

Morgan Stanley
Australian Emerging Companies Conference

14 June 2017
Richard Herring, CEO



APN
OUTDOOR

**THE
CENTRE
FOR
ATTENTION**

PyeongChang 2018
Tokyo 2020
OFFICIAL OUTDOOR MEDIA PARTNER
OF THE AUSTRALIAN OLYMPIC TEAM



Business overview

- › APN Outdoor is a leader in outdoor advertising in Australia and New Zealand
- › Premium portfolio of assets selected for their quality and scalability
- › Outdoor audiences reached via four different categories
- › Continuing to invest in innovative digital and technology solutions

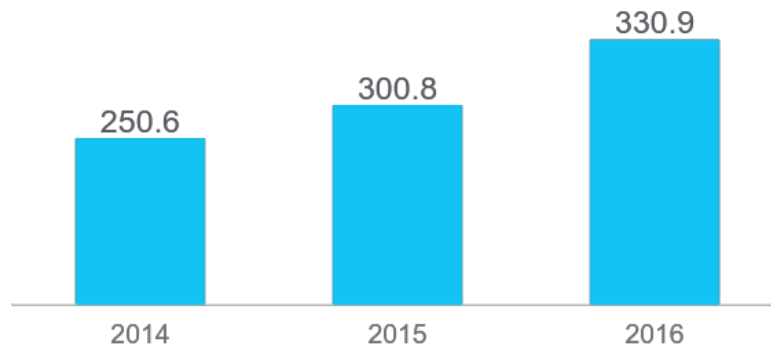


2016 Financial highlights

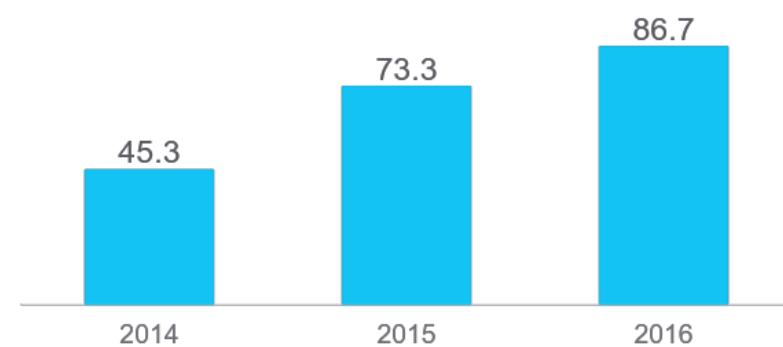


- › 2016 delivered record revenue and earnings
- › Full year fully franked dividend up 23% to 19cps
- › Operating cashflows up 19% to \$66.3m
- › Leverage remained low at 1.0x underlying EBITDA

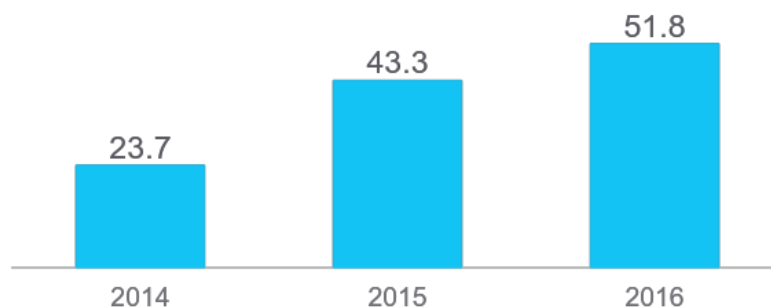
Revenue (\$m)



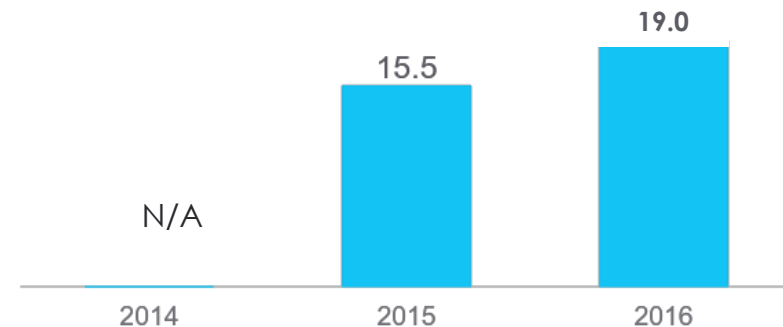
EBITDA (\$m)



NPATA (\$m)



Dividend (cents per share)

