

NEXT15

INTERIM RESULTS – October 1st, 2019

FINANCIAL SUMMARY

- Net revenue up **11%** to £118.7m (2018: £106.8m)
- Adjusted* operating profit up **14%** to £17.5m (2018: £15.4m)
- Adjusted operating profit margin up to **14.7%** from 14.4%
- Adjusted pre tax profits up **14%** to £17.2m (2018: £15.1m)
- Diluted earnings per share increased by **7%** to 15.2p (2018: 14.2p)
- Interim dividend up **15.7%** to 2.5p (2018: 2.16p)
- Organic** revenue decline of **1.3%** (Excluding Archetype and Beyond organic revenue growth of **11.6%**)
- Net debt of **£3.6m** (2018: £25.6m)

* Excludes the impact of acquisition related costs including share based payment charges, amortisation and certain other non-recurring items

** Excludes the impact of currency changes, acquisitions and disposals

CORPORATE PROGRESS

- Data and analytics net revenues grew organically by 21.4% to £20.9m with a margin up to 27.5% thanks to operational improvements
- UK net revenues grew organically by 4.6% to £48m with a continued strong margin of 19.4%
- Savanta relaunched as a single brand in February
- Key client wins include M&S, O2 and Purplebricks
- The acquisition of Health Unlimited reinforces our confidence in meeting our expectations in the current year
- Management confident of return to high single digit organic growth in next fiscal year

ARCHETYPE AND BEYOND PROGRESS

Excluding Archetype and Beyond, Group organic revenue growth of **11.6%**

BEYOND

- Loss of significant isolated clients, Samsung and Just Eat
- Adjusted cost base and refocus on winning new clients
- Recent wins include SNAP, RCA and Purplebricks

ARCHETYPE

- Ongoing costs relating to structural changes in the business model and subsequent relaunch of Archetype
- APAC and EMEA performance has been good following rebrand
- UK and US have undergone greatest change. Expect progress in H2 in US and H1 of FY21 in UK

RECENT ACQUISITIONS

Overall revenue growth of the new acquisitions is 25%

ACTIVATE

- A US based B2B demand generation specialist focused on technology clients acquired in November 2018
- Revenue growth of 38% in the first half year

PLANNING-INC

- A UK based predictive analytics and data marketing business acquired in January 2019
- Revenue growth of 10% in the first half year












PALLADIUM

- A UK based advisory business focused on digital due diligence and marketing acquired in April 2019
- First significant venture into consultancy
- More than doubled revenues since acquisition

HEALTH UNLIMITED ACQUISITION

- Announced today the acquisition of Health Unlimited LLC
- New York based global health consultancy and communications agency
- Will trade as M Booth Health following acquisition to broaden customer range into healthcare
- Clients include Gilead Sciences Inc., Global Blood Therapeutics and Foundation for the National Institutes of Health
- Net revenues of \$17.4 million and adjusted profit before tax of \$5.2 million
- Initial consideration of \$27.7m with further consideration payment based on future performance

OUR AGENCIES

<p>← Archetype</p> <p>← M BOOTH</p> <p> publitek marketing communications</p> <p> The Blueshirt Group</p> <p>← The OutCast Agency</p>	<p> activate</p> <p> encore</p> <p> planning inc</p> <p> Savanta</p>	<p> agent</p> <p>beyond</p> <p> Brandwidth</p> <p>ELVIS</p> <p>ODD</p> <p> twogether</p> <p> velocity</p> <p> PALLADIUM</p>
<p>Brand Marketing</p>	<p>Data and Analytics</p>	<p>Creative Technology</p>
<p>Net revenue: £63.9m Organic growth: (4.9)% Operating profit: £13.1m</p>	<p>Net revenue: £20.9m Organic growth: 21.4% Operating profit: £5.7m</p>	<p>Net revenue: £34.0m Organic growth: (1.1)% Operating profit: £3.3m</p>
<p>Excluding Archetype Organic growth: 4.8%</p>		<p>Excluding Beyond Organic growth: 18.8%</p>

OUR BUSINESS

Brand Strategy
Content Marketing
Public Relations
Financial Comms
Corporate Comms

Market Research
Brand Tracking
Data Science
Campaign Analysis
Behavioral Analytics

App Development
Software Platforms
Community Management
Digital Strategy

Brand Marketing

facebook

Google

amazon.com



Data and Analytics



Creative Technology

Google

TESCO

facebook



OUR FIVE YEAR AMBITIONS

- In the last five years we have grown the net revenues from £109.2m to £224.1m. We anticipate similar growth over the next five years
- Make all our companies best in class
- Create new \$100m innovation business

Innovation

Brand Marketing

Data and Analytics

Creative Technology

FINANCIALS

INCOME STATEMENT – ADJ. RESULTS

£M	H1 2020	H1 2019	GROWTH %
Net revenue	118.7	106.8	11%
Operating profit	17.5	15.4	14%
Operating margin	14.7%	14.4%	
PBT	17.2	15.1	14%
Tax	(3.4)	(3.0)	
Minorities	(0.3)	(0.3)	
Retained profit	13.5	11.8	14%
Diluted EPS (p)	15.2	14.2	7%
Dividend	2.5	2.16	16%

