



Q4 & FY 2016 Financial Results

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Adam Graham

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Chief Executive Officer
Appointed 2 Nov 2016

Adam has over 15 years' experience leading and growing innovative digital marketing and advertising agencies.

Adam was previously CEO of Weapon7, a digital communications agency within Omnicom's BBDO. Prior to that he co-founded and served as Managing Director of Saint, the digital arm of WPP's Rainey Kelly Campbell Roalfe/Y&R, which won Revolution's and NMA's creative agency of the year Awards in 2011.

Earlier in his career Adam founded the e-marketing agency 3w Media in the UK and was among the pioneers of internet radio, with the founding of iChoose Radio in 1998.

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Post-Period End Updates

Post-Period Updates

14 February 2017

The Marketing Group's Australian Subsidiary Channel Zero Completes Acquisition of The Content Agency

- Acquisition bolsters Channel Zero's video content generation service offering
- Purchase consideration of €106,500 will result in share capital increase of 59,497 shares
- Acquisition expands Channel Zero's capabilities within the video content space and brings an impressive list of new and exciting clients to Channel Zero

Post-Period Updates

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28 February 2017

The Marketing Group Appoints New Chairman and Chief Financial Officer

- Appointment of Mr Don Elgie as Non-Executive Chairman of the Board, replacing Mr Jeremy Harbour
- Appointment of Mr Mike McElhatton as Chief Financial Officer, replacing Mr Charles Bartholomew

Mr Don Elgie, Non-Executive Chairman

Sep 2014 to present:

Non-Executive Chairman, Crossrider plc

Jun 2014 to present:

Special Advisor, British Interactive Media Association

May 2014 to Jun 2016:

Non-Executive Chair, Emoderation Ltd

Jan 2001 to Mar 2014:

Group CEO, Creston plc

Mr Mike McElhatton, Chief Financial Officer

Apr 2016 to present:

Non-Executive Financial Director,
Nile HQ Limited and DBI Network

Jan 2015 to Nov 2016:

Financial Director and Chief Operating Officer,
Splendid Unlimited

Jul 2013 to Jan 2015:

Chief Financial Officer EMEA, POSSIBLE

Oct 2008 to Oct 2012:

Chief Financial Officer, Havas Media UK



The Marketing Group

The Marketing Group: At A Glance

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Company Snapshot

The Marketing Group (“TMG”) is a global digital marketing network that is using the Agglomeration™ model to bring together a diverse portfolio of successful, specialised marketing agencies.

- TMG provides a central, public listed operating platform that enables each subsidiary agency to concentrate on delivering best-in-class services to their clients.
- By grouping specialist agencies together under one roof, TMG can offer clients a full service offering and access to an international network, while also retaining a real specialism in every aspect of marketing services.
- TMG was listed on Nasdaq First North Stockholm in June 2016 comprising of four subsidiaries. Since then, it has grown to 17 agencies with 30 offices in 8 countries.

Key Statistics

Market Capitalisation	€61.4 Mn (as at 27 Feb 17)
Agencies	17
Employees	~226
FY 2016	
EBITDA	€2.3 Mn
Net Profit	€2.0 Mn
Earnings Per Share (Basic EPS)	11.3 cents

