

NEXT15

PRELIMINARY RESULTS - APRIL 2024

AGENDA

FY24 results summary

Financials in detail

Capital allocation priorities

Operational progress

Outlook

THE RESULTS

Net revenue up 2.5% (up 0.3% organically) to £578m (2023: £564m)
Currency impact of (£6m)

Adjusted operating profit up 6.1% to £121.1m (2023: £114.2m)

Margin performance of 21.0% (2023: 20.2%)

Revenues and profitability in line with expectations despite specific weakness in tech

Tech revenues declined by £36m (17%) on a like for like basis and now accounts for approximately 30% of Group revenues. Drop in IPO activity has impacted spend. Normalized drop circa 14%

Seeing signs of tech spend stabilizing, anticipating stronger spend in H2

Outside tech the Group saw revenues increase by 11% on a like for like basis

THE RESULTS

Adjusted diluted EPS up
to 81.6p (2023: 80.4p)

Net debt as at 31 Jan
2024 £1.4m (2023: net
cash of £26.1m)

Final dividend increased
by 5% to 10.6p

Strong cash generation despite changing profile of customer-base

\$50m reduction in Mach49 earn-out

Decentralized model has enabled us to adapt quickly to market
fluctuations

‘Brand to Demand’ is on the rise

Productivity gains are mitigating wage pressures which have stabilized

Strong client retention

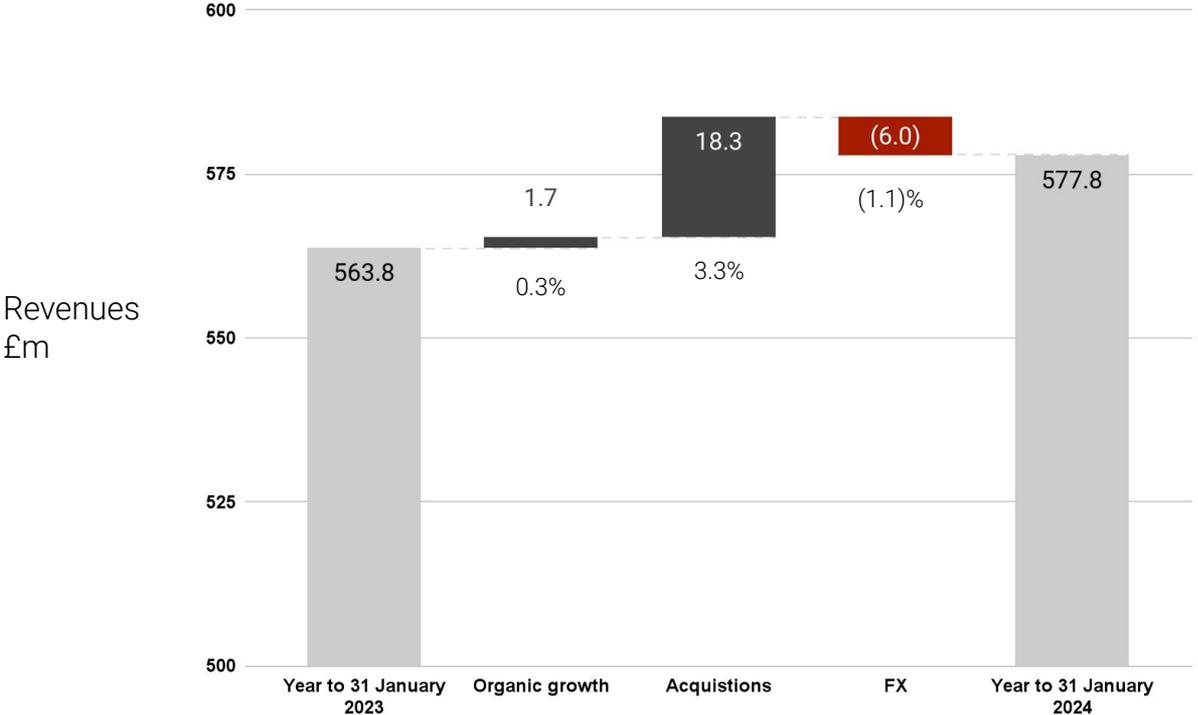
FINANCIALS IN DETAIL

PRELIM RESULTS : APRIL 2024

ADJUSTED P&L

£M	2024	2023	GROWTH %
Net revenue	577.8	563.8	2.5%
Organic revenue growth	0.3%	20.7%	
Operating profit	121.1	114.2	6.1%
Operating margin	21.0%	20.2%	
Profit before tax	117.9	112.5	4.8%
Tax	(31.1)	(26.3)	
Minorities	(1.0)	(1.4)	
Profit after tax	85.8	84.8	
Diluted EPS (p)	81.6	80.4	1.5%
Total dividend per share (p)	15.35	14.6	5.0%

