



oOh!media Limited
ABN 69 602 195 380
(ASX: OML)

Thursday, 26 March 2020

oOh!media announces Capital Structure and Operational Initiatives

Launches A\$167m fully underwritten¹ Equity Raising

oOh!media Limited (ASX: OML) (**oOh!media** or the **Company**) has announced a number of proactive initiatives to improve the Company's financial flexibility and liquidity in light of recent global macroeconomic conditions. These initiatives include:

- the launch of a \$167m fully underwritten² equity raising, with proceeds to be applied to repay debt and fund transaction costs;
- material cost control measures with identified savings of \$20m – \$30m in Operating Expenditure and Fixed Rent expense reduction to be realised over financial year 2020 (**FY20**) depending upon how market conditions evolve (**Cost Control Measures**);
- reduction of Capital Expenditure program by \$25m – \$35m below the previous guidance range of \$60 – \$70m (**CAPEX Reduction**); and
- amendment of the Company's debt arrangements (**Debt facility**) to increase the gearing covenant to 4.0x Net Debt / EBITDA for calendar year 2020 (**CY20** and **Covenant Extension**)³, reflecting strong support from the Company's banking syndicate,

(together, the **Initiatives**)

The combination of the announced Initiatives strengthens oOh!media's balance sheet and provides the Company with improved financial flexibility and liquidity, with pro forma gearing reducing from 2.6x⁴ to 1.4x net debt / FY19 EBITDA (**Gearing**).⁵ The Company believes it is prudent to pursue measures that improve balance sheet flexibility given the uncertain economic outlook.

With the full support of the Board, Brendon Cook has committed to remain Chief Executive Officer until at least the end of CY20.

YTD Trading Update

FY20 year to date (**YTD**) revenue remains in line with the prior corresponding period. As noted in the Company announcement provided on 16 March 2020, the Company's performance in the first quarter was consistent with delivering the original FY20 EBITDA guidance of \$140m to \$155m provided on 24 February 2020.

However, as the Company has over 9 months remaining in FY20 and due to the evolving macroeconomic conditions and the resulting market uncertainty caused by COVID-19, forecasting of full year revenue in the current environment is difficult. In accordance with oOh!media's continuous disclosure obligations, the Company decided to withdraw its FY20 earnings guidance on 16 March 2020.

Cost Control Measures and CAPEX Reduction

In response to evolving market conditions, oOh!media has proactively identified and, where applicable, commenced cost control measures, including:

¹ Please refer to note 1 on slide 1 of the Company's investor presentation released to ASX on 26 March 2020 (**Investor Presentation**).

² Please refer to note 1 in this announcement

³ Gearing covenant ratio steps down to 3.5x on 31 March 2021. The Ratio Testing Day will be on the last day of each quarter (being each 31 March, 30 June, 30 September and 31 December).

⁴ Refer to calculation in Company's FY19 financials results presentation issued 24 February 2020

⁵ Calculation based on FY19 underlying EBITDA of \$139.0m



Initiative	Potential Savings
<i>Operating expenditure savings</i>	Savings across a range of readily actionable categories: marketing, travel, entertainment and replacement hires
<i>Fixed Rent expense savings</i>	Rent abatements built into some of the Company's leases and targeted non-renewal of specific sites
<i>CAPEX Reductions</i>	Spend significantly below the midpoint of the previous guidance range of \$60 – \$70m
Total Operational Initiatives⁶	\$45m – \$65m

oOh!media has commenced implementation of the Cost Control and CAPEX Reduction measures outlined above. There is the potential that additional measures may need to be implemented depending on length and severity of the COVID-19 impact on the economy. In the future once the market recovers, some of these cost control measures may be reversed to ensure the business is best positioned to capitalise on both near and long term revenue opportunities.

