

**23 MARCH 2020**

## **CPPGROUP PLC**

### **TRADING UPDATE FOR THE YEAR ENDED 31 DECEMBER 2019**

Yesterday we received a request from the FCA (alongside many other companies) that we delay the announcement of our annual results. Accordingly the Company has agreed with this request and earlier this morning announced a delay. For the avoidance of doubt this is part of a broader request made by the FCA yesterday to listed firms who are due to make results announcements over the coming weeks, and is not a reflection of the trading position of the Company. CPP had intended to release its annual results on March 25<sup>th</sup> and, in light of this general postponement at the request of the FCA, has prepared this brief trading update.

#### **Trading Update**

The Group has generated rapid growth in its international revenue and customer numbers, leading to a financial performance for 2019 that was in line with the Board's expectations. Our key strategic markets and investments made promising progress in 2019.

We saw Group revenue increase by 26% to £138.4 million (2018: £110.1 million) continuing the strong growth seen since 2016. This was driven by revenue from Ongoing Operations rising by 37% to £121.0 million (2018: £88.0 million), which included a 53% increase in Indian revenues to £99.6 million (2018: £65.3 million).

Our adjusted EBITDA increased by 38% to £8.7 million (2018: £6.3 million). Reportable EBITDA reduced to £5.4 million (2018: £3.9 million) as a result of charging start-up costs from our investment in business growth projects which totalled £3.3 million (2018: £2.4 million). As at December 31<sup>st</sup> 2019 net funds comprised cash and cash equivalents of £22.0 million.

We have seen an increased diversification in our Indian business with the launch of a new product (LivPlus), and partnerships with major brands such as Tata Capital Financial Services (Tata) and American Express. Globiva continues to outperform expectations as one of India's fastest growing Business Process Management (BPM) providers with over 2,000 billable seats across four locations. Our partner base has grown 50% driven by our key strategic markets of India, Turkey, China, the UK and Blink. Our partners worldwide provide potential access to over 200 million customers.

We continue to monitor the economic uncertainties and the challenges posed globally by the coronavirus outbreak and the impact it may have on the Group. Further updates in this regard will be made as appropriate.

#### **Jason Walsh, Chief Executive Officer, commented:**

"2019 has been another positive year for the Group as we continue to execute our strategic plan. International revenues are growing rapidly with the strong performance reported last year being surpassed in 2019. India has again been the driving force behind this progress, significantly increasing its revenue, profitability and customer numbers, whilst Turkey continues to make a valued contribution.

"CPP is a partnership-focused business and we are pleased by the success we have had in the year in deepening relationships with existing partners whilst further expanding our potential through new partnerships with major brands across our key markets. It is these relationships that will underpin the future success of the business.

"Looking ahead, we are ideally positioned to continue the delivery of our strategic plan and build value. We have long-term partnerships that are flourishing around the Group, our acquisitions are performing well and are adding value, and our developing markets are making good progress with exciting propositions and sales pipelines. The investment we have made in technology will also put us at the forefront of delivering tech-enabled digital solutions for our partners and their customers. However, the impact coronavirus will have on our partners and the behaviour of customers is not yet clear. We continue to monitor the situation and will respond accordingly."

## **Enquiries:**

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## **About CPP**

CPP Group is a partner focused, global product and services company, specialising in the financial services and insurance markets. We use our local knowledge from 12 country markets within Asia, Europe and Central America to provide our business partners with technology-led product, marketing and distribution expertise that deliver commercial benefits and bring meaningful solutions to over 10 million end customers worldwide.

CPP's diverse range of insurance and assistance products can be designed to suit the bespoke needs of our business partners through providing their customers with peace of mind by reducing the stresses of everyday life, ranging from protection of mobile phones, payment cards and household belongings to keeping travel plans moving and the monitoring of compromised personal data.

For more information on CPP visit <https://international.cppgroup.com>

## **REGISTERED OFFICE**

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