

2019 Preliminary Results

March 2020

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Financial performance

- / Billings* £455.8 million and pro-forma** billings £513.2 million
- / Revenue £215.1 million up 292% from £54.8 million, like-for-like*** revenue up 41%, pro-forma up 37%
- / Gross profit £171.3 million up 361% from £37.2 million, like-for-like up 44%, pro-forma up 39%
- / Operational EBITDA**** £33.4 million up 612%, like-for-like up 51%, pro-forma up 47%
- / Operational EBITDA margin 19.5%, up 6.9 margin points on 2018, like-for-like 18.6%, pro-forma 20.1%
- / Operating loss £3.8 million, which includes adjusting items of £35.0 million (acquisition expenses, amortization and share-based compensation), versus an operating loss of £8.5 million in 2018 and pro-forma operating profit of £2.5 million
- / Result before income tax £9.2 million (loss), which includes adjusting items, versus a loss of £9.1 million in 2018 and pro-forma result before income tax of £2.8 million (loss)
- / Result for the period £10.0 million (loss) which includes adjusting items after taxation versus £8.1 million (loss) in 2018 and pro-forma result for the period £5.7 million (loss)
- / Adjusted Basic net result per share 5.2p versus 1.0p in 2018
- / Basic and diluted net result per share 2.7p (loss) versus 3.3p (loss) in 2018 and pro-forma adjusted basic net result per share 1.3p (loss)
- / Year-end net cash***** £23.7 million, including the £42.4 million loan drawn to partly fund the combination with MediaMonks
- / Good start to 2020 with January top line up over 30%, not seeing any material impact as yet from Coronavirus, and will update the market appropriately

*Billings is gross billings to client including pass through costs

**Pro-forma numbers relate to unaudited full year non-statutory and non-GAAP consolidated results in constant currency as if the group had existed in full for the year and have been prepared under comparable GAAP with no consolidation eliminations

***like-for-like relates to 2018 being restated to show the unaudited numbers for the previous year of the existing and acquired businesses consolidated for the same months as in 2019 applying currency rates as used in 2019

****Operational EBITDA is EBITDA adjusted for non-recurring items and recurring share-based payments and is a non-GAAP measure management uses to assess the underlying business performance

*****Net cash including bank loans

Unaudited condensed consolidated income statement

	Unaudited 2019 £'000	Year ended 31 December 2018 Audited £'000	Unaudited like-for-like Constant currency 2018 £'000	Unaudited pro-forma FFY 2019 £'000	Unaudited pro-forma FFY constant currency 2018 £'000
For the period ended 31 December					
Revenue	215,132	54,845	152,738	270,987	197,971
Cost of sales	43,814	17,681	33,884	46,808	36,784
Gross profit	171,318	37,164	118,854	224,179	161,187
Net operating expenses	175,153	45,634	133,187	221,647	172,232
Operating (loss) / profit	(3,835)	(8,470)	(14,333)	2,532	(11,045)
Adjusted operating profit	31,148	4,042	20,650	42,500	28,923
Adjusting items	(34,983)	(12,512)	(34,983)	(39,968)	(39,968)
Operating (loss) / profit	(3,835)	(8,470)	(14,333)	2,532	(11,045)
Finance income	20	324	20	20	20
Finance expenses	(5,380)	(975)	(5,380)	(5,379)	(5,380)
Net finance expense	(5,360)	(651)	(5,360)	(5,360)	(5,360)
Result before income tax	(9,195)	(9,121)	(19,693)	(2,828)	(16,405)
Income tax expense	(845)	1,011	2,474	(2,858)	1,434
Result for the period	(10,040)	(8,110)	(17,219)	(5,686)	(14,971)

Unaudited condensed consolidated income statement

For the period ended 31 December	Unaudited 2019 £'000	Year ended 31 December 2018 Audited £'000	Unaudited like-for-like Constant currency 2018 £'000	Unaudited pro-forma FFY 2019 £'000	Unaudited pro-forma FFY constant currency 2018 £'000
Reconciliation to operational EBITDA					
Operating (loss) / profit	(3,835)	(8,470)	(14,333)	2,532	(11,045)
Adjusting items	34,983	12,512	34,983	39,968	39,968
Depreciation (excluding right-of-use asset depreciation)	2,260	648	1,507	2,463	1,734
Operational EBITDA	33,408	4,690	22,157	44,963	30,657
Holding costs	5,817	1,355	5,817	5,817	5,817
Operational EBITDA before holding costs	39,225	6,045	27,974	50,780	36,474
Reconciliation to adjusted operating profit					
Operating (loss) / profit	(3,835)	(8,470)	(14,333)	2,532	(11,045)
Adjusting items	34,983	12,512	34,983	39,968	39,968
Adjusted operating profit	31,148	4,042	20,650	42,500	28,923
Reconciliation to adjusted result before income tax					
Result before income tax	(9,195)	(9,121)	(19,693)	(2,828)	(16,405)
Adjusting items	34,983	12,512	34,983	39,968	39,968
Adjusted result before income tax	25,788	3,391	15,290	37,140	23,563