HMI Capital LLC shareholder support

oOh!media is pleased to announce that it has received significant support for the Entitlement Offer and Placement from its largest shareholder, HMI Capital LLC (**HMI**). HMI is an investment management firm and long-time supporter of oOh!media, having first joined the register in March 2017.

HMI have confirmed its subscription of its pro-rata share of the Entitlement Offer and Placement, and provided a commitment to sub-underwrite up to \$17.7m across the Equity Raising, including the retail tranche of the Entitlement Offer (**HMI Sub-underwrite**).

The HMI Sub-underwriting may result in HMI increasing its shareholding in oOh! from 19.0% to up to 25.0%, however this will depend primarily upon the level of participation in the Equity Raising by other eligible shareholders and investors, and requisite Foreign Investment Review Board (**FIRB**) approvals for HMI to increase its holding above 20%.⁷

oOh!media will appoint Mick Hellman, Founder and Managing Partner of HMI, to the oOh! Board of Directors following completion of the institutional component of the Entitlement Offer. Mick Hellman will join the Board as a Non-Executive Director and will join the Board's Nomination and Remuneration Committee (see a biography of Mick Hellman on page 5 of this announcement).

In connection with this appointment, oOh! will nominate one of the current Directors to resign temporarily from the Board of Directors and take the position of Board Observer (**Resigning Director**) until the Annual General Meeting (**AGM**) as at present only seven Directors may be appointed to the oOh! Board. At the AGM, the Resigning Director will stand for reappointment should the Expanded Board Resolution be approved (see below).

The oOh!media Board of Directors will also seek to expand the size of the Board by two, with the intention of appointing two additional Non-Executive Directors drawn from our Australian and New Zealand markets. To facilitate this appointment, a resolution unanimously recommended by the oOh! Board will be proposed at the upcoming Company AGM which is expected to be held on 14 May 2020 to increase the number of Directors on the Board from seven to nine (**Expanded Board Resolution**). Should the requisite majority approve the Expanded Board Resolution, the oOh!media Board intends to nominate the Resigning Director to stand for reappointment to the Expanded Board. The capacity for a second additional Director will be

⁶ Available total potential savings over remainder of CY20 if all measures were taken at first opportunity.

⁷ Should the HMI Sub-underwrite result in HMI's shareholding in the Company exceeding 20%, HMI will require approval of the FIRB to take ownership of any shares above 20% (**HMI Excess Shares**). Before any such FIRB application is approved, HMI will pay the Offer Price for the HMI Excess Shares at the relevant Settlement Date to the Underwriter or an Affiliate as a limited recourse loan, and the HMI Excess Shares will be issued to the Underwriter or an Affiliate in an arrangement whereby the Underwriter or Affiliate will retain the beneficial and legal ownership of the HMI Excess Shares until such time that FIRB approval is received at which point the HMI Excess Shares will be transferred to HMI. If FIRB approval were not to be granted within 4 months (or such longer period as may be agreed) or if OIO approval is required but is not obtained, the Underwriter of Affiliate would seek to sell the HMI Excess Shares and remit the sale proceeds to HM in full satisfaction of the loan arrangement. HMI may increase its stake to above 20% for Corporations Act purposes by relying on the exception contained in item 10 of section 611 and section 615 of the Corporations Act. Macquarie Securities (Australia) Limited has been appointed as a nominee under section 615 of the Corporations Act.



established and a suitable candidate will be recommended by the Nominations and Remuneration Committee to the full Board in due course.

Debt Facilities

Today, oOh!media announced it has secured an increase to the gearing covenant on the Debt Facility to 4.0x Net Debt / EBITDA for CY20⁸, reflecting strong support from the Company's banking syndicate.

Following completion of the Equity Raising, the Company's pro forma gearing will be 1.4x.⁹ While trading conditions may impact the near term trajectory of gearing, the Company believes the combined initiatives will provide oOh! with significant additional liquidity and headroom.

