



ASX Announcement

Enero Group Trading Update

4 April 2025

Enero Group Limited (ASX: EGG) (**Enero**) today provides a trading update, as a result of structural changes in the ad tech market impacting OBMedia's performance in FY25 H2.

For the 12 months ending 30 June 2025 (FY25), Enero expects to report the following on an underlying basis:

- Net revenue¹ of between \$167 million and \$170 million, representing 10% to 12% year-on-year decline
- EBITDA¹ (excluding significant items) of between \$22 million and \$26 million, representing 30% to 40% year-on-year decline

On an economic interest² basis for FY25, Enero expects to report the following:

- Net revenue¹ of between \$153 million and \$155 million, representing 7% to 8% year-on-year decline
- EBITDA¹ (excluding significant items) of between \$18 million and \$20 million, representing 22% to 31% year-on-year decline

OBMedia

OBMedia results in FY25 H2 have been impacted by the recent decision by Google to shift the industry towards its newer Related Search on Content (**RSOC**) product, de-emphasising its AdSense for Domains (**AFD**) monetisation product. RSOC seeks to improve the end user experience increasing conversion for advertisers, creating an opportunity to grow the overall market including for RSOC feed holders such as OBMedia. Importantly Google has indicated additional features are expected to be rolled out which may create additional revenue opportunities and the opportunity for expanded inventory.

RSOC has been tested by OBMedia, however as a new product, it is yet to reach the scale of past AFD revenue. With support from Enero, OBMedia is capitalising on its deep industry expertise and business partnerships to jointly establish a new operating model to scale-up the RSOC business.

To prudently manage expenses during this transitional period, OBMedia will be undertaking staff reductions in FY25 Q4. The initial change actioned this week will remove around \$7m of annual cost from the OBMedia business whilst retaining its key strategic capabilities.

Enero expects to report OBMedia net revenue of between \$28 million and \$30 million, representing 35% to 39% year-on-year decline and EBITDA of between \$9 million and \$12 million, representing 49% to 64% year-on-year decline for FY25.

Technology, Healthcare and Consumer (THC) Practice

In FY25 H2 the THC Practice continues to drive improved performance and is expected to deliver revenue growth compared to FY25 H1 (prior half) and FY24 H2, benefiting from several key client wins and positive underlying momentum in the Group's Australian agencies.

Hotwire continues to be impacted by challenging and dynamic market conditions in the global technology sector. In response, Hotwire has been re-balancing its resource mix and capacity to protect margins.

As a result, the THC Practice is expected to improve its EBITDA margin in FY25 H2 from 16% at FY25 H1 and 14% at FY24 H2 with a continued focus on future margin management.

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This release was authorised by the Board of Directors.

1. Net Revenue is gross revenue recognised in accordance with AASB15 less directly attributable cost of sales. EBITDA is profit before interest, taxes, depreciation, amortisation and any significant items.
2. Economic interest reflects 51% economic interest in OBMedia



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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 the Hotwire Group (Hotwire and ROI DNA), digital and experiential agency Orchard and adtech platform OBMedia.