



MISSION
2019 RESULTS



Annual Results for the year ending 31 December 2019

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COVID-19



PLAN FOR THE WORST, STRIVE FOR THE BEST

We are Entrepreneurs and business owners after all



COVID-19

2020 EARLY IMPACT

- Strong start to 2020
- Negatives - Property developments on hold, live events cancelled
- Positives – Technology holding up
- Sector and geographic diversity softens the impact
- Scenario modelling indicates we will weather the storm
- And be ready to capitalise on some very interesting opportunities on the other side



COVID-19 ACTIONS

- Staff are working from home; we are continuing to serve Clients
- Moving to 4-day weeks, or less where impact most severe
- Supporting staff via Government schemes
- Bank facilities increased by £5m to £20m (vs 2019 net debt £5m)
- Voluntary salary cuts, including Board and Exec team
- Capex on hold, dividend placed under review



COVID-19

LIFE GOES ON, THIS WEEK ALONE...

- My Online Therapy, the first virtual psychology clinic in the UK, is launching with a multi-discipline campaign. **MISSION** Agencies krow, Story, Speed and Bray Leino have just won the brief after a competitive pitch against Engine, Joint and MBA, which was run by the AAR.
- National Emergency Trust account win



2019 HIGHLIGHTS



HIGHLIGHTS

FINANCIAL

- Revenue up 4%
- Profit margins increased to 13.3%
- Profit before tax up 11%
- Balance sheet strong: net debt £5m, leverage under x0.5

BUSINESS

- A year of transition: new CEO, new Group identity, new values & beliefs
- Successful launch of new positioning, internally and externally
- Collaboration is delivering more revenue & new Clients
- New Group Marketing Director is winning MISSION-led new business
- “Reverse pitch” has found a worthy winner
- Pathfindr progressing well; strong opportunities
- Ignition launched to find the next BroadCare/Pathfindr

Headline profit before tax up

11%[▲]

**NEW
POSITIONING
DELIVERED**

FINANCIAL REVIEW



PROFIT AND LOSS (£'M)*

	2019	2018	%
Billings	<u>171.1</u>	<u>159.9</u>	
REVENUE	81.0	77.6	+4%
Operating expenses	<u>(70.2)</u>	<u>(67.7)</u>	
HEADLINE OPERATING PROFIT	10.8	9.9	
Share of associates/JV	0.1	-	
Interest	<u>(0.7)</u>	<u>(0.7)</u>	
HEADLINE PBT	10.2	9.2	+11%
Adjustments	<u>(1.9)</u>	<u>(1.5)</u>	
PBT	8.3	7.7	
Tax	<u>(1.9)</u>	<u>(1.7)</u>	
Earnings	<u>6.4</u>	<u>6.0</u>	
Headline EPS (pence)	9.5	8.7	+9%
PROPOSED FULL YEAR DIVIDEND (PENCE)**	2.3	2.1	+10%

