

NEXT15

INTERIM RESULTS : SEPTEMBER 2021

AGENDA

Results summary and introduction

Business progress

Market insights

Product strategy update

Segmental strategy update

ESG update

Numbers in detail

Introduction to Next 15

Next 15 is a tech and data-driven growth consultancy. It operates across four divisions and has offices across the world.

The Group's four divisions are designed to help companies achieve their growth ambitions through:

1. Delivering business insights through data analytics and online research
2. Optimizing digital brand assets to drive long term customer engagement
3. Optimizing customer delivery (aka sales) through digital platforms such as e-commerce, demand gen and ABM
4. Maximizing the value of the business through business design, corporate positioning and venture creation

Our customers include: Google, Amazon, Facebook, IBM, American Express and Procter & Gamble

RESULTS HIGHLIGHTS

- Net revenue up 32% (23% organically) to £165.9m (2020: £126.2m)
- Adjusted operating profit up 65% to £35m (2020: £21.2m)
- Margin performance in H1 of 21.1% (2020: 16.8%) – anticipate investments in H2 in productization and some additional costs as Covid impact recedes
- Adjusted diluted EPS up 51% to 26.3p (2020: 17.4p)
- Strong performances across all segments and geographies
- Net cash as at 31 July of £6.6m and new RCF of up to £100m signed in September 2021
- Dividend proposed of 3.6p

BUSINESS PROGRESS

CLIENTS: Diageo, Disney+, Citibank, Boots

ACQUISITIONS: Acquisition of MSI by the US arm of Savanta
Creates \$20m US customer insight business
Shopper Media Group
Blueshirt Capital Advisers (“BCA”)

PRODUCTS: Prism - automated digital DD
Audience 360 - customer activation using 1st party data
Customer Data Platform - predictive analytics for retailers

MARKET INSIGHTS

Every customer is on some form of digital transformation journey or is driving digital transformation of industry sectors

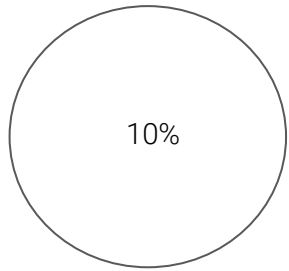
Move towards tech-enabled subscription/fixed fee services is starting to accelerate

Specialism is beating scale every time

Customers are accelerating product life cycles as customer loyalty is strained by D2C activity

WFA is new norm but is opening up new pools of talent

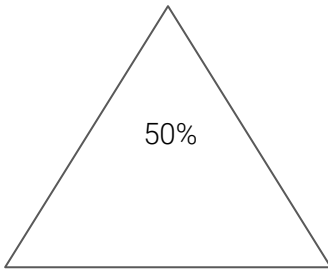
PRODUCT STRATEGY - LONG TERM



CUSTOM

Customized/bespoke services

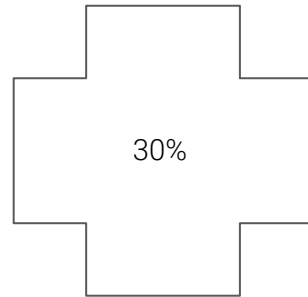
Billed by the hour



PACKAGED

Methodology-driven, repeatable products/services

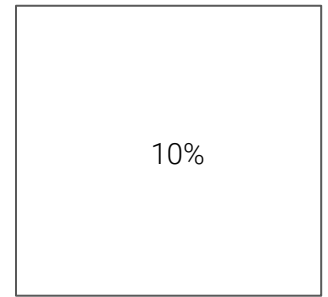
Product pricing



TaPaaS

Technology-enabled products and services

Product + subscription pricing



SaaS

Subscription Software

Subscription pricing

IMPACT ON OUR WORLD

Substantial growth opportunities in:

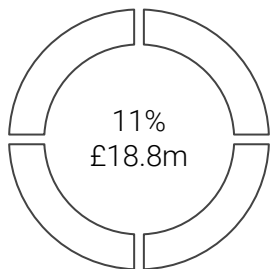
- business transformation services
- industrial e-commerce
- D2C customer engagement

Shift towards almost entirely first party data solutions

Businesses that are tied solely to talent will see increased volatility in revenues

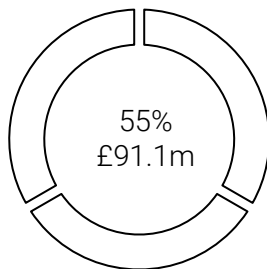
Focus on product development is essential

