

Q3 2023 TRADING UPDATE

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Essentra plc
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ESSENTRA PLC

("Essentra", the "Group", or the "Company")

RESILIENT Q3 PERFORMANCE

Essentra plc, a leading global provider of essential components and solutions, today provides a third quarter trading update for the thirteen weeks ended 30 September 2023 ("Q3").

Trading Update

Consistent with the update shared at the HY23 results, Essentra has continued to deliver a resilient performance in Q3, demonstrating the Group's financial discipline and operational strength, as it continues to make progress towards its medium-term targets.

On a like-for-like¹ ("LFL") and trading day adjusted basis, revenue declined by -7.1% in Q3 2023, compared to the same period in the prior year, an improvement from the decline experienced in Q2 2023 of -11.9% on a LFL and trading day adjusted basis. Sales on a sequential quarter on quarter basis remain broadly stable as guided, whilst prior year comparatives have started to ease after a strong H1 2022 performance.

EMEA performance in the third quarter has experienced market softening, in line with changes to the macro-economic environment. In AMERS, destocking behaviour continues to be observed in distributor end-market channels, whilst the APAC business continues to recover at a gradual pace, driven by the market dynamics in China.

Essentra continues to deliver strong operating margins. All regions continue to maintain sales pricing, and see the benefit of pro-active and disciplined cost management actions. Group central costs that were re-sized in H1 2023, continue to be managed and remain in line with previous guidance.

The acquisition of BMP TAPPI announced on 26 September 2023 remains on track to complete shortly. BMP TAPPI will strengthen the Group's product portfolio and unlock further cross-selling opportunities, in line with Essentra's inorganic growth strategy, and will enhance the Group's manufacturing footprint in Europe.

Outlook

Essentra continues to demonstrate through-cycle resilience, as it has historically, and is well positioned with a robust and differentiated business model, underpinned by its breadth of customers, market categories and geographies, as well as a strong balance sheet.

Reflecting the softer trading environment, the Board expects to deliver adjusted operating profit within its expectations for FY23, but towards the lower end.

1. The term "like-for-like" describes the performance of the continuing business on a comparable basis, adjusting for the impact of acquisitions, disposals and foreign exchange. 2023 LFL sales performance is adjusted for the acquisition of the Wixroyd Group ("Wixroyd") on 1 December 2022.

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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, focusing on the manufacture and distribution of plastic injection moulded, vinyl dip moulded and metal items.

Headquartered in the United Kingdom, Essentra's global network extends to 28 countries worldwide and includes over 3,000 employees, 13 manufacturing facilities, 24 distribution centres and 33 sales & service centres serving c.74,000 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, medical and renewable energy.

For further information, please visit www.essentraplc.com

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