

12 May 2016

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 2016 (“the period”), in advance of its Annual General Meeting which is being held at 12 noon today in Sheffield.

Trading summary

Group revenues increased 9.3% for the period, with acquisitions contributing 4.9% to growth, currency 3.0% and working days 0.2%. As a result, Group like-for-like (“LFL”) sales were up 1.1%.

Reported revenues in the UK & Ireland increased 9.1% for the period, with LFL sales up 2.8%. LFL revenues for SIGD, the Group’s Insulation and Interiors business, were ahead 3.1% as SIG continued to benefit from an increased customer focus and a resilient UK new build residential market. LFLs in SIG’s Exteriors business were down 1.0%, an improvement over recent quarters, suggesting that there are some signs that the UK Repairs, Maintenance and Improvement market is stabilising.

Reported revenues in Mainland Europe were up 9.6% and LFL sales were down 1.0% for the period. LFLs in France declined 3.1% as the trajectory of the recovery in this construction market continues to be uncertain. However, leading housing indicators remain positive, with new residential starts up 3.1% on a rolling twelve months basis to March 2016.

LFL revenues in SIG’s German business were down 1.0% for the period. The Group delivered positive LFL growth in its other markets of Ireland, Benelux and Poland.

The Group’s gross margin continues to benefit from procurement savings, increasing overall by around 20bps for the period. This further builds on the 40bps gross margin improvement in the first two years of its procurement initiative, which began in 2014.

As reported in its Full Year results in March 2016, the Group has spent £14.6m on five infill acquisitions so far this year. It continues to aim to return leverage to c.1.5x in the medium-term through a slower pace of acquisitions and moderating capital expenditure.

Outlook

While the Group has made a reasonable start to the year, with the key summer and autumn trading periods yet to come, construction markets in Mainland Europe remain uncertain and competitive pressures persist.

However, SIG continues to make progress on its initiatives to improve business performance and has a high degree of confidence in achieving its 2016 targets of a net incremental benefit of £3m in supply chain and at least £10m in procurement.

Based on these management actions, together with the opportunities for growth, particularly in its value added businesses, SIG continues to expect to make progress in 2016 in line with its previous expectations.

Enquiries

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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 2015. 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.