



# Preliminary Results Presentation

Year Ended 31 December 2020

25 March 2021

# Executive Summary

- › Return to growth and profitability in H2 vs H1
- › Balance sheet remains strong and liquidity good
- › Clearer and focused growth strategy and enhanced operational structure
- › Significant client wins building momentum
- › Dynamic marketplace providing opportunity for Ebiquity
- › Encouraging start to 2021

# Ebiquity is the world leader in media investment analysis

We harness the power of data to provide independent, fact-based advice, enabling brand owners to perfect media investment decisions and **improve business outcomes.**

We are a data-driven solutions company helping brand owners drive efficiency and effectiveness from their media spend, eliminating wastage and creating value.

We provide analysis and solutions through five Service Lines:

- › **Media management**
- › **Media performance**
- › **Marketing effectiveness**
- › **Technology advisory**
- › **Contract compliance**

[www.ebiquity.com](http://www.ebiquity.com)



Ebiquity is able to provide **independent, unbiased advice and solutions** to brands because we have no commercial interest in any part of the media supply chain.



More than **500 media specialists** operate from our 19 offices worldwide covering **80% of the global advertising market.**



Ebiquity has the most comprehensive, independent view of today's global media market. We **analyse \$55bn of media spend from 75 markets** annually, including trillions of digital media impressions. Our Contract Compliance division, FirmDecisions, **audits \$40bn of contract value** annually. As a result, more than **70 of the world's top 100 advertisers today choose Ebiquity** as their trusted independent media advisor.

# Financial Overview

## FINANCIAL OVERVIEW

### Headline Results

Income Statement	2020	2019	Change	
	£m	£m	£m	%
Revenue	55.9	68.1	(12.2)	(18)%
Operating Expenses	56.2	62.6	(6.3)	(10)%
Operating (Loss) /Profit	(0.3)	5.6	(5.9)	--
<i>Operating Margin</i>	<i>(1)%</i>	<i>8%</i>	--	--
Finance Costs	1.0	0.9	0.1	13%
(Loss/) Profit before Tax	(1.3)	4.7	(6.0)	--
(Loss) / Earnings per share (p)	(1.9)p	2.9p	(4.8)p	--
Statutory Loss per Share (p)	(4.8)p	(9.6)p	4.7p	48%

- *Underlying figures shown for operating expenses, operating profit, profit before tax and EPS*
- *Underlying operating profit is defined as the operating profit excluding highlighted items. These include share-based payments, amortisation of purchased intangibles and non-recurring items.*
- *Underlying profit before tax and earnings per share are calculated based on the underlying operating profit*

## FINANCIAL OVERVIEW

### Balance Sheet Summary

- › Goodwill and intangibles: increased by £0.5m on acquisition of Digital Decisions but reduced by £0.8m due to impairment of Digital Balance
- › Non-current assets: include IFRS 16 "Right-of-use asset" of £6.2m (2019: £8.3m) reduced in year in line with lease period remaining
- › Net working capital includes £15.6m of net trade receivables (2019: £16.1m)
- › Debtor days reduced to 58 days from 62 days
- › Other current liabilities: includes IFRS 16 lease liabilities of £7.9m (2019: £9.4m) also reducing in line with lease periods
- › Deferred consideration: Italy (£1.3m) and Ireland (£0.7m)
- › Net debt of £8.5m comprising £11.1m net cash, £19m bank loan and £0.8m US PPP loan (2019: £8.2m net cash, £14m bank loan)

Balance Sheet	2020 £m	2019 £m
Goodwill	28.6	28.4
Other intangible assets	6.1	6.8
Other non-current assets	9.6	11.9
Net working capital	8.5	12.2
Other current liabilities	(4.3)	(6.6)
Deferred Consideration	(2.0)	-
Other non-current liabilities	(7.3)	(9.2)
Net debt	(8.5)	(5.6)
Net assets	30.7	37.9

