

Regulatory Story

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React Group PLC - REAT Post year end trading update
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REACT GROUP PLC ("the Company" or "the Group")

Post year end trading update

React Group Plc (AIM: REAT.L), the leading specialist cleaning and decontamination company, is pleased to update the market on an improved year, making progress with the transformation of the business in which *margins and gross profits have improved and costs have been streamlined.*

The Company expects revenue for the financial year ended 30 September 2019 to be approximately £3.1 million (unaudited), slightly lower than last year (£3.3 million), however gross margins have materially improved; up more than 700-basis points to just over 28% (21% in 2018), generating (unaudited) gross profit of approximately £0.88 million, up c.28% from £0.69 million last year.

Cash conservation continues to be a primary focus for the Group, the net cash position as at 30 September 2019 was £440k, compared to £423k at 30 September 2018.

With growth in gross profit, alongside greater control of costs and cash management, the Company anticipates the final results will demonstrate a material improvement on the prior year.

The Company expects to publish its audited results and Annual Report in January 2020.

Gill Leates, Executive Chairman, commented:

"We have prioritised quality of earnings following the restructuring of the business earlier in the year, focusing on specialist cleaning and decontamination markets in which our capabilities are strongest and most valued. This has led to improvements in cost management, operating margins and cash collection.

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"Through the year we have built a strong team led by Shaun Doak, Managing Director, who joined the Company in March 2019. Having evolved the structure and focus of the business, the foundations are now in place for further growth, and profitability."

For further information, please contact:

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