

# **Brave Bison Group plc**

Interim Results for the six months ending 30 June 2023

**September 2023**



# **Brave Bison**



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# Presentation from



**Theo Green**

Chief Growth Officer



**Oliver Green**

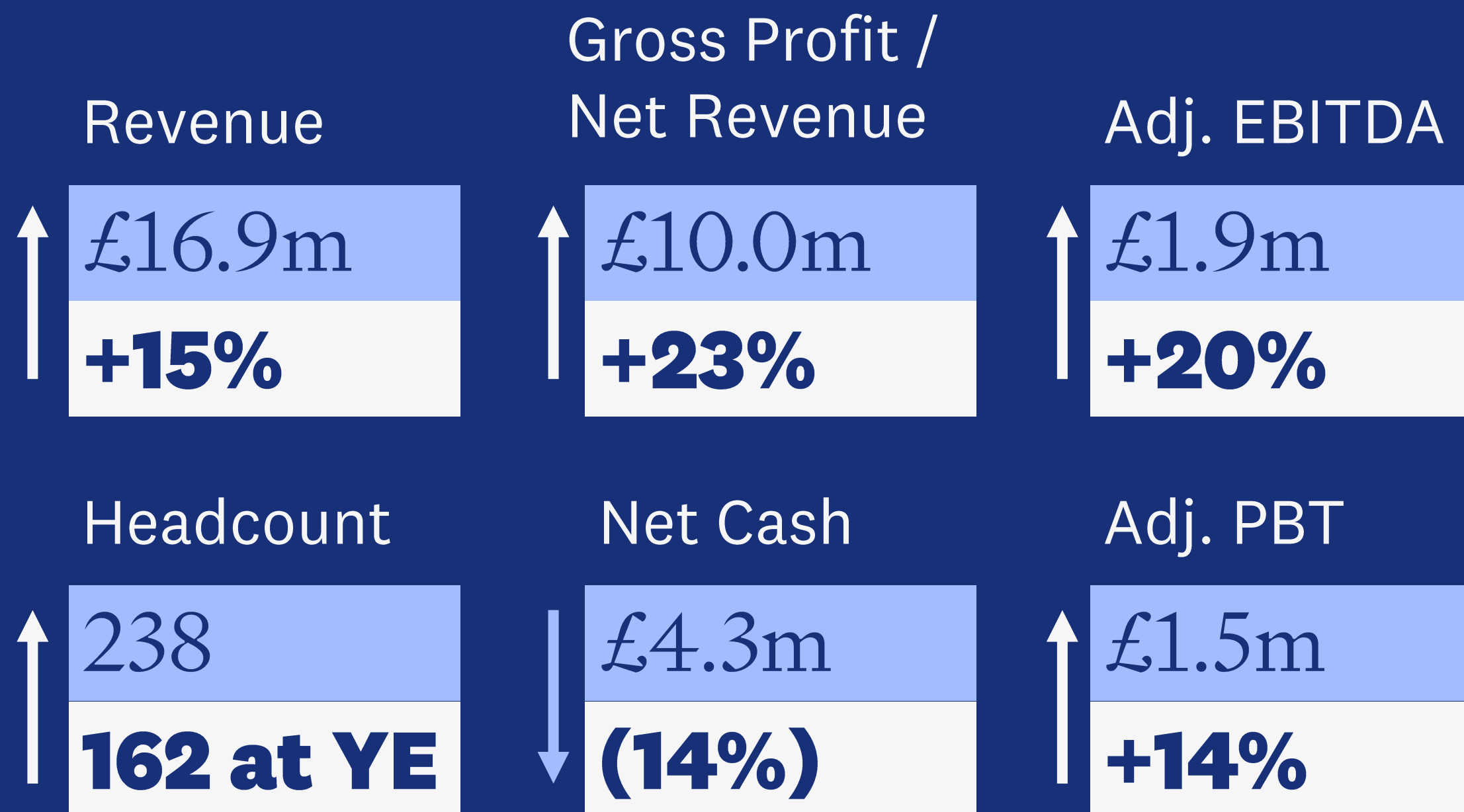
Executive Chairman



**Philippa Norridge**

Chief Financial Officer

**Brave Bison** is a digital advertising and technology services company built for the new era





# Financial Results Summary

	H1 23	H1 22	Change
Revenue	£16.9m	£14.7m	+15%
Gross Profit / Net Revenue	£10.0m	£8.2m	+23%
Adj. EBITDA <sup>(1)</sup>	£1.9m	£1.6m	+20%
<b>Adj. Profit Before Tax <sup>(2)</sup></b>	<b>£1.5m</b>	<b>£1.3m</b>	<b>+14%</b>
Adj. PBT Per Share	0.12p	0.12p	+0%
Profit Before Tax	(£0.2m)	£1.0m	(124%)
<b>Cash</b>	<b>£4.5m</b>	<b>£5.4m</b>	<b>(17%)</b>
Net Cash excl. Lease Liabilities	£4.3m	£5.0m	(14%)

(1) Adj. EBITDA is defined as earnings before interest, taxation, depreciation and amortisation, and after adding back acquisition costs, restructuring costs and share-based payments. Under IFRS16 most of the costs associated with the Company's property leases are classified as depreciation and interest, therefore Adj. EBITDA is stated before deducting these costs.

