Enero Group
FY22 Half Year Results

17 February 2022

enero

Agenda

Business Performance & Strategy Overview

Trading Update

Group Financials

Q&A

Business Performance & Strategy Overview

Brent Scrimshaw - CEO

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Delivering on our strategy

STRATEGIC PRIORITIES

TALENT

Enhance leadership and diversify skillsets to drive organic growth

CAPABILITY

Undertake M&A to strengthen current portfolio

PRODUCTIVITY

Implement technology and processes to improve productivity and profitability

INNOVATION

Create an innovation engine to drive new business growth

H1 PROGRESS

Talent

Strong talent acquisitions in key roles at OB Media, Orchard and BMF

Strong NPS scores despite competitive environment for talent

Capability

Hotwire MBA proposition delivers joint wins and cross selling to existing client base

Productivity

+23% FY22 H1 EBITDA growth and +29% adjusted for JobKeeper

EBITDA margin up 210bpt to 32.1%

Innovation

Ongoing assessment of technology and data opportunities

Flexible balance sheet with net cash of $47m* to support M&A opportunities

*Adjusted for contingent consideration

Group Trading Performance

($M)	FY22 H1	FY21 H1	% Change
Net revenue	**93.2**	81.0	15.1%
Expenses	**(63.3)**	(56.7)	11.6%
Operating EBITDA[1]	**29.9**	24.3	23.3%
Operating EBITDA margin[2]	**32.1%**	30.0%	210bpt
Net profit attributable to equity owners[3]	**13.7**	13.3	3.3%
Earnings per share (EPS) - basic[3]	**15.7 cents**	15.4 cents	2.0%
Dividend per share (interim) – fully franked	**6.0 cents**	10.5 cents	(42.9%)

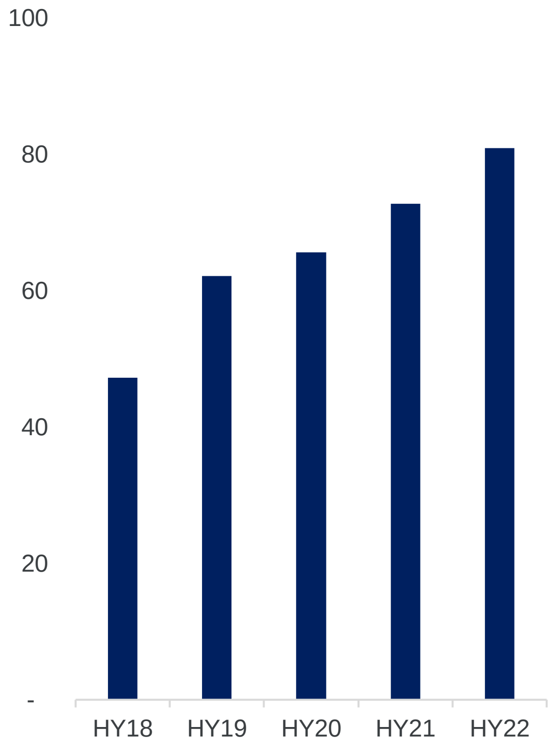
1. Operating EBITDA is net profit before interest, taxes, depreciation of plant & equipment, amortisation of intangibles, impairment of intangibles and losses on disposal of controlled entities. Operating EBITDA includes depreciation of Right-of-use assets recognised in accordance with AASB16.
2. Operating EBITDA margin is Operating EBITDA / Net revenue.
3. Refer to Slide 23 for a reconciliation to statutory results.

HIGHLIGHTS

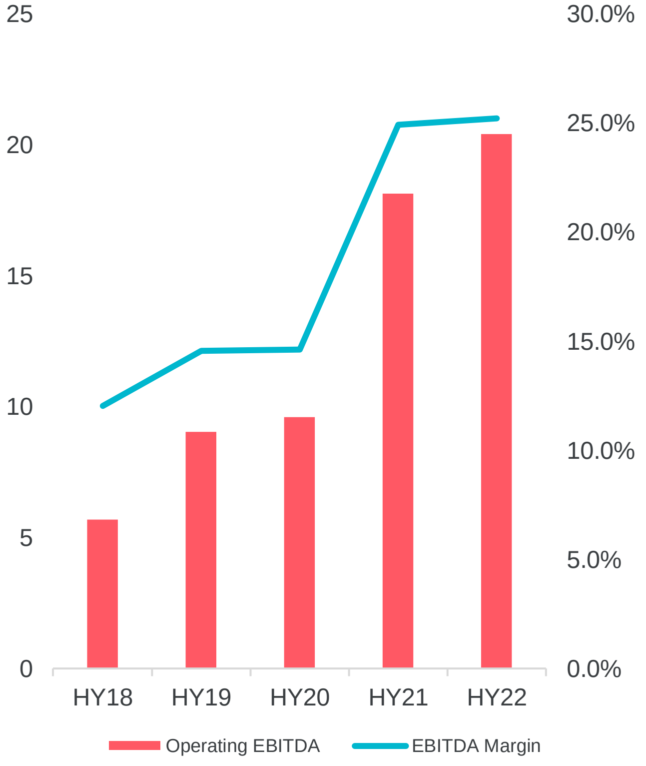
- Operating EBITDA growth of 23.3% YoY. Adjusting for impact of JobKeeper in FY21 H1, operating EBITDA growth of 29.0%
- NPAT growth of 3.3% impacted by:
  - Higher tax rate due to full recoupment of historic tax losses
  - Higher non-controlling interests expense due to strong growth at 51%-owned OB Media
- Dividend payout ratio consistent with FY21 H2

