

LBG
MEDIA

PLC

**FULL YEAR
RESULTS**

2022

12 APRIL 2023



THE TEAM

Solly Solomou
Founder & CEO



Tim Croston
FCCA
CFO



INCOMING CFO

Richard Jarvis

Incoming CFO



Richard has held a number of senior roles at AIM-listed GB Group plc, since joining in 1996.

Managed & developed a global finance team across UK, USA, & APAC, gained significant international growth and M&A experience, and guided on performance, commercial opportunities and risks.

FY 2022 SUMMARY

£62.8m

Revenue
+15% yoy

£15.7m

Adj. EBITDA
-6% yoy

47%

Increase in
international
revenue

98bn

Content views¹
+56% yoy

366m

Global audience
+39% yoy

c. 2/3rds

Direct revenue
from recurring
clients

1: Views (source: Tubular), 2: Across Facebook, Instagram, Twitter, YouTube, TikTok & Snapchat

H2 2022 HIGHLIGHTS

£38.0m
H2 revenue
+21% yoy

£14.1m
H2 Adj.
EBITDA
+48% yoy

62bn
H2 content
views¹
+68% yoy

1: Facebook video views only (source: Tubular)

WE CREATE A POSITIVE CYCLE OF **AUDIENCE** GROWTH, INSIGHTS AND TARGETED CONTENT



ADVERTISING MARKET TRENDS



Global advertising market grew 7% in 2022, with continued growth forecast (2023: 6%¹). We operate in the fastest growing digital segments of this market, which grew 9% in 2022 (forecast 2023: 8%¹)



US has world's largest advertising spend¹ and we are building a physical presence there to monetise operations



The number of global social media users continues to grow, from 4.6bn in 2022, projected to grow to 5.9bn by 2027²



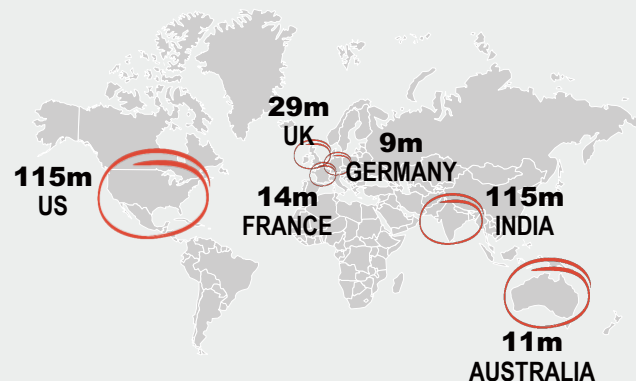
Number of mobile internet users continues to increase in the UK, up 9% CAGR over the last 4 years, and is expected to continue to grow²

PROGRESS AGAINST OUR THREE GROWTH PILLARS

01 Geographies

International now represents 20%
of Group revenue

A multi platform global audience¹



Continued to build our reputation,
working with globally recognised
brands

VISA



Ladbrokes

amazon

DIAGEO

★ Heineken

02 Acquisitions

LBG appointed first M&A Director

**Key area of focus for the
business**

Two acquisitions in the year:

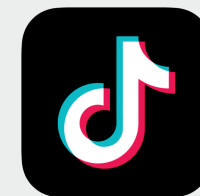


LAD
BIBLE
IRELAND

03 Capabilities

Growing our website

Page views +32% yoy



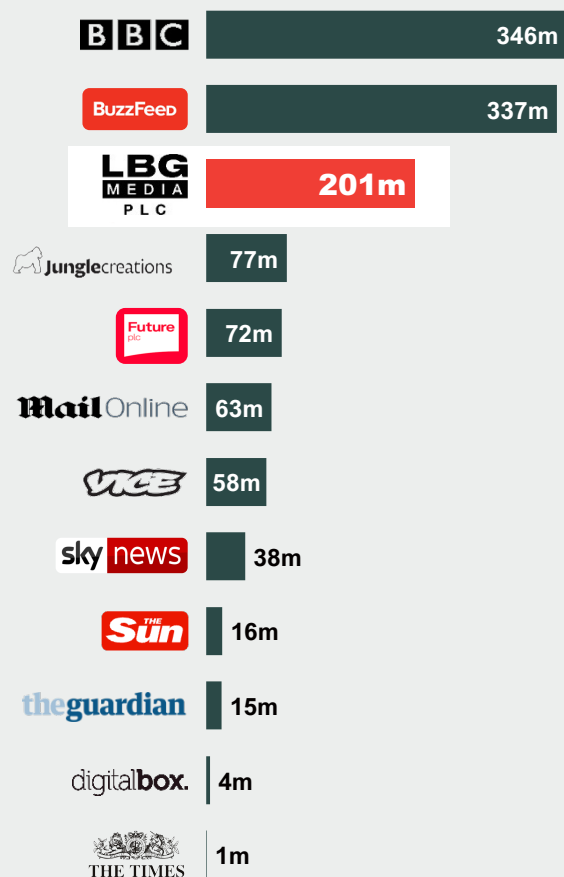
**No.1 news
publisher on
TikTok
+72% followers**



