



Interview with Llorente & Cuenca (LLYC)

Shortlisted company in the Star of 2022 category

What are the key qualities your company has?

- LLYC is a leading communications, digital marketing and public affairs firm, with over 25 years of experience, operating in Spain and Latin America. There is enormous talent to be found across our powerful network of over thousand employees, operating across 20 offices in a dozen countries. We have made an unshakeable commitment to creativity and new technologies - these are an increasingly important factor in interaction with stakeholders, and no company is future-proof without them.

What prompted your company to go public?

- Our main motivation was to drive growth - LLYC aspires to becoming a full-service communications and public affairs consulting provider, with capabilities across creativity, technology and marketing solutions, in turn bolstering our leading international position. To this end, we plan to double business over the next four years - one of the mechanisms for accomplishing this is via acquisitions, which will strengthen our technological and creative capacity, and are central to our continued business development. In addition, we perceive the IPO as a way to strengthen our position in key markets.

What were the main challenges along the road to becoming public?

- At the time we went public, in July 2021, a whole slew of IPOs were announced over the course of just one month, following the years of drought caused by the pandemic. As a result, the competition for media attention and investor interest was intense. On top of that, the communication consultancy industry, historically, hasn't had much of a presence in capital markets, meaning we had to dedicate a lot of our efforts to explaining our business model, and by extension the entire sector, to analysts and market participants in general.

What have been the key benefits (for your company) of going public?

- LLYC has long prided itself on our transparency, but becoming a listed company without a doubt required us to go the extra mile in terms of reporting, transparency and our commitments to society. We're now playing in the big league, which is much more demanding and rewarding - all of us at LLYC work tirelessly to generate value for all of our stakeholders. Going public has allowed us to better understand the needs of our listed clients and, without a doubt, from a reputational and branding point of view, it has also been an important boost.

After going public, what reactions have you had from investors, customers, employees, etc.?

- It's been just over a year now since LLYC went public, and we couldn't be happier with the results. From day one, the reaction from analysts and investors has been fabulous - by the end of our first year, the value of our stock had risen 18% relative to the IPO price. Our employees take pride in being a part of a listed company, and our clients appreciate the benefits of doing business with a listed communications consultancy.

What experience/advice would you want to share with companies that are thinking of going public?

- Preparing for an IPO is a long, complex process, and our chief piece of advice would be for companies to equip themselves with competent advisers - having access to professional advice certainly made things easier for us. On top of that, it is also very important to involve your people at every stage in the process, in the enthusiasm - certainly, the work is hard, but knowing that everyone on the team is rowing in the same direction definitely makes everything easier. Last but not least, you need to be patient and flexible - unexpected circumstances can delay an IPO, or force a change in strategy, but when you adapt to the market's demands, and follow the advice of professionals, you won't let your firm be thrown off-course.

Where do you see yourselves in 5 years?

- Without a doubt, over these next five years we will have grown into a larger, more well-rounded and more competitive firm, with a greater presence in Brazil, the US, and other countries central to our strategy. The business plan we went public with envisioned a doubling in size by 2024 relative to our €100M revenues at the time of the IPO. As it stands, we're on track to reach this target a year ahead of schedule. Regardless, it is certainly still necessary to remain prudent and act with caution - the international business environment is still quite turbulent, and one must tread carefully.

Have you had any assistance from the European Union, e.g. funding projects, etc.

- No.

In your view, what should the EU be doing to encourage more SMEs to go public? What should the EU be doing to provide ongoing support for listed companies?

- Since the listing process itself is long and complex, SMEs need to know that they can access support and advice along way. The best way to encourage SMEs to go down this path is, of course, to make sure they have a much better understanding of the implications of an IPO, and the advantages and opportunities their business stands to gain.