

# 2022 Results Presentation

April 24, 2023

**PPHC** Public Policy  
Holding Company





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# Presentation Team



**Stewart Hall**  
CEO



**Bill Chess**  
CFO



**Roel Smits**  
DEPUTY CFO



**Thomas Gensemer**  
CSO



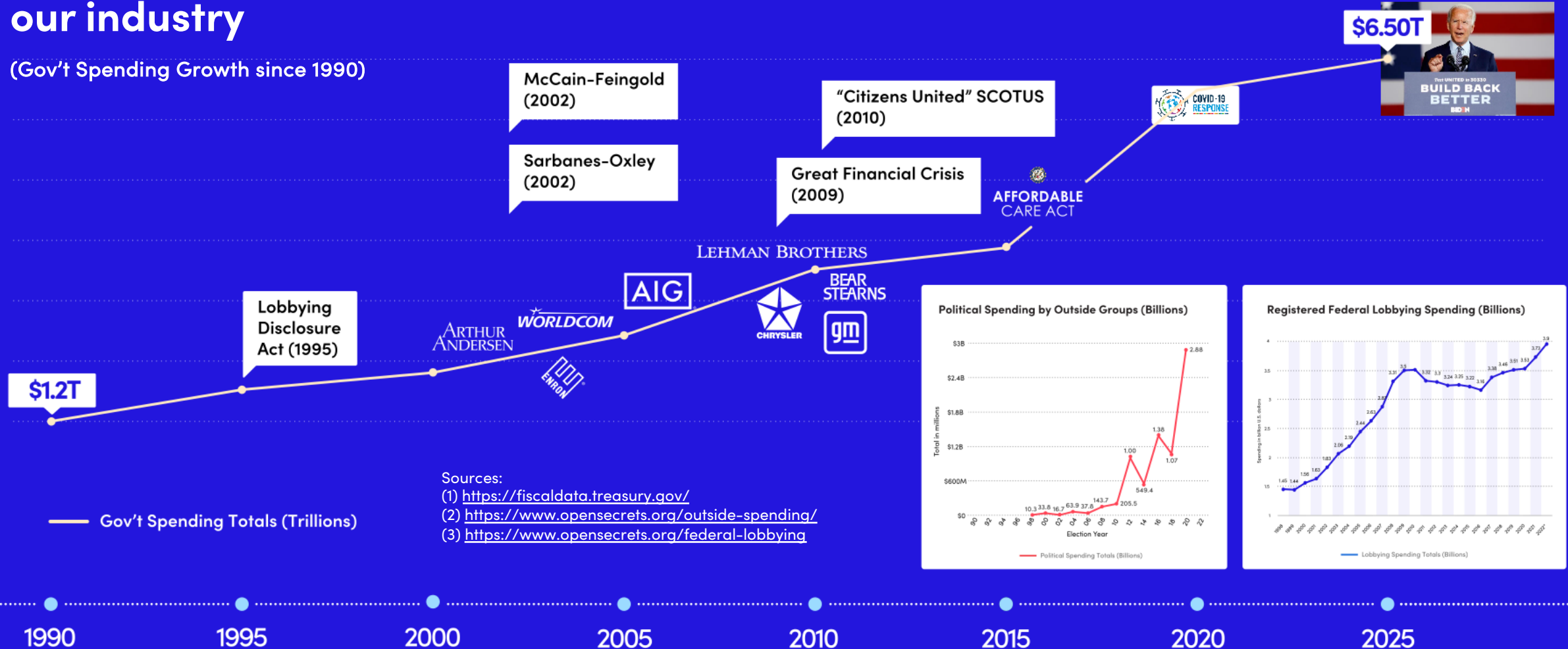
# PPHC Summary



# ~6x growth in US Gov't spending and regulation has provided the environment for our industry

(Gov't Spending Growth since 1990)

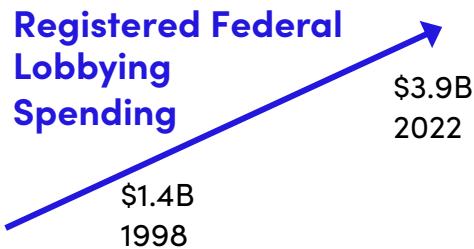
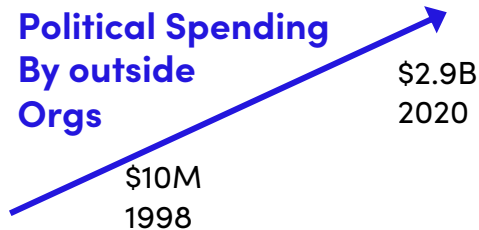
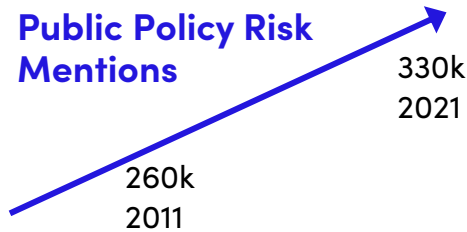
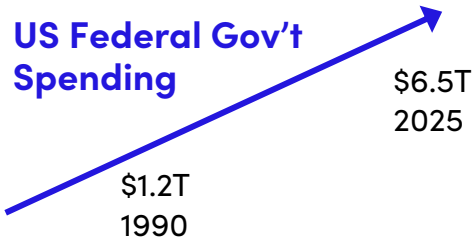
A few key pieces of federal legislation (and a Supreme Court decision) have provided the regulatory environment for today's federal lobbying services and a massive increase in political/public affairs spending by corporations.



# We help organizations manage risks and opportunities created by government policy

Seismic changes in impact of government....

...providing fertile ground for PPHC



- ▲ Less relationship-based lobbying, more institutionalized lobbying and public affairs
- ▲ Shift of decision making to state capitals
- ▲ Large holding companies withdrawing

- ▲ Providing a comprehensive solution to clients, combining lobbying, strategic communications and public affairs
- ▲ Combining services at US federal and state levels
- ▲ Professionalizing a fragmented industry
- ▲ Becoming 5<sup>th</sup> seat at table of CEO
- ▲ Respecting brand integrity
- ▲ Providing sustainable platform allowing for ownership transitions
- ▲ Learning from the large holding companies: adopting the good, improving the bad

**Sources:**

<https://fiscaldata.treasury.gov/>, <https://www.opensecrets.org/>, Bloomberg Terminal, U.S. Chamber of Commerce Analysis, Office of Information and Regulatory Affairs

# In the US, PPHC operates in a highly fragmented \$17+bn strategic communications market

## Government relations and policy advocacy

### Market for regulated federal lobbying valued at **\$4bn**<sup>(1)</sup>

#### The US Senate's definition of lobbying services:

'Lobbying contact' means any oral or written communication (including an electronic communication) to a covered executive branch official or a covered legislative branch official that is made on behalf of a client with regard to:

- ▲ the formulation, modification, or adoption of Federal legislation (including legislative proposals);
- ▲ the formulation, modification, or adoption of a Federal rule, regulation, Executive order, or any other program, policy, or position of the United States Government;
- ▲ the administration or execution of a Federal program or policy (including the negotiation, award, or administration of a Federal contract, grant, loan, permit, or license); or
- ▲ the nomination or confirmation of a person for a position subject to confirmation by the Senate

### Market for state-regulated lobbying valued at **\$2bn**<sup>(1)</sup>

## Public affairs and related digital services

### The market for public affairs is valued at **\$11bn**<sup>(2)</sup>

#### What does public affairs encompass?

- ▲ All corporate functions related to the management of an organisation's reputation with external audiences
- ▲ Includes media relations, issues management, stakeholder engagement and community relations
- ▲ Integrated digital, data and analytics products are specific areas of growth and importance

