

NEXT15

FINAL RESULTS – APRIL 23RD, 2020

FINANCIAL SUMMARY

- Net revenue up **11%** to £248.5m (2019: £224.1m)
- Adjusted* operating profit up **11%** to £40.9m (2019: £37.0m)
- Adjusted operating profit margin remains stable at **16.4%** from 16.5%
- Adjusted pre tax profits up **12%** to £40.2m (2019: £36.0m)
- Diluted earnings per share increased by **5%** to 34.8p (2019: 33.1p)
- Organic** revenue decline of **2.0%** (Excluding Archetype and Beyond organic revenue growth of **10.5%**)
- Net debt of **£9.3m** with total working capital and acquisition facilities of **£53m**
- Net debt to EBITDA of 0.2x vs covenant of 1.75x













*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 19.3% to £45.1m with a margin of 28.2%
- Savanta relaunched as a single brand in February
- Key client wins include DuPont, Google Cloud, O2
- Investments include the acquisitions of M Booth Health, Nectar and Palladium
- Beyond returned to profitability for Q1 FY21
- Archetype has made good progress since our last update with an improved quality of customer and a steady modernization of its product offering

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> Agent3</p> <p>beyond</p> <p> Brandwidth</p> <p>ELVIS</p> <p> twogether</p> <p> ODD</p> <p> velocity</p> <p> PALLADIUM</p>
<p>Brand Marketing</p>	<p>Data and Analytics</p>	<p>Creative Technology</p>
<p>Net revenue: £135.0m Organic growth: (5.7)% Operating profit: £29.9m</p>	<p>Net revenue: £45.1m Organic growth: 19.3% Operating profit: £12.7m</p>	<p>Net revenue: £68.4m Organic growth: (2.1)% Operating profit: £7.8m</p>
<p>Excluding Archetype Organic growth: 2.8%</p>		<p>Excluding Beyond Organic growth: 20.3%</p>