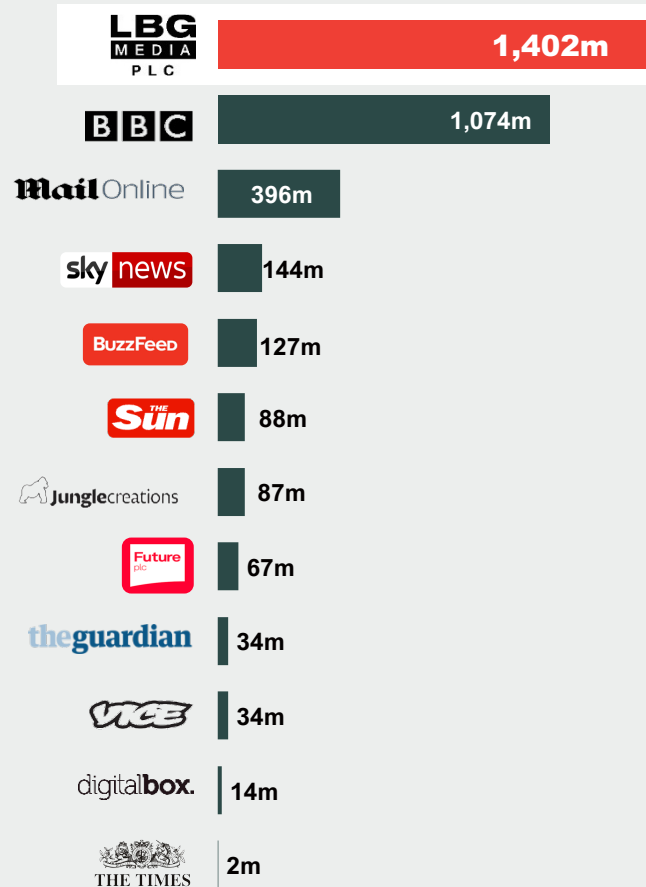
**Continued to scale
LADnation
>55,000 members**

UNRIVALLED ENGAGEMENT VS COMPETITORS

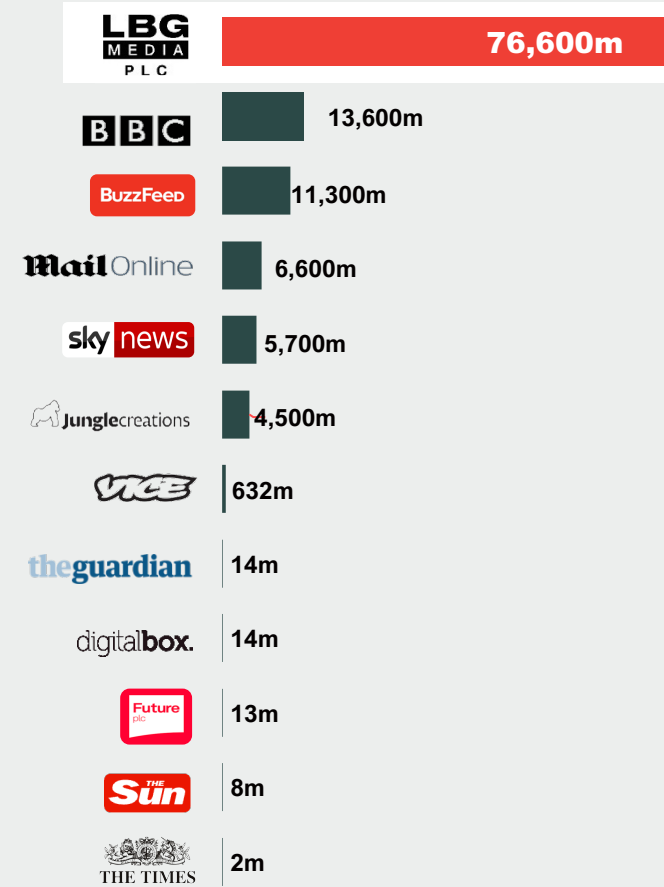
FACEBOOK FOLLOWERS¹



INTERACTIONS¹



VIDEO VIEWS²



¹ Source: CrowdTangle. Note data is for Facebook only. ² Source: Tubular

NB This data is not comparable year on year

DEVELOPING INDIVIDUAL BRAND IDENTITY



CONTINUING TO TAKE OUR SOCIAL RESPONSIBILITY SERIOUSLY

SEXUAL ABUSE & VIOLENCE AWARENESS WEEK



We worked with **several**
charities on editorial content

2.3m
PEOPLE
REACHED

ABORTION: ROE vs WADE



We ran a campaign to end stigma and educate our audience following the Supreme Court's decision

... A hub of resources was shared across platforms to help raise awareness and offer support



Tim
Croston
CFO

MONETISATION: **ROUTES TO MARKET**

Direct

**c45%
of Group
Revenue**

Indirect

**c55%
of Group
Revenue**

DIRECT ROUTE TO MARKET

- ❖ **Direct commercial partnerships** created for leading brands and media agencies who want to reach our **huge youth audience**
- ❖ LBG creates & produces **bespoke Branded Content & Direct Display advertising campaigns**
- ❖ Publication across LBG's social channels and websites, allowing brands to **connect and communicate with our audiences**

