

NEXT15

INTERIM RESULTS : SEPTEMBER 2022

AGENDA

Results summary and introduction

Business progress

Insights & observations

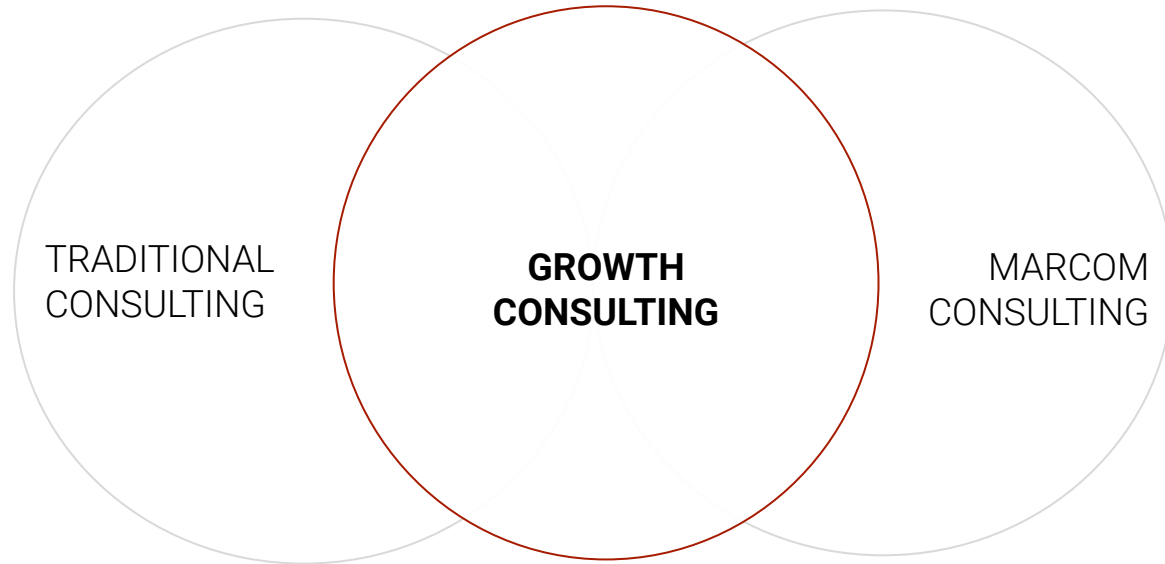
Long-term strategy update

B Corp update

Numbers in detail

VISION & MISSION

OUR VISION



WHAT IS NEXT15?

Next 15 operates across four divisions and has offices across the world. Our divisions are:

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

Alphabet

amazon

AMERICAN EXPRESS



intuit.

Microsoft

P&G

Meta



RESULTS, INSIGHTS & PROGRESS

RESULTS HIGHLIGHTS

Net revenue up 65%
(31.0% organically) to
£274m (2021: £166m)

**Adjusted operating
profit up 75%** to
£61.3m (2021: £35.0m)

**Margin performance
of 22.4%** (2021: 21.1%)

**Adjusted diluted EPS
up 68%** to 44.1p (2021:
26.3p)

Strong performances across
all segments and geographies

Net debt as at 31 July 2022
£18.1m (2021: net cash of £6.6m)

Interim dividend increased
by 25% to 4.5p

WHY ARE WE DELIVERING THIS LEVEL OF GROWTH?

PEOPLE

Loyal, talented, highly skilled specialists with a shared set of values that aids collaboration

CUSTOMERS

We don't work with just anyone. Our customers share our values and growth aspirations. 66% of our revenue comes from B2B customers

PRODUCTS

Technology and data-driven solutions that enable our customers to beat their competition and enable us to deliver repeatable solutions at scale

INNOVATION

Eating our own dog food

INVESTMENT

Well managed acquisitions that have integrated into the Group.

HOW RESILIENT IS OUR MODEL?

13

of our top 20 customers have been with us for longer than 3 years

54

customers bill more than \$1m

57

of the top 100 most loved brands are customers

60%

of our customer revenue is billed in US\$

Counter cyclical model

Affordable luxury; government

ECONOMIC IMPACT = OPPORTUNITY

CLIENT ACTION

Customers shift funds to drive sales

Customer procurement departments seek better pricing

Customers reduce overall spend

IMPACT/OPPORTUNITY

Increased opportunities for our customer delivery businesses as seen during Covid

Accelerate our shift away from hourly pricing to outcome pricing

Take advantage of our shift towards products and near shore/off shore operating models

Previous recessions have shown we are typically impacted by sector rather than spend. Anticipate opportunities to emerge for our specialist businesses that are ROI focused.

