ebiquity
Data-driven insights

Greater brand and business performance

Ebiquity Plc
("Ebiquity" or "the Company")

27 January 2016

Interim Results for the six months ended 31 October 2015

Strong profit growth, trading for the full year 2015 in line with management's expectations

Ebiquity plc, the independent marketing performance specialists, announces interim results for the six months ended 31 October 2015. Ebiquity provides services to more than 1,100 clients across 70 countries, including over 85%[1] of the top 100 global advertisers.

Encouraging first half performance

- Total revenue up 5% at constant currency[2] to £36.6m (2014: £35.0m), up 2% on a reported basis to £35.6m
- Total underlying[3] operating profit up 16% to £4.8m (2014: £4.1m) at constant currency and £4.5m on a reported basis
- Underlying PBT up 17% to £4.2m at constant currency (2014: £3.6m) and £3.9m on a reported basis
- Underlying diluted EPS up 23% to 3.69p at constant currency (2014: 3.0p) and 3.39p on a reported basis
- Underlying net cash inflow from operations has improved significantly to £4.3m (2014: £3.8m)
- Underlying operating profit margin improved by 120bps on a constant currency basis
- Following our change of year end, our next reported results will be for the eight month period to 31 December 2015

Analytics and data divisions continue to drive growth

- Marketing Performance Optimization ("MPO") continues to demonstrate significant momentum with revenue growth of 38%
- Media Value Measurement ("MVM") has seen an increase in client engagements as a result of large number of media agency reviews
- Market Intelligence ("MI") improved margins, benefitting from investment in our Portfolio platform which is starting to receive a positive client response with renewals (by value) remaining high at 96%

- Michael Karg succeeded Michael Greenlees as Group CEO in January 2016

Michael Greenlees, Executive Director, commented:

"We have enjoyed an extremely active six months across each of our practices. In particular our Media Value Measurement practice continues to grow both revenue and, on a constant currency basis, margin. The Marketing Performance Optimization practice has once more delivered a standout performance.

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Looking ahead, we continue to trade well and we expect to meet management's expectations for the 12 months to 31 December 2015. We believe our appointment as an advisor to the American Association of National Advertisers (ANA) on market transparency represents a clear sign of our Company's reputation, and recognition of the growing importance advertisers' place on leveraging their data assets to produce better results.

We will propose our final dividend for the period to 31 December 2015 when we issue our preliminary results in March 2016.

I am particularly delighted to welcome my successor as Group CEO, Michael Karg, who joined the Company in January. Michael has an impressive background and I am confident I hand over to a worthy successor able and committed to take the Company to the next stage of its development.

27 January 2016

Enquiries:

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[1]Source: Advertising Age 2014.
[2]Constant currency figures present current year foreign currency denominated results at last year's foreign exchange rates.
[3] Underlying results are stated before highlighted items.

Chief Executive and Financial Review

Overview

I am pleased to announce that for the half year to 31 October 2015 we have continued to grow our business whilst also improving margins. On a constant currency basis we have delivered:

- Total revenue up 5% to £36.6m (2014: £35.0m)
- Underlying operating profit growth of 16% to £4.8m (2014: £4.1m)
- Underlying PBT growth of 17% to £4.2m (2014: £3.6m)
- Underlying diluted EPS growth of 23% to 3.69p (2014: 3.0p)

The continuing demand for data analytics and performance measurement is driving strong like for like growth in both our Media Value Measurement and Marketing Performance Optimization practices at high margins. Our Market Intelligence practice is beginning to show signs of recovery in some markets as a result of further platform investment and innovation and the Group's increasing profile and reputation supporting new business conversion.

Our Vision

Our vision is to be the most respected, independent marketing analytics partner for brands and businesses worldwide. In doing so, we aim to help our clients:

- Achieve greater insights into the marketing landscape
- Make better informed decisions
- Achieve the best return on their media and marketing investments
- Continually improve their business performance
- Monitor competitors' advertising strategy and investments
- Understand the value of their business and brand reputation

Summary of results

The table below sets out a summary of our results, on a constant currency and reported basis:

	Six months ended 31 October 2015 (constant currency) £'000s	Six months ended 31 October 2015 (reported) £'000	Six months ended 31 October 2014 (reported) £'000
Revenue	**36,574**	**35,633**	34,971
Underlying operating profit	**4,797**	**4,457**	4,146
Underlying operating profit margin %	**13.1%**	**12.5%**	11.9%

We enjoyed particularly significant revenue growth in MPO of 38%, with like for like constant currency growth of 29%.

This strong performance, combined with effective cost control in our Market Intelligence practice and Central head office costs, has resulted in an improvement in operating margin performance which has increased 120bps on a constant currency basis.

Presentation of results

Like for like ("LFL") figures adjust the prior year results to include the results of acquisitions as if they had been owned for the same period in the prior year. Constant currency figures present current year foreign currency denominated results at last year's foreign exchange rates.

