



MARKET ANNOUNCEMENT

ASX Small and Mid-Cap Conference Presentation & Trading Update

SYDNEY, 13 September 2022 – HT&E Limited [ASX: HT1] attaches a copy of the presentation and trading update to be presented today at the ASX Small and Mid-Cap Conference.

ENDS

This announcement has been authorised for release by the CEO & MD of HT&E Limited.

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ASX Small and Mid-Cap Conference

September 2022



Agenda

- Compelling Investor proposition
- ARN – a national network in a strong Australian commercial radio market
- Half Year Results
- Complimentary digital audio delivering new commercial opportunities
- Outlook Update



Compelling Investor Proposition

HT&E is well positioned to drive shareholders returns in FY22 and beyond.

Leaders in a strong Australian commercial radio and audio market

- Radio listening is at an all time high; nearly 12m weekly⁽¹⁾
- No. 1 network; 21 surveys in a row
- Group radio revenues +7%; EBITDA +11%
- Inflationary measures being actively managed; Full year people and opex costs, excluding digital investment, forecast to increase 5%; close to full year guidance provided in February

Regional integration gaining momentum

- Acquisition integration is ahead of schedule and delivering margin expansion
- Regional revenue up +11% driven by strong local revenues ⁽²⁾
- Revenue growth delivering strong cut through to earnings; EBITDA up 21% ⁽²⁾
- Integration post acquisition on track; Key milestones hit and delivering results
- Revenue synergies emerging (+\$2.7m); Confidence delivering \$6-8m target in 2022

Digital transformation driving new audiences and new revenue opportunities

- Complimentary new digital audio offerings; Digital audio is our future with Radio at the core
- iHeartRadio – global platform with local control; enabling more targeted and personalised content
- Digital audio billings up 41% yoy⁽²⁾
- Leading podcast publisher; successfully implementing broadcast to podcast strategy
- Successful CADA launch – reaching 3m+ audience after 4 months

Strong shareholder Returns

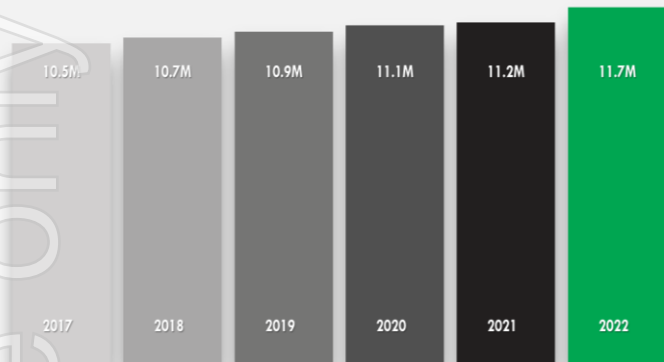
- Robust balance sheet with net debt of \$78.4m; Leverage <1x ⁽³⁾
- Group expected to generate cashflow before dividends of ~\$35 – 45m in a normal year⁽⁴⁾
- 5.0cps fully franked interim dividend declared
- Reinstatement of buy-back
- Opportunity to realise further value from non-core assets
- Our commitment to ESG that prioritises the creation of a more sustainable future

(1) Incorporating ARN Metro and ARN Regional radio results on a pro forma basis
(2) On a pro forma basis
(3) Leverage on a LTM pro forma pre-AASB 16 basis
(4) Subject to market conditions

