

9 November 2016

Dods Group PLC
(“Dods” or the “Company”)

Interim Results for the six months ended 30 September 2016 (Unaudited)

Financial Highlights

- Revenue of £9.74 million (2015: £9.28 million)
- Gross Profit of £3.72 million (2015: £3.31 million)
- Gross Profit margin of 38% (2015: 36%)
- Adjusted EBITDA of £1.53 million (2015: £1.01 million)*
- Cash generated from operations £1.40 million (2015: £1.11 million)
- Profit before tax of £0.82 million (2015: £0.11 million)
- Adjusted EPS of 0.34 pence (2015: 0.20 pence)**

*EBITDA is calculated as earnings before interest, tax, depreciation, amortisation of intangible assets acquired through business combinations, share based payments and non-recurring items

** Adjusted Earnings per Share (EPS) is calculated by dividing the adjusted profit (See note 4) attributable to shareholders post tax by the weighted average number of ordinary shares in issue during the period

Operational Highlights

- In the first half of the year, the Group’s go-to-market model was redesigned to enable a strategic approach to sales and client services, product management and marketing
- The scaled-up events operation has maintained its service delivery at the highest level while delivering an expected 18% increase in revenue on a comparative basis
- Management undertook the development of a new series of products and product enhancements during the half year, including the launch of the new Dods People App and Political Risk Reports
- The Group’s primary base of operations and registered office were relocated to The Shard, creating a convenient and conducive environment for client meetings and demonstrations whilst providing a more efficient and technologically advanced infrastructure for our business operations

Cheryl Jones, Chairman of Dods Group PLC, commented:

“The Board is pleased to announce that the Group’s interim results are in line with expectations.

Management’s priorities continue to be; realigning market-facing activities for greater effectiveness and increased market share, repositioning Dods’ resources to further enable efficient product and service innovation, leveraging the shareholders’ investment in technology, and pursuing acquisitive growth.

The Board of Directors believes that these priorities will enable the Group to make significant progress to becoming the outsourcing partner of choice to its markets.”

For further information, please contact:

Dods Group PLC

Guy Cleaver, Chief Executive Officer 020 7593 5500
Nitil Patel, Chief Financial Officer

Cenkos

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Business Review

The first half of the financial year saw the Group perform in line with the transformational plans for the business. The Group's revenues grew by 5% to £9.7 million (2015: £9.3 million). Gross margins improved from 36% to 38%. Adjusted EBITDA has improved from £1.0 million to £1.5 million, an increase of 50%. Profit before tax of £0.8 million (2015: £0.1 million) was achieved and cash generated from operations was £1.4 million, in comparison to £1.1 million in the prior comparative period

As outlined in the 2016 annual report, the Group has adopted a 'client for life' philosophy. A significant amount of management's focus in the first half of the year was spent realigning sales, product and marketing teams to support improved retention rates and to enhance the account management experience for our clients. As these structures are newly established, during the second half of the year management will focus on leveraging the redesigned teams to increase market share and accelerate future revenue growth.

Management believes that the future benefits of the new structures include creating scalability for efficient growth and the ability to expand our services into new markets allowing Dods to become the outsourcing partner of choice to our clients.

During the period, the operational sales and service priorities were to:

- support the planned 18% growth in revenue in the events' portfolio;
- maintain a keen focus to improving the retention of recurring subscriber revenues;
- continue to develop and invest in our digital products whilst maintaining our print media market share;
- develop a pipeline of new products and product enhancements, which will be introduced before the end of the financial year;
- launch the new Political Risk service; and
- launch the new Dods People App providing access to our biographical reference data on mobile devices.

In September, the Group's primary base of operations and registered office was relocated to The Shard, creating a convenient and conducive environment for client meetings and demonstrations whilst providing a more efficient and technologically advanced infrastructure for our business operations. Management believes that the new offices will be more conducive to accelerate the Company's transformation in its business processes, client services and infrastructure efficiencies.

Management continue to be focused on achieving their objectives for the current financial year. This includes identifying suitable acquisitions which will provide enhanced services to our customers and increased value for our Shareholders.

