



the missiontm

own ideas

2015 Results

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- Financials
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Summary of 2015 (1)

- Further progress delivering strategy
 - Growth in revenues and headline profits
 - Capabilities broadened/deepened
- Structural changes
 - Margin enhancement through restructuring
 - Balloon dog/Big merger
 - Bolt-ons, start-ups, acquisition and investment for further growth
- Innovations
 - Pathfindr, Ethology, Thrive, Mall to Mobile

Summary of 2015 (2)

- Good cross-Agency cooperation
 - Nearly £1m of new revenue in the year from introductions
- Strong Client relationships
 - c60% of revenue from Clients of 5+ years
 - Over 20% of revenue from Clients of 20+ years
- Great new Client wins
 - British Airways, BMW, Byron Burgers, Citibank, Pfizer, Post Office
- Board strengthened
 - Julian Hanson-Smith, founder of Financial Dynamics
 - Mike Rose, Chapter CEO

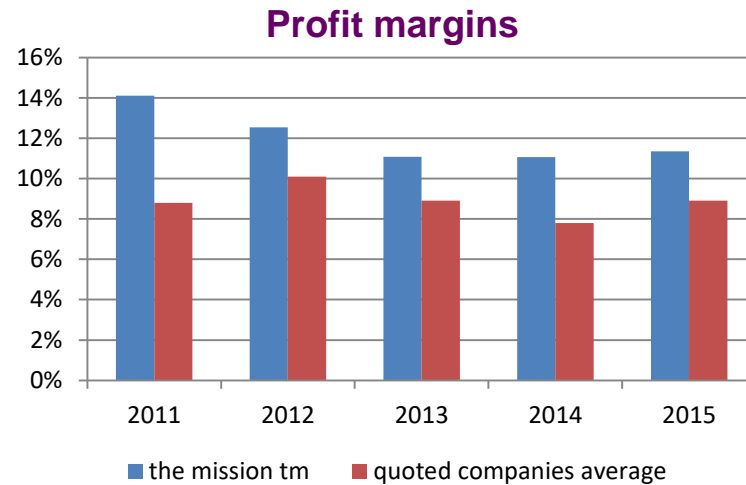
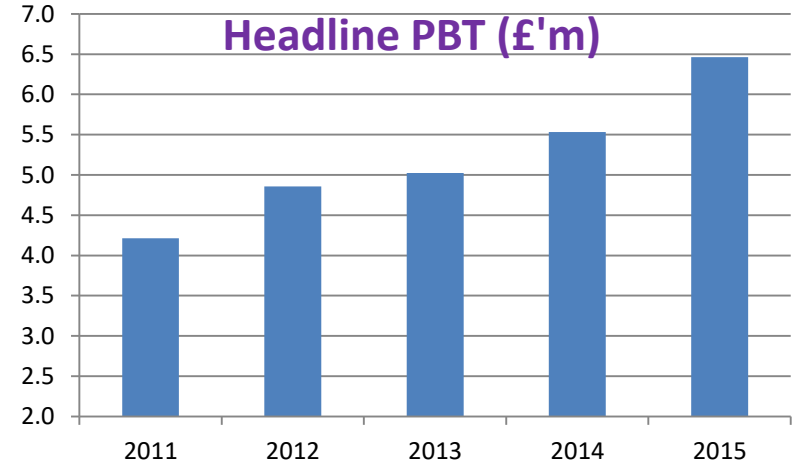
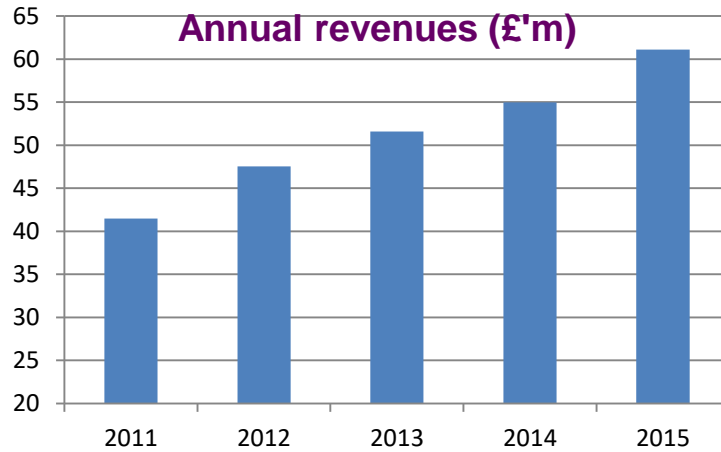


