



2020 Trading Update

May 2020

CONTENTS

- 01 Trading Update
- 02 Trends
- 03 Content Practice
- 04 Data & Programmatic Practice
- 05 Clients
- 06 Mergers
- 07 Summary and outlook
- 08 Q&A

Trading Update



01

Financial Performance

/ Q1 reported Revenue up 73% to £71.0 million

/ Q1 reported Gross Profit up 85% to £60.7 million

/ Q1 like for like Revenue up 17%

/ Q1 like for like Gross Profit up 19%

/ Q1 Pro-forma Revenue up 19%

/ Q1 Pro-forma Gross Profit up 22%

/ All regions showed strong growth

/ Cash flow remains strong with net cash balances on most of the period (average in Q1 £16 million consisting of £91 million cash and £75 million of term debt and revolver)

/ 2020 full year: sector-leading double digit growth on like-for-like Revenue and Gross Profit and reasonably strong EBITDA margin

Revenue and Gross Profit by Practice

	Reported			Like-for-like*			Pro-forma **		
	Q1 2020 (£'000)	Q1 2019 (£'000)	Growth	Q1 2020 (£'000)	Q1 2019 (£'000)	Growth	Q1 2020 (£'000)	Q1 2019 (£'000)	Growth
Practice Revenue									
Content	56,270	29,828	89%	56,270	48,223	17%	60,565	50,651	20%
Programmatic	14,698	11,098	32%	11,098	12,474	18%	14,698	12,474	18%
Total Revenue	70,967	40,926	73%	70,967	60,697	17%	75,282	63,125	19%
Practice Gross Profit									
Content	46,130	21,726	112%	46,130	38,674	19%	50,294	40,946	23%
Programmatic	14,596	11,082	32%	14,596	12,457	17%	14,596	12,457	17%
Total Gross Profit	60,727	32,808	85%	60,727	51,131	19%	64,890	53,403	22%

* like-for-like relates to 2019 being restated to show the unaudited numbers for the previous year of the existing and acquired businesses consolidated for the same months as in 2020 applying currency rates as used in 2020

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

Gross Profit by Geography

	Reported			Like-for-like*			Pro-forma**		
	Q1 2020 (£'000)	Q1 2019 (£'000)	Growth	Q1 2020 (£'000)	Q1 2019 (£'000)	Growth	Q1 2020 (£'000)	Q1 2019 (£'000)	Growth
Geography Gross Profit									
Americas	44,238	22,610	96%	44,238	36,627	21%	47,560	38,290	24%
EMEA	11,309	7,824	45%	11,309	10,213	11%	11,731	10,572	11%
Asia-Pacific	5,179	2,374	118%	5,179	4,291	21%	5,599	4,550	23%
Total Gross Profit	60,727	32,808	85%	60,727	51,131	19%	64,890	53,403	22%

* like-for-like relates to 2019 being restated to show the unaudited numbers for the previous year of the existing and acquired businesses consolidated for the same months as in 2020 applying currency rates as used in 2020

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

Precautionary Actions taken to mitigate COVID-19 impact

ON COSTS

- / 50% reduction in compensation for execs and board as from April 1st
- / Reducing/terminating office leases in a number of cities and accelerating integration
- / Other opex reductions on travel and entertainment, marketing and promotions, bonuses etc
- / Hiring reduction and scaling down on number of freelancers
- / Adjusting people to client demand where necessary
- / With current measures impact in 2020 will be around £18 million relative to budget

Precautionary Actions taken to mitigate COVID-19 impact

ON LIQUIDITY

- / Drawdown of revolver of £32 million
- / Monitoring cash balances of all entities on a daily basis
- / Increased activities on receivable collections, provisions adequate
- / No government loans so far, mainly delays in tax payments
- / Waiving cash bonuses by execs for shares with a two year lock up

Trends



02

Microsoft

Digital Leap Forward



“We’ve seen two years’ worth of digital transformation in two months”

