

NEXT15

PRELIMINARY RESULTS - APRIL 2025

# AGENDA

FY25 results summary

What's next for Next 15?

Capital allocation priorities

Outlook

Q&A

# THE RESULTS

**Net revenue of £570m** down 1.4% (down 4.0% organically) (2024: £578m). Currency impact of (£7.2m). Excluding large contract, revenues would be roughly flat YoY

**Adjusted operating profit of £107.4m** down 11.3% (2024: £121.1m)

**Margin performance of 18.9%** (FY25 H1: 16.8%, 2024: 21.0%)

**Adjusted diluted EPS 69.3p**  
(2024: 81.6p)

**Final dividend** maintained at 10.6p

# THE RESULTS

**Significant improvement in working capital in H2 FY25.** Full year outflow of £7.0m vs £31.9m in H1

**Estimated earn-out commitments for next three years reduced to £117.7m at 31 Jan 2025** (31 Jan 2024 £177.3m)

**Net debt reduced to £38.4m as at 31 Jan 2025** (31 July 2024 £74.8m)

**Restructuring costs of £17.0m, to deliver annualised saving of £45m, of which £16m relates to Mach49. Of the remaining £29m, approximately £9m has been realised in FY25**

**Non-recurring revenue of £75.9m and profit of approximately £31.4m from significant contract in Mach49 in FY25**

**Increased AI investment of £5m in FY26**

# NEXT 15 'SOFT' DATA

World class customer base ~70% of our top 100 customers have been with us for 5 years or more

Technology clients will account for a third of revenues in current FY

Staff retention at senior levels is above industry norms - average tenure of senior execs across the businesses is 10.5 years

Operating margins remain ahead of industry averages

Invested early in AI and data

Starting second phase of AI evolution

Board changes to adapt to new focus of the business

Alphabet

ASDA



Boots

Morrisons

Johnson & Johnson

Department  
for Education



P&G

Microsoft

IBM

amazon

AMERICAN  
EXPRESS

# REVIEW OF STRATEGY

Simplification of the Group is making good progress. More to come

Shape and role of HO is under review to eliminate duplication and improve service levels

We will not peanut butter investment. Instead we will focus funds into two areas: AI and new capabilities

A small number of strategic acquisitions to bolster capabilities and open new customer segments

We will reshape our incentives to drive better outcomes

# PRIORITIES

<b>Business area</b>	<b>Product/service evolution</b>	<b>AI Product Investment</b>
B2B Rev Gen	Adapting to a dark funnel	Orchestration layer
Retail Media	US and EMEA markets	Tier 2 retailer platform
Data	Always on expert thought partners	Synthetic data/Personas
Comms collective	Evolution of product service mix. Expand Influencer and Corp Comms capabilities	Synthetic personas, Delve, Maistro
Consulting	Value creation accelerators	AI powered consulting and decision tools
Head Office	Realign to fit business	Back office functions e.g. legal

# REINVENTING B2B MARKETING

Enterprise tech marketing is worth \$30bn pa globally, growth of 8-9% pa

We are creating a new business that brings together our four B2B tech marketing agencies in the UK/US: Agent3 CEO, Clive Armitage, is leading this initiative. Beta customers are already testing this solution. It will be launched publicly in the next few months

We are creating an AI-based platform that combines latest marketing theory, proprietary data and new AI models from Next 15's AI labs. The platform will optimise marketing in real time based on customer journeys for different categories of buyers. Our clients benefit from always-on optimisation of their marketing. For us, the new platform creates stickier, high margin client engagements



twogether

**velocity**

**Agent 3 Group**

 **PUBLITEK**

# CAPITAL ALLOCATION PRIORITIES

Continue to prioritise investment in internal capabilities

Leverage target of net debt below 1.5x EBITDA

Disciplined approach to bolt-on M&A to enhance key business areas

Surplus cash to be returned to shareholders via dividends & share buybacks

Share price will determine whether earn-outs are paid in cash

# OUTLOOK

We note that markets are reacting strongly to the trade war. As of today, our **customers are still determining the impact** on their businesses. We anticipate this to be **non-linear and strongly dependent on supply chains**. We also anticipate that, as during Covid, some customers will increase their spend in a bid to drive sales, while others are more conservative. While we have **not seen any notable change to our trading**, either positive or negative, **we are taking a cautious view given the market volatility** and uncertainty over the impacts a trade war may have. However, we continue to **invest thoughtfully** and **focus on strategic improvements to the Group**. As a result, we **remain confident about the medium-term prospects** for our business.

