

stadium group plc

# INTERIM RESULTS

# 2011

[stadium-interim-report2011.com](http://stadium-interim-report2011.com)

1911 CENTENARY 2011  
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 **stadium**

- Solid results in a period of change
- Sale of surplus freehold property - £2.6m
- Pension scheme closed to future accrual
- Management and operations reorganisation underway
- Business wins in key target sectors
- New Chief Executive appointed 1 Sept 2011 - **Stephen Phipson CBE**

# NEW CHIEF EXECUTIVE APPOINTED

## 1 SEPT 2011

Interim Results 2011

### **Stephen Phipson CBE** **Chief Executive**

- President of Smiths Detection from 2004 to 2011
- Joined Smiths Group plc in 1997
- Previously Managing Director of Smiths Interconnect
- Senior roles in the global electronics and defence industries
  
- MSc in Operations Management
- Chairman of the UKTI Security Sector Advisory Group
- Former Vice President, Security, ADS
- Fellow of the Institute of Directors (IOD)
- Trustee and council member of the Royal United Services Institute (RUSI)
- Founding Chair of the UK Security and Resilience Industry Suppliers Community (RISC)
  
- Awarded the CBE for services to the security and defence industry in 2010



## ELECTRONICS






- Electronic design and build for original equipment manufacturers (OEMs)
- BEST-FIT manufacturing model
- Diverse sector experience including **smart metering, low energy lighting, fire control panels, medical products, IP security and stairlift control.**

## POWER

- Design, manufacture and distribution of electronic power supplies
- Supplying OEMs in **medical equipment, lighting, gaming machines, access control, vending and telecommunications.**

## 2011 H1 FINANCIAL HIGHLIGHTS

Interim Results 2011

- Revenues  **£23.2m** (2010 H1: £23.13m)
- PBT  **£1.58m** (2010 H1: £1.45m)
- Net cash  **£3.70m** (2010 H1: £1.83m)
- Underlying EPS  **3.9p** (2010 H1: 3.9p)
- Dividend  **1.05p** (2010 H1: 0.95p)

# INCOME STATEMENT

Interim Results 2011

CONTINUING OPERATIONS For the six months ended 30 June 2011	30 June 2011 £000'S	30 June 2010 £000'S
<b>Revenue</b>	<b>23,201</b>	23,132
Cost of sales	<b>(18,647)</b>	(18,383)
<b>Gross profit</b>	<b>4,554</b>	4,749
Operating expenses	<b>(2,783)</b>	(3,017)
<b>Operating profit</b>	<b>1,771</b>	1,732
Finance costs	<b>(195)</b>	(286)
<b>Profit before tax</b>	<b>1,576</b>	1,446
Taxation	<b>(483)</b>	(306)
<b>Profit from continuing operations</b>	<b>1,093</b>	1,140
Profit from discontinued operations	-	(14)
<b>Profit attributable to equity holders of the parent</b>	<b>1,093</b>	1,126
<b>Continuing operations</b>		
Basic earnings per share (p)	<b>3.9</b>	3.9
Diluted earnings per share (p)	<b>3.9</b>	3.9
<b>Continuing and discontinued operations</b>		
Basic earnings per share (p)	<b>3.9</b>	3.9
Diluted earnings per share (p)	<b>3.9</b>	3.9

# SUMMARISED CASH FLOW

Interim Results 2011

	6 months 30 June 2011 £000's	6 months 30 June 2010 £000's	12 months 31 Dec 2010 £000's
<b>Operating profit – continuing operations</b>	<b>1,771</b>	1,732	3,343
Operating profit – discontinued operations	-	247	247
<b>Depreciation – continuing operations</b>	<b>286</b>	359	661
Depreciation – discontinued operations	-	99	99
(Profit)/Loss on sale of fixed assets	<b>(473)</b>	-	81
Working capital	<b>(133)</b>	(762)	(1,694)
<b>Trading cashflow</b>	<b>1,451</b>	1,675	2,656
Pensions	<b>(1,352)</b>	(1,459)	(1,815)
Tax	<b>(134)</b>	(178)	(526)
<b>Operating cashflow</b>	<b>(35)</b>	38	315
Fixed assets	<b>2,460</b>	(225)	(334)
Proceeds from divestment	-	2,112	2,001
Interest/loans	<b>(398)</b>	(418)	(820)
Equity share capital subscribed	<b>39</b>	130	130
Dividends	<b>(453)</b>	(421)	(699)
<b>Increase in cash</b>	<b>1,613</b>	1,216	593