Streaming Services

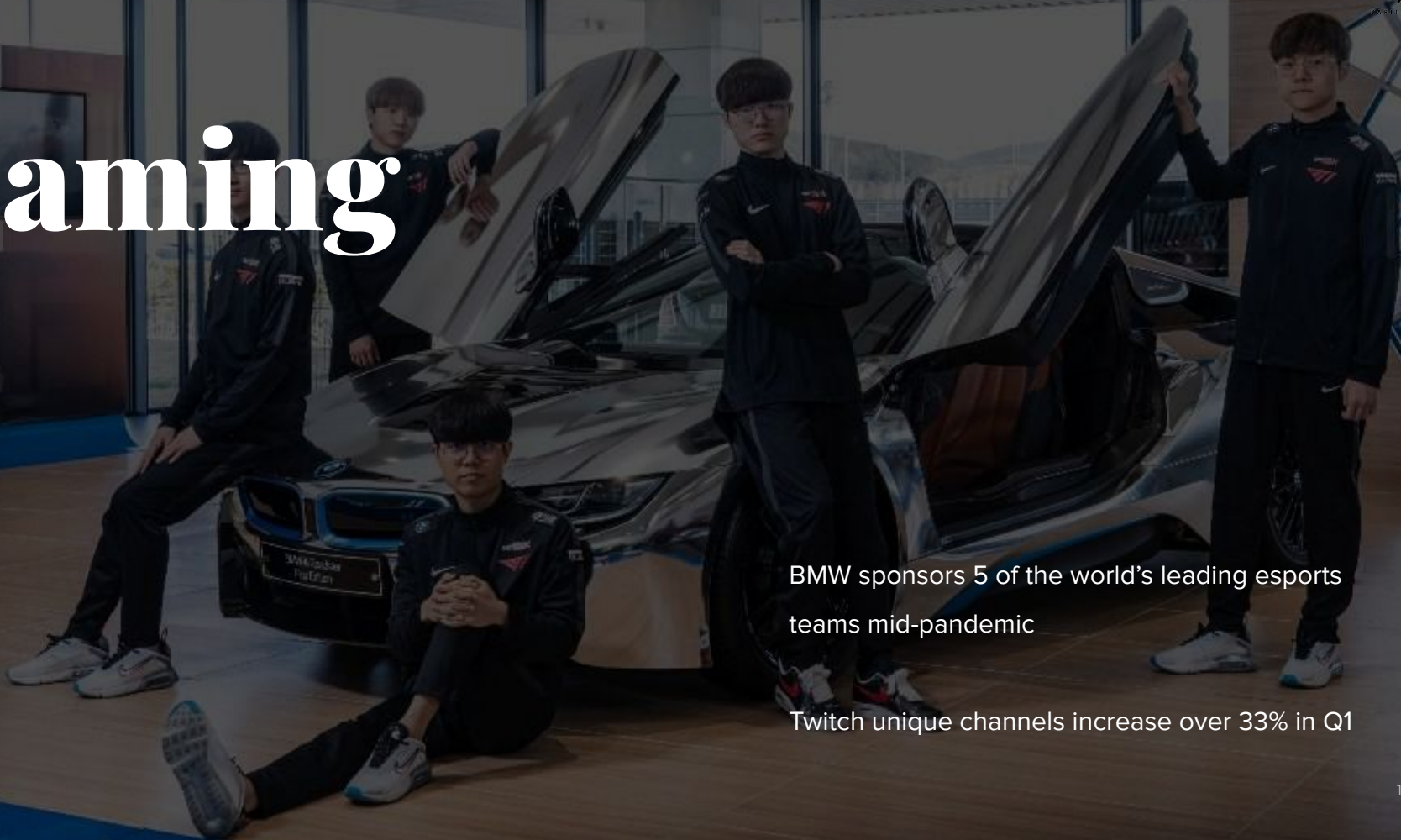
Netflix adds 15.8m subscribers, more than double the 7.2m expected, a growth of more than 22% year on year.

Spotify Gains 6 Million Paid Subscribers As Listening Habits Change Due To Coronavirus.

Live Events

Over 27.7 million unique players in-game participate live 45.8 million times across the five events to create a truly Astronomical experience.

Gaming



BMW sponsors 5 of the world's leading esports teams mid-pandemic

Twitch unique channels increase over 33% in Q1

eCommerce

E-grocery sales double between March 13-15 compared to March 1-11, and overall ecommerce sales rise 25% in the same comparison, according to new data from Adobe Analytics.

Amazon hires an additional 175,000 employees to handle increased demand.

Online Learning

Unicef estimates almost 1.6bn young people have been learning from home.

100 million students and educators are using Google Classroom, double the number from the beginning of March.

Social Networking

Facebook messaging volume increases more than 50% and voice and video calling more than double across Messenger and WhatsApp.

TikTok is Q1's most downloaded app with over 2bn installs now.

