

The information communicated within this announcement is deemed to constitute inside information as stipulated under the Market Abuse Regulations (EU) No. 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, this inside information is now considered to be in the public domain.

For immediate release

20 November 2024



CHURCHILL CHINA plc
("Churchill" or the "Company" or the "Group")

Trading Update

Churchill China plc (AIM: CHH), the manufacturer of innovative performance ceramic products serving hospitality markets worldwide, provides a trading update on the current financial year, ending 31 December 2024.

As highlighted in our Interim Results, global hospitality markets remain subdued. Revenue in the year to September has been below that expected, but, due to a strong operational performance, profitability has not been affected as significantly. In the final quarter to date, the Company has not seen the normal seasonal uplift in order intake from, particularly, the independent sector. As a result, the Company now anticipates a reduction in its forecast for the final quarter of 2024 and the profitability for the year is consequently expected to be materially below market expectations.

It is anticipated that this softness in our key hospitality markets will continue into 2025 driven by the effects of the UK budget and political uncertainty in some key European markets. In addition, implications of the recent UK budget will materially impact the cost base which can only partially be offset by price increases. Accordingly, actions on costs are being taken to mitigate these cost increases. As a result, the Company believes that the outlook for next year will also be impacted, and the expected profit in the year will be reduced from current market expectations.

This situation does not change the fundamentals of our business. We have high-quality differentiated products with significant growth potential as markets recover, particularly where we currently have low market share. All of which is backed by solid financials of operational cash generation and a strong unencumbered balance sheet.

Robin Williams, Chairman of Churchill China, commented:

"The current macro-economic uncertainty combined with significant increases in our cost base creates near term challenges. We are, however, confident that our core strategy will continue to deliver growth as markets improve."

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