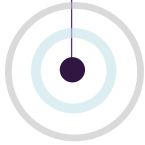






# the**mission**

The technology-embraced marketing communications  
and advertising Group



# NATIONAL AND GROWING INTERNATIONAL PRESENCE TO SERVICE CLIENTS



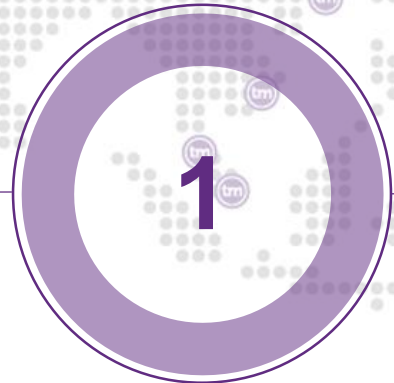
Agencies



Offices

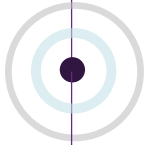


People



Mission





# TODAY'S DYNAMIC MARKET LANDSCAPE

The consumer has joined the dialogue  
Brand communication has become a 24/7 challenge

Multi channels and differing touch points require adaptable tactics

Underpinned by clear, consistent strategies

Navigation and understanding is crucial and complex

Passive advertising remains the only fully controllable message

Never more has the CLIENT AGENCY relationship needed to be closer within an atmosphere of mutual respect and TRUST

AGENCIES NEED TO EVOLVE TO MEET TODAY'S EVER CHANGING DEMANDS BY EMBRACING THE NEW AND ACTING:

- Faster
- Wherever & whenever
- Transparently
- Around clear strategic and policy frameworks
- Creatively and not allow technology to reduce inspiration
- With financial flexibility



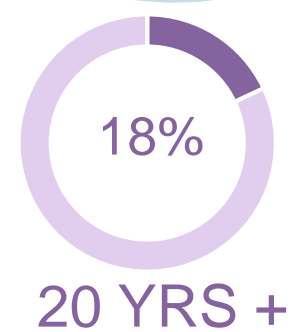
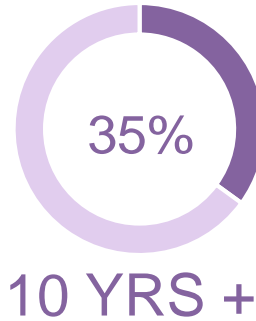
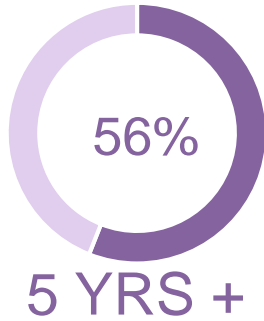


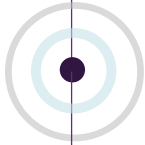
## th~~mission~~ IS STRUCTURED TO MEET TODAY'S DEMANDS

- One stop shops with depth of skills IN HOUSE
- A Client-centric transparent operating structure
- A culture of shared responsibility, collaboration and purpose
- An ability to embrace all options, all channels
- A focus on innovation and technical development
- A lean operating cost base
- Flexibility and adaptability

AN ENTREPRENEURIAL ETHOS

# CLIENT LONGEVITY WELL ABOVE THE INDUSTRY NORM





# OVERVIEW OF 2017

## SOUND FINANCIAL PERFORMANCE

- Continuing the trend of revenue and profits up
- Strong cash flow & debt reduction

## CORE BUSINESS GROWTH SUPPORTED BY NEW WINS

- DIT, Mars, NEFF, Reckitt Benckiser, Revlon, Royal Mail, Universal Studios etc

## BUILDING OUR HEALTHCARE CREDENTIALS THROUGH

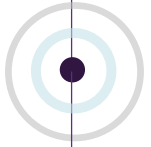
- The acquisition of RJW to create RJW Solaris
- Growth sector, margin enhancing

## IMPLEMENTATION OF MISSION SHARED SERVICES

## STRENGTHENING OUR CONCINNITY STRATEGY

## FUSE LAUNCHED MID YEAR

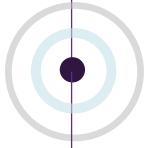




## th~~mission~~ SHARED SERVICES

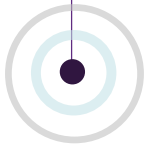
- Appointment of Commercial Director
- To improve efficiencies through centralised support services
- Initially Accounting, HR, IT
- Savings target of £1m over the next two years
- To help move margins to 14% by 2020