**Client
Brief**

Creative

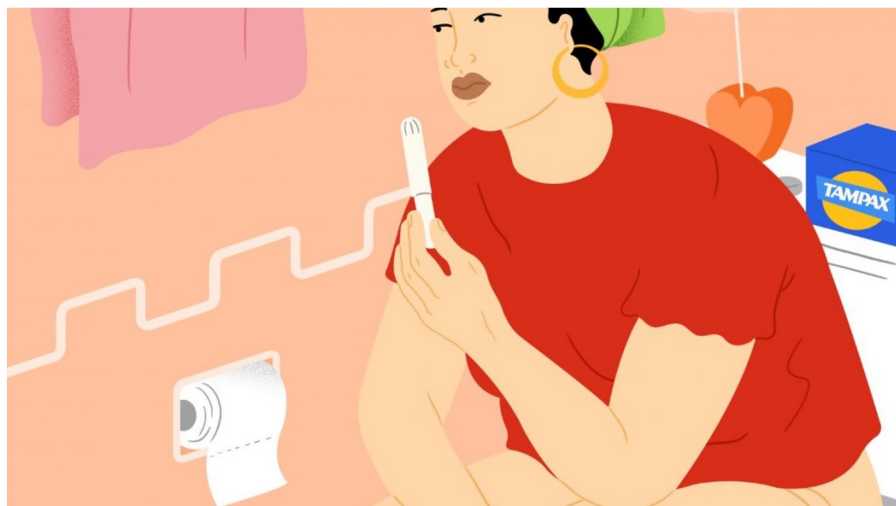
Production

**Content
Delivery**

Measure



DIRECT REVENUE: CASE STUDY TAMPAX THINK OUTSIDE THE BOX



Campaign Media Awards Best use of insights



Client problem to solve

- ❖ LADBible Group were briefed to help Tampax discover why young people feared Tampons

What did we do?

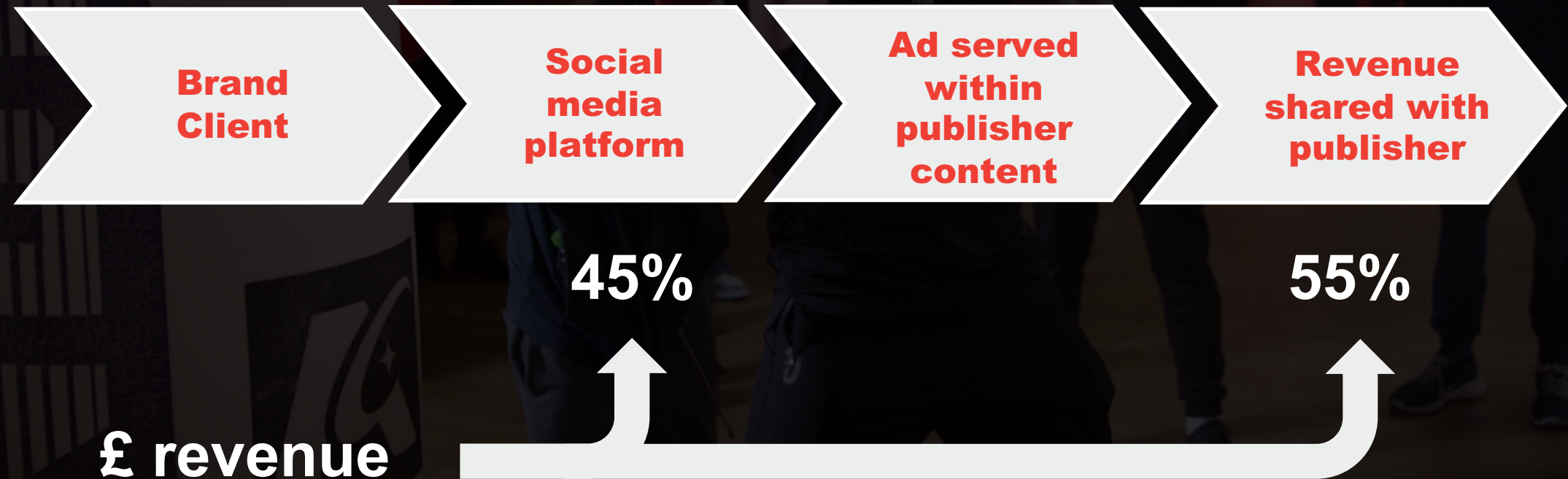
- ❖ Research poll with our audience
- ❖ Teamed up with a celebrity – Scarlett Moffat
- ❖ Produced a social video featuring Scarlett
- ❖ Designed new instructions

What was the outcome?

- ❖ Reached over 5 million people over one month
- ❖ 40,000 engagements
- ❖ 70% of people who saw the campaign felt more comfortable with the product
- ❖ One third said they would buy Tampax