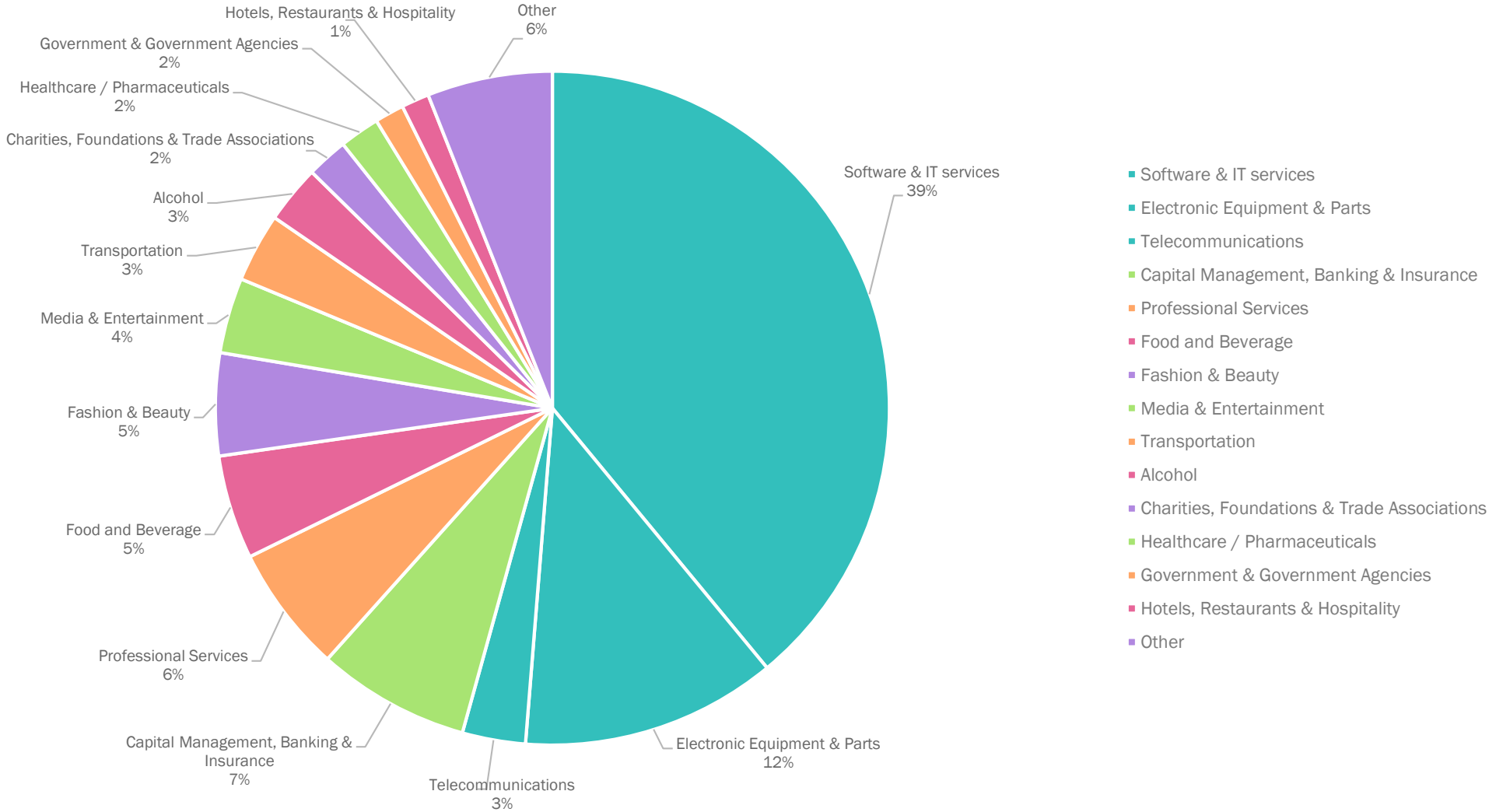
COVID-19 IMPACT & CURRENT OUTLOOK

- All employees transitioned to working from home by mid March in UK and US.
- Large percentage of our revenues derived from business to business technology customers and only a small percentage from more business to consumer clients in the travel, hospitality and leisure sectors
- Anticipate our business will be impacted as the wider economic impact of Covid-19 increases, though trading in Q1 has seen limited impact
- Drawn up contingency plans for all aspects of the business and taken a series of steps to reduce capital expenditure and short-term discretionary spending

COVID-19 IMPACT & CURRENT OUTLOOK

- Group has decided to suspend the final dividend, although it fully intends to resume dividend payments once the macro environment improves.
- Group has accessed, where appropriate, government programmes to help businesses deal with Covid-19
- Group currently expects 2/3rds of portfolio will see negative impact from Covid-19, with revenues impacted by 5-25% depending on sector and specialism
- Group currently sees rest of portfolio largely unaffected due to nature of product offering and customer base
- Impact on profitability will be driven by gross margins of businesses impacted. Should recover in line with revenues

REVENUE BY SECTOR



POST COVID

- Group is planning for the 'Post Covid' era
- Our balance sheet strength provides opportunities for appropriate acquisition opportunities
- Looking to offshore certain aspects of software development
- Accelerating design and upgrades to our product portfolio
- Rethinking operational model including HR and Finance. Also real estate usage post 'working from home' undergoing complete rethink

FINANCIALS

INCOME STATEMENT – ADJ. RESULTS

£M	2020	2019	GROWTH %
Net revenue	248.5	224.1	11%
Operating profit	40.9	37.0	11%
Operating margin	16.4%	16.5%	
PBT	40.2	36.0	12%
Tax	(8.0)	(7.2)	
Minorities	(0.6)	(0.6)	
Retained profit	31.6	28.2	12%
Diluted EPS (p)	34.8	33.1	5%

ADJUSTMENTS BREAKDOWN

£M	2020	2019
Adjusted pre tax profits	40.2	36.0
Restructuring	(4.6)	(4.4)
Office moves	-	(0.2)
Deal costs	(0.9)	(0.6)
Share based payments	(0.4)	(1.3)
Employment linked acquisition payments	(5.0)	(0.8)
Unwinding of discount and change in estimate of earnout liabilities	(11.6)	(0.9)
Amortisation of acquired intangibles	(12.1)	(9.0)
Reported profit before tax	5.6	18.8

