



Hyve Group plc

Preliminary Results

Year ended 30 September 2021
16 December 2021

Mark Shashoua CEO

Agenda

- › **Introduction and business overview**
- › **Financial overview**
- › **Conclusion**
- › **Q&A**

Mark Shashoua

John Gulliver












Mark Shashoua

Mark Shashoua & John Gulliver

FY21 Headlines

- › Successful reopening of in-person events in all our major markets driven by pent-up demand with strong performance across all key indicators
- › Continued to evolve our portfolio
- › Delivered on all three key FY21 priorities:
 - › Building customer market share on leading events
 - › Trialling facilitated meetings
 - › Launch Meetups
- › Launch of new ESG strategy to develop the positive impact of Hyve brands on communities and the environment
- › Delivered revenue of £55.2m and headline profit of £20.8m supported by insurance proceeds and strong cost control
- › Strong liquidity to support acceleration of omnichannel strategy

Trading in line with expectations between two scenarios

	Number of events	Key events
Held¹ in FY21	41 (H1: 12; H2: 29)	 MosBuild  AUTUMNFAIR 
Cancelled in FY21	38 (H1: 29; H2: 9)	 YUGAGRO SPRINGFAIR    
Postponed to FY22	3	   eurasia rail

- › FY21 trading ended up between two planned scenarios – Recovery & East / West
- › Start of FY21 – restrictions in place across most of key markets
- › Throughout 2021 gradual reopening of all markets, supported by vaccine roll out
- › H2 weighted performance
- › All but one planned for H2 top 10 events took place
- › Fluidity across the world remains
- › Return of international travel uncertain

Resilience of market-leading portfolio

- › Domestic business travel resumed, but scale of events impacted by limited international travel
- › Exhibitors spending more and increased visitor density due to pent up demand for in-person events – a testament to our high quality portfolio
- › High levels of satisfaction of both exhibitors and visitors resulting in strong forward bookings
- › COVID-19 accelerated trends we already identified and has reaffirmed our strategy of focusing on market-leading events putting us in a strong position to grow the business through the recovery and beyond

LFL customer spend¹

FY21 Events: +7%
FY22 Events: +15%

Visitor density²

FY21 Events:
+11%

NPS

FY21 Visitor: +11
(FY20: +7)
FY21 Exhibitor: +27
(FY20: -3)

Forward bookings

FY22 Events:
£108m
FY21 Events³:
£66m

Domestic exhibitors⁴

FY22 completed
events: >90%
FY22 all events:
>50%



¹ Customer spend relative to the previous event edition across all customers who participated in both event editions. FY22 events refers to contracted sales to date

² Number of visitors per square metre of event space sold, compared to the visitor density across the same events from their last pre-COVID editions

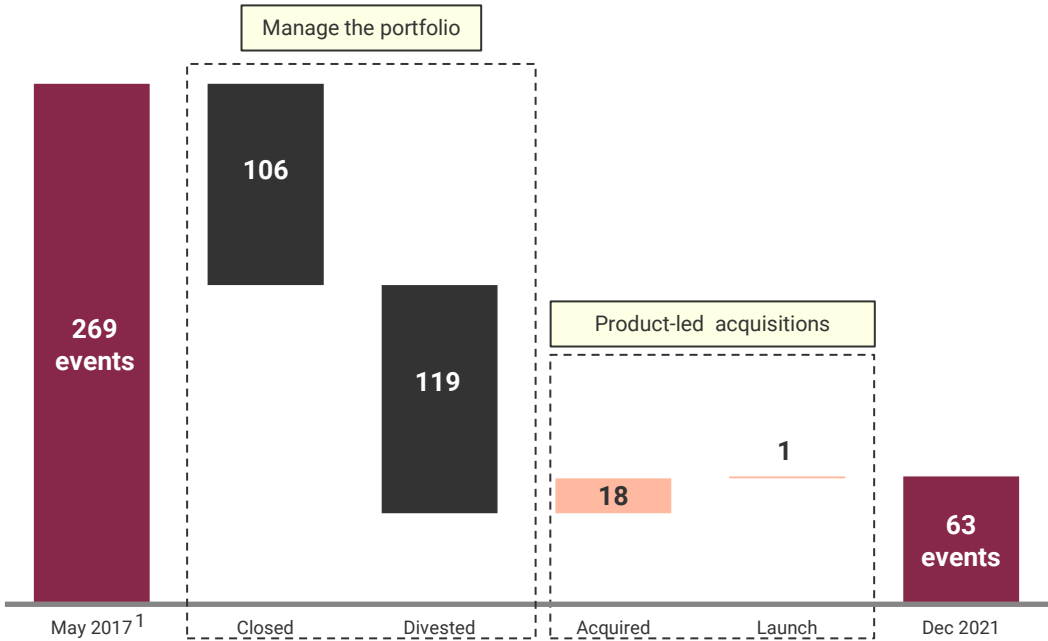
³ At the same stage last year

⁴ Domestic exhibitor contracted sales as a percentage of pre-COVID total revenues. FY22 all events refers to contracted sales to date, with many months still to go for many events in the portfolio.

Portfolio of market-leading events delivering maximum ROI

In-person

	May 2017	FY19 Pro forma		
No. of in-person events	269	63	↓	77%
Revenue	£134m ²	£201m ³	↑	50%
Revenue per event	£0.5m	£3.2m	↑	540%

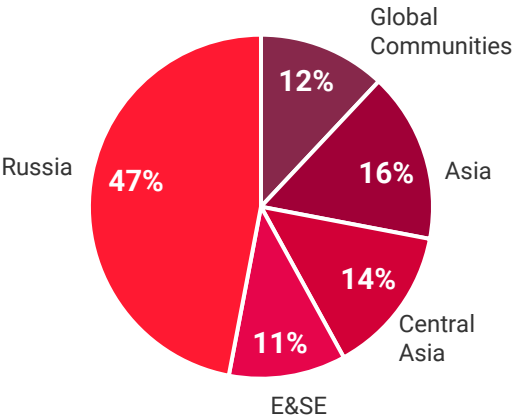


Online / Virtual

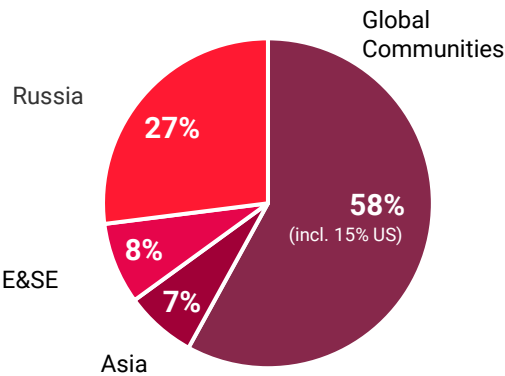
Acquired Retail Meetup
Dec 2020

Acquired 121 Group virtual programme
Nov 2021

FY17 Revenue



FY19 Pro forma Revenue³



¹ Launch of TAG, May 2017
² FY16 reported revenue
³ FY19 pro forma revenue based on the current portfolio of events, i.e. including acquisitions launches and excluding disposals and discontinued events

Delivered on all key FY21 priorities

Building customer market share on our market-leading events

- › Customers continue to prioritise marketing spend on key market-leading events
- › Proactively targeting customers from less relevant events
- › Growth in like-for-like customer spend

Trialling facilitated meetings for roll out in FY22

- › First extension of facilitated meetings to our core portfolio **successfully trialled at Autumn Fair**
- › Rolled out to FY22 events:
 - › Bett (Jan 2022)
 - › Spring Fair (Feb 2022)
- › Acquisition of 121 Group in Nov 2021

Launching Meetups to monetise online

- › Retail Meetup acquisition accelerates omnichannel strategy – **all Meetups in 2021 highlighted demand for virtual format**

