



# 2020 Q3 Trading Update

November 2020

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# Trading Update



01

# Financial Performance

- / Q3 reported Revenue up 53% to £86.4 million
- / Q3 reported Gross Profit up 79% to £75.3 million
- / Q3 like for like Revenue up 13%
- / Q3 like for like Gross Profit up 23%
- / All regions showed strong growth
- / Cash flow remains strong with net cash balances averaging £87 million in Q3 up from £13 million in first half. This includes the share placing of £113 mid July and merger payments of £19 million in Q3
- / 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

£ million	Reported		+/-%	Like-for-like		+/-%	Reported		+/-%	Like-for-like		+/-%
	Q3 2020	Q3 2019		Q3 2019	Q3 2019		YTD 2020	YTD 2019		YTD 2020	YTD 2019	
<b>Revenue</b>												
Content	69,317	41,079	69%	69,317	60,543	15%	181,021	104,053	74%	181,021	165,006	10%
Data & Digital Media	17,075	15,553	10%	17,075	16,032	7%	46,718	40,551	15%	46,718	43,737	7%
<b>Total</b>	<b>86,392</b>	<b>56,632</b>	<b>53%</b>	<b>86,392</b>	<b>76,575</b>	<b>13%</b>	<b>227,739</b>	<b>144,604</b>	<b>58%</b>	<b>227,739</b>	<b>208,743</b>	<b>9%</b>
<b>Gross Profit</b>												
Content practice	58,370	26,614	119%	58,370	45,476	28%	152,783	71,830	113%	152,783	128,294	19%
Data & Digital Media	16,929	15,496	9%	16,929	15,978	6%	46,488	40,465	15%	46,488	43,650	7%
<b>Total</b>	<b>75,299</b>	<b>42,110</b>	<b>79%</b>	<b>75,299</b>	<b>61,454</b>	<b>23%</b>	<b>199,271</b>	<b>112,295</b>	<b>78%</b>	<b>199,271</b>	<b>171,944</b>	<b>16%</b>

\* like-for-like relates to 2019 being restated to show the unaudited numbers for the previous period 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

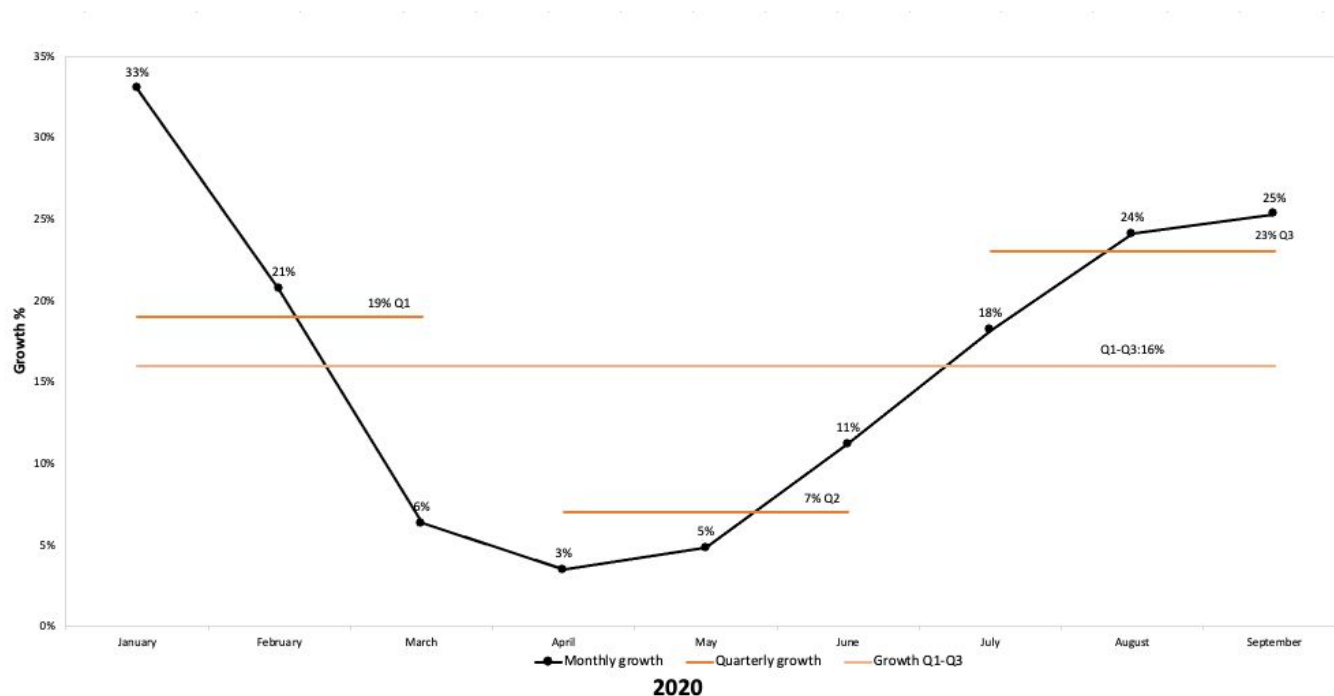
# Gross Profit by Geography

£ million	Reported		+/-%	Like-for-like		+/-%	Reported		+/-%	Like-for-like		+/-%
	Q3 2020	Q3 2019		Q3 2020	Q3 2019		YTD 2020	YTD 2019		YTD 2020	YTD 2019	
<b>Gross profit by Geography</b>												
Americas	55,074	28,491	93%	55,074	43,545	27%	143,895	75,902	90%	143,895	122,114	18%
EMEA	12,972	9,654	34%	12,972	12,171	7%	36,963	26,452	40%	36,963	34,644	7%
Asia-Pacific	7,253	3,965	83%	7,253	5,738	26%	18,413	9,941	85%	18,413	15,186	21%
<b>Total</b>	<b>75,299</b>	<b>42,110</b>	<b>79%</b>	<b>75,299</b>	<b>61,454</b>	<b>23%</b>	<b>199,271</b>	<b>112,295</b>	<b>78%</b>	<b>199,271</b>	<b>171,944</b>	<b>16%</b>

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# Gross Profit performance like-for-like

