



# Half Year Results 2020

20<sup>th</sup> August 2020



HT&E Limited  
ABN 95 008 637 643

# Strong fundamentals and well positioned for COVID-19 recovery

## Audiences more engaged with radio and audio

- Radio consumption increased during COVID-19 across multiple platforms
- Radio is enhancing the rise of other digital audio formats
- Importance of talent to both listeners and advertisers reinforced
- Record iHeartRadio growth; Leading podcast publisher in the country with revenues building

## Financial performance improving after tough Q2

- Q2 radio market back over 46% led by initial 3 week period of cancellations during lockdown
- Q3 and forward bookings improving from Q2; 2<sup>nd</sup> Victoria lockdown not resulting in major cancellations
- ARN winning commercial share
- Cost control measures taken early; c\$11m-\$14m one-off savings in 2020 (excluding JobKeeper c\$9m)
- Strong balance sheet - HT&E cash reserves c\$90m

## Unlocking value for shareholders

- Investing in ARN's digital audio capabilities
- Strategic investment in oOh!media providing optionality
- Soprano trading significantly improved with positive trajectory in key metrics
- Accretive share buy-back maintained

# Reported result

- Advertising spend in both Australia and Hong Kong significantly affected by the economic impacts of COVID-19
- Revenue from continuing operations down 29%
- Reported EBITDA down 49%
- A range of cost control measures were implemented from March 2020 to protect earnings and cash reserves
- Reported EBIT down 66%
- NPAT and underlying EPS down 87% and 86% respectively
- Interim dividend suspended to preserve capital
- ATO Branch matter – we remain confident in our position and are prepared to pursue the matter fully through litigation

## HT&E Reported Result

A\$ million	2020	2019	% change reported
Revenue from continuing operations	93.0	130.9	(29%)
EBITDA <sup>1</sup>	19.5	38.1	(49%)
EBIT <sup>1</sup>	9.9	29.2	(66%)
NPAT attributable to HT&E shareholders <sup>1</sup>	2.4	18.1	(87%)
Underlying EPS <sup>1</sup>	0.9	6.3	(86%)

(1) Before exceptional items and discontinued operations

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# Financial Results

HT&E

# Statutory Results

- Revenue from continuing operations down \$37.8m (29%)
  - Advertising spends significantly impacted by COVID-19
  - Disposal of non-core assets contributed \$3.1m decline; but minimal impact on Group earnings
- Costs down \$18.4m (19.2%)
  - Cost of sales lower on reduced revenues
  - Cost control measures implemented from March 2020
- Underlying EBITDA from continuing operations down 49%
- Tax expense includes \$1.7m prior year true up on lodgement of FY18 tax return. Effective tax rate on underlying AU operations of ~29% (2019: 29.1%).
- Exceptional items include government subsidies for COVID-19 relief. Further detail on remaining items on slide 13.
- Non-cash impairments of \$64.3m taken in ARN and HK Outdoor reflect COVID-19 impacts
- Underlying NPAT down 87%

A\$ million	2020 Reported	2019 Reported
Revenue before finance income	93.0	130.9
Other income	1.3	2.2
Share of associate profits	2.6	0.8
Costs	(77.4)	(95.8)
<b>Underlying EBITDA<sup>1</sup></b>	<b>19.5</b>	<b>38.1</b>
Depreciation and amortisation	(9.6)	(9.0)
<b>Underlying EBIT<sup>2</sup></b>	<b>9.9</b>	<b>29.2</b>
Net interest expense	(1.8)	(0.8)
<b>Net profit before tax<sup>1</sup></b>	<b>8.1</b>	<b>28.3</b>
Taxation on net profit	(4.5)	(8.2)
<b>Net profit after tax (NPAT)<sup>1</sup></b>	<b>3.6</b>	<b>20.1</b>
Less non-controlling interest	(1.2)	(2.0)
<b>NPAT attributable to HT&amp;E shareholders<sup>1</sup></b>	<b>2.4</b>	<b>18.1</b>
Exceptional items net of tax	2.7	(4.8)
Impairment of intangible assets	(64.3)	-
<b>NPAT attributable to HT&amp;E shareholders</b>	<b>(59.3)</b>	<b>13.3</b>
Underlying EPS (cps) <sup>1</sup>	0.9	6.3
Final dividend per share (cps)	x.x	4.0

(1) Before exceptional items and discontinued operations

# ARN

- Widespread falls in global marketing and advertising activity, with all advertising sectors materially impacted.
  - ARN Radio revenue down 27%; ahead of market back 30.9%
  - Consistent quarterly commercial share gains since Q419
  - Digital audio revenues up 33% on a like basis, after adjusting for The Roar & iNC disposals (~\$9m FY20 rev & cost impact of disposed businesses)
  - Good momentum in podcasting and streaming revenues
- Total costs down 14% on a like basis (exc. disposed businesses)
  - Costs of sales down on lower revenues
  - Staff costs up 1% on normalisation of H119 strategic hires and contracted increases; savings program benefit weighted to H2
  - Operating costs down \$6.8m (36%); including, marketing, travel, entertainment and a range of other temporary cost control measures
- Perth JV (Nova 93.7) now accounted as an Associate; 2019 included in Income
- Resulting margin of 22% down on last year (32%)
- EBITDA down 52% on last year