Unaudited condensed consolidated income statement

	Unaudited 2019 £'000	Year ended 31 December 2018 Audited £'000	Unaudited like-for-like Constant currency 2018 £'000	Unaudited pro-forma FFY 2019 £'000	Unaudited pro-forma FFY constant currency 2018 £'000
For the period ended 31 December					
Reconciliation to adjusted result for the period					
Result for the period	(10,040)	(8,110)	(17,219)	(5,686)	(14,971)
Adjusting items	34,983	12,512	34,983	39,968	39,968
Tax on adjusting items	(5,957)	(1,877)	(5,957)	(7,251)	(7,251)
Adjusted result for the period	18,986	2,525	11,807	27,032	17,747
Earnings per share					
Weighted average number of shares in issue for the purpose of basic and adjusted net result per share	368,067,622	247,776,256	368,067,622	453,956,227	453,956,227
Net result attributable to equity owners of the Company (£'000)	(10,040)	(8,110)	(17,219)	(5,686)	(14,971)
Basic net result per share (pence)	(2.7)	(3.3)	(4.7)	(1.3)	(3.3)
Diluted net result per share (pence)	(2.7)	(3.3)	(4.7)	(1.3)	(3.3)
Adjusted non-recurring expenses and acquisition related expenses	12,806	5,005	12,806	12,806	12,806
Share based compensation	7,177	0	7,177	7,177	7,177
Adjusted amortisation of intangible assets related to acquisitions	15,000	7,507	15,000	19,985	19,985
Adjusted tax on adjustments	(5,957)	(1,877)	(5,957)	(7,251)	(7,251)
Adjusted net result	18,986	2,525	11,807	27,032	17,747
Adjusted Basic net result per share	5.2	1.0	3.2	6.0	3.9

Unaudited consolidated balance sheet

	31 December 2019 Unaudited £'000	31 December 2018 ¹ Audited £'000
Assets		
Non-current assets		
Intangible assets ¹	540,129	402,301
Right-of-use assets	25,779	-
Property, plant and equipment	9,730	4,007
Deferred tax assets	1,086	188
Other receivables	2,731	1,438
	579,455	407,934
Current assets		
Trade and other receivables	126,353	81,121
Cash and cash equivalents	66,106	25,005
	192,459	106,126
Total assets	771,914	514,060
Liabilities		
Non-current liabilities		
Deferred tax liabilities ¹	54,834	41,956
Loans and borrowings	42,374	45,638
Lease liabilities	18,787	-
Contingent considerations	3,669	-
Other payables	4,668	5,260
	122,325	92,854
Current liabilities		
Trade and other payables	118,014	73,143
Contingent considerations and holdbacks	51,202	4,636
Lease liabilities	7,975	-
Current tax liabilities	6,751	4,107
	183,942	81,886
Total liabilities	308,274	174,740
Net assets	463,640	339,320
Equity		
Attributable to owners of the Company		
Share capital	117,307	90,849
Reserves	346,233	248,371
	463,540	339,220
Non-controlling interests	100	100
Total equity	463,640	339,320

¹ Restated, restatement of the initial accounting for the business combination of MightyHive Inc.

Unaudited consolidated statement of cash flows

	Notes	May to December	
		2019 Unaudited £'000	2018 Audited £'000
Cash flows from operating activities			
Loss before income tax		(9,195)	(9,121)
Financial income and expenses		5,361	651
Depreciation and amortisation		24,972	8,172
Share based compensation		7,177	-
Acquisition and set-up related expenses		12,806	5,013
Increase in trade and other receivables		(31,289)	(2,208)
Increase in trade and other payables		22,310	1,235
Cash flows from operations		32,142	3,742
Income taxes paid		(7,571)	(581)
Net cash inflows from operating activities		24,570	3,161
Cash flows from investing activities			
Cash brought forward from Derriston Capital Plc		-	2,172
Investments in intangible assets		(1,578)	-
Investments in property, plant and equipment		(7,865)	(1,476)
Acquisition of subsidiaries, net of cash acquired		(56,954)	(264,186)
Financial fixed assets		(779)	5
Cash outflows from investing activities		(67,176)	(263,485)
Cash flows from financing activities			
Proceeds from issuance of shares		97,451	246,500
Net proceeds from finance institutions		-	45,618
Payment of lease liabilities and interest		(6,687)	-
Repayments of loans and borrowings		(1,696)	(6,138)
Interest paid		(4,749)	(651)
Cash outflows from financing activities		89,068	285,980
Net movement in cash and cash equivalents		41,101	25,005
Cash and cash equivalents beginning of the period		25,005	-
Exchange gain/(loss) on cash and cash equivalents		(612)	-
Cash and cash equivalents at 31 December		66,106	25,005

Pro Forma gross profit, operational EBITDA and EBITDA by practice

- / Content practice gross profit 73% of total against 76% in 2018
- / Programmatic practice gross profit 27% of total against 24% in 2018
- / Content practice Operational EBITDA before holding company costs GBP 35.9 million
- / Content practice Operational EBITDA margin 22.1%
- / Programmatic practice Operational EBITDA before holding company costs GBP 14.9 million
- / Programmatic practice Operational EBITDA margin 24.1%

