



OCTOBER 2024

A SEMESTER OF TRANSFORMATION AND INVESTMENT



Audited results 1H 2024

NET FINANCIAL DEBT: 22.7 M€

54.5 M€

TOTAL INCOME
+16% vs 2023

43.2 M€

OPERATING REVENUE
+12% vs 2023

6.9 M€

RECURRING EBITDA
-17% vs 2023

30.0 M€

IN INVESTMENTS

Operating revenue: total revenue minus re-billings of client services, in the DIIM corresponds to 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.



The key to transformation



Marketing and
Corporate Affairs

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Growth in the
United States

/
2



A new
organizational
model

/
3

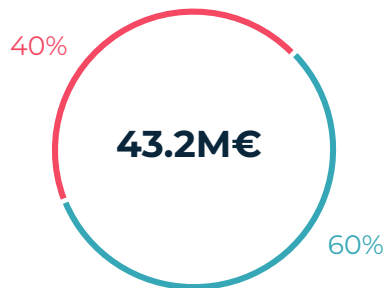


Innovation and a
revamped
solutions portfolio

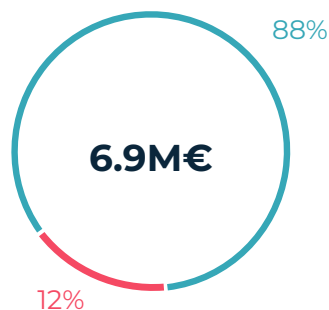
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Operating income and recurring EBITDA by business unit

OPERATING INCOME



RECURRING EBITDA



CORPORATE AFFAIRS (25.9 M€ OPERATING INCOME)

- Corporate Reputation and Leadership
- Financial Communication and Corporate Operations
- Crisis and Risks
- Public Affairs, European Affairs, Advocacy and Corporate Diplomacy
- ESG

Talent and Corporate Culture

MARKETING (17.3 M€ OPERATING REVENUE)

- Paid Media & Performance
- Brand & Ad
- Growth & Transformation
- Deep Learning



KEYS TO TRANSFORMATION

Marketing

40%

OF REVENUE COMES FROM MARKETING

The profitability of this practice was lower in the first half of the year due to the commercial investment made to position ourselves competitively in the sector and the delay in the implementation of the contracts for the tenders won from large clients (GWM, Vodafone, Turespaña, IFEMA Madrid, MEDC), the investments made to be able to provide these services to Lambert's clients and the staffing costs associated with the necessary transformation.

TOTAL INTEGRATION OF BESO AND APACHE

BESO by LLYC and CHINA by LLYC have been fully integrated.

INTEGRATED SERVICE

Brand and Ad, Paid Media and Performance, Growth and Deep Learning. Significant increase in managed media spend on behalf of our clients to position LLYC as a leader in this service: x4 in managed media spend.

EFFICIENCY IN THE SECOND HALF OF THE YEAR

Efficiency will improve in the second half of the year following cost adjustments and growth from the large contracts signed.





KEYS TO TRANSFORMATION

New organizational model

We reorganized our solutions portfolio into two distinct areas and took better advantage of synergies and installed capacity.

The new, more sales-oriented model is already showing results: organic sales growth of 13.4% in the first half of the year (€51.2 M compared to €45.2 M in the same period last year).

MATRIX AND GLOBAL MODEL

Our new organizational model is matrix and global, with two major practice areas (Marketing and Corporate Affairs) and three major geographies (Europe, Latin America and USA).

With the new organizational model, we will be able to assign the best professionals to each project, regardless of their geographic location.

MORE AGILE AND EFFICIENT

We evolved into a more agile, project-focused organization with talent communities that facilitate more efficient use of installed capacities.

This reorganization has resulted in personnel reorganization costs of € 0.5 M (one off)



SUPPLY-SIDE TRANSFORMATION

Integrating our capabilities in a corporate affairs practice (reputation, leadership and sustainability; corporate operations and investor relations; public affairs and corporate diplomacy; and talent, culture and people) and a marketing practice (creativity, paid media & performance, growth and deep learning), making digital transversal and fully integrated in all our services and solutions.

MARKETING POTENTIAL

Integrating creative, paid media and marketing services companies acquired in 2022 (CHINA, Apache and BES0) into the new marketing practice, for an end-to-end offering aimed at marketing managers.