A\$ million	2020	2019	% Change	% change Excl iNC and The Roar
Radio	78.2	107.6	(27%)	(27%)
Digital & Other	4.8	7.4	(34%)	33%
<b>Total revenue</b>	<b>83.1</b>	<b>115.0</b>	<b>(28%)</b>	<b>(26%)</b>
Income	0.7	2.3	(68%)	(68%)
<b>Total revenue and income</b>	<b>83.8</b>	<b>117.3</b>	<b>(29%)</b>	<b>(27%)</b>
Cost of sales	(14.7)	(20.9)	(30%)	(26%)
Staff costs	(39.7)	(40.4)	(2%)	1%
Operating costs	(11.9)	(18.7)	(36%)	(36%)
<b>Total costs</b>	<b>(66.3)</b>	<b>(80.0)</b>	<b>(17%)</b>	<b>(14%)</b>
Share of associates NPAT	0.6	–	N/A	N/A
<b>EBITDA</b>	<b>18.1</b>	<b>37.3</b>	<b>(52%)</b>	<b>(52%)</b>
D&A	(3.4)	(3.2)	7%	11%
<b>EBIT</b>	<b>14.6</b>	<b>34.1</b>	<b>(57%)</b>	<b>(58%)</b>
EBITDA margin	22%	32%		

# Soprano

- HT&E ~25% interest
- Continued revenue and EBITDA growth
- Increased gross profit margin
- Potential to provide significant value beyond current book value (\$19.7m) to HT&E shareholders
- Increasingly material component of HT&E valuation; further detail on operating performance provided later

A\$ million	LTM 2020	LTM 2019	% change
Revenue	74.4	62.1	20%
Cost of sales	(28.3)	(26.2)	8%
<b>Gross profit</b>	<b>46.1</b>	<b>35.9</b>	<b>28%</b>
Staff costs	(17.4)	(16.1)	8%
Operating costs	(6.6)	(5.5)	21%
<b>Total costs</b>	<b>(23.9)</b>	<b>(21.6)</b>	<b>11%</b>
<b>EBITDA</b>	<b>22.2</b>	<b>14.3</b>	<b>55%</b>
GP margin	62%	58%	
HT&E share of NPAT	3.9	2.3	68%

Soprano results are reported on a financial year ending June. Results for FY20 above has not been audited

# Hong Kong Outdoor - Cody

- Cody revenues heavily impacted by COVID-19 from commencement of the period
  - Protest activity abated in H1 2020
  - Tram shelter revenues (Transit) worst effected, with commuter volumes significantly down
  - Roadside revenues were less impacted; assisted by a number of pre-booked, long term contracts
- Total costs down 40% (local currency); comprising cost of sale reductions on lower revenues and a range of cost control measures implemented mid-Q1

A\$ million	2020	2019	% change	Local currency % change
Roadside	5.6	8.2	(31%)	(37%)
Transit	2.1	5.3	(60%)	(63%)
<b>Total revenue</b>	<b>7.7</b>	<b>13.5</b>	<b>(43%)</b>	<b>(47%)</b>
Total costs	(4.3)	(6.5)	(35%)	(40%)
<b>EBITDA</b>	<b>3.5</b>	<b>6.9</b>	<b>(50%)</b>	<b>(54%)</b>
D&A	(0.0)	(0.1)	(13%)	(20%)
Depreciation - Leases	(6.1)	(5.5)	11%	2%
<b>EBIT</b>	<b>(2.7)</b>	<b>1.4</b>	<b>&gt;(100%)</b>	<b>&gt;(100%)</b>
EBIT margin	(34%)	10%		



# Corporate Costs

- Corporate cost base reduced to ~\$10m in a normal year (before costs of running ATO Branch dispute), following team restructure and office downsizing in 2019.
- Salary savings from simplification of Corporate roles and temporary cost measures, including; 6 month salary reductions for Board and executive management, and reduced work hours program for remaining staff
- FY20 incentives forgone as part of response to COVID-19. Minor cost attributable to FY19 scheme in current year.
- Reduced compliance and advisor fees in-line with business simplification, and exit from non-core investments in FY19
- Tax dispute costs reflect a reduced level of activity on Branch dispute
- D&O insurance premiums drove overhead growth

A\$ million	2020	2019	% change
Salary and wages	1.7	2.3	(26%)
Incentives provided for	0.0	1.2	(96%)
Board costs	0.3	0.4	(8%)
Compliance and advisor costs	0.6	1.3	(52%)
Tax dispute costs	0.4	0.9	(54%)
Overheads (rent, office, other) <sup>1</sup>	1.0	0.7	35%
<b>Total Corporate costs</b>	<b>4.1</b>	<b>6.8</b>	<b>(40%)</b>

# Balance Sheet

Significant balance sheet movements:

- Receivables and payables lower on reduced revenues and costs (May/June)
- Income tax receivable includes \$10m interest deduction on Branch dispute necessary to be claimed through FY18 tax return (offset by reduction in the Deposit of tax in dispute)
- \$30m tax provision on Branch dispute unchanged
- Decrease in right-of-use assets following Hong Kong impairment (-\$7.1m) and period depreciation
- Goodwill impairment (\$54.2m) impacted intangible assets
- Other non-current assets includes; fair value of OML shares at 30 June (\$25.2m), share of associates NPAT (+\$2.6m) and part impairment of Nova 97.3 Perth investment (-\$4.4m).

