



the missiontm
own ideas

2016 interim results



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Continuing to build on our solid platform

- Great new Client wins and good cross-Agency collaboration
- Wide-scale investment in people and technology
 - Senior H1 appointments at RLA, Bray Leino and Events
 - Sports Marketing Agency strengthened via in-fill acquisition
 - Systems development at Broadcare, **bigdog** and RLA
 - Pathfindr and Ethology now sold into Rolls Royce and Aviva
- Recent acquisitions delivering against expectations
- Geographic expansion going to plan
 - April Six Singapore
 - AprilSix Proof San Francisco
 - Bray Leino Chicago



The trends of the past six years continue

- Profits up
- Strong cash flow
- Balance sheet continues to strengthen
 - Bank debt down by £1.5m
 - Acquisition obligations down by £2.7m
 - Debt levels comfortable
- Interim dividend increased
 - Cash flow demonstrates sustainability
 - Confidence in prospects and strength of balance sheet



Profit & Loss

	H1 2016	H1 2015*	%
<i>Turnover</i>	<u>74.2</u>	<u>66.6</u>	
Operating income ("Revenue")	32.4	29.5	+10%
Operating expenses	<u>(29.5)</u>	<u>(26.9)</u>	
Headline operating profit	2.8	2.6	+10%
Net interest	<u>(0.2)</u>	<u>(0.2)</u>	
Headline PBT	2.6	2.3	+10%
Adjustments to headline profit	<u>(0.6)</u>	<u>(0.6)</u>	
PBT	2.0	1.7	+14%
Tax	<u>(0.5)</u>	<u>(0.4)</u>	
Earnings	1.5	1.4	
Diluted headline eps (pence)	<u>2.33</u>	<u>2.03</u>	+15%
* restated			



Profit trends





P&L adjustments

	H1 2016	H1 2015
Exceptional items		
Restructuring costs	-	(0.6)
	<u>-</u>	<u>(0.6)</u>
Acquisition items		
Movement in fair value of contingent consid'n	-	0.5
Amortisation of intangibles arising on acq'n	(0.3)	(0.3)
Acquisition costs	(0.1)	-
	<u>(0.4)</u>	<u>0.2</u>
Start-up costs	(0.2)	(0.2)*
Total	<u>(0.6)</u>	<u>(0.6)</u>

* Previously included in headline results



Balance sheet

	June 2016	June 2015	Dec 2015
Intangibles	82.0	77.4	82.1
Tangible fixed assets	4.4	4.5	4.5
Working capital	4.4	3.7	6.9
Net bank debt	(9.4)	(7.9)	(10.9)
Acquisition obligations	(5.4)	(4.5)	(8.2)
Total net debt	(14.8)	(12.4)	(19.1)
All others (mainly Corp. tax)	(0.9)	(1.4)	(1.0)
Net assets	<u>75.1</u>	<u>71.8</u>	<u>73.4</u>
Committed bank facilities	13.1	14.6	13.9
Headroom (before overdraft)	3.7	6.7	3.0
Bank debt leverage	x1.1	x1.1	x1.3
Total debt leverage	x1.6	x1.4	x2.0

