



# **Enero Group**

## **2022 Annual General Meeting**

**20 October 2022**

# Chair Address

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**Ann Sherry AO**

# Record FY22 financial results



## REVENUE

**\$193.4 million**

+20.4% YoY



## OPERATING EBITDA

**\$62.2 million\***

+40.1% YoY



## NET PROFIT

**\$27.1 million\***

+18.8% YoY



## OPERATING CASH FLOW

**\$48.8 million**

96% cash conversion



## NET CASH

**\$52.3 million\*\***



## DIVIDEND PER SHARE

**12.5 cents**

# Our global operating model

WHO WE ARE



**enero**

**WE ARE A CREATIVE TECHNOLOGY COMPANY**

A group of specialists who accelerate high-growth businesses by transforming brands and deploying creative data and technology to enrich customer experiences

PORTFOLIO



**BRAND TRANSFORMATION**  
Human-generated creative ideas to transform the way customers and stakeholders connect and engage with brands

**CREATIVE DATA AND TECHNOLOGY**  
High-quality customer experiences connected by technology and enabled by data

**Hotwire** | **bmf** | **cpr** Issues Government Media

**orchard** | **o:media** | **THE LEADING EDGE** | **the digital edge**

PRIORITY VERTICALS



**TECHNOLOGY**

**HEALTHCARE**

**CONSUMER**

CENTRES OF EXCELLENCE



People and Culture | Finance | Technology | M&A | Legal

# FY22 delivered against priorities



## TALENT

Strong talent acquisitions in key roles at OB Media, Orchard and BMF

Acquired senior talent from ROI DNA and GetIT acquisitions

Continued strong NPS scores in competitive environment for talent



## CAPABILITY

Hotwire MBA proposition delivers joint wins and cross selling to existing client base

ROI DNA and GetIT add sophisticated performance marketing capabilities in N.A. and APAC



## PRODUCTIVITY

Global systems continue to be implemented

Earnings growing faster than revenues



## INNOVATION

Ongoing assessment of internal and external investment opportunities

Flexible balance sheet with cash to support growth initiatives

# CEO Business Review

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**Brent Scrimshaw**

# Enero's strategy is to provide relevant and integrated services with deep vertical expertise

## Clients want integrated support ...

- Client roles/buyers are merging (CMO=CRO)
- Communications specialties no longer work in siloes
- Multi-agency model more difficult to manage as importance of data and technology increases
- Procurement's role is expanding, and prefers single providers


## ... but not at the expense of deep vertical expertise

- As marketing becomes more personalised and more closely tied to revenue, critical to understand the unique client context
- Ever increasing digital complexity requires support navigating organizational and technical change

## Our FY23-FY25 strategy: Integrated experts in the verticals that count

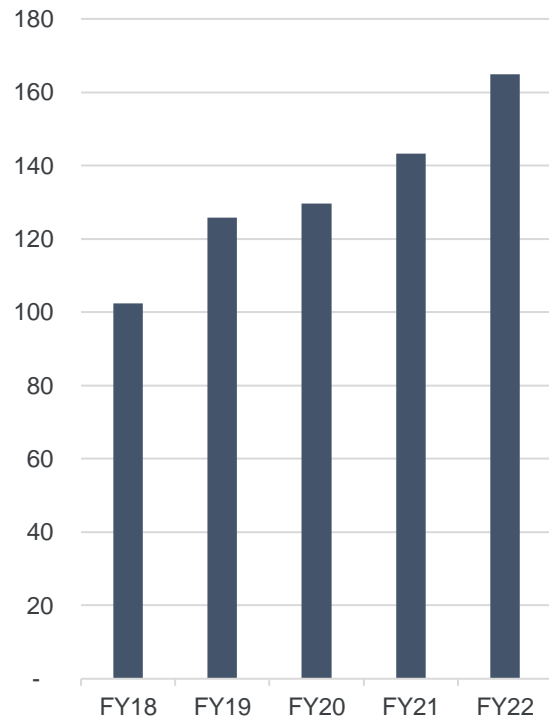
enero

		enero	
Priority services	Digital	ROI-DNA GETIT HW	orchard Mar Tech
	Data		
	Creativity	HOTWIRE	orchard USA bmf
	AdTech	← bmedia → <small>email • display • mobile</small>	
	Tech	Healthcare	Growth Consumer
	<i>Priority verticals</i>		

