

TClarke plc

Trading Update and confirmation of Interim Dividend Payment

TClarke plc, the Building Services Group, today issues a Trading Update covering the period from 30th June 2020 to date and announces that the Board is proposing an interim dividend.

2020 Trading Update

TClarke has continued to deliver an encouraging trading performance; all of our sites are now open and we are pleased with improving levels of productivity being achieved.

The Group has demonstrated its resilience despite the inevitable impact on the business; by taking action so quickly TClarke remains financially strong and profitable. TClarke achieved its target 3% underlying operating profit (EBIT) margin in Q1, broke even on much reduced volumes in Q2 and is pleased to report that it expects to return to 3% EBIT margin in H2.

As previously announced, TClarke undertook a swift restructuring programme that has resulted in savings in excess of £4m per annum, with 2020 benefitting from £2.5m of these savings. The cost of the restructuring programme is £3.6m which will be included in non underlying items in the year end accounts.

Dividend

As a result of the Board's growing confidence, an interim dividend of 0.75p per share (2019 0.75p) is being proposed. This will be paid on 13 November 2020 to shareholders on the register on 16 October 2020 (the shares will be marked ex dividend on 15 October).

Outlook

As a result of the current market conditions and activity levels, the Board is now in a position to reinstate guidance for the 2020 financial year. Accordingly, we currently anticipate turnover for 2020 to be circa £240m and underlying EBIT to be approximately £6m.

The strength of the business is underpinned by our forward order book which remains at a near record of £410m. Throughout the year there continues to be high levels of bidding opportunities. Assuming there are no further significant business interruptions arising from any widespread secondary lockdown the Board is cautiously optimistic for the medium term outlook and continuing to meet our 3% EBIT margin.

Looking beyond 2020 our proven strategy remains to focus on projects and markets that meet our margin and growth criteria. The business is resilient and is agile, being able to shift its resources and focus accordingly. The strategy we have followed has resulted in TClarke being particularly strong in the healthcare, education and data centre market sectors, whilst continuing to serve the commercial office market.

Once again, the Board would like to thank all the dedicated TClarke employees who have supported the business throughout this period.

Ends

"The information contained within this announcement is deemed by the Group to constitute inside information under the Market Abuse Regulations (EU) No. 596/2014."

Date 1st October 2020

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