INDIRECT ROUTE TO MARKET

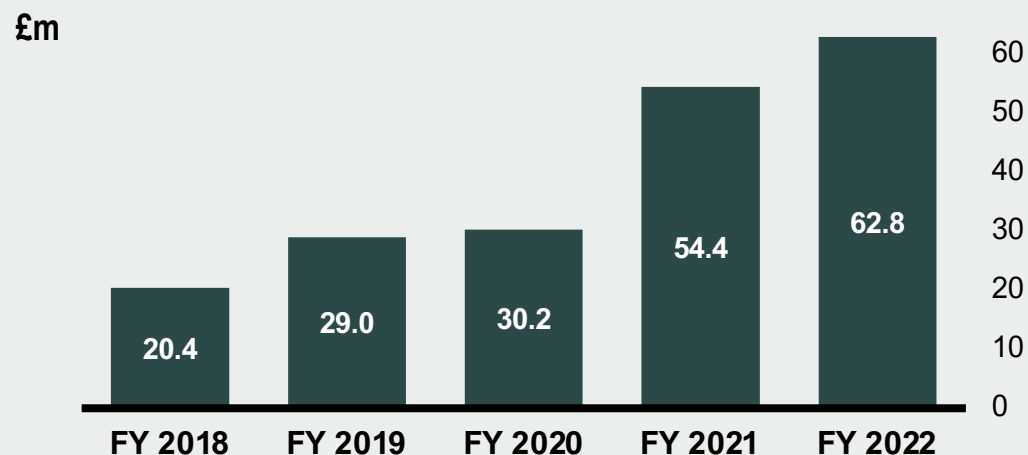
- ❖ Social video and web editorial content
- ❖ Programmatic advertising
- ❖ Revenue share with social media platforms & ad exchanges



FINANCIALS

CONTINUED REVENUE GROWTH AND SEASONALITY

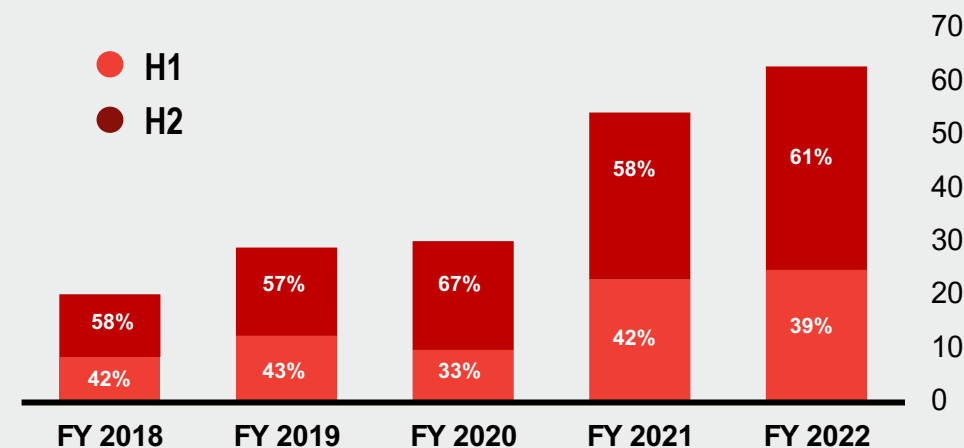
TOTAL REVENUE



15%
YOY GROWTH
vs FY 2021

33%
CAGR
Since FY 2018

H1 / H2 REVENUE SPLIT

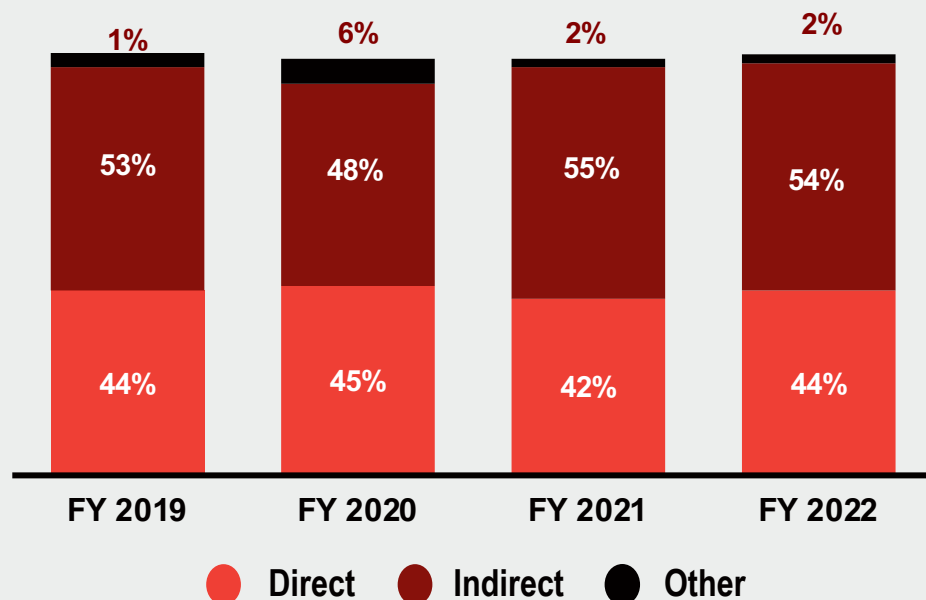


21%
GROWTH
IN H2

Seasonal advertising spend
with increased spend for the World
Cup in November & December

