

Huntsworth Trading update

Huntsworth plc, the healthcare communications and public relations group, is today issuing the following trading update for the four months to 30 April 2017.

- **Group's full year results to be ahead of current consensus**
- **Strong trading at Huntsworth Health and Red**
- **Grayling trading in line with management expectations helped by UK agency returning to profit**

Trading

The Group traded well through the first four months of the year, led again by strong growth at Huntsworth Health. On a like for like basis Huntsworth Health's revenues increased by over 10%, with good margin performance despite ongoing investment in talent and further diversification in two of the agencies. All of Huntsworth Health's main agencies grew in the period, led by the two largest - Evoke and Apothecom - which together account for circa 80% of divisional revenue.

Grayling's UK business returned to profitability in the period which means that, together with its European businesses, a large part of Grayling (representing circa 70% of annual divisional revenues) is now profitable. The US and META regions, however, remain challenging. Although we expect a decline in Grayling's like for like revenues this year, the division is trading in line with management's expectations.

Red has performed strongly in the period with revenues up by over 10%, with a number of new client wins. Some client churn is expected in the second half of the year which will dampen the overall annual growth rate.

Citigate Dewe Rogerson has experienced a mixed trading period with revenues down 2% on a like for like basis. Operations in the Netherlands, Singapore and Hong Kong have performed well, but slower transactional markets in the UK and mainland China have impacted overall revenue growth and profitability and will likely weigh on the business further during the year.

Financial Position

The Group remains in a strong financial position, operating well within its £70m facility. Net debt at 19 May 2017 was c. £31m, in line with management expectations.

Outlook

As a result of the stronger growth at Health and Red along with improved prospects at Grayling, we now expect the Group's full year results to be ahead of current consensus*.

The Group remains focused on driving operating profit by concentrating resources on its faster growing agencies and actively managing those underperforming ones. The Board is confident of continued progress through the remainder of 2017.

**Midpoint of consensus range for Headline PBT is £19.3m*

Enquiries

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