Guy Cleaver
Chief Executive Officer

Key Financial Information

Three Year Summary – Half Year

(£000s unless specified otherwise)	Six months ended 30 September 2016	Six months ended 30 September 2015	Six months ended 30 September 2014
Revenue	9,740	9,275	8,442
Gross Profit Margin %	38%	36%	25%
Adjusted EBITDA	1,531	1,008	(54)
Depreciation	(124)	(160)	(58)
Amortisation of intangible assets and assets acquired through business combinations	(292)	(312)	(418)
Amortisation of software intangible assets	(172)	(155)	(578)
Adjusted EBIT	943	380	(1,108)
Non-recurring items	(42)	(251)	(75)
Net finance costs	(83)	(16)	-
Earnings before tax	818	113	(1,183)
EPS (pence)	0.24	0.03	(0.33)
Adjusted EPS (pence)	0.34	0.20	(0.19)
Cash flow from operations	1,404	1,137	(98)
Cash Balance	7,888	6,977	4,843

Three Year Summary - Annual

(£000s unless specified otherwise)	Full Year to 31 March 2016	Full Year to 31 March 2015	Full year to 31 March 2014
Revenue	19,620	18,301	19,775
Gross Profit Margin %	38%	29%	29%
Adjusted EBITDA	2,958	1,205	1,085
Depreciation	(230)	(228)	(225)
Amortisation of intangible assets and assets acquired through business combinations	(629)	(791)	(1,026)
Amortisation of software intangible assets	(412)	(763)	(803)
Adjusted EBIT	1,687	(577)	(696)
Non-recurring items	(544)	(1,550)	(475)
Adjustments to amortisation of intangible assets/ assets acquired through business combinations	-	(2,781)	-
Net finance costs	(21)	(63)	(44)
Earnings before tax	1,122	(4,971)	(1,488)
EPS (pence)	0.32	(1.38)	(0.38)
Adjusted EPS (pence)	0.66	0.13	0.06
Cash flow from operations	3,175	1,449	439
Cash Balance	9,083	5,908	5,291

FINANCIAL REVIEW

Income Statement

The Group's revenue from continuing operations increased by 5% to £9.7 million (2015: £9.3 million) and gross profit increased by 12% to £3.7 million (2015: £3.3 million).

Gross margin increased from 36% to 38% in the period, with administrative expenses decreasing to 23% of revenues (2015: 25%). The increase in gross margin is due to an ongoing focus to process efficiencies and scalability, and the quality of revenue across the Group.

Adjusted EBITDA was £1.5 million (2015: £1.0 million). Operating profit was £0.9 million (2015: £0.1 million), after an amortisation charge of £0.3 million (2015: £0.3 million) for business combinations and a charge of £0.2 million (2015: £0.2 million) for intangible assets. Depreciation charge in the period was £0.1 million (2015: £0.2 million).

The taxation charge for the period is £Nil (2015: £Nil) and is based on the expected annual tax rate and the assumed use of accumulated tax losses.

Earnings per share

Basic and diluted loss per share from continuing operations in the year was 0.24 pence (2015: 0.03 pence) and was based on the profit for the period of £0.8 million (2015: £0.1 million) with a weighted average number of shares in issue during the period of 340,840,953 (2015: 339,770,953).

Dividend

The Board is not proposing a dividend at this time.

Statement of Financial Position

Assets

Non-current assets consisted of goodwill of £13.3 million (2015: £13.3 million), intangibles of £7.5 million (2015: £8.1 million), software intangibles of £1.4 million (2015: £1.5 million), and tangible fixed assets of £2.5 million (2015: £0.2 million). The increase in tangible assets reflects the £2.4 million investment by the Group in its new premises.

The Group had a cash balance of £7.9 million as at 30 September 2016 (2015: £7.0 million). The cash balance is after the expenditure of £2.6 million in investing activities and includes a deposit of £1.3 million (2015: £Nil) being held in the Group's name with its bankers.

Equity and Liabilities

Retained profits as at 30 September 2016 were £1.0 million (2015: losses of £0.8 million) and total shareholders' equity at that date was £26.6 million (2015: £24.7 million).

