

NEXT 15 Preliminary Results

April 2021

Agenda

Results and news
Business and strategy Update
Acquisition update
Detailed financials

Results summary

	FY21	FY20	Growth
Net revenue:	£266.9m	£248.5m	7%
Operating profit:	£49.5m	£40.9m	21%
Operating margin	18.5%	16.4%	
EPS:	40.7p	34.8p	17%
Dividend:	7.0p	2.5p	
Net cash/(debt):	£14m	(£9.3m)	

Additional news

- Acquisition of Shopper Media
- Expanded briefs from a number of clients including Salesforce, IBM and Amazon
- New business remains strong and anticipating another good FY ahead despite lingering economic challenges created by the pandemic
- Good progress on office sublets

Our response to Covid era

Property rethink

Furlough - Furlough repayment

Cost base

Customer facing segments

Double down on ESG

Covid trends that will persist

D2C

Amazonification of
every business
model

data

Measure,
analyze, predict,
measure

sales

The growth metric

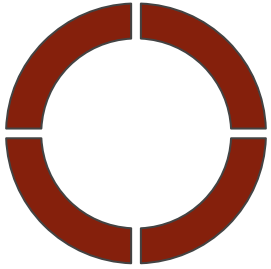
tech

AI/ML is invading
everything

“As Blackstone Barrels Toward Trillion-Dollar Asset Goal, Growth Is In, Value Out”

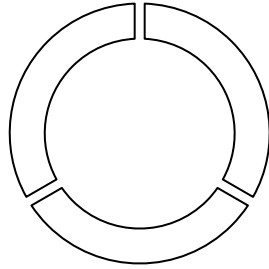
Wall Street Journal - March 21st 2021

Our Four Business Areas



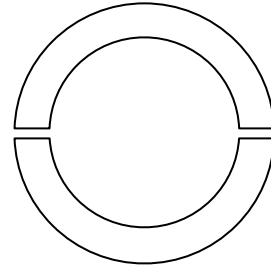
Customer Insight

Businesses that give our customers the insights to understand the opportunities and challenges they face. Also provide predictive analytics to direct activity



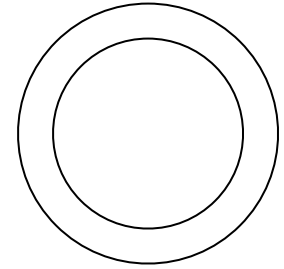
Customer Engagement

Businesses that can create the digital assets, messages, communities and strategies to maximize a brand's potential engagement with its customers



Customer Delivery

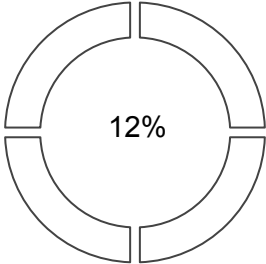
Series of deeply specialized businesses that use creativity, data and analytics to create the connections with customers to drive sales and other forms of interaction



Business Transformation

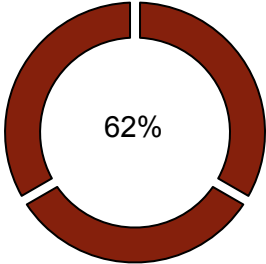
Businesses that seek to maximize the value of an organization, either through business redesign or business transformation