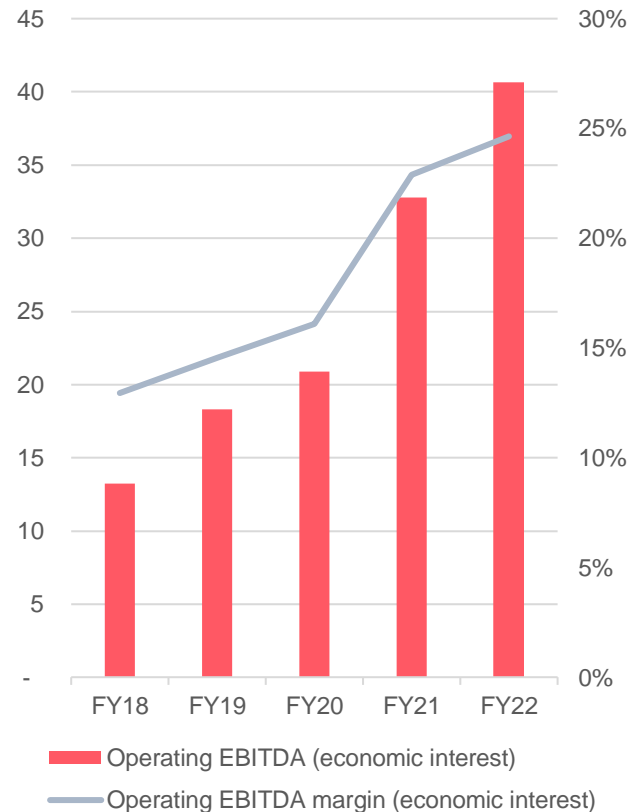
 Organic and inorganic growth opportunities

# Strong track record of growth

GROWING NET REVENUE (A\$M)\*



GROWING OPERATING EBITDA (A\$M) AND MARGIN (%)\*



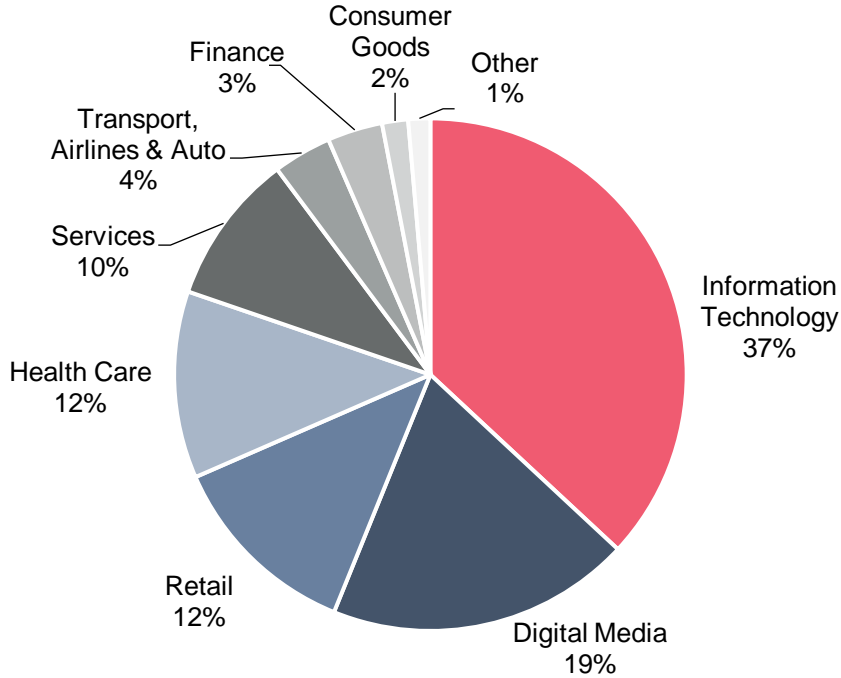
## HIGHLIGHTS

- Net revenue continues to grow both organically and through acquisitions over the past 5 years. Acquisitions include Orchard in FY18, MBA in FY21
- GetIT and ROI DNA to contribute to earnings from FY23
- CAGR over 4 years for Net revenue is 12.7% and Operating EBITDA is 32.3%
- Operating EBITDA margin expansion from 13% to 25.0%\* driven through growth in higher margin businesses such as OB Media and continued efficient operating cost base



