RNS Number : 1022Y
Trifast PLC
29 July 2024

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.

Monday, 29 July 2024

Trifast plc

(Trifast, TR or the Company)

Annual results

Publication of the 2024 Annual report and financial statements

Trifast publishes the Group's audited Annual report and financial statements for the year ended 31 March 2024. The publication can be read in full via this link:

http://www.rns-pdf.londonstockexchange.com/rns/1022Y_1-2024-7-26.pdf

Webcast presentation

The Company is holding a 'live' presentation via the **Investor Meet Company** platform (IMC) on **Thursday 1 August at 11.30am**. To register and join the event please follow the link:https://www.investormeetcompany.com/trifast-plc/register-investor

This session will also be uploaded and available to watch after the event on the Company's website at Trifast plc | Our reports

We have defined a clear purpose and vision:

"To sustainably drive our customers' success by simplifying their fastener supply chain and supporting them in their technical requirements through our world-class engineering and manufacturing capabilities"

Key markers for the business

FY2024:

- Underlying operating profit in line with last year, notwithstanding lower revenue base
- Underlying profit before tax £6.5m (AER), slightly higher than January guidance
- Strong performance in light vehicle sector with 22% increase in FY24 revenues compared to prior year
- Pipeline wins demonstrate the Group continues to have growth opportunities
- Initial benefits of cost and productivity initiatives supported margin increase despite a challenging operating environment
- Significant decrease in inventory c.£15m - driving high cash conversion and lowering net debt
- Launched manufacturing facility in China with JV partner to better service domestic demand in the region

Moving ahead:

- The Group's refreshed strategy is underway and will drive performance going forward
- Our transformation journey will go through three phases - *Recover* - *Rebuild* - *Resilience,* creating '**One TR'**
- Consolidation of the National Distribution Centre in the UK completed last month - stabilisation and efficiency gains will deliver significant savings going forward
- Working capital initiatives will continue to help in reducing inventories and net debt
- FY2024 contract wins beginning to feed through, and the benefits of organisational change across the Company is having a positive impact on the operational business and people culture
- FY2025 will be a significant turning point for the Group - clear ambition to deliver measurable progress in profitability, cash generation and ROCE
- The Board is confident in the future outlook for the business over the medium term
- Dividend re-investment plan being introduced

Forward Looking Statements

This document may contain certain forward-looking statements. The forward-looking statements 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 involve a degree of uncertainty. Therefore, nothing in this document should be construed as a profit forecast by the Company.*

The following information contained within this announcement is a summary extracted from the Group's audited FY2024 Annual report and financial statements.

Unless stated otherwise, amounts and comparisons with prior year are calculated at constant currency (Constant Exchange Rate (CER)). Where reference is made to 'underlying' this is defined as being before separately disclosed items.

Summary of the Group's FY24 financial performance

Underlying measures:	CER FY24	CER change	AER FY24	AER change	AER FY23
Revenue[4]	£237.9m	(2.7)%	**£233.7m**	(4.4)%	£244.4m
Gross profit %	25.5%	20bps	**25.4%**	10bps	25.3%
Underlying operating profit (UOP)[1]	£12.7m	5.7%	**£11.9m**	(0.3)%	£12.0m
Underlying operating profit %[1]	5.3%	40bps	**5.1%**	20bps	4.9%
Underlying profit before tax[1,4]	£7.2m	(22.2)%	**£6.5m**	(29.8)%	£9.3m
Underlying diluted earnings per share[1]	-	-	**1.62p**	(68.4)%	5.13p
Adjusted leverage ratio[1,3]	-	-	**1.3x**	(0.9)x	2.2x
Adjusted net debt[1,2]	-	-	**£(21.0)m**	£17.0m	£(38.0)m
Return on capital employed (ROCE)[1]	-	-	**5.7%**	30bps	5.4%
Total dividend			**1.80p**		2.25p

GAAP measures					
Operating (loss) /profit	-	-	**£4.6m**		£(0.0)m
Operating (loss) / profit %	-	-	**2.0%**	200bps	(0.0)%
(Loss) / profit before tax	-	-	**£(0.8)m**	70.4%	£(2.7)m
Diluted (loss) / earnings per share	-	-	**(3.29)p**	(55.2)%	(2.12)p

1 .Before separately disclosed items (see note 1)
2. Adjusted net debt is stated excluding the impact of IFRS 16 Leases. Including right-of-use lease liabilities, net debt increases by £(18.4)m to £(39.4)m (FY23: net debt increases by £(15.8)m to £(53.8)m)
3. Adjusted leverage ratio is calculated using adjusted net debt against adjusted underlying EBITDA
4. FY24 saw some strengthening of the British pound against the Singapore dollar, Taiwanese dollar, Swedish krona, Chinese renminbi, Malaysian ringgit and US dollar. This reduced the value of AER sales by £4.2m and AER underlying profit before tax by £0.7m on translation into British pounds.

Reference links:

The Board believe that the 2024 Annual report gives a fair and balanced review of the Trifast business and its strategy for the future.

For ease of reference, the following links will be of interest:	*Refer to:*
Our new strategic direction	Pages 10-17
Our culture and our values	Pages 8-9,11
Being a responsible business	Pages 37-54
The National Distribution Centre	Page 27
Delivering growth through our business model	Page 18-19
EBIT margin bridge	Page 17
Key performance indicators	Pages 20-21
Board and leadership structure	Pages 82-84
Stakeholder engagement	Pages 24-26

Trifast plc

Annual results for the year ended 31 March 2024

Extracts from the letter to shareholders from the Non-Executive Chair, Serena Lang

One of my first roles as Chair was to work with the Board and conclude the appointment of the new CEO. After a thorough and rigorous process, the Board were delighted to appoint Iain Percival to the role in September 2023. Iain brings with him deep leadership and business transformation experience and it is clear that he is already making a significant impact at Trifast.

Having taken over as Chair in September 2023, halfway through our financial year, I would like to take the opportunity to thank my predecessor, Jonathan Shearman, who served on the Board of Trifast for 14 years, and as Chair for the final four years. A role he did with care, passion and diligence during some very challenging times. On behalf of the Board, I also want to thank Scott MacMeekin for stepping in as the interim CEO for seven months, allowing the Board the time to undertake a comprehensive search process.