Segmental update



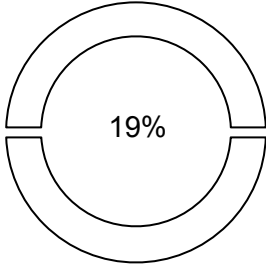
Insight

Net revenue £33.1m
 Operating profit £4.9m
 Operating margin 14.7%



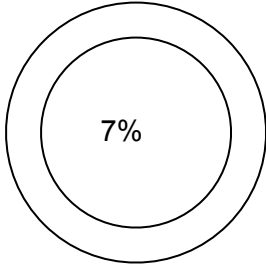
Engage

£166.5m
 £36.9m
 22.1%



Delivery

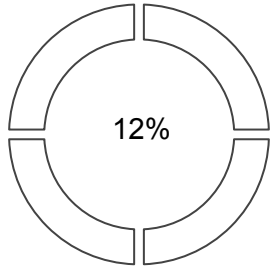
£49.6m
 £15.2m
 30.7%



Transform

£17.7m
 £3.9m
 22.0%

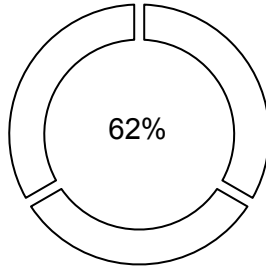
Segmental update



Insight

Clients: American Express,
Argos, Marks & Spencer

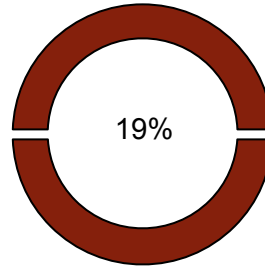
Long term organic growth: 5-10%



Engage

Clients: Google,
Beiersdorf, Amazon

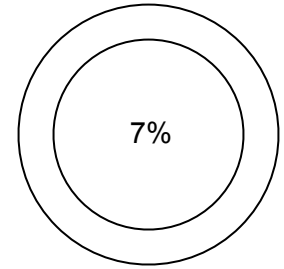
Long term organic growth :3-7%



Delivery

Clients: Salesforce,
IBM, Google

Long term organic growth:10-15%



Transform

Clients: Hitachi,
Shell, EY

Long term organic growth:10-15%

Acquisition of Shopper Media

- London based commerce marketing activation agency acquired in April 2021
- They connect retailers and brands with shoppers at the point of purchase both online and in-store. They do this by helping brands optimize their in/at store media spend and by helping retailers maximise the value of their media assets.
- Clients include Co-op, the Very Group, Deliveroo, Pladis and McCain Foods
- Net revenues for year ended 30 September 2020 of £8.9 million and adjusted profit before tax of £3.5 million
- Initial consideration of £15.7m with further consideration payment based on future performance



ESG

- Working towards B Corp status for the Group.
Using this as a framework for all our ESG activities
- Moving to carbon neutral status as quickly as practicable through reduced office space, flexible working, less travel and offsetting
- Influencing our clients through industry-wide 'Ecoeffectiveness' campaign and internal ethics group
- Contributing to DE&I goals through audits of every part of Next 15 and a cross-Group council to drive positive action
- Introducing better vendor assessment to ensure that our supply chain is sustainable and ethical
- Holding ourselves to account through a balanced scorecard of people and environmental measures

Financials



Income statement Adj. Results

£M	2021	2020	GROWTH %
Net revenue	266.9	248.5	7%
Operating profit	49.5	40.9	21%
Operating margin	18.5%	16.4%	
Profit before tax	49.1	40.2	22%
Tax	(9.9)	(8.0)	
Minorities	(1.0)	(0.6)	
Profit after tax	38.2	31.6	21%
Diluted EPS (p)	40.7	34.8	17%
Dividend per share (p)	7.0	2.5	