Pro Forma Gross profit by Geography

- / Americas (71% of total) GBP 160.4 million (+39%)
- / EMEA (22% of total) GBP 48.9 million (+27%)
- / Asia Pacific (7% of total) GBP 14.9 million (+107%)

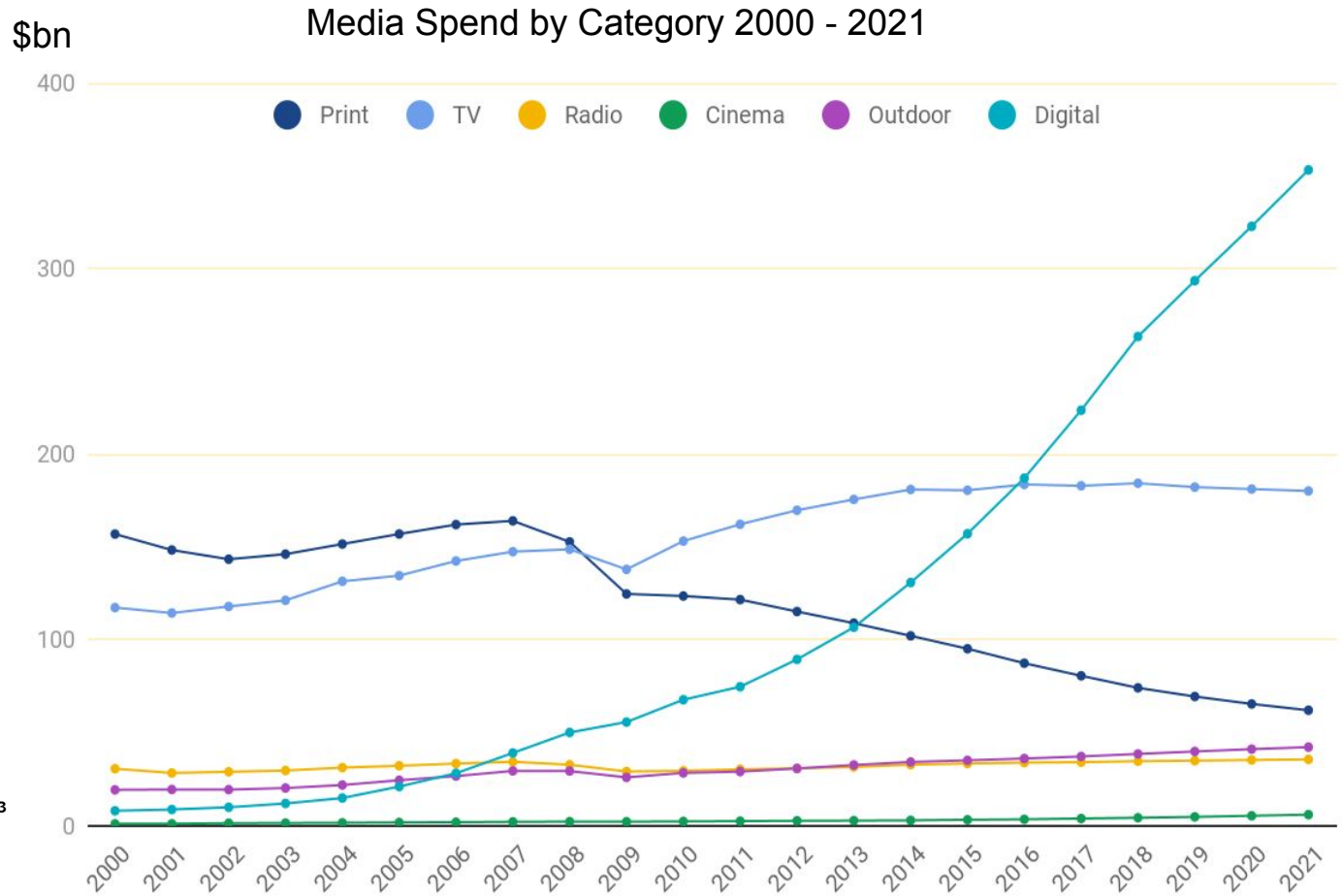
Digital growth continues apace

Total Media Spend \$640bn¹

Digital Media Spend \$293bn¹

Total Marketing Spend \$1.9trn²

Trade Marketing Spend \$518bn³

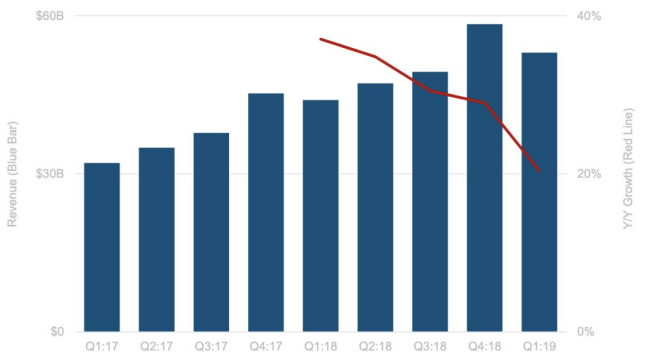


¹Zenith Optimedia 2019, ²Groupm Tyny 2019, ³Alix Partners 2019



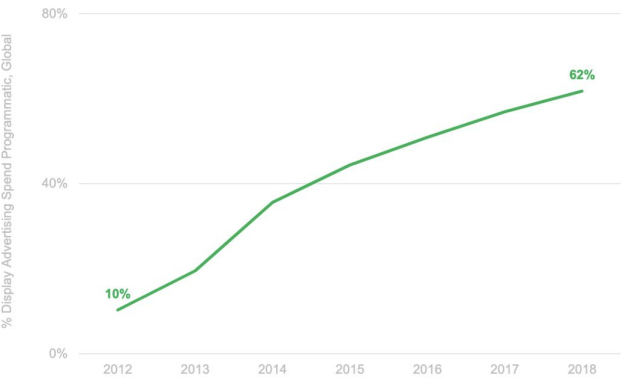
Major platforms, search, social, eCommerce & Programmatic all continue to grow

Leading USA-Based Online Ad Platform Revenue, Global

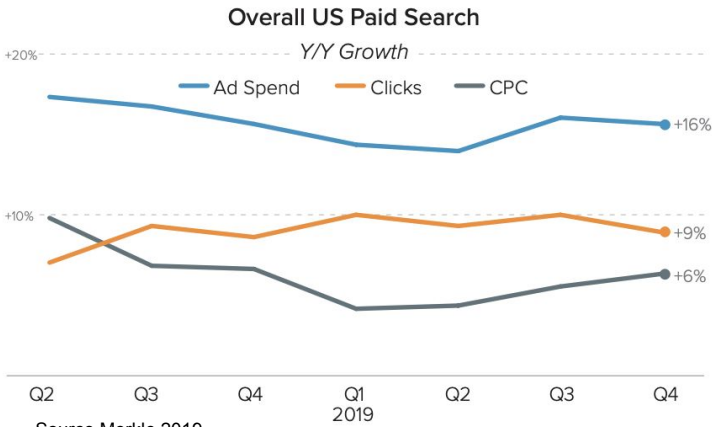


Source Mary Meeker, Bond 2019

Programmatic Buying – % Digital Display Advertising, Global

