

Overview

Strategic  
Report

Governance

Financials

**2023 was another year of progress for LBG Media. Our global audience increased to 452m, our video views reached a record 128bn, we continued with our US expansion with the step-change acquisition of Betches and we demonstrated flexibility in our operating model with the positive changes we made in Australia and New Zealand.**

Our market leading engagement and growth in global audience makes us even more attractive for brands and agencies seeking to reach our highly engaged young adult audience. The combination of our existing footprint in the US, and the addition of Betches, provides us with an excellent foundation from which to build market share in the largest advertising market in the world; and we are already seeing the benefits, with multiple joint blue-chip account wins.

LBG Media has evolved into a global entertainment platform, able to create content that is engaging and resonates with hundreds of millions of people through a range of media. Our talent and dedication to our core mission, which is to give young adults a voice by building communities that laugh, think and act, ensures we remain true to our purpose and fuels our growth.



**MOVING  
FORWARD**

SOLLY SOLOMOU – CHIEF EXECUTIVE OFFICER

REVENUE

**£67.5m**

2022: £62.8m

ADJUSTED EBITDA

**£17.4m**

2022: £15.7m

PROFIT BEFORE TAX

**£5.9m**

2022: £7.3m



HIGHLIGHT VIDEO >

Market

The global advertising market continued to grow in 2023 and is now valued at \$889bn, with digital representing nearly 70% of that total, despite well documented macroeconomic headwinds. Digital continues to outstrip traditional forms of advertising, rising by 9.2% in 2023. The Group's pace of adoption and innovation with changing forms of content, such as the shift to short-form video in the second half of 2022, continue to align us with some of the fastest and highest growth areas. We are well placed to experiment and take advantage of the opportunities that technologies such as AI present and which can benefit the industry. We estimate that across our core geographies, which have significant levels of advertising spend, the opportunity for the Group is substantial and, with our progression in the US market, we are well positioned for future growth.

Financial performance

The Group achieved 7.5% revenue growth in the year to £67.5m (FY22: £62.8m). Adjusted EBITDA increased by 10.8% to £17.4m (FY22: £15.7m). £0.1m of adjusted EBITDA was generated by Betches. This growth was understandably impacted by the reduction in the year-on-year profit contribution from ANZ, which is why we took decisive action in the fourth quarter of the year to address this underperformance and implement a more effective operating model. We incurred a total of £3.7m of costs which were adjusting items this year, the majority of which relate to the combination of our acquisition activities along with restructuring costs in ANZ and, as a result, profit before tax was reduced at £5.9m (FY22: £7.3m).

Our advertiser relationships continue to grow, with direct revenue increasing to £29.3m (FY22: £27.8m). This includes £2.1m of direct revenue contribution from Betches, partially offset by the impact from a year-on-year decline within our ANZ operations. During the year, the Group supported and partnered with a growing list of global brands including The AA, Disney, Jacamo, Ladbrokes, Nike, NOW, Samsung, Sky Betting & Gaming, VOXI by Vodafone and Warner Bros. Our brief conversion continued to improve in the year, reinforcing the strength of our proposition and quality of our execution, something that is further evidenced by our repeat client revenue – three-quarters of direct revenue achieved in the year came from clients who have worked with us in the prior two years.

Indirect revenue in the year was up 10.4% to £37.1m (FY22: £33.6m) achieved via a combination of an increase in monetised views on social media platforms, as well as good growth from our owned and operated websites. We continue to realise positive benefits within indirect from our investment in people and technology, with web and social providing diversification and multiple channels for growth. It is worth noting that indirect revenue was also impacted by weaker performance in ANZ and the strong outturn comes despite these challenges.