(2) Adj. Profit Before Tax is stated after adding back acquisition costs, restructuring costs, impairments, amortisation of acquired intangibles and share-based payments, and is after the deduction of costs associated with property leases.

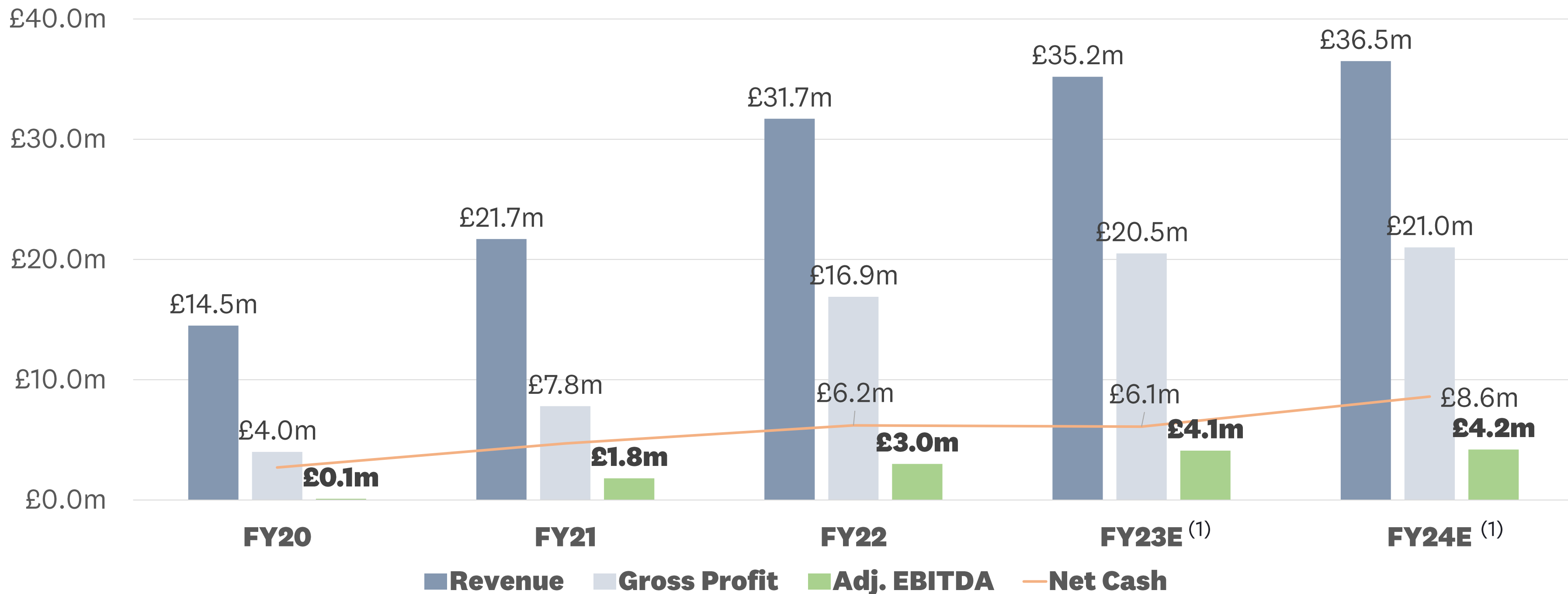
- Adjusted EBITDA and adjusted PBT in-line with board expectations
- Gross profit / net revenue growth primarily a result of the SocialChain acquisition, completed in February 2023
- Adj. EBITDA margin of 19%, a small reduction year-on-year due to the acquisition of SocialChain which was loss making at the point of acquisition
- Following the restructuring of SocialChain these margins are expected to improve in the second half
- Healthy cash position with no outstanding debt except £0.2m of Gov't-backed COVID relief loans with favourable interest rates

