Enero Group FY26 Results

21 August 2026

enero
free thinkers united

Continuing operations delivered 9% EBITDA growth and 54% net profit and EPS growth

Continuing Operations[1] (A$'m)	FY26	FY25	% Change
Net revenue[2]	**129.5**	138.7	(7%)
Expenses	**(114.2)**	(124.6)	8%
EBITDA[3]	**15.3**	14.1	9%
EBITDA margin[4]	**11.8%**	10.2%	1.6 ppts
Adjusted net profit[6] after tax	**6.4**	4.2	54%
Adjusted EPS[7]	**7.0 cents**	4.6 cents	54%
Dividend per share – fully franked	**2.4 cents**	2.8 cents	(14%)

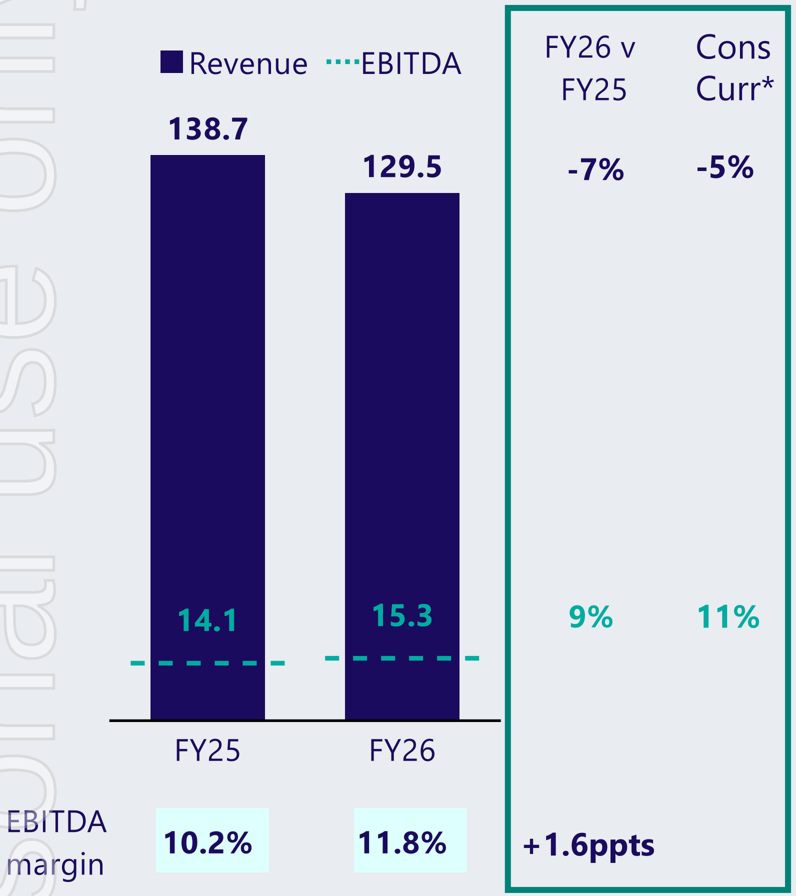
Commentary

- Disciplined cost management and operational excellence throughout FY26 offset a revenue decline driven by challenging international technology market conditions and the transformation at Hotwire
- EBITDA growth of 9% and reduction in tax expense has driven a 54% increase in adjusted net profit and EPS
- Final dividend of 1.4 cps fully franked, representing a payout ratio of 31% on adjusted EPS[7] (FY25: 29% including discontinuing operations)
- Enero is targeting dividend payments consistent with historical payout ratio of 30% - 50% of adjusted earnings per share (equivalent to previously disclosed 40% - 60% of Earnings Per Share)

