



**ebiquity**

Data-driven insights

# INTERIM RESULTS PRESENTATION

## SIX MONTHS ENDED 31 OCTOBER 2014

January 2015

## INTERIM RESULTS PRESENTATION

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# 1. HALF YEAR REVIEW



## HALF YEAR REVIEW

# Unique end to end capabilities

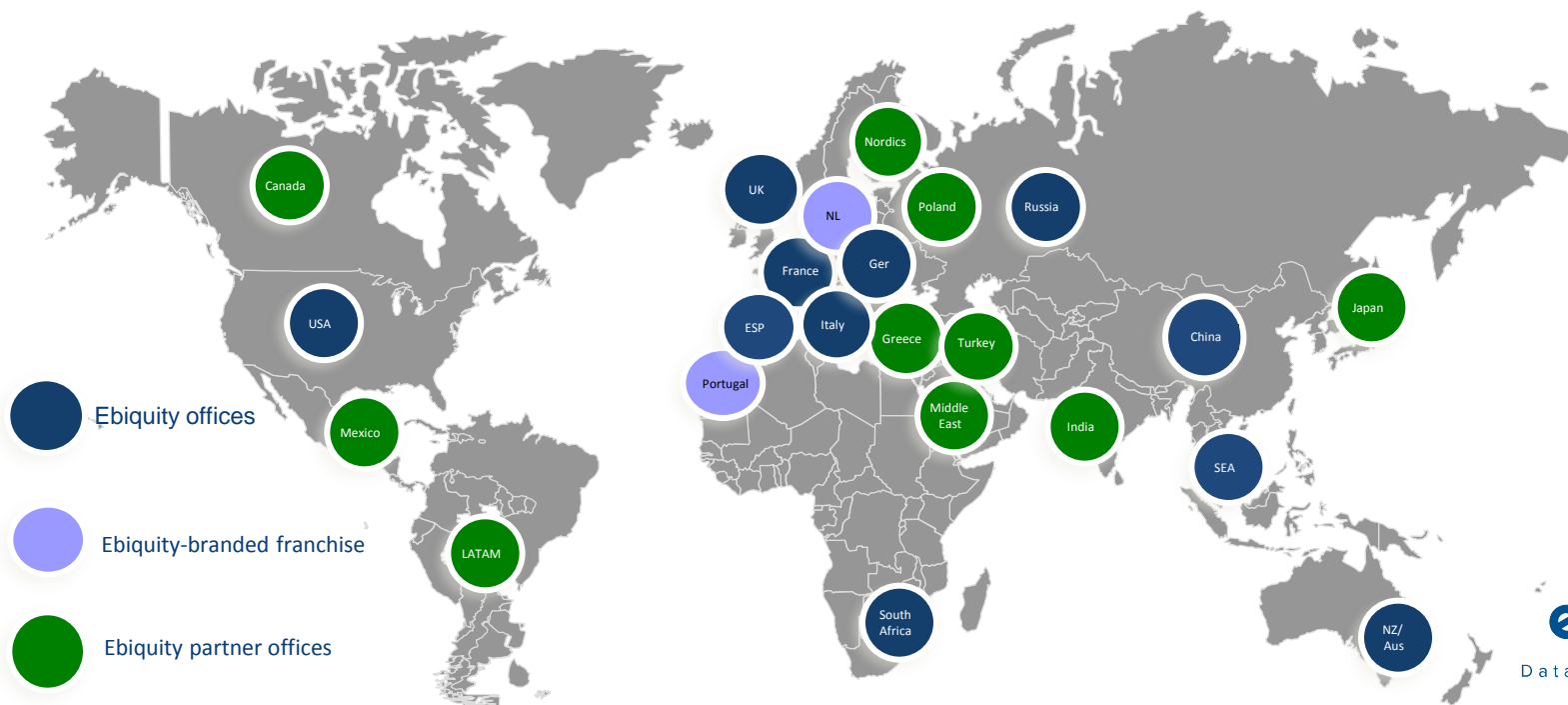




## HALF YEAR REVIEW

# Global presence and expertise

- Over 800 people worldwide
- Operating from over 15 global offices plus an extensive partner network
- Working with over 1,000 clients across multiple sectors including over 90 of the Top 100 advertisers globally
- 4 data centres: Newcastle (UK), Chicago (US), Baden Baden (Germany) and Sydney (Australia)