Dividends

In the context of the Equity Raising and in order to not disadvantage shareholders who had elected to take up the Dividend Reinvestment Plan (**DRP**), oOh!media has determined to vary the issue price of the shares under the DRP to align to the Offer Price. No action is required by oOh!media Shareholders who have already elected to participate in the DRP as a result of this change. In order to facilitate the repricing of the DRP, the DRP issue date will be moved from Friday 27 March 2020, to Friday 3 April 2020. As the shares issued under the DRP are being issued after the Record Date for the Entitlement Offer, shares issued under the DRP will not be eligible to participate in the Equity Raising

In line with the announced Cost Control Measures and Capex Reduction program, oOh!media announced that following completion of the DRP for the Final dividend for CY19, the Board will temporarily suspend future dividends. The Board will revisit this decision in future periods based on the prevailing market conditions and with consent of the Company's lenders.

oOh!media's Chief Executive Officer Brendon Cook commented: *"Despite a challenging macroeconomic backdrop, trading for CY20 to date remains flat compared to the previous corresponding period in FY19 which was in line with expectations."*

"With the impact of the economic outlook remaining uncertain at this time, we see risk around trading for FY20 and as such have taken the prudent and cautious measure of raising equity to repay debt, and implementing Cost Control Measures and CAPEX Reductions. Despite this challenging market environment, management believes the fundamentals for the Out of Home industry remain positive. The Initiatives we announced today provide the Company with significant liquidity to trade through uncertain times ahead, and will position oOh!media to continue leading the out of home industry which we believe is a long-term structural growth sector."

Terms of the Equity Raising

The A\$167m fully underwritten¹⁰ Equity Raising will result in the issue of fully paid ordinary shares (**New Shares**) and will be conducted via:

- a placement to institutional and sophisticated investors to raise approximately A\$39m (**Placement**); and
- an accelerated non-renounceable pro-rata entitlement offer (**Entitlement Offer**), enabling shareholders to purchase 1 oOh!media share for every 1 oOh!media share they own as at 7.00pm (Sydney time) on 30 March 2020 to raise approximately A\$128m.

The Entitlement Offer will comprise an institutional and retail component (respectively, the **Institutional Entitlement Offer** and the **Retail Entitlement Offer**), with any entitlements that are not taken up within the required timeframes by eligible shareholders, as well as entitlements of ineligible shareholders, lapsing.

The oOh!media Directors who are shareholders have each confirmed their intention to participate in the Entitlement Offer by taking up their pro rata entitlement for New Shares.

⁸ Please refer to note 3 in this announcement

⁹ Please refer to note 4 in this announcement.

¹⁰ Please refer note 1 in this announcement.



The offer price for the Placement and the Entitlement Offer will be A\$0.53 per share (**Offer Price**), representing:

- a 20% discount to the theoretical ex-rights price (**TERP**¹¹) of \$0.66; and
- a 37% discount to the closing price of \$0.84 on 19 March 2020.

The Equity Raising will result in the issuing of approximately 315m New Shares representing approximately 130% of existing securities on issue. The immediate use of the Equity Raising proceeds will be to pay down Company debt in order to strengthen the Company's balance sheet and support the continuation of the Company's growth despite present market conditions.

New Shares issued under the Equity Raising will rank equally with existing oOh!media shares as at their date of issue, other than that the New Shares will not be entitled to the dividend announced on 24 February 2020.

Eligible shareholders who do not take up their entitlement under the Entitlement Offer in full or in part, will not receive any value in respect of those entitlements not taken up.

The Entitlement Offer is non-renounceable and rights are not transferrable and will not be traded on the ASX or otherwise.

Placement

In accordance with the waiver to ASX Listing Rule 7.1 granted by the ASX, the Placement is within oOh!media's placement capacity as calculated by reference to the number of ordinary oOh!media shares that will be on issue immediately following the completion of the Entitlement Offer, and accordingly no shareholder approval is required in connection with the Placement. New Shares issued under the Placement do not have rights to participate in the Entitlement Offer.

