


17 October 2024

# Enero Group 2024 Annual General Meeting (AGM)

**enero**  
free thinkers united



A black and white photograph of a man in traditional Indigenous Australian attire, holding two bundles of grass or leaves, standing in front of a large crowd of people. The man is the central focus, looking slightly to the right. He has dark skin and is wearing a simple, light-colored wrap around his waist. His arms are extended, holding two bundles of what appears to be grass or small plants. The background is filled with a large, out-of-focus crowd of people, many of whom are also wearing traditional wraps. The overall scene suggests a cultural event or ceremony.

We acknowledge the Traditional Owners of  
the land on which we meet today, the Gadigal  
people, and recognise their continuing  
connection to land, waters and culture.  
We pay our respects to their Elders past,  
present and emerging.

Welcome  
Ann Sherry AO

e.



# Enero's Board of Directors



**Ann Sherry AO**  
Independent Non-Executive  
Director Chair



**Brent Scrimshaw**  
CEO & Executive  
Director



**David Brain**  
Independent Non-Executive  
Director



**Ian Rowden**  
Independent Non-Executive  
Director



**Anouk Darling**  
Independent Non-Executive  
Director



**Louise Higgins**  
Independent Non-Executive  
Director





## Questions

### Prior

Questions addressed in prepared speeches.

### In Person

Shareholders in attendance will be able to ask questions during the course of the meeting.

### Online

Shareholders online may also submit a question via the chat function at the bottom of the zoom screen, please include which resolution it relates to so that it can be addressed at the appropriate time.



# Voting

## Poll

Voting on all resolutions will be conducted by poll.

Mathew Hunter of Automic Group will act as the Returning Officer.

## In Person

Shareholders in attendance will have received a yellow voting card. Raise the yellow voting card to assist the counting of votes.

## Online

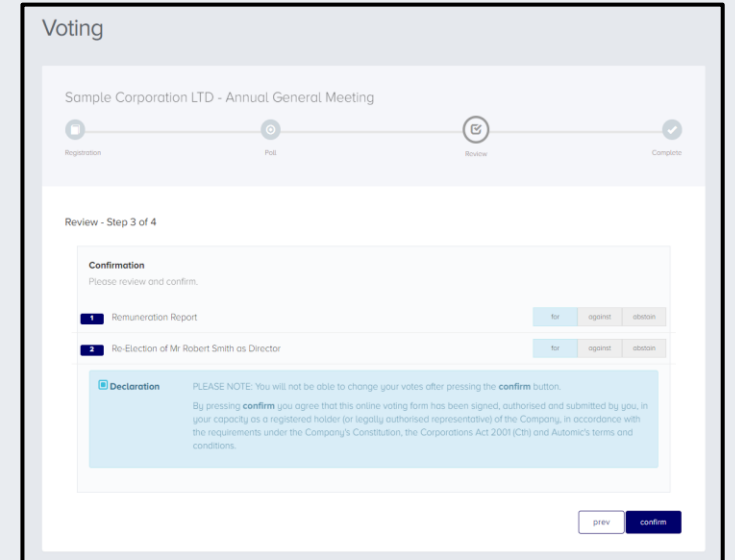
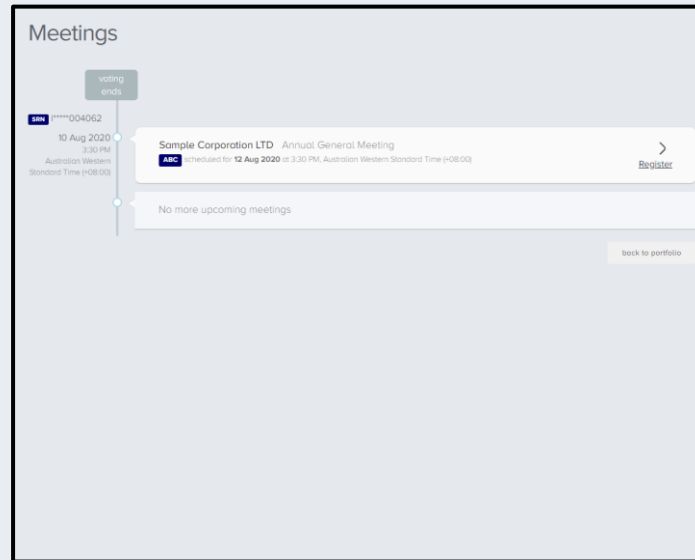
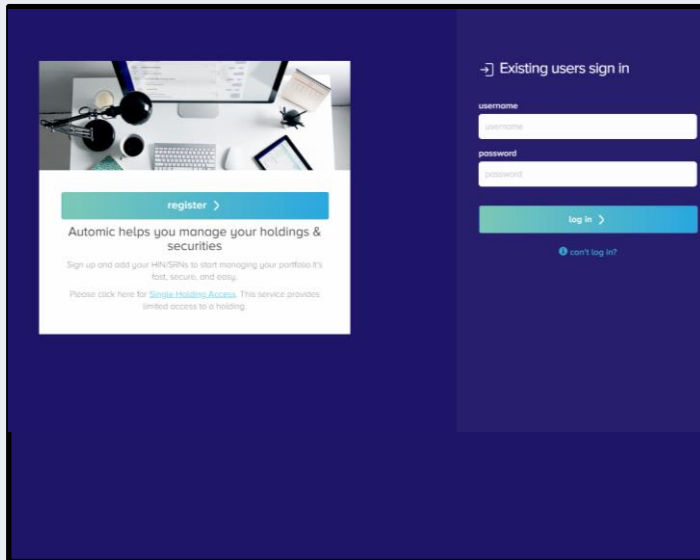
Instructions on screen momentarily for how to register and vote using the online voting portal which you must do separately to the zoom meeting.

