

# ASX ANNOUNCEMENT

## Enero Group continues strong growth trajectory with 39% increase in net revenue and underlying EBITDA for H1 FY23

**SYDNEY, AUSTRALIA, 16 February 2023:** Enero Group Limited (ASX: EGG) has reported its results for the 6 months ended 31 December 2022 (FY23 H1), highlighting the Group's continued success in delivering on its operational strategy and generating growth across key financial metrics.

### Key highlights (excluding significant times)

(\$ million)	FY23 H1	FY22 H1	% Change
Net revenue <sup>1</sup>	129.5	93.2	38.9%
EBITDA <sup>1</sup>	44.3	31.9	38.9%
EBITDA margin	34.2%	34.3%	(2 bps)
Net profit after tax attributable to equity holders	14.8	13.7	8.1%
Earnings per share (EPS)	16.1 cents	15.7 cents	2.4%

#### Notes:

1. Net revenue is gross revenue recognised in accordance with AASB15 less directly attributable cost of sales. EBITDA is profit before interest, taxes, depreciation, amortisation and any significant items.

### Commenting on the results, Enero Group CEO, Brent Scrimshaw said:

"Our financial results in the first half of FY23 are driven by a continued focus on our operating strategy and the strong execution across our diversified portfolio. While the macroeconomic environment has led to some market headwinds, each business in our portfolio continues to contribute to the Group's profitability, with the Creative Technology & Data segment, in particular, delivering a standout performance.

"Enero's deep and enduring client relationships and the strategic relevance of our market leading capabilities are key differentiators for continued business success. In today's dynamic global marketplace, this progressive capability mix continues to build upon our strong track record of sustainable revenue and EBITDA growth and positions us well to capitalise on the digital agendas and brand transformation solutions for clients worldwide.

"Through the acquisitions of ROI DNA and GetIT, Enero now has market leading performance marketing capabilities which provide us with additional opportunities to grow around the world."

## **Creative Technology & Data continues to accelerate, with Brand Transformation impacted by challenging macroeconomic conditions**

### *Creative Technology & Data*

The Creative Technology & Data segment's net revenue was up 57% to \$61.8 million (46% increase in constant currency terms) which was primarily driven by OBMedia's growth, as it diversifies capabilities and benefits from scale. OBMedia's performance delivered a 150% increase in consumers to advertiser websites and 170% growth in visitors; while Orchard was impacted by Health client delays and timing of client conferences which was partially offset by some growth in Consumer clients. New business wins from a strong pitch conversion rate will benefit FY23 H2.

### *Brand Transformation*

The Brand Transformation segment's net revenue was up 26% to \$67.7 million (25% increase in constant currency terms) as it benefited from the acquisition of ROI DNA and GetIT from 1 July 2022. Excluding the acquisitions, Hotwire experienced a single-digit decline in net revenue but achieved a double-digit EBITDA margin despite the challenging global macroeconomic environment. Second half margins at Hotwire will benefit from cost savings initiatives implemented in late Q2. In addition, BMF maintained its EBITDA margin as it cycles through a decline in Government health spend from FY22 highs.

## **Strong balance sheet supports global growth plans**

The Group's cash balance at 31 December 2022 decreased to \$38.0 million (30 June 2022: \$98.7 million) due to the acquisitions of ROI DNA and GetIT and repayments of \$10.3 million of debt. Net debt adjusted for contingent consideration was \$51.3 million with net cash of \$52.3 million at 30 June 2022.

FY23 H1 operating cash flow was \$5.5 million, with cash conversion at 36% due to two large customer payments to OBMedia and BMF which were received just after half year end. Adjusting for these payments cash conversion was at 74%.

## **Dividend payment supported by FY23 H1 performance and strong balance sheet**

The Directors declared an interim dividend of 6.5 cents per share, fully franked, up 8% on FY22 H1's interim dividend. The interim dividend will have a record date of 24 February 2023 and a payment date of 15 March 2023.

## **Trading update**

While still early in calendar 2023, the first six weeks of H2 has delivered a continuation of the macroeconomic headwinds experienced in FY23 H1.

The Creative Technology & Data segment has continued to deliver a strong financial performance albeit with lower growth rates as it cycles year on year comparatives. Enero continues to invest in the OBMedia business.

The Brand Transformation segment has experienced a slow start to the calendar year. The segment continues to see the impact of slower client decision making and conservatism across all geographies and in some cases, constrained client budgets.



Enero remains focused on managing near term margins and will continue to take appropriate steps to address current macroeconomic headwinds while positioning the business to capture client demand.

**Commenting on Enero Group’s achievements in creating a long-term growth platform, Brent Scrimshaw said:**

“Enero Group has delivered remarkable financial results in FY23 H1 with an impressive EBITDA margin of 34%. Within the portfolio OBMedia has delivered substantial growth through traffic diversification and ongoing technology investments.

“Enero has accelerated towards a leaner, differentiated offering across key markets. Through deep vertical expertise and integrated client support, we are confident that we will continue to deliver ongoing growth as we leverage programmatic digital media, marketing automation, and data analytics services.

“In addition, Enero Group’s unique culture will enable us to continue to attract the right talent in a more robust market as a true competitive advantage.”

**Investor conference call being held at 10:30am AEST today**

An investor conference call with Brent Scrimshaw (CEO) and Carla Webb-Sear (CFO) will be held today at 10.30am AEST. To participate, please register [here](#). Registered participants will be able to participate in the Q&A.

A replay will be available after the call [here](#).

- ENDS -

This announcement was authorised for release by the Board of Directors.

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**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 the Hotwire Group (Hotwire, ROI DNA and GetIT) and CPR, digital & experiential agency Orchard and adtech platform OBMedia.

[www.enero.com](http://www.enero.com)

## **Forward Looking Statements**

Certain statements made in this release are forward-looking statements. These forward-looking statements are not historical facts but rather are based on Enero Group's current expectations, estimates and projections about the industry in which Enero Group operates, and beliefs and assumptions. Forward looking statements can generally be identified by the use of forward looking words such as 'anticipate', 'believe', 'expect', 'project', 'forecast', 'estimate', 'likely', 'intend', 'should', 'will', 'could', 'may', 'target', 'plan' and other similar expressions within the meaning of securities laws of applicable jurisdictions. Indications of, and guidance or outlook on future earnings, distributions or financial position or performance are also forward looking statements. These statements are not guarantees of future performance and are subject to known and unknown risks, uncertainties and other factors, some of which are beyond the control of Enero Group, are difficult to predict and could cause actual results to differ materially from those expressed or forecasted in the forward -looking statements. Enero Group cautions shareholders and prospective shareholders not to place undue reliance on these forward-looking statements, which reflect the view of Enero Group only as of the date of this release. There can be no assurance that actual outcomes will not differ materially from these forward-looking statements.



