



SEPTEMBER 2023

Financial results H1 23

ELIXIRR INTERNATIONAL PLC
REGISTERED IN ENGLAND AND WALES 11723404



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2023



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"We began 2023 with great momentum, and have continued to progress strongly through the period, leveraging our acquisitions to maximise the firm's overall performance.

The diversification we have built into Elixirr over time has continued to pay off over the past six months, where our ability to deliver such a relevant range of services, coupled with a growing reputation in the market, has contributed to another set of strong results for the first half of 2023. We expect to see this performance continue for the remainder of the year."

Stephen Newton

Founder & CEO





The quality of MBB and the agility of a boutique

We have focussed on digital, data, AI and innovation to differentiate from traditional strategy houses and the Big 4.

Why we are different

- The quality of MBB with strong client stickiness

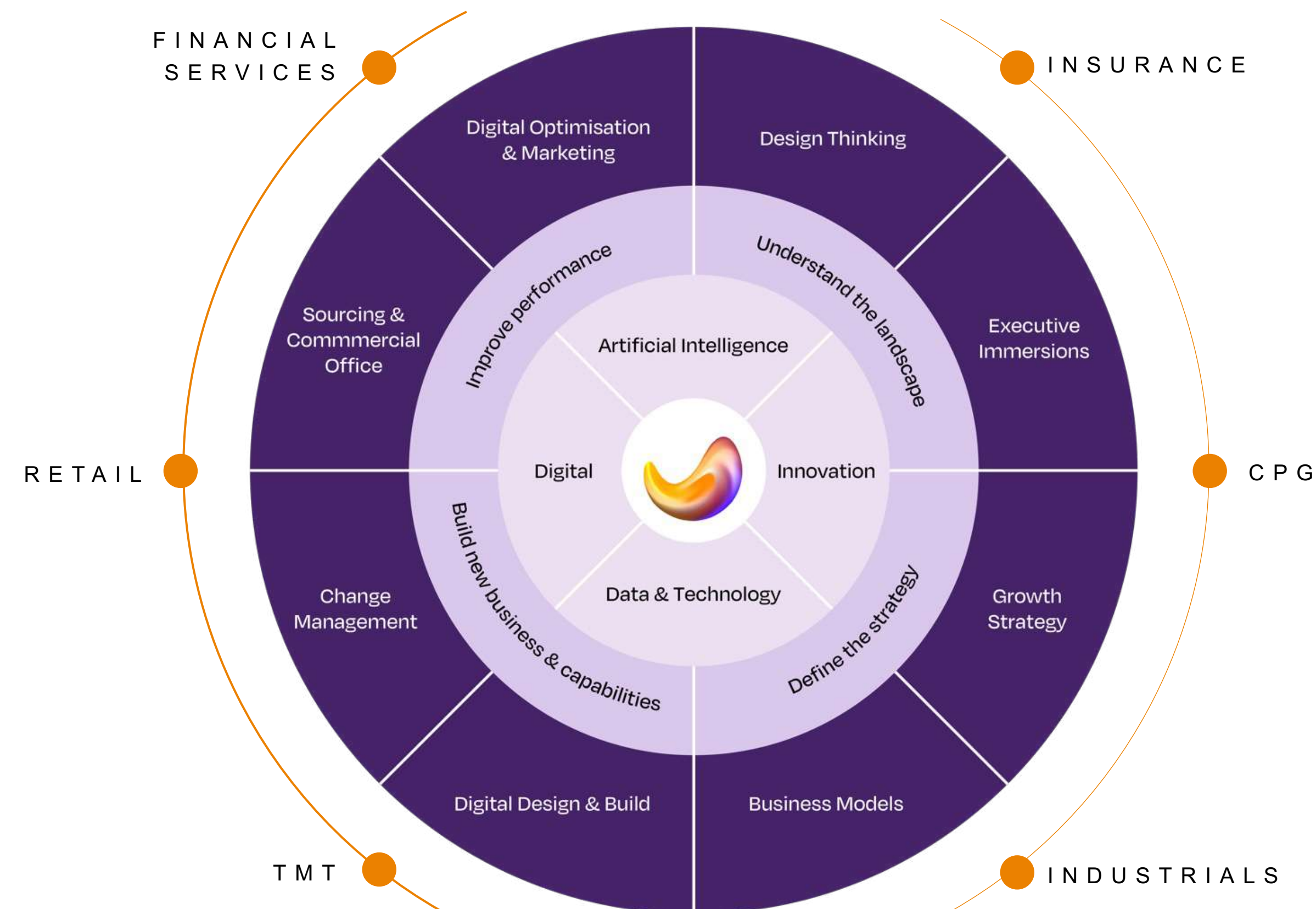
Our clients most frequently compare us to MBB but rate us 32% better in overall performance.

- The agility of a boutique with a focus on long-term client value

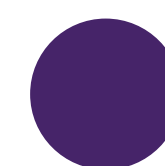
Our equity model enables each member of our team to become owners of the business, focusing on long-term growth rather than short-term financial gain.

- A unique service offering underpinned by data, tech, AI & innovation

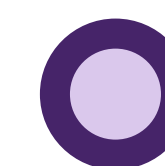
We have enhanced our service offering through 5 complementary acquisitions which have added depth and breadth to our capabilities, enabled us to enter new markets and solve new and exciting client challenges.



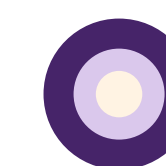
What we do today



We have comprehensive expertise from strategy to execution



Targeted at executive priorities



Underpinned by differentiated capabilities



Opportunity for growth

Our aim is to become the best digital, data and AI consultancy in the world – this is where the opportunity lies for growth.

In the next 5 years we will enhance our existing capabilities, focus on the tech of tomorrow, and deliver strategy alongside execution.

Underpinned by teamwork, entrepreneurship and top tier talent.

The opportunity

Market size by 2030*

The greatest growth opportunity lies in the global emerging technology market.

AI / ML

c.\$1.8tn

Big Data

c.\$750bn

Cybersecurity

c.\$420bn

Consulting spend by 2030**

We are investing in industries that are forecasting significant growth in consulting spend.

