



**HT&E Limited**  
**2020 Annual General Meeting**  
**SYDNEY, 7 May 2020**

## **CHAIRMAN'S ADDRESS TO SHAREHOLDERS**

While I am very honoured to preside as Chairman at HT&E's annual general meeting for the 2nd time, I am also very conscious that today's meeting is being held against the backdrop of massive uncertainty and unease for many of our shareholders. So I would like to open this address with the hope that you and your families are safe and well and that you continue to stay strong and healthy. I'd also like to thank all of our staff for their dedication and adaptability during this difficult time and want to assure you that myself and the Board continue to remain absolutely committed to your safety and well being.

Today's meeting is being held online for the first time so I thank you for making the effort to join us. With me in the room here at PwC are my fellow directors Roger Amos and Belinda Rowe with Paul Connolly joining via video link. Also in the room is our CEO and Managing Director, Ciaran Davis, our CFO Andrew Nye, Company Secretary Jeremy Child and Louise King, our auditor from PwC.

2019 was a very challenging year for many Australian media companies, but the outbreak of COVID-19 has exponentially accelerated these challenges as we are in the midst of the sharpest decline in media advertising that most, if not all of us, have ever witnessed.

That being said, HT&E is in a very strong and stable position during these unprecedented times and thanks to a number of strategic steps taken last year, our business is one of the better placed media companies in Australia currently facing into this crisis.

We focused on strengthening our core business – giving ARN the platform to capitalize on the expanding consumption of audio being experienced by consumers in Australia.

ARN delivered a market leading ratings performance in 2019 and was the overall #1 metropolitan network in the country. Finishing the year with four consecutive #1's was our best performance since 2015, and we achieved the highest reach in the history of the business.

Great talent is the foundation of any radio network and derisking the business by extending key talent contracts in Sydney and Melbourne was a high priority for management, providing the business with surety and a solid platform for future investment and commercialisation. Kyle & Jackie O, Jonsey & Amanda, Jase & PJ and Christian O'Connell are the best broadcasters in Australia and we are delighted they will be staying with us for many years to come.

Although revenues and earnings were impacted by market conditions, the business backed up its ratings success by growing commercial market share and remains highly profitable and cash generative.

Audio consumption is expanding among consumers and ARN uniquely offers Australia's most complete audio offering to audiences, based on their own choices and interests, across radio, music streaming and



podcasting. Extending our iHeartRadio licence and partnership to 2036 plays into our listener and data strategy by expanding audience reach and offering digitally targeted content and advertising to clients.

In 2019, the Board commenced a strategic review of all operations to assess their ability to deliver real shareholder value and protect cash reserves. As a result, an orderly exit of some of our non-core assets has commenced with the shutting of our esports investment, Gfinity. We disposed of our digital publishing business, The Roar, our interest in VR start-up Unbnd; and recently, sold our digital search and social business – iNC. We have put on hold a process to sell our Hong Kong outdoor asset whose performance was been impacted by protests and now COVID-19. And the processes being undertaken to dispose of our shareholdings in Lux Group and Soprano are suspended for now as both businesses focus on operationally dealing with the pandemic.

Our shareholders also benefitted by our increased dividend policy and our optionality to execute accretive buy-backs when deemed appropriate. And the Board is fully engaged on the ATO branch matter – of which there is no update and we remain confident in our position and are prepared to pursue fully through litigation.

Today, HT&E has one of the strongest balance sheets in Australia media. While some businesses are struggling with their capital structures, your company had \$111 million net cash at the end of 2019, no undrawn debt and a radio business generating strong cash conversion. This is very healthy position for HT&E to be in at this time giving us the potential to explore the right strategic opportunities for the business should they arise. We recently maintained our optionality in what we believe will be a consolidating sector by purchasing a stake in oOH Media. Having sold Adshel to oOH for \$570 million, it is a business we know well, we believe in the emerging strengths of a combined Radio and Out of home offering and we look forward to being a constructive long term shareholder in the business.

Before handing over to Ciaran, I would like to express my thanks to my fellow Board members for their contributions and dedication. Within our Board, we have a team of highly effective Directors with the diverse set of skills and business experience to drive shareholder value and it's a pleasure to work with them.

Finally, in closing, I'd like to thank you, our shareholders for your continued support. It's a difficult time for the business but I can assure you that this Board and management team are fully aligned in our determination to provide the best possible returns on your investment over the long term.

ENDS

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For further information, please contact:

Peter Brookes, Citadel-MAGNUS, +61 407 911 389, [pbrookes@citadelmagnus.com](mailto:pbrookes@citadelmagnus.com)

Helen McCombie, Citadel-MAGNUS, +61 411 756 248, [hmccombie@citadelmagnus.com](mailto:hmccombie@citadelmagnus.com)

The release of this announcement was authorised by the Board of HT&E Limited.