# **Enero Group FY23 Half Year Results**

**16 February 2023**

# Agenda

- FY23 H1 highlights
- Key financial metrics
- Delivering on strategy
- Trading update
- Q&A

# FY23 H1 Highlights

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**Brent Scrimshaw**  
CEO

# Executing on our strategy to deliver strong growth



## Strategic growth drivers

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- Investments in OBMedia delivering strong returns
- Diversified portfolio all contributing profit despite accelerated macroeconomic challenges
- Strategic review of capabilities for long term growth with cost reductions benefiting H2
- Integration of ROI DNA and GetIT acquisitions on track
- 28% of net revenue from clients with relationships across more than one Enero Group brand



## Underlying financial results

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- Net revenue growth of 39% to \$129.5m continues 5 years of strong growth
  - Creative Technology and Data up 57% to \$61.8m
  - Brand Transformation up 26% to \$67.7m
- EBITDA<sup>1</sup> growth of 39% to \$44.3m
  - Creative Technology and Data up 74% to \$38.8m
  - Brand Transformation down 21% to \$11.5m
- EBITDA margin consistent at 34%

# Key metrics snapshot

UNDERLYING RESULTS (A\$M)	FY23 H1	FY22 H1	% Change
Net revenue <sup>1</sup>	129.5	93.2	38.9%
Expenses	(85.1)	(61.3)	(39.0%)
EBITDA <sup>1</sup>	44.3	31.9	38.9%
EBITDA margin <sup>2</sup>	34.2%	34.3%	(2 bps)
Net profit attributable to equity owners <sup>3</sup>	14.8	13.7	8.1%
Earnings per share (EPS) - basic <sup>3</sup>	16.1 cents	15.7 cents	2.4%
Dividend per share (interim) – fully franked	6.5 cents	6.0 cents	8.3%

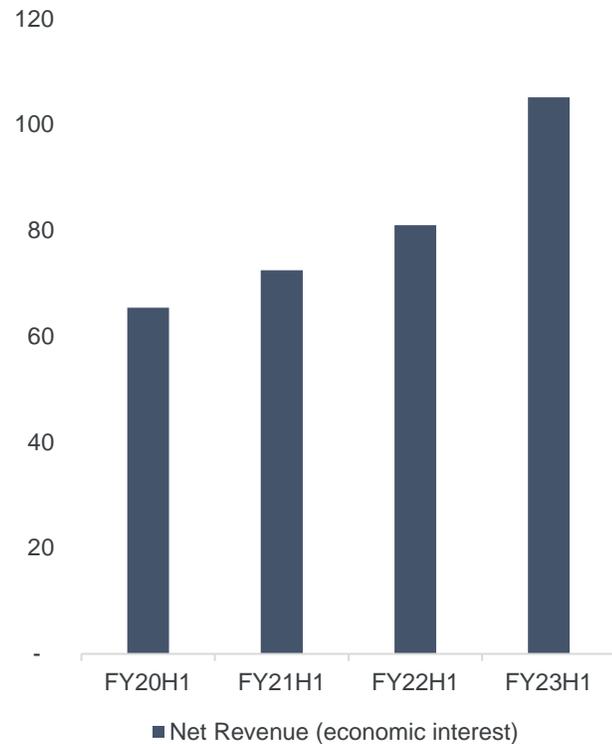
## HIGHLIGHTS

- EBITDA growth of 39% YoY
- NPAT growth of 8% reflects accelerated growth of 51%-owned OBMedia
- EPS growth of 2% reflects shares issued relating to acquisitions and employee Share Appreciation Rights
- Interim dividend of 6.5c up 8% on FY22 H1 dividend. Representing a payout ratio of 40% (FY22 H1 38%)
- Enero Group has moved from Operating EBITDA to EBITDA from FY23 as the key measure of performance and have updated comparatives accordingly.

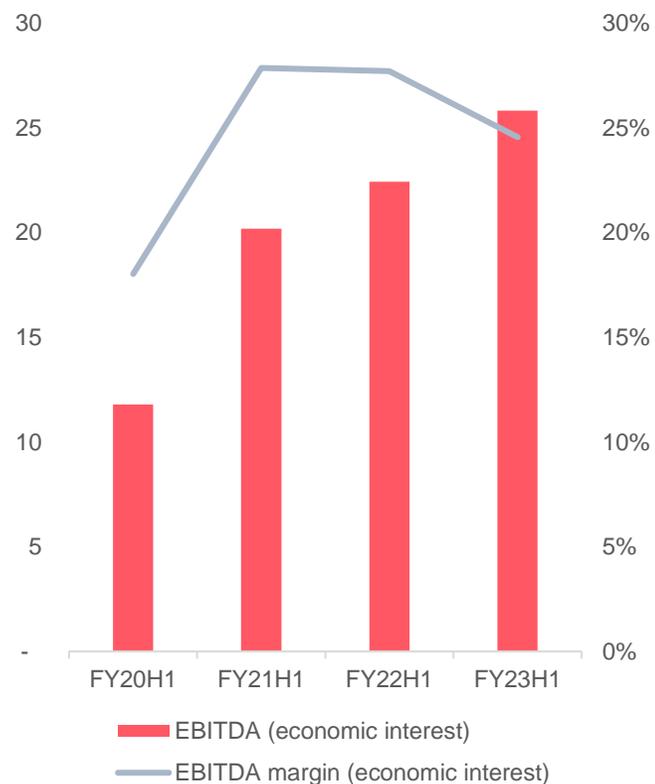
1. Net revenue is gross revenue recognised in accordance with AASB 15 less directly attributable cost of sales. EBITDA is profit before interest, taxes, depreciation, amortisation and any significant items.  
 2. EBITDA margin is EBITDA / Net revenue.  
 3. Refer to Slide 30 for a reconciliation to statutory results.

# Growth story continues despite macroeconomic challenges

NET REVENUE - ECONOMIC INTEREST <sup>1</sup> (A\$M)



EBITDA - ECONOMIC INTEREST <sup>1</sup> (A\$M) & EBITDA MARGIN (%)



## HIGHLIGHTS

- Net revenue continues to grow both organically and through three acquisitions over the past 3 years
- Significant EBITDA CAGR of 30% and net revenue of 17% over 3 years
- EBITDA margin expansion from 18% to 25% driven through growth in higher margin business OBMedia and focus on cost efficiencies
- FY23H1 EBITDA margin impacted by macroeconomic challenges with cost initiatives expected to benefit H2

# Segment results

**Creative Technology and Data continues to accelerate with Brand Transformation impacted by challenging macro conditions**

UNDERLYING RESULTS (A\$M)	Net Revenue				EBITDA				EBITDA Margin	
	FY23 H1	FY22 H1	% Change	% Chg in Constant Currency	FY23 H1	FY22 H1	% Change	% Chg in Constant Currency	FY23 H1	FY22 H1
<b>Creative Technology and Data</b>	61.8	39.4	57.0%	46.3%	38.8	22.3	74.0%	59.8%	62.8%	56.7%
<b>Brand Transformation</b>	67.7	53.8	25.7%	24.9%	11.5	14.6	(20.9%)	(22.2%)	17.0%	27.0%
<b>Corporate Costs</b>	-	-	-	-	(6.0)	(4.9)	(21.2%)	(21.2%)	-	-
<b>ENERO Group</b>	<b>129.5</b>	<b>93.2</b>	<b>38.9%</b>	<b>33.9%</b>	<b>44.3</b>	<b>31.9</b>	<b>38.9%</b>	<b>28.3%</b>	<b>34.2%</b>	<b>34.3%</b>

## HIGHLIGHTS

### Creative Technology and Data

- OBMedia continues to grow with traffic diversification and economies of scale
- Orchard softening in US Health; new client wins in Aus Health expected to improve performance in H2

