



ESSENTRA

AGM 2021 TRADING UPDATE

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ESSENTRA PLC

A leading global provider of essential components and solutions

AGM 2021 - TRADING UPDATE

At Essentra plc's ("Essentra" or "the Company") Annual General Meeting ("AGM") to be held later today, Paul Lester, Chairman, will make the following statement.

Update on COVID-19 ("the pandemic")

Our four priorities remain; employee physical and emotional wellbeing, continued high levels of customer support, cash conservation, and building for our future.

The Company continues to proactively monitor the pandemic situation on a country by country basis, and is taking steps to ensure the safety of our people. In particular in our Indian facilities, we are carrying out proactive testing, providing assistance to employees and their families in isolation, as well as arranging medical and emotional support to those infected. In addition, the Company is also assisting customers with BCP solutions to ensure the continuous supply of essential products that they require for their production needs.

Current trading

As previously reported in our Q1 2021 trading statement, the Company had an encouraging start to the year, with revenue growth of 1.4% on a like-for-like (LFL) ¹ basis. This trend of positive momentum has continued with LFL growth for the four months to April of 6.0%, albeit the more recent growth rate is inevitably skewed due to the impact of the pandemic taking its full grip in April last year. Compared to April 2019, the month of April 2021 is broadly flat on a LFL basis.

The growth in April has principally come from our Components division, where end markets continue to improve and our commercial initiatives continue to deliver benefits, and the Filters division, where performance has mainly been driven by outsourcing contracts delivering strong volumes. Packaging remains down year over year owing to the continued impact from a reduction in the level of prescriptions and elective surgeries through lockdown periods, combined with the fact that the prior year comparative benefitted from a boost to 'over the counter' trade due to the pandemic.

Commercial Progress

Within Components, following on from successful implementation in Europe and North America, the roll out of our new digital platform has moved into Asia - with the first Asian sites expected to go-live later this month. We are continuing to invest in our Business Process Redesign (BPR) programme, and are planning to go-live with our first site (Spain) very soon.

In Packaging, the integration of 3C! continues to progress well and is in line with our expectations. Cost actions continue to support margin improvement, paving the way of our journey to reach a 2021 margin exit rate in line with the industry average of 8-10% (barring any major unforeseen macro-economic events).

In Filters, as previously reported, we have recently launched three proprietary Eco-Filter products², which are intended to meet the EU's Single Use Plastics Directive initiatives for plastic-free and biodegradable products. In addition, the division has also actively been helping customers with developing and commercialising other sustainable products into market. Although it is still early stages, we are pleased to confirm that we are partnering with a large customer who is going to trial these products in Europe in Q3 2021. In addition, there are plans to launch Eco-Filters with another MNC customer in early 2022. The China JV remains on track to commence production towards the end of Q2 2021.

M&A update

As we recently announced, the Company has signed an agreement to purchase the business of Jiangxi Hengzhu Electrical Cabinet Lock Co., Ltd ("Hengzhu"), which is an access hardware manufacturer and distributor. The acquisition of Hengzhu strengthens our position in China, enabling us to expand our access hardware range. This acquisition is earnings accretive and will deliver sustainable value to Essentra over the long-term.

The strength of our balance sheet, liquidity position and capital structure mean we are well positioned to pursue attractive bolt-on acquisition opportunities.

Outlook

Recent order book trends continue to improve across the Group, and we expect this positive momentum to continue.

Although the pandemic continues to contribute to an uncertain macro-economic environment, the diverse nature of the Company's end markets provides a degree of resilience against the macro uncertainty caused by the pandemic.

Notes

- (1) Excludes the impact of acquisitions, disposals and foreign exchange
- (2) ECO Sensation, ECO Cavitec and ECO Cavitec Sensation

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Notes to Editors

About Essentra plc

Essentra plc is a FTSE 250 company and a leading global provider of essential components and solutions. Organised into three global divisions, Essentra focuses on the light manufacture and distribution of high volume, enabling components which serve customers in a wide variety of end-markets and geographies.

Headquartered in the United Kingdom, Essentra's global network extends to 34 countries and includes 7,065 employees, 50 principal manufacturing facilities, 32 sales & distribution operations and 3 research & development centres. For further information, please visit www.essentraplc.com.

Essentra Components

Essentra Components is a global market leading manufacturer and distributor of plastic injection moulded, vinyl dip moulded and metal items. Operating in 25 countries worldwide, 15 manufacturing facilities and 25 sales & distribution centres serve more than 82,000 customers with a rapid supply of low cost but essential products for a variety of applications in industries such as equipment manufacturing, automotive, fabrication, electronics and construction. The division also includes the Reid Supply business, which provides a wide range of branded hardware supplies to a broad base of industrial customers, largely located in the US Mid-West.

Essentra Packaging

Essentra Packaging is one of only two multicontinental suppliers of a full secondary packaging range to the health and personal

care sectors, with 25 facilities across three geographic regions. The division's innovative products include cartons, leaflets, self-adhesive labels and printed foils used in blister packs, which help customers to meet the rapidly-changing requirements of these end-markets and can also be combined with Essentra's authentication solutions to help the fight against counterfeiting.

Essentra Filters

Essentra Filters is the only global independent cigarette filter supplier. The twelve sites across nine countries, including three R&D centres, provide a flexible infrastructure strategically positioned to serve the tobacco sector. The business supplies a wide range of value-adding high quality innovative filters, packaging solutions to the roll your own segment and analytical laboratory services for ingredient measurement to the industry: Essentra's offering also includes Heat Not Burn and e-cigarette solutions to the rapidly evolving market for Next Generation Products. The division also includes the Tear Tapes business, which is globally recognised as the leading manufacturer and supplier of pressure-sensitive tear tapes, that are largely used in the tobacco, food and drink and specialist packaging.

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