Note: Refer to definitions on slide 21

Group EBITDA margin grew from 10.2% to 11.8%

FY26 Performance



Continuing Operations[1] (A$'m)	FY26	FY25	% Change
THC Practice Net revenue[2]	129.5	138.7	(7%)
THC Practice Expenses	(107.2)	(115.8)	7%
THC Practice EBITDA[3]	22.3	22.9	(3%)
THC Practice EBITDA Margin[4]	17.2%	16.5%	0.7 ppts
Corporate Costs	(6.3)	(7.5)	16%
Share-Based Payments	(0.7)	(1.2)	46%
Enero Group EBITDA[3]	15.3	14.1	9%
Enero Group EBITDA Margin[4]	11.8%	10.2%	1.6 ppts

Commentary

- Strong performance in Australian agencies and ongoing cost optimisation measures in Hotwire Global delivered improved agency EBITDA margin of 17.2%
- Corporate costs reduced 16% YoY from lean corporate centre and represents 4.9% of revenue (excluding share-based payments)
- Enero Group EBITDA margin increased 1.6 ppts to 11.8%

Note: Refer to definitions on slide 21; *Constant currency[13]

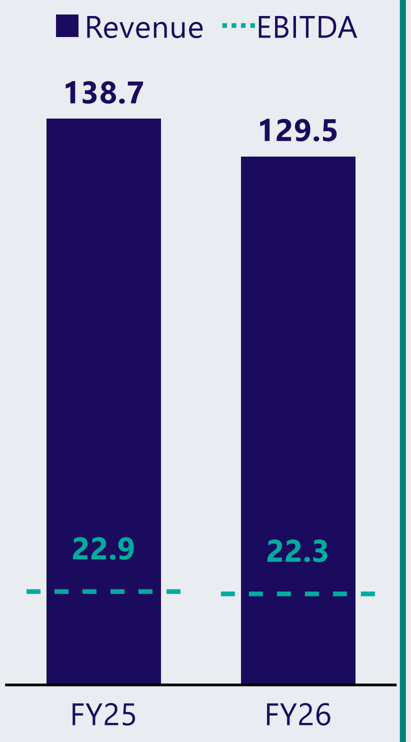
Record EBITDA performance by Australian agencies results in stronger THC Practice margins

Hotwire Global

BMF

orchard

FY26 Performance



	FY25	FY26	FY26 v FY25	Cons Curr*
Revenue	138.7	129.5	-7%	-5%
EBITDA	22.9	22.3	-3%	-1%
EBITDA margin	16.5%	17.2%	+0.7ppt	

Underlying Results	Net Revenue[2]			EBITDA[3]			EBITDA Margin[4]	
(A$'m)	FY26	FY25	% Change	FY26	FY25	% Change	FY26	FY25
Hotwire Global	63.3	78.6	(19%)	7.4	11.1	(33%)	11.6%	14.1%
BMF	38.0	34.4	11%	8.8	6.9	27%	23.2%	20.1%
Orchard	28.2	25.8	9%	6.1	4.9	25%	21.8%	19.0%
THC Practice	**129.5**	**138.7**	**(7%)**	**22.3**	**22.9**	**(3%)**	**17.2%**	**16.5%**

Commentary

- All agencies delivered double-digit margins with strong margins in the twenties for the Australian agencies
- THC Practice EBITDA decline of 3% impacted by Hotwire performance and translation impact with EBITDA decline of 1% in constant currency
- **Hotwire** maintained double-digit EBITDA margin and continued to focus on restructuring and cost optimisation through the year
- **BMF** delivered record EBITDA and expanded EBITDA margins from 20.1% in FY25 to 23.2% in FY26
- **Orchard** performed strongly through the year with a record year in both revenue and EBITDA and margin of 21.8%

Note: Refer to definitions on slide 21; *Constant currency[13]

