

MISSION

2021 Results

Annual Results for the year ending 31st December 2021

AGENDA

1

WHAT HAPPENED?

Financial Review

2

WHAT NOW?

Business Review

3

WHAT NEXT?

Outlook and Plans

1

WHAT HAPPENED?

Financial Review



PROFIT & LOSS

(£M)

	2021	2020	£	% change
BILLINGS	<u>153.3</u>	<u>121.9</u>	<u>31.4</u>	
REVENUE	72.5	61.5	11.0	18%
OPERATING EXPENSES	<u>(64.5)</u>	<u>(59.6)</u>	<u>(4.9)</u>	
HEADLINE OPERATING PROFIT	8.0	1.9	6.1	315%
OPERATING PROFIT MARGIN	11.1%	3.1%	8.0%	
INTEREST/JV SHARE	<u>(0.6)</u>	<u>(0.7)</u>	<u>0.1</u>	
HEADLINE PBT	7.5	1.2	6.3	539%
ADJUSTMENTS	<u>(0.7)</u>	<u>(3.2)</u>	<u>2.5</u>	
PBT	6.8	(2.1)	8.9	
TAX	<u>(1.4)</u>	<u>(0.2)</u>	<u>(1.2)</u>	
EARNINGS	<u>5.3</u>	<u>(2.2)</u>	<u>7.6</u>	
DILUTED HEADLINE EPS (p)	6.5	1.0	5.5	550%
PROPOSED DIVIDEND (p)	2.4	nil	2.4	

- Revenue up 18% on 2020
- Profit up 5% on market expectations
- Client retention statistics remain excellent:
 - 47%+ from Clients of 5 yrs or more
 - 31% from 10+ yrs, 14% from 20+ yrs
- Strong margin improvement:
 - YOY revenue growth (£11m) delivered off only £4.9m extra OPEX: incremental margin of 55%
 - Steady infrastructure base
 - Firm cost control by Agency CEOs
 - Efficiency offered by CJRS

• Headline adjustments

(£M)	2021	2020
COVID19	-	(1.0)
Board	(0.5)	-
Start ups	(0.4)	(0.3)
Acquisitions	<u>0.2</u>	<u>(1.9)</u>
Total	(0.7)	(3.2)

• Movement in fair value of consideration:

2021 £0.8m; 2020 (£1.3m)

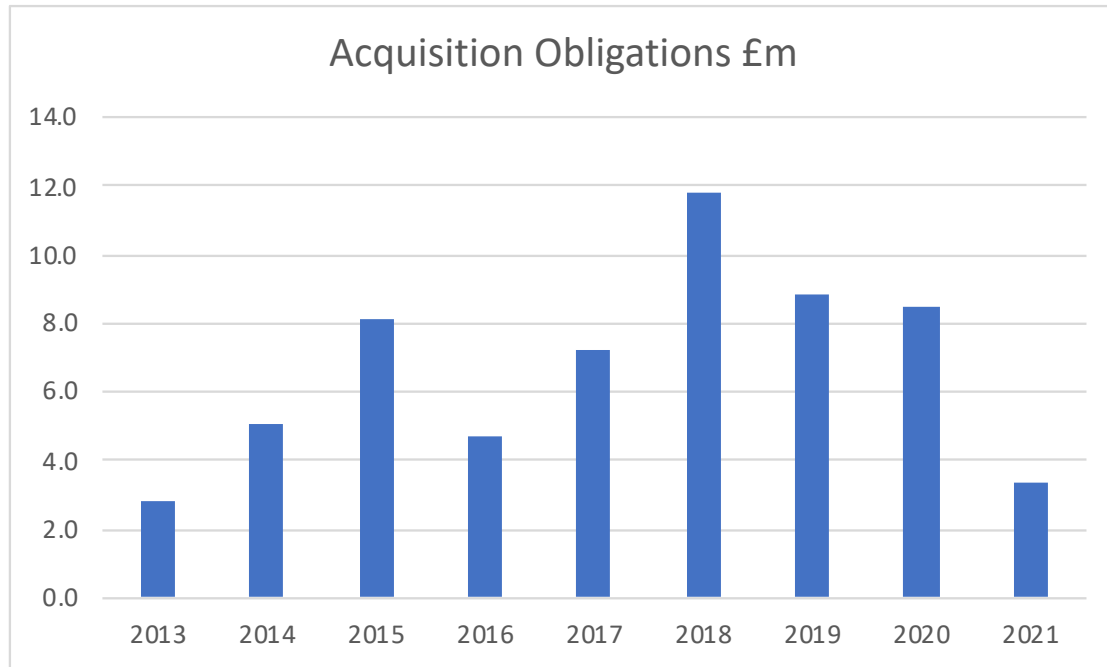
2020: increased forecast 2021 AC payment

