

7 September 2021

Half Year Results 2021

The Pebble Group

Building brands.
Growing relationships.
Strengthening businesses.



Chris Lee
CEO

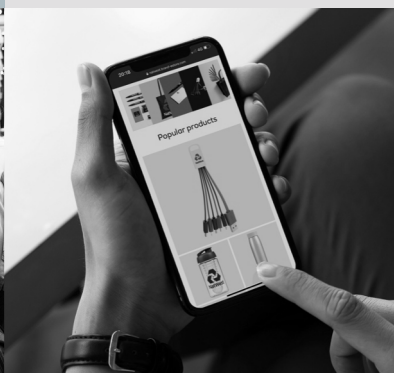
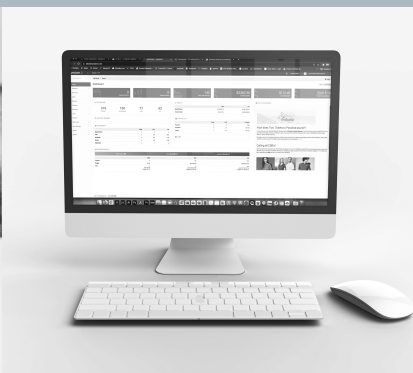


Claire Thomson
CFO

The Pebble Group



brand addition.



Facilisgroup is focused on transforming the promotional products industry with technology that enables customers to benefit from significant business efficiencies and supply chain advantages

Brand Addition provides full-scale promotional products services that help global brands build culture, awareness and meaningful connections. We extend our clients' values in thoughtful, sustainable, globally conscious ways to create branded moments that people love

Highlights HY 21

- The recovery in HY 21 has been strong
- Group revenues at £46.8m, 39% ahead of HY 20 (£33.6m) and slightly lower than HY 19 (£48.1m)

Facilisgroup

27% USD growth in Annual Recurring Revenue compared to HY 20

55% EBITDA margins achieved alongside investment into technology, sales and marketing

Growth in Partner (customer) numbers implemented or contracted, up to 197 (FY20: 175) at 31 August 2021

New ecommerce solution launched in beta form with 51 Partners in early access

Brand Addition

Significant growth in Consumer Promotions revenue expected in FY 21, compared to both FY 20 and FY 19

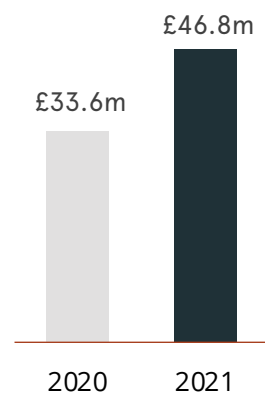
Growth in Corporate Programmes revenue expected in FY 21, compared to FY 20, supported by new business wins from FY 20 and recovery continues against FY 19

Continued to attract new client contracts which will positively impact revenues in 2022

Highlights HY 21, KPIs

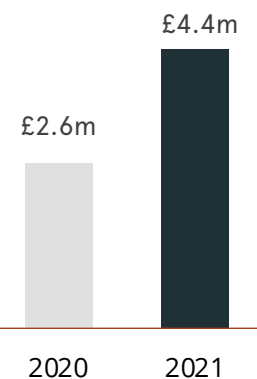
Revenue

+39.3%



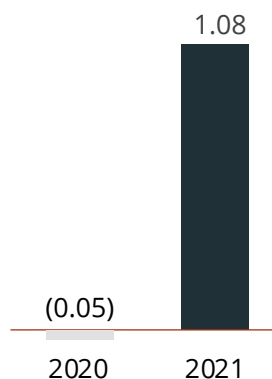
Adjusted EBITDA¹

+73.5%



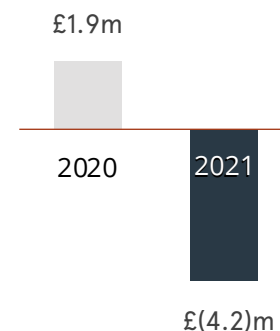
Adjusted EPS²

+1.13p



Net cash / (debt)

-£6.1m



¹ Adjusted EBITDA is defined as operating profit adjusted to add back depreciation of property, plant and equipment, amortisation, share based payments charge and exceptional items

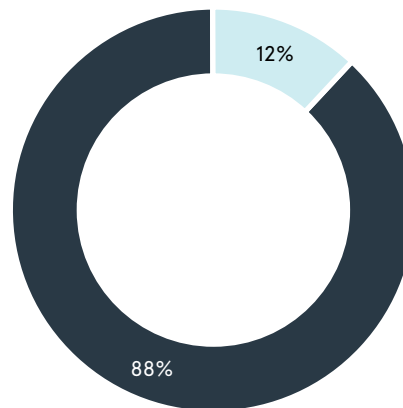
² Adjusted earnings per share is calculated as profit after tax before amortisation of acquired intangibles, share-based payments charge, and exceptional items divided by the weighted average number of shares in issue

³ Net cash / (debt) is defined as cash and cash equivalents less borrowings (excluding lease liabilities)

Key financial dynamics

High EBITDA margins of Facilisgroup

Revenue by business HY21 %

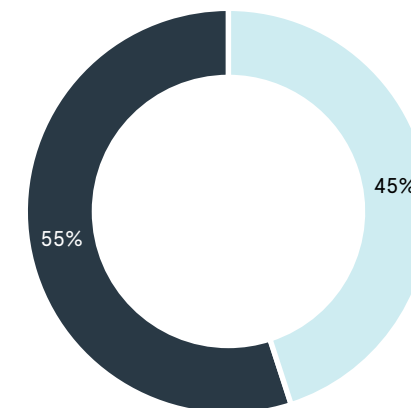


■ Brand Addition
■ Facilisgroup

Commentary

- Facilisgroup subscription-based revenue
- Brand Addition product-based revenue

EBITDA by business HY 21 %



■ Brand Addition
■ Facilisgroup

Commentary

- High EBITDA margins of Facilisgroup (HY 21: 55%)
- Revenue recovery at Brand Addition flows through to EBITDA

Income statement HY 21

Strong recovery,
growth in
Facilisgroup ARR,
Brand Addition
returning towards
2019 volumes

£'m	HY 21	HY 20	HY 19	FY 20
Revenue	46.8	33.6	48.1	82.4
Gross profit	17.2	13.6	17.4	31.0
People & overhead	(11.6)	(10.3)	(11.7)	(19.8)
Adjusted EBITDA pre-Head Office	5.6	3.3	5.7	11.2
Head office costs	(1.2)	(0.7)	(0.4)	(1.4)
Adjusted EBITDA	4.4	2.6	5.3	9.8
Depreciation and amortisation	(2.0)	(1.7)	(1.4)	(3.5)
Exceptional items	-	-	(4.1)	(0.6)
Share-based payments charge	(0.2)	-	-	-
Operating profit	2.2	0.9	(0.2)	5.7

Gross profit %	36.8%	40.6%	36.1%	37.6%
Adjusted EBITDA %	9.5%	7.6%	11.0%	11.8%
Operating profit %	4.6%	2.7%	(0.3)%	6.9%

Detail in
segmental
analysis

- ➔ COVID-19 reduced salaries in HY 20 and investment was made into ESG in HY 21
- ➔ Investment into aspirational revenue goals
- ➔ Charge for 2020 awards made under 2019 LTIP
- ➔ HY 21 similar Gross profit to HY 19 with recovery of Brand Addition

