



oOh!media Limited
ABN 69 602 195 380

21 August 2023

ASX Release

APPENDIX 4D AND HALF YEAR REPORT

oOh!media Limited (ASX:OML) (**oOh!**) attaches its Appendix 4D and Half Year Report for the half year ended 30 June 2023.

This announcement has been authorised for release to the ASX by the Board of Directors.

Investor Relations contact:

Martin Cole
0403 332 977
investors@oohmedia.com.au

Media contact:

Tim Addington
0405 904 287
tim.addington@tagpr.com.au

About oOh!media

oOh!media is a leading Out of Home media company that is enhancing public spaces through the creation of engaging environments that help advertisers, landlords, leaseholders, community organisations, local councils and governments reach large and diverse public audiences.

The Company's extensive network of more than 37,000 digital and static asset locations includes roadsides, retail centres, airports, train stations, bus stops, office towers and universities.

Listed on the ASX, oOh! employs around 800 people across Australia and New Zealand and had revenues of \$593 million in 2022. It also owns the Cactus printing business.

The Company invests heavily in technology and is pioneering the use of sophisticated data techniques that enable clients to maximise their media spend through unrivalled and accurate audience targeting. Find out more at oohmedia.com.au

oOh!media Limited and its Controlled Entities (the Group)

ACN 602 195 380

Appendix 4D

Half Year Report

Results for announcement to the market

Details of the reporting period and the previous corresponding reporting period

Reporting period: For the half year ended 30 June 2023

Previous corresponding period: For the half year ended 30 June 2022

Results for announcement to the market

In accordance with the ASX Listing Rule 4.2A, the Board and management of oOh!media Limited have enclosed an Appendix 4D for the half year ended 30 June 2023.

		Change %	30-Jun-23 \$'000	30-Jun-22 \$'000
Revenues from ordinary activities ⁽¹⁾	Increased	7.4%	296,592	276,081
Profit from ordinary activities after income tax attributable to members ⁽¹⁾	Increased	5.7%	6,448	6,103
Profit for the period attributable to the members ⁽¹⁾	Increased	5.7%	6,448	6,103
EBITDA - Statutory ^{(1) and (2)}	Decreased	-2.6%	128,369	131,788
EBITDA - Underlying ^{(1), (2) and (3)}	Decreased	-2.5%	128,320	131,597
Adjusted Underlying EBITDA ^{(1), (2) and (4)}	Decreased	-3.8%	49,595	51,548

(1) All the above comparisons are on a statutory basis unless otherwise stated.

(2) Earnings before interest, tax, depreciation and amortisation (EBITDA) is a non-IFRS measure. This is included in management reports reviewed by the Group's chief operating decision maker (the Board).

(3) The Directors believe that the Underlying presentation of results is a better indicator of performance and differs from the statutory presentation. Refer to Note 3 – Operating segments, of the Condensed Consolidated Financial Statements for a reconciliation between statutory and underlying EBITDA.

(4) The Adjusted Underlying EBITDA for the half year ended 30 June 2023 includes a deduction of fixed rent obligations of the Group. This is accounted for as depreciation of right of use assets and interest expense on lease liabilities. The Board and executive management monitor Adjusted Underlying EBITDA.

Refer to the attached Half Year Report, including the Operating and Financial Review section of the Directors' Report, for discussion of the results.

Dividend information ⁽¹⁾	Amount per share (cents)	Franked amount per share (cents)	Tax rate for franking credit
Current period			
Interim 2023 dividend (to be paid on 21 September 2023)	1.75	1.75	30%
Previous period			
Final 2022 dividend (paid on 23 March 2023)	3.0	3.0	30%
Interim 2022 dividend (paid on 22 September 2022)	1.5	1.5	30%
Final 2021 dividend (paid on 24 March 2022)	1.0	1.0	30%

⁽¹⁾ The Company's Dividend Reinvestment Plan did not operate for the Final 2022 dividend and will not operate for the Interim 2023 dividend.

Interim 2023 dividend dates	
Ex-dividend date	30 Aug 2023
Record date	31 Aug 2023
Payment date	21 Sept 2023

Net tangible assets	30-Jun-23	30-Jun-22
Net tangible assets/(liabilities) per security (dollars) ⁽¹⁾	(0.02)	0.09
Net assets per security (dollars) ⁽²⁾	1.34	1.35

⁽¹⁾ Derived by dividing net assets/(liabilities) less intangible assets by total issued shares of 538,781,286 (2022: 598,645,873 shares). Net tangible assets at 30 June 2023 were reduced due to the on market share buyback conducted from September 2022 to June 2023, resulting in a net tangible liability per security.

⁽²⁾ Derived by dividing net assets by total issued shares of 538,781,286 (2022: 598,645,873 shares).

Details of associates and joint venture entities

The Group maintains a 33.3% interest in Calibre Audience Measurement Limited.

Audit qualification or review

The Condensed Consolidated Interim Financial Statements were subject to a review by the auditors and the review report is attached as part of the Half Year Report.

Additional information

For additional information required under ASX Listing Rule 4.2A, please refer to the Half Year Report for the half year ended 30 June 2023 of oOh!media Limited and its controlled entities.



HALF YEAR REPORT

30 JUNE 2023

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General Information

The Half Year Report covers oOh!media Limited and its controlled entities. The consolidated interim financial statements are presented in Australian currency.

oOh!media Limited is a listed company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Level 2, 73 Miller Street, North Sydney, New South Wales 2060

The Half Year Report was authorised for issue in accordance with a resolution of the Directors. The Directors have the power to amend and reissue the Half Year Report.

Through the use of the internet, oOh!media Limited ensures that all corporate reporting is timely, complete and available to all users at minimum cost to the Company. All media releases, financial reports and other information are available at the Investors section on the website: www.investors.oohmedia.com.au

Directors' Report

Introduction

The Directors of oOh!media Limited present their Half Year Report for the half year ended 30 June 2023. The Half Year Report includes the results of oOh!media Limited (oOh!media, oOh! or the Company) and the entities that it controlled at the end of, or during the period (together referred to as the Group).

Corporate structure

oOh!media Limited is a public company limited by shares that is incorporated and domiciled in Australia and listed on the Australian Securities Exchange.

Principal activities

oOh!media is a leading Out-of-Home media company, offering advertisers the ability to create deep engagement between people and brands across the largest and most diverse Out-of-Home location-based portfolios in Australia and New Zealand. oOh!media's portfolio includes:

- (a) large format digital and classic roadside screens;
- (b) large and small format digital and classic signs located in retail precincts such as shopping centres;
- (c) large and small format digital and classic signs in airport terminals, lounges and in-flight;
- (d) digital and classic street furniture signs;
- (e) digital and classic format advertising in public transport corridors including rail; and
- (f) digital and classic signs in high dwell time environments such as universities and office buildings.

oOh!media also provides advertising creative and printing services.

Operating and financial review

The consolidated profit after income tax for the half year ended 30 June 2023 was \$6,448,000 (30 June 2022: profit after income tax of \$6,103,000). A review of the operations of the Group for the half year ended 30 June 2023 is set out in the Operating and Financial Review 1H2023 section, which is attached and forms part of this Directors' Report.

Matters subsequent to the reporting date

Since the end of the financial half year, and after the approval of these Condensed consolidated interim financial statements, the Board has declared a fully franked interim dividend on 21 August 2023 of 1.75 cents per ordinary share, amounting to \$9,428,673 in respect of the half year ended 30 June 2023 (30 June 2022: \$8,935,744). This dividend is payable on 21 September 2023. The financial effect of this dividend has not been brought to account in the consolidated interim financial statements for the half year ended 30 June 2023 and will be recognised in subsequent financial reports.