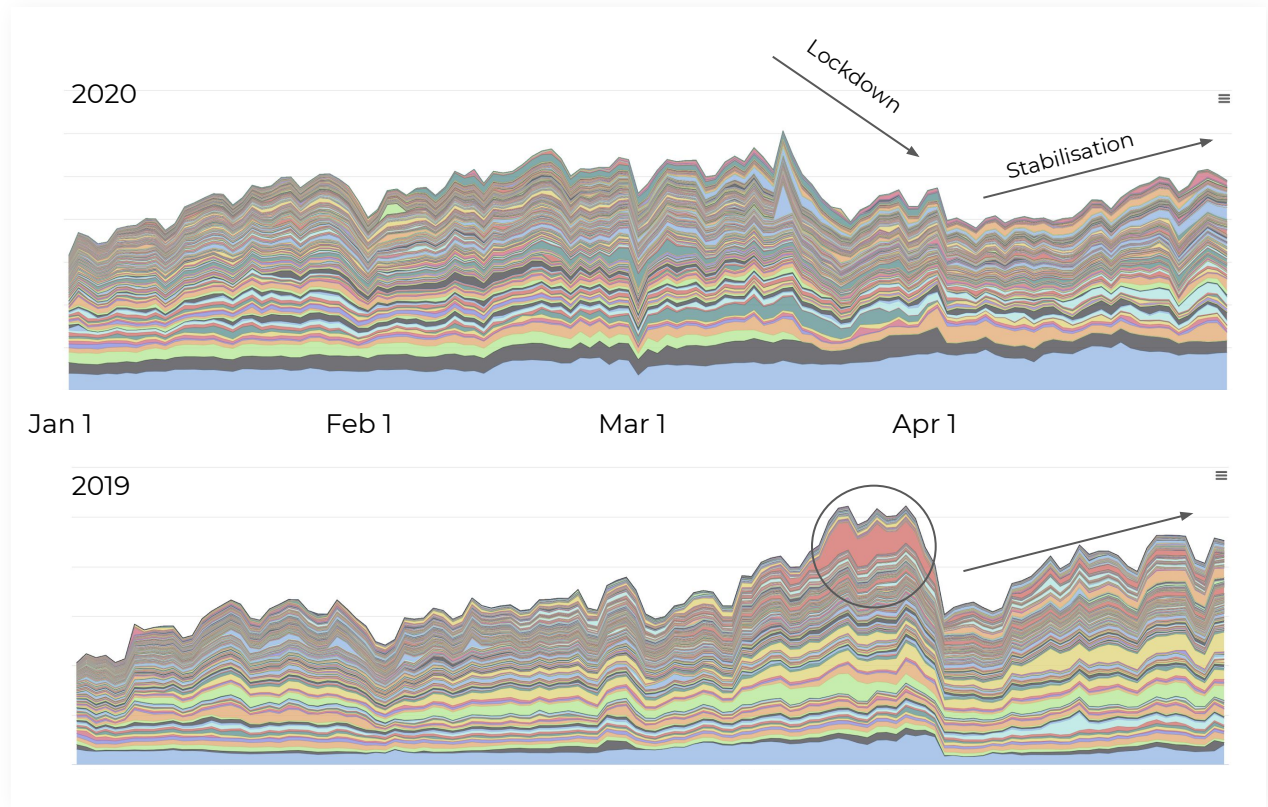
WhatsApp

Online Working

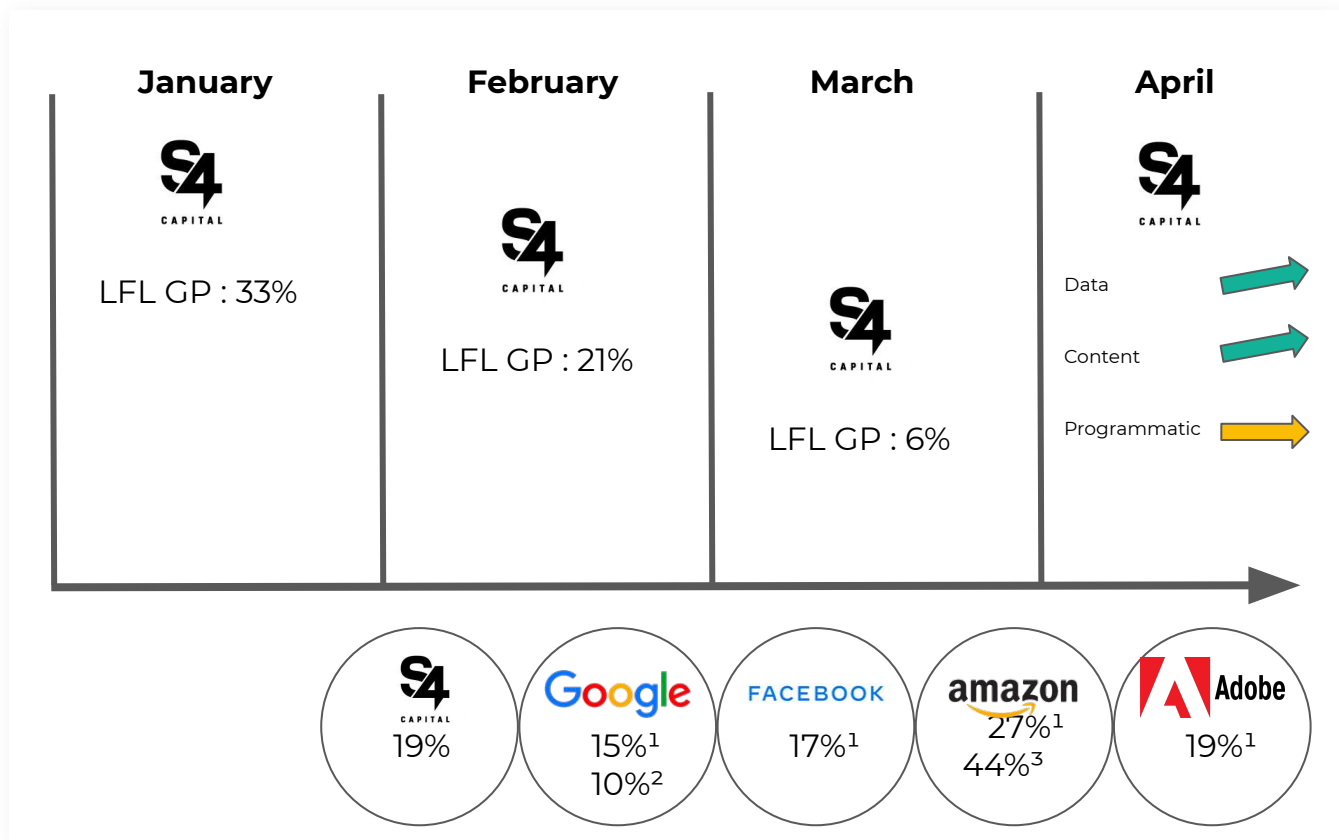
Google Meet is now adding roughly 3 million new users each day and has seen a thirtyfold increase in usage since January.