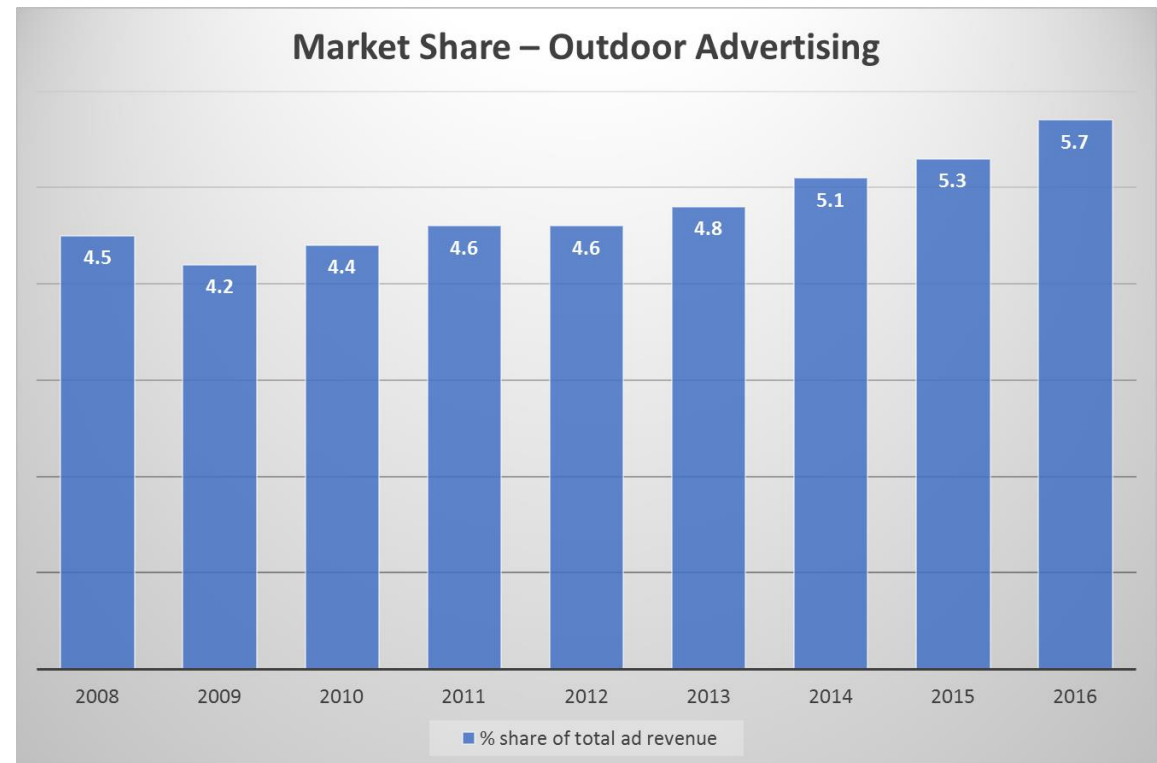


Attractive industry fundamentals



- › Audience growth
 - As content and channels fragment, it is increasingly difficult to reach target audiences for advertisers
 - New channels are challenged with different forms of engagement for an advertiser
 - Outdoor audience continues to grow in line with travel habits and population growth
- › Product enhancement
 - Investment in improved products utilising technology to provide advertisers with different uses of creative engagement
 - Underpins revenue uplift

