



## Trading Update

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Fulcrum Utility Services Ltd  
28 March 2019

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### **FULCRUM UTILITY SERVICES LIMITED** ("Fulcrum" or the "Company") **Trading update**

Fulcrum Utility Services Limited, the UK's market leading independent multi-utility infrastructure and services provider, today provides a trading update ahead of its financial year-end on 31 March 2019. The Company will publish its preliminary results on 4 June 2019.

#### **Operational Update**

It has been a year of progress for the Fulcrum Group. As at 28 February 2019, the Company's combined order book had increased by 23% to £47.0 million, up £8.7 million from £38.3 million on 28 February 2018. This increase reflects the benefits of cross-selling with Dunamis and highlights the continued delivery of Fulcrum's growth strategy during FY2019, with a broad base of multi-utility, dual fuel, gas, electricity, new housing and electric vehicle charging projects secured.

A relatively buoyant housing market, has led to a large volume of housing projects secured and delivered in the second half of the year. Our success with these developments has resulted in a more cash consumptive profile across the period of these contracts. This has supported continued growth in the Company's utility asset estate and the associated annuity revenue streams, in-line with the Group's asset adoption strategy.

Dunamis' high voltage design and build business has been impacted by external market factors during the last quarter of the year. In particular, the capacity market suspension by the EU in November 2018, is delaying a significant number of customer investment decisions and this uncertainty is likely to continue into FY2020. In line with our strategy to broaden the business, Dunamis has continued to grow and diversify into a core portfolio of smaller, higher margin, commercial electrical opportunities. In addition, the recurring maintenance part of the business, delivered by Maintech Power, delivered a strong year of growth which is expected to continue.

There continues to be an encouraging level of opportunity within the electric vehicle (EV) charging market and the Company is working with a number of charging network providers and energy suppliers. Dunamis has secured and delivered a number of these EV contracts during the second half of the year.

There has been sustained and material growth in the Company's utility asset estate and the associated annuity revenue streams by the adoption of the assets it constructs, alongside assets

purchased from external utility contractors, with the committed capital spend increasing from £10.4 million as at 31 March 2018 to £18.3 million as at 28 February 2019. The cash will continue to be spent in the months and years ahead as these schemes are developed, increasing future transportation income. As at today the Company has drawn £3.0 million of its debt facility of up to £20.0 million supporting its external purchases of utility assets.

The Company entered the smart metering market during the year and gained the accreditations to install, own and operate smart meters and is currently progressing a number of material opportunities.

## Trading Update & Outlook

As announced last week, revenue for the financial year ending 31 March 2019 is expected to be approximately £57.0 million (2018: £44.6 million) and adjusted EBITDA for the same period is expected to be approximately £11.0 million (2018: £8.4 million).

The Board believes that Fulcrum's breadth of services across multi utility, gas and electrical markets, sees it well positioned to capitalise on opportunities across the infrastructure and asset ownership sectors. The headwinds encountered in the larger electrical infrastructure sector continue to present challenges but the Board remains confident in the Company's longer term prospects.

## Martin Harrison, Chief Executive of Fulcrum, said:

"We continue to see sustained growth in our gas infrastructure and asset business and are encouraged by the smart metering, cross-selling and electric vehicle charging opportunities for the Company. Despite the current conditions in the larger electrical sector, we remain confident that the successful execution of the Company's strategy and balanced approach to the industrial, commercial and residential markets will deliver long term, sustainable growth for Fulcrum."

ENDS

*Information contained within this announcement was deemed by the Company to constitute inside information under the Market Abuse Regulation (EU) No. 596/2014.*

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## Notes to Editors:

Fulcrum is a multi-utility infrastructure and services provider based in Sheffield, UK. The Company's primary business is the provision of utility infrastructure services to the residential, commercial and industrial markets throughout the mainland UK. These range from the design, installation or alteration of utility services for single site properties to large complex multi-site projects. Through its subsidiaries, Fulcrum Pipelines Limited and Fulcrum Electricity Assets Limited, Fulcrum is also licensed as an Independent Gas Transporter and Independent Distribution Network Operator, owning and operating gas and electrical assets that connect properties to the main UK gas and electricity networks. Fulcrum is also a meter asset manager, owning and operating meter assets across mainland UK.

In 2018 Fulcrum acquired the Dunamis Group, an electrical infrastructure services company, creating one of the UK's leading gas and electrical infrastructure services groups.

<http://www.fulcrum.co.uk/>

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