All results are reported before taking into account highlighted items, unless otherwise stated. These highlighted items include share-based payment expenses, amortisation of purchased intangible assets, acquisition costs, restructuring and other non-recurring items.

MVM - Media Value Measurement (52% of total revenue)

The issues of accountability and transparency in media marketing have been high profile throughout 2015. Ebiquity leads the market in helping advertisers measure their media performance and secure a high level of financial visibility and return on investment in their media transactions.

Two key features of the industry have played to Ebiquity's strengths. Firstly, we have been advising our clients through an unprecedented wave of media agency reviews, where they are evaluating the service offering of different agency partners.

Secondly, the lack of transparency in the media markets has led to Ebiquity being appointed (alongside a corporate investigation firm) by the Association of National Advertisers (ANA), the US trade association for advertisers, to conduct a study of the US media market. This reflects a growing sense of unease among the world's advertisers as to the value they are achieving from their budgets, and this is one of the core specialisms of our MVM business.

Consequently, we see significant opportunity to expand into this market space as the questions over accountability and transparency intensify, especially given the extreme opacity of the digital market, where we believe our clients' reporting needs are under-served by their agency partners.

Total MVM revenue has increased by 1%. On a LFL constant currency basis revenue has increased by 2%. The MVM practice has been extremely active during this period, which has been marked by an increase in the number of clients we have advised during their media agency reviews. In the short term this has resulted in fewer recurring benchmark assignments, however recent evidence suggests that many of these assignments are now being reconfirmed. Revenue growth, together with the continued management of our cost base, has enabled operating profit margins to improve by 30bps on a constant currency basis.

	Six months ended 31 October 2015 (constant currency) £'000	**Six months ended 31 October 2015 (reported) £'000**	**Six months ended 31 October 2014 (reported) £'000**
Revenue	**19,292**	**18,429**	18,168
Operating profit	**4,132**	**3,801**	3,837
Operating profit margin %	**21.4%**	**20.6%**	21.1%

MI - Market Intelligence (34% of total revenue)

Ebiquity's Market Intelligence (MI) platform, 'Portfolio', is generating a positive client response following the investment we announced earlier in the year and we expect this to have a positive impact on revenue in the following renewal seasons.

The renewal rate (by value) increased to 96% (2014: 90%), providing confidence towards the outlook for 2016. The recent improvement in our renewal rates has slowed the decline we had previously experienced in our Portfolio subscription services, but our MI project based services have faced a more challenging climate and significantly contributed to the decline in revenues.

We have undertaken a number of initiatives to improve the efficiency of our data capture and processing which has enabled us to increase margins on both a reported and constant currency basis.

	Six months ended 31 October 2015 (constant currency) £'000	**Six months ended 31 October 2015 (reported) £'000**	**Six months ended 31 October 2014 (reported) £'000**
Revenue	**12,342**	**12,143**	13,141
Operating profit	**1,773**	**1,762**	1,816
Operating profit margin %	**14.4%**	**14.5%**	13.8%

MPO - Marketing Performance Optimization (14% of total revenue)

Our MPO practice now represents 14% of our business (2014: 10%) reflecting the continued exciting levels of growth we are experiencing within the practice.

Marketing in the digital age is multi-channel, with data at its heart. During 2015 Ebiquity co-produced with the CMO Council a research study into the emerging needs of today's marketing professionals, and this clearly showed that the management of data is the number one priority in the new marketing landscape. This is the core area of expertise for our MPO teams, who conduct the data analytics and technology work to improve our clients' marketing performance.

Consequently MPO continues to flourish with revenue increasing by 38%, with LFL constant currency growth of 29%.

Over the past six months we have invested in resource to ensure we have sustainable revenue growth within our MPO practice. This has resulted in an expected decline in margins from 2014, but margins continue to remain the highest of our three practices.

	Six months ended 31 October 2015 (constant currency) £'000	Six months ended 31 October 2015 (reported) £'000	Six months ended 31 October 2014 (reported) £'000
Revenue	**4,940**	**5,061**	3,662
Operating profit	**1,642**	**1,657**	1,446
Operating profit margin %	**33.2%**	**32.7%**	39.5%

Central costs

Central costs include central salaries (Board, Finance, Marketing, IT and HR), legal and advisory costs and property costs. Central costs have decreased by 6% largely due to reduced recruitment costs of £0.1m, and an increase in foreign exchange gains of £0.1m.

	Six months ended 31 October 2015 £'000	Six months ended 31 October 2014 £'000
Central costs	**2,763**	2,953

Margins

The underlying operating profit margin has improved from 11.9% to 13.1% on a constant currency basis as a result of increased margins in both the MVM and MI segments combined with a reduced central cost basis. The continuing strong growth from MPO has also improved Group margins as the MPO practice represents an increasing proportion of our business.