Looking back at FY24

Last year marked our 50th anniversary for Trifast and another inflection point in the Company's history. Good companies continue to change and transform to meet the needs of their stakeholders and Trifast is no different. The Company, driven by a 'customer first' attitude, ramped up inventory levels during the pandemic to protect our customers manufacturing lines and the subsequent impact of cost inflation, the Ukraine conflict and customer destocking led to high inventories and high net debt.

Following Scott Mac Meekin's appointment as interim CEO in February 2023, together with the Board, he launched a recovery roadmap for the business based on several key self-help operational and commercial improvement programmes. Working closely with Chief Commercial Officer, Dan Jack, they created a process of Sprints that would enable the business to start turning the trend on inventories, better understand customer profitability and focus business development on the top 200 customers.

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I am delighted to say that our inventory levels have been managed downwards significantly over the year.

The current geopolitical uncertainty, leading to supply chain disruption, together with the macroeconomic environment, continued to challenge the business and we saw further unexpected destocking and continued inflation led price increases and interest rates, resulting in significant downward pressure on our revenues and profitability measures, and our transformation plan will look to address greater resilience in these areas.

The UK team worked tirelessly to establish our new National Distribution Centre in the Midlands. This facility will lead to better efficiencies, improved supply chain management and clarity of inventory levels across the UK business. There is still work to do to deliver world class processes and more efficient ways of working and a multi-disciplinary team has been pulled together to make that happen.

Our People
It has been an absolute delight to visit the Trifast operations and meet our wonderful people. I have yet to meet everyone; however, what is obvious from those I have met, is that our employees are dedicated to delivering excellence to our customers and are passionate about the business, which comes through clearly in the regular customer satisfaction surveys we run.

During my visits, it became clear that we needed greater communication and employee engagement, to actively listen more and to put in place formal structures that allow the Board to have better access to the voice of our employees. This will be critical to the success of strategic transformation and together with a bottom up culture approach, will be a priority for the Board going forward.

Throughout FY24, our employees have faced substantial change both from external factors as well as internal initiatives designed to improve the sustainability of the business. It was therefore a difficult year for many, as colleagues moved on from the business and workplaces changed.

On behalf of the Board, I would like to recognise the amount of change and personal impact that this period of the Company has had on our employees and thank them for their continued hard work and loyalty. Together, we will make Trifast a great place to work again.

Looking forward
It is essential that Trifast becomes more resilient, and the new strategy and transformation plan that Iain and the Executive Leadership Team have developed under the Recover, Rebuild, Resilience framework is aimed at achieving that, and the Board is pleased that progress on 'Recover' has already begun during FY24. The business will be focusing on the commercial outcomes, whilst building a strong new culture where our people thrive, so we can continue to delight our customers and drive shareholder value.

To read the Chair's letter in full please refer to pages 4-5 of the 2024 Annual report.

Trifast plc
Annual results for the year ended 31 March 2024
Extracts from the CEO Review by the Iain Percival

This year's Annual Report reflects a year of transformation for Trifast; a year where we have faced challenges but can also reflect and celebrate success. We delivered a resilient trading and operational performance in a challenging macroeconomic and geopolitical environment impacting our customers' demands. I am proud of our achievements, delivered through our dedicated people. Without their significant efforts and contribution, our FY24 achievements would not have been possible. I look forward to celebrating further success this year as we collectively execute on the first phase of our journey.

Our journey - Recover - Rebuild - Resilience
In 2023, TR celebrated 50 years of business with a proud heritage of serving customers with engineered fastening supply chain solutions. I feel privileged and excited to be leading our business as we write the next chapter of our growth and success story.

Trifast has gained many strengths over that 50-year history which represent a solid platform on which to build:

- We are passionate about the customers that we serve, whether that is a single engineered component or fulfilling a customers' fastening requirements with both product and supply chain solutions
- We have a loyal, skilled and experienced team
- We are positioned to serve our customers using our engineering, manufacturing and distribution capabilities globally

'One TR'
Whilst celebrating our core strengths and achievements, we must also recognise that the last few years have been challenging for many of our customers and also for our business. I have set out in the Annual report attached to this announcement the transformation plan that will underpin a return to sustained profitable growth within a safe, engaged and consistent people culture called **'One TR'**.

Our transformation journey will take us through three phases:

- **Recover**
  Our initial focus is returning to positive margin growth. Despite the continued challenging macroeconomic and geopolitical environment in which we are operating, our clear ambition in FY25 is to deliver measurable progress in profitability, cash generation and return on capital employed. This will be achieved through focused margin management actions, supporting our positive profitable growth with new pipeline wins, combined with continued strict cost control and working capital management.

This is all supported by our increasingly robust approach to risk management, more of which can be read about in our Annual report.

- **Rebuild**

Our medium-term ambition of the Company strategy is to deliver a business which is performing with EBIT Margins >10% and ROCE of >12% through the execution of our new focused business strategy and transformation plan.

- **Resilience**

We will implement best practice in our people and business processes that become our means of generating profitable growth momentum and delivering longer-term EBIT margins in the range 12-15% and ROCE in the range 15-20%, and a business that is able to sustain that level of high performance through future economic cycles and continued supply chain challenges.

Business strategy
We have spent time during this year challenging our business strategy, reflecting on what we truly believe to be our winning ambition

We have spent time during this year challenging our business strategy, reflecting on what we truly believe to be our winning ambition, where we play, how we win and what capabilities are required to execute successfully.

Trifast has operated successfully for many of its 50-year history as a company built through a series of acquisitions globally. In the past few years, challenges around supply chain and demand volatility, as well as increased customer and stakeholder expectations and demands, has stretched our ability to support what is a diverse portfolio of operations and markets.

Our new business strategy is therefore built on ensuring we recognise, build and focus our core strengths of customer focus, excellent quality and service, fastening supply solutions and manufacturing and engineering capability in selected markets and geographies where we can align this value proposition with our core customer needs and expectations.