No other matter or circumstance at the date of this report has arisen since 30 June 2023 that has significantly affected or may affect:

- (a) the operations of the Group in future financial years;
- (b) the results of those operations in future financial years; or
- (c) the Group's state of affairs in the future financial years.

Dividends

The following fully franked dividends have been paid to date:

	Amount per share	Total paid
	Cents	(\$)
Dividends paid during 2023		
Final 2022 dividend (paid on 23 March 2023)	3.0	17,432,519
Dividends paid during 2022		
Final 2021 dividend (paid on 24 March 2022)	1.0	5,986,459
Interim 2022 dividend (paid on 22 September 2022)	1.5	8,935,744

The Company's policy is to pay dividends of 40-60 per cent of Adjusted Underlying net profit after tax, as AASB 16 does not have a cash impact and there is no cash replacement cost for the acquired intangibles⁽¹⁾. After the reporting date, the Board declared a fully franked interim dividend of 1.75 cents per ordinary share in respect of the half year ended 30 June 2023, amounting to \$9,428,673⁽²⁾. This dividend is payable on 21 September 2023. The financial effect of this dividend has not been brought to account in the Condensed Consolidated Interim Financial Statements for the half year ended 30 June 2023 and will be recognised in subsequent financial reports.

The Company's Dividend Reinvestment Plan did not operate for any dividends paid during CY22 and will not operate for the Interim 2023 dividend.

(1) The intangible assets are historic and do not have any requirement to be replaced, and thus the related amortisation charge is excluded in arriving at an appropriate dividend.

(2) Based on 538,781,286 total issued shares as at 30 June 2023.

Directors

The names of the Directors who held office at any time during or since the half year ended 30 June 2023 and as at the date of this report are:

Tony Faure	Chair and Independent Non-executive Director	Director for whole period
Catherine (Cathy) O'Connor	Chief Executive Officer and Managing Director	Director for whole period
Philippa Kelly	Independent Non-executive Director	Director for whole period
Tim Miles	Independent Non-executive Director	Director for whole period
Joanne Pollard	Independent Non-executive Director	Director for whole period
Andrew Stevens	Independent Non-executive Director	Director for whole period
David Wiadrowski	Independent Non-executive Director	Director for whole period

Auditor's independence declaration

The Lead auditor's independence declaration is set out on page 13 and forms part of the Directors' Report for the half year ended 30 June 2023.

Rounding of amounts

The Company is a kind referred to in ASIC Corporations Instrument 2016/191 (Instrument) issued by the Australian Securities and Investments Commission (ASIC), relating to the 'rounding off' of amounts in the Directors' Report. Amounts in the Directors' Report have been rounded off in accordance with the Instrument to the nearest thousand dollars, or in certain cases, to the nearest dollar, unless otherwise stated.

This report is made in accordance with a resolution of the Directors, pursuant to section 306(3)(a) of the Corporations Act 2001.

Signed on behalf of the Directors.

A handwritten signature in black ink, appearing to read 'Tony Faure', written in a cursive style.

Tony Faure

Chair

21 August 2023

Operating and Financial Review 1H 2023

INTRODUCTION – OOH!MEDIA REVENUE GROWTH 7%, OUTPERFORMING BROADER MEDIA MARKET - INCREASED MOMENTUM IN SECOND QUARTER

For the half year ended 30 June 2023 ("1H23") Out of Home continued its strong outperformance as a growth advertising medium taking a record share from traditional media¹.

The Out of Home Industry reported double-digit revenue growth in 1H23 of 11.9% on the prior corresponding period, with digital revenue continuing to drive sector growth. Out of Home captured 14.0% of agency media spend in 1H23, surpassing the 1H19 peak of 13.7%. Out of Home was also the fastest growing agency media segment, demonstrating growth of 14.7% compared to a 4.2% decline for total advertising agency spend for the industry.

oOh! delivered a 7% increase in revenue over the prior corresponding period to \$296.6 million, which was in line with the market (excluding the impact of City of Sydney). Momentum continued to build during the reporting period with strong double-digit sales growth in May-June resulting in the second quarter growing by 12% over the prior comparative period, versus 3% in the first quarter.

At the same time, oOh! secured new contracts representing approximately \$30 million in annualised revenue opportunity from mid-2024 and providing significantly enhanced coverage across the key Sydney CBD and inner metropolitan market.

The Group's financial position remains strong which enabled the completion of the Company's on-market share buyback and increased dividends to shareholders, with the interim dividend up 17% fully franked.

As the market leader across Australia and New Zealand, oOh! remains strongly positioned to capitalise on the structural growth of Out Of Home which continues to take share from other forms of media.

The Group's strategy remains focused on driving revenue growth through leveraging its portfolio of existing assets with continued investments in digital and data capabilities to improve advertisers' return on investment. Recently the Group replaced its data planning and attribution feed from Quantum with Unpacked by Flybuys, Australia's top rated customer loyalty program, and DataX from Westpac. The Group believes these new partnerships will continue to position it as offering best in class attribution insights to demonstrate the return on investment delivered for customers' Out Of Home spend.

GROUP FINANCIAL RESULTS

A\$m	1H23	1H22	Variance (\$)	Variance (%)
Revenue	296.6	276.1	20.5	7%
Gross profit	196.1	198.6	(2.4)	(1%)
Gross profit margin (%)	66.1%	71.9%	(5.8ppts)	n/a
Total operating expenditure	(67.8)	(67.0)	(0.8)	(1%)
Underlying EBITDA	128.3	131.6	(3.3)	(3%)
Other income & non-operating items	0.0	0.2	(0.1)	n/m
EBITDA	128.4	131.8	(3.4)	(3%)
EBITDA margin (%)	43.3%	47.7%	(4.5ppts)	n/a
Depreciation and amortisation	(100.4)	(102.5)	2.2	2%
EBIT	28.0	29.2	(1.2)	(4%)
Net finance costs	(20.4)	(20.3)	(0.1)	--
Profit before tax	7.6	8.9	(1.3)	(15%)
Income tax expense	(1.2)	(2.8)	1.7	59%
Net profit after tax	6.4	6.1	0.3	6%
EPS (cps)	1.1	1.0	0.1	12%
Adjusted gross profit	122.6	123.6	(0.9)	(1%)
Adjusted underlying EBITDA^{2,3}	49.6	51.5	(2.0)	(4%)
Adjusted EBITDA	49.6	51.5	(2.0)	(4%)
<i>Adjusted EBITDA margin (%)</i>	<i>16.7%</i>	<i>18.7%</i>	<i>(1.9ppts)</i>	<i>n/a</i>
Adjusted NPAT⁴	20.5	20.4	0.1	0%

¹ Per the Standard Media Index for agency spend.

² Adjusted underlying EBITDA is EBITDA (earnings before interest, taxes, depreciation, and amortisation) less any other income components recognised in accordance with AASB 16. Adjusted EBITDA excludes non-operating items. Fixed rent obligations for the period under the Group's commercial leases are included as a deduction in adjusted underlying EBITDA and adjusted EBITDA. The Group believes that these measures are a better representation of the underlying economics of the business and reflective of its ability to generate cash flows. oOh! believes that most analysts and shareholders analyse the Group on this basis.

