

stadium group plc

Interim Results to 30 June 2009



engineering partnerships, manufacturing solutions.



- ⇒ Underlying PBT > £1m
- ⇒ Strong cash flow and balance sheet
- ⇒ Major new contract wins for UK EMS
- ⇒ Board appointment
- ⇒ Optimistic for growth prospects in 2010
- ⇒ Interim dividend of 0.8p (2008: 1.25p)



Interim Results 2009

Colin Wilson. Finance Director



- ❖ **Total revenue** reduced 3% to £22.34m (2008: £23.06)
- ❖ Underlying activity level down approximately 24%
- ❖ Early action to reduce operating costs
- ❖ Underlying **Profit before tax** down 26% to £1.04m (2008: £1.40m)
- ❖ **Operating cash flow conversion** 226% (2008: 135%)
- ❖ Gearing down from 19.7% to 6.5%
- ❖ Headroom on bank facilities up to £5.53m (31 Dec 08: £4.05m)
- ❖ Earnings per share down 38% to 2.4p

income statement

Interim results 2009



for the six months ended 30 June

	30 June 2009 £m	30 June 2008 £m
Revenue	22.34	23.06
Cost of sales	(17.53)	(17.83)
Gross profit	4.81	5.23
Operating expenses*	(3.74)	(3.74)
Operating profit	1.07	1.49
Finance costs	(0.19)	(0.09)
Profit before tax	0.88	1.40
Taxation	(0.20)	(0.28)
Profit for the period	0.68	1.12
Basic earnings per share	2.4p	3.9p
Diluted earnings per share	2.4p	3.8p

* including £0.16m of redundancy payments in 2009

segmental analysis

Interim results 2009



segment analysis

	2009	2008
	£m	£m
Revenue	22.34	23.06
EMS	15.36	15.20
Power	1.47	2.17
Branded plastics	5.51	5.69
Operating profit*	1.07	1.49
EMS	0.97	1.16
Power	0.05	0.36
Branded plastics	0.38	0.25
Unallocated	(0.33)	(0.28)

*after redundancy costs of £0.16m in 2009

summarised cash flow

Interim results 2009



summarised cash flow

	<u>6 months</u> <u>30 June</u> <u>2009</u> <u>£m</u>	<u>6 months</u> <u>30 June</u> <u>2008</u> <u>£m</u>	<u>12 months</u> <u>31 Dec</u> <u>2008</u> <u>£m</u>
Operating profit	1.07	1.49	3.12
Working capital	0.87	0.13	0.10
Depreciation	0.49	0.38	0.90
Trading cashflow	2.43	2.00	4.12
Pensions	(0.54)	(0.58)	(1.21)
Tax	(0.44)	(0.03)	(0.16)
Operating cashflow	1.45	1.39	2.75
Fixed assets	(0.04)	(0.20)	(0.63)
Acquisitions	-	-	(2.50)
Interest/loans	(0.11)	(0.09)	2.75
Dividends	(0.38)	(0.74)	(1.10)
Increase in cash	0.92	0.36	1.28

statement of financial position

Interim results 2009



Statement of financial position	30 June 2009 £m	31 Dec 2008 £m	30 June 2008 £m
Tangible assets	6.94	7.72	6.48
Intangible assets	2.76	2.76	1.52
Other receivables	0.49	0.49	0.51
	10.19	10.97	8.51
Inventory	4.72	5.55	5.43
Receivables	9.01	9.29	8.58
Payables	(9.26)	(9.35)	(9.74)
Working capital	4.47	5.49	4.27
Bank - on demand	2.66	1.74	0.81
Bank - 1 to 5 years	(3.31)	(3.79)	(0.94)
	(0.65)	(2.05)	(0.13)
Net pension liability	(3.34)	(3.77)	(3.55)
Other	(0.03)	(0.03)	-
Net assets	10.64	10.61	9.10
Gearing	6.5%	19.7%	1.4%



- ⇒ Customer retention/service
- ⇒ Focus on credit risk and inventory management
- ⇒ Maximise cash and liquidity
- ⇒ Reduce costs
 - material
 - operating costs
 - overheads
- ⇒ Increase sales activity

Stadium Electronics – electronic manufacturing services



- ❖ Sales up 1% to £15.36m
- ❖ Business strengthened by Zirkon acquisition
 - customers
 - sales and marketing activity
 - operations best practice
 - buying power
 - management resource
- ❖ New contract wins
- ❖ UK EMS capacity increase in 2009 H2

Stadium Electronics – electronic manufacturing services



- ❖ New contract wins for 2009 H2:
 - Traffic management displays
 - Water metering equipment

- ❖ Key industry clusters:
 - Ventilation, energy and water management
 - lighting, fire & security
 - mobility, medical and personal care
 - transport infrastructure



- ⇒ Sales down 32% to £1.47m
- ⇒ Exposure to capital goods sector
- ⇒ Cost savings – break even
- ⇒ Cash generative
- ⇒ Maintained focus on new business generation
- ⇒ Uplift in 2009 H2 and optimistic on prospects



Stadium Building Products & Quest Consumer Products

- ⇒ Volume steady
- ⇒ Gaining market share
- ⇒ Margins restored to 2007 level
- ⇒ New customers added



Position

- strong balance sheet
- cash focus
- broad spread across several geographical markets / industry sectors
- management

Prospects

- positioned well for continued growth / challenging conditions
- new business channel strong
- enhanced market profile
- acquisition opportunities



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