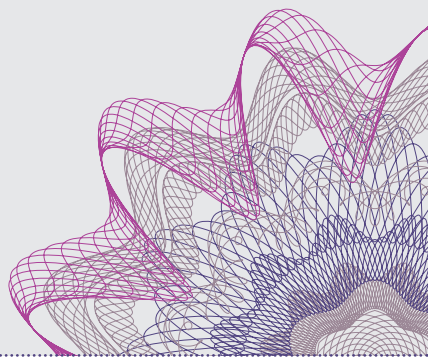


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De La Rue Turnaround Takes Shape

De La Rue's new CEO, Clive Vacher, has released preliminary details of the company's eagerly-anticipated turnaround plan, the key pillars of which are a sharper focus on the two businesses in currency and authentication, an accelerated cost reduction programme resulting in annual savings of £35 million, and investment in products, services and features for polymer banknotes. The share price, which hit a historic low earlier this month, jumped 15% on the news.



Clive Vacher, CEO of De La Rue

Central to the success of the three-year plan will be reining in costs, and rebasing the cost structure, which will allow the company to tender for currency orders that it would have previously declined. A significant part of the cost reduction programme will be complete by this August, and the targeted annual savings of £35 million will start taking effect in the second half of 2020/21, feeding through to an adjusted operating profit margin in a 'mid-teens percentage' for the currency business.

The savings include £10 million already realised in the current financial year, and significantly exceed the cost reduction commitment of £20 million by 2021/22 made by the previous management. The restructuring costs will be in the region of £17 million.

'I am confident this is the right plan for De La Rue,' said Mr Vacher, a turnaround specialist who took charge last October. 'There is a considerable amount of work to be done and the company has a single, focused plan, a fully aligned leadership team and a greatly enhanced structure.'

Full details of the plan will be provided in May, along with the year end results for 2019/20.