



2021 Annual General Meeting

6th May 2021

HT&E Limited
ABN 95 008 637 643



Chairman's Address



Strong platform for growth in 2021

- Navigated COVID-19 well, maintaining strategic focus
- Confidence in the advertising market returning; radio's relevance remains strong
- Best performing audio company in Australia; further growth opportunities in digital audio
- Strong balance sheet; \$112m net cash
- ~25% shareholding in Soprano is non-core; appointed Macquarie Capital to explore HT&E's liquidity options
- Acquired 4.7% interest in OML; delivering value for shareholders
- No further update on historical ATO matter; remain confident in our position
- Looking ahead
 - Well placed to capitalise on growth in digital audio
 - Alert to opportunities in a consolidating media market
 - Dedicated, aligned and skilful team



CEO's Address



Financial Results

- Advertising spends significantly impacted by COVID-19
- One-off cost measures contributed ~\$13m of savings
- JobKeeper funding critical to protecting jobs (\$10.3m in exceptional items)
- Improving business performance meant non-qualification for extended JobKeeper programme
- All Board members and staff took pay cuts and no incentives awarded to KMP's
- EBITDA down 35% to \$49.3m
- Underlying NPAT down 55%

A\$ million	2020 Reported	2019 Reported
Revenue before finance income	197.3	252.7
Other income	2.1	6.7
Share of associate profits	6.0	2.5
Costs	(156.0)	(186.2)
Underlying EBITDA¹	49.3	75.6
Depreciation and amortisation	(16.8)	(18.8)
Underlying EBIT²	32.5	56.9
Net interest expense	(3.8)	(2.3)
Net profit before tax¹	28.7	54.6
Taxation on net profit	(10.3)	(16.1)
Net profit after tax (NPAT)¹	18.5	38.5
Less non-controlling interest	(3.1)	(4.3)
NPAT attributable to HT&E shareholders¹	15.4	34.2
Exceptional items net of tax	6.5	(48.4)
Impairment of intangible assets	(64.3)	–
NPAT attributable to HT&E shareholders	(42.5)	(14.2)
Underlying EPS (cps) ¹	5.5	12.0
Final dividend per share (cps)	–	4.6

(1) Before exceptional items

Hong Kong Outdoor - Cody



- Challenging 18 months
- Revenues heavily impacted by COVID-19
 - Subsequent lockdowns stalled H220 ad recovery
 - Tram shelter revenues (Transit) worst effected, with reduced commuter volumes; down -46%
 - Roadside down -29%
- Total costs down 30% (local currency); comprising cost of sale reductions on lower revenues and a range of one-off cost measures
- 39% drop in EBITDA to \$7.7 million

A\$ million	2020	2019	% change	Local currency % change
Roadside	12.0	16.6	(28%)	(29%)
Transit	4.5	8.3	(45%)	(46%)
Total revenue	16.5	24.8	(34%)	(35%)
Total costs	(8.8)	(12.4)	(29%)	(30%)
EBITDA	7.7	12.4	(38%)	(39%)
D&A	(0.1)	(0.1)	(14%)	(16%)
Depreciation – Leases	(9.8)	(11.3)	(14%)	(15%)
EBIT	(2.2)	1.0	>(100%)	>(100%)
EBIT margin	(14%)	4%		

Soprano

- HT&E ~25% interest
- Continued revenue, EBITDA & gross profit margin growth
- Successful acquisition of Silverstreet
- Macquarie Capital running sale process for our 25% stake; good initial interest



A\$ million	LTM 2020	LTM 2019	% change
Revenue	75.6	68.2	11%
Cost of sales	(27.7)	(27.6)	0%
Gross profit	47.9	40.6	18%
Staff costs	(18.0)	(17.8)	1%
Operating costs	(4.5)	(5.2)	(13%)
Total costs	(22.5)	(23.0)	(2%)
EBITDA	25.5	17.6	45%
GP margin	63%	60%	
HT&E share of NPAT	3.3	2.5	29%

Soprano operates on a financial year ending June. Results for FY20 above have not been audited

ARN



- Radio revenue down 21% ahead of market (-25.2%)
 - Consistent commercial share gains
 - Broadcast radio revenues out-perform the market
 - Strategic pricing strategy set for growth in 2021
 - Digital audio revenues up 122% on a like basis
 - Momentum in podcasting and streaming revenues
- Total costs down 10% on a like basis
- EBITDA down 37% on last year