2021: crystallised c£1m lower on negotiation



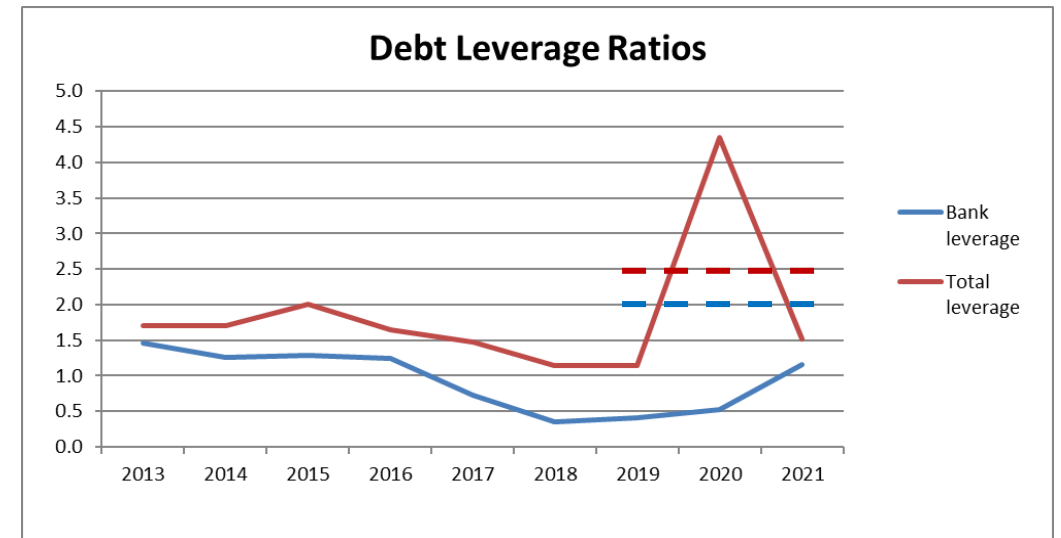
BALANCE SHEET STRENGTH

ACQUISITION OBLIGATIONS AT LOWEST LEVEL SINCE 2013



Timing of current acquisition obligations:
2022: £0.7m / 2023: £0.4m / 2024: £0.3m / 2025: £1.9m

LEVERAGE RATIOS WELL WITHIN COVENANTS



Bank facilities renewed Q1 2021:
£20m facility agreed with 3+1 term & £5m accordion option.



BALANCE SHEET

(£M)

	2021	2020
INTANGIBLES	99.0	96.2
FIXED ASSETS/INVESTMENTS	2.6	2.7
WORKING CAPITAL	6.9	2.2
NET BANK DEBT	(10.3)	(1.2)
EARN-OUT OBLIGATIONS	(3.3)	(8.5)
TOTAL NET DEBT	(13.6)	(9.7)
RIGHT OF USE ASSETS	9.1	10.7
LEASE LIABILITIES	(9.7)	(11.3)
ALL OTHERS (MAINLY TAX)	(0.8)	(0.6)
NET ASSETS	<u>93.5</u>	<u>90.2</u>
BANK DEBT LEVERAGE	x1.2	x0.6
TOTAL DEBT LEVERAGE	x1.5	x4.3

