



oOh!media Limited
ABN 69 602 195 380

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ASX/MEDIA Release

**Strong revenue recovery and margin expansion
with underlying EBITDA¹ more than tripling to \$33.3m**

oOh!media Limited (ASX:OML) (oOh! or Company) today announced its financial results for the half year ended 30 June 2021 ("1H21").

oOh! successfully leveraged the continuing recovery in Out of Home audiences during the period to deliver a 23% lift in revenue to \$251.6 million compared to the prior corresponding period.

The strong revenue uplift translated to underlying EBITDA more than tripling to \$33.3 million, additionally supported through ongoing cost discipline and negotiated fixed rent abatement with commercial partners.

At the same time, oOh! continues to implement its strategy with a clear focus on its core Out of Home assets, continued digitisation of core sites and audience-focused selling.

While COVID-19 and associated periodic lockdowns continue to cause near term uncertainty, oOh! remains in a unique position to leverage audiences through the scale and mix of our assets and continue revenue recovery as market conditions improve.

Overview

- Revenue up 23% to \$251.6m - Strong revenue recovery across key formats in Australia (Road, Retail and Street Furniture) and New Zealand. Road and New Zealand revenues performed ahead of 1H19 (pre COVID-19)
- oOh! has the #1 market position in both the Australian and New Zealand markets
- Gross margin of 42.5%, (up 8.8 points) demonstrating strong recovery towards pre-COVID levels
- Underlying EBITDA up 209% to \$33.3m with margin expansion leveraging revenue uplift
- Continued negotiations with property partners delivers net rent abatements of \$19m in 1H21
- Underlying NPATA of \$2.4m compared to loss of \$16.9m in prior corresponding period
- Financial position strengthened further - gearing ratio down to 1.1 times (from 1.8 times) and net debt reduced by 16% compared to 31 December 2020
- Reported Net Loss after Tax of \$9.3m (post AASB16) compared to a loss of \$28.0m in the prior corresponding period

¹ Underlying EBITDA pre AASB16



Results Commentary – Leveraging revenue turnaround delivers strong earnings uplift

Chief Executive Officer, Cathy O'Connor said oOh! delivered a strong first half result which demonstrated the scale and diversity of the Company's assets and leverage to audience recovery across its key formats.

"We have seen strong audience growth post lockdowns which has led to a significant turnaround in revenue for the half, particularly in our key formats of Road, Retail and Street Furniture in Australia and New Zealand.

"That has also been a function of our strong suburban and regional network where we continue to provide unrivalled reach and frequency for advertisers.

"In Australia audience levels were consistent up to May 2021 before declining as a result of the Melbourne lockdown in June. Overall revenue has held consistently at 80% of 2019 levels with revenue in Road performing particularly strongly at 116% of the first half of 2019. New Zealand also performed at or slightly above 2019 levels.

"As conditions have become more fluid during the pandemic, we are seeing advertisers capitalising on the flexibility of digital out of home (DOOH). With the largest quality digital network across the region, oOh! is well positioned to respond."

Positive fundamentals for Out of Home remain

Ms O'Connor said oOh! continued to progress its strategy to leverage growth in the Out of Home market.

"The Out of Home sector is well positioned to grow its share of advertising revenue through improvements to measurement and further digitisation.

"Our core focus is on our Out of Home assets and redefining our offering through audience selling which capitalises on oOh!'s scale advantage to deliver increased effective reach to advertisers and revenue to oOh!.

"Consistent with our focus on Out of Home, we announced the proposed divestment of Junkee Media."

"We have demonstrated with this result that we can successfully capitalise on audience growth and operating leverage to grow earnings faster than revenue. We remain very well placed to continue to capitalise on the key growth fundamentals of Out of Home," Ms O'Connor said.

Products

Commute

Revenue in Commute, which includes the Company's rail assets, increased by 26% to \$91.9 million as audiences started to return with a solid improvement in Street Furniture (up 36%), leveraging its suburban strength, partially offset by Rail revenue (down 18%) which was impacted by passenger declines in key stations in the Sydney and Melbourne rail networks. The rail networks include inbuilt rent abatement or rent structure mechanisms in relation to audience declines.

Road

The Group's Road (billboard) division was the strongest performer in the portfolio, continuing its solid performance from the second half of 2020. The Company continued to leverage its diversity and scale across its metropolitan and suburban network to deliver results for advertisers. Revenue increased by



44% to \$78.6 million. This performance also represented a significant improvement on the pre-COVID period with revenue up 16% compared to 1H19.

Retail

Retail revenue increased significantly as audiences returned to the segment, continuing the trend from the end of 2020. Revenue increased by 40% to \$57.3 million.

Fly

As anticipated, the COVID-related restrictions in air travel continued to impact revenue for Fly with revenue declining by 56% to \$8.0 million. The key airport leases include inbuilt rent abatement or rent structure mechanisms in relation to audience declines, resulting in further rent savings in 1H21. oOh!'s airport assets are weighted more towards domestic travel, which can be expected to recover more quickly than international travel when COVID-19 air travel restrictions are lifted.

Locate

Locate revenue continues to be affected by the actual or perceived closure of office buildings and employees working from home. Revenue declined by 33% to \$7.5 million, noting that Locate predominantly has a variable rent profile.

Other revenue represents the contribution from Junkee Media and Cactus Imaging which increased by 9% to \$8.3 million.

Balanced Portfolio

oOh! continues to maintain a balanced and diverse lease maturity profile. Meanwhile the Company also remains at the forefront of digital and data-led innovation in the sector with continued digitisation of assets in premium locations across its network. Digital revenue as a percentage of total revenue was 57% compared to 56% for the prior corresponding period.

Strengthened Financial Position

oOh!'s financial position strengthened further during the period, ensuring the Company is well equipped to manage through the short-term uncertainty relating to COVID-19 and lockdowns whilst remaining in a strong competitive position for the medium term.

Net debt at 30 June 2021 was \$94 million; a reduction of 16% from 31 December 2020.

The Company's gearing ratio (Net Debt / Underlying EBITDA) as at 30 June 2021 was 1.1 times, compared 1.8 times at 31 December 2020.

Dividend

As announced at the time of the equity raising in March 2020, the Board has temporarily suspended dividends. As a result, no dividends were payable for 1H21. The Board will revisit this intent in future periods based on the prevailing market conditions and with consent of the Company's lenders.



FY21 Outlook

Revenue for Q3 is currently pacing 38% higher than the corresponding period in 2020 and 74% of Q3 2019.

Forward visibility remains uncertain given the ongoing effects of COVID-19 lockdowns and associated movement restrictions, however we expect that when the current lockdowns end there will be a strong recovery in audiences and associated revenues as has been the case previously.

Capital expenditure for the full year will be at or under \$25m and remains focussed on revenue growth opportunities and concession renewals.

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 \$426 million in 2020. It also owns digital publisher Junkee Media and the Cactus printing business.

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