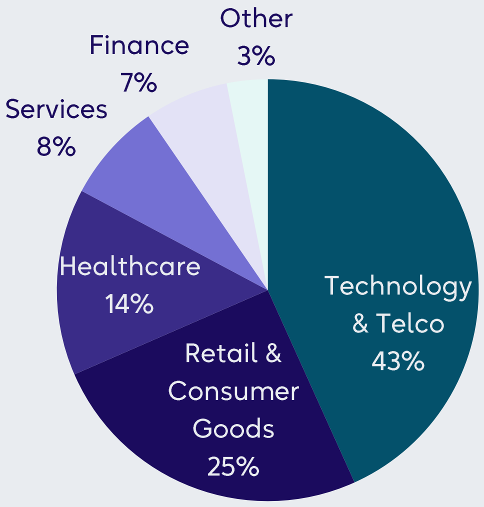
Diversified industry and geographic revenue mix, with more than half of revenue sourced from retainers

Hotwire Global

BMF

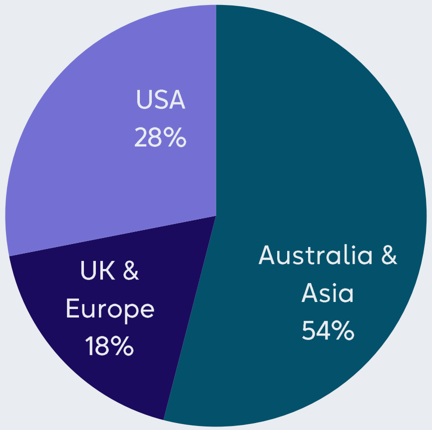
orchard

Practice revenue by industry



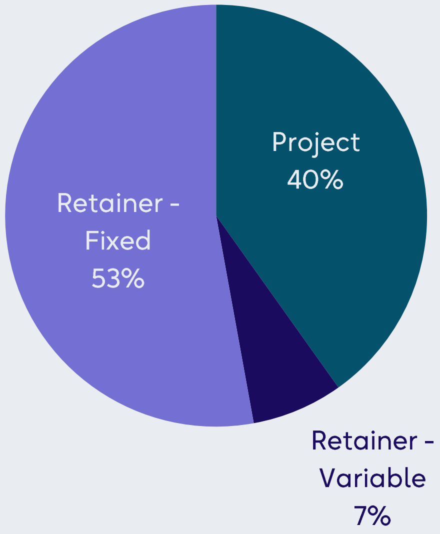
Growth in share of healthcare segment from 11% in FY25 to 14% in FY26 due to Orchard's strong results

Practice revenue by geography



Strength in Australian agencies has increased Australia & Asia revenue share to more than half

