

3 April 2025

Coats Group plc

Strategic exit from US Yarns

Coats Group plc ('Coats', the 'Group' or the 'Company'), the world's leading industrial thread and footwear components manufacturer, announces its intention to fully exit from the Performance Materials ('PM') division's US Yarns business based in Kings Mountain, North Carolina. This follows the strategic review of the Americas Yarns business which started in Q4 2024 and has already resulted in the closure of the Toluca, Mexico facility in December 2024.

The strategic review has concluded that the Americas Yarns business does not fit with Coats' future strategy and the exit from this non-core operation will result in a positive annualised impact to both the PM and Group adjusted EBIT margins. The exit process is expected to complete in Q2 and is anticipated to generate a modest cash inflow, after closure costs, and will allow management to focus on driving forward and growing other parts of the Group's attractive portfolio.

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In 2024, revenues and EBIT for US Yarns was 68million and 3million.

About Coats Group plc

Coats is a world leader in thread manufacturing and structural components for apparel and footwear, as well as an innovative pioneer in performance materials. These critical solutions are used to create a wide range of products, including ones that provide safety and protection for people, data and the environment. Headquartered in the UK, Coats is a FTSE250 company and a FTSE4Good Index constituent. Revenue in 2024 was 1.5 billion.

Trusted by the world's leading companies to deliver crucial, innovative, and sustainable solutions, Coats provides value-adding products including apparel, accessory and footwear threads, structural footwear components, fabrics, yarns and software applications. Customer partners include companies from the apparel, footwear, automotive, telecoms, personal protection, and outdoor goods industries.

With a proud heritage dating back more than 250 years and a spirit of evolution to constantly stay ahead of changing market needs, Coats has operations across some 50 countries with a permanent workforce of more than 16,000, serving its customers worldwide.

Coats connects talent, textiles, and technology, to make a better and more sustainable world. Worldwide, there are four dedicated Coats Innovation Hubs, where experts collaborate with partners to create the materials and products of tomorrow. It participates in the UN Global Compact and is committed to validated Science Based sustainability targets for 2030 and beyond, with an aspiration of achieving net-zero by 2050. Coats is also committed to achieving its goals in Diversity, Equity & Inclusion, workplace health & safety, employee & community wellbeing, and supplier social performance. To find out more about Coats visit www.coats.com.

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