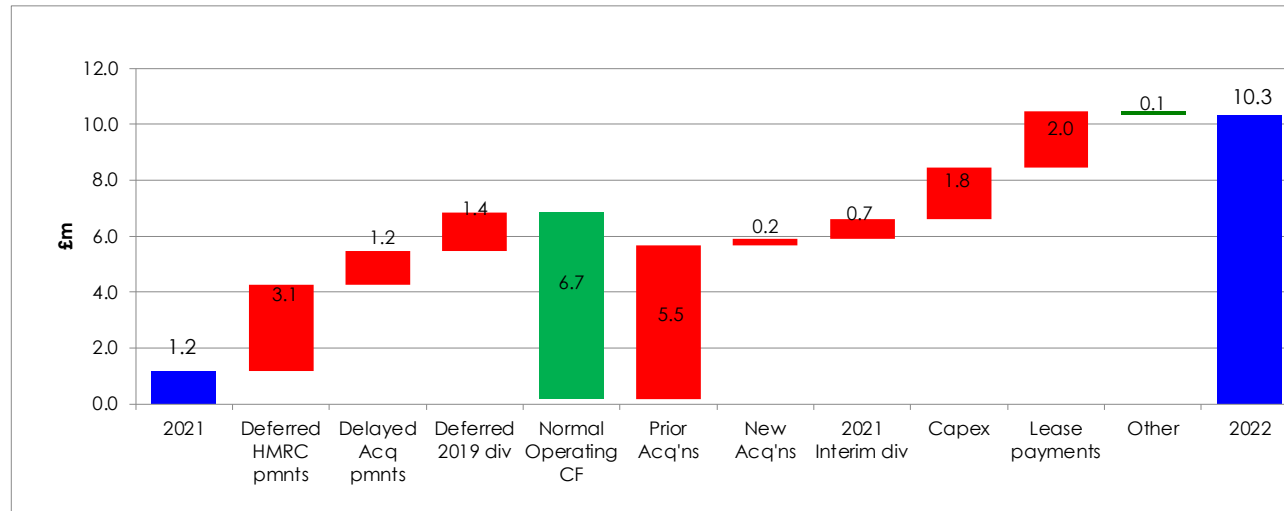
Working capital increase driven by

- catch-up of 2020 HMRC deferral schemes (£3.1m)
- supporting growth in H2 (£1.6m)



NET BANK DEBT MOVEMENT

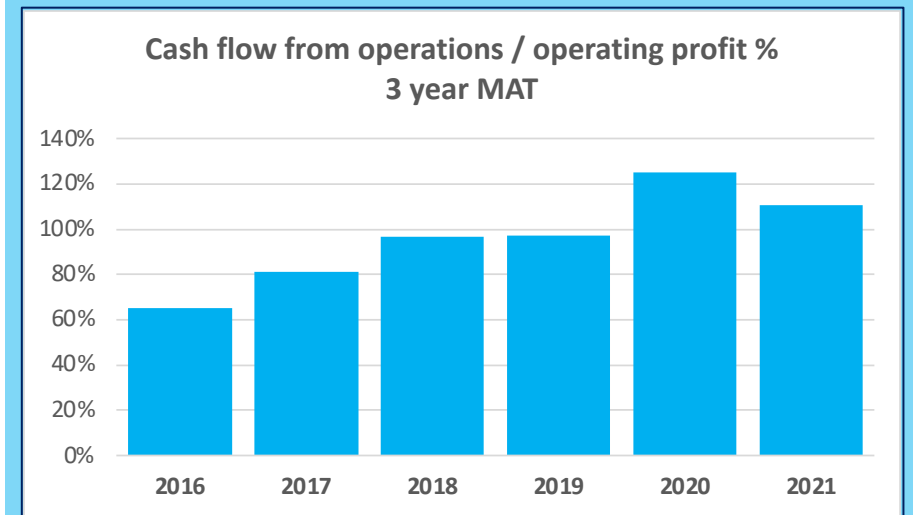
(£M)