- › Growing share of ad market



Source: OMA

APO's growth strategy

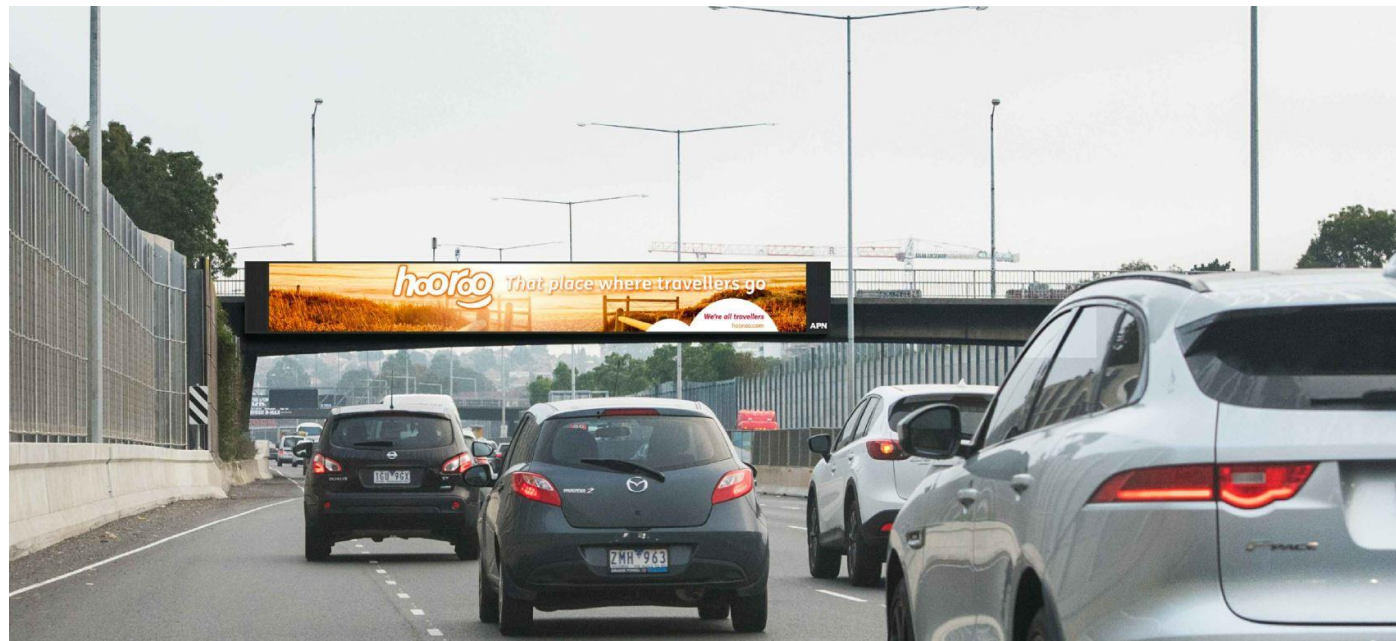


Delivering sustainable growth across three pillars

- › M & A
 - Focused targets adding format depth at value
 - iOM, Adspace, Metrospace
 - Reassessment of targets given ACCC SOI
 - Seek horizontal and vertical opportunities to add to portfolio depth or product enhancement
- › Product development and investment
 - Leadership position in Digital screen technology across portfolio and invest in opportunities like mobile connectivity
 - Elite screens, XTrack TV, Catch
 - Constant reassessment of digital expansion rate
 - Investing in R&D of technology connectivity to enhance core offering
 - Investing in resources required to drive next phase of growth
- › Contract renewal and development
 - Profitably renew contracts, seek new contract opportunities in current and new formats, develop exiting contracts
 - Auckland Airport, Sydney Airport, Sydney Trains
 - Successfully renewed Tullamarine Freeway contract today

Tullamarine freeway contract

- › Most prestigious freeway signage linking Melbourne with the airport and northern suburbs
- › Over 1.5m vehicles per week
- › Upgrade of 24 km, will increase capacity by 30%
- › Premium Elite screen opportunities



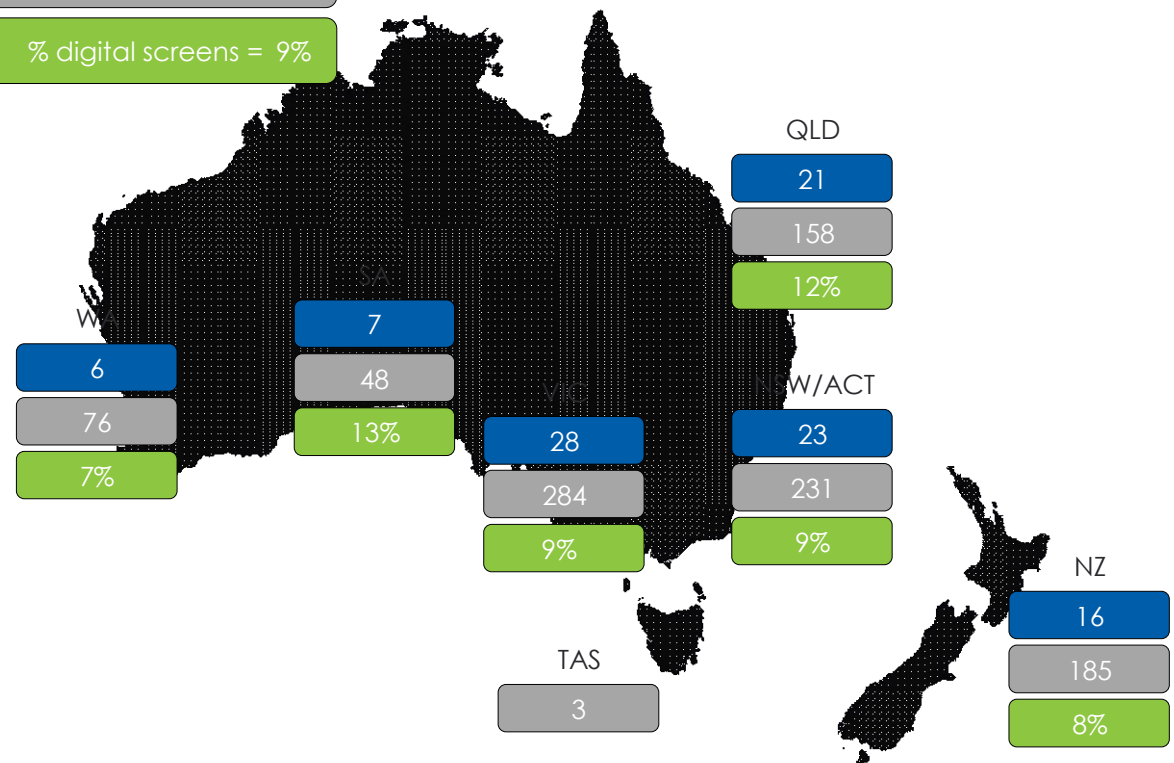
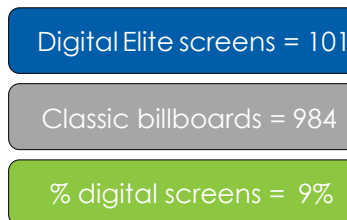
- › Above: Reynard St (existing)
- › Left: Dawson St (proposed)