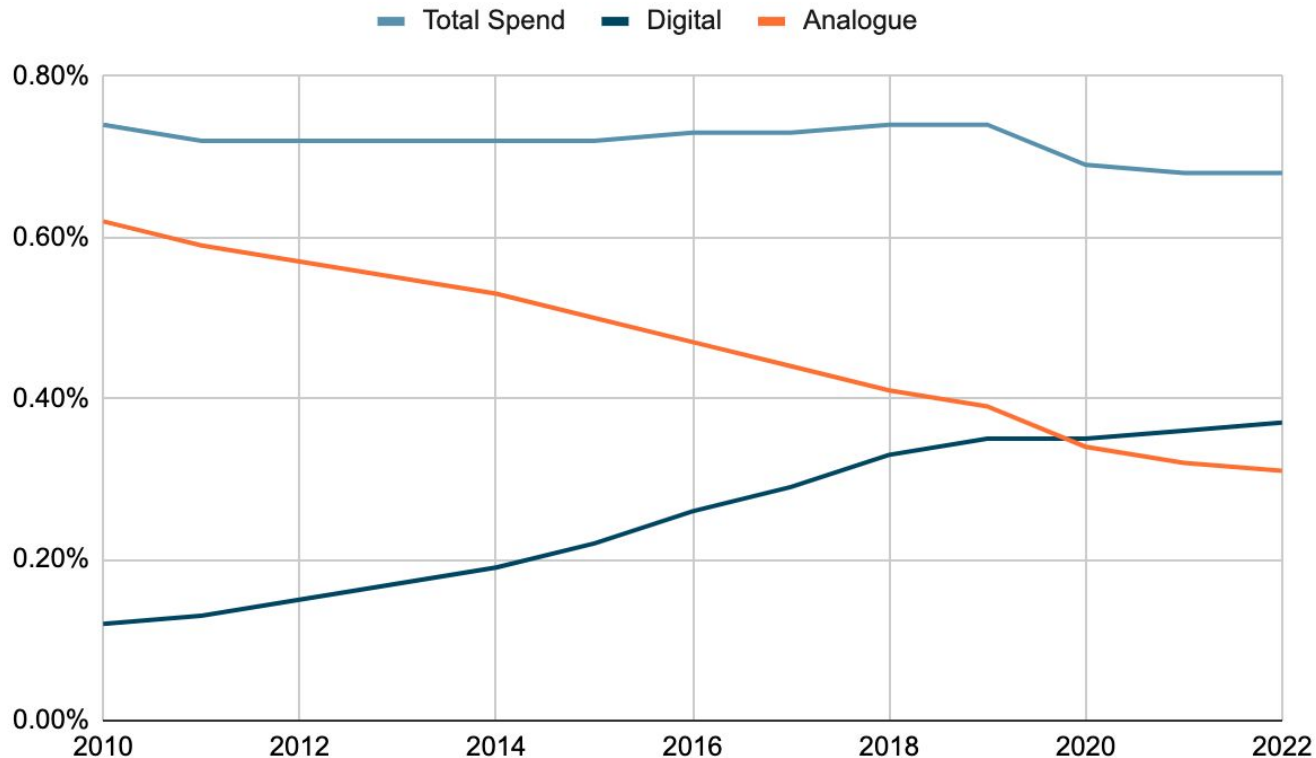


# The Market



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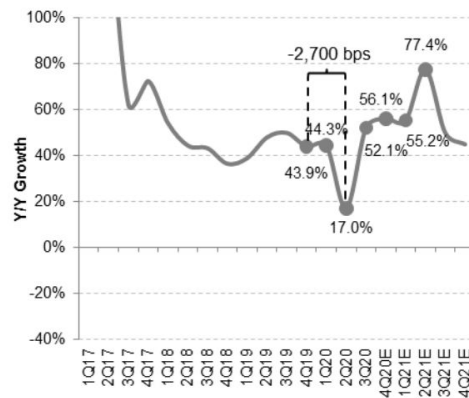
# Global advertising spend as a % of GDP