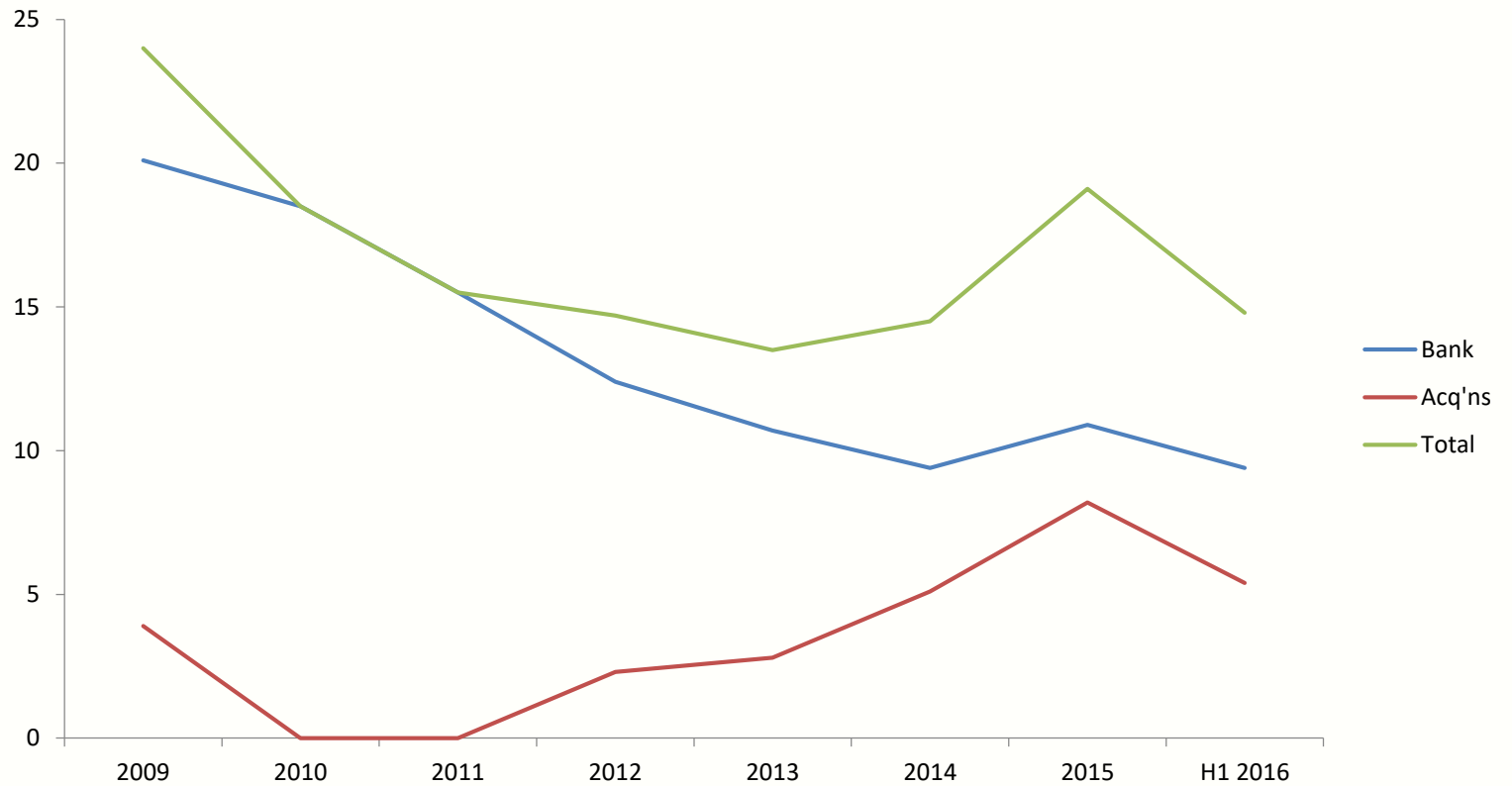


Acquisition obligations

	Prior	This	Total
At 31 December 2015	8.2	-	8.2
Acquisitions	-	0.3	0.3
Settled in cash	(2.4)	(0.3)	(2.7)
Settled in shares	(0.3)	-	(0.3)
At 30 June 2016	<u>5.4</u>	<u>-</u>	<u>5.4</u>
<i>[Cash acquired with acquisitions]</i>	-	0.1	0.1]
Falling due:			
H2 2016			0.6
H1 2017			1.9
2018 and beyond			<u>2.9</u>
			<u>5.4</u>



Debt trends





Cash flow – H1

	H1 2016	H1 2015
Headline operating profit	2.8	2.6
Add back depreciation/other non-cash items	0.8	0.8
EBITDA	3.6	3.4
Changes in working capital	2.6	0.4
Net interest and tax	(1.1)	(0.7)
Headline operating cash flows	5.1	3.2
Exceptional costs	-	(0.6)
Capex	(0.5)	(0.4)
Acquisition consideration	(2.7)	(0.7)
Shares bought for EBT	(0.2)	(0.1)
Other	(0.2)	0.2
Reduction in net bank debt	1.5	1.5



Cash flow - profile

	FY 2014	FY 2015	FY 2016
Headline operating profit	6.1	6.9	7.7
Add back depreciation/other non-cash items	1.3	1.5	1.6
Capex	(2.1)	(1.3)	(1.5)
Interest and tax	<u>(1.2)</u>	<u>(1.9)</u>	<u>(1.9)</u>
Free cash flow	4.1	5.2	5.9
Acquisition consideration	(2.1)	(2.4)	(3.2)
Dividends	<u>(0.8)</u>	<u>(0.9)</u>	<u>(1.0)</u>
<i>Available for debt reduction/"unexpected"</i>	1.2	1.9	1.7