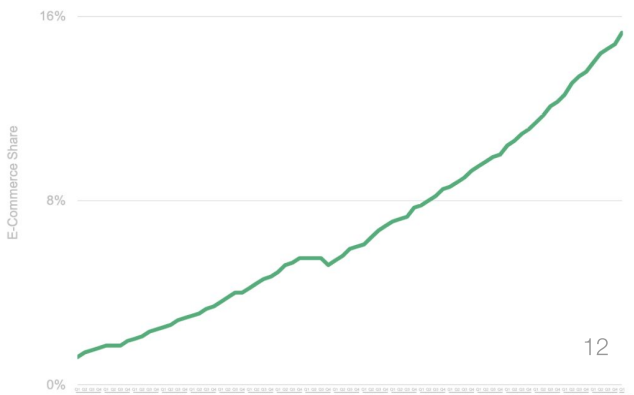


Source Mary Meeker, Bond 2019



Source Merkle 2019

E-Commerce as % of Retail Sales, USA



Source Mary Meeker, Bond 2019

S⁴Capital as the service layer

Goal is to be the partner of choice for brands across these platforms

Establishing deep, symbiotic partnerships

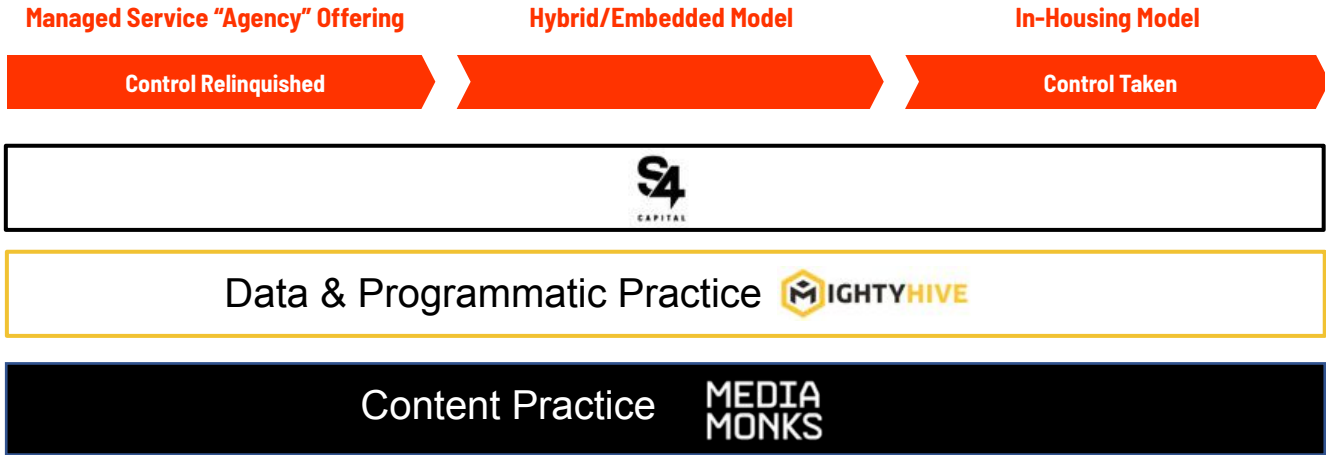
Preferential access to data and product roadmap

Integrated service offering comprising data, content and media

Client referrals



A new agile, flexible model for client engagement



"34% of brands plan to bring more in-house in 2020"

—Medialink WARC

"What we've tried to do as much as possible on our biggest media partners – Google and Facebook – is just move everything to automated in-house tools and reduce the amount of hands needed."