Healthcare

c.\$15bn

8% CAGR

Energy

c.\$20bn

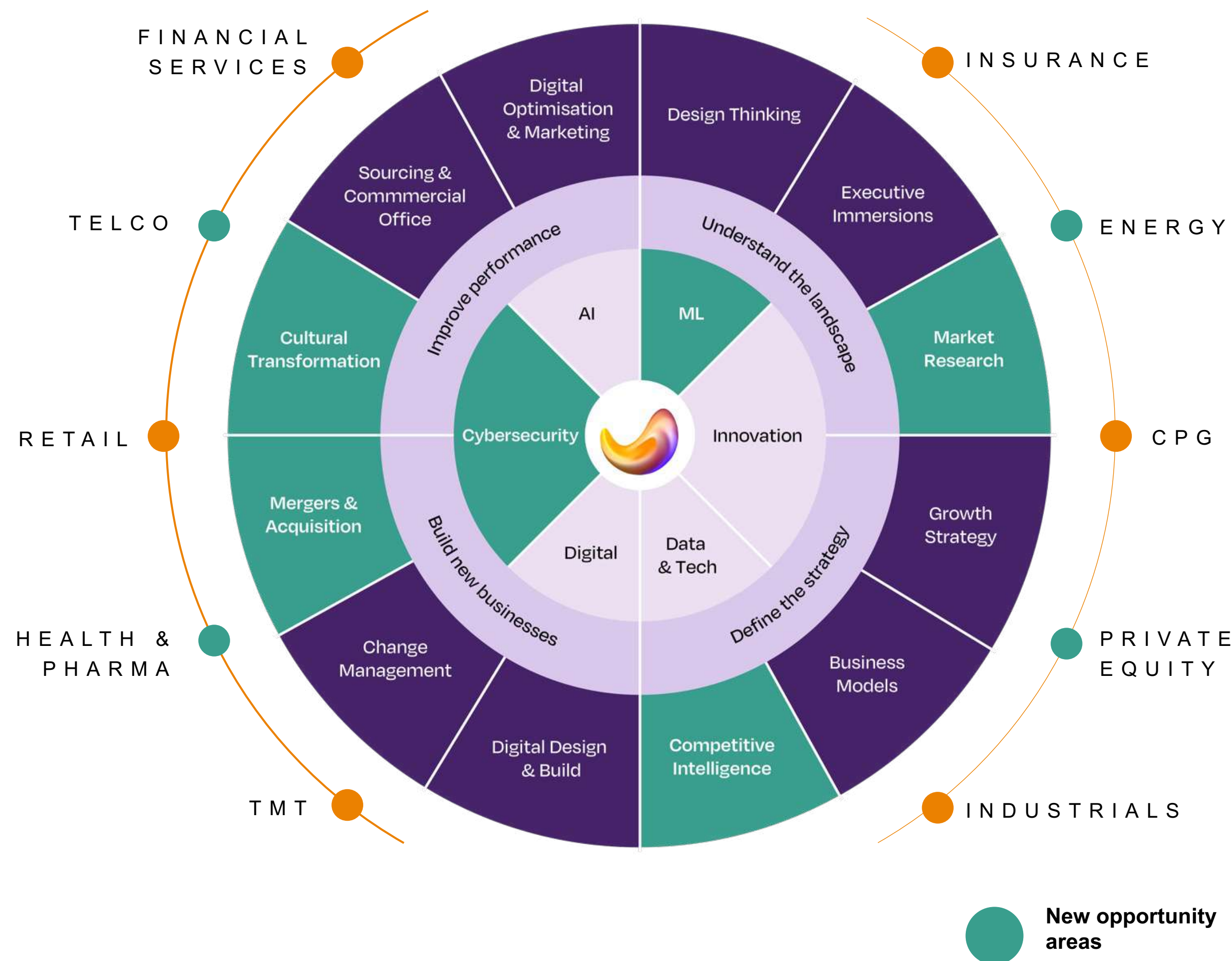
4% CAGR

Telco

c.\$14bn

12% CAGR

*Statista, August 2023. **Fortune Business Insights, August 2023



Our growth strategy

- We will grow into new industries and geographies organically and inorganically.
- DACH and Asia are key growth markets, alongside further expansion into the US.



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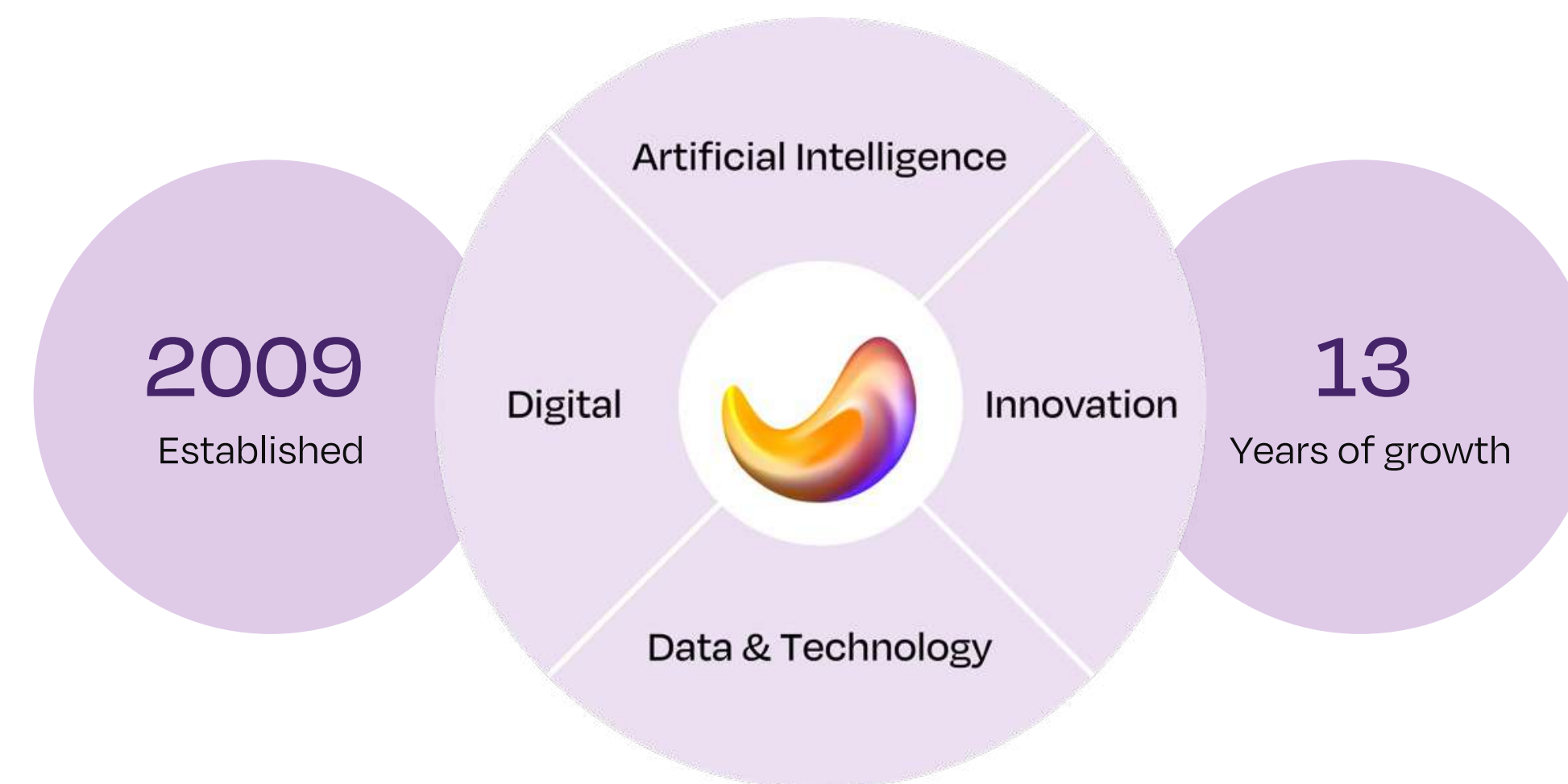
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CEO highlights

