



MARKET ANNOUNCEMENT

HT&E 2022 FULL YEAR RESULTS

HT&E extends its lead as Australia's best performing audio business; Exceptional progress with integration program already delivering ahead of expectations

- Acquisition of the largest regional radio network in the country creating a truly national broadcasting offering
- Integration programme ahead of expectations and proving to be an outstanding acquisition
- \$7 million revenue synergy target secured with more to come in 2023
- Expanded network delivers over 8 million listeners across 135 stations in every state and territory in the country
- Best on-air personalities dominating in key Sydney and Melbourne markets & delivering strongest ever metropolitan ratings performance in the final survey of 2022
- Revenues up 53% to \$344.9 million, underlying EBITDA up 53% to \$91.8 million owing to the acquisition of ARN Regional
- CADA launch targeting Australia's underserved youth audience; significant growth in audience connections to over 3.5 million
- iHeart Podcast Network maintained position as the #1 Publisher for 32 consecutive months
- Considerable value realised for shareholders in Soprano sale for \$66.3 million cash; FIRB approval expected March 2023
- Strong balance sheet; minimal debt following Soprano sale
- Open and proactive in identifying and assessing value accretive opportunities that are in the best interest of shareholders
- Fully franked dividend of 5.2 cents per share (to be paid from parent entity profits since 1 January 2023)
- Future dividend policy revised upwards to 65-85% payout ratio
- Accretive share buy-back maintained, delivering improved returns for shareholders
- \$249.9 million non-cash impairment charge booked reflecting macro-economic environment

FY Financial Performance

A\$ million ¹	2022	2021
Revenue	344.9	225.0
Other income	3.4	0.7
Share of associate profits	9.7	9.1
Costs	(266.2)	(175.0)
Underlying EBITDA²	91.8	59.8
Depreciation and amortization	(8.6)	(3.9)
Depreciation – Leases	(11.6)	(9.9)
Underlying EBIT²	71.6	46.0
Net interest	(3.7)	(2.0)
Finance cost – Leases	(1.9)	(1.5)
Net profit before tax²	66.0	42.5
Taxation on net profit	(17.5)	(9.9)
Net profit after tax (NPAT)²	48.5	32.6
Less non-controlling interest	(3.4)	(3.8)
NPAT attributable to HT&E shareholders²	45.1	28.8
Significant items, net of tax	1.8	(13.9)
Impairment of intangible assets, net of tax	(223.3)	-
NPAT attributable to HT&E shareholders	(176.3)	14.9
Underlying EPS (cps) ²	14.6	10.4
Dividend per share (cps)	5.0	7.4
Dividend per share from 2023 profits (cps) ³	5.2	-

(1) Totals may not add due to rounding

(2) Before significant items

(3) Subsequent event: Dividend declared in February 2023 of 5.2cps to be paid from parent entity profits since 1 January 2023

SYDNEY, 21 February 2023 – HT&E Limited [ASX: HT1] today released its results for the year ending 31 December 2022.

HT&E has extended its lead as Australia's best performing audio business, continuing to have the #1 metropolitan radio network in Australia, culminating in the strongest ever ratings performance in the final survey of 2022.

The Company successfully completed the acquisition of the largest regional radio network in the country creating a truly national broadcasting offering and the integration programme is already delivering ahead of expectations.

2022 statutory revenues significantly improved on last year, up 53% to \$344.9 million owing predominately to the acquisition of ARN Regional.

Metropolitan broadcast advertising revenues grew 3% to \$192.5 million, with increasing audiences further strengthening ratings positions and driving revenue onto key eastern seaboard stations.



Regional advertising revenues grew 7% on a pro forma basis to \$107.7 million, assisted by federal government election related spend and buoyant economic conditions. Increased revenue contribution from digital audio, up 8% on a pro forma basis to \$14.6 million also assisted overall growth.

Underlying earnings before significant items, interest, tax, depreciation and amortisation (EBITDA) was up 53% to \$91.8 million.

HT&E Chairman, Hamish McLennan said, “HT&E delivered an exceptionally strong performance in a year of considerable change and transformation. The acquisition of 46 regional stations from Grant Broadcasters has proven to be an outstanding investment and demonstrates the Company’s ability to identify the right opportunities to drive shareholder value.