Our Global Network

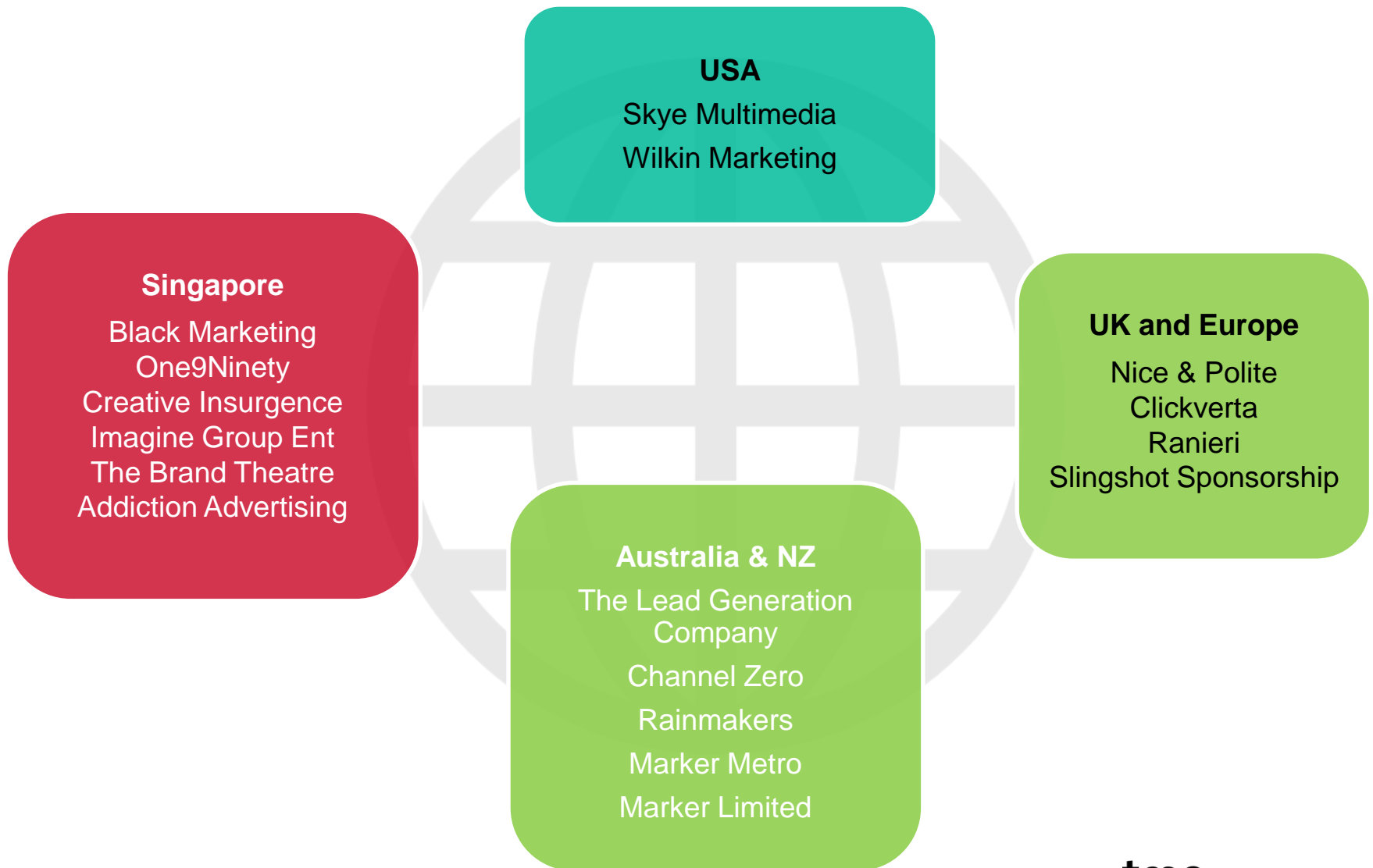
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Since IPO, The Marketing Group has grown from 4 to **17 agencies** with **30 offices** in **8 countries** serving a global market - USA, Europe, Asia, Australia and New Zealand.

Our Global Network

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Our Portfolio Businesses

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ADDICTION

ranieri
The PR & Social media Agency

one⁹ninety
THE BUSINESS OF SOCIAL

clickverta.

