

NEXT15

FINAL RESULTS – APRIL 4TH, 2017

FINANCIAL SUMMARY

- Revenue up **32%** to £171.0m (2016: £129.8m)
- Organic* revenue growth of **10%** (US organic growth of 12.6%)
- Adjusted** EBITDA up **51%** to £29.0m (2016: £19.2m)
- Adjusted operating profit margin up to **14.6%** from 12.7%
- Adjusted pre tax profits up **50%** to £24.2m (2016: £16.1m)
- Dividends up **25%** to 5.25p (2016: 4.2p)
- Net debt of £11.4m (2016: £6.6m)

*Excludes the impact of currency changes and acquisitions since the start of the comparative period

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

CORPORATE PROGRESS

- US continues to deliver double digit organic growth (12.6%) and total growth of 28.1% to £107.0m
- UK revenues grew 52.7% to £42.6m with margin up to 18.9% thanks to acquisitions and operational improvements to drive organic growth of 3.7%
- UK portfolio action within last 12m – Publitek, Twogether, Pinnacle and HPI as well as investment in Phrasee
- APAC delivered organic growth of 6.4% with margins improving to 15.2% (2016: 11.5%)
- EMEA delivered organic growth of 5.7% with margins improving to 9.0% (2016: 7.0%)
- Key client wins include LinkedIn, GM and KPMG

DRIVERS OF OUR GROWTH

- Working with high growth clients
- UK acquisitions with US growth potential
- Expanded and modernised service offerings
- Focus on key geographies
- Simple incentive schemes

INCOME STATEMENT – ADJ. RESULTS

£M	2017	2016	GROWTH %
Revenue	171.0	129.8	32%
EBITDA	29.0	19.2	51%
Operating profit	25.0	16.5	52%
<i>Operating margin</i>	<i>14.6%</i>	<i>12.7%</i>	
PBT	24.2	16.1	50%
Tax	(5.3)	(3.5)	
Minorities	(0.6)	(0.5)	
Retained Profit	18.3	12.1	51%
Diluted EPS	23.4	16.9	38%
Dividend	5.25	4.2	25%

ADJUSTMENTS BREAKDOWN

£M	2017	2016
Adjusted pre tax profits	24.2	16.1
Restructuring	(0.7)	(1.5)
Office moves	-	(1.4)
Deal costs	(0.4)	(0.2)
Share based payments	(10.5)	(1.5)
Unwinding of discount and change in estimate of earnout liabilities	(4.2)	(2.4)
Amortisation of acquired intangibles	(5.5)	(3.5)
Reported profit before tax	2.9	5.6

REGIONAL BREAKDOWN

Regions	Revenue 2017 £M	Organic growth	Operating Profit £M	Margin 2017	Margin 2016	Comments
US	107.0	12.6%	22.3	20.9%	21.0%	Exceptional performances pretty much across the Board
UK	42.6	3.7%	8.0	18.9%	13.6%	Growth in revenue and margin driven by recent acquisitions
APAC	14.2	6.4%	2.2	15.2%	11.5%	Economies from brand merger coming through
EMEA	7.2	5.7%	0.6	9.0%	7.0%	Strong performance in H2
Total	171.0	9.9%	25.0	14.6%	12.7%	

CASH FLOW STATEMENT

£M	2017	2016
Inflow from op activities	26.5	16.1
Working capital	6.3	0.2
Net inflow from operations	32.8	16.3
Tax	(2.0)	(3.0)
Net capex	(8.9)	(6.8)
Acquisitions	(21.6)	(13.4)
Share placings	-	12.1
Net interest and dividends paid	(5.2)	(3.4)
Exchange gain on cash held	0.1	0.2
(Increase) / Decrease in net debt	(4.8)	2.0
Net debt closing	11.4	6.6

CASH COMMITMENTS

	31 Jan 17 £M	Morar £M	4 April 17 £M
FY 2018	5.1	(1.4)	3.7
FY 2019	2.9		2.9
FY 2020	5.6		5.6
FY 2021	2.2		2.2
FY 2022	5.0		5.0
Total	20.8	(1.4)	19.4

APPENDICES

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.

TODAY

INSIGHT:

MORAR/HPI

CONTENT:

BITE

BLUESHIRT GROUP

LEXIS

M BOOTH

OUTCAST

STORY

TEXT 100

VRGE

PUBLITEK

ODD

TECHNOLOGY:

AGENT3

BEYOND

BDA

CONNECTIONS MEDIA

ENCORE

TWOGETHER

TOP 20 CUSTOMERS



Alphabet



amazon.com[®]



RCI[®]



NOVARTIS



Adobe



intuit.



For the year to 31 January 2017

OUR GROWTH 2012 - 2017

89%

REVENUE GROWTH
2012/17

151%

INCREASE IN EBITDA 2012/17

**GOOGLE/
ALPHABET**

LARGEST CLIENT 2017, NOT
A MATERIAL CLIENT IN 2012

146%

DILUTED EPS GROWTH
2012/17

11%

MINIMUM ANNUAL
ORGANIC GROWTH IN US
SINCE 2013

73%

INCREASE IN EBITDA PER
STAFF 2012/17

150%

INCREASE IN DIVIDENDS
2012/17

18%

ADJ ROCE POST TAX 2017

12 MONTHS TO JAN 2017 VS 12 MONTHS TO JAN 2012 EXCEPT WHERE STATED

CLIENT ANALYSIS 2017

14%

INCREASE IN AVG
CLIENT YIELD

36

CLIENTS GENERATING
OVER \$1M IN REVENUES
2017

43%

SHARE OF GROUP
REVENUES FROM \$1M PLUS
CLIENTS

17%

INCREASE IN AVG STAFF
NUMBERS

15%

INCREASE IN CLIENT
NUMBERS (INCL ACQ)

17

TOP 20 CLIENTS IN 2017 IN
TOP 20 CLIENTS 2016

88%

REVENUES GENERATED IN
US AND UK

70+%

REVENUES FROM TECH
CLIENTS

12 months to Jan 2017 except where stated

BALANCE SHEET SUMMARY

£M	FY 2017	FY 2016
Intangible assets	80.0	53.6
Non-current assets	27.5	17.8
Current assets	64.8	56.2
Non-current liabilities	(54.2)	(34.8)
Current liabilities	(49.6)	(40.0)
Net assets	68.5	52.8
Share capital	1.8	1.8
Reserves	65.8	50.3
Minorities	0.9	0.7
Total equity	68.5	52.8
Net debt	11.4	6.6