

21 May 2025

**Coats Group plc**  
**Trading Update**

***Continued trading momentum - full-year outlook in line with expectations***

Coats Group plc ('Coats', the 'Company' or the 'Group'), the world's leading industrial thread and global footwear component manufacturer, today announces a trading update for the four month period from 1 January to 30 April 2025 (the 'period') ahead of its Annual General Meeting to be held later today.

	1 January to 30 April 2025 revenues vs same period in 2024	
	CER <sup>2</sup>	Reported
Apparel	5%	3%
Footwear	5%	4%
Performance Materials <sup>1</sup>	0%	-3%
<b>Group<sup>1</sup></b>	<b>4%</b>	<b>2%</b>

<sup>1</sup> Excluding US Yarns business

<sup>2</sup> Constant exchange rate (CER) figures are 2024 results restated at 2025 exchange rates

All following references are at CER unless specified.

The Group delivered a good performance in the period with revenue up 4%, reflecting continued momentum in Apparel and Footwear which both achieved 5% year-on-year growth, building further on the recovery seen in 2024. Performance Materials traded in line with expectations, with revenue excluding US Yarns at a similar level to the same period last year, as subdued conditions continue to affect a number of key end markets.

In line with our medium-term financial framework, underlying Group EBIT margins continued to improve, with further efficiency gains funding investment in our growth drivers.

Following the closure of our plant in Toluca, Mexico in Q4 2024, we announced in April 2025 our intention to fully exit from the low-margin US Yarns business based in Kings Mountain, North Carolina. Earlier this month, we agreed to sell the business and assets of US Yarns, and this will generate net cash proceeds of around 16m, with completion expected in June 2025. The US Yarns business had sales of 68m and EBIT of 3m in 2024, and this exit will further improve the quality of the Coats portfolio as well as margins.

### **Outlook**

Given the positive start to the year and our current order book visibility, we expect the first half performance to reflect an adjusted EBIT margin within our medium-term margin target range of 19-21%.

The recently announced US-led trade tariffs have created elevated uncertainty in a number of markets and we continue to monitor this situation closely. This remains a dynamic backdrop and consequently challenging at this point to determine any indirect impact on future demand, but we have been encouraged by the continued positive momentum through the period. The Group is a global market leader with a proven and resilient business model - with a global footprint, low capital intensity, a flexible cost base and proven pricing power - which continues to position us strongly to navigate any market volatility.

Whilst mindful of the dynamic backdrop, our full year expectations remain unchanged, with a broadly equal profit weighting across H1 and H2. We expect another year of strong free cash flow generation, supporting the Group's active and flexible capital allocation strategy. We continue to build a pipeline of attractive acquisition targets to further strengthen our portfolio, with the capacity to take advantage of any opportunities created by any disruption.

### **Commenting on the results David Paja, Group Chief Executive, said:**

"We have traded well in the first few months of 2025 and we expect to finish the first half with performance ahead of the prior year, reflecting both growth and further margin expansion.

It is too early to be definitive on any longer-term impact from tariffs and trade restrictions but I am confident in the Group's ability to navigate different scenarios with a well-honed playbook, while continuing to invest in our growth initiatives. Our client relationships, global footprint and high-quality product portfolio will underpin the delivery of market leading growth and profitability, together with substantial and increasing free cash flow."

The Group will release its 2025 Interim Results on 31 July 2025.

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### **Enquiry details**

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### **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](http://www.coats.com).

### **Cautionary statement**

Certain statements in this trading update are forward-looking. Although the Group believes that the expectations reflected in these forward-looking statements are reasonable, we can give no assurance that these expectations will prove to have been correct. Because these statements contain risks and uncertainties, actual results may differ materially from those expressed or implied by these forward-looking statements. We undertake no obligation to update any forward-looking statements, whether as a result of new information, future events or otherwise.

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