



Earnings Preview

LLYC improves its operating revenues by 36% in 2022 to 72.7 million euros

- Total revenues amounted to 88.9 million euros, up 39%.
- Recurring EBITDA grew by 26% to €16 million
- The commitment to innovation is key: Deep Digital Business already accounts for one-third of operating revenues
- By 2023, the firm forecasts 10% growth in operating revenues and gross operating income
- These figures confirm the company's compliance with the objectives set out in its strategic plan
- Our firm has nearly doubled in size since 2020
- We promoted 15% of our workforce last year

Madrid, January 25, 2023

LLYC has closed 2022 with strong growth in its business figures. The earnings preview, pending the final audit report, shows total revenues of €88.9 million, a new record for the consultancy firm. This figure beats the 2021 amount by 39% (€64.1 million). Operating revenues (totals minus re-invoicing of customer charges) amounted to €72.7 million, 36% higher than in the previous year (€53.3 million). Meanwhile, recurring EBITDA (gross operating profit) improved by 26% to €16 million. The firm has thus delivered on the objectives set out in its strategic plan.

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FY 2022 RESULTS PREVIEW*



*Pending audit work

Operating revenues: total revenues less re-billings of customer services. in the DIIIM (IPO brochure) corresponds to the Gross Margin
Recurring EBITDA: also known as Gross Operating Income, is the concept of Earnings Before Interest, Taxes, Depreciation and Amortization. The Company calculates recurring EBITDA after excluding other extraordinary income/expenses.

Pro forma operating income growth in 2022 was 19%. The three operations acquired in 2022 (CHINA, Apache and BESO) contributed €15.6 million and are now fully integrated into the LLYC group. Organic growth was also 19% in operating income and was evenly distributed between Europe, Latin America and the United States.

In terms of profitability, there is also a good balance between the results contributed by the acquired companies in 2021 (pro forma EBITDA growth of 11%) and those of the LLYC operations (organic EBITDA growth of 15%). LLYC operations demonstrate their resilience, even in countries that have experienced political and economic instability this year: 30% of EBITDA comes from the Americas. The United States confirms its position as a territory with great potential for growth and profitability, and already accounts for 7% of the group's earnings.

LLYC has nearly doubled in size since 2020, both in total (+99%) and operating (+81%) revenues and EBITDA (+90%). These results have enabled the firm to invest in developing our teams. 2022 closed out with 1,131 professionals in the group, compared to 966 in 2021 (+17%). Fifteen percent of the workforce (167 LLYCERS) were promoted last year to positions of greater responsibility. The LLYC team has been joined by both young professionals (671 people participated in the "Challengers" program during the year) and senior experts in managerial positions (49 new hires for *management* roles).

Commitment to innovation

LLYC continues to focus on transforming its offering: 32% of operating revenues already come from the Deep Digital Business unit. The firm has also invested €800 thousand in RD&i projects, mainly from the Deep Learning area and for the development, for example, of a new data analysis layer with proprietary algorithms for examining social conversation sentiment and its

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impact on brand reputation or a new connectivity structure for working with multiple data sources.

Deep Digital Business services have not only experienced an increase in demand (98% revenue growth) but are also confirmed as being of high value to the group.

2023 Budget

In a context fraught with uncertainty, LLYC expects to maintain its earnings growth this year. The budget approved by the company's Board of Directors includes a 10% increase in operating income, to 80 million euros. Total revenues are expected to reach 96 million euros, up 8%. Recurring EBITDA would also increase by 10% to €17.6 million.

ORGANIC BUDGET 2023*



*The 2023 budget was approved by the Company's Board of Directors on January 23, 2023

Operating income will continue to be balanced among the three business units: 35% of operating revenues will come from Europe, 31% from the Americas and 34% from Deep Digital Business. This budget reflects organic growth only. The company continues to evaluate investment opportunities to add new acquisitions to these figures.

In the words of José Antonio Llorente, Founding Partner and President of LLYC: "Despite the uncertainty, 2022 has once again been a good year for the firm. Revenues and EBITDA are in line with the targets we had set in the budget, adding another year of solid double-digit growth. We are fulfilling the strategic plan, the commitments we assumed in our output to BME Growth thanks to the efforts of our team of professionals and the trust placed in us by our customers. We invest in talent, with outstanding hires and promotions. We are a solid, healthy and profitable consulting firm, but also increasingly diverse, plural and creative, which allows us to face the challenges of the future in the best way possible."

"2023 is a challenging year for LLYC. The current context forces us to be prudent but also ambitious in order to achieve the goals we have set ourselves. We will continue growing. We want to take further steps to integrate our commercial offering, with a global vision that will



enable us to generate more and better opportunities for our customers. We have always liked to lead change. Surely the commitment we are making to innovation and creativity will allow us to continue to set the pace, to anticipate what is to come," says **Alejandro Romero**, Global CEO of LLYC.

Awards

Year 2022 turned out to be another banner year for LLYC accolades. The firm chalked up a total of 120 national and international awards and recognitions this past year. Together with its customers, the firm was recognized at important events such as Cannes Lions, New York Advertising Awards, El Sol, FIAP, Effie, IPRA Golden Awards, El Ojo de Iberoamérica, Eikon, Eficacia, Sabre Awards, and PRWeek Global Awards. LLYC was also named "Best PR Agency of the Year in Southern Europe" at PRWeek Global 2022; "PR Company of the Year" and "Best Public Relations Agency in Europe" at the 2022 International Business Awards.

About LLYC

LLYC is a global communications, digital marketing and public affairs consulting firm that helps its clients to face their strategic challenges with solutions and recommendations based on creativity, technology and experience, seeking to minimize risks, seize opportunities and take care of the reputational impact. Amidst today's disruptive and uncertain context, LLYC assists its clients to achieve their short-term business goals and set a path, with a medium- and long-term vision, that upholds their social license to operate and enhances their prestige.

LLYC (BME:LLYC) is listed on the Spanish secondary stock market, BME Growth. The firm currently has 20 offices in Argentina, Brazil (São Paulo and Rio de Janeiro), Colombia, Chile, Ecuador, Spain (Madrid and Barcelona), the United States (Miami, New York and Washington, DC), Mexico, Panama, Peru, Portugal and the Dominican Republic. LLYC also provides services through affiliated companies throughout Latin American markets.

Two leading industry publications rank LLYC among the world's top communications companies. It is ranked 36th by revenue worldwide according to PRWeek's Global Agency Business Report 2022 and 42nd in PRovoke's Global Ranking 2022. LLYC has been named the Top Communication Consultant in Europe at the 2022 PRWeek Global Awards, and Communication Consultant of the Year in Latin America at the 2021 International Business Awards.

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