

## **Norman Broadbent plc**

("Norman Broadbent", "NBB" or the "Group")

### **FY2021 Trading Update**

Norman Broadbent (AIM: NBB) - a leading London quoted Executive Search and Interim Management firm offering a diversified portfolio of integrated Leadership Acquisition & Advisory Services - provides the following unaudited trading update relating to the twelve months ended 31 December 2021.

The Board is pleased to provide the following update:

#### **Highlights and Financial Information:**

- Change in senior leadership team and Board appointments during H2.
- New strategic plan in place focussed on accelerated, sustainable and profitable growth through acquisition and development of quality fee earning talent in the UK and internationally, combined with greater concentration on high margin Board and Executive Search business and a continually expanding Interim contractor book.
- Group Net Fee Income decreased slightly year-on-year by 5% to £5.9m (2020: £6.2m). However, following a challenging Q3, Q4 showed a very positive recovery as leadership changes and a renewed focus across the Group began to yield results, with £1.8m NFI, a 20% improvement on prior year Q4 (2020: £1.5m) and 38% increase on Q1 to Q3 average of £1.3m.
- Gross margin % increased to 89% (2020: 79%).
- Break even EBITDA for FY2021 (before exceptional restructuring costs).
- Continued selective overhead reductions combined with restructuring of the Senior Leadership and Leadership Consulting team, has reduced cash break-even point further prior to the recruitment of additional high quality and profit generating fee-earning talent.
- Q4 share issue by way of a subscription from major shareholders and senior leadership team raised circa £370k at a premium to support strategic restructuring.
- 2021 audit work commenced - Group anticipates releasing the full results for FY2021 in April 2022.
- 2022 hiring and growth strategy in execution phase. In 2022, to date 5 new fee earners have been secured with considerable further opportunities identified.

#### **Kevin Davidson, Group CEO of Norman Broadbent, commented:**

*"Having joined Norman Broadbent in September 2021, I have been incredibly impressed with the quality of the team and the shared commitment to our refreshed culture and exciting vision for the Group. This is demonstrated by a significant bounce back from a challenging Q3 (2021) to a very impressive and profitable Q4 performance. The momentum has continued into 2022 and, as our recruitment activities begin to yield results, we look forward to considerably strengthening and building the team in 2022 whilst also delivering positive EBITDA.*

*My optimism for the Group continues to grow. The quality of the established team, the work we have done over the past few months in refocussing the business, the standard and volume of new hires coming on board, the positive conditions prevailing across our diverse market sectors and the enduring strength of the Norman Broadbent brand all coalesce to create a very positive outlook.*

*I am very enthusiastic about the future and would like to thank the team for their commitment to shaping and delivering positive change and delivering exceptional client outcomes. I would also like to thank all our clients (past, present and future) and our ever-supportive shareholders."*

**Peter Searle, Group Chair of Norman Broadbent, added:**

*"I am incredibly pleased that we are ahead of our strategic turnaround plan and that the business has continued to trade strongly after an excellent fourth quarter. We have a very capable management team in place who are now adding significant value to the Group."*

**Steve Smith, Group CFO/COO of Norman Broadbent, said**

*"It has been a pleasure to work alongside Peter and Kevin as they continue to inject a new level of strategic and operational expertise into the Group. In particular in the second half on 2021, we were able to reposition the business through leadership change and restructuring. We are now poised to accelerate growth in 2022 and beyond with a secure team and the renewed ability to attract and hire new fee earning talent of the highest quality. We continue to benefit from strong banking arrangements in place combined with supportive shareholders."*

*Looking ahead, we continue to seek growth opportunities and are actively pursuing M&A opportunities, long-term partnerships, and strategic 'tuck-ins'."*

*This announcement contains inside information for the purposes of Article 7 of the UK version of Regulation (EU) No 596/2014 which is part of UK law by virtue of the European Union (Withdrawal) Act 2018, as amended ("MAR"). Upon the publication of this announcement via a Regulatory Information Service, this inside information is now considered to be in the public domain.*

**For further information please contact:**

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