Result before tax

	Six months ended 31 October 2015 £'000	Six months ended 31 October 2014 £'000
Underlying operating profit	**4,457**	**4,146**
Highlighted items	(1,369)	(3,008)
Reported operating profit	**3,088**	**1,138**
Net finance costs	(598)	(569)
Share of profit of associates	4	8
Reported profit before tax	**2,494**	**577**
Underlying profit before tax	**3,863**	**3,585**

Highlighted items total £1.4m, which includes £1.0m of purchased intangible asset amortisation, £0.3m of share option charges, £0.1m acquisition and integration costs. The decrease from 2014 primarily reflects a £1.0m reduction in non-recurring acquisition and integration costs, £0.3m reduction in share option charges and the non-recurrence of £0.3m of fees arising from our the refinance of our banking facilities undertaken in 2014.

Reported profit before tax is up to £2.5m (2014: £0.6m) as a result of the underlying performance of the Group and the reduced level of highlighted items. Underlying profit before tax is 8% higher at £3.9m (2014: £3.6m).

Dividend

Following the payment of our maiden dividend in October 2015, it is our intention to pay a final dividend for the period to 31 December 2015. The dividend will be proposed following the results for the 8 months to 31 December 2015 and reflects the Board's continued confidence in the Group's future.

Earnings per share

Underlying diluted earnings per share was 3.39p (2014: 3.00p), a 13% increase in reported underlying diluted earnings per share. On a constant currency basis the increase is 23% reflecting the margin improvement and cost control in the period.

Cash conversion

	Six months ended 31 October 2015	Six months ended 31 October 2014
	£'000	£'000
Reported cash from operations	2,586	1,980
Underlying cash from operations	4,347	3,768
Underlying operating profit	4,457	4,146
Cash conversion	98%	91%

Underlying cash from operations represents the cash flows from operations excluding the impact of highlighted items. The underlying net cash inflow from operations has improved significantly to £4.3m (2014: £3.8m).

After highlighted items are considered, reported net cash inflow from operations for the period was up 31% to £2.6m (2014: £2.0m).

Due to stronger working capital management in the period, cash conversion has improved significantly.

-
- *Net debt and banking facilities*

	As at 31 October 2015	As at 31 October 2014	As at 30 April 2015

	£’000	£’000	£’000
Cash and cash equivalents	**4,830**	5,010	7,884
Bank debt[1]	**(35,901)**	(35,419)	(34,576)
Net debt	**(31,071)**	(30,409)	(26,692)

[1] Bank debt on the Balance Sheet at 31 October 2015 is shown net of £0.2m (2014: £0.3m) of loan arrangement fees that have been paid and which are amortised over the life of the facility. The bank debt stated above excludes these costs.

At 31 October 2015, our total outstanding facilities comprised £6.9m of term loan (2014: £9.4m) and a revolving credit facility (RCF) of £30.0m of which £29.0m was drawn at 31 October 2015 (2014: £26.0m). Both the term loan and the RCF have a maturity date of 2 July 2018.

- *Statement of financial position and net assets*

Net current assets as at 31 October 2015 have increased by £1.9m since 31 October 2014, and by £0.8m since 30 April 2015.

Total deferred contingent consideration has decreased by a net £4.6m since 30 April 2015, largely due to the settlement of earn out obligations in the period (£4.1m). Remaining deferred consideration is currently estimated to be £4.4m which relates to our three most recent acquisitions, £3.0m of which is forecast to be settled in the next 12 months.

Change of year end

As previously announced the Group has changed its financial year end from 30 April to 31 December. The Board believes that a change to a December year end will provide greater certainty of year end out-turn earlier within the Group’s financial year. The Group will publish its preliminary report for the eight months ended 31 December 2015 on 30 March 2016.

Adoption of Financial Reporting Standard (FRS) 101– Reduced Disclosure Framework

Following the publication of FRS 100, ‘Application of financial reporting requirements’, by the Financial Reporting Council, the Parent Company Ebiquity plc is required to change its accounting framework for its individual entity financial statements, which are currently prepared under UK GAAP, for its financial period commenced 1 May 2015. The Board considers that it is in the best interests of the Group for the Company to adopt FRS 101, ‘Reduced disclosure framework’. No disclosures in the current UK GAAP financial statements would be omitted on adoption of FRS 101. A shareholder or shareholders holding in aggregate 5% or more of the total allotted shares in the Company can serve objections to the use of the disclosure exemptions on Ebiquity plc, in writing, to its registered office (CityPoint, One Ropemaker Street, London, EC2Y 9AW) not later than 10 February 2016.

Outlook

Following the announcement of our change of financial year end to 31 December, these results represent the last time the Company will report on the six months to 31 October. We will report our performance for the eight months to 31 December 2015 in March 2016, and these results will also include our performance for the 12 months ended 31 December 2015 against the equivalent period in 2014, both presented on a pro forma basis.

We expect to meet management's expectations for the 12 months to 31 December 2015, and anticipate the positive momentum from recent client wins and product investment to continue into 2016.