#### Some examples of our services

Policy expertise and analysis	Advice on legislative and political strategy
Introductions to/for policymakers	Corporate political action committee strategies
Education/information sessions for congressional staff	Media and elite stakeholder engagement
Government grant writing, trade association management	Lobbying Disclosure Act, state-level compliance and reporting

#### Some examples of our services

Corporate messaging	Issues management
Media outreach	Communications training
Coalition management	Research and analytics
Digital campaign execution	Paid media management



1. Source: OpenSecrets.org, Lobbying disclosures, 2022; state estimates for 19 US states reporting activities (2021-22)








2. Source: Company research, 2022



# The leading, non-partisan US government affairs and public policy group

Our firms work to advance the policy goals and manage regulatory risks for over 1000 corporate and non-profit clients



 <p><b>CRS</b> CROSSROADS STRATEGIES</p> <p>Bipartisan, federally focused government affairs firm established in 2010 after separation of principals from WPP</p>	 <p><b>FTP</b> FORBES   TATE PARTNERS</p> <p>Government affairs focused core with public affairs and broader strategic communications services</p>	 <p><b>SEVEN LETTER</b></p> <p>Created in 2018 from the merger of the Blue Engine (2018) and JDA Frontline (2015) brands; digital and analytics focus to service delivery</p>	 <p><b>O'NEILL AND ASSOCIATES</b></p> <p>State-level expertise focused in Massachusetts with complementary Federal relationships</p>	 <p><b>ALPINE GROUP</b></p> <p>Bipartisan, federally focused government affairs firm with a long history and strong reputation</p>	 <p><b>KP</b> PUBLIC AFFAIRS</p> <p>State-level expertise in California. Top 5 state firm since 1995 (October '22)</p>	 <p><b>M</b> MULTISTATE</p> <p>State-level capabilities in all 50 states; additional issue monitoring and compliance offerings (March '23)</p>
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# PPHC firms are, together, the largest providers of federal lobbying, amongst other strategic communications services

## Top 20 US lobbying firms 2022

Lobbying Firm	2022 Revenue (in \$m)
Brownstein Hyatt Farber Schrek LLP	60.6
Akin Gump Strauss Hauer & Feld LLP	53.2
Holland & Knight	43.2
BGR Government Affairs LLC	39.2
Invariant LLC	38.2
Cornerstone Government Affairs Inc.	31.3
Thorn Run Partners LLC	26.3
Capitol Counsel LLC	25.2
Squire Patton Boggs US LLP	25.2
Tiber Creek Group Inc.	25.1
Forbes Tate LLC	24.8
Mehlan Castagnetti Rosen & Thomas	23.8
Crossroads Strategies LLC	23.7
Cassidy & Associates Inc.	21.7
K&L Gates LLP	21.5
Van Scoyoc Associated LLC	19.9
Alpine Group	17.9
Ballard Partners Inc.	17.8
Tarplin, Downs & Young LLC	15.1
Williams & Jensen PLLC	14.9

\*Three leading PPHC brands combine to create the largest federal lobbying revenue earner in the U.S during 2022 (\$66.4m). LDA billings are not entirety of PPHC revenues.

## Market position and recognitions



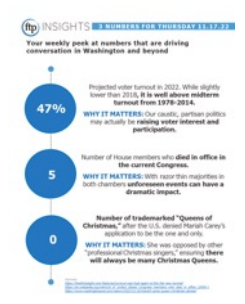
PPHC is the market leader in US federal lobbying with 3 of the top 20 firms, as measured by LDA disclosed billings\* (\$66.4m in 2022)



Our operating companies consistently win industry awards and gain trade recognition



We have added signature new talent, including policy experts and senior client counselors, throughout 2022



## How does the PPHC Platform add value?

- ▲ PPHC is partially modelled after successful business services companies, maintaining **separately branded / managed operating companies**
- ▲ PPHC is in a position to acquire, integrate, and grow a number of firms and services through **conflict mitigation, access to growth capital, operational cost savings, and cross referral opportunities**
- ▲ **PPHC Holding supports each member company** through finance, HR, benefits & payroll, legal, M&A, and client development support
- ▲ Group companies benefit – in both directions – from PPHC’s successful **referral reward programme** (10% of revenues for the duration of the contract)
- ▲ **Public company status** allows for broad and dynamic share-ownership, allows access to growth capital, and assures clients of Group companies

### PPHC’s Unique Platform for Strategic Communications Operations



# 2022 Results





## Strong revenue growth and profitability underpinning cash generation and dividend payment

### Revenue

**\$108.8m**

**+9.5%**

**+6.6%**

**(organic)**

**'21: \$99.3m**

### Underlying EBITDA<sup>1</sup>

**FY'22: \$31.2m**

**-2.5% '21: \$32.0m**

### Underlying Net Income<sup>1</sup>

**FY'22: \$23.3m**

**-2.5% '21: \$23.9m**

### Net Cash<sup>2</sup>

**Dec'22: \$21.0m**

**+17.9% Dec'21: \$17.8m**

### Dividend

**FY'22: \$15.5m**

**FY'22: \$0.14/share**

**FY'21: N/A**

<sup>1</sup> Underlying EBITDA and underlying Net Income are stated prior to non-cash items of amortisation of customer intangibles, LTIP expense, ASC 805-10-55-25 post-combination compensation charges and ASC 718-10-S99-2 share-based accounting charge. For the prior period both measures are presented on a normalised, illustrative basis and calculated on the basis that 25% of pre-bonus EBITDA is paid as bonus in line with the Group's policy post-IPO, and, in the case of Underlying Net Income, that the Group is subject to the same tax rate in 2021 that it was in 2022.

<sup>2</sup> Net Cash excludes long term operating lease liability

## 2022 operational highlights

### Our Client

**>850**

clients served across group  
(and >1000 after acquisition  
MultiState)

**384**

clients spending  $\geq$  \$100k  
(up 11%)

**1.6%**

largest client as % of total (down  
from 2.5%)

### Our Colleagues

**244**

FTE's with industry-high  
retention rates (and >300 after  
acquisition MultiState)

**Inclusive**

workplace initiatives including  
enhanced hybrid working and  
DEI fellowships

**c. 75%**

employee ownership

### Our Community

**50+**

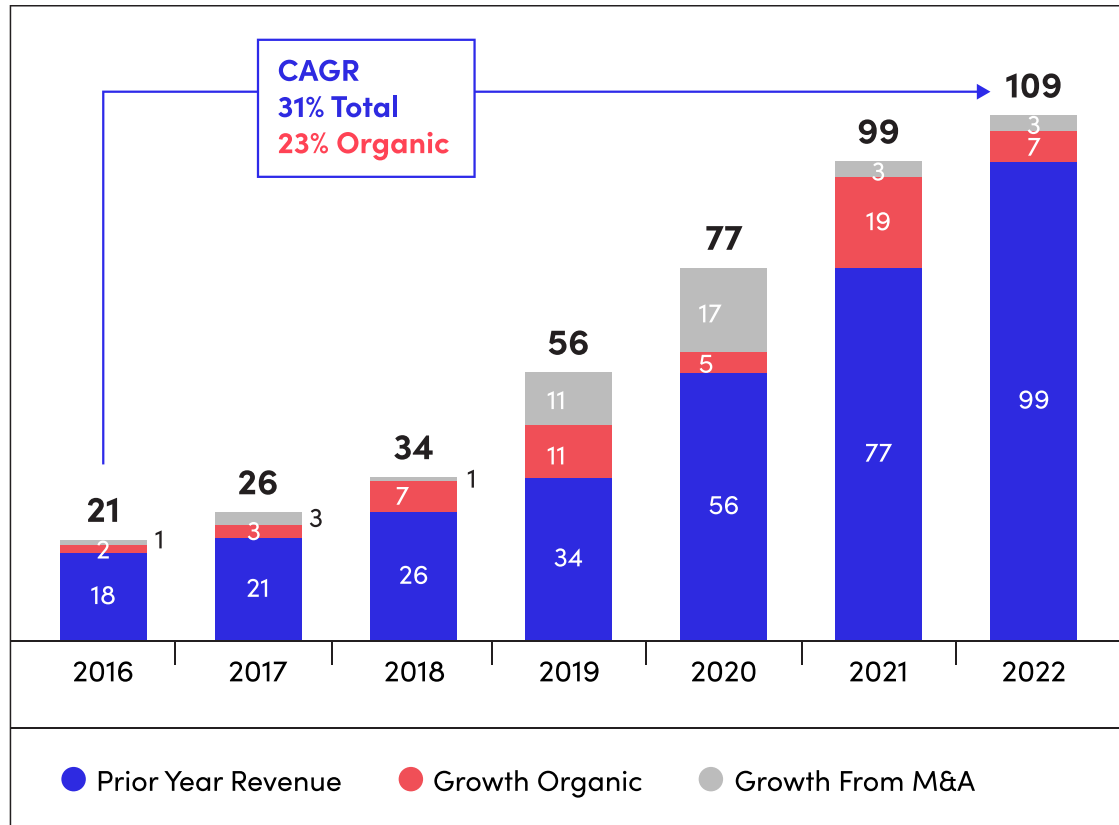
philanthropic partnerships with  
causes and NGOs, including pro-  
bono services