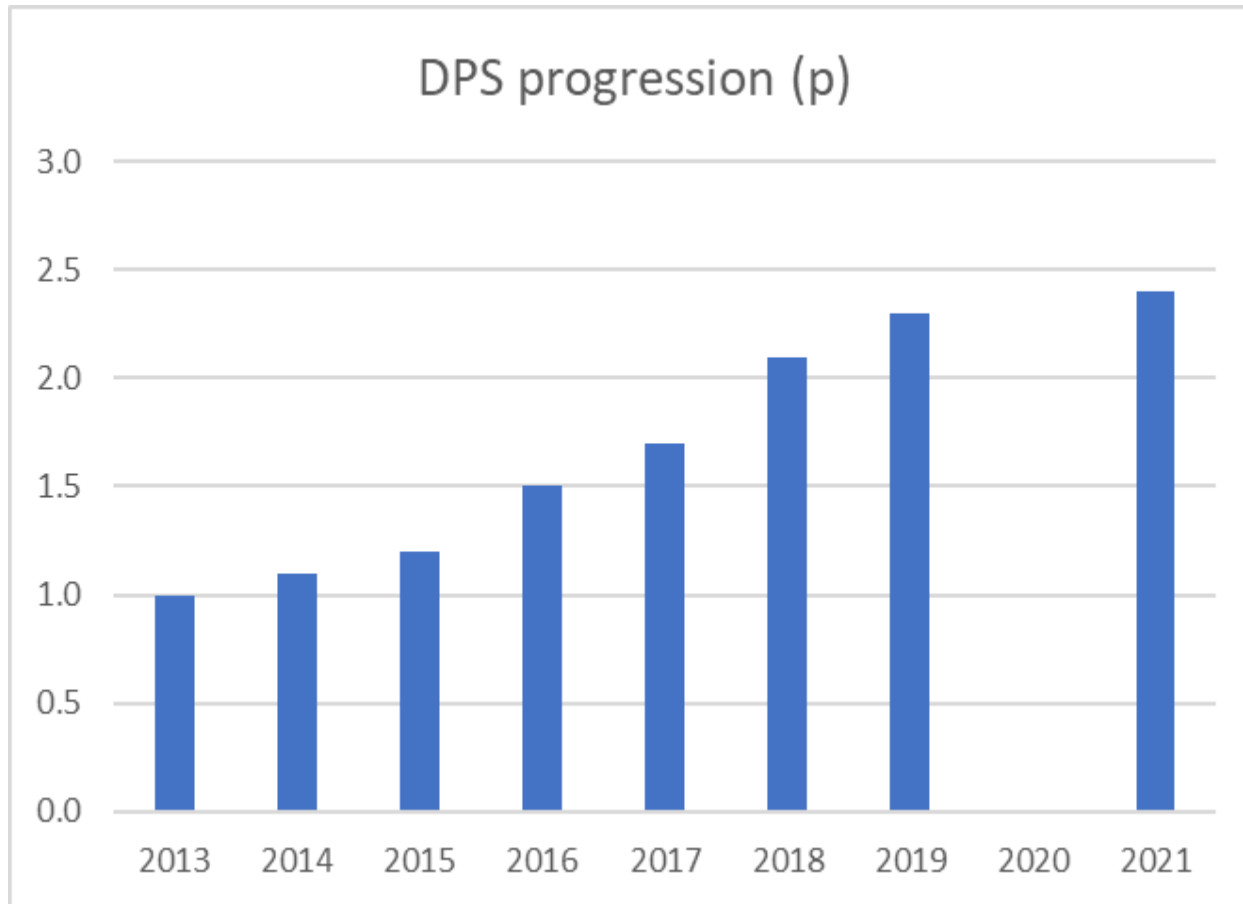
- All COVID-19 deferrals etc now caught up (£5.7m)
- Major earn out obligations settled
- Capex: investment in Pathfinder

EFFICIENT CASH CONVERSION

110% average conversion ratio over the three years to 2021



PROGRESSIVE DIVIDEND STRATEGY



- 2021: Final dividend of 1.60p proposed
 - Total dividend 2.40p, up 4% on 2019
 - 2.7x cover on Headline Diluted EPS



IN SUMMARY

- 18% Revenue growth
- Effective conversion of Revenue to Profit
- Low level of Acquisition Obligations
- Excellent record of Cash conversion
- Progressive Dividend strategy



2

WHAT NOW?

Business Review



MISSION IS WORKING

- Improved Agency performance across the board
- Successfully added complementary businesses and services
- Repositioned some existing businesses to better reflect Client demand
- Group perfectly placed to capitalise on Client drive for 'Collective Specialism'
- Continued to invest in our people and infrastructure (MSS)
- Board streamlining and restructuring complete
- Making progress against our ESG manifesto 'Making Positive Change'
- Harnessed our MarTech capabilities to develop ownable IP and products i.e. Pathfindr
- Despite a very challenging new business landscape over £2m of revenue was referred within the Group or won as a Group (more than one Agency). Excludes £6m pitched in 2021 but yet to be awarded



AGENCY PERFORMANCE

VS 2020

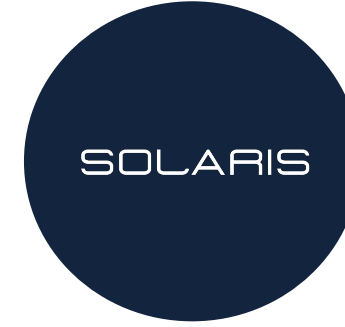
COVID-19 RESILIENT
SECTORS AND PERFORMERS
CONTINUED TO PERFORM



15% ↑ revenue



31% ↑ revenue



26% ↑ revenue

COVID-19 IMPACTED
SECTORS STARTING TO
BOUNCE BACK



34% ↑ revenue



40% ↑ revenue



33% ↑ revenue

TOP 5 CLIENTS AND SECTORS

CLIENT	YOY REVENUE CHANGE	TENURE
1.	31%	35 yrs
2.	37%	4 yrs
3.	43%	7 yrs
4.	124%	2 yrs
5.	87%	12 yrs

SECTOR	% OF TOTAL GROUP REVENUE
1. PROPERTY	18%
2. TECHNOLOGY	14%
3. HEALTHCARE	8%
4. PUBLIC SECTOR	7%
5. AUTOMOTIVE	7%



OUTPERFORMING OUR PEERS

	WPP	Publicis	IPG	Dentsu	MISSION	M&C
Revenue growth (2021vs 2020)	6.5%**	8.8%*	13.0%*	15.6%*	18%	8.8%*

