

AIM: SUPPORT SERVICES

INTERQUEST (ITQ)

Bankers boost InterQuest

Bankers may not be popular at the moment but they have clearly given a boost to InterQuest's results for the half-year to end-June 2010. During this period the contribution from the public sector in terms of net fee income (NFI) fell from 29 per cent to 21 per cent, but



revenues from recruiting banking executives jumped a remarkable 48 per cent. As a result, overall NFI rose by 14 per cent at £7.03m.

So are IQ's results a sign that stimulus in the private sector could actually help to offset the expected loss of government jobs following the autumn spending review? Well, the coalition government certainly hopes that the private sector will be able to pick up the slack, and IQ clearly believes so, as it has dramatically increased the number of employed fee-earners.

By January 2010 the total had shrunk to 118. Then it rose to 137 by July 2010 and is currently 146 with another 12 due to be recruited this year and even more through 2011. At the same time the good old EU is coming to the rescue of UK recruiters by introducing risk management rules for insurance companies in November 2011.

New broker Finncap forecasts full-year sales up from £97.4m to £103m and profits £800,000 higher at £2.6m. Earnings advance from 4.3p to 5.1p.

IQ could be the coalition mascot. If it's right on the jobs front, there's going to be less pain for a far shorter period. The shares remain a buy.

Buy

Ord Price: 59.5p Market Value: £18.7m
Touch: 57-62p 12-Month High: 69.5p Low: 46.5p
Dividend Yield: 4.2% PE Ratio: 13
Net Asset Value: 63.4p* Net Debt: 13.5%
*Includes intangibles of £14m, or 45p a share

Half-year to 30 Jun	Turnover (£m)	Pre-tax profit (£m)	Earnings per share (p)	Dividend per share (p)
2009	49.21	0.91	2.2	nil
2010	55.33	1.06	2.5	0.5
% change	+12	+16	+14	-

Last IC view: Buy, 49.5p, 8 Mar 2010 Ex-div: 29 Sep Payment: 28 Oct

