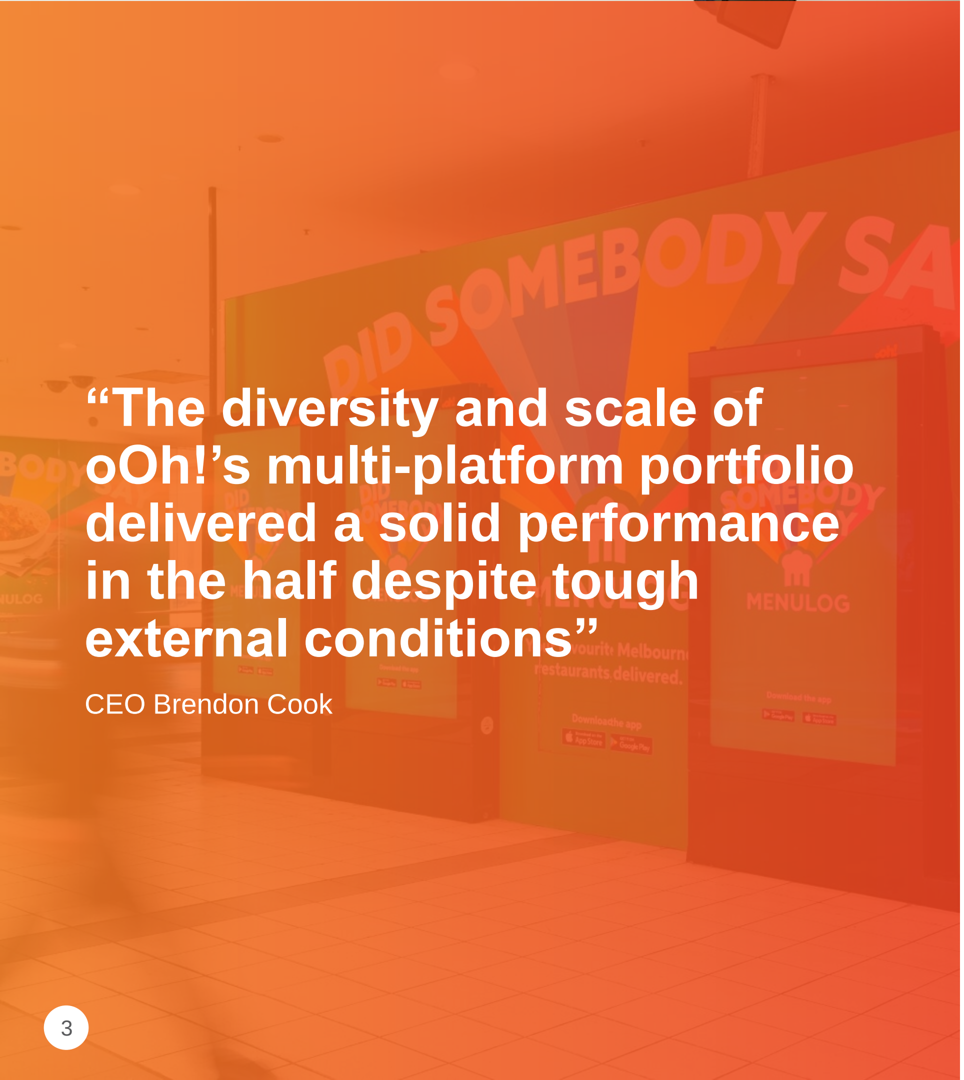
1H 2019 RESULTS PRESENTATION

26 August 2019

HIGHLIGHTS

oOh! Unmissable



“The diversity and scale of oOh!’s multi-platform portfolio delivered a solid performance in the half despite tough external conditions”

