



DeLaRue

The information contained within this announcement is deemed by the Company to constitute inside information as stipulated by the Market Abuse Regulation (EU) No.596/2014, as it forms part of UK law by virtue of the European Union (Withdrawal) Act 2018 ("MAR"). Upon the publication of this announcement, this inside information is now considered to be in the public domain

12 April 2023

De La Rue plc

Trading update

De La Rue plc (LSE: DLAR) ("De La Rue", the "Group" or the "Company") today announces a trading update on the financial year ended 25 March 2023 (FY23). The Group is also updating guidance for the financial year ending 30 March 2024 (FY24).

For FY23, De La Rue expects full year adjusted operating profits to be a mid-single digit percentage below market expectations ⁽¹⁾. Net debt as at 25 March 2023 is expected to be in line with market expectations.

The downturn in Currency, impacting both De La Rue and the wider industry, is causing a significant degree of uncertainty in terms of outlook for FY24. The demand for banknotes has been at the lowest levels for over 20 years, resulting in a low order book going into FY24. However there are encouraging signs that the market is recovering, with a significant number of new tenders actively underway but the timing of this recovery remains uncertain.

We expect revenue in the Authentication division to exceed £100m for the first time in FY24, driven by the existing order book, including the full-year impact of the Qatar, Bahrain and Oman GRS programmes, and a substantial increase in demand from the Australian passport programme. This progress will be somewhat offset by the ongoing lower global PC sales which, according to IDC, is likely to start to recover only in calendar year 2024.

As a result of these factors and, noting the considerable degree of uncertainty around the outlook, the Board currently expects full year adjusted operating profit for FY24 to be in the low £20m range.

The Company is in discussions with its lending banks in relation to seeking an amendment to its banking covenants, reflecting the revised outlook and also reflecting the increase in the Company's funding costs resulting from higher Bank of England base rates.

The Company is also in conversations with the Trustee of the De La Rue Pension Scheme and has officially requested a deferral of the next £18.75m of deficit repair contributions.

We plan to announce De La Rue's results for the full year ended 25 March 2023 on 31 May 2023.

⁽¹⁾ Market expectations are based on the average of published notes from Investec and Numis Securities.

The person responsible for the release of this announcement on behalf of De La Rue for the purposes of MAR is Jon Messent (Company Secretary).

Enquiries

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About De La Rue

De La Rue plc's purpose is to secure trust between people, businesses and governments. As a trusted partner of governments, central banks and commercial organisations seeking to secure their global supply chains and cash cycles, De La Rue provides highly secure physical and digital solutions that underpin the integrity of economies and trade.

De La Rue's Currency division provides market-leading end-to-end currency solutions, from finished banknotes to secure polymer substrate and banknote security features to over half the central banks and issuing authorities around the world.

Our Authentication division protects revenues and reputations through the provision of physical and digital solutions to governments and commercial organisations. We also manufacture ID security components.

At 25 March 2023, De La Rue had over 1,800 employees who work with organisations in more than 140 countries, leveraging the group's manufacturing facilities in the UK, US, Malta, Sri Lanka and Kenya.

De La Rue's shares are traded on the London Stock Exchange (LSE:DLAR). De La Rue plc's LEI code is 213800DH741LZWIXP78.

For further information please visit www.delarue.com.

Cautionary note regarding forward-looking statements

This announcement includes statements that are, or may be deemed to be, "forward-looking statements". These forward-looking statements can be identified by the use of forward-looking terminology, including the terms "believes", "estimates", "anticipates", "expects", "intends", "plans", "may", "will", "could", "shall", "risk", "aims", "predicts", "continues", "assumes", "positioned" or "should" or, in each case, their negative or other variations or comparable terminology. These forward-looking statements include all matters that are not historical facts. They appear in a number of places throughout this announcement and include statements regarding the intentions, beliefs or current expectations of the directors, De La Rue or the Group concerning, amongst other things, the results of operations, financial condition, liquidity, prospects, growth and strategies of De La Rue and the industry in which it operates.

By their nature, forward-looking statements involve known and unknown risks, uncertainties, assumptions and other factors because they relate to events and depend on circumstances that will occur in the future whether or not outside the control of the Company. Past performance cannot be relied upon as a guide to future performance and should not be taken as a representation or assurance that trends or activities underlying past performance will continue in the future. Accordingly, investors or potential investors should not place undue reliance on these forward-looking statements. The Group's actual results of operations, financial condition, liquidity and the development of the industry in which it operates may differ materially from the impression created by the forward-looking statements contained in this announcement. In addition, even if the results of operations, financial condition and liquidity of the Group and the development of the industry in which it operates, are consistent with the forward-looking statements contained in this announcement, those results or developments may not be indicative of results or developments in subsequent periods.

Other than in accordance with its legal or regulatory obligations, De La Rue does not undertake any obligation to update these forward-looking statements, which speak only as at the date of this announcement, and will not publicly release any revisions that may be made to these forward-looking statements, which may result from events or circumstances arising after the date of this announcement.



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