channelzero

NICE & POLITE

 **markerstudio**

slingshot
sponsorship

 **SKYE**
MULTIMEDIA

★
INSURGENCE
GUNS FOR HIRE

IMAGINE
Group

rainmakers

THEBRANDTHEATRE
WORLDWIDE

markermetro

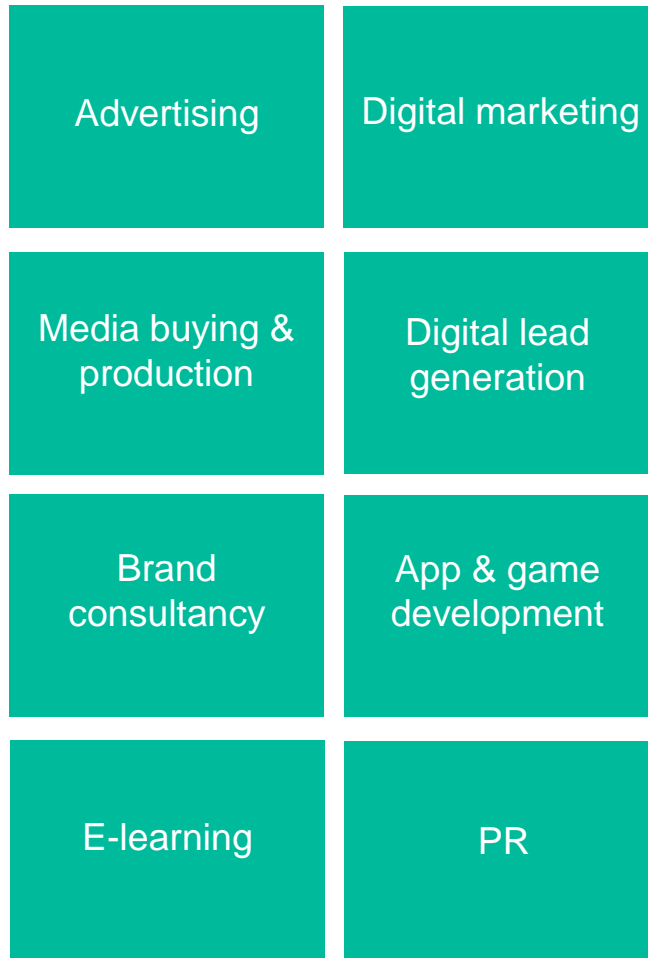
THE
LEAD
GENERATION
COMPANY

