The information contained within this announcement is deemed to constitute inside information as stipulated under the Market Abuse Regulation (EU) No. 596/2014. Upon the publication of this announcement, this inside information is now considered to be in the public domain.

Date: 16 February 2023

On behalf of: Jaywing plc ("Jaywing", "the Company" or "the Group")

Embargoed: 0700 hrs on 16 February 2023

Jaywing plc
Trading update February 2023

Jaywing plc (AIM: JWNG), the integrated agency powered by data science, today announces a trading update for the current financial year ending 31 March 2023.

Since the announcement of the Company's half year results, Jaywing has continued to successfully implement cost saving measures in light of the ongoing uncertainties within domestic markets and the global economy. Whilst the pipeline of new business remains encouraging, Jaywing has seen a softening of demand over the past two months with certain clients seeking to defer their marketing spend, both in the UK and Australia, until the economic situation settles or improves. This has been particularly evident with consumer-facing brands as they tighten their own cost management in the short term.

The Company is confident that this reduction in marketing spend is temporary and represents delayed rather than lost revenues to the Group. However, significant project revenues previously expected to commence in Q4 are unlikely to now commence by 31 March 2023.

The Company therefore expects full year net revenues for the year end 31 March 2023 to be between £22.0m and £22.5m, with adjusted EBITDA ahead of last year as a result of a 5% reduction in overall Group costs, but below market expectations. Over the last 3 years the Group has restructured its operations and cost base, increasing revenue per head by 27% and reducing premises costs by 19%. The Company believes that it has balanced the reductions in costs with the need for appropriate specialist resources to support future growth.

The Company believes that it is well positioned to benefit when economic conditions improve and that this will be reflected in Jaywing's performance. We have recently signed a significant new client in Australia - Online Education Services, which has appointed Jaywing Australia as its creative agency in a deal which alone is expected to increase Group revenues by c.5% in the year ending 31 March 2024, but will start too late to have a significant impact on the current year. Projections for the Australian economy suggest that it will recover sooner than the UK, and Jaywing Australia is well placed to benefit from that.

Significant new UK wins include data modelling & management for LHV, fraud & financial modelling for Fair4All Finance, and brand/creative work for University of East Anglia. The benefits of the acquisition of the Decision software last year are on track, with four new clients added since completion, and a number of additional client prospects in discussion.

The overall opportunity pipeline continues to build in both countries, although the lead times for both decision-making and start dates have lengthened.

Andrew Fryatt, CEO commented:

"Whilst we are disappointed to see some clients spending less than expected in the fourth quarter of the financial year, we expect this to recover as conditions improve, and we are delighted by the substantial win in Australia. Our cost management has mitigated the impact of this revenue shortfall, allowing us to continue growing adjusted EBITDA, and has also ensured that the Group is appropriately structured to operate in these challenging market conditions."

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