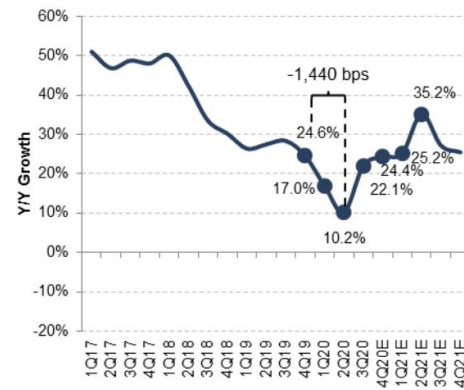


# Digital ad platforms stage a dramatic recovery

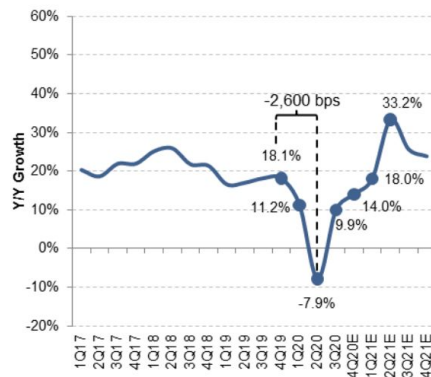
## Snap Ad Revenue Growth Estimates



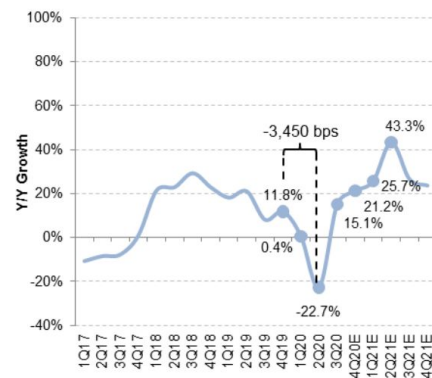
## Facebook Ad Revenue Growth Estimates



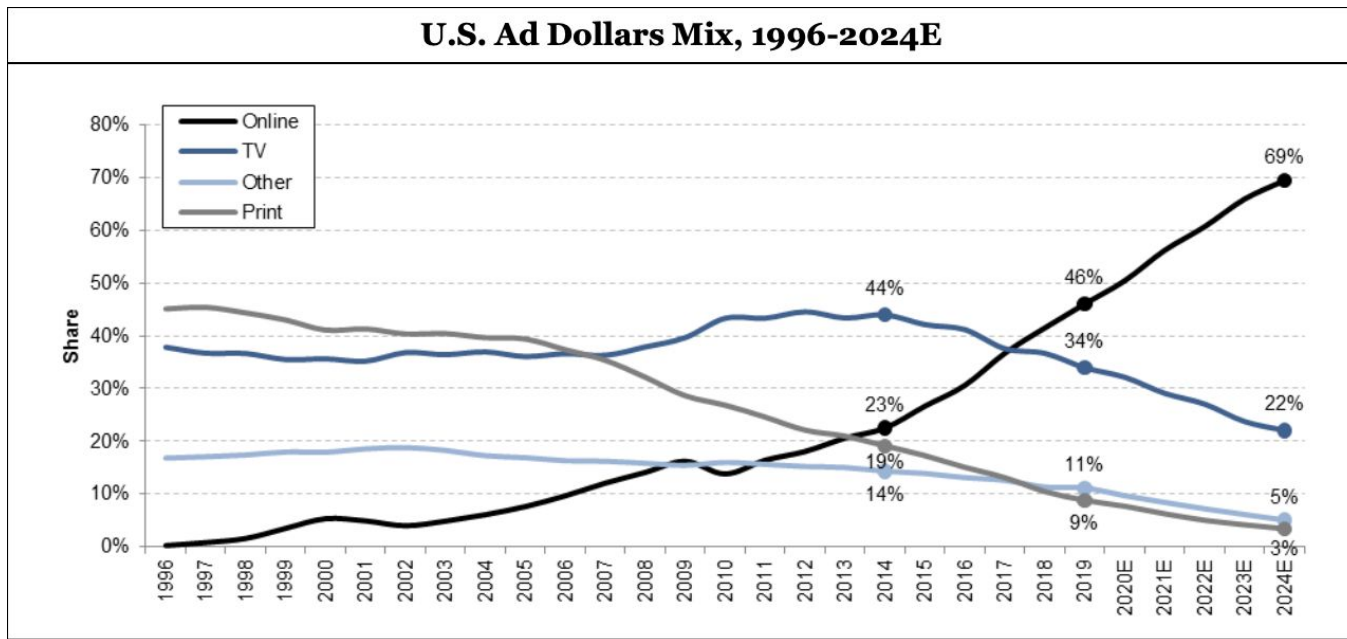
## Alphabet Ad Revenue Growth Estimates\*



## Twitter Ad Revenue Growth Estimates



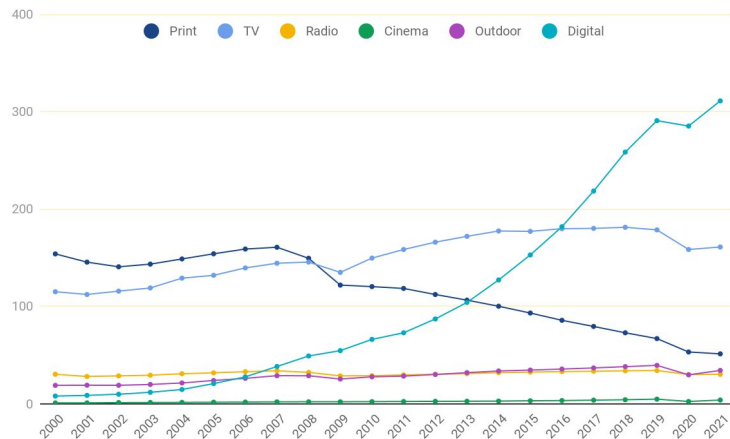
**Digital spend  
projected to  
continue  
strong  
growth**



# Huge and growing total addressable market

\$bn

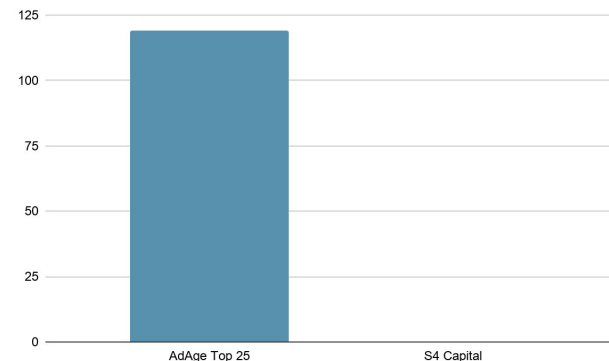
Media Spend by Category 2000 - 2021

2019 Cloud Revenues (\$M)<sup>6</sup>

Cloud Business Process Services (BPaaS)	\$ 45,212
Cloud Application Infrastructure Services (PaaS)	\$ 37,512
Cloud Application Services (SaaS)	\$102,064
Cloud Management and Security Services	\$ 12,836
Cloud System Infrastructure Services (IaaS)	\$ 44,457
Desktop as a Service (DaaS)	\$ 616
<b>Total Market</b>	<b>\$242,697</b>

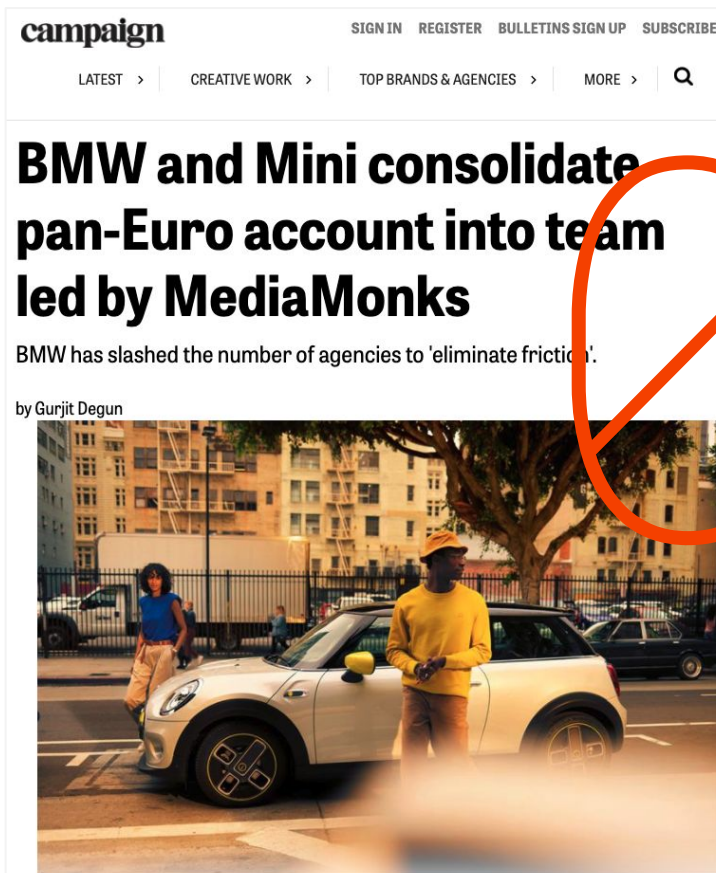
Total Media Spend \$559bn<sup>1</sup>Digital Media Spend \$285bn<sup>1</sup>Total Marketing Spend \$1.9trn<sup>2</sup>Trade Marketing Spend \$518bn<sup>3</sup>Adobe Digital Experience \$2.7bn<sup>4</sup>Salesforce.com Subscription \$16bn<sup>5</sup>