### Brand Transformation

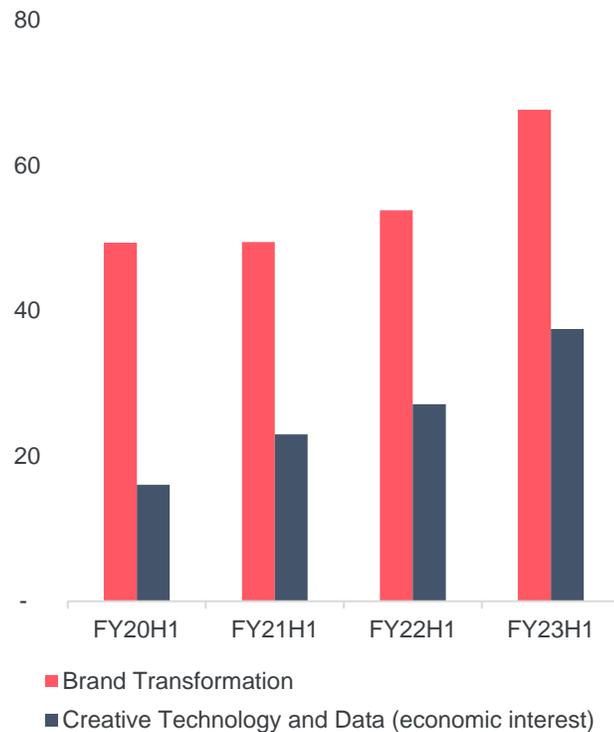
- Hotwire impacted by macroeconomic challenges across all geographies
- BMF cycling one-off pandemic health support in FY22
- CPR top and bottom-line performance in line with prior year
- Realignment of cost base in late Q2 should deliver improved H2 margins

### Corporate Costs

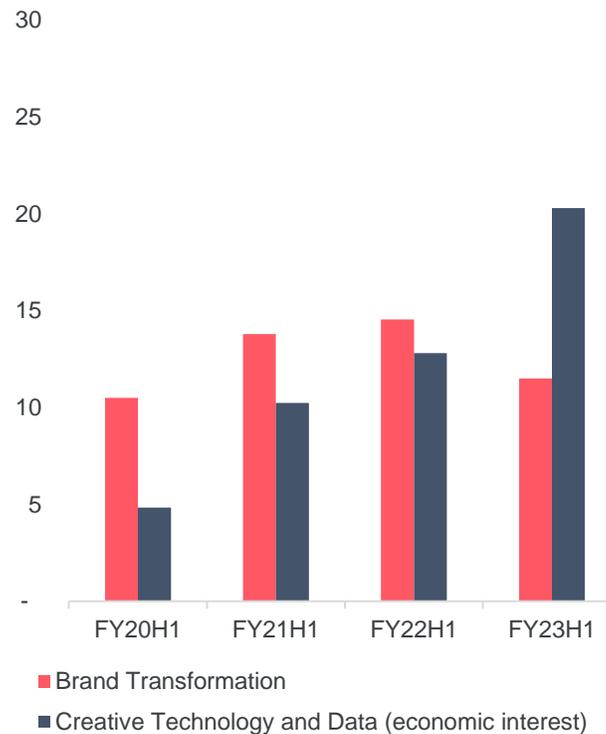
- Investment to support global growth and complexity of our business
- Valuation driving increased Share Appreciation Rights expense
- Continued prudent management of corporate costs: 4.6% of Net Revenue in FY23H1 vs 5.3% in FY22H1

# Diversified portfolio provides resilience in challenging macros

NET REVENUE – ECONOMIC INTEREST<sup>1</sup> (A\$M)



EBITDA – ECONOMIC INTEREST<sup>1</sup> (A\$M)



## HIGHLIGHTS

- Creative Technology and Data:
  - '20-23 Net revenue CAGR of 33%
  - '20-23 EBITDA CAGR of 61%
- Brand Transformation:
  - '20-23 Net revenue CAGR of 11%
  - '20-23 EBITDA CAGR of 3%

# Mixed impact from market dynamics



## Technology

- Global Tech industry slowdown and cost reduction initiatives have impacted marketing budgets
- Digital advertising spend expected to grow 8-9% in 2023<sup>1</sup>
- Projects typically delayed or reduced scope – minimal client losses or cancellations
- Clients will have increased need for outsourced support following industry-wide redundancies



## Healthcare

- Largely resilient to recent macroeconomic conditions as marketing budgets typically committed in advance to support drug launches
- Some reduction in corporate-level marketing spend
- Slower decision making at FDA (USA) and PBS (Australia) delaying some projects



## Growth Consumer

- Varies by segment:
  - Low-cost grocery seeing strong demand
  - Government returning to BAU activity (e.g., COVID campaigns ramping down)
  - Auto segment remains constrained due to continued demand outpacing supply
  - Tourism spend up as post-COVID travel accelerates
  - Select growth businesses continue to cautiously invest



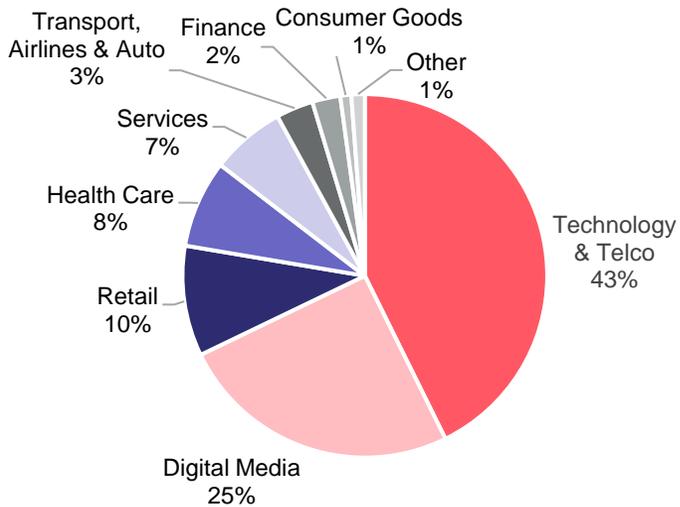
Positive market dynamic



Challenging market dynamic

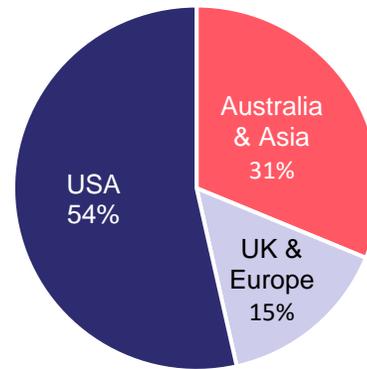
# Diversified revenue mix

Revenue<sup>1</sup> by industry



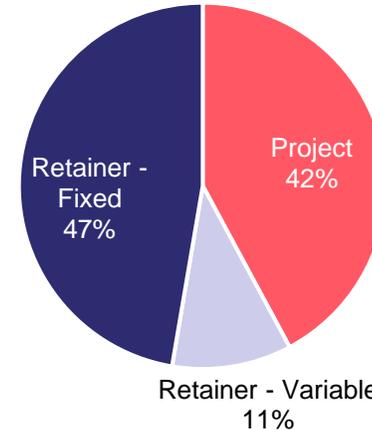
Tech exposure is predominantly B2B and has grown significantly due to the ROI DNA and GetIT acquisitions

Revenue<sup>1</sup> by geography



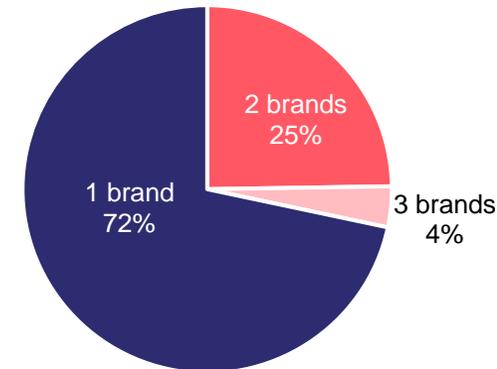
Continued growth in attractive North American market in line with Enero's strategic priorities

Agency<sup>2</sup> revenue model



Variable retainers largely relate to client media spend in ROI DNA where there is generally a minimum revenue threshold