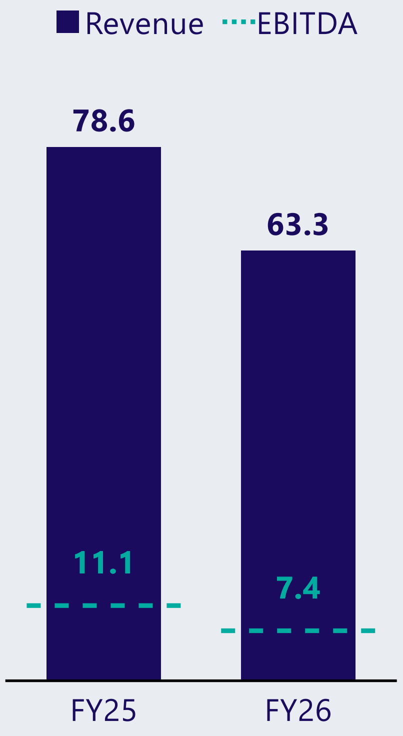
Practice revenue model



Majority of revenue from retainers

Hotwire maintained double-digit margins amidst continuing agency transformation

FY26 Performance



	FY26 v FY25	Cons Curr*
Revenue	-19%	-17%
EBITDA	-33%	-31%

	FY25	FY26	
EBITDA margin	14.1%	11.6%	-2.5ppt

Commentary

- Continued restructuring and cost optimisation focus with costs reduced 15% vs FY25 in constant currency with margin improving from 10.8% in FY26 H1 to 12.6% in FY26 H2
- Client spend remained lower and more volatile, driven by ongoing AI investment and persistent softness in the technology sector
- Strong AUD in FY26 H2, particularly against the USD has impacted revenue and EBITDA
- AI Lab delivering commercial benefits and building momentum, increasing win rates and growing revenue with FY26 Q4 revenue 3x FY26 Q1
- Two emerging trends from AI disrupted environment:
  - Industry recalibration following AI-led disruption
  - Expansion of Hotwire's addressable market with more companies needing technology expertise in an AI-driven world enabling expansion into technology adjacent sectors such as FinTech and ConsumerTech

Client Wins

Note: Refer to definitions on slide 21; *Constant currency[13]

BMF

BMF delivered record EBITDA of $8.8m and 23.2% EBITDA margin from 11% revenue growth

FY26 Performance

	FY25	FY26	FY26 v FY25
EBITDA margin	**20.1%**	**23.2%**	**+3.1ppt**

Commentary

- Calendar 2025 wins contributed to a strong financial performance in FY26
- Client relationships with Westpac and Endeavour concluded in April 2026 and June 2026 with new client wins Asahi and Superloop at the end of FY26 partly offsetting loss
- Cost base management undertaken in FY26 Q4 to reshape skills and capabilities to match client portfolio
- Margins maintained at 23% in both FY26 H1 and FY26 H2 despite client changes
- Won Global Grand Effie for ALDI Australia's 'Shop ALDI First'
- Won Creative Agency of the Year at the AdNews Awards

Client Wins

Dementia Australia
Asahi GROUP
ring
HCF
superloop

Orchard delivered record EBITDA of $6.1m and 21.8% margin from record revenue of $28.2m

orchard

FY26 Performance

	FY25	FY26	FY26 v FY25
EBITDA margin	**19.0%**	**21.8%**	**+2.8ppt**

Commentary

- Orchard's healthcare vertical continued to perform strongly through the year:
  - agency-of-record for Lilly's GLP-1 portfolio in Australia and New Zealand;
  - Geographical expansion with Merck in the US and Lilly in New Zealand;
  - new client wins; and
  - existing clients expanding their remit
- Consumer vertical benefiting from new client wins and geographical expansion with Hyundai partly offset by reduced spend with some existing clients
- Strong margins delivered through the year at 21.8% improving from prior year margin of 19%.
- Continued to be recognised at the PRIME Healthcare awards, winning Marketing Campaign of the Year for the third time in 5 years
- Awarded Optimizely's Customer Partner of the Year second year in a row
- Accredited across major marketing AI platforms including Optimizely Opal

Client Wins (new, expansion and retained)