\$bn

2019 Revenues<sup>7</sup>

<sup>1</sup>Zenith Optimedia 2020, <sup>2</sup>Groupm TNYN 2019, <sup>3</sup>Alis Partners 2019, <sup>4</sup>Adobe 10k 2019 <sup>5</sup>Salesforce.com 10k 2019, <sup>6</sup> Gartner 2020, <sup>7</sup> AdAge May 2020

# Content Practice



3

# Intro

2020 has been a fascinating year.



## COVID-19 Recap

When the global pandemic shut economies and brought businesses to a standstill our content practice got hit in March-May across our Film, Experiential, some consultancy capabilities and travel Clients.



## Our Response

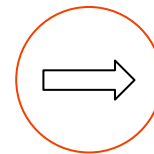
As others licked their wounds we developed solutions;

- / Virtual events: next-generation broadcasting & livestreaming.
- / Covid free studios: Safe film shoots at our own studios.
- / Quick Ecomm: bringing ecomm strategies to life in weeks, not months.



## Proving a Point in Q3

In Q3 we managed to make a big statement. We welcomed a new Whopper, opened our first office in Germany, merged with Dare.Win and continued to work with the world's biggest brands on delivering innovative digital solutions.



## What's Next

As we close the year out our teams are busy developing future-proof solutions such as a new partner of record model, transforming broadcasting, e-commerce everywhere and creating original content.



# Solutions Fit For A Global Pandemic



## Stepping up to the Virtual Stage

### Powering Events with LiveXP

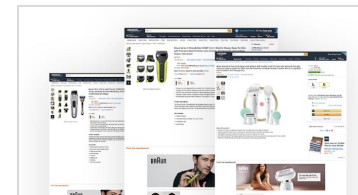
Our cloud-based suite of livestreaming tools, LiveXP, is built to power the future of virtual events. The suite is built to enable two-way interaction between audiences and talent in the moment, turning fans and event attendees into true participants.



## Safe Studios

### COVID free shooting

Our safe studios and (post) production capabilities around the world span multiple time zones. The fully equipped in-house production studios have been set up to comply within safety standards, with livestream sessions and broad creative possibilities.



## Quick Commerce

### Speed and Optimisation

Creating rapid full-funnel customer journeys with bespoke content at every stage, written and designed specifically to optimise marketplace presence and maximise conversion.

# Named Fastest Growing Company (Three Times)

**Adweek names MediaMonks, CIRCUS and Firewood in its yearly list of Fastest Growing Agencies**

The Fastest Growing feature honors the top 100 agencies and 10 top solution providers—large and small, from all over the world—whose industry presence is on the rise.

More proof that our approach is resonating with brands, as shown by MediaMonks, Circus and Firewood each placing among the top 10 large agencies.

"There are many great things to come, and I'm looking forward to it."

WESLEY TER HAAR  
FOUNDER, MEDIAMONKS



## Proving a Point in Q3

The decision in the biggest auto pitch of the year has been made.

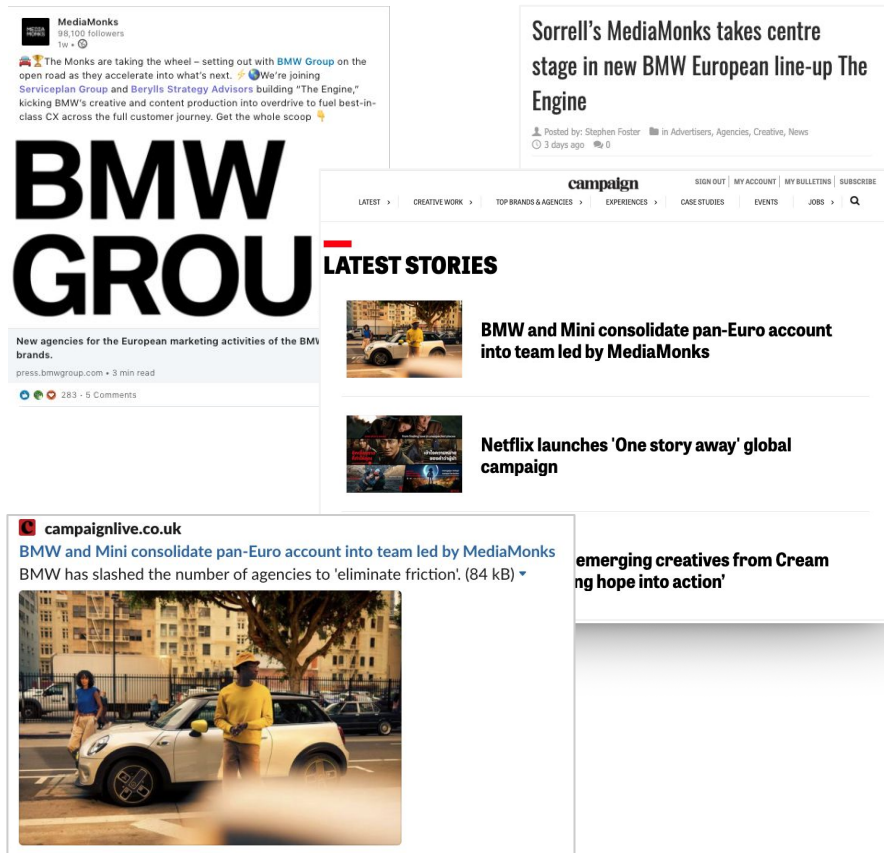
“MediaMonks will be “at the heart” of the new set-up working on creative and production.”

