



Data-driven insights

INTERIM RESULTS PRESENTATION

6 MONTHS ENDED 30 JUNE 2016

September 2016

INTERIM RESULTS PRESENTATION

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1. 2016 FIRST HALF REVIEW

2016 FIRST HALF REVIEW

We go to market with three practices

Marketing Performance Optimization



Guiding clients to decide where to allocate and how to optimize their marketing investments, which marketing technologies to select and how to improve digital customer journeys

Media Value Management



Helping clients select and manage their media trading partners, increasing the transparency and efficiency of media performance, and reporting on agencies' compliance with contractual terms

Market Intelligence



Providing clients with a picture of their own and their competitors' in-market creative executions, spend and media strategies

2016 FIRST HALF REVIEW

Continued growth in revenue and profit

Record growth from Marketing Performance Optimization (MPO) services

Release of ANA¹ Media Transparency report prepared in partnership with Ebiquity and FirmDecisions

Commenced rollout of our new *Portfolio* platform

Continued development of our digital service offering

2016 FIRST HALF REVIEW

Continued growth in revenue and profit

6.8% reported revenue growth to £42.3m

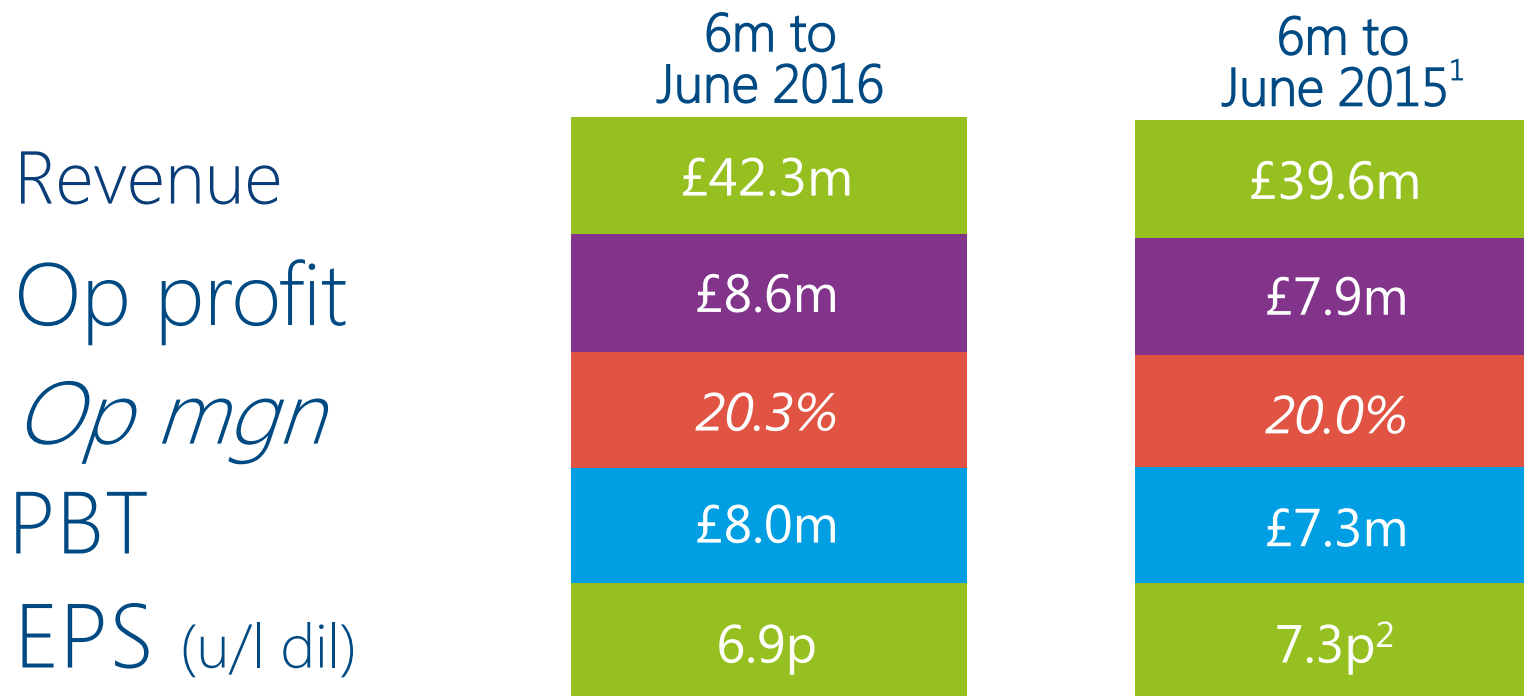
Underlying operating profit up 8.2% to £8.6m

Underlying diluted EPS at 6.9p in line with expectations

Net debt/EBITDA down to 1.89 at 30 June 2016 from 2.04 at 31 December 2015

2016 FIRST HALF REVIEW

Continued growth in revenue and profit



¹As a result of the change in our year end to 31 December, the results for the 6 months to 30 June 2015 on this slide and throughout this presentation are pro-forma results to provide a relevant comparison to our interim results