CEO Brendon Cook

1H19 highlights - revenue up 5%

Commute performing strongly, integration on track

- Diversified portfolio underpinned solid revenue growth, up 5%
- Commute, now oOh!media’s (oOh!) largest division, delivered revenue growth of 13% (half-on-half), demonstrating the opportunity in street furniture
    - On track for $16m run rate FY19 in synergies and more in 2020
    - Sales team structure in place since April
- All of oOh!’s channels (Commute, Road etc..) will be booked through its new technology platform by end of year
- Underlying opex growth of 4% is below previous guidance, demonstrating continued disciplined cost management. Reported opex including synergies is flat
- Capex also tracking well and will deliver between low to mid – range of $55m to $70m capex guidance
- Dividend of 3.5c steady on prior comparative period

1H19 key financials

Delivering revenue growth in a weak market

Pro forma[1] and pre AASB16[2]

Revenue $304.9m	**5%**	**NPAT** $9.0m	**(24%)**
Gross Profit $126.6m	(2%)	**EPS** 3.7 cents	(33%)
Underlying[3] EBITDA $56.0m	(4%)	**Interim Dividend[5]** 3.5 cents, fully franked	0%
Underlying[3] NPATA[4] $18.2m	3%	**Gearing** 2.7X	0.1X

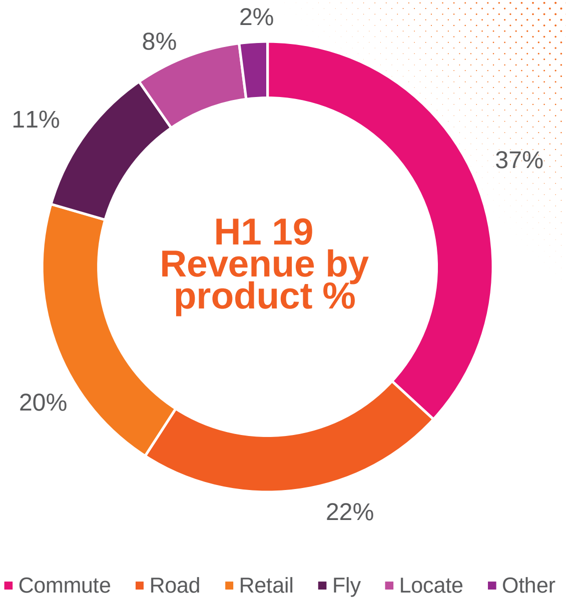
1. Pro forma results include H1 Adshel's underlying results while under the ownership of HT&E
2. oOh! is required to adopt AASB16 with effect from 1 January 2019. Guidance for 2019 was provided excluding the adoption of this standard
3. Underlying EBITDA and NPATA reflect adjustments for certain non-operating items including acquisition-related expenses, detailed further on page 10
4. NPATA excludes the after tax impact on acquisition related amortization charges
5. The interim dividend of 3.5c is within the Board's stated policy of 40% - 60% of underlying NPATA (pre AASB16 adjustments). AASB16 does not have a cash impact, and has been ignored for the purposes of the interim dividend declaration.

Diversified portfolio achieves 5% revenue growth[1]

Multi-format strategy provides resilience to periodic fluctuations in specific products

	1H 2019 ($m)	1H 2018 ($m)	Change %
Commute ↑	111.5	98.9	13%
Road ↓	67.5	74.4	(9%)
Retail ↑	61.6	58.3	6%
Fly ↑	32.9	29.3	12%
Locate ↑	23.1	20.9	10%
Other ↓	8.2	9.2	(11%)
Total revenue[2] ↑	**304.9**	**291.0**	**5%**

- Commute grew by 13% on a pro forma basis as it captured the digitization opportunity inherent with this format and improved positioning in the Melbourne market following the Metro Trains Melbourne rollout
- Road declined as major brands (Auto and Banks) reduced spend in Out Of Home and media more broadly
- Retail revenues grew 6%, continuing a recovery from 2H18 after management took action to reposition this channel
- Improvements in revenue for Fly and Locate were driven by management actions taken in the past two years which continue to deliver benefits in 1H19
- The $1m decline in other relates to Cactus Imaging and Junkee Media