³ Note 3 in the Consolidated Financial Statements provides a reconciliation between adjusted underlying EBITDA and statutory profit before tax.

⁴ Adjusted NPAT is statutory NPAT less the depreciation, finance charges and any other income components of AASB 16, and non-operating items. Fixed rent obligations for the period under our commercial leases are included as a deduction in adjusted NPAT. Adjusted NPAT also excludes the tax-effected amortisation expense on acquired intangibles which do not have a cash replacement cost. The Group believes that this is a better representation of the underlying economics of the business and reflective of its ability to generate cash flows. The Group's dividend policy is 40-60% of adjusted NPAT.

REVENUE INCREASED BY 7% DRIVEN BY CONTINUED STRONG PERFORMANCE IN ROAD WITH IMPROVEMENTS IN FLY

Out of Home's revenue growth, continued the segment's out-performance and demonstrates the structural growth opportunity of Out of Home compared to traditional media.

oOh!'s revenue growth for the period was 7% with continued strong performance in Road in particular, supported by an improved performance in Fly versus the prior comparative period.

Importantly, revenue continued its growth momentum in the second quarter with an increase of 12% on the prior corresponding quarter versus 3% in the first quarter.

REVENUE BY FORMAT

A\$m	1H23	1H22	Variance (\$)	Variance (%)
Road	103.4	92.0	11.4	12%
Street Furniture and Rail	93.5	96.1	(2.6)	(3%)
Retail	65.0	63.1	1.9	3%
Fly	21.0	12.2	8.8	73%
Locate	8.3	9.0	(0.6)	(7%)
Other	5.2	3.7	1.5	41%
Total	296.6	276.1	20.5	7%

ROAD

The Group's Road (billboard) division maintained its strong performance, continuing its solid result from the prior full year. Revenue for 1H23 increased by 12% to \$103.4 million. Momentum also continued into the second quarter with 2Q revenue up 17% compared to the prior corresponding quarter.

Revenue was well ahead of 1H19 levels with 1H23 revenue up 33% as oOh! continues to leverage the diversity and scale of its metropolitan and suburban network to drive share gains in the segment and win share from broadcast media (free to air TV).

oOh! added 29 digital locations to its metropolitan and regional roadside billboard portfolio during the period, including 17 sites through its agreement with El Media, and now has over 230 large format digital signs across Australia.

STREET FURNITURE AND RAIL

Revenue in Street Furniture and Rail declined by 3% to \$93.5 million, impacted in the first half by the introduction of a competitor's expanded City of Sydney offering in September 2022. Revenue recovered in the second quarter with sales in May and June ahead of the corresponding months in 2022.

RETAIL

Revenue in the Retail format increased by 3% to \$65.0 million compared to the prior corresponding period. Revenue growth was stronger in the second quarter following a relatively flat start to the year. oOh! continued to gain share in the Retail segment in Australia, and expanded its Retail digital footprint by adding 137 new digital panels to over 24 new and upgraded centres.

FLY

The continued recovery in air travel supported revenue growth in the Fly category which increased by 73% to \$21.0 million on the prior corresponding period. Revenue growth moderated in the second quarter of 2023 in percentage terms, as the second quarter in 2022 was much stronger than the first following the lifting of COVID-related travel restrictions.

LOCATE

Revenue in the Locate format declined by 7% to \$8.3 million as a result of the sale of the Café and Venue assets in January 2023. The Locate segment predominantly has a variable rent profile which ensures it continues to be a highly valuable segment for oOh!.

OTHER

The Other category primarily includes revenue from the Cactus Imaging business.

BALANCED PORTFOLIO

oOh!media maintains a diverse portfolio of assets across a variety of formats and remains focused on digital and data-led innovation in the sector. The digitisation of assets in premium locations across its network continues and digital revenue as a percentage of total revenue in 1H23 was 67%, compared to 64% for CY22.

The Company maintains a diverse lease profile and remains in active positive dialogue with commercial partners in relation to key leases that have expiry dates in 2023. As reported with the CY22 results, over 50% of CY22 revenue is attached to contracts that expire after 2025. The Company has recently signed new leases with Sydney Metro Trains, Woollahra Council, and Martin Place, which are expected to generate \$30 million of annualised revenue upside from mid-2024.

EARNINGS COMMENTARY – CONTINUED COST DISCIPLINE WITHIN INFLATIONARY ENVIRONMENT

Unless specified, the commentary below relates to statutory results in respect of 1H23 and the prior corresponding period (1H22).

The 7% increase in revenue translated to a statutory gross profit of \$196.1 million, down 1% on the prior year. Gross profit on an adjusted basis⁵ declined by 1% to \$122.6 million representing a gross margin of 41.4% (1H22: 44.8%).

As disclosed previously, the decline in adjusted gross margin was driven primarily by \$4 million in higher rental abatements⁶ received in the prior corresponding period, an increase in fixed rents relating to the renewal of some larger contracts during CY2022, and from the shift in revenue mix to the lower margin Fly format. Further, the business has continued to receive abatements in the Fly division as revenues remain below 2019 levels⁷. Gross margin is traditionally higher in the second half due to oOh!'s revenue typically being more weighted to the second half and the Company's strong operating leverage.

oOh! remains disciplined on operational expenditure which increased by 1% on the prior corresponding period to \$67.8 million on a statutory basis. On an adjusted basis, operational expenditure was \$73.1 million⁸, also up 1%. Underlying cost growth was 4%, reflecting labour cost inflation and higher travel and entertainment expenses. Underlying cost growth excludes one-off adjustments, including an accrual release relating to variable employee compensation costs and higher one-off employee related costs in the prior corresponding period.

Underlying EBITDA declined by 3% to \$128.3 million while adjusted underlying EBITDA was \$49.6 million, down 4%, reflecting the increase in fixed rent and lower rental abatements in 1H23 compared to the prior corresponding half.

Adjusted underlying EBITDA margin was 16.7% compared to 18.7% in 1H22.

There were no statutory non-operating items for 1H23, nor for the prior corresponding period.

Adjusted depreciation and amortisation was broadly flat on the prior corresponding period.

Net finance costs (on an adjusted basis) were lower by 8%⁹, with increase in costs from higher net debt being offset by gains from interest rate derivatives.

The Group reported a statutory net profit after tax of \$6.4 million compared to a statutory net profit after tax of \$6.1 million for the prior corresponding period, an increase of 6%.

Adjusted net profit after tax was \$20.5 million compared to adjusted net profit after tax of \$20.4 million for 1H22.

Following completion of the on-market share buyback, adjusted earnings per share increased from 3.4 cents per share to 3.6 cents per share.

INTERIM DIVIDEND UP 17% FULLY FRANKED

The Group's policy is to pay dividends of 40-60 per cent of Adjusted net profit after tax.

For 1H23 Adjusted net profit was \$20.5 million. The Board declared an interim dividend of 1.75 cents per share, fully franked, an increase of 17% on the prior corresponding period and representing a 46% payout ratio.

The record date for entitlement to receive the interim dividend is 31 August with a scheduled payment date of 21 September 2023.

⁵ Gross profit on an adjusted basis is statutory gross profit of \$196.1 million adjusted for fixed rent obligations relating to cost of media sites and production of \$73.5 million. Refer to Note 3 of the Consolidated Financial Statements.

⁶ Net rental abatements in 1H 2023 were \$3 million compared to \$7 million in the 1H 2022. The abatements for 1H 2023 have not been detailed in the notes to the Consolidated Financial Statements following the expiration of the COVID-19 practical expedient but has been disclosed here to inform investors, consistent with prior commentary.

