



10 February 2023

## **Victrex plc - AGM & Q1 Interim Management Statement**

### **'A steady start: pricing ahead of expectations and revenue up 6%, despite volume softness'**

Victrex plc is an innovative world leader in high performance polymer solutions, delivering sustainable products which enable environmental and societal benefit in multiple end-markets. Today's Interim Management Statement (IMS) covers the first quarter of FY 2023 from 1 October 2022 to 31 December 2022.

Overall, the Group saw a steady start, in what is typically the seasonally weakest quarter. Average selling prices (ASP) were ahead of expectations, with good momentum from price increases and surcharge pricing. This helped to drive revenue up 6%, despite an 8% decline in Q1 volume; slightly softer than anticipated.

#### **Highlights**

- Q1 Group revenue £78.8m up 6% (Q1 2022: £74.6m)
- ASP up 14% at £83/kg and slightly ahead of expectations; driven by sales mix, annualised price increases, surcharge pricing and currency
- Q1 Group sales volume of 948 tonnes down 8% on the prior year (Q1 2022: 1,025 tonnes)
- Supporting TechnipFMC for Brazil scale-up ahead of bid outcome for Magma pipe opportunity
- Share buybacks now included alongside special dividends for excess cash return options, following shareholder engagement

#### **End market performance**

Q1 performance reflected reduced activity across several Industrial end markets, particularly in Europe, together with some normalisation within Value Added Resellers (VAR) after a period of strong growth. The Group saw growth in Aerospace and Automotive during the period, which was offset by weakness in Electronics and Energy & Industrial.

In Medical, we continue to see a good performance. Q1 revenue was strongly ahead of the comparative period, which included the impact of Covid-19 variants and lockdowns in the US, in Europe and Asia.

#### **Mega-programmes**

The Group has an attractive portfolio of short, medium and long-term growth opportunities, including seven 'mega-programmes' offering potentially game changing growth opportunities.

In our Magma mega-programme, which is based on thermoplastic composite pipe for the energy industry using Victrex PEEK, Victrex composite tape and Victrex's pipe extrusion know-how, we continue to support TechnipFMC for qualification and scale-up at a new facility in Brazil. Bid outcomes for a key offshore programme in Brazil are anticipated over the coming months, offering the potential opportunity for significant annual volumes, over a multi-year period.

In our PEEK Knee mega-programme, we have seen further strong progress. Patient recruitment to the Maxx Orthopaedics clinical trial is largely complete, with 33 implanted patients. Ten patients have passed the primary end-point for the clinical trial (15 months), with no issues or intervention required. Two patients will pass the two-year implant stage this month. In Trauma, In2Bones has continued to make strong progress, with our PEEK composite based Trauma plates now being implanted in over 80 patients.

#### **Financial position**

Victrex retains a highly cash generative business model, supporting growth investment alongside attractive shareholder returns. Available cash of £60.8m at 31 December 2022 (excluding £2.3m of cash ringfenced in our Chinese subsidiaries), is prior to payment of the 2022 final dividend on 17 February.

#### **Outlook**

Jakob Sigurdsson, Chief Executive of Victrex, said: "Expectations for the full year are unchanged at this early stage. We are encouraged by modest revenue growth, a better sales mix and improved selling prices. We also continue to make good progress in recovering energy and raw material inflation.

"However, the Group saw softer volumes during Q1 and the macro-economic environment remains uncertain, with ongoing weakness in several end-markets. In line with Victrex's historic performance, we remain well positioned for when end-markets improve.

"With sustainable products and a strong pipeline of growth opportunities, our Polymer & Parts strategy keeps us well positioned for the medium to long-term."

#### **Analyst & investor conference call**

A conference call with management will take place this morning, Friday 10<sup>th</sup> February 2023, at 08.30am GMT. Access to the call is via the following link: <https://cossprereg.btc.com/prereg/key.process?key=PYTAVPVQF>

#### **Annual General Meeting**

Victrex's Annual General Meeting will also be held today, starting at 11.00am GMT and taking place at JP Morgan, 1 John Carpenter Street, London EC4V 0JP.

John Carpenter Street, London EC4T 0JF.

**Victrex plc:**

Andrew Hanson, Director of Investor Relations, Corporate Communications & ESG +44 (0)7809 595831

Ian Melling, Chief Financial Officer +44 (0)1253 897700

Jakob Sigurdsson, Chief Executive +44 (0)1253 897700

**About Victrex:**

Victrex is an innovative world leader in high performance polymer solutions, focused on the strategic markets of Automotive, Aerospace, Energy & Industrial, Electronics and Medical. Every day, millions of people rely on products or applications which contain our sustainable materials, from smartphones, aeroplanes and cars to energy operations and medical devices. With over 40 years' experience, we are moving beyond the polymer into semi-finished and finished products which shape future performance for our customers and our markets, enable environmental and societal benefit for our customers and drive value for our shareholders. Find out more at [www.victrexplc.com](http://www.victrexplc.com)

This information is provided by RNS, the news service of the London Stock Exchange. RNS is approved by the Financial Conduct Authority to act as a Primary Information Provider in the United Kingdom. Terms and conditions relating to the use and distribution of this information may apply. For further information, please contact [ms@seg.com](mailto:ms@seg.com) or visit [www.ms.com](http://www.ms.com).

RNS may use your IP address to confirm compliance with the terms and conditions, to analyse how you engage with the information contained in this communication, and to share such analysis on an anonymised basis with others as part of our commercial services. For further information about how RNS and the London Stock Exchange use the personal data you provide us, please see our [Privacy Policy](#).

END

QRFUPUPCPUPWGRB