INTERIM RESULTS FY16 : 13.10.2015

RESULTS

- REVENUE UP 18.4% TO £61.8M
- ORGANIC GROWTH OF 4.1% LED BY STRONG CLIENT ACTIVITY IN US
- EBITDA UP 33% TO £8.5M
- OP PROFIT* MARGIN UP TO 11.7% FROM 10.5%
- PRE TAX* PROFITS UP 33% TO £7.2M
- DILUTED EPS* UP 43% TO 7.3P
- PRO FORMA INTERIM DIVIDEND OF 1.20P, UP 20%
- NET DEBT £8.9M, AFTER £8.1M OF ACQUISITION RELATED PAYMENTS IN THE PERIOD

**Items adjusted for include acquisition related charges, one-off share based payment charges and other non-recurring items*

PROGRESS

- US CONTINUES TO DELIVER EXCEPTIONAL GROWTH
- RECENT ADDITIONS IN UK PROGRESSING WELL - ENCORE AND MORAR
- CONSOLIDATING INSIGHT BUSINESSES UNDER MORAR
- STORY AND EMEA UNDERGOING TRANSITIONAL YEARS
- APAC PROGRESS AHEAD OF SCHEDULE
- UK DELIVERING ON IMPROVED MARGIN EXPECTATIONS

NEXT15

STRATEGIES

- CONTINUE TO SIMPLIFY INTERNATIONAL OPERATIONS
- SIMPLIFICATION OF INFRASTRUCTURE IN US AND UK
- INVEST IN US EXPANSION FOR AGENT3 AND MORAR
- CONTINUE TO IDENTIFY BOLT-ON ACQUISITIONS WHICH WILL FUEL LONG TERM GROWTH
- ACQUISITION FOCUS REMAINS INSIGHT, CONTENT, TECHNOLOGY
- LOOK FOR STRATEGIC TECH INVESTMENT OPPORTUNITIES

TODAY

INSIGHT:

MORAR

CONTENT:

BITE

BLUESHIRT GROUP

LEXIS

M BOOTH

OUTCAST

STORY

TEXT 100/RP

VRGE

TECHNOLOGY:

AGENT3

BEYOND

BDA

CONNECTIONS MEDIA

ENCORE

Next 15 group brands arranged by core focus

FINANCIAL REVIEW

INCOME STATEMENT

£M	H1 2015	H1 2016	GROWTH %
Revenue	**52.2**	**61.8**	**18.4%**
Adj EBITDA	6.4	8.5	32.8%
Adj. operating profit	5.5	7.2	
Operating margin	*10.5%*	*11.7%*	
Adj PBT	**5.4**	**7.2**	**33.3%**
Tax	(1.7)	(1.6)	
Minorities	(0.3)	(0.4)	
Retained Profit	3.4	5.2	
Diluted EPS	**5.1**	**7.3**	**43.1%**
Pro forma dividend	1.00	1.20	20.0%

H1 2016 ADJUSTMENTS BREAKDOWN

£M	H1 2015	H1 2016
Adjusted pre tax profits	**5.4**	**7.2**
Business impairments	(7.0)	0.0
Restructuring	(1.1)	0.0
Deal costs	0.0	(0.2)
Share based payments	(0.0)	(1.1)
Unwinding of discount and change in estimate of earnout liabilities	(0.7)	(0.5)
Amortisation of acquired intangibles	(0.8)	(1.2)
Reported profit before tax	**(4.2)**	**4.2**

REGIONAL PERFORMANCE

£M	REV H1 2016	GROWTH ORGANIC	H1 2016 OP PROFIT	MARGIN H1 2015	MARGIN H1 2016
US	39.9	10.3%	8.3	23.0%	20.9%
UK	12.8	(0.9)%	1.5	6.2%	11.5%
Asia Pacific	5.9	(8.4)%	0.7	6.0%	13.2%
EMEA	3.2	(9.0)%	(0.1)	10.2%	(3.5)%
Head office			(3.2)		
Total	**61.8**	**4.1%**	**7.2**	**10.6%**	**11.7%**

- Continuing double-digit organic revenue growth and 20% plus margin in US
- UK and Asia Pac both saw profitability double
- EMEA simplification continuing

CASH FLOW STATEMENT

£M	H1 2015	H1 2016
Inflow from op activities	5.6	8.6
Working capital	5.6	0.1
Net inflow from operations	**11.2**	**8.7**
Tax	(1.3)	(1.3)
Net capex	(1.9)	(3.0)
Acquisitions	(1.5)	(8.1)
Own shares	-	4.3
Interest	(0.4)	(0.4)
Dividend payments	(1.9)	(0.3)
Exchange loss on cash held	(0.2)	(0.3)
Decrease / (Increase) in net debt	**4.0**	**(0.4)**
Net debt closing	1.4	8.9

CASH COMMITMENTS

	£M
H2 FY16	2.8
FY 2017	1.7
FY 2018	1.3
FY 2019	3.0
FY 2020	1.9
FY 2021	3.1
Total	**13.8**

At 31 July 2015 the balance sheet held a present value of estimated future earn out commitments (equity and cash) of £11.1m.