# Adjustment Summary

	H1 23	H1 22
<b>Adj. EBITDA</b>	<b>£1.9m</b>	<b>£1.6m</b>
Finance Costs	(£0.1m)	(£0.1m)
Finance Income	£0.1m	£0.0m
Depreciation	(£0.3m)	(£0.2m)
<b>Adj. Profit Before Tax</b>	<b>£1.5m</b>	<b>£1.3m</b>
Restructuring Costs	(£0.6m)	(£0.1m)
Acquisition Costs	(£0.8m)	(£0.0m)
Impairment Charge	(£0.0m)	-
Amortisation of Acquired Intangibles	(£0.1m)	(£0.0m)
Equity Settled Share Based Payments	(£0.2m)	(£0.2m)
<b>Profit Before Tax</b>	<b>(£0.2m)</b>	<b>£1.0m</b>

- Restructuring costs incurred as part of the integration of SocialChain primarily relate to:
  - Severance costs for 42 employees lost during the restructuring
  - Cost of duplicated staff roles during the restructuring period
  - Professional fees associated with the restructuring
  - Duplicated IT costs
- We anticipate approximately £0.1m of restructuring costs in H2 and into 2024 as a number of property and IT contracts run to expiry
- Acquisition costs include professional fees, fundraising fees and transaction costs associated with completing acquisitions.
- Acquisition and restructuring costs are non-recurring to the extent that if the Company were to cease further M&A activity these costs would not continue
- Amortisation of acquired intangibles will increase in H2 once the purchase price allocation exercise in relation to the Social Chain acquisition is complete
- Share based payments include amounts relating to Directors' LTIP, redemption of which is subject to performance conditions

# Trading History



(1) Cavendish Securities forecast, September 2023

# Outlook

“

Full year performance is expected to be in-line with Board expectations

Challenges in Q2 have been more than made up for by stronger SocialChain performance

New business activity across Brave Bison has picked up

**Brave Bison**





# Four practices designed with customers in mind



**Brave Bison**  
Performance



**SocialChain**



**Brave Bison**  
Media Network



**Brave Bison**  
Commerce



A **turnaround** story

**SocialChain**

# **SocialChain** our turnaround strategy

## Marketing & New Business

- ❑ New proposition and go-to-market strategy
- ❑ New brand that fits with the Brave Bison platform
- ❑ Content marketing and events program
- ❑ Cross-selling strategy with Brave Bison platform

## Revenue Growth

## Operations & Finance

- ❑ Integrated resource management team and systems
- ❑ Integrated finance team, single P&L and uniform management information
- ❑ Integrated technology, IT systems and processes for finance and operations
- ❑ All company financial targets, KPI and bonus plan

## Margin Improvement

## People & Culture

- ❑ Integrated HR and culture team managing multiple offices and remote workers
- ❑ Integrated communications across Microsoft Teams and Slack
- ❑ Social activity and benefits all standardized: Lunch n' Learn, Bison Bonus, flexible working
- ❑ Improved career development pathways