*continuing operations only

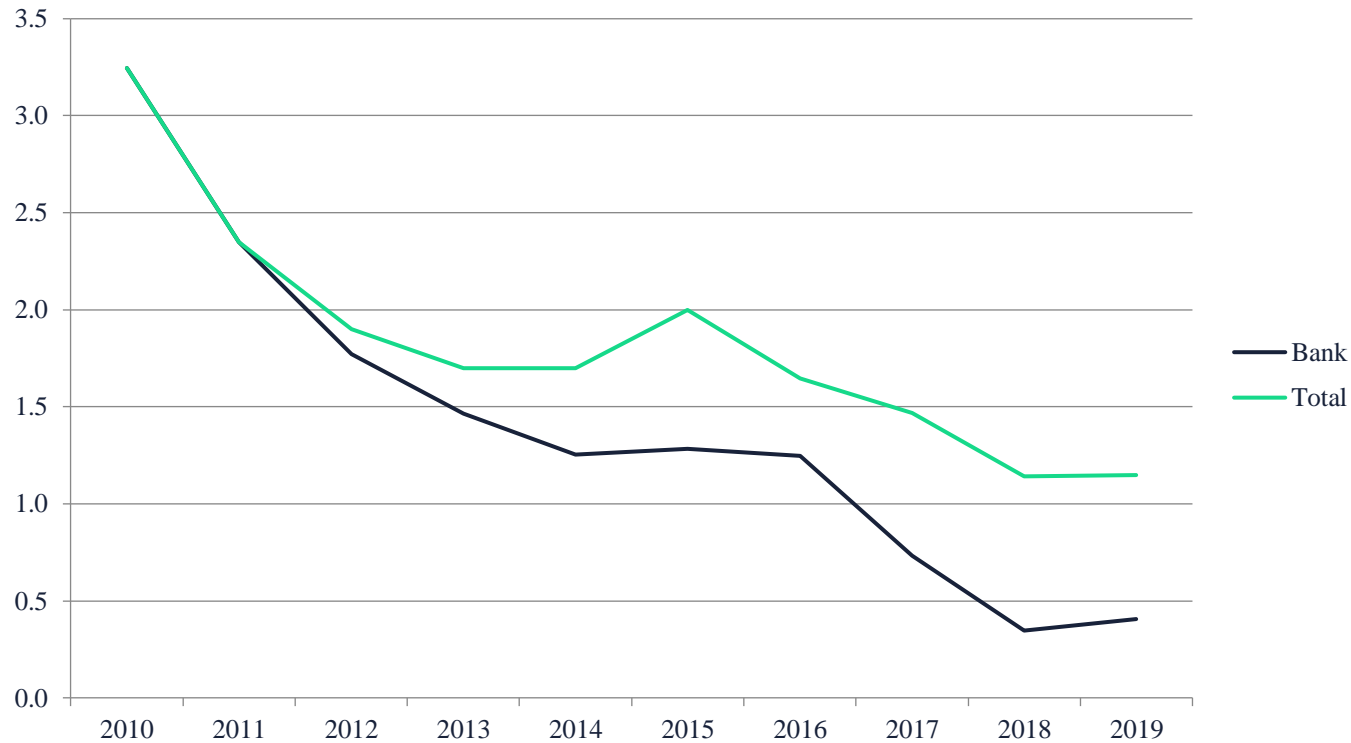
** under review pending Covid-19 developments

BALANCE SHEET (£'M)

	2019	2018
Intangibles	95.9	96.1
Fixed assets/investments	3.4	3.1
Working capital	8.6	6.0
Net bank debt	(4.9)	(4.0)
Earn-out obligations	(8.9)	(11.8)
Total net debt	(13.8)	(15.8)
Right of use assets	8.1	7.7
Lease liabilities	(8.8)	(8.5)
All others (mainly tax)	(1.1)	(1.0)
Net assets	92.3	87.6
BANK DEBT LEVERAGE*	X0.4	X0.4
TOTAL DEBT LEVERAGE*	X1.1	X1.1

