Dow Jones Newswires

Marshalls 1H Pretax Pft GBP4.0M Vs GBP22.7M

468 words
28 August 2009
07:43
Dow Jones International News
DJI
English

LONDON (Dow Jones)--Marshalls PLC (MSLH.LN), a specialist Landscape Products Group, said Friday that for the half year ended June 30, it made a pretax profit of GBP4.0 million compared with GBP22.7 million for the same period in the previous year.

MAIN FACTS:

-Revenue GBP166.0 million (2008: GBP211.1 million)

-Operating profit GBP6.3 million (2008: GBP26.8 million)

-Continuing emphasis on cost reduction and cash management

-Maximising short term performance by focussing on sales opportunities

-Maintaining significant operational flexibility in order to meet future demand

-Focussing on innovation and growth opportunities for the medium term

- In the Public Sector and Commercial market the short term outlook continues to be challenging although lead indicators predict a levelling out during the final quarter.

-The Construction Products Association forecast, for the Group's target market, is for a reduction in activity of 5.5 per cent in 2010.

-The Domestic market appears to have stabilised with installer order books holding at 7.1 weeks in line with the April 2009 position

-EBITDA was GBP21.5 million (2008: GBP38.1 million) before works closure costs.

-Operating profit, before works closure costs, was GBP11.3 million (2008: GBP26.8 million).

-After works closure costs of GBP5.0 million (2008: Nil), reported operating profit was GBP6.3 million (2008: GBP26.8 million).

-Net financial expenses were GBP2.3 million (2008: GBP4.1 million) and, before works closure costs, interest cover was 5.0 times (2008: 6.6 times).

-The interim dividend will be 1.75 pence (2008: 4.07 pence) per share both reflecting the bonus element of the Rights Issue.

-Net assets at June 30 were GBP193.3 million (June 2008: GBP203.4 million).

-At June 30 net debt was GBP73.5 million (June 2008: GBP97.9 million) resulting in gearing of 38.0 per cent (June 2008: 48.1 per cent).

-The recent Rights Issue raised GBP34.0 million (net of expenses) and net debt is expected to reduce further in the second half of 2009 as the impact of management action continues to take effect.

-In the first half of 2009 the Group has reduced investment in capital expenditure to GBP4.5 million (June 2008: GBP12.9 million) and the stock reduction programme has led to a reduction in inventory by GBP6.1 million to GBP83.7 million (December 2008: GBP89.8 million).

-The Group continues to focus on credit control and the maintenance of credit insurance for trade receivables.

-By London Bureau, Dow Jones Newswires; Contact Ian Walker; +44 (0)20 7842 9296; ian.walker@dowjones.com

Order free Annual Report for Marshalls PLC

Visit http://djnweurope.ar.wilink.com/?ticker=GB00B012BV22 or call +44 (0)208 391 6028 [28-08-09 0643GMT]

Document DJI0000020090828e58s0008x

The Huddersfield Daily Examiner

GROUP STAYS FOCUSED AS REVENUE TUMBLES

HENRYK ZIENTEK
295 words
4 July 2009
Huddersfield Examiner
HUDEXA
31
English

PAVING supplier Marshalls plc said sales demand remained "uncertain, with no clear pattern emerging" as it reported a sharp drop in revenues.

The Birkby-based group, which also has operations at Lowfields, Elland, posted revenues of £166m for the first half of 2009 against £211m for the same time last year.

It said the performance was in line with trends highlighted at the time of its successful £34m rights issue in May.

Underlying daily sales revenue on a like-for-like basis was down by 19% compared with a strong performance for the first half of 2008.

Chief executive Graham Holden said the group would continue to focus on cash management, cutting costs, innovation and sales opportunities.

He said: "Decisive action has been taken by management in the past 12 months in response to the economic downturn and conditions."

Marshalls' cost base has been reduced significantly, but Mr Holden said: "The group's remaining manufacturing plants are efficient and well invested and this operational flexibility can be achieved without further significant investment."

Marshalls has axed hundreds of jobs and closed four concrete manufacturing plants as part of cost-cutting measures.

Following the rights issue, group borrowings had fallen to £74m at the end of June, 2009, from £111m at the end of 2008.

Mr Holden said net debt was expected to fall further in the second half of this year.

Mr Holden said the outlook remained uncertain with no clear pattern emerging.

The public sector and commercial market continued to be subdued although the lead indicators predict a levelling out during the second half of the year.

The domestic market had performed in line with expectations - with installer order books at the end of June holding firm.

Document HUDEXA0020090704e5740001r

Marshalls 1H Rev -21% On Year; Sales Demand Remains Uncertain

266 words
3 July 2009
07:24
Dow Jones International News
DJI
English

LONDON (Dow Jones)--Stone and concrete paving manufacturer Marshalls PLC (MSLH.LN) posted a 21% drop in first-half revenue and said sales demand remains uncertain.