Exceptionally engaged Australian commercial audio market

12M WEEKLY LISTENERS¹

Commercial radio audiences reach an all time high



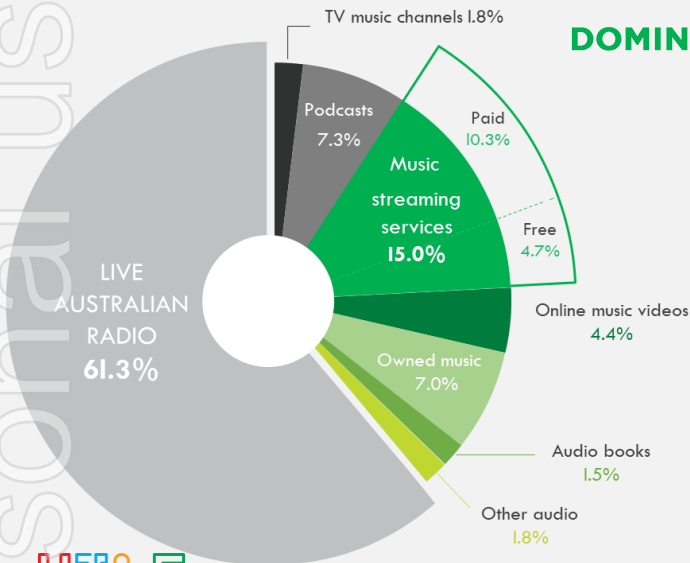
ENGAGE ALL AUDIENCES²

- 15 hours 21 minutes of listening every week
- Strong across all age demos

Age groups	Cumulative Audience %	Time Spent Listening (T) (h:mm)
People 10-17	86.1	10:06
People 18-24	73.3	8:54
People 25-39	76.9	9:21
People 40-54	79.4	13:23
People 55-64	80.3	16:25
People 65+	70.5	18:36
People 10+	77.4	12:36
Homes with Children 0-17	81.1	10:38

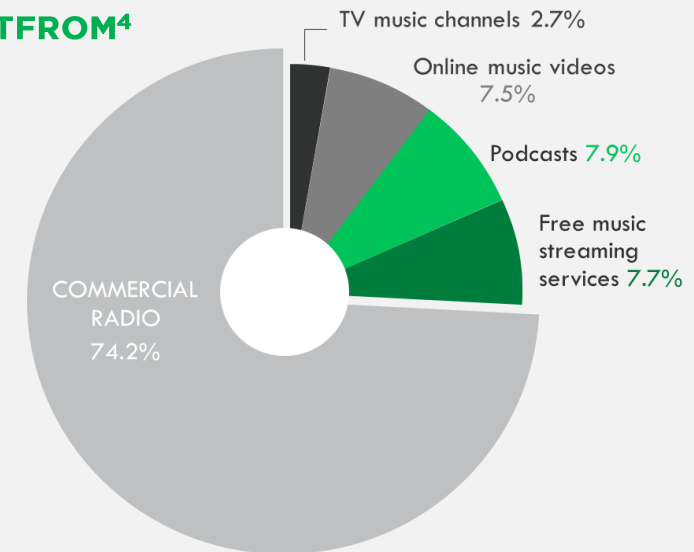
DOMINANT PLATFORM IN AUDIO³

- Radio and podcasts account for nearly 70% of all listening on audio platforms
- 4.5x more listened to than music streaming



#1 COMMERCIAL AUDIO PLATFORM⁴

Live Australian commercial radio accounts for nearly three quarters of all listening on audio platforms that have advertising



Source:

- 1) GfK Radio Ratings, SMBAP, Commercial stations (simulcast and DAB+), Cume (000), S1-8 2016-2019, S1-2, 6-8 2020, S1-8 2021 & S1-4 2022 Mon-Sun I2mn-I2mn, All People I0+
- 2) CRA Commercial Weekly Listening by age demographic
- 3) GfK Australian Share of Audio® 2019 – Share of listening (%), Average time spent listening (h:mm), Mon-Sun I2mn-I2mn, People I0+
- 4) GfK Australian Share of Audio® 2019 – Share of commercial listening (%), Mon-Sun I2mn-I2mn, People I0+