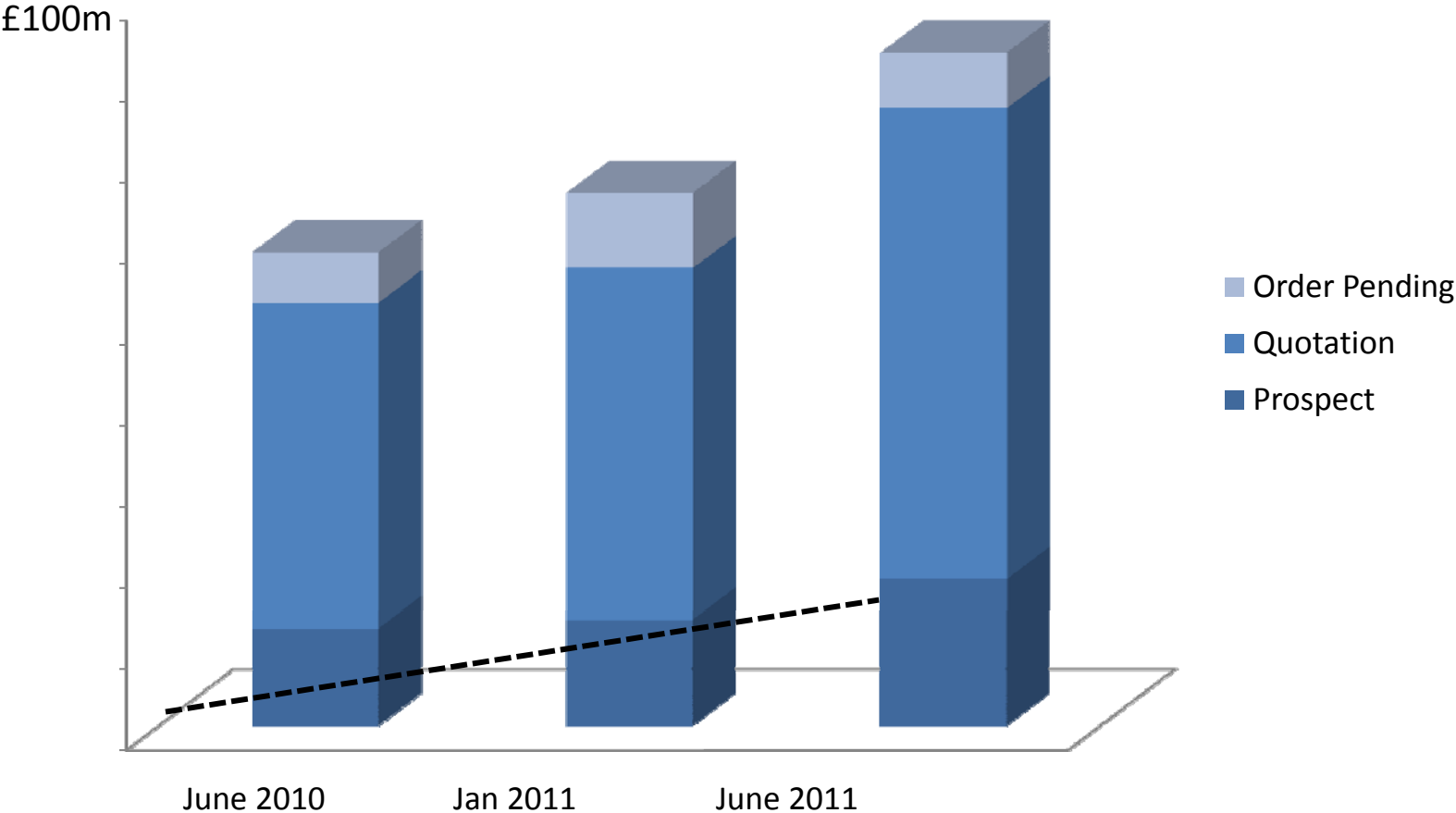
# STATEMENT OF FINANCIAL POSITION

Interim Results 2011

CONTINUING OPERATIONS For the six months ended 30 June 2011	30 June 2011 £000'S	30 June 2010 £000's	31 Dec 2010 £000'S
Tangible assets	3,699	4,331	3,987
Intangible assets	2,689	2,728	2,707
Other receivables	-	-	441
	<b>6,388</b>	7,059	7,135
Inventory	6,523	5,031	6,176
Receivables	10,590	9,870	8,369
Payables	(12,029)	(11,140)	(9,936)