# Registration and Voting

1. Log in or register at:  
<https://investor.automic.com.au/#/home>

2. Click view and register your attendance for the meeting

3. Record your vote. Once you confirm it is lodged and final



To contact support:  
Call 1300 816 159





# Agenda

## Chair Address

Ann Sherry AO

## CEO Business Review and Trading Update

Brent Scrimshaw

## Formal Business

Financial Report, Directors' Report and Auditor's Report

Resolution 1 – Remuneration Report

Resolution 2 – Re-election of David Brain

Resolution 3 – Re-election of Louise Higgins

Resolution 4 – Approval of the Enero Rights Plan (SPR Plan)

Resolution 5 – Withdrawn prior to meeting

## Q&A











# Chair Address




Ann Sherry AO



# Focused portfolio in industries that matter

Research & Insights	Creative & Content	PR & Influence	Digital & Ad Tech
			
		Frank.	
			
		Precinct	



Tech	Health	Consumer
		

- Ad hoc collection of businesses in traditional services
- No deliberate strategy or focus (different geos, no synergy)
- Legacy portfolio from history, not built from strategy

- Transformation to vertical industry specialists
- Addition of modern and relevant capabilities built from vertical expertise
- Connected to drive synergy (geo, BU, client, capability)
- Winning with clients of scale: 34 clients delivered \$1m+ revenue (FY23: 27)