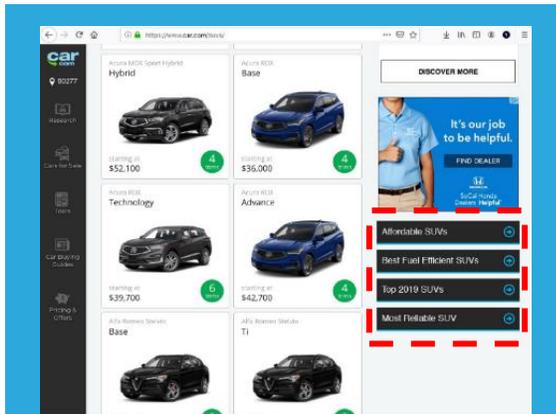
Shared client revenue<sup>1</sup>



28% of our revenue comes from clients who have relationships with more than one Enero Group brand

# OBMedia delivers high-intent customers to advertisers

## 1 Acquire customers from omnichannel traffic sources

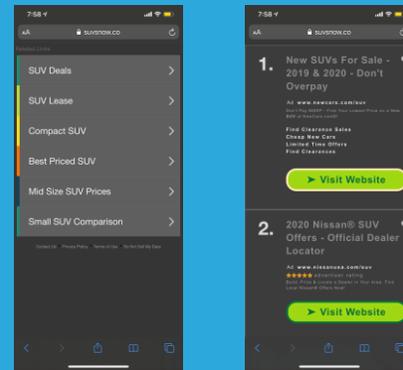


OBMedia, or our media buying and publishing partners, place relevant ads on content sites, emails or social

### OBMEDIA DIFFERENTIATION

- Ad copy and style is dynamically optimised by OBMedia's real-time AI technology
- Data analytics enables partners to more efficiently identify lookalike audiences

## 2 Qualify customer intent and quality using proprietary tech

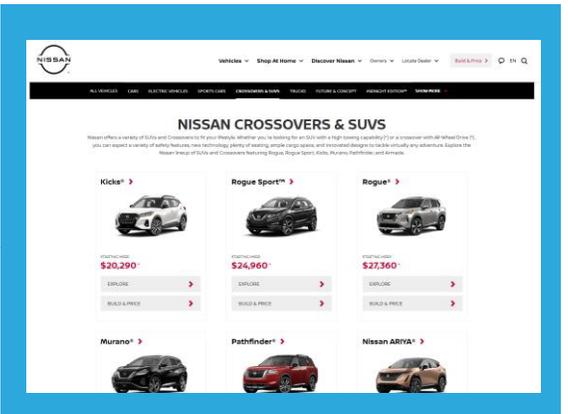


Customer taken to OBMedia landing page of hosted search results (direct feed from search engines), where they qualify intent by choosing the most relevant result

### OBMEDIA DIFFERENTIATION

- AI powered keyword blocks optimize for conversion
- Proprietary fraud detection technology filters out fraudulent ('bot') traffic

## 3 Monetise by delivering quality customers to search advertisers

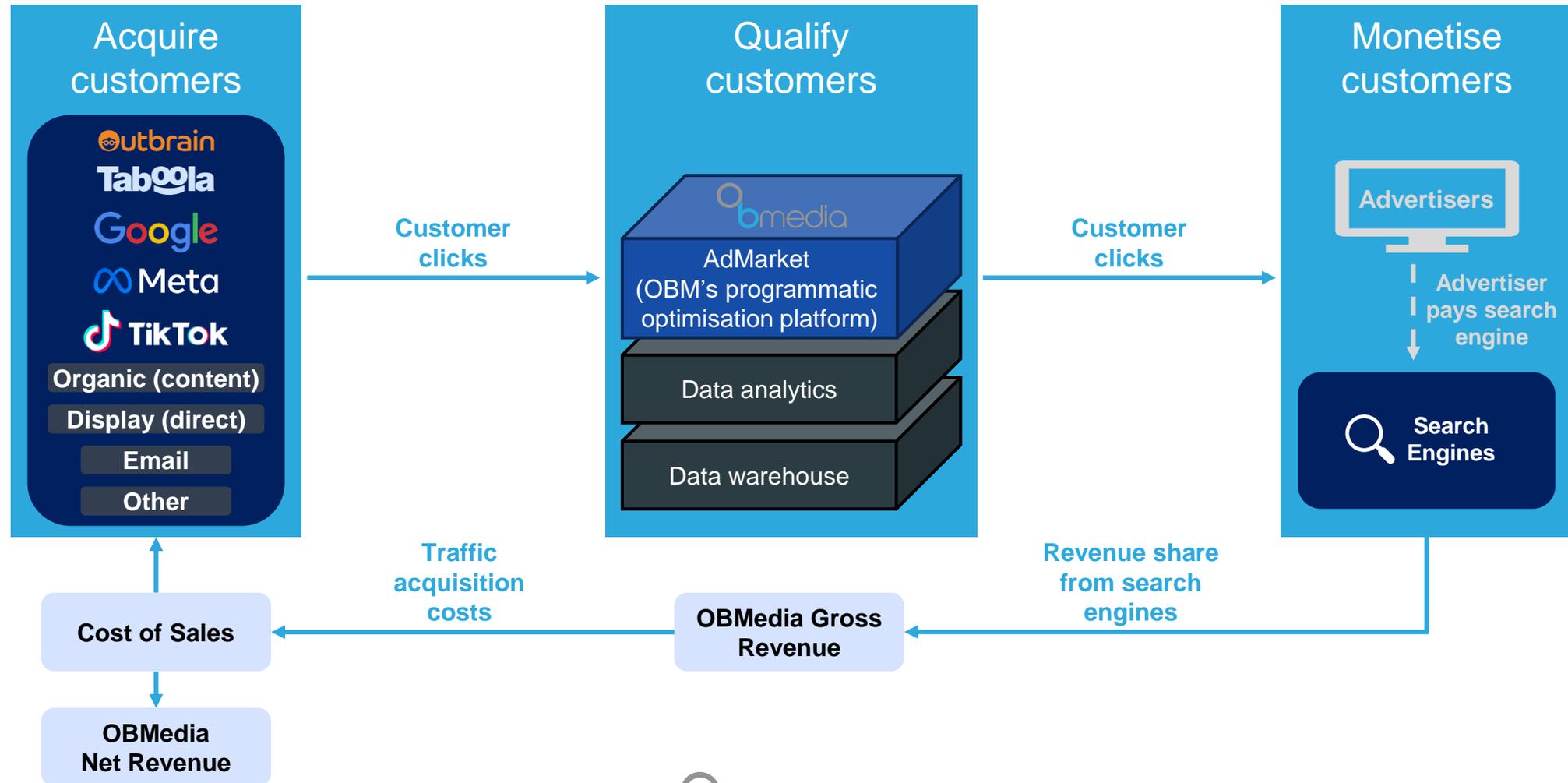


Customer taken to the chosen advertiser website

### OBMEDIA DIFFERENTIATION

- Conversion rates better than advertiser's paid search traffic, but at lower cost to advertiser
- New sources of omnichannel traffic driven to search engines

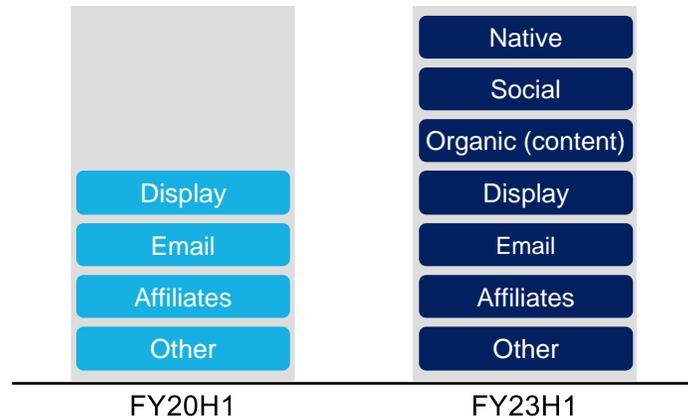
# Technology and partnerships power a simple business model