By order of the Board

Michael Karg

Chief Executive Officer

Michael Greenlees

Executive Director

Andrew Beach

Chief Financial and Operating Officer

26 January 2016

Consolidated Income Statement
for the six months ended 31 October 2015

	Note	Unaudited 6 months ended 31 October 2015	Unaudited 6 months ended 31 October 2014	Audited 12 months ended 30 April 2015
		£'000s	**£'000s**	**£'000s**
Revenue		35,633	34,971	73,874
Cost of sales		(16,151)	(16,107)	(32,383)
Gross Profit		**19,482**	**18,864**	**41,491**
Administrative expenses – excluding highlighted items		(15,025)	(14,718)	(29,762)
Administrative expenses – highlighted items	3	(1,369)	(3,008)	(5,913)
Total administrative expenses		**(16,394)**	**(17,726)**	**(35,675)**
Operating profit before highlighted items		4,457	4,146	11,729
Administrative expenses – highlighted items	3	(1,369)	(3,008)	(5,913)
Operating profit		**3,088**	**1,138**	**5,816**
Finance income		10	2	8
Finance expenses		(608)	(571)	(1,179)
Net finance expense		**(598)**	**(569)**	**(1,171)**
Share of profits of associates		**4**	**8**	**12**
Profit before tax and highlighted items		3,863	3,585	10,570
Highlighted items	3	(1,369)	(3,008)	(5,913)
Profit before tax		**2,494**	**577**	**4,657**
Tax before highlighted tax		(1,055)	(854)	(1,693)
Highlighted tax	3	311	467	1,155
Tax expense		**(744)**	**(387)**	**(538)**
Profit for the period		**1,750**	**190**	**4,119**
Attributable to:				
Equity holders of the parent		1,631	(206)	3,623
Non-controlling interests		119	396	496
		1,750	**190**	**4,119**

Consolidated Statement of Comprehensive Income
for the six months ended 31 October 2015

	Unaudited 6 months ended 31 October 2015	Unaudited 6 months ended 31 October 2014	Audited 12 months ended 30 April 2015
	£'000	£'000	£'000
Profit for the period	1,750	190	4,119
Items that may be subsequently reclassified to profit or loss:			
Exchange differences on translation of overseas subsidiaries	(979)	454	350
Movement in valuation of hedging instruments	-	40	52
Total comprehensive income for the period	**771**	**684**	**4,521**
Attributable to:			
Equity holders of the parent	652	288	4,025
Non-controlling interests	119	396	496
	771	**684**	**4,521**

Consolidated Statement of Financial Position
as at 31 October 2015

	Note	Unaudited as at 31 October 2015 £'000s	Unaudited as at 31 October 2014 £'000s	Audited as at 30 April 2015 £'000s
Non-current assets				
Goodwill	6	57,415	55,418	58,096
Other intangible assets	7	14,363	14,031	15,178
Property, plant and equipment		3,014	3,578	3,194
Investment in associates		36	28	32
Deferred tax asset		1,684	1,205	1,408
Total non-current assets		**76,512**	**74,260**	**77,908**
Current assets				
Trade and other receivables		28,926	23,095	29,879
Cash and cash equivalents	8	6,808	5,010	9,295
Total current assets		**35,734**	**28,105**	**39,174**
Total assets		**112,246**	**102,365**	**117,082**
Current liabilities				
Trade and other payables		(6,074)	(5,535)	(7,489)
Accruals and deferred income		(9,903)	(7,706)	(11,510)
Financial liabilities	9	(7,436)	(4,867)	(8,761)
Current tax liabilities		(1,465)	(1,114)	(1,280)
Provisions		(84)	(30)	(121)
Total current liabilities		**(24,962)**	**(19,252)**	**(29,161)**
Non-current liabilities				
Financial liabilities	9	(34,640)	(35,870)	(35,957)
Provisions		(485)	(634)	(485)
Deferred tax liability		(2,656)	(2,730)	(2,821)
Total non-current liabilities		**(37,781)**	**(39,234)**	**(39,263)**
Total liabilities		**(62,743)**	**(58,486)**	**(68,424)**
Total net assets		**49,503**	**43,879**	**48,658**
Equity				
Ordinary shares		19,290	18,873	19,193
Share premium		11,740	10,750	11,657
Other reserves		(207)	861	772
Retained earnings		17,732	12,659	16,012
Equity attributable to the owners of the parent		**48,555**	**43,143**	**47,634**

Non-controlling interests	948	736	1,024
Total equity	**49,503**	**43,879**	**48,658**

Consolidated Statement of Changes in Equity for the six months ended 31 October 2015

