

## **PRESS RELEASE**

### **Parvalux turns in strong financial performance**

Subject: Manufacturing / Engineering / South-west / Dorset / SME / Business / Finance

Date: 9<sup>th</sup> September 2011

Following the acquisition and integration of EMD Drive Systems, Parvalux is delighted to announce a strong financial performance for the 2010 – 11 period. Having absorbed financial resource to complete the integration, the combined entity is now generating strong profits and cashflows. Having grown from £6M to just over £14M in under four years, the company's order book is projecting £18M revenue for 2011-12. The significant project pipeline for delivery 2013 – 14 will ensure continued double-digit growth.

Commenting on the integration, Mr Steven Clark, CEO says: "One of the principal reasons for acquiring EMD was both their market share within key segments and operating efficiency on high-volume lines. We are delighted that our management team has delivered the planned efficiencies which are now manifesting themselves in strong profit streams."

Despite an unsettled outlook in the wider manufacturing arena, Parvalux has a record order book both with existing customers, and within several new key OEM segments. Several new projects have migrated from initial concepts to series-production orders.

Commenting on the growth of the business, Steven explains: "Our strategy encompassed two key elements, the first being to open a new service centre in the Midlands. This has been particularly successful in generating both new business and creating a high service-level capability for our customer base which has ensured a high retention level of customers. The service centre has broken the £1M revenue barrier in less than 2 years, an outstanding achievement.

"The second element was to create a world-class design capability to partner with strategically important OEM's to develop bespoke products. This was a serious commitment to redefine our capability as seen by our customers. We are delighted that several notable European OEM's have worked with us and have valued our investment by committing to high volumes of new products. This has been the cornerstone of our success and has allowed us to create a long-term growth platform in the face of economic uncertainty."

In addition to the core strategic focus, the company has invested in a state-of-the-art IT system to support growth.

Steven explains: "We have implemented an Enterprise Resource Planning (ERP) system that provides full MRP capability across the whole business. By utilising various features such as bar-coding, our operating efficiency has improved significantly. The new system provides us with upstream management of supply chain and downstream capability of managing inventory, work-in-progress and finished stock. This allows us to profile much more accurately at each stage of the manufacturing process. This supports our goal of reducing lead-times and to continually improve on-time delivery.

“In particular, the new ERP system has allowed us to profile our finished stocks to cater far more effectively for low-volume customers. With the previous IT system, we simply manufactured to order, which often required a 6 – 8 week delivery time for those customers purchasing small volumes. With the new system, we can now profile these stock requirements ahead of consumption so that finished product is already in place. The resultant delivery times are vastly improved. This is complementary to our well-established pull-systems established for high-volume customers that have traditionally provided excellent on-time delivery.”

“To support the integration, we have invested in full-time IT professionals who have helped us leverage the technology and shorten the integration time. Whilst the investment has been substantial, the results have been genuinely impressive.”

Parvalux is now positioned as a modern manufacturing organisation with a credible management team, strong and flexible infrastructure, and systems and processes that will allow the business to grow far into the future.

Ultimately, it is the Parvalux customers who provide the most pleasing feedback on the transformation of the business.

Steven comments: “Most importantly, we have taken the business to a point where our customers recognise Parvalux as the ‘engineers partner of choice’. This is very fulfilling to the whole Parvalux team who have worked tirelessly to create a world-class facility.”

With a strong financial base, Parvalux will continue to re-invest in its capability to provide a competitive and satisfying environment for both employees and customers alike.

### **About Parvalux**

Parvalux is the largest UK manufacturer of small geared motors offering one of the world’s most extensive and reliable ranges of customisable AC and DC geared motor units.

Parvalux is a successful, privately run business with over 60% export globally and is part of the Clark Group of companies, which is privately owned and funded.

For more information on Parvalux, please visit [www.parvalux.co.uk](http://www.parvalux.co.uk)

For more information on the Clark Group, please visit [www.clark-group.co.uk](http://www.clark-group.co.uk)

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