

FY 2021 PRE-CLOSE TRADING UPDATE

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ESSENTRA PLC

A leading global provider of essential components and solutions

FY 2021 PRE-CLOSE TRADING UPDATE

- Strategic reviews of Filters and Packaging divisions are progressing as planned following the Board's decision to become a pure play Components business
- As previously guided, both reviews are likely to conclude in Q2 2022 earliest
- Overall, a strong Q4 performance, revenue increased +12.7% on prior year on a like-for-like (LFL¹) basis and +11.1% vs. Q4 2019
- Components - another positive performance, LFL trading days adjusted revenue +c.18.5% in Q4 2021
- Packaging - an improving trend with the division returning to LFL growth of +1.1% in Q4 2021
- Filters - a strong performance led by higher volumes of outsourcing, +22.3% in Q4 2021.
- The Company expects to deliver FY 2021 operating profit in the range of analysts' forecasts²

Essentra plc ('the Company') today provides a pre-close trading update for the year ending 31 December 2021.

Strategic Reviews Progressing

The Board has commenced strategic reviews of both the Filters and Packaging divisions, in line with its strategic goal to become a pure play Components business. These reviews are currently running in parallel and progressing as planned. The Board remains focused on maximising shareholder value and it is anticipated that both reviews are likely to conclude in Q2 2022 at the earliest.

Trading performance

Overall, the Group has delivered a strong performance for the year and Q4 2021. Trading is in line with expectations. Thanks to the maintained strength of performance in Components and Filters, albeit against tougher comparatives and against a backdrop of continued global supply chain disruptions, LFL revenue grew 12.7% in Q4 2021 (+11.1% vs. Q4 2019). Order book trends remain strong across the Group and as a result, despite the continuous challenges of the pandemic, the Company is expecting to deliver a total FY 2021 operating profit in the range of analysts' forecasts².

The Components division had another positive quarter. Q4 2021 LFL trading days adjusted revenue grew by c.18.5% compared to Q4 2020 despite a tougher comparative, and is c.14.7% ahead of trading days adjusted 2019 Q4 levels. This performance builds upon the trend of positive momentum delivered throughout the year, as demand remains strong in our end markets and our commercial initiatives support growth. We continue to manage global supply chain disruptions and price increases implemented in H2 have helped offset input cost inflation.

The Packaging division has continued to show improvement throughout the year, with Q4 LFL revenue growth of 1.1% (reported growth 2.1%). In comparison to 2019, Q4 shows a LFL decline of -1.9% (reported growth vs. Q4 2019 10.4%). Performance has been supported by the positive impact from the pricing actions taken in Q3 2021 as well as a pick-up of activity in healthcare markets. The labour availability and retention situation in the US is stabilising, and whilst global supply chain challenges are impacting the availability of raw materials, we maintain our guidance that the Q4 2021 margin will be slightly below 8%.

The Filters division has delivered a strong performance despite tougher comparatives, with LFL Q4 2021 revenue up 22.3% and is 20.5% ahead of Q4 2019 levels. The division continues to benefit from higher volumes from outsourcing contracts and a strong performance in Europe. Further progress has been made in the delivery of its 'game changers' with the China JV continuing to gain momentum after successful commencement in June. Our range of proprietary eco and THP products continue to attract increased interest. The number of projects underway continue to grow significantly.

Commenting on today's results Paul Forman, Chief Executive, said:

"We have delivered a strong Q4 performance with all three businesses delivering growth and having encouraging order books as we start the year. We continue to monitor COVID-19 challenges and take actions to offset the impact of global supply chain challenges which should better position our market leading global businesses for growth in their respective markets.

The Board is making good progress with the strategic reviews of both the Filters and Packaging divisions and remains committed to finding the right outcome for each of our three strong businesses to thrive independently and to maximise shareholder value in the relatively short term."

Notes

(1) Excludes the impact of acquisitions, disposals and foreign exchange

(2) Analyst operating profit (adjusted to exclude intangible amortisation on acquired assets and exceptional operating items) forecasts for FY21 range from £80.7m - 84.3m

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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 7,430 employees, 48 principal manufacturing facilities, 30 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, 14 manufacturing facilities and 23 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 23 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. Currently headquartered in Singapore, the

division has thirteen sites across nine countries, including three innovation centres, providing 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 sectors.

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