

LBG Media plc

(The “Company” or “Group”)

Trading update and notice of half year results

LBG Media, the UK-based multi-brand, multi-channel digital youth publisher, is pleased to announce a trading update for the half year ended 30 June 2022 (“HY22” or “the period”).

Trading headlines

- HY22 revenue is anticipated to be £24.8m, 8% ahead of the prior year period (HY21: £23.0m). This performance follows strong prior year comparatives, where revenue grew 133% in HY21.
 - Direct revenue increased by 11% to £10.6m (HY21: £9.5m) driven by strong growth in the Group’s international business.
 - Indirect revenue increased by 4% to £13.6m (HY21: £13.1m). The significant growth in the volume of views continued in HY22, up c.40% vs the prior year period, reflecting growth in market share. However, this has been offset by a reduced revenue per view across the platforms as a result of the current economic environment.
- Cash and cash equivalents as at 30 June of £28.6m (HY21: £12.6m).

During the period the Group completed the small bolt on acquisition of the Go Animals Facebook pages, with a total of 6.8m followers, increasing its target audience and bringing a new genre of content to the Group’s brand portfolio. Post-acquisition, the page has been rebranded as Furry Tails (@furrytailsofficial).

Outlook

Indirect revenues have seen an improving trend towards the end of the first half into early trading in the second half, driven by an increase in revenues per view. This is expected to continue into a seasonally stronger second half. Activity in the Direct revenue segment has been supported by significant marketing in the first half which has led to a healthy pipeline of prospects as we enter the second half of the year.

Management remains confident that the Group’s full year performance will be at least in line with market expectations*. Given the investments made in the first half and typical seasonality in digital advertising, profitability is expected to be heavily second half weighted.

CEO, Solly Solomou commented:

“The Group continued to perform well both financially and operationally in the first half of the year, despite the challenging macro environment. We remain focused on producing exciting, relevant and socially responsible content to continue to engage our audience and grow our follower base.

As outlined at IPO, our growth strategy remains centred around our three core growth pillars; geographies, acquisitions and capabilities. Included within this core strategy was an ambition to establish a physical presence in the US, one of the largest social media markets in the world and a key growth market. We are excited to be in the process of establishing operations in the US, which are expected to commence trading in 2023.”

Notice of half year results

The Group intends to announce its 2022 half year results on Wednesday 21 September 2022.

* External market consensus for year ended 31 December 2022 (FY22) is currently:

- Revenue £65.4m
- Adj EBITDA £20.1m

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LBG Media plc

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Notes to editors

LBG Media is a multi-brand, multi-channel digital youth publisher and is a leading disrupter in the digital media and social publishing sectors. The Group produces and distributes digital content across a range of mediums including video, editorial, image, audio, and experience (virtual and augmented reality). Since its inception in 2012, the Group has curated a diverse collection of ten core specialist brands using social media platforms (primarily Facebook, Instagram, Snapchat, Twitter, YouTube and TikTok) and has built multiple websites to reach new audiences and drive engagement. Each brand is dedicated to a distinct popular interest point (e.g. sport, gaming etc.), which is designed to achieve broader engagement, increase relevance and ultimately build a loyal community of followers.

The Group operates two core routes to market: Direct revenue, which is principally generated from the provision of content marketing services to corporates, brand owners, marketing agencies and other entities such as government bodies and where the relationship with the client is held directly by LBG Media; and Indirect revenue, which is generated via a third-party, such as a social media platform or via a programmatic advertising exchange / online marketplace, which holds the relationship with the brand owner or agency.