ENABLING THE DISRUPTERS

Final Results 2015

28th April, 2015

NEXT15

OVERVIEW

To create a new kind of communications group centred on the technology of marketing

- ✓ Organic growth momentum maintained
- ✓ Record period for business investment
- ✓ Margin progress outside US ahead of plan
- ✓ Prospects for 2016 underpinned by investments & new business momentum

The financial results in this presentation are for the 12 month period to January 2015 following the decision to change the year end of the company. Further financial information for the 18 month period to January 2015 is available online and in Next 15's Report and Accounts 2015.

FINANCIAL SUMMARY

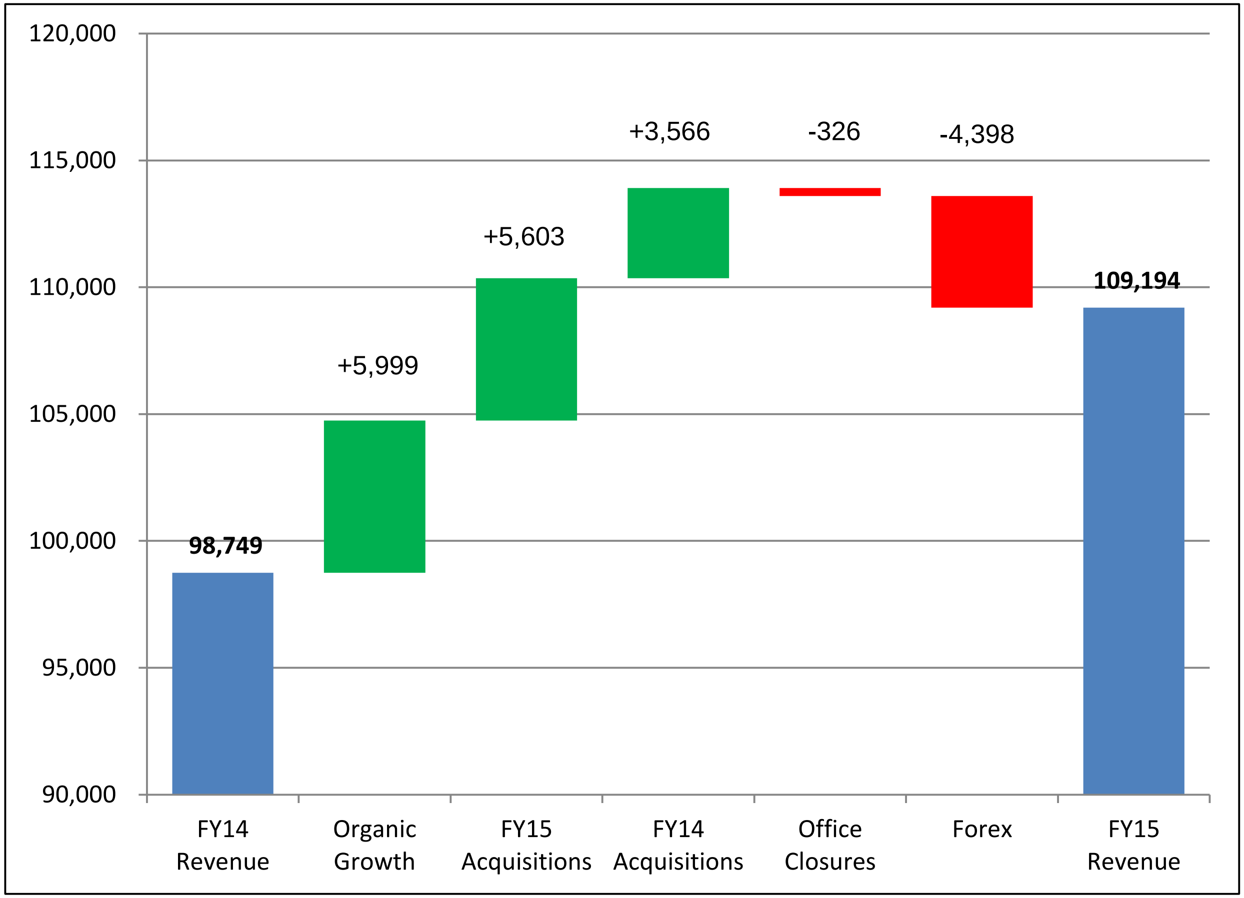
FINANCIAL RESULTS 12M TO JAN 2015

- Revenue up 10.6% to £109.2m
- Organic growth of 6.1% led by US
- EBITDA up 38% to £14.6m
- Op profit* margin up to 11.7% from 8.9% after gains outside US
- Pre tax* profits up 51% to £12.5m
- Diluted EPS* up 79% to 13.2p
- Total dividend of 4.80p, pro forma dividend up 33% to 3.50p (ex special dividend)
- Net debt £8.6m, after £11m of acquisition related payments in the period

**Items adjusted for earnout related accounting charges and exceptional restructuring*

REVENUE BRIDGE 12M TO JAN 2015

REVENUE PROGRESSION (£'000s) : FY Jan 2014 – 2015



- Growth of 11% in the period driven by 6% organic gains
- US business grew by 13% in the period or 11% organic
- £5.6m from 2015's acquisitions, £9.1m from acquisitions in last 2 years
- Reported growth would have been over 15% ex FX movements
- Annual revenues from 2015 acquisitions approximately £13m

ORGANIC GROWTH

GROWTH ON PRIOR FINANCIAL YEAR	6M TO JAN 2013	6M TO JUL 2013	6M TO JAN 2014	6M TO JUL 2014	6M TO JAN 2015