CONTINUED REVENUE GROWTH AND DIVERSIFICATION

DIVERSIFIED REVENUE STREAMS



Direct +17%

Bigger deals with bigger clients & strong growth in International

Indirect +13%

Increased content volumes and pivot to short-form video

Direct

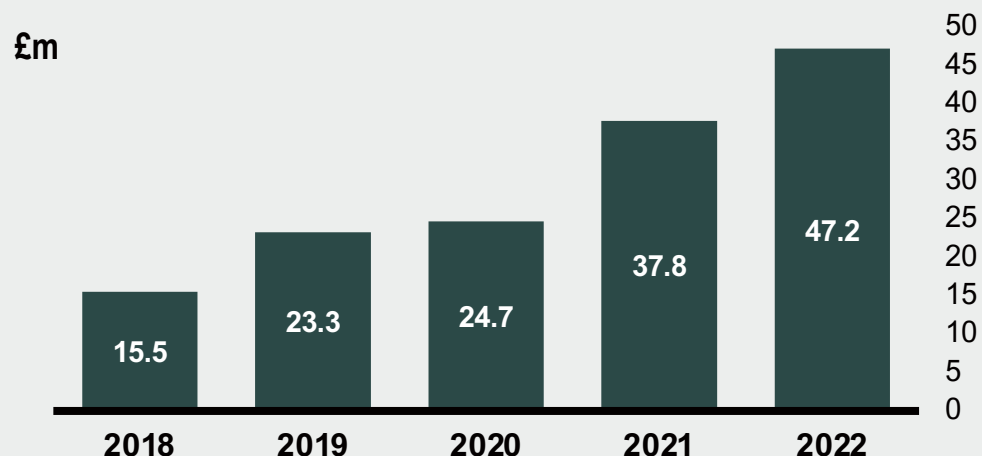
- ❖ Direct partnerships with brand owners
- ❖ Strong growth £27.8m +17% yoy
- ❖ H2 £17.3m +21% yoy
- ❖ 44% of revenue
- ❖ 33% conversion, up from 21%
- ❖ Growing recognition with global brands
 - ❖ Disney+, Google, Unilever

Indirect

- ❖ Revenue share with social platforms and ad exchanges
- ❖ £33.6m +13% yoy
- ❖ H2 £20m +20% yoy
- ❖ 54% of revenue
- ❖ Monetisable views up 49%
- ❖ Early identification and adoption of short form opportunity

COSTS

MANAGEMENT OF COSTS¹

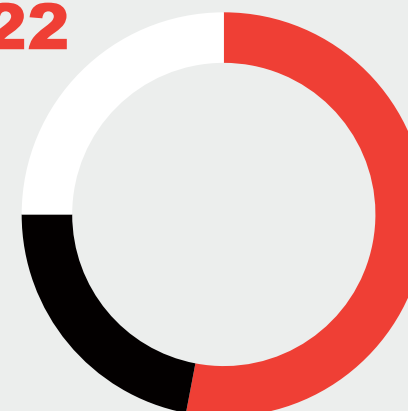


2022 costs

- **COS** £10.6m, +£3.4m yoy – revenue growth & content acquisition
- **Payroll** £24.8m, +£3.4m yoy – commensurate with revenue growth
- **Overheads** £11.8m, +£2.7m yoy – return to post Covid operations, live marketing events etc

