

WHEN CREATIVITY MEETS TECHNOLOGY, TRUE TRANSFORMATION HAPPENS.

A new chapter of integrating technology with communication, experience and commerce has begun in Sub-Saharan Africa.



WPP | SCANGROUP
The Creative Transformation Company

Ogilvy Africa breaks new ground in creative excellence to put Africa on the world-map



D&AD – Yellow Pencil in 2022

The only yellow pencil awarded in all of Africa this year.

Cannes Lions – Gold in 2022

The first-ever gold for any company in West, Central and East Africa

Audience Origin

By CHOREOGRAPH

GroupM has released the second wave of Audience Origin data in Kenya, Tanzania, Uganda, Ethiopia, Ghana, Ivory Coast, Cameroon, and Nigeria. The data, which is locally focused, highlights unique consumer attitudes, preferences and behaviours that shape buying decisions.

This follows an announcement of the expansion of the proprietary Audience Origin data service in Africa in response to a growing need from clients for better quality of consumer data and consumer led insights.

Available in over 60 markets worldwide, Audience Origin has a unique combination of panel-based data, digital data, and client data for deep audience understanding and activation.

It features a globally consistent Core Survey at its centre, which feeds global and local planning tools while delivering audience insights, including niche audiences. Further, it uses a scaled and flexible approach, allowing clients to access the data they need while also linking to their own data.

OPTIMUS

Proudly built in Africa, it's a marketing automation tool that drives customer acquisitions & grows customer life time value at scale and speed.

Optimus is a programmatic ad serving platform that uses data to contextually target online ads to drive high volume and quality leads that filter through our lead management system to get real time analytics and dashboards to measure and improve sales.

It also has ability to automate lifecycle and cross sell through data driven relevant communication to our customers.

It is currently deployed in 2 large Financial Institutions (Africa wide and In East Africa).

FEED 2.0 from Ogilvy.africa

A real-time social commerce engine, proudly made in Africa.

Ogilvy Africa recently announced the launch of FEED 2.0 initiative for brands and businesses in Africa.

FEED 2.0 enables marketers to put data at the heart of digital, and impact user journeys, from content to commerce. Marketers can now harness the power of data and machine learning to:

1. Develop Data-aided customer journeys
2. Create Data-informed content
3. Customize content at scale, in real-time using automation
4. Drive action through its performance marketing engine

We call this "Social that sells"

UNAUDITED SUMMARY CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE PERIOD ENDED 30 JUNE 2022

All figures in Ksh'000	H1 2022	H1 2021
Gross profit	1,040,261	1,107,677
Interest income (net of expense)	100,352	99,155
Other income	428	8,572
Operating and administrative expenses	(1,147,628)	(1,099,218)
Allowance for expected credit loss	(49,261)	(25,362)
Foreign exchange gains/(loss)	65,469	(8,332)
Profit before tax	9,621	82,492
Tax charge	(56,690)	(51,073)
(Loss)/profit for the period	(47,069)	31,419
Exchange difference on translating foreign operations	(33,121)	7,846
Total comprehensive (loss)/income for the period	(80,190)	39,265
(Loss)/profit attributable to:		
Shareholders of the holding company	(48,106)	41,515
Non-controlling interests	1,037	(10,096)
	(47,069)	31,419
Total comprehensive (loss)/income attributable to:		
Shareholders of the holding company	(76,316)	50,511
Non-controlling interests	(3,874)	(11,246)
	(80,190)	39,265
Basic and diluted (loss)/earnings per share (Sh)	(0.11)	0.10
Number of shares (in thousands)	432,156	432,156

