

# LBG MEDIA PLC

## FULL YEAR RESULTS 2021

21 APRIL 2022



# THE TEAM

**Solly Solomou**

Founder & CEO



**Arian Kalantari**

Co-Founder & COO



**Tim Croston**

**FCCA**

CFO



# 2021 HIGHLIGHTS

**£54.5m**

**Revenue**  
**+81% yoy**

**£16.8m**

**Adjusted EBITDA**  
**+206% yoy**

**31%**

**Adjusted EBITDA**  
**Margin**  
**+13pp yoy**

**122%**

**Cash conversion**

**\$42bn<sup>1</sup>**

**Addressable**  
**market**

**63bn**

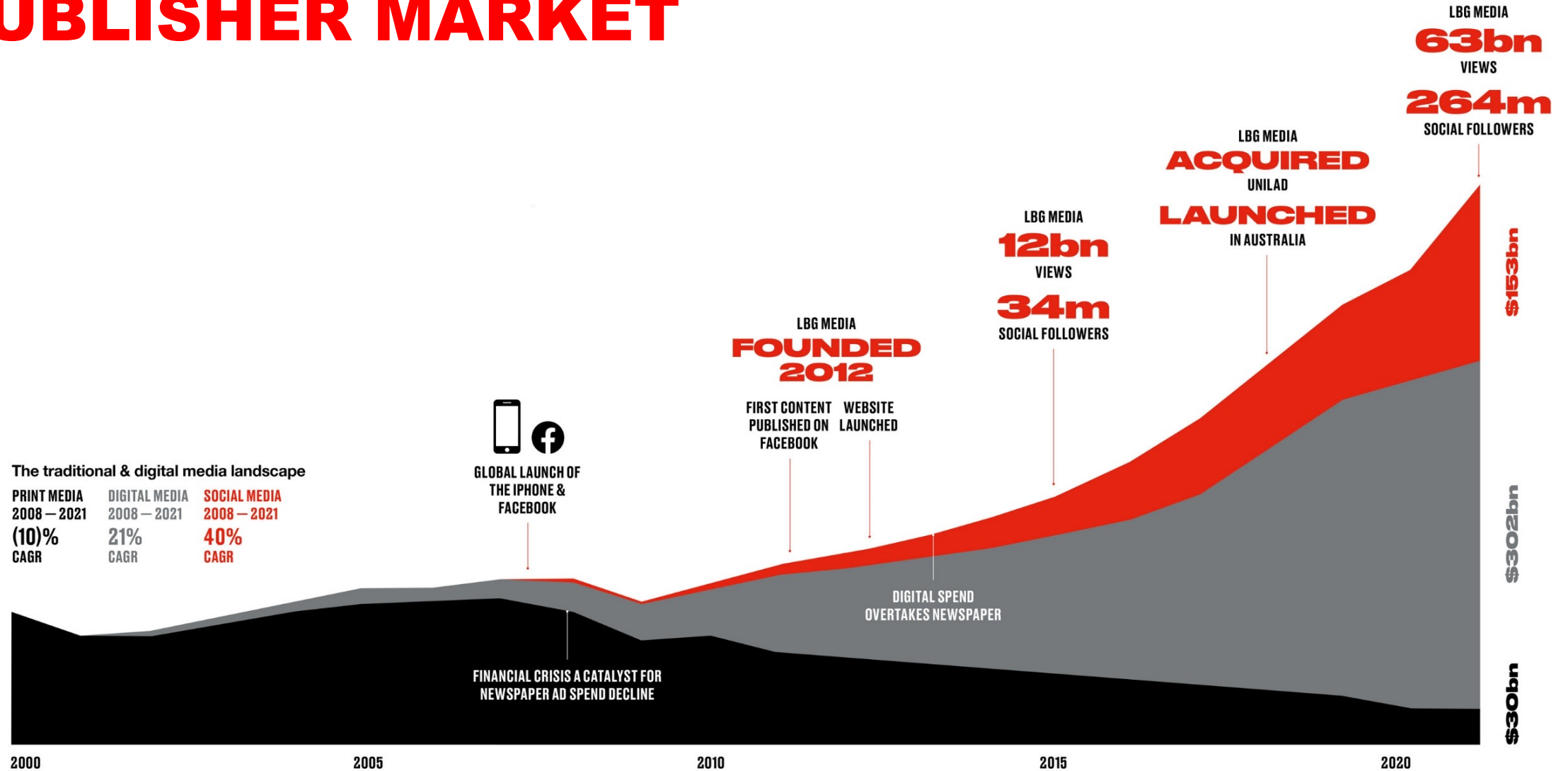
**Content views**  
**+97% yoy**

**264m**

**Social media**  
**followers**  
**+31m yoy**

<sup>1</sup> Source: 2019 report from PwC commissioned by LBG Media

# SOCIAL MEDIA PUBLISHER MARKET



Source: Visualizing the evolution of global advertising spend (1980-2020) : Visual Capitalist Source: Google Analytics, Facebook Analytics, CrowdTangle, Snapchat Analytics, Twitter Analytics, YouTube Analytics, TikTok Analytics, Google Ads Manager

Source: Google Analytics, Facebook Analytics, CrowdTangle, Snapchat Analytics, Twitter Analytics,

1 As of December 2021

# WE OPERATE IN SOME OF THE FASTEST GROWING SECTORS OF THE MARKET

RAPID GROWTH IN GLOBAL DIGITAL ADVERTISING SPEND...