Zoom increases users from 10m in January to 200m in March.

Media spend volumes stabilise in April



Month by month analysis



¹ Like for Like constant currency revenue growth from Alphabet, Facebook, Amazon and Adobe Q1 2020 Earnings releases

² Q1 Reported growth in Advertising revenue for Alphabet

³ Q1 "Other" yoy growth which is primarily Advertising Sales

Content Practice

Who led the digital transformation of your company?

- A) CEO
- B) CTO
- C) COVID-19

03

COVID impact in Content

01. Q1 Impact

Our offices in APAC (China and Singapore) had a soft Q1 because of Chinese New Year followed by the lockdown. Second week of March we experiences a shock to the system by cancellation of work across:

- Film
- Experiential
- Influencer projects
- Some consultancy work
- Travel and retail brands

02. Monks

Across the globe we acted quickly, minimizing travel and moving into WFH ahead of many official country specific timelines. Our tooling, digital mindset and way of working made a fast and smooth transition to WFH possible. This resulted in a low number of confirmed cases and our efforts are now fully focused on the mental health and productivity of our teams across the globe.

03. Commercial

Six weeks in ,we see a strong pipeline of COVID commercial opportunities. This is either new work for a brand because they need or want to react to COVID, or work that was supposed to be done by another partner (events and tradeshow organizers) but now coming to us because we can help them pivot (e.g. from live action to animation, from physical to live-streaming).

Content COVID-24/7 commercial response

01. Solve the now

We've connected 100+ people across the S4 teams with a daily sales briefings and materials supported by 4 pro-active pitch teams to support brands to solve their current communication problems due to COVID.

Outreach

1. [COVID production deck](#)
2. [Virtual solutions deck](#)
3. [Film production deck](#)
4. [Quick commerce deck](#)
5. [Safe hands & BCP decks](#)
6. [Safe studio](#)
7. [COVID - Update #2](#)

02. Say different things

We're helping brands finding new ways to communicate in experiential & film work during COVID. Trying to save existing projects work from cancelation and finding new opportunities that other partners can't help pivot.

New work for

1. HP
2. Nike
3. Toyota
4. Facebook
5. ABI
- .
- .

03. Strategic steps

We're getting in front of clients and partners with thought leadership and positioning as the key partner for the new normal of a 1.5M society where digital transformation will accelerate even faster.

Materials

1. [\(Re\)activate E-book](#)
2. [APR & Adobe webinar](#)
3. [Adobe sales deck](#)
4. Snap AR deal
5. Unreal partnership
6. YouTube Live partnership
7. CX Forrester Event

Solve the now

Nike -Athlete program

Professional Nike workouts, streamed from home to home

We helped launch Nike Training Club's live workouts. Led by a Nike Master Trainer from their own apartment, the workouts are streamed on YouTube for anyone to join. We're managing the entire production remotely, from shipping the equipment to setting up the camera, lighting and audio.

