



oOh!media Limited
ABN 69 602 195 380

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ASX/MEDIA Release

oOh! boosts earnings by 24% as Out of Home audiences rebound strongly

Recommences dividends as balance sheet strengthens further

oOh!media Limited (ASX:OML) (oOh! or Company) today announced its financial results for the year ended 31 December 2021 ("CY21").

oOh! successfully leveraged the continuing recovery in Out of Home audiences during the year to deliver an 18% lift in revenue to \$504 million compared to the prior year.

The diversity of the Company's assets across a range of Out of Home formats ensured oOh! was able to deliver this revenue uplift despite substantial lockdowns in Q3 CY21 and early Q4 and some formats (Fly, Office, Rail) continuing to be impacted by the pandemic.

oOh! maintains significant operating leverage to grow earnings faster than revenue which resulted in a 24% increase in Underlying EBITDA (pre AASB16) despite lower rent abatements and no Government wage subsidies in CY21 compared to CY20.

As a result of oOh!'s strong financial position, the Company will recommence dividends to shareholders for CY21.

Overview

- Revenue up 18% to \$503.7m - strong revenue recovery across key formats. Revenue in Road for November and December 2021 at record monthly levels
- Gross margin of 44.1%, (up 1.8 points) - strong recovery towards pre-COVID levels
- Underlying EBITDA up 24% to \$77.6m with margin expansion leveraging revenue growth
- Underlying NPATA of \$12.7m compared to loss of \$8.5m in prior year
- Financial position strengthened further - gearing ratio down to 0.8 times (from 1.8 times CY20) and net debt reduced by 43% compared to 31 December 2020
- Net profit after tax (pre AASB16) of \$0.8m compared to a loss of \$24.3m in the prior year
- Reported loss after tax (post AASB16) of \$10.3m compared to loss of \$36.2m in prior year



Results Commentary – Strong result provides continued momentum into CY22

Chief Executive Officer, Cathy O'Connor, said oOh! successfully leveraged Out of Home audience growth to deliver a much improved financial result.

"The strong result is a testament to our strategy. As the market leader across Australia/New Zealand, we are uniquely positioned to capitalise on the audience recovery in Out of Home.

"Our scale and diversity across a number of formats means we are also able to deliver this growth despite some formats such as Fly, Office and Rail continuing to be impacted by the pandemic.

"Meanwhile, our strong operating leverage means we continue to grow earnings faster than revenue which has enabled the Company to return to profitability this year on a pre AASB16 basis and recommence dividends to shareholders.

"We are also generating further momentum into FY22 with a solid start to the year. First quarter revenue is pacing 15% ahead of the prior corresponding quarter and at 93% of the first quarter 2019.

"For the medium term, the fundamentals for Out of Home as a growth advertising medium remain compelling. This will only be enhanced by further significant digital investment opportunities across key formats.

"Our strategy is focused on oOh! being a more digital and digitised Out Of Home business generating enhanced leverage from our portfolio of existing assets and disciplined investments in building our assets and capability to deliver further growth.

"During CY21, we added over 30 digital locations to our metropolitan and regional roadside billboard portfolio which means we now have over 200 large format digital signs across Australia.

"In support of our Digital Out of Home strategy we have continued the digital transformation of our planning and buying systems. As part of this program, we are implementing initiatives to simplify the planning and buying process. We are also participating in the emerging programmatic digital Out of Home marketplace and further developing systems for improved yield management.

"As a medium, Out of Home stands to benefit from the adoption of the MOVE (measurement of outdoor visibility and exposure) 1.5 industry standard from the first quarter of 2022.

"The Industry is now united on Share of Time as the common currency which will make it easier for advertisers to plan, buy and measure Out of Home campaigns via an enhanced, more accurate and standardised approach," Ms O'Connor said.

Products

Street Furniture and Rail (formerly Commute)

Revenue in Street Furniture and Rail (formerly Commute) increased by 23% to \$182 million as audiences continued to return, notwithstanding lockdowns in NSW and Victoria in the third quarter. Street Furniture revenue for the month of December 2021 was nearly flat with December 2019 (pre COVID). Revenue in Rail continued to be impacted by passenger declines in key stations in Sydney and Melbourne.

Road

The Group's Road (billboard) division continued to be the standout performer in the portfolio continuing its strong result from the first half. Revenue increased by 34% to \$158 million. Following a soft third quarter, which included the New South Wales and Victorian lockdowns, revenue



rebounded very strongly in November and December which were both record revenue months for Road.

Retail

Revenue in the Retail segmented rebounded significantly from the prior year with an increase of 18% compared to CY20 to \$125 million. December 2021 was a record revenue month for oOh! as it successfully leveraged audience growth in this segment.

Fly

COVID-related restrictions in air travel continued to impact revenue in the Fly segment beyond what was experienced in the key Street Furniture, Road and Retail formats. However the re-opening of state borders resulted in a stronger performance towards the end of the year with revenue approaching 40% of 2019 levels in December. Full year revenues declined by 46% to \$12m.

Locate

Revenue in the Locate format continued to be affected by employees working from home during lockdowns and the pandemic more broadly. Revenue was \$12 million, noting that Locate predominantly has a variable rent profile.

Other revenue represents the contribution from Junkee Media and Cactus Imaging which was \$14 million.

As part of the Company's clear strategic focus on Out Of Home, Junkee Media's digital publishing business was divested to the RACAT Group in December 2021. oOh! retained the branded content and production arm.

The divested digital publishing operations were not material to the Company.

Strengthened Final Position

The Company's financial position continued to strengthen during the year with net debt at 31 December 2021 of \$64 million; a reduction of 32% from 30 June 2021.

Credit metrics continued to improve with the Company's gearing ratio (Net Debt / Underlying EBITDA) as at 31 December 2021 of 0.8 times, compared to 1.8 times at 31 December 2020.

Dividend

The Company's policy is to pay dividends of 40-60 per cent of Underlying net profit after tax (pre AASB16) and before amortisation of acquired intangibles (NPATA) as AASB16 does not have a cash impact and there is no cash replacement cost for the acquired intangibles.

The policy was suspended in March 2020 at the onset of the COVID-19 pandemic. For CY21 Underlying NPATA (pre AASB16) was \$12.7 million compared to a loss of \$8.5 million for the prior year. The Board resumed the dividend policy and declared a final dividend of 1 cent per share, fully franked, representing a total payout of \$6m.

The record date for entitlement to receive the final dividend is 3 March 2022 with a scheduled payment date of 24 March 2022.



FY22 Outlook

The Company has started the new financial year strongly. Revenue for the first quarter CY22 is pacing at 15% higher than Q1 2021 and at 93% of Q1 2019.

While the impact of the Omicron variant on overall demand for advertising media has been limited, there has been a pronounced impact on audience environments which have seen substantially less foot traffic than pre COVID such as Offices and Airports

Capital expenditure for the full year is expected to be between \$45 million and \$55 million and remains focused 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 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