⁷ These abatements have however been recognised as lease modifications under AASB 16 and are thus not separately disclosed in the statutory abatements note as the practical expedient exemption expired in June 2022

⁸ Operating expenditure on an adjusted basis is statutory operating expenditure of \$67.8 million adjusted for the fixed rent obligations relating to other operating expenses of \$5.2 million. Refer to Note 3 of the Consolidated Financial Statements

⁹ Net finance costs on an adjusted basis is statutory net finance costs of \$20.4 million adjusted for interest costs relating to fixed rent obligations of \$17.5 million

CAPITAL MANAGEMENT

On 22 August 2022, the Group announced an on-market buyback of up to 10% of its issued share capital, based on the strength of its balance sheet and expected future cash flow generation.

On 8 June 2023, the Group advised it had completed the programme and bought back 59,864,587 shares for a total of \$82.3 million over the course of the programme at an average of \$1.37 per share.

The Board continues to assess capital management initiatives.

CASHFLOW GENERATION

A\$m	1H23	1H22 ¹⁰	Variance (\$)	Variance (%)
Adjusted EBITDA	49.6	51.5	(1.9)	(4%)
Net change in working capital and non-cash items	3.2	0.5	2.7	569%
Interest and income tax (included in net cash from operating activities)	(27.1)	(12.1)	(14.9)	123%
Net cash from operating activities¹¹	25.7	39.9	(14.2)	(35%)
Capital expenditure	(16.4)	(8.6)	(7.8)	90%
Other	(0.8)	(0.4)	(0.4)	90%
Net cash flow before financing and acquisitions¹²	8.6	30.9	(22.3)	(72%)

Free cash flow declined by \$22.3 million on the prior corresponding period, impacted by the payment of the CY22 income tax expense, the full resumption of tax instalment payments and higher investment in capital expenditure.

Capital expenditure for 1H23 was \$16.4 million, almost doubling on the prior corresponding period which was impacted by delays in tenders and renewals, and supply chain and weather disruption.

Capital expenditure remains focused on enhancing the Group's digital OOH capability and oOh! launched over 270 new digital sites in key locations during the year, including 29 new Road digitals and 24 new and upgraded Retail centres.

Capital allocation will continue to be aligned to revenue growth opportunities and concession renewals.

FINANCIAL POSITION REMAINS STRONG

A\$m	30 June 2023	31 Dec 2022	Variance (\$)	Variance (%)
Borrowings	127.2	72.9	54.3	74%
Cash and Cash equivalents	15.5	40.0	(24.6)	(61)%
Net Debt	111.7	32.9	78.9	240%
Leverage Ratio (Net Debt/Adjusted Underlying EBITDA)	0.9x	0.3x	0.6x	245%

The Group's financial position remains strong. The completion of the on-market share buyback increased net debt at 30 June 2023 to \$111.7 million compared to \$32.9 million as at 31 December 2022.

The Company's credit metrics continue to be within target range with the Group's gearing ratio (net debt / Adjusted Underlying EBITDA) as at 30 June 2023 of 0.9 times. The Company's target is to maintain gearing not exceeding 1.0 times in the short term.

This gearing ratio excludes the impact of AASB 16 which is not seen as debt for the purposes of applying the banking covenants.

The Group maintains total facilities under its banking syndicate of \$350 million with \$150 million of interest rate derivatives until October 2025 in place, which were taken out in October 2018.

¹⁰ 1H22 has been restated to include the payment of Loan to industry association of \$877,000 in Other

¹¹ Net cash from operating activities is statutory net cash generated from operating activities of \$99.1 million adjusted for \$73.4 million for payment of lease liabilities that have been excluded from adjusted EBITDA.

¹² Net cash flow before financing and acquisitions is statutory net decrease in cash of \$24.6 million adjusted for \$60.1 million for payment of share buyback, \$9.7 million payment for treasury shares, \$54.0 million net proceeds from loans and borrowings, and \$17.4 million for dividends paid.



Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To the Directors of oOh!media Limited

I declare that, to the best of my knowledge and belief, in relation to the review of oOh!media Limited for the half year ended 30 June 2023 there have been:

- i. no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the review; and
- ii. no contraventions of any applicable code of professional conduct in relation to the review.

KPMG

Kristen Peterson

Partner

Sydney

21 August 2023

Condensed consolidated statement of profit or loss and other comprehensive income

for the half year ended 30 June 2023

	Notes	Consolidated	
		30-Jun-23	30-Jun-22
		\$'000	\$'000
Revenue	5	296,592	276,081
Cost of media sites and production ⁽¹⁾		(100,451)	(77,503)
Gross profit		196,141	198,578
Other income ⁽²⁾	5	49	191
Operating expenditure			
Employee benefits expense		(49,845)	(51,134)
Depreciation and amortisation expense		(100,359)	(102,539)
Legal and professional fees		(3,501)	(3,171)
Advertising and marketing expenses		(3,952)	(3,317)
Other expenses		(10,523)	(9,359)
Total operating expenditure		(168,180)	(169,520)
Operating profit		28,010	29,249
Finance income		564	41
Finance costs ⁽³⁾		(20,934)	(20,332)
Net finance costs	7	(20,370)	(20,291)
Share of (loss) of equity-accounted investees, net of tax		(29)	(36)
Profit before income tax		7,611	8,922
Income tax (expense)	9	(1,163)	(2,819)
Profit after income tax		6,448	6,103
Attributable to:			
Owners of the company		6,448	6,103
Profit for the period		6,448	6,103
Other comprehensive income			
Profit for the period		6,448	6,103
Items that may be subsequently reclassified to profit or loss:			
Effective portion of changes in fair value of cash flow hedges, net of tax		(221)	6,801
De-designation of interest rate derivatives, net of tax ⁽³⁾		-	(1,128)
Foreign currency translation differences		(541)	(3,921)
Total comprehensive income for the period		5,686	7,855
Attributable to:			
Owners of the company		5,686	7,855
Total comprehensive income for the period		5,686	7,855
Earnings per share attributable to the ordinary equity holders of the Company		Cents	Cents
Basic earnings per share		1.1	1.0
Diluted earnings per share		1.1	1.0

⁽¹⁾ Cost of media sites and production is shown net of negotiated rent abatements with lessors. Refer to Note 6.

⁽²⁾ Other income includes a gain on lease modification. Refer to Note 5.

⁽³⁾ Pursuant to AASB 9, a portion of the interest rate derivative was deemed ineffective and a fair value gain was reclassified to profit or loss. Refer to Note 7.

The above condensed consolidated statement of profit or loss and comprehensive income should be read in conjunction with the accompanying notes.