— EMEA Programmatic & Search Lead, Uber

"You can take advice from partners, from specialists in these really fast-moving areas, but own your own strategy and your own data, and beyond that look for your specialists."

—Head of Media Channels, Marks & Spencer

"it would take blood sweat and tears to get this from **CENSORED** while S4 has been "plug in and play"

— Fortune 500 Client

**It's a rapidly
changing
environment**



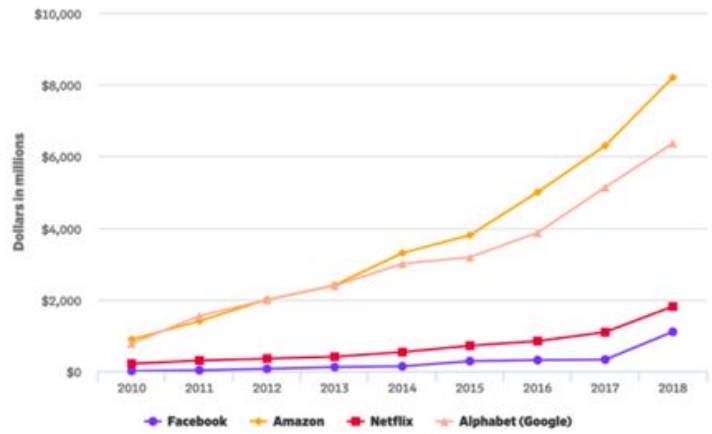
We grow with our clients



Technology is our main client segment

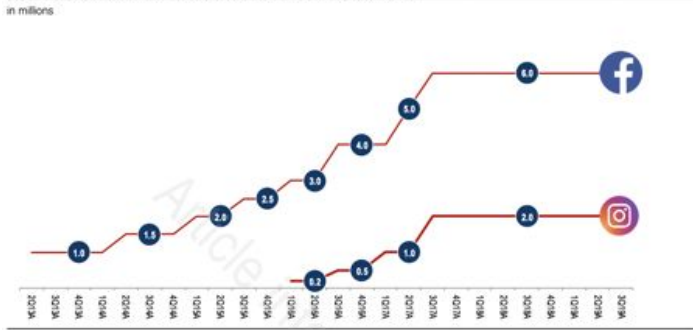


FANG spend on worldwide advertising



“Torso” clients represent an under-served opportunity

Figure 2: Facebook, Inc. – Total Disclosed Number of Advertisers



Source: Company data, Credit Suisse



Land

&

Expand

Client momentum has been Strong



Merger Growth



“Holy Trinity” Growth



People



Simone van Bijsterveld
Global CFO, former CFO at Novamedia

Sanne Drogtróp
Executive Producer, APAC. Former W+K and 72andSunny
Head of Production

Vivian Opsteeg
General Manager Film & Content. Founder Girls in Film and
former Digital Director VIACOM

Nora Strandberg Henriksson
MD Nordics, former Producer at Appleberg and Nordisk
Film TV

Vera Cvetkovic
VP solutions Americas, former Senior Manager at Deloitte
and BizTech

James Tracy
Head of Integrated Production EMEA, former Director of
Global Production at Oliver

Falk Eumann
Executive Creative Director, former ECD at Little Ugly and
Caviar Digital



Smita Salgaonkar
Country Manager, India, former GM Accuen (Omnicom)

Ryo Matsuzaki
Senior Director Japan co-Lead, former Senior Director at
Appier and Principal Acct Manager Google

Jayne Babine
VP of Partnerships Former Head of National Ad Sales at
TheKnotWW, VP of Media & Advertising Partnership Sales
at Neustar

Simon Harris
Head of Sales, EMEA Former Head of Programmatic
Activation for Dentsu Aegis Network

Julien Coquet
Director of Analytics, EMEA, former Analytics Director
Business & Decisions

