



WRITTLÉ

1 July 2020

Dear Writtle Shareholder,

I wrote to you on 3 April with a shorter than usual unaudited 2019 Report and Accounts as we needed to focus on the threat to our business posed by the Covid-19 pandemic.

Three months on, I thought you would appreciate an early assessment of the impact on our business of the pandemic and our trading during that time, together with an update on our final dividend which was suspended at the time of the report. A more complete picture of trading will follow with our Interim Report which will be sent to you in August 2020.

Most importantly, I am pleased to report that our employees have been kept safe and we have strictly observed government Covid-19 guidelines. This has taken an enormous effort by all our management teams who have had a number of challenges to overcome, either through transferring work equipment to employee homes or making those workplaces safe where jobs could not be done from home, and all in a very short timescale.

Trading Update

Our trading has been better than anticipated at the time of lockdown in March 2020.

We reacted quickly to the anticipated drop off in demand caused by the pandemic, with hard decisions being taken to reduce our cost base. All overheads were reviewed, especially property costs, and about a quarter of our employees needed to be furloughed. At the same time, our priority was to give our clients an uninterrupted service of the highest standard and we were successful in matching resource with client demand. Although trading across our businesses has been variable by sector and by client, the outcome was that Writtle has been profitable each month of the second quarter. Combining this resilient second quarter performance with a good start to the year will give Writtle a half year profit close to the same period last year.

We have also prioritised cash management and our net cash position stood at over £12m at the end of June 2020.

Full details of trading will be contained in our Interim Report.

Dividend Recommendation

In my last statement to shareholders, I said that we would resume dividend payments as soon as we felt it prudent to do so. Based on our better than expected trading and significant cash balances, your directors are recommending a final ordinary dividend per share for 2019 of 12p (2018: 12p) making total ordinary dividends for the year of 18.25p (2018: 17.5p). Subject to shareholder approval (please sign and return the attached form), this will be paid on 31 July 2020 to shareholders on the register at 30 June 2020.

We will consider an interim dividend for 2020 at the time of the publication of our Interim Report.

Conclusion

It is still too early to predict the full economic implications of the pandemic, but our businesses have adapted well to operate profitably in the current environment. Although revenues and profits will be behind our original budgets for the full year, we are satisfied with our performance to date and are confident that our strong balance sheet and the quick response of our management teams will help us overcome any further downturns.

Finally, I cannot think of a time when it has been more appropriate for me to thank our employees for their hard work and fortitude than over the past three months. Many of our employees have endured financial hardship through furlough or pay reductions, most have been dislocated from their usual social and working environments, and all have had the shadow of a new and deadly virus hanging over our daily lives. Despite this adversity, our employees have managed to deliver an unbroken and high quality service to our clients, and at the same time have discovered new and innovative ways of working which will likely see Writtle emerging from the crisis even stronger than before.

Yours faithfully

A handwritten signature in black ink, appearing to read 'Robert Essex', written in a cursive style.

Robert Essex
Chairman