Next 15 group organic revenue growth	2.2%	2.3%	4.2%	6.7%	**5.8%**
US region organic revenue growth	4.9%	13.3%	13.1%	11.1%	**11.4%**

- UK focus on profitable clients in H2 2015 impacted group growth
- US organic growth (60% of group revenues) improved on the prior six month period even after the loss of Blackberry.
- US growth ex Blackberry would have been 12.5% in H2 2015

FINANCIAL REVIEW

INCOME STATEMENT

£M	FY 2014	FY 2015	GROWTH %
Billings	118.3	126.2	
Revenue	**98.7**	**109.2**	**10.6%**
Adj EBITDA	10.6	14.6	37.7%
Adj. operating profit	8.7	12.7	
Operating margin	*8.9%*	*11.7%*	
Adj PBT	**8.3**	**12.5**	**50.6%**
Tax	(2.9)	(3.0)	
Retained profit	5.4	8.9	
Minorities	0.5	0.6	
Diluted EPS	**7.4**	**13.2**	**79.0%**
Pro forma dividend	2.63	3.50	33.0%

- Strong revenue performance led by US
- Strong margin improvements led by UK
- Tax rate of 23.9%, targeting 25% going forward
- Minorities will increase as new agencies continue to grow
- Dividend increase reflects management confidence in future
- Pro forma dividend of 3.50p excludes special dividend of 1.30p paid with the interims

H1/H2 2015 ADJUSTMENTS BREAKDOWN

£M	H1 2015	H2 2015	FY 2015
Adjusted pre tax profits	**5.4**	**7.1**	**12.5**
Business impairments	(7.0)	0.0	(7.0)
Restructuring	(1.1)	(0.7)	(1.8)
US double rent	0.0	(1.0)	(1.0)
Growth share deals	0.0	(1.7)	(1.7)
Contingent consideration	(0.7)	(1.5)	(2.2)
Amortisations	(0.9)	(0.8)	(1.7)
Reported profit before tax	**(4.3)**	**1.4**	**(2.9)**

- Goodwill impairment stems from UK balance sheet review
- £1.8m charges for UK/ EMEA / APAC restructuring
- £1.0m charge reflects San Francisco co location
- New growth share deals include Story, M Booth and Bite NA