COST SPLIT

FY22



- **53%** Payroll
- **22%** Content & production
- **25%** Overheads

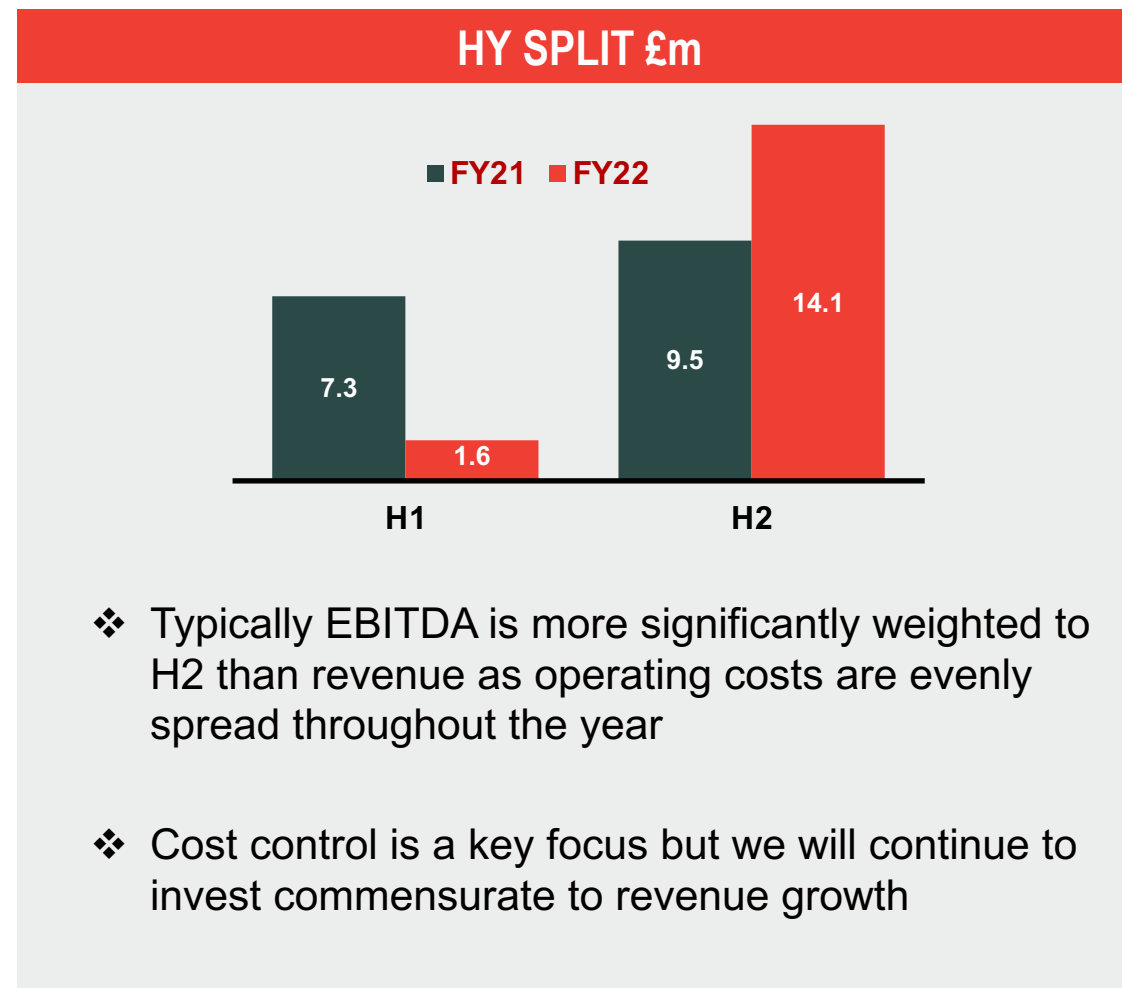
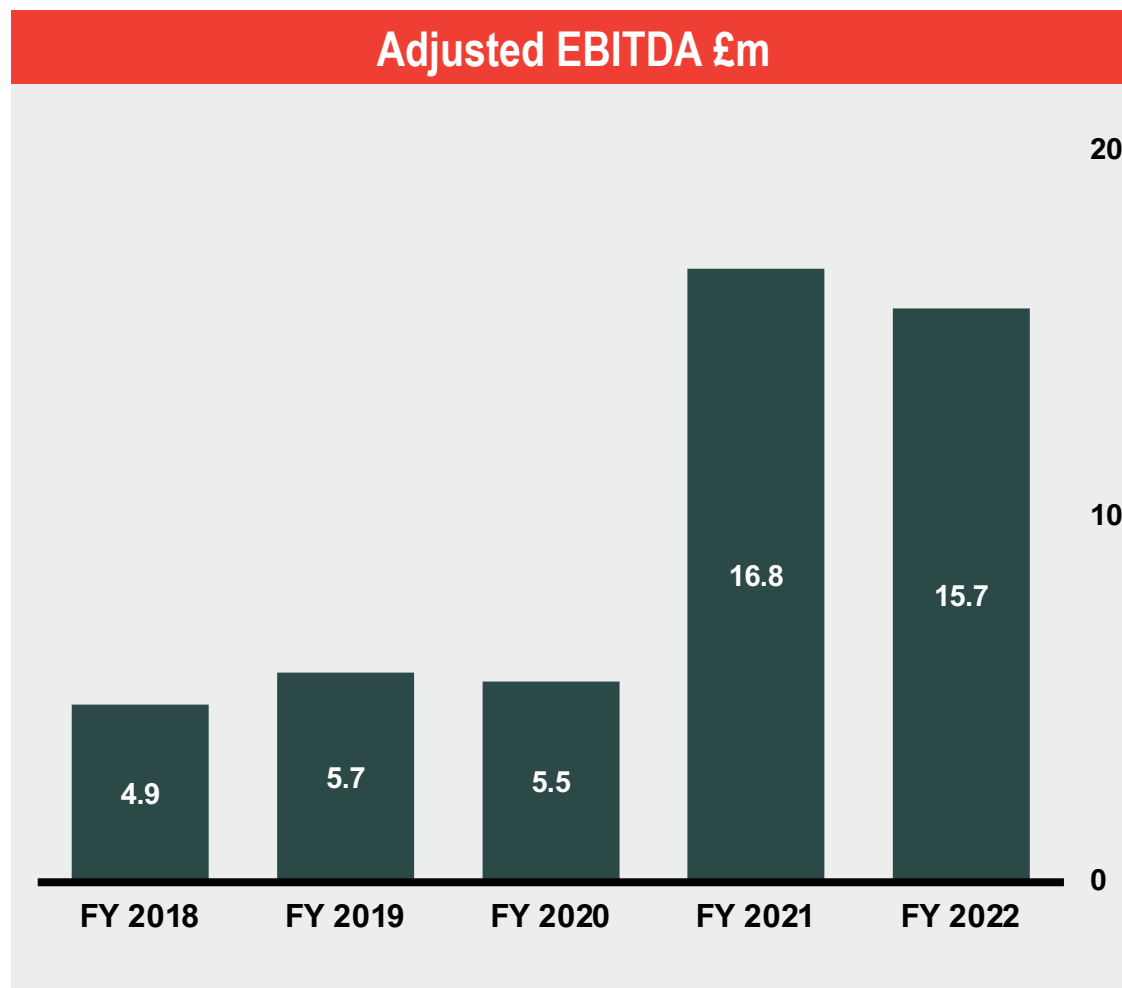
FY21