## HALF YEAR REVIEW

# Financial highlights excluding currency impact

Total revenue up 12%

Like for like revenue up 7%

Underlying operating profit up 16%

Underlying PBT up 17%

Underlying EPS up 14%

## HALF YEAR REVIEW

# Key events in the period

Strong operational and financial performance

Maiden dividend intended

Two new Non-Executive Directors

Significant management appointments across the Group

New Singapore office performing well

Upgrade of Portfolio Platform (MI)

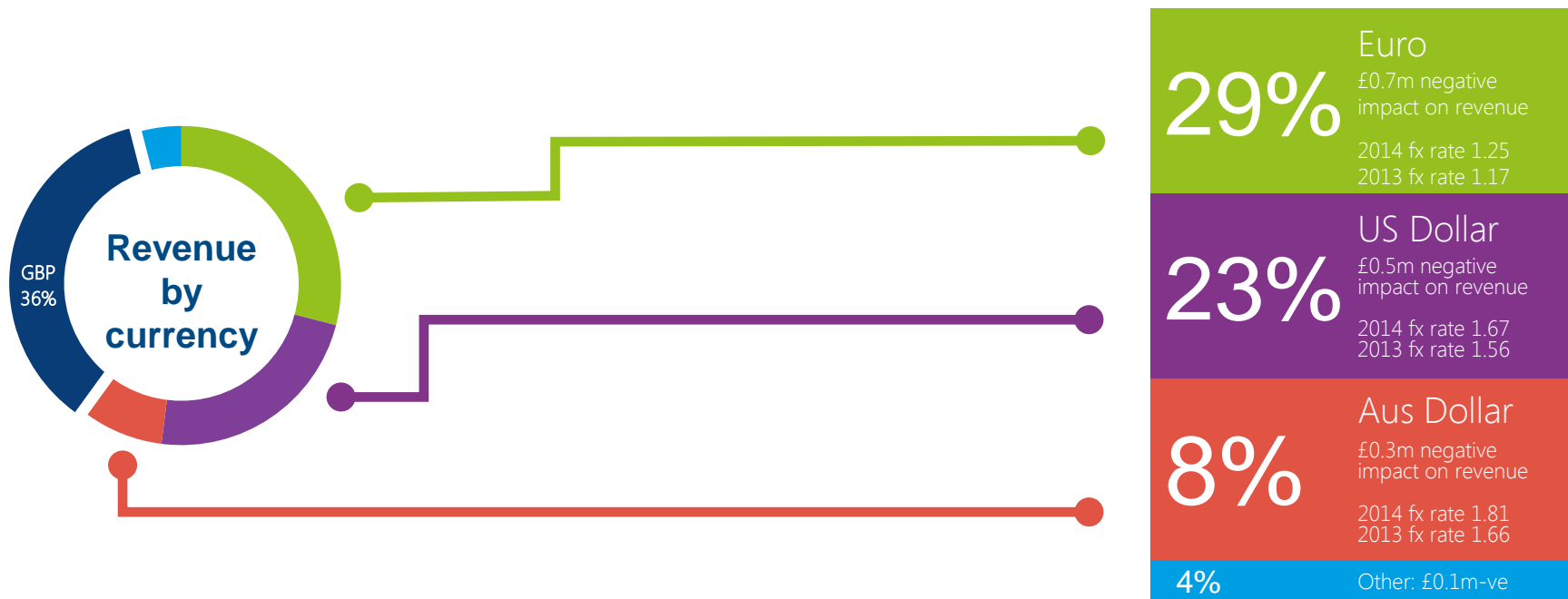
The background of the slide is a textured brown surface. Scattered across it are several three-dimensional wooden currency symbols. These include a US dollar sign (\$) at the top center, a British pound sign (£) to its left, a Japanese yen sign (¥) to its right, a Euro sign (€) on the far right, a Canadian dollar sign (C\$) at the bottom center, and another yen sign (¥) at the bottom right. A semi-transparent dark brown horizontal band runs across the middle of the image, containing the section header text.

