



the missiontm

own ideas

2015 interim results

Contents

- Review of H1
- Financials
- Prospects



Summary of the period

- Bedding in acquisitions
 - Both the bigger ones - Splash (Asia) and Speed (PR)
 - And the bolt-ons - Proof, Brandon Hill, The Weather
- Managing change
 - Merger of balloon dog and Big Communications -> **bigdog** launched 1 March
 - Restructuring to enhance organisation -> improved margins
 - Relocation of Story (Edinburgh)
- Further strengthening of our capabilities
 - Launch of Mongoose Sports & Entertainment
 - Expansion of April Six's San Francisco office
 - Exploring April Six Asia
- Organic growth
 - Ask, Autoline, BMW, Brewin Dolphin, BA, Diageo, Muller Wiseman, RAC, Sage, SAS, Siemens



Financial summary

- Profits up, debt down, on-track to hit expectations
 - Strong contribution from 2014 acquisitions
 - Organic growth reflects portfolio nature
 - Strong H2 again predicted
- Interim dividend increased
 - Held at interim stage last year; confidence in long term prospects
- Leverage ratios comfortable
 - Both bank debt and total debt
- Acquisitions
 - Strong pipeline but cautious viz valuation multiples



Profit & Loss

	H1 2015	H1 2014	%
<i>Turnover</i>	<u>66.6</u>	<u>62.8</u>	
Operating income ("Revenue")	29.5	26.3	+12%
Operating expenses	<u>(27.1)</u>	<u>(24.2)</u>	
Headline operating profit	2.4	2.1	+15%
Net interest	<u>(0.2)</u>	<u>(0.3)</u>	
Headline PBT	2.2	1.8	+20%
Adjustments to headline profit	<u>(0.4)</u>	<u>0.4</u>	
PBT	1.7	2.2	
Tax	<u>(0.4)</u>	<u>(0.5)</u>	
Earnings	1.4	1.7	
Diluted headline eps (pence)	<u>1.88</u>	<u>1.68</u>	+12%



Balance sheet

	June 2015	June 2014	Dec 2014
Intangibles	77.4	72.1	77.2
Tangible fixed assets	4.5	4.1	4.4
Working capital	3.7	0.1	4.3
Net bank debt	(7.9)	(7.3)	(9.4)
Acquisition obligations	(4.5)	(1.6)	(5.1)
Total net debt	(12.4)	(8.9)	(14.5)
All others (mainly Corp. tax)	(1.4)	(0.8)	(1.0)
Net assets	71.8	66.6	70.4
Bank debt gearing	11%	11%	13%
Total gearing	17%	13%	21%
Bank debt leverage	x1.1	x1.1	x1.25
Total debt leverage	x1.4		x1.7



Acquisition obligations

	Prior	This	Total
At 31 December 2014	5.1	-	5.1
Acquisitions	-	0.7	0.7
Settled in cash	(0.4)	(0.3)	(0.7)
Settled in shares	-	(0.1)	(0.1)
Adjustments to balance sheet	-	-	-
Adjustments to P&L	(0.5)	-	(0.5)
At 30 June 2015	<u>4.2</u>	<u>0.3</u>	<u>4.5</u>
Cash acquired with acquisitions	-	0.3	0.3



Cash flow

	H1 2015	H1 2014
Headline Operating profit	2.4	2.1
Add back depreciation/other non-cash items	0.8	0.7
EBITDA	3.2	2.8
Changes in working capital	0.4	2.9
Net interest	(0.5)	(0.2)
Taxation	(0.2)	(0.3)
Headline operating cash flows	2.9	5.2
Exceptional costs	(0.6)	-
Capex	(0.4)	(1.3)
Acquisition consideration	(0.4)	(0.4)
(Shares bought for EBT)/issued	(0.1)	-
Bank debt repayment	(0.4)	(2.0)
Change in cash balances	1.0	1.5

Prospects

- New capabilities
 - Mongoose
 - Ethology
 - Enhanced user experience via touchscreen
- Stronger overseas
 - April Six Singapore
 - Bray Leino/**bigdog** Chicago
- Accretive acquisition opportunities
- Progressive dividend policy



the missiontm

own ideas

april six[®] big dog[®] bray leino[®] mongoose[®] PROOF[®] RLA[®]  SOLARIS[®] speed[®]  'story'[®] thinkbdw[®]