

23 July 2020

THE ALUMASC GROUP PLC

("ALUMASC")

Trading Statement

June sales significantly ahead of internal forecasts

Alumasc, the premium building products, systems and solutions group, provides the following update on trading. The financial year to 30 June 2020 ended with improving trading, with sales in the second half of May and during June significantly ahead of internal forecasts made earlier in the pandemic. Revenue for the year ended 30 June 2020 is now expected to be approximately £76m a decrease of c.16% on the previous year almost entirely as a result of the COVID-19 lockdown, with the bulk of the impact felt during late March, April and early May.

Our primary focus continues to be the safety and wellbeing of our employees, suppliers and customers. Alumasc's health and safety practices follow UK Government guidelines at all our sites in terms of being COVID-19 secure.

FY2020 and current trading

Despite the adverse impact of the reduced revenue, profitability has benefitted from internal initiatives to reduce costs, as advised in previous announcements. Prior to the outbreak of the COVID-19 pandemic Alumasc was already in the process of implementing a cost saving programme focussed on realising synergies available following the acquisition of Wade, together with other operational efficiencies and improvements. Subsequent to the lockdown this process was accelerated, and further actions were taken, including the reduction of all non-essential expenditure, a freeze on all non-essential recruitment and a redoubling of our efforts around working capital resulting. All actions combined generated total cost savings of £2.4m compared to the prior financial year.

Encouragingly, improved levels of trading have continued into July, and all sites and manufacturing locations are now fully operational. Each location has implemented appropriate social distancing requirements without any loss of productivity.

Order intake has matched the general pick-up in construction activity and inquiry levels continue to be strong both in the UK and from the Group's targeted overseas markets. There has also been increased interest in the Group's premium and sustainable product range, which is well positioned to benefit from the UK Government's announced planned expenditure on a wide range of infrastructure and public sector construction projects.

Balance sheet and liquidity

As at 30 June 2020, the Group had net debt of £4.3m (compared to £5.1m at 30 June 2019). This is comfortably ahead of management's expectations as at the start of the final quarter once lockdown started, with leverage and interest cover metrics at 30 June 2020 well within covenant limits, reflecting the encouraging recent trading performance and effective working capital focus. The Company has also benefitted from a VAT deferral.

Group liquidity is strong with £15.7m cash held at 30 June 2020, following the draw down of the RCF. The Group's total bank facilities are £24m, comprising the committed RCF of £20m and overdraft facilities of £4m. Hence the Group had headroom of £19.7m against its total banking facilities at 30 June 2020.

Outlook

Trading has been better than management expected at the outset of COVID-19 and continues to show an improving trend, despite the challenging environment.

Alumasc's cost savings programme, liquidity management, strong balance sheet and improved commercial positioning underpin a robust platform that should greatly benefit the Group into a broader economic recovery when it materialises. Alumasc's primary aim is to manage the long-term sustainability of the business and to focus on its key strategic objectives, growing revenues faster than the UK construction market and being a supplier of sustainable building products.

Alumasc expects to release its preliminary results in September 2020. Given the uncertain economic backdrop, financial guidance remains suspended at present, and the Board will provide an update in September 2020.

This announcement contains inside information for the purposes of Market Abuse Regulation (Regulation (EU) No. 596/2014). The person responsible for making this announcement on behalf of the Company is Helen Ashton, Group Company Secretary.

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Notes to Editors:

Alumasc is a UK-based supplier of premium building products, systems and solutions. Almost 80% of group sales are driven by building regulations and specifications (architects and structural engineers) because of the performance characteristics offered.

The Group has three business segments with strong positions and brands in their individual markets. The three segments are: Building Envelope; Water Management; and Housebuilding Products.

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Anonymous (not verified)

Trading Statement

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Thu, 07/23/2020 - 07:00

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Results and Trading Reports

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