

## AGM TRADING UPDATE

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Essentra plc

16 May 2023

### ESSENTRA PLC AGM TRADING UPDATE

#### FY2023 expectations remain unchanged

Essentra plc ("Essentra" or the "Company"), a leading global provider of essential components and solutions, today provides a trading update for the four months ended 6 May 2023, ahead of its Annual General Meeting, which is to be held at 13:00 today.

#### Trading update

Consistent with the market environment previously outlined at the FY2022 results, performance has remained robust in our European business during the period, whilst distributors have continued to show signs of destocking, impacting the US in particular. There are signs of improvement in China, which started towards the end of the first quarter.

On a like-for-like<sup>1</sup> ("LFL") trading day adjusted basis, Group sales were down -9.0% in the period, compared to the same period in 2022. This reflects a particularly strong comparator in the prior year, with significant end-market recovery including improving supply chains which enabled the business to recover historically high orderbook backlogs experienced at the beginning of 2022.

Essentra has sustained strong operating margins in the period, demonstrating the underlying resilience of the Company's business model. Margins have been supported by proactive implementation of pricing actions and cost management initiatives, including efficiencies in operating costs as well as central overheads.

As anticipated, the business is seeing improved trends since the start of the second quarter. New daily order intake levels are demonstrating growth relative to FY2022, and the order book provides a good level of visibility into the second half of the year.

The Wixroyd business acquired in December 2022 is performing in line with management expectations and integration is on track. Essentra continues to manage a strong pipeline of bolt-on M&A opportunities, which it is pursuing with a highly disciplined approach.

#### Outlook

The Board remains confident in delivering adjusted operating profit for the first half of the year in line with its expectations, and the 2023 full year outlook remains unchanged. The business has the ability to manage volume impacts through the implementation of pricing actions and careful cost management, validated by Essentra's historical through-cycle margin resilience.

Essentra remains focussed on delivering strong profit margins, servicing its customers and continues to invest in organic growth initiatives, whilst actively managing a strong pipeline of value enhancing bolt-on M&A opportunities, supported by the Company's strong balance sheet.

#### Notes:

1. LFL excludes the impact of acquisitions and foreign exchange

#### Enquiries

**Essentra plc**

Jack Clarke, Chief Financial Officer

**Teneo**

Olivia Peters

Claire Goodman, Investor Relations Manager

essentra@teneo.com

Emma Reid, Company Secretary

Tel: +44 (0)1908 359100

Tel: +44 (0)20 7353 4200

### **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](http://www.essentraplc.com)

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