²6.7p at consistent effective tax rate

2016 FIRST HALF REVIEW

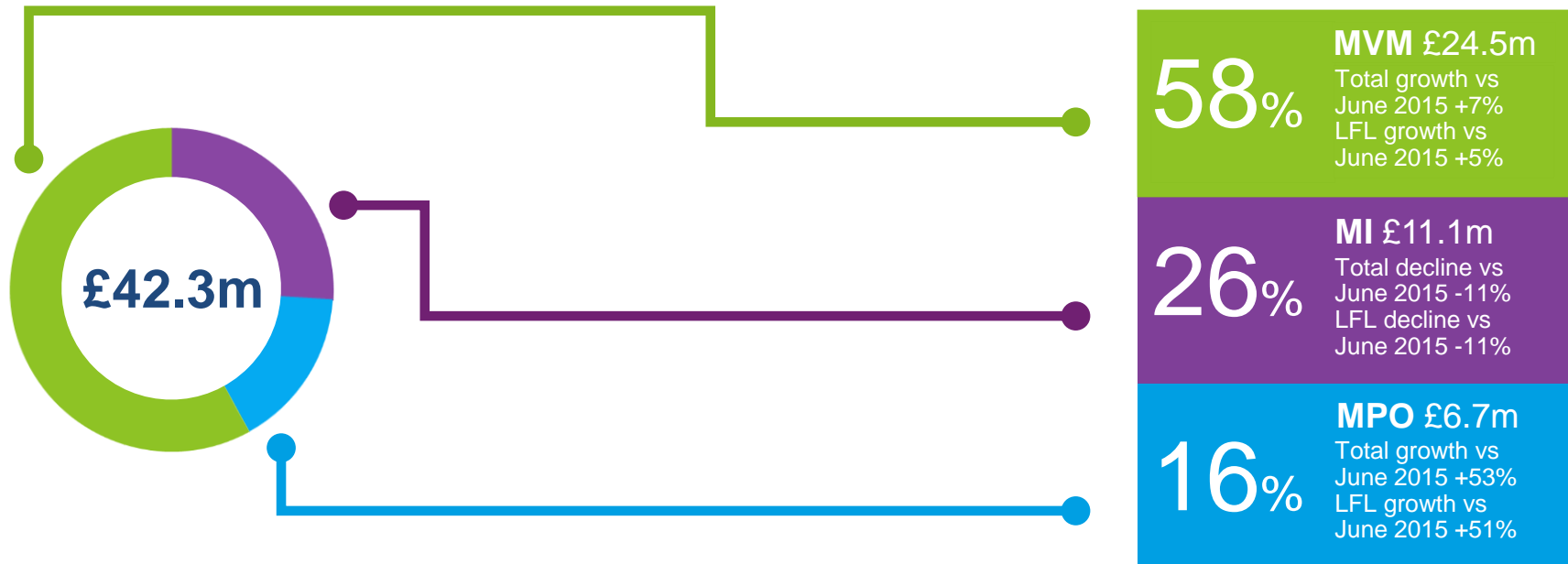
2.5% positive foreign exchange impact on revenue
with two-thirds of revenue being non-GBP



66% of revenue in the period in non-GBP. This has had a £1.0m (+2.5%) positive impact on revenue.

2016 FIRST HALF REVIEW

Record growth from MPO, with MVM and MPO accounting for 74% of the Group



Total LFL growth vs June 2015: +5%...Total growth vs June 2015: +7%

2016 FIRST HALF REVIEW

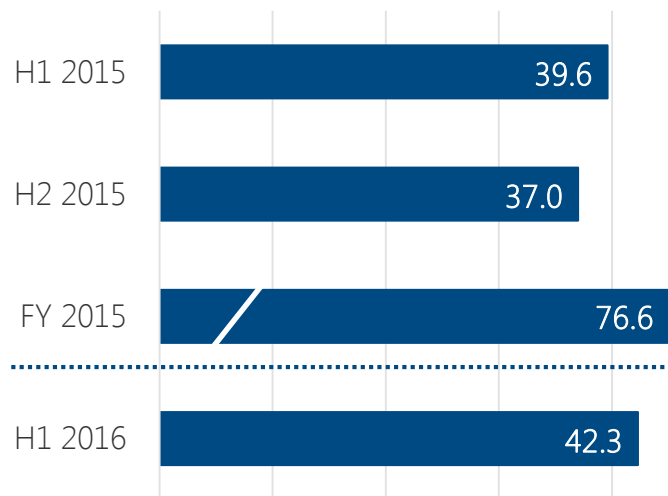
Group operating margin increased to 20.3%



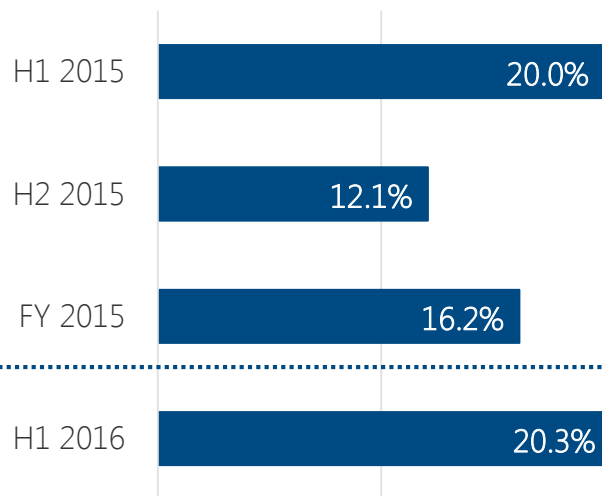
2016 FIRST HALF REVIEW

Revenues and operating margins are first half weighted following change of year end to 31 December

Revenue H1 v H2 (£'M)