Helena Curado
Enterprise Consulting Manager Latam, former Partner at
Sambodia

Expanding global presence

2,500

PEOPLE

30

COUNTRIES

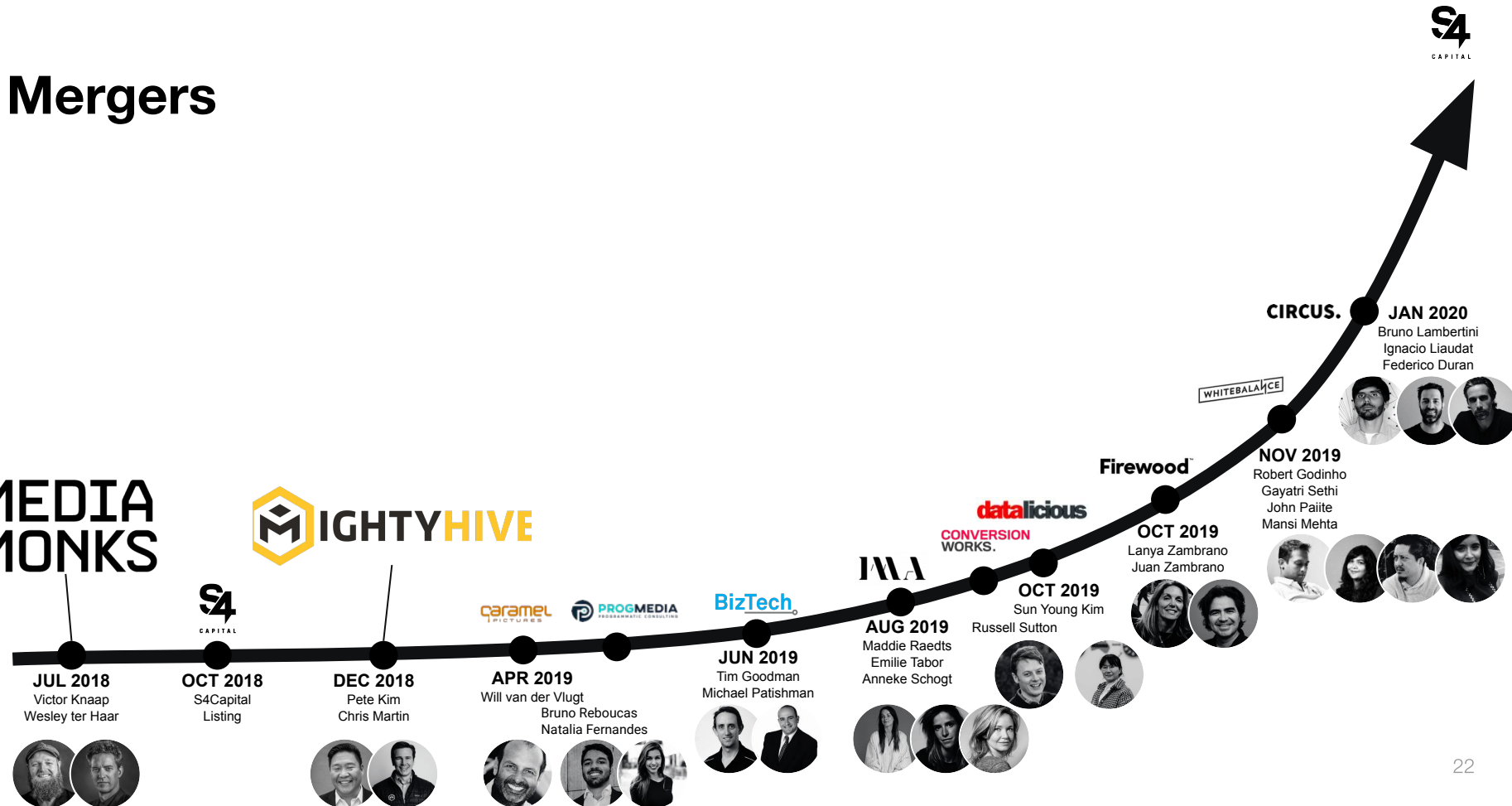
- Content
- ▲ New offices
- Programmatic
- ▲ New offices
- S4 Capital offices



Mergers

MEDIA MONKS

IGHTYHIVE



Integration

OPERATIONS



COMMERCIAL



BRAND



OFFICES

Stockholm

MediaMonks and MightyHive co-located

Singapore

MediaMonks and MightyHive co-located

Amsterdam

Film and content studios consolidated into one, IMA with MediaMonks

San Francisco

MediaMonks and MightyHive co-located

Others

London, Buenos Aires, New York offices – actively examining co-location

Content Practice



Big goals for the 2020 content team

2500 people
25+ offices
1 brand, unbeatable
positioning & pitch.

MEDIA
MONKS

Building on top of the 2019 year of growth



SCALING OUR PRESENCE

MediaMonks **doubled global headcount** (1000 to 2000) and added core capabilities (Film, Adobe, influencer and embedded) to help global brands consolidate creative & content spend.

With the addition of Caramel Studios, BizTech, IMA, Firewood, WhiteBalance and Circus to the family we've expanded in to key countries across APAC & LATAM and added unique best-in-class capabilities to function as a true end to end partner for our expanding client base.