## themission CONCINNITY

- More formalised groupings of our two key expertise clusters of INTEGRATED AGENCIES & SECTOR SPECIALISTS
- Further strengthens collaboration and best practice sharing
- Focus on winning new business through multi-discipline cross-Group expertise and teams
- Whilst retaining boutique Agency brand values



# FUSE: GAINING REAL TRACTION

Formally launched July 2017

Marketed through Fuse & Developer Agencies

Licensing model = long term revenues, margin enhancing

IGNITION internal development challenge launched

Initial fuse sales focus on PATHFINDR

## PATHFINDR

- Rolls Royce trial completed, now adopted in 7 territories
- £1.5m contract over 3 years pending
- Four trials or contract negotiation in process: Engineering, Construction, Aerospace sectors



## CORTEX

- Streamlined system due May 18 first trial (Jewson) circa £0.2m
- Continues to underpin RLA Automotive
- Non-auto sales push second quarter

## BROADCARE SOFTWARE

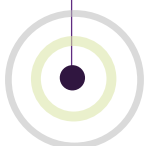
- Billings 2017 c.£1m, mainly NHS
- Non-healthcare push 2019

## EASL

- Already adopted in most Agencies
- Considering third party system sales for new sectors

**ESTIMATED INCREMENTAL SALES 2018: £1.2m**

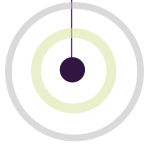




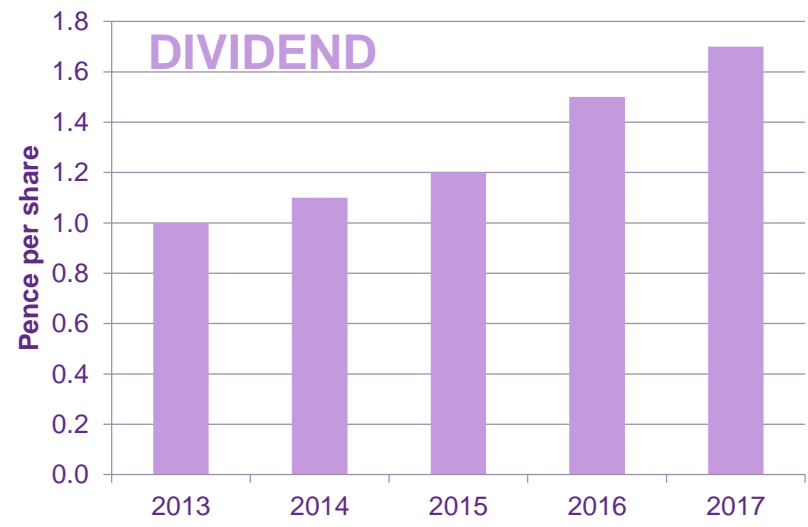
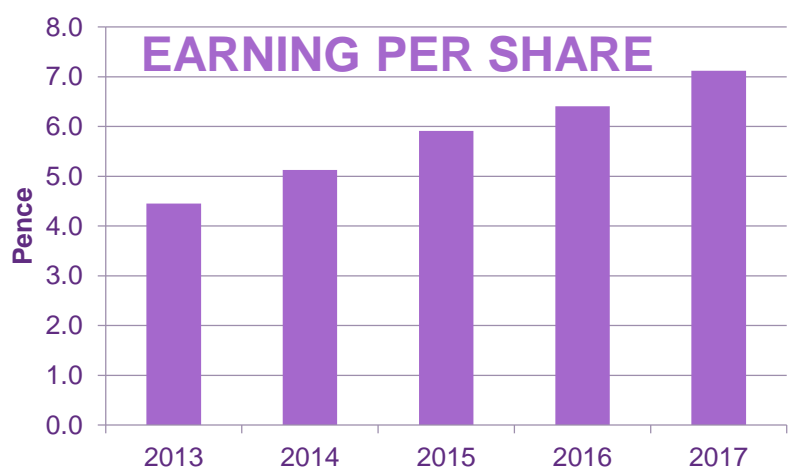
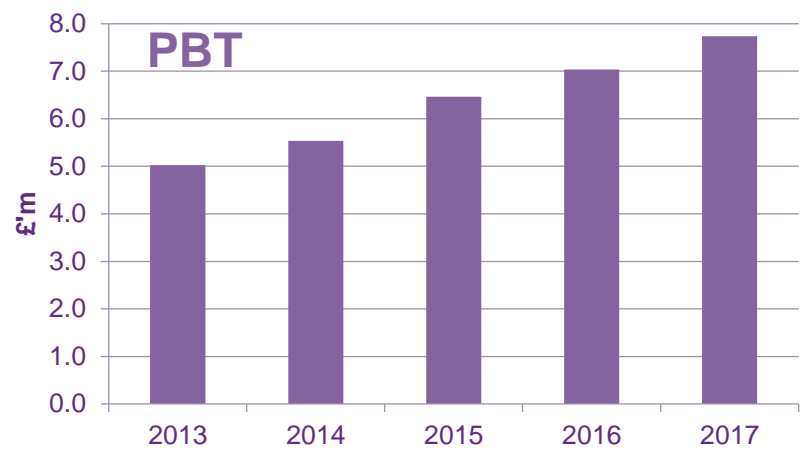
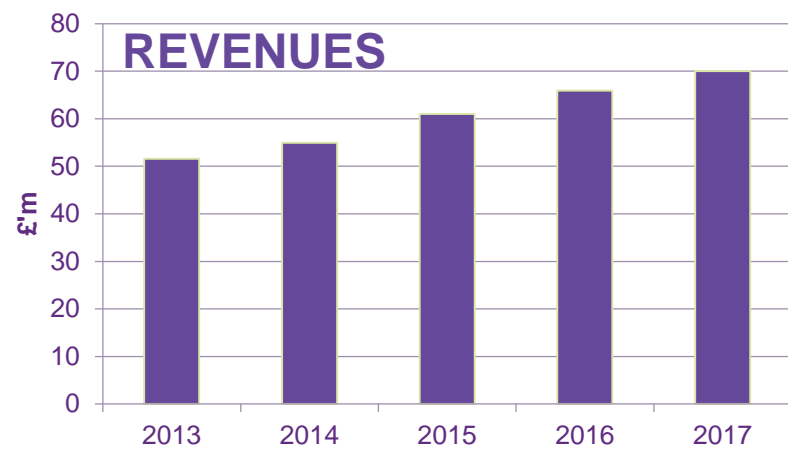
## PROFIT AND LOSS

