

NEXT15

AGM – JUNE 2016

NEXT15

OUR CORE BELIEF IS THAT MARKETING IS A TECHNOLOGY DRIVEN ACTIVITY. OUR SUCCESS IS DIRECTLY PROPORTIONAL TO OUR UNDERSTANDING AND USE OF TECHNOLOGY TO SOLVE MARKETING CHALLENGES AND CREATE OPPORTUNITIES.

**US Total Media Ad Spending Share, by Media,
2014-2020**

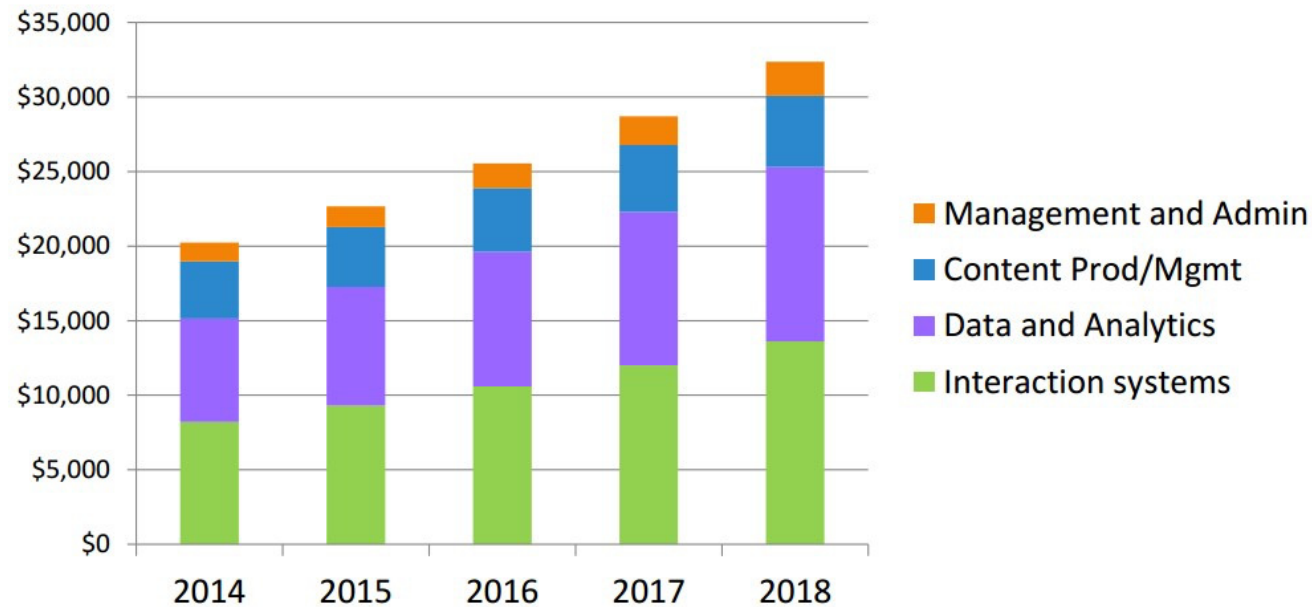
% of total

	2014	2015	2016	2017	2018	2019	2020
TV*	39.1%	37.7%	36.8%	35.8%	34.8%	33.7%	32.9%
Digital	28.3%	32.6%	35.8%	38.4%	40.8%	43.1%	44.9%
—Mobile	10.9%	17.3%	22.7%	26.2%	28.8%	31.0%	32.9%
Print	17.4%	15.4%	13.9%	12.9%	12.2%	11.6%	11.1%
—Newspapers**	9.1%	8.0%	7.2%	6.6%	6.1%	5.7%	5.5%
—Magazines**	8.3%	7.4%	6.8%	6.4%	6.1%	5.8%	5.6%
Radio***	8.4%	7.8%	7.4%	7.0%	6.7%	6.4%	6.1%
Out-of-home	4.0%	4.0%	3.9%	3.8%	3.7%	3.5%	3.4%
Directories**	2.8%	2.5%	2.2%	2.0%	1.9%	1.7%	1.6%

*Note: *excludes digital; **print only, excludes digital; ***excludes off-air radio & digital*

Source: eMarketer, March 2016

Future View – Marketing Technology Map Revenue (\$M)



Total Market Statistics:

- Total 2018 Revenue = \$32.3B
- CAGR = 12.4 %
- \$130B 5-yr spend

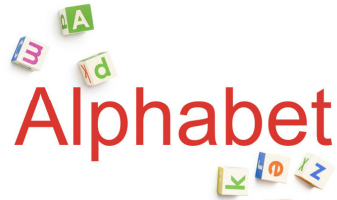
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- MARKET TRANSITION FROM ANALOG TO DIGITAL DELIVERY IS ACCELERATING
- MARKETING TECHNOLOGY PLATFORMS ARE NOW CRITICAL CHANNELS/TOOLS – SOCIAL NETWORKS, APPS, MARKETING AUTOMATION, ANALYTICS
- BRANDS ARE INCREASINGLY DEFINED BY THEIR ‘ONLINE EXPERIENCE’ WHICH IS DRIVING GROWTH OF CXM
- OFFLINE AND ONLINE EXPERIENCES NOW TIGHTLY INTEGRATED.

NEXT15

- INVEST IN TECHNOLOGY-DRIVEN MARKETING AGENCIES (DATA, CONTENT & TECH)
- INVEST IN MARKETING TECHNOLOGIES
- SIMPLIFY BUSINESS MODEL
- FOCUS ON EXPANDING EXISTING RELATIONSHIPS WITH CURRENT CUSTOMERS

NEXT15



NOVARTIS



Data as at Jan 2016

MOST RECENT RESULTS

- REVENUE UP **18.9%** TO £129.8M (2015: £109.2M)
- ORGANIC GROWTH UP **7.8%** (H2 ORGANIC GROWTH OF **10.9%**)
- HEADLINE EBITDA UP **31.5%** TO £19.2M (2015: £14.6M)
- HEADLINE OP PROFIT UP **29.9%** TO £16.5M (2015: £12.7M)
- HEADLINE OP PROFIT MARGIN UP TO **12.7%** FROM 11.7%
- HEADLINE PRE TAX PROFITS UP **28.8%** TO £16.1M (2015: £12.5M)
- DILUTED EPS UP **28.0%** TO 16.9P FROM 13.2P
- DIVIDENDS OF 4.2P UP **20.0%**
- NET DEBT OF £6.6M (2015: £8.6M)

PORTFOLIO

Technology	Data	Content
Agent 3 Beyond bDA Connections Media Encore	Morar	Text 100 Bite Blueshirt M Booth OutCast Story Vrge Lexis ODD Publitek Twogether

Global
UK & US
US
UK

OUTLOOK

- CONTINUE TO SEE GOOD ORGANIC GROWTH IN THE US THANKS TO MIX OF CUSTOMER QUALITY AND DIGITAL OFFERINGS
- UK REMAINS ON TRACK TO DELIVER GOOD GROWTH AND IMPROVED MARGINS THANKS TO ACQUISITIONS
- APAC CONTINUES TO IMPROVE AT TOP AND BOTTOM LINE
- EMEA REMAINS FLAT BUT HAS RETURNED TO PROFIT AS PLANNED
- DESPITE MACRO-ECONOMIC HEADWINDS (BREXIT, US ELECTIONS, CHINA SLOWDOWN ETC) GROUP IS CONFIDENT OF MEETING CONSENSUS EXPECTATIONS.