Cash flow HY 21

£'m	HY 21	HY 20	HY 19	FY 20	
Adjusted EBITDA	4.4	2.6	5.3	9.8	
Movement in working capital excluding IPO accruals	(12.3)	(4.4)	(0.7)	1.7	<ul style="list-style-type: none"> ➔ Brand Addition in year working capital cycle <ul style="list-style-type: none"> - £2.5m incremental Consumer Promotions - £5.4m growth from increased trading
Capital expenditure excluding acquisition of intangible assets	(2.0)	(1.3)	(1.0)	(3.1)	<ul style="list-style-type: none"> ➔ Brand Addition, £0.5m Facilisgroup, £1.5m
Leases	(0.6)	(0.5)	(0.6)	(1.2)	
Underlying operating cash flow	(10.5)	(3.6)	3.0	7.2	
Movement in working capital IPO related accruals	(0.4)	(3.4)	-	(3.5)	<ul style="list-style-type: none"> ➔ Final settlement of 2019 IPO costs, funded by exiting SH
Acquisition of intangible assets	(0.2)	-	-	(2.6)	<ul style="list-style-type: none"> ➔ Facilisgroup 2020 software acquisition, further £1.1m deferred
Adjusted operating cash flow	(11.1)	(7.0)	3.0	1.1	
Taxes paid	(0.1)	(0.2)	(1.0)	(1.3)	
Net finance costs	7.5	8.1	0.6	(0.7)	<ul style="list-style-type: none"> ➔ Utilisation of committed facility net of interest payable
Acquisition and financing	-	-	(1.4)	-	
Exceptional items	-	-	(4.1)	(0.5)	
Exchange gain / (loss)	0.2	0.5	0.1	(0.4)	
Net cash flow	(3.5)	1.4	(2.8)	(1.8)	

Balance Sheet HY 21

£'m	HY 21	HY 20	HY 19	FY 20	
Non-current assets	63.2	57.5	56.7	63.6	→ Goodwill and intangibles: £44.7m, Software: £9.7m, PPE: £8.5m, DT asset £0.3m
Inventories	15.6	12.4	10.6	12.1	→ HY 21 includes £2.5m incremental Consumer Promotions en route to client
Trade & other receivables	30.1	18.9	21.5	21.0	→ Brand Addition, blue-chip backed inventories and receivables. Incremental volume as activity recovers
Cash & cash equivalents	3.6	10.3	5.3	7.1	→ Brand Addition in year working capital cycle
Current tax asset	0.5	-	-	0.8	
Current assets	49.8	41.6	37.4	41.0	
Total assets	113.0	99.1	94.1	104.6	
Borrowings	-	-	66.8	-	
Lease liability	7.1	5.4	5.0	7.7	→ Facilisgroup, new offices to support growth Brand Addition, expanded European warehousing
Trade and other payables	-	-	-	0.9	
Deferred tax liability	2.6	1.9	1.9	2.6	
Non-current liabilities	9.7	7.3	73.7	11.2	
Borrowings	7.8	8.4	2.3	-	
Lease liability	1.4	1.0	0.9	1.3	
Trade and other payables	26.4	17.6	24.7	25.8	
Current tax liability	-	0.9	0.2	-	
Current liabilities	35.6	27.9	28.1	27.1	
Total liabilities	45.3	35.2	101.8	38.3	
Net assets/(liabilities)	67.7	63.9	(7.7)	66.3	



Facilisgroup is focused on transforming the promotional products industry with technology that enables customers to benefit from significant business efficiencies and supply chain advantages



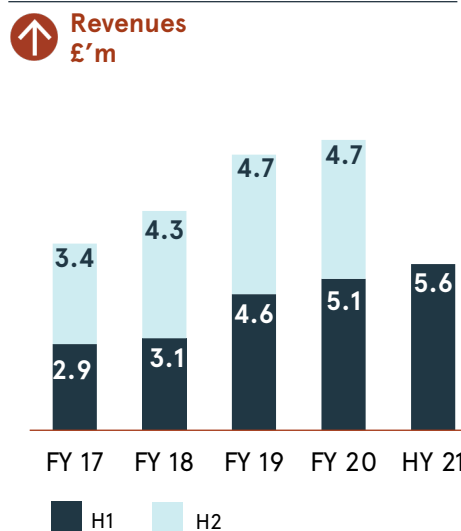
Segmental Analysis HY 21



£'m	HY 21	HY 20	HY 19	FY 20	Commentary
Recurring Revenue	5.4	4.8	4.1	9.3	▪ +15% ARR in GBP, +27% in USD home currency
Other Revenue	0.2	0.3	0.5	0.5	
Total Revenue	5.6	5.1	4.6	9.8	
People & overhead	(2.5)	(2.2)	(2.2)	(3.8)	▪ Investment in team to support growth aspirations
Adjusted EBITDA	3.1	2.9	2.4	6.0	
Depreciation and amortisation	(0.8)	(0.6)	(0.5)	(1.3)	▪ Investment in new office facility
Exceptional items	-	-	(4.1)	(0.1)	
Share-based payments charge	(0.1)	-	-	-	
Operating profit	2.2	2.3	(2.2)	4.6	
£:US\$ average rate	1.39	1.26	1.29	1.28	▪ Results in GBP significantly impacted by strengthening £:US\$
Recurring revenue \$m	7.5	5.9	5.2	11.9	▪ ARR c.95% of total revenue
Recurring revenue \$m growth %	27.0%	14.0%	-	-	
Adjusted EBITDA %	54.6%	57.8%	53.3%	61.4%	▪ Strong combination of ARR growth and EBITDA % return
Operating profit %	39.2%	45.5%	(48.5)%	47.6%	▪ Operating profit return reflecting investment to support growth

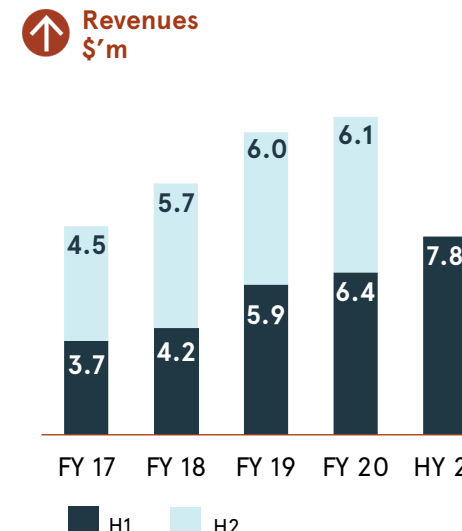
Recurring Revenues

High visibility of recurring revenues with a loyal and growing Partner (customer) base



Commentary

- Annual Recurring Revenues (ARR) are c.95% of FY 20 Revenue



Commentary

- US\$ revenue chart demonstrates consistent revenue growth
- HY 21, ARR of \$7.5m, an increase of 27% compared to the prior Period

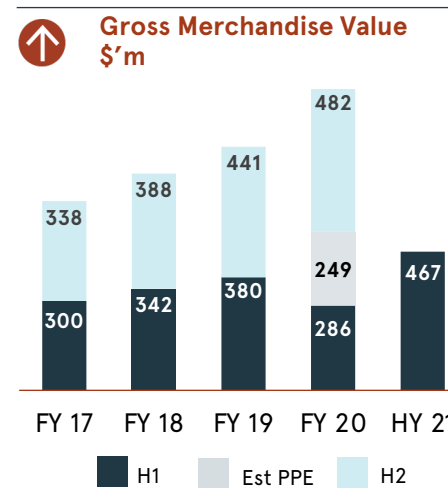
Partner Activity

Through July and Aug 2021 GMV is 136% of 2020 and 141% of 2019



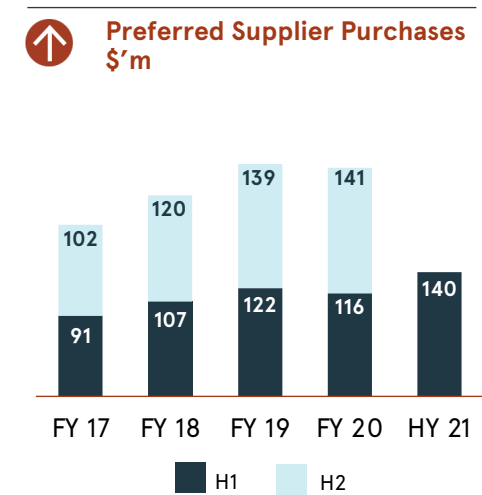
Commentary

- Partner growth continues with approaching 200 Partners implemented or contracted and awaiting implementation