Building capabilities

We have started to reshape the organisation to align with our business strategy, creating an organisational structure of four regional leadership teams, each headed by a Managing Director that sits on the Executive Leadership Team (ELT). These regional teams are fully accountable for their profit and loss and cash flow performance and are supported by six central enabling functions. Both our ELT and our Senior Leadership Team, those senior leaders who report directly to ELT members, are aligned and incentivised per our variable pay policy through a management bonus scheme linked directly to delivery of our strategy and budgeted financial performance.

Recognising that we are managing transformative change, there has been investment into experienced transformation skills that will ensure we programme, and project manage strategy execution effectively.

To support our value proposition, we will also invest in key account management and application engineering which we see as a critical component of our differentiation and competitive advantage in the market, helping our targeted customers solve their fastening supply chain solution needs.

Finally, having now completed Project Atlas, to replace the outdated Tribune ERP system with Microsoft D365, and given the increased needs of our customers in helping deliver agile and data driven solutions, we will be augmenting our existing technology systems with targeted transformation projects.

Our people

Our people are at the centre of our business. It is their passion, talent and drive for quality and service excellence that stands out for our customers time and again and sets Trifast apart from the competition. This was echoed in the customer feedback we received during our strategy review. I am truly grateful for all the support and hard work of our people, in what has been a year of challenge and change.

Our new organisational structure has fundamentally changed the business from operating as individual profit centres to a standardised regional business supported by central enabling functions. This more streamlined approach has allowed us to both reduce the overhead cost, whilst facilitating clearer accountabilities and responsibilities, and enable best practice leverage. There are already benefits being delivered through enhanced teamwork.

Our new strategic direction

When starting our strategic review process last year, we felt it important to reflect on the strong legacy of being a passionately customer focused business whilst taking the time to understand how their needs are changing and how our differentiated capabilities at Trifast can ensure that we **Recover**, **Rebuild** and deliver a **Resilient** future.

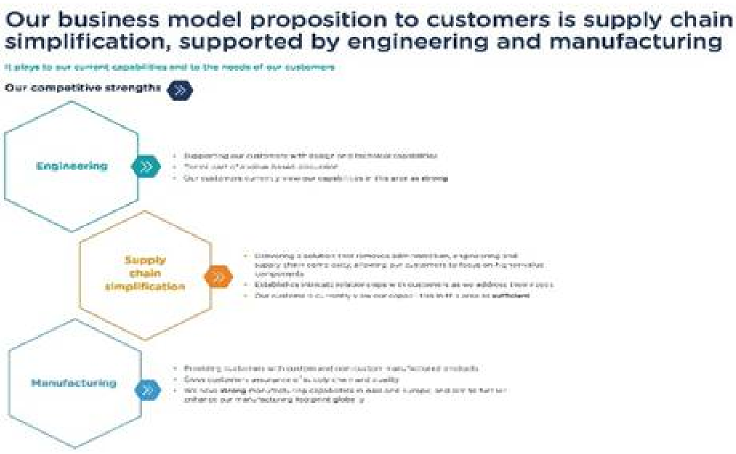
Our new purpose statement is a consequence of customer, employee and other external stakeholder feedback and helps us shape our new focused business strategy.

We recognise that our role is to help our customers remove and manage complexity in their fastener supply chain and add value to our relationship through the engineering and manufacturing talent and capabilities we have. We are rightly proud of the high quality, reliable and responsive solutions that we provide our customers every day and of the knowledge and expertise we can leverage to help them succeed.

Our ambition, described through our **Recover**, **Rebuild**, **Resilience** journey, is to create a high performing Trifast that is a safe, inclusive and an enjoyable place to work for our employees and operates at the upper quartile of the industrial peer group performance resiliently.

We recognise that whilst Trifast retained strong performance for our customers, our fragmented strategy and business model meant we lost momentum in delivering sustainable and acceptable financial returns.

Our new business strategy sets out the approach we will take to address the short, medium and longer term delivery of a sustainable and profitable growth business.



To read more about our new strategic direction please refer to pages 10-17 of the 2024 Annual report.

To read the CEO review in full please refer to pages 6-9 of the 2024 Annual report.

Trifast plc

Annual results for the year ended 31 March 2024

Extracts from the Financial review by Kate Ferguson, Interim CFO

As highlighted in Iain's CEO review, we faced various challenges but also celebrated some significant achievements as we commenced our Recover, Rebuild and Resilience journey in FY24.

Recover: We have significantly stabilised our balance sheet through control of inventories and subsequent reduction in net debt.

Rebuild: Despite the challenging year and revenue decline, we made gross and EBIT margin improvements through our commitment to deliver better gross margins and offset inflationary pressures through a reduction in non-operating headcount.

We are especially proud of the consolidation of the National Distribution Centre (NDC) in the Midlands and, the successful completion of the Atlas project with the implementation of D365 in Houston, Texas.

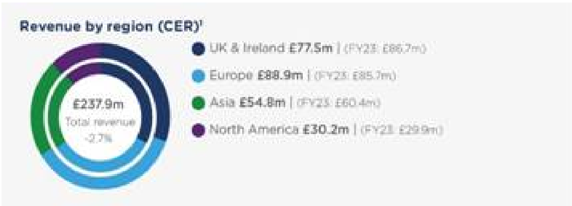
FY25 will see a greater focus on efficiency targets during our Rebuild phase. This will drive our strategic mid-term commitment to achieve 10% EBIT margin.

Resilience: Beyond FY25, we see significant opportunity for sustainable growth. We have refreshed our strategy and are committed to executing it successfully.

Revenue

FY24 revenue declined by (2.7)% to £237.9m (AER: (4.4)% to £233.7m; FY23: £244.4m). It was a challenging year with performance hampered by volatile demand in the distribution business and customer destocking activity. (Further details on page 31 of the Annual report and note 2 of this announcement).

Gross margin was 25.5%, 20bps higher than FY23 (AER: 25.4% and 10bps higher than FY23).