# Diversified revenue with deep client relationships

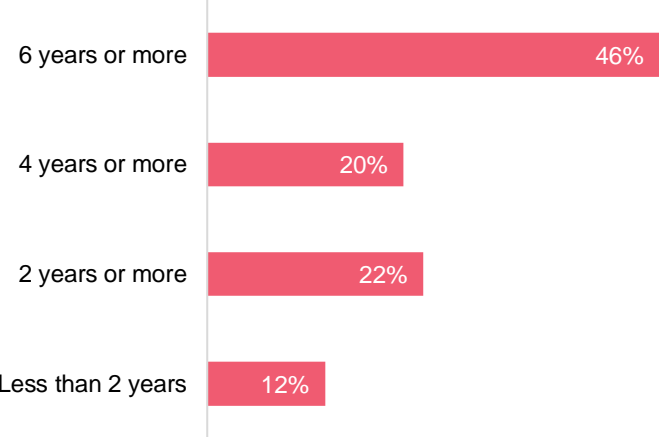
## Net revenue is diversified across industry and geography



Tech exposure is predominately B2B and in sustainable growth segments including cloud computing, security and digital transformation

## High client longevity

% of clients by length of relationship



50:50 project and retainer revenue split in FY22 for agencies

66% of clients have been with the Enero group for 4 years or more

# Brand Transformation

**HOTWIRE**

THE GLOBAL TECH  
COMMUNICATIONS CONSULTANCY



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



## Key Metrics

- Double digit top and bottom-line growth
- 110bp EBIT margin improvement YoY
- 305 FTE before recent acquisitions

- Double digit top and bottom-line growth
- 170bp EBIT margin improvement YoY
- 140 FTE plus strong bench of contractors



## Highlights

- Momentum with 'Reputation to Relationship to Revenue' offering through acquisitions of MBA, ROI DNA and GetIT
- GetIT provides a platform for AsiaPac
- 20+ award wins

- Delivered multiple health and social impact campaigns for Fed Govt
- ALDI Australia recognized as #4 Effective Brand in the world (WARC 100)
- Named #3 Most Effective Creative Agency in the world (WARC 100)

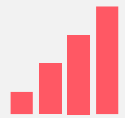
# Creative Technology and Data



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



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



## Key Metrics

- Substantial top and bottom-line growth
- ~120% increase in customers delivered to advertisers to 285 million
- 30% improvement in traffic conversion

- Net revenue and EBITDA growth YoY
- EBIT Margins consistent with 2021
- 117 FTE plus strong bench of contractors

