Acquisition aligns with oOh!media's digital strategy with street furniture early in its digitisation life cycle
- The Acquisition is expected to create significant synergies and client value creation opportunities

Equity raising

To partially fund the Acquisition, oOh!media will undertake a fully underwritten 1 for 2.3 pro rata accelerated non-renounceable Entitlement Offer to raise approximately \$329.9 million.

Approximately 72 million new fully paid ordinary shares in oOh!media (**New Shares**) are expected to be issued under the Entitlement Offer (representing approximately 44% of oOh!media's current issued capital) at a price of \$4.60 per New Share (**Offer Price**).

New Shares will rank equally with existing ordinary shares in oOh!media from their time of issue.

The Entitlement Offer consists of:

- an accelerated institutional component of the Entitlement Offer (**Institutional Entitlement Offer**) to be conducted over Monday, 25 June 2018 and Tuesday, 26 June 2018; and
- a retail component which will open to eligible retail shareholders on Friday, 29 June 2018 and closes on Wednesday, 11 July 2018 (**Retail Entitlement Offer**)

The Entitlement Offer gives eligible oOh!media shareholders the opportunity to subscribe for 1 New Share for every existing 2.3 ordinary shares held at 7.00pm (AEST) on Wednesday, 27 June 2018 (**Record Date**).

The Offer Price represents a:

- 14.0% discount to the closing price of oOh!media ordinary shares on ASX on the last day of trading before announcement of the Entitlement Offer, being \$5.35; and
- 10.2% to the theoretical ex-rights price⁷ (TERP) of \$5.12 reflecting the Entitlement Offer

Entitlements cannot be traded on ASX or transferred. Eligible shareholders who do not take up their entitlement under the Entitlement Offer in full or in part, will not receive any value in respect of those entitlements not taken up.

Institutional Entitlement Offer

Eligible institutional shareholders will be invited to participate in the Institutional Entitlement Offer which opens on Monday, 25 June 2018.

Under the Institutional Entitlement Offer, eligible Institutional shareholders can choose to take up all, part or none of their Entitlement. Entitlements not taken up under the Institutional Entitlement Offer (and entitlements that would otherwise have been offered to ineligible shareholders) will be offered to eligible institutional investors at the Offer Price.

oOh!media's ordinary shares will remain in trading halt while the Institutional Entitlement Offer is undertaken.

Retail Entitlement Offer

Eligible retail shareholders with a registered address in Australia or New Zealand on the Record Date of Wednesday, 27 June 2018, have the opportunity to invest in New Shares at the Offer Price, on the terms and conditions outlined in the Retail Entitlement Offer Booklet expected to be sent to eligible retail shareholders by Friday, 29 June 2018.

Please note that ordinary shareholders with a registered address outside Australia or New Zealand on the Record Date are generally ineligible to participate in the Retail Entitlement Offer.

⁶ Refer to the investor presentation released to ASX by oOh!media today (**Investor Presentation**) for key assumptions and risks relating to forward-looking statements and information regarding Adshel.

⁷ TERP is the theoretical price at which ordinary shares in oOh!media should trade immediately after the ex-date for the Entitlement Offer. TERP is a theoretical calculation only and the actual price at which shares traded on ASX immediately after the ex-date for the Entitlement Offer depended on many factors and may not have been equal to TERP. TERP is calculated by reference to the closing price of oOh!media's ordinary shares as traded on ASX closing price of \$5.35 on Friday 22 June 2018, being the last trading day prior to the announcement of the Entitlement Offer.

Further information and retail investor enquires

Further details of the Acquisition and the Offer are set out in the Investor Presentation also provided to the ASX today. The Investor Presentation contains important information including key risks and foreign selling restrictions with respect to the Offer.

Macquarie Capital and Highbury Partnership are acting as financial advisers to oOh!media. Macquarie Capital is acting as Sole Lead Manager, Bookrunner and Underwriter. MinterEllison is acting as legal advisor.

For further information in regard to the Retail Entitlement Offer, please do not hesitate to contact the Offer Information Line on 1300 668 378 (local call cost within Australia) or +61 1300 668 378 (from outside Australia) at any time between 8.30am and 5.00pm (AEST), Monday to Friday.

Equity raise indicative timetable

Event	Date (2018)
Announcement and trading halt	Pre-market open Monday, 25 June
Institutional Entitlement Offer opens	Monday, 25 June
Institutional Entitlement Offer closes	Tuesday, 26 June
OML shares re-commence trading on ex-entitlement basis	Wednesday, 27 June
Record Date for the Entitlement Offer (7.00pm Sydney, Australia time)	Wednesday, 27 June
Retail Entitlement Offer opens	Friday, 29 June
Settlement of Institutional Entitlement Offer	Wednesday, 4 July
Issue and normal trading of new shares issued under the Institutional Entitlement Offer	Thursday, 5 July
Retail Entitlement Offer closes (5.00pm Sydney, Australia time)	Wednesday, 11 July
Issue and normal trading of new shares issued under the Retail Entitlement Offer	Wednesday, 18 July
Despatch of holding statements	Thursday, 19 July
Expected completion of Acquisition	2018

The above timetable is indicative only and subject to change without notice. All times and dates refer to Australian Eastern Standard time. oOh!media reserves the right, subject to the Corporations Act, ASX Listing Rules and other applicable laws, to vary the dates of the Entitlement Offer without prior notice, including extending the Entitlement Offer or accepting late applications, either generally or in particular cases, or to withdraw the Entitlement Offer without prior notice. Applicants are encouraged to submit their personalised entitlement and acceptance forms as soon as possible. No cooling-off rights apply to applications submitted under the Entitlement Offer. The commencement of quotation of New Shares and additional New Shares is subject to confirmation from ASX.