# APPENDICES

# ADJUSTED P&L

<b>£M</b>	<b>2025</b>	<b>2024</b>	<b>DECLINE %</b>
Net revenue	569.7	577.8	(1.4)%
Organic revenue (decline)/growth	(4.0)%	0.3%	
Operating profit	107.4	121.1	(11.3)%
Operating margin	18.9%	21.0%	
Profit before tax	101.4	117.9	(14.0)%
Tax	(27.8)	(31.1)	
Minorities	(1.5)	(1.0)	
Profit after tax	72.1	85.8	
Diluted EPS (p)	69.3	81.6	(15.1)%
Total dividend per share (p)	15.35	15.35	

# SEGMENTAL

Operation	Net revenue 2025 £M	Organic (decline)/ growth	Operating Profit £M	Margin 2025	Margin H1 FY25	Margin 2024
Customer Insight	55.4	(9.5)%	7.0	12.7%	11.0%	18.0%
Customer Engage	262.0	(2.4)%	53.9	20.6%	19.8%	20.2%
Customer Delivery	109.6	2.7%	23.8	21.8%	21.8%	27.0%
Business Transformation	142.7	(9.3)%	40.0	28.1%	23.7%	32.3%
Head Office	-	-	(17.3)	-	-	-
<b>Total</b>	<b>569.7</b>	<b>(4.0)%</b>	<b>107.4</b>	<b>18.9%</b>	<b>16.8%</b>	<b>21.0%</b>

# CASH FLOW

£M	2025	2024
Inflow from operating activities*	103.1	115.7
Working capital	(7.0)	(10.7)
Net inflow from operations	96.1	105.0
Tax	(20.7)	(25.4)
Net capex	(7.2)	(7.2)
Acquisitions	(66.7)	(60.2)
Acquisition of own shares	(5.3)	(4.5)
Other cashflows**	(33.2)	(35.2)
Decrease in net cash	(37.0)	(27.5)
Net debt closing	(38.4)	(1.4)

\*Adjusted to reflect the employment linked earnout payments as acquisitions

\*\* Other cashflows includes interest, dividends, repayment of lease liabilities and exchange gains/losses

# ESTIMATED EARN-OUT COMMITMENTS

	31 Jan 2025 £M	31 Jan 2024 £M
FY 2025	-	58.7
FY 2026	61.0	46.4
FY 2027	31.7	43.6
FY 2028	25.0	28.6
<b>Total</b>	<b>117.7</b>	<b>177.3</b>

# ADJUSTMENTS

£M	2025	2024
Adjusted profit before tax	101.4	117.9
Costs associated with the current period restructure	(17.0)	(5.1)
Property impairment	(0.6)	-
Deal costs	(0.6)	(0.7)
One-off charge for employee incentive schemes	(0.2)	(6.6)
Acquisition accounting related costs	(16.1)	(24.6)
Goodwill impairment	(3.0)	-
Intangibles write off	(1.4)	-
RCF fees write off	-	(0.6)
Statutory profit before tax	62.5	80.3

# REGIONAL

Operation	Net revenue 2025 £M	Organic growth	Operating Profit £M	Margin 2025	Margin 2024
US	282.5	(3.9)%	75.7	26.8%	31.0%
UK	258.9	(4.1)%	44.5	17.2%	18.0%
APAC	16.0	(6.6)%	1.9	12.0%	9.9%
EMEA	12.3	2.0%	2.6	21.4%	18.9%
HEAD OFFICE	-	-	(17.3)	-	-
<b>Total</b>	<b>569.7</b>	<b>(4.0)%</b>	<b>107.4</b>	<b>18.9%</b>	<b>21.0%</b>

# BALANCE SHEET SUMMARY

£M	31 January 2025	31 January 2024
Intangible assets	270.5	279.3
Non-current assets	77.9	98.5
Current assets	256.6	260.0
Non-current liabilities	(145.4)	(197.0)
Current liabilities	(278.4)	(284.6)
Net assets	181.2	156.2
Share capital	2.5	2.5
Reserves	179.2	153.5
Minorities	(0.5)	0.2
Total equity	181.2	156.2
<b>Net debt</b>	<b>(38.4)</b>	<b>(1.4)</b>

# TRADING ENVIRONMENT

	FY25 % Share of Group Net Revenue	FY24 % Share of Group Net Revenue	Organic Growth
Technology	28%	32%	(12%)
Healthcare	6%	5%	5%
Professional & Financial Services	28%	27%	(1%)
Public Sector	8%	9%	(23%)
Consumer Passions	24%	20%	12%
Industrial & Others	6%	7%	(7%)