Differences in balances due to rounding
1) Pro forma results include H1 Adhsel's underlying results while under the ownership of HT&E
2) New Zealand contribution included in formats

"While the recent adjustment to our earnings forecast for the year due to current market conditions is disappointing, the Company tested a number of potential scenarios for future trading and we concluded no equity raising is required, excluding the dividend reinvestment plan"

CEO Brendon Cook

Q3 decline, but oOh! well positioned for recovery

Management responses and improved Q4 pacing underpins revised guidance

- Market commentary by media houses and industry reports indicate sluggish major advertiser confidence across the board
- Q3 disappointing, but bookings strengthening in September after weak July and August
- Positive outlook for Q4, pacing up 6% on same time last year
- No slowdown in NZ which performed well in 1H and into 2H
- The revised earnings guidance was considered carefully, and taken in combination with current trading, does not compel a requirement for any additional capital
- Balance sheet remains sound. Excluding non recurring items 1H was cash flow positive and solid cash generation expected for 2H
- Management has a clear view of what actions may need to be taken should trading conditions change, and is proactively targeting further cost savings

Out Of Home set for continued structural growth

The fundamentals are sound because Out Of Home grows brands and sales

Strong internal operations

Our sales teams remain focused and competitive even as we integrate Commute

Winning market proposition

We win in our market as we offer a differentiated multi-format data proposition

Best category for media spend

Advertisers continue to preference Out Of Home in their budgets with the category expected to grow from 6% to 10% of total media spending

Ready to capture ad upswing

There is general softness across the media market. Media players and industry reports note a broad-based contraction but oOh! has built strong foundations in the company and the category to navigate the challenging market

"oOh! media and multiple asset advertising plays a vital role with awareness and makes up an essential part of our advertising media mix here at Koala."

Dany Milham
Co-founder, Director of Koala

Our strategic initiatives to capitalise on Out Of Home structural growth

REDEFINE OUT OF HOME IN ANZ AS A PUBLIC SPACE MEDIA CAPTIVATING, CONNECTING AND INFORMING CITIZENS

NETWORK

No material reduction in contract renewals and extensions across all products

Digitisation of Commute assets

Approval received for digitsation of Sydney Airport externals adding quality and capacity

ADVERTISERS & AGENCIES

Continue to recognise oOh! with the highest Net Promoter Score out of Out Of Home companies (Independent media market research company – Media I)

AUDIENCES

Commute assets added to Quantium

Recognized by the agencies as the OOH company with strongest understanding of data (Media I)

TECHNOLOGY

oOh!'s technology platform to carry all products by end of 2019

CULTURE

Positive engagement survey despite tough market conditions and integration activities. Sales team unified and focused

FINANCIAL PERFORMANCE

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Disciplined cost management – opex growth below guidance

P&L Pro forma[1] and pre AASB16[2]	H1 2019 ($m)	H1 2018[1] ($m)	Change[3]
Revenue	304.9	291.0	5%
Cost of media sites and production	(178.2)	(162.1)	(10%)
Gross profit	**126.6**	**128.8**	**(2%)**
Gross profit margin (%)	*41.5%*	*44.3%*	*(2.7 ppts)*
Total operating expenditure	(70.6)	(70.4)	(0%)
Underlying EBITDA	**56.0**	**58.4**	**(4%)**
Underlying EBITDA margin (%)	*18.4%*	*20.1%*	*(1.7 ppts)*
Non-operating items	(6.9)	(1.6)	(337%)
EBITDA	**49.1**	**56.8**	**(14%)**
Depreciation and amortisation	(24.8)	(27.5)	10%
EBIT	**24.3**	**29.3**	**(17%)**
Net finance costs[4]	(10.4)	(10.8)	3%
Profit before tax	**13.8**	**18.5**	**(25%)**
Income tax expense[5]	(4.8)	(6.5)	26%
NPAT	**9.0**	**12.0**	**(24%)**
Underlying NPATA[6]	18.2	17.6	3%