1. Revenue by regions include intercompany sales

Pricing initiatives countered the impact of cost inflation (on raw materials, freight and supply of energy), and higher-than-anticipated costs to consolidate the UK distribution into one National Distribution Centre (NDC). We expect most of the benefits for the NDC will be realised in FY25.

Underlying operating profit was £12.7m, £0.7m higher than last year (FY23: £12.0m). On an AER basis it was in line with the last year.

On 2 June 2023, the Group signed a new revolving credit facility (RCF) agreement, supported by a UK Export Finance - Export Development Guarantee (UKEF - EDG) agreement, providing a combined facility limit of £120.0m. Interest margins on the new facilities increased within a range of between 2.1%-3.6%, in line with market conditions.

The higher interest and average borrowings resulted in a £2.7m increase in net finance expense which reduced the underlying profit before tax to £7.2m (AER: £6.5m; FY23: £9.3m).

As a response to the higher interest rates, the Group focused efforts on improving working capital to reduce net debt.

Consequently, adjusted net debt reduced to £21.0m (FY23: £38.0m) primarily due to the significant reduction in gross inventory to £82.3m from £98.7m in FY23.

The leverage ratio under the new banking arrangement was 1.3x (FY23: 2.2x under old facility). This remains within the covenant range of < 3.0x. An addendum to our interest cover covenant was signed in May 2024 and the ratio was 3.6x as at 31 March, within the temporary covenant range of 3.5x. Headroom under the new facility was £76.7m. Details of the refinancing arrangement are provided within the Annual report (note 26).

Dividend policy

Our focus on growth through the transformation process allows us to remain committed to a progressive dividend policy that shares the benefit of ongoing growth with our shareholders.

As a Board we are proposing the final dividend in FY24 at 1.20p (FY23: 1.50p). This, together with the interim dividend of 0.60p (paid on 11 April 2024), brings the total for the year to 1.80p per share (FY23: 2.25p). The final dividend, subject to shareholder approval at the AGM, will be paid on 11 October 2024 to shareholders on the register at the close of business on 13 September 2024. The ordinary shares will become ex-dividend on 12 September 2024. The underlying dividend cover is currently 0.9x; the Board considers that an appropriate future level of underlying dividend cover is in the range of 3.0x to 4.0x.

Dividend Re-investment Plan

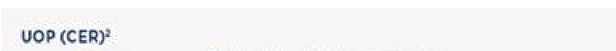
With effect from the Company's final dividend, which will be paid on 11 October 2024 to shareholders on the register on 13 September 2024, the Company will be introducing the option for shareholders to invest their dividend in a Dividend Re-investment Plan ("DRIP"). Participation in the DRIP is optional and will not affect shareholders' cash dividends unless they elect to participate in the DRIP.

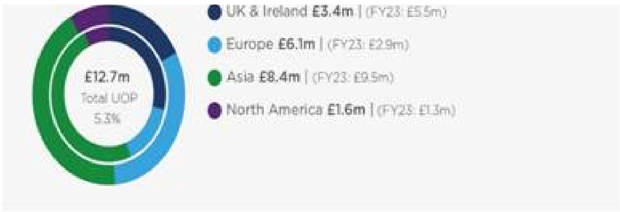
Shareholders will have the option to elect for their cash dividend payment to be automatically re-invested through the purchase of additional ordinary shares in the Company. Shareholders wishing to receive their dividends via the DRIP should complete the online DRIP election form, which can be accessed at www.investorcentre.co.uk, or if a CREST Member, shareholders can submit their election using the CREST system before 20 September 2024. The DRIP document mailing date to shareholders will be 21 October 2024.

Underlying operating profit (CER)

The underlying operating profit (UOP) increased to £12.7m with a UOP margin of 5.3% (FY23: 4.9%).

In Europe, UOP margins increased 350bps to 6.9% and operating profit improved to £6.1m (FY23: 3.4% and £2.9m). In addition to the transfer of the distribution business from the UK to TR Germany, there was higher margin in Sweden and significant margin improvement in TR Italy resulting from actions last year to manage rising costs, price increases and improved plant utilisation.





2. After deducting central costs

In the UK & Ireland, UOP margins decreased from 6.4% to 4.4% with UOP at £3.4m (FY23: £5.5m). Decline in distribution sales was the main contributor, offset by improvement in the light vehicle sector following the reduction in semiconductor shortages.

The lower UOP also included the transfer of the European distribution business to Germany and was partially offset by the delivery of costs savings from the NDC.

UOP in Asia has decreased from £9.5m to £8.4m at a UOP margin of 15.4% (FY23: 15.7%). Consumer demand in China was low in our second half-year and, overall general market softness impacted across the Asia region. During the period, we did however see a significant uplift in light vehicle activity at TR Malaysia and Thailand, together with price increases in TR Malaysia.

North America UOP increased £0.3m to £1.6m, a 5.4% margin (FY23: £1.3m, 4.2%). The improvement was driven by new contract wins in the light vehicle sector across several vehicle models. Production started on new models in the second half of FY24 at a higher margin, while production ended for several older lower-margin models. The other sectors general decline was driven by customers burning through their excess stock following the Pandemic.

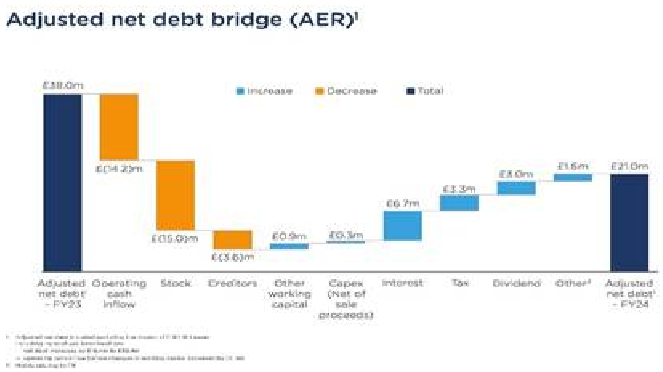
Central improved to a loss of £6.9m (FY23: £7.2m), driven by operational efficiencies and reduction in headcount as part of a series of self-help initiatives.