 **BLACK**
MARKETING
Enabling **LinkedIn** For You

 **WILKIN**
MARKETING

Delivering Best-in-Class Services to Blue-Chip Clients

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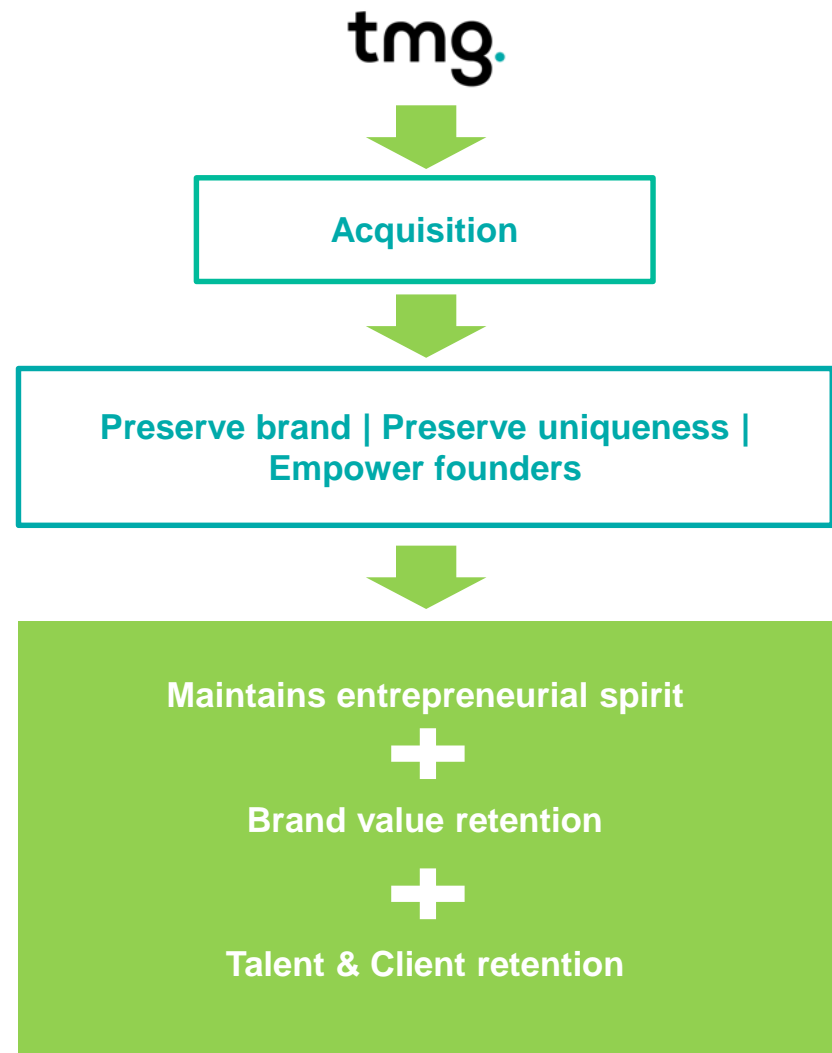
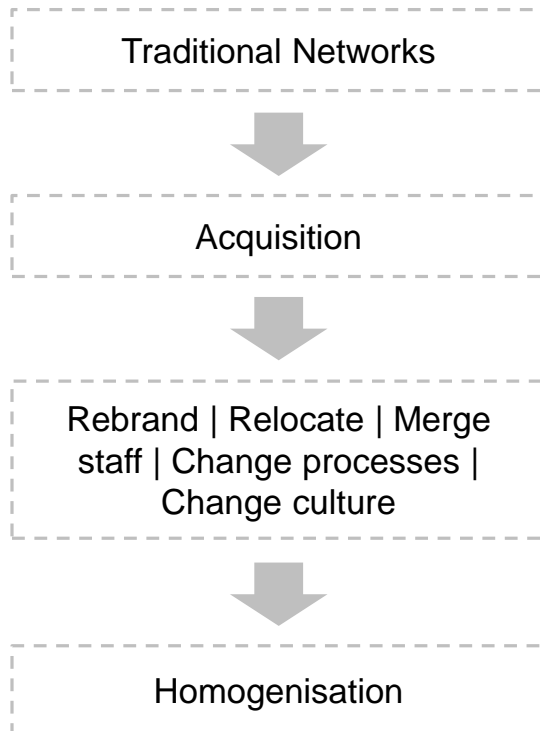


