

Senior PLC

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Senior kicks off £20mln restructuring programme after weak performance

Senior Plc (LON:SNR) shares fell on Thursday after the aircraft component maker announced a £20mln restructuring programme to address low revenues at its flexonics and aerospace divisions, although it said its full-year performance will be in line with expectations.

In a trading update, the FTSE 250-listed company said it will reduce headcount, transfer major work packages to South East Asia and close a South Carolina plant by early 2020, with costs from these actions to be recovered over the next two years without impacting the net cash flow.

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Since September, Senior has sold two non-core businesses, which accounted for less than 2% of 2018 group revenue, "slightly" adding to its 2019 adjusted earnings.

The company said its flexonics division, which produces automotive and industrial components, saw activity in line with expectations, although its markets have been weakening since the summer and are unlikely to recover before 2021.

The aerospace division reported revenue growth in the first ten months to 31 October, however 2020 sales are expected to dip before rising again in 2021, the firm added.

"In recognition of the challenges in some of our Flexonics and Aerospace markets, Senior is implementing a restructuring programme to drive improved returns," said chief executive David Squires in the statement.

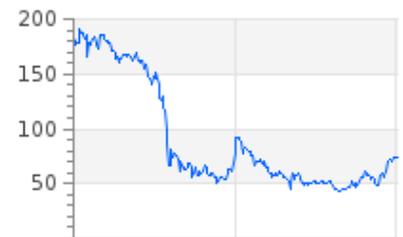
"Combined with a slightly lower forecast tax rate and lower central costs, this means that the Group's performance in 2019 will be broadly in line with our expectations," he added.

Senior shares were down 5% to 178p on Thursday morning.

Price: 71.3

Market Cap: £300.09 m

1 Year Share Price Graph



December 2019 June 2020 November 2020

Share Information

Code: SNR

Listing: LSE

52 week High Low
192.7 41

Sector: Manufacturing & engineering

Website: www.seniorplc.com

Company Synopsis:

Senior is an international manufacturing group with operations in 11 countries. Senior designs, manufactures and markets high technology components and systems for the principal original equipment producers in the worldwide civil aerospace, defence, diesel engine, exhaust system and energy markets.

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