* pre-IFRS 16: Leases

DEBT LEVERAGE* REMAINS COMFORTABLE



*all pre-IFRS 16

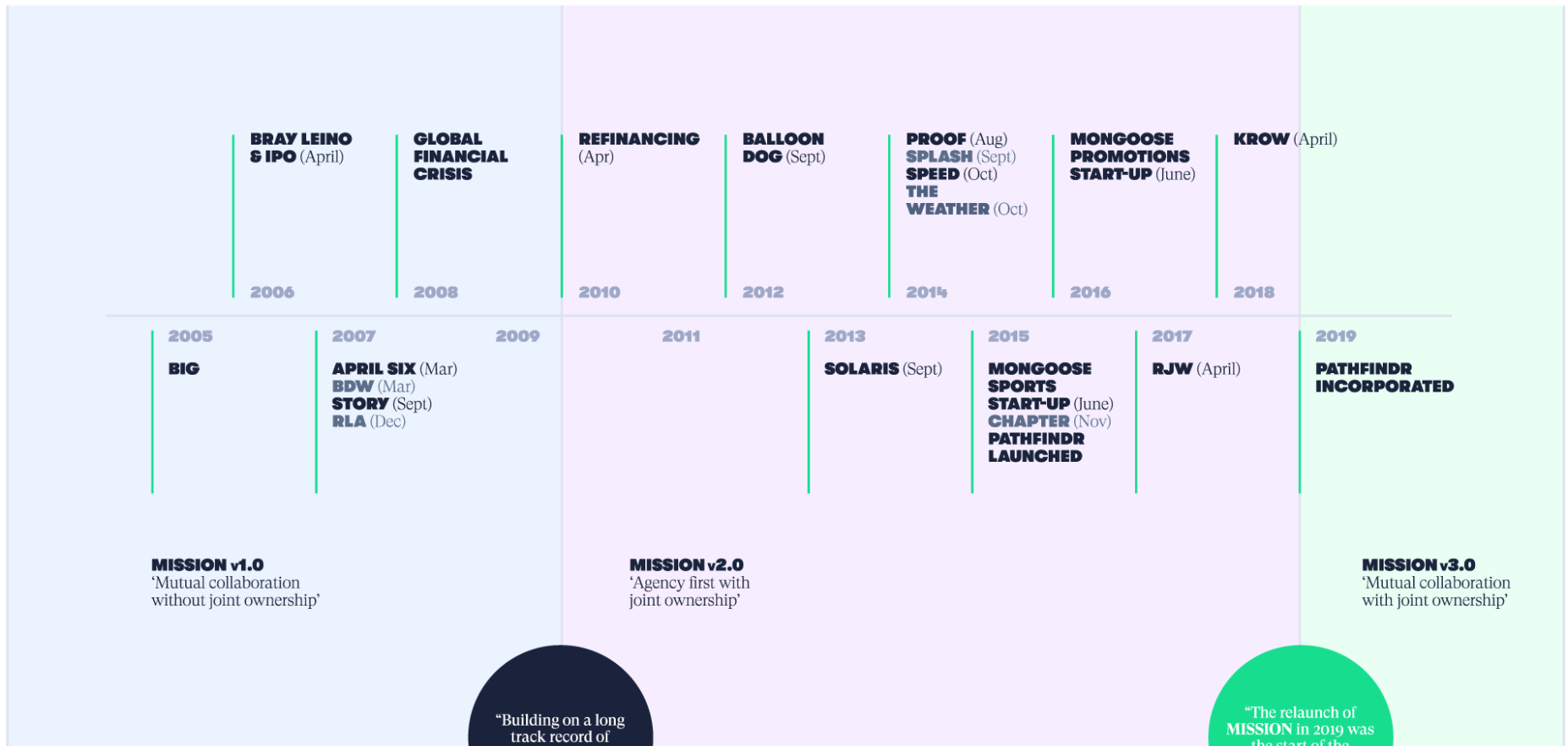
CASH FLOW (£'M)

	2019	2018
Headline operating profit	10.8	9.9
Add back depreciation	4.0	3.8
Less lease payments	<u>(2.6)</u>	<u>(2.4)</u>
EBITDA	12.2	11.3
Interest and tax	<u>(2.4)</u>	<u>(2.7)</u>
NORMALISED OPERATING CASH FLOW	9.8	8.6
Working capital	<u>(2.6)</u>	<u>(2.4)</u>
CASH FLOW FROM OPERATING ACTIVITIES	7.2	6.2
Dividends	(1.8)	(1.7)
Acquisitions less disposal	(2.8)	(0.7)
Capex/software development	(2.2)	(1.4)
Shares (bought)/sold by EBT	(0.7)	0.3
All others	<u>(0.6)</u>	<u>(0.1)</u>
Increase in net bank debt	<u>(0.9)</u>	<u>(0.5)</u>

BUSINESS REVIEW



MISSION 3.0



"Building on a long track record of successful growth..."

"The relaunch of MISSION in 2019 was the start of the next phase of growth"



WHY WE ARE DIFFERENT: THE ALTERNATIVE GROUP FOR AMBITIOUS BRANDS

A TRUE COLLECTIVE

- A collective of creative Agencies led by founders who encourage an independent spirit
- 1,150 people, 31 offices
- Strong MISSION share ownership among employees and their friends

WE TREAT EVERY CLIENT LIKE IT'S OUR FIRST

- 50% of our revenue comes from Clients who have been with us for 5 years or more
- 30% for 10+ years
- 20% for 20+ years

SERVICE, NOT MEDIA

- Revenue, not Billings focus
- Consultative sell
- Establishing trusted creative partnerships that deliver real business growth