- **57%** Payroll
- **19%** Content & production
- **24%** Overheads

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

ADJUSTED EBITDA



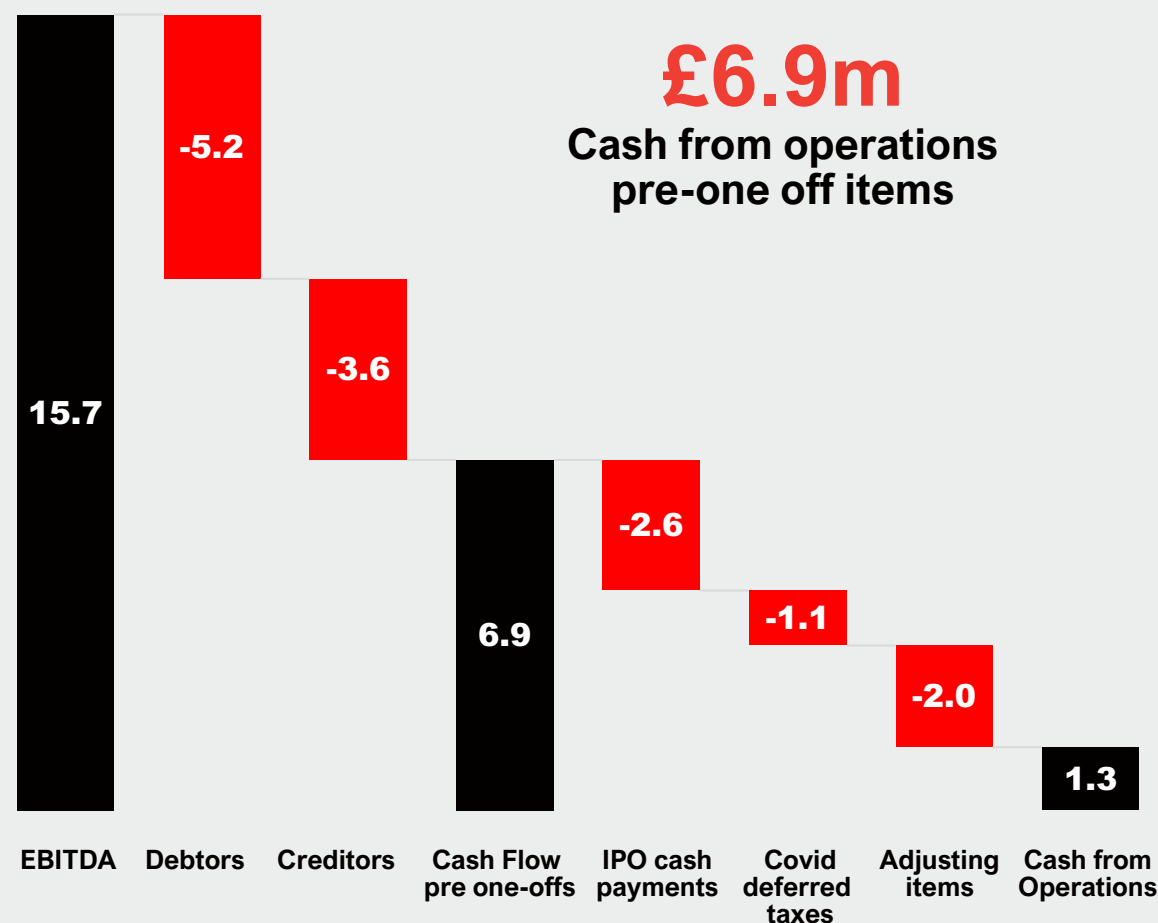
CASH

NET CASH

Cash balance
31 Dec 2022
£29.3m
-£5.1m vs 2021

- ❖ Business remains **highly cash generative**
- ❖ Year end debtors increased £5.2m (34%) yoy, commensurate with Q4 revenue growth
- ❖ Year end creditors decreased by £7.3m yoy of which £3.7m relates to the payment of 2021 IPO related costs & Covid deferred taxes
- ❖ Cash impact of adjusting items £2.0m
- ❖ **Cash position as at 10 April 2023 £33.6m**

EBITDA to CASH FROM OPERATIONS £m



OUTLOOK & GUIDANCE

OUTLOOK

- ❖ DIGITAL ADVERTISING MARKET FORECAST TO CONTINUE OUTGROWING THE GENERAL AD MARKET IN 2023
- ❖ STRONG START TO 2023 WITH MOMENTUM CONTINUING FROM H2 2022
- ❖ TEAM FOCUSED ON ORGANIC GROWTH, COST CONTROL AND M&A
- ❖ AT THIS EARLY STAGE OF THE YEAR MANAGEMENT ARE CONFIDENT THAT THE BUSINESS IS ON TRACK TO DELIVER PER EXTERNAL EXPECTATIONS
- ❖ H1 / H2 SEASONALITY





Solly Solomou
CEO

STRENGTH OF CORE BUSINESS

- ❖ **Unrivalled access to hard to reach audience**
- ❖ **Existing relationships with global brands**
- ❖ **Focus on content and engagement through data and insight**
- ❖ **Managing costs**
- ❖ **Robust financial position**
- ❖ **Significant opportunity for organic growth**



**ONE OF THE
LARGEST AND
MOST ENGAGED
PUBLISHERS ON
SOCIAL OF ALL
TIME**

STRATEGY FOR 2023 AND BEYOND

GEOGRAPHIES

- ❖ Establish US operations
- ❖ Build on already significant 115m US audience
- ❖ Focus on producing dedicated content for US audience, building brand partnerships and driving growth in direct revenue
- ❖ Continue growth in APAC & Ireland

DIGITAL MARKET ¹	SIZE
UK	\$40bn
AUS	\$10bn
IRELAND	\$1bn
US	\$213bn

1. Source: Group M forecast for 2023

STRATEGY FOR 2023 AND BEYOND

ACQUISITIONS

- ❖ Dedicated resource with M&A Director
- ❖ Identify opportunities to help the Group scale its reach and expand market share with a clear pipeline identified
- ❖ Ambition to deliver in 2023, with a small bolt on acquisition already made