## FINANCIAL OVERVIEW

# Cash Flow Statement

- › Cash inflow from operations of £5.8m including highlighted items
- › Underlying cash inflow from operations of £7.3m (2019: £8.9 m)
- › Investing activities include:
  - › £1.1m: Italy minority buy-out
  - › £0.6m: acquisition of Digital Decisions
  - › £0.4m: Russia minority buy-out
  - › £1.2m: internally generated R&D
- › Financing activities include: loan drawdown of £5m offset by office and lease payments of £2.1m

Cash Flow (includes highlighted items)	2020 £m	2019 £m
Cash generated from operations	5.8	5.7
Interest and Tax	(2.8)	(2.1)
Net cash generated from operating activities	3.0	3.6
Net cash (used in)/generated by investing activities	(3.4)	20.6
Net cash generated by/(used in) financing activities	3.2	(22.2)
Net increase in bank and cash	2.8	2.0
Opening balance at beginning of the period	8.2	6.4
Foreign exchange	0.1	(0.2)
Cash balance at end of period	11.1	8.2

## FINANCIAL OVERVIEW

# Our Financial Position is Robust

Liquidity	February 2021	December 2020	December 2019
	£m	£m	£m
Gross debt	(19.0)	(19.0)	(14.0)
Cash balances	11.2	11.1	8.2
Loan fee prepayments	0.1	0.1	0.2
Net Bank debt	(7.7)	(7.8)	(5.6)
Undrawn Facilities	5.0	5.0	10.0

*This table excludes the US Paycheck Protection Programme loan of £0.7m.*

- › Bank loan facilities in place until September 2023
- › Covenants modified to reflect current environment
- › Previous covenants (quarterly) applied until June 2020: Interest cover > 4.0, Adjusted leverage < 2.5, Adjusted deferred consideration leverage < 3.0
- › Modified from July 2020: Month-end minimum liquidity > £5m. Liquidity achieved at 31 Dec 2020: £15.4m
- › From September 2021:
  - › Minimum liquidity increases to > £7m
  - › Interest cover reinstated at > 4.0 re-introduced;
  - › adjusted deferred consideration leverage reinstated at < 4.0, increasing to < 4.25 in December 2021, < 4.5 in March 2022, reducing to < 3.5 in June 2022.
- › Covenants revert back to pre-June 2020 levels from September 2022.



## FINANCIAL OVERVIEW

### Segmental Analysis

Revenue	2020	2019	Change	
	£m	£m	£m	£m
Media	46.0	54.0	(7.9)	(15%)
Analytics and Tech	9.9	14.1	(4.3)	(30%)
Total	55.9	68.1	(12.2)	(18%)

Operating Profit	2020	2019	Change		Operating Profit Margin %	
	£m	£m	£m	£m	2020	2019
Media	6.8	11.2	(4.5)	(40%)	15%	21%
Analytics and Tech	(0.7)	1.0	(1.7)	-	(7%)	7%
Unallocated costs	(6.4)	(6.6)	(0.2)	(3%)	-	-
Total	(0.3)	5.6	(6.1)	-	(1%)	8%

# Strategy

## Revitalising Ebiquity:- what we previously said



**Simplify**  
**Clarify**  
**Focus**



**Continuity**  
**Evolution**  
**Change**



**Organisational structure**  
**Product**  
**Clients**

# Market Context:- dynamic and in state of flux



## Brand Owner Challenges:- numerous and complex

- › Channel fragmentation and complexity
- › Digital supply chain – governance, wastage
- › Agency partners – conflicted business model
- › Technology partners – proliferation and confusion
- › Consumer privacy and data protection

Result ›

loss of marketing effectiveness

Need ›

Independent expert advice

# Organisational Structure:- reconfigured for improved performance

- P&L management from practices to geography
  - › UK&I, Continental Europe, North America, Asia Pacific

- Five Service Lines

- › Cross-sell and upsell

- Integration of Digital Decisions

- Media Operations Centre (SDC)