Track record of sustainable growth continues

GROWING NET REVENUE (A$M)*



GROWING OPERATING EBITDA (A$M) AND MARGIN (%)*



*Revenue and Operating EBITDA reflect 51% economic interest in OB Media

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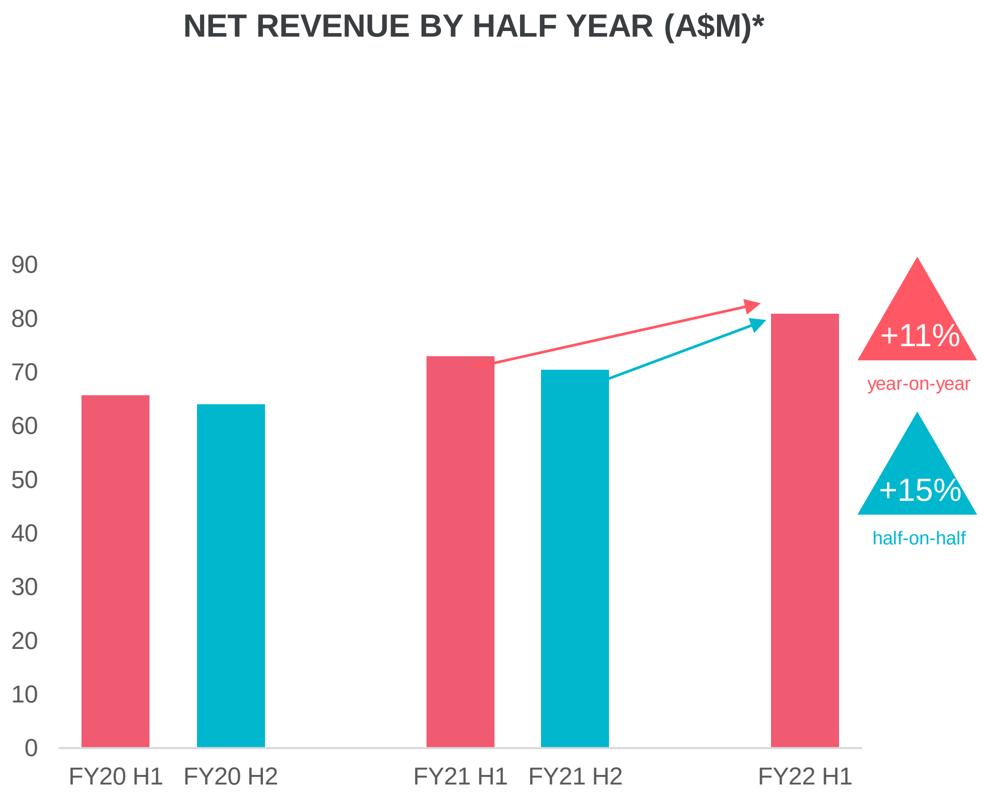
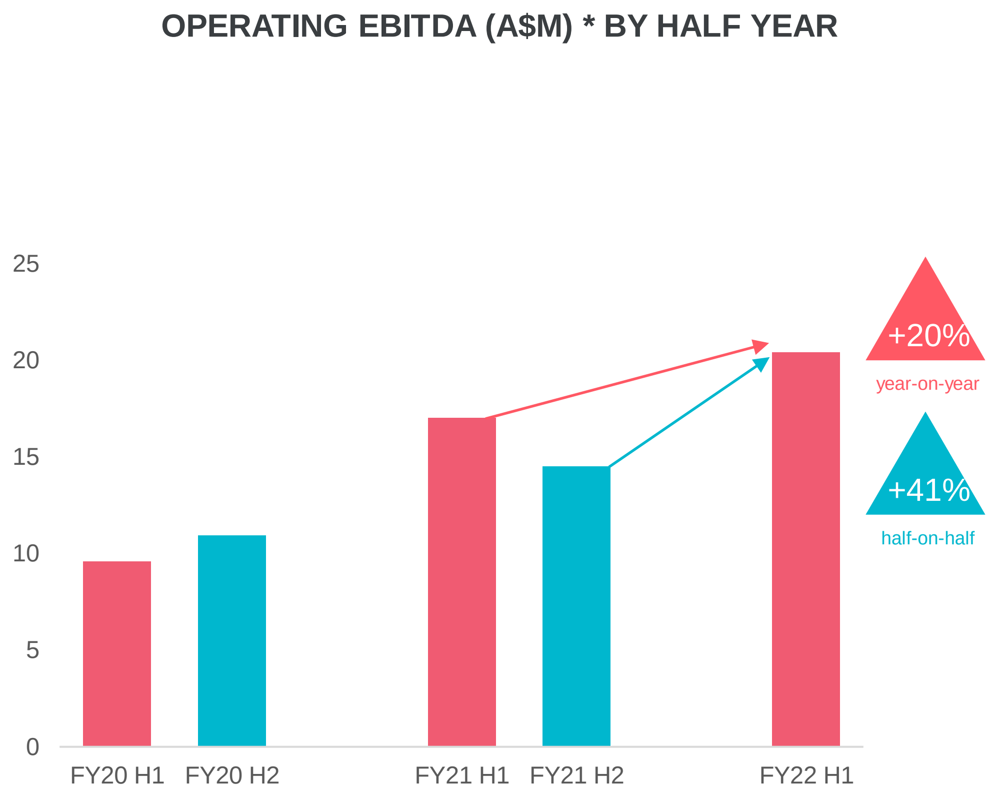
HIGHLIGHTS