Working capital	<b>5,084</b>	3,761	4,609
Non-current assets held for sale	-	2,041	2,041
Bank - cash	5,674	4,684	4,061
Bank - loans	(1,972)	(2,855)	(2,394)
	<b>3,702</b>	1,829	1,667
Net pension liability	(4,688)	(4,837)	(5,641)
Other	(29)	(25)	(30)
Net assets	<b>10,457</b>	9,828	9,781
Gearing	<b>Nil</b>	Nil	<b>Nil</b>

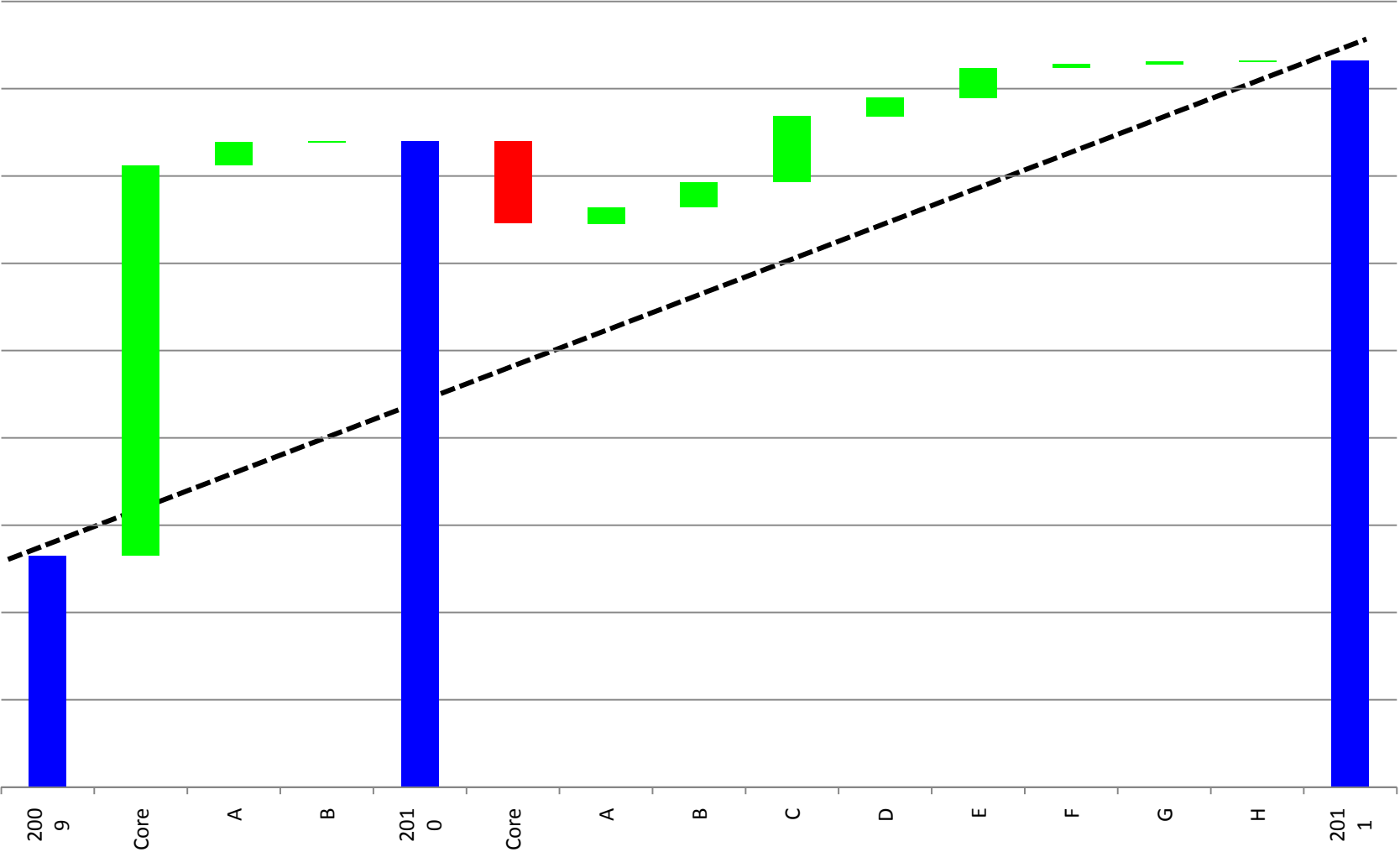
# ORGANIC GROWTH UNDERPINNED BY STRONG ENQUIRY PIPELINE

