



stadium group plc

Preliminary Results to 31 December 2008

4 March 2009





- ⇒ Strong revenue growth
- ⇒ Increased profits and earnings
- ⇒ Acquisition integration ahead of plan
- ⇒ Cash conversion 132%, gearing 19%
- ⇒ Current trading conditions difficult
- ⇒ Pre-emptive actions taken



- ⇒ Stadium ELECTRONICS
- ⇒ Stadium POWER
- ⇒ Branded Plastics
- ⇒ Financial Structure

RESULTS:

Annual results 2008



consolidated income statement

	2008	2007
	£m	£m
Revenue	47.61	40.76
Operating profit	3.12	2.96
Property disposal	-	0.10
Finance costs	(0.34)	(0.30)
PBT	2.78	2.76
Earnings per share	7.6p	7.4p *

* excluding property disposal

RESULTS:

Annual results 2008



segmental analysis

	2008 £m	2007 £m
Revenue	47.61	40.76
EMS	32.83	25.77
Power	3.92	3.64
Branded plastics	10.86	11.35
Operating profit	3.12	2.96
EMS	2.52	1.98
Power	0.64	0.48
Branded plastics	0.43	0.80
Unallocated	(0.47)	(0.30)

RESULTS:

Annual results 2008



cash flow (1)

	2008	2007
	£m	£m
Operating profit	3.12	2.96
Depreciation	0.90	0.78
Working capital	0.17	1.04
Other	(0.07)	0.07
Trading cashflow	4.12	4.85
Pension contributions	(1.21)	(1.05)
Tax paid	(0.16)	(0.12)
Operating cashflow	2.75	3.68

RESULTS:

Annual results 2008



cash flow (2)

	2008	2007
	£m	£m
Operating cash flow	2.75	3.69
Fixed assets	(0.63)	2.26
Acquisitions	(2.50)	(0.67)
Bank borrowings (inc. interest)	2.75	(2.63)
Dividends	(1.10)	(1.05)
Net cash inflow	1.28	1.60

RESULTS:

Annual results 2008



cash flow (3)

	2008	2007
	£m	£m
Net cash inflow	1.28	1.60
Bank borrowings (excl. interest)	(2.83)	2.29
Net bank debt at start of year	(0.50)	4.39
Net bank debt at end of year	(2.05)	(0.50)
Gearing	19%	5%

RESULTS:

Annual results 2008



cash flow (4)

	facilities £m	drawn £m	net credit balances £m	headroom £m
On demand	2.70	(0.39)	1.74	4.05
Over one year	3.40	(3.40)	-	-
Total	6.10	(3.79)	1.74	4.05
Net bank debt		(2.05)		

RESULTS:

Annual results 2008



Balance sheet

	2008 £m	2007 £m
Tangible assets	7.72	6.65
Intangible assets	2.76	1.52
Other receivables	0.49	0.52
	10.97	8.69
Inventory	5.55	5.18
Receivables	9.29	8.28
Payables	(9.35)	(8.83)
Working capital	5.49	4.62
Bank - on demand	1.74	0.86
Bank - 1 to 5 years	(3.79)	(1.36)
	(2.05)	(0.50)
Net pension liability	(3.77)	(4.12)
Other	(0.03)	-
Net assets	10.61	8.69



- ❖ Sales up 27% to £32.83m
- ❖ Growth in all industry segments
- ❖ FX impact £2m favourable on sales
- ❖ Operating margin steady at 7.7%
- ❖ FX impact neutral to profits



- ❖ Acquisition completed 31 October 2008
- ❖ £7m revenue; 84 employees
- ❖ Bought at 4x EBIT of £0.6m
- ❖ Integration:
 - customers
 - sales & marketing activity
 - operations best practice
 - buying power



- ⇒ Sales up 8% to £3.92m
- ⇒ 2006/2007 acquisitions now integrated
- ⇒ Cost savings = operating margin improvement
- ⇒ Fox acquisition September 2008 - £0.10m paid
- ⇒ Currency headwind on Asia sourcing



Stadium Building Products & Quest Consumer Products

- ❖ Volume under pressure (down 4% to £10.86m)
- ❖ Gaining market share
- ❖ Material cost volatility (margin 4% vs 7.1%)
- ❖ New products and customers for 2009



- ❖ Significant weakening of demand in 2009
 - destocking
 - general market conditions
- ❖ Full extent of downturn is unclear
- ❖ Significant operating cost savings made
 - 2008
 - 2009 to date
- ❖ Opportunities
 - material and other costs
 - supply chain rationalisation programmes
 - industry consolidation



Pre-emptive actions:

- Pension proposals
- Dividend cover



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