- Net revenue has grown both organically and through acquisitions over the past 5 years. Acquisitions include McDonald Butler Associates (MBA) in FY21 and Orchard in FY18.
- Revenue grew 11%* in FY22 H1, including impact of MBA acquired in April 2021 and Frank PR divested in March 2021.
- Operating EBITDA growth has generated capital for growth allocated to the larger brands and future M&A.
- Operating EBITDA margin expansion from 12% to 25% driven through growth in higher margin businesses such as OB Media, efficient operating cost base and continued leverage of corporate centres of excellence.

FY22 H1 performance builds on strong FY21





*Revenue and Operating EBITDA reflect 51% economic interest in OB Media and exclude JobKeeper

Our global operating model

WHO WE ARE	enero WE ARE A CREATIVE TECHNOLOGY COMPANY A group of specialists who accelerate high-growth businesses by transforming brands and deploying creative technology and data to enrich customer experiences
PORTFOLIO	BRAND TRANSFORMATION Human-generated creative ideas to transform the way customers and stakeholders connect and engage with brands HOTWIRE | bmf | cpr Issues Government Media
	CREATIVE TECHNOLOGY AND DATA High-quality customer experiences connected by technology and enabled by data orchard | OBmedia | THE LEADING EDGE | the digital edge
PRIORITY VERTICALS	TECHNOLOGY | HEALTHCARE | CONSUMER
CENTRES OF EXCELLENCE	People and Culture | Finance | Technology | M&A | Legal

Priority Vertical - Technology

Our holistic approach to technology across both operating segments

BRAND TRANSFORMATION

HOTWIRE

Expanding relationships with enterprise technology clients

NEW CLIENTS FY22

aircall	AUTOMOX	Bolt	Bright Machines.	cybex
headspace	kyndryl	LINKSYS	LogicMonitor	MEGADEV
PELOTON	QA	sage	Sendoso	SoundHound Inc.

THE WORLD'S MOST EXCITING TECH & INNOVATION COMPANIES

Adobe	amazon	ATLASSIAN	AVAYA	citrix	CLOUDERA
DELL	ebay	Google	GROUPE SEB	Honeywell	IBM.
Klarna.	LinkedIn	Meta		NTT	Pinterest
	Telefonica			vmware	zoom

CREATIVE TECHNOLOGY AND DATA

PROGRAMMATIC PLATFORM

Uses AI and automation to enhance advertising efficiency in monetizing web traffic

DATA WAREHOUSE

Automated customer acquisition, real-time reporting and revenue attribution platform

PRIVACY COMPLIANT

Well positioned for the future of online privacy with first party data, not reliant on third-party cookies

OBmedia

Investment in our proprietary technology

113M

Consumers delivered to advertiser websites

+80%

FY22 H1 vs FY21 H1

Implementing our M&A strategy

FY22 Strategic Priorities

- Capability enhancement
- Innovation

Existing Portfolio

Global Acceleration Brands	*Brands with opportunity for global scale and capability*
Enhance and Grow Brands	*Brands with differentiated local market leadership*

Portfolio Expansion

- Acquisitions of standalone data and Martech businesses
- Selective investments in disruptive innovations (within and outside of the Group)

Transforming the Hotwire offering through performance marketing

THE OPPORTUNITY

REPUTATION
Drive Reputation
Brand strategy, narrative development, awareness and positioning

RELATIONSHIP
Grow Relationships
Develop relationships with media, influencers, analysts, and target accounts

REVENUE
Deliver Revenue
Support revenue generation across targeted accounts with a data and digital first approach