Operating cash flow (AER)

The Group has seen excellent operating cash flow in 2024. Operating cash flow from operations was £31.9m (FY23: £6.5m), equating to a cash conversion of underlying EBITDA of 173.0% (FY23: 33.6%). The improvement was driven by the material reduction in working capital: net inventory reduced by £15.0m (FY23: £0.2m) and trade creditors increased by £3.6m (FY23: decreased by £11.7m).

Adjusted net debt

The Group's adjusted net debt has decreased by £17.0m to £21.0m (FY23: £38.0m) supported by an operating cash inflow before working capital of £14.2m. This was partially offset by interest payments of £6.7m (including arrangement fees of £1.5m on the refinancing in the year), tax payments of £3.3m and dividend payments of £3.0m. The net spend on property, plant, equipment and intangibles was only £0.3m as acquisition of PPE (£4.6m), primarily relating to our investments in the NDC and in our manufacturing plant in Italy, were significantly offset with proceeds from sale of PPE (£4.2m) relating to the sale of the Uckfield premises in the year.



Banking facilities

The Group signed new banking facilities in June 2023 to support our focus on growth. The two agreements provide a total facility limit of £120.0m, split between an RCF (£70.0m) and a UKEF Export Development Guarantee (EDG) (£50.0m). Interest margins have increased in line with market conditions and will now be within a range of 2.10-3.60% (compared to 1.10-2.20% under the previous RCF). Post year end, KBC Bank NV (KBC) became a lender as part of the RCF agreement. The facility commitment remained at £70.0m as an existing lender transferred part of their commitment to KBC. This commitment will support the Group's treasury strategy and plans in Eastern Europe.

Taxation (at AER)

The underlying effective tax rate (ETR) is high at 66.6% (FY23: underlying effective tax rate: 25.6%). The higher ETR in FY24 is primarily related to deferred tax assets not recognised on tax losses and reversal of deferred tax assets on carried forward losses primarily in the UK region. Subject to future tax changes and excluding prior year adjustments, our normalised underlying ETR is expected to remain in the range of c.20-25% going forward.

Underlying diluted earnings per share (AER)

Reflecting the challenging performance as explained above, our underlying PBT at AER is down 29.8% to £6.5m (FY23: £9.3m). This, coupled with the increase in our underlying effective tax rate, has resulted in a reduction in underlying diluted earnings per share (EPS) of 68.4% to 1.62p at AER (FY23: 5.13p).

Outlook

Whilst the macroeconomic environment continues to present short-term challenges, current trading remains in line with management expectations. We continue to have a strong focus on cash generation to reduce net debt and working capital and are driving EBIT improvement through margin management, focused growth, organisational effectiveness and operational efficiency.

Operationally, we have been setting ourselves up for growth when the market recovers by rightsizing the business through a restructuring programme, the completion of the Atlas Project and the consolidation of the NDC.

We are ensuring our focus remains on core business with the disposal of the TR Norway business in April 2024 and the establishment of a China JV to support our strategy for manufacturing and distribution in China.

We believe there is significant scope for improvement in the mid-term and are confident we will be more profitable, effective and efficient in FY25.

The macroeconomic and geopolitical environment remains volatile, and we continue to be challenged by inflationary pressures. We are confident we have the right strategy to capture margin upside and deliver sustained growth. We believe there is significant opportunity to return performance to historic levels.

Trifast has made strong progress in managing working capital to reduce its net debt through working capital initiatives and remains focused on driving profit initiatives to improve our margins.

To read the Financial review in full please refer to pages 28-35 of the 2024 Annual report.

Trifast plc

Annual results for the year ended 31 March 2024

The notes on pages 168-227 of the 2024 Annual Report form part of these financial statements.

Consolidated income statement
Annual results for the year ended 31 March 2024

	Annual report note	2024 £000	2023 £000
Continuing operations			
Revenue	3, 35	**233,671**	244,391
Cost of sales		**(174,404)**	(182,462)
Gross profit		**59,267**	61,929
Other operating income	4	**721**	510
Distribution expenses		**(6,633)**	(6,727)
Administrative expenses before separately disclosed items		**(41,321)**	(43,728)
Acquired intangible amortisation	2, 13	**(1,780)**	(1,798)
Project Atlas	2	**(2,079)**	(1,722)
Restructuring and related charges	2	**(1,491)**	(4,235)
Impairment of non-current assets	2, 10,12,13	**(1,964)**	(2,926)
Settlement for loss of office	2	**-**	(1,050)
Aborted acquisition costs	2	**-**	(261)
Total administrative expenses		**(48,635)**	(55,720)
Share of loss of joint venture accounted for using the equity method	36	**(90)**	-
Operating profit / (loss)	5, 6, 7	**4,630**	(8)
Financial income	8	**269**	158
Financial expenses	8	**(5,688)**	(2,842)
Net financing costs		**(5,419)**	(2,684)
Loss before taxation	3	**(789)**	(2,692)
Taxation	9	**(3,651)**	(174)
Loss for the year			
(attributable to equity shareholders of the Parent Company)		**(4,440)**	(2,866)
Loss per share			
Basic	25	**(3.29)p**	(2.12)p
Diluted	25	**(3.29)p**	(2.12)p

Consolidated statement of comprehensive income
for the year ended 31 March 2024

	2024 £000	2023 £000
Loss for the year	**(4,440)**	(2,866)
Other comprehensive income / (expense) for the year:		
Items that may be reclassified subsequently to profit or loss:		
Exchange differences on translation of foreign operations	**(5,075)**	4,053
Gain / (loss) on a hedge of a net investment taken to equity	**889**	(1,655)
Other comprehensive income / (expense)	**(4,186)**	2,398
Total comprehensive (expense) / income recognised for the year		
(attributable to the equity shareholders of the Parent Company)	**(8,626)**	(468)