However, the company said it has slashed its debt.

For the six months to June 30, Marshalls, which supplies the hard-hit construction and home improvement markets, posted revenue of GBP166 million, down from GBP211 million a year earlier.

Underlying daily sales revenue on a like-for-like basis was down 19%, against what Marshalls said was a "comparatively strong" first half in 2008.

Marshalls, which raised GBP34 million in a rights issue during the first half, said its debt was down to GBP74 million at June 30, compared with GBP111 million at Dec. 31, and it is expected to fall further in the second half due to management's cost cutting.

The builders merchant has cut its cost base significantly through permanent works closures and a reduction in temporary shifts.

The company said there was no clear pattern emerging to sales demand, and the public sector and commercial markets continue to be subdued. However, it said there were indications of a leveling out in these sectors in the second half.

The domestic market has recently performed in line with Marshalls expectations, with installer order books at the end of June holding firm at 7.1 weeks, the same as in April, Marshalls said.

Company Web site: www.marshalls.co.uk

-By Rachael Gormley, Dow Jones Newswires; 44-20-7842-9308; rachael.gormley@dowjones.com [03-07-09 0624GMT]

Document DJI0000020090703e5730006m

Marshalls PLC Completion of Rights Issue

770 words
16 June 2009
11:05
Regulatory News Service
RNS
English

TIDMMSLH

RNS Number : 9612T
Marshalls PLC
16 June 2009

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Marshalls plc

16 June 2009

Successful completion of Rights Issue and placing of rump

Marshalls plc ("Marshalls" or "the Company") announced previously that it had received valid acceptances in respect of 50,885,764 New Ordinary Shares, representing approximately 90.4 per cent of the total number of New Ordinary Shares offered to Qualifying Shareholders, pursuant to the Rights Issue announced by the Company on 13 May 2009.
Marshalls confirms that, in accordance with the arrangements set out in Part III of the prospectus sent to shareholders dated 13 May 2009 ("Prospectus"), Citi and Numis have procured subscribers for the 5,386,737 remaining New Ordinary Shares, for which valid acceptances were not received, at a price of 83.0 pence per share.
The net proceeds from the sale of such New Ordinary Shares, after deduction of the Rights Issue Price and relevant costs (including any applicable brokerage and commissions and amounts in respect of VAT which are not recoverable), will be paid to those Qualifying Shareholders whose rights have lapsed in accordance with the terms of the Rights Issue, pro rata to their lapsed provisional allotments, save that individual amounts of less than GBP5.00 and fractions of a pence will not be so paid but will be retained for the Company's own benefit.

Unless otherwise defined in this announcement, capitalised terms shall have the meaning given to them in the Prospectus.

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[16-06-09 1005GMT]

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Dow Jones Newswires

UPDATE: Marshalls Plans GBP34M Rights Issue To Cut Debt

349 words
13 May 2009
11:13
Dow Jones International News
DJI
English

(Adds analyst comments, detail.)

By Rachael Gormley
Of DOW JONES NEWSWIRES

LONDON (Dow Jones)--Stone and landscaping products manufacturer Marshalls PLC (MSLH.LN) Wednesday proposed a rights issue to raise around GBP34 million in order to reduce debt, give more headroom on its banking covenants and even fund potential acquisitions.

Marshall said it would issue two shares for every five held, with 56,272,501 new shares issued at 65 pence each. The issue is subject to shareholder approval.

As well as reducing its borrowings - which stood at GBP135 million at April 30 - Marshalls said the increased headroom would give it more opportunity to develop the business and make potential acquisitions.

WH Ireland analysts said they now expect year-end net debt of GBP62.2 million, having perviously forecast GBP96.4 million, calling the rights issue a "sensible move."

However, the analysts maintained an "underperform" recommendation, adding that they would look to pick up stock again if the shares were to move back toward the 100 pence level.

Panmure Gordon analysts cut their rating to "sell" from "hold," however, saying the new money is being raised at a "significant discount" and the share price has enjoyed a strong rally of late.

Marshalls also Wednesday gave an update on trading for the four months ended April 30.

The company said revenue was in line with management expectations at GBP103 million, down from GBP135 million a year earlier.

Revenue from the public sector and commercial market was described as subdued, and Marshalls said the market is indicating a decline during the first half of 2009, before leveling out during the second half.

However, the company said the domestic market has performed stronger than expected, with encouraging trading over the Easter period.

At 1001 GMT, shares were down 2 pence, or 1.6%, at 120 pence, underperforming the wider All-Share market, which was down 0.5%.