Commentary

- GMV in H2 21 currently 136% of 2020 and 141% of 2019 levels
- Estimated PPE sales in 2020 consisted of several large, one-off orders



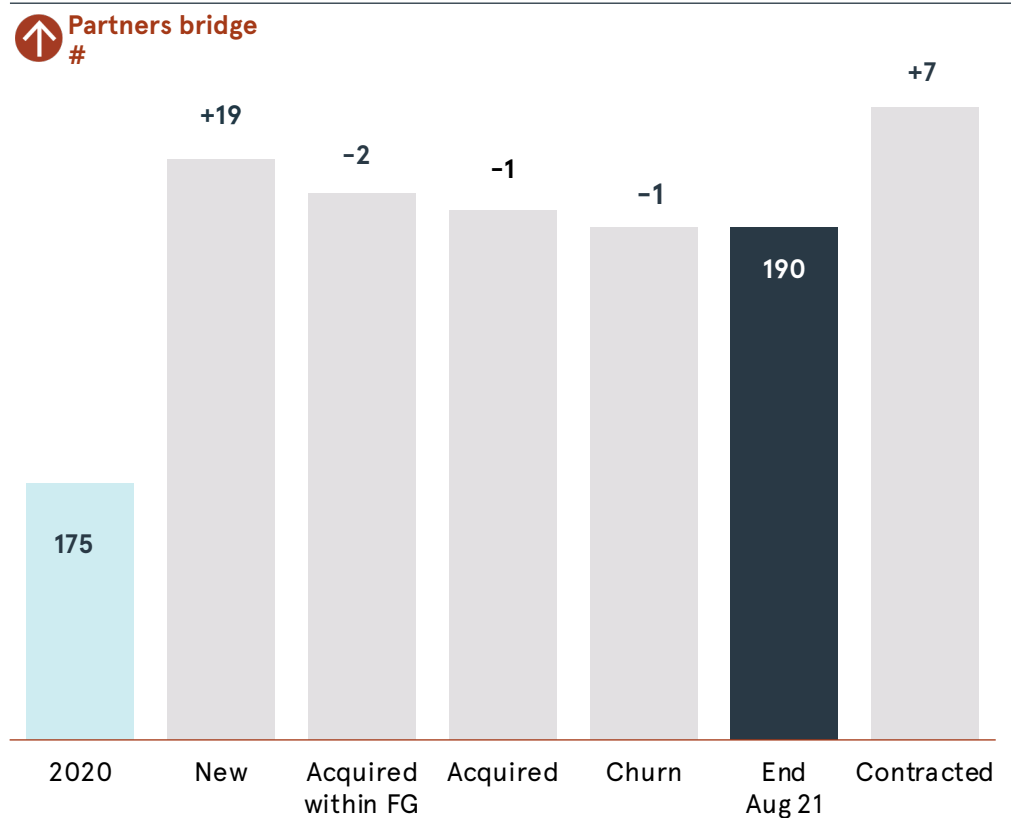
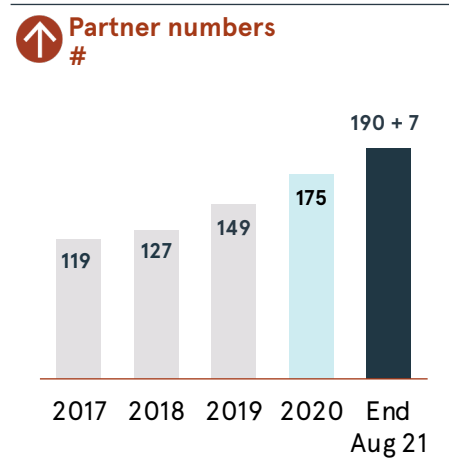
Commentary

- Spend with Preferred Suppliers returning towards 2019 percentages and therefore growing significantly in value compared to prior period

Partner Activity

Retention remains strong, M&A activity within Partner group has developed

- **New:** Additional Partners implemented
- **Acquired within FG:** Partners businesses that have been acquired by existing Partners. GMV retained with majority of income
- **Acquired:** Partners businesses that have been acquired by non-Partners
- **Churn:** Partners leaving for other reasons



Progress of ecommerce product

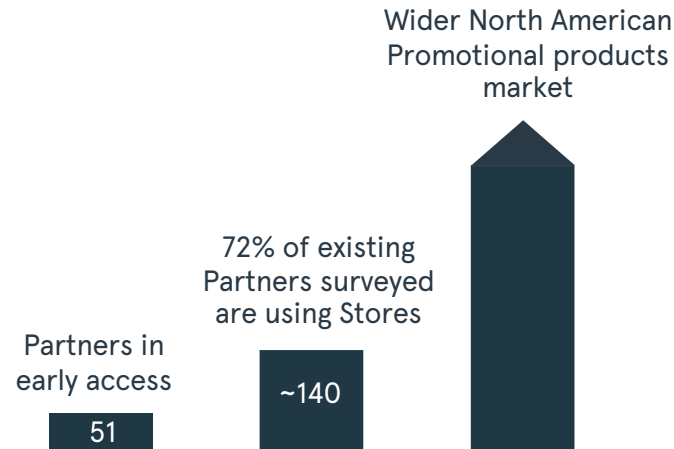


Our all-in-one ecommerce product

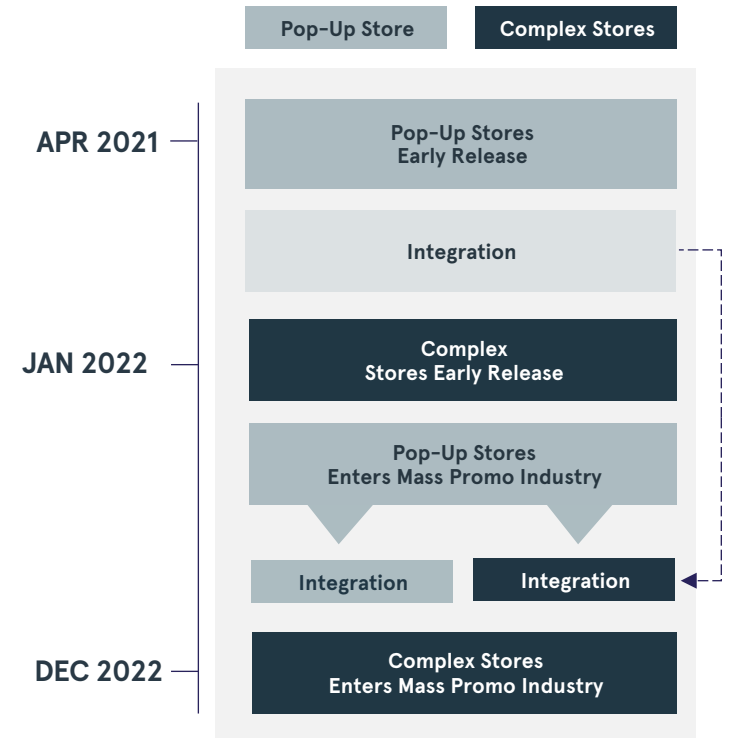
We are building a platform that enables our Partners to build and operate any type of ecommerce store while providing management tools that deliver a smart workflow with the right integrations necessary to meet and exceed customer expectations.