OPERATIONAL BREAKDOWN

Operation	Net revenue 2020 £M	Organic growth/ (decline)	Operating Profit £M	Margin 2020	Margin 2019	Comments
BRAND MARKETING	135.0	(5.7)%	29.9	22.2%	22.2%	Excluding Archetype organic growth is 2.8%
DATA AND ANALYTICS	45.1	19.3%	12.7	28.2%	30.9%	
CREATIVE TECHNOLOGY	68.4	(2.1)%	7.8	11.4%	14.0%	Excluding Beyond organic growth is 20.3%
HEAD OFFICE	-	-	(9.5)	-	-	
Total	248.5	(2.0)%	40.9	16.4%	16.5%	

CASH FLOW STATEMENT

£M	2020	2019
Inflow from op activities	47.8	37.2
Working capital	1.7	1.2
Net inflow from operations	49.5	38.4
Tax	(6.0)	(6.2)
Net capex	(5.3)	(8.0)
Acquisitions	(23.7)	(29.6)
Net interest and dividends paid	(7.8)	(7.5)
Repayment of lease liabilities	(11.4)	-
Net proceeds from share placing	-	19.5
Exchange gain / (loss) on net debt	0.6	(0.2)
Decrease / (Increase) in net debt	(4.1)	6.4
Net debt closing	9.3	5.2

ESTIMATED FUTURE CASH PAYMENTS

	31 Jan 2020 £M	Latest estimate at end of April £M
FY 2021	16.3	5.2
FY 2022	8.5	6.9
FY 2023	9.6	9.6
FY 2024	6.8	6.5
FY 2025	5.7	5.7
FY 2026	2.0	2.0
Total	48.9	35.9

OUTLOOK

- The Group continues to focus on building its data, analytics and technology capabilities and ensuring these are embedded throughout the Group
- Confident that Next 15 is well positioned to withstand this unprecedented period and can continue to progress with its growth strategy.

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)

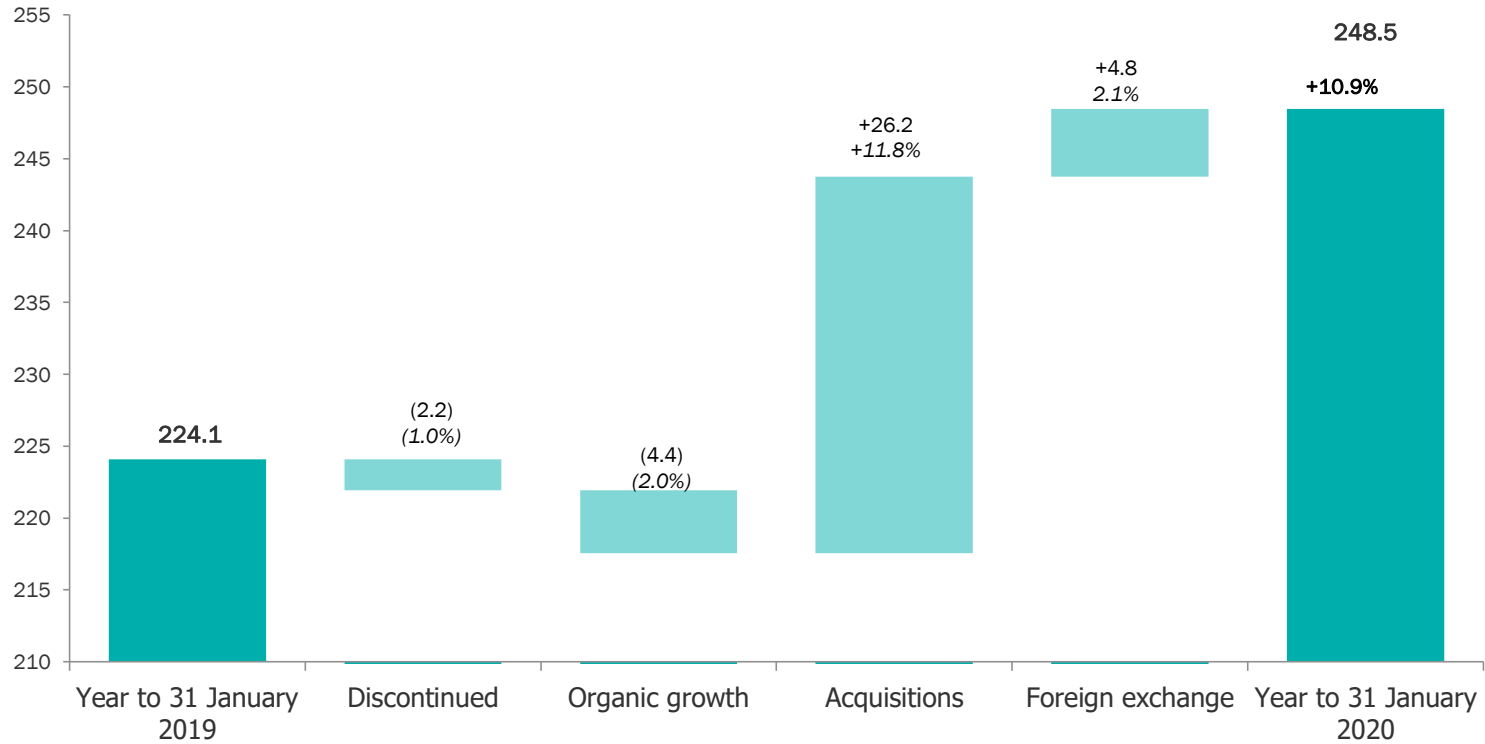
Peter joined the Group as its CFO in 2013. Peter's financial experience spans 30 years and he has extensive media experience.

