

**ooh!**<sup>®</sup>  
*Unmissable*

**H1 2016 RESULTS  
PRESENTATION**

**23 AUGUST 2016**

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**HIGHLIGHTS**

**1**

# H1 2016 HIGHLIGHTS



**REVENUE AND  
PROFIT UP**



**21,000+ SIGNS  
INCLUDING  
6,000+ DIGITALS**



**LONG TERM  
DIVERSIFIED  
PORTFOLIO**



**STRATEGIC  
ACQUISITIONS**

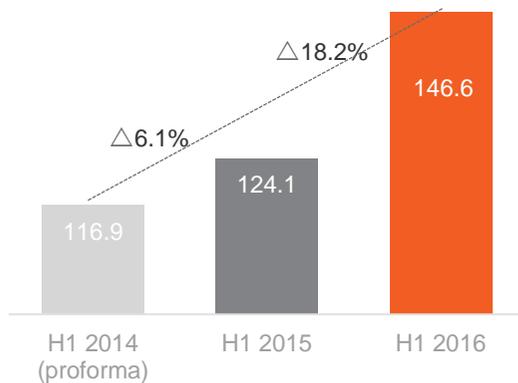


**REAFFIRM FULL  
YEAR EARNINGS  
GUIDANCE**

# H1 2016 HIGHLIGHTS

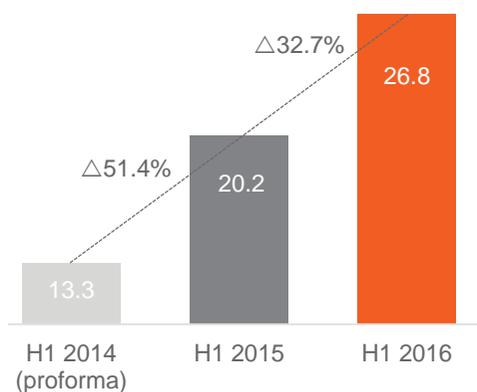


## REVENUE (\$M)



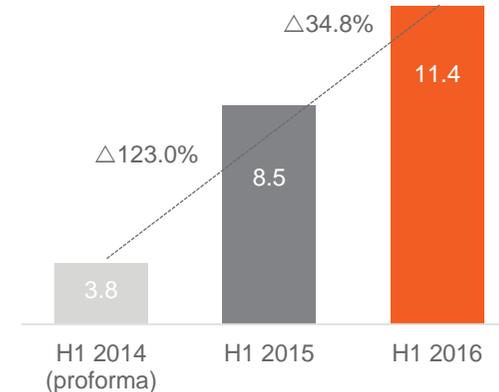
Revenue growth of 18%

## EBITDA (\$M)



EBITDA growth of 33%

## NPATA (\$M)



NPATA growth of 35%

**Interim fully franked dividend of 4.0 cents per share,  
up 42.9% up from 2.8 cents per share in H1 2015**

**QANTAS Departures 10:47**

| Flight  | Destination | Scheduled | Boarding | Gate | Remark     |
|---------|-------------|-----------|----------|------|------------|
| QF 475  | Perth       | 10:40     |          | 21   | FLT CLOSED |
| JO 6426 | Sydney      | 11:00     |          | 3    | FLT CLOSED |
| QF 814  | Brisbane    | 11:05     |          | 7    | FINAL CALL |
| JO 705  | Hobart      | 11:10     |          | 26   | BOARDING   |
| QF 681  | Adelaide    | 11:10     |          | 2    | GO TO GATE |
| QF 428  | Sydney      | 11:30     | 11:10    | 1    |            |
| QF 2053 | Devonport   | 11:45     | 11:20    | 22   |            |
| JO 474  | Newcastle   | 11:50     | 11:25    | 25   |            |
| QF 2283 | Launceston  | 11:50     | 11:25    | 24   |            |
| EK 5430 | Sydney      | 12:00     | 11:40    | 23   |            |
| QF 616  | Brisbane    | 12:05     | 11:45    | 6    |            |
| QF 848  | Canberra    | 12:05     | 11:45    | 12   |            |
| EK 5883 | Adelaide    | 12:10     | 11:50    | 3    |            |
| JO 442  | Gold Coast  | 12:15     | 11:50    | 27   |            |
| JO 506  | Sydney      | 12:20     | 12:05    | 25   |            |
| JO 737  | Launceston  | 12:30     | 12:05    | 26   |            |
| JO 436  | Gold Coast  | 12:35     | 12:30    | 27   |            |
| EK 5434 | Sydney      | 13:00     | 12:40    | 8    |            |