OP % H1 v H2



2016 FIRST HALF REVIEW

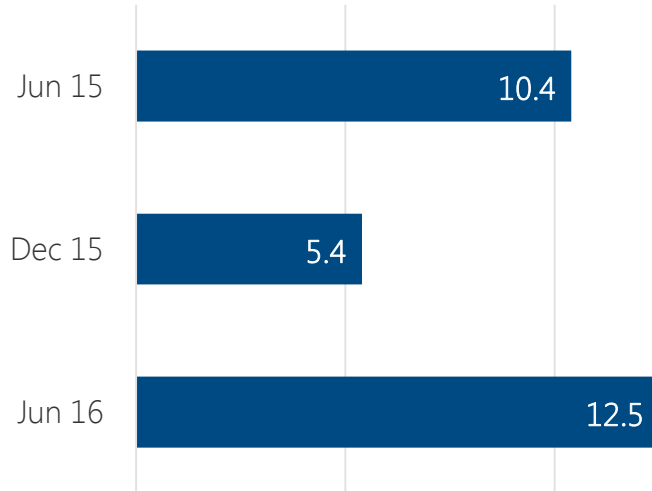
Underlying, Diluted EPS impacted by increase in effective tax rate

Underlying Diluted EPS	H1 2016	H1 2015
As reported	6.9p	7.3p
Adjustment to 2016 effective tax rate	-	(0.6)p
Consistent effective tax rate	6.9p	6.7p

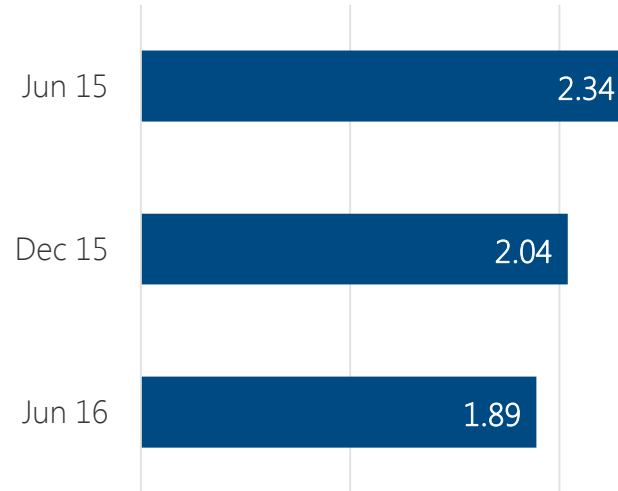
2016 FIRST HALF REVIEW

Working capital increased ahead of revenue
Net debt/EBITDA reduced from 31 December 2015

Net Working capital (£'M)