A\$ million	2020	2019	% Change	% change Excl iNC and The Roar
Radio	165.1	208.4	(21%)	(21%)
Digital & other	10.2	14.9	(32%)	122%
Total revenue	175.3	223.3	(22%)	(18%)
Income	0.7	6.2	(88%)	(88%)
Total revenue and income	176.0	229.5	(23%)	(20%)
Cost of sales	(30.1)	(40.9)	(26%)	(15%)
People costs	(77.2)	(80.9)	(4%)	(1%)
Operating costs	(25.2)	(34.4)	(27%)	(26%)
Total costs	(132.5)	(156.2)	(15%)	(10%)
Share of associates NPAT	2.7	–	N/A	N/A
EBITDA	46.2	73.3	(37%)	(37%)
D&A	(6.8)	(6.8)	(1%)	(1%)
EBIT	39.5	66.5	(41%)	(41%)
EBITDA margin	26%	33%		

Building long term growth

- Advertising sentiment for radio remains incredibly resilient
- Australia's destination of choice for audio content and commercial innovation
- Setting the business up to capitalise on future audio opportunities
- 6 key pillars for long term growth

**Maximise the
value of our
radio content**

**Expand our
entire
audience
footprint**

**Grow our
premium
addressable
data**

**Enable our
people to do
their best
work**

**Innovate to
stay ahead**

**Diversify our
revenue
model**

Strategy is delivering results

1

Ratings dominance

- #1 ratings network; 11 surveys in a row
- #1 for breakfast
- Kyle & Jackie O #1; 18 surveys in a row
- KIIS 1065 reaches over 1 million per week
- GOLD #1; 10 surveys in a row
- Highest audience in its history
- Christian O'Connell #1; 7 surveys in a row
- 4KQ #1 breakfast show
- Mix 102.3 #1; 8 surveys in a row
- Soda & Erin #1 at breakfast
- Continued growth at 96FM in Perth



Source:

- (1) GFK Radio Ratings SMBAP Survey 2 2021, 10+ (unless stated otherwise), Share, Mon-Sun 5.30am-12mn, Networks excluding DAB+ stations
- (2) GFK Radio Ratings SMBAP Survey 2 2021, 10+ Share, Dayparts as listed Mon-Fri, Networks excluding DAB+ stations
- (3) GFK Radio Ratings SMBAP Survey 2 2021, 10+ Cume, Mon-Sun 05.30am-12mn, Networks including DAB+ stations

Strategy is delivering results




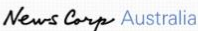




1

Ratings dominance

2

Podcast dominance

- #1 podcast publisher
- 19 million downloads a month
- #1 and #2 podcasts in the country
- On-boarding new content partners to consolidate leading position
- Creation of localised content in H2
- New products launching
- Setting the standard for advertising measurement and attribution
- Doubling of podcast revenues in 2021

PODCAST NETWORK / SALES	MONTHLY AUSTRALIAN DOWNLOADS
	19,365,230
	7,886,411
	5,705,033
	4,123,169
	3,299,757
	2,738,219
	2,597,718
	2,042,421

Strategy is delivering results

1

Ratings dominance

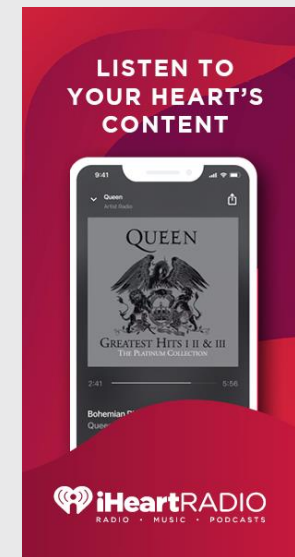
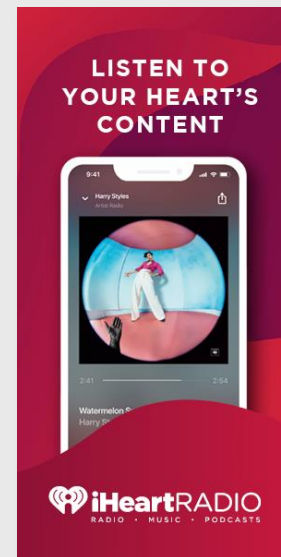
2