**£336bn**  
GLOBAL DIGITAL  
ADVERTISING SPEND  
2021



↑ **12%**  
FORECAST GROWTH  
CAGR  
to 2024

LBG Media operates in some of the **fastest growing segments**

↑ **20%**  
SOCIAL VIDEO  
CAGR  
2020-23

↑ **11%**  
WEB PROGRAMMATIC  
CAGR  
2020-23

↑ **15%**  
CONTENT MARKETING  
CAGR  
2020-24



# STRATEGICALLY POSITIONED TO CAPITALISE ON GLOBAL TRENDS

## MOBILE VS TV

↑ **28%** vs **2%** ↓  
CAGR FROM TIME SPENT  
ON MOBILE VS TV  
2009-2021

## TIME

↑ **8%**  
CAGR FOR AVERAGE TIME SPENT  
ON A SMARTPHONE PER DAY  
2018-2021

## VIDEO

↑ **34%**  
GROWTH IN GLOBAL VIDEO  
ADVERTISING SPEND  
2018-2019

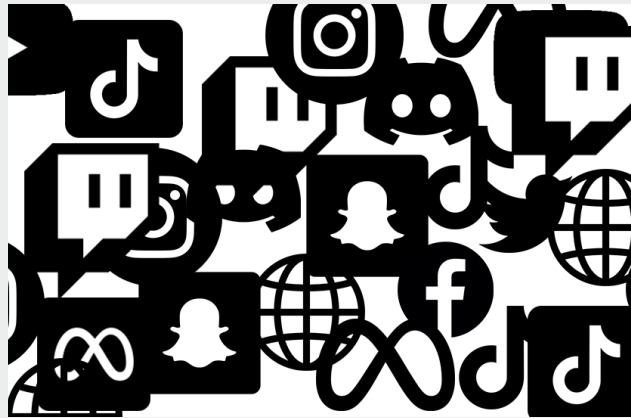
**CONSUMER HABITS AND  
GLOBAL 5G CONNECTIVITY  
EXPECTED TO DRIVE FUTURE SPEND**

**5G**

# PROGRESS AGAINST OUR THREE GROWTH PILLARS

## 01 Geographies

Established substantial community of loyal followers outside of core geographies<sup>1</sup>



137% international revenue growth YoY

## 02 Acquisitions

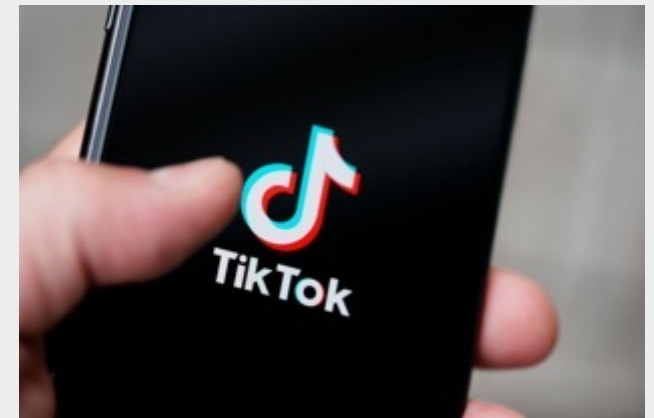
Refined M&A strategy, defining key criteria for targeted acquisitions



Focused on expanding our target audience

## 03 Capabilities

Now the biggest publisher on TikTok with over 27 million followers



Launched LADnation, our youth panel, with >15,000 community members and >70,000 surveys undertaken in the last 6 months



