

# Huveaux

## **2009 INTERIM RESULTS**

**29<sup>th</sup> JULY 2009**

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# Gerry Murray

## CEO

# Highlights

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- More resilient business
- Results in line with expectations
- Strong underlying growth in Political Division
- Managing changes in Education:
  - Curriculum change;
  - Key Stage 3 SATs abolished; and
  - New APP products
- Well positioned for Growth in 2010 and beyond

# Financial Highlights

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- Retained revenue down to £11.3m (08: £13.3m)
- Retained EBITDA at £0.4m (08: £1.1m)
- Significant shift into H2 in 2009
- Net debt reduced to £8.6m
- 4% underlying revenue growth in Political
- 39% revenue growth in Political Knowledge
- Strong performance of *Civil Service Live* in July
- Education revenue down 25%
- £600k of fixed costs saved in Education
- 24% reduction in HQ Overheads

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Rupert Levy  
Finance Director

## Results

6 Months Ended 30<sup>th</sup> June 2009

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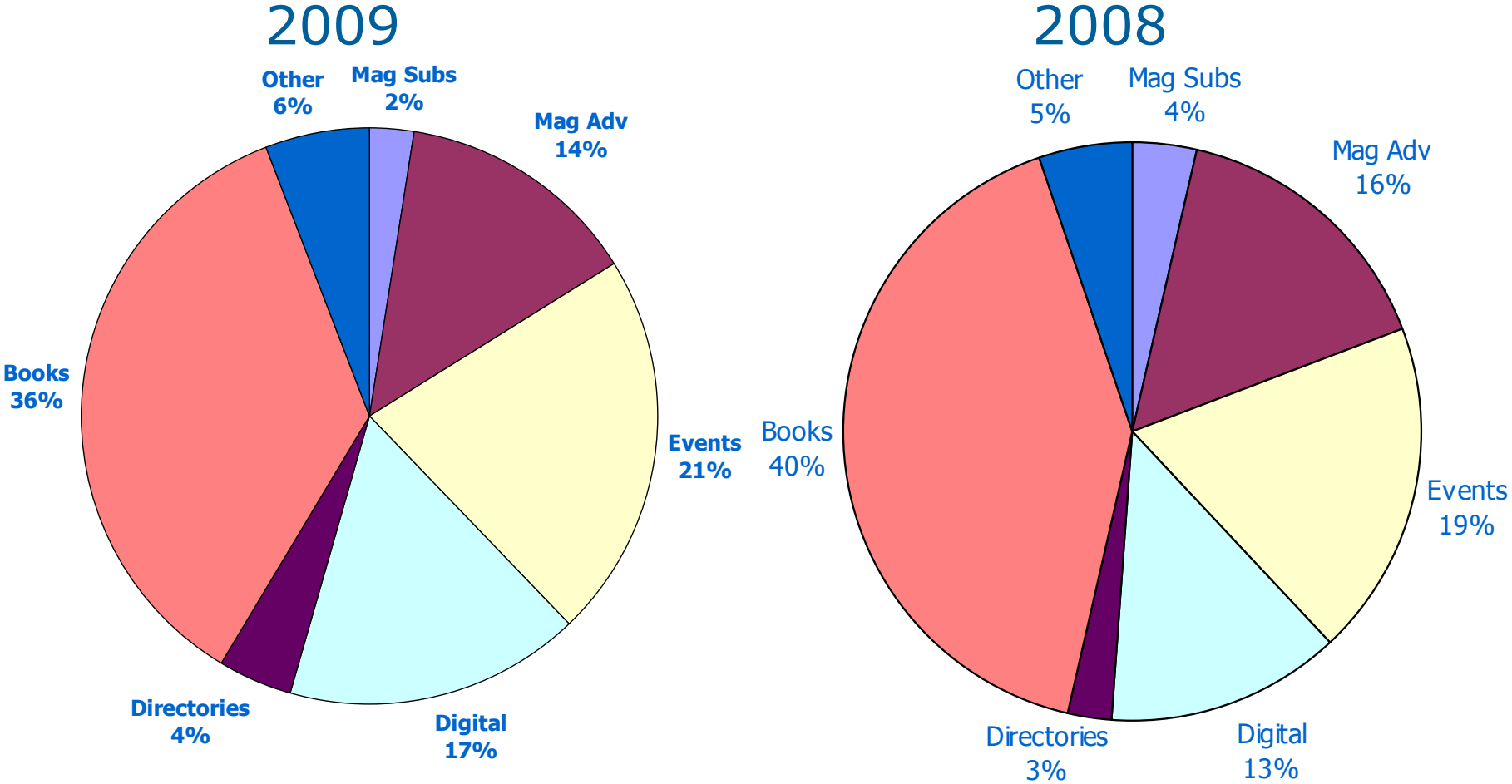
£'000	<u>2009</u>	<u>2008</u>
Turnover	11,281	21,676
<b>Retained Turnover</b>	<b>11,281</b>	<b>13,295</b>
EBITDA	360	1,799
<b>Retained EBITDA</b>	<b>360</b>	<b>1,147</b>
Normalised pre-tax profit	(139)	803