Podcast dominance

3

iHeartRadio - Radio, Music & Podcasts

- All audio formats, wherever and however people choose to listen to it
- Local content backed by global technology support
- Connecting listeners with more of the radio, music and podcasts they want
- Delivering personalised recommendations and access to unique content
- Active unique audience approaching 1 million
- Total registered users approaching 2 million
- Radio streaming up 13% YOY and 187% over the last 2 years



Strategy is delivering results

1 Ratings dominance

2 Podcast dominance

3 iHeartRadio - Radio, Music & Podcasts

4 New products and partnerships

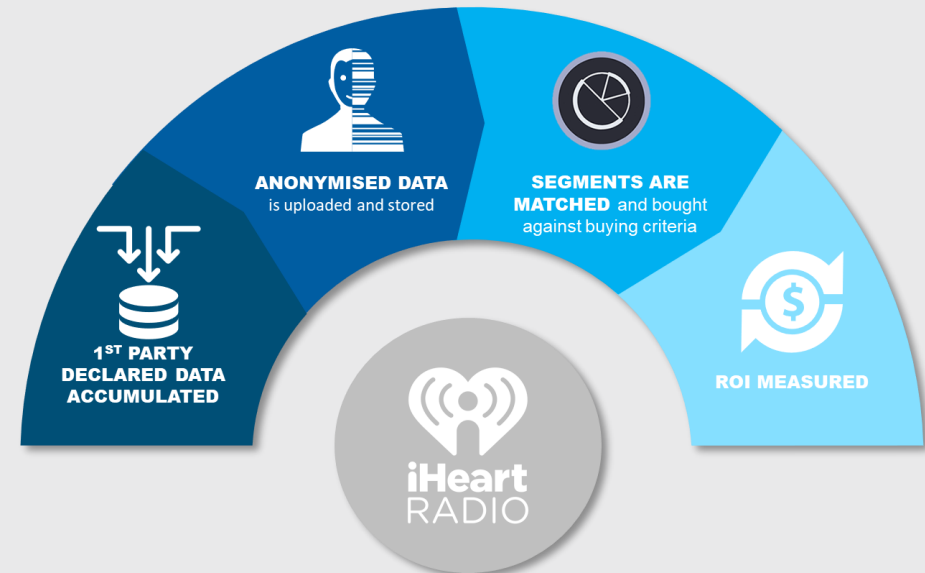
- Evolution of Dynamic Audio
- World first opportunities for advertisers
- TikTok partnership opening new audiences



Strategy is delivering results

- 1 Ratings dominance
- 2 Podcast dominance
- 3 iHeartRadio - Radio, Music & Podcasts
- 4 New products and partnerships
- 5 Record addressable audience growth

- Audiences increasingly accessing ARN content via iHeartRadio
- Creating 1st party data signals
- Providing demographic, interest driven, behavioural segmentation
- Investing in capability for monetisation of that data
- Providing creative solutions for advertisers



Trading Update

- 1 Ratings dominance
- 2 Podcast dominance
- 3 iHeartRadio - Radio, Music & Podcasts
- 4 New products and partnerships
- 5 Record addressable audience growth
- 6 Continued improvement in trading

ARN

- In an improving advertising market, total revenues for Q1 were back ~2.5% on the prior period, with March finishing ahead of March 2020
- Cycling COVID comparatives, Q2 is tracking well ahead of FY20 with April revenues finishing +53% on the prior period
- Forward bookings and briefing activity for the remainder of Q2 continue to strengthen underpinned by strong ratings performance and business confidence
- Growth in consumer demand for podcasts listening saw Q1 digital audio revenues grow over 180% on the prior period; we anticipate this level of growth to continue in Q2
- In respect of costs, subject to current trading conditions continuing, we expect total people and operating costs to be in-line with 2019¹

Hong Kong

- Advertising revenues in Q1 finished marginally ahead of the prior comparative period, impacted by COVID mobility restrictions in December / January
- Improved April revenues, Q2 forward bookings and briefing activity suggest a return of consumer confidence and an improving advertising market

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Re-election of Hamish McLennan



Remuneration Report

