



# MISSION

## 2020 RESULTS

Annual Results for the year ending 31<sup>st</sup> December 2020

# A PERSONAL VIEW

**2020 WAS ... UNFORSEEN. CHALLENGING.  
ALL ENCOMPASSING. RELENTLESS.  
EXHAUSTING. HUMBLING. EMPOWERING.  
RE-INVIGORATING. COLLABORATIVE.**



# WHAT IT TAUGHT US

## DOUBLING-DOWN

- We remain committed to building a Group of Collective Specialists. Inter-reliant Agencies that deliver high margins by being at the forefront of their sector. We do this through operating cost management, increased utilisation of technology and ongoing capability assessment and enhancement. We will continue to add to this collective by working with and acquiring like minded businesses.
- Our ambition remains to rapidly increase profitability and value for our shareholders and our people. We are well placed to realise this given the streamlined platform that we have created and sustained in 2020.



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# 1. 2020 SUMMARY

A year like no other

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# HIGHLIGHTS - FINANCIAL

Robust performance with full year profit ahead of market expectations

COVID-19 impact most severe in Q2 with sequential recovery in Q3 and Q4

H2 margins bounced back to a creditable 11.5%

Cash management strong: net debt £1m, an historic low



# HIGHLIGHTS - BUSINESS

Strong Client retention remained with significant cross-sell improvement and notable new business wins

Enhanced MISSION Advantage with Alive, MISSION Made and Innovation Bubble added

Central guidance and Agency First culture ensured swift, agile but tailored and appropriate COVID decisions

Continued MarTech innovation, industry leading ESG approach and MISSION Shared Services implementation





## **2. FINANCIAL REVIEW**

Cash is King

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# PROFIT & LOSS (£'M)

	2020	2019
Billings	<u>121.9</u>	<u>171.1</u>
<b>REVENUE</b>	<b>61.5</b>	<b>81.0</b>
Operating expenses	<u>(59.6)</u>	<u>(70.2)</u>
<b>HEADLINE OPERATING PROFIT</b>	<b>1.9</b>	<b>10.8</b>
Share of associates/JV	0.1	0.1
Interest	<u>(0.8)</u>	<u>(0.7)</u>
<b>HEADLINE PBT</b>	<b>1.2</b>	<b>10.2</b>
Adjustments	<u>(3.2)</u>	<u>(1.9)</u>
PBT	(2.0)	8.3
Tax	<u>(0.2)</u>	<u>(1.9)</u>
Earnings	<u>(2.2)</u>	<u>6.4</u>

- Strong H2 bounce back
  - H2 result £5m+ improved on H1
- Client retention statistics remained strong:
  - 50%+ from Clients of 5 yrs or more
  - 30% from 10+ yrs
  - 16% from 20+ yrs
- Salary costs benefited from widespread salary reductions, furlough and reduced working hours
- CJRS introduced when revenues were already 30%+ down on 2019
  - One third of workforce benefited
  - £1.6m benefit in H1; £1.4m in H2
- Permanent restructuring has resulted in annualised savings of c£4.5m
- Headline adjustments include £1.0m COVID restructuring costs



# BALANCE SHEET

	2020	2019
Intangibles	96.2	95.9
Fixed assets/investments	2.7	3.4
Working capital	2.2	8.6
Net bank debt	(1.2)	(4.9)
Earn-out obligations	(8.5)	(8.9)
Total net debt	(9.7)	(13.8)
Right of use assets	10.7	8.1
Lease liabilities	(11.3)	(8.8)
All others (mainly tax)	(0.6)	(1.1)
Net assets	90.2	92.3
<b>BANK DEBT LEVERAGE*</b>	<b>X0.6</b>	<b>X0.4</b>
<b>TOTAL DEBT LEVERAGE*</b>	<b>X4.3</b>	<b>X1.1</b>

- Working capital reduction includes c£3m VAT deferral from Govt support scheme, now repaid
- Earn-outs partly rescheduled due to COVID-19. Most fall due in 2021
- Increases in lease assets and liabilities result from office lease renewal
- Covenant waivers/relaxations agreed through to Q3 2021
- New £20m facility agreed with “3+1” term and £5m accordion option
- Better-than-expected net debt allowed payment of 2019 dividend in Q1 2021



# CASH FLOW (£'M)

	2020	2019
Headline operating profit	1.9	10.8
Add back depreciation	4.3	4.0
Less lease payments	<u>(2.8)</u>	<u>(2.6)</u>
<b>EBITDA</b>	<b>3.5</b>	<b>12.2</b>
Interest and tax	<u>(1.4)</u>	<u>(2.4)</u>
<b>NORMALISED OPERATING CASH FLOW</b>	<b>2.1</b>	<b>9.8</b>
Working capital	<u>6.4</u>	<u>(2.6)</u>
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>	<b>8.5</b>	<b>7.2</b>
Dividends	-	(1.8)
Acquisitions	(2.2)	(2.8)
Capex/software development	(1.1)	(2.2)
Shares bought by Employee Benefit Trust	-	(0.7)
Restructuring costs/other	<u>(1.5)</u>	<u>(0.6)</u>
Decrease/(increase) in net bank debt	<u>3.7</u>	<u>(0.9)</u>

- Tax payments much reduced due to lower forecast profits
- Working capital benefited from strong Client prepayments and good cash management
- Cash conservation measures included no dividend payments in 2020 and reduction in capex; Pathfinder software development protected
- MISSION has a good track record of cash conversion, with an 84% average conversion ratio over the 3 years prior to 2020



### **3. BUSINESS REVIEW & OUTLOOK**

Bouncebackability!

