

HB0195 – Travel and Tourism PR Company for sale

Business overview

- Outstanding opportunity to acquire a successful PR consultancy, based on the south coast of the UK, focused on the travel and tourism market.
- The business has delivered consistently strong growth over the past 4 years despite the recession and achieves an EBITDA in excess of 29%.
- Established in 2003, the business has developed an extremely loyal client base, evenly spread with no one client representing more than 13% of the revenue.
- As of July 2011 the company services 11 clients on monthly contract. These recurring fees represent c. 90% of the total revenue which is very good in the PR sector.
- Over 90% of current business is from the existing client base (those on monthly contracts), which leaves room for the business to expand through additional marketing/PR activities as well as leveraging a trade or adjacent trade buyer's existing client base.
- The business is able to offer its services across the UK and internationally and most employees are members of the recognised trade institution, the CIPR. Clients include travel companies and large hotel groups from around the world.
- The company has maintained a strategy of growing and training its team despite the slower growth in the last 2 years, and now has a loyal, experienced team of personnel in place and ready to take on the 40% growth being seen in 2011.
- This business would be of particular interest to other PR agencies that are looking for a strategic acquisition to add to their portfolio. Significant synergy savings are possible for such buyers who already have a base on the South Coast (UK).



Products and Services

- The PR consultancy builds its clients revenues through creating positive media coverage in the UK, Ireland and for some clients the USA. Services include:
 - PR campaigns
 - Press office
 - Press trips
 - Online media coverage for SEO and social media advice
 - Promotions
 - Launches
 - Event promotion
- The agency offers PR consultancy tailored for the travel and tourism market.

Employees:

- 2 directors (vendors) + 4 staff

Premises:

- The business operates from a leased office.
- Rent: £11,000 per year including rates and utilities, Renewal: April 2013

Reason for sale:

- The vendors wish to concentrate on other unrelated projects.

Financial overview

<i>Year End: 31st December</i>	<i>2008</i>	<i>2009</i>	<i>2010</i>	<i>2011 Forecast</i>	<i>2011 First 7 months</i>
Sales revenue	£109,204	£126,546	£161,265	£226,614	£132,191
Expenditure	£80,532	£104,314	£126,654	£140,051	£88,611
Adjusted EBITDA	£28,672	£22,232	£34,611	£86,562	£43,580
<i>Percentage</i>	26%	18%	21%	38%	33%

The adjusted EBITDA is stated before having paid the replacement cost of the vendors which is estimated to be £40k.

Significant synergy savings of £17.7k are possible through consolidation of the premises and other administrative costs. Based on the 2011 figures, this would enable the strategic buyer to achieve an **EBITDA of £104.3k**.

Offers invited