**ESG**

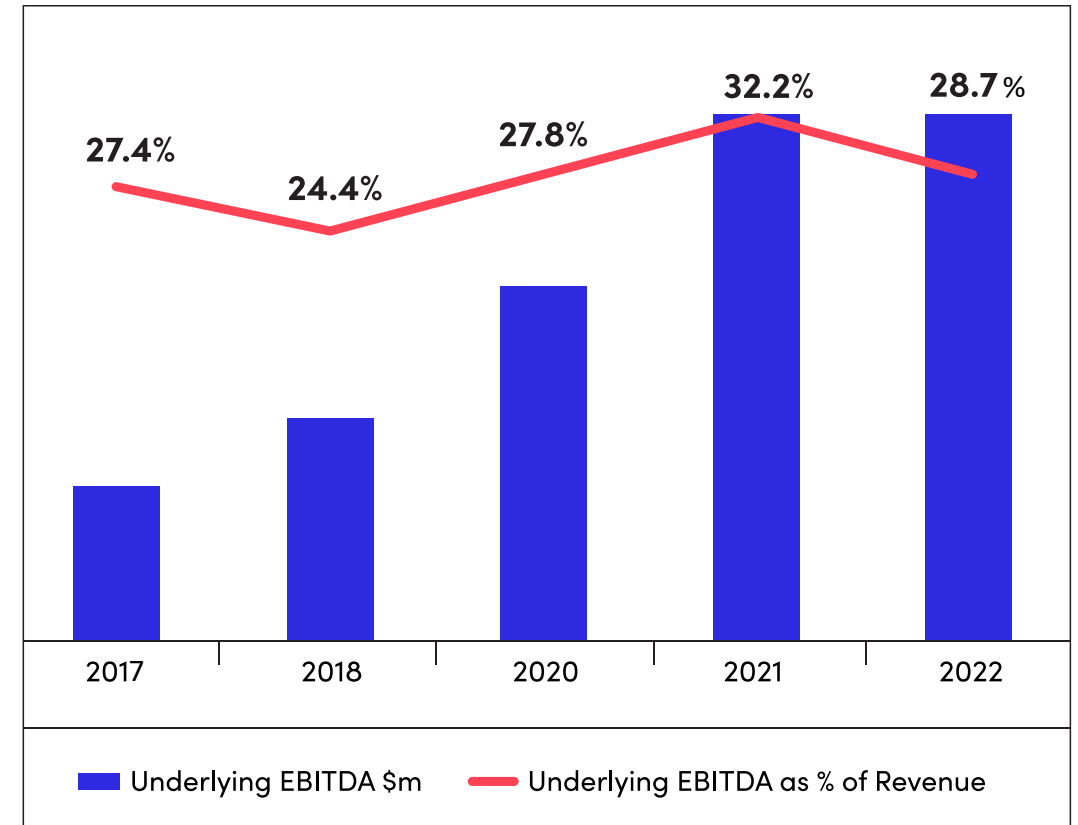
specialty practice supports  
clients' growing commitments  
and goals

## A strong track record of growth since inception: 2016 to date

### Revenue



### Underlying EBITDA



Note: (1) Underlying EBITDA is illustrative only and calculated on the basis that 25% of pre bonus EBITDA is paid as a bonus, in line with the Group's policy post IPO, with an assumed additional 5% of bonus paid as employer tax.

## Multi-Year Income Statement

in \$ million	FY'19	FY'20	FY'21	FY'22
<b>Total Income</b>	<b>55.5</b>	<b>77.5</b>	<b>99.3</b>	<b>108.8</b>
Personnel costs	27.2	38.3	44.1	52.3
Occupancy cost	3.6	3.7	3.7	3.9
General & administrative	6.4	6.2	8.2	13.0
<b>Costs</b>	<b>37.2</b>	<b>48.3</b>	<b>56.0</b>	<b>69.2</b>
<b>EBITDA Pre-Bonus</b>	<b>18.3</b>	<b>29.2</b>	<b>43.3</b>	<b>42.2</b>
- Margin	33.0%	37.7%	43.6%	38.8%
Normalised bonus <sup>(1)</sup>	4.8	7.7	11.4	11.0
<b>Underlying EBITDA<sup>(1)</sup></b>	<b>13.5</b>	<b>21.5</b>	<b>32.0</b>	<b>31.2</b>
- Margin	24.4%	27.8%	32.2%	28.7%

Note: (1) Underlying EBITDA is illustrative only and calculated on the basis that 25% of pre bonus EBITDA is paid as a bonus, in line with the Group's policy post IPO, with an assumed additional 5% of bonus paid as employer tax

### ▲ 2022's results were in line with (proforma) prior year results:

- ▲ Personnel costs as % of revenues between 45% and 55%
- ▲ Underlying EBITDA pre-bonus between 35% and 40%
- ▲ Underlying EBITDA between 25% and 30%

## Current Trading Update

### ▲ Dividend declared:

- ▲ Total dividend of \$0.140 per share, equivalent to ~\$15.5m. Aligned with intent to pay out up to 70% of underlying net profit after tax.
- ▲ Of this, final dividend of \$0.095 per share, equivalent to ~\$10.6m, to be paid on or before 2 June 2023 (ex-dividend date 4 May 2023). Aligned with intent to pay interim and final dividends in approximate proportions of one-third and two-thirds respectively of the total annual dividend.

### ▲ MultiState Associates acquired on 1 March 2023, elevating our number of clients over 1,000.

## 2023 Outlook

- ▲ Continued growth into 2023, fueled by ongoing policy debates over government spending and the passage of historic spending measures in 2021-22 into sectors such as healthcare, essential manufacturing, renewable/alternative energies, and infrastructure.
- ▲ Management expects **revenue to grow by 5 to 10% organically**, supplemented by growth from past and future M&A transactions.
- ▲ The Group continues to manage the business such that **Underlying EBITDA as percentage of revenue is estimated to range between 25% and 30%**.
- ▲ Continuing to build an **attractive pipeline of strategic acquisition opportunities** in the federal and state advocacy markets, as well as in the adjacent strategic communications and public affairs markets in the US and abroad.