Company Web site: www.marshalls.co.uk

-By Rachael Gormley, Dow Jones Newswires; 44-20-7842-9308; rachael.gormley@dowjones.com [13-05-09 1013GMT]

Document DJI0000020090513e55d000s8

DAILY EXPRESS

CITY
Hope for Marshalls

David Craik
205 words
7 March 2009
The Daily Express
THEEXP
84
English

CITY AND BUSINESS EDITED BY PETER CUNLIFFE

LANDSCAPE products group Marshalls saw its profi t bulldozed last year but is hoping a sunny summer and the London Olympics will boost a recovery, writes David Craik.

Its pre-tax profits fell 46 per cent to £22.5million in 2008 on revenue down 6.2 per cent to £378.1million as customers cut back on new driveways and patios.

"Domestic demand has been hit by low consumer confi dence, wintry weather and a tough new housing market, " said chief executive Graham Holden. "However older customers, who have more savings, are carrying out projects as they take a 'don't move, improve' approach." Despite an "uncertain" outlook for demand in 2009 the company is looking at "significant opportunities" as Olympic construction gears up.

"I expect we will get a fair share of paving projects around the Olympic Stadium and Park, " said Holden.

Sunny weather will also boost sales. "We had a proper winter so I hope we have a proper summer. Getting out into the garden is part of British life especially when the sun shines, " he added.

The company is slashing its dividend and closing two concrete plants to cut costs.

Document THEEXP0020090307e53700030

PA Business

MARSHALLS REPORTS FURTHER SALES PRESSURE

By Russell Lynch, Press Association City Staff
388 words
6 March 2009
11:27
Press Association National Newswire
PRESSA
English

Paving stone maker Marshalls today said sales were under more pressure in a tough trading climate as annual profits fell by almost half.

The Huddersfield-based firm said: "The overall demand outlook remains uncertain with current sales volumes continuing to reduce."

Marshalls, whose pre-tax profits fell 46% to £22.5 million during 2008, is also slashing dividend payouts to conserve cash.

In January the firm said it planned to close two concrete plants at Llay in North Wales and Hambrook in West Sussex and cut costs at its consumer arm, putting a total of 135 jobs at risk.

mfl

Last year Marshalls also closed concrete factories in Cannock, Staffordshire, and Sawley in Nottinghamshire.

Marshalls' public sector and commercial arm - which accounts for around 59% of revenues - has better visibility, but domestic markets are still weak.

The firm expects a clearer picture of prospects for the year following Easter, although the division - which saw like-for-like sales fall 15% last year - is still at a low ebb.

Chief executive Graham Holden said: "Low consumer confidence continues to impact the domestic market, and the short term winter weather conditions and the actions of distributors to reduce their inventories is distorting the underlying picture further."

But Marshalls is the biggest player in the domestic driveway and patio market - targeting a potential 8.9 million homes.

The firm said its cost-cutting moves, which also involve scaling back capital spending by around half, would help it weather the storm and leave it well-set for an upturn.

As the credit crunch hits first-time buyers and brings housebuilding to a virtual standstill, Marshalls' installers said they had noticed trends towards older customers and the 'Don't Move, Improve' market.

The company, which is the current sponsor of the Chelsea Flower Show, is also involved in projects for the London 2012 Olympics.

mfl

Shares in Marshalls edged 1% ahead following the update.

Numis analyst Chris Millington said: "Marshalls' full year results are in line with our estimate and we feel this is a creditable performance in light of the tough trading backdrop.

"Whilst risks do remain we feel these have been greatly reduced by recent actions and we remain convinced that Marshalls is outperforming its peer group."

end

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Document PRESSA0020090306e536001up

UPDATE 2-Marshalls 08 profit down; Olympics to bring orders

489 words
6 March 2009
07:41
Reuters News
LBA
English

* FY pretax profit down 46.5 percent as demand falls

* Dividend cut to 6 pence per share from 9.3 pence

* Demand, volume outlook uncertain in 2009 * Cost-cutting, debt reduction in view

* Shares up 1.4 percent

(Adds CEO comment, shares)

LONDON, March 6 (Reuters) - British building materials company Marshalls Plc reported on Friday a sharp fall in full-year profit and cut its dividend, but said building for the Olympic Games could start to yield new orders by mid-year.

Shares in Marshall, which have fallen 20 percent since the start of 2009, were up 1.4 percent at 73 pence by 1023 GMT after falling as much as 8 percent in early trade.

Broker Panmure Gordon said the results were broadly in line with its expectations and placed Marshalls ahead of its peer group in terms of its balance sheet and debt position.

"We continue to believe that the business will emerge as one of the most robust in its peer group," the broker wrote in a note to clients, repeating its "buy" rating for the stock.

Marshalls said it would pursue debt reduction and cost-cutting efforts in 2009, closing two operating sites. It also saw the prospect for new business from infrastructure building ahead of the 2012 London Olympic Games.

