

11 May 2017

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 2017 (“the period”), in advance of its Annual General Meeting which is being held at 12 noon today in Sheffield.

Trading summary

Group revenues from continuing operations increased 6.5% in the period, with currency contributing 5.0% to growth, acquisitions 0.7%, offset by fewer working days (0.6)%. As a result, Group like-for-like (“LFL”) revenues were ahead by 1.4%, in line with expectations.

LFL revenues were up by 0.5% in the UK & Ireland and up by 2.4% in Mainland Europe. France in particular recorded a much improved performance, with LFLs increasing 3.1% as SIG began to benefit from an improving French residential construction market. LFLs in SIGD, the Group's insulation and interiors business in the UK, were up 0.3%. Air Handling continued to grow strongly, with LFL revenues up 16.3% in the period.

SIG has recently closed Metecho, the offsite manufacturer of bathroom pods and utility cupboards contained within its Offsite Construction division, given its sub-scale nature in what is an increasingly competitive and commoditised market environment. The Group has also taken the decision to close its small scale Austrian operations and is in the process of winding these down.

Leverage

Leverage reduction remains a key short-term priority for the Group. Management continues to pursue a number of actions to strengthen the Group's balance sheet including asset disposals, more tightly focusing on cash generation and working capital management, and moderating capital expenditure.

As a result of these and other measures, and from an expected seasonal peak at the half year, SIG expects leverage to decline in the second half of 2017. The Group is targeting leverage to return to its 1.0 – 1.5x range in 2018.

Outlook

The Group's 2016 results were weighted towards the first half of the year. Accordingly SIG expects its H1 2017 performance to be lower than that achieved in H1 2016, and to be comparable with H2 2016. For the full year 2017 the Board expects the business to show a stronger second half, as is usual.

This year has started in line with expectations. Whilst some increased supplier price inflation is being seen and there exists political uncertainty in some of SIG's major countries of operation, the Group will continue to focus on driving improved customer service and operational performance in competitive markets.

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 2016. 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.