## Continued organic revenue growth and management of cost base in line with forecast expectations

### 2022 vs 2021 Income Statement and Underlying Profit

USD (millions) for the year ended 31 Dec.	2022	2021
Revenue		
Lobbying	78.2	70.1
Public Affairs	30.6	29.1
<b>Total Revenue</b>	<b>108.8</b>	<b>99.3</b>
Operating Expenses	(77.6)	(67.3)
<b>Underlying EBITDA</b>	<b>31.2</b>	<b>32.0</b>
<b>Underlying EBITDA Margin</b>	<b>28.7%</b>	<b>32.2%</b>
Depreciation	(0.1)	(0.1)
<b>Underlying EBIT</b>	<b>31.1</b>	<b>31.9</b>
Interest	(0.0)	(0.1)
Taxes	(7.8)	(8.0)
<b>Underlying Net Income</b>	<b>23.3</b>	<b>23.9</b>
<b>Underlying Net Income Margin</b>	<b>21.4%</b>	<b>24.0%</b>
Share-Based Accounting Charge	(33.4)	(27.6)
Post-Combination Compensation Expense	(2.4)	-
Long-Term Incentive Program Charges	(0.3)	-
Amortization Expense – Customer Relationships	(2.1)	(1.9)
2021: Adj for actual bonus		(26.1)
2021: Adj for actual taxation		7.5
<b>Net Income Reported</b>	<b>(15.0)</b>	<b>(24.3)</b>

### Commentary

- ▲ **Underlying EBITDA margin of 28.7%** (2021: 32.2%). Margin reduction was anticipated. Post-IPO public costs and investment \$5.4m.
- ▲ **Share-based accounting non-cash charge** (\$33.4m, and \$27.6m in 2021) relates to IPO reorganization.
- ▲ **Additional non-cash charges** relate to the accounting for certain acquisition payments (\$2.4m), amortization of customer relationships (\$2.1m) and LTIP expense (\$0.3m).
- ▲ **Prior period normalization adjustments** made (in bonus and taxes) to present underlying profit on a like-for-like basis given change in structure post 2021 IPO.

1: The retained shares are subject to a vesting schedule under which the shares held by each employee shareholder will vest in equal instalments on the first five anniversaries of the effective date of admission (16 Dec. 2021), provided that the shareholder remains continuously employed by the employer

2: Underlying EBITDA and underlying Net Income for the prior period are presented on a normalised, illustrative basis and calculated on the basis that 25% of pre-bonus EBITDA is paid as bonus in line with the Group's policy post-IPO, and, in the case of Underlying Net Income, that the Group is subject to the same tax rate in 2021 that it was in 2022.

## Strong balance sheet with \$21.0m net cash position at 2022 period-end

### 2022 vs 2021 Balance Sheet

USD (millions) for the year ended 31 Dec.	2022	2021
<b>Current Assets</b>		
Cash	21.2	18.0
Accounts Receivable, Net	12.5	8.2
Note Receivable – Related Party – Short-term	-	0.3
Prepaid Expenses and Other Current Assets	1.4	0.5
<b>Total Current Assets</b>	<b>35.1</b>	<b>27.0</b>
<b>Non-Current Assets</b>		
Note Receivable – Related Party – Long-term	0.5	-
Property and Equipment, Net	0.7	0.8
Operating Lease Right of Use Asset	16.2	15.9
Goodwill	47.9	44.9
Other Intangible Assets, Net	18.6	12.9
Deferred Income Tax Asset	2.3	-
Syndication costs	1.0	-
Other Long-term Assets	0.1	0.6
<b>Total Assets</b>	<b>122.4</b>	<b>102.0</b>
<b>Current Liabilities</b>		
Accounts Payable and Accrued Expenses	12.7	8.3
Income Taxes Payable	4.2	0.5
Amounts Owed to Related Parties	1.3	6.7
Deferred Revenue	2.9	1.9
Operating Lease Liability Due Within 1 Year	3.9	3.4
Notes Payable, Current Portion	-	-
<b>Total Current Liabilities</b>	<b>24.9</b>	<b>20.9</b>
<b>Non-Current Liabilities</b>		
Contingent Consideration	4.2	0.0
Note Payable, Long-term	0.2	0.2
Deferred Income Tax Liability	-	2.9
Other Liability	2.3	-
Operating Lease Liability, Long-term	14.8	15.3
<b>Total Liabilities</b>	<b>46.4</b>	<b>39.3</b>
<b>Total Stockholders' Equity</b>	<b>76.0</b>	<b>62.7</b>

### Commentary

- ▲ Net cash at period-end \$21.0m, consisting of \$21.2m cash less \$0.2m long term debt (2021:\$17.8m).
- ▲ Retainers typically billed in advance and good debtor days 41 days (2021: 30 days) driving strong cash generation.
- ▲ \$47.9m goodwill recognised as part of the IPO reorganization, in addition to the acquisitions of KP Public Affairs and MultiState Associates. All subject to impairment analysis.
- ▲ \$17.8m intangible assets relate to customer relationship assets (14.8m) and trade names (\$3.0m).
- ▲ \$1.3M balance amounts owed to related parties (2021: \$6.7m) reduced from paying off debt to pre-IPO owners.

# Strong net cash generation supporting significant dividend payout as well as M&A

USD (millions) – US GAAP  
for the year ended 31 Dec.

	2022	2021
<i>Cash Flows from Operating Activities</i>		
<b>Net Loss</b>	<b>(15.0)</b>	<b>(24.3)</b>
Adjustments to Reconcile Net Loss to Net Cash Provided by (Used in) Operating Activities		
Depreciation	0.1	0.1
Amortization Expense – Customer Relationships	2.1	1.9
Amortization of Right of Use Assets	3.1	2.9
Provision for Deferred Income Taxes	(0.6)	(0.0)
Share-based Accounting Charge	33.4	27.6
Stock Option Expense	0.3	-
Other	0.2	-
(Increase) Decrease in		
Accounts Receivable, net	(5.2)	(3.3)
Other Assets	(0.4)	(0.4)
Increase (Decrease) in		
Accounts Payable and Accrued Expenses	4.1	2.5
Income Taxes Payable	3.6	0.5
Deferred Revenue	1.6	1.9
Operating Lease Liability	(3.4)	(2.7)
Other Liability	2.3	-
Transactions with Members/Related Parties	(5.7)	(2.3)
<b>Net Cash Provided by Operating Activities</b>	<b>20.7</b>	<b>4.6</b>
<i>Cash Flows from Investing Activities</i>		
Purchases of Property and Equipment	-	(0.0)
Acquisitions and prepaid post-combination compensation, net of cash	(11.9)	-
<b>Net Cash Used in Investing Activities</b>	<b>(11.9)</b>	<b>(0.0)</b>
<i>Cash Flows from Financing Activities</i>		
Syndication Costs and Other Stock Issuance Costs	-	(4.6)
Issuance of Common Stock	-	13.8
Net Proceeds (Payments) from Line of Credit and Notes Payable	(0.0)	(1.4)
Dividends and Distributions	(5.6)	(0.4)
<b>Net Cash Provided by Financing Activities</b>	<b>(5.6)</b>	<b>7.3</b>
<b>Net Increase in Cash and Cash Equivalents</b>	<b>3.1</b>	<b>11.9</b>
<b>Cash and Cash Equivalents as of Beginning of Period</b>	<b>18.0</b>	<b>6.1</b>
<b>Cash and Cash Equivalents as of End of Period</b>	<b>21.2</b>	<b>18.0</b>

## Commentary

- ▲ Cash generated \$3.1m was function of operating cash flow \$20.7m, offset by acquisitions (\$11.9m) and dividend payments in 2022 (\$5.6m); resulting in a year-end balance of \$21.2m.
- ▲ \$5.7m cash outflow with related parties in respect of amounts due to the pre-IPO owners of Crossroads Strategies, LLC and Forbes Tate, LLC.
- ▲ Acquisitions:
  - ▲ Completion of acquisition of KP Public Affairs, LLC – initial consideration of \$11.4m of which \$10.3m was paid in cash.
  - ▲ Completion of acquisition of Engage, LLC – a supplier to Forbes Tate Partners – for consideration of \$2.7m of which \$1.9m was paid in cash.
  - ▲ Subsequent event: In March 2023, acquisition of MultiState Associates, LLC – initial consideration of \$22.0m of which \$17.6m was paid in cash from existing cash resources and a new credit facility.
- ▲ Subsequent event: Final dividend over 2022 of \$0.095 per share (approx. \$10.6m) to be paid on or before 2 June 2023, in line with the Group's policy to pay out up to 70% of underlying net profit after tax as a dividend, with interim and final dividends in approximate proportions of one-third and two-thirds, respectively, of the total annual dividend.