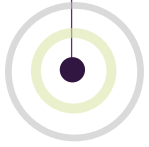
	2017	2016	%
Billings	<u>146.9</u>	<u>144.1</u>	+2%
<b>Revenue</b>	<b>70.0</b>	<b>65.9</b>	<b>+6%</b>
Operating expenses	<u>(60.0)</u>	<u>(56.6)</u>	
<b>Headline trading profit</b>	<b>10.0</b>	<b>9.3</b>	<b>+8%</b>
Central costs	<u>(1.7)</u>	<u>(1.7)</u>	
Headline operating profit	8.2	7.6	+9%
<b><i>Operating profit margin</i></b>	<b>11.7%</b>	<b>11.5%</b>	
Interest	<u>(0.5)</u>	<u>(0.5)</u>	
<b>Headline PBT</b>	<b>7.7</b>	<b>7.0</b>	<b>+10%</b>
Adjustments	<u>(1.9)</u>	<u>(1.2)</u>	
PBT	5.8	5.9	-1%
Tax	<u>(1.3)</u>	<u>(1.4)</u>	
Earnings	<u>4.5</u>	<u>4.5</u>	
Diluted headline eps (pence)	<u>7.1</u>	<u>6.4</u>	+11%
<b>Dividend per share (pence)</b>	<b><u>1.7</u></b>	<b><u>1.5</u></b>	<b>+13%</b>