HOTWIRE

CORE CAPABILITIES

Insights & Evaluation

Communications & Brand Strategy

Design & Film

Public Relations

Social Media Marketing

McDONALDBUTLER

NEW DIGITAL PERFORMANCE MARKETING CAPABILITIES

Industry Marketing

Account Based Marketing

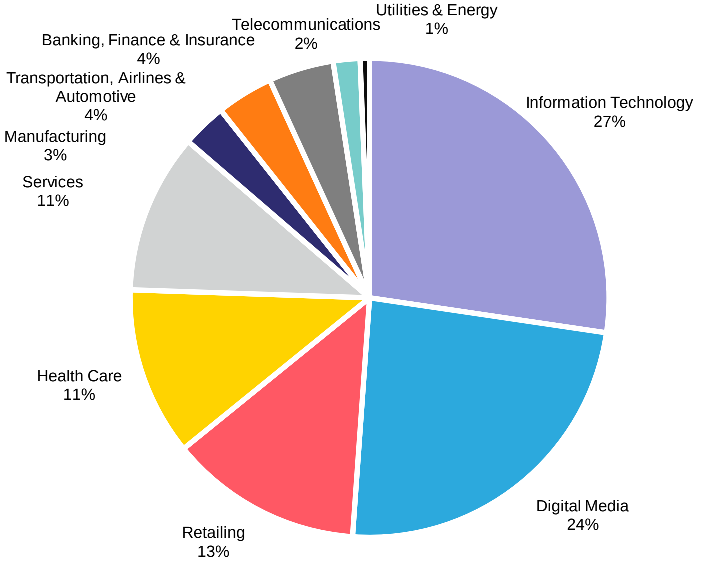
Channel & Alliances Marketing

Client Analysis

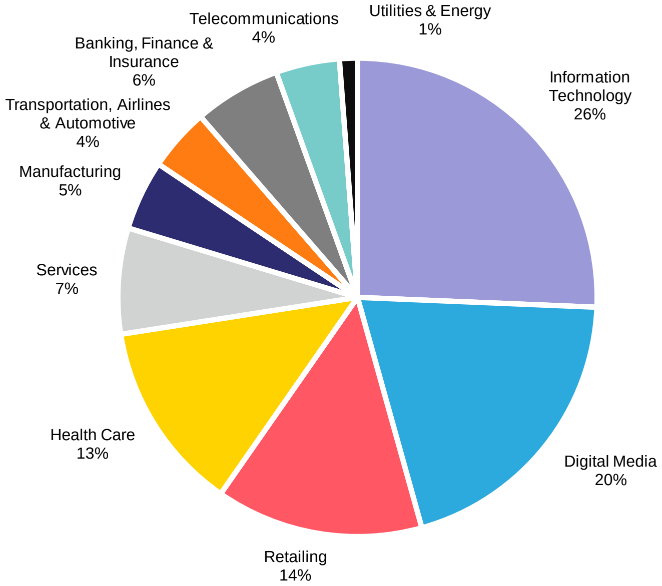
REVENUE DIVERSIFICATION

- Strong client diversification with mix of clients across market industries and sectors.
- Top 10 clients represent 53% of total revenue. Efforts across the Group to maximise larger clients with more touchpoints.
- Highest growth in Digital Media, Information Technology (contribution from MBA acquired April 2021) and Services sectors, while retaining significant share in Health Care consistent with strategy and sector expertise.