- › Near shore analysis capability
  - › 2020 hours served +112% vs 2019

- Process harmonisation and automation

- Global Client Solutions Centre

- › Strategic client development

- › **Media management**
- › **Media performance**
- › **Marketing effectiveness**
- › **Technology advisory**
- › **Contract compliance**

## Product:- building blocks in place

- **Ruben Schreurs** appointed Chief Product Officer
- Product and Innovation Board launched
- Digital Decisions now transitioned to

**ebiquity**  
**digital innovation centre** 



- › Productised service solutions for the digital market
- › Scalable, repeatable, subscription oriented
- Source Data Monitoring – proof of concept

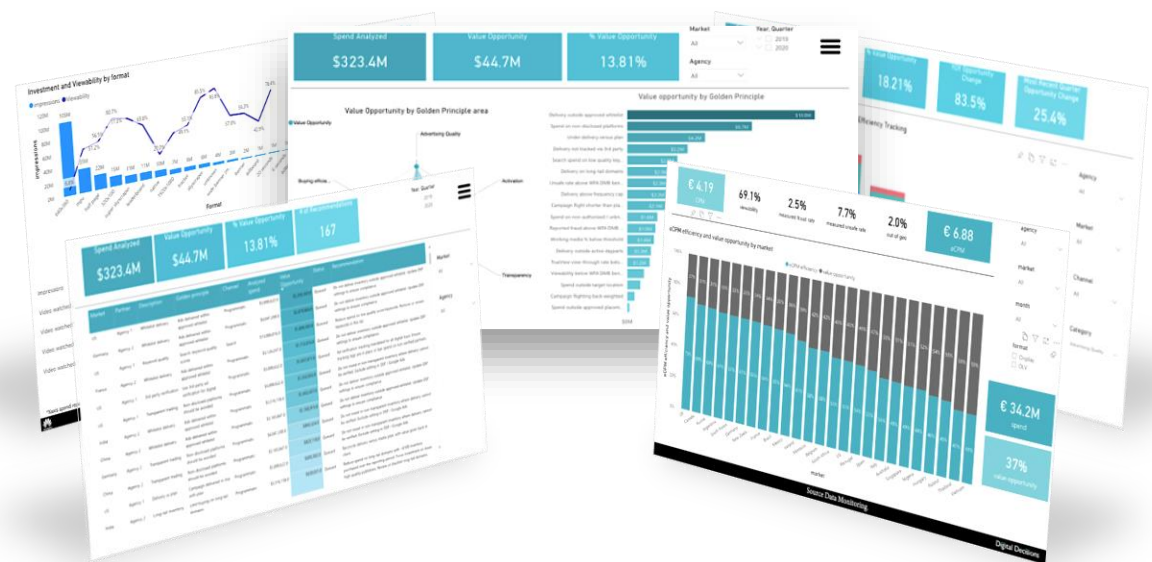
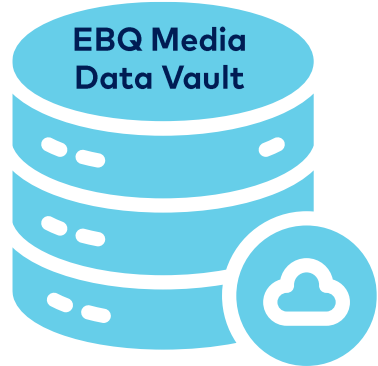
# DIGITAL INNOVATION CENTRE

## Leveraging a Robust Data Infrastructure for Integrated Delivery of Solutions

All digital media sources E.G:



Raw data cleaned,  
processed and  
prepared for analysis



- Sourcing & Monitoring
- Digital Media Governance
- Commitment and Productivity Tracking
- Digital Campaign Review



## Product:- roadmap on track

- Media Data Vault – first iteration live
- Intended portfolio defined, solutions scoped, go-to-market strategy in development
- First product ready for full scale global deployment in Q2
- Aim to bring 3 solutions to market this year

