

14 May 2015

SIG plc

AGM Trading Statement

SIG plc (“SIG” or “the Group”), a leading distributor of specialist building products in Europe, today issues a Trading Statement for 1 January to 30 April 2015 (“the period”), in advance of its Annual General Meeting which is being held at 12 noon today in Sheffield.

Trading summary

Like-for-like¹ (“LFL”) Group revenues in the period were flat, consistent with SIG’s Q4 2014 performance, and compared to the strong prior year period when LFL sales increased 9.3%. Acquisitions contributed 2.1% revenue growth in the period, with foreign exchange movements adversely affecting sales by 5.7%. As a result Group sales from continuing operations² were down 3.6%.

In the UK & Ireland LFL sales increased 2.8% in the period (January to April 2014: +13.1%), with the UK ahead by 1.3% and Ireland up 20.8%. Following a good start to the year, the Group’s UK business slowed in March and April due to lower collected sales in its roofing division and a softer commercial market, with some industry commentators attributing this to uncertainty ahead of the General Election. Despite this, the Group continues to believe that the underlying construction market in the UK remains robust.

In Mainland Europe, which continues to see variable trading conditions, LFL sales declined 3.0% (January to April 2014: +6.0%). This is an improved performance compared to Q4 2014 when LFL sales decreased 7.4%. LFL sales were down 5.3% in France, and lower by 3.8% in Germany, with both countries showing improved LFL sales performances compared to Q4 last year.

Strategic initiatives

SIG continues to make strong progress on its strategic initiatives to improve business performance and has a high degree of confidence in achieving its target of a cumulative net benefit of at least £20m in 2015 and £30m in 2016, mainly sourced from procurement.

Gross margin continues to benefit from these procurement savings, increasing by around 40bps for the year to date. This follows a 50bps improvement in 2014 and 110bps increase over the four years ended 2014.

Concurrently, SIG is conducting a comprehensive supply chain review which is considering how the Group can most efficiently and best serve its customers. This review remains on track to report later this year, with any savings identified to be incremental to the Group’s current financial targets from its strategic initiatives.

Acquisitions

As set out in its 2014 Final Results, based on the Group’s good cash conversion rates and strong financial position, SIG is targeting expenditure of around £200m on infill acquisitions over the next three years, while maintaining strict hurdle rates.

In the year to date SIG has acquired seven infill businesses for an initial consideration of £35.5m, together with a contingent consideration of up to £6.5m depending on future performance.

Four of the acquisitions were regional infills in the UK roofing sector. The other three were geographic and product infills in Mainland Europe, with activities in the air handling, interiors and insulation sectors.

Outlook

In 2014 the Group reported a strong H1 performance. Against this demanding comparator, and in light of the continuing variable market conditions as well as adverse foreign exchange movements, SIG believes that its reported results will be more weighted towards the second half than previously anticipated.

The Group outlook for 2015 as a whole however remains unchanged. SIG continues to anticipate making further progress, underpinned by its attainment of the net benefit target of at least £20m from its strategic initiatives, a good profit contribution from recently acquired businesses and assuming an improving sales trend in Mainland Europe.

Half Year results

SIG will release its Half Year results for the six months ended 30 June 2015 on 11 August 2015.

¹ sales per day in constant currency excluding acquisitions and disposals.

² reported sales excluding disposals.

Enquiries

SIG plc

Stuart Mitchell, Chief Executive + 44 (0) 114 285 6300

Doug Robertson, Finance Director

Simon Bielecki, Head of Investor Relations + 44 (0) 114 285 6324

FTI Consulting

Richard Mountain/Nick Hasell + 44 (0) 20 3727 1340

Cautionary Statement

This Trading Statement is prepared for and addressed only to the Company's shareholders as a whole and to no other person. The Company, its directors, employees, agents or advisors do not accept or assume responsibility to any other person to whom this Trading Statement is shown or into whose hands it may come and any such responsibility or liability is expressly disclaimed.

Certain information included in this Trading Statement is forward looking and involves risks and uncertainties that could cause the actual results to differ materially from those expressed or implied by forward looking statements. It is believed that the expectations set out in these forward looking statements are reasonable but they may be affected by a wide range of variables which could cause future outcomes to differ from those foreseen in forward looking statements, including but not limited to, changes in risks associated with the level of market demand, product availability and pricing, competitor risk, credit risk, credit insurance, restructuring of SIG and exchange rates. More information about the risks and uncertainties that may affect the Group's performance is contained in the Annual Report to Shareholders for the year ended 31 December 2014. All statements in this release are based upon information known to the Company at the date of this Trading Statement. The Company undertakes no obligation to publicly update or revise any forward looking statement, whether as a result of new information, future events or otherwise.