ORGANISATION STRUCTURE: COLLECTIVE SPECIALISTS



2019 BUSINESS PERFORMANCE

2019 WAS A TUMULTUOUS YEAR FROM A SOCIO-ECONOMIC PERSPECTIVE

- Ongoing Brexit negotiations and delay
- Snap election pre-Christmas during our traditionally busy Q4 trading period
- Still delivered as per expectations which show's Group's resilience

WE ACCELERATED GROWTH

- Through greater collaboration
- Through **MISSION**-led new business activity

WE EXPANDED & EXTENDED OUR OFFERING

- By developing new capabilities and rationalising our Agency brands (fewer larger Agencies)
- By leveraging our existing geographic reach with new office openings: Seattle, Munich, Leeds
- Without acquiring any complementary businesses



2020 WILL SEE US CONTINUE TO INNOVATE

IN OUR MARKETING

- Reverse pitch launched to build profile of wider **MISSION** Group across existing Clients – brands win £50k of **MISSION** consultancy to help achieve brand vision

THROUGH SHARING SERVICES

- Ongoing investment in central Group functions - all Agencies now onboarded to **MISSION** Shared Services
- Smooth transition with strong platform from which to deliver further organic growth and identify acquisition opportunities



2020 WILL SEE US CONTINUE TO INNOVATE

THROUGH TECHNOLOGY

- Pathfindr near doubling of turnover in 2019 (more of that in a moment)
- New products being developed by Fuse
- Ignition launched recently to find the next BroadCare/Pathfindr

VIA PATHFINDR

- Alongside our core Bluetooth product we have completed the real-world testing of our new Facility Tracking hardware, incorporating Ultra-wideband technology, which has gone better than hoped. We are getting sub - 2 metre accuracy with minimal hardware installed.
- We are now confident we will be able to beat all major competitors on price and accuracy



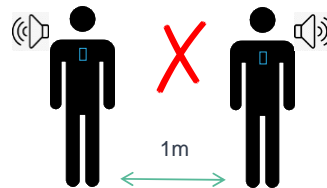
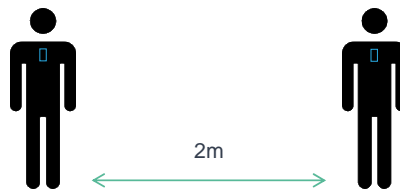
DYNAMIC, AGILE INNOVATION

Safe Distancing Assistant

In an effort to help our Customers with the challenges of COVID-19, we have rapidly developed a custom version of our Asset Beacons to act as training and enforcement devices for safe personal distancing in the workplace.

When close proximity is detected, a short audible alarm alerts the users to check their distance.

Devices can be returned to Pathfindr when no longer required and we will re-program them for use as standard Asset Beacons.



Features

- Audible warning when in close proximity
- Adjustable volume
- Only operates when worn
- Can be re-purposed as Asset Beacon
- FOD-aware design
- Very low power, safe to wear
- Low profile, lightweight form factor
- Coolant and oil resistant
- Silicone free

Technical Details

- Low Power Bluetooth (2.4Ghz)
- -30dB (0.001mW Radio TX power) 3
- Lithium metal 1000mAh
- Small form factor (58x33x9mm)
- IP65 enclosure as standard
- ROHS compliant
- All components CE / FCC certified

WHILST IMPROVING ENGAGEMENT WITH OUR MOST VALUABLE COMMODITY: OUR PEOPLE

NEW VALUES & BELIEFS ESTABLISHED

- To connect all staff more strongly to **MISSION**'s vision and goals
- New focus on engagement via Strategic People Plan
- Webinars for all staff followed up with face to face roadshows to all Agencies
- Employee forums to establish regular two-way communication

NEW INITIATIVES

- Creative Access partnership to promote the value of diversity and to attract talent from diverse backgrounds
- Senior leaders roundtable established
- Promoting wellbeing and Community



SUMMARY & OUTLOOK

2020

Covid-19 will have a significant impact

Too early to quantify at this stage

Our business can continue via home working

Stress tests indicate adequate financial headroom

MISSION's diversification is a strength

We are well poised to maximise opportunities
on the other side

LONGER TERM

MISSION's historic strengths remain:

- Collaboration > growth
- Nimble & responsive culture > opportunities
- Diversification acts as a graphic equalizer

MISSION's new positioning opens up a broader
Client prospect base



THANK YOU



MISSION

2019 RESULTS