



7 November 2025

Coats Group plc

Full year in line with expectations, resilient trading, good strategic progress

Coats Group plc ('Coats' or the 'Group'), a world-leading Tier 2 supplier of critical components to the apparel and footwear industries, today announces a trading update for the four-month period 1 July to 31 October 2025 ('the period').

All the following references are at Constant Exchange Rates (CER) unless specified.

Group Performance

Market conditions in the period remained subdued, with continued caution in customer ordering patterns as a result of sustained macroeconomic and tariff uncertainty. Against this backdrop, the Group delivered a resilient performance, in line with our expectations.

Group revenue in the period was down 1%. We saw encouraging growth in target organic adjacencies as well as further outperformance in core markets. We have also successfully managed pricing pressures and flexed our cost base in the period. As a result operating profit was at a similar level to the same period last year, with margins consistent with H1 2025 and improved from prior year, in line with our Group medium term margin target of 19-21%.

Cash generation has remained strong. As anticipated, leverage increased due to the completion of the OrthoLite acquisition at the end of October. We expect year-end leverage to be c.2.2x, consistent with previous guidance, and leverage to fall below 2x by the end of 2026 given the sustained improvement in cash generation.

Divisional Performance

Apparel

Apparel delivered a robust performance in the period with revenue 2% below the prior year period due to challenging end markets. A focus on excellent service and operational agility enabled us to outperform and win share with major brands alongside good growth in China domestic. The division maintained operating margins at c.20% during the period reflecting pricing discipline and favourable mix with customers valuing our premium and sustainable thread offerings.

Footwear

Footwear revenue was 4% lower than the prior year period, stabilising at similar run rates to Q2, a reflection of cautious customer ordering patterns given the ongoing market uncertainty. As expected, operating margin increased during the period, driven by operational initiatives implemented in the past year and an effective pricing strategy. As a result operating profit was in line with the same period last year.

OrthoLite, prior to completion, has continued to perform well, delivering strong revenue growth and maintaining high operating margins. We remain excited about the potential of this high-quality, margin accretive business, which will enable us to expand into the growing open cell insole segment of the footwear market.

Performance Materials

Performance Materials continued to deliver an improving performance. As expected, there was a return to growth in the period with revenue increasing 4% compared to the prior year, driven by accelerated growth in two target adjacencies, safety fabrics and energy tapes, alongside market share gains in automotive thread which offset softness in Telecom end markets. Operating margins for the period were significantly ahead of prior year reflecting the benefit of operational improvements across the division.

Divisional Structure Change

On 30 October the Group announced that it has streamlined its organisation structure into two divisions: Apparel and Footwear, to reflect the transformation of the Group's profile following the exit from the North America Yarns business and the acquisition of OrthoLite. This change reduces internal complexity and aligns the divisions more closely with the underlying textile engineering and polymer science technologies. Coats' external reporting will align to this new structure with effect from the next financial year, the year ending December 2026.

Outlook

Given the resilient performance year to date, the Group's full year outlook remains unchanged, with trading performance in line with market expectations.

The acquisition of market-leading OrthoLite and the portfolio rationalisation actions now taken have improved the quality of the Group. As a result we are on track to continue our outperformance of underlying market growth supported by expansion into target adjacencies and deliver strong cash generation and further margin progression in the medium term. Our confidence is underpinned by our unrivalled global footprint, proprietary technology and sustainability led innovation.

The Group will release its Full Year 2025 results on 5 March 2026. An updated financial framework will be provided at the March results.

Enquiries

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About Coats Group plc

Coats is a world-leading Tier 2 manufacturer and trusted partner for the apparel and footwear industries. We deliver essential materials, components, and software solutions that help our customers grow, compete and win.

With over 250 years of industry expertise, we're shaping the future of the apparel and footwear supply chain through insight-led innovation, impactful sustainability practices, and digital technologies that unlock better product quality, efficiency and performance.

Headquartered in the UK, Coats is a FTSE 250 company and a constituent of the FTSE4Good Index. In 2024, we generated 1.5 billion in revenue and employed 16,000 people worldwide - all united by a spirit of innovation, quality and service. Learn more at www.coats.com or follow us on LinkedIn.

Cautionary statement

Certain statements in this full year report 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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