	Reported	Reported	Change
A\$ million	Jun 2020	Dec 2019	\$
Cash and cash equivalents	90.1	111.0	(20.8)
Receivables	35.5	45.7	(10.2)
Income tax receivable	16.6	3.3	13.2
Other current assets	3.0	4.0	(1.0)
Property, plant & equipment	19.4	22.1	(2.8)
Right-of-use assets	38.1	51.0	(12.9)
Intangible assets	374.3	427.4	(53.1)
Deposit of tax in dispute, net of provision	10.6	20.7	(10.0)
Other non-current assets	82.3	60.1	22.2
<b>Total assets</b>	<b>669.9</b>	<b>745.3</b>	<b>(75.4)</b>
Payables	18.6	24.1	(5.5)
Other current liabilities	18.1	18.4	(0.3)
Interest bearing liabilities	53.5	59.1	(5.6)
Deferred tax liabilities	111.9	108.6	3.2
Other non-current liabilities	4.9	5.2	(0.3)
<b>Total liabilities</b>	<b>206.9</b>	<b>215.4</b>	<b>(8.5)</b>
<b>Net assets</b>	<b>463.0</b>	<b>529.9</b>	<b>(66.9)</b>

# Cash Flow

Operating cash inflow of \$19.0m (+129%), impacted by;

- EBITDA down 49%
- Positive net change in Working Capital (\$8m) on lower May / June earnings, and \$2.8m net cash on exceptional items (mainly JobKeeper) offset by \$3.1m non-cash share of Associates (slide 28)
- H1 2019 tax instalment included significant final instalment of \$16.6m from 2018; PAYG instalments now in place

Financing and investing cashflows include;

- BAU / replacement capex only
- \$18.1m investment in oOh!media
- Minimal payments for treasury shares to satisfy historical TIP obligations
- \$0.6m facility drawn to cover HK\$ working capital in Cody Outdoor

A\$ million	Jun 2020	Jun 2019
EBITDA	19.5	38.1
Net change in working capital, non-cash and exceptional items	7.8	(8.5)
Net interest received / (paid)	(1.5)	(0.8)
Net tax instalments paid	(6.8)	(20.6)
<b>Net operating cash flow before lease payments</b>	<b>19.0</b>	<b>8.3</b>
Lease payments (principal)	(7.5)	(6.5)
<b>Net operating cash flow after lease payments</b>	<b>11.5</b>	<b>1.7</b>
Capital expenditure	(1.2)	(5.3)
Investments	(18.1)	(1.7)
Cash received from associates and other entities	1.0	2.3
<b>Net cash flow before financing</b>	<b>(6.7)</b>	<b>(3.0)</b>
Payments for treasury shares	(0.3)	(2.5)
Dividends paid to shareholders	(12.8)	(11.4)
Share buy back	(0.5)	(1.2)
Payments to non-controlling interests	(1.1)	(2.4)
<b>Net cash flow before debt items</b>	<b>(21.5)</b>	<b>(20.7)</b>
Net proceeds of borrowing	0.6	-
<b>Net cash flow</b>	<b>(20.9)</b>	<b>(20.7)</b>

# Cash / Debt

- Cash balance \$90.1m and \$0.6m drawn debt (Hong Kong working capital) as at 30 June 2020
- Good remaining tenure on debt facility; 85% expiring Jan 2024
- Lease liabilities included in "Net Debt", however excluded for assessing covenant compliance.

A\$ million	Jun 2020	Dec 2019	Jun 2019
Cash at beginning of period	111.0	128.4	128.4
Foreign exchange	0.1	0.0	0.0
Net cash flow	(20.9)	(17.4)	(20.7)
<b>Closing cash</b>	<b>90.1</b>	<b>111.0</b>	<b>107.7</b>
Debt at beginning of period	59.1	-	-
Foreign exchange	1.0	(0.1)	0.3
Non-cash increase to lease liabilities	1.5	75.1	69.8
Debt drawdown / (repayments)	0.6	-	-
Lease repayments (including interest)	(8.7)	(15.8)	(7.6)
<b>Closing debt</b>	<b>53.5</b>	<b>59.1</b>	<b>62.6</b>
Unamortised borrowing costs	(1.4)	(1.6)	(1.8)

# Exceptional Items

- Non-cash impairments totalling \$65.7m taken in ARN (goodwill), HK (goodwill and Right of Use advertising concessions), and Nova Perth JV (associate investment)
- Loss on sale of business, recycling of FCTR and adjustment to Unbnd onerous contract provision all associated with finalisation of FY19 exits from non-core investments
- Government subsidies include JobKeeper and Hong Kong Government Employment Support Scheme subsidy.