- Continued revenue growth – organic broadly in line with OOH market
- Gross profit growth below revenue growth with an adverse mix change and concession renewal rent step changes
- **Operating expenditure grew by ~4% on an underlying basis. After including benefit of 1H synergies, opex was flat**
- Non-operating costs of $6.9m relates to redundancy payments resulting from the Adshel integration, and the non-cash partial impairment of the third party customized technology platform that was in development by Adshel. The ~$7m integration cost estimates provided at the time of acquisition were the cash component and did not include this impairment
- Depreciation and amortization reflects the incorporation of purchase price accounting adjustments for Commute's PP&E. The customer contract intangibles accounting will be completed by 30 September
- NPAT declined by 24% due to the softer EBIT

Differences in balances due to rounding
1. Pro forma results include H1 Adhsel's underlying results while under the ownership of HT&E
2. oOh! is required to adopt AASB16 with effect from 1 January 2019. Guidance for 2019 was provided excluding the adoption of this standard. An 1H19 comparison between pre and post AASB16 is provided on slide 20
3. ppts refers to percentage points
4. H1 2018 pro forma finance costs are adjusted to provide a similar debt structure to the pro forma period as was the case for H1 2019, to allow for comparability of profit before tax, NPAT and Underlying NPATA between periods
5. H1 2018 pro forma income tax expense is adjusted to allow for comparability to the current period after accounting for the H1 2018 interest adjustment outlined in note 4 above
6. NPATA excludes the after tax impact on acquisition related amortization charges

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Excluding one-offs, cash flow positive for 1H19

Cash flows[1]	H1 2019 ($m)	Reported H1 2018 ($m)	Change
EBITDA (pre AASB16)	49.1	36.3	12.8
Net change in working capital and non-cash items	2.3	8.8	(6.5)
Interest and income tax	(34.3)	(16.0)	(18.2)
Net cash from operating activities	**17.1**	**29.1**	**(12.0)**
Capital expenditure	(28.3)	(14.5)	(13.8)
Proceeds from disposal of PP&E / Other	0.5	0.3	0.5
Net cash flow before financing / free cash flow	**(10.7)**	**14.9**	**(25.3)**
Operating cash flow / EBITDA	**34.9%**	**80.1%**	**(45.3 ppts)**

Differences in balances due to rounding
1. Represents key cash flow items only

- 1H cash flows included material non recurring items:
  - $7m relating to exit the loss making 7-Eleven contract,
  - $16m in tax payments that will flow back in future periods (timing differences), and
  - $3.5m in integration cash costs
- **Excluding these non recurring items – 1H free cash flow generation approximating $15m**
- Higher interest charge on the funding to acquire Adshel
- Investment in capital expenditure of $28.3m increased by 14% on a pro-forma basis versus $24.9m in the pcp. Capex included the roll out of new inventory at the recently re-won Brisbane Airport and City Council contracts, in addition to growth capex across the rest of the business
- oOh! nearing full operational launch of its technology platform, allowing a slowdown in tech investment on a run rate basis from Q4
- **Strong free cash flows will be delivered in 2H – tax timing differences reversing and stronger seasonal cash receipts**

Sound balance sheet - debt will reduce in 2H

Balance sheet[1]	30 Jun 2019 ($m)	31 Dec 2018[2] ($m)	Change ($m)
Cash and cash equivalents	39.3	33.0	6.3
Trade and other receivables	116.6	124.8	(8.2)
Other assets	67.8	57.7	10.1
Property, plant and equipment	248.1	179.4	68.7
Right of use assets	741.5	0	741.5
Intangible assets and goodwill	780.0	852.4	(72.4)
Total assets	**1,993.3**	**1,247.4**	**745.9**
Trade payables	88.4	93.1	(4.7)
Other liabilities	41.0	67.8	(27.0)
Loans and borrowings	432.7	405.6	27.3
Lease liabilities	778.8	n/a	778.8
Total liabilities	**1,340.9**	**566.5**	**774.4**
Net assets	**652.5**	**680.9**	**(28.5)**
Credit metrics			
Gross debt	432.7	405.6	27.1
Net debt	393.4	372.5	20.9
Net debt / Underlying EBITDA[3]	**2.7x**	**2.6x**	**0.1X**

