

TES Global Holdings Limited

2016 Interim Statement

TES Global Holdings Limited ("TES Global") is pleased to provide an update on the performance of the Group for the first half of the year ending 31 August 2016 ("2016"). The information contained in this statement is unaudited.

TES Global is a digital education business committed to supporting teaching and learning. We are making real progress against our mission to help improve performance and standards in education by both supporting the world's teachers with a portfolio of tailored digital services and providing the world's most respected higher education data and analysis.

Trading Activity

Our revenue declined 3% in the first half of 2016 to £65.2m, as lower print advertising job volumes were only partially offset by acquired revenues in supply and teacher training. Profits were also down due to the lower advertising volumes and the continued investment in the resources marketplace platform, which allows our teachers to share free content and to buy or sell paid-for content. In addition, we also invested in the launch of our proprietary World University Rankings products, which provide the definitive list of the world's best universities, evaluated across criteria including teaching, research and reputation.

Cash conversion remained strong and working capital continues to be well controlled, resulting in positive cash generation 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. During the first half we launched a School recruitment subscription that allows schools to purchase an annual package of unlimited advertising, a new mobile advertising product and, an online dashboard to provide schools with data analytics on their advertising. Development work also commenced on a digital school portal, to be launched in FY17, that will enable schools to better manage their advertising and recruitment processes with TES.

Acquisition activity

In December 2015, we acquired Smart Teachers, and in April 2016 acquired a majority stake in ABC Teachers. The acquisitions are in line with our strategy to expand the Group's footprint in the supply teaching market and add valuable expertise in London, the South East and the Midlands. Smart and ABC will partner with Vision for Education, that covers the North of England, in TES's growing supply network. In March 2016, TES also invested in Edukey, a provider of education software to teachers and schools.

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 2015.

Outlook

Changes in teacher turnover influence the Group's revenue and therefore future performance may be affected by economic and political uncertainty that impact teacher mobility. The directors believe that TES Global is in a good position to benefit from any improvement in teacher mobility 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.