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REGIONAL PERFORMANCE

£M	REV FY 2015	GROWTH ACTUAL	GROWTH ORGANIC	2015 OP PROFIT	MARGIN 2015	*Comments on profitability*
US / Canada	64.0	13.2%	11.3%	14.1	22.0%	*Continued strength*
UK	23.8	27.3%	(1.1%)	2.5	10.6%	*Improving*
Asia Pacific	12.5	(8.1)%	(1.3%)	1.0	8.0%	*Improving*
EMEA	9.0	(9.9)%	0.2%	0.8	9.2%	*Improving*
Head office				(5.7)		
Total	**109.2**	**10.6%**	**6.1%**	**12.7**	**11.7%**	

- Continuing double digit revenue growth in US at 20% margin
- Significant margin recovery for non-US operations due to restructuring initiatives
- Restructuring in UK, including a focus on profitable clients, saw margins improve from 4.1% in 2014 to 10.6% in 2015
- FY 2015 group margins improved to 11.7% from 8.9% in 2014

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CASH FLOW STATEMENT

£M	FY 2014	FY 2015
Inflow from op activities	10.5	12.4
Working capital	(1.5)	5.6
Net inflow from operations	**9.0**	**18.0**
Tax	(1.5)	(2.3)
Net capex	(1.4)	(3.9)
Acquisitions	(3.4)	(11.0)
Own shares	(0.1)	(0.1)
Interest	(0.4)	(0.5)
Dividend payments	(1.9)	(3.7)
Exchange loss on cash held	(0.5)	0.3
Increase in net debt	**0.2**	**3.2**
Net debt closing	5.4	8.6

- Net cash inflow from operations doubled due to improvements in working capital
- Capex reflects new Bermondsey St office and San Francisco co location
- Acquisition spend (includes new businesses and contracted earnouts) of £11.0m is an record for us in the wake of the global recession
- Acquisition spend is 61% of net cash inflow from operations (was 38%)
- Net debt of £8.6m before £4.3m placing net of expenses

BALANCE SHEET

£M	FY 2014	FY 2015
Intangible assets	42.5	44.9
Non-current assets	7.3	12.6
Current assets	36.5	41.3
Non-current liabilities	(8.0)	(29.1)
Current liabilities	(38.4)	(32.5)
Net assets	**39.9**	**37.2**
Share capital	1.5	1.5
Reserves	35.6	36.5
Minorities	2.8	(0.8)
Total equity	**39.9**	**37.2**
Net debt	5.4	8.6

- Intangibles saw £7.0m decrease on goodwill write down before £9.4m of additions
- New bank deal moves debt in to non current liabilities

- Includes present value of estimated future earn out commitments (equity and cash) of £13.1m compared with undiscounted total of £19.2m (£2.2m shares and £17.0m cash)
- These commitments become payable over the next 5 years

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CONTINGENT CONSIDERATION UPDATED

PROSPECTIVE CASH COMMITMENTS

£M CASH COMMITMENTS	12M TO JAN 2015
FY 2016	7.8
FY 2017	1.0
FY 2018 and later	8.2
Total	17.0

- These figures show undiscounted estimates
- Since Jan 2015 we have paid out £6.1m, largely in early earnout settlements for 2 brands
- £1.7m of further earnout payments due in Oct 2015
- We have also invested £0.8m in recent acquisitions Animl and Encore

DIVIDENDS

- Improvement in operating profits and sustainable tax rates has allowed us to exceed our original dividend guidance
- Dividend of 4.80p includes 1.30p special dividend paid at the half year
- Proforma dividend growth of 33% to 3.50p reflects new sustainable earnings base and management confidence
- As guides for the balance of future payments, the proforma dividend is comprised of 1.0p interim payment (ex special dividend) plus 2.5p final.