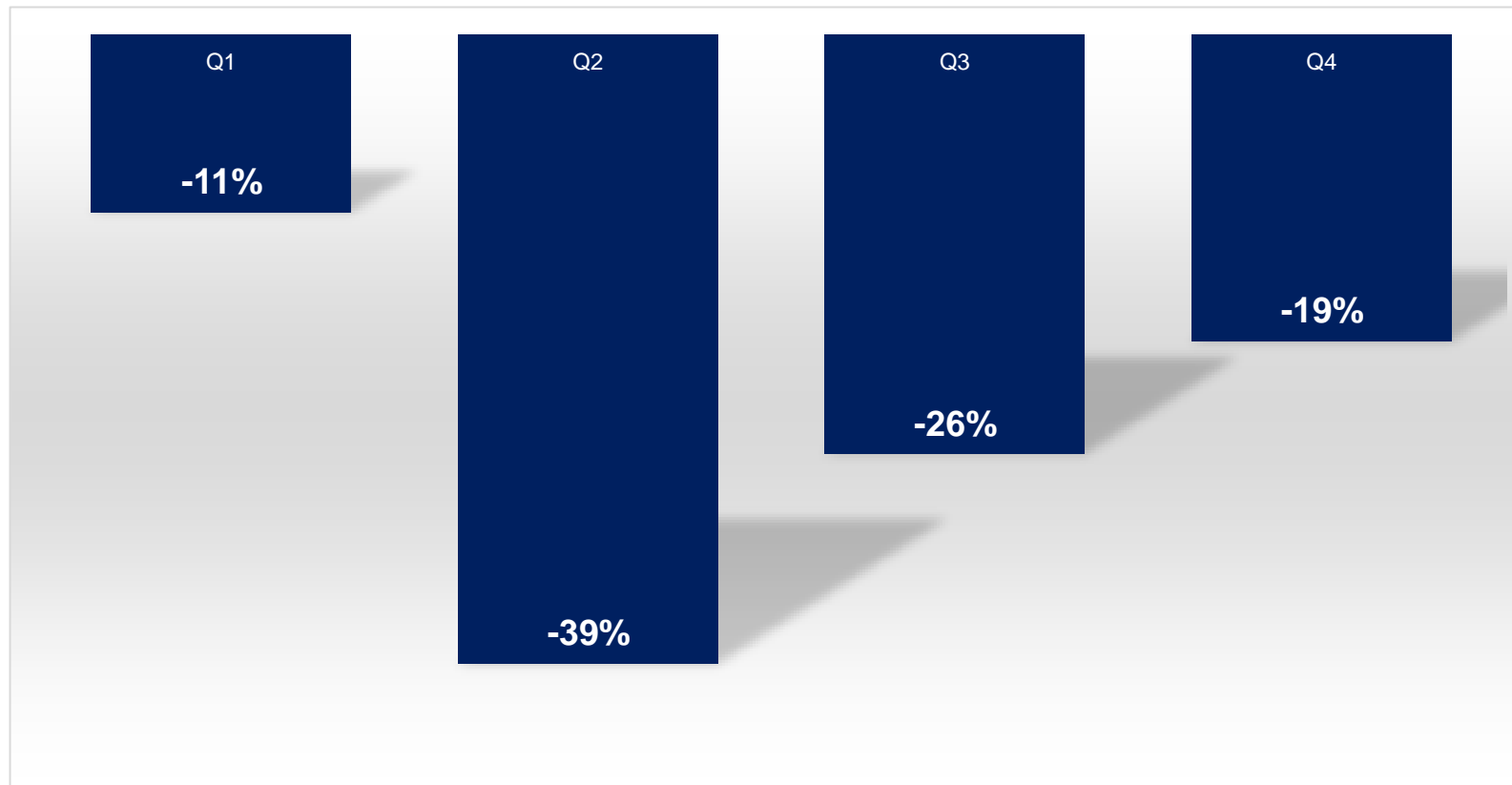
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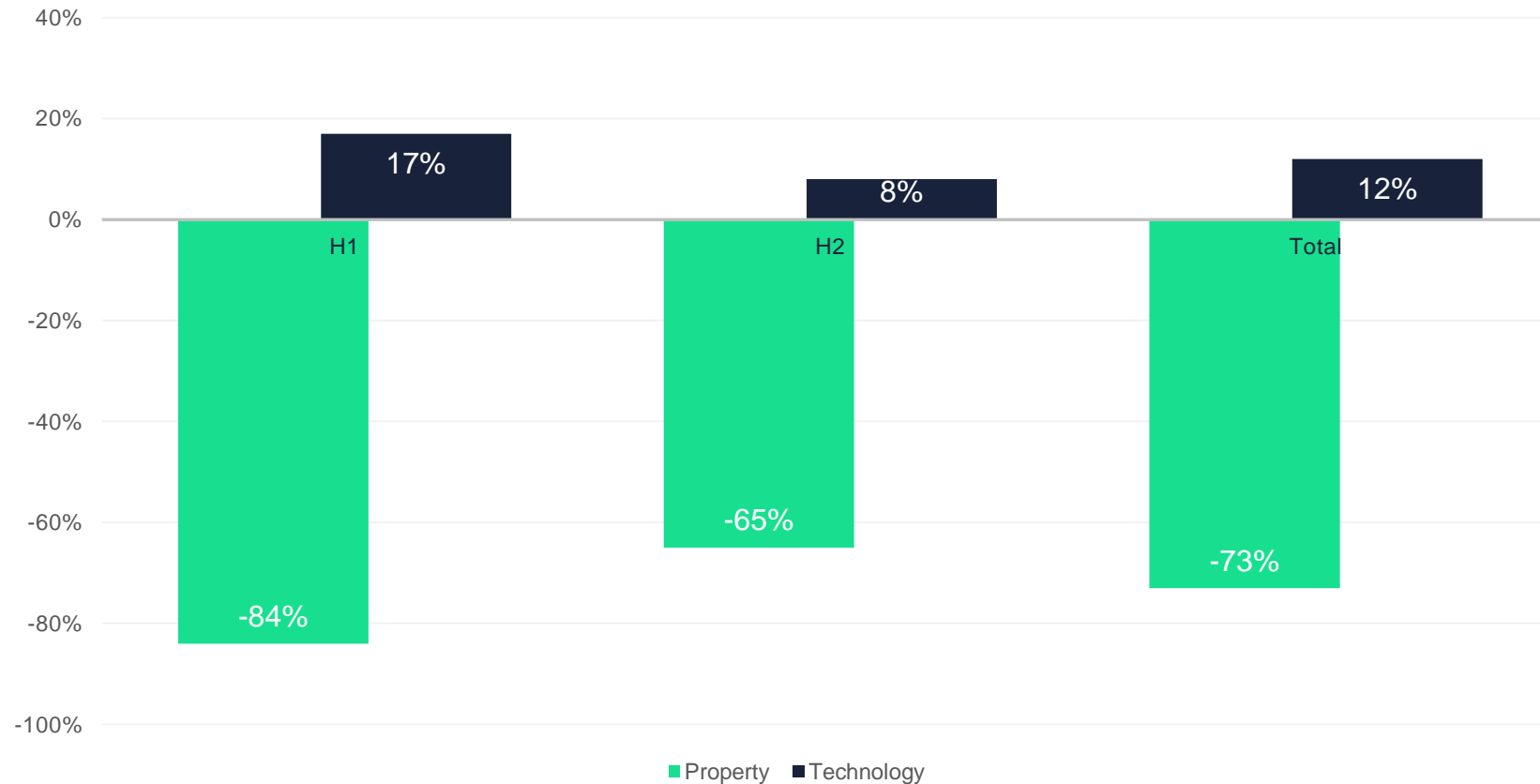
# 2020 REVENUE