Make your first destination qantas.com

**JAGUAR UNLEASHED. ON NOW.**



**XF**

**JAGUAR**

WITH COMPLIMENTARY ON ROADS

Offer applies to vehicles ordered and delivered between 01/07/14 and 31/03/14 at participating dealers while stocks last.

**QANTAS Departures 10:47**

| Flight  | Destination   | Scheduled | Boarding | Gate | Remark |
|---------|---------------|-----------|----------|------|--------|
| QF 687  | Adelaide      | 13:00     | 12:40    | 9    |        |
| JO 532  | Sydney        | 13:05     | 12:40    | 28   |        |
| QF 818  | Brisbane      | 13:05     | 12:45    |      |        |
| MU 8433 | Perth         | 13:05     | 12:40    | 21   |        |
| JO 707  | Hobart        | 13:15     | 12:50    | 26   |        |
| QF 812  | Canberra      | 13:15     | 12:55    |      |        |
| JO 511  | Sydney        | 13:50     | 13:25    | 25   |        |
| EK 5438 | Sydney        | 14:00     | 13:40    |      |        |
| JO 970  | Perth         | 14:05     | 13:40    |      |        |
| QF 620  | Brisbane      | 14:05     | 13:45    |      |        |
| QF 1534 | Canberra      | 14:15     | 14:00    | 10   |        |
| JO 808  | Adelaide      | 14:20     | 13:55    |      |        |
| EK 5440 | Sydney        | 14:30     | 14:10    |      |        |
| JO 776  | Adelaide      | 14:50     | 14:25    |      |        |
| JO 706  | Macquaryville | 14:50     | 14:25    |      |        |
| QF 1015 | Hobart        | 14:55     | 14:35    |      |        |
| JO 476  | Newcastle     | 15:00     | 14:35    |      |        |
| QF 442  | Sydney        | 15:00     | 14:40    |      |        |

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**TAS**



**BUSINESS STRATEGY 2**

# AUSTRALIA'S LEADING OOH NETWORK



- Out Of Home audiences continue to **increase** - organic and via investment in digital
- Traditional advertising sector is being disrupted - Out Of Home and **oOh!** at the forefront
- Improving **audience engagement** - investment in digital inventory across all channels
- **oOh!** is delivering an **integrated physical, mobile, online and social media offering**

**21,000+ Signs**

**incl 6,000+ Digital**

**130+ Large Format**  
**Road 41 Retail 55 Fly 36**

**As at 23 August 2016**

# THE PORTFOLIO



JUNKEE.MEDIA



**LOCATE**  
by oh!

# STRATEGY FOR GROWTH



## DIVERSITY OF AUDIENCE & PRODUCT

- Most diverse product portfolio of audience environments
- 21,000+ signs
- Unparalleled metro and regional coverage
- Strategic acquisitions

## STRONG MATURITY PROFILE

- Balanced, long term site portfolio
- contract renewals and extensions
- Strategic contract wins

## END-TO-END DIGITAL STRATEGY

- 6,000+ digital panels
- Nearly 3x more digital panels than H1 2015
- 8 proprietary online platforms
- Unique data and content capability
- 360° physical, mobile, online and social offering

## DEVELOPING MARKET LEADERS

- Developing leaders and engagement in our people
- Building team to support growth

## BUILDING VALUE

- Revenue of \$146.6m, up 18.2% (H1 2015: \$124.1m)
- Gross profit margin of 41.0% (H1 2015: 34.6%)
- EBITDA margin of 18.3% (H1 2015: 16.3%)
- Organic growth across all businesses



# OPERATIONAL HIGHLIGHTS

# 3

# OPERATIONAL HIGHLIGHTS



## DIGITAL EXPANSION

- 7 new Road large format billboards in H1 2016, with 8 more since 1 July 2016
- 11 new Retail Evoke large format banners in H1 2016 across ANZ, with 12 more since 1 July 2016
- 2 new Fly large format banners since 1 July 2016 including 360° 'Halo', Melbourne
- 9 more Road billboards and 26 more Retail banners forecast by end H2 2016



