

ASX ANNOUNCEMENT

2022 Annual General Meeting CEO Address

20 October 2022

I am delighted to provide a business update to shareholders at today's AGM, as we look back on a year in which Enero continued to thrive, delivering exceptional results for our clients and our shareholders. Pleasingly, our financial performance was a direct result of our operating framework, and it's strategic execution and the contribution of our 900+ talented and committed team members around the world.

In a rapidly evolving and dynamic marketplace, client roles and responsibilities are merging, capabilities can no longer be siloed, and the role of procurement's is expanding to deliver maximum effectiveness and return on investment.

Clients are increasingly looking for a single integrated provider that understands both their industry, and their business inside and out. Enero's portfolio approach enables us to deliver integrated and relevant functional capabilities, combined with deep vertical expertise and industry-specific experience. We believe this is a game changing approach and you'll continue to see us execute against this strategy in our priority verticals over the next few years.

To illustrate the differentiation of our services and depth of our offering, Hotwire now has the capability to deliver fully integrated services to B2B technology clients globally, following the recent acquisitions of ROI DNA in the US and GetIT in Asia, along with integration of the Hotwire Marketing team (previously McDonald Butler) in the UK and Europe.

We identified a clear gap in the market to better serve our clients looking to directly connect the narrative from their reputation and relationship messaging to incorporate demand based revenue generating campaigns. For most clients this process has been inefficient, often leading to disconnected branding, and inconsistent results of both their communications and marketing campaigns.

Hotwire is now a distinctive brand and stands apart from the competition, by linking it's existing tech expertise and communications capabilities with the account based marketing (ABM) credentials of ROI DNA, GetIT and HW Marketing UK. With this full suite of integrated services, Hotwire is well positioned as the pre-eminent tech communications and marketing consultancy on a truly global basis.

Enero has continued to grow both consistently and sustainably over the past 5 years.

Our FY22 results build on this strong trajectory of revenue and EBITDA growth taking into account our 51% economic interest in OB Media.

Our net revenue CAGR of nearly 13% per annum has been built with a mix of both organic and inorganic growth, and we've also worked hard to become more efficient and profitable with an operating EBITDA CAGR of 32% per annum over the past 5 years.

Operating EBITDA margin expansion from 13% to 25% has been underpinned by growth from strategic investments in higher margin businesses such as OB Media and a focus on an delivering an increasingly efficient operating base.

So, our foundations are strong, and our results reflect the efforts of our talented, creative and innovative global teams who continued to again step up their performance in FY22.

We have worked hard to build an Enero Group that is diversified across revenue streams, business models, geographies and longevity of client relationships.

Our revenue continues to directly reflect our strategic focus, with our largest categories of Information Technology and Digital Media. If we double click into this technology revenue, we largely operate in the B2B tech marketplace and are well positioned with a relevant offering to capture opportunity in Industry growth segments including cloud computing, cyber security and digital transformation.

In terms of geographic diversification, nearly 60% of our revenue is now delivered offshore, and our 'sticky services' and strong and deep client relationships continue to deliver repeatability in our revenue, with 66% of our clients having been within the Enero group for four plus years and almost half at six years or longer which is a remarkable result.

Turning to segment highlights, starting with Brand Transformation, which achieved 11% growth in net revenue to \$106.7 million and over 13% growth in Operating EBITDA to \$24.2 million, driven by strong performances at both Hotwire and a record performance at BMF.

Hotwire continues to deliver against their vision to be the pre-eminent global tech communications consultancy, operating at the speed of tech, completing the full integration of the MBA team into Hotwire marketing UK in FY22, along with more than 20 award wins around the world for the year.

BMF is a globally renowned creative agency, famous as 'The Home of the Long Idea', and their delivery of enduring, effective and emotive end to end ideas. Creating some of Australia's most high profile and talked about campaigns in FY22, and celebrating its 25 birthday, BMF delivered its best year ever led by the creation of the COVID vaccine campaign for the Australian Federal Government and was also named the third most effective creative agency in the world by the WARC 100 – an amazing achievement on the world stage.

Now moving to Creative Technology and Data, which delivered 34% revenue growth to \$86.7 million and a 52% increase in EBITDA to \$48.6 million, underpinned by significant growth in OB Media, our 51%-owned programmatic marketing platform. OB Media deepened its investment in its artificial intelligence and automation to optimize overall campaign efficiency, with a 120% increase in customers delivered to advertisers and a 30% improvement in traffic conversion.

Our digital experiential business, Orchard again delivered both revenue and EBITDA growth in FY22, with margins consistent year on year. Significant highlights included client wins such as Epson, Tourism Tasmania, and Amaysim, in addition to the continued strong performance from its Australia Healthcare business unit. Orchard was also the most awarded agency at the 2021 PRIME Healthcare Marketing Awards, reflecting its innovative thought leadership in the healthcare marketing space.

With the addition of the ROI DNA and GetIT to the group, Enero now has 915 employees across 15 offices in strategically important international markets of significant scale.

In FY22, 58% of revenue and 74% of EBITDA was delivered from outside Australia, which provides further scope for future growth around the world and clearly dispels historical views of our business being predominantly 'local'.

To summarise the 2022 financial year, we successfully built on our breakthrough FY21 result by posting another successful year of strong revenue and EBITDA growth, record margins, broadened our revenue and geographic diversification, all whilst navigating through Covid 19 and an increasingly uncertain macro-economic environment.

Most importantly, however, is that clients both old and new are recognising us for our integrated services and deep vertical expertise, and we represent a reimagined opportunity for both clients and our talented global team to redefine expectations for modern marketing services for the future.

I would now like to give a sense of the company's outlook for the year ahead with our key priorities for FY23 and a Q1 FY23 trading update.

Starting with our key priorities for the year, which cover five key areas:

- Focus on our core: we will continue to drive key initiatives that strengthen and accelerate our existing business, and for the first time develop a clear ESG approach to underpin our business framework.
- Capability enhancement: it is critical to continue to develop and invest in new capability, to ensure our ongoing relevance and leadership in a dynamic global marketplace.
- Focus on commercialising our investments: with the development of a clear global go-to-market strategy of our recent acquisitions and will stay focused on driving commercial success.
- Drive efficiency: we will continue to drive efficiency through systems integration and simplify our processes to improve productivity in addition to diligent cost management and focus on profitability.
- Magnet for talent: we will continue to lead a post-COVID workplace model for the future, through global learning and development, and further diversity, equity and inclusion initiatives around the world.

Enero Group saw a continuation of its sustainable revenue and EBITDA growth over FY23Q1.

FY23 Q1 revenue is up 35% year-on-year and up 19% on a like for like basis excluding acquisitions and disposals.

The Creative Technology segment has continued its strong financial performance over the quarter. The Brand Transformation segment has benefited from the contributions of ROI DNA and GetIT, though is experiencing some impact from macro conditions in the US and UK that may contribute to slower client decision making continuing into Q2.

Enero remains focused on delivering organic growth and strong margins in FY23.

That concludes my presentation this morning. I'd like to thank you, all of our investors for your ongoing support and interest.

Authorised for release by the Board of Directors.

About Enero:

Enero Group is a specialist portfolio of marketing, technology and communications businesses listed on the ASX (Australian Stock Exchange) that includes creative agency BMF, PR and integrated communications agencies Hotwire and CPR,



performance marketing and digital agencies ROI DNA and GetIT, digital creative agency Orchard and adtech platform OB Media.

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