# M&A

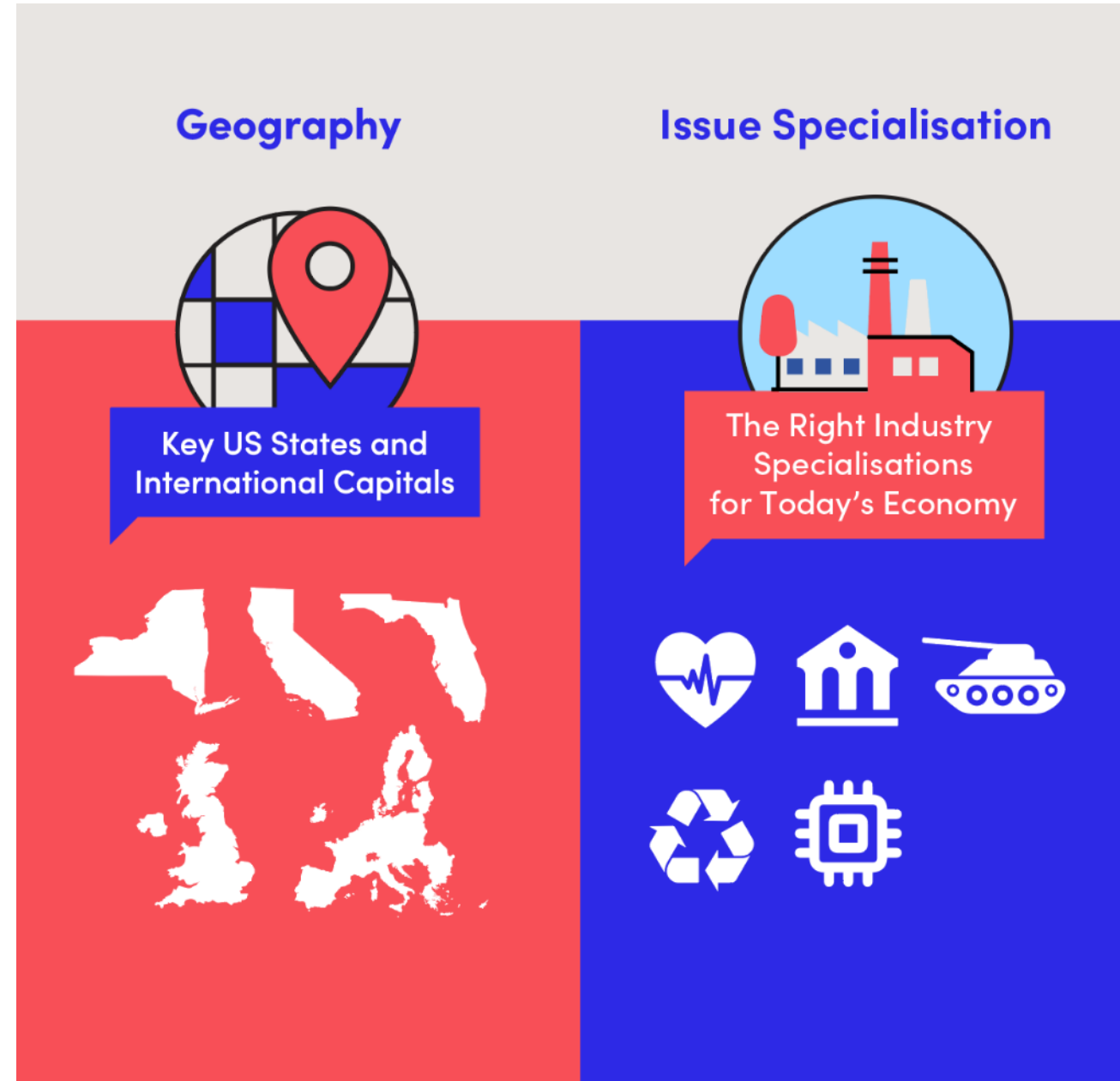




## Buy-and-build strategy focused on key geographies and deep sector expertise to help global corporate clients manage risk and opportunity

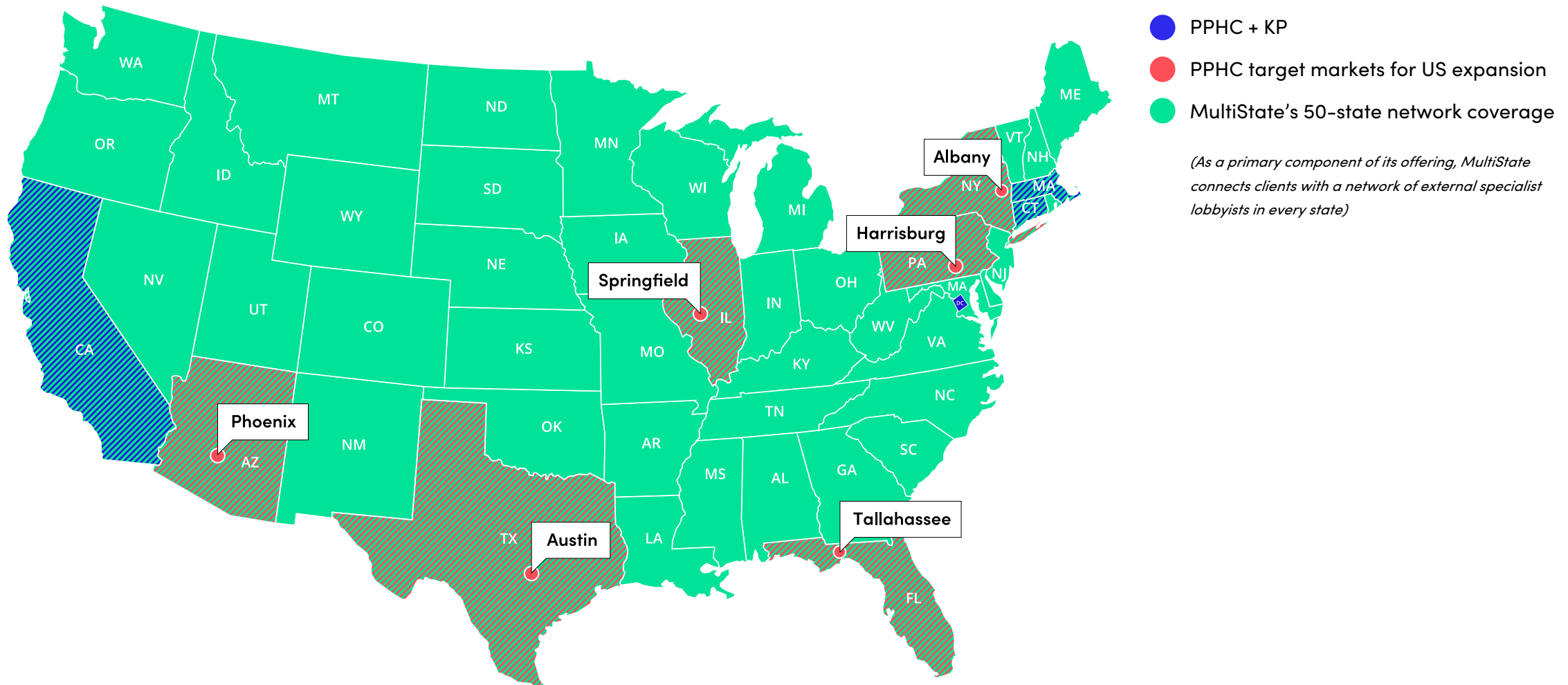
### Overview

- ▲ Best in class ethical and compliance standards
- ▲ Market share and diversification benefits
- ▲ Premium financial profiles and maintenance of group-wide margin targets
- ▲ Long-term revenue synergy potential and opportunities