# Delivering a focused strategy

**Our Vision**

*What do we want to be known for?*

**Battlegrounds**

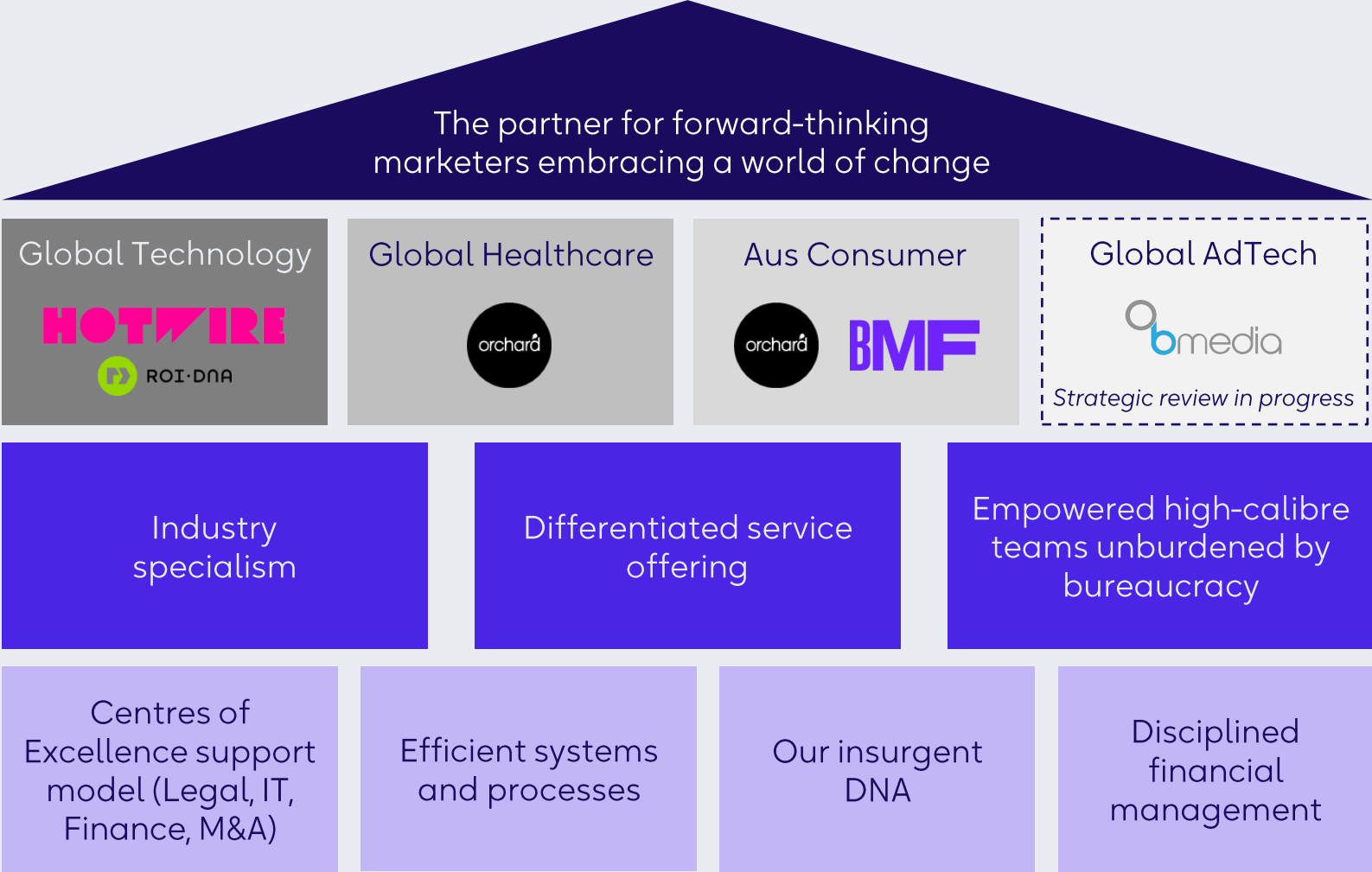
*What markets are we choosing to compete in?*

**Strategic Pillars**

*What are our sources of competitive advantage?*

**Enablers**

*What fundamentals are needed to deliver and enhance our strategic pillars?*



# Positioned to deliver on strategic plan

## Tech, Healthcare & Consumer Practice opportunity

- Continued momentum in Australian agencies; delivering double digit revenue growth
- International business positioned for tech sector rebound
- Continued synergy – 66% of revenue from clients with relationship with more than one brand or country

## Profitability and capability focus

- FY23 & FY24 structural cost reductions
- Strategic cost reallocation to fuel future growth and innovation
- Expansion of offshore delivery centre to drive margin growth and access new pools of talent

## Simplified portfolio

- Competitive sale process of OBMedia remains ongoing
- Enero is significantly progressed in a due diligence process
- Process remains on track to conclude in Q2 FY25.

