



Public Policy Holding Company, Inc.  
("PPHC", the "Company" or the "Group")

#### Acquisition of TrailRunner International, Expansion of Debt Facilities and Trading Update

*Accretive acquisition expands strategic communications capabilities, extends reach into new geographies and introduces a global sports advisory service*

Public Policy Holding Company, Inc. (AIM: PPHC), the leading government relations and public affairs group, is pleased to announce it has entered into a binding agreement on 24 January 2025 to acquire TrailRunner International LLC ("TrailRunner"), a Texas-based global communications advisory firm, for an initial consideration of 33 million (the "Acquisition"). On completion, the Acquisition is anticipated to be immediately accretive to the Group's underlying earnings. In advance of the Group's Capital Markets Event on 30 January 2025, PPHC is also providing a trading update for the year ended 31 December 2024 ("FY2024") which includes a planned update to the Group's capital allocation policy intended to accelerate future Total Shareholder Returns.

#### Highlights

- Earnings accretive acquisition, highly complementary to PPHC's existing capabilities.
- Acquisition part funded through the expansion of banking facilities with existing lender, Bank of America.
- FY2024 trading update demonstrates progression of the Group's growth track record in revenues and profit, with strong cash generation and momentum going into 2025.
- Intention to reduce the Group's dividend to better align with its long-term growth strategy and drive higher Total Shareholder Returns.
- Management is considering measures aimed at improving liquidity in PPHC's stock, including a potential US dual-listing in addition to AIM.
- Capital Markets Event on 30 January 2025 to take place at the London Stock Exchange, UK.

#### Acquisition Overview

PPHC has entered into a binding agreement on 24 January 2025 to acquire TrailRunner for an initial consideration of £33 million. On completion, the Acquisition is anticipated to be immediately accretive to the Group's underlying earnings.

The Acquisition significantly expands PPHC's capabilities in the large and growing strategic communications market, including corporate affairs, financial communications, crisis communications, litigation communications and reputation management. TrailRunner and PPHC are highly complementary with the combined Group presenting clear and immediate potential for cross-selling and integrated servicing for c.1,300 existing clients.

Founded in 2016 by Executive Chairman Jim Wilkinson, TrailRunner operates with a global team across offices in Dallas/Fort Worth, Texas (where the firm is headquartered), as well as New York, Nashville, and Northern California. The firm also serves global and regional clients from its locations in London, Shanghai, Abu Dhabi and Dubai, with approximately 80 employees supporting its operations worldwide.

Completion of the Acquisition is subject to certain conditions which management expects will be satisfied by 1 April 2025.

#### Strategic Rationale

The Acquisition is in line with PPHC's longstanding objective to build, bring together and grow a portfolio of complementary businesses with specialist communications capabilities in order to help clients navigate the world's most challenging crises, policy risks and opportunities. It also supports the Group's stated M&A strategy by significantly expanding its strategic communications capabilities and broadening its geographic reach.

PPHC's global clients require a service provider able to support them across all communications disciplines and in the various geographies where they operate. This acquisition establishes Group operations and a presence in key growth markets, including:

- Dallas/Fort Worth, Texas, and Nashville, Tennessee - central cities with reach into the growing heartland of the US South, Midwest and Southwest.
- New York, where TrailRunner retains deep financial and corporate sector expertise.
- Northern California, an innovation hub, further amplifying and broadening the expertise PPHC has already established in the state.
- Across strategic locations in the UK, Middle East and Asia, deepening PPHC's global footprint.

Upon completion, the addition of TrailRunner's capabilities in corporate affairs, financial communications, crisis communications, litigation communications and reputation management represents a natural evolution of PPHC's core service offerings of government relations and public affairs. In an environment where political issues instantly evolve into reputational crises-and vice versa-these expanded capabilities enable PPHC to deliver an integrated service suite that bridges policy advocacy with corporate reputation and strategic positioning.

Furthermore, the Acquisition includes TrailRunner Sports, a leading sports advisory practice established as a joint venture with Legends, the world's preeminent premium live events company. TrailRunner Sports provides strategic business advisory and communications support to global sports clients spanning leagues, teams, educational institutions, investors, ownership groups and others. This addition broadens PPHC's ability to offer tailored expertise in the dynamic sports sector and demonstrates its commitment to diversifying its offerings in high-growth markets.