"What we're seeing is quite a significant lift in quotation activity that will probably be reflected in orders in the middle of the year," Chief Executive Graham Holden told Reuters, adding that Marshalls had seen quotations for construction projects worth up to 3 million pounds.

The company, which makes landscaping products for driveways and gardens, reported a 46 percent drop in pretax profits for the year ending Dec. 31 to 22.5 million pounds ($32 million) from 42.1 million last year, slightly ahead of analysts' expectations.

Marshalls recommended a total dividend of 6 pence per share from 9.3 the year before, and revenue fell back 6 percent as delays and cancellations hit earnings in its domestic market, which accounts for 41 percent of its total revenue.

Holden added that recession-hit consumers would spend on improving their homes rather than property acquisitions, and hoped to capitalize on the "don't-move-improve" mentality in the spring.

"This is the time of year people to think about their garden," Holden said.

Marshall's net debt grew to 111.3 million pounds from 96.9 million last year, mostly due to acquisitions and capital expenditure, which it hoped to reduce by half in 2009.

"In 2009 we expect borrowing to reduce -- our target is 95 million pounds at the end of 2009," Holden said, adding that the company would shrink its 89.8 million pound inventory in 2009. ($1 = 0.7030 pound) (Reporting by Nick Vinocur; editing by Jonathan Loades-Carter and Karen Foster)

MARSHALLS/ (UPDATE 2)|LANGEN|UKR|RWS

Document LBA0000020090306e536000go

UPDATE 1-Marshalls FY revenue falls 6 pct

255 words
9 January 2009
07:57
Reuters News
LBA
English

* Sees underlying trading results in line with estimates

* 2008 sales falls to 378 mln stg from 403 mln stg * Cuts scale of investment in consumer initiatives * Says overall demand outlook uncertain for 2009 (Adds details)

Jan 9 (Reuters) - Building materials company Marshalls Plc on Friday said revenue for 2008 fell 6 percent on lower sales to the domestic market, but expected underlying trading results to be in line with current estimates.

For the year ended Dec. 31, the company reported revenue of 378 million pounds ($574.5 million), compared with 403 million pounds in the previous year.

Sales to the public sector and commercial market, which represent about 59 percent of Marshalls' sales, rose 1 percent. This was offset by sales to the domestic market, which were down 15 percent.

Six analysts on average were expecting the company to post an underlying pretax profit of 25.9 million pounds, on revenue of 382.0 million pounds for the year, according to Reuters Estimates.

The company, which is reducing the scale of investment in its consumer initiatives, said the overall demand outlook remained uncertain.

Demand in the commercial and industrial sectors remained weak with project delays or cancellations due to deteriorating economic conditions, Marshalls said in a statement.

The company, however, maintained its interim dividend at 4.55 pence. ($1=.6579 Pound) (Reporting by Tresa Sherin Morera in Bangalore; Editing by Gopakumar Warrier)

MARSHALLS/ (UPDATE 1)|LANGEN|ABN|E|RBN|UKI|D|RNP|DNP|PCO

Document LBA0000020090109e519000kw

UPDATE 1-Marshalls warns on demand, shares plunge

364 words
13 November 2008
11:14
AFX Asia
AFXASI
English

LONDON, Nov 13 (Reuters) - British building materials company Marshalls Plc said on Thursday the demand outlook in a number of its markets has deteriorated in the last two months as the downturn in the UK housing market takes hold. Shares in the company, which makes landscaping products for driveways and gardens and sponsors the Chelsea flower show, plunged 19 percent to 78.75 pence on the news, their lowest level since the last UK housing market slump in 1993. Marshalls said in a trading statement the 2009 outlook for its public sector operations remains positive but that order books in the Domestic division have fallen. The company reported 10-month revenues down 3.5 percent to 339 million pounds ($524.3 million), hit by a drop in sales to the domestic market of 13 percent. The decline in like-for-like sales accelerated sharply in the four months to Oct. 31 at 9.7 percent as distributors cut back on costs and the poor summer weather led to weaker demand for its products.

Marshalls, which is closing two concrete manufacturing operations in Staffordshire and Derbyshire, said it is focusing on further cost reduction efforts and has reduced capacity in a number of its operations. "We have invested significantly over the past few years in both productivity improvements and acquisitions and this will now enable us to reduce capital expenditure which will improve net cash generation in the future," it said. In reaction, Panmure lowered its target price on the stock to 140 pence from 185 pence. "Marshalls' statement reflects worsening trends in both its Domestic and Public Sector & Commercial operations, and demonstrate that the business is not immune to the current slowdown," said the broker in a note. (Reporting by Victoria Bryan; Editing by Rosalba O'Brien) ($1=.6466 Pound) Keywords: MARSHALLS (victoria.bryan@thomsonreuters.com; +44 207 542 9688; Reuters Messaging: victoria.bryan.thomsonreuters@reuters.net)

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