## 2. FINANCIAL REVIEW



## FINANCIAL REVIEW: 6 MONTHS TO 31 OCTOBER 2014

# 5% foreign exchange impact on revenue



64% of revenue in the period is non-GBP. This has had a £1.6m negative impact on revenue

# Revenue analysis



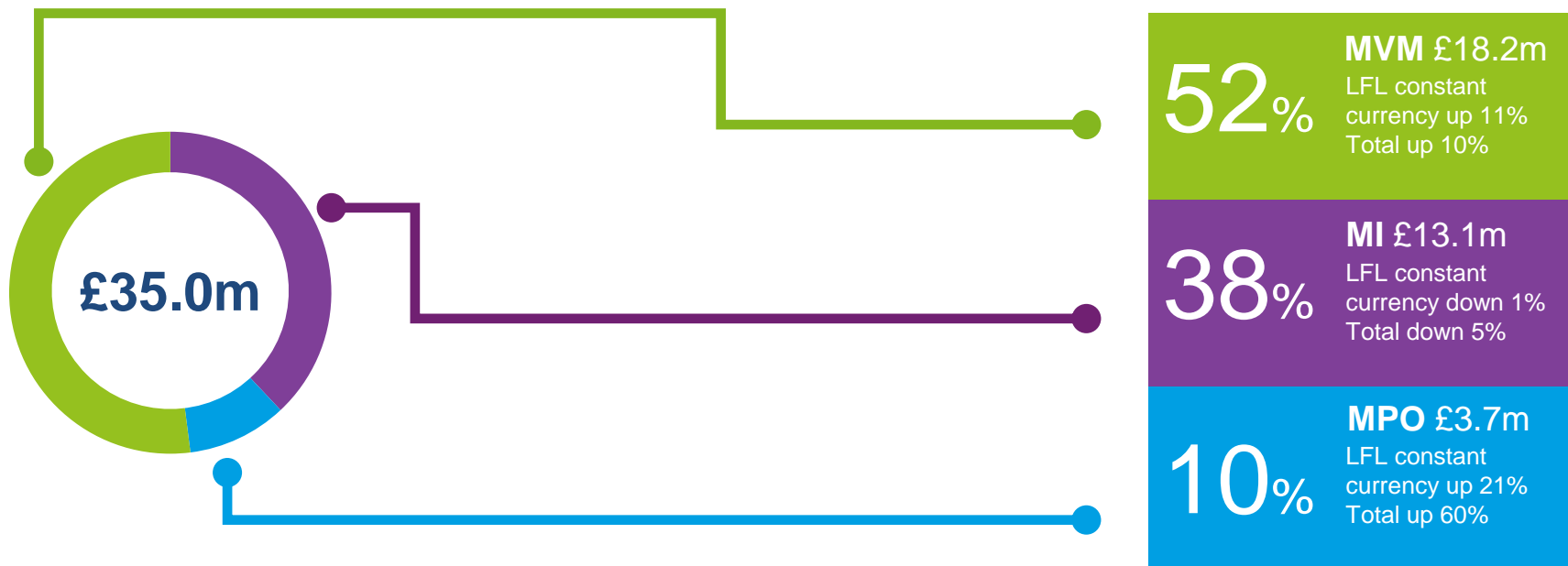
Total growth 7%

Total growth constant currency 12%

Like for like ("LFL") constant currency 7%

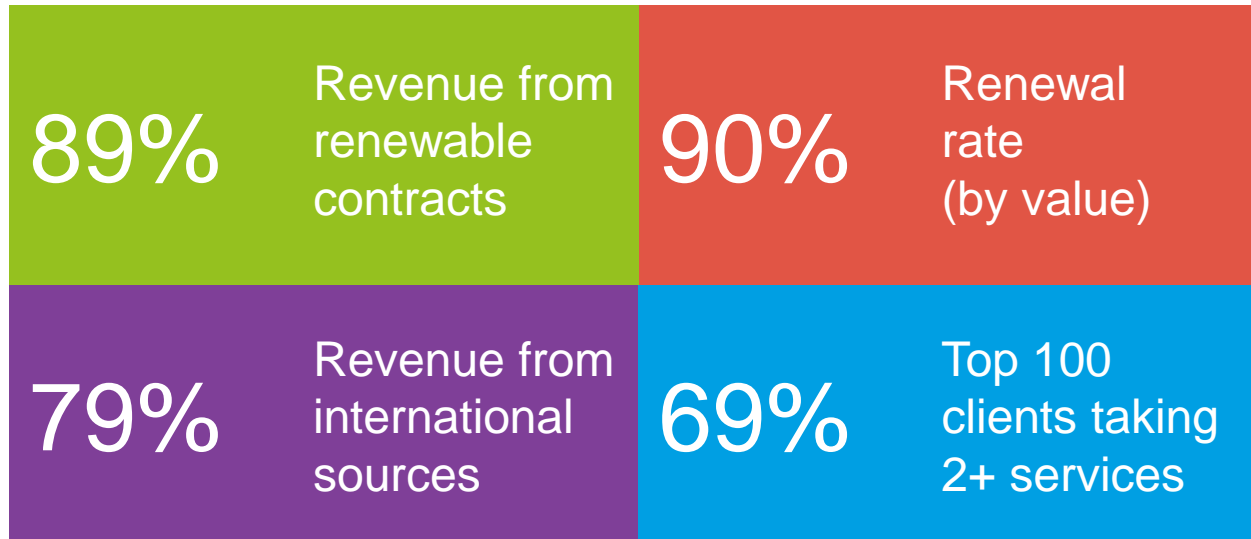
## FINANCIAL REVIEW: 6 MONTHS TO 31 OCTOBER 2014