By being agnostic when it comes to technology platforms, MediaMonks can help any client with finding the best solution for their project.



[WATCH THE CASE](#)

MediaMonks - owned Safe Studios

Our MediaMonks studios and (post) production capabilities around the world span multiple zones

Livestream sessions

Clients can join MM studio shoots via a livestream. We have tooling in place for live review, feedback and proofing.

Equipped

Safe, hygienic and fully equipped with remote connection available

Range

Broad range of creative possibilities: Table-top, influencer, green-screen or a combination with post



[SEE OUR SAFE-SHOOT STUDIO](#)

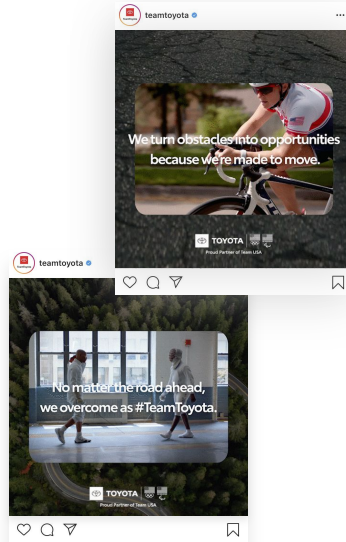
Say different things

Toyota - Olympic campaign

Shifting a campaign tone & story

As athletes all over the world prepared for the 2020 Olympics, we were working with Toyota to create a campaign celebrating their sponsorship of the US team.

The campaign was about drive, motivation and movement. So when the 2020 Games were cancelled, we kept the campaign alive. We switched up the narrative to double down on the endurance of athletes. After all, athletes are trained in overcoming obstacles. When COVID-19 brought the world to a halt, Team Toyota showed us how to keep going.

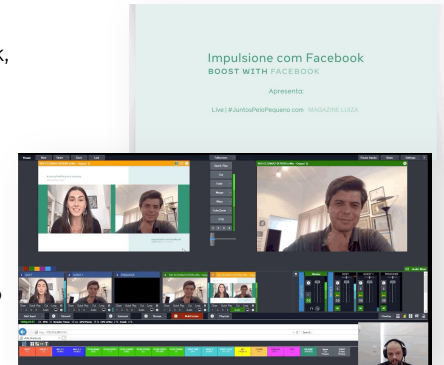


Facebook - Boost

Physical activation turned digital

Together with our friends at Facebook, we're producing a video series to help small and medium-sized businesses across Latin America boost their brand on Facebook.

The project started as an experiential activation but quickly pivoted to become purely digital and available to everyone during the COVID-19 lockdown. Hands-on as ever, we're producing separate sessions in Spanish and Portuguese for a two-month period — managing everything remotely from pre- and post-production to last-minute troubleshooting.



SEE THE WORK

Strategic steps to define your brand & business during COVID & beyond

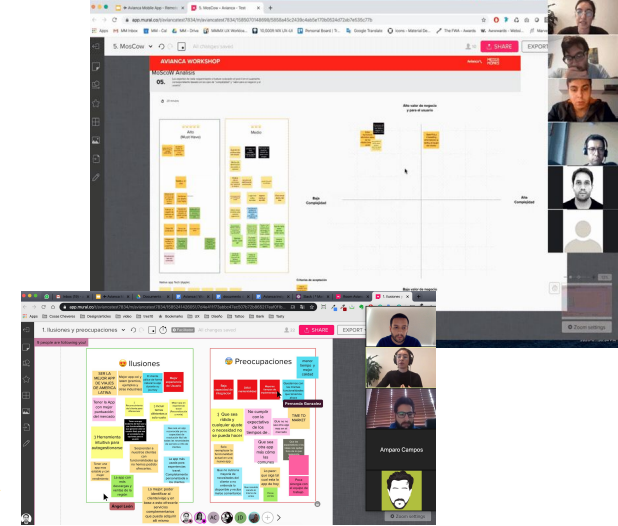
How do we speak to consumers when the narrative is shifting from 'me' to 'us'?

Consumers spend more time online; where are the eyeballs heading?

What's the B2B version of D2C?

How do we do trade shows without a physical crowd?

What should our retail experience be like in the near-future?



No Worries! We can run this *virtually*

The Workshop Programs

01.

— Social Listening Insights

A customer audit and research on people's current perceptions of your brand & vertical can drive creative ideas and decision-making.

02.

— Ideation through experts

We'll bring subject matter experts onboard to collaborate with your team on defining solutions for the business needs based on the user insights.

03.

— Actionable outcome

Our methodology results in actionable outcomes that allow us to move into design sprints straight after the workshop.