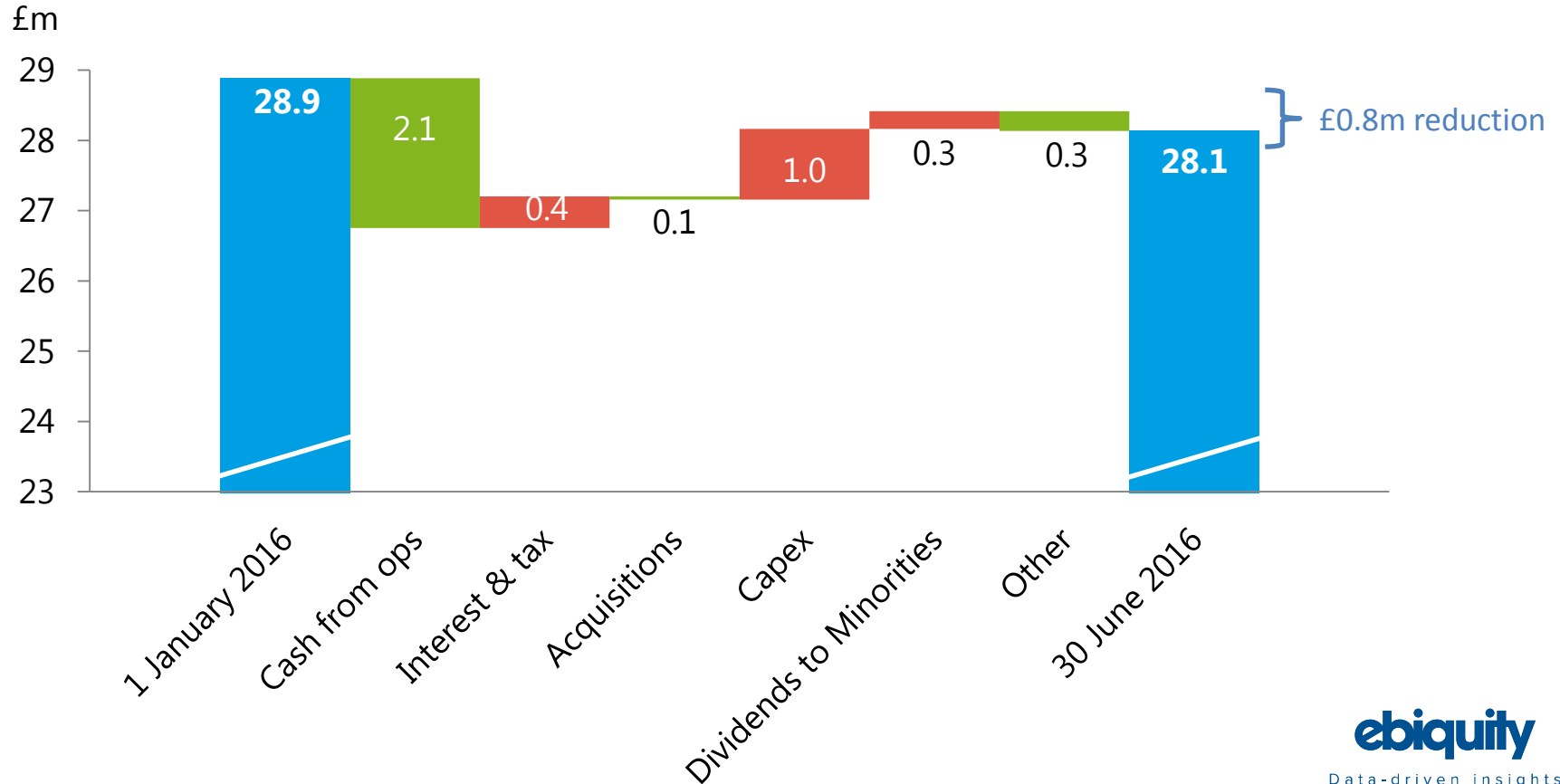


Net debt/EBITDA



2016 FIRST HALF REVIEW

£0.8m reduction in net debt



Growth in key underlying metrics

Revenue £42.3m	Diluted EPS ¹ 6.9p
Profit before tax £8.0m	Operating margin 20.3%

2. 2016 OUTLOOK

OUTLOOK

2016 outlook

Continued growing demand for MVM and MPO services

Positive response to new *Portfolio* platform

Visibility over faster year on year revenue growth in H2

Full year performance anticipated to be in line with management expectations

The background of the slide is a dense, overlapping field of 3D-rendered numbers in various sizes and orientations, creating a textured, data-like appearance. A semi-transparent dark grey horizontal band runs across the middle of the image, serving as a backdrop for the section header.

3. FINANCIAL APPENDICES

FINANCIAL APPENDICES

Segmental reporting

6m to June 2016	MVM	MI	MPO	Total segments	Central costs	Total
Revenue	24,466	11,107	6,685	42,258	-	42,258
Underlying operating profit	8,045	1,516	2,394	11,955	(3,390)	8,565
Margin	32.9%	13.6%	35.8%	28.3%	-	20.3%

6m to June 2015	MVM	MI	MPO	Total segments	Central costs	Total
Revenue	22,780	12,418	4,371	39,569	-	39,569
Underlying operating profit	7,838	1,745	1,541	11,124	(3,208)	7,916
Margin	34.4%	14.1%	35.3%	28.1%	-	20.0%

12m to December 2015	MVM	MI	MPO	Total segments	Central costs	Total
Revenue	41,998	24,650	9,936	76,584	-	76,584
Underlying operating profit	12,057	3,668	2,802	18,527	(6,116)	12,411
Margin	28.7%	14.9%	28.2%	24.2%	-	16.2%

Continued demand for MVM services

LFL Growth of 5%, UK and Continental Europe performing well

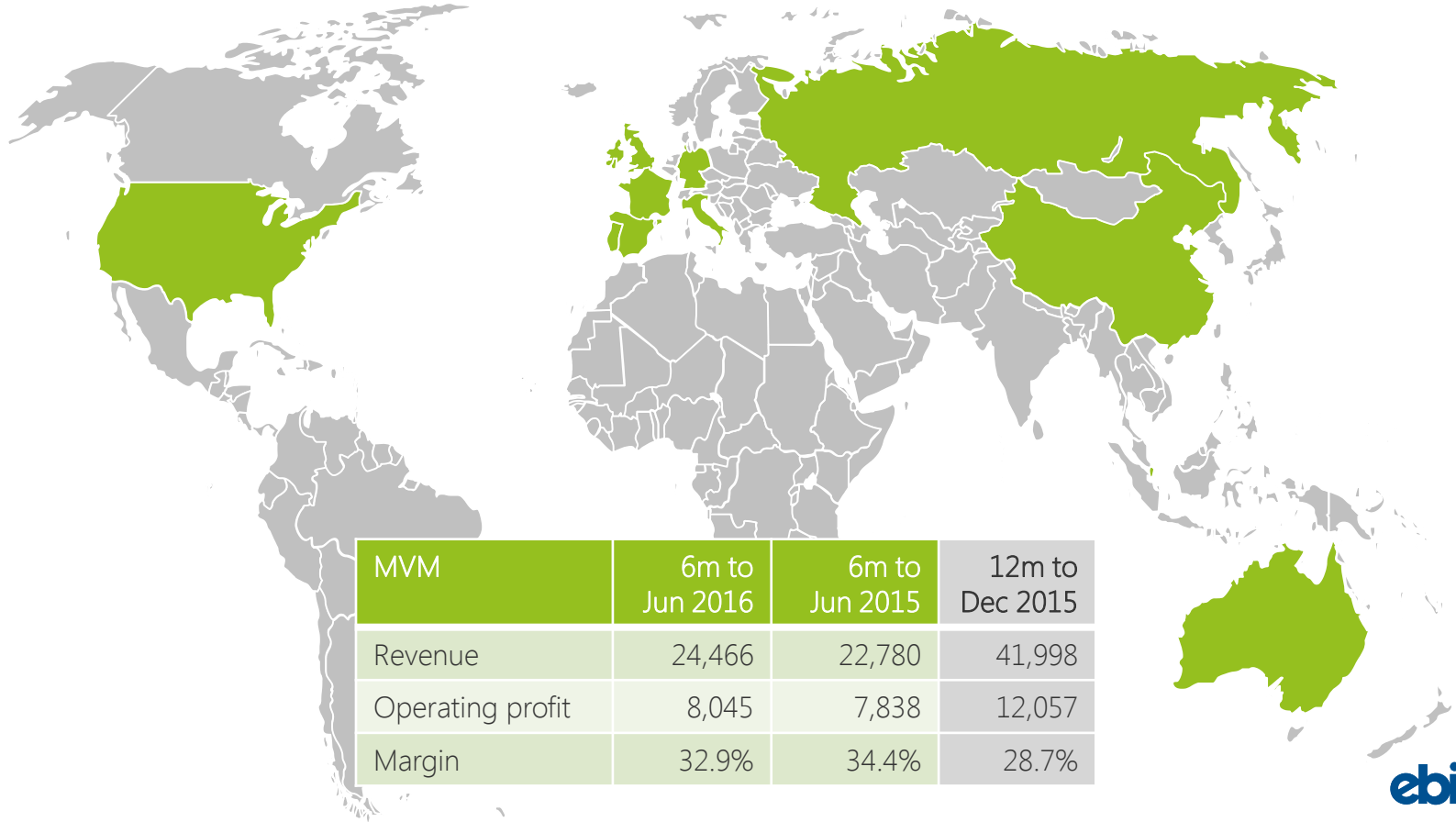
Slower H1 in US, as clients awaited findings of ANA Media Transparency reports

