

3 July 2017

Acquisition of The Creative Engagement Group Limited

Huntsworth plc, the healthcare communications and public relations group (“Huntsworth” or “the Group”), today announces the acquisition of the entire share capital of The Creative Engagement Group (“TCEG”) from funds managed by LDC (Managers) Limited (“LDC”) and certain members of TCEG's management for total consideration of £24.7m.

Transaction highlights

TCEG is a collection of three creative agencies – WRG, The Moment and Just Communicate – that provide experiential marketing primarily through events and digital marketing, including virtual and augmented reality, predominantly to healthcare clients.

The addition of TCEG will strengthen further Huntsworth’s ability to provide high quality digital creativity to its clients, and allow TCEG to benefit from access to the Group’s existing healthcare clients, especially in the US where there is significant opportunity for TCEG to increase its market share. The addition of TCEG supports Huntsworth’s strategy of adding capability to better support the needs of healthcare clients through both organic growth and selective acquisitions.

TCEG is based in the UK but services clients across the world, with approximately one third of revenue generated in the US. The TCEG management team is led by CEO Russ Lidstone and COO David Sharrock, and both will remain with the business.

The consideration of £24.7m will be financed through the Group's existing facilities. TCEG generated revenues of c. £26m and EBITDA of c. £3.8m in the year to 31 October 2016 and the Group expects the acquisition to be accretive to the Group’s earnings in the current financial year. TCEG’s gross assets were £26.6m as at 31 October 2016.

Commenting on the acquisition, Paul Taaffe, Group CEO, said:

“TCEG is a great company with a wealth of talent and blue chip clients which will benefit from Huntsworth's reach and connections especially in healthcare. With more and more clients seeking to engage both employees and customers with powerful experiences, TCEG is well positioned for future growth.”

The statement regarding earnings enhancement is not a profit forecast and should not be interpreted to mean that the Group's earnings per share will necessarily match or exceed the historic earnings of the Group

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