	Ordinary shares £'000	Share premium £'000	Other reserves £'000	Retained earnings £'000	Total £'000	Non-controlling interests £'000	Total equity £'000
1 May 2014	18,873	10,750	367	13,810	43,800	717	44,517
(Loss)/Profit for the period	-	-	-	(206)	(206)	396	190
Other comprehensive (loss)/income	-	-	494	-	494	-	494
Total comprehensive (loss) / income for the period	-	-	494	(206)	288	396	684
Acquisition of non-controlling interest	-	-	-	(1,345)	(1,345)	(65)	(1,410)
Share options charge	-	-	-	642	642	-	642
Deferred tax on share options	-	-	-	(242)	(242)	-	(242)
Dividends paid to non-controlling interests	-	-	-	-	-	(312)	(312)
31 October 2014	18,873	10,750	861	12,659	43,143	736	43,879
Profit for the period	-	-	-	3,829	3,829	100	3,929
Other comprehensive (loss)/income	-	-	(92)	-	(92)	-	(92)
Total comprehensive (loss) / income for the period	-	-	(92)	3,829	3,737	100	3,837
Shares issued for cash	79	110	3	(3)	189	-	189
Acquisition of non-controlling interest	241	797	-	(1,218)	(180)	178	(2)
Share options charge	-	-	-	573	573	-	573
Deferred tax on share options	-	-	-	172	172	-	172
Dividends paid to non-controlling interests	-	-	-	-	-	10	10
30 April 2015	19,193	11,657	772	16,012	47,634	1,024	48,658
Profit for the period	-	-	-	1,631	1,631	119	1,750
Other comprehensive (loss)/income	-	-	(979)	-	(979)	-	(979)
Total comprehensive (loss) / income for the period	**-**	**-**	**(979)**	**1,631**	**652**	**119**	**771**
Shares issued for cash	97	83	-	-	180	-	180
Share options charge	-	-	-	132	132	-	132
Deferred tax on share options	-	-	-	248	248	-	248
Dividends paid to non-controlling interests	-	-	-	-	-	(195)	(195)
Dividends paid to equity holders of the parent	-	-	-	(291)	(291)	-	(291)
31 October 2015	**19,290**	**11,740**	**(207)**	**17,732**	**48,555**	**948**	**49,503**

Consolidated Cash Flow Statement
for the six months ended 31 October 2015

	Note	Unaudited 6 months ended 31 October 2015 £'000s	Unaudited 6 months ended 31 October 2014 £'000s	Audited 12 months ended 30 April 2015 £'000s
Cashflows from operating activities				
Cash generated from operations	10	2,586	1,980	7,927
Finance expense paid		(598)	(793)	(1,242)
Finance income received		10	2	8
Income taxes paid		(755)	(1,129)	(1,618)
Net cash from operating activities		**1,243**	**60**	**5,075**
Cashflows from investing activities				
Acquisition of subsidiaries, net of cash acquired		(3,002)	(4,826)	(5,248)
Disposal of investments		-	68	68
Purchase of property, plant and equipment		(377)	(1,174)	(1,464)
Purchase of intangible assets		(651)	(734)	(1,664)
Net cash used in investing activities		**(4,030)**	**(6,666)**	**(8,308)**
Cashflows from financing activities				
Proceeds from issue of share capital (net of issue costs)		180	-	252
Proceeds from bank borrowings		2,578	36,057	36,703
Repayment of bank borrowings		(1,250)	(29,857)	(31,107)
Bank loan arrangement fees paid		-	(360)	(360)
Interest rate swap closure		-	(29)	(29)
Acquisition of interest in a subsidiary from non-controlling interests		(1,061)	(282)	(282)
Dividends paid to equity holders of the parent		(291)	-	-
Dividends paid to non-controlling interests		(195)	(243)	(259)
Capital repayment of finance leases		(4)	(193)	(197)
Net cash flow from financing activities		**(43)**	**5,093**	**4,721**
Net (decrease) / increase in cash, cash equivalents and bank overdrafts		**(2,830)**	**(1,513)**	**1,488**
Cash, cash equivalents and bank overdrafts at beginning of period		**7,884**	**6,521**	**6,521**

Effect of unrealised foreign exchange (losses)/gains		(224)	2	(125)
Cash, cash equivalents and bank overdrafts at end of period	8	**4,830**	**5,010**	**7,884**

Notes to the interim financial statements for the six months ended 31 October 2015

1. Accounting policies

Basis of preparation

The financial information presented in this documentation has been prepared using recognition and measurement principles which are consistent with International Financial Reporting Standards (IFRS) and International Financial Reporting Interpretations Committee (IFRIC) interpretations that are endorsed for use in the European Union. Further standards or interpretations may also be issued that could be applicable for the period ended 31 December 2015. These potential changes could result in the need to change the basis of accounting or presentation of certain financial information from that presented in this document.

The comparatives for the period ended 30 April 2015 are not the Company's full statutory accounts for that year but are drawn up from those accounts. A copy of the statutory accounts for that year has been delivered to the Registrar of Companies. The auditors' report on those accounts was unqualified, did not include references to any matters to which the auditors drew attention by way of emphasis without qualifying their report and did not contain a statement under section 498(2)-(3) of the Companies Act 2006.