Condensed consolidated statement of financial position

as at 30 June 2023

	Notes	Consolidated	
		30-Jun-23	31-Dec-22
		\$'000	\$'000
Current assets			
Cash and cash equivalents		15,473	40,048
Trade and other receivables	10	100,036	113,044
Inventories		3,901	6,094
Other assets		15,528	14,290
Total current assets		134,938	173,476
Non-current assets			
Property, plant and equipment		150,371	151,359
Right-of-use-assets		629,026	652,306
Intangible assets and goodwill		730,762	745,414
Derivative assets		5,849	5,466
Other assets		5,010	3,874
Deferred tax asset		7,404	-
Total non-current assets		1,528,422	1,558,419
Total assets		1,663,360	1,731,895
Current liabilities			
Trade and other payables		49,449	49,936
Interest bearing lease liabilities		129,546	145,255
Provisions		3,312	3,420
Employee benefits		9,866	9,352
Income tax payable		6,483	22,884
Total current liabilities		198,656	230,847
Non-current liabilities			
Loans and borrowings		127,196	72,899
Provisions		8,760	8,424
Employee benefits		2,365	2,138
Interest bearing lease liabilities		599,836	609,742
Deferred tax liability		4,135	3,002
Total non-current liabilities		742,292	696,205
Total liabilities		940,948	927,052
Net assets		722,412	804,843
Equity			
Share capital	12	804,049	864,104
Treasury shares	12	(4,683)	-
Reserves		26,777	33,485
Accumulated losses		(102,826)	(91,841)
Equity attributable to the owners of the Company		723,317	805,748
Non-controlling interest		(905)	(905)
Total equity		722,412	804,843

The above condensed consolidated statement of financial position should be read in conjunction with the accompanying notes.

Condensed consolidated statement of cash flows

for the half year ended 30 June 2023

	Consolidated	
	30-Jun-23	30-Jun-22
	\$'000	Restated ⁽¹⁾ \$'000
Cash flows from operating activities		
Receipts from customers (inclusive of goods and services tax)	341,446	315,191
Payments to suppliers and employees (inclusive of goods and services tax)	(202,898)	(179,872)
Cash generated from operations	138,548	135,319
Interest paid	(21,561)	(22,133)
Interest received	624	41
Income tax paid	(23,593)	(7,176)
Net cash generated from operating activities	94,018	106,051
Cash flows from investing activities		
Acquisition of property, plant and equipment	(16,402)	(8,627)
Loan to industry association	(813)	(877)
Disposal of subsidiary	-	468
Proceeds from sale of property, plant and equipment	56	11
Net cash used in investing activities	(17,159)	(9,025)
Cash flows from financing activities		
Payment of share buy back	(60,055)	-
Payment for treasury shares	(9,661)	-
Proceeds from loans and borrowings	74,000	-
Repayment of loans and borrowings	(20,000)	(20,000)
Payment of transaction costs related to borrowings and derivatives	-	(995)
Payment of lease liabilities	(68,285)	(66,170)
Dividends paid in cash	(17,433)	(5,986)
Net cash used in financing activities	(101,434)	(93,151)
Net (decrease) / increase in cash and cash equivalents	(24,575)	3,874
Cash and cash equivalents at beginning of period	40,048	60,048
Cash and cash equivalents at end of period	15,473	63,922

⁽¹⁾ Refer to Note 2 (f).

The above condensed consolidated statement of cash flows should be read in conjunction with the accompanying notes.

Condensed consolidated statement of changes in equity

for the half year ended 30 June 2023

	Share capital	Treasury Shares	Foreign currency translation reserve	Other equity reserve	Cash flow hedge reserve	Share-based payments reserve	Accumulated losses	Non-controlling interest	Total equity
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Consolidated									
Balance as at 1 January 2022	886,468	-	794	16,608	(3,675)	11,789	(108,435)	(905)	802,644
Total comprehensive income for the period:									
Profit for the period after income tax	-	-	-	-	-	-	6,103	-	6,103
Other comprehensive income:									
Effective portion of changes in fair value of cash flow hedges	-	-	-	-	6,801	-	-	-	6,801
De-designation of interest rate derivatives to the Consolidated Income Statement, net of tax	-	-	-	-	(1,128)	-	-	-	(1,128)
Exchange differences on translation of foreign operations	-	-	(3,921)	-	-	-	-	-	(3,921)
Total comprehensive income for the period	-	-	(3,921)	-	5,673	-	6,103	-	7,855
Transactions with owners, recorded directly in equity:									
Contributions and distributions									
Dividends Paid	-	-	-	-	-	-	(5,986)	-	(5,986)
Issue of Ordinary Shares (Employee Bonus Shares)	-	-	-	-	-	-	-	-	-
Equity-settled share-based payment transactions	-	-	-	-	-	1,951	-	-	1,951
Total transactions with owners of the Company	-	-	-	-	-	1,951	(5,986)	-	(4,035)
Balance at 30 June 2022	886,468	-	(3,127)	16,608	1,998	13,740	(108,318)	(905)	806,464
Balance as at 1 January 2023	864,104	-	(988)	16,608	2,067	15,798	(91,841)	(905)	804,843
Total comprehensive income for the period:									
Profit for the period after income tax	-	-	-	-	-	-	6,448	-	6,448
Other comprehensive income:									
Effective portion of changes in fair value of cash flow hedges	-	-	-	-	(221)	-	-	-	(221)
Exchange differences on translation of foreign operations	-	-	(541)	-	-	-	-	-	(541)
Total comprehensive income for the period	-	-	(541)	-	(221)	-	6,448	-	5,686
Transactions with owners, recorded directly in equity:									
Contributions and distributions									
Dividends paid	-	-	-	-	-	-	(17,433)	-	(17,433)
Share buy back	(60,055)	-	-	-	-	-	-	-	(60,055)
Treasury shares acquired	-	(9,661)	-	-	-	-	-	-	(9,661)
Shares vested and transferred to employees	-	4,978	-	-	-	(4,978)	-	-	-
Equity-settled share-based payment transactions	-	-	-	-	-	(968)	-	-	(968)
Total transactions with owners of the Company	(60,055)	(4,683)	-	-	-	(5,946)	(17,433)	-	(88,117)
Balance at 30 June 2023	804,049	(4,683)	(1,529)	16,608	1,846	9,852	(102,826)	(905)	722,412

The above condensed consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

Notes to the Condensed Consolidated Interim Financial Statements

1. Reporting entity

oOh!media Limited is a company domiciled in Australia. The Company was incorporated on 7 October 2014 and listed on the Australian Securities Exchange (ASX) on 17 December 2014. The Company's registered office and principal place of business is at Level 2, 73 Miller Street, North Sydney, NSW 2060.

The Condensed Consolidated Interim Financial Statements (Interim Financial Statements) of the Company as at and for the half year ended 30 June 2023 comprises the Company and its subsidiaries (together referred to as the Group, and individually as Group entities), and the Group's interests in associates and joint ventures. The comparative information represents the financial position of the Company as at 31 December 2022 and the Group's performance for the period 1 January 2022 to 30 June 2022.

The Group is a for-profit entity and is primarily involved in outdoor media, production and advertising in Australia and New Zealand.

2. Basis of preparation

a) Statement of compliance

The Interim Financial Statements are general purpose financial statements prepared in accordance with AASB 134 *Interim Financial Reporting*, and the *Corporations Act 2001*, and with IAS 34 *Interim Financial Reporting*.

These Interim Financial Statements do not include all the information required for a complete set of annual financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the last annual consolidated financial statements as at and for the year ended 31 December 2022.

The accounting policies adopted in the preparation of these Interim Financial Statements are consistent with those applied and disclosed in the Annual Report for the year ended 31 December 2022. These Interim Financial Statements should be read in conjunction with the Annual Report for the year ended 31 December 2022 (the Annual Report 2022).

