

21 January 2025

Epwin Group Plc
("Epwin", the "Company" or the "Group")

Year-end trading update and notice of results

Underlying operating profit expected to be marginally ahead of market expectations

Epwin Group Plc (AIM: EPWN) the leading manufacturer of energy efficient and low maintenance building products, with significant market shares, supplying the Repair, Maintenance and Improvement ("RMI"), new build and social housing sectors, is pleased to announce its year-end trading update in respect of the year ended 31 December 2024 ("FY 2024").

Resilient trading performance in FY 2024

Trading remained resilient through to the end of the year, despite the macroeconomic and fiscal challenges. The Group has continued to responsibly balance its volume and margin, whilst maintaining a sharp focus on operational efficiency; together this has continued to improve operating margins. As a result, the Group expects to report underlying operating profit for FY 2024 marginally ahead of current market expectations¹ and also ahead of the prior year.

Revenues for the year were in line with market expectations¹, however, H2 saw an improving trend and since the start of September monthly revenues have encouragingly all been slightly ahead of their respective 2023 comparatives.

The Group has continued to make good progress with its strategy. There have been further improvements in operational leverage and efficiency, as well as bolt-on acquisitions which have expanded our trade counter network and our GRP moulding business. New product development has continued alongside the Group's sustainability initiatives, focusing on production optimisation and efficiency. The successful rollout of the new IT system in our Distribution business is beginning to deliver benefits to the business.

Strong cash generation boosting shareholder returns

Cash generation has remained strong and the Group expects to report covenant net debt (pre-IFRS 16) at 31 December 2024 of c. £15.5 million (2023: £14.4 million), an improvement compared to current market expectations¹. This represents year-end leverage of less than 0.5x adjusted EBITDA.

This year-end net debt position was delivered after returning a total of £14.1 million to shareholders including paying out £6.9 million in ordinary dividends and an additional £7.2 million returned to shareholders through the continuing share buyback programme. We also invested £2.9 million in the bolt-on acquisitions.

Confident outlook for both FY 2025 and the medium-term

The Group expects to make further strategic and financial progress in 2025, despite the ongoing current macroeconomic and fiscal conditions which are expected to continue to temper demand in our markets in the first half of 2025.

The increases to Employers' National Insurance and the National Living Wage announced by the Government in the Budget in October 2024 will cost the Group an annualised c.£3 million, before taking account of any impact on other pay thresholds. The Group is confident in its ability to manage these additional unforeseen costs by making adjustments to its operational footprint and through pricing, in order to meet existing market forecast expectations.

Near-term, the Group remains focused on continuing to manage the balance between volume and margin, maintaining service levels and driving further operational improvements. With on-going strategic progress, the Board is confident in the Group's position and in the strength of the medium and long-term demand from its markets.

Notice of results

The Group will announce its full year results for the year to 31 December 2024 on Wednesday 9 April 2025.

Jon Bednall, Chief Executive Officer, said:

"For a fourth consecutive year, the Group has delivered improved financial performance, meeting or exceeding market expectations despite a challenging market backdrop. This year has again demonstrated the resilience of the Group's strategy and operating model, as well as the dedication and expertise of all of my Epwin colleagues. Once again I thank them for rising to the challenge and for the good progress we have continued to make."

"We remain confident in the Group's future prospects and expect to make further progress this year, despite the ongoing macroeconomic and fiscal headwinds."

Notes

(1) Based on Company compiled consensus, the Board believes the average analyst forecast for 2024 revenues to be £325.8 million, underlying operating profit to be £25.8 million and covenant net debt (pre-IFRS 16) to be £16.3 million.

Ends.

Contact information

Epwin Group Plc Jon Bednall, Chief Executive Chris Empson, Group Finance Director	07885 447944
Shore Capital (Nominated Adviser and Joint Broker) <i>Corporate Advisory</i> Daniel Bush / Harry Davies-Ball	0207 408 4090
<i>Corporate Broking</i> Fiona Conroy	
Zeus Capital Limited (Joint Broker) Dominic King / Nick Searle	0203 829 5000
MHP Reg Hoare / Matthew Taylor / Finn Taylor	07885 447944 epwin@mhpgroup.com

About Epwin

Epwin is the leading manufacturer of energy efficient and low maintenance building products, with significant market shares, supplying the Repair, Maintenance and Improvement ("RMI"), new build and social housing sectors.

The Company is incorporated, domiciled and operates principally in the United Kingdom.

Information for investors can be accessed www.epwin.co.uk/investors/

This information is provided by RNS, the news service of the London Stock Exchange. RNS is approved by the Financial Conduct Authority to act as a Primary Information Provider in the United Kingdom. Terms and conditions relating to the use and distribution of this information may apply. For further information, please contact ms@seg.com or visit www.ms.com.

RNS may use your IP address to confirm compliance with the terms and conditions, to analyse how you engage with the information contained in this communication, and to share such analysis on an anonymised basis with others as part of our commercial services. For further information about how RNS and the London Stock Exchange use the personal data you provide us, please see our [Privacy Policy](#).

END

TSTBMMLTMTMTBBA