## Strong fundamentals

- Low levels of debt and optionality with \$47m of \$50m loan facility undrawn
- 97% cash conversion (economic interest basis)
- 4.0% dividend yield<sup>1</sup>
- 44% FY24 dividend payout ratio

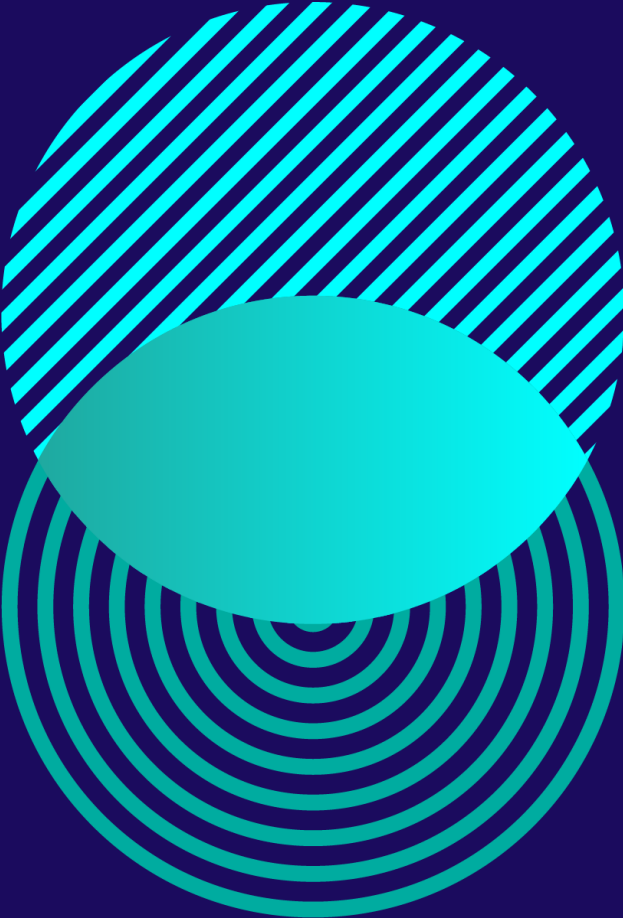
Ann Sherry AO

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# Business Review

Brent Scrimshaw, CEO



# FY24 Financial Results



REVENUE<sup>1</sup>

\$189.7 million

-21.5% YoY  
-6.2% LFL<sup>4</sup>



EBITDA<sup>1</sup>

\$37.4 million

-52.6% YoY  
-10.4% LFL<sup>4</sup>



NET PROFIT<sup>2</sup>

\$10.3 million

-57.8% YoY  
+7% LFL<sup>4</sup>



FREE  
CASH FLOW<sup>3</sup>

\$21.7 million

-60.1% YoY



NET  
CASH

\$38.2 million



DIVIDEND PER  
SHARE

5.0 cents

1. Net revenue is gross revenue recognised in accordance with AASB 15 less directly attributable cost of sales. EBITDA is profit before interest, taxes, depreciation, amortisation and any significant items.
2. Net profit is after non-controlling interest and equates to net profit attributable to equity holders of the parent. Net profit is before any significant items.
3. Free cash flow is operating cash flow less capex and lease liability payments.
4. LFL (like-for-like) adjusts for the OBMedia proactively halted traffic in FY23 Q4 to protect quality metrics



# FY24 Financial Results – Economic Interest<sup>1</sup>



REVENUE<sup>2</sup>

\$167.1 million

-15.5% YoY

-6% LFL<sup>5</sup>



EBITDA<sup>2</sup>

\$25.9 million

-44.7% YoY

-7.1% LFL<sup>5</sup>



NET PROFIT<sup>3</sup>

\$10.3 million

-57.8% YoY

+7% LFL<sup>5</sup>



FREE  
CASH FLOW<sup>4</sup>

\$16.4 million

-36.7% YoY

1. Economic interest reflect 51% economic interest in OBMedia

2. Net revenue is gross revenue recognised in accordance with AASB 15 less directly attributable cost of sales. EBITDA is profit before interest, taxes, depreciation, amortisation and any significant items.

3. Net profit is after non-controlling interest and equates to net profit attributable to equity holders of the parent. Net profit is before any significant items.