# 5 YEAR TRENDS

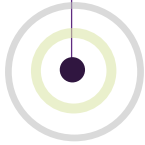




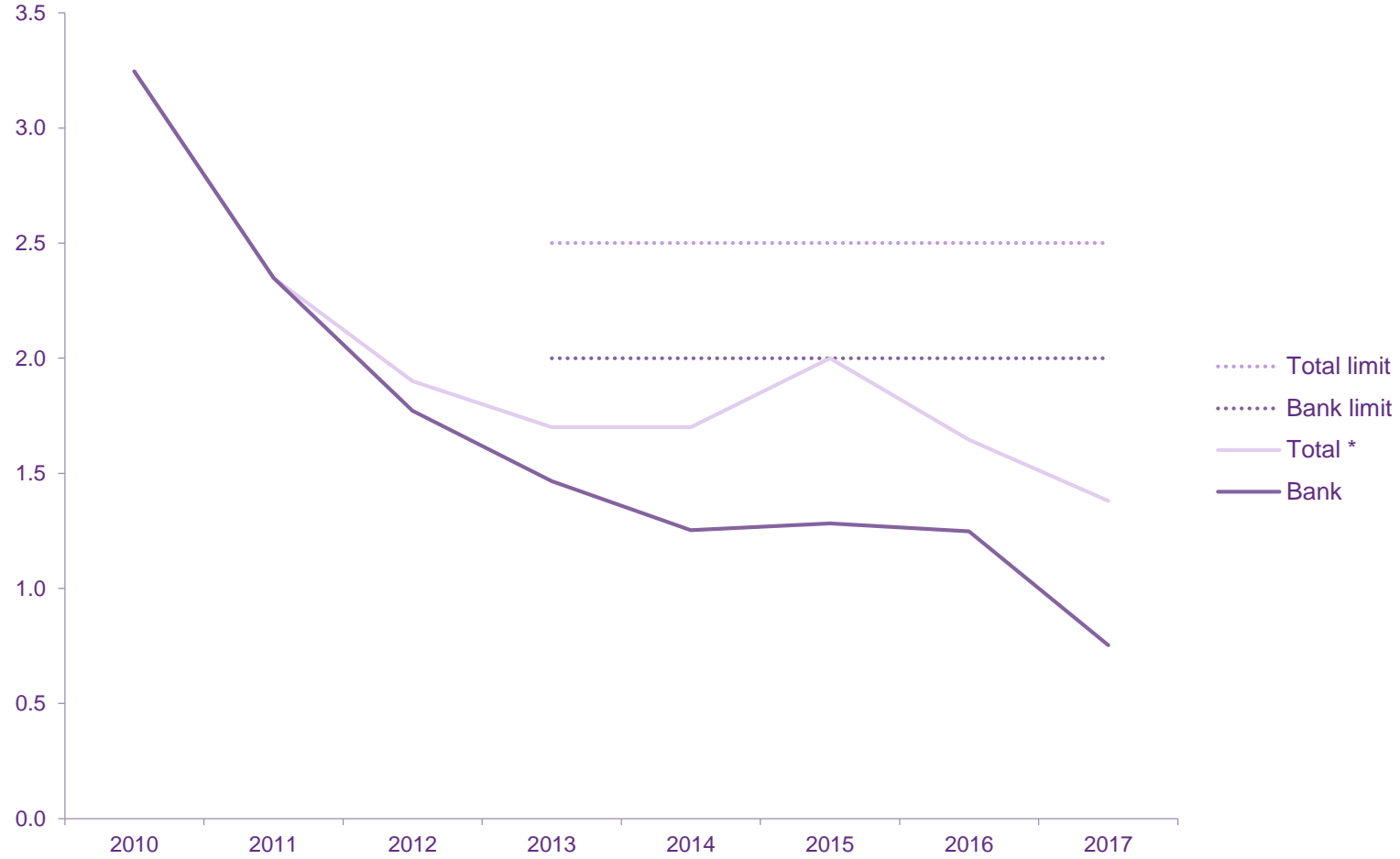
## BALANCE SHEET

	2017	2016
Intangibles	88.0	83.1
Tangible fixed assets	3.5	3.5
Working capital	3.9	6.9
Net bank debt	(7.2)	(11.3)
Earn-out obligations	(7.2)	(4.7)
Total net debt	(14.4)	(15.9)
All others (mainly tax)	(0.8)	(0.7)
Net assets	<u>80.2</u>	<u>76.9</u>
<b>Bank debt leverage</b>	<b>x0.8</b>	<b>x1.3</b>
<b>Total debt leverage</b>	<b>x1.4</b>	<b>x1.7</b>