## Impact (vs 2019)



# 2020 CONTRIBUTION TO PROFIT (vs 2019)

As a collective we had Agencies with differing fortunes  
(BEST AND WORST)





# PROPERTY: thinkbdw

## DIVERSIFYING AND READY FOR THE REBOUND

- **CLOSED:** A year ago, house builders and developers were prevented from building homes and selling them
- The Agency was immediately restructured, reducing the staff overhead by 20%+ and investing in new digital opportunities
- Diversified Client base, winning Commercial developments contracts
- Developed ThinkOnline digital sales platform resulting in the finalising of a 3-year, £15 million national contract to supply digital customer journey solutions to a major UK house builder
- Buyer confidence is up and there is pent-up demand. The market is looking healthy again



# TECHNOLOGY: april6

## 2020 – 2021

### 2020

- Rebranded, merged Mobility specialist and vacated Central London office
- 12% YOY increase in profit contribution
- 33 new client wins in 2020 (31 active in 2021)
- 9 of top 12 clients grew, overall 10% growth in core business

### 2021

- Top 3 clients tracking ahead of forecast. All 6 Divisions growing YOY
- North America, London and Munich all hit highest ever monthly income
- 11 new business wins in Q1, including Porsche Dealer Network



# PATHFINDER

SOMETIMES YOU NEED TO INNOVATE TO STAND STILL



- 2020 lockdown effectively stymied the momentum built up in 2019; facilities, factories and manufacturing plants closed down or reduced output. However 2020 turnover still grew 62% vs 2019
- Pathfinder team pivoted to 'Safe Distancing Assistant' (SDA) to take advantage of the potential short term opportunity of social distancing
  - SDA sales began immediately in April '20
  - SDA sales pass £1.1m in 2020, and counting
- No existing core product clients lost, in fact growing (Rolls Royce)
- Clear and aggressive strategy established, targeting larger global organisations