4. Free cash flow is operating cash flow less capex and lease liability payments.

5. LFL (like-for-like) adjusts for the OBMedia proactively halted traffic in FY23 Q4 to protect quality metrics

# FY25 – FY27 Strategic Plan

**Our Vision**

*What do we want to be known for?*

**Battlegrounds**

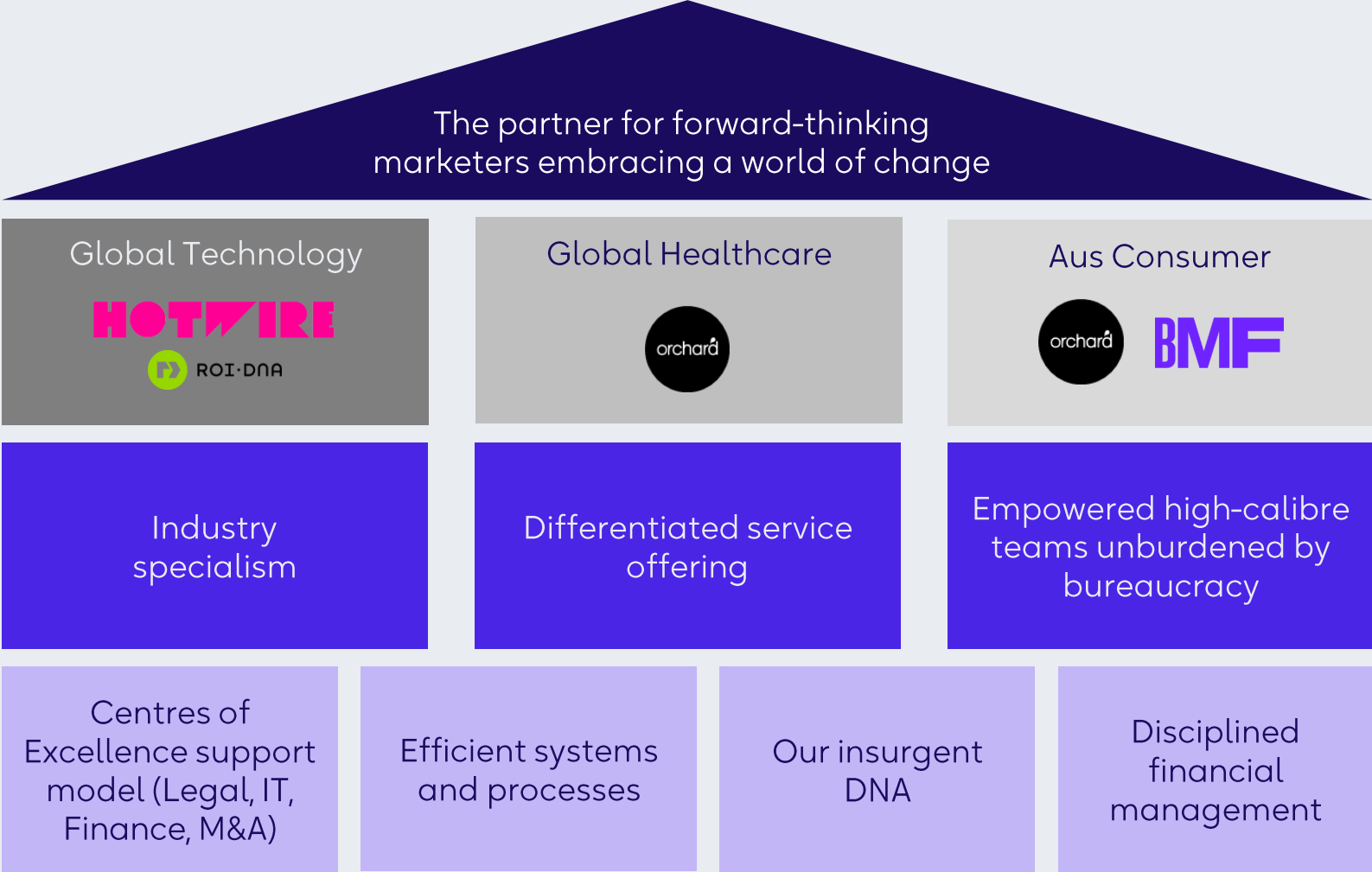
*What markets are we choosing to compete in?*