H1 23

Elixirr is an established global award-winning management consultancy. We are never satisfied with the status quo. We set new benchmarks. We set our clients apart... and we are driven by a purpose: **To be the best consulting firm in the world.**



Strong financial performance

We maintained our strong historic track record of growth in H1 23 – facilitated by our proven four-pillar growth strategy.

+23%

Revenue

+14%

Underlying organic growth

Inorganic growth prospects

The strongest pipeline of acquisitions to date, with Responsum, a large language model and generative AI firm, joining in Q3.



(Rated c.20% better than their competition)

Growing profile & industry reputation

Continued to be recognised in the market for our work, attracting new clients as direct leads globally.



Evolved & scaled client base

With Elixirr's differentiated offering attracting new clients.

20+

New clients in H1 23

+Gold accounts

>25% increase in £1m+ accounts for H1 23

Growing service offering

Enabling a resilient business model and leveraged offering for Partners to sell to clients.

+24%

Revenue per Partner

3+

Average capabilities clients now utilise

Optimistic outlook remains for FY 23 and beyond

Given the firm's traction throughout the year, and investments for further growth, with another record month in August.

£85 - £90m

Revenue guidance

28-30%

EBITDA



H1 23 Financial Highlights

£41.1m

Total revenue

H1 22: £33.4m (+23%)

£14.3m

Gross Profit

H1 22: £11.4m (+26%)

£12.3m

Adjusted EBITDA

H1 22: £10.4m (+19%)

30%

Adjusted EBITDA margin

H1 22: 31% (-1pp)

£9.9m

Profit before tax

H1 22: £8.4m (+17%)

18.5p

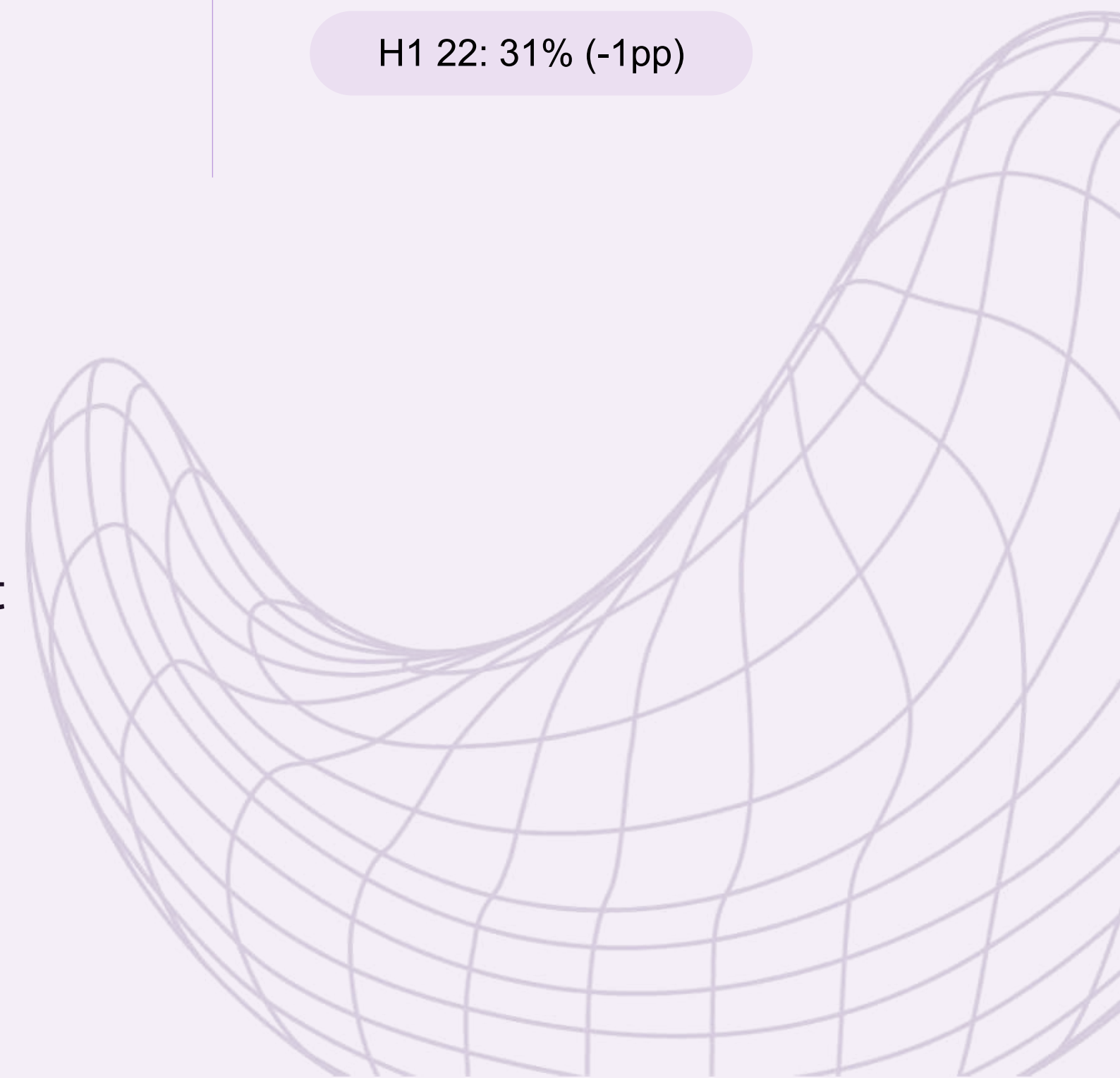
Adjusted diluted EPS

H1 22: 15.1p (+23%)

£19.5m

Net cash with no debt

H1 22: £11.1m





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Proven track record of performance

We have a historic track record of growth with high margins since 2009, which has been accelerated since IPO by our four-pillar growth strategy.

