



<b>Company name</b>	Fubar Radio
<b>Website</b>	<a href="http://investors.ensity.com/deals/1003">investors.ensity.com/deals/1003</a>
<b>Sector</b>	Digital Media
<b>Stage</b>	Early Stage
<b>Year Started</b>	2012
<b>Location</b>	London
<b>Funding Requirement</b>	£500k ( EIS previously granted)
<b>Pre-Money Valuation</b>	£2.75m

**Assigned Investors Director** | Oliver Woolley / Robert Gordon    [oliver@investors.co.uk](mailto:oliver@investors.co.uk)    +44 (0)20 7240 0202

## OVERVIEW

FUBAR Radio is a disruptive digital media entertainment brand that reaches millions of 18 to 34 year olds, with original live and on-demand radio, video and social media content.

In order to reach this notoriously elusive demographic, FUBAR's content is irreverent, edgy and mischievous, delivered across multiple platforms. FUBAR produces comedy, sport, current affairs and talk-based music programming in multi formats. With content consumed live and on-demand via the FUBAR Radio apps, web site and other platforms (such as iTunes) - FUBAR content is available anywhere, any time and on any device.

Since its first live broadcast in early 2014, FUBAR has built a monthly reach of over 2 million adults, mainly 18-34s. This is the 'smartphone generation' who largely ignore traditional media and is therefore untouched by the advertising within it.

FUBAR's audience is valuable for brands seeking to engage with this hard-to-reach demographic and FUBAR helps solve this problem by connecting them with its audience. Centred around a mix of 360-degree content production, FUBAR works with brands to craft original custom content within and around the programming, which communicates a brand's aspirations and themes.

FUBAR's post-watershed TV-style entertainment is powered by the biggest names and the best of emerging talent, including comedians, musicians, sports personalities, celebrities and social media stars.

## HOW IS FUBAR DIFFERENT?

Whilst stations like LBC, Talk Sport, BBC Radio 4, 4Xtra and 5 Live offer talk based programming, none of these target a younger 18 to 34 demographic. FUBAR Radio fills this gap in the market.

Unlike mainstream radio broadcasters, the content is not regulated by broadcast industry watchdog, OFCOM. This means that our talk-based content can afford to be irreverent, edgy and mischievous, which is exactly the type of content that an 18 to 34 year demographic seeks out. This is often reflected in the way that FUBAR produces creative content solutions for brand partners.

This is FUBAR's brand defining USP for its programming sponsor advertisers.

Because FUBAR's programming is monetised through sponsorship and product placement, the schedule can also afford to be refreshingly free from the clutter of the long commercial breaks associated with commercial talk-radio (i.e. spot advertising breaks). Competitor commercial radio advertising revenues are also rigidly tied to live listener numbers. FUBAR's audience is captured from a rich and diverse platform reach, covering live and on-demand audio, video and social media engagement. This makes FUBAR's audience numbers more measurable and transparent, providing a reliable ROI for our sponsors.

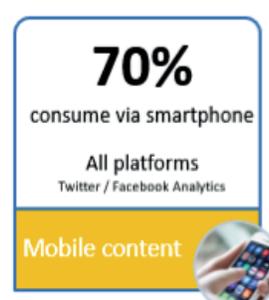
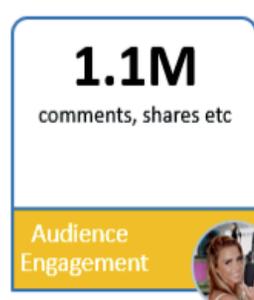
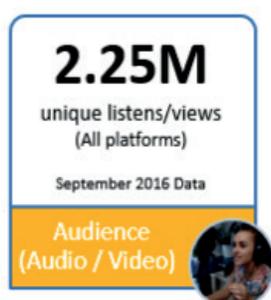
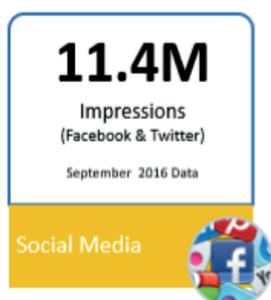
FUBAR's radio output is also free from heavily rotated, censored music (only 20% of the output). Neither does FUBAR carry news, weather or travel bulletins. This makes FUBAR content have a long shelf life. Programming is continuously re-purposed into short clips for social media distribution. This carries a brand sponsor message far and wide and withstanding repeated and timeless consumption through viral video clips. This firmly sets FUBAR apart with its appeal to a discerning and young audience group.