FULL YEAR DIVIDEND	P PER SHARE
FY 2014	2.63
FY 2014 (JUL)	3.00
Pro forma 2015 (ex special dividend)	3.50
FY 2015 total dividends paid	4.80

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BUSINESS UPDATE

CLIENTS – ANALYSIS IN 2015

10%
Increase in average client yield 2015/14

28
No. of clients generating over $1m in fees in 2015 (was 25 in Jul 2014)

62%
Share of group revenues from clients generating over $1m in fees in 2015

3.3
Avg no. NFC brands a top 10 client 2015 works with (internet names 4.7)

0.6%
Reduction in client numbers across the group

8
Top 10 clients in 2014 in top clients 2015

63%
Growth from internet companies in top 10 clients (eg Google, Amazon)

70%+
Revenues from tech/ internet clients

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OUR BRANDS – LESS IS NOT MORE

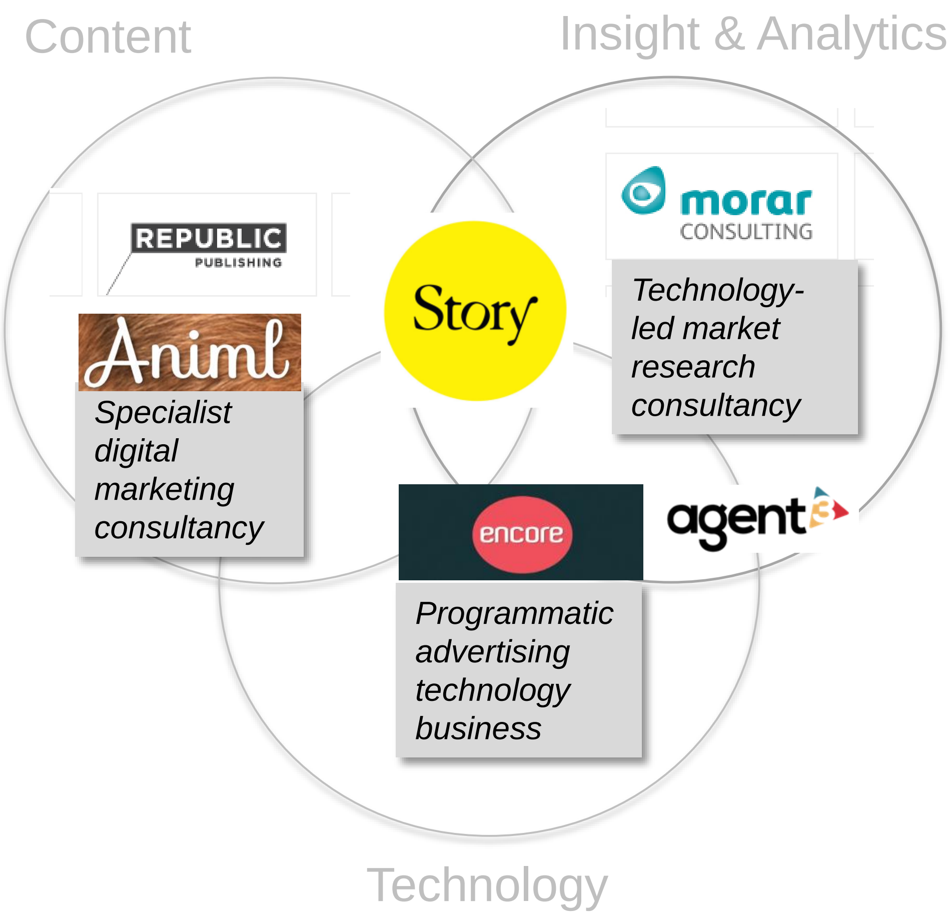
- 16 brands and 1,248 staff
- Need to balance pull for organisation simplicity with what our clients and staff actually want
- The urge to remove brand complexity in this industry transition can undermine creativity, staff culture, incentives
- There is a persuasive role for specialists as new market opportunities emerge
- Meanwhile integrated brands own important client relationships

✓ Simplicity in collaboration in the group is more important than brand simplicity in the portfolio

