

## **TClarke plc**

### **YEAR END TRADING UPDATE**

#### **TCLARKE REPORTS STRONG TRADING AS MARGINS RECOVER AND ORDER BOOK REACHES RECORD HIGH**

TClarke plc ("TClarke" or the "Group"), the Building Services Group, today announces a year end trading update for the full year ended 31<sup>st</sup> December 2020.

#### **Financial Results**

The Board is pleased to report that trading in the second half of the year has continued to be encouraging and financial performance for the year is in line with its expectations. The Board is delighted with the resilient performance and thanks all our colleagues across the Group for their hard work and dedication during this most challenging of years.

The Group anticipates turnover for FY2020 to be circa £232m and underlying EBIT (EBIT) to be approximately £6m. The Group achieved its target 3% EBIT margin in Q1, broke even on much reduced volumes in Q2 and, as the performance strengthened in the second half of the year, the margin improved, and the Group is pleased to report that margins in H2 recovered to our overall target of 3%.

#### **Record Order Book**

Our bid teams continue to be busy. We have scaled up the size of our team to ensure that we are maintaining our careful selection criteria when assessing projects, to ensure they continue to meet our margin expectations.

Since our last Trading Update announced on 26<sup>th</sup> November 2020, TClarke has been extremely successful in winning new projects from clients across a wide range of sectors. The Group's forward order book has increased to a record level of £456m.

#### **Cash Performance**

We have been particularly pleased that our cash performance during the course of the year has been strong. Net cash at the year-end was £10.2m. Importantly, our average daily cash balance was positive on each day of 2020.

#### **Outlook**

Looking to the future, TClarke is focused on driving our growth strategy. The Group has a very encouraging level of new projects in the order book and this bodes well for our future performance.

Our growth strategy is centred on five key pillars. Maintaining a sustained 3% operating margin, expanding our revenue streams, remaining the contractor of choice for landmark projects, maintaining a balanced business and building on our long-term relationships.

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.

The future for the Group looks extremely promising and we face the new year and beyond with renewed confidence that TClarke will continue to flourish moving forward.

Commenting, Mark Lawrence, TClarke CEO said,

*" I am proud of the performance that TClarke has delivered in 2020. It highlights the many strengths of the business and this bodes well for the future.*

*Our markets remain strong and we are delighted that the order book has reached a record scale and that the quality of projects that we have won is excellent and in accordance with our margin expectations.*

*The reputation that we enjoy with our clients remains extremely positive and this is now delivering, as they turn to us to partner with them on future projects.*

*I look forward to reporting on the progress that we make through the year. We continue to look to the future and we are positioning the Group to benefit from the many growth opportunities available in our markets."*

The Group will be announcing its 2020 preliminary results on 24<sup>th</sup> March 2021.

-ends-

Date: 28<sup>th</sup> January 2021

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