Data & Programmatic Practice



04

Responding to COVID-19



How marketers can take action
and build resilience

Executive Summary

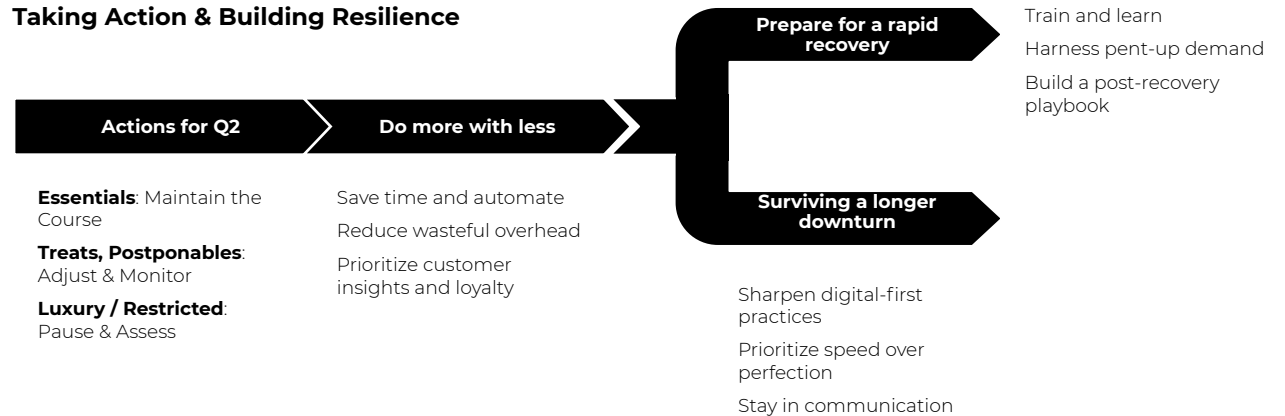
A Changed Landscape

The financial impacts of the global pandemic are already being felt. The duration of the impact is dependent on the effectiveness of government responses worldwide to curb the spread of the virus.

The COVID-19 crisis will pass, but it has accelerated long-running trends. Consumers are turning to digital platforms for entertainment, and “contactless” socialization and purchasing.

In adapting to these changes, virtually all brands will share a common set of challenges in the coming months and quarters.

Taking Action & Building Resilience



Effective Marketing During COVID-19

Economizing Until Recovery

COVID-19 Command Center

How can I gain an actionable view into media spend and allocation?

Media Platform Overlap Review

How do I gain transparency into technology costs cutting into working media spend?

Media Quality Review

How do I gain confidence that ads are appearing in content most suited for my brand and objectives?

Preparing for Growth

First-Party Data Collection Review

How can I shore up my data collection practices as I increase my first-party data relationships with consumers?

Analytics and IT Platform Review

How can I ensure my analytics and IT tech stacks are optimized for advanced cloud marketing analytics?

Media Platforms Training

How can I motivate and better prepare my team for when the recession is over?

Cost Waterfall Analysis

How do I gain transparency into the supply chain to eliminate waste in my ad spend?

Brand Sentiment Analysis

How have my brand efforts during the COVID-19 crisis affected brand loyalty and consumer sentiment?

Churn Risk Analysis and Activation

What can I do to measure attribution and understand the churn risk of various user segments?



COVID-19 Command Center

How can I gain an actionable view into media spend and allocation?

More than ever, marketers need a holistic view of ad spend and performance. The COVID-19 Command center gives marketers the insight they need to allocate dollars and maximize ROI as channels and strategies shift during this crisis.

1 - Join data sources (ad server, web analytics, conversions, transactions)

2 - Build multi-touch attribution model that accounts for interaction between channels

3 - Create dashboards that accurately quantify the value of each channel to enable data-drive budget allocation

Est. Time Required

4-6 weeks

Approx. Cost

~\$100K

Outcome

An situation report and ability for rapid response to a changing market to prevent wasted spend and provide intelligence for an economic bounce back.

Deliverables

- Multi-touch attribution dashboard that shows how channels come together to drive overall ROI

Mondelēz uses Cloud Computing

To power advanced advertising analytics

In order to do advanced machine learning that the fastest growth companies in the world are doing, you need to have a common architecture and a common location for your data

JONATHAN HALVORSON
VP GLOBAL MEDIA
MONDELÉZ INTERNATIONAL



[Watch video >](#)

Mondelēz
International
SNACKING MADE RIGHT

The Challenge

Mondelēz wanted to **gain new insights** into consumer buying habits and the effectiveness of its digital advertising. However, Mondelez media and sales data were **trapped in silos**, preventing the digital media team from building advanced data sets and running higher-order analytics.