Selected Client Examples:



Advantage Over Traditional Networks

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Dual-Pronged Sustainable Growth Strategy

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Twin Engines for Long-term Growth

Organic Growth

- ❑ Synergies, cooperation and collaboration that drive organic growth occur due to a common interest to create shareholder value
- ❑ Businesses retain brand and operational autonomy
- ❑ Businesses joining the Group benefit from scale, a stronger balance sheet under the agglomeration, access to an international network and access to additional talent, product and services

Growth by Acquisitions

- ❑ Acquisitions are meant to be accretive and earnings-enhancing
- ❑ Acquisitions are strategically selected to enhance service offerings or strengthen positions in key international markets
- ❑ Companies joining the Group are mature, debt-free and run by a leader in its area of specialism

A modern office interior with a long white table, three potted plants, a whiteboard, and a framed abstract painting.

2016 Operational Highlights

Operational Highlights



IPO on NASDAQ First North Stockholm on **9 June 2016** as a group of four businesses



Accelerated growth through **disciplined acquisition** strategy that enhances service offering, client base, and earnings diversification



Organic growth opportunities driven by collaboration between network agencies

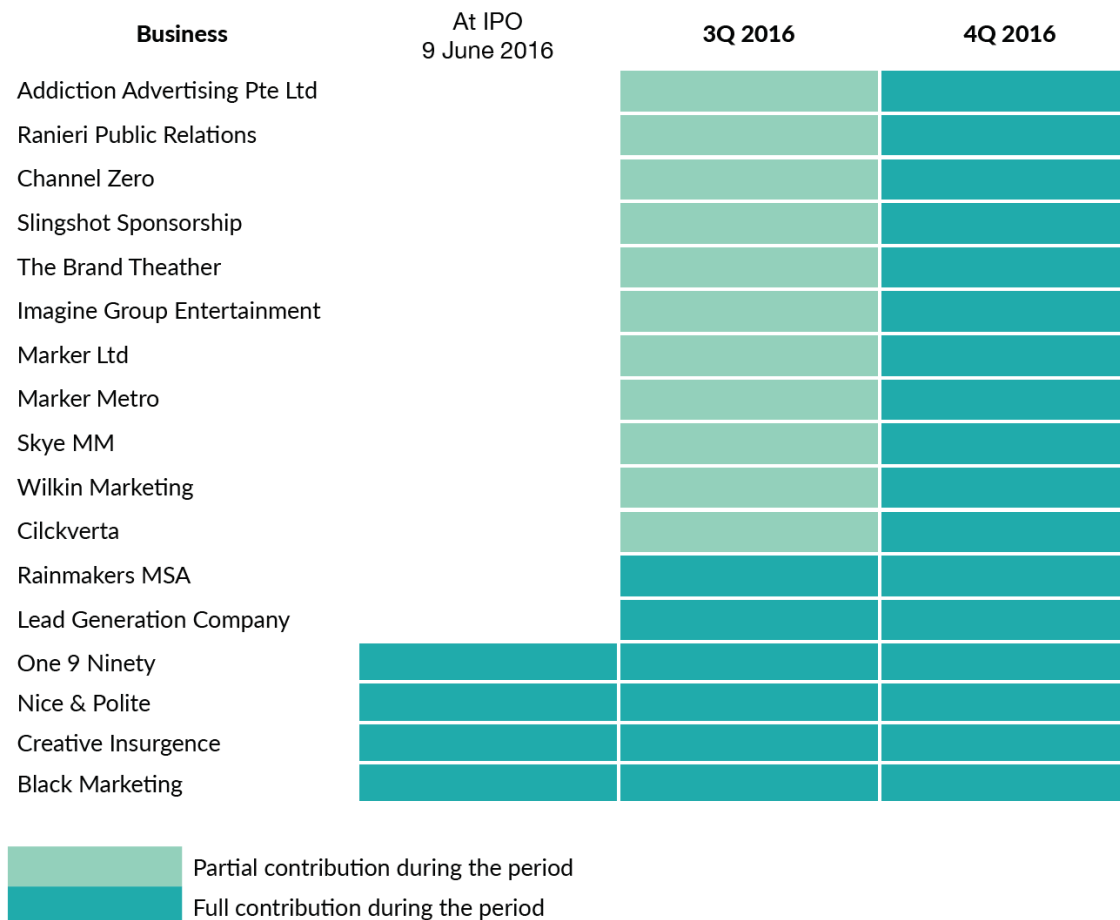


Board and management team strengthened with **key senior appointments**



Major **blue-chip clients** won including William Hill

Our Portfolio Businesses – Contribution Evolution



The background of the slide is a photograph of a workspace. It features a laptop on a wooden desk, with several sheets of paper scattered in front of it. The lighting is warm and slightly blurred, creating a professional yet approachable atmosphere.

Financial Results for the Period Ending 31 December 2016

Summary Table

€ millions	FY 2016
Revenue	15.8
EBITDA	2.3
<i>EBITDA margin</i>	<i>14.6%</i>
Net profit	2.0
<i>Net profit margin</i>	<i>12.6%</i>
Earnings per share ¹	11.3 cents

€ millions	Q4 16
Revenue	7.2
EBITDA	1.2
<i>EBITDA margin</i>	<i>17.0%</i>
Adjusted EBITDA ²	1.8

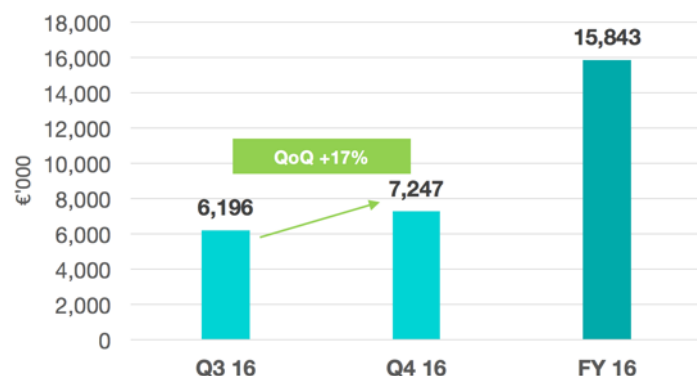
¹: Based on the weighted average number of shares of 17,657,892

²: Adjusted EBITDA excludes year-end compliance costs (audit and tax) and assumes a full quarter profit contribution from DAE Advertising