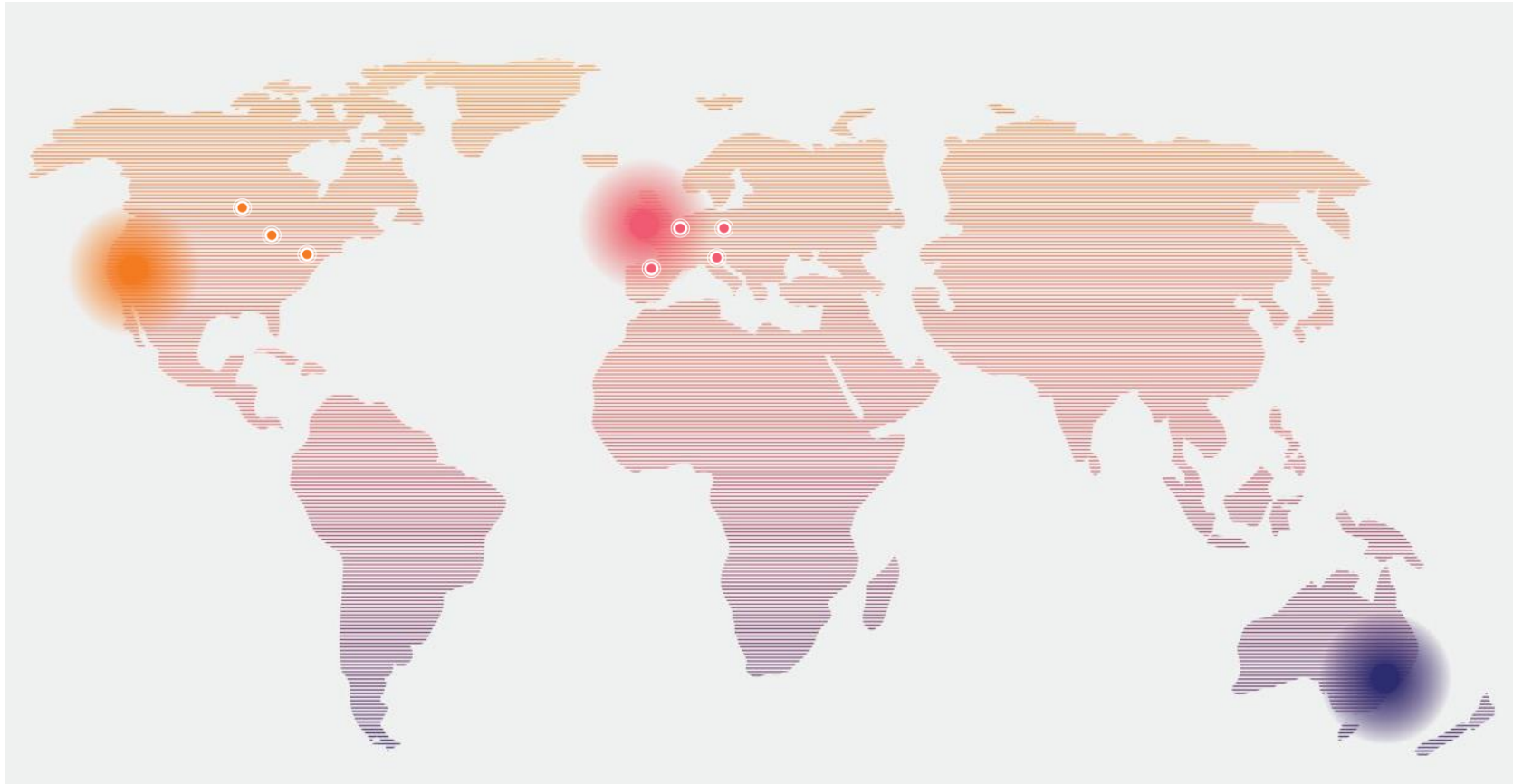


## Highlights

- Investment in Audience Development capability with key new hires
- Continued enhancements of campaign optimisation and platform development
- Technology investments driving more informed media buying capability

- Won Amaysim and delivered first CDP Optimizely deployment in Aust for Tourism Tasmania
- Strong performance in Aust Health
- Most awarded agency at 2021 PRIME Healthcare Marketing Awards

# 15 offices & over 900 employees around the world



## FY22 GEOGRAPHICAL CONTRIBUTIONS FROM OPERATING COMPANIES\*

	REVENUE	EBITDA
USA	36%	58%
UK AND EUROPE	22%	16%
AUSTRALIA	42%	26%

# FY22 summary

- ✓ FY22 financial results add to strong track record
  - 20% Net revenue growth
  - Industry leading margins
  - All businesses contributing profit
- ✓ Well diversified revenue base across businesses
- ✓ Integrated services and deep vertical expertise demonstrated by Hotwire's 'Reputation to Revenue' services
- ✓ Continued investment in talent and Centres of Excellence to support growth ambition



# FY23 outlook and trading update

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**Brent Scrimshaw**  
CEO

# FY23 key 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 mindset



## 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

# Q1 Trading Update

- Enero Group saw a continuation of its sustainable revenue and EBITDA growth over Q1FY23
- FY23 Q1 revenue is up 35.5% year-on-year and 19.1% 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

(\$M)	Q1 FY23	Q1 FY22	YoY % change
Net Revenue	<b>61.8</b>	45.6	35.5%
Operating EBITDA	<b>19.2</b>	14.7	30.1%
<i>Operating EBITDA margin</i>	<b>31.1%</b>	32.2%	(110bp)



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