SEGMENTAL PERFORMANCE

Net Revenue
% of Total Net
Revenue

£24.7m
9.0%

+

£133.3m
48.7%

+

£48.8m
17.8%

+

£67.2m
24.5%

INSIGHT

Margin : 21.3%
Organic growth : 15.6%

ENGAGE

Margin : 20.1%
Organic growth : 12.6%

DELIVERY

Margin : 32.3 %
Organic growth : 16.9%

TRANSFORM

Margin : 39.4%
Organic growth : 157.0%

BUSINESS PROGRESS

CLIENT WINS:

Morrisons

VMware

Verizon

ACQUISITIONS:

Engine UK: MHP Mischief,
Creative & Transformation

Bolt on acquisitions for
Activate, Agent3 and
Savanta

BOARD UPDATE:

Additional US-based NED

STRATEGY PROGRESS UPDATE

Operationalized our approach to acquisitions enabling us to manage a mix of bolt on and stand-alone opportunities. We are targeting acquisitions/investments to drive scale especially in underweight/high growth areas of the business such as:

- APAC
- EMEA
- DX consulting
- eCommerce
- US digital paid media
- US data
- ABM
- Demand/Lead gen

Significant investments in H2 as we scale our innovation businesses - already ahead of four year goal

B Corp certification progressing - well received by customers and staff

On track to double revenues within four years

B CORP UPDATE

Certification ongoing with completion likely by December

Used Elvis to test the process - they are now a B Corp

Strong business benefits to us in terms of client alignment, staff attraction and acquisitions

Low cash costs but has required us to be more coordinated and thoughtful

Certification requires changes to Articles of Association to formalise our current business operating model and our approach to growth and profitability

Planning a December/January General Meeting to seek shareholder approval for the changes to Articles of Association

NUMBERS IN DETAIL

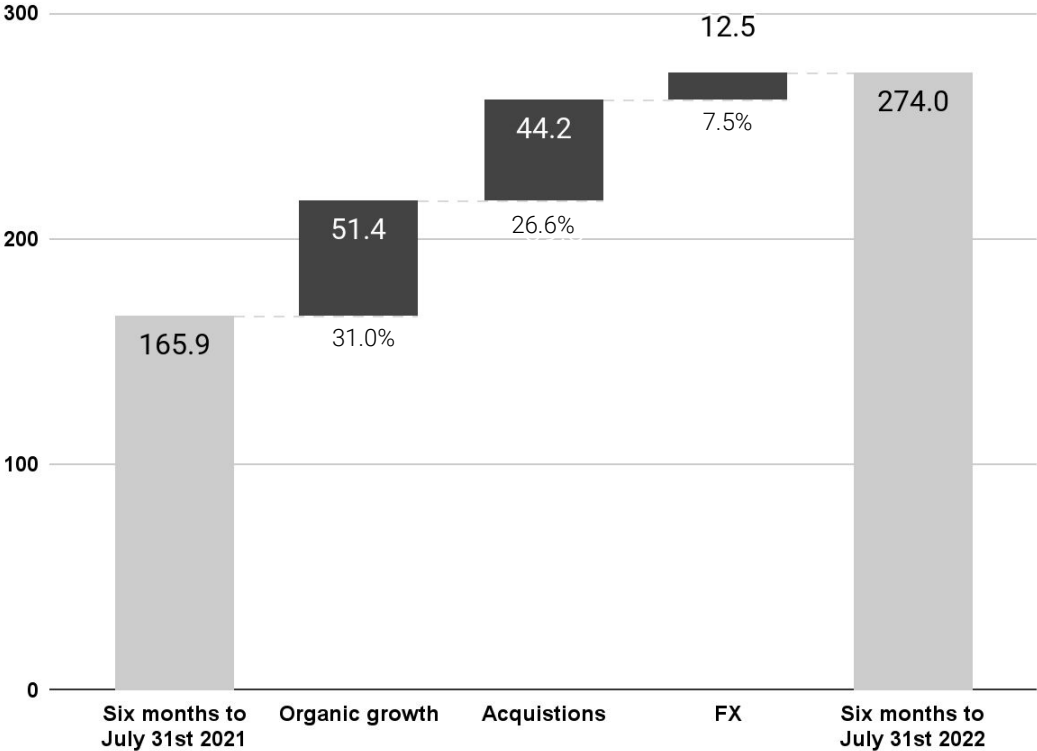
PRELIM RESULTS : September 2022

ADJUSTED P&L

£M	H1 2023	H1 2022	GROWTH %
Net revenue	274.0	165.9	65%
Organic revenue growth	31.0%	23.1%	
Operating profit	61.3	35.0	75%
Operating margin	22.4%	21.1%	
Profit before tax	60.7	35.0	73%
Tax	(14.1)	(7.7)	
Minorities	(0.6)	(2.0)	
Profit after tax	46.0	25.3	82%
Diluted EPS (p)	44.1	26.3	68%
Final dividend per share (p)	4.5	3.6	25%