## STRATEGIC ACQUISITIONS

- Inlink business and people successfully integrated in Locate by oOh! (formerly Place)
- Acquisition of Junkee Media, leading content provider – 1 July 2016
- Acquisition of Cactus Imaging, leader in digital printing & production – 1 August 2016



## CONTRACTS

- Virgin Australia Brisbane Airport win
- Melbourne Airport extension and rights expansion
- 50 shopping centres contract renewals and wins
- 330 Road contract renewals and wins



# OPERATIONAL HIGHLIGHTS



## CONTENT & DATA

- 8 owned online platforms including **Hijacked**, **ShortPress** and **Junkee**
- Linking of **physical**, **online**, **social** and **social media** platforms
- **Native content** converting integrated campaign opportunities
- Exclusive Out Of Home relationship with **Quantum**



## GROWING AUDIENCE

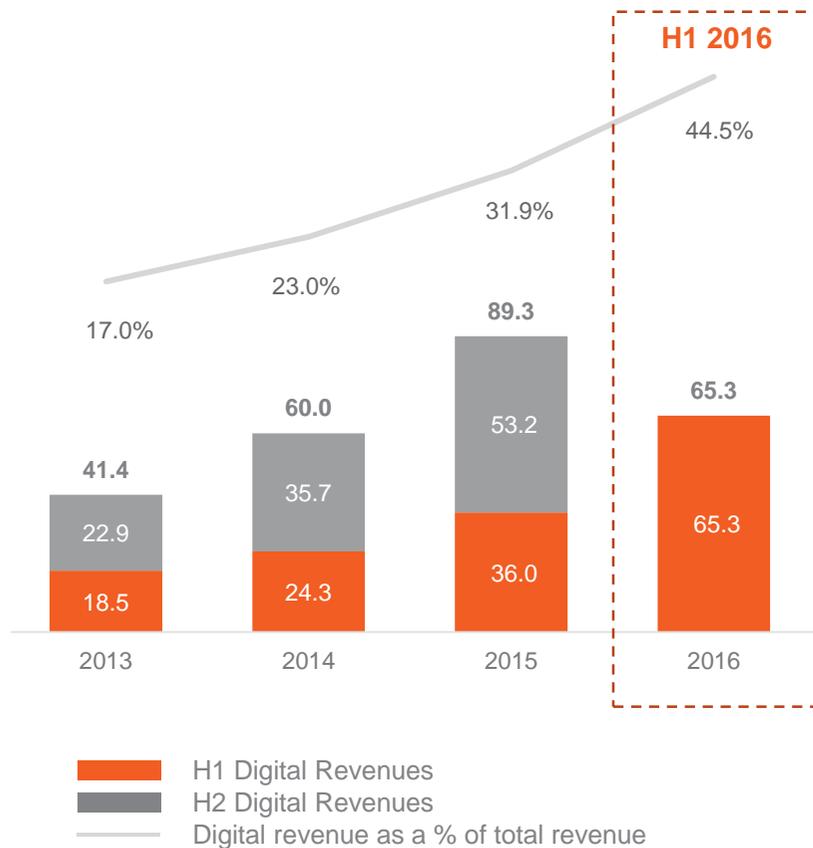
- Interactive **EXCITE** panels delivering deeper audience engagement
- Extended **Road reach in Melbourne** to cover almost all major roads
- Extended **CBD** audience
- **Melbourne Airport** advertising rights expanded to mobile, online and wifi



# H1 2016 DIGITAL HIGHLIGHTS



## DIGITAL REVENUE AS % TOTAL REVENUE



- Digital assets close to 3x on prior corresponding period
- 6,000+ digital assets in network (up from 2,100 at end H1 2015)

**DIGITAL REVENUE  
\$65 MILLION REPRESENTING  
81% GROWTH**

- Successful integration of Inlink's 2,800 digital screens (CBD environment)
- oOh! leads industry in digital revenue penetration
- On track to exceed digital revenue target of 45-50% of total revenue well before 2018 target (set in 2015)