The MightyHive Solution

After consulting with Mondelez, MightyHive designed a plan for Mondelez to reach its goals.

First, MightyHive helped Mondelez standardize on **new global advertising campaign naming taxonomy**. Next, cross-platform media data and offline sales data was brought together in Google Cloud Platform. An automated, cloud-based approach was **faster and more flexible** than legacy reporting methods.

Results

A more sophisticated cloud-based approach unified data and unlocked more meaningful media analytics. With better tools for optimizing media and creative, Mondelez saw double-digit gains in ROI.

+20%
ROI

The advantages of cloud computing contributed to a +20% return on media investment in north america, +10% globally.

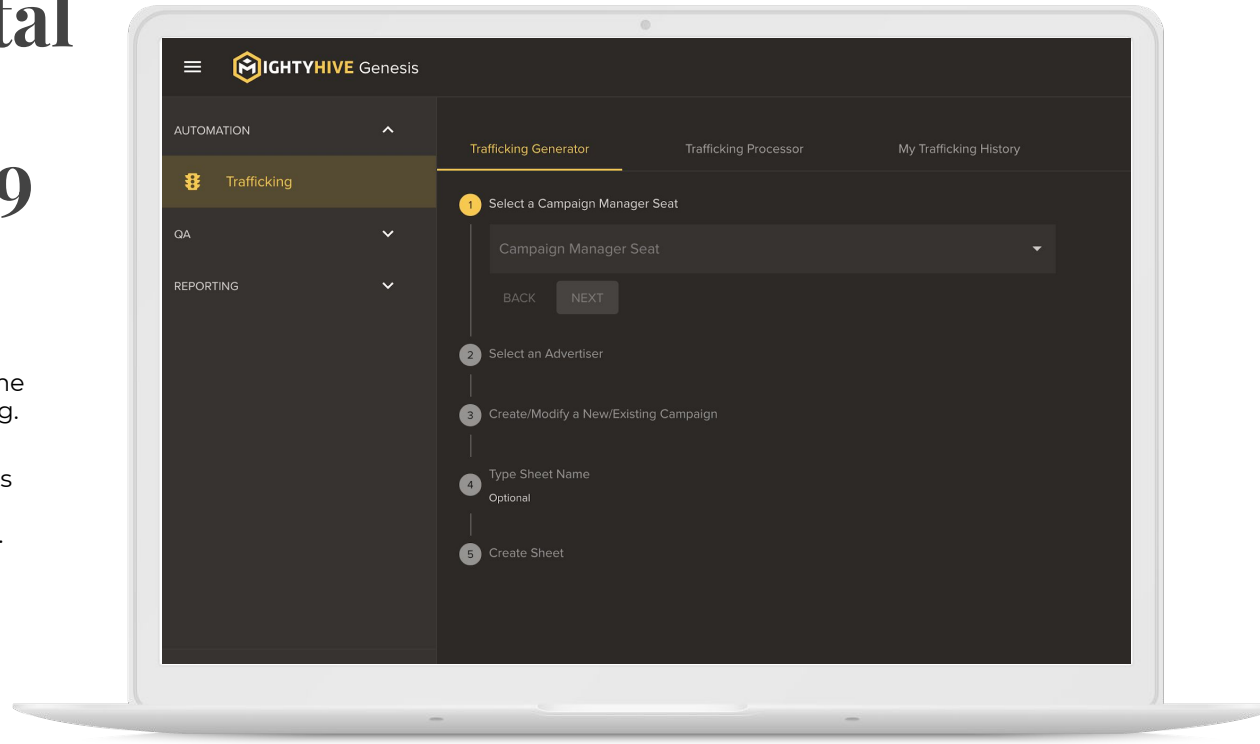
Supporting Digital Transformation during COVID-19

During these challenging times, MightyHive will make MightyDesk available -- free of charge -- to our clients.

Ad trafficking is one of the most critical, yet time and labor intensive aspects of digital marketing.

The Automation feature within MightyDesk has saved teams 300+ hours per month trafficking campaigns within Google Campaign Manager.