£41.1m

Total revenue

Strong growth of +23% from H1 22

£12.3m

Adjusted EBITDA

An increase in absolute terms of 19% from H1 22

45%

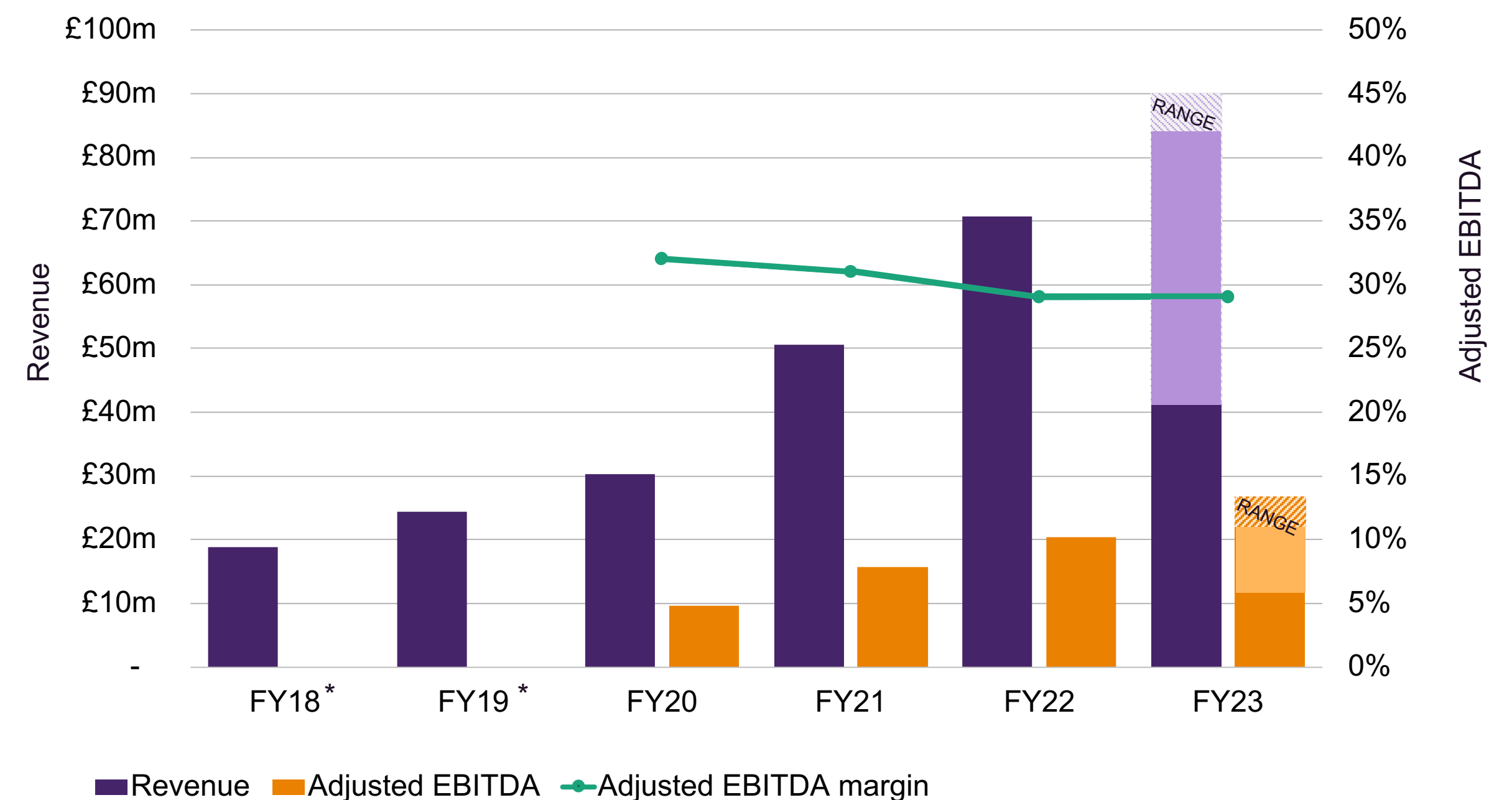
Revenue CAGR

From H1 20 to H1 23

Financial highlights

	H1 23	H1 22	% Change
Revenue	£41.1m	£33.4m	+23%
Gross profit	£14.3m	£11.4m	+26%
Adjusted EBITDA	£12.3m	£10.4m	+19%
Adjusted EBITDA margin	30%	31%	-1pp
Profit before tax	£9.9m	£8.4m	+17%
Adjusted diluted EPS	18.5p	15.1p	+23%
Net cash	£19.5m	£11.1m	+76%

