



oOh!Media troubled by the virus lockdown

Company/ASX Code	OML
AGM date	4 June 2020
Time and location	Virtual meeting https://agmlive.link/OML20 at 11am
Registry	Link Market Services
Webcast	Yes
Poll or show of hands	Poll on all items
Monitor	Gary Barton
Pre AGM Meeting?	Yes, with Chair, Tony Faure, Chief People & Culture Officer, Steve Reid, Company Secretary, Jesse Gors and Investor Relations Manager, Martin Cole

Please note any potential conflict as follows: The individual involved in the preparation of this voting intention has a shareholding in this company.

Item 1	Consideration of accounts and reports
ASA Vote	No vote required

Summary of ASA Position

oOh!Media (OML) has built the most diverse and integrated Out of Home network which was enhanced through the acquisition of the Adshel business in the last quarter of 2018, with the most diversified site selection of anyone in the industry. Although they will not confirm, it is believed that OML is the market leader, with over 40% of the total outdoor revenue. OML revenue increased (34%) due to the full year impact on the Adshel acquisition in the last year. Expenditure increase by 124% mainly due to the Adshel acquisition. The net profit after tax (NPAT) decreased from \$29m to \$13m (-54%). The earnings per share (EPS) was down to \$0.06 from \$0.14 (-57%). The dividend per share remained the same as last year at \$0.11. The company paid a DPS nearly double their EPS. This is unsustainable. The company continues to use underlying profit as its main reporting tool, discarding some acquisition costs. The return on equity decreased to 4.1% from 6.3% last year. Since the end of OMLs year-end they have undertaken a capital raising that raised \$167m (72.7m shares). The capital raising was fully subscribed. The Covid19 crisis has greatly impacted OMLs revenue and they announced that all employees including senior management and directors have taken a 20% reduction in pay.

The CEO, Brendan Cook, announced he would step down when a suitable replacement is found. The CEO stated that he will stay in the role till the end of the year. There were several board changes, with Debra Goodin retiring in early 2020. Geoffrey Wild retired in May 2019. Darren Smorgon resigned as director in April 2020 but is retained as a special advisor. OML is submitting a resolution to increase the number of board members, and if successful, Darren Smorgon will be

reappointed to the board. The new directors are Timothy Miles, David Wiadrowski, Philippa Kelly and Mick Hellman.

The company had a detailed corporate governance statement and a good sustainability report.

Summary

(As at FYE)	2019	2018	2017	2016	2015
NPAT (\$m)	13.5	29.1	33.1	24.4	20
UPAT (\$m)	38.6	46.0	43.4	38.5	28.5
Share price (\$)	3.64	3.42	4.50	4.57	4.72
Dividend (cents)	11	11	15	14	9.5
TSR (%)	6	-21	-1	.3	129
EPS (cents)	6	14	19.4	16.0	12.0
CEO total remuneration, actual (\$m)	1.08	2.0	0.94	0.93	0.99

For 2019, the CEO's total actual remuneration was **12.1 times** the Australian Full time Adult Average Weekly Total Earnings (based on Nov 2019 data from the Australian Bureau of Statistics).

Note - For Nov 2019, the Full-time adult average weekly total earnings (annualised) was \$89,487

Resolution 1	Adoption of Remuneration Report
ASA Vote	Against

Summary of ASA Position

The ASA expects the financial performance, shareholder reward and executive remuneration to have a logical relationship. Since year-end OML announced that all employees including senior management and directors have taken a 20% reduction in pay. The use of underlying earnings before interest tax depreciation and amortisation (EBITDA) and NPAT, by excluding the Adshel acquisition for the calculation of bonuses does not meet shareholder expectations. The relevant information in the remuneration report was difficult to find.

The short-term incentive (STI) is based on 70% on achievement of full year underlying earnings before interest tax depreciation and amortisation (EBITDA) from OMLs audited results and 30% on achievement of individual goals. A threshold hurdle of 90% of underlying EBITDA must be achieved before any entitlement occurs. The STI component is paid in cash. No STI was paid to key management personnel.

There are two long term incentive (LTI) performance hurdles. The first is based on the compound annual growth rate (CAGR) of OMLs EPS over a three-year period, which represents 75% of the award. The second hurdle is based on relative total shareholder return (TSR) over a three-year performance period assessed against the ASX200 index (excluding financials, industrials and materials) representing 25% of the award. No LTI was paid.

The table below sets out the actual payment to the CEO

CEO rem. framework	Target* \$m	% of Total	Max. Opportunity \$m	% of Total
Fixed Remuneration	0.889	43%	0.889	33%
STI - Cash	0.400	20%	0.800	30%
STI - Equity	0	0	0	0
LTI	0.765	37%	1.01	37%
Total	2.054	100.0%	2.699	100%

Resolution 2	Election of Director Mr Timothy (Tim) Miles
ASA Vote	Undecided

Summary of ASA Position

Tim has been an independent non-executive director since 16 May 2019. He is the chair of the technology committee and a member of the audit, risk and compliance committee.