# Growth fuelled by diversification and investment

## Acquire customers

Omnichannel traffic acquisition sources



### GROWTH DRIVERS

- Expansion of traffic sources
- Expansion of publisher and media buying partners to acquire more traffic
- Investment in owned and operated content sites to drive organic (low-cost) traffic
- Geographic expansion

## Qualify customers



### PROGRAMMATIC PLATFORM

Uses AI and automation to enhance efficiency in optimising traffic and detecting fraud



### DATA WAREHOUSE

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



### PRIVACY COMPLIANT

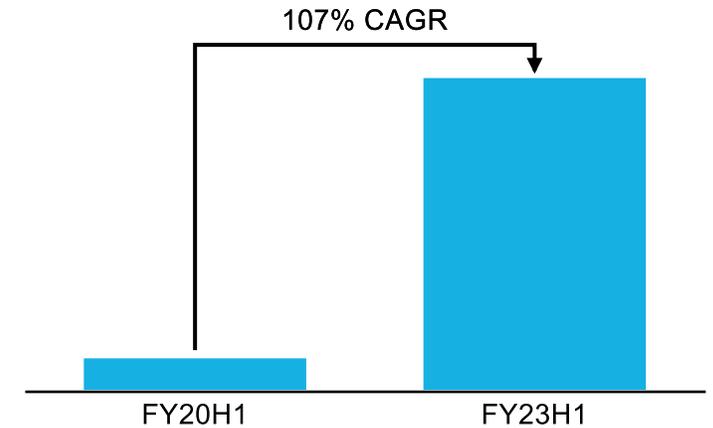
Well positioned for the future of online privacy with first party data, not reliant on third-party cookies

### GROWTH DRIVERS

- Investment in key technologies (Snowflake, AI, real-time reporting etc.)
- Expansion of technical team
- Continuous improvement initiatives with search engine partners
- Investment in cyber security and more robust infrastructure to minimise downtime

## Monetise customers

OB Media Net Revenue growth



### GROWTH DRIVERS

- Diversification of revenue enabled by:
  - Strong growth in both search partners
  - Continued investment in technology to deliver high-quality traffic to advertisers
- Low fixed costs have allowed OBMedia to scale rapidly with partners

# Creative Technology and Data



**PROGRAMMATIC MARKETING PLATFORM:  
HELPING BUSINESSES ACCESS ONLINE  
ADVERTISING MARKETS**



**DIGITAL AGENCY:  
TRANSFORMING BUSINESSES THROUGH  
BETTER CONNECTED EXPERIENCES**



## Key Metrics

- Substantial net revenue and EBITDA growth
- ~150% increase in customers delivered to advertisers and ~170% increase in visitors
- ~50 FTE

- Single digit net revenue decline impacted by Health client delays and timing of client conferences partially offset by growth in Consumer clients
- High single digit EBITDA margin impacted by net revenue decline
- ~110 FTE plus flexible bench of contractors



## Initiatives

- Continued investment in Audience Development capability:
  - key new hires to drive technical and commercial growth
  - expansion of media buying agency relationships
- Expansion of customer acquisition channels (e.g. Tik Tok)

- Strategic review of US Health business delivering benefits from late Q2
- Increased flexibility in resourcing expected through offshore team
- New client wins including Janssen, BeiGene, Clearskin (joint win with BMF) and Carlisle Homes to benefit H2



## Highlights

- Significant enhancement of data pipeline to improve traffic attribution & pricing optimisation
- Artificial intelligence investment driving:
  - keyword, campaign & landing page optimisation
  - accelerated ad creative process (e.g., images, taglines)

- Won Optimizely's Rising Star Solution Partner of the Year for APAC
- Winner of PRIME Healthcare Marketing Creativity in Communication Award with Sanofi

# Brand Transformation

**HOTWIRE** THE GLOBAL TECH COMMUNICATIONS CONSULTANCY

**BMF**

CREATIVE AGENCY:  
HOME OF THE LONG IDEA – ENDURING,  
EFFECTIVE, EMOTIVE END TO END IDEAS



## Key Metrics

- Single digit decline in net revenue excluding acquisitions
- ROI DNA net revenue impacted by reduced client media spend
- Double digit EBITDA margin despite impact of macroeconomic environment
- ~430 FTE globally

- Net revenue cycling one-off pandemic health support in FY22
- Maintained EBITDA margin
- ~140 FTE plus strong bench of contractors



## Initiatives

- H2 margins to benefit from late Q2 cost saving initiatives associated with strategic review of capabilities
- Launch of a new suite of data & analytics IQ solutions
- Hotwire and GetIT jointly won two cyber security clients as integrated go to market strategy evolves

- Successfully renewed ALDI Australia long term contract
- Focus on maintaining workforce flexibility and agility
- Growth in diversified services such as content creation, social and digital
- New client wins including Turo and Red Balloon



## Highlights

- Topline growth in Continental Europe
- Launch of global growth team with new Chief Growth Officer
- Diversity and Inclusion Company of the Year (The Drum PR Awards)

- Branding, Design and CX Agency of the Year (2022 B&T Awards)
- 7 wins at Real Media Awards including ALDI Australia as Brand of the Year

# Key financial metrics

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**Carla Webb-Sear**  
CFO

# Record profitability in FY23 H1

PROFIT AND LOSS SUMMARY (A\$M)	FY23 H1	FY22 H1	% Change
<b>Net revenue</b>	<b>129.5</b>	<b>93.2</b>	<b>38.9%</b>
Other income	0.1	0.1	(21.5%)
Staff costs	(74.7)	(54.4)	(37.2%)
Operating expenses	(10.5)	(7.0)	(52.4%)
<b>EBITDA</b>	<b>44.3</b>	<b>31.9</b>	<b>38.9%</b>
Depreciation ROUA	(2.0)	(2.0)	(1.3%)
Depreciation & amortisation	(1.4)	(1.6)	10.0%
<b>EBIT</b>	<b>40.8</b>	<b>28.3</b>	<b>44.3%</b>
Net finance costs	(2.3)	(0.5)	(325.3%)
<b>Net profit before tax before significant items</b>	<b>38.6</b>	<b>27.8</b>	<b>38.9%</b>
Tax expense before significant items	(9.3)	(6.7)	(39.9%)
Non-controlling interests	(14.5)	(7.4)	(95.0%)
<b>NPAT before significant items to equity owners</b>	<b>14.8</b>	<b>13.7</b>	<b>8.1%</b>
Significant items, net of tax expense	(1.2)	-	
<b>Statutory net profit after tax to equity owners</b>	<b>13.6</b>	<b>13.7</b>	<b>(0.4%)</b>

## HIGHLIGHTS

- 39% year-on-year net revenue growth benefiting from acquisitions and strong momentum in OBMedia
- Staff costs ratio maintained at 58% despite investment in OBMedia and acquisition of new businesses
- Late Q2 staff restructuring and contractor management impacted ratios and expected to benefit H2
- Operating costs ratio at 8% (FY22 H1: 7%) with continued strong cost discipline across all businesses
- Effective tax rate of 24% in line with FY22 H1
- Significant items relate to restructuring costs in Hotwire Group and Orchard
- Weaker Australian dollar had positive impact of \$4.7m on Net revenue and \$3.4m on EBITDA