The Opportunity

User numbers
#

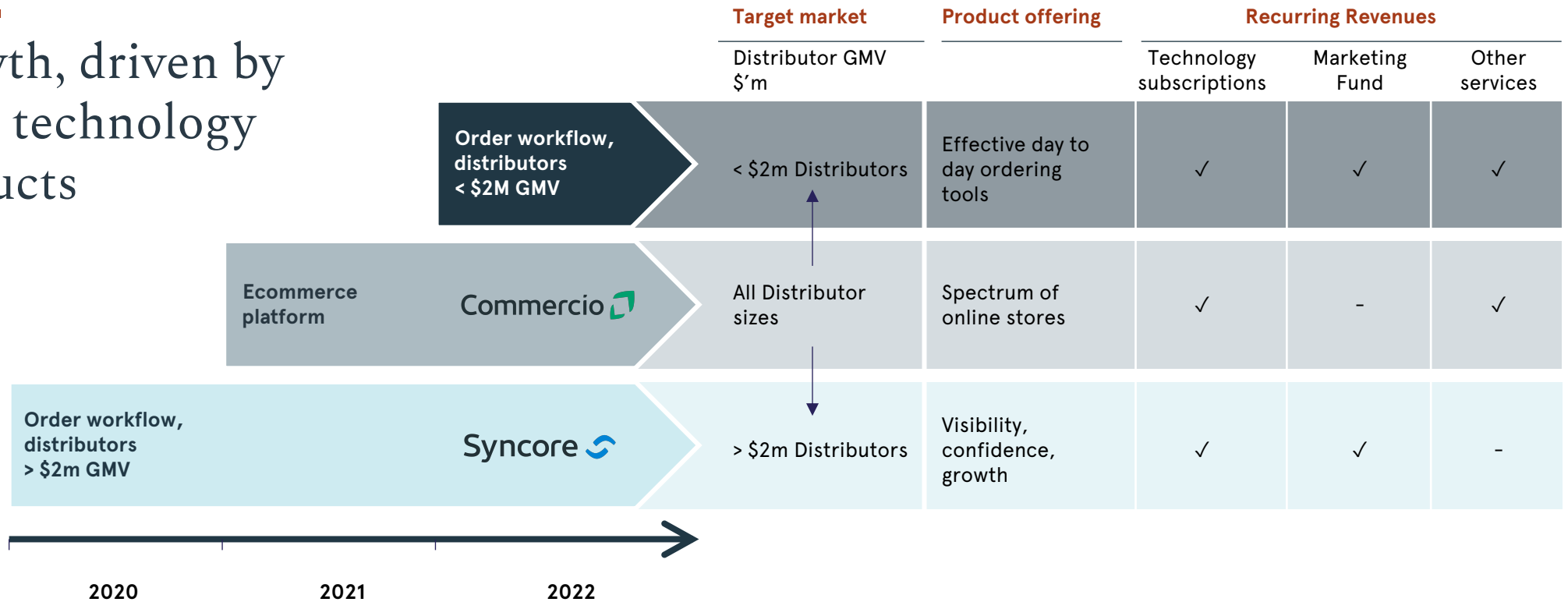


Timeline



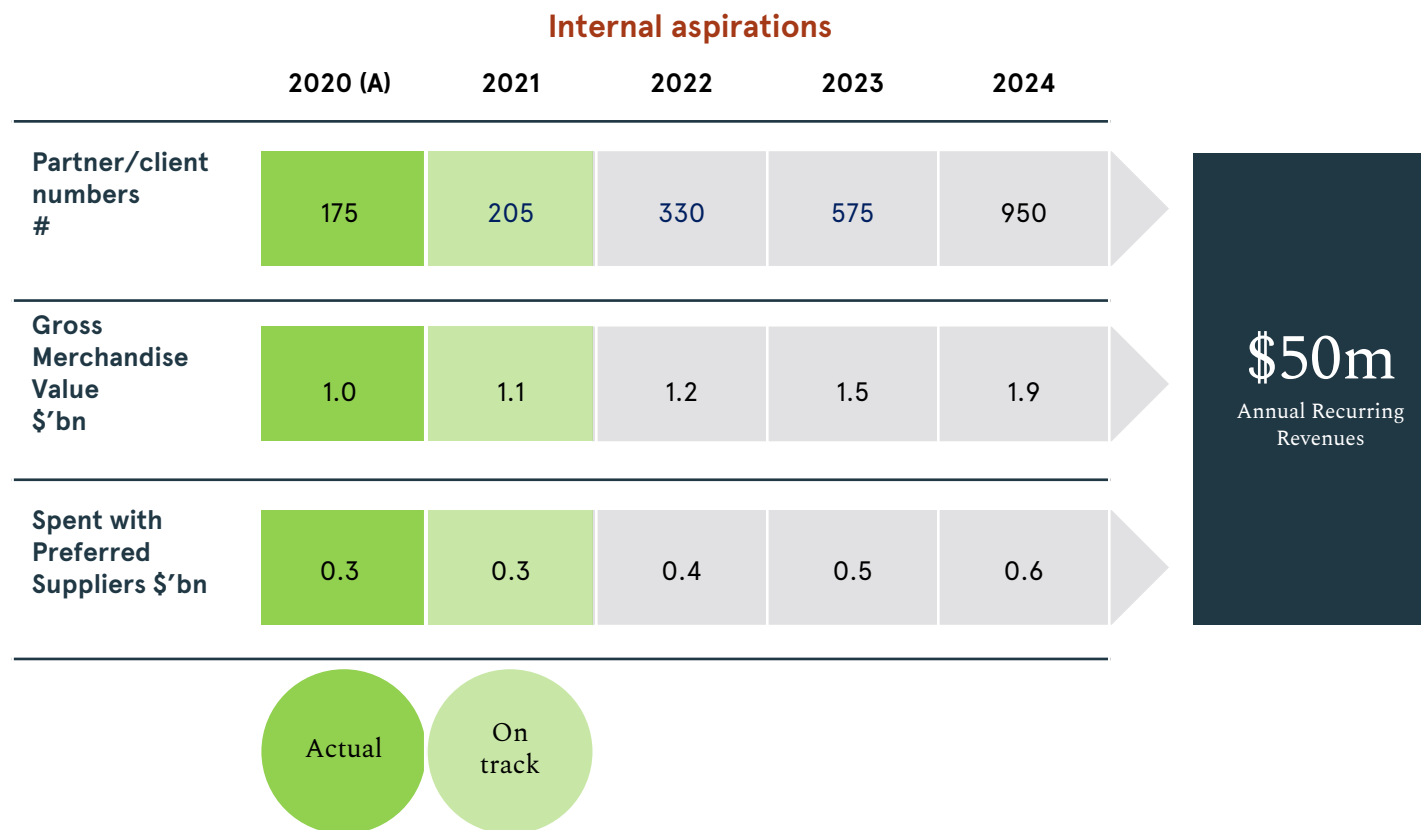
Our growth vision

Growth, driven by three technology products



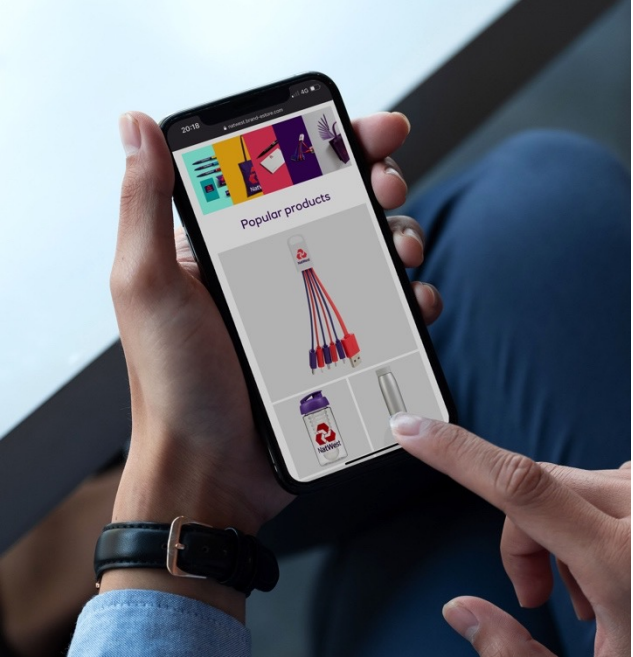
Milestones

Our internal aspirations to \$50m Annual Recurring Revenues



brand addition.

