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Aeorema Communications plc / Index: AIM / Epic: AEO / Sector: Media

**3 August 2021**

## **Aeorema Communications plc ('Aeorema', the 'Company', or the 'Group')**

### **Trading Update**

Aeorema Communications plc, the AIM-traded live events agency, is pleased to announce a trading update for the year ended 30 June 2021, following a period in which the Company has demonstrated resilience and agility with a focus on largely virtual and hybrid events.

#### **Highlights**

- Further multi-national blue-chip client wins during the period
- Team adapted quickly and capitalised on an increasing requirement for virtual and hybrid events
- Strategic shift to providing consultancy services and engaging with clients at a higher advisory level on their communications strategies is proving very successful
- Improved gross profit margin achieved, primarily driven by the ability to bill an increased amount of higher-margin services in the pre-production phase of contracts
- Continued return to profitability during H2 2021\*
- Operating loss for FY 2021 expected to be in the region of £230,000\* (H1 2021: operating loss of £277,931, FY 2020: operating loss of £175,043)
- The outlook for the start of the new financial year is very strong: H1 2022 revenues are anticipated to be greater than any previous interim period on record
- Very strong pipeline looking forward with new and existing clients
- New York office continues to grow and win new US based clients
- Opportunities are strong in virtual, hybrid and face to face events
- Maintained strong cash position in excess of £1 million

\* All numbers appearing in this statement remain subject to final audit

#### **Business Update**

As previously reported, ahead of the start of the Covid-19 pandemic it was clear that there were going to be a number of changes to the live events industry and the way live events were being run and staged, with an increasing focus put on digital and hybrid events. This was accelerated by the impact of the Covid-19 pandemic and Aeorema was agile in its ability to adapt quickly having taken material advantage of the opportunity since March 2020.

With the enlarged team fully in place following a number of strategic and skilled hires late in FY 2020 adding depth and new business opportunities, along with the training of our existing team, Aeorema has transitioned into a multi-faceted and multi-skilled communications adviser and executor. The

Group's offerings to its blue-chip clients have been, and continue to be, enhanced which has proved fruitful in widening new business possibilities, some of which are on a retainer model. As we have indicated previously, this offers enhanced revenue visibility and strengthens the Company's relationships with those clients. The Company provides clients with strategic advice on how they communicate and interact with different target audiences using Aeorema's 'best of breed' virtual tools and technology along with how they skilfully manage the opportunity of hybrid events. Cheerful Twentyfirst, Aeorema's main operating division, has been entrusted with delivering large-scale virtual events for some of the world's largest and most high-profile companies. These events involve professional production crews, dynamic virtual sets and speakers at events being provided with high quality broadcast equipment to use from their homes.

Aeorema has added increasing amounts of work from its existing blue-chip clients in the period. The Board is thrilled that the team have also won contracts, completed and committed for the future, from new blue-chip clients which the Board believes is as a result of the ability of the team to deliver further scope in services resulting in more successful events, whether virtual, hybrid or live. Our new clients include those operating across sectors such as finance, professional services, oil & gas, advertising, IT, fashion, Fintech and beverages. This increase in revenue has resulted in Aeorema remaining profitable during H2 2021 (subject to final audit), following the return to profitability in the final three months of H1 2021. With a very strong pipeline, the Company expects this to result in a marked increase in revenue during H1 2022.

Aeorema continues to maintain its strong cash position with a cash balance in excess of £1 million. The Company expects to be in a position to publish its results for the year ended 30 June 2021 in October 2021.

**Mike Hale, Chairman, said:** *"In a period in which the team have worked tirelessly, up-skilling, retraining and refocusing on virtual and hybrid events following a history of purely live events, I believe we have created the perfect platform on which we can capitalise on the changes we have all experienced over the last 18 months, and changes which I believe are largely here to stay."*

*"We have adapted and are thriving with an increasing amount of client business, from existing and new clients, smaller companies to blue-chip, and our very strong pipeline is testament to the work and advice our team provide. Returning to profitability is something the Board and I are incredibly proud of and I would like to take this opportunity to thank our clients, and crucially our team, for their dedication and loyalty and I look forward to seeing this growth continue."*

*"We will see an increasing return to live events, but I believe the landscape has changed for the long term and with Aeorema's combination of both virtual and physical events in the form of hybrid events, clients will be provided with the best of what both have to offer. With our reach into the US as well, we are ideally structured to maximise on the opportunities in the UK, Europe and the US and I look to the future with confidence."*

*Finally, we are delighted to have won the CN Agency Award for Creative Team of the Year for a third consecutive year, confirming our status as one of the leading agencies amongst our peers."*

**\*\*ENDS\*\***

For further information visit [www.aeorema.com](http://www.aeorema.com) or contact:

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