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TClarke PLC
26 November 2020

TClarke plc

TRADING UPDATE

ORDER BOOK STRENGTHENS AT TCLARKE AS MARGINS MAINTAINED

TClarke plc ("TClarke" or the "Group"), the Building Services Group, today issues a trading update for the period from 1 October 2020 to date.

2020 trading update

The Group is pleased to report that it continues to trade in line with expectations for the full year ending 31 December 2020. The Board is encouraged by the resilient performance that the Group has delivered.

As stated previously, we anticipate turnover for 2020 to be circa £240m and underlying EBIT (EBIT) to be approximately £6m. TClarke achieved its target 3% EBIT margin in Q1, broke even on much reduced volumes in Q2 and expects to deliver a 3% margin for H2.

During the second half of the year, TClarke has been successful in winning new projects from clients across a wide range of sectors. Our forward order book has increased to £422m. This is a significant result for the Group and is £61m (17%) higher than at the same point in 2019. Reassuringly, revenues of £257m for 2021 have already been secured, against an equivalent figure of £232m at this time last year and up from £191m when we announced the Group's interim results in August. This is testament to our strong reputation among our clients and we have been consistent in maintaining our strict tendering assessments, to ensure that we are accepting work that meets our margin expectations.

In addition, TClarke is pleased to be assisting with the rapid delivery of COVID-19 Testing Stations across the UK. New Test Centres are constructed within 24 Hours and our teams across the country are assisting with maintenance of the sites when in use.

Outlook

TClarke has demonstrated its resilience and agility during 2020. As a Board, we are grateful to all the TClarke team for their hard work and dedication during this challenging period.

Looking beyond 2020 our proven strategy remains to focus on projects and markets that meet our margin and growth criteria. 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.

We have exciting opportunities across all of these market sectors, providing excellent opportunities for growth over the next few years.

TClarke approaches the new financial year in a strong position, both operationally and financially.

Commenting, Mark Lawrence, TClarke CEO said,

" TClarke has once again demonstrated the direct benefits of our excellent reputation within our industry that has helped drive our clients' continued confidence to work with us and award the Group significant new projects.

Looking to the future, we have a well-balanced approach to winning work with projects from a range of sectors and I am delighted that we have been so successful in the Healthcare and Technology sectors in particular.

The UK Government recently announced a long-term commitment to developing further green initiatives covering clean energy, transport, nature and innovative technologies, that will help the UK to forge ahead with eradicating its contribution to climate change by 2050. TClarke is well positioned to benefit from these initiatives and is already working on a wide range of exciting projects that support these moves."

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