

Tes Global Holdings Limited

2017 Interim Statement

Tes Global Holdings Limited (“Tes Global” or “Tes”) is pleased to provide an update on the performance of the Group for the first half of the year ending 31 August 2017 (“2017”). The information contained in this statement is unaudited.

Tes Global is a digital education company that is home to both Tes, a professional collaboration and talent network for teachers, and Times Higher Education, which provides data and insights to the world’s universities. Every day, teachers and schools visit Tes.com to share and trade teaching resources, read industry news, access recruitment services and link up with a global community of more 8 million educators.

Trading Activity

Our revenue increased 6% in the first half of 2017 to £71.3m, as lower transactional advertising job volumes were offset by acquired revenues in supply and growth in teacher training and teaching resources. Profits were down due to the lower teacher advertising volumes and the investment in developing new services for schools and universities. With cash conversion still strong and working capital benefitting from subscription products, we continue to generate positive free cash flow prior to acquisition and financing costs.

The Group continues to make significant investments in improving the digital products and solutions available to help teachers to find the right jobs, and ensure schools can recruit the best talent. The School recruitment subscription, launched in 2016, allows schools to purchase an annual package of unlimited advertising and continues to attract new clients with over 1,100 English Secondary schools signed up. In addition we are also selling recruitment subscriptions to the Primary, Further Education and International school sectors resulting in almost £20 million in annual subscription revenues under contract at the end of the first half.

Acquisition activity

After making a number of acquisitions in recent periods, we have not made any investments in 2017 and have instead focused on integrating the acquired businesses into Tes.

Material recent developments and material changes to the risk factors

There have been no material recent developments or material changes to the principal risks and uncertainties since the most recent annual report, being for the year ended 31 August 2016.

Outlook

Changes in teacher turnover and a school’s propensity to recruit influence the primary driver of the Group’s revenue and profitability and therefore future performance may be affected by economic and political uncertainty that impact both teacher mobility and Government education spending (the key driver of teacher recruitment activity in state schools). The directors believe that Tes Global is in a good position to benefit from any improvement in education recruitment activity and that the launch of the School recruitment subscription will, in-time, provide growing stability to our revenues. Our ability to continue to generate positive cash flow from operations will depend on our future performance, but we believe that our cash generated from operations will be sufficient to fund our debt servicing requirements as they become due and working capital requirements for at least the next 12 months.