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Looking back at 2023, the quality of our colleagues has shone through significantly in what has been a difficult year for the global entertainment and digital advertising markets.

It is a testament to our people that we have faced the challenges head on and delivered a good financial performance, continued our growth and made strategic progress. Our ability to generate extraordinary content that resonates with over 450m people globally is the most significant reflection of the quality of our people and the leadership of our management teams.

The loyalty of our clients is also replicated by our other stakeholders, including our shareholders, who continue to support the business and the vision of the executive team. Their belief in our operations, model, and ability to effectively engage with our social and digital following is something that the Board and I are really thankful for.

A portrait of Dave Wilson, the Chair, smiling and wearing glasses and a suit jacket. The background is dark.

**IT'S BEEN ANOTHER YEAR OF
PROGRESS AND
GLOBAL EXPANSION**

DAVE WILSON – CHAIR

Progress achieved in 2023

Our ongoing financial momentum is reflected in revenue and adjusted EBITDA growth of 7.5% and 10.8% respectively, supported by the acquisition of Betches that has turbocharged our position in the world's largest advertising market, the US, and strengthened our senior leadership team with the addition of its three co-founders. In addition, the successful changes to our operating model in ANZ demonstrate the flexibility of our business model.

Betches was a step-change acquisition and one which represents meaningful progress against our three strategic pillars. With its focus on US-based millennial and Gen Z female audiences, it materially expands our footprint in the US and appeal to global brands. The deal brings major new clients to the portfolio, unlocks new capabilities and, with a significant portion of Betches's revenue being long-term recurring direct partnerships, strengthens that income stream. We're already seeing positive results with joint pitch wins for brands such as White Castle, Mars and Peacock. The founders of Betches are brilliant leaders and share in our vision and outlook. I speak for everyone when I say we are thoroughly excited by what the future holds.

Another important step taken by the business in the year was the way it carried out a strategic review of reducing profitability in ANZ and took considerate but prompt action to implement a new operating model. The changes, which completed in Q4, reflect a new, low-risk model and sees us partner with Val Morgan Digital, the largest online media publisher in Australia, who will represent our brand through a strategic five-year commercial partnership for the delivery of direct revenue. The changes also saw us centralise our social and web operations into our UK centre of excellence, providing a more efficient cost base for indirect

revenue from the region. The steps were critical in ensuring we deploy our resources optimally while maintaining a foundation for sustainable growth, and the learnings represent a blueprint for opportunities in other regions.

While operating through challenging market conditions, our cash generative nature is a significant strength and we maintained a £15.8m cash position at year-end. This enables us to rapidly deploy capital into new growth initiatives as they arise, both organically and inorganically, and our ambition in that regard remains undiminished.

Social responsibility and governance

Our position as a socially responsible organisation is founded on our ability to engage with our audience, giving them a voice by building communities that laugh, think and act. This is a fundamental enabler of our success, and we will stay true to these core values in the years ahead.

Board and management changes

During the year, Arian Kalantari stepped down from the Board and I would like to thank him for his contribution to LBG Media. With our excellent team, we are grateful that his operational responsibilities have been seamlessly distributed to the newly formed senior leadership team.

Tim Croston notified the Board of his intention to retire from a full-time executive role and he formally stood down from the Board on 12 April 2023, with Richard Jarvis joining the Board as CFO on 12 April 2023. I'd also like to welcome Aleen Dreksler, Jordana Abraham and Samantha Sage, the Betches co-founders, to the senior leadership team. We believe there is a very strong cultural fit between the businesses and the strength of the combined leadership across the organisations is already bearing early fruit.

At all levels of our business, the creative culture and talent is as strong as it has ever been, and all 446 people bring unique perspective. A combination of skills, ambition and focus on our strategic pillars will continue to provide the fuel for our growth in the coming years.

Outlook

Our global digital entertainment business, which is focused on young adults and operates in the biggest and fastest growing sectors of the advertising market, presents a unique and highly differentiated proposition. We have an audience that is growing at scale, and our brand recognition is deep-rooted within our communities and drives our market-leading user engagement. The insight and analysis we can provide our brands and partners is unmatched and is a direct result of the profound understanding we have of our audience. The combination of these factors provides the business a competitive edge, and our diversified revenue model, with robust margins and high cash conversion, is a significant attraction for investors.

The acquisition of Betches, combined with our existing footprint in the US, has put LBG Media in a strong position to progress in the US market, where the opportunity is substantial. Betches' highly complementary capabilities means we finished 2023 with an even more diverse offering, and the Board remains confident in the Group's ability to capitalise on the growing market in digital advertising and create significant value for shareholders in the years ahead.

Dave Wilson
Chair
22 April 2024