GROCERYSHOP
SPRING**Meetup**

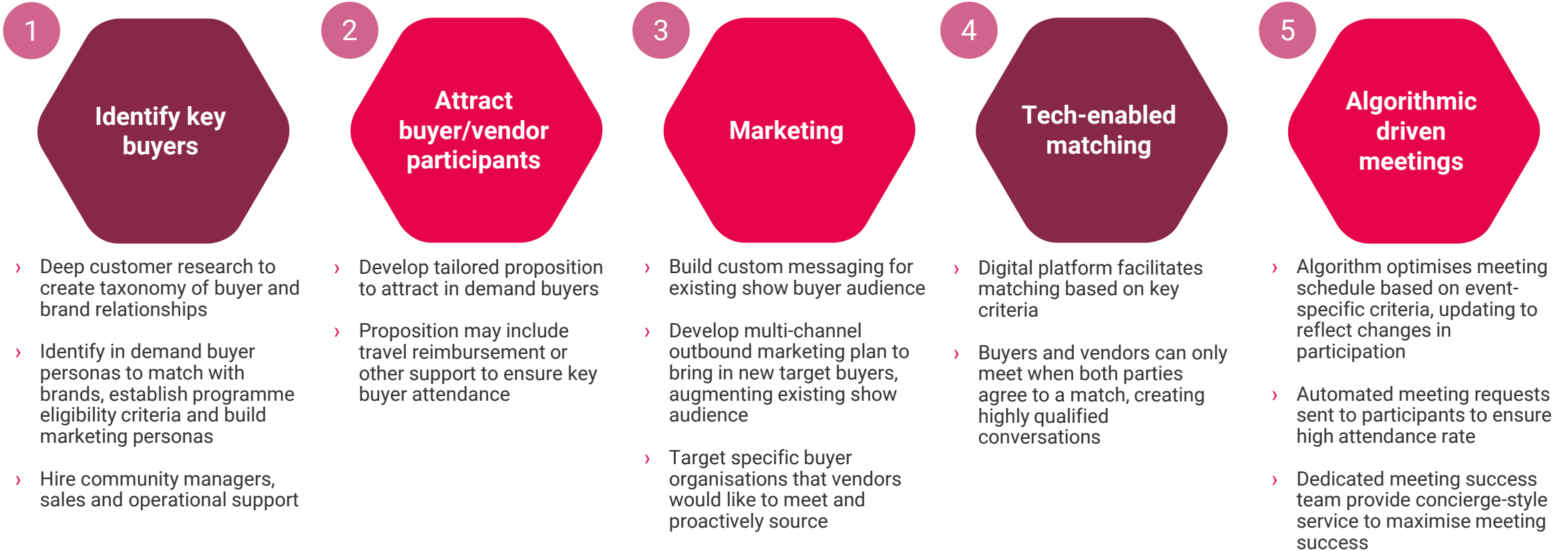
SHOPTALK**Meetup**
FOR WOMEN

SHOPTALK
FALL**Meetup**

Well positioned for recovery and future revenue growth

Facilitated meetings – connecting right businesses with right customers

Steps required to create a facilitated meetings programme



Tech enables this full process, driving efficiency

In-person facilitated meetings trial: AUTUMNFAIR

334
meetings took
place

100% of buyers surveyed expressed satisfaction with meetings

"The idea of being sat down with 10 buyers who had been able to look at my stock online and be interested in finding out more and potentially placing an order is amazing."

"Definitely I am meeting the right people. There are companies I wouldn't have naturally have spoken to."

"It's been fantastic to actually sit down with all of these different suppliers and different brands. And there may have been brands that I wouldn't have necessarily gone to their stand. I've made really good relationships."

72% of brands survey had or expected orders within three weeks of meetings

"In my very first 15-minute meeting, I've placed an order which is literally my quickest order placed ever! One word to describe Curated Meetings – efficient."

"Really well organised, got to meet interested buyers – including buyers I wouldn't have necessarily thought to approach."



Curated Meetings



First successful year of online meetup programme rollout

GROCERYSHOP SPRINGMeetup

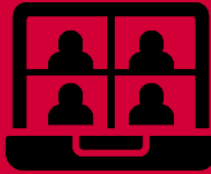
March 2021

SHOPTALKMeetup FOR WOMEN

May 2021



2,250
participants



1,402
attendees for
257 Tabletalks



16,022
meetups
held



2,538
email
introductions

"Loved the speed date like format as I really think it made best use of everyone's time. We also loved all the Groceryshop info leading up to the event. You were spot on and kept us on point. Also really enjoyed the Tabletalks and the way the groups were formulated. We would absolutely participate again!"

"This was probably the best virtual conference I have attended in the last few months. Very well done. Small group table talks were extremely productive and informative. I cannot wait to attend this in-person in 2022."

"Congratulations on staging such a magnificent and impactful platform against the backdrop of such global disruption."

"I just wanted to say thank you for including me in such a fantastic event. These meetups have left me feeling energized, I learned a lot and met a lot of great contacts."

ESG strategy – creating platform for progress

We want to redefine sustainability within our industry and use our unique influence to educate, empower and drive positive change across the global industries we work with.

Strategic Pillars

**Empowering
communities**

**Broadening
horizons**

**Addressing
impact**

**Inspiring
change**

Objectives

We are experts in connecting people and forming communities. We will use those skills to support communities both local to the events we run, and to champion enterprise & innovation.

Our business is built on human connections. We will inspire people to be their full selves, in a safe and inclusive environment, while developing talent for the next generation.

We must also address our own carbon footprint. We will push boundaries in the events industry and aspire for customers to recognise the commitment of Hyve events to sustainability

We recognize that we have a unique opportunity and a responsibility to influence change. We will use our platforms to move sustainable development forward across major industries.

Actions

- › Giving back to the local communities we work within
- › Helping everyone, irrespective of their background, achieve their potential

- › Employee training and development
- › Equality, diversity and inclusion
- › Fair and decent work

- › Measuring and reducing our waste
- › Measuring and addressing our emissions
- › Creating sustainable supply chain

- › Global education and training
- › Environmental awareness
- › Customer sustainability awareness

Safety, wellbeing, ethics and security

Celebrating and empowering amazing people

- › Launched Peakon, a platform that converts feedback into insights, to listen and improve
- › Prioritise wellbeing
- › Reinstated Groupwide performance bonus and introduced retention bonus
- › Created more development opportunities
- › Launched new recognition programme – Hy Five[^]
- › Adopted technology to increase interactivity of our internal communications



Regular videos from senior management kept everyone connected



Launched HyveTV to celebrate brilliant work

John Gulliver CF00

FY21 results summary

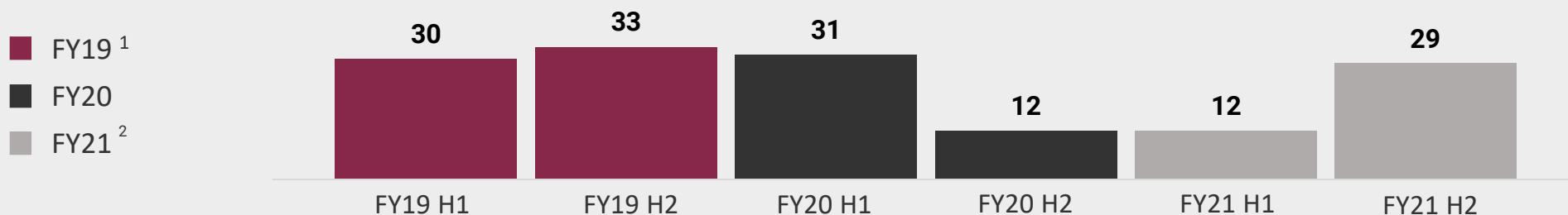
- › **Financial performance recovering particularly in the second half**
 - › Significant uplift in trading in the final quarter as events resume in the UK and US
 - › Return to profitability as a result of £65m insurance proceeds
- › **Strengthened balance sheet and robust liquidity position**
 - › Adjusted net debt of £80m; ahead of both previously communicated scenarios
 - › Available liquidity of £130m
 - › Covenant waivers secured post-YE up to and including March 2023
- › **Positive performance indicators bring optimism for the future**
 - › Strong domestic attendance and customers spending more than pre-pandemic
 - › Increasing cash collections resulting in positive operating cash flow post-YE
 - › Forward bookings for FY22 events give us confidence going into next year