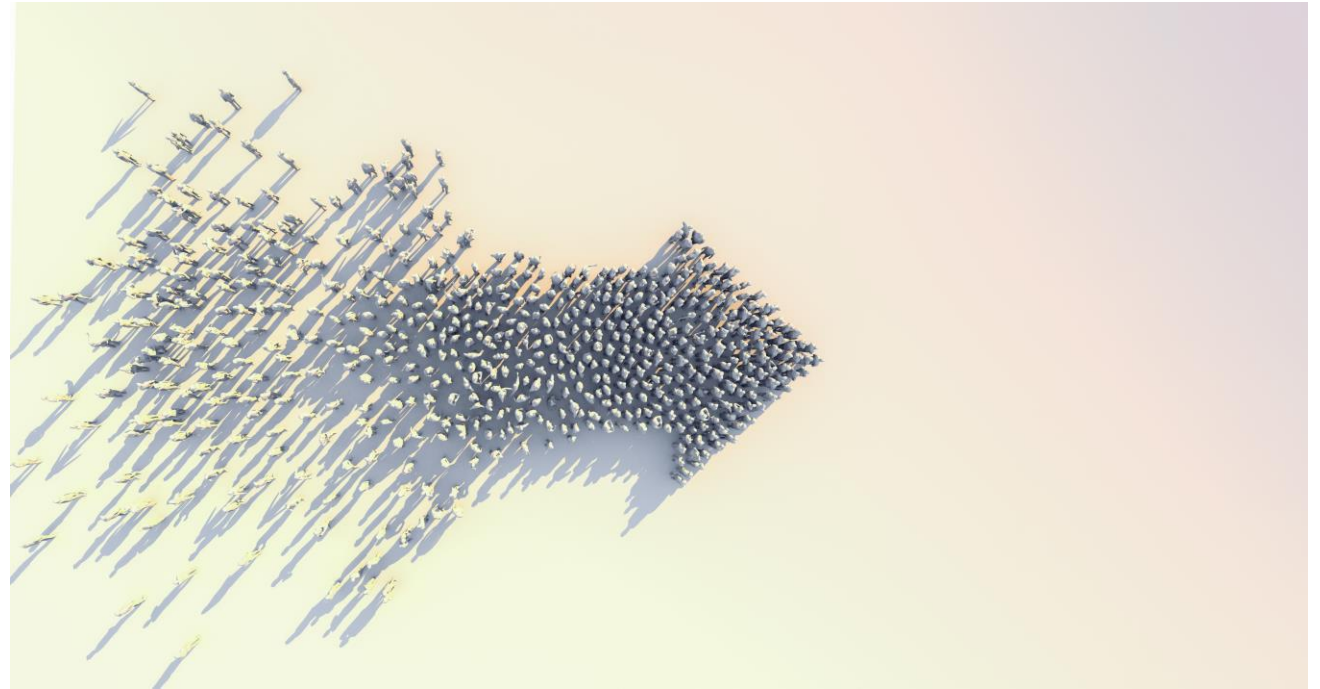


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# ONE MISSION

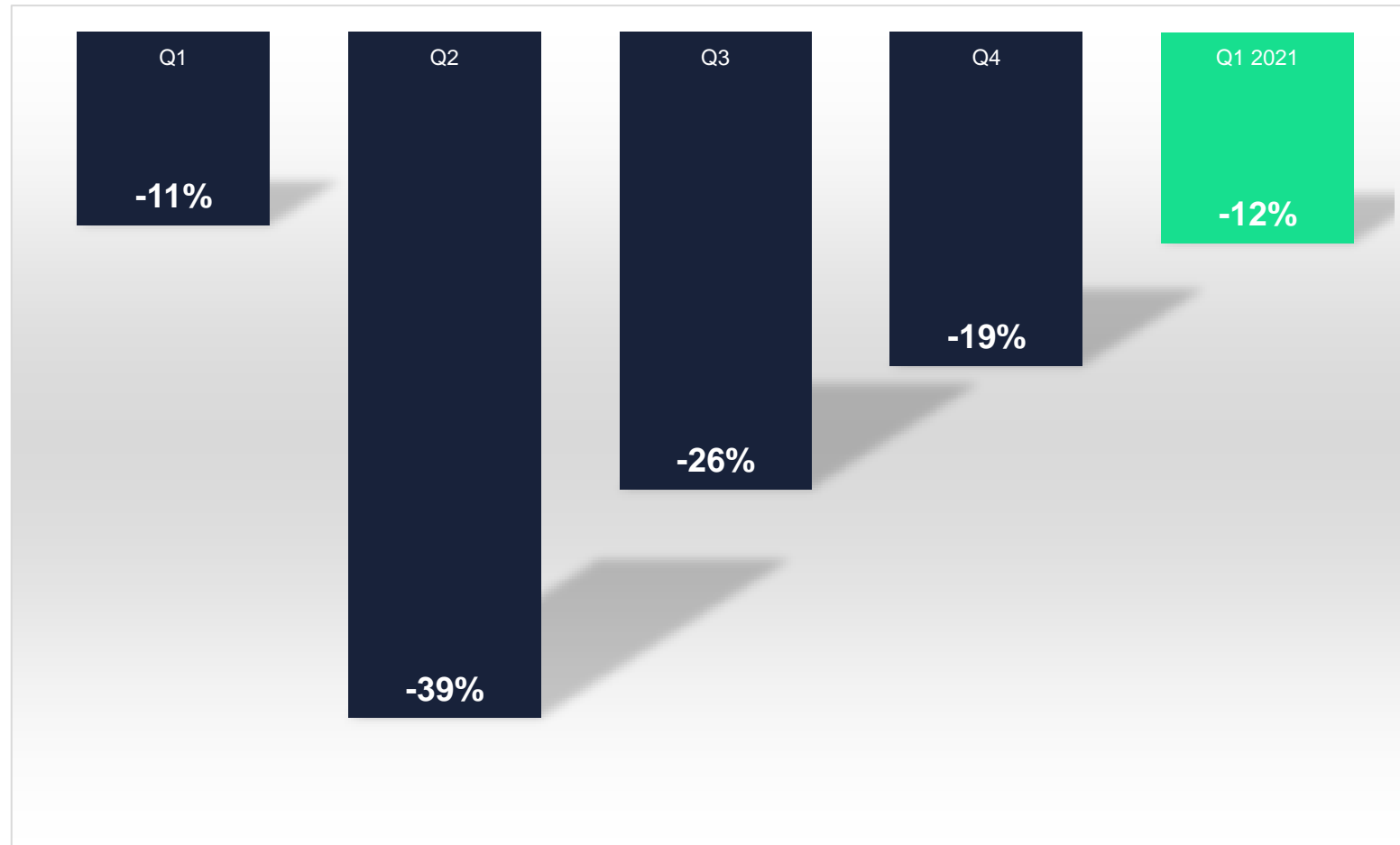
**2020 COLLABORATION THE MOST  
SUCCESSFUL IT HAS EVER BEEN**

- £3.6m of Revenue cross-referred in 2020
- Not necessarily new Client spend but certainly spend previously outside of the Group