UNAUDITED SUMMARY CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2022

All figures in Ksh'000	30 June 2022	30 June 2021
ASSETS		
Non-current assets	890,450	962,083
Other current assets	4,646,793	4,156,762
Cash, bank and deposit balances	3,517,001	3,645,229
TOTAL ASSETS	9,054,244	8,764,074
EQUITY AND LIABILITIES		
Capital and reserves		
Share capital	432,156	432,156
Share premium	4,436,532	9,155,166
Merger reserve	1,457,248	-
Accumulated deficit	(832,236)	(3,984,629)
Translation deficit	(371,225)	(326,403)
Equity attributable to shareholders of the holding company	5,122,475	5,276,290
Non-controlling interests	(2,268)	20,650
Total equity	5,120,207	5,296,940
Non-current liabilities	87,704	138,019
Current liabilities	3,846,333	3,329,115
TOTAL EQUITY AND LIABILITIES	9,054,244	8,764,074

UNAUDITED SUMMARY CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30 JUNE 2022

All figures in Ksh'000	Share capital	Share premium	Merger reserve	Accumulated deficit	Translation deficit	Non-controlling interests	Total
At 1 January 2021	432,156	9,155,166	-	(4,026,144)	(335,399)	41,742	5,267,521
Profit/(loss) for the period	-	-	-	41,515	-	(10,096)	31,419
Other comprehensive income/(loss)	-	-	-	-	8,996	(1,150)	7,846
Dividend declared – 2021	-	-	-	-	-	(9,846)	(9,846)
At 30 June 2021	432,156	9,155,166	-	(3,984,629)	(326,403)	20,650	5,296,940
At 1 January 2022	432,156	4,436,532	1,457,248	(784,130)	(343,015)	1,606	5,200,397
Profit/(loss) for the period	-	-	-	(48,106)	-	1,037	(47,069)
Other comprehensive loss	-	-	-	-	(28,210)	(4,911)	(33,121)
At 30 June 2022	432,156	4,436,532	1,457,248	(832,236)	(371,225)	(2,268)	5,120,207

UNAUDITED SUMMARY CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 30 JUNE 2022

All figures in Ksh'000	H1 2022	H1 2021
Cash used in operating activities	(345,108)	(180,493)
Tax paid on operating income	(106,874)	(98,247)
Net cash used in operating activities	(451,982)	(278,740)
Net cash generated from investing activities	2,403,570	1,650,751
Net cash used in financing activities	(39,237)	(37,559)
Net increase in cash and cash equivalents	1,912,351	1,334,452
Cash and cash equivalents at the beginning of the period	1,334,344	1,854,860
Net increase during the period	1,912,351	1,334,452
Effect of fluctuations in exchange rates	(22,844)	4,251
Cash and cash equivalents at the end of the period	3,223,851	3,193,563

MANAGEMENT OBSERVATIONS

The Board of Directors hereby announce the unaudited results of the Group for the six month period ended 30 June 2022.

RESULTS

The business focused on rebuilding a strong foundation to support future growth, investing ahead in talent and technology to support clients' future needs. A tough economic environment tempered marketing expenditure by key clients even with the efforts made to recover from the pandemic. This had an impact on our gross profit, driving a decline of 6% to Kshs 1,040 million over prior period. The investments in all the markets we operate in, coupled with resumption of normal business activities post Covid increased operating and administrative expenses by 4%, with the expectation that these

investments would start to bear fruit in the second half of the year. Net interest income remained at the same level as of prior period. Depreciation in the Kenya shilling during the current period led to a higher exchange gain of Kshs 65million compared to a loss of kshs 8 million in prior period.

The Gross Profit before tax reduced by Kshs 73million for the 6 months ended 30 June as a result of the reduced topline and the increased operating expenses highlighted. The high tax charge in the current period is mainly due to expenses not deductible for tax purposes.

ACCOUNTING POLICIES

The accounting policies used in preparing these financial statements are consistent with those used for the Group's 2021 annual financial statements.

DIVIDENDS

The Board of Directors do not recommend an interim dividend.

OUTLOOK FOR THE REST OF THE YEAR

Stability in the Kenyan market and conversion of investments made in our other markets will be key to the delivery of a stronger second half.

By order of the Board

Winniefred Jumba
Company Secretary
19 August 2022