	FY21	FY20
Revenue	£55.2m	£99.4m
Headline PBT	£20.8m	£(18.1m)
Insurance proceeds	£65.0m	£22.0m
Adjusted net debt	£79.9m	£67.7m
Headline diluted EPS	7.6p	(12.7)p
Dividend	-	-

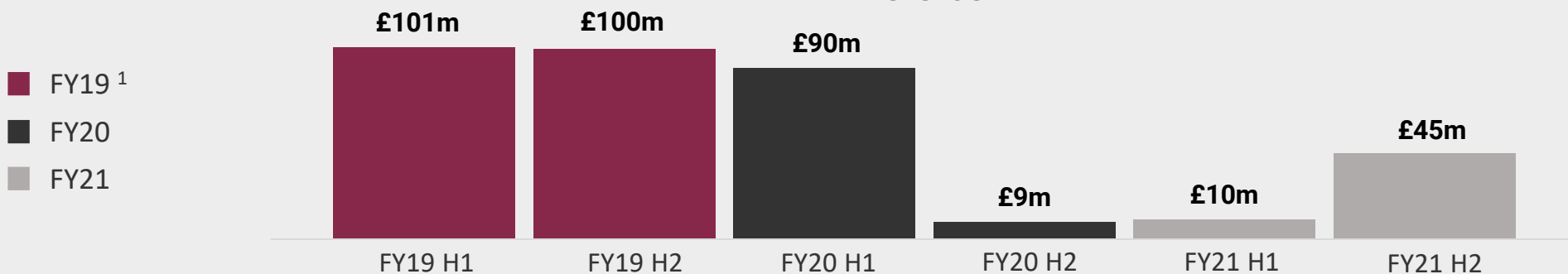


Events resumed across nearly all markets during H2

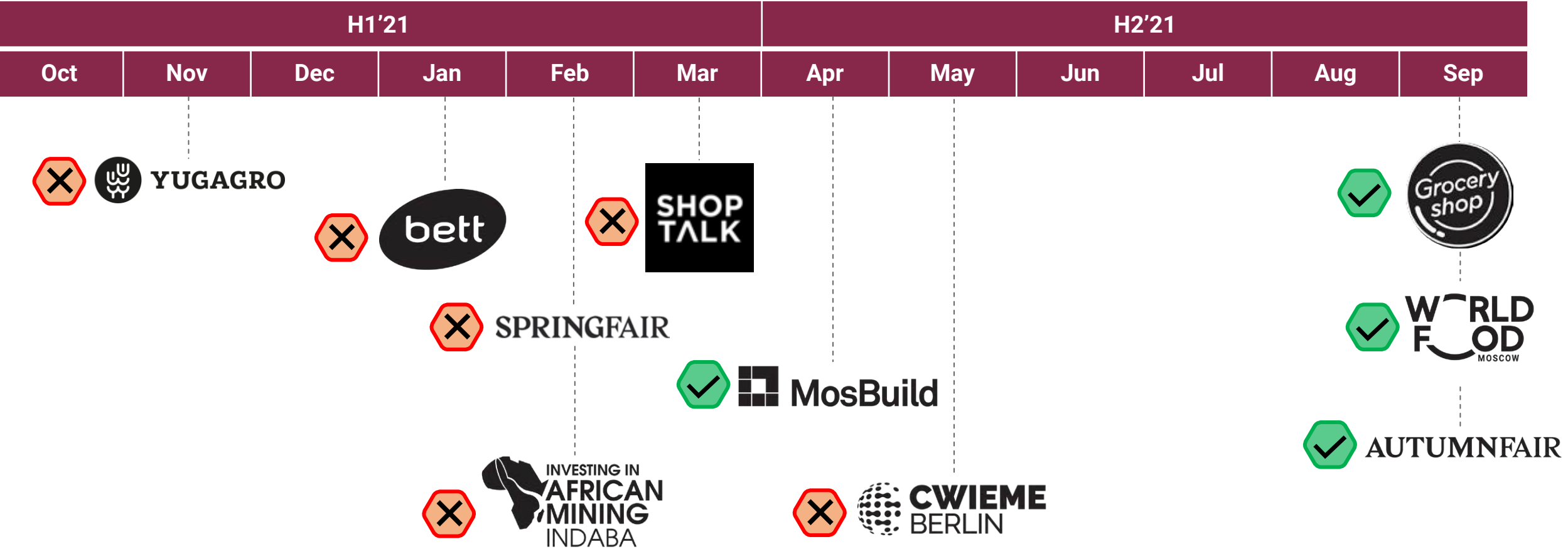
Number of in-person events



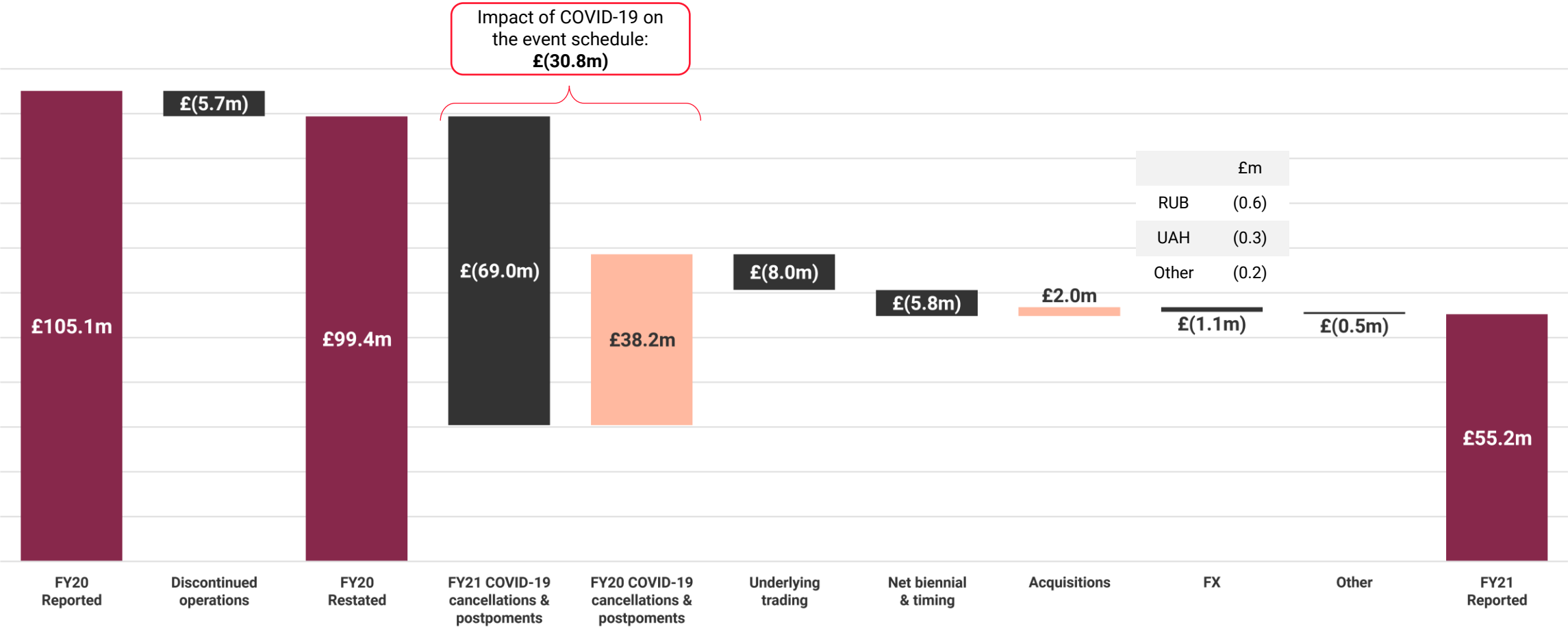
Revenue



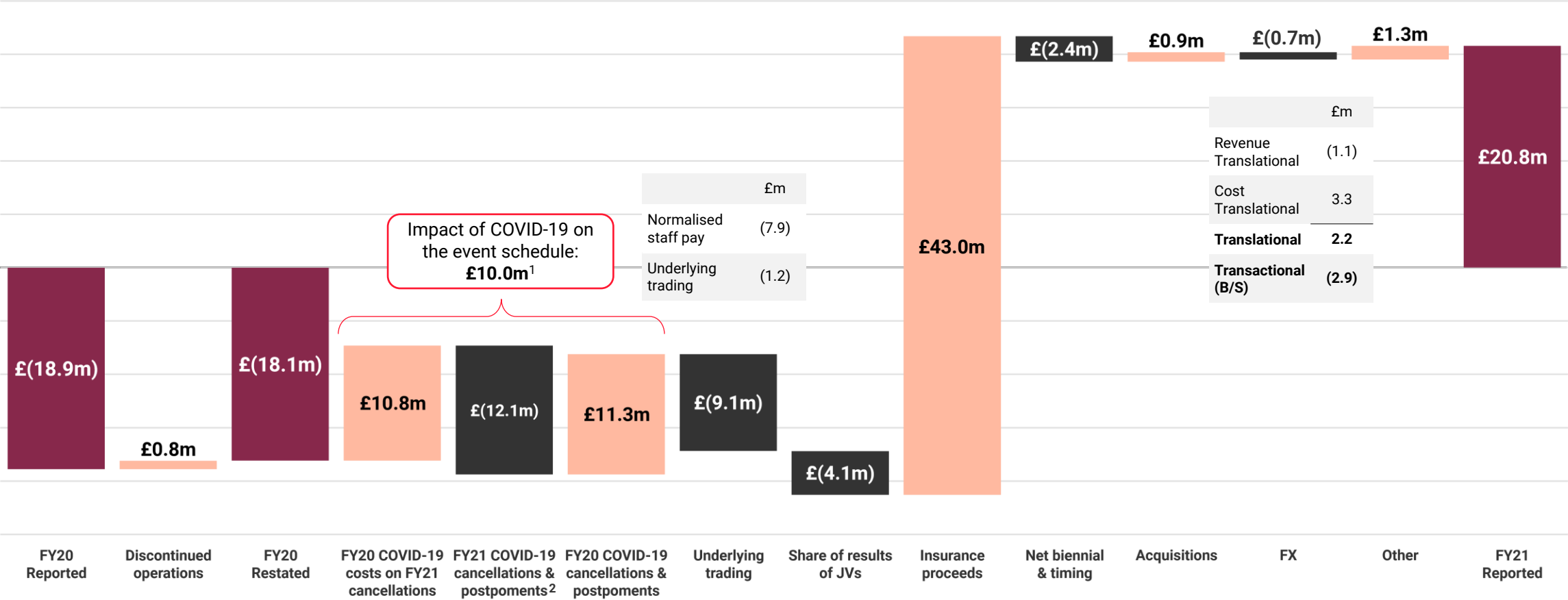
Top 10 events returning incl. Groceryshop for the first time



Revenue primarily impacted by restrictions in place in H1

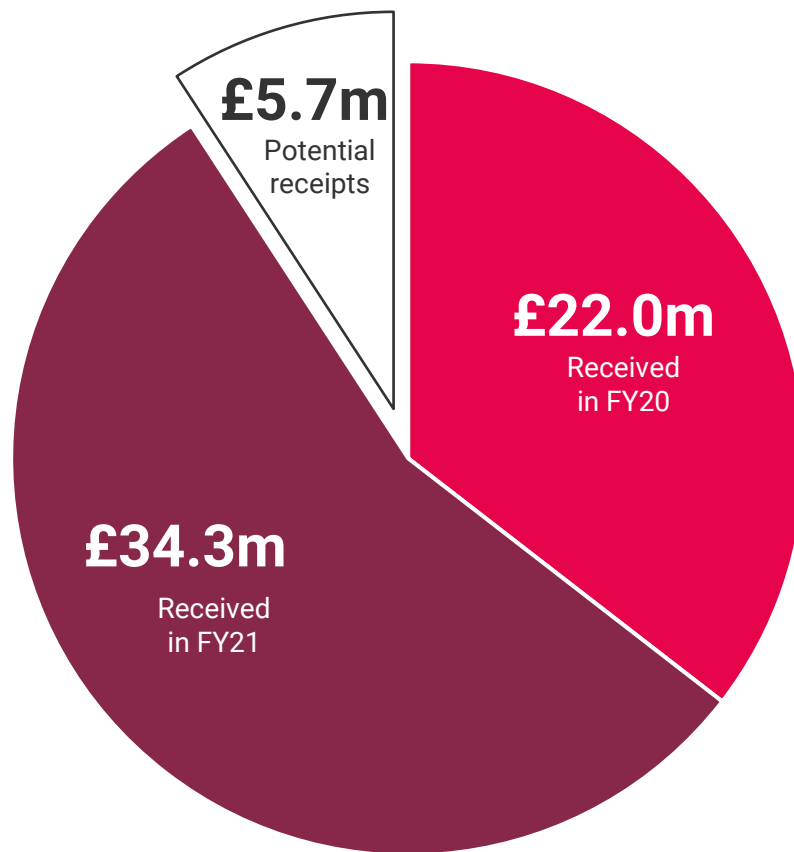


Return to profitability as a result of insurance receipts

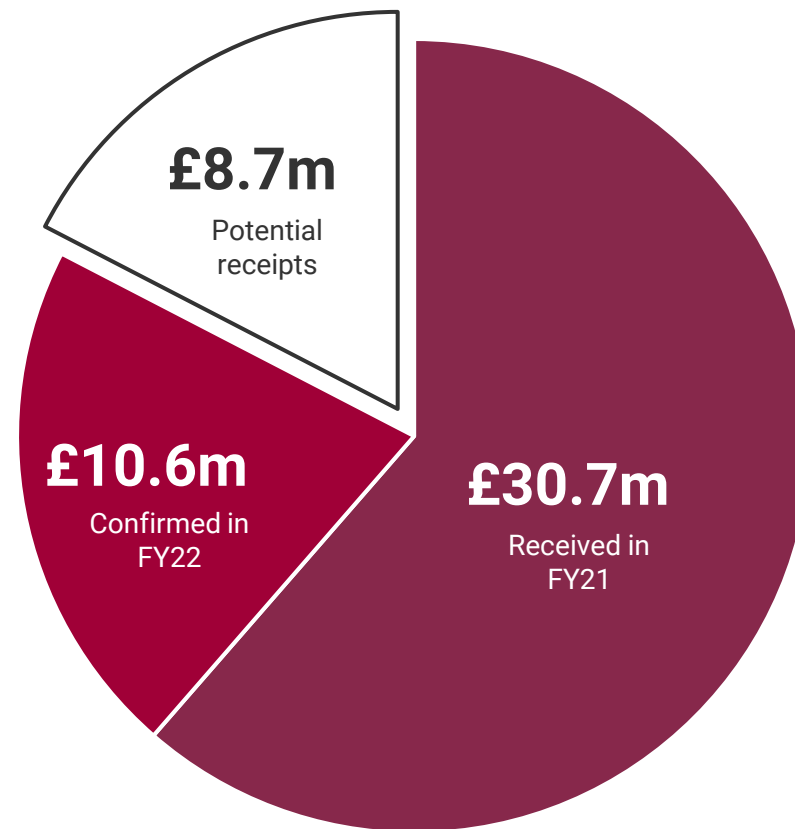


¹ Impact of COVID-19 on the event schedule if the £10.8m recognised in FY20 on cancelled FY21 events had been recognised in FY21: £(11.6m)
² FY21 COVID-19 cancellations & postponements if the £10.8m recognised in FY20 on cancelled FY21 events had been recognised in FY21: £(22.9m)

Total insurance proceeds now £97.6m



FY20 policy: £62m¹



FY21 policy: £50m

Returned to cash flow positive in early FY22

£m (per month)	Q1 FY21	Q2 FY21	Q3 FY21	Q4 FY21	Q1 FY22 ¹
Operating cash collection ²	0.5	3.5	5.5	9.0	12.0
Operating cash cost ³	(7.5)	<div>H1 £8m As communicated at HY</div> (8.5)	(8.0)	<div>H2 £9m Lower than expected at HY</div> (9.0)	(11.0)
Net operating cash flows	(7.0)	(5.0)	(2.5)	0.0	1.0
Insurance	8.0	3.0	10.0	1.0	3.5 ⁴
Operating cash flows incl. insurance	1.0	(2.0)	7.5	1.0	4.5