## Clients:- good momentum

- **Mark Gay** appointed Chief Client Officer
- Client and Revenue Board launched
  - › Active start to the year
    - › 21 pitches completed – 70% conversion rate
  - › Wins include
    - › BMW
    - › UIP
    - › Daimler
    - › Lenovo
    - › Ford of Europe
    - › Colgate Palmolive
    - › LVMH China
    - › Stellantis
- Four clients added to Client Partner programme
  - › Strong pipeline of new opportunities



# Executive Leadership Team:- refreshed and strengthened



**Nick Waters**

Global Chief Executive Officer  
London



**Laetitia Zinetti**

Managing Director Continental Europe  
Paris



**Leela Nair**

Managing Director Asia Pacific  
Singapore



**Nick Pugh**

Managing Director UK & Ireland  
London



**Paul Williamson**

Managing Director North America  
New York



**Federica Bowman**

CEO FirmDecisions  
London



**Ruben Schreurs**

Chief Product Officer  
Utrecht



**Mark Gay**

Chief Client Officer  
London



**Emma Baillie**

Chief People Officer  
London



**Alan Newman**

Chief Financial and Operating Officer  
London

## New Key Performance Indicators

- › # clients buying 2 or more Service Lines
- › # clients buying 1 or more products from the new digital portfolio
- › Volume of digital advertising monitored on the platform – impressions
- › Value of digital advertising monitored on the platform – US\$m
- › # countries served with the new digital product portfolio
- › % revenue derived from digital services

# Favourable Industry Dynamics for Ebiquity

## Global advertising market recovery

- › Forecast range c 5-10% with digital growing faster

## 2021 expected to be busy year for media agency pitches

- › Lower than usual market activity in 2020 - pent up demand plus scheduled 2021 activity
- › Time of market dislocation – opportunity to review and reset
- › Opportunistic behaviour from some advertisers to take advantage of agency weakness

## A good entry point for Ebiquity

- › Can include tech advisory, and lead to benchmarking, value tracking, contract compliance

## Deprecation of 3rd party cookies, removal of IDFA\*

- › Major challenge for advertisers – many ill-prepared

## Rise of Connected TV

- › Programmatic for TV – measurement, transparency, effectiveness

\* IDFA = Apple's Identifier for Advertisers.

# Summary

- › A recovering market with good opportunities for Ebiquity
- › New products for the digital market on track
- › New organisational structure led by strengthened Executive Leadership Team
- › Strong balance sheet and good liquidity
- › Good client momentum, encouraging start to 2021
- › Return to profitability in the current year

# Appendix

## APPENDIX

# Highlighted Items

### Continuing Operations

- › £1.9m credit: share based payments due to lapse of 4.2m shares awarded in May 2010
- › £1.5m charge: severance & re-organisation costs arising from actions taken to improve business performance
- › £0.8m charge: impairment of goodwill relating to Digital Balance Australia
- › £0.8m deferred consideration adjustments including £0.6m relating to Ireland

Highlighted items – Continuing operations	2020	2019
	£m	£m
Share based payments	(1.9)	0.1
Purchased intangible asset amortisation	1.1	1.2
Impairment of goodwill & intangibles of Stratigent & Digital Balance	0.8	6.7
Professional costs incurred relating to acquisitions of Digital Decisions, Italy, Russia	0.1	-
Onerous lease provisions	-	0.9
London office relocation fit-out costs	-	0.5
Severance & reorganisation costs	1.5	1.3
Refinancing costs	0.1	0.3
Deferred consideration adjustment	0.8	(0.8)
Taxation charge	(0.2)	(0.5)
Total	2.4	9.9



# Glossary of Ebiquity Terms

› **Media Operations Centre** – formerly known as the Scaled Delivery Centre

Provides data analysis for country teams

› **Global Client Solutions Centre**

A central resource of Client Partners and their teams to manage and develop strategic global client relationships

› **Digital Innovation Centre** – formerly Digital Decisions

A team dedicated to defining, developing, deploying and maintaining a suite of digital products for global distribution

## CASE STUDY

# Improving Marketing Efficiency at BT



# 16%

increase in marketing effectiveness

“

We are very pleased with the traction and the credibility that Ebiquity has developed with the senior teams at BT. In a short space of time, Ebiquity has delivered insights that have made significant improvements to our media planning.

