

SIG generates big jump in underlying profit thanks to success of turnaround strategy

Construction products supplier SIG has almost doubled underlying operating profit thanks to improved trading across its UK and overseas business.

The Sheffield-based plc said that, despite a squeeze on margins and inflation-driven increases in operating costs, the business underlying operating profit jumped from £41.4m to £80.2m in 2022, as underlying revenues increased from £2.29bn to £2.74m. Investors were told the performance was down to improved profitability in the countries where SIG operates, which includes a network of 440 sites and more than 7,000 people.

SIG has been embarked on a successful turnaround plan, which has led to a return to profit and recovery of market share for its UK Interiors business, improvement in like-for-like sales and underlying margins in its German business and margins exceeding 5% across its French business. Bosses at the insulation, roofing and commercial interiors distributor said they expect weaker demand during 2023, offset by continued price inflation.

Read more: [Tech firm WANdisco confirms it is exploring plans to list in America](#)

Gavin Slark, newly joined chief executive officer, said: "Trading in the first two months of 2023 saw mid-single digit like-for-like revenue growth, with the continued effects of input price inflation more than offsetting year-over-year volume declines. Market conditions continue to vary across our

geographic footprint, but overall we expect weaker demand conditions to prevail during 2023, offset by a continued tailwind from input price inflation, albeit the latter will continue to moderate further this year.

“As a European market leader in the supply of specialist insulation, SIG is well-positioned to benefit from long-term structural growth drivers, notably sustainable construction. There is an increasing focus on the need to reduce building emissions, to increase energy efficiency and to use more sustainable materials.

“With a strengthened financial position, good strategic momentum, pan-European footprint, and a diverse portfolio with opportunity for growth, I am confident in our ability to manage short-term market weakness during 2023 while maintaining a focus on sustainable long term value creation for all our stakeholders.”

READ NEXT:

- [Model apprentice becomes modular construction firm's MD](#)
- [RWE appoints Hull contractor for multi-million pound new Grimsby Hub](#)
- [ARC-UK Technologies and Landsec partnership to benefit Leeds' White Rose shopping centre](#)
- [Leisure home manufacturer Atlas maps out further growth as sales almost double in record year](#)
- [Read more Yorkshire & Humber business news here](#)