# Revenue by segment



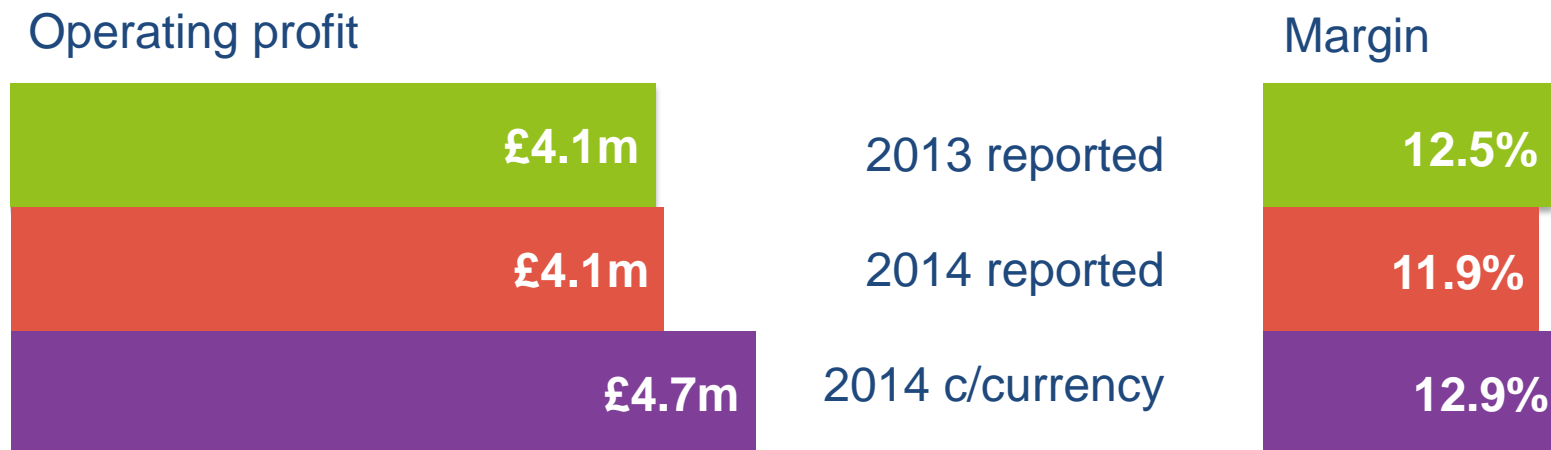


## Client analysis



## FINANCIAL REVIEW: 6 MONTHS TO 31 OCTOBER 2014

# Underlying operating profit and margin



Total growth 1%

Total growth constant currency 16%

Like for like constant currency 8%

£0.6m negative fx impact: Euro £0.3m, USD £0.2m, Other £0.1m

# Underlying diluted EPS analysis

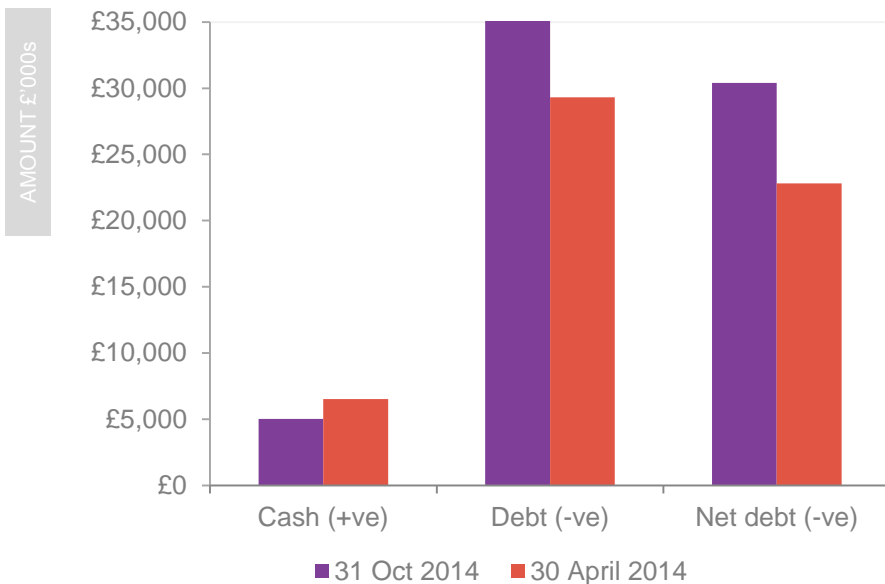


Reported broadly flat year on year  
14% increase at constant currency



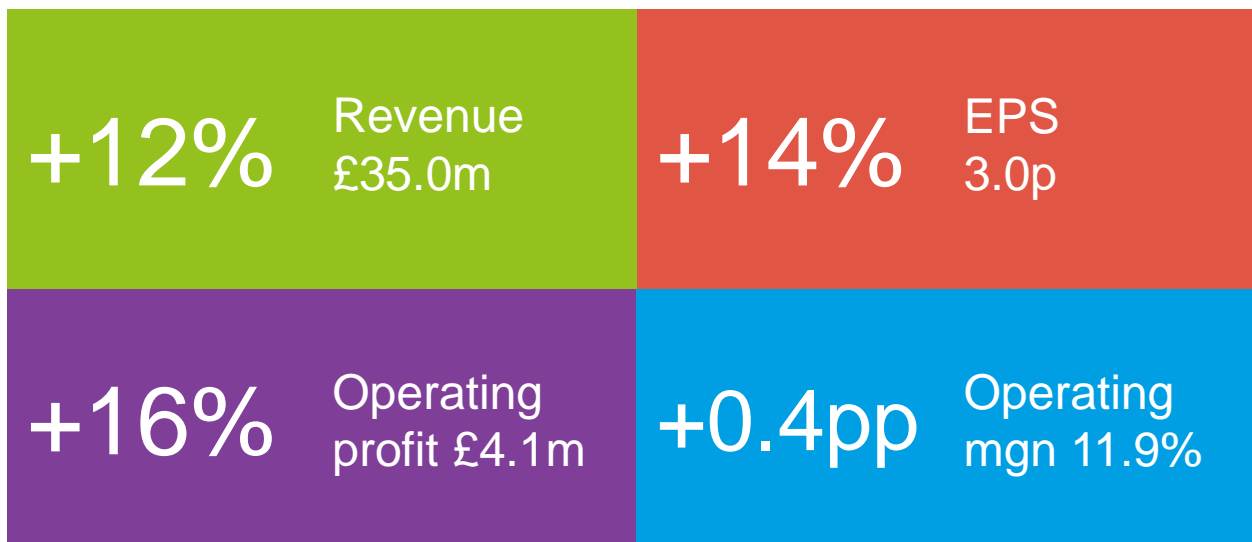
## FINANCIAL REVIEW: 6 MONTHS TO 31 OCTOBER 2014

# Net debt analysis



- Net debt at Oct 2014 of £30.4m (Apr 14: £22.8m)
- £5.1m drawn in the period for acquisitions
- £4.0m undrawn at Oct 2014
- £20m accordion facility also available (s/t approval)
- Current estimate of deferred consideration £5.6m (£2.4m in next 12 months)

# Financial highlights excluding currency impact





# 3. OUTLOOK



## OUTLOOK

# Remainder of 14/15 and beyond

Increasing momentum behind 'big data' analytics - market estimated to be worth \$100 billion<sup>1</sup> by 2018

Strong growth in key segments (MPO and MVM)

MI showing signs of stabilisation with new initiatives

Investment in strengthened management team key to driving future growth

Some dampening effect of currency fluctuations

Market trends and strong pipeline bode well for future

First dividend payment sign of growing confidence

The background of the slide is a complex digital graphic. It features a blue-toned grid with several overlapping line graphs in shades of purple, red, and yellow. Interspersed among these lines are vertical columns of binary code (0s and 1s) and various numerical values such as 5.6631, 9.334, 25647, and 7.2235. The overall aesthetic is high-tech and data-oriented.