Strategic acquisition fast-tracking future growth opportunities

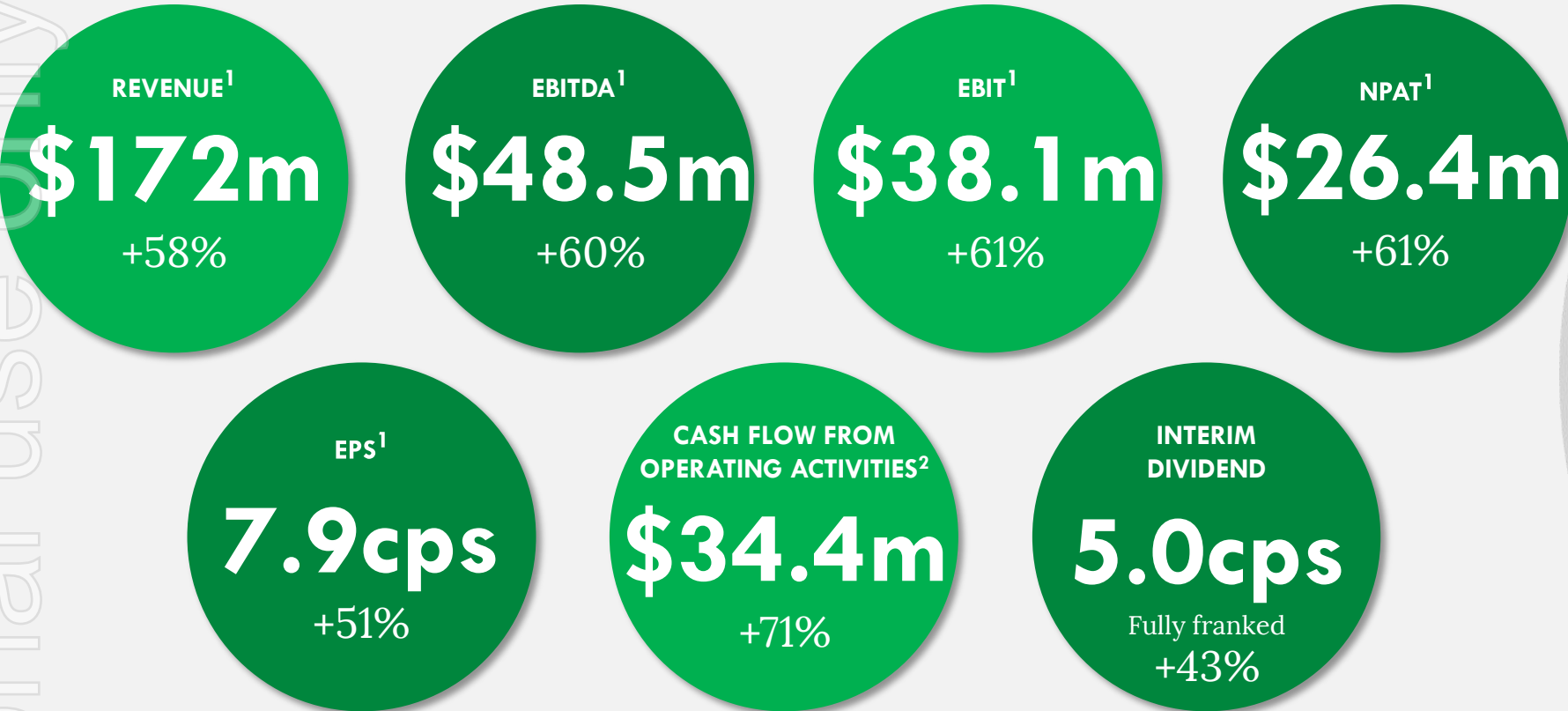
- Combined network of 58AM/FM stations across 33markets
- Ability for advertisers to access more than a third of Australian consumers in one easy transaction
- Opportunity to drive increased national revenue synergies -
 - Increased metropolitan share for ARN
 - Increased national revenue written onto regional markets
 - Accelerating digital audio growth
- Targeting +\$6-8m in 2022 and up to +\$20m p.a. within 3 years



Half Year Results



HY22 Financial Highlights



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1) Before exceptional items
2) Before tax payments, includes lease payments

Radio – Metro & Regional

Regional acquisition delivering margin expansion

- Total pro forma revenues up 7%
- Metro revenue performance maintained across complex integration period
- Regional business performing very well; strong local revenues and national synergies delivering above market growth
 - Local revenues +10% yoy
 - ~\$2.7m synergies delivered to date; realigned Commercial structure effective 1 August
- Cost management principles maintained
 - Macro factors creating cost pressure
- Margin growth to 34%