On 29 March 2016, the Group issued 535,000 new ordinary shares, pursuant to the exercise of share options. On 4 July 2016, the Group issued a further 535,000 new ordinary shares, also pursuant to the exercise of share options. Following the admission of these new shares to AIM, the Group's issued number of shares increased to 340,840,953 (2015: 339,770,953). Non-current deferred tax liability was £0.8 million (2015: £0.8 million) as at 30 September 2016

Cash flows

During the period the Group generated £1.4 million from operations (2015: £1.1 million). In addition, the Group expended £2.6 million in investing activities (2015: £0.02 million) primarily on the new premises and as a result net cash and cash equivalents decreased by £1.2 million to £7.9 million.

Nitil Patel

Chief Financial Officer

DODS GROUP PLC

CONDENSED CONSOLIDATED INCOME STATEMENT for the six months ended 30 September 2016

		Unaudited Six months ended 30 September 2016 £'000	Unaudited Six months ended 30 September 2015 £'000	Audited Year ended 31 March 2016 £'000
Revenue	2	9,740	9,275	19,620
Cost of sales		(6,017)	(5,962)	(12,172)
Gross profit		3,722	3,313	7,448
Administrative expenses:				
Non-recurring items	3	(42)	(251)	(544)
Amortisation of intangible assets and assets acquired through business combinations		(292)	(312)	(629)
Amortisation of intangible assets		(172)	(155)	(412)
Depreciation		(124)	(160)	(230)
Net administrative expenses		(2,191)	(2,306)	(4,490)
Total administrative expenses		(2,821)	(3,184)	(6,305)
Operating profit		901	129	1,143
Finance income		18	3	26
Financing costs		(101)	(19)	(47)
Profit before tax		818	113	1,122
Income tax		-	-	(36)
Profit for the period		818	113	1,086
Earnings per share	4			
Basic		0.24 p	0.03 p	0.32 p
Diluted		0.24 p	0.03 p	0.32 p

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME for the six months ended 30 September 2016

	Unaudited Six months ended 30 September 2016 £'000	Unaudited Six months ended 30 September 2015 £'000	Audited Year ended 31 March 2016 £'000
Profit for the period	818	113	1,086
Items that will be subsequently reclassified to profit and loss			
Exchange differences on disposal of translation of foreign operations	(2)	5	(2)
Other comprehensive (loss)/income for the period	(2)	5	(2)
Total comprehensive income in the period attributable to equity holders of parent company	816	118	1,084

DODS GROUP PLC

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION as at 30 September 2016

		Unaudited As at 30 September 2016 £'000	Unaudited As at 30 September 2015 £'000	Audited As at 31 March 2016 £'000
Goodwill		13,282	13,282	13,282
Intangible assets	5	8,926	9,601	9,260
Property, plant and equipment	6	2,516	214	186
Total non-current assets		24,724	23,097	22,728
Inventories		67	56	41
Trade and other receivables		2,287	3,709	2,190
Cash	7	7,888	6,977	9,083
Total current assets		10,242	10,742	11,314
Total assets		34,966	33,839	34,042
Capital and reserves				
Issued capital		17,088	17,078	17,083
Share premium		8,105	8,009	8,057
Other reserves		409	409	409
Retained profit		1,039	(769)	221
Share option reserve		27	47	27
Translation reserve		(66)	(61)	(68)
Total equity		26,602	24,713	25,729
Income tax payable		-	44	5
Trade and other payables		7,525	8,274	7,469
Total current liabilities		7,525	8,318	7,474
Deferred tax liability		839	808	839
Total non-current liabilities		839	808	839
Total equity and liabilities		34,966	33,839	34,042

DODS GROUP PLC

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY for the six months ended 30 September 2016