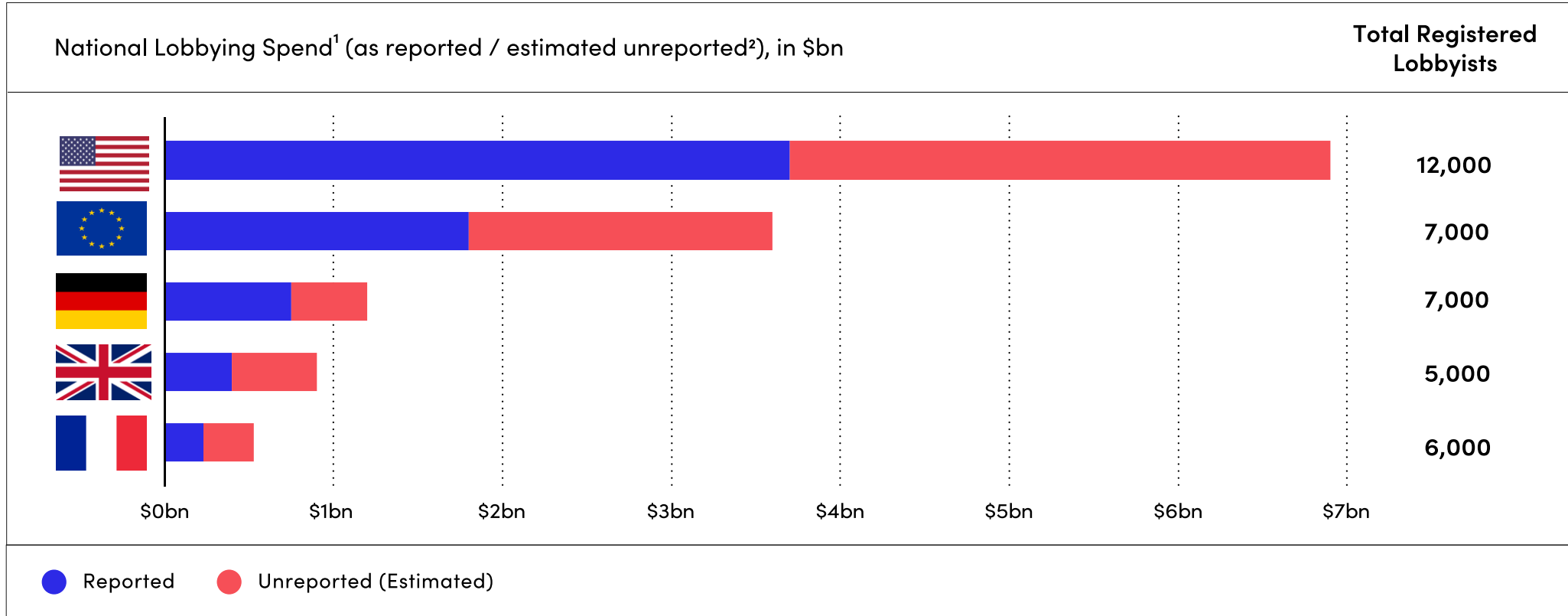


# PPHC now facilitating lobbying in every state in the USA and Canada (helped by MultiState acquisition)

## Still aiming to expand further into select high-opportunity states



## Our short-term goal is to establish a Group presence in key global markets to unlock referral nexus into global policy budgets



1. 2020 data where 2021, 22 not available

2. "Unreported" (aka 'shadow lobbying' includes all fees paid and media invested to impact legislation, directly or indirectly. Not all reporting regimes count equally, so industry estimates vary)

3. Given limited UK Lobbying Registry data, spending and lobbying headcount is estimated from Registry meeting and organisation count data, benchmarked against other geographies

4. Converted from (1.03 EU) and (.89 GBP) November 11, 2022

5. Sources: OpenSecrets.org, EU and National Transparency Registries of UK, Germany and France, The Economist, Politico, Bloomberg Media (BGOV), LinkedIn Data, Expert Interviews, original PPHC analysis

## KP Public Affairs (acquired Oct 2022)

Full-service state and local government relations leader in Sacramento, California, the biggest US state

Three main lines of business

### 1 Lobbying/Advocacy

- ▲ Servicing interests of corporations and non-profits with California executive branch and legislative branch. Includes legislative analysis and bill tracking

### 2 Public Affairs

- ▲ Advancing clients' interests through a combination of community outreach, corporate reputation, coalition building, digital communications, media outreach, social media, and stakeholder engagement

### 3 Consulting

- ▲ State and local government relations consulting, including developing and executing advocacy campaigns

2021 by business line

100%=

\$10.9m



Revenue as  
a % of Total

93+ clients

- ▲ Google
- ▲ Cal OES
- ▲ MVCAC
- ▲ Citigroup
- ▲ CMBA
- ▲ LADWP
- ▲ Pepperdine
- ▲ Airbnb
- ▲ Hertz
- ▲ CVMA
- ▲ Lockheed Martin
- ▲ KPMG
- ▲ Morgan Stanley
- ▲ California Restaurant Association
- ▲ ...

Client List



## MultiState Associates (acquired March 2023)

Full-service state and local government relations company across all US states and Canadian provinces

Four main lines of business

### 1 Lobbying/Advocacy

- ▲ Lobbying brokerage business
- ▲ MultiState is one of the largest purchasers of lobbying services (on behalf of its ultimate clients) in the nation

### 2 Compliance

- ▲ Filing lobbying compliance paperwork for clients at the federal level, in all 50 states, and in many local jurisdictions
- ▲ Performed on behalf of lobbyists and their principals
- ▲ Subscriptions are on an annual basis, with auto renewal, invoiced 100% on the renewal date
- ▲ Service is supported by internally developed software

### 3 Tracking

- ▲ Tracking federal, state and local legislative activity, complemented by analyst guidance
- ▲ Subscriptions are on an annual basis, with auto renewal, and invoicing heavily weighted in Q1 and Q2
- ▲ Service is supported by internally developed software

### 4 Consulting

- ▲ State and local government relations consulting, including developing and executing advocacy campaigns, for blue chip clients such as Apple and Walmart

2021 KPIs by business line

100%=	\$12.8m	321(*)	\$40.8k	
● Lobbying/Advocacy	20%	104	25.4	▲ American Fair Credit Council
● Compliance	19%	113	21.4	▲ Apple
● Tracking	39%	142	35.9	▲ Capitol One
● Consulting	22%	50	57.4	▲ CIOX Health
				▲ EPIC Pharmacies
				▲ MERS
				▲ Goodyear
				▲ Honda
				▲ Indivior
				▲ Public Consulting Group
				▲ Quest Diagnostics
				▲ United Rentals
				▲ Walmart
				▲ Wireless Infrastructure Association
	Revenue as a % of Total	# Clients	Avg Spend/Client \$K	# Client List

(\*) Out of 321 clients in 2021, 88 were purchasing in multiple categories

# Conclusion



# High government spending + risky political climate = strong demand

## Overview

- ▲ Strategic communications with financial, crisis, healthcare and tech specialization(s) are among the fastest growing sectors, with high demands for policy and regulatory expertise
- ▲ PR holding companies and other multi-disciplinary agencies have returned to modest growth, but are largely seen to have lost ground to specialty firms for c-suite services
- ▲ Increasingly, multi-state and global capabilities are key to holistic issues/risk management and policy success
- ▲ Significant investments by private equity have recently entered the market (KKR, TPG, etc.)