REVENUE BRIDGE



SEGMENTAL

Operation	Net revenue 2024 £M	Organic growth	Operating Profit £M	Margin 2024	Margin 2023
Customer Insight	57.4	4.3%	10.3	18.0%	21.3%
Customer Engage	263.1	(6.3%)	53.2	20.2%	20.2%
Customer Delivery	107.7	5.1%	29.1	27.0%	29.6%
Business Transformation	149.6	8.7%	48.3	32.3%	32.5%
Head Office	-	-	(19.8)	(3.4)%	(4.7)%
Total	577.8	0.3%	121.1	21.0%	20.2%

CASH FLOW

£M	2024	2023
Inflow from operating activities	115.7	119.6
Working capital	(10.7)	(24.4)
Net inflow from operations	105.0	95.2
Tax	(25.4)	(20.3)
Net capex	(7.2)	(7.0)
Acquisitions	(60.2)	(97.5)
Net interest and dividends paid	(18.0)	(14.8)
Net proceeds from share placing	-	48.6
Acquisition of own shares	(4.5)	-
Banking arrangement fees	(1.9)	-
Repayment of lease liabilities	(14.2)	(16.5)
Exchange (loss)/gain on cash	(1.1)	2.7
Decrease in net cash	(27.5)	(9.6)
Net (debt)/ cash closing	(1.4)	26.1

FORECAST EARN-OUT CASH PAYMENTS

	31 Jan 2024 £M	31 Jan 2023 £M
FY 2024	-	45.4
FY 2025	58.7	62.8
FY 2026	46.4	48.5
FY 2027	43.6	47.7
FY 2028	28.6	39.4
Total	177.3	243.8

ADJUSTMENTS

£M	2024	2023
Adjusted profit before tax	117.9	112.5
Costs associated with the current period restructure	(5.1)	(2.3)
Property impairment	-	(4.7)
Deal costs	(0.7)	(5.5)
Charge for one-off employee incentive schemes	(6.6)	(0.6)
Acquisition accounting related costs	(24.6)	(89.3)
RCF fees write off	(0.6)	-
Statutory profit before tax	80.3	10.1

CAPITAL ALLOCATION PRIORITIES

Continue to prioritise investment in internal capabilities
– *particularly data and AI*

Strategic acquisition strategy unchanged
– *do not expect large scale opportunities in the near term*

Disciplined approach to bolt-on M&A to enhance key business areas
– *at the right price*

Share buyback programme to continue,
– *extending £10m limit until end of July 2024, £2.1m of this returned to shareholders already in FY25*

OPERATIONAL PROGRESS

CLIENTS: ANALYSIS

CLIENT WINS:

ASDA

workday.

SEGA[®]

CLIENTS ABOVE \$1M - 111

Some of the major customers that have worked with
Next 15 businesses for more than 5 years:

amazon

AMERICAN
EXPRESS

Argos

AstraZeneca

Beiersdorf

Department
for Education

Genentech

Google

GILEAD

IBM

Kimberly-Clark

Meta

Microsoft

P&G

Santander

SAMSUNG

sky

slack

ACQUISITION STRATEGY AND PROGRESS

Studio La Plage (post year end)

Continue to make bolt-on acquisitions for our businesses at attractive multiples; multiple range of 4.8 - 7x for acquisitions in the year

Explorer

Williams

Bolt-on acquisitions in year enhance offering of the acquiring brand and bring new clients

Rush

White Space

Added £6.5m of net revenue in FY24; annualised impact of £21m in FY25 (including Studio La Plage)

OneFourZero

AI PROGRESS

Coordinated group-wide programme of training, support, collaboration and innovation

100%

of our brands have rolled out AI-powered tools to all staff

3

businesses have AI-powered subscription products in the market

Significant

efficiency/productivity gains seen in early applications of AI to our work

Next 15 Labs

This was launched to look beyond bots and test out use cases from across Next 15

“”

We are completely convinced the consequences will be extraordinary and possibly as transformational as some of the major technological inventions of the past several hundred years.