	Share capital £'000	Share premium £'000	Merger reserve £'000	Retained earnings £'000	Translation reserve £'000	Share option reserve £'000	Total shareholders' funds £'000
At 1 April 2015	17,078	8,009	409	(882)	(66)	47	24,595
Total comprehensive loss							
Profit for the year	-	-	-	1,086	-	-	1,086
Other comprehensive loss							
Currency translation differences	-	-	-	-	(1)	-	(2)
Transactions with owners							
Exercise of share options	5	48	-	430	-	(430)	53
Lapsed option transfer	-	-	-	17	-	(17)	-
Share based payment	-	-	-	-	-	(3)	(3)
At 1 April 2016	17,083	8,057	409	221	(68)	27	25,729
Total comprehensive profit							
Profit for the period	-	-	-	818	-	-	818
Transactions with owners							
Exercise of share options	5	48	-	-	-	-	53
Lapsed option transfer	-	-	-	-	-	-	-
Other comprehensive profit							
Currency translation differences	-	-	-	-	2	-	2
At 30 September 2016	17,088	8,105	409	1,039	(66)	27	26,602

DODS GROUP PLC

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS for the six months ended 30 September 2016

	Unaudited Six months ended 30 September 2016 £'000	Unaudited Six months ended 30 September 2015 £'000	Audited Year ended 31 March 2016 £'000
Cash flows from operating activities			
Profit for the period	818	113	1,086
Depreciation of property, plant and equipment	124	160	230
Amortisation of intangible assets acquired through business combinations	292	312	629
Amortisation of other intangible assets	172	155	412
Share based payments credit	-	-	(3)
Net finance costs	81	-	21
Income tax credit	-	-	36
Operating cash flows before movements in working capital	1,487	740	2,411
Change in inventories	(26)	18	33
Change in receivables	(96)	(738)	781
Change in payables	39	1,117	300
Net cash generated by operations	1,404	1,137	3,525
Income tax paid	-	(30)	(30)
Net cash from operating activities	1,404	1,107	3,495
Cash flows from investing activities			
Interest and similar income received	18	-	26
Addition to property, plant and equipment	(64)	(22)	(108)
Additions to new building	(2,371)	-	-
Additions to intangible assets	(137)	-	(244)
Net cash (used in) investing activities	(2,553)	(22)	(326)
Cash flows from financing activities			
Proceeds from issue of share capital	53	3	54
Foreign exchange forward contracts	(90)	-	-
Interest and similar expenses paid	(9)	(19)	(47)
Net cash (used in)/from financing activities	(46)	(16)	7
Net (decrease)/increase in cash and cash equivalents	(1,195)	1,069	3,176
Opening cash and cash equivalents	9,083	5,908	5,908
Effect of exchange rate fluctuations on cash held	-	-	(1)
Closing cash and cash equivalents	7,888	6,977	9,083

1 Statement of Accounting Policies**Basis of preparation**

This condensed set of financial statements has been prepared in accordance with IAS 34: Interim Financial Reporting as adopted by the EU. The annual financial statements of the Group are prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the EU. As required by AIM Rules, the condensed set of financial statements has been prepared, and applying accounting policies and presentation that were applied in the preparation of the Group's published consolidated financial statements for the year-ended 31 March 2016.

The comparative figures for the year ended 31 March 2016 have been extracted from the Group's statutory accounts for that financial period. Those accounts have been reported on by the company's auditor and delivered to the registrar of companies. The report of the auditor was (i) unqualified, (ii) did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying their report, and (iii) did not contain a statement under section 498(2) or (3) of the Companies Act 2006.

The taxation charge for the six months ended 30 September 2016 is based on the expected annual tax rate, and the assumed use of accumulated tax losses.

The condensed set of interim financial statements have been prepared on a going concern basis and were approved by the Board on 8 November 2016.

2 Segmental information

The Group considers that it has one operating business segment. It monitors revenue by product and activity to determine the overall performance of the segment.

Principal activities are as follows:

The Group's principal activity is the curation and aggregation of high quality information and data, and the provision of services through a combination of online information and digital services, training courses, conferences and events publications, and other media. The Group operates primarily in the UK, Belgium and France and has market-leading positions in much of its portfolio. These products and services can be paired and bundled to provide comprehensive solutions.

No client accounted for more than 10% of total revenue. The following table provides an analysis of the Group's performance by geographical market.