# LEADING DIGITAL MARKET POSITION



oOh!media's leading ANZ digital network and reach - 6,000+ digital signs and online platforms



**+40**

Road side digital screens and growing



**+1,550**

digital screens in Retail environments



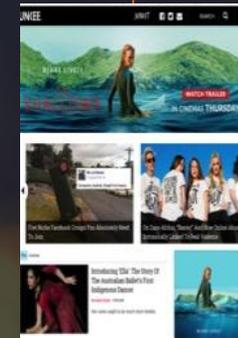
**+240**

internal Fly digital panels



**+4,200**

Locate by oOh!  
CBD, gym, uni, café



**8**

owned online platforms

Integrated digital strategy linking physical signs with the mobile, social and online environments



Tap or Scan



QView mobile



Wi-Fi Venue



In2Indoor



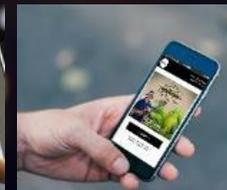
Junkee



Hijacked



ShortPress



CityLife

# DIGITAL INNOVATION



**LOCATION** Bourke Street Mall, Melbourne



**Campaign Innovation Outcome**

Bonds 'The Boys'  
Full motion creative changes via live weather feed  
Increased audience engagement via relevant message delivered at right time to mass audience.  
Winner Silver Lion, Cannes 2016

**Campaign Innovation**

Woolworths 'Pokemon Go Lure'  
Digital immediacy used to make Woolworths part of Pokemon Go conversation

**Outcome**

Highly engaged audience directed in store

oh!

THE BODY

Ended his service in 2005.  
Ended his life in 2006.

MAKE DONATION HERE

WALKING DEAD

RETURNED SOLDIERS FROM SUICIDE

**FINANCIAL  
PERFORMANCE**

**4**

# SUMMARY FINANCIAL INFORMATION

## H1 2016 VS H1 2015



| (\$m)  | H1 2016      | H1 2015      | CHANGE %       |
|--|--------------|--------------|----------------|
| <b>REVENUE</b>   | <b>146.6</b> | <b>124.1</b> | <b>18.2%</b>   |
| <b>EBITDA</b>  | <b>26.8</b>  | <b>20.2</b>  | <b>32.7%</b>   |
| <b>ADJUSTED NPAT<sup>(1)</sup></b>   | <b>11.4</b>  | <b>8.5</b>   | <b>34.8%</b>   |
| <b>ADJUSTED EPS<sup>(1)</sup></b><br><b>(CENTS PER SHARE)</b>                | <b>7.6</b>   | <b>5.7</b>   | <b>33.3%</b>   |
| <b>INTERIM DIVIDEND</b><br><b>(CENTS PER SHARE, FULLY</b><br><b>FRANKED)</b> | <b>4.0</b>   | <b>2.8</b>   | <b>42.9%</b>   |
| <b>NET DEBT/EBITDA</b>   | <b>1.7x</b>  | <b>1.3x</b>  | <b>(30.8%)</b> |

