

17 March 2016

## Final Results for the Year Ended 31 December 2015

The Quarto Group, Inc. (LSE: QRT), the leading global illustrated book publisher and distribution group, announces its unaudited results for the year ended 31 December 2015.

### Download

The full results are available to  
**view and download in PDF format**

### Presentation

View the slides of the **Results Presentation**

### Financial Highlights

- Revenue up 6% to \$182.2m (2014: \$171.3m<sup>3</sup>)
- Adjusted Operating Profit up 8% to \$17.2m (2014: \$15.9m<sup>3</sup>)
- Adjusted Profit Before Tax up 18% to \$14.1m (2014: \$11.9m<sup>3</sup>)
- Profit Before Tax up 8% to \$12.9m (2014: \$12.0m<sup>3</sup>)
- Adjusted Earnings per Share of 49.9c up 13% (2014: 44.1c<sup>3</sup>)
- Net debt reduced by 10% to \$59.5m (2014: \$66.0m)
- Proposed final dividend of 9.4c/6.15p<sup>2</sup> (2014: 8.2c/4.95p<sup>2</sup>) up 15%, making the total dividend for the year of 14.5c/9.50p<sup>2</sup>, up 6% (2014: 13.7c/8.3p<sup>2</sup>)
- Dividend cover of 3.4x (2014: 3.2x)

### Operational Highlights

- Core publishing operations revenue growth of 13% and adjusted operating profit growth of 17%
- Publishing adjusted operating margins improved to 12.8% (2014: 12.3%)
- Ivy Press business exceeded management expectations since acquisition in March 2015
- Children's publishing revenues up 41% with both organic and acquisitive growth

- Foreign Rights revenues up 13% and up 43% in Children's publishing despite foreign currency fluctuations in certain markets
- Contribution from non-core trading businesses of over \$3.1m in operating profit (2014: \$3.9m<sup>3</sup>) with Regent Publishing Services up 34% on 2014 making up for another year of currency headwinds and difficult trading at Books & Gifts Direct
- Acquisition of The Harvard Common Press in February 2016 continues targeted growth by acquisition

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

*"Quarto made continued progress in 2015, delivering on our strategic objectives of revenue growth, debt reduction and dividend growth, while improving operational efficiency. This level of performance was enabled by the resilience of our business model and the professionalism, ambition and hard work of our people around the world. Our goal in our 40th anniversary year remains for Quarto to grow in a sustainable and profitable manner, organically and through judicious acquisitions, and steadily reduce net debt further."*

Chairman, Tim Chadwick added:

*"After three years of transformation, with cumulative earnings per share growth and debt reduction, 2015 was Quarto's most profitable year ever. This is the fulfilment of the vision that led to my appointment as Chairman in 2012 and I am proud of what Quarto has achieved since then. I have decided not to put myself forward for re-election at the Annual Meeting, but rather hand over with confidence to Peter Read, upon his election at the Annual Meeting, to lead the Board as Chairman through Quarto's next phase of growth."*

1. Adjusted measures are stated before amortisation of acquired intangible assets and exceptional items
2. Dividend per share is declared in cents per share and paid in sterling translated at the spot rate on the date of payment. Dividend cover is calculated using adjusted earnings per share.
3. Restated for changes in our Books & Gifts Direct business with respect to revenue recognition relating to insurance arrangements on certain product shipments, and on the treatment of overhead allocated to inventory. In addition, debt issuance costs previously included within administrative expenses have been reclassified to finance costs. Full details are set out in Note 11 to the accompanying condensed financial statements.

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### About The Quarto Group

The Quarto Group (LSE: QRT) is the leading global illustrated book publisher and distribution group and is listed on the London Stock Exchange. Quarto employs about 400 talented and creative people in five distinct but complementary businesses - Quarto International Co-editions Group; Quarto Publishing Group USA; Quarto Publishing Group UK, Quarto Hong Kong and Books & Gifts Direct, Australia & NZ.

The Group is well positioned in resilient segments of book publishing with rich reserves of Intellectual Property. Quarto is uniquely positioned for growth as the **industry** adapts to new means of marketing, sales and routes to market. The Group's headquarters are in London where the Company was founded in 1976.