SEGMENTAL PERFORMANCE



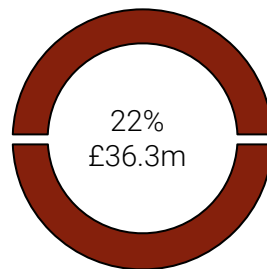
Insight

Margin - 17.7%
Organic growth - 22.3%



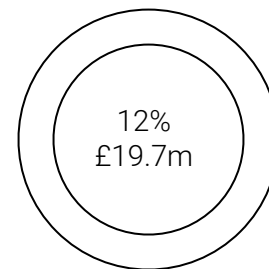
Engage

Margin - 22.3%
Organic growth - 14.6%



Delivery

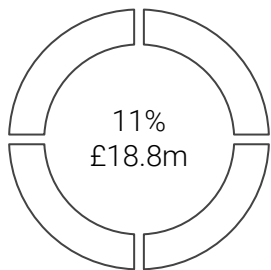
Margin - 36.3%
Organic growth - 48.8%



Transform

Margin - 23.4%
Organic growth - 47.4%

SEGMENTAL STRATEGY



Insight

Margin - 17.7%

Organic growth - 22.3%

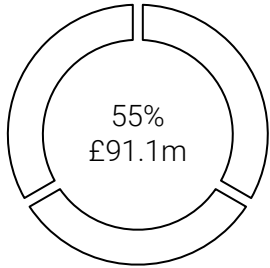
Accelerate growth of BrandVue product - targeting £20m in subscription revenues by 2025

Introduce additional 'self serve' insight tools to create full suite of insight products

Drive US expansion - targeting \$50m in revenues by 2025

Focus on first party data solutions

SEGMENTAL STRATEGY



Engage

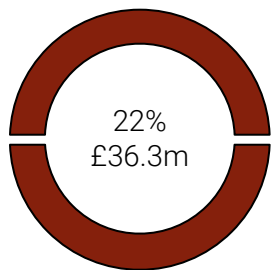
Margin - 22.3%
Organic growth - 14.6%

Leverage leadership in B2B technology sector to sell tightly integrated digital/social product set

Leverage M Booth/M Booth Health success to build group's first \$100m business - target 2024

Derive 90% of revenues from Packaged products and TaPaaS

SEGMENTAL STRATEGY



Delivery

Margin - 36.3%

Organic growth - 48.8%

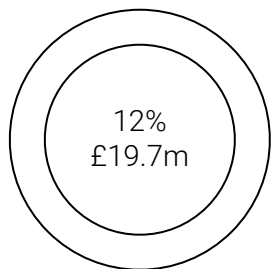
Build \$100m ABM business by 2026

Develop eCommerce offering to support Adobe, Google and emerging composable commerce market - target \$100m in revenues by 2026

Drive over 50% of revenues from TaPaaS/SaaS

Expand integrated sales-engagement product offering

SEGMENTAL STRATEGY



Transform

Margin - 23.4%

Organic growth - 47.4%

Build \$100m transformation/innovation business by 2025

Cross sell Customer Insight products/services

Expand portfolio of subscription-based digital transformation products and services

Leverage C level relationships developed in this segment across other segments

ESG UPDATE

Working on B Corp certification - targeting 2022

Measuring our carbon footprint - assessing how we reduce our operational emissions

Starting to assess the carbon impact of the work we do for our clients

DE&I action plan in place across the business after major review using external consultants

