

5 July 2017

SIG plc Half Year Trading Update

SIG plc (“SIG” or “the Group”), a leading distributor of specialist building products in Europe, today issues a trading update for the six months ended 30 June 2017.

Trading summary

Trading in the first half of the year was in line with expectations. Group revenues from continuing operations increased by 8.1% to c.£1,417m, with currency contributing 5.3% to growth, acquisitions 0.5%, offset by fewer working days 0.1%. Like-for-like (“LFL”) revenue growth showed a marked improvement on H2 2016, as set out in the table below.

LFL revenue growth	H1 2017	H2 2016	H1 2016
SIGD	1.6%	0.0%	2.2%
SIGE	(0.3)%	(0.8)%	(1.0)%
Ireland	4.7%	2.8%	4.7%
Offsite Construction	(2.3)%	(15.7)%	33.5%
Other	(16.9)%	14.9%	46.4%
UK & Ireland	0.7%	(0.1)%	2.5%
France	4.8%	0.0%	(3.6)%
Germany	1.8%	(0.6)%	(1.4)%
Poland	9.6%	0.2%	4.4%
Benelux	(4.8)%	2.2%	2.6%
Air Handling	12.2%	8.2%	9.0%
Mainland Europe	4.2%	0.5%	(1.0)%
SIG Group	2.4%	0.2%	0.8%

SIG recorded an improved performance in the UK as it successfully passed on increased supplier price inflation to customers. In Mainland Europe LFLs increased 4.2% as the Group continued to benefit from the recovery in construction markets, particularly in France.

Leverage

Leverage reduction remains a key near-term priority for SIG. The business is beginning to respond to actions taken to strengthen the Group’s balance sheet, including asset disposals and tighter control over cash, working capital and capex. As a result, the Group now expects its net debt at 30 June 2017 to be lower than at 31 December 2016 (£259.9m). This improved level of net debt should result in a lower seasonal peak in half year leverage and facilitate a reduction in leverage in the second half of 2017, towards the target range of 1.0 – 1.5x in 2018.

Outlook

As previously stated, given that the Group’s 2016 results were weighted towards the first half of the year, SIG expects its H1 2017 performance to be lower than that achieved in H1 2016 and comparable with H2 2016.

For the full year 2017 the Board expects the business to show a stronger second half, as is usual. Key risks to the full year include the increased political and macro uncertainty in the UK, potentially mitigated by continuing improvement in confidence in European markets.

The Group will announce its Half Year results on Tuesday 8 August 2017.

Enquiries

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Cautionary Statement

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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.