Trifast plc
Annual results for the year ended 31 March 2024

Consolidated statement of changes in equity
for the year ended 31 March 2024

	Share capital £000	Share premium £000	Merger reserve £000	Own shares held £000	Translation reserve £000	Retained earnings £000	Total equity £000
Balance at 31 March 2023	**6,805**	**22,530**	**16,328**	**(3,017)**	**14,682**	**78,561**	**135,889**
Total comprehensive expense for the year:							
Loss for the year	-	-	-	-	-	(4,440)	(4,440)
Other comprehensive expense for the year	-	-	-	-	(4,186)	-	(4,186)
Total comprehensive expense recognised for the year	-	-	-	-	(4,186)	(4,440)	(8,626)
Issue of share capital	1	7	-	-	-	-	8
Share-based payment transactions (net of tax)	-	-	-	-	-	(67)	(67)
Movement in own shares held	-	-	-	823	-	(823)	-
Dividends	-	-	-	-	-	(3,026)	(3,026)
Total transactions with owners	1	7	-	823	-	(3,916)	(3,085)
Balance at 31 March 2024	**6,806**	**22,537**	**16,328**	**(2,194)**	**10,496**	**70,205**	**124,178**

Consolidated statement of changes in equity
for the year ended 31 March 2023

	Share capital £000	Share premium £000	Merger reserve £000	Own shares held £000	Translation reserve £000	Retained earnings £000	Total equity £000
Balance at 31 March 2022	**6,804**	**22,512**	**16,328**	**(3,487)**	**12,284**	**84,704**	**139,145**
Total comprehensive income / (expense) for the year:							
Loss for the year	**-**	**-**	**-**	**-**	**-**	**(2,866)**	**(2,866)**
Other comprehensive income for the year	**-**	**-**	**-**	**-**	**2,398**	**-**	**2,398**
Total comprehensive income / (expense) recognised for the year	**-**	**-**	**-**	**-**	**2,398**	**(2,866)**	**(468)**
Issue of share capital	**1**	**18**	**-**	**-**	**-**	**-**	**19**
Share-based payment transactions (net of tax)	**-**	**-**	**-**	**-**	**-**	**5**	**5**
Movement in own shares held	**-**	**-**	**-**	**470**	**-**	**(470)**	**-**
Dividends	**-**	**-**	**-**	**-**	**-**	**(2,812)**	**(2,812)**
Total transactions with owners	**1**	**18**	**-**	**470**	**-**	**(3,277)**	**(2,788)**
Balance at 31 March 2023	**6,805**	**22,530**	**16,328**	**(3,017)**	**14,682**	**78,561**	**135,889**

Note: Company statement of changes in equity can be found on pages 163-164 of the Annual report.

Trifast plc

Statements of financial position

at 31 March 2024

	Annual report note	Group 2024	Group 2023 (restated)	Company 2024	Company 2023
		£000	£000	£000	£000
Non-current assets					
Property, plant, and equipment	10, 11	19,070	19,417	5	6
Right-of-use assets	12	16,450	14,395	55	36
Intangible assets	13, 14	36,275	40,451	6,097	7,854
Equity investments	15,36	159	-	42,186	42,298
Non-current trade and other receivables	19	-	-	61,208	76,848
Deferred tax assets	16, 17	4,256	4,289	63	998
Total non-current assets		76,210	78,552	109,614	128,040
Current assets					
Inventories	18	73,403	90,948	-	-
Trade and other receivables	19	59,039	63,158	3,623	3,754
Assets classified as held for sale	10, 11,29	623	2,130	-	2,130
Cash and cash equivalents	26	20,884	31,798	910	640
Total current assets		153,949	188,034	4,533	6,524
Total assets	3	230,159	266,586	114,147	134,564
Current liabilities					
Trade and other payables	21	36,218	35,507	1,660	2,395
Right-of-use liabilities	12, 20, 26	3,392	3,498	11	21
Other interest-bearing loans and borrowings	20,26	-	-	6,447	-
Provisions	23	2,432	2,809	607	396
Liabilities classified as held for sale	29	348	-	-	-
Tax payable		2,167	2,560	-	-
Total current liabilities		44,557	44,374	8,725	2,812
Non-current liabilities					
Other interest-bearing loans and borrowings	20, 26	41,848	69,825	41,848	69,825
Right-of-use liabilities	12, 20, 26	15,031	12,315	99	17
Other payables	21	892	1,077	-	-
Provisions	23	1,548	1,443	-	-
Deferred tax liabilities	16, 17	2,105	1,663	-	-
Total non-current liabilities		61,424	86,323	41,947	69,842
Total liabilities	3	105,981	130,697	50,672	72,654
Net assets		124,178	135,889	63,475	61,910
Equity					
Share capital		6,806	6,805	6,806	6,805
Share premium		22,537	22,530	22,537	22,530
Merger reserve		16,328	16,328	16,328	16,328
Own shares held		(2,194)	(3,017)	(2,194)	(3,017)
Translation reserves		10,496	14,682	-	-
Retained earnings		70,205	78,561	19,998	19,264
Total equity		124,178	135,889	63,475	61,910

The profit after tax for the Company is £4.6m (FY23: loss after tax £4.3m)

Trifast plc

Statements of cash flows

for the year ended 31 March 2024

	Annual report note	Group 2024	Group 2023 (restated)	Company 2024	Company 2023
		£000	£000	£000	£000
Cash flows from operating activities					
(Loss) / profit for the year		(4,440)	(2,866)	4,663	(4,325)
Adjustments for:					
Depreciation and amortisation	10, 11, 13, 14	5,616	5,471	711	638
Right-of-use asset depreciation	12	4,068	3,640	26	23
Unrealised foreign currency loss / (gain)		(248)	(50)	1	(43)
Financial income	8	(269)	(158)	(1,792)	(1,268)
Financial expense (excluding right-of-use liabilities)	8	4,893	2,412	4,914	2,383
Right-of-use liabilities' financial expense	8, 12	796	430	3	1
Profit on assets classified as held for sale		(2,014)	-	(2,014)	-
Loss / (profit) on sale of property, plant and equipment, intangibles, and investments		(59)	149	-	9
Dividends received		-	-	(15,657)	(7,434)
Equity settled share-based payment charge		(101)	24	1	(398)
Impairment of goodwill and intangible assets	2,3,13	1,476	2,926	1,476	-
Gain on termination of right-of-use liabilities and expense on lease back		(454)	-	44	-
Loans due to subsidiaries written back		-	-	(267)	-
Investments and loans / debtors due from subsidiaries written off		-	-	175	-
Impairment of right-of-use assets and property, plant and equipment	2,10,11,12	1,330	1,426	-	-
Taxation expense / (income)	9	3,651	174	953	(300)
Operating cash inflow / (outflow) before changes in working capital					