# FULL PROFIT AND LOSS



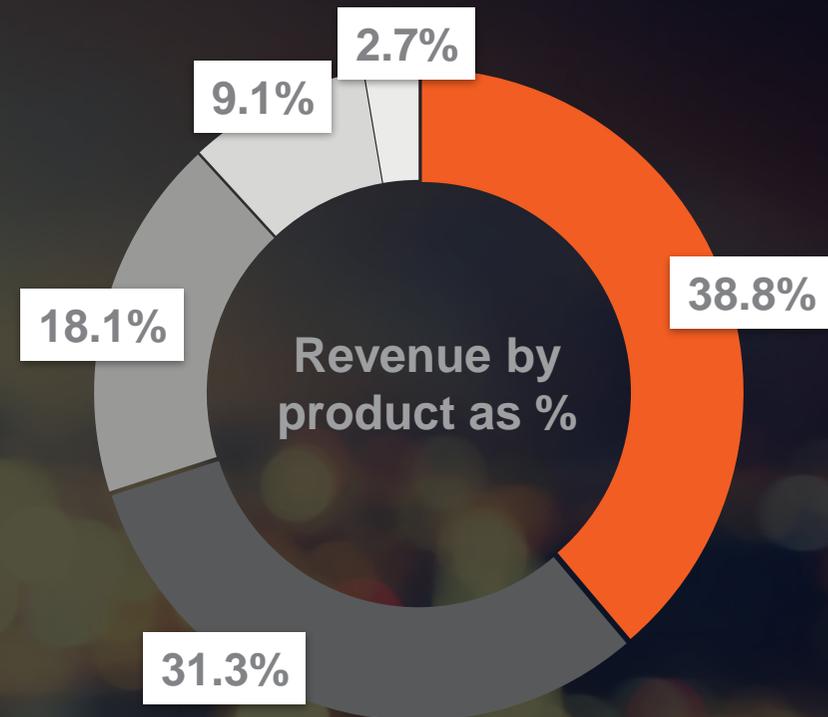
| \$m                                      | H1 2016      | H1 2015      | Change %     |
|--|--------------|--------------|--------------|
| Revenue                                  | 146.6        | 124.1        | 18.2%        |
| Cost of media sites and production       | (86.5)       | (81.1)       | (6.7%)       |
| <b>Gross profit</b>                      | <b>60.1</b>  | <b>43.0</b>  | <b>40.0%</b> |
| <i>Gross profit margin %</i>             | <i>41.0%</i> | <i>34.6%</i> | <i>15.6%</i> |
| Total operating expenditure              | (33.4)       | (22.8)       | (46.4%)      |
| <b>EBITDA</b>                            | <b>26.8</b>  | <b>20.2</b>  | <b>32.7%</b> |
| <i>EBITDA margin</i>                     | <i>18.3%</i> | <i>16.3%</i> | <i>12.3%</i> |
| Depreciation & Amortisation              | (12.6)       | (10.8)       | (16.7%)      |
| <b>EBIT</b>                              | <b>14.2</b>  | <b>9.4</b>   | <b>50.6%</b> |
| Net finance costs                        | (2.4)        | (1.8)        | (31.5%)      |
| <b>Profit/(loss) before tax</b>          | <b>11.8</b>  | <b>7.6</b>   | <b>56.2%</b> |
| Income tax (expense)/benefit             | (5.8)        | (3.8)        | (54.4%)      |
| <b>Net Profit After Tax (NPAT)</b>       | <b>6.0</b>   | <b>3.8</b>   | <b>57.9%</b> |
| <b>Adjusted NPAT (Add: Amortisation)</b> | <b>11.4</b>  | <b>8.5</b>   | <b>34.8%</b> |

- Strong underlying revenue growth
- Gross profit increase of 40.0%, gross profit margin up 6.4% (digital revenue and product mix)
- EBITDA growth of 32.7%, EBITDA margin up 2.0%.
- Inlink acquisition and continued investment in line with growth strategy resulted in increased current operating expenditure
- Adjusted NPAT increase of 34.8% reflecting prudent use of capital structure to drive shareholder returns

# REVENUE BY PRODUCT



| \$m                             | H1 2016      | H1 2015      | Change %     |
|---------------------------------|--------------|--------------|--------------|
| Road                            | 56.8         | 50.4         | 12.9%        |
| Retail                          | 45.9         | 40.6         | 13.1%        |
| Fly                             | 26.5         | 26.2         | 1.1%         |
| Locate by oOh! (formerly Place) | 13.4         | 4.8          | 178.7%       |
| New Zealand                     | 4.0          | 2.0          | 94.3%        |
| <b>Total revenue</b>            | <b>146.6</b> | <b>124.1</b> | <b>18.2%</b> |



- All products contributing to revenue growth
- Fly strong underlying growth offsetting T2 loss
- Locate by oOh! results driven by organic growth and strong Inlink revenue growth since acquisition

