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Reach4Entertainment Enterprises PLC
18 February 2020

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reach4entertainment enterprises plc

("r4e" or "the Company" or "the Group")

Year-end trading update

reach4entertainment enterprises plc (AIM: R4E), the integrated, live entertainment communications group, is pleased to provide the market with a trading update for the year ended 31 December 2019.

Highlights:

- Group expects to report full year adjusted EBITDA* and revenue significantly ahead of market expectations
- Turnaround strategy bearing fruit resulting in strong performance
- Sold Out, acquired in H1 2019, made significant contribution in the nine-month period since acquisition, with revenues above management's expectations
- SpotCo won 20 new shows in 2019 and has a strong 2020 pipeline
- Dewynters secured significant wins in 2019, including Joseph and the Amazing Technicolour Dreamcoat, & Juliet, Dear Evan Hansen and Jesus Christ Superstar
- Strong year-end balance sheet with net cash of £2.75 million

** Adjusted EBITDA is before exceptional items and share based payment charges*

r4e made excellent progress in 2019, reflecting the continued success of the turnaround strategy. As such, the Company expects to report revenue and profit significantly ahead of market expectations. r4e's performance has been driven by the continued success of the Group's acquisitions throughout the year, combined with the continued positive performance of the Company's core businesses.

SpotCo has continued to deliver under the new management team, working on 43 shows during 2019. The agency's clients enjoyed success at the Tony Awards, with Hadestown winning 8 Tony Awards and The Ferryman winning Best Play. After a couple of difficult years, SpotCo has been able to rebuild revenue and profits to levels last generated in 2015/2016, reflecting the strength of its client service and enabling it to secure a strong pipeline. 20 new shows were won throughout the year and are now expected to open in 2020 and 2021, amongst which are K-POP, The Music Man and Who's Afraid of Virginia Woolf. Separately, SpotCo won a significant mandate to work in non-theatre entertainment, working with Mills Entertainment on a new arena show developed in partnership with Penn and Teller; Museum of Broadway; and Josh Groban's Big Radio City Show.

After Dewynters UK experienced a slower first half as six major London theatre shows closed at the end of 2018 and beginning of 2019, it won a series of significant new shows in 2019, including Joseph & the Amazing Technicolour Dreamcoat and Jesus Christ Superstar. These shows only started to spend in Q4 2019, resulting in the revenue following through in 2020. Outside of theatre, Dewynters worked on immersive theatre experiences and live entertainment shows, including the opening of the Tutankhamen blockbuster exhibition and Winter Wonderland, London's biggest Christmas attraction. Dewynters has started the new year in a stronger position with shows including Moulin Rouge, Hairspray and the Disney smash hit, Frozen, set to open in 2020.



Newman Displays had an extremely active year. During 2019 the agency streamlined production to offer clients a fast turnaround of high-quality signage and displays for their shows and events. Newman fitted displays for 113 West End Theatre productions, such as Magic Mike, the Lion King and Hamilton, as well as displays for live events such as the Olivier Awards and Capital Radio's Liverpool Festival. In the cinema sector, Newman continued to lead the market for activity at premieres, experiential, press and publicity campaigns. With the proliferation of streaming platforms, there has been an increase in demand for premiere work, resulting in more opportunities and further expected growth.

Meanwhile, Wake the Bear, Dewynters Amsterdam and Buzz 16 continue to make good progress. The strategic communications agency, Wake the Bear, which launched in mid-2018, built its client roster from 4 in 2018 to 12 in 2019. New client wins included Harvey's Furniture and Simba Sleep. The business has also been making key hires with the experience and expertise to support the future growth expected in 2020. Wake the Bear has made a profit in 2019 and has already secured 2 new client wins in the new year. Following the acquisition of a 50% stake in Buzz 16 at the beginning of 2019, r4e has worked closely with the business to identify new opportunities and has a number of exciting new projects in the pipeline for 2020. In Q4 2019, Buzz 16's successful documentary series, "Class of '92 : Full Time" was renewed for a further two seasons which will continue to contribute to earnings in the coming year, whilst "Soccerbox" returned for a third series airing on Sky Sports, NBC and BEIN.

Whilst r4e's core agencies have continued to deliver organic growth, the Group's focus on diversifying into live entertainment has been led by Sold Out, which was acquired in March 2019. Sold Out made a significant contribution in the nine-month period since it was acquired, with revenues above expectations. Digital advertising continues to grow and Sold Out has been able to utilise the services of companies within the Group to enhance its statistical reporting ability to clients.

2020 Outlook

r4e has entered 2020 in a strong position and the Board is confident in the Group's ability to continue to diversify its client base and build market share. The Board has also been particularly pleased with the improved efficiencies and greater level of collaboration across the Group.

Marc Boyan, CEO of r4e, commented: *"Our turnaround strategy continues to deliver growth and improved profitability, with the Group benefiting from broadening its services into new areas of live entertainment and being more operationally efficient. We are now well-placed to continue this momentum into 2020 as we continue to strengthen our market offering and build upon the strong pipeline of new clients and projects already secured."*

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Notes to Editors

reach4entertainment enterprises plc ("r4e") operates a collection of theatrical, film and live entertainment marketing, PR, advertising and display agencies, across the world. The Company uses its extensive experience in the live entertainments space to create value through investing in innovative and established agencies that provide communications services to a range of clients involved with theatre, film, concerts and more.

For further information on r4e you are invited to visit the Company's website at www.r4e.com.

Spot and Company of Manhattan, INC.

A global leading full-service arts and live entertainment advertising and marketing agency. In an ever-changing media landscape, it stays ahead of the curve with a mix of bold positioning through interactive, broadcast, environmental and print campaigns.

<https://www.spotnyc.com>

Dewynters Limited

A leading independent arts, events and live entertainment marketing specialist. The agency's work in theatre, museums, attractions, sport and music is seen right across the globe.

<http://www.dewynters.com>

Newman Displays Limited

The UK's leading large-scale outdoor signage, front of house, marquee display and installation company. Clients include major West End theatre productions, leading film companies, cinemas and major global events.

<http://www.newman-displays.com>

Wake the Bear Limited

A marketing communications agency that supports businesses to invent, reposition and regenerate their brands in order to grow. The agency carries out brand strategy, communications planning and end-to-end activation.

<https://www.wtb.london/>



Story House PR Limited

A new public relations agency for the theatre and live entertainment industries, operating in the UK and internationally. The agency crafts engaging campaigns for audiences, driven by strategy: the right channel, at the right time, with the right message. Fully integrating PR with paid media and social, ensuring all elements of a campaign are working together, Story House collaborates with its clients to ensure its work is dedicated to realising their ambitions.

www.storyhousepr.co.uk

Buzz 16 Productions

Buzz 16 is an independent production company, which creates both short and long form sports orientated content. The Company was co-founded by former Manchester United player and respected broadcaster, Gary Neville, along with former Sky Sports Premier League producer, Scott Melvin.

<https://buzz16.uk>

Sold Out

Sold Out is an independent full service advertising agency, specialising in arts and entertainment for over 25 years.

<https://soldout.london>