As part of the 360-degree content offering, FUBAR's radio studio is equipped with HD video cameras that capture short form viral-video content. This is distributed via social media channels and also carried by partner platforms, like MTV, OK!, Mail Online, The Express, Daily Star and many more.

## ACHIEVEMENT TO DATE

Apple has appointed FUBAR Radio as a "Preferred Podcast Provider", a collaboration that provides invaluable marketing for our programming on iTunes, with Apple listing FUBAR alongside BBC Radio 4 and places the company on a par with the BBC in its dealing with Apple. Indeed, Apple lists FUBAR alongside BBC Radio 4 and 4Xtra, in the World's top 3 English speaking radio stations in the comedy genre. This collaboration provides "money can't buy marketing".

In Q1-2016, US media giant VIACOM approached FUBAR in order to enter a commercial and programming partnership. The first such initiative launched in April 2016 with the Viacom owned Comedy Central television channel. The partnership not only provides a high margin revenue stream but extends FUBAR's audience reach.



## MANAGEMENT TEAM

**CEO, Duncan Smith** built a £5m subsidiary for ITV Plc, pioneering music and comedy television formats in the process. He created two further multi-media start-ups, generating multi award winning programming in a 35-year career in media that includes becoming the youngest member of an ITV board and Commissioner for Comedy and Music entertainment at Central Television plc.

**Head of Commercial Development, Mark Briggs** has successfully exited a commercial radio business and has previous experience in the senior management team of the BBC/ITV joint venture FREESAT. He was also Head of Commercial Services at Capital Radio plc (now Global Media) and was the regional Managing Director at Guardian Media Group.

**Head of Production, Natalie King** is a highly experienced former LBC, BBC and TalkSport producer and has worked with some of the biggest names in radio comedy.

**Head of Social Content, Duncan Hewitt** is the former head of social media at The Daily Mail and The Sun and is a football writer at The Sunday Times

**Financial management, Charles Howes** is ex CFO of a FTSE 250 Plc, who is also an investor in the business.

**Executive sales support, Ian Merricks**, former Head of TalkSport Sales, who is also the founder of 26 commercial RSL radio stations and is a FUBAR shareholder.

## INVESTOR OFFER/USE OF FUNDS

FUBAR has previously had £1.7m invested to date and is now looking to raise a further £500k (EIS previously granted). This £500k will be at a pre-money valuation of £2.75 million. This money will be used to invest heavily in scaling up sales and marketing to move the business beyond initial breakeven and to free up more time for the CEO to concentrate on developing the business. The investment will be deployed as follows:

- Appoint sales executives to deliver scaled forecasted revenues of £1.7m in 2017.
- Engage additional talent (increase programming hours) in order to underpin forecasted revenues.
- Targeted marketing campaign to increase brand awareness and drive audience reach to 4m by Q2-2017 as part of the forecast plan.
- Appoint in-house marketing manager to increase audience, develop new relationships and manage the increase in accounts with new brand partners.
- Bring app and web development in-house, with significant cost savings (with a R&D tax reclaim).

## FINANCIAL SUMMARY

£(000) Y/E 31st January	2016	2017	2018	2019
	Estimate	Forecast	Forecast	Forecast
SALES (Sponsorship & product Placement)	146	1,700	7,000	14,700
Cost of Sales	(137)	(659)	(2,200)	(4,500)
Overheads	(496)	(1,100)	(1,300)	(1,800)
EBITDA	(486)	94	3,500	8,400
Closing Balance	2,500	348	3,800	1,200
Audience Reach (monthly Average)	2,500	5,000	8,000	12,000

## EXIT STRATEGY

Management anticipates an exit within three to five years. At this point, management expect to have created a sponsorship and product placement driven, high margin business, combined with impressive growth in audience and high value IP programming library. This established market leading iconic brand, with year on year growth and a scalable model will drive the exit multiple to a range of

potential buyers. This may be via a trade sale to a sponsor brand already associated with FUBAR, a content hungry rival audio business, red-top multi-platform media owner or talent agency. FUBAR have already been the interest of potential acquisitions with NewsCorp (The Sun) and Northern & Shell (owners of Express Newspapers, OK!). VIACOM are also potential acquirers with an existing working relationship already providing the foundation for such future discussions.