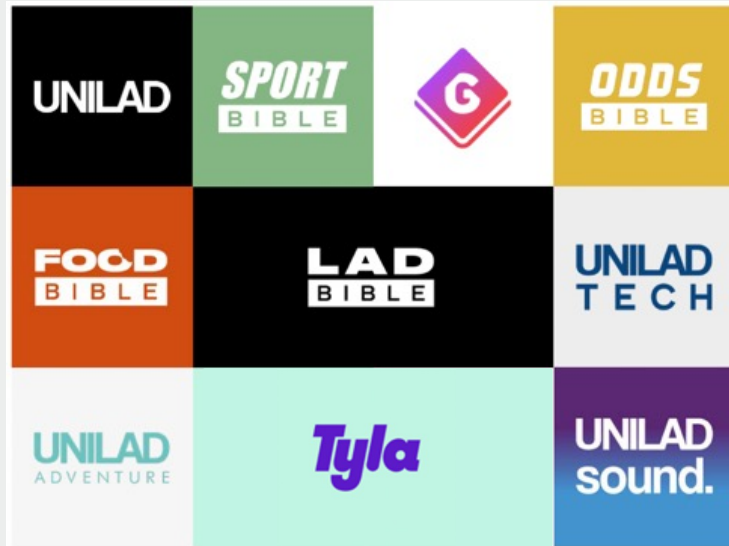
# Arian Kalantari

COO

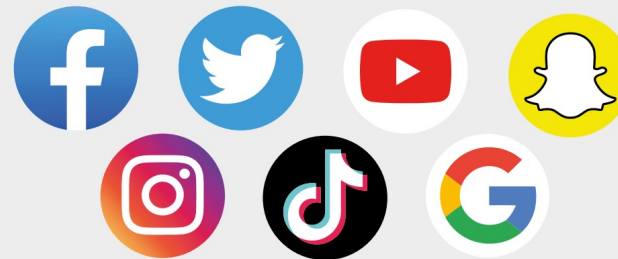


# THE WORLD'S MOST ENGAGED SOCIAL PUBLISHER

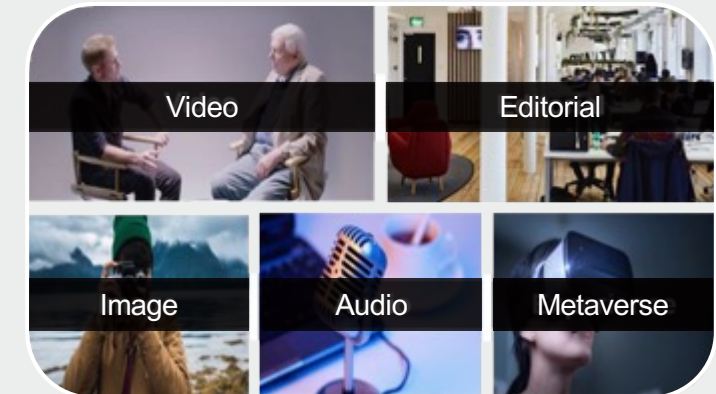
A PORTFOLIO OF BRANDS



SOCIAL & NON-SOCIAL  
PROGRAMMATIC

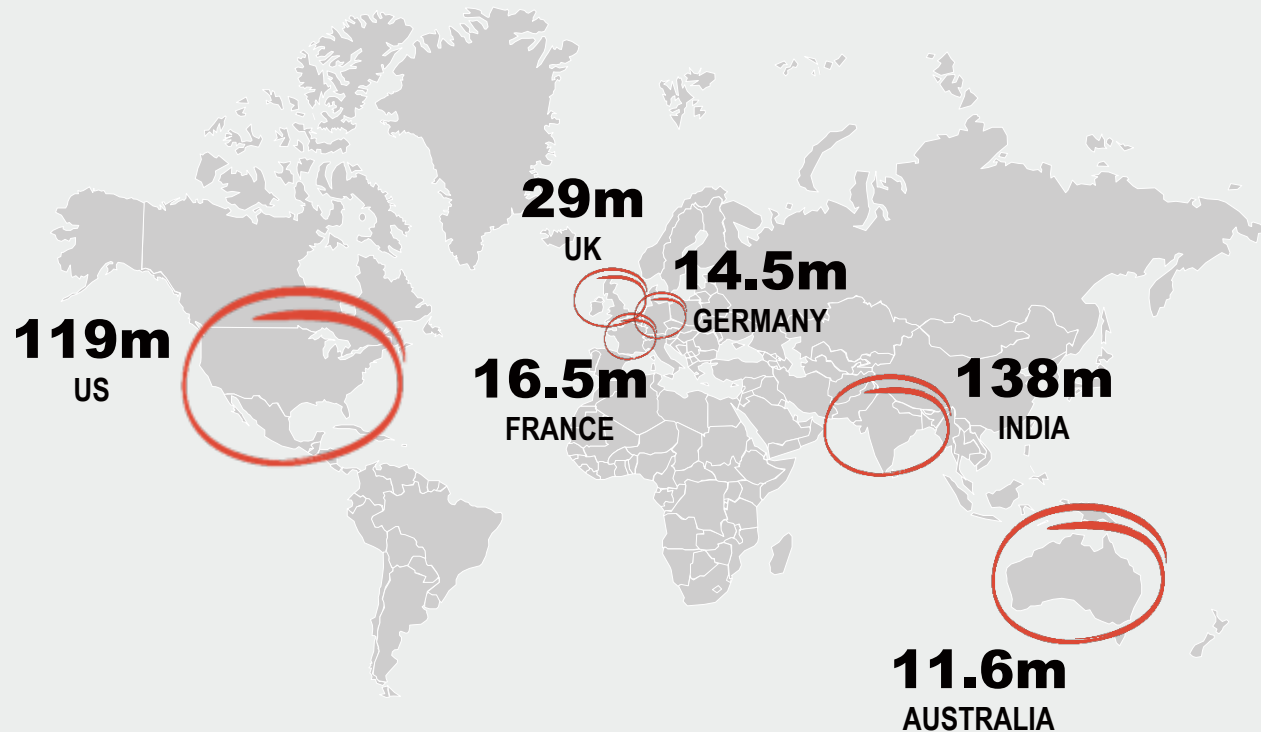


DIVERSIFYING THE FORMATS THROUGH  
WHICH WE ENGAGE WITH OUR AUDIENCE



# SIGNIFICANT DIFFERENTIATION FROM COMPETITORS

## A MULTI PLATFORM GLOBAL AUDIENCE<sup>1</sup>



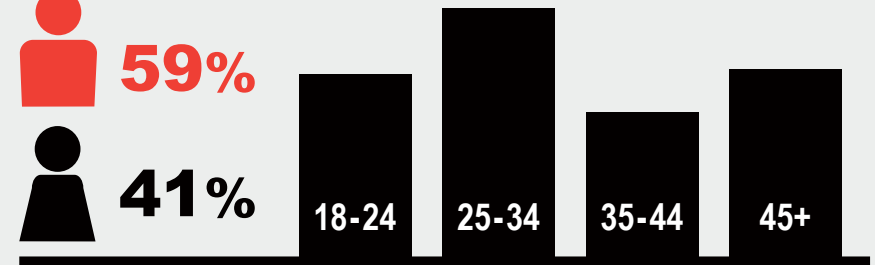
## CAPTURING A HARD TO REACH AUDIENCE

**64%**  
18-34 year  
olds in UK

Gender split

 **59%**

 **41%**



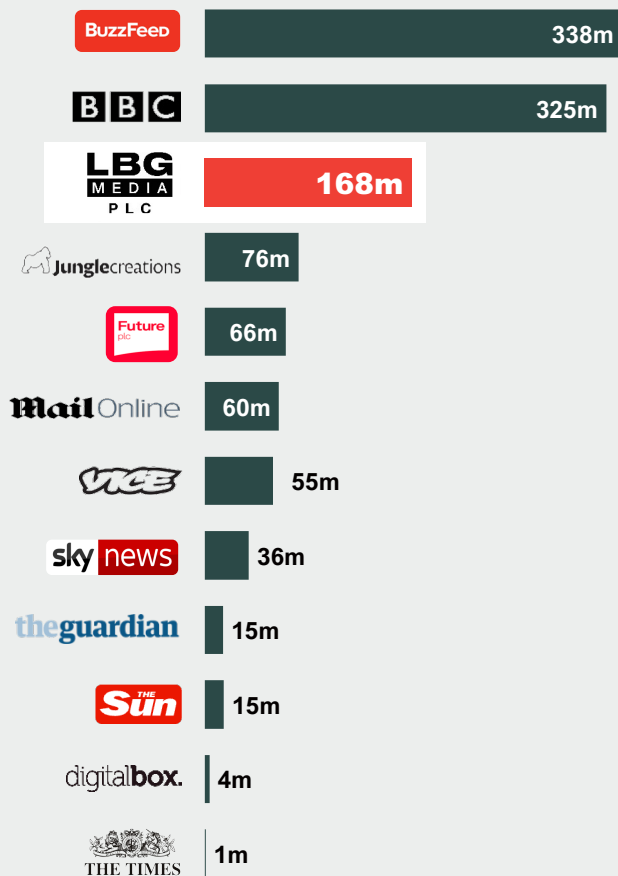
The LADbible generation...millennials & gen Z