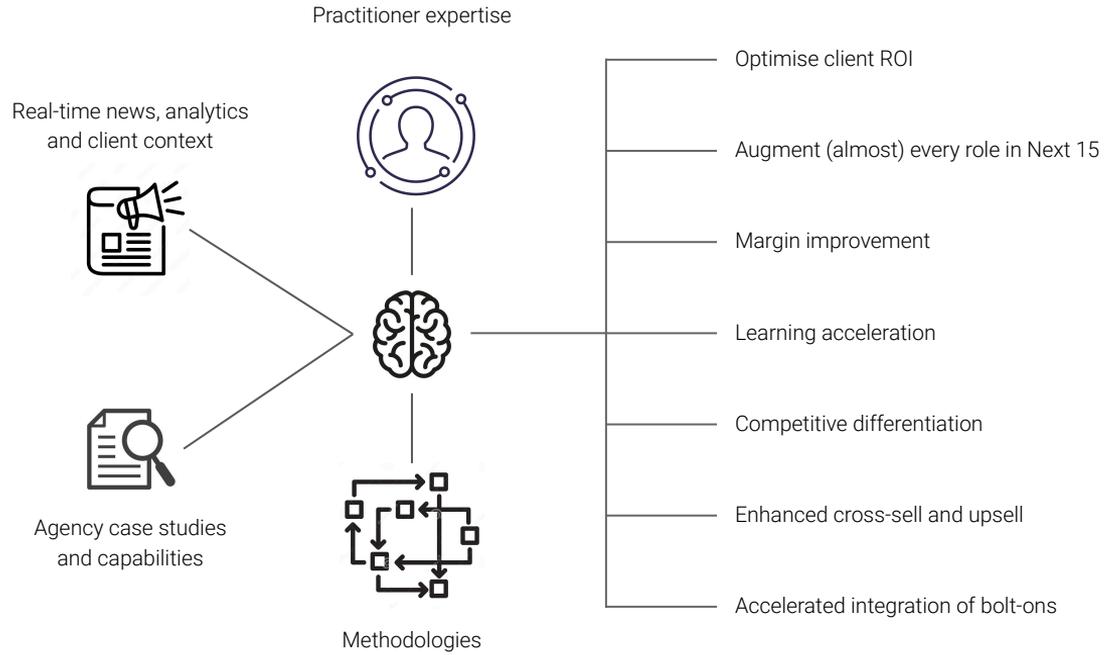
Jamie Dimon, JP Morgan Chase

NEXT 15 LABS - MAISTRO



Over time, we anticipate that our use of AI has the potential to augment virtually every job, as well as impact our workforce composition.

Jamie Dimon, JP Morgan Chase



MEGA TRENDS

Connected Customer Experience will drive future growth:

B2B will see far greater adoption of eCommerce and CX

Social commerce will continue to see huge expansion

AI will reshape the way we live, learn, work and play through:

Hyper personalization (customer experience, learning, gaming etc)

Drive for efficiency = attribution in the marketing and consulting industries

Automatic productizing of previously labor intensive processes

Access to data pools will be the new arms race in business as it fuels AI

Continued progress on B Corp certification for our brands

Archetype UK and US B Corp certified in FY24; other brands well advanced in the certification process

Letter of commitment on SBTi submitted in January 2024

Inclusion of employee Net Promoter Score (“eNPS”) metric in Executive remuneration targets for the first time

EDI steering committee supporting our brands and aligning values across the Group

OUTLOOK

Confident in meeting expectations for the full year

Performance continues to be robust across all four segments

Strong balance sheet provides scope for further investment in AI and M&A

APPENDICES

NEXT15 BOARD



**Penny
Ladkin-Brand**
(Chair)
Pricing



Robyn Perriss
(Audit)
Governance



Helen Hunter
(Rem)
Data Insight



Dianna Jones
(ESG)
B Corp



Paul Butler
(ESG)
Business
Transformation



Tim Dyson
(CEO)



Peter Harris
(CFO)



Jonathan Peachey
(COO)

REGIONAL

Operation	Net revenue 2024 £M	Organic growth	Operating Profit £M	Margin 2024	Margin 2023
US	294.0	0.9%	91.1	31.0%	31.9%
UK	254.3	(0.4%)	45.7	18.0%	17.6%
APAC	17.1	(3.6%)	1.7	9.9%	9.9%
EMEA	12.4	6.1%	2.4	18.9%	24.3%
HEAD OFFICE	-	-	(19.8)	-	-
Total	577.8	0.3%	121.1	21.0%	20.2%

BALANCE SHEET SUMMARY

£M	31 January 2024	31 January 2023
Intangible assets	279.3	274.1
Non-current assets	98.5	108.0
Current assets	213.8	212.3
Non-current liabilities	(197.0)	(241.0)
Current liabilities	(238.4)	(239.0)
Net assets	156.2	114.4
Share capital	2.5	2.5
Reserves	153.5	111.4
Minorities	0.2	0.5
Total equity	156.2	114.4
Net (debt)/cash	(1.4)	26.1