## 4. FINANCIAL APPENDICES

## FINANCIAL APPENDICES

# Segmental reporting

6m to October 2014	MVM	MI	MPO	Total segments	Unallocated	Total
Revenue	18,168	13,141	3,662	34,971	-	34,971
u/l operating profit	3,837	1,816	1,446	7,099	(2,953)	4,146
Margin	21.1%	13.8%	39.5%	20.3%		11.9%

6m to October 2013	MVM	MI	MPO	Total segments	Unallocated	Total
Revenue	16,501	13,889	2,290	32,680	-	32,680
u/l operating profit	3,745	2,477	999	7,221	(3,126)	4,095
Margin	22.7%	17.8%	43.6%	22.1%		12.5%

12m to April 2014	MVM	MI	MPO	Total segments	Unallocated	Total
Revenue	36,477	27,162	4,813	68,452	-	68,452
u/l operating profit	10,289	4,801	1,523	16,613	(5,274)	11,339
Margin	28.2%	17.7%	31.6%	24.3%		16.6%

## FINANCIAL APPENDICES

# Year on year revenue analysis

	Organic	Acquisitions	Total
<b>6 months ended 31 October 2013</b>	<b>32,071</b>	<b>609<sup>1</sup></b>	<b>32,680</b>
Organic revenue increase	1,854	-	1,854
Foreign exchange impact	(1,460)	(176)	(1,636)
Full year impact of prior year acquisition	-	1,304 <sup>1</sup>	1,304
Revenue from current year acquisitions	-	768 <sup>2</sup>	768
<b>6 months ended 31 October 2014</b>	<b>32,465</b>	<b>2,506</b>	<b>34,971</b>

<sup>1</sup>Represents Stratigent acquisition (acquired August 2013)

<sup>2</sup>Represents CMCG acquisition (acquired January 2014)

**6% organic growth excluding the impact of foreign exchange movements**

# Renewals analysis

	% renewable revenue	% renewal rate (value)
MVM	100%	90%
MI	89%	90%
MPO	31%	n/a
<b>Total</b>	<b>89%</b>	<b>90%</b>



## FINANCIAL APPENDICES

# Highlighted items

	6 months to 31 Oct 2014	6 months to 31 Oct 2013
Recurring (non-cash)	1,641	1,024
Non recurring	1,367	838
<b>Total</b>	<b>3,008</b>	<b>1,862</b>

Recurring: increase in share options charge

Non-recurring: increase in deferred consideration estimate, and integration costs

## FINANCIAL APPENDICES

# Profit before tax

	6 months to 31 Oct 2014	6 months to 31 Oct 2013
<b>Underlying operating profit</b>	<b>4,146</b>	<b>4,095</b>
Highlighted items	(3,008)	(1,862)
<b>Reporting operating profit</b>	<b>1,138</b>	<b>2,233</b>
Net finance costs/associates	(561)	(532)
<b>Reported profit before tax</b>	<b>577</b>	<b>1,701</b>
<i><b>Underlying profit before tax</b></i>	<i><b>3,585</b></i>	<i><b>3,563</b></i>

## FINANCIAL APPENDICES

# Outstanding deferred consideration

As at 31 October 2014	2013/14		2014/15
	Stratigent	CMCG	Billets America
Nature of business	Multi-channel analytics in the US	Media auditing in China	Media auditing in the US
Operations	Chicago	Shanghai and Beijing	New York
Transaction date	19 August 2013	15 January 2014	7 May 2014
Transaction detail	100% acquisition	100% acquisition	Remaining 15% MI acquisition
Cash up front	£2,700k	£1,600K	-
Deferred consideration max	£2,764k	£5,183k	£2,489k
Deferred consideration paid	£2,098k	£1,163k	£330k
Estimated remaining deferred consideration:	£625k:	£3,833k:	£1,157k:
H1 2015/16	£375k	£909k	£1,157k
H1 2016/17	£250k	£1,386k	-
H1 2017/18	-	£1,538k	-
Total potential consideration	£5,464k	£6,783k	£2,489k
Total estimated consideration	£5,423k	£6,596k	£1,487k
Earn out end date	April 2016	April 2017	April 2015
Earn out basis	1 yr profit multiple & 3 yr rev growth/profit mgns	3 yr based on profit multiple	3 yr based on profit multiple
Key financials at acquisition	Dec 12: Rev £2.2m u/l op profit £0.6m 20 staff	Dec 13: Rev £1.4m u/l op profit £0.4m 22 staff	n/a