Brand Addition provides full-scale promotional products services that help global brands build culture, awareness and meaningful connections. We extend our clients' values in thoughtful, sustainable, globally conscious ways to create branded moments that people love



Segmental Analysis HY 21

brand addition.

brand addition.

£'m	HY 21	HY 20	HY 19	FY 20
Revenue	41.1	28.5	43.6	72.6
Gross profit	11.6	8.6	12.8	21.2
People & overhead	(9.1)	(8.2)	(9.5)	(16.0)
Adjusted EBITDA	2.5	0.4	3.3	5.2
Depreciation and amortisation	(1.2)	(1.1)	(0.8)	(2.2)
Exceptional items	-	-	-	(0.4)
Share-based payments charge	(0.1)	-	-	-
Operating profit	1.2	(0.7)	2.5	2.6

Commentary

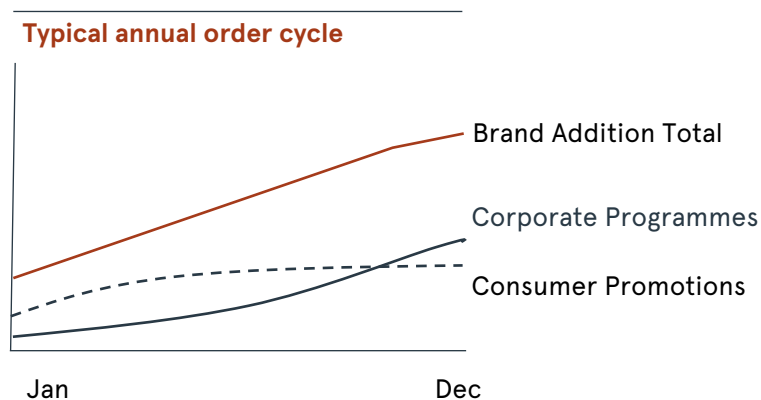
- £7.0m growth in Consumer Promotions, £5.4m recovery in Corporate Programmes
- Short term impact costs of Brexit, freight pricing and capacity challenges plus implementation of new business
- HY 20 included furlough contributions and temporary salary reductions

Revenue growth %	44.2%	(34.6)%	-	-
Gross profit %	28.2%	30.0%	29.4%	29.2%
Adjusted EBITDA %	6.1%	1.2%	7.5%	7.2%
Operating profit %	2.9%	(2.4)%	5.7%	3.5%

Order receipt and working capital dynamics

brand addition.

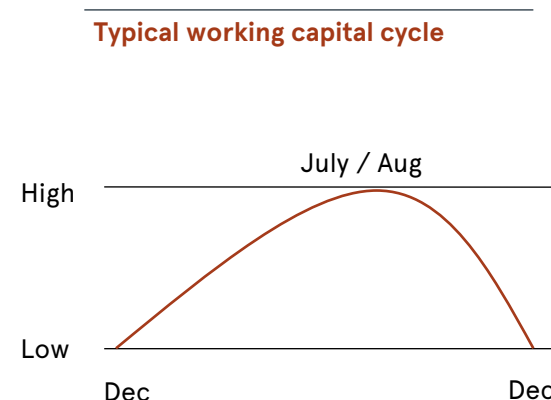
Typical calendar year order receipt cycle and working capital dynamics in Brand Addition



Commentary

- Consumer Promotions
Larger custom-made orders therefore a longer order to invoice lead time. Most orders received by the end of H1 (c.40% divisional sales in FY 20)

- Corporate Programmes
Smaller orders, often through inventory held in our warehouses, resulting in a more even spread of orders throughout the year (c.60% divisional sales in FY 20)



Commentary

- Comprising most of the Group's working capital, there is an in-year cycle created by our Brand Addition Consumer Promotions division;

- Q1: Orders received and placed with manufacturers

- Q2, Q3: Orders manufactured delivered and invoiced

- Q4: Cash received

‘FY 21 expected to be significantly ahead of FY 20 and slightly ahead of FY 19’

1. Consumer Promotions

- Significant growth in 2021 vs 2020 and 2019
- Existing clients consolidating spend with Brand Addition

2. Corporate Programmes

- like for like

- 100% retention of major clients from 2019
- Global brands in strong sectors
- Headroom for growth compared to 2019 remains

3. Corporate Programmes

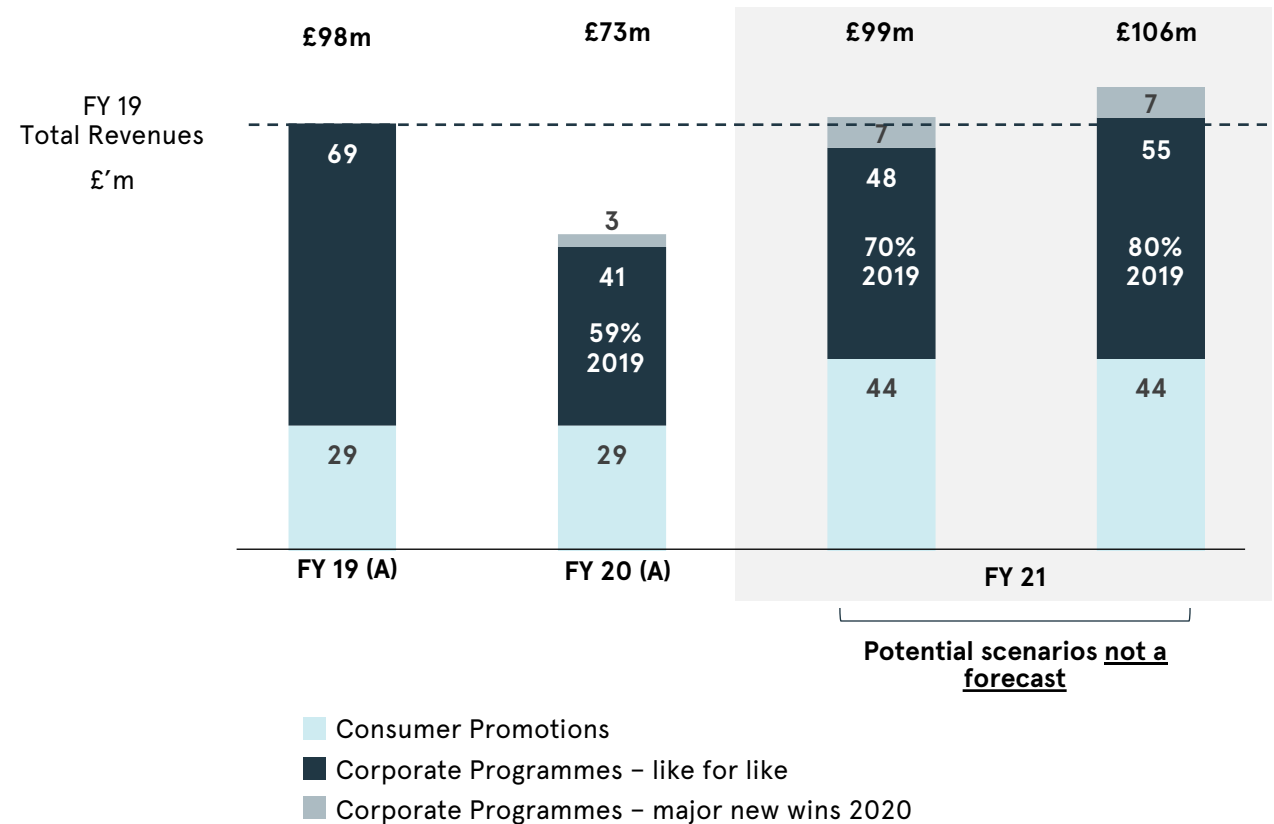
- major new wins

- Two major new clients implemented and contributing in 2020
- New business wins continued in 2021 which will contribute to 2022 revenues

4. 2021 update

Total orders invoiced or received for 2021 at end August 2021 were £81.8m (2020: £53.4m and 2019: £71.3m)

brand addition.