REVENUE BY INDUSTRY (FY22H1)*



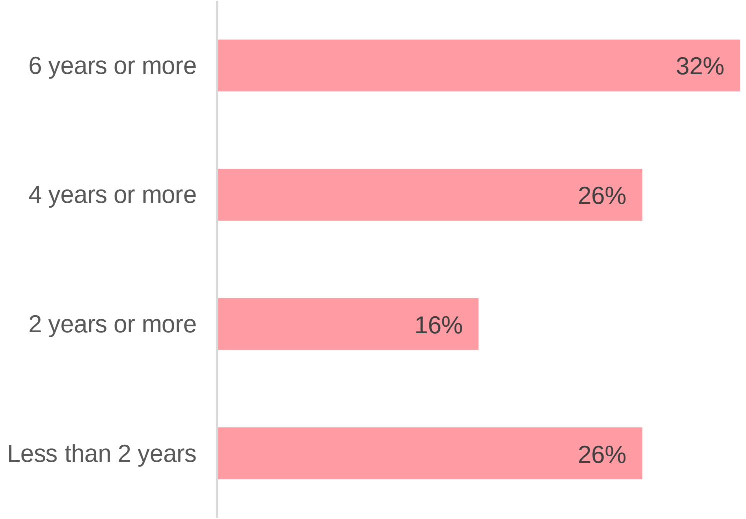
REVENUE BY INDUSTRY (FY21H1)*



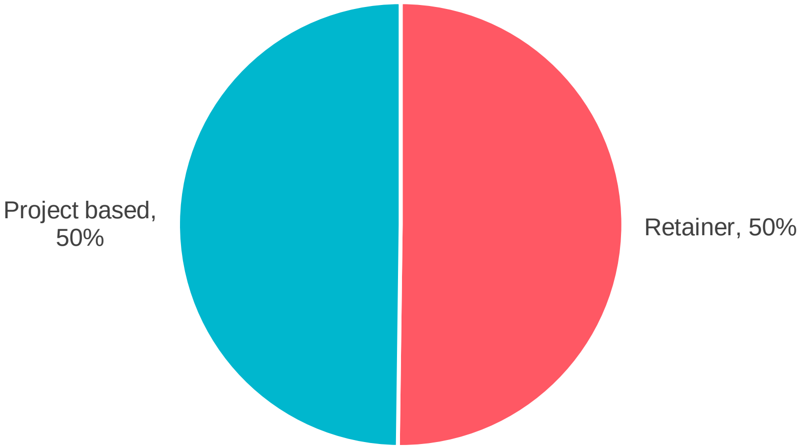
*Includes 51% economic interest in OB Media

Creating repeatable revenue

ATTRACTIVE CLIENT LONGEVITY



BALANCED REVENUE CONTRIBUTION*



HIGHLIGHTS

- The longevity of clients is reflected in 58% having a duration of 4 years or more, supported by Enero's broad offering of services and capabilities which support client retention.
- The progressive nature of our service offering supports and accelerates high-growth businesses by transforming brands and deploying creative technology and data solutions.
- The consulting nature of our services spans both retainer and project based work depending on clients needs.

*Excludes OB Media

Results by Geography

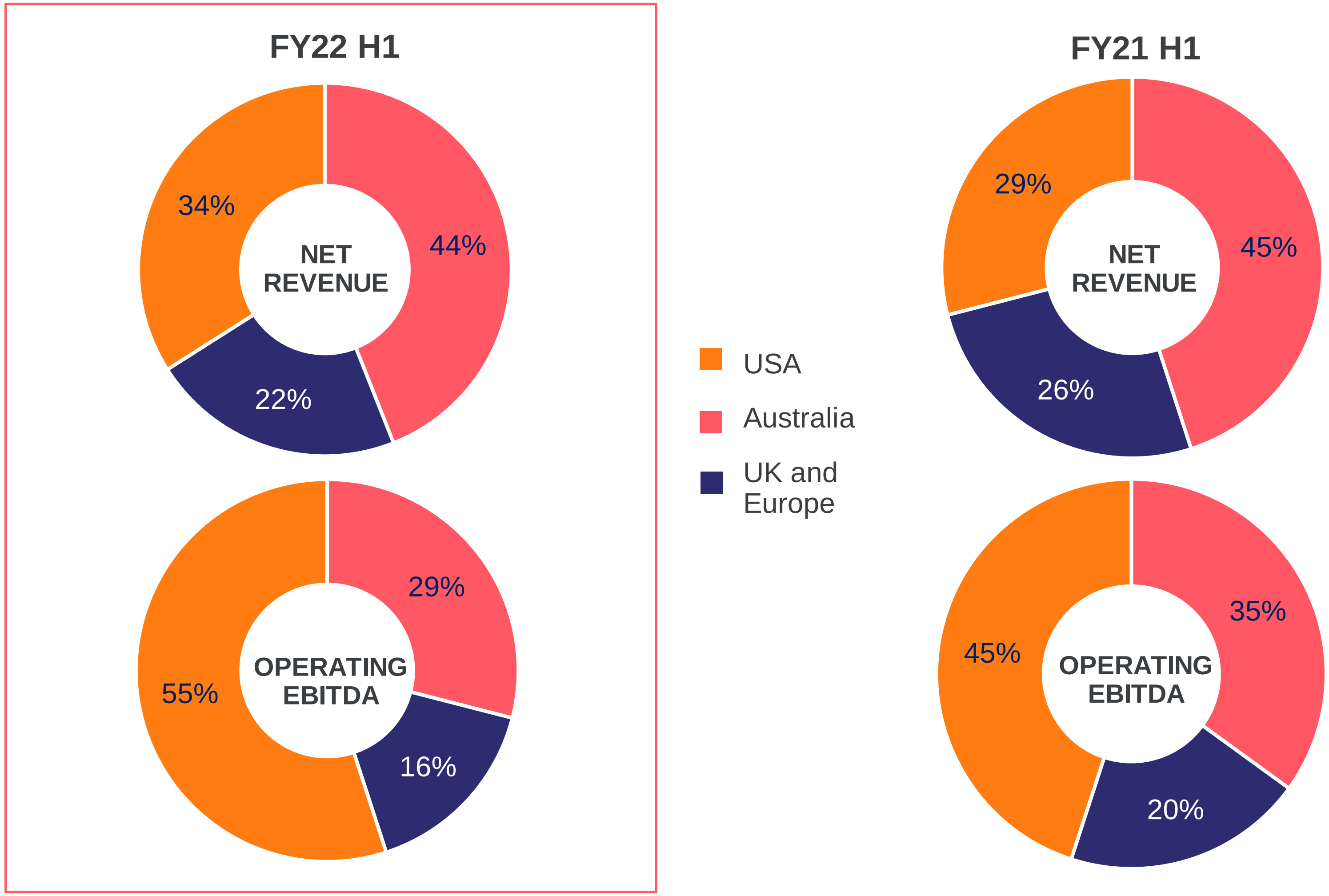
($M)	FY22 H1	FY21 H1	% Change	Constant Currency Variance
Net revenue				
USA	39.8	28.9	37.5%	39.1%
Australia	35.4	32.7	8.2%	8.2%
UK and Europe	18.0	19.4	(6.8%)	(6.5%)
Total	**93.2**	**81.0**	**15.1%**	15.4%
Operating EBITDA				
USA	23.4	15.9	47.4%	49.1%
Australia	7.2	7.7	(6.4%)	(6.4%)
UK and Europe	4.0	4.4	(7.5%)	(6.7%)
Total	**34.6**	**28.0**	**24.0%**	
Corporate costs	(4.7)	(3.7)	28.7%	
Group Operating EBITDA	**29.9**	**24.3**	**23.3%**	24.1%