**BT Group**  
Global Head of Media

## Client objectives

BT's marketing team asked Ebiquity to create a consistent, best-in-class measurement framework to evaluate marketing performance across its group of companies – BT, BT Enterprise, EE, and Plusnet – in the short, medium, and long term. They wanted to be able to make informed budget allocation decisions across brands, campaigns, and media channels.

## Ebiquity approach

Working closely with the client's insight, marketing, and commercial teams, Ebiquity has provided BT with a holistic view of marketing performance. The approach combines both Marketing Mix Modelling and Brand Equity Modelling.

## Business impact

Our Advanced Analytics team has enabled BT Group to balance investment across brands, identify media opportunities, and improve overall marketing returns without sacrificing long-term performance. This evidence-based approach in marketing decision-making led to a 16% increase in marketing effectiveness for one brand and enhanced profit across the portfolio.

## CASE STUDY

# Accelerating Reckitt's Digital Excellence Journey



HEALTH • HYGIENE • HOME



## Client objectives

As part of its programme of digital transformation, Reckitt Benckiser – recently rebranded as Reckitt – was looking to increase effectiveness and eliminate waste across its digital investment. The company wanted to develop a new and consistent framework for tracking digital media investment in biddable channels. In this way, media teams could demonstrate savings to finance colleagues in each market.

## Ebiquity approach

Ebiquity's Digital Innovation Centre worked with Reckitt's central team, local markets, and agency partners to enhance and implement a set of global Productivity Principles designed to incentivise more effective trading. Powered by automated data extracted directly from source, RB's new robust governance framework generates timely, actionable insights across all markets and brands. It provides consistency and a complete overview of digital efficiency and effectiveness across markets.

## Business impact

Our next-generation Source Data Monitoring solution now governs all RB's biddable digital media spend, consistently driving improvements and minimizing wastage. In 2020, we identified a value opportunity of 22% of digital spend through this governance programme. Through our change management programme, RB reinvested up to 12% of this opportunity in better-performing placements in the second half of 2020.

# Driving Digital Marketing Excellence From the Centre for Audi



“

Ebiquity's expertise was and is of great help to zoom in on areas that we did not previously deep dive into and obtain insights in a granularity that allows for improvements, right from set-up through to optimization and reporting. It feeds back into and is an integral part of our international Audi Drive programme and creates awareness for topics that were historically considered black boxes, especially at headquarters level.

**Christine von Hoerde**

**Brand Communication & Content Marketing, Audi**

## Client objectives

At a global level, Audi has put in place initiatives designed to deliver best-in-class digital marketing operations. The company's focus for 2020 was to understand if and how local markets had aligned behind these plans. In particular, the global team wanted to know how well markets were using ad tech to secure superior efficiency and quality audiences.

## Ebiquity approach

Our technical and operational expertise in ad tech allows us to combine traditional interviews with live platform demonstrations. We customised and deployed our tried-and-tested market engagement programme across 14 markets, enabling us to:

Dive deep into the full tech stack to assess whether it was set up and working in accordance with the central governance guidelines

Check if and how the audience quality standards and goals were being maintained

## Business impact

We helped determine Audi's strategic and operational capabilities at a market level. Our approach highlighted areas for improvement and surfaced emerging issues that required central support and focus for the year ahead. Thanks to our independence and experience, Audi continues to nurture an always-learning, always-evolving dialogue with its markets.