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**HIGHLIGHT VIDEO >**

## Strategic progress

Key areas of progress in the year are summarised below:

- ▶ **Betches:** The acquisition of Betches in October 2023 was a significant milestone for the Group. The combined business now has a significantly enlarged footprint and set of capabilities in the US, a market which forms a core part of our growth ambitions. Integration between the businesses has been progressing well and with its high-quality financial profile, the addition of several new capabilities to the Group, including podcasts and newsletters, and an excellent team, we remain thoroughly excited by the opportunities ahead.
- ▶ **ANZ operating model:** In response to revenue and profitability challenges experienced in the region, in Q4 2023 we announced a new and more efficient operating model, effective from January 2024. This involved the centralisation of social and web operations into our UK centre of excellence at a more efficient cost base for indirect revenue, whilst we also leveraged a new five-year strategic partnership model with the largest online media publisher in Australia, Val Morgan Digital, for the delivery of direct revenue. The changes unfortunately necessitated a number of redundancies in the region, but that exercise was undertaken with the utmost care and professionalism, including being able to transfer a number of the team to Val Morgan Digital. Moving into 2024, the new model provides a foundation for sustainable growth in the region, as well as a potential partnership blueprint that we could look to adopt in new regions around the world.
- ▶ **Bolt-on acquisitions:** We have continued with the strategy of acquiring bolt-on social media pages, and during FY23 acquired the social and web assets of Lessons Learned in Life (LLIL) for £0.5m. For the right complementary assets, this is a proven and successful strategy with assets typically achieving payback in less than a year.
- ▶ **Manchester studio:** To enhance the Group's production capabilities, a high-quality new Manchester studio was opened in November 2023. This facility will enable the Group to produce more engaging, fresh, new content for publications across our social media pages and websites, as well as developing our podcast offering.
- ▶ **UNILAD Tech:** In November 2023, the Group launched the UNILAD Tech website. Leveraging the success of the UNILAD Tech social media pages, the new website provides the Group with the opportunity to further monetise its audience through programmatic advertising sales. The UNILAD Tech website becomes the Group's seventh active website and collectively, the Group's editorial websites reach over a third of UK adults each month, resulting in billions of page views annually.

DIGITAL MEDIA MARKET FORECAST TO GROW BY

7.3%

### Social responsibility and recognition

We have always placed a great emphasis on having a positive impact by tackling complex social issues. During the year LBG Media was the official media partner for the Mayor of London's 'Have A Word' campaign, calling on men to challenge misogyny and we were also directly engaged by The Prince's Trust to carry out research into the careers of young adults.

We won multiple awards in the year for our excellent campaign work, most notably our Tango Berry Peachy campaign, which won four separate awards at Media Week, Digiday Content Marketing and Campaign Media. We have continued to partner with excellent brands to deliver high quality, engaging content that has driven strong audience engagement and this is reflected in both our growth in global audience and video views.

### Board changes

Arian Kalantari resigned from the Board in July 2023. His operational responsibilities were distributed among colleagues and will now be permanently retained by those members of the Group's established and strong leadership team. I would like to thank Arian for his support over the years, both in the terms of the vital contribution to the founding of the business and the years of success that have been achieved since.

It has been a great pleasure to work side-by-side with my good friend and I wish him all the best and look forward to his continued support as a shareholder.

I would also like to thank Tim Croston for his hard work and dedication over the past few years as our CFO.

### Clear line of sight to revenue opportunity

The operational and strategic progress that we made last year, combined with a strengthened senior leadership team, bringing a valuable range of experience, capabilities and disciplines into the business, places us in an excellent position to address the opportunities in front of us. The positive momentum in our direct and indirect businesses, as well as our expansion in the US, where the opportunity is substantial, provides a clear line of sight to achieving £200m of revenue. Underpinning this opportunity is our high levels of cash generation, giving the Group the ability to deploy capital to support our organic growth and acquisitions.

2023 was a year of good progress and has positioned the Group to continue to deliver profitable growth in the years ahead and we look forward to updating shareholders on our progress.

**Solly Solomou**  
Chief Executive Officer  
22 April 2024