Operating cash inflow / (outflow) before changes in working capital and provisions		**14,245**	13,578	**(6,764)**	(10,714)
Change in trade and other receivables		**(4)**	392	**1,037**	(536)
Change in inventories		**14,977**	215	**-**	-
Change in trade and other payables		**3,593**	(10,487)	**(450)**	661
Change in provisions		**(900)**	2,792	**214**	396
Cash generated from / (used in) operations		**31,911**	6,490	**(5,963)**	(10,193)
Tax paid		**(3,335)**	(3,529)	**(10)**	-
Net cash generated from / (used in) operating activities		**28,576**	2,961	**(5,973)**	(10,193)
Cash flows from investing activities					
Proceeds from sale of property, plant, and equipment		**91**	27	-	-
Proceeds from sale of assets classified as held for sale	10	**4,144**	-	**4,144**	-
Interest received		**265**	138	**804**	366
Investment in joint venture		**(162)**	-	**-**	-
Acquisition of property, plant and equipment and intangibles	10,11,13,14	**(4,573)**	(5,625)	**(429)**	(1,394)
Lending to subsidiary undertakings		**-**	-	**(6,421)**	(9,897)
Repayment by subsidiary undertakings		**-**	-	**20,512**	2,125
Dividends received		**-**	-	**15,115**	7,434
Net cash generated (used in) / from investing activities		**(235)**	(5,460)	**33,725**	(1,366)
Cash flows from financing activities					
Proceeds from the issue of share capital	24	**8**	19	**8**	19
Proceeds from new loan		**-**	16,423	**-**	16,423
Repayment of external loans		**(116,500)**	-	**(116,500)**	-
Proceeds from external loans		**91,414**	-	**91,414**	-
Proceeds from loans from subsidiaries		**-**	-	**6,447**	-
Repayment of right-of-use liabilities	12	**(3,362)**	(3,792)	**(22)**	(24)
Dividends paid	24	**(3,026)**	(2,812)	**(3,026)**	(2,812)
Interest paid		**(6,702)**	(2,477)	**(5,803)**	(2,011)
Net cash generated (used in) / from financing activities		**(38,168)**	7,361	**(27,482)**	11,595
Net change in cash and cash equivalents		**(9,827)**	4,862	**270**	36
Cash and cash equivalents at 1 April		**31,798**	26,741	**640**	604
Effect of exchange rate fluctuations on cash held		**(1,087)**	195	**-**	-
Cash and cash equivalents at 31 March		**20,884**	31,798	**910**	640

Trifast plc

Annual results for the year ended 31 March 2024

Summary notes to the Annual Results Announcement:

1. Underlying profit before tax and separately disclosed items

	Annual report note	2024 £000	2023 £000
Underlying profit before tax		**6,525**	9,300
Separately disclosed items within administrative expenses:			
Acquired intangible amortisation	13	**(1,780)**	(1,798)
Project Atlas		**(2,079)**	(1,722)
Restructuring and reorganisation related charges		**(1,491)**	(4,235)
Impairment of non-current assets	13	**(1,964)**	(2,926)
Settlement for loss of office [1]		-	(1,050)
Aborted acquisition costs		-	(261)
Profit / (loss) before tax		**(789)**	(2,692)

	Annual report note	2024 £000	2023 £000
Underlying EBITDA		**19,848**	19,297
Separately disclosed items within administrative expenses:			
Project Atlas		**(2,079)**	(1,722)
Restructuring and reorganisation related charges		**(1,491)**	(4,235)
Impairment of non-current assets	13	**(1,964)**	(2,926)
Settlement for loss of office [1]		-	(1,050)
Aborted acquisition costs		-	(261)
EBITDA		**14,314**	9,103
Acquired intangible amortisation	13	**(1,780)**	(1,798)
Depreciation and non-acquired amortisation		**(7,904)**	(7,313)
Operating (loss) / profit		**4,630**	(8)

1The settlement for loss of office costs of £0.5m (FY23: £1.1m) within restructuring and reorganizational related charges, (see note 2 and 7).

2. Geographical operating segments

The Group is comprised of the following main geographical operating segments:

UK & Ireland

Europe: includes Norway, Sweden, Hungary, Holland, Italy, Germany and Spain

North America

Asia: includes Malaysia, China, Singapore, Taiwan, Thailand and India

Ireland up until FY23 was reported as part of Europe. However, for FY24 it is now reported and reviewed as part of UK & Ireland segment. Hence, for the disclosure in FY24 below Ireland is reported as part of UK segment and FY23 numbers are restated to include Ireland within UK.

March 2024	UK & Ireland £000	Europe £000	North America £000	Asia £000	Common amounts £000	Total £000
Revenue						
Revenue from external customers	73,394	86,403	28,989	44,885	-	233,671
Inter-segment revenue	4,151	1,635	236	7,177	-	13,199
Total revenue	**77,545**	**88,038**	**29,225**	**52,062**	**-**	**246,870**
Underlying operating result	**3,383**	**5,925**	**1,552**	**7,996**	**(6,912)**	**11,944**
Net financing costs	(485)	(1,101)	(1,096)	400	(3,137)	(5,419)
Underlying segment result	2,898	4,824	456	8,396	(10,049)	6,525

Separately disclosed items	(2,336)	(2,552)	(530)	(207)	(1,689)	(7,314)
Profit / (loss) before tax	**562**	**2,272**	**(74)**	**8,189**	**(11,737)**	**(789)**
Specific disclosure items						
Depreciation and amortisation	(2,634)	(3,767)	(825)	(1,723)	(735)	(9,684)
Assets and liabilities						
Non-current asset additions	9,517	1,417	177	713	474	12,299
Non-current assets	24,763	15,352	5,080	20,598	6,161	71,954
Segment assets	73,738	69,610	24,342	55,107	7,362	230,159
Segment liabilities	(21,024)	(17,990)	(3,911)	(11,861)	(51,195)	(105,981)

[1.]Non-current assets exclude financial instruments and deferred tax.

