

This announcement contains inside information for the purposes of Article 7 of the Market Abuse Regulation (EU) 596/2014 as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018 ("MAR"), and is disclosed in accordance with the Company's obligations under Article 17 of MAR. Upon the publication of this announcement via the Regulatory Information Service, this inside information is now considered to be in the public domain.



London, Monday 22 January 2024

TRIFAST PLC
(Trifast, Group or Company)

*Leading international specialist in the design, engineering, manufacture, and distribution
of high-quality industrial fastenings and Category 'C' components principally to major global assembly industries*

Trading update

Market conditions during Q3 saw a continuation of the trends described in the Group's interim results, published on 21 November 2023, characterised by low visibility and volatile demand in a number of end market and geographic segments. Disappointingly, performance in December 2023 was impacted by significantly lower than forecasted volumes in both our Asia operations and global distribution sales channel. Whilst we had anticipated both of these areas to see a recovery from subdued activity in H1, demand conditions and excess customer inventory levels have pushed this recovery further into 2024 and we now expect these challenging conditions to persist through to the end of the financial year.

As set out in the interim results and in spite of the difficult backdrop, management have continued to focus on the Operational Improvement programme instigated in 2023 to drive improved efficiency and productivity for HY2 and beyond. Whilst good progress has been made in reducing cost in a number of areas, this will not be enough to mitigate the impact of the lower revenue expectation for the second half. Consequently, the Board now expects that the Group's results for the year ending 31 March 2024 to be significantly below its previous expectations, with revised revenue at c.£230m and adjusted EBIT margin percentage of c.5%.

The more testing environment that we are now experiencing in 2024 in terms of growth is being severely impacted by a further slowdown in customer demand and volumes across the business and to an extent by the reported macro-economic challenges and geopolitical events.

As a consequence of the prevailing markets, continued weak economic outlook and the impact of this on the business we have accelerated our recovery action plan, including a Group restructuring programme to further reduce operating cost through a c.10% cutback in our non-operational staff globally. This programme is expected to deliver additional annualised savings of c.£3m. As part of the restructure, we will establish a leaner organisational structure to enable faster decision making. In parallel, we are undertaking a strategic review of our global footprint to identify further cost efficiencies which will reset our business for the future.

As we previously announced, working capital and cash management remain a key focus; we predict to effectively reduce leverage below 1.5x and Group net debt to be below our target of £25m. Our UK National Distribution Centre and Atlas projects are, as previously committed, on track to be completed by the end of March 2024.

As a Group, the Balance sheet remains strong, we continue to see significant scope to rebuild and invest in the business and we remain confident in the fundamentals of our business model over the medium-term.

We will provide more detail on the restructuring, strategic plans and progress at the time of the Group's annual results scheduled to be released in July 2024.

**Consensus forecasts FY24 prior to this announcement were revenue of £254m adjusted EBIT £15.5m*

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About Trifast plc (TR)

Founded in East Sussex in 1973, TR is a leading international specialist in the design, engineering, manufacture, and distribution of high-quality industrial fastenings and Category 'C' components principally to major global assembly industries.

The Group supplies to customers in c.70 countries across a wide range of industries, including light vehicle, heavy vehicle, health & home, energy, tech, & infrastructure (ET&I), general industrial and distributors. As a full service provider to multinational OEMs and Tier 1 companies spanning several sectors, we deliver comprehensive support to our customers across every requirement, from concept design through to technical engineering consultancy, manufacturing, supply management and global logistics.

As an international business we are able to provide 24/7 customer support from across key regions in the UK, Asia, Europe and North America. In addition to our service locations we operate a number of manufacturing facilities focused on high volume cold forged fasteners and special parts. We have also established Technical & Innovation Centres to support R&D and customer collaboration across the world.

For more information, visit our

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Commercial website: www.trfastenings.com

LinkedIn: www.linkedin.com/company/tr-fastenings

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Forward-looking statements

This announcement contains certain forward-looking statements. These reflect the knowledge and information available to the Company during the preparation and up to the publication of this document. By their very nature, these statements depend upon circumstances and relate to events that may occur in the future thereby involving a degree of uncertainty. Therefore, nothing in this document should be construed as a profit forecast by the Company.

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