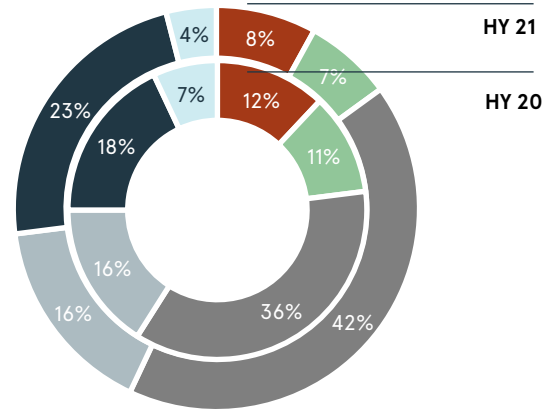


Revenue Diversity

Strong sectors,
across multiple
geographies

brand addition.

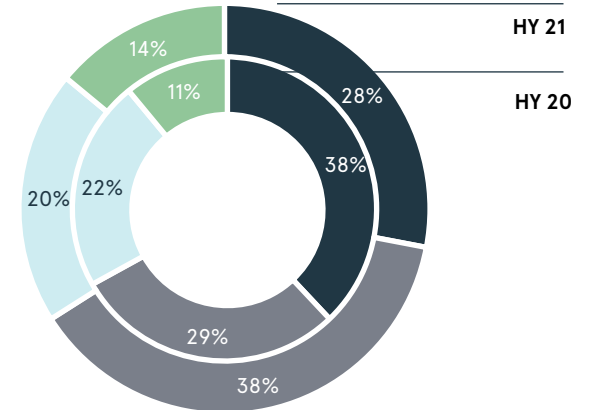
Revenue by client sector
%



Commentary

- Growth in the Health & Beauty sector reflects the success of our Consumer Promotions division
- Top 20 clients all retained, headroom for growth compared to 2019 remains

Revenue by destination
%



Commentary

- Global nature of our business and contracts ensures diversity across geographic regions

THE PEBBLE GROUP

Environmental, Social and Governance (ESG)

ESG Progress

ESG report to be published – October 2021

- Details our bespoke ESG framework & approach
- ESG initiatives and progress towards goals.

Materiality analysis undertaken across group

- Identified key material topics
- Key topics form part of ESG framework and roadmap
- Aligning our actions with UN Sustainable Development Goals

Other ESG activities

- Gender pay review undertaken
- Group policy review underway and key policies to be made available on our website

ESG Roadmap



● Completed

○ Planned

The Pebble Group
The Pebble Group plc
ESG Report 2021

Group Outlook

- The highly recurring nature of the revenues at Facilisgroup and the value of orders received to date at Brand Addition leads the Board to be confident that FY 21 performance will be at least in line with market expectations

Facilisgroup

FY 21 USD ARR growth compared to prior year expected to be approaching 30%

H2 21 Gross Merchandise Value running at 136% of H2 20 and 141% of H2 19

190 Partners at 31 August 2021 with a further 7 contracted awaiting implementation

New ecommerce solution launched in beta form with 51 Partners in early access

Brand Addition

FY 21 revenues expected to be well ahead of FY 20 and slightly ahead of FY 19

Significant growth in Consumer Promotions revenue expected in FY 21, compared to both FY 20 and FY 19

Total orders invoiced or received to be invoiced in 2021 at 31 August amounted to £81.4m, being 153% of 2020 (£53.4m) and 114% of 2019 (£71.3m)

7 September 2021

Half Year Results 2021

Financial Guidance

Building brands
Growing relationships
Strengthening businesses

Financial Guidance

▪ CAPITAL EXPENDITURE: (excluding amounts capitalised under IFRS 16)

	Actual	Actual	Est
£m	2019	2020	2021
Tangible	0.6	0.8	0.8
Intangible	1.5	6.2	4.4

▪ DEPRECIATION AND AMORTISATION:

	Actual	Actual	Est
£m	2019	2020	2021
Depreciation	1.2	1.5	2.1
Amortisation*	1.5	2.0	3.3

* Includes acquired intangibles 2019: £0.5m, 2020: £0.5m 2021: £0.9m

▪ TAXATION:

2021 guidance rate, 25%

▪ DIVIDENDS:

The Group remains committed to the dividend policy stated at IPO and will review dividend payments in respect of 2021 at the FY announcement

▪ CURRENCY RATES:

	Actual	Actual	YTD
£:US\$	2019	2020	2021
Income Statement (average rate)	1.28	1.28	1.38
Balance Sheet (year end rate)	1.32	1.36	N/A

There is a translational affect on our US\$ denominated profits at Facilisgroup and Brand Addition US

	Actual	Actual	YTD
£:€	2019	2020	2021
Income Statement (average rate)	1.14	1.13	1.15
Balance Sheet (year end rate)	1.18	1.11	N/A

There is a translational affect on our € denominated revenues at Brand Addition UK, being 40% of revenues in 2020

▪ SHARE BASED PAYMENTS CHARGE:

2021 charge, £450,000

7 September 2021

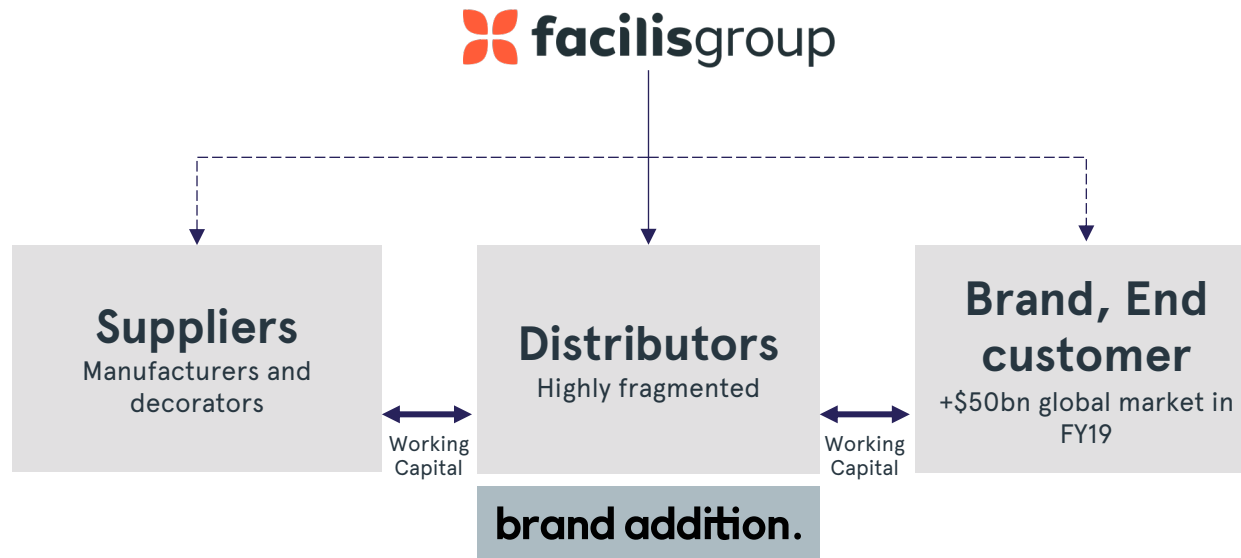
Half Year Results 2021

Business model

Case Studies

Building brands
Growing relationships
Strengthening businesses

Our business model



Servicing the promotional product industry

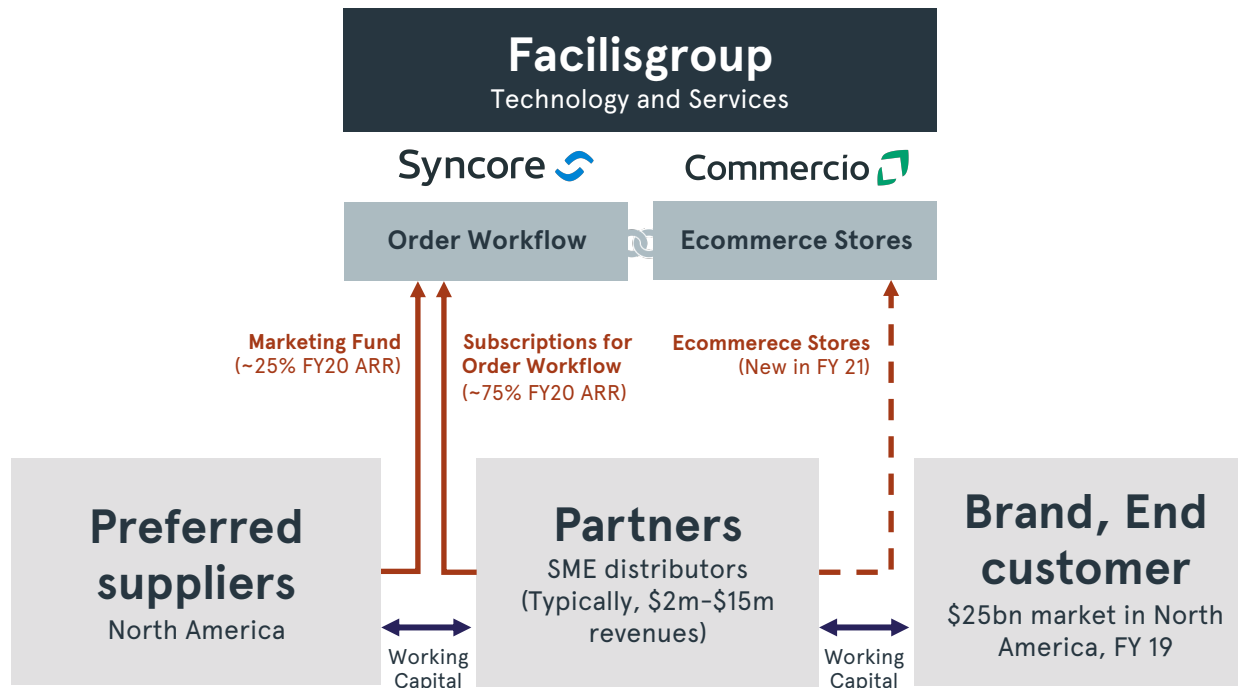
Facilisgroup

- Technology platform for mid-sized distributors in North America, enabling business efficiency
- Consolidates spend to create meaningful supply chain advantage
- High visibility of income of which 95% in FY 20 is through a recurring revenue model

Brand Addition

- Complex services and products to many of the best known brands in the world
- Long term relationships, under contract
- **Corporate programmes:**
 - Employee engagement
 - Brand awareness
- **Consumer Promotions:**
 - Gift with Purchase
 - Driving client sales

Our business model, Facilisgroup



On page 32 and 33 we share the Features, Benefits and Success/Opportunity of the Facilisgroup technology within Syncore and Commercio

Recurring revenues

Subscriptions for Order Workflow (~75% ARR FY 20)
 CRM, Product Search and Order processing efficiently manages the enquiry to invoice workflow. Fees are fixed at the beginning of each year based on prior year Gross Merchandise Value and paid monthly

Marketing Fund (~25% ARR FY 20)
 As a consolidator of \$1bn of spend, quality, contracted suppliers support the Facilisgroup community. Fees are received half yearly and based upon Partner purchases value through Preferred Suppliers in the year

Ecommerce Stores (New in FY 21)
 A new service implementing in 2021 following a software assets acquisition, allowing for the easy development of microsites, pop up shops and complex inventoried stores for existing and potential Partners

Our business model, Brand Addition



On page 35 and 36 we share examples of the services we provide at Brand Addition within our Corporate Programmes and Consumer Promotion divisions

brand addition.

Our business model

Contracted, with global brands
Win, Grow, Retain, Repeat

- **Global brands**
Under contract, supporting brand excitement, values and integrity
- **Revenue model: Product + Margin**
Invoice for products delivered via complex services
- **ESG**
An increasing importance in sustainability, matching all aspects of the global brand values through the product and supply chain

Case Studies



Many promotional product distributors are entrepreneurial, owner-managed businesses
 They are looking for the **tools, transparency, and insights** necessary to have the confidence and ability to scale their businesses

Syncore provides this solution for business owners and is our order workflow product, upon which the Facilisgroup was founded

Features

The tools within Syncore

- Robust CRM supporting sales growth and management visibility
- Efficient and disciplined work flow management from Contact to Sales to Customer Service and Finance
 - Allows the Sales team to concentrate on sales!
- Full suite of additional features includes marketing, accounting, order processing and reporting tools to round out the all-in-one solution.

“
 The supplier relationships & preferred pricing have elevated our ability to further service our customers while maintaining higher margins.
 ”



Marci Tran, CEO
 Bradley + Company
 thebradco.com

Benefits

The results from implementing Syncore

- Dramatically improves staff productivity and efficiency
- Helps **grow sales by 2-3x** the industry average
 - During the pandemic, Partners grew 8% while the industry overall was down -19%
- Increase margins by **2-3%**, utilising Preferred Supplier contractual relationships

All of which leads to happier customers, more profit and more time for the things that matter

“
 The front end of the system was very helpful for our sales team and allowed us to get processes in areas of our business that we didn't have. It's been tremendous from a technology standpoint.
 ”

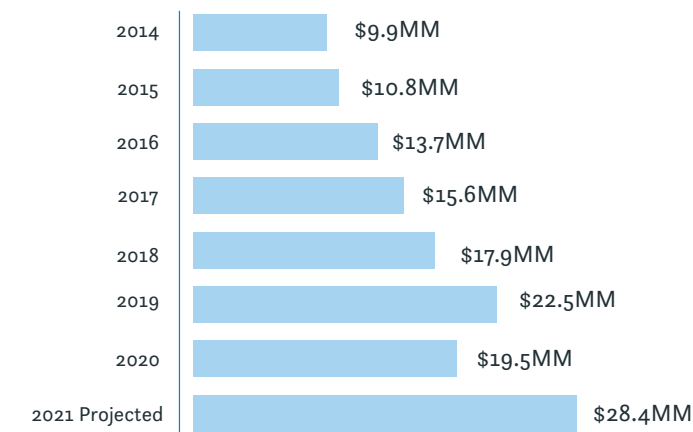


Sam Riden, CEO
 TSC Inc.
 tscinc.net

Success

Partner Growth

Brand Makers (Facilisgroup Partner since 2012) has had super sales growth, heavily influenced by the sales tools available through Syncore. A remarkable sales culture, leadership and excellent hiring, coupled with Syncore technology, provided the perfect recipe for growth.