A\$ million	2022	2021	% Change	2021 Pro forma	% Change Pro forma
Revenue					
Metro	97.2	93.0	5%	93.0	5%
Regional	54.2	–	100%	48.7	11%
Total Revenue	151.4	93.0	63%	141.7	7%
Costs					
Metro	(68.4)	(64.9)	5%	(64.9)	5%
Regional	(33.6)	–	100%	(31.7)	6%
Total Costs	(102.1)	(64.9)	57%	(96.6)	6%
Share of associates NPAT					
Metro	2.6	2.0	31%	2.0	31%
EBITDA					
Metro	31.4	30.1	4%	30.1	4%
Regional	20.6	–	100%	16.9	21%
Total EBITDA	52.0	30.1	73%	47.0	11%
EBITDA margin					
Metro	32%	32%		32%	
Regional	38%	–		35%	
Total	34%	32%		33%	

Material and complimentary digital audio growth opportunities

Expanding digital audio network is building a commercial bridge between linear and digital audiences



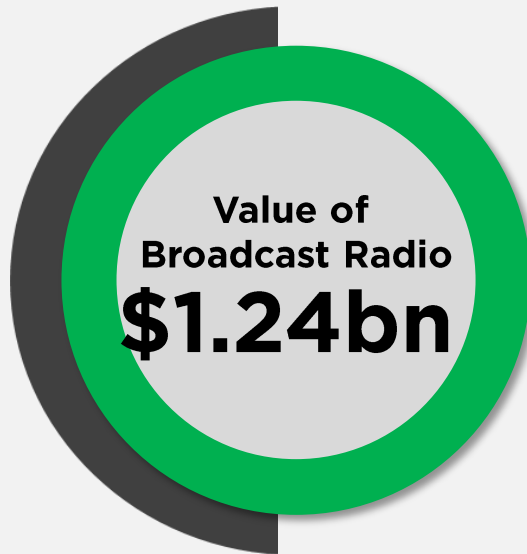
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Live Streaming

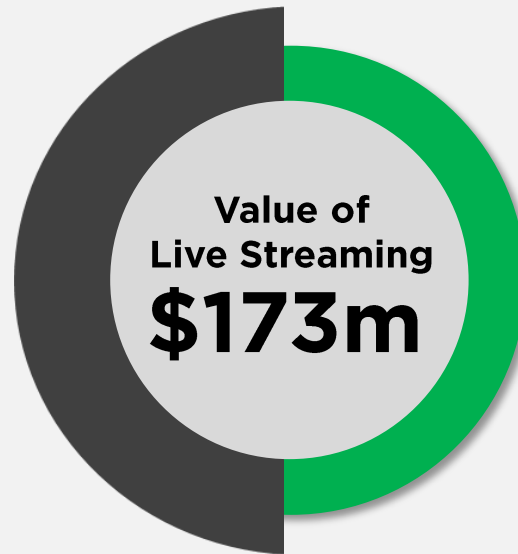
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Podcasting

=



AM/FM/DAB+
Excludes streaming revenue
1.5% CAGR 2022-2026



All pre-roll, in stream revenue
40.6% CAGR



All podcasting revenue
39% CAGR

A global digital audio platform with complete local control

The heart of ARN's digital audio strategy

LIVE

Radio & Music streaming



11.7m streaming hours

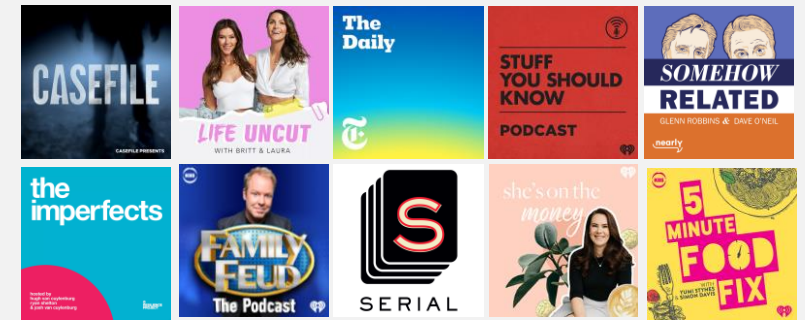
+8.5% Growth YoY



The easiest way to reach Australian audio streamers at scale across an endless array of platforms.