International revenue ¹ increased to 84% of total revenue

Revenue first half weighted resulting in higher operating margin in H1 2016, compared with H2

FINANCIAL APPENDICES

MVM Performance



FINANCIAL APPENDICES

Decline in MI project and platform based revenue ahead of Portfolio platform rollout

New *Portfolio* platform rolled out globally, with digital capability in testing

Renewal rate remains high at 91% by value

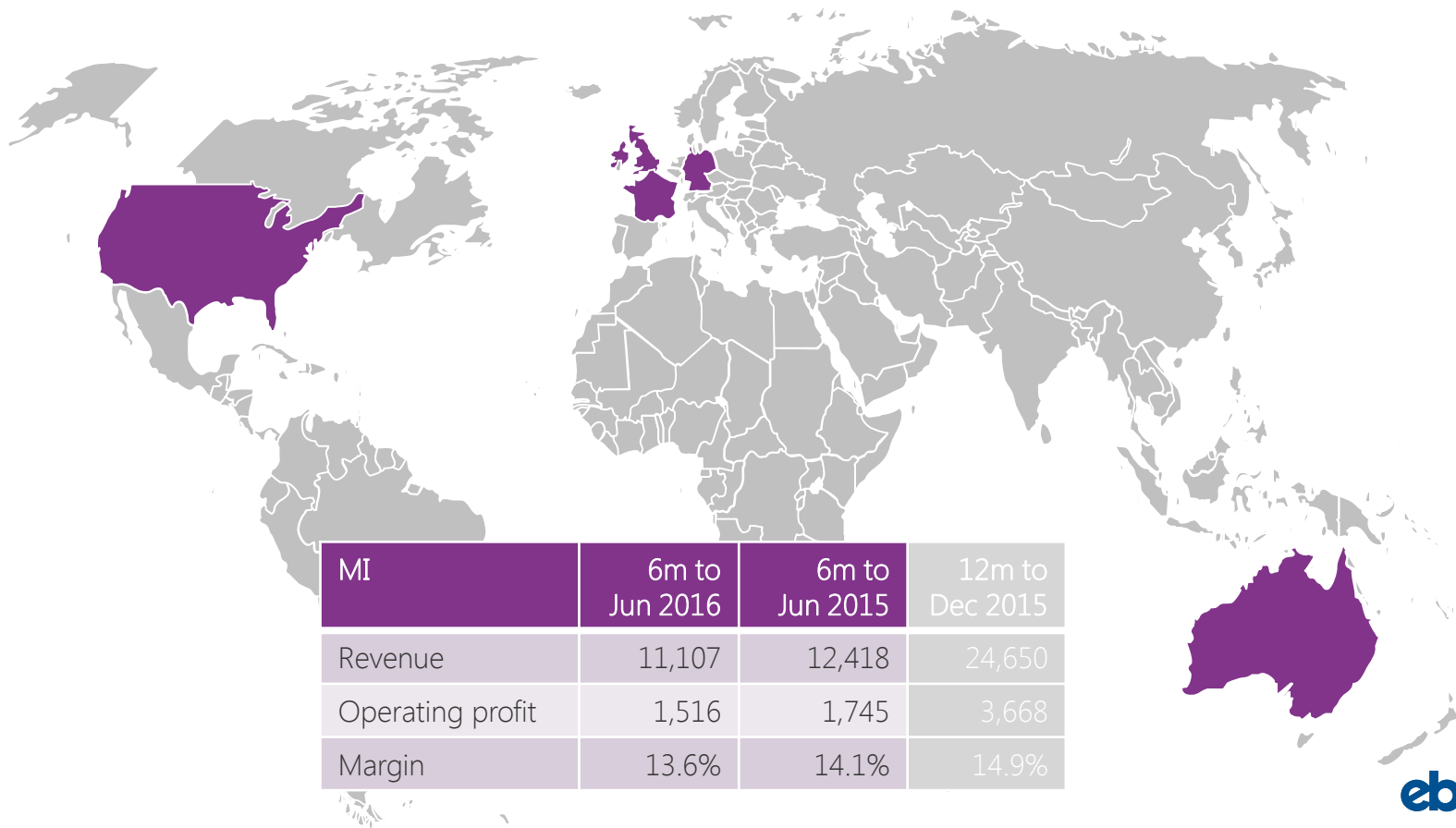
Platform revenues stabilised outside of the US, which experienced a slower first half

