

RNS Number : 6765T
Johnson Service Group PLC
17 January 2025



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AIM: JSG

**Johnson Service Group PLC
(‘JSG’ or ‘the Group’)
Trading Update
Strong performance in line with expectations**

JSG, a leading textile services provider in the UK and Republic of Ireland (‘ROI’), today releases an update on trading.

We expect to announce a strong performance, with total revenue for the year ended 31 December 2024 increasing by over 10% to approximately £513.0 million (2023: £465.3 million), in line with our expectations. The HORECA business achieved revenue of £371.0 million (2023: £322.7 million) and the Workwear business £142.0 million (2023: £142.6 million). On an organic basis, Group revenue has increased by some 3.8% on 2023 levels.

Within HORECA, trading has remained as expected through the final months of 2024 in both the UK and ROI and we expect to report organic revenue growth for the year of some 5.5%. Workwear volumes remain stable, with customer retention levels continuing to gradually improve, to 93% as at December 2024 from 92% at June 2024, and recent new sales expected to benefit performance later into 2025.

Our new HORECA site in Crawley is now operational and the testing of machinery and processes is underway. Recruitment and training is well progressed and the transfer of work from our Dorset sites will commence at pace in the coming weeks. The Empire business, acquired at the beginning of September 2024, continues to trade in line with our expectations.

Net debt (excluding IFRS 16 lease liabilities) at 31 December 2024 was approximately £70.0 million (31 December 2023: £61.7 million).

We expect to report full year adjusted operating profit for 2024, together with an improving margin, in line with current market expectations.

As we move into 2025, the outlook for economic growth, inflation and interest rates is uncertain and, from April, the UK business faces higher costs from well-documented increases in taxation. However, we have a strong business which, as we have previously demonstrated during challenging times, is resilient and well placed to mitigate and manage these headwinds through operational efficiencies and other measures. The fundamental strength of our business, coupled with continued expansion of our geographical coverage and processing capacity, leads the Board to remain confident about delivering another year of progress in 2025 and future growth in the Group's performance over the medium term.

Full year results are expected to be announced in early March 2025.

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