CLIENT GROWTH

- Continued growth in key clients (Google, IBM, Amazon) and no key account losses

NEW CLIENT WINS

- HP digital
- Pernod Ricard
- Lenovo
- Shiseido
- Fanta APAC
- Avon



AWARDS & ACCOLADES

- **MediaMonks the first ever** company to win [250 FWA's!](#)
- **71 shortlists, 42 awards, 5 Grand Prix** for [MediaMonks](#) at Circulo Creativo Mexico
- **Firewood on AdAge's [best places to work](#)** list. We ranked 13 in the top 200
- Our work for [Weber wins Best Connected Home Product at CES 2020](#)
- MediaMonks, Firewood, Circus on [AdAge 100](#) fastest growing agencies list
- Campaign Awards: **Greater China Production Company and South-East Asia Digital Agency of the Year**
- **40+ creative industry awards** incl. Cannes Lions, Clio Awards, Effie's and Webby Awards

Leading to truly best in class work - US



HP | Omen Campaign
Video campaign



AT&T Retail Marketing: The Batman Experience
4D Experiential experience

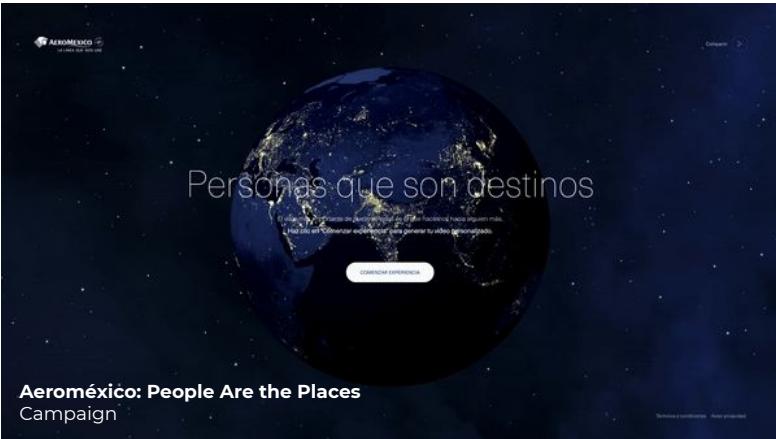


P&G | Gillette : Future Innovators
Inspirational film



Microsoft: Ignite & Inspire
Installations that combine art and technology

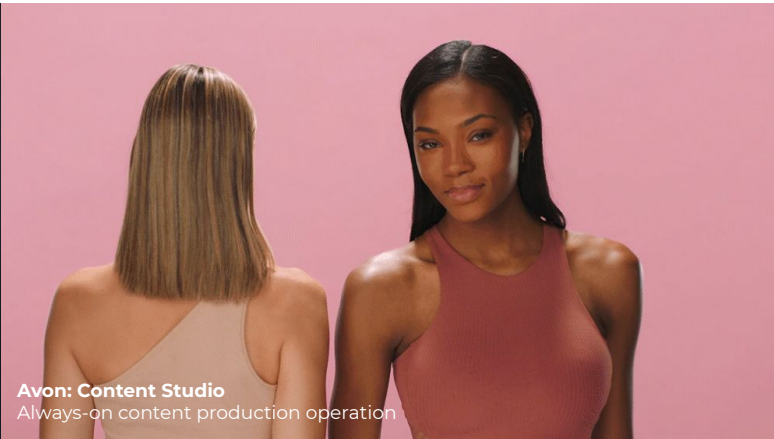
Leading to truly best in class work - LATAM



Leading to truly best in class work - EU



HP Elite Dragonfly: Lighter Than Air
Integrated campaign



Avon: Content Studio
Always-on content production operation



L'Oréal: Unbelieva' Brow Launch Campaign
Influencer campaign



The Witcher: Map of the Continent
WebGL site with interactive map

Leading to truly best in class work - APAC



PUMA: Run My Way
Experiential pop-up pavilion in Shanghai



Google Arts & Culture: Living Jiagu
Interactive installation for Google Developer Days



Neutrogena: Hydro Boost Pod
Experiential skincare trial experience

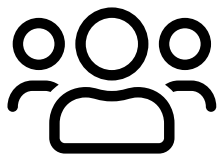


SK-II: Pitera Confetti Installation
In-store activation



Data & Programmatic Practice

2019: A YEAR OF GROWTH



SCALING OUR PRESENCE

MightyHive **doubled global headcount** (200 to 400)

MightyHive **doubled our number of offices** (12 to 24)

MightyHive welcomed ProgMedia, ConversionWorks, MH Korea to the family

Merger pipeline is focussed on building enterprise consulting and data & analytics capabilities

CLIENT WINS

- ABInBev
- L'Oreal
- ASICS
- Bayer
- iFood (Brazilian unicorn)
- Lavazza
- SoFi
- Vodafone NZ

AWARDS & ACCOLADES

Google: AUNZ Partner of the Year



Digiday: Employer Most Dedicated to Employee Growth



AdAge: Sasha Schmitz, Women to Watch EMEA



Crain's New York and BuiltInNYC: Best Midsize Companies to Work For

2019 PLATFORM AND PARTNERSHIP EXPANSION: EXPERTISE ACROSS THE AD TECH ECOSYSTEM

BUYING PLATFORMS

 Display & Video 360 

 Search Ads 360 

 theTradeDesk 

CREATIVE

 Studio 

 Google Web Designer 

 salesforce 

AUDIENCE

 Ads Data Hub  Audience Center

 salesforce  LiveRamp
an acxiom company

 Adobe Audience Manager  TruSignal




MEASUREMENT & ATTRIBUTION



 Campaign Manager  DV
DoubleVerify  PlaceIQ

 Attribution  MOAT  Placed

 adloox  visualiq  Integral
Ad Science

SITE ANALYTICS & TAG MANAGEMENT

 Tag Manager  Optimize 360  Analytics 360

 Adobe Analytics  TEALIUM



BAYER GOES IN-HOUSE WITH MIGHTYHIVE

IN 2018 Bayer engaged with MightyHive to bring digital and programmatic capabilities in-house, including programmatic media planning, buying, execution, strategy and analytics.