## FINANCIAL APPENDICES

# Statement of financial position

		October 2014	October 2013	April 2014
<b>Non current assets</b>	Goodwill	55,418	51,493	55,121
	Purchased intangibles	11,756	12,103	12,659
	Other	7,086	5,436	6,393
		<b>74,260</b>	<b>69,032</b>	<b>74,173</b>
<b>Current assets</b>	Trade debtors	12,376	12,509	15,683
	Accrued income	7,847	5,611	8,287
	Cash	5,010	6,635	6,521
	Prepayments	1,786	1,531	1,907
	Other	1,086	844	988
		<b>28,105</b>	<b>27,130</b>	<b>33,386</b>
<b>Current liabilities</b>	Trade creditors	2,908	2,944	4,989
	Loans	2,410	2,639	2,943
	Deferred income	4,508	5,404	7,401
	Accruals	3,198	3,319	3,437
	Other	6,228	10,177	10,414
		<b>19,252</b>	<b>24,483</b>	<b>29,184</b>
<b>Non current liabilities</b>	Loans	32,679	24,467	26,235
	Deferred tax	2,730	3,129	2,888
	Other	3,825	1,072	4,735
		<b>39,234</b>	<b>28,668</b>	<b>33,858</b>
<b>Net assets</b>		<b>43,879</b>	<b>43,011</b>	<b>44,517</b>

## FINANCIAL APPENDICES

# Cash flow statement

	6m to 31 October 2014	6m to 31 October 2013	12m to 30 April 2014
<b>Cash generated from operations</b>	<b>1,980</b>	<b>1,871</b>	<b>6,799</b>
Net finance expense	(791)	(436)	(841)
Income taxes paid	(1,129)	(114)	(1,159)
<b>Net cash from operating activities</b>	<b>60</b>	<b>1,321</b>	<b>4,799</b>
<b>Investing activities</b>			
Acq'n of subsidiaries, net of cash acquired	(4,758)	(5,862)	(9,230)
Purchase of PPE	(1,174)	(603)	(1,756)
Purchase of intangible assets	(734)	-	(796)
	<b>(6,666)</b>	<b>(6,465)</b>	<b>(11,782)</b>
<b>Financing activities</b>			
Issue of new shares	-	64	326
New borrowings	36,057	7,037	10,766
Loan repayments	(29,857)	(2,378)	(3,937)
Bank loan fees/swap closure	(389)	-	-
Acquisition of interest in subsidiary from NCI	(282)	(78)	(78)
Repayment of finance leases	(193)	(89)	(202)
Dividends paid to non-controlling interests	(243)	(60)	(60)
	<b>5,093</b>	<b>4,496</b>	<b>6,815</b>
<b>Net (decrease)/increase in cash</b>	<b>(1,513)</b>	<b>(648)</b>	<b>(169)</b>



## FINANCIAL APPENDICES

# Summary of banking facility

- £40m multi-currency facility in place, maturing in July 2018
- Accordion option to increase by a further £20m
- Approx £36.1m drawn; £35.4m outstanding
- Approx £4.0m available
- Interest rate of 2.5% plus LIBOR (can be lowered depending on covenants)
- Analysis of repayment plan on outstanding balance set out below:

	Currency	GBP	Future repayments	Bullet
GBP	£32,975k	£32,975k	£9,375k	£23,600k
Euro	€3,100k	£2,444k	-	£2,444k
		<b>£35,419k</b>	<b>£9,375k</b>	<b>£26,044k</b>
Repayment quarters			/15	
Repayment/quarter			£625k	

## FINANCIAL APPENDICES

# Cash and net debt analysis

	Cash	Gross debt	Net debt
<b>Opening at 1 May 2014</b>	<b>6,521</b>	<b>(29,321)</b>	<b>(22,800)</b>
Trading cash flow	1,980	-	1,980
Interest and tax	(1,920)	-	(1,920)
Debt repayments incl refi	(29,857)	29,857	-
Drawdown for acquisitions and refi	36,057	(36,057)	-
Payments for acquisitions	(5,108)	-	(5,108)
Capex	(1,908)	-	(1,908)
Refi costs	(389)	-	(389)
Other/forex	(366)	102	(264)
<b>Closing at 31 October 2014</b>	<b>5,010</b>	<b>(35,419)</b>	<b>(30,409)</b>
<i>vs pro forma EBITDA</i>		<b>2.73</b>	<b>2.35</b>

## FINANCIAL APPENDICES

# Cash conversion

	6m to 31 October 2014	6m to 31 October 2013
<b>Reported cash from operations</b>	<b>1,980</b>	<b>1,871</b>
Underlying cash from operations	3,768	2,520
Underlying operating profit	4,146	4,095
<b><i>Cash conversion</i></b>	<b><i>91%</i></b>	<b><i>62%</i></b>

