

Zotefoams plc
("Zotefoams" or "Group")

Trading Update

22 May 2025 - Zotefoams, a world leader in supercritical fluid foaming, is pleased to provide a positive trading update for the four months ended 30 April 2025 (the "period"), ahead of its Annual General Meeting to be held today.

Trading in the period has been strong, with the Group maintaining the positive momentum seen in FY24 to deliver overall sales growth in the period of 8% and record revenue of £50.7m.

As announced in March 2025, Zotefoams has re-orientated commercially from the previous product focus of Polyolefin Foams, High-Performance Materials and MuCell Extrusion to a market focus across three key verticals, comprising Consumer & Lifestyle, Transport & Smart Technologies and Construction & Other Industrial. Alongside this, the Group has pivoted to a regional management and reporting structure. Performance is presented in line with this new structure.

Key movements, against the comparative prior year period, were:

- 11% increase in EMEA sales to £40.4m:
 - Consumer & Lifestyle sales up 15% to £24.8m, a vertical currently dominated by the Footwear sector, currently manufactured and managed in the UK and with strong growth in the period of 17%
 - Transport & Smart Technologies sales up 8% to £14.3m, led by continued growth in ZOTEK® F foam sales for aviation and space markets
 - Construction & Other Industrial sales down 9% to £1.3m, reflecting challenging market conditions in China for T-FIT® insulation products
- 5% increase in North America sales to £9.3m:
 - Transport & Smart Technologies sales up 24% to £6.1m, led by strong growth in ZOTEK® F foam sales for aviation and space markets
 - Construction & Other Industrial sales down 15% to £2.8m, with lower demand from our industrial insulation business, which is expected to recover as the year progresses
- The Asia-Pacific region, though currently representing a small portion of the business at £1.0m (down 41% year-on-year), remains strategically important as the Group prepares to commence operations in Vietnam, a key market for the Consumer & Lifestyle vertical.

Zotefoams has begun to execute its refreshed strategy, making notable progress in a number of strategic areas:

- The commercial function has been restructured into a global organisation targeting the three market verticals, existing staff have been repositioned into the new structure and good progress is being made in recruiting industry experts into targeted roles
- The development of a new manufacturing facility in Vietnam continues as planned and will position the Group closer to a key global footwear manufacturing hub. Despite the recent US tariff announcements affecting regional exports, the Board remains confident in this strategic investment for several reasons:
 - The global athletic footwear market remains concentrated in Asia, with China, Vietnam and Indonesia producing approximately 94% of the world's athletic shoes
 - Zotefoams' presence in Vietnam supports its diversified global footprint, serving markets beyond the USA
 - The economics of footwear production, where labour costs represent 20-30% of product price, continue to favour Asian manufacturing locations
 - The Group anticipates the continued migration of footwear industry production from China to Vietnam and Indonesia, with Vietnam maintaining significant competitive advantages in productivity
- Zotefoams continues to advance its innovation pipeline, with encouraging developments in sustainable materials applications across all three verticals
- The North American low-pressure vessel remains on course for commissioning in Q3 2025, enhancing the ability to serve the North American market directly as reshoring of high-value manufacturing increases demand for domestically produced performance materials

Outlook

The Board continues to expect the Group to deliver overall growth in 2025, supported by the strong performance in the period, a growing order book and with good opportunities across all geographies.

While recent US-led tariff announcements may result in some market disruption and associated incremental costs, this presents a manageable headwind rather than a fundamental shift in our market opportunity. The adoption rate of supercritical foams in athletic footwear, currently at 4-6% of the total market, continues to present significant growth potential despite these developments.

Margins through the period have remained robust and in line with expectations. At current exchange rates, the Board expects negligible impact from currency fluctuations on full-year profit. Zotefoams is actively monitoring international

trade developments and is well-positioned with its global manufacturing footprint to adapt to evolving conditions.

The strong performance in the period provides a solid platform from which to deliver further financial and strategic progress in 2025. While mindful of remaining macroeconomic volatility, the Board's full year expectations remain unchanged, and it remains confident about the long-term prospects of the business.

Commenting on the update Ronan Cox, Group CEO of Zotefoams, said:

"I am very pleased with the business performance in the period, with the delivery of further record revenue, and the early-stage progress in executing our refreshed strategy. Zotefoams has significant opportunity to grow in the selected markets where we have a right to succeed, and we are structuring ourselves to maximise this opportunity.

"Our Vietnam investment remains strategically important, despite the evolving backdrop of trade negotiations. The footwear industry's manufacturing base remains firmly established in Asia, with Vietnam continuing to offer strong productivity advantages. While we may need to manage near term disruption effectively, the fundamental proposition of our high-performance materials remains compelling.

"Additionally, our expanding North American production capacity positions us well to capitalise on increasing domestic demand as high-value manufacturing continues to reshore to the USA. This balanced global approach, combined with our focus on technical differentiation and relatively low labour intensity compared to other materials suppliers, enables us to maintain operational flexibility across market cycles and gives us confidence in the year ahead."

Note. The Board understands that current market expectations for the year ended 31 December 2025, prior to release of this trading statement, are revenue of £149.7m and adjusted profit before tax of £19.4m.

- Ends -

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About Zotefoams plc

Zotefoams plc (LSE - ZTF) is a world leader in supercritical fluid foam technology, delivering optimal material solutions for the benefit of society. Utilising a variety of unique manufacturing processes, including environmentally friendly nitrogen expansion for lightweight AZOTE[®] and ZOTEK[®] high-performance foams, Zotefoams sells to diverse markets worldwide across three market verticals, Consumer & Lifestyle, Transport & Smart Technologies, and Construction & Other Industrial. Zotefoams uses its own materials to manufacture T-FIT[®] advanced insulation for demanding industrial markets.

Zotefoams is headquartered in Croydon, UK, with additional manufacturing sites in Kentucky, USA and Brzeg, Poland (foam manufacture), and foam products conversion in Oklahoma, USA and Jiangsu Province, China (T-FIT).

www.zotefoams.com

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