

21 November 2017

## SIG plc

### Trading Update and Strategy Day

SIG plc (“SIG” or “the Group”), a leading European supplier of specialist building products with strong positions in its core markets of Insulation & Interiors, Roofing & Exteriors, and Air Handling, today issues a trading update for the period from 1 July 2017 to 31 October 2017 (“the Period”).

#### Trading summary

Group revenues from continuing operations increased by 6.7% in the Period, with currency contributing 2.5% to growth, offset by the effect of fewer working days (0.2)% and the impact of acquisitions (0.2)%. As a result, Group like-for-like<sup>1</sup> (“LFL”) revenues were ahead by 4.6%, in line with expectations.

	July to		
LFL revenue growth	October 2017	H1 2017	YTD 2017
SIGD	4.3%	1.6%	2.7%
SIGE	(2.6)%	0.3%	(1.0)%
Ireland	9.6%	4.6%	6.7%
Offsite Construction	8.9%	(2.9)%	1.1%
<b>UK &amp; Ireland</b>	<b>2.5%</b>	<b>1.3%</b>	<b>1.8%</b>
France	8.1%	5.0%	6.2%
Germany	5.1%	1.8%	3.2%
Poland	18.2%	9.6%	13.4%
Benelux	(5.0)%	(4.8)%	(4.9)%
Air Handling	1.6%	12.0%	7.7%
<b>Mainland Europe</b>	<b>6.6%</b>	<b>4.3%</b>	<b>5.2%</b>
<b>SIG Group</b>	<b>4.6%</b>	<b>2.8%</b>	<b>3.5%</b>

<sup>1</sup> like-for-like is defined as sales per day in constant currency excluding acquisitions and disposals.

LFL revenues were up by 2.5% in the UK & Ireland during the Period, with the revenues of SIGD, the Group's Insulation & Interiors business in the UK, continuing to benefit from price increases.

Trading conditions in construction markets across Mainland Europe continued to show signs of improvement, with LFL revenues up by 6.6% during the Period, underpinned by strong performances in France, Germany and Poland.

#### Leverage

Leverage reduction remains a key medium term priority and the Group remains focused on working capital reduction and profit improvement to drive leverage structurally lower. As previously indicated, SIG anticipates that headline financial leverage at the year end will remain broadly unchanged from the first half of this year. The Group continues to target a 1.0 – 1.5x range during 2018 and is aiming to maintain leverage below 1.0x over the medium term.

## Outlook

Ongoing macroeconomic uncertainty in the UK remains the key risk to performance, although the continuing improvement in confidence in Mainland European markets is helping to mitigate weaker second half performance in the UK. As a result, whilst we have seen some changes in our mix, Group margins remain stable and our overall expectations for underlying profitability for the full year remain unchanged.

## Strategy day

Following the appointment of new management earlier this year, SIG has completed a comprehensive review of its strategy, cost base and use of capital. The aim of the review has been to assess the potential profits and returns achievable by the Group over the medium term and to identify the key strategic levers that will drive a step change in performance.

The conclusions of this review will be presented to analysts and investors today at 2.30pm at Etc. Venues, 200 Aldersgate, Aldersgate Street, London, EC1A 4HD. Management will set out its intention to deliver a step change in the operational and financial performance of the Group, as a leading supplier of specialist building products across its existing core markets in the UK and Mainland Europe, targeting a return on sales of c.5% and a return on capital employed of c.15% over the medium term.

The key strategic levers that will drive this step change in performance are a refocus by the Group on customer service and customer value, whilst delivering operational efficiency through reductions in both the operational cost base and the working capital of the Group. Execution of these levers will be underpinned by strong capital discipline, including disposals of some peripheral businesses, and selective investment in key strategic enablers around data, IT and capability.

No new material trading information will be provided at the presentation and a webcast of the presentation will be available on [www.sigplc.com](http://www.sigplc.com) later in the day.

## Enquiries

### **SIG plc**

Meinie Oldersma, Chief Executive Officer	+44 (0) 114 285 6300
Nick Maddock, Chief Financial Officer	+44 (0) 114 285 6300
Hilary Kendrick, Group Communications Director	+44 (0) 114 285 6300

### **FTI Consulting**

Richard Mountain / Nick Hasell	+ 44 (0) 20 3727 1340
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### **Jefferies Hoare Govett**

Chris Dickinson / Paul Nicholls	+44 (0) 20 7029 8000
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### **Peel Hunt LLP**

Justin Jones / Charles Batten	+44 (0) 20 7418 8900
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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.