

# 10 most profitable firms are revealed

THE 10 most profitable flooring companies are revealed in a 2008 Business Ratio report which provides a detailed analysis of 78 leading companies operating in the flooring and floorcoverings sector.

Although the report precedes the current economic downturn, it gives an in-depth picture of the individual firms covered over a three year period until 2007.

Under the section of profitability it analyses factors such as return on capital (measuring the percentage return on the funds invested into a company). This is shown to have fallen on average from 32.5% in 2004/05 to 28.6% in the middle year of review, before making a partial recovery in 2006/07 by increasing to 30.1%.

Return on total assets deteriorated from 14.0% to 12.8% over the three-year analysis period. The average pre-tax profit margin continued this negative trend by seeing a reduction from 7.4% in 2004/05 to 6.7% in 2006/07. Return on investment declined from 28.9% in the first year of analysis to 24.7% in 2005/06, before climbing to 25.4 the following year.

It carries detailed performance league tables under a number of headings, including employee performance.

The average employee across all

## Top 10 money spinners in flooring

Company name	Pre-tax profit margin			Sales growth
	06/07	05/06	04/05	
<b>Report average</b>	<b>6.7%</b>	<b>7.0%</b>	<b>7.4%</b>	<b>3%</b>
Westex	20.1%	20.3%	17.3%	6%
Polyflor	18.1%	18.5%	15.8%	14%
United Carpets (retailer)	14.9%	8.9%	10.5%	26%
Carpetright (retailer)	14.1%	14.3%	15.7%	1%
GH Frith (distributor)	12.6%	13.1%	5.9%	13%
Gorse Eight (distributor)	11.0%	11.7%	-	-
Market Carpets (retailer)	10.5%	8.6%	12.4%	2%
HFD (distributor)	9.8%	8.6%	8.6%	13%
Base Flooring (retailer)	9.7%	7.9%	5.2%	24%
Stokers (retailer)	9.6%	10.8%	9.5%	1%

78 companies reviewed experienced a 6.9% increase in their annual salary over the three years analysed. Average salaries rose from £20,544 in 2004/05 to £21,955 in the third year of analysis.

Sales per employee climbed from £135,000 in 2004/05 to £144,000 in 2006/07, an overall improvement of 6.7%. Capital used per employee (the amount of funds allocated to assist each individual in their job role) rose from £31,000 in the first year of analysis, to £32,000 in the third.

After standing at 1.90 in the first two years of analysis, the asset utilisation ratio (measuring the volume of sales generated in

comparison to the total assets held by a company) rose to 1.93 in 2006/07. This result indicates that the average company was generating sales which exceeded the value of the total assets it held; generating £1.93 for every £1 of total assets held in 2006/07.

Sales to fixed assets climbed from 5.9 in 2004/05 to 6.3 in the third year of review.

Stocks to sales saw a marginal deterioration by increasing from 13.2% in 2004/05 to 13.5% in 2006/07. The number of debtor days outstanding ratio remained at 34 days in each year of the report.

**T: 020 8481 8720**  
**www.keynote.co.uk**

## Everbuild acquires Geo-Fix distribution rights

**EVERBUILD** is now supplying Geo-Fix, the brush applied paving jointing compound, having recently acquired the distribution rights.

Patented Geo-Fix was previously distributed by Feb.

Apart from the time saving benefits of brush application, the product is said to have other benefits over cement based mortars, being easy to point up, no

cement stains, setting hard and won't crack or wash out. It is also stated to be totally weatherproof and unaffected by frost.

Everbuild acquired Kwikgrip and Purimachos earlier last year. The company says there is much potential for the Geo-Fix brand to be expanded in the UK, Ireland and abroad. **www.everbuild.co.uk**

**T: 0113 240 2424**



## Proving that partnerships boost business

**PACKEXE** was highly commended in the client focused approach to new business category in the recent construction marketing awards.

The company's product portfolio includes self-adhesive protection films for carpets, hard floors and surfaces such as ceramic tiles. It was recognised for launching its range into Dulux Decorator Centres, a

**Packexe**<sup>®</sup>

SELF-ADHESIVE PROTECTION FILM

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nationwide chain of 170 stores.

Says Laura Mills of Packexe, 'getting to know the customer and their requirements is a basic rule of business, and it is now more important than ever that companies maintain and develop their marketing programmes to build, protect and expand brand awareness.' **www.packexe.co.uk**

**T: 01392 438191**

## Business in brief

### 20% discount demanded

House builder George Wimpey Bristol is asking its sub-contractors, including floorlayers, to cut 20% of all current orders, it is reported. NSCC chief executive Suzanne Nichol says the demand is 'out of touch with reality' as margins are already squeezed to the limit.

### 'More profit in Brazil'

British construction companies seeking opportunities away from the slow domestic market are being advised to look to Brazil and Mexico where infrastructure projects worth almost £300bn are being planned. UK Trade & Investment has reports highlighting opportunities in these countries. [www.uktradeinvest.gov.uk](http://www.uktradeinvest.gov.uk)

### BASF moves to Cheadle

BASF Construction Chemicals has moved its head office to Cheadle, Manchester, including customer services, technical support, marketing and management for its PCI tiling and flooring adhesives businesses. [www.basf.com](http://www.basf.com)  
**T: 0161 485 6222**

### Regent Cleaning grows

National contractor Regent Cleaning has acquired Birmingham-based Exclusive Support Services, which has offices in London, Harwich and Manchester. The deal boosts staffing to 4,500 and sales to £26m at Regent. [www.regentcleaning.com](http://www.regentcleaning.com)

### £1bn training cash offer

The government plans to invest £1bn to create over 7,000 construction apprenticeships over the next three years – in spite of the economic downturn.

### Many 'to go bust' in 2009

Almost one in 20 of the UK's small firms (a total of 200,000) could fail this year, according to the Forum of Private Businesses. It notes that small and medium enterprises employ 60% of the 22m workforce.

### £7bn jobs frozen in 2008

Over £7bn worth of UK construction projects, including 900 individual schemes, were put on hold towards the end of 2008 as the recession took hold, according to Glenigan.

## QUOTE:

**'In the current economic climate, it is crucial to recognise the importance of training programmes such as apprenticeships'**

– Chris Banks, chair, Learning and Skills Council