	Unaudited Six months ended 30 September 2016 £'000	Unaudited Six months ended 30 September 2015 £'000	Audited Year ended 31 March 2016 £'000
Revenue			
United Kingdom	7,823	7,232	15,376
Continental Europe and rest of the world	1,917	2,043	4,244
	9,740	9,275	19,620

3 Non-recurring items

	Unaudited Six months ended 30 Sept 2016 £'000	Unaudited Six months ended 30 Sep 2015 £'000	Audited Year ended 31 Mar 2016 £'000
Redundancy and people related costs	5	242	300
Payments in lieu of notice, compensation for loss of office and associated costs	28	-	218
Holyrood office move	-	9	26
London office move	9	-	-
	42	251	544

4 Earnings per share

Basic earnings per share is calculated by dividing the profit attributable to shareholders, by the weighted average number of Ordinary shares in issue during the period.

An adjusted earnings per share is calculated by dividing the adjusted profit attributable to shareholders (detailed below) by the weighted average number of Ordinary shares in issue during the period.

Diluted earnings per share is calculated by adjusting the weighted average number of Ordinary shares, assuming conversion of all dilutive share options to Ordinary shares

	Unaudited Six months ended 30 Sept 2016	Unaudited Six months ended 30 Sep 2015	Audited Year ended 31 Mar 2016
	£'000	£'000	£'000
Profit attributable to shareholders	818	113	1,086
Add: non-trading items net of tax	42	251	544
Add: amortisation of intangible assets acquired through business combinations	292	312	629
(Deduct): share based payment (credit)	-	-	(3)
Adjusted profit on continuing operations	1,152	676	2,256

	Unaudited Six months ended 30 Sept 2016	Unaudited Six months ended 30 Sep 2015	Audited Year ended 31 Mar 2016
	Ordinary shares	Ordinary shares	Ordinary shares
Weighted average number of shares			
In issue during the period - basic	340,840,953	339,770,953	340,305,953
Share options	1,250,000	3,620,000	1,785,000
Weighted average number of shares for diluted earnings per share	342,090,953	343,390,953	342,090,953
Earnings per share – ordinary shares (pence)	0.24 p	0.03 p	0.32 p
Adjusted earnings per ordinary share (as defined above)	0.34 p	0.20 p	0.66 p
Earnings per share on continuing operations			
Profit per ordinary share - basic	0.24 p	0.03 p	0.32 p
Profit per ordinary share - diluted	0.24 p	0.03 p	0.32 p

5 Intangible assets

	Assets acquired through		
	business combinations	Software	Total
	£'000	£'000	£'000
Cost			
At 1 April 2015	24,215	3,814	28,029
Additions - internally generated	-	236	236
At 1 April 2016	24,215	4,050	28,265
Additions - internally generated	-	137	137
At 30 September 2016	24,215	4,187	28,402
Amortisation			
At 1 April 2015	15,738	2,234	17,972
Charged in year	629	412	1,041
At 1 April 2016	16,367	2,646	19,013
Charged in period	292	172	464
At 30 September 2016	16,659	2,818	19,477
Net book value			
At 1 April 2015	8,477	1,580	10,057
At 1 April 2016	7,848	1,404	9,252
At 30 September 2016 (unaudited)	7,556	1,370	8,926

6 Property, plant and equipment

	Leasehold improvements £'000	Equipment and motor vehicles £'000	Total £'000
Cost			
At 1 April 2015	567	582	1,149
Additions	75	32	107
At 1 April 2016	642	614	1,256
Additions	2,391	64	2,455
At 30 September 2016	3,033	678	3,711
Depreciation			
At 1 April 2015	412	429	841
Charge for the year	130	100	230
At 1 April 2016	542	529	1,071
Charge for the period	74	50	124
At 30 September 2016	616	579	1,195
Net book value			
At 1 April 2015	155	153	308
At 1 April 2016	100	85	185
At 30 September 2016 (unaudited)	2,417	99	2,516

The Group did not have any assets recognised from obligations under finance leases in either the current period or prior year.

7 Cash and Cash Equivalents

	Unaudited Six months ended 30 Sept 2016 £'000	Unaudited Six months ended 30 Sep 2015 £'000	Audited Year ended 31 Mar 2016 £'000
Cash at bank and in hand	7,888	6,977	9,083
	7,888	6,977	9,083

Included in the cash balance is a cash deposit held in the Group's name with its bankers of £1.27m (2015: £Nil) in relation to the new premises of the Group.