

REDDE PLC - Trading Statement

PR Newswire

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Redde plc ('Redde', 'Group' or 'Company')

Pre Close Statement

Current Trading

Trading in the second half of the year ending 30 June 2019 has been in line with the Board's expectations for both revenue and adjusted operating profits.

The Board expects to announce the results for the year ended 30 June 2019 in the early part of September 2019.

Contracts update

On 8 March 2019 the Group announced that the Company was not successful in securing the renewal of a hire and repair contract with a large insurer.

The original contract was due to expire at the end of July 2019. However since making the original announcement discussions have continued with the insurer concerned in respect of an orderly run off of the services provided. Agreement has now been reached for the continuation of the higher margin non-fault hire and non-fault repair services through to November 2019. The lower margin work will cease on 31 July 2019. As a result of this extension the previously announced impact on the numbers will be further mitigated and the positive effect on working capital is now expected to gain traction later in the financial year 2020 to accommodate this extension.

In addition, since the 8 March announcement there have been a number of new contract wins in other parts of the Group as well as a contract renewal with a major insurer which have contributed to the Board's confidence in its expectations for financial year 2020.

Working Capital

The high demand for the Group's services continues and the Group is investing in the appropriate working capital to support this demand including investment in fleet acquisitions, new IT digitisation projects and infrastructure.

Cash balances at 30 June 2019 were approximately £11.9m (31 December 2018 - £11.6m). Net debt (including the above cash balances) was approximately £34.7m at 30 June 2019 compared to £41.2m at 31 December 2018.

Protocols

The Group is also pleased to report that a large insurer which had previously participated in a protocol agreement, which the Group terminated, has now agreed to take up a protocol agreement again after the Group was able to prove out to the insurer the alternative costs of not being in a protocol. The Group is pleased that the benefits delivered via protocol agreements are valued by insurers who recognise the lower costs of settling claims under these agreements.

** ENDS **

The information contained within the above announcement is deemed by the Company to constitute inside information as stipulated under the Market Abuse Regulations (EU) No. 596/2014 ("MAR"). Upon the publication of this announcement via Regulatory Information Service ("RIS"), this inside information is now considered to be in the public domain.

For further information contact:

Enquiries

Redde plc **Tel: 01225 321134**

Martin Ward – Chief Executive Officer

Steve Oakley – Chief Financial Officer

Cenkos Securities plc (Nominated Adviser and Joint Broker) **Tel: 020 7397 8900**

Mark Connelly

Giles Balleny

N+1 Singer (Joint Broker) **Tel: 020 7496 3000**

Mark Taylor

Square1 Consulting **Tel: 020 7929 5599**

David Bick

Notes for Editors:

About Redde plc:

Founded in 1992 and working predominantly with insurance companies, insurance brokers and prestige motor dealerships, the Redde Group of companies ("Group") provides a range of accident management and legal services. The Group also deals directly with large national fleets providing incident management and mobility continuity and its activities also encompass a range of legal services designed to assist claimant parties in partnership with leading insurance companies, brokers and other bodies.

The Group is one of the market leaders in its fields of business; it delivers accident management solutions to motorists ensuring that they remain mobile until their own vehicles are repaired or until they are put in a position to obtain a replacement and it provides legal services to ensure they are properly compensated for their injuries and losses where appropriate.

The name Redde is associated, in Latin, with the concept of restoration.