19m followers

- ❖ Use strong cash position to take advantage of opportunities as they arise



STRATEGY FOR 2023 AND BEYOND

CAPABILITIES

- ❖ World class brands
- ❖ Best in class audience access and service to client
- ❖ Focus on data and insights
- ❖ Invest in younger audiences, building followers and interactions to facilitate audience monetisation on new platforms
- ❖ Progressing in AI and emerging technologies through 'Immersive'



STRONG TEAM

TO DELIVER FOR THE FUTURE



Mike Vaughan
Director of Social



Joe Summers
Vice President
APAC, USA & IRE



Felicity Rothwell
HR Director



Sinead Allchurch
HR Director



Jon Birchall
Director of
Editorial Strategy



Lindsay Turner
Director of Marketing
& Communications



Ben Elshaw
Director of
Group Operations



Ben Andrews
Director of M&A



Tim Pearson
Chief Revenue Officer

SUMMARY

2022 revenue +15% to £62.8m

Ongoing focus on cost control

Increased followers by 39% to 366m

Growing reputation, partnering with global brands

Continued to grow international presence and established operations in the US

Strong H2, revenue up 21% and good momentum into 2023

APPENDICES

PROFIT & LOSS

Historical Financial Performance

	Y/e Dec 2020 £'000	Y/e Dec 2021 £'000	Y/e Dec 2022 £'000
Revenue	30,170	54,502	62,809
<i>Growth rate (%)</i>	4%	81%	15%
Net operating expenses	(25,784)	(46,255)	(55,792)
Expected credit loss reversal	-	-	467
Operating Profit/(loss)	4,386	8,247	7,466
<i>Margin (%)</i>	14.5%	15.1%	11.9%
Net finance costs	(318)	(232)	(143)
Share of JV profits	45	115	-
Profit/(loss) before taxation	4,113	8,130	7,323
Adjusted EBITDA	5,472	16,757	15,682
<i>Margin (%)</i>	18.1%	30.7%	25.0%
Depreciation	(1,205)	(1,332)	(1,633)
Amortisation	(901)	(793)	(804)
Share based payment charge	(481)	(1,527)	(3,552)
Exceptional (costs) / income	1,640	(4,858)	(2,227)
Operating Profit/(loss)	4,386	8,247	7,466

BALANCE SHEET

Historical Financial Performance

	Y/e Dec 2020 £'000	Y/e Dec 2021 £'000	Y/e Dec 2022 £'000
Goodwill & other intangibles	15,055	14,558	15,436
Property, plant & equipment	4,598	3,705	3,670
Investment in JV	244	359	359
Other	436	469	592
NON CURRENT ASSETS	20,333	19,091	20,057
Trade and current assets	13,680	15,153	20,370
Current tax asset	-	-	378
Cash & cash equivalents	6,937	34,338	29,268
CURRENT ASSETS	20,617	49,491	50,016
TOTAL ASSETS	40,950	68,582	70,073
Lease liabilities	3,689	2,648	1,960
Interest bearing loans and borrowings	10,248	-	-
Deferred tax liability	594	920	134
Provisions	206	209	540
NON CURRENT LIABILITIES	14,737	3,777	2,634
Lease liabilities	1,039	1,111	1,282
Interest bearing loans and borrowings	2,952	-	-
Trade & other payables	7,415	11,209	4,295
Current tax liabilities	590	204	636
CURRENT LIABILITIES	11,996	12,524	6,213
TOTAL LIABILITIES	26,733	16,301	8,847
TOTAL EQUITY AND LIABILITIES	14,217	68,582	70,073

CASHFLOW

Historical Financial Performance

	Y/e Dec 2020 £'000	Y/e Dec 2021 £'000	Y/e Dec 2022 £'000
Cash flows from operating activities			
Cash (used)/generated from operations	1,950	13,004	1,295
Tax (paid)/received	(1,088)	(678)	(2,693)
Net cash (used)/generated from operating activities	862	12,326	(1,398)
Cash flows from investing activities			
Purchase of intangible assets	(127)	(295)	(1,675)
Purchase of property, plant and equipment	(254)	(353)	(544)
Repayment of loan	4,000	1,204	-
Loans to Directors	-	(2,700)	-
Repayment of loan by Directors	-	2,700	-
Net cash (used)/generated in investing activities	3,620	556	(2,219)
Cash flows from financing activities			
Repayment of borrowings	(1,850)	(13,200)	-
Lease payments	(1,165)	(1,055)	(1,227)
Lease deposits paid	-	-	(105)
Costs incurred on IPO charged to share premium	-	(990)	-
Proceeds from share issue	63	30,000	-
Proceeds from share options vested	-	14	-
Interest paid	(335)	(250)	(121)
Net cash (used)/generated in financing activities	(3,287)	14,519	(1,453)
Net (decrease)/increase in cash and cash equivalents	1,195	27,401	(5,070)
Cash and cash equivalents at the beginning of the period	5,742	6,937	34,338
Cash and cash equivalents at the end of the period	6,937	34,338	29,268



Thank you

Contact us:

Email: investors@ladbiblegroup.com