

Learning Technologies Group PLC

07:35 23 Jul 2020

Learning Technologies highlights robust first half performance despite pandemic

Learning Technologies Group PLC (LON:LTG) said its performance for the first half of the year has been "robust" and retention rates in its business have held up well despite the disruption caused by the coronavirus pandemic.

In a trading update for the six months to June 30, 2020, the digital learning group said it expects to report revenues of at least £64mIn, 2% higher year-on-year, with a small decline in its underlying business offset by a contribution from the recently acquired Open LMS business in the second quarter.

READ: Learning Technologies in "a strong and resilient position"
 Learning Technologies also predicted underlying adjusted earnings (EBIT) for the period of £19.9mIn, up from £19.5mIn the year before.

The group said it had derived 75% of its revenues from recurring multi-year contracts compared to 67% in the prior year, and while some enterprise software procurement processes had been postponed it was seeing retention rates in its PeopleFluent and other software businesses hold up well.

Sales and revenues in the Rustici and the Open LMS business were also increasing, and despite an initial downturn in mid-March, new sales from the company's Breezy HR business have also seen a "marked uptick" since mid-May.

Meanwhile, the company said it's content and services division has been subdued in the second quarter as some client projects were curtailed as a result of the pandemic, however, Learning Technologies said it had also won some "prestigious projects" including a US\$1mIn virtual-reality healthcare project for PRELOADED and the conversion of a number of classroom training programs to online and blended learning for LEO, which will be delivered in the second half of the year.

Learning Technologies also said its operating cash flows were ahead of its expectations, with net cash of £77.9mIn at the end of the period.

Looking ahead, the group said it is continuing to pursue "a number of acquisition opportunities" and that it has repaid all furlough payments received from the UK government and will not make any claims under the job retention bonus scheme for bringing backed furloughed workers.

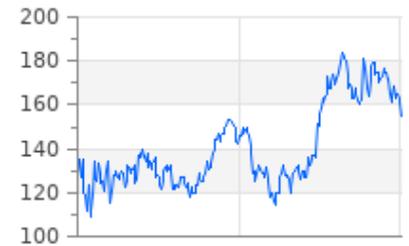
"The resilience of our people and our business has enabled the group to deliver strong results in the first half of the year, in the context of unprecedented challenges as a result of the [coronavirus] pandemic. During this time we continued to serve our customers in the rapidly evolving environment for corporate learning and talent management and prioritise the safety and wellbeing of our customers and staff", Learning Technologies chief executive Jonathan Satchell said in the trading statement.

"With several major project wins to celebrate across our content & services business and resilience in our software &

Price: 155

Market Cap: £1.15 billion

1 Year Share Price Graph



March 2020 September 2020 March 2021

Share Information

Code: LTG

Listing: AIM

52 week High Low
 190 106.2

Sector: Hardware & electrical equipment

Website: www.ltgplc.com

Company Synopsis:

Learning Technologies Group PLC (LTG) is a market-leader in the fast-growing workplace digital learning and talent management market. LTG offers large organisations a new approach to learning and talent in a business world driven by digital transformation.

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platforms division, LTG enters the second half of the year in a robust position, with demand in line with management expectations and a cash position to enable us to expand our business with strategic value-enhancing acquisitions", he added.

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