Project based revenue declined as expected, but faster than planned

Revenue decline largely offset by cost savings limits profit impact

FINANCIAL APPENDICES

MI Performance



FINANCIAL APPENDICES

Record revenue growth in MPO

Record year on year revenue growth (+51% LFL)

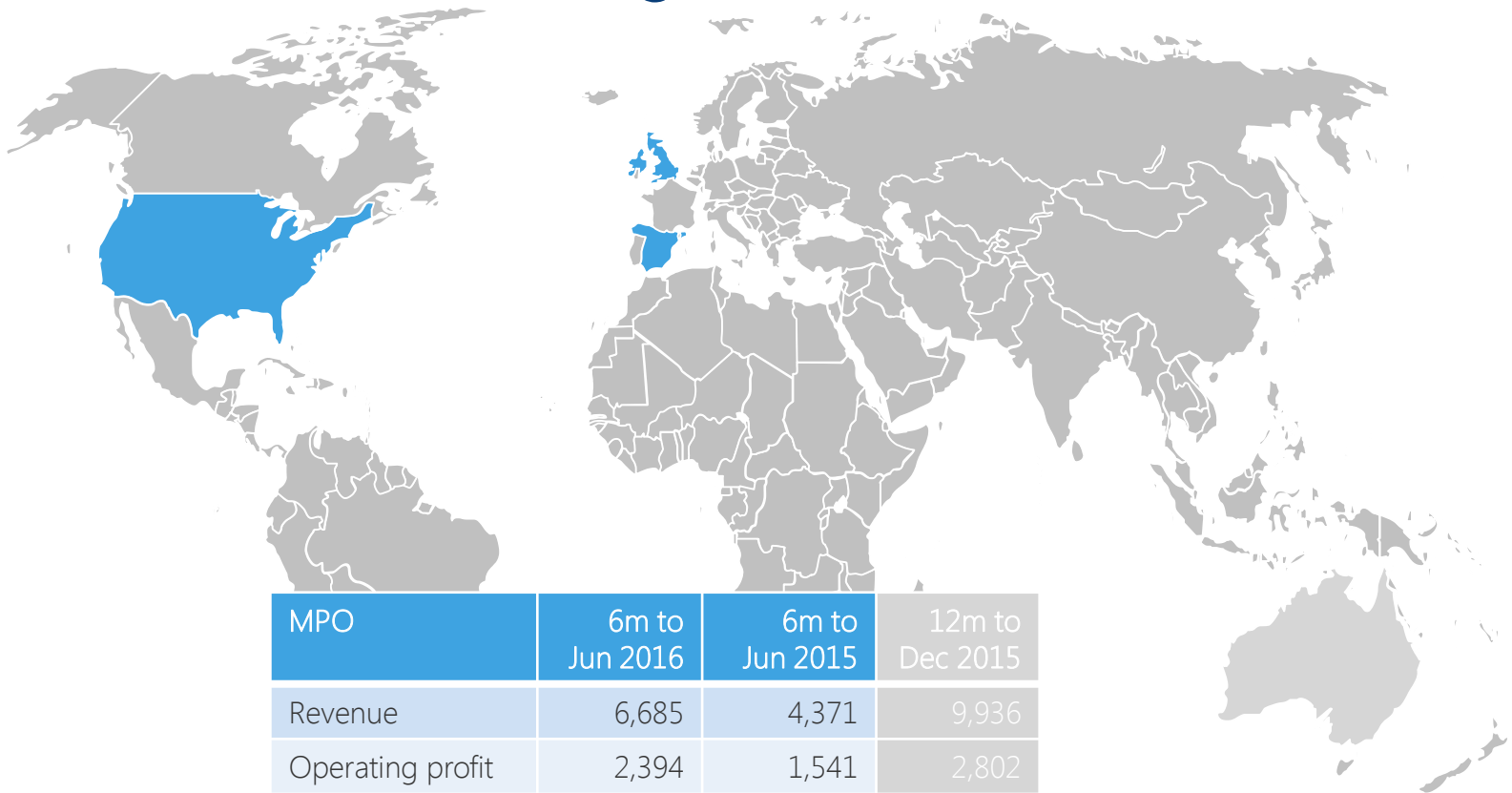
Growth from all markets, across both Effectiveness and Multi-Channel Analytics offerings

MPO now accounts for 16% of the group (PY 11%)

Revenue growth increases operating margin to 36%, contributing 20% of operating profit

FINANCIAL APPENDICES

Record MPO revenue growth

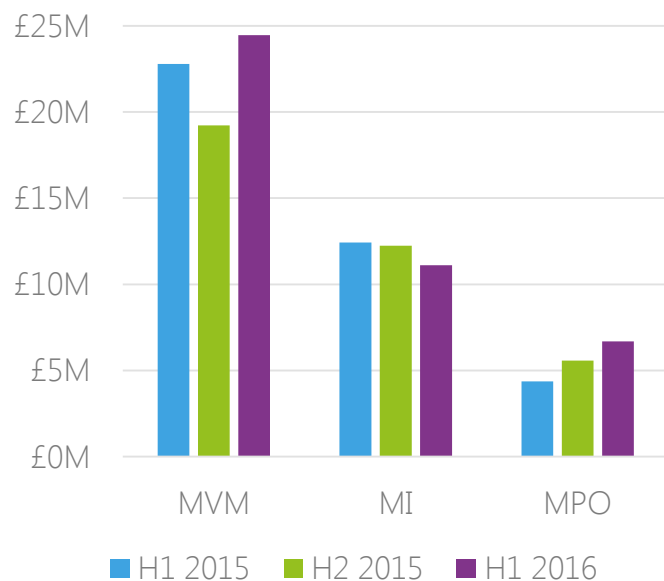


MPO	6m to Jun 2016	6m to Jun 2015	12m to Dec 2015
Revenue	6,685	4,371	9,936
Operating profit	2,394	1,541	2,802
Margin	35.8%	35.3%	28.2%