# BALANCE SHEET AND CREDIT RATIOS

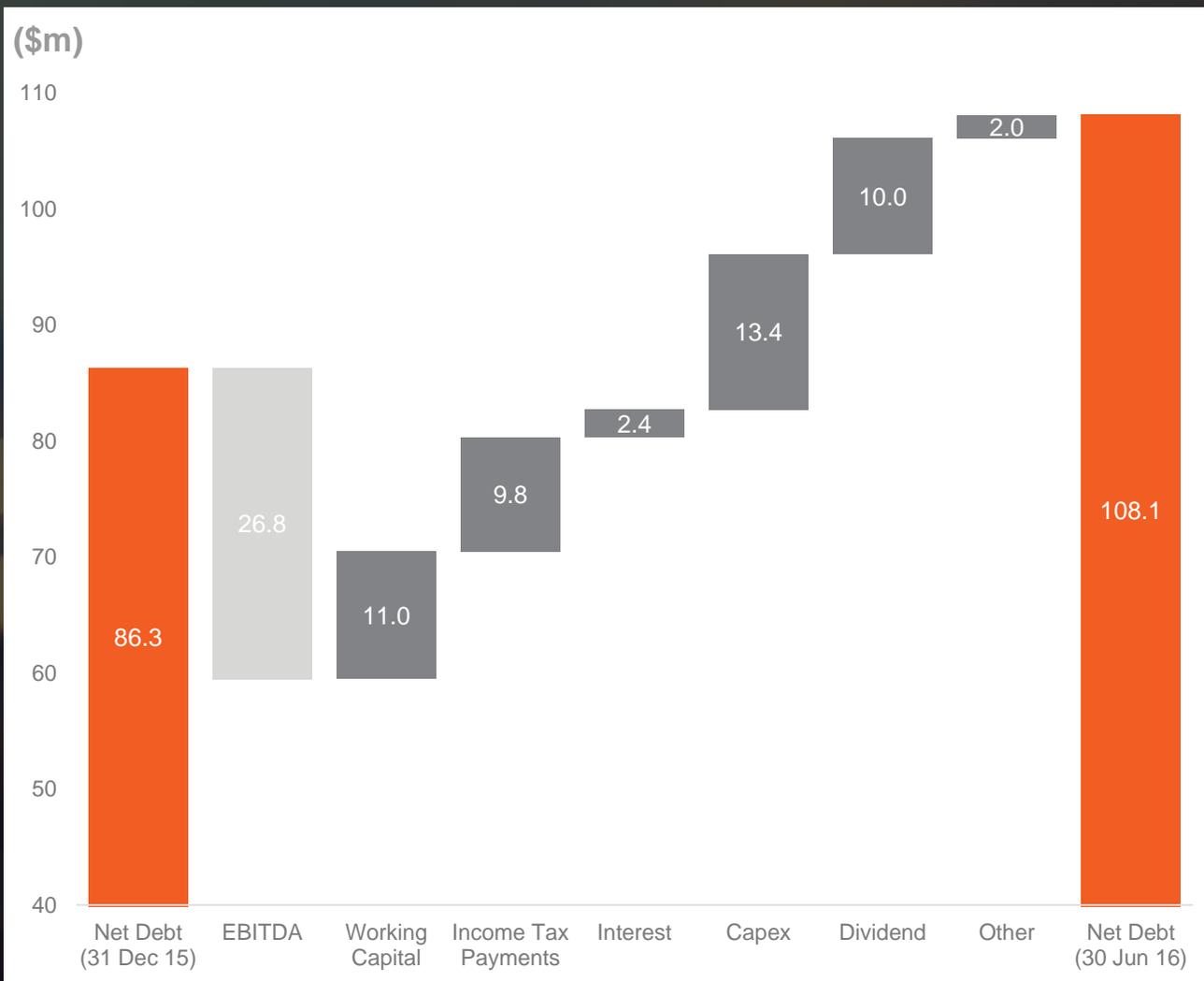


| \$m                           | 30 Jun 16    | 31 Dec 2015  | Change %      |
|-------------------------------|--------------|--------------|---------------|
| Cash and cash equivalents     | 9.7          | 18.5         | (47.8%)       |
| Trade and other receivables   | 74.7         | 60.1         | 24.3%         |
| Other current assets          | 7.6          | 6.6          | 15.3%         |
| Property, plant and equipment | 86.1         | 80.3         | 7.3%          |
| Intangible assets & goodwill  | 250.2        | 255.5        | (2.1%)        |
| <b>Total assets</b>           | <b>436.4</b> | <b>431.1</b> | <b>1.2%</b>   |
| Trade payables                | 40.3         | 38.6         | 4.4%          |
| Other current liabilities     | 10.4         | 17.1         | (39.1%)       |
| Borrowings                    | 117.8        | 104.7        | 12.4%         |
| <b>Total liabilities</b>      | <b>184.7</b> | <b>176.1</b> | <b>4.9%</b>   |
| <b>Net assets</b>             | <b>251.7</b> | <b>254.9</b> | <b>(1.2%)</b> |
| <b>Credit metrics</b>         |              |              |               |
| Gross debt                    | 117.7        | 104.7        | 12.4%         |
| Net debt                      | 108.1        | 86.3         | 25.3%         |
| Net debt / EBITDA             | 1.7x         | 1.5x         | 13.3%         |