This compares with an undiscounted balance of £15.7m (£1.9m shares and £13.8m cash).

CONCLUSION

SUMMARY OF THE RESULTS

- US continues to deliver exceptional growth
- Recent additions in UK progressing well – Encore and Morar
- Story and EMEA undergoing transitional years
- APAC ahead of schedule
- UK delivering on improved margin expectations

OUTLOOK

- Looking at another record year in line with market expectations despite increased investment
- Potential for US dollar and Euro impact
- Selective acquisition and investment projects
- Tax charge remaining low for foreseeable future
- Dividend progress to be maintained

APPENDIX

NEXT 15 – A DIGITAL COMMUNICATIONS GROUP

£109 MILLION REVENUES (FY 2015)	1,255 AVERAGE STAFF WORLDWIDE	15 COUNTRIES	14 BRANDS
85% REVENUES FROM US & UK	70^{+}% OF REVENUES FROM TECH CLIENTS	LONDON HEAD OFFICE SAN FRANCISCO OPERATIONAL CENTRE	8.5% CAGR REVS 2011-15 (FY 2015)

Half year to Jul 2015 unless shown

NEXT15

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.

NEXT15

KEY CLIENTS

- 28 clients generating over $1m in annualised fees in 6 months to July 2015
- 38% of group revenues from these 28 clients

Data as at to Jul 2015

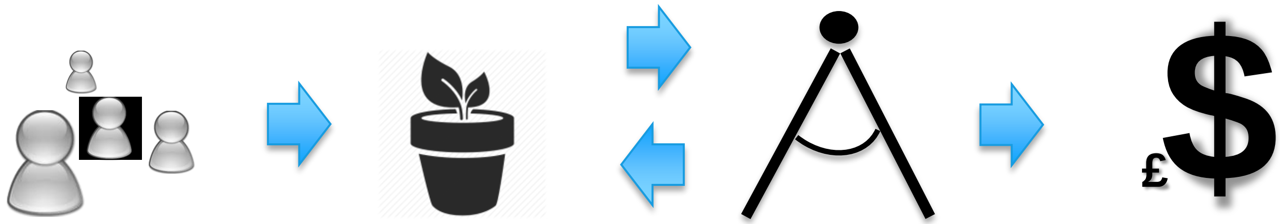
NEXT 15

INVESTMENT RETURNS

£M	FY 2015	12M to JUL 2015
Opening total assets	88.4	95.4
Closing total assets	107.8	116.7
Avg total assets	**98.1**	**106.1**
12M EBITA incl assoc	13.0	14.7
Tax at group rate	-3.0	-2.9
12M minorities	-0.7	-0.7
Taxed EBITA	**9.3**	**11.1**
ROCE post tax	**9.5%**	**10.5%**
ROCE pre tax	*12.5%*	*13.2%*

- Annualised return on capital employed is adjusted operating profit after tax and minorities over the last 12m period as a percentage of the average opening and closing total assets
- Total assets include the present value of estimated future earn outs and are adjusted for goodwill write downs and investment associates. EBITA struck after associate contributions
- Returns across the group improved to 10.5% in the 12m period to Jul 2015 on an adjusted post tax ROCE basis

NEXT 15 NEW BRAND INCUBATION CYCLE



MARKET INSIGHT	INVESTMENT	RIGHT SIZING	US/ UK LAUNCH	
Our new and existing brands provide continuous insight into direction of digital markets and client trends Attracts growth-oriented businesses and management teams to the group	Invest in skills and resources either externally or internally to improve growth prospects	Test whether incubated brand has critical mass or capacity to drive growth elsewhere – option to combine with or within existing brand	Launch the incubated brand into new US/ UK market using existing group resource and expertise. Judicious exposure to group brands can yield useful founder clients	*Action/ resource*
Encore	Beyond, Agent3, Story Worldwide	Morar/ Redshift	Beyond, bDA	*Group examples*

Our unique presence in both US/UK gives us a preferred platform to attract, build and promote new growth brands with attractive returns

NEXT15

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	6M TO JUL 2015
Next 15 group organic revenue growth	2.2%	2.3%	4.2%	6.7%	5.8%	4.1%
US region organic revenue growth	4.9%	13.3%	13.1%	11.1%	11.4%	10.3%

- Group/ US organic growth excluding the loss of BlackBerry 7.2%/ 13.6%
- Reduced BlackBerry effect from H2 2016

NEXT15