As permitted by AIM rules, the group has not applied IAS 34 'Interim Reporting' in preparing this interim report.

There are no new IFRSs or IFRIC interpretations that are effective for the first time for the financial period beginning 1 May 2015 that would be expected to have a material impact on the Group.

2. Segmental reporting

In accordance with IFRS 8 the Group's operating segments are based on the reports reviewed by the Executive Directors that are used to make strategic decisions.

The Group reports its results in three business practices (Media Value Measurement, Market Intelligence and Marketing Performance Optimization), as this most accurately reflects the way the Group is being managed.

The Executive Directors are the Group's chief operating decision-maker. They assess the performance of the operating segments based on operating profit before highlighted items. This measurement basis excludes the effects of non-recurring expenditure from the operating segments such as restructuring costs and purchased intangible amortisation. The measure also excludes the effects of equity-settled share-based payments. Interest income and expenditure are not allocated to segments, as this type of activity is driven by the central treasury function, which manages the cash position of the Group.

The segment information provided to the Executive Directors for the reportable segments for the period ended 31 October 2015 is as follows:

Unaudited six months ended 31 October 2015

	Media Value Measurement £'000	Market Intelligence £'000	Marketing Performance Optimization £'000	Reportable Segments £'000	Unallocated £'000	Total £'000
Revenue	**18,429**	**12,143**	**5,061**	**35,633**	**-**	**35,633**
Operating profit before highlighted items	**3,801**	**1,762**	**1,657**	**7,220**	**(2,763)**	**4,457**

Unaudited six months ended 31 October 2014

	Media Value Measurement £'000	Market Intelligence £'000	Marketing Performance Optimization £'000	Reportable Segments £'000	Unallocated £'000	Total £'000
Revenue	18,168	13,141	3,662	34,971	-	34,971
Operating profit before highlighted items	3,837	1,816	1,446	7,099	(2,953)	4,146

Year ended 30 April 2015

	Media Value Measurement £'000	Market Intelligence £'000	Marketing Performance Optimization £'000	Reportable Segments £'000	Unallocated £'000	Total £'000
Revenue	40,046	25,768	8,060	73,874	-	73,874
Operating profit before highlighted items	11,224	3,447	2,905	17,576	(5,847)	11,729

2. Segmental reporting (continued)

A reconciliation of segment operating profit before highlighted items to total profit before tax is provided below:

	Unaudited 6 months ended 31 October 2015 £'000	Unaudited 6 months ended 31 October 2014 £'000	Audited 12 months ended 30 April 2015 £'000
Reportable segment operating profit before highlighted items	**7,220**	7,099	17,576
Unallocated costs:			
Staff costs	**(2,438)**	(2,604)	(4,773)
Property costs	**(220)**	(221)	(404)
Exchange rate movements	**17**	(78)	(179)
Other administrative expenses	**(122)**	(50)	(491)
Operating profit before highlighted items	**4,457**	4,146	11,729
Highlighted items (note 3)	**(1,369)**	(3,008)	(5,913)
Operating profit	**3,088**	1,138	5,816
Net finance costs	**(598)**	(569)	(1,171)
Share of profit of associates	**4**	8	12
Profit before tax	**2,494**	577	4,657

Unallocated costs comprise central costs that are not considered attributable to the segments.

3. Highlighted items

Highlighted items comprise items which are highlighted in the income statement because separate disclosure is considered relevant in understanding the underlying performance of the business.

	Unaudited 6 months ended 31 October 2015 £'000s	Unaudited 6 months ended 31 October 2014 £'000s	Audited 12 months ended 30 April 2015 £'000s
Recurring:			
Share option charge	**294**	642	1,355
Amortisation of purchased intangibles	**1,019**	999	2,030
	1,313	1,641	3,385
Non-recurring:			
Acquisition and integration costs	**56**	1,029	1,730
Refinancing costs	**-**	338	404

Property costs	**-**	-	394
	56	1,367	2,528
Total highlighted items before tax	**1,369**	3,008	5,913
Deferred tax on tax losses	**-**	-	-
Taxation credit	**(311)**	(467)	(1,155)
Total highlighted items after tax	**1,058**	2,541	4,758

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3. Highlighted items (continued)

Share option charges include the non-cash IFRS 2 charge (£132,000) along with the cash element in relation to the exercising of share options (£162,000).

Amortisation of purchased intangibles of £1,019,000 relates to acquisitions made in prior years.

Acquisition costs represent professional fees incurred in relation to acquisitions (£172,000) and adjustments to the fair value of deferred consideration (a credit of £504,000; 2014: £545,000 debit) resulting primarily from a downward revision of deferred consideration in relation to one acquisition and discounting all deferred consideration balances to net present value, partially offset by the related foreign exchange impacts (£42,000). Integration costs include certain one-off costs incurred whilst integrating the acquisitions made in the prior financial years including severance costs arising from the restructure of senior management following these acquisitions (£150,000). Also included are fees in relation to the appointment and ongoing succession planning in relation to the new Group CEO (£193,000).