Differences in balances due to rounding
1. Represents key balance sheet items only
2. Balance sheet presented as per FY18 financial report. FY18 balances restated in 1H statutory accounts for PPA accounting on PP&E
3. Last twelve month pro forma underlying EBITDA is $143.3m
4. Adjusts last twelve month pro forma underlying EBITDA as if $16m FY19 run rate synergies already captured, versus circa $3m already recognized in 1H

- **Strong positive cash flows in 2H will reduce debt**
- **Debt reduction will occur across the updated EBITDA guidance range provided**
- **Full year run rate synergy gearing 2.5x[4]**
- The 30 June balance sheet accounts reflect the adoption of AASB16 which was effective from 1 January. The comparative 31 December 2018 accounts are presented as per the FY 2018 financial report
- $66.8m of the $68.7m increase in PPE is from increase in fixed asset valuations of Commute following the provisional Purchase Price Accounting calculations for PP&E post acquisition
- Gearing has increased from 2.6X to 2.7X due to the non recurring 7-Eleven exit payment, tax timing differences, and integration payments
- The DRP program will be activated and underwritten
- On a reported basis under AASB16 right of use assets of $749.9M are included in total assets. Similarly the associated capitalised fixed lease expenses are included as lease liabilities in total liabilities. The lease liabilities exceed the right of use assets due to the implied interest component which unwinds over the course of the lease portfolio as it matures. These liabilities are excluded from our banking covenants

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BUSINESS STRATEGY

On track to deliver key strategic initiatives

Building a diversified, integrated, data-enabled portfolio

Key Focus		Progress
Commute integration	Successfully integrate street furniture and rail into oOh!'s sales structures	Complete
	Physical integration of back office and support functions	Complete
	FY19 exit run-rate of $16 million in cost synergies	On track for $16m, additional synergies in 2020
Cost discipline	Pre-synergy opex growth target of between 5% and 7%	On track for <5% OPEX growth
	Guidance for FY19 capital expenditure to be between $55 million and $70 million	On track for low to mid-point of range
Technology platform	Next phase delivery of technology platform development, all products including Commute to be fully on platform. Operational benefits to follow in 2020	All products enabled by end 2019

Sharpening our focus for 2H

Striving for improved sales, maintaining financial discipline

- Revised earnings guidance is clearly disappointing
- Energised oOh! sales team proactively hunting new clients and revenue opportunities
- Leading the market in audience data and insights
- Maintaining disciplined approach to cost while selectively investing in revenue generating capabilities and systems
- Continued balanced investment in high-value new sites while optimising portfolio to reduce legacy or low performing assets

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NEW MAGNUM
VEGAN
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OUTLOOK

OUTLOOK

GUIDANCE

- The Out Of Home sector is expected to continue to gain market share across media formats
- Q3 trading significantly more difficult than anticipated versus when we provided guidance in February. Pacing now (~-8%) with limited visibility on the important Q4 (~+6%). September has strengthened since the trading update on 16 August
- Guidance for CY2019 underlying EBITDA updated to $125m to $135m (excluding integration costs and pre changes for AASB16)
- Opex growth will be less than 5% vs pro forma 2018, before the benefit of synergies[1]
- Capex spend expected to be at the lower to mid range of $55m-$70m
- Declining debt with positive cash flows in H2, and targeting gearing below or approaching 2.0X in 2020
- oOh!'s overall strategy will continue to deliver long term sustainable revenue and earnings growth to maximise shareholder value creation

