

THIS ANNOUNCEMENT CONTAINS INSIDE INFORMATION FOR THE PURPOSES OF ARTICLE 7 OF REGULATION 2014/596/EU WHICH IS PART OF DOMESTIC UK LAW PURSUANT TO THE MARKET ABUSE (AMENDMENT) (EU EXIT) REGULATIONS (SI 2019/310) ("UK MAR"). UPON THE PUBLICATION OF THIS ANNOUNCEMENT, THIS INSIDE INFORMATION (AS DEFINED IN UK MAR) IS NOW CONSIDERED TO BE IN THE PUBLIC DOMAIN.

22 October 2021

SIG plc: Strong Q3 and positive outlook for full year

SIG plc ("SIG" or "the Group") today issues a trading update for the third quarter of its financial year ending 31 December 2021 ("Q3" or the "period").

Trading update

Further to the update provided at the time of the Group's interim results, the Board is pleased to confirm that the solid trading performance seen in July and August continued through September.

As a result, like for like ("LFL")¹ sales growth in Q3 was 17% vs the prior year. This follows the 33% reported in H1, a number distorted by the material Covid impact in 2020. Against pre-Covid 2019 comparatives, Q3 growth was 9%, up from the 1% growth seen in H1.

UK Distribution performance provided the principal driver for the acceleration in growth during Q3, with the business moving, as expected, back to growth against 2019 monthly comparators, as the strategic and operational changes made since July 2020 continue to drive the return towards its previous market position and performance. Our France and UK Exteriors businesses, and our Poland business, continue to perform very strongly. Ireland was, as anticipated, a further driver for the Q3 acceleration, rebounding after the H1 impact of local Covid-related restrictions. As previously reported, inflation is also adding to the top line in all geographies, with the Group continuing to pass through cost increases. Profitability continued to improve in the quarter compared to the first half, despite the typical modest seasonal dip in sales volumes in August.

Outlook

Whilst supply issues persist across many product groups, order books continue to build and the outlook for materials shortages has become clearer. We are mindful of the potential impact of these shortages should the situation persist for an extended period, but remain highly confident in the effectiveness of our supply chain management and commercial agility. As a result of the continued strong sales momentum and operating performance, we are now more confident in our near term outlook and expect full year underlying² operating profit to be ahead of current market forecasts.

1. Like-for-like ("LFL") is defined as sales per working day in constant currency, excluding completed acquisitions and disposals.
2. Underlying represents the results before Other items. Other items relate to the amortisation of acquired intangibles, impairment charges, profits and losses on agreed sale or closure of non-core businesses and associated impairment charges, net operating profits and losses attributable to businesses identified as non-core, net restructuring costs, and other non-underlying profits or losses.

Contacts

SIG plc

Steve Francis
Ian Ashton

Chief Executive Officer
Chief Financial Officer

+44 (0) 114 285 6300

FTI Consulting

Richard Mountain

+44 (0) 20 3727 1340

Peel Hunt LLP – Joint broker to SIG

Mike Bell / Charles Batten

+44 (0) 20 7418 8900

Jefferies International Limited – Joint broker to SIG

Ed Matthews / Will Soutar

+44 (0) 20 7029 8000

The person responsible for arranging the release of this announcement on behalf of the Company is Andrew Watkins, Group General Counsel and Company Secretary.

Cautionary Statement

This announcement does not constitute an offer of securities by SIG plc. This announcement may include statements that are, or may be deemed to be, forward-looking statements. By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future and may be beyond the Group's ability to control or predict. Forward-looking statements are not guarantees of future performance. You are advised to read the section headed 'Principal risks and uncertainties' in the Group's Annual Report and Accounts for the year ended 31 December 2020 for a further discussion of the factors that could affect its future performance and the industry in which it operates. Other than in accordance with its legal or regulatory obligations, SIG plc does not accept any obligation to update or revise publicly any forward-looking statement, whether as a result of new information, future events or otherwise.