A\$ million	Jun 2020	Jun 2019
Impairment – Goodwill (ARN and HK)	(54.2)	-
Impairment – Right-of-use assets (HK)	(7.1)	-
Associate impairment – NOVA Perth	(4.4)	-
Redundancies	(0.4)	(1.7)
Loss on sale of business	(0.3)	
Reclassification of foreign currency translation reserve to profit and loss on closure of foreign operation	(0.4)	-
Onerous contract provision adjustment (Unbnd)	0.6	-
Government subsidies and grants	4.9	
Costs related to the closure of Gfinity Esports Australia	-	(5.3)
	<b>(61.4)</b>	<b>(6.9)</b>
Income tax expense on exceptional items	(0.1)	2.2
<b>Exceptional items, net of tax</b>	<b>(61.6)</b>	<b>(4.8)</b>

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# Operational Performance

HT&E

# Radio audiences more engaged than ever

Commercial radio cumulative reach at record high reaching over 11m people weekly

Commercial Radio listening has been growing across the day with 7 million listeners from Breakfast to Drive (5:30am – 7pm, Cume M-F)

Commercial Radio grew 7% since the outbreak of COVID-19

Morning (+22%) and Afternoon (+17%) growth has come about due to people continuing to listen throughout the after Breakfast Shows

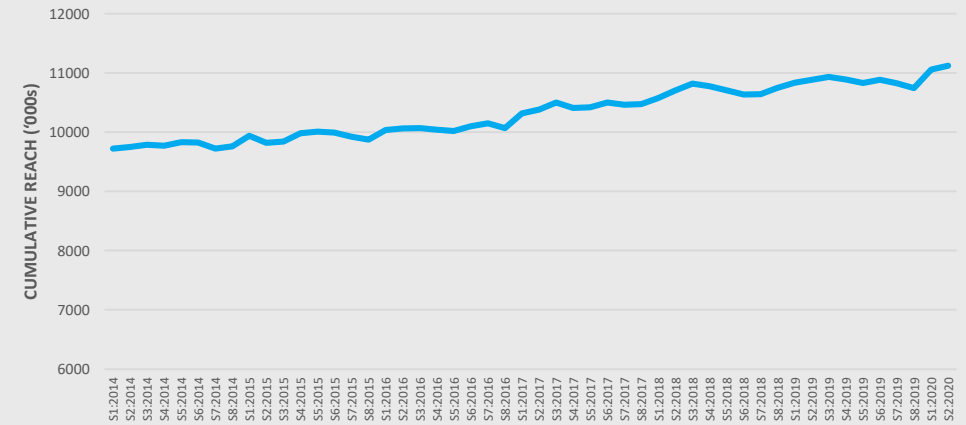
All age groups up vs pre-COVID-19

- 10-17 yrs +7%
- 18-24 yrs +0%
- 25-39 yrs +5%
- 55-64 yrs +10%

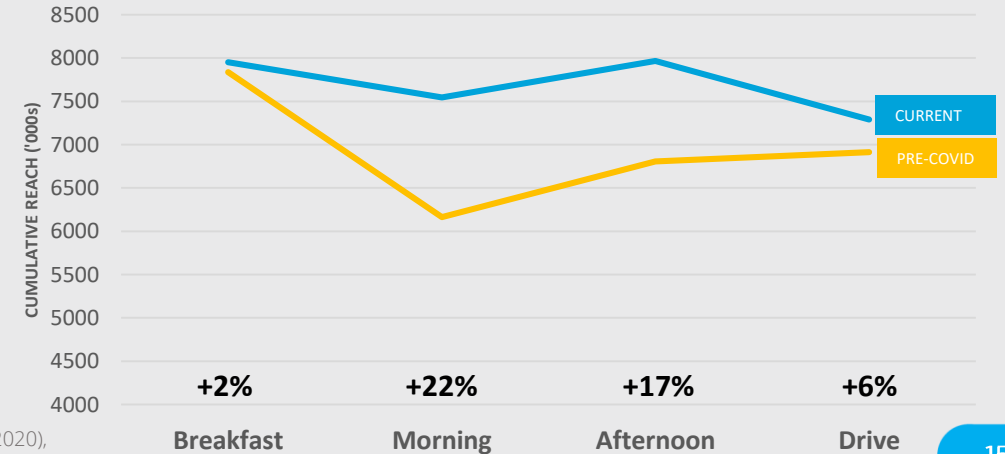
Listening in home +48% vs pre-COVID-19 replacing in-car listening

Growth of Smart Speakers since COVID-19 +60%

COMMERCIAL METRO RADIO - CUMULATIVE REACH



RADIO LISTENING AUDIENCE REACH  
PRE-COVID-19 vs CURRENT



Source: GfK Radio Pulse, June 2020, People 10+, Mon-Sun 5.30am-12mn, Cumulative Audience, cf. GfK Radio Ratings, S2 2020 (9 Feb-4 Apr 2020), GfK Radio Ratings, S1 2014 - S2 2020, People 10+, Mon-Sun 5.30am-12mn, Cumulative Audience Adswizz AudioMetrix, Feb 20 vs Jun 20