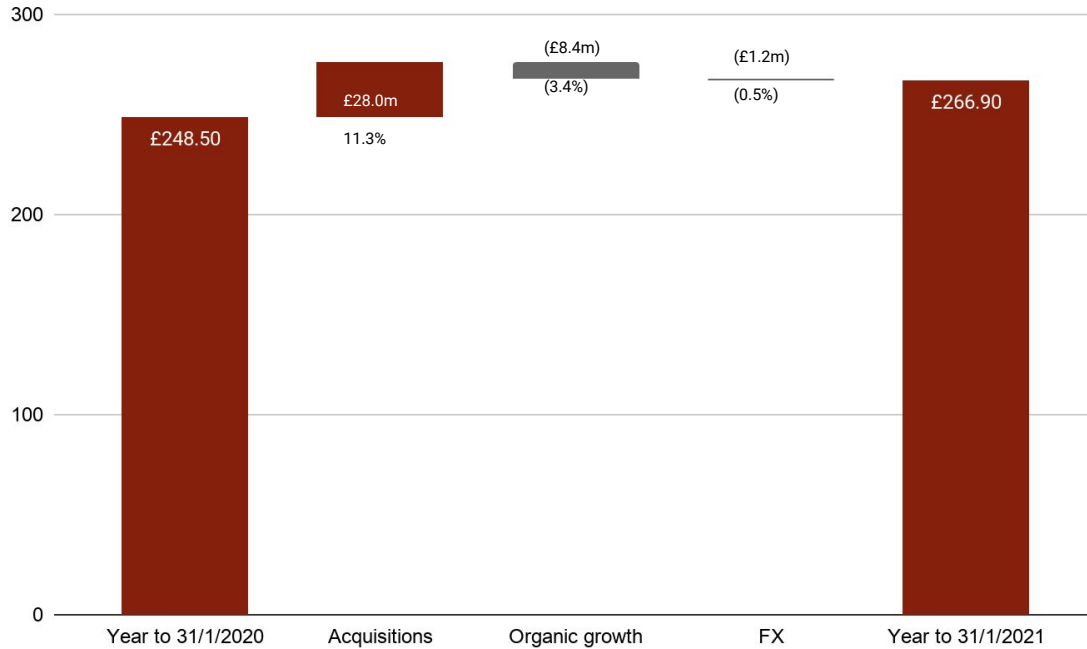
Adjustments breakdown

£M	2021	2020
Adjusted profit before tax	49.1	40.2
Restructuring	(2.7)	(4.6)
Property impairment	(10.0)	-
Deal costs	(0.4)	(0.9)
Share based payments	(2.4)	(0.4)
Acquisition accounting related costs	(36.3)	(28.7)
Furlough	1.4	-
Statutory (loss)/profit before tax	(1.3)	5.6

FY21 Segments

Operation	Net revenue 2021 £M	Net revenue growth	Organic growth/ (decline)	Operating Profit £M	Margin 2021	Margin 2020
Brand Marketing	140.5	4.1%	(5.5)%	34.6	24.6%	22.2%
Data and analytics	48.5	7.5%	8.2%	13.3	27.4%	28.2%
Creative technology	77.9	13.9%	(6.0)%	13.0	16.8%	11.4%
Head Office	-	-	-	(11.4)	-	-
Total	266.9	7.4%	(3.4)%	49.5	18.5%	16.4%

FY21 Revenue Bridge



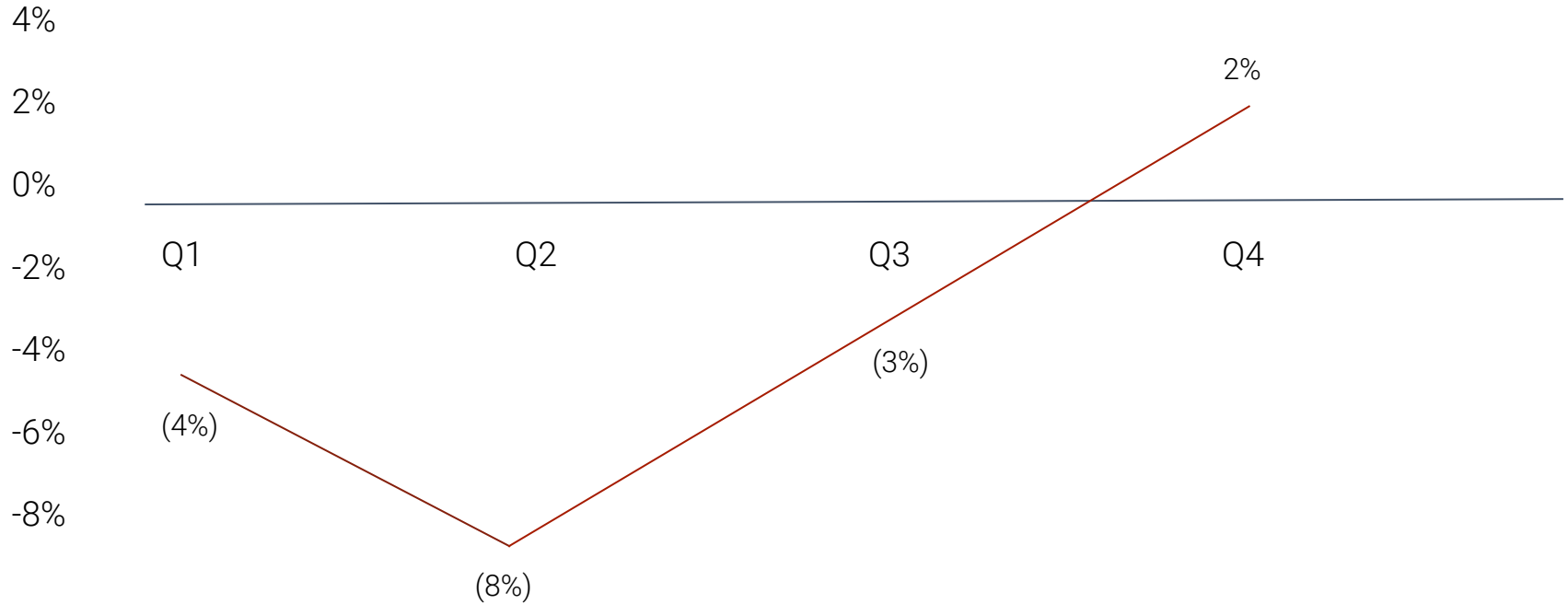
Cashflow statement

£M	2021	2020
Inflow from op activities	66.4	52.8
Working capital	6.5	(3.3)
Net inflow from operations	72.9	49.5
Tax	(8.4)	(6.0)
Net capex	(4.1)	(5.3)
Acquisitions	(23.6)	(23.7)
Net interest and dividends paid	(0.7)	(7.8)
Repayment of lease liabilities	(12.6)	(11.4)
Exchange (loss) / gain on net cash	(0.2)	0.6
Increase / (Decrease) in net cash	23.3	(4.1)
Net cash / (debt) closing	14.0	(9.3)