Shore Capital:

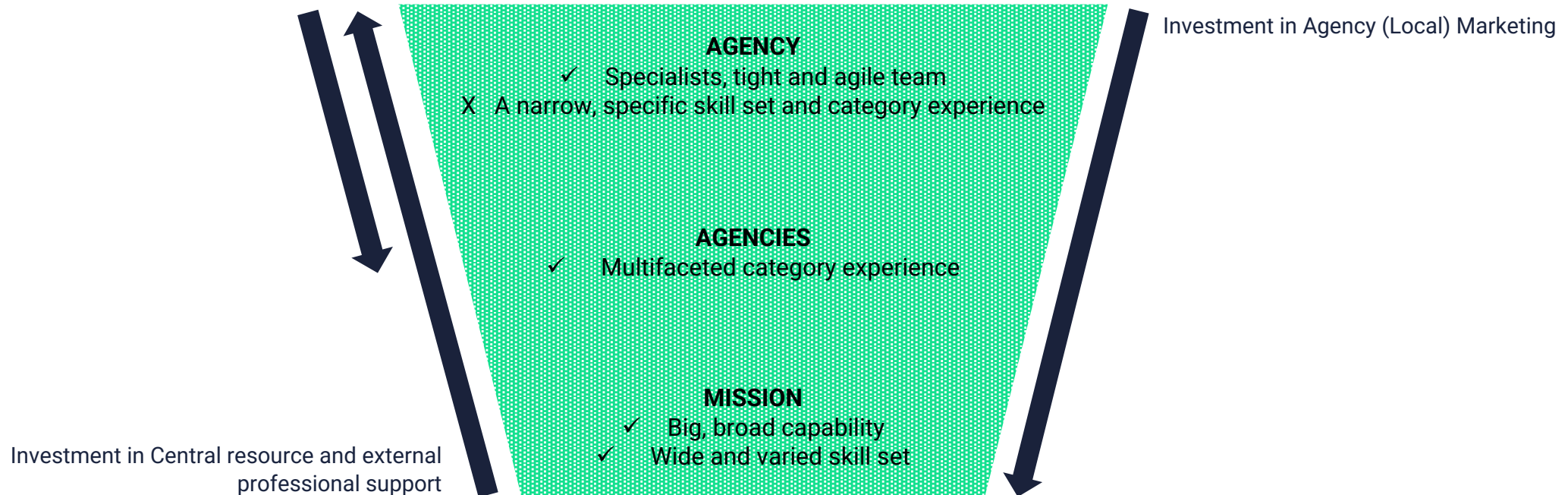
* Factset consensus

** Revenue less pass through costs



MISSION NEW BUSINESS IS WORKING

FUELING THE 'AGENCY FIRST' AGENDA BUT PROVIDING A SOLUTION FOR THE 'MULTI-SPECIALIST' BRIEFS



GROUPING OUR AGENCIES

HOW WE SHOW OURSELVES TO OUR CLIENTS

PURPOSE

LIVITY

innovation bubble

soul

RJW&partners

ETHOLOGY

PERSUASION

.krow

bray leino

'story'

thinkbdw

april

SOLARIS health

mongoose

SPEED

CHAPTER

PROVISION

SPARK

ALiVE

BRAY LEINO EVENTS

MISSION MADE



A LITTLE BIT
OF SOUL



SOUL ON A PAGE

Soul is a customer engagement agency – and part of the Mission Group plc

We help brands to create and keep customers.

We know how to engage, when it matters most, in order to:

- Nurture interest and desire
- Increase conversion
- Increase customer value
- Keep customers for longer

In terms of how best to engage with people, we think Maya Angelou summarised it rather well...

"I've learned that people will forget what you said, people will forget what you did, but people will never forget how you made them feel"

Maya Angelou

We blend data with psychology

Like many in our field, we work with data, which allows us to identify patterns in behaviour - telling us **what** people are doing and where opportunities lie.

Our point of difference is that we work with psychologists to understand not just what people do but **why** they do it. With a better understanding of the **why**, it makes knowing what to say so much easier.

