oOh!media Limited
ABN 69 602 195 380

**11 December 2020**

**ASX Release**

## oOh! provides business and FY20 trading update

- **Strong recovery in key Out of Home audiences post COVID-19 lockdown**
- **Significant revenue rebound in Q4; FY20 revenues anticipated between $420m-$430m**
- **Rent abatements of approximately $54m contracted for FY20 as of 10 December 2020**
- **Operating cost savings (excluding JobKeeper) in excess of $15m for FY20**
- **FY20 Capital Expenditure anticipated to be below $20m**
- **Net Debt anticipated to be between $120m and $130m at 31 December 2020**
- **Focus on strong financial position maintained – debt facilities refinance to 2023**

oOh!media Ltd (**oOh!** or the **Company**) today provided a business update, including an update on market and trading conditions.

oOh!'s strategy through the COVID-19 pandemic has been to responsibly manage its operations by focusing on costs and strengthening its balance sheet. Additionally oOh! refined its offer vis a vis the strength of its suburban and regional network and invested in key assets through the audience and advertising revenue challenge created by COVID-19. This has positioned the Company to capitalise on the structural opportunities that Out of Home continues to benefit from as conditions improve.

**Strong recovery in audiences leading to revenue improvements**

Out of Home audiences are continuing to recover strongly in the Australian Road, Retail and Street Furniture formats following the easing of people movement lockdowns in May 2020 (excluding Victoria), November 2020 in Victoria, and New Zealand intermittently until early October 2020 . As anticipated, the Airport, Rail and Office audience environments[1] continue to be impacted in Q4.

In Australia, Road and Retail Out of Home audience volumes were tracking in late November at 87%[2] of their 2019 levels, up from a low of approximately 50% in mid-April 2020 vs the prior corresponding period (pcp). New Zealand is now at or above FY19 audience volumes[3]. Over this period SMI reported that total Australian advertising market spend improved from a decline of 44% in May to a 5% decline in October versus the pcp[4], and November and December are continuing to demonstrate this rebound trend.

Overall, oOh!'s Q3 revenues were approximately 43% behind the pcp in aggregate and have improved in Q4 to circa 28% - 34% behind the strong FY19 Q4. Performance has clearly been tracking towards 2019 levels in our largest revenue and audience reach formats of Road, Retail and Street Furniture as a function of audience restrictions being lifted:

- In Q3, Australian Road, Retail, Street Furniture and New Zealand revenues declined by circa 31% vs the pcp. The more heavily impacted formats of Fly, Rail and Office declined by an approximate 86% vs the pcp.

[1] Airports are included in Fly, Rail in Commute, and office towers in Locate as part of oOh!'s investor reporting. Locate also includes tertiary institutions, pubs and clubs which have been similarly impacted
[2] DSpark data for the week ending 30/11/20 for oOh!'s road and retail locations including a very strong November recovery in Victoria
[3] Per Tom NZ traffic data https://www.tomtom.com/en_gb/traffic-index/auckland-traffic/
[4] SMI reported an Out Of Home decline of 72% in May and 47% in decline in October

- Q4 is stronger with Australian Road, Retail, Street Furniture and New Zealand[5] revenues expected to represent an approximate 11% to 18% decline compared to a very healthy Q4 in the pcp which saw share gains in Road and Street Furniture. Fly, Rail and Office are anticipated to decline by approximately 84% vs the pcp in Q4 with audiences in these formats only expected to return meaningfully during CY21 despite improving performance from December 2020.
- The Company expects a full year revenue range of between $420 million to $430 million, depending on how much volume of revenue oOh! continues to write into the last two weeks of December.

**Continued cost discipline**

oOh! remains disciplined on operational costs and capital expenditure whilst being appropriately positioned to benefit from the longer term structural growth in Out of Home markets. The Company has continued to deliver on the commitments provided earlier in the year:

| Item | Outlined on 24 August[6] | Updated FY20 position |
|---|---|---|
| **Fixed rent expense savings for FY20** | • $31m currently confirmed for FY20 | • Circa $54m currently[7] confirmed for FY20, with potential for further upside |
| **Operating expenditure savings for FY20** | • Will exceed $15m for FY20 (excluding JobKeeper) | • In line with 24 August 2020 update |
| **Government Wage subsidies** | • oOh! qualified for $7m of JobKeeper subsidies for 1H20 | • oOh! is expected to receive circa $11m of JobKeeper subsidies for 2H20 |
| **Structural cost savings - beyond FY20** | • $10m[8] target of operating cost savings<br>• Rent savings through network pruning | • $10m operating cost savings target reconfirmed<br>• $2m of rent savings in addition to COVID-19 Abatements achieved with efforts continuing |
| **Capex reductions** | • FY20 Capex projected to be below $30m. The business will continue to develop key sites to protect market share, invest in technology and systems and the new offices which it committed to earlier in the year | • FY20 Capex projected to be below $20m<br>• The business continued to develop key sites to protect market share, including two new Signature Series digitals - "The King" outside Sydney Airport and a large format digital sign in Mosman<br>• Capex not expected to return to FY19 levels in FY21 |

5 New Zealand revenues will be approximately flat in Q4 vs the pcp
[6] Provided with the release of the 1H20 accounts on 24 August 2020
[7] As of 10 December 2020
[8] The structural operating cost savings include capturing an element of the temporary FY20 savings achieved such as travel and entertainment into FY21. Structural opex excludes short term and long term incentive plan expenses which were $8.5m in FY18. In FY19 these were below historical levels at $3.1m

**JobKeeper eligibility**

oOh! is eligible for continued support under the extended JobKeeper program from 28 September 2020 to 3 January 2020. The Company expects to receive approximately $4 million[9] in JobKeeper payments to partially offset employee costs for this period.

oOh! confirms that JobKeeper payments will be excluded from determination of any Short Term Incentive (**STI**) payments that may be applicable in FY20. Any STI payments for FY20 will be made in equity.

**Strong financial position maintained – debt facilities refinance**

oOh! continues to focus on ensuring it maintains a strong balance sheet with financial flexibility to manage in current conditions while continuing to implement its strategic growth initiatives. The Company expects net debt at 31 December 2020 to be between $120m and $130m.

The Company has signed a facility agreement to refinance its debt facilities with its lending syndicate **(Refinance Facility)** and continues to operate within its covenants. The key terms of the Refinance Facility include:

- A total three year facility of $350m until December 2023
- The gearing ratio requirements are consistent with oOh!'s prior facility[10]
- The fixed charge cover ratio[11] will be tested on an annualised six month basis at December 2020 and an annualised nine month basis at March 2021 before returning to last twelve month rolling basis from June 2021

As advised at the equity raising in March 2020, the Board has temporarily suspended dividends. The Board will revisit this decision in future periods based on the prevailing market conditions and with the consent of the Company's lenders.

**Summary - oOh! well positioned to leverage ongoing recovery**

oOh! CEO Brendon Cook, said: "As the market leader in Out of Home across Australia and New Zealand, oOh! is well positioned to leverage the ongoing recovery in audience growth and advertiser sentiment which is becoming increasingly evident.

"While Out of Home was clearly the most impacted media during the COVID-19 period from March to September, it is rebounding strongly. Our strategy remains focused on capitalising on the positive key structural drivers of growth in Out of Home and leveraging our diverse product portfolio, backed by data, to deliver results for advertisers.

"We are proud of the role we have played during COVID-19, with our assets used to convey public health messaging across the country, helping keep Australians informed.

"I would also like to thank employees and other key stakeholders – our shareholders, banks, commercial partners and various governments – for their support during a very challenging Q2 and Q3," he said.

[9] $4m included in $11m JobKeeper for 2H20
[10] Gearing of 4.0X at December 2020, 3.5X at March and June 2021 and 3.25X from September 2021 onwards
[11] The FCCR covenant is 1.25X

**FY20 Results release date**

oOh! is scheduled to release its results for the year ended 31 December 2020 on 22 February 2021.

This announcement has been authorised for release to the ASX by the Board of Directors.

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**About oOh!media**

oOh!media is a leading Out of Home media company that is enhancing public spaces through the creation of engaging environments that help advertisers, landlords, leaseholders, community organisations, local councils and governments reach large and diverse public audiences.

The company's extensive network of more than 37,000 digital and static asset locations includes roadsides, retail centres, airports, train stations, bus stops, office towers, cafes, bars and universities.

Listed on the ASX, oOh! employs around 800 people across Australia and New Zealand, and had revenues of $649 million in 2019. It also owns digital publisher Junkee Media, printing business Cactus, and experiential provider oOh! Experiential.

The company invests heavily in technology, and is pioneering the use of sophisticated data techniques that enable clients to maximise their media spend through unrivalled and accurate audience targeting. Find out more at oohmedia.com.au