Cash flow positive earlier than indicated previously



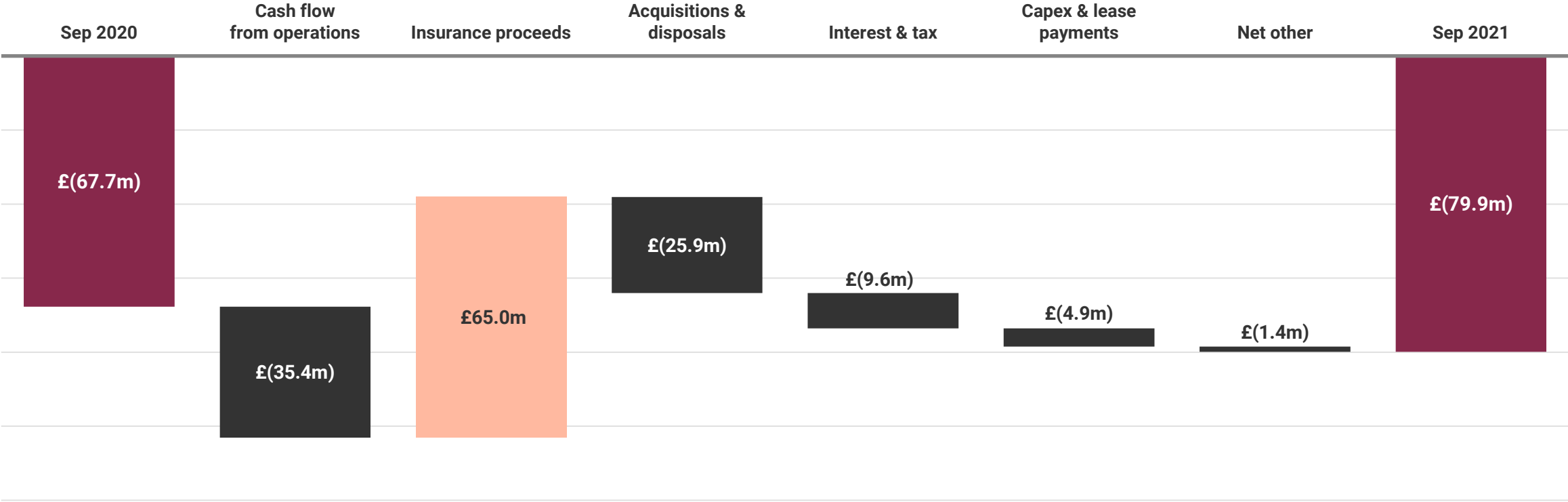
¹ Based on completed months only, i.e. October and November 2021

² The monthly average cash collections, net of refunds paid, and excluding insurance proceeds

³ The monthly average cash cost of all cost of sales, overheads and capital expenditure

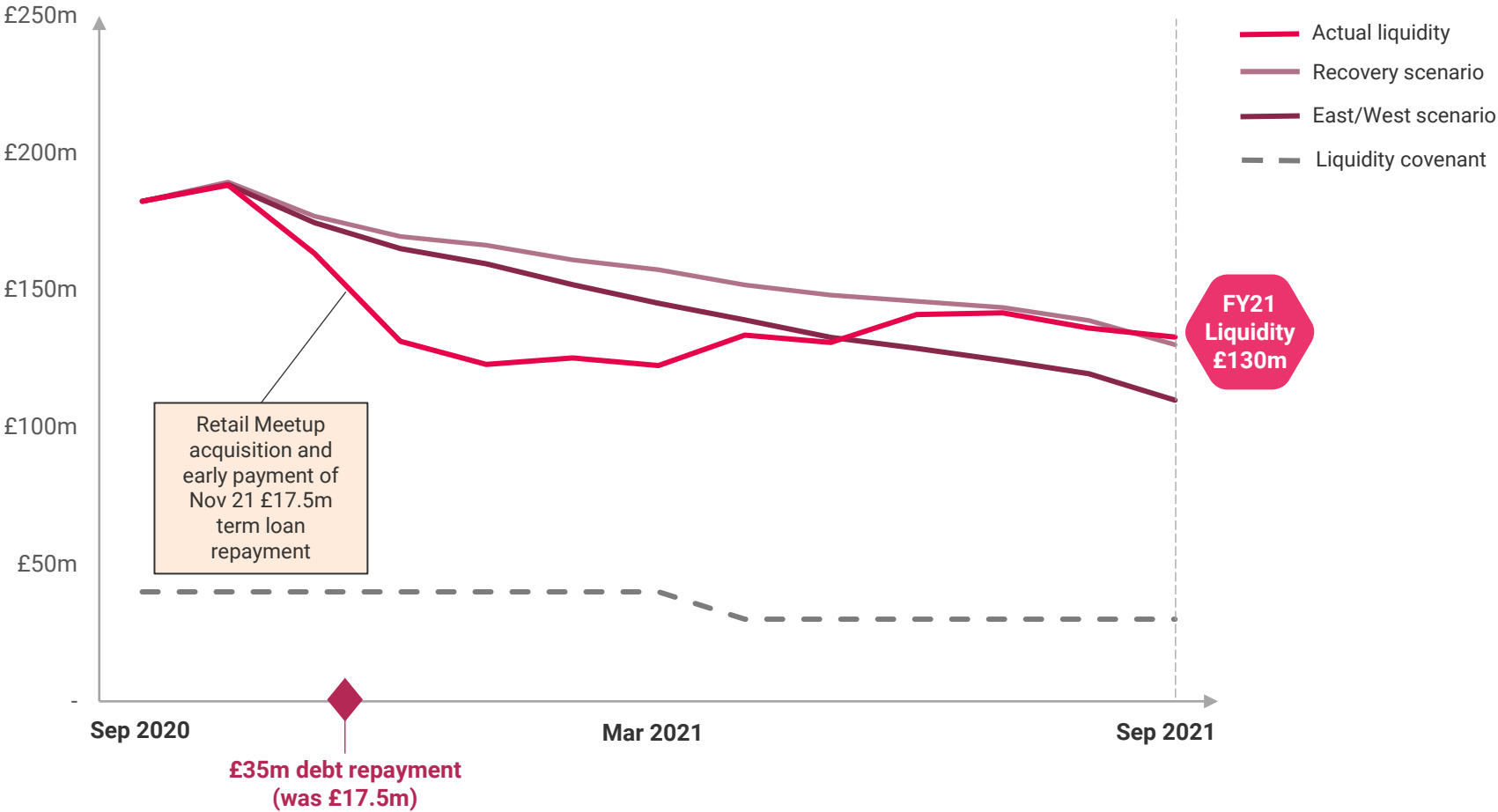
⁴ Includes the confirmed cash flow to be received in December 2021