# Results

30<sup>th</sup> JUNE 2009

<b>EBITDA (£'m)</b>	<b>2009 TOTAL</b>	<b>2008 Retained</b>	2008 Disc'd	<b>2008 TOTAL</b>
Political	<b>0.6</b>	<b>0.9</b>		<b>0.9</b>
Education	<b>0.3</b>	<b>0.9</b>		<b>0.9</b>
Learning			0.2	<b>0.2</b>
Healthcare			0.4	<b>0.4</b>
HQ	<b>-0.5</b>	<b>-0.6</b>		<b>-0.6</b>
Total	<b>0.4</b>	<b>1.1</b>	0.7	<b>1.8</b>

# Revenue by Product





## Cash and Gearing

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- Strong operating cash flow of £1.6m
- Gross debt of £8.6m, net debt of £8.5m
- Well within Covenants and Facility limits
- Benefiting from reduction of interest rates
- Small benefit from € - locked cash in at €1.10

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# Gerry Murray

## CEO

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# Political Division

## Political Division

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£'000

**2009**

**2008**

Turnover

7,219

7,799

EBITDA

608

903

## New Political Division

£'000	<b>2009 Revenue</b>	<b>2009 EBITDA</b>	<b>2008 Revenue</b>	<b>2008 EBITDA</b>
<b>DODS</b>	4,296	91	5,287	521
<b>Political Knowledge</b>	2,047	452	1,500	138
<b>Fenman</b>	708	95	769	215
<b>Huveaux Politique</b>	168	-30	243	29
<b>TOTAL</b>	<b>7,219</b>	<b>608</b>	<b>7,799</b>	<b>903</b>

## Political Division – DODS

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- Underlying 4% growth:
  - Before CSL (July), and Monitor (closed in 2008)
- £380k reduction in Display Adv (20%)
- Strong growth in Monitoring (25%)
- Civil Service Live:
  - Regional held in Gateshead in March 2009
  - Main show held in July 2009 (30% increase in revenue, strong re-book)

# Political Knowledge

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- Revenue up from £1.5m to £2.0m (39%)
- EBITDA up from £138k to £452k
- Margin up from 9% to 22%
- Growth in long-term contracts
- Growth in larger events
- Well position for tightening of budgets following General Election

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# Education Division



## Education Division

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£'000	<b><u>2009</u></b>	<b><u>2008</u></b>
Turnover	4,062	5,496
EBITDA	241	887

## Education Division – Letts & Lonsdale

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- Trade & school affected by abolition of KS3
- Trade Sales hit by recession
- School Sales hit by move to A Level from GCSE
  - Has slowed in recent months

KS3 Sales are down £600k on H1 2008 (60%)

# Education Division – Leckie & Leckie

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- Practice Papers
  - Move to produce “own brand” past papers at lower price and higher margin – created sales hiatus of £100k
  - Will produce higher margin in 2009/2010
- Core Products
  - Stood up well to recessionary and budgetary pressures – only down 4% over 2008
  - Maintained position as dominant in market

# Huveaux - Outlook for 2009

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- Group remains very weighted to H2
- H2 includes material items
  - Civil Service Live (in July)
  - Party conferences (fringe events and advertising)
  - Larger Dods conferences
  - “Back to School” period in Education

**Confident of meeting market expectations**

# Outlook for 2010 and beyond

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## Political

- General Election will provide huge data opportunities
- Transparency plays to Dods' strengths
- UK and EU Monitoring will continue to grow
- Growth of CSL & Events

## Education

- Move back to focus on GCSE is good for Huveaux
- Tory government will accelerate move to APP
- Challenge is to provide publications for new formats

 **DODS MONITORING**



Parliament | Policy | Communication



[www.dodonline.co.uk](http://www.dodonline.co.uk)



**LONSDALE**

