

# HUNTSWORTH

17 December 2019

## Trading Update

Huntsworth plc (“Huntsworth or the “Group”), the international healthcare and communications group, today issues a trading update for the 11 months to 30 November 2019.

- **Group trading satisfactory, within market expectations**
- **Return to growth in Marketing**
- **Acquisitions successfully integrated and performing in line with expectations**
- **Cash flow strong and gearing expected to fall to c.1.6x at the year-end**

### Current Trading

The Group anticipates like-for-like revenue growth of c. 3% for the full year, with a small impact on margin as a result of investments in property and talent, and expects to report headline profit before tax within current market expectations\* for the year to 31 December 2019.

As expected, the Marketing division saw an acceleration of growth over the second half of the year, although client-led project deferrals and product closures limited the level of growth to c. 3% across the half. Project wins were good, and the pipeline of opportunities is strong, especially in multi-service requirements where the additional capabilities of acquired businesses can be deployed, indicating further improvement and good prospects for 2020.

There was further good growth in the Medical division leading to c. 8% like-for-like growth for the full year. The Immersive division performed well against very strong comparatives and has secured a number of new mandates which indicate good growth prospects for 2020, although the cost of securing these mandates impacted profits.

The Communications division saw an acceleration of growth in the second half and will achieve full year revenue growth of c. 2% for the first time in several years.

### Financial Position

The Group remains in a strong financial position, operating well within its £130m facility, and expects year end leverage to be c. 1.6x net debt to pro forma EBITDA\*\*.

## **Outlook**

The Group remains focused on delivering superior growth led by its healthcare agencies and recent acquisitions continue to complement this. Despite some currency headwinds as a result of the strengthening in sterling, management is confident about the Group's future trading and expects continued good growth across all of its businesses in 2020.

*\* Market expectations of Headline PBT range from £38.5m to £41.0m*

*\*\* Pro forma EBITDA takes into account a full year's contribution from acquisitions made during 2019. Leverage is on a pre-IFRS 16 basis.*

## **Enquiries**

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