Trading commentary

oOh! reconfirms its full year guidance of 2018 EBITDA to be in the range of \$94 – \$99 million. The guidance reflects a 4.3% – 9.9% increase on the previous corresponding period (Pro Forma CY2017), consistent with the guidance provided in February 2018. Capex guidance of \$30 – \$40 million is unchanged. Guidance excludes the impact of the Acquisition, including costs incurred to date.

Investor Relation contact:

Martin Cole
+612 9927 5273

Media contact:

Peter Laidlaw
0419 210 306

About oOh!media Limited: oOh!media is a leading operator in Australia and New Zealand's fast-growing Out Of Home advertising industry. We create deep engagement between people and brands through Unmissable location-based media solutions. Our network is unparalleled, with a diverse portfolio of static and digital signs across roadside, retail, airport and place-based media offering in CBD office towers, cafes, fitness venues, bars and universities. We combine this extensive reach with sophisticated data, industry leading insights and world leading digital innovation, integrating our physical inventory with social and mobile online channels (via Junkee Media) to provide clients with greater connections with consumers.

NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES

This announcement does not constitute an offer to sell, or the solicitation of an offer to buy, any securities in the United States. The New Shares to be offered and sold in the Entitlement Offer have not been, and will not be, registered under the United States Securities Act of 1933 (the "U.S. Securities Act"), or the securities laws of any state or other jurisdiction of the United States. Accordingly, the New Shares may not be offered or sold to persons in the United States, unless they have been registered under the U.S. Securities Act, or are offered and sold pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws.

This presentation contains certain "forward-looking statements" including statements regarding oOh!'s intent, belief or current expectations with respect to oOh!media's business and operations, market conditions, results of operations, financial condition, and risk management practices. The words "likely", "expect", "aim", "should", "could", "may", "anticipate", "predict", "believe", "plan" and other similar expressions are intended to identify forward-looking statements. Indications of, and guidance on, future earnings and financial position and performance are also forward-looking statements. Forward-looking statements in this announcement include statements regarding the completion and timing of the Acquisition, the impact of the Acquisition and the future strategies and results of the combined group and the opportunities available to it, the integration process and the timing and amount of synergies, the timing and outcome of oOh!media's financing activities, including the outcome and effects of the Offer and statements regarding oOh!media's future financial performance and results.

Forward-looking statements including projections, guidance on future earnings and estimates are provided as a general guide only and should not be relied upon as an indication or guarantee of future performance. This announcement contains such statements that are subject to risk factors associated with an investment in oOh!media.

Forward-looking statements involve known and unknown risks, uncertainties and assumptions and other important factors that could cause the actual results, performances or achievements of oOh!media to be materially different from future results, performances or achievements expressed or implied by such statements. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this announcement.

Investors should be aware that financial data in this announcement include "non-IFRS financial information" under ASIC Regulatory Guide 230 Disclosing non-IFRS financial information published by ASIC and also "non-GAAP financial measures" within the meaning of Regulation G under the U.S. Securities Exchange Act of 1934. Non-IFRS financial information and non-GAAP financial measures in this announcement include earnings before interest, tax, depreciation and amortisation, or EBITDA, ratios based on EBITDA and earnings per share excluding amortisation of acquired intangibles, or EPSA;. oOh!media believes this non-IFRS financial information provides, and these non-GAAP financial measures provide, useful information to users in measuring the financial performance and conditions of oOh!media, however such financial information and measures do not have a standardised meaning prescribed by Australian Accounting Standards and, therefore, may not be comparable to similarly titled measures presented by other entities, nor should they be construed as an alternative to other financial measures determined in accordance with Australian Accounting Standards. Investors are cautioned, therefore, not to place undue reliance on any non-IFRS financial information or non-GAAP financial measures and ratios included in this announcement.

The pro forma financial information included in this announcement is for illustrative purposes and does not purport to be in compliance with Article 11 of Regulation S-X of the rules and regulations of the U.S. Securities and Exchange Commission.

The financial information for the Adshel businesses has been extracted from the HT&E investor results presentation for the financial years ended 31 December 2016 and 31 December 2017, as well as financial records and operating data provided by HT&E. OML has only performed limited due diligence on the financial records of the Adshel businesses and has not independently verified the information they contain, or any other information provided by HT&E. The Adshel businesses do not prepare standalone audited consolidated financial statements. The HT&E audited consolidated financial statements for the year ended 31 December 2017 contain certain audited financial information on the Adshel businesses in the segment information note. Certain information in this presentation regarding Adshel is unaudited and has been provided by HT&E, including the expectation regarding CY18 financial performance. Investors are cautioned that they should not place reliance on this information as if it were audited financial information.