**Strategic Pillars**

*What are our sources of competitive advantage?*

**Enablers**

*What fundamentals are needed to deliver and enhance our strategic pillars?*



# In FY25, each business has a specific focus

Global Tech  
**HOTWIRE**  


**Portfolio Role:**  
Global tech consultancy

**Plan For Growth:**

- Organic investment to scale
- Select capability tuck-ins
- Select market expansions

Global Healthcare  


**Portfolio Role:**  
Australian led with expanding USA presence

**Plan for Growth:**

- Expansion of services into MedEd and pharmaceutical promotions
- Organically grow US offering
- Accelerate capability differentiation

Aus Consumer  
**BMF**

**Portfolio Role:**  
Protect and enhance

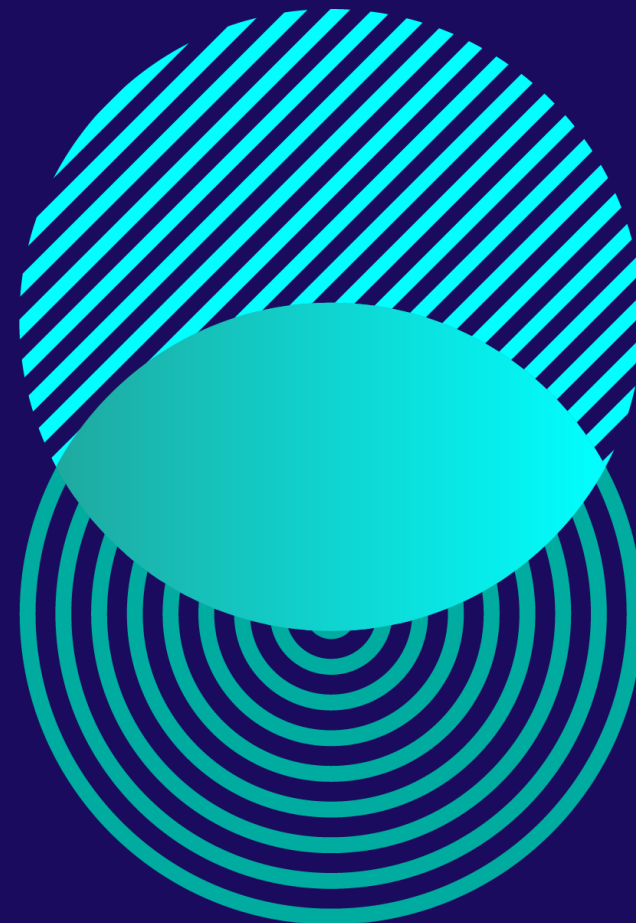
**Plan for Growth:**

- Organic investment to evolve leading market position
- Win-bigger with Endeavour Group biggest win in 10 years
- Numerous live new business opportunities
- Client-led market expansions



# Trading Update

Brent Scrimshaw, CEO



# Trading update

Statutory Results (A\$M)	Q1 FY25	Q1 FY24	% Change
Net revenue	43.5	49.4	(11.8%)
EBITDA	7.3	11.0	(33.4%)
EBITDA margin	16.8%	22.3%	(5.5) ppts

Economic Interest (A\$M)	Q1 FY25	Q1 FY24	% Change
Net revenue	38.8	43.1	(10.0%)
EBITDA	5.3	7.5	(30.3%)
EBITDA margin	13.5%	17.5%	(4.0) ppts

- There has been strong momentum in the new business pipeline in Australia with new large clients including Endeavour Group (Dan Murphys and BWS) building on the success of recent client wins. This has resulted in increased pitch costs during the quarter.
- Positively, these pitch costs have been more than offset by ongoing cost reductions in the Technology, Healthcare & Consumer (THC) Practice, leading to an improvement in margins in Q1 FY25 (16%) compared to H2 FY24 (14%).
- Overall, Q1 FY25 revenue has continued to be impacted by the challenging international technology marketplace. THC Practice revenue declined by 6% YoY (continuing business<sup>1</sup>) while OBMedia revenue declined by 24% YoY. OBMedia EBITDA margins in Q1 FY25 were 44% vs 46% in H2 FY24.
- OBMedia sale remains on track to conclude in Q2 FY25.
- Enero remains committed to proactively reducing its corporate cost base regardless of an OBMedia sale.