Improved net debt position enabled M&A to resume



Liquidity headroom ahead of expectations

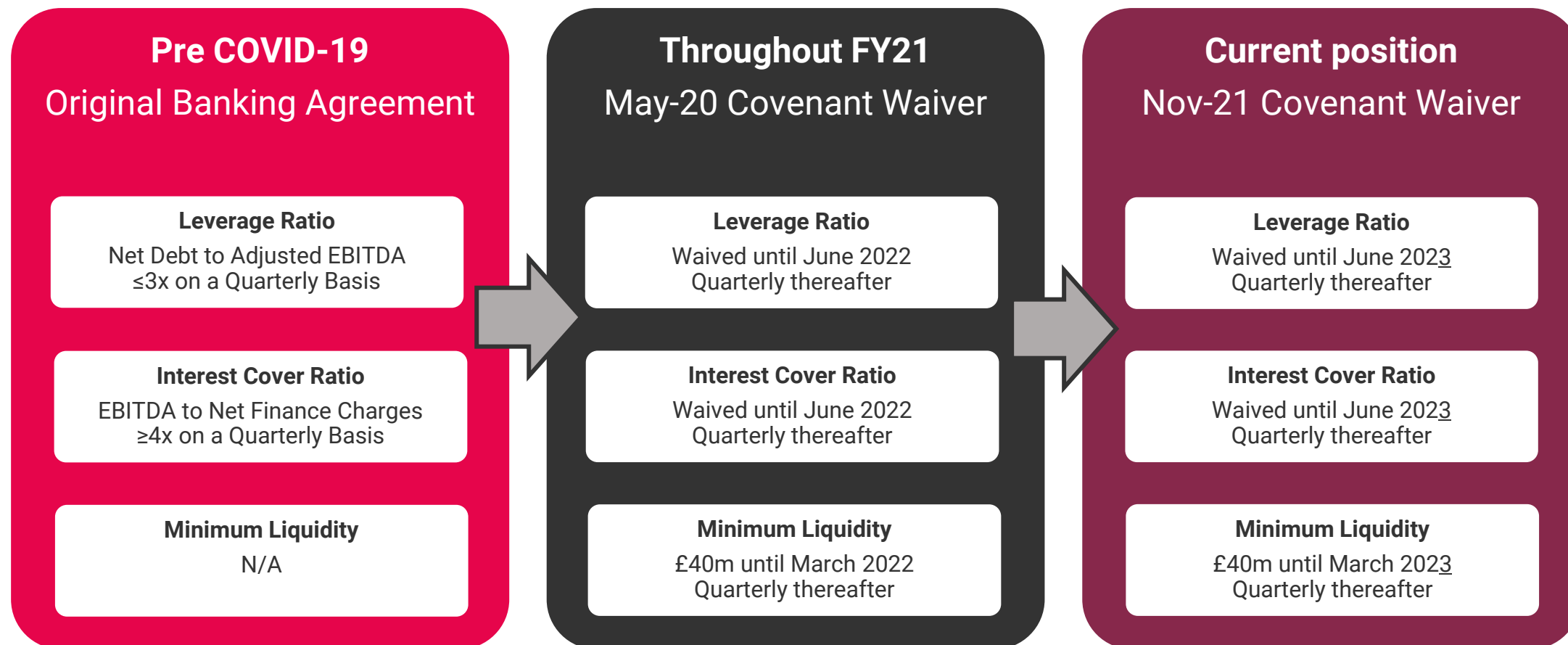
Cash and undrawn debt facility



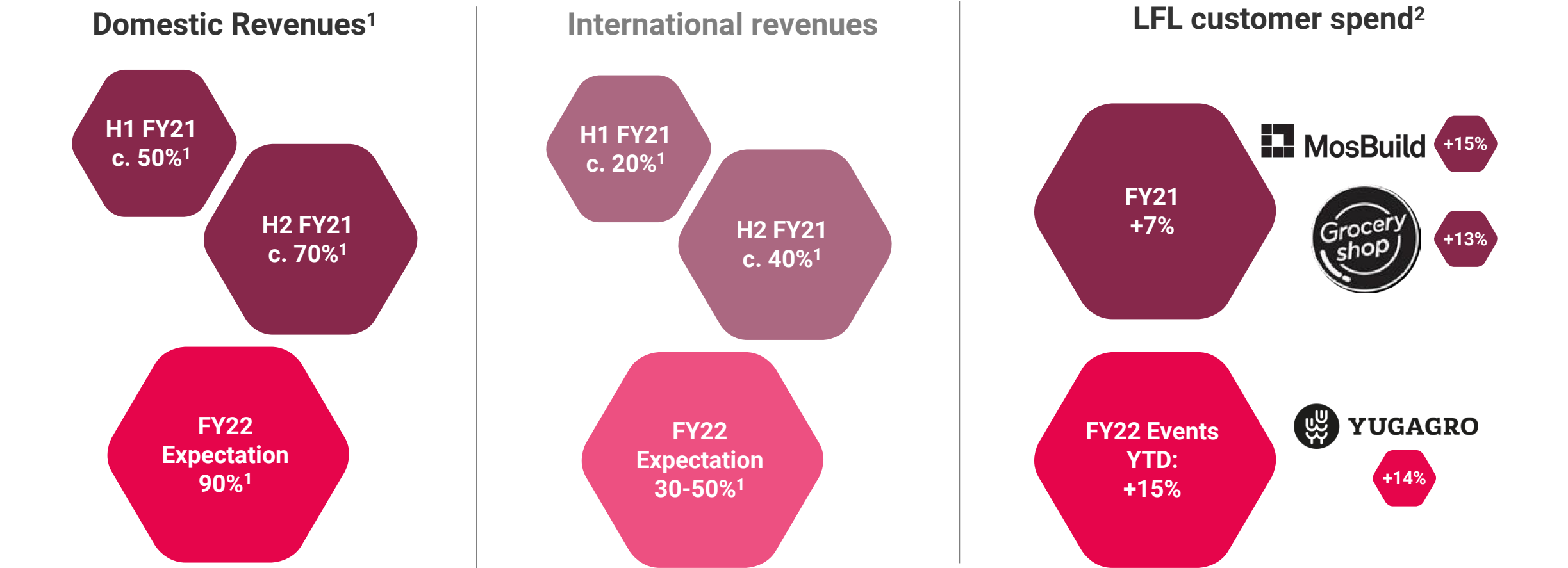
**FY21
Adjusted
Net Debt
£80m**

**FY22
Adjusted
Net Debt
c. £70-90m**

Banking covenant waivers extended for another 12 months

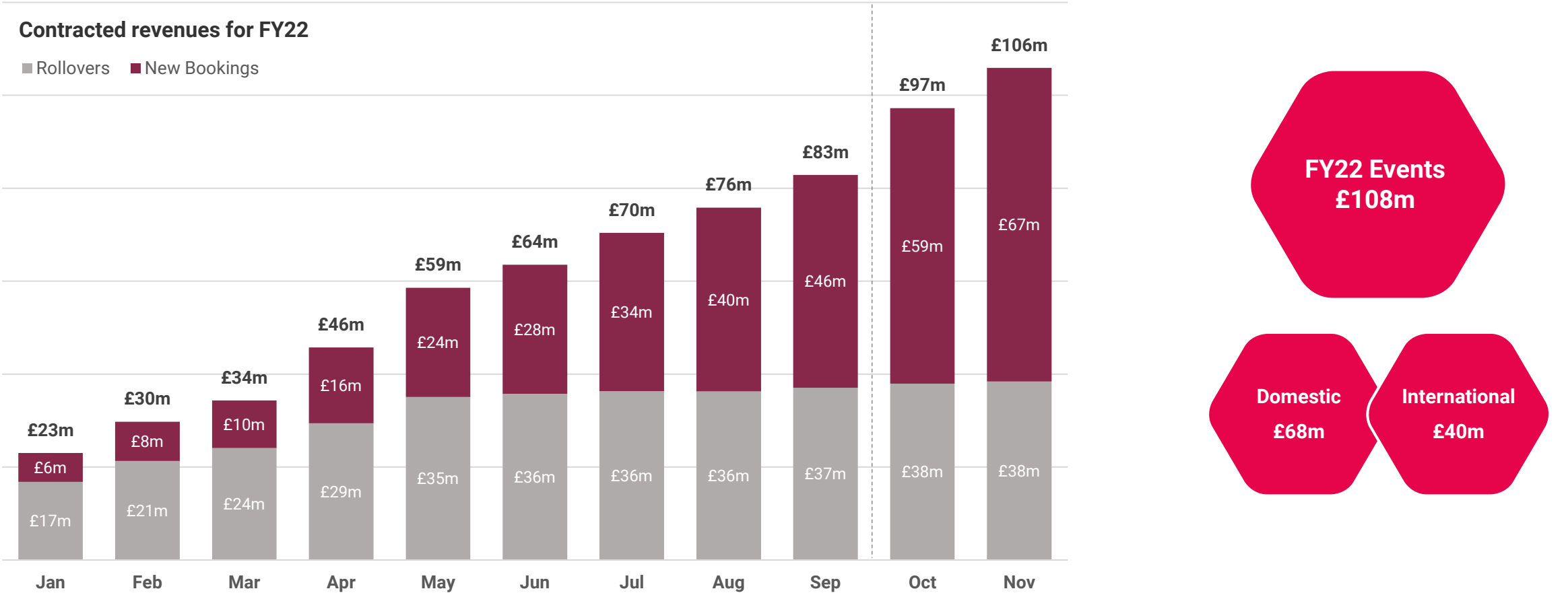


There are a number of positive indicators of recovery



¹ As a percentage of pre COVID-19 event revenues across the same events
² Customer spend relative to the previous event edition across all customers who participated in both event editions