“Despite global and inflationary concerns impacting consumer and advertising sentiment in the second half, HT&E’s full year results demonstrate the strength of the audio offering we provide our clients and considerable progress was made delivering on our strategic intent to build the best broadcast radio and digital audio business in Australia.

“Importantly the sale of our stake in Soprano for \$66.3 million in cash unlocks considerable value for shareholders and will effectively eliminate existing debt and puts the Group in an enviable position to take advantage of future audio entertainment opportunities. We are open and proactive in identifying and assessing value accretive opportunities that are in the best interest of shareholders”

The all-cash deal is expected to receive FIRB approval in March 2023.

The Company declared a fully franked dividend of 5.2 cents per share.⁽³⁾ The Board is committed to maintaining strong dividends for shareholders thanks to the high cash generating nature of the business, and announced an increase in the dividend policy to 65-85% payout ratio with a commitment to pay at the higher end if net debt leverage is under 0.5 times.

An impairment charge of \$249.9 million was taken in the year, reflecting uncertainty associated with the current macro-economic environment.

HT&E CEO & Managing Director, Ciaran Davis, said, “HT&E finished the year with the best outright ratings performance ever, a reflection of our focus on quality content to drive audiences and creating the best broadcast radio and digital audio business in Australia. ARN continues to hold the position as the #1 metropolitan radio network, dominating the key markets of Sydney and Melbourne, as well as delivering equally impressive results across the country.

“Our ARN Regional strategy to fiercely protect the localised nature of the individual regional station brands and the connections to the communities they serve is incredibly powerful and has paid off with improved ratings and growing revenues. We have created a unique position in the Australian media landscape with our commitment to local content and a recognition of the critical role we play

(3) Subsequent event: Dividend declared in February 2023 of 5.2cps to be paid from parent entity profits since 1 January 2023



in Australian regional communities. It is something we are committed to maintaining. Already strong local regional revenues are up by 7% on a pro forma basis, and importantly, the first year synergy target was delivered, with incremental revenues of \$7 million, providing confidence in our ability to achieve the \$20 million per annum target identified within three years of acquisition.

“The exceptional progress made during the year with the integration program is a testament to the hard work and commitment across the Group and we are on-track to conclude the major components by the end of 2023.

“Our low capital expenditure digital audio strategy continues to deliver as we remained Australia’s #1 Podcast publisher reaching an average of 5.4 million monthly listeners, growing podcast listening by 40%⁴ during the year. Listening hours on digital devices grew to over 10 million a month with over 2 million signed-in users. This acceleration of audiences has delivered improved advertising revenues in the second half, up 28% compared to the first half of the year, and provides increased confidence for a path to profitability by the end of 2024 - earlier than anticipated.

“We launched the new youth brand CADA in March 2022 and have quickly established over 3 million connections with 18–29 year olds. Delivering multi-platform advertising solutions for clients as seen new brands like Netflix and Bonds engaging with ARN. In 2023, our focus will be driving this new audience to engage with our core audio products of streaming and podcasting.

“While we are facing an uncertain macroeconomic environment, HT&E is incredibly well placed to withstand any potential short-term impacts to advertising revenues.”

Australian Radio Network (ARN)

In Sydney, ARN has maintained its Breakfast duopoly leadership with KIIS 1065’s Kyle & Jackie O and WSFM’s Jonesy & Amanda finishing in the #1FM and #2FM spots respectively.

ARN continues to be #1 metropolitan radio network in Australia reaching over 6 million people a week. Consistency remains a key part of our ratings success, culminating with our strongest ever metropolitan ratings performance in the final survey of 2022.

In a highly competitive market, ARN finished 2022 as the #1 metropolitan network for people 10+, the #1 network for people 25–54, and with our highest ever 25–54 audience share and largest cumulative audience.

Across our metropolitan network, overall listeners increased by close to 12.7% year on year. ARN continues to lead key metropolitan markets with #1FM stations in Sydney, Melbourne and Adelaide. In Melbourne, GOLD104.3 is #1FM in all dayparts for the 24th consecutive survey, led by The Christian O’Connell Show.

In Sydney, ARN has maintained its Breakfast duopoly leadership with KIIS 1065’s Kyle & Jackie O and WSFM’s Jonesy & Amanda finishing in the #1FM and #2FM spots respectively, and in Adelaide, Mix102.3 remains the #1FM Station and Cruise1323 the #1 Commercial AM Station.

