



ASX ANNOUNCEMENT

Enero Group announces FY25 H1 results

26 February 2025

Enero Group Limited (ASX:EGG) (**Enero**) has reported its results for the six months ended 31 December 2024 (FY25 H1) highlighting:

- Revenue declined 12% vs FY24 H1 impacted by macroeconomic conditions and challenging technology and AdTech markets;
- EBITDA improved 10% vs FY24 H2 (prior half) whilst revenue declined 1%;
- Expenses reduced 3% from the prior half, 6% from FY24 H1 and 17% from FY23 H1; and
- Balance sheet with net cash of \$42.4 million and a cash conversion rate of 86% supporting interim dividend of 1.5 cents per share fully franked (42% payout ratio).

Key highlights (excluding significant items)

(\$ million)	FY25 H1	FY24 H1	% Change
Net revenue ¹	88.3	100.4	(12.1%)
EBITDA ²	15.7	23.0	(31.5%)
EBITDA margin	17.8%	22.9%	(5.0) ppts
Net profit after tax attributable to equity holders	3.2	6.7	(51.9%)
Earnings per share (EPS)	3.6 cents	7.3 cents	(51.3%)

Notes:

1. Net revenue is gross revenue recognised in accordance with AASB15 less directly attributable cost of sales.
2. EBITDA is profit before interest, taxes, depreciation, amortisation and any significant items.

Consolidated Group performance

FY25 H1 was impacted by subdued macroeconomic conditions and challenging technology and AdTech markets. As a result, Enero reported year-on-year (YoY) net revenue and EBITDA declines of 12% to \$88.3 million and 31% to \$15.7 million respectively. With cost initiatives undertaken in FY24 Q4 and an ongoing efficiency focus, total expenses fell 6% YoY. NPAT declined 52% to \$3.2 million YoY reflecting a higher effective tax rate.

The statutory (reported 4D) net loss after tax to equity holders of \$0.8 million in FY25 H1 included significant restructuring costs of \$2.6 million and fair value loss on contingent consideration of \$1.4 million due to improved performance in ROI DNA.



Technology, Healthcare and Consumer Practice (THC Practice)

EBITDA in the Technology, Healthcare and Consumer Practice of \$10.9 million grew 17% in FY25 H1 compared to FY24 H2 (prior half) (-19% YoY), reflecting an improved margin of 16%. This margin improvement of two percentage points from the prior half was the result of cost initiatives undertaken in FY24 Q4 and ongoing cost management in FY25. Net revenue of \$68.7 million was flat compared to the prior half (-8% YoY).

The THC Practice continued to be recognised for its effectiveness and world-class capabilities. In FY25 H1, BMF was recognised for its behaviour change, creativity and effectiveness and was named Australia's Most Effective Creative Agency at the Australian Effie Awards, while Orchard was the most awarded healthcare agency at the PRIME Awards, which honours excellence in healthcare marketing effectiveness. Meanwhile, Hotwire also took home the award for Best Account-Based Marketing Campaign at the prestigious B2B Marketing Awards.

These achievements have translated into a series of new business wins with blue-chip clients including OpenAI, GSK, BioGaia, Tourism Tasmania and Westpac. BMF's appointment as Westpac's new strategic brand and creative agency is a continuation of our focus on 'winning bigger' and is BMF's biggest win in the agency's 28-year history.

The THC Practice is well positioned to deliver long term growth with Hotwire Group's strong presence in the US tech sector. There continues to be strong momentum in the BMF pipeline and Orchard's upgrade to an Optimizely Gold Partner is expected to drive more pipeline.

OBMedia

EBITDA in OBMedia of \$9.4 million fell 2% in FY25 H1 compared to the prior half (-33% YoY). EBITDA margins improved two percentage points to 48% from the prior half, benefiting from cost initiatives undertaken in FY24 Q4. Net revenue of \$19.6 million declined 5% compared to the prior half (-23% YoY) impacted by challenging AdTech market conditions.

Enero is focused on maximising value for shareholders through continuing negotiations with interested parties to acquire Enero's 51% interest in OBMedia. Enero remains focused on achieving a positive resolution and will continue to implement changes in OBMedia's operations in order to stabilise operating performance.

FY25 interim dividend payment supported by strong balance sheet

The Directors declared an FY25 interim dividend of 1.5 cents per share, fully franked, representing a payout ratio of 42%, within the guided range. The interim dividend will have a record date of 20 March 2025 and a payment date of 11 April 2025.

ENDS

Authorised for release by the Board of Directors.



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About Enero

Enero Group is a global group of marketing and technology agencies listed on the ASX (Australian Stock Exchange) that includes creative agency BMF, PR and integrated communications agencies the Hotwire Group (Hotwire and ROI DNA), digital and experiential agency Orchard and adtech platform OBMedia. Enero operates in the high-growth industries of Technology, Healthcare and Consumer, utilising innovative and independent thinking to deliver impactful, strategic business solutions for our clients.

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.