Revenue and adjusted EBITDA



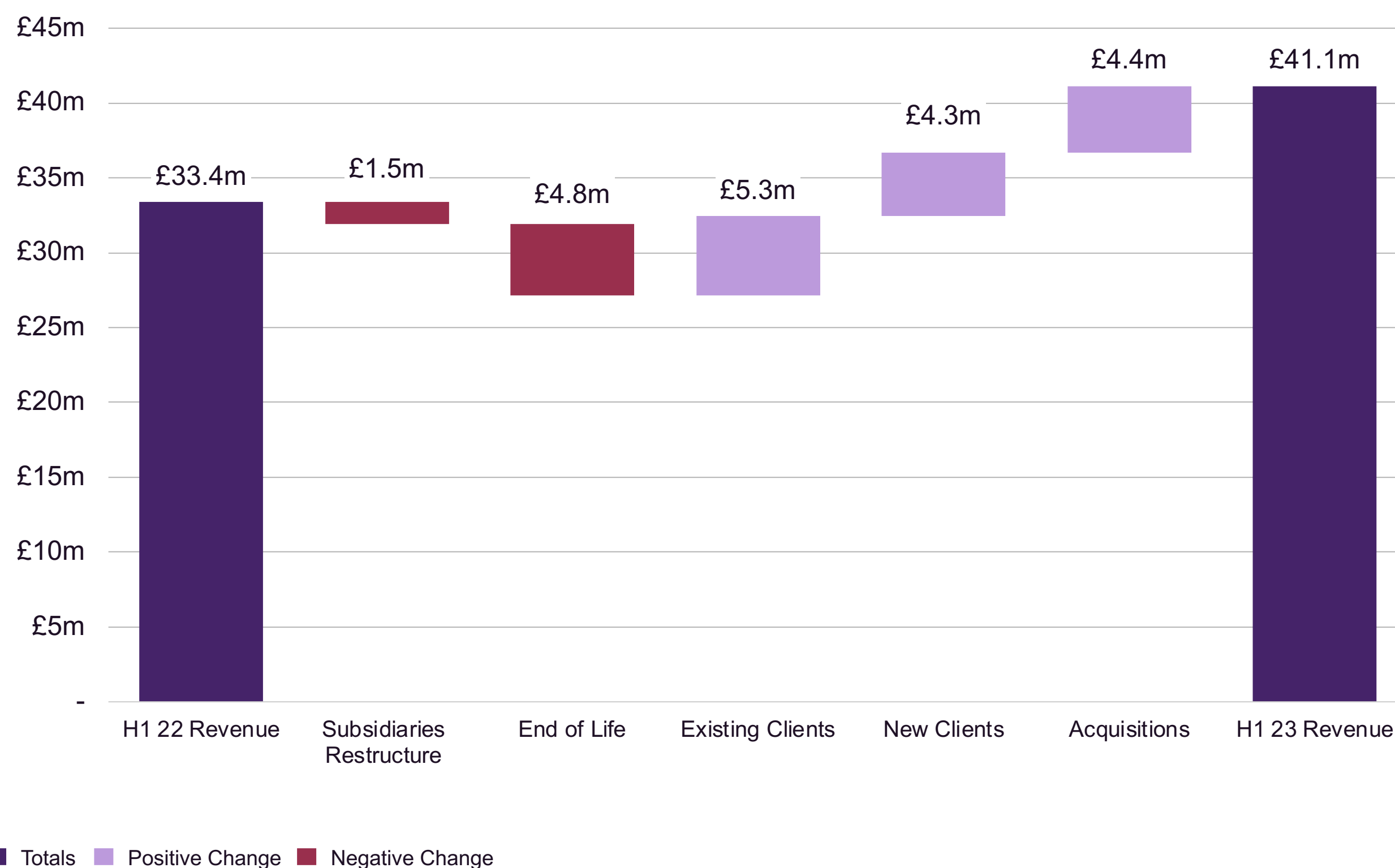
* Under LLP structure so not directly comparable to FY 20 onwards



Overall revenue growth

Our focus on growing existing relationships and bringing on new clients resulted in strong double-digit underlying organic growth of 14% in H1 23.

H1 23 Revenue Bridge



H1 23 Performance

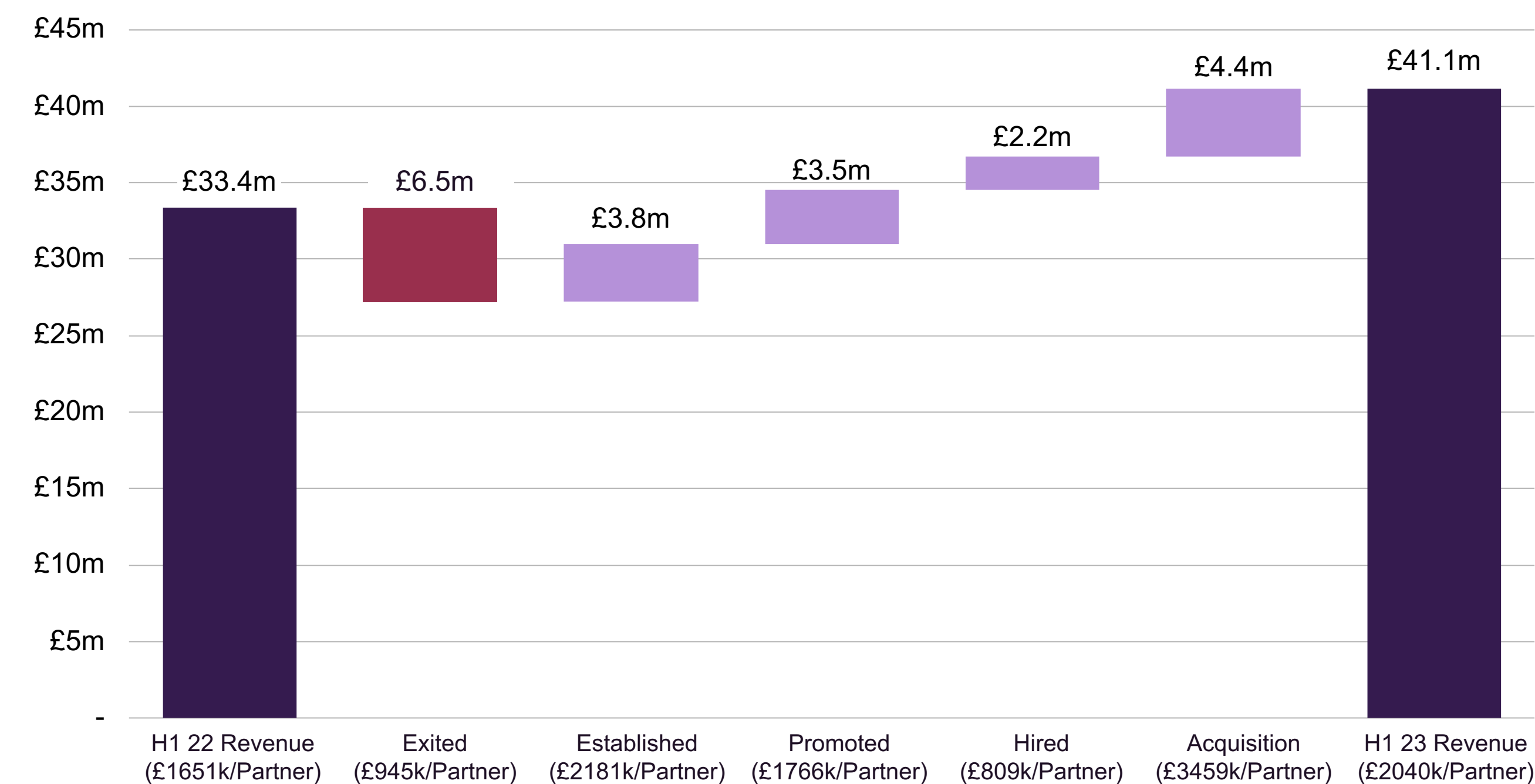
- Underlying organic revenue growth was 14% (net increase of +£4.8m in revenue), with £5.3m growth from existing clients and £4.3m growth from new clients.
- The strong organic growth is testament to our focus on growing key accounts, good client retention and deepening of relationships, utilising newly hired Partners' networks and our growing brand reputation.
- iOLAP acquisition in March 2022 added £4.4m to baseline revenue.
- End of life clients attributed to £4.8m of lost revenue.