We call it Customer Mindset Mapping

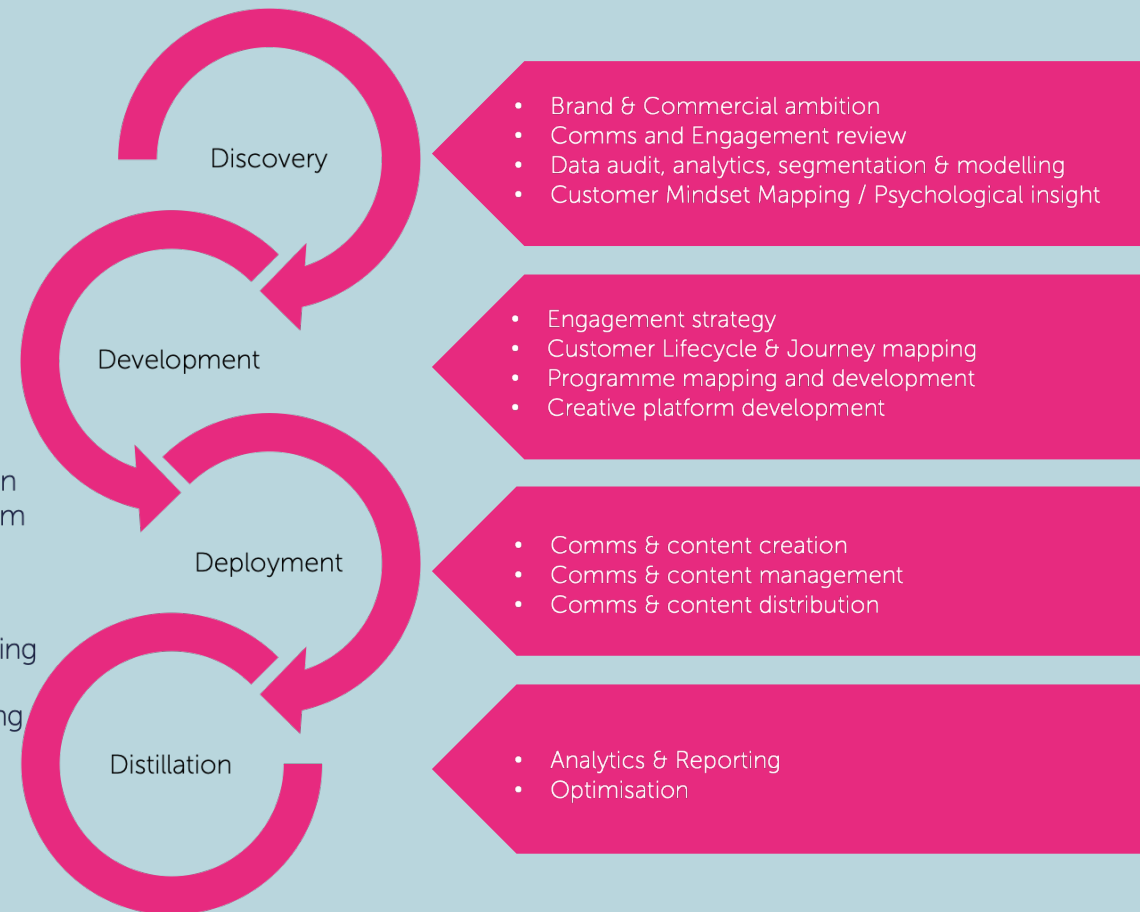
Our capabilities

We are a full-service agency, providing all the necessary skills, expertise and resource to plan and develop programmes and campaigns from start to finish. Our services include:

- CRM Strategy
- Communications and engagement planning
- Data planning & analytics
- Specialist psychological consumer profiling and research.
- Creative concepting and development
- Design, artwork, digital development and build
- Account and project management

Our 4D process

Underpinning our full-service offering is our 4D process – it's our approach to helping our clients achieve their ambitions.





OUR SOUL MATES





LIVITY

Livity is a creative business that works
hand in hand with brands and
the next generation
to build the future better