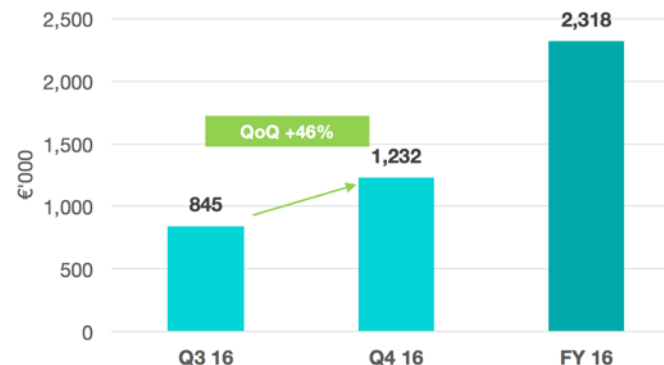
Quarterly performance

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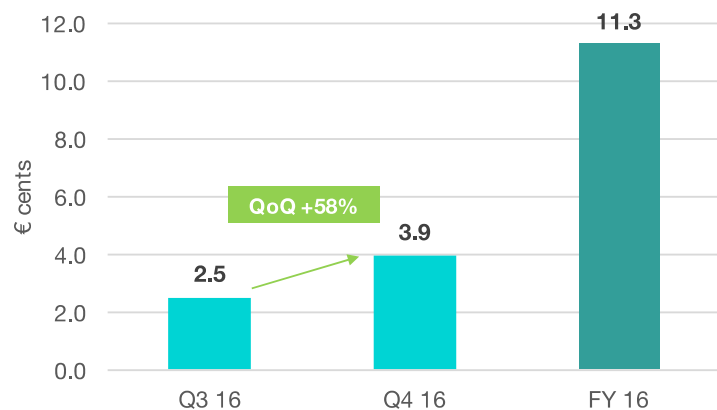
Revenue QoQ +17%



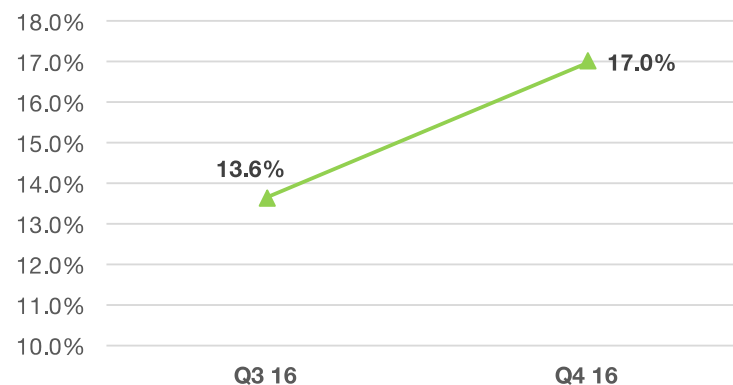
EBITDA QoQ +46%



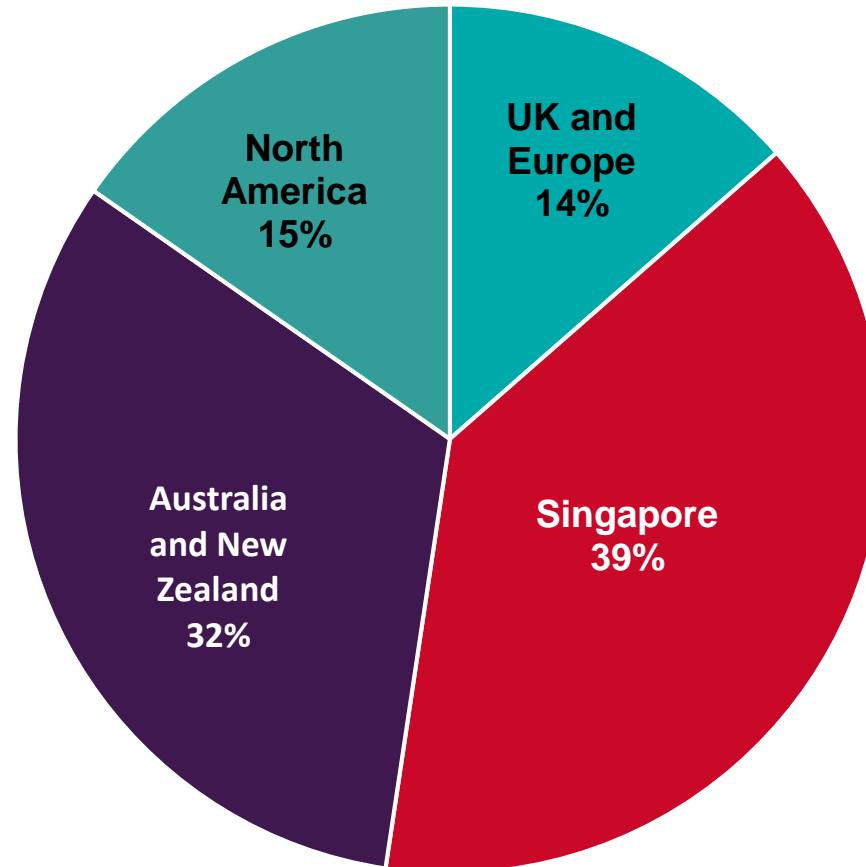
EPS QoQ +58%



EBITDA margin QoQ +3.4ppt



Geographical Composition of 2016 Revenue



Balance Sheet Summary

(€ '000)

