

12 March 2013

Final Results for the Year Ended 31 December 2012

Quarto (LSE: QRT), the world's leading international illustrated non-fiction book publisher and distribution group announces its final results for the year ended 31 December 2012.

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The full results are available to
[view and download in PDF format](#)

Presentation

View the slides of the [Results Presentation](#).

Financial Highlights

- Revenue of \$180.9m (2011: \$186.1m)
- Adjusted¹ EBITDA² of \$36.5m (2011: \$37.3m)
- Adjusted¹ EBITDA² margin of 20.2% of revenues (2011: 20.0%)
- Adjusted¹ Operating Profit of \$16.6m (2011: \$16.7m)
- Adjusted¹ Profit before Taxation of \$11.4m (2011: \$12.1m)
- Adjusted¹ diluted Earnings per Share of 43.6 cents (2011: 45.6 cents)
- Net debt reduced to \$81.0m (2011: \$81.4m)
- Net debt to adjusted equity 85% (2011: 85%)
- Cash flow from operations \$31.2m (2011: \$32.7m)
- Proposed final dividend of 4.55p, making the total dividend for the year of 7.9p (2011: 7.9p).

Notes:

¹ Adjusted for amortisation of non-current intangibles and exceptional items

² EBITDA is adjusted earnings before interest tax depreciation and amortisation

Operational Highlights and Post Period End

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- Tim Chadwick elected as a director in November 2012 and appointed as Chairman in December 2012
- Marcus Leaver appointed COO at end of April 2012 then CEO in December 2012.

- Refinement of Group into a clearer federal structure, allowing each of four divisions effective sales responsibilities alongside scope for collaboration.
- Divisional operating margin up to 11.2%. (2011: 10.7%)
- Group inventory down 16.0% at period end and represents 12.6% of Group revenue (2011 - 14.6%). This represents a turn of 2.0 times (2011: 1.8 times).
- Digital Revenues up 29% to \$2.7m (2011: \$2.1m) or 3.3% of applicable revenues.
- Continued refinement to Quarto structure and shape of the business, undertaking reviews of the entire portfolio.
- Strategy to reduce net debt by end of 2013 through selective asset disposals and continued tight cash management

Commenting on the results, Chief Executive Officer, Marcus Leaver said:

"These 2012 results display the fundamental resilience of the Quarto businesses even in challenging times. I believe that good foundations are in place here for a business capable of rewarding shareholders and employees alike. In order to do so, it is my intention to build an agile, product-led marketing and sales organization for a dynamic and fragmented marketplace."

Chairman, Tim Chadwick added:

"The Board is pleased to be recommending a final dividend of 4.55p per share, making the total dividend for the year 7.9p, level with last year."

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About Quarto:

The Quarto Group (LSE: QRT) is the world's leading international illustrated book publisher and distribution group and is listed on the London Stock Exchange. Quarto has about 400 talented people. We operate in four distinct but complementary businesses - Quarto International Co-editions, UK; Quayside Publishing Group, USA; Aurum Publishing Group, UK and Lifetime/Premier Display Marketing, Australia & NZ. The Group is well positioned in attractively resilient segments of the publishing market that present opportunities for growth as the industry adapts to new means of marketing, sales and consumption. The Group's headquarters are in London where the Company was founded in 1976.