1. 2019 exit run rate synergies of $16m, with circa $9m falling into 2019 EBITDA

QUESTIONS

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APPENDIX

Unmissable

P&L Post AASB16 vs Pre AASB16

	1H Pre AASB16 2018 ($m)	1H Post AASB16 2019 ($m)	Change[1]
Revenue	304.9	304.9	-
Cost of media sites and production	(178.2)	(95.9)	82.3
Gross profit	**126.6**	**208.9**	**82.3**
Gross profit margin (%)	*41.5%*	*68.5%*	*27.0 ppts*
Total operating expenditure	(70.6)	(67.1)	3.6
Underlying EBITDA	**56.0**	**141.8**	**85.8**
Underlying EBITDA margin (%)	*18.4%*	*46.5%*	*28.2 ppts*
Non-operating items	(6.9)	(6.9)	-
EBITDA	**49.1**	**134.9**	**85.8**
Depreciation and amortisation	(24.8)	(104.3)	(79.5)
EBIT	**24.2**	**30.6**	**6.4**
Net finance costs	(10.4)	(29.0)	(18.5)
Profit before tax	**13.8**	**1.6**	**(12.2)**
Income tax expense	(4.8)	(1.1)	3.7
NPAT	**9.0**	**0.5**	**(8.5)**
Underlying NPATA	18.2	9.7	(8.5)

1. ppts refers to percentage points
2. The full retrospective approach allows for a lease to be restated under AASB16 from its inception, as opposed to the implementation date of the standard on 1 January 2019. Generally the earlier a lease can be restated in its natural life cycle the lower the implied amortisation charge at reporting date. This difference has no impact on cash flows or the underlying economics of the business.

Key changes: EBITDA increase of $85.8m offset by a Depreciation and Amortisation increase of $79.5m and an Interest expense increase of $18.5m. Resulting NPAT & NPATA decrease of $8.5m which is temporary and non cash over the life of lease maturity

- Revenue unaffected by AASB16
- COGS reduced due to fixed rents no longer captured in COGS under AASB16. These are now in amortization and interest
- Operating expenditure has declined by $3.6m due to the fixed rent agreements for premises being captured in amortization and interest per AASB16
- Depreciation and amortisation has increased by circa $79.5m due the adoption of AASB16
- Net finance costs have increased by circa $18.5m due the adoption of AASB16. Depreciation and amortization costs are disproportionally high on adoption of AASB16 versus in later years. This is because oOh! was unable to apply the full retrospective approach[2] to Commute's long tail leases that existed at 30 September 2018 as it was not the owner of the Commute business on the origination of the underlying leases
- PBT, NPAT and NPATA have all been adversely impacted by AASB16. All of these impacts are timing differences over the life average lease life and have no bearing on the business's economic performance or ability to generate cash