1: Facebook unique users by geography

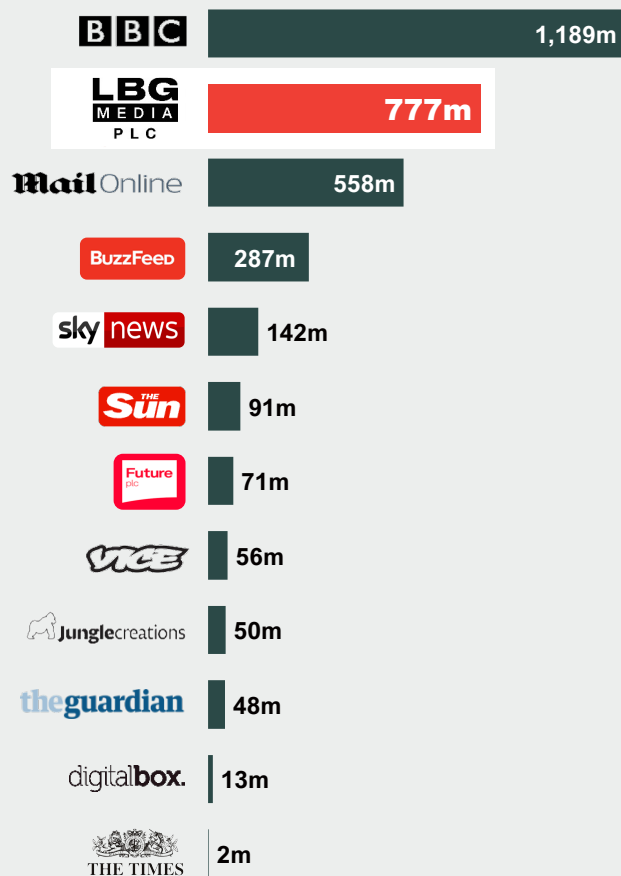
# UNRIVALLED ENGAGEMENT & VIEWS

## VS COMPETITORS

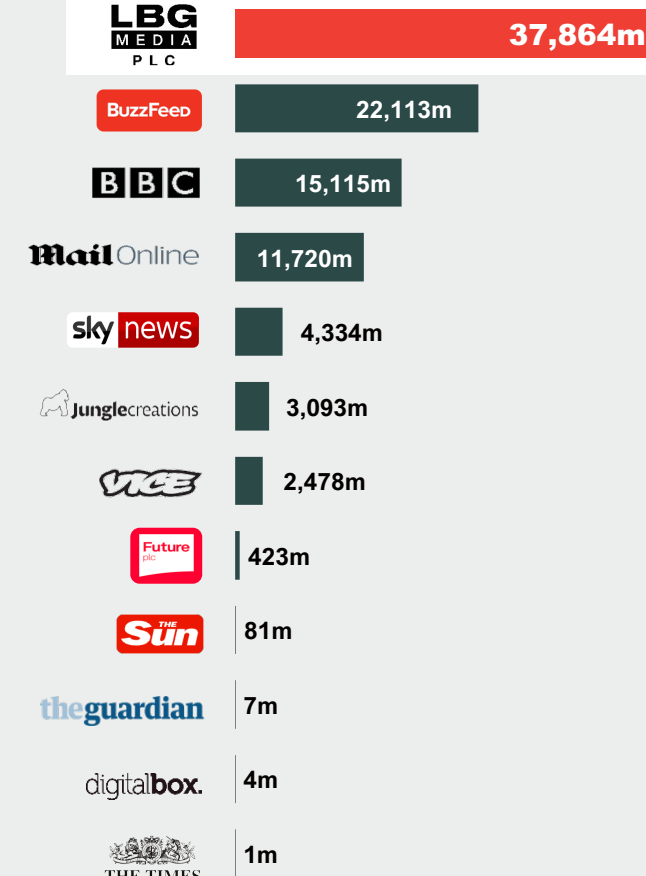
### SOCIAL MEDIA FOLLOWERS<sup>1</sup>



### INTERACTIONS<sup>1</sup>



### VIDEO VIEWS<sup>1</sup>



<sup>1</sup> Source: CrowdTangle. Note data is for Facebook only.

# SPEED, DATA & COST: DRIVING INCREASED CONTENT & VIEWS



**63bn**  
VIEWS PER ANNUM  
up 97% YOY

**53bn**  
MINUTES OF CONTENT  
WATCHED PER ANNUM  
up 140% YOY

**264m**  
FOLLOWERS  
up 31m YOY

# ENGAGING CONTENT



# TAKING OUR SOCIAL RESPONSIBILITY SERIOUSLY

## TALKING MENTAL HEALTH



Encouraging conversations around mental health amongst young people...

... to **remove misconceptions**

**10.8m**  
VIDEO VIEWS

## PLASTIC WASTE AWARENESS




Registered an area of plastic waste the size of France as an official country...

...so that other UN countries are obliged to **clean it up**



## EQUALITY: GIVING BLOOD



UNILAD teamed with  FREEDOM TODONATE to create worlds first bloodbank for Gay and Bi-sexual men...

