

Thursday 30 October 2014

THE ALUMASC GROUP PLC ("ALUMASC" OR THE "GROUP")

INTERIM MANAGEMENT STATEMENT

Alumasc, the premium building and engineering products company, is publishing its first interim management statement for the year ending 30 June 2015 covering the period from 1 July 2014 to date, ahead of its Annual General Meeting being held in London at 10.30am today.

Overall, trading to date has been in line with the Board's expectations. Group revenues from continuing operations¹ are ahead of prior year to date levels by some 5%, with Building Products divisional revenues up by 9% and Engineering Products divisional revenues lower by 10%. Cash generation remains strong and the group's overall cash flow performance is in line with our expectation.

The Building Products division continues to benefit from improving market demand, the introduction of new products and steady export market penetration. Our roofing and walling businesses, in particular, have had a much better than expected start to the year, building on the positive ongoing momentum in our rainwater, drainage and house building products businesses. In view of these trends, the Board anticipates that the Building Products divisional performance for the full financial year will be stronger than envisaged at the beginning of the year.

In the Engineering Products division, Alumasc Precision Components (APC) has continued to operate at broadly EBITDA break-even from lower sales, reflecting the managed exit from loss making work over the last year and cost saving initiatives. Recently, we were informed by a European customer that replacement work on a new engine variant will not be awarded to APC and negotiations to settle the final account are ongoing. Meanwhile, Dyson Diecastings continues to trade in line with expectations.

Therefore, whilst still relatively early in the financial year, the Board remains positive on prospects for the year as a whole in view of the encouraging start from the majority of our businesses.

As part of its strategic review announced in September, the Board has concluded that APC, which competes in a global market supplying large international OEMs, no longer fits Alumasc's growth strategy. Therefore we are in the early stages of exploring opportunities to sell the business. Dyson Diecastings, which remains a strong business operating independently from APC, will be unaffected.

This strategic decision will enable Alumasc to focus its management and financial resources on accelerating the growth and development of the group's successful building products activities, with the objective of creating better value for shareholders in the medium term.

Note 1: Revenues from continuing operations in both the current and prior year have been adjusted to exclude Pendock, the non-core building products business sold by Alumasc on 30 September 2014.

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This Interim Management Statement has been drawn up and presented for the purposes of complying with English law. Any liability arising out of or in connection with this Interim Management Statement will also be determined in accordance with English law.

This Interim Management Statement may contain 'forward-looking statements'. By their nature, forward-looking statements involve risk and uncertainty because they relate to future events and circumstances. Many of these risks and uncertainties relate to factors beyond The Alumasc Group's control or which cannot be estimated precisely, such as future market conditions and the behaviour of the market participants. Actual outcomes and results may therefore differ materially from any outcomes or results expressed or implied by any such forward-looking statements.

Nothing in this Interim Management Statement is intended to be a profit forecast.

This information is provided by RNS
The company news service from the London Stock Exchange

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Interim Management Statement

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Results and Trading Reports

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