Interim Results 2011



# ORGANIC GROWTH THROUGH WINNING NEW CUSTOMERS

Interim Results 2011



# FUTURE DIRECTION

Interim Results 2011

## EMS



- Aggressive organic growth
- Acquisitions – regional/sector

- Operational excellence
  - Procurement leverage
  - Value engineering
  - Organisational structure

## POWER



- Acquisitions - product and design
- Organic growth - sales team expansion

## PROPRIETARY TECHNOLOGY



- Own brand and Intellectual property
- Innovation
- Technology centre
- Acquisitions

- **INVESTMENT IN:**
  - Management structure
  - Operations
  - Sales teams UK, Europe and Asia
  
- **FOCUS ON:**
  - Multi-location customer base
  - Global procurement leverage

- Market / economic uncertainty
- Investment in sales and operations
- New business sales pipeline underpins organic growth
- Target market wins in key sectors
- Strong balance sheet enables potential acquisitions

# APPENDIX

# SEGMENTAL ANALYSIS

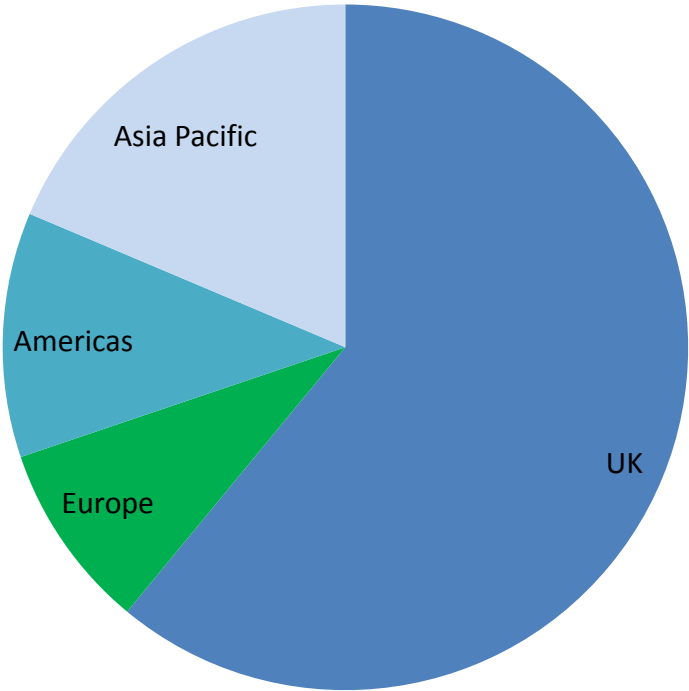
Interim Results 2011

<b>CONTINUING OPERATIONS</b> For the six months ended 30 June 2011	<b>30 June</b> <b>2011</b> £000's	<b>30 June</b> <b>2010</b> £000's
<b>Revenue</b>	<b>23,201</b>	23,132
Electronics	<b>20,722</b>	21,101
Power	<b>2,479</b>	2,031
<b>Operating profit</b>	<b>1,771</b>	1,732
Electronics	<b>1,243</b>	1,381
Power	<b>528</b>	351