# Formal Business

Ann Sherry AO





# Financial Report, Directors' Report and Auditor's Report

To receive and consider the Annual Financial Report of Enero Group Limited (**Company**) and its controlled entities (**Group**), the Directors' Report and the Auditor's Report for the year ended 30 June 2024.

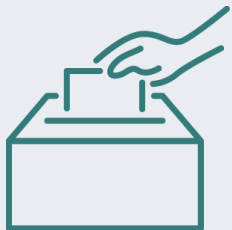


Note: No resolution is required to be moved in respect of this item of general business.

# Resolution 1: Non-binding resolution to adopt the Remuneration Report

To consider, and if thought fit, to pass the following as a non-binding **ordinary resolution**:

*“That the ‘Remuneration Report’ included in the Enero Annual Financial Report for the year ended 30 June 2024, be adopted.”*



Each Director recommends that shareholders vote in favour of Resolution 1 to adopt the Remuneration Report.

# Resolution 1: Non-binding resolution to adopt the Remuneration Report

Proxy Count	Number	%
For	27,898,714	61.17
Against	17,665,268	38.73
Open	41,990	0.09
Abstain	35,555	

# Resolution 2: Re-election of David Brain

To consider, and if thought fit, to pass the following as an **ordinary resolution**:

*“That David Brain, who retires in accordance with rule 6.1(f) of the Company’s Constitution and, being eligible, offers himself for election, be re-elected as a Director of the Company.”*



Each Director (other than David Brain) recommends that shareholders vote in favour of Resolution 2 to elect David Brain as a Director of Enero.

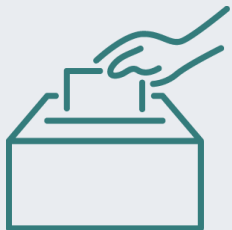
# Resolution 2: Re-election of David Brain

Proxy Count	Number	%
For	45,060,711	98.58
Against	604,498	1.32
Open	44,490	0.10
Abstain	24,681	

# Resolution 3: Re-election of Louise Higgins

To consider, and if thought fit, to pass the following as an **ordinary resolution**:

*“That Louise Higgins, who retires in accordance with rule 6.1(f) of the Company’s Constitution and, being eligible, offers herself for election, be re-elected as a Director of the Company.”*



Each Director (other than Louise Higgins) recommends that shareholders vote in favour of Resolution 2 to elect Louise Higgins as a Director of Enero.

# Resolution 3: Re-election of Louise Higgins

Proxy Count	Number	%
For	45,063,377	98.59
Against	601,832	1.32
Open	44,490	0.10
Abstain	24,681	

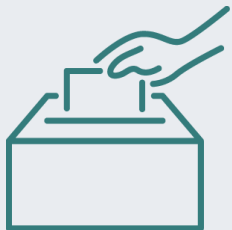


# Resolution 4: Approval of the Enero Rights Plan (SPR Plan)

To consider, and if thought fit, to pass the following as an **ordinary resolution**:

*That the Enero Rights Plan (SPR Plan) described in the Explanatory Notes accompanying the Notice of Meeting is approved for all purposes (including for the purpose of Listing Rule 7.2, Exception 13(b)) so that any securities (or rights to securities) issued in accordance with the terms of the SPR Plan qualify as an exception to Listing Rule 7.1.”*

*Note: A voting exclusion applies to Resolution 4.*



Each Director recommends that shareholders vote in favour of Resolution 4 to approve the Share Rights Plan.