MERCK Lilly RYMAN HYUNDAI PRECISION GROUP Boehringer Ingelheim

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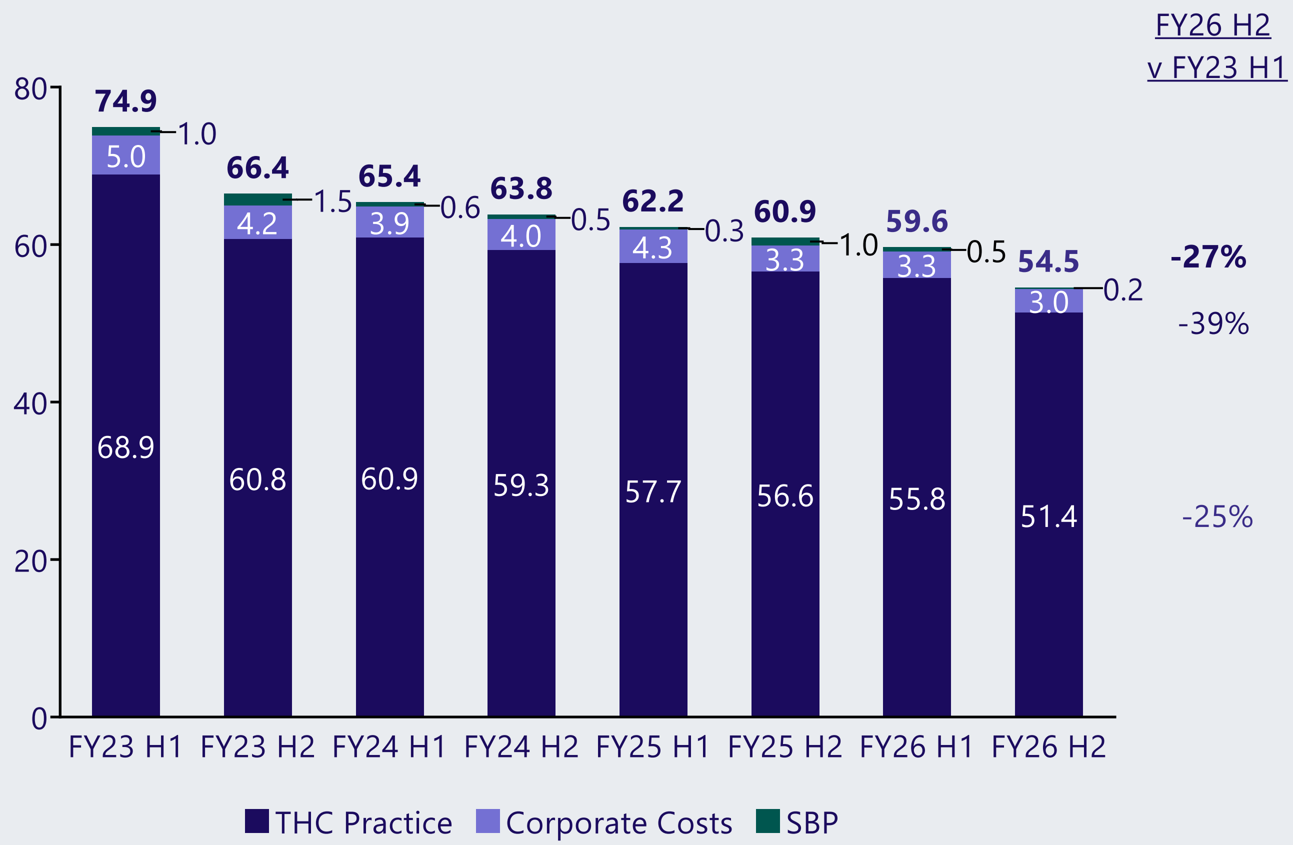
Strong cost management across the Group underpinned robust EBITDA growth

Expense by segment (A$M, cons curr*, continuing ops[1])



Commentary

FY26 H2 cost reduction driven by:

Agency Cost Reduction

- Continued Hotwire Global restructuring and cost transformation predominantly in FY26 H1 delivering full half of savings in H2
- BMF reshaped skills and capabilities to match client portfolio, accelerated AI implementation and established offshore delivery capability to increase productivity and reduce delivery costs
- Orchard expenses in FY26 H2 broadly flat on growing revenue due to productivity gains leveraging AI implementation and increased offshoring. This delivered improved margins in FY26 H2 vs FY26 H1

Corporate Cost Reduction

- Consolidation of corporate executive team from FY25 H2 with continued focus on corporate cost efficiency throughout the year leveraging AI capabilities and increased offshoring

Share-Based Payments (SBP) Reduction

- Decrease driven by valuation of incentive schemes

Note: Refer to definitions on slide 21; *Constant currency[13]

AI program delivering tangible results across all agencies

Hotwire
AI Lab and AI-enabled Data & Analytics

HOTWIRE Global

AI Labs generating commercial returns:
- AI Labs revenue 3x higher in FY26 Q4 vs FY26 Q1
- Win rates 30% higher in the US with AI Lab products included
- Fourth AI Lab product (Ember) piloted in FY26 with full commercial launch in FY27