Sources: US Chamber of Commerce, .2022; Politico EU, April 2023

## Summary: Why Invest in Public Policy Holding Company?

Building the future of public policy and advocacy communications

### Strong Proven Business

- ▲ Large and growing industry
- ▲ Low correlation with economic cycle
- ▲ High level of regulation and transparency
- ▲ Blue-chip client base of 1000+ companies, often tapping from CEO budgets
- ▲ Low client concentration
- ▲ High client retention
- ▲ High level of management shareholdings, benefitting staff retention
- ▲ Experienced management team

### Attractive Financial Profile

- ▲ Strong organic growth rate
- ▲ Attractive margins
- ▲ Low capex and low debtor days
- ▲ Retainers billed in advance; very little hourly billings
- ▲ Therefore, strong free cash flow to support dividends and M&A

### Attractive Dividend

- ▲ Up to 70% payout ratio of adjusted net profit
- ▲ Semi-annual dividend payments
- ▲ Alignment of internal and external shareholders

### Strong Growth Prospects

- ▲ Market continues to grow
- ▲ Holding company model designed to support organic and inorganic growth
- ▲ Opportunity to expand and acquire in US and internationally
- ▲ M&A strategy being executed and led by industry experts
- ▲ Public company model unique in the space
- ▲ Opportunity to offer cash and shares attractive for M&A

# Case Studies





# Saving American Solar Jobs

## Challenge

A Department of Commerce (DOC) investigation into solar panel imports from Southeast Asia posed a threat to the US solar industry. Solar projects planned for 2022 were put on hold while US solar companies awaited parts from abroad to complete their projects. Seven Letter was tasked with creating a campaign aimed at preventing the application of solar tariffs by the DOC.

## Solution

- ▲ Seven Letter performed opinion research and opposition research to identify the most effective arguments and persuadable groups.
- ▲ Seven Letter created a website with a "Take Action Form".
- ▲ Digital ads, broadcast TV, newsletter and print ads, and influencer activation was utilised to reach the targeted audience and inspire them to take action.

## Results

- ▲ Opinion and opposition research was used in messaging across coalition.
- ▲ 23,000 calls and emails were made to the Commerce Department and the White House regarding the issue of solar tariffs.
- ▲ Ads generated 61 million impressions and 83,000 clicks to website.
- ▲ Video ads were viewed nearly 11 million times.
- ▲ President Biden announced a 2-year moratorium on solar tariffs and invoked the Defense Production Act to advance domestic solar manufacturing.



# Giving the Hearing Impaired an Audio Boost



## Challenge

In 2016, the Bose Corporation realised that they could make lower-cost, high-quality hearing aids which could be self-fit by the wearer and sold directly to consumers without the need for a prescription, state-by-state regulations, or monopolistic distribution networks. Bose brought on the Alpine Group to advance legislation with the goal of creating a new category of hearing aid – no small task when the dominant 5 manufacturers of hearing aids globally aligned to fight and delay the issuance of regulations, and to restrict the effectiveness and availability of these new devices.

## Solution

- ▲ The Alpine Group advanced legislation to create a new category of hearing aid
- ▲ Alpine created an informal coalition which brought together diverse stakeholders and policymakers across the political spectrum
- ▲ When the dominant 5 manufacturers of hearing aids globally fought to delay the issuance of regulations, and to restrict the effectiveness and availability of these new devices, the Alpine Group pursued a sustained counter effort
  - ▲ Alpine engaged directly with the FDA and senior White House and HHS officials, as well as members of the House and Senate in order to maintain pressure on the FDA to issue the regulations consistent with Congressional intent

## Results

- ▲ By mid-2017 Congress enacted an over-the-counter hearing aid law over the objections of the incumbent hearing aid industry, gun rights groups, and other organisations intent on protecting the high-cost, low innovation status quo
- ▲ In August 2022, the FDA issued the required regulations with provisions to ensure broad consumer access to low-cost, high-quality hearing aids still intact – and aging rock and rollers across the globe breathed a sigh of relief

# Educating the Public on the Importance of Physician-Led Care



## Challenge

After years of scope of practice expansion by nurses and mid-level healthcare providers in California, the California Society of Anesthesiologists wanted to increase awareness about the importance of physician led care in order to protect the specialty from scope attacks and to help with future engagement on contracting and reimbursement issues. They needed to better educate key audiences about the important role of physician anesthesiologists in patient care as well as their value in the overall delivery of efficient, cost-effective healthcare.

## Solution

- ▲ KP Public Affairs developed a digital media campaign to spread the message about the importance of physician led anesthesia care. This included creative graphics, videos, web content, and member outreach materials.
- ▲ KP developed materials to support legislative education and engagement on scope of practice and title protection acts.
- ▲ KP's program was deployed to showcase CSA leadership amongst medical societies and to reinforce the value of membership and engagement with the association.

## Results

- ▲ The campaign resulted in more than 14.5 million impressions, over 408,000 video views, over 60,000 clicks to the website for more information and a dramatic increase in social media followers.
- ▲ By delivering impactful messages about the importance of physician-led care, this campaign not only promoted and defended the specialty, but it also helped lay the groundwork for CSA to engage proactively or reactively on legislative and regulatory issues that are ahead.

# Guiding a Housing Non-Profit through the Legislative Process



## Challenge

Navigate Affordable House Partners, a client of Crossroads Strategies, is a mission-driven non-profit contracted to facilitate the Section 8 program in multiple states. In 2022, the U.S. Department of Housing and Urban Development (HUD) issued a draft solicitation that, if finalized, would have effectively dismantled the system by which states oversee the Section 8 housing voucher program, eliminating the role that Navigate plays. The efficacy of the Section 8 program in many states is predicated on the experience of organizations like Navigate, but HUD's draft solicitation would have excluded Navigate from administering contracts in favor of a regional model that would disregard the unique needs of each state.

## Solution

- ▲ Crossroads Strategies organized Navigate's partner organizations in a coalition effort to educate and engage lawmakers on the potential impact of HUD's proposed rulemaking.
- ▲ CRS recruited dozens of members of congress to send letters to HUD requesting that the department withdraw its draft solicitation.
- ▲ CRS drafted language for inclusion in the FY2023 omnibus spending package that barred HUD from using any funding to implement the proposed rulemaking. They built support for this language among appropriators and the signers of the abovementioned letters, creating strong, bi-partisan support in the House and Senate for congressional action on the matter.

## Results

- ▲ The final FY2023 omnibus package included language that barred HUD from implementing the draft solicitation or any solicitation of substantial equivalency.
- ▲ As a result, Navigate continues its work towards furthering its mission of investing in communities, providing quality housing options, and offering services to benefit the entire housing industry.



# Giving a Voice to the Outdoors in D.C.

## Challenge

An outdoors-focused trade association wanted to elevate their brand in D.C. and become an influential player in passing legislation to strengthen America's public lands, waterways, and climate resiliency. The plan would also need to be cognizant of the economic hardships created by COVID-19 and the power of the outdoor industry – with the help of smart federal policy – to support healthy families and thriving local economies.

## Solution

## Results

- ▲ Forbes Tate Partners developed a communications plan that worked in tandem with the government relations strategy and included regional media outreach in states based on congressional targets, relationship development with Beltway reporters, and internal member communications.
- ▲ FTP created social media toolkits, placed op-eds in key states, sent letters of support to decisionmakers, and conducted traditional press outreach to advance the group's legislative priorities.
- ▲ The campaign created a surround sound of voices advocating for a historic conservation bill, which resulted in the Senate and House passing it on a bipartisan vote. The bill was signed into law in 2020.
- ▲ The trade association was quoted in several earned media pieces, secured meetings with key lawmakers, and laid the groundwork for continued advocacy and success under the Biden administration.