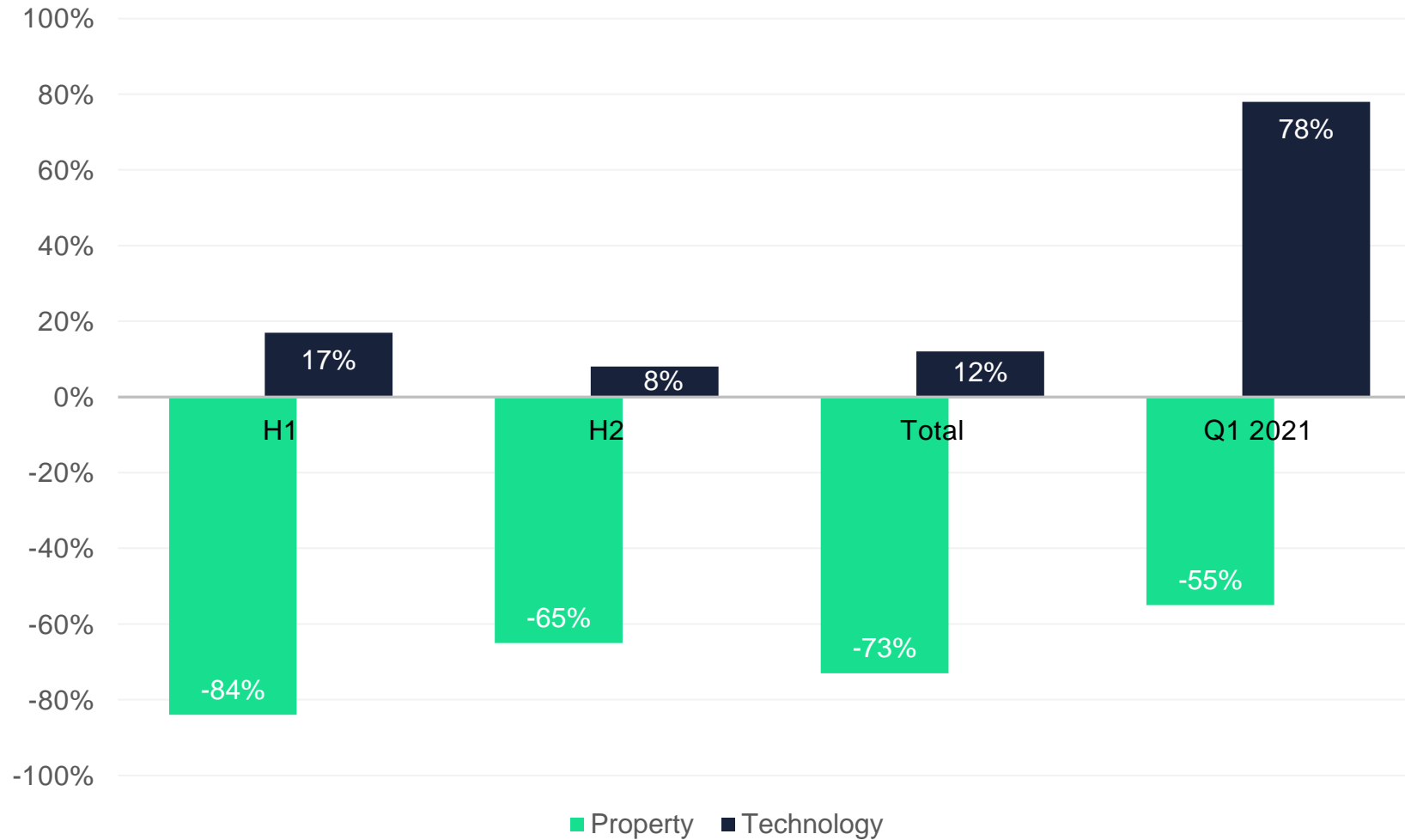


# 2021 REVENUE - THE SEQUENTIAL RECOVERY CONTINUES

Impact (vs 2019)



# 2021 CONTRIBUTION TO PROFIT (vs 2019)





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## **THE VISION HASN'T CHANGED (BUT IT HAS BEEN SHARPENED)**