Forward booking trajectory improving as we enter FY22



In summary

**Events resumed
with positive proof
points of the
recovery**

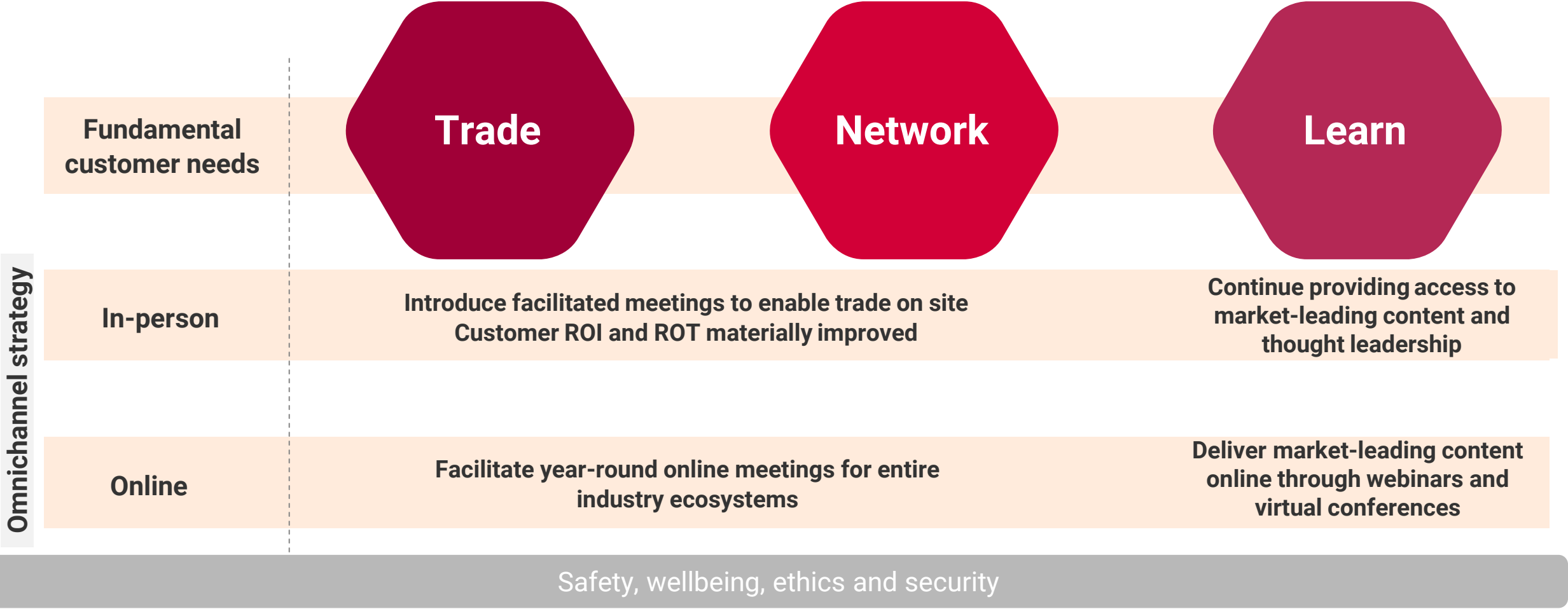
**Outlook remains
fluid so we continue
to manage cost and
cash prudently**

**Return to cash flow
positive while
balance sheet
remains strong**


**Robust position to
support acceleration
of omnichannel
strategy**

Mark Shashoua CEO

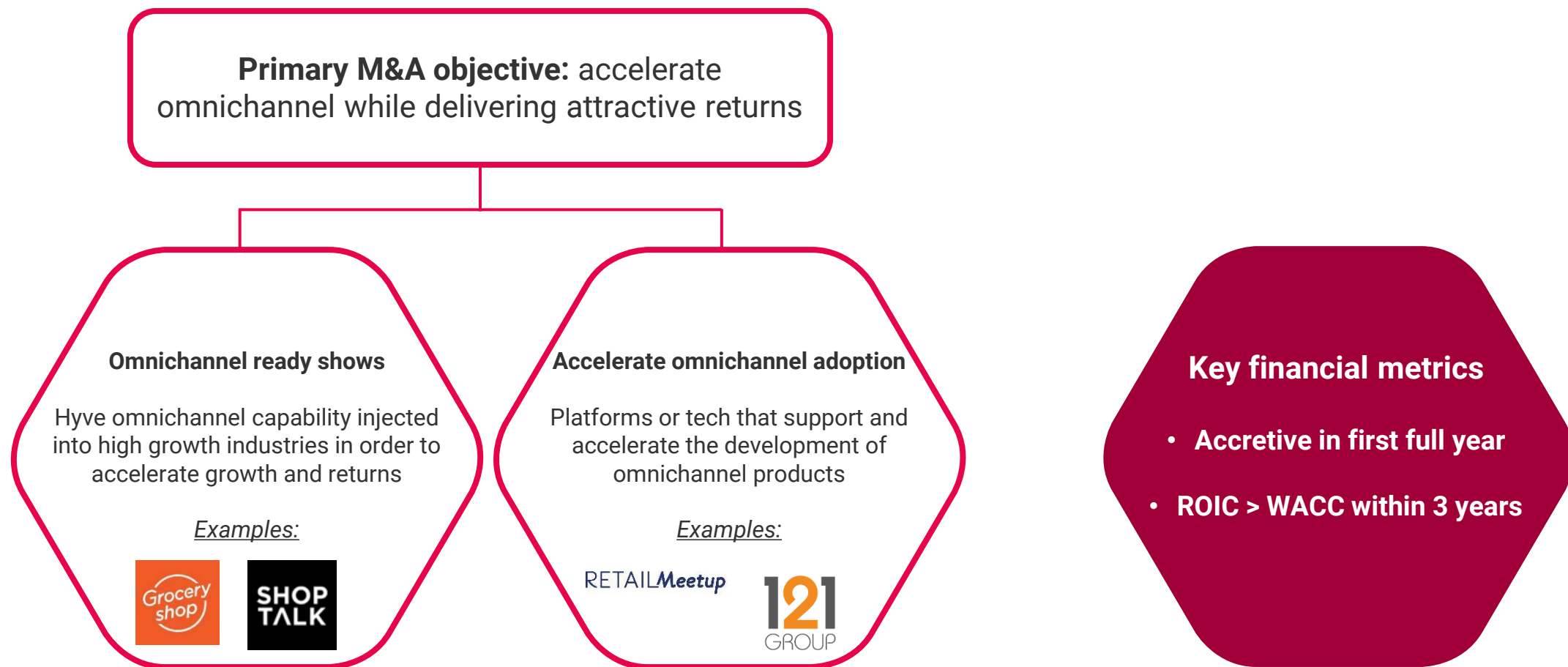
Clear vision of the future – developing an omnichannel business, in-person and online



Growing omnichannel portfolio

Omnichannel ready sector	Market-leading event	Facilitated meetings	Online meetings
E-commerce for Retail			 
E-commerce for Grocery			
Giftware	AUTUMNFAIR SPRINGFAIR		 Not suitable for virtual format
Ed Tech		 2022	 Trial 2022
Commodities		 121 Group	 121 Group