This holistic approach enhances PPHC's ability to serve its clients' C-suites, providing a comprehensive advisory framework to navigate complex challenges across regulatory, media, and stakeholder landscapes.

This is PPHC's fifth significant acquisition since its IPO in 2021 and second that expands its international reach. Upon completion, the Group will have invested substantial capital into M&A through a combination of cash and shares, demonstrating its ongoing commitment to executing its growth strategy. All completed acquisitions to date have been successfully integrated to become value contributing members of the Group.

**Stewart Hall, CEO of PPHC, commented:**

*"The acquisition of TrailRunner simultaneously entrenches our market leading US position and establishes our business as a truly global strategic communications group. It advances our longstanding strategy of building the world's most comprehensive provider of government relations and corporate communications services."*

*"By combining TrailRunner's deep expertise in corporate and financial communications, crisis management and sport with our existing capabilities, we create immediate value for existing, as well as prospective, clients across all markets. TrailRunner's strong presence in America's key business centres, combined with its international reach into Europe, Asia and the Middle East delivers on our vision of serving clients with the most important policy and communications needs wherever they operate."*

**Jim Wilkinson, Founder and Executive Chairman of TrailRunner, added:**

*"TrailRunner is a unique and exciting growth company with a track record of proven financial success, an aggressive growth strategy and a deep bench of talent to execute this growth plan. Given the growing global megatrend of the collision of critical factors including corporate reputation, government relations, finance, crisis, litigation and sports, I can think of no better partner than PPHC to help TrailRunner expand into significant future international growth."*

**Overview of TrailRunner**

- Founded in 2016, TrailRunner is a leading strategic communications advisory firm with approximately 80 employees working across eight global offices.
- Specialises in financial communications, corporate reputation, crisis management, and sport via TrailRunner Sports.
- Consistent track record of serving Fortune 500 companies and global institutions. In 2024, the Company serviced a total of 117 clients.
- Strong track record of growth and profit: since 2018, TrailRunner's revenue has grown at a CAGR of 18%. For the calendar year ended 31 December 2024, TrailRunner is estimated to have achieved unaudited net revenues of 25.2

million and profit before tax of 4.5 million, after application of post-completion compensation policy, implying an 18% margin. On a run-rate basis, TrailRunner is approximating 26 million in revenues and over 6 million in profit before tax, implying a margin that has grown to 24%, which is consistent with where it had been in 2022 and early 2023. TrailRunner's 2024 EBITDA margin reflects a year of strategic investment in talent and infrastructure to support long-term growth. These initiatives position TrailRunner to align with PPHC's target margin range of 25-30%.

#### Key Terms of the Acquisition

- The initial consideration of 33 million will be satisfied on completion, which is expected to occur by 1 April 2025, in part by the issuance of 2,966,138 New Common Shares at a price of £1.3531 per Common Share, totalling £4.95 million, and the balance of 28.05 million paid in cash.
- Shares issued to Mr. Jim Wilkinson and certain key employees will be subject to a vesting period and all such share recipients will additionally be subject to certain restrictive covenants. The initial cash consideration of 28.05 million will be funded from a combination of PPHC's existing cash resources and a credit facility entered into with Bank of America (further detail is provided below).
- As part of the purchase consideration, in addition to the initial consideration, three future payments could be made with the final payment taking place after the end of 2029. The size of these payments is contingent on TrailRunner's profit growth for the period from 2025 through 2029. The initial future payment will be paid 15% PPHC shares and 85% cash, and the later two future payments will be paid 50% in PPHC shares and 50% in cash.
- Including the initial consideration of 33 million, the aggregate consideration is maximised at 70 million. This maximum would be achieved if TrailRunner was to realise more than c.25% compound annual profit growth from 2025 through 2029.
- Net assets of TrailRunner transferred upon completion amount to 0.0 million.