CULTURE – INVESTING IN OUR PEOPLE

- Our transition to digital has been informed and accelerated by our staff
- Cultivating an entrepreneurial culture enables us to retain talent within the group and recruit staff as we consider new areas
- We have a successful track record of investing in staff to create new brands (incubation) thereby creating as opposed to buying goodwill
- Elsewhere, we encourage brand principals to act like business owners and reward them as such
- New Next 15 senior staff incentive scheme being rolled out to individual brands over time
- Allows senior staff to participate in the increase in value they create in their brands, pay out is either cash or Next 15 share after 3 years
- Experience thus far (OutCast and M Booth) is that arrangements are self-funding and positive for innovation and staff loyalty

TECHNOLOGY PLAYS BIGGER ROLE



- Our acquisition strategy is informed by the new role of technology in media
- We focus on 3 areas (Content, Insight & Analytics and Technology) with a preference for –
  - ✓ Markets that benefit from disruptive digital products
  - ✓ Businesses that benefit from exposure to our client base
- Recent activity includes Morar, Encore and Animl
- Story Worldwide and Republic were acquired in calendar 2014
- Agent 3 was first incubated in 2012

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OUTLOOK

CONCLUSION

SUMMARY OF THE RESULTS

- ✓ Organic growth momentum maintained
- ✓ Record period for business investment
- ✓ Margin progress outside US ahead of plan

OUTLOOK

- US growth momentum continues
- Non US margins to see gradual improvement helped by investment in UK
- Strong new client pipeline across the group (Twitter, Time Warner, Vimeo)
- Integration and co location initiatives to begin to yield cost efficiencies in US
- Selective further M&A opportunities
- Cautious view on FX/ $ exposure
- Current trading is encouraging

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APPENDIX

NEXT 15 – A DIGITAL COMMUNICATIONS GROUP

£109 MILLION REVENUES	**1,248** AVERAGE STAFF WORLDWIDE	**18** COUNTRIES	**16** BRANDS (April 2015)
60% REVENUES FROM US	**70⁺%** OF REVENUES FROM TECH CLIENTS	**LONDON** HEAD OFFICE **SAN FRANCISCO** OPERATIONAL CENTRE	**8.5%** CAGR REVS 2011-15

Full year to Jan 2015 unless shown

MANAGEMENT TEAM

Richard Eyre CBE
(Chairman)

Richard joined in 2011, he is also Chairman of the Internet Advertising Bureau. Prior to this he was Chairman of *inter alia* RDF Media, GCap and I Play. He was also a director of the Guardian Media Group, Chairman of the Eden Project, CEO of the ITV Network and CEO of Capital Radio.

Tim Dyson
(CEO)

Tim joined the group in 1984 and became the global CEO in 1992. An early advocate of digital communications, he set up the group's first US business in Seattle in 1995. Tim has been instrumental in all of Next 15's M&A activities. He is on the board of a number of emerging tech companies.

Peter Harris
(CFO)

Peter was appointed CFO in 2013. He is also a NED at Communisis. Prior to this, Peter was Interim CFO at Centaur Media and Bell Pottinger. He was CFO at the Engine Group and 19 Entertainment as well as Group Finance Director at Capital Radio.

KEY CLIENTS

Mercedes-Benz

Google

facebook

amazon.com

IBM

Unilever

xerox

intuit

Coca-Cola

lenovo

vodafone

NOKIA

cisco

AMERICAN EXPRESS

Data as at full year to Jan 2015

OUR BRANDS

463 COMMUNICATIONS
agent3
beyond
bite
TheBlueshirtGroup
cm connections media llc
LEXIS
M BOOTH
morar CONSULTING
Redshift
REPUBLIC PUBLISHING
Story
TEXT100
The OutCast Agency
bDA
encore

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CO LOCATION PROJECT

We have moved

- New building - 100 Montgomery Street SF
- 6 brands involved and 260 staff members
- NFC opted for larger space than planned after updated expansion plans from key brands
- New premises has space for over 30% more staff across the 6 brands
- Theoretical contribution from extra capacity exceeds increase in rent
- Fit out costs of $3.2m
- Likely to be cost savings from shared services and collaboration benefits
- Looking at similar project in NY