The engagement is planned to last two years, with MightyHive handling execution in the first year transferring control to Bayer during 2020.

DIGIDAY

By 2020, Bayer will take all of its digital media buying in-house

Digiday 26 Nov 2018

“As we start to onboard all of our data and put things into our system, there will be the question of the bandwidth of the team,” said Palau, “which is why it’s so important to have a group like MightyHive support the business.”



Bayer To Bring Programmatic In-House

AdExchanger 23 Oct 2018

Bayer chose MightyHive because of its proven track record, Palau said, but also because the engagement comes with a hard stop.

“If we want to see this vision all the way through, we have to give ourselves a drop-dead date.”





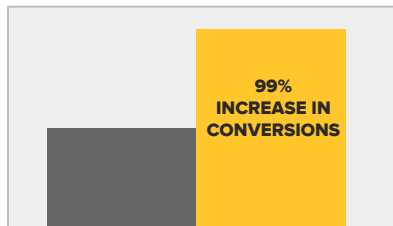
SPRINT TAKES CONTROL WITH MIGHTYHIVE

MightyHive helped deliver **increased transparency** into Sprint's working media through **digital transformation** which lowered cost and increased conversions.

GETTING TO TRANSPARENCY

MightyHive worked with Sprint's external vendors to identify areas for improved service delivery and reduced fees. This resulted in a more transparent, efficient, and optimized media buying process.

With more transparent and efficient media buying in place, MightyHive helped Sprint to consolidate disparate data sources in-house for **better marketing data activation**.



TAKING CONTROL AND DRIVING RESULTS

With greater control over its data, Sprint developed a multi-touch attribution model for better insights. MightyHive built custom reporting for Sprint that delivers real-time reporting. This resulted in a **99% increase in conversions** while lowering cost.

READ THE FULL SUCCESS STORY



CUSTOMER SUCCESS STORY: LARGE FINANCIAL SERVICES COMPANY

In six months, MightyHive transitioned the client from a 100% agency-outsourced model to an in-house “hands on keyboard” team, achieving significant **cost savings, efficiency, and increased performance.**



CLIENT CHALLENGES

A large financial services company needed to improve audience insights, optimize campaign results, and accelerate the marketing team's ability to respond quickly to changing market conditions. To do this, they needed true transparency into their campaign performance and better control over their first-party data.



THE MIGHTYHIVE APPROACH

MightyHive worked with the client to gain full ownership of all tech contracts including their ad server, DMP, and DSPs. Together we built a team from the ground up by developing and implementing a programmatic training curriculum, and a recruiting and hiring handbook specific to programmatic. The outcome was an in-house programmatic trading desk that now activates an **eight-figure marketing budget.** Once the in-house team was in place, MightyHive recommended shifting traditional TV media spend to over-the-top (OTT) inventory via Amazon DSP, driving incremental inbound sales leads.



KEY RESULTS

With MightyHive as a partner, the team was able to analyze and discover a significant amount of overlap amongst their media buys. By consolidating media partners, the team saw a **400% increase against their performance goals.** The client was able to identify reporting efficiencies and collaborate with their Analytics team to build a custom optimization model that **reduced** man hours by **96%.**



MIGHTYHIVE HELPS MONDELEZ TRANSFORM DIGITAL AD MEASUREMENT

PROBLEM

To modernize its marketing, Mondelez established an ambitious goal: **creating better consumer connections through data**. However, as a global organization working with multiple retail and marketing partners, Mondelez faced challenges standardizing digital measurement.

SOLUTION

MightyHive consolidated over a dozen Mondelez ad server networks into four global regions and **established data governance standards so digital campaigns across brands and markets could yield “apples to apples” reporting data**.

MightyHive then built real-time spend and performance dashboards so Mondelez global teams could quickly access insights that previously took weeks to compile.

RESULTS

MightyHive-led technology consolidation and data governance standards unlocked a category-leading capability for Mondelez to measure **a clear and causal relationship between ad exposures and sales**.

+10%
ROI

DIGITAL TRANSFORMATION HAS BROUGHT A +10% RETURN ON MEDIA INVESTMENT GLOBALLY, WITH +16% IN NORTH AMERICA.

We charted out a vision so that whatever we build was going to be able to last the test of time.

JONATHAN HALVORSON
VP GLOBAL MEDIA
MONDELEZ INTERNATIONAL



Summary & Outlook

- / Very strong gross profit and bottom line organic growth in 2019
- / Strong cash flow and Balance Sheet
- / Targeting to double organically in three years 2020-2022
- / Good start to 2020, gross profit up over 30% plus in January
- / Limited effect from Covid-19 Coronavirus so far but we have to be realistic about potential impact
- / Healthy Merger pipeline in data & analytics, content and programmatic media
- / We achieved “Brand Awareness” and “Brand Trial” in 2019, we need “Conversion at Scale” in 2020
- / A number of major client opportunities in development