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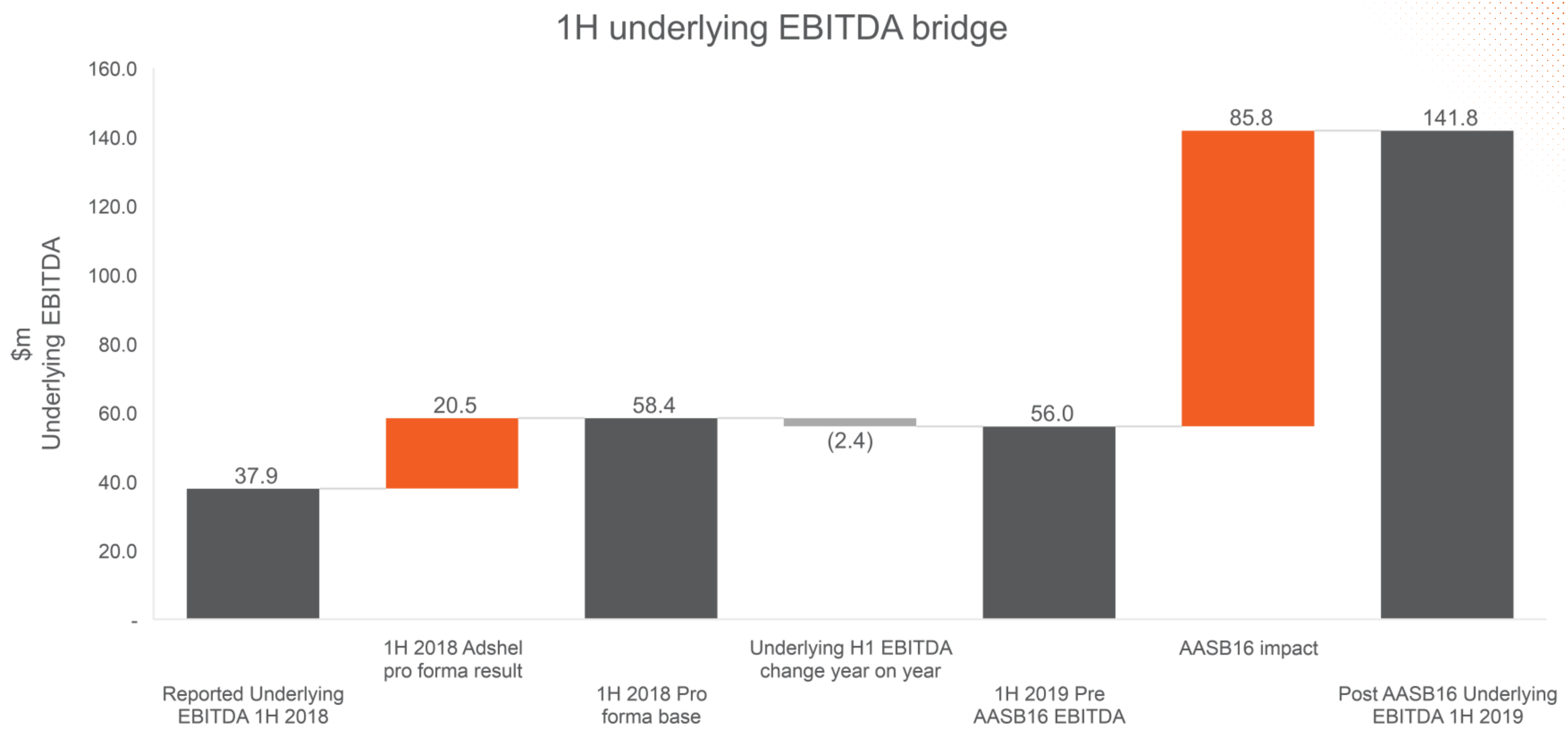
Underlying EBITDA Bridge between 1H 2018 and 1H 2019



FINANCIAL INFORMATION NOTICE

oOh!'s Financial Statements for the half year ended 30 June 2019 presented in accordance with Australian Accounting Standards.

oOh!media has also chosen to include certain non-IFRS financial information. This information has been included to allow investors to relate the performance of the business to the measures used by management and the Board to assess performance and make decisions on the allocation of resources.

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

Glossary	
COMMUTE	oOh's street furniture and rail categories – acquired from the rebranded Adshel acquisition
EBIT	Earnings before interest and tax
EBITDA	Earnings before interest, tax, depreciation and amortisation
ORGANIC	Excludes the financial impact of acquisitions
NPAT	Net profit after tax
NPATA	Net profit after tax before acquired amortisation and non-cash items such as impairments
Pre AASB16	The accounts for 2019 as they would have been reported if not for the adoption of the new leasing standard AASB16
Pro forma	The financial results for H1 2018 as if oOh! had owned Adshel during the half and before accounting for the impact of AASB16
Underlying	Financial measure which reflects adjustments for certain non-operating items including impairment, acquisition and merger-related expenses. Underlying represents the same concept as in the CY2018 Annual Report

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IMPORTANT NOTICE AND DISCLAIMER

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

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