

## HY 2022 PRE-CLOSE TRADING UPDATE

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Essentra plc  
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### ESSENTRA PLC

("Essentra" or "the Company")

*A leading global provider of essential components and solutions*

### HY 2022 PRE-CLOSE TRADING UPDATE

- Sale of Packaging to Mayr-Melnhof Group announced for £312m
- Strategic review of the Filters division progressing in line with expectations
- Strong performance in H1 2022, revenue increased 14.0% on a like-for-like<sup>1,2</sup> ("LFL") basis (9.0% LFL growth in Q2) for the continuing business
- Continued to mitigate inflationary headwinds in Components and Filters
- Components continues to deliver with H1 revenue up 12.1% on LFL trading day adjusted<sup>3</sup> basis
- Filters' strong momentum continued, with LFL revenue growth of 15.4% in H1
- FY 2022 adjusted operating profit is expected to be in line with the Board's expectations

On a continuing operations basis, the Group has experienced a strong start to 2022 with the first half delivering LFL<sup>1,2</sup> revenue growth of 14.0% compared to the same period in the prior year, supported by pricing initiatives and volume growth. Q2 trading continued to show good growth momentum albeit against tougher comparatives as expected, with LFL growth of 9.0% compared with Q2 2021.

#### Trading Commentary

The Components division delivered 12.1% LFL growth in H1, with LFL Q2 2022 working day adjusted<sup>3</sup> revenue growth up 9.3% against a tougher comparative. The business has continued to deliver whilst actively managing supply chain headwinds and the impact of COVID lockdowns in China. We have passed through inflationary cost pressures in Q2 and will continue to review price increases in H2.

The Filters division had LFL growth of 15.4% in H1, with LFL Q2 2022 revenue growth of 14.9%. This strong performance has been supported by price and volume growth, and continues to be driven by outsourcing contracts which are delivering in line with expectations. The China JV continues to grow production volumes, despite recently being impacted by temporary COVID restrictions. Business Continuity Plan ("BCP") volumes with multi-national companies ("MNCs") have continued through Q2 and our range of proprietary eco-products<sup>4</sup> continue to generate interest, as we support our customers with commercial launches.

#### Packaging

On 24<sup>th</sup> June 2022, the Company announced the sale of the Packaging division and we expect the transaction to close in Q4 2022. For our half year results ending 30<sup>th</sup> June 2022, Packaging will be accounted for as a discontinued operation.

The division saw H1 LFL revenue growth of 9.6% (Q2 LFL 8.2% growth) as pharmaceutical markets continued to recover. Inflationary cost pressure remains a significant headwind due to raw materials supply challenges.

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

*"I am pleased with the strong start to the year that we have delivered. The strategic reviews remain on track and the recent announcement of the sale of Packaging is the first step to reposition Essentra as a leading manufacturer and distributor of components.*

*Whilst we remain mindful of the current economic environment including ongoing cost inflation, the business remains on track to deliver adjusted operating profit in line with the Board's expectations"*

## **Half year results**

The next scheduled update will be the publication of half year results on 17 August 2022.

## **Notes**

(1) The term "like-for-like" describes the performance of the continuing business, excluding Packaging, adjusting for the impact of acquisitions and foreign exchange

(2) IAS29 'Financial Reporting in Hyperinflationary Economies' has been adopted in Turkey within the Components division

(3) Adjusting for four less trading days during Q2 2022

(4) A higher degradability and non-plastic Filter option. ECO Flute, ECO Active, ECO Sensation, ECO Cavitec and ECO Cavitec Sensation

## **Enquiries**

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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 8,327 employees, 47 principal manufacturing facilities, 28 sales & distribution operations and two research & development centres. For further information, please visit [www.essentraplc.com](http://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, 13 manufacturing facilities and 23 sales & distribution centres serve more than 79,000 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 12 sites across nine countries, including two 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, e-commerce, food and beverage and specialist packaging sectors.

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