# Growing core business and building for the future

Linear Radio is still the dominant audio format

The role of talent and local content remains as strong as ever – difficult for digital players to compete

Accounts for 62% of overall listening

iHeartRadio's digital audio growth accelerated during COVID-19 (+31% Total Listening Hours)

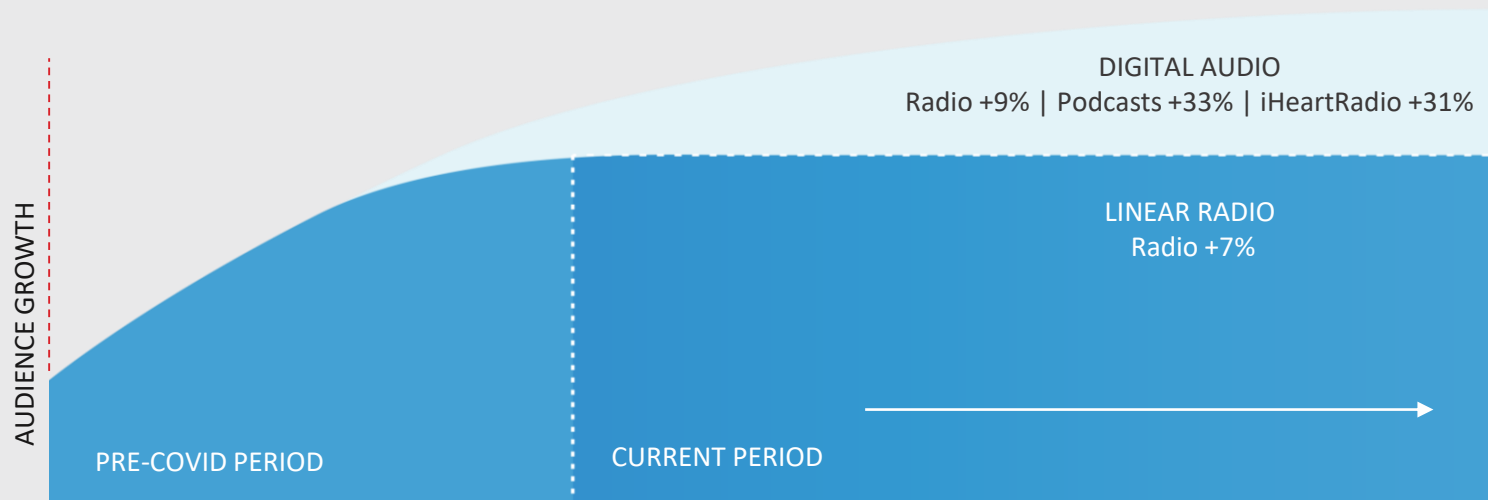
Not cannibalising radio; rather it is complementing it; digital listening to ARN stations +9%

iHeartRadio registrations up to 1.7m

Podcasts +33%

Streaming music on iHeartRadio +31%

ARN is the No. 1 podcast publishers in the country with 13m downloads; revenues building



- YOY total iHeart audio consumption +31% (TLH)
- 1.7 million registered users
- 2.3 million mobile downloads



- #1 Podcast Publisher on Australian Podcast Ranker
- Podcast growth 33%
- 13 million downloads/month



# Launching new products to grow share

## Dynamic Audio

Launch partner – Coles Express

1 x script and 1 x voice over delivered 3,875 variations of the commercial using ARN's Dynamic Audio technology

Incremental revenue - lengthening of the commercial from 15 seconds to 30 seconds

- 70% said dynamic audio ad was more effective
- 88% trusted the dynamic audio ad
- 75% said ad was more customer focused
- 91% said Coles Express dynamic audio ad was more likeable

Pipeline of additional advertisers building across numerous categories – retail, real estate with a number of auto brands pending

## RadioMatrix

CRA launching industry initiative to transform the audio buying process and make it much easier for advertisers to invest in radio and podcast advertising



*“We are delighted to be ARN's launch partner for Dynamic Audio in Australia. At Coles Express we know how important it is to reach consumers at the right time and through the right media channels.*

*This is a great opportunity to reach consumers contextually through audio that relates to a particular moment in time and will provide us with greater cut through and brand relevance.”*

**- Coles Express Spokesperson**

# ARN outperforming the market

ARN out-performing market and winning share –

Q1 -7.1% (market -12.4%)

Q2 -46.1% (market -46.6%)

Initial three weeks of cancellations ceased after perception of radio consumption proved inaccurate; 2<sup>nd</sup> wave in Victoria has seen minimal cancellations

Commercial directors from major radio networks came together to promote strengths of Radio