AI-enabled Data & Analytics delivering efficiency gains and better insights:
- AI-enabled research and intelligence reducing brief-to-insight times by 50%
- >50% faster cross-platform analysis of performance media campaigns providing ability to deliver deeper insights
- >45% reduction in time spent on analytical drafting for quarterly client reporting

30% higher win rates in the US with AI Lab products included

BMF
'Noggin' Proprietary AI OS live at scale

BMF

Proprietary AI platform deployed for a major client in FY26 Q4 across creative effectiveness, production, delivery and operations delivering:
- AI-accelerated image production reduced delivery time by 36%
- 93% reduction in time spent on processing complex briefs for high-volume rollouts, reducing the time it takes from days to hours
- Overall 31% faster end-to-end retail production

'Noggin', BMF's AI Operating System expands proprietary AI platform launched to whole of agency in August 2026:
- +30 skills available at launch
- Further skills to be launched throughout FY27

31% faster end-to-end retail production from re-engineered workflows

Orchard
'Agentic by Default' AI-led delivery model live

orchard

All code writing migrated to AI-led in FY26 H2 leading to:
- Efficiency in AI-led delivery unlocked new mid-market client win in FY26 H2
- 43% faster delivery on first AI-led client in FY26 Q4

AI content agent already reducing first draft time by 50%

Synthetic audience research utilised in pitches from FY26 Q4 to better tailor creative to target audiences, launched as a client offering, 'audienceIQ' in August 2026

In FY26 Q4 Generative Engine Optimisation (GEO) services delivered an average of ~12% extra revenue on two clients

43% faster delivery on first AI-led development client

Enero: Group Infrastructure, Security & Governance Framework

- Shared AI foundation – Claude Enterprise in every agency complemented by approved lower-cost models
- Program structure and governance established in FY26 H2 with framework designed for both transformation phase and into Business as Usual
- Single connector/integration governance process managed by IT Centre of Excellence (IT CoE)
- Security audit across all AI connections led by IT CoE
- Standardisation of skills allowing usage across all agencies
- Spend and usage visible by model, user and agency and controlled at group level with automatic escalation

Key Financial Metrics

Statutory profit & loss demonstrates strong operating discipline

Continuing Operations[1] (A$'m)	FY26	FY25	% Change
Net revenue[2]	**129.5**	**138.7**	**(7%)**
Other income	0.0	0.1	
Staff costs	(97.0)	(108.0)	
Operating expenses	(17.2)	(16.7)	
EBITDA[3]	**15.3**	**14.1**	**9%**
Depreciation ROUA	(4.1)	(4.4)	
Depreciation & amortisation excluding amortisation on acquired intangibles	(1.9)	(1.6)	
Adjusted EBIT[5]	**9.3**	**8.1**	**16%**
Net finance costs	(1.0)	(1.2)	
Adjusted net profit[6] before tax (before significant items)	**8.4**	**6.9**	**22%**
Adjusted tax expense (before significant items)	(2.0)	(2.7)	
Adjusted net profit[6] after tax (before significant items) attributable to equity owners	**6.4**	**4.2**	**54%**
Amortisation on acquired intangibles, net of tax	(2.0)	(2.5)	
Net profit after tax (before significant items) attributable to equity owners	**4.4**	**1.6**	**174%**
Significant items, net of tax expense	(41.8)	(5.7)	
Statutory net (loss) after tax attributable to equity owners	**(37.4)**	**(4.1)**	

Commentary

- Staff costs ratio[12] for THC Practice of 70% (FY25: 72%)
- Higher opex due to impact of FX rates and higher IT costs
- Lower net finance costs relate to smaller debt facility and present value interest on contingent consideration
- Effective tax rate (ETR) of 24% (FY25: 39%) benefiting from release of prior years' tax provision in the US. ETR of 35% (FY25: 34%) excluding impact of prior year adjustments due to unrecognised tax losses and no deductions on SBP
- Amortisation on acquired intangibles adjusted due to one-off and non-cash nature

