Yell Limited

Business Performance and Covid-19 Update

Yell’s key priority is the health and safety of our employees, customers and business partners. Aside from one or two exceptions where people need to check our offices, all employees are now remote working and just under 95% are successfully connected to our systems and can do their jobs.

In the last two weeks, we have seen sales to new customers drop significantly and anticipate that this may drop further and not recover until after the lockdown period has ended. For existing customers, there has been a steep rise in the number of requests to cancel their contracts and the early signs are that we could see a material increase in our customer churn over the lockdown period. We are taking all necessary actions to retain customers.

Overall, we believe our customer base will be materially impacted during the lockdown period. We therefore need to act quickly to reduce our costs now to conserve cash and protect the long-term future of Yell, the customers that we serve and the people who work for the company.

- With effect from Wednesday April 1st for a minimum of 2 months, we will take steps to furlough those employees whose roles have been directly affected by the Covid-19 under the government’s Job Retention Scheme in order to seek to avoid redundancies during these uncertain times.

- A further group of people will be asked to work a 4-day week for 80% of their normal salary. The remaining people in the business will continue to work as normal. The UK Senior Leadership Team will also be taking a 20% salary reduction during this period.

- We will also be materially scaling back our capital expenditure programme and reducing any remaining areas of discretionary spend including removing any consultants and temporary staff in non-business critical roles.

We are modelling various financial scenarios and there continues to be a high level of uncertainty around the severity and duration of the impact of Covid-19 on the business. We are however, beginning this lockdown period with a relatively healthy cash balance of approximately £35 million, including the £8.75 million drawn recently on our revolving credit facility.

Enquiries: yellinvestors@yell.com  T: +44 (0) 7507 571673
Contacts: Claire.Miles@yell.com  T: +44 (0) 7769 547859
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The information contained in this announcement does not comprise statutory accounts within the meaning of Section 434 of the Companies Act 2006. Statutory accounts for the year ended 31 March 2019 have been filed with the Registrar of Companies. The auditor has reported on the accounts and its report was unqualified and did not contain a statement under Section 498(2) or 498(3) of the Companies Act 2006.

This announcement may include forward-looking statements within the meaning of the securities laws of certain applicable jurisdictions. These forward-looking statements include, but are not limited to, all statements other than statements of historical facts, including, without limitation, those regarding our intentions, beliefs or current expectations concerning, among other things, our future financial conditions and performance, results of operations and liquidity, our strategy, plans, objectives, prospects, growth, goals and targets, future developments in the markets in which we participate or are seeking to participate, and anticipated regulatory changes in the industry in which we operate. These forward-looking statements can be identified by the use of forward-looking terminology, including, but not limited to, terms such as “aim”, “anticipate”, “assume”, “believe”, “continue”, “could”, “estimate”, “expect”, “forecast”, “guidance”, “intend”, “may”, “outlook”, “plan”, “predict”, “project”, “should”, “will” or “would” or, in each case, their negative, or other variations or comparable terminology.

By their nature, forward-looking statements involve known and unknown risks, uncertainties and other factors because they relate to events and depend on circumstances that may or may not occur in the future. We caution you that forward-looking statements are not guarantees of future performance and are based on numerous assumptions. Our actual financial condition, results of operations and cash flows, and the development of the industry in which we operate, may differ materially from (and be more negative than) those made in, or suggested by, the forward-looking statements contained in this announcement. In addition, even if our financial condition, results of operations and cash flows, and the development of the industry in which we operate, are consistent with the forward-looking statements contained in this announcement, those results or developments may not be indicative of results or developments in subsequent periods. We undertake no obligation publicly to update or revise any forward-looking statements, except as may be required by law.

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