In Q4 2019 we repositioned as The Alternative Group for Ambitious Brands. This was/is the expression of our Group vision:

### **THE PREFERRED CREATIVE PARTNER FOR REAL BUSINESS GROWTH**

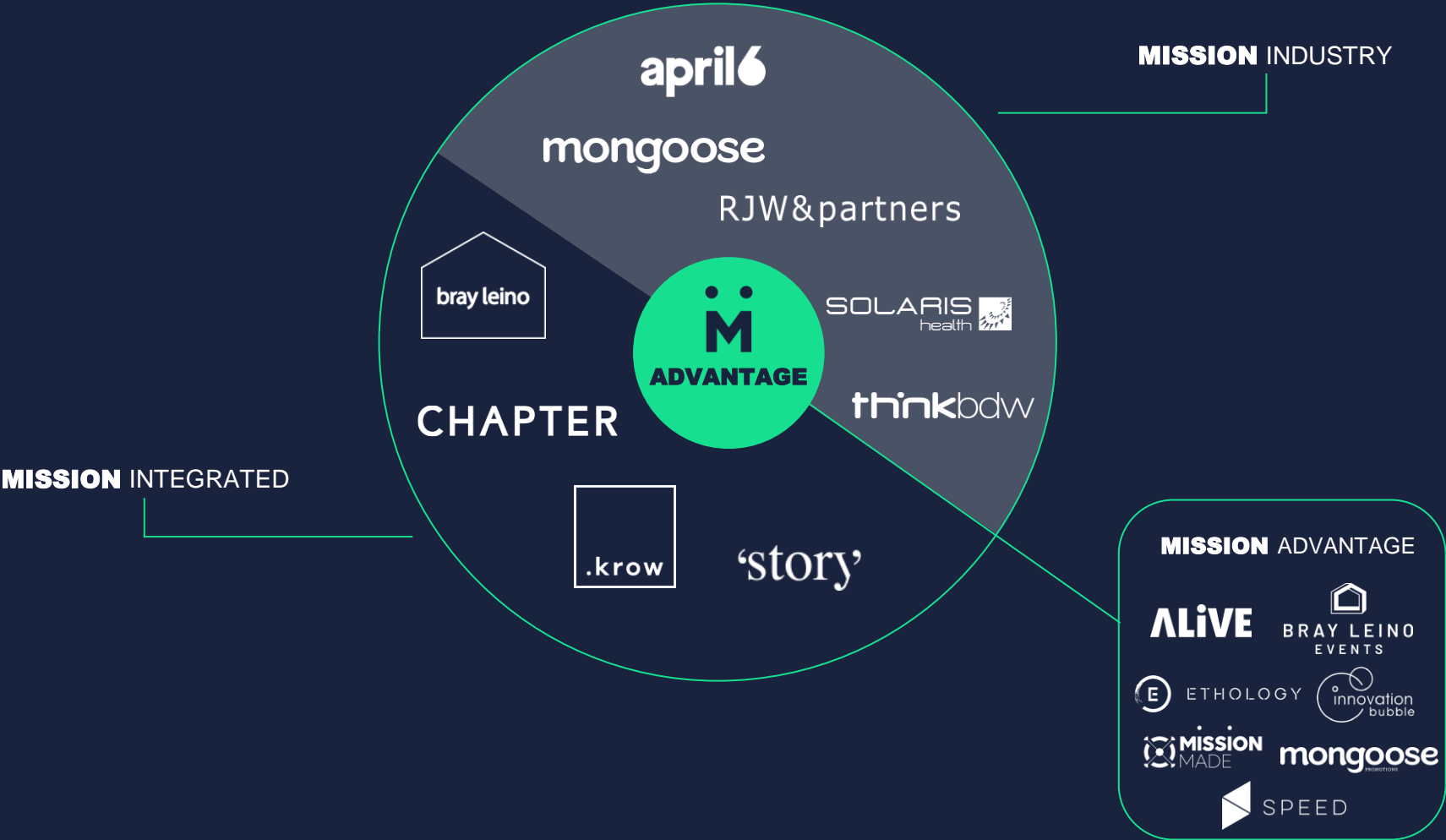
We are a collective of creative Agencies led by Entrepreneurs who encourage an independent spirit.