Cash and cash equivalents	As at 31 Dec 2016
Cash and cash equivalents	2,418
Total current assets	9,077
Total Assets	83,215
Total current liabilities	11,437
Total Liabilities	12,004
Net Assets	71,211
NAV per share ¹	€ 2.56

¹: Based on period end number of shares of 27,796,252

Shares in The Marketing Group

Details to number of ordinary shares in The Marketing Group	Shares
Number of shares outstanding as at 31 Dec 2016	27,796,252
Number of shares held in treasury:	
- 5,660,583 shares to be cancelled (<i>relating to the cancelled acquisition of Astute Ltd</i>)	
- 1,636,893 shares to be allotted upon completion (<i>relating to the acquisition of TDA Group LLC</i>)	
Total number of shares (including those held in treasury) as at 31 Dec 2016	35,093,728
Weighted average number of ordinary shares for the purposes of calculating basic EPS	17,657,892
Post-period:	
Shares allotted for acquisition of DAE Advertising (tranche 2) in Jan 2017	1,368,042
Shares allotted for acquisition of The Content Agency in Feb 2017	59,497
Total number of shares (including those held in treasury) as at 28 Feb 2017	36,521,267

A modern meeting room with a long white table, three potted succulents, a whiteboard, and a framed abstract painting.

Market Landscape and Outlook

Peer analysis

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Company	Primary Exchange	Ccy	Last Close (LCY)	Market Cap (mm)	Revenue (mm)	GP margin (%)	EBITDA margin (%)	Net margin (%)	P/E (X)	P/B (X)
WPP plc	LSE	GBP	18.90	24,208	12,932	85.7%	14.8%	6.5%	28.9	2.8
Omnicom Group Inc	NYSE	USD	86.18	20,212	15,417	17.8%	14.9%	7.5%	18.0	9.4
Dentsu Inc	TSE	JPY	6180	1,762,145	838,359	94.1%	21.9%	10.0%	21.1	1.9
IPG Inc	NYSE	USD	24.55	9,640	7,847	35.8%	14.0%	7.8%	16.1	4.8
M&C Saatchi plc	AIM	GBP	3.59	270	192	31.6%	10.7%	4.9%	27.6	6.1
<i>Simple average</i>						53.0%	15.3%	7.3%	22.3	5.0
The Marketing Group	OMX	EUR	1.68	61.4	16	62.2%	14.6%	12.6%	14.9	0.7

As at 27 Feb 2017

Source: The Marketing Group, Capital IQ

- Benchmarked against industry bellwethers
- TMG commands profit margins that are either in-line or above sector peers
- At P/E of 14.9x, TMG is trading at a discount to sector peers

Outlook for the Group

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- **Execute accretive acquisition strategy at Group and subsidiary level**
 - Broaden our offering while maintaining best-in-class specialisms
 - Expand our global network into new markets and geographies
 - Diversify our client base and enter new verticals
- **Strong near-term acquisition pipeline**
 - TDA Group, Khemistry, Precision Marketing Group and others
- **Increase operational synergies and collaboration between businesses**
 - Create a more cohesive and international service offering
 - Drive incremental new business wins and enhance organic growth
- **Continue to strengthen Board and management teams with senior appointments**



Learnings from 2016

Improving communication of key information with the market

Key improvements:

- Timing of acquisition announcements
- Earnings information for announcements
- Quarterly updates of information on shares outstanding

"In 2016... the rapid pace of change sometimes created challenges to the clear articulation of value in our shareholder communications".

- Adam Graham, Chief Executive



Q&A

Thank you

Please visit www.marketinggroupplc.com for more information on
The Marketing Group

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The Marketing Group plc