4. Dividends

	Unaudited 6 months ended 31 October 2015 £'000s	Unaudited 6 months ended 31 October 2014 £'000s	Audited 12 months ended 30 April 2015 £'000s
Dividends to equity holders of the parent			
Ordinary final dividend for the year ended 30 April 2015 of 0.4p per share	**291**	-	-
Total	**291**	-	-

No interim dividend is being proposed (2014: nil).

5. Earnings per share

The calculation of basic and diluted earnings per share is based on the following data:

	Unaudited 6 months ended 31 October 2015 £'000s	**Unaudited 6 months ended 31 October 2014 £'000s**	**Audited 12 months ended 30 April 2015 £'000s**
Earnings for the purpose of basic earnings per share being net profit attributable to equity holders of the parent	**1,631**	(206)	3,623
Adjustments:			
Impact of highlighted items (net of tax)[1]	**1,047**	2,522	4,723
Earnings for the purpose of underlying earnings per share	**2,678**	2,316	8,346
Number of shares:			
Weighted average number of shares during the period			
- Basic	**76,914,760**	75,491,111	75,820,669
-Dilutive effect of share options	**2,025,736**	1,750,017	2,084,430
	78,940,496	77,241,128	77,905,099
Basic earnings per share	**2.12p**	(0.27)p	4.78p
Diluted earnings per share	**2.07p**	(0.27)p	4.65p
Underlying basic earnings per share	**3.48p**	3.07p	11.01p
Underlying diluted earnings per share	**3.39p**	3.00p	10.71p

[1] Highlighted items (see note 3), stated net of their total tax and non-controlling interest impact.

It is assumed that all contingent deferred consideration will be settled in cash and therefore there is no dilutive effect.

6. Goodwill

	£'000
Cost and net book value	
At 1 May 2014	55,121
Foreign exchange differences	297
At 31 October 2014	55,418
Adjustments in respect of a pre-acquisition period	3
Acquisitions	2,787

Foreign exchange differences	(112)
At 30 April 2015	58,096
Adjustments in respect of a pre-acquisition period	(181)
Foreign exchange differences	(500)
At 31 October 2015	**57,415**

7. Other intangible assets

	Capitalised development costs £'000s	Computer software £'000s	Purchased intangible assets £'000s	Total intangible assets £'000s
Cost				
At 1 May 2015	2,997	2,194	23,259	28,450
Additions	503	148	-	651
Foreign exchange	(27)	(1)	(232)	(260)
At 31 October 2015	3,473	2,341	23,027	28,841
o Amortisation				
At 1 May 2015	(1,136)	(1,120)	(11,016)	(13,272)
Charge for the period	(133)	(137)	(1,019)	(1,289)
Foreign exchange	-	1	82	83
At 31 October 2015	(1,269)	(1,256)	(11,953)	(14,478)
Net book value				
At 31 October 2015	**2,204**	**1,085**	**11,074**	**14,363**
At 31 October 2014	1,245	1,030	11,756	14,031
At 30 April 2015	1,861	1,074	12,243	15,178

The capitalised development costs are internally generated.

Purchased intangible assets consist principally of customer relationships with a typical useful life of 10 years.

Amortisation is charged within administrative expenses so as to write off the cost of the intangible assets over their estimated useful lives. The amortisation of purchased intangible assets is included as a highlighted administrative expense.

8. Cash, cash equivalents and bank overdrafts

Cash, cash equivalents and bank overdrafts include the following for the purposes of the cash flow statement:

	31 October 2015 £'000	31 October 2014 £'000	30 April 2015 £'000
Cash and cash equivalents	**6,808**	5,010	9,295
Bank overdraft (note 9)	**(1,978)**	-	(1,411)

Cash, cash equivalents and bank overdrafts	**4,830**	5,010	7,884

9. Financial liabilities

	31 October 2015 £'000	31 October 2014 £'000	30 April 2015 £'000
Current			
Bank overdraft	**1,978**	-	1,411
Bank borrowings	**2,410**	2,410	2,411
Finance lease liabilities	**4**	4	4
Derivative financial instrument - interest rate swaps	**-**	12	-
Contingent deferred consideration	**3,044**	2,441	4,935
	7,436	4,867	8,761
Non-current			
Bank borrowings	**33,251**	32,679	31,880
Finance lease liabilities	**8**	17	13
Contingent deferred consideration	**1,381**	3,174	4,064
	34,640	35,870	35,957
Total financial liabilities	**42,076**	40,737	44,718

All bank borrowings are held jointly with Barclays and Royal Bank of Scotland ('RBS'). The committed facility, totalling £40,000,000, comprises a term loan of £10,000,000 (of which £6,875,000 remains outstanding at 31 October 2015 (2014: £9,375,000)), and a revolving credit facility ('RCF') of £30,000,000 (of which £29,026,000 was drawn down at 31 October 2015 (2014: £26,044,000)). Both the term loan and the RCF have a maturity date of 2 July 2018. The £10,000,000 term loan is being repaid on a quarterly basis to maturity, and the drawn RCF and any further drawings under the RCF are repayable on maturity of the facility. The facility may be used for deferred consideration payments on past acquisitions, to fund future potential acquisitions, and for general working capital requirements.

