



RNS Number : 30970  
Mountfield Group plc  
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## **MOUNTFIELD GROUP PLC** **Trading Statement**

2015 was one of the most important for **Mountfield Group Plc ("the Group")** since it was listed in 2008, with **Connaught Access Flooring Limited ("CAF")** taking a major step forward in its development and reputation by winning its largest ever contract and the year-end seeing the successful completion of restructuring of **Mountfield Group Limited ("MBG")**, leaving it in a position where it can now achieve sustainable profitability in 2016.

### **Connaught**

The continued success of Connaught was an important feature of the Group's performance in 2015 with the most notable achievement being the winning of a large contract to supply and install flooring to a major City HQ office building, one of the largest flooring contracts placed during 2015. The contract continues into 2016 and is expected to lead to Connaught further widening its customer base as it sets itself as a market leader in their field.

Connaught is developing its range of services that it offers into other fit out packages, such as whitewall partitioning and external cladding, both in the UK and in mainland Europe.

Another very encouraging feature of the year for Connaught has been the success of its newly created Special Works Division which has been set up to provide a professional service in completing smaller flooring contracts that Connaught had not previously pursued. In its first year of operation the Division's turnover was circa £2m and the Board expects this to increase further in 2016.

### **MBG**

During the year it was decided that the Company would re-focus its operational activities with the most important change being that it would no longer undertake high risk fixed-price contracts. As a result of this of this re-focus it has been able to reduce monthly overhead by circa 40%.

The completion and settlement of the last two fixed-price legacy projects, which commenced in 2013 and 2014, negatively affected what would have otherwise been a profitable year.

The substantial improvement in the underlying business in 2015, after excluding those legacy projects gives the Board confidence that the business will be profitable going forward.

### **Outlook**

Overall, the year was an important one for the Group and the Board is confident that the steps it has taken will result in significantly increased profitability.

The Board is confident that 2016 will see Connaught take advantage of its reputation and standing it has created in the commercial flooring market to expand its business into related areas of fit-out work on significant contracts both here and in Mainland Europe.

The forward order book for the year is in line with target with turnover of £2m already secured. The outlook is for the year is extremely good and the Company expects to participate in some of the large fit-out contracts that are scheduled to go to tender during the year.

Similarly, the Board believes that MBG will once again become a significant contributor of profits within the Group following the reduction in its overhead and the changing of its work profile within which it has currently secured turnover of £2m.

### **Strategy**

Whilst work in the data-centre sector remains a central part of the Group's activities the Board has decided that in addition it should concentrate on fit-out work and areas allied to it whilst also continuing to offer refurbishment and fabric repair services.

This strategy is being supported with the search for acquisitions that will help strengthen the group's position in these markets and initial discussions with potential targets have already taken place.

The Board is currently engaged on two projects - firstly the formal cancellation of the Loan Notes that appears in the Group's balance sheet and then the future re-branding of the Group.

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