

HUNTSWORTH

THIS ANNOUNCEMENT CONTAINS INSIDE INFORMATION FOR THE PURPOSES OF ARTICLE 7 OF REGULATION 596/2014 ("MAR").

17 July 2018

Huntsworth plc

("Huntsworth" or the "Company" or the "Group")

Acquisition of Giant Creative Strategy LLC for a cash consideration of \$72.2m

Huntsworth plc, the healthcare and communications group, today announces the acquisition of approximately 90.2% of the membership interests of Giant Creative Holdings, LLC, a limited liability company and parent of Giant Creative Strategy LLC ("Giant") from Shamrock Capital Growth Fund III L.P. and its affiliates and Giant's former and existing management, for a cash consideration of \$72.2m funded from existing debt facilities.

Transaction highlights

Giant, based in San Francisco, is one of the largest independent healthcare marketing agencies based on the US west coast. It provides a full service, multichannel offering to its clients in the biopharmaceutical, medical device and diagnostics companies, through its circa 150 staff and derives circa 70% of its revenue from marketing to healthcare professionals ("HCPs"), a key growth area for Huntsworth. When combined with our existing Healthcare marketing agencies led by New York-based Evoke, the Group will be significantly more competitive in responding to changing client demand that is seeking fewer but stronger partners to help access the spectrum of their marketing needs.

Giant's management team is led by founders Steven Gold (CEO) and Adam Gelling (President) who will remain with the business and who hold, along with other senior management, the remaining circa 9.8% of Giant Creative Holdings, LLC's equity which is subject to put and call rights that are exercisable in March of each calendar year commencing in 2021 (the "Put and Call"). The value of the Put and Call will be determined based on a multiple of Giant's earnings over the two-year period prior to exercise of the Put and Call, subject to a cap of \$25 million in the aggregate. Consequently, the maximum aggregate consideration payable by Huntsworth for Giant will be \$97.2 million. Giant generated revenues of circa \$32m and EBITDA of circa \$7m in the year to 31 December 2017 and the Group expects the acquisition to be materially accretive to the Group's earnings in the current financial year. Giant's gross assets were \$26.1m as at 31 December 2017. Huntsworth is entitled to settle any consideration due under the Put and Call either in cash, by the issue of ordinary shares in the Company ("Shares") or by a mixture of cash and the issue of Shares.

Commenting on the acquisition, Paul Taaffe, Group CEO, said:

“We are delighted to welcome Giant into Huntsworth. Giant is a strong addition to the Group, bringing scale in Healthcare professional (‘HCP’) marketing especially in the fast growth biotech sector and is led by an outstanding management team who will continue to be invested alongside us in the business.

“This expansion of Huntsworth makes it an even more compelling alternative to the large holding company networks.”

This statement regarding management’s views as to the accretive nature of this transaction is not a profit forecast and should not be interpreted to mean that the Group’s earnings per share will necessarily match or exceed the historic earnings of the Group.

Huntsworth plc – www.huntsworth.com

www.evokehealth.com

www.giantagency.com

Davis & Gilbert LLP served as exclusive legal advisor to Huntsworth. Petsky Prunier Securities LLC served as exclusive financial advisor to Giant and Kirkland & Ellis LLP served as exclusive legal advisor to Giant

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