— BMW, in Campaign Magazine

# Welcoming a New Whopper

By consolidating content and centralising the European agency and partner network, the BMW Group is establishing an extremely efficient, high-performance marketing engine capable of supporting individualised and modern customer relationship management across all touchpoints for both the BMW & MINI brands.

The 'Engine' will help BMW Group establish an extremely efficient, high-performance marketing engine capable of supporting individualised and modern customer relationship management across all touchpoints for both the BMW and MINI brands.



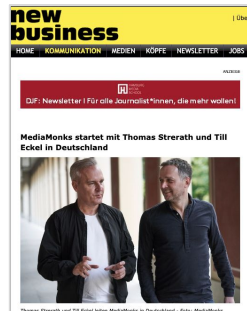
emerging creatives from Cream  
ng hope into action'

# We Launched MediaMonks Germany

## Growing our creative hub and client presence

Having secured our BMW Whopper we wasted no time capitalising on the BMW & MINI win momentum and opened up shop in Germany.

The increased geographical presence in one of Europe's major economies will see our creative hub in Berlin expand, coupled with a dedicated client presence in Munich.





# Omnicom's Wednesday Agency Becomes MediaMonks Fashion

## Weaving Digital into the Fabric of Fashion

With purchase decisions being made increasingly online, the tactility and physicality of the experience has never been more important, whether it's evoking the feel of the materials up-close, or the excitement of trying on a new outfit. And this is especially true when it comes to premium brands, who excel in providing unparalleled craftsmanship and service to loyal audiences.

As fashion brands address the need to virtualize their processes, both creatively and operationally, MediaMonks stands ready to offer the industry a range of bespoke solutions with its new fashion and luxury practice.

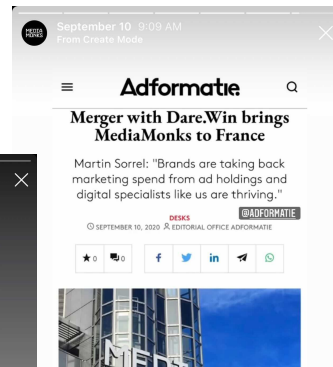
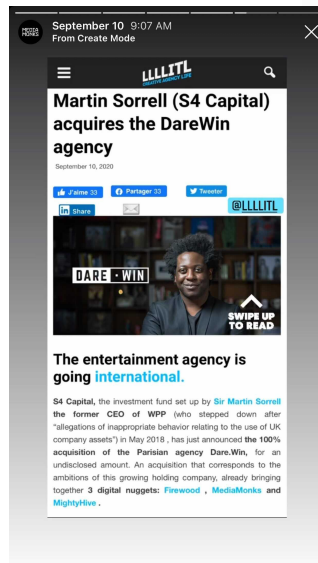


# We Opened Our First Office in France

## Merger with Dare.Win sees MediaMonks France open its first office in Paris.

We're excited to connect with Dare.Win's diverse team and lean on their support in bringing a new, flexible model to brands in France—Europe's third-largest advertising market—and offering stronger support to our shared clients there.

With Dare.Win's strong foundation of clients in entertainment and technology, we look forward to working together to find new ways to innovate and drive impact across the customer decision journey.



# Virtualized Pop Culture and Cultural Icons

## For Hasbro's PulseCon 2020

Hasbro PulseCon's launch had us more excited than a kid with a new toy—but building this experience wasn't simple child's play. True to Hasbro, we reimagined a pop culture convention hall into a 3D board game that attendees can traverse throughout the next two days, featuring 10 brands, 3 musical acts, celebrity appearances, and—of course—fan-led interactive events and product announcements... all broadcast LIVE on Hasbro Pulse's YouTube channel.

## Air Jordan: XXXV

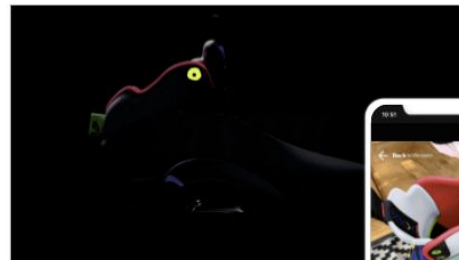
Sneaker "drops" are well-known for prompting long lines of eager fans that wrap around the building. By launching the iconic Air Jordan release in a pandemic with customers at home, how could the brand continue to capture that "had to be there" level of excitement and exclusivity? Our release event and microsite virtualized the product showcase by giving VIP's an exclusive look at the new shoe silhouette in immersive AR, before opening the experience up to general consumers.



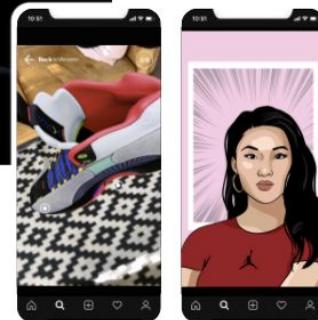
### 40 Talents

From brand teams to musical acts to celebrity guests, we hosted enough talent to rival the Emmys.

**2 Full Days**  
We managed to squeeze an entire conference circuit's worth of announcements into a single weekend.



Select media were invited to access the electronic press kit featuring XXXV content and a Q&A with the Jordan team, fueling PR stories to build hype for the reveal.