ADJUSTMENTS BREAKDOWN

£M	H1 2020	H1 2019
Adjusted pre tax profits	17.2	15.1
Restructuring	(2.1)	(0.2)
Deal costs	(0.3)	(0.3)
Share based payments	-	(0.4)
Employment related acquisition payments	(2.8)	(0.2)
Unwinding of discount and change in estimate of earnout liabilities	(3.7)	0.1
Amortisation of acquired intangibles	(5.4)	(3.8)
Reported profit before tax	2.9	10.3

OPERATIONAL BREAKDOWN

Operation	Net revenue H1 2020 £M	Organic growth/ (decline)	Operating Profit £M	Margin H1 2020	Margin H1 2019	Comments
BRAND MARKETING	63.9	(4.9)%	13.1	20.5%	19.6%	Excluding Archetype organic growth is 4.8%
DATA AND ANALYTICS	20.9	21.4%	5.7	27.5%	27.5%	
CREATIVE TECHNOLOGY	33.9	(1.1)%	3.3	9.6%	14.5%	Excluding Beyond organic growth is 18.8%
HEAD OFFICE	-	-	(4.6)	-	-	
Total	118.7	(1.3)%	17.5	14.7%	14.4%	

CASH FLOW STATEMENT

£M	H1 2020	H1 2019
Inflow from op activities	20.7	17.9
Working capital	1.6	(7.0)
Net inflow from operations	22.3	10.9
Tax	(3.0)	(3.1)
Net capex	(2.7)	(4.6)
Acquisitions	(4.2)	(15.5)
Net interest and dividends paid	(5.6)	(1.3)
Repayment of lease liabilities	(5.3)	-
Exchange gain on net debt	0.1	(0.4)
Decrease / (Increase) in net debt	1.6	(14.0)
Net debt closing	3.6	25.6

CASH COMMITMENTS

31 July 2019
£M

FY 2020	3.0
FY 2021	11.2
FY 2022	5.5
FY 2023	5.6
FY 2024	4.3
FY 2025	4.3
Total	33.9

OUTLOOK

- The Group continues to focus on building its data, analytics and technology capabilities and ensuring these are embedded throughout the Group
- Current trading of data and analytics segment is encouraging and following the acquisition of Health Unlimited, the Group remains confident of meeting expectations for full year

CONCLUSION

Summary of the results:

- Net revenue up **11%** to £118.7m
- Adjusted operating profit up **14%** at £17.5m
- Adjusted pre tax profits up **14%** to £17.2m
- Dividend up **16%** to 2.5p
- Adjusted EPS increase of **7%** to 15.2p

APPENDICES

MANAGEMENT TEAM



Richard Eyre CBE
(Chairman)

Richard was appointed in 2011 and has 43 years' experience across the media and marketing industries, including time as CEO of ITV Network LTD and CEO of Capital Radio plc. He was a board member at the Guardian Media Group plc, Grant Thornton LLP and Results International LLP. He is Chairman of the UK Internet Advertising Bureau and the Media Trust.

In 2013, he was awarded the Mackintosh Medal for outstanding personal and public service to advertising and in 2014 was awarded a CBE for services to advertising and the media.



Tim Dyson
(CEO)

Tim joined the Group in 1984 and became CEO in 1992. As an early pioneer of tech PR, he worked on major corporate and product campaigns with such companies as Cisco, Microsoft, IBM, Sun and Intel. Tim moved from London to set up the Group's first US business and is now based in Palo Alto.

Tim has served on advisory boards of a number of emerging technology companies. Tim was named an Emerging Power Player by PR Week US and was also recognised on the Holmes Report's In2's Innovator 25, which recognises individuals who have contributed ideas that set the bar for the industry.



Peter Harris
(CFO)