Digital Elite Screens

Leadership of Digital Elite Screens network

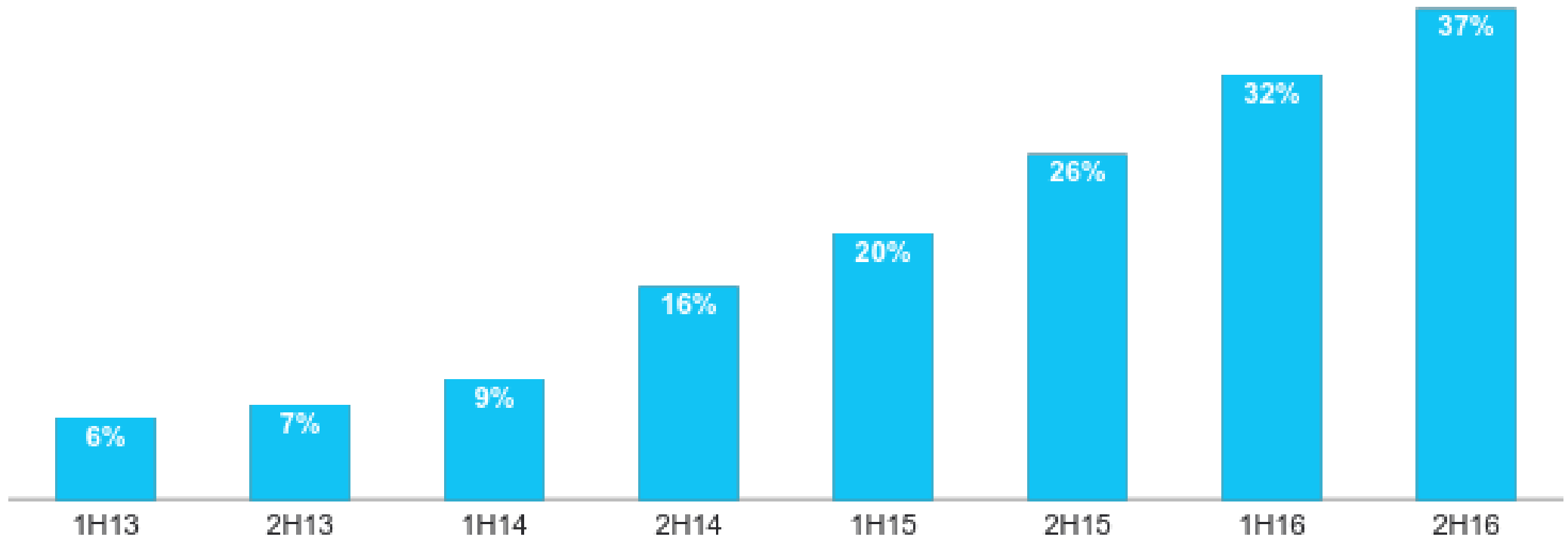
- › Digitisation accelerated with 35 new Digital Elite screens in FY16 and a further 14 in FY17 to date
- › High profile locations added including:
 - Story Bridge (Brisbane)
 - M4 Homebush (Sydney)
 - Nepean Highway Brighton (Melbourne)
 - Victoria Park Flyover (Auckland)
- › Increasing use of digital creative capabilities
- › Opportunity for further digitisation

Roadside Digital Elite screens (13.6.17)



Growing digital contribution

APO's digital proportion of total revenue



Source: APO

2017 Outlook



- › Year-to-date trading is in line with Company's expectations. Revenue and EBITDA for the first quarter above prior corresponding period
- › Continued growth in revenues and earnings in 2017
- › Historically, revenues and EBITDA skewed to second half of year
- › Digital billboard conversion rollout continues with 14 new Digital Elite screens commissioned since 1 January 2017



QUESTIONS?

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