HIGHLIGHTS

- Marginally stronger Australian dollar had nominal negative impact on reported Net Revenue and Operating EBITDA.
- Decline in Operating EBITDA in Australia is on account of JobKeeper subsidy of $1.1m received in FY21H1 (no subsidy in FY22H1).
- Decline in UK and Europe is due to divestment of Frank PR in March 2021, partially offset by contribution from MBA acquired in April 2021.

Results by Geography

Geographical contribution from operating companies*



HIGHLIGHTS

- In FY22 H1 international operations accounted for 56% of total revenue and 71% of Operating Companies EBITDA.
- Strong growth in the US businesses increased their contribution to group earnings. On an economic interest basis, net revenue increased to 34% of total from 29% in FY21H1. Operating EBITDA increased to 55% of total from 45% in FY21H1, reflecting high margins.

* Includes 51% economic interest in OB Media

USA

($M) AS REPORTED	FY22 H1	FY21 H1	% Change	Constant Currency Variance
Net revenue	39.8	28.9	37.5%	39.1%
Operating EBITDA	23.4	15.9	47.4%	49.1%
Operating EBITDA margin	58.8%	54.9%	390bpt	

($M) ECONOMIC INTEREST*	FY22 H1	FY21 H1	% Change	Constant Currency Variance
Net revenue	27.5	20.8	32.6%	34.1%
Operating EBITDA	13.9	9.7	42.6%	44.3%
Operating EBITDA margin	50.4%	46.9%	350bpt	

*Reflects Enero's 51% ownership of OB Media

HIGHLIGHTS

- Strong revenue performance with significant margin acceleration.
- OB Media growth trajectory continues, benefiting from an accelerating structural shift in consumer behaviour to digital channels and e-commerce.
- Hotwire delivered 20%+ revenue growth with key client wins and organic growth in strong technology client base.

US PORTFOLIO

HOTWIRE | orchard | obmedia

Australia

($M) AS REPORTED	FY22 H1	FY21 H1	% Change	Constant Currency Variance
Net revenue	35.4	32.7	8.2%	-
Operating EBITDA	7.2	7.7	(6.4%)	-
Operating EBITDA margin	20.3%	23.4%	(310bpt)	-

($M) EXCL. JOB KEEPER	FY22 H1	FY21 H1	% Change	Constant Currency Variance
Net revenue	35.4	32.7	8.2%	-
Operating EBITDA	7.2	6.6	9.8%	-
Operating EBITDA margin	20.3%	20.0%	30bpt	-

HIGHLIGHTS

- Robust revenue and margin growth year-on-year (excluding JobKeeper subsidy).
- BMF traded strongly with 30% revenue growth driven by government projects, and high exposure to consumer sector.
- Orchard performance was solid given its strength in the healthcare sector. Consumer sector will expand in the second half of FY22 following the recent Tourism Tasmania win.
- Smaller agencies (The Leading Edge, Hotwire, CPR) revenue is broadly consistent with prior period.

AUSTRALIA PORTFOLIO

UK and Europe

($M) AS REPORTED	FY22 H1	FY21 H1	% Change	Constant Currency Variance
Net revenue	18.0	19.4	(6.8%)	(6.5%)
Operating EBITDA	4.0	4.4	(7.5%)	(6.7%)
Operating EBITDA margin	22.5%	22.7%	(20bpt)	

($M) CONTINUING BUSINESSES*	FY22 H1	FY21 H1	% Change	Constant Currency Variance
Net revenue	18.0	16.0	12.5%	11.9%
Operating EBITDA	4.0	3.3	22.5%	22.1%
Operating EBITDA margin	22.5%	20.7%	180bpt	

*excludes Frank which was divested in March 2021

HIGHLIGHTS

- Tech sector specialist, MBA, was acquired in April 2021 and fully integrated into Hotwire UK.
- The continuing businesses delivered revenue growth of 12.5% driven by UK, Spain and Italy.
- The Hotwire “Reputation to Revenue” combined offering is resonating with both existing and new clients delivering £0.7m in incremental H1 FY22 revenue.
- A strong cost focus across both UK and Europe has benefited Operating EBITDA margins.

