

4 May 2023

SIG plc Trading Update
Trading in line with expectations

SIG plc ("SIG", or "the Group"), a leading supplier of specialist insulation and building products across Europe, today issues a trading update for 1 January to 30 April 2023 ("the period"), in advance of its Annual General Meeting, which is being held later this morning.

Key points

- Trading in the period in line with management expectations
- Group like-for-like¹ ("LFL") sales growth of 1%, with revenues of £924m
- Results reflect challenging market conditions, more than offset by input price inflation
- Solid sales growth from France, Germany, and UK Interiors
- Group's 2023 full year outlook unchanged

Trading Summary

Group LFL sales were up 1% in the period compared to prior year. Reported Group revenues were 7% higher in the period, including c.3% from acquisitions, together with c.3% in aggregate from movements on working days and exchange rates.

Market conditions remain challenging and Group volumes were lower, as expected. This was more than offset by a continued positive tailwind from input price inflation.

The overall impact of inflation is estimated to have added c.11% to Group growth over the period. As expected, price inflation has moderated since H2 2022, despite further price increases in early 2023, as we annualise some of the significant prior year price increases.

1 January to 30 April 2023	%	
Sales	LFL growth vs	£'m
	2022	
UK Interiors	5%	249
UK Exteriors	(3)%	142
UK	2%	391
France Interiors	3%	76
France Exteriors	7%	165
Germany	2%	153
Poland	(13)%	68
Benelux	11%	40
Ireland	(17)%	31
EU	1%	533
Group	1%	924

Our French, German and UK Interiors businesses continued to deliver solid sales growth. The UK Exteriors business saw some further softening in the RMI end-market, continuing the trend seen in the latter part of 2022. Volumes and market conditions have been notably weaker in Poland and Ireland in recent weeks, with the former also coming up against especially strong prior year comparators.

The Group has continued to make progress on its strategic initiatives, while managing challenging market conditions. During 2023 our operational priorities include active product category management to develop product mix and margin over time and leveraging prior year investment in new branches and strategic relocations.

Outlook

Our outlook for FY23 remains unchanged. As set out in our FY22 results on 8 March 2023, we expect weaker and uncertain 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.

We continue to focus on operational agility, productivity, and discipline in 2023. We remain confident in our ability to harness the strong momentum in the business and further improve our market positions, and to continue to improve our profitability when market conditions recover.

As a European market leader in the supply of specialist insulation, and with 80% of the Group's sales covering insulation and the wider building envelope, we are well-positioned to benefit from long-term structural growth drivers, notably sustainable construction and decarbonisation of buildings. Notwithstanding short-term market weakness, we expect to benefit from long-term growth in demand for the Group's products across our pan-European network of branches.

Following the arrival of Gavin Slark in February 2023 as new CEO, the Group continues to review the strategic and operational priorities in each of our operating companies and the roadmap towards our medium term 5% operating margin target.

H1 Results date

We will publish our H1 2023 results on 8 August 2023 and will hold a presentation and conference call for analysts and investors at 10.00am (GMT) on that date.

investors at 10.00am (GMT) on that date.

1. *Like-for-like is defined as sales per working day in constant currency, excluding completed acquisitions and disposals*

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