#### Expansion of Debt Facilities

- In order to support the financing of the initial cash element of the Acquisition, the Group announces it has entered into a Supplemental Credit Facility with Bank of America on 24 January 2025 (the "Facility") of 24 million.
- The interest rate payable on this Supplemental Credit Facility is the Secured Overnight Financing Rate (SOFR) plus 260 basis points and the Facility will mature on 31 March 2029.
- Following completion of the Acquisition, the effective gross debt position of the Group will be c. 55 million, before taking into account the Group's evolving cash balance. At closing, the implied Debt-to-EBITDA ratio will approximate 1.25x and is anticipated to reduce from there as the year progresses given PPHC's cash generative nature.

#### Issue of New Common Shares

As part of the initial consideration payable, 2,966,138 New Common Shares are to be issued to Mr. Jim Wilkinson and certain key employees on closing. An application will be made for the New Common Shares, which will rank pari passu with the existing Common Shares in issue, to be admitted to trading on AIM ("Admission"). Dealings are expected to commence shortly after the closing date and a further update will be provided at the time of closing, including the total issued and voting share capital upon admission.

#### PPHC Trading Update

#### Financial Highlights 2024 and 2025 Outlook

The trading results below are preliminary and unaudited.

- FY2024 revenue increased by 10.8% to 149.6m (2023:135.0m), with organic growth contributing 2.7% and the balance driven by the acquisitions of Lucas Public Affairs on 1 May 2024, of Pagefield Communications on 7 June 2024, as well as the annualisation of MultiState's contribution which was acquired on 1 March 2023. Organic growth of 2.7% was the outcome of slower organic growth of 1.2% in H1, followed by stronger organic growth of 4.1% in H2, especially fuelled by a return of project work (and growth) on the Public Affairs side. By segment, for FY2024 the Group saw organic growth of 4% in Government relations, of -5% in Public Affairs and of 23% in Diversified Services.

	FY2024	% of total	Reported growth			Organic growth		
			H1	H2	FY	H1	H2	FY
Government Relations	102.4	69%	8%	6%	7%	4%	3%	4%
Public Affairs	36.4	24%	(6%)	33%	13%	(13%)	4%	(5%)
Diversified Services	10.7	7%	97%	19%	47%	32%	19%	23%
Total	149.6	100%	8%	13%	11%	1%	4%	3%

- Underlying EBITDA increased 3% to 36.1m and was achieved at a margin of 24.1%, close to the Group's historic performance and guidance that margins will typically range between 25% and 30%. In 2024 the Group incurred 3.5m in exceptional expenses which was 3.0m more than in 2023 (2023: 0.5m). Of the 3.0m increase, 2.1m was from M&A related expenses (especially driven by the Group's first international acquisition) and 0.9m from additional start-up losses at Concordant. Adjusting for the 3.0m in incremental exceptional expenses, Group margin was 26.1%.

<b>Long term Underlying EBITDA</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2024 adj</b>
Underlying EBITDA (m)	9.3	13.5	21.5	32.0	31.2	35.1	36.1	39.1
Underlying EBITDA as % of Revenue	27.4%	24.4%	27.8%	32.2%	28.7%	26.0%	24.1%	26.1%

- The Group's balance sheet as at 31 December 2024 remained robust: against outstanding debt of 31.9m, the Group had 14.5m in cash, resulting in a net debt balance of 17.3m. As noted above, the acquisition of TrailRunner will increase the debt balance by 24m.
- The Group ended 2024 having serviced over 1,200 clients, with the number of clients spending more than 100k per annum increasing by 15% to 503 (2023: 437, restated for client consolidation).
- Following the US elections, management has seen significant new business activity and believes the Group is very well positioned for higher growth in FY2025.

#### **Enhancing Liquidity and Diversifying Investor Base**

The Company continues to explore opportunities to diversify its investor base and improve the liquidity of its common stock, including a focused approach on attracting US investors and, potentially, through a dual listing in the United States that would be in addition to its existing AIM listing. Further updates will be provided as appropriate.