Profit & Loss

	2015	2014	%
Turnover	<u>132.2</u>	<u>125.5</u>	+5%
Gross profit ("Revenue")	61.0	55.0	+11%
Operating expenses	<u>(54.1)</u>	<u>(48.9)</u>	
Headline operating profit	6.9	6.1	+14%
Operating profit margin	11.4%	11.1%	
Headline interest costs	<u>(0.5)</u>	<u>(0.5)</u>	-14%
Headline PBT	6.4	5.5	+17%
Adjustments	<u>(1.3)</u>	<u>(0.1)</u>	
PBT	5.1	5.4	
Tax	<u>(1.0)</u>	<u>(1.2)</u>	
Earnings	4.1	4.2	
Diluted headline eps	<u>5.91</u>	<u>5.13</u>	+15%



P&L KPIs





P&L adjustments

	2015	2014
Exceptional items		
Restructuring costs	(0.9)	-
Debt arrangement fee write-off	-	(0.1)
	<u>(0.9)</u>	<u>(0.1)</u>
Acquisition items		
Movement in fair value of contingent consid'n	0.6	0.7
Amortisation of intangibles arising on acq'n	(0.6)	(0.4)
Acquisition costs	(0.1)	(0.3)
	<u>(0.1)</u>	<u>-</u>
Start-up costs	(0.3)	-
	<u>(0.3)</u>	<u>-</u>
Total	<u>(1.3)</u>	<u>(0.1)</u>



Effective tax rate

	2015	2014
Reported profit before tax	5.1	5.4
Statutory tax rate	20.25%	21.5%
Expected tax charge at statutory rate	1.0	1.2
Non-deductible expenses	0.1	0.1
Fair value movements in contingent consid'n	(0.1)	(0.1)
Higher tax rates on overseas earnings	0.1	-
Adjustments to prior periods	(0.1)	-
Actual tax charge	<u>1.0</u>	<u>1.2</u>
Effective tax rate	20.2%	21.7%



Balance sheet

	2015	2014	2013
Intangibles	82.1	77.2	72.5
Tangible fixed assets	4.5	4.4	3.5
Working capital	6.9	4.3	3.0
Net bank debt	(10.9)	(9.4)	(10.7)
Acquisition obligations	(8.2)	(5.1)	(2.8)
Total net debt	(19.1)	(14.5)	(13.5)
All others (mainly Corp. tax)	(1.0)	(1.0)	(0.6)
Net assets	<u>73.4</u>	<u>70.4</u>	<u>64.9</u>
Bank debt leverage	x1.3	x1.25	x1.5
Total debt leverage	x2.0	x1.7	



Acquisitions

	Prior	This	Total
At 31 December 2014	5.1	-	5.1
Acquisitions	-	6.8	6.8
Settled in cash	(0.9)	(2.1)	(3.0)
Settled in shares	-	(0.1)	(0.1)
Adjustments to P&L	(0.7)	0.1	(0.6)
At 31 December 2015	<u>3.5</u>	<u>4.7</u>	<u>8.2</u>
Cash acquired with acquisitions	-	1.4	1.4



Cash flow

	2015	2014
Headline Operating profit	6.9	6.1
Add back depreciation/other non-cash items	1.5	1.3
EBITDA	8.4	7.4
Changes in working capital	(2.0)	(1.1)
Net interest	(0.7)	(0.3)
Taxation	(1.2)	(0.9)
Headline operating cash flows	4.5	5.1
Exceptional costs	(1.4)	-
Capex	(1.3)	(2.1)
Acquisition consideration	(2.4)	(2.1)
Settlement of bank warrants	-	(0.7)
Shares issued/(bought for EBT)	-	2.1
Dividends	(0.9)	(0.8)
(Increase)/reduction in net debt	(1.5)	1.5



Outlook for 2016

- Good revenue visibility
 - Strong levels of recurring revenue
 - Group-wide tracking of new business pipeline
- Further expansion
 - April Six Asia
 - Bray Leino Chicago
 - Sales Promotion
- Continued innovation
- Progressive dividend policy



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