Growing , high-performing Partner team

The strength of our Partner team has continued to be demonstrated in the period with an exceptional increase in overall revenue per Partner of 24% from H1 22 to H1 23.

H1 23 Revenue Bridge by Partner



■ Totals ■ Positive Change ■ Negative Change

Our four-pillar growth strategy



Stretch

- Established Partners averaged £2.2m revenue per Partner.
- Increased overall Partners performance in H1 23 of 24% can be attributed to their ability to sell a wider range of services and increased remuneration targets.



Promote

- Promoted two client-facing Partners who achieved £1.8m revenue for H1 23.
- Three additional Partners promoted in FY 23, effective October 23 and January 24 respectively, including the first acquired business promote to Partner.



Hire

- Two successful Partners hired in H1 23 bringing multiple client prospects and additive industry expertise in pharma and sports and media.
- One additional US based Partner recently joined in Q3, with additive AI expertise and a strong retail background.



Acquire

- Acquisition of iOLAP, is reflected in a £3.5m revenue per acquisition Partner.
- Their services are highly complementary to newly acquired Responsum which will enhance the firm's revenue for the remainder of FY 23.



Cash generative business, with no debt

Elixirr continues to be a highly cash generative business.

H1 23 Cash flow



■ Totals ■ Increase ■ Decrease

£3.5m

Free cash flow

As of 30 June 2023

£19.5m

Cash balance

As of 30 June 2023

£0m

Debt (excl. Office leases)

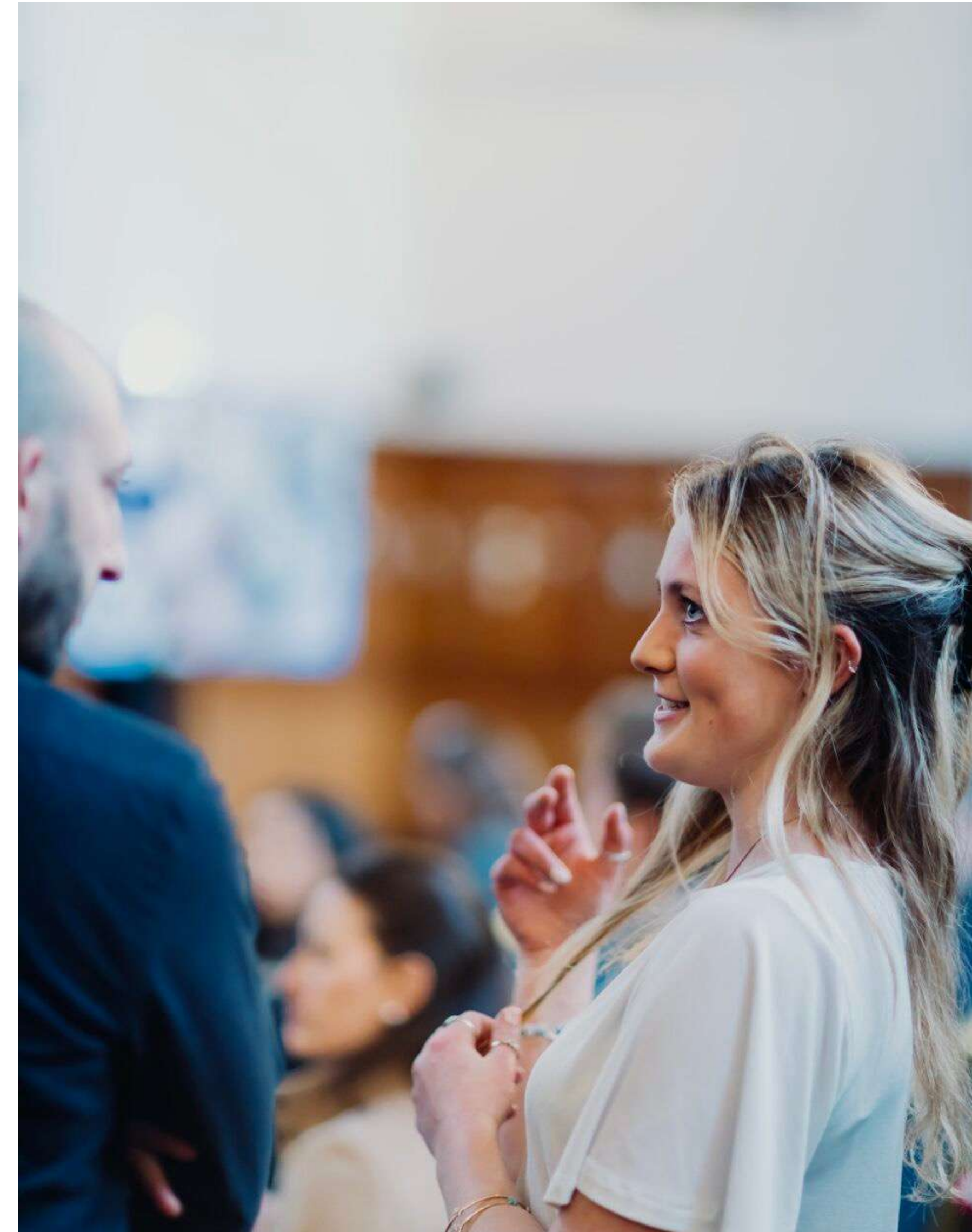
As of 30 June 2023

- High cash conversion of EBITDA less corporation tax.
- Average of 45 days cash collection with no bad debt exposure given blue chip client base, and minimal WIP balances.
- Where logical to do so, as was with the case with iOLAP, acquisitions can be partially or fully funded from surplus cash with supply of shares from EBT to minimise dilution.
- Free cash flow increased from £0.5m in H1 22 driven by business growth and efficient working capital management.



