

Trifast plc

(Trifast, Group or TR)

Leading international specialist in the design, engineering, manufacture, and distribution of high quality industrial and Category 'C' components principally to major global assembly industries

“Our fasteners enable innovation today to build a better tomorrow”

London, Thursday, 22 October 2020: Trifast plc (Main market LSE Symbol: TRI) issues the following unaudited Trading Update ahead of the Group's Half-year results.

Mark Belton, Chief Executive commented:

"I am encouraged by the resilience the Group has shown during recent months. We have a robust balance sheet and are actively pursuing commercial, operational and strategic initiatives that, despite the necessary COVID-19 related caution, will allow us to take advantage of the significant growth opportunities we see."

TRADING UPDATE

Following on from the update given to shareholders at the AGM last month, the Board is pleased to report that trading in the subsequent weeks has continued to be slightly ahead of our FY2021 base case assumptions (previously reported as FY2021 revenue c.16% below prior year), with September being our strongest month in the HY period. October trading levels have also started well in terms of both sales and orders.

Year-on-year HY1 revenue declines (based on constant currency rates (CER)) have largely been consistent across the Group with the exception of Europe where we have seen a faster recovery, most specifically in the domestic appliances and electronics sector, resulting in year-on-year growth returning for the region in Q2. At the same time, automotive trading levels took longer to recover in the period and were significantly subdued in Q1, impacting a number of our entities/locations around the world. However, we are starting to see a more consistent improvement in this market and our automotive focused greenfield site in Spain has continued to report very strong growth throughout Q2.

With around a third of our UK business in automotive, together with the slower relative recovery in the UK economy, this region experienced more challenging trading conditions in the HY. Notwithstanding this, we are very pleased to report that PTS, our UK stainless steel distributor, continues to perform well year-on-year in this more specialist market.

Gross margins remain lower most noticeably due to the reduction in sales, coupled with a shift in product mix as distributor sales have remained more muted in the period. At an underlying operating profit level, we have been able to mitigate the impact of this in part via cost saving actions taken.

OPERATIONAL EXECUTIVE BOARD (OEB)

At the start of this financial year we updated shareholders on the creation of an Operational Executive Board (OEB) made up of global and cross-functional leaders. The Board is delighted by the early impact this team has made in driving the Group strategy. This has been primarily centred on a review and development of the Group's organic growth strategy at both a sector and regional level. However, in the current uncertain environment, wider cost optimisation programmes are also under development by the OEB, with a clear focus on measured and appropriate actions to allow us to both protect and sustain the Group's business whilst positioning it for future growth.

PROJECT ATLAS

Our Group-wide investment programme to build the Trifast of tomorrow continues to progress. We are delighted that, as scheduled, the initial pilot site successfully went 'live' earlier this month. Our global HR system has also begun to be implemented, with our first site 'live' and roll-out expected to now accelerate over the coming months.

BREXIT

Our cross-functional Brexit team, which has been in place for the last three years, has completed its contingency planning. We currently consider that both the operational and financial impact of any Brexit scenario will be manageable in the short-term, although longer-term implications for the wider UK economy remain less easy to predict.

SUMMARY

Once again, the Directors acknowledge and thank all our colleagues for their ongoing work and commitment to the business. Despite the ongoing unpredictability in the macroeconomic environment, the long-term fundamentals of our business model and strategy remain unchanged. As we have said previously, the pipeline and activity levels around the Group remain encouraging.

As a full-service provider to our multinational customers, delivering reliable product engineering, quality and supply, via flexible global logistics solutions, we believe it is these core skills that will allow us to once again grow by increasing market share across a wide customer base.

NOTICE OF RESULTS

We look forward to providing a more detailed update at the time of the Group's Half-year results for the six months ended 30 September 2020 which are scheduled to be announced on Tuesday, 24 November 2020.

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Trifast plc

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Trifast plc (TR) is an international specialist in the design, engineering, manufacture and distribution of high quality industrial and Category 'C' components principally to major global assembly industries.

TR employs c.1,300 people across 33 business locations within the UK, Asia, Europe, and the USA including eight high-volume, high-quality, and cost-effective manufacturing sites across the world. *TR* supplies to over 5,000 customers in >75 countries worldwide, with no one customer representing greater than 7% of revenue. As a full-service provider to multinational OEMs and Tier 1 companies spanning several sectors, *TR* delivers comprehensive support to its customers across every requirement, from concept design through to technical engineering consultancy, manufacturing, supply management and global logistics.

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