



30 March 2020

### **SIG plc: Temporary closure of UK and Ireland trading sites and further cost saving measures**

SIG plc ("SIG" or the "Group"), a leading supplier of specialist building materials to trade customers across Europe, announces the temporary closure of its UK and Ireland trading sites in response to the evolving C-19 situation.

#### **UK and Ireland trading sites temporary closure**

As the Group stated on 26 March 2020, SIG is committed to do what it can to trade as normally as possible within local government guidelines, allied to the need to preserve the safety of colleagues, suppliers and customers. We also stated that the Group would keep this position under daily review in every jurisdiction in which it operates.

Since SIG's announcement on 26 March 2020, large parts of our UK market have seen sales fall away rapidly, in common with the broader construction industry. Therefore, we have concluded that it is necessary and appropriate to temporarily close our UK operations – specifically the Distribution and Roofing businesses. In addition, the announcement of further restrictions by the Irish Government on Friday evening has resulted in the suspension of construction activity in the Republic of Ireland. As a result, all Group trading sites in Ireland have also temporarily closed this morning.

However, we will remain open to service critical and emergency projects, such as for the NHS, energy and food sectors, as well as for safety reasons and to ensure that there is an orderly closure programme.

We will be reviewing Government guidance and measures to support business continuity, as well as market conditions, continuously and will re-open as soon as we can.

#### **Further cost saving measures**

We have committed to support all our colleagues during this period of temporary closure. We will ensure that our UK colleagues continue to receive a proportion of their pay during a period of furlough and, in that context, we welcome the introduction of the UK Government's Coronavirus Job Retention Scheme, which will help to support this. Similar Government assistance to retain jobs in Ireland is also welcome.

However, we are asking all our UK and Ireland employees to take lower pay during this period and it is therefore deemed appropriate for all members of the Board to take a 50% cut in pay at this time, from 1 April 2020.

#### **Preparing to re-launch as a stronger business**

The UK businesses have been trading weakly, as indicated in our announcement last week. We do believe, out of adversity comes opportunity: the closure period will be used as an opportunity to develop a revised strategy and organisational model designed to be more sales-led, customer focused and responsive to local market needs. Further details will be shared at our full year results announcement.

## **Full year 2019 results announcement**

The audit of the results for the year ended 31 December 2019 is ongoing and it is anticipated that underlying profit before tax for the year will be in line with the guidance of c.£42 million<sup>1</sup> provided on 9 January, 25 February and 26 March 2020. However, following the FCA's announcement on 26 March 2020 regarding temporary relief for listed companies facing the challenges of corporate reporting during the coronavirus crisis, the Board is re-assessing the timing of this announcement which was due for release at the end of April.

## **Other SIG Group operating companies**

The trading and governmental measures in other markets in which we operate are each different and evolving in different ways. Accordingly, our businesses in France, Germany, Benelux and Poland, as well as our Building Solutions business, continue to be open for trade. As stated above the Group will keep this position under daily review.

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## **Note**

<sup>1</sup> Underlying profit before tax stated before IFRS 16 adjustments, including profit before tax for the Air Handling Division and the Building Solutions business and excluding impairment and other non-underlying profits and losses.

This announcement contains inside information. The person responsible for making this notification is Kulbinder Dosanjh, Company Secretary.

## **Cautionary statement**

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