Continued strong balance sheet

£m	H1 23	FY 22	Comments
Intangible assets	81.2	83.6	Decrease due to FX losses on translation of iOLAP goodwill and amortisation of intangibles
Non-current tangible assets	14.5	13.4	Loans to new Partners to acquire shares, net of Partner loan repayments
Trade and other receivables	13.8	11.2	Business growth (June was a stronger revenue month compared with Dec 22 (+28%)). No issues with recoverability of trade debtors in current market. Debtors' days in line with expectations
Cash	19.5	20.4	Refer to cash flow statement
Trade and other liabilities	21.2	25.8	Decrease related to iOLAP and Coast contingent consideration settlement
Loans and borrowings	4.7	5.1	Quarterly lease payments made during the period
Tax liabilities	1.4	1.8	Normal accrual of H1 23 corporation tax payable, net of quarterly payments
Net assets	101.8	95.9	





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Client overview H1 23

Solidifying our position as a firm with MBB quality and boutique agility, growing our strategy to execution offering.

>25% increase in gold clients

Accounts of £1m+ in H1 23 grew owing to our focus of building and maintaining relationships as we scale.

Recognised as an industry leader

Building on our strong reputation.



20+ new clients

Attributed to our growing brand and growing networks, due to Partner hires and acquisitions.



H1 23 Top 10 Clients

#	Industry	Location	Define & execute the strategy	Build & launch new businesses	Transform existing businesses	Improve business performance	Length of relationship (years)	Gold client (>£1-2m)
1	Engineering	UK / Europe	✓	✓		✓	7	✓
2	Insurance	UK / Europe	✓	✓		✓	6	✓
3	Financial services	US	✓			✓	5	✓
4	Professional Services	UK / Europe	✓		✓	✓	2	✓
5	Logistics	US	✓	✓	✓		3	✓
6	Financial Services	UK / Europe	✓		✓	✓	1	✓
7	Energy	US				✓	7	✓
8	Robotics	US				✓	7	✓
9	Retail	US				✓	3	✓
10	Financial Services	UK / Europe	✓		✓	✓	1	✓

Industry and capability diversification

- Our top 10 clients used an average of 3+ capabilities in H1 23 thanks to our increased offering
- Top 10 clients now span 7 industries thanks to the diversification we've built into the business



We have acquired a Generative AI firm



A market leading AI firm with which we have already validated the combined opportunity

- Responsum is an AI firm that enables companies to deploy large language models and generative AI solutions to solve complex business problems faster. Unlike ChatGPT, Responsum is securely trained on a company's data which enables all insights, analysis and AI use cases to be contextual.
- They've since shown strong market demand, invested in a cutting-edge solution, and gained traction with global clients. Our collaboration received great client feedback, leading us to adopt the tool internally, affirming the potential of Elixirr x Responsum.
- We recently announced a partnership and agreed to join forces under a single entity to supercharge the value we can deliver for our clients.
- >40+ new client opportunities already.

Founders



Steve Steinberg

Co-Founder and CEO of Responsum
To Join as Elixirr Partner

Steve began Responsum in 2020 with Adam. He has extensive expertise as a data, AI and technology advisor and has experience at PwC, IBM, and Aster group.



Adam Hofmann

Co-Founder and CMO
To Join as Elixirr Principal

Adam co-founded Responsum with Steve in 2020. He has held a variety of positions, notably as a strategy consultant at small enterprises and Deloitte. He was also the vice president of marketing and community at Singularity University prior to co-founding Responsum.



Proven synergy and huge future opportunities

We have already been proving the synergy in working with Responsum on multiple engagements and see huge future opportunities in this space.



Case study

Our team partnered with one of the world's largest investment management firms to explore innovative ways to further its ESG focus and compliance surrounding its shareholder voting and investee company rating processes with the latest AI-powered technologies.

What we did

- Over 50 AI-powered solution providers contacted and assessed for their suitability against pre-defined criteria.
- 5 bespoke proof of concepts (PoCs) created according to the client's specific use cases and requirements to illustrate the possible scalable delivery of their offering.
- Built a custom AI-powered natural language processing (NLP) solution that automated up to 94.5% of the current process while enhancing the client's approach to ESG-related voting and rating.

Rated 20% better than competition

Responsum outperformed the competition in our client survey in almost every category

40+ joint opportunities

Currently live across our Partner team

c.\$1.8tn

AI Market Value

Estimated size of industry by 2030

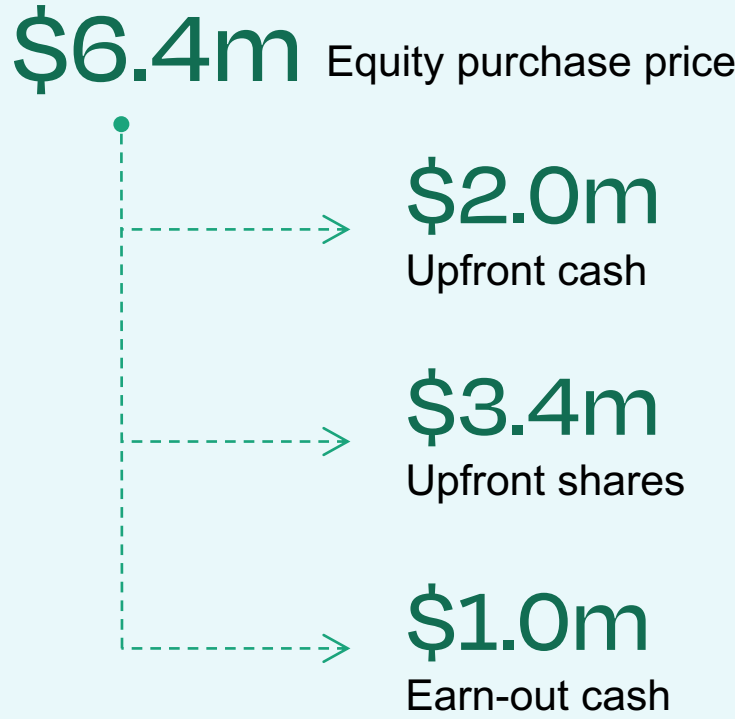


Our M&A track record

We have an M&A track record of acquiring high quality boutique firms that provide complementary capabilities and access to new markets.

Elixirr’s growth has been supported by four highly successful acquisitions, all of which were immediately earnings enhancing. To further enhance our emerging technology expertise, today we announce the acquisition of generative AI firm, Responsum.