- Strong balance sheet position to support future growth initiatives
- Trade receivable increase of 24.3% attributable to strong revenue growth and timing of lunar billing periods<sup>(1)</sup>
- Growth in property, plant and equipment reflecting continued investment in digital assets
- Net debt / EBITDA of 1.7x well within financial covenants
- Total debt facilities of \$190.0m

(1) There are 13 standard media billing periods in a year. Each period is made up of four weeks, beginning on a Monday and ending on the Sunday. This four week period is commonly referred to as a lunar period in media and can result in two billing periods occurring in the same calendar month. For oOh!, this occurs towards the end of the second quarter (increasing the media receivables) which is then collected in the third quarter.

# NET DEBT RECONCILIATION



- \$21.8m movement in Net debt in H1 2016 due to:
  - Strong EBITDA contribution
  - Growth in working capital from strong revenue and the timing of the double lunar billings at June quarter end
  - Tax payment for CY 2015
  - Interest in ordinary course
  - Capital expenditure up 30% investing for future growth
  - Final dividend for CY 2015
- All dividends funded from full year operating cashflows

# CASH FLOW



| \$m  | H1 2016       | H1 2015     | Variance      |
|--|---------------|-------------|---------------|
| EBITDA   | 26.8          | 20.2        | 6.6           |
| Interest and income tax                          | (12.3)        | (1.7)       | (10.6)        |
| Net change in working capital and non-cash items | (11.0)        | (6.6)       | (4.4)         |
| <b>Net cash from operating activities</b>        | <b>3.5</b>    | <b>11.9</b> | <b>(8.4)</b>  |
| Capital expenditure                              | (13.4)        | (10.3)      | (3.1)         |
| Acquisitions                                     | 0.1           | (0.6)       | 0.7           |
| Concessional development advances/(payments)     | (2.0)         | -           | (2.0)         |
| <b>Net cash flow before financing</b>            | <b>(11.8)</b> | <b>0.9</b>  | <b>(12.7)</b> |

- Compared to CY 2015, cash conversion has softened, due to:
  - Tax payments that were not represented in the prior period
  - An increase in working capital from strong revenue and the timing of the double lunar billings at June quarter end
  - Capital expenditure of \$13.4m reflecting continued investment in rollout of assets
- Consistent with previous years, expect cash conversion to be significantly stronger in H2 2016



**GUIDANCE**

**5**



## 1 Reaffirm Full Year Guidance

- Reaffirm EBITDA guidance of between \$68.0 - \$72.0m
- Revised upper range of capex guidance from \$25.0m up to \$35.0m to accelerate opportunities for digital asset conversions

## 2 Board confirms full year dividend payout ratio 40%-60% NPATA



QUESTIONS

6



**APPENDIX** **A**



# FINANCIAL INFORMATION NOTICE



## Pro forma financial information

oOh!media uses certain measures to manage and report on its business that are not recognised under Australian Accounting Standards. These measures are referred to as non-IFRS financial information.

oOh!media considers that this non-IFRS financial information is important to assist in evaluating oOh!media's performance. The information is presented to assist in making appropriate comparisons with prior periods and to assess the operating performance of the business.

All dollar values are in Australian dollars (A\$) unless otherwise stated.

Non-IFRS and pro forma measures have not been subject to audit or review.

## Glossary

|               |  |
|---------------|--|
| EBIT          | Earnings before interest and tax                                     |
| EBITA         | Earnings before interest, tax and amortisation                       |
| EBITDA        | Earnings before interest, tax, depreciation and amortisation         |
| NPAT          | Net profit after tax   |
| Adjusted NPAT | Net profit after tax before acquired amortisation and non-cash items |

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