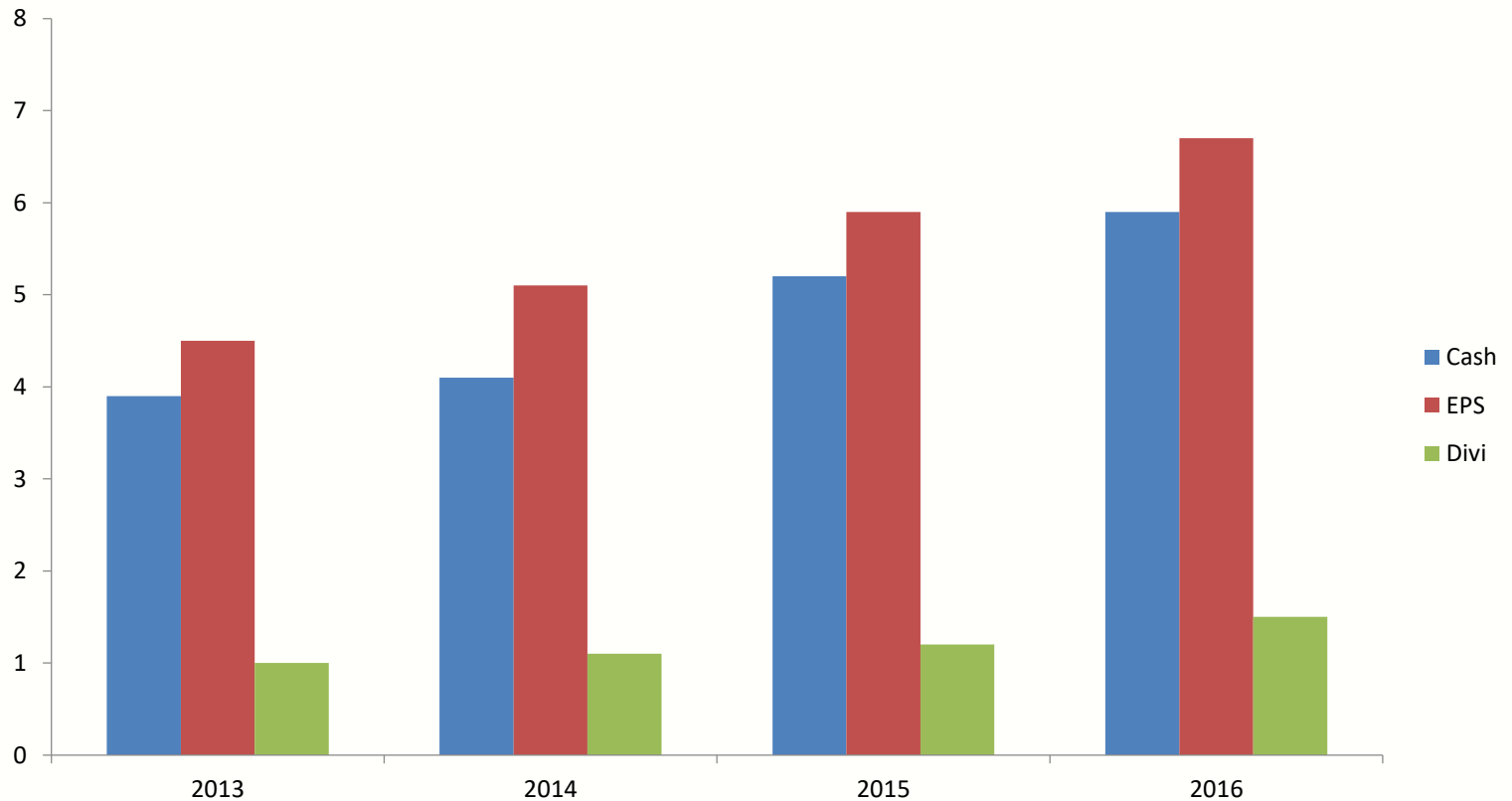


Cashflow, EPS and dividend trends





Increased dividend...





Prospects

- New capabilities
 - Sales Promotion
 - Technology incubator
- Overseas development
 - Solaris tie up with Vivactis/Precision Effect
- Accretive acquisition opportunities
- Progressive dividend policy



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april'six® april'sixproof® bigdog® brayleino® CHAPTER® mongoose® RLA®  SOLARIS® speed®  story® thinkbow®