Introducing balanced scorecard reporting for all businesses

Ethics Group making decisions about non values-aligned clients

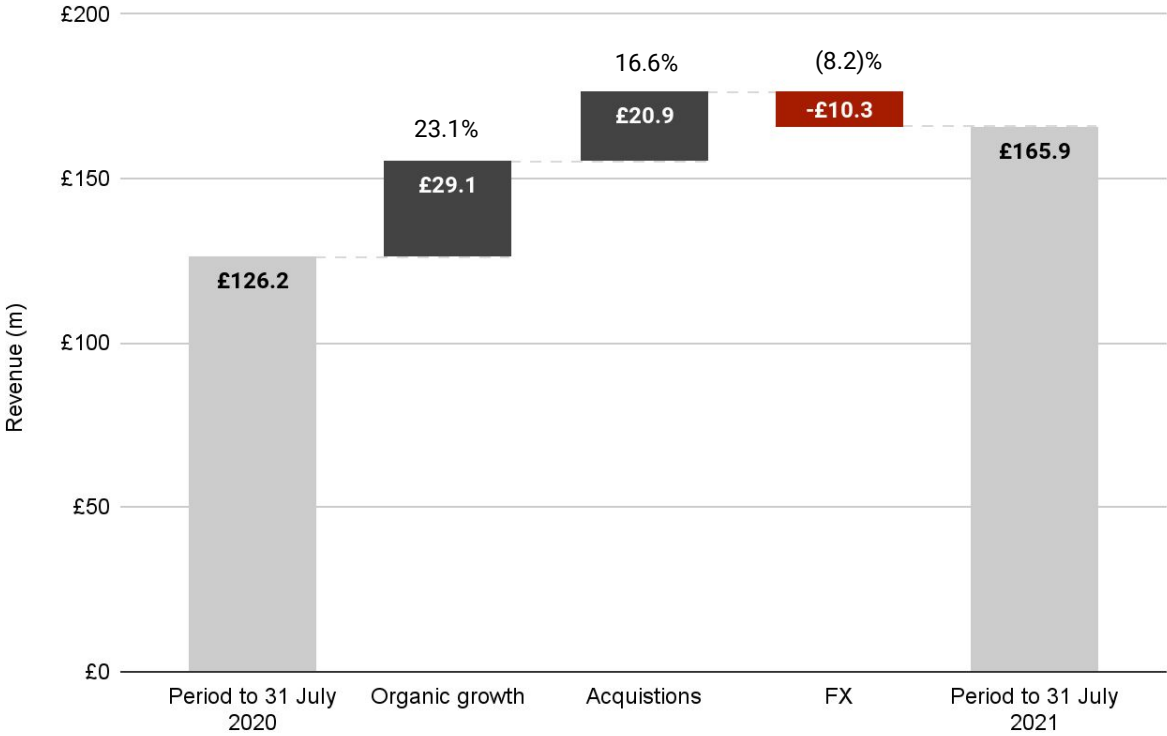
NUMBERS IN DETAIL

INTERIM RESULTS : SEPTEMBER 2021

P&L

£M	H1 2022	H1 2021	GROWTH %
Net revenue	165.9	126.2	32%
Organic revenue growth/(decline)	23.1%	(6.6)%	
Operating profit	35.0	21.2	65%
Operating margin	21.1%	16.8%	
Profit before tax	35.0	20.7	69%
Tax	(7.7)	(4.1)	
Minorities	(2.0)	(0.3)	
Profit after tax	25.3	16.3	55%
Diluted EPS (p)	26.3	17.4	51%
Dividend per share (p)	3.6	-	

REVENUE BRIDGE



SEGMENTAL

Operation	Net revenue H1 2022 £M	Organic growth	Operating Profit £M	Margin H1 2022	Margin H1 2021
Customer Insight	18.8	22.3%	3.3	17.7%	10.6%
Customer Engage	91.1	14.6%	20.4	22.3%	19.8%
Customer Delivery	36.3	48.8%	13.2	36.3%	29.7%
Business Transformation	19.7	47.4%	4.6	23.4%	23.5%
Head Office	-	-	(6.5)	-	-
Total	165.9	23.1%	35.0	21.1%	16.8%

CASH FLOW

£M	H1 2022	H1 2021
Inflow from op activities	41.6	27.5
Working capital	(9.2)	7.0
Net inflow from operations	32.4	34.5
Tax	(5.1)	(3.0)
Net capex	(2.9)	(2.1)
Acquisitions	(24.8)	(18.4)
Net interest and dividends paid	(1.4)	(1.1)
Repayment of lease liabilities	(5.2)	(5.8)
Exchange (loss) / gain on net cash	(0.4)	0.2
Decrease in net cash	(7.4)	(4.3)
Net cash / (debt) closing	6.6	(5.0)

FORECAST COMMITMENTS

	31 July 2021 £M	31 Jan 2021 £M
FY 2022	5.2	14.0
FY 2023	22.3	18.0
FY 2024	13.7	12.3
FY 2025	11.0	6.8
FY 2026	18.8	11.3
FY 2027	2.1	-
FY 2028	1.1	-
Total	74.2	62.4

OUTLOOK

BUSINESS:

Double digit growth through 2021

Performance continues to be ahead of market expectations

Good acquisition pipeline

PRODUCT:

Progress being made on productization and client integration

Using strong performance as opportunity to invest in product development

OPERATIONAL:

Progress on office sub-lets ahead of schedule

Hybrid working model being implemented

Hiring costs will increase in H2

APPENDICES

REGIONAL

Operation	Net revenue H1 2022 £M	Organic growth	Operating Profit £M	Margin H1 2022	Margin H1 2021
US	89.3	26.9%	25.2	28.2%	21.9%
UK	64.6	19.7%	14.3	22.1%	19.1%
APAC	7.3	13.3%	0.9	12.5%	17.7%
EMEA	4.7	13.6%	1.1	22.3%	20.5%
HEAD OFFICE	-	-	(6.5)	-	-
Total	165.9	23.1%	35.0	21.1%	16.8%

ADJUSTMENTS

£M	H1 2022	H1 2021
Adjusted profit before tax	35.0	20.7
Restructuring	-	(2.0)
Property write back/(impairment)	1.0	(10.9)
Deal costs	(0.2)	(0.2)
Share based payments	(5.8)	(0.2)
Acquisition accounting related costs	(25.5)	(10.8)
Furlough	(1.4)	-
Statutory profit/(loss) before tax	3.1	(3.4)

BALANCE SHEET SUMMARY

£M	31 July 2021	31 July 2020
Intangible assets	183.8	157.3
Non-current assets	49.8	54.7
Current assets	143.7	100.8
Non-current liabilities	(70.9)	(97.7)
Current liabilities	(184.7)	(99.6)
Net assets	121.7	115.5
Share capital	2.3	2.3
Reserves	118.2	113.6
Minorities	1.2	(0.4)
Total equity	121.7	115.5
Net cash/(debt)	6.6	(5.0)