#### **Update to PPHC Dividend Policy**

PPHC has proven to be a fundamental consolidator in what remains a globally consolidating sector, and the pipeline of acquisition opportunities in complementary geographies and disciplines - both within the US and internationally - continues to expand. The Board believes that in the coming months and years there is a significant opportunity to deploy further significant growth capital into such opportunities to enhance cash generation and better drive long-term shareholder returns. However, the Board believes the current share price does not support funding these M&A initiatives through the issuance of new equity and, therefore, will consider a proposal by management to adjust the dividend in order to retain more cash within the business.

For the financial year 2023, the Group paid 0.143 per share (equivalent to a pay-out ratio of approximately 62% of profits). Going forward, the Group intends to pay out approximately half of that, commencing with the anticipated dividend payment in May 2025.

This adjustment is intended to enable PPHC to act decisively on M&A, leveraging its financial flexibility to make targeted and earnings enhancing acquisitions that deliver immediate synergies and create value.

With a foundation of strong cash flow, minimal capital expenditure requirements, and a growing total addressable market, PPHC's strategy is designed to maximise both immediate and sustained shareholder returns.

#### **Capital Markets Event**

PPHC will host a Capital Markets Event for investors and analysts, commencing at 2.30 p.m. UK time on Thursday 30 January 2025. The event will be held at the London Stock Exchange, 10 Paternoster Square, London, EC4M 7LS, and hosted by Stewart Hall, CEO of PPHC, with representatives from some of the Group's operating companies also in attendance.

The Capital Markets Event will present an update on the Group's growth strategy, providing further insight into its service offerings and customer base, and will also discuss the threats and opportunities for businesses in the context of a new political environment for public affairs and communications.

If you wish to attend the event in person, please contact [pphc@buchanan.uk.com](mailto:pphc@buchanan.uk.com).

*This announcement contains inside information under the UK Market Abuse Regulation. The person responsible for arranging for the release of this announcement on behalf of the Company is Roel Smits, CFO.*

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## About PPHC

Incorporated in 2014, PPHC is a US-based government relations and public affairs group providing clients with a fully integrated and comprehensive range of services including government and public relations, research, and digital advocacy campaigns. Engaged by approximately 1,200 clients, including companies, trade associations and non-governmental organisations, the Group is active in all major sectors of the US economy, including healthcare and pharmaceuticals, financial services, energy, technology, telecoms and transportation. PPHC's services support clients to enhance and defend their reputations, advance policy goals, manage regulatory risk, and engage with US federal and state-level policy makers, stakeholders, media, and the public.

PPHC operates a holding company structure and currently has ten operating entities in the US and UK. Operating in the strategic communications market, the Group has a strong track record of organic and acquisitive growth, the latter focused on enhancing its capabilities and to establish new verticals, either within new geographies or new related offerings.

For more information, see [www.pphcompany.com](http://www.pphcompany.com).

## About TrailRunner International

TrailRunner International is a rapidly growing global strategic communications advisory firm that provides crisis communications, financial communications, litigation communications, and ongoing corporate communications support to the world's top enterprises, institutions, and individuals. The firm also has a strong and growing sports portfolio through its TrailRunner International Sports business, providing strategic business advisory and communications support to sports clients around the world. TrailRunner International is headquartered in Dallas/Fort Worth with offices in New York, Nashville, Abu Dhabi, Dubai, London, Shanghai, and Truckee.

TrailRunner's success is grounded in its strong culture which nurtures its rich talent base, leading to high retention rates of both clients as well as employees. Leadership talent includes Jim Wilkinson (Executive Chairman), Jim Hughes (CEO), Zack Kozlak (Head of US), Sarah Grubbs (Chief Growth Officer), Pat Shortridge (Head of Corporate and Public Affairs), Seth Hand (Head of International), Kelly Wallace (Chief Media/Brand Officer), David Lee (Chief Financial Officer), Georgia Walker (Managing Director, Head of London), Eric Bormann (Managing Director, Head of Dallas/Fort Worth), Lauren DiGeronimo (Managing Director, Head of Client Operations), Johanna Hoopes (Managing Director, Head of Nashville), Teresa Henderson (Managing Director, Head of Client Success), Trudy Wang (Managing Director, Head of Shanghai), and Jennifer Potthoff (Chief Administrative Officer).

For more information, see [www.TrailRunnerInt.com](http://www.TrailRunnerInt.com).

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