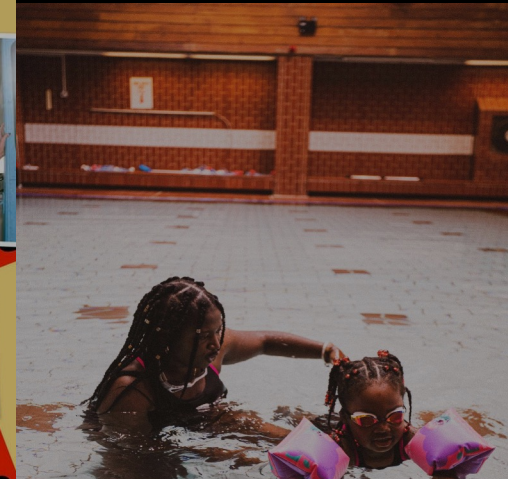
Foot Locker



PlayStation



depop



TikTok



SPORT ENGLAND



Nike



audible ORIGINAL

Hell Cats

ONLY FROM Audible



Dr. Martens



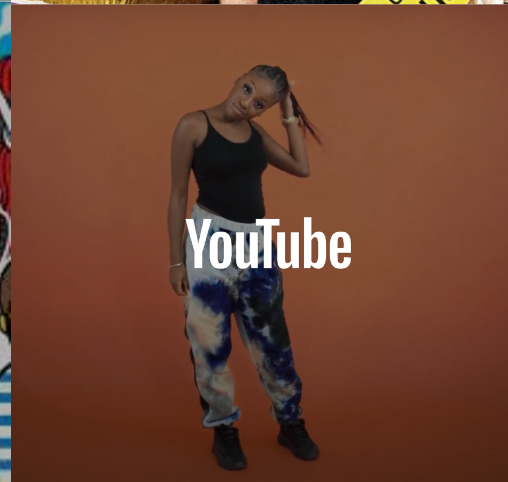
SQUARE ENIX



NETFLIX



Google



YouTube



SONY MUSIC



SIDE LINES
sky

sky sports

LIVITY

Youth inspire and co-create everything we make, through our youth network, and beyond.

That network is made up of a diverse group of young people in the truest sense of the word.

What unifies them all is a creative mindset, with a desire to positively impact the world in their own way.

*Creators // designers // makers // activists // entrepreneurs //
Illustrators // designers // artists // product developers //
videographers // editors // writers // strategists // Fashion
designers // musicians // architects // doctors // podcasters //
models // presenters // athletes // And more.*



SPARK

We help our clients to change the behaviour of their target audience (be it employees or consumers)

We do this by first understanding the motivations of the audience and then creating engaging campaigns to impact their behaviour

Our clients range across multiple sectors (FMCG, Telecomms, Financial etc) as agencies looking for specialist support.

We specialise in...

- ▶ Sales Promotion
- ▶ Partnership Marketing
- ▶ Reward & Recognition
- ▶ Gifting & Benefits
- ▶ B2B Representation / Sales Management



Meaningful
creative.

Intelligently
joined up.

krow.x

We ensure your audience are moved in the right direction.

Our difference:

CX insight and tools fuel our creativity, and creativity elevates our CX approach.

We call it Creative CX.

The output:

Ever-evolving, intelligently joined up communication with your audience – and powerful results for you.

3

WHAT NEXT?

Outlook and Plans



IN APRIL

‘story’ CHAPTER

Story Edinburgh, Story Newcastle and Chapter Birmingham are coming together to form Story Group.

Already sister agencies in culture, heart and spirit, together they unite to give scale, geographic reach, broad sector experience and a strong creative reputation.



PATHFINDER: READY TO GROW

- IIoT is thriving
- Pandemic restrictions on visiting Clients nearly completely over
- Core team in place – technology, procurement, sales, marketing and technical support
- Product suite constantly evolving ahead of curve
 - Gen 3 GPS development utilizing new IOT networks (5G)
 - Ultra-wideband technology roll-out
 - Proximity detection to Trilateration for even greater accuracy
 - Blockchain integration for greater data integrity
- ‘Uniqueness’ of the Pathfinder offer communicated and resonating with global businesses, initiating trials around the world



PATHFINDR: READY TO GROW

Some examples of trials currently underway in Q1



Ford Europe

Global engine parts location & condition monitoring (Mexico/Spain)

Ford ASPAC

Parts logistics tracking (S.Africa/China)

Ford China

Electric vehicle parts logistics tracking and monitoring in-country

Ford Supply Chain

Ford rolling out Pathfindr offer to their key suppliers

e.g. Nemak manufacturing plant location and monitoring (Mexico)

Petronas

European bulk IBC container tracking (UK/Europe)

Rolls Royce Aero

US Govt asset tracking (UK)

Outokumpu

Stainless steel bulk logistics monitoring (Mexico)

Thyssenkrupp

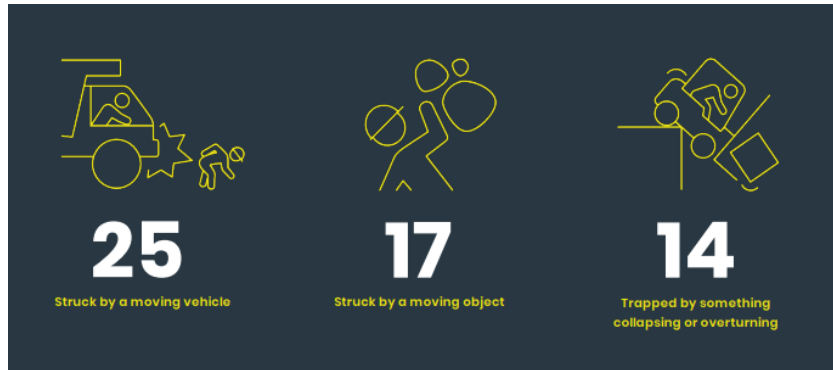
Parts tracking and monitoring (Germany/Spain)

And many more.....