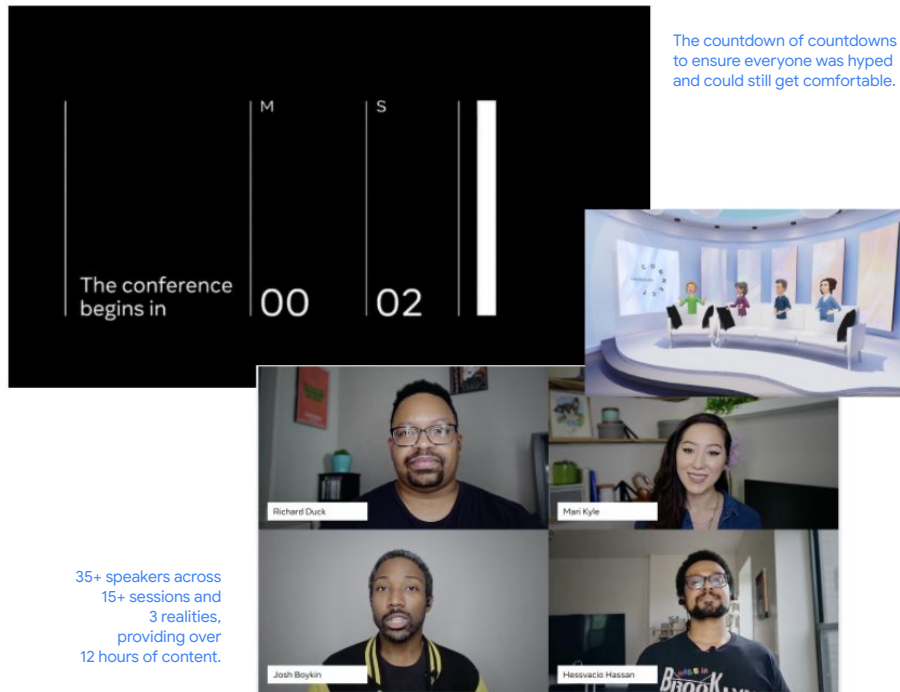
# Built the World's Largest VR event

In VR, for the world's largest VR company

## Facebook Connect

We partnered with Facebook to produce their seventh annual AR/VR event. Formerly known as Oculus Connect, the conference is hosted by Facebook Reality Labs and fittingly unfolds as a virtual event that draws a cohesive line between the myriad ways Facebook connects people: in Groups, through extended reality, live streaming and chat.

The 10-hour event could be experienced on Facebook Live as well through Oculus Venues thanks to our custom software for live experiences. We produced the entire event and much of its content—looking after the video and VR broadcasts as well as overall design from visual identity to sonic branding.



# What's next?



## A New Partner of Record

### Feed the Feeds

In order to create the two-way conversation consumers crave, brands need to stop pushing the 'big idea'. Instead, they need to "feed the feeds" with relevant, resonant content that drives impact and conversation at scale

## Transforming Broadcasting

### New Formats & Experiences

To resonate with audiences today, brands require a partner who can push technology forward and enable entirely new content formats and experiences: like cloud technology and digital green rooms that join talent from around the globe.

## Everywhere Commerce

### A New Age

Consumers no longer need to enter a store or visit a digital marketplace to make a purchase; instead, it's just a tap or swipe away from the content and media that consumers engage with all day.

## Pioneering Original Content

### Reach with Relevance

In an age of ad blockers and a relentless battle for attention, brands must hone new strategies centered around delivering differentiated original content to reach audiences with relevance and emotional resonance.

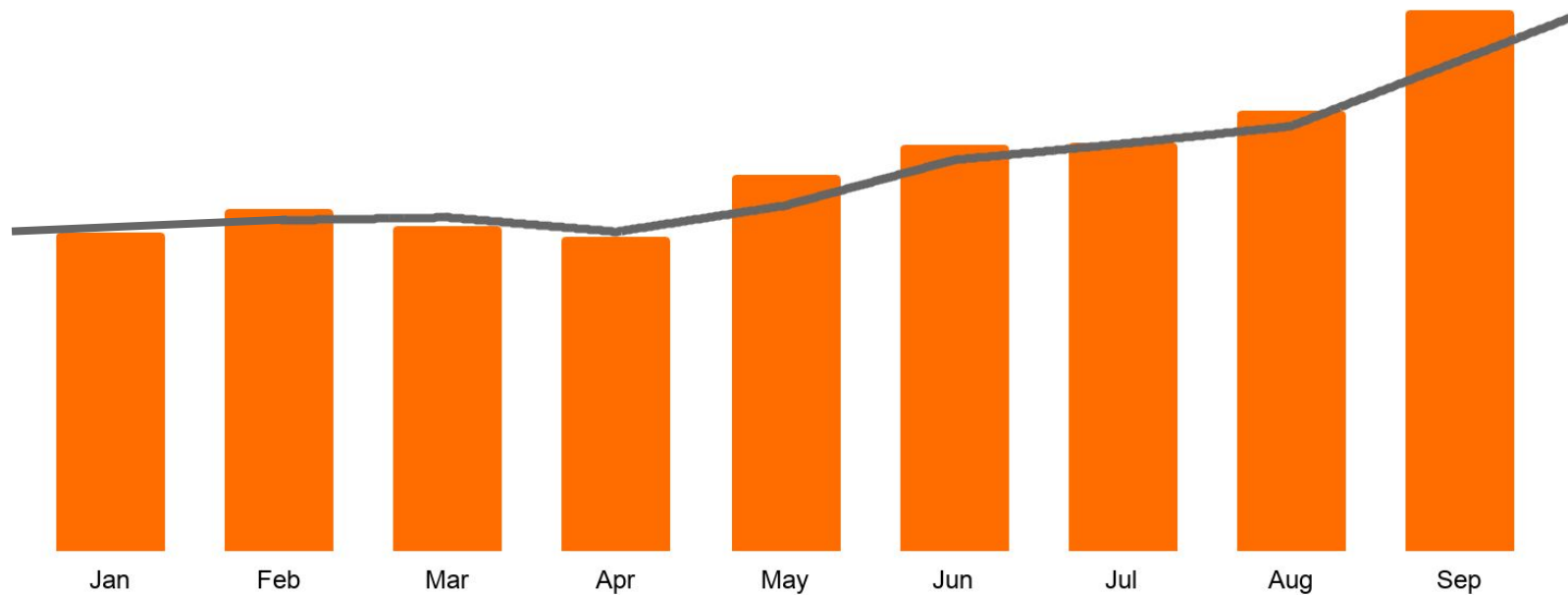


# Data & Digital Media Practice



04

## DIGITAL MEDIA SPEND HAS REBOUNDED FROM COVID-19



# WE'RE HARNESSING THE MOMENTUM IN DIGITAL MEDIA AND REDOUBLING EFFORTS IN DATA FOR CONTINUED GROWTH

## DIGITAL MEDIA

### Transformations

Talent and Training

### Social Commerce

Customer Experience

## DATA

Cloud

Analytics

### Measurement

### Customer Data Platforms

Privacy

Visualization

Storytelling Data



# WE ALSO SEE INTEREST IN IN-HOUSING HAS PICKED UP

## MightyHive helps marketers take control

The pain point MightyHive solves:

**Digital is disrupting businesses in every industry.**  
**Marketers must master digital to drive growth.**

Our unique value:

**We are experts in accelerating growth and creating sustained change where it matters**

Why marketers need us now & how we help:

The differences between digital haves and have nots are obvious and growing. MightyHive helps marketers deliver results through:

- **Advisory for business transformation**
- **Marketing data expertise** (data practice)
- **And, media execution** (digital media practice)

### Persuasion Points:

- **Consumer expectations have changed** - 84% of consumers say digital experiences fall short of their expectations ([Gartner](#))
- **Getting digital right is hard** - Almost all (87%) business leaders say digitalization is a priority, but only 40% have brought digital initiatives to scale ([Gartner](#))
- **Agility and speed are required** - Consumer behaviors and corporate priorities can change overnight.

### Persuasion Points:

- We are a part of S4Capital, the new age/new era digital advertising and marketing services company established by Sir Martin Sorrell in 2018.
- Over 400 individuals globally across 12 media, data, and analytics platforms

### Persuasion Points:

- Our transformation work with Sprint has been published as a case study for Harvard Business School
- Our in-housing client Bayer won In-House Agency of the Year and increased their campaign efficiency by 35%.
- Mondelez operationalized their global data strategy to achieve 10%+ ROI.

**AND RESULTED IN SOME BIG WINS**

**T Mobile™**

**...ALL WHILE EXISTING WORK CREATES MOMENTUM FOR MORE**



MightyHive's deep programmatic expertise and advisory capabilities made them an easy choice. They've helped us gain the control, insights, and flexibility to be able to better meet the needs of our customers and our business as a whole. Our partnership has been instrumental to Sprint's digital transformation and has far exceeded our expectations.

— ROB ROY  
CHIEF DIGITAL OFFICER  
SPRINT

# SPRINT TAKES CONTROL

## by bringing digital media in-house

### A VISION FOR DIGITAL TRANSFORMATION

As part of a massive turnaround effort, Sprint embarked on a major digital transformation journey to drive increased digital sales and improve the company's ability to respond to a competitive market. The first step in this plan was to bring digital media planning and buying in-house with the assistance of MightyHive.

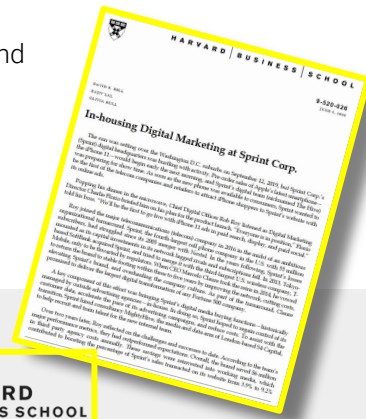
### PARTNERING FOR CHANGE

MightyHive helped Sprint identify new KPIs to improve its performance, install multi-touch attribution for more effective media investments, increase transparency with its vendors and partners, and improve the quality and volume of traffic to the Sprint website through better audience targeting. After proving the early results of bringing digital media in-house, MightyHive also helped the Sprint team identify and train the right talent to handle digital media planning and buying.

### TAKING CONTROL AND DRIVING RESULTS

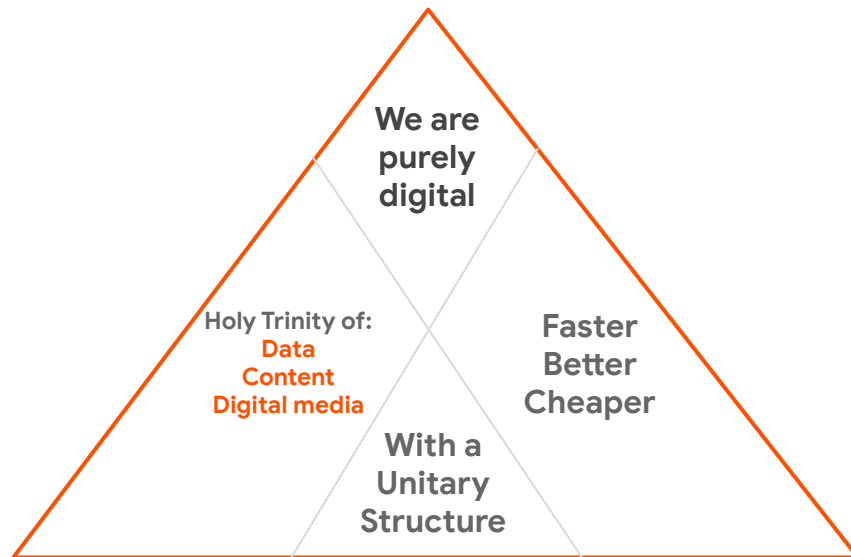
**\$6**  
MILLION

The amount saved annually in outsourced agency costs. Sprint also **boosted sales from 3.9% of total sales in 2017 to 9.2% of total sales in 2019.**



# AND WE'RE EXPANDING THAT SUCCESS ACROSS THE S4 PROPOSITION

		
		PIMCO
		CLUB PREMIER 



# AND INTEGRATING MORE CAPABILITIES TO BRING TO CLIENTS



**Social  
ECommerce**



**Performance**



**Cloud**



**Artificial  
Intelligence**



**Measurement**





# Clients



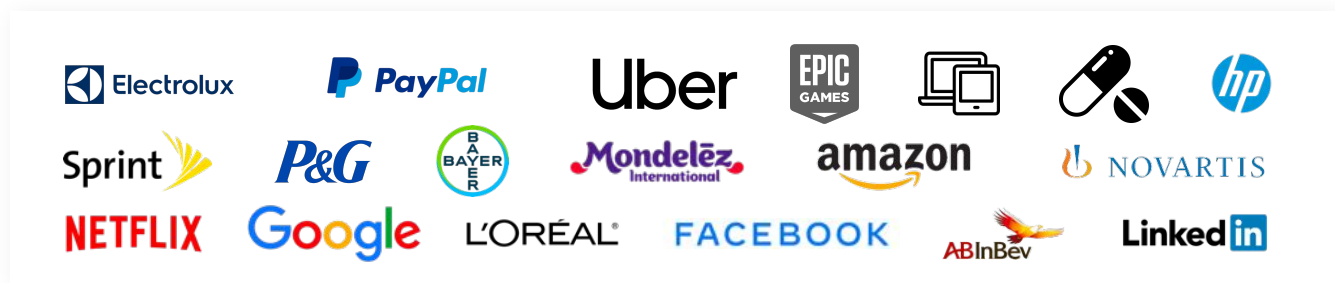
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## Q3 - A strong quarter for new business