## FINANCIAL APPENDICES

# Shareholder analysis at 31 October 2014

Name	Holding	% Holding
Artemis	7,899,430	10.46%
Kabouter	7,078,199	9.38%
JO Hambro	6,361,000	8.43%
T Rowe Price	6,015,474	7.97%
Invesco	5,500,014	7.29%
Herald	5,491,125	7.27%
Old Mutual	5,377,207	7.12%
F&C	3,407,975	4.51%
BlackRock	3,039,391	4.03%
L&G	2,951,000	3.91%
<b>Top 10 total</b>	<b>53,120,815</b>	<b>70.37%</b>

Name	Holding	% Holding	Options
Michael Greenlees <sup>1</sup>	230,000	0.30%	3,741,368
Nick Manning	230,000	0.30%	2,370,230
Andrew Beach <sup>2</sup>	209,476	0.28%	370,280
Richard Nichols	100,000	0.13%	-
Michael Higgins	64,500	0.09%	-
<b>Total Directors</b>	<b>833,976</b>	<b>1.10%</b>	<b>6,481,878</b>

Total shares in issue at 31 October 2014: 75,491,111.

Mkt cap at 31 October 2014: £84.7m

Share options outstanding at 31 October 2014: 9,966,025 of which 4,215,052 will be satisfied from shares already issued and held in an EBT (i.e. only 5,750,973 are dilutive).

<sup>1</sup>Subsequent to 31 October 2014, Mr Greenlees acquired 94,267 shares

<sup>2</sup>Subsequent to 31 October 2014, Mr Beach sold 189,476 owned shares and exercised and sold 60,280 share options

# 5. MARKET AND CAPABILITIES

The background is a complex collage of business-themed images. It features numerous small, overlapping photographs of people in professional attire (suits and dresses). These images are interspersed with various business symbols: globes, line graphs showing upward trends, pie charts, and icons representing networks or data. A large, central tablet or screen is prominently displayed, showing a similar collage of business images. Above the tablet, a bright, glowing light source creates a lens flare effect. To the right of the tablet, there are stylized white lines and arrows that suggest a flow or process, connecting different points in the collage.



## MARKET AND CAPABILITIES

# Our market

Increasing availability of data, changing marketing into a science

The analysis of data helps businesses improve their performance and profitability

We estimate the data analytics market to be worth \$100 billion by 2018

Research now indicates that data and data analytics are the number one concern of global CMO's

Few companies have the skills or technology to fully take advantage of data availability

Ebiquity is uniquely placed to take advantage of this growing market

## MARKET AND CAPABILITIES

# Ebiquity's unique position

Fully independent, transparent and objective

Unique data sources in media buying and competitive insights

Global platform with in-market capability

Agnostic approach to technology partners

Work with 90 of the top 100 brands

Long term client relationships with 90% recurring revenues

## MARKET AND CAPABILITIES

Unique insights delivered via proprietary platform to multi applications



## MARKET AND CAPABILITIES

# Business crucial information delivers improved performance



*Coherent view of business performance, key drivers, key issues and upcoming activity aimed at both a marketing and executive audience*

## MARKET AND CAPABILITIES

# Recent performance

	2009/10 Actual Result	2010/11 Actual Result	2011/12 Actual Result	2012/13 Actual Result	2013/14 Actual Result	2014/15 <i>Numis forecast</i>
Revenue	21,218	44,165	52,919	64,046	68,452	72,021
<i>growth</i>	15%	108%	20%	21%	7%	5%
Op profit	2,643	5,298	8,205	10,441	11,339	12,618
<i>margin</i>	12.5%	12.0%	15.5%	16.3%	16.6%	17.5%
EPS	5.6p	6.0p	7.4p	9.0p	10.1p	10.3p

All numbers in £'000s unless otherwise stated



## MARKET AND CAPABILITIES

# Cross-selling analysis

	2010/11	2011/12	2012/13	2013/14
2 services	10%	13%	11%	11%
3+ services	1%	1%	<b>3%</b>	<b>4%</b>
<b>2+ services</b>	<b>11%</b>	<b>14%</b>	<b>14%</b>	<b>15%</b>
<i>Top 100 global advertisers<sup>1</sup></i>	<i>84 of the 100</i>	<i>89 of the 100</i>	<i>91 of the 100</i>	<i>90 of the 100</i>

*Two thirds of the 90 clients from the Top 100 global advertisers take 2+ services*



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