

Keyword: CITIBASE

Office group takes AIM

Acquisitive serviced office provider Citibase Holdings is seeking 500,000 at 80p to lead consolidation in this fragmented market.

Steve Jude, 45, former successful sales and marketing chief at market leader Regus, is chief executive of Citibase, which hopes to raise the money despite tough stock market conditions through broker FinnCap, to value the company at 5 million. Targeting small to medium-sized corporate clients from 14 locations around the country with a mix of leases and management contracts, Citibase aims to prove its worth by significantly boosting the yield of office space, essentially by increasing the density of workstations.

Arguing that Citibases average charge of 330 per workstation is less than half that demanded by bigger players Regus and MWB, several of whose key lieutenants are also from Regus, Jude says he wants to open up to 50 more centres in three to four years. He is looking at Exeter now and points that getting in at the right stage of the lease is crucial.

The company is looking to make acquisitions with a mix of shares and cash, hoping that todays business climate will produce more realistic selling prices than hitherto. Following a dramatic turnaround in the year to February from 554,000 losses to 641,000 pre-tax profits on revenues up 15 per cent to 10.1 million, interim pre-tax profits have surged to 544,500 on a five per cent revenue gain to 5.2 million.

Citibase now has 3 million cash. Jude claims it can make money charging less than the big groups because of cost-consciousness and low overheads we can make money in Bewdley.

With companies anxious to help their finances through a more economical use of office space, FinnCap sees Citibase increasing pre-tax profits to 1million this year and 1.3million next.

The companys two founders, property finance men Ian Read, now chairman, and David Joseph, hold 40 per cent each of Citibase, which should be one to watch.

Save 50% off your first years subscription to Growth Company Investor magazine, and gain immediate access to all the recommendations online. [Click here.](#)

Keyword: CITIBASE

<http://www.growthbusiness.co.uk/news/city-news/816877/office-group-takes-aim.shtml>