

2 May 2024

SIG plc: Trading Update - AGM

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 2024 ("the period"), in advance of its Annual General Meeting, which is being held later this morning.

Key points

- Results for the period reflect continuing challenging market conditions
- Group like-for-like¹ ("LFL") sales decline of 6%, reflecting both volume and price reductions
- Group continues to perform well relative to its markets and has been effective in executing its strategic initiatives to drive cost savings and productivity, all of which are helping mitigate the demand headwinds
- Group's 2024 full year profit outlook remains unchanged, with an expectation of an H2 weighting

Trading Summary

Group LFL sales were down 6% year-on-year in the period at £873m, reflecting the ongoing challenging market conditions. Reported Group revenues were also 6% lower in the period, reflecting minimal movement in aggregate in working days and exchange rates. Whilst there remain pockets of inflation on input costs, these have been more than offset by deflation in certain geographies and categories, as well as pricing pressure in the market, contributing to a net c3% reduction in pricing.

| 1 January to 30 April 2024 | LFL sales growth vs 2023 | £'m |
|----------------------------|-----------------------------|------------|
| UK Interiors | (12)% | 171 |
| UK Exteriors | (2)% | 118 |
| UK Specialist Markets | (6)% | 80 |
| UK | (8)% | 369 |
| France Interiors | (5)% | 71 |
| France Exteriors | (14)% | 141 |
| Germany | (3)% | 145 |
| Poland | 5% | 77 |
| Benelux | (11)% | 36 |
| Ireland | 8% | 34 |
| EU | (6)% | 504 |
| Group | (6)% | 873 |

Weak demand has been a factor in all of the Group's markets. Encouragingly, the benefit of ongoing commercial and modernisation initiatives is enabling most of our businesses to outperform local markets, with particularly strong relative performance in UK Exteriors, Germany and Poland. In UK Interiors, two strategic branch closures early in the year affected the LFL growth by about 3% in the period.

Despite the difficult market backdrop, the Group has continued to make good progress on the strategic programmes set out at our Capital Markets Event in November 2023. Modernisation initiatives to drive improved customer service and long-term profitability are progressing well, including the new German e-commerce sales platform, which went live for beta testing in April. Restructuring initiatives across the Group are progressing as planned, alongside the more proactive management of product portfolio and mix. We also remain focused on effective working capital and cash flow management, to support the investment required to deliver our strategic actions.

Outlook

As referenced when reporting our FY23 results two months ago, we expect weak demand conditions to continue to prevail during 2024. Whilst those conditions were weaker than anticipated for the first four months of the year, notably in France, we have further stepped up our actions on productivity and cost in the period, delivering meaningful savings in operating costs against the prior year. These are largely driven by disciplined headcount management, and also include the initial benefits of the restructuring programme previously announced and commenced in FY23. As a result, our overall outlook for FY24 underlying profitability remains unchanged, and we expect profit in H2 to be greater than in H1. We remain confident in our ability to manage through this current phase of the cycle and to ensure that we are more than ready to take advantage of the significant opportunities for the Group as markets recover.

Gavin Slark, CEO, commented:

"The actions we are taking now to improve the productivity and cost structure of our operations, during this period of weak demand, will enhance our ability to deliver value as markets recover. In addition, we are taking the opportunity to implement actions to drive a more profitable sales mix, with greater focus on specialisation. Whilst conditions are likely to remain a headwind in the short term, our operational agility and discipline is enabling the business to respond effectively, and we are committed to implementing the strategic steps that will drive long term value creation."

H1 Results date

We will publish our H1 2024 results on 6 August 2024 and will hold a presentation and conference call for analysts and investors on that date. Details will follow nearer the time.

1. *Like-for-like is defined as sales per working day in constant currency, excluding completed acquisitions and disposals. It does not reflect adjustments for branch closures, openings, or consolidations.*

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