# Strong capital position supports growth plans

(A\$M)	FY23 H1	FY22
Cash	38.0	98.7
Trade and other receivables	99.0	63.9
Other assets	24.8	14.5
Intangible assets	217.6	114.7
Property, plant and equipment	3.0	3.2
<b>Total assets</b>	<b>382.3</b>	<b>295.0</b>
Other current liabilities & provisions	99.1	84.0
Lease liabilities	14.8	8.6
Contingent consideration payable	62.9	10.1
Interest bearing liabilities	26.4	36.3
Non current provisions	0.9	0.7
<b>Total liabilities</b>	<b>204.1</b>	<b>139.7</b>
<b>Net assets</b>	<b>178.3</b>	<b>155.3</b>

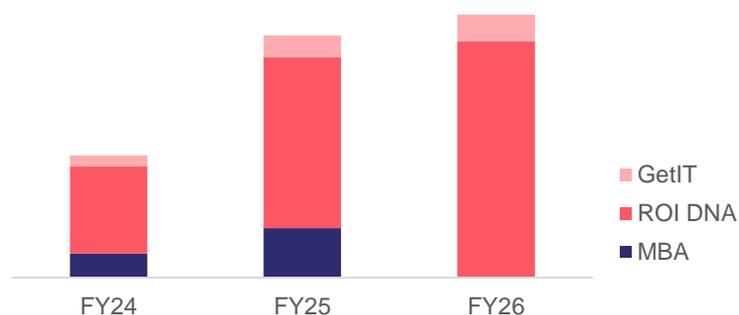
## HIGHLIGHTS

- Lower cash due to purchase of ROI DNA and GetIT, repayment of \$10.3m of debt in December
- Intangible assets and contingent consideration increase relate to ROI DNA and GetIT acquisitions
- Interim dividend of 6.5 cents per share, fully franked payable in March 2023, a payout ratio of 40%
- \$7.5m franking credit balance at 31 December 2022
- Balance sheet retains flexibility to pursue Eneo Group's growth plans

# Balance Sheet & Capital Management

(A\$M)	FY23 H1	FY22
Contingent consideration Opening 1 July (at present value)	10.1	20.1
Recognition on acquisition – ROI DNA and GetIT	53.5	-
Fair value loss recognised on reassessment of contingent consideration	-	1.0
Present value interest unwind & FX revaluations	1.9	-
Payments	(2.7)	(11.0)
<b>Contingent consideration balance at end of period</b>	<b>62.9</b>	<b>10.1</b>
Cash	(38.0)	(98.7)
Debt	26.4	36.3
<b>Net debt/ (cash) adjusted for contingent consideration</b>	<b>51.3</b>	<b>(52.3)</b>
<b>Net debt / EBITDA (12 mth rolling)</b>	<b>0.7</b>	<b>(0.8)</b>

Future payment profile of contingent consideration



## HIGHLIGHTS

- Contingent consideration balance relates to ROI DNA and GetIT acquired in July 2022 and MBA acquired in April 2021
- MBA payment of \$2.7m made in FY23 H1 with no further payments due during FY23. Remaining maturity profile over FY24 to FY26
- 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
- Net debt position of \$51.3m (30 June 2022: net cash \$52.3m) reflects acquisitions made in July 2022

# Cash flow & cash conversion

(A\$M)	FY23 H1	FY22 H1
EBITDA	44.3	31.9
Movement in working capital	(27.9)	(1.4)
Equity incentive expense	1.0	0.8
Restructuring costs	(1.5)	-
<b>Gross cash flow</b>	<b>16.0</b>	<b>31.3</b>
Net interest paid	(0.8)	-
Tax paid	(9.6)	(6.0)
<b>Operating cash flow</b>	<b>5.5</b>	<b>25.3</b>
Cash funded capex	(0.5)	(0.4)
Lease liability payments	(2.9)	(2.9)
<b>Free cash flow</b>	<b>2.1</b>	<b>22.0</b>
<b>Reported Cash Conversion</b>	<b>36%</b>	<b>98%</b>
<b>Adjusted Cash Conversion</b>	<b>74%</b>	<b>98%</b>

## HIGHLIGHTS

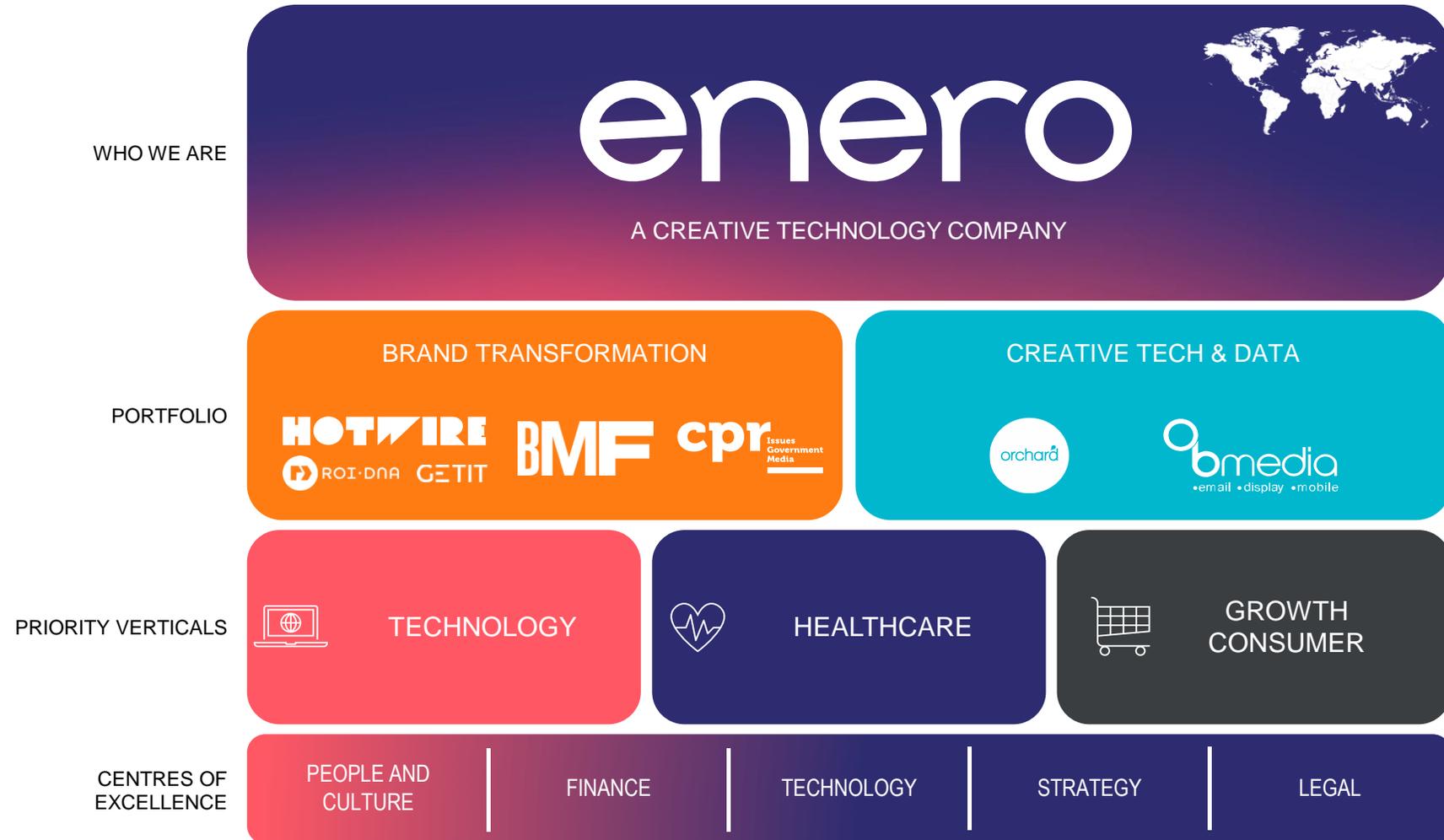
- Cash conversion impacted by timing of two customer payments in OBMedia and BMF with payments subsequently received post Christmas. Adjusting for these payments, cash conversion at 74%
- The group targets a cash conversion of 85%
- Net interest payment relates to the debt draw down of \$36.3m in June 2022
- Tax payments made in all jurisdictions with increase predominantly in the USA and Australia