+£19m
Cumulative cross sell revenue from acquisitions to date

				
				
2017	2020	2021	2022	2023
CREATIVE & DIGITAL AGENCY	DIGITAL MARKETING AGENCY	PROCUREMENT, TRANSFORMATION & INSIGHTS CONSULTANCY	DATA & TECHNOLOGY CONSULTANCY	GENERATIVE AI CONSULTANCY
Pre-IPO acquisition	24% Year 1 revenue growth (post-acquisition)*	7% Year 1 revenue growth (post-acquisition)	28% Year 1 revenue growth (post-acquisition)	
	16% → 24% EBITDA margin pre-acquisition vs 1 year post-acquisition	16% → 24% EBITDA margin pre-acquisition vs 1 year post-acquisition	19% → 25% EBITDA margin pre-acquisition vs 1 year post-acquisition	
	3.7x → 0.6x Day 1 multiple vs earn-in multiple	4.6x → 2.9x Day 1 multiple vs earn-in multiple	6.0x → 3.5x Day 1 multiple vs earn-in multiple	

* Revenue growth excludes media revenue



Inorganic growth prospects

We have a strong pipeline of target firms with near-term deals formed in Q3 of 2023 in addition to the acquisition of Responsum, further adding to our strong inorganic growth to date of four acquisitions.

Search Focus

- ✓ **Programmatic**
1-2 deals per year of cumulatively increasing market cap by 20-30% – proven to be the highest performing M&A strategy.
- ✓ **Geographically additive**
With focus on US, UK/EU and South Africa.
- ✓ **Boardroom issues**
Adding complementary and in-demand capabilities with a focus on emerging technology.
- ✓ **Aligned deal structure**
Founders aligned on and invested into the equity participation story.
- ✓ **High quality services**
Ensuring the Elixirr quality bar is maintained.

Pipeline figures since IPO

- 3,000+**
Screened
- 20**
Offers sent
- 400**
Engaged
- 11**
Due diligence
- 140**
Introductory meetings
- 5**
Deals completed to date (1 pre-IPO)
- 85**
Follow up meetings



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A strong outlook

Thanks to the momentum the firm continued to build in H1 23, and the investments made in each of the firm's four growth pillars, the outlook for the year ahead is strong...

Summary

- 1** We are consistently market-leading in growth (both organic & inorganic) and commercial performance.
- 2** We are investing in the latest emerging technology, combined with our strategic consulting offering.
- 3** Our team is as invested in our success as our institutional investors.
- 4** We have the quality of MBB with the agility of boutique consulting firms.

FY 23 Outlook

H1 revenue

23% growth

14% underlying organic growth

Record months

3 delivered

In H1 23, with August being our fourth record month

FY 23 revenue

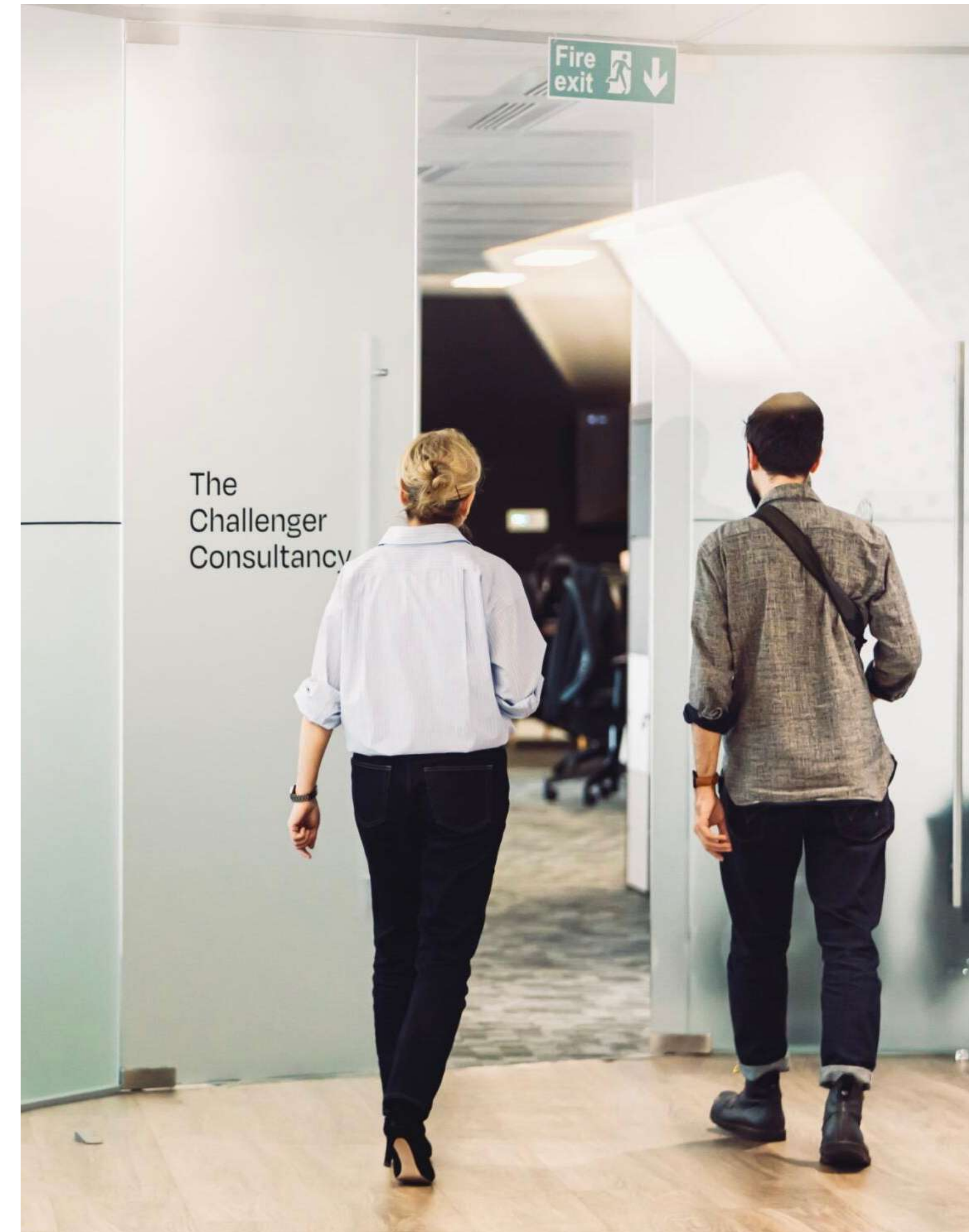
£85-90m

Expected range

FY 23 EBITDA margin

28-30%

Expected range





Questions

2023



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SEPTEMBER 2023

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We're a firm of entrepreneurs, building and running our own businesses. Together.
You've heard of the challenger banks? We're The Challenger Consultancy.