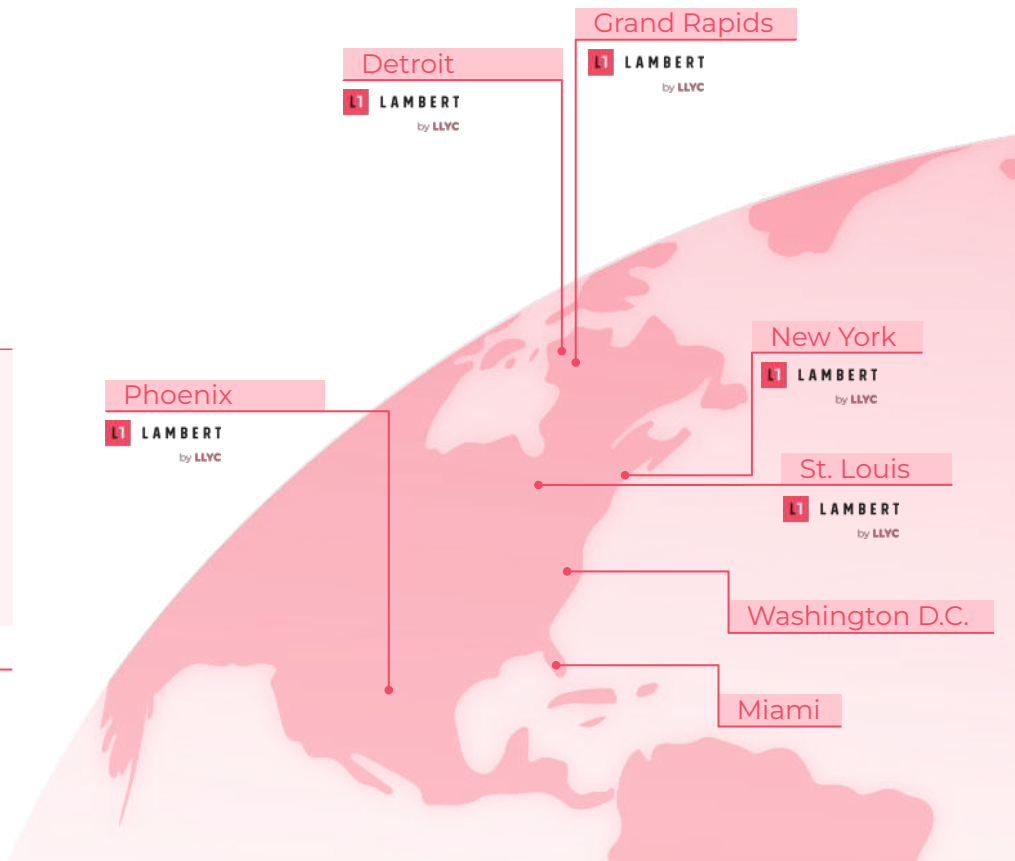
KEYS TO TRANSFORMATION

United States

8.7 M€

OPERATING REVENUE
+354% vs 1H 2023

The impact of the Lambert acquisition and the positive progress in its integration process into LLYC has accelerated the consolidation of the firm's U.S. operation, with a new management structure recently announced.





KEYS TO TRANSFORMATION

BAM

DETECTING IRREGULARITIES AND DECIDING TO DISCONTINUE BAM'S OPERATION

During the progress of the BAM integration process, irregularities were detected that led to the dismissal of the general manager and minority shareholder and the filing of a lawsuit against her and two of the directors, which has been admitted for processing and precautionary measures have been established.

As a result of the new acquisition in the United States, it was decided to strengthen the integration of Lambert and to exclude BAM from the scope of consolidation.

The acquisition of BAM has resulted in a reduction of 6.5 million in operating revenues and 1.1 million in Recurring EBITDA compared to our forecast for 2024, plus additional costs of 0.6 million for legal expenses.

The reclassification to discontinue the operation has meant restatement of the 2023 EEFF to make them comparable to those of 2024, which has generated a decrease in 2023 operating revenues by 4.6 million and 1.5 million in Recurring EBITDA.



KEYS TO TRANSFORMATION

Innovation

Continued focus on transforming our offer through innovation

1.1M€

Investment in RDI

+50% vs 2023

MIGUEL LUCAS,
GLOBAL SENIOR DIRECTOR OF INNOVATION AT LLYC,
RECOGNIZED AS **BEST PUBLIC RELATIONS PROFESSIONAL**
IN EUROPE AT THE PRWEEK GLOBAL AWARDS 2024



AI Media Activation

by LLYC

Artificial Intelligence based system that allows monitoring and optimizing campaigns in multiple digital advertising campaigns.

Uses Generative Artificial Intelligence to produce draft marketing plans and alternative copy.

Editorial Assistant

Pilot project that works as an editorial assistant for a communications team. It allows generating news drafts that maintain the brand's communication style. It generates optimized versions for the propagation of news through each of the social media and generates meta-information for SEO optimization.



RECORD QUARTERLY INVESTMENTS IN LLYC'S HISTORY

Strong investment in the period in the amount of **30 M€**.

MARKETING COMMERCIAL INVESTMENT

We position ourselves as a key Marketing player.

6.7 M€ in contracts won with large clients in the first half of the year

NEW, MORE EFFICIENT AND AGILE ORGANIZATION

Optimization of the organization to be more efficient and agile and more sales-oriented.

POSITIVE BUSINESS PROSPECTS FOR 2025

A more sales-driven organization, especially those with the greatest impact.

Contracts signed in the first half of the year for the following year grew by **26%** compared to what was done in 2023.

PAID MEDIA POSITIONING

Significant increase in media investment managed on behalf of our clients to position LLYC as a leader in this service.

X4 in managed media investment

EXPANSION AND CONSOLIDATION IN THE UNITED STATES

New structure in the U.S., including a dedicated Marketing Solutions team. Integrated organization to take advantage of a high-impact market.



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LLYC

THANK YOU!