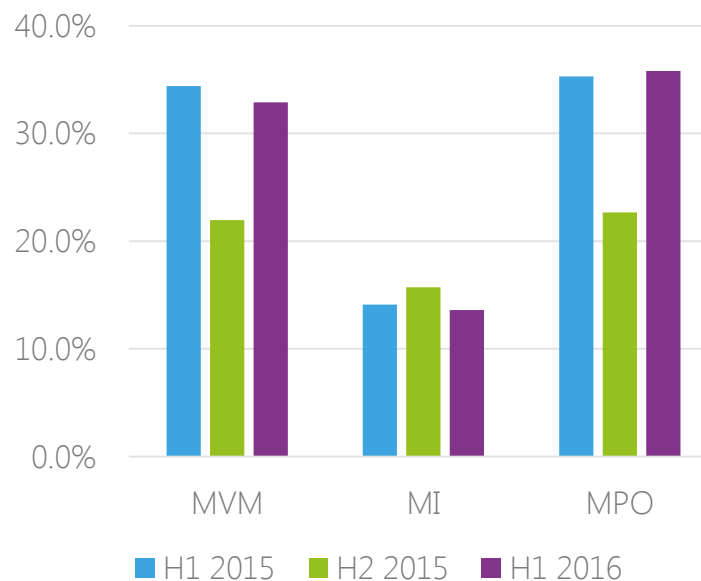
FINANCIAL APPENDICES

Revenue and Operating Margin by Segment

Revenue H1 v H2



OP % H1 v H2



FINANCIAL APPENDICES

Highlighted items

	6 months to 30 June 2016	6 months to 30 June 2015	
Recurring (non-cash) – share options	203	698	
Recurring (non-cash) – IFA amortisation	907	1,053	
	1,110	1,751	
Non recurring (cash) – deferred consideration adjustments	1,576	(256)	
Non recurring (cash) – acquisitions and restructuring	668	796	
Non recurring (cash) – refinancing costs	-	24	
Non recurring (cash) – property costs	-	394	
	2,244	958	
Total	3,354	2,709	

FINANCIAL APPENDICES

Profit before tax

	6 months to 30 June 2016	6 months to 30 June 2015	12 months to 31 December 2015
Underlying operating profit	8,565	7,916	12,411
Highlighted items	(3,354)	(2,709)	(8,768)
Reporting operating profit	5,211	5,207	3,643
Net finance costs/associates	(613)	(591)	(1,181)
Reported profit before tax	4,598	4,616	2,462
<i>Underlying profit before tax</i>	<i>7,952</i>	<i>7,325</i>	<i>11,230</i>

FINANCIAL APPENDICES

Underlying effective tax rate for the 6m to June 2016

		6m to June 2016	Effective tax rate
Underlying operating profit		8,565	
Interest		(613)	
Underlying PBT		7,952	
	CY Corp tax	(2,171)	27.3%
	CY Def tax	(4)	0.1%
	Under prov'n of PY Corp tax	(31)	0.4%
Underlying tax charge		(2,206)	27.7%
Underlying PAT		5,746	

FINANCIAL APPENDICES

Outstanding deferred consideration

As at 30 June 2016	2013/14		2014/15	2016
	Stratigent	CMCG	Media Value	FMC
Nature of business	Multi-channel analytics in the US	Media auditing in China	Media auditing in Spain/Portugal	Media auditing in Ireland
Operations	Chicago	Shanghai and Beijing	Madrid/Barcelona/Lisbon	Dublin
Transaction date	19 August 2013	15 January 2014	26 February 2015	11 March 2016
Transaction detail	100% acquisition	100% acquisition	100% acquisition	Remaining 50% acquisition
Cash up front	£2,700k	£1,600k	£545k	£118k
Deferred consideration max	£4,528k	£6,257k	£4,360k	£1,534k
Deferred consideration paid	£2,494k	£2,331k	£1,438k	-
Estimated remaining deferred consideration:	£1,340k:	£3,482k:	£1,916k:	£593k:
H2 2016	£1,340k*	£1,890k	£1,916k	-
H1 2017	-	-	-	£323k
H2 2017	-	£1,592k	-	-
H1 2018	-	-	-	£24k
H1 2019 and beyond	-	-	-	£246k
Total potential consideration	£7,228k	£7,857k	£4,905k	£1,652k
Total estimated consideration	£6,534k	£7,413k	£3,899k	£711k
Earn out end date	April 2016	April 2017	April 2016	December 2020
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	6 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	Apr 14: Rev £1.7m u/l op profit £0.3m 32 staff	Dec 15: Rev £0.8m u/l op profit £0.1m 9 staff

*Stratigent payment to be made in cash (approx. £0.5m) and Ebiquity plc ordinary shares (approx. £0.8m).

