

ESSENTRA PLC*A leading global provider of essential components and solutions***Q3 2019 TRADING UPDATE**

Further to the significant portfolio simplification in H1 2019, this Q3 2019 trading statement is based on the Company's new three divisional reporting structure i.e. with the Tear Tapes business having been absorbed into Filters and the Industrial Supply (Reid) business into Components.

Full year outlook and current trading

Underlying revenue for the period (adjusting for acquisitions, disposals and the closure of the Kilmarnock and Largo packaging sites at the end of 2018) is broadly flat, despite some short term Brexit impacts and a tougher macroeconomic environment. Encouragingly, Filters has delivered its first significant outsourcing deal, contributing to one of its potential "game changers". Both recent acquisitions (Innovative Components and Nekicesa Packaging) are performing to plan, and cost action is in place to build for the future whilst maintaining FY profit expectations in line with consensus.

Group like-for-like (LFL) revenue declined 2.9% for the period (-0.6% underlying).

Total Components revenue was marginally up on the prior year period. A modest decline in LFL Components reflected a softening end-market backdrop (notably in the US and China), being partially mitigated by the continued success of pricing initiatives.

In Packaging, underlying mid-single digit revenue growth (i.e. adjusting for the closure of Kilmarnock and Largo) was in line with expectations. This was reflective of a tougher prior year comparative, and was supported by certain new business wins.

Short term factors consistent with the profile of the business resulted in a revenue decline in Filters. However, our expectation is that this will be reversed in Q4. Good strategic progress is being made on each of the three potential "game changers". In particular, the division has secured a six year outsourcing opportunity with a multinational customer, with annual revenue of c.£8m, covering a range of special filters. The associated upfront capex spend for this opportunity is c.£7.5m.

Commenting on the period, Paul Forman, Chief Executive said:

"We remain focused on delivering the strategies for each of the three divisions, whilst proactively taking cost action to offset the impact of a softer macroeconomic environment. Accordingly, our expectation for FY 2019 remains unchanged. I am pleased with the progress made in one of the potential Filters 'game changers', along with the benefits of a simpler operating and reporting structure across the whole organisation".

Portfolio changes

On 11 July 2019 the Company signed an agreement to divest Card Solutions to Barcodes, Inc., free of cash and debt. The sale completed on 23 July 2019.

On 9 September 2019 the Company announced it had acquired 100% of the share capital of Nekicesa Packaging S.L. from GED Iberian B, F.C.R. and EBN Vaccaria, F.C.R. for an undisclosed cash consideration. This acquisition was made on a cash-free, debt-free basis, and was funded from existing facilities.

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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 c. 8,000 employees, c. 45 principal manufacturing facilities, c. 30 sales & distribution operations and 4 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 29 countries worldwide, 14 manufacturing facilities and 29 logistics centres serve more than 85,000 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 Industrial Supply business (Reid), 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 24 facilities across four 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 seven worldwide locations, plus a dedicated Technology Centre supported by three regional development facilities, 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 e-cigarette and Heat Not Burn solutions to the rapidly evolving market for Next Generation Products. The division now 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.