



7 February 2025

Victrex plc - AGM Statement & Q1 Trading Update

'Solid start; mixed trading conditions; full-year expectations unchanged'

Victrex plc is an innovative world leader in high performance polymer solutions, delivering sustainable products which enable environmental and societal benefit in multiple end-markets. Today's trading update covers the first quarter of FY 2025, from 1 October 2024 to 31 December 2024.

Summary

The Group indicated at the FY 2024 preliminary results in December 2024 that we were seeing a solid start to FY 2025.

Q1 saw good progress in both Group volume and revenue, against a weak quarter in the prior year. Q2 has also started solidly, with January well ahead of the prior year. Despite overall top-line progress, trading conditions remain mixed, with Medical revenues continuing to be subdued on a year-to-date basis, driven by ongoing industry destocking amongst medical device customers.

Our Sustainable Solutions business is seeing year-on-year improvement across Aerospace, Electronics, Energy & Industrial and Value-Added Resellers. We are benefiting from incremental business in Aerospace, whilst Electronics is seeing an improvement in Semiconductor and in smart devices. Automotive performance is currently lower than the prior year, although we expect year-on-year improvement in E-mobility as platform build for 800 volt motors supports increased VictrexTM PEEK content per car.

In Medical, inventory correction amongst major medical device customers continues, with limited visibility on improvement at this early stage. We continue to anticipate progress in Medical as we move through the year.

Q1 performance

- Q1 Group revenue up 9% at £66.6m (Q1 2024: £61.2m).
- Q1 Group volume up 20% at 898 tonnes (Q1 2024: 751 tonnes).
- Group ASP broadly in line with guidance at £74/kg; reflecting currency headwinds, sales mix and a softer Medical performance.

Mega-programmes

FY 2025 is expected to see a significant step-up in our mega-programme revenues, with Aerospace Composites, E-mobility and Trauma set to show progress. In PEEK Knee, we are awaiting the outcome following the regulatory submission in India, supporting the potential of a commercial PEEK Knee in the market in 2025. Following good progress in clinical trials across Europe and India, site recruitment for the US clinical trial is moving forward.

Financial position & cost actions

Victrex's cash generative business model is expected to show further cashflow improvement this year, supporting optionality for growth investment and shareholder returns.

Following our major investment phase in assets and capability, capital expenditure will reduce closer to 8-10% of revenues (approximately £30m) and inventory is expected to unwind towards our target level of approximately £100m. Despite our final phase of inventory unwind in FY 2025, asset utilisation will improve this year. As previously communicated, cost of manufacture will also benefit from lower raw material costs.

We remain focused on tight cost control, alongside our Project Vista self-help programme, which will help underpin profitability through how we Go to Market and serve our customers.

Outlook: full year expectations unchanged

Jakob Sigurdsson, Chief Executive of Victrex, said:

"The Group has delivered a solid start to the year and our full year expectations are unchanged. Based on our momentum at this early stage, our guidance remains for at least mid-single digit volume growth for FY 2025, with underlying PBT growth ahead of volume growth.

"Cost control, self-help measures, higher asset utilisation and lower raw material costs will help to underpin profit improvement in FY 2025. However, we are mindful that current trading conditions remain mixed, with continuing softness in Medical. As a result, profit growth will be weighted to the second half year. This reflects Medical and sales mix, the impact of currency - which is a £7m-£8m headwind to PBT for the year - being heavily weighted to H1 2025, and annualised costs from our new China facility. All of these factors are expected to limit our progress in the first half year, versus H1 2024.

"Victrex continues to have a strong long-term investment proposition. We have a robust, diversified and increasingly differentiated core business, growing commercialisation in our mega-programmes, well invested assets, and the prospect of further cashflow improvement. Overall, we are well-placed for the medium to longer term."

~~Annual General Meeting~~

Victrex's Annual General Meeting will be held today, starting at 11.00am GMT and taking place at JP Morgan, 1 John Carpenter Street, London EC4Y 0JP, United Kingdom.

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About Victrex:

Victrex is an innovative world leader in high performance polymer solutions, focused on the strategic markets of Automotive, Aerospace, Energy & Industrial, Electronics and Medical. Every day, millions of people rely on products or applications which contain our sustainable materials, from smartphones, aeroplanes and cars to energy operations and medical devices. With over 40 years' experience, we are moving beyond the polymer into semi-finished and finished products which shape future performance for our customers and our markets, enable environmental and societal benefit for our customers and drive value for our shareholders. Find out more at www.victrexplc.com

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