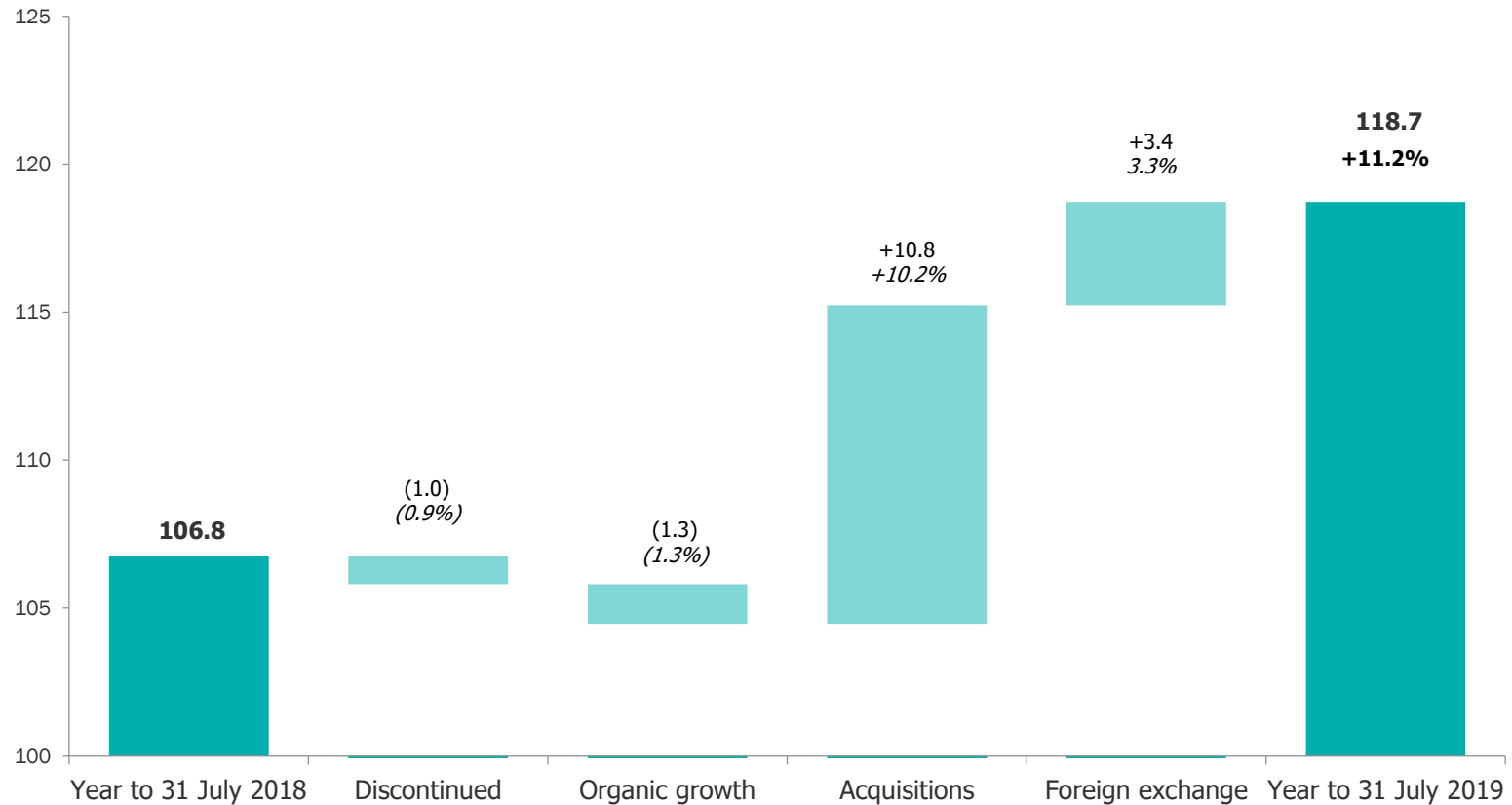
Peter joined the Group as its CFO in 2013. Peter's financial experience spans 30 years and he has extensive media experience.

From July 2013 until December 2018, he was a Non-Executive Director of Communis plc and Chairman of its Audit Committee. He was previously the Interim FD at Centaur Media plc, Interim CFO of Bell Pottinger LLP, CFO of the Engine Group, and CFO of 19 Entertainment. Prior to that, he was Group FD of Capital Radio plc.

TOP 20 CUSTOMERS



H1 2020 REVENUE BRIDGE



CLIENT ANALYSIS H1 FY20

£60,000

REVENUE PER EMPLOYEE

58

CLIENTS GENERATING OVER
\$0.5M IN NET REVENUES H1 2020

31%

SHARE OF GROUP NET
REVENUES FROM TOP 20
CLIENTS

20%

INCREASE IN
CLIENT NUMBERS
(INCL ACQ)

12

TOP 20 CLIENTS IN H1 2020
IN TOP 20 CLIENTS H1 2019

90%

NET REVENUES
GENERATED IN US
AND UK

REGIONAL BREAKDOWN

Regions	Net revenue H1 2020 £M	Organic growth/ (decline)	Operating Profit £M	Margin H1 2020	Margin H1 2019	Comments
US	59.4	(6.0%)	11.2	18.8%	16.9%	Excluding Archetype and Beyond organic growth is 11%
UK	48.0	4.6%	9.3	19.4%	23.7%	Excluding Archetype and Beyond organic growth is 12%
APAC	7.0	2.1%	0.8	11.8%	7.6%	
EMEA	4.3	(0.6%)	0.8	17.2%	14.9%	
HEAD OFFICE	-	-	(4.6)	-	-	
Total	118.7	(1.3%)	17.5	14.7%	14.4%	

BALANCE SHEET SUMMARY

£M	31 July 2019	31 July 2018
Intangible assets	132.3	102.2
Non-current assets	72.1	28.0
Current assets	99.1	87.3
Non-current liabilities	(92.6)	(62.7)
Current liabilities	(100.0)	(69.3)
Net assets	110.9	85.5
Share capital	2.1	2.0
Reserves	109.5	85.1
Minorities	(0.7)	(1.6)
Total equity	110.9	85.5
Net debt	3.6	25.6