UK/EUROPE PORTFOLIO

HOTWIRE

Trading Update

Brent Scrimshaw - CEO

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Trading Update

- Enero continues its track record of sustainable revenue and EBITDA growth.
- FY22 H2 has started off with strong growth in the US and a solid performance in Australia and UK/Europe.
- We remain focused on maintaining Enero's high margins across our strong and diversified portfolio.
- A strong pipeline of M&A opportunities remains a priority in FY22 to continue the growth and transformation of Enero's portfolio.
- There remains ongoing uncertainty around COVID conditions globally with industry-wide challenges around hiring which may lead to wage cost pressure. With travel opening up globally, discretionary travel costs are expected to increase from FY22 H2 onwards.

Group Financials

Carla Webb-Sear, CFO

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FY22 H1 Group Financial Performance

Profit and Loss Summary ($M)	FY22 H1	FY21 H1
Net revenue	93.2	81.0
Other income	0.1	1.4
Staff costs	(54.4)	(48.7)
Operating expenses	(7.0)	(7.1)
EBITDA	**31.9**	**26.6**
Depreciation ROUA	(2.0)	(2.3)
Operating EBITDA	**29.9**	**24.3**
Depreciation & amortisation	(1.6)	(1.4)
EBIT	**28.3**	**22.9**
Net finance costs	(0.5)	(0.8)
Net profit before tax	**27.8**	**22.1**
Tax expense	(6.7)	(3.8)
Non-controlling interests	(7.4)	(5.0)
Statutory net profit after tax to equity owners	**13.7**	**13.3**

HIGHLIGHTS

- 15% year-on-year revenue growth demonstrated ongoing strong momentum.
- Staff costs ratio lower at 58% (FY21H1 - 60%) despite investment in OB Media. Staff costs includes all fulltime employees and freelance/contractors.
- Operating costs ratio (including right-of-use asset charge) down to 10% (FY21H1: 12%) with continued strong cost discipline across all businesses and relatively lower operating cost (travel, office related) during COVID-19.
- Group net revenue and operating EBITDA represents OB Media consolidated at 100%.
- Effective tax rate of 24% increased from 17% in FY21 H1 due to Australia tax losses being fully recouped.

Segment Results

($M)	Net revenue			Operating EBITDA			Operating EBITDA margin	
	FY22 H1	FY21 H1	% Change	FY22 H1	FY21 H1	% Change	FY22 H1	FY21 H1
Brand transformation	53.8	49.5	8.8%	12.8	11.8	8.5%	23.7%	23.8%
Creative technology and data	39.4	31.5	24.9%	21.8	16.2	35.3%	55.5%	51.2%
Corporate costs	-	-	-	(4.7)	(3.7)	28.7%	-	-
ENERO Group	**93.2**	**81.0**	**15.1%**	**29.9**	**24.3**	**23.3%**	**32.1%**	**30.0%**

- Brand transformation: growth driven by combination of organic growth in BMF and Hotwire, and contribution from MBA acquired in April 2021, partially offset by reduction due to divestment of Frank PR in March 2021.
- Creative technology and data: growth driven by organic growth in Orchard and OBMedia.
- Corporate costs increased due to investment in additional capability in Head Office Centres of Excellence (COE) to support global growth and expense associated with the Share Appreciation Rights (SAR) allocation to senior employees under the existing SAR Plan.

Reconciliation of statutory (4D) to continuing business results

FY22 H1 ($M)	4D	Less Significant items	Statutory excluding significant items	Less Disposals	Continuing businesses
Net revenue	93.2	-	93.2	-	93.2
Other income	0.1	-	0.1	-	0.1
Expenses	(61.4)	-	(61.4)	-	(61.4)
Depreciation ROUA	(2.0)	-	(2.0)	-	(2.0)
Operating EBITDA	**29.9**	**-**	**29.9**	**-**	**29.9**
Depreciation & Amortisation	(1.6)	-	(1.6)	-	(1.6)
EBIT	**28.3**	**-**	**28.3**	**-**	**28.3**
Net finance costs	(0.5)	-	(0.5)	-	(0.5)
Net profit before tax	**27.8**	**-**	**27.8**	**-**	**27.8**
Tax expense	(6.7)	-	(6.7)	-	(6.7)
Net profit after tax	**21.1**	**-**	**21.1**	**-**	**21.1**
Net profit attributable to non-controlling interests	(7.4)	-	(7.4)	-	(7.4)
Net profit attributable to equity owners	**13.7**	**-**	**13.7**	**-**	**13.7**
Earnings per share (EPS) - basic	15.7 cents	-	15.7 cents	-	15.7 cents