Loan arrangement fees of £240,000 (2014: £330,000) are offset against the term loan, and are being amortised over the period of the loan.

The facility bears variable interest of LIBOR plus a margin of 2.50%. The margin rate is able to be lowered each quarter end from April 2015 depending on the Group's net debt to EBITDA ratio.

The undrawn amount of the revolving credit facility is liable to a fee of 40% of the prevailing margin. The Group may elect to prepay all or part of the outstanding loan subject to a break fee, by giving 5 business days' notice.

All amounts owing to the banks are guaranteed by way of fixed and floating charges over the current and future assets of the Group. As such, a composite guarantee has been given by all significant subsidiary companies in the UK, USA and Germany.

Contingent deferred consideration represents additional amounts that are expected to be payable for acquisitions made by the Group and is held at fair value at the Statement of Financial Position date. All amounts are expected to be fully paid by August 2017.

10. Cash generated from operations

	Unaudited 6 months ended 31 October 2015	Unaudited 6 months ended 31 October 2014	Audited 12 months ended 30 April 2015
	£'000	£'000	£'000
Profit before taxation	**2,494**	577	4,657
Adjustments for:			
Depreciation	**561**	657	1,249
Amortisation (note 7)	**1,289**	1,225	2,515
Profit on disposal	**-**	(1)	(1)
Loan fees written off	**-**	131	131
Interest rate swap closure	**-**	29	29
Unrealised foreign exchange loss/(gain)	**384**	(19)	208
Share option charges (note 3)	**132**	642	1,215
Finance income	**(10)**	(2)	(8)
Finance expenses	**608**	571	1,179
Share of profit of associates	**(4)**	(8)	(12)
Contingent deferred consideration revaluations	**(462)**	545	548
	4,992	4,347	11,710
Decrease/(increase) in trade and other receivables	**945**	3,216	(2,270)
Decrease in trade and other payables	**(3,314)**	(5,168)	(1,040)
Movement in provisions	**(37)**	(415)	(473)
Cash generated from operations	**2,586**	1,980	7,927

11. Events after the reporting period

Subsequent to the period end, the Group acquired the remaining 35% in its subsidiary undertaking, Fairbrother Iberica and Partners SL, from the minority shareholder for cash consideration of €60,000 (£44,000). Subsequently Fairbrother Iberica and Partners SL was liquidated and its business and assets were transferred to Media Value SL.

INDEPENDENT REVIEW REPORT TO EBIQUITY PLC

Report on the consolidated interim results

Our conclusion

We have reviewed Ebiquity plc's consolidated interim results (the "interim financial statements") in the interim results of Ebiquity plc for the 6 month period ended 31 October 2015. Based on our review, nothing has come to our attention that causes us to believe that the interim financial statements are not prepared, in all material respects, in accordance with International Accounting Standard 34, 'Interim Financial Reporting', as adopted by the European Union and the AIM Rules for Companies.

What we have reviewed

The interim financial statements comprise:

- the consolidated statement of financial position as at 31 October 2015;
- the consolidated income statement and consolidated statement of comprehensive income for the period then ended;
- the consolidated statement of cash flows for the period then ended;
- the consolidated statement of changes in equity for the period then ended; and
- the explanatory notes to the interim financial statements.

The interim financial statements included in the interim results have been prepared in accordance with International Accounting Standard 34, 'Interim Financial Reporting', as adopted by the European Union and the AIM Rules for Companies.

As disclosed in note 1 to the interim financial statements, the financial reporting framework that has been applied in the preparation of the full annual financial statements of the Group is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

Responsibilities for the interim financial statements and the review

Our responsibilities and those of the directors

The interim results, including the interim financial statements, is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the interim results in accordance with the AIM Rules for Companies which require that the financial information must be presented and prepared in a form consistent with that which will be adopted in the company's annual financial statements.

Our responsibility is to express a conclusion on the interim financial statements in the interim results based on our review. This report, including the conclusion, has been prepared for and only for the company for the purpose of complying with the AIM Rules for Companies and for no other purpose. We do not, in giving this conclusion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

What a review of interim financial statements involves

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity' issued by the Auditing Practices Board for use in the United Kingdom. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures.

A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK and Ireland) and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We have read the other information contained in the interim results and considered whether it contains any apparent misstatements or material inconsistencies with the information in the interim financial statements.

PricewaterhouseCoopers LLP
Chartered Accountants
London

26 January 2016

a) The maintenance and integrity of the Ebiquity plc website is the responsibility of the directors; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the interim financial statements since they were initially presented on the website.

b) Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.