Tim has held senior management positions in numerous companies and has extensive experience across international markets with expertise in technology and digital development, sales and marketing. He is currently a director of Genesis NZ, Nyriad, UDC Finance and chair of the Gut Cancer foundation. Tim currently has a small shareholding in OML but must increase his shareholding by 2023 to meet his minimum shareholding requirements.

He has stated his workload is not excessive but in these difficult times we will question this statement and how he will add value to this organisation.

Resolution 3	Election of Director Ms Philippa Kelly
ASA Vote	Undecided

Summary of ASA Position

Philippa has been the lead alternate independent non-executive director since 18 September 2019. She is a member of the technology committee and the remuneration and nomination committee.

Philippa has a background in law and investment banking, specialising in initial public offerings and mergers and acquisitions. She has extensive experience across governance and risk management, property and finance. She is currently the chair of Lifestyle Communities Limited, Deputy chancellor of Deakin University and chair of its finance and business committee. She has no

personal investment in the company but has until 2023 to meet her minimum shareholding requirements.

Philippa has stated her workload is not excessive, but in these difficult times we will question this statement and how she will add value to this organisation.

Resolution 4	Election of Director Mr David Wiadrowski
ASA Vote	Undecided

Summary of ASA Position

David has been the lead independent director since 29 November 2019. He is the chair of the audit, risk and compliance committee.

David was a partner in PwC for 25 years and has a focus on technology entertainment and media and was the lead audit partner in several of the firm's major media clients. He is currently a director and chair of the listed Vocus Group Limited and Life360 and director and chair of the audit committee of carsales.com. David has no personal investment in the company but has until 2023 to meet his minimum shareholding requirements.

He has stated that his workload is not excessive but in these difficult times we will question this statement and how he will add value to this organisation.

Resolution 5	Election of Director Mr Macro (Mick) Hellman
ASA Vote	Undecided

Summary of ASA Position

Mick has been a non-independent director, due to his association with HMI capital (a major shareholder) since 7 April 2020 and a member of the remuneration and nominations committee.

He is a founder, managing partner and member of the investment committee of HMI capital and he previously worked as a financial analyst at Salomon Brothers in the USA. He has numerous prior board positions.

He has stated his workload is not excessive but in these difficult times we will question this statement and how he will add value to this organisation in view of his association with HMI capital.

Resolution 6	Increase the Maximum Number of Directors
ASA Vote	For

Summary of ASA Position

Presently, the maximum number of directors, which can be appointed to the board is seven. To enable Mick Hellman's appointment Mr Smorgon resigned from board on 7 April 2020 and temporarily took the position of board observer. To facilitate the re-appointment of Mr Smorgon and the appointment of one additional director, the board seeks shareholders approval to increase the maximum number of directors to nine.

We have no objections to this resolution.

Resolution 7	Election of Director Mr Darren Smorgon
ASA Vote	For

Summary of ASA Position

Darren resigned as a director on 7 April 2020 to allow Mick Hellman to be appointed. He has been appointed as a board observer since that date and has been an independent director from 7 October 2014 to 7 April 2020, chair of the remuneration and nominations committee from 1 September 2016 to 7 April 2020 and a member of the audit, risk and compliance committee from 28 November 2014 to 7 April 2020.

Darren is the managing director of Sandbar Investments with focuses on finance, operations and strategic skills. He is a director of Total Drains Group, Hub Australia and Medical Media Group.

He has stated his workload is not excessive but in these difficult times we will question this statement.

Resolution 8	Increase Fee Pool
ASA Vote	For

Summary of ASA Position

It is proposed that the fee pool for non-executive directors be increased from \$1,300,000 to \$1,400,000 per annum (an increase of \$100,000). The reason for the proposed increase is to allow appropriate payment of fees to the new expanded board (if approved) comprising an additional two directors.

We will not object to this resolution.

Resolution 9	Refresh Replacement Capacity
ASA Vote	For

Summary of ASA Position

ASX Listing Rule 7.1 limits the amount of equity securities that a listed company can issue without the approval of its shareholders over any 12-month period to 15% of the number of fully paid

ordinary securities it had on issue at the start of that period. The issue did not fit within any of the exceptions.

ASX Listing Rule 7.4 allows the shareholders of a listed company to approve an issue of equity securities after it has been made. If they do so, the issue is taken to have been approved under Listing Rule 7.1 and does not reduce the company's capacity to issue further equity securities without shareholder approval under that rule.

We have no objections to this resolution.

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