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



FY20 REVENUE BRIDGE



CLIENT ANALYSIS FY20

£117k

REVENUE PER EMPLOYEE

66

CLIENTS GENERATING OVER
\$1M IN NET REVENUES 2020

30%

SHARE OF GROUP NET
REVENUES FROM TOP 20
CLIENTS

19%

INCREASE IN
CLIENT NUMBERS
(INCL ACQ)

14

TOP 20 CLIENTS IN 2020 IN
TOP 20 CLIENTS 2019

91%

NET REVENUES
GENERATED IN US
AND UK

12 MONTHS TO JAN 2020 EXCEPT WHERE STATED

CLIENT ANALYSIS FY19

£112k

REVENUE PER EMPLOYEE

57

CLIENTS GENERATING OVER
\$1M IN NET REVENUES 2019

32%

SHARE OF GROUP NET
REVENUES FROM TOP 20
CLIENTS

22%

INCREASE IN
CLIENT NUMBERS
(INCL ACQ)

14

TOP 20 CLIENTS IN 2019 IN
TOP 20 CLIENTS 2018

90%

NET REVENUES
GENERATED IN US
AND UK

12 MONTHS TO JAN 2019 EXCEPT WHERE STATED

REGIONAL BREAKDOWN

Regions	Net revenue 2020 £M	Organic growth	Operating Profit £M	Margin 2020	Margin 2019	Comments
US	127.6	(4.6)%	26.4	20.7%	18.7%	Excluding Archetype and Beyond organic growth is 12.7%
UK	97.4	0.3%	20.1	20.6%	24.5%	Excluding Archetype and Beyond organic growth is 7.9%
APAC	14.7	4.8%	2.3	15.6%	15.9%	
EMEA	8.8	0.4%	1.6	18.0%	17.2%	
HEAD OFFICE	-	-	(9.5)	-	-	
Total	248.5	(2.0)%	40.9	16.4%	16.5%	

BALANCE SHEET SUMMARY

£M	31 January 2020	31 January 2019
Intangible assets	155.4	126.1
Non-current assets	69.0	29.0
Current assets	99.7	87.4
Non-current liabilities	(113.5)	(54.4)
Current liabilities	(97.9)	(76.6)
Net assets	112.7	111.5
Share capital	2.2	2.1
Reserves	111.1	110.5
Minorities	(0.6)	(1.1)
Total equity	112.7	111.5
Net debt	9.3	5.2

HEALTH UNLIMITED ACQUISITION

- New York based global health consultancy and communications agency acquired in October 2019
- Traded 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