The **MISSION** actively encourages an 'Agency First' culture and methodology. Our philosophy is that the best people to grow our Agencies are those who either built them or now run them.

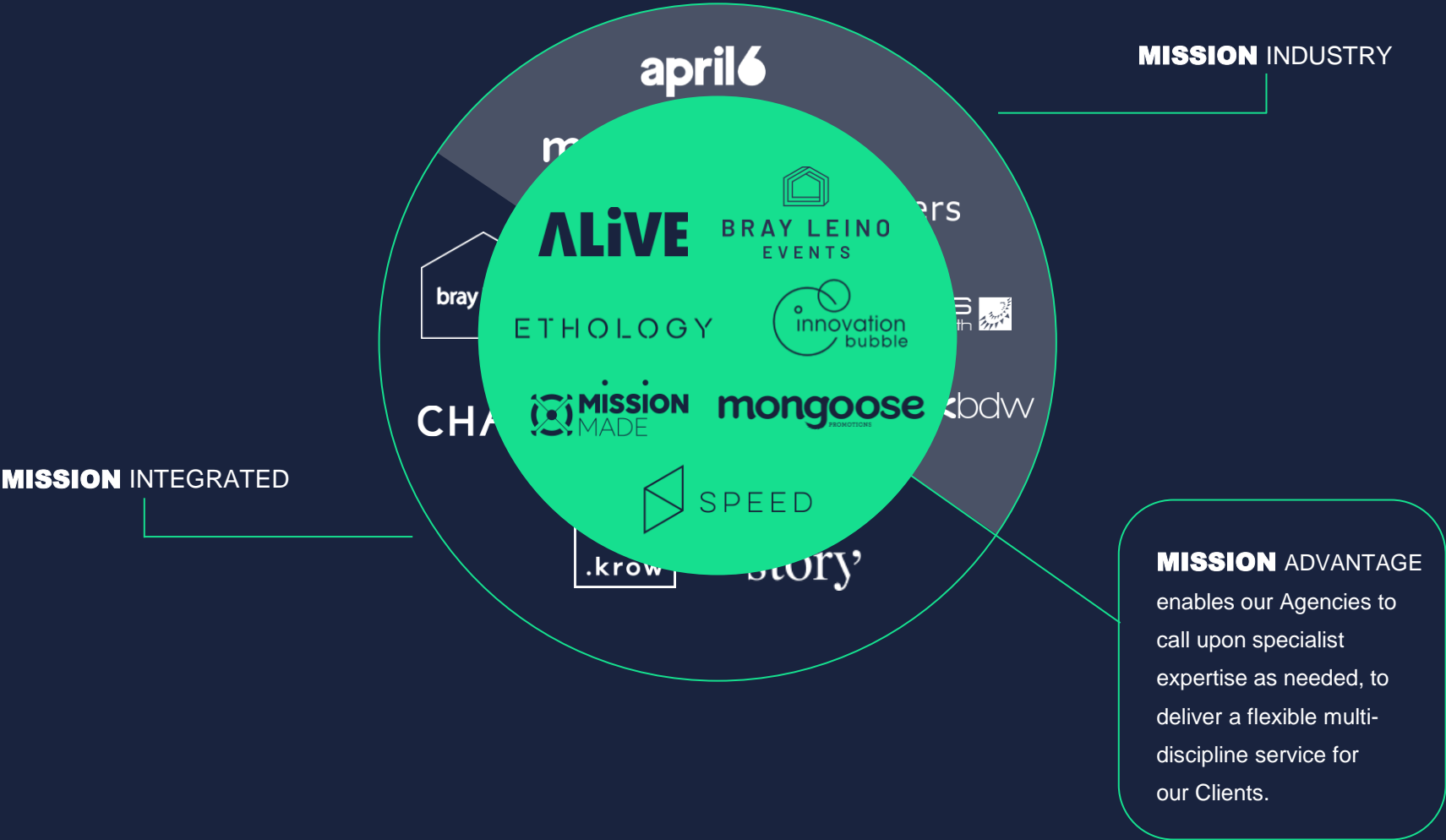
The **MISSION** has developed group-wide initiatives to support our 'Agency First' agenda of enabling our Agencies to focus on the commercial success and performance of their business. We call this the **MISSION** Advantage as they are services or initiatives that only we, as a collective, can provide.