...to **promote fairness and change** in outdated laws

**5,400+**  
PINTS PLEDGED

# MONETISATION

## CUSTOMERS

### BRAND OWNERS

Repeat business with a roster of blue chip multinational clients

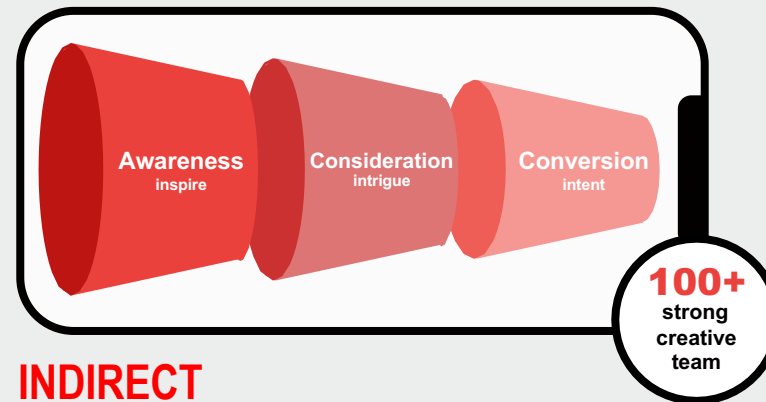
### MEDIA AGENCIES

Working with all the major agency groups

## ROUTES TO MARKET

### DIRECT

Bespoke full funnel marketing



### INDIRECT

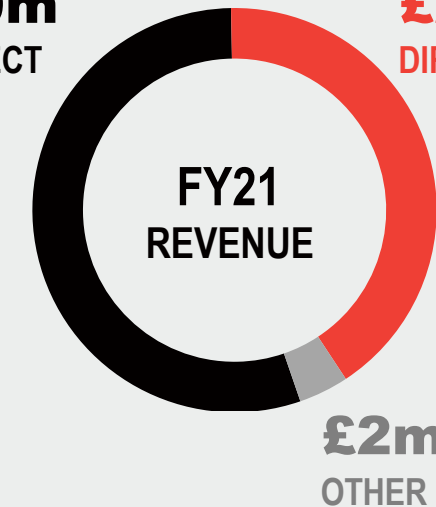
Programmatic advertising



## REVENUE

**£30m**  
INDIRECT

**£22m**  
DIRECT



**DIVERSIFIED**  
REVENUE MODEL

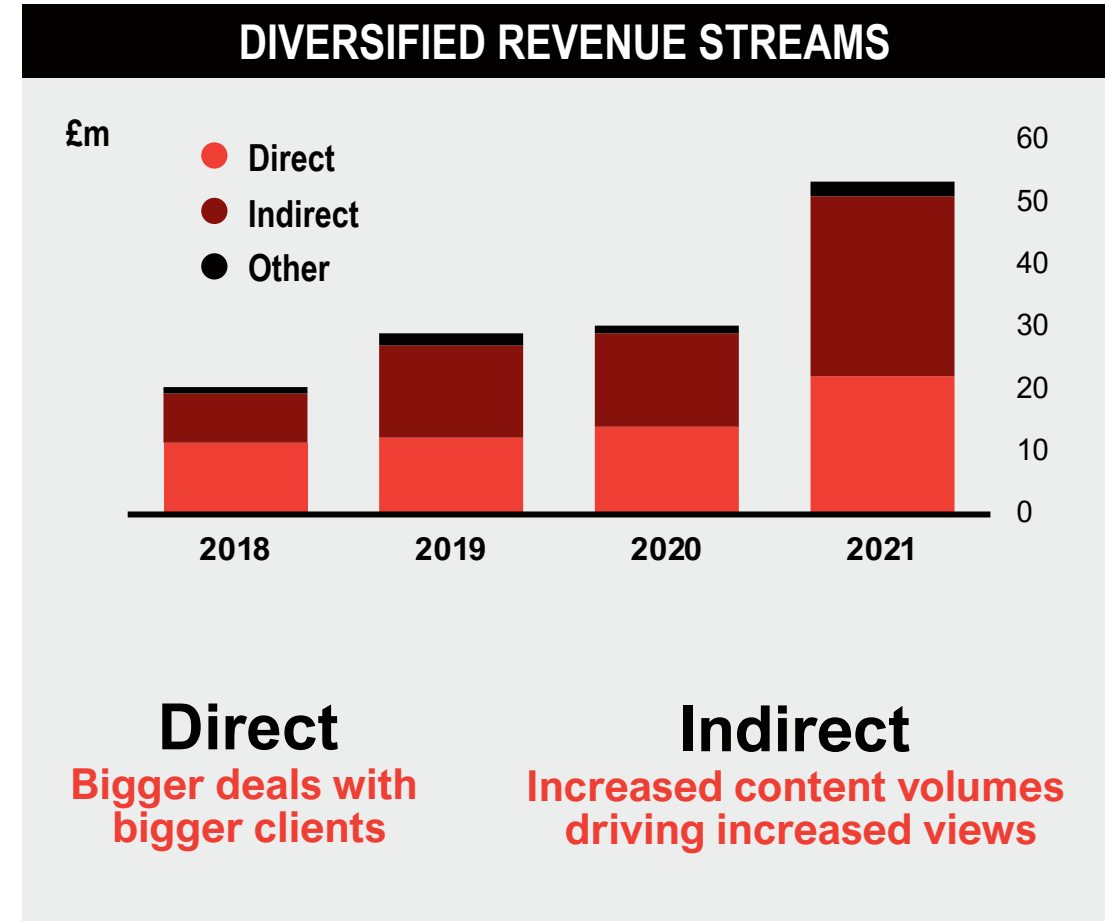
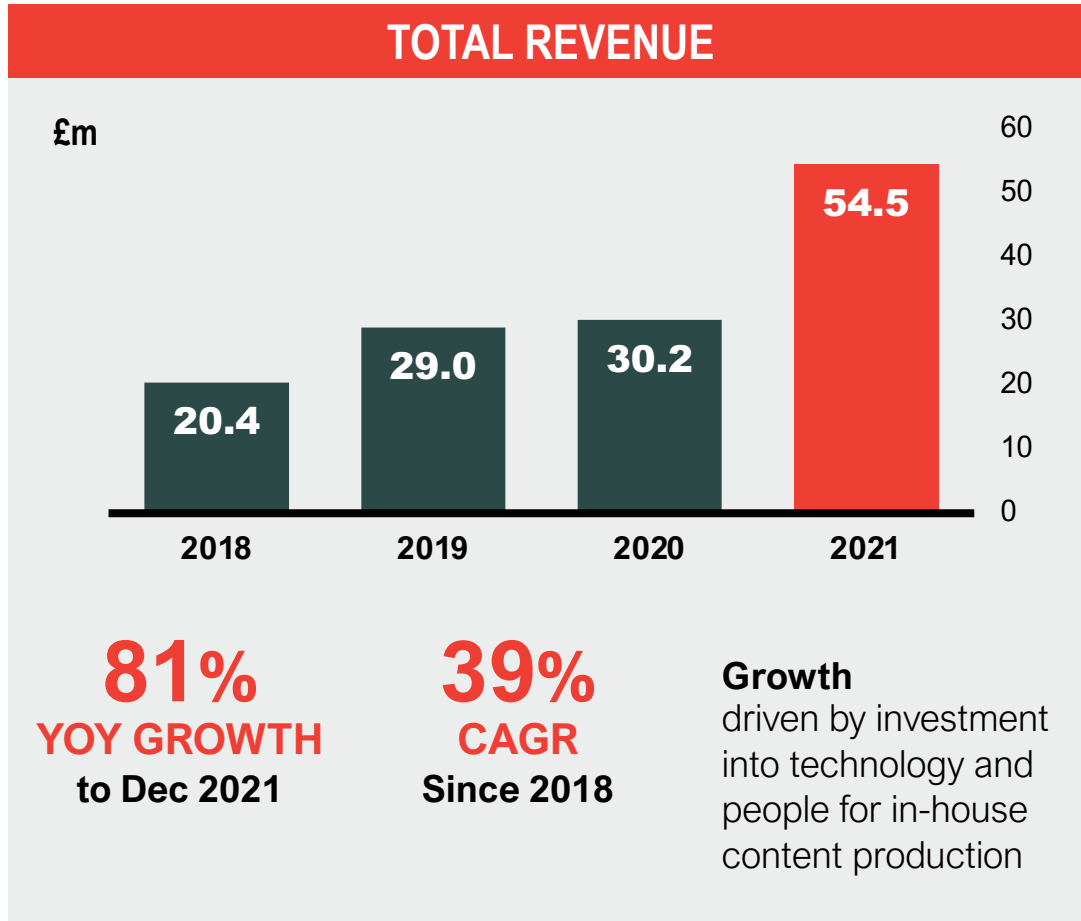




