

Healthcare Locums plc News Announcement

Healthcare Locums - AGM Statement

RNS Number : 4531X
Healthcare Locums PLC
25 June 2008

Healthcare Locums plc
('Healthcare Locums', 'HCL' or 'the Group')
Annual General Meeting Statement
At today's Annual General Meeting, Alan Walker, Chairman of Healthcare Locums plc, will state the following:

I am pleased to report that 2007 was a successful year for HCL. All of management's key targets and objectives were met or exceeded. HCL underwent a significant amount of change, consolidation, restructuring and growth during the period, which marked the end of its current acquisition strategy. The final acquisition was the purchase of JCY Group Ltd in April 2007.

All acquisitions were integrated in the period, with the focus in the second half being to deliver organic like-for-like growth in each of HCL's three staffing divisions: allied health professionals, doctors, and social care. HCL is now the market leader in each market sector with revenue contribution from the three split on an approximately equal basis.

The Group's focus on organic growth post the acquisition strategy is reflected in the strong financial results for 2007. Revenue increased by 108% to £135m, compared to £65m in 2006. Adjusted profit before tax increased by 87% to £11.8m compared to £6.3m in 2006. The Board was also pleased to declare a maiden dividend to shareholders of 1p per share.

Organic like-for-like gross profit growth rates have increased from 16% in 2006 to over 21% in 2007, and our current trading would indicate that this upward trend is expected to continue during 2008 and beyond.

The Group's international expansion strategy is bearing fruit. Notably, HCL is undertaking a major partnership with one of the leading hospital builders in the Middle East, Emaar Healthcare. The Group is contracted to provide staff for 20 hospitals currently being built by Emaar as they open. The Board believes that this will bring a significant and steady stream of income for the Group's international placement division. The estimation is that more than 40,000 healthcare staff will be required over the next five years for this client alone.

The Group also has a similar contract with Bumrungrad International for the supply of all types of Clinical staff to its new flagship hospital in Dubai which is already under construction, as well as a number of contracts with hospital providers in North America. The Group foresees further opportunities to expand its international operations in future, and now has the means to source talent from all over the globe.

In the UK, the staffing market remains buoyant, and the Group's challenge is in meeting the strong levels of demand for its highly specialised staff. The ageing population, coupled with the continuing and worsening shortages of highly specialised health and social care staff, means that HCL is one of the few 'recession proof' stocks. Solid cash generation, debt reduction, and a dividend policy all combine to make HCL a highly defensive stock.

The HCL Board has been strengthened with the appointment of Mo Dedat as Commercial Director with the key responsibility of overseeing the ongoing development of systems and processes to enable HCL as a fast growing company to meet the challenges of growth head on. His experience at a senior level within one of the largest staffing companies in the world will be invaluable to the management team and we are pleased to welcome Mo and look forward to working with him.

HCL has started 2008 with strong trading in all of our divisions, and we expect this trend to continue throughout this year and beyond.

HCL is undoubtedly a business that depends for its success on the quality of its people. All our staff have shown tremendous commitment to the continuing success of the business this year and this has been reflected in the results achieved.

On behalf of the Board I would like to thank our staff for their commitment and we look forward with great confidence to the next 12 months and beyond.

- ends -

For further information contact:

Kate Bleasdale, Chief Executive
Diane Jarvis, Finance Director 020 7451 1451

Bell Pottinger Corporate & Financial
David Rydell/Emma Kent/Helen Tarbet 020 7861 3232

Adrian Hadden
Collins Stewart Europe Limited 020 7523 8353

Tom Jenkins
Daniel Stewart 020 7776 6550

This information is provided by RNS
The company news service from the London Stock Exchange

END

AGMFIMFTMMATBTP