



RNS

Trading Statement

Share



Trading update

REACT GROUP PLC

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28 October 2021

The information contained within this announcement is deemed by the Company to constitute inside information as stipulated under the Regulation 11 of the Market Abuse (Amendment) (EU Exit) Regulations 2019/310. With the publication of this announcement via a Regulatory Information Service, this inside information is now considered to be in the public domain.

28 October 2021

REACT Group Plc
("REACT" or the "Company")

Trading update

REACT GROUP PLC (AIM: REATL), the leading specialist cleaning, hygiene and decontamination company, announces a trading update for the year ended 30 September 2021.

The Group continued to make good progress in the period, achieving c.77% growth in revenue to approximately £7.7m* (FY 2021 market forecast: £7.8m) (FY 2020: £4.36m), which includes contribution from six months of trading by the acquisition of Fidelis Contract Services Limited ("Fidelis") during the period, details of which were announced on 29 March 2021.

Underlying performance remained strong too; like-for-like year-on-year organic revenue growth was c.20% and has been generated by both the core business and Fidelis. Fidelis performed particularly well closing a number of new customer contracts to add material incremental revenue and profit within its contracted recurring revenue business.

Healthcare, education, rail, housing associations and facilities management sectors all performed well.

The Board expects EBITDA (before exceptional items relating to the acquisition of Fidelis and some restructuring costs) for the year ended 30 September 2021 to be in the range of £725,000 - £775,000* (FY 2021 market forecast: £850,000) (FY 2020: £261,000), representing year-on-year EBITDA growth of between 178% - 197%*. This represents like-for-like year-on-year organic EBITDA growth of the enlarged Group of between 45% - 55%.

The Company's financial position is robust and underlying cash generation remained positive during the year and net cash as at 30 September 2021 was £567,000* (FY 2020: £1.783m).

*Figures remain subject to audit

Notice of Results

REACT intends to publish its audited results for the year ended 30 September 2021 towards the end of January 2022.

Shaun Doak, Chief Executive of REACT, said:

"We are pleased to have delivered another period of good progress growing revenue and profit both organically and through acquisition.

Despite the early part of the second half of the year experiencing some softness in projects and reactive work as the country moved out of lockdown and an unusually quiet August in terms of the typical summer shutdown maintenance work undertaken, the growth of the Group's recurring revenues continues and in doing so underpins performance and points the way to establishing long-term strength in our business model. We have had a positive start to the current financial year and sales activity is once again beginning to increase. A steadily growing pipeline of opportunities points towards a return to business-as-usual for a number of our customers and the outlook for the Group remains positive.

On a final note, and on behalf of the Board, I wish to say 'thank you' for the continued efforts of the terrific team that make up the REACT Group. They have responded with focus and commitment throughout, ensuring we continue to deliver services that help our customers keep their property safe, clean and hygienic."

For more information:

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