Refer to definitions on slide 21

Significant items predominantly non-cash in nature due to impairment

Continuing Operations[1] (A$'m)	FY26	FY25
Impairment loss and intangible write-down	(39.8)	-
Reassessment of useful life	(0.5)	(0.5)
Fair value adjustments	0.1	(2.1)
Restructuring and other	(3.8)	(4.5)
Total significant items before tax	**(44.0)**	**(7.1)**
Tax expense	2.2	1.4
Significant items, net of tax expense	**(41.8)**	**(5.7)**

Commentary

- Non-cash impairment loss of $39.8m ($38.6m net of tax) relating to goodwill and brand name predominantly driven by near term performance of ROI·DNA
- Restructuring costs largely relate to transformation in Hotwire Global and BMF

Refer to definitions on slide 21

Robust cash balance post OBMedia disposal

Enero Group (A$'m)	FY26	FY25*	FY25 continuing operations
EBITDA	15.3	26.2	14.1
Movement in working capital	(3.0)	3.9	(0.5)
Equity incentive expense	0.7	1.2	1.2
Restructuring and other	(3.6)	(10.6)	(4.5)
Gross cash flow	**9.4**	**20.7**	**10.3**
Net interest paid	(0.9)	(1.0)	(1.0)
Tax paid	(1.4)	(4.9)	(0.7)
Operating cash flow	**7.2**	**14.8**	**8.6**
Capex	(1.7)	(1.7)	(1.7)
Lease liability payments	(4.4)	(4.3)	(4.3)
Free cash flow	**1.1**	**8.8**	**2.6**
Sale of controlled entities incl incidental disposal costs	(1.0)	(7.7)	
Contingent consideration paid	(4.0)	(3.9)	
Net loan borrowings/ (repayments)	1.0	(0.4)	
Dividend payments	(2.1)	(10.1)	
Net cash flow	**(5.0)**	**(13.3)**	
FX on cash	(1.0)	0.6	
Opening cash	34.1	46.7	
Closing cash	**28.1**	**34.1**	

*including discontinued operations

Commentary

- Cash conversion[10] at 62% of EBITDA (FY25: 73% continuing operations) driven by:
  - restructuring costs; and
  - Negative working capital movement primarily relates to cash held on behalf of clients as a result of changes in client mix and nature of business
- Lower tax payments in the US due to disposal of OBMedia
- $1m of cash outflow relating to OBMedia disposal on 30 June 2025 including incidental disposal costs
- Contingent consideration payment of $4m for final ROI·DNA instalment in FY26 and final MBA instalment in FY25
- FY25 dividend payments included $6.9m of payments to NCI in discontinued operations

Net asset position reflects impact of $39.8m impairment

Balance Sheet (A$'m)	30 Jun 2026	30 Jun 2025
Cash	28.1	34.1
Trade and other receivables	22.3	27.5
Other assets	25.8	23.1
Intangible assets	87.0	137.6
Property, plant and equipment	1.4	1.7
Total assets	**164.6**	**224.1**
Unearned revenue	24.2	23.7
Other current liabilities & provisions	23.8	35.0
Lease liabilities	15.1	12.9
Contingent consideration payable	-	4.0
Interest bearing liabilities	3.6	2.6
Other non-current liabilities & provisions	2.4	4.0
Total liabilities	**69.0**	**82.2**
Net assets	**95.5**	**141.9**

Commentary

- Net cash[11] of $24.5m (June 2025: $27.5m)
- Zero leverage with Net Debt/ EBITDA 0.0x
- $11.4m of $15m bank loan facility undrawn at June 2026. Facility extended until October 2028
- Reduction in intangible assets largely driven by impairment and intangible write-down of $39.8m
- Unearned revenue represents advance billings for third party costs and revenue not yet earned
- Final contingent consideration paid in FY26 H1
- FX translation of overseas operations reduced net assets by $7.6m