Brand Makers joined Facilisgroup in 2012 with a pre-Facilisgroup revenue of \$7.3MM.

Commercio is our **all-in-one ecommerce product**, developed from the software assets acquired in December 2020, and launched to Partners in 2021. We intend to build a platform that enables our Partners to build and operate any type of ecommerce store while providing management tools that **deliver a smart workflow** with the right integrations necessary to meet and exceed customer expectations

Features

- Allows for easy store building and customization through integrated product search, multiple store designs and custom branding
- The multiple use solution provides a perfect platform for all store needs, from pop-up and employee stores to redemption sites and fundraising programs
- Provides a familiar, streamlined workflow to store solutions for all Partners, regardless of where they are in their online store journey.

Benefits

- Offers an easy to execute ecommerce solution for distributor Partners on behalf of their client
- Gives distributor partners business security with clients through proven revenue growth
- Saves Partners time and resources while increasing profitability through the platform's smart workflow and built-in integrations
- Combines all necessary ecommerce tools in a simple, streamlined interface with straightforward pricing.

Opportunity

- Provides a Syncore-integrated solution to the 72% of Facilisgroup partners already offering and/or operating ecommerce stores.
- Allows distributors to capture customers where they expect to shop: online, where 80% of B2B sales currently occur

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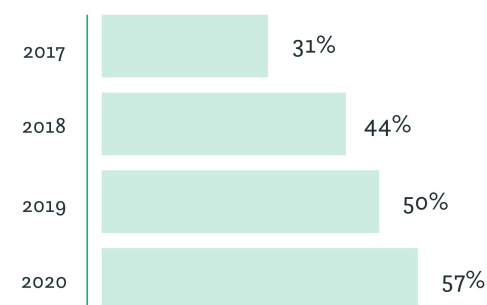
The Commercio pop-up store solution is such an easy entry into ecommerce. You can easily build a shop in a matter of minutes, take orders for a limited time and then fulfill – all without messy integrations or a major investment in technology.

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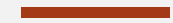
Howard Schwartz, Founder & CEO
HDS
hdsbrands.com

Data provided by ASI 



The percentage promo distributors who offer store solutions to their clients has grown substantially in the last several years.

Case Studies



brand addition.

Corporate Programme, Case Study.

Global companies from around the world trust Brand Addition to support their ecommerce and special event needs with our full suite of capabilities to develop creative, curated, and bespoke promotional products to create meaningful branded and physical connections to their brand



Our teams operate across oceans and collaborate across continents, leveraging diverse perspectives to create amazing things together for some of the largest technology companies in the world



We don't just check the boxes – we think outside of them. We deliver thinking that stands out from the crowd. Developing bespoke product ranges & supporting special events across the globe to reward team members, engage consumers & incentivise brand advocacy & loyalty



We work with ethical, sustainable suppliers to find innovative new products that make an impact without leaving a footprint



We work worldwide to deliver a complete end-to-end solution, syncing with stringent & complex, logistic, fulfilment and data handling requirements to get branded inventory in hands, on time in market & around the world

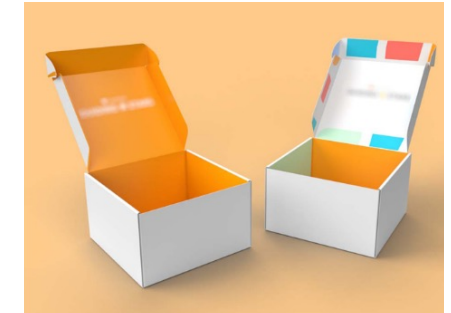


We create wholly custom ecommerce solutions to ensure a smooth, dynamic and secure experience for B2B & B2C solutions that drive employee and brand engagement

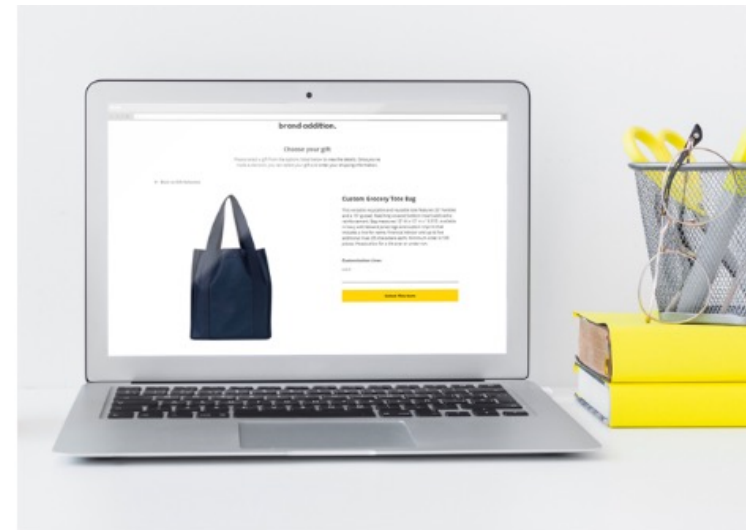


Bringing the brand to you, we are adding permanent physical 'boutique' brand stores within global offices, as well as themed 'pop-up' shops supporting global events. We support your brand where you have audiences

brand addition.  Add what matters.

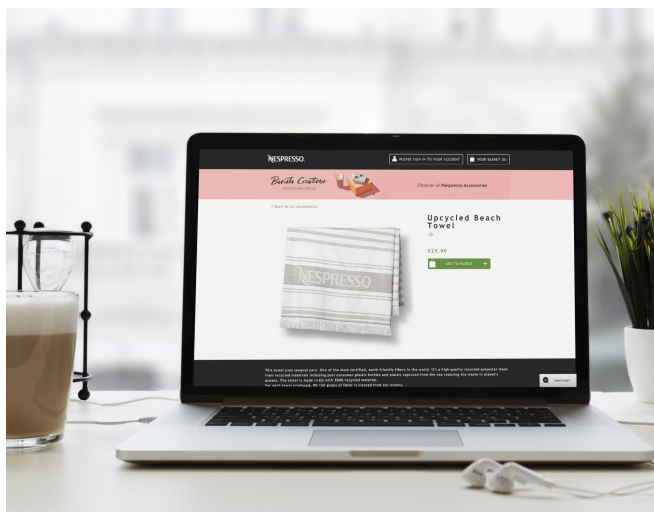


"Please keep bringing the off the wall, never been done before inspiration to our company. We need it, and love you for it!"
Tech Firm Global Program Manager





"BA is in total alignment with our needs. Whether it's a product or a service we need, BA makes it happen; our partnership is very positive."
Procurement Category Manager



Consumer Promotions, Case Study.

Leading Consumer Packaged Goods and Fast Moving Consumer Goods companies turn to Brand Addition to create premium gift packaging, irresistible accessories, seasonal gifts, and amazing point of sale items to drive consumer engagement and ultimately sales of their products through all channels of retail



Brand Addition and Nespresso have collaborated since 2016 to create highly desirable products that help drive sales of their coffee products at retail – both online and in their boutiques



In Nespresso, we have found a client with whom we can partner to leverage our mutual objectives of improved sustainability. We both share ambitions to be leaders in our respective sectors through our sustainable initiatives and to this end have supplied Nespresso with a selection of thoughtfully designed and desirable sustainable products. Examples include beach towels made from reclaimed ocean plastics upcycled into high performance fabrics and premium notebooks made from recycled coffee grounds, not only sustainable but also reflective of Nespresso's core business



These successful activations, along with numerous others, have seen our business and creative partnership go from strength to strength. We look forward to continuing to push the boundaries together, to continue to evolve the product offering to support the momentum of developments in the vital area of sustainability

brand addition.



Add what matters.