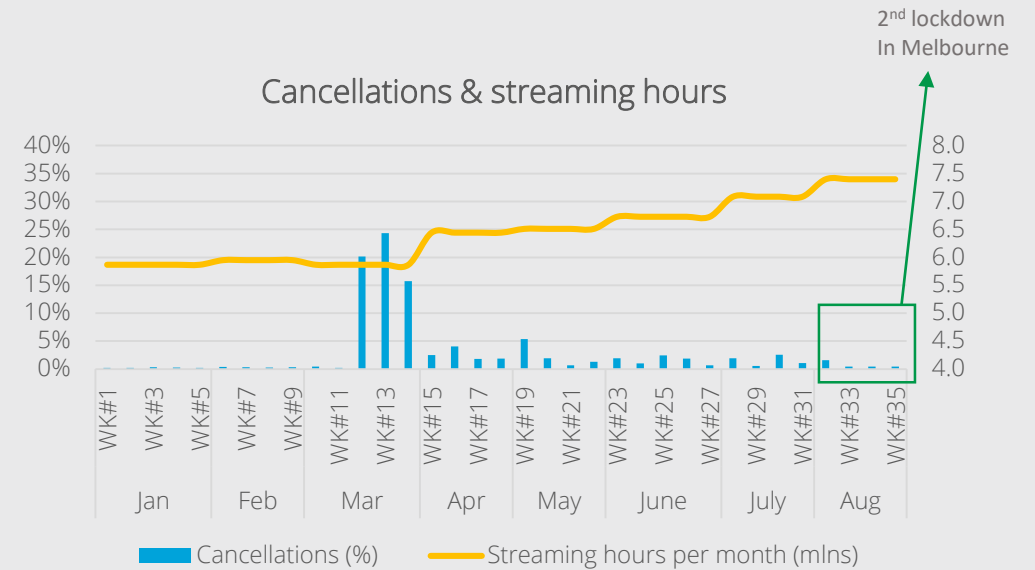
Importance of talent integration and endorsement has increased

Increasing briefings across Agency, Direct and Digital by clients starting to lay down plans for key retail period leading up to Christmas.

Confidence in radio as a call to action medium to drive retail revenue growth out of COVID

Radio's agility and ability to turn around a brief key advantage

'Defining Audio' delivering incremental revenue through digital audio platforms – with podcast briefing volumes building



# ARN primed for recovery post COVID-19



Maximising performance  
from core business

Building more  
engaged audiences  
through data and  
personalisation

Growing  
audiences by  
enhancing digital  
audio formats

Delivering  
advertisers new  
products, and  
greater targeting  
capabilities

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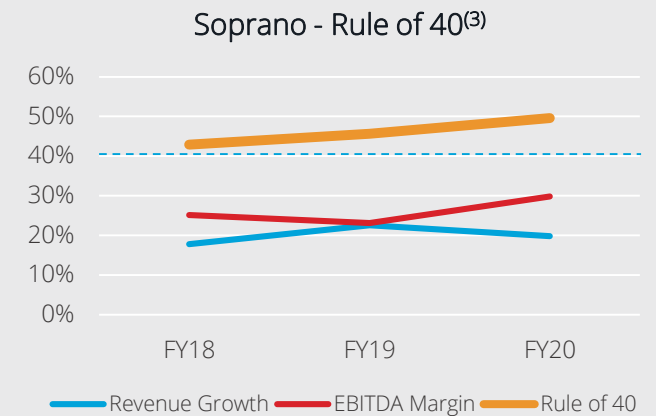
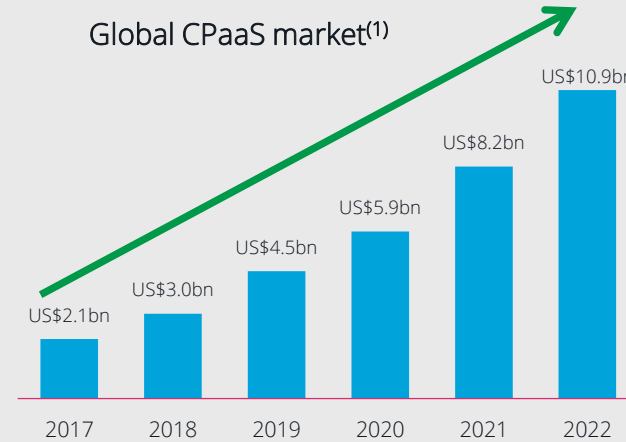
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# Soprano - Business Overview



Recent strategic review identified significant valuation opportunity for HT&E shareholders and further growth potential for Soprano

- Industry leading CPaaS provider to > 2,500 enterprise and government customers
- Provides a self managed, enterprise grade solution to orchestrate interactions over SMS, MMS, email, Voice, RCS, WhatsApp and SecureIP
- 7 billion annual critical messages sent and over 100,000 active users
- The CPaaS segment has also been a major benefactor of COVID-19 driving demand, with investors attracted to the defensiveness growth
- Multiple channels go to market approach, including Direct & via Mobile Network Operator (MNP) partnerships
- ISO 27001 certification; Gartner and 451 Global recognised
- Global offering differentiated by;
  - Superior code - No code or low code
  - Tuned for large, multi department, enterprise and government customers
  - Simple user interface



Company (2)	Market cap (A\$bn)	LTM share price (%)	EV / FY21 revenue
twilio NYSE	48.1	83%	18.4x
RingCentral NYSE	34.6	102%	19.7x
sinch Nasdaq Stockholm	6.9	460%	5.5x
bandwidth Nasdaq	4.8	78%	10.0x
whispir. ASX	0.4	185%	7.4x