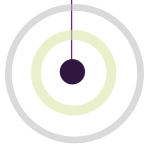




# DEBT LEVERAGE RATIOS



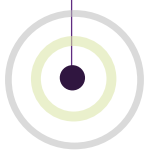
\*Includes deferred consideration



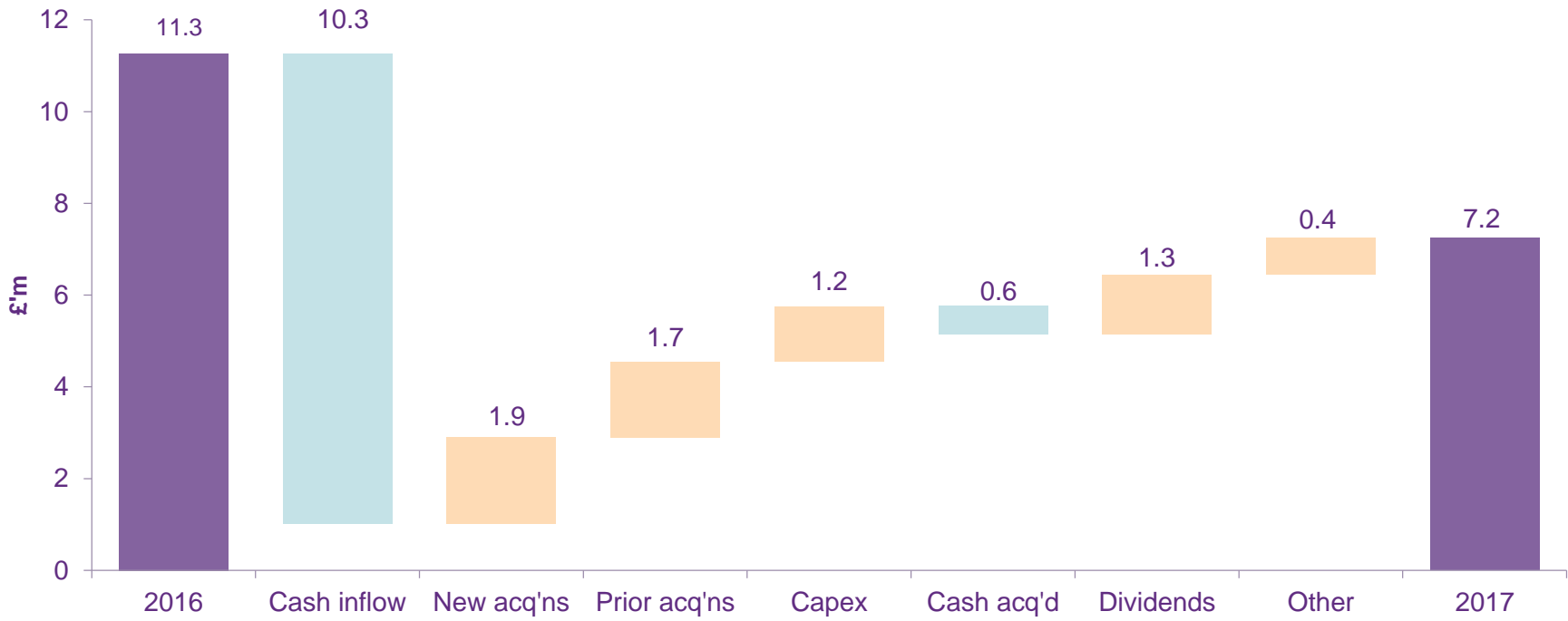
## CASH FLOW

	2017	2016
Headline operating profit	8.2	7.5
Add back depreciation	<u>1.7</u>	<u>1.5</u>
<b>EBITDA</b>	<b>9.9</b>	<b>9.0</b>
Capex, interest and tax	(2.9)	(3.2)
Working capital	3.3	0.1
Headline adjustments	<u>(1.2)</u>	<u>(0.6)</u>
<b>FREE CASH FLOW</b>	<b>9.1</b>	<b>5.3</b>
Acquisitions	(2.9)	(3.6)
Software development	(0.3)	(0.8)
Dividends	(1.3)	(1.3)
All others	<u>(0.5)</u>	<u>0.1</u>
Reduction/(increase) in net bank debt	<u>4.1</u>	<u>(0.3)</u>

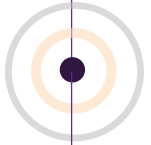




# NET BANK DEBT AND DEFERRED CONSIDERATION







## HOW WE ARE GROWING

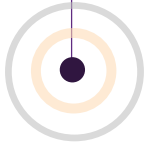
### ORGANIC

- New business activity in each Agency
- Client-focussed cross-selling and collaboration between Agencies
- New talent hired in
- New technologies developed
- New offices/new territories

### INVESTMENT IN START-UP VENTURES AND JOINT VENTURES

### ACCRETIVE ACQUISITIONS

- Typically paid for over three years
- Dependent on post-acquisition profits



# ACQUISITION OF KROW

## A TOP 20 LONDON CREATIVE AGENCY

### GREAT CLIENTS, GREAT WORK

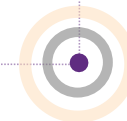
- Inc Fiat, DFS, Ferrero, Sky Vegas

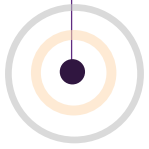
## FITS OUR MODEL

- Owner-managed business still run by founders, looking to grow
- Opportunity to cross-sell beyond existing offer
- Consideration heavily weighted to post-acquisition profit delivery

## FINANCIALS

- 2017 revenue £7m; adjusted EBIT £1.0m
- Initial consideration 3x multiple of 2018 EBIT; £2.75m on account
- Max consideration would require compound growth of 25% pa and £4.9m of cumulative EBIT





## IN CONCLUSION

- Robust business – consistent and profitable growth over 7+ years
- Above average Client, vendor and senior management retention
- Strong cash flow
- Progressive dividend providing attractive yield
- Diverse and growing Client base
- Multiple cross-selling opportunities
- Early stages of commercialising IP/technology