March 2023	UK & Ireland (restated) £000	Europe (restated) £000	North America £000	Asia £000	Common amounts £000	Total (restated) £000
Revenue						
Revenue from external customers	80,620	82,599	29,657	51,515	-	244,391
Inter-segment revenue	6,034	3,075	271	8,893	-	18,273
Total revenue	86,654	85,674	29,928	60,408	-	262,664
Underlying operating result	5,507	2,917	1,256	9,473	(7,169)	11,984
Net financing costs	(376)	(634)	(593)	28	(1,109)	(2,684)
Underlying segment result	5,131	2,283	663	9,501	(8,278)	9,300
Separately disclosed items	4,002	4,073	401	88	3,428	(11,992)
Profit / (loss) before tax	1,129	(1,790)	262	9,413	(11,706)	(2,692)
Specific disclosure items						
Depreciation and amortisation	(2,279)	(3,500)	(902)	(1,770)	(660)	(9,111)
Government support income	-	-	-	-	-	-
Assets and liabilities						
Non-current asset additions	1,231	5,702	1,082	2,222	1,412	11,649
Non-current assets	17,880	19,838	5,920	22,725	7,900	74,263
Segment assets	75,713	82,221	27,426	69,475	11,751	266,586
Segment liabilities	(23,657)	(17,659)	(3,612)	(13,608)	(72,161)	(130,697)

[1.]Non-current assets exclude financial instruments and deferred tax.

There were no material differences in North America between the external revenue based on location of the entities and the location of the customers.

Of the UK & Ireland external revenue, £7.3m (FY23: £12.0m) was sold into the European market. Of the Asian external revenue, £5.3m (FY23: £5.8m) was sold into the North American market and £4.5m (FY23: £7.6m) was sold into the European market.

Within Europe, TR Italy has revenue of £28.2m (FY23: £27.3m) and non-current assets of £10.0m (FY23: £11.7m). Within Asia, TR Formac Singapore has revenue of £18.7m (FY23: £20.4m) and non-current assets of £3.9m (FY23: £4.5m).

Revenue is derived solely from the manufacture and logistical supply of industrial fasteners and Category 'C' components.

3. Revenue by sector (CER)

Europe has seen revenues increase 3.8% to £88.9m (FY23: £85.7m), driven by the uplift in the light and heavy vehicle sectors in Sweden, helped by new and existing customers transitioning to EV technology, and during FY24, we successfully completed the transfer of the European distribution business from the UK to TR Germany. Hungary continues to be impacted by the current downturn in customer demand and the ongoing Ukraine conflict, whilst our manufacturing facility in Italy is starting to see some recovery in legacy business and new business opportunities from manufacturing investment.

In Asia, we have reported a 9.3% decrease in revenue to £54.8m (FY23: £60.4m), mainly driven by the distributor sector and the continuing softness in the Asia market. China is still experiencing low consumer demand following the Pandemic shutdowns and the general macroeconomic climate. The result also appears less favourable in comparison to TR Taiwan's outstanding performance in FY23. There was however a significant uplift in the light vehicle sector in Malaysia and Thailand.

UK & Ireland's revenue reduced by 10.5% to £77.5m (FY23: £86.7m) due to reduced distribution sales as a blend of volume (destocking and demand), lower market pricing and the completed transfer of distribution business to TR Germany.

The decline has been partially offset by revenues from contract OEM customers from new wins secured in FY23.

North America demonstrates continued growth, mainly in the light vehicle sector, offset by declines in E,T&I and general industrial sectors, resulting in revenue of £30.2m (FY23: £29.9m).

4. 2024 Annual report
The Annual report and financial statements for the year ended 31 March 2024 were approved by the Board of Directors on 26 July 2024.

In addition to the link on the front of this announcement to a pdf of the 2024 Annual report, a copy of this report, together with the Notice of Meeting will in due course be available to view and download from the Company website at www.trifast.com. The documents will also be uploaded to the National Storage Mechanism at: https://data.fca.org.uk/#/nsm/nationalstoragemechanism.

The financial information set out in this release does not constitute the Group's statutory Report and Accounts for the years ended 31 March 2024 or 2023. However, it is derived from the 2024 Report and Accounts (**pdf attached to this announcement**).

The Report and Accounts for 2023 has been delivered to the Registrar of Companies and those for 2024 will be delivered in due course. The external auditor has reported on the 2024 Report and Accounts; the report was (i) unqualified, (ii) did not include references to any matters to which the external auditor drew attention by way of emphasis without qualifying the reports and (iii) did not contain statements under section 498(2) or (3) of the Companies Act 2006.

The Independent auditor's report to the members of Trifast plc can be read on pages 151-158 of the 2024 Annual report.

5. Annual General Meeting (AGM)
The Annual General Meeting will be held at the National Distribution Centre, West Midlands on 10 September 2024 at 12.30pm.

The Notice of Meeting, which includes special business to be transacted at the AGM together with an explanation of the resolutions to be considered at the meeting, will be made available on the Company website in due course and communicated directly to shareholders.

Any questions relating to the 2024 Annual report can be sent to: The Company Secretary, Trifast plc, Trifast House, Bellbrook Park, Uckfield, East Sussex TN22 1QW, alternatively email: Companysecretariat@trifast.com.

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About Trifast plc (LSE Main listing: symbol: TRI)

Founded in 1973, Trifast 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.

As an international business we can provide customer support from across key regions in the UK & Ireland, Asia, Europe and North America. In addition to our service locations, we operate several manufacturing facilities focused on high volume cold forged fasteners and special parts. We have also established Engineering & innovation centres to support R&D and customer collaboration across the world.

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.

For more information, visit:
TRIFAST PLC TRI Stock | London Stock Exchange
website: www.trifast.com
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