Source:  
 (1) IDC worldwide voice and text messaging CPaaS forecast, 2018-2022  
 (2) Market data as at 12 August 2020  
 (3) Unaudited management reports for the year ended 30 June 2020



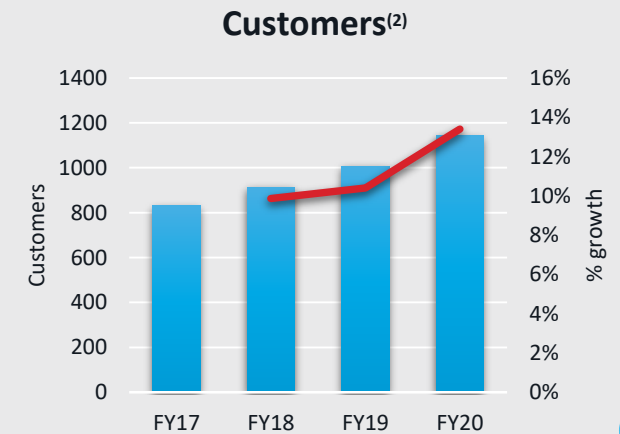
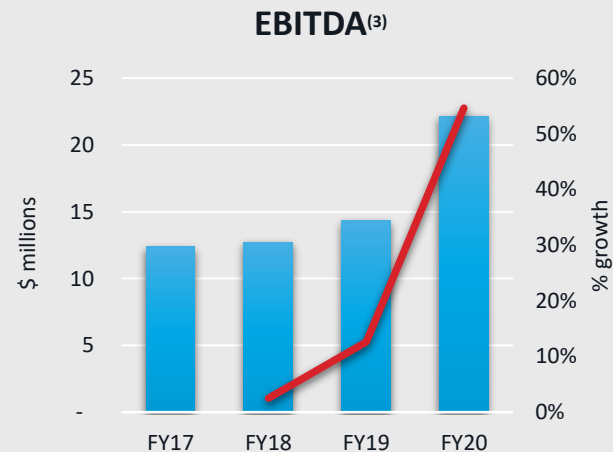
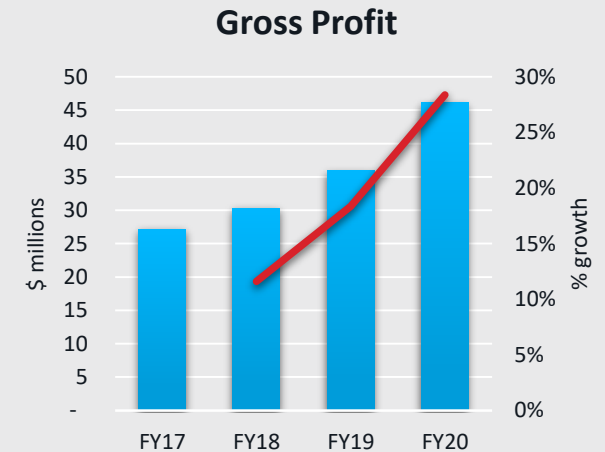
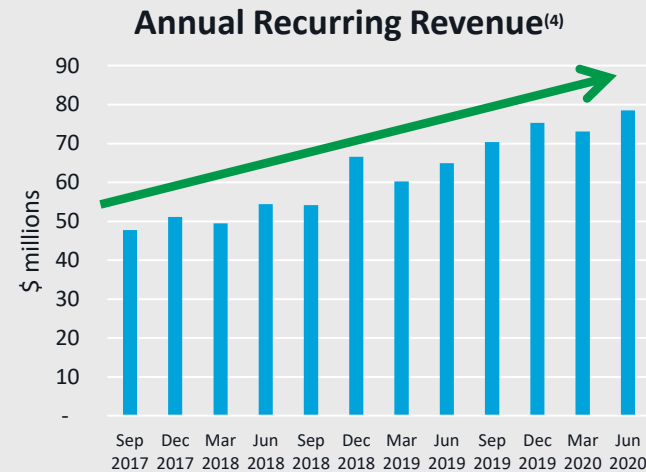
# Soprano - unrealised value

Trajectory continued through COVID-19; product development, customer acquisition and retention driving revenue, GP and earnings

Delivering on all key metrics in FY20<sup>(1)</sup>



- Over 130 (net) new customers (+13%)<sup>(2)</sup>
- Revenues exceeded \$74m (+20%)
- 62% gross profit margin
- Gross profit \$46m (+28%)
- EBITDA \$22m (+55%)<sup>(3)</sup>



Source:

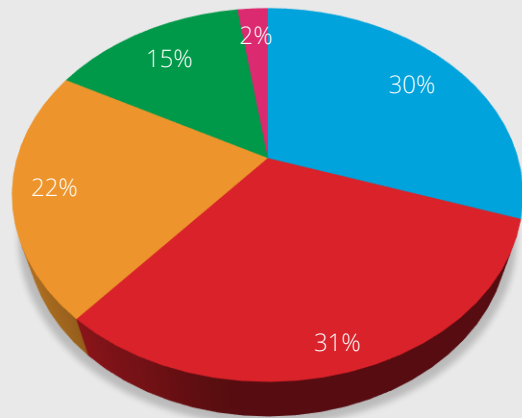
- (1) Unaudited management reports for the year ended 30 June 2020
- (2) Customers with annual revenue +\$2k
- (3) Unaudited underlying EBITDA before exceptional items
- (4) ARR calculated as average of last 3 months \* 12

# Soprano - Growth potential

*Diversified customer based and growing use cases unlocks a significant market opportunity*

Diversified business in over 14 countries

Revenues by region



■ ANZ  
■ EMEA  
■ LATAM  
■ ASIA  
■ NORTH AMER

Key Industries Served and Offerings

Industries serviced

Finance and banking	Logistics
Government	Retail
Healthcare	Education

Key offerings

- 2 factor authentication
- Appointments and reminders
- Alerts and notifications
- Remote workers safety communications
- Multi channel marketing

Market Leader in ANZ and strong presence in other regions

With multiple levers available for growth



**1. Organic growth via greater usage**



**2. Upsell of product suite to existing customers**



**3. New customers and MNO partners**



**4. Growth through acquisitions**

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**To all our staff .... Thank you**

HT&E



# Trading Update

## ARN

Trading in July has improved and finished -27% for the month compared to -46% for the April quarter as certain categories of clients recommenced advertising as lockdown restrictions eased. At this stage, August and September are tracking similar to July. Early pacing suggests this trend could improve further into Q4 if current COVID restrictions in Melbourne moderate and are not tightened elsewhere.

## HK

In Hong Kong, the impact of COVID is continuing into Q3. However should restrictions improve and with the absence of protest activity, we expect to see some categories recommencing spend in H2.

## Cost controls

We remain on track to deliver total temporary operating cost savings in 2020 of between \$11m-\$14m, before the current Jobkeeper subsidy benefit of approximately \$9m.

# Appendices

# Reconciliation of Segment Result to Statutory Result

A\$ million	Segment result		Exceptional items		Statutory result	
	2020	2019	2020	2019	2020	2019
Revenue before finance income	93.0	130.9	-	-	93.0	130.9
Other income	1.3	2.2	4.9	-	6.2	2.2
Share of associate profits	2.6	0.8	-	-	2.6	0.8
Costs	(77.4)	(95.8)	(66.3)	(6.9)	(143.7)	(102.7)
<b>Underlying EBITDA</b>	<b>19.5</b>	<b>38.1</b>	<b>(61.4)</b>	<b>(6.9)</b>	<b>(41.9)</b>	<b>31.2</b>
Depreciation and amortisation	(2.2)	(2.2)	-	-	(2.2)	(2.2)
Depreciation - Leases	(7.4)	(6.7)	-	-	(7.4)	(6.7)
<b>Underlying EBIT</b>	<b>9.9</b>	<b>29.2</b>	<b>(61.4)</b>	<b>(6.9)</b>	<b>(51.5)</b>	<b>22.2</b>
Net interest	(0.7)	0.2	-	-	(0.7)	0.2
Finance cost - Leases	(1.2)	(1.1)	-	-	(1.2)	(1.1)
<b>Net profit before tax</b>	<b>8.1</b>	<b>28.3</b>	<b>(61.4)</b>	<b>(6.9)</b>	<b>(53.3)</b>	<b>21.4</b>
Taxation on net profit	(4.5)	(8.2)	(0.1)	2.2	(4.6)	(6.1)
<b>Net profit after tax (NPAT)</b>	<b>3.6</b>	<b>20.1</b>	<b>(61.6)</b>	<b>(4.8)</b>	<b>(57.9)</b>	<b>15.3</b>
Less non-controlling interest	(1.2)	(2.0)	(0.1)	-	(1.3)	(2.0)
<b>NPAT attributable to HT&amp;E shareholders</b>	<b>2.4</b>	<b>18.1</b>	<b>(61.7)</b>	<b>(4.8)</b>	<b>(59.3)</b>	<b>13.3</b>

# Cash Flow – Working Capital

A\$ million	2020	2019
Net changes in working capital	8.4	(3.6)
Deduct non-cash items, share of associates NPAT net of cash / dividends from investments	(3.1)	(2.2)
<b>Recurring</b>	<b>5.4</b>	<b>(5.8)</b>
Redundancies	(0.4)	(1.7)
Athlete's Voice loan write-off	(0.4)	-
JobKeeper (COVID-19 related incentives)	3.2	-
Acquisition related incentive paid to Unbound JV partner	-	(1.0)
<b>Non-recurring</b>	<b>2.4</b>	<b>(2.7)</b>
<b>Net change in working capital, non-cash and exceptional items</b>	<b>7.8</b>	<b>(8.5)</b>

## Currency rates

	AUD / HKD	
	2020	2019
June half year average	5.107	5.540
Full year average	N/A	5.448
Period end rate – June	5.351	5.487
Period end rate – Dec	N/A	5.467

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