These Interim Financial Statements were approved and authorised for issue by the Directors on 21 August 2023.

b) Rounding of amounts

The Company is a kind referred to in ASIC Corporations Instrument 2016/191 (Instrument) issued by the Australian Securities and Investments Commission (ASIC), relating to the 'rounding off' of amounts in the Directors' Report. Amounts in the Directors' Report have been rounded off in accordance with the Instrument to the nearest thousand dollars, or in certain cases, to the nearest dollar, unless otherwise stated.

c) Going concern

The Interim Financial Statements have been prepared on a going concern basis, which contemplates the continuity of normal business activities and realisation of assets and settlement of liabilities in the ordinary course of business. The Group has, as a result of adopting AASB 16 in 2019, an excess of current liabilities over current assets totalling \$63,718,000. The Group is generating positive operating cash flows and there is no indication that the Group will not be able to meet its obligations as and when they fall due.

d) Use of judgements and estimates

In preparing these Interim Financial Statements, management has made judgements, estimates and assumptions that affect the application of the Group's accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

e) New standards and interpretations

The Group has adopted all the relevant new, revised, or amended Accounting Standards and interpretations issued by the Australian Accounting Standards Board which are mandatory for the current and comparative reporting period.

f) Reclassification of prior period balances

Certain payments previously presented within Payment of lease liabilities have been reclassified to Payment to suppliers and employees within the Statement of Cash Flows. The impact of this change on the previously reported comparative period is \$6,033,000.

3. Operating segments

a) Basis for segmentation

The Group operates as a single segment providing a range of Out-of-Home advertising solutions.

b) Reconciliation of Adjusted Underlying EBITDA

The Board and executive management review the Adjusted Underlying Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA) to monitor business performance because they believe that it provides a better representation of financial performance in the ordinary course of business.

	30-Jun-23	30-Jun-22
	\$'000	\$'000
Adjusted Underlying EBITDA	49,595	51,548
Fixed rent obligations ⁽¹⁾	78,725	80,049
Underlying EBITDA	128,320	131,597
Other income ⁽²⁾	49	191
Statutory EBITDA	128,369	131,788
Share of (loss) of equity-accounted investees, net of tax	(29)	(36)
Amortisation	(12,337)	(11,564)
Depreciation	(88,022)	(90,975)
Net finance costs	(20,370)	(20,291)
Profit before income tax	7,611	8,922

⁽¹⁾ Includes rent of \$73,492,000 excluded from Cost of media sites and production and \$5,233,000 from Other expenses under AASB 16.

⁽²⁾ Other income includes a gain on lease modification. Refer to Note 5.

4. Seasonality of operations

The Group's operational results are subject to seasonal fluctuations as media spend is typically stronger in the second half of the calendar year. In particular, retail benefits from proportionally higher media spend leading up to the Christmas period. The Group attempts to minimise the seasonal impact through promoting the Out-Of-Home medium throughout the year. However, the first half of the year typically results in lower revenues and profitability.

5. Revenue and other income

Revenue by Product

Key information relating to the Group's financial performance is detailed below. This is also included in management reports reviewed by the Group's Chief Operating Decision Maker (the Board).

	30-Jun-23	30-Jun-22
	\$'000	\$'000
Road	103,446	92,039
Street Furniture and Rail ⁽¹⁾	93,530	96,099
Retail	65,044	63,102
Fly	21,007	12,177
Locate	8,334	8,963
Other ⁽²⁾	5,231	3,701
Revenue	296,592	276,081

⁽¹⁾ Street Furniture and Rail revenue includes advertising, production, sale of street furniture, and cleaning and maintenance revenue.

⁽²⁾ Other revenue largely includes subsidiary entity Cactus.

With regard to the timing of performance obligations, 77% (1H 2022: 74%) of the group's revenue recognised over time and 23% (1H 2022: 26%) recognised at a point in time.

	30-Jun-23	30-Jun-22
	\$'000	\$'000
Gain on lease modification	49	191
Other income	49	191

6. Rent concessions

	30-Jun-23	30-Jun-22
	\$'000	\$'000
Fixed rent abatements - COVID-19 practical expedient	-	10,850
Variable rent	-	(3,528)
Net rent abatement	-	7,322
Net cost reduction	-	7,322

Rent abatements – IFRIC - COVID-19 practical expedient

In the prior comparative period, fixed rent abatements of \$10,850,000 were given for rent that would have normally been due for the period, however the commercial partners provided rent relief due to the COVID-19 impact, either as a waiver or as a conversion to variable rent.

7. Net finance costs

	30-Jun-23	30-Jun-22
	\$'000	\$'000
Finance income	(564)	(41)
Interest expense on bank borrowings	2,862	3,651
Amortisation of debt facility establishment costs	340	400
Interest expense on lease liabilities	17,469	17,129
Hedge ineffectiveness	-	(1,128)
Other interest expense	263	280
Finance costs	20,934	20,332
Net finance costs	20,370	20,291

During the first half of 2023 the Group drew down additional debt, increasing drawn debt from \$75,000,000 on 31 December 2022 to \$129,000,000 on 30 June 2023. This increase was a short-term cash strategy to fund the Share Buy Back, which was completed in June 2023. However, the Group intends to repay debt during the second half of 2023 so that debt levels return towards 31 December 2022 levels. To that end, and in accordance with AASB 9, there was not a re-balancing of the hedge accounting for the short-term loan increase, and prior derecognition resulted in a fair value gain for the half ended 30 June 2023.

8. Share-based payments

Description of the share-based payment arrangements

As at 30 June 2023 the Group had the following share-based payment arrangements:

Performance rights granted to senior executives that existed during the period are as follows:

	Grant date	Vesting date	Number granted
Tranche #7	30-Nov-20	28-Feb-23	3,453,482
Tranche #8	10-May-21	28-Feb-24	1,344,890
Tranche #9a	05-May-22	28-Feb-25	988,395
Tranche #9b	16-May-22	28-Feb-25	443,892
Tranche #10a	11-May-23	28-Feb-26	518,238
Tranche #10b	22-May-23	28-Feb-26	976,226
Total performance rights			7,725,123

Vesting conditions for the performance rights are as follows:

Tranche #7: Three LTI performance hurdles, each measured over a 3-year performance period ended 31 December 2022 and each representing 1/3 of the target award:

- Free Cash Flow per share (FCF), achievement of 6.33 cents per share, calculated as: (operating cash flow less capital expenditure and finance lease liabilities paid in CY22) / weighted number of issued shares.
- Return on Invested Capital (ROIC), achievement of 12.9%, calculated as CY22 Adjusted Underlying EBITDA / invested capital.
- Relative Total Shareholder Return (TSR) assessed against the ASX200 index (excluding Financials, Industrials and Materials).

Tranche #8: Three LTI performance hurdles, each measured over a 3-year performance period ending 31 December 2023 and each representing 1/3 of the target award:

- Free Cash Flow per share (FCF), achievement of 12.7 cents per share, calculated as: (operating cash flow less capital expenditure and finance lease liabilities paid in CY23) / weighted number of issued shares.
- Return on Invested Capital (ROIC), achievement of 15.3%, calculated as CY23 Adjusted Underlying EBITDA / invested capital.
- Relative Total Shareholder Return (TSR) assessed against the ASX200 index (excluding Financials, Industrials and Materials).

Tranche #9a&b: Three LTI performance hurdles, each measured over a 3-year performance period ending 31 December 2024 and each representing 1/3 of the target award:

- Cumulative Free Cash Flow per share (CFCF), achievement of 24.8 cents per share, calculated as (operating cash flow CY22-CY24 less capital expenditure and finance lease liabilities paid over CY22-CY24) / weighted number of issued shares.
- Return on Invested Capital (ROIC), achievement of 16.5%, calculated as CY24 Adjusted Underlying EBITDA / invested capital.
- Relative Total Shareholder Return (TSR) assessed against the ASX200 index (excluding Financials, Industrials and Materials).