# Securing Funding for a New England Economic Hub

## Challenge

Boston Logan International Airport, a major economic asset to both Massachusetts and the greater area of New England, was in need of major upgrades. The Airport's infrastructure required modernization through both increasing its capacity and improving its environmental performance.

## Solution

- ▲ O'Neill and Associates utilised its federal relations team to lobby congress for funding through the massive 2022 Bipartisan Infrastructure Bill.
- ▲ O'Neill and Associates played a key role in securing Logan \$62 million in grant funding.

## Results

- ▲ The grant awarded to Logan was the largest award made to any major U.S. airport and will be used to fund improvements to Terminal E, as well as improvements to critical terminal area roadways and the airport's power system, which will be more energy efficient—greener—while meeting the future needs of this key element of the Massachusetts and New England economy.
- ▲ As President Biden said at the celebration of the grant on September 12th, "We are creating a modern terminal worthy of America's City on a Hill."



# Appendix



## Benefits of a Public Listing in London

Enhanced profile and access to capital, with employee retention and tax efficiency being key benefits

### Access to capital

- ▲ Access to equity capital markets allows PPHC to most efficiently finance M&A opportunities with cash and equity – accelerating our proven acquisition strategy.

### Retention and Recruitment

- ▲ A public equity instrument will enhance talent retention and recruitment, including the long-term retention and incentivization of acquisitions.
- ▲ PPHC's dividend payments and equity vesting schedule were integral components of the plan at IPO and will continue to be part of all transactions

### Why the U.K. and AIM

- ▲ The U.K. and AIM has a strong recent track record of providing capital and supporting high-growth professional services businesses of similar scale to PPHC in a way that is not replicated in the U.S. public equity markets. On assessing all the options available to the company, admission to LSE's AIM (vs. PE or other capital) was the best to support PPHC's strategy.

## Appendix - PPHC Executive Team



### G. Stewart Hall, Chief Executive Officer

- ▲ Began his career as Legislative Director to Senator Richard Shelby (R-AL) from 1992-1996.
- ▲ In 1999, he co-founded Federalist Group, LLC as his first private sector venture, which, under his guidance, was acquired by Ogilvy Public Relations (WPP) in 2005 and proceeded to double in size over the following four years.
- ▲ In 2010, Stewart co-founded Crossroads Strategies and in 2014, CRS was merged to form PPHC.



### Bill Chess, Chief Financial Officer

- ▲ Joined PPHC as CFO in 2014, having previously served as CFO of Ogilvy Public Relations Worldwide.
- ▲ Began career in financial operations with Unilever's Lever Brothers Co. holding many financial positions of increasing responsibility, eventually becoming controller of Lever Brothers Co. and then financial vice president of Lever's Foods Division.
- ▲ Prior to his business career, Bill served as an air traffic controller in the US Air Force and holds an MBA in finance from Fordham University.



### Thomas Gensemer, Chief Strategy Officer

- ▲ Joined PPHC after 20 years in the advertising, public affairs and political/advocacy campaigns. Currently, he oversees group strategic positioning.
- ▲ From 2005-2013, served as the CEO and Managing Partner of Blue State Digital (BSD) where he led the global agency from its founding through acquisition by WPP in late 2011.
- ▲ Previously CSO for Burson-Marsteller, one of the world's largest public relations networks, a WPP company.



### Jill Kendrick, Chief Operating Officer

- ▲ 20 years' experience developing, implementing, and growing operational infrastructures, advancing organizations throughout business life cycles.
- ▲ Prior to PPHC Jill served as the CFO of Crossroads Strategies, one of the founding firms of PPHC.
- ▲ Has held positions within the Federalist Group, Berman Enterprises, and in Disaster Fundraising for the National HQ of the American Red Cross.



### Roel Smits, Deputy Chief Financial Officer

- ▲ Joined PPHC from Kantar (data investment division of multinational advertising conglomerate WPP), where he served as Chief Financial Officer and oversaw all aspects of Americas financial and corporate management, and corporate development.
- ▲ Prior to Kantar, Roel led Corporate Development team of WPP focused on mergers and acquisitions, and acquisition management.



### Neal Strum, Chief Legal Officer

- ▲ Neal brings over 30 years of experience as a corporate and finance attorney at Venable LLP.
- ▲ Prior to joining PPHC, Neal represented numerous clients across various industries – service, finance, hospitality, technology and healthcare – focusing on mergers and acquisitions, venture capital, private equity.
- ▲ He advised PPHC companies for over ten years as external legal counsel prior to joining PPHC full-time.



### Ron Starzman, VP – Human Resources

- ▲ Previously the university-wide head of employee relations at the College of William & Mary, where he oversaw all full cycle performance and talent management initiatives for over 2,500 staff.
- ▲ Started his career at Ogilvy where, in roles of increasing responsibility, he built and administered companywide policies, procedures, and communications related to employee engagement, on boarding, performance management, HRIS, compensation, and benefits – previously served as a consultant at several multi-national corporations.



### Paula Thrasher, VP – Financial Operations

- ▲ Oversees the Accounting Department and is primarily responsible for directing and managing the fiscal and accounting functions in accordance with generally accepted accounting principles (GAAP) and Holding Company and member company policies, procedures and regulations respectively, across all operating units.
- ▲ Brings many years' experience in accounting and financial analysis, as well as strategic planning, board presentations and business financials.



## Appendix – PPHC Board of Directors



**G. Stewart Hall**  
*Chief Executive Officer*

- ▲ Founder and Chairman of Crossroads Strategies, which merged into PPHC in 2014
- ▲ Mixture of public and private sector experience
- ▲ Co-founded Federalist Group in 1999, which was acquired by Ogilvy Public Relations (WPP) in 2005
- ▲ Served as Legislative Director to Senator Richard Shelby (R-AL) from 1992-1996, working across defense policy, appropriations, and financial services



**Bill Chess**  
*Chief Financial Officer*

- ▲ Previously COO and CFO of Ogilvy Public Relations Worldwide (“OPR”)
- ▲ Oversaw OPR's acquisition activity in all global regions
- ▲ Began career in financial (commercial) operations with Unilever, before becoming Financial VP of Lever's Food Division
- ▲ Served in the United States Air Force



**Zachary Williams**  
*Executive Director*

- ▲ Managing Partner at Forbes Tate Partners where he has constructed and executed multiple strategies on behalf of the firm's clients on issues including tax, finance, housing, healthcare, and technology
- ▲ Previously served as Managing Director of Cauthen and Associates



**Simon Lee**  
*Non-Executive Chairman*

- ▲ Chair of Brit Syndicates, Non-Executive Director of Osirium Technology plc and Fairfax International (Barbados) Ltd.
- ▲ Serves on the Global Advisory Boards of Sherpa Technology and Perfect Cellar
- ▲ Until 2013, served as Group Chief Executive of RSA Insurance, the FTSE 100 insurer, and had previously held various senior leadership roles at NatWest Group



**Benjamin L. Ginsberg**  
*Non-Executive Director*

- ▲ A renowned political law and compliance expert with 38 years' experience representing participants in the political process, including four of the last six Republican Presidential nominees
- ▲ Served as co-chair of the bipartisan Presidential Commission on Election Administration
- ▲ Currently a CNN contributor, appears frequently on television as an on-air commentator about politics and the law and has written numerous op-eds



**Kimberly A. White**  
*Non-Executive Director*

- ▲ Currently a consultant to Alphabet's Verily
- ▲ Previously Senior Vice President and Chief Communications Officer at CVS Health and Vertex Pharmaceuticals
- ▲ Served as Global Sector Chair for Health at Edelman, the world's largest public relations firm. She spent 16 years with Ogilvy, where she held a variety of roles including Global Health Chair and Managing Director of Ogilvy's New York public relations business
- ▲ Began her career at Burson-Marsteller in Chicago