Outlook

Outlook

Hotwire Global

- Transformation continues into FY27 with AI acceleration a key focus to drive client impact and efficient delivery of work
- Continued diversification into tech adjacent markets and expansion of AI Labs in FY27
- Strengthening leadership in FY27 with new leaders in US and across Europe to be appointed in FY27 to build pipeline
- ROI·DNA's revenue exposed to clients insourcing work as they adopt AI, leading to an expected revenue reduction of 30-50% for FY27 vs FY26 H2 average run rate. As a result, the business will hold less client cash
- ROI·DNA and Hotwire capabilities will be further integrated in FY27. The change delivers a materially lower cost base and simplifies the operating model, protecting and optimising EBITDA
- FY27 revenue planning assumption of 5-15% below FY26 H2 average run rate reflecting AI disruption at ROI·DNA and continued volatility in the technology industry

BMF

- FY27 revenue planning assumption of ~10-15% below FY26 H2 average run rate reflecting changes in client portfolio
- BMF transformed its operating model in FY26 Q4 to drive a lower cost base including implementation of AI and offshore delivery capability. Acceleration of AI adoption will continue in FY27
- As a result, margins are expected to improve through the year
- BMF's pipeline and new business activity remains strong
- A full-service Melbourne capability will be built out during FY27 H1

Orchard

- Expect positive momentum in FY26 to continue into FY27
- Geographic expansion in Healthcare and Consumer in FY26 expected to deliver additional revenue in FY27
- 'Agentic by Default' AI-led delivery model to be fully launched in FY27 delivering further efficiencies

Corporate Costs

- Corporate costs largely flat excluding new investment in AI and normalisation of bonuses

Share-Based Payments (SBP)

- Normalisation expected in FY27 off low expense base in FY26 driven by reduction of probability weighted expense of SBP program

Q&A

Appendix

Results by Geography

Continuing Operations[1] (A$'m)	FY26	FY25	% Change
Revenue			
Australia and Asia	69.9	64.0	9%
USA	36.4	45.2	(20%)
UK and Europe	23.2	29.6	(21%)
Total	**129.5**	**138.7**	**(7%)**
EBITDA			
Australia and Asia	15.5	12.2	27%
USA	6.2	7.5	(18%)
UK and Europe	0.6	3.2	(80%)
Total operating companies	**22.3**	**22.9**	**(3%)**
Corporate costs	(6.3)	(7.5)	16%
SBP	(0.7)	(1.2)	46%
Total	**15.3**	**14.1**	**9%**

Note: Refer to definitions on slide 21

Definitions

1. **Continuing operations:** excludes OBMedia sold on 30 June 2025
2. **Net revenue:** gross revenue recognised in accordance with AASB 15 less directly attributable cost of sales
3. **EBITDA:** profit before interest, taxes, depreciation, amortisation and significant items
4. **EBITDA Margin (Margin):** EBITDA / Net revenue
5. **Adjusted EBIT:** profit before interest, taxes, amortisation on acquired intangibles and significant items
6. **Adjusted net profit:** profit before amortisation on acquired intangibles and significant items
7. **Adjusted earnings per share (EPS):** Adjusted net profit/ weighted number of shares
8. **Free cash flow:** operating cash flow less capex and lease liability payments
9. **Gross cash flow:** operating cash flow before interest and tax payments
10. **Cash conversion:** Gross cash flow/ EBITDA
11. **Net cash:** cash less interest bearing liabilities and present value of contingent consideration. Does not include lease liabilities
12. **Staff cost ratio:** Staff costs / Net revenue
13. **Constant currency (cons curr):** results translated at constant rates, to show performance excluding the translation impact of foreign exchange movements

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