Visit mightyhive.com/mightydesk for more information



Clients



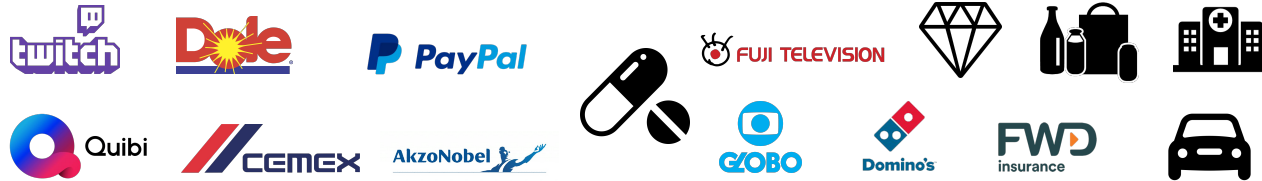
05

Q1 - A strong quarter for new business

Land & Expand



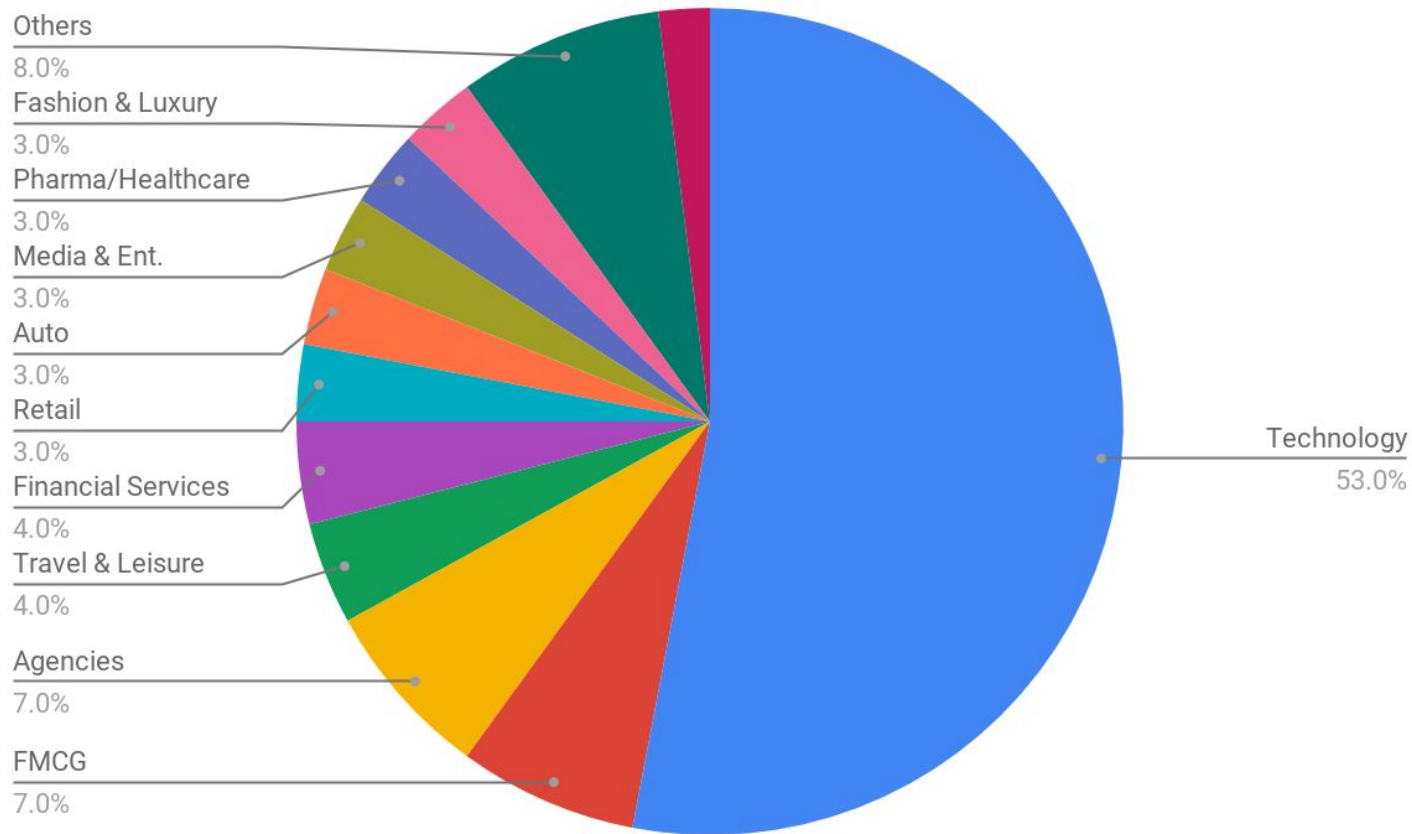
New Clients



Pitches



Client portfolio



Mergers



~~0~~6

Mergers



JAN 2020



Data &
Analytics



Geography



eCommerce

Summary & Outlook

- / People are safe and mostly working from home
- / S4 continues to lead the industry in growth and margin
- / Strong balance sheet and liquidity, stress-tested
- / Early cost action taken and we retain flexibility
- / Favourable client portfolio for growth
- / Healthy new business record and pipeline
- / Trends are towards increased digital transformation
- / Covid-19 accelerates adoption of S4 model and integration
- / Ready for recovery, whatever the shape

Q&A