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FINANCIAL APPENDICES

Statement of financial position

		June 2016	December 2015	June 2015
Non current assets	Goodwill	57,095	54,827	57,633
	Purchased intangibles	10,250	10,370	14,689
	Other	8,271	8,397	4,473
		75,616	73,594	76,795
Current assets	Trade debtors	19,224	16,283	14,743
	Accrued income	9,144	5,253	9,042
	Cash	8,621	8,755	7,104
	Prepayments	1,969	1,678	2,044
	Other	1,063	1,104	1,036
		40,021	33,073	33,968
Current liabilities	Trade creditors	3,800	3,538	2,772
	Loans	4,800	4,801	2,230
	Deferred income	7,342	7,677	6,375
	Accruals	4,980	4,663	4,661
	Other	10,593	6,794	8,713
		31,514	27,473	24,751
Non current liabilities	Loans	31,778	32,615	32,031
	Deferred tax	2,268	2,244	2,821
	Other	2,144	1,926	4,468
		36,190	36,785	39,320
Net assets		47,933	42,409	46,692

FINANCIAL APPENDICES

Cash flow statement

	6 months ending 30 June 2016	Year ending 31 December 2015
Cash generated from operations	2,131	11,515
Net finance expense	(330)	(1,009)
Income taxes paid	(117)	(1,062)
Net cash from operating activities	1,684	9,444
Investing activities		
Net acquisition of subsidiaries, net of cash acq'd	44	(3,425)
Purchase of PPE	(311)	(988)
Purchase of intangible assets	(693)	(998)
	(960)	(5,411)
Financing activities		
Issue of new shares	26	224
New borrowings	-	3,224
Loan repayments	(1,250)	(3,232)
Acquisition of interest in subsidiary from NCI	-	(1,105)
Dividends paid to shareholders	-	(291)
Dividends paid to non-controlling interests	(255)	(178)
Repayment of finance leases	(4)	(8)
	(1,483)	(1,366)
Net increase/(decrease) in cash	(759)	2,667

FINANCIAL APPENDICES

Cash and net debt analysis

	Cash	Gross debt	Net debt
Opening at 1 January 2016	6,364	(35,250)	(28,886)
Trading cash flow	2,131	-	2,131
Interest and tax	(447)	-	(447)
Debt repayments	(1,250)	1,250	-
Drawdown for acquisitions	-	-	-
Payments for acquisitions, net of cash acq'd	44	-	44
Capex	(1,004)	-	(1,004)
Dividends incl MI	(255)	-	(255)
Other/forex	648	(367)	281
Closing at 30 June 2016	6,232	(34,368)	(28,136)
<i>vs 12m rolling pro forma EBITDA (£14.9m)</i>		2.31x	1.89x

FINANCIAL APPENDICES

Summary of banking facility

- £40m multi-currency facility in place, maturing in July 2018
- Approx £39.4m drawn; £34.4m outstanding
- Approx £0.6m available
- Accordion option to increase by a further £20m
- Interest rate of 2.5% plus LIBOR (can be lowered depending on covenants – currently 2.25%)
- Analysis of repayment plan on outstanding balance set out below:

	Currency	GBP	Future repayments	Bullet
GBP	£31,071k	£31,071k	£5,000k	£26,071k
Euro	€3,975k	£3,297k	-	£3,297k
		£34,368k	£5,000k	£29,368k
Repayment quarters			/8	
Repayment/quarter			£625k	

FINANCIAL APPENDICES

Cash conversion

	6m to 30 June 2016	6m to 30 June 2015	12m to 31 December 2015
Reported cash from operations	2,131	4,364	11,515
Underlying cash from operations	3,188	5,693	13,673
Underlying operating profit	8,565	7,916	12,411
Cash conversion	37.2%	71.9%	110.2%

FINANCIAL APPENDICES

Shareholder analysis at 31 August 2016

Name	Holding	% Holding
Artemis	11,792,282	15.3%
Kabouter	8,142,430	10.6%
JO Hambro	7,300,000	9.5%
T Rowe Price	7,179,841	9.3%
Invesco	6,576,373	8.5%
Herald	5,491,125	7.1%
Hargreave Hale	4,330,000	5.6%
L&G	3,945,200	5.1%
Henderson	3,050,000	3.9%
Fidelity	2,248,434	2.9%
Top 10 total	60,055,685	77.8%

Name	Holding	% Holding	Options
Nick Manning	230,000	0.30%	2,543,490
Andrew Beach	20,000	0.03%	36,630
Morag Blazey	-	-	601,429
Richard Nichols	100,000	0.13%	-
Michael Higgins	64,500	0.08%	-
Total Directors	414,500	0.54%	3,341,549

Total shares in issue at 30 June 2016 & 31 August 2016: 77,199,751.
Market cap at 31 August 2016: £77m.

Share options outstanding at 30 June 2016: 9,748,786 of which 4,201,504 will be satisfied from shares already issued and held in an EBT (i.e. only 5,547,282 are dilutive).

FINANCIAL APPENDICES

Recent performance

Year end	April 10	April 11	April 12	April 13	April 14	April 15	Dec 15 ¹
Revenue	21,218	44,165	52,919	64,046	68,452	73,874	76,584
<i>growth</i>	15%	108%	20%	21%	7%	8%	4%
Op profit	2,643	5,298	8,205	10,441	11,339	11,729	12,411
<i>margin</i>	12.5%	12.0%	15.5%	16.3%	16.6%	15.9%	16.2%
EPS	5.6p	6.0p	7.4p	9.0p	10.1p	10.7p	10.8p

¹Change in year end to December 2015. April 2015 and December 2015 both include the same 4m period to 30 April 2015



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