# COLLECTIVE SPECIALISTS:

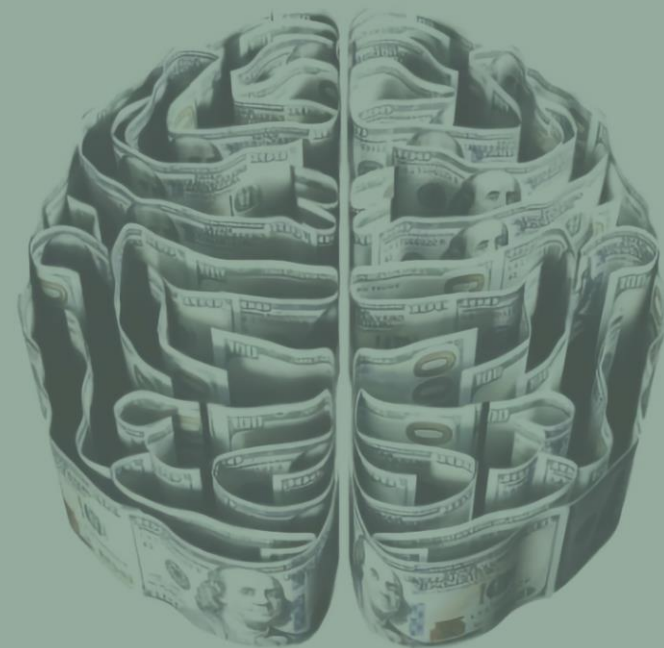


# COLLECTIVE SPECIALISTS:





**Alive**



# MSS

## DRIVING PROFITABILITY AND IMPROVED MARGINS

### 2020

#### Proved the model:

- Wellness
- Remote working
- CJRS rules & regs
- Occupancy

### 2021

#### Optimising the infrastructure

- Completing the centralisation of accounting services
- Joined up approach to talent development: recruitment, training, progression & pay
- Creating post-COVID workspaces
- Occupancy again

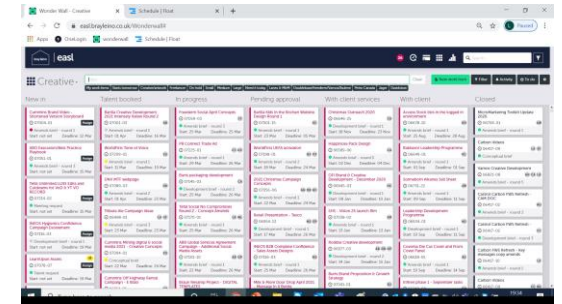
## OPERATIONAL EFFICIENCY AN AGENCY BY AGENCY PURSUIT



### WONDERWALL:

3-fold improvement in the  
visibility of creative workload

Reduction in employee down  
time; 99% utilisation of  
Creative and 30 mins per  
day time saving for Client  
Services



# ESG MANIFESTO: ACTIONS NOT WORDS



- Group relationships with Green Element and Creative Access
- Network of environmental champions
- Far reaching social goals
- Record of **MISSION's** environmental footprint
- A chance to be vocal in industry about positive change
- Opportunity to be audited and achieve internationally recognised ISO14001
- Clients demanding it so removes any barriers to large corporate contracts





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# OUR VISION IS OUR GROWTH DRIVER

## THE PREFERRED CREATIVE PARTNER FOR REAL BUSINESS GROWTH

- It's not an either or
- It's a cause and effect
- Our work as a creative partner delivers real business growth for our Clients
- So it's about effectiveness or ...

## WORK THAT PAYS



# SUMMARY & OUTLOOK - 2021

2021 started  
in line with  
expectations

Returning to  
pre-pandemic  
run rates in Q3  
to Q4 with  
improved  
margin

Hardest hit  
Agencies re-  
bounding  
strongly

Continued  
benefit of  
**MISSION**  
Advantage and  
MSS



# SUMMARY & OUTLOOK – LONGER TERM

Organic Growth  
with improved  
margin through  
collaboration and  
revenue increase  
outstripping cost

Margin  
target of 14%  
realistic by  
2022

Look for  
growth through  
acquisition

Accelerate the  
current growth of  
revenue generated  
outside the UK

Leverage our  
market leading  
sector  
expertise in other  
territories

