

Ebiquity Plc

22 August 2024

The following amendment has been made to the 'Trading Update and Notice of Results' announcement released on 22 August 2024 at 07:00 under RNS No 3287B.

The Company has amended the year stated for expected Adjusted EBIT in the third paragraph from H1 2023 to H1 2024.

All other details remain the same.

The full amended announcement is shown below.

Trading Update and

Notice of results

Ebiquity plc ("Ebiquity" or the "Group"), a world leader in media investment analysis, announces a trading update for the first half year ended 30 June 2024 ahead of its interim results which will be issued on 26 September 2024.

The Board currently anticipates the financial year to have an unusually strong weighting to the second half. For the half year ended 30 June 2024, Group revenue is expected to have declined by 7% to £37.9 million (H1 2023: £40.6 million) primarily due to some large clients continuing to reduce budgets.

The Group's cost base is largely fixed, as its distinctive, premium service levels depend on the retention of expert talent which means that the profit impact of a revenue shortfall is acute. In light of reduced revenues, Adjusted EBIT for H1 2024 is expected to decline by 61% to £2.3 million (H1 2023: £6.0 million) compressing Adjusted EBIT margin to c6% (H1 2023: 15%).

The transformation programme undertaken has enabled the Group to develop a substantial weighted pipeline with contractual coverage for over 80% of forecast revenues for FY 2024. Revenues are expected to increase sharply during late Q3 and into Q4 with an associated material uplift in margins, benefiting from the operational leverage within the Group, leading to an expected recovery in overall margin for the full year.

Net debt as at 30 June 2024 was £15.3 million with cash balances of £6.7 million and undrawn bank facilities of £8 million. The expectation is that net debt will increase somewhat during the third quarter but then return to around the current level by year end. The Group expects to generate significant profits in H2 2024 and has ample liquidity and headroom against its banking covenants.

The Board's expectations for a strong performance in the second half are underpinned by contractual visibility and the Group's existing pipeline. The Board is also mindful of a material level of execution risk associated with delivering this steep ramp up in new business and renewals during H2 2024 and the weakness of the Group's performance in H1 2024. As such, the Board believes profits for the full year will be below its previous expectations. September and October will be crucial months for the Group and the outturn for the current financial year. The Board will provide further guidance on the Group's expected full year outturn at the interim results.

Nick Waters, CEO, commented:

"H1 2024 performance has been challenging, however the business has worked during this period to develop a deep pipeline of revenue opportunities which are scheduled to be closed and delivered in H2. As a result, the year will be very

much one of two halves. I am encouraged by the anticipated growth in our North American business, where a significant number of opportunities have been identified that are expected to convert to stronger second half revenues."

Note 1: Adjusted EBIT is defined as EBIT excluding share-based payments, amortisation of purchased intangibles and non-recurring items.

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