**Tim Croston**  
CFO

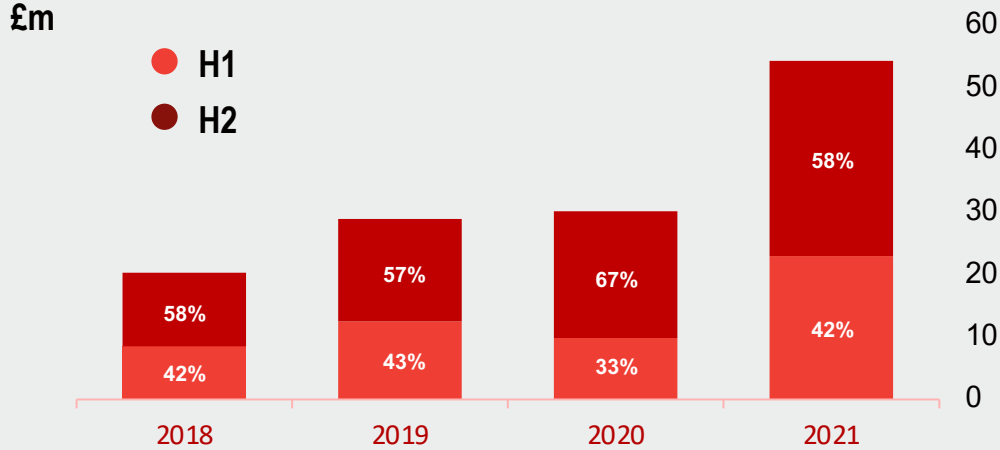


# CONTINUED REVENUE GROWTH AND DIVERSIFICATION



# REVENUE WEIGHTED TOWARDS SECOND HALF

## H1 / H2 REVENUE SPLIT



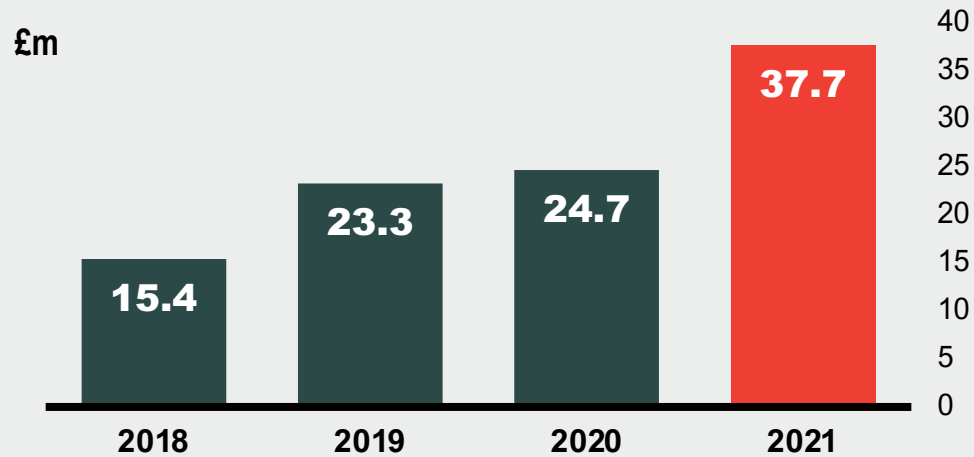
**42%/58%**  
**H1/H2**

**Seasonal advertising spend** with 2020 impacted by decreased advertising spend at the start of the pandemic



# COSTS

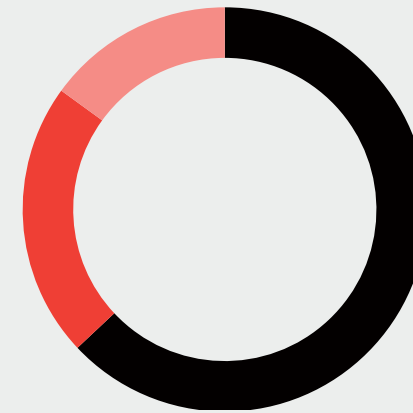
## MANAGEMENT OF COSTS<sup>1</sup>



**Continued investment** into technology and people to drive growth in content and audience

**Focus on disciplined cost management**

## SPLIT OF SIGNIFICANT NON EXCEPTIONAL COSTS<sup>1</sup>



- **63%** Staff costs (ex SBP)
- **22%** Content & production
- **15%** Other costs