(4) Triton Australian Podcast Ranker, Jan-Dec 2021 vs Jan-Dec 2022, Total Downloads



ARN Regional

ARN drove impressive results in the less regularly surveyed but equally important regional markets. In the largest non-capital city market of the Gold Coast, ARN's Hot Tomato increased come year on year and remained a strong overall #1.

Of the eight of ARN's other major regional markets surveyed in 2022, ARN increased come in five and held #1 rankings in Cairns, Mackay & Gympie. Come also increased strongly in Wollongong and Hobart from prior surveys.

The acquisition of ARN Regional has allowed us to expand the distribution of some of our most successful radio shows. In February, we replaced all previously licensed content across the regional network with ARN original content. This saw us grow distribution and audiences for key properties and in turn deliver greater value for our national commercial partners.

We have elevated our regional news offering which is a key element in radio programming. Recognising the importance of local news stories to the communities we serve, in September ARN made changes to how we create and deliver news across the network. These changes better reflect who we are, strengthen our news service delivery, and enhance the quality of the content we produce.

These changes lay the foundation for our Future of News strategy to elevate news content and position ARN as the industry leader in short and longform audio news across broadcast and digital platforms.

ARN Digital Audio Investments

We launched CADA on 31st March 2022, with the vision to create a national multi-platform youth media brand, delivered by talent representative of the diversity of young Australia today. Targeting Australia's underserved youth audience (aged 18–29), CADA is consumed in Sydney on the 96.1FM frequency and around Australia on iHeartRadio, DAB and across podcast, social and digital.

We have been pleased with the support from our key commercial partners, with CADA delivering major integrated campaigns for marquee clients including Bonds, Netflix and Collarts.

Bonds "Big Icon Energy" campaign saw Flex & Froomes record their show in front of a live studio audience with 170 attendees, prize winners and influencers. We have seen more success with the Flex & Froomes podcast reaching 1 million downloads in six months and becoming ARN's 4th biggest catch-up podcast within 3 months of launch.

Podcast listening continues to grow with the percentage of the population now regularly listening to podcasts overtaking that of the US across the year.

Launched under three years ago, the iHeart Podcast Network Australia has grown at scale and maintained its position as the #1 Publisher on the Australian Podcast Ranker for 32 consecutive months. Every month, we now reach a further ~4.7 million listeners via the podcast network. In 2022, we launched several new radio programs with established podcast creators, including 'Life Uncut', 'She's On The Money' and 'Collective Noun', as part of our 'Podcast to Broadcast strategy', aiming



to bring new younger audiences into radio and create a path for uncovering the next generation of radio talent.

In 2023 we will continue to invest in both our owned and represented podcast portfolio, ad tech and simplify our product offering for advertisers.

Cody (HK Outdoor)

Cody Outdoor revenue and earnings increased 9% and 31% respectively on a like contract basis, and the business returned to cashflow profitability, the result of materially improved local market conditions and strong management of our network of tunnel advertising contracts.

The reopening of international borders and removal of quarantine requirements expected in the first half of 2023 will further assist the business.

Trading Update

ARN

Q1 radio revenues¹ are pacing near flat on same time last year cycling strong regional comparatives and impacted by reduced government spend for the period. Consistent with historical radio planning, visibility into March and Q2 is short however current briefing activity levels remain strong.

At this stage in the year, we are forecasting total ARN people and operating cost growth of 4% as we invest in digitisation and IT systems integration post acquisition. Short term cost levers are available to limit growth should market conditions dictate.

Annual capex is forecast to remain in the \$8-10m range allowing for a structured regional station refurbishment program over the next 3-5 years.

HK

As the HK economy continues to reopen to international business and tourism, Q1 revenues for Cody Outdoor are forecast to grow over 50% on same time last year²

1) Comprising Metro and Regional radio businesses on a pro forma basis

2) Adjusted for the removal of HK Tramways contract (Q122 revenues A\$2.3m)

ENDS

This and today's other full year results announcements have been authorised for release by the Board of HT&E Limited.

For further information, please contact:

Peter Brookes, Citadel-MAGNUS, +61 407 911 389, pbrookes@citadelmagnus.com

Helen McCombie, Citadel-MAGNUS, +61 411 756 248, hmccombie@citadelmagnus.com