Tranche #10a&b: Three LTI performance hurdles, each measured over a 3-year performance period ending 31 December 2025 and each representing 1/3 of the target award:

- Cumulative Free Cash Flow per share (FCF), achievement of 34.0 cents per share, calculated as (operating cash flow CY23-CY25 less capital expenditure and finance lease liabilities paid over CY23-CY25) / weighted number of issued shares.
- Return on Invested Capital (ROIC), achievement of 20.3%, calculated as CY25 Adjusted Underlying EBITDA / invested capital.
- Relative Total Shareholder Return (TSR) assessed against the ASX200 index (excluding Financials, Industrials and Materials).

Long-term incentive plan - performance rights

A total of 3,191,012 of Tranche #7 performance rights vested in March 2023, as all vesting conditions were satisfied. The performance rights of Tranche #7 vested at 92% based upon the Board's determination of the achievement of the ROIC at 127%, FCF at 150% and TSR at nil versus the set targets. The share price on the vesting date was \$1.56. Details in relation to grants issued in the half year ended 30 June 2023 are detailed in the table below. As the performance rights entitle the holder of the rights to receive a share for no consideration at a future date, the exercise price is considered to be nil.

Tranche #10a and #10b were issued in May 2023.

Reconciliation of performance rights

The number of performance rights on issue during the half year ended 30 June 2023 are illustrated below:

	Number of rights #	Face Value \$'000
Outstanding at 1 January 2023	6,230,659	10,852
Exercised during the period	(3,191,012)	(4,116)
Granted during the period	1,494,464	1,319
Forfeited	(88,778)	(121)
Lapsed	(262,470)	(339)
Outstanding at 30 June 2023	4,182,863	7,595
Exercisable at 30 June 2023	-	-

Measurement of fair values

The fair value of the share-based payment plan was measured based on the Monte Carlo and Binomial models. The inputs used in the measurement of the fair values at grant date were as follows:

Fair value of performance rights and assumptions	Tranche #7	Tranche #8	Tranche #9a	Tranche #9b	Tranche #10a	Tranche #10b
Share price at grant date	\$1.74	\$1.62	\$1.67	\$1.52	\$1.26	\$1.26
5-day VWAP at grant date	\$1.70	-	-	-	-	-
20-day VWAP at 31 Dec 20	-	\$1.76	-	-	-	-
20-day VWAP at 31 Dec 21	-	-	\$1.69	\$1.69	-	-
10-day VWAP at 3 Mar 23	-	-	-	-	\$1.59	\$1.59
Fair value at grant date (EPS hurdle)	-	-	-	-	-	-
Fair value at grant date (TSR hurdle)	\$0.58	\$1.01	\$1.01	\$0.86	\$0.69	\$0.70
Fair value at grant date (FCF hurdle)	\$1.64	\$1.58	-	-	-	-
Fair value at grant date (CFCF hurdle)	-	-	\$1.54	\$1.40	\$1.11	\$1.12
Fair value at grant date (ROIC hurdle)	\$1.64	\$1.58	\$1.54	\$1.40	\$1.11	\$1.12
Exercise price	Nil	Nil	Nil	Nil	Nil	Nil
Expected volatility	60.0%	50.0%	40.0%	45.0%	45.0%	45.0%
Expected life	3 years	3 years	3 years	3 years	3 years	3 years
Expected dividends	1.00%	1.00%	3.00%	3.00%	4.50%	4.50%
Risk-free interest rate (based on government bonds)	0.11%	0.11%	2.96%	2.84%	3.05%	3.29%

9. Income tax

a) Tax recognised in profit or loss

	30-Jun-23	30-Jun-22
	\$'000	\$'000
Current tax expense	1,163	2,819

b) Reconciliation between income tax expense and pre-tax profit

	30-Jun-23	30-Jun-22
	\$'000	\$'000
Profit before income tax	7,611	8,922
Tax using the Company's domestic tax rate at 30% (2022: 30%)	2,283	2,677
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Effect of tax in foreign jurisdictions	(30)	(87)
Non-deductible expenses	140	677
Non-assessable income	(290)	(119)
Effect of share of loss of equity accounted investees	8	10
Over provided in prior years	(948)	(339)
Tax expense recognised in the profit or loss	1,163	2,819

10. Trade and other receivables

	30-June-23	31-Dec-22
	\$'000	\$'000
Trade receivables	100,684	114,187
Allowance for impairment of receivables	(648)	(1,144)
	100,036	113,043
Other receivables	-	1
Total trade and other receivables	100,036	113,044

All trade debtors are recognised at the amount receivable as they are due for settlement no more than 45 days from the date of recognition. Recoverability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off. A provision for doubtful receivables is calculated using an expected credit losses provision matrix. The provision matrix is based on the Group's historical observed default rates, adjusted for forward looking estimates. The historical observed default rates are updated to reflect current and forecast credit conditions on each reporting date. Provisions for specific receivables are recognised in addition to the general provision originating from the expected credit losses matrix.

The amount of the provision is recognised in the consolidated statement of financial position with a corresponding charge recognised in the consolidated statement of profit or loss and other comprehensive income.

11. Goodwill

Cash generating units (CGUs) for the purpose of goodwill impairment testing have been identified as follows for the half year ended 30 June 2023: Australia, New Zealand, and Cactus.

Goodwill is allocated to CGUs as shown below:

	Australia	New Zealand	Cactus	Total
	\$'000	\$'000	\$'000	\$'000
Goodwill	527,389	76,877	2,917	607,183

The recoverable amount of the goodwill allocated to the Group's CGU's was determined using the value in use approach. This was determined by discounting the future cash flows expected to be generated from their continuing use over a 5 year period followed by a terminal value. For the half year ended 30 June 2023, the carrying value of assets allocated to each CGU is supported by their recoverable amount and no impairment loss was recorded.

The key assumptions of the impairment testing are:

- Annual revenue based on the latest management forecast of continued share gains from other media over the forecast period. This results in assumed normalised compound annual growth rates from 2023 to 2027 for Australia of 9.6%, New Zealand of 9.5%, and 7.4% for Cactus.
- EBITDA margins improving based on revenue growth assumptions, assessing lease renewal outcomes, and other cost increases in line with expected CPI.
- Terminal growth rate: Australia and New Zealand of 3.0%, and Cactus of 2.0%.
- Discount rate post-tax: Australia of 10.3% (December 2022: 10.1%), New Zealand of 11.10% (December 2022: 11.60%), and Cactus of 11.20% (December 2022: 11.80%).

The values assigned to the key assumptions represent management's best estimate of the impact of future trends in the media industry and are based on historical and projection data from both external and internal sources. These assessments include assumptions for continued structural growth of the Out of Home industry, which is in line with the Outdoor Media Association's January 2023 published projection of industry revenue growth of 9% CAGR over this period, and a stretch goal of 11%.

Sensitivity analysis undertaken on the assumptions mentioned above indicate that no reasonably possible change would result in an impairment.

12. Share capital

	30-Jun-23	
	Share #	\$'000
Opening balance as at 1 January 2023	581,083,960	864,104
Share buyback	(42,302,674)	(60,055)
Issued and paid up share capital	538,781,286	804,049
Weighted average number of shares	565,051,566	840,535

Ordinary shares

The Company does not have authorised capital or par value in respect of its issued shares. All issued shares are fully paid. The holders of these shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at general meetings of the Company.

