

# ASX ANNOUNCEMENT

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## 2022 Annual General Meeting Chair Address

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**20 October 2022**

Good morning Ladies and Gentlemen,

I am your Chair, Ann Sherry, and I would like to welcome you all to the 2022 Annual General Meeting of Enero, being held virtually via a virtual meeting platform.

I have been advised that we have the necessary quorum of Shareholders present and I declare the meeting open.

I would now like to introduce my fellow Directors:

- CEO – Brent Scrimshaw;
- Non-executive Director – David Brain;
- Non-executive Director – Ian Rowden;
- Non-executive Director - Anouk Darling; and
- Non-executive Director – Louise Higgins.

Company Secretary Catherine Hoyle and representatives from our share registry, Link Market Services, will be assisting with the conduct of the meeting.

Our external auditors KPMG are also in the online meeting via audio conference and are available to answer any shareholder questions on the audit of Enero Group's 2022 Financial Statements.

The notice convening this Meeting has been made available to all registered shareholders.  
I will take the Notice of meeting as read.

As we are again meeting remotely this year, I would like to outline how we will conduct the Meeting.

An online virtual meeting guide, which explains how shareholders may participate in the meeting, is available in the Downloads section of the online platform and on our website.

At the bottom of the screen there are two boxes. These allow you to get a voting card, ask a question, and you can also download relevant documents.

Thank you to those shareholders who submitted questions prior to the meeting. We will address those questions in our prepared speeches.

If you have a question that you would like to ask today, there are two ways to do so.

Firstly, you may type questions into the online platform. To do this, click 'Ask a question' and follow the prompts. There is a limit of 532 characters for written questions.

To ensure you have enough time to type and submit your question, I encourage you to start typing now instead of waiting until later in the meeting.

Online questions that are relevant to the business of this meeting will be read aloud to me by Company Secretary Catherine Hoyle. We may aggregate questions if we receive multiple questions on the same topic.

The second way to ask a question is by phone. To do so, you must enter your unique PIN, obtained from Link Market Services prior to the meeting. If you have your pin, the details for joining the call are on the screen. If you do not have a phone PIN and would like to ask a question over the phone, please contact Link on 1800 990 363 to request a PIN.

We will first take questions from shareholders using the online platform, and then take questions received over the phone. We will save each question until the relevant item of business.

I will now summarise the voting procedures. All items of business will be voted on by poll, which is now open.

If you did not cast your vote prior to the meeting, you may cast a live vote using the online platform. Please click 'Get a voting card' and follow the prompts. You may cast your live vote at any time during the meeting.

Live voting on the online platform will close five minutes after the close of the meeting. At the conclusion of the AGM, you will see a red bar appear along the top of the online platform with a countdown timer of how long you have remaining to cast your vote. You must be logged into the online platform to cast a live vote. You cannot cast a vote over the phone.

I confirm that where undirected proxies have been given to me, as Chair, I will vote in favour of the resolution to the extent permitted. During the meeting we will display on the presentation slides the number of direct and proxy votes received prior to the meeting on each resolution.

The final results will be released to the market as soon as they are available.

If you experience any difficulties using the online platform, a helpline number is displayed at the top of your screen. Please ring 1800 990 363.

If we experience any technical issues today, a short recess or an adjournment may be required depending on the number of shareholders being affected. If this occurs, I shall advise you accordingly, a market announcement will be made and our website updated. Shareholders, proxyholders and guests who have registered to watch the meeting will be notified via SMS to their registered device.

The Agenda for the Meeting will be as follows:

I will give a short Welcome Address. I will then invite CEO Brent Scrimshaw to give the Business Review. We will then conduct the formal business of the meeting which includes the resolutions of the meeting

FY22 was another outstanding year for Enero, and I am pleased to have the opportunity of updating you, our shareholders, on the company's performance. The combination of our integrated services and deep industry expertise, underpinned by exceptional talent and capability, saw us deliver globally recognised results for our clients, whilst the ongoing refinement of our strategic portfolio has positioned the business for sustainable growth.

Despite the challenging global macroeconomic landscape, Enero's strong portfolio of global businesses again delivered benchmark operational results with significant growth across all key financial metrics:

- Net Revenue increasing 20% to \$193.4 million

- Underlying Operating EBITDA increasing 40% to \$62.2 million, with Operating EBITDA margin expanding 380bps to 32.2%
- Net profit after tax increasing 19% to \$27.1 million, with a similar increase in Earnings per share to 30.9 cents, up 17%.

Earnings also converted strongly to cash flow, with operating cash flow of \$48.8 million representing EBITDA cash conversion of 96%. This resulted in a strong net cash balance as at 30 June 2022 of \$52.3 million, and our balance sheet remains in a healthy position to support future growth.

Taking account of the strong FY22 performance, cash generation, growth opportunities and balance sheet position, the Board declared a fully franked final dividend of 6.5 cents per share, representing a payout ratio of 43%, and taking total dividends for the year to 12.5 cents per share, fully franked.

The company continues to rapidly transform in to a progressive and globally competitive business in response to the changes taking place in the worldwide operating environment and a rapidly evolving marketplace.

The Enero operating model is now squarely focused on two strategic segments, Brand Transformation and Creative Technology and Data.

Brand Transformation incorporates The Hotwire Group, BMF and CPR which use creative ideas to transform the way customers and stakeholders connect and engage with brands. Creative Technology and Data incorporates OB Media and Orchard, which provide high-quality customer experiences enabled by technology and data.

Each of the specialist businesses within our portfolio are now well positioned, with a unique and differentiated service offering in the high-growth industry verticals of technology, health care and consumer, through a suite of integrated services and deep vertical expertise.

And the efficiency of our operating model is supported by our global centres of excellence based in Sydney. These include People & Culture, Finance, Technology, Legal and M&A.

In FY22, Enero also continued to refine its portfolio with the sale of The Leading Edge and The Digital Edge, and given the importance of building a differentiated and truly global offering, we continued to invest in modern marketing capabilities, through Hotwire Group's acquisitions just after year end of ROI DNA in the USA and GetIT in Asia Pacific.

FY22 was another year of significant achievement against our key strategic priorities.

We continued to enhance our reputation as a home for world class talent and our NPS scores have remained consistently strong, despite the challenge of a highly competitive hiring environment.

ROI DNA and GetIT have added sophisticated performance marketing capabilities in North America and broadened our reach into APAC for the first time.

Improving productivity and profitability through the implementation of technology and streamlined processes, is reflected in our strong financial results as we continue to maintain our already industry-leading margins.

Finally, our ambition to foster and grow an innovation engine from within Enero to deliver new business opportunities is supported by an ongoing assessment of technology and data requirements in today's global marketplace with the flexibility to support our long term strategic plans.



On behalf of the Board, I would like to thank our talented global team of over 900 people across 16 cities around the world for their diligence and dedication during the year.

I would also like to acknowledge the leadership of our CEO Brent Scrimshaw and the Enero executive team, who are executing on our strategy and building a progressive and world class portfolio of marketing and communications businesses with substantial scope to continue sustainably growing in FY23 and beyond.

I would also like to thank my fellow Board members for their continued commitment to Enero throughout FY22. Their expertise and independent judgement have been vital in progressing the Company's growth strategy.

Finally, I would like to thank you, our shareholders, for your continued support of Enero.

I will now hand over to Brent who will provide a review of the business.

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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#### **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.