Institutional Entitlement Offer

Eligible institutional shareholders will be invited to participate in the Institutional Entitlement Offer.

Under the Institutional Entitlement Offer, eligible institutional shareholders can choose to take up all, part or none of their Entitlement. Entitlements not taken up under the Institutional Entitlement Offer will be offered to eligible institutional investors at the Offer Price.

Retail Entitlement Offer

Eligible retail shareholders with a registered address in Australia or New Zealand on the Record Date of 7.00pm (Sydney time), 30 March 2020, have the opportunity to invest in New Shares at the Offer Price, on the terms and conditions outlined in the Retail Offer Booklet to be sent to eligible retail shareholders on 2 April 2020.

Please note that shareholders with a registered address outside of Australia or New Zealand on the Record Date are ineligible to participate in the Retail Entitlement Offer. Further details as to eligibility will be set out in the Retail Offer Booklet.

Retail Investor Enquiries

For further information in regard to the Retail Entitlement Offer, please do not hesitate to contact the Offer Information Line on 1800 134 068 (local call cost within Australia) or +61 1800 134 068 (from outside Australia) at any time between 8.30am and 5.30pm (Sydney time), Monday to Friday during the retail offer period.

¹¹ Theoretical ex-rights price ("TERP") includes shares issued under the Placement, Institutional Entitlement Offer and the Retail Entitlement Offer. TERP is the theoretical price at which oOh!media shares should trade after the ex-date for the Entitlement Offer. TERP is a theoretical calculation only and the actual price at which oOh!media shares trade at that time will depend on many factors and may not be equal to TERP. TERP is calculated by reference to the closing price on 19 March 2020 being \$0.66.



Equity Raising indicative timetable

The timetable below is indicative only and subject to change. oOh!media reserves the right to alter the above dates at its full discretion and without prior notice, subject to the ASX Listing Rules and the Corporations Act 2001 (Cth).

The quotation of New Shares is subject to confirmation from the ASX.

All times below are based on Sydney, Australia time (AEST / AEDT as appropriate).

Equity raising

Equity Raising announcement and Placement and Institutional Entitlement Offer opens	Thursday, 26 March 2020
Placement and Institutional Entitlement Offer closes	Friday, 27 March 2020
Trading in oOh!media shares resumes on an ex-entitlement basis	Friday, 27 March 2020
Record date for determining entitlement for the Entitlement Offer	7.00pm, Monday, 30 March 2020
Despatch of Retail Offer Booklet and Retail Entitlement Offer opens	Thursday, 2 April 2020
Settlement of Placement and Institutional Entitlement Offer	Monday, 6 April 2020
Allotment and normal trading of New Shares issued under the Placement and Institutional Entitlement Offer	Tuesday, 7 April 2020
Retail Entitlement Offer closing date	Thursday, 16 April 2020
Settlement of Retail Entitlement Offer	Wednesday, 22 April 2020
Allotment of New Shares issued under the Retail Entitlement Offer	Thursday, 23 April 2020
Normal trading of New Shares issued under the Retail Entitlement Offer	Friday, 24 April 2020
Despatch of holding statements	Friday, 24 April 2020

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

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Biography – Mick Hellman

Marco (Mick) Hellman is a Founder, Managing Partner and member of the Investment Committee of HMI Capital. Prior to establishing HMI Capital, Mick spent most of his career at Hellman & Friedman, LLC where he was a Managing Director and a member of the Investment Committee. While at Hellman & Friedman, Mick founded the software and logistics (ports and container terminals) verticals and established the firm's Hong Kong office. He was instrumental in Hellman & Friedman's investments in Blackbaud, Hongkong International Terminals and Mitchell International. Prior to joining Hellman & Friedman in 1987, Mick worked as a Financial Analyst at Salomon Brothers in San Francisco in the Corporate Finance Department. Prior board involvement includes LPL Financial Holdings Inc.; Blackbaud; Asia Alternatives Management LLC.; UC Berkeley Foundation; Hongkong International Terminals; Mitchell International; Foxcroft School (Board Chair and Chair of the Investment Committee); and the Bay Area Discovery Museum.