# Delivering on strategy

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**Brent Scrimshaw**  
CEO

# Enero's operating model



# Acquisition integration progress



	ROI·DNA	GETIT
Brand	<ul style="list-style-type: none"> <li>Retaining ROI DNA brand as Hotwire subsidiary</li> </ul>	<ul style="list-style-type: none"> <li>Transition GetIT brand to Hotwire in H2FY23</li> </ul>
Commercial	<ul style="list-style-type: none"> <li>Co-pitching on joint opportunities, with growing pipeline of work</li> <li>Strategic support on joint Hotwire projects</li> <li>GTM strategy project nearing completion</li> </ul>	<ul style="list-style-type: none"> <li>Hotwire and GetIT jointly won two cyber security clients</li> <li>Co-pitching on joint opportunities, with growing pipeline of work</li> <li>Planned expansion of comms capability into Asia</li> </ul>
Finance	<ul style="list-style-type: none"> <li>Operating within Group financial reporting environment</li> <li>Team integration with Group Finance</li> </ul>	<ul style="list-style-type: none"> <li>Operating within Group financial reporting environment</li> <li>Team integration with Group Finance, with significant support from Hotwire Group</li> </ul>
Legal	<ul style="list-style-type: none"> <li>Operating under group legal framework</li> <li>Compliance training underway</li> </ul>	<ul style="list-style-type: none"> <li>Operating under group legal framework</li> <li>Compliance training underway</li> </ul>
IT	<ul style="list-style-type: none"> <li>Operating under group IT framework, but with local outsourced support</li> </ul>	<ul style="list-style-type: none"> <li>Fully managed IT support from Enero</li> </ul>
HR	<ul style="list-style-type: none"> <li>Access to global L&amp;D program</li> <li>Support from Enero for key HR initiatives</li> </ul>	<ul style="list-style-type: none"> <li>Access to global L&amp;D program</li> </ul>

# Progressing on our FY23 key strategic priorities



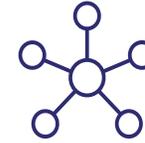
## Focus on Core

- Drive key initiatives to strengthen and accelerate existing business
- Develop ESG approach



## Capability Enhancement

- Continued investment in new capabilities
- Build internal innovation approach



## Commercialise Investments

- Complete integration of recent acquisitions
- Drive commercial success with refined go-to-market



## Drive Efficiency

- Systems and processes to improve productivity
- Diligent cost management to preserve profitability



## Magnet for Talent

- Refine post-COVID workplace of the future
- Global Learning & Development model
- Invest in DEI initiatives

### STRATEGIC PRIORITIES & FY23 H1 PROGRESS

- On track
- H2 priority

# Trading update

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**Brent Scrimshaw**  
CEO



# Trading update

While still early in calendar 2023, the first 6 weeks of H2 has delivered a continuation of the macroeconomic headwinds experienced in FY23 H1.

The Creative Technology & Data segment has continued to achieve a strong financial performance albeit with lower growth rates as it cycles year-on-year comparatives while Enero continues to invest in the OBMedia business.

The Brand Transformation segment has experienced a soft start to the calendar year as the segment continues to see the impact of slower client decision-making and conservatism across all geographies and in some cases, constrained client budgets.

Enero remains focused on managing near term margins and will continue to take the appropriate steps to address current macroeconomic headwinds while positioning the business to capture and meet client demands.

# Building a long-term growth platform

## Strong financial results in H1 FY23

**+39%** net revenue  
**+39%** EBITDA  
**34%** EBITDA %

## OBMedia growth story continues

- ✓ Traffic diversification
- ✓ Tech investment
- ✓ Scalable business model

## Strong fundamentals

Macro headwinds enabled us to accelerate towards a **leaner, differentiated** offer in long-term **markets of growth**

## Culture as a competitive advantage

- ✓ Flexible talent model
- ✓ Investment in strong leadership
- ✓ Culture winning in a more accessible talent market

# Q&A



**Brent Scrimshaw**  
**Carla Webb-Sear**

# Appendix



# Reconciliation of statutory (4D) to continuing business results

FY23 H1 (A\$M)	4D	Less Significant items	Statutory excluding significant items	Less Disposals	Continuing businesses
Net revenue (statutory gross profit)	129.5	-	129.5	-	129.5
Other income	0.1	-	0.1	-	0.1
Expenses	(86.7)	1.5	(85.2)	-	(85.2)
<b>EBITDA</b>	<b>42.9</b>	<b>1.5</b>	<b>44.3</b>	-	<b>44.3</b>
Depreciation ROUA	(2.0)	-	(2.0)	-	(2.0)
<b>Operating EBITDA</b>	<b>40.8</b>	<b>1.5</b>	<b>42.3</b>	-	<b>42.3</b>
Depreciation & Amortisation	(1.4)	-	(1.4)	-	(1.4)
<b>EBIT</b>	<b>39.4</b>	<b>1.5</b>	<b>40.8</b>	-	<b>40.8</b>
Net finance costs	(2.3)	-	(2.3)	-	(2.3)
<b>Net profit before tax</b>	<b>37.1</b>	<b>1.5</b>	<b>38.6</b>	-	<b>38.6</b>
Tax expense	(9.0)	(0.3)	(9.3)	-	(9.3)
<b>Net profit after tax</b>	<b>28.1</b>	<b>1.2</b>	<b>29.3</b>	-	<b>29.3</b>
Net profit attributable to non-controlling interests	(14.5)	-	(14.5)	-	(14.5)
<b>Net profit attributable to equity owners</b>	<b>13.6</b>	<b>1.2</b>	<b>14.8</b>	-	<b>14.8</b>
<b>Earnings per share (EPS) - basic</b>	14.8 cents		16.1 cents		16.1 cents

# Reconciliation of statutory (4D) to continuing business results

FY22 H1 (A\$M)	4D	Less Significant items	Statutory excluding significant items	Less Disposals <sup>1</sup>	Continuing businesses
Net revenue (statutory gross profit)	93.2	-	93.2	(1.3)	91.9
Other income	0.1	-	0.1	-	0.1
Expenses	(61.4)	-	(61.4)	1.1	(60.3)
<b>EBITDA</b>	<b>31.9</b>	<b>-</b>	<b>31.9</b>	<b>(0.2)</b>	<b>31.7</b>
Depreciation ROUA	(2.0)	-	(2.0)	0.1	(1.9)
<b>Operating EBITDA</b>	<b>29.9</b>	<b>-</b>	<b>29.9</b>	<b>(0.1)</b>	<b>29.8</b>
Depreciation & Amortisation	(1.6)	-	(1.6)	0.0	(1.6)
<b>EBIT</b>	<b>28.3</b>	<b>-</b>	<b>28.3</b>	<b>(0.1)</b>	<b>28.2</b>
Net finance costs	(0.5)	-	(0.5)	-	(0.5)
<b>Net profit before tax</b>	<b>27.8</b>	<b>-</b>	<b>27.8</b>	<b>(0.1)</b>	<b>27.7</b>
Tax expense	(6.7)	-	(6.7)	0.1	(6.6)
<b>Net profit after tax</b>	<b>21.1</b>	<b>-</b>	<b>21.1</b>	<b>(0.1)</b>	<b>21.0</b>
Net profit attributable to non-controlling interests	(7.4)	-	(7.4)	-	(7.4)
<b>Net profit attributable to equity owners</b>	<b>13.7</b>	<b>-</b>	<b>13.7</b>	<b>(0.1)</b>	<b>13.6</b>
<b>Earnings per share (EPS) - basic</b>	15.7 cents	-	15.7 cents		15.6 cents