# Resolution 4: Approval of the Enero Rights Plan (SPR Plan)

Proxy Count	Number	%
For	44,848,558	98.31
Against	728,625	1.60
Open	41,990	0.09
Abstain	22,354	

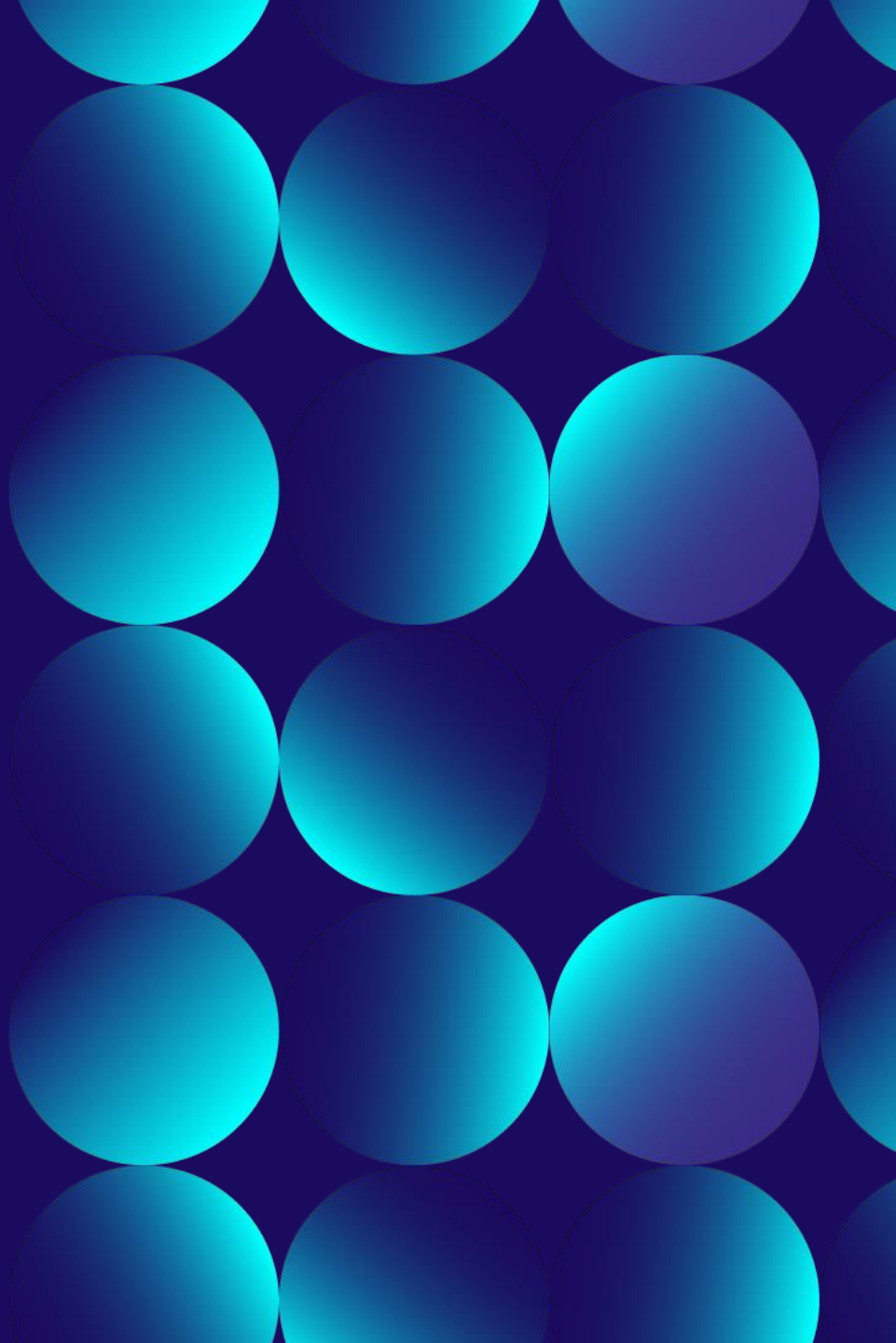
# Resolution 5: Approval of the Enero Rights Plan (SPR Plan)

Withdrawn prior to meeting



Q&A

e.



17 October 2024

# Enero Group 2024 Annual General Meeting (AGM)

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free thinkers united





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This results presentation uses non-IFRS performance measures which have not been audited or reviewed. The Company believes that, in addition to the conventional measures reported under IFRS, the Company and investors use this information to evaluate the Company's performance. Non-IFRS performance measures include Net Revenue and EBITDA which is defined in the presentation.