Treasury shares

In the half year ended 30 June 2023, the Company commenced the purchase of Treasury shares. Treasury shares are shares in the Company that are held by an Employee Share Trust for the purpose of future allocation to employees under the Group's Long Term Incentive Program and any future Employee Share Schemes.

Dividends

	Amounts per share cents	Total value (\$)
<u>Dividends paid during 2023</u>		
Final 2022 dividend	3.0	17,432,519
Interim 2023 dividend	-	-
		17,432,519
<u>Dividends paid during 2022</u>		
Final 2021 dividend	1.0	5,986,459
Interim 2022 dividend	1.5	8,935,744
		14,922,203

After the reporting date, an interim dividend of 1.75 cents per qualifying ordinary share amounting to \$9,428,673 has been declared by the Board of Directors. The dividends have not been recognised as liabilities and there are no tax consequences in 2023.

	30-Jun-23	30-Jun-22
	\$'000	\$'000
Adjusted franking account balance	53,904	42,984
Impact on franking account balance of dividends proposed after the reporting date but not recognised as a liability	(4,041)	(3,848)
Franking credits available to shareholders of the Company for subsequent financial years based on a tax rate of 30%	49,863	39,136

13. Financial instruments

Accounting classifications and fair values

a) Fair values vs carrying amounts

The fair values of financial assets and liabilities equals the carrying amounts shown in the statement of financial position, with the exception of interest rate derivatives. The fair value of interest rate derivatives is determined as the present value of future contracted cash flows and credit adjustments.

b) Interest rates used for determining fair value

The interest rates used to discount estimated cash flows, where applicable, are based on the government yield curve at the end of the reporting period plus an appropriate credit spread, and were as follows:

	30-Jun-23	31-Dec-22
Interest rate derivatives	1.8% - 2.8%	1.8% - 2.8%
Bank loan interest calculated as BBSY plus margin	5.6% - 6.6%	2.1% - 5.6%
Leases	1.5% - 9.8%	1.5% - 9.8%

c) Fair values hierarchy

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e. derived from prices); and
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The table below analyses financial instruments carried at fair value, by the levels in the fair value hierarchy. The different levels have been defined as below. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

Consolidated	30-Jun-23			31-Dec-22		
	Carrying value	Level 2	Level 3	Carrying value	Level 2	Level 3
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Financial Liabilities measured at fair value						
Interest rate derivatives	5,849	5,849	-	5,466	5,466	-
Interest rate derivatives assets	5,849	5,849	-	5,466	5,466	-

d) Valuation techniques

The fair value of Level 2 interest rate derivatives is determined as the present value of future contracted cash flows and credit adjustments. Cash flows are discounted using standard valuation techniques at the applicable market yield, having regard to the timing of the cash flows.

During the first half of 2023 the interest rate derivative asset increased with interest rate rises more than offsetting the six months of maturity decline with the instruments expiring in October 2025.

14. Contingencies

Contingent liabilities

	30-Jun-23	31-Dec-22
	\$'000	\$'000
Bank guarantees	36,504	36,584
Bank guarantees	36,504	36,584

Bank Guarantees are issued to lessors as part of the Group's commercial lease obligations.

15. Subsequent events

Since the end of the financial half year, and after the approval of these consolidated interim financial statements, the Board has declared a fully franked interim dividend on 21 August 2023 of 1.75 cents per ordinary share, amounting to \$9,428,673 in respect of the half year ended 30 June 2023 (30 June 2022: \$8,935,744). This dividend is payable on 21 September 2023. The financial effect of this dividend has not been brought to account in the consolidated interim financial statements for the half year ended 30 June 2023 and will be recognised in subsequent financial reports.

No other matter or circumstance at the date of this report has arisen since 30 June 2023 that has significantly affected or may affect:

- (a) the operations of the Group in future financial years;
- (b) the results of those operations in future financial years; or
- (c) the Group's state of affairs in the future financial years.

Directors' Declaration

In accordance with a resolution of the Directors of oOh!media Limited ('the Company'), we state that:

In the Directors opinion:

- a) the Interim Financial Statements and notes of the Group that are set out on pages 14 to 26, for the half year ended 30 June 2023, are in accordance with the *Corporations Act 2001*, including:
 - i. giving a true and fair view of the Group's financial position as at 30 June 2023 and of its performance for the half year ended on that date; and
 - ii. complying with Australian Accounting Standards and the Corporations Regulations 2001; and
- b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

On behalf of the Board



Tony Faure

Chair

21 August 2023



Independent Auditor's Review Report

To the shareholders of oOh!media Limited

Conclusion

We have reviewed the accompanying **Half Year Financial Report** of oOh!media Limited.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the Half Year Financial Report of oOh!media Limited does not comply with the *Corporations Act 2001*, including:

- giving a true and fair view of the **Group's** financial position as at 30 June 2023 and of its performance for the half year ended on that date; and
- complying with *Australian Accounting Standard AASB 134 Interim Financial Reporting* and the *Corporations Regulations 2001*.

The **Half Year Financial Report** comprises:

- Condensed consolidated statement of financial position as at 30 June 2023
- Condensed consolidated statement of profit or loss and other comprehensive income, Condensed consolidated statement of changes in equity, and Condensed consolidated statement of cash flows for the half year ended on that date
- Notes 1 to 15 comprising a summary of significant accounting policies and other explanatory information
- the Directors' Declaration.

The **Group** comprises oOh!media Limited (the Company) and the entities it controlled at the half year's end or from time to time during the half year.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report.

We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the *Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with these requirements.



Responsibilities of the Directors for the Half Year Financial Report

The Directors of the Company are responsible for:

- the preparation of the Half Year Financial Report that gives a true and fair view in accordance with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*
- such internal control as the Directors determine is necessary to enable the preparation of the Half Year Financial Report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities for the review of the Half Year Financial Report

Our responsibility is to express a conclusion on the Half Year Financial Report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the Half Year Financial Report does not comply with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 30 June 2023 and its performance for the half year ended on that date, and complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a Half Year Financial Report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with *Australian Auditing Standards* and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

KPMG

Kristen Peterson

Partner

Sydney

21 August 2023

Corporate directory

oOh!media Limited ACN 602 195 380

Directors	Tony Faure Chair and Independent Non-executive Director Cathy O'Connor Chief Executive Officer and Managing Director Philippa Kelly Independent Non-executive Director Tim Miles Independent Non-executive Director Joanne Pollard Independent Non-executive Director Andrew Stevens Independent Non-executive Director David Wiadrowski Independent Non-executive Director
Company Secretary	Melissa Jones Chris Roberts
Principal registered office	Level 2, 73 Miller Street North Sydney NSW 2060 Ph: +61 2 9927 5555
Share register	Link Market Services Limited Level 12, 680 George Street Sydney NSW 2000 Ph: 1300 554 474
Auditors	KPMG Tower 3, International Towers Sydney 300 Barangaroo Avenue Sydney NSW 2000
Bankers	Australia and New Zealand Banking Group Limited (ANZ) Commonwealth Bank of Australia ING Bank (Australia) Limited National Australia Bank Sumitomo Mitsui Banking Corporation Westpac Banking Corporation
Stock exchange listing	The shares of oOh!media Limited are listed by ASX Ltd on the Australian Securities Exchange trading under the ASX Listing Code "OML".
Website	www.oohmedia.com.au https://investors.oohmedia.com.au/investor-centre/