



Press Release
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Operating profits up at James Latham

In what has been another strong year of trading for timber importer and distributor James Latham, the business has today announced impressive results for the financial year to 31 March 2016.

Group revenue was £185.9m, 6.3% up on last year's £174.9m and operating profit was £13.2m, up £2.6m from £10.6m.

Pre-tax profit was £12.9m, up £2.8m from £10.1m last year and post-tax profit for the year is £10.5m, up from last year's figure of £7.8m.

Commenting on the results, Chairman Peter Latham said: "Revenue continued to grow during the year due to increased volumes both in ex-warehouse and direct business. Year on year growth slowed in the second half year, however, both our panels and timber divisions grew revenues. Gross margin, before warehouse costs, increased by 1.4 percentage points, due to the higher share taken by our specialist products although margins remained tight on commodity products.

"Timber and panel prices fell slightly during the year, in spite of the weakness in sterling in the second half. Focus panel products including melamine panels and door blanks, continued to show good growth and our high quality, certified sustainable hardwood as well as WoodEx, our brand of engineered timber for the joinery sector, also showed good growth."

Mr Latham added: "Overheads have been controlled, but higher than last year's due to the extra volumes and longer warehouse hours introduced to meet customers' demands. Staff numbers have increased during the year, with more warehouse staff to meet shift patterns and sales staff recruited in areas of the business where we see opportunities."

Referring to the current financial year, Peter Latham said: "This year, like for like revenues are 4% higher for April and May than the corresponding period last year, both in panels and timber plus, the gross margin is also higher. While this is a steady start to the year, there are some signs that this growth is slowing and the fluctuating value of sterling, plus the uncertain outlook for business activity caused by the EU referendum, make the immediate future difficult to predict, although we continue to see encouraging growth in the newer decorative products we have introduced."

Finally, looking to the future, he said: "The Group is in a strong financial position to take advantage of opportunities for further business growth as and when they arise and we continue to identify opportunities to introduce and promote new products, plus, we have increased our resource focused on obtaining specifications for these.

"The plans to upgrade our two older sites at Yate and Wigston have progressed with site purchase and build contracts approved, subject to planning, for a new site in Yate which should be completed by the end of the financial year, and negotiations proceeding for the relocation of the Wigston site."

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