# USA

(A\$M) UNDERLYING RESULTS	FY23 H1	FY22 H1	% Change	% Change in Constant Currency
Net revenue	80.6	39.8	102.7%	89.0%
EBITDA	42.3	23.8	78.1%	63.5%
EBITDA margin	52.5%	59.8%	(740) bps	

(A\$M) ECONOMIC INTEREST <sup>1</sup>	FY23 H1	FY22 H1	% Change	% Change in Constant Currency
Net revenue	56.3	27.5	104.4%	91.9%
EBITDA	23.8	14.3	66.8%	53.3%
EBITDA margin	42.3%	51.9%	(950) bps	

## US PORTFOLIO



ROI-DNA



# Australia and Asia

(A\$M) UNDERLYING RESULTS	FY23 H1	FY22 H1	% Change	% Change in Constant Currency
Net revenue	32.8	35.4	(7.2%)	(7.4%)
EBITDA	5.6	8.5	(34.2%)	(34.3%)
EBITDA margin	17.0%	23.9%	(700) bps	

(A\$M) CONTINUING BUSINESSES <sup>1</sup>	FY23 H1	FY22 H1	% Change	% Change in Constant Currency
Net revenue	32.8	34.1	(3.7%)	(3.9%)
EBITDA	5.6	8.4	(33.6%)	(32.8%)
EBITDA margin	17.0%	24.6%	(760) bps	

## AUSTRALIA PORTFOLIO



# UK and Europe

(A\$M) UNDERLYING RESULTS	FY23 H1	FY22 H1	% Change	% Change in Constant Currency
Net revenue	16.0	18.0	(11.1%)	(6.2%)
EBITDA	2.4	4.6	(47.8%)	(45.0%)
EBITDA margin	15.1%	25.6%	(1,060) bps	

UK/CONTINENTAL EUROPE PORTFOLIO

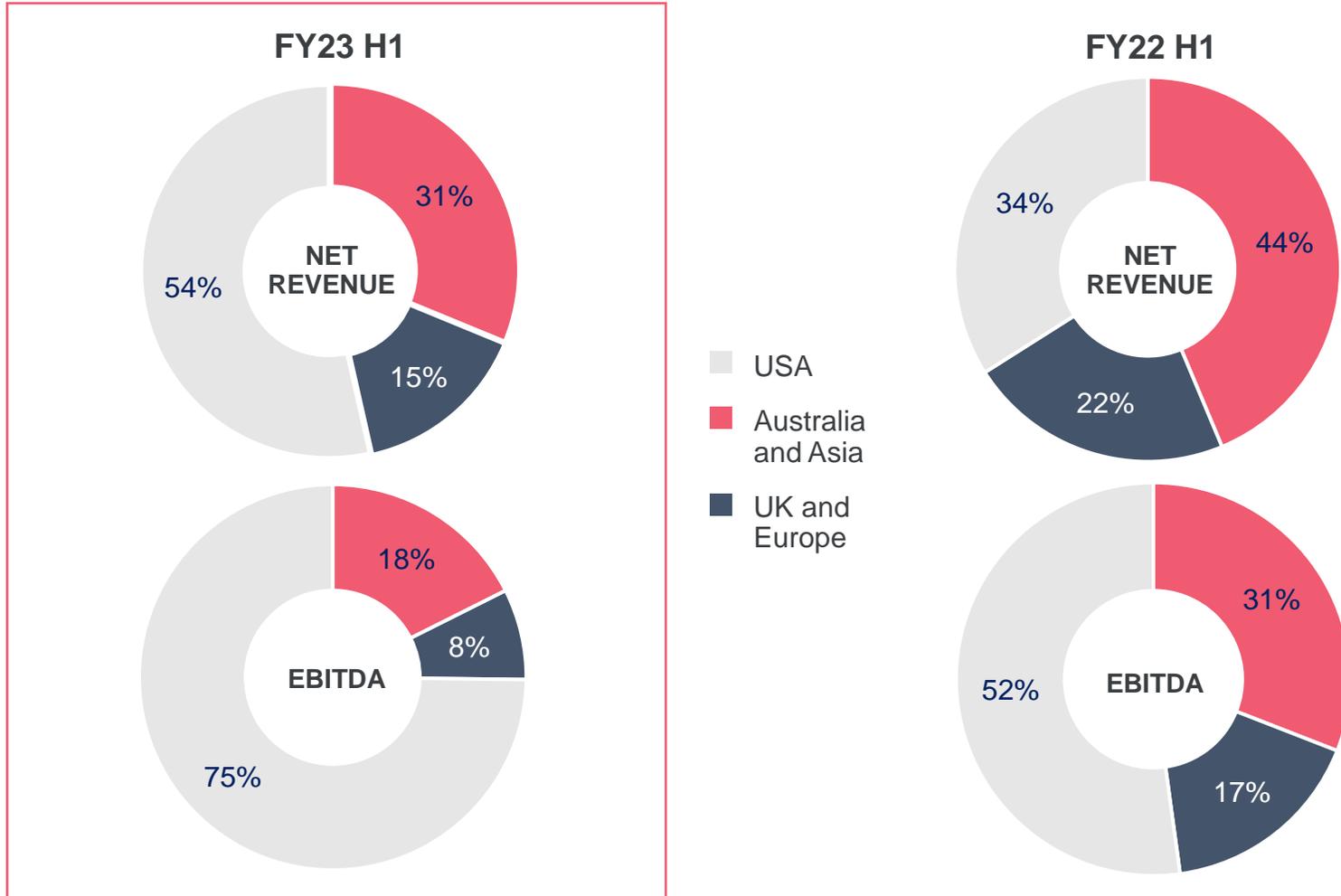
**HOTWIRE**

# Results by geography

UNDERLYING RESULTS (A\$M)	FY23 H1	FY22 H1	% Change	% Change in Constant Currency
<b>Net Revenue</b>				
USA	80.6	39.8	102.7%	89.0%
Australia and Asia	32.8	35.4	(7.2%)	(7.4%)
UK and Europe	16.0	18.0	(11.1%)	(6.2%)
<b>Total</b>	<b>129.5</b>	<b>93.2</b>	<b>38.9%</b>	<b>33.9%</b>
<b>EBITDA</b>				
USA	42.3	23.8	78.1%	63.5%
Australia and Asia	5.6	8.5	(34.2%)	(34.3%)
UK and Europe	2.4	4.6	(47.8%)	(45.0%)
<b>Total</b>	<b>50.3</b>	<b>36.9</b>	<b>36.5%</b>	<b>27.4%</b>
Corporate Costs	(6.0)	(4.9)	(21.2%)	(21.2%)
<b>Group EBITDA</b>	<b>44.3</b>	<b>31.9</b>	<b>38.9%</b>	<b>28.3%</b>

# Results by Geography

Geographical contribution from operating companies<sup>1</sup>



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