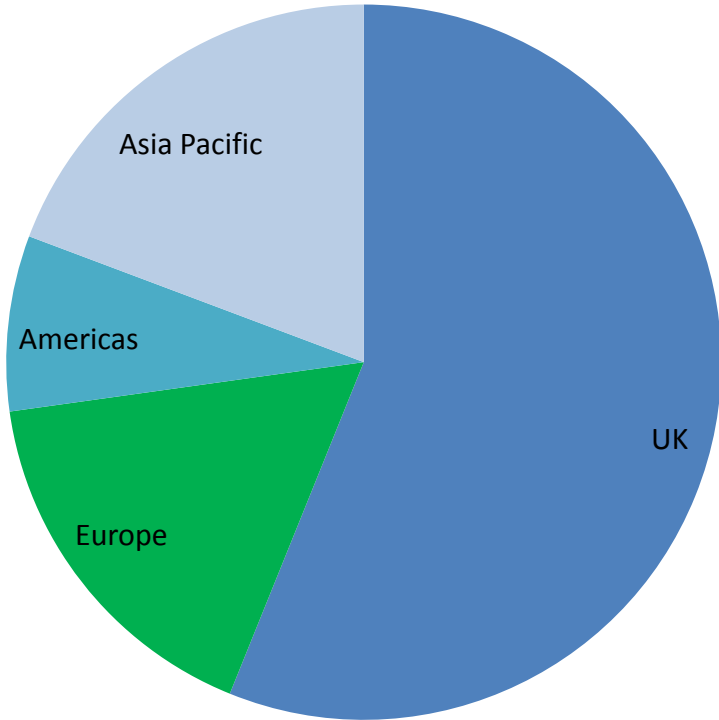
# REVENUE BY DESTINATION

Interim Results 2011

2011 H1



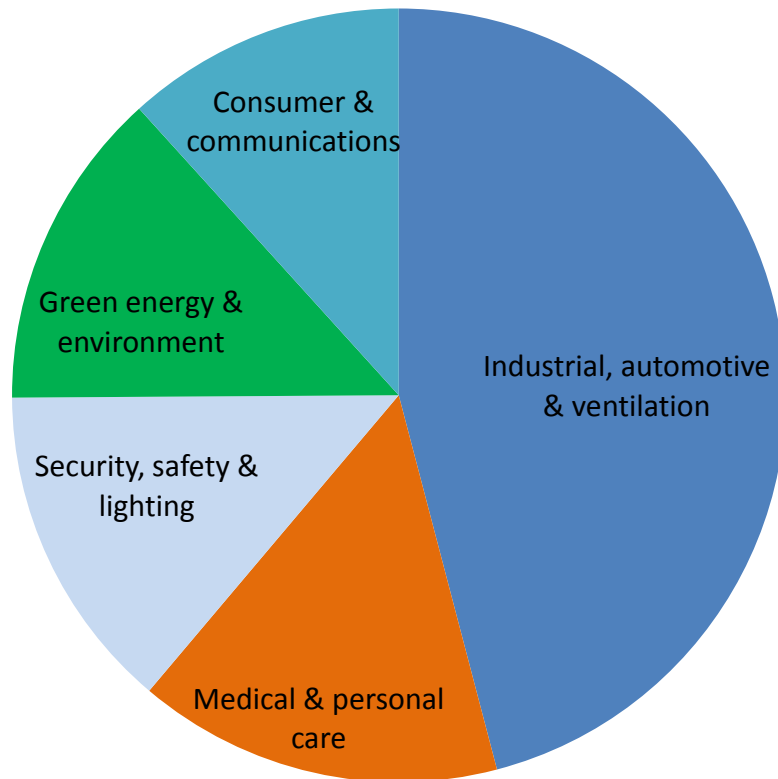
2010 H1



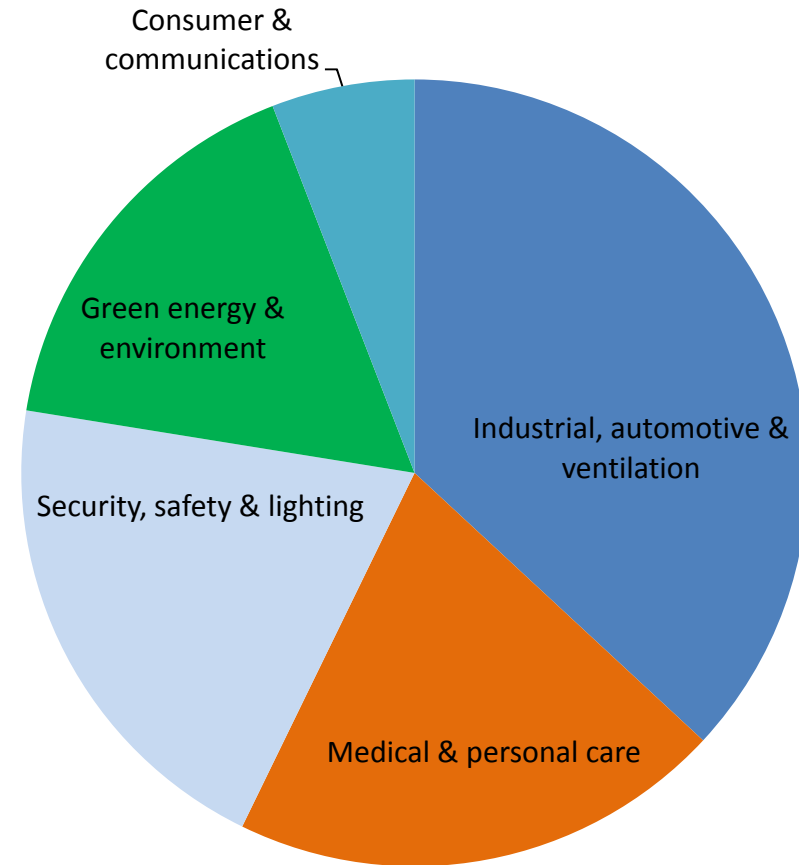
# REVENUE BY MARKET SECTOR

Interim Results 2011

2011 H1



2010 H1



## PRESENTING TEAM

Interim Results 2011

### **Nick Brayshaw OBE** **Chairman**

Nick was appointed as a Non-executive Director at Stadium in April 2005 and Chairman in April 2006. He began his career with Rio Tinto plc and Caradon plc, before being appointed Group Chief Executive of Wagon plc until March 2004. He was an independent member of the Business and Innovation Group Board of the Department of Trade and Industry from 2000 to 2006, and Chairman of the CBI Manufacturing Council from 2003 to 2007.

Nick is currently Chairman of global manufacturing business Worldmark International Limited, which was recently named as one of Britain's top private equity-backed companies with the fastest growth over the last two years.

### **Stephen Phipson CBE** **Chief Executive**

Stephen Phipson CBE was the President of Smiths Detection from 1 August 2004 to August 2011. He joined Smiths Group plc in 1997 and was previously Managing Director of Smiths Interconnect as well as previous several senior roles in the global electronics and defence industries.

Stephen has an MSc in Operations Management, is Chairman of the UKTI Security Sector Advisory Group, former Vice President Security, at ADS, a trustee and council member of the Royal United Services Institute (RUSI) and a Fellow of the Institute of Directors (IOD). He is the founding Chair of the UK Security and Resilience Industry Suppliers Community (RISC).

Stephen was awarded the CBE for services to the security and defence industry in 2010.

## PRESENTING TEAM

Interim Results 2011

### **Colin Wilson** **Finance Director**

Colin, a Chartered Accountant, was appointed Finance Director for Stadium in February 2008. He originally joined Stadium in April 2006 as Finance Manager and was appointed as Company Secretary in December 2006.

Formerly, Colin spent 10 years within ICI's Uniqema business, in diverse roles covering production accounting, systems implementations, planning and performance management and business analysis. He trained with Coopers & Lybrand prior to moving into industry.

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