About oOh!media: oOh!media is a leading media company across Australia and New Zealand that creates deep engagement between people and brands through Unmissable Out of Home advertising solutions. Our connected offline and online ecosystem makes brands Unmissable across our diverse network of over 30,000+ locations across Australia and New Zealand helping brands connect with their audiences through powerful and integrated, cross format campaigns. Our unparalleled reach combined with industry best data, insights, media planning tools and technological innovation gives advertisers an added layer of campaign intelligence. oOh!media delivers the reach, optimisation, engagement and impact to connect and influence audiences anytime and anywhere.

NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES

This announcement does not constitute an offer to sell, or the solicitation of an offer to buy, any securities in the United States. The New Shares to be offered and sold in the Equity Raising have not been, and will not be, registered under the United States Securities Act of 1933 (the **U.S. Securities Act**, or the securities laws of any state or other jurisdiction of the United States. Accordingly, the New Shares may not be offered or sold to persons in the United States, unless they have been registered under the U.S. Securities Act, or are offered and sold pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws.

Forward-looking statements and forecasts

This announcement contains certain "forward-looking statements" that are based on management's beliefs, assumptions and expectations and on information currently available to management. Forward-looking statements can generally be identified by the use of forward-looking words such as, "expect", "anticipate", "likely", "intend", "should", "could", "may", "predict", "plan", "propose", "will", "believe", "forecast", "estimate", "target", "outlook", "guidance" and other similar expressions within the meaning of securities laws of applicable jurisdictions. Such forward-looking statements include statements regarding the timetable, conduct and outcome of the Offer and the use of proceeds thereof, statements about the plans, objectives and strategies of the management of the Company, statements about the industry and the markets in which the Company operates, including the Out Of Home sector, and statements about the future performance of the Company's businesses and statements about the Company's dividend policy, including its ability to pay dividends. Indications of, and guidance or outlook on, future earnings or financial position or performance, future earnings and distributions are also forward-looking statements. You are cautioned not to place undue reliance on forward-looking statements. Any such statements, opinions and estimates in this announcement speak only as of the date hereof and are based on assumptions and contingencies subject to change without notice, as are statements about market and industry trends, projections, guidance and estimates. Forward-looking statements are provided as a general guide only. The forward-looking statements contained in this announcement are not indications, guarantees or predictions of future performance and involve known and unknown risks and uncertainties and other factors, many of which are beyond the control of the Group, and may involve significant elements of subjective judgement and assumptions as to future events which may or may not be correct. Refer to the key risks in Section 3 of the Investor Presentation for a non-exhaustive summary of certain key business, offer and general risk factors that may affect the Group.

There can be no assurance that actual outcomes will not differ materially from these forward-looking statements. A number of important factors could cause actual results or performance to differ materially from the forward-looking statements, including the risk factors set out in the Investor Presentation. Investors should consider the forward-looking statements contained in the Investor Presentation in light of those risks



and disclosures. The forward-looking statements are based on information available to the Company as at the date of this announcement.

No representation, warranty or assurance (express or implied) is given or made in relation to any forward-looking statement by any person (including the Company or any of its advisers). In particular, no representation, warranty or assurance (express or implied) is given that the occurrence of the events expressed or implied in any forward-looking statements in this announcement will actually occur. Actual operations, results, performance, production targets or achievement may vary materially from any projections and forward-looking statements and the assumptions on which those statements are based. Except as required by law or regulation (including the ASX Listing Rules), the Company disclaims any obligation or undertaking to update forward-looking statements in this announcement to reflect any changes in expectations in relation to any forward-looking statement or change in events, circumstances or conditions on which any statement is based.

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