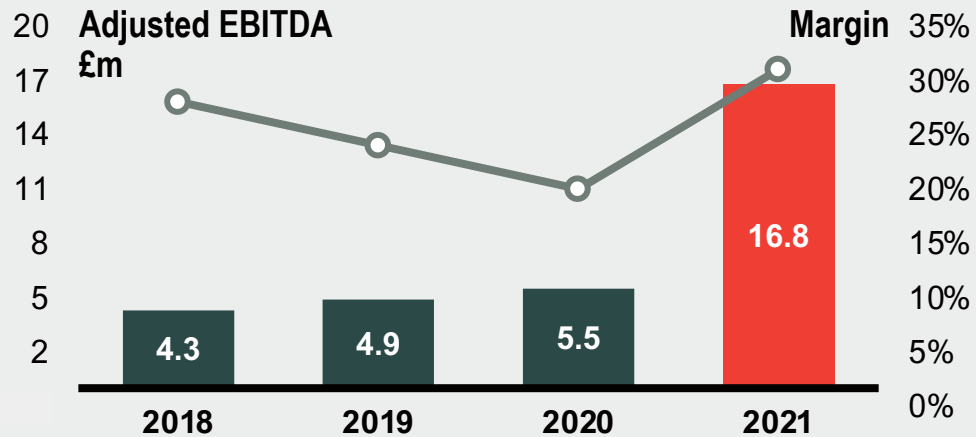
**45%**  
increase in **STAFF COSTS (ex SBP)** with increase in content creator headcount

**50%**  
increase in **CONTENT & PRODUCTION COSTS** supporting growth of content volumes

1. Net operating expenses before depreciation, amortisation, loss on disposal of assets, share based payments and exceptional costs/income

# PROFITABILITY & CASH GENERATION

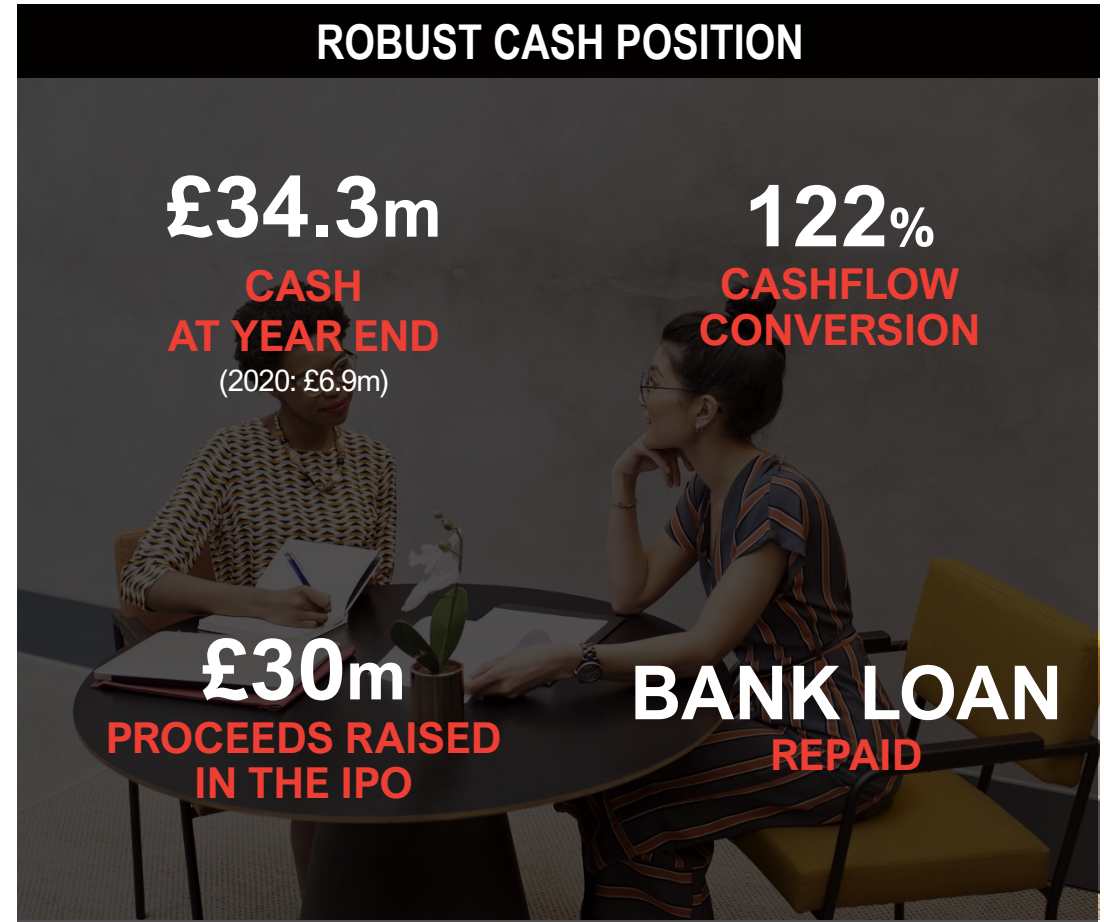
## STRONG ADJUSTED EBITDA & MARGINS



**206%**  
 YOY GROWTH  
 in adjusted EBITDA

**31%**  
 EBITDA MARGIN  
 up from 18% in FY21

## ROBUST CASH POSITION





## OUTLOOK

- Digital advertising spend was £336 billion<sup>1</sup> in 2021 and is expected to grow at 12% p.a.<sup>1</sup> until 2024
  - LBG Media operates within some of the fastest growing segments of this market
  - With a significant audience, diversified global footprint and strong financial position, the Group is well placed to take advantage of future growth opportunities