PATHFINDR: CONSTANTLY INNOVATING

- Potential partnership with; QTS Group, one of the UK's leading Rail Contractors, providing specialist services in Rail Engineering, Infrastructure, Electrification, Design & Training
- 10 workers are killed every year resulting in £xxm potential fines and criminal prosecutions



PEOPLE THAT COUNT

- There is no point ignoring it - The Great Resignation has made this an incredibly tough market in which to recruit, coupled with Industry wide wage inflation (offset by pricing realignment)
- That's why we constantly invest and innovate in securing the best and brightest talent, first
- 300 people were recruited by the central team in 2021 and because of our unique approach £851,000 was saved in Recruitment Agency fees
- Cost per hire last year was £1,284 vs external estimates of c£3,000 (*CIPD and Glassdoor*)
- Group People Board created (November 2021) as a forum for change and the shaping and delivery of an ambitious People Proposition
 - Understand how we can recruit, develop and retain the best, whilst providing an exceptional employee experience
 - Provide awareness of both the internal and external people factors that influence how we operate
 - Deliver a consensus re Group priorities to improve consistency and collaboration
 - Build on strong transformational leadership
 - Mobilise Leaders and the People Team on issues that matter to the whole Group



PEOPLE THAT COUNT

ALSO EACH AGENCY IS INNOVATING TO SUPPORT THEIR EMPLOYER BRAND

FOR EXAMPLE: ThinkAcademy

- A prestigious learning environment delivering bespoke content on a range of courses for new recruits and continuing professional development for our teams
- Gold Standard core modules written to fit ThinkBDW's business needs, ethos and professional standards
- Apprentices recruited to ThinkAcademy will learn from the best in the business and benefit from invaluable work placements to be undertaken alongside their studies
- ThinkAcademy courses, to be delivered by in-house and external trainers, will include:
 - CGI/UX
 - Design/Artwork
 - Account Handling core skills
 - Presentation skills for Account Managers
 - Managing people
 - Copywriting
 - Proofreading



MAKING POSITIVE CHANGE

- It's our ambition to become the UK's leading, most respected Agency Group
- We believe the impact MISSION makes on the world should be positive, always
- We have mapped the carbon impact of the entire MISSION Group, allowing us to identify key hotspots and areas where we can improve our behaviours and practices to make a fundamental difference
- We have joined the Business Ambition for 1.5°C campaign - the world's largest and fastest-growing group of companies that are aligning with 1.5°C by helping to halve global emissions by 2030
- A target reduction in total emissions by 21% for 2024 and 42% for 2029 in line with Science Based Targets
- 17 environmental champions from across our Agencies appointed
- These environmental champions have been working hard to develop robust Environmental Management Systems and action plans and we hope to see all Agencies this year receive ISO 14001 certification as a result



MISSION GROUP DEVELOPMENT

MAINTAINING OUR GROWTH TRAJECTORY

ALREADY IN DEVELOPMENT

- eCommerce via Mission Made
- Enhanced SEO capability via Mission Made
- Shaping an evolved Healthcare proposition
- Developing a central 'Data that Counts' proposition

IN SCOPE (2022)

- Assessing and enhancing the Group's Media Planning & Buying needs
- MISSION HUBS 'Build it and they will come'
 - The creation of multi-Agency International hubs to facilitate Global expansion and growth – organic and M+A
- Building in additional Verticals
- Leveraging our financial strength to take advantage of in-market M&A opportunities



IN SUMMARY



18% REVENUE
GROWTH IN 2021
WITH EFFECTIVE
CONVERSION INTO
PROFIT AND CASH

NEW ADDITIONS
OF SOUL AND
LIVITY BEDDING IN
WELL AND
ONGOING AGENCY
PORTFOLIO
DEVELOPMENT

PLAN TO USE
FINANCIAL
STRENGTH FOR
FURTHER
GROWTH AND
PATHFINDR
RESTRICTIONS TO
TRADE NOW
REMOVED

2022 HAS
STARTED WELL
AND WE ARE
ANTICIPATING
ANOTHER YEAR OF
DOUBLE DIGIT
GROWTH