Omnichannel growth – M&A approach



Positioning the business for accelerated recovery

**Robust financial position
with return of FY21 events
but uncertainty remains**

**Drive customer market
share**

**Continue to evolve
omnichannel strategy**

**Embed ESG across the
business**

Q&A

Mark Shashoua & John Gulliver

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Appendices

Consolidated income statement

Headline Results	FY21	FY20
	£m	£m
Revenue	55.2	99.4
Gross Profit	4.9	0.9
Gross Profit Margin	9%	1%
Admin Expenses/Operating Income	(42.7)	(41.3)
Insurance Proceeds	65.0	22.0
FX	(0.3)	2.6
Profit from Associates	2.0	5.7
Operating Profit/(Loss)	28.9	(10.1)
Operating Profit Margin	52%	-
Net Finance Costs	(8.1)	(8.0)
PBT	20.8	(18.1)
EPS	7.6p	(12.7)p
Statutory Reconciliation	FY21	FY20
	£m	£m
Headline PBT	20.8	(18.1)
Adjusting Items	(41.4)	(296.9)
Statutory PBT	(20.6)	(315.0)



Excludes the results of the Central Asia discontinued operation

Divisional analysis

	FY21		FY20		
	Revenue £m	HPBT £m	Revenue £m	HPBT £m	
Global Communities	17.7	(21.0)	56.5	(15.1)	› All H1 events cancelled but events resumed in the UK and US in Q4
Asia	4.1	(7.5)	17.1	6.4	› Shanghai Seafood events cancelled › Sinostar's Chinacoat event impacted by pandemic
E/S Europe	6.1	(1.9)	4.0	(3.1)	› Close to full event schedule able to run in Turkey and Ukraine
Russia	27.3	5.8	21.8	(6.6)	› Strong domestic performance from returning events including Mosbuild, but impacted by international travel restrictions
Other Income		1.1		0.6	› Management fee income from associates
Central Costs		(12.3)		(16.8)	› Continued impact of cost saving measures introduced, including streamlining of HQ overheads
Insurance Proceeds		65.0		22.0	› Insurance proceeds in respect of event postponements and cancellations
FX gain/(loss)		(0.3)		2.6	› Balance sheet retranslation of monetary assets and liabilities
Net Finance Costs		(8.1)		(8.1)	
Total	55.2	20.8	99.4	(18.1)	



Excludes the results of the Central Asia discontinued operation

Performance analysis

		Metres	Revenue	Headline Profit Before Tax
		000s	£m	£m
FY20	Reported results	364	105.1	(18.9)
	Discontinued operations – Central Asia	(20)	(5.7)	0.8
	Continuing operations	344	99.4	(18.1)
	Biennial	(29)	(5.8)	(2.7)
	Timing	-	-	0.3
	COVID-19 postponements and cancellations ¹	(212)	(69.0)	(12.1)
	COVID-19 costs on current period cancellations ²	-	-	10.8
	Non-recurring	-	(0.5)	1.3
	Recurring	103	24.1	(20.5)
FY20	Acquisitions	-	2.0	0.9
	Launches	-	-	-
	FX translation	-	(1.1)	(0.7)
	LFL change	(30)	(8.0)	(13.2)
FY21	Recurring	73	17.0	(33.5)
	COVID-19 cancellations ³	138	38.2	11.3
	Insurance proceeds	-	-	43.0
	Reported results from continuing operations	211	55.2	20.8



¹ Prior period performance of events that were postponed or cancelled in the current period as a result of COVID-19

² Costs incurred in the prior period in respect of the events that were cancelled in the current period as a result of COVID-19

³ Current period performance of events that were postponed or cancelled in the prior period as a result of COVID-19

Adjusting items

			FY21	FY20
			£m	£m
Operating items	Amortisation of acquired intangible assets	Non-cash	(27.8)	(29.2)
	Impairment of assets	Non-cash	(19.0)	(263.4)
	Gain/(loss) on disposal	Non-cash	0.2	-
	Transaction costs	Cash	(0.7)	(3.3)
	Integration costs and costs of realising synergies	Cash	-	(0.5)
	Restructuring costs	Cash	-	(0.8)
	Tax on income from associates and joint ventures	Non-cash	(0.5)	(1.5)
Financing items	Revaluation of assets and liabilities on completed acquisitions and disposals	Non-cash	6.4	3.2
	Write-off of previously capitalised debt issue costs on refinancing	Non-cash	-	(1.4)
Total			(41.4)	(296.9)



Excludes the results of the Central Asia discontinued operation

Current debt profile

As at 30 September 2021

Facility £m	Committed	Drawn	Repayments	Interest	Existing Financial Covenants
Term	62.8	62.8	£0.8 due in March 2022 £5.0 due in June 2022 £6.0 due in September 2022 £6.0 due in November 2022 £22.5 due in November 2023 £22.5 due in December 2023	LIBOR + Margin (3.4%) while the covenant waiver is in place. LIBOR + Margin (1.9-2.9%) determined by the Leverage Ratio thereafter.	<ul style="list-style-type: none"> › Leverage Ratio of net debt to adjusted EBITDA $\leq 3x$ › Interest Cover Ratio of EBITDA to net finance charges $\geq 4x$ › Tested every quarter from 30 June 2020
Revolver	150.0	61.6	Amounts can be repaid, redrawn or rolled for periods of 1, 3, or 6 months up to maturity		
Total	212.8	124.4	Maturity : December 2023		

Waiver – November 2021

Waiver detail

- › Suspends the existing financial covenant tests for all periods up to and including March 2023 (a 12-month extension on previous waiver agreement)

Waiver conditions

- › Replaces existing financial covenants with a minimum liquidity covenant: combined cash and undrawn facilities must be at least £40m, tested monthly
- › Existing financial covenants will still be reported every quarter but not tested
- › Interest margin remains at 3.40% but original ratchet levels still apply based on above financial covenant reporting every quarter
- › 50% of insurance proceeds to be applied as a prepayment of any upcoming term loan repayments
- › Certain acquisition, disposal and dividend restrictions remain in place

Normalisation

- › The Group may at any time in its sole discretion nominate to revert to the original terms by reinstating the existing financial covenant testing provided the original financial covenants can be met
- › All waiver conditions will be cancelled once normalisation occurs

Consolidated balance sheet

		FY21	FY20
		£m	£m
Non-current assets	Goodwill and intangible assets	274.4	304.3
	Other non-current assets	61.7	67.0
		336.1	371.3
Current assets	Trade debtors	20.7	14.3
	Prepayments	11.1	9.9
	Other current assets	5.9	10.9
		(97.3)	35.1
Creditors	Net debt	(79.9)	(67.7)
	Deferred revenue	(72.6)	(61.3)
	Trade and other payables	(56.5)	(75.1)
	Deferred consideration and equity option liabilities	(0.8)	(10.3)
	Net deferred tax liabilities	(5.9)	(13.3)
	Provisions	(1.4)	(1.7)
		(217.1)	(229.4)
Net assets		156.7	177.0

Cash generated from operations

	FY21	FY20
	£m	£m
Statutory operating (loss)/profit	(23.3)	(307.3)
Adjustments	58.3	298.8
Operating cash flows before movements in working capital	35.0	(8.5)
Working capital movements	(4.6)	16.3
Cash generated from operations	30.4	7.8

	FY21	FY20
	£m	£m
Cash generated from operations	30.4	7.8
Interest received	0.2	0.6
Interest paid	(6.6)	(8.0)
Tax paid	(3.2)	(2.7)
Free cash flow from the business	(20.8)	(2.3)

Shareholder structure as at 30 November 2021

	Country of Shareholder	% of Total Shares	No. of Shares (millions)
Strategic Value Partners	US	16.2	47.4
RWC Partners	UK	10.8	31.4
Jupiter Asset Management	UK	7.0	20.4
Helikon	IE	5.7	16.5
Aberforth Partners	SC	4.8	14.1
Amiral Gestion	FR	4.8	14.0
Wellington Management	US	3.9	11.4
BlackRock	UK	3.9	11.3
Bestinver Asset Management	ES	3.5	10.3
Directors		0.3	1.0
Other institutions & individuals		39.1	113.8
Total Shares in Issue		100	291.6