Reconciliation of statutory (4D) to continuing business results

FY21 H1 ($M)	4D	Less Significant items	Statutory excluding significant items	Less Disposals	Continuing businesses
Net revenue	81.0	-	81.0	(4.3)	76.7
Other income	1.4	-	1.4	(0.2)	1.2
Expenses	(55.8)	-	(55.8)	2.8	(53.0)
Depreciation ROUA	(2.3)	-	(2.3)	0.3	(2.0)
Operating EBITDA	**24.3**	**-**	**24.3**	**(1.4)**	**22.9**
Depreciation & Amortisation	(1.4)	-	(1.4)	0.1	(1.3)
EBIT	**22.9**	**-**	**22.9**	**(1.3)**	**21.6**
Net finance costs	(0.8)	-	(0.8)	-	(0.8)
Net profit before tax	**22.1**	**-**	**22.1**	**(1.3)**	**20.8**
Tax expense	(3.8)	-	(3.8)	0.3	(3.5)
Net profit after tax	**18.3**	**-**	**18.3**	**(1.0)**	**17.3**
Net profit attributable to non-controlling interests	(5.0)	-	(5.0)	0.2	(4.8)
Net profit attributable to equity owners	**13.3**	**-**	**13.3**	**(0.8)**	**12.5**
Earnings per share (EPS) - basic	15.4 cents	-	15.4 cents	(0.9 cents)	14.5 cents

* relates to Frank which was divested in March 2021.

Balance Sheet

($M)	FY22 H1	FY21
Cash	56.5	50.7
Trade and other receivables	48.5	46.9
Other assets	4.5	4.9
Current assets	**109.5**	**102.5**
Deferred tax asset	2.2	2.0
Intangible assets	118.3	118.2
Property, Plant and Equipment	3.3	3.8
Non-current lease assets	7.3	8.0
Other non-current assets	0.2	0.2
Non-current assets	**131.3**	**132.2**
Total assets	**240.8**	**234.7**
Other current Liabilities	70.4	69.9
Lease liabilities	5.8	5.6
Contingent consideration payable	1.8	10.9
Current liabilities	**78.0**	**86.4**
Lease liabilities	4.8	6.3
Contingent consideration payable	7.7	9.2
Provisions	0.8	0.7
Non-current liabilities	**13.3**	**16.2**
Total liabilities	**91.3**	**102.6**
Net assets	**149.5**	**132.1**
Contributed equity	104.9	100.4
Retained profit (including appropriation reserve)	30.1	20.3
Other reserves	5.2	7.7
Total parent equity interest	**140.2**	**128.4**
Non-controlling interest	9.3	3.7
Total Equity	**149.5**	**132.1**

HIGHLIGHTS

- Increased cash position of $56.5m due to strong cash collection at period end and increase in non-controlling interest balance (dividend to be paid to NCI in FY22H2).
- Interim dividend of 6.0 cps fully franked payable on 16 March 2022, a payout ratio of 38%.
- $10.1m franking credit balance at 31 Dec. 2021.
- Balance sheet retains flexibility to pursue further acquisitions enhancing geographical presence in hubs or expansion of services.

Balance Sheet & Capital Management

CASH AND CONTINGENT CONSIDERATION ($M)	FY22 H1	FY21
Contingent consideration Opening 1 July (at present value)	20.1	25.6
Recognition on acquisition - MBA	-	8.9
Present value interest unwind / FX revaluations	0.4	0.5
Payments	(11.0)	(14.9)
Contingent consideration balance at end of period	**9.5**	**20.1**
Cash	56.5	50.7
Net cash adjusted for contingent consideration	**47.0**	**30.6**

HIGHLIGHTS

- Contingent consideration balance relates to MBA acquired in April 2021. Maturity profile is over the FY23 to FY25 periods.
- Actual payments are subject to performance subsequent to the reporting date and capped on the purchase price with minimum thresholds. Actual future payments may therefore differ from the estimated liability at reporting date.
- Final contingent consideration relating to Orchard Marketing paid in September 2021.
- Strong net cash position of $47.0m (30 June 2021 - $30.6m) at balance date.

Cash Flow & Working Capital

($M)	FY22 H1	FY21 H1
Operating EBITDA	29.9	24.3
Right-of-use asset depreciation charge	2.0	2.3
Movement in working capital	(1.4)	9.0
Equity incentive expense	0.8	0.6
Gross cash flow	**31.3**	**36.2**
Tax paid	(6.0)	(2.6)
Operating cash flow	**25.3**	**33.6**
Cash funded capex	(0.4)	(0.5)
Lease liability payments	(2.9)	(3.1)
Free cash flow	**22.0**	**30.0**

HIGHLIGHTS

- Cash conversion at 98% of EBITDA (excludes right-of-use asset depreciation charge) as compared to 137% in FY21H1 resulting from expected unwinding working capital. The Group targets a cash conversion of 85%.
- Tax payments made in all jurisdictions with increase predominantly in the USA and Australia (operations commenced to pay tax in FY21H2).
- Marginally lower lease payment relating to Frank PR (divested in March 2021).

Q&A

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