ON DEMAND

Australia's #1 Podcast Network for 27 consecutive rankers.



23m downloads

+43% Growth YoY

In June we served digital audio ads to
8 million unique users

Sources:

- 1) ARN and iHeartRadio streaming logs and ad servers, Unique Users who have been served ARN/iHR advertising, June 2022
- 2) Adswizz June 2022 vs June 2021, Triton, Total Listening Hours, June 2022
- 3) Triton Australian Podcast Ranker, combines ARN/iHeartMedia with Audioboom, Monthly Australian downloads, June 2022

Outlook



Trading Update

ARN

We reiterate that total radio revenues for Q3 are pacing +6-8% on same time last year following a soft July advertising market. Growth continues to come from both metro and regional markets and weighted more toward metro.

Briefing activity remains solid into Q4.

Costs remain in line with previous guidance.

Cody

We reiterate adjusted revenues² for Q3 continue to pace up 15% on same time last year. The business is expected to be cashflow positive for the year subject to market conditions holding.



- 1) Comprising Metro and Regional radio businesses on a pro forma basis
- 2) Adjusted for the removal of HK Tramways contract (FY21 Rev \$7m)

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Thank You



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All statements other than statements of historical fact are, or may be deemed to be, forward-looking statements, and are subject to variation. All forward-looking statements in this document reflect the current expectations of HT&E concerning future results and events.

Any forward-looking statements contained or implied, either within this document or verbally, involve known and unknown risks, uncertainties and other factors (including economic and market conditions, changes in operating conditions, currency fluctuations, political events, labour relations, availability and cost of labour, material and equipment) that may cause HT&E's actual results, performance or achievements to differ materially from the anticipated results, performance or achievements, expressed, projected or implied by any forward-looking statements.

HT&E uses certain measures to manage and report on its business that are not recognised under Australian Accounting Standards. These measures are collectively referred to as "non-IFRS financial measures" and include EBITDA before exceptional items, EBIT before exceptional items and net profit before exceptional items.

Figures, amounts, percentages, prices, estimates, calculations of value and fractions in this presentation are subject to the effect of rounding. Accordingly, the actual calculation of these figures may differ from the figures set out in this presentation.

Appendices



Statutory results

Acquisition delivers EPS growth, up 51%

- 2022 results include full 6 months of ARN Regional; pro forma comparatives through-out prepared as if acquisition owned in 2021
- Revenue up \$63.5m (58%); 8% on a pro forma basis
 - Strong Regional performance (+11%)
- Costs up \$47.3m (57%); 12% on a pro forma basis
 - Higher cost of sales on improved revenues
 - Incorporating incremental digital investment \$8-9m 2022
 - Timing of marketing investment vs 2021
- Underlying EBITDA up \$18.1m (60%); up 1% on a pro forma basis
- Exceptional items include uplift of \$5.3m on Luxury Escapes investment & \$1.3m impairment (net of tax) on 4KQ sale (both disposed July)
- Underlying NPAT attributable to HT&E shareholders up \$10.1m (69%), and EPS grew 51% to 7.9 cps

A\$ million	2022 Reported	2021 Restated ²	% Change	% change Pro forma
Revenue before finance income	172.0	108.5	58%	8%
Other income	1.6	0.4	>100%	67%
Share of associate profits	5.2	4.4	17%	17%
Costs	(130.3)	(83.0)	57%	12%
Underlying EBITDA¹	48.5	30.4	60%	1%
Depreciation and amortisation	(10.4)	(6.7)	55%	4%
Underlying EBIT¹	38.1	23.7	61%	1%
Net interest expense	(2.3)	(1.8)	31%	12%
Net profit before tax¹	35.8	21.9	63%	0%
Taxation on net profit	(9.4)	(5.6)	69%	(2%)
Net profit after tax (NPAT)¹	26.4	16.3	61%	1%
Less non-controlling interest	(1.7)	(1.8)	(2%)	(2%)
NPAT attributable to HT&E shareholders¹	24.6	14.5	69%	1%
Exceptional items net of tax	3.4	(4.4)	>100%	>100%
Impairment of intangible assets	(1.3)	–	–	–
NPAT attributable to HT&E shareholders	26.6	10.2	>100%	33%
Underlying EPS (cps) ¹	7.9	5.2	51%	–
Interim dividend per share (cps)	5.0	3.5	43%	–