## GUIDANCE

- YTD performance in line with expectations
  - On track to deliver against revenue growth expectations for the full year
  - As with prior years, revenue and EBITDA are affected by seasonality in advertising spend. Margins are therefore weighted to H2 given that costs are relatively flat throughout the year

1. Emarketer. GBP:USD fx rate of 1.353372 as at 31/12/2021



# Solly Solomou

## CEO

# DRIVING FUTURE GROWTH THROUGH THREE KEY PILLARS

## 01 Geographies



### **Growing**

the Group's existing community

### **Taking advantage**

of readily available international audiences

### **Expansion**

into new territories

## 02 Acquisitions



### **Entry**

into new geographies

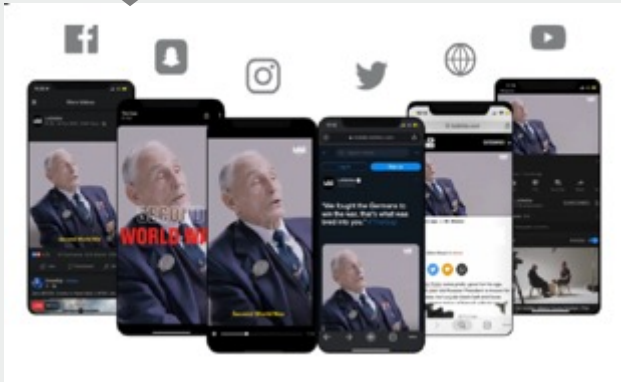
### **Access**

to new target audiences

### **Opportunities**

to acquire new capabilities

## 03 Capabilities



### **New**

social platforms

### **Monetising**

the audience

### **Introducing**

new capabilities

# SUMMARY

Delivered **81% revenue growth** and **206% adjusted EBITDA growth** year on year

**Significant** addressable market of **\$42 billion**

We operate in the **fastest growing segments** of the market

**Ambitious plans** to grow geographically, through M&A and enhanced capabilities

Well positioned to take advantage of **future opportunities** as we execute our **growth strategy**





# Q&A

# APPENDICES

# PROFIT & LOSS

## Historical Financial Performance

	Y/e Dec 2019 £'000	Y/e Dec 2020 £'000	Y/e Dec 2021 £'000
<b>Revenue</b>	<b>29,023</b>	<b>30,170</b>	<b>54,502</b>
<i>Growth rate (%)</i>	42%	4%	81%
Net operating expenses	(25,865)	(25,784)	(46,255)
<b>Operating Profit</b>	<b>3,158</b>	<b>4,386</b>	<b>8,247</b>
<i>Margin (%)</i>	10.9%	14.5%	15.1%
Net finance costs	(1,035)	(318)	(232)
Share of JV profits	-	45	115
<b>Profit before taxation</b>	<b>2,123</b>	<b>4,113</b>	<b>8,130</b>
<b>Adjusted EBITDA</b>	<b>5,745</b>	<b>5,472</b>	<b>16,757</b>
<i>Margin (%)</i>	19.8%	18.1%	30.7%
Depreciation	(1,107)	(1,205)	(1,332)
Amortisation	(753)	(901)	(793)
Loss on disposal of intangibles	-	(481)	
Exceptional (costs) / income	(727)	1,640	(4,858)
<b>Operating Profit / (Loss)</b>	<b>3,158</b>	<b>4,386</b>	<b>8,247</b>

# BALANCE SHEET

## Historical Financial Performance

	Y/e Dec 2020 £'000	Y/e Dec 2021 £'000
Goodwill & other intangibles	15,055	14,558
Property, plant & equipment	4,598	3,705
Investment in JV	244	359
Other	436	469
<b>NON CURRENT ASSETS</b>	<b>20,333</b>	<b>19,091</b>
Trade and current assets	13,680	15,153
Cash & cash equivalents	6,937	34,338
<b>CURRENT ASSETS</b>	<b>20,617</b>	<b>49,491</b>
<b>TOTAL ASSETS</b>	<b>40,950</b>	<b>68,582</b>
Lease liabilities	3,689	2,648
Interest bearing loans and borrowings	10,248	-
Deferred tax liability	594	920
Provisions	206	209
<b>NON CURRENT LIABILITIES</b>	<b>14,737</b>	<b>3,777</b>
Lease liabilities	1,039	1,111
Interest bearing loans and borrowings	2,952	-
Trade & other payables	7,415	11,209
Current tax liabilities	590	204
<b>CURRENT LIABILITIES</b>	<b>11,996</b>	<b>12,524</b>
<b>TOTAL LIABILITIES</b>	<b>26,733</b>	<b>16,301</b>
<b>TOTAL NET ASSETS</b>	<b>14,217</b>	<b>52,281</b>

# CASHFLOW

## Historical Financial Performance

	Y/e Dec 2019 £'000	Y/e Dec 2020 £'000	Y/e Dec 2021 £'000
<b>Adjusted EBITDA</b>	<b>5,745</b>	<b>5,472</b>	<b>16,757</b>
<b>Cash from Operating Activities</b>	<b>6,742</b>	<b>1,950</b>	<b>13,004</b>
<i>Operation cashflow conversion (%)</i>	<i>117%</i>	<i>37%</i>	<i>78%</i>
Tax received / (paid)	(361)	(1,088)	(678)
Purchase of intangibles	(427)	(127)	(295)
Purchase of PPE	(330)	(254)	(353)
<b>Free Cashflow</b>	<b>5,624</b>	<b>481</b>	<b>11,675</b>
<i>Free cashflow conversion (%)</i>	<i>98%</i>	<i>9%</i>	<i>70%</i>
Acquisition	-	-	-
Proceeds / (Repayment) of borrowings	(4,450)	1,850	(13,200)
Net interest received / (paid)	(1,035)	(335)	(250)
Lease incentives / (payments)	(655)	(1,165)	(1,055)
Costs incurred on IPO charged to share premium	-	-	(990)
Proceeds from share issue	(22)	63	30,000
<b>Net Cashflow</b>	<b>(538)</b>	<b>1,195</b>	<b>27,401</b>