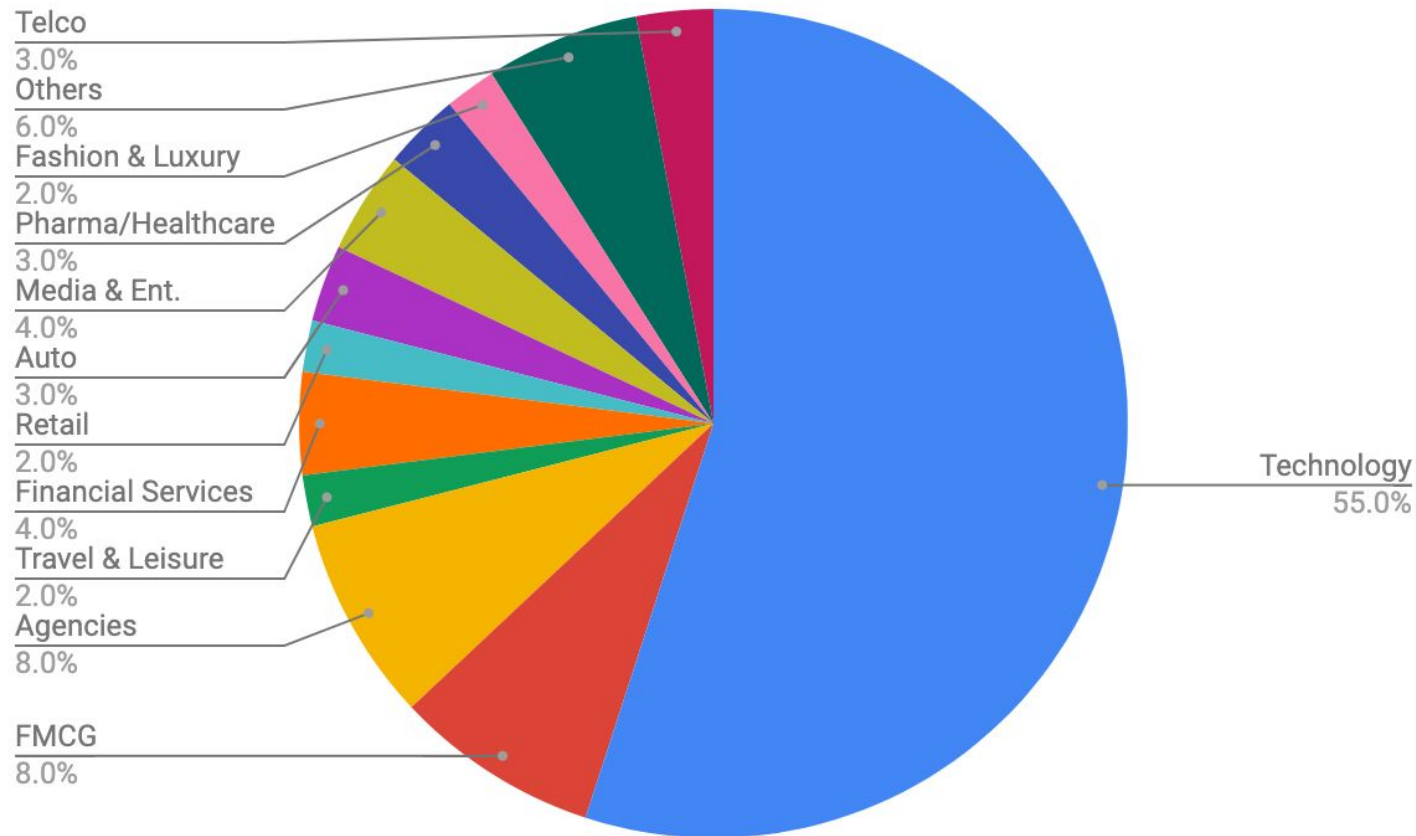
### Land



### & Expand



# Client portfolio

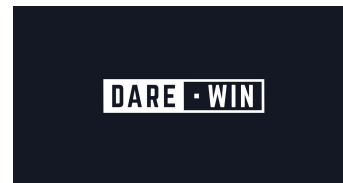


# Mergers



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# Mergers



• — JULY 2020 — — SEP 2020 — — SEP 2020 — •



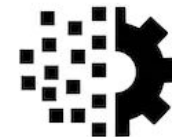
Data & Digital Media



Geography



eCommerce



Digital  
Transformation

# Summary & Outlook

- / People and their families generally safe and mostly still working from home.
- / Broad diversity in both gender and race, but more to do in the Black community.
- / Strong Q3 performance, now back to pre-covid19 levels and targeted performance.
- / Q4 on track to deliver strong double digit top-line and bottom-line performance and targeted margins for 2020. Even stronger fighting chance than before of delivering 2020-3 three year plan to double size of Company organically.
- / New 2021-3 three year plan to double size of the Company organically, with the same 20% EBITDA margins.
- / 2021 Budget targets 25% lfl top and bottom line growth consistent with all 3 year plans.
- / 2021 looks like 2010, with macroeconomic tailwinds, and micro tailwinds of “whopper” wins and client activity driven by digital acceleration.
- / Concrete evidence of client conversion at scale with the BMW/Mini “The Engine” European win and more to come before the end of the year. Making significant progress on 20<sup>2</sup> client objective.
- / Merger pipeline very strong and active, particularly given potential US tax hikes.
- / Strong management team with unitary P&L and integration focus and heightened unitary re-branding to come in early 2021.

# Q&A