1) Before exceptional items

2) Comparative information has been restated to reflect the change in the accounting policy detailed in the Interim Financial Statements for the half-year ended 30 June 2022

ARN Group



Cost base reflects digital investments

- Radio revenues up 7%, digital up 6%
 - Digital billings to customers up 41%
- Total costs up 10%
 - Costs of sales on higher revenues
 - People cost include investment in CADA and part year impact of roles added in H2 2021.
 - Opex costs, excluding incremental digital investment of \$3.1m for H1 grew 7%; with increased marketing investment weighted to H1.
- Full year people and opex costs, excluding digital investments forecast to increase 5%
 - Inflationary pressures being actively managed
- 29% EBITDA margin

A\$ million	2022	2021	% Change	2021 Pro forma	% change Pro forma
Radio	151.4	93.0	63%	141.7	7%
Digital	6.4	4.1	57%	6.0	6%
Total revenue	157.8	97.1	63%	147.7	7%
Cost of sales	(24.0)	(16.4)	47%	(22.6)	6%
People costs	(68.0)	(40.7)	67%	(62.9)	8%
Operating costs	(22.5)	(13.9)	62%	(18.7)	21%
Total costs	(114.6)	(71.0)	61%	(104.1)	10%
Share of associates NPAT	2.6	2.0	31%	2.0	31%
EBITDA	45.9	28.1	63%	45.6	1%
D&A	(6.7)	(3.1)	>100%	(6.4)	4%
EBIT	39.2	25.0	57%	39.2	0%
EBITDA margin	29%	29%		31%	

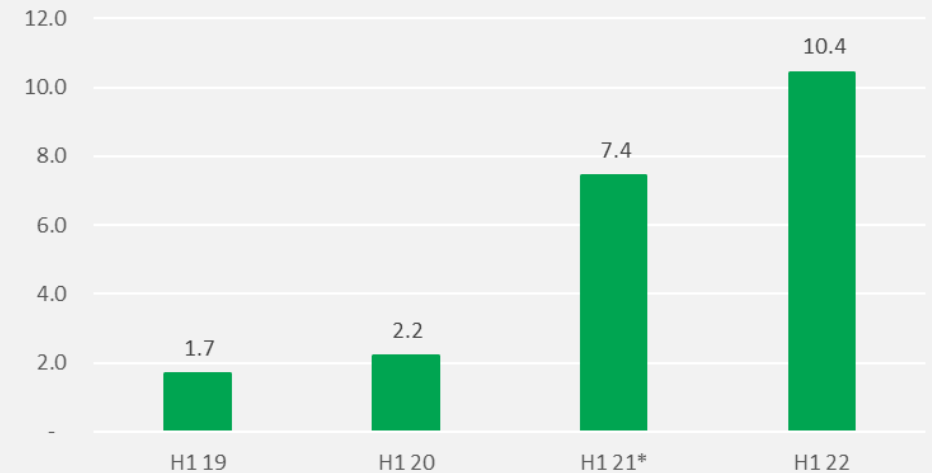
Digital audio

Digital audio billings growth +41%

- Digital audio billings up 41% yoy on pro forma basis
 - Strong yoy growth in Q2 after slow Jan / Feb market
 - Flow through to revenue was impacted by a higher percentage of 3rd party inventory as we continue to scale the business
 - Net contribution (ARN margin) booked on podcast publisher rep deals; owned content booked gross
- CADA launch April 2022 progressing well
 - Positive earnings contribution in 3YRs

A\$ million	2022	2021	% Change	2021 Pro forma	% change Pro forma
Billings	10.4	5.5	91%	7.4	41%
Revenue	6.4	4.1	57%	6.0	6%
Costs	(12.5)	(6.1)	>100%	(7.5)	67%
EBITDA	(6.1)	(2.0)	>100%	(1.5)	>100%

Digital Audio Billings to Customers (\$m)



* Pro forma