REVENUE BRIDGE

Revenues £m



SEGMENTAL

Operation	Net revenue H1 2023 £M	Organic growth	Operating Profit £M	Margin H1 2023	Margin H1 2022
Customer Insight	24.7	15.6%	5.3	21.3%	17.7%
Customer Engage	133.3	12.6%	26.7	20.1%	22.3%
Customer Delivery	48.8	16.9%	15.8	32.3%	36.3%
Business Transformation	67.2	157.0%	26.5	39.4%	23.4%
Head Office	-	-	(13.0)	-	-
Total	274.0	31.0%	61.3	22.4%	21.1%

CASH FLOW

£M	H1 2023	H1 2022
Inflow from op activities	66.2	41.6
Working capital	(42.2)	(9.2)
Net inflow from operations	24.0	32.4
Tax	(14.0)	(5.1)
Net capex	(3.5)	(2.9)
Acquisitions	(102.8)	(24.8)
Net interest and dividends paid	(2.8)	(1.4)
Net proceeds from share placing	48.6	-
Repayment of lease liabilities	(6.3)	(5.2)
Exchange gain/(loss) on net cash	3.0	(0.4)
Increase in net debt	(53.8)	(7.4)
Net (debt)/cash closing	(18.1)	6.6

ADJUSTMENTS

£M	H1 2023	H1 2022
Adjusted profit before tax	60.7	35.0
Engine restructuring	(3.1)	-
Property (impairment)/write back	(3.9)	1.0
Deal costs	(2.7)	(0.2)
Charge for one-off employee incentive schemes	(0.4)	(5.8)
Acquisition accounting related costs	(59.1)*	(25.5)
Furlough	-	(1.4)
Statutory (loss)/profit before tax	(8.5)	3.1

* £26m of this charge relates to the Mach49 increase in earnout

FORECAST COMMITMENTS

	31 July 2022 £M	31 Jan 2022 £M
FY 2023	8.6	36.0
FY 2024	47.2	30.8
FY 2025	67.3	45.8
FY 2026	49.8	39.7
FY 2027	40.7	31.5
FY 2028	40.0	31.3
Total	253.6	215.1

OUTLOOK

BUSINESS:

Organic growth will remain strong

Good acquisition pipeline

M&C Saatchi process to be resolved in fourth quarter of financial year

OPERATIONAL:

Engine integration successful

Imminent closure of Bermondsey Street office hub

Staff cost increases are being largely matched by fee increases and growth rates

We expect our results for FY23 to be at least in line with management expectations

\$30m additional committed income for Mach49 and acquisition of Engine gives confidence in another year of strong progress in FY24

APPENDICES

NEXT15 Board



**Penny
Ladkin-Brand**
(Chair)
Pricing



Robyn Perriss
(Audit)
Governance



Helen Hunter
(Rem)
Data Insight



Dianna Jones
(ESG)
B Corp



Paul Butler
(ESG)
Business
Transformation



Tim Dyson
(CEO)



Peter Harris
(CFO)



Jonathan Peachey
(COO)

REGIONAL

Operation	Net revenue H1 2023 £M	Organic growth	Operating Profit £M	Margin H1 2023	Margin H1 2022
US	144.8	43.0%	50.0	34.5%	28.2%
UK	114.9	17.0%	21.9	19.0%	22.1%
APAC	8.7	13.2%	0.8	9.5%	12.5%
EMEA	5.6	21.8%	1.6	28.0%	22.3%
HEAD OFFICE	-	-	(13.0)	-	-
Total	274.0	31.0%	61.3	22.4%	21.1%

BALANCE SHEET SUMMARY

£M	31 July 2022	31 July 2021
Intangible assets	285.7	183.8
Non-current assets	111.6	49.8
Current assets	214.5	143.7
Non-current liabilities	(259.8)	(70.9)
Current liabilities	(248.4)	(184.7)
Net assets	103.6	121.7
Share capital	2.4	2.3
Reserves	100.8	118.2
Minorities	0.4	1.2
Total equity	103.6	121.7
Net (debt)/cash	(18.1)	6.6