Estimated future cash payments

	31 Jan 2021 £M	31 Jan 2020 £M
FY 2021	-	16.3
FY 2022	14.0	8.5
FY 2023	18.0	9.6
FY 2024	12.3	6.8
FY 2025	6.8	5.7
FY 2026	11.3	2.0
Total	62.4	48.9

FY21 Organic growth



Priorities, current trading and outlook

- Focus on organic growth of existing businesses and future drivers
- Mix of strategic and bolt-on acquisitions
- Drive increased internal collaboration around key customers
- Productisation
- Current trading in Q1 ahead of management expectations
- Prioritise strong organic growth throughout FY 2022 with margins remaining high double digits
- Return to dividend payments

Appendices

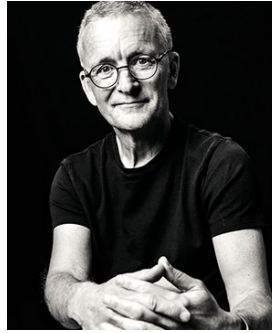
Management Team



Penny Ladkin-Brand
(Chair)

Penny is Non-Executive Chair and a member of the Audit and Remuneration Committees. Penny joined Next 15 as a Non-Executive Director and chair of the Audit Committee. In April 2020 she was also appointed as Senior Independent Director and from February 2021 became Chair of the Board.

Penny is also Chief Strategy Officer at Future plc, a global platform for specialist media. She was previously Chief Financial Officer at Future during which time the group's market capitalisation increased from £25m to £1.2bn and entered the FTSE 250 as it became a digital led business. Prior to that, Penny was Commercial Director at Auto Trader Group plc responsible for digital monetisation. Penny brings considerable experience of digital transformation and M&A to the Board. Penny qualified as a Chartered Accountant with PwC before moving into corporate finance. Penny is a NED and Chair of the Audit Committee at ATG plc.



Tim Dyson
(CEO)

Tim joined the Group in 1984 straight from Loughborough University and became CEO in 1992.

As one of the early pioneers of tech PR, he has 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 in 1995 in Seattle and is now based in California. Tim oversaw the flotation of the Company on the London Stock Exchange and has managed a string of successful acquisitions by the Group including The OutCast Agency, M Booth, Activate and The Blueshirt Group in the US as well as Morar, Elvis, Velocity, Planning-inc and Publitek in the UK. Outside Next 15, 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 subsequently in PR Week's Power Book. Tim 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 Next 15 as its Chief Financial Officer in November 2013 and was appointed as an Executive Director in March 2014.

Peter's financial experience spans 30 years and he has extensive media experience, having spent the last 20 years in finance roles in the media sector. 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 Finance Director 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 Finance Director of Capital Radio plc. Peter has considerable experience in UK and US-listed companies, with international exposure.

Top 10 Clients



Regional Segments

Operation	Net revenue 2021 £M	Organic (decline)	Operating Profit £M	Margin 2021	Margin 2020
US	138.4	(0.8)%	34.2	24.7%	20.7%
UK	106.2	(6.4)%	22.4	21.1%	20.6%
APAC	13.7	(5.5)%	2.3	17.1%	15.6%
EMEA	8.6	(4.7)%	2.0	23.2%	18.0%
HEAD OFFICE	-	-	(11.4)	-	-
Total	266.9	(3.4)%	49.5	18.5%	16.4%

Balance sheet summary

£M	31 January 2021	31 January 2020
Intangible assets	163.8	155.4
Non-current assets	52.3	69.0
Current assets	105.6	99.7
Non-current liabilities	(93.1)	(113.5)
Current liabilities	(111.7)	(97.9)
Net assets	116.9	112.7
Share capital	2.3	2.2
Reserves	114.7	111.1
Minorities	(0.1)	(0.6)
Total equity	116.9	112.7
Net cash/(debt)	14.0	(9.3)