CONTINUED MARGIN GAINS

OP PROFIT MARGIN IN 6M PERIOD	6M TO JAN 2013	6M TO JUL 2013	6M TO JAN 2014	6M TO JUL 2014	6M TO JAN 2015
Next 15 group	10.1%	7.1%	10.6%	10.6%	**12.6%**
Next 15 group ex head office costs	14.6%	12.5%	15.6%	15.8%	**17.8%**
Non US margins ex Head office costs	7.8%	(2.5)%	3.6%	7.0%	**12.4%**

- Operating efficiency has been a target of new FD
- Margins have improved steadily since Jul 2013
- Focused restructuring has delivered immediate results

INVESTMENT UPDATED

£M	FY 2014	FY 2015	FY 2016 known/ paid
Existing brands	3.4	5.7	3.9
Story WW		4.0	
Morar		0.9	0.7
Republic		0.4	3.0
Animl			0.1
Encore			0.7
Total	3.4	11.0	8.6

- Figures are net of cash acquired.
- Investment in existing brands includes contracted earnout payments for brands that were acquired prior to FY 2015
- Animl and Encore, small bolt on acquisitions for the UK business

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NEW BUSINESS UPDATE

	Wins in 6m to jan 2015	Wins in 6m to July 2014	Losses
US	Aperol, Bystander, Barracuda Networks,Channel Advisor, Clarabridge, Coinbase, DARPA, Dropbox, Factual, Fusion-IO, Jins, Kelley Blue Book, Kellogg Foundation, Fusion-IO, Lifelock, Lionbridge, Lutron, Macallan, Minted, Patron, Pegasystems, Persado, PhRMA, Skybox, Talko, Tabman, Telemundo, Time Warner Cable Tradesy, Twitter, Vimeo, Vizio, Wink	Airbnb, Amazon Web Services, Assembled Brands, Coupons.com, Godiva, GOED, GoPro, Here, Jive, Lyft, Mercedes Benz, Project E, Rent the Runway, Technicolor SA, Vantage, We-Vibe	Anki, Apple, Avaya, Blackberry, Bystander, Citibank, Dolby, EMC, Foursquare, Getty, Indeed, Krug, Lithium, Open Table, Schwan's, Shapeways, Skybox, SFNY, StumbleUpon, Taubman
UK	Akamai, Boohoo, Criteo, Copa Coca Cola, Debenhams, Delta, Dropbox, Ecover, In'brand Sampson, Lebara, Morrisons, Royal Caribbean, Sainsburys, Scorpio, Tefal, Weather Network, Whitbread, Workplace	Avanade, BT, CSC, Palo Alto Networks, Tata, Virtus Holdco	Apple, Barclays Premiere League, Carlsberg
APAC	Audible, DBS Bank, F5 Network Four Seasons, Fusion-IO, Trend Micro, Qatar Airlines	Dropbox	
EMEA	Dropbox, Lebara, Zoosk	Eniro, Outbrain, Palo Alto Networks, Parallels, Pure Storage, Virtus Holdco, Vodacom	Razor

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5 YEAR HISTORY

Years ended January £'000s	2011	2012	2013	2014	2015
Revenue	78,936	90,553	92,890	98,749	**109,194**
EBITDA [1]	9,447	11,557	11,806	10,556	**14,609**
Pre tax profit [1]	8,027	8,950	5,066	8,271	**12,535**
EPS (p) [1 2]	8.76	9.48	9.81	7.39	**13.23**
Dividends (p) [3]	1.89	2.10	2.36	2.63	**3.50**
Net (debt)/ cash [4]	(2,691)	(4,430)	(5,200)	(5,367)	**(8,566)**

Notes - (1) Items adjusted for earnout related accounting charges and exceptional restructuring, (2) Fully diluted, (3) Excludes 1.30p special dividend in 2015, (4) Excludes contingent consideration and share purchase obligations.

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