



29 July 2025

JAMES HALSTEAD PLC
(the "Company")

Trading Update

James Halstead plc, the commercial flooring manufacturer and international distributor, is providing the following trading update ahead of its results for the year ended 30 June 2025.

The Company sells, for the most part, commercial flooring across the world and has seen continued confidence in the segment of resilient sheet flooring but has experienced headwinds against sales of luxury vinyl tile (LVT) principally in Europe, the Company has however successfully managed to grow its market share in the UK. Profit before tax is in line with expectations.

Sales in the UK, our largest market, have improved compared to the prior financial year. Having reported that in the prior financial year there was a 5% decline versus the comparative, it is pleasing to note that our performance this year has seen this decline more than fully reverse. This is despite a degree of de-stocking by some customers, particularly those with exposure to the UK domestic carpet market.

Sales volumes of LVT have increased, albeit modestly, in a market segment that has seen a large decline in demand. Sales of Polyflor branded LVT products have held up due to their quality and value together with our widely accepted reputation for sustainability and environmental excellence; factors that have helped increase our market share. LVT and sheet vinyl continue to displace carpet sales in the UK market.

Notwithstanding this backdrop and solid UK performance, our internal expectations for the UK were higher. An anticipated uplift in demand in the education, healthcare and the prison sectors has not, yet, materialised though sales into the aged care and affordable housing sectors are performing satisfactorily.

In Europe, particularly in France and Holland, there has been muted activity in consumer spending which has affected refurbishment demand and new store openings in the retail sector. This has impacted LVT sales and volume declines were further compounded by increased focus of government budgets towards national security, diverting spending away from such areas as construction and social housing.

The products we sell are still regarded as market leading but the year has required reacting to a lower level of sales by tight cost control. In this regard, the simple model of holding stock within our distribution chain to supply demand is tried and tested around the globe.

In our Rest of World markets, sales have generally been more positive with very good growth, especially in the Americas, the Middle East and Mediterranean regions. Additionally, South Asia has seen the growth of recent years continue and is 38% ahead of the comparative of last year.

Notwithstanding the slower sales, the Group's focus on manufacturing efficiency and tight cost control of overheads have protected margins.

Operationally, there has been disruption to global trade routes and shipping movements with the uncertainty of tariffs on sales into the USA which has affected deliveries into many markets. However, these uncertainties have been positive regarding the sale of our UK manufactured goods into the USA, as customers seek alternative suppliers to replace products imported from countries where much higher tariffs have been imposed and with continuing uncertainty. This increased demand is despite an additional 10% duty cost to importers of our UK products.

In summary, the Company anticipates that sales will be marginally below the 2024 comparative with profit slightly below last year's record levels; although remaining within the range of market expectations. Cash generation alongside reserves continue to underpin an ungeared balance sheet, which remains strong.

The Board is confident that the prospects remain solid despite the recent external challenges and side winds.

The Company expects to announce its results for the year ended 30 June 2025 towards the end of September 2025.

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