## Staff Satisfaction



# Brave Bison Organogram





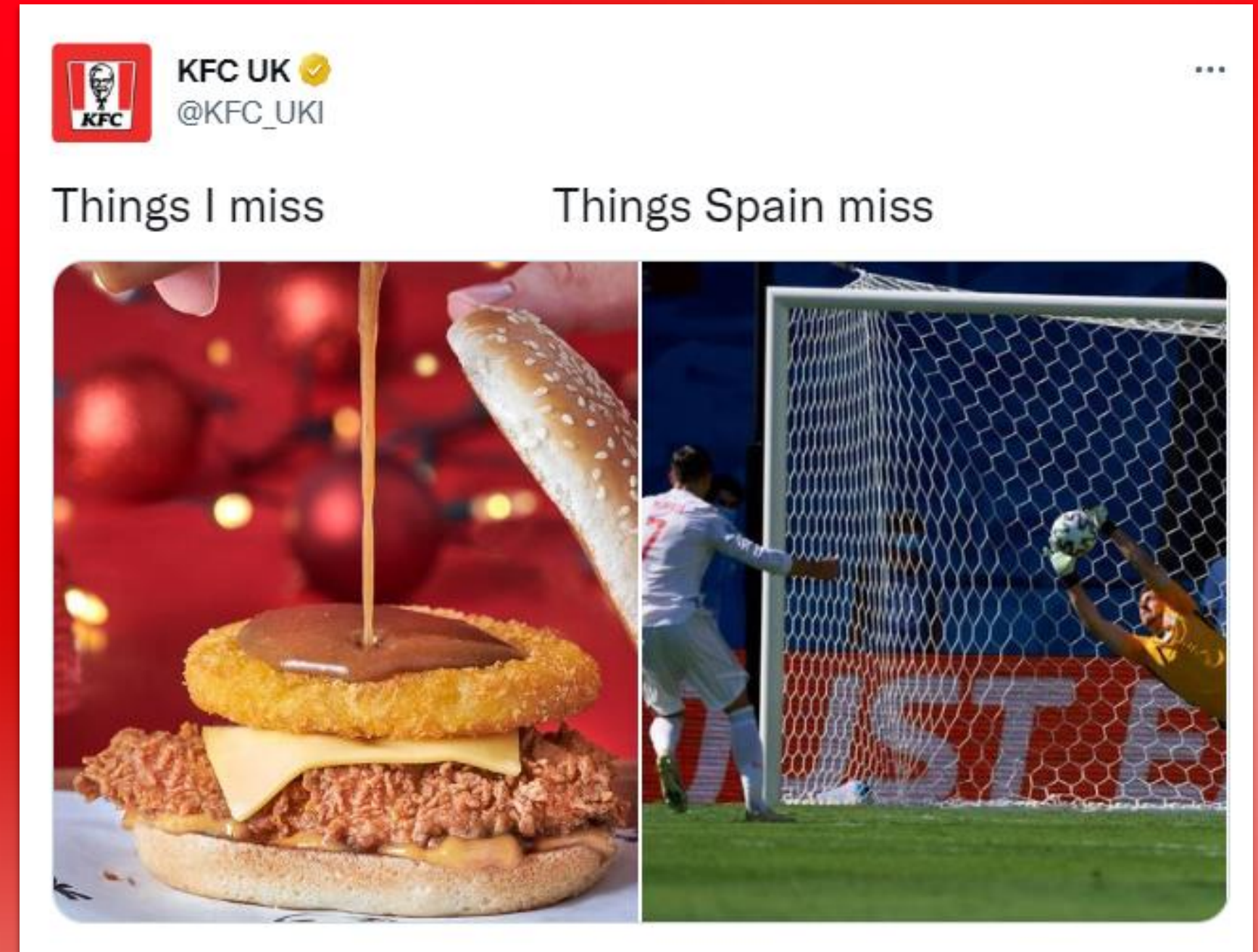
- SocialChain has been working with KFC for two years, producing content across social media
- This work was nominated for two categories at the UK Social Media Awards, including Best Use of Twitter and Best Audience Engagement Campaign for coverage of the 2022 World Cup

**18mn**

Organic Impressions

**35%**

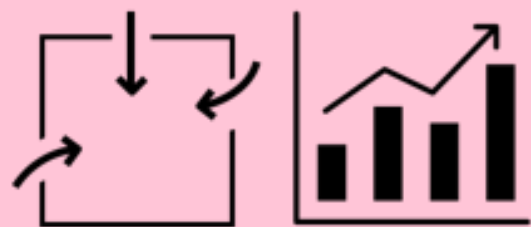
Engagement Rate





# Brave Bison Performance

- Paid & Organic digital media practice
- 2023 saw us launch our new Marketplaces offering, allowing customers to automatically list their products on third-party marketplaces
- Key partners: Amazon, eBay, Target+, TikTok and Google Shopping



“Brave Bison helped us greatly in both planning and executing our AMS campaigns in both the UK and DE, in addition to assisting with our new Brand Store set-up. We’ve seen some very strong results across both territories.”

**Jack Haslam, Digital Associate Marketing Manager**  
**European Key Accounts, New Balance**



# Brave Bison Commerce

- Digital Commerce practice
- Award-winning work: Best B2B Project at the MACH Impact Awards
- Major new client win in Alliance Automotive Group





# Brave Bison Media Network

- Owned & operated network of channels
- Presence across all major platforms including YouTube, TikTok, Facebook, Snapchat and Instagram
- Customers representing ~65% of FY22 net revenue / gross profit have renewed contracts for between 24 and 36 months



# What's next for **Brave Bison**

## Initiative

## Delivery

- |          |  |                |
|----------|--|----------------|
| <b>1</b> | Organic growth from each practice  | ▶ 2024 onwards |
| <b>2</b> | Launch a connected solution for global brands                              | ▶ 2024 onwards |
| <b>3</b> | New London HQ, consolidation of acquired companies into a single office    | ▶ 2023         |
| <b>4</b> | Further acquisitions: platform bolt-ons and transformational opportunities | ▶ 2024 onwards |
| <b>5</b> | Grow the Brave Bison trade and investor profile                            | ▶ 2023 onwards |



# Summary

- First half showed steady profitability in a challenging